20230706651833

ÅRSREDOVISNING 2022

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 2 juni 2023. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

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

Stockholm den 4/7 2023

Kerstin Winlöf
Styrelseordförande

20230706518634

ÅRSREDOVISNING 2022

Swedbank PayEx Holding AB

HyNO69iS3-SyUO6qoBn

20230706531835

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 2022.

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 2022 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. För att anpassa kostnaderna till det nya ekonomiska läget påbörjades ett kostnadsbesparingsprogram i koncernen under slutet av 2022.

Under januari och februari skedde förändringar i ledning och styrelse. Bolagets tidigare styrelseordförande Ola Laurin tillträde som VD och Kerstin Winlöf blev vald till ny styrelseordförande. Även Anders Ekedahl, Pål Bergström och Charlotte Lovén blev invalda som styrelseledamöter.

Resultat och ställning

Intäkterna för året uppgick till 6 878 tkr (5 951 tkr). Vissa tjänster såsom PayEx-Gruppens marknadsföringsaktiviteter utförs numer i huvudsak i de affärsdrivande enheterna.

Väsentliga händelser efter räkenskapsårets utgång

Förändring i styrelsen har skett och Johanna Okasmaa-Nilsson, Johan Sälgström och Peter Ström har ersatt Lena Smeby-Udesen, Charlotte Lovén och Pål Bergström som styrelseledamöter.

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.

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.

Fem år i sammandrag

Översikt	2022	2021	2020	2019	2018
Nettoomsättning (tkr)	6 878	5 951	5 273	38 495	57 208
Resultat efter finansnetto (tkr)	-1 868	-1 648	-6 335	-1 589	-3 248
Balansomslutning (tkr)	1 762 487	2 109 396	3 076 380	2 203 621	698 937
Soliditet	71%	59%	41%	57%	54%
Medelantal anställda	-	-	-	-	-

HyNO69iS3-SyUO6qoBn

20230706531836

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.

Rapport över förändringar i eget kapital (tkr)	Bundet eget kapital	Fritt eget kapital		Totalt eget kapital
	Aktiekapital	Överkurs-fond	Balanserad vinst/förlust	
Eget kapital 2021-01-01	**50 000**	**300 099**	**896 819**	**1 246 919**
Årets resultat			- 391	**-391**
Eget kapital 2021-12-31	**50 000**	**300 099**	**896 428**	**1 246 528**

Rapport över förändringar i eget kapital (tkr)	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**

Förslag till vinstdisposition

Till bolagsstämmans förfogande står följande vinstmedel (kr);

Överkursfond	300 098 600
Balanserat resultat	21 429 574
Årets resultat	-782 341
Summa	**320 745 833**

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

Balanseras i ny räkning	320 745 833
-Varav till överkursfond	300 098 600

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

HyNO69iS3-SyUO6qoBn

20230706051837

Finansiella rapporter

Resultaträkning

Tkr	Not	2022	2021
Nettoomsättning		6 878	5 951
Övriga rörelseintäkter		-	-
Summa rörelseintäkter	**6**	**6 878**	**5 951**
Rörelsens kostnader	**6**		
Övriga externa kostnader	3	- 5 660	-3 971
Personalkostnader	4	-153	-
Avskrivningar och nedskrivningar av materiella och immateriella anläggningstillgångar	5	-2 629	-2 629
Rörelseresultat		- 1 564	-649
Resultat från finansiella poster	**6, 7**		
Nedskrivning av finansiella anläggningstillgångar		-	-
Ränteintäkter och liknande resultatposter		23 865	6 429
Räntekostnader och liknande resultatposter		-24 169	-7 428
Resultat efter finansiella poster		-1 868	-1 648
Bokslutsdispositioner	8	1 460	1 693
Skatt på årets resultat	9	--374	-436
Årets resultat		-782	-391

HyNO69iS3-SyUO6qoBn

20230706531838

Balansräkning

Tkr	Not	2022	2021
Tillgångar			
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Varumärke	10	13 147	15 777
Summa immateriella tillgångar		**13 147**	**15 777**
Finansiella anläggningstillgångar			
Andelar i koncernföretag	11	1 554 604	1 554 604
Fordran på koncernföretag		28 561	26 247
Summa finansiella anläggningstillgångar		**1 583 164**	**1 580 851**
Summa anläggningstillgångar		**1 596 312**	**1 596 628**
Omsättningstillgångar			
Kortfristiga fordringar			
Övriga fordringar hos koncernföretag		117 141	455 516
Aktuell skattefordran		985	1 334
Övriga fordringar		252	199
Förutbetalda kostnader och upplupna intäkter	12	189	125
Summa kortfristiga fordringar		**118 568**	**457 174**
Kassa och bank		47 608	55 594
Summa omsättningstillgångar		**166 175**	**512 768**
Summa tillgångar		**1 762 487**	**2 109 396**
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		21 430	21 820
Årets resultat		782	391
Summa fritt eget kapital		**1 195 746**	**1 196 528**
Summa eget kapital		**1 245 746**	**1 246 528**
Obeskattade reserver	13	-	1 460
Avsättningar		-	-
Skulder			
Långfristiga skulder	14	314 672	790 181
Leverantörsskulder		527	1 277
Övriga skulder till koncernföretag		201 265	69 600
Aktuell skatteskuld	9	-	-
Övriga skulder		-	-
Upplupna kostnader och förutbetalda intäkter	15	277	351
Summa skulder		**516 741**	**861 408**
Summa eget kapital och skulder		**1 762 487**	**2 109 396**

HyNO69iS3-SyUO6qoBn

20230706051839

Noter till de finansiella rapporterna

Not 1 Uppgifter om företaget

Årsredovisningen avges per 31 december 2022 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.

