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ÅRSREDOVISNING 2023

Swedbank PayEx Holding AB

Fastställelseintyg:

Undertecknad styrelseledamot i Swedbank PayEx Holding AB (556714-2798), intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämman den 4 juni 2024. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Jag intygar även att innehållet i årsredovisningen och revisionsberättelsen överensstämmer med originalen.

Stockholm den 7/6 2024

Kerstin Winlöf
Styrelseordförande

20240711117960

ÅRSREDOVISNING 2023

Swedbank PayEx Holding AB

20240711117961

Förvaltningsberättelse

Styrelsen för Swedbank PayEx Holding AB, org.nr 556714-2798 med säte i Stockholm, får härmed avge årsredovisning för räkenskapsåret 1:a januari till 31:a december 2023.

Information om verksamheten

Swedbank PayEx Holding AB är ett helägt dotterbolag till Swedbank AB, org.nr 502017–7753, med säte i Stockholm. Bolagets huvudsakliga verksamhet är att äga och inneha andelarna i PayEx-koncernens dotterbolag. Intäkterna utgörs därmed i sin helhet av koncerninterna intäkter.

Väsentliga händelser under räkenskapsåret

Verksamheten har trots det allmänna läget under 2023 inte påverkats nämnvärt eftersom bolaget saknar externa kunder. Effekterna på längre sikt är svårbedömda och hänger i huvudsak ihop med effekterna för PayEx-koncernen som helhet. Det vi ser är att kostnaderna från leverantörer ökat.

Dotterbolaget PayEx Norge AS valde att lösa sin överkursfond under april 2023 som resulterade i en utbetalning på 117 Mkr till Swedbank PayEx Holding AB samt motsvarande minskning i Aktier och andelar. I april 2023 lämnade bolaget ett aktieägartillskott till PayEx Sverige AB på 122 Mkr. Bolaget har också erhållit ett koncernbidrag på 2 Mkr från PayEx Sverige AB.

Under november tillträdde Raymond Klavestad som VD för bolaget i samband med att tidigare VD Ola Laurin lämnade.

Resultat och ställning

Intäkterna för året uppgick till 7 775 tkr (6 878 tkr). Vissa tjänster såsom PayEx-Gruppens marknadsföringsaktiviteter utförs numer i huvudsak i de affärsdrivande enheterna.

Väsentliga händelser efter räkenskapsårets utgång

Inga väsentliga händelser efter räkenskapsårets utgång har skett.

Hållbarhetsredovisning

Swedbank PayEx Holding AB upprättar i enlighet med ÅRL 7 kap 31§ inte någon lagstadgad hållbarhetsrapport. Moderföretaget Swedbank AB, org.nr 502017–7753 med säte i Stockholm, upprättar hållbarhetsrapport för koncernen i vilken företaget ingår. Koncernens hållbarhetsrapport finns tillgänglig i Swedbank AB:s årsredovisning.

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Fem år i sammandrag

Nyckeltal	2023	2022	2021	2020	2019
Nettoomsättning (tkr)	7 775	6 878	5 951	5 273	38 495
Resultat efter finansnetto (tkr)	-25 809	-1 868	-1 648	-6 335	-1 589
Balansomslutning (tkr)	2 366 321	1 762 487	2 109 396	3 076 380	2 203 621
Soliditet	52%	71%	59%	41%	57%
Medelantal anställda	-	-	-	-	-

Förändring av eget kapital

Antal aktier: 500 000 aktier med ett kvotvärde om 100 kronor. 100 000 A-aktier med röstvärde 10, 400 000 B-aktier med röstvärde 1.

Koncernen	Bundet eget kapital	Fritt eget kapital	Totalt eget kapital
	Aktiekapital	Överkurs (fond)	Balanserad vinst/förlust	
Eget kapital 2022-01-01	**50 000**	**300 099**	**896 428**	**1 246 528**
Årets resultat			-782	**-782**
Eget kapital 2022-12-31	**50 000**	**300 099**	**895 646**	**1 245 746**

Koncernen	Bundet eget kapital	Fritt eget kapital	Totalt eget kapital
	Aktiekapital	Överkurs (fond)	Balanserad vinst/förlust	
Eget kapital 2023-01-01	**50 000**	**300 099**	**895 646**	**1 245 746**
Årets resultat			-24 002	**-24 002**
Eget kapital 2023-12-31	**50 000**	**300 099**	**871 644**	**1 221 744**

Förslag till vinstdisposition

Till bolagsstämmans förfogande står följande vinstmedel (kr):

Överkursfond	300 098 600
Balanserat resultat	20 647 232
Årets resultat	-24 001 982
Summa	**296 743 850**

Styrelsen föreslår att till förfogande stående vinstmedel disponeras enligt följande (kr):

Balanseras i ny räkning	296 743 850
-Varav till överkursfond	300 098 600

Vad beträffar bolagets resultat och ställning i övrigt, hänvisas till resultat- och balansräkningar med tillhörande bokslutskommentarer.

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Finansiella rapporter

Resultaträkning

TSEK	Not	2023	2022
Nettoomsättning		7 775	6 878
Summa rörelseintäkter	**6**	**7 775**	**6 878**
Rörelsens kostnader	**6**		
Övriga externa kostnader	3	-5 282	-5 660
Personalkostnader	4	-70	-153
Avskrivningar och nedskrivningar av materiella och immateriella anläggningstillgångar	5	-2 629	-2 629
Rörelseresultat		-207	-1 564
Resultat från finansiella poster	**6, 7**		
Ränteintäkter och liknande resultatposter		67 761	23 865
Räntekostnader och liknande resultatposter		-93 363	-24 169
Resultat efter finansiella poster		-25 809	-1 868
Bokslutsdispositioner	8	2 000	1 460
Skatt på årets resultat	9	-193	-374
Årets resultat		**-24 002**	**-782**

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Balansräkning

	Not	2023	2022
Tillgångar			
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Varumärke	10	10 518	13 147
Summa immateriella tillgångar		**10 518**	**13 147**
Finansiella anläggningstillgångar			
Andelar i koncernföretag	11	1 544 268	1 554 604
Fordran på koncernföretag		28 478	28 561
Summa finansiella anläggningstillgångar		**1 572 746**	**1 583 164**
Summa anläggningstillgångar		**1 583 263**	**1 596 312**
Omsättningstillgångar			
Kortfristiga fordringar			
Övriga fordringar hos koncernföretag		603 254	117 141
Aktuell skattefordran		1 055	985
Övriga fordringar		261	252
Förutbetalda kostnader och upplupna intäkter	12	177	189
Summa kortfristiga fordringar		**604 747**	**118 568**
Kassa och bank		178 311	47 608
Summa omsättningstillgångar		**783 058**	**166 175**
Summa tillgångar		**2 366 321**	**1 762 487**
Eget kapital och skulder			
Eget kapital			
Bundet eget kapital			
Aktiekapital		50 000	50 000
Fritt eget kapital			
Erhållet aktieägartillskott		875 000	875 000
Överkursfond		300 099	300 099
Balanserat resultat		20 647	21 430
Årets resultat		-24 002	-782
Summa fritt eget kapital		**1 171 744**	**1 195 746**
Summa eget kapital		**1 221 744**	**1 245 746**
Obeskattade reserver	13	-	-
Avsättningar		-	-
Skulder			
Långfristiga skulder	14	903 018	314 672
Leverantörsskulder		144	527
Övriga skulder till koncernföretag		241 138	201 265
Upplupna kostnader och förutbetalda intäkter	15	277	277
Summa skulder		**1 144 577**	**516 741**
Summa eget kapital och skulder		**2 366 321**	**1 762 487**

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Noter till de finansiella rapporterna

Not 1 Uppgifter om företaget

Årsredovisningen avges per 31 december 2023 och avser Swedbank PayEx Holding AB, org.nr. 556714–2798, som är ett svenskregistrerat finansiellt holdingbolag med säte i Stockholm. Adressen till huvudkontoret är S:t Hansplan 1, 621 88 Visby.

Uppgifter om moderbolag och koncernredovisning

Bolaget är ett helägt dotterbolag till Swedbank AB org.nr 502017–7753 med säte i Stockholm. Bolaget och samtliga dotterbolaget omfattas av den koncernredovisning som avges i moderbolaget Swedbank AB varvid ingen koncernredovisning i enlighet med ÅRL 7 kap. 2§ upprättas för bolaget med dess dotterbolag.

Not 2 Redovisningsprinciper

Bolagets redovisnings- och värderingsprinciper

Swedbank PayEx Holding AB:s årsredovisning upprättas med tillämpning av årsredovisningslagen och Bokföringsnämndens allmänna råd BFNAR 2012:1 Årsredovisning och koncernredovisning (K3) och Årsredovisningslagen.

Omräkning av utländsk valuta

Redovisningsvaluta

Bolagets redovisningsvaluta är svenska kronor. Det innebär att de finansiella rapporterna presenteras i svenska kronor. Samtliga belopp är avrundade till närmaste tusental, om inte annat anges.

Transaktioner och balansposter i utländsk valuta

Transaktioner i utländsk valuta omräknas till redovisningsvalutan till den valutakurs som föreligger på transaktionsdagen. Monetära tillgångar och skulder i utländsk valuta räknas om till redovisningsvalutan till den valutakurs som föreligger på balansdagen. Icke monetära tillgångar och skulder räknas om till transaktionsdagens kurs. Valutakursdifferenser som uppstår vid omräkningarna redovisas i resultaträkningen under rubriken Resultat från finansiella poster.

Intäkter

Som intäkt redovisar bolaget det verkliga värdet av vad som erhållits eller kommer att erhållas, det vill säga att intäkten redovisas till nominellt värde (fakturabelopp).

Bolagets huvudintäkter utgörs av koncerninterna intäkter. Den huvudsakliga intäkten utgörs av royalty för varumärket PayEx. Dessa under nettoomsättning.

Inkomstskatter

Skatter redovisas i resultaträkningen utom då underliggande transaktion redovisas direkt mot eget kapital varvid även tillhörande skatteeffekt redovisas i eget kapital.

Aktuell skatt är skatt som skall betalas eller erhållas avseende aktuellt år, med tillämpning av de skattesatser som gäller på balansdagen. Hit hör även justering av aktuell skatt hänförlig till tidigare perioder.

Immateriella anläggningstillgångar

Immateriella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar och nedskrivningar.

Varumärket PayEx är registrerat och skyddat inom EU och andra utvalda länder och rättigheterna kan förlängas i all evighet. Nyttjandeperioden på varumärket är därför uppskattat till 20 år (legal rättighet) och värdet skrivs av linjärt under nyttjandeperioden.

Finansiella tillgångar

Andelar i dotterföretag samt fordringar på koncernföretag värderas till upplupet anskaffningsvärde.

Obeskattade reserver och koncernbidrag

Förändringar av obeskattade reserver, erhållna koncernbidrag och koncernbidrag som lämnas till dotterföretag redovisas som bokslutsdispositioner i resultaträkningen.

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Not 3 Arvoden och kostnadsersättningar till revisorer

MSEK	2023	2022
Revisionsuppdrag PricewaterhouseCoopers AB	-281	-
Övriga tjänster revisor	-	-260
Summa	**-281**	**-260**

Med revisionsuppdrag avses granskning av årsredovisningen, bokföringen samt styrelsens och verkställande direktörens förvaltning samt revision och annan granskning utförd i enlighet med överenskommelse eller avtal. Detta inkluderar övriga arbetsuppgifter som det ankommer på bolagets revisor att utföra samt rådgivning eller annat biträde som föranleds av iakttagelser vid sådan granskning eller genomförandet av sådana övriga arbetsuppgifter.

Not 4 Anställda och personalkostnader

Anställda

	2023	2022
Könsfördelning i styrelse och företagsledning:		
Total antal i styrelse och företagsledning	6	7
Varav män	67%	71%

Personalkostnader

MSEK	2023	2022
Övriga personalkostnader	-70	-153
Summa personalkostnader	**-70**	**-153**

Not 5 Av- och nedskrivningar immateriella och immateriella anläggningstillgångar

MSEK	2023	2022
Av- och nedskrivningar immateriella tillgångar		
Varumärke, avskrivning	-2 629	-2 629
Summa	**-2 629**	**-2 629**

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Not 6 Inköp och försäljning mellan koncernföretag

	2023	2022
Rörelseintäkter		
Varav koncernintern försäljning	100%	100%
Rörelsens kostnader		
Varav koncerninterna inköp	0%	0%
Resultat från finansiella poster		
Varav koncerninterna ränteintäkter	73%	87%
Varav koncerninterna räntekostnader	47%	33%

Not 7 Resultat från finansiella intäkter och kostnader

	2023	2022
Ränteintäkter och liknande resultatposter		
Ränteintäkter	21 939	3 035
Ränteintäkter från koncernföretag	60 800	19 548
Kursvinster/förluster på fordringar	-14 979	1 282
Summa ränteintäkter och liknande resultatposter	**67 761**	**22 865**
Räntekostnader och liknande resultatposter		
Räntekostnader	-49 080	-16 211
Räntekostnader från koncernföretag	-44 283	-7 958
Kursvinster/förluster på skulder	-1	0
Övriga finansiella kostnader	0	-
Summa räntekostnader och liknande resultatposter	**-93 363**	**-24 169**

Not 8 Bokslutsdispositioner

	2023	2022
Upplösning av periodiseringsfond	-	1 460
Erhållet koncernbidrag	2 000	-
Summa	**2 000**	**1 460**

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Not 9 Skatt på årets resultat

Redovisat i resultaträkningen

	2023	2022
Årets skattekostnad/skatteintäkt	-306	-262
Justering av skatt hänförligt till tidigare år	113	-112
Totalt redovisad skattekostnad	**-193**	**-374**

Avstämning av effektiv skatt

	2023		2022	
Resultat före skatt		-23 809		-408
Skatteeffekt enligt gällande skattesats	20,6	4 905	20,6	84
Skatteeffekt ej avdragsgilla kostnader		-5 215		-327
Skatt icke skattepliktiga reavinster/intäkter		4		-
Skatteeffekt hänförligt till tidigare års resultat		113		-112
Övriga skattepliktiga intäkter		-		-20
Redovisad effektiv skatt	**-0,8**	**-193**	**43,9**	**-374**

Not 10 Immateriella anläggningstillgångar

Varumärke

	2023	2022
Anskaffningsvärde		
Ingående ackumulerat anskaffningsvärde	52 589	52 589
Utgående ackumulerat anskaffningsvärde	**52 589**	**52 589**
Avskrivningar		
Ingående ackumulerade avskrivningar	-39 442	-36 812
Årets avskrivningar	-2 629	-2 629
Utgående ackumulerade avskrivningar	**-42 071**	**-39 442**
Utgående planenligt restvärde	**10 518**	**13 147**

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Not 11	Finansiella anläggningstillgångar

Moderbolagets andelar i koncernföretag

Bolag	Kapitalandel	Rösträttsandel	Antal andelar	Bokfört värde 2023-12-31	Bokfört värde 2022-12-31
PayEx Invest AB	100%	100%	1 000	2 650	2 650
PayEx Sverige AB	100%	100%	700 000	1 427 819	1 306 019
PayEx Norge AS	100%	100%	100	106 169	238 305
-PayEx Danmark A/S	-	-	-	7 630	7 630
PayEx Suomi OY	100%	100%	10 000	-	-
Summa				**1 544 268**	**1 554 604**

Aktieinnehavet avser onoterade aktier.

Uppgifter om dotterbolagens organisationsnummer och säte

Bolag	Org.nr	Säte	Eget kapital	Resultat
PayEx Invest AB	556677-4781	Stockholm	62 224	509
- Faktab B1 AB	556720-4853	Stockholm	36 474	163
- Faktab S1 AB	556720-4903	Stockholm	5 302	-210
- Faktab V1 AB	556720-4796	Stockholm	31 124	0
PayEx Sverige AB inkl filialer	556735-5671	Stockholm	1 654 413	-1 496
- PayEx Sverige AB NUF	818698712	Oslo	-	-
- PayEx Danmark filial av PayEx Sverige AB	40814434	Köpenhamn	-	-
- PayEx Sverige AB filial i Finland	3011335-6	Helsingfors	-	-
PayEx Norge AS	979315503	Oslo	73 325	3 037
- PayEx Collection AB	556677-4799	Stockholm	3 081	115
- PayEx Danmark A/S	70986914	Köpenhamn	12 659	692
- PayEx Suomi OY*	215 68 11-3	Helsingfors	-20 389	135

*Eget kapital för PayEx Suomi OY presenteras exklusive de kapitallån som utfärdats från koncernföretag till dessa bolag. Kapitallånen uppfyller kraven för att få räknas in i dotterbolagens beräkningar av det egna kapitalets tillräcklighet men ligger i balansräkningen för Swedbank PayEx Holding klassade som Fordran på koncernföretag.

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Not 12 Förutbetalda kostnader och upplupna intäkter

TSEK	2023	2022
Övriga förutbetalda kostnader och upplupna intäkter	177	189
Summa	**177**	**189**

Not 13 Obeskattade reserver

TSEK	2023	2022
Ingående balans	-	**1 460**
Upplöst av tidigare avsatt i periodiseringsfond	-	-1 460
Utgående balans	-	-

Not 14 Långfristiga skulder

TSEK	2023	2022
Långfristiga skulder*	903 018	314 672
Summa	**903 018**	**314 672**

*Avser nyttjad kredit i uppsatt cashpoollösning.

Not 15 Upplupna kostnader och förutbetalda intäkter

TSEK	2023	2022
Övriga upplupna kostnader och förutbetalda intäkter*	277	277
Summa	**277**	**277**

*Avser primärt upplupna kostnader från leverantörer.

Not 16 Väsentliga händelser efter räkenskapsårets utgång

Inga väsentliga händelser efter räkenskapsårets utgång har skett.

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20240711117971

Styrelsens underskrifter och revisorspåteckning

Härmed försäkras att, såvitt vi känner till, är årsredovisningen upprättad i överensstämmelse med god redovisningssed. De lämnade uppgifterna stämmer med de faktiska förhållandena i verksamheten och ingenting av väsentlig betydelse har utelämnats som skulle kunna påverka den bild av bolaget som skapats av årsredovisningen.

Stockholm den dag som framgår av våra elektroniska signaturer

Kerstin Winlöf
Styrelseordförande

Johanna Okasmaa-Nilsson
Styrelseledamot

Raymond Klavestad
Verkställande direktör

Johan Sälgström
Styrelseledamot

Jan Darlin
Styrelseledamot

Anders Ekedahl
Styrelseledamot

Peter Ström
Styrelseledamot

REVISORSPÅTECKNING
Vår revisionsberättelse har lämnats den dag som framgår av vår elektroniska signatur.

PricewaterhouseCoopers AB

Anneli Granqvist
Auktoriserad revisor

Resultat- och balansräkning blir föremål för fastställelse på årsstämman 4 juni 2024.

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peter.strom@swedbank.se	Authenticated	29.05.2024 17:27	Low	IP: 164.10.46.61
Raymond Klavestad	**Signed**	**29.05.2024 17:29**	**eID**	**Norwegian BankID (DOB: 62/12/11)**
raymond.klavestad@payex.com	Authenticated	29.05.2024 17:28	Low	IP: 193.234.26.1
ANDERS EKEDAHL	**Signed**	**29.05.2024 17:48**	**eID**	**Swedish BankID (DOB: 1960/02/09)**
anders.ekedahl@swedbank.se	Authenticated	29.05.2024 17:48	Low	IP: 81.236.245.197
JOHAN SÄLGSTRÖM	**Signed**	**29.05.2024 17:51**	**eID**	**Swedish BankID (DOB: 1975/09/12)**
johan.salgstrom@swedbank.se	Authenticated	29.05.2024 17:51	Low	IP: 164.10.46.64
JOHANNA OKASMAA NILSSON	**Signed**	**29.05.2024 17:57**	**eID**	**Swedish BankID (DOB: 1969/03/25)**
johanna.okasmaa-nilsson@swedbank.se	Authenticated	29.05.2024 17:57	Low	IP: 164.10.46.64
KERSTIN WINLÖF	**Signed**	**29.05.2024 19:22**	**eID**	**Swedish BankID (DOB: 1966/10/06)**
kerstin.winlof@swedbank.se	Authenticated	29.05.2024 19:20	Low	IP: 164.10.46.64
JAN INGEMAR DARLIN	**Signed**	**29.05.2024 21:30**	**eID**	**Swedish BankID (DOB: 1972/02/25)**
jan.darlin@swedbank.se	Authenticated	29.05.2024 21:30	Low	IP: 78.67.250.6
ANNELI GRANQVIST	**Signed**	**29.05.2024 23:27**	**eID**	**Swedish BankID (DOB: 1972/05/13)**
anneli.granqvist@pwc.com	Authenticated	29.05.2024 23:26	Low	IP: 84.17.219.58

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Revisionsberättelse

Till bolagsstämman i Swedbank PayEx Holding AB, org.nr 556714-2798

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Swedbank PayEx Holding AB för år 2023.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Swedbank PayEx Holding ABs finansiella ställning per den 31 december 2023 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen för Swedbank PayEx Holding AB.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Swedbank PayEx Holding AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.

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- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.

- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.

- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Swedbank PayEx Holding AB för år 2023 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman behandlar förlusten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Swedbank PayEx Holding AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation, och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Den verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget

- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

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Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Stockholm den dag som framgår av vår elektroniska signatur

PricewaterhouseCoopers AB

Anneli Granqvist
Auktoriserad revisor

Deltagare

PRICEWATERHOUSECOOPERS AB 556067-4276 Sverige

Signerat med Svenskt BankID — *2024-05-29 21:28:04 UTC*

Namn returnerat från Svenskt BankID: ANNELI GRANQVIST — Datum

Anneli Granqvist
Authorized Public Accountant

Leveranskanal: E-post

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Annual and Sustainability Report 2023

We empower the many people and businesses to create a better future

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While every care has been taken in the translation of this Annual and Sustainability Report, readers are reminded that the original Annual and Sustainability Report, signed by the Board of Directors, is in Swedish and in European single electronic format (ESEF). The Annual and Sustainability Report in ESEF is available on www.swedbank.com.

The audited Annual Report for Swedbank consists of the administration report and the accompanying financial statements on pages 34–207. The Sus tainability Report in accordance with GRI Standards 2021 is defined in the GRI Index on pages 261–264 and is limited assured by. The definition of the statutory sustainability report can be found on page 270.

The year in brief

Increased income strengthened the result

- Higher deposit margins led to rising net interest income and increased income
- Card, payments and asset management had a positive impact on net commission income
- The cost/income ratio improved during the year to 0.33
- Negative rating and stage migrations and updated macroeconomic scenarios, led to slightly higher credit impairments
- Strong capital and liquidity situation
- Return on equity of 18.3 per cent – the target is to deliver a sustainable ROE of at least 15 per cent in 2025
- Proposed dividend in line with the bank's dividend policy – SEK 15.15 per share

Financial information, SEKm	2023	2022[1]
Total income	**73 057**	**52 028**
Net interest income	50 933	33 146
Net commission income	15 088	14 114
Net gains and losses on financial items	2 938	1 940
Other income[2]	4 098	2 828
Total expenses	**24 100**	**20 817**
of which administrative fines	887	
Profit before impairment, bank taxes and resolution fees	**48 957**	**31 211**
Impairment of intangible and tangible assets	87	1 137
Credit impairments	1 674	1 479
Bank taxes and resolution fees	3 574	1 831
Profit before tax	**43 622**	**26 763**
Tax expense	9 492	5 396
Profit for the year	**34 130**	**21 368**
Earnings per share, SEK, after dilution	30.27	18.98
Return on equity, %	18.3	13.0
C/I ratio	0.33	0.40
Common Equity Tier 1 capital ratio, %	19.0	17.8
Credit impairment ratio, %	0.09	0.08

1) Comparative figures have been restated due to the adoption of IFRS 17. For more information see note G2 and note G57.
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.

A selection of key events in 2023

18 January

Bo Bengtsson appointed new Head of Large Corporates and Institutions

Bo Bengtsson is an experienced bank executive who has held positions as CEO of three savings banks, including six years at Sweden's largest savings bank, Sparbanken Skåne. Bo Bengtsson has extensive experience from serving on various boards of directors, including Swedbank's. In his new role, Bo also became a member of Swedbank's Group Executive Committee.

1 March

Swedbank Robur's sustainability work ranked as 8th best in the world

Swedbank Robur receives an award from the organisation ShareAction, which in a new report examined the sustainability work of 77 international asset managers based on how they work with governance, stewardship, climate, biodiversity and social issues. Swedbank Robur was ranked 8th in the world and 1st in the Nordic region.

15 March

Swedbank receives remark and administrative fine from the Swedish Financial Supervisory Authority

The remark and administrative fine were related to the IT incident in April 2022 where incorrect account statements were displayed to customers. The fine amounted to SEK 850m. Swedbank has taken forceful measures to prevent this type of incident from happening again.

13 March

Launch of Financial Health Index

Financial health means having enough money to pay your bills and the knowledge of what is needed to feel financially secure and free. Our new Financial Health Index measures people's financial literacy in terms everyday spending, savings, loans and insurance. It uses as a starting point the UN's definition of financial health: "feeling secure in your personal finances, having control, resilience and economic freedom". The index for 2023 shows that just over 60 per cent of the population in Sweden, Estonia, Latvia and Lithuania is financially healthy.

28 March

Swedbank's Board of Directors increases its focus on sustainability and appoints a special committee

Swedbank's Board of Directors decides to convert the Remuneration Committee into a committee with responsibility for both sustainability and remuneration. The committee's main task is to support and strengthen Swedbank's strategic sustainability efforts.

30 March

Swedbank's Annual General Meeting 2023

The Annual General Meeting resolves in accordance with all the proposals received from the Board of Directors and the Nomination Committee, including that an ordinary dividend of SEK 9.75 per share be distributed to the shareholders.

The Annual General Meeting also resolves that there will be 11 Board members and to re-elect Göran Bengtsson, Annika Creutzer, Hans Eckerström, Kerstin Hermansson, Helena Liljedahl, Bengt Erik Lindgren, Anna Mossberg, Per Olof Nyman, Biljana Pehrsson, Göran Persson, and Biörn Riese. The Annual General Meeting appoints Göran Persson as Chairman of the Board of Directors. PwC Sverige AB was elected as auditor for the period until the end of the 2024 Annual General Meeting. At the statutory Board meeting, Biörn Riese was appointed Deputy Chairman of the Board of Directors.

31 May

Swedbank buys the first Swedish biodiversity credits

Swedbank became the first bank in Sweden to buy Swedish biodiversity credits. The biocredits are part of a unique research initiative by Orsa Besparingsskog to promote biodiversity. They are a way for forest owners to receive compensation for preserving nature and promoting its value. At the same time, the credits enable the company to invest in conservation and biodiversity.

A selection of key events in 2023

19 June

Swedbank Latvia reaches a final agreement with OFAC

Swedbank reached a final agreement with the U.S. Treasury's Office for Foreign Assets Control (OFAC) regarding the bank's historical shortcomings in transactions conducted in Latvia in 2015–2016. Swedbank accepted the settlement and agreed to pay SEK 37m for violating OFAC regulations.

1 July

Jens Henriksson appointed new Chair of the Swedish Bankers' Association

The Swedish Bankers' Association is an industry organisation that works for the sound development of the Swedish banking system. Banks are and will remain reliable partners for individuals, businesses and institutions. Banks play a key role in the economy, where digital security and collaborating to combat fraud are key issues. Today the financial sector also plays an important role in financing a sustainable transition.

30 August

Swedbank is the first bank in the Nordic region to issue a social bond

As part of its Sustainable Funding Framework, Swedbank issued a EUR 500m social bond maturing in September 2030. The bond supports the bank's long-term work with societal issues. Social bonds are an important tool for Swedbank to promote social lending.

10 July

Swedbank becomes minority owner of Hemma

Swedbank invested SEK 10m in the company Hemma, becoming a minority owner. Hemma is Sweden's leading Software as a Service (SaaS) platform for home energy data. Swedbank considers energy consumption in properties to be a key area in the climate transition, given that buildings account for approximately 40 per cent of Sweden's energy consumption, for electricity and heating. By partnering with companies like Hemma, Swedbank, as Sweden's largest mortgage lender, has great potential to contribute to the energy transition in Sweden and, indirectly, the climate transition.

4 September

New members of the Group Executive Committee

Swedbank appointed Anna-Karin Laurell as Head of Swedish Banking and Malin Lilliecrona as Head of the new Premium & Private Banking business area. At the same time, corporate customers, which had been handled, by advisors in Swedish Banking were transferred to the Corporates and Institutions business area. With these changes, Swedbank will be able to work in a more focused way, improve availability and build better relationships with our corporate customers. The new business area, Premium & Private banking, creates opportunities to further enhance Swedbank's offering. Anna-Karin Laurell and Malin Lilliecrona have taken up their new positions on 1 February 2024.

22 September

The most-loved brand in the Baltic countries

Swedbank received the award for the fifth straight year at the annual Baltic Brand Awards ceremony.

22 November

Swedbank opens new customer centre in Umeå

The aim in opening another customer centre was to increase remote availability and customer satisfaction. By establishing a centre in Umeå, Swedbank reaches a strong local job market in a major university city with a steady stream of students and professionals, who together also provide a good long-term source of talent for the new centre.

6 November

Sandra Almström named acting Head of Anti-Financial Crime

Swedbank appointed Sandra Almström as acting Head of Anti-Financial Crime. In her new role, Sandra Almström joined the Group Executive Committee.

Dear Reader,

I am proud to present Swedbank's Annual and Sustainability Report for 2023. It is a great responsibility to lead a business of such critical importance to the day-to-day lives of so many people in our home markets of Sweden, Estonia, Latvia and Lithuania. A business that empowers companies to bring prosperity to society and helps individuals to realise their dreams. With our competence, our advice, products and services, and our financial strength, we contribute to a financially sound and sustainable society.

A sustainable bank is a profitable bank. We use half of our profit to continue increasing customer benefit and to strengthen the bank. In accordance with the bank's dividend policy, the other half is distributed to our shareholders. I am very pleased to announce that we delivered a result for 2023 that enables us to propose that the Annual General Meeting should decide upon a dividend of SEK 15.15 per share to our owners. Swedbank stands strong in a turbulent operating environment.

During the year, we continued to provide young people with education on personal finance, to help them improve their financial health. Our definition of what constitutes good financial health is based on the UN's description of the concept: to feel secure in one's personal finances, to have control, resilience and economic "freedom". During 2023, together with the Savings Banks and Savings Bank Foundations, we educated 128 000 children and young adults in Sweden, in addition to 280 000 in the Baltic countries. We have the strength needed to contribute to financial stability, and we use it to help people and communities to grow.

A year focusing on security issues and combating inflation

The past year was marred by external security concerns in our home markets, and in Sweden there was a particular focus on the country's application to join NATO. It is a time of continued war in Europe, where Russia has attempted to expand its borders through violent means, at the same time as the Middle East is again embroiled in bloody conflict.

The struggle by central banks to combat inflation has affected both households and companies. Interest rates have risen, real wages have fallen, and many households have found themselves in a tough financial situation. In Sweden, attention has been focused on the ownership structures and balance sheets of Swedish real estate companies. In Estonia, Latvia and Lithuania, falling inflation meant real wage growth towards the end of the year.

Looking ahead, Swedbank expects that as inflation falls, restrictive fiscal policy will transition to more expansionary policy that will support growth.

Swedbank – a stable partner in challenging times

Through good times and bad, Swedbank is there for our customers. We are a secure partner, helping our customers with advice, guidance and financing. In many ways, Swedbank's business model is a new version of the original savings bank concept. Saving first and borrowing later is a model that that has worked well for more than 200 years.

A higher cost of living and declining demand during the year put pressure on many households and companies. Many customers have sought advice and guidance from us on how to handle the challenges posed by current economic conditions. Despite a weak housing market, we have successfully maintained our position as the mortgage leader in all of our home markets.

In 2023, our digital availability was stable at high levels. To further increase our availability, we have invested in a cloud-based communication platform. Its implementation continued during the year in all four home markets. Now a modern telephony solution is in place, so we can work more efficiently in our customer centres and give customers faster service to make their financial lives easier.

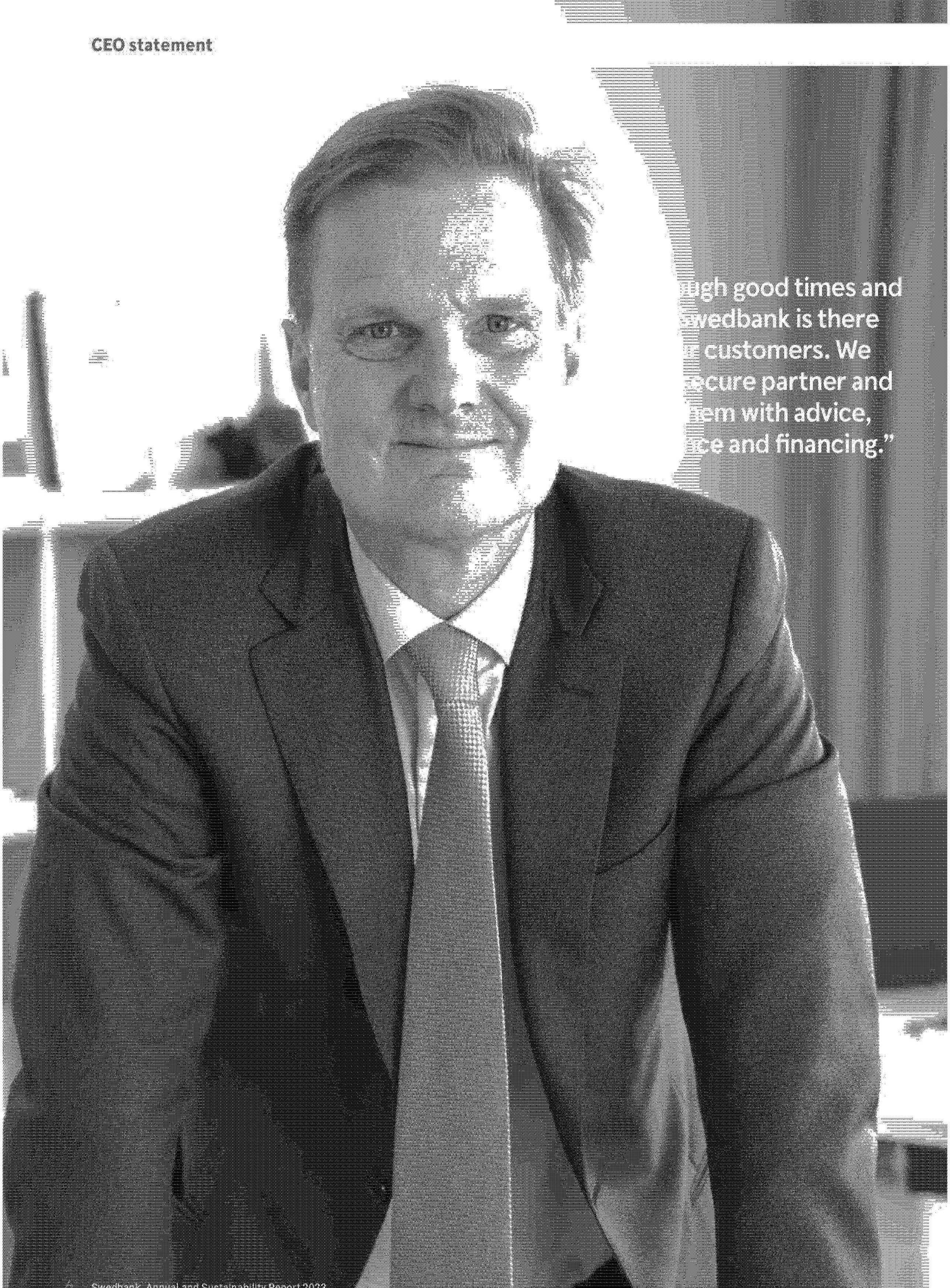
In these difficult times, our financial strength enables us to be there for our customers with financing, for example in the form of bridge loans for companies, a mortgage for a new home, or help with new financing for entrepreneurs and society. During the year, we worked with proactive advice for our customers and presented attractive savings offerings to them.

In 2023, we also took important steps towards increasing our profitability as well as improving the advice we provide to our corporate customers, by consolidating our corporate business within the Corporates and Institutions business area.

Together we are taking on the struggle against financial crime

The struggle against financial crime is ultimately a question of the sustainability of our society. Swedbank is taking forceful action against external threats, including by combating money laundering and terrorist financing. Cyber threats are another reality that we are living with today and where the public and private sectors are working well together. We have geared up our struggle against financial crime, and I am pleased with our successful collaboration with the Swedish police authorities through the Swedish Anti-Money Laundering Intelligence Task Force (SAMLIT), where Swedbank held the chairmanship during the year. We have also contributed important and unique knowl-

CEO statement



edge to have laws revised to give us full power to detect and prevent criminal transactions in all four of our home markets.

But this is not enough. We are continuing to expand our collaboration with banks, authorities and decision-makers. The "Scamaware!" campaign is one example of this. The campaign is a highly successful partnership between Sweden's banks and the Swedish Bankers' Association to increase public awareness and prevent fraud. I'm pleased that it will continue during 2024. Together we can take on the struggle against financial crime.

In recent years, Swedbank has used technologies such as AI in our efforts to combat financial crime, to assure the quality of our advice and in other areas. During the year, a pilot project was conducted in which employees based in Sweden were given access to an internal version of ChatGPT, which produced several proposals for how the technology can be used going forward to benefit customers, employees and owners.

A financially sound and sustainable society

Swedbank wants to have a leading position in the sustainability transition, and to create change and make a long-term impact together with our customers. By integrating sustainability in our advice, products and services, we make a positive contribution to the development of society.

Our vision is a financially sound and sustainable society. During the year, we converted the Board of Directors' Remuneration Committee to the Remuneration and Sustainability Committee. The new committee will support and strengthen the bank's strategic sustainability work. Our focus has shifted from what we don't want to do to what we want to do.

We have a clear focus on loans for energy-efficiency improvements in properties and homes, which in return have a major impact on energy consumption. In Estonia and Latvia, we have taken additional steps by offering our customers a range of green loans with a 0 per cent interest margin for the first two years.

Swedbank supports the ten principles of the UN Global Compact for sustainable development as well as other important sustainability initiatives.

One year after the launch of the Swedbank Sustainable Funding Framework, we issued an inaugural EUR 500m social bond. The assets in the bond consist of loans to finance new and existing projects that are considered to have positive social impacts. Swedbank has a long tradition of contributing to society's development, and I am very proud of this milestone.

The bank's aim is to contribute to development and growth in the communities where we operate, and we are determined to continue to do so in the future.

During the year, we financed and invested in projects to protect biodiversity. One example is that we purchased the first Swedish biodiversity credits. We are active in the sustainability transition, where new solutions are needed. When political will relating to sustainability is fragmented, the business sector's engagement becomes even more important.

Swedbank cares deeply about people's financial health. By 2030, we want to enable a million people in our home markets to strengthen their financial health. To achieve this, we offer advice on savings, insurance and budgeting, and we provide education in personal finance. Financially healthy customers make Swedbank stronger and more profitable. This benefits the customer, our owners and employees, and society as a whole.

During the year, we also launched an index for financial health. The index measures people's ability and knowledge of everyday finances, savings, loans and financial security, and helps us to understand the status of financial health in Sweden, Estonia, Latvia and Lithuania.

Towards a sustainable return on equity

During the year, we continued to deliver on our business plan to achieve a sustainable return on equity of 15 per cent in 2025: Swedbank 15/25. The plan will make the bank more efficient and more available. Our customers' financial lives will become easier, and more of them will receive advice quickly. Our expertise will reach more people in a simpler way. In parallel, we have been working to adapt our organisation, so that we can grow with our prioritised customer segments and our large customer base. We have also continued to streamline our operations and focus our core business. Accordingly, we entered into strategic partnerships in areas such as property maintenance, mainframe environments and workplace services during the year.

The year required hard, focused work on the part of our employees. I would like to express my gratitude to all of them and to the Board of Directors for their fantastic work and good cooperation in the past year. Together we empower the many people and businesses to create a better future.

Our customers' future is our focus.

Stockholm, February 2024

Jens Henriksson
President and CEO

A cooler economy

In 2023, many economies demonstrated continued resilience, but at the end of the year economic activity began to slow down. Going forward, this development will also affect the labour market. Geopolitical tensions continued to rise during the year.

Slowdown in home markets

Preliminary data indicate that the Swedish economy was weak and that GDP appears to have remained largely unchanged during the year. The economies in the Baltic countries also cooled off. High inflation and rising interest rates caused many households in Sweden and the Baltic countries to cut back on consumption. As a consequence of weaker demand from outside the region, goods exports also slumped. The Swedish construction sector was hard-hit as well. The overall impact on the labour market caused unemployment in Sweden to rise during the year, from 7.3 per cent to 8.2 per cent. In Latvia, preliminary data indicate that unemployment was unchanged at the end of 2023 compared with end-2022, while preliminary data show that unemployment rose in Estonia and Lithuania.

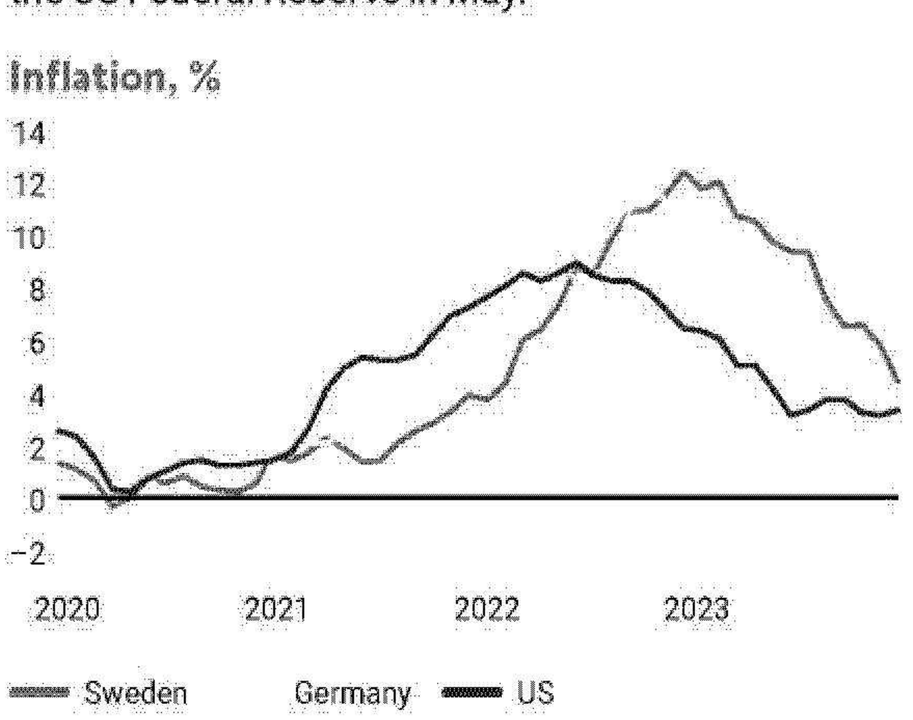
Inflation fell in 2023, but in Sweden it was still too high and exceeded the Riksbank's forecast. The Riksbank raised the policy rate from 2.5 per cent to 4.0 per cent during the year. Swedbank's macroeconomists now expect that the Riksbank will leave the policy rate unchanged until May before starting to cut it. By May, inflation is expected to have fallen to near the target, the labour market will have weakened and economic development will remain weak. In the Baltic countries, inflation fell significantly, from more than 20 per cent at the beginning of the year to of 0.6 per cent in Latvia, 1.2 per cent in Lithuania and 4.0 per cent in Estonia.

House prices in Sweden were relatively stable in 2023. To date, prices for single-family homes have fallen by 15 per cent and tenant-owner unit prices by 8 per cent following the peak in March 2022. Buyers remained cautious, which meant that few homes were sold. When consumer purchasing power stabilises at the same time as mortgage rates begin to decline, prices are likely to recover somewhat. In Estonia and Lithuania, the rise in house prices slowed, although they continued to rise at a relatively stable rate. In Latvia, prices declined somewhat in the second quarter of 2023 and onwards.

Lower inflation paves the way for lower policy rates in 2024

The economies of most European countries cooled down in 2023 following the post-pandemic recovery. Although the US economy maintained its strength well with high growth and a strong labour market, there are signs that its resilience is starting to fade. The overall impact of higher rates, and the rapidly rising inflation in 2022, have not yet been fully felt in the real global economy. As a result, Swedbank's macroeconomists expect a slowdown going forward and that the US will experience a soft landing while the eurozone will stagnate in 2024.

If 2022 was marked by broad-based price increases, 2023 was a year when global price pressures began to ease. Global freight rates and commodity prices were lower than in 2022, which contributed to lower consumer price inflation. As economies continue to slow down and inflation normalises, opportunities for lower policy rates will also arise. Swedbank's macroeconomists expect the European Central Bank to be the first to act, with a policy rate cut in April 2024, followed by the US Federal Reserve in May.



Source: Swedbank Analys & Macrobond.

Another year with a dismal climate record

In the summer of 2023, global temperatures were the highest ever, and new records were also broken in the autumn. According to UN Climate Change, countries must cut their emissions nearly in half by the end of this decade to reach the Paris Agreement's 1.5°C target – a target that appears increasingly more difficult to achieve.

Strategic Direction

Our purpose is to empower the many people and businesses to create a better future by offering financial advice, services and products in our four home markets: Sweden, Estonia, Latvia and Lithuania. By doing so, we can achieve our vision of a financially sound and sustainable society.

The foundation for the Swedish savings bank movement, when it was formed 200 years ago, was to empower the many people to improve their financial health. This is where Swedbank has its roots and it influences our operations to this day.

Our vision

Our vision is a financially sound and sustainable society. This includes sustainability from an environmental, social, financial and ethical perspective. We are convinced that Swedbank, together with our large customer base, can continue to have a positive impact on society and contribute to a society that is sustainable in the long term.

Our customer promise

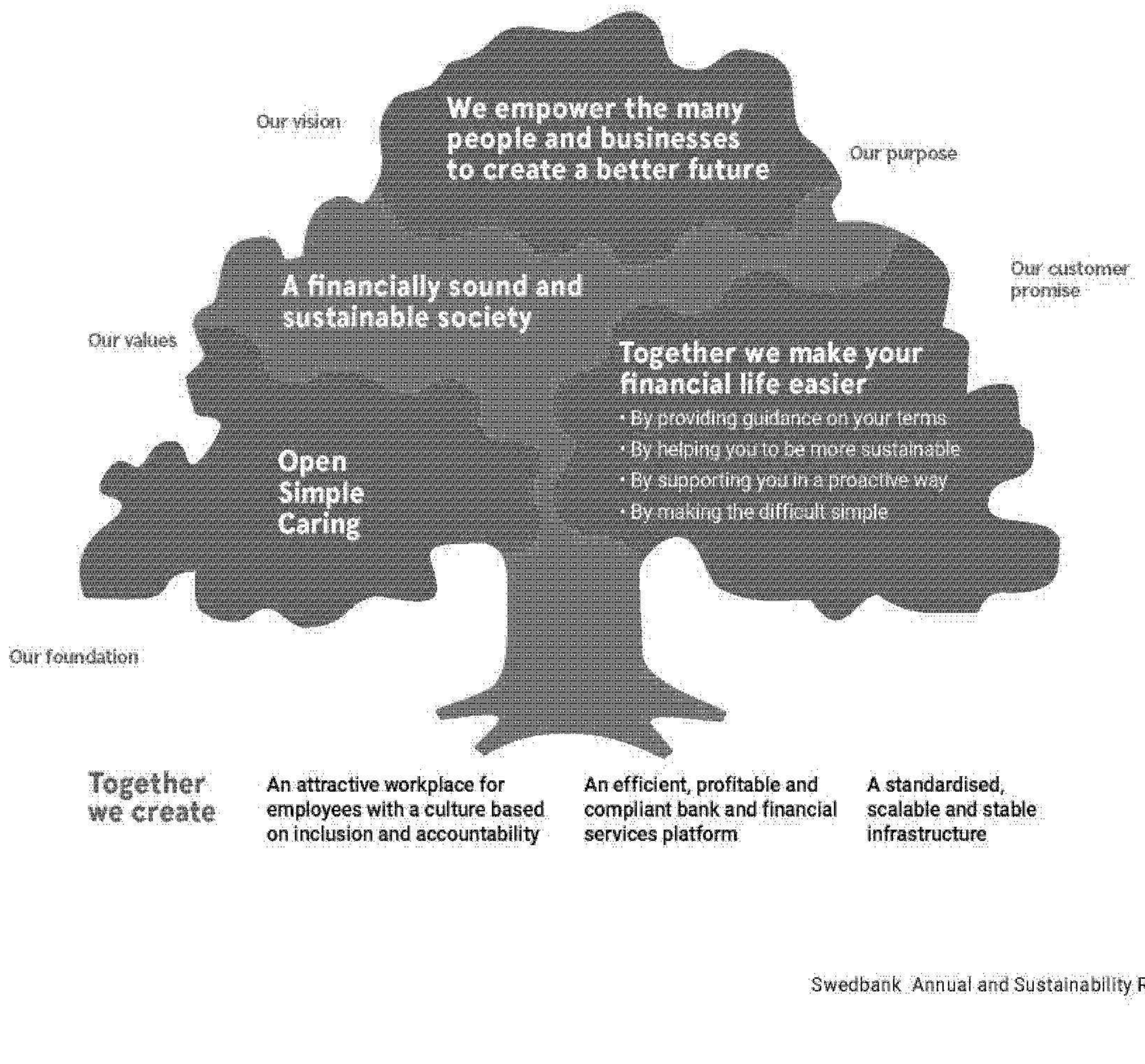
Our customers are the key to our success and our goal is to be there for them at every stage of their lives. We promise customers that together we will make their financial lives easier – by proactively advising them on their terms, helping them to make sustainable decisions and making the difficult simple.

Our values

Our values – open, simple and caring – are at the centre of our identity and are the basis of our corporate culture. They support our vision and guide us in our daily work and decision-making, as well as in our customer meetings and other stakeholder interactions. We are an open and inclusive bank where employee and customer diversity is respected and encouraged. Our ambition is to create an uncomplicated and caring banking experience for all customers, based on their individual needs.

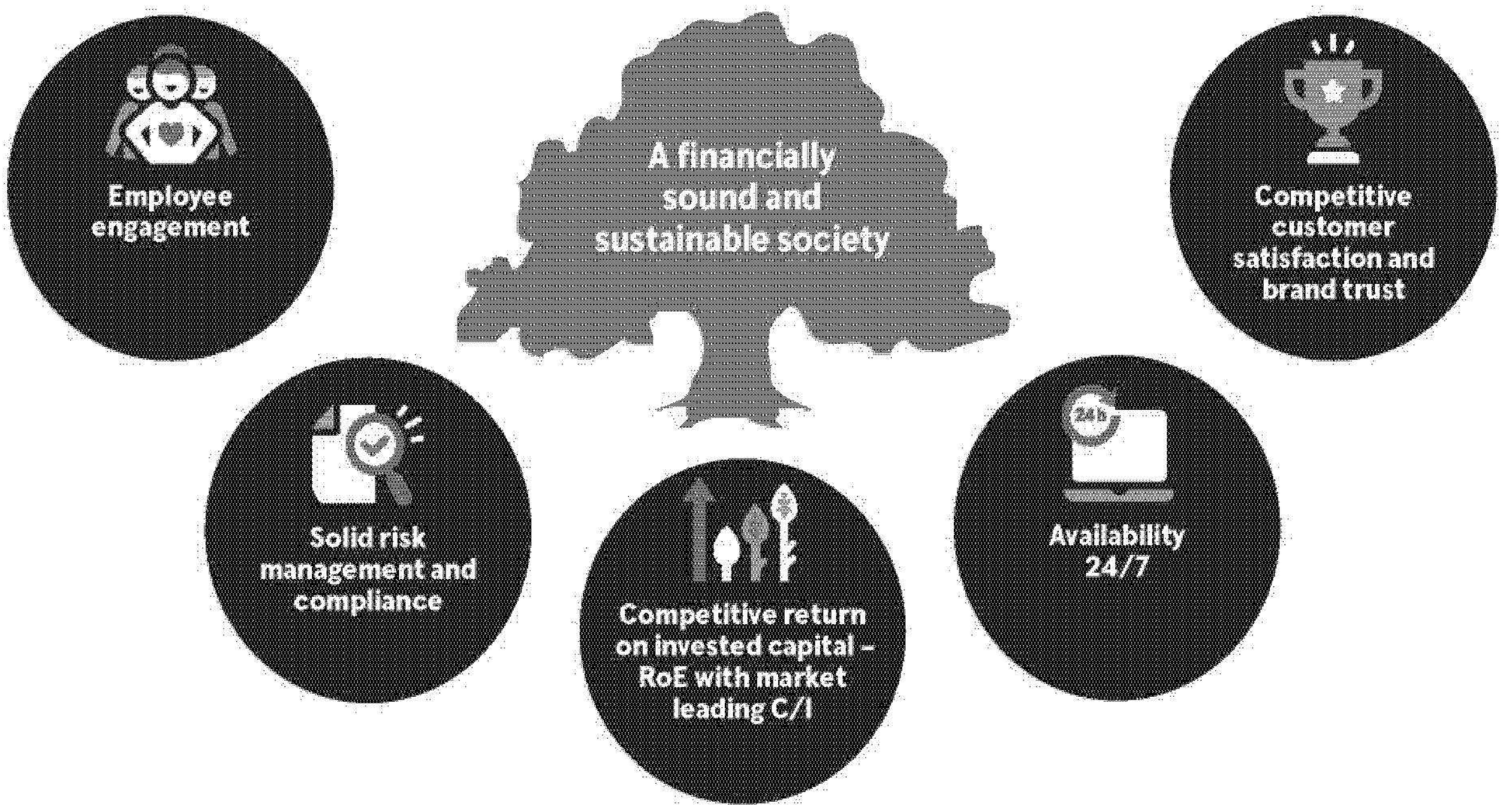
Our foundation

Our foundation is essential to deliver on our purpose, vision and customer promise. We strive to maintain an attractive workplace and an inclusive culture where employees contribute and are held accountable. We are focused on being an efficient and profitable bank as well as a compliant financial services platform. It is also fundamental that we have a standardised, scalable and stable infrastructure.



Targets

We focus on long-term value creation and have defined a number of strategic targets to measure success in line with our Strategic Direction.



A financially sound and sustainable society

We treat our role as a major player in the financial market with the utmost seriousness. Conducting sustainable business and promoting economically, socially and environmentally sustainable development influences everything we do. The same responsibility applies to facilitating the green transition and reducing our own impact on the climate.

Customer satisfaction and brand trust

We create customer value by providing our customers with relevant products and services based on their needs. Delivering a high level of customer value is critical for sustainable profitability as well as for customer satisfaction, trust and the choice of Swedbank as a financial partner.

24/7 availability

It is our goal to always be there to help our customers. We work continuously to maintain a stable infrastructure and reliable digital performance to ensure that products and services are available when needed.

Engaged employees

Engaged and proud employees create a better customer experience, which in turn leads to more satisfied customers. Our ambition is to be an attractive employer that offers healthy, sustainable working conditions together with an inclusive work environment that reflects our values: open, simple and caring.

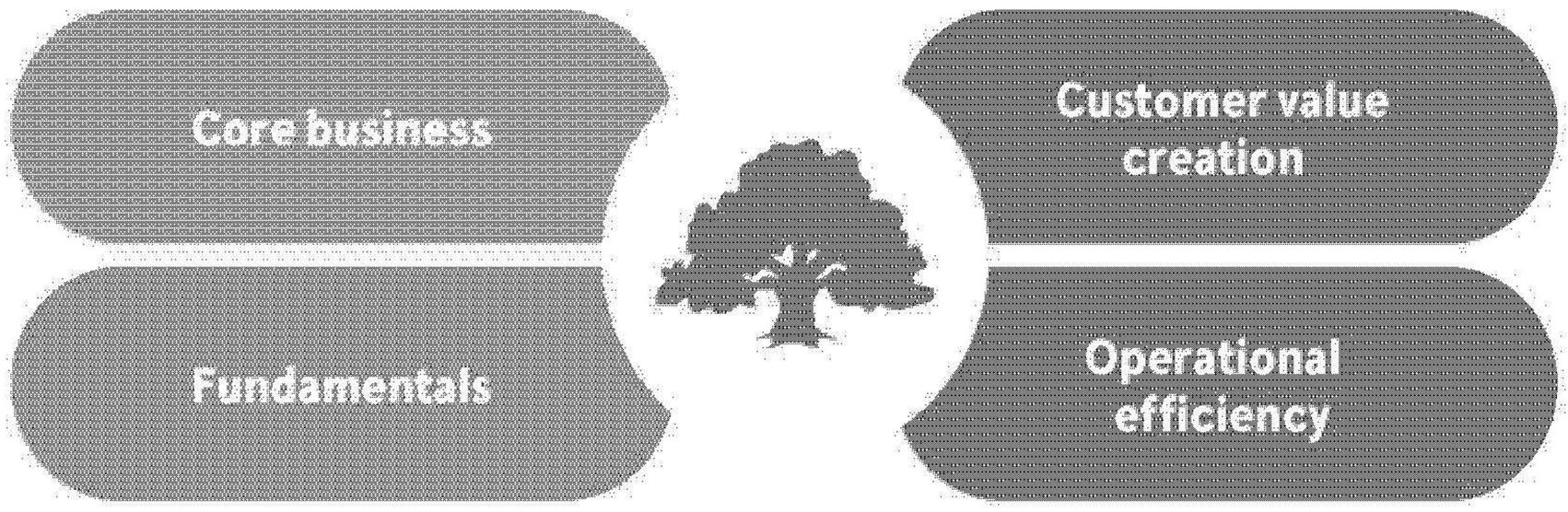
Stable risk management and compliance

Solid risk management distinguishes our entire operations and helps us to make well-informed, sound decisions in relation to risk, return and market situation. This is important to maintain the trust of customers, investors and regulators as well as to remain a stable participant in the financial system.

Competitive return on investment with market-leading cost efficiency

A sustainable bank is a profitable bank. We create value for our shareholders through long-term, profitable growth and efficiency. We value consistent profitability over fast growth, given that it creates stability and predictability for our customers and owners as well as society at large. Combined with our market-leading cost efficiency, this helped us in 2023 to again produce a strong financial performance, which enables us to continuously invest in product and channel development.

Focus areas



Core business

We focus on profitable growth in our strong and already profitable core business in our home markets: Sweden, Estonia, Latvia and Lithuania. Swedbank is a bank for the many private customers, small and midsized corporates, and a selected number of large corporates requiring financing, savings, insurance, and daily financial products and services. Our core business also includes the transition work towards a more sustainable society as well as the collaborations and partnerships that enable us to better meet our customers' needs. The savings banks are our most important partner.

Customer value creation

Our operations are based on customer relationships and always having the customer's best interests in mind. We focus on proactively advising customers on their terms with sustainability and simplicity as a foundation. We are a digital bank with physical meeting points and we create value based on our customers' needs. Our success is dependent on long-term relationships and an offering that allows customers to have Swedbank as a partner for all of their financial needs. We want to remain an attractive choice for the many people and businesses and ensure that we deliver on our customers' expectations. We do so by being a reliable partner over time.

Fundamentals

To be strong, profitable and at the same time ensure long-term shareholder value, it is essential for us to stand on a stable foundation. The fundamentals related to regulatory compliance, internal governance and controls, stable and resilient technological infrastructure, and being an attractive workplace with a culture based on inclusion and accountability are critical. They are critical not only to our opportunities and ability to maintain sound risk management, high customer satisfaction, trust, engaged employees and cost efficiency, but also to enable transformation in other strategic areas.

Operational efficiency

Our focus is on further reducing complexity, standardising offerings and products, and increasing efficiency in processes and ways of working in order to increase simplicity for our customers and realise the value of our investments and resources. New technology and digitisation are and will continue to be a key lever to release capacity for the activities that add the most value. This enables us to offer profitable products and services, leverage economies of scale, meet our customers' expectations and keep up with the competition.

Business plan

In December 2022 at an Investor Day, we presented our plan for delivering a sustainable return on equity of at least 15 per cent in 2025 – Swedbank 15/25. In January 2024, we presented how the bank is progressing in relation to the business priorities and the financial plan.

Progress of business priorities

1 During 2023, we continued to leverage our business model and pricing strategy by being disciplined in our pricing of loan and savings products. In Sweden, we focused on our existing customers as the demand for new mortgages was relatively low. In the Baltic countries, demand was higher. Baltic Banking increased total lending by 8 per cent, partly driven by our sustainable finance of green loans in Estonia and Latvia. Overall, we retained our market leadership in mortgages, deposits and fund savings in all home markets.

2 One of Swedbank's strengths is our broad customer base including more than 7.5 million private individuals and corporates. By being more proactive, we can increase our share of wallet among these customers. Through automated offerings based on customers' life events, we can strengthen their financial health and grow business volumes. During the year, we increased the number of sales from these offerings by 25 per cent in Sweden, driven by savings, insurance and service concepts. In the Baltics, we continue to be the most loved brand according to Baltic Brands. During 2023, the number of customers with long-term savings increased from 440 000 to 480 000, in line with our goal to double the amount to around 900 000 by 2030.

3 To grow business in prioritised segments, we need to meet with our customers more often. During the year, we performed 265 000 assisted advisory meetings in Sweden, compared to the target of 300 000 meetings in 2025. To improve service and advice, we are creating a new business area for premium and private banking customers in Sweden, while corporate customers with a contact person will be served within Corporates and Institutions. In Latvia and Lithuania, we aim to improve our position on the market for corporate lending. Since Q3 2022, we have increased this market share from 19.4 to 20.1 per cent in Latvia and from 22.4 to 25.1 per cent in Lithuania, compared to the target of 25–30 per cent 2030.

4 The fourth business priority is to improve the customer experience through increased availability, broader and better adapted advice, and faster administration to make it easier to do business with us. As promised in the Investor Day 2022, we have launched a new communication platform in all our home markets in 2023. We have also further automated our lending processes, for example through a new valuation tool for tenant-owner apartments. In addition, we continue to develop our new advisory platform, which is expected to be launched during 2024.

Business priorities

1
Leverage proven business model and pricing strategy

2
Grow share of wallet for existing customers

3
Grow business in prioritised segments

4
Improve availability and operational efficiency

Progress of financial plan

Since December 2022, policy rates in Sweden and the Baltic countries have been higher than assumed in the financial plan. Thanks to our balance sheet structure and disciplined pricing strategy, net interest income increased by 54 per cent during 2023. This contributed to income increasing more than costs, in line with our ambition of an annual average income growth 3 percentage points higher than the annual average cost growth 2021–2025.

The cost/income (C/I) ratio amounted to 0.33 during 2023, compared to our supporting KPI of 0.40.

The credit impairment ratio was 9 basis points during 2023, which can be compared to our long-term historical average of 7 basis points.

We have a strong capital position. At year-end 2023, our CET1 capital buffer was 3.9 per cent, compared to the targeted range of 1–3 per cent. As of 2025, we aim for a buffer of 2 per cent.

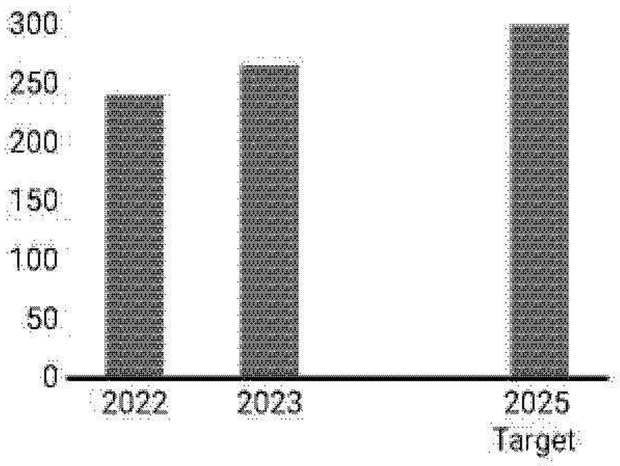
In conclusion, we are in a strong position to continue to deliver in line with our business priorities and our financial plan.

Financial plan

Financial target	Supporting KPIs	
≥15%	0.40	2 per cent
Return on equity 2025	C/I ratio 2023–2025	CET1 buffer 2025 (range of 1–3 per cent above the SFSA's requirement)

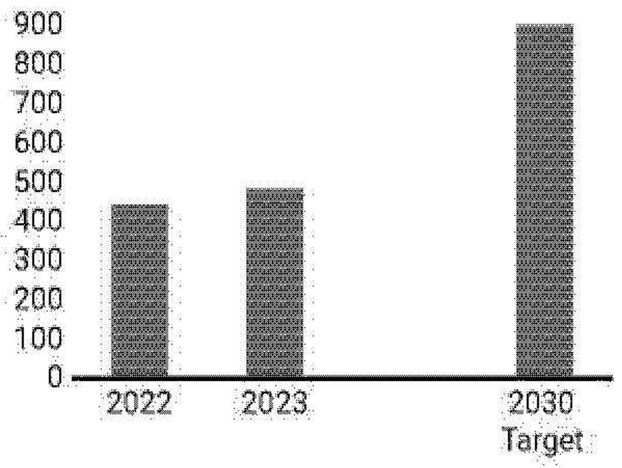
Number of assisted advisory meetings, Sweden

thousands



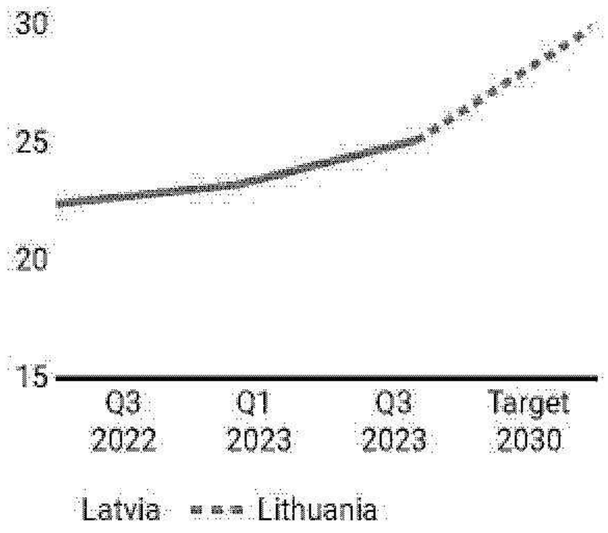
Number of customers with long-term savings, Baltics

thousands



Market shares corporate lending, Latvia and Lithuania

per cent



Young people are the future

Young people have been one of our most important target groups for more than 200 years – in our business and in our commitment to building a society that is financially sound and sustainable.

When today's young people step out into the adult world, the range of financial products and services available to them is bigger and more complex than for previous generations. Many young people need to gain a better understanding of personal finance early in life. To equip them for the future, Swedbank has an extensive financial literacy programme. To reach today's youth, we have to meet them on their terms in the places and platforms where they spend a large part of their time. Swedbank teaches financial literacy in social media and visits primary and secondary schools as part of our Young Economy initiative together with the Savings Banks.

Swedbank has also appointed an economist to provide young people with advice – Julia Hofvendahl. During the year, she released a number of reports and analyses explaining the financial situation faced by young people.

"2023 was a tumultuous year with high inflation and rising interest rates. This not only affected the broader population, but also changed young people's perspective on their economy," she says.

Swedbank's surveys show that many young people are worried about their financial situation. They are most concerned about not saving enough and taking on excessively large loans to buy a home. Clearly, a change took place in 2023 and many young people are now increasingly seeking security. Besides the housing market and savings, we often talk about sustainability, which is important to young people. Another important issue for them is fraud. During the year, it became more common for young people to be defrauded through social and digital media.



Julia Hofvendahl, Swedbank's Youth economist

"It was an exciting and intensive year where I met many young people through our digital channels and in person at schools and at various events. Our elected officials also know that young people are the future, and I had the opportunity to meet the Minister for Gender Equality in Sweden's Parliament and discuss how we can increase economic equality among young people," says Julia Hofvendahl.

Business area

Swedbank has three business areas: Swedish Banking, Baltic Banking and Corporates and Institutions.

Swedish Banking

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 financial services and advice to private customers and SMEs adapted to their specific situation and needs. The bank is there for the customer throughout their journey – from small to big. Swedbank is a digital bank with physical meeting points and are available through digital devices, by telephone or in person, depending on what customers need help with.

"We have been there for our customers during a year of rising prices and interest rates, an uncertain housing market and a volatile stock market. By being more proactive in contacting customers, we have increased the number of booked advisory sessions."

Mikael Björknert

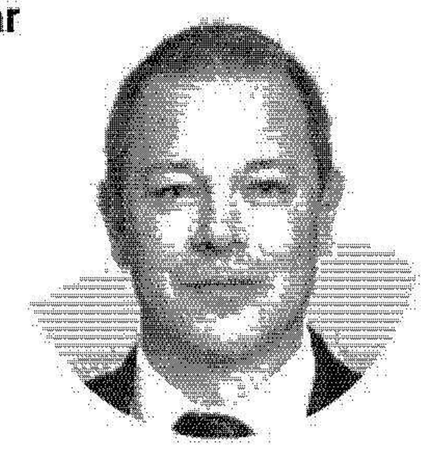


Baltic Banking

Swedbank is the largest bank by number of customers, deposits and lending in Estonia, Latvia and Lithuania, with around 3.4 million private customers and nearly 300 000 corporate customers. Through digital channels, customer centres and branches, the bank is always available. Swedbank is part of the local community, with initiatives to promote education, entrepreneurship and social welfare. Swedbank has 17 branches in Estonia, 21 in Latvia and 43 in Lithuania.

"There are many things to be proud of 2023. We grew lending in all countries, became market leaders in P&C insurance and issued our first sustainability-linked loan in Latvia. We continue to have high customer satisfaction in all three markets and were named the most loved brand for the fifth year in a row."

Jon Lidefelt



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.

"In 2023, Swedbank consolidated the Swedish corporate business into one business area. Investments in the corporate sector was subdued due to the economic uncertainty, although we see somewhat higher activity in northern Sweden and in renewable energy."

Bo Bengtsson



This is how we create value

By offering lending to households and businesses, sustainable savings, and secure and simple payment services, we help to improve our customers' financial health. The value we create through our offerings increases financial stability and generates dividends for our shareholders.

We make our customers' financial lives easier

With around seven million private customers and 550 000 corporate customers, Swedbank is the leading bank for the many households and businesses in Sweden, Estonia, Latvia and Lithuania. We are active mainly in lending, payments and savings, and we also offer pension and insurance solutions. We are available 24 hours a day and provide service and advice to our customers in person, by phone and by digital means.

The need for advice is growing among all our customers, and it is becoming increasingly important to offer the right products and services based on the customer's financial situation. More customers are choosing to bank digitally, and our ambition is that they will conduct all their day-to-day transactions digitally, but with the opportunity for personal support when more qualified advice is needed. To remain relevant for our customers, we have to continuously improve our offerings and develop more customised services in all our home markets.

An important part of society

Swedbank is a systemically important bank. We provide critical infrastructure and are one of the largest taxpayers in several of our home markets. As an integral part of the economy, we are affected by long-term economic trends, economic fluctuations and major developments in the operating environment. This includes regulatory, economic or behavioural changes. To stay competitive and relevant, we are always ready to adapt quickly to changing conditions. Swedbank has a long tradition of sponsoring Swedish local associations and other forces for good in society. Our sponsorships are mainly focused on public education for organisations that work with children and young people. The goal of this education is to offer responsible advice and spread knowledge that can help the individuals and companies achieve financial balance, strengthen entrepreneurship and contribute to the sustainable development of the local community.

Our income, expenses and earnings distribution

Our largest source of income is net interest income: the difference between interest income from lending and interest expenses for deposits and funding.

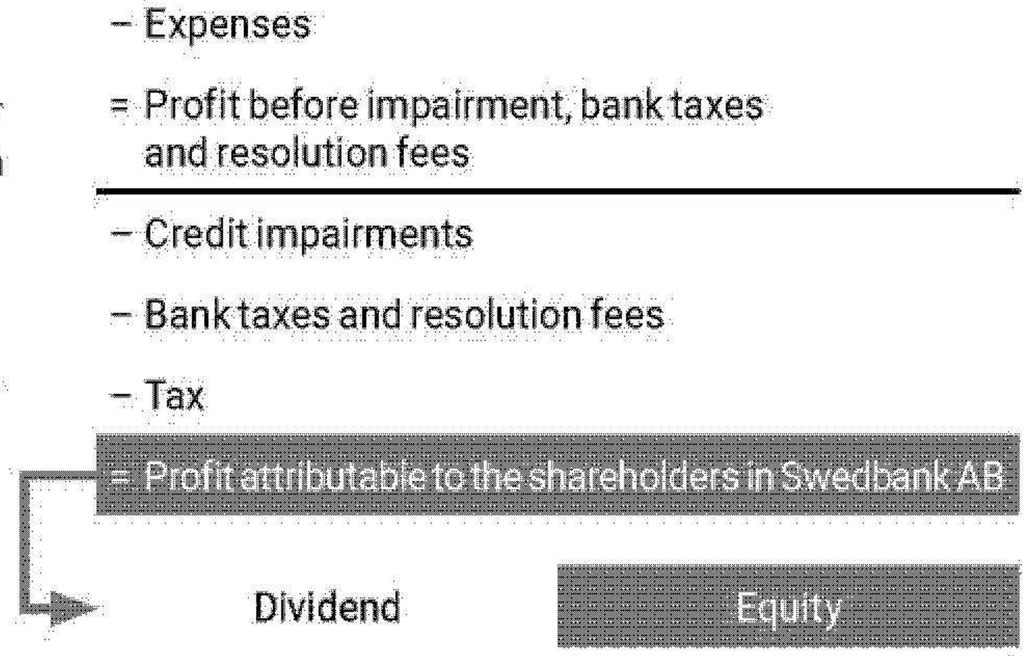
The lending is financed through deposits from businesses and private customers and through funding from the capital market.

Our second largest income source consists of fees for products and services such as asset management and payments. Income from asset management is generated from a fee on assets under management and is therefore affected by the performance of the financial markets. Income from payments comes mainly from card fees, but also from businesses that use our card terminals.

Our main expenses are related to personnel and IT. To meet the demand from customers, satisfy requirements from authorities and increase cost efficiency, we must continuously invest in our employees, modern services and systems.

To maintain a low risk level, we have to understand and price our lending correctly. Our margin must therefore be high enough to cover credit impairments. The margin also has to cover our expenses, fees to strengthen financial stability and a return on shareholders' equity.

Swedbank's dividend policy is to distribute 50 per cent of profit to our shareholders, who expect a competitive return on their capital. The remaining 50 per cent is used to finance growth, develop the bank and weather economic pressures in difficult times.



We want to empower more people to improve their financial health

At Swedbank, we want more people to be able to build up their finances and acquire the knowledge needed to feel secure today and in the future. This is why we want to empower a million people in our home markets to improve their financial health by 2030.

By evolving the way we work and our digital channels so that more customers can benefit from the bank's advice, and by continuing to educate young people and others about personal finance, we create opportunities for stronger financial health. When people have their finances under control and know that they have choices, they can also take control of their financial situation, become more secure, and gain freedom.

Swedbank's work with financial health takes as a starting point the United Nations definition of financial health: "to feel secure in one's personal finances, to have control, resilience and financial freedom". For us, this means having higher income than expenses, an adequate level of savings, a manageable debt load and the insurance needed for a secure personal financial situation. People also need the knowledge to be able to make sound decisions about their finances. This increases the chances that they can live the life they want. It also makes them less vulnerable, both to changes in the economy and to unexpected or adverse life events.

Our aim is to empower **1 million** people to improve their financial health by 2030

Swedbank's Financial Health Index, which was published in March 2023, shows that a relatively large share of the population of Sweden and the Baltic countries is lacking in one or more of these respects. In Sweden, the financial health of 24 per cent of the population is strained or vulnerable. In Lithuania, the corresponding figure is 59 per cent, in Estonia it is 61 per cent and in Latvia it is as high as 74 per cent.



Our strategy produces results

Swedbank's strategic targets are measured and monitored continuously. Progress in each area is reported using a selected number of key performance indicators (KPIs). Based on our strategy as well as focus on implementing our business plan, we created value for our stakeholders and delivered strong results in 2023.

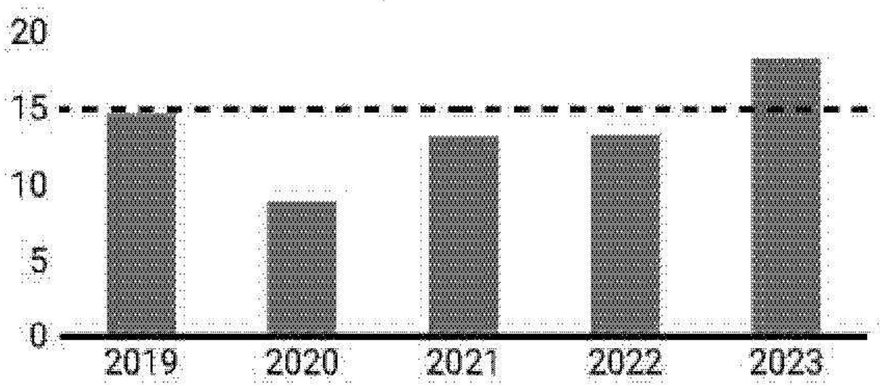
Profitability and cost efficiency

Target: Return on equity (ROE) of at least 15 per cent

Why?

A sustainable bank is a profitable bank. With stable long-term profitability we can support our customers, pay a dividend to shareholders and continue to develop. A profitable bank contributes to financial stability for customers and employees, and by being profitable we also contribute to a financially sound and sustainable society.

Return on equity, %



Result

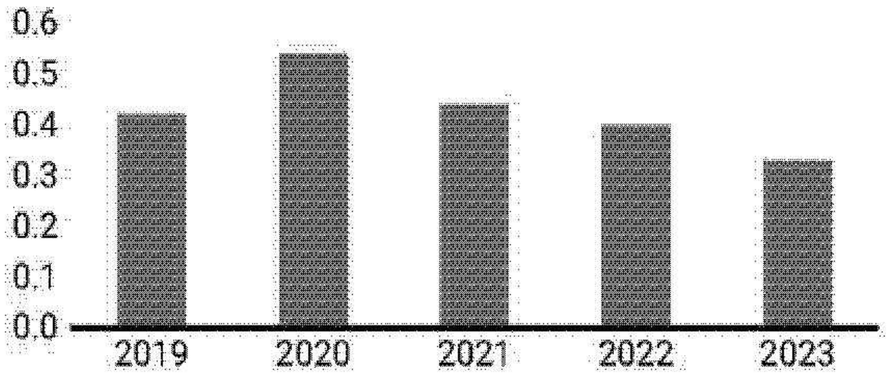
Swedbank delivered a ROE of 18.3 per cent (13.0).

Supporting KPI: Cost/income ratio (C/I ratio) of 0.40

Why?

A C/I ratio of 0.40 ensures that we run a cost-efficient bank with low operational risk while we can continue to invest in the bank's development. It keeps us competitive over time and supports our financial target of at least 15 per cent return on equity.

C/I ratio



Result

Swedbank's C/I ratio amounted to 0.33 (0.40).

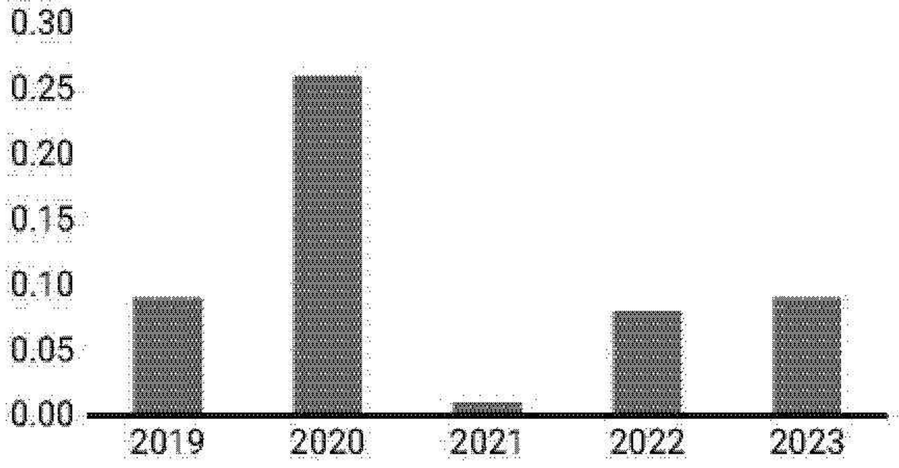
Risk

Target: Good risk management

Why?

Conscious, controlled risk taking is fundamental to our business model and value creation. Swedbank's operations maintain low risk and sustainable, well-diversified funding. Our capital and liquidity position ensures that the bank can manage economic slowdowns and has access to competitive capital market funding.

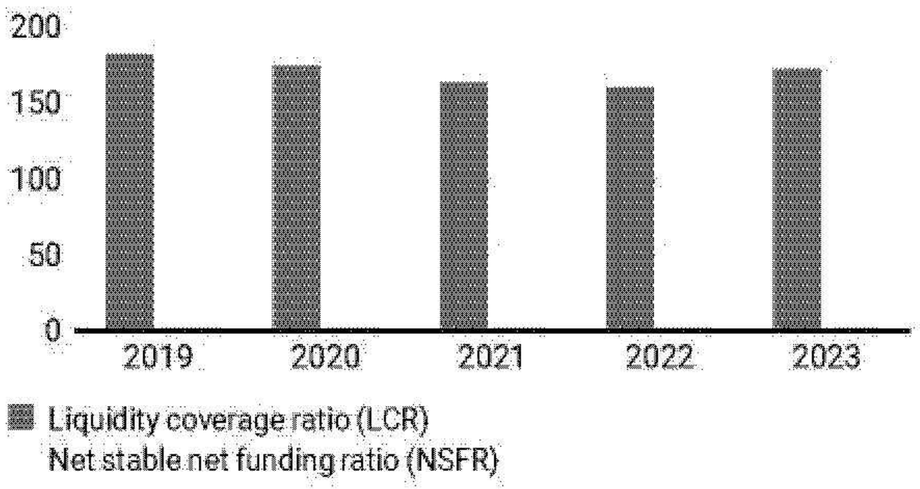
Credit impairment ratio, %



Result

Credit impairments amounted to 0.09 per cent (0.08 per cent) of Swedbank's total loans, which is a low level in a year with weak economic development. The credit impairments of 2023 mostly consisted of model-based credit impairment provisions, while write-offs were low.

Liquidity position, %



Result

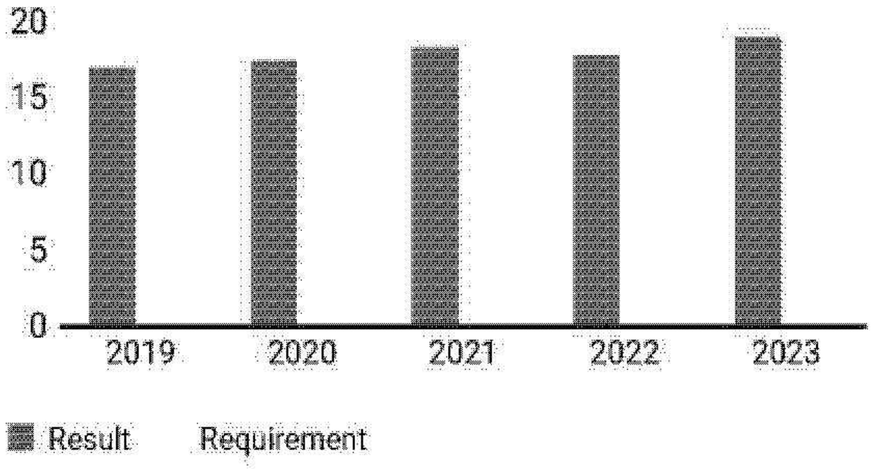
At year-end, the Group's liquidity coverage ratio (LCR) was 172 per cent (160) and the net stable funding ratio (NSFR) was 124 per cent (118), which entailed a good margin to the regulatory requirements.

Supporting KPI: A Common Equity Tier 1 (CET1) capital buffer of 1–3 per cent

Why?

To maintain a good balance between sustainable profitability and risk, Swedbank needs a reasonable buffer to the Swedish Financial Supervisory Authority's capital requirement. Our target is to maintain a buffer to the regulatory requirement of 1–3 per cent. For 2025 and onwards the aim is a buffer of 2 per cent.

Common Equity Tier 1 capital ratio, %



Result

The CET1 ratio was 19.0 per cent (17.8) at 31 December. The Swedish Financial Supervisory Authority (SFSA) raised the CET1 requirement to 15.1 per cent (14.4) during the year, resulting in a buffer of 3.9 per cent to the capital requirement.

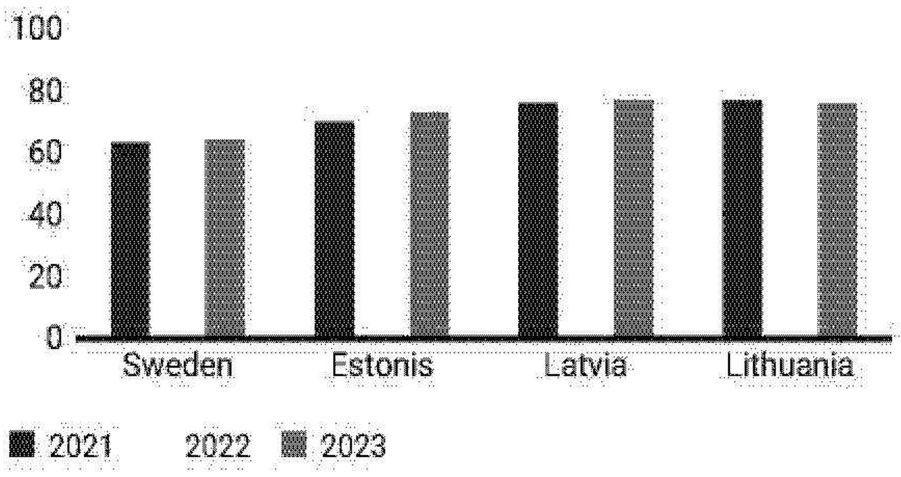
Customer

Target: Increased customer satisfaction

Why?

Our customers are the basis for our success. What is important to them is important to us. The banking and finance industry is constantly changing. For Swedbank to remain successful in the long term amidst growing competition, we have to ensure that our customers trust us. Customer satisfaction, trust and a positive perception of our brand are critical for retaining our existing customers and convincing new customers to choose us.

Customer satisfaction, private customers



Customer satisfaction as measured by the customer satisfaction index (NKI).

Result

The Swedbank brand is very strong in three out of our four home markets. Our customers in the Baltic countries give Swedbank a higher rating than those in Sweden in terms of trust, willingness to of recommend the bank, customer satisfaction and our customer promise.

In Sweden, satisfaction among private customers (NKI 64) was unchanged between 2022 and 2023. We have a clearly defined target to increase customer satisfaction in Sweden as we fall below the industry average.

In the Baltic countries, Swedbank's customer satisfaction exceeded the target, with NKI scores of 73 in Estonia, 77 in Latvia and 76 in Lithuania.

The number of non-customers who would consider Swedbank as an alternative if they had to choose a bank was lower in Sweden compared to the Baltic countries. However, a higher share of non-customers than the industry average would consider Swedbank if they had to choose a bank.

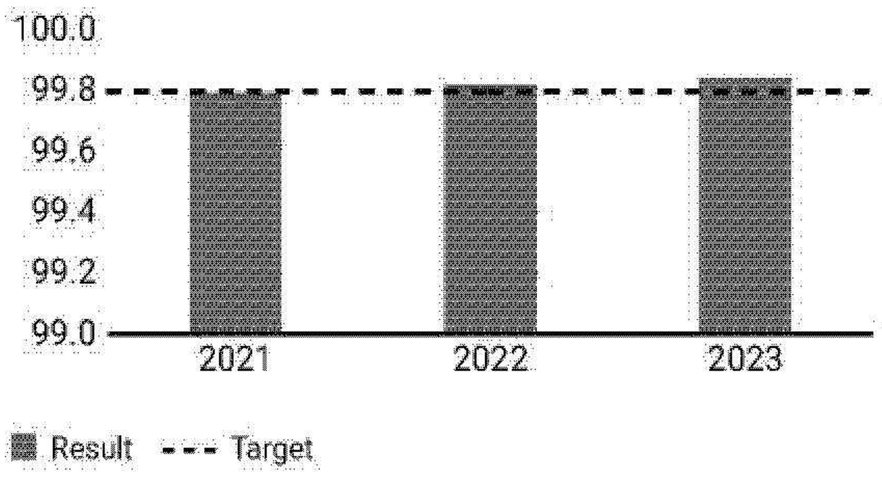
Availability

Target: Availability in digital channels

Why?

Today more than 99 per cent of our customer interactions are digital and customers expect to be able to use our digital services around the clock. We work continuously to improve our availability and to prevent incidents that can adversely affect it.

Availability digital channels, %



Result

In 2023, availability in our app and internet bank for Sweden and the Baltic countries was 99.84 per cent.

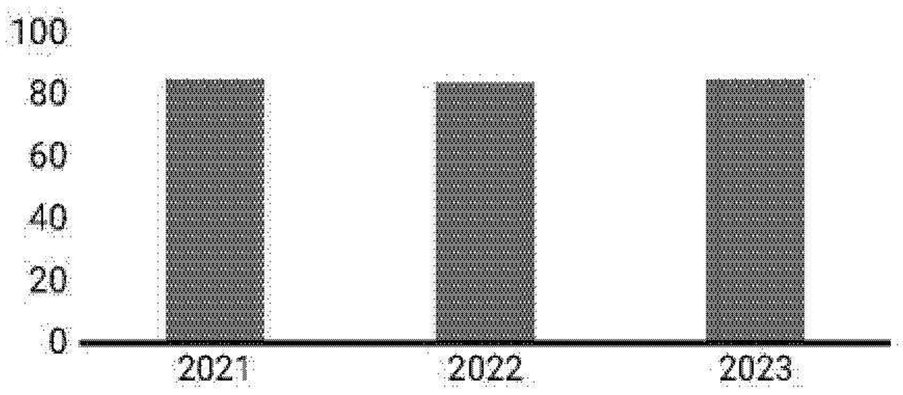
Employees

Target: Increased employee engagement

Why?

Sustainable employees are crucial to both employee engagement and a better customer experience. To remain an attractive employer for current as well as potential employees, we continuously strive to offer a healthy and sustainable work environment characterised by collaboration and inclusion.Through our Employee Engagement Index and Sustainable Employee Index we measure how employees feel about their workplace, access to the necessary resources, work-life balance, development opportunities at work and whether employees feel valued.

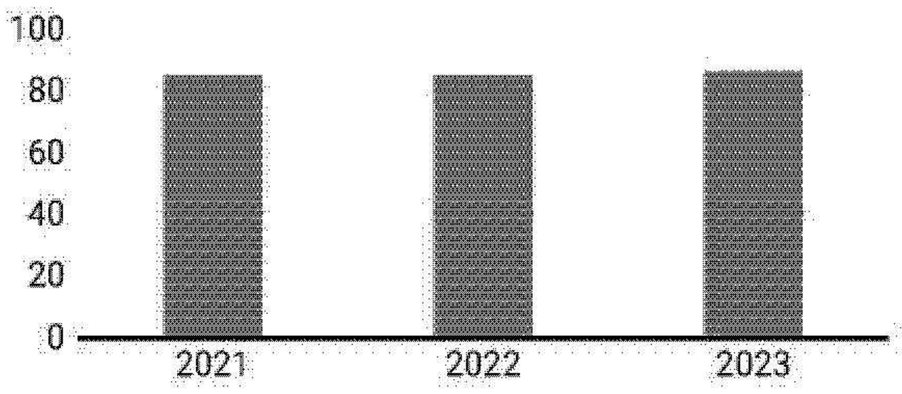
Engagement Index



Result

The result shows consistently high and stable engagement among employees during the year. Teamwork and, learning and development at work as well as employees feeling that their work is important were the areas that received the high scores in the survey.

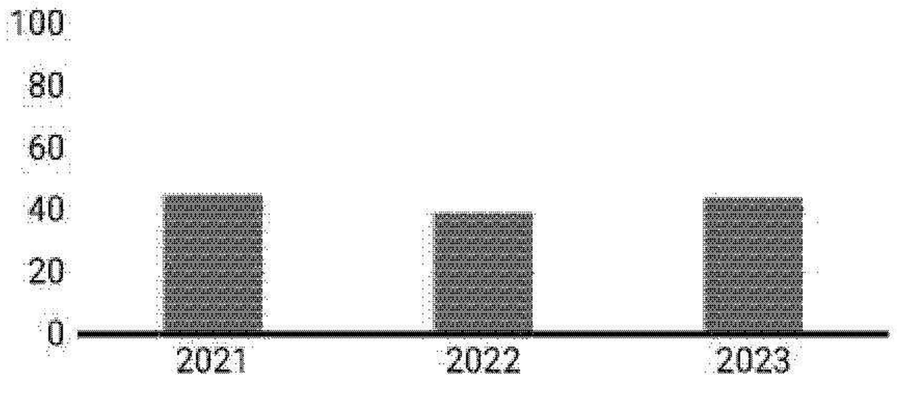
Sustainable Employee Index



Result

In recent years, the result has increased slightly for questions relating to employees' work situation. We believe that this improvement is due to increased flexibility and opportunities to work remotely.

Recommendation Index (eNPS)



Result

Our Employee Net Promoter Score (eNPS), which refers to willingness to recommend Swedbank as an employer, has remained at a consistent level.

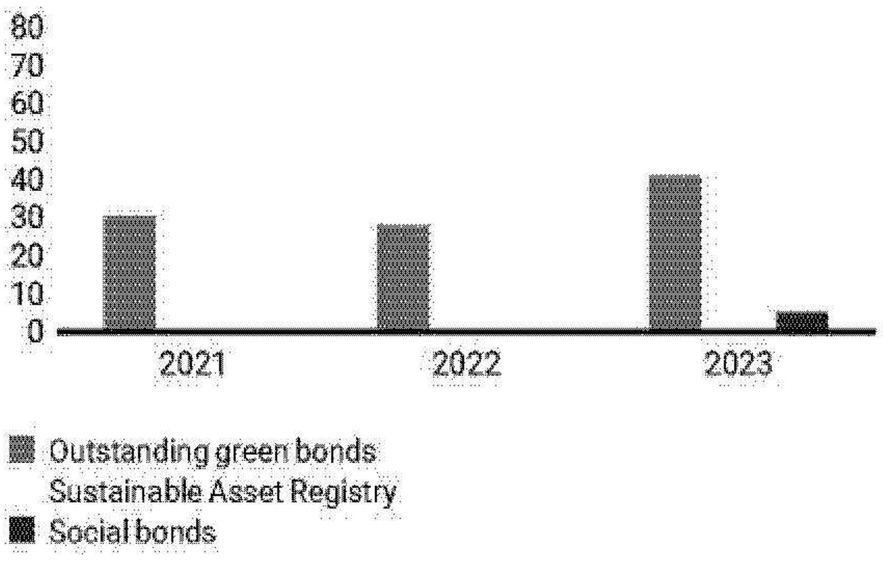
Sustainability

Target: Increase the bank's sustainable financing, reach net-zero emissions by no later than 2050, and adapt our lending and investment portfolios to the 1.5°C target.

Why?

Swedbank will contribute to lower climate impact and contributing to society's sustainable transition. Climate change is one of the most important issues within sustainability and is critical to sustainable development. Society must undergo a transition to achieve greater sustainability, and banks have an important role to play in this transition. In 2023, Swedbank continued to increase our sustainable financing, implemented measures to support customers in their transition.

Growth in Swedbank's registry for sustainable assets[1] and sustainable bonds, SEK bn



1) Qualified loans according to Swedbank's Sustainable Funding Framework.

Result

In 2023, Swedbank remained active as an issuer of sustainable bonds, issuing one social and three green bonds. Swedbank also became the first Nordic bank to issue a social bond. The Group's Sustainable Asset Registry increased by 25 per cent compared to the preceding year. Swedbank's green and social bonds are issued from the Registry.

Climate targets for the lending portfolio

Sector	Unit	Target 2030	Result 2022[1]	Baseline year 2019[2]
Mortgages	$kgCO_2e/m^2$	–39%	–6%	9.2
Commercial real estate	$kgCO_2e/m^2$	–43%	–17%	25.1
Oil & gas	million t CO_2e	–50%	–55%	6.4
Power generation	t CO_2e/MWh	–59%	–10%	0.17
Steel	t CO_2e/ton	–29%	–6%	0.89

1) Reporting is not included for the year 2023 as underlying emissions data is not yet available.

2) 2019 has been used as the baseline year. The targets for 2030 are based on the 2019 levels. The calculations for the baseline year were adjusted in 2023 as methodologies and the availability of data have improved.

Result

In 2023, Swedbank continued to support customers in their climate transition. We have set climate targets for five sectors in our lending portfolio; these are to be reached by 2030. The results for 2022 are reported relative to the baseline year for the measurement period.

For the mortgage sector, the result shows a decrease of approximately 6 per cent in emission intensity. Emission intensity decreased in the Baltic countries and in Sweden.

For the commercial real estate sector, emission intensity also decreased relative to the baseline year 2019. The decrease was approximately 17 per cent.

For the power generation and steel sectors, emission intensity has decreased by just over 10 per cent and 6 per cent, respectively, since 2019.

For the oil and gas sector, absolute financed emissions have decreased by approximately 55 per cent since 2019. This means that the target to reduce financed emissions by at least 50 per cent by 2030 has already been reached.

The result is affected by a variety of factors, such as the customers' or property's emissions, Swedbank's exposure and the extent of the customers' total assets. Calculation methods, underlying data and more information on the results relative to the climate targets are described on pages 245–247.

For the result of the climate target for the investment portfolio, see note S1 chapter 1.1 Asset management, page 214 and outcomes for other climate targets in note S2 chapter 2.2 Climate change, page 245.



Social engagement as an underlying principle since 1820

In Sweden, Estonia, Latvia and Lithuania, Swedbank is an important part of the financial infrastructure and the development of society.

We influence and engage in social issues by promoting financial literacy, supporting local associations and encouraging entrepreneurship. Through various initiatives, we provide education that builds financial knowledge and an understanding of business fundamentals. Swedbank has longstanding collaborations to teach children and young people about the business world while they are still in school.

The digital transformation is progressing rapidly, and it can be difficult for senior citizens to adapt to the new digital society. That is why we have been educating seniors about digital services for several years through our Digital Economy initiative.

The Savings Bank Group and Savings Bank Foundations, as partners and shareholders in Swedbank, are strongly engaged in these issues.

Half of Swedbank's profit is annually distributed to our shareholders in accordance with our dividend policy. These are owners in form of, among others, savings banks, pension funds and foundations, which in their turn give back to society through various community initatives, mainly local and regional, but also national.

For more information, see page 218.

We support our customers towards a sustainable future

What is sustainable in the long term is also profitable in the long term. This applies to customers, our business and society as a whole. The bank's business strategy is based on making it easy for customers to make conscious and sustainable financial choices, enabling them to contribute to the green transition.

Swedbank's strategic direction places sustainability at our core of the business strategy. Our focus is on financing the sustainable transition and we strive towards a society that is financially, socially and environmentally sustainable.

An important focus area for us within sustainability is improving financial health in our four home markets. This means that, through continuous, personalised advice, we can increase financial literacy in society and, underscore the importance of a savings buffer and insurance for unexpected expenditures and events, as well as savings for the future. This contributes to a more sustainable and stable economy in the long term.

Another important area is the energy transition the real estate sector. We see great potential in this sector when it comes to reducing our indirect climate impact, thus contributing to a sustainable transition. We work actively to find innovative solutions to help our customers reduce their energy consumption and by doing so contribute to reduced emissions. In both of these areas, Swedbank can make a positive and noticeable difference for society and the environment.

In recent years, we have worked to develop new products and services that are designed to aid society and our customers in their transition, while at the same time managing risks and opportunities related to sustainability, especially climate change. The Group's position statement on climate change points us in a clear direction and explains how we help to facilitate the climate transition in accordance with the Paris Agreement, in line with the 1.5˚C target.

Swedbank's work with social sustainability is characterised by our societal engagement, which will always play a key role in our operations. Through various initiatives for children and young people in our home markets we help to build an understanding of personal finance and how various choices in life impact the future.

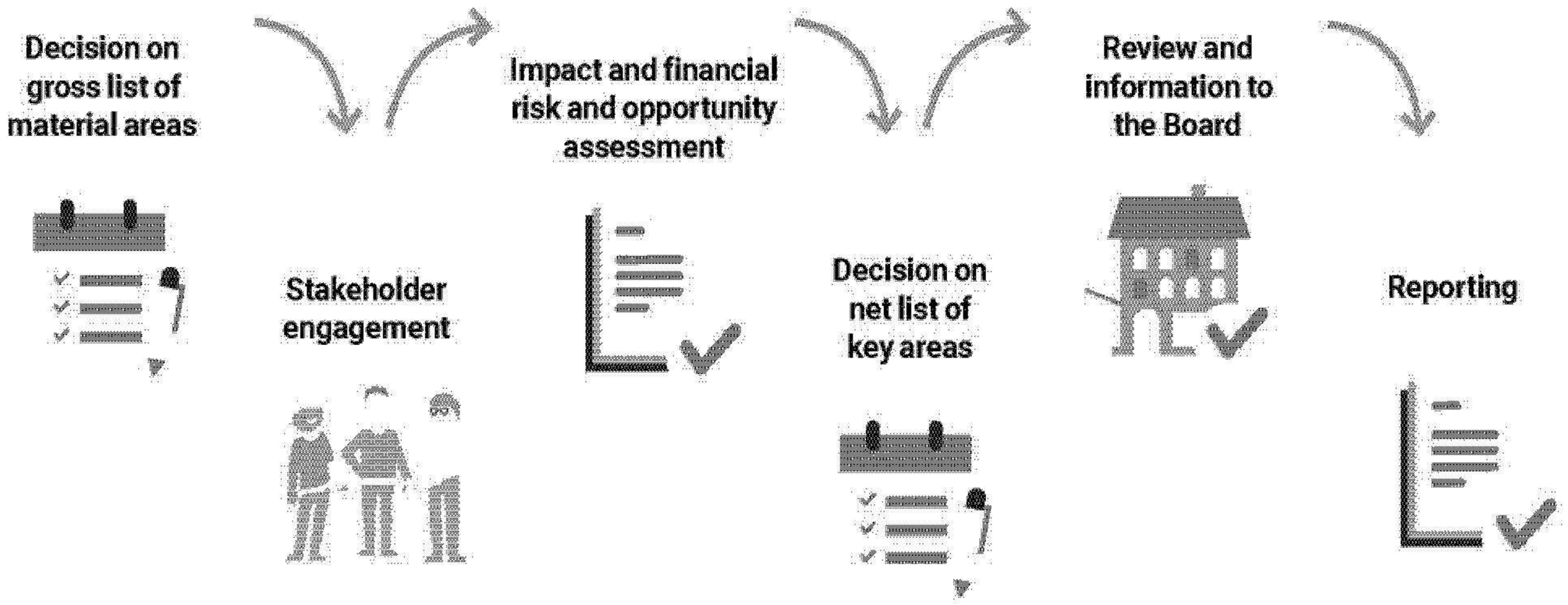
During the year, we worked on developing the bank's sustainability-related policies, expanding our reporting and developing tools to support the assessment of sustainability risks in customer interactions. It is important for us to be transparent in order to maintain strong, long-term relationships with our stakeholders and that these relationships are built on openness and trust.



Key sustainability issues

Sustainability is increasingly being integrated in the bank's business operations. With the help of a materiality assessment, selected sustainability areas are identified and serve as the basis of our structured sustainability work.

Our process to assess key sustainability issues



By being profitable, we contribute to a financially sound and sustainable society. In this way, we can support our customers, pay dividends to our shareholders and continue to develop the bank. This also contributes to financial stability for customers, employees and society as a whole. To achieve this, we have to assess and evaluate the bank's sustainability priorities.

A materiality assessment was performed during the year and serves as the basis of the sustainability reporting. The assessment was conducted together with customers, investors, employees and other important stakeholders. It was conducted with an initial starting point based on the principle of double materiality. Thus included both impact and financial materiality, i.e. how Swedbank impacts people and the environment as well as how Swedbank is impacted financially by external sustainability-related factors. These factors, are analysed through business risks and opportunities within sustainability. Based on upcoming regulatory reporting requirements (CSRD), a sustainability topic is considered material if it meets the criteria for one or both dimensions.

The outcome of Swedbank's materiality assessment is shown in the list to the right.

Our material sustainability topics

- Offer our customers **sustainability-related advice as well as sustainable products and services**, e.g. by financing energy efficiencies in the real estate sector or, through a sound savings culture, helping to improve the financial health of society.
- Promote the **climate transition and reduced greenhouse gas emissions.**
- Promote the restoration and strengthening of **biodiversity and ecosystems.**
- Promote sustainable **employees** as the foundation for the bank's culture and success.
- **Responsible business** and business ethics.
- Combat all forms of **financial crime**, e.g. by preventing the bank from being used for illegal transactions with the proceeds of criminal activity or terrorist financing.
- Ensure stable **IT systems and information security** such as processing of personal data.

For more information on the materiality assessment and each material topic, see the pages 211–213 and the sustainability notes on the pages 214–260.



Green Genius – solutions to empower sustainability

Sustainability is ingrained in Swedbank's DNA. We strive to run our operations sustainably and support clients in their sustainability transition. It is also important for us to contribute financially to the development of green projects in Sweden and the Baltic countries. In 2023, Swedbank granted a loan to the renewable energy company Green Genius in Lithuania. At EUR 92 million, it was the largest loan that Swedbank has granted to date for wind farms in Lithuania. The funds will be used to build an 80 MW wind farm, providing companies with renewable energy, and enabling a CO_2 emission reduction of more than 130 000 tonnes annually.

Green Genius develops renewable energy projects in eight European countries and is part of the international Modus Group.

"When Green Genius was founded 18 years ago, we were primarily focused on solar energy. Today, we are involved in the development, construction and operation of solar, wind and biogas projects. We are also working on creating Lithuania's largest biomethane production capacity to reduce carbon emissions from transportation. Our energy storage solution for industrial clients has received recognition and a subsidy from the European Commission," says Rokas Bancevičius, CFO of Green Genius.

The conclusion of a deal of this magnitude in Lithuania demonstrates, above all, the maturity of the Baltic markets – and that markets in the region are cooperating more closely than in the past.



Rokas Bancevičius, CFO, Green Genius

"Green Genius and Swedbank share similar values and want to take responsibility for the future we are creating. We also share a similar long-term strategic vision for the region. Partnerships like these have the potential to jumpstart the fundamental changes that society needs to make," says Rokas Bancevičius.

Green Genius projects generate approximately 315 GWh of green energy each year. This makes it possible to avoid more than 210 000 tonnes of annual CO_2 emissions. The main goal for Green Genius is to empower sustainability and help to slow climate change.

Sustainability integrated in operations

Climate change continued to create great challenges for society in 2023 and is becoming more acute for many of the bank's customers. Extreme weather events in the form of droughts, floods and earthquakes are now recurrent and affect us all.

Sustainable transition

Reduced energy consumption

The energy transition and energy efficiencies are important tools to reduce climate impacts. Mortgages account for a significant share of our business in our four home markets. Consequently, we can help to increase awareness of energy efficiency in residential and commercial properties as well as forest and agricultural properties through our advice along with our products and services. We enable our customers, both individuals and businesses, to make sustainable decisions, adapt their activities and in that way create a better future.

By financing projects that increase energy efficiency, we can help to speed up the transition. As part of these efforts, we have also invested in the company Hemma, where Swedbank's private customers in Sweden can receive a free digital energy inspection of their home and then apply to finance improvements through Swedbank. The inspection provides the customer with concrete suggestions on how they can reduce their energy use and cut their electricity costs.

To promote sustainable investments, Swedbank Estonia and Latvia reduced their interest rate to 0 per cent during two years for loans to finance solar panels or energy-efficiency improvements in properties. The aim is to transition and grow the green lending portfolio, thereby helping to reduce climate impacts by increasing access to renewable energy and reducing the energy consumption of the bank's private customers.

Sustainable finance

Helping companies to invest in green projects is important in order to support the energy transition that is underway in society, e.g. to reduce dependence on fossil fuels. As our customers make additional green investments, our Sustainable Asset Register grows, enabling us to issue green bonds. In 2023, Swedbank issued three green bonds in EUR, GBP and CHF with a total value corresponding to SEK 15.4 billion.

In August 2023, Swedbank, became the first Nordic bank to issue a social bond, a major milestone in the Nordic banking sector. The bond had a total value of SEK 5,6 billion. The use of proceeds include financing SMEs in areas with socioeconomic challenges to create jobs and financing female-owned businesses.

Swedbank has an outstanding volume of SEK 47 billion in green and social bonds.

In partnership with the Estonian tech company e-Agronom, we have developed a tool to determine which farmers meet the requirements for "sustainable agriculture". Those who qualify receive a certification which they can use to apply for better loan terms from the bank.

Increased focus on nature and biodiversity

Preserving biodiversity is another aspect of environmental sustainability that is important to Swedbank. When biodiversity is preserved, financial risk is decreased, since the businesses that Swedbank finances and invests in are dependent on nature for their production needs and value chains. As a bank, we can promote projects and initiatives that protect threatened ecosystems and contribute to a diversity of species.

During the year, our fund company, Swedbank Robur, helped to establish the global investor initiative Nature Action 100, whose aim is to use investor engagement to reduce the loss of nature and biodiversity. The initiative encourages companies to evaluate their impact on nature and their exposure to nature-related risks, as well as to set time-limited targets, establish governance roles and publicly disclose their progress.

Innovative products and services

Sustainability is an area that is constantly evolving, and innovative new services and technologies to meet the transition needs are being created at a rapid rate. During the year Swedbank participated in a research initiative and purchased biodiversity credits. The credits are the first of their kind in the Swedish market. Eventually, this work could lead us to offering our customers the chance to finance and develop biocredits and promote biodiversity.

In the Baltic countries, Swedbank launched a loan to convert non-forest land to forest during the year. Forests are important to regulate ecosystem services and promote biodiversity. They are one of the few natural ecosystems that can store carbon dioxide and help to offset greenhouse gas emissions. The afforestation loans enable our customers to manage forests more sustainable while simultaneously increasing the market value of land that is not being utilised to its full potential.

A first step toward expanded taxonomy reporting

Swedbank is subject to the EU Taxonomy Regulation, a classification system that defines the criteria for economic activities that are environmentally sustainable. Since 2021, the bank reports the percentage of its assets from eligible economic activities. This year the

reporting is being expanded to include information on the bank's customers as well as counterparties' assets, financial guarantees and assets under management associated with sustainable economic activities.

The primary KPI for banks is the Green Asset Ratio (GAR) – Taxonomy-aligned assets as a percentage of total assets – the purpose of which is to increase transparency and speed up a sustainable transition. Taxonomy-aligned assets are assets:

- where the underlying activities substantially contribute to at least one of the EU's six environmental targets,
- that "do no significant harm" (DNSH) to any of the other environmental targets
- that comply with minimum social safeguards, and
- economic activities meet the technical screening criteria for a specific objective.

Swedbank's GAR is calculated based on Turnover and CapEx and is impacted mainly by two aspects: the bank's mortgage customers and large corporate clients. The first relates to the energy performance of the bank's mortgage portfolio, and the second relates to the share of environmentally sustainable economic activities of NFRD corporates within the bank's corporate lending. As of 31 December 2023, the Turnover GAR is 1.36 per cent and the CapEx GAR is 1.41 per cent.

The Turnover green ratio for assets under management is 2.66 per cent and the CapEx green ratio for AUM is 4.24 per cent as of 31 December 2023. This is impacted by the underlying holdings and investment strategies in the bank's funds and discretionary portfolio management.

The KPIs show great potential and that the bank has an important role, but they also have to be seen in light of classification limits. Small and medium-sized enterprises (SMEs) within the bank's corporate lending cannot be Taxonomy-aligned even though they are included in total assets. The same applies to all mortgages that lack new energy performance certificates or funds with an investment focus outside Europe (which do not report according to the EU Taxonomy).

As sustainability reporting regulations are expanded, access to, and the quality of, data are expected to improve over time. Business model and type of business also have a major impact on how the Taxonomy is implemented in an organisation. Swedbank sees mortgages, which account for a majority of its eligible assets, as critical. Residential properties represent for a large share of the EU's energy consumption and carbon emissions, which can be reduced by improving the energy efficiency of properties. At the same time, we have, through our large corporate and SME clients, a central role to play as both a lender and advisor, regardless of whether it classifies as Taxonomy-aligned. Furthermore, the Taxonomy will comprise one of several key tools to monitor sustainability in asset management. We also see that investments in companies with Taxonomy-aligned activities will be important to Swedbank's efforts to reach its climate targets.

Swedbank has a strong ambition to improve and increase its share of environmentally sustainable assets and assets under management. At the end of the year, Swedbank initiated an external collaboration to support its commercial real estate clients with a focus on sustainable technology, energy efficiency and strategic sustainability advice. There is also an established collaboration that enables the bank's private customers in Sweden to receive a free digital energy inspection of their home and then apply to finance improvements through Swedbank.

Going forward, the bank will develop and adapt its advice and product range to better meet the environment requirements in the Taxonomy. In terms of the bank's own processes, the focus will be on improving access to sustainability information on customers' activities and collateral for financing as well as developing system support to help us contribute to a sustainable transition.

Social sustainability in the banking sector has increased in importance

Financial health

Throughout the bank's 200-year history, our goal has been to help our customers achieve a better financial situation. With advice, products and services, we have been able to help them make sound and sustainable decisions. We provide our customers with the necessary financial know-how to understand their personal finances and feel secure in their everyday lives and about the future.