HyNO69iS3-SyUO6qoBn

20230706551840

Not 3 Arvoden och kostnadsersättningar till revisorer

tkr	2022	2021
Revisionsuppdrag PricewaterhouseCoopers AB	-	-275
Återföring och reservering	-	323
Övriga tjänster revisor	-260	-
Summa	**-260**	**48**

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

tkr	2022	2021
Könsfördelning i styrelse och företagsledning:		
Total antal i styrelse och företagsledning	7	7
Varav män	71%	57%

Inga anställda och inga övriga ledande befattningshavare finns i bolaget därav inga personalkostnader under 2022.

Personalkostnader

tkr	2022	2021
Sociala kostnader	-	-
Pensionskostnader	-	-
Övriga personalkostnader	-153	-
Summa personalkostnader	**-153**	**-**

Styrelsearvode

tkr	2022	2021
Grundlön, förmåner och styrelsearvode	-	-
Summa	**-**	**-**

Inga avgångsvederlag har lämnats.

Not 5 Av- och nedskrivningar materiella och immateriella anläggningstillgångar

tkr	2022	2021
Av- och nedskrivningar immateriella tillgångar		
Varumärke, avskrivning	-2 629	-2 629
Summa	**-2 629**	**-2 629**

HyNO69iS3-SyUO6qoBn

20230705184 1

Not 6 Inköp och försäljning mellan koncernföretag

Tkr	2022	2021
Rörelseintäkter		
Varav koncernintern försäljning	100%	100%

Tkr	2022	2021
Rörelsens kostnader		
Varav koncerninterna inköp	0%	0%

Tkr	2022	2021
Resultat från finansiella poster		
Varav koncerninterna ränteintäkter	87%	97%
Varav koncerninterna räntekostnader	33%	0%

Not 7 Resultat från finansiella intäkter och kostnader

Tkr	2022	2021
Nedskrivning finansiella anläggningstillgångar		
Nedskrivning finansiella anläggningstillgångar*	-	-
Summa nedskrivning finansiella anläggningstillgångar	**-**	**-**
Ränteintäkter och liknande resultatposter		
Ränteintäkter	3 035	204
Ränteintäkter från koncernföretag	19 548	7 173
Kursvinster/förluster på fordringar	1 282	-948
Summa ränteintäkter och liknande resultatposter	**23 865**	**6 429**
Räntekostnader och liknande resultatposter		
Räntekostnader	-16 211	-7 421
Räntekostnader från koncernföretag	-7 958	-11
Kursvinster/förluster på skulder	0	3
Övriga finansiella kostnader	-	-
Summa räntekostnader och liknande resultatposter	**-24 169**	**-7 428**

*Avser nedskrivning aktier i PayEx Danmark A/S

Not 8 Bokslutsdispositioner

Tkr	2022	2021
Upplösning av periodiseringsfond	1 460	193
Lämnat koncernbidrag	-	-
Erhållet koncernbidrag	-	1 500
Summa	**1 460**	**1 693**

HyNO69iS3-SyUO6qoBn

20230706151842

Not 9 Skatt på årets resultat

Redovisat i resultaträkningen

Mkr	2022	2021
Årets skattekostnad/skatteintäkt	-262	-27
Justering av skatt hänförligt till tidigare år	-112	-409
Totalt redovisad skattekostnad	**-374**	**-436**

Avstämning av effektiv skatt

Mkr	(%)	2022	(%)	2021
Resultat före skatt		-408		45
Skatteeffekt enligt gällande skattesats	20,6	84	21,4	-9
Skatteeffekt ej avdragsgilla kostnader		-327		-13
Skatteeffekt hänförligt till tidigare års resultat		-112		-409
Övriga skattepliktiga intäkter		-20		-4
Redovisad effektiv skatt	**-91,5**	**-374**	**43,9**	**-436**

Not 10 Immateriella anläggningstillgångar

Varumärke

Mkr	2022	2021
Anskaffningsvärde		
Ingående ackumulerat anskaffningsvärde	52 589	52 589
Utgående ackumulerat anskaffningsvärde	**52 589**	**52 589**
Avskrivningar		
Ingående ackumulerade avskrivningar	-36 812	-34 183
Årets avskrivningar	-2 629	-2 629
Utgående ackumulerade avskrivningar	**-39 442**	**-36 812**
Utgående planenligt restvärde	**13 147**	**15 777**

Not 11 Finansiella anläggningstillgångar

Moderbolagets andelar i koncernföretag

Mkr	Kapitalandelar	Rösträttsandelar	Antal andelar	Bokfört värde 2022	Bokfört värde 2021
PayEx Invest AB	100%	100%	1 000	2 650	2 650
PayEx Sverige AB	100%	100%	700 000	1 306 019	1 306 019
PayEx Norge AS	100%	100%	100	238 305	238 305
-PayEx Danmark A/S	-	-	-	7 630	7 630
PayEx Suomi OY	100%	100%	10 000	-	-
Summa				**1 554 604**	**1 554 604**

Aktieinnehavet avser onoterade aktier.