Swedbank has developed a Financial Health Index based on a survey it conducted which measures people's financial literacy in terms everyday spending, savings, loans and financial security. It helps the bank and society as a whole to understand the financial health of our four home markets: Sweden, Estonia, Latvia and Lithuania.

With the index as a starting point, we can spread knowledge and create awareness to empower people to improve their financial health. The index, which was published for the first time in March 2023, shows, however, that a relatively large percentage of the population in Sweden and the Baltics is lacking in one or more of these areas. More information on our work with financial health is provided on page 218.

Employees with sustainability expertise

Constructive advice on sustainability requires informed and trained employees. Swedbank is building sustainability competence among our employees, so that they can advise our customers in an informed way.

Diversity and inclusion make us a sustainable and profitable bank

Swedbank has a long-term goal and strategy to drive developments for increased gender equality, diversity and inclusion in every part of our business and in all the communities where we operate. We want to be an inclusive workplace where everyone feels respected and where people's differences are seen as a strength and opportunity to drive positive change.

As the bank for the many, diversity and inclusion (D&I) are fundamental to our strategic direction. At Swedbank, we see our long-term efforts in this area as an investment in the future and a way to live up to the demanding standards set by our customers and shareholders. Diversity and inclusion will increase our attractiveness and competitiveness in the market and as an employer, which in turn will lead to higher profitability for the bank.

A foundation for success

Creating a culture based on diversity and inclusion is an effort that must engage everyone at Swedbank. The work begins at the Group Executive Committee (GEC) level and needs to be part of everyone's agenda. GEC is working to develop the bank in this area and to place a clearer focus on how different perspectives benefit the business. As an additional step, in 2022 the new role of Chief Diversity Officer (CDO) was filled. A GEC member is appointed on a rotating basis for a two-year period.

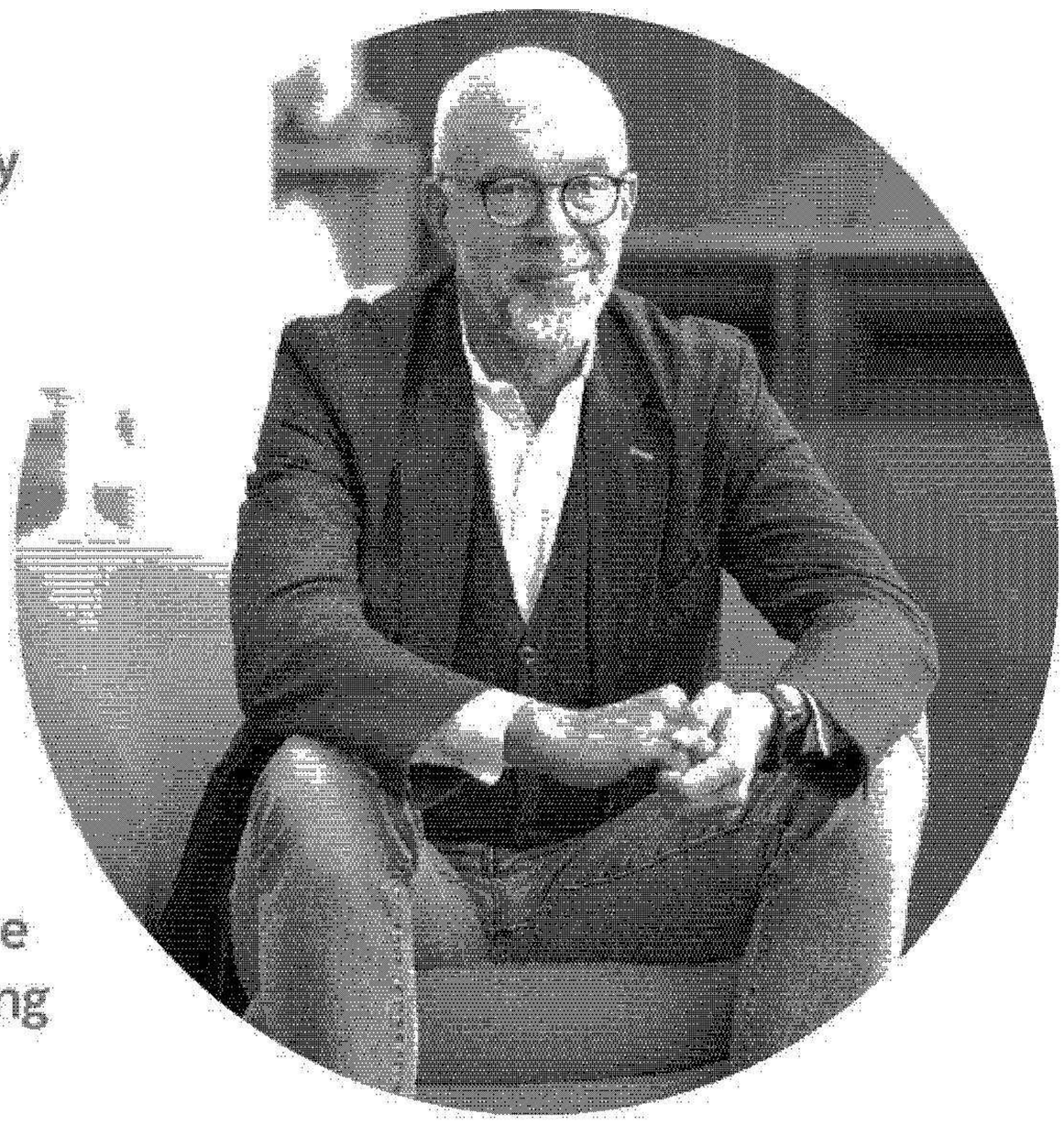
Anders Karlsson, CFO since May 2022, began his two-year period by setting new targets, putting continuous monitoring into place and establishing clear areas of responsibility for prioritised activities.

Building awareness and knowledge of diversity and inclusion

A training programme on diversity and, inclusion and a reverse mentoring programme for the Group Executive Committee were launched during the year and will continue through 2024. The programme involves all employees, giving them the opportunity to listen to lectures provided by D&I experts. Through open, simple and caring communication we want to encourage continuous dialogue and a sound corporate culture as well as help to create a better workplace together. For more information on our work with diversity and inclusion, see page 251.

"As Swedbank's CFO, I devote most of my time to profitability and numbers. I was surprised and honoured when I was also asked to become the bank's first Chief Diversity Officer. I quickly realized that there are many of us who need to learn more and that we have to channel the positive energy that comes from our differences. In addition, our customer base is broad, and we want that to be reflected among our employees as well."

Anders Karlsson, CFO



Basic sustainability training is mandatory for all employees, while more advanced training is available for those who need more in-depth knowledge. To support corporate advisors who interact with customers, new training on the ESG analysis tools was developed during the year.

Accessible products and services

Swedbank has more than seven million customers. It should be easy for as many people as possible, regardless of ability, to understand and use the bank's services. Language barriers, disabilities and late digital adoption are a few examples of how use of the bank's products and services is limited. We therefore focus on creating inclusive services and content in the digital channels with an emphasis on accessibility and usability.

Swedbank and the savings banks are developing a payment card from Mastercard to provide accessibility to those who have difficulty distinguishing one standard card design from another. The new so-called Touch Card is specially designed with a notch on one side so that the user can tell whether it is a debit, credit or prepaid card even if they are visually impaired. It is also made of 100 per cent recycled plastic.

Sustainable construction industry

Within the framework of a sustainable construction initiative we are partnering with other banks and the construction and real estate industries to combat crime in the labour market.

The banks are setting requirements for control systems and monitoring of who is performing the labour at every level of the supply chain. Special conditions were implemented during the year alongside credit agreements. The banks' aim is to accelerate the transition that is needed at a pace that is feasible for the construction industry.

Governance and security have a high priority

Corporate governance provides a framework for our extensive work with sustainability. It guides how we govern, set targets and monitor the progress of our sustainability work. Our Code of Conduct outlines how we as a bank act in our business and relationships. Our decisions should be based not only on what is allowed and legal, but also what is right and appropriate from an ethical perspective. The Code of Conduct spells out the expectations for our behaviour and serves as an ethical compass for day-to-day operations. It applies to all employees of Swedbank and all its subsidiaries and is part of the introduction for new employees of Swedbank as well as recurring training on ethical standards.

Working with corporate governance is an important part of our asset management. Swedbank Robur stands out in this area. During the year, it was ranked as the best in the Nordic region in an analysis by the organisation ShareAction, where the sustainability work of 77 international asset managers was evaluated based on how they work with governance, responsible investment, climate change, biodiversity and social issues.

Sustainability analysis in the lending process

Swedbank takes sustainability risks into consideration in corporate credit decisions. To further improve the bank's advice and risk management within sustainability, a new, digitised sustainability tool was developed. The analysis takes sector-specific risks into account from three perspectives: environmental, social and governance. This makes it possible in an automated way to identify the most material sustainability risks in a specific sector, which in turn serve as a basis for customer-specific analysis and dialogue. This gives the bank a better understanding of how customers manage the identified sustainability risks. Swedbank has developed widely available tools to continuously advise various customer groups on their sustainability work. During 2023 we distributed checklists to 200 000 companies and tenant-owner associations with various examples of measures and activities they can implement to achieve a more sustainable future.

Combat financial crime

Combat financial crime is imperative in order to achieve Swedbank's vision of a financially sound and sustainable society. At the same time as Swedbank combats money laundering and terrorist financing, we have to ensure that our banking services are available and easy to use for customers.

The bank's employees and consultants undergo annual training in information security. We provide continuous information in all our channels on how customers can protect themselves against fraud. An information campaign by the Swedish Bankers' Association called "Scamaware!" (Svårlurad!) was implemented during the year to raise awareness of the problem of fraud, spread information and provide concrete suggestions on how customers can best protect themselves. Swedbank also collaborates with government authorities and other financial organisations to share information in order to prevent security incidents and fraud.

For Swedbank, information security and protecting customers' information is of critical importance to maintain trust and protect our customers' assets. We work constantly to maintain the highest standard of information security. This includes processes to protect information, monitor transactions and prevent unauthorised access to customer information. Swedbank invests continuously in advanced technologies to protect against cyberattacks and other threats.



Sustainable finance to support the green transition in Estonia and Latvia

Swedbank's aim is to hold a leading position in the sustainability transition and to help drive change and create long-term impacts in the green transition.

To encourage our customers in Estonia and Latvia to make sustainable choices, Swedbank developed a sustainable finance offering in 2023. The offering comprises a range of green loans with 0% interest for the first two years.

For private customers:

- Energy efficiency loans for residential properties
- Solar energy loans
- Mortgage loans for green buildings
- Leasing of low-emission vehicles

For corporate customers:

- Lease offering for sustainable agriculture
- Loans for renewable energy
- Energy efficiency loans
- Leasing of low-emission vehicles
- Afforestation loans (launched in 2023)

The offering has been very popular among customers and generated 3 498 agreements in total value of EUR 370 million.

Strong result and high total return

Increased income and continued cost control contributed to a strong result for 2023. Credit losses were low despite challenges in the economy. Together with a strong capitalisation, this means that the board – in line with the dividend policy – is able to propose to distribute 50 per cent of profit for the year.

The Swedbank share as an investment

1 Large customer base paves the way for high cost efficiency and profitability

More than 40 per cent of the population in our home markets are customers of Swedbank. We have strategic partnerships with the Savings Banks in Sweden, SpareBank 1 SR-Bank in Norway and Sydbank in Denmark, enabling us to reach even more customers. We also share the cost of IT, product development and other items with the Savings Banks. Our large customer base provides natural economies of scale and paves the way for high cost efficiency. It also contributes deposits, which constitute a stable and cost-effective funding source for Swedbank.

2 A low-risk bank with good credit quality and strong capitalisation

Swedbank has a conservative approach to both lending and capital. Our low risk appetite contributes to good credit quality, which in turn leads to low credit impairments over time. Despite economic pressures on both companies and households during the year, the bank's credit quality remained good. Our capitalisation is strong and exceeded the requirement set by the Swedish Financial Supervisory Authority by 3.9 percentage points at year-end 2023 – well above our aim for a buffer of 1–3 percentage points.

3 Strong capital generation capacity contributes to high returns

Our business model, geographical presence and low risk appetite enable strong capital generation. The return on equity amounted to 18.3 per cent during 2023, compared to our target of at least 15 per cent. The Board of Directors proposed that the Annual General Meeting resolve to pay a dividend of SEK 15.15 per share, in accordance with the bank's dividend policy to distribute 50 per cent of profit for the year to the shareholders. In relation to the share price at year-end 2023, the proposed dividend corresponds to a yield of 7.5 per cent.

Trading on several markets

Swedbank has one share class, ordinary shares (A shares), which have been listed on NASDAQ OMX Stockholm's Large Cap list since 1995. Swedbank's shares are traded on a number of marketplaces, with Nasdaq OMX Stockholm having the highest turnover. On average, Swedbank shares with a value of SEK 530m per trading day were traded on Nasdaq OMX Stockholm in 2023. The bank also has an American Depositary Receipt (ADR) programme, which enables investors, to invest in the Swedbank share on the U.S. OTC market through depositary receipts.

Ownership, holding of own shares and convertibles

Swedbank had 1 132 005 722 shares in issue as of 31 December 2023, of which Swedbank's holding of own shares amounted to 7 209 322. Based on the 1 124 796 400 shares outstanding, 38.4 per cent was owned by international investors and 61.6 per cent by Swedish investors, of which 12.8 percentage points was owned by Swedish individual investors.

The 2023 AGM authorised the Board of Directors to resolve to repurchase up to 10 per cent of the shares in issues to adapt the bank's capital structure to prevailing capital requirements and settle share-based remuneration programmes. In order to trade financial instruments on its own account, the bank was authorised to repurchase up to 1 per cent of the shares in issue.

The Board was also authorised to issue convertibles that can be converted to shares. These convertibles are used to meet the FSA's capital requirements, and the bank has previously issued such notes on a regular basis.

Share-based remuneration programmes

Swedbank holds its own shares so that it can achieve objectives such as securing the commitments in its performance-based remuneration programmes, with the aim of building long-term employee engagement at Swedbank.

In 2023, a total of 1 725 596 shares were transferred for the remuneration programmes, corresponding to a dilution effect of about 0.15 per cent based on the number of shares outstanding as of 31 December 2022.

The 2023 AGM resolved to adopt new performance-based remuneration programmes. These are expected to result in the future transfer of approximately 3.4 million shares, corresponding to a total dilution effect of about 0.30 per cent based on the number of shares outstanding as of 31 December 2023.

Largest shareholders, 31 December 2023

Share of capital and votes, %	2023
Sparbanksgruppen[1]	12.2
Folksam	7.1
Swedbank Robur Fonder	3.9
Sparbanksstiftelser – ej Sparbanksgruppen[2]	3.7
Vanguard	3.4
BlackRock	2.7
Norges Bank	2.5
SEB Fonder	2.5
DWS Investments	2.5
Handelsbanken Fonder	2.0
Total number of shareholders	**352 981**

1) Sparbanksgruppen (Sparbankernas Ägareförening) consists of 44 savings banks, 9 savings bank companies, 13 foundations, 1 association and 2 profit-sharing schemes. Each member owns shares in Swedbank and their ownership interests are managed cooperatively through annual proxies authorising the owners association.

2) Savings bank foundations – not Sparbanksgruppen consists of 17 savings bank foundations and other foundations as well as 3 companies owned by the foundations. 12 of the savings bank foundations cooperate but cast votes individually. Sparbanksstiftelsen Skåne changed names to Swedbanks Ägarstiftelse Skåne in 2024.

Source: Modular Finance AB/Euroclear Sweden AB

Size of holdings, 31 December 2023

Number of shares	No. of owners	Holding, %
1–500	291 961	82.7
501–1 000	30 899	8.8
1 001–5 000	25 695	7.3
5 001–10 000	2 356	0.7
10 001–15 000	650	0.2
15 001–20 000	346	0.1
20 001–	1 074	0.3
Total	**352 981**	**100.0**

Source: Euroclear Sweden AB

Shareholder categories, 31 December 2023

Share of capital and votes, %	2023	2022
Swedish legal entities	48.9	47.3
Swedish individual investors	12.8	13.0
International investors	38.4	39.7

Data per share

SEK	2023	2022	2021	2020	2019
Earnings per share before dilution	30.35	19.03[2]	18.62	11.55	17.62
Earnings per share after dilution	30.27	18.98[2]	18.56	11.51	17.56
Equity per share	176.7	156.8	144.2	138.5	123.9
Cash dividend per ordinary share	9.75	11.25	14.55		14.20
Dividend per share distributed by year of earnings	15.15[1]	9.75	11.25	5.80	8.75
of which special dividend			2.00		
P/E	6.7	9.3[2]	9.8	12.5	7.9
Price/equity per share	1.15	1.13	1.26	1.04	1.13

1) Board of Director's proposal.

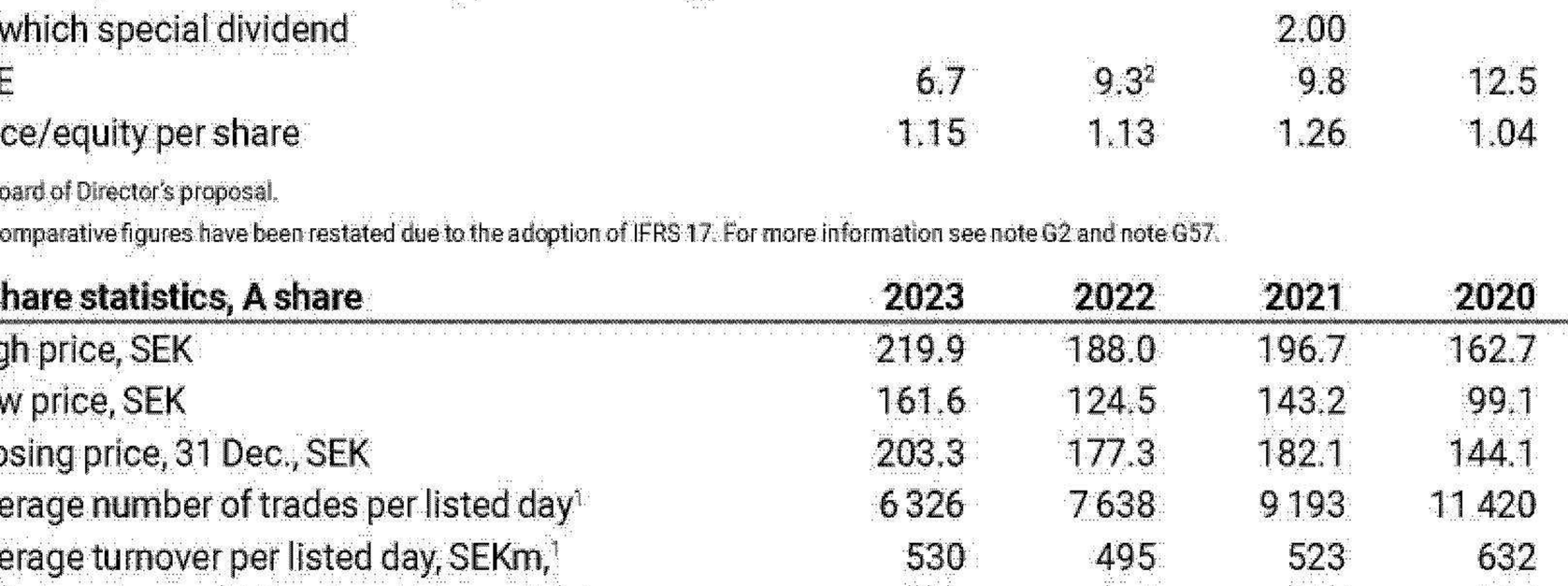
2) Comparative figures have been restated due to the adoption of IFRS 17. For more information see note G2 and note G57.

Share statistics, A share	2023	2022	2021	2020	2019
High price, SEK	219.9	188.0	196.7	162.7	214.8
Low price, SEK	161.6	124.5	143.2	99.1	120.8
Closing price, 31 Dec., SEK	203.3	177.3	182.1	144.1	139.5
Average number of trades per listed day[1]	6 326	7 638	9 193	11 420	10 622
Average turnover per listed day, SEKm,[1]	530	495	523	632	655
Total market capitalisation, 31 Dec., SEKbn	229	199	204	161	156
ISIN code A share: SE0000242455					

1) Turnover data include turnover on Nasdaq Stockholm.

Source: NASDAQ OMX, www.nasdaqomxnordic.com

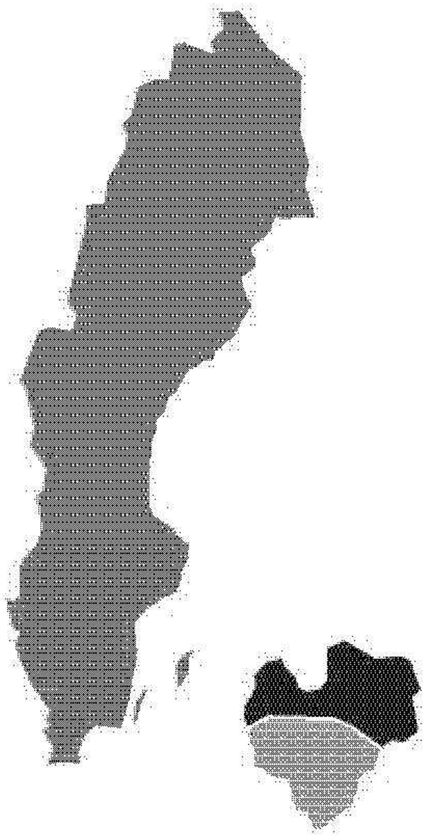
Swedbank's share performance compared with Nordic banks and indices



The stock market performed well during 2023 and the OMX 30 Large Cap index rose by 17.3 per cent. Swedbank's share price increased by 14.7 procent during the year, compared to other Nordic banks which on average increased by 14.9 per cent. The total return of the Swedbank share was 21.3 per cent. Swedbank's market capitalisation amounted to SEK 229bn at year-end 2023.

Financial analysis

Through market-leading positions in our core products and in our home makrets, our income can increase over time. The result is also impacted by our costs and credit impairments. 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: savings banks, insurance companies, pension funds, private owners and foundations.



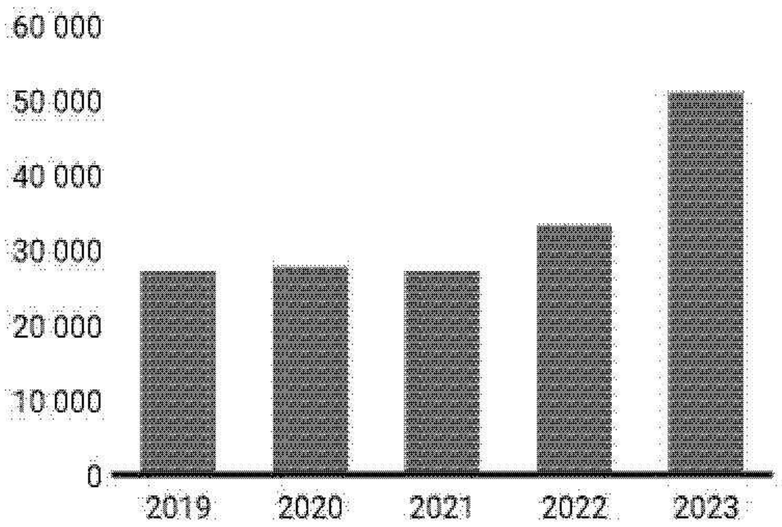
Market shares[1], per cent

	Lending (private)	Lending (corporate)	Deposits (private)	Deposits (corporate)	Payments[2]	Funds
Sweden	20	15	18	14	34	22
Estonia	42	35	45	38	56	38
Latvia	36	20	39	28	57	41
Lithuania	39	25	45	29	61	38

1) Market shares are based on data from statistical authorities in the countries respectively. Latest available data is applied.

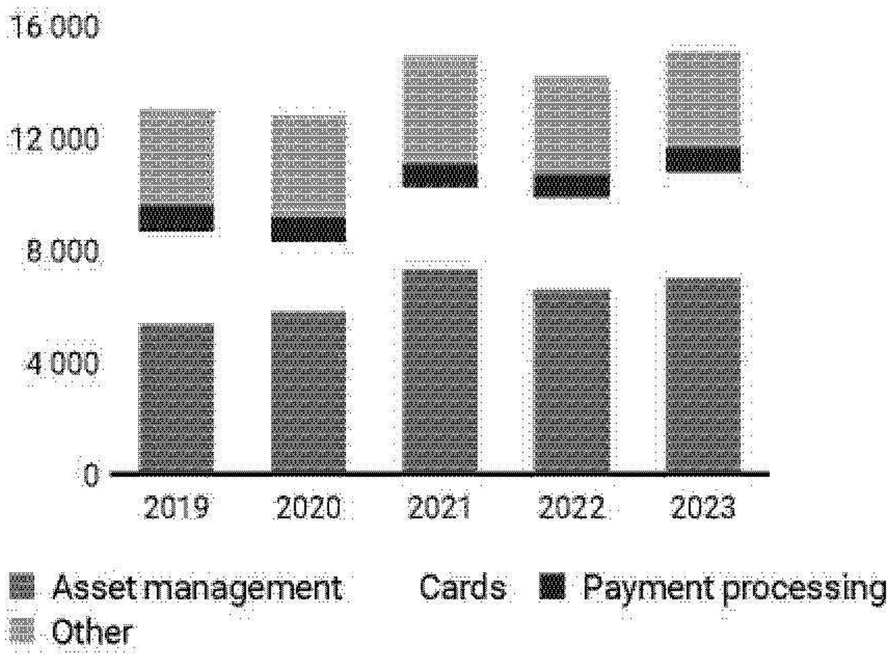
2) Bank Giro transactions (Sweden), domestic payments (Estonia and Lithuania), domestic and international payments (Latvia).

Net interest income, SEKm



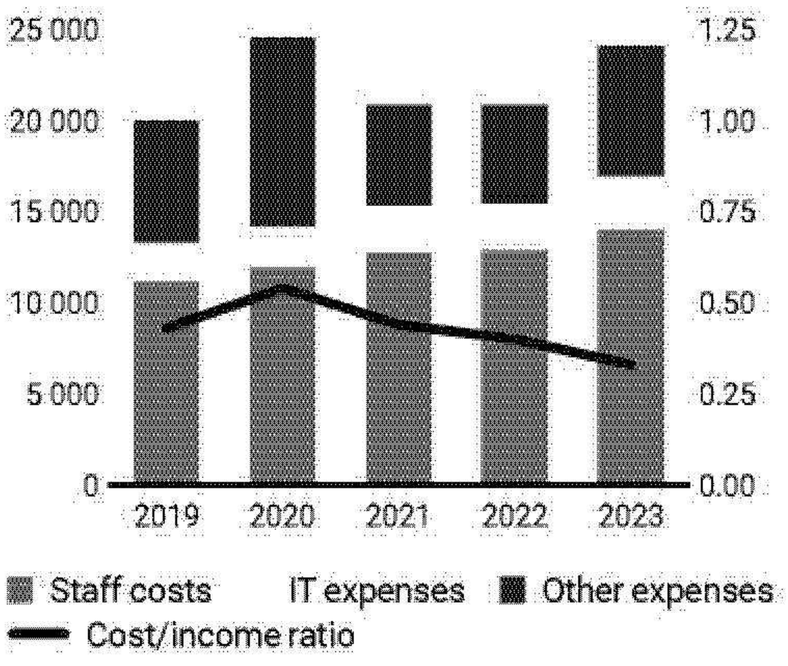
Net interest income increased by 54 per cent to SEK 50 933m (33 146). Underlying net interest income was positively impacted mainly by higher deposit margins. Higher average lending volumes also contributed together with a slightly weaker krona.

Net commission income, SEKm



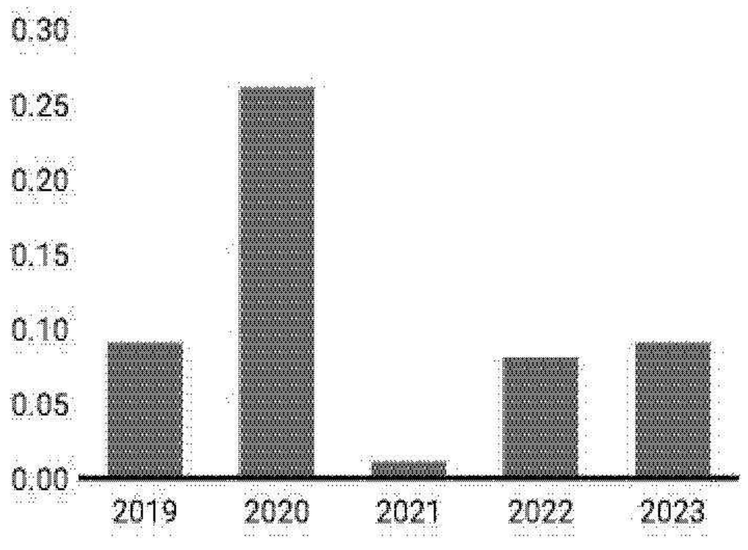
Net commission income increased by 7 per cent to SEK 15 088 (14 114). Income from card operations and payments increased due to residual Covid effects in the previous year and Mastercard discounts. Income from asset management also contributed.

Expenses, SEKm



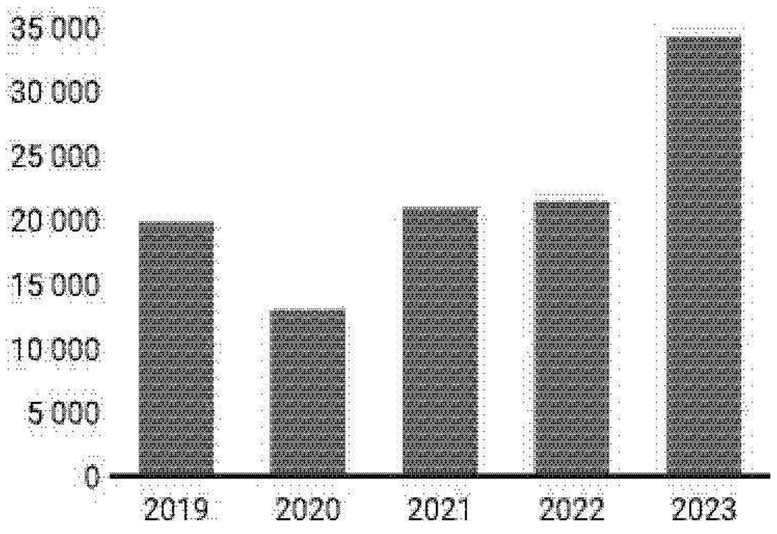
Expenses increased by 16 per cent to SEK 24 100m (20 817). Adjusted for the Swedish FSA's administrative fine and the settlement with OFAC, expenses increased by 12 per cent. Staff costs increased primarily due to higher salaries and the extra compensation paid in the Baltic countries. AML-related investigation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

Credit impairment ratio, %



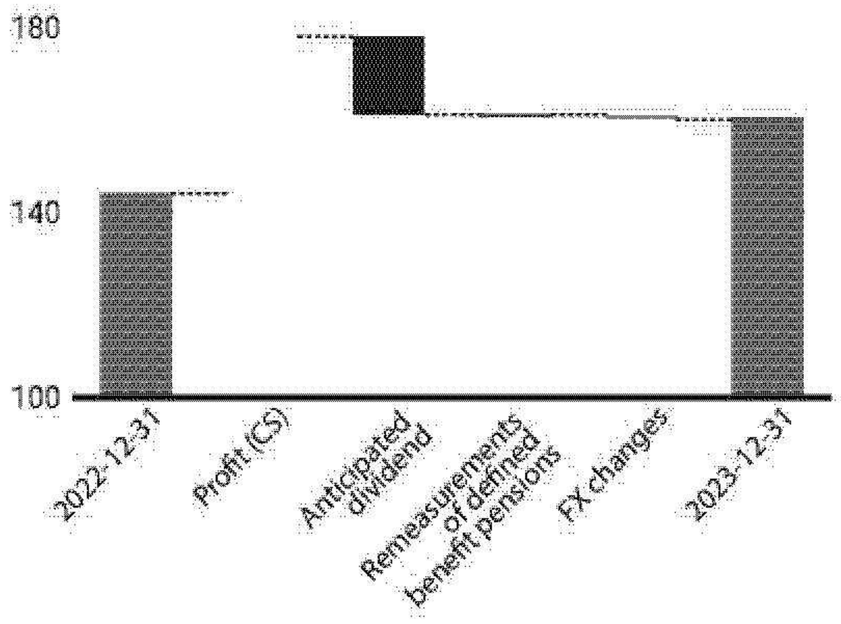
Credit impairments amounted to SEK 1 674m (1 479) and were mainly explained by negative rating and stage migrations and updated macroeconomic scenarios, partly offset by lower post model adjustments and loan repayments. The credit impairment ratio was 0.09 per cent (0.08).

Profit for the year, SEKm



Swedbank's profit increased to SEK 34 130m (21 368) due to higher income. Higher expenses and bank taxes had a negative impact on the result.

Change in Common Equity Tier 1 capital, 2023, SEKbn



Profit after deducting the proposed dividend positively impacted Common Equity Tier 1 capital by SEK 17.1bn in 2023. Remeasurements of defined benefit pensions reduced Common Equity Tier 1 capital by SEK 0.4bn.

The annual report contains alternative performance measures that Swedbank considers valuable information for the reader, since they are used by the executive management for internal management and performance measurement as well as for comparisons between reporting periods. Further information on the alternative performance measures used in the annual report can be found on page 207.

Increased income strengthened the result

Swedbank's profit increased to SEK 34 130m (21 368) due to higher income. Higher expenses and bank taxes had a negative impact on the result. 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.

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

Income statement, SEKm	2023	2023 excl. administrative fines	2022[1]
Net interest income	50 933	50 933	33 146
Net commission income	15 088	15 088	14 114
Net gains and losses on financial items	2 938	2 938	1 940
Share of profit or loss of associates and joint ventures	803	803	738
Other income[2]	3 295	3 295	2 090
Total income	**73 057**	**73 057**	**52 028**
Total expenses	**24 100**	**23 213**	**20 817**
of which administrative fines	887		
Credit losses, write-downs, bank taxes and resolution fees	5 336	5 336	4 448
Profit before tax	**43 622**	**44 508**	**26 763**
Tax expense	9 492	9 492	5 396
Profit for the year	**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) Comparative figures have been restated due to the adoption of IFRS 17. For more information see note G2 and note G57.
2) Other income includes the items Net insurance and Other income from the Group income statement.

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.

A cooler economy impacted lending and deposit volumes

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

Loans to customers decreased by SEK –16bn to SEK 1 782bn (1 798) during the year, corresponding to a decrease of 1 per cent. Corporate lending within Swedish Banking and Corporates and Institutions decreased by SEK –24bn in total due to weaker demand. Lending to mortgage customers within Swedish Banking decreased by SEK –3bn. Within Baltic Banking, lending increased to both private individuals and corporates by SEK 18bn in total. Foreign exchange effects negatively impacted lending volumes by SEK –1bn compared to 31 December 2022.

The sustainable asset registry increased by SEK 15bn to SEK 74bn (59) during the year. The increase was primarily related to financing of green buildings, but also of renewable energy, sustainable transports and forestry. At the end of the year, the registry contained SEK 68bn in green assets and SEK 6bn in social assets.

Total deposits from customers decreased by SEK –68bn to SEK 1 230bn (1 298), driven by lower corporate deposits within all business areas which decreased by SEK –66bn in total. Lower deposits from companies is a natural consequence of the shrinking liquidity in the banking system as the Riksbank reduces its bond holdings on the balance sheet. Private deposits decreased by SEK –2bn, primarily driven by transaction and savings accounts in the Swedish operations, while private deposits increased in the Baltics. Foreign exchange effects on the total deposit volumes were neutral compared to 31 December 2022.

Swedbank Robur's mutual funds under management increased by 19 per cent during the year and amounted to SEK 1 614bn (1 360) at year-end, of which SEK 1 510bn (1 276) related to Sweden, SEK 102bn (82) related to the Baltic countries and SEK 2bn (2) to other markets. The increase was predominately due to a positive market development, but net inflows also contributed. The net inflow amounted to SEK 23bn (46) during the year. Based on assets under management, Swedbank Robur is the market leader in the Swedish and the Baltic mutual fund markets. At year-end, the market share in Sweden was 22 per cent and in Estonia, Latvia and Lithuania it was 39, 41 and 38 per cent respectively.

Life insurance assets under management in the Swedish operations increased by 19 per cent and amounted to SEK 337bn (284) as of 31 December. 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.

The total number of Swedbank cards in issue at the end of the year was 8.4 million, compared to 8.3 million the previous year. The number of cards in issue amounted to 4.5 million in Sweden and to 3.9 million in the Baltic countries.

The credit quality of Swedbank's lending is good with low write-offs and little impact from bankruptcies. Credit quality indicators, such as the share of loans with late payments, rose slightly during the year. Weak economic conditions create challenges for both consumers and companies and could impact credit quality going forward, which is reflected in increased credit impairment provisions.

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 year, 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. These 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. At year-end, 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 at year-end. Of this, 48 per cent was related to commercial properties, mainly offices, 29 per cent was residential properties, and the rest to 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, increased to 10.4 per cent (7.4). For personal loans the corresponding share was 7.8 per cent (5.8) and for corporate loans it was 16.3 per cent (11.2). The increase in loans in stage 2 was due to the weaker macroeconomic outlook and ratings changes during the year. The share of loans in stage 3, gross, was 0.43 per cent (0.31), 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, which was offset by lower exposures in shipping and offshore. The provision ratio for loans in stage 3 was 25 per cent (37).

High funding activity during 2023

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 continue 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 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.

As of 31 December, Swedbank's outstanding short-term funding (commercial paper) in issue amounted to SEK 263bn (316). Available cash and balances with central banks and reserves with the Swedish National Debt Office amounted to SEK 278bn (370) and the liquidity reserve to SEK 513bn (561).

The Group's Liquidity Coverage Ratio (LCR) was 172 per cent (160) and for USD, EUR and SEK it was 316, 339 and 97 per cent, respectively. The net stable funding ratio (NSFR) was 124 per cent (118).

During the year, there were no changes in Swedbank's ratings.

Strong capitalisation

The Common Equity Tier 1 (CET1) capital ratio was 19.0 per cent (17.8) at the end of the year. The total CET1 capital requirement, including Pillar 2 guidance, was 15.1 per cent (14.4) of the Risk Exposure Amount (REA), which resulted in a CET1 capital buffer of 3.9 per cent (3.4). The change in the CET1 capital requirement was mainly due to an increase in the countercyclical capital buffer in Sweden from 1 per cent to 2 per cent during the year as well as an increase in the Pillar 2 requirement due to the Swedish FSA's annual SREP. CET1 capital increased to SEK 160.7bn (144.1) and was mainly affected by the profit and anticipated dividend. The leverage ratio was 6.5 per cent (5.6). The leverage ratio requirement including Pillar 2 guidance is 3.5 per cent.

During the year, REA increased by SEK 37.7bn to SEK 847.1bn (809.4). REA for credit risk increased mainly due to the implementation of a new PD model for exposures to large corporates and higher lending. The increase was partly offset by a decrease in REA for credit risk mainly due to shorter maturities for corporate exposures. Moreover, the implementation of the risk weight floor for exposures collateralised by commercial real estate in Pillar 1 REA contributed to an increase in additional REA for Article 458 according to the EU's regulation on prudential requirements for credit institutions (CRR).

Additional REA for Article 3 according to CRR decreased by SEK 42.2bn to offset the temporary add-on related to the ongoing review of IRB models in the Pillar 2 requirement as well as the above mentioned implementation of a new PD model for large corporates.

REA for market risk decreased by SEK 4.9bn mainly because REA for internal models decreased. REA for Credit Valuation Adjustment (CVA) decreased by SEK 0.8bn mainly due to decreased exposures. The annual update of REA for operational risk increased by SEK 16.1bn due to an increase in the moving three-year average of total income compared to 2022.

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.

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 June 2023, Swedbank Latvia reached an agreement to remit SEK 37m related to violation of regulations of the Office of Foreign Assets Control.

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

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

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

On 20 April, P27 announced that it was withdrawing its clearing licence application from the Swedish FSA after it was decided that the Nordic solution for a new payment infrastructure is no longer viable. Swedbank, together with the other owner banks, supports P27 and Bankgirot by ensuring that they remain operational, and a dialogue is now ongoing to evaluate future Swedish payment infrastructure alternatives.

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

As of 1 May, a reorganisation was implemented mainly affecting Swedish Banking and Large Corporates and Institutions, which changed its name to Corporates and Institutions. The majority of midsized companies and tenant-owner associations were transferred to Corporates and Institutions to strengthen the offering for these clients.

On 4 September, Swedbank announced that it will separate out create a business area for premium and private banking customers. Furthermore, the corporate customers in Swedish Banking, which have an advisor, will be transferred to Corporates and Institutions. Swedbank appointed Anna-Karin Laurell as the new Head of Swedish Banking and Malin Lilliecrona as the Head of the new business area, both of whom joined the Group Executive Committee on 1 February 2024.

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.

As previsouly communicated, on 1 July 2022, Swedbank received a claim from the Swedish Pensions Agency of SEK 4bn related to Swedbank's historical role as a custodian bank for the fund Optimus High Yield 2012–2015. There has been no development of the case during 2023 and Swedbank continues to dispute the claim.

Events after 31 December 2023

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.

On 24 January, Swedbank published its climate transition plan, which summarises how the 2030 targets for the loan portfolio will be reached. Two new targets have been formulated: 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.

Sustainability report

Swedbank has chosen to prepare a sustainability report, separate from the annual report, in accordance with the Annual Accounts Act, chapter 6, paragraph 12. Scope is defined on page 270.

Swedish Banking

Result 2023

Profit increased to SEK 19 174m (13 815). Increased income was partly offset by higher 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 as deposit margins increased.

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.

Condensed income statement, SEKm	2023	2022
Net interest income	25 759	18 374
Net commission income	8 939	8 389
Net gains and losses on financial items at fair value	419	249
Other income	1 526	1 570
Total income	**36 643**	**28 582**
Staff costs	2 882	2 756
Other expenses	7 801	6 884
Total expenses	**10 683**	**9 640**
Profit before impairments, bank taxes and resolution fees	**25 960**	**18 943**
Impairments	3	
Credit impairments	1 092	769
Bank taxes and resolution fees	1 109	1 174
Profit before tax	**23 757**	**16 999**
Tax expense	4 582	3 184
Profit for the year	**19 174**	**13 815**

Business volumes, SEKbn	2023	2022
Loans to customers	1 069	1 101
Deposits from customers	606	647

Key ratios	2023	2022
Return on allocated equity, %	29.9	21.9
Cost/income ratio	0.29	0.34
Credit impairment ratio, %	0.10	0.06
Full-time employees	3 640	3 437

Baltic Banking

Result 2023

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.

Condensed income statement, SEKm	2023	2022
Net interest income	18 360	8 351
Net commission income	3 390	3 006
Net gains and losses on financial items at fair value	566	438
Other income	1 037	–76
Total income	**23 352**	**11 719**
Staff costs	2 078	1 674
Other expenses	3 435	2 623
Total expenses	**5 513**	**4 297**
Profit before impairments, bank taxes and resolution fees	**17 839**	**7 422**
Impairments	7	13
Credit impairments	83	402
Bank taxes and resolution fees	1 602	100
Profit before tax	**16 147**	**6 908**
Tax expense	3 573	1 219
Profit for the year	**12 574**	**5 689**

Business volumes, SEKbn	2023	2022
Loans to customers	255	236
Deposits from customers	383	375

Key ratios	2023	2022
Return on allocated equity, %	41.1	20.7
Cost/income ratio	0.24	0.37
Credit impairment ratio, %	0.03	0.19
Full-time employees	4 762	4 701

Corporates and Institutions

Result 2023

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 (7 379) 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.

Condensed income statement, SEKm	2023	2022
Net interest income	10 409	7 379
Net commission income	3 119	2 909
Net gains and losses on financial items at fair value	1 157	970
Other income	268	269
Total income	**14 953**	**11 527**
Staff costs	1 744	1 687
Other expenses	3 060	3 087
Total expenses	**4 805**	**4 774**
Profit before impairments, bank taxes and resolution fees	**10 148**	**6 753**
Impairments	24	181
Credit impairments	482	290
Bank taxes and resolution fees	838	536
Profit before tax	**8 804**	**5 746**
Tax expense	1 809	1 276
Profit for the year	**6 995**	**4 470**

Business volumes, SEKbn	2023	2022
Loans to customers	458	460
Deposits from customers	239	274

Key ratios	2023	2022
Return on allocated equity, %	15.2	11.0
Cost/income ratio	0.32	0.41
Credit impairment ratio, %	0.09	0.11
Full-time employees	1 197	1 174

Group Functions and Other

Group Functions and Other consists of central business support units and the customer advisory unit Group Products and 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.

Result 2023

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.

Condensed income statement, SEKm	2023	2022
Net interest income	−3 674	−975
Net commission income	−342	−201
Net gains and losses on financial items at fair value	796	282
Other income	3 238	2 422
Total income	**19**	**1 529**
Staff costs	7 256	6 728
Other expenses	−2 247	−3 293
Total expenses	**5 009**	**3 435**
Profit before impairments, bank taxes and resolution fees	**−4 991**	**−1 906**
Impairments	53	944
Credit impairments	17	18
Bank taxes and resolution fees	25	21
Profit before tax	**−5 086**	**−2 890**
Tax expense and non-controlling interests	−473	−284
Profit for the year	**−4 613**	**−2 606**

Key ratios	2023	2022
Full-time employees	7 676	7 491

Proposed disposition of earnings and statement of the Board of Directors

In accordance with the balance sheet of Swedbank AB, earnings of SEK 74 281m are at the disposal of the Annual General Meeting.

The Board of Directors recommends that the earnings should be disposed as follows:

SEKm	2023
Cash dividend of SEK15.15 per ordinary share	17 049
To be carried forward to next year	57 232
Total disposed	**74 281**

The proposed total amounts to be distributed and carried forward to next year have been calculated on all 1 124 796 400 outstanding ordinary shares as of 31 December 2023, plus 520 856 outstanding ordinary shares entitled to dividends which are expected to be exercised by employees between 1 January and the Annual General Meeting on 26 March 2024 relating to remuneration programmes. The proposed total amounts to be distributed and carried forward to next year are ultimately calculated on the number shares entitled to dividends on the record day. The amounts could change in the event of additional share repurchases or sales of treasury shares before the record day. Unrealised changes in the value of assets and liabilities at fair value have had a positive effect on equity of SEK 807m.

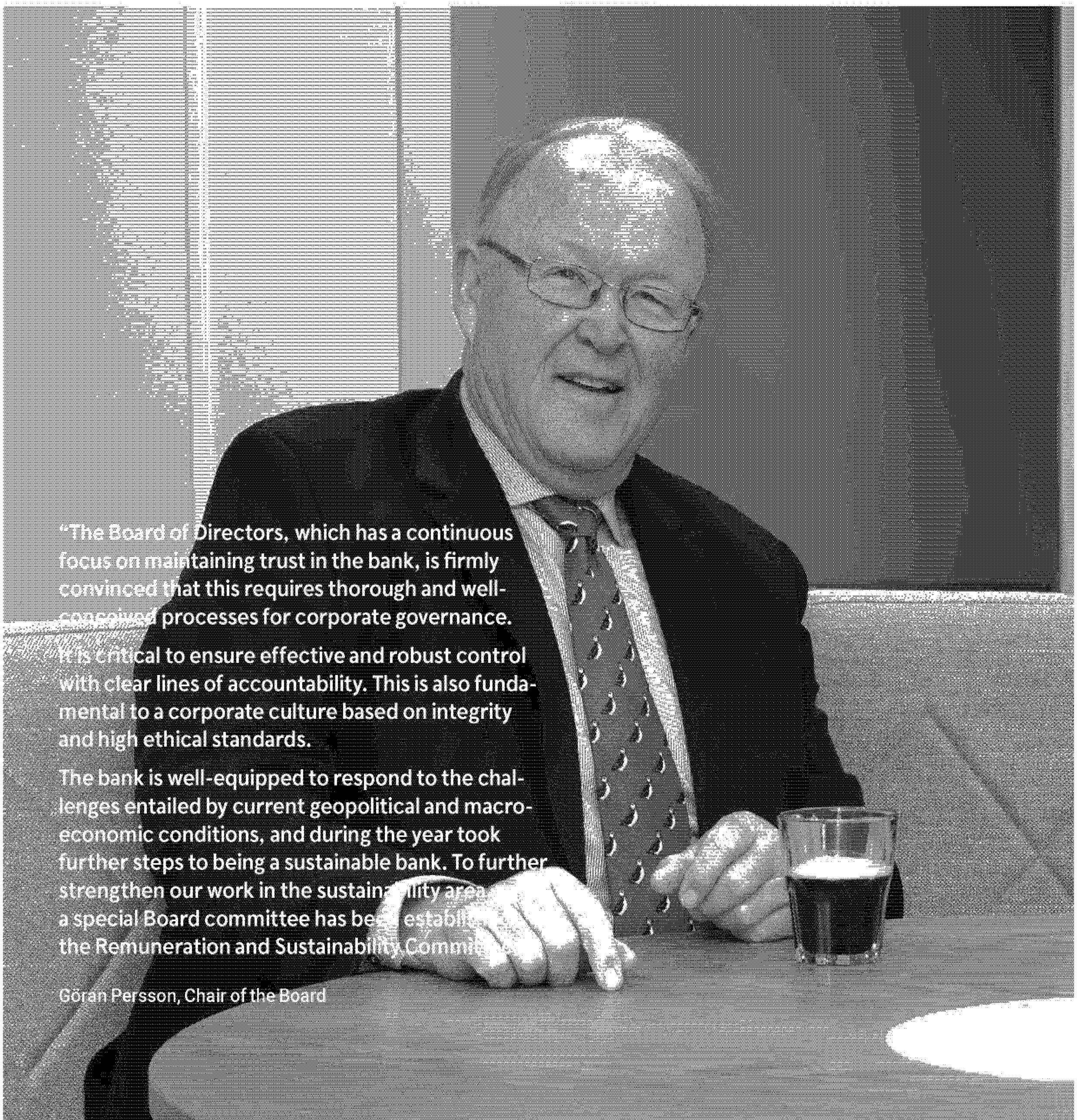
The proposed record day for the dividend is 28 March 2024. The last day for trading in Swedbank's shares with the right to the dividend is 26 March 2024. If the Annual General Meeting accepts the Board's proposal, the dividend is expected to be paid by Euroclear on 4 April 2024. At year-end, the consolidated situation's total capital exceeded the capital requirement according to Pillar 1 and buffer requirements by SEK 57 625m. The surplus in Swedbank AB was SEK 90 890m.

The business conducted in the parent company and the Group involves no risks beyond what occur or can be assumed will occur in the industry or the risks associated with conducting business activities. The Board of Directors has considered the parent company's and the Group's consolidation needs through a comprehensive assessment of the parent company's and the Group's financial position and the parent company's and the Group's ability to meet their obligations. The assessment has also been done based on currently expected regulatory changes.

Given the financial position of the parent company and the Group, there can be no assessment other than that the parent company and the Group can continue their business and that the parent company and the Group can be expected to meet their liabilities in both the short and long term and have the ability to make the necessary investments. It is the assessment of the Board of Directors that the size of the equity, even after the proposed dividend, is reasonable in proportion to the scope of the parent company's and the Group's business and the risks associated with conducting the business.

The assessment of the Board of Directors is that the proposed dividend is justifiable given the demands that are imposed due to the nature, scope and risks associated with the business and the Group's business on the size of the parent company's and the Group's equity as well as on the parent company's and the Group's balance sheets, liquidity and financial position.

Corporate Governance Report



"The Board of Directors, which has a continuous focus on maintaining trust in the bank, is firmly convinced that this requires thorough and well-conceived processes for corporate governance.

It is critical to ensure effective and robust control with clear lines of accountability. This is also fundamental to a corporate culture based on integrity and high ethical standards.

The bank is well-equipped to respond to the challenges entailed by current geopolitical and macroeconomic conditions, and during the year took further steps to being a sustainable bank. To further strengthen our work in the sustainability area, a special Board committee has been established, the Remuneration and Sustainability Committee.

Göran Persson, Chair of the Board



"The Governance Committee during the year supported the Board in ensuring that the bank at all times has a sustainable and transparent governance model with robust processes for corporate governance and internal control, as well as in monitoring ongoing regulatory investigations."

Biörn Riese, Vice Chair

Corporate Governance Report 2023

Swedbank plays an important role in society as a bank for the many households and businesses. The bank has a strong foundation in the savings bank movement and in our four home markets: Sweden, Estonia, Latvia and Lithuania. Swedbank promotes a sound and sustainable financial situation for our shareholders and society as a whole. We believe that a profitable bank with sustainable customers contributes to a society that is sustainable for the long term. This requires trust in the financial system and the banks, where a corporate governance model with competent employees, clearly defined responsibilities, effective internal governance and control, risk management and compliance are fundamental. It is imperative that a sound risk culture is maintained.

Swedbank works continuously to ensure that it has an appropriate corporate governance model with effective governance, control and risk management across the Group.

The corporate governance report has been prepared in accordance with the Annual Accounts Act and the Swedish Code of Corporate Governance.

Importance of corporate governance

Sound corporate governance means that the Group, on the basis of Swedbank's strategies, goals and values, is governed as sustainably, effectively and responsibly as possible. This is critical to maintain the trust of Swedbank's shareholders, customers, employees, supervisory authorities and other stakeholders, and to ensure effective and sound risk management and internal governance and control. Sound corporate governance serves as the base of efficient and transparent internal and external information disclosure. Decision-making processes shall be simple and transparent with clear lines of responsibility. There must be frameworks for both internal governance and control as well as risk management, including clear rules and routines to manage conflicts of interest. The bank's culture shall be characterised by transparency, integrity, compliance and risk awareness. Swedbank's values shall provide a foundation for day-to-day decision-making and employees' work.

Regulations

Swedbank is a Swedish public banking company listed on Nasdaq Stockholm and falls under the supervision of the Swedish Financial Supervisory Authority (the "Swedish FSA"). The Swedish FSA's supervision essentially covers risk management, governance and control. Additionally, banking operations in each home market fall under the supervision of local supervisory authorities and the European Central Bank ("ECB"). Swedbank is subject to extensive banking regulations and is required within the framework of sound corporate governance to comply with, among others, the following:

- Swedish Companies Act
- Banking and Financing Business Act
- Securities Market Act
- Market Abuse Act
- Annual Accounts Act for Credit Institutions and Securities Companies
- Money Laundering and Financing of Terrorism (Prevention) Act
- Nasdaq Stockholm Rules for Issuers
- Swedish Code of Corporate Governance[1]
- Rules and guidelines of the Swedish FSA and other authorities

1) Current Code – The Swedish Corporate Governance Board (bolagsstyrning.se)

There are no deviations from the Swedish Corporate Governance Code (the Code) or the rules of the stock exchange (NASDAQ OMX, Stockholm) to report for 2023.

Swedbank shall also comply with a large number of regulations adopted at the EU level, including:

- Regulation of the European Parliament and of the Council on Prudential Requirements for Credit Institutions and Investment Firms (CRR)
- The Market Abuse Regulation (MAR) of the European Parliament and of the Council
- The General Data Protection Regulation (GDPR) of the European Parliament and of the Council
- The European Banking Authority's (EBA) guidelines on internal governance
- The EBA's guidelines on outsourcing
- The ESMA and EBA's joint guidelines on the assessment of suitability of members of the management body and key function holders

Laws and regulations that impact Swedbank and its subsidiaries are extensive and complex. Over time, increasing effort has been required on Swedbank's part to ensure that it lives up to all relevant regulations. The regulations that apply to Swedbank are implemented in among other ways through the Group's own internal regulations. The internal Group regulations include policies and instructions. Policies are adopted by the Board and provide the general standards and principles that apply to practices and conduct in the entire Group. The CEO issues instructions that apply to the entire Group, or parts thereof, and on a more detailed level contain an overview of reporting structures and how the CEO has delegated various areas of responsibility within the bank. Through the internal and external regulations, responsibility for governance, risk management and control, and monitoring of operations is primarily divided between the shareholders, the Board and the CEO as well as the control function exercised by the auditor elected by the general meeting. In addition to the Articles of Association and the rules adopted by the Board, the internal regulations include the following overarching policies:

- Rules of procedure for the Board and instructions for the Board's committees
- Instruction for the CEO
- Governance Policy
- The Group's Enterprise Risk Management (ERM) Policy and Policy for Operational Risks
- Policy for Group Risk
- Policy for Group Compliance
- Policy for Group Internal Audit
- Credit Policy
- Policy on Anti-Money Laundering and Counter-Terrorist Financing
- Remuneration Policy
- Tax Policy
- Code of Conduct and Policy on Conflicts of Interest
- Anti Bribery and Corruption Policy
- Policy on Diversity and Inclusion
- Sustainability Policy and Environmental Policy
- Policy for Human Rights
- Policy for Financial Reporting

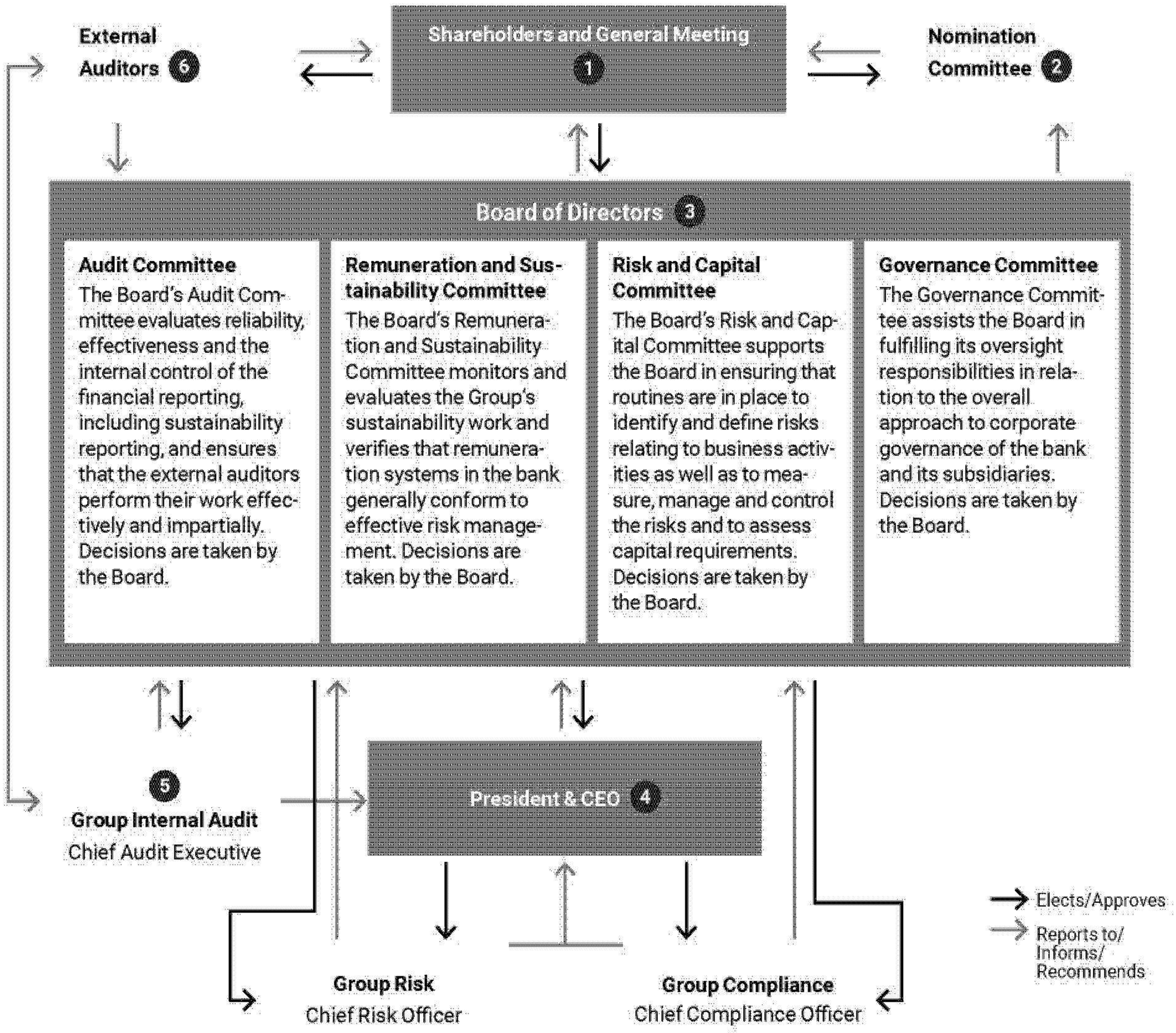
Structure for corporate governance

The Swedbank Group consists of the Parent Company, Swedbank AB (publ), and several subsidiaries, including the subsidiary banks in the Baltic countries which are owned by the wholly owned company Swedbank Baltics, as well as the Swedish subsidiaries Swedbank Robur, Swedbank Mortgage and Swedbank Insurance. Board members of the subsidiaries are appointed and evaluated through an internal nomination process.

The Group is governed through a matrix organisation that complements the legal structure. The organisational structure ensures continuous oversight and control, good internal reporting and control over the risks to which the Group is exposed or could potentially be exposed. The matrix organisation facilitates a productive collaboration within the Group and ensures that operating activities are carried out effectively. Swedbank's corporate governance model sets out the division of responsibilities within the Group, with mandates and role descriptions designed to create a clear and transparent division of functions and areas of responsibility. In recent years, the bank has conducted a detailed review of its corporate governance model.

Our corporate governance model

The illustration below shows the formal corporate governance structure.
The number in each box refers to the corresponding numbered section in the Corporate Governance Report.



1 Shareholders and general meetings

The shareholders exercise their influence through participation in the general meeting. According to the bank's Articles of Association, the Annual General Meeting ("AGM") shall be held before the end of April, or in special circumstances not later than 30 June. Resolutions by the AGM are made by acclamation or voting. Swedbank only has one class of shares, ordinary shares, also called A shares. The shares carry one vote each.

The AGM's resolutions include:

- Election of the Board of Directors and remuneration for Board members, including for committee work
- Discharge from liability for Board members and the CEO
- Amendments to the Articles of Association
- Election of the Auditor
- Adoption of the income statement and balance sheet
- Disposition of the bank's profit or loss
- Remuneration guidelines for the CEO and certain other senior executives

Annual General Meeting 2023

The 2023 AGM was held on 30 March in Stockholm. In total, the shareholders in attendance represented 595 891 676 shares.

Swedbank's AGM on 30 March 2023 passed all the proposals presented by the Board and the Nomination Committee.

Among the 2023 AGM resolutions were:

- Adoption of the income statement and balance sheet of the bank and the consolidated income statement and consolidated balance sheet for the financial year 2022.
- That an ordinary dividend of SEK 9.75 per share should be paid to the shareholders. The record day for the dividend was scheduled for 3 April 2023.
- That there should be eleven (11) Board members. The following members were re-elected: Göran Bengtsson, Annika Creutzer, Hans Eckerström, Helena Liljedahl, Kerstin Hermansson, Bengt Erik Lindgren, Anna Mossberg, Per Olof Nyman, Biljana Pehrsson, Göran Persson and Biörn Riese.
- Re-election of Göran Persson as Chair of the Board. At the statutory Board meeting, Biörn Riese was appointed Deputy Chair.
- Discharge from liability for all Board members, deputies and the CEO.
- Acquisition of own shares in accordance with the Securities Market Act.
- Authorisation of the Board of Directors to decide to acquire own shares beyond acquisitions in accordance with the Securities Market Act.
- Authorisation of the Board of Directors to decide on the issuance of convertibles.
- Approval of performance- and share-based remuneration programs for 2023 for the Swedbank Group – in part a general program for 2023 and in part an individual program for 2023 – as well as the transfer of ordinary shares etc. for the 2023 programs and for programs adopted by previous general meetings.
- Principles for appointment of the Nomination Committee and instruction for the Nomination Committee´s work.
- Guidelines for remuneration to senior executives.

2 Nomination Committee

The 2023 AGM decided on the principles for the appointment of the Nomination Committee prior to the 2024 AGM. These principles include that the committee shall be composed of six members, consisting of the representatives of the five largest shareholders as of the last business day in August 2023, and that wish to appoint a member, as well as the Chair of the Board.

The Nomination Committee's work is governed by the instruction approved by the 2023 AGM. The Nomination Committee's task is to prepare and submit proposals to the 2024 AGM on the election of the Chair of the AGM, the members and Chair of the Board of Directors, and the auditor. The Nomination Committee will also submit proposals on the number of Board members, remuneration to the Board members and auditor elected by the AGM, principles for how the Nomination Committee will be appointed prior to the 2024 AGM, and instructions on the Nomination Committee's work prior to the 2024 AGM. The instruction furthermore states that the Board shall at all times have an appropriate composition distinguished by diversity and breadth in terms of the AGM-elected members' competence, experience and background. Gender parity is pursued over time. The bank's operations, stage of development, expected future direction and conditions otherwise are taken into account. The Board shall also have the support of its owners, at the same time that the need for independence in relation to the bank, the executive management and the bank's major shareholders shall be taken into account for the Board as a whole.

The Nomination Committee takes note of and discusses the Board evaluation and has personal discussions with each Board member. The Chair of the Board is not present for these discussions with other Board members. The Nomination Committee also conducts an internal suitability assessment of proposed candidates and evaluates factors such as their experience, competence, reputation, potential conflicts of interest, independence, and ability to devote sufficient time to the assignment. Based on the Board evaluation, personal conversations with the Board's members and other information, the Nomination Committee discusses the Board's size and composition.

No remuneration has been paid to the members of the Nomination Committee.

Current composition of the Nomination Committee prior to the 2024 AGM:

Member	Representing
Lennart Haglund, Chair of the Nomination Committee	Sparbankernas Ägareförening
Ylva Wessén	Folksam
Anette Björkman	Ägargruppen Sparbanksstiftelserna
Anders Oscarsson	AMF
Peter Lundkvist	Tredje AP-fonden
Göran Persson, Chair of the Board	Swedbank AB (publ)

3 The Board of Directors

The Board of Directors has an overarching responsibility for Swedbank's organisation, operations and management. Operations are carried out in a sustainable manner with a focus on the customer and sound risk taking to ensure the bank's long-term viability and to maintain trust in the bank.

The 2023 AGM elected 11 members of the Board. The Board also includes two employee representatives with two deputies. The bank's Board meets the requirements of the Swedish Corporate Governance Code (the Code) in respect of its members' independence. All members except Göran Bengtsson are considered independent in relation to the bank and the executive management. All members are considered independent in relation to the bank's major shareholders. After the 2023 AGM, the gender distribution was 45 per cent women and 55 per cent men. The CEO, Deputy CEO, CFO and Board Secretary attend Board meetings but are not members of the Board. The composition of the Board is presented on pages 62–66.

The Board's obligations and division of responsibilities

The Board is the highest decision-making body after the AGM and the highest executive body. The Board is responsible for ensuring that the bank has an effective and appropriate organisation and corporate governance. In accordance with its established rules of procedure, the Board decides on matters such as goals, strategies, operational frameworks and business plans. The Board appoints, dismisses and evaluates the CEO, adopts operating policies, and verifies that effective systems are in place to monitor and control operations. The Board is also responsible for compliance with laws and regulations and ensures transparent and accurate information disclosures.

The Board appoints and dismisses the heads of Group Risk, Group Compliance and Group Internal Audit, and decides on their remuneration. Group Internal Audit is directly subordinate to the Board.

The Board is responsible for ensuring that operations are organised in accordance with external and internal rules, so that accounting, treasury, operational risks and the bank's economic conditions otherwise are managed satisfactorily.

The Chair of the Board has certain specific responsibilities according to the rules of procedure adopted by the Board. They include the following:

- Lead Board meetings and work and encourage an open and constructive dialogue.
- Ensure that the Board is evaluated annually and that Board members receive the necessary training.
- Oversee the CEO's work, serve as a sounding board and support for the CEO, and monitor that the Board's decisions and instructions are implemented.
- Represent the bank and the Board vis-à-vis the owners on ownership issues, and on other material matters with investors and other stakeholders.

The Board's overarching responsibility cannot be delegated. The Board appoints committees, which prior to decisions by the Board prepare, evaluate and monitor issues in their respective areas.

The division of responsibility between the Board, the Chair of the Board and the CEO is determined annually through, for example, the Board's rules of procedure, the Governance Policy and the instruction for the CEO.

The annual internal Board evaluation was conducted in October 2023. An assessment tool developed by an external party was used in the evaluation. A summary of the results was presented to and discussed by the Board and the Nomination Committee.

The Board's work

In 2023, the Board held 22 meetings. Board decisions were made unanimously and no dissenting opinions were noted on any matter during the year. Potential conflicts of interest for Board members are reported at each meeting and mean that the member is prohibited from participating in preparations, discussions or decisions on the issue in question.

The Board regularly discusses business conditions and continuously monitors the bank's capital situation, credit risks and credit quality. The Board receives periodic reports from the Board committees. Furthermore, the Board receives monthly reports from Group Risk and quarterly reports from other control functions (Group Internal Audit and Group Compliance), as well as on customer complaints and information security.

In 2023, the Board was strongly focused on geopolitical and macroeconomic developments, fraud and cyber security, inflation and interest rates, and their current and expected impact on Sweden and the operating environment, as well as the bank's customers. The Policy on Diversity and Inclusion also applies to the Board; see Note S3 Information on societal responsibility, 3.1 Own workforce.

Apart from ongoing business issues, the Board addressed the following issues in 2023:

First quarter

- Annual and Sustainability Report 2022 and year-end report (Q4)
- Establishment of Remuneration and Sustainability Committee
- Notice of and proposal to Annual General Meeting, including dividend proposal
- Statutory Board meeting, including determination of (among other things) policies for the Board
- Strategy process and follow-up of activity plan for the Group
- Follow-up on CEO goals for 2022 as well as decision on CEO goals for 2023
- Pillar 3 annual report
- Internal capital and liquidity assessment (ICAAP/ILAAP)
- Determination of Internal Audit's annual plan
- Follow-up on Swedbank's compliance
- Reports from the control functions and external audit
- Business Continuity Management
- Macroeconomic review
- Commercial real estate and credit risks
- Remuneration to the CEO, Group Executive Committee and control functions
- Issues relating to variable remuneration and allocation to Eken
- Cyber security
- Regulatory investigations

Second quarter

- Interim report (Q1)
- Follow-up on the Group's strategy and activity plan
- Sustainability initiatives and update on Swedbank's sustainability work
- Commercial real estate and credit risks
- Organisational changes
- Annual review of outsourcing and supplier agreements
- Update of recovery plan
- Mortgage market
- Reports from the control functions and external auditor
- Macroeconomic review
- The bank's culture
- Evaluation of risk reporting
- Annual review of potential conflicts of interest for CEO, Group Executive Committee, and heads of control functions
- Succession planning for CEO and Group Executive Committee
- Annual review of policies
- Follow-up on Swedbank's compliance
- Cyber security
- Regulatory investigations

Third quarter

- Interim report (Q2)
- Follow-up on Group strategy, activity plans, and business and funding plans
- Update on Swedbank's sustainability work
- Outsourcing
- Preliminary SREP 2023
- Foundation management
- Reports from the control functions and external auditor
- Macroeconomic review
- Data processing/oversight
- Review AI
- Fraud targeted against individuals
- Review of customer satisfaction and brand monitoring
- Follow-up on Swedbank's compliance
- Cyber security
- Group-wide insurance
- Regulatory investigations

Fourth quarter

- Interim report (Q3)
- Follow-up of Group strategy, activity plans, and business and funding plans
- Business and funding plan 2024
- Update on Swedbank´s sustainability activities
- Mortgage Market and Commercial Real Estate
- Data Governance
- Follow up on fraud against private individuals
- Final SREP 2023
- Reports from the control functions and external auditor
- Group recovery plan
- Macro economic update
- Follow-up on Swedbank´s regulatory compliance, including the bank's work to combat money laundering
- Succession planning CEO and Group Executive Committee
- Board and CEO evaluation
- Remuneration related questions
- Crisis training
- Cyber security
- Regulatory investigations

The Board's competence

The members of the Board are expected to continuously update and deepen their knowledge of the bank's operations and applicable regulations. To this end, the Board establishes a training plan each year.

New Board members attend introductory training with in-depth information on the organisation and operations, the control functions and the bank's corporate governance framework and model. In addition, the Board holds an annual seminar with in-depth reviews of one or more topical areas.

The Board's committees

The Board has established committees to prepare Board matters and facilitate in-depth discussions in certain areas. The committees have no substantive decision-making authority and instead prepare and recommend decisions to the Board. All committee minutes and all material prepared and presented by the committees are available to the entire Board.

Governance Committee

The Governance Committee assists the Board of Directors in monitoring, evaluating and ensuring that the bank's governance model and processes are effective and appropriate and that they have been adopted in the organisation in a way that ensures effective governance and control throughout the Group. The committee also ensures that clear and consistent principles are applied for reporting, escalation and division of responsibilities.



"The Governance Committee during the year supported the Board in ensuring that the bank at all times has a sustainable and transparent governance model with robust processes for corporate governance and internal control, as well as in monitoring ongoing regulatory investigations."
Biörn Riese, Chair

Through the committee, more time is allocated for detailed preparations on corporate governance matters, including recurring reviews and evaluations of the Board's overarching corporate governance principles as well as internal control and monitoring of the subsidiaries' implementation of the Group's internal rules. The committee will also monitor the bank's work with ongoing regulatory investigations with an overarching impact on the Group's operations.

The work of the Governance Committee includes to:

- Monitor and evaluate that the Group's internal regulations on corporate governance are aligned with the bank's core values and that the rules have been implemented satisfactorily in the Group.
- Monitor and evaluate that the corporate governance structure, including the organisational structure, creates a well-defined chain of command and clear division of responsibilities.
- Monitor developments in corporate governance, inform the Board of material regulatory changes and new industry practices in regard to corporate governance, and issue recommendations on how such revisions and new industry practices are to be managed.
- Monitor material changes in the Group's organisational structure to ensure that the Group complies with regulatory obligations and with its internal framework for corporate governance.
- Continuously review the Group's matrix organisation and that it complements the legal structure in a way that encourages use of expertise, knowledge transfers and transparency (e.g. regarding reporting and escalation) between subsidiaries and the Parent Company, at the same time as specific legal requirements that apply to each legal entity are observed.

Focus in 2023

Among the focus areas in 2023 was ensuring clarity on governance issues. Another was the ongoing regulatory investigations of Swedbank's historical shortcomings in AML governance and control in the bank's Baltic subsidiary banks. For more information, see Swedbank's Board of Directors' Report and Note G52.

Members of the Governance Committee:

Since the 2023 AGM

- Biörn Riese, Chair
- Hans Eckerström
- Göran Persson
- Bengt-Erik Lindgren

Audit Committee

The Audit Committee, through its work and in consultation with the external auditor, the Chief Audit Executive, the CEO and the Group Executive Committee, assists the Board by evaluating and ensuring the reliability and effectiveness of the financial reporting, which includes sustainability reporting. The Audit Committee also identifies potential weaknesses in the internal control of the financial reporting, and ensures that the external auditor conducts its work effectively and impartially.



"The Audit Committee supported the Board of Directors during the year in ensuring that the bank has sound internal control and that the financial reports correctly describe the bank's business activities, in addition to monitoring the work of adapting to the new reporting requirements that are coming through the implementation of the EU's Corporate Sustainability Reporting Directive (CSRD)."
Kerstin Hermansson, Chair

The Audit Committee ensures, among other things, that the bank's CEO establishes and maintains effective routines for risk management and internal control of the Group's financial reporting. This is among the measures that the Board takes to monitor internal control in connection with the financial reporting and that the reporting to the Board is working. The routines are designed to provide assurance of the reliability of the financial reporting, compliance, and the suitability and effectiveness of the administrative processes and protection of the bank's assets. The Audit Committee informs the Board of the results of the external audit and how the audit has contributed to the reliability of the financial reporting. Furthermore, the committee prepares recommendations that are approved by the Board on any shortcomings that have been observed in the internal control or in the financial reporting.

The work of the Audit Committee includes to:

- Review and evaluate the Group's financial reporting process.
- Ensure the quality of the bank's financial reporting and that the reporting meets current requirements.
- Ensure that interim and year-end reports are audited or reviewed by the external auditor.
- Engage in dialogue with the external auditor on each reporting date.
- Review and monitor the external auditor's impartiality and independence with particular attention if the auditor provides services other than auditing.
- Assist the Nomination Committee in preparing proposals to the general meeting on the auditor election.
- Evaluate the Chief Audit Executive.
- Review Group Internal Audit's budget, policy, instruction and annual plan, and recommend them for approval by the Board.
- Review Group Internal Audit's quarterly reports and propose improvements.
- Monitor Group Internal Audit's annual plan and strategic priorities.
- Monitor the external auditor's annual plan and discuss coordination between the external audit and internal audit and the view of the Group's risks.
- Review the committee's areas of responsibility.

Focus in 2023

The Audit Committee's focus in 2023 was on continuously monitoring the financial reporting and internal control as well as the external audit and its independence. The committee was especially focused on following up on the observations from the external and internal audits and ensuring the effective control of the financial reporting. Furthermore, the Audit Committee assisted the Nomination Committee in connection with the preparation of the Nomination Committee´s proposal to the 2024 Annual General Meeting for the appointment of the external auditor.

Members of the Audit Committee:

Since the 2023 AGM

- Kerstin Hermansson, Chair
- Annika Creutzer
- Anna Mossberg
- Per Olof Nyman
- Biljana Pehrsson

Risk and Capital Committee

The Risk and Capital Committee supports the Board of Directors in its work to ensure that routines are in place to identify, asses, manage and report the risks in the business activities, and assess and monitor the Group's risks based on the risk appetite decided by the Board.



"During the year, the Risk and Capital Committee, in light of the continued geopolitical uncertainty and macro-economic situation, supported the Board of Directors in ensuring that the bank's business activities, based on current regulations, are monitored and carried out in accordance with the bank's risk appetite and risk strategy."
Per Olof Nyman, Chair

The work of the Risk and Capital Committee includes to:

- Review the Group's overarching risk framework (ERM Policy) and other risk policies.
- Monitor and prepare the monthly risk report from Group Risk, which includes a report on the Group's risks. A more detailed description of the Group's risks can be found in Note G3.
- Monitor and prepare Group Compliance's quarterly report on the Group's compliance risks and non-compliance.
- Monitor and administer Group Compliance and Group Risk's annual plans and strategic priorities.
- Internal Capital Adequacy Assessment Process (ICAAP) and issues relating to the bank's capitalisation.
- Issues relating to the bank's credit limits and exposures.
- Funding-related issues and strategies.

Focus in 2023

During the year, the Risk and Capital Committee maintained a strong focus on compliance issues. The committee continued to improve the bank's management of risk and capital issues based on the changing geopolitical conditions and monitored the impact of global developments on the credit business. Furthermore, the Chief Credit Officer submitted monthly updates to the committee on customers in the commercial real estate sector.

Members of the Risk and Capital Committee:

Since the 2023 AGM

- Per Olof Nyman, Chair
- Göran Bengtsson
- Kerstin Hermansson
- Göran Persson
- Biörn Riese

Remuneration and Sustainability Committee

In March 2023, Swedbank's Board of Directors decided to convert the Remuneration Committee to a committee with responsibility for both sustainability and remuneration: the Remuneration and Sustainability Committee. The aim is to support and strengthen the strategic sustainability work in respect of operating models and reporting. The committee monitors and evaluates the Group's work with sustainability and assists the Board in fulfilling its overarching obligations related to sustainability. The Remuneration and Sustainability Committee also verifies that the bank's remuneration systems generally conform to effective risk management practices and legal requirements, among other things. The remuneration systems must comply with applicable rules, such as the Swedish Corporate Governance Code, the Swedish FSA's rules and the European Banking Authority's guidelines for senior executives.



"Sustainability is part of the core of Swedbank's business strategy. By appointing a special sustainability committee, added focus is placed on sustainability issues by supporting and strengthening the bank's sustainability work in respect of operating models and reporting."
Göran Persson, Chair

The work of the Remuneration and Sustainability Committee includes:

- Salaries, pensions, variable remuneration and other benefits for the Group Executive Committee in accordance with the guidelines adopted by the AGM and for the Group Audit Executive.
- The Board's proposal to the AGM regarding guidelines for remuneration for top executives.
- The Board's proposal to the AGM regarding the bank's performance- and share-based remuneration programs, as well as allocations, evaluations and other matters associated with the programs.
- Swedbank's Remuneration Policy.
- Decisions pursuant to or deviations from remuneration policies.
- Annual review and evaluation of the appropriateness of the remuneration instructions.
- Preparation and recommendation to the Board on remuneration to consultants in cases where the total remuneration exceeds a certain amount.
- Review of salary differences to ensure that they are not arbitrary.
- Matters concerning the nomination process for Board members of material subsidiaries and the instruction for the bank's internal nomination committee.
- In consultation with the bank's Head of Group Brand, Communication & Sustainability, follow developments in sustainability.
- Regularly monitor how sustainability is integrated in the Group's business strategy, as well as the Group's progress and performance in the area of sustainability.

For more information on remuneration at Swedbank, see below in the Corporate Governance Report and Note G13. More information on sustainability can be found in Swedbank's sustainability report.

Focus in 2023

During the year, the committee focused on defining the company's tasks, identifying which parts related to sustainability the committee will focus on, and the link between sustainability and the business operations. Furthermore, the committee established the CEO's goals for 2023 and continuously monitored them, in addition to focusing on the bank's remuneration programs, remuneration-related risks and remuneration paid to senior executives.

Members of the Remuneration and Sustainability Committee:

Since the 2023 AGM

- Göran Persson, Chair
- Helena Liljedahl
- Anna Mossberg
- Biljana Pehrsson

4 President and CEO

The President and CEO is responsible for managing the bank's day-to-day operations and is the officer ultimately responsible for ensuring that the Board's strategic direction and other decisions are implemented and followed by the bank's business areas and their subsidiaries, and that risk management, governance, IT systems, the organisation and processes are satisfactory. The CEO represents the bank externally on various matters, leads the work of the Group Executive Committee, and makes decisions after consulting its members.

The CEO has the opportunity to delegate duties to subordinates or Group committees, although ultimate responsibility is retained by the CEO. The committees do not, with few exceptions, have collective decision-

making authority; instead, decisions are made by the chair of each committee or escalated to the CEO. The Board's directions on the CEO's special areas of responsibility are set out in documents such as the Board's Governance Policy and the instruction for the CEO. The CEO is responsible for implementing the Board's decisions and that a process is in place to ensure that policies and instructions are followed in the organisation and are evaluated annually.

The CEO establishes Group-level rules on governance and internal control. To support the internal control, the CEO has a number of monitoring Group Functions, primarily Group Finance, Group Risk and Group Compliance. Monitoring is performed regularly through written reports and in-depth follow-up meetings with the heads of the various Group Functions and with the business areas. For more information, see the Board of Directors' report on internal control of financial reporting on page 61. The CEO is also responsible for ensuring that the Group has a strategy for competence management.

Group Executive Committee (GEC) and other committees

The GEC consists of the Chief Executive Officer, the Deputy Chief Executive Officer, the Heads of the Swedish Banking, Baltic Banking and Corporates and Institutions business areas, the Chief Financial Officer, the Chief Credit Officer, and the Heads of Group Credit, Group Anti Financial Crime, Group Products & Advice, Group Channels & Technologies, Group Risk, Group Compliance, Group Human Resources & Infrastructure, Group Brand, Communication & Sustainability, and Group Legal. Many of the members have direct business responsibility and the GEC therefore plays an important role as a forum for sharing information and ideas. The GEC normally meets on a weekly basis. Among the purposes of the weekly meetings is to ensure a uniform overview and transparency in matters of importance to the bank and the Group. The GEC drafts proposals for remuneration systems and recommends variable remuneration for employees to the Board's Remuneration and Sustainability Committee.

The GEC is complemented by the following committees: Group Asset Allocation Committee ("GAAC"), Group Risk and Compliance Committee ("GRCC"), Group Investment Committee ("GIC"), Group Financial Crime Committee ("GFCC"), Group Product Oversight Committee ("GPOC") and Swedbank Sustainability Committee ("SSC").

The GAAC is led by the CFO. The purpose of the GAAC includes to coordinate the financial management of capital, liquidity, financing and tax issues.

The GRCC is led by the Chief Risk Officer in collaboration with the Chief Compliance Officer. The purpose of the GRCC includes to ensure harmonised management of non-financial risks, including compliance risk, and to contribute to a sound risk culture.

The GIC is led by the CFO. The GIC plans and prioritises the Group's strategic investments and ensures that they conform to the bank's strategy.

The GFCC is led by the Group's Specially Appointed Executive ("SAE") and Head of Group Anti Financial Crime. The GFCC ensures appropriate and effective management of the Group's risks related to money laundering, terrorist financing and financial sanctions, as well as complete and uniform implementation of the Group's internal rules on AML/CTF as well as financial sanctions.

The GPOC is led by the Head of Group Products & Advice (GPA). The purpose of the GPOC is to ensure a Group-level overview of the product and service offering in the areas of savings, insurance, payments, loans, cards and accounts, and to provide support for decisions relating to them.

The SSC is led by the Head of Group Brand, Communication & Sustainability. The SSC provides support and advice for effective management and oversight of the Group's sustainability perspective, and to support and promote ethical standards, integrity and the company's values within the organisation.

Priority issues for the GEC in 2023

In 2023, the GEC addressed a large number of matters, including the following:

- Support for the bank's customers in difficult times of geopolitical challenges, climate challenges, inflation and rising interest rates.
- Improved routines, system support and processes to prevent all types of financial crime, including fraud against the bank's customers. Cybersecurity is a priority as geopolitical conditions continue to impact Swedbank, our customers and society.
- The target of a return on equity of 15 per cent by 2025 and going forward. An important part of the work is to increase the focus within each business area.
- To better meet customers' needs, the bank's competence in the corporate business has been reorganised in Sweden at the same time that work is underway to split off and create a separate business area for the premium and private banking customer segment.
- Improved availability and efficiency through the rollout of the cloud-based communication platform in all home markets.
- Build trust and customer value, and deliver on our customer promise.
- Internal governance and control.
- Capital and liquidity matters.
- Investor meetings.
- Sustainability work.

- Support for the bank's customers in the real estate sector on energy transition.
- Diversity and inclusion.
- IT development and security.
- Strategy, business plans and expenses.
- The Swedish mortgage market, including work to shorten wait times and improve availability in customer centres in Sweden by opening a new customer centre in Umeå.
- Launch of new digital tools that enable our advisors to tailor advice to the financial health of our customers.
- Development of an index for financial health in the bank's four home markets.
- Transparency on data integrity and further quality improvements through, e.g., authentication and automation.
- Regulatory investigations.

Internal control and risk management

The foundation for well-functioning risk management is a well-implemented, sound and consistent risk culture. The Board of Directors sets the framework for bank's risk work and risk culture through the ERM Policy. The Group's risk management is based on three lines of defence.

First line of defence – risk management by the business operations

The first line of defence has the ultimate risk management responsibility and consists of all risk management activities carried out by the business operations within the business areas, product areas and Group Functions. The business operations take, or are exposed to, risks and are responsible for continuous and active risk management. The operations own the risks within their respective area of responsibility and are also responsible for ensuring that structures for internal control and reliable processes are in place so that risks are identified, assessed, managed, monitored, reported and kept within the boundaries of the Group's risk appetite and in accordance with the risk management framework. First line responsibilities also include establishing a governance structure to ensure compliance with external and internal requirements.

Second line of defence – independent control functions

The second line of defence refers to the independent control functions Group Risk and Group Compliance. These functions define, within their area of responsibility, the risk management framework, which covers all material risks in the Group. The framework determines how risks are identified, assessed, measured, managed, monitored and reported. The second line of defence also monitors and determines whether effective risk management processes and controls are implemented by relevant risk owners. The second line of defence challenges and validates the first line's risk management activities, controls and analyses the Group's material risks, and provides the CEO and the Board with independent risk reporting.

The second line of defence is organisationally independent from the first line and is not operationally involved in the business activities or the unit it monitors and controls.

Group Risk



Rolf Marquardt, Chief Risk Officer

Swedbank's independent risk control function, Group Risk, works with the Group's risk management. The Head of Group Risk is directly subordinate to the CEO and reports to the CEO and the Board. Group Risk provides a holistic view of all risks, is responsible for the Group's risk management framework, and provides assurance to the Board and CEO that the Group's risk management processes are adequate and sufficient in relation to the risk appetite as set by the Board. Group Risk also guides and supports the business operations to drive and maintain a strong and sustainable risk culture. Group Risk prioritises resources to the areas with the most significant risks.

The Board's ERM Policy and Policy for Group Risk contain frameworks and describe roles and responsibilities pertaining to risk management, governance and control.

Group Compliance



Britta Hjorth-Larsen, Chief Compliance Officer

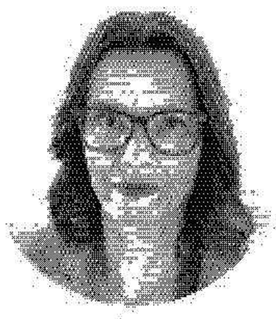
Swedbank's independent compliance function, Group Compliance, manages the Group's compliance risks. The Chief Compliance Officer is directly subordinate to the CEO and reports to the CEO and the Board on the Group's compliance.

Group Compliance's task is to propose and define minimum standards in the areas of anti-money laundering and terrorist financing, financial sanctions, conduct in the financial market, and customer protection (including, but not limited to, personal data protection), and to monitor management of compliance within the Group. Group Compliance's main activities are continuous monitoring of the Group's compliance as well as advice and support for the business operations to ensure that decisions are consistent with the Board

of Directors' risk appetite and compliance risk tolerance. Group Compliance also manages contacts with regulatory authorities relating to supervision of the Group's operations.

Group Compliance's work, which is governed by among other things the Policy for Group Compliance as established by the Board, is risk based and planned based on an annual assessment of compliance risks.

5 Third line of defence – Group Internal Audit



Ana Maria Matei, Chief Audit Executive

Swedbank has an independent Internal Audit function, Group Internal Audit. The Chief Audit Executive is appointed by and reports to the Board and thus is independent of the executive management.

The purpose of Group Internal Audit's reviews is to create improvements in the business operations by independently evaluating the bank's governance, risk management and internal control processes. All of the bank's activities and Group companies under the supervision of a financial supervisory authority as well as other Group companies that the Board of Directors considers material from time to time are the purview of Group Internal Audit. The assignment is based on a policy established by the Board and is performed using a risk-based methodology in accordance with internationally accepted standards issued by the Institute of Internal Auditors ("IIA"). Group Internal Audit prepares an annual risk analysis and an audit plan that are approved by the Board, and which can be revised and updated as needed. Audit reports are submitted to management and the conclusions, together with the measures that will be taken and their status, are compiled in quarterly reports and presented to the Group Executive Committee, the Audit Committee and the Board.

6 External auditor

The external auditor is elected by the AGM and independently reviews the bank's financial statements to determine whether they are materially accurate and complete and provide a fair view of the bank and its financial position and results. The auditor also ensures that the accounts are prepared according to current laws and recommendations. Moreover, the auditor reviews the Board and CEO's management.

According to the Articles of Association, the bank shall have no less than one and no more than two authorised public accountants. A registered auditing firm may also be elected as auditor. PwC was elected as accounting firm by the 2019 AGM until the conclusion of the 2024 AGM and the Chief Auditor is Authorised Public Accountant Anneli Granqvist. At the AGM the external auditor presents the auditors' report and describes the audit work.

In 2023, the external auditor reported to the Audit Committee on six occasions. The auditor also participated in one Board meeting at which a summary of the year's audit was presented. The auditor has met on a regular basis with the Chair of the Audit Committee, the Chief Audit Executive, the executive management and other operating managers. Swedbank's interim reports are reviewed by the bank's auditor. The Sustainability Report has also been reviewed by the external auditor. Remuneration to the Group's auditor is reported in Note G14. The Audit Committee annually evaluates the auditor's objectivity and independence. The auditor annually reaffirms its independence in the audit report.

Group structure

An effective operating structure is essential to the bank's governance. The Group structure provides a framework for various roles, functions and reporting channels within the bank. The bank's Group structure is divided into business areas, product areas and Group Functions.

After a strategic review of the bank's international presence in 2022, the branch office in Denmark and representative office in South Africa were closed in 2023.

Business areas

The bank's operations are conducted in three business areas: Swedish Banking, Baltic Banking and Corporates and Institutions. To increase availability and customer satisfaction, Swedbank intends to spin out and create a separate business area (Premium & Private Banking) for the premium and private banking customer segment. In 2024, the bank's business areas will therefore increase from three to four. The heads of the business areas are directly subordinate to the CEO. They have overarching responsibility for the business area's operations and report on an ongoing basis to the CEO.

The responsibilities of the head of each business area include:

- Implement the Group's strategies, prepare business plans for each business area, and ensure that these are implemented and reported to the CEO.
- Create and maintain reporting and escalation routines to highlight matters for information or decision at the CEO or Board level.
- Ensure that policies and instructions are implemented within the business area.
- Customer offering and customer satisfaction.

- Integrate sustainability in business decisions and procedures.
- Profitability and financial stability in the business area.
- Monitor, supervise and manage the business area's assets, liabilities and profitability.
- Maintain a sound internal control system to identify and manage risks in accordance with the bank's risk appetite.
- Effective implementation of the bank's corporate governance model within the business area.

Group Functions

The task of the Group Functions is to support the CEO and the Group's business operations, and to create Group-level routines, ensure effective governance, control and oversight in the Group, and clarify Swedbank's vision, purpose, values and strategy. The Group Functions' tasks include developing Group-level policies and instructions for the Board and CEO to adopt. They also propose other Group-level internal rules, which are approved by the manager of each Group Function. The purpose of the Group-level rules and processes is also to minimise the risks in the business operations. The Group Functions also create and monitor Group-level routines, which serve as support for the business operations and facilitate the sharing of experience between the bank's units operating in various markets. Furthermore, the Group Functions are responsible for compiling and analysing reports for the CEO and the Board, as well as proposing solutions to matters that require immediate action and thereby creating an effective solution to the problem. The head of each Group Function has unrestricted insight into the business operations in order to fulfil their obligations.

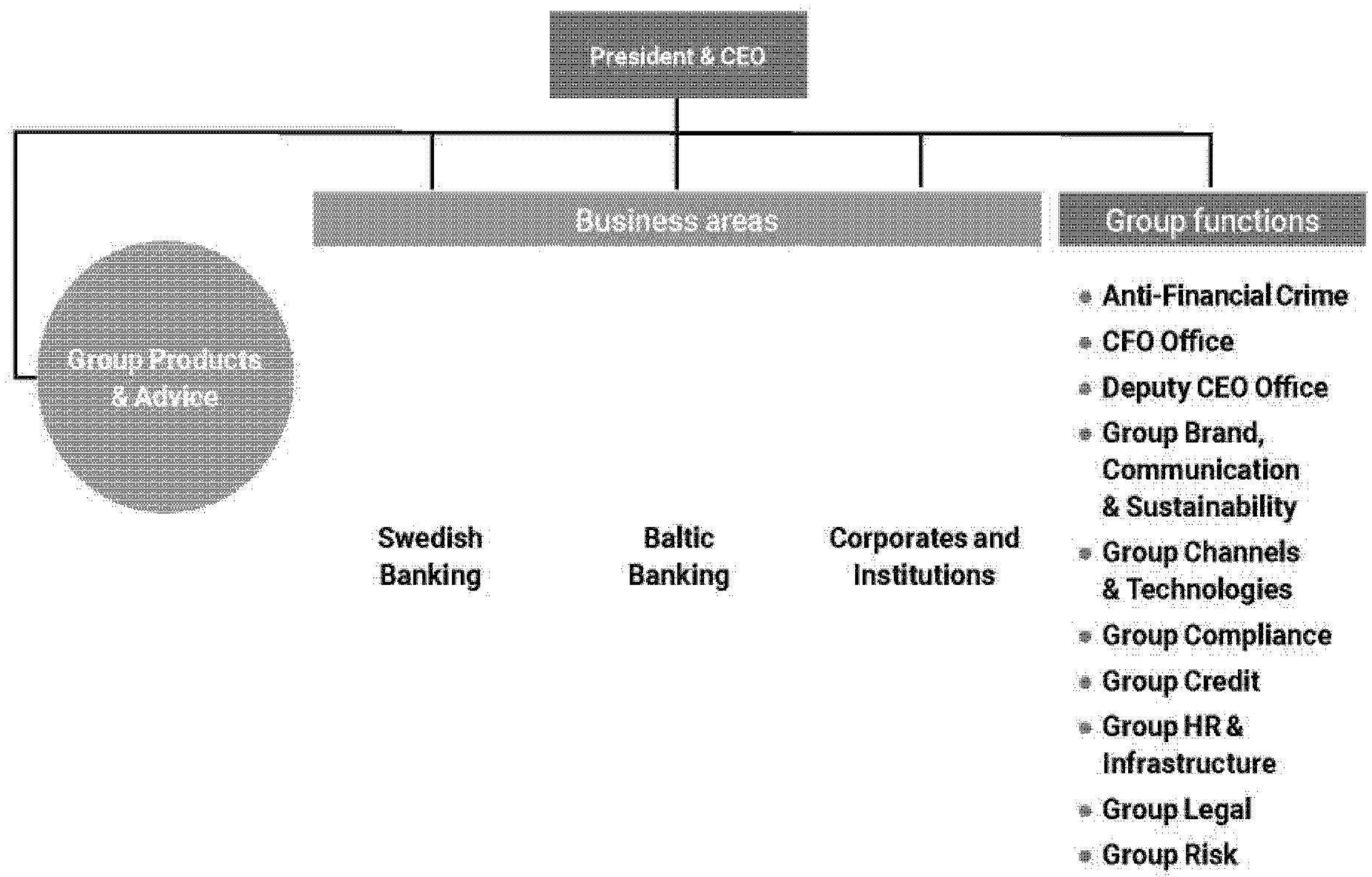
Further information on Swedbank's corporate governance

On Swedbank's website, www.swedbank.com, under the tab "About Swedbank", is a special section on corporate governance matters, which includes:

- Swedbank's Articles of Association
- The Nomination Committee's principles and work
- Information on Swedbank's Annual General Meetings since 2011
- Information on remuneration at Swedbank and evaluation of the remuneration guidelines for Swedbank's top executives
- The bank's Code of Conduct.

Organisational structure Swedbank Group

The illustration below shows the Swedbank Group's organisational structure with business areas, product areas and Group functions.



The Board of Directors' report on internal control of financial reporting

The Board of Directors is ultimately responsible to ensure that the Group's financial statements comply with external regulations and is responsible for monitoring the Group's internal control of financial reporting (ICFR). ICFR in Swedbank is based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) integrated framework. This framework enables organisations to effectively and efficiently develop and maintain systems of internal control that adapt to changing business and operating environments, mitigate risks to an acceptable level, and support sound decision making and governance of the organisation. According to COSO, internal control consists of the following five integrated components.

1. Control environment – The Board of Directors and executive management establish the foundation for internal control

To support the annual reporting, Swedbank's internal control is rooted in the bank's organisational structure and the policies and instructions established by the Board.

In addition, a directive issued by the Group CFO addresses ICFR specifically.

A supporting Group-wide ICFR framework is also in place, based on the bank's vision, purpose and values (see page 9). The purpose of the ICFR directive and framework is to provide reasonable assurance of the reliability of the Group's financial statements.

2. Risk analysis – Risk assessment based on materiality and complexity

Risk management is an integrated part of business activities. Every manager has a primary responsibility for effective risk management and risk assessment in their operations and in the Group's financial reporting process. Risk assessment within the ICFR framework is conducted at Group level to identify and create an understanding of the risks in the financial statements regarding materiality and complexity. The risk assessment is also used to decide which areas should be covered by the framework.

3. Control activities – Controls at different levels

Controls are performed at various levels of the bank to ensure the Group's financial statements. They are categorised according to the ICFR framework's structured controls as follows: Group-level controls, controls at the process/ transaction level, and general IT controls.

4. Compliance – Follow up and assessment

Follow-up on the ICFR framework controls is regularly performed through self-assessment of the control effectiveness. The results of the self-assessment are used to monitor the reliability of the Group's financial statements.

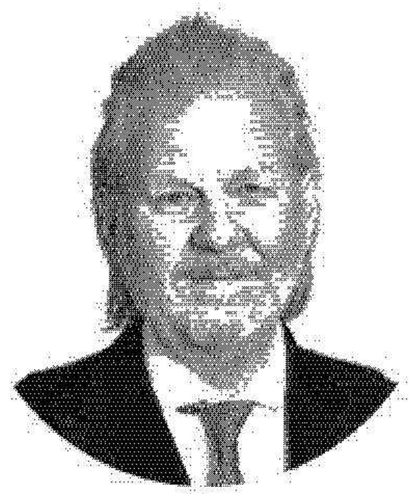
5. Communication – Analysis and reporting

The self-assessment result is compiled and analysed by Group Finance to identify any material risks of misstatement in the Group's financial statements. The results of the analysis are reported to Swedbank's CFO and the Audit Committee on a quarterly basis.



Board of Directors





	Göran Persson	Biörn Riese
Position	Chair	Vice Chair
Born/Elected	Born 1949. Elected 2019.	Born 1953. Elected 2022.
Role within Swedbank	○ Board of Directors, Chair ● Remuneration and Sustainability Committee, Chair ● Risk and Capital Committee, member Governance Committee, member	○ Board of Directors, Vice Chair ● Risk and Capital Committee, member Governance Committee, Chair
Attendance	○ 23/23 ● 10/10 ● 13/13 12/12	○ 23/23 ● 13/13 12/12
Total annual fees[1], SEK	○ 3 080 000 ● 343 000 ● 291 000 279 000	○ 1 033 000 ● 291 000 460 000
Background	Göran Persson has extensive experience leading the boards of both state-owned and private enterprises. He contributes through his social engagement and large network as well as broad experience of national and international economic issues and sustainable development.	Biörn Riese contributes a deep knowledge of corporate governance and the law in general. He has his own law firm, where he specialises in providing advice and support relating to corporate governance and sustainability, with particular focus on anti-corruption and risk management.
Education	University studies in sociology and political science	Master of Laws, Stockholm University • MBA, Economics/Business Economics, Stockholm University
Bank-specific experience	Board: 9 years (2015)	Board: 2 years (2022)
Professional experience	Prime Minister of Sweden • Finance Minister of Sweden • JKL Group, Advisor • Scandinavian Biogas Fuels, Chair • Ålandsbanken, Board member • Sveaskog, Chair • Scandinavian Air Ambulance, Chair • Wiklöf Holding AB, Board member	Lawyer, Jurie Law AB • Mannheimer Swartling, Chair and Partner • Åbjörnsson & Rausing Advokatbyrå • Court service • Board assignments
Non-executive assignments	LKAB, Chair • Greengold Group AB, Chair • Lumo Advice AB, Senior Advisor	Own business, Jurie Advokat AB • Arvid Nordquist H. AB, Board member • Heloos AB, Chair • Swedish Anti-Corruption Institute, Board member • My Special Day foundation, Chair • Disciplinary Committee of the Swedish Bar Association, Board member • Supervisory Board of the Swedish Private Equity & Venture Capital Association, Chair
Board member's independence	Independent in relation to the bank and the executive management and independent in relation to the bank's major shareholders.	Independent in relation to the bank and the executive management and independent in relation to the bank's major shareholders.
Shareholdings[2]	Own and closely related parties' shareholdings in Swedbank: 50 000	Own and closely related parties' shareholdings in Swedbank: 7 000

1) For paid amounts see note G13.
2) Holdings as of 31 December 2023.







	Göran Bengtsson	Annika Creutzer	Hans Eckerström
Position	Board member	Board member	Board member
Born/Elected	Born 1967. Elected 2020.	Born 1957. Elected 2021.	Born 1972. Elected 2020.
Role within Swedbank	○ Board of Directors, member ● Risk and Capital Committee, member	○ Board of Directors, member ● Audit Committee, member	○ Board of Directors, member Governance Committee, member
Attendance	○ 23/23 ● 12/13	○ 23/23 ● 10/10	○ 23/23 12/12
Total annual fees[1], SEK	○ 709 000 ● 291 000	○ 709 000 ● 279 000	○ 709 000 279 000
Background	Göran Bengtsson brings to the Board his extensive experience in banking and finance. He has held a number of senior positions at Swedbank and is currently CEO of Falkenbergs Sparbank.	Annika Creutzer contributes with her extensive experience in finance and the media, with a focus on business journalism and public education.	Hans Eckerström, who has an extensive background as a partner and employee of Nordic Capital as well as a Board member of investment companies, brings to the Board his business acumen and experience in the financial industry.
Education	Bachelor's Programme in Business and Economics, University of Borås	Economics degree in national economics, Stockholm University	M.Sc. Mechanical Engineering, Chalmers University of Technology • M.Sc. Business Administration, University of Gothenburg School of Business
Bank-specific experience	Operative: 34 years Board: 4 years (2020)	Operative: 5 years Board: 3 years (2021)	Board: 4 years (2020)
Professional experience	Regional Head of Credit, Swedbank AB • Head of Corporate Business, Sparbanken Sjuhärad AB	Swedish Pensions Agency, Board member • Påmind startup, Board member • Pengar24, Editor in Chief • Privata Affärer, Editor in Chief • Stockholm Consumer Cooperative Society, Board member • Poppius journalism school, Board member • Skandiabanken, Private economist	Profoto Invest AB, Chair • Henri-Lloyd Group AB, Chair • Nobia AB, Chair • Nordstjernan AB, Board member • NC Advisory AB, Nordic Capital, Employee and Partner • Arthur D. Little, Manager • Aligro Partners Acquisition Company AB (publ), Chief Investment Officer
Non-executive assignments	Falkenbergs Sparbank, CEO	Consultancy in financial journalism and public education, Creutzer & Co AB	Profoto Holding AB, Chair • Thule Group AB, Chair
Board member's independence	Dependent in relation to the bank and the executive management but independent in relation to the bank's major shareholders.	Independent in relation to the bank and the executive management and independent in relation to the bank's major shareholders.	Independent in relation to the bank and the executive management and independent in relation to the bank's major shareholders.
Shareholdings[2]	Own and closely related parties' shareholdings in Swedbank: 2 500	Own and closely related parties' shareholdings in Swedbank: 1 100	Own and closely related parties' shareholdings in Swedbank: 100 000

1) For paid amounts see note G13.
2) Holdings as of 31 December 2023.





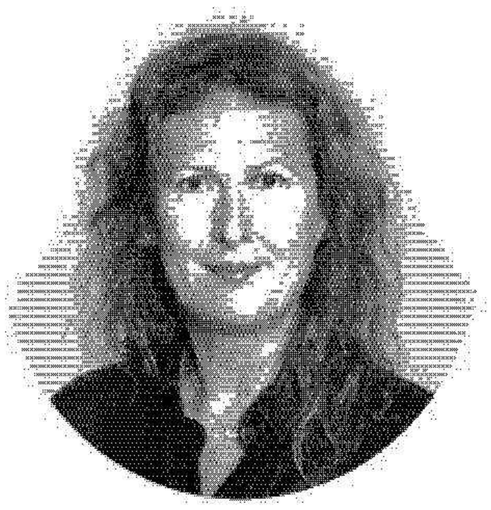


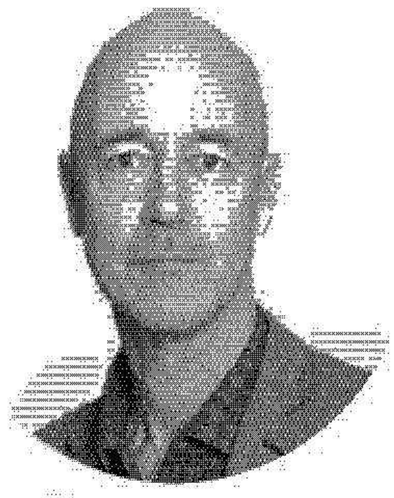
	Kerstin Hermansson	Helena Liljedahl	Bengt Erik Lindgren[3]
Position	Board member	Board member	Board member
Born/Elected	Born 1957. Elected 2019.	Born 1969. Elected 2022.	Born 1950. Elected 2020.
Role within Swedbank	○ Board of Directors, member ● Risk and Capital Committee, member ● Audit Committee, Chair	○ Board of Directors, member ● Remuneration and Sustainability Committee, member	○ Board of Directors, member ● Risk and Capital Committee, member (until 30 March 2023) Governance Committee, member (from 30 March 2023)
Attendance	○ 20/23 ● 13/13 ● 10/10	○ 23/23 ● 9/10	○ 21/23 ● 4/4 8/8
Total annual fees[1], SEK	○ 709 000 ● 291 000 ● 460 000	○ 709 000 ● 205 000	○ 709 000 ● 291 000 279 000
Background	Kerstin Hermansson mainly contributes to the Board her expertise in securities and in compliance issues relating to the financial markets. She is an attorney with many years of experience in the European securities market.	Helena Liljedahl has extensive knowledge and experience of development and management in the real estate sector and consumer-facing companies. She also contributes her experience with developing and implementing business strategies, and experience in asset management (real estate portfolio) and the insurance industry.	Bengt Erik Lindgren has many years of experience as a director in the banking and real estate sectors. He has also held many senior positions at Swedbank, Föreningssparbanken and in the Swedish savings bank movement.
Education	LLM, Lund University	M.Sc, Business Administration, University of Örebro	Uppsala University, 2-year combined education (business administration, sociology, human resource management)
Bank-specific experience	Operative: 9 years Board: 5 years (2019)	Board: 4 years (2020)	Operative: 35 years Board: 12 years (2012)
Professional experience	Linnaeus University, Chair • Swedish Securities Dealers Association (Svenska Fondhandlarföreningen), CEO • Enskilda Securities AB (subsidiary of SEB Group), Global Head of Legal & Compliance • SEB, Securities lawyer • Jacobsson & Ponsbach Fondkommission AB, Attorney • Member of the Securities and Markets Stakeholder Group of the European Securities and Markets Authority (ESMA)	Medmera Bank, Board member • Coeli Fastighet II, Chair • Technopolis Oiy, Board member • Ingka Centres Russia, Head of Commercial Development • Centrumutveckling, Deputy CEO • Alecta, Asset Manager	Humlegården Fastigheter AB, Board member • Prevas AB, Chair • Lansa Fastigheter AB and Lansa Bostadsfastigheter AB, Board member • Grönklittsgruppen, Chair • Länsförsäkringar Bergslagen ömsesidigt, Chair • Länsförsäkringar Bank AB, Board member • Swedbank AB, Deputy CEO, Regional Director Stockholm and Mid-Sweden and Head of Large Customers • Spintab AB, CEO and senior positions at Föreningssparbanken and in the Swedish savings bank movement
Non-executive assignments	Swedsec Licensiering AB, Deputy Chair • Swedish Financial Benchmark Facility AB, Board member	KF Fastigheter AB, CEO • Folksam ömsesidig sakförsäkring, Board member	
Board member's independence	Independent in relation to the bank and the executive management and independent in relation to the bank's major shareholders.	Independent in relation to the bank and the executive management and independent in relation to the bank's major shareholders.	Independent in relation to the bank and the executive management and independent in relation to the bank's major shareholders.
Shareholdings[2]	Own and closely related parties' shareholdings in Swedbank: 1 000	Own and closely related parties' shareholdings in Swedbank: 7 000	Own and closely related parties' shareholdings in Swedbank: 10 500

1) For paid amounts see note G13.
2) Holdings as of 31 December 2023.
3) Bengt Erik Lindgren has declined re-election for the Annual General Meeting 2024.

	Roger Ljung	Anna Mossberg	Per Olof Nyman
			
Position	Employee representative	Board member	Board member
Born/Elected	Born 1967. Elected 2015.	Born 1972. Elected 2018.	Born 1956. Elected 2021.
Role within Swedbank	○ Board of Directors, member, Employee representative	○ Board of Directors, member ● Remuneration and Sustainability Committee, member ● Audit Committee, member	○ Board of Directors, member ● Risk and Capital Committee, Chair ● Audit Committee, member
Attendance	○ 20/23	○ 20/23 ● 9/10 ● 10/10	○ 23/23 ● 13/13 ● 10/10
Total annual fees[1], SEK	No fees	○ 709 000 ● 205 000 ● 279 000	○ 709 000 ● 501 000 ● 279 000
Background	Roger Ljung is an employee representative and has broad experience in banking from both the private and corporate sectors.	Anna Mossberg contributes her experience and expertise of digital change. She has a long background in the internet and telecom industries, including as Business Area Manager at Google, and held senior roles for many years at Telia and Deutsche Telecom AG.	Per Olof Nyman has been CEO and Group CEO of Lantmännen, Northern Europe's leader in agriculture, machinery, bioenergy and food products. He has extensive knowledge of the agricultural and forestry sector as well as long operational experience from the food and white goods sectors.
Education	Upper secondary education	Executive MBA, IE University, Spain • Executive MBA, Stanford University, USA • M.Sc. in Industrial Economics, Lulea University of Technology, Sweden	M.Sc. in Industrial Economics (Investment and Financing Theory), Linköping University • IFL School of Economics, Accounting & Financing • IT and Commercial Law, Örebro University
Bank-specific experience	Operative: 37 years	Board: 6 years (2018)	Board: 3 years (2021)
Professional experience	Swedbank AB, Personal advisor, branch manager, business advisor	Schibsted ASA, Board member • Byggfakta Group Nordic AB, Board member • Google Sverige AB, Business Area Manager • Deutsche Telekom AG, Senior Vice President, Strategy & Portfolio Mgmt • Bahnhof AB, CEO • Telia International Carrier AB, Vice President • Telia AB, Director Internet Services • Silo AI, MD	Intercoop Europe, Chair • Lantmännen, CEO and Group CEO • Lantmännen, Vice President and CFO • Whirlpool Europe, Vice President and CFO; various senior positions within the company
Non-executive assignments	Swedbank AB, Corporate advisor • Finansförbundet (Swedish financial sector union) Swedbank branch, Deputy Chair • Finansförbundets förbundsstyrelse, Board member • Finans och försäkringsbranschens A-kassa, Board member • SPK, Deputy Chair	Swisscom AG, Board member • Orkla ASA, Board member • Volvo Cars AB, Board member • Ringier ABG, Board member	HKScan Oyj, Board member • Skogsägarna Mellanskog ek.för., Board member
Board member's independence	Not applicable.	Independent in relation to the bank and the executive management and independent in relation to the bank's major shareholders.	Independent in relation to the bank and the executive management and independent in relation to the bank's major shareholders.
Shareholdings[2]	Own and closely related parties' shareholdings in Swedbank: 0	Own and closely related parties' shareholdings in Swedbank: 1 487	Own and closely related parties' shareholdings in Swedbank: 10 000

1) For paid amounts see note G13.
2) Holdings as of 31 December 2023.