HyNO69iS3-SyUO6qoBn

20230706518:43

Uppgifter om dotterbolagens organisationsnummer och säte

Tkr	Org.nr.	Säte	Eget kapital	Resultat
PayEx Invest AB	556677-4781	Stockholm	61 715	93
- Faktab B1 AB	556720-4853	Stockholm	36 474	1 583
- Faktab S1 AB	556720-4903	Stockholm	5 512	-205
- Faktab V1 AB	556720-4796	Stockholm	31 124	1 829
PayEx Sverige AB inkl filialer	556735-5671	Stockholm	1 341 247	37 507
- 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	204 049	41 410
- PayEx Collection AB	556677-4799	Stockholm	2 966	14
- PayEx Danmark A/S	70986914	Köpenhamn	12 029	4 085
- PayEx Suomi OY*	215 68 11-3	Helsingfors	-20 584	118

*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.

Not 12 Förutbetalda kostnader och upplupna intäkter

Tkr	2022	2021
Övriga förutbetalda kostnader och upplupna intäkter	189	125
Summa	**189**	**125**

Not 13 Obeskattade reserver

Tkr	2022	2021
Ingående balans	**1 460**	**1 653**
Upplöst av tidigare avsatt i periodiseringsfond	-1 460	-193
Utgående balans	**-**	**1 460**

Tkr	
Spec. periodiseringsfonder	
Avsatt för räkenskapsår 2016	1 460
Upplöst periodiseringsfond avsatt räkenskapsår 2016	-1 460
Summa obeskattade reserver	**-**

HyNO69iS3-SyUO6qoBn

20230706518 44

Not 14 Långfristiga skulder

Tkr	2022	2021
Långfristiga skulder*	314 672	790 181
Summa	**314 672**	**790 181**

*Avser nyttjad kredit i uppsatt cashpoollösning.

Not 15 Upplupna kostnader och förutbetalda intäkter

Tkr	2022	2021
Övriga upplupna kostnader och förutbetalda intäkter*	277	351
Summa	**277**	**351**

*Avser primärt upplupna kostnader från leverantörer.

Not 16 Eventualförpliktelser

Tkr	2022	2021
Ansvarsförbindelser Pensionsgaranti	-	-
Summa	-	-

Swedbank PayEx Holding AB har inga ställda säkerheter avseende egna skulder och avsättningar.

Not 17 Väsentliga händelser efter räkenskapsårets utgång

Förändring i styrelsen har skett och Johanna Okasmaa-Nilsson, Johan Sälgström, och Peter Ström, har ersatt Lena Smeby-Udesen, Charlotte Lovén och Pål Bergström som styrelseledamöter.

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.

HyNO69iS3-SyUO6qoBn

20230706518 45

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

Ola Laurin
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

Martin By
Auktoriserad revisor

Resultat- och balansräkning blir föremål för fastställelse på årsstämman 2 juni 2023.

HyNO69iS3-SyUO6qoBn



20230705184546

Document history

COMPLETED BY ALL:
25.05.2023 17:02

SENT BY OWNER:
Nils Karlander • 24.05.2023 16:21

DOCUMENT ID:
SyUO6qoBn

ENVELOPE ID:
HyNO69iS3-SyUO6qoBn

DOCUMENT NAME:
Årsredovisning Swedbank PayEx Holding 2022 for Board approval.pdf
12 pages

Activity log

RECIPIENT	ACTION*	TIMESTAMP (CET)	METHOD	DETAILS
PETER STRÖM	Signed	24.05.2023 17:18	eID	Swedish BankID (DOB: 1967/08/09)
peter.strom@swedbank.se	Authenticated	24.05.2023 17:16	Low	IP: 164.10.46.63
OLA LAURIN	Signed	24.05.2023 19:05	eID	Swedish BankID (DOB: 1971/06/10)
ola.laurin@payex.com	Authenticated	24.05.2023 19:05	Low	IP: 188.149.229.67
KERSTIN WINLÖF	Signed	24.05.2023 22:02	eID	Swedish BankID (DOB: 1966/10/06)
kerstin.winlof@swedbank.se	Authenticated	24.05.2023 22:01	Low	IP: 164.10.46.61
ANDERS EKEDAHL	Signed	25.05.2023 08:36	eID	Swedish BankID (DOB: 1960/02/09)
anders.ekedahl@swedbank.se	Authenticated	25.05.2023 08:35	Low	IP: 164.10.46.61
JAN DARLIN	Signed	25.05.2023 08:58	eID	Swedish BankID (DOB: 1972/02/25)
jan.darlin@swedbank.se	Authenticated	25.05.2023 08:57	Low	IP: 164.10.46.64
JOHANNA OKASMAA NILSSON	Signed	25.05.2023 08:59	eID	Swedish BankID (DOB: 1969/03/25)
johanna.okasmaa-nilsson@swedbank.se	Authenticated	25.05.2023 08:58	Low	IP: 164.10.46.62
JOHAN SÄLGSTRÖM	Signed	25.05.2023 16:23	eID	Swedish BankID (DOB: 1975/09/12)
johan.salgstrom@swedbank.se	Authenticated	25.05.2023 16:21	Low	IP: 164.10.46.63
Per Martin Viktor By	Signed	25.05.2023 17:02	eID	Swedish BankID (DOB: 1980/04/07)
martin.by@pwc.com	Authenticated	24.05.2023 16:59	Low	IP: 94.234.102.250

* Action describes both the signing and authentication performed by each recipient. Authentication refers to the ID method used to access the document.

Verified ensures that the document has been signed according to the method stated above.
Copies of signed documents are securely stored by Verified.

To review the signature validity, please open this PDF using Adobe Reader.

GDPR compliant | eIDAS standard | PAdES sealed

Custom events

No custom events related to this document

Verified ensures that the document has been signed according to the method stated above.
Copies of signed documents are securely stored by Verified.

To review the signature validity, please open this PDF using Adobe Reader.

GDPR compliant

eIDAS standard

PAdES sealed

20230706518:18

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 2022. Bolagets årsredovisning ingår på sidorna 1-12 i detta dokument.

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 2022 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.

Signerat 2023-05-25 15:08:43 UTC

20230706S1849

- 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 2022 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.

pwc

20230706151850

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.

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

Martin By
Auktoriserad revisor

Deltagare

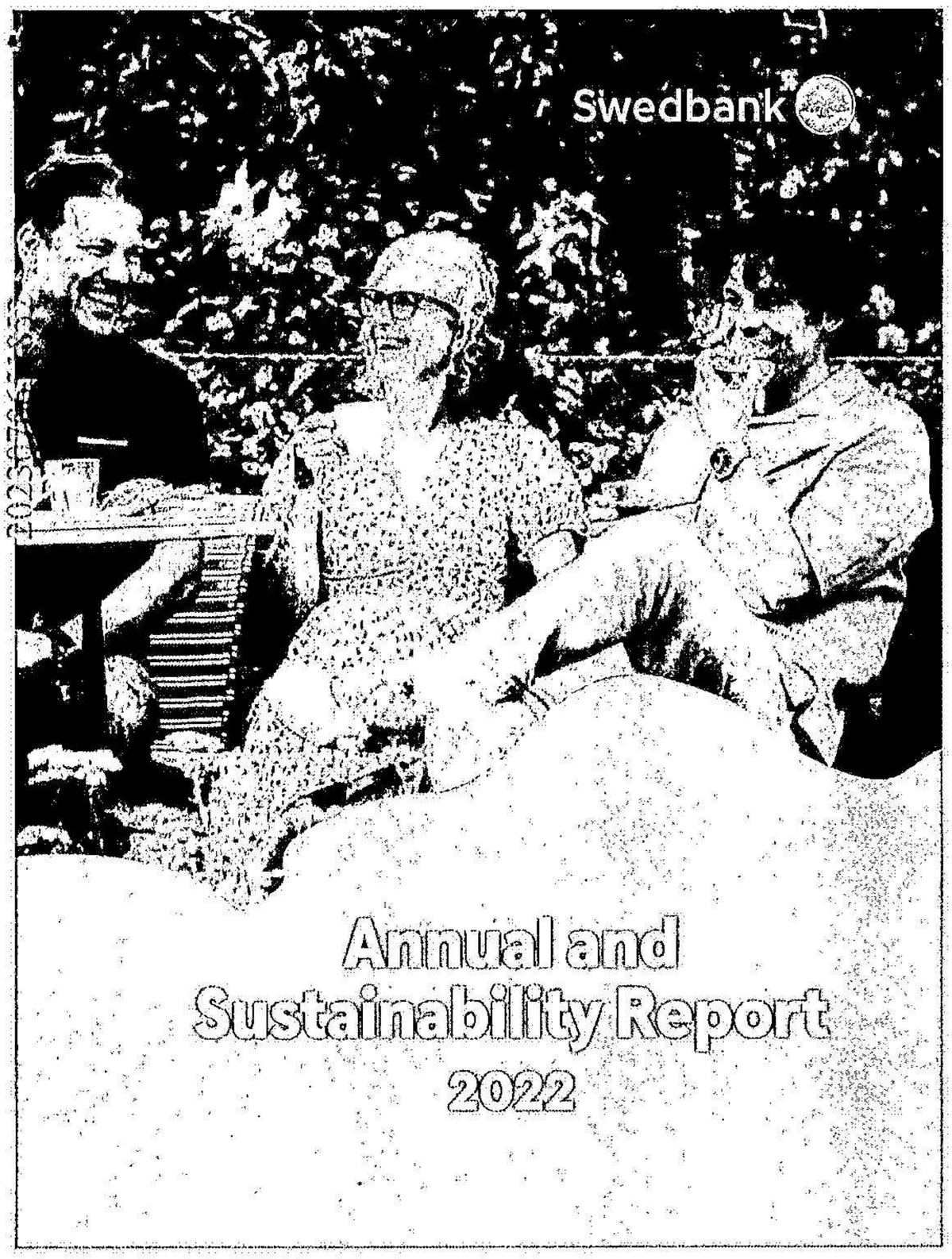
PRICEWATERHOUSECOOPERS AB 556067-4276 Sverige

Signerat med Svenskt BankID	*2023-05-25 15:08:43 UTC*
Namn returnerat från Svenskt BankID: Per Martin Viktor By	Datum

Martin By
Auktoriserad revisor

Leveranskanal: E-post

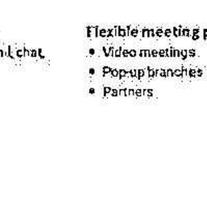
20230706151851



Annual and Sustainability Report 2022







With seven million private customers and 550 000 corporate customers, Swedbank is the leading bank for the many households and businesses in our four home markets: Sweden, Estonia, Latvia and Lithuania.

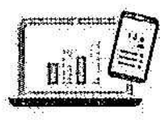
We have a comprehensive offering within the following areas:

Lending

Savings

Payments

We are available 24 hours a day through our digital channels and our customers can also meet us in any of our physical meeting points.