	Biljana Pehrsson	Åke Skoglund
Position	Board member	Employee representative
Born/Elected	Born 1970. Elected 2020.	Born 1959. Elected 2020 and deputy between 2018–2020.
Role within Swedbank	○ Board of Directors, member ● Remuneration and Sustainability Committee, member ● Audit Committee, member	○ Board of Directors, member, Employee representative
Attendance	○ 22/23 ● 10/10 ● 8/10	○ 22/23
Total annual fees[1], SEK	○ 709 000 ● 205 000 ● 279 000	No fees
Background	Biljana Pehrsson has an extensive background as a senior executive and director in real estate and private equity. Biljana brings to the Board her expertise and experience in strategy and business, leadership and change as well as the real estate and financial industries.	Åke Skoglund is an employee representative with many years of experience from various positions within Swedbank.
Education	M.Sc. Engineering, Stockholm Royal Institute of Technology	Business administration, Stockholm University
Bank-specific experience	Board: 4 years (2020)	Operative: 34 years
Professional experience	Kungsleden AB, CEO • East Capital Baltic Property Fund (ECBPF I & II & III), Board member • Einar Mattsson AB/Fastighets AB Stadshus, Board member • East Capital Private Equity, Deputy CEO and Head of Real Estate • Centrumutveckling, CEO	Business development • Accounting/ annual accounts • Regulatory reporting
Non-executive assignments	Nordr Sverige AB, CEO • Kungliga Dramatiska Teatern AB, Board member	Swedbank AB, Business Analyst • Finansförbundet (Swedish financial sector union) Swedbank branch, Member • Finansförbundet Local branch central units, Chair • Swedbank AB, Coordinating safety representative
Board member's independence	Independent in relation to the bank and the executive management and independent in relation to the bank's major shareholders.	Not applicable.
Shareholdings[2]	Own and closely related parties' shareholdings in Swedbank: 29 000	Own and closely related parties' shareholdings in Swedbank: 1 080

1) For paid amounts see note G13.
2) Holdings as of 31 December 2023.

Group Executive Committee



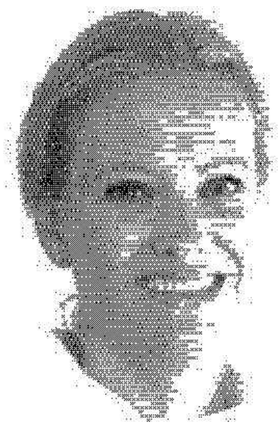
Jens Henriksson

President and CEO
Born 1967. Employed since 2019
Own and closely related parties' shareholdings in Swedbank:[1] 40 000
Education: BA Economics, M.Sc. Electrical Engineering, Control Theory, and Fil. Lic. Economics



Tomas Hedberg

Vice President and Deputy CEO
Born 1963. Employed since 2000
Own and closely related parties' shareholdings in Swedbank:[1] 6 953
Education: Studies in Economics



Sandra Almström[2]

Acting Head of Anti-Financial Crime Unit
Born 1980. Employed since 2006
Own and closely related parties' shareholdings in Swedbank:[1] 1 240
Education: Master of Economics



Bo Bengtsson[3]

Head of Corporates & Institutions
Born 1966. Employed since 2023
Own and closely related parties' shareholdings in Swedbank:[1] 4 500
Education: Studies in economics



Mikael Björknert

Head of Swedish Banking
Born 1966. Employed since 2010
Own and closely related parties' shareholdings in Swedbank:[1] 5 108
Education: B.Sc. Business Administration and Economics



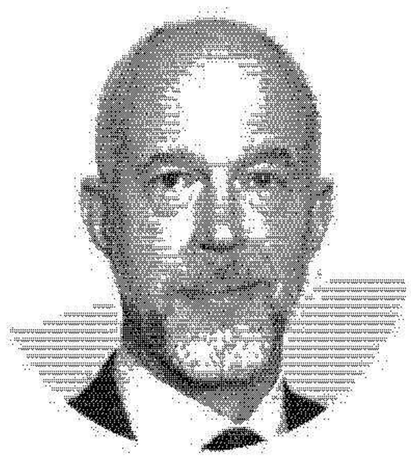
Lars-Erik Danielsson

Chief Credit Officer and Head of Group Credit
Born 1962. Employed since 1990
Own and closely related parties' shareholdings in Swedbank:[1] 8 032
Education: Studies in business and economics



Britta Hjorth-Larsen

Chief Compliance Officer and Head of Group Compliance
Born 1965. Employed since 2022
Own and closely related parties' shareholdings in Swedbank:[1] 0
Education: M.Sc. Business Law and Economics



Anders Karlsson

Chief Financial Officer (CFO)
Born: 1966. Employed 1999–2008 and since 2010
Own and closely related parties' shareholdings in Swedbank:[1] 30 500
Education: M.Sc. in Business and Economics



Jon Lidefelt

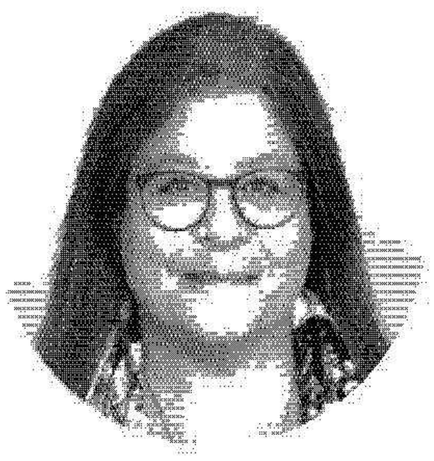
Head of Baltic Banking
Born 1973. Employed since 2013
Own and closely related parties' shareholdings in Swedbank:[1] 5 135
Education: M.Sc. Engineering Physics

1) Own and closely related parties' shareholdings in Swedbank as of 31 December 2023.
2) Anders Ekedahl was Head of Anti-Financial Crime through 5 November 2023.
3) Pål Bergström was Head of Corporates and Institutions through 28 February 2023.



Erik Ljungberg

Director of Communications and Sustainability and Head of Group Brand, Communication & Sustainability
Born 1971. Employed since 2020
Own and closely related parties' shareholdings in Swedbank:[1] 850
Education: M.Sc. in Business administration



Lotta Lovén

Chief Information Officer and Head of Group Channels & Technologies
Born 1967. Employed 1986–1999 and since 2004
Own and closely related parties' shareholdings in Swedbank:[1] 4 276
Education: Market economist



Rolf Marquardt

Chief Risk Officer and Head of Group Risk
Born 1964. Employed since 2020
Own and closely related parties' shareholdings in Swedbank:[1] 5 000
Education: PhD in Business Administration



Charlotte Rydin

Chief Legal Officer and Head of Group Legal
Born 1968. Employed since 2021
Own and closely related parties' shareholdings in Swedbank:[1] 0
Education: Master of Laws, LL.M.



Carina Strand

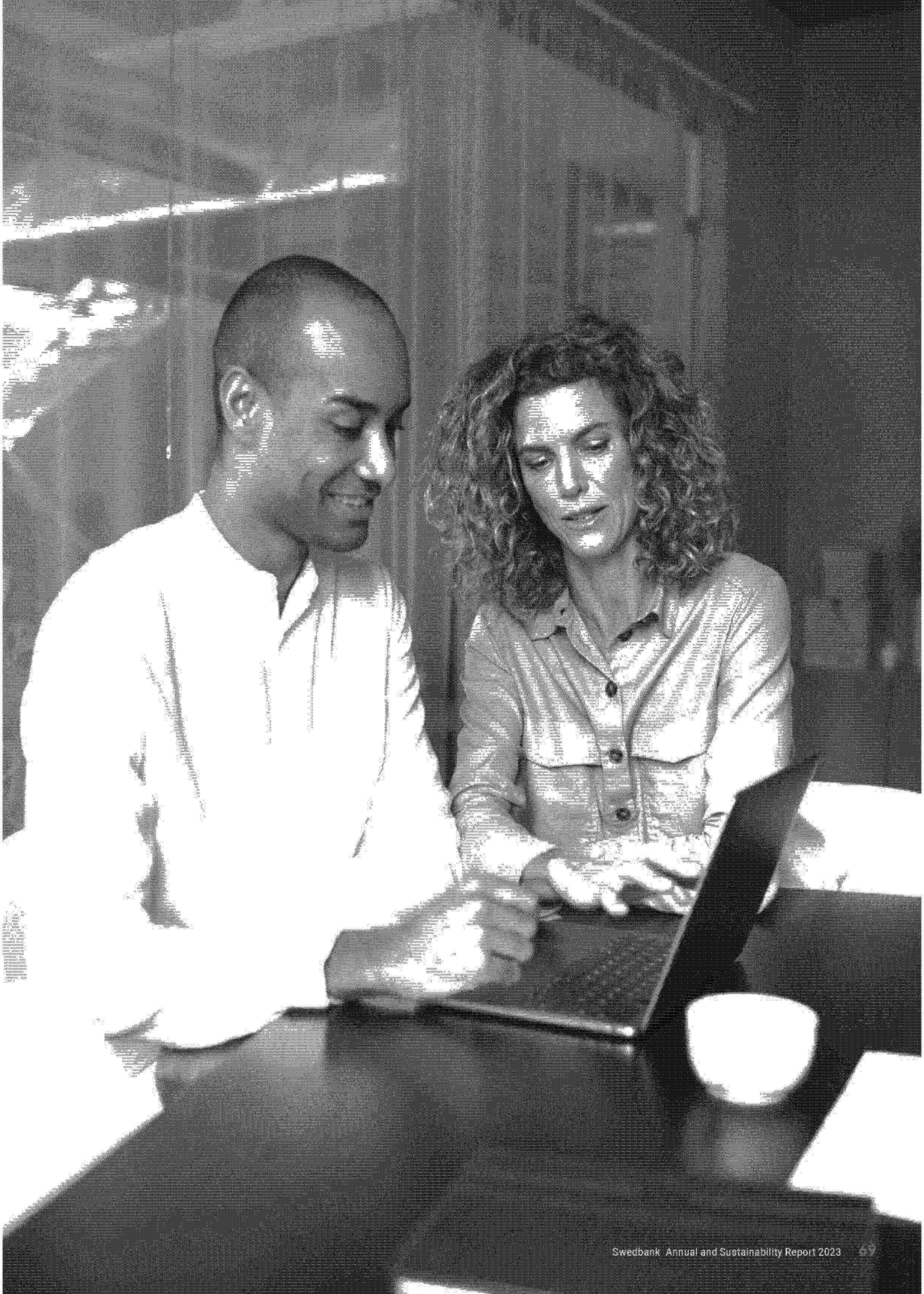
Head of Group HR & Infrastructure
Born 1964. Employed since 2017
Own and closely related parties' shareholdings in Swedbank:[1] 0
Education: Economist



Kerstin Winlöf

Head of Group Products & Advice
Born 1966. Employed since 2019
Own and closely related parties' shareholdings in Swedbank:[1] 2 000
Education: M.Sc. in Business Administration and Economics

1) Own and closely related parties' shareholdings in Swedbank as of 31 December 2023.



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Income statement, Group

SEKm	Note	2023	2022[1]
Interest income on financial assets at amortised cost		101 758	45 003
Other interest income		613	284
Interest income		102 372	45 287
Interest expense		−51 438	−12 141
Net interest income	G8	**50 933**	**33 146**
Commission income		23 820	22 203
Commission expense		−8 732	−8 089
Net commission income	G9	**15 088**	**14 114**
Net gains and losses on financial items	G10	**2 938**	**1 940**
Insurance result		−850	2 897
Return on assets backing insurance contracts		2 377	−2 368
Net insurance income	G11	**1 527**	**529**
Share of profit or loss of associates and joint ventures	G28	803	738
Other income	G12	1 769	1 560
Total income		**73 057**	**52 028**
Staff costs	G13	13 944	12 831
Other general administrative expenses	G14	7 349	6 291
Depreciation/amortisation of tangible and intangible assets	G15	1 920	1 695
Administrative fines	G16	887	
Total expenses		**24 100**	**20 817**
Profit before impairment, bank taxes and resolution fees		**48 957**	**31 211**
Impairment of intangible assets	G31	81	1 125
Impairment of tangible assets	G32	7	13
Credit impairments	G17	1 674	1 479
Bank taxes and resolution fees	G18	3 574	1 831
Profit before tax		**43 622**	**26 763**
Tax expense	G19	9 492	5 396
Profit for the year		**34 130**	**21 368**
Profit for the year attributable to:			
Shareholders of Swedbank AB		**34 128**	**21 365**
Non-controlling interests		2	3
Earnings per share, SEK	G20	30.35	19.03
Earnings per share after dilution, SEK	G20	30.27	18.98

1) Comparative figures have been restated due to the adoption of IFRS 17. For more information see note G2 and note G57.

Statement of comprehensive income, Group

SEKm	Note	2023	2022[1]
Profit for the year reported via income statement		**34 130**	**21 368**
Items that will not be reclassified to the income statement			
Remeasurements of defined benefit pension plans	G40	–839	3 938
Share related to associates and joint ventures:			
Remeasurements of defined benefit pension plans		–14	152
Change in fair value attributable to changes in own credit risk of financial liabilities designated at fair value through profit or loss, fair value option	G47		
Income tax	G21	172	–811
Total		**–681**	**3 279**
Items that may be reclassified to the income statement			
Exchange rate differences, foreign operations:			
Gains/losses arising during the year		–290	4 335
Hedging of net investments in foreign operations:	G30		
Gains/losses arising during the year		336	–3 421
Cash flow hedges:	G30		
Gains/losses arising during the year		5	626
Reclassification adjustments to income statement, Net gains and losses on financial items		–9	–615
Foreign currency basis risk:			
Gains/losses arising during the year		–18	63
Share of other comprehensive income of associates and joint ventures:			
Exchange rate differences, foreign operations		–41	31
Income tax:	G21		
Gains/losses arising during the year		–67	563
Reclassification adjustments to the income statement, Tax expense		2	127
Total		**–81**	**1 709**
Other comprehensive income for the year, net of tax		**–762**	**4 998**
Total comprehensive income for the year		**33 368**	**26 356**
Total comprehensive income for the year attributable to:			
Shareholders of Swedbank AB		**33 367**	**26 353**
Non-controlling interests		2	3

1) Comparative figures have been restated due to the adoption of IFRS 17. For more information see note G2 and note G57.

Balance sheet, Group

SEKm	Note	2023	2022[1]	1/1/2022[1]
Assets				
Cash and balances with central banks		252 994	365 992	360 153
Treasury bills and other bills eligible for refinancing with central banks, etc.	G22	178 619	151 483	163 590
Loans to credit institutions	G23	67 534	56 589	39 504
Loans to the public	G24	1 863 375	1 842 811	1 703 206
Value change of the hedged assets in portfolio hedges of interest rate risk	G30	−8 489	−20 369	−1 753
Bonds and other interest-bearing securities	G25	58 841	61 298	58 093
Financial assets for which the customers bear the investment risk	G26	319 795	268 594	303 877
Shares and participating interests	G27	34 316	30 268	38 051
Investments in associates and joint ventures	G28	8 275	7 830	7 705
Derivatives	G29	39 563	50 504	40 531
Intangible assets	G31	20 440	19 886	19 488
Tangible assets	G32	5 544	5 449	5 523
Current tax assets		1 951	1 449	1 372
Deferred tax assets	G19	82	159	113
Pension assets	G40	2 100	2 431	
Other assets	G33	8 001	8 244	9 012
Prepaid expenses and accrued income	G34	2 579	2 028	1 970
Total assets		**2 855 519**	**2 854 646**	**2 750 437**
Liabilities and equity				
Liabilities				
Amounts owed to credit institutions	G35	72 054	72 826	92 812
Deposits and borrowings from the public	G36	1 234 262	1 305 948	1 265 783
Value change of the hedged liabilities in portfolio hedges of interest rate risk	G30	209		
Financial liabilities for which the customers bear the investment risk	G37	320 609	268 892	304 181
Debt securities in issue	G38	728 548	784 206	735 917
Short positions securities	G39	17 297	27 134	28 613
Derivatives	G29	73 453	68 679	28 106
Current tax liabilities		3 872	1 811	672
Deferred tax liabilities	G19	5 740	3 615	3 494
Pension provisions	G40	176	168	1 801
Insurance provisions	G41	26 315	24 875	26 657
Other liabilities and provisions	G42	31 162	26 984	28 978
Accrued expenses and prepaid income	G43	5 364	4 657	4 807
Senior non-preferred liabilities		104 828	57 439	37 832
Subordinated liabilities	G44	32 841	31 331	28 604
Total liabilities		**2 656 730**	**2 678 566**	**2 588 257**
Equity				
Non-controlling interests		30	29	26
Equity attributable to shareholders of the parent company		198 760	176 052	162 155
Total equity	G45	**198 790**	**176 080**	**162 181**
Total liabilities and equity		**2 855 519**	**2 854 646**	**2 750 437**

1) Comparative figures have been restated due to the adoption of IFRS 17. For more information see note G2 and note G57.

Statement of changes in equity, Group

SEKm	Equity attributable to shareholders of Swedbank AB									
	Share capital	Other contributed 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		–10 964
Share based payments to employees							284	284		284
Deferred tax related to share based payments to employees							1	1		1
Current tax related to share based payments to employees							20	20		20
Total comprehensive income for the year			–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, before tax			–331	336	–4	–18	–853	–870		–870
of which income tax reported through other comprehensive income				–69	1	4	172	107		107
Closing balance 31 December 2023	**24 904**	**17 275**	**9 330**	**–5 697**	**7**	**–22**	**152 962**	**198 760**	**30**	**198 790**

1) Other contributed equity consists mainly of share premiums.

SEKm	Equity attributable to shareholders of Swedbank AB									
	Share capital	Other contributed 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
Closing balance 31 December 2021	**24 904**	**17 275**	**5 294**	**–3 248**	**2**	**–58**	**117 501**	**161 670**	**26**	**161 696**
Change of Accounting principle, IFRS 17							484	484		484
Opening Balance 1 January 2022[2]	**24 904**	**17 275**	**5 294**	–3 248	**2**	**–58**	**117 985**	**162 155**	**26**	**162 181**
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 year			4 366	–2 716	9	50	24 644	26 353	3	26 356
of which reported through profit or loss							21 365	21 365	3	21 368
of which reported through other comprehensive income, before tax			4 366	–3 421	11	63	4 090	5 109		5 109
of which income tax reported through other comprehensive income				705	–2	–13	–811	–121		–121
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.

2) Comparative figures have been restated due to the adoption of IFRS 17. For more information see note G2 and note G57.

Statement of cash flow, Group

SEKm	Note	2023	2022
Operating activities			
Profit before tax[1]		43 622	26 763
Adjustments for non-cash items in operating activities[1]	G49	−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 for trading		−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 joint ventures		−53	−135
Dividends 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	G3.2.8	−799	−802
Issuance of senior non-preferred liabilities	G3.2.8	46 580	22 993
Redemption of senior non-preferred liabilities	G3.2.8	−1 665	−257
Issuance of subordinated liabilities	G3.2.8	9 339	13 374
Redemption of subordinated liabilities	G3.2.8	−10 316	−12 661
Dividends paid		−10 964	−12 632
Cash flow from financing activities		**32 175**	**10 015**
Cash flow for the year		**−113 391**	**−7 914**
Cash and cash equivalents at the beginning of the year		**365 992**	**360 153**
Cash flow for the year		−113 391	−7 914
Exchange rate differences on cash and cash equivalents		393	13 753
Cash and cash equivalents at end of the year		**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.

Events during the year are described further in note G50.

Notes

All amounts in the notes are in millions of Swedish kronor (SEKm) and represent carrying amounts unless otherwise indicated. Adjustments for rounding are not made, therefore summation differences may occur.. Figures in parentheses refer to the previous year.

G1 Corporate information

The consolidated financial statements and the annual report for Swedbank AB (publ) for the financial year 2023 were approved by the Board of Directors and the CEO for publication on 21 February 2024. The parent company, Swedbank AB, maintains its registered office in Stockholm, Sweden. The company's shares are traded on the NASDAQ OMX Nordic Exchange in Stockholm in the Nordic Large Cap segment. The Group offers financial services and products in its home markets of Sweden, Estonia, Latvia and Lithuania. Main products are financing, savings & investments, payments & cards and trading & capital markets. The products are more described in note G6.

The consolidated financial statements and the annual report will ultimately be adopted by the parent company's Annual General Meeting on 26 March 2024.

Name	Swedbank AB (publ)
Domicile	Sweden
Legal form	Public limited company
Country of incorporation	Sweden
Address, registered office	Landsvägen 40, 172 63 Sundbyberg
Corporate number	502017-7753
LEI code	M312WZV08Y7LYUC71685

G2 Accounting policies

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1. Basis of accounting

The financial reports and the consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and interpretations of them. The standards are issued by the International Accounting Standards Board (IASB) and the interpretations by the IFRS Interpretations Committee. The standards and interpretations become mandatory for Swedbank's consolidated financial statements concurrently with their approval by the EU.

The consolidated financial statements are also prepared according to the Swedish Corporate Reporting Board's recommendation RFR 1 Complementary accounting rules for Groups and pronouncements, certain complementary rules in the Annual Accounts Act for Credit Institutions and Securities Companies and the regulations and general advice of the Swedish Financial Supervisory Authority, FFFS 2008:25.

The financial statements are presented in Swedish kronor and all figures are rounded to millions of kronor (SEKm) unless otherwise indicated. Adjustments for rounding are not made, therefore summation differences may occur.

The accounting policies and presentation remain unchanged in comparison to the 2022 Annual and sustainability report, except for the changes described in section 2 – Changes in accounting policies and changed presentation.

1.1 Critical accounting judgements and estimates

The preparation of the Group's financial statements requires executive management to make judgements, assumptions and estimates that affect the application of the Group's accounting policies and the reported amounts and disclosures. The executive management bases its judgements and assumptions on previous experience and several other factors that are considered reasonable under the circumstances. Actual results may deviate from the judgements and estimates applied.

The critical judgements and estimates which executive management has assessed to have the most significant effects are described in the sections below.

- Consolidated financial statements
- Financial instruments – Measurement of fair value
- Financial instruments – Credit impairments
- Intangible assets – Goodwill
- Provisions and contingent liabilities
- Pensions
- Insurance contracts
- Tax

2. Changes in accounting policies and changed presentation

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

2.1 Insurance contracts

The Group introduced IFRS 17 Insurance contracts on 1 January 2023. 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 adopted with the transition date of 1 January 2022 and comparative figures have been recalculated from that date. Comparative figures for the balance sheet and income statement before and after the adoption are presented in note G57 Effects of changes in accounting policies regarding IFRS 17. Where comparative figures have been restated, it is disclosed in the affected notes. The reported amounts before restatement are not disclosed.

2.2 Other changes in accounting standards

Other changes in accounting standards which have been adopted in 2023 did not have a significant impact on the Group's financial position, results, cash flows or disclosures.

3. Material accounting policies and critical accounting judgements and estimates

3.1 Consolidated financial statements

The consolidated financial statements comprise the Parent company and those entities over which the Parent company has control. The Parent company has control when it has power and is capable of managing the relevant activities of another entity, it is exposed to variable returns, and it is able to use its power to affect those returns. These entities are subsidiaries and are included in the consolidated financial statements in accordance with the acquisition method from the day control is obtained and are excluded from the day control ceases.

According to the acquisition method, an acquired entity's identifiable assets, liabilities and contingent liabilities that satisfy the recognition criteria are recognised and measured at fair value upon acquisition. Any surplus between the cost of the business combination (purchase price) and the fair value of the acquired share of identifiable assets, liabilities and reported contingent liabilities is recognised as goodwill. If the cost of the business combination is less than the fair value of the acquired company's net assets, the difference is recognised directly in the income statement. The cost of the business combination includes the fair value of transferred assets and liabilities. Acquisition-related costs are recognised when they arise. A subsidiary's contribution to equity includes only the equity that arises between acquisition and disposal. All intra-Group transactions and intra-Group gains are eliminated.

Holdings in non-controlling interests are the part of the Group's net assets that are not directly or indirectly owned by Swedbank AB. The minority share of subsidiary profits are included in the Group's income statement and its share of the net assets are recognised separately as non-controlling interests within equity in the balance sheet.

Critical accounting judgements and estimates – Consolidated financial statements

Entities in the Group have established investment funds for their customers' savings needs. The Group manages the assets of these funds on behalf of customers in accordance with predetermined provisions approved by the Swedish Financial Supervisory Authority. The return generated by these assets, as well as the risk of a change in value, is borne by customers. Within the framework of the approved fund terms, the Group receives management fees as well as, in certain cases, application and withdrawal fees for the management duties it performs. The decisions regarding the management of an investment fund are governed by the fund's provisions.

Since the Group determines the terms of the funds and is acting within them, the Group has the power over the decision making of the relevant activities of the investment funds. The Group's exposure to variable returns from its involvement in the funds is primarily related to the fees charged. In certain cases, Group entities also invest in the investment funds to fulfil their obligations to customers and these holdings represent an additional variable exposure in the investment funds. The Group's interests in total are seen as a principal activity for the Group's own benefit where the variable exposure over a longer period of time exceeds 35 per cent in an investment fund and 22 per cent in an alternative investment fund, and, consequently, the investment fund would be controlled and consolidated. In all other cases investment funds are not consolidated, instead the Group is considered to act as agent on behalf of the investment funds' investors.

The Group considers that holdings in investment funds through unit-linked mutual insurance contracts do not result in a variable exposure and are therefore excluded from the assessment of control over such investment funds. Holdings in investment funds through unit-linked mutual insurance contracts of SEK 277bn (228) are recognised as Financial assets for which the customer bears the investment risk and the corresponding liabilities of SEK 277bn (228) are recognised as Financial liabilities for which the customer bears the investment risk. If the Group had considered such holdings to be a variable exposure and that it had control over such investment funds, additional financial assets and financial liabilities corresponding to SEK 154bn (126) respectively would have been recognised in the Group's balance sheet.

3.2 Associates and joint ventures

Associates are entities where the Group has significant influence. Joint ventures are entities where the Group and one or more parties have joint control of another entity. Investments in associates and joint ventures are accounted for according to the equity method.

The equity method means that the participating interests in an entity are recognised at cost at the time of acquisition and are subsequently adjusted for the owned share of the change in the entity's net assets. Goodwill attributable to an associate or joint venture is included in the carrying amount of the participating interest and is not amortised. The carrying amount of the participating interests is compared with the recoverable amount of the net investment in an associate or joint venture to determine whether an impairment need exists. This is performed annually or when events occur that would indicate a decrease in value.

The owned share of an associate's or a joint venture's profit according to the entity's income statement including tax and together with any impairment, is recognised on a separate line in the income statement, Share of profit or loss of associates and joint ventures. The associates' and joint ventures' reporting dates and accounting policies conform to the Group's.

3.3 Assets and liabilities in foreign currencies

The consolidated financial statements are presented in SEK, which is also the Parent company's functional currency and presentation currency. The functional currency of a separate business within the Group, which may be a Group entity or a branch, is defined as the currency in which the business primarily generates and expends cash, but also where the business acts as an extension of the reporting entity rather than acting with a significant degree of independence.

3.3.1 Transactions in a currency other than the functional currency

Transactions in a currency other than the functional currency, foreign currency, are initially recorded at the exchange rate prevailing at the transaction date. Monetary assets and liabilities in a foreign currency and non-monetary assets in a foreign currency measured at fair value are translated at the rates prevailing at the closing date. All gains and losses on the translation of monetary items and non-monetary items measured at fair value are recognised as changes in exchange rates in the income statement within Net gains and losses on financial items.

3.3.2 Translation of foreign operations to the Group's presentation currency

Assets and liabilities in subsidiaries and associates with a functional currency other than SEK are translated to the presentation currency at the closing date exchange rate. The income statement is translated at the exchange rate for each transaction. For practical purposes, the average rate for the period is generally used. Exchange rate differences that arise are recognised in other comprehensive income.

Financial liabilities in a functional currency other than the presentation currency which hedge net investments in foreign operations are translated at the closing date exchange rate. When the requirements for hedge accounting are met, exchange rate differences attributable to hedges of net investments in foreign operations are recognised in other comprehensive income, net of deferred tax. . Ineffectiveness in such hedges is recognised directly in the income statement in Net gains and losses on financial items. When subsidiaries and associates are divested, cumulative translation differences and exchange rate differences are reclassified from other comprehensive income to the income statement.

3.4 Operating segments

Segment reporting is presented based on the executive management's view and relates to the parts of the Group that are defined as operating segments. Operating segments are identified based on internal reports to the Group's chief operating decision maker, which is the Chief Executive Officer (CEO). The internal reports used by the CEO to oversee operations and make decisions on allocating resources serve as the basis for the information presented.

The accounting policies for operating segments consist of the above accounting policies and policies that specifically refer to segment reporting, which are described in note G5 Operating segments.

3.5 Financial instruments - General

Financial instruments are classified on relevant lines of the balance sheet depending on the nature of the instrument and the counterparty. If a financial instrument does not have a specific counterparty or is listed on the market, the instrument is classified in the balance sheet as securities. Financial liabilities where the creditor has a lower priority than others are classified in the balance sheet as Subordinated liabilities. Senior non-preferred liabilities that fulfil the minimum requirements for own funds and eligible liabilities (MREL) are presented on a separate line in the balance sheet.

3.5.1 Recognition and derecognition

Financial assets and liabilities are recognised in the balance sheet on the trade date, which is the date when the Group becomes a party to the instrument's contractual provisions, except for financial assets measured at amortised cost, which are recognised on the settlement date. Financial assets are derecognised when the right to receive cash flows from a financial asset has expired or the Group has transferred substantially all the risks and rewards of ownership to another party. Financial liabilities are derecognised when the obligation in an agreement has been discharged, cancelled or expired.

3.5.2 Derivatives

All derivatives are measured and reported at fair value in the balance sheet. Derivatives with positive fair values, including accrued interest, are reported as assets within Derivatives with the corresponding principle applied to liabilities. Realised and unrealised results are recognised in the income statement within Net gains and losses on financial items. The accounting principles for hedge accounting are applied where a derivative is identified as a hedging instrument and are presented in section 3.9.

3.5.3 Embedded derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract. The impact of an embedded derivative is such that some of the instrument's cash flows vary in a manner similar to a standalone derivative. Embedded derivatives in liabilities, finance leases and other non-financial assets are recognised as separate derivatives when risks and characteristics are not closely related to those of the host contract. Derivatives are not separated if the host contract is measured at fair value through profit or loss.

Financial assets in scope of IFRS 9 Financial Instruments are not assessed for the existence of embedded derivatives. Each contract is considered in its entirety, including any features that alter the contractual cash flows, when concluding whether the contractual cash flows only consist of principal amount and interest.

3.5.4 Repurchase transactions

A repurchase transaction (repo) is defined as a contract where the parties have agreed on the sale of securities and the subsequent repurchase of corresponding assets at a predetermined price. In a repo, the sold security remains on the balance sheet, since the Group is exposed to the risk that the security will fluctuate in value. The payment received is recognised as a financial liability on the balance sheet based on the counterparty. The securities sold are also disclosed as pledged assets. The proceeds paid for acquired securities, so-called reverse repos, are recognised on the balance sheet based on the counterparty. The difference between the spot and forward price is accrued as interest.

3.5.5 Securities loans

Securities that have been lent remain on the balance sheet, since the Group remains exposed to the risk that they will fluctuate in value. Securities that have been lent are recognised on the trade date as assets pledged, while borrowed securities are not reported as assets. Securities that are lent are measured in the same way as other security holdings of the same type. Where borrowed securities are sold, so-called short-selling, an amount corresponding to the fair value of the securities is recognised within Other liabilities on the balance sheet.

3.5.6 Loan commitments

Irrevocable loan commitments are recognised off balance and are subject to credit impairment testing. Associated credit impairment provisions are recognised as provisions within Other liabilities and provisions in the balance sheet. The accounting policies for credit impairment provisions are presented in section 3.8.

3.5.7 Offsetting

Financial assets and financial liabilities are offset and recognised net in the balance sheet where there is a legal right of set-off, both in the normal course of business and in the event of bankruptcy, and there is intent to settle the items with a net amount or to simultaneously realise the asset and settle the liability.

3.6 Financial instruments - Classification and measurement

Financial assets are classified in one of the following valuation categories:

- Amortised cost
- Fair value through profit or loss – mandatorily
  - Held for trading
  - Other

The classification is based on the entity's business model for managing the asset and the asset's contractual terms.

The business model reflects how the Group manages portfolios of financial assets. The factors considered in determining the business model for a portfolio of financial assets include how the financial assets' performance is evaluated and reported to management, how risks are assessed and managed, compensation models as well as frequency, volume, reason and timing for sales.

The Group assesses the contractual terms of financial assets to identify whether the contractual cash flows are solely payments of principal and interest. In making this assessment, consideration is taken whether the contractual cash flows are consistent with a basic lending arrangement. Principal is defined as the fair value of the financial asset on initial recognition. Interest is defined as the compensation for the time value of money, credit risk, other basic lending risks and profit margin. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is not compliant with the solely payments of principal and interest criterion and the asset is measured at fair value.

Financial liabilities are classified in one of the following valuation categories:

- Amortised cost
- Fair value through profit or loss – mandatory
  - Held for trading
  - Designated at fair value through profit or loss, fair value option

Fair value option means that the Group irrevocably decides to fair value financial assets if that reduces inconsistency in measurement or recognition.

Financial assets and financial liabilities are presented per balance sheet item and valuation category in note G46 Valuation categories of financial instruments.

3.6.1 Financial assets at amortised cost

Debt instruments are measured at amortised cost if:

- the objective of the business model is to hold the financial assets to collect contractual cash flows; and
- the contractual cash flows are solely payments of principal and interest.

Financial assets at amortised cost are initially recognised at fair value, including transaction costs that are directly attributable to the acquisition of financial assets, and subsequently measured at amortised cost. Fair value is normally the amount advanced, including fees and commissions. The amortised cost is the amount at which the financial asset is measured at initial recognition minus repayments of principal, plus accrued interest, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and adjusted for any credit impairment provisions. The accounting policies for credit impairment provisions are presented in section 3.8.

3.6.2 Financial assets at fair value through profit or loss

Financial assets classified as measured at fair value through profit or loss are comprised of financial assets mandatorily measured at fair value through profit or loss. This valuation category includes:

- Financial instruments that are held in a business model other than held to collect contractual cash flows, including those that are held for trading and those that are managed and evaluated on a fair value basis
- Debt instruments with contractual cash flows that are not solely payments of principal and interest
- Shares and participating interests
- Derivatives that are not designated in hedge accounting relationships

Financial instruments held for trading are acquired for the purpose of selling in the near term or are part of a portfolio for which there is evidence of a pattern of short-term profit taking. Financial instruments managed and evaluated on a fair value basis include the insurance operation's investments in fund shares and the Group's liquidity portfolios.

Financial assets at fair value through profit or loss are initially recognised and subsequently measured at fair value. Transaction costs that are directly attributable to the origination or acquisition of financial assets at fair value through profit or loss are expensed in profit or loss.

Changes in fair value and share dividends are recognised in the income statement within Net gains and losses on financial items. Changes in fair value due to changes in exchange rates are recognised as changes in exchange rates in the same profit or loss line.

3.6.3 Financial liabilities at amortised cost

Financial liabilities classified as measured at amortised cost include those that are not classified as fair value through profit or loss. Such financial liabilities are recognised on the trade date at fair value, which is typically the amount borrowed or issued including transaction costs that are directly attributable to the issuance, and subsequently measured at amortised cost using the effective interest method. The amortised cost measurement is analogous to that applied to financial assets; however, it does not include adjustments for credit impairment provisions.

3.6.4 Financial liabilities at fair value through profit or loss

Financial liabilities classified as measured at fair value through profit or loss are comprised of:

- Financial liabilities held for trading
- Derivatives that are not designated for hedge accounting
- Financial liabilities designated at fair value through profit or loss at initial recognition, fair value option

The Group applies the option to irrevocably designate financial liabilities at fair value through profit or loss when there would otherwise arise measurement or recognition inconsistencies. This option is applied for:

- Investment contract liabilities in insurance operations, where the customer bears the investment risk, and the corresponding financial assets are measured at fair value through profit or loss. The contractual amount due to investors is determined on the basis of the fair value of the corresponding financial assets.
- Debt securities in issue, which have fixed contractual interest rates, and for which the portfolio's aggregate interest rate risk is essentially eliminated with derivatives that are measured at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are initially recognised at fair value on the trade date and subsequently measured at fair value. The determination of fair value and the accounting for gains or losses on initial recognition are analogous to financial assets at fair value through profit or loss. Changes in fair value are recognised in the income statement within Net gains and losses on financial items, except for changes in fair value due to changes in the Group's own credit risk. Such changes are presented in other comprehensive income, with no subsequent reclassification to the income statement.

3.6.5 Issued debt and equity instruments

Issued financial instruments are classified as a liability if the Group has a contractual commitment to either deliver cash, another financial asset, or a variable number of shares to the holder of the instrument. If none of these features exist, the instrument is classified as an equity instrument.

3.7 Financial instruments – Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability through an orderly transaction between market participants.

The fair value of financial instruments is determined based on quoted prices in active markets. When such market prices are not available, generally accepted valuation models such as discounted future cash flows are used. The valuation models are as far as possible based on observable market data, such as quoted prices in active markets for similar instruments or quoted prices for identical instruments in inactive markets.

For financial assets and financial liabilities, mid prices are used as a basis of determining fair value.

Note G47 Fair value of financial instruments shows financial instruments at fair value divided into three valuation levels: level 1 - quoted prices, level 2 - valuation models with observable market inputs and level 3 - valuation models with significant assumptions. Holdings in level 3 relate to unlisted shares, fund shares, loans and liabilities for which customers bear the investment risk.

Critical accounting judgements and estimates – Fair value measurement for financial instruments recognised at fair value

When financial assets and financial liabilities in active markets have offsetting market risks, the average of bid and sell prices is used as the basis for determining the fair value of the offsetting risk positions. For any open net positions, recognised at fair value, a bid/ask adjustment is applied to ensure that long positions are recognised at bid price and short positions at ask price. Fair value adjustments are performed when deemed necessary. For any open net positions, bid or sell prices are applied as appropriate, i.e., bid prices for long positions and sell prices for short positions. The Group's executive management has determined the method for which market risks offset each other and how the net positions are calculated.

When quoted prices on active markets are not available, the Group uses valuation models. The Group's executive management determines when markets are considered inactive and when quoted prices no longer correspond to fair value, therefore requiring that valuation models are used. An active market is considered a regulated marketplace where quoted prices are easily accessible, and which demonstrates regularity. Activity is evaluated continuously by analysing factors such as trading volumes and differences between bid and sell prices. When certain criteria are not met, the market or markets are considered inactive. The Group's executive management determines which valuation model and which pricing parameters are most appropriate for the individual instrument. Swedbank uses valuation models that are commonly adopted by market participants and are subject to independent risk control.

When financial instruments are measured at fair value according to valuation models, a determination is made on which observable market data should be used in those models. The assumption is that quoted prices for financial instruments with similar activity will be used. When such prices or components of prices cannot be identified, the executive management must make its own assumptions.

3.8 Financial instruments - Credit impairments

Credit impairment provisions are recognised on the following financial instruments: financial assets that are measured at amortised cost, lease receivables, irrevocable loan commitments issued, and guarantee contracts issued. Credit impairment provisions are measured according to an expected credit loss model and reflect an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes and considering all reasonable and supportable information available without undue cost or effort at the reporting date. Such provisions are measured according to whether there has been a significant increase in credit risk since initial recognition of an instrument.

- Stage 1 includes financial instruments that have not experienced a significant increase in credit risk since initial recognition and those within the Group's policy to assess for low credit risk at the reporting date, which is defined as having an investment grade equivalent rating.
- Stage 2 includes financial instruments that have deteriorated significantly in credit quality since the initial recognition but for which there is no objective evidence of credit impairment.
- Stage 3 includes financial instruments which are credit-impaired and for which there is objective evidence of impairment.

12-month expected credit losses are recognised on instruments in Stage 1 and lifetime expected credit losses are recognised on instruments in Stage 2 and Stage 3. The lifetime expected credit losses represent losses from all possible default events over the remaining life of the financial instrument. The 12-month expected credit losses are losses resulting from the default events that are possible within 12 months after the reporting date and consequently represent only a portion of the lifetime expected credit losses.

3.8.1 Measurement of expected credit losses

Expected credit losses are measured for each individual exposure as the discounted product of a probability of default (PD), an exposure at default (EAD), and a loss given default (LGD). The PD represents the likelihood that a borrower will default on its obligation. The EAD is an expected exposure at the time of default, considering scheduled repayments of principal and interest and expected further drawdowns on irrevocable facilities. The LGD represents the expected loss on a defaulted exposure, considering such factors as counterparty characteristics, collateral and product type.

Expected credit losses are determined by projecting the PD, LGD and EAD for each future month over the expected lifetime of an exposure. The three parameters are multiplied together and adjusted for the probability of survival, or the likelihood that the exposure has not been prepaid or has not defaulted in an earlier month. This effectively calculates monthly expected credit losses, which are discounted back to the reporting date using the original effective interest rate and summed. The sum of all months over the remaining expected lifetime results in the lifetime expected credit losses and the sum of the next 12 months results in the 12-month expected credit losses.

When estimating expected credit losses, the Group considers at least three scenarios (a base case, an upside and a downside), represented by relevant macroeconomic variables, such as GDP, house prices, and unemployment rates. The risk parameters used to estimate expected credit losses incorporate the effects of the macroeconomic forecasts and associated expected probabilities, to measure an unbiased probability weighted average. In cases where the impacts of relevant factors are not captured in the modelled expected credit loss results, the Group uses its experienced credit judgement to incorporate such effects.

The Group assesses material credit-impaired exposures individually and without the use of modelled inputs. The credit impairment provisions for these exposures are established using the discounted expected cash flows and considering a minimum of two possible outcomes, one of which is a loss outcome. The possible outcomes consider both macroeconomic and borrower-specific scenarios.

3.8.2 Definition of default and credit-impaired assets

Default is an input to the PD, which affects both the identification of a significant increase in credit risk and the measurement of the expected credit losses. Financial assets classified as credit-impaired are included in Stage 3.

The Group's IFRS 9 definitions of default and credit-impaired assets are aligned to the Group's regulatory definition of default, as this is what is used for risk management purposes. Default and credit-impairment are triggered when one of the following occurs: an exposure is more than 90 days past due, an exposure is declared in bankruptcy or similar order, a non-performing forbearance measure is applied towards the borrower or there is an assessment that the borrower is unlikely to pay its obligations as agreed. When assessing whether a borrower is unlikely to pay its obligations, the Group considers both qualitative and quantitative factors. Such factors include but are not limited to the overdue status or non-payment on other obligations of the same borrower, expected non-performing forbearance measures, expected bankruptcy and breaches of financial covenants.

An instrument is no longer considered to be in default or credit-impaired when it no longer meets any of the default criteria for at least three consecutive months. Where a loan is in default due to a non-performing forbearance measure having been applied, longer probation periods are applied.

3.8.3 Determining a significant increase in credit risk since initial recognition

The Group assesses changes in credit risk using a combination of individual and collective information and reflects significant increases in credit risk at the individual financial instrument level as far as possible.

For financial instruments with an initial recognition date of 1 January 2018 or later, the primary indicator used to assess changes in credit risk is changes in the forward-looking lifetime probability of default since initial recognition, which incorporates the effects of past and current forecasted economic conditions. Changes in Swedbank internal credit ratings since initial recognition, where each rating corresponds to a 12-month probability of default, is used as a secondary indicator of significant increase in credit risk.

The estimation of the forward-looking lifetime probabilities of default for initial recognition dates prior to the adoption of IFRS 9 would not have been possible without the use of hindsight and would have required undue cost and effort. Consequently, for those instruments with an initial recognition date prior to 1 January 2018, changes in Swedbank internal credit ratings since initial recognition is used as the primary indicator.

Qualitative indicators are also considered in the stage allocation assessment; namely, whether a borrower is monitored on the watch list or has been extended performing forbearance measures. Furthermore, a significant increase in credit risk is considered to have occurred for all financial instruments which are 30 days past due.

The Group considers that certain financial instruments with low credit risk at the reporting date have not experienced a significant increase in credit risk. The Group applies this policy to financial instruments issued to sovereign and financial institutions only.

A financial instrument is no longer considered to have experienced a significant increase in credit risk when all indicators are no longer breached.

3.8.4 Expected lifetime

The lifetime of a financial instrument is relevant for both the assessment of significant increase in credit risk, which considers changes in the probability of default over the expected lifetime, and the measurement of lifetime expected credit losses. The expected lifetime is generally limited by the maximum contractual period over which the Group is exposed to credit risk, even if a longer period is consistent with business practice. All contractual terms are considered when determining the expected lifetime, including prepayment options and extension and rollover options that are binding to the Group. For the mortgage portfolio, the Group uses a behavioural life model which predicts the likelihood that an exposure will still be open and not defaulted at any point during its remaining life (accounting for the probability of early repayment).

The only exception to this general principle applies for credit cards, where the expected lifetime is estimated beyond the contractual maturity. The expected lifetime is based on the period over which the Group is exposed to credit risk and where the credit losses would not be mitigated by risk management actions. This so-called behavioural life is determined using product-specific historical data and ranges up to 10 years.

3.8.5 Presentation of credit impairments

For financial assets measured at amortised cost, credit impairment provisions are presented in the balance sheet as a reduction of the gross carrying amount of the assets. For loan commitments and financial guarantee contracts, such provisions are presented as a provision within Other liabilities and provisions. Where a financial instrument includes both a loan and a loan commitment component, such as revolving credit facilities, the Group recognises the credit impairment provisions separately for the loan and the loan commitment components.

A write-off reduces the gross carrying amount of a financial asset. Credit impairment losses and write-offs are presented as Credit impairments in the income statement. Write-offs are recognised when the amount of loss is ultimately determined and represent the amount before the utilisation of any previous provisions. Any subsequent recoveries of write-offs or impairment provisions are recognised as gains within Credit impairment.

Critical accounting judgements and estimates – Credit impairments

The following judgement areas can have a significant impact on the level of credit impairment provisions: the determination of a significant increase in credit risk and the incorporation of forward-looking macroeconomic scenarios. Incorporating forward-looking information requires significant judgement, both in terms of the scenarios to be applied and ensuring that only relevant forward-looking information is considered in the calculation of expected credit losses.

There have been no significant changes to the methodologies applied during the reporting period. However, due to the geopolitical and economic uncertainties, post-model expert credit adjustments to the credit impairment provisions continue to be necessary. Details of these as well as an analysis of the sensitivity of credit impairment provisions in relation to significant increase in credit risk assumptions and in relation to the forward-looking macroeconomic scenarios are found in note G3 Risks section 3.1.4 Calculation of credit impairment provisions.

Significant credit-impaired exposures are those where the borrower's or limit Group's total Group credit limit is SEK 50m or more. The credit impairment provisions for these exposures are established using the discounted expected cash flows and considering a minimum of two possible outcomes, of which at least one is a loss outcome. The estimation of future cash flows takes into account a range of relevant factors such as the amount and sources of cash flows, the level and quality of the borrower's earnings, the realisable value of collateral, the Group's position relative to other claimants, the likely cost and duration of the work-out process and current and future economic conditions. The amount and timing of future recoveries depend on the future performance of the borrower and the valuation of collateral, both of which might be affected by future economic conditions; additionally, collateral may not be readily marketable. Judgements change as new information becomes available or as work-out strategies evolve, resulting in regular revisions to the credit impairment provisions.

3.9 Financial instruments - Hedge accounting

The Group applies different hedge accounting models depending on the purpose of the hedge:

- Fair value hedge accounting
- Cash flow hedge accounting
- Hedging of net investments in foreign operations

The Group applies hedge accounting according to IFRS 9, except for fair value hedge accounting for portfolio hedges of interest rate risk where the Group applies the EU carve-out version of IAS 39 Financial Instruments: Recognition and Measurement. Under the EU carve-out, fair value portfolio hedge accounting may be applied to on demand deposits and 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.

To apply hedge accounting, a hedge relationship must be formally identified and documented. For hedge relationships in accordance with IFRS 9, hedge effectiveness is proved prospectively on designation and on an ongoing basis. There is an economic relationship between the hedged item and the hedging instrument, and the effect of credit risk does not dominate the value changes resulting from that relationship. Also, the hedge ratio is the same as that resulting from the quantity of both the hedged item and the hedging instrument actually used.

For hedge relationships in accordance with IAS 39, hedge effectiveness in offsetting changes in the fair value of the hedged risk must be measurable in a reliable way and is proved to be effective, both prospectively and retrospectively.

3.9.1 Fair value hedges

One-to-one hedges

Fair value hedge accounting is applied in certain cases when the interest rate exposure in a recognised financial asset or financial liability is hedged with derivatives. The Group uses interest rate swaps to hedge debt securities in issue, senior non-preferred liabilities and subordinated liabilities. Where hedge accounting is applied, the hedged risk in the individual hedged item is also measured at fair value. The fair value of the hedged risk for an individual financial liability is recognised on the same line in the balance sheet as the financial instrument. Both the change in the fair value of the derivative and the change in the fair value of the hedged risk are recognised in the income statement within Net gains and losses on financial items. Interest from the hedged item and the hedging instrument are recognised within Net interest income.

Portfolio hedges

Portfolio fair value hedge accounting is applied where the interest rate exposure in loan portfolios and non-maturing deposits, consisting of on demand deposits, are hedged with derivatives. Where hedge accounting is applied, the hedged risk in the hedged portfolios is measured at fair value. The fair values of the hedged items are recognised on separate lines in the balance sheet: Value change of hedged assets in portfolio hedges of interest rate risk and Value changed of hedged liabilities in portfolio hedges of interest rate risk, respectively. Both the fair value changes of the derivatives and the fair value changes of the hedged risk are recognised in the income statement within Net gains and losses on financial items. Interest from the hedged item and the hedging instrument are recognised within Net interest income.

3.9.2 Cash flow hedges

Derivative transactions are sometimes entered into to hedge the exposure to variations in future cash flows resulting from changes in exchange rates. The hedged items are aggregate exposures of foreign currency fixed rate debt securities in issue and interest rate swaps in the same foreign currency. The Group uses cross currency basis swaps as the hedging instruments and excludes the foreign currency basis spread component from the hedging relationship. These hedge relationships are recognised as cash flow hedges, whereby the effective portion of the change in fair value of the derivative hedging instrument is recognised directly in other comprehensive income. The changes in fair value of the cross currency basis swap are also recognised in other comprehensive income. However, the changes related to the effective portion of the hedge relationship and the foreign currency basis spread component are recognised separately in the cash flow hedge reserve and the foreign currency basis reserve, respectively. The amounts accumulated in the respective reserves are subsequently reclassified to profit or loss in the same periods that the hedged future cash flows or the foreign currency basis spread cash flows affect profit or loss. Hedges are ineffective to the extent that the cumulative change in fair value since hedge inception is larger for the designated portion of the hedging instrument than for the hedged item, measured using hypothetical derivatives. Any ineffective portion is recognised in the income statement within Net gains and losses on financial items.

3.9.3 Hedging of net investments in foreign operations
Hedges of net investments in foreign operations are applied to protect the Group from translation differences that arise from the translation of operations in a functional currency other than the presentation currency. Debt securities in issue denominated in the foreign operation's functional currency are used as hedging instruments and they are translated at the closing date exchange rate. The portion of the exchange rate result from hedging instruments that are effective is recognised in other comprehensive income. Any ineffective portion is recognised in the income statement within Net gains and losses on financial items. When a foreign operation is divested, the gain or loss from the hedging instrument is reclassified from other comprehensive income and recognised in profit or loss.

3.10 Leases
A lease is an agreement which transfers the right to use an asset during a specific period, in exchange for compensation.

3.10.1 Lessee
Where the Group act as a lessee, right-of-use assets and lease liabilities are recognised on the balance sheet for the premise and IT agreements that have been assessed to be leases. The Group's right-of-use assets are presented within Tangible assets. Lease liabilities are presented within Other liabilities. Depreciation of right-of-use assets and interest expense related to lease liabilities are recognised in the income statement. The Group applies the exemptions regarding short-term leases and leases for which the underlying asset is of low value. These lease payments are expensed linearly over the lease term and are recognised as Other general administrative expenses.

A lease liability is initially measured as the present value of lease payments that are not paid at the commencement date. Over time, the liability will increase with interest expense accruals and decrease with lease payments. The right-of-use asset is initially measured at cost, which is the same amount as the initial measurement of the lease liability plus certain other costs, for example lease payments made at or before the commencement date. The right-of-use asset is subsequently depreciated over the lease term. Lease payments are discounted using the incremental borrowing rate.

After the commencement date, the carrying amount of a lease liability is remeasured to reflect any reassessment or modification of a lease agreement. The remeasurement of the lease liability is also recognised as an adjustment of the right-of-use asset. Gains or losses relating to modifications that result in partial or full termination of a lease are recognised in the income statement within Other income and Other general administrative expenses, respectively.

3.10.2 Lessor
When acting as a lessor, all leases shall be classified as either an operating lease or a finance lease. In a finance lease, the economic risks and benefits associated with ownership of an asset are essentially transferred from the lessor to the lessee. Operating leases are those where the lessor bears the economic risks and benefits.

The Group's leasing operations as lessor, are classified as finance leases and recognised on the balance sheet as loan receivables within Loans to the public. The carrying amount corresponds to the net investment according to the lease contract and is calculated as the present value of future lease payments. Lease payments received are recognised in part in the income statement as interest income and in part in the balance sheet as instalments of the loan receivable, distributed such that that the finance income corresponds to a constant return on the net investment.

3.11 Intangible assets
Intangible assets are identifiable, non-monetary assets without physical form and goodwill from business combinations. The assets are recognised in the balance sheet when they are under control of the Group and are expected to generate economic benefits in the future. The Groups intangible assets mainly consists of internally developed software and goodwill from business combinations and are presented within intangible assets.

3.11.1 Goodwill
Goodwill acquired through a business combination is initially measured at cost and subsequently at cost less accumulated impairment. Goodwill is tested annually for impairment or more frequently if events or circumstances indicate a decrease in value. Goodwill is tested at least annually for impairment. Testing is conducted by calculating the recoverable amount i.e., the highest of value in use or the selling price less costs to sell. If the recoverable amount is lower than the carrying amount, the asset is reduced to its recoverable amount. Goodwill impairment does not affect either cash flows or the capital adequacy ratios, since goodwill is a deduction in the calculation of the capital base.

In order to test goodwill from business combinations for impairment, it is allocated upon acquisition to the cash generating unit or units that are expected to benefit from the acquisition. A cash generating unit is the smallest identifiable group of assets that creates cash flows independently of other assets. Identified cash generating units correspond to the lowest level for which goodwill is monitored in the internal controls. A cash generating unit is not larger than an operating segment in the segment reporting. Impairment is determined and recognised when the recoverable amount of the cash generating unit to which the goodwill is allocated is lower than the carrying amount. Recognised impairment is not reversed.

Critical accounting judgements and estimates – Goodwill impairment testing
The executive management's goodwill impairment tests are performed by calculating value in use. The calculation is based on estimated future cash flows from the cash generating unit to which the goodwill relates and has been allocated, as well as when the cash flows are expected to be received. The first three years' cash flows are determined based on the executive management's financial plans. Subsequent years' future cash flows require more subjective estimates of future growth, margins and profitability levels. The Group estimates perpetual cash flows, since all cash generating units are part of the Group's home markets, which it has no intention of leaving. A discount rate is determined that reflects the time value of money as well as the risk that the asset is associated with. Different discount factors are used for different time periods. As far as possible, the discount rate and assumptions, or portions of the assumptions, are based on external sources. Nevertheless, a large part of the calculation is dependent on the executive management's own assumptions. The executive management considers the assumptions to be significant to the Group's results and financial position. Changes in assumptions are described in note G31 Intangible assets.

3.11.2 Internally developed software
The development expenditure incurred in connection with new or existing internally developed software, is recognised in the balance sheet as an Intangible asset when the asset is controlled by the Group and is expected to generate economic benefits in the future and the cost can be calculated in a reliable way. In all other cases, development costs are expensed when they arise. This generally also includes development associated with cloud service agreements, where the Group accesses a supplier's application, platform or infrastructure during an agreement period.

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment. Internally developed software assets that are not yet available for use are tested annually for impairment and also if events or circumstances indicate a decrease in value. When assets are available for use, they are amortised linearly over the useful life of the software. Useful lives are reassessed annually and amended when needed.

3.11.3 Other intangible assets
Other intangible assets are initially measured at cost and subsequently at cost less accumulated amortisation and any accumulated impairment. The useful life is considered either finite or indefinite. Other intangible assets with a finite useful life are amortised over their useful life and tested for impairment when an impairment indication exists. Useful lives are reassessed annually and amended when needed.

3.12 Provisions and contingent liabilities
A provision is recognised in the balance sheet when the Group has a legal or constructive obligation arising from past events and it is probable that an outflow of resources will be required to settle the obligation. Additionally, a reliable estimation of the amount must be made, and estimated outflows are calculated at present value. Provisions are reassessed on each reporting date and adjusted when needed, so that they correspond to the current estimate of the value of the obligations.

In case it is not probable that an outflow of resources will occur, or the size of the obligation cannot be reliably calculated, the criteria for recognition in the balance sheet is not fulfilled. Instead, a contingent liability is disclosed as long as the probability of an outflow of resources are not deemed remote.

Critical accounting judgements and estimates – Provisions and contingent liabilities
The Group is subject to different authorities' investigations regarding Swedbank's historic anti- money laundering compliance. At year-end no amount has been recognised as a provision or has been reported as a contingent liability for potential fines. The outcomes of the ongoing investigations are still not known and it is not possible to reliably estimate potential fines. For more information, see note G52 Assets pledged, contingent liabilities and commitments.

3.13 Pensions

The Group's post-employment benefits, which consist of pension obligations, are classified as either defined contribution plans or defined benefit plans. In defined contribution plans, the Group pays contributions to separate entities and the risk of a change in value until the funds are paid out remains with the employee. Thus, the Group has no further obligations once the fees are paid. Other pension obligations are classified as defined benefit plans.

Premiums for defined contribution plans are expensed when an employee has rendered services. For defined benefit plans, the present value of pension obligations is calculated and recognised as a pension provision or alternatively as a pension asset. Both legal and constructive obligations that arise as a result of informal practices are considered. The calculation is made according to the Projected Unit Credit Method and also includes payroll tax. As such, future benefits are attributed to periods of service. The fair value of the assets (plan assets) that are allocated to cover obligations is deducted from the provision. A pension asset is recognised if the fair value of the plan assets exceeds the value of the obligations.

In the income statement, Staff costs are charged with the net of service costs, interest on obligations and the anticipated return on plan assets. The calculations are based on the Group's actuarial assumptions i.e., the Group's best estimate of future developments. The same interest rate is used to calculate both interest expense and interest income. If the actual outcome deviates or assumptions change, so-called actuarial gains and losses arise. The net of actuarial gains and losses is recognised as Remeasurements of defined benefit pension plans within other comprehensive income, where the difference between the actual return and estimated interest income on plan assets is also recognised.

Critical accounting judgements and estimates – Pensions

For pension provisions and pension assets for defined benefit obligations, the executive management uses several actuarial assumptions to estimate future cash flows. The assumptions are assessed and updated, if necessary, at each reporting date. Important estimates are made regarding the final salary the employee has at the time of retirement, the size of the benefit when it relates to the income base amount and the payment period and economic life. Estimated future cash flows are projected at present value using an assumed discount rate. Changes in assumptions are described in note G40 Pensions.

3.14 Insurance contracts

An insurance contract is defined as a contract where one party, the issuer, accepts a significant insurance risk by agreeing to compensate the policyholder if a specified uncertain future event, the insured event, adversely affects the policyholder. Insurance risk is defined as other risks than financial risks. The majority of contracts issued by the Group's insurance companies do not transfer significant insurance risk, which is why the contracts are classified as investment contracts and reported as financial instruments.

On initial recognition, insurance contracts are recognised in the balance sheet at the total amount of discounted estimated future cash flows within contract boundaries, a risk adjustment for non-financial risks and the contractual service margin. Future cash flows include premiums as well as claims, claim and policy administrations costs and other overhead costs necessary for the fulfilment of an insurance contract. The future estimated cash flows, together with the risk adjustment for non-financial risk, constitute the fulfilment cash flows. The contractual service margin represents unearned profits that will be recognised as insurance contract services are provided in the future. If the contractual service margin is a loss, so-called onerous contracts, the loss is recognised immediately in the income statement.

Subsequently, an insurance provision is recognised in the balance sheet as the sum of the liability of the remaining coverage and liability of incurred claims. The liability for remaining coverage includes fulfilment cash flows relating to future services as well as the portion of the contractual service margin that has not yet been recognised as revenue. The liability for incurred claims represents fulfilment cash flows related to past services.

The contractual service margin includes accreted interest and any direct participating feature in underlying assets' changes in fair value, adjusted for changes in the fulfilment cash flow relating to future services and adjusted for amounts recognised as insurance revenue because of the transfer of insurance contract services during the period.

The premium allocation approach is a measurement simplification that is used when the insurance coverage period is one year or less. In principle, the simplification means that the premiums are recognised as insurance revenue evenly over the insurance coverage period instead of recognising a contractual service margin as above. Insurance acquisition cash flows for the insurance contracts are recognised as an expense when they incur.

In the income statement, the line Net insurance is reported, which is a summation of Insurance result, containing Insurance revenue, Insurance expenses, Insurance finance income or expenses, result from reinsurance contracts held and Investment return from financial assets backing insurance contracts with participating features.

Insurance revenue represents the reduction in the carrying amount of the liability for remaining coverage due to services provided during the period, including released contractual service margin. Insurance service expenses represent the increase in the carrying amount of the liability for incurred claims because of incurred claims and expenses in the period and any losses for onerous contracts. Effects of the time value of money and financial risks are reported as insurance finance income or expenses.

Critical accounting judgements and estimates – Insurance contracts

The executive management judges whether an insurance contract transfers significant insurance risk and shall be recognised as an insurance or an investment contract. As of 31 December 2023, the recognised amount for investment contracts amounted to SEK 320bn (269), which mainly consists of unit-linked contracts. Even if part of the carrying amount were to be reclassified and presented as insurance provisions, it is the executive management's judgement that there would not be a significant effect on the Group's financial position or results due to short contract boundaries. The contracts refer to long-term savings but are assessed in the accounting to have short contract boundaries due to that, in principle, they can be continuously price adjusted.

3.15 Net interest income

Interest income and interest expense on financial instruments are recognised in Net interest income using the effective interest method and, in some cases, using a method that gives a reasonable approximation of the effective interest method. The effective interest rate is the rate that discounts future cash flows to the gross carrying amount of a financial asset or to the amortised cost of a financial liability. The calculation includes transaction costs, premiums or discounts and fees paid or received that are an integral part of the return.

Interest income on financial assets at amortised cost in stage 1 and stage 2 is calculated by applying the effective interest rate to the gross carrying amount. Interest income on financial assets at amortised cost in stage 3 is calculated by applying the effective interest rate to the amortised cost, which is the gross carrying amount less credit impairment provisions. Interest expense is calculated by applying the effective interest rate to the amortised cost of financial liabilities.

Net interest income includes the interest component for derivatives designated in hedge accounting and the interest component for derivatives used in economic hedges. In both cases, the derivatives hedge items that are accounted for in net interest income. In addition, deposit guarantee fees are reported in interest expenses.

3.15.1 Presentation

Interest income and interest expense from financial instruments which are held for trading purposes, as well as related interest within the Corporates and Institutions operating segment, are transferred from Net interest income to Net gains and losses on financial items to better reflect the nature of the business.

Other interest income includes interest income from assets measured at fair value.

3.16 Net commission income
Revenue from contracts with customers consists of service-related fees and is reported as Commission income. Revenue is recognised when a performance obligation is satisfied, which is when control of the service is transferred to the customer. The total consideration received is allocated to each performance obligation, depending on whether they are satisfied either over time or at a point in time.

Commission income for asset management and custody services is generally recognised as revenue over time, as services are performed. Where fees are variable, i.e. performance-based fees, revenue is recognised when it is highly probable that a significant reversal in the amount will not occur. Payment commissions and card fees are generally recognised when the services are provided, at a point in time. Fees related to service concepts are recognised over the period when the services are provided. Lending fees that are not an integral part of the effective interest rate are recognised as commission income. Lending and deposits fees are recognised both over time and at a point in time, depending on when the performance obligation is satisfied.

Expenses for bought service directly attributable to generating commission income for service provided are reported as commission expense.

3.17 Other income
Income related to IT and other services mainly provided to the Saving banks are included in Other income. Fees received in connection with these services are accounted for as revenue from contracts with customers, consistent with Net commission income as presented in section 3.16. The revenues regarding IT-services are typically recognised over time. Revenues for other services are recognised both over time and at a point in time, depending on when the performance obligation is satisfied.

3.18 Share-based payment
Since the Group receives services from its employees and assumes an obligation to settle the transactions with equity instruments, this is recognised as share-based payment. The fair value of the services that entitle the employees to an allotment of equity instruments is expensed at the time the services are rendered and, at the same time, a corresponding increase in equity is recognised as Retained earnings.

For share-based payment to employees settled with equity instruments, the services rendered are measured with reference to the fair value of the granted equity instruments. The fair value of the equity instruments is calculated as per the grant date for accounting purposes i.e., the measurement date. The measurement date refers to the date when a contract was entered into, and the parties agreed on the terms of the share-based payment. On the grant date, the employees are granted rights to share-based payment. Since the granted equity instruments are not vested until the employees have fulfilled a period of service, it is assumed that the services are rendered during the vesting period. This means that the cost and corresponding increase in equity are recognised over the entire vesting period.
Non-market based vesting terms, such as a requirement that a person remains employed, are considered in the assumption of how many equity instruments are expected to be vested. At the end of each report period the Group reassesses its judgements of how many shares it expects to be vested based on the non-market based vesting terms. Any deviation from the original judgement is recognised in profit or loss and a corresponding adjustment is recognised in Retained earnings within equity. Related social insurance charges are recognised as cash-settled share-based payment i.e., as a cost during the corresponding period but based on the fair value that at any given time serves as the basis for a payment of social insurance charges.

3.19 Impairment
For assets that are not tested for impairment according to standards with specific impairment rules, the Group periodically determines whether there are indications of diminished value. If such indications exist, the asset is tested for impairment by estimating its recoverable amount. An asset's recoverable amount is the higher of its selling price less costs to sell and its value in use. If the carrying amount exceeds the recoverable amount, the asset is reduced to its recoverable amount. When estimating value in use, estimated future cash flows are discounted using a discount rate before tax that includes the market's estimate of the time value of money and other risks associated with the specific asset.

An assessment is also made on each reporting date whether there are indications that the need for previous impairments has decreased or no longer exists. If such indications exist, the recoverable amount is determined. Previous impairment losses are reversed only if there were changes in the estimates made when the impairment was recognised. Impairments are recognised separately in the income statement for tangible or intangible assets.

3.20 Tax
Current tax assets and tax liabilities for current and previous periods are measured at the amount expected to be obtained from or paid to tax authorities. Deferred taxes refer to tax on differences between the carrying amount and the tax base, which in the future serves as the basis for current tax.

Deferred tax liabilities are the tax attributable to taxable temporary differences and are expected to be paid in the future. Deferred tax liabilities are recognised on all taxable temporary differences, with the exception of the portion of tax liabilities attributable to the initial recognition of goodwill or to certain taxable differences owing to holdings in subsidiaries. Deferred tax assets represent a reduction in the future tax attributable to deductible temporary differences, tax loss carry-forwards or other future taxable deductions. Deferred tax assets are tested on each closing date and recognised to the extent it is likely on each closing date that they can be utilised. As a result, a previously unrecognised deferred tax asset is recognised when it is considered likely that a sufficient surplus will be available in the future. Tax rates which have been enacted or substantively enacted as of the reporting date are used in the calculations.

The Group's deferred tax assets and tax liabilities are calculated at nominal value using each country's tax rate in effect in subsequent years. The calculation does not include the OECD potential global minimum tax rate. Deferred tax assets are netted against deferred tax liabilities for Group entities that have the right to offset.

All current and deferred taxes are recognised in the income statement as Tax expense, except for tax attributable to items that are recognised directly in other comprehensive income or equity.

Critical accounting judgements and estimates – Tax
For the Estonian Group entity, Swedbank AS, income taxation is triggered when dividends are paid. The Parent company controls the dividends. For the part where there is no intention within the foreseeable future to distribute dividends from the subsidiary's accumulated earnings before 2017 no deferred tax is reported. For more information see note G19.

4. New standards and interpretations
4.1 Standards issued but not yet adopted
The International Accounting Standards Board (IASB) and IFRS Interpretations Committee (IFRIC) have issued standards, amendments to standards and interpretations that apply in or after 2024. The IASB permits earlier application. For Swedbank to apply them also requires that they have been approved by the EU if the amendments are not consistent with previous IFRS rules. No new or amended IFRSs, interpretations and Swedish regulations issued and not yet adopted are expected to have a significant impact on the Group's financial position, results, cash flows or disclosures.

G3 Risks

Swedbank defines risk as a potential negative impact on the value of the Group that may arise from current internal processes or from internal or external future events. The concept of risk combines the probability of an event occurring with the impact that the event would have on profit and loss, equity and the value of the Group.

The Board is responsible for ensuring that a group-wide risk management framework is established. Risk management framework includes the processes which ensure that the Group identifies, assesses and measures where applicable, manages, monitors and reports on risk.

Through the Policy on Enterprise Risk Management (ERM Policy) the Board defines and communicates the Group's risk strategy and risk appetite as well as provides the foundation of a sound risk culture and risk awareness throughout the organisation.

The Board sets risk appetite statements for the main risk types defined in the Group's Risk taxonomy to ensure that the risk exposure is maintained on a low level also in the long term perspective. The risk appetites shall limit Swedbank's risk-taking and ensure minimum capital and liquidity levels are kept. The risk appetites are expressed qualitatively and, where applicable, quantitatively in the Risk Appetite Statement Policy. The Group´s risk appetite is implemented by the CEO through internal rules and a risk limit framework. The framework consists of limits decided on CEO level, executive management level and, where applicable, lower management level and Subsidiaries, as well as key risk indicators (KRIs) where required from a risk perspective. Limits and KRIs are tools for monitoring and controlling risk exposure, risk concentration and elevation of risk. Combined, their purpose is to ensure that the risks stay within the risk appetite.

The capital adequacy assessment process evaluates capital needs based on Swedbank's aggregate risk level, goals and business strategy. The aim is to ensure both the efficient use of capital and at the same time, even under adverse market conditions, that Swedbank meets legal minimum capital requirements, maintains access to both domestic and international capital markets and ability to support their customers.

External risks and other factors that affect risk

In order to manage risks in a proactive manner Swedbank monitors the development closely within several areas, focusing on:

Geopolitical situation

The geopolitical situation in 2023 was marked by heightened tensions due to significant global events. The war following Russia's extended invasion of Ukraine in February 2022 continued to affect geopolitics and has had substantial macroeconomic effects worldwide. This event led to an increase in e.g., IT attacks towards the financial industry. Geopolitical tensions escalated further with Hamas's attack on Israel in October 2023, adding another layer of uncertainty to the global economy. Despite these challenges, Swedbank's capacity to manage cyber risks remained satisfactory and Swedbank was able to navigate through these geopolitical tensions while maintaining its operations and services.

Global inflation

In 2023, the global economy navigated through a period of high inflation, which began to decrease later in the year. The inflation was initially driven by factors such as fiscal and monetary reactions to the pandemic, supply shortages, and high oil and food prices due to the Russian invasion of Ukraine. Despite these challenges, Swedbank successfully managed its risks, maintaining a stable credit portfolio with high credit quality throughout the year.

The value of the Swedish krona weakened during the year

The value of the Swedish krona (SEK) has depreciated against several currencies during the year. Partially, this can be attributed to the rapid interest rate hikes made by the Federal Reserve during, which have increased interest globally more than in Sweden and thus weakened the SEK. Sweden has also maintained a lower central bank interest rate compared to several major economies for an extended period, which has led to a gradual weakening of the currency. Additionally, SEK is considered a more risky currency among G-10 currencies, such that Russia's invasion of Ukraine, high inflation, and financial market uncertainty have contributed to the krona's decline.

Climate change

Climate change remained a critical issue in 2023, with the year witnessing an increase in extreme weather events, particularly heat waves and droughts across the European continent. The Intergovernmental Panel on Climate Change (IPCC) also released its Sixth Assessment Report, which reiterated that humans are responsible for all global heating over the past 200 years, leading to a current temperature rise of 1.1°C above pre-industrial levels. This rise in temperature has led to more frequent and hazardous weather events, but the report also emphasized that the 1.5°C limit is still achievable. The ongoing transformation towards climate-neutral and sustainable societies has presented both new opportunities and risks such that the financial industry is currently undergoing an adaptation in risk strategies to handle these new challenges effectively.

The development of credit risk

The year was characterized by high global inflation which gradually decreased, at the same time as increasing interest rates had a negative impact on indebted households and companies. The geopolitical tensions, the economic uncertainty and the weak macroeconomic outlook had a negative impact on market sentiment and household confidence. Sectors impacted the most were mainly consumer-related sectors, such as housing construction and retail due to lower households' demand. Other sectors experienced high demand on goods and services which, among other things, resulted in a good demand for labour. However, high interest rates and increasing costs contributed to increasing number of bankruptcies in Sweden. The number of bankruptcies increased also slightly in Estonia, whereas bankruptcies in Lithuania and Latvia decreased during the year.

Commercial real estate prices in Sweden experienced a decline after a longer period of growth which caused concerns for the Swedish real estate market. To secure low risk in Swedbank's lending, Swedbank analyses the borrower's long-term repayment capacity in the lending process and attaches great importance to stable cash flows even in downturns and higher interest rates. Prices on private residential properties in Sweden were largely unchanged, although on a lower level compared to the peak levels in the beginning of 2022. Private residential property prices increased somewhat in Estonia and Lithuania and were almost unchanged in Latvia.

Credit quality indicators such as the share of loans with late payments remained on low levels, even though they rose slightly during the year. Forborne loans increased somewhat after more applications for mortgage amortisation deferrals were granted in Sweden. Despite the weaker economy, write-offs were low and the credit quality of Swedbank's lending remained on a high and stable level.

Challenges and risk in digitalization

Swedbank is a full-service bank operating in four home markets. Our customers expect to meet us in a secure, convenient and continuously accessible way no matter where they choose to meet us. This requires Swedbank to achieve and maintain an effective, stable and resilient IT-environment, including outsourced services.

Information security threats, including cyber risk and external fraud risk are increasing in line with increased digitalization efforts, which requires new ways of protection for Swedbank and our customers. IT and information security risks are therefore identified and addressed in all types of development, procurement and change management.

The risk of fraud posed by organised crime remains elevated has continued to increase in 2023. Swedbank is investing in and improving its ongoing resilience and capacity to detect, prevent, and investigate these crimes. To reduce the risk, Swedbank has also strengthened its ongoing monitoring to identify fraudulent transactions, which has also yielded positive results. Swedbank has participated in the Bank Association's campaign to raise awareness of the risk of fraud and also launched a range of its own information campaigns in our own channels.

Anti-money laundering and Counter Terrorist financing (AML/CTF)

Swedbank is a full-service retail bank offering a wide range of products and services to a large number of private and corporate customers. Swedbanks business model means that the Group and its customers are exposed to risks in relation to Money Laundering and Terrorist Financing (ML/TF) schemes.

The Swedish and Estonian financial supervisory authorities concluded their investigations of Swedbank in March 2020. The investigations showed that Swedbank had deficiencies in its internal governance and controls related to the prevention of money laundering. To remediate the deficiencies and strengthen Swedbank´s capability to identify and control risks related to money laundering, Swedbank initiated a number of strategic programs, with the target to be in the forefront in combatting financial crime. The programs have to a large extent closed the identified deficiencies and consequently the remediating parts of the AML/CTF program was closed January 2023. Swedbank is now focusing on reaching further maturity in all processes and to reach the target ambition to be in the forefront in the fight against financial crime where continuous improvements are part of daily operations and development agendas. Swedbank has since 2020 engaged external expertise to perform a yearly assessment of Swedbank´s AML/CTF progress to reach Swedbank´s target ambitions. The most recent assessment in 2023 demonstrated continued progress according to plan.

Swedbank continues to concentrate the Group´s resources for technologies, investigations and competences connected to the prevention of financial crime. Swedbank is also investing heavily in additional resources and infrastructure regarding know your customer (KYC), customer risk classification, transaction monitoring and reporting. In addition, Swedbank has continued the work to enhance its AML/CTF framework, risk appetite and key metrics to ensure a proactive risk oversight and to ensure robustness and consistency in the AML/CTF work across the Group. Swedbank is also committed to foster a good compliance culture and raising awareness with consistent trainings of all personnel.

Financial Sanctions risk

Extensive sanctions from multiple regimes, both financial and sectorial, have previously been imposed on the Russian Federation and Belarus following Russia´s extended invasion of Ukraine and has expanded. Swedbank continues to allocate relevant resources and competence to mitigate and control the increased risk as well as to apply and deliver on proactive decisions aligned with Swedbank´s risk appetite.

Other Compliance risks

The risk level related to Market Conduct risk (within Conduct risk) is elevated. Risk-mitigating activities are ongoing.

Other factors

Tax

The tax area is complex and leaves room for judgement. Practices and interpretations of applicable laws are often 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, then it could impact the Group's operations, results and financial position.

The Swedish law of minimum tax, the implementation of the OECD's global minimum tax, enters in to effect on January 1st 2024. According to the law, the Swedish parent is liable for a top-up tax on domestic and foreign subsidiaries' profits effectively taxed below 15 percent. Swedbank's current assessment is that the legislation would only in exceptional cases, in individual years, lead to such a top-up tax for the Group. As the domestic adoption of the minimum tax was done under great haste, which can lead to future amendments of the legislation, the ultimate effect on the Group cannot be fully assessed.

Swedbank's risk taxonomy

Swedbank has a Group risk taxonomy, which is a system for organising risks into groups based on common characteristics of risks. The categories in the risk taxonomy are called risk types.

Risk Types	Descriptions
Credit risk (3.1)	The risk that a counterparty fails to meet its obligations to the Group and the risk that the pledged collateral does not cover the claims.
Liquidity risk (3.2)	The risk of not being able to meet payment obligations when they fall due without incurring considerable additional costs for obtaining funds or losses due to asset fire-sales.
Market risk (3.3)	The risk to value, earnings, capital or exposure arising from movements of risk factors in financial markets. Value covers both economic value and accounting value and includes valuation adjustments such as CVA (Credit Valuation Adjustment) and DVA (Debit Valuation Adjustment).
Operational risk (3.4)	The risk of losses, business process disruption and negative reputational impact resulting from inadequate or failed internal processes, people and systems, or from external events.
Risk in the Insurance Business (3.5)	Risk in the insurance business is defined as insurance underwriting risk, market risk, credit risk, and liquidity risk in respect of the wholly owned insurance companies in the Group.
ESG risk (3.6)	ESG Risk is the risk of any current or prospective negative impact on the Group stemming from Environmental, Social or Governance ("ESG") factors. The impact can be indirect through the Group´s counterparties and invested assets, or direct on the Group.[1]
Other risk types (3.7)	Other risk types within Swedbank's risk taxonomy are Capital risk, Strategic risk, Regulatory Compliance risk, Conduct risk and Financial Crime risk.

1) ESG Risk impacts several other Risk Types, primarily Compliance, Credit, Operational and Strategic Risks.

3.1 Credit risk

3.1.1 Definition

Credit risk is the risk that a counterparty fails to meet its contractual obligations to the Group and the risk that the pledged collateral does not cover the claims.

3.1.2 Risk management

A central principle for Swedbank's lending is that each of the Group's business units have full responsibility for their credit risks, that credit decisions adhere to the credit process and are made in accordance with applicable regulations, and that these decisions are in line with Swedbank's business and credit strategies. Depending on the size and nature of each credit, a lending decision can be made, for example, by an officer with help from system support or by a credit committee. The business unit has full liability regardless of who makes the ultimate decision, including responsibility for internal credit control. The duality principle serves as guidance for credit management throughout the Group. The principle is reflected in the credit organisation, in decision-making bodies and in the credit process. Each business unit is responsible for ensuring that internal controls are integrated in the relevant parts of the credit process.

The credit process comprises operating and decision-making processes for lending, credit monitoring, and quantification of credit risk. The decision to grant credit requires that the borrower, on good grounds, is expected to fulfil its commitment towards the Group. Moreover, the Group strives to obtain relevant collaterals. Sound, robust and balanced lending requires that each transaction is viewed in relation to relevant external factors, taking into account what the Group and the market know about anticipated local, regional and global changes and developments which could impact the transaction and its risks. Sustainability, including environmental considerations, social responsibility and business ethics are important factors that are considered in the credit process.

A sustainability analysis is done in the credit processes for corporates. The analysis is an integrated part of the credit analysis and aims at evaluating how sustainability related risks could impact for example the borrower's profitability, repayment capacity and the value of the collateral. The borrowers, and by extension Swedbank's reputational risk is also considered in the analysis. The sustainability analysis is mandatory for all customers in the exposure class Corporate where the total group credit limit exceeds SEK 8m in Sweden, and EUR 0.8m in the Baltic countries after deducting credits collateralised by residential housing.

Risk classification is a central part of the credit process. The risk class is assessed and assigned as part of each credit decision. The risk class also affects the scope of the analysis, and documentation, and how customers are monitored. In this way, low-risk transactions can be approved through a simpler and faster credit process. All credit exposures are systematically assessed on a continuous basis for early identification of significant increase in credit risk. Exposures with elevated risk, and larger exposures to customers, financial institutions and sovereigns are also reviewed at least once a year. This is done to ensure a comprehensive assessment of the borrower's financial situation and forward-looking creditworthiness, review and establishment of risk class, and assessment of long-term relationship with the borrower.

The Group Risk organisation is responsible for independent monitoring and control of credit risk management, including the credit process, risk limits and the risk classification system. The risk organisation regularly reviews and assesses the aggregate credit portfolio's risk level and risk development. Stress tests are performed regularly, e.g., as a part of the annual Internal Capital Adequacy Assessment Process (ICAAP). Risk concentrations and increased risks in different segments as well as in large individual exposures are thoroughly monitored. Specific analyses and stress tests of certain segments or sub portfolios are performed as required. Climate risks in different sectors are regularly identified and analysed by Swedbank. These analyses are incorporated in business plans and credit strategies where the climate perspective is integrated when both transition risks and physical risks are taken into account.

3.1.3 Risk measurement

Swedbank's internal risk classification system is the basis for, among other things:

- Risk assessment and credit decisions
- Calculating capital requirements and capital allocation
- Calculating risk-adjusted returns
- Credit impairment provisions
- Monitoring and managing credit risks
- Reporting credit risks to for example the Board, CEO and Group Executive Management
- Developing credit strategies and associated risk management activities.

The most important risk parameters for calculating regulatory capital requirements for credit exposures are:

Probability of Default (PD) – the probability that a counterparty or contract will have a payment default within a twelve-month period,

Loss Given Default (LGD) – the proportion of the credit exposure that is expected to be lost in the event of default, and

Exposure at Default (EAD) – the credit exposure the Group is estimated to have when a counterparty has defaulted.

Swedbank's internal risk classification system is approved by the Swedish Financial Supervisory Authority, and Swedbank is permitted to apply the IRB approach to calculate a major part of the capital requirement for credit risks. Swedbank uses several different risk classification models for different subsegments of the credit portfolio. There are primarily two types of models. One type is based on statistical methods, requiring access to a large amount of information on counterparties and sufficient information regarding counterparties that have entered default. The other type is based on expert opinions and is used in cases where statistical methods are not applicable. Many of the models are a combination of those two types. The models are validated when new models are introduced and when major changes are made, as well as on a periodic basis, at least annually. The validation is designed to ensure that each model measures risk in a satisfactory manner. In addition, the models are evaluated to ensure that they work well in daily credit operations.

In the financial statements, expected credit losses are calculated in accordance with International Financial Reporting Standard (IFRS 9), which is described below in section 3.1.4. The main differences between the expected loss calculation for regulatory capital requirements (Basel regulatory framework) and the measurement of expected credit losses according to the accounting are summarised in the table in section 3.1.5 "IFRS 9 vs Regulatory capital framework".

3.1.4 Calculation of credit impairment provisions

Provisioning of expected credit losses

The Group measures credit impairment provisions using an expected credit loss approach. Expected credit losses are measured based on the stage to which the individual asset is allocated at each reporting date. For financial assets with no significant increase in credit risk since initial recognition (Stage 1), impairment provisions reflect 12-month expected credit losses.

For financial assets with a significant increase in credit risk (Stage 2) and those which are credit impaired (Stage 3), impairment provisions reflect lifetime expected credit losses. Such measurements are estimated using internally developed statistical models or individual assessments of expected contractual cash flows, both of which involve a high degree of management judgement. The portfolios for estimating expected credit losses are determined according to the same segmentation that is applied for regulatory purposes, with shared risk characteristics. This is based on homogeneous subsegments of the total credit portfolio, such as obligor type, country, business area, or product group.

The key inputs used in the quantitative models are Probability of Default, Loss Given Default, Exposure At Default and expected lifetime. Expected credit losses reflect both historical data and probability weighted forward-looking scenarios.

Probability of Default (PD)

The 12-months and lifetime PDs of a financial instrument represent the probability of a default occurring over the next twelve months and over its expected lifetime respectively, based on conditions existing at the balance sheet date and future economic conditions that affect credit risk.

Internal risk rating grades based on IRB PD models are inputs to the IFRS 9 PD models and historic default rates are used to generate the PD term structure covering the lifetime of financial assets. The developed PD models are segmented based on shared risk characteristics such as type of borrower, country, product group and industry segment, and are used to derive both the 12-months and lifetime PDs. Segment and country specific credit cycle indexes are forecasted given different macroeconomic scenarios.

For each scenario, PD term structures are adjusted based on the correlation to the forecasted credit cycle indices, to obtain forward-looking point-in-time PD estimates. Consequently, a worsening of an economic outlook or an increase in the probability of the downside scenario occurring results in higher 12-months and lifetime PDs, thus increasing the estimated expected credit losses as well as the number of loans migrating from Stage 1 to Stage 2.

Loss Given Default (LGD)

LGD represents an estimate of the loss arising on default, taking into account the probability and the expected value of future recoveries including realization of collateral, the length of the recovery period and the time value of money. LGD estimates are based on historical loss data segmented by geography, type of collateral, type of borrower, and product information. Forward-looking information is reflected in the LGD estimates by using forecasted collateral value indexes for each macroeconomic scenario to adjust future loan-to-value and recovery rates. An economic outlook with deteriorating collateral values decreases recovery rates and increases loan-to-value, and therefore increases LGD and expected credit losses.

Exposure At Default (EAD)

The EAD represents an estimated exposure at a future default date, considering expected changes in the exposure after the reporting date. The Group's modelling approach for EAD reflects current contractual terms of principal and interest payments, contractual maturity date and expected utilisation of undrawn limits on revolving facilities and irrevocable off-balance sheet commitments.

Expected lifetime

The Group measures expected credit losses considering the risk of default over the expected life. The expected lifetime is generally limited by the maximum contractual period over which the Group is exposed to credit risk, even if a longer period is consistent with business practice. All contractual terms are considered when determining the expected lifetime, including prepayment options and extension and rollover options that are binding to the Group. For the mortgage portfolio, the Group uses a behavioral life model which predicts the likelihood that an exposure will still be open and not defaulted at any point during its remaining life (accounting for the probability of early repayment).

For credit cards, the expected behavioral life, is determined using product specific historical data and ranges up to ten years.

Determination of significant increase in credit risk

The Group uses both quantitative and qualitative indicators for assessing a significant increase in credit risk. The criteria are disclosed in note G2 Accounting Policies section 3.8.3 Determining a significant increase in credit risk since initial recognition. The tables below show the quantitative thresholds, namely:

- Changes in the 12-months PD and internal risk rating grades, which have been applied for the portfolio of loans originated before 1 January 2018.
  For instance, for exposures originated with a risk grade between 0 and 5, a downgrade by 1 grade from initial recognition is assessed as a significant change in credit risk. Alternatively, for exposures originated with a risk grade between 18 and 21, a downgrade by 5 to 8 grades from initial recognition is considered significant.
- Changes in the lifetime PD, which have been applied for the portfolio of loans originated on or after 1 January 2018.
  For instance, for exposures originated with a risk grade between 0 and 5, a 50 per cent increase in the lifetime PD from initial recognition is assessed as a significant change in credit risk. Alternatively, for exposures originated with a risk grade between 18 and 21, an increase of 200-300 per cent from initial recognition is considered significant except for Swedish mortgages where an absolute 12-month PD threshold is also applied.

These thresholds reflect a lower sensitivity to change in the low risk end of the risk scale and a higher sensitivity to change in the high-risk end of the scale.The Group has performed a sensitivity analysis on how credit impairment provisions would change if the 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 year end credit impairment provisions.

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

			2023				2022			
			Impairment provision impact of				Impairment provision impact of			
Internal risk grade at initial recognition	12-month PD band at initial recognition, %	Threshold, rating down-grade[1,2,3]	Increase in threshold by 1 grade, %	Decrease in threshold by 1 grade, %	Recognised credit impairment provisions	Share of total portfolio in terms of gross carrying amount, %	Increase in threshold by 1 grade, %	Decrease in threshold by 1 grade, %	Recognised credit impairment provisions	Share of total portfolio in terms of gross carrying amount, %
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
Total[5]					**1 768**	**29**			**1 783**	**33**

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

		2023				2022			
		Impairment provision impact of				Impairment provision impact of			
Internal risk grade at initial recognition	Threshold, increase in lifetime PD[1], %	Increase in threshold by 100%, %	Decrease in threshold by 50%, %	Recognised credit impairment provisions	Share of total portfolio in terms of gross carrying amount, %	Increase in threshold by 100%, %	Decrease in threshold by 50%, %	Recognised credit impairment provisions	Share of total portfolio in terms of gross carrying amount, %
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
	Post model expert credit adjustment[3]			1 127				1 335	
	Sovereigns and financial institutions with low credit risk			48	10			26	9
	Stage 3 financial instruments			1 571	0			1503	0
Total[4]				**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 information

Forward-looking information is incorporated into both the assessment of significant increase in credit risk and calculation of expected credit losses. From analyses of historical data, the Group Risk organisation has identified and reflected relevant macroeconomic variables that contribute to credit risk and losses for different portfolios based on geography, borrower, and product type, in the models. The most highly correlated variables are GDP growth, housing and property prices, unemployment, oil prices and interest rates. Swedbank continuously monitors the global macroeconomic environment, with particular focus on Sweden and the other home markets. This includes defining forward-looking macroeconomic scenarios for different jurisdictions and translating those scenarios into macroeconomic forecasts.

The macroeconomic scenarios are provided by Swedbank Macro Research and are aligned with the Swedbank Economic Outlook. The scenarios are developed to reflect assumptions about future economic conditions given the current state of the local and global economies. The macroeconomic forecasts consider internal and external information and are consistent with the forward-looking information used for other purposes such as budgeting and forecasting. The Group considers three scenarios when estimating expected credit losses, which are incorporated into the PD and LGD inputs for model-based expected credit losses. The base scenario is based on the assumptions corresponding to the Group's budget scenario, and alternative scenarios reflecting more positive as well as more negative outlook are developed accordingly. The base scenario has an assigned probability weight of 66.6 per cent and 16.7 per cent is assigned to both the upside and downside alternative scenarios.

Scenarios

Inflation has declined during the year and policy rates seem to have peaked. However, rates have increased more compared to our expectations a year ago as the global economy has been unexpectedly resilient, particularly in the US. In Europe, the economy has slowed more markedly and in our home markets, economic activity has declined over the course of 2023. Household consumption has fallen in Sweden and the Baltic countries as purchasing power has weakened. In the Baltics, falling exports have added to the contraction, while sharply falling housing investments dragged down the Swedish economy.

Compared with the Swedbank Economic Outlook, the GDP and unemployment rates used in the expected credit losses calculations are seasonally adjusted.

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, %[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, %	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, %	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, %	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 % change	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 % change	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 offical numbers were not published when the scenarios were set.
2) Unemployment rate, 16–64 years

2022	Positive scenario				Baseline scenario				Negative scenario			
	2022[1]	2023	2024	2025	2022[1]	2023	2024	2025	2022[1]	2023	2024	2025
Sweden												
GDP, annual % change	3.0	0.1	0.8	2.1	2.9	−1.0	0.9	2.4	2.1	−8.0	−0.7	3.3
Unemployment, %[2]	7.3	7.4	8.0	8.0	7.3	7.6	8.3	8.1	7.4	9.7	11.6	10.8
House prices, annual % change	4.7	−10.8	−5.2	2.0	4.7	−11.5	−5.6	2.0	4.4	−18.4	−14.5	−0.5
Stibor 3m, %	1.22	2.88	2.67	2.66	1.26	3.00	2.72	2.69	1.36	2.73	0.50	0.50
Estonia												
GDP, annual % change	−0.2	0.5	2.5	2.6	−0.3	−0.9	2.5	2.8	−0.6	−9.8	−3.1	6.2
Unemployment, %	6.0	7.2	5.9	5.3	6.0	7.3	6.0	5.4	5.8	9.5	13.6	13.0
House prices, annual % change	20.6	−8.6	2.3	4.9	20.4	−9.6	2.1	4.9	20.3	−24.0	−6.4	4.1
Latvia												
GDP, annual % change	1.8	0.8	3.0	2.3	1.7	−0.1	3.0	2.4	1.4	−8.6	−1.3	4.9
Unemployment, %	7.0	6.8	6.0	5.8	7.0	7.1	6.3	6.0	6.9	10.5	13.5	12.7
House prices, annual % change	14.2	−3.5	0.3	4.3	13.8	−5.4	0.5	5.2	13.1	−22.6	−7.7	4.9
Lithuania												
GDP, annual % change	2.5	0.4	2.1	2.2	2.4	−0.4	2.1	2.3	2.0	−9.4	−2.1	4.7
Unemployment, %	5.7	6.5	5.8	5.4	5.7	6.6	6.0	5.6	5.8	9.9	14.1	14.1
House prices, annual % change	16.8	−8.6	−3.6	4.7	16.7	−9.3	−4.3	4.3	16.3	−26.2	−6.5	8.8
Global indicators												
US GDP, annual % change	2.1	2.0	1.5	1.5	1.9	0.3	1.5	1.9	1.7	−3.7	−0.6	2.3
EU GDP, annual % change	3.3	1.1	1.4	1.5	3.2	0.2	1.4	1.6	2.8	−6.4	−1.1	3.8
Brent Crude Oil, USD/Barrel	98.4	77.9	76.3	74.0	98.6	79.2	76.5	74.0	109.0	113.4	63.2	65.7
Euribor 6m, %	0.67	2.60	2.10	2.04	0.71	2.77	2.12	2.04	0.85	1.51	−0.33	−0.42

1) Forecasted 2022 values, as the actual offical numbers were not published when the scenarios were set.

2) Unemployment rate, 16–64 years.

Sensitivity analysis

In general, a worsening of forecasted macroeconomic variables for each scenario or an increase in the probability of the downside scenario occurring will both increase the number of loans migrating from Stage 1 to Stage 2 and increase the estimated credit impairment provisions. In contrast, an improvement in the outlook on forecasted macroeconomic variables or an increase in the probability of the upside scenario occurring will have a positive impact.

The following table presents the credit impairment provisions as at year end that would result from applying only the downside or only the upside scenario, which are considered reasonably possible. Post-model expert credit adjustments are assumed to be constant in the results.

	2023				2022[1]			
			Credit impairment provisions				Credit impairment provisions	
Operating segments	Credit impairment provisions (probability weighted)	Of which: post-model expert credit adjustment	Negative scenario	Positive scenario	Credit impairment provisions (probability weighted)	Of which: post-model expert credit adjustment	Negative scenario	Positive scenario
Swedish Banking	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 & 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 1May. For more information see Note G5.

2) Including operating segment Group Functions & Other

Post-model expert credit adjustment

High interest rates, and costs for energy 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 (1 738), 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. As of year-end, the main changes were that Manufacturing, Shipping and offshore and Retail and wholesale were reduced whilst Property management was increased. The most significant post-model adjustments were in the Property management, Retail and wholesale, Manufacturing and Construction sectors.

Individual assessments on significant credit-impaired assets

The criteria for credit-impaired assets are disclosed in note G2 Accounting policies section 3.8.2 Definition of default and credit-impaired assets. The Group estimates expected credit losses on significant impaired exposures individually and without the use of modelled inputs. Significant means that the borrower's or limit group's total credit limit is SEK 50m or higher. The credit impairment provisions for these exposures are established using discounted expected cash flows and considering a minimum of two scenarios, one of which is a loss outcome.

The possible outcomes consider both macroeconomic and non-macroeconomic borrower-specific scenarios. The estimation of future cash flows takes into account a range of relevant factors such as the amount and sources of cash flows, the level and quality of the borrower's earnings, the realisable value of collateral, the Group's position relative to other claimants, the likely cost and duration of the work-out process as well as current and future economic conditions.

3.1.5 IFRS 9 vs the Regulatory capital framework

The measurement of expected credit losses according to IFRS 9 is different to the expected loss calculation for regulatory purposes. Although Swedbank's regulatory IRB models serve as a base for the IFRS 9 expected credit loss models, adjustments are made and, in some instances, separate models are used to meet the objectives of IFRS 9. The main differences are summarised in the following table.

	Regulatory capital	IFRS 9
PD	• Fixed 1-year default horizon • Through-the-cycle, based on a long-run average • Conservative calibration based on backward-looking information including data from downturns	• 12-months PD for Stage 1 and lifetime PD for Stages 2 and 3 • Point-in-time, based on the current position in the economic cycle • Incorporation of forward-looking information • No conservative add-ons
LGD	• Downturn adjusted collateral values and through-the-cycle calibration • All workout costs included	• Point-in-time, based on the current position in the cycle • Adjusted to incorporate forward-looking information • Internal workout cost excluded • Recoveries discounted using the instrument specific effective interest rate
EAD	• 1-year outcome period • Credit conversion factor, with downturn adjustment, applied to off-balance sheet instruments	• EAD over the expected lifetime of instruments • Point-in-time credit conversion factor applied to off-balance sheet instruments • Prepayments taken into account
Expected lifetime	• Not applicable	• Early repayment behaviour in portfolios with longer maturities but predominant prepayments, for example mortgages • Estimating maturities for certain revolving credit facilities, such as credit cards
Discounting	• No discounting, except in LGD models	• Expected credit losses discounted to the reporting date, using the instrument's effective interest rate
Significant increase in credit risk	• Not applicable	• Relative measure of increase in credit risk since initial recognition • Identification of levels estimated to result in significant increase in credit risk

3.1.6 Maximum credit risk exposure

3.1.6.1 Geographic distribution

The following tables presents the Group's maximum credit risk exposure by geography and type of class and counterparty. For financial assets recognised on the balance sheet, the maximum exposure to credit risk equals their carrying amount. The carrying amount of loans are presented by type of collateral when collateral is available. This means that a single loan is presented in the respective collateral line to the extent of the fair value of the collateral amount and any remaining carrying amount is presented as unsecured. For financial guarantees and similar contracts granted, the maximum amount that would have to be paid if the guarantees were called upon is presented. For loan commitments and other credit-related commitments, the unutilised amount of the committed facility is presented.

2023

	Note	Sweden	Estonia	Latvia	Lithuania	Norway	Denmark	Finland	USA	Other	Total
Assets											
Cash and balances with central banks		21 930	34 352	39 672	62 423	1 912		54 777	37 900	28	252 994
Treasury bills and other bills eligible for refinancing with central banks	G22	172 858	131	2 861	2 328	2				439	178 619
Governments		171 455	131	2 861	2 328	2				439	177 216
Municipalities		1 403									1 403
Loans to credit institutions	G23	66 061	165	97	91	52	9	63	996		67 534
Banks		39 893	165	97	91	52	9	63	580		40 950
Other credit institutions		25 936							416		26 352
Repurchase agreements, banks[1]		228									228
Repurchase agreements, other credit institutions[1]		4									4
Loans to the public	G24	1 533 769	113 789	46 692	94 375	52 357	19 164	1 850	1 379		1 863 375
Swedish National Debt Office		30 000									30 000
Repurchase agreements, Swedish National Debt Office[1]		2 744									2 744
Repurchase agreements, other public[1]		35 876				7 353					43 229
Real Estate Residential		1 091 834	50 548	14 118	50 514	1 867	1 003				1 209 885
Real Estate Commercial		165 003	21 795	7 771	16 447	9 723	2				220 740
Guarantees		36 678	2 280	1 531	1 389		3 942		1 272		47 092
Received cash		8 773	226	193	1 006						10 197
Other collateral		43 778	11 115	9 582	16 057	4 446	146				85 123
Unsecured[2]		119 084	27 826	13 497	8 962	28 967		14 072	1 850	107	214 366
Bonds and other interest-bearing securities	G25	46 243	45	29	221	4 304	960	1 845	3 978	1 216	58 841
Mortgage institutions		36 190									36 190
Banks		4 709	45		4	133	127	1 325	3 877	813	11 033
Other financial companies		4 104			10	4 171	702	97	35	32	9 151
Non-financial companies		1 241		29	206	0	131	423	66	371	2 467
Derivatives	G29	9 744	18	59	29	2 391	3 142	2 224		21 956	39 563
Other financial assets	G33	5 740	723	748	697			28		36	7 972
Contingent liabilities and commitments											
Guarantees		26 540	3 654	1 368	2 121	5 694		237	4 087	134	43 835
Commitments		173 012	11 724	9 106	13 292	18 865		22 828	384	211	249 422
Total		**2 055 898**	**164 600**	**100 632**	**175 577**	**85 577**	**4 102**	**101 112**	**48 262**	**26 394**	**2 762 155**
% of total		74	6	4	6	3	0	4	2	1	100

1) Fair value of received securities in repurchase agreements covers the carrying amount of the repurchase agreements.

2) Unsecured includes both unsecured lending and the unsecured share of the loans where collateral does not cover the exposure in full.

Derivatives, netting and collaterals held

2023

	Sweden	Estonia	Latvia	Lithuania	Norway	Denmark	Finland	USA	Other	Total
Positive fair value of contracts, balance sheet	9 744	18	59	29	2 391	3 142	2 224		21 956	39 563
Netting agreements, related amount not offset in the balance sheet	4 276		0	0	1 335	1 595	1 590		12 896	21 690
Credit risk exposure, after offset of netting agreements	**5 469**	**18**	**59**	**29**	**1 056**	**1 547**	**634**		**9 060**	**17 873**
Collateral held[1]	3 053	18	6	5	432	340	78		3 616	7 548
Net credit risk exposures after collateral held	**2 416**		**53**	**24**	**625**	**1 207**	**556**		**5 444**	**10 325**

1) Collateral consist of cash 98.8 per cent and AAA rated bonds by Standard & Poor's 1.2 per cent.

Credit derivatives are used in customer trading but also to optimise the credit risk in trading portfolios with interest-bearing securities. The nominal amount of these credit derivatives at year-end were SEK 10 999m.

2022

	Note	Sweden	Estonia	Latvia	Lithuania	Norway	Denmark	Finland	USA	Other	Total
Assets											
Cash and balances with central banks		164 399	31 587	27 852	91 239	1 994	1 344	18 846	28 717	14	365 992
Treasury bills and other bills eligible for refinancing with central banks	G22	143 663	6	3 173	3 584	243				814	151 483
Governments		141 392	6	3 173	3 584	243				814	149 212
Municipalities		2 271									2 271
Loans to credit institutions	G23	32 797	910	156	248	3 287	1 673	3 129	2 962	11 427	56 589
Banks		8 343	9	16	121		330	1 479	2 962	5 205	18 465
Other credit institutions		24 439	901	140	127	3 287	1 343	1 650		6 222	38 110
Repurchase agreements, banks[1]											
Repurchase agreements, other credit institutions[1]		15									15
Loans to the public	G24	1 514 820	106 817	44 185	85 407	65 787	247	21 432	2 382	1 734	1 842 811
Swedish National Debt Office		10 004									10 004
Repurchase agreements, Swedish National Debt Office[1]		6 952									6 952
Repurchase agreements, other public[1]		6 397				17 237					23 634
Real Estate Residential		1 094 578	48 262	18 352	48 073	2 305	69	1 278			1 212 918
Real Estate Commercial		187 563	20 531	7 223	11 656	11 304	158	2			238 438
Guarantees		39 548	2 485	1 681	3 179			3 536		1 630	52 059
Received cash		8 646	147	241	898						9 932
Other collateral		50 719	11 125	8 037	14 552	3 963	11	149			88 556
Unsecured[2]		110 412	24 267	8 650	7 049	30 978	8	16 467	2 382	105	200 318
Bonds and other interest-bearing securities	G25	41 871	61	18	342	8 828	1 610	2 340	3 232	2 996	61 298
Mortgage institutions		31 471									31 471
Banks		5 036	45			2 708	179	1 912	3 128	2 558	15 565
Other financial companies		3 734			9	6 048	1 399	169	34	20	11 413
Non-financial companies		1 630	17	18	333	72	32	259	70	419	2 849
Derivatives	G29	11 640	19	21	30	6 102	4 238	2 204	4	26 245	50 504
Other financial assets	G33	5 173	936	201	538	1 151	8	164	2	42	8 215
Contingent liabilities and commitments											
Guarantees		29 202	3 381	1 002	1 563	5 249	57	247	4 837	94	45 632
Commitments		184 380	10 812	8 768	12 096	23 016		25 705		299	265 076
Total		**2 127 944**	**154 530**	**85 376**	**195 047**	**115 658**	**9 177**	**74 067**	**42 136**	**43 665**	**2 847 600**
% of total		75	5	3	7	4	0	3	1	2	100

1) Fair value of received securities in repurchase agreements covers the carrying amount of the repurchase agreements.
2) Unsecured includes both unsecured lending and the unsecured share of the loans where collateral does not cover the exposure in full.

Derivatives, netting and collaterals held

2022

	Sweden	Estonia	Latvia	Lithuania	Norway	Denmark	Finland	USA	Other	Total
Positive fair value of contracts, balance sheet	11 640	19	21	30	6 102	4 238	2 204	4	26 245	50 504
Netting agreements, related amount not offset in the balance sheet	5 509				1 448	2 228	1 454	4	16 635	27 278
Credit risk exposure, after offset of netting agreements	**6 130**	**19**	**21**	**30**	**4 654**	**2 010**	**751**		**9 610**	**23 226**
Collateral held[1]	1 363	19	7	9	1 102	413	80		5 899	8 892
Net credit risk exposures after collateral held	**4 767**		**14**	**21**	**3 553**	**1 597**	**671**		**3 711**	**14 334**

1) Collateral consist of cash 96.2 per cent and AAA rated bonds by Standard & Poor's 3.8 per cent.

Credit derivatives are used in customer trading but also to optimise the credit risk in trading portfolios with interest-bearing securities. The nominal amount of these credit derivatives at year-end were SEK 3 551m.

Loans to the public in Stage 3 by collateral type

2023

	Sweden	Estonia	Latvia	Lithuania	Norway	Denmark	Finland	USA	Other	Total
Real Estate Residential	2 054	110	105	284						2 552
Real Estate Commercial	363	104	4	18						489
Guarantees	54	13	2	2						70
Received cash	2		9	4						16
Other collateral	431	94	1	57	24					607
Unsecured[1]	2 049	43	18	15	6					2 131
Total	**4 953**	**364**	**139**	**379**	**30**					**5 866**

1) Unsecured includes both unsecured lending and the unsecured share of the loans where collateral does not cover the exposure in full.

2022

	Sweden	Estonia	Latvia	Lithuania	Norway	Denmark	Finland	USA	Other	Total
Real Estate Residential	601	112	100	263						1 076
Real Estate Commercial	350	361	14	20						746
Guarantees	95	11	1	1						109
Received cash	8		1	2						12
Other collateral	231	45	6	22	462					766
Unsecured[1]	314	39	15	10	530	1				908
Total	**1 599**	**568**	**137**	**318**	**992**	**1**				**3 617**

1) Unsecured includes both unsecured lending and the unsecured share of the loans where collateral does not cover the exposure in full.

3.1.6.2 Collateral that can be sold or pledged even if the counterparty fulfils its contractual obligations

Granting repos implies that the Group receives securities that can be sold or pledged. The fair value of these securities covers the carrying amount of the repos. The Group also receives collateral in terms of securities that can be sold or pledged for derivatives and other exposures. The fair value of such collateral as of year end amounted to SEK 992m (1 806). None of this collateral had been sold or repledged as of year end.

3.1.6.3 Distribution by internal credit risk rating

The tables below show the credit quality of financial instruments that are subject to the IFRS 9 impairment requirements. The gross carrying or nominal amounts are distributed by internal credit risk rating and stage.

Financial instruments that are subject to the credit impairment requirements

2023

			Financial assets at amortised cost, gross carrying amount				Loan commitments and guarantees, nominal amount			
Internal risk grade		PD, %	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
18–21	<0.1		1 242 590	4 816		1 247 406	78 607	4 977		83 583
13–17	0.1–0.5		528 685	53 400	3	582 088	132 280	13 014		145 294
9–12	>0.5–2.0		230 441	62 660	17	293 119	37 291	10 800		48 091
6–8	>2.0–5.7		43 842	38 456	10	82 307	4 694	3 021		7 714
0–5	>5.7–99.9		7 775	31 715	27	39 517	1 384	4 076		5 459
Default	100				7 694	7 694			790	790
Non–rated exposures			12 301	812	0	13 113	2 107	217	1	2 325
Total			**2 065 634**	**191 858**	**7 751**	**2 265 243**	**256 362**	**36 104**	**791**	**293 257**

2022

			Financial assets at amortised cost, gross carrying amount				Loan commitments and guarantees, nominal amount			
Internal risk grade		PD, %	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
18–21	<0.1		1 335 487	8 104		1 343 591	110 049	1 359		111 408
13–17	0.1–0.5		582 801	23 716	3	606 519	131 304	8 336		139 640
9–12	>0.5–2.0		231 954	52 370	15	284 339	36 463	6 947		43 409
6–8	>2.0–5.7		41 056	31 240	15	72 310	5 070	2 602		7 672
0–5	>5.7–99.9		6 077	22 658	38	28 773	1 251	2 657		3 908
Default	100				5 675	5 675			131	131
Non–rated exposures			40 490	509	0	40 999	2 485	2 055		4 540
Total			**2 237 864**	**138 596**	**5 746**	**2 382 206**	**286 621**	**23 956**	**131**	**310 708**

Financial assets at amortised cost, gross carrying amount

2023

Internal risk grade	Cash and balances with central banks	Treasury bills and other bills eligible for refinancing with central banks, etc	Loans to credit institutions	Loans to the public	Other financial assets	Total
18–21	252 994	159 974	6 634	827 800	4	1 247 406
13–17			16 822	565 250	16	582 088
9–12			325	292 704	89	293 119
6–8			178	82 068	61	82 307
0–5			0	39 475	41	39 517
Default				7 689	5	7 694
Non-rated exposures			1 063	4 057	7 993	13 113
Total	**252 994**	**159 974**	**25 024**	**1 819 043**	**8 208**	**2 265 243**

2022

Internal risk grade	Cash and balances with central banks	Treasury bills and other bills eligible for refinancing with central banks, etc	Loans to credit institutions	Loans to the public	Other financial assets	Total
18–21	365 992	132 741	13 118	831 740	0	1 343 591
13–17			18 133	588 383	3	606 519
9–12			545	283 779	14	284 339
6–8			92	72 206	13	72 310
0–5				28 760	12	28 773
Default				5 672	3	5 675
Non-rated exposures			24 712	7 445	8 842	40 999
Total	**365 992**	**132 741**	**56 600**	**1 817 985**	**8 888**	**2 382 206**

3.1.6.4 Concentration risk, customer exposure

The Group did not have any exposures against individual counterparties that exceeded 10 per cent of the capital base.

3.1.7 Loans at amortised cost

3.1.7.1 Loans to the public and credit institutions at amortised cost, carrying amount

The following tables present loans to the public and credit institutions at amortised cost by operating segments, geographical distribution.

2023

	Stage 1			Stage 2			Stage 3			
	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	Total
Operating segments										
Swedish Banking	978 224	374	977 850	88 993	1 152	87 841	4 489	1 113	3 375	1 069 065
Baltic Banking	226 114	408	225 706	28 692	577	28 114	1 299	417	882	254 703
Corporates & Institutions	390 591	790	389 801	74 033	1 797	72 236	2 067	459	1 608	463 645
Group Functions & Other	49 454	39	49 415	112	0	112				49 527
Loans to the public and credit institutions at amotised cost	**1 644 383**	**1 611**	**1 642 771**	**191 829**	**3 526**	**188 303**	**7 855**	**1 989**	**5 866**	**1 836 940**
Geographical distribution										
Sweden	1 360 585	979	1 359 606	151 691	2 482	149 209	6 331	1 378	4 953	1 513 768
Estonia	102 667	137	102 529	10 911	169	10 742	612	248	364	113 636
Latvia	40 714	146	40 568	6 133	148	5 985	190	51	139	46 692
Lithuania	82 734	125	82 609	11 648	261	11 387	497	118	379	94 375
Norway	36 812	124	36 688	8 724	395	8 329	118	87	30	45 047
Denmark										
Finland	16 600	79	16 521	2 722	72	2 651				19 172
USA	1 913		1 913				107	107		1 913
Other	2 359	22	2 337							2 337
Loans to the public and credit institutions at amotised cost	**1 644 383**	**1 611**	**1 642 771**	**191 829**	**3 526**	**188 303**	**7 855**	**1 989**	**5 866**	**1 836 940**

2022[1]

	Stage 1			Stage 2			Stage 3			
	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	Total
Operating segments										
Swedish Banking	1 188 746	412	1 188 334	86 087	1 084	85 003	2 351	754	1 597	1 274 935
Baltic Banking	205 033	304	204 729	31 345	692	30 653	1 379	351	1 027	236 410
Corporates & Institutions	306 229	786	305 443	21 026	628	20 398	2 009	1 016	992	326 833
Group Functions & Other	30 242	22	30 220	137	0	137				30 357
Loans to the public and credit institutions at amotised cost	**1 730 251**	**1 524**	**1 728 727**	**138 596**	**2 404**	**136 191**	**5 738**	**2 121**	**3 617**	**1 868 536**
Geographical distribution										
Sweden	1 451 467	956	1 450 512	104 343	1 459	102 884	2 364	767	1 598	1 554 994
Estonia	93 404	97	93 306	13 240	297	12 943	774	205	568	106 818
Latvia	37 660	105	37 555	6 607	117	6 491	184	45	139	44 185
Lithuania	73 969	101	73 868	11 498	278	11 219	421	101	320	85 407
Norway	45 573	170	45 404	2 279	119	2 160	1 881	890	991	48 555
Denmark	309		309				3	2	1	310
Finland	22 008	65	21 943	628	135	494				22 437
USA	2 423		2 423				111	111		2 423
Other	3 437	30	3 407							3 407
Loans to the public and credit institutions at amotised cost	**1 730 251**	**1 524**	**1 728 727**	**138 596**	**2 404**	**136 191**	**5 738**	**2 121**	**3 617**	**1 868 536**

1) Comparative figures have been restated due to the reorganisation as per 1 May. For more information see Note G5.

3.1.7.2 Loans to the public and credit institutions at amortised cost, carrying amount

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

2023

	Stage 1			Stage 2			Stage 3			
	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	Total
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 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

2022

	Stage 1			Stage 2			Stage 3			
	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	Total
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 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

3.1.8 Credit imapirment provisions

3.1.8.1 Summary of credit impairment provisions

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

	Gross carrying amount / Nominal amount		Credit impairment provisions		Carrying amount	
	2023	2022	2023	2022	2023	2022
Loans to credit institutions	25 024	56 600	65	26	24 959	56 574
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.

3.1.8.2 Gross carrying amount by stage

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

	Gross carrying amount / Nominal amount											
	2023				2022				1/1 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Loans to credit institutions	24 701	323		25 024	56 453	147		56 600	38 102	27	0	38 129
Loans to the public	1 619 682	191 506	7 855	1 819 043	1 673 798	138 449	5 738	1 817 985	1 578 492	98 606	6 362	1 683 460
of which Private customers	1 081 947	91 710	4 090	1 177 747	1 107 994	68 617	2 043	1 178 655	1 090 376	42 148	1 844	1 134 368
of which Corporate customers	507 735	99 796	3 765	611 296	552 194	69 831	3 695	625 721	486 281	56 458	4 518	547 257
Other[1]	168 136	42	5	168 182	141 499	127	3	141 629	138 171	9	2	138 182
Total	**1 812 519**	**191 871**	**7 860**	**2 012 249**	**1 871 751**	**138 722**	**5 741**	**2 016 214**	**1 754 765**	**98 641**	**6 364**	**1 859 771**
Loan commitments and financial guarantees	**256 362**	**36 104**	**791**	**293 257**	**286 621**	**23 956**	**131**	**310 708**	**306 297**	**16 134**	**221**	**322 652**

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

3.1.8.3 Reconciliations of credit impairment provisions

The tables below provide reconciliations of credit impairment provisions for loans to credit institutions at amortised cost, loans to the public at amortised cost as well as commitments and financial guarantees.

Loans to credit institutions	2023				2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	**26**	**0**		**26**	**8**			**8**
Movements affecting credit impairments								
New and derecognosed financial assets, net	12	3		15	14	–1		13
Changes in PD	0	0		0	0	0		1
Changes in other risk factors	–8	6		–2	–14	0		–14
Changes in macroeconomic scenarios	25	1		26	18	0		19
Changes to models	0	0		0	0	0		0
Post-model expert credit adjustments	0	0		0	2	0		2
Stage transfers	–1	1			–1	1		
from 1 to 2	–1	1			–2	2		
from 2 to 1	0	0			1	–1		
Total movements affecting credit impairments	**28**	**11**		**39**	**20**	**0**		**20**
Movements recognised outside credit impairments								
Change in exchange rates	0	0		0	–2	0		–2
Closing balance	**54**	**11**		**65**	**26**	**0**		**26**

Loans to the public	2023				2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	**1 498**	**2 404**	**2 121**	**6 023**	**798**	**1 789**	**2 427**	**5 014**
Movements affecting credit impairments								
New financial assets	739	183	38	960	407	54	26	487
Derecognised financial assets	–248	–539	–570	–1 357	–147	–180	–508	–835
Write-offs			–176	–176			–653	–653
Changes in PD	652	282		935	110	37		147
Changes in other risk factors	–260	–639	135	–763	–92	–225	107	–211
Changes in macroeconomic scenarios	261	335	–8	588	369	488	21	878
Changes to models	1	0	0	0	38	58	0	97
Post-model expert credit adjustments	–122	–122	1	–243	161	–269	3	–105
Individual assessments			–122	–122			191	191
Stage transfers	–948	1 613	583	1 249	–219	561	350	692
from 1 to 2	–1 082	2 503		1 421	–285	980		694
from 1 to 3	–57		80	23	–3		76	74
from 2 to 1	188	–599		–411	67	–321		–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	**76**	**1 114**	**–241**	**949**	**627**	**523**	**–544**	**607**
Movements recognised outside credit impairments								
Interest			121	121			82	82
Change in exchange rates	–17	–3	–12	–31	73	92	158	322
Closing balance	**1 557**	**3 515**	**1 989**	**7 062**	**1 498**	**2 404**	**2 121**	**6 023**

Loans to the public, private customers	2023				2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	**168**	**546**	**676**	**1 390**	**98**	**259**	**480**	**837**
New financial assets	144	13	11	167	80	7	17	104
Derecognised financial assets	−30	−99	−69	−198	−14	−41	−94	−150
Write-offs			−122	−122			−58	−58
Changes in PD	74	−94		−20	17	−64		−48
Changes in other risk factors	−8	−26	181	147	10	5	115	130
Changes in macroeconomic scenarios	138	229	−6	360	71	159	16	246
Changes to models	1	0	0	0	−8	0	0	−8
Post-model expert credit adjustments	1	−7	1	−5	−11	−14	3	−22
Individual assessments			7	7			0	0
Stage transfers	28	−141	113		51	−12	−39	
Remeasurement of provisions due to stage transfers	−211	467	257	513	−128	236	228	336
Change in exchange rates and other	−1	−1	0	−2	2	12	8	22
Closing balance	**305**	**886**	**1 047**	**2 238**	**168**	**546**	**676**	**1 390**

Loans to the public, corporate customers	2023				2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	**1 330**	**1 858**	**1 445**	**4 634**	**700**	**1 530**	**1 947**	**4 177**
New financial assets	595	170	27	792	327	46	10	383
Derecognised financial assets	−218	−440	−501	−1 159	−132	−139	−414	−685
Write-offs			−54	−54			−595	−595
Changes in PD	578	377		954	94	101		195
Changes in other risk factors	−252	−612	−45	−910	−103	−230	−8	−341
Changes in macroeconomic scenarios	124	107	−2	228	297	329	5	631
Changes to models	0	0	0	0	47	58	0	104
Post-model expert credit adjustments	−123	−115	0	−238	172	−254	−1	−83
Individual assessments			−129	−129			191	191
Stage transfers	−498	507	−10		17	48	−65	
Remeasurement of provisions due to stage transfers	−267	779	224	736	−159	289	226	356
Change in exchange rates and other	−16	−2	−12	−29	71	79	150	300
Closing balance	**1 252**	**2 629**	**943**	**4 825**	**1 330**	**1 858**	**1 445**	**4 634**

Commitments and financial guarantees	2023				2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	**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				
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**
Movements recognised outside credit impairments								
Change in exchange rates	−3	−6	−9	−19	21	9	12	42
Closing balance	**330**	**448**	**320**	**1 097**	**384**	**295**	**34**	**714**

3.1.8.4 Reconciliations of credit impairment provisions by business area

The tables below provide reconciliations of total credit impairment provisions for loans to the public and credit institutions at amortised cost per business area. Credit impairment provisions of SEK 39m (19) relating to Group functions and others are not presented in the following tables.

Swedish Banking

Loans to the public and credit institutions	2023				2022[1]			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	**244**	**755**	**709**	**1 709**	**125**	**487**	**485**	**1 097**
New financial assets	120	25	12	157	60	11	7	79
Derecognised financial assets	−42	−142	−130	−314	−23	−50	−107	−181
Write-offs			−122	−122			−80	−80
Changes in PD	140	−53		88	58	−67		−9
Changes in other risk factors	−32	−80	182	70	4	−50	125	79
Changes in macroeconomic scenarios	145	241	−5	381	82	213	10	306
Changes to models	0	0	0	0	−8	8	0	0
Post-model expert credit adjustments	9	20	1	30	34	−60	3	−23
Individual assessments			42	42			−7	−7
Stage transfers	−6	−136	142		44	−8	−36	
Remeasurement of provisions due to stage transfers	−206	526	278	598	−135	298	298	461
Change in exchange rates and other	1	−3	5	3	4	−28	11	−14
Closing balance	**374**	**1 152**	**1 113**	**2 640**	**244**	**755**	**709**	**1 709**

1) Comparative figures have been restated due to the reorganisation as per 1 May. For more information see Note G5.

Baltic Banking

Loans to the public and credit institutions	2023				2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	**305**	**693**	**351**	**1 349**	**108**	**482**	**270**	**860**
New financial assets	158	27	26	210	71	13	17	100
Derecognised financial assets	−34	−42	−210	−286	−6	−21	−51	−79
Write-offs			−33	−33			−17	−17
Changes in PD	−4	−42		−46	14	112		126
Changes in other risk factors	−4	−173	−4	−181	−12	−81	−15	−108
Changes in macroeconomic scenarios	16	9	−3	21	37	108	10	156
Changes to models	1	0	0	0	16	68	0	84
Post-model expert credit adjustments	80	4	0	84	120	−176	0	−55
Individual assessments			211	211			50	50
Stage transfers	7	19	−25		−2	24	−22	
Remeasurement of provisions due to stage transfers	−112	76	107	71	−57	121	85	149
Change in exchange rates and other	−3	8	−3	2	16	43	24	83
Closing balance	**409**	**577**	**416**	**1 402**	**305**	**693**	**351**	**1 349**

Corporates and Institutions

Loans to the public and credit institutions	2023				2022[1]			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	**954**	**958**	**1 061**	**2 972**	**567**	**822**	**1 672**	**3 060**
New financial assets	500	144	0	644	283	30	2	315
Derecognised financial assets	–207	–364	–229	–800	–120	–110	–352	–582
Write-offs			–21	–21			–556	–556
Changes in PD	516	377		894	38	–9		30
Changes in other risk factors	–222	–384	–42	–649	–89	–93	–2	–184
Changes in macroeconomic scenarios	104	86	0	190	254	166	1	421
Changes to models	0	0	0	0	31	–18	0	13
Post-model expert credit adjustments	–211	–146	0	–357	7	–33	0	–25
Individual assessments			–376	–376			147	147
Stage transfers	–472	486	–14		26	20	–46	
Remeasurement of provisions due to stage transfers	–160	645	95	580	–95	106	71	82
Change in exchange rates and other	–12	–5	–16	–32	51	77	124	253
Closing balance	**790**	**1 797**	**459**	**3 046**	**954**	**958**	**1 061**	**2 972**

1) Comparative figures have been restated due to the reorganisation as per 1 May. For more information see Note G5.

3.1.9 Loans with elevated risks

3.1.9.1 Forborne loans

Forborne loans refer to loans where the contractual terms have been changed due to the customers' financial difficulties. The purpose of the forbearance measure is to enable the borrower to make full payments again or to avoid foreclosure, or when this is not considered possible, to maximise the repayment of outstanding loans. Changes in contractual terms include various forms of concessions such as amortisation suspensions, reductions in interest rates to below market rates, forgiveness of all or part of the loan, or issuance of new loans to pay overdue amounts. Depending on when the forbearance measures are taken and the severity of the financial difficulties of the borrower, the forborne loan could either be treated as a performing forborne loan or a non-performing forborne loan. The following tables show the gross carrying amounts of forborne loans.

Gross carrying amount of forborne loans

2023

	Sweden	Estonia	Latvia	Lithuania	Norway	Other	Total
Performing	6 518	709	229	1 090	2 431		10 978
Non-performing	1 327	330	111	246	115	107	2 236
Total	**7 846**	**1 039**	**340**	**1 336**	**2 546**	**107**	**13 214**

2022

	Sweden	Estonia	Latvia	Lithuania	Norway	Other	Total
Performing	1 695	1 965	1 211	1 097	18	357	6 344
Non-performing	515	499	134	251	1 886	111	3 397
Total	**2 211**	**2 464**	**1 345**	**1 348**	**1 904**	**468**	**9 741**

3.1.9.2 Loan write-offs

Loans are written off when the loss amount is ultimately established and there are no realistic options of recovery. The remaining loan amount for those that are partially written off is still included in credit-impaired loans or forborne loans. Previous provisions are reversed in connection with the write-off. The loss amount is ultimately determined when a receiver has presented a bankruptcy distribution, when a bankruptcy settlement has been reached, when a concession has been granted, or when the Swedish Enforcement Agency, or a collection company has reported that the physical person has no distrainable assets. A write-off normally does not mean that the claim against the borrower has been forgiven. Generally, a proof of claim is filed against the borrower or guarantor after the write-off. A proof of claim is not filed when a legal entity has ceased to exist due to a bankruptcy, when a bankruptcy settlement has been reached or when receivables have been completely forgiven. The total contractual amount on loans that were written off during the year, and which still are subject to enforcement activity was SEK 308m (163).

3.1.9.3 Assets taken over for protection of claims and cancelled leases

One way for the Group to manage credit risk is by requesting relevant collateral for credit risk exposures. The Group's definition of credit risk includes the risk that pledged collateral does not cover the claims. In some cases, when the counterparty fails to meet its contractual obligations towards the Group, the Group needs to take over pledged collateral or cancel leases aiming at protecting the claim. The measure is aiming to provide greater opportunities to recover cash flows to the extent possible, and thereby minimising credit impairments. This is expected to be done through active asset management and other value-creation measures. The aim is also to minimise the cost of ownership while the repossessed collateral is held. The internal assumptions in the calculation of the fair values are considered of such significance that the appraisal is attributed to level three in the hierarchy of fair value, a valuation model where significant valuation parameters are non-observable and based on internal assumptions.

	2023				2022			
	Number	Carrying amount, overtaken during 2023	Carrying amount	Fair value	Number	Carrying amount, overtaken during 2022	Carrying amount	Fair value
Buildings and land	3		6	7	5		16	17
Other	18	2	29	30	24	2	29	30
Total	**21**	**2**	**34**	**37**	**29**	**2**	**45**	**47**

3.1.10 Capital requirement for credit risks

The minimum capital requirement for credit risks in Swedbank (consolidated situation) at year end 2023 amounted to SEK 37 074 m (37 040 m). For more information, see note G4 Capital.

3.2 Liquidity risk

3.2.1 Definition

The risk of not being able to meet payment obligations when they fall due without incurring considerable additional costs for obtaining funds or losses due to asset fire-sales.

3.2.2. Risk management

The Board of Directors sets the Group's risk appetite for liquidity risk, including quantitative limits for internal and regulatory metrics. The CEO is responsible for implementing liquidity risk policies and for ensuring that business operations stay within the risk appetite established by the Board. The CEO has delegated responsibility for managing Swedbank's liquidity to the CFO and for this purpose the CFO has established a Group Treasury function. Group Risk constitutes the independent risk management function and is responsible for ensuring that liquidity risks are identified and properly managed. Group risk is also responsible for developing and maintaining a risk limit framework and Group-wide internal methods for liquidity risk measurement.

The funding strategy and management of the liquidity reserve, along with risk assessment processes, intraday operations, Funds Transfer Pricing (FTP) methodology and Business Continuity Plans (BCP's) are all key components in Swedbank's management of liquidity risk.

3.2.3. Risk measurement

Swedbank uses a range of liquidity risk measures to assess liquidity and funding risks across various time horizons, including intraday, under both normal and stressed scenarios. The liquidity metrics are either defined internally or by external regulatory requirements. A survival period limit based on the internally defined risk metric Survival horizon has been established. The survival period is measured as the number of days with a positive cumulative net liquidity position, taking future cash flows into account. The risk measure is conservative and assumes a stressed scenario, e.g. that there is limited access to the funding markets and that there are large outflows of deposits within a short time-period. In the measure, a severe drop in house prices is also assumed, affecting the over-collateralisation of the cover pool.

Swedbank also ensures compliance with two regulatory mandated liquidity risk metrics; the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR). These risk metrics are calculated regularly, monitored, and reported to relevant authorities by Group Treasury. The purpose of the LCR is to ensure that Swedbank has a sufficiently large liquidity reserve of high-quality unpledged assets to meet its liquidity needs in stressed situations during the next 30 days. The NSFR requires banks to maintain a stable funding profile and constrains overreliance on short-term funding. The NSFR ensures that a bank's illiquid long-term assets are financed using a satisfactory level of stable long-term funding.

In addition, Swedbank monitors a set of early warning metrics on a daily basis.

3.2.4 Funding strategy

Swedbank's funding strategy is based on the quality and composition of its assets and uses several different funding programs to meet its short- and long-term needs of e.g. covered bonds, unsecured funding, commercial paper, and certificates of deposit. More than half of the lending consists of Swedish mortgages, which to a large extent are funded by covered bonds.

Deposit volumes, together with issued covered bonds and shareholders' equity, cover nearly all its funding requirements. As a result, Swedbank has a limited structural need for senior unsecured funding.

Swedbank aims to match unsecured funding against assets with corresponding amounts and maturities. The demand for senior unsecured funding is determined by Minimum Requirements for own funds and Eligible Liabilities (MREL) requirements.

For more information regarding Swedbank's distribution of liabilities and encumbered assets, refer to the Group's Pillar 3 report.

3.2.5 Liquidity reserve

Swedbank maintains a liquidity reserve to manage the Group's liquidity risk. The liquidity reserve is a central component in minimizing liquidity risk and is calibrated in such way that the risk appetite limits are safeguarded also under severely stressed circumstances.

Liquidity Reserve[1]	2023	2022
Level 1 assets	**506 795**	**554 631**
Cash and balances with central banks[2]	277 744	369 529
Securities issued or guaranteed by sovereigns, central banks, MDBs and international organisations	178 229	148 195
Securities issued by municipalites and PSEs	1 954	2 076
Extremely high quality covered bonds	48 868	34 831
Level 2 assets	**5 771**	**6 598**
Level 2A assets	**5 253**	**6 323**
High quality covered bonds	5 213	6 321
Corporate debt securities (lowest rating AA-)	40	2
Level 2B assets	**518**	**275**
Corporate debt securities (rated A+ to BBB-)	518	140
Shares (major stock index)		135
Total	**512 566**	**561 229**

1) Unadjusted Liquid Assets classified in accordance with Commission Delegated Regulation (EU 2015/61).

2) Minimum reserve requirements held in the Central Bank of Estonia, Latvia and Lithuania and Bank of Finland are excluded from liquid assets.

3.2.6 Summary of maturities

In the summary of maturities, undiscounted contractual cash flows are distributed on the basis of remaining maturities until the agreed time of maturity. For lending to the public, amortising loans are distributed based on amortisation schedules. Liabilities whose contracts contain a prepayment option have been distributed based on the earliest date on which repayment can be demanded. The large part of deposits from the public is contractually payable on demand. Despite the contractual terms, the deposits are essentially a stable and a long-term source of funding. The difference between the nominal amount and carrying amount, the discount effect, is presented in the column No maturity/discount effect in the table below. This column also includes items without an agreed maturity date and where the anticipated repayment date has not been determined.

Loan commitments that are not recognised as financial liabilities amounting to SEK 249 422m (265 076) may be drawn at any time by the customer. Issued guarantees and other contingent liabilities of SEK 43 835m (45 632) may lead to future cash outflows if certain events occur. The expected cash outflows, amounting to SEK 1 097m (714), are reported in the time buckets up to one year, within Other liabilities. In the maturity distribution below, cash flows for derivatives have been distributed between assets and liabilities based on whether the individual derivative has a positive or negative fair value, without taking into account whether the derivatives have been offset in the accounts. Amounts that have been offset in the accounts are reported in the column No maturity/discount effect in the table below.

	Undiscounted contractual cash flows							
Remaining maturity 2023	Payable on demand	≤ 3 mths	>3 mths–1 yr	>1–5 yrs	>5–10 yrs	> 10 yrs	No maturity/ discount effect	Total
Assets								
Cash and balances with central banks	252 994							252 994
Treasury bills and other bills eligible for refinancing with central banks		160 173	4 428	5 662	8 097	556	–296	178 620
Loans to credit institutions	3 357	46 638	4 019	12 081	708	731		67 534
Loans to the public	699	127 563	169 409	422 051	153 628	997 810	–7 786	1 863 375
Value change of interest hedged assets in portfolio hedges of interest rate risk							–8 489	–8 489
Bonds and other interest-bearing securities		2 730	8 338	45 442	8 227	4	–5 901	58 841
Financial assets for which the customers bear the investment risk	2 037	93 178	4 753	29 933	51 721	138 173		319 795
Shares and participating interests	5 964	98	471	2 938	4 290	10 087	18 743	42 591
Derivatives		98 520	201 655	444 459	180 574	32 802	–918 447	39 563
Intangible assets							20 440	20 440
Tangible assets							5 544	5 544
Other assets		10 597	2 082	263	328	1 444		14 713
Total	**265 051**	**539 497**	**395 155**	**962 830**	**407 572**	**1 181 608**	**–896 192**	**2 855 519**
Liabilities								
Amounts owed to credit institutions	32 836	17 643	21 575					72 054
Deposits and borrowings from the public	1 056 741	76 416	96 634	4 449	21			1 234 262
Value change of the hedged liabilities in portfolio hedges of interest rate risk							209	209
Debt securities in issue		109 671	253 108	353 139	27 326	15 348	–30 044	728 548
Financial liabilities where customers bear the investment risk	1 817	93 428	4 785	30 096	51 901	138 581		320 609
Derivatives		123 519	210 810	447 672	183 061	33 261	–924 870	73 453
Other liabilities	22	49 875	6 627	12 680	7 267	12 939	514	89 925
of which insurance provisions	22	589	1 020	4 769	6 333	12 819	765	26 315
of which lease liabilities		315	617	2 088	906		–251	3 676
Senior non-preferred liabilities			11 036	87 614	9 666		–3 488	104 828
Subordinated liabilities			5 014	23 360	5 016		–549	32 841
Equity							198 790	198 790
Total	**1 091 416**	**470 552**	**609 590**	**959 010**	**284 259**	**200 129**	**–759 438**	**2 855 519**

	Undiscounted contractual cash flows							
Remaining maturity 2022[1]	Payable on demand	≤ 3 mths	>3 mths–1 yr	>1–5 yrs	>5–10 yrs	> 10 yrs	No maturity/ discount effect	Total
Assets								
Cash and balances with central banks	365 992							365 992
Treasury bills and other bills eligible for refinancing with central banks		134 684	4 263	8 432	3 336	1 170	–402	151 483
Loans to credit institutions	4 844	33 287	4 063	12 187	727	1 481		56 589
Loans to the public	605	94 330	174 963	434 060	155 722	990 408	–7 277	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		4 193	12 117	35 518	12 971	114	–3 615	61 298
Financial assets for which the customers bear the investment risk	2 203	85 841	3 299	23 105	40 927	113 219		268 594
Shares and participating interests	5 276	87	387	4 856	3 974	9 900	13 617	38 097
Derivatives		55 296	214 425	738 516	301 702	46 504	–1 305 939	50 504
Intangible assets							19 886	19 886
Tangible assets							5 449	5 449
Other assets		10 292	1 666	304	380	1 671		14 312
Total	**378 921**	**418 009**	**415 183**	**1 256 978**	**519 739**	**1 164 467**	**–1 298 650**	**2 854 646**
Liabilities								
Amounts owed to credit institutions	34 823	21 057	5 925	11 021				72 826
Deposits and borrowings from the public	1 200 632	48 734	52 113	4 436	32	1		1 305 948
Debt securities in issue		183 297	256 252	348 681	13 760	17 412	–35 196	784 206
Financial liabilities where customers bear the investment risk	1 775	84 041	3 602	23 752	41 805	113 917		268 892
Derivatives		61 285	217 747	747 086	304 326	47 356	–1 309 121	68 679
Other liabilities	1 620	55 021	3 965	9 323	6 265	12 543	507	89 245
of which insurance provisions	1 620	441	819	3 672	5 302	12 314	707	24 875
of which lease liabilities		217	600	1 965	937	112	–200	3 631
Senior non-preferred liabililties				50 157	14 403		–7 121	57 439
Subordinated liabilities			8 246	19 079	5 590		–1 584	31 331
Equity							176 080	176 080
Total	**1 238 850**	**453 435**	**547 851**	**1 213 535**	**386 180**	**191 229**	**–1 176 434**	**2 854 646**

1) Comparative figures have been restated due to the adoption of IFRS 17. For more information see note G2 and note G57.

3.2.7 Stress tests

Stress tests are conducted regularly to increase preparedness for possible disruptions in the financial markets. Both Swedbank-specific and market-related disruptions are in focus in these analyses. They also consider the combined effects that would occur if all disruptions would occur at the same time. In the scenarios, risk drivers are stressed to levels that are unlikely, but not inconceivable. Examples include large-scale withdrawals from deposit accounts, high utilisation of credit facilities and increased collateral requirements for various purposes. In addition, assumptions are also made that Swedbank's liquidity reserve decreases in value, and the properties that serve as collateral for the loans in the mortgage operations are likewise subject to stressed valuations. The latter risk driver impacts Swedbank's ability to issue covered bonds, which is of strategic importance to its funding. As a last example of stress testing risk drivers, assumptions are made that access to wholesale funding markets becomes unavailable, while Swedbank's liquid assets still can generate liquidity.

A table showing the cover pool at the end of the year is presented below. The analysis illustrates the effects on Swedbank Mortgage's over-collateralisation level given different levels of house price decline.

Cover pool sensitivity analysis, house price decline

House price decline	Current	–5%	–10%	–15%	–20%	–25%	–30%	–35%	–40%
Total assets in the cover pool, SEKm	1 103 799	1 093 352	1 083 492	1 070 163	1 052 625	1 030 551	1 003 678	971 516	933 552
Total outstanding covered bonds, SEKm	359 726	359 726	359 726	359 726	359 726	359 726	359 726	359 726	359 726
Over collateralisation level, %	206,8	203,9	201,2	197,5	192,6	186,5	179,0	170,1	159,5

Liquidity coverage ratio[1]	2023	2022
High Quality Liquid Assets (HQLA), SEKm		
High quality liquid assets, Level 1	503 374	552 192
High quality liquid assets, Level 2	4 724	5 511
Total HQLA	**508 099**	**557 704**
Cash Outflows, SEKm		
Retail deposits and deposits from small business customers	57 210	57 122
Unsecured wholesale funding	195 034	255 776
Secured wholesale funding	11 338	5 329
Additional requirements	77 644	97 451
Other cash outflows	754	23 491
Total cash outflows	**341 981**	**439 168**
Cash Inflows, SEKm		
Secured lending	12 166	9 543
Inflows from fully performing exposures	22 724	23 726
Other cash inflows	11 261	57 218
Total Cash inflows	**46 151**	**90 487**
Liquidity coverage ratio, Total, %	172	160
Liquidity coverage ratio, EUR,%	339	285
Liquidity coverage ratio, USD, %	316	168
Liquidity coverage ratio, SEK[2], %	97	115

1) LCR - calculated in accordance with Commission Delegated Regulation (EU) 2018/1620

2) For LCR in SEK, the regulatory requirement is 75%. For EUR, USD and total, the requirement is 100%.

Liquidity and NSFR components	2023	2022
NSFR, %	124	118
Available stable funding (ASF), SEKm	1 720 299	1 663 231
Required stable funding (RSF), SEKm	1 390 353	1 404 092

3.2.8 Interest-bearing securities and lease liabilities

Repayments of lease liabilities includes interest payments of SEK 56m (44). In the cash flow analysis, these are reported as operating activities, while amortisations of lease liabilities are reported as financing activities.

	Debts securities in issue								
Turnover during the year, 2023	Commercial papers	Covered bonds	Senior unsecured bonds	Structure retail bonds	Total debt securities in issue	Senior non-preferred liabililties	Subordinated liabilities	Lease liabilities	Total
Opening balance	**316 114**	**343 284**	**122 559**	**2 249**	**784 206**	**57 439**	**31 331**	**3 631**	**876 607**
Issued/New contracts	718 960	88 673	30 047		837 680	46 580	9 339	457	894 056
Repurchased		−19 301		−994	−20 295				−20 295
Repaid	−767 657	−81 725	−38 588		−887 970	−1 665	−10 316	−855	−900 806
Modifications and other								399	399
Interest, change in fair values or hedged items in fair value hedges and changes in exchange rates	−4 083	14 684	4 220	106	14 927	2 474	2 487	44	19 932
Closing balance	**263 334**	**345 615**	**118 238**	**1 361**	**728 548**	**104 828**	**32 841**	**3 676**	**869 893**

	Debts securities in issue								
Turnover during the year, 2022	Commercial papers	Covered bonds	Senior unsecured bonds	Structure retail bonds	Total debt securities in issue	Senior non-preferred liabililties	Subordinated liabilities	Lease liabilities	Total
Opening balance	**165 067**	**436 989**	**129 809**	**4 052**	**735 917**	**37 832**	**28 604**	**3 759**	**806 112**
Issued/New contracts	881 747	56 346	33 873		971 966	22 993	13 375	175	1 008 509
Repurchased		−33 927		−1 140	−35 067				−35 067
Repaid	−757 217	−106 150	−50 812		−914 179	−257	−12 660	−846	−927 942
Modifications and other								445	445
Interest, change in fair values or hedged items in fair value hedges and changes in exchange rates	26 517	−9 974	9 689	−663	25 569	−3 129	2 012	98	24 550
Closing balance	**316 114**	**343 284**	**122 559**	**2 249**	**784 206**	**57 439**	**31 331**	**3 631**	**876 607**

3.3 Market risk

3.3.1 Definition

Market risk is defined as the risk to value, earnings, capital or exposure arising from movements of risk factors in financial markets. Value covers both economic value and accounting value and includes valuation adjustments such as CVA (Credit Valuation Adjustment) and DVA (Debit Valuation Adjustment).

3.3.2 Risk management

The Group's total risk-taking is governed by the risk appetite decided by the Board of Directors, which limit the nature and size of market risk-taking. Only risk-taking units, i.e. units approved for risk-taking by the CEO, are permitted to take market risk. The limit framework includes limits as well as escalation triggers (ETs) and key risk indicators (KRIs). The CEO assigns risk limits to the CFO for further allocation. To supplement limits allocated by the CEO, additional limits are set by Executive management to avoid building risk concentrations. CFO limits are allocated to the Head of Corporates and Institutions (C&I), Head of Baltic Banking and the Head of Group Treasury, respectively. Limits are further allocated within the business areas and Group Treasury. Additional limits could be assigned to specific trading desks, subsidiaries or organisational units. The Group's unit for Risk control work on a daily basis with measuring, monitoring and reporting market risk within Swedbank.

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

The majority of the Group's market risks are of structural or strategic nature and are managed primarily by Group Treasury.

Structural interest rate risks are a natural part of a bank that manages deposits and loans. Interest rate risk arises primarily when there is a difference in maturity and interest fixing periods between the Group's assets and liabilities. Group Treasury manages risk within given limits, primarily by matching maturities either directly or through the use of derivatives such as interest rate swaps. Interest rate risk also arises in the Group's trading operations. The Group's currency risk comprises of structural currency risk in the banking operations, currency risk as a result of the trading operations, and investments in the foreign operations. Share price risks arise due to holdings in equities and equity related derivatives.

3.3.3 Risk measurement

Swedbank uses a number of different risk measures, both statistical and non- statistical, with the purpose of limiting the Group's risk–taking units as well as to ensure compliance with regulations. Statistical measures such as Value-at-Risk (VaR) and Stressed Value-at-Risk (SVaR) are important tools in Swedbank's risk management processes and are used, among other things, to calculate the Group's capital requirement.

Non-statistical measures such as sensitivity analyses are important complements to VaR and SVaR, since these, in some cases, provide a deeper understanding of the market risk factors being measured. Sensitivity analyses provide a clearer view of risk concentration within specific factors of market risk which cannot be concluded from eg. VaR.

In addition to VaR and various types of sensitivity analyses, Swedbank conducts an extensive array of stress tests. These tests are built on scenarios and can be divided into three groups: historical, forward-looking, and method- and model stress scenarios. The purpose of these stress tests, and the scenarios that serve as a basis for them, is to further identify significant movements in risk factors or losses that could arise due to exceptional market disruptions.

3.3.4 Risk exposure

Swedbank's market risks primarily arise within the Group's banking operations managed by Group Treasury. Market risk is also present in the trading operations, primarily as a result of customer transactions executed within the business areas C&I and Baltic Banking.

3.3.5 Value-at-Risk (VaR)

VaR implicates the use of a model to estimate a probability distribution for the change in value of Swedbank's portfolios. The model is based on price movements in various market risk factors such as interest rates, currency rates and equity prices with an effective historical observation period of one year. Exceptions can be made for regulatory VaR where a shorter time period can be used in times of significant upsurge in price volatility. The estimation is based on the hypothetical assumption that the portfolios will remain unchanged over a certain time horizon. The Group uses a VaR model with a confidence interval of 99 per cent and a time horizon of one trading day. Statistically, this means that the potential loss of a portfolio will exceed the VaR amount one day out of 100. VaR is a useful tool, not only for determining the risk level of an individual security or asset class, but also when it comes to comparing risk levels for example between asset classes.

"Regular" VaR and Stressed VaR (SVaR) differ slightly in that the stressed model applies market data from a one-year period of considerable stress. The period selected by Swedbank covers parts of the years 2008 and 2009, a period characterized by the financial crisis.

The trading operations at Swedbank are conducted within the business areas C&I and Baltic Banking for the primary purpose of assisting customers to execute transactions in the financial markets. Positioning in the trading book occurs only to a limited extent. The risk level (measured as VaR) is applied in the calculation of Swedbank's capital requirement.

Swedbank evaluates the VaR model's reliability on a daily basis with actual and hypothetical backtesting. Actual backtesting uses the trading operations' actual daily results to determine the accuracy of the VaR model, while hypothetical backtesting compares the portfolio's value at the end of the day with its estimated value at the end of the subsequent day. The estimated value is obtained by applying market movements during the day for which the test is performed, with the assumption that the positions in the portfolio remain unchanged during this time period. The hypothetical backtesting conducted by the Group in 2023 exceeded the VaR level on one occasion.

Regulatory VaR trading	Jan–Dec 2023 (2022)			2023	2022
SEKm	Max	Min	Average	31 dec	31 dec
Value-at-Risk	54 (53)	25 (19)	34 (36)	32	33
Stressed Value-at-Risk	87 (104)	40 (52)	54 (78)	65	56

In addition to the VaR model applied in the calculation of Swedbank's capital requirement, the Group uses a VaR model that also captures credit spread risk in its internal risk management. The trading operations' total VaR had an average value of SEK 40m in 2023, which can be compared to the average value of SEK 36m for 2022.

Risk VaR trading	Jan–Dec 2023 (2022)			2023	2022
SEKm	Max	Min	Average	31 dec	31 dec
Credit spread risk	18 (22)	6 (5)	9 (10)	6	7
Share price risk	16 (14)	2 (2)	5 (4)	4	3
Currency risk	9 (8)	1 (1)	4 (3)	2	2
Interest rate risk	54 (57)	24 (19)	37 (38)	42	30
Diversification			–14 (–19)	–19	–7
Total	**58 (52)**	**28 (19)**	**40 (36)**	**34**	**35**

Data in the table is compiled using the VaR model that the Group applies to internal risk management and therefore differs from the values generated by the VaR model for capital requirements.

3.3.6 Interest rate risk

Interest rate risk refers to the risk that the value of the Group's assets, liabilities and interest related derivatives will be negatively affected by changes in interest rates or other relevant risk factors.

The majority of the Group's interest rate risk is structural and arises within the banking operations when there is a mismatch between the interest fixing periods of assets and liabilities, including behaviour duration modelled non-maturity deposit and derivatives. The interest rate risk in fixed rate assets, primarily customer loans, accounts for the larger part of this risk and is hedged through fixed rate funding or by entering into various types of swap agreements. Interest rate risk also arises within the trading operations, e.g. through customer related activities.

An increase in all market interest rates of one percentage point would have decreased the net value of the Group's assets and liabilities, including derivatives, by SEK −121m (−986) at year end. The effect on positions in Swedish krona would have been a decrease of SEK −920m (−1 681), while positions in foreign currency would have increased by SEK 799m (695). The Group's Net gains and losses on financial items would have been affected by SEK −483m (-114).

The Group uses derivatives for so-called cash flow hedges. A change in market interest rates, as indicated above, would have affected the Group's other comprehensive income by SEK 10m (12).

The market risk measurement adapts gradually to the changes related to the Interest Rate Benchmark reform and the new risk-free reference rates. The transition to the new risk-free interest rates is likely to proceed for some years. As many large currencies already have undergone the IBOR reform, the effect on risk measurements such as Value-at-Risk will most likely be minor.

3.3.7 Credit spread risk

For financial assets and liabilities measured at fair value within the Group's trading operations and liquidity portfolio, credit spread risk is measured separately as well. Credit spread risk refers to the risk that the value of these assets and liabilities will be affected by changes in issuer specific interest mark-ups (credit spreads), e.g. the difference between a security's interest and the current market rate with the corresponding maturity.

An increase in all issuer specific spreads of 1 basis point at year end would have reduced the value of these interest-bearing assets, including derivatives, by SEK −2m (−5).

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

The table below shows the impact in SEKm on the net value of assets and liabilities, including derivatives, when market interest rates are increased by one percentage point. The calculation includes behavioural duration modelled non-maturity deposits of SEK 282bn (311) with an estimated average duration of 1.8 years (1.3).

2023	≤ 3 mths	>3–6 mths	>6–12 mths	>1–2 yrs	>2–3 yrs	>3–4 yrs	>4–5 yrs	>5–10 yrs	> 10 yrs	Total
SEK	−1 112	327	−501	−510	143	−153	517	38	331	−920
Foreign currency	−148	47	400	824	202	−801	586	−242	−69	799
Total	**−1 260**	**374**	**−101**	**314**	**345**	**−954**	**1 103**	**−204**	**262**	**−121**

2022	≤ 3 mths	>3–6 mths	>6–12 mths	>1–2 yrs	>2–3 yrs	>3–4 yrs	>4–5 yrs	>5–10 yrs	> 10 yrs	Total
SEK	−675	57	−191	−921	−196	504	−1	−251	−7	−1 681
Foreign currency	−108	−128	409	541	28	488	−483	−69	17	695
Total	**−783**	**−71**	**218**	**−380**	**−168**	**992**	**−484**	**−320**	**10**	**−986**

The table below shows the 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.

2023	≤ 3 mths	>3–6 mths	>6–12 mths	>1–2 yrs	>2–3 yrs	>3–4 yrs	>4–5 yrs	>5–10 yrs	> 10 yrs	Total
SEK	107	359	−139	−166	349	−120	398	−805	428	411
Foreign currency	−328	−107	−472	610	−90	−1 264	1 068	−293	−18	−894
Total	**−221**	**252**	**−611**	**444**	**259**	**−1 384**	**1 466**	**−1 098**	**410**	**−483**

2022	≤ 3 mths	>3–6 mths	>6–12 mths	>1–2 yrs	>2–3 yrs	>3–4 yrs	>4–5 yrs	>5–10 yrs	> 10 yrs	Total
SEK	323	34	280	−512	−191	680	87	−249	−7	445
Foreign currency	−187	−198	−127	153	−329	607	−473	−34	29	−559
Total	**136**	**−164**	**153**	**−359**	**−520**	**1 287**	**−386**	**−283**	**22**	**−114**

3.3.8 Currency risk

Currency risk refers to the risk that the value of the Group's assets and liabilities, including derivatives, will be negatively affected by changes in exchange rates or other relevant risk factors.

The Group has currency positions through goodwill and other intangible assets, which are deductible from the capital base. These currency positions are financed in Swedish kronor and are not hedged since changes in exchange rates between the foreign currencies and Swedish kronor do not affect either profit or the capital base. The major single position is in euro and relates to the Baltic operations. At year end the foreign currency position arising from goodwill in the Baltic currency position amounted to SEK 11 269m (11 257).

In addition, the Group has structural currency risks within the banking operations due to deposits and lending in different currencies. Currency risk also arises in the trading operations, primarily due to customer transactions. Currency risk that arises in the banking operations or that is strategic in nature is managed by Group Treasury by limiting the total value of assets and liabilities (including derivatives) in one currency to a desired level using derivatives, such as cross currency swaps and forward exchange agreements. Currency risks arising in the trading operations are also managed by means of currency derivatives.

The Group's exposure to currency risks with the probability to affect earnings, i.e. excluding exposures related to goodwill in foreign operations and related hedges, is limited. A shift in exchange rates between foreign currencies and the Swedish krona of +5 percent at year end would have a direct effect on the Group's reported profit of SEK 63m (38), of which SEK -1m (6) relates to euro. Moreover, a shift in exchange rates between foreign currencies and the Swedish krona of −5 percent at year end would have a direct effect on the Group's reported profit of SEK −19m (−17), of which SEK −4m (7) relates to euro.

A shift in exchange rates between the Swedish krona and foreign currencies of +/−5 per cent, with respect to net investments in foreign operations and related hedges, would have a direct effect on other comprehensive income of SEK +/− 1 064 m after tax (+/−956), of which SEK 1 055m (946) relates to euro.

The Group recognises certain currency derivatives as cash flow hedges. An increase in the basis spread, that is the price to swap cash flows in one currency for another, of one basis point would have had a positive effect on these derivatives in other comprehensive income of SEK 4m (5) after tax at year end.

Net funding in foreign currency with a corresponding recognised amount of SEK 53 899m (46 145) is used as a hedging instrument to hedge the net investment in foreign operations.

The below net position in currencies pertains mainly to parts of net investments in foreign operations that are not hedged. Exchange rate changes to this position are recognised in other comprehensive income (OCI) as translation difference.

Below the carrying amounts in the balance sheet are presented according to the transaction currency, except for derivatives. Derivatives might include cash flows in different currencies and are therefore presented according to the contract's different currencies. All carrying amounts in the table are presented in SEK.

Currency distribution

2023	EUR	USD	GBP	DKK	NOK	Other	Total foreign currency	SEK	Total
Assets									
Cash and balances with central banks	191 224	37 900			1 912	28	231 064	21 930	252 994
Treasury bills and other bills eligible for refinancing with central banks, etc.	5 759				2		5 761	172 859	178 619
Loans to credit institutions	30 444	4 644	308	3 494	2 230	1 494	42 614	24 920	67 534
Loans to the public	308 159	13 473	1 835	4 664	38 459	3 400	369 989	1 493 386	1 863 375
Bonds and other interest-bearing securities	4 180	2 252			5 068		11 500	47 341	58 841
Derivatives and other assets, not distributed								434 156	434 156
Total	**539 766**	**58 269**	**2 143**	**8 158**	**47 672**	**4 921**	**660 928**	**2 194 591**	**2 855 519**
Liabilities									
Amounts owed to credit institutions	14 829	18 928	66	1 224	1 377	53	36 477	35 577	72 054
Deposits and borrowings from the public	388 156	30 279	2 549	884	2 082	3 360	427 310	806 952	1 234 262
Debt securities in issue	179 425	278 671	1 734		3 994	6 281	470 105	258 444	728 548
Senior non-preferred liabilities	56 433	20 338	9 507		11 139	4 192	101 609	3 219	104 828
Subordinated liabilities	8 138	14 487	5 245		595	1 551	30 016	2 825	32 841
Derivatives and other liabilities, not distributed								484 196	484 196
Equity								198 790	198 790
Total	**646 982**	**362 703**	**19 100**	**2 108**	**19 187**	**15 436**	**1 065 517**	**1 790 002**	**2 855 519**
Currency distributed derivatives, other assets and liabilities	117 431	304 359	16 949	−6 049	−28 310	10 485	414 864		
Net position in currency	**10 214**	**−74**	**−9**	**0**	**174**	**−30**	**10 276**		

2022[1]	EUR	USD	GBP	DKK	NOK	Other	Total foreign currency	SEK	Total
Assets									
Cash and balances with central banks	169 524	28 717		1 344	714	14	200 313	165 679	365 992
Treasury bills and other bills eligible for refinancing with central banks, etc.	7 574	2			244		7 820	143 663	151 483
Loans to credit institutions	22 138	4 508	386	1 249	3 108	1 039	32 428	24 161	56 589
Loans to the public	292 390	27 154	1 915	4 179	51 981	1 538	379 157	1 463 654	1 842 811
Bonds and other interest-bearing securities	4 885	2 021		375	8 186		15 467	45 831	61 298
Derivatives and other assets, not distributed[1]								376 473	376 473
Total	**496 511**	**62 402**	**2 301**	**7 147**	**64 233**	**2 591**	**635 185**	**2 219 461**	**2 854 646**
Liabilities									
Amounts owed to credit institutions	31 474	4 361	141	1 562	1 328	2 052	40 918	31 908	72 826
Deposits and borrowings from the public	382 507	45 573	3 206	2 621	5 485	5 179	444 571	861 377	1 305 948
Debt securities in issue	190 283	315 142	5 620		2 641	5 982	519 668	264 538	784 206
Senior non-preferred liabilities	31 535	10 279	4 064		8 584	1 609	56 071	1 368	57 439
Subordinated liabilities	13 264	9 405	5 032			2 428	30 129	1 202	31 331
Derivatives and other liabilities, not distributed[1]								426 816	426 816
Equity[1]								176 080	176 080
Total	**649 063**	**384 760**	**18 063**	**4 183**	**18 038**	**17 250**	**1 091 357**	**1 763 289**	**2 854 646**
Currency distributed derivatives, other assets and liabilities	164 302	322 284	15 676	−2 967	−45 957	14 584	467 922		
Net position in currency	**11 750**	**−74**	**−86**	**−3**	**238**	**−75**	**11 750**		

1) Comparative figures have been restated due to the adoption of IFRS 17. For more information see note G2 and note G57.

3.3.9 Share price risk

Share price risk refers to the risk that the value of the Group's holdings of shares and share related derivatives may be negatively affected by changes in share prices or other relevant risk factors such as share price volatility.

Share price risk arises due to holdings in equities and equity related derivatives. Share price risk is measured and limited in the Group, e.g. with respect to the worst possible outcomes in 81 different scenarios based on changes in share prices and implied volatility. In these scenarios, share prices change by a maximum of +/− 20 percent and the implied volatility by a maximum of +/− 30 percent. The outcomes for the various combinations form a risk matrix for share price risk, where the worst-case scenario is limited.

As of year end, the worst-case scenario would have affected the value of the trading operations' positions by SEK −14m (−20).

3.3.10 Commodity risk

Commodity risk refers to the risk that the value of the Group's holdings of commodity related derivatives will be negatively affected by a change in asset prices. Exposure to commodity risks arises in the Group only in exceptional cases as part of customer related products. Swedbank hedges all positions with a commodity exposure with another party, so that no open exposure remains.

3.3.11 Capital requirement for market risks

The capital requirement for market risks in Swedbank amounted to SEK 1 327m (1 717) at year end.

3.4 Operational risks

3.4.1 Definition
The risk of losses, business process disruptions and negative reputational impact resulting from inadequate or failed internal processes, people and systems or from external events.

3.4.2 Risk management
Operational Risk is divided into sub risk types. Group Risk is responsible for uniform and Group-wide measurement and reporting of operational risk. Analyses of the bank's risks are performed in connection with major changes as well as at least once a year. Reporting is done periodically and, when needed, to local management and to the Group's Board of Directors, CEO and Swedbank's executive management.

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

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

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

3.4.6 Business continuity and Crisis management
The principles for incident, continuity and crisis management are defined in a Group-level framework. Crisis management teams are available both on a Group and on a local level to coordinate and communicate internally and externally. Continuity plans are in place for all critical processes, for IT-systems supporting these processes, and for services that are critical for society in the countries where Swedbank operates. The plans are implemented on a Group and on a local level and describe how Swedbank shall operate in the event of a severe business disruption or potential crisis situation.

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

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

3.4.9 IT risk
Swedbank has a structured approach to manage IT risks. IT serves a vital role in Swedbank, enabling the Group to run its business operations in a cost efficient, secure and scalable manner.

3.4.8 Capital requirements for operational risks
Swedbank applies the standardised approach to calculate the capital requirement for operational risks. Swedbank's capital requirement for operational risk as of year end amounted to SEK 7 690 m (6 400).

3.5 Risk in the insurance business

3.5.1 Definition
Risk in the insurance business is defined as insurance underwriting risk, market risk, credit risk, and liquidity risk in respect of the wholly owned insurance companies in the Group.

3.5.2 Insurance companies
The wholly owned insurance companies within the Group are Swedbank Försäkring AB, Swedbank Life Insurance SE, and Swedbank P&C Insurance AS. In addition, Swedbank owns a so-called captive insurance company, Sparia Group Försäkrings AB, only insuring own risks in the Group. The insurance companies are exposed to underwriting risk, defined as the risk to value, earnings, or capital, arising from a deviation between actual and anticipated insurance costs (claims and expenses), as well as market, credit, liquidity and operational risks.

3.5.2.1 Swedbank Försäkring AB
Swedbank Försäkring acts on the Swedish insurance market and is predominantly a unit-linked and custody account savings company without financial guarantees. The contracts lead to that equity risks and lapse risks related to future income are the main risks.

A relatively small and over time decreasing part of Swedbank Försäkring´s savings business consists of contracts with financial guarantees where Swedbank Försäkring determines the asset allocation. In addition to the risks described above, these contracts can lead to situations where Swedbank Försäkring needs to do capital injections in order to honour the guarantees, should the asset returns over time not be sufficient. Currently the accrued buffers that mitigate the guarantee risk are sufficient, but e.g. future significantly unfavourable asset returns could reduce the buffers and thus increase the risks. The relatively small guarantee business in combination with the available buffers results in a limited vulnerability to lower interest rates.

Also, longevity risk is a risk that can be important for savings business. Losses from longevity occurs if the duration of the pension payments is longer than expected. Swedbank Försäkring manages this risk through monitoring the development of the mortality of the insured. Based on predetermined triggers, the risk premiums ("arvsvinster") that are added to the contracts with longevity protection are adapted.

The risk profile for Swedbank Försäkring´s protection business, net of reinsurance, mainly consists of mortality risks emanating from an older mortgage loan protection portfolio and the private mortality protection business, followed by disability/morbidity risks. Reinsurance programs mitigate some of the exposures to disability/morbidity risks. Further, risks in the protection business are managed through individual risk assessment of health declarations and, in case of large insured amounts, health examinations. Insurance contracts and pricing of future premiums can be adapted e.g. as a consequence of changed health situation in the society. The most onerous life and health risk events identified related to the result of the protection business would be a severe pandemic with a large number of deaths amongst ages under 65, or a large general increase of sickness amongst the insured population. The following table shows the Solvency Capital Requirement for Swedbank Försäkring AB, split by product category and risk type. It shows that the pure insurance risk is small compared to the other risk types.

Risk type in per cent	Savings business (Unit-linked, custody and guarantee) 2023	2022	Protection business 2023	2022	Total 2023	2022
Market risk	48	45	0	0	48	45
Life underwriting risk (excl expense- and lapse risk)	4	2	4	5	8	6
Expense risk	6	8	0	0	6	8
Lapse risk	32	33	1	1	33	34
Health underwriting risk (excl expense- and lapse risk)	0	0	2	2	2	2
Other risks					3	3
Total					**100**	**100**

3.5.2.2 Swedbank Life Insurance SE
Swedbank Life Insurance is a life insurance company operating in Estonia, Latvia, and Lithuania. Its main field of activity is term life and savings insurance. Currently offered products are intended for mass market segment and are designed to be simple.

The company's primary focus is term life insurance. As a result, lapse risk is the dominating risk in the company's profile. Also, increase in interest rates and mortality risks are among the major risks. Interest rate risk is significant due to long contract boundaries.

Savings insurance includes both guaranteed interest and unit-linked insurance products. The guaranteed interest product portfolio comprises around 6 per cent of the savings business and is decreasing as such products are not offered anymore. Some of the unit-linked insurance products contain premium or capital guarantee; hence equity risk is another major risk for the company. Premium guarantee products make 62 per cent of total unit-linked business while the capital guarantee only 2 per cent and it is decreasing over time.

3.5.2.3 Swedbank Property & Casualty Insurance AS
Swedbank P&C Insurance AS is a non-life insurance company operating in Estonia, Latvia, and Lithuania. Its main field of activity are property, motor, travel, and payment protection insurance. The portfolio is mainly located in Estonia followed by Lithuania and Latvia. The company's focus is on simple insurance products for the mass market. The main products are Property insurance and Motor Own Damage which together make up almost 76 per cent of the portfolio. The main risk is underwriting risk which is mitigated by a scurpulous underwriting policy. Reinsurance programs are used to further mitigate these risks.

3.5.3 Capital requirement for Risk in the insurance business
Solvency is a measure of the insurance company's financial position and strength. The purpose is to show that the size of the company's capital buffer is large enough to fulfil its commitments to customers in accordance with the terms and guarantees in its insurance contracts. The insurance companies' capital buffer is designed to cover all types of risks. The solvency requirements in the insurance companies are calculated according to Solvency II. The capital base (Own Funds, OF) is calculated through a market valuation of the net of the insurance company's future cash flows, and capital requirement (Solvency Capital Requirement, SCR) by stressing OF in various scenarios. The solvency ratio is defined as OF divided by SCR. The capital base in Swedbank's Swedish insurance operations amounted to SEK 11 821m (10 262). This compares with the capital requirement of SEK 8 627m (6 683). The solvency ratio was 1.37 (1.54). The capital base in the Baltic life insurance operations amounted to SEK 2 423m (2 182). The solvency ratio was 1.79 (1.78). The capital base in the Baltic property and casualty insurance operations amounted to SEK 787m (625). The solvency ratio was 1.50 (1.50).

3.6 ESG risk

3.6.1 Definition
The risk of any current or prospective negative impact on the Group stemming from Environmental, Social or Governance ("ESG") factors. The impact can be indirect through the Group's counterparties and invested assets, or direct on the Group.

3.6.2 Risk management
ESG risk stems from direct or indirect exposure to ESG factors. Swedbank is primarily exposed to ESG factors indirectly through its customers' and counterparties' exposure to ESG factors, but also directly through its own operations. ESG risk materialises through existing risk types, e.g. as credit risk through the financial performance of Swedbank customers or strategic risk if Swedbank fails to seize business opportunities that arise from the transition to a more sustainable economy.

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

Methodologies to assess the financial materiality for individual institutions, i.e. establishing a clear and measurable link between ESG factors and credit risk, are still in an early stage of development. The European Banking Authority (EBA) has been mandated with developing common methodologies for ESG risk assessment. In the EBA report on ESG risk management and supervision a set of risk assessment methods are presented. These are: (i) the alignment method, which focuses on how aligned an institution's portfolio is with global sustainability targets, (ii) the exposure method, which focuses on how individual exposures and counterparties perform on ESG factors, and (iii) the risk framework method, which focuses on how sustainability related issues affect the risk profile of a bank's portfolio and its standard risk indicators and includes scenario analysis and stress testing. Swedbank has developed methods within all three categories.

3.6.2.1 The portfolio alignment method - Swedbank is measuring financed emissions and has set climate targets for the lending portfolio
The primary purpose of the climate targets is to contribute to combatting climate change by supporting our customers in their transition to more sustainable business models, but they also allow Swedbank to manage its exposure to ESG risk as they steer the lending portfolio towards activities that are aligned with limiting global warming to 1.5°C. Read more about Swedbank's climate targets on page 22.

3.6.2.2. The exposure method - The corporate customer ESG analysis
In the credit origination process, corporate customers are assessed from a sustainablity perspective to ensure that risks are sufficiently managed and that the operations of the customer are in line with Swedbank's values and policies. This assessment is now being complemented with the Corporate Customer ESG analysis tool which uses a quantifiable methodology to focus on the most material ESG factors for each sector. By providing industry- and customer-specific ESG scores, the new tool will enable Swedbank to manage ESG risks both on customer and portfolio levels.

The score is a result of (i) the identification of exposures to ESG factors (e.g., greenhouse gas emissions, energy efficiency, employee health and safety) in each sector based on the customer's primary economic activity, and (ii) the assessment of the customer's ESG management capability based on a management questionnaire. The assessment leads to an ESG score and a classification of corporate customers into high, medium and low ESG exposure.

The ESG Analysis tool was launched for Large corporates in January 2023 and for the remaining segments the tool was launched in October 2023.

3.6.2.3 Risk framework method – forward looking risk identification and assessment

Climate change, including changes made to meet the threat of climate risks may give rise to credit risk, especially in certain sectors. The table below shows the parts of lending to the public and credit institutions that present material climate-related risks exposures. The groups and sectors are aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD has identified industries that are more likely to be financially impacted due to their exposure to climate-related risks, including greenhouse gas emissions, energy use and water use. The industries are grouped into: Energy; Transportation; Materials and Buildings; and Agriculture, Food, and Forest Products. Swedbank also presents an additional group, Financial, which is predominantly exposed indirectly by assets in the groups.

The TCFD material groups are based on the industries' value chains which differs significantly from the Group's sector classifications, which are based on primary economic activity. The Group's sectors can be found in the table Loans to the public and credit institutions at amortised costs, carrying amount, section 3.1.6. Exposures to material TCFD groups amount to SEKm 597 031 (635 088), or 22 (22) per cent of Swedbank's maximum credit risk exposure as presented on page 92.

	Gross carrying amount			Gross carrying amount	
Material groups according to TCFD	**2023**	**2022**	**Sectors according to TCFD**	**2023**	**2022**
Financial	45 215	75 868	Credit institutions	25 024	56 600
			Insurance companies	1 671	55
			Asset owners and asset managers	18 520	19 213
Energy	20 877	25 270	Oil and gas	1 648	3 902
			Coal	0	0
			Utilities	19 229	21 368
Transportation	33 415	38 654	Air transport	313	292
			Shipping	8 478	11 651
			Rail transportation	969	991
			Heavy vehicles	16 294	17 481
			Automobiles	7 361	8 239
Agriculture, Food and Forest products	67 319	68 074	Agriculture	36 881	37 579
			Beverages, Packaged food and Meats	6 038	6 260
			Forestry	17 824	18 245
			Paper and forest products	6 576	5 990
Materials and Buildings	430 205	427 222	Metals & Mining	2 199	2 520
			Chemicals	7 309	12 945
			Construction materials (excl. wood)	3 118	3 301
			Capital goods	4 809	4 842
			Real Estate management and development	412 771	403 614
Total	**597 031**	**635 088**	**Total**	**597 031**	**635 088**

To better understand the implications of possible future developments Swedbank has carried out scenario analysis with the purpose of identifying both risks and opportunities.

Two different scenarios have been analysed: (i) the Sustainable Development Scenario (SDS <2°C temperature increase) and (ii) the Stated Policy Scenario (SPS ~ 3°C temperature increase), both from the International Energy Association (IEA).

The IEA global scenarios were used as a basis and then developed by the Group to account for regional and sector level conditions. A summary of the risks that were identified in the short, medium and long term are presented in the following table.

Short term (1–5 years)	Medium term (>5–15 years)	Long term (>15–25 years)
Risks		
• High investments in electrification, especially in the transport, energy and materials sectors in combination with technological uncertainty increase the transition risk. • Electricity prices increase spurred by high investment costs and the demand for green electricity outpacing supply. • The regulation agenda on energy efficiency drives lower demand for energy-intensive properties. This is negatively impacting net operating income and property values in exposed segments. • The reallocation of EU subsidies becomes a financial issue for agriculture. • Shifts in consumer preferences create challenges, notably for manufacturers and retailers. • Oil and gas asset values decline as investor risk appetite is reduced. This also leads to increased refinancing risk in the energy sector.	• Energy system investments and potential demand overshoot continue to put upward pressure on electricity prices. • The energy efficiency wave for buildings continues and results in further divides in value-developments between high and low efficiency buildings. • Major transformation of the agriculture sector into more sustainable farming methods creates financial pressure and a lower degree of resilience to financial stress. • New regulations on deforestation and restauration put pressure on the value of forest land, and potentially on profitability for logging and forest industry. • Adaptive measures to limit damage from acute and chronic weather events are needed to preserve property values and insurance coverage, which increases the financial burden. • Reputational risk if the bank's climate strategy is perceived as insufficient by stakeholders.	• More extreme weather events such as heat waves, more frequent forest fires and heavy precipitation lead to unusable land and infestations within the agricultural and forestry sector. • Sea level rise in flood-prone areas lead to price declines, loss of insurance and increased need for building protection and repairs in the real estate sector. • Energy inefficient buildings in low demand geographies become stranded assets. • Impacts from climate change on the global economy increase systemic risks in the financial system. • Businesses that did not capture the opportunities and did not manage the climate related risks early on, now perish and some become acquisition targets or stranded assets.

Conclusions from the scenario analysis

Climate-related risks are increasing in both scenarios but are likely to be contained given that they are carefully managed. The sustainable development scenario entails more transition risk in the short to medium term, while the stated policy scenario entails physical risks in the long term. The Group will closely manage these risks together with its customers while supporting them in their transition, and in this way build a sustainable lending portfolio. An extensive development work is ongoing both among companies and financial actors to enhance capabilities to manage climate-related risks. The corporate customer ESG analysis tool is an important step in the right direction for the Group and its customers.

Monitoring climate-related risks in the credit portfolio

Swedbank has implemented Key Risk Indicators (KRI) to monitor the lending exposure to corporate segments where significant transition risk has been identified. The identification and materiality assessment has mainly been made through the TCFD scenario exercises and supported by greenhouse gas emissions data. Consequently, Energy, Transportation and Materials and Buildings are in scope for this KRI.

3.7 Other risk types

In addition to the risk types described in 3.1–3.6, Swedbank's Risk Taxonomy also includes Capital risk, Strategic risk, Regulatory compliance risk, Conduct risk and Financial Crime risk.

3.7.1 Capital risk

Capital risk is defined as the risk that the Group has an insufficient level or composition of capital to cover applicable capital requirements and support its business activities under normal economic environments or stressed conditions.

3.7.2 Strategic risk

The risk arising from lack of responsiveness to changes in the business environment or lack of execution capabilities of strategic decisions, that might lead to failure in reaching the Group's strategic targets.

3.7.3 Regulatory compliance risk

Regulatory compliance risk is defined as the risk of failure by the Group to fulfil and meet all external and internal regulations applicable to the Group's licensed operations.

3.7.4 Conduct risk

Conduct risk is defined as the risk of failure to act in accordance with customers' best interests, fair market practices, data protection legislation and code of conduct.

3.7.5 Financial Crime risk

Financial Crime risk is defined as the risk of money laundering, terrorist financing, sanctions violations, bribery and corruption, and facilitation of client tax evasion.

G4 Capital

4.1 Internal capital assessment

4.1.1 Purpose

The Internal Capital Adequacy Assessment Process (ICAAP) is an exercise to test the resilience of the bank in periods of stress. Its purpose is to check and ensure that the Group is adequately capitalised to cover severe financial losses by the use of a forward looking capital adequacy assessment. Swedbank's capital need is evaluated based on its aggregate risk level, goals and business strategy.

Internal capital stress tests are used to ensure efficient use of capital and at the same time, even under adverse market conditions, to ensure that Swedbank meets legal minimum capital requirements and thereby maintains access to both domestic and international capital markets. Swedbank prepares and documents its own methods and processes to evaluate its capital requirement.

The results of the stress tests are considered in the capital planning process when calibrating the size of the management buffer above the regulatory requirements. This in turn affects capital allocation, product pricing and performance measurement of business segments. Failure to meet the internal targets for capital adequacy under stress could result in issuance of additional capital, adjustment of internal controls and risk mitigation measures. Furthermore it could also lead to reassessment of exposure limits within business areas and review of the long-term strategy of the bank.

4.1.2 Risk coverage

The internal capital adequacy assessment takes into account all relevant risks that arise within the Group. In addition to Pillar 1 risks, other types of risk are also assessed and evaluated. Additionally, there are risk categories that receive no explicit capital allocation but are nevertheless closely monitored e.g. liquidity risk and strategic risk. Significant risks identified within the Group include:

Risk types according to the ICAAP process

Risk type	Pillar 1	Pillar 2
	Capital is allocated?	Contributes to calculated capital requirement?
Credit risk	Yes	Yes
Concentration risk	No	Yes
Market risk	Yes	Yes
Market risk: Interest risk in banking book	No	Yes
Operational risk	Yes	Yes
Risk in the insurance business	Yes[1]	Yes[2]
Risk in post-employment benefits	No	Yes

No specific capital is allocated		Identified and mitigated?
Reputational risk	No	Yes[3]
Liquidity risk	No	ILAAP[4]
Strategic risk	No	Yes[5]

1) Holdings in insurance companies are risk weighted at 250%.
2) The insurance companies in Swedbank Group perform an Own Risk and Solvency Assessment (ORSA). The aim of this process is to make a qualitative and quantitative assessment of risks and the solvency position over a business planning period of three years. The calculations are performed by projecting the risk metrics under the base and adverse scenarios. Depending on the outcome of the ORSAs, Swedbank might choose to set aside capital within its Economic Capital framework.
3) Reputational risk is considered as part of the Operational risk in the ICAAP context. The Scenario Simulation parameters can be adjusted to reflect reputational risk.
4) Liquidity risks are assessed annually in the Internal Liquidity Adequacy Assessment Process (ILAAP).
5) Strategic risks are covered within the scope of the management buffer as part of the normal capital planning process. Economic Capital and adverse Scenario Simulation calculations can be adjusted to reflect a forward-looking perspective.

4.1.3 ICAAP 2023

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

The Group-wide stress test methodology takes its starting point in the identification of macroeconomic, systemic and geopolitical risks that may have an adverse impact on Swedbank's capital position. The identified risks are transformed into quantitative effects on key macroeconomic variables to build macroeconomic scenarios. The scenarios include variables for Swedbank's four home markets and can thereby be used both on a Group level and for the subsidiaries. When stressing credit risk, Swedbank uses statistical models that transform the adverse macroeconomic scenarios into loss levels for relevant balance sheet items. Profit and loss items such as net interest income and fees and commissions are also stressed in the scenario. After REA changes are accounted for, the total impact on capital adequacy is estimated. Finally, the stress test outcomes and the methodology are evaluated and discussed by Swedbank's experts and management to ensure consistency and reliability. The scenarios are presented to the Board of Directors for approval along with an assessment of the effects on the main risk types.

Stress testing exercises carried out by Swedbank in the ICAAP 2023 show that the bank has the ability to withstand severe macro economic downturns while maintaining capital in excess of regulatory requirements. Swedbank's strong asset quality, income statement and capital situation are the key factors behind this conclusion.

4.1.4 Internal capital requirement

The scenario-based simulations and stress tests performed under normative perspective are complemented by calculation of the capital requirement using internal methods under the Economic Capital perspective.

Within the EC framework, credit risk, market risk, operational risk and post-employment risk are considered, while insurance risk and business risk are evaluated separately. The business risk is assessed through stress tests performed in the ICAAP. If the stress test outcome indicates additional capital need, the EC could be increased accordingly. The insurance companies within Swedbank Group perform an annual Own Risk and Solvency Assessment (ORSA). The ORSA process assesses the risks and solvency positions by projecting the risk metrics under the base and adverse scenarios. Similar to business risk, if the outcome of the ORSA reveals a solvency need for the insurance companies, the EC could be increased accordingly.

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

4.1.5 EC models by risk type

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

The operational loss model is a statistical and mathematical approach based on extreme value theory where historical operational loss data is used. The model has been developed primarily using internal loss data and is complemented with scenario information to capture areas where additional input is required beyond loss data.

The EC for market risk is primarily driven by interest rate risk in the banking book (IRRBB), where an economic value methodology is used.

For risk stemming from the trading operations, Swedbank's internal assessment is in line with the view of market risk within Pillar 1. The main difference is that Swedbank uses a standardised approach to calculate specific interest rate risk in Pillar 1, while an internal model is applied within the EC framework. In addition to market risk in the banking and trading books, the EC assessment also accounts for CVA risk.

Post-employment benefit risk is the final risk type captured within the EC framework. The methodology for calculating post-employment benefit risk is based on the current post-employment benefit plans, where the underlying market risk factors are stressed to evaluate the capital requirement for post-employment benefit risks under stressed conditions.

As of 31st December 2023, the total economic capital demand for Swedbank CS amounted to SEK 50.5bn (41.6bn). The capital supply that meets the internal capital requirement, i.e. the Common Equity Tier 1 capital, amounted to SEK 160.7bn.

4.2 Capital adequacy analysis

The capital adequacy regulation is the legislator's requirement of how much capital, designated as the own funds, a bank must have in relation to the size of the risks it faces. The rules strengthen the connection between risk taking and required capital in the Group's operations. Swedbank's legal requirement is based on the European Parliament's and the Council's regulation (EU) No 575/2013 on prudential requirements for credit institutions. In the consolidated situation the Group's insurance companies are accounted for 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 accounted for with the equity method. Otherwise, the same principles for consolidations are applied as for the Group.

The note contains the information that must be published according to the SFSA's regulation (FFFS 2008:25). Additional periodic information according to the European Parliament's and the Council's regulation (EU) No 575/2013 on prudential requirements for credit institutions and the Commission's implementing regulation EU) No 2021/637 can be found on Swedbank's website at https://www.swedbank.com/investor-relations/reports-and-presentations/risk-reports.html.

Consolidated situation	2023	2022
Available own funds		
Common equity tier 1 (CET1) capital	160 659	144 107
Tier 1 capital	174 848	153 320
Total capital	195 648	176 331
Risk-weighted exposure amounts		
Total risk exposure amount	847 121	809 438
Capital ratios as a percentage of risk-weighted exposure amount		
Common equity tier 1 ratio	19.0	17.8
Tier 1 ratio	20.6	18.9
Total capital ratio	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	2.3
of which: to be made up of CET1 capital	1.8	1.5
of which: to be made up of Tier 1 capital	2.1	1.8
Total SREP own funds requirements	10.7	10.3
Combined buffer and overall capital requirement as a percentage of risk-weighted exposure amount		
Capital conservation buffer	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	0.9
Systemic risk buffer	3.1	3.0
Global Systemically Important Institution buffer		
Other Systemically Important Institution buffer	1.0	1.0
Combined buffer requirement	8.3	7.4
Overall capital requirements	19.0	17.7
CET1 available after meeting the total SREP own funds requirements	12.4	11.2

Consolidated situation	2023	2022
Leverage ratio		
Total exposure measure	2 689 307	2 735 019
Leverage ratio, %	6.5	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
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
Liquidity coverage ratio		
Total high-quality liquid assets, average weighted value	709 683	716 743
Cash outflows, total weighted value	579 469	578 133
Cash inflows, total weighted value	128 771	80 684
Total net cash outflows, adjusted value	450 698	497 449
Liquidity coverage ratio, %	159.1	145.4
Net stable funding ratio		
Total available stable funding	1 720 299	1 663 231
Total required stable funding	1 390 353	1 404 092
Net stable funding ratio, %	123.7	118.5

Common equity tier 1 capital	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	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	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 requirements[1]	**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
Total 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 requirements[1]	**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 leverage ratio 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.

Since the 30th of January 2017, Swedbank must also comply with a capital requirement at the financial conglomerate level in accordance with the Special Supervision of Financial Conglomerates Act (2006:531), see capital adequacy for the financial conglomerate below.

	Finarcial conglomerate	
Capital adequacy for the financial conglomerate[1]	**2023**	**2022**
Own funds after adjustments and deductions	205 732	187 456
Capital requirement	174 210	158 531
Surplus	31 522	28 924
Financial conglomerate solvency ratio	118.1	118.2

1) The own funds and capital requirement for the financial conglomerate are calculated according to the accounting consolidation method in the Special Supervision of Financial Conglomerates Act (2006:531).

G5 Operating segments

2023	Swedish Banking	Baltic Banking	Corporates & Institutions	Group Functions & Other	Elimination	Total
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
Net insurance	561	901			65	1 527
Share of the profit or loss of associates and joint ventures	836		−12	−21		803
Other income	129	136	280	3 260	−2 037	1 769
Total income	**36 643**	**23 352**	**14 953**	**19**	**−1 911**	**73 057**
of which internal income		49		1 862	−1 911	
Staff costs	2 823	1 973	1 644	7 012	−16	13 436
Variable staff costs	59	106	100	244		509
Other general administrative expenses	7 784	3 224	3 037	−4 802	−1 895	7 349
Depreciation/amortisation of tangible and intangible assets	18	174	23	1 705		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 impairments	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 year	**19 174**	**12 574**	**6 995**	**−4 613**		**34 130**
Profit for the year 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
Service concepts	1 066	275	291	−19		1 613
Asset Management and custody	7 277	616	1 903	−3	−329	9 464
Life insurance	258	19	38	1		317
Securities	201	44	394	12	−9	642
Corporate Finance		0	40			40
Lending	32	238	977	7	−8	1 247
Guarantee	15	90	90	16	−16	195
Deposits	11	165	7	−0	−0	182
Real estate brokerage	159					159
Non-life Insurance	70	1	−0	1		72
Other	85	30	135	8		258
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**

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. Group Executive Management expenses are not distributed. 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 Group's internal Capital Adequacy Assessment Process (ICAAP). The return on allocated equity for the operating segments is calculated based on profit for the year attributable to the shareholders for the operating segment, in relation to average monthly allocated equity for the operating segment. Swedish Banking, Swedbank's dominant operating segment, is responsible for all Swedish customers except for midsize corporates, large corporates and financial institutions. The operating segment's services are sold through Swedbank's own branch network, the customer center, the Internet Bank and the distribution network of the independent savings banks. The operating segment also includes a number of subsidiaries. Baltic Banking operates in Estonia, Latvia and Lithuania. Its services are sold through its own branch network, the Customer center and digital channels.

The effects of Swedbank's ownership interests in the Baltic operation are also reported in Baltic Banking in the form of financing costs, Group goodwill and Group amortisation on surplus values in deposit portfolios identified at the time of acquisition in 2005. Corporates & Institutions is responsible for midsize corporates, large corporates, financial institutions and banks as well as for trading and capital market products. Operations are carried out in Sweden, Norway, Finland, US and China, and through the trading and capital market operation in Estonia, Latvia and Lithuania. The Group Functions operate across the business areas and serve as strategic and administrative support for them. Group Functions and other are Group Products & Advice, Group Channels & Technologies, CFO Office (including Group Treasury), Group Risk, Group Compliance, Group Credit, Group Communication & Sustainability, Group HR & Infrastructure, Group Legal, the Group Executive Committee and Internal Audit.

2023 Balance sheet	Swedish Banking	Baltic Banking	Corporates & Institutions	Group Functions & Other	Elimination	Total
Cash and balances with central banks	13	3 827	1 941	247 222	–9	252 994
Loans to credit institutions	5 744	794	123 339	277 374	–339 718	67 534
Loans to the public	1 069 201	254 856	509 829	30 678	–1 189	1 863 375
Interest-bearing securities		1 822	59 052	181 812	–5 226	237 460
Financial assets for which customers bear inv. risk	317 758	2 037				319 795
Investments in associates and joint ventures	6 111			2 164		8 275
Derivatives		355	130 962	94 457	–186 210	39 563
Tangible assets and intangible assets	2 030	12 466	–65	11 552		25 983
Other assets	22 619	143 273	8 819	277 991	–412 163	40 539
Total assets	**1 423 476**	**419 430**	**833 877**	**1 123 250**	**–944 514**	**2 855 519**
Amounts owed to credit institutions	7 315	123	331 333	62 015	–328 731	72 054
Deposits and borrowings from the public	605 706	383 365	252 801	2 662	–10 272	1 234 262
Debt securities in issue	–30	1 675	1 907	730 783	–5 787	728 548
Financial liabilities for which customers bear inv. risk	318 546	2 062				320 609
Derivatives		358	139 607	119 664	–186 176	73 453
Other liabilities	427 374	0	61 536	14 802	–413 548	90 164
Senior non-preferred liabilities			–81	104 909	0	104 828
Subordinated liabilities			–12	32 854		32 841
Total liabilities	**1 358 911**	**387 583**	**787 090**	**1 067 689**	**–944 514**	**2 656 759**
Allocated equity	64 565	31 846	46 787	55 561		198 760
Total liabilities and equity	**1 423 476**	**419 430**	**833 877**	**1 123 250**	**–944 514**	**2 855 519**
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[1], %	0,10	0,03	0,09	0,06		0,09
Loans/deposits, %	177	67	191	26		145
Loans to the public, stage 3, SEKbn	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

2022[1]	Swedish Banking	Baltic Banking	Corporates & Institutions	Group Functions & Other	Elimination	Total
Income statement						
Net interest income[1]	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
Net insurance	660	−185			55	529
Share of the profit or loss of associates and joint ventures	780		−5	−37		738
Other income	130	109	274	2 459	−1 412	1 560
Total income	**28 582**	**11 719**	**11 527**	**1 528**	**−1 329**	**52 028**
of which internal income		44		1 285	−1 329	
Staff costs	2 721	1 612	1 580	6 585	−14	12 484
Variable staff costs	35	62	107	143	−0	347
Other general administrative expenses	6 857	2 444	3 066	−4 761	−1 315	6 291
Depreciation/amortisation of tangible and intangible assets	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**	**−1 907**		**31 210**
Impairment of intangible assets			181	944		1 125
Impairment of tangible assets		13				13
Credit impairments	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 year	**13 815**	**5 689**	**4 470**	**−2 606**		**21 368**
Profit for the year 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
Service concepts	935	209	324	−19	0	1 450
Asset Management and custody	6 840	534	1 630	−15	−291	8 698
Life insurance	273	20	35	1	0	330
Securities	207	45	368	22	−8	633
Corporate Finance	0	3	72	0	0	74
Lending	112	206	948	4	−7	1 263
Guarantee	17	75	95	1	0	189
Deposits	13	136	6	0	0	155
Real estate brokerage	188	0	0	0	0	188
Non-life Insurance	70	1	0	2	0	73
Other	176	27	121	3	0	327
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**

1) Comparative figures have been restated due to the reorganisation as per 1 May 2023 and due to adoption of IFRS 17. For more information see G2 and G57.

2022[1] Balance sheet	Swedish Banking	Baltic Banking	Corporates & Institutions	Group Functions & Other	Elimination	Total
Cash and balances with central banks	1 344	3 714	2 008	360 206	−1 281	365 992
Loans to credit institutions	5 591	267	111 689	313 777	−374 735	56 589
Loans to the public	1 101 354	236 410	494 845	10 891	−689	1 842 811
Interest-bearing securities	236	1 644	46 531	165 155	−785	212 780
Financial assets for which customers bear inv. risk	266 391	2 203				268 594
Investments in associates and joint ventures	5 615			2 215		7 830
Derivatives	0	533	180 058	137 949	−268 036	50 504
Tangible assets and intangible assets	2 048	12 521	−84	10 850	0	25 335
Other assets	22 081	151 895	8 639	287 316	−445 719	24 211
Total assets	**1 404 659**	**409 187**	**843 684**	**1 288 359**	**−1 091 244**	**2 854 646**
Amounts owed to credit institutions	6 783	193	305 848	79 699	−319 697	72 826
Deposits and borrowings from the public	646 743	375 684	290 311	2 126	−8 915	1 305 948
Debt securities in issue	−4	2 053	2 996	780 733	−1 572	784 206
Financial liabilities for which customers bear inv. risk	266 663	2 229				268 892
Derivatives		550	191 409	144 676	−267 956	68 679
Other liabilities	420 515	0	9 946	151 915	−493 104	89 272
Senior non-preferred liabililties				57 439		57 439
Subordinated liabilities			−0	31 331	−0	31 331
Total liabilities	**1 340 700**	**380 710**	**800 510**	**1 247 919**	**−1 091 244**	**2 678 594**
Allocated equity	63 959	28 478	43 174	40 440		176 052
Total liabilities and equity	**1 404 659**	**409 187**	**843 684**	**1 288 359**	**−1 091 244**	**2 854 646**
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
Loans/deposits, %	170	63	168	35		139
Loans to the public, stage 3, SEKbn	2	1	2	0		6
Loans to customers, total, SEKbn	1 101	236	460	1		1 799
Provisions for loans to customers, total, SEKbn	2	1	2	0		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 adoption of IFRS 17. For more information see G2 and G57.

Restatement of comparative figures

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 below and G2 and G57

Changes between previous and new reporting per operating segments, 2022

	Swedish Banking		Baltic Banking		Corporates and Institutions		Group Functions and Other		Eliminations		Group	
SEKm	**IFRS 17**	**Reorg**	**IFRS 17**	**Reorg**	**IFRS 17**	**Reorg**	**IFRS 17**	**Reorg**	**IFRS 17**	**Reorg**	**IFRS 17**	**Reorg**
Net interest income		−2 441	−11	14		2 503		−76			−11	
Net commission income	−25	−313	−68			288	−14	26	−2		−109	
Net gains and losses on financial items	19	−142	34			148		−6			53	
Other income	−248	−9	−933			−42		51	55		−1 127	
Total income	**−254**	**−2 906**	**−978**	**14**		**2 897**	**−14**	**−5**	**52**		**−1 193**	
Staff costs	−82	−474	−234	−0		33	−99	441			−415	
Variable staff costs		−7	−0	−0		0		7			−0	
Other expenses	−216	−472	−104	−0		620	86	−147	52		−183	
Depreciation/amortisation		−0		0		−98		98				
Total expenses	**−299**	**−953**	**−338**	**−0**		**555**	**−14**	**398**	**52**		**−598**	
Profit before impairments, bank taxes and resolution fees	**45**	**−1 952**	**−640**	**14**		**2 342**		**−403**			**−595**	
Credit impairments		−268				268						
Bank taxes and resolution fees		−73				73						
Profit before tax	**45**	**−1 612**	**−640**	**14**		**2 001**		**−403**			**−595**	
Tax expenses	5	−335	−88	2		421		−88			−83	
Profit for the year	**40**	**−1 277**	**−552**	**12**		**1 580**	**0**	**−316**			**−512**	
SEKbn												
Cash and balances with central banks		−1 362				1 787		−425				
Loans to credit institutions		833				−1 340		507				
Loans to the public		−173 447				173 447						
Financial assets for which customers bear the investment risk	−16 932		−5 152								−22 084	
Tangible and intangible assets		−0				−712		712				
Other assets	16 934	−31	−265			−120		−556	5 185	707	21 854	
Total assets	**2**	**−174 008**	**−5 416**			**173 063**		**238**	**5 185**	**707**	**−230**	
Amounts owed to credit institutions		−23 150				23 150		0				
Deposits and borrowings from the public		−78 896				78 896						
Financial liabilities for which customers bear the investment risk	−17 684		−5 417								−23 100	
Derivatives						30				−30		
Other liabilities	17 697	−64 025	0			63 644		−356	5 185	737	22 882	
Total liabilities	**13**	**−166 071**	**−5 416**			**165 720**		**−356**	**5 185**	**707**	**−218**	
Allocated equity	**−12**	**−7 937**				**7 343**		**594**			**−12**	
Total liabilities and equity	**2**	**−174 008**	**−5 416**			**173 063**		**238**	**5 185**	**707**	**−230**	
Return on allocated equity, %	0,0	0,3	−2,0	0,0		2,6	0,0	−0,8	0,0		0,0	
Cost/income ratio	−0,01	0,00	0,00	−0,00		−0,07	0,01	0,27			0,00	
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		−6,9				6,3		0,6				

G6 Products

2023	Financing	Savings & Investments	Payments & Cards	Trading & Capital markets	Other	Total
Net interest income	21 826	10 201	21 144	152	−2 390	50 933
Net commission income	1 689	6 762	6 752	1 199	−1 315	15 088
Net gains and losses on financial items	59	144	−21	1 863	892	2 938
Share of the profit or loss of associates and joint ventures	0	0	123	0	680	803
Other income	237	1 426	209	1	1 423	3 295
Total income	**23 811**	**18 534**	**28 207**	**3 215**	**−710**	**73 057**

2022 1)	Financing	Savings & Investments	Payments & Cards	Trading & Capital markets	Other	Total
Net interest income	22 883	4 604	6 883	−1	−1 203	33 146
Net commission income	1 207	6 580	5 737	546	44	14 114
Net gains and losses on financial items	18	-32	−19	1 242	730	1 940
Share of the profit or loss of associates and joint ventures			378		360	738
Other income	19	1 426	327	40	278	2 090
Total income	**24 108**	**12 578**	**13 306**	**1 826**	**210**	**53 028**

1) Presentation has been changed due to IFRS 17. See note G2 and G57.

In the product area report income from Sweden, Baltics and Norway has been distributed among five principal product areas. Income from other countries are included in Other. The Group does not have a single customer which accounts for more than 10 per cent of its total income.

Financing
private residential lending
consumer financing
corporate lending
leasing
other financing products
trade finance
factoring

Savings & Investments
savings accounts
mutual funds and insurance savings
pension savings
institutional asset management
other savings and investment products

Payments & Cards
current accounts (incl. cash management)
cash handling
domestic payments
international payments
mobile payments
document payments
debit cards
credit cards (incl. EnterCard)
card acquiring
other payment products

Trading & Capital Market Products
equity trading
structured products
corporate finance
custody services
fixed income trading
currency trading
other capital market products

Other
administrative services
treasury operations
real estate brokerage
real estate management
legal services
safe deposit boxes
other

G7 Geographical distribution

The geographical distribution is based on where the business is primarily carried out and is not comparable to the operating segment reporting. In the geographical distribution, intangible assets, mainly goodwill related to acquisitions, have been allocated to the country where the operations were acquired. The column Other includes operations in Finland, Denmark, Luxembourg and China. A more detailed country distribution is provided on Swedbank's website.

2023	Sweden	Estonia	Latvia	Lithuania	Norway	USA	Other	Eliminations	Total
Income statement									
Net interest income	32 838	6 080	3 544	6 809	964	184	435	80	50 933
Net commission income	11 164	906	1 050	1 379	383	33	241	−70	15 088
Net gains and losses on financial items	2 181	187	158	292	67	3	50	−0	2 938
Net insurance income	601	480	151	281				12	1 527
Share of the profit or loss of associates and joint ventures	696	2			35		70		803
Other income	2 807	865	375	646	139		42	−3 106	1 769
Total income	**50 287**	**8 520**	**5 278**	**9 408**	**1 588**	**220**	**839**	**−3 083**	**73 057**
Staff costs	9 512	1 460	876	1 155	259	39	135		13 436
Variable staff costs	331	66	42	53	11		6		509
Other general administrative expenses	6 869	1 097	895	1 209	209	−21	175	−3 083	7 349
Depreciation/amortisation of tangible and intangible assets	1 545	113	56	103	72	5	26		1 920
Administrative fines	850		37						887
Total expenses	**19 106**	**2 736**	**1 905**	**2 521**	**550**	**24**	**341**	**−3 083**	**24 100**
Profit before impairments, bank taxes and resolution fees	**31 181**	**5 784**	**3 373**	**6 887**	**1 038**	**196**	**498**		**48 957**
Impairment of intangible assets	53				23		4		81
Impairment of tangible assets	0		0	6					7
Credit impairment	2 327	−31	82	34	−654	−0	−85		1 674
Bank taxes and resolution fees	1 933	38	37	1 542	17		6		3 574
Profit before tax	**26 867**	**5 777**	**3 253**	**5 305**	**1 651**	**197**	**572**		**43 622**
Tax expense	5 737	1 592	645	1 008	448	−36	98		9 492
of which current tax	4 223	826	684	961	452	43	100		7 289
of which paid tax	3 970	761	108	498		1	105		5 443
Profit for the year	**21 130**	**4 185**	**2 608**	**4 297**	**1 204**	**232**	**474**		**34 130**
Profit for the year attributable to:									
Shareholders of Swedbank AB	**21 128**	**4 185**	**2 608**	**4 297**	**1 204**	**232**	**474**		**34 128**
Non-controlling interests	2								2

2023	Sweden	Estonia	Latvia	Lithuania	Norway	USA	Other	Eliminations	Total
Balance sheet									
Cash and balances with central banks	21 930	34 352	39 672	62 423	1 912	37 900	54 805		252 994
Loans to credit institutions	310 152	9 272	16 720	34 231	56 601	106 474	2 739	−468 656	67 534
Loans to the public	1 534 206	114 096	46 888	94 542	52 357	1 851	21 727	−2 290	1 863 375
Value change of the hedged assets in portfolio hedges of interest rate risk	−8 489								−8 489
Interest-bearing securities	227 803	2 462	1 988	13 145	95	2 252	310	−10 595	237 460
Financial assets for which the customers bear the investment risk	317 758	604	985	448					319 795
Investments in associates and joint ventures	7 654	24			375		222		8 275
Derivatives	39 583	216	78	163	92		2	−570	39 563
Tangible assets and intangible assets	12 792	5 120	2 804	4 915	259	26	66		25 983
Other assets	40 393	1 767	1 651	5 275	64	912	3 135	−4 169	49 028
Total assets	**2 503 781**	**167 913**	**110 785**	**215 143**	**111 755**	**149 414**	**83 007**	**−486 280**	**2 855 519**
Amounts owed to credit institutions	291 073	188	79	38	105 559	37 593	77 669	−440 143	72 054
Deposits and borrowings from the public	852 552	130 606	83 917	168 514	592		804	−2 724	1 234 262
Value change of the hedged liabilities in portfolio hedges of interest rate risk	209								209
Debt securities in issue	628 509	2				110 632		−10 595	728 548
Financial liabilities for which the customers bear the investment risk	318 546	606	991	465					320 609
Derivatives	73 377	239	115	169	91		5	−542	73 453
Other liabilities	43 424	23 921	17 964	27 575	736	91	2 035	−25 794	89 954
Senior non-preferred liabililties	104 828								104 828
Subordinated liabilities	32 841			6 482				−6 482	32 841
Total liabilities	**2 345 360**	**155 562**	**103 066**	**203 243**	**106 979**	**148 316**	**80 514**	**−486 280**	**2 656 759**
Allocated equity	158 421	12 351	7 719	11 900	4 776	1 098	2 493		198 760
Total liabilities and equity	**2 503 781**	**167 913**	**110 785**	**215 143**	**111 755**	**149 414**	**83 007**	**−486 280**	**2 855 519**

2022[1]	Sweden	Estonia	Latvia	Lithuania	Norway	USA	Other	Eliminations	Total
Income statement									
Net interest income	24 873	2 985	1 486	2 320	895	154	405	28	33 146
Net commission income	10 439	841	917	1 201	428	41	269	−21	14 114
Net gains and losses on financial items	1 766	68	16	100	48	−10	−48		1 940
Net insurance income	697	−166	29	−40				10	529
Share of the profit or loss of associates and joint ventures	580	3			107		48		738
Other income	2 400	648	297	520	145		35	−2 485	1 560
Total income	**40 756**	**4 378**	**2 746**	**4 100**	**1 623**	**185**	**708**	**−2 469**	**52 028**
Staff costs	9 125	1 210	710	921	335	36	148		12 484
Variable staff costs	232	37	23	28	10	1	16		347
Other general administrative expenses	5 860	838	667	937	276	−8	191	−2 469	6 291
Depreciation/amortisation of tangible and intangible assets	1 328	106	49	93	86	5	27		1 695
Total expenses	**16 545**	**2 191**	**1 448**	**1 979**	**707**	**34**	**381**	**−2 469**	**20 817**
Profit before impairments, bank taxes and resolution fees	**24 210**	**2 187**	**1 297**	**2 121**	**916**	**152**	**327**		**31 211**
Impairment of intangible assets	944				181				1 125
Impairment of tangible assets		9	3						13
Credit impairment	1 527	178	27	200	−579		127		1 479
Bank taxes and resolution fees	1 677	42	44	44	20	0	5		1 831
Profit before tax	**20 063**	**1 959**	**1 223**	**1 877**	**1 294**	**152**	**195**		**26 763**
Tax expense	4 076	273	244	391	343	34	35		5 396
of which current tax	4 979	349	32	403	337	39	28		6 167
of which paid tax	3 938	315	28	168		1	87		4 537
Profit for the year	**15 987**	**1 686**	**979**	**1 487**	**951**	**117**	**160**		**21 368**
Profit for the year attributable to:									
Shareholders of Swedbank AB	**15 985**	**1 686**	**979**	**1 487**	**951**	**117**	**160**		**21 365**
Non-controlling interests	3								3

2022[1]	Sweden	Estonia	Latvia	Lithuania	Norway	USA	Other	Eliminations	Total
Balance sheet									
Cash and balances with central banks	164 399	31 587	27 852	91 239	1 994	28 717	20 204		365 992
Loans to credit institutions	227 950	11 658	23 009	5 890	29 889	82 208	3 638	−327 653	56 589
Loans to the public	1 515 209	107 033	44 376	85 574	65 787	2 382	24 623	−2 172	1 842 811
Value change of the hedged assets in portfolio hedges of interest rate risk	−20 369	0							−20 369
Interest-bearing securities	198 672	2 823	2 261	13 894	3 546	1 973	266	−10 654	212 780
Financial assets for which the customers bear the investment risk	266 391	873	893	437					268 594
Investments in associates and joint ventures	7 050	22			545		213		7 830
Derivatives	50 439	317	67	265	472		5	−1 061	50 504
Tangible assets and intangible assets	11 969	5 115	2 808	4 986	360	31	66		25 335
Other assets	35 839	1 983	985	4 512	1 283	952	4 705	−5 679	44 580
Total assets	**2 457 548**	**161 412**	**102 251**	**206 796**	**103 875**	**116 263**	**53 719**	**−347 219**	**2 854 646**
Amounts owed to credit institutions	206 807	254	24	11 036	93 373	29 120	45 556	−313 345	72 826
Deposits and borrowings from the public	927 501	129 161	79 905	166 422	3 315		3 299	−3 656	1 305 948
Debt securities in issue	708 993	2				85 864		−10 654	784 206
Financial liabilities for which the customers bear the investment risk	266 663	874	901	454					268 892
Derivatives	68 478	326	79	279	472		20	−975	68 679
Other liabilities	53 177	19 473	14 120	13 715	803	184	1 720	−13 920	89 272
Senior non-preferred liabilities	57 439								57 439
Subordinated liabilities	31 331			4 670				−4 670	31 331
Total liabilities	**2 320 390**	**150 091**	**95 030**	**196 576**	**97 963**	**115 168**	**50 596**	**−347 219**	**2 678 594**
Allocated equity	137 158	11 321	7 222	10 221	5 912	1 095	3 124		176 052
Total liabilities and equity	**2 457 548**	**161 412**	**102 251**	**206 796**	**103 875**	**116 263**	**53 719**	**−347 219**	**2 854 646**

1) Comparative figures have been restated due to the adoption of IFRS 17. For more information see note G2 and note G57.

G8 Net interest income

	2023			2022[1]		
	Amortised cost	Fair value through profit or loss	Total	Amortised cost	Fair value through profit or loss	Total
Assets						
Cash and balances with central banks	15 352		15 352	3 272		3 272
Treasury bills and other bills eligible for refinancing with central banks, etc.	8 259	465	8 724	852	319	1 171
Loans to credit institutions	1 655	1 679	3 334	705	65	770
Loans to the public	76 416	4 018	80 434	40 168	718	40 886
Interest-bearing securities	0	1 729	1 729		931	931
Total interest-bearing instruments	**101 682**	**7 892**	**109 573**	**44 999**	**2 031**	**47 030**
Derivatives[2]		−903	−903		463	463
Other assets	77	−2	74	4	2	6
Total	**101 758**	**6 985**	**108 744**	**45 003**	**2 496**	**47 499**
Transfer of trading-related interests reported within Net gains and losses on financial items			−6 372			−2 211
Interest income			**102 372**			**45 287**
Liabilities						
Amounts owed to credit institutions	4 766	1 534	6 301	1 109	139	1 248
Deposits and borrowings from the public	24 314	2 029	26 344	4 726	355	5 081
of which deposit guarantee fees	610		610	496		496
Debt securities in issue	26 916	11	26 927	10 591	11	10 602
Senior non-preferred liabilities	2 472		2 472	659		659
Subordinated liabilities	1 807		1 807	911		911
Total interest-bearing instruments	**60 276**	**3 575**	**63 851**	**17 996**	**505**	**18 501**
Derivatives[2]		−5 044	−5 044		−5 306	−5 306
Other liabilities	76	6	82	58		58
of which lease liabilities	64		64	44		44
Total	**60 352**	**−1 463**	**58 889**	**18 052**	**−4 799**	**13 253**
Transfer of trading-related interests reported in Net gains and losses on financial items			−7 450			−1 112
Interest expense			**51 438**			**12 141**
Net interest income			**50 933**			**33 146**
Interest income on stage 3 loans			222			142
Negative yield on financial assets			2			830
Negative yield on financial liabilities			12			728

1) Presentation has been changed due to IFRS 17. See note G2 and G57.
2) The derivatives lines includes net interest income from derivatives hedging assets and liabilities in the balance sheet. These may have both positive and negative impact on interest income and interest expense.

	Average annual interest rate, %		Average balance	
Interest rates on selected balance sheet items	**2023**	**2022**	**2023**	**2022**
Assets				
Cash and balances with central banks	3,92	0,62	391 543	529 037
Treasury bills and other bills eligible for refinancing with central banks, etc.	3,35	0,81	260 096	144 794
Loans to credit institutions	5,09	1,19	65 490	64 496
Loans to the public	4,33	2,27	1 859 316	1 799 150
Interest-bearing securities	2,74	1,23	63 029	75 467
Total interest-bearing instruments	**4,15**	**1,80**	**2 639 474**	**2 612 944**
Derivatives			45 574	56 018
Other assets			384 166	351 485
Total	**3,54**	**1,57**	**3 069 215**	**3 020 448**
Liabilities				
Amounts owed to credit institutions	4,77	0,80	132 206	155 529
Deposits and borrowings from the public	1,97	0,38	1 334 072	1 353 980
Debt securities in issue	3,21	1,27	839 473	836 868
Senior non-preferred liabilities	2,93	1,34	84 503	49 208
Subordinated liabilities	5,05	3,17	35 787	28 731
Total interest-bearing instruments	**2,63**	**0,76**	**2 426 041**	**2 424 316**
Derivatives			54 477	51 927
Other liabilities			402 661	379 241
Total	**2,04**	**0,46**	**2 883 179**	**2 855 484**
Net investment margin before trading-related interests are deducted	1,62	1,13		

G9 Net commission income

2023	Commission income			Commission expense	Net commission income
	Over time	Point in time	Total		
Payment processing	573	1 916	2 489	−1 594	895
Cards	665	6 477	7 142	−3 381	3 761
Service concepts	1 613		1 613	−180	1 434
Asset management and custody	9 196	268	9 464	−2 503	6 961
Life insurance	311	6	317	−295	22
Securities	43	599	642	−379	263
Corporate finance		40	40		40
Lending	1 035	212	1 247	−143	1 103
Guarantee	187	8	195		195
Deposits	156	26	182		182
Real estate brokerage	159		159		159
Non-life insurance	72		72		72
Other	190	68	258	−257	1
Total	**14 199**	**9 621**	**23 820**	**−8 732**	**15 088**

2022[1]	Commission income			Commission expense	Net commission income
	Over time	Point in time	Total		
Payment processing	422	1 757	2 179	−1 358	821
Cards	663	5 981	6 644	−3 332	3 312
Service concepts	1 450		1 450	−178	1 272
Asset management and custody	8 632	66	8 698	−2 167	6 531
Life insurance	325	5	330	−280	50
Securities	45	589	634	−352	282
Corporate finance		74	74		74
Lending	886	377	1 263	−159	1 104
Guarantee	180	9	189		189
Deposits	130	25	155		155
Real estate brokerage		188	188		188
Non-life insurance	73		73		73
Other	247	79	326	−263	63
Total	**13 053**	**9 150**	**22 203**	**−8 089**	**14 114**

1) Comparative figures have been restated due to the adoption of IFRS 17. For more information see note G2 and note G57.

G10 Net gains and losses on financial items

	2023	2022[1]
Fair value through profit or loss		
Trading		
Shares and share related derivatives	135	521
of which dividend	132	104
Interest-bearing securities and interest related derivatives	1 564	−1 049
Other financial instruments	0	−1
Total	**1 699**	**−529**
Other		
Shares	118	184
of which dividend	42	17
Interest-bearing securities	466	−780
Financial assets for which the customers bear the investment risk	43 094	−42 661
Financial liabilities for which the customers bear the investment risk	−43 088	42 680
Financial liabilities designated at fair value trough profit or loss	−3	20
Total	**588**	**−557**
Total fair value through profit or loss	**2 286**	**−1 086**
Hedge accounting		
Ineffectiveness, one-to-one fair value hedges	**94**	**24**
of which hedging instruments	17 895	−33 836
of which hedged items	−17 801	33 859
Ineffectiveness, portfolio fair value hedges	**89**	**−54**
of which hedging instruments	−11 792	18 561
of which hedged items	11 880	−18 615
Ineffectiveness, cash flow hedges	**0**	**−1**
Total hedge accounting	**184**	**−31**
Amortised cost		
Derecognition gain or loss for financial assets	55	18
Derecognition gain or loss for financial liabilities	24	572
Total amortised cost	**79**	**590**
Trading related interest		
Interest income	6 372	2 211
Interest expense	−7 450	−1 112
Total trading related interest	**−1 078**	**1 099**
Change in exchange rates	**1 467**	**1 368**
Total	**2 938**	**1 940**

1) Comparative figures have been restated due to the adoption of IFRS 17. For more information see note G2 and note G57.

G11 Net insurance income

From 2023, IFRS 17 is applied for the reporting of insurance contracts. The application involves a new presentation, which is why comparative figures are also reported according to the new standard. For more information see note G2 and G57.

	2023				2022			
	General model without direct participation features	General model with direct participation features	Premium allocation approach	Total	General model without direct participation features	General model with direct participation features	Premium allocation approach	Total
Insurance service revenue	521	322	3 484	4 326	515	290	2 856	3 661
Insurance service expenses	–199	–210	–2 702	–3 112	–173	–179	–2 003	–2 355
Insurance service result	**321**	**111**	**782**	**1 214**	**342**	**111**	**853**	**1 306**
Result from reinsurance contracts held	–4		–12	–16	–1		–24	–25
Finance income and expense from insurance contracts	275	–2 341	18	–2 049	–761	2 343	34	1 616
Insurance result	**592**	**–2 230**	**787**	**–850**	**–420**	**2 454**	**863**	**2 897**
Return on financial assets backing insurance contracts with participation features	44	2 332		2 377	–23	–2 345		–2 368
Total	**637**	**102**	**787**	**1 527**	**–443**	**110**	**863**	**529**

G12 Other income

	2023	2022[1]
IT and administrative services to savings banks	1 656	1 451
Other operating income	113	109
Total	**1 769**	**1 560**

1) Comparative figures have been restated due to the adoption of IFRS 17. For more information see note G2 and note G57.

G13 Staff costs and other staff–related key ratios

13.1 Compensation within Swedbank

The majority of employees at Swedbank have fixed and variable compensation components, which together with pension and other benefits represent their total compensation. Total compensation is market based and designed to achieve a sound balance between the fixed and variable components.

Information on compensation according to the SFSA's regulations and general guidelines on compensation policies (FFFS 2011:1) is published on Swedbank's website. Additional staff-related key ratios is published in Swedbank's sustainability report 2023, note S3.

Total staff costs	2023	2022
Salaries and Board fees	9 048	8 332
Compensation through shares in Swedbank AB	284	174
Social insurance charges	2 573	2 340
Pension costs[1]	1 237	1 451
Training costs	108	87
Other staff costs	694	447
Total	**13 944**	**12 831**
of which variable staff costs	509	347
of which personnel redundancy costs	153	20

1) The Group's pension cost for the year is specified in note G40.

13.2 Variable compensation

Swedbank currently has seven ongoing variable compensation programmes: Programme 2017, Programme 2018, Programme 2019, Programme 2020, Programme 2021, Programme2 2022 and Programme 2023.

In 2023 shares associated with Programme 2017, 2018, 2019 and 2021 were transferred.

13.2.1 Programme 2023

Programme 2023 consists of three parts: a general programme (Eken), an individual programme (IP) and an individual programme for employees in asset management (IPAM). Eken 2023 covers employees in the Group except members of the Group Executive Committee, Chief Audit Executive, employees in PayEx and some foreign branches. Eken consists of share-based compensation that is deferred for 3 years. IP covers approximately 250 participants. For IP participants who have been identified as material risk takers, half of the variable remuneration within IP will be share based, and the other half cash based. At least 40 per cent of the variable remuneration is deferred for a minimum of 3 years, followed by an additional one year retention period for the share-based part. For other IP participants variable remuneration is cashbased. IPAM covers around 65 participants and consists of half fund unit-based compensation and half cash compensation. At least 40 per cent of the variable compensation is deferred for 3 to 5 years. For all programmes final transfer of rights following deferral periods is only made when specific conditions are fullfilled at the time of delivery.

Further information on Programme 2023 as well as Programmes 2017–2022 can be found in Swedbank's Fact book, which is published on the group website amongst the detailed documents that serve as a basis for resolutions by the Annual General Meeting.

13.2.2 Reporting of share–based compensation

Share-based compensation is allotted in the form of so-called performance rights (future shares in Swedbank) and accrued over the duration of each programme.

Transfer of shares following deferral periods requires continued employment at the time of transfer (Eken) or during a defined part of the deferral period (IP) as well as fulfillment of certain other conditions regarding, among other things, performance and financial conditions.

The duration of each programme comprises of i) the initial performance year, followed by ii) allotments and a deferral period of at least three years iii) the conditional transfer of shares to the participants that ends the deferral period.

During the initial performance year the compensation is expressed and measured in the form of a monetary value corresponding to the performance amount. Thereafter, the compensation is expressed in terms of the number of performance rights until the delivery date.

Performance rights for each programme are valued in the accounts based on the Swedbank share price on the valuation date i.e. the date when the company and the counterpart agree to the contractual terms and conditions in each programme.

Each performance right entitles its holder to one share in Swedbank plus, for the majority of the participants, compensation for any dividends distributed that the performance right did not qualify for during the programme's duration.

The reported cost of each programme can change during the period until the delivery date if the performance amount changes or because the performance rights are forfeited. The reported cost, excluding social insurance charges, does not change when the market value of the performance rights changes. Social insurance charges are calculated and recognised continuously based on market value and ultimately determined at the time of delivery.

Variable Compensation Programmes	2023	2022
Programme 2021 and earlier		
Recognised expense for compensation that is settled with shares in Swedbank AB	57	85
Recognised expense for social insurance charges related to the share settled compensation	28	18
Recognised expense for cash settled compensation	7	38
Recognised expense for fund compensation	6	-3
Recognised expense for payroll overhead costs related to the cash settled compensation and fund shares	3	8
Programme 2022		
Recognised expense for compensation that is settled with shares in Swedbank AB	31	88
Recognised expense for social insurance charges related to the share settled compensation	6	16
Recognised expense for cash settled compensation	25	47
Recognised expense for fund compensation	7	8
Recognised expense for payroll overhead costs related to the cash settled compensation and fund shares	9	15
Programme 2023		
Recognised expense for compensation that is settled with shares in Swedbank AB	196	
Recognised expense for social insurance charges related to the share settled compensation	34	
Recognised expense for cash settled compensation	47	
Recognised expense for fund compensation	11	
Recognised expense for payroll overhead costs related to the cash settled compensation and fund shares	15	
Total recognised expense	**480**	**318**

Number of performance rights that establish the recognised share based expense, millions	2023	2022
Outstanding at the beginning of the year	**5.6**	**5.8**
Allotted	4.3	1.8
Forfeited	0.3	0.3
Exercised	1.7	1.7
Outstanding at the end of the year	**7.9**	**5.6**
Exercisable at the end of the period	0	0
Weighted average fair value per performance right at measurement date, SEK	167	161
Weighted average remaining contractual life, months	28	14
Weighted average exercise price per performance right, SEK	0	0

13.3 CEO compensation

13.3.1 CEO and President compensation

Jens Henriksson's fixed annual salary is SEK 13 900 thousand, the employment terms do not contain any variable compensation.

The ordinary retirement age is 65 and Jens Henriksson has a premium to pension insurance of 6.5 percent on salary up to 7.5 income base amount, 32 percent on salary between 7.5 to 30 income base amount and 30 percent on salary from 30 base amount up to the fixed annual salary. The pensionable salary is capped at SEK 18 000 thousand by decision from the Board of Directors. If the employment is terminated by Swedbank, Jens Henriksson receives 75 per cent of his salary during a 12-month term of notice and in addition severance pay, equivalent to 75 per cent of his salary during 12 months. A deduction against salary and severance pay is made for income earned from new employment. If Jens Henriksson resigns, the term of notice is six months and no severance pay is paid.

SEK thousands	2023	2022
Jens Henriksson		
Fixed compensation, salary	13 900	13 500
Other compensation/benefits	23	245
Total	**13 923**	**13 745**
Pension cost, excluding payroll tax	4 072	3 973

13.3.2 Deputy CEO and deputy President compensation

Tomas Hedberg assumed the role as deputy CEO on 1 July 2021. Tomas Hedberg's fixed annual salary is SEK 5 820 thousand, the employment terms as deputy CEO do not contain any variable compensation.

The ordinary retirement age is 65 and Tomas Hedberg has a defined benefit pension capped at 30 income base amount and a individual defined contribution pension paid with 30 percent on fixed salaries exceeding 30 income base amount up to maximum 80 income base amount.

If the employment is terminated by Swedbank, Tomas Hedberg has a 12-month term of notice during which he receives his fixed salary. In addition he receives severance pay, equivalent to his fixed salary for 6 months. A deduction against salary and severance pay is made for income earned from new employment. If Tomas Hedberg resigns, the term of notice is six months and no severance pay is paid.

SEK thousands	2023	2022
Tomas Hedberg		
Fixed compensation, salary	5 820	5 580
Other compensation/benefits	111	280
Total	**5 931**	**5 860**
Pension cost, excluding payroll tax	2 096	2 137

13.4 Compensation to other senior executives

13.4.1 General on other senior executives

Members of the Group Executive Committee, excluding the CEO and deputy CEO, are defined in this context as other senior executives. Compensation to other senior executives includes compensation paid by all Group companies during the year, Swedish as well as foreign, and refers to compensation paid during the period which these individuals were active as senior executives. From 2022 other senior executives are not eligible for Eken.

A total of additional 13 individuals were members of the Group Executive Committee at the end of the year: Sandra Almström, Bo Bengtsson, Mikael Björknert, Lars-Erik Danielsson, Britta Hjorth-Larsen, Anders Karlsson, Jon Lidefelt, Erik Ljungberg, Lotta Lovén, Rolf Marquardt, Charlotte Rydin, Carina Strand and Kerstin Winlöf. 11 individuals have been active as other senior executives throughout the entire year. 4 individuals were active as other senior executives during part of the year: Sandra Almström, Bo Bengtsson, Pål Bergström och Anders Ekedahl.

Other senior executives	2023	2022
Fixed compensation, salary	66	63
Variable compensation, share based	1	1
Other compensation/benefits1	1	2
Total	**68**	**66**
Pension cost, excluding payroll tax	23	24
Number of performance rights share based compensation used for the annual cost	2 200	2 597
Total number of allotted performance rights share based compensation	7 679	14 602
No. of persons as of 31 December	13	13

1) Includes holiday pay, employee loan interest benefit, share benefit, lunch subsidy, health insurance benefit, telephone and fund discount.