Digital channels

App and Internet bank
- Everyday banking services
- Sales
- Virtual assistants

Meeting points

Branches
- 145 branches in Sweden
- 71 branches in Baltic countries

Contact centre
- Telephone, email, chat, social media

Flexible meeting points
- Video meetings
- Pop-up branches
- Partners

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

Contents

The year in brief	2
CEO statement	4
The world around us	7
Value creation	
– Strategic direction and targets	8
– Strategy and business model	13
– Strategic targets and results	15
Sustainability year in brief	20
Sustainability	22
The share and owners	30
Board of Directors' report	
Financial analysis	32
Swedish Banking	37
Baltic Banking	38
Large Corporates and Institutions	39
Group Functions & Other	40
Disposition of earnings	41
Corporate governance report	42
Internal control	55
Board of Directors	56
Group Executive Committee	61
Financial information Group	
Income statement	65
Statement of comprehensive income	65
Balance sheet	67
Statement of changes in equity	68
Statement of cash flow	69
Notes	70
Financial information Parent company	
Income statement	163
Statement of comprehensive income	163
Balance sheet	164
Statement of changes in equity	165
Statement of cash flow	166
Notes	167
Alternative performance measures	197
Report and notes Sustainability	
Sustainability management	199
Priority sustainable areas	201
UN Principles for Responsible Banking	203
Taxonomy	204
Notes	206
GRI Content Index	229
PRB Self-assessment	234
TCFD Index	238
Signatures of the Board of Directors and the CEO	240
Auditors' report	241
Sustainability report, Assurance report	247
Market shares	248
Five-year summary, Group	249
Three-year summary, Business segments	251
Definitions	254
Annual General Meeting	256
Contacts	257

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 year in brief

Strong result and good cost control

- Positive deposit margin led to rising net interest income and higher income
- Turbulent capital markets adversely impacted net commission income
- The cost/income ratio improved during the year to 0.40
- Weaker macroeconomic outlook led to higher credit impairments
- Strong capital and liquidity situation
- Return on equity of 13.3 per cent – target of a sustainable ROE of at least 15 per cent by 2025
- Proposed dividend in line with the bank's dividend policy – SEK 9.75 per share

Financial information, SEK m	2022	2021[1]
Total income	53 221	47 681
Net interest income	33 157	27 048
Net commission income	14 223	14 853
Net gains and losses on financial items	1 887	2 048
Other income[2]	3 954	3 732
Total expenses	21 415	20 847
Profit before impairment, Swedish bank tax and resolution fees	31 806	26 834
Impairment of intangible and tangible assets	1 137	56
Credit impairments	1 479	170
Swedish bank tax and resolution fees[3]	1 831	791
Profit before tax	27 358	25 817
Tax expense	5 478	4 945
Profit for the year	21 880	20 872
Earnings per share, SEK, after dilution	19.43	18.56
Return on equity, %	13.3	13.2
C/I ratio	0.40	0.44
Common Equity Tier 1 capital ratio, %	17.8	18.3
Credit impairment ratio, %	0.08	0.01

1) Presentation of the income statement has been changed, see 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.
3) The Swedish bank tax (riskskatt on credit institutions) came into force on 1 January 2022.

A selection of key events

24 Feb — The war in Ukraine
The war in Ukraine has caused fear and anxiety in people and markets. Banks are an important part of society's civil infrastructure. We have helped a total of around 50 000 Ukrainian refugees mainly in the Baltic countries but also in Sweden to integrate in society by becoming customers of Swedbank. Customers can now communicate with our virtual assistant in both Russian and Ukrainian.

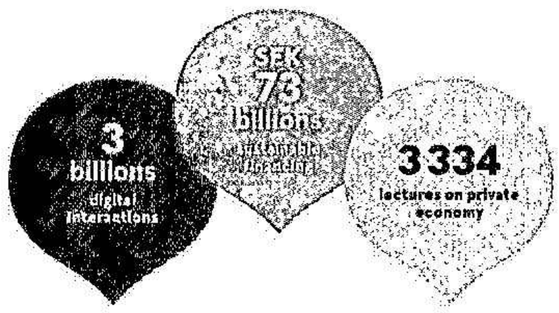
28 Apr — IT incident
A substantial IT disturbance occurred on the night of 28 April which affected Swedbank's customers. Forceful measures have been taken to prevent this from happening again. The Swedish FSA informed Swedbank in October that it is investigating the IT incident and assessing a possible sanction.

15 Jun — Strategic partnership in Norway
Swedbank has entered into a strategic partnership with Norway's largest savings bank, Sparebank 1 SR-Bank. The partnership enables us to provide greater customer value through improved services for corporate clients in Sweden and Norway. It was approved by the Norwegian regulatory authorities in November 2022.

21 Sep — The most loved brand
For the fourth year in a row Swedbank has been named the most loved brand in Estonia, Latvia and Lithuania. Trust in Swedbank in Sweden rose

6 Dec — Strategic partnership in Denmark
Swedbank has entered into a strategic partnership with Sydbank A/S. The partnership enables a stronger offering for Swedbank's corporate clients operating in Denmark. Swedbank has decided to close its Danish business in order to create a clearer focus on its home markets.

6 Dec — Swedbank's Investor Day
At the investor day, Swedbank's Group Executive Committee presented the bank's business priorities and the financial plan to reach a sustainable return on equity of 15 per cent in 2025.





Dear Reader,



Swedbank generated a strong result in a turbulent time. We are a reliable and stable partner, and in 2022 we were there for our customers. Our established business model and pricing strategy have delivered, even in a year when the world changed dramatically. Our profitability is good and a sustainable bank is a profitable bank.