13.4.2 Variable compensation to other senior executives

From 2022 other senior executives are not eligible for new variable compensation. Before 2022 senior executives were eligible for Eken, except for the CEO, the deputy CEO and three other senior executives. Below is an average outcome as a proportion of the monthly salary for eligible employees in each ongoing Eken programme.

Year	Return on equity	Share of monthly salary, general	Share of monthly salary, other senior executives
Eken 2018	16.1	0.6	0.6
Eken 2019	14.7	0.4	–[1]
Eken 2020	8.9	0.1	0.1
Eken 2021	13.2	0.3	0.3
Eken 2022	13.3	0.3	–
Eken 2023	18.3	0.8	–

1) No allotments were made for senior executives for performance year 2019.

13.4.3 Pension and other contractual terms to other senior executives

Pension

Swedbank applies the BTP collective pension for employees in Sweden. The BTP plan is in addition to the State pension for Swedish employees and consists of BTP1, a defined contribution pension plan, and BTP2, primarily a defined benefit pension plan. BTP1 applies to all employees hired from 1 February 2013.

In a defined contribution pension plan the employer pays a pension premium equivalent to a percentage of the employee's salary. In a defined benefit pension plan the employer guarantees a future pension, often expressed as a percentage of salary. The pensionable salary is capped at 30 income base amounts (the income base amount for 2023 was SEK 74 300).

Six senior executives are eligible for BTP2 and seven senior executives are eligible for BTP1. In addition, an individual defined contribution pension is paid on fixed salaries exceeding 30 income base amounts for twelve senior executives.

The maximum pensionable salary for the defined contribution portion for all senior executives is determined by the Board of Directors.

Other contractual terms

	Term of notice, termination by Swedbank	Severance pay, termination by Swedbank	Term of notice, resignation by employee
2 persons	12 months	12 months	6 months
10 persons	12 months	6 months	6 months
1 person	6 months	6 months	6 months

Conditions within the framework of the contractual terms:

- In case of termination, salary and benefits are paid during the term of notice.
- In case of termination by Swedbank, severance pay is paid.
- If new work is found, a deduction is made for salary income during the term of notice and during the period when severance pay is paid.

13.5 Compensation to the Board of Directors

13.5.1 General

Compensation to the members of the Board of Directors, as indicated below, is determined by the Annual General Meeting and refers to annual fees from the Annual General Meeting 2023 to the Annual General Meeting 2024. Board compensation consists of fixed compensation for board work as well as fixed compensation for any committee work. The four committees are the Audit Committee, the Risk and Capital Committee, the Remuneration and Sustainability Committee and the Governance Committee. The Group does not have any pension entitlements for Board members. Compensation payments have been adjusted to the time working in the Board for members leaving their assignments and members with changed assignments during the year, as shown below.

Compensation to the Board of Directors, corresponds to the annual fees up to the AGM.	2023			2022		
SEK thousands	Board fees	Committee work	Total	Board fees	Committee work	Total
Göran Persson, Chair	3 080	913	3 993	2 982	670	3 652
Biörn Riese, Director, Deputy chair	1 033	751	1 784	1 000	552	1 552
Bo Bengtsson, Director to 2023-01-18	0	0	0	686	445	1 131
Göran Bengtsson, Director	709	291	1 000	686	282	968
Annika Creutzer, Director	709	279	988	686	270	956
Hans Eckerström, Director	709	279	988	686	270	956
Kerstin Hermansson, Director	709	751	1 460	686	727	1 413
Helena Liljedahl, Director	709	205	914	686	118	801
Bengt Erik Lindgren, Director	709	279	988	686	282	968
Anna Mossberg, Director	709	484	1 193	686	388	1 074
Per Olof Nyman, Director	709	780	1 489	686	755	1 441
Biljana Pehrsson, Director	709	484	1 193	686	388	1 074
Total	**10 494**	**5 496**	**15 990**	**10 842**	**5 147**	**15 989**

13.5.2 Compensation to the Chair

The Chair receives fixed compensation for board work as well as fixed compensation for committee work i.e. no variable compensation, pension or other benefits.

Within framework of Board fees set by the Board, SEK thousand	2023	2022
Göran Persson	3 908	3 610
Total	**3 908**	**3 610**

13.6 Summary – compensation to the Board of Directors, CEO, Deputy CEO and others in the Group Executive Committee

Below shows the costs for the Board of Directors of Swedbank AB, CEO, Deputy CEO and others in the Group Executive Committee. The costs exclude social charges and payroll taxes.

	2023	2022
Short-term employee benefits	103	100
Post employment benefits, pension costs	29	30
Share-based payments	1	1
Total	**133**	**131**
Granted loans	62	68

13.7 Summary – pensions and loans to Boards of Directors and equivalent senior executives in the entire Group

Pension costs reported below refer to current Directors, CEOs, Deputy CEOs and equivalent senior executives in the Group. The costs exclude social charges and payroll taxes.

	2023	2022
Cost for the year related to pensions and similar benefits	33	33
No. of persons	22	19
Granted loans, SEKm	327	238
No. of persons	112	68

Pension obligations for former CEOs and deputy CEOs have been funded through insurance and pension foundations. The latter's obligations amounted to SEK 190 m (211). The Group has not pledged any assets or other collateral or committed to contingent liabilities on behalf of anyone in the above mentioned group of senior executives.

13.8 Summary – compensation to Boards of Directors and equivalent senior executives in the entire Group

Below shows the salaries and other compensation for Boards of Directors, CEOs, Deputy CEOs and equivalent senior executives in the Group. This group includes current employees. Fees to CEOs and other senior executives for internal board duties are deducted against their salaries, unless otherwise agreed. The costs exclude social charges and payroll taxes.

	2023					2022				
	Boards of Directors, CEOs, Deputy CEOs and equivalent senior executives			Other employees	All employees	Boards of Directors, CEOs, Deputy CEOs and equivalent senior executives			Other employees	All employees
Country	Number of persons	Salaries and Board fees	Variable compensa-tion	Salaries and variable compensation	Total	Number of persons	Salaries and Board fees	Variable compensa-tion	Salaries and variable compensation	Total
Sweden	83	127	1	6 049	6 177	72	111	2	5 762	5 874
Estonia	34	29	2	1 125	1 157	25	17	0	952	970
Latvia	19	19	1	717	737	28	14	2	583	599
Lithuania	19	22	1	1 150	1 173	16	21	2	944	967
Norway	5	4	0	172	176	5	0	0	247	247
USA	0	0	0	29	29	0	0	0	28	28
Other countries	1	0	0	28	28	0	0	0	125	125
Total	**161**	**201**	**5**	**9 270**	**9 476**	**146**	**163**	**5**	**8 640**	**8 809**

13.9 Key ratios

Average number of employees based on 1 585 hours per employee	2023	2022
Sweden	10 393	10 177
Estonia	2 949	2 928
Latvia	2 215	2 167
Lithuania	2 927	2 887
Norway	210	252
USA	15	14
Other countries	97	113
Total	**18 806**	**18 538**
Number of hours worked (thousands)	29 807	29 382
Number of Group employees at year-end excluding long-term absentees in relation to hours worked expressed as full-time positions	17 275	16 803

Employee turnover including retired staff[1], %	2023	2022
Swedish Banking	9.1	13.4
Corporates & Institutions	10.7	12.0
Baltic Banking	11.5	13.2
Group Functions	9.7	11.9
Total	**10.1**	**12.7**

Employee turnover excluding retired staff[1], %	2023	2022
Swedish Banking	7.3	11.6
Corporates & Institutions	8.8	10.8
Baltic Banking	11.4	13.1
Group Functions	8.8	10.2
Total	**9.2**	**11.5**

1) Employee turnover is calculated as the number of employees who terminated their employment during the year divided by the number of employees as of year end of the previous year.

Other key ratios	2023	2022
Average number of employees	18 806	18 538
Number of employees at year-end	18 405	17 886
Number of full-time positions	17 275	16 803

Sick leave, %	2023	2022
Sick leave Sweden	3.4	3.9
Sick leave Estonia	2.1	2.8
Sick leave Latvia	3.1	3.9
Sick leave Lithuania	1.5	1.8
Sick Leave Group	2.9	3.4
Long-term healthy employees, %[1]	73.1	63.9

1) Refers to the Swedish operations. Long-term healthy refer to employees with a maximum of five working days of sick leave during a rolling 12 month period.

Parental leave women/men, %	2023	2022
Sweden	69.6/30.4	73.1/26.9
Estonia	98.0/2.0	98.2/1.8
Latvia	99.8/0.2	98.9/1.1
Lithuania	98.9/1.1	98.5/1.5

	2023		2022	
Gender distribution by country, %	Female	Male	Female	Male
Sweden	54	46	54	46
Estonia	73	27	73	27
Latvia	74	26	75	25
Lithuania	70	30	70	30
Norway	34	66	33	67
USA	43	57	31	69
Other countries	50	50	54	46

	2023		2022	
Gender distribution for all employees, Group Executive Committee and Boards of Directors, %	Female	Male	Female	Male
All employees	61	39	62	38
Swedbank's Board of Directors	45	55	42	58
Group Executive Committee incl. CEO	40	60	33	67
Group Executive Committee and their respective management teams	46	54	46	54
Boards of Directors in the entire Group incl. subsidiaries	41	59	42	58
Senior executives in the entire Group incl. subsidiaries	38	62	34	66

	2023		2022	
Gender distribution, management positions by country, %	Female	Male	Female	Male
Management positions, total[1]	56	44	56	44
Management positions, Sweden	50	50	50	50
Management positions, Estonia	71	29	71	29
Management positions, Latvia	71	29	71	29
Management positions, Lithuania	58	42	57	43

1) Applicable for Swedbank's home markets Sweden, Estonia, Latvia and Lithuania.

G14 Other general administrative expenses

	2023	2022[1]
Premises	487	466
IT expenses	3 000	2 590
Telecommunications, postage	116	107
Consulting	1 117	802
Compensation to savings banks	217	225
Other purchased services	1 133	998
Travel	131	85
Entertainment	34	28
Office supplies	79	70
Advertising, public relations, marketing	323	243
Security transports, alarm systems	72	71
Maintenance	138	119
Other administrative expenses	415	427
Other operating expenses	86	61
Total	**7 349**	**6 291**

1) Comparative figures have been restated due to the adoption of IFRS 17. For more information see note G2 and note G57.

The following leasingrelated expenses are included in Premises and IT expenses:		
Short-term leases	16	15
Leases of low-value assets	7	7
Variable lease payments not included in the lease liabilty	54	53

	2023	2022
Remuneration to auditors elected by Annual General Meeting, PwC		
Statutory audit	57	56
Other audit	12	12
Tax advisory	1	0
Other	0	0
Total remuneration to auditors	**70**	**69**

Audit assignment is defined as the audit of annual financial statements, the administration of the Board of Directors and the President, other tasks resting upon the auditor as well as consulting and other assistance, which have been initiated by the findings in performing audit work or implementation of such tasks. Other audit include quarterly reviews, regulatory reporting and services in connection with issuing of certificates and opinions.

Tax advisory include advice on taxation in other countries. Other services include consultation on financial accounting, services related to mergers and acquisitions activities, operational effectiveness and assessments of internal control.

G15 Depreciation/amortisation of tangible and intangible assets

Tangible assets	2023	2022
Equipment	288	276
Owner-occupied properties	35	36
Right-of-use assets for rented premises	769	724
Other	187	134
Total	**1 279**	**1 170**
Intangible assets		
Customer base	43	42
Internally developed software	525	393
Other	73	90
Total	**641**	**525**
Total	**1 920**	**1 695**

G16 Administrative fines

	2023	2022
April 2022 IT-Incident	850	
Office for Foreign Assets Control	37	
Total	**887**	

G17 Credit impairments

	2023	2022
Credit impairments for loans at amortised cost		
Credit impairments – stage 1	104	646
Credit impairments – stage 2	1 124	523
Credit impairments – stage 3	–243	–545
Credit impairments – purchased or originated credit impaired	3	1
Total	**989**	**626**
Write-offs	455	982
Recoveries	–173	–157
Total	**282**	**826**
Total – credit impairments for loans at amortised cost	**1 271**	**1 451**
Credit impairments for loan commitments and guarantees		
Credit impairments – stage 1	–51	77
Credit impairments – stage 2	159	13
Credit impairments – stage 3	296	–63
Total - credit impairments for loan commitments and guarantees	**403**	**28**
Total credit impairments	**1 674**	**1 479**
Credit impairments by borrower category		
Credit institutions	32	25
General public	1 642	1 454
Total	**1 674**	**1 479**

G18 Bank taxes and resolution fees

	2023	2022
Swedish bank tax	1 170	927
Lithuanian bank tax	1 505	
Resolution fees	900	904
Total	**3 574**	**1 831**

Swedish bank tax refers to Risk tax on credit institutions that was introduced from 1 January 2022. It it applied on credit institutions with a tax base exceeding SEK 150bn. The tax rate is 0.05 per cent of the tax base for 2022 and 0.06 per cent for 2023. 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 per cent 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 per cent.

G19 Tax

Tax expense	2023	2022
Tax related to previous years	-212	49
Current tax	7 290	6 167
Deferred tax	2 414	–738
Total	**9 492**	**5 478**

The difference between the Group´s tax expense and the tax expense based on the Swedish tax rate is explained below:

	2023		2022	
		%		%
Results	9 492	21,8	5 478	20,0
Current tax of pre-tax profit	8 986	20,6	5 636	20,6
Difference	**506**	**1,2**	**–158**	**–0,6**
The difference consists of the following items:				
Tax previous years	–212	–0,5	49	0,2
Deferred tax related to tax previous years			–57	–0,2
Deferred tax related to tax previous years as result of extra dividends from Swedbank AS	556	1,3		
Tax-exempt income/non-deductible expenses	48	0,1	50	0,2
Non deductible interest related to subordinated liabilities	372	0,9	188	0,7
Non deductible penalty fee from the Swedish Financial Supervisory Authority	175	0,4		
Non deductible impairment goodwill			125	0,4
Tax-exempt gains and non-deductible losses on shares and participating interest	14	0,0	–11	0,0
Other tax basis in insurance operations	–170	–0,4	–165	–0,6
Tax in associates and joint ventures	–165	–0,4	–151	–0,6
Deviating tax rates in other countries	–107	–0,2	–184	–0,7
Other, net	-5	0,0	–2	0,0
Total	**506**	**1,2**	**–158**	**–0,6**

2023

Deferred tax assets	Opening balance	Income statement	Other comprehensive income	Equity	Exchange rate differences	Closing balance
Deductible temporary differences						
Share-based payments	16	–4		1		13
Lease liabilities	696	9				705
Right of use assets	–676	–11				–687
Unused tax losses	171	–24			–3	144
Unrecognised deferred tax assets	–97	2			4	–91
Other	49	–52			2	–2
Total	**159**	**–80**		**1**	**2**	**82**
Deferred tax liabilities						
Taxable temporary differences						
Untaxed reserves	1 112	1 435				2 547
Hedge of net investments in foreign operations	0	0	0			0
Provision for pensions	398	102	–172			328
Cash flow hedges	28	19	–1			46
Intangible assets	1 206	168				1 374
Credit impairment provisions	48	0				48
Foreign currency basis risks	10	–78	–4			–72
Insurance provisions	16	124			–4	136
Share-based payments	–3	–4				–7
Owner-occupied properties	14					14
Deferred tax undistributed profits (dividend)	1 108	559			–28	1 639
Other	–322	9				–313
Total	**3 615**	**2 334**	**–177**		**–32**	**5 740**

Deferred tax related to the hedging of net investments in foreign operations and cash flow hedging is recognised directly in other comprehensive income, since the change in the value of the hedging instrument is also recognised directly in other comprehensive income. The unrecognised portion of deferred tax assets amounted to SEK 91m (97). The assets are not recognised due to uncertainty when sufficient taxable earnings will be generated.

For the Estonian Group entity, Swedbank AS, income taxation is triggered only if dividends are paid. As the parent company controls the timing of the distribution, only deferred tax is reported for the portion that is intended to be distributed in the foreseeable future. In 2023, it was decided that extra dividends should be paid from accumulated earnings before 2017, where deferred tax had not previously been reported. The group does not intend to take any further dividends in the foreseeable future from the subsidiary's remaining earnings before 2017, which is why deferred tax is still not reported for this part. Remaing accumulated earnings before 2017 amounted to SEK 12 384m (15 145). The unrecognised deferred tax liability amounted to SEK 2 725m (3 209).

Unused tax losses and unused tax credits according to tax calculation

Country	Deduction for which deferred tax is recognised	Deduction for which deferred tax is not recognised	Total deduction[1]	Unused tax losses carried forward in foreign branches[2]
Lithuania	342	341	683	
Luxembourg		196	196	
Finland		3	3	
USA				930
Total	**342**	**540**	**882**	**930**

1) All unused tax losses are without due date.
2) The unused tax losses have no value in the group as the branches are also taxed in the head office country

When the Group determines the deferred tax assets it will recognise, it forecasts future taxable profits that can be utilised against tax loss carryforwards or other future tax credits. Deferred tax assets are recognised only to the extent such profits are probable. The Group expects that about 75 per cent (81) of the taxable losses that serve as the basis for recognised deferred tax assets will be utilised before the end of 2026 i.e. within the framework of the Group's three-year financial plan.

2022

Deferred tax assets	Opening balance	Changes in accounting policies, regarding IFRS 17	Income statement	Other comprehen-sive income	Equity	Exchange rate differences	Closing balance
Deductible temporary differences							
Share-based payments	1		5		10		16
Lease liabilities	737		−41				696
Right of use assets	−726		50				−676
Unused tax losses	98		61			12	171
Unrecognised deferred tax assets	−4		−88			−5	−97
Other	7		41		−2	3	49
Total	**113**		**28**		**8**	**10**	**159**
Deferred tax liabilities							
Taxable temporary differences							
Untaxed reserves	2 275		−1 163				1 112
Hedge of net investments in foreign operations	0		0	0			0
Provision for pensions	−462		49	811			398
Cash flow hedges	3		23	2			28
Intangible assets	1 130		76				1 206
Credit impairment provisions	45					3	48
Foreign currency basis risks	−142		139	13			10
Insurance provisions		96	−82			2	16
Share-based payments	−15		7		6	−1	−3
Owner-occupied properties	14						14
Deferred tax undistributed profits (dividend)	813		220			75	1 108
Other	−263		−61			2	−322
Total	**3 398**	**96**	**−792**	**826**	**6**	**81**	**3 615**

Unused tax losses and unused tax credits according to tax calculation

Country	Deduction for which deferred tax is recogni-sed	Deduction for which deferred tax is not reco-gnised	Total deduction[1]	Unused tax losses car-ried forward in foreign branches[2]
Lithuania	482	378	860	
Denmark	0	13	13	79
Norway	9		9	1 212
Luxembourg		196	196	
Finland		8	8	
USA				1 045
Total	**491**	**595**	**1 086**	**2 336**

1) All unused tax losses are without due date.

2) The unused tax losses have no value in the group as the branches are also taxed in the head office country.

G20 Earnings per share

Earnings per share are calculated by dividing profit for the year attributable to holders of ordinary shares in the parent company by a weighted average number of ordinary shares outstanding. Earnings per share after dilution is calculated by dividing profit for the year attributable to holders of ordinary shares in the parent company by the average of the number of ordinary shares outstanding, adjusted for the dilution effect of potential shares.

Swedbank's share-related compensation programmes give rise to potential ordinary shares from the grant date of these shares from an accounting perspective. The grant date refers here to the date when the parties agreed to the terms and conditions of the programmes. The rights are treated as options in the calculation of earnings per share after dilution.

Share based programme:	Grant date from an accounting perspective
2018	26 March
2019	28 March
2020	28 May
2021	25 March
2022	30 March
2023	30 March

	2023	2022
Average number of shares		
Weighted average number of shares before dilution	1 124 509 662	1 122 834 030
Weighted average number of shares for dilutive potential ordinary shares resulting from share-based compensation programme	2 882 468	3 046 820
Weighted average number of shares after dilution	1 127 392 130	1 125 880 850
Earnings per share[1]		
Profit for the year attributable to the shareholders of Swedbank AB	34 128	21 365
Earnings per share before dilution, SEK	30.35	19.03
Earnings per share after dilution, SEK	30.27	18.98

1) Comparative figures have been restated due to the adoption of IFRS 17. For more information see note G2 and note G57.

G21 Tax for each component in other comprehensive income

	2023				2022[1]			
	Pre-tax amount	Deferred tax	Current tax	Total tax amount	Pre-tax amount	Deferred tax	Current tax	Total tax amount
Items that will not be reclassified to the income statement								
Remeasurements of defined benefit pension plans	−839	172		172	3 938	−811		−811
Share of other comprehensive income of associates, Remeasurements of defined benefit pension plans	−14				152			
Total	**−853**	**172**		**172**	**4 090**	**−811**		**−811**
Items that may be reclassified to the income statement								
Exchange differences, foreign operations	−290				4 335			
Hedging of net investments in foreign operations	336		−69	−69	−3 421		705	705
Cash flow hedges	−4	1		1	11	−2		−2
Foreign currency basis risk	−18	4		4	63	−13		−13
Share of associates and joint ventures	−41				31			
Total	**−16**	**5**	**−69**	**−65**	**1 019**	**−15**	**705**	**690**
Other comprehensive income	**−869**	**177**	**−69**	**107**	**5 109**	**−826**	**705**	**−121**

1) Comparative figures have been restated due to the adoption of IFRS 17. For more information see note G2 and note G57.

G22 Treasury bills and other bills eligible for refinancing with central banks etc.

	Carrying amount			Nominal amount		
	2023	2022	1/1/2022	2023	2022	1/1/2022
Governments and Swedish central bank	177 216	149 212	160 461	185 649	148 933	158 889
Municipalities	1 403	2 271	3 129	1 457	2 370	3 096
Total	**178 619**	**151 483**	**163 590**	**187 106**	**151 303**	**161 985**

G23 Loans to credit institutions

	2023	2022	1/1/2022
Loans and advances	24 959	33 201	34 362
Repurchase agreements	232	15	1 383
Cash collaterals posted	42 343	23 373	3 759
Total	**67 534**	**56 589**	**39 504**

G24 Loans to the public

	2023	2022	1/1/2022
Loans and advances	1 737 717	1 758 014	1 641 878
Finance leases	44 508	40 602	34 932
Total loans to customers	**1 782 225**	**1 798 616**	**1 676 810**
Cash collaterals posted	5 177	3 605	1 832
Repurchase agreements	43 229	23 635	21 541
Repurchase agreements, Swedish National Debt Office	2 744	6 952	3 020
Loans to Swedish National Debt Office	30 000	10 004	3
Total	**1 863 375**	**1 842 812**	**1 703 206**

Finance lease agreements distributed by maturity

	2023				2022			
	< 1 yr	1–5 yrs	> 5 yrs	Total	< 1 yr	1–5 yrs	> 5 yrs	Total
Gross investments	14 325	31 157	5 668	51 150	12 747	26 992	4 933	44 672
Unearned finance income	2 275	3 526	841	6 642	1 400	2 151	519	4 070
Net investments	12 050	27 631	4 827	44 508	11 347	24 841	4 414	40 602

Finance leases relate to leases of vehicles, machinery and boats. The residual value of the leases in all cases are guaranteed by the lessees or a third party.
The lease income does not include any contingent rents.

G25 Bonds and other interest-bearing securities

	Carrying amount			Nominal amount		
	2023	2022	1/1/2022	2023	2022	1/1/2022
Mortgage institutions	36 190	31 471	29 135	36 135	33 185	28 690
Banks	11 033	15 565	13 299	11 184	15 858	13 219
Other financial companies	9 151	11 413	10 494	9 235	11 917	10 341
Non-financial companies	2 467	2 849	5 165	2 537	3 015	5 117
Total	**58 841**	**61 298**	**58 093**	**59 091**	**63 975**	**57 367**
of which subordinated	11	117	203	10	125	199
of which senior non-preferred	412	158	719	414	158	713

Bonds and other interest-bearing securities are issued by other than public agencies.

G26 Financial assets for which the customers bear the investment risks

	2023	2022[1]	1/1/2022[1]
Fund units	295 107	244 251	272 960
Interest-bearing securities	4 973	5 325	5 562
Shares	19 715	19 019	25 355
Total	**319 795**	**268 594**	**303 877**

1) Comparative figures have been restated due to the adoption of IFRS 17. For more information see note G2 and note G57.

G27 Shares and participating interests

	2023	2022[1]	1/1/2022[1]
Shares, trading	532	347	6 368
Fund units, trading	5 469	4 223	5 513
Fund units backing insurance contracts with participation features	23 848	22 084	24 635
Fund units, other	2 707	2 316	348
Shares for protection of claims			20
Condominiums		11	11
Other	1 759	1 287	1 155
Total	**34 316**	**30 268**	**38 051**

1) Comparative figures have been restated due to the adoption of IFRS 17. For more information see note G2 and note G57.

G28 Investments in associates and joint ventures

	2023	2022	1/1/2022
Fixed assets			
Credit institutions - Associates	5 024	4 415	4 004
Credit institutions - Joint ventures	2 500	2 719	3 228
Other associates	626	515	436
Other, joint ventures	125	180	37
Total	**8 275**	**7 830**	**7 705**
Opening balance	**7 830**	**7 705**	
Additions	5	224	
Change in accumulated profit shares, total comprehensive income	747	921	
Dividends received	−307	−1 020	
Closing balance	**8 275**	**7 830**	

2023 Associates Corporate name, Domicile	Corporate identity number	Number of shares	Carrying amount	Cost	Share of capital, %	Share of associate's profit
Credit institutions						
Sparbanken Skåne AB, Lund	516401-0091	3 670 342	2 002	1 070	22,00	328
Sparbanken Rekarne AB, Eskilstuna	516401-9928	865 500	757	125	50,00	119
Sparbanken Sjuhärad AB, Borås	516401-9852	4 750 000	1 796	288	47,50	224
Vimmerby Sparbank AB, Vimmerby	516401-0174	340 000	126	41	40,00	20
Ölands Bank AB, Borgholm	516401-0034	637 000	344	231	49,00	40
Total credit institutions			**5 024**	**1 755**		**731**
Other associates						
Owned by parent company						
BGC Holding AB, Stockholm	556607-0933	29 360	448	99	29,36	97
Finansiell ID-Teknik BID AB, Stockholm	556630-4928	12 735	26	24	28,30	4
Getswish AB, Stockholm	556913-7382	10 000	24	21	20,00	3
USE Intressenter AB, Uppsala	559161-9464	2 000	0	0	20,00	0
Owned by subsidiaries						
Thylling Insight AB, Göteborg	559181-9015	40 000	11	11	40,00	0
Bankomat AB, Stockholm	556817-9716	150	93	66	20,00	6
SK ID Solutions AS, Tallinn	10747013	16	24	10	25,00	2
Total other associates			**626**	**231**		**112**
Total associates			**5 650**	**1 986**		**843**

The share of the voting rights in each entity corresponds to the share of its equity. All shares are unlisted. Swedbank does not have any individual material interests in associates. Swedbank's share of items accounted for in associates' other comprehensive income amounted to SEK −10m (102). Swedbank´s share of total comprehensive income amounted to SEK 833m (598). As of 31 December 2023 Swedbank's share of associates' contingent liabilities and commitments amounted to SEK 844 m (485) and SEK 1 442m (2 162), respectively.

2023 Joint ventures Corporate identity, domicile	Corporate identity number	Number of shares	Carrying amount	Cost	Share of capital, %	Share of joint venture's profit
Credit institutions						
EnterCard Group AB, Stockholm	556673-0585	3 000	2 500	420	50,00	20
Other joint ventures						
Invidem AB, Stockholm	559210-0779	10 000	0	122	16,67	–29
P27 Nordic Payments Platform AB, Stockholm	559198-9610	10 000	120	277	16,67	–32
Tibern AB, Stockholm	559384-3542	4 000	5	3	14,29	0
Total joint ventures			**2 625**	**822**		**–41**
Total associates and joint ventures			**8 275**	**2 808**		**803**

During the year Swedbank AB made a capital contribution to Invidem AB of SEK 3m (49) and Tibern AB of 2m (0). Swedbank's share of items accounted for joint ventures in other comprehensive income amounted to SEK –46m (80). Swedbank´s share of total comprehensive income amounted to SEK –86m (322). Swedbank AB received a dividend of 193m (900) from EnterCard Group AB.

Condensed financial information for the EnterCard Group

	2023	2022
Total assets	37 457	39 410
of which loans to the public	32 171	32 457
Total liabilities	32 463	33 998
of which amounts owed to credit institutions	32 110	33 528
Total equity	4 994	5 412
Total income	2 968	2 690
of which net interest income	2 455	3 118
Total expenses	1 423	1 412
of which credit impairments	1 477	877
Profit before tax	43	809
Tax expense	3	185
Profit for the year	**40**	**623**
Total comprehensive income	**–52**	**784**

G29 Derivatives

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. Below present carrying amount for derivatives which are included in hedge accounting seperately. The carrying amounts of all derivatives refer to fair value including accrued interest.

		Nominal amount		Positive fair value			Negative fair value		
	Note	2023	2022	2023	2022	1/1 2022	2023	2022	1/1 2022
Derivatives in hedge accounting									
One-to-one fair value hedges, interest rate swaps	G30	558 527	517 756	6 415	738	8 156	15 654	29 094	1 675
Portfolio fair value hedges, interest rate swaps	G30	352 036	436 005	9 665	20 289	1 969	503	23	853
Cash flow hedges, cross currency basis swaps	G30	8 188	8 179	596	603	41			130
Total		**918 751**	**961 940**	**16 676**	**21 630**	**10 166**	**16 157**	**29 117**	**2 658**
Non-hedge accounting derivatives		**33 026 557**	**29 580 068**	**887 411**	**1 223 832**	**174 838**	**925 558**	**1 236 903**	**170 723**
Gross amount		**33 945 308**	**30 542 008**	**904 087**	**1 245 462**	**185 004**	**941 715**	**1 266 021**	**173 381**
Offset amount	G48			−864 523	−1 194 958	−144 473	−868 262	−1 197 341	−145 275
Total				**39 563**	**50 504**	**40 531**	**73 453**	**68 679**	**28 106**
Non-hedge accounting derivatives									
Interest-related									
Options		259 412	1 046 055	1 917	4 702	1 589	2 017	5 364	1 974
Forward contracts		8 619 506	4 806 011	2 470	5 112	859	2 581	4 348	881
Swaps		22 159 115	21 665 797	854 242	1 178 203	146 941	864 165	1 189 386	148 943
Currency-related									
Options		57 996	55 181	493	559	78	515	564	77
Forward contracts		847 147	890 324	7 449	10 694	13 240	29 076	15 995	7 387
Swaps		966 071	992 342	19 174	22 477	9 732	25 668	19 572	9 749
Equity-related									
Options		30 679	51 393	1 082	1 525	1 936	679	1 068	959
Forward contracts		24 571	20 892	0	7	11	4	3	14
Swaps		47 441	44 086	455	448	311	582	465	544
Credit-related									
Swaps		10 999	3 551	56			182	9	74
Commodity-related									
Forward contracts		3 619	4 436	72	104	141	88	129	121
Total		**33 026 557**	**29 580 068**	**887 411**	**1 223 832**	**174 838**	**925 558**	**1 236 903**	**170 723**

G30 Hedge accounting

30.1 Fair value hedges

The Group's approaches to managing market risk, including interest rate risk, and its exposure to those risks are presented in note G3. The risk of changes in interest rates on the fair value of certain fixed rate financial instruments is mitigated in accordance with the Group's risk management strategy by using interest rate swaps. Interest rate risk on fixed rate loans to the public (mortgages) and non-maturing deposits, consisting of on demand deposits, are both hedged on a portfolio basis. Debt securities in issue, senior non-preferred liabilities and subordinated liabilities are identified and hedged on an issuance-by-issuance basis. Interest rate swaps designated as the hedging instruments are reported in the balance sheet in the Derivatives line.

Designated fair value hedge relationships are used to hedge the benchmark interest rate risk, which is an observable and reliably measurable component of the interest rate risk and of the fair value. Where hedge accounting is applied, the Group ensures that the relationships meet the criteria outlined in note G2 section 3.9.1, including the effectiveness requirements. The Group manages other risks on these exposures, such as credit risk, but does not apply hedge accounting for them.

Hedge ineffectiveness is reported in the income statement as Net gains and losses on financial items. Potential sources of hedge ineffectiveness are related to the following:

- There is an exposure to the interest rate swap counterparty's credit risk that is not offset by the respective hedged item. This risk is minimized by entering into interest rate swaps with high credit quality counterparties.
- Different discount curves are in some cases applied for the valuation of the respective hedged item and the interest rate swaps.

One-to-one hedges – effectiveness assessment under IFRS 9

The economic relationship between the debt securities, senior non-preferred liabilities or subordinated liabilities and the interest rate swaps are assessed using a qualitative analysis of the critical terms.The critical terms are matched between the financial instruments, particularly regarding notional amount, reference interest rate, repricing dates and tenor. The fair values of the instruments are expected to move in opposite directions as a result of changes in the hedged benchmark interest rate risk. The effect of credit risk is not considered to dominate the changes in fair value. The hedge ratio is one-to-one as the nominal amount of the interest rate swap matches the issued amount of the hedged debt securities, senior non-preferred liabilities or subordinated liabilities. The Group assesses hedge effectiveness by comparing the changes in fair value of the debt securities, senior non-preferred liabilities or subordinated liabilities resulting from movements in the benchmark interest rate with the changes in fair value of the designated interest rate swaps.

Portfolio hedges – effectiveness test under IAS 39

Mortgage loans are grouped into quarterly time buckets based on the next interest rate fixing dates. Non-maturing deposits, consisting of on demand deposits, are grouped into quarterly time buckets, based on their behavioural maturity. The nominal amounts covering a portion of the loans or deposits in each time bucket are hedged using interest rate swaps. Specified loan and deposit amounts in each time bucket are therefore designated as the hedged items. The portfolio fair value hedges are assessed for effectiveness both prospectively and retrospectively. The prospective assessment is performed using a qualitative analysis of the critical terms of the hedged item and the interest rate swap. The retrospective assessment is performed daily on cumulative basis by using the dollar offset method. The changes in fair value of the mortgage loans and on demand deposits resulting from movements in the benchmark interest rate are compared to the changes in fair value of the designated interest rate swaps.

The tables below provide information relating to the hedged items and hedging instruments in qualifying fair value hedge relationships.

	2023					2022				
		Carrying amount		Change in fair value used for recognising hedge ineffectiveness	Ineffectiveness recognised in Profit or loss		Carrying amount		Change in fair value used for recognising hedge ineffectiveness	Ineffectiveness recognised in Profit or loss
Hedging instruments and hedge ineffectiveness	Nominal amount	Assets	Liabilities			Nominal amount	Assets	Liabilities		
Interest rate risk										
Interest rate swaps, Hedged assets portfolio hedges	346 835	9 436	503	8 408	89	436 005	20 289	23	20 368	–54
Interest rate swaps, Hedged liabilities ortfolio hedges	5 201	229			1					
Interest rate swaps, Debt securities in issue	424 485	5 047	11 404	–7 960	80	424 261	735	22 399	–22 610	31
Interest rate swaps, Senior non-preferred liabilities	102 484	1 203	3 231	–2 253	3	60 579		4 947	–4 963	–5
Interest rate swaps, Subordinated liabilities	31 558	165	1 019	–876	11	32 916	3	1 748	–1 801	–3
Total	**910 563**	**16 079**	**16 157**	**–2 681**	**184**	**953 761**	**21 027**	**29 117**	**–9 006**	**–30**

	2023					2022				
	Carrying amount		Accumulated adjustment on the hedged item		Change in value used for recognising hedge ineffectiveness	Carrying amount		Accumulated adjustment on the hedged item		Change in value used for recognising hedge ineffectiveness
Hedged items	Assets	Liabilities	Assets	Liabilities		Assets	Liabilities	Assets	Liabilities	
Portfolio hedges										
Loans to the public	346 835					436 005				
Value change of the hedged assets in portfolio hedges of interest rate risk	–8 489		–8 489		–8 489	–20 369		–20 369		–20 369
Deposits and borrowings from the public		5 201								
Value change of the hedged liabilities in portfolio hedges of interest rate risk		209		209	209					
One-to-one hedges										
Debt securities in issue		418 398		–8 081	8 081		410 119		–22 534	22 534
Senior non-preferred liabililties		103 415		–2 240	2 240		60 840		–4 953	4 953
Subordinated liabilities		31 889		–880	880		33 131		–1 799	1 799
Total	**338 346**	**559 113**	**–8 489**	**–10 992**	**2 922**	**415 636**	**504 091**	**–20 369**	**–29 287**	**8 918**

	2023			2022		
	Remaining contractual maturity			Remaining contractual maturity		
Maturity profile and average price, hedging instruments	<1 yr	1–5 yrs	>5 yrs	<1 yr	1–5 yrs	>5 yrs
Portfolio hedges						
Nominal amount, Hedges assets	147 560	191 095	8 180	140 750	282 925	12 330
Average fixed interest rate (%), Hedges assets	0.84	1.16	1.30	0.15	0.54	1.26
Nominal amount, Hedges liabilities		5 201				
Average fixed interest rate (%), Hedges liabilities		3.67				
One-to-one hedges						
Nominal amount	96 720	409 952	51 855	108 750	363 423	45 583
Average fixed interest rate (%)	0.48	1.88	2.38	1.57	1.79	2.73

30.2 Cash flow hedges

The Group's approach to managing market risk, including currency risk, and its exposure to those risks are presented in note G3. In accordance with the Group's risk management strategy, cross currency basis swaps are entered to mitigate the foreign currency risk on future principal and interest payments of foreign currency debt securities. The hedged items are the aggregate exposure of foreign currency fixed rate debt securities in issue and interest rate swaps in the same foreign currency. The hedging instruments are cross currency basis swaps, which convert the foreign currency cash flows into SEK. The foreign currency basis spread in the cross currency basis swaps is excluded from the hedge accounting relationship and is accounted for as described in note G2 section 3.9.2. Cross currency basis swaps designated as hedging instruments are reported in the balance sheet in the Derivatives line.

Designated cash flow hedge relationships are used to hedge against movements in foreign currencies. Where hedge accounting is applied, the Group ensures that the relationships meet the criteria outlined in note G2 section 3.9.2. The Group manages other risks on these exposures, such as credit risk, but does not apply hedge accounting for them.

The Group ensures that designated hedge relationships fulfil the effectiveness requirements. The economic relationship between the aggregate exposure and the cross currency basis swap are assessed using a qualitative analysis of the critical terms, which are matched. The fair values of the instruments are expected to move in opposite directions as a result of a change in the foreign currency rate. The effect of credit risk is not considered to dominate the changes in fair value.

The hedge ratio is one-to-one as the issued amount of the cross currency basis swap matches the issued amount of the hedged aggregate exposure.

The Group assesses hedge effectiveness by comparing the changes in fair value of the aggregate exposure due to movements in the foreign currency rate with the changes in fair value of the designated part of the cross currency basis swap. The changes in fair value of the aggregate exposure are calculated using a hypothetical derivative, which reflects the terms of the aggregate exposure. Hedge ineffectiveness is reported in the income statement as Net gains and losses on financial items. Potential sources of hedge ineffectiveness are related to the following:

- There is an exposure to the derivative counterparty's credit risk that is not offset by the respective hedged item. This risk is minimized by entering into cross currency basis swaps with high credit quality counterparties.
- Different discount curves are applied for the valuation of the respective hedged item and the cross currency basis swaps.

The tables below provide information about the Group's cash flow hedge relationships. The Group designates cash flow hedges of foreign currency risk, where the hedging instruments are cross currency basis swaps in EUR/SEK and the hedged items are debt securities in issue and interest rate swaps, both denominated in EUR.

Hedging instruments	2023	2022
Cross currency basis swaps, EUR/SEK		
Nominal amount	8 188	8 179
Carrying amount:		
Assets	596	603
Hedge effectiveness		
Change in fair value of hedging instruments used for measuring hedge ineffectiveness	627	623
Change in fair value of hedged items used for measuring hedge ineffectiveness:		
EUR debt securities in issue and interest rate swaps	–623	–619
Ineffectiveness recognised in the income statement during the year	0	–1
Cash flow hedge reserve		
Opening balance	**11**	**2**
Gains or losses from hedges recognised in other comprehensive income	5	626
Amount reclassified to the income statement, net gains and losses on financial items	–9	–615
Other comprehensive income before tax	–4	11
Tax	1	–2
Closing balance	**7**	**11**

	2023			2022		
Maturity profile and average price, hedging instruments	Remaining contractual maturity			Remaining contractual maturity		
Foregin currency risk	<1 yr	1–5 yrs	>5 yrs	<1 yr	1–5 yrs	>5 yrs
Nominal amount		7 944	244		4 106	4 073
Average FX rate		10.46	10.00		10.34	10.21

30.3 Hedging of net investments in foreign operations

Foreign currency translation differences arise from the translation of operations which do not have SEK as the functional currency. The foreign currency risk arises as a result of fluctuations in the spot rate of the functional currency of the foreign operation versus SEK, which causes the carrying amount of the net investment to vary. The Group hedges these exposures by issuing debt securities and subordinated liabilities in the same currency as the hedged net investment in the foreign operation.

The Group applies hedge accounting for the foreign currency translation of these liabilities to the extent they are designated as hedging instrument. The foreign exchange effects for hedging instruments are reported in other comprehensive income instead of the income statement.

The Group's hedging policy is to generally hedge net investments in subsidiaries and associates denominated in foreign currencies to minimize the foreign exchange effect on the Common Equity Tier 1 capital.

The Group ensures that designated hedge relationships fulfil the effectiveness requirements.The economic relationship between the net investment in the foreign operation and the debt securities is assessed using a qualitative analysis of the critical terms, which are matched. The carrying amounts are expected to move in opposite directions as a result of a change in the foreign currency rate. The hedge ratio is one-to-one as the carrying amount of hedging instrument match the portion of the net investment in the foreign operation that is designated as the hedged item. The carrying amount for the hedging instrument is equal to its nominal value. The Group assesses hedge effectiveness by comparing the changes in value of the designated net investment, with the changes in the carrying amont of the hedging instruments, due to movements in the foreign currency rate. Rebalancing occurs monthly or when net assets change significantly during a month.

The tables below provide information relating to the hedged items and hedging instruments in qualifying hedges of net investments in foreign operations.

	2023				2022			
Hedging instruments and hedge ineffectiveness	Carrying amount, Liabilities	Change in fair value used for measuring hedge ineffectiveness	Change in value of the hedging instrument recognised in OCI before tax	Hedging of net investments in foreign operations after tax	Carrying amount, Liabilities	Change in fair value used for measuring hedge ineffectiveness	Change in value of the hedging instrument recognised in OCI before tax	Hedging of net investments in foreign operations after tax
Foreign currency risk								
EUR denominated, Debt securities in issue	53 393	285	285	−5 824	45 377	−3 401	−3 401	−6 051
NOK denominated, Debt securities in issue	506	51	51	127	769	−19	−19	87
Total	**53 899**	**336**	**336**	**−5 697**	**46 145**	**−3 421**	**−3 421**	**−5 964**

	2023	2022
Hedged items	Change in value used for measuring hedge ineffectiveness	Change in value used for measuring hedge ineffectiveness
EUR net investments	−285	3 401
NOK net investments	−51	19
Total	**−336**	**3 421**

G31 Intangible assets

2023	Indefinite useful life		Definite useful life			
	Goodwill	Brand	Customer base	Internally developed software	Other	Total
Cost, opening balance	**16 765**	**160**	**1 968**	**9 145**	**1 511**	**29 549**
Additions through internal development				1 213	52	1 265
Sales and disposals				−97	−104	−200
Exchange rate differences	15	−2	1	−10	2	6
Cost, closing balance	**16 780**	**158**	**1 969**	**10 253**	**1 461**	**30 621**
Amortisation, opening balance			**−1 519**	**−2 336**	**−1 187**	**−5 042**
Amortisation for the year			−43	−525	−73	−641
Sales and disposals				97	104	201
Exchange rate differences			−1	9	−1	7
Amortisation, closing balance			**−1 563**	**−2 755**	**−1 157**	**−5 476**
Impairment, opening balance	**−2 991**	**−84**	**−237**	**−1 269**	**−40**	**−4 621**
Impairment for the year				−81		−81
Exchange rate differences	−3			1		−2
Impairment, closing balance	**−2 994**	**−84**	**−237**	**−1 349**	**−40**	**−4 704**
Carrying amount	**13 786**	**75**	**169**	**6 147**	**262**	**2 440**

For intangible assets with a finite useful life, the amortisable amount is allocated linearly over the useful life. The original useful life is between 3 and 20 years, except for internally developed software. The orignal useful life for internally developed software is between 3 and 10 years. Amortization of these assets will commence once the asset is ready to use. During the year, impairments of SEK 81m was made relating to inte rnally developed software that will no longer be used. There were no additional indications of impairments of intangible fixed assets.

2022	Indefinite useful life		Definite useful life			
	Goodwill	Brand	Customer base	Internally developed software	Other	Total
Cost, opening balance	**15 700**	**159**	**1 893**	**8 026**	**1 474**	**27 252**
Additions through internal development				1 114		1 114
Additions through separate acquisitions					53	53
Sales and disposals					−32	−32
Exchange rate differences	1 065	1	75	5	16	1 162
Cost, closing balance	**16 765**	**160**	**1 968**	**9 145**	**1 511**	**29 549**
Amortisation, opening balance			**−1 405**	**−1 938**	**−1 111**	**−4 454**
Amortisation for the year			−42	−393	−90	−525
Sales and disposals					28	28
Exchange rate differences			−72	−5	−14	−91
Amortisation, closing balance			**−1 519**	**−2 336**	**−1 187**	**−5 042**
Impairment, opening balance	**−2 199**	**−66**	**−237**	**−768**	**−40**	**−3 310**
Impairment for the year	−606	−18		−501		−1 125
Exchange rate differences	−186					−186
Impairment, closing balance	**−2 991**	**−84**	**−237**	**−1 269**	**−40**	**−4 621**
Carrying amount	**13 774**	**76**	**212**	**5 540**	**284**	**19 886**

In connection with the annual impairment testing of goodwill 2022, it was found that the profitability outlook for PayEx, operating in a market with rapid technological development and growing competition, has worsened. Worsened future financial plans resulted in total impairments of SEK 681m and relates to the entire amount of goodwill, SEK 425m, internally developed software, SEK 238m, and brand name, SEK 18m.

Additionally, SEK 181m impairment of goodwill was made relating to the Norwegian operations which was transferred without consideration to Sparebank 1 Markets AS and SEK 263m impairments relating to inte rnally developed software that will no longer be used.

Specification of intangible assets with indefinite useful life	Acquisition year	Carrying amount 2023	2022	1/1/2022
Goodwill				
Swedbank Robur AB	1995	328	328	328
Föreningsbanken AB	1997	1 342	1 342	1 342
Swedbank Försäkring AB	1998	651	651	651
Kontoret i Bergsjö	1998	13	13	13
FSB Bolåndirekt Bank AB	2002	159	159	159
Söderhamns Sparbank AB	2007	24	24	24
PayEx AB	2017			425
Sweden		**2 517**	**2 517**	**2 942**
of which banking operations		1 538	1 538	1 538
of which other		979	979	1 404
Swedbank AS	1999	1 345	1 343	1 238
Swedbank AS	2000	14	14	13
Swedbank AS	2001	158	158	146
Swedbank AS	2005	9 752	9 742	8 981
Baltic countries		**11 269**	**11 257**	**10 378**
of which allocated to:				
Banking operations in Estonia		4 717	4 711	4 344
Banking operations in Latvia		2 428	2 426	2 236
Banking operations in Lithuania		4 124	4 120	3 798
First Securities ASA	2005			181
Norway				**181**
Total		**13 786**	**13 774**	**13 501**

Value in use

Goodwill acquired in business combinations has been allocated to the lowest possible cash generating unit. Recoverable amount has been determined based on value in use. This means that the assets' estimated future cash flows are calculated at present value using a discount rate. Estimated future cash flows are based on the Group's established three-year financial plans. The most important assumptions in the three-year plan are the executive management's estimate of net profit, including credit impairments; growth in each economy, both GDP and industry growth; and the trend in risk weighted assets. Financial planning is done at a lower level than the cash generating unit. The necessary assumptions in the planning are based as far as possible and appropriate on external information.

Future cash flows are subsequently estimated with the help of long-term growth assumptions for risk weighted assets as well as on net profit in relation to risk weighted assets. Due to the long-term nature of the investments, cash flow is expected to continue indefinitely. Use of an indefinite cash flow is motivated by the fact that all cash generating units are part of the Group's home markets, which it has no intention of leaving. Net cash flow refers to the amount that theoretically could be received as dividends or must be contributed as capital to comply with capital adequacy or solvency rules. The Group currently believes that a Common Equity Tier 1 capital ratio of 15 per cent (15) is reasonably the lowest level for the cash generating unit, because of which any surpluses or deficits calculated in relation to this level are theoretically considered payable as dividends or will have to be contributed as capital and therefore constitute net cash flow.

The discount rate is determined based on the market's risk-free rate of interest and yield requirements, the unit's performance in the stock market in relation to the entire market, and the asset's specific risks. The discount rate is adapted to various periods if needed. Any adjustments needed to the discount factor are determined based on the economic stage the cash generating unit is in and means that each year's cumulative cash flow is discounted by a unique discounting factor. Projected growth in risk weighted assets corresponds to estimated inflation, projected real GDP growth and any additional growth expected in the banking sector, depending on the economic stage the sector is in. In accordance with IAS 36, the long-term growth estimate does not include any potential increase in market share.

Long-term growth estimates are based on external projections as well as the Group's experience and growth projections for the banking sector in relation to GDP growth and inflation. Estimated net profit in relation to risk weighted assets is based on historical experience and adjusted based on the economic stage the cash generating unit is in. The adjustment is also based on how the composition of the cash generating unit's balance sheet is expected to change. The parameters are based as far as possible on external sources. The most important assumptions and their sensitivity are described in the table on the following page.

	Annual average REA growth %		Annual REA growth %		Annual average REA growth %		Annual REA growth %	
	2023	2022	2023	2022	2023	2022	2023	2022
Cash-generating unit	2024–2026	2023–2025	2027–2029	2026–2028	2027–2029	2026–2028	2030–	2029–
Banking operations								
Estonia	–0,8	–5,3	2,3–7,2	–1,2–3,1	4,1	1,6	3,0	3,0
Latvia	6,4	2,1	1,0–9,8	–0,1–3	4,4	1,1	3,0	3,0
Lithuania	3,9	–4,4	–0,4–10,1	0,5–8,5	3,1	3,1	3,0	3,0
Sweden	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0

	Annual average discount rate %		Average discount rate %		Annaual avarege doiscount rate %		Average discount rate %	
	2023	2022	2023	2022	2023	2022	2023	2022
Cash-generating unit	2024–2026	2023–2025	2027–2029	2026–2028	2027–2029	2026–2028	2030–	2029–
Banking operations								
Estonia	9,6	11,2	9,6–9,6	11,2–11,2	9,6	11,2	9,6	11,2
Latvia	10,4	12,0	10,4–10,4	12,0–12,0	10,4	12,0	10,4	12,0
Lithuania	9,8	11,4	9,8–9,8	11,4–11,4	9,8	11,4	9,8	11,4
Sweden	7,6	8,4	7,6	8,4	7,6	8,4	7,6	8,4

Sensitivity analysis, change in recoverable amount

	Net asset including goodwill. Carrying amount. SEKm		Recoverable amount. SEKm		Decrease in assumption of yearly growth by 1 percentage point		Increase in discount rate by 1 percentage point	
Cash-generating unit	2023	2022	2023	2022	2023	2022	2023	2022
Banking operations								
Estonia	26 892	24 310	46 234	35 479	–3 281	–1 800	–4 523	–2 683
Latvia	15 095	12 933	27 763	18 741	–2 031	–995	–2 851	–1 501
Lithuania	20 160	16 093	29 726	19 936	–2 002	–978	–2 819	–1 487
Sweden[1]	66 538	73 538	101 616	83 373	2 830	–389	–10 334	–5 349

1) The cash-generating unit is part of the segment Swedish Banking

Sensitivity analysis
Given a reasonable change in any of the above assumptions there would be no impairment loss for any cash generating unit. For the other cash generating units there is still room for a reasonable change if both assumptions were to occur simultaneously as indicated in the table i.e. both an increase in the discount rate of 1 percentage point and a decrease in the growth assumption of 1 percentage point. The Group is also confident there is room for a reasonable change in the net profit margin assumption for these units without causing an impairment loss.

Banking operations in Baltic countries
Recognised goodwill totalled SEK 11 269 m (11 257). Goodwill is tested for impairment separately for each country. Essentially the same assumptions were used in the impairment testing for 2023 as at the previous year-end. The three-year financial plans have been updated. The discounting factor has been updated with new country-specific risk premiums. No impairments were identified on the balance sheet date. The three-year financial plans have been updated based on conditions in each country. Initial growth assumed in the established three-year financial plans is based on management's best estimate of inflation, real GDP growth and growth in the banking sector in each market. The assessments are based on external sources. After the planning period a linear eternal growth of 3 per cent is assumed, which is considered sustainable growth for a mature market. The discount rate before tax was approximately 12 per cent (14).

Other cash generating units, excluding banking operations
Other recognised goodwill totalled SEK 979 m (979). No impairments were needed as of the closing day. Average annual growth for other cash generating units has been assumed to be 2 per cent (2) and the lowest discount rate was 8 per cent (9), or 9 per cent (11) before tax.

G32 Tangible assets

	Current assets	Fixed assets				
2023	Properties	Equipment	Owner-occupied properties	Right-of-use assets for rented premises	Other[1]	Total
Cost, opening balance	**28**	**3 283**	**1 441**	**5 985**	**534**	**11 271**
Additions		341	2	246	424	1 013
Sales and disposals	−14	−160	−5	−285	−121	−585
Assessments and modifications				427	8	435
Exchange rate differences	0	11	1	6	0	18
Cost, closing balance	**14**	**3 475**	**1 439**	**6 379**	**845**	**12 152**
Amortisation, opening balance		**−2 520**	**−592**	**−2 519**	**−166**	**−5 797**
Amortisation for the year		−288	−35	−769	−187	−1 279
Sales and disposals		148	4	265	71	488
Exchange rate differences		−9	0	−1	0	−10
Amortisation, closing balance		**−2 669**	**−622**	**−3 024**	**−282**	**−6 598**
Impairment, opening balance	**−12**		**−3**	**−10**		**−25**
Sales and disposals	11			10		21
Impairments	−7					−7
Impairment, closing balance	**−8**		**−3**	**0**		**−11**
Carrying amount	**6**	**806**	**814**	**3 355**	**563**	**5 544**

1) In the carrying amount for Other, Right-of-use assets are included with SEK 334m (178).

The useful life of equipment is deemed to be between 3 and 10 years and its residual value is deemed to be zero as in previous years. The depreciable amount is recognised linearly in profit or loss over the useful life. There was no change in useful lives in 2023. No indications of impairment were identified on the balance sheet date for Fixed assets. Owner-occupied properties structural components are deemed to have useful lives of between 12 and 25 years. The residual value is deemed to be zero. The depreciable amount is recognised linearly in profit or loss over the useful life. Land has an indefinite useful life and is not depreciated.

The useful life of right-of-use assets are considered to be the same as the lease terms. The remaining useful life is up to 11 years. The depreciable amount is recognized on a straight-line basis in the income statement over the useful life. Information about the corresponding lease liabilities are presented within Other liabilities in note G42.

	Current assets	Fixed assets				
2022	Properties	Equipment	Owner-occupied properties	Right-of-use assets for rented premises	Other[1]	Total
Cost, opening balance	**36**	**3 036**	**1 346**	**5 462**	**545**	**10 425**
Additions	0	348	3	58	193	602
Sales and disposals	−11	−156	−11	−72	−205	−455
Assessments and modifications				488	−1	487
Exchange rate differences	3	55	103	49	2	212
Cost, closing balance	**28**	**3 283**	**1 441**	**5 985**	**534**	**11 271**
Amortisation, opening balance		**−2 357**	**−517**	**−1 833**	**−184**	**−4 891**
Amortisation for the year		−276	−36	−724	−134	−1 170
Sales and disposals		150	5	62	152	369
Exchange rate differences		−37	−44	−24	0	−105
Amortisation, closing balance		**−2 520**	**−592**	**−2 519**	**−166**	**−5 797**
Impairment, opening balance	**−11**					**−11**
Sales and disposals	−1					−1
Impairments			−3	−10		−13
Impairment, closing balance	**−12**		**−3**	**−10**		**−25**
Carrying amount	**16**	**763**	**846**	**3 456**	**368**	**5 449**

1) In the carrying amount for Other, Right-of-use assets are included with SEK 178m (207).

G33 Other assets

	2023	2022[1]	1/1/2022[1]
Security settlement claims	2 742	3 770	4 891
Other assets	4 978	4 254	3 951
Total financial assets	**7 720**	**8 024**	**8 842**
Reinsurance contracts held	236	161	142
Property taken over to protect claims	29	29	28
Other non-financial assets	16	30	
Total non-financial assets	**281**	**220**	**170**
Total	**8 001**	**8 244**	**9 012**

1) Comparative figures have been restated due to the adoption of IFRS 17. For more information see note G2 and note G57.

G34 Prepaid expenses and accrued income

	2023	2022	1/1/2022
Prepaid expenses	2 120	1 586	1 475
Unbilled receivables	459	443	495
Total	**2 579**	**2 028**	**1 970**

G35 Amounts owed to credit institutions

	2023	2022	1/1/2022
Swedish central bank		58	22
Swedish banks	26 484	29 376	35 847
Other swedish credit institutions	7 460	5 099	5 242
Foreign central banks	10 098	12 035	28 149
Foreign banks	20 055	25 481	22 507
Foreign credit institutions	701	119	231
Repurchased agreements, swedish banks and credit institutions	69	0	814
Repurchase agreements, foreign banks and credit institutions	7 187	659	0
Total	**72 054**	**72 826**	**92 812**

G36 Deposits and borrowings from the public

	2023	2022	1/1/2022
Private customers	701 863	703 935	655 636
Corporate customers	528 565	594 343	603 085
Total deposits from customers	**1 230 428**	**1 298 278**	**1 258 721**
Cash collaterals received	3 470	4 754	1 906
Repurchase agreements	94	2 815	5 088
Repurchase agreements, Swedish National Debt Office	3	1	0
Swedish National Debt Office	268	101	68
Total borrowing	**3 835**	**7 670**	**7 063**
Total	**1 234 262**	**1 305 948**	**1 265 783**

G37 Financial liabilities for which customers bear the investment risk

	2023	2022[1]	1/1/2021[1]
Investment contracts, unit-link	320 609	268 892	304 181

1) Comparative figures have been restated due to the adoption of IFRS 17. For more information see note G2 and note G57.

G38 Debt securities in issue

	2023	2022	1/1/2022
Commercial papers	263 334	316 114	165 067
Covered bonds	345 615	343 284	436 989
Senior unsecured bonds	118 238	122 559	129 809
Structured retail bonds	1 361	2 249	4 052
Total	**728 548**	**784 206**	**735 917**

G39 Short positions in securities

	2023	2022	1/1/2022
Shares	729	240	249
of which own issued shares	98	105	121
Interest-bearing securities	16 568	26 894	28 364
of which own issued bonds	306	3 728	2 058
Total	**17 297**	**27 134**	**28 613**

G40 Pensions

Defined benefit pension plans are recognised in the balance sheet as a provision and in the income statement in their entirety as a pension cost in staff costs. In cases when the provision is negative a pension asset is reported. Remeasurements of defined benefit pension plans are recognised in other comprehensive income. The provision in the balance sheet is a net of the pension obligations and the fair value of the assets allocated to fund the obligations, so-called plan assets. The Group calculates provisions and costs for defined benefit pension obligations based on the obligations' significance and assumptions related to future development. The pension obligations as well as the cost of services rendered and interest expense for the pension obligations include payroll tax, which is calculated according to an actuarial method.

Nearly all employees hired in the Swedish part of the Group before 2013 are covered by the BTP2 defined benefit pension plan (a multi-employer occupational pension for Swedish banks). According to this plan, employees are guaranteed a lifetime pension corresponding to a specific percentage of their salary and mainly comprising retirement pension, disability pension and survivor's pension. Remuneration levels differ for salaries with different income base amounts. For salaries over 30 income base amounts, there is no pension according to BTP2. Consequently, the Group's provision and pension cost are affected by each employee's anticipated longevity, final salary and income base amounts.

The pension plan also contains a complementary retirement pension which has been defined contribution since 2001 rather than defined benefit. In 2012 BTP was renegotiated as entirely a defined contribution pension plan for all new employees as of 2013. The defined benefit pension plan therefore covers only those employed before 2013 and hence is being dissolved. The defined benefit portion of the BTP2 pension plan is funded by purchasing pension insurance from the insurance company SPK (SPK Pension tjänstepensionsförening). SPK administers pensions and manages pension assets for Swedbank and other employers. The Group has to determine its share of the plan assets held by SPK. The share amounted to 73 per cent. This is done using the metric SPK is likely to have used on the closing day to distribute assets if the plan were immediately dissolved or if a situation arose that required an additional payment from employers due to insufficient assets. The employers are responsible for ensuring that SPK has sufficient assets to meet the pension plan's obligations measured on the basis of SPK's legal obligations. There is no such deficit. SPK's asset management is mainly based on the regulations it faces. The Group's provision and other comprehensive income are therefore affected by SPK's return on assets.

During 2017 PayEx was acquired. Its Swedish part provides defined benefit pension according to the so-called ITP plan (Industry and Trade Supplementary Pension). The benefits mainly correspond to the benefits in BTP 2. The provision in the balance sheet was SEK 176m (168) at the end of the year. The pension commitments are secured in own balance sheet in accordance with the Act on Safeguarding Pension Benefits.

For individuals who have been in executive positions, there are complementary individual defined benefit pension obligations. They are funded through provisions to pension funds which comply with the Act on Safeguarding Pension Benefits.

Amount reported in balance sheet for defined benefit pension plans	2023	2022	1/1/2022
Funded pension obligations and payroll tax	19 805	18 892	26 438
Unfunded pension obligations and payroll tax	176	168	253
Fair value of plan assets	−21 905	−21 324	−24 890
Total	**−1 924**	**−2 263**	**1 801**
of which reported as pension assets	2 100	2 431	
of which reported as pension provisions	176	168	1 801

Changes in defined benefit pension plans, including payroll tax	2023	2022
Opening obligations	**19 061**	**26 691**
Current service cost and payroll tax	404	653
Interest expense on pension obligations	787	550
Pension payments	−934	−841
Payroll tax payments	−157	−163
Remeasurement	820	−7 830
Closing obligations	**19 981**	**19 061**

Pension obligations, including payroll tax	2023	2022	2023 Number
Active members	5 588	5 519	3 332
Deferred members	4 331	4 099	9 785
Pensioners	10 062	9 443	13 196
Total	**19 981**	**19 061**	**26 313**
Vested benefits	19 291	18 302	
Non-vested benefits	690	759	
Total	**19 981**	**19 061**	
of which attributable to future salary increases	963	1 118	

Changes in plan assets	2023	2022
Opening fair value	**21 324**	**24 890**
Interest income on plan assets	901	521
Contributions by the employer	633	644
Pension payments	−933	−840
Remeasurement	−19	−3 892
Closing fair value	**21 905**	**21 324**

Fair value of plan assets	2023	of which quoted market price in an active market	2022	of which quoted market price in an active market
Bank balances	284		403	
Debt instruments, Swedish government and municipalities	364	364	376	376
Derivatives, currency-related	281		−2	
Investment funds, interest	7 608	7 608	8 220	8 220
Investment funds, shares	7 638	7 638	6 450	6 450
Investment funds, other	5 731	843	5 876	1 602
Total	**21 905**	**16 453**	**21 324**	**16 648**

	Undiscounted cash flows											
	2023						2022					
Remaining maturity	≤ 1 yr	> 1–5 yrs	> 5–10 yrs	> 10 yrs	No maturity/discounteffect	Total	≤ 1 yr	> 1–5 yrs	> 5–10 yrs	> 10 yrs	No maturity/discounteffect	Total
Pension obligations, including payroll tax	1 005	3 854	4 979	27 572	–17 429	19 981	943	3 698	4 894	30 817	–21 291	19 061
Plan assets	408	187	53		21 257	21 905	544	182	53		20 544	21 324
Expected contributions by the employer	283					283	289					289

Pension costs reported in income statement	2023	2022
Current service cost and payroll tax	404	653
Interest expense on pension obligations	787	550
Interest income on plan assets	–901	–521
Pension cost defined benefit pension plans	**290**	**682**
Premiums paid for defined contribution pension plans and payroll tax	**947**	**783**
Total	**1 237**	**1 465**

Remeasurements of defined benefit pension plans reported in other comprehensive income	2023	2022
Actuarial gains and losses based on experience	–759	–1 011
	–61	–49
Actuarial gains and losses arising from changes in financial assumptions		8 890
Return on plan assets, excluding amounts included in interest income	–19	–3 892
Total	**–839**	**3 938**

Actuarial assumptions, per cent	2023	2022
Financial		
Discount rate, 1 January	4.25	2.10
Discount rate, 31 December	3.69	4.25
Future annual salary increases, 1 January	2.69	3.51
Future annual salary increases, 31 December	2.35	2.69
Future annual pension indexations/inflation, 1 January	2.11	2.30
Future annual pension indexations/inflation, 31 December	1.57	2.11
Future annual changes in income base amount, 1 January	3.20	4.04
Future annual changes in income base amount, 31 December	3.07	3.20
Demographic		
Entitled employees who choose early retirement option	50.00	50.00
Future annual employee turnover	3.50	3.50
Expected remaining life for a 65 years old man	22	22
Expected remaining life for a 65 years old woman	24	24

Sensitivity analysis, pension obligations	2023	2020
Financial		
Change in discount rate - 25 bps	726	652
Change in salary assumption +25 bps	262	261
Change in pension indexation/inflation assumption +25 bps	725	698
Change in income base amount assumption –25 bps	116	115
Demographic		
All entitled employees choose early retirement option at maximum	398	495
Change in employee turnover assumption –25 bps	7	6
Expected remaining life for a 65 years old man and woman +2 year	1 057	991

When the cost of defined benefit pension plans is calculated, financial and demographic assumptions have to be made for factors that affect the size of future pension payments. The discount rate is the interest rate used to discount the value of future payments. The interest rate is based on a market rate of interest for first-class corporate bonds traded on a functioning market with remaining maturities and currencies matching those of the pension obligations. The Group considers Swedish bonds using mortgages as collateral as such bonds, because of which the discount rate is based on their quoted prices. The Group's own issues are excluded. Quoted prices are adjusted for remaining maturities with the help of prices for interest rate swaps. The weighted average maturity of the defined benefit obligation is nearly 18 years (18). A reduction in the discount rate of 0.25 bp would increase the pension provision by approximately SEK 726m (652) and the pension cost by SEK 45m (49). Future annual salary increases reflect projected future salary increases as an aggregate effect of both contractual wage increases and wage drift. Because the defined benefit pension plan no longer covers new employees, only those employed before 2013, the salary increase assumption has been adapted to assume that the plan is closed. As of 2014 an age-based salary increase assumption is therefore used instead. This means that a unique salary increase assumption is set for each age group of employees. As of 2014 the inflation assumption is based on quoted prices for nominal and index-linked government bonds. For longer maturities that lack quoted prices, the inflation assumption is gradually adapted to the Riksbank's target of 2 percentage points. The final benefits under BTP are determined on the basis of the income base amount. Therefore, future changes in the income base amount have to be estimated. The assumption is based on historical outcomes. Annual pension indexation has to be determined as well, since indexation historically has always been necessary. The indexation is assumed to correspond to the inflation assumption. BTP2 gives employees born in 1966 or earlier the option to choose a slightly earlier retirement age than normal in exchange for a slightly lower benefit level. Since this option is totally voluntary on the part of those employees, an estimate is made of the future outcome. Early retirements jointly agreed to by the employer and employee are recognised as they arise rather than estimated among actuarial assumptions. The assumed remaining lifetime of beneficiaries is updated annually.

G41 Insurance provisions

From 2023, IFRS 17 is applied for the reporting of insurance contracts. The application involves a new presentation, which is why comparative figures are also reported according to the new standard. For more information see note G2 and G57.

The Group reports risk insurances and property insurances according to the premium allocation approach where the insurance coverage period is maximum one year. The general model covers essentially traditional life insurance.

	2023			2022		
	Fulfilment cash flows	Contractual service margin	Total	Fulfilment cash flows	Contractual service margin	Total
General model without direct participation features	−1 948	2 284	336	−1 587	2 380	793
General model with direct participation features	22 889	1 525	24 414	21 396	1 395	22 790
Premium allocation approach	1 565		1 565	1 292		1 292
Total	**22 506**	**3 809**	**26 315**	**21 100**	**3 775**	**24 875**

	2023			2022		
	Fulfilment cash flows	Contractual service margin	Total	Fulfilment cash flows	Contractual service margin	Total
Opening balance	**21 100**	**3 775**	**24 875**	**23 932**	**2 725**	**26 657**
New contracts	−394	401	7	−495	496	1
Changes related to future service	47	−34	12	−698	700	2
Changes related to current services	−714	−354	−1 068	−675	−332	−1 006
Changes related to past services	−166		−166	−303		−303
Insurance finance income or expenses	2 043	10	2 053	−1 623	−7	−1 630
Cash flows	583		583	694		694
Exchange rate differences	7	12	19	268	192	460
Closing balance	**22 506**	**3 809**	**26 315**	**21 100**	**3 775**	**24 875**

	Expected future income recognition of contractual service margin									
	2023					2022				
	<1 year	1–5 years	>5 years	Discount impact	Total	<1 year	1–5 years	>5 years	Discount impact	Total
General model without direct participation features	228	706	1 585	−235	2 284	231	703	1 592	−147	2 380
General model with direct participation features	106	407	1 418	−406	1 525	88	352	1 475	−521	1 395
Total	**334**	**1 113**	**3 003**	**−640**	**3 809**	**319**	**1 056**	**3 067**	**−667**	**3 775**

	2023				2022			
	Remaining coverage		Incurred claims	Total	Remaining coverage		Incurred claims	Total
	Excluding loss component	Loss Component			Excluding loss component	Loss Component		
Opening balance	**23 616**	**10**	**1 249**	**24 875**	**25 456**	**6**	**1 195**	**26 657**
Expected incurred claims and other insurance service expenses	−384			−384	−325			−325
Change in risk adjustment for non-financial risk for risk expired	−78			−78	−126			−126
Contractual service margin	−354			−354	−332			−332
Recovery of insurance acquisition cash flows	−28			−28	−25			−25
Services provided in the period, premium allocation approach	−3 482			−3 482	−2 854			−2 854
Insurance revenue	**−4 326**			**−4 326**	**−3 661**			**−3 661**
Incurred claims and handling expenses			2 452	2 452			1 983	1 983
Other insurance service expenses			781	781			647	647
Amortisation of insurance acquisition cash flows	28			28	25			25
Losses and reversal of losses on onerous contracts		17		17		3		3
Adjustments for incurred claims			−166	−166			−303	−303
Insurance service expenses	**28**	**17**	**3 068**	**3 112**	**25**	**3**	**2 327**	**2 355**
Investment components	−1 681		1 681		−1 453		1 453	
Insurance service result	**−5 980**	**17**	**4 749**	**−1 214**	**−5 089**	**3**	**3 780**	**−1 306**
Time value of money	−91		16	−75	9		−1	8
Effects from locked in yield curve	−40			−40	1			1
Changes related to Underlying items	2 341			2 341	−2 343			−2 343
Other changes related to changes in financial risk	−149		−25	−174	766		−62	704
Finance income or expense from insurance contracts	**2 061**		**−9**	**2 053**	**−1 567**		**−63**	**−1 630**
Premiums recieved	5 036			5 036	4 537			4 537
Payments	−60		−4 392	−4 453	−49		−3 793	−3 843
Cash flows	**4 975**		**−4 392**	**583**	**4 487**		**−3 793**	**694**
Exchange rate differences	**116**	**−1**	**−97**	**19**	**329**	**1**	**130**	**460**
Closing balance	**24 790**	**26**	**1 500**	**26 315**	**23 616**	**10**	**1 249**	**24 875**

	2023					2022				
	Insurance provisions			Financial assets	Income statement	Insurance provisions			Financial assets	Income statement
Sensitivity analysis	Fulfilment cash flows	Contractual service margin	Total	Backing insurance contracts	Net insurance income	Fulfilment cash flows	Contractual service margin	Total	Backing insurance contracts	Net insurance income
Insurance risks										
Change in lapses, +10%	145	−170	−25		25	122	−167	−33		44
Change in expenses, +10%	103	−97	6		−6	102	−101	43		−1
Change in mortality, +5%	42	−47	−5		5	36	−45	−8		9
Financial risks										
Change in equity prices, -10%	−1 127	−68	−1 195	−1 201	−6	−1 061	−64	−1 088	−1 132	−7
Change in market interest rates, +100 bps	−410	215	−195	−492	−297	−559	168	−422	−649	−258
Change in market interest rates, -100 bps	536	−359	177	515	338	608	−292	421	612	295

G42 Other liabilities and provisions

	2023	2022[1]	1/1/2022[1]
Security settlement liabilities	2 493	1 939	4 463
Lease liabilities	3 676	3 631	3 759
Other liabilities	23 817	20 632	20 033
Provisions for commitments and financial guarantees	1 097	714	644
Total financial liabilities	**31 084**	**26 916**	**28 899**
Other provisions	78	66	79
Total	**31 162**	**26 984**	**28 978**

1 Comparative figures have been restated due to the adoption of IFRS 17. For more information see note G2 and note G57.

Recognised lease liabilities reflects the present value of future cash flows in lease agreements where the Group acts as a lessee. Future cashflows of the lease liabilities are presented in a maturity analysis within note K3 section 3.2.6. Changes in the lease liabilities are presented in note K3 section 3.2.8. Information about the corresponding right-of-use assets are presented within note G31 Tangible Assets.

Future cash outflows related to potential extension and termination options in lease agreements, that are not reflected in the measurement of lease liabilities amounted to SEK 4 725m (4 251). Future cash outflows for leases not yet commenced to which the Group is committed amounted to SEK 3 443m (2 515). Expenses related to short-term leases, leases of low-value assets and variable lease payments are presented within Other general administrative expenses in note G14.

G43 Accrued expenses and prepaid income

	2023	2022[1]	1/1/2022[1]
Accrued expenses	3 409	2 988	3 169
Contract liabilities	1 954	1 669	1 638
Total	**5 364**	**4 657**	**4 807**

1 Comparative figures have been restated due to the adoption of IFRS 17. For more information see note G2 and note G57.

G44 Subordinated liabilities

	2023	2022	1/1/2022
Subordinated loans	18 356	21 925	14 980
Undated subordinated loans, Additional Tier 1 capital	14 485	9 406	13 624
Total	**32 841**	**31 331**	**28 604**

Fixed-term subordinated loans

Year of issue	Maturity	First optional call date	Currency	Nominal amount	Carrying amount	Coupon interest %
2018	2028	2028-03-28	JPY	5 000	353	0,90%
2022	2027	2027-06-16	JPY	7 000	494	1,45%
2022	2027	2027-08-23	EUR	750	8 138	3,63%
2022	2027	2027-11-15	GBP	400	5 245	7,27%
2023	2028	2028-05-25	JPY	10 000	706	2,00%
2023	2028	2028-06-09	SEK	1 500	1 574	5,79%
2023	2028	2028-06-09	SEK	1 250	1 251	6,78%
2023	2028	2028-06-09	NOK	600	595	7,37%
Total					**18 356**	

Undated subordinated loans, approved by Swedish Financial Supervisory Authority as Additional Tier 1 capital

The liabilities will be converted to ordinary shares in Swedbank AB if the core tier one ratio of Swedbank AB falls below 5.125 per cent or if the core tier one ratio of the consolidated situation falls below 8.0 per cent.

Year of issue	Maturity	First optional call date	Currency	Nominal amount	Carrying amount	Coupon interest %
2019	Undated	2024-09-17[1]	USD	500	4 952	5,63%
2021	Undated	2029-03-17[2]	USD	500	4 411	4,00%
2023	Undated	2028-03-17[3]	USD	500	5 123	7,63%
Total					**14 485**	

1) The liability is converted at current share price but not lower than USD 8.75 converted to SEK.
2) The liability is converted at current share price but not lower than USD 12.92 converted to SEK.
3) The liability is converted at current share price but not lower than USD 13.09 converted to SEK.

G45 Equity

The table below shows the Group's equity distributed according to the Annual Accounts Act for Credit Institutions and Securities Companies. The distribution, and the changes in equity for the year, according to IFRS are presented in the Statement of changes in equity, Group.

	2023	2022[1]	1/1/2022[1]
Restricted equity			
Share capital, ordinary shares	24 904	24 904	24 904
Statutory reserve	10 315	10 505	10 399
Equity method reserve	5 989	5 270	5 376
Fund for internally developed software	4 881	4 399	4 224
Other reserve	21 597	21 201	19 936
Total	**67 686**	**66 279**	**64 839**
Non-restricted equity			
Currency translation from foreign operations	3 633	3 696	2 046
Cash flow hedge reserve	7	10	2
Foreign currency basis reserve	–22	–8	–57
Share premium reserve	13 206	13 206	13 206
Retained earnings	114 249	92 868	82 118
Total	**131 073**	**109 772**	**97 315**
Non-controlling interest	30	29	26
Total equity	**198 790**	**176 052**	**162 154**

Ordinary shares

Number of shares	2023	2022	1/1/2022
Number of shares authorised, issued and fully paid	1 132 005 722	1 132 005 722	1 132 005 722
Own shares	–7 209 322	–8 934 918	–10 570 929
Number of outstanding shares	**1 124 796 400**	**1 123 070 804**	**1 121 434 793**
Opening balance	**1 123 070 804**	**1 121 434 793**	**1 119 991 775**
Share delivery due to Equity-settled share based programmes	1 725 596	1 636 011	1 443 018
Closing balance	**1 124 796 400**	**1 123 070 804**	**1 121 434 793**

The quote value per share is SEK 22.

Ordinary shares each carry one vote and a share in profits. Treasury shares are not eligible for dividends. Each ordinary share is entitled to one vote and dividend. Own holders do not give the right to dividends. Total compensation paid and received for own shares amounted to –3 348 (–3 348).

1) Comparative figures have been restated due to the adoption of IFRS 17. For more information see note K2 and note K57.

G46 Valuation categories of financial instruments

The tables below present the carrying amount and fair value of financial assets and financial liabilities, according to valuation categories.
For information about determination of fair values of financial instruments, see note G47.

		2023						
			Fair value through profit or loss					
			Mandatorily					
Financial assets	Note	Amortised cost	Trading	Other	Total	Hedging Instruments	Total carrying amount	Fair value
Cash and balances with central banks		252 994					252 994	252 994
Treasury bills and other bills eligible for refinancing with central banks, etc	G22	159 974	12 464	6 182	18 645		178 619	178 622
Loans to credit institutions	G23	24 959	42 575		42 575		67 534	67 534
Loans to the public[1]	G24	1 811 981	51 151	244	51 395		1 863 375	1 863 244
Value change of the hedged items in portfolio hedges of interest rate risk	G30	−8 489					−8 489	−8 489
Bonds and other interest-bearing securities	G25		43 158	15 683	58 841		58 841	58 841
Financial assets for which customers bear the investment risk	G26			319 795	319 795		319 795	319 795
Shares and participating interests	G27		8 540	25 776	34 316		34 316	34 316
Derivatives	G29		37 957		37 957	1 606	39 563	39 563
Other financial assets	G33,G34	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 or loss					
Financial liabilities	Note	Amortised cost	Trading	Fair value option	Total	Hedging Instruments	Total carrying amount	Fair value
Amounts owed to credit institutions	G35	57 736	14 318		14 318		72 054	72 054
Deposits and borrowings from the public	G36	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	G30	209					209	209
Financial liabilities for which customers bear the investment risk	G37			320 609	320 609		320 609	320 609
Debt securites in issue[2]	G38	727 064	1 361	123	1 484		728 548	719 546
Short position securities	G39		17 297		17 297		17 297	17 297
Derivatives	G29		72 694		72 694	759	73 453	73 453
Senior non-preferred liabilities		104 828					104 828	108 262
Subordinated liabilities	G44	32 841					32 841	32 995
Other financial liabilities	G42,G43	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 debt securities in issue designated at fair value through profit or loss, fair value option, was SEK 111m.

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

		2022[1]						
			Fair value through profit or loss					
			Mandatorily					
Financial assets	Note	Amortised cost	Trading	Other	Total	Hedging Instruments	Total carrying amount	Fair value
Cash and balances with central banks		365 992					365 992	365 992
Treasury bills and other bills eligible for refinancing with central banks, etc	G22	132 741	9 903	8 839	18 742		151 483	151 485
Loans to credit institutions	G23	56 574	15		15		56 589	56 589
Loans to the public[2]	G24	1 811 962	30 586	264	30 850		1 842 811	1 838 695
Value change of the hedged items in portfolio hedges of interest rate risk	G30	−20 369					−20 369	−20 369
Bonds and other interest-bearing securities	G25		37 678	23 620	61 298		61 298	61 298
Financial assets for which customers bear the investment risk	G26			268 594	268 594		268 594	268 594
Shares and participating interests	G27		4 467	25 801	30 268		30 268	30 268
Derivatives	G29		48 980		48 980	1 524	50 504	50 504
Other financial assets	G33, G34	8 467					8 467	8 467
Total		**2 355 366**	**131 628**	**327 118**	**458 746**	**1 524**	**2 815 636**	**2 812 315**

			Fair value through profit or loss					
Financial liabilities	Note	Amortised cost	Trading	Fair value option	Total	Hedging instruments	Total carrying amount	Fair value
Amounts owed to credit institutions	G35	72 167	659		659		72 826	72 826
Deposits and borrowings from the public	G36	1 303 133	2 815		2 815		1 305 948	1 305 938
Financial liabilities for which customers bear the investment risk	G37			268 892	268 892		268 892	268 892
Debt securites in issue[3]	G38	781 834	2 249	122	2 371		784 206	785 171
Short position securities	G39		27 134		27 134		27 134	27 134
Derivatives	G29		67 400		67 400	1 280	68 679	68 679
Senior non-preferred liabililties		57 439					57 439	59 361
Subordinated liabilities	G44	31 331					31 331	31 121
Other financial liabilities	G42, G43	29 879					29 879	29 879
Total		**2 275 784**	**100 257**	**269 014**	**369 271**	**1 280**	**2 646 335**	**2 653 269**

1) Comparative figures have been restated due to the adoption of IFRS 17. For more information see note G2 and note G57.
2) 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.
3) Nominal amount of debt securities in issue designated at fair value through profit or los, fair value option, was SEK 111m.

Interest Rate Benchmark Reform (the Reform)

IBOR transition has been a market move during recent years from existing Interbank Offered Rates (IBORs) towards alternative Risk Free Rates (RFRs). IBORs and alternative reference rates act as reference rates for a broad range of financial instruments and are therefore key to financial stability. At Swedbank, as a large full-service bank, IBORs are currently used across lending, deposit, investment and trading products and feature across other internal processes. To address the challenge and ensure smooth transition, Swedbank ran an IBOR Transition programme across the Group. The goal was to ensure the Group's ability to issue, trade, and utilize the RFRs, as well as supporting the transition of the back book to the alternative rates. The transition is now completed, and the Group wide programme was closed in 2022. Libor rates (GBP, USD, CHF, EUR, JPY) ceased to exist on 31 December 2021, except for USD Libor 1m, 3m, 6m and 12m which ceased to exist on 30 June 2023. EONIA ceased to exist on 3 January 2022. Swedbank has no longer exposure to the interest rates which have ceased.

Reformed Euribor (EUR), Stibor (SEK), Nibor (NOK) and Cibor (DKK) are all approved to meet the requirements of the Benchmark Regulation. These IBORs are expected to be available for the foreseeable future. If there is a transfer of liquidity from an IBOR to a RFR or if a relevant authority announces that any of the interbank rates will cease, the Group will act in accordance with the new circumstances.

To manage the fallbacks for Stibor and Nibor, Swedbank adhered to "the December 2021 Benchmark Module of the ISDA 2021 Fallbacks Protocol" during 2022. In addition, Swedbank updated its bond issuance programs with proper fallback language for the benchmark rates expected to cease.

During 2023, Swedbank participated in the London Clearing House (LCH) migration of cleared interest rate derivatives from USD Libor to SOFR. The non-cleared USD Libor interest rate derivatives were either bilaterally migrated to SOFR or let into fallback rate in accordance with respective agreement.

Where applicable, Swedbank has applied the requirements in IFRS 9 that permit a practical expedient for modifications required by the Reform, such that these modifications are treated akin to changes to a floating interest rate. Changes required by the Reform are also permitted to be implemented in existing hedge designations and hedge documentation without the hedging accounting relationships being discontinued.

G47 Fair value of financial instruments

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

The methods are divided in three different levels:
- Level 1: Unadjusted quoted price on an active market
- Level 2: Adjusted quoted price or valuation model with valuation parameters derived from an active market
- Level 3: Valuation model where significant valuation parameters are unobservable and based on internal assumptions.

For financial assets and financial liabilities, mid prices are used as a basis of determining fair value. For any open net positions, a bid/ask adjustment is applied to ensure that long positions are recognised at bid price and short positions – at ask price. For floating rate lending and deposits, the carrying amount equals the fair value.

In cases that lack an active market, fair value is determined with the help of established valuation methods and models. In these cases assumptions that cannot be directly attributed to a market may be applied. These assumptions are based on experience and knowledge of the valuation of financial markets. The ambition, however, is to always maximise the use of data from an active market.

All valuation methods and models are validated continuously by the independent risk control unit. In cases where it is considered necessary, adjustments are made to reflect fair value, so-called fair value adjustments. This is done to correctly reflect the parameters in the financial instruments and which should be considered in their valuations. For example, for OTC derivatives, the fair value adjustment is based on the current counterparty risk (CVA and DVA). CVA and DVA are calculated using simulated exposures; the method is calibrated with market implied parameters.

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

Financial instruments recognised at fair value
The following tables presents the fair values of financial instruments recognised at fair value according to the valuation hierarchy levels.

	2023				2022[1]			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Treasury bills and other bills eligible for refinancing with central banks, 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 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	319 795			319 795	268 450		144	268 594
Shares and participating interest	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		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. For more information see note G2 and note G57.

Level 1 primarily contains equities, fund shares, bonds, treasury bills, commercial papers, debt securities in issue and standardised derivatives, where quoted prices on an active market are used in the valuation.

Level 2 primarily contains OTC derivatives, less liquid bonds, debt securities in issue, deposits, and investment contract liabilities in the insurance operations. Equity derivatives and all instruments with optionality are valued using option pricing models calibrated by market implied parameters. All other interest rate, foreign exchange or credit derivatives as well as interest-bearing instruments are valued by discounted cash flows using market implied curves. The fair value of investment contract liabilities in the insurance operations is determined by the fair value of the underlying assets (i.e., amount payable on surrender of the policies).

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

To estimate the unobservable price different methods are applied depending on the type of available data. The primary method is based on executed transactions or quoted share price of similar equities. Other inputs to these methods are primarily prices, proxy prices, market indicators and company information. When valuation models are used to determine the fair value of financial instruments in level 3, the transaction price paid or received is assessed as the best evidence of fair value at initial recognition. Due to the possibility that a difference could arise between the transaction price and the fair value calculated using the valuation model, so called day 1 profit or loss, the valuation model is calibrated against the transaction price. As of year-end there were no cumulative differences reported in the balance sheet.

Transfers between levels are reflected as per the fair value at closing day. During the years ended 2023 and 202, there were no transfers of financial instruments between valuaton levels 1 and 2.

Changes in Level 3	2023					2022				
	Assets				Liabilities	Assets				Liabilities
	Shares and participating interests	Loans	Fund units of which customers bear the investment risk	Total	Liabilities for which the customers bear the investment risk	Shares and participating interests	Loans	Fund units of which customers bear the investment risk	Total	Liabilities for which the customers bear the investment risk
Opening balance	**1 081**	**33**	**144**	**1 258**	**144**	**1 277**	**14**		**1 291**	
Purchases	31	19		**50**		28	23		**51**	
Sale of assets/ dividends received	−14		−152	**−166**		−52		−11	**−63**	
Conversion Visa Inc shares						−461			**−461**	
Conversion to shares	10	-10								
Reimbursement					−152					**−11**
Transferred from Level 1 to Level 3								139	**139**	
Transferred from Level 2 to Level 3										
Gains or losses, Net gains and losses on financial items	65	−4	8	**69**	8	289	−4	16	**301**	
of which changes in unrealised gains or losses for items held at closing day	71	−5		**66**		127	−4	15	**138**	
Closing balance	**1 173**	**37**		**1 210**		**1 081**	**33**	**144**	**1 258**	

Level 3 comprises mainly strategic unlisted shares. These include holdings in VISA Inc. C shares that are subject to selling restrictions until June 2028 and under certain conditions may have to be returned. Liquid quotes are not available for these shares, therefore the fair value is established with significant elements of Swedbank's own internal assumptions. As of year end 2023, the carrying amount for the holdings in Visa Inc. C amounts to SEK 534m (421).

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

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

The Group's obligations to insurance savers are reported as financial liabilities where the customers bear the investment risk because it is the customers who bear the entire market value change of the assets. The liabilities are normally measured at fair value according to level 2.

During the first quarter 2022, trading was closed in whole or in part in Russia and Eastern Europe targeted funds. These unit holdings and liabilities to the insurance savers have therefore been transferred and measured to fair value according to level 3. Fully closed funds have been measured at 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.

Financial instruments at amortised cost

The following table presents the fair value for financial instruments at amortised cost by the valuation hierarchy levels.

	2023				2022			
	Carrying amount	Fair value			Carrying amount	Fair value		
		Level 1	Level 2	Total		Level 1	Level 2	Total
Assets								
Treasury bills and other bills eligible for refinancing with central banks, etc.	159 974	30	159 947	159 977	132 741	50	132 693	132 743
Loans to credit institutions	24 959		24 959	24 959	56 574		56 574	56 574
Loans to the public incl. value change of the hedged assets in portfolio hedges of interest rate risk	1 803 492		1 803 360	1 803 360	1 791 593		1 787 476	1 787 476
Total	**1 988 425**	**30**	**1 988 266**	**1 988 296**	**1 980 907**	**50**	**1 976 743**	**1 976 793**
Liabilities								
Amounts owed to credit institutions	57 736		57 736	57 736	72 167		72 167	72 167
Deposits and borrowing from the public incl. value change of the hedged liabilities in portfolio hedges of interest rate risk	1 230 731		1 230 805	1 230 805	1 303 133		1 303 123	1 303 123
Debts securities in issue	727 064	203 794	514 268	718 062	781 834	233 914	548 885	782 799
Senior non-preferred liabilities	104 828		108 262	108 262	57 439		59 361	59 361
Subordinated liabilities	32 841		32 995	32 995	31 331		31 121	31 121
Total	**2 153 200**	**203 794**	**1 944 066**	**2 147 859**	**2 245 905**	**233 914**	**2 014 657**	**2 248 571**

G48 Financial assets and liabilities which have been offset or are subject to netting or similar agreement

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

Assets	2023					2022				
	Derivatives	Reverse repurchase agreements	Security settlement claims	Securities borrowing	Total	Derivatives	Reverse repurchase agreements	Security settlement claims	Securities borrowing	Total
Financial assets, which have been offset or are subject to netting agreements										
Gross amount	903 320	133 309		62	1 036 690	1 244 308	117 476	272	73	1 362 130
Offset amount	−864 523	−87 103			−951 626	−1 194 958	−86 875	−19		−1 281 853
Net carrying amount on the balance sheet	**38 796**	**46 206**		**62**	**85 064**	**49 350**	**30 601**	**253**	**73**	**80 277**
Related amount not offset on the balance sheet										
Financial instruments, netting agreements	21 690	239			21 929	27 278	978	253		28 509
Financial instruments, collateral	89	45 829		62	45 980	339	29 526		73	29 938
Cash, collateral	7 460				7 460	8 553	26			8 579
Total amount not offset on the balance sheet	**29 239**	**46 068**		**62**	**75 369**	**36 170**	**30 530**	**253**	**73**	**67 026**
Net amount	**9 558**	**138**			**9 695**	**13 180**	**71**			**13 251**
Financial assets, which have been offset or are subject to netting agreements	38 796	46 206		62	85 064	49 350	30 601	253	73	80 277
Financial assets, which have not been offset or are not subject to netting agreements	767		2 742		3 509	1 154		3 517		4 671
Net carrying amount on the balance sheet	**39 563**	**46 206**	**2 742**	**62**	**88 573**	**50 504**	**30 601**	**3 770**	**73**	**84 948**

Liabilities	2023					2022				
	Derivatives	Repurchase agreements	Security settlement liabilities	Securities lending	Total	Derivatives	Repurchase agreements	Security settlement liabilities	Securities lending	Total
Financial liabilities, which have been offset or are subject to netting agreements										
Gross amount	941 146	94 629		3	1 035 778	1 263 926	90 349	20	23	1 354 318
Offset amount	−868 262	−87 103			−955 365	−1 197 341	−86 875	−19		−1 284 235
Net carrying amount on the balance sheet	**72 885**	**7 526**		**3**	**80 414**	**66 585**	**3 474**	**0**	**23**	**70 083**
Related amount not offset on the balance sheet										
Financial instruments, netting agreements	21 691	239			21 930	27 278	1 231	0		28 509
Financial instruments, collateral	12 099	7 192		3	19 294	6 945	2 132		23	9 100
Cash, collateral	38 044	11			38 055	21 497				21 497
Total amount not offset on the balance sheet	**71 834**	**7 442**		**3**	**79 279**	**55 720**	**3 363**	**0**	**23**	**59 106**
Net amount	**1 050**	**84**			**1 135**	**10 865**	**111**			**10 977**
Financial liabilities, which have been offset or are subject to netting agreements	72 885	7 526		3	80 414	66 585	3 474	0	23	70 082
Financial liabilities, which have not been offset or are not subject to netting agreements	568		2 493		3 061	2 094		1 939		4 033
Net carrying amount on the balance sheet	**73 453**	**7 526**	**2 493**	**3**	**83 475**	**68 679**	**3 474**	**1 939**	**23**	**74 115**

G49 Specification of adjustments for non-cash items in operating activities

	2023	2022
Amortised origination fees	−832	−869
Unrealised changes in value/currency changes	−4 965	107
Undistributed share of equity in associates	−803	−738
Depreciation and impairment of tangible assets including repossessed leased assets	1 285	1 170
Amortisation and impairment of goodwill and other intangible assets	722	1 650
Credit impairments	1 847	1 636
Prepaid expenses and accrued income	−550	−58
Accrued expenses and prepaid income	717	−148
Share-based payment	284	174
Other[1]	343	471
Total	**−1 952**	**3 395**

1) Comparative figures have been restated due to the adoption of IFRS 17. The real cash flow is not affected by the adoption.

G50 Cash flow statement, events during the year

The cash flow statement shows receipts and payments during the year as well as cash and cash equivalents at the beginning and end of the year. The cash flow statement is reported using the indirect method and is divided into payments from operating activities, investing activities and financing activities.

Operating activities
Cash flow from operating activities is based on operating profit for the year. Adjustments are made for items not included in cash flow from operating activities. Changes in assets and liabilities from operating activities consist of items which are part of normal business activities, such as loans to and deposits and borrowings from the public and credit institutions, and which are not attributable to investing and financing activities.

Cash flow includes interest receipts of SEK 107 454m (43 898) and interest payments of SEK 54 283m (11 760). Capitalised interest is included.

Investing activities
Investing activities consist of purchases and sales of businesses and other fixed assets such as owner-occupied properties and equipment, and strategic financial assets. Strategic financial assets refer to holdings of interest-bearing securities held to maturity and strategic shareholdings in companies other than subsidiaries, associates and joint ventures.

2023
During the year cash contributions were paid 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 cash contributions were paid to the joint ventures P27 Nordic Payments Platform AB, Invidem AB and Tibern AB of SEK 72m, 49m and 3m. During the second quarter shares were acquired in the associate Thylling Insight AB of SEK 11m.

Cash and cash equivalents
Cash and cash equivalents consist of cash and balances with central banks, when the central bank is domiciled in a country where Swedbank has a valid banking licence. Balances refer to funds that are available at any time. This means that all cash and cash equivalents are immediately available.

The Group's Liquidity reserve and the Group's risk management of liquidity risks are described in note G3 section 3.2.

G51 Dividend paid and proposed

	2023		2022	
Ordinary shares	**SEK per share**	**Total**	**SEK per share**	**Total**
Dividend paid, 6th of April	9.75	10 964	11.25	12 632
Total	**9.75**	**10 964**	**11.25**	**12 632**
Proposed dividend to Annual Generel Meeting	15.15	17 049	9.75	10 965
Total	**15.15**	**17 049**	**9.75**	**10 965**

The Board of Directors recommends that shareholders receive a dividend of SEK 15.15 (9.75) per ordinary share in 2024 for the financial year 2023, corresponding to SEK 17 049m (10 965). For more information see parent company note P44.

G52 Assets pledged, contingent liabilities and commitments

Assets pledged

Assets pledged for own liabilities	2023	2022	1/1/2022
Government securities and bonds at the Swedish central bank	79 998	236	348
Government securities and bonds at foreign central banks	8 417	31 389	14 981
Government securities and bonds for liabilities to credit institutions, repurchase agreements	1 477	1 963	2 360
Government securities and bonds pledged for deposits from the public, repurchase agreements	20 626	27 405	32 957
Loans secured for for covered bonds[1]	381 369	382 095	473 539
Assets recorded in register on behalf of insurance policy holders	335 375	290 678	328 512
Cash	41 245	21 807	5 109
Total	**868 507**	**755 573**	**857 807**

1) The cover pool 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 cover pool at each point in time.

The carrying amount of liabilities for which assets are pledged amounted to SEK 704 155 m (674 263) for the Group.

Other assets pledged	2023	2022	1/1/2022
Shares	3	217	449
Government securities and bonds pledged for other commitments	11 975	8 899	7 597
Cash	6 275	5 171	482
Total	**18 253**	**14 287**	**8 529**

Companies in the Group regularly pledge financial assets as collateral for their obligations to central banks, stock exchanges, central securities depositories, clearing organisations and other institutions with similar or closely related functions, as well as to insurance policyholders. The transactions can be made by one or more companies in the Group depending on the operations of each company. These financial assets are recognised as assets pledged.

Companies in the Group participate in arrangements that are not pledges but where financial assets are used for similar purposes. Such financial assets are also recognised as assets pledged. One example of assets pledged is when financial assets of a certain value are transferred to derivative counterparties to offset their credit risk vis-à-vis the Group. Another example involves transfers of financial assets that the Group is obligated to repurchase, so-called repos. A third example is that certain types of loans can be included in the cover pool for covered bonds and thereby give preferential rights to the assets to investors who hold such bonds. Because of the pledges and other arrangements mentioned above, the value of the financial assets in question in most cases cannot be utilised non-resticted as long as the pledge or arrangement remains in effect. The transactions are made on commercial terms.

Contingent liabilities

Nominal amount	2023	2022	1/1/2022
Loan guarantees	1 238	2 994	2 868
Other guarantees	38 147	38 848	46 031
Accepted and endorsed notes	1 781	1 352	1 073
Letters of credit granted but not utilised	2 669	2 438	3 697
Other contingent liabilities	77	75	157
Total	**43 911**	**45 708**	**53 825**

Commitments

Nominal amount	2023	2022	1/1/2022
Loans granted but not paid	192 919	202 987	204 812
Overdraft facilities granted but not utilised	56 503	62 089	64 172
Total	**249 422**	**265 076**	**268 984**
Credit impairment provisions for contingent liabilities and commitments	−1 097	−714	−644

AML investigations

In February 2019, the Swedish FSA initiated an investigation regarding the Group's governance and control of measures against money laundering in its Baltic subsidiaries. In connection with this, the FSAs in Sweden and Estonia decided to conduct parallel investigations, which formally started on 1 April 2019. In November 2019, the Estonian FSA handed over part of their investigation to the Estonian Prosecutor's Office to review whether money laundering or other criminal activity took place in Swedbank AS in Estonia.

The investigations by the Swedish and Estonian FSAs were concluded in March 2020. It was concluded that Swedbank had shortcomings in its anti-money laundering processes in the Baltic as well as the Swedish operations. Shortcomings were also identified in the disclosure of information to authorities. The Swedish FSA issued a warning and an administrative fine of SEK 4bn. The Estonian FSA issued a precept requiring Swedbank to take certain measures to strengthen AML processes and routines. In January 2021, the Estonian FSA assessed Swedbank's final report on the AML/CTF work, including the forward-looking action plan, and concluded that they were sufficient and had no further remarks.

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.

Authorities in the United States also initiated investigations into the Group's AML compliance and the Group's response thereto. The investigations also include related issues involving the Group's anti-money laundering controls and certain individuals and entities, who at some time may have been customers of the Group. Investigations are ongoing by the Department of Justice, the Securities and Exchange Commission, and the Department of Financial Services in New York. In June 2023, Swedbank Lithuania reached an agreement to remit SEK 37m related to violation of regulations of the Office of Foreign Assets Control.

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

G53 Transferred financial assets

The Group transfers ownership of financial assets in connection with repurchase agreements and security lending. Although ownership has been transferred in these transactions, the asset remains on the balance sheet since the Group is still exposed to the asset's risk of fluctuating in value. This is because the agreement stipulates at the time of transfer that the asset will be restored. The sales proceeds received in connection with repos are recognised as liabilities. Related liabilities are reported in the note before any offsetting in the balance sheet. All assets and liabilities related to repurchase agreements are recognised at fair value and included in the valuation category fair value through profit and loss, trading. Liabilities related to securities lending refer to collateral received in the form of cash. These liabilities are reported in the valuation category amortised cost. In addition to what is indicated in the table for securities lending, collateral is received in the form of other securities to cover the difference between the fair value of the transferred assets and the recognised liability's fair value. As of year-end the Group had no transfers of financial assets that had been derecognised and where the Group has continuing involvement.

	Transferred assets			Associated liabilities		
2023	Carrying amount	Of which repurchase agreements	Of which securities lending	Carrying amount	Of which repurchase agreements	Of which securities lending
Shares	3		3	3		3
Debt securities	22 103	22 103		22 109	22 109	
Total	**22 106**	**22 103**	**3**	**22 112**	**22109**	**3**

	Transferred assets			Associated liabilities		
2022	Carrying amount	Of which repurchase agreements	Of which securities lending	Carrying amount	Of which repurchase agreements	Of which securities lending
Shares	217		217	19		19
Debt securities	29 368	29 368		27 530	27 530	
Total	**29 584**	**29 368**	**217**	**27 548**	**27 530**	**19**

G54 Related parties and other significant relationships

	Associates and joint ventures		Other related parties	
Assets	**2023**	**2022**	**2023**	**2022**
Loans to credit institutions	16 839	17 437		
Loans to the public	19	7		
Derivatives	15	16		
Other assets	5			
Total	**16 879**	**17 460**		
Liabilities				
Amount owed to credit institutions	3 080	3 336		
Deposits and borrowing from the public	1		813	487
Debt securities in issue	50	631		
Derivatives	10	11		
Other liabilities	47	41		
Total	**3 188**	**4 019**	**813**	**487**
Derivatives, nominal amount	780	745		
Income and expenses				
Interest income	726	230		
Interest expenses	59	21		
Dividends received	306	1 020		
Commission income	578	529		
Commission expenses	581	383		
Net gains and losses on financial items	–3	–3		
Other income	662	596		
Other general administrative expenses	0	1	620	628

Associates and Joint ventures
Investments in associates and joint ventures are specified in note G28. During the year the Group provided capital injections to associates and joint ventures of SEK 5m (213). Dividend received from associates and joint ventures amounted to SEK 307m (1 020). As of 31 December associates have issued guarantees and pledged assets of SEK 541m (593) on behalf of Swedbank.

The Group's expenses to, and purchases of services from, associates and joint ventures that are not credit institutions mainly consist of payment services and cash management.

The five partly owned banks that are associates sell products that are provided by the Group and receive commissions for servicing the products. The cooperation between the partly owned banks and Swedbank is governed by the agreement described in the section, Other significant relationships. The Group's holding in EnterCard is a joint venture. EnterCard issues debit and credit cards in Sweden and Norway to Swedbank's customers. Swedbank AB finances EnterCard's corresponding holding.

Key persons
Disclosures regarding Board members and the Group Executive Committee can be found in note G13 Staff costs and other staff-related key ratios.

Other related parties
Swedbank's pension funds and SPK (SPK Pension tjänstepensionsförening) secure employees' postemployment benefits. They rely on Swedbank for traditional banking services.

Other significant relationships
Swedbank has its historical roots in the savings banks' movement and operates according to the basic savings bank ideology; to empower the many people and businesses to create a better future. In view of this, Swedbank has a close and comprehensive cooperation with 58 of the total 59 Savings Banks in Sweden. An overarching cooperation agreement between Swedbank and the collaborating Savings Banks is the foundation of the unique partnership. The Savings Banks have also entered into distribution agreements with some of Swedbank's subsidiaries. Through the cooperation, the Savings Banks are able to offer a broad selection of Swedbank's products and services to their customers, while having access to Swedbank's infrastructure and product range. The cooperation also exits in a number of administrative areas. Swedbank is the clearing bank for the Savings Banks and provides a wide range of IT services, which also offers the possibility to distribute development costs over a larger business volume. The cooperation is built upon a strong foundation of shared values and guarantees continuity.

For Swedbank's and the Savings Banks' customers, the cooperation agreement entails an access to competitive products in combination with a strong local presence and knowledge.

G55 Interests in unconsolidated structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when all voting rights relate to administrative tasks and the relevant activities are directed by means of contractual arrangements. During the year Swedbank owned interests in structured entities that were not consolidated since Swedbank did not control the entities. Information on the Group's interests in unconsolidated structured entities is provided below.

Sponsor definition
Swedbank is a sponsor of structured entities when the Group sets up and determines the design of a structured entity and when the structured entity's products are associated with Swedbank's brand.

Investment funds
Swedbank is a sponsor of investment funds where the Group acts as fund manager. Swedbank's interests in such funds mainly refer to capital investments by the Group's insurance operations, starting capital and hedging of employees´ benefits received to manage the funds' investments. Asset management fees are based on the fair value of the funds' net assets. Consequently, these fees expose Swedbank to a variable return based on the funds' performance. Swedbank has sometimes provided unused loan commitments to these investment funds, which entails a financial support to the investment funds.

Swedbank's interests in unconsolidated structured entities are shown below. The interests do not include ordinary derivatives such as interest rate and currency swaps and transactions where Swedbank creates rather than receives variable returns from the structured entity. Total assets in Group sponsored investments funds amounts to SEK 1 605 164 m (1 351 542).

Alternative investment funds
Swedbank is a sponsor of alternative investment funds where the Group acts as fund manager. An alternative investment fund largely corresponds to a normal investment fund but does not have the same requirements regarding which assets the fund may invest in. An alternative investment fund can invest in illiquid assets.

	Shares and participating interests		Income from interests[1]	
	2023	2022[2]	2023	2022[2]
Group sponsored investment funds	18 039	17 204	11 616	10 590
Group alternative investment funds	15	11	8	2
Total	**18 054**	**17 215**	**11 624**	**10 592**

1) The result from interests in unconsolidated structured entities includes asset management fees, changes in fair value and interest income.
2) Comparative figures have been restated due to the adoption of IFRS 17. For more information see note G2 and note G57.

During the year Swedbank did not provide any non-contractual financial or other support to unconsolidated structured entities and as of the closing day had no intention to provide such support.

G56 Sensitivity analysis

	Change	2023	2022
Net interest income, 12 months[1]			
Increased interest rates	+ 1 % point	6 924	7 794
Decreased interest rates	– 1 % point	–2 146	–3 274
Change in value[2]			
Market interest rate	+ 1 % point	–483	–114
	– 1 % point	509	173
Stock prices	+10%	24	6
	–10%	13	23
Exchange rates	+5%	63	38
	–5%	–19	–17
Other			
Stock market performance[3]	+/– 10 %	+/–616	+/–546
Staff changes	+/– 100 persons	+/–82	+/–79
Payroll changes	+/– 1 % point	+/–125	+/–119
Credit impairment ratio	+/– 0.1 % point	+/–1 931	+/–1 899

1) The NII sensitivity calculation covers all interest bearing assets and liabilities, including derivatives, in the banking book. It is a static analysis with parallel shifts across the interest rate curve that takes place over-night, and illustrates the effect on NII for a 12 month period. Assets and liabilities with maturity or refixing during the 12 month period are assumed to be repriced to the existing contractual interest rate +/- 100 bps. The assets that are re-priced are assumed to have the same interest rate throughout the remaining part of the 12-month period. Contractual reference rate floors on floating asset contracts are taken into account in the sensitivity calculation. In the positive shift transaction accounts are assumed to have 0 per cent elasticity i.e. there is no adjustment made to the paid interest. All other deposits have a 100 per cent elasticity to changes in the market rate i.e. adjustments are made to the interest paid. In the negative shift scenario a floor of 0 per cent on contractual rates for deposits from private individuals is applied. All other balance sheet items allow for negative contractual rates.
2) The calculation refers to the immediate effect on profit of each scenario for the Group's interest rate positions at fair value and its equity and currency positions. Note that nonsymmetric effects can occur due to non-linear products.
3) Refers to the effect on net commission income from a change in value of Swedbank Robur's equity funds.

G57 Effects of changes in accounting policies regarding IFRS 17

The transition to IFRS 17 has been performed according to three different approaches: the full retrospective approach, the modified retrospective approach and the fair value approach. In general, the full retrospective approach has been applied for risk insurance and reinsurance contracts. The fair value approach has mainly been applied to insurance contracts with direct participating features.

		2022		
Income statement Group SEKm	**Note**	**Previous reporting**	**Change**	**New reporting**
Interest income on financial assets at amortised cost		45 003		45 003
Other interest income		295	–11	284
Interest income		**45 298**	**–11**	**45 287**
Interest expense		–12 141		–12 141
Net interest income	**G8**	**33 157**	**–11**	**33 146**
Commission income		22 383	–180	22 203
Commission expense		–8 160	71	–8 089
Net commission income	**G9**	**14 223**	**–109**	**14 114**
Net gains and losses on financial items	**G10**	**1 887**	**53**	**1 940**
Insurance result				2 897
Return on assets backing insurance liabilities				–2 368
Net insurance income	**G11**	**1 655**	**–1 126**	**529**
Share of profit or loss of associates and joint ventures		738		738
Other income	G12	1 561	–1	1 560
Total income		**53 221**	**–1 193**	**52 028**
Staff costs	G13	13 246	–415	12 831
Other general administrative expenses	G14	6 474	–183	6 291
Depreciation/amortisation of tangible and intangible assets		1 695		1 695
Total expenses		**21 415**	**–598**	**20 817**
Profit before impairments, bank taxes and resolution fees		**31 806**	**–595**	**31 211**
Impairment of intangible assets		1 125		1 125
Impairment of tangble assets		13		13
Credit impairments		1 479		1 479
Bank taxes and resolution fees		1 831		1 831
Profit before tax		**27 358**	**–595**	**26 763**
Tax expense	G19	5 478	–83	5 396
Profit for the period		**21 880**	**–512**	**21 368**
Profit for the period attributable to:				
Shareholders of Swedbank AB		**21 877**	**–512**	**21 365**
Non-controlling interests		3		3
C/I ratio		0.4		0.4
Earnings per share, SEK	G20	19.48	–0.45	19.03
Earnings per share after dilution, SEK	G20	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 2022, administrative expenses in the income statement of SEK 598m was reclassified to the Net insurance line. Net insurance, restated for 2022 and including the remeasurement impact, was SEK 1 126m 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 Group SEKm	Note	1 January 2022 Previous reporting	Changed presentation	Remeasurement	New reporting	31 December 2022 Previous reporting	Changed presentation	Remeasurement	New reporting
Assets									
Cash and balances with central banks		360 153			360 153	365 992			365 992
Treasury bills and other bills eligible for refinancing with central banks, etc.		163 590			163 590	151 483			151 483
Loans to credit institutions		39 504			39 504	56 589			56 589
Loans to the public		1 703 206			1 703 206	1 842 811			1 842 811
Value change of interest hedged items in portfolio hedges of interest rate risk		−1 753			−1 753	−20 369			−20 369
Bonds and other interest-bearing securities		58 093			58 093	61 298			61 298
Financial assets for which customers bear the investment risk	G26	328 512	−24 635		303 877	290 678	−22 084		268 594
Shares and participating interests	G27	13 416	24 635		38 051	8 184	22 084		30 268
Investments in associates and joint ventures		7 705			7 705	7 830			7 830
Derivatives		40 531			40 531	50 504			50 504
Intangible assets		19 488			19 488	19 886			19 886
Tangible assets		5 523			5 523	5 449			5 449
Current tax assets		1 372			1 372	1 449			1 449
Deferred tax assets		113			113	159			159
Pension assets						2 431			2 431
Other assets	G33	9 192	−138	−42	9 012	8 474	−179	−51	8 244
Prepaid expenses and accrued income		1 970			1 970	2 028			2 028
Total assets		**2 750 617**	**−138**	**−42**	**2 750 437**	**2 854 876**	**−179**	**−51**	**2 854 646**
Liabilities and equity									
Amounts owed to credit institutions		92 812			92 812	72 826			72 826
Deposits and borrowings from the public		1 265 783			1 265 783	1 305 948			1 305 948
Financial liabilities for which customers bear the investment risk	G37	329 667	−25 486		304 181	291 993	−23 101		268 892
Debt securities in issue		735 917			735 917	784 206			784 206
Short positions, securities		28 613			28 613	27 134			27 134
Derivatives		28 106			28 106	68 679			68 679
Current tax liabilities		672			672	1 811			1 811
Deferred tax liabilities	G19	3 398		96	3 494	3 599		16	3 615
Pension provisions		1 801			1 801	168			168
Insurance provisions	G41	1 970	25 309	−622	26 657	2 041	22 889	−55	24 875
Other liabilities and provisions	G42	28 934	44		28 978	26 944	40		26 984
Accrued expenses and prepaid income	G43	4 813	−6		4 807	4 664	−7		4 657
Senior non-preferred liabilities		37 832			37 832	57 439			57 439
Subordinated liabilities		28 604			28 604	31 331			31 331
Total liabilities		**2 588 921**	**−138**	**−526**	**2 588 257**	**2 678 784**	**−179**	**−39**	**2 678 566**
Equity									
Non-controlling interests		26			26	29			29
Equity attributable to shareholders of the parent company		161 670		484	162 155	176 064		−12	176 052
Total equity	**G45**	**161 696**		**484**	**162 181**	**176 092**		**−12**	**176 080**
Total liabilities and equity		**2 750 617**	**−138**	**−42**	**2 750 437**	**2 854 876**	**−179**	**−51**	**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.