We delivered a result that enables us to propose a dividend of SEK 9.75 per share to our owners: savings banks, pension funds, small-scale savers, individual investors and non-profit foundations.

A result that also enables us to continue to teach young people financial skills. In 2022, Swedbank and the Savings Banks educated a total of 105 700 children and young adults in Sweden. In our Baltic markets it was 300 000. For better financial health and a sustainable future.

The pandemic eased

The year started with a sense of cautious optimism. Society reopened as more covid-19 vaccine doses were administered. Humanity had shown that difficult challenges can be overcome through adaptation and science. This gave hope for the future.

Thanks to massive support packages, the economic outlook was positive despite two years of pandemic. But the support packages drove up demand for goods, while pandemic shutdowns in other countries reduced supply. This combination pushed prices higher and created inflation pressure. Initially, this was thought to be temporary, and the expectation was that central banks would keep interest rates low.

Swedbank entered the year with a strong capital and liquidity position combined with strong credit quality. We had succeeded in 2021 in regaining our leading position in mortgage lending in Sweden. We had improved our system availability and strengthened regulatory compliance and risk control.

As society reopened, economic activity grew. Travel, hotels and restaurants were sectors that benefitted, and this had a positive impact on our card business.

It will be the war we remember

With geopolitical tensions running high, we decided early on to evaluate our readiness in terms of localisation, cyber defence and availability. We found our contingency planning and resilience to be satisfactory. When Russia launched its full-scale invasion of Ukraine on 24 February, Swedbank was fully focused on customers and employees. Estonia, Latvia and Lithuania had been working steadily for several years to steer their economies away from Russian relationships and towards the West. And the bank's exposure to Russia was very limited.

The global economy was impacted by the invasion. We saw disruptions to global energy, transportation, food and manufacturing systems. Prices soared. The horrifying realisation that a war was being fought in Europe became palpable.

In Sweden the war also raised the issue of sustainability as relates to the defence industry. We need a defence industry and have support for it in Article 1 of the UN Charter, which permits nations to take the measures necessary to uphold international law and suppress acts of aggression.

The stock market fell sharply and financing costs for businesses rose. Customers who had savings in Russian funds were hit especially hard. Swedbank was there for our customers with our expertise. We guided businesses and individuals on how to handle the new situation. And when Ukrainian



refugees arrived in our home markets, we were able, with the support of the EU's Temporary Protection Directive, to quickly accommodate them as customers. Nearly 50 000 Ukrainian refugees now have a bank account with us. We are enabling them to build a life in Sweden, Estonia, Latvia or Lithuania.

Businesses reacted quickly and decisively to the invasion and pulled out of Russia in droves. The international community introduced several rounds of broad-based sanctions against Russia. Swedbank is continuously implementing and complying with these sanctions.

The war is hitting Ukraine hardest, but has also had consequences for our home markets. Energy prices have spiked and this has pushed inflation to levels not seen since the 1980s, in all our home markets.

Inflation is driving interest rates

The price of money affects the bank's business. Stefan Ingves, the governor of the Swedish Riksbank announced, in mid-March, the need for future rate hikes. At that point, we started to adjust our deposit offering and again pay interest on customers' savings.

The Riksbank and the ECB followed the US Federal Reserve's lead and raised their policy rates. The signal was that several rate hikes would be needed to tame inflation. After many years of very low or negative rates, we saw a historically more normal rate environment emerge.

The Swedish housing market slowed and prices began to fall when higher costs became a reality for households. Customers needed help and advice on how to handle the situation and manage their savings, loans and insurance. In the Baltic markets, we saw inflation rise faster than in Sweden, driven by higher energy prices. Swedbank decided therefore to pay the majority of employees in Estonia, Latvia and Lithuania temporary winter compensation to cover this cost.

Swedbank's business model is based on the savings bank idea, where you save before you borrow, and our deposits have grown substantially in recent years. When rates were low or negative, we lost money on deposits, as we decided to reimburse small savers. We did not want them to pay negative interest rates. After having been a bad business, deposits instead became a strength when we, with our strong balance sheet, were able to benefit in an environment where interest rates are on the rise.

Households and many companies were squeezed by the higher inflation. Consumption fell during the year along with real wages. We have supported companies with advice and financing when they have adapted their businesses to a new reality. The real estate sector has actively strengthened its balance sheet and secured liquidity. And more sectors have driven demand for short-term financing, given the higher prices. The capital markets were cautious but opened up at the end of the year.

Climate change is having an impact

Attention turned to the energy supply, and public debate shifted from climate change to also include energy security. In Sweden an electricity support scheme was launched for households, and Swedbank won the contract to issue the payments in 2023.

Swedbank has a clear position on climate change. We realise that a reduced dependence on fossil fuels increases autonomy in many respects. We have played a part in society's transition for some time and see great opportunities in playing an active role in energy efficiency. Given the current energy



prices, you can expect investments aimed at reducing consumption to pay off quickly.

We are a major real estate bank. Therefore, we developed several proposals during the year on how Swedbank can take on a central role in providing advice and financing for the green energy transition in the property sector, which we will present in 2023.

When the Baltic region had to undergo a transition, Swedbank was there and financed the European gas stockpiles that needed refilling. Major investments were made, for example in the infrastructure needed to receive liquefied natural gas (LNG) by ship in Estonia and Latvia. The dependence on Russia is being reduced step-by-step.

I am seeing the business community take on a leading role in climate action, and during the year Swedbank set climate targets for 2030 in accordance with our commitment to the Net-Zero Banking Alliance. The targets cover our own emissions as well as indirect emissions through our customers, known as financed emissions. War and high energy prices underscore the importance of continuing to work towards reaching these climate targets. Swedbank supports the ten principles of the UN Global Compact on sustainable development and is contributing positively to the green transition through advice, products and services.

Swedbank stands strong

In summing up, Swedbank delivered for our owners, customers and employees in 2022. Our business model with a focus on savings and lending delivers when interest rates rise. We were there for our customers with advice and financing in a year defined by war and uncertainty. Swedbank stands strong.

We have maintained our strong credit quality. Credit impairments in 2022 were driven mainly by macroeconomic and model changes.

Swedbank has four home markets. Sweden, Estonia, Latvia and Lithuania. Four countries with strong public finances, robust banking systems, and well-managed companies and households. In these times, it is essential that we are a sustainable, and thus a profitable bank. By being profitable, we contribute to a financially sound and sustainable society. When we are profitable, we can support our customers, pay a dividend to our owners and at the same time continue to develop the bank. And we contribute to the financial stability of our customers, our employees and society as a whole.

The road forward is called Swedbank 15/25

In December, Swedbank presented a plan to sustainably reach a return on equity of 15 per cent by 2025. We call it Swedbank 15/25, and it will make it faster and easier for our customers to do business with us, and improve our availability. Far more customers than today will receive advice. Both individuals and businesses. Our expertise will reach more people more easily. We will develop our business and give our customers products and services that can improve their financial health.

Looking back, 2022 was a year of hard work. We were there for our customers. It is we who work at Swedbank who make the bank what it is. I want to express my gratitude to all our employees. In 2023, we will take Swedbank forward in the strategic direction we have mapped out together.

Our customers' future is our focus.

Stockholm, February 2023

Jens Henriksson
President and CEO

20230706151853

Market conditions in 2022

Highly uncertain geopolitical conditions, an energy crisis in Europe, the highest inflation in decades and major fluctuations in the financial markets meant great challenges for the global economy. At the same time, a climate crisis is underway. But 2022 will also always be associated with Russia's unprovoked expansion of the invasion of Ukraine.

Volatile markets everywhere

The year was marked by major fluctuations in several markets when assets such as equities, fixed income instruments, currencies, digital currencies, energy, commodities and housing were revalued. The cost for companies to finance themselves via the capital market rose significantly, resulting in a greater tendency to turn to the banks for funding. The labour market proved resilient, however, at least in terms of unemployment, which continued to drop during the year. In many parts of the world, employers stated that they were encountering labour shortages.

High inflation forced central banks to start cutting rates

The year 2022 was also the year when inflation surprised us by rising at the highest paces seen in several decades. At first, prices rose primarily for energy and commodities. Due to shutdowns during the pandemic, the supply of goods such as motor vehicles and leisure goods was lower than normal. This led to a rise in prices given that demand was high. The unusually high energy and freight prices led in turn to a major jump in the price of food, whose production indirectly became much more expensive. After the restrictions were eased, the prices of various services such as hotels and restaurants also soared.

When central banks finally started to tighten monetary policy, high inflation was already prevalent. Economies were running at full steam and labour demand was high. A synchronised and significant global monetary tightening took place during the year, which together with deteriorating geopolitical conditions explains the major fluctuations in various markets. The global equity index MSCI fell by nearly 18 per cent during the year, while the Stockholm Stock Exchange dropped by nearly 25 per cent. The Swedish krona weakened significantly, primarily against the US dollar, from SEK 9.00 to SEK 10.42 per USD, and from SEK 10.30 to SEK 11.12 per euro.

Resilient economies

Economic activity in both the manufacturing and service sectors was favourable and consumption and investment held up. During the summer, Swedish retail sales slumped significantly, while retail sales in the US and the euro area continued to rise during the fall. As a result of its strong performance in the first half of the year, the Swedish economy grew by 2.4 per cent in 2022. However in the fourth quarter the economy slowed, and in 2023 it is instead expected to shrink. Reasons for the expected decline include that households are expected to tighten the purse strings as the high inflation and rising interest rates erode their purchasing power. Furthermore, housing investment is likely to fall at the same time that the international demand for Swedish exports weakens.

Conditions in the labour market continued to strengthen in 2022. But the lower economic activity is expected to lead to a rise in unemployment in 2023. As households reduce their nonessential spending, consumer durables, consumer services and the construction sector in particular are expected to be hit hard.

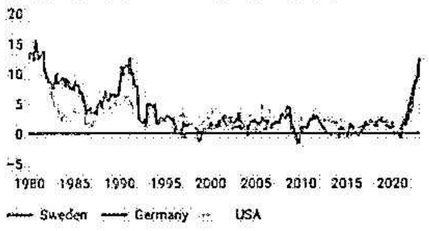
Although wage increases in the Baltic countries have been high, consumer purchasing power deteriorated significantly in 2022. This is because inflation rose by well over 20 per cent in all three countries. Economic activity held up fairly well during the year, however, as households had not yet begun to cut back on consumption. Also, the sanctions against Russia were introduced gradually, which meant that it took until the second half of 2022 before the loss of demand from Russia had its full impact. This year the Baltic economies are expected to stagnate as consumption slows, but government support measures will ease the burden for vulnerable households.

The reversal by central banks led to higher interest rates and the fastest increase in mortgage rates in Sweden since the 1990s. Uncertainty regarding the potential extent of the mortgage rate increases caused a rapid drop in home sales with falling prices as a result. All in all, house prices fell by 13 per cent from the peak in February to the end of 2022 in Sweden.