G58 Events after 31 December 2023

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.

Swedbank AB issued Additional Tier 1 Capital (AT1) to optimise its capital structure. The USD 650 million issuance has a coupon of 7.750 per cent and an issue price of 100 per cent. The loan is perpetual with a call option after 6.5 years. The issuance was in the form of debt instruments with mandatory conversion into ordinary shares if the regulatory capital of the bank decreases to a certain level. The issuance was subscribed by and allotted to the joint lead managers. Settlement date was 13 February 2024. The instruments will be listed on the Global Exchange Market regulated by the Irish Stock Exchange, Euronext Dublin.

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Income statement, Parent company

SEKm	Note	2023	2022
Interest income on financial assets measured at amortised cost		74 239	25 176
Other interest income		6 827	2 367
Leasing income		5 793	5 137
Interest income		86 859	32 680
Interest expense		−58 519	−12 008
Net interest income	P5	**28 340**	**20 672**
Dividends received	P6	13 964	16 811
Commission income		9 108	8 548
Commission expense		−2 280	−2 193
Net commission income	P7	**6 827**	**6 355**
Net gains and losses on financial items	P8	2 739	−1 186
Other income	P9	3 926	3 106
Total income		**55 796**	**45 758**
Staff costs	P10	11 705	10 504
Other general administrative expenses	P11	7 028	5 977
Depreciation/amortisation and impairment of tangible and intangible assets	P12	5 230	5 047
Administrative fine		850	
Total expenses		**24 812**	**21 528**
Profit before impairments, Swedish bank tax and resolution fees		**30 984**	**24 230**
Credit impairments, net	P13	872	735
Impairment of financial assets	P14	239	1 946
Swedish bank tax and resolution fees	P15	1 354	1 089
Operating profit		**28 519**	**20 460**
Appropriations	P16	6 995	−5 263
Tax expense	P17	4 004	5 187
Profit for the year		**17 520**	**20 536**

Statement of comprehensive income, Parent company

SEKm	Note	2023	2022
Profit for the year reported via income statement		**17 520**	**20 536**
Total comprehensive income for the year		**17 520**	**20 536**

Balance sheet, Parent company

SEKm	Note	2023	2022	1/1/2022
Assets				
Cash and balances with central banks		116 547	215 314	194 353
Treasury bills and other bills eligible for refinancing with central banks, etc.	P18	172 853	144 458	155 998
Loans to credit institutions	P19	817 011	830 322	650 948
Loans to the public	P20	471 612	470 187	391 675
Bonds and other interest-bearing securities	P21	62 788	60 484	58 199
Shares and participating interests	P22	7 544	5 614	12 815
Investments in associates and joint ventures	P23	2 301	2 578	2 365
Investments in Group entities	P24	67 798	62 242	63 744
Derivatives	P25	49 650	67 764	44 323
Intangible assets	P27	251	268	314
Leasing equipment	P28	18 850	17 715	16 586
Tangible assets	P29	685	629	560
Current tax assets		1 931	1 421	1 226
Other assets	P30	13 383	17 989	22 595
Prepaid expenses and accrued income	P31	2 095	1 772	1 795
Total assets		**1 805 299**	**1 898 757**	**1 617 496**
Liabilities and equity				
Liabilities				
Amounts owed to credit institutions	P32	152 479	162 348	100 610
Deposits and borrowings from the public	P33	864 906	943 777	942 932
Value change of the hedged liabilities in portfolio hedges of interest rate risk		209		
Debt securities in issue	P34	378 554	435 782	296 918
Derivatives	P25	96 284	100 346	42 542
Current tax liabilities		1 941	1 264	666
Deferred tax liabilities	P17	703	888	239
Other liabilities	P35	38 079	45 374	49 838
Accrued expenses and prepaid income	P36	2 704	2 629	2 641
Provisions	P37	1 049	710	623
Senior non-preferred liabilities		104 828	57 439	37 832
Subordinated liabilities	P38	32 841	31 331	28 604
Total liabilities		**1 674 578**	**1 781 888**	**1 503 445**
Untaxed reserves	P39	12 362	5 367	10 630
Equity				
Share capital		24 904	24 904	24 904
Other funds		19 174	19 174	19 174
Retained earnings		74 281	67 424	59 343
Total equity		**118 359**	**111 502**	**103 421**
Total liabilities and equity		**1 805 299**	**1 898 757**	**1 617 496**

The balance sheet and income statement will be adopted at the Annual General Meeting on 26 March 2024.

Statement of changes in equity, Parent company

	Restricted equity		Non-restricted equity		
SEKm	Share capital[1]	Statutory reserve	Share premium reserve	Retained earnings	Total
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 year				17 520	17 520
of which through the Profit and loss account				17 520	17 520
Closing balance 31 December 2023	**24 904**	**5 968**	**13 206**	**74 281**	**118 359**
of which through compensation paid and received for own shares				−3 348	
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 year				20 536	20 536
of which through the Profit and loss account				20 536	20 536
Closing balance 31 December 2022	**24 904**	**5 968**	**13 206**	**67 424**	**111 502**
of which through compensation paid and received for own shares				−3 348	

1) Ordinary shares. For number of shares and quote value see note G45.

Statement of cash flow, Parent company

SEKm	Note	2023	2022
Operating activities			
Operating profit		28 519	20 460
Adjustments for non-cash items in operating activities	P43	−6 423	−6 958
Income taxes paid		−3 840	−3 894
Increase (−) / decrease (+) in loans to credit institutions		13 754	−178 800
Increase (−) / decrease (+) in loans to the public		−909	−77 849
Increase (−) / decrease (+) in holdings of securities for trading		−30 565	16 852
Increase (+) / decrease (−) in deposits and borrowings from the public		−79 632	291
Increase (+) / decrease (−) in amounts owed to credit institutions		−10 565	61 564
Increase (−) / decrease (+) in other assets		−1 715	−1 255
Increase (+) / decrease (−) in debt securities in issue		−58 232	106 449
Increase (+) / decrease (−) in other liabilities		12 072	61 059
Cash flow from operating activities		**−137 536**	**−2 081**
Investing activities			
Acquisition of and contribution to Group entities and associates and joint ventures		−5 303	−243
Acquisition of other fixed assets and strategic financial assets		−10 240	−9 143
Disposals of other fixed assets and strategic financial assets		3 523	2 682
Dividends and Group contributions received		17 814	18 927
Cash flow from investing activities		**5 794**	**12 223**
Financing activities			
Issuance of senior non-preferred liabilities	P2.2	46 581	22 993
Redemption of senior non-preferred liabilities	P2.2	−1 665	−257
Issuance of subordinated liabilities	P2.2	9 339	13 375
Redemption of subordinated liabilities	P2.2	−10 316	−12 660
Dividends paid		−10 964	−12 632
Cash flow from financing activities		**32 975**	**10 819**
Cash flow for the year		**−98 767**	**20 961**
Cash and cash equivalents at the beginning of the year		**215 314**	**194 353**
Cash flow for the year		−98 767	20 961
Cash and cash equivalents at end of the year		**116 547**	**215 314**

Comments on the cash flow statement
The cash flow statement shows receipts and payments during the year as well as cash and cash equivalents at the beginning and end of the year. The cash flow statement is reported using the indirect method and is divided into payments from operating activities, investing activities and financing activities.

Operating activities
Cash flow from operating activities is based on operating profit for the year. Adjustments are made for items not included in cash flow from operating activities. Changes in assets and liabilities from operating activities consist of items which are part of normal business activities such as loans to and deposits from the public and credit institutions, and which are not attributable to investing and financing activities. Cash flow includes interest receipts of SEK 85 745m (31 396) and interest payments of SEK 54 903m (10 257). Capitalised interest is included.

Investing activities
Investing activities consist of purchases and sales of strategic financial assets or other fixed assets, contributions to and repayments from subsidiaries, associates or joint ventures.

2023
During the year subsidiary Swedbank Support OÜ was acquired to SEK 44m. Contributions were provided to Swedbank Hypotek AB of SEK 5 000m, Swedbank PayEx Holding AB of SEK 200m, P27 Nordic Payment Platform AB of SEK 48m, Sparia Group Försäkring AB of SEK 6m, Invidem AB of SEK 3m and to Tibern AB of SEK 2m.

2022
During the year shares were acquired in Tibern AB amounting to SEK 3m. Cash contribution were during the year paid to Swedbank PayEx Holding AB of SEK 119m, Invidem AB of SEK 49m and to P27 Nordic Payment Platform AB of SEK 72m.

Cash and cash equivalents
Cash and cash equivalents consist of cash and balances with central banks, which correspond to the balance sheet item Cash and balances with central banks. Cash and cash equivalents in the statement of cash flow are defined according to IAS 7 and do not correspond to what the parent company considers liquidity.

What the parent company considers to be liquidity and Swedbank's risk management of liquidity risks are described in note G3 section 3.2.

Notes

All amounts in the notes are in millions of Swedish kronor (SEKm) and represent carrying amounts unless indicated otherwise. Figures in parentheses refer to the previous year.

P1 Accounting policies

Basis of accounting

As a rule, the parent company follows IFRS standards and the accounting principles applied in the consolidated financial statements, as reported on pages 70–79. In addition, the parent company is required to consider and prepare its annual report in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies, the regulations and general advice of the Swedish Financial Supervisory Authority FFFS 2008:25 and recommendation RFR 2 Reporting for Legal Entities issued by the Swedish Corprate Reporting Board. The parent company's annual report is therefore prepared in accordance with IFRS to the extent in which it is compliant with the Annual Accounts Act for Credit Institutions and Securities Companies, RFR 2 and the Swedish Financial Supervisory Authority regulations. The most significant differences in principle between the parent company's accounting and the Group's accounting policies relate to the recognition of:

- the currency component in currency hedges of investments in foreign subsidiaries and associates and joint ventures.
- subsidiaries
- associates and joint ventures
- goodwill and internally generated intangible assets
- leasing agreements when the parent company act as a lessee
- finance leases when the parent company act as a lessor
- pensions
- untaxed reserves and Group contributions, and
- operating segments

The headings in the financial statements follow the Annual Accounts Act for Credit Institutions and Securities Companies and the Swedish Financial Supervisory Authority's regulations, thus they differ in certain cases from the headings in the Group's accounts.

Changes in IFRS and Swedish regulations

Other new or amended IFRS standards or interpretations or Swedish regulations issued and not yet adopted are not expected to have a significant impact on the parent company's financial position, results, cash flows or disclosures.

Significant differences in the parent company's accounting policies compared with the group's accounting policies

Hedging of net investments in foreign operations
The currency component of liabilities that constitute currency hedges of net investments in foreign subsidiaries and associates is valued at cost in the parent company.

Subsidiaries
Investments in subsidiaries are recognised according to the acquisition cost method. The investments' value is tested for impairment if there is any indication of diminished value. In cases where the value has decreased, it is written down to its value at Group level. All dividends received are recognised through profit or loss in Dividends received.

Associates and joint ventures
Investments in associates and joint ventures are recognised in the parent company at cost less any impairment. All dividends received are recognised in profit or loss in Dividends received.

Intangible assets
The parent company amortises goodwill systematically based on estimated useful life. All expenditures, including development, which are attributable to internally generated intangible assets are expensed through profit or loss.

Leasing agreements

Lessee
The parent company has according to the option in RFR 2 chosen not to apply IFRS 16. The parent company acts as the lessee for operating leases, which are those leases where the lessor bears the economic risks and benefits. Lease payments where the parent company acts as lessee are expensed linearly over the lease term.

Lessor
The parent company recognises finance leases as operating leases. This means that the assets are recognised as equipment with depreciation within Depreciation/amortisation of tangible and intangible assets in the income statement. Rent income is recognised as leasing income within Net interest income in the income statement.

Pensions
The parent company recognises pension costs for Swedish defined benefit pension plans according to the Act on Safeguarding Pension Benefits, which means that they are recognised as defined contribution plans. Premiums paid to defined contribution plans are expensed when an employee has rendered his/her services.

Untaxed reserves and Group contributions
Due to the connection between accounting and taxation, the deferred tax liability attributable to untaxed reserves is not recognised separately in the parent company. The reserves are instead recognised gross in the balance sheet and income statement. Group contributions received are recognised through profit or loss in Dividends received.

Operating segments
The parent company does not provide segment information, which is provided in the Group. A geographical distribution of revenue is reported, however.

P2 Risks

Swedbank's risk management is described in note G3. Specific information on the parent company's risks is presented in the following tables.

2.1 Credit risk

	2023			2022		
Loans to credit institutions	**Stage 1**	**Stage 2**	**Total**	**Stage 1**	**Stage 2**	**Total**
Gross carrying amount before provisions						
Opening balance	806 404	10	806 414	648 877	12	648 889
Closing balance	772 547	211	772 758	806 404	10	806 414
Credit impairment provisions						
Opening balance	**50**	**0**	**51**	**14**	**0**	**14**
Movements affecting credit impairments						
New and derecognised financial assets, net	46	3	49	29	−1	28
Changes in PD	0	0	0	0	0	0
Changes in other risk factors	−13	6	−7	−14	0	−13
Changes in macroeconomic scenarios	29	1	30	20	0	20
Changes to models	0	0	0	0	0	0
Post-model expert credit adjustments	0	0	0	2	0	2
Stage transfers	−1	1	0	−1	1	0
from 1 to 2	−1	1	0	−2	2	0
from 2 to 1	0	0	0	1	−1	0
Total movements affecting credit impairments	**62**	**11**	**72**	**36**	**0**	**36**
Movements recognised outside credit impairments						
Change in exchange rates	0	0	−1	1	0	1
Closing balance	**111**	**11**	**122**	**50**	**0**	**51**
Carrying amount						
Opening balance	806 354	10	806 363	648 863	12	648 875
Closing balance	772 436	200	772 636	806 354	10	806 363

	2023				2022			
Loans to the public	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount before provisions								
Opening balance	389 539	46 763	3 337	439 638	330 543	36 002	4 027	370 572
Closing balance	347 133	73 842	3 546	424 521	389 539	46 763	3 337	439 638
Credit impairment provisions								
Opening balance	**1 028**	**1 209**	**1 556**	**3 793**	**618**	**1 059**	**1 974**	**3 651**
Movements affecting credit impairments								
New financial assets	546	150	11	707	314	39	9	362
Derecognised financial assets	−226	−402	−269	−897	−132	−104	−405	−642
Write-offs			−134	−134			−632	−632
Changes in PD	568	369		937	78	−45		33
Changes in other risk factors	−254	−447	28	−673	−80	−143	81	−142
Changes in macroeconomic scenarios	177	225	−1	400	285	268	3	556
Changes to models	0	0	0	0	24	−16	0	8
Post-model expert credit adjustments	−207	−180	1	−386	−4	−136	3	−138
Individual assessments			−400	−400			142	142
Stage transfers	−723	1 142	375	794	−129	240	247	358
from 1 to 2	−828	1 612		784	−177	508		331
from 1 to 3	−2		26	24	−2		34	32
from 2 to 1	105	−306		−201	50	−199		−149
from 2 to 3		−239	420	181		−90	337	246
from 3 to 2		75	−64	11		20	−112	−91
from 3 to 1	1		−7	−6	0		−12	−11
Other			−92	−92			−72	−72
Total movements affecting credit impairments	**−119**	**856**	**−481**	**256**	**356**	**102**	**−624**	**−166**
Movements recognised outside credit impairments								
Interest			92	92			72	72
Change in exchange rates	−11	−7	−10	−28	54	48	134	237
Closing balance	**898**	**2 058**	**1 158**	**4 114**	**1 028**	**1 209**	**1 556**	**3 793**
Carrying amount								
Opening balance	388 511	45 554	1 781	435 845	329 925	34 943	2 053	366 921
Closing balance	346 235	71 784	2 388	420 407	388 511	45 554	1 781	435 845

	2023				2022			
Commitments and guarantees	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Nominal amount								
Opening balance	363 549	22 574	97	386 220	480 294	15 104	197	495 595
Closing balance	288 772	34 744	758	324 274	363 549	22 574	97	386 220
Credit impairment provisions								
Opening balance	**353**	**325**	**32**	**710**	**268**	**271**	**83**	**622**
Movements affecting credit impairments								
New and derecognised financial assets, net	62	–28	–7	28	48	–71	–25	–48
Changes in PD	131	80		211	17	–35		–18
Changes in other risk factors	–43	10	–5	–38	–46	21	16	–9
Changes in macroeconomic scenarios	49	35	0	84	88	56	0	144
Changes to models	0	0	0	0	9	6	–15	0
Post-model expert credit adjustments	–158	–26	0	–184	–25	8	0	–18
Individual assessments			311	311				
Stage transfers	–97	46	–2	–54	–25	62	–38	–1
from 1 to 2	–138	294		156	–47	130		83
from 1 to 3	–1		3	2	–1		10	9
from 2 to 1	42	–111		–69	22	–68		–46
from 2 to 3		–140	14	–126		–2	7	5
from 3 to 2		2	–14	–11		2	–54	–52
from 3 to 1	0		–5	–5	0		–1	–1
Total movements affecting credit impairments	**–57**	**119**	**296**	**358**	**66**	**46**	**–62**	**50**
Movements recognised outside credit impairments								
Change in exchange rates	–3	–7	–10	–19	19	8	11	38
Closing balance	**292**	**437**	**319**	**1 049**	**353**	**325**	**32**	**710**

Gross carrying amount of forborne loans

	2023	2022
Performing	3 615	1 636
Non-performing	665	2 414
Total	**4 280**	**4 050**

Concentration risk, customer exposure

At end of 2023 the parent company had one exposure against one single counterparty that exceeded 10 per cent of the capital base.

Received collateral that can be sold or pledged even if the counterparty fulfills its contractual obligations

Reversed repurchase transactions means that the parent company receives securities that can be sold or pledged. The fair value of these securities covers the carrying amount of the reversed repurchase transactions. The parent company also receives collateral in the form of securities that can be sold or pledged for derivatives and other exposures. The fair value of such collateral as of year-end amounted to SEK 992m (1 806). None of this collateral has been sold or pledged.

2.2 Liquidity risk

In the summary of maturities, undiscounted contractual cash flows are distributed on the basis of remaining maturities until the agreed time of maturity. For lending to the public, amortising loans are distributed based on amortisation schedules. Liabilities, whose contracts contain a prepayment option, have been distributed based on the earliest date on which repayment can be demanded. The large part of deposits from the public is contractually payable on demand. Despite the contractual terms, the deposits are essentially a stable and a long-term source of funding.The difference between the nominal amount and carrying amount, the discount effect, is presented in the column No maturity date/ discount effect. This column also includes items without an agreed maturity date and where the anticipated repayment date has not been determined. Loan commitments that are not recognised as financial liabilities amounting to SEK 235 739m (253 613) may be drawn at any time by the customer. Issued guarantees and other contingent liabilities of SEK 88 535m (132 608) may lead to future cash outflows if certain events occur. The expected cash outflows, amounting to SEK 1 049m (710), are reported in the time buckets up to one year, within Other liabilities. In the maturity distribution above, cash flows for derivatives have been distributed between assets and liabilities based on whether the individual derivative has a positive or negative fair value, without taking into account whether the derivatives have been offset in the accounts. Amounts that have been offset in the accounts are reported in the column No maturity/ discount effect.

2.2.1 Summary of maturities

	Undiscounted contractual cash flows							
Remaining maturity 2023	Payable on demand	≤ 3 mths.	>3 mths.–1 yr	>1–5 yrs	>5–10 yrs	> 10 yrs	No maturity/ discount effect	Total
Assets								
Cash and balances with central banks	116 547							116 547
Treasury bills and other bills eligible for refinancing with central banks, etc.		160 003	879	3 678	8 033	556	–296	172 853
Loans to credit institutions	2 289	49 182	690 070	72 254	2 485	731		817 011
Loans to the public		99 078	117 155	229 983	18 961	6 435		471 612
Bonds and other interest-bearing securities		2 638	8 823	47 989	9 420	4	–6 086	62 788
Shares and participating interests							77 642	77 642
Derivatives		99 865	206 546	447 365	181 259	33 536	–918 921	49 650
Intangible assets							251	251
Tangible assets							19 535	19 535
Other assets		6 508	1 931				8 971	17 410
Total	**118 836**	**417 274**	**1 025 404**	**801 269**	**220 158**	**41 262**	**–818 904**	**1 805 299**
Liabilities								
Amounts owed to credit institutions	57 109	43 149	52 221					152 479
Deposits and borrowings from the public	773 750	48 662	40 301	2 193				864 906
Value change of the hedged liabilities in portfolio hedges of interest rate risk							209	209
Debt securities in issue		100 760	180 892	98 170	4 980		–6 248	378 554
Derivatives		127 051	216 858	459 550	184 273	35 041	–926 489	96 284
Other liabilities		40 420	2 034	1 752			12 632	56 838
Senior non-preferred liabilities			11 036	87 614	9 666		–3 488	104 828
Subordinated liabilities			5 014	23 360	5 016		–549	32 841
Equity							118 359	118 359
Total	**830 859**	**360 042**	**508 356**	**672 639**	**203 935**	**35 041**	**–805 574**	**1 805 299**

	Undiscounted contractual cash flows							
Remaining maturity 2022	Payable on demand	≤ 3 mths.	>3 mths.–1 yr	>1–5 yrs	>5–10 yrs	> 10 yrs	No maturity/ discount effect	Total
Assets								
Cash and balances with central banks	215 314							215 314
Treasury bills and other bills eligible for refinancing with central banks, etc.		134 659	2 560	3 204	3 267	1 170	–402	144 458
Loans to credit institutions	4 032	36 005	750 240	37 837	727	1 481		830 322
Loans to the public		66 186	120 567	253 362	22 691	7 381		470 187
Bonds and other interest–bearing securities		4 087	11 959	35 211	12 802	74	–3 649	60 484
Shares and participating interests							70 434	70 434
Derivatives		56 349	220 101	748 000	302 890	47 590	–1 307 166	67 764
Intangible assets							268	268
Tangible assets							18 344	18 344
Other assets		7 012	1 421				12 749	21 182
Total	**219 346**	**304 298**	**1 106 848**	**1 077 614**	**342 377**	**57 696**	**–1 209 422**	**1 898 757**
Liabilities								
Amounts owed to credit institutions	99 872	26 558	35 890	28				162 348
Deposits and borrowings from the public	871 551	41 952	26 137	4 137				943 777
Debt securities in issue		132 388	220 224	90 919	1 683		–9 432	435 782
Derivatives		63 116	227 467	765 094	305 973	48 849	–1 310 153	100 346
Other liabilities		47 514	1 413	1 598			5 707	56 232
Senior non–preferred liabilities				50 156	14 403		–7 120	57 439
Subordinated liabilities			8 246	19 080	5 590		–1 585	31 331
Equity							111 502	111 502
Total	**971 423**	**311 528**	**519 377**	**931 012**	**327 649**	**48 849**	**–1 211 081**	**1 898 757**

2.2.2 Interest-bearing securities

	Debt securities in issue						
Turnover during the year, 2023	Commercial papers	Senior unsecured bonds	Structured retail bonds	Total debt securities in issue	Senior non-preferred liabilities	Subordinated liabilities	Total
Opening balance	316 114	117 421	2 247	435 782	57 439	31 331	524 552
Issued	718 960	30 047		749 007	46 581	9 339	804 927
Repurchased			−994	−994			−994
Repaid	−767 657	−38 588		−806 245	−1 665	−10 316	−818 226
Interest, change in fair values or hedged items in fair value hedges and changes in exchange rates	−4 083	4 981	106	1 004	2 474	2 487	5 965
Closing balance	**263 334**	**113 861**	**1 359**	**378 554**	**104 829**	**32 841**	**516 224**

	Debt securities in issue						
Turnover during the year, 2022	Commercial papers	Senior unsecured bonds	Structured retail bonds	Total debt securities in issue	Senior non-preferred liabilities	Subordinated liabilities	Total
Opening balance	165 067	127 801	4 050	296 918	37 832	28 604	363 354
Issued	881 747	33 873		915 620	22 993	13 375	951 988
Repurchased			−1 141	−1 141			−1 141
Repaid	−757 217	−50 813		−808 030	−257	−12 660	−820 947
Interest, change in fair values or hedged items in fair value hedges and changes in exchange rates	26 517	6 560	−662	32 415	−3 129	2 012	31 298
Closing balance	**316 114**	**117 421**	**2 247**	**435 782**	**57 439**	**31 331**	**524 552**

2.3 Market risk

2.3.1 Interest rate risk

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

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

2023	≤ 3 mths.	>3–6 mths.	>6–12 mths.	>1–2 yrs	>2–3 yrs	>3–4 yrs	>4–5 yrs	>5–10 yrs	> 10 yrs	Total
SEK	−566	−258	101	54	148	33	302	44	127	−15
Foreign currency	30	185	−116	633	−179	−1 428	950	−378	−18	−321
Total	**−536**	**−73**	**−15**	**687**	**−31**	**−1 395**	**1 252**	**−334**	**109**	**−336**

2022	≤ 3 mths.	>3–6 mths.	>6–12 mths.	>1–2 yrs	>2–3 yrs	>3–4 yrs	>4–5 yrs	>5–10 yrs	> 10 yrs	Total
SEK	−1 404	90	446	−24	156	447	39	−177	−5	−432
Foreign currency	503	−203	785	726	−1 127	1 745	−2 336	−402	75	−234
Total	**−901**	**−113**	**1 231**	**702**	**−971**	**2 192**	**−2 297**	**−579**	**70**	**−666**

The table below shows the 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.

2023	≤ 3 mths.	>3–6 mths.	>6–12 mths.	>1–2 yrs	>2–3 yrs	>3–4 yrs	>4–5 yrs	>5–10 yrs	> 10 yrs	Total
SEK	77	372	−143	−171	361	−124	411	−833	440	389
Foreign currency	−300	−100	−468	640	−90	−1 278	1 082	−294	−17	−825
Total	**−223**	**272**	**−611**	**469**	**271**	**−1 402**	**1 493**	**−1 127**	**423**	**−436**

2022	≤ 3 mths.	>3–6 mths.	>6–12 mths.	>1–2 yrs	>2–3 yrs	>3–4 yrs	>4–5 yrs	>5–10 yrs	> 10 yrs	Total
SEK	304	34	285	−519	−193	691	89	−253	−7	431
Foreign currency	−166	−202	−96	185	−300	614	−475	−33	29	−444
Total	**138**	**−168**	**189**	**−334**	**−493**	**1 305**	**−386**	**−286**	**22**	**−13**

2.3.2 Currency risk

Currency distribution

2023	EUR	USD	GBP	DKK	NOK	Other	Total foreign currency	SEK	Total
Assets									
Cash and balances with central banks	54 777	37 900			1 912	28	94 617	21 930	116 547
Loans to credit institutions	56 293	4 584	301	4 799	2 591	1 286	69 854	747 157	817 011
Loans to the public	53 204	13 311	1 835	4 843	38 750	3 407	115 350	356 262	471 612
Treasury bills and other bills eligible for refinancing with central banks, etc.					2		2	172 851	172 853
Bonds and other interest-bearing securities	2 951	2 252			5 068		10 271	52 517	62 788
Derivatives and other assets not distributed								164 489	164 489
Total	**167 225**	**58 047**	**2 136**	**9 642**	**48 323**	**4 721**	**290 094**	**1 515 206**	**1 805 299**
Liabilities									
Amounts owed to credit institutions	70 355	18 945	66	1 225	1 420	1 321	93 332	59 147	152 479
Deposits and borrowings from the public	21 725	20 259	1 182	747	1 518	2 530	47 961	816 945	864 906
Debt securities in issue	81 329	278 613	1 734		3 994	6 280	371 950	6 604	378 554
Senior non-preferred liabilities	56 433	20 338	9 507		11 139	4 192	101 609	3 219	104 828
Subordinated liabilities	8 138	14 487	5 245		595	1 551	30 016	2 825	32 841
Derivatives and other liabilities not distributed								153 331	153 331
Equity								118 359	118 359
Total	**237 980**	**352 642**	**17 734**	**1 972**	**18 666**	**15 874**	**644 868**	**1 160 430**	**1 805 299**
Derivatives, other assets and other liabilities	80 969	294 521	15 589	−7 670	−29 483	11 124	365 050		
Net position in currency	**10 214**	**−74**	**−9**		**174**	**−29**	**10 276**		

Currency distribution

2022	EUR	USD	GBP	DKK	NOK	Other	Total foreign currency	SEK	Total
Assets									
Cash and balances with central banks	18 846	28 717		1 344	714	14	49 635	165 679	215 314
Loans to credit institutions	32 743	4 454	343	2 229	3 535	1 119	44 423	785 899	830 322
Loans to the public	55 917	26 925	1 915	4 144	51 823	1 833	142 557	327 630	470 187
Treasury bills and other bills eligible for refinancing with central banks, etc.	561				244		805	143 653	144 458
Bonds and other interest-bearing securities	3 583	2 021		375	8 186		14 165	46 319	60 484
Derivatives and other assets not distributed								177 992	177 992
Total	**111 650**	**62 117**	**2 258**	**8 092**	**64 502**	**2 966**	**251 585**	**1 647 172**	**1 898 757**
Liabilities									
Amounts owed to credit institutions	56 316	4 362	139	1 552	1 328	2 367	66 064	96 284	162 348
Deposits and borrowings from the public	26 506	33 838	1 915	2 450	4 835	4 164	73 708	870 069	943 777
Debt securities in issue	94 007	315 081	5 620		2 641	5 982	423 331	12 451	435 782
Senior non-preferred liabilities	31 535	10 279	4 064		8 584	1 609	56 071	1 368	57 439
Subordinated liabilities	13 264	9 405	5 032			2 428	30 129	1 202	31 331
Derivatives and other liabilities not distributed								156 578	156 578
Equity								111 502	111 502
Total	**221 628**	**372 965**	**16 770**	**4 002**	**17 388**	**16 550**	**649 303**	**1 249 454**	**1 898 757**
Derivatives, other assets and other liabilities	121 728	310 774	14 426	−4 093	−46 876	13 509	409 468		
Net position in currency	**11 750**	**−74**	**−86**	**−3**	**238**	**−75**	**11 750**		

P3 Capital adequacy analysis

	2023	2022
Available own funds		
Common Equity Tier 1 (CET1) capital	109 148	102 528
Tier 1 capital	123 336	111 742
Total capital	142 832	134 563
Risk-weighted exposure amounts		
Total risk exposure amount	427 077	394 817
Capital ratios as a percentage of risk-weighted exposure amount		
Common Equity Tier 1 ratio	25.6	26.0
Tier 1 ratio	28.9	28.3
Total capital ratio	33.4	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	2.1
of which: to be made up of CET1 capital	0.8	1.4
of which: to be made up of Tier 1 capital	0.9	1.6
Total SREP own funds requirements	9.2	10.1
Combined buffer and overall capital requirement as a percentage of risk-weighted exposure amount		
Capital conservation buffer	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	0.9
Systemic risk buffer	0.0	0.0
Global Systemically Important Institution buffer		
Other Systemically Important Institution buffer		
Combined buffer requirement	4.2	3.4
Overall capital requirements	13.4	13.5
CET1 available after meeting the total SREP own funds requirements	20.3	20.0
Leverage ratio		
Total exposure measure	1 308 778	1 340 798
Leverage ratio, %	9.4	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
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

	2023	2022
Liquidity Coverage Ratio		
Total high-quality liquid assets, average weighted value	588 366	560 040
Cash outflows, total weighted value	588 192	607 726
Cash inflows, total weighted value	121 769	81 543
Total net cash outflows, adjusted value	466 423	526 182
Liquidity coverage ratio, %	127.3	106.7
Net Stable Funding Ratio		
Total available stable funding	1 033 099	1 014 113
Total required stable funding	596 745	593 123
Net stable funding ratio, %	173.1	171.0

Common Equity Tier 1 capital	**2023**	**2022**
Shareholders' equity according to the balance sheet	118 359	111 502
Anticipated dividend	–17 049	–10 967
Share of capital of accrual reserve	9 815	4 187
Value changes in own financial liabilities	–425	–659
Additional value adjustments	–508	–513
Goodwill	–709	–709
Intangible assets	–251	–267
Shares deducted from CET1 capital	–46	–40
Insufficient coverage for non-performing exposures	–37	–5
Total	**109 148**	**102 528**

Risk exposure amount	**2023**	**2022**
Credit risks, standardised approach	125 798	103 867
Credit risks, IRB	196 446	180 802
Default fund contribution	335	149
Amount settlement risks	0	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		Per cent	
Capital requirements[1]	**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
Total 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		Per cent	
Leverage ratio requirements[1]	**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.

P4 Geographical distribution of revenue

2023	Sweden	Norway	Finland	USA	Other	Total
Interest income	66 028	3 335	6 133	5 469	101	81 066
Leasing income	5 793					5 793
Dividends received	13 964					13 964
Commission income	8 701	218	133	49	7	9 108
Net gains and losses on financial items	3 699	–994		2	32	2 739
Other income	3 017	8	9		892	3 926
Total	**101 202**	**2 567**	**6 275**	**5 520**	**1 032**	**116 596**

2022	Sweden	Norway	Finland	USA	Other	Total
Interest income	22 690	2 189	456	2 037	171	27 543
Leasing income	5 137					5 137
Dividends received	16 811					16 811
Commission income	8 112	249	113	51	23	8 548
Net gains and losses on financial items	–1 032	–97	20	–4	–73	–1 186
Other income	2 501	3			602	3 106
Total	**54 219**	**2 344**	**589**	**2 084**	**723**	**59 959**

The geographical distribution has been allocated to the country where the business was carried out. The column Other includes operations in Estonia, Latvia, Lithuania, Luxembourg, China and Denmark.

P5 Net interest income

	2023	2022
Interest income	81 066	27 543
Leasing income	5 793	5 137
Interest expense	58 519	12 008
Net interest income before depreciation for financial leases	**28 340**	**20 672**
Depreciation according to plan finance leases	4 812	4 672
Net interest income after depreciation for financial leases	**23 528**	**16 000**

	2023			2022		
	Amortised cost	Fair value through profit or loss	Total	Amortised cost	Fair value through profit or loss	Total
Assets						
Cash and balances with central banks	11 386		11 386	3 149		3 149
Treasury bills and other bills eligible for refinancing with central banks, etc.	8 259	400	8 659	849	273	1 122
Loans to credit institutions	29 660	1 688	31 348	8 006	97	8 103
Loans to the public	24 869	3 688	28 557	13 167	714	13 881
Bonds and other interest-bearing securities		1 813	1 813		860	860
Total interest-bearing instruments	**74 174**	**7 589**	**81 763**	**25 171**	**1 944**	**27 115**
Derivatives[1]		−762	−762		423	423
Other assets	5 858		5 858	5 142		5 142
Interest income	**80 032**	**6 827**	**86 859**	**30 313**	**2 367**	**32 680**
Liabilities						
Amounts owed to credit institutions	8 206	1 534	9 740	1 929	139	2 068
Deposits and borrowings from the public	21 996	2 029	24 025	4 561	355	4 916
of which deposit guarantee fees	254		254	252		252
Debt securities in issue	21 841	6	21 847	7 256	6	7 262
Senior non-preferred liabilities	2 472		2 472	659		659
Subordinated liabilities	1 807		1 807	911		911
Total interest-bearing instruments	**56 322**	**3 569**	**59 891**	**15 316**	**500**	**15 816**
Derivatives[1]		−1 379	−1 379		−3 815	−3 815
Other liabilities	7		7	7		7
Interest expense	**56 329**	**2 190**	**58 519**	**15 323**	**−3 315**	**12 008**
Net interest income	**23 703**	**4 637**	**28 340**	**14 990**	**5 682**	**20 672**
Interest income on stage 3 loans			121			98
Negative yield on financial assets			2			467
Negative yield on financial liabilities			11			444

1) The derivatives line includes net interest income from derivatives hedging assets and liabilities in the balance sheet. These may have both positive and negative impact on interest income and interest expense.

	Average annual interest rate, %		Average balance	
Assets	**2023**	**2022**	**2023**	**2022**
Cash and balances with central banks	4.26	0.83	267 153	380 687
Treasury bills and other bills eligible for refinancing with central banks, etc.	3.41	0.82	253 649	137 652
Loans to credit institutions	3.83	1.05	818 484	772 949
Loans to the public	6.02	3.04	474 453	456 568
Bonds and other interest-bearing securities	4.06	1.89	44 617	45 446
Total interest-bearing instruments	**4.40**	**1.51**	**1 858 356**	**1 793 302**
Derivatives			61 976	66 761
Other assets			123 053	120 674
Total	**4.25**	**1.65**	**2 043 385**	**1 980 737**
Liabilities				
Amounts owed to credit institutions	4.34	0.96	224 228	214 932
Deposits and borrowings from the public	2.48	0.48	968 708	1 024 750
Debt securities in issue	4.51	1.64	484 808	442 178
Senior non-preferred liabilities	2.93	1.34	84 503	49 208
Subordinated liabilities	5.05	3.17	35 787	28 731
Total interest-bearing instruments	**3.33**	**0.90**	**1 798 034**	**1 759 799**
Derivatives			85 747	76 084
Other liabilities			45 784	43 254
Total	**3.03**	**0.64**	**1 929 565**	**1 879 137**
Investment margin	1.39	1.04		

P6 Dividends received

	2023	2022
Shares and participating interests	170	119
Investments in associates and joint ventures	306	1 020
Investments in Group entities	13 488	15 672
of which, through Group contributions	8 964	12 749
Total	**13 964**	**16 811**

P7 Net commission income

	Commission income			Commission expense	Net commission income
2023	Over time	Point in time	Total		
Payment processing	542	1 284	1 826	−1 369	457
Cards	270	1 478	1 748	−132	1 616
Service concepts	891		891		891
Asset management and custody	2 134	28	2 162	−146	2 016
Life insurance	504	1	505	−3	502
Securities		606	607	−326	280
Corporate finance		40	40		40
Lending	755	95	851	−72	778
Guarantee	186		186		186
Deposits	15	3	18		18
Non-life insurance	72		72		72
Other	166	38	204	−232	−28
Total	**5 533**	**3 574**	**9 108**	**−2 280**	**6 827**

	Commission income			Commission expense	Net commission income
2022	Over time	Point in time	Total		
Payment processing	393	1 146	1 539	−1 147	392
Cards	304	1 293	1 597	−277	1 320
Service concepts	789		789	−5	784
Asset management and custody	2 063	28	2 091	−133	1 958
Life insurance	505	1	506	−2	504
Securities	1	595	596	−304	292
Corporate finance		72	72		72
Lending	698	223	921	−93	828
Guarantee	139		139		139
Deposits	16	3	19		19
Non-life insurance	72		72		72
Other	152	55	207	−232	−25
Total	**5 132**	**3 416**	**8 548**	**−2 193**	**6 355**

P8 Net gains and losses on financial items

	2023	2022
Fair value through profit or loss		
Held for trading		
Shares and share related derivatives	−105	450
Interest-bearing securities and interest related derivatives	1 759	−1 762
Total	**1 654**	**−1 312**
Other		
Shares	77	176
Interest-bearing securities	363	−506
Total	**440**	**−330**
Total fair value through profit or loss	**2 094**	**−1 642**
Hedge accounting		
Ineffectiveness, one-to-one fair value hedges	**32**	**23**
of which hedging instruments	7 202	−11 948
of which hedging items	−7 170	11 971
Ineffectiveness, portfolio fair value hedges	**1**	
of which hedging instruments	210	
of which hedging items	−209	
Total hedge accounting	**33**	**23**
Amortised cost		
Derecognition gain or loss for financial liabilities	10	−5
Derecognition gain or loss for financial assets	2	−55
Total amortised cost	**12**	**−60**
Change in exchange rates	**600**	**493**
Total	**2 739**	**−1 186**

P9 Other income

	2023	2022
IT services subsidiaries	40	83
IT services	1 197	980
Other sales subsidiaries	2 013	1 408
Other operating income	676	635
Total	**3 926**	**3 106**

P10 Staff costs

Total staff costs	2023	2022
Salaries and remunerations	7240	6 572
Compensation through shares in Swedbank AB	196	117
Social insurance charges	2 218	2 007
Pension costs	1 524	1 381
Training costs	78	66
Other staff costs	449	361
Total	**11 705**	**10 504**
of which variable staff costs	330	235

Variable Compensation Programme	2023	2022
Programme 2021 and earlier		
Compensation that is settled with shares in Swedbank AB	40	49
Social charges related to the share settled compensation	27	17
Cash settled compensation	4	27
Payroll overhead costs related to the cash settled compensation	4	16
Programme 2022		
Compensation that is settled with shares in Swedbank AB	17	67
Social charges related to the share settled compensation	5	17
Cash settled compensation	21	27
Payroll overhead costs related to the cash settled compensation	12	15
Programme 2023		
Compensation that is settled with shares in Swedbank AB	139	
Social charges related to the share settled compensation	32	
Cash settled compensation	18	
Payroll overhead costs related to the cash settled compensation	11	
Total recognised expense	**330**	**235**

Number of performance rights that establish the recognised share based expense, millions	2023	2022
Outstanding at the beginning of the period	**3.5**	**3.4**
Allotted	2.9	1.3
Forfeited	0.1	0.2
Exercised	1.0	1.0
Outstanding at the end of the period	**5.3**	**3.5**
Exercisable at the end of the period	0	0
Weighted average fair value per performance right at measurement date, SEK	168	162
Weighted average remaining contractual life, months	29	6
Weighted average exercise price per performance right, SEK	0	0

2023	Board of directors, President and equivalent senior executives			Other employees	
Countries	Number of persons	Salaries and other remunerations	Variable pay	Salaries and variable pay	Total
Sweden	26	97	1	5 909	**6 007**
Denmark				–1	**–1**
Norway				103	**103**
USA				29	**29**
Finland				68	**68**
China				13	**13**
Estonia				513	**513**
Latvia				232	**232**
Lithuania				472	**472**
Total	**26**	**97**	**1**	**7 338**	**7 436**

2022	Board of directors, President and equivalent senior executives			Other employees	
Countries	Number of persons	Salaries and other remunerations	Variable pay	Salaries and variable pay	Total
Sweden	27	96	1	5 427	**5 524**
Denmark				26	**26**
Norway				139	**139**
USA				28	**28**
Finland				67	**67**
China				13	**13**
Estonia				368	**368**
Latvia				172	**172**
Lithuania				352	**352**
Total	**27**	**96**	**1**	**6 592**	**6 689**

Board members, President and equivalent senior executives	2023	2022
Costs during the year for pensions and similar benefits	30	30
No. of persons	17	17
Granted loans, SEKm	62	68
No. of persons	15	15

	2023		2022	
Distribution by gender %	Women	Men	Women	Men
All employees	54	46	54	46
Directors	45	55	42	58
Other senior executives, including President	40	60	33	67

P11 Other general administrative expenses

	2023	2022
Rents, etc.	1 007	920
IT expenses	3 368	2 836
Telecommunications, postage	87	79
Consulting	972	744
Other outside services	836	755
Travel	102	64
Entertainment	22	20
Office supplies	59	54
Advertising, public relations, marketing	144	122
Security transports, alarm systems	45	46
Maintenance	99	84
Other administrative expenses	225	207
Other operating expenses	62	46
Total	**7 028**	**5 977**

Remuneration to Auditors elected by Annual General Meeting, PwC	**2023**	**2022**
Audit assignment	32	35
Audit related services	9	11
Tax advisory	1	0
Other services	0	0
Total	**42**	**46**

Audit assignment is defined as the audit of annual financial statements, the administration of the Board of Directors and the President, other tasks resting upon the auditor as well as consulting and other assistance, which have been initiated by the findings in performing audit work or implementation of such tasks. The audit related services include quarterly reviews, regulatory reporting and services in connection with issuing of certificates and opinions.

Tax advisory includes advice on taxation in other countries. Other services include consultation on financial accounting, services related to mergers and acquisitions activities, operational effectiveness and assessments of internal control.

P12 Depreciation/amortisation and impairments of tangible and intangible assets

	2023	2022
Depreciation/amortisation		
Equipment	230	223
Intangible assets	67	88
Lease objects	4 812	4 672
Total	**5 110**	**4 983**
Impairment		
Lease objects	120	64
Total	**120**	**64**
Total	**5 230**	**5 047**

P13 Credit impairments, net

	2023	2022
Credit impairments related to loans at amortised cost		
Credit impairment provisions – stage 1	–58	392
Credit impairment provisions – stage 2	868	102
Credit impairment provisions – stage 3	–481	–624
Total	**329**	**–130**
Write-offs	245	864
Recoveries	–60	–49
Total	**185**	**815**
Total Credit impairments related to loans at amortised cost	**514**	**685**
Commitments and guarantees		
Credit impairment provisions – stage 1	–57	66
Credit impairment provisions – stage 2	119	46
Credit impairment provisions – stage 3	296	–62
Total commitments and guarantees	**358**	**50**
Total credit impairments	**872**	**735**
Credit impairments by borrower category		
Credit institutions	44	80
General public	828	655
Total	**872**	**735**

P14 Impairments of financial assets

	2023	2022
Investments in Group entities and joint ventures		
Invidem AB	124	
P27 Nordic Payment Platform AB	115	
Swedbank PayEx Holding AB		1 940
FR & R Invest AB		6
Total	**239**	**1 946**

P15 Swedish bank tax and resolution fees

	2023	2022
Swedish bank tax	956	693
Resolution fees	398	396
Total	**1 354**	**1 089**

P16 Appropriations

	2023	2022
Tax allocation reserve, reversal 2017		-1 862
Tax allocation reserve, reversal 2018		-3 538
Tax allocation reserve, reversal 2019		-51
Tax allocation reserve, allocation 2023	6 640	
Accelerated depreciation, equipment	355	188
Total	**6 995**	**–5 263**

P17 Tax

Tax expense	2023	2022
Tax related to previous years	–210	1
Current tax	4 400	4 534
Deferred tax	–186	652
Total	**4 004**	**5 187**

The difference between the parent company's tax expense and the tax expense based on current Swedish tax rate is explained below:

	2023		2022	
	SEKm	%	SEKm	%
Results	4 004	18.6	5 187	20.2
Current tax of pre-tax profit	4 434	20.6	5 299	20.6
Difference	**–430**	**–2.0**	**–112**	**–0.4**
The difference consists of the following items				
Tax previous years	–226	–1.0	1	
Tax-exempt income/non-deductible expenses	185	0.9	45	0.2
Non-deductible interest related to subordinated liabilities	372	1.7	188	0.7
Non-deductible administrative fine Swedish Financial Supervisory Authority	175	0.8		
Non-taxable dividends	–1 002	–4.7	–814	–3.2
Tax-exempt gains and non-deductible losses on shares and participating interests	14	0.1	–11	
Recalculation of untaxed reserve due to changed income tax rate			67	0.3
Standard income tax allocation reserve			6	
Non-deductible impairment of financial asset	49	0.2	401	1.6
Deviating tax rates in other countries	3		5	
Total	**–430**	**–2.0**	**–112**	**–0.4**

2023

Deferred tax liabilities	Opening balance	Income statement	Equity	Exchange rate differences	Closing balance
Deductible and taxable temporary differences					
Hedge of net investments	1 058	–156			902
Provisions for pensions	–129	–7			–136
Share related compensation	–11		1		–10
Intangible assets	1	–1			
Other	–31	–22			–53
Total	**888**	**–186**	**1**		**703**

2022

Deferred tax liabilities	Opening balance	Income statement	Equity	Exchange rate differences	Closing balance
Deductible and taxable temporary differences					
Hedge of net investments	413	645			1 058
Provisions for pensions	–143	14			–129
Share related compensation	–7		–4		–11
Intangible assets	3	–2			1
Other	–27	–5		1	–31
Total	**239**	**652**	**–4**	**1**	**888**

P18 Treasury bills and other bills eligible for refinancing with central banks etc.

	Carrying amount			Nominal amount		
	2023	2022	1/1/2022	2023	2022	1/1/2022
Swedish government	11 501	8 690	22 369	9 926	8 100	20 881
Swedish municipalities	1 403	2 271	3 129	1 457	2 370	3 096
Swedish central bank	159 947	132 693	128 447	160 000	132 730	128 447
Foreign governments	2	716	638	9 926	819	592
Foreign municipalities		88	1 415		88	1 416
Total	**172 853**	**144 458**	**155 998**	**181 309**	**144 107**	**154 432**

P19 Loans to credit institutions

	2023	2022	1/1/2022
Swedish banks	10 466	7 508	1 610
Other Swedish credit institutions	743 646	785 233	625 571
Foreign credit institutions	62 667	36 996	21 694
Repurchase agreement, Swedish banks	68		
Repurchase agreement, other Swedish credit institutions	3	571	1 337
Repurchase agreement, foreign credit institutions	161	14	736
Total	**817 011**	**830 322**	**650 948**
of which subordinated loans			
Subsidiaries	1 800		
of which senior non-preferred loans			
Subsidiaries	65 190	25 627	19 303

P20 Loans to the public

	2023	2022	1/1/2022
Swedish public	311 975	338 093	297 022
Foreign public	78 639	87 989	68 250
Loans to customers	**390 614**	**426 082**	**365 272**
Cash collaterals posted, Swedish public	4 190	3 054	1 304
Cash collaterals posted, foreign public	834	461	535
Repurchase agreements, Swedish public	2 657	1 478	3 938
Repurchase agreements, Swedish National Debt Office	2 744	6 952	3 021
Repurchase agreements, foreign public	40 573	22 156	17 602
Loans to Swedish National Debt Office	30 000	10 004	3
Total	**471 612**	**470 187**	**391 675**

P21 Bonds and other interest-bearing securities

	Carrying amount			Nominal amount		
	2023	2022	1/1/2022	2023	2022	1/1/2022
Swedish mortgage institutions	41 414	32 013	30 437	41 414	33 714	30 021
Swedish financial entities	8 739	8 731	6 140	8 969	9 175	6 072
Swedish non-financial entities	1 184	1 569	1 841	1 229	1 649	1 812
Foreign credit institutions	5 837	10 056	10 628	5 858	10 107	10 583
Foreign financial entities	4 970	7 616	6 483	4 946	7 883	6 367
Foreign non-financial entities	644	499	2 670	661	537	2 661
Total	**62 788**	**60 484**	**58 199**	**63 077**	**63 065**	**57 516**
of which subordinated	11	117	203	10	125	199
of which senior non-preferred	412	158	719	414	158	713

Bonds and other interest-bearing securities issued by other than public agencies.

P22 Shares and participating interests

	2023	2022	1/1/2022
Shares, trading	347	329	6 345
Fund units, trading	5 452	3 995	5 293
Shares for protection of claim			20
Condominiums	0	11	11
Other	1 744	1 279	1 146
Total	**7 544**	**5 614**	**12 815**

P23 Investments in associates and joint ventures

Fixed assets	2023	2022	1/1/2022
Credit institutions	2 054	2 054	2 054
Other associates	247	524	311
Total	**2 301**	**2 578**	**2 365**
Opening balance	**2 578**	**2 365**	**2 339**
Additions	5	213	26
Impairments	–239		
Disposals	–43		
Closing balance	**2 301**	**2 578**	**2 365**

Corporate identity, domicile	Corporate identity number	Number	Carrying amount	Cost	Share of capital, %
Swedish credit institutions					
EnterCard Group AB, Stockholm, joint venture	556673-0585	3 000	420	420	50.00
Sparbanken Rekarne AB, Eskilstuna	516401-9928	865 000	125	125	50.00
Sparbanken Sjuhärad AB, Borås	516401-9852	4 750 000	288	288	47.50
Sparbanken Skåne AB, Lund	516401-0091	3 670 342	1 070	1 070	22.00
Vimmerby Sparbank AB, Vimmerby	516401-0174	340 000	41	41	40.00
Ölands Bank AB, Borgholm	516401-0034	637 000	110	110	49.00
Total			**2 054**	**2 054**	
Other					
BGC Holding AB, Stockholm	556607-0933	29 360	99	99	29.36
Finansiell ID-Teknik BID AB, Stockholm	556630-4928	12 735	4	24	28.30
Getswish AB, Stockholm	556913-7382	10 000	19	21	20.00
Invidem AB, Stockholm, joint venture	559210-0779	10 000		125	16.67
P27 Nordic Payments Platform AB, Stockholm, joint venture	559198-9610	10 000	120	234	16.67
USE Intressenter AB, Uppsala	559161-9464	2 000	0	0	20.00
Tibern AB, Stockholm, joint venture	559384-3542	4 000	5	5	14.00
Total			**247**	**509**	
Total			**2 301**	**2 563**	

The share of the voting rights in each entity corresponds to the share of its equity. All shares and participating interests are unlisted.

In 2023, contribution was given to Invidem AB of SEK 3m (49) and to Tibern AB of SEK 2m. Invidem AB and P27 Nordic Payments Platform AB were impaired by SEK 125m and SEK 114m respectively. Capital contribution to P27 Nordic Payments Platform AB of SEK 43m was reversed.

In 2022, contribution was given to P27 Nordic Payments Platform AB of SEK 161m. Shares in the joint venture Tibern AB were aquired of SEK 3m.

P24 Investments in Group entities

Fixed assets	2023	2022	1/1/2022
Swedish credit institutions	29 073	24 073	24 073
Foreign credit institutions	19	19	19
Other entities	38 706	38 150	39 652
Total	**67 798**	**62 242**	**63 744**
Opening balance	**62 242**	**63 744**	**63 406**
Additions	5 556	444	29 736
Impairments		–1 946	
Disposals			–29 398
Closing balance	**67 798**	**62 242**	**63 744**

Corporate identity, domicile	Corporate identity number	Number	Carrying amount	Cost	Share of capital, %
Swedish credit institutions					
Swedbank Hypotek AB, Stockholm	556003-3283	23 000 000	29 073	29 073	100
Total			**29 073**	**29 073**	
Foreign credit institutions					
Swedbank (Luxembourg) S.A., Luxembourg	302018-5066	300 000	15	143	100
Swedbank Management Company S.A., Luxembourg	B149317	250 000	4	42	100
Total			**19**	**185**	
Other entities					
ATM Holding AB, Stockholm	556886-6692	350	40	47	70
Ektornet AB, Stockholm	556788-7152	5 000 000	165	1 978	100
FR & R Invest AB, Stockholm	556815-9718	10 000 000	36	69	100
Sparfrämjandet AB, Stockholm	556041-9995	45 000	5	5	100
Sparia Group Försäkring AB, Stockholm	516406-0963	70 000	152	152	100
Swedbank Baltics AS, Riga	40203295309	3 882 550 000	29 540	29 540	100
Swedbank Fastighetsbyrå AB, Stockholm	556090-2115	1 000	285	285	100
Swedbank Försäkring AB, Stockholm	516401-8292	150 000	3 371	3 371	100
Swedbank PayEx Holding AB, Visby	556714-2798	500 000	1 735	3 406	100
Swedbank Robur AB, Stockholm	556110-3895	10 000 000	3 333	3 333	100
Swedbank Support OÜ	10425396	1	44	44	100
Other entities		1 100	0	0	
Total			**38 706**	**42 230**	
Total			**67 798**	**71 488**	

This specification includes all directly owned group undertakings. The share of the voting rights in each entity corresponds to the share of its equity.
All entities are unlisted.

During 2023, Swedbank Support OÜ, a company used for group purchasing, was acquired from Swedbank AS Estonia. In 2023, contribution was given to Swedbank PayEx Holding AB SEK 414 m, to Swedbank Mortgage AB SEK 5 000m and to Sparia Group Försäkring AB SEK 6m. In 2022, contribution was given to Swedbank PayEx Holding AB SEK 389m.

P25 Derivatives

	Note	Nominal amount 2023	Nominal amount 2022	Positive fair value 2023	Positive fair value 2022	Negative fair value 2023	Negative fair value 2022
Derivatives in hedge accounting							
One-to one fair value hedges, interest rate swaps	P26	238 061	206 962	1 773	4	7 618	13 023
Portfolio fair value hedges, interest rate swaps	P26	5 201		229			
Total		**243 262**	**206 962**	**2 002**	**4**	**7 618**	**13 023**
Non-hedging derivatives		**34 537 959**	**31 245 091**	**912 171**	**1 262 718**	**956 928**	**1 284 664**
Gross amount		**34 781 221**	**31 452 053**	**914 173**	**1 262 722**	**964 546**	**1 297 687**
Offset amount	P42			−864 523	−1 194 958	−868 262	−1 197 341
Total		**34 781 221**	**31 452 053**	**49 650**	**67 764**	**96 284**	**100 346**
Non-hedging derivatives							
Interest-related							
Options held		259 412	1 047 498	1 916	4 793	2 018	5 362
Forward contracts		8 619 507	4 805 919	2 471	5 108	2 582	4 348
Swaps		23 505 418	23 163 026	877 137	1 215 302	886 807	1 226 440
Currency-related							
Options held		57 996	55 111	492	558	514	564
Forward contracts		863 881	908 800	7 616	10 776	29 117	16 030
Swaps		1 118 132	1 145 070	20 948	24 203	34 450	30 385
Equity-related							
Options held		30 605	51 165	1 081	1 524	673	1 058
Forward contracts		24 568	20 865		6	3	3
Swaps		47 441	44 086	455	448	582	465
Credit-related							
Swaps		10 999	3 551	55		182	9
Total		**34 537 959**	**31 245 091**	**912 171**	**1 262 718**	**956 928**	**1 284 664**

P26 Hedge accounting

Swedbank's hedge accounting is described in note G30. Specific information on the parent company's hedge accounting at fair value is presented in the following tables.

	2023					2022				
		Carrying amount					Carrying amount			
Hedging instruments and hedge ineffectiveness	Nominal amount	Assets	Liabilities	Change in fair value used for recognising hedge in effectiveness	Ineffectiveness recognised in Profit or loss	Nominal amount	Assets	Liabilities	Change in fair value used for recognising hedge in effectiveness	Ineffectiveness recognised in Profit or loss
Interest rate risk										
Interest rate swaps, Hedged liabilities portfolio hedges	5201	229			1					
Interest rate swap, Debt securities in issue	104 019	405	3 368	−2 723	18	113 467	1	6 328	−6 250	31
Interest rate swap, Senior non-preferred liabilities	102 484	1 203	3 231	−2 253	3	60 579	0	4 947	−4 963	−5
Interest rate swap, Subordinated liabilities	31 558	165	1 019	−876	11	32 916	3	1 748	−1 801	−3
Total	**243 262**	**2 002**	**7 618**	**−5 852**	**33**	**206 962**	**4**	**13 023**	**−13 014**	**23**

	2023			2022		
Hedged items	Carrying amount Liabilities	Accumulated adjustment on the hedged item Liabilities	Change in value used for recognising hedge ineffectiveness	Carrying amount Liabilities	Accumulated adjustment on the hedged item Liabilities	Change in value used for recognising hedge ineffectiveness
Portfolio hedges						
Deposits and borrowings from the public	5 201					
Value change of the hedged liabilities in portfolio hedges of interest rate risk		209	209			
One-to-one hedges						
Debt securities in issue	104 342	−2 689	2 689	113 770	−6 271	6 271
Senior non-preferred liabilities	103 415	−2 240	2 240	60 840	−4 953	4 953
Subordinated liabilities	31 889	−880	880	33 131	−1 799	1 799
Total	**244 847**	**−5 600**	**6 018**	**207 741**	**−13 023**	**13 023**

	2023			2022		
	Remaining contractual maturity			Remaining contractual maturity		
Maturity profile and average price, hedging instruments	<1 yr	1–5 yrs.	>5 yrs.	<1 yr	1–5 yrs.	>5 yrs.
Portfolio hedges						
Nominal amount		5 201				
Average fixed interest rate (%)		3.67				
One-to-one hedges						
Nominal amount	28 321	192 999	16 741	38 269	148 488	20 205
Average fixed interest rate (%)	0.63	1.97	2.11	3.64	3.27	3.28

P27 Intangible assets

	2023				2022			
	Goodwill	Customer base	Other	Total	Goodwill	Customer base	Other	Total
Cost, opening balance	**2 254**	**130**	**1 195**	**3 579**	**3 429**	**130**	**1 175**	**4 734**
Additions through separate acquisitions			51	51			45	45
Sales and disposals			−1	−1	−1 175		−25	−1 200
Cost, closing balance	**2 254**	**130**	**1 245**	**3 629**	**2 254**	**130**	**1 195**	**3 579**
Amortisation, opening balance	**−2 254**	**−73**	**−704**	**−3 031**	**−3 429**	**−73**	**−638**	**−4 140**
Amortisation for the year			−67	−67			−88	−88
Sales and disposals					1 175		22	1 197
Amortisation, closing balance	**−2 254**	**−73**	**−771**	**−3 098**	**−2 254**	**−73**	**−704**	**−3 031**
Impairments, opening and closing balance		**−57**	**−223**	**−280**		**−57**	**−223**	**−280**
Carrying amount			**251**	**251**			**268**	**268**

Goodwill is amortised over an estimated useful life of 5 to 20 years. For other intangible assets with a finite useful life, the amortisable amount is divided linearly over the useful life. The original useful life is between 3 and 15 years. No indications of impairment were identified on the balance sheet date.

P28 Leasing equipment

Fixed assets	2023	2022
Cost, opening balance	**29 802**	**28 000**
Additions	9 538	8 706
Sales and disposals	−8 460	−6 904
Cost, closing balance	**30 880**	**29 802**
Depreciation, opening balance	**−11 982**	**−11 372**
Depreciation for the year	−4 812	−4 672
Sales and disposals	4 969	4 062
Depreciation, closing balance	**−11 825**	**−11 982**
Impairments, opening balance	**−105**	**−42**
Impairments for the year	−120	−64
Sales and disposals	20	1
Impairments, closing balance	**−205**	**−105**
Carrying amount	**18 850**	**17 715**

2023	< 1 yr	1–5 yrs	> 5 yrs	Total
Future minimum lease payment	5 702	11 038	5 246	21 986

The residual value of all lease assets is guaranteed by lessees or third parties. The lease assets are depreciated over the lease term according to the annuity method. The lease assets primarily consist of vehicles and machinery. The lease payments do not contain any variable fee.

P29 Tangible assets

Fixed assets	2023	2022
Cost, opening balance	**2 751**	**2 529**
Additions	300	295
Sales and disposals	−78	−73
Cost, closing balance	**2 973**	**2 751**
Depreciation, opening balance	**−2 122**	**−1 969**
Depreciation for the year	−230	−223
Sales and disposals	64	70
Depreciation, closing balance	**−2 288**	**−2 122**
Carrying amount	**685**	**629**

The useful life of equipment is deemed to be between 3 and 10 years. Leasehold improvements are depreciated over their useful life. The residual value is zero as in previous years. The depreciable amount is recognised linearly in profit or loss over the useful life. No indications of impairment were identified on the balance sheet date.

P30 Other assets

	2023	2022	1/1/2022
Security settlement claims	2 427	3 365	4 888
Group contributions	8 971	12 749	15 557
Other financial assets	1 958	1 849	2 122
Total financial assets	**13 356**	**17 963**	**22 567**
Property taken over protection of claims and cancelled leases	27	26	28
Total	**13 383**	**17 989**	**22 595**

P31 Prepaid expenses and accrued income

	2023	2022	1/1/2022
Prepaid expenses	1 697	1 394	1 441
Unbilled receivable	398	378	354
Total	**2 095**	**1 772**	**1 795**

P32 Amounts owed to credit institutions

	2023	2022	1/1/2022
Swedish central bank	134	60	22
Swedish banks	26 938	29 371	35 848
Other Swedish credit institutions	31 026	69 480	36 171
Foreign central banks	9 964	1 039	1 400
Foreign credit institutions	77 162	61 739	26 355
Repurchase agreements, Swedish banks	69		167
Repurchase agreements, other Swedish credit institutions			647
Repurchase agreements, foreign credit institutions	7 186	659	
Total	**152 479**	**162 348**	**100 610**

P33 Deposits and borrowings from the public

	2023	2022	1/1/2022
Swedish public	850 531	915 790	918 994
Foreign public	10 540	20 317	16 876
Total deposits from customers	**861 071**	**936 107**	**935 870**
Cash collaterals received, Swedish public	3 277	4 344	1 802
Cash collaterals received, foreign public	193	338	104
Repurchase agreements, Swedish public	201	4	141
Repurchase agreements, foreign public	67	2 811	4 947
Swedish National Debt Office	97	173	68
Total borrowing	**3 835**	**7 670**	**7 062**
Total	**864 906**	**943 777**	**942 932**

P34 Debt securities in issue

	2023	2022	1/1/2022
Commercial papers	263 334	316 114	165 067
Senior unsecured bonds	113 861	117 421	127 801
Structured retail bonds	1 359	2 247	4 050
Total	**378 554**	**435 782**	**296 918**

Turnover of debt securities in issue is reported in note P2 Liquidity risk.

P35 Other liabilities

	2023	2022	1/1/2022
Security settlement liabilities	2 283	1 735	4 320
Group contributions	270	340	341
Short position in shares	729	299	248
of which own issued shares	98	105	121
Short position in interest-bearing securities	16 568	26 894	28 364
Unsettled payments	10 950	9 763	10 085
Other financial liabilities	7 279	6 343	6 480
Total financial liabilities	**38 079**	**45 374**	**49 838**

P36 Accrued expenses and prepaid income

	2023	2022	1/1/2022
Accrued expenses	2 623	2 584	2 611
Contract liabilities	81	45	30
Total	**2 704**	**2 629**	**2 641**

P37 Provisions

	2023	2022	1/1/2022
Provisions for guarantees and other commitments	1 049	710	622
Other			1
Total	**1 049**	**710**	**623**

P38 Subordinated liabilities

	2023	2022	1/1/2022
Subordinated loans	18 356	21 925	14 980
Undated subordinated loans, Additional Tier 1 capital	14 485	9 406	13 624
Total	**32 841**	**31 331**	**28 604**

Fixed-term subordinated loans

Year of issue	Maturity	First optional call date	Currency	Nominal amount	Carrying amount	Coupon interest, %
2018	2028	3/28/2028	JPY	5 000	353	0.90%
2022	2027	6/16/2027	JPY	7 000	494	1.45%
2022	2027	8/23/2027	EUR	750	8 138	3.63%
2022	2027	11/15/2027	GBP	400	5 245	7.27%
2023	2028	5/25/2028	JPY	10 000	706	2.00%
2023	2028	6/9/2028	SEK	1 500	1 574	5.79%
2023	2028	6/9/2028	SEK	1 250	1 251	6.78%
2023	2028	6/9/2028	NOK	600	595	7.37%
Total					**18 356**	

Undated subordinated loans approved by the Swedish Financial Supervisory Authority as Tier 1 capital contribution

The liabilities will be converted to ordinary shares in Swedbank AB if the core tier one ratio of: Swedbank AB falls below 5.125 per cent or if the core tier one ratio of the consolidated situation falls below 8.0 per cent.

Year of issue	Maturity	First optional call date	Currency	Nominal amount	Carrying amount	Coupon interest, %
2019	Undated	9/17/2024[1]	USD	500	4 952	5.63%
2021	Undated	3/17/2029[2]	USD	500	4 411	4.00%
2023	Undated	3/17/2028[3]	USD	500	5 123	7.63%
Total					**14 485**	

1) The liability is converted at current share price, but not lower than USD 8.75 converted to SEK.
2) The liability is converted at current share price, but not lower than USD 12.92 converted to SEK.
3) The liability is converted at current share price, but not lower than USD 13.09 converted to SEK.

P39 Untaxed reserves

	Accumulated accelerated depreciation	Tax allocation reserve	Total
Opening balance 2022	5 179	5 451	10 630
Allocation/Reversal	188	−5 451	−5 263
Closing balance 2022	**5 367**		**5 367**
Allocation/Reversal	355	6 640	6 995
Closing balance 2023	**5 722**	**6 640**	**12 362**

	Tax value in accordance with depreciation as recorded in the books	Assets that are not included in the calculation of depreciation as recorded in the books	Total
Intangible assets	115	136	251
Leasing equipment	18 850		18 850
Tangible assets	462	223	685
Prepaid expenses and accrued income	323	1 772	2 095
Accumulated accelerated depreciation	−5 722		−5 722
Net value	**14 028**	**2 131**	**16 159**

Prepaid expenses and accrued income included in the basis for depreciation in accordance with depreciation as recorded in the books are software licenses with a maturity of less than 36 months.

Non-depreciable assets such as art and preliminary registered fixed assets and leasehold improvements and other assets that are not considered to constitute fixed assets according to depreciations as recorded in the books, are excluded from the calculation, a total of SEK 359m.

Tax allocation reserve	2023	2022	1/1/2022
Allocation 2017			1 862
Allocation 2018			3 538
Allocation 2019			51
Allocation 2023	6 640		
Total	**6 640**		**5 451**

P40 Valuation categories of financial instruments

		2023						
			Fair value through profit or loss					
			Mandatorily					
Financial assets	Note	Amortised cost	Trading	Other	Total	Hedging instruments	Total carrying amount	Fair value
Cash and balances with central banks		116 547					116 547	116 547
Treasury bills and other bills eligible for refinancing with central banks, etc.	P18	159 947	11 792	1 114	12 906		172 853	172 853
Loans to credit institutions	P19	774 436	42 575		42 575		817 011	817 011
Loans to the public	P20	420 407	50 997	208	51 205		471 612	471 612
Bonds and other interest-bearing securities	P21		47 260	15 528	62 788		62 788	62 788
Shares and participating interest	P22		5 800	1 744	7 544		7 544	7 544
Derivatives	P25		49 420		49 420	230	49 650	49 650
Other financial assets	P30, P31	13 356					13 356	13 356
Total		**1 484 693**	**207 844**	**18 594**	**226 438**	**230**	**1 711 361**	**1 711 361**

			Fair value through profit or loss				
Financial liabilities	Note	Amortised cost	Trading	Total	Hedging instruments	Total carrying amount	Fair value
Amounts owed to credit institutions	P32	138 174	14 305	14 305		152 479	152 479
Deposits and borrowings from the public	P33	861 165	3 741	3 741		864 906	864 906
Value change of the hedged liabilities in portfolio hedges of interest rate risk	P26	209				209	209
Debt securities in issue	P34	377 194	1 360	1 360		378 554	371 808
Senior non-preferred liabilities		104 828				104 828	108 262
Subordinated liabilities	P38	32 841				32 841	32 995
Derivatives	P25		96 177	96 177	107	96 284	96 284
Short positions securities	P35		17 297	17 297		17 297	17 297
Other financial liabilities	P35, P36	20 782				20 782	20 782
Total		**1 535 193**	**132 880**	**132 880**	**107**	**1 668 180**	**1 665 022**

		2022						
			Fair value through profit or loss					
			Mandatorily					
Financial assets	Note	Amortised cost	Trading	Other	Total	Hedging instruments	Total carrying amount	Fair value
Cash and balances with central banks		215 314					215 314	215 314
Treasury bills and other bills eligible for refinancing with central banks, etc.	P18	132 692	9 502	2 264	11 766		144 458	144 458
Loans to credit institutions	P19	829 737	585		585		830 322	830 322
Loans to the public	P20	439 360	30 586	241	30 827		470 187	470 187
Bonds and other interest-bearing securities	P21		37 031	23 453	60 484		60 484	60 484
Shares and participating interest	P22		4 324	1 290	5 614		5 614	5 614
Derivatives	P25		67 764		67 764		67 764	67 764
Other financial assets	P30	17 963					17 963	17 963
Total		**1 635 066**	**149 792**	**27 248**	**177 040**		**1 812 106**	**1 812 106**

			Fair value through profit or loss				
Financial liabilities	Note	Amortised cost	Trading	Total	Hedging instruments	Total carrying amount	Fair value
Amounts owed to credit institutions	P32	161 689	659	659		162 348	162 348
Deposits and borrowings from the public	P33	940 962	2 815	2 815		943 777	943 777
Debt securities in issue	P34	433 535	2 247	2 247		435 782	438 623
Senior non-preferred liabilities		57 439				57 439	59 361
Subordinated liabilities	P38	31 331				31 331	31 121
Derivatives	P25		100 186	100 186	160	100 346	100 346
Short positions securities	P35		27 193	27 193		27 193	27 193
Other financial liabilities	P35	18 181				18 181	18 181
Total		**1 643 137**	**133 100**	**133 100**	**160**	**1 776 397**	**1 780 950**

P41 Fair value of financial instruments

Used methods for determination of fair values of financial instruments is described in note G47.

Financial instruments recognised at fair value
During the years ended 2023 and 2022 there were no transfers of financial instruments between valuation levels 1 and 2. The following tables present fair values of financial instruments recognised at fair value, split between the three valuation hierarchy levels.

	2023				2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Treasury bills and other bills eligible for refinancing with central banks, etc.	11 478	1 428		12 906	8 653	3 113		11 766
Loans to credit institutions		42 575		42 575		585		585
Loans to the public		51 205		51 205		30 817	10	30 827
Bonds and other interest-bearing securities	51 099	11 689		62 788	41 316	19 168		60 484
Shares and participating interest	6 490		1 054	7 544	4 647		967	5 614
Derivatives	100	49 550		49 650	70	67 694		67 764
Total	**69 167**	**156 447**	**1 054**	**226 668**	**54 686**	**121 377**	**977**	**177 040**
Liabilities								
Amounts owed to credit institutions		14 305		14 305		659		659
Deposits and borrowings from the public		3 741		3 741		2 815		2 815
Debt securities in issue, etc		1 360		1 360		2 247		2 247
Derivatives	99	96 185		96 284	68	100 278		100 346
Short positions securities	16 282	1 015		17 297	27 073	120		27 193
Total	**16 381**	**116 606**		**132 987**	**27 141**	**106 119**		**133 260**

Changes in level 3	2023			2022		
	Assets			Assets		
	Shares and participating interests	Loans	Total	Shares and participating interests	Loans	Total
Opening balance	**967**	**10**	**977**	**1 178**	**9**	**1 187**
Purchases	19		19	12		12
Converted to Visa Inc. A-shares				−461		−461
Sale of assets/ dividends received	−11		−11	−44		−44
Conversion to shares	10	-10				
Gains or loss	69		69	282	1	283
of which are changes in unrealised gains or losses for items held at closing day	69		69	113	1	114
Closing balance	**1 054**		**1 054**	**967**	**10**	**977**

Financial instruments at amortised cost

The following table presents the fair value for financial instruments at amortised cost by the valuation hierarchy levels.

	2023		2022	
		Fair value		Fair value
	Carrying amount	Level 2	Carrying amount	Level 2
Assets				
Treasury bills and other bills eligible for refinancing with central banks, etc.	159 947	159 947	132 692	132 692
Loans to credit institutions	774 436	774 436	829 737	829 737
Loans to the public	420 407	420 407	439 360	439 360
Total	**1 354 790**	**1 354 790**	**1 401 789**	**1 401 789**
Liabilities				
Amounts owed to credit institutions	138 174	138 174	161 689	161 689
Deposits and borrowings from the public including value change of the hedged liabilities in portfolio hedges of interest rate risk	861 374	861 374	940 962	940 962
Debt securities in issue	377 194	370 448	433 535	436 376
Senior non-preferred liabilities	104 828	108 262	57 439	59 361
Subordinated liabilities	32 841	32 995	31 331	31 121
Total	**1 514 411**	**1 511 253**	**1 624 956**	**1 629 509**

P42 Financial assets and liabilities which have been offset or are subject to netting or similar agreements

The disclosures below refer to recognised financial instruments that have been offset in the balance sheet or are subject to legally binding netting agreements, even when they have not been offset in the balance sheet, as well as to related rights to financial collateral. As of the closing day these financial instruments referred to derivatives, repos (including reverse) and securities loans. 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.

	2023					2022				
Assets	Derivatives	Reverse repurchase agreements	Security settlement claims	Securities borrowing	Total	Derivatives	Reverse repurchase agreements	Security settlement claims	Securities borrowing	Total
Financial assets, which have been offset or are subject to netting or similar agreements										
Gross amount	913 191	133 309		62	1 046 562	1 261 457	118 046	272	73	1 379 848
Offset amount	−864 523	−87 103			−951 626	−1 194 958	−86 875	−19		−1 281 852
Net amount presented in the balance sheet	**48 668**	**46 206**		**62**	**94 936**	**66 499**	**31 171**	**253**	**73**	**97 996**
Related amount not offset in the balance sheet										
Financial instruments, netting agreements	31 800	239			32 039	44 604	978	253		45 835
Financial instruments, collateral	89	45 829		62	45 980	339	30 096		73	30 508
Cash, collateral	7 460				7 460	8 553	26			8 579
Total amount not offset in the balance sheet	**39 349**	**46 068**		**62**	**85 479**	**53 496**	**31 100**	**253**	**73**	**84 922**
Net amount	**9 319**	**138**			**9 457**	**13 003**	**71**			**13 074**
Financial assets, which have been offset or are subject to netting or similar agreements	48 668	46 206		62	94 936	66 499	31 171	253	73	97 996
Financial assets, which not have been offset or are subject to netting or similar agreements	982		2 427		3 409	1 265		3 112		4 377
Net amount presented in the balance sheet	**49 650**	**46 206**	**2 247**	**62**	**98 345**	**67 764**	**31 171**	**3 365**	**73**	**102 373**

	2023					2022				
Liabilities	Derivatives	Reverse repurchase agreements	Security settlement claims	Securities borrowing	Total	Derivatives	Reverse repurchase agreements	Security settlement claims	Securities borrowing	Total
Financial liabilities, which have been offset or are subject to netting or similar agreements										
Gross amount	963 745	94 629		3	1 058 377	1 295 158	90 349	20	23	1 385 550
Offset amount	−868 262	−87 103			−955 365	−1 197 341	−86 875	−19		−1 284 235
Net amount presented in the balance sheet	**95 483**	**7 526**		**3**	**103 012**	**97 817**	**3 474**	**1**	**23**	**101 315**
Related amount not offset in the balance sheet										
Financial instruments, netting agreements	31 800	238			32 038	44 604	1 231	0		45 835
Financial instruments, collateral	12 099	7 192		3	19 294	6 945	2 132		23	9 100
Cash, collateral	38 044	11			38 055	21 497				21 497
Total amount not offset in the balance sheet	**81 943**	**7 441**		**3**	**89 387**	**73 046**	**3 363**	**0**	**23**	**76 432**
Net amount	**13 540**	**85**			**13 625**	**24 771**	**111**	**1**		**24 884**
Financial liabilities, which have been offset or are subject to netting or similar agreements	95 483	7 526		3	103 012	97 817	3 474	1	23	101 314
Financial liabilities, which not have been offset or are subject to netting or similar agreements	801		2 283		3 084	2 529		1 734		4 263
Net amount presented in the balance sheet	**96 284**	**7 526**	**2 283**	**3**	**106 096**	**100 346**	**3 474**	**1 735**	**23**	**105 578**

P43 Specification of adjustments for non-cash items in operating activities

	2023	2022
Amortised origination fees	–659	–716
Unrealised changes in value/currency changes	–884	2 256
Depreciation/amortisation and impairment of tangible and intangible assets	5 230	5 047
Impairment of fixed assets	239	1 946
Credit impairment provisions and write-offs	574	734
Dividend Group entities	–13 695	–16 610
Prepaid expenses and accrued income	–1 427	–1 263
Accrued expenses and prepaid income	3 691	1 733
Share based payments to employees	196	117
Capital gains/losses on financial assets	–1	–276
Other	313	74
Total	**–6 423**	**–6 958**

P44 Dividend paid and proposed disposition of earnings

	2023		2022	
Ordinary shares	**SEK per share**	**Total**	**SEK per share**	**Total**
Dividend paid, 6th of April	9.75	10 964	11.25	12 632

The Board of Directors recommends that shareholders receive a dividend of SEK 15.15 (9.75) per ordinary share in 2024 for the financial year 2023, corresponding to SEK 17 049m.

Earnings in accordance with the balance sheet of Swedbank AB to SEK 74 281m (67 424) is at the disposal of the Annual General Meeting. The Board of Directors recommends that the earnings be disposed as follows (SEKm):

	2023	2022
Proposed dividend per ordinary share	17 049	10 965
To be carried forward to next year	57 232	56 459
Total disposed	**74 281**	**67 424**

The proposed total amounts to be distributed and carried forward to next year have been calculated on all 1 124 796 400 outstanding ordinary shares at 31 December 2023, plus 520 856 outstanding ordinary shares entitled to dividends which have been estimated to be exercised by employees between 1 January to the Annual General Meeting as per 26 March 2024 relating to remuneration programs. The proposed total amounts to be distributed and carried forward to next year are ultimately calculated on the number of shares entitled to dividends on the record day. The amounts could change in the event of additional share repurchases or sales of treasury shares before the record day. Unrealised changes in the value of assets and liabilities at fair value have had a positiv effect on equity of SEK 807m.

The proposed record day for the dividend is 28 March 2024. The last day for trading in Swedbank's shares with the right to the dividend is 26 March 2024. If the Annual General Meeting accepts the Board's proposal, the dividend is expected to be paid by Euroclear on 4 April 2024. At year-end, the consolidated situation's total capital requirement according to Pillar 1 and buffer requirements by SEK 57 625m. The surplus in Swedbank AB was SEK 90 890m.

The business conducted in the parent company and the Group involves no risks beyond what occur and can be assumed will occur in the industry or the risks associated with conducting business activities. The Board of Directors has considered the parent company's and the Group's consolidation needs through a comprehensive assessment of the parent company's and the Group's financial position and the parent company's and the Group's ability to meet their obligations. The assessment has also been done based on currently expected regulatory changes.

Given the financial position of the parent company and the Group, there can be no assessment other than that the parent company and the Group can continue their business and that the parent company and the Group can be expected to meet their liabilities in both the short and long term and have the ability to make the necessary investments.

It is the assessment of the Board of Directors that the size of the equity, even after the proposed dividend, is reasonable in proportion to the scope of the parent company's and the Group's business and the risks associated with conducting the business. The assessment of the Board of Directors is that the proposed dividend is justifiable given the demands that are imposed due to the nature, scope and risks associated with the business and the Group's business on the size of the parent company's and the Group's equity as well as on the parent company's and the Group's balance sheets, liquidity and financial positions.

P45 Assets pledged, contingent liabilitie and commitments

Assets pledged

Assets pledged for own liabilities	2023	2022	1/1/2022
Government securities and bonds at the Swedish central bank	79 998		
Government securities and bonds at foreign central banks	8 417	31 389	14 981
Government securities and bonds for liabilities to credit institutions, repurchase agreements	1 477	1 963	2 360
Government securities and bonds for deposits from the public, repurchase agreements	20 626	27 405	32 957
Cash	41 091	21 716	5 109
Total	**151 609**	**82 473**	**55 407**

The carrying amount of liabilities for which assets are pledged amounted to SEK 151 509m (81 410) in 2023.

Other assets pledged	2023	2022	1/1/2022
Shares	3	217	449
Government securities and bonds for other commitments	11 975	8 899	7 597
Cash	6 275	5 171	483
Total	**18 253**	**14 287**	**8 529**

Collateral is pledged in the form of governement securities or bonds to central banks in order to execute transactions with the central banks. In so-called genuine repurchase transactions, where the parent company sells a security and at the samt time agrees to repurchase it, the sold security remains on the balance sheet. The carrying amount of the security is also recognised as a pladged asset. In principle, the parent company cannot dispose of pledged collateral. Generally, the assets are also separated behalf of the beneficiaries in the event of the parent company's insolvency.

Contingent liabilities

Nominal amount	2023	2022	1/1/2022
Loan guarantees	48 424	90 847	184 089
Other guarantees	35 932	38 038	43 437
Accepted and endorsed notes	1 781	1 352	1 073
Letters of credit granted but not utilised	2 398	2 370	3 665
Other contingent liabilities	0	1	12
Total	**88 535**	**132 608**	**232 276**

Commitments

Nominal amount	2023	2022	1/1/2022
Loans granted but not paid	175 030	186 815	194 554
Overdraft facilities granted but not utilised	60 709	66 798	68 777
Total	**235 739**	**253 613**	**263 331**
Credit impairment provisions for contingent liabilities and commitments	−1 049	−710	−622

The nominal amount of interest, equity and currency related contracts are shown in note P25 Derivatives.

AML investigations

In February 2019, the Swedish FSA initiated an investigation regarding the Group's governance and control of measures against money laundering in its Baltic subsidiaries. In connection with this, the FSAs in Sweden and Estonia decided to conduct parallel investigations, which formally started on 1 April 2019. In November 2019, the Estonian FSA handed over part of their investigation to the Estonian Prosecutor's Office to review whether money laundering or other criminal activity took place in Swedbank AS in Estonia.

The investigations by the Swedish and Estonian FSAs were concluded in March 2020. It was concluded that Swedbank had shortcomings in its anti-money laundering processes in the Baltic as well as the Swedish operations. Shortcomings were also identified in the disclosure of information to authorities. The Swedish FSA issued a warning and an administrative fine of SEK 4bn. The Estonian FSA issued a precept requiring Swedbank to take certain measures to strengthen AML processes and routines. In January 2021, the Estonian FSA assessed Swedbank's final report on the AML/CTF work, including the forward-looking action plan, and concluded that they were sufficient and had no further remarks.

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.

Authorities in the United States also initiated investigations into the Group's AML compliance and the Group's response thereto. The investigations also include related issues involving the Group's anti-money laundering controls and certain individuals and entities, who at some time may have been customers of the Group. Investigations are ongoing by the Department of Justice, the Securities and Exchange Commission, and the Department of Financial Services in New York. In June 2023, Swedbank reached an agreement to remit SEK 37m related to violation of regulations of the Office of Foreign Assets Control.

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

P46 Transferred financial assets

The parent company transfers ownership of financial assets in connection with repurchase agreements and securities lending. Although ownership has been transferred in these transactions, the asset remains on the balance sheet since the parent company is still exposed to the asset's risk of fluctuating in value. This is because the agreement stipulates at the time of transfer that the asset will be restored. Sales proceeds received in connection with repos are recognised as liabilities. Related liabilities are reported in the note before any offsetting in the balance sheet. All assets and liabilities related to repurchase agreements are recognised at fair value and are included in the valuation category fair value through profit and loss, trading. Liabilities related to securities lending refer to collateral received in the form of cash. These liabilities are reported in the valuation category amortised cost. In addition to what is indicated in the table for securities lending, collateral is received in the form of other securities to cover the difference between the fair value of the transferred assets and the recognised liability's fair value. As of year-end the parent company had no transfers of financial assets that had been derecognised and where the parent comapny has continuing involvment.

	Transferred assets			Associated liabilities		
2023	Carrying amount	of which repurchase agreements	of which securities lending	Carrying amount	of which repurchase agreements	of which securites lending
Valuation category, fair value through profit or loss						
Held for trading						
Shares	3		3	3		3
Debt securities	22 103	22 103		22 109	22 109	
Total	**22 106**	**22 103**	**3**	**22 112**	**22 109**	**3**

	Transferred assets			Associated liabilities		
2022	Carrying amount	of which repurchase agreements	of which securities lending	Carrying amount	of which repurchase agreements	of which securites lending
Valuation category , fair value through profit or loss						
Held for trading						
Shares	217		217	19		19
Debt securities	29 368	29 368		27 530	27 530	
Total	**29 585**	**29 368**	**217**	**27 549**	**27 530**	**19**

P47 Operational leasing

The agreements mainly relate to premises in which the parent company is the lessee. The terms of the agreements comply with customary practices and include clauses on inflation and property tax. The combined amount of future minimum lease payments that relate to non-cancellable agreements is allocated on the due dates as follows:

2023	Expenses	Income subleasing	Total
2024	908	38	870
2025	791	37	754
2026	525	36	489
2027	536	36	500
2028	519	36	483
2029	443	19	424
2030	422	19	403
2031	403	19	384
2032	383	19	364
2033 or later	2 191	199	1 992
Total	**7 121**	**458**	**6 663**

2022	Expenses	Income subleasing	Total
2023	767	36	731
2024	624	36	588
2025	545	35	510
2026	429	34	395
2027	491	34	457
2028	489	34	455
2029	413	18	395
2030	390	18	372
2031	373	18	355
2032 or later	2 537	205	2 332
Total	**7 058**	**468**	**6 590**

P48 Related parties and other significant relationships

	Subsidiaries		Associates and joint ventures		Other related parties	
	2023	2022	2023	2022	2023	2022
Assets						
Loans to credit institutions	750 647	774 637	16 839	17 437		
Loans to the public	1 189	689				
Bonds and other interest-bearing securities	5 226	785				
Derivatives	10 259	17 410	15	16		
Other assets	9 006	12 772	5			
Prepaid expenses and accrued income	293	264				
Total assets	**776 619**	**806 557**	**16 859**	**17 453**		
Liabilities						
Amount owed to credit institutions	80 552	100 658	3 080	3 336		
Deposits and borrowing from the public	14 098	13 763			813	487
Derivatives	23 104	32 184	10	11		
Other liabilities	321	426				
Accrued expenses and prepaid income	442	382				
Total liabilities	**118 517**	**147 413**	**3 090**	**3 347**	**813**	**487**
Guarantees	51 884	93 019				
Commitments	29 204	29 680				
Derivatives, nominal amount	850 476	926 321	780	745		
Income and expenses						
Interest income	27 925	6 644	725	227		
Interest expenses	7 319	1 576	59	19		
Dividends received	13 488	15 672	306	1 020		
Commission income	2 718	2 548	125	103		
Commission expenses	21	81	179	2		
Net gains and losses on financial items			–3	–3		
Other income	2 053	1 491	662	596		
Other general administrative expenses	172	146	0	1	620	628

Other related parties
Swedbank's pension funds and Sparinstitutens Pensionskassa secure employees' postemployment benefits. They rely on Swedbank for traditional banking services.

P49 Events after 31 December 2023

See Group note G58.

Alternative performance measures

Swedbank prepares its financial statements in accordance with IFRS as adopted by the EU, as set out in Note G2. The annual report includes a number of alternative performance measures, which exclude certain items which 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 years.

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 G8.	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 G5.	Used by Group management for internal governance and operating segment performance management purposes.
Return on allocated equity Calculated based on profit for the financial year 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 G5.	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 36.	Provides comparability of figures between reporting periods.
Return on equity excluding expenses for administrative fines Calculated based on profit for the financial year 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 financial year attributable to shareholders excluding expenses for administrative fines are reconciled to Profit for the year allocated to shareholders, the nearest IFRS measure, on page 36.	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 36.	Provides comparability of figures between reporting periods.
Other alternative performance measures These measures are defined on page 288 and are calculated from the financial statements without adjustment. * Cost/Income ratio * Credit Impairment ratio * Credit impairment provision ratio Stage 1 loans * Credit impairment provision ratio Stage 2 loans * Credit impairment provision ratio Stage 3 loans * Equity per share * Investment margin * Loans to customers/Deposits from customers ratio * Return on equity[1] * Share of Stage 1 loans, gross * Share of Stage 2 loans, gross * Share of Stage 3 loans, gross * Total credit impairment provision ratio	Used by Group management for internal governance and operating segment performance management purposes.

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

Sustainability

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Reporting principles – Sustainability

Swedbank's sustainability reporting follows the Global Reporting Initiative Standards (GRI) 2021 and the reporting is limited to the bank's material sustainability topics, defined through a materiality assessment in accordance with the GRI Standards 2021. The reporting is also carried out in accordance with the EU Taxonomy Regulation (see pages 219–244) and the sustainability reporting requirements in the Annual Accounts Act (see page 270). Additionally, the reporting follows the Principles for Responsible Banking (see pages 265–268) and Taskforce on climate-related financial disclosures (see page 269).

Swedbank carried out a materiality assessment in 2023. The notes in this year's report are based on the bank's material topics. In Note S1, the material topic of sustainability advice, products and services is reported. In Note S2, Environmental information, the material topics of climate change as well as biodiversity and ecosystems are reported. Here you will also find reporting in accordance with the EU's taxonomy regulation. In Note S3, Social information, the material topic of the Group's own workforce is reported. In Note S4, Governance information, the material topics of business conduct, financial crime, IT systems and information security are reported. The revised note structure is the first step in adapting the reporting to upcoming reporting requirements from the EU.

The GRI indicators that the reporting follows are listed in the GRI Index on pages 261–264 and the reporting's scope in Note P24, page 193.

The sustainability reporting is included in Swedbank's Annual and Sustainability Report, which is published annually. The reporting relates to the period 1 January through 31 December 2023 and the publication date is 22 February 2024.

The sustainability reporting is reviewed by independent auditors from PwC according to the assurance report on page 279. The reporting relates to the Swedbank Group, i.e. the Parent Company, Swedbank AB, and its subsidiaries.

Revisions, restatements and omissions

Revisions and restatements of data are reported when information that has been calculated in a new way is presented in the report. Recalculations of data are found in tables where recalculations have been made as well as in the GRI Index.



Governance and sustainability

Swedbank has a well-established governance model in accordance with the bank's purpose: to empower the many people and businesses to create a better future.

Swedbank's governance documents for sustainability comprise policies, instructions, directives and guidelines/guides which have their basis in the UN Global Compact's ten principles and which also take the precautionary principle into consideration. The Group's operations management also includes Swedbank's Strategic Direction, Group-level targets, implementation, monitoring and reporting for the purpose of integrating a sustainability perspective in the bank's core processes.

The Board of Directors has ultimate responsibility for sustainability management, takes decisions on the bank's overarching sustainability direction and content of Swedbank's policies and annually approves the sustainability report as part of the Group's Annual and Sustainability Report. Swedbank's policies relevant to its sustainability work are available to all stakeholders on the website: https://www.swedbank.com/sustainability.

The Board integrates sustainability in its committees, and during the year it expanded the Remuneration Committee to comprise both remuneration and sustainability. The main responsibility of the reconstituted committee is to support and strengthen the bank's strategic sustainability work with a focus on the benefits to the business. Among the areas that were addressed by the committee during the year were the monitoring of the bank's prioritised sustainability activities as well as strategic work in financial health and the green energy transition in the real estate industry.

The Audit Committee ensures the reliability and effectiveness of the financial reporting as well as the sustainability reporting. In 2023, the Audit Committee has taken certain preparatory measures in order to meet the increased responsibility incumbent on the committee according to the new rules for sustainability reporting. The Risk and Capital Committee is responsible for the bank's risks, including ESG risks and how they are managed. For more information on the bank's management of ESG risks, see pages 113–115.

The Board's work is evaluated annually, as is the CEO's; see page 50 for more information.

The Board received an in-depth review of several sustainability topics during the year. The bank's work related to energy efficiency improvements in properties and to customers' financial health, as well as how this is integrated in the business, was presented and discussed. During the year, the Board also received training on the bank's organisation and structure, in addition to reviewing and discussing the work being done by society and the bank to combat fraud. The implementation of sustainability regulations was also a priority in 2023.

The President and CEO is responsible for ensuring that Swedbank follows its Strategic Direction. To monitor this, the CEO has sustainability-related key performance indicators (KPIs), which are reported semi-annually to the Board. Corresponding KPIs for the business areas and Group Functions are reported to the CEO on a quarterly basis.

The CEO is responsible for the Group's position statements on the defence industry and climate change as well as instructions to support the implementation of the bank's policies. Swedbank's position statements specify how sustainability is integrated in business decisions and are more operationally oriented than the bank's policies.

Committees: The Sustainability Committee works on a Group-wide level and manages sustainability-related matters. The Sustainability Committee is led by the Head of Group Brand, Communication and Sustainability with a mandate from the CEO. The members include representatives at the management level from the bank's various business areas and Group Functions. The representatives are appointed by the Group Executive Committee. The committee's Chair issues recommendations and issues can also be escalated to the CEO. Where frameworks do not provide enough guidance for business decisions, the issues can be escalated to Swedbank's Sustainability Committee. All business areas and Group Functions have the option to escalate issues to the committee. Meeting minutes are distributed to the CEO and Group Executive Committee.

The Baltic countries also have local sustainability committees that follow the same working principles as the Sustainability Committee at the Group level.

Sustainability-related issues are also brought up in preparatory forums such as the Group Risk and Compliance Committee and the Group Credit Committee. The procurement unit has a Procurement Sustainability Council that manages procurement-related sustainability issues. Where frameworks do not provide enough guidance for business decisions, the issues can be escalated to Swedbank's Sustainability Committee.

To ensure that sustainability is integrated in the bank's operations, the Group Functions, business areas and product areas are responsible for the integration of frameworks, policies and governance linked to sustainability. They are responsible for sustainability issues within their areas of operation and for managing the impact of these issues. The Group Executive Committee delegates operational responsibility for targets and activities to managers within the Group's units and subsidiaries.

- **Group units:** CFO Office assumed responsibility for some parts within sustainability in 2023, such as reporting and data. Previously, responsibility rested with Group Brand, Communication and Sustainability. The new organisational setup aims to meet upcoming reporting requirements and integrate the sustainability reporting with the bank's other reporting. Group Brand, Communication and Sustainability, under the leadership of the Head of Group Brand, Communication and Sustainability, is responsible for the integration of sustainability in the bank's strategy and business plan. Group Sustainability, which is part of this unit, is led by the bank's Head of Sustainability and supports the bank on sustainability-related issues involving strategy, targets and monitoring. The Head of Group Sustainability reports to the Head of Group Brand, Communication and Sustainability.
- **Business areas:** The bank's business areas, Swedish Banking, Baltic Banking and Corporates and Institutions, are working to ensure that the bank lives up to customers' increased sustainability expectations. To do so, each business area has dedicated sustainability experts. These experts are responsible for implementing the Group's sustainability framework, prioritised development activities, delivering on the bank's emission reduction targets for financed emissions, and ensuring that resources and competence are in place to meet customers' expectations.
- **Product areas:** Group Products & Advice integrates sustainability in various areas such as lending, savings, insurance products, payments, cards and advisory processes, as well as in material subsidiaries (Swedbank Robur, Swedbank Insurance, Swedbank Mortgage and PayEx). This unit has dedicated sustainability teams and/or managers, who together with other departments ensure that various stakeholders' sustainability demands are met.

External audit: The sustainability reporting is reviewed by a third party based on the criteria in the GRI Standards 2021.

For more information, see Swedbank's Corporate Governance Report on pages 46–68.

Materiality assessment

Swedbank's sustainability work is defined by the bank's business strategy. With a materiality assessment as the basis, where the stakeholder dialogue plays an important role, topics that are relevant for the bank are evaluated.

The EU's upcoming regulatory reporting requirements (Corporate Sustainability Reporting Directive, CSRD) and a clearer focus on integration of sustainability in the bank's operations will be two key driving forces in the coming years. Swedbank is obligated to report based on the new requirements for the financial year 2024. In preparation for the upcoming requirements, a materiality assessment was conducted at an overarching level in 2023, where parts of the bank's value chain were taken into consideration. The bank sees potential in developing the assessment and its methodology and establishing relevant processes as part of the CSRD implementation. In 2024, an update of the assessment is planned to ensure that it fully aligns with the reporting requirements.

The year's assessment was initially based on the principle of double materiality. This means that it takes into account both impact and financial materiality, i.e. how Swedbank impacts people and the environment as well as how Swedbank is impacted financially by external sustainability-related factors, which are analysed through business risks and opportunities within sustainability.

Impact materiality

Based on the upcoming regulatory reporting requirements and the topics of strategic importance to the bank, approximately 20 sustainability topics were identified for assessment by the bank's primary stakeholder groups. These topics, covering environmental and social aspects on sustainability, were used as a basis for the impact materiality assessment.The stakeholders who participated in the impact materiality assessment were investors, customers, supplier representatives, employees, including internal sustainability experts, and non-profit organisations. The survey was conducted in the form of questionnaires, interviews and workshops. The assessment was also based on the bank's internal strategic analysis, market analysis, external reports, legislation and frameworks relating to the topic. Representatives from Swedbank's management and Board of Directors also participated in the final assessment.

After having identified a gross list of topics and conducting stakeholder dialogues, a workshop was held to assess impact materiality. It was attended by a large number of employees with sustainability-related expertise from various units within the bank. Prior to the workshop, a preliminary analysis was conducted where actual or potential impact, positive or negative, for people or the environment, were identified for each topic. (For more information, see page 212.) The purpose of the workshop was to identify and determine which impact materiality each topic was considered to have, both actual and potential. Based on the results of the workshop, a calculation was made to determine each topic's materiality, an Impact Materiality Score. A threshold determined whether the topic should be classified as material for the bank from the standpoint of impact materiality.

The impact materiality assessment was largely based on the market analysis and interviews with various stakeholders. It was primarily based on qualitative data, but where possible, quantitative data was applied.

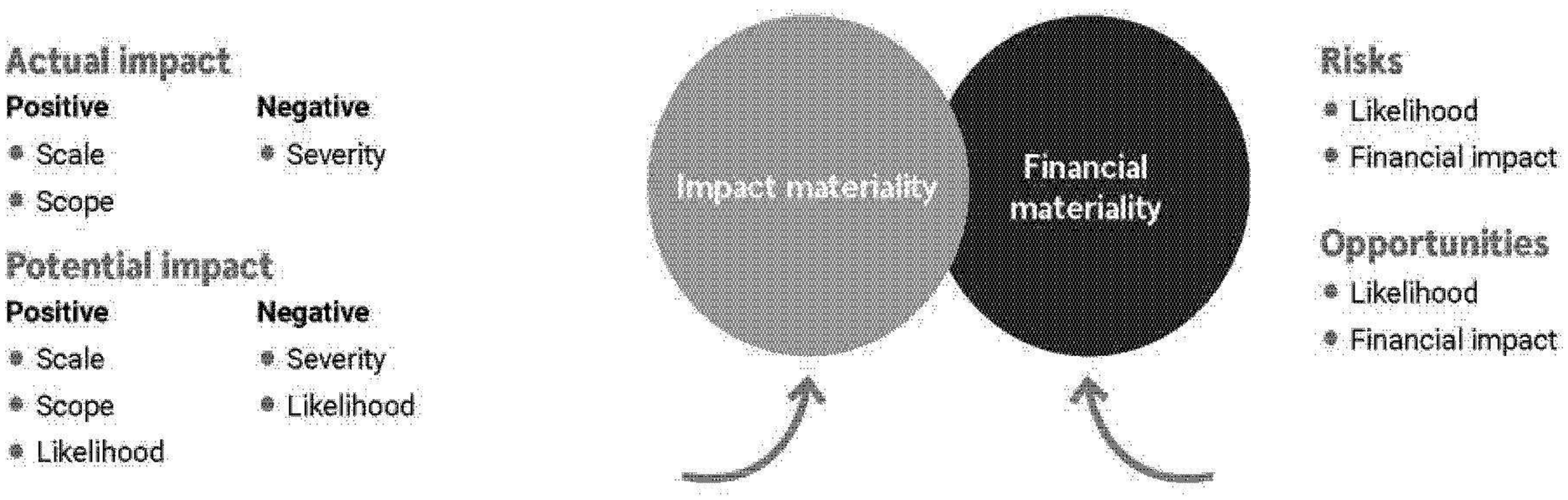
Financial materiality

In order to assess financial materiality, sustainability-related business risks and opportunities were evaluated based on likelihood and financial impact. They were identified based on the topics that could give rise to actual and potential sustainability impacts and on the stakeholder dialogues.

In accordance with upcoming reporting requirements from the EU, large corporates have to report all ESG-related risks that are considered financially material. The assessment of financial materiality linked to sustainability risks was conducted with the help of a method developed by Group Risk on the basis of the bank's existing framework for ESG risk management. The assessment was conducted by internal risk experts and comprised current and potential ESG risks on the basis of three different scenarios: (i) Net-zero emissions by 2050, (ii) "Delayed transition", and (iii) "Current policies", which are provided by the Network for Greening the Financial System (NGFS). NGFS scenarios are used by supervisory authorities and financial institutions in the EU to evaluate climate-related risks.

The assessment of financial materiality linked to business opportunities was conducted during a workshop with representatives from the bank's business areas. A preliminary analysis of the bank's business opportunities was conducted by the Group's sustainability unit based on business intelligence, trends, competitive analyses and input from customers. During the workshop, participants were asked

Factors included in the assessment of actual and potential impacts, risks and opportunities



Impact materiality is assessed for positive and negative actual and potential impacts for society or the environment based on the above factors.

Financial materiality is assessed for risks and opportunities based on the above factors.

An overarching process description of the materiality assessment is found on page 25.

to evaluate the business opportunities based on likelihood and potential size of the financial impact. A threshold determined whether the area was classified as material for the bank based on sustainability-related business opportunities.

Given that the level of maturity when it comes to quantifying sustainability risks and opportunities will improve over time, quantitative factors are expected to become gradually more important in the analysis as more data becomes available.

Material sustainability topics

By taking impacts, risks and opportunities into consideration for each sustainability matter, a basis was compiled for the final assessment of that matter. Internal sustainability experts participated in a workshop that served as the final phase of the materiality assessment. Members of the Group Executive Committee and the Board of Directors participated as well. They were also notified of, and reviewed, the final results.

The sustainability topics defined as material are listed below and serve as the basis of the sustainability reporting for 2023.

- Sustainability advice, products and services, note S1, chapter 1.1 – 1.4
- Climate change, note S2, chapter 2.2
- Biodiversity and ecosystems, note S2, chapter 2.3
- Own workforce, note S3, chapter 3.1
- Business conduct, note S4, chapter 4.1
- Financial crime, note S4, chapter 4.2
- IT systems and information security, note S4, chapter 4.3

Biodiversity and ecosystems are a new material topic for the bank compared to previous assessments. A high level of availability and societal engagement were not considered material in this year's analysis. The remaining material topics are similar to those included in previous years reporting.

See the figure below for actual and potential impact within each material topic.

Examples of actual and potential impacts on society and the environment (i.e., the bank's impact) and related activities within each material sustainability topic. See also the sustainability notes on pages 214–260.

Material sustainability topic	Actual impacts	Potential impacts
Sustainable advice, products and services	"Sustainability advice, products and services" refers to offerings that support initiatives that benefit the environment and are socially responsible. For example, this includes products designed to finance energy efficiencies in the real estate sector or to promote a sound savings culture through advice, thereby contributing to the financial health of society.	Swedbank's sustainable banking products, such as green or sustainability-linked loans, can encourage companies to transition and assume more sustainable business models.
Climate change	The impact on the climate can be both positive and negative and often depends on what and which types of businesses are financed or invested in. The impact is mainly indirect through indirect greenhouse gas emissions. By analysing and evaluating the climate impact of investments and financing, as well as by setting requirements, there is a reduced risk that investments and loans will go to businesses that harm the environment and climate.	Swedbank and others in the financial market can generate indirect climate impact through their businesses. Consequently, there are opportunities to contribute to the climate transition by financing important investments in emission reductions.
Biodiversity and ecosystems	The impact on biodiversity and ecosystems can be both positive and negative depending on what and which types of businesses are financed or invested in. The impact is mainly indirect and may, for example, include pollutants or changes in land use. Through a sustainability analysis in connection with investment or financing, the risk that investments or loans could go to businesses that harm the environment and ecosystems is evaluated.	Swedbank and other banks that are active in sectors with a direct environmental impact, e.g. energy, forestry and agriculture, thereby have an indirect opportunity to have an impact by setting environmental requirements in their financing.
Own workforce	As an employer with many employees and high demands on work environments and working conditions, we play a role in keeping employees healthy and ensuring that they thrive in the workplace. By offering a safe work environment where personal development is encouraged, we create opportunities to build skills, maximise performance and create long-term relationships, both internally and externally.	As a major employer, Swedbank has an opportunity to avoid negative impacts by e.g. combatting discrimination and alleviating stress that harms employees' mental health. A sound corporate culture and good work environments can lead to a reduction in employee turnover.
Business conduct	Responsible banking is important to contribute to financial stability and sound risk-taking that promote sustainable economic development in society.	It is important that Swedbank and other banks work actively to promote responsible business conduct in order to maintain trust in the bank and avoid corruption, financial crime and other unethical conduct. On an overall level, this type of conduct constitutes a threat to a sustainable society and to the integrity and stability of the financial system.
Financial crime	Financial crime is a major societal problem, and digitisation has facilitated criminality. In its home markets, Swedbank is a significant part of the financial infrastructure. This position carries with it both a responsibility and an opportunity to counteract the negative impacts of financial crime such as money laundering and fraud. The bank works actively to prevent itself and its customers from being exploited by, or exposed to, financial crime, e.g. through Group-wide processes to identify and manage financial crime, the design of products and services, and collaborations with authorities and the private sector. One example of a negative impact is when criminal elements exploit the financial system.	Swedbank and other banks operate in a sector that is the target of money laundering and other financial crime. By developing services and systems, Swedbank can reduce the risk as well as contribute through education and spreading knowledge, thus increasing society's knowledge of how to protect oneself against financial crime.
IT systems and information security	Society's digitisation is speeding up the development of digital banking services, and this is increasing the need for stable IT environments and protection against external threats. Secure IT systems, including stable and reliable digital channels and internal IT environments, are needed to maintain a stable financial infrastructure.	Unstable IT and information systems can have negative effects on the ability of Swedbank and other banks to maintain a secure and stable infrastructure for society as a whole.

Stakeholder engagement

In addition to the materiality assessment, Swedbank maintains a continuous dialogue with various stakeholders. The bank's main stakeholder groups are customers, employees, owners and investors, as well as society and the world around us. Other stakeholder groups include authorities, municipalities and county councils, regulators, pension managers, asset managers, analysts, journalists, unions, students, foundations, non-profit organisations, interest groups, trade organisations, associations, colleges and universities, suppliers, subsidiaries, the Savings Banks, competitors, ratings agencies and indexes, and auditors.

In its internal and external communication with various stakeholder groups, e.g. in presentations, meetings and reports, Swedbank presents the measures that have been taken following dialogues and the impact they have had.

Customers

Swedbank engages in dialogues with its customers primarily through interactions in the bank's digital channels, as well as at its branches and various customer events. Swedbank also participates in seminars with sustainability-related themes. Feedback from customers, e.g. through customer surveys, is integrated on a continuous basis in the bank's processes, improvement measures and development work. Through the bank's process for customer complaints, customers also have the opportunity to contact the bank on individual issues.

Important issues raised during the year included:

- Continued demand for savings and investment products with sustainability themes as well as advice on the green transition.
- Increased interest in sustainability-related financing solutions.
- Questions about the bank's work with cybersecurity linked to geopolitical developments.
- How sustainability issues are integrated in the bank's governance model and how they impact customers today and in the future, e.g. how corporate customers will finance their transition and how this could impact future financing.
- Increased interest in sustainability-related regulations and their impact.
- Fraud and what Swedbank is doing to prevent it.
- Questions about personal finance given the economic conditions, which include rising prices and high interest rates.
- Increased interest in how companies can reduce their climate impact (including science-based and net-zero targets) and how this impacts the customer's sector and business.
- The impact of energy security and energy prices on the green transition.

Employees

A good work environment, a work-life balance and opportunities for upskilling are important to employee performance, engagement and well-being. To measure and track how employees feel about their work situation, surveys are conducted continuously. The results of the surveys and employees' opinions are discussed and followed up within each unit and lead to improvement measures. Important issues raised during the year included:

- Continued effort to link employees' day-to-day work to the Strategic Direction.
- Encouragement of an open feedback culture that facilitates successful performance by employees and the organisation.
- Increased expectations on the bank's leaders and continuous support and upskilling in key areas through specialised training.
- Development of processes that focus on the shift from physical to digital to create more flexible ways of working.
- Continued effort to create a safe, inclusive and secure workplace.
- Continuous support and upskilling in key areas through training.

Owners and investors

One of the bank's most important stakeholder groups is owners and investors. By being profitable and generating a return its owners, the bank can help to benefit society. A dialogue is maintained with existing and potential owners and investors, who are continuously provided with information through quarterly reports, the Annual and Sustainability Report, meetings, teleconferences, Swedbank's website and press releases. Input from owners and investors is taken into consideration at the Annual General Meeting, where issues can be heard and suggested improvements passed along to operating units. Important issues raised during the year included:

- How higher interest rates and inflation impact Swedish households and the housing market.
- Which factors influence the development of net interest income.
- How bank taxes in Sweden and the Baltic countries are expected to impact earnings.
- US regulatory investigations of Swedbank Group.
- Credit quality of lending to commercial real estate companies.
- Expected dividend capacity.

Society and the world around us

Swedbank cooperates continuously with supervisory authorities and decision-makers on issues related to the current sustainability agenda. The dialogue is conducted both directly with authorities and collaboratively with other banks through various industry organisations. For example, Swedbank is a member of the Swedish Bankers' Association's Sustainability Council and Sustainability Committee, the European Savings and Retail Banking Group's (ESBG) Sustainable Finance Committee and Corporate Social Responsibility Committee, the European Banking Federation's (EBF) ESG Financial Markets Task Force, and the Institute of International Finance Sustainable Finance Policy Expert Group. Most of the discussions are with the Ministry for Finance, the SFSA and other relevant Swedish authorities, but also with the European Commission, the European Central Bank and the European Banking Authority. Swedbank continuously monitors media reporting on sustainability, both social and environmental, with a bearing on the bank's operations in all of our home markets. To support societal development, the bank is involved in various sustainability initiatives. Important issues raised during the year included:

- Issues related to EU regulations (e.g. SFDR, CSDDD and EPBD). For example, the importance of harmonised rules for sustainability reporting as well as proposals for revising frameworks for energy classification of properties. The focus was also on the need for national plans to achieve global biodiversity targets.
- Sustainability dialogues with various industry and stakeholder organisations, often with a focus on climate change as well as personal finance.
- In the media, biodiversity, social sustainability and climate change related to finance were covered during the year.
- Macroeconomic conditions were discussed given the high inflation and rising interest rates, but also in the wake of extreme events in recent years, such as the Covid-19 pandemic, Russia's expanded invasion of Ukraine, and the war in the Middle East.

Sustainability index

As the industry changes and adapts to higher sustainability demands from stakeholders, the bank's sustainability rating remains stable at a high level.

Sustainability index/ranking	2023	2022	2021
Bloomberg Gender Equality Index[1]	77	75	69
CDP (previously Carbon Disclosure Project)[2]		C	B
EY SHE Index Sweden[3]	82	82	82
FTSE4Good ESG rating[4]	4.2	4.0	4.3
ISS Corporate Rating[5]	C (Prime)	C (Prime)	C (Prime)
MSCI ESG rating[6]	AA	AA	AA
Sustainalytics[7]	23.4	21.7	24.8

1) Scoring scale 0–100 (max 100)
2) Scoring scale A–D– (max A). Results not published for 2023 at the time of reporting.
3) Scoring scale 0–100 (max 100).
4) Scoring scale 0–5 (max 5). Swedbank has qualified for the FTSE4Good Index.
5) Scoring scale A+ – D– (max A+)
6) Scoring scale AAA – CCC (max AAA)
7) Scoring scale 0–10 negligible risk, 10–20 low risk, 20–30 medium risk, 30–40 high risk, 40+ severe risk

Sustainability notes

S1 Sustainable advice, products and services

Sustainability advice, products and services is a material sustainability topic for Swedbank. To capture the sustainability perspective downstream in the value chain, it is important for the bank to adapt its range of products and services based on the expectations of both private and corporate customers. With sustainability-related advice, the bank contributes to the transition that society is facing.

Swedbank wants to play a part in helping more people become financially healthy – with enough money to pay their bills, a savings buffer for unexpected expenses, pension savings, insurance to protect their personal finances, a manageable debt load and sufficient financial knowledge. Companies are offered customised advice and simple, effective solutions within sustainability to steer capital flows towards a more sustainable economy.

1.1 Asset management

Policies

- Sustainability Policy
- Environmental Policy
- Policy on Human Rights
- Policy on sustainability risk integration in investment decision-making investment and insurance advice on financial products
- Swedbank Robur's Policy for Responsible Investments
- Swedbank Robur's Sustainable Risk Policy

Other governing documents

- Instruction on Sustainability in Investment Decisions and Investment and Insurance Advice
- Position Statement Climate Change
- Position Statement Defence Equipment

Partnerships, memberships and networks

- PRI, UN Principles for Responsible Investments (Swedbank Robur)
- NZAM, The Net Zero Asset Managers initiative (Swedbank Robur)
- Climate Action 100+ (Swedbank Robur)
- Finance for Biodiversity Pledge, Nature Action 100 (Swedbank Robur)
- ICGN, International Corporate Governance Network (Swedbank Robur)

Targets	2023	2022	2021	Baseline year 2019
Within Swedbank Robur's asset management, halve emissions (tonnes CO_2e/ USDm) by 2030[1]	46	47	46	74
Within Swedbank Robur's asset management, raise the share of AUM with science-based climate targets to 60 per cent by 2030 (per cent)[2]	44	33	30	10

1) Weighted average emission intensity, scopes 1&2, equity and credit investments.
2) Share of total AUM (%) in equity and credit investments in holdings with science-based targets.

Measures and activities

Swedbank believes that responsible and sustainable investments make a difference for sustainable development and are essential to generate long-term return. Sustainability is an essential and integral part of asset management. Swedbank is seeing increased demand for savings products with a sustainability focus. At the same time, European regulations have been strengthened and clarified for both sustainability in financial products and in terms of the information given to customers.

Asset management

Swedbank's subsidiary Swedbank Robur Fonder AB manages capital for customers, in funds and through discretionary mandates. Swedbank Robur's strategy to achieve sustainable value creation is to offer simple and innovative products that contribute to sustainable development and create value for customers. Swedbank Robur's Policy for Responsible Investments serves as a basis for its sustainability work, and applies to all of its funds.

As a major shareholder on the Stockholm Stock Exchange and with holdings in companies both in and outside Sweden, Swedbank Robur has both a responsibility and an opportunity to engage. The fund company's dialogues and work as an active owner help companies to develop their work with sustainability and corporate governance. During the year, Swedbank Robur continued to take an active role in various industry forums to improve customer information on sustainability in funds, not least in response to the EU Action Plan for Financing Sustainable Growth. Swedbank Robur has a strong focus on climate change, biodiversity and investments with a positive impact on nature, for which strategies and targets have been set.

Swedbank Robur ranked eighth in the world and first in the Nordic region in an analysis by the organisation ShareAction, in which the sustainability work of 77 international asset managers was evaluated based on how they work with governance, responsible investment, climate change, biodiversity and social issues. During the year, Swedbank Robur also published MSCI's ESG ratings publicly in its fund list, where the majority of the funds received the second-highest rating of AA.

During the summer, Swedbank Robur published its first report on the principle adverse impacts (PAI) of investment decisions on sustainability factors according to the European Sustainable Finance Disclosure Regulation (SFDR). Swedbank Robur's sustainability-related policies and strategies have been effective in identifying, prioritising and mitigating the fund company's PAI.

Carbon footprint of the funds

Swedbank Robur's climate target is to align its aggregated assets under management (AUM) with the Paris Agreement by 2025 and reach net-zero by 2040.

The net-zero target was established by Swedbank Robur in 2019 and expanded in 2021 to include interim targets in accordance with the Net Zero Asset Manager (NZAM) initiative. Follow-ups of the climate targets are made annually in Swedbank Robur's climate report. Swedbank Robur's invested capital in companies that have adopted science-based climate targets increased by 11 percentage points as a result of targeted climate work and dialogues with selected companies. In 2023, the fund company reported its indirect Scope 3 emissions for the first time. The report also describes how climate risks are managed in the investment portfolio in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD). For more information on management of climate risks, see Swedbank Robur's Climate Strategy. The strategy as well as related documents are available on Swedbank Robur's website.

Impact as an owner

Swedbank Robur is an active owner and maintains regular contact with boards and managements of companies, above all when its funds are major shareholders.

This year's dialogues centred on four themes: climate change, nature, human rights and corporate governance. As part of the International Investor Group on Climate Change (IIGCC) initiative, Robur collaborated with other investors and through dialogue follow up companies with especially high emissions, through dialogue, in sectors with a major climate impact. The focus of the discussions was on the companies' targets aligned with the Paris Agreement and viable transition plans.

Swedbank Robur has been a signatory of the Finance for Biodiversity Pledge for several years. The goal of this initiative is to stop species loss globally and to protect and restore biodiversity. Swedbank Robur is also a cofounder of Nature Action 100, a global investor initiative launched during the year to reverse nature loss through investor dialogue. Nature Action 100 has formulated expectations for companies as regards their commitments to protect nature. The initiative encourages companies to assess their impact on nature and their exposure to nature-related risks, as well as set time-limited targets, implement governance plans and periodically report their progress. At the beginning of the year, the fund company also participated in a pilot study as part of the development of the new Task Force on Nature-Related Financial Disclosure (TNFD).

Transparency is fundamental to Swedbank Robur's ownership work and is subject to continuous development and improvement. Swedbank Robur provides detailed information on its voting at the general meetings of Swedish and international companies and its participation in nomination committees.

Swedbank Robur promotes boards with a balanced combination of competence, experience and diversity, including gender parity, as well as between independent and non-independent directors. The boards should actively address sustainability issues relevant to the company. The fund company voted in

approximately 40 markets, including Sweden, the US, the UK, Japan and Taiwan. Swedbank Robur voted on an increased number of issues, taking a stance on all sustainability-related shareholder proposals presented at the general meetings of companies that the funds owned.

Exclusions
Swedbank Robur does not invest in controversial weapons (cluster munitions, anti-personnel mines, chemical and biological weapons) or nuclear weapons. Additionally, the funds exclude companies with revenues derived from tobacco, cannabis, pornographic material, commercial gambling, and fossil fuels. As a rule, no more than five per cent of a company's sales may come from these sources. Fossil fuel companies in transition that meet specific criteria and are in a position to meet the Paris Agreement's goal of net-zero emissions by 2050 or which have set other relevant transition targets can be exempted in certain cases. These companies are reported on Swedbank Robur's website. In addition to the abovementioned criteria, companies have been excluded because they have seriously violated international norms and conventions to protect people and the environment without showing a willingness to change. Certain funds apply additional exclusions for alcohol and weapons/armaments, among other things. For more information, see Swedbank Robur's exclusion strategy on its website.

Metrics

Asset management	2023	2022	2021
Total assets under management (SEK bn)[1]	2 015	1 726	1 966
– of which in funds (SEKbn)	1 604	1 352	1 519
Investments in sustainable bonds (SEKbn)[2]	41	37	38
Total carbon emissions (million tonnes CO_2e)[3]	2.3	1.7	1.8

1) 31 December 2023, refers to Swedbank's fund companies in Sweden, Estonia, Latvia and Lithuania. Other metrics in the table refer to Swedish funds.
2) A bond that is green, social and/or sustainable according to the International Capital Market Association (ICMA).
3) Total carbon emissions from equity and credit investments, scopes 1&2. Values for 2021 and 2022 have been adjusted to include credit investments. 2021 figure is based on the holdings' Market Capitalisation. 2022 and 2023 figures are based on Enterprise Value including Cash (EVIC). The method applies TCFD's recommendations and PCAF (2022): The Global GHG Accounting and Reporting Standard for Financed Emissions.

Engagement work in funds	2023	2022	2021
Voted at general meetings	968	852	786
Participation in nominating committees[1]	100	110	111
Share of women on corporate boards (Sweden) (%)[2]	37	38	38
Dialogues with companies on sustainability issues[3]	1 418	1 163	1 155
Dialogues on environment (%)[4]	66	65	71
Dialogues on social issues (%)[4]	40	44	57
Dialogues on corporate governance (%)[4]	40	45	60

1) Of which 96 in companies publicly listed in Sweden and 4 in companies listed in Finland.
2) Refers to boards where Swedbank Robur participated in nomination committtee. Nomination committee companies vary by year. The baselines for 2021–2023 averaged 36.4%, 36.0% and 36.4%, which means an increase by: 1.1 (2021), 0.5 (2022) and 0.2 (2023) percentage points.
3) Refers to unique companies, of which the funds had ownership interests in over 1000. Swedbank Robur's sustainability analysts, fund managers and corporate governance specialists had 1 316 dialogues with 869 companies. Suppliers had 611 dialogues with 424 companies. As part of investor initiatives, 519 dialogues were held with 389 companies.
4) Share of total number of contacts. Companies are contacted on several occasions, by different actors, on separate issues. Values for 2021 and 2022 have been adjusted since the metric "of which combined dialogues about E, S, G" has been removed.

EU Taxonomy-aligned assets under management, turnover (SEKbn)	2023
EU Taxonomy-aligned assets under management	**20**
of which securities	2
of which equity instruments	17

EU Taxonomy-aligned assets under management, capex (SEkbn)	2023
EU Taxonomy-aligned assets under management	**31**
of which securities	4
of which equity instruments	27

1.2 Insurance

Policies
- Sustainability Policy
- Environmental Policy
- Policy on Human Rights
- Policy on Sustainability Risk Integration in Investment decision-making, Investment and Insurance Advice on Financial Products
- Swedbank Insurance's Sustainability Policy

Other governing documents
- Instruction on Sustainability in Investment Decisions and Investment and Insurance Advice
- Position Statement Climate Change
- Position Statement Defence Equipment

Measures and activities

Sustainability in endowment and pension insurance in Sweden
Swedbank Insurance, a wholly owned subsidiary of Swedbank, offers pension, endowment and personal/risk insurance for private customers and businesses. Swedbank Insurance's sustainability policy serves as the foundation for its sustainability work and comprises all investments within traditional, unit-linked and variable universal life insurance.

Swedbank Insurance supports both the Paris Agreement and the UN Sustainable Development Goals. The insurance company offers products where the included funds are evaluated based on sustainability criteria. During the year, Swedbank Insurance worked to improve and simplify information on sustainability on its website and in product sheets and customer handouts on the sustainability work of the funds. The aim is to enable customers to make sustainable financial decisions. During the year, the insurance company reported at the company level on the principle adverse impacts (PAI) of investment choices on sustainability factors, according to the SFDR.

The sustainability level of the fund offering is a priority area. The insurance company works continuously to align the sustainability level of its funds with the requirement that the funds its investors are offered take climate action. The insurance company actively participates in industry forums to improve customer information on sustainability in insurance products and to meet current and upcoming EU legislation.

The insurance company annually publishes a sustainability report. The report describes how sustainability is integrated in the investment offering in traditional, unit-linked and variable universal life insurance. The carbon footprint is measured, calculated and reported for the investment portfolios.

During the year, Swedbank Insurance acted as anchor investor in Swedbank Robur's new Climate Bond fund, an actively managed fund that invests in sustainable bonds with a focus on climate action, where the money is earmarked to finance sustainable energy, nature conservation and combating climate change. Furthermore, the insurance company performed a climate analysis of holdings in equities and corporate bonds in selected sectors. The analysis was performed with the help of the PACTA tool. The results showed that the insurance company's share of investments with a high level of exposure to climate risks was low compared to the global market.

Swedbank Insurance expanded the sustainability work in its value chain during the year and introduced it as a parameter in the procurement process for reinsurance services. The focus was on climate change and biodiversity.

During the year, the insurance company participated in Mistra BIOPATH, a research collaboration to map and understand the financial system's role when it comes to biodiversity. The insurance company also participates in the TNFD.

Property & casualty insurance and life insurance in the Baltic countries
Swedbank Property & Casualty Insurance and Swedbank Life Insurance are wholly owned subsidiaries of Swedbank Estonia with branch offices in Latvia and Lithuania. Swedbank Property & Casualty offers property, auto, travel and payment protection insurance. Swedbank Life offers term life and savings insurance to the mass market.

As of 2023, the insurance-based investment products align with the requirements for the light green level within the SFDR. At the same time, the monitoring of sustainability data and internal controls to increase transparency were strengthened, as was integration of sustainability in investment decisions. The Policy for Responsible Investments was updated, and the guidelines on managing noncompliance with sustainability aspects within the funds were clarified.

1.3 Finance

Policies

- Sustainability Policy
- Environmental Policy
- Policy on Human Rights
- Credit Policy
- Policy on Enterprise Risk Management

Other governing documents

- Position Statement Climate Change
- Position Statement Defence Equipment
- Swedbank Sustainable Funding Framework
- Directive on ESG aspects in credit assessment

Partnerships, memberships and networks

- EEMI, Energy Efficient. Mortgage Initiative
- Sweden Green Building Council

Target	2023	2022	2021
Growth in Sustainable Asset Register (SEKm)	74 138	59 297	44 655

Measures and activities

Sustainable finance is part of Swedbank's core business. In the banking sector, it is critical to understand and actively address sustainability issues in order to be able to contribute to responsible, long-term lending. For Swedbank, sustainable finance means focusing on the customer's financial needs while at the same time identifying and managing sustainability risks.

Sustainability analysis in lending

Swedbank takes sustainability risks into consideration in all credit decisions. During the year, work continued on the development of a new digitised sustainability tool, which has been implemented for all of the bank's business areas and for the Savings Banks. The aim of the enhanced analysis is to further improve the bank's advice and risk management. The analysis takes into account sector-specific risks from three perspectives: environmental, social and governance. This makes it possible to identify the most material sustainability risks in a specific sector in an automated way, which in turn serves as the basis for customer-specific analysis and dialogue. This gives the bank a better understanding of how customers manage the identified sustainability factors.

If a loan application is considered to have an elevated sustainability risk, it is escalated to the Swedbank Sustainability Committee for further discussion and guidance. In its corporate lending, Swedbank performs a basic assessment of sustainability-related factors, depending on the type of business and its complexity. When corporate customers have an exposure of at least SEK 8m or EUR 0.8m, a sustainability analysis of the customer is conducted using the bank's ESG tool. A detailed analysis is carried out with the tool for corporate customers with revenues of at least SEK 500m (EUR 50m) or total assets of SEK 1 000m (EUR 100m) regardless of credit volume.

Sector guidelines and position statements are available to support the sustainability analysis and provide insight into sustainability issues in various industries and guidance on which questions to ask and which areas are especially important for the particular industry.

Exclusions and position statements

Swedbank does not directly finance coal mining and coal-fired power production. Special restrictions are also placed on oil, gas and peat. Swedbank does not directly finance exploration of new or expansion of existing oil and gas fields, new crude oil tankers and extraction of peat for energy production. Swedbank does not finance companies that generate more than five per cent of their revenue from any of the abovementioned activities, with the exception of companies in oil, gas and peat that are in transition and meet special criteria and which are deemed able to meet the Paris Agreement's targets.

Swedbank only provides financial services to the defence equipment sector when they align with national regulations and sanctions adopted by the UN Security Council, the EU or the US. Swedbank has zero tolerance for controversial weapons (including nuclear weapons) and does not provide financial services to companies that produce, maintain or trade this type of weapon.

Sustainable Asset Registry

The Swedbank Sustainable Funding Framework enables the bank to issue green, social and sustainable bonds that support the UN Sustainable Development Goals.

One year after the launch of the framework, Swedbank issued an inaugural EUR 500m social bond, the proceeds of which are being fully allocated to three of the four social asset categories in the Sustainable Funding Framework: employment generation, socioeconomic advancement and empowerment, and affordable housing.

Each year an impact statement is published for the Swedbank Sustainable Asset Registry in the Swedbank Sustainable Bond Impact Report with the volume and expected impact of the loans in the registry.

Current financing in the registry is mainly for energy-efficient properties, renewable energy and green transports, in addition to the social assets.

Sustainable finance

Swedbank has a close customer dialogue to actively capture needs and help customers make sustainable choices by offering customised services and advice in sustainability. For private customers, Swedbank offers e.g. loans for installation of solar panels, energy-efficiency improvements, green mortgages and car loans/leases with specific environmental criteria. These loans are offered to private customers in all four of the bank's home markets: Sweden, Estonia, Latvia and Lithuania.

- **Green mortgages** – Loans to finance properties with an energy class or environmental certification approved by the bank according to specific criteria.
- **Green car loans and leasing** – Loans to finance cars with low carbon emissions, such as electric vehicles, fuel cell/hydrogen vehicles and hybrid vehicles according to established criteria.
- **Solar panel loans** – Loans to finance solar panels.

For corporate customers, Swedbank offers and develops new financing solutions to support a sustainable transition. Products include ESG-related bonds, green loans, green equity, sustainability-linked loans to companies, and sustainability-related advice.

- **Green loans** – Loans to finance projects that are environmentally sustainable, e.g. energy- and resource-efficient properties with low environmental impact. Offered to corporate clients in all home markets.
- **Sustainability linked loans** – Loans that can be used for general business purposes rather than for a specific use. The cost of the loan is linked to the borrower's performance relative to sustainability targets and is monitored through periodic performance reports throughout the loan's duration.
- **ESG-related bonds** – Clients of Corporates and Institutions are offered assistance to issue green, social and sustainability bonds as well as sustainability-linked bonds in the capital market.
- **Green equity** – Clients of Corporates and Institutions are offered assistance to classify their equity as green. To do so, the majority (> 50%) of the company's revenue and investments must be classified as green. Green equity is available in connection with IPOs, new share issues or as public recognition that all the company's outstanding shares are green (without a specific transaction). The concept of green equity was developed by Swedbank in partnership with Shades of Green, previously part of CICERO, now part of S&P Global, a leader in third-party assessments of frameworks for sustainable debt instruments.
- **Sustainability-related advice** – Within Swedish Banking, Swedbank collaborates with Pure Act to help small and mid-sized companies to build a sustainability strategy and formulate a sustainability plan. Clients of Corporates and Institutions are offered sustainability-related advice, including guidance on the EU Taxonomy, sustainability-related accounting standards, ESG risk management, company-specific sustainability KPIs, and updates on the latest regulatory and political developments relating to sustainability.

Metrics

Sustainability analysis, corporate lending	2023	2022	2021
Swedish Banking (number of approved loan applications)	31 030	30 573	36 399
Baltic Banking (number of analyses)	3 141	3 014	2 678
Corporates and Institutions (number of time-bound credit monitoring cases)[1]	715		
Total number of cases handled by Swedbank's Sustainability Committee	18	16	13
– of which customer-related cases	3	3	4
– of which policy- and governance-related cases	15	13	9

1) Restatement of KPIs 2023. Previously reported number of approved loans. For each customer a sustainability analysis is conducted annually as part of time-bound credit monitoring, regardless of number of approved loans. Corresponding result for previous years is not reported.

Green and social bonds, Swedbank issuer (SEKm)[1]	2023	2022	2021
Green bonds	40 982	27 872	30 526
Social bonds	5 555		

1) Swedbank AB issuer.

EU Taxonomy-aligned loans, turnover, 2023 (SEKm)	Swedish Banking	Baltic Banking	Corporates and Institutions	Total
Financial companies			39	39
Non-financial companies		10	2 165	2 175
Companies subject to Non-Financial Directive		**10**	**2 204**	**2 213**
Households	**17 137**	**6 120**		**23 257**
of which loans collater-alised by residential immovable property	17 137	6 120		23 257
Total	**17 137**	**6 130**	**2 204**	**25 470**

EU Taxonomy-aligned loans, capex, 2023 (SEKm)	Swedish Banking	Baltic Banking	Corporates and Institutions	Total
Financial companies			287	287
Non-financial companies		38	2 922	2 960
Companies subject to Non-Financial Directive		**38**	**3 210**	**3 248**
Households	**17 137**	**6 120**		
of which loans collater-alised by residential immovable property	17 137	6 120		
Total	**17 137**	**6 158**	**3 210**	**26 505**

Sustainable financing (SEKm)	Swedish Banking	Baltic Banking	Corporates and Institutions	2023	2022	2021
Sustainable Asset Register[1]	**22 628**	**12 905**	**38 605**	**74 138**	**59 297**	**44 655**
Assets in green categories, total	**22 628**	**7 609**	**37 453**	**67 690**	**53 044**	**44 655**
– of which renewable energy	47	1 665	642	2 354	2 296	2 401
– of which energy efficiency	38			38		
– of which green buildings[2]	22 123	2 872	31 818	56 813	45 064	40 277
– of which clean transportation	420		4 957	5 377	3 648	252
– of which sustainable management of living natural resources and land use		1 122		1 122	812	595
– of which pollution prevention and control		1 950		1 950	1 200	1 130
– of which sustainable water and wastewater management			36	36	24	
Assets in social categories, total		**5 296**	**1 152**	**6 448**	**6 253**	
– of which employment generation		3 690		3 690	3 670	
– of which socioeconomic advancement and empowerment		1 606	968	2 574	2 583	
– of which affordable housing			184	184		
Sustainable financing, other	**575**	**1 562**		**2 137**	**1 888**	**939**
– of which energy-efficiency loans	4	220		224		18
– of which green cars	264	1 131		1 395	1 366	721
– of which solar panel loans	307	211		518	522	200
Sustainability linked loans		**1 711**	**8 474**	**10 185**	**11 460**	**9 146**
Total gross carrying amount[3]	**23 203**	**16 178**	**47 079**	**86 460**	**72 645**	**54 740**
Sustainability linked loans, granted but not paid loan commitments		307	27 705			

1) Qualified loans according to Swedbank's Sustainable Funding Framework.
2) EU Taxonomy criteria for DNSH have not been applied, as opposed to the bank's Taxonomy reporting for household loans, which are collateralised by residential real estate.
3) Total volume of Sustainable Asset Registry, Sustainable financing other and Sustainability linked loans.

Impact indicators, Sustainable Asset Register	2023	2022	2021
Impact indicators – Green assets			
Avoided emissions (tCO_2e)[1]	334 886	385 398	595 029
Renewable energy – energy generation (GWh)	851	1 154	1 805
Energy efficiency – energy storage capacity (MWh)	3		
Green buildings – energy savings (GWh)	110	78	21
Clean transportation – low-carbon vehicles (number)	16 174	16 173	
Pollution prevention and control – waste treated (tonnes)	325 650	150 000	150 000
Sustainable management of living natural resources and land use – FSC/PEFC certified forestry (hectares)[2]	24 254	28 141	26 741
Sustainable water and wastewater management – wastewater treated (m^3)	30 000	30 000	
Social assets			
Employment generation – small and mid-sized enterprises in socioeconomically weak areas (number)	7 771	7 857	
Socioeconomic advancement and empowerment			
– female-owned small and midsized enterprises (number)	5 641	5 537	
– residents in socioeconomically weak areas (number)[3]	409	392	
Affordable housing – residents in rental housing (number)	231		

1) Calculations are based on the categories green buildings, renewable energy and clean transport.
2) Restatement of historical figures as a result of changed calculation method based on financed share.
3) Population in a multi-family house located in a socioeconomically weak area.

ESG bonds[1], Swedbank arranger	2023	2022	2021
Transactions that Swedbank arranged during the year (number)	73	70	99
Total volume that Swedbank arranged during the year (SEK bn)	31.7	33.6	49.9
Share in relation to total volume that Swedbank arranged during the year (%)	32	21.4	23.7
Total volume that Swedbank arranged from the start (SEK bn)	206.4	174.7	141.1

1) ESG bonds (green, social, sustainability and sustainability linked bonds).

1.4 Financial health

Target

Our vision is a financially sound and sustainable society and we want to empower one million people to improve their financial health by 2030 in Sweden and the Baltic countries.

Business targets

- Number of assisted advisory meetings, Swedish Banking, 300 000 in 2025
- Number of private customers with long-term savings, Baltic Banking, 900 000 in 2030

Measures and activities

Through advice and education, customers have an opportunity to improve their financial situation and acquire the knowledge needed to feel secure in their everyday lives and believe in the future. The term used is financial health, and Swedbank added it as a target in 2023. With the UN's definition as a starting point, "feeling secure in your personal finances, having control, resilience and economic freedom", the aim is to give the bank's customers the right opportunities to achieve it.

New ways of working are being developed with tools to guide the bank's customers via branches and customer centres in parallel with the digital channels, enabling more of them to access the bank's advice. By continuing to provide financial literacy education in schools, social media, editorial media and through various societal initiatives, the level of knowledge is raised about payments, savings, loans, insurance and pensions, which in turn empowers customers to make long-term decisions and build financial security in a changing world. Here Swedbank also has an opportunity to raise the level of knowledge and awareness of the economy in general, as well as for the individual. Better-informed decisions and a stronger financial situation for the customer also make society more financially stable.

Financial literacy education

Swedbank's societal engagement is deeply rooted in its history and is just as important to work with today as it was in the past. The emphasis is on children and young people, and through various initiatives we provide a foundation to build on with regard to personal finance and entrepreneurship. In the case of children and young people, the bank hopes to spark interest in, and share knowledge about, personal finances and how various life choices can affect their future. This is primarily achieved through lectures in schools and local clubs in all four home markets: Sweden, Estonia, Latvia and Lithuania.

In Sweden, the Young Economy initiative, a collaboration with the Savings Banks and Savings Bank Foundations, 96 700 children and young people were educated in 2023. The education is provided both in person and virtually and reaches thousands of children and young people, regardless of background and prior knowledge. The Swedish magazine Lyckoslanten is also a collaborative effort with the Savings Banks to teach students in grades 4–6 about money and savings.

Mokonomika, Lithuania's largest online learning programme with more than 280 000 participants, was arranged in 2023 for the third year. Schools have access to 18 lessons, which in 2023 focused on topics ranging from innovation, artificial intelligence and robots to sustainability and financial literacy. Mokonomika is part of the World's Largest Lesson, which is arranged by UNICEF and UNESCO to create innovative tools to teach the UN sustainable development goals to children. In partnership with National Television (LRT), a special Mokonomika programme was broadcast, after which the number of visits to various social media reached approximately one million.

Swedbank arranges other educational initiatives in the form of lectures and instructional materials, e.g. Ready for Life in Latvia and Financial Laboratory in Latvia and Lithuania. Swedbank's employees in Estonia also have the opportunity during working hours to guest-lecture, online or in person, in schools via the digital platform Building Your Future. Similar initiatives during the year included Money Day in Latvia, which taught financial literacy to children in schools, and Swedbank Savings Diary's financial literacy summer festival in Tartu, Estland.

In Sweden, the Digital Economy initiative contributes to digital inclusion. This year, customer events were arranged in combination with the Swedish banking industry's campaign, "Scamaware!", to attract extra attention to how people can protect themselves against fraud.

Metrics

Result business targets, thousand	2023	2022	2021
Number of assisted advisory meetings, Swedish Banking[1]	265	240	
Number of private customers with long-term savings, Baltic Banking[2]	480	440	

1) Physical or digital meetings with an advisor.
2) Customers with voluntary savings products which are linked to financial markets, e.g. pensions (P3P funds), stocks and funds.

Educational opportunities, financial literacy[1]	2023	2022	2021
– Sweden	96 700		
– Estonia, Latvia and Lithuania	23 870		

1) Number of participants at lectures within various social initiatives.

Societal investment, SEKm	2023	2022	2021
Societal investment, total[1]	**119**	**111**	**117**
– of which Sweden	90	88	83
– of which Estonia	15	12	14
– of which Latvia	7	6	13
– of which Lithuania	7	5	7

1) Of which SEK 50m in Sweden consists of charitable donations by Swedbank Robur Humanfond.

S2 Environmental information

2.1 Reporting according to the EU Taxonomy regulation

A first step toward expanded Taxonomy reporting

Swedbank is subject to the EU Taxonomy regulation (the EU Taxonomy), a classification system that defines the criteria used to determine when economic activities can be considered environmentally sustainable. Since 2021, Swedbank has reported its share of assets related to Taxonomy-eligible economic activities. Starting with the year 2023, the reporting has been expanded to include information on Swedbank's customers and counterparties' assets, financial guarantees and assets under management related to environmentally sustainable economic activities, that is taxonomy-aligned economic activities. The Taxonomy reporting is based on Swedbank's consolidated situation as defined in Regulation (EU) nr 575/2013 of the European Parliament and the Council on prudential requirements for credit institutions. The consolidated situation differs from the IFRS-based consolidated financial statements on the consolidation of insurance companies, joint ventures and subsidiaries. Otherwise, the same principles are applied.

The EU Taxonomy is an important part of the EU's action plan on financing sustainable growth. It is a framework that makes it easier to identify environmentally sustainable investments. Taxonomy-aligned assets presumes that:

- underlying economic activities substantially contribute to at least one of the EU:s six environmental objectives;
- do no significant harm to any other environmental objectives;
- fulfils the social minimum safeguards and
- the economic activities fulfils the technical screening criteria för a specific environmental objective.

The 2023 report is the first time Swedbank presents the main KPI – the share of green assets (GAR, Green Asset Ratio). It shows the share of Swedbank's assets that are taxonomy-aligned. Key definitions from the EU Taxonomy and the Standardised tables can be found on page 287.

A regulation under development

The reporting requirements in the EU Taxonomy are extensive and are constantly developing. On 21 December 2023, the EU published new guidance (FAQ) regarding the interpretation of the reporting requirements and introduced clarifications of reporting requirements and definitions. The guidance was published late in the year and Swedbank have therefore not fully implemented the new changes or included them in its 2023 report. In the Swedish Bankers´ Association´s working group interpretations of the new clarifications in the guidance are discussed, which will be addressed in the annual report for 2024. In addition, Swedbank has considered the report "Taxonomiinformation i årsredovisningar" from the Swedish Financial Supervisory Authority published on 25 January 2024.

The EU regulation is still in an early stage of implementation. Interpretations are still being made and determined best market practice is under development. As a result, Swedbank sees a continued investigating and implementing work.

KPIs

The main KPI for banks, GAR, aims to increase transparency and speed up the sustainable transition. As of 31 December 2023, GAR is 1.36 per cent with respect to turnover and 1.41 per cent with respect to capex. Swedbank's GAR is impacted mainly by the energy performance of Swedbank's mortgage portfolio and by the percentage of environmentally sustainable economic activities in companies that are covered by the Non-Financial Reporting Directive within Swedbank's corporate lending.

Green ratio for assets under management were 2.66 per cent with respect to turnover and 4.24 per cent with respect to capex as of 31 December 2023. They are affected by underlying holdings and the investment strategies of the funds and the discretionary portfolio management.

Economic activities in gas and nuclear power are reported in separate tables for the first time in this year's report. Swedbank's assets, financial guarantees and assets under management from economic activities in gas and nuclear power operations are limited and include minor amounts.

Implementation in the operation

The above mentioned KPIs have been introduced to Swedbank´s business areas and will be followed up regularly going forward. By supporting our customers to improve the sustainability of their businesses and their homes as well as making more sustainable investments, the ambition is to improve these KPIs.

One of Swedbank's strategic targets is to increase the growth of the bank´s Sustainable Asset Register, where Taxonomy-aligned mortgages is an important part. Increasing the share of environmentally sustainable assets is an important part of Swedbank´s climate work. Swedbank has decided on science-based emissions reduction targets, in line with the Paris Agreement, for financed emissions by 2030 in several sectors, including commercial real estate and mortgages.

The EU Taxonomy is one of several tools used to identify customers' Paris-aligned activities that can help Swedbank reach its climate targets. The development of Taxonomy-aligned assets and assets under management is important to ensure that Swedbank's targets are being met.

Implementation of new sustainability-related information

During the year, Swedbank carried out several activities to further develop processes for reporting in accordance with the EU Taxonomy.

Swedbank has collected supplementary sustainability-related customer information for companies (that are subject to the Non-Financial Reporting Directive), to identify the extent to which Swedbank's assets are aligned with the EU Taxonomy criteria´. Furthermore, Swedbank collected data on the energy efficiency of residential properties in the form of energy performance certificates.

Currently, Swedbank do not have data for all the requested data points. For example, there have been difficulties in demonstrating the use of proceeds related to corporate loans and the financial companies to which Swedbank has exposures have not yet reported their Taxonomy-alignment. Furthermore, Swedbank has for now chosen not to contact specific counterparties to request data.

Swedish banks usually have limited direct lending to municipal companies. Swedbank's business model is not to any great extent based on financing of public housing given that only a small proportion of Swedbank's lending is to municipal companies, which is why these assets have not been reported.

As the regulations are gradually implemented, for example as financial companies also begin to report their alignment, the availability and quality of data is expected to improve over time.

Swedbank assesses that the following parameters affect Swedbank´s share of Taxonomy-aligned assets, financial guarantees and assets under management:

Energy Performance Certificates

- 54 per cent of Swedbank's mortgage collateral does not have a valid energy performance certificate, which limits the ability to report Taxonomy-alignment.
- For the collateral in Sweden that has a valid energy performance certificate, the requirements for reaching a Taxonomy-aligned level are higher than in many other EU countries.

Taxonomy-eligibility

- Corporate lending accounts for 27 per cent of Swedbank's assets whereof 2 per cent are held by companies that report according to the EU Taxonomy.
- Assets under management in global portfolios as well as funds with an investment focus on small and medium enterprises and on companies outside Europe that do not report according to the EU Taxonomy, which limits Taxonomy-alignment.

Data availability and quality

- The absence of a central external database and lack of quality in external data makes it difficult to collect quality-assured data.
- Financial companies have only reported their share of Taxonomy-eligibility, and report their Taxonomy-alignment for financial year 2023, which means that Swedbank´s potentially Taxonomy-aligned assets in financial companies will be reported for the first time for financial year 2024.
- There have been difficulties in collecting data regarding eligibility divided per climate objective for companies. Next year, eligibility will be reported per climate objective for companies.
- Reporting of flow with respect to assets under management has not been possible to report due to lack of available data.

Lack of best practice and systems

- The EU Taxonomy is a new regulation and there is a lack of guidance and best practice in many areas. Accordingly Swedbank is in the start-up phase of updating customer processes and developing new products.
- Swedbank's current systems are yet to be able to demonstrate and follow up on the use of proceeds of corporate loans, which adds difficulties.

Introduction of new standardised tables

Swedbank has previously reported the share of assets that are Taxonomy-eligibile. As of financial year 2023, Swedbank for the first time report the share of assets that are aligned with the technical screening criteria within the EU Taxonomy. As a financial company, Swedbank bases its reporting on corporate customers and other counterparties as well as on energy data for properties used as collateral for mortgages.

For 2023 Swedbank reports how assets contribute to the EU´s two climate objectives 1) Climate Change Mitigation and 2) Climate Change Adaptation. In case where household exposures are relevant to activities relating to several environmental objectives, Swedbank has chosen to allocate to the activities that are most material to Swedbank, all of these, are included in the climate objective Climate Change Mitigation.

Given that Swedbank has nothing to report for the other four environmental objectives, Swedbank has chosen to include only the parts of the templates that relate to the climate-related objectives for this year's report. The annual reports for companies that are subject to the Non-Financial Reporting Directive will, as of financial year 2023, include reporting for all six environmental objectives. Swedbank's Taxonomy reporting will thus include reporting for all six environmental objectives as of financial year 2024.

See the following background information, which support the information presented in the various tables below:

0. Summary of KPIs
The KPIs are presented in a summary as introduction to the tables that follows. Swedbank's KPIs are based on the companies' turnover KPI and capex KPI.

Swedbank has chosen to report the KPIs for the flow for the four columns:

- % coverage (over total assets);
- % of assets covered by the KPI over total assets;
- % of assets excluded from the numerator of the GAR;
- % of assets excluded from the denominator of the GAR.

This is despite that the quality of the information for the assets in the denominator is incomplete which means that the KPIs are inaccurate.

1. Assets for calculation of Green Asset Ratio (turnover and capex)
These tables provide an overview of the assets and off-balance sheet exposures that affect the GAR. The focus is on financial and non-financial companies as well as household assets and asset management as follows:

Customer's and counterpart's reporting

- Financial companies are highly dependent on their customers and counterparties reporting in accordance with the EU Taxonomy, so that they in turn will be able to fulfil their reporting obligation the subsequent year. Information on the reporting of non-financial companies was obtained through an external supplier.

Mortgages

- Households acquisition and ownership of immovable property is a Taxonomy-eligible economic activity. For Swedbank, mortgages (loans to households collateralised by residential immovable property), which represent the majority of the Swedbank's Taxonomy-eligible assets, are regarded as critical. Housing accounts for a large share of the EU's energy consumption and GHG emissions, which can be reduced by improving the energy efficiency of properties. Swedbank contribute to this objective by financing energy efficiencies, which makes high-quality energy data crucial.
- For a mortgage loan to be Taxonomy-aligned, the property's primary energy demand has to be in the top 15 per cent of the national housing stock or be energy class A. Regarding the energy requirement, Swedbank has used the thresholds developed on behalf of Fastighetsägarna for the Swedish mortgages. Corresponding information was used for mortgages and collateral in Estonia. In Latvia and Lithuania, only energy class A has been considered.
- To meet the do no significant harm requirements regarding the environmental objective Climate Change Adaptation, Swedbank carried out climate risk assessments for the properties used as collateral for the mortgages, according to the same method that is used in the Pillar 3 ESG risk report. Mortgages for which the property either falls into the top 15 per cent or is energy class A, and where the climate risk assessments indicates low risk, are reported as Taxonomyaligned. Data for the climate risk assessments are obtained through an external supplier and work is underway to develop these assessments in 2024.

Vehicle loans

- Swedbank's vehicle loans are also Taxonomy-eligible. Swedbank has not been able to determine whether a percentage of the loans is Taxonomy-aligned, mainly because of difficulties meeting the do no significant harm requirements to other environmental objectives and due to a lack of data.

Assets under management

- Swedbank measures and continuously monitors the share of Taxonomy-aligned investments in its assets under management. In 2023, a number of funds in Swedbank´s product range committed to a minimum percentage of Taxonomy-aligned investments. The EU Taxonomy will constitute one of several key tools for sustainability monitoring in asset management. Additionally, Swedbank see that investments in companies with Taxonomy-aligned activities will be a tool for Swedbank to meet our climate targets.

2. GAR sector information (turnover and capex)
A detailed breakdown of the row non-financial companies in table 1. The tables presents loans and advances based on loans to various companies, presented by their principal activity, broken down at the 4 NACE level, with information on the reported gross carrying amount and amounts that are environmentally sustainable within the various climate objectives.

3. GAR KPI stock (turnover and capex)
Detailed information on the different asset rows in relation to the percentages of all covered assets in the denominator.

4. GAR KPI flow (turnover and capex)
Detailed information on the various asset rows regarding the percentages in relation to the flow of all Taxonomy-eligible assets.

5. KPI off-balance sheet exposures (turnover and capex)
Detailed information on the various off-balance sheet exposures regarding the percentages in relation to all Taxonomy-eligible off-balance sheet assets.

Nuclear and fossil gas related activities (turnover and capex)
Five different tables with detailed information regarding the six identified economic activities within nuclear power and fossil gas- related activities included in the various tables regarding Share of green assets, Share of green assets under management and Share of green financial guarantees.

0. Summary of KPIs

		Total environmentally sustainable assets, based on the Turnover KPI of the counterparty, SEKm	KPI, based on the Turnover KPI of the counterparty	KPI, based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used	% coverage (over total assets), % of assets covered by the KPI over total assets	% of assets excluded from the numerator of the GAR	% of assets excluded from the denominator of the GAR
Main KPI	**Green asset ratio (GAR) stock**	**25 470**	**1.36**	**1.41**	**74.42**	**25.83**	**25.58**
Additional KPIs	Green asset ratio (GAR) flow	5 994	2.00	1.96	90.21	47.52	9.79
	Green ratio for financial guarantees	2	0.05	0.03			
	Green ratio for assets under management	19 515	2.66	4.24			

1. Assets for calculation of GAR

Turnover

SEKm	2023												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			Total			
	Total [gross] carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transi-tional	Of which enabling			Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which transi-tional	Of which enabling
GAR – Covered assets in both numerator and denominator													
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1 225 251	1 030 626	25 470	23 257	34	611	7			1 046 922	25 470	23 257	34	611
Financial undertakings	13 060		39			18				4 854	39			18
Credit institutions	2 912									955				
Loans and advances	145									40				
Debt securities, including UoP	1 442									317				
Equity instruments	1 326									598				
Other financial corporations	10 148		39			18				3 899	39			18
of which investment firms														
Loans and advances														
Debt securities, including UoP														
Equity instruments														
of which management companies	1									0				
Loans and advances	1									0				
Debt securities, including UoP														
Equity instruments														
of which insurance undertakings														
Loans and advances														
Debt securities, including UoP														
Equity instruments														
Non-financial undertakings	37 620		2 175		34	593	7			11 442	2 175		34	593
Loans and advances	37 620		2 175		34	593	7			11 442	2 175		34	593
Debt securities, including UoP														
Equity instruments														
Households	1 174 571	1 030 612	23 257	23 257						1 030 612	23 257	23 257		
of which loans collater-alised by residential immovable property	1 029 187	1 029 187	23 257	23 257						1 029 187	23 257	23 257		
of which building renovation loans	624	312								312				
of which motor vehicle loans	10 967	1 113								1 113				
Local governments financing														
Housing financing														
Other local government financing														
Collateral obtained by taking possession: resi-dential and commercial immovable properties	14	14								14				

1. Assets for calculation of GAR, cont.

Turnover

	2023												
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)			Total				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			
SEKm	Total [gross] carrying amount			Of which Use of Proceeds	Of which transi-tional	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which transi-tional	Of which enabling
Assets excluded from the numerator for GAR calculation (covered in the denominator)	651 450												
Financial and Non-financial undertakings	619 320												
SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	559 713												
Loans and advances	547 569												
of which loans collateralised by commercial immov-able property	183 318												
of which building renovation loans													
Debt securities	233												
Equity instruments	11 911												
Non-EU country counter-parties not subject to NFRD disclosure obligations	59 607												
Loans and advances	51 304												
Debt securities	7 206												
Equity instruments	1 098												
Derivatives	1 606												
On demand interbank loans	2 685												
Cash and cash-related assets	3 915												
Other categories of assets (e.g. Goodwill, commodities etc.)	23 925												
Total GAR assets	1 876 715		25 470	23 257	34	611	7		1 046 922	25 470	23 257	34	611
Assets not covered for GAR calculation	645 242												
Central governments and Supranational issuers	43 835												
Central banks exposure	409 072												
Trading book	192 335												
Total assets	2 521 956	1 030 626	25 470	23 257	34	611	7		1 046 922	25 470	23 257	34	611
Off-balance sheet exposures – Undertakings subject to NFRD disclosure obligations													
Financial guarantees	3 164	2							186	2			2
Assets under management	733 854	19 515	1 062	12 255	203	132			205 469	19 515	1 062	12 255	
Of which debt securities	214 422	2 291	40	956	76	10			75 700	2 291	40	956	
Of which equity instruments	519 433	17 225	1 023	11 299	127	121			129 769	17 225	1 023	11 299	

1. Assets for calculation of GAR

Capex

	2023												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			Total			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)		
SEKm	Total [gross] carrying amount			Of which Use of Proceeds	Of which transi-tional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transi-tional	Of which enabling
GAR – Covered assets in both numerator and denominator													
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1 225 251	1 030 626	26 505	23 257	1 142	1 147	32			1 048 935	26 505	23 257	1 142	1 147
Financial undertakings	13 060		287			283				5 607	287			283
Credit institutions	2 912									955				
Loans and advances	145									40				
Debt securities, including UoP	1 442									317				
Equity instruments	1 326									598				
Other financial corporations	10 148		287			283				4 652	287			283
of which investment firms														
Loans and advances														
Debt securities, including UoP														
Equity instruments														
of which management companies	1									1				
Loans and advances	1									1				
Debt securities, including UoP														
Equity instruments														
of which insurance undertakings														
Loans and advances														
Debt securities, including UoP														
Equity instruments														
Non-financial undertakings	37 620		2 960		1 142	864	32			13 702	2 960		1 142	864
Loans and advances	37 620		2 960		1 142	864	32			13 702	2 960		1 142	864
Debt securities, including UoP														
Equity instruments														
Households	1 174 571	1 030 612	23 257	23 257						1030 612	23 257	23 257		
of which loans collater-alised by residential immovable property	1 029 187	1 029 187	23 257	23 257						1 029 187	23 257	23 257		
of which building renovation loans	624	312								312				
of which motor vehicle loans	10 967	1113								1 113				
Local governments financing	0													
Housing financing														
Other local government financing														
Collateral obtained by taking possession: resi-dential and commercial immovable properties	14	14								14				

1. Assets for calculation of GAR, cont.

Capex

	2023												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			Total			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)		
SEKm	Total [gross] carrying amount			Of which Use of Proceeds	Of which transi-tional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transi-tional	Of which enabling
Assets excluded from the numerator for GAR calculation (covered in the denominator)	651 450												
Financial and Non-financial undertakings	619 320												
SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	559 713												
Loans and advances	547 569												
of which loans collateralised by commercial immov-able property	183 318												
of which building renovation loans													
Debt securities	233												
Equity instruments	11 911												
Non-EU country counter-parties not subject to NFRD disclosure obligations	59 607												
Loans and advances	51 304												
Debt securities	7 206												
Equity instruments	1 098												
Derivatives	1 606												
On demand interbank loans	2 685												
Cash and cash-related assets	3 915												
Other categories of assets (e.g. Goodwill, commodities etc.)	23 925												
Total GAR assets	1 876 715	1 030 626	26 505	23 257	1 142	1 147	32			1 048 935	26 505	23 257	1 142	1 147
Assets not covered for GAR calculation	645 242												
Central governments and Supranational issuers	43 835												
Central banks exposure	409 072												
Trading book	192 335												
Total assets	2 521 956	1 030 626	26 505	23 257	1 142	1 147	32	1		1 048 935	26 505	23 257	1 142	1 147
Off-balance sheet exposures – Undertakings subject to NFRD disclosure obligations														
Financial guarantees	3 164	1		1						812	1			1
Assets under management	733 854	31 107	1 932	18 790	341	273				219 898	31 107	1 932	18 790	
Of which debt securities	214 422	3 670	90	1 458	59	20				78 332	3 670	90	1 458	
Of which equity instruments	519 433	27 437	1 842	17 332	281	252				141 566	27 437	1 842	17 332	

2. GAR sector information

Turnover

Breakdown by sector – NACE	Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		Total	
	Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
SEKm		Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCA)		Of which environmentally sustainable
01.47 – Raising of poultry	1				1	
02.10 – Silviculture and other forestry activities	73				73	
07.29 – Mining of other non-ferrous metal ores	26				26	
08.12 – Operation of gravel and sand pits; mining of clays and kaolin	28					
10.12 – Processing and preserving of poultry meat	8				8	
10.51 – Operation of dairies and cheese making	45				45	
10.86 – Manufacture of homogenised food preparations and dietetic food	9				9	
10.89 – Manufacture of other food products n.e.c.	10				10	
13.94 – Manufacture of cordage, rope, twine and netting	4	0			4	0
16.10 – Sawmilling and planing of wood	9	0			9	0
17.12 – Manufacture of paper and paperboard	25	1			25	1
17.29 – Manufacture of other articles of paper and paperboard	141				141	
20.13 – Manufacture of other inorganic basic chemicals	5	0			5	0
21.20 – Manufacture of pharmaceutical preparations	14				14	
22.19 – Manufacture of other rubber products	126				126	
22.21 – Manufacture of plastic plates, sheets, tubes and profiles	340				340	
22.29 – Manufacture of other plastic products	350				350	
24.10 – Manufacture of basic iron and steel and of ferro-alloys	37	34			37	34
24.20 – Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	1	0			1	0
24.33 – Cold forming or folding	1	1			1	1
24.42 – Aluminium production	12				12	
24.43 – Lead, zinc and tin production	2				2	
25.11 – Manufacture of metal structures and parts of structures	1 095	0			1 095	0
25.40 – Manufacture of weapons and ammunition	165	1			165	1
25.62 – Machining	0	0			0	0
25.99 – Manufacture of other fabricated metal products n.e.c.	182				182	
26.12 – Manufacture of loaded electronic boards	5				5	
26.20 – Manufacture of computers and peripheral equipment	1	0			1	0
26.30 – Manufacture of communication equipment	151				151	
26.51 – Manufacture of instruments and appliances for measuring, testing and navigation	1					
27.12 – Manufacture of electricity distribution and control apparatus	0	0			0	0
27.40 – Manufacture of electric lighting equipment	12	1			12	1
28.11 – Manufacture of engines and turbines, except aircraft, vehicle and cycle engines	5	0			5	0
28.22 – Manufacture of lifting and handling equipment	897	0			897	0
28.24 – Manufacture of power-driven hand tools	55	13			55	13
28.25 – Manufacture of non-domestic cooling and ventilation equipment	276	102			276	102
28.92 – Manufacture of machinery for mining, quarrying and construction	24	0			24	0
28.99 – Manufacture of other special-purpose machinery n.e.c.	286	103			286	103

2. GAR sector information, cont.

Turnover

Breakdown by sector – NACE	Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		Total	
	Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
SEKm		Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCA)		Of which environmentally sustainable
29.10 – Manufacture of motor vehicles	105	0			105	0
29.20 – Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semi-trailers	27	0			27	0
30.20 – Manufacture of railway locomotives and rolling stock	652				652	
30.40 – Manufacture of military fighting vehicles	445	2			445	2
31.02 – Manufacture of kitchen furniture	14				14	
32.30 – Manufacture of sports goods	1 041				1 041	
32.50 – Manufacture of medical and dental instruments and supplies	1 723				1 723	
32.99 – Other manufacturing n.e.c.	0	0			0	0
33.12 – Repair of machinery	8				8	
33.17 – Repair and maintenance of other transport equipment	5	4			5	4
33.20 – Installation of industrial machinery and equipment	6				6	
35.11 – Production of electricity	3 986	9	7		3 986	9
35.12 – Transmission of electricity	0					
35.30 – Steam and air conditioning supply	40	0			40	0
37.00 – Sewerage	33					
38.11 – Collection of non-hazardous waste	19					
38.12 – Collection of hazardous waste	3				3	
41.10 – Development of building projects	760	64			760	64
41.20 – Construction of residential and non-residential buildings	1 476	252			1 476	252
42.11 – Construction of roads and motorways	60	0			60	0
42.13 – Construction of bridges and tunnels	384				384	
42.21 – Construction of utility projects for fluids	6				6	
42.99 – Construction of other civil engineering projects n.e.c.	8	1			8	1
43.12 – Site preparation	338	0			338	0
43.21 – Electrical installation	17	2			17	2
43.22 – Plumbing, heat and air-conditioning installation	167	15			167	15
43.29 – Other construction installation	1	1			1	1
43.32 – Joinery installation	29				29	
43.99 – Other specialised construction activities n.e.c.	204				204	
45.20 – Maintenance and repair of motor vehicles	1	0			1	0
45.31 – Wholesale trade of motor vehicle parts and accessories	1	0			1	0
46.18 – Agents specialised in the sale of other particular products	3				3	
46.39 – Non-specialised wholesale of food, beverages and tobacco	190				190	
46.42 – Wholesale of clothing and footwear	12				12	
46.43 – Wholesale of electrical household appliances	1				1	
46.46 – Wholesale of pharmaceutical goods	4				4	
46.49 – Wholesale of other household goods	0	0			0	0
46.51 – Wholesale of computers, computer peripheral equipment and software	1 205				1 205	
46.62 – Wholesale of machine tools	0				0	
46.69 – Wholesale of other machinery and equipment	11	2			11	2
46.72 – Wholesale of metals and metal ores	0				0	

2. GAR sector information, cont.

Turnover

Breakdown by sector – NACE	Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		Total	
	Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
SEKm		Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCA)		Of which environmentally sustainable
46.73 – Wholesale of wood, construction materials and sanitary equipment	0				0	
46.74 – Wholesale of hardware, plumbing and heating equipment and supplies	2	0			2	0
46.90 – Non-specialised wholesale trade	0	0			0	0
47.11 – Retail sale in non-specialised stores with food, beverages or tobacco predominating	92				92	
47.19 – Other retail sale in non-specialised stores	3				3	
47.52 – Retail sale of hardware, paints and glass in specialised stores	1				1	
47.59 – Retail sale of furniture, lighting equipment and other household articles in specialised stores	0				0	
47.71 – Retail sale of clothing in specialised stores	3				3	
47.78 – Other retail sale of new goods in specialised stores	1 703				1 703	
49.50 – Transport via pipeline	198				198	
51.10 – Passenger air transport	1				1	
52.10 – Warehousing and storage	2				2	
52.23 – Service activities incidental to air transportation	3	0			3	0
52.29 – Other transportation support activities	1				1	
58.11 – Book publishing	412				412	
58.21 – Publishing of computer games	4 015				4 015	
58.29 – Other software publishing	1				1	
61.20 – Wireless telecommunications activities	216	0			216	0
61.90 – Other telecommunications activities	3				3	
62.01 – Computer programming activities	45				45	
62.02 – Computer consultancy activities	431				431	
62.09 – Other information technology and computer service activities	373				373	
63.11 – Data processing, hosting and related activities	1				1	
66.19 – Other activities auxiliary to financial services, except insurance and pension funding	1				1	
68.20 – Renting and operating of own or leased real estate	10 298	1 565			10 298	1 565
68.32 – Management of real estate on a fee or contract basis	2	1			2	1
69.20 – Accounting, bookkeeping and auditing activities; tax consultancy	10	0			10	0
70.10 – Activities of head offices	109	0			109	0
70.22 – Business and other management consultancy activities	151	0			151	0
71.12 – Engineering activities and related technical consultancy	289	0			289	0
71.20 – Technical testing and analysis	13	0			13	0
72.19 – Other research and experimental development on natural sciences and engineering	1				1	
77.11 – Renting and leasing of cars and light motor vehicles	186				186	
78.20 – Temporary employment agency activities	3				3	
79.12 – Tour operator activities	4				4	
80.10 – Private security activities	1				1	
80.20 – Security systems service activities	8	1			8	1
85.10 – Pre-primary education	1				1	
85.20 – Primary education	3				3	

2. GAR sector information, cont.

Turnover

Breakdown by sector – NACE	Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		Total	
	Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
SEKm		Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCA)		Of which environmentally sustainable
86.21 – General medical practice activities	0				0	
86.22 – Specialist medical practice activities	0				0	
86.90 – Other human health activities	1				1	
87.20 – Residential care activities for mental retardation, mental health and substance abuse	63				63	
87.30 – Residential care activities for the elderly and disabled	725				725	
87.90 – Other residential care activities	26				26	
88.10 – Social work activities without accommodation for the elderly and disabled	40				40	
88.99 – Other social work activities without accommodation n.e.c.	2				2	
92.00 – Gambling and betting activities	770				770	
93.29 – Other amusement and recreation activities	0				0	
TOTAL	**37 620**	**2 175**	**7**		**37 620**	**2 175**

2. GAR sector information

Capex

Breakdown by sector – NACE	Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		Total	
	Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
SEKm		Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCA)		Of which environmentally sustainable
01.47 – Raising of poultry	1				1	
02.10 – Silviculture and other forestry activities	73				73	
07.29 – Mining of other non-ferrous metal ores	26				26	
08.12 – Operation of gravel and sand pits; mining of clays and kaolin	28				28	
10.12 – Processing and preserving of poultry meat	8				8	
10.51 – Operation of dairies and cheese making	45				45	
10.86 – Manufacture of homogenised food preparations and dietetic food	9				9	
10.89 – Manufacture of other food products n.e.c.	10				10	
13.94 – Manufacture of cordage, rope, twine and netting	4	0			4	0
16.10 – Sawmilling and planing of wood	9	0			9	0
17.12 – Manufacture of paper and paperboard	25	2			25	2
17.29 – Manufacture of other articles of paper and paperboard	141	55			141	55
20.13 – Manufacture of other inorganic basic chemicals	5				5	
21.20 – Manufacture of pharmaceutical preparations	14	0			14	0
22.19 – Manufacture of other rubber products	126				126	
22.21 – Manufacture of plastic plates, sheets, tubes and profiles	340	7			340	7
22.29 – Manufacture of other plastic products	350				350	
24.10 – Manufacture of basic iron and steel and of ferro-alloys	37	16			37	16
24.20 – Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	1	0			1	0
24.33 – Cold forming or folding	1	1			1	1
24.42 – Aluminium production	12				12	
24.43 – Lead, zinc and tin production	2				2	
25.11 – Manufacture of metal structures and parts of structures	1 095	0			1 095	0
25.40 – Manufacture of weapons and ammunition	165	0			165	0
25.62 – Machining	0	0			0	0
25.99 – Manufacture of other fabricated metal products n.e.c.	182				182	
26.12 – Manufacture of loaded electronic boards	5				5	
26.20 – Manufacture of computers and peripheral equipment	1	0			1	0
26.30 – Manufacture of communication equipment	151				151	
26.51 – Manufacture of instruments and appliances for measuring, testing and navigation	1				1	
27.12 – Manufacture of electricity distribution and control apparatus	0	0			0	0
27.40 – Manufacture of electric lighting equipment	12	1			12	1
28.11 – Manufacture of engines and turbines, except aircraft, vehicle and cycle engines	5	0			5	0
28.22 – Manufacture of lifting and handling equipment	897	1			897	1
28.24 – Manufacture of power-driven hand tools	55	10			55	10
28.25 – Manufacture of non-domestic cooling and ventilation equipment	276	97			276	97
28.92 – Manufacture of machinery for mining, quarrying and construction	24	3			24	3

2. GAR sector information, cont.

Capex

Breakdown by sector – NACE	Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		Total	
	Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
SEKm		Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCA)		Of which environmentally sustainable
28.99 – Manufacture of other special-purpose machinery n.e.c.	286	98			286	98
29.10 – Manufacture of motor vehicles	105	4			105	4
29.20 – Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semi-trailers	27	4			27	4
30.20 – Manufacture of railway locomotives and rolling stock	652				652	
30.40 – Manufacture of military fighting vehicles	445	0			445	0
31.02 – Manufacture of kitchen furniture	14				14	
32.30 – Manufacture of sports goods	1 041	208			1 041	208
32.50 – Manufacture of medical and dental instruments and supplies	1 723				1 723	
32.99 – Other manufacturing n.e.c.	0	0			0	0
33.12 – Repair of machinery	8				8	
33.17 – Repair and maintenance of other transport equipment	5	4			5	4
33.20 – Installation of industrial machinery and equipment	6				6	
35.11 – Production of electricity	3 986	35	31		3 986	35
35.12 – Transmission of electricity	0				0	
35.30 – Steam and air conditioning supply	40	0			40	0
37.00 – Sewerage	33				33	
38.11 – Collection of non-hazardous waste	19				19	
38.12 – Collection of hazardous waste	3				3	
41.10 – Development of building projects	760	107			760	107
41.20 – Construction of residential and non-residential buildings	1 476	512			1 476	512
42.11 – Construction of roads and motorways	60	0			60	0
42.13 – Construction of bridges and tunnels	384				384	
42.21 – Construction of utility projects for fluids	6				6	
42.99 – Construction of other civil engineering projects n.e.c.	8	1			8	1
43.12 – Site preparation	338	0			338	0
43.21 – Electrical installation	17				17	
43.22 – Plumbing, heat and air-conditioning installation	167				167	
43.29 – Other construction installation	1	1			1	1
43.32 – Joinery installation	29				29	
43.99 – Other specialised construction activities n.e.c.	204				204	
45.20 – Maintenance and repair of motor vehicles	1	0			1	0
45.31 – Wholesale trade of motor vehicle parts and accessories	1	0			1	0
46.18 – Agents specialised in the sale of other particular products	3				3	
46.39 – Non-specialised wholesale of food, beverages and tobacco	190				190	
46.42 – Wholesale of clothing and footwear	12				12	
46.43 – Wholesale of electrical household appliances	1				1	
46.46 – Wholesale of pharmaceutical goods	4				4	
46.49 – Wholesale of other household goods	0	0			0	0
46.51 – Wholesale of computers, computer peripheral equipment and software	1 205				1 205	
46.62 – Wholesale of machine tools	0				0	
46.69 – Wholesale of other machinery and equipment	11	3			11	3
46.72 – Wholesale of metals and metal ores	0				0	

2. GAR sector information, cont.

Capex

Breakdown by sector – NACE	Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		Total	
	Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
SEKm		Of which environ-mentally sustainable (CCM)		Of which environ-mentally sustainable (CCA)		Of which environ-mentally sustainable
46.73 – Wholesale of wood, construction materials and sanitary equipment	0				0	
46.74 – Wholesale of hardware, plumbing and heating equipment and supplies	2	0			2	0
46.90 – Non-specialised wholesale trade	0	0			0	0
47.11 – Retail sale in non-specialised stores with food, beverages or tobacco predominating	92	0			92	0
47.19 – Other retail sale in non-specialised stores	3				3	
47.52 – Retail sale of hardware, paints and glass in specialised stores	1	0			1	0
47.59 – Retail sale of furniture, lighting equipment and other household articles in specialised stores	0				0	
47.71 – Retail sale of clothing in specialised stores	3				3	
47.78 – Other retail sale of new goods in specialised stores	1 703				1 703	
49.50 – Transport via pipeline	198				198	
51.10 – Passenger air transport	1				1	
52.10 – Warehousing and storage	2				2	
52.23 – Service activities incidental to air transportation	3	0			3	0
52.29 – Other transportation support activities	1				1	
58.11 – Book publishing	412				412	
58.21 – Publishing of computer games	4 015				4 015	
58.29 – Other software publishing	1				1	
61.20 – Wireless telecommunications activities	216	0			216	0
61.90 – Other telecommunications activities	3				3	
62.01 – Computer programming activities	45	0			45	0
62.02 – Computer consultancy activities	431	1			431	1
62.09 – Other information technology and computer service activities	373				373	
63.11 – Data processing, hosting and related activities	1	0			1	0
66.19 – Other activities auxiliary to financial services, except insurance and pension funding	1				1	
68.20 – Renting and operating of own or leased real estate	10 298	1 782			10 298	1 782
68.32 – Management of real estate on a fee or contract basis	2	1			2	1
69.20 – Accounting, bookkeeping and auditing activities; tax consultancy	10	0			10	0
70.10 – Activities of head offices	109	1			109	1
70.22 – Business and other management consultancy activities	151	1	1		151	1
71.12 – Engineering activities and related technical consultancy	289	0			289	0
71.20 – Technical testing and analysis	13	0			13	0
72.19 – Other research and experimental development on natural sciences and engineering	1				1	
77.11 – Renting and leasing of cars and light motor vehicles	186				186	
78.20 – Temporary employment agency activities	3				3	
79.12 – Tour operator activities	4				4	
80.10 – Private security activities	1				1	
80.20 – Security systems service activities	8				8	
85.10 – Pre-primary education	1				1	
85.20 – Primary education	3				3	

2. GAR sector information, cont.

Capex

Breakdown by sector – NACE	Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		Total	
	Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
SEKm		Of which environ-mentally sustainable (CCM)		Of which environ-mentally sustainable (CCA)		Of which environ-mentally sustainable
86.21 – General medical practice activities	0				0	
86.22 – Specialist medical practice activities	0				0	
86.90 – Other human health activities	1				1	
87.20 – Residential care activities for mental retardation, mental health and substance abuse	63				63	
87.30 – Residential care activities for the elderly and disabled	725				725	
87.90 – Other residential care activities	26				26	
88.10 – Social work activities without accommodation for the elderly and disabled	40				40	
88.99 – Other social work activities without accommodation n.e.c.	2				2	
92.00 – Gambling and betting activities	770				770	
93.29 – Other amusement and recreation activities	0				0	
TOTAL	**37 620**	**2 960**	**32**		**37 620**	**2 960**

3. GAR KPI stock

Turnover

% (compared to total covered assets in the denominator)	2023											
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			Total					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
			Of which Use of Proceeds	Of which transi-tional	Of which enabling			Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which transi-tional	Of which enabling	
GAR – Covered assets in both numerator and denominator														
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	54.86	1.36	1.24	0.00	0.03					55.73	1.36	1.24	0.00	0.03	48.58
Financial undertakings		0.00			0.00					0.26	0.00			0.00	0.52
Credit institutions		0.00								0.05	0.00				0.12
Loans and advances		0.00								0.00	0.00				0.01
Debt securities, including UoP		0.00								0.02	0.00				0.06
Equity instruments		0.00								0.03	0.00				0.05
Other financial corporations										0.21					0.40
of which investment firms															
Loans and advances															
Debt securities, including UoP															
Equity instruments															
of which management companies										0.00					0.00
Loans and advances										0.00					0.00
Debt securities, including UoP															
Equity instruments															
of which insurance under-takings															
Loans and advances															
Debt securities, including UoP															
Equity instruments															
Non-financial undertakings		0.12		0.00	0.03					0.61	0.12		0.00	0.03	1.49
Loans and advances		0.12		0.00	0.03					0.61	0.12		0.00	0.03	1.49
Debt securities, including UoP															
Equity instruments															
Households	54.86	1.24	1.24							54.86	1.24				46.57
of which loans collateralised by residential immovable property	54.84	1.24	1.24							54.84	1.24				40.81
of which building renovation loans	0.02									0.02					0.03
of which motor vehicle loans															0.43
Local governments financing															
Housing financing															
Other local government financing															
Collateral obtained by taking possession: residential and commercial immovable properties															
Total GAR assets	54.86	1.36	1.24	0.00	0.03					55.73	1.36	1.24	0.00	0.03	74.42

3. GAR KPI stock

Capex

% (compared to total covered assets in the denominator)	2023											
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			Total					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
			Of which Use of Proceeds	Of which transi-tional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transi-tional	Of which enabling	
GAR – Covered assets in both numerator and denominator														
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	54.86	1.41	1.24	0.06	0.06		0.00			55.87	1.41	1.24	0.06	0.06	48.58
Financial undertakings		0.02			0.02					0.30	0.02				0.52
Credit institutions										0.05					0.12
Loans and advances										0.00					0.01
Debt securities, including UoP										0.02					0.06
Equity instruments										0.03					0.05
Other financial corporations		0.02			0.02					0.25	0.02				0.40
of which investment firms															
Loans and advances															
Debt securities, including UoP															
Equity instruments															
of which management companies										0.00					0.00
Loans and advances										0.00					0.00
Debt securities, including UoP															
Equity instruments															
of which insurance under-takings															
Loans and advances															
Debt securities, including UoP															
Equity instruments															
Non-financial undertakings		0.16		0.06	0.05		0.00			0.73	0.16		0.06	0.05	1.49
Loans and advances		0.16		0.06	0.05		0.00			0.73	0.16		0.06	0.05	1.49
Debt securities, including UoP															
Equity instruments															
Households	54.86	1.24	1.24							54.86	1.24				46.57
of which loans collateralised by residential immovable property	54.84	1.24	1.24							54.84	1.24				40.81
of which building renovation loans	0.02									0.02					0.03
of which motor vehicle loans															0.43
Local governments financing															
Housing financing															
Other local government financing															
Collateral obtained by taking possession: residential and commercial immovable properties										0.00					
Total GAR assets	54.86	1.41	1.24	0.06	0.06		0.00			55.89	1.41	1.24	0.06	0.06	74.42

4. GAR KPI flow

Turnover

% (compared to flow of total eligible assets)	2023												
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			Total				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total new assets covered
			Of which Use of Proceeds	Of which transi-tional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transi-tional	Of which enabling	
GAR – Covered assets in both numerator and denominator													
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	34.55	2.00	1.42	0.01	0.13		0.00		37.13	2.00	1.42	0.01	0.13	42.69
Financial undertakings		0.01		0.00	0.00				0.03	0.01		0.00	0.00	0.31
Credit institutions		0.00							0.02	0.00				0.11
Loans and advances									0.01					0.04
Debt securities, including UoP														
Equity instruments														0.08
Other financial corporations		0.01							0.01	0.01				0.19
of which investment firms														
Loans and advances														
Debt securities, including UoP														
Equity instruments														
of which management companies									0.00					0.00
Loans and advances									0.00					0.00
Debt securities, including UoP														
Equity instruments														
of which insurance undertakings														
Loans and advances														
Debt securities, including UoP														
Equity instruments														
Non-financial undertakings		0.57		0.01	0.13		0.00		2.55	0.57		0.01	0.13	5.00
Loans and advances		0.57		0.01	0.13		0.00		2.55	0.57		0.01	0.13	5.00
Debt securities, including UoP														
Equity instruments														
Households	34.55	1.42	1.42						34.55	1.42	1.42			37.38
of which loans collateralised by residential immovable property	34.31	1.42	1.42						34.31	1.42	1.42			30.95
of which building renovation loans	0.04								0.04					0.07
of which motor vehicle loans	0.20								0.20					1.21
Local governments financing														
Housing financing														
Other local government financing														
Collateral obtained by taking possession: residential and commercial immovable properties														
Total GAR assets	34.55	2.00	1.42	0.01	0.13		0.00		37.13	2.00	1.42	0.01	0.13	90.21

4. GAR KPI flow

Capex

% (compared to flow of total eligible assets)	2023											
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			Total					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total new assets covered
			Of which Use of Proceeds	Of which transi-tional	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which transi-tional	Of which enabling	
GAR – Covered assets in both numerator and denominator													
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	34.55	1.96	1.42	0.23	0.16		0.01		37.33	1.96	1.42	0.23	0.16	42.69
Financial undertakings		0.00							0.03	0.00				0.31
Credit institutions									0.02					0.11
Loans and advances									0.01					0.04
Debt securities, including UoP														
Equity instruments														0.08
Other financial corporations		0.00							0.01	0.00				0.19
of which investment firms														
Loans and advances														
Debt securities, including UoP														
Equity instruments														
of which management companies									0.00					0.00
Loans and advances									0.00					0.00
Debt securities, including UoP														
Equity instruments														
of which insurance undertakings														
Loans and advances														
Debt securities, including UoP														
Equity instruments														
Non-financial undertakings		0.54		0.14	0.12		0.01		2.75	0.54		0.14	0.12	5.00
Loans and advances		0.54		0.14	0.12		0.01		2.75	0.54		0.14	0.12	5.00
Debt securities, including UoP														
Equity instruments														
Households	34.55	1.42	1.42						34.55	1.42	1.42			37.38
of which loans collateralised by residential immovable property	34.31	1.42	1.42						34.31	1.42	1.42			30.95
of which building renovation loans	0.04								0.04					0.07
of which motor vehicle loans	0.20								0.20					1.21
Local governments financing														
Housing financing														
Other local government financing														
Collateral obtained by taking possession: residential and commercial immovable properties														
Total GAR assets	34.55	1.96	1.42	0.23	0.16		0.01		37.33	1.96	1.42	0.23	0.16	90.21

5. KPI off-balance sheet exposures

Turnover

% (compared to total eligible off-balance sheet assets)	2023											
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Total			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
		Of which Use of Proceeds	Of which transi-tional	Of which enabling		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transi-tional	Of which enabling
Financial guarantees (FinGuar KPI)	0.05		0.00	0.00	0.00		0.00	5.87	0.05		0.00	0.05
Assets under management (AuM KPI)	2.66		0.14	1.67	0.03		0.02	28.00	2.66		0.14	1.67

Capex

% (compared to total eligible off-balance sheet assets)	2023											
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Total			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
		Of which Use of Proceeds	Of which transi-tional	Of which enabling		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transi-tional	Of which enabling
Financial guarantees (FinGuar KPI)	0.03		0.00	0.03	0.00		0.00	25.68	0.03		0.00	0.03
Assets under management (AuM KPI)	4.24		0.26	2.56	0.05		0.04	29.96	4.24		0.26	2.56

Turnover, flow

% (compared to total eligible off-balance sheet assets)	2023											
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Total			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
		Of which Use of Proceeds	Of which transi-tional	Of which enabling		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transi-tional	Of which enabling
Financial guarantees (FinGuar KPI)	N/A		N/A	N/A	N/A		N/A	N/A	N/A		N/A	N/A
Assets under management (AuM KPI)	N/A		N/A	N/A	N/A		N/A	N/A	N/A		N/A	N/A

Capex, flow

% (compared to total eligible off-balance sheet assets)	2023											
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Total			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
		Of which Use of Proceeds	Of which transi-tional	Of which enabling		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transi-tional	Of which enabling
Financial guarantees (FinGuar KPI)	N/A		N/A	N/A	N/A		N/A	N/A	N/A		N/A	N/A
Assets under management (AuM KPI)	N/A		N/A	N/A	N/A		N/A	N/A	N/A		N/A	N/A

1. Nuclear and fossil gas related activities

Nuclear energy related activities		Fossil gas energy related activities	
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

2. Taxonomy-aligned economic activities (denominator)

Turnover

	2023															
	Green Asset Ratio						Green ratio for Asset under Management						Green ratio for financial guarantees			
	(CCM + CCA)		Climate change mitigation		Climate change adaptation		(CCM + CCA)		Climate change mitigation		Climate change adaptation		(CCM + CCA)		Climate change mitigation		Climate change adaptation	
Economic activities	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%
4.26 Pre-commercial stages of advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle							0	0.00	0	0.00								
4.27 Construction and safe operation of new nuclear power plants, for the generation of electricity or heat, including for hydrogen production, using best-available technologies							5	0.00	5	0.00								
4.28 Electricity generation from nuclear energy in existing installations							150	0.02	150	0.02								
4.29 Electricity generation from fossil gaseous fuels							0	0.00	0	0.00								
4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels							0	0.00	0	0.00								
4.31 Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system							0	0.00	0	0.00								
Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	25 470	1.36	25 470	1.36	7	0.00	19 359	2.64	19 359	2.64			2	0.05	2	0.05		
Total applicable KPI	**25 470**	**1.36**	**25 470**	**1.36**	**7.34**	**0.00**	**19 515**	**2.66**	**19 515**	**2.66**			**2**	**0.05**	**2**	**0.05**		

2. Taxonomy-aligned economic activities (denominator)

Capex

	2023																	
	Green Asset Ratio						Green ratio for Asset under Management						Green ratio for financial guarantees					
	(CCM + CCA)		Climate change mitigation		Climate change adaptation		(CCM + CCA)		Climate change mitigation		Climate change adaptation		(CCM + CCA)		Climate change mitigation		Climate change adaptation	
Economic activities	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%
4.26 Pre-commercial stages of advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle							2	0.00	2	0.00								
4.27 Construction and safe operation of new nuclear power plants, for the generation of electricity or heat, including for hydrogen production, using best-available technologies							17	0.00	17	0.00								
4.28 Electricity generation from nuclear energy in existing installations							170	0.02	170	0.02								
4.29 Electricity generation from fossil gaseous fuels							0	0.00	0	0.00								
4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels							1	0.00	1	0.00								
4.31 Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system							0	0.00	0	0.00								
Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	26 505	1.41	26 505	1.41	32	0.00	30 917	4.21	30 917	4.21	1	0.03	1	0.03				
Total applicable KPI	**26 505**	**1.41**	**26 505**	**1.41**	**32**	**0.00**	**31 107**	**4.24**	**31 107**	**4.24**	**1**	**0.00**	**1**	**0.00**				

3. Taxonomy-aligned economic activities (numerator)

Turnover

	2023															
	Green Asset Ratio						Green ratio for Asset under Management						Green ratio for financial guarantees			
	(CCM + CCA)		Climate change mitigation		Climate change adaptation		(CCM + CCA)		Climate change mitigation		Climate change adaptation		(CCM + CCA)		Climate change mitigation		Climate change adaptation	
Economic activities	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%
4.26 Pre-commercial stages of advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle							0	0.00			0	0.00						
4.27 Construction and safe operation of new nuclear power plants, for the generation of electricity or heat, including for hydrogen production, using best-available technologies							5	0.03			5	0.03						
4.28 Electricity generation from nuclear energy in existing installations							150	0.77			150	0.77						
4.29 Electricity generation from fossil gaseous fuels							0	0.00			0	0.00						
4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels							0	0.00			0	0.00						
4.31 Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system							0	0.00			0	0.00						
Other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	25 470	100.00	25 470	100.00	7	100.00	19 359	99.20	19 359	99.20			2	100.00	2	100.00		
Total taxonomy-aligned economic activities in the numerator of the applicable KPI	**25 470**	**100.00**	**25 470**	**100.00**	**7**	**100.00**	**19 515**	**100.00**	**19 515**	**100.00**			**2**	**100.00**	**2**	**100.00**		

3. Taxonomy-aligned economic activities (numerator)

Capex

	2023															
	Green Asset Ratio						Green ratio for Asset under Management						Green ratio for financial guarantees			
	(CCM + CCA)		Climate change mitigation		Climate change adaptation		(CCM + CCA)		Climate change mitigation		Climate change adaptation		(CCM + CCA)		Climate change mitigation		Climate change adaptation	
Economic activities	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%
4.26 Pre-commercial stages of advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle							2	0.01			2	0.01						
4.27 Construction and safe operation of new nuclear power plants, for the generation of electricity or heat, including for hydrogen production, using best-available technologies							17	0.05			17	0.05						
4.28 Electricity generation from nuclear energy in existing installations							170	0.55			170	0.55						
4.29 Electricity generation from fossil gaseous fuels							0	0.00			0	0.00						
4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels							1	0.00			1	0.00						
4.31 Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system							0	0.00			0	0.00						
Other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	26 505	100.00	26 505	100.00	32	0.12	30 917	99.39	30 917	99.39			1	100.00	1	100.00		
Total taxonomy-aligned economic activities in the numerator of the applicable KPI	**26 505**	**100.00**	**26 505**	**100.00**	**32**	**0.12**	**31 107**	**100.00**	**31 107**	**100.00**			**1**	**100.00**	**1**	**100.00**		

4. Taxonomy-eligible but not taxonomy-aligned economic activities

Turnover

	2023															
	Green Asset Ratio						Green ratio for Asset under Management						Green ratio for financial guarantees			
	(CCM + CCA)		Climate change mitigation		Climate change adaptation		(CCM + CCA)		Climate change mitigation		Climate change adaptation		(CCM + CCA)		Climate change mitigation		Climate change adaptation	
Economic activities	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%
4.26 Pre-commercial stages of advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle							0	0.00			0	0.00						
4.27 Construction and safe operation of new nuclear power plants, for the generation of electricity or heat, including for hydrogen production, using best-available technologies							0	0.00			0	0.00						
4.28 Electricity generation from nuclear energy in existing installations							1	0.00			1	0.00						
4.29 Electricity generation from fossil gaseous fuels							46	0.01			46	0.01						
4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels							8	0.00			8	0.00						
4.31 Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system							1	0.00			1	0.00						
Other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	1 020 026	54.35	1 020 026	54.35	0	0.00	185 897	25.33	185 897	25.33			184	5.82	184	5.82		
Taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	**1 020 026**	**54.35**	**1 020 026**	**54.35**	**0**	**0.00**	**185 954**	**25.34**	**185 954**	**25.34**			**184**	**5.82**	**184**	**5.82**		

4. Taxonomy-eligible but not taxonomy-aligned economic activities

Capex

	2023															
	Green Asset Ratio						Green ratio for Asset under Management						Green ratio for financial guarantees			
	(CCM + CCA)		Climate change mitigation		Climate change adaptation		(CCM + CCA)		Climate change mitigation		Climate change adaptation		(CCM + CCA)		Climate change mitigation		Climate change adaptation	
Economic activities	**Gross carrying amount**	**%**	**Gross carrying amount**	**%**	**Gross carrying amount**	**%**	**Gross carrying amount**	**%**	**Gross carrying amount**	**%**	**Gross carrying amount**	**%**	**Gross carrying amount**	**%**	**Gross carrying amount**	**%**	**Gross carrying amount**	**%**
4.26 Pre-commercial stages of advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle							0	0.00			0	0.00						
4.27 Construction and safe operation of new nuclear power plants, for the generation of electricity or heat, including for hydrogen production, using best-available technologies							0	0.00			0	0.00						
4.28 Electricity generation from nuclear energy in existing installations							0	0.00			0	0.00						
4.29 Electricity generation from fossil gaseous fuels							19	0.00			19	0.00						
4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels							0	0.00			0	0.00						
4.31 Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system							0	0.00			0	0.00						
Other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	1 022 004	54.46	1 022 004	54.46	0	0.00	188 771	25.72	188 771	25.72			811	25.65	811	25.65		
Taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	**1 022 004**	**54.46**	**1 022 004**	**54.46**	**0**	**0.00**	**188 791**	**25.73**	**188 791**	**25.73**			**811**	**25.65**	**811**	**25.65**		

5. Taxonomy non-eligible economic activities

Economic activities	Green Asset Ratio, Turnover		Green Asset Ratio, Capex		Green Ratio Asset under Management, Turnover		Green Ratio for Asset under Management, Capex		Green Ratio for financial guarantees, Turnover		Green Ratio for financial guarantees, Capex	
	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%	Gross carrying amount	%
Economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 Pre-commercial stages of advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle in the denominator of the applicable KPI												
Economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 Construction and safe operation of new nuclear power plants, for the generation of electricity or heat, including for hydrogen production, using best-available technologies in the denominator of the applicable KPI							122	0.02				
Economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 Electricity generation from nuclear energy in existing installations in the denominator of the applicable KPI					17	0.00	11	0.00				
Economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 Electricity generation from fossil gaseous fuels in the denominator of the applicable KPI												
Economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels in the denominator of the applicable KPI												
Economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system in the denominator of the applicable KPI												
Other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	1 476 459	58.54	1 473 447	58.42	528 369	72.00	513 823	70.02	2 978	94.13	2 351	74.32
Taxonomy-non-eligible economic activities in the denominator of the applicable KPI	**1 476 459**	**58.54**	**1 473 447**	**58.42**	**528 386**	**72.00**	**513 957**	**70.04**	**2 978**	**94.13**	**2 351**	**74.32**

2.2 Climate change

Policies

- Sustainability Policy
- Environmental Policy

Other policy documents

- Position Statement Climate Change
- Directive on TCFD

Partnerships, memberships and networks

- Energy Efficient Mortgage Initiative (EEMI)
- Hagainitiativet in Sweden
- Science-Based Targets initiative (SBTi)
- Net-Zero Banking Alliance (NZBA)
- Partnership for Carbon Accounting Financials (PCAF)
- Task Force on Climate-related Financial Disclosures (TCFD)

Target

Achieve net-zero emissions by 2050 at the latest and adapt our lending and investment portfolios to the global 1.5° C target.

Energy-related targets

Energy consumption[1]	2023	2022	2021	Baseline year 2017
Reduce energy consumption (heating and electricity) by 15 per cent per m^2 by 2025 (MWh/m^2)	0.19	0.21	0.21	0.25

1) This corresponds to consumption of 0.213 MWh/m^2 in 2025, which would achieve the target.

Climate-related targets

Direct emissions	2023	2022	2021	Baseline year 2019
Reduce Swedbank's direct emissions by 2030 by 60 per cent, corresponding to a reduction of 15 008 tCO_2e[1]	19 777	14 559	9 201	25 014

1) 2019 was selected as the baseline year to reflect a year without the impact of Covid restrictions. The scope of the measurement has been developed since 2019 and includes emissions from the manufacture of employee IT equipment for 2022 and 2023. This is not included in the emissions for 2019. In 2023, emissions for IT equipment amounted to 8 397 tonnes of CO_2e.

Financed emissions targets for year 2019–2030[1]	2022	2021	2020	Baseline year 2019
For mortgages, the target is to reduce financed emission intensity ($kgCO_2e/m^2$) by 39 per cent	8.7	9.1	9.0	9.2
For commercial real estate, the target is to reduce financed emission intensity ($kgCO_2e/m^2$) by 43 per cent	21.0	25.3	25.6	25.1
For power generation, the target is to reduce financed emission intensity (tCO_2e/MWh) by 59 per cent	0.15	0.15	0.15	0.17
For oil & gas (exploration, production and refining), the target is to reduce absolute financed emissions (million tCO_2e) by 50 per cent	2.9	4.6	5.7	6.4
For steel, the target is to reduce financed emission intensity (tCO_2e/tonne) by 29 per cent	0.84	0.80	1.09	0.89

1) Reporting for the years 2020, 2021 and 2022; underlying data is not yet available for 2023. The calculations for the baseline year were adjusted in 2023 as methodologies and the availability of data has improved.

Measures and activities

Internal environmental work

Swedbank's environmental work is based on the bank's Sustainability Policy, which is adopted annually by the Board of Directors. The policy's basis includes the bank's Environmental Policy and the UN Global Compact, which takes into account the precautionary principle.

The bank's facility management department works to improve energy efficiency by securing energy-efficient and space-saving properties and by encouraging property owners to adopt energy-conservation measures in the properties where we operate.

In 2023, the bank's direct emissions increased. The increase is in Scope 3 and is due mainly to increased emissions from the manufacture of employees' IT equipment following an equipment update in 2023.

The bank works actively to reduce the environmental impact from business travel. Internal air travel targets have been set for the Group. The focus is on increasing the share of virtual meetings and reducing the number of trips. In 2023, the target was to maintain the same travel volume as in 2022, which was exceeded slightly. Swedbank will evaluate planning tools to reduce emissions for business travel going forward. In 2023, the option to travel on flights using Sustainable Aviation Fuel (SAF) was introduced. SAF helps to reduce carbon emissions from air travel, while maintaining the necessary business travel volumes. For 2023, Swedbank avoided 21.2 tonnes of CO_2e emissions by using SAF.

Outcome: climate targets for Swedbank's loan portfolio

The majority of Swedbank's climate impact occurs through its customers. These indirect emissions arise in our customers' operations and activities. In 2023, Swedbank continued to support customers in their climate transition. The bank has set climate targets for the year 2030 for five sectors in its loan portfolio; the outcome for these is reported relative to the baseline year (2019) for the measurement period.

For the mortgage sector, the outcome was a decrease of approximately 6 per cent. We see that emission intensity has decreased in both the Baltic countries and Sweden. Going forward, various factors will continue to drive the transition of the real estate sector. Swedbank works actively to help real estate customers with solutions to increase their energy efficiency. One example is that, in 2023, we invested in the company Hemma, enabling Swedbank's private customers in Sweden to receive a free digital energy inspection of their home and then apply to finance improvements through Swedbank.

For the commercial real estate sector, emission intensity also decreased relative to the baseline year 2019. The decrease amounted to approximately 17 per cent.

For the power production and steel sectors, emission intensity has decreased by just over 10 per cent and 6 per cent, respectively, since 2019.

For the oil and gas sector, absolute financed emissions have decreased by approximately 55 per cent since 2019. This means that the target to reduce financed emissions by at least 50 per cent by 2030 has already been met. This is a consequence of Swedbank's strategy to greatly reduce its exposure to oil and gas extraction. Given that the oil and gas sector accounts for the largest share of Swedbank's estimated financed emissions, the reduction also significantly reduces total estimated financed emissions.

Various factors affect the outcome, including the customers' or property's emissions, the bank's exposure and the extent of the customers' total assets. Calculation methods and underlying data are described in detail on pages 246–248.

Climate reporting in accordance with the TCFD

The Task Force on Climate-Related Financial Disclosures (TCFD), which was created by the Financial Stability Board, is a framework that describes how companies can identify the financial impact of climate change on their operations.

Swedbank has chosen to report according to the recommendations in order to provide stakeholders with insight into how climate-related risks and opportunities are managed in the bank. Swedbank has performed scenario analyses to understand how different levels of global temperature rise could affect various sectors. The analysis and its outcome are described in the ESG risk note 3.6, on pages 113–115, which also reports on the bank's risk management and governance of climate risks. The scenario analyses also showed the opportunities that the green transition represents for Swedbank in the form of new business volumes. The results are listed below.

Opportunities in the short term (1–5 years)

- Increased financing need for investments in technology and distribution for the transition in the energy system in the energy sector.
- Expected growth in solar and wind power in both the energy and real estate sectors.
- Increased need for energy efficiency measures in the real estate sector.
- Established relationships with major players make direct climate adaptation possible in the agricultural and forestry sector.
- Develop advisory services focused on transition and integration of climate aspects, related products and issuance of debt and capital instruments in the financial sector.

Opportunities in the medium term (6–15 years)

- Increased investment needs for climate change adaptation to reduce physical risks, mainly in the agricultural, forestry and real estate sectors.
- The transition to more circular and resource-efficient processes could give customers a competitive edge in the real estate sector.
- Increased demand for ESG products and services in all sectors.
- Financing of new technologies, e.g. electrification, digitisation and automation, in all sectors.

Opportunities in the long term (16–25 years)

- Extended growing season in northern Europe due to higher temperatures and longer warm periods could result in increased food and lumber production, benefitting the agricultural and forestry sector.
- A growing bioeconomy could give customers access to new markets and customer segments thanks to increased demand for bioenergy as a renewable raw material in the agricultural and forestry sector.
- Lending to customers who have extensive insights into the impact of climate change and their sector-specific transition needs in the financial sector.

Financed emissions

Financed emissions represent a key element in the climate reporting for financial institutions. Swedbank has calculated financed emissions for the mortgage, commercial real estate, power production, oil and gas, and steel sectors. Accounting is provided for the year 2019-2022, given that underlying data is not yet available for 2023.

Swedbank has used a standardised methodology from the Partnership for Carbon Accounting Financials (PCAF) to measure and calculate its financed emissions. The calculations are based on the following formula:

- Financed emissions = Emissions x Attribution factor
- Emissions = The emissions from the underlying company or asset
- Attribution factor = The bank's financed portion of the total value of the company or asset

Recalculation of data

During 2023, the work to improve the methodology for financed emissions and the quality of underlying data continued. For Mortgages and Commercial Real Estate, the main changes include incorporating the new PCAF estimates published in August 2023; fixing the market value of the baseline year in the attribution factor calculation; and improving and clarifying some data management questions, including increased usage of Energy Performance Certificates (EPC) in the Baltics and updates on emission factors and occupant energy usage estimates in Sweden. For Power Generation slight changes in the outcome mainly due to improvement of the underlying data gathered from the corporates and clarification of scope.

Consequently, the figures are not directly comparable with those published in 2022. Therefore, the historical figures are restated for Mortgages, Commercial Real Estate, and Power Generation.

Mortgages and commercial real estate

Mortgages are defined as loans to consumers to purchase residential housing. Swedbank includes in the calculations all loans to consumers collateralised by buildings. Commercial Real Estate comprises loans to purchase commercial properties.

Swedbank includes all properties used for revenue-generating activities, such as retail, offices, industrial properties and multi-family housing.

Calculation methodology

Calculations of financed emissions for real estate consist of two parts: the attribution factor and the building's emissions.

The attribution factor is equal to the property's loan-to-value ratio fixed at the baseline's market value and for loans opened after 2019, the origination value.

The building's emissions are expressed as the amount of $kgCO_2e$ per year that the building's energy usage generates. The methodology to calculate the building's emissions depends on data availability. In Sweden, for the highest data quality information on heated area, energy consumption, heating source and an emissions factor for each type of energy as well as an estimate on occupant energy usage is used. While in Baltics, information on heated area, the EPC and respective EPC and building type specific PCAF estimate is used.

When such data used in the calculations is lacking or incomplete, estimated figures for heating area and/ or estimates provided by PCAF based only on building type is used. The share of available EPCs for the real estate portfolio differs between Sweden and the three Baltic countries.

Other sectors, corporate lending

Financed emissions have been calculated for Power Generation, Oil & Gas, and Steel sectors. The segments have been chosen based on the sectors' contribution to climate change, the bank's portfolio exposure and data availability.

Calculation methodology

Financed emissions have been calculated by multiplying the company's total emissions by an attribution factor.

The attribution factor is Swedbank's lending to the company divided by the company's total assets. The company's emissions are its reported emission data. If reported data has been inadequate, estimated figures at the sector/portfolio level have been used. Estimated figures have been based on the value of the company's assets, revenue or activity values (e.g. MWh).

Next step

Swedbank continues to improve its calculations and reporting of financed emissions, including by improving data quality and expanding the calculations to include more sectors. As more primary data becomes available, the weighted data quality score according to the PCAF's methodology will improve. Swedbank is committed to continue to provide transparency and comparability in this area by showing its calculation methodologies and computations.

Auto leasing

Through AutoPlan, Swedbank offers fleet administration for businesses. AutoPlan works actively to reduce its climate impact by helping customers develop green car policies, providing support on sustainability issues, and measuring and monitoring their climate impact. In 2023, just over 74 per cent of all newly purchased vehicles were electrified: 48 per cent electric and 26 per cent plug-in hybrids. Of the total number of administered vehicles, 18.3 per cent were electric, compared to 5 per cent of the total market (source: Vroom). AutoPlan is working to increase the share of electrified vehicles in general and all-electric cars in particular, as part of AutoPlan Green Fleet, where a combination of advice, reporting and refinancing is offered. Since 2022, all vehicles that meet the requirements in the Swedbank Sustainable Funding Framework are included in Swedbank's Sustainable Asset Registry.

Company cars

In Sweden, Swedbank offers a leasing programme for employees in which company cars are treated as taxable benefits. Since the programme was introduced in 2006, Swedbank and the Savings Banks have expanded the fleet to more than 1 000 vehicles through various actions. Through the programme, Swedbank can use various incentives to encourage employees to drive more environmentally friendly vehicles. In 2023, more than 97 per cent of new leased vehicles in this programme were all-electric or plug-in hybrids.

Metrics

Asset class	Financed emissions (tCO_2e)[1]			
	2022	2021	2020	2019
Mortgages (Sweden)	161 074	156 108	160 273	159 168
Mortgages (Baltics)	343 766	332 230	320 412	308 925
Commercial Real Estate (Sweden)	128 653	110 962	119 149	129 786
Commercial Real Estate (Baltics)	300 188	307 191	282 001	278 844
Oil and Gas	2 885 186	4 629 558	5 654 610	6 362 263
Power Generation	1 100 159	767 477	980 034	1 220 423
Steel	143 713	167 952	300 415	204 391
Total	**5 062 739**	**6 471 478**	**7 816 895**	**8 663 799**

1) Scope 1 and 2 financed emissions for Mortgages and Commercial Real Estate. Scope 1, 2 and 3 financed emissions for Oil and Gas, scope 1 for Power Generation, scope 1 and 2 for Steel.

Asset class	Physical emission intensity[1]			
	2022	2021	2020	2019
Mortgages (Sweden)	3.2	3.4	3.5	3.6
Mortgages (Baltics)	40.5	41.4	42.6	44.0
Commercial Real Estate (Sweden)	7.3	8.0	9.1	9.6
Commercial Real Estate (Baltics)	110.2	111.5	110.0	103.0
Oil and Gas				
Power Generation	0.15	0.15	0.15	0.17
Steel	0.84	0.80	1.09	0.89

1) For Mortgages and Commercial Real Estate - financed emissions per financed area ($kgCO_2e/m^2$). For Oil and Gas, Power Generation and Steel – Financed emissions per financed activity (Mwh for Power Generation, tonnes for Steel. For Oil and gas focus is on absolute emissions therefore no value neither for financed activity, nor for intensity).

Financed emissions by property type

Mortgages	Gross carrying amount (SEKm)	Financed emissions (tCO_2e)[1]	Financed area ($1000m^2$)	Physical emission intensity[2]	Data quality[4]
	2022	2022	2022	2022	2022
Mortgages (Sweden)	**1 005 809**	**161 074**	**49 661**	**3.2**	**3.7**
Multi-family house (MFH)	350 436	41 909	16 869	2.5	3.6
of which tenant owner rights	260 431	26 380	7 438	3.5	3.7
of which tenant owner associations	88 940	15 162	9 348	1.6	3.3
of which other multi-family house	1 066	367	83	4.4	3.7
Single-family house (SFH)	647 577	104 316	29 060	3.6	3.8
Other	7 796	14 850	3 732	4.0	4.3
Mortgages (Baltics)	**110 512**	**343 766**	**8 483**	**40.5**	**3.5**
Multi-family house (MFH)	67 387	167 256	4 053	41.3	3.4
Single-family house (SFH)	43 080	175 896	4 416	39.8	3.5
Other	45	614	13	45.9	3.8
Total	**1 116 321**	**504 841**	**58 144**	**8.7**	**3.7**

1) Scope 1 and 2 financed emissions.
2) Financed emissions per financed area ($kgCO_2e/m^2$).
3) Gross carrying amount weighted. High quality = 1, low quality = 5

Commercial Real Estate	Gross carrying amount (SEKm)	Financed emissions (tCO_2e)[1]	Financed area ($1000m^2$)	Physical emission intensity[2]	Data quality[3]
	2022	2022	2022	2022	2022
Commercial Real Estate (Sweden)	236 831	128 653	17 725	7.3	3.8
Commercial Real Estate (Baltics)	23 145	300 188	2 723	110.2	3.6
Total	**259 976**	**428 841**	**20 449**	**21.0**	**3.8**

1) Scope 1 and 2 financed emissions.
2) Financed emissions per financed area ($kgCO_2e/m^2$).
3) Gross carrying amount weighted. High quality = 1, low quality = 5

Other corporate sectors[1]	Total exposure (SEKm)[2]	Total exposure (%)[3]	Financed emissions (tCO_2e)[4]	Financed activity[5]	Physical emission intensity[6]	Data quality[7]
	2022	2022	2022	2022	2022	2022
Oil and gas	4 675	92	2 885 186			2.0
Power Generation	35 630	84	1 100 159	7 116 373	0.15	1.9
Steel	5 228	96	143 713	170 175	0.84	1.3
Total	**45 534**		**4 129 057**			

1) Includes only Large Customers. A Large Customer is defined as one who has: (1) Annual turnover > 500 mSEK (50 mEUR) or Assets > 1'000 mSEK (100 mEUR), (2) on and off-balance exposure > 8 mSEK (800 thEUR).
2) Gross carrying amount and off-balance exposure.
3) Against total exposure for the sector including small and medium enterprises based on sector codes.
4) Scope 1, 2 and 3 financed emissions for Oil and Gas, scope 1 for Power Generation, scope 1 and 2 for Steel.
5) MWh for Power Generation, tonnes for Steel. For Oil & Gas, the focus is on absolute emissions. Therefore, no value is provided for financed activity or for intensity.
6) Financed emissions per financed activity.
7) Total exposure weighted. High quality = 1, low quality = 5

Energy class, lending commercial real estate (SEK m)[1]	2023						2022					
	Sweden	Estonia	Latvia	Lithuania	Other	Total	Sweden	Estonia	Latvia	Lithuania	Other	Total
A	1 407	399	1 234	5 602		8 642	1 268					1 268
B	6 814	737	825	3 730		12 106	7 495					7 495
C	13 238	545	482	1 194	5	15 464	13 184				5	13 189
D	21 087	328	119	455		21 988	18 408					18 408
E	25 079	116	102	106		25 403	22 019					22 019
F	12 255	269	38	124	1	12 687	12 016				1	12 017
G	7 694	97	18	62	18	7 889	6 911				16	6 927
H		333				333						
Not classified	109 833	23 387	6 676	11 304	1 810	153 010	112 746	25 200	8 397	17 486	1 309	165 139
Total	**197 408**	**26 210**	**9 494**	**22 576**	**1 834**	**257 523**	**194 048**	**25 200**	**8 397**	**17 486**	**1 331**	**246 462**

1) Non-financial corporations with collateral in commercial properties.

Energy class, mortgage loans (SEK m)[1]	2023						2022					
	Sweden	Estonia	Latvia	Lithuania	Other	Total	Sweden	Estonia	Latvia	Lithuania	Other	Total
A	2 805	4 000	2 330	14 786	70	23 991	2 502	1 441	130	7 841	29	11 943
B	31 187	7 230	589	10 321	112	49 440	26 433	4 315	197	9 209	84	40 238
C	72 682	4 978	288	3 964	93	82 005	66 531	3 883	67	3 590	79	74 150
D	112 686	4 656	170	1 431	55	118 998	106 781	4 228	70	1 196	54	112 329
E	140 180	4 064	625	979	66	145 914	137 705	3 941	472	940	62	143 119
F	68 034	1 427	303	2 186	48	71 998	67 410	1 346	243	1 429	46	70 474
G	21 792	299	14	1 299	12	23 416	21 827	328		339	11	22 505
H		128			1	128		152				153
Not classified	556 595	21 773	16 689	15 334	1 161	611 552	582 887	26 640	18 997	23 324	1 328	653 176
Total	**1 005 962**	**48 555**	**21 007**	**50 300**	**1 618**	**1 127 442**	**1 012 077**	**46 273**	**20 175**	**47 867**	**1 693**	**1 128 086**

1) Households with loans in residential properties.

Auto leasing AutoPlan	2023	2022	2021
Leasing of vehicles (tonnes CO_2e)[1]	145 906	162 333	169 158
Total number of leased cars	42 042	42 204	42 082
Average emissions, new cars CO_2 (g/km)[2]	23	46	71
Average emissions, total CO_2 (g/km)[2]	68	86	99
Average emissions, new company cars in Swedbank CO_2 (g/km)	11	23	43

1) Emissions based on fuel consumption and fuel type per vehicle over one year.
2) Refers to company cars administered by Swedbank by Swedbank AutoPlan.

Greenhouse gas emissions[1], tonnes CO_2e	2023	2022	2021
Total emissions	**19 777**	**14 559**	**9 201**
Emissions by scope			
Emissions scope 1[2]	692	622	466
Emissions scope 2[3]	3 678	5 065	4 787
Emissions scope 3[4]	15 407	8 872	3 948
Emissions by country			
Emissions, Sweden	9 902	7 670	3 842
Emissions, Estonia	3 415	2 782	2 146
Emissions, Latvia	2 718	1 713	1 594
Emissions, Lithuania	3 355	2 039	1 482
Emissions, other[5]	387	355	137
Energy-related emissions according to Scope 2			
Market-based	3 678	5 065	4 787
Location-based	9 302	13 999	14 805

1) Included GHG: carbon dioxide, methane, nitrous oxide and chlorofluorocarbons (refrigerants). In all GHG calculations, Swedbank used Ecometrica software through a system called Our Impact, administered by U&We, which annually revises emission factors. Emissions are reported in accordance with the Greenhouse Gas Protocol (World Resources Institute). The table does not include category 15 Investments.
2) Swedbank's direct emissions. Based on fuel consumption in company-owned cars and refrigerant gas loss. Emissions from cooling equipment are estimated using operational controls (based on weight and type of cooling medium). Emissions from Swedbank's company-owned cars are estimated with the help of the bank's financial control over the vehicles. None of Swedbank's Scope 1 emissions are biogenic.
3) Swedbank's indirect emissions in the form of electricity consumption and heating/cooling. Emissions are estimated based on operational controls in Swedbank's offices/buildings.
4) Swedbank's other indirect emissions from business travel, secure transports, paper consumption, water consumption and waste. None of Swedbank's emissions are biogenic. Emissions from the production of employees' IT equipment, such as computers, monitors, tablets and phones, are included as of 2022. Refers to categories 13 Downstream Leased Assets and Category 15 Investments.
5) Norway, Finland, China and U.S.

Emissions by category, tonnes CO_2e	2023	2022	2021
Sweden			
Office premises	1 299	2 252	1 890
Business travel	3 363	2 566	1 838
Other emissions[1]	5 240	2 852	114
Estonia			
Office premises	1 682	1 860	2 028
Business travel	653	547	112
Other emissions[1]	1 080	375	6
Latvia			
Office premises	1 111	1 192	1 245
Business travel	488	334	336
Other emissions[1]	1 119	187	13
Lithuania			
Office premises	775	900	1 057
Business travel	628	487	84
Other emissions[1]	1 952	652	341
Other countries			
Office premises	279	310	112
Business travel	107	45	24
Other emissions[1]	1	0	1

1) Secure transports and paper consumption, computers, monitors, tablets and phones.

Other environmental data	2023	2022	2021
Energy consumption in our offices (MWh)	68 071	80 555	79 213
– of which Sweden	34 340	43 731	39 183
– of which Estonia	14 893	15 964	16 993
– of which Latvia	8 740	9 631	10 316
– of which Lithuania	9 543	10 002	11 875
– of which Other	555	1 227	846
Electricity consumption in our offices (MWh)	33 148	43 173	40 790
Renewable electricity as a share of total electricity consumption (%)[1]	99.9	99.9	99.9
Paper consumption (tonnes)	591	647	714
Water consumption (m^3/FTE)[4]	4.7	7.5	4
Recycled waste (tonnes)[2]	458	653	529
Incinerated waste (tonnes)[2]	425	391	461
Landfill waste (tonnes)[2]	99	161	183
Hazardous waste (tonnes)[3]	4	3.6	2.2
Compostable waste (tonnes)[2]	85	57	47

1) Renewable energy refers to solar, wind, biomass and hydroelectric.
2) Waste from offices.
3) Refers to a small amount of electrical scrap, batteries and lamps.
4) Swedish consumption is estimated based on the amount of office space in the HQ.

Internal energy consumption[1]	2023	2022	2021
Total emissions from energy consumption (tonnes CO_2e/MWh)[2]	0.071	0.075	0.073
Energy consumption per employee (MWh/FTE)	4.1	5.0	5.0
Energy consumption per m^2 (MWh/m^2)	0.19	0.21	0.21

1) Consumption of energy, heating, cooling and gas.
2) Revised calculation of emissions from included energy types for all years.

Comparative figures, tonnes CO_2e	2023	2022	2021
Total emissions per employee (tonnes/FTE)	1.19	0.91	0.59
Scope 1 and 2 emissions per employee (tonnes/FTE)	0.26	0.36	0.33
Total emissions per office space (tonnes/m^2)	0.055	0.038	0.024
Scope 1 and 2 emissions per office space (tonnes/m^2)	0.012	0.015	0.014
Emissions per income (tonnes/SEKm)	0.27	0.28	0.20
Scope 1 and 2 emissions per income (tonnes/SEKm)	0.06	0.11	0.11

2.3 Biodiversity

Policies
- Sustainability Policy
- Environmental Policy

Partnerships, memberships and networks
- Business@Biodiversity Sweden
- Finance for Biodiversity Pledge (Swedbank Robur)
- MISTRA Biopath
- Nature Action 100 (Swedbank Robur)
- PRB Biodiversity Community

Measures and activities

As a bank, Swedbank plays an important role in restoring and improving the status of biodiversity and ecosystems. By supporting investments that promote sustainable management of ecosystem services, the bank can play a part in protecting important natural resources. Given that the work is at an early stage, there are still few metrics in the area, and it is important to help in the development of concrete measurement methods and data to monitor impacts. In this way, the bank's efforts can be better tracked to ensure that they have the desired effect on the environment and society.

The area is important to Swedbank given that the businesses that the bank finances and in which it invests are dependent on nature for their production needs and supply chains. The loss of biodiversity and climate change are linked and affect each other. Swedbank's Environmental Policy states that the bank will contribute to sustainable use of the earth's resources and will protect nature and biodiversity.

The bank works to reduce its impact on biodiversity, e.g. in its financing for the forestry and agricultural sector. In 2023, a Group-level task force was formed to increase competence, support efforts to meet upcoming regulatory requirements, promote integration in the bank's processes and identify business opportunities. The task force reports to Swedbank's Sustainability Committee.

External collaborations and partnerships are important and create a common understanding of which tools, methodologies and strategies for implementation are available to strengthen biodiversity. Swedbank participates in various collaborations and research projects to support the development of processes, targets and KPIs.

For more information on how Swedbank Insurance and Swedbank Robur work with biodiversity and ecosystems, see pages 214–215.

Global biodiversity framework

In its work to develop processes for biodiversity and ecosystems, the bank receives guidance from the Kunming-Montreal Global Biodiversity Framework (GBF) and its international targets. Swedbank was one of the 154 financial institutions that advocated for the adoption of the framework in December 2022.

During the year, Swedbank, together with other international banks, helped to develop implementation guides for the GBF within the UN Environmental Programme for the Financial Sector (UNEP-FI).

Swedbank has also identified which of the GBF targets are most relevant to develop strategically important activities within, so that the greatest positive impact can be reached.

The bank's work with biodiversity is also based on the Task Force on Nature-Related Financial Disclosures (TNFD); Swedbank previously played a role in developing the TNFD. Impacts, dependencies and natural resources in forestry and agriculture are analysed using the Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) tool to better understand risks and opportunities. Potential impacts through forestry and agriculture lending include high water usage, habitat modification and pollutants. The analysis included Swedbank's home markets and resulted in an activity plan.

The bank's work with TNFD has shown that there are still shortcomings in important data for analysing lending. Another challenge is the bank's exposure to many different sectors and geographical locations, which makes it difficult to identify, measure and monitor its impact on biodiversity.

TNFD's final reporting framework was published in September 2023, and Swedbank will continue to analyse how the framework can be integrated in its operations.

Examples of potential risks and opportunities for Swedbank in the forestry and agricultural sector	
Potential risks	**Potential opportunities**
In the long term, future economic losses linked to the loss of biodiversity could impact the bank and its forestry and agricultural customers and contribute to financial risks.	Currently, there are few bank-related products within biodiversity and ecosystems in the bank's home markets. This could give Swedbank a first-mover advantage.
Physical risks, e.g. drought and extreme weather, could impact Swedbank indirectly.	Opportunities to increase market share through development of new insurance, savings and lending products.
Market risks could arise if customers and new regulations, primarily at the EU level, place new demands on how banks manage biodiversity and ecosystem services.	Increased lending to customers who are interested in reducing their biodiversity impact.

Methodology for estimating nature-related risks
Baltic Banking has developed a methodology to identify and assess risks with the help of the bank's sustainability analysis for corporate lending and the TNFD framework. It takes into account the sector in which the customer operates and assesses whether various nature-related factors can be considered material. In the future, geographical location will also be considered. The work is part of the process of adapting to the European Central Bank's guide on climate-related and environmental risks (2020).

Innovative ways to finance the protection of nature
In 2023, within Baltic Banking, Swedbank launched a loan to finance the conversion of non-forest land to forest. The afforestation loans enable our customers to manage forests more sustainable while simultaneously increasing the market value of land that is not being utilised to its full potential.

During the year, the bank participated in a research study by the Swedish University of Agricultural Sciences. The focus was on developing a method for calculating and quantifying biodiversity credits to preserve and promote biodiversity in Swedish forestry, and to develop biocredits. As part of the project, Swedbank acquired biodiversity credits from Orsa Besparingsskog, which were issued with the help of a biodiversity audit of an 11-hectare forest. There are 91 credits in all. The project will last 20 years, and a biodiversity audit of the area is planned to take place every five years. Through this project, Swedbank hopes to contribute to greater knowledge and a better understanding of how the bank, in collaboration with other parties, can develop various financial incentives to preserve and develop biodiversity.

The Swedbank Sustainable Funding Framework includes the category "Sustainable management of living natural resources", which is aimed at financing assets that support biodiversity and ecosystems on land and at sea. The total volume in this category in 2023 was SEK 1 122m.

S3 Social information

3.1 Own workforce

Policies

- Sustainability Policy
- Policy on Diversity and Inclusion
- Remuneration Policy
- Policy on Human Rights
- Swedbank's Code of Conduct

Other governing documents

- Work Environment Directive

Partnerships, memberships and networks

- Diversity Charters in Estonia, Latvia, Lithuania and Sweden
- WEP, UN Women's Empowerment Principles

Employee targets	2023	2022	2021
Index for sustainable employees >=80	86	85	85
Sickness rate below 2.8 per cent	2.9	3.4	3.2
Engagement index >=80	85	84	85
Recommendation index (eNPS) >=43	44	39	45
Achieve gender parity, 40/60, in upper management	45/55	42/58	40/60
Achieve gender parity, 40/60, at higher levels in the bank with a focus on succession in upper management	57/43	57/43	56/44
Maintain pay parity for equal work and reduce the gender pay gap (pay gap in percentage points)	1.5	1.8	

Measures and activities

Leadership and self-leadership

The role of a leader at Swedbank is to guide their team and employees in their work to realise the bank's Strategic Direction. As a leader at Swedbank, it is important to be able to adapt to changes, opportunities and challenges based on customers' needs, new ways of working and the performance and development of the business. It is also important to embody the bank's culture and values, and to build trust, inspire and show courage. Employees are offered opportunities to develop and find inspiration in pace with changes in the operating environment and are encouraged to take responsibility for their professional development and career. An important part of this development is self-leadership, which means taking ownership and responsibility for one's own development. This includes being a team player who works proactively to deliver results, welcomes change and strives to improve. This fosters innovative thinking and a learning culture that helps the bank to develop.

Sustainable employees

Employees are the foundation of Swedbank's culture and success. This is why the concept of sustainable employees is so important. For Swedbank, it means employees who thrive at work and are happy with their work environment, and who have a suitable work-life balance. Swedbank offers a workplace with scope for variation and flexibility during the workday and where inclusion, development and cooperation come naturally. To encourage sustainable employees, the bank works systemically across the entire Group to identify and manage all types of occupational health and safety issues that can arise as well as to build on our strengths. Extra focus is placed on prevention in relation to sick leave, employee turnover, conflicts and difficulties cooperating, as well as the work-life balance. Swedbank feels that sustainable employees are critical to both employee engagement and a positive customer experience.

Development and implementation of the Swedbank at Work concept is continuing in all of the bank's home markets and comprises both physical and digital work environments as well as the design of workspaces and offices. The concept creates healthy and functional workplaces for efficient workdays and to facilitate and encourage movement and variation during the workday. Swedbank at Work creates open, flexible and inspiring workplaces that enable employees to work in cross-functional teams, to share knowledge and experience, and to develop both as individuals and together.

Diversity and inclusion (D&I)

Swedbank strives to offer an inclusive workplace that is characterised by diversity to reflect the markets where the bank operates and where differences between people are seen as a strength and an opportunity for the bank.

In May 2022, the new position of Chief Diversity Officer (CDO) was created, a rotating two-year responsibility held by a member of the Group Executive Committee. The CDO is responsible for accelerating the bank's proactive work with diversity and inclusion.

A competence development programme on diversity and inclusion was implemented during the year and will continue until 2024 for management. The initiative consists of a reverse mentorship programme and learning sessions with experts in the field.

Gender equality, diversity and inclusion in the bank's operations

To ensure a culture where everyone feels respected and can perform at their best, it is important that diversity and inclusion are integrated in every part of the operations. The aim of the policy for gender equality, diversity and inclusion, which applies to the Board of Directors and its work, is to contribute to sound corporate governance.

To achieve gender parity, the bank has established KPIs to measure wage gaps and the gender balance between managers at various levels, with a focus on successors at the highest executive level. The target is a 40/60 ratio at the highest executive level and in senior positions.

The bank's work with gender equality in recruiting, succession planning and performance development continued during the year. The recruitment process for managers now includes an analysis of diversity, and checkpoints have been added to the annual performance review form to check for unconscious biases.

Swedbank attaches great importance to equal pay for women and men with the same or similar jobs and works continuously to achieve this objective. For more information, see pages 253–254.

Swedbank as an inclusive workplace

The results of the bank's employee surveys, which are conducted several times a year, confirm that employees see Swedbank as an inclusive workplace. Preventing discrimination and harassment is a priority, and there is zero tolerance for all forms of discrimination and harassment. Communication and workshops for managers were implemented during the year for preventive and educational purposes. Whistleblowing and a process for handling reported cases of discrimination and harassment have been established and are carried out by trained investigators in the bank.

Flexibility is an important factor in the equality and diversity work and is a natural part of the bank's way of working. Employees who return from parental leave are offered flexible schedules and can work part-time.

Internal clubs and networks

Swedbank's networks and clubs give employees an opportunity to network and share experiences, which in turn can inspire development, innovation and competence development.

To increase the share of women in areas where they are clearly underrepresented, Swedbank Women in Tech was formed at the end of 2021. The network's aim is to inspire women to consider a future in tech, but it is also intended for women who already work in the field, and is open to everyone regardless of gender. A number of activities were arranged in 2023, including a mentorship programme and a week-long hackathon. The network grew to more than 900 members within the Swedbank Group.

During the year, Swedbank participated in Stockholm Pride, Riga Pride, and Baltic Pride in Tallinn. June was devoted to LGBTQ+ awareness-raising throughout the Group. The bank's Gay, Lesbian, Bi, Trans, Queer and Allies at Swedbank (GLaS) network celebrated its third anniversary in April and continues to work for the inclusion of LGBTQ+ topics in the bank through events, web seminars, and celebrations during Pride and the rest of the year. Since 2022, employees have had the option in anonymous employee surveys to self-identify as a third gender alternative, and signage in the bank's premises is gender-neutral.

External partnerships, memberships and networks

Swedbank participates in several third-party assessments and indexes to continuously evaluate its work with diversity and inclusion. These include the Bloomberg Gender Equality Index 2023 and Financial Times Diversity Leaders in Europe. The bank has signed the UN Women's Empowerment Principles and is one of the founders of the EU's diversity charters in the bank's home markets.

Measures to reduce pay gaps

Gender pay gap

Salary differences between women and men are measured in gross salary per hour worked. At Swedbank the differences have steadily decreased each year, from 38 per cent at the end of 2019 to 29 per cent at the end of 2023, as shown on pages 253–254.

Equal pay

Equal pay for women and men who do the same work is another way to measure wage gaps. At the end of 2023, the pay gap for the Swedbank Group was 1.5 percentage points. For more information on equal pay between women and men at Swedbank, see pages 253–254.

Activities in 2023 to reduce the gender pay gap

- The target of a 40/60 gender ratio is monitored at the levels of the Group Executive Committee, business area/Group Function management teams, subsidiary management teams, all managers and certain higher positions that do not have managerial responsibility.
- Long-term work is carried out on recruiting, succession planning, equal access to competence development, and targeted development programmes in areas where one gender is underrepresented.
- Ongoing review of all HR processes, e.g. the performance development process, to ensure gender neutrality and draw attention to potential gender discrimination where relevant.
- Focus on gender in all remuneration processes.
- Open salary range in the home markets to increase transparency and awareness.
- Special initiatives to encourage women to pursue careers in tech.

Activities in 2023 to maintain equal pay

- Make managers aware of equal pay in all remuneration processes.
- Continuous monitoring through monthly calculations is used to determine whether actions need to be taken in the bank's units.
- Equal pay in salary-setting in external and internal recruitments.
- Potential pay gaps are monitored during the annual salary review process to prevent them from arising.
- Salary reviews for employees on parental leave in Sweden and those who return from parental leave in Estonia, Latvia and Lithuania.
- Where gaps are identified, the reasons are documented. If the gap is due to gender, appropriate measures will be taken.
- Salary analysis in Sweden has been completed.
- In order to maintain and reduce the gap, among other things, a work linked to Equal Pay has been carried out together with Finansförbundet.

Employee surveys and employee engagement

Engaged and proud employees are critical to the bank's success and contribute to a better customer experience, more satisfied customers and more business.

The People Pulse employee survey was conducted twice in 2023 to understand how employees are feeling and find out how well they understand and how they behave in relation to the bank's strategically important areas. The aim of the survey is to track and drive changes in day-to-day behaviour and to foster a continuous dialogue and open feedback culture in all units. The questions relate to nine areas: engagement, loyalty/interest, strategic direction, compensation, work culture, performance development, leadership, sustainable employees, and unequal treatment.

The results show a stable level of engagement and that employees feel good at work. The surveys conducted during the year had high response rates, and the results remained strong.

Donations and volunteer work

In Estonia, the donation portal "I love to help" was established by Swedbank in partnership with the Good Deed Foundation in 2008. It brings together customers and various Estonian charitable organisations to provide assistance to vulnerable areas. Many employees in Estonia, Latvia and Lithuania are involved in various types of volunteer work, such as Summer of Good Deeds, Let's Do It Together, and We Care.

Calculation methodology for collecting employee data

Information is obtained from the bank's HR system and training data from the internal training portal. HR data refers to the headcount as of 31 December 2023.

Metrics

Employee surveys, index	2023	2022	2021
Sustainable Employee Index[1]	86	85	85
Engagement index[1]	85	84	85
– Sweden	83	81	82
– Estonia	88	88	89
– Latvia	87	87	88
– Lithuania	90	90	89
Recommendation index (eNPS)[1,2]	44	39	45
Leadership index	87	86	86

1) Survey sent to all employees.
2) Shows the likelihood of recommending Swedbank as an employer (eNPS). Responses are given on a scale of 0–10, where the share of negative responses (0–6) is subtracted from the share of positive responses (9–10). The score can range anywhere between –100 and 100.

Internal training	2023	2022	2021
Total number of training hours[1,2]	543 885	452 216	497 490
Training costs per FTE (SEK)	6 488	5 461	4 784
– of which mandatory	1 217	1 243	1 149
– of which non-mandatory	5 271	4 218	3 635
– of which women	7 432	6 214	5 498
– of which men	5 033	4 293	3 660
Training hours per FTE[1]	30	29	32
– of which men	24	23	24
– of which women	33	33	38
– of which managers	34	34	44
– of which specialists	29	28	30
Completed training			
– ethics (number)[3]	17 281	16 650	16 593
– sustainability incl. climate (number)	4 819	4 647	7 636
– anti-money laundering and counter-terrorist financing (number)	17 861	17 039	17 625
Number of advisors with Swedsec license[4]	4 222	3 952	3 976
Number of employees who completed the annual knowledge update (ÅKU)[4]	6 170	5 934	6 298

1 The number of training hours measures only the percentage of skills building that takes place through traditional training (e-training and classroom training). The table also includes the savings banks.
2) Share of mandatory training 2023: 19%. Sustainability-related mandatory training for all the bank's employees includes training in sustainability, security, anti-corruption, combating money laundering and terrorism, financial sanctions, work environment, fire safety, privacy issues and climate.
3) Contains a section on anti-corruption policies and procedures.
4) Refers to Sweden.

Employees who have received training in anti-money laundering and counter-terrorist financing, by region (%)	2023	2022	2021
Sweden	98	96	96
Estonia	97	96	99
Latvia	96	96	99
Lithuania	96	96	99
Group total	**97**	**96**	**98**

Employees who have received training in anti-money laundering and counter-terrorist financing, by category (%)	2023	2022	2021
Managers	99	99	99
Specialists	97	95	97

	Number of employees		Percentage of total	
Employees who received anti-corruption training	**2023**	**2022**	**2023**	**2022**
Estonia	**2 661**	**2 545**	**95**	**92**
Managers	281	255	99	93
Specialists	2 380	2 290	94	91
Latvia	**2 026**	**1 932**	**93**	**91**
Managers	221	211	100	95
Specialists	1 805	1 721	93	90
Lithuania	**2 684**	**2 705**	**99**	**96**
Managers	268	266	99	100
Specialists	2 416	2 439	93	95
Sweden	**9 941**	**9 102**	**94**	**91**
Managers	1 041	988	98	93
Specialists	8 900	8 114	94	90
Total	**17 312**	**16 284**	**94**	**92**

Total number of employees by employment contract, by gender[1]	Women	Men	Total
Full-time	10 281	6 510	**16 791**
Part-time	1 107	531	**1 638**
Temporary employment with hourly wage	319	306	**625**
Permanent	10 684	6 598	**17 282**
Temporary	704	443	**1 147**

1) The variation in the number of employees during the year is fairly constant.

Total number of employees by employment contract, by region[1]	Sweden	Estonia	Latvia	Lithuania	Total
Full-time	9 115	2 706	2 144	2 826	**16 791**
Part-time	1 461	99	27	51	**1 638**
Temporary employment with hourly wage	623	0	0	2	**625**
Permanent	9 849	2 685	2 029	2 719	**17 282**
Temporary	727	120	142	158	**1 147**

1) The share of employees who are not employed by the bank is very low. The variation in the number of employees during the year is fairly constant.

Total number[1] and share of new employees by gender, age group and country, %	2023	2022	2021
Women	57	59	58
Men	43	41	42
Under 30 years	49	48	52
30–50	47	47	43
50+	4	5	5
Sweden	54	47	48
Estonia	14	19	14
Latvia	15	14	17
Lithuania	17	20	21

1) Number of new employees: 2023: 2 290, 2022: 2 499, 2021: 2 178.

Total number[1] and rate of employee turnover by gender, age group and country, %	2023	2022	2021
Women	10	12	9.7
Men	11	13	11.5
Under 30 years	14	20	16.6
30–50	9	11	8.4
50+	10	11	8.9
Sweden	9	12	8.8
Estonia	9	14	10.4
Latvia	13	14	11.2
Lithuania	12	14	14.9
Group total	**10**	**14**	**10.3**

1) Number of employees who left the bank during the year: 2 269.

Number of employees who are not employed by Swedbank[1]	2023	2022	2021
Sweden	973	797	
Estonia	25	1	
Latvia	11	4	
Lithuania	18	0	
Total	**1 027**	**802**	

1) Includes employees who work as consultants who provide services such as administration, IT, organisation and legal affairs.

Wage difference CEO compared with employees[1], %	2023	2022	2021
Swedbank Sweden	22.12	22.65	
Swedbank Group	26.54	27.77	

1) Calculated as median salary for Swedbank's employees.

Wage difference women vs. men, managers[1] by country, %	2023	2022	2021
Sweden	–20	–21	–20
Estonia	–25	–25	–27
Latvia	–27	–29	–35
Lithuania	–27	–28	–29
Total	**–27**	**–30**	**–29**

1) Includes managers at every level. HR responsibility is the common denominator for this category.

Wage difference women vs. men, level 1–3 managers by country, %	2023	2022	2021
Sweden	–23	–23	–26
Estonia	–36	–37	–35
Latvia	–14	–11	–17
Lithuania	50	33	27
Total	**–22**	**–26**	**–27**

Wage difference women vs. men, specialists by country, %	2023	2022	2021
Sweden	–18	–18	–20
Estonia	–30	–31	–33
Latvia	–28	–29	–28
Lithuania	–31	–32	–33
Total	**–28**	**–30**	**–31**

Wage difference women vs. men, all employees by country, %	2023	2022	2021
Sweden	–19	–20	–21
Estonia	–30	–30	–33
Latvia	–29	–30	–32
Lithuania	–33	–34	–36
Total	**–29**	**–31**	**–32**

Equal pay gap, %

Sweden	Estonia	Latvia	Lithuania	Total
1.9	1.1	0.9	0	1.5

Level of education, %	2023	2022	2021
Sweden			
University degree	41	41	41
Other university education	10	10	10
Upper secondary school	49	49	48
Other education	0	0	1
Estonia			
University degree	64	65	64
Other university education	10	10	11
Upper secondary school	17	19	19
Other education	9	6	6
Latvia			
University degree	67	66	66
Other university education	16	17	17
Upper secondary school	17	17	17
Other education	0	0	0
Lithuania			
University degree	85	85	84
Other university education	5	5	6
Upper secondary school	5	5	5
Other education	5	5	5

	Number of employees who received performance review[1]			Number of employees who approved performance review[2]			Percentage of employees who received performance review[1]			Percentage of employees who approved performance review[2]		
	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021
Men	**6 427**	**6 070**	**5 987**	**6 168**	**3 486**	**5 163**	**91**	**91**	**100**	**96**	**95**	**86**
Managers	781	778	799	729	326	641	99	99	100	93	89	80
Specialists	5 646	5 292	5 188	5 439	3 160	4 522	90	90	100	96	95	87
Women	**10 260**	**9 808**	**9 185**	**9 940**	**5 825**	**8 594**	**90**	**88**	**100**	**97**	**96**	**94**
Managers	1 034	1 014	984	985	479	867	99	98	100	95	91	88
Specialists	9 226	8 794	8 201	8 955	5 346	7 727	89	87	100	97	97	94
Total	**16 687**	**15 878**	**15 172**	**16 108**	**9 311**	**13 757**	**91**	**89**	**100**	**97**	**95**	**91**

1) In a performance review, the manager and employee evaluate the year's performance. Evaluation and assessment of total performance are documented by the manager and approved by the employee.
2) Approval per 240131

Labour/management relations	2023	2022	2021
Percentage of employees with collective or local agreement or covered by labour law – Sweden[1]	100	100	100
Percentage of employees covered by collective bargaining agreements[2,3]	58	57	58

1) The members of the Group Executive Committee are not covered by collective agreements and the Act on Employment Protection.
2) The share (%) for 2021 and 2022 has been recalculated due to new information.
3) Swedbank has established a Group-level European works council with participants from the various countries where it operates.

Age distribution management and Board of Directors, %	2023	2022	2021
Group Executive Committee			
Under 30 years	0	0	0
30–50	13	13	13
50+	87	87	87
Board of Directors[1]			
Under 30 years	0	0	0
30–50	0	15	18
50+	100	85	82

1) Excluding employee representatives.

Age distribution by country, %	2023	2022	2021
Sweden			
Under 30 years	23	21	21
30–50	52	52	51
50+	25	27	28
Estonia			
Under 30 years	18	19	19
30–50	65	65	66
50+	17	16	15
Latvia			
Under 30 years	19	20	22
30–50	72	72	71
50+	9	8	7
Lithuania			
Under 30 years	22	25	27
30–50	63	61	60
50+	15	14	13

3.2 Human rights

Policies

- Sustainability Policy
- Policy on Human Rights
- Swedbank's Code of Conduct

Other governing documents

- Position Statement Defence Equipment

Measures and activities

The Group Policy on Human Rights serves as the foundation for Swedbank's work on human rights. It is based on the UN Guiding Principles on Business and Human Rights and on the UN Global Compact, which stipulates that Swedbank must act with due diligence. The policy is updated annually and is adopted by the Board of Directors.

Swedbank operates on the premise that the bank, its suppliers, the customers it finances and the companies in which it invests shall respect universal human rights and take precautions and prevent human rights violations. The bank's Policy on Human Rights states that vulnerable groups such as children, seniors, the disabled and minorities must be given special consideration. It complements Swedbank's Sustainability Policy.

Swedbank's Code of Conduct clarifies the bank's values and describes how Swedbank's employees should act with a focus on respecting everyone's equal value. Gender equality and diversity are important to the work environment and corporate culture at Swedbank. In that same spirit, Swedbank strives to ensure representation of people with different backgrounds, ethnicities and ages in its internal and external communication and marketing. For more information on Swedbank's work with gender equality, diversity and inclusion, see page 251.

Sustainability analyses within the core processes of investing, lending and procurement include human rights as a key aspect for assessment. These core processes are defined as material and, as a result, are central to the assessment of human rights risks. The following sections of the Notes describe how these core processes practice due diligence in the bank's operations.

Human rights in financing and investing

In connection with corporate loans, a sustainability analysis is conducted where human rights are taken into consideration. For example, when the analysis is performed, the bank may discuss human rights risks associated with the company's production chain and how the customer manages these risks. The bank also has sector guidelines that its advisors can use which address material sustainability risks, including human rights risks, to facilitate dialogue and risk assessment.

For more information on the sustainability analysis in Swedbank's lending, see page 216.

Swedbank Robur's investment process includes an analysis of all its holdings in terms of how well they live up to international conventions such as the Universal Declaration of Human Rights. The analysis also covers the OECD Guidelines for Multinational Enterprises, the ILO's core conventions and the UN Guiding Principles on Business and Human Rights. Every investment is also preceded by a risk assessment that includes human rights. This assessment is based on the risks associated with factors such as the industry, geographic location or the companies' level of maturity with regard to identifying, preventing and managing social, environmental and corporate governance issues.

To prevent and reduce serious consequences involving human rights, Swedbank Robur engages with companies that have especially high risks and are on Swedbank Robur's watch list. Dialogues can take place in response to an incident, to evaluate the company's sustainability work, including with respect to human rights, or specifically on one or more issues linked to human rights. One example is the risk of enabling or reinforcing human rights violations through the use of internet and telecom services in connection with wars and conflicts, which is therefore a topic brought up in discussions with companies. Another area is children's rights. Children are an especially vulnerable group, and Swedbank Robur has developed a position statement that clarifies children's rights and which it uses to influence companies. A collaboration has been established with Global Child Forum, where Swedbank Robur has combined knowledge and experience with a broad network of contacts in the business community to reach out to companies around the world with a message on the importance of working actively to protect children's rights. Swedbank Robur also conducts stakeholder dialogues with companies in which its funds are major owners.

To address human rights risks in the defence industry, the Group has an overarching position statement on the sector. This statement sets the conditions for the bank's financial services to the sector and is a safeguard against human rights violations. For example, Swedbank has zero tolerance for nuclear weapons and controversial weapons, which means entails that it does not invest in or provide financial services to companies that produce, maintain or trade these weapons.

Supply-chain evaluations

Swedbank assesses risks related to human rights in its procurement process. The scope of the assessment depends on where the supplier is located geographically, which is determined through an initial screening. If the supplier is considered high risk with respect to human rights, a more thorough assessment is conducted. In addition, all suppliers that are part of the bank's central procurement unit must sign Swedbank's Code of Conduct for Suppliers, where respect for human rights is a critical element. Existing suppliers are monitored, mainly through dialogue, to determine whether established demands are being met. For more information on Swedbank's work in this area, see pages 258–259. The monitoring also gives Swedbank an opportunity to consider any changes by the suppliers.

Swedbank's Code of Conduct for Suppliers requires due diligence on human rights. If irregularities are detected, the bank will decide on suitable actions together with the supplier. This could, for example, entail demands to modify operating processes without delay.

S4 Governance information

4.1 Business Conduct

Policies

- Sustainability Policy
- Anti-Bribery and Corruption Policy
- Group Policy On Conflicts Of Interest
- Customer Complaint Policy
- Policy for Customer Protection Risk
- Swedbank's Code of Conduct
- Personal Account Dealing
- The Board of Directors' Remuneration and Sustainability Committee (RSC)
- The Board of Directors' Audit Committee (AC)

Other governing documents

- Group Instruction on Conflicts of Interest
- Group Instruction on Internal Alerts (Whistleblowing)
- Group Instruction on Anti-Bribery and Corruption
- Group Instruction on Financial Sanctions

Partnerships, memberships and networks

- UN Principles for Responsible Banking
- UN Global Compact
- UN Environmental Programme Finance Initiative
- ICC Business Charter for Sustainable Development
- Swedish Bankers' Association's Sustainability Council and Committee
- Committees and task forces within European Savings and Retail Banking Group (ESBG) and European Banking Federation (EBF)
- Institute for Sustainability and Corporate Social Responsibility in Latvia
- Lithuanian Association of Responsible Business
- Nordic CEOs for a Sustainable Future
- Nordic Circular Hotspot

Swedbank supports

- UN Paris Agreement
- UN Sustainable Development Goals (SDG)
- UN Declaration of Human Rights
- UN Guiding Principles on Business and Human Rights

The above are a selection and constitute guiding principles for implementation of sustainability in the bank.

Target

Through strong, efficient internal governance and control, ensure that operations are conducted according to the highest ethical standards.*

Measures and activities

Code of Conduct

Being part of Swedbank and sharing its values means that employees are expected to behave in accordance with Swedbank's Code of Conduct. The Code of Conduct describes how employees are expected to handle business and relationships, and serves as Swedbank's ethics policy. Swedbank conducts its business openly, with integrity and in a way that instils trust. Swedbank's operations are built on the trust of customers, owners, employees, business relations and society as a whole, which is critical for the bank's operations. Decisions must uphold the highest ethical standards. This means that when making a decision, Swedbank places higher demands on decision-making than merely abstaining from improprieties. The requirements placed on decision-making are monitored through various processes, policy documents and KPIs to ensure that the bank maintains a safe distance from improprieties.

To ensure that all employees, including consultants, have received and understood the Code of Conduct, they are annually asked to sign a confirmation. All employees also undergo annual ethics training.

Customer complaints

The Swedbank Group's overarching process for customer complaints allows all employees to register incoming complaints and opinions from the bank's customers. Improvements are continuously made within Swedbank based on incoming complaints. Swedbank's management regularly receives reports from the complaint coordinator. The bank monitors that customer complaints are handled within the allotted time. The Board of Directors is provided with the bank's complaint report in connection with the Annual Report and quarterly reports.

Anti-corruption

On an overarching level, corruption, financial crime and other similar activities constitute a threat to a sustainable society and to the financial system's integrity and stability. Swedbank has absolute zero tolerance for bribes, corruption and other financial crime and activities that represent a threat to the bank's operations and customers, and works to protect the Group against these.

Swedbank's anti-corruption policy is adopted by the Board of Directors. Swedbank has clearly defined processes to assess the risk of bribes and corruption as well as deficiencies in controls. All units within the bank are responsible for conducting an anti-corruption risk assessment, which is then used as a basis for implementing preventive measures. Being employed in the financial sector requires paying close attention to the risk of bribes, corruption and other improper behaviour.

Each unit and subsidiary is responsible for identifying, evaluating and implementing measures to manage and reduce the actual and potential corruption risks they face. To ensure that both employees and consultants have the right competence to manage these risks, annual mandatory ethics training is undertaken and includes anti-corruption. Functions that are considered to have a higher risk of exposure to corruption also conduct specialised anti-corruption training on a more frequent basis.

Whistleblowing ensures compliance

The Group's overarching process for whistleblowing encourages all employees and other stakeholders to report suspicions of potential or actual violations of the Code of Conduct, failure to comply with legislation or noncompliance with Swedbank's policies. The Board of Directors is informed of whistleblower cases in connection with the quarterly reports, and cases that concern Group Compliance, the CEO or any employee in the Group Executive Committee are also addressed by the Board's Audit Committee.

The bank's whistleblower service is available in every native language used in the bank's home markets, as well as in English. Messages are encrypted, allowing the whistleblower to openly or anonymously submit reports and to remain anonymous when in dialogue with the bank. All reports and messages are handled with strict confidentiality, and investigations are conducted with the utmost care while protecting integrity by restricting access to those with clearly defined roles and responsibilities.

In 2023, the bank received 126 reports, 46 of which were assessed as whistleblower cases in accordance with Swedbank's definition of whistleblowing.

Personal information and the General Data Protection Regulation (GDPR)

Swedbank's customers should feel secure in the way the bank handles their personal information. Swedbank uses personal information to provide services, issue payments, and assess credit applications and risks, but also to improve products and quality through customer surveys and market analyses. Personal information is also handled as part of the bank's work to prevent money laundering and terrorism financing, and to prevent and investigate criminal activity. Swedbank has processes in place for using personal information which ensure compliance with the GDPR. Swedbank's Data Protection Officers monitor the bank's compliance with data protection regulations.

Metrics

Compliance[1]	2023	2022	2021
Number of cases	2	0	1
Fines paid (SEKm)	887	0	46.6

1) Refers to cases where Swedbank received a sanction due to non-compliance, which were announced within the framework of the Group's interim reporting.

* The bank has processes and other mechanisms to monitor and control that this target is achieved. Comprehensive training is also an important factor for performance.

Transaction monitoring according to MAR	2023[2]	2022	2021
Number of suspicious orders and transactions (MAR)[1] reported	202	57	63
– of which Sweden	37	17	38
– of which Estonia	43	14	3
– of which Latvia	93	9	11
– of which Lithuania	29	17	11

1) Market Abuse Regulation (MAR). Banks are obligated to report suspicions of market abuse: insider trading, market manipulation and unlawful disclosure of inside information (MAR).
2) The number of reported transactions in 2023 is higher than the previous year's level due to the focus of certain local Baltic authorities on reporting unusual trading patterns.

Whistleblowing	2023	2022	2021
Number of reports	126	110	122

Processing of personal data	2023	2022	2021
Number of queries/complaints from registered parties to data protection officer, total[1]	41	40	8
– of which Sweden	31	17	0
– of which Estonia	1	4	1
– of which Latvia	1	18	4
– of which Lithuania	8	1	3
Number of queries/complaints from data protection authority, total	9	11	19
– of which Sweden	2	0	6
– of which Estonia	1	2	1
– of which Latvia	0	5	3
– of which Lithuania	6	4	9

1) Registered parties that have submitted queries or complaints through correspondence by mail or email to the data protection authority.

4.2 Financial crime

Policies

- Sustainability Policy
- Group Policy on Anti Money Laundering and Countering Terrorist Financing
- Group Policy on Financial Sanctions
- Group Policy on Anti-Bribery and Corruption Policy
- Policy on Anti-Tax Evasion and Aggressive Tax Planning

Other governing documents

- Group Instruction on Anti-Money Laundering and Countering Terrorist Financing
- Group Instruction on Financial Sanctions
- Group Instruction on Anti-Bribery and Corruption
- Group Instruction on Anti-Fraud Governance

Partnerships, memberships and networks

- SAMLIT
- Various partnerships with support of Anti-Money Laundering Act

Target

Prevent the business and its customers from being exploited by or exposed to financial crime.*

Measures and activities

Combating financial crime

Swedbank works actively to combat all forms of financial crime, to prevent fraud and to prevent the bank from being used for illegal transactions with the proceeds of criminal activity as well as transfers intended to finance terrorism.

Compliance with the Group's regulations in this area is monitored through overarching processes to identify and manage financial crime. To achieve its targets, in 2021 Swedbank established various programmes to develop and improve its processes and risk management.

Swedbank continuously improves its routines for reporting suspected cases of money laundering, terrorism financing, fraud and violations of financial sanctions, based on new regulatory requirements and the risks to which the bank is exposed. In 2023, the bank continued to improve its processes for general risk assessment, KYC, customer risk assessment, transaction monitoring, sanctions screening, fraud identification and reporting. Swedbank invests in new technology, recruits additional expertise to protect and assist customers, and impedes criminal elements from using the bank for financial crime.

During the year, the collaboration between the Swedish police, government authorities and banks continued to expand through information-sharing that helps to limit fraud and the illicit gains that drive the criminal economy. In Sweden, Swedbank actively participates in SAMLIT, a collaboration between the police and the banks. Swedbank also takes part in several exchanges of information among private parties; this information-sharing was recently facilitated through legislation. The bank has established a number of mechanisms to monitor and control its exposure to financial crime. Beyond a detailed set of regulations, a number of KPIs are used on a regular basis to measure whether the bank is remaining within its low risk appetite.

Russia's expanded invasion of Ukraine has caused the EU to issue more sanctions than previously, and the bank fills an important societal role by implementing these financial sanctions. Structural projects have been initiated to manage the more stringent requirements placed on the bank's technical systems and processes. In recent years, Swedbank has worked to improve its ability to combat financial sanctions violations by strengthening its legal expertise and through new technical solutions to screen transactions and customer relations.

Swedbank's work relating to fraud and cybersecurity

Fraud remains a large and growing societal problem that feeds organised crime and that affects many individuals every year. In 2023, telephone fraud carried out through social manipulation known as vishing/smishing increased dramatically and is affecting more and more people. Swedbank invests in and continuously improves its resilience and capacity to detect, prevent and investigate these crimes.

The process for issuing BankIDs has been strengthened, which has reduced the number of counterfeit BankIDs. Swedbank has also strengthened its continuous monitoring to identify fraudulent transactions, which has also produced positive results. Together with the Swedish Bankers' Association, the bank has undertaken a campaign to increase awareness of the risk of fraud and has also launched a number of its own information campaigns through its own channels.

In autumn 2023, Swedbank participated in the annual European Cyber Security Month, an initiative established by the European Union Agency for Cyber Security (ENISA) to raise cybersecurity awareness among EU citizens and organisations. During the month, an internal programme was arranged with a number of activities, including lectures open to all of the bank's employees as well as presentations and information campaigns.

Metrics

Transaction monitoring according to SAR	2023	2022	2021
Number of suspicious transactions involving money laundering/terrorist financing (SAR)[1] reported	9 722	11 000	8 598
– of which Sweden	6 927	8 478	6 851
– of which Estonia	933	1 003	608
– of which Latvia	1 379	1 053	748
– of which Lithuania	483	466	391

1) Suspicious Activity Report (SAR). According to the Anti-Money Laundering Act, Swedbank is also obligated, without delay, to report suspicions of money laundering or terrorist financing (SAR) to the Financial Intelligence Unit of the Swedish Police.

* The bank has processes and other mechanisms to monitor and control that this target is achieved. Comprehensive training is also an important factor for performance.

4.3 IT systems and information security

Policies

- Risk Appetite Statement Policy
- Enterprise Risk Management Policy
- Policy for Operational Risk

Other governing documents

- Instruction on Information Security
- IT Instruction

Partnerships, memberships and networks

- The Banks Security Committee of the Swedish Bankers' Association
- National Cyber Security Centre (NCSC) and NCSC's financial forum
- FS-ISAC
- Swedish CERT forum
- Trusted Introducer

Capabilities

- Maintain and improve trust in Swedbank's security work among customers, partners and authorities
- Improved security through simplified security work
- Empower all employees to contribute to greater security

Measures and activities

Strategy for and governance of information security
The security situation in the region neighbouring Sweden and the Baltic countries continues to result in an elevated threat assessment for information security and an increased risk of cyberattacks. The importance of cybersecurity also increases as more financial services are digitised. The purpose of the EU's new Digital Operational Resilience Act (DORA), which will enter into force in January 2025, is to further strengthen the ability of financial organisations to manage various types of disruptions that affect functions that are critical to society.

Swedbank has a strategy for security in which the vision is to be "One step ahead", which requires the bank to have a good overall understanding of the threat assessment and to work proactively to reduce the risk of successful attacks against the bank and our customers. An annual update ensures that the strategy is aligned with the bank's Strategic Direction, the changing threat and risk landscape, and new requirements. Planned measures are designed to strengthen the bank's digital and operational resilience, not least with respect to cyberattacks. Swedbank continuously monitors technological developments and capitalises on new opportunities such as artificial intelligence to better identify discrepancies that could be a sign of potential information security incidents.

Organisation and management
The bank's Chief Information Security Officer (CISO) leads and coordinates Swedbank's information security work. A central function supports the CISO in maintaining and developing the bank's information security system, which is based on the international ISO 27001 standard. The system is comprised of processes, internal regulations and tools to steer, monitor, evaluate and continuously improve the bank's information security work so that information belonging to the bank and its customers is protected. In addition to the central CISO function, designated Information Security Managers and the subsidiaries' own Chief Information Security Officers support the organisation's information security work.

Security testing of IT systems is an important preventive measure. Several different types of tests are conducted, including penetration testing of critical and new or modified IT systems. Red-teaming tests, which involve simulations of advanced cyberattacks against selected IT systems, are conducted as well. Deficiencies identified during the tests are analysed and mitigated. Greater resources have been allocated for testing as threat scenarios intensify. Testing is also carried out annually by external auditors and through third-party certification. The bank's process to continuously scan the IT environment to identify and manage vulnerabilities is also central to its preventive information security work. Customers who are affected by IT incidents and subsequent problems are able to contact the bank regarding their cases. Customers are compensated for actual late fees, but each case is evaluated individually.

Certification
Swedbank's Cyber Defence Center is an accredited Security Incident Response Team (SIRT) and in 2023 it was also certified by Trusted Introducer. The certification is an international recognition of the SIRT's maturity. Swedbank has a comprehensive framework for managing information security risks linked to the use of external suppliers for outsourcing operations and assignments. Compliance with Swedbank's information security requirements is evaluated continuously throughout the life of each contract.

Security-conscious employees
Security-conscious employees are essential to successful security work. The bank's employees and consultants undergo annual training in information security. People in specific roles, such as developers, undergo more in-depth training. The central CISO function's Awareness unit conducts continuous simulated phishing tests to maintain employee awareness of security concerns. Information sessions on current security issues are also arranged, in the form of lectures, webinars or articles on the intranet.

Metrics

Employees who have received training in information security, by country (%)	2023	2022	2021
Sweden	98.6	98.5	94
Estonia	99.7	99.7	96.3
Latvia	99.7	99.2	94.7
Lithuania	99.7	99.6	96.8

4.4 Procurement

Policies

- Sustainability Policy

Other governing documents

- Swedbank Supplier Code of Conduct
- Group Purchasing Instruction
- Outsourcing Instruction

Measures and activities

Swedbank has approximately 3 600 suppliers and annual procurement expenses of approx. SEK 11.6bn for IT and digital banking services, shared internal services, and financial products and services for private and corporate customers.

The goal is to be best in class in sustainable procurement compared to other major Nordic banks. To achieve this goal, the bank works actively to reduce risk in the supply chain while also contributing to innovation and having a positive impact.

Code of Conduct for Suppliers
Swedbank's procurement has an impact on the environment and society, so the bank has established policies and guidelines to encourage more sustainable procurement. Swedbank's Purchasing Instruction, which encompasses the entire bank, states that sustainability demands will be applied for all suppliers before signing a contract and that risks will be investigated and managed effectively.

All new suppliers must sign Swedbank's Code of Conduct for Suppliers to ensure that they comply with the sustainability demands. Noncompliance with the Code of Conduct is managed on an ongoing basis to reduce risks in the supply chain. Noncompliance is escalated to the Procurement Sustainability Committee for approval or denial. In 2023, approximately 40 cases were escalated.

Supplier evaluations
Guidelines are in place to set out how the bank should evaluate and manage risks in the procurement process. Swedbank's digitised procurement process supports the work of monitoring that the correct supplier controls are performed and evaluated systematically.

When potential suppliers are identified during procurement, relevant data is obtained on the supplier, including information on any reputational risks or negative publicity. The supplier also has to answer a questionnaire on sustainability, provided that they are not classified as low-risk suppliers. Swedbank's suppliers are mainly in Europe and more than 99 per cent of them are in markets assessed as low risk. In cases where the supplier has operations or subcontractors in high-risk countries, a more extensive questionnaire is sent out.

Sustainability assessment
In addition to risk, Swedbank's general sustainability questionnaire assesses the extent to which suppliers have developed their sustainability work. For example, suppliers must describe their climate ambitions, their work with circular products and services, and how well their sustainability work is integrated in their operations. This enables Swedbank to choose the top suppliers and products in the field.

During the year, Swedbank conducted process work which resulted in sustainability issues being discussed at an earlier stage as well as being included in the bank's strategies and established plans for future procurement needs in various categories.

One example was the year's procurement of IT services, where category-specific sustainability criteria were evaluated for hardware and data centres. Suppliers with the best overall results advanced to the next step in the procurement process.

To further strengthen IT competence, all purchasing agents received Green IT Procurement training and the bank always reuses IT equipment such as computers and monitors.

Swedbank's Code of Conduct for Suppliers is divided into mandatory requirements and voluntary measures. In 2023, approximately 45 supplier dialogues were held with a focus on compliance with the requirements and the voluntary commitments. For example, Swedbank investigated the climate ambitions of its 50 largest suppliers. The purpose was to influence and increase the share of suppliers who commit to science-based climate targets in accordance with the Paris Agreement. The results of the dialogues showed that 29 had decided on targets aligned with the Paris Agreement.

Metrics

Evaluation of suppliers	2023	2022	2021
Procurement value (SEKm)	11 584	9 473	9 593
Number of active suppliers	3 592	3 653	3 785
Percentage of suppliers registered in countries with low environmental risk[1]	99	99	99
Percentage of suppliers registered in countries with low social risk[2]	99	99	99
Number of supplier dialogues[3]	45	43	46
Number of sustainability evaluations[4]	250	289	129

1) Based on the Environmental Performance Index. All suppliers with risk scores over 50 are considered low risk.
2) Based on the Amfori BSCI index. All suppliers with risk scores over 60 are considered low risk.
3) Supplier dialogues are structured meetings with sustainability agenda managed by Swedbank.
4) Sustainability evaluation conducted on contracted suppliers.

4.5 Taxes

Policies
- Policy for Tax Management
- Sustainability Policy
- Group Policy on Anti-Tax Evasion and Aggressive Tax Planning

Other governing documents
- Tax Transfer Pricing Directive

Measures and activities

Being a good taxpayer and contributing to the community in which it operates is a fundamental part of a company's sustainability work. In accordance with Swedbank's vision of a financially sound and sustainable society, and its values – open, simple and caring – it is important to address tax issues responsibly, ethically and transparently. This responsibility applies to tax issues that affect both the bank and its customers. The loss of tax revenues can cause serious damage to society and adversely impact the functions of the public sector.

Taxes are an important sustainability issue for Swedbank. Since 2008, Swedbank has had a Group-wide Tax Policy adopted by the Board of Directors (available on swedbank.com/sustainability). The policy is updated annually. Swedbank follows Swedish and international tax laws, regulations and standards, but also strives to abide by the intentions of these laws. Swedbank openly reports operating profits, assets and tax costs in the countries where it operates. Swedbank acts transparently in all communication with tax authorities in all these countries and works to maintain strong, long-term relationships based on openness and trust. In situations where there may be alternative interpretations of case law, Swedbank relies on internal and/or external expertise to ensure appropriate and accurate tax interpretations. When needed, Swedbank enters into dialogue with the tax authorities.

Swedbank as a taxpayer
In 2023, Swedbank incurred expenses of SEK 7bn for corporate tax. Swedbank contributes to society by providing jobs and paying SEK 3bn in social security fees for its approximately 17 000 employees. As a financial company, Swedbank incurs costs for non-deductible value-added tax (VAT) of SEK 3bn. Since 1 January 2022, Sweden is also one of approximately ten taxpayers subject to a special bank tax (risk tax for credit institutions) in Sweden of SEK 1bn. In 2023, a bank tax (solidarity tax) was also introduced in Lithuania, which in Swedbank's case amounted to SEK 1.5bn. A portion of the corporate tax that Swedbank pays can be attributed to elevated tax rates that certain countries apply to financial entities. Swedbank's aggregate cost for taxes and social security fees was more than SEK 15bn for 2023. Swedbank's net profit for 2023 amounted to SEK 34bn.

Operating taxes
The sustainability analysis conducted in connection with corporate loan applications requires the borrower to report taxes transparently. Swedbank has internal processes in place to reduce the risk that its operations will be exploited for tax evasion purposes.

Swedbank does not provide tax advice or facilitate arrangements whose purpose is aggressive tax planning. Transactions that include elements that could typically be interpreted as tax-driven receive extra scrutiny. Cases involving difficult assessments can be escalated to the Swedbank Sustainability Committee.

Swedbank withholds, pays and reports the taxes that its private customers owe for interest, dividends and various types of savings.

To fulfil its tax commitments within the Group, Swedbank, in addition to its Tax Policy, has an internal policy covering tax avoidance and aggressive tax planning. This policy has been adopted specifically to ensure that Swedbank's products are not used for tax avoidance purposes or for aggressive tax planning. The Group also works with additional position statements on tax issues, e.g. in Swedbank's sector guidelines and in public positions on investments and asset management.

Internal tax management
Ultimate responsibility for tax management and tax policy rests with the Board of Directors. Swedbank's CEO shall ensure that the tax policy is followed and that the right resources and competence are available to the organisation to manage tax issues. The Group Corporate Tax and Group Operational Tax departments monitor tax compliance, including by annually reviewing the tax statements of large Group companies, questioning any discrepancies between the subsidiaries' effective tax rates and the standard tax rate, and examining the Group's internal pricing. Further, the bank's control functions perform risk-based compliance reviews of documentation, reporting and tax deductions for customers. In addition, externally performed controls are conducted by the tax authorities in the bank's home markets and by US tax authorities with respect to specific US requirements. Swedbank's external auditors review the tax expense and the sustainability report.

Taxes are an area in constant change. Swedbank works continuously to improve the Group's tax management processes and procedures. All activities at Swedbank should be characterised by high ethical standards, where every transaction, relationship and activity is assessed based on the bank's ethical norms and positions. Swedbank shall not pursue aggressive tax planning whose main purpose is to reduce tax costs. Swedbank has a whistleblower process for employees and other stakeholders to report suspicions of misconduct in contravention of the bank's values, policies or ethical norms, including Swedbank's Tax Policy.

Tax issues that entail a material financial risk and/or reputational risk for the Swedbank Group are reported to Swedbank's CEO and Board of Directors. Through an annual materiality analysis, Swedbank evaluates the significance of external tax reporting by its stakeholders.

Swedbank is an active member of the Swedish Bankers' Association's tax committee, which in turn is a consultative committee on new tax legislation.

The Swedish Surtax Act applies as of 1 January 2024. For more information, see Note G3, page 86.

Metrics

2023	Sweden	Estonia	Latvia	Lithuania	Norway	USA	Finland	Denmark	Luxembourg	China	Spain	Total
Primary activities of the organisation[1]	RB, WB, AM, Other	RB, WB, AM, Other	RB, WB, AM	RB, WB, AM	WB, Other	WB, Other	WB, Other	Business being phased out, Other[4]	Business being phased out	WB	Other	
Number of employees[2]	9 831	2 604	1 978	2 600	164	14	50	15		18	1	**17 275**
Revenues from third-party sales (SEKm)[3]	48 222	7 339	4 232	7 931	3 601	−4 857	6 378	139	2	61	10	**73 057**
Revenues from intra-group transactions (SEKm) [3]	2 065	1 181	1 047	1 477	−2 013	5 078	−5 724	−6		−21		**3 083**
Operating profit (SEKm)[3]	26 867	5 777	3 253	5 305	1 651	197	530	18	1	19	4	**43 622**
Tangible assets (SEKm)	3 773	346	335	782	225	25	26			31		**5 544**
Tax expense – paid (SEKm)	3 970	761	108	498		1	89	5		11	0	**5 443**
Current tax expense – accrued (SEKm)	4 223	826	684	961	452	43	107	−11	0	3	1	**7 289**
Non-deductible VAT (SEKm)	1 665	215	130	248	9		11					**2 278**
Social security contributions (SEKm)	1 980	359	159	18	42	2	2	3		4		**2 569**
Bank tax (SEKm)	1 170			1 505								**2 675**
Effective tax rate, excl. temp differences/tax previous years (%)[5]	15.7	14.3	21.0	18.1	27.3	21.9	20.3	−61.1	6.1	17.5	26.9	**16.7**
Statutory tax rate (%)	20.6	20.0	20.0	20.0	25.0	25.0	20.0	22.0	25.0	25.0	25.0	
Difference current/ statutory tax rate (%)	−4.9	−5.7	1.0	−1.9	2.3	−3.1	0.3	−83.1	−18.9	−7.5	1.9	
Difference current/ statutory tax (SEKm)	−1 312	−329	33	−100	39	−6	1	−15	0	−1	0	**−1 690**
Explanation difference current/statutory tax (SEKm)												
Special tax rate for insurance business	−171											**−171**
Associated companies reported after tax	−142				−8			−15				**−165**
Non-deductible interest on subordinated loans	372											**372**
Non-deductible administrative fine from Swedish SFA	175											**175**
Temporary differences (current tax on other date)	−1 626	−219	34	−48	2	0	0	0		−1		**−1 858**
Variable tax rate within jurisdiction				−14	−2							**−16**
Other	79	−110	−1	−37	47	−6	1	1	0	−1	0	**−27**

1) RB-Retail banking, WB-Wholesales banking, AM-Asset management.
2) Number of Group employees at year-end excluding long-term absentees in relation to hours worked expressed as full-time positions.
3) Amounts are based on consolidated financial statements. Intra-group transactions within each jurisdiction have been eliminated.
4) Swedbank's Danish branch office is deregistered as of 31 December 2023; remaining are the operations of other subsidiaries and associated companies.
5) This reporting is in line with GRI's framework, which is why only current tax may be used when calculating the effective tax rate, compare note G19.

List with names of tax resident entities per jurisdiction can be found at swedbank.com/investor-relations/risk-and-capital-adequacy.html

GRI Index 2023

Swedbank reports according to the GRI Standards (GRI 1: Foundation 2021). Shown below are the GRI indicators associated with the key topics that have been defined based on the bank's materiality analysis and impact analysis. For each material sustainability area one or more of GRI's relevant disclosures are presented below with GRI's designations. For material topics that lack GRI disclosures, the bank's own disclosures, which lack GRI designations, have been used.

GRI standard/ other source	Disclosure	Location	Omission: Requirement(s) omitted	Omission: Reason	Omission: Explanation
General disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	76			
	2-2 Entities included in the organization's sustainability reporting	192–193, 209			
	2-3 Reporting period, frequency and contact point	76, 209, 289–290			
	2-4 Restatements of information	22, 209, 215–217, 245–246, 249, 254			
	2-5 External assurance	1, 209, 279			
	2-6 Activities, value chain and other business relationships	9–16, 95–96, 124, 192–193, 258–259	2-6 b	Information unavailable/ incomplete	Reporting on the value chain will be developed in the coming years with a focus on boundaries and downstream activities.
	2-7 Employees	251–254, 270			
	2-8 Workers who are not employees	253			
	2-9 Governance structure and composition	48–68, 210	2-9 c.vi. Underrepresented groups	Information unavailable/ incomplete	Underrepresented groups are a KPI that Swedbank does not apply today. Data consolidation is scheduled to be evaluated in the coming years.
	2-10 Nomination and selection of the highest governance body	51–56, 251			
	2-11 Chair of the highest governance body	51–52, 62, 67			
	2-12 Role of the highest governance body in overseeing the management of impacts	48–68, 210, 255			
	2-13 Delegation of responsibility for managing impacts	48–68, 210			
	2-14 Role of the highest governance body in sustainability reporting	210			
	2-15 Conflicts of interest	48–49, 51–53, 62–66			
	2-16 Communication of critical concerns	56, 210, 256–257			
	2-17 Collective knowledge of the highest governance body	53–54, 56, 210			
	2-18 Evaluation of the performance of the highest governance body	52, 210			
	2-19 Remuneration policies	56, 131–134, 210			
	2-20 Process to determine remuneration	32, 50–51, 56, 131–134, 267			
	2-21 Annual total compensation ratio	253			
	2-22 Statement on sustainable development strategy	5–7			
	2-23 Policy commitments	49, 210, 245, 255			
	2-24 Embedding policy commitments	49, 210, 252–253, 256			

GRI standard/ other source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
	2-25 Processes to remediate negative impacts	210, 256–257			
	2-26 Mechanisms for seeking advice and raising concerns	210, 216, 256–257			
	2-27 Compliance with laws and regulations	256–257			
	2-28 Membership associations	214, 216, 245, 249, 251, 255–258			
	2-29 Approach to stakeholder engagement	25, 211, 213, 267			
	2-30 Collective bargaining agreements	254			
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	25, 211–213, 267			
	3-2 List of material topics	25, 211–212			
Sustainable advice, products and services					
GRI 3: Material topics 2021	3-3 Management of material topics	210, 214			
G4-FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues	214–215			
G4-FS6	Percentage of corporate portfoio by region, size and sector	95–96			
G4-FS7	Monetary value of products and services that have positive social effects indicated by business area and purpose	216–218			
G4-FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	26, 31, 216–217			
Climate change					
GRI 3: Material topics 2021	3-3 Management of Material topics	22, 210, 113–115, 210, 245			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	245–249			
	305-2 Energy indirect (Scope 2) GHG emissions	245–249			
	305-3 Other indirect (Scope 3) GHG emissions	245–249			
	305-4 GHG emissions intensity	245–249			

GRI standard/ other source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
Biodiversity and ecosystems					
GRI 3: Material topics 2021	3-3 Management of Material topics	210, 249–250	3-3 e, f	Information unavailable/ incomplete	Swedbank is developing processes and methods to assess risks. Data collection is also a priority, where external collaborations and partnerships are important. The work is still in the early stages and there are still few metrics in the area. It is important in the coming years to continue to develop concrete measurement methods to monitor impacts.
GRI 304: Biodiversity 2016	304-2	249–250	304-2 b	Information unavailable/ incomplete	Same as above
Own workforce					
GRI 3: Material topics 2021	3-3 Management of Material topics	21, 29, 210, 251–254, 255, 268			
GRI 401: Employment 2016	404-1 Average hours of training per year per employee	253			
GRI 3: Material topics 2021	3-3 Management of Material topics	21, 29, 210, 251–254, 255, 268			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	252			
	404-3 Percentage of employees receiving regular performance and career development reviews	254			
GRI 3: Material topics 2021	3-3 Management of Material topics	21, 29, 210, 251–254, 255, 268			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	251–254	405-1 a iii	Not applicable.	Strong limits on storing data on many different diversity indicators. Survey on opportunities for self-identification in the coming years.
	405-2 Ratio of basic salary and remuneration of women to men	252–254			
Business conduct					
GRI 3: Material topics 2021	3-3 Management of Material topics	210			
GRI 201: Economic performance 2016	201-3 Defined benefit plan obligations and other retirement plans	131–134, 153–154			
GRI 3: Material topics 2021	3-3 Management of Material topics	210			
GRI 207: Tax 2019	207-1 Approach to tax	259–260			
	207-2 Tax governance, control, and risk management	259–260			
	207-3 Stakeholder engagement and management of concerns related to tax	259–260			
	207-4 Country-by-country reporting	259–260			
GRI 3: Material topics 2021	3-3 Management of Material topics	210, 256–257			
Business conduct: Own indicator	Number of suspicious orders and transactions reported	257			

GRI standard/ other source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
Business conduct: Own indicator	Number of complaints from registered parties to data protection officer	257			
Business conduct: Own indicator	Number of complaints from Swedish Data Protection Authority	257			
Financial crime					
GRI 3: Material topics 2021	3-3 Management of Material topics	5, 7, 57, 210, 257			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	257	205-1	Information unavailable/ incomplete	The percentage, type of corruption risk identified through the risk assessment in each core process, total number analysed based on corruption risks measured for certain activities, and KPIs for the Group as a whole therefore cannot be presented. Swedbank is working actively to develop its risk assessments.
Financial crime: Own indicator	Number of corporate customers risk assessed based on business ethics aspects	216			
Financial crime: Own indicator	Number of transactions involving suspected money laundeering/terrorism financing reported	257			

PRB Self-Assessment

The following table shows page references in Swedbank's Annual and Sustainability Report where PRB reporting is presented. Swedbank's PRB Self-Assessment follows the Principles of Responsible Banking's requirements. Areas 2.1, 2.2, 2.3 and 5.1 have been reviewed by PwC (limited assurance) in accordance with the assurance report on page 279.

Principle 1: Alignment

Swedbank aligns its business strategy to be consistent with and contribute to individuals' needs and society's targets, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

1.1 Description of business model

With around seven million private customers and 550 000 corporate customers, Swedbank is one of the leading banks for the many households and companies in our four home markets: Sweden, Estonia, Latvia and Lithuania. The bank's main customer segments are private customers, corporate customers, tenant owner associations, the public sector and financial institutions. Based on largest sector exposure, Swedbank's corporate lending comprises property management, agriculture, forestry and fishing, manufacturing, and the retail and wholesale trade.

Links and references
Swedbank Annual and Sustainability Report 2023, pages 12–13, 15–16
Factbook 2023, page 2

1.2 Strategy alignment

Does your corporate strategy identify and reflect sustainability as a strategic priority for your bank?

● Yes ○ No

Does your bank reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

- ● UN Guiding Principles on Business and Human Rights
- ● International Labour Organization fundamental conventions
- ● UN Global Compact
- ○ UN Declaration on the Rights of Indigenous Peoples
- ● Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk – please specify which ones:
  –Task Force on Climate-related Financial Disclosures, TCFD, Finance for Biodiversity Pledge (Swedbank Robur), Principles for Responsible Investments, PRI (Swedbank Robur), EU Taxonomy, ECB's Expectations on Climate related and environmental risks, Pillar 3
- ○ Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery – please specify which ones:
- ○ None of the above

Swedbank has committed to adapt to the Paris Agreement and the Sustainable Development Goals.

Swedbank will reach net zero by 2050 and align its lending and investment portfolios. Swedbank has set emissions reduction targets for parts of the loan portfolio to help limit global warming to 1.5˚C. Swedbank Robur has set targets to align its aggregate AUM with the Paris Agreement's goal to limit global warming to 1.5˚C and to be net zero by 2040.

Links and references
Swedbank Annual and Sustainability Report 2023, pages 9–13, 22, 214, 245, 249, 255–256
https://swedbank.com/sustainability/environment/environmental-targets/climate-targets.html
https://swedbankrobur.se/en/

Principle 2: Impact and Target Setting

Swedbank will continuously increase its positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from the bank's activities, products and services. To this end, Swedbank will set and publish targets for areas where the bank has the most significant impacts.

2.1 Impact analysis (Step 1)

a) Scope
The impact analysis was completed using UNEP-FI's Portfolio Impact Analysis Tool v.2 in 2021. Products and services were analysed for the private and corporate business in Sweden, Estonia, Latvia, Lithuania and Norway. Asset management, insurance and capital market products were not included in the analysis.

Links and references
https://swedbank.com/sustainability/reporting-monitoring.html

b) Portfolio composition
Swedbank considered the composition of the portfolio (in %) in the analysis. Products and services and the corporate sector were analysed in Sweden, Estonia, Latvia, Lithuania and Norway. The corporate portfolio was divided up at NACE-sector level two. See the bank's current composition at a sector level on pages 95–96.

Links and references
Swedbank Annual and Sustainability Report 2023, pages 95–96

c) The bank's portfolio impacts in the context of society's needs
UNEP FI has integrated country risks for each country in the analysis tool, which affects which areas end up as priorities, both positive and negative.

According to the impact analysis, some of Swedbank's most important priority areas are, based on a positive impact, the following: inclusive and sound economies as well as employment. Swedbanks primary negative impact is in the areas of climate change and resource efficiency. For Swedbank's target setting, the areas of climate change mitigation, climate change adaptation, resource efficiency, inclusive and sound economies, and employment have been prioritised. The areas are defined by the UN.

Links and references
Swedbank Annual and Sustainability Report 2023, pages 95–96
https://swedbank.com/sustainability/reporting-monitoring.html

d) Result:
The results of the analysis show that Swedbank, through its business, plays an important role in society and its development. This is mainly in the areas of housing, inclusive sound economies, and employment, where Swedbank has the biggest impact in a positive direction. Particularly in sectors such as real estate and manufacturing. The bank's positive impact in the area of housing is based on increased access to housing opportunities, e.g. in the form of financing for individuals as well as construction and real estate companies. The bank also contributes positively to inclusive sound economies by contributing to increased availability of secure financial services.

This in turn generates a positive impact on SDG 8 Decent work and economic growth and SDG 11 Sustainable cities and communities.

The results also show that Swedbank, through his business, has an important commitment to limit its negative impacts, especially in environmentally related areas such as climate change, biodiversity, waste and resource efficiency. In these areas the bank also has a positive impact e.g. on food accessibility and livelihoods, but at the same time potential for improvement in the property management, manufacturing, agriculture, forestry and fishing sectors as well as certain parts of the energy sector.

Resource efficiency and climate change mitigation are key areas that for example impact SDG 12 Responsible consumption and production and SDG 13 Climate action.

Links and references
https://swedbank.com/sustainability/reporting-monitoring.html

Which of the following components of the impact analysis has your bank completed in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?

Scope:	● Yes	○ In progress	○ No
Portfolio composition:	● Yes	○ In progress	○ No
Context:	● Yes	○ In progress	○ No
Result:	● Yes	○ In progress	○ No

Which areas have you identified as most significant for your bank, as a result of the impact analysis?
Climate change mitigation, climate change adaptation, resource efficiency, inclusive and sound economies, and employment.

How recent is the data used in the impact analysis?
● Longer than 18 months prior to publication

2.2 Target Setting (Step 2)

Swedbank's climate targets align with the Science Based Targets initiative and Net-Zero Banking Alliance, and with the goal to limit global warming to 1.5°C.

Swedbank's financial health target is to empower one million people to improve their financial health by 2030. The term financial health is based on the UN's definition, "feeling secure in your personal finances, having control, resilience and economic freedom". Swedbank's financial health target is supported by several of the SDG's, including SDG 1 Eradicate poverty, SDG 5 Gender equality and SDG 10 Reduce inequalities.

Links and references
Swedbank Annual and Sustainability Report 2023, pages 22, 218, 245–249

b) Baseline year:

The baseline year for the climate targets for the credit portfolio is 2019.
The baseline year for the target on financial health is 2022.

Links and references
Swedbank Annual and Sustainability Report 2023, pages 22, 245

c) "SMART" targets:
Target 1
The 2019-2030 climate targets for the credit portfolio align with the global 1.5°C target and comprise the following sectors: mortgages, commercial real estate, power generation, oil and gas, and steel.

- For mortgages, the target is to reduce financed emissions intensity ($kgCO_2e/m^2$) by 39 per cent.
- For commercial real estate, the target is to reduce financed emissions intensity ($kgCO_2e/m^2$) by 43 per cent.
- For power generation, the target is to reduce financed emissions intensity (tCO_2e/MWh) by 59 per cent.
- For oil & gas (exploration, production and refining), the target is to reduce absolute financed emissions (tCO_2e) by 50 per cent.
- For the steel sector, the target is to reduce financed emissions intensity (tCO_2e/tonne) by 29 per cent.

Target 2
To empower one million people to improve their financial health by 2030.

Business targets to meet the financial health target:
- Number of assisted advisory meetings, Swedish Banking, 300,000 by 2025
- Number of private customers with long-term savings, Baltic Banking, 900,000 by 2030

Links and references
Swedbank Annual and Sustainability Report 2023, pages 17, 22, 218

d) Action plan:
Swedbank will continue to develop products and advisory services that facilitate the transition towards the 2030 targets. Swedbank is also working to improve internal systems to store and access relevant data as a way to facilitate effective governance. Data quality and calculations will be improved as both the target-setting methodology and research in the field develop over time. The same applies to SDG 2, where the bank supports customers and contribute to the transition by channelising capital flows to responsible investments. Both targets are integrated in the bank's governance structure with relevant monitoring.

Links and references
Swedbank Annual and Sustainability Report 2023, pages 22, 218, 245–249

	First area of most significant impact: Climate change mitigation and climate change adaptation	**Second area of most significant impact:** Resource efficiency, inclusive sound economies and **employment**
Alignment:	● Yes ○ In progress ○ No	● Yes ○ In progress ○ No
Baseline year:	● Yes ○ In progress ○ No	● Yes ○ In progress ○ No
SMART targets:	● Yes ○ In progress ○ No	● Yes ○ In progress ○ No
Action plan:	● Yes ○ In progress ○ No	● Yes ○ In progress ○ No

2.3 Target implementation and monitoring (Step 2)

Swedbank worked during the year to implement climate targets in the loan portfolio, including by continuing to develop products and services to support our customers in their green transition. For example, Swedbank is working actively to help our real estate customers with solutions to improve energy efficiency. One example of this is that we in 2023 invested in the company Hemma, where Swedbank's private customers in Sweden can receive a free digital energy inspection of their home and then apply to finance improvements through Swedbank.

Swedbank's focus on financial health affects several areas in the bank, such as technological platforms, the bank's routines, advisory services and pricing. Development will unfold in stages, where small cornerstones are tested and then can be scaled up.

Links and references
Swedbank Annual and Sustainability Report 2023, pages 218, 245–249

Principle 3: Clients and Customers

Swedbank will work responsibly with its clients and customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers in place to encourage sustainable practices?

● Yes ○ In progress ○ No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

● Yes ○ In progress ○ No

During the year, Swedbank worked on developing and strengthening sustainability-oriented products and services to help customers become more sustainable. Swedbank's governing sustainability framework is also applied to our customers via policies (adopted by the Board), instructions/position statements (adopted by the CEO) and sector guidelines.

Swedbank 's ESG analysis for large corporates was further refined in 2022 and is an important part of the lending process. The bank's sector guidelines are also used to analyse corporate clients' sustainability risks.

Links and references
Swedbank Annual and Sustainability Report 2023, pages 214–215

3.2 Business opportunities

Swedbank's vision is a financially sound and sustainable society. To promote sustainable growth, it is essential that Swedbank allocate capital to firms whose business models contribute to the needed transition. Engagement and interest in sustainability are rapidly increasing. Swedbank therefore intensified its efforts to develop and strengthen sustainability-oriented products and services. Swedbank Robur offers sustainability funds.

Other products are green, social and sustainable bonds, products and services in connection with energy transition, sustainability linked loans, green loans, green mortgages and solar energy loans.

Links and references
Swedbank Annual and Sustainability Report 2023, pages 214–218

Principle 4: Stakeholders

Swedbank will proactively and responsibly consult, engage and partner with relevant stakeholders to contribute to the SDGs.

4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders you have identified as relevant in relation to the impact analysis and target setting process?

● Yes ○ In progress ○ No

A continuous dialogue is maintained with many different groups in society. Swedbank's main stakeholder groups are customers, employees, owners and society as a whole. Issues that have been addressed and which the bank partnered with stakeholders on during the year are reported on page 213.

Links and references
Swedbank Annual and Sustainability Report 2023, pages 211–213

Principle 5: Governance & Culture

Swedbank will implement its commitment to these Principles through effective governance and a culture of responsible banking.

5.1 Governance structure for implementation of the principles

Does your bank have a governance process in place that incorporates the PRB?

● Yes ○ In progress ○ No

Swedbank implements the principles through effective governance and a culture of responsible banking. The bank's governance structure includes sustainability and enables long-term value creation for the bank's owners and other stakeholders. For more information on governance of sustainability, see page 210. The bank's specific PRB targets are part of its overarching governance structure.

Swedbank integrates sustainability in its business decisions, activities and business development. With Swedbank's Performance Development process, individual performance criteria are set in order to contribute to and support Swedbank's overarching strategic direction, of which sustainability is an important part. Furthermore, sustainability risks are integrated in Swedbank's remuneration practices by including qualitative and individual performance criteria as the basis for awarding variable remuneration to all employees, e.g. compliance with Swedbanks values, and by applying deferral periods and the payment of variable remuneration in the form av financial instruments for the majority of employees. No external remuneration consultants have been hired.

Links and references
Swedbank Annual and Sustainability Report 2023, pages 46–61, 210

5.2 Promoting a culture of responsible banking

Swedbank has implemented a number of initiatives and measures to monitor and support the integration of sustainability in its business.

Links and references
Swedbank Annual and Sustainability Report 2023, pages 210, 256–257

5.3 Policies and due diligence processes

Swedbank has a governance system that facilitates an effective governance structure. Swedbank's policies, position statements and guidelines in the area serve as the basis for governance of Swedbank's sustainability work. The bank has a a Sustainability Committee whose purpose is to support effective governance in the area of sustainability. The role of the Sustainability Committee is to guide the organisation to minimise sustainability risks and any negative impacts by and for the bank. There is also a system for whistleblowing, both internally and externally. For the bank's employees processes are in place to ensure a good corporate culture.

Links and references
Swedbank Annual and Sustainability Report 2023, pages 46–61, 210, 256–257

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

● Yes ○ In progress ○ No

Does the governance system entail structures to oversee PRB implementation?

● Yes ○ In progress ○ No

Does your bank have measures in place to promote a culture of sustainability among employees?

● Yes ○ In progress ○ No

Principle 6: Transparency and accountability

Swedbank will periodically review its individual and collective implementation of these Principles and be transparent about and accountable for its positive and negative impacts and its contribution to the SDGs.

6.1 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

● Yes ○ Partially ○ No

Pricewaterhouse Coopers AB (PWC) has reviewed Swedbank AB's sustainability report and paragraphs 2.1, 2.2, 2.3 and 5.1 in Swedbank AB's self-assessment of the PRB for 2023.

Links and references
Swedbank Annual and Sustainability Report 2023, page 279

6.2 Reporting on other frameworks

Does your bank disclose your bank disclose sustainability information in any of the listed below standards and frameworks?

- ● GRI
- ○ SASB
- ● CDP
- ○ IFRS Sustainability Disclosure Standards (to be published)
- ● TCFD
- ● Other: SBTi, Net Zero Banking, UN Global Compact

Links and references
Swedbank Annual and Sustainability Report 2023, pages 261–264, 269–270

6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis, target setting and governance structure for implementing the PRB)? Please describe briefly.

The Swedbank Group has adopted an overarching position statement on climate change, and our position is clear. We want to actively contribute to a more sustainable society and focus on transitioning our operations so that we can meet the demands that climate change and its impacts entail. As part of this, Swedbank has adopted climate targets for the credit portfolio in line with the latest climate science. In 2024, Swedbank will continue to support customers in the transition and implement measures to reach the climate targets. Furthermore, the bank will continue to develop calculations for financed emissions in 2024 and in that way further improve the assessment of the bank's climate impact.

A materiality assessment of both consequential and financial materiality was carried out in 2023 and will continue to be developed and expanded over time

Links and references
Swedbank Annual and Sustainability Report 2023, pages 22–31

TCFD Index

The following table shows page references in Swedbank's Annual and Sustainability Report where TCFD reporting is presented.

Reference	Page
Governance	
a) Describe the board's oversight of climate-related risks and opportunities.	50, 61, 85–86, 210
b) Describe management's role in assessing and managing climate-related risks and opportunities.	56–57, 85–86, 210
Strategy	
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	27–28, 113–115, 245–249
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	27–28, 85–86, 113–115, 245–249
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	113–115, 245–249
Risk management	
a) Describe the organisation's processes for identifying and assessing climate-related risks.	85–86, 113–115, 245–249
b) Describe the organisation's processes for managing climate-related risks.	85–86, 113–115, 245–249
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	61, 85–86, 113–115
Targets and metrics	
a) Describe the metrics used by the organisation to assess climate-related risks and opportunities aligned with its strategy and risk management process.	22, 219–249
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	113–115, 245–249
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	22, 245–249

Sustainability report according to the Annual Accounts Act

In 2017 sustainability reporting requirements were introduced in the Swedish Annual Accounts Act (chapter 6, paragraph 12). The requirements state that sustainability reports must contain the sustainability disclosures needed to understand the company's development, financial position and results and the consequences of its activities, including disclosures on the environment, social conditions, HR, respect for human rights and anti-corruption. The following table with page references to the report is provided to show how Swedbank meets the legal requirements. Swedbank's taxonomy report is found on pages 219–244.

Page reference by area	Environment	Employees and Social conditions	Human rights	Anti-corruption
Business model	12–13, 16	12–13, 16	12–13, 16	12–13, 16
Material risks	23–31, 113–115, 210–213, 245–250	23–31, 113–115, 210–213, 251–254	23–31, 113–115, 210–213, 255, 258–259	23–31, 113–115, 210–213, 256–257
Policy, results and indicators[1]	113–115, 210–212, 245–250 • Environmental Policy • Position Statement Climate Change • Sustainability Policy • Swedbank's Code of Conduct • Swedbank Supplier Code of Conduct • Swedbank Robur's Policy for responsible investments	210–213, 251–254 • Policy on Diversity and Inclusion • Policy on Human Rights • Sustainability Policy • Swedbank's Code of Conduct	210–213, 255, 258–259 • Human Rights Policy • Policy on Diversity and Inclusion • Position Statement Defence Equipment • Sustainability Policy • Swedbank's Code of Conduct • Swedbank Supplier Code of Conduct • Swedbank Robur's Policy for responsible investments	210–213, 256–257 • Anti-Bribery and Corruption Policy • Group Policy on Anti Money Laundering and Countering Terrorist Financing • Sustainability Policy • Swedbank's Code of Conduct • Swedbank Supplier Code of Conduct • Policy for Tax Management • Group Instruction on Internal Alerts (Whistleblowing)
Management of risks	23–31, 113–115, 210–213, 245–250	23–31, 113–115, 210–213, 251–254	23–31, 113–115, 210–213, 255, 258–259	23–31, 113–115, 210–213, 256–257

1) All policies are available at swedbank.com/sustainability

Signatures of the Board of Directors and the CEO

The Board of Directors and the President hereby affirm that the annual report has been prepared in accordance with the Act on Annual Accounts in Credit Institutions and Securities Companies (ÅRKL), the instructions and general guidelines of the Swedish Financial Supervisory Authority (FFFS 2008:25) and the Swedish Financial Accounting Standards Council's recommendation RFR 2 Accounting for Legal Entities, and provides an accurate portrayal of the Parent Company's position and earnings and that the Board of Directors' Report provides an accurate review of trends in the company's operations, position and earnings, as well as describes significant risks and instability factors faced by the company.

The Board of Directors and the President hereby affirm that the consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and provide an accurate portrayal of the Group's position and earnings and that the Board of Directors' report for the Group provides an accurate review of trends in the Group's operations, position and earnings, as well as describes significant risks and instability factors faced by the Group.

Stockholm 21 February 2024

Göran Persson
Chair

Biörn Riese
Vice 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

Roger Ljung
Employee representative

Åke Skoglund
Employee representative

Jens Henriksson
President and CEO

Our auditors' report was submitted on 22 February 2024
PricewaterhouseCoopers AB

Anneli Granqvist
Authorised Public Accountant
Auditor in charge

Martin By
Authorised Public Accountant

Auditors' report

To the general meeting of the shareholders of Swedbank AB (publ), corporate identity number 502017-7753

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Swedbank AB (publ) for the year 2023, except for the corporate governance statement on pages 46–68.

The annual accounts and consolidated accounts of the company are included on pages 34–207 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and present fairly, in all material respects, the financial position of parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies. The consolidated accounts have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act for Credit Institutions and Securities Companies. Our opinions do not cover the corporate governance statement on pages 46–68.

The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. We considered where management and the Board of Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit to perform sufficient work to enable us to provide an opinion on the consolidated financial statements, considering the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Swedbank's banking activities in all countries are audited by local PwC audit teams. The Swedbank group has centralized service centers, systems, and processes for several processes. We have organized the audit work by having our central audit team to carry out the testing of all centralized systems and processes. Local audit teams carry out additional testing based on our instructions.

Full scope audit and reporting is performed at entities with high significance and risk to the group. The audit is carried out in accordance with ISA and local audit requirements. The procedures applied generally include an assessment and testing of controls over

key business processes, analytical procedures of individual account balances, tests of accounting records through inspection, observation, or confirmation, and obtaining corroborating evidential matter in response to inquiries.

For some entities, even though not considered to have high significance or risk, it is required from a group audit perspective to obtain assurance on certain accounting areas. In these cases, local audit teams are instructed to perform certain procedures and report back to us. The procedures applied generally include a detailed analytical review, reconciliation to underlying sub-ledgers, substantive testing for specific processes, areas and accounts, discussion with management regarding accounting, tax, and internal control as well as follow-ups on known issues from previous periods.

As part of our audit, we place reliance on internal controls for the business processes, applications/systems and related platforms that support Swedbank's accounting and financial reporting. Therefore, we perform audit procedures to determine that systems and processes are designed, maintained, operated, and kept secure in such a way as to provide assurance that the risk of error is minimized. The audit procedures include walk-throughs of processes and evaluation of design and test of effectiveness of controls. Substantive testing has also been performed.

Our audit is carried out continuously during the year with special attention at each quarter end. In connection with the Swedbank group's issuance of interim reports, we report our observations to the audit committee of the Board of Directors and issue interim review reports. Twice a year, we also report our main observations to the Board of Directors.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or mistakes. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing, and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgement, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
Credit Impairment allowances on loans Accounting for impairment of loans to customers requires subjective judgement over both timing and size of any such impairment. Swedbank makes provisions for expected credit losses (ECL) in accordance with accounting standard IFRS 9 which categorise loans into three stages depending on the level of credit risk or changes in credit risk for each individual loan. Stage 1 representing a probable 12 month Expected Credit Loss (ECL) applies to all loans performing as originally intended. For loans where there is deemed to be a significant increase in credit risk since initial recognition, stage 2, or loans in default, stage 3, a lifetime ECL is calculated. The ECL is calculated as a function of the probability of default, the exposure at default and the loss given default, as well as the timing of the loss. IFRS 9 also allows for post model expert credit judgement to be applied to loan loss provisioning. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Group's estimation of ECLs are: Model estimations - inherently judgmental modelling is used to estimate ECLs which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD") and Exposures at Default ("EAD"). The PD models are the key drivers of the ECLs and impact the staging of assets. As a result, the PD models are considered the most significant judgmental aspect of the Group's ECL modelling approach. Macroeconomic factors - IFRS 9 requires the Group to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Post model expert credit adjustment – Adjustments to the model-driven ECL results are raised by management to address known impairment model limitations or emerging trends. Such adjustments are inherently uncertain and significant management judgement is involved in estimating these amounts. Refer to Annual Report note G2 and P1 Accounting policies for critical judgements and estimates, G3 and P2 Risks for credit risk disclosures and note G17 and P13 Credit Impairments.	In our audit we perform a variety of procedures over the credit impairments. Controls testing: We performed end to end process walk-throughs to identify the key systems, applications and controls used in the ECL processes. We tested the IT environment for key systems and applications used in the ECL process. Our testing included testing the design and operating effectiveness of the controls covering input data. We also evaluated controls over models as well as the calculation and authorisation of year end post model expert credit adjustments. Model estimations: We have reviewed key assumptions and estimates used in the models and performed recalculations for a sample of loans for us to obtain comfort that the ECL is calculated correctly and that it is in line with our expectations. These recalculations were performed on the most significant models used in the loan portfolio. Macro economic factors: We have assessed the reasonability of the assumptions Swedbank uses in their assessment of macroeconomic factors. This included analysis of Gross Domestic Product, property price increase and unemployment rate projections against other independent sources as well as our own professional judgement. Tests of details: We have performed tests of details in a number of areas including the individually assessed credits and the calculation of post model expert credit adjustments. Disclosures: We have assessed whether the disclosures in the annual report are appropriate.

Key audit matter	How our audit addressed the Key audit matter
Valuation of complex or illiquid financial instruments held at fair value When accounting for financial instruments held at fair value, these are divided into three levels in accordance with IFRS 9. Level 1 are actively traded instruments where the value can be derived from a marketplace. Level 2 are instruments where the value is calculated using a model, but the model inputs can be derived from an actively traded marketplace such as foreign exchange rates or interest rates. Level 3 are instruments where the value is calculated using a model that is to a large extent dependent on estimates and judgements made by Swedbank. Valuation of Level 2 and Level 3 financial instruments held at fair value was an area of audit focus due to the degree of complexity involved in valuing these positions, the judgements and estimates made by management and their significance in presenting both financial position and performance in the financial statements. Determining the fair value of Level 2 and Level 3 financial instruments is inherently complex due to several factors including the structure of the instrument. The value of level 3 instruments is also based on inputs which are not observable in active markets and the use of valuation models to calculate the fair value. Because of these factors, the valuation of level 3 instruments is subject to significant estimation uncertainty and therefore involves significant judgement and estimates made by management. Refer to the Annual Report note G2 and P1 Accounting policies for critical judgments and estimates, note G3 and P2 Risks for related market risk disclosures, note G46 Valuation categories of financial instruments, note G47 and P41 Fair value of financial instruments.	In our audit, we perform a variety of procedures over valuation of financial instruments held at fair value. Controls testing: We performed end to end process walk-throughs to identify the key systems, applications and controls used in the valuation processes. We tested the IT environment for key systems and applications used in the valuation of financial instruments held at fair value. We have tested the design and operating effectiveness of key controls supporting the identification and measurement, and oversight of valuation of financial instruments. Test of details: We have performed tests of details for all three levels of financial instruments. For valuations dependent on unobservable inputs or models which involved a higher degree of judgement, we used our valuation experts to perform independent valuations for a sample of positions. Disclosures: We have assessed whether the disclosures in the annual report are appropriate.
Financial effects from regulatory investigations of money laundering As disclosed in the Board of Directors' report, authorities' investigations into anti money laundering and counter terrorist financing (AML/CTF) related matters continue. These investigations could potentially lead to significant consequences in the form of fines, withdrawn licenses, restrictions on currency trading and others ("the sanctions"). Due to ongoing investigations, Swedbank have considered whether possible sanction fees should be accounted for as a provision or a contingent liability. The criteria to be evaluated are: ● if it is more likely than not that an economic outflow because of ongoing investigations will occur, and ● if the amount of the sanction can be reliably estimated. At present, Swedbank considers that it is not yet possible to reliably estimate the timing or amount of any potential settlement or fines, which could be material. Please refer to the Annual Report, Board of Directors' report, note G2 and P1 Accounting policies for critical judgments and estimates and G52 and P45 Assets pledged, contingent liabilities and commitments.	In our audit, we perform a variety of procedures over financial effects from regulatory investigations of money laundering. We have considered the extent to which regulatory investigations may affect the financial statements of the annual report. This includes accounting of and disclosures regarding provisioning and contingent liabilities. We have received Swedbank's own assessments in relation to accounting and reviewed these. We have performed this through the following activities ● Review of Swedbanks documentation of correspondence and legal assessment in relation to regulatory investigations. ● Inquiries and meetings with responsible parties including Swedbank's legal counsel. ● Review of legal opinions from Swedbank's internal and external legal counsel. We have assessed whether the disclosures in the annual report are appropriate.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–33 and 209–290. The other information also includes the Remuneration Report which we received before the signing date of this Auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also consider our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act or Credit Institutions and Securities Companies and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or mistakes.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts, as a whole, are free from material misstatement, whether due to fraud or mistakes, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or mistakes and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Swedbank AB (publ) for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size, and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity, and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Swedbank AB (publ) for the financial year 2023.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for the opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report.

Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Swedbank AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for ensuring that the Esef report has been prepared in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or mistakes.

Auditor's responsibilities

Our responsibility is to form an opinion with reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQM 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The reasonable assurance engagement involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The reasonable assurance engagement also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation of the Esef report, i.e., if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, statement of financial position, statement of changes in equity and the statement of cash flow.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 46–68 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with ISA and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies.

PricewaterhouseCoopers AB was appointed auditor of Swedbank AB (publ) by the general meeting of the shareholders on the 30 March 2023 and has been the company's auditor since 2019.

Stockholm 22 February 2024

PricewaterhouseCoopers AB

Anneli Granqvist
Authorised Public Accountant
Partner in charge

Martin By
Authorised Public Accountant

Auditor's Limited Assurance Report on Swedbank AB's Sustainability Report, self-assessment of the Principles for Responsible Banking and statement on the Statutory Sustainability Report

To the annual general meeting of Swedbank AB (publ.), corporate identity number 502017-7753

This is a translation of the original report in Swedish.

Introduction

We have been engaged by the Board of Directors and the Chief Executive Officer of Swedbank AB to undertake a limited assurance of Swedbank AB's Sustainability Report and Swedbank AB's self-assessments/assertions of its fulfillment of its commitments as a signatory of the Principles for Responsible Banking for the year 2023. The company has defined the scope of its sustainability report on page 1. The self-assessment/assertions are defined on page 265. The statutory sustainability report is defined on page 270.

Responsibilities of the Board and Group Management

The Board of Directors and Group Management are responsible for the preparation of the Sustainability Report, and the self-assessment of the Principles for Responsible Banking and the statutory sustainability report, in accordance with the applicable criterias and the Annual Accounts Act. The criteria for the Sustainability Report are described on page 1 of the Sustainability Report, and consists of the parts of the GRI Sustainability Reporting Standards which are applicable to the Sustainability Report, as well as the accounting and calculation principles that Swedbank has developed. The criteria for Swedbank AB's self-assessment of its fulfilments of its commitments as signatory of the Principles for Responsible Banking are described on page 265 and cover the Principle for Responsible Banking assessment areas including 2.1 Impact Analysis, 2.2 Target Setting, 2.3 Target Implementation and Monitoring and 5.1 Governance Structure for Implementation of the Principles. This responsibility also includes the internal control which is deemed necessary to establish a sustainability report that does not contain material misstatement, whether due to fraud or error.

Responsibilities of the Auditor

Our responsibility is to express a conclusion on the Sustainability Report and self-assessment of the Principles for Responsible Banking based on the limited assurance procedures we have performed and to provide a statement on the statutory sustainability report. The work for Principles for Responsible Banking has been carried out in accordance with the requirements laid out in the Assurance Guidance to undertake limited assurance on Principles reporting, issued by UNEP FI. Our assignment is limited to the historical information that is presented and thus does not include future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report and applying analytical and other limited assurance procedures. We have conducted our examination regarding the statutory sustainability report in accordance with FAR's recommendation RevR 12, the Auditor's Opinion on the Statutory Sustainability Report. A limited assurance engagement and an examination according to RevR 12 have a different focus and a considerably smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The audit firm applies ISQM 1 (International Standard on Quality Management and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent in relation to Swedbank according to generally accepted auditing standards in Sweden and have fulfilled our professional ethics responsibility according to these requirements.

The procedures performed in a limited assurance engagement and an examination according to RevR 12 do not allow us to obtain such assurance that we become aware of all significant matters that could have been identified if an audit was performed. The conclusion based on a limited assurance engagement and an examination in accordance with RevR 12, therefore, does not provide the same level of assurance as a conclusion based on an audit has.

Our procedures are based on the criteria defined by the Board of Directors and the Group Management as described above. We consider these criteria as suitable for the preparation of the Sustainability Report and self-assessment of the Principles for Responsible Banking.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report and the self-assessment of the Principles for Responsible Banking is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Group Management.

A Statutory Sustainability Report has been prepared.

Stockholm, 21 February 2024

PricewaterhouseCoopers AB

Anneli Granqvist
Authorised Public Accountant

Market shares

	Market shares, per cent					Volumes, SEKbn				
Sweden	**2023**	**2022**	**2021**	**2020**	**2019**	**2023**	**2022**	**2021**	**2020**	**2019**
Private Market										
Deposits[1]	18	18	19	19	19	461	476	454	420	384
Lending	20	20	21	21	22	999	1 012	992	950	921
of which mortgage lending	22	22	23	23	24	914	919	895	851	820
Bank Cards (thousands)	n.a.	n.a.	n.a.	n.a.	n.a.	4 496	4 465	4 413	4 384	4 345
Corporate Market										
Deposits[1]	14	15	16	16	16	228	260	273	241	190
Lending[1]	15	15	16	16	17	445	452	408	403	418

	Market shares, per cent					Volumes, SEKbn				
Baltic countries	**2023**	**2022**	**2021**	**2020**	**2019**	**2023**	**2022**	**2021**	**2020**	**2019**
Private Market										
Estonia										
Deposits	45	48	51	51	50	70	68	62	52	47
Lending	42	42	43	43	44	58	55	48	45	45
of which mortgage lending	42	42	44	45	45	50	48	41	38	37
Bank Cards (thousands) (Market shares 2023.09)	58	58	59	61	61	1 081	1 079	1 074	1 085	1 115
Latvia										
Deposits (2023.09)	39	38	37	34	32	50	50	42	35	31
Lending (2023.09)	36	35	34	35	34	25	24	20	19	19
of which mortgage lending	42	41	40	40	38	22	21	18	17	17
Bank Cards (thousands) (Market shares 2023.06)	47	50	50	48	48	1 053	1 033	1 013	1 011	1 017
Lithuania										
Deposits (2023.09)	45	46	45	44	43	105	107	94	79	87
Lending (2023.09)	39	39	39	39	38	59	56	47	42	40
of which mortgage lending	39	39	39	39	39	52	50	42	38	36
Bank Cards (thousands)	u.s.	55	54	53	52	1 786	1 743	1 693	1 685	1 668

	Market shares, per cent					Volumes, SEKbn				
Baltic countries	**2023**	**2022**	**2021**	**2020**	**2019**	**2023**	**2022**	**2021**	**2020**	**2019**
Corporate Market										
Estonia										
Deposits	38	39	43	44	45	52	56	54	51	43
Lending	35	35	37	37	38	53	51	45	41	41
Latvia										
Deposits (2023.09)	28	27	27	28	24	30	31	24	24	20
Lending (2023.09)	20	19	19	22	21	21	20	17	17	18
Lithuania										
Deposits (2023.09)	29	33	35	31	30	48	56	46	41	29
Lending (2023.09)	25	23	21	23	23	33	30	22	19	23

1) Corporate lending includes lending to non-financial corporations. Corporate deposits includes deposits from non-financial corporations.

Five-year summary

Key ratios	2023	2022[1]	2021	2020	2019
Profit					
Return on equity, %	18.3	13.0	13.2	8.9	14.7
Cost/income ratio[1]	0.33	0.40	0.44	0.53	0.42
Net interest margin before trading interest is deducted, %[1]	1.62	1.13	0.95	1.04	1.10
Capital adequacy					
Common Equity Tier 1 ratio, %	19.0	17.8	18.3	17.5	17.0
Tier 1 capital ratio, %	20.6	18.9	20.2	18.7	19.4
Total capital ratio, %	23.1	21.8	22.4	21.0	21.8
Common Equity Tier 1 capital	160 659	144 107	129 644	120 496	110 073
Tier 1 capital	174 848	153 320	143 022	128 848	126 226
Total own Funds	195 648	176 331	158 552	144 737	141 554
Risk exposure amount	847 121	809 438	707 753	689 594	649 237
Credit quality					
Credit impairment ratio, %	0.09	0.08	0.01	0.26	0.09
Total credit impairment provision ratio, %	0.39	0.32	0.29	0.48	0.40
Share of Stage 3 loans, gross, %	0.43	0.31	0.37	0.62	0.82

Other data	2023	2022	2021	2020	2019
Private customers, million	7	7	7	7	7
Corporate customers, thousands	618	620	620	616	618
Full-time employees	17 275	16 803	16 565	16 213	15 218
Branches[2]	408	400	423	431	464

1) Key ratios have been restated due to adoption of IFRS 17.
2) Including savings banks and partly owned banks.

Comments to five-year summary

2023 – Profit for the year increased to SEK 34 130m (21 368) due to higher income. Income increase to SEK 73 057m (520 28) and was positively affected primarily by net interest income. Expenses increased to SEK 24 100m (20 817) primarily 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). 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.

2022 – Profit for the year increased to SEK 21 368m (20 872) due to higher income. Higher credit impairments, impairments of intangible assets and higher expenses affected profit negatively together with the introduction of the Swedish bank tax. Income increase to SEK 52 028m (47 681) and was positively affected primarily by net interest income. Expenses decreased to SEK 20 817m (20 847) primarily due to lower other general administrative expenses. Credit impairments amounted to SEK 1 479m (170) and were mainly explained by weaker macroeconomic scenarios as well as negative rating and stage migration.

2021 – Profit for the year increased to SEK 20 872m (12 929) due to higher income and lower credit impairments, and since the Swedish FSA's administrative fine was paid in the previous year. Income increase to SEK 47 681m (46 539) and was positively affected primaily by higher net commission income. Expenses decreased to SEK 20 847m (24 560) since the Swedish FSA's administrative fine of SEK 4 000m affected the previous year. Credit impairments decreased to SEK 170m (4 334) since credit impairments in 2020 were strongly impacted by the Covid-19 outbreak.

2020 – Profit for the year decreased to SEK 12 929m, compared with SEK 19 697m 2019, due to higher expenses including the Swedish FSA's administrative fine, higher credit impairments and lower net gains and losses on financial items. Income decrease to SEK 46 539m (47 077). Expenses increased to SEK 24 560m (19 984), mainly due to the Swedish FSA's administrative fine and higher staff costs and IT expenses. Credit impairments increased to SEK 4 334m (1 469), mainly due to increased provisions for a few oil-related counterparties, negative risk class changes in pandemic affected industries, and experienced credit adjustments due to the uncertainty surrounded future economic impacts of Covid-19.

2019 – Profit for the year decreased 7 per cent to SEK 19 697m, compared with SEK 21 162m 2018. Higher income was offset by higher expenses and credit impairments in 2019. Income rose 3 per cent to SEK 47 077m (45 878). Expenses rose to SEK 19 984m (16 835), mainly related to higher staff costs and investigative costs connected with money laundering. Credit impairments increased to SEK 1 469m (521) and mainly related to additional provisions for a few oil-related problem loans.

Five-year summary Group

Income statement, SEKm	2023	2022[1]	2021	2020	2019
Net interest income	50 933	33 146	27 048	27 716	27 106
Net commissions	15 088	14 114	14 853	12 770	12 984
Net gains and losses on financial items	2 938	1 940	2 048	2 655	3 629
Net insurance	1 527	529	1 457	1 518	1 465
Share of profit or loss of associates and joint ventures	803	738	976	582	822
Other income	1 769	1 560	1 299	1 298	1 071
Total income	**73 057**	**52 028**	**47 681**	**46 539**	**47 077**
Staff costs	13 944	12 831	12 739	11 873	11 119
Other general administrative expenses	7 349	6 291	6 477	7 107	7 314
Depreciation/amortisation of tangible and intangible fixed assets	1 920	1 695	1 631	1 580	1 551
Administrative fine	887			4 000	
Total expenses	**24 100**	**20 817**	**20 847**	**24 560**	**19 984**
Profit before impairments, bank taxes and resolution fees	**48 957**	**31 211**	**26 834**	**21 979**	**27 093**
Impairments of intangible fixed assets	81	1 125	56		79
Impairments of tangible fixed assets	7	13		2	8
Credit impairments	1 674	1 479	170	4 334	1 469
Bank taxes and resolution fees	3 574	1 831	791	863	1 117
Profit before tax	**43 622**	**26 763**	**25 817**	**16 780**	**24 420**
Tax expense	9 492	5 396	4 945	3 851	4 711
Profit for the year	34 130	21 368	20 872	12 929	19 709
Profit for the year attributable to Shareholders in Swedbank AB	**34 128**	**21 365**	**20 871**	**12 929**	**19 697**
Non-controlling interests	2	3	1	0	12

1) Key ratios have been restated due to adoption of IFRS 17.

Balance sheet, SEKm	2023	2022[1]	2021	2020	2019
Cash and balances with central banks	252 994	365 992	360 153	293 811	195 286
Loans to credit institutions	67 534	56 589	39 504	47 954	45 452
Loans to the public	1 863 375	1 842 811	1 703 206	1 680 987	1 652 296
Interest-bearing securities	237 460	212 780	221 683	197 166	194 461
Financial assets for which customers bear the investment risk	319 795	268 594	328 512	252 411	224 893
Shares and participating interests in associates and joint ventures	8 275	7 830	7 705	7 287	6 679
Derivatives	39 563	50 504	40 531	52 177	44 424
Tangible assets and intangible assets	25 984	25 335	25 011	23 782	23 436
Other assets	40 539	24 211	24 312	39 067	21 301
Total assets	**2 855 519**	**2 854 646**	**2 750 617**	**2 594 642**	**2 408 228**
Amounts owed to credit institutions	72 054	72 826	92 812	150 313	69 686
Deposits and borrowings from the public	1 234 262	1 305 948	1 265 783	1 148 240	954 013
Debt securities in issue	728 548	784 206	735 917	732 814	855 754
Financial liabilities for which customers bear the investment risk	320 609	268 892	329 667	253 229	225 792
Derivatives	73 453	68 679	28 106	54 380	40 977
Other liabilities	90 134	89 245	70 200	66 680	80 634
Senior non-preferred liabilities	104 828	57 439	37 832	10 359	10 805
Subordinated liabilities	32 841	31 331	28 604	23 434	31 934
Equity	198 790	176 080	161 696	155 193	138 633
Total liabilities and equity	**2 855 519**	**2 854 646**	**2 750 617**	**2 594 642**	**2 408 228**

1) Key ratios have been restated due to adoption of IFRS 17.

Three-year summary
Swedish Banking

SEKm	2023	2022	2021
Income statement			
Net interest income	25 759	18 374	13 766
Net commissions	8 939	8 389	9 048
Net gains and losses on financial items	419	249	542
Net insurance	561	660	778
Share of profit or loss of associates and joint ventures	836	780	920
Other income	129	130	140
Total income	**36 643**	**28 582**	**25 194**
Staff costs	2 823	2 721	2 912
Variable staff costs	59	35	55
Other expenses	7 784	6 857	6 937
Depreciation/amortization	18	27	38
Total expenses	**10 683**	**9 640**	**9 941**
Profit before impairments, bank taxes and resolution fees	**25 960**	**18 943**	**15 252**
Impairment of intangible assets	3		
Credit impairments	1 092	769	2
Bank taxes and resolution fees	1 109	1 174	470
Profit before tax	**23 757**	**16 999**	**14 780**
Tax expense	4 582	3 184	2 668
Profit for the year	**19174**	**13 815**	**12 112**
Balance sheet, SEKbn			
Cash and balances with central banks	0	1	0
Loans to credit institutions	6	6	6
Loans to the public	1 069	1 101	1 124
Bonds and other interest-bearing securities		0	0
Financial assets for which customers bear inv. risk	318	266	321
Other assets	31	30	11
Total assets	**1 423**	**1 405**	**1 462**
Amounts owed to credit institutions	7	7	8
Deposits and borrowings from the public	06	647	625
Financial liabilities for which customers bear inv. risk	319	267	322
Other liabilities	427	421	446
Total liabilities	**1 359**	**1 341**	**1 400**
Allocated equity	65	64	62
Total liabilities and equity	**1 423**	**1 405**	**1 462**
Income items			
Income from external customers	36 604	28 553	25 148
Key ratios			
Return on allocated equity, %	29.9	21.9	18.8
Loans to customer/Deposits from customer, %	177	170	180
Loans to customers, SEKbn	1 069	1101	1124
Deposits from customers, SEKbn	606	647	624
Credit impairment ratio[1], %	0.10	0.06	0.00
Cost/income ratio	0.29	0.34	0.39
Risk exposure amount	360	361	368
Full-time employees	3 640	3 437	3 570
Allocated equity, average, SEKbn	64	63	64

1) For more information about the credit impairment ratio see page 41 of the Fact book.

Three-year summary
Baltic Banking

SEKm	2023	2022	2021
Income statement			
Net interest income	18 360	8 351	5 369
Net commissions	3 390	3 006	2 779
Net gains and losses on financial items	566	438	437
Net insurance	901	–185	668
Other income	136	109	99
Total income	**23 352**	**11 719**	**9 353**
Staff costs	1 973	1 612	1 585
Variable staff costs	106	62	63
Other expenses	3 261	2 444	2 279
Depreciation/amortization	174	179	171
Total expenses	**5 513**	**4 297**	**4 097**
Profit before impairments, bank taxes and resolution fees	**17 839**	**7 422**	**5 256**
Impairment of tangible assets	7	13	0
Credit impairments	83	402	160
Bank taxes and resolution fees	1 602	100	76
Profit before tax	**16 147**	**6 908**	**5 019**
Tax expense	3 573	1 219	840
Profit for the year	**12 574**	**5 689**	**4 178**
Balance sheet, SEKbn			
Cash and balances with central banks	4	4	3
Loans to credit institutions	1	0	0
Loans to the public	255	236	199
Bonds and other interest-bearing securities	2	2	2
Financial assets for which customers bear inv. risk	2	2	8
Derivatives	0	1	0
Other assets	156	164	155
Total assets	**419**	**409**	**368**
Amounts owed to credit institutions	0	0	0
Deposits and borrowings from the public	383	376	334
Debt securities in issue	2	2	1
Financial liabilities for which customers bear inv. risk	2	2	8
Derivatives	0	1	0
Total liabilities	**388**	**381**	**343**
Allocated equity	32	28	25
Total liabilities and equity	**419**	**409**	**368**
Income items			
Income from external customers	23 352	11 719	9 353
Key ratios			
Return on allocated equity, %	41.1	20.7	16.9
Loans to customer/Deposits from customer, %	67	63	60
Loans to customers, SEKbn	255	236	199
Deposits from customers, SEKbn	383	375	334
Credit impairment ratio[1], %	0.03	0.19	0.09
Cost/income ratio	0.24	0.37	0.44
Risk exposure amount	189	155	107
Full-time employees	4 762	4 701	4 624
Allocated equity, average, SEKbn	31	28	25

1) For more information about the credit impairment ratio see page 41 of the Fact book.

Three-year summary

Corporates and Institutions

SEKm	2023	2022	2021
Income statement			
Net interest income	10 409	7 379	5 654
Net commissions	3 119	2 909	3 101
Net gains and losses on financial items	1 157	970	1 027
Share of profit or loss of associates and joint ventures	–12	–5	0
Other income	280	274	297
Total income	**14 953**	**11 527**	**10 079**
Staff costs	1 644	1 580	1 437
Variable staff costs	100	107	136
Other expenses	3 037	3 066	2 834
Depreciation/amortization	23	21	22
Total expenses	**4 805**	**4 774**	**4 428**
Profit before impairments, bank taxes and resolution fees	**10 148**	**6 753**	**5 651**
Impairment of intangible assets	24	181	0
Credit impairments	482	290	13
Bank taxes and resolution fees	838	536	230
Profit before tax	**8 804**	**5 746**	**5 407**
Tax expense	1 809	1 276	1 042
Profit for the year	**6 995**	**4 470**	**4 366**
Balance sheet, SEKbn			
Cash and balances with central banks	2	2	2
Loans to credit institutions	123	112	128
Loans to the public	510	495	380
Bonds and other interest-bearing securities	59	47	55
Derivatives	131	180	60
Other assets	9	9	17
Total assets	**834**	**844**	**641**
Amounts owed to credit institutions	331	306	248
Deposits and borrowings from the public	253	290	317
Debt securities in issue	2	3	5
Derivatives	140	191	57
Other liabilities	61	10	–19
Total liabilities	**787**	**801**	**608**
Allocated equity	47	43	33
Total liabilities and equity	**834**	**844**	**641**
Income items			
Income from external customers	14 803	11 369	9 853
Key ratios			
Return on allocated equity, %	15.2	11.0	13.6
Loans to customer/Deposits from customer, %	191	168	118
Loans to customers, SEKbn	458	460	353
Deposits from customers, SEKbn	239	274	299
Credit impairment ratio[1], %	0.09	0.11	0.00
Cost/income ratio	0.32	0.41	0.44
Risk exposure amount	270	267	204
Full-time employees	1 197	1 174	1 185
Allocated equity, average, SEKbn	46	41	32

1) For more information about the credit impairment ratio see page 41 of the Fact book.

Definitions

Capital Requirement Regulations, CRR, stated in EU Regulation No 575/2013 Requirement

Additional Tier 1 capital
Capital instruments and related share premium accounts that fulfill certain regulatory conditions after considering regulatory adjustments.

Average risk weight
Total risk exposure amount divided by the total exposure value for a number of exposures.

Common Equity Tier 1 capital
Capital consisting of capital instruments, related share premium accounts, retained earnings and other comprehensive income after considering regulatory adjustments.

Common Equity Tier 1 capital ratio
Common Equity Tier 1 capital in relation to the total risk exposure amount.

Default
Credit exposures are regarded to be in default if there has been an assessment indicating that the counterpart is unlikely to pay its credit obligations as agreed or if the counterpart is past due more than 90 days.

Expected loss (EL)
Expected loss shall provide an indication of the mean value of the credit losses that Swedbank may reasonably be expected to incur. The expected loss (EL) is the product of the parameters PD, LGD and exposure value.

Exposure at default (EAD)
Exposure at default (EAD) measures the utilised exposure at default. For off-balance sheet exposures, EAD is calculated by using a credit conversion factor (CCF) estimating the future utilisation level of unutilised amounts.

Exposure value IRB
The exposure after taking into account credit risk mitigation with substitution effects and credit conversion factors, the exposure value is the value to which the risk weight is applied when calculating the risk exposure amount.

Leverage ratio
Tier 1 capital in relation to the total exposure measure, expressed as a percentage, where the exposure measure includes both on- and off-balance sheet items.

Leverage ratio exposure (LRE)
Total exposure measure used for Leverage ratio calculation.

Liquidity Coverage Ratio (LCR)
The LCR is used to define a quantitative regulatory requirement on European banks' liquidity risk. A LCR ratio above 100 per cent implies that the bank has enough of liquid assets to cover its liquidity over 30 calendar day time horizon under a significantly severe liquidity stress scenario.

Loss given default (LGD)
Loss given default (LGD) measures how large a proportion of the exposure amount that is expected to be lost in the event of default.

Minimum capital requirement
The minimum capital a bank must hold for its credit, market, credit value adjustment, settlement and operational risks according to Pillar I, i.e. 8 per cent of total risk exposure amount.

Net stable funding ratio (NSFR)
The Net Stable Funding Ratio measures an institution's amount of available stable funding to its amount of required stable funding over a one-year horizon. The objective is to require institutions to hold a sufficiently large proportion of long-term stable funding in relation to long-term stable assets.

Own funds
The sum of Tier 1 and Tier 2 capital.

Probability of default (PD)
The probability of default (PD) indicates the risk that a counterparty or contract will default within a 12-month period.

Risk exposure amount
Risk weighted exposure value i.e. the exposure value after considering the risk inherent in the asset.

Tier 1 capital
The sum of Common Equity Tier 1 capital and Additional Tier 1 capital according to article 25 in CRR.

Tier 1 ratio
Tier 1 capital in relation to the total risk exposure amount.

Tier 2 capital
Capital instruments and subordinated loans and related share premium accounts that fulfill certain regulatory conditions.

Total capital ratio
Own funds in relation to the total risk exposure amount.

Delegated acts adopted pursuant to the EU Taxonomy regulation, Commission Delegated Regulation (EU) 2021/2178, 2021/2139 Requirement

Capex
Capex shall cover costs that are accounted based on: Property, Plant and Equipment (IAS 16), Intangible Assets (IAS 38), Investment Property (IAS 40), Agriculture (IAS 41), Leases (IFRS 16).

Companies subject to Non-Financial Reporting Directive
The Non-Financial Reporting Directive (2014/95/EU) requires large public interest entities with over 500 employees (listed companies, banks and insurance companies) to disclose certain non-financial information.

Flow
Gross carrying amount of new loans and advances/debt securities/equity instruments during the year prior to the disclosure reference date. Assets originated within the current disclosure period.

GAR assets (Covered assets)
Gross carrying amount for all assets included in the total covered assets (meaning all assets in total assets, but subtracting exposures to central banks, central governments, supranationals and trading book. All assets covered for GAR calculation.

Green asset ratio (GAR)
Proportion of assets financing and invested in taxonomy-aligned economic activities as a proportion of total GAR assets.

Green ratio for asset under management
Proportion of assets under management (equity instruments and debt instruments) from companies subject to Non-Financial Reporting Directive and financing Taxonomy-aligned economic activities, compared to total assets under management to companies subject to Non-Financial Reporting Directive (equity and debt instruments).

Green ratio for financial guarantees
Proportion of financial guarantees supporting debt instruments financing Taxonomy-aligned economic activities, compared to financial guarantees supporting debt securities to companies subject to Non-Financial Reporting Directive.

Taxonomy eligible (Taxonomy relevant activities) economic activities
Economic activity that is described in the delegated acts adopted pursuant to the EU Taxonomy regulation, irrespective of whether that economic activity meets any or all of the technical screening criteria laid down in those delegated acts.

Taxonomy aligned (environmentally sustainable) economic activities
Taxonomy-aligned economic activity' means an economic activity that contributes substantially to one or more of the environmental objectives, does not significantly harm any of the environmental objectives and is carried out in compliance with the minimum safeguards.

Taxonomy aligned enabling activities
An economic activity which directly enable other activities to make a substantial contribution to one or more of the environmental objectives. The economic activity shall qualify as contributing substantially to one or more of the environmental objectives by directly enabling other activities to make a substantial contribution to one or more of those objectives, provided that such economic activity: (a) does not lead to a lock-in of assets that undermine long-term environmental goals, considering the economic lifetime of those assets; and (b) has a substantial positive environmental impact, on the basis of life-cycle considerations.

Taxonomy aligned transitional activities
An economic activity for which there is no technologically and economically feasible low-carbon alternative. The economic activity shall qualify as contributing substantially to climate change mitigation where it supports the transition to a climate-neutral economy consistent with a pathway to limit the temperature increase to 1,5 C above pre- industrial levels, including by phasing out greenhouse gas emissions, in particular emissions from solid fossil fuels, and where that activity: (a) has greenhouse gas emission levels that correspond to the best performance in the sector or industry; (b) does not hamper the development and deployment of low-carbon alternatives; and (c) does not lead to a lock-in of carbon-intensive assets, considering the economic lifetime of those assets.

Turnover
Turnover shall cover the revenue recognised pursuant to International Accounting Standard (IAS 1).

Others

Allocated equity
Allocated equity is the operating segment's equity measure and is not a measure that is 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).

Cost/income ratio
Total expenses in relation to total income.

Credit impairment
Established losses and provisions for the financial year less recoveries related to loans as well as the financial year's net expenses for guarantees and other contingent liabilities.

Credit impairment provision ratio Stage 1 loans
Credit impairment provisions Stage 1 in relation to the gross carrying amount Stage 1 loans.

Credit impairment provision ratio Stage 2 loans
Credit impairment provisions Stage 2 in relation to the gross carrying amount Stage 2 loans.

Credit impairment provision ratio Stage 3 loans
Credit impairment provisions Stage 3 in relation to the gross carrying amount Stage 3 loans.

Credit impairment ratio
Credit impairment, in relation to the opening balance of loans to credit institutions and loans to public after provisions.

Earnings per share after dilution
Profit for the financial year allocated to shareholders in relation to the weighted average number of shares outstanding during the financial year, adjusted for the dilution effect of potential shares.

Earnings per share before dilution
Profit for the financial year allocated to shareholders in relation to the weighted average number of shares outstanding during the financial year.

Equity per share
Shareholders' equity in relation to the number of shares outstanding.

Forborne loan
A loan where the terms have been modified to more favorable for the borrower, due to the borrower's financial difficulties.

Loans to customers/deposits from customers ratio
Loans to the customers in relation to deposits from customers.

Interest fixing period
Contracted period during which interest on an asset or liability is fixed.

Investment margin
Calculated as Net interest margin, in relation to average total assets. The average is calculated using month-end figures, including the prior year end.

Net investment margin before trading interest is deducted
Calculated as Net interest margin before trading interest is deducted, in relation to average total assets. The average is calculated using month-end figures, including the prior year end.

Number of employees
The number of employees at year-end, excluding long-term absences, in relation to the number of hours worked expressed in terms of full-time positions.

P/E ratio
Market capitalisation at year-end in relation to Profit for the financial year allocated to shareholders.

Price/equity
The share price at year-end in relation to the equity per share at year-end.

Return on allocated equity
Profit for the financial year attributable to the shareholders for the operating segments, in relation to average allocated equity for the operating segment. The average is calculated using month-end figures, including the prior year end.

Return on equity
Profit for the financial year allocated to shareholders in relation to average equity attributable to shareholders' of the parent company. The average is calculated using month-end figures, including the prior year end.

Share of Stage 1 loans, gross
Carrying amount of Stage 1 loans, gross, in relation to the carrying amount of loans to credit institutions and the public excluding provisions.

Share of Stage 2 loans, gross
Carrying amount of Stage 2 loans, gross, in relation to the carrying amount of loans to credit institutions and the public excluding provisions.

Share of Stage 3 loans, gross
Carrying amount of Stage 3 loans, gross, in relation to the carrying amount of loans to credit institutions and the public excluding provisions.

Total credit impairment provision ratio
Credit impairment provisions in relation to the gross carrying amount loans.

Total return
Share price development during the financial year including the actual dividend, in relation to the share price at the beginning of the year.

VaR
Value at Risk (VaR) is a statistical measure used to quantify market risk. VaR is defined as the expected maximum loss in value of a portfolio with a given probability over a certain time horizon.

Annual General Meeting

The Annual General Meeting will be held at Cirkus (Cirkusscenen), Djurgårdsslätten 43–45, Stockholm, at 11:00 am (CET) Tuesday, 26 March 2024. Those who wish to exercise their voting rights at the AGM must:

- be recorded in the share register maintained by Euroclear Sweden AB ("Euroclear", the Swedish Central Securities Depository) on 18 March 2024
- notify the company of their intention to attend the Annual General Meeting according to the instructions in the notice no later than 20 March 2024.

Nominee-registered shares

Shareholders whose shares are nominee-registered through a bank or other authorised depositary, e.g. in a custody account, must – in addition to giving notice of their attendance or voting by post – request that the shares be temporarily re-registered in their own name so that the shareholder is registered in Euroclear's share register as of the Record Date on 18 March 2024. Re-registration may be temporary (so-called voting rights registration) and requested from the nominee in advance in accordance with the nominee's routines. Voting right registration that the shareholder has requested and that has been issued by the nominee no later than 20 March 2024 will be accepted in the preparation of the share register.

Notice and agenda

A list of the items on the agenda for the Annual General Meeting will be included in the notice of the meeting. The notice has been published on 21 February 2024 at www.swedbank.com/ir and on 23 February 2024 in Post och Inrikes Tidningar (the official Swedish gazette). An announcement of the notice will also be published in Dagens Nyheter and elsewhere.

Dividend

The Board of Directors proposes that the Annual General Meeting resolves to pay an ordinary dividend of SEK 15.15 per share. The proposed record day for the dividend is 28 March 2024. The last day for trading in Swedbank's shares including the right to the dividend will thereby be 26 March 2024. If the Annual General Meeting adopts the Board of Directors' proposal, the dividend is expected to be paid by Euroclear on 4 April 2024.

Financial information 2024

Q1 Interim report	25 April
Q2 Interim report	16 July
Q3 Interim report	23 October

Learn more about Swedbank

- On our website www.swedbank.com
- In our interim reports www.swedbank.com/ir
- In our risk and capital adequacy reports www.swedbank.com/ir

Production: Vero Kommunikation. **Photography:** Sara Fredefors (CEO) page 6, page 29 and page 46-47, Getty Images page 26, Green Genius page 26, Jenny Hallengren and Sara Fredefors page 54–68 (Board & Management). Swedbank's image bank: cover, page 14, 17, 23, 24, 31, 38 and 69. **Print:** GigantPrint, Norrköping.

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Contacts

Head office

Corp. No. 502017–7753

Visiting address:
Landsvägen 40
172 63 Sundbyberg

Mailing address:
105 34 Stockholm

Telephone: +468585900 00

E-mail: info@swedbank.se

www.swedbank.com

Contacts

Erik Ljungberg
Director of Communications and Sustainability
Telephone: +46739883557
E-mail: erik.ljungberg@swedbank.com

Annie Ho
Head of Investor Relations
Telephone: +46703437815
E-mail: annie.ho@swedbank.se

Johanna Fager Wettergren
Head of Sustainability
Telephone: +46722286979
E-mail: johanna.fager.wettergren@swedbank.se