The climate transition remains in focus

We expect central banks to succeed in bringing down inflation and thereafter to start cutting the policy rates. But many people will experience difficulties for a while. Despite the fact the economic outlook has deteriorated, it is important that we continue to take action to support the climate transition. Among the reasons for optimism are that the current situation should lead to an increased understanding and willingness to help reduce energy consumption and improve energy efficiency in Sweden and globally. Swedish households showed during parts of the autumn that they were able to adjust by consuming significantly less electricity than they did on average in the last seven years. We also saw countries in the rest of Europe, including the Baltic countries, demonstrate this tendency by reducing their gas consumption. This bodes well for our further efforts to stem climate change.

Inflation in Sweden, the US and Germany



Sources: Swedbank Market Research & Macrobond

Swedbank's 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.

When the Swedish savings bank movement began more than 200 years ago, it was based on enabling people to improve their financial health. This is where Swedbank has its roots.

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 make a positive impact on society and contribute to a society that is sustainable in the long term.

Our customer promise

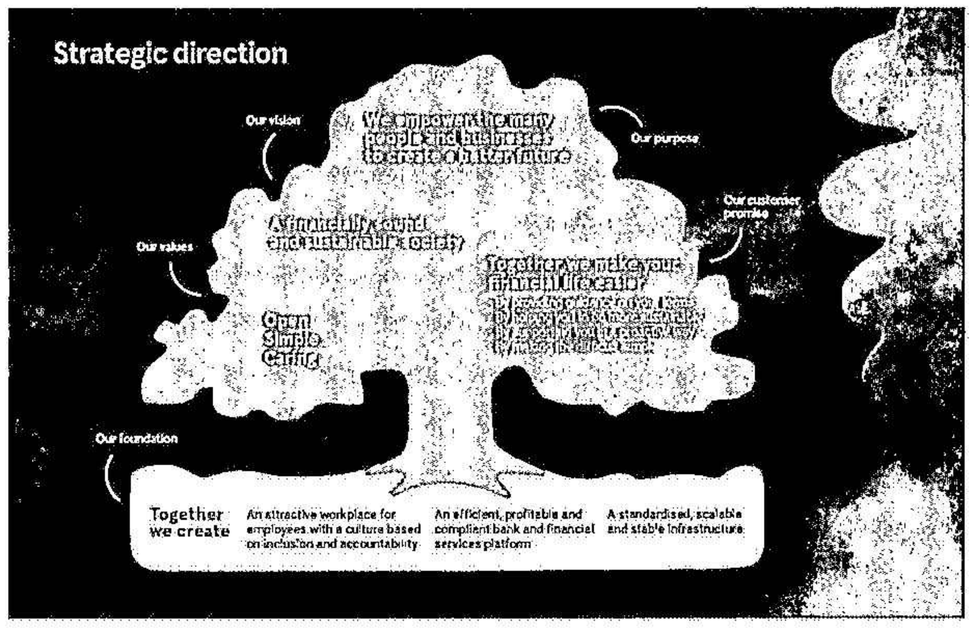
Our customers are the key to our success, and we are there for them at every stage of their lives. We promise customers that together we will make their financial lives easier – by proactively advising them on their terms, helping them to make sustainable decisions and making the difficult simple.

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.

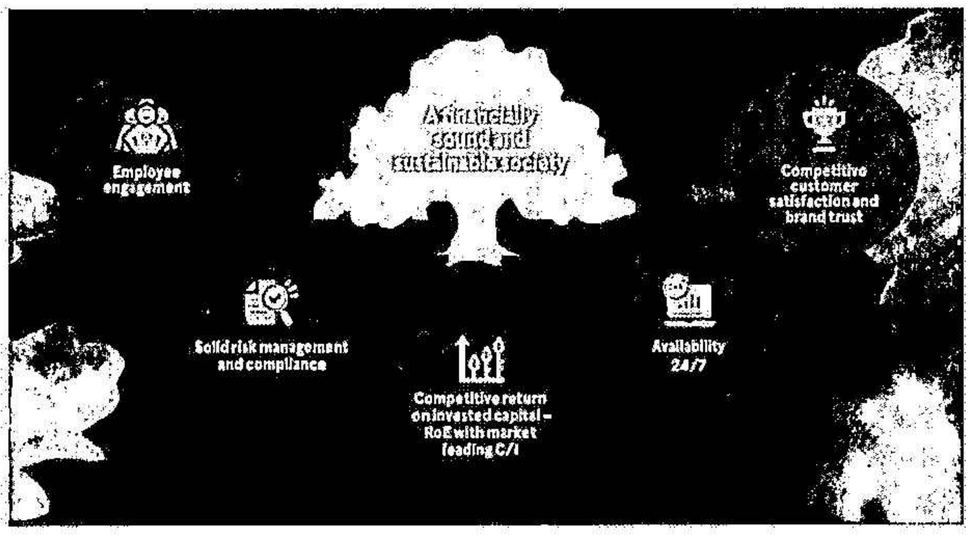
Our foundation

Three building blocks are 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.



Our strategic 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 take our role as a major player in the financial market very seriously. Conducting sustainable business and promoting economically, socially and environmentally sustainable development influences everything we do. We have a major responsibility to facilitate the green transition and reduce 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 when they need us. We continuously work 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 and therefore more satisfied customers. Our ambition is to be an attractive employer by offering healthy, sustainable working conditions together with an inclusive work environment that reflects our values.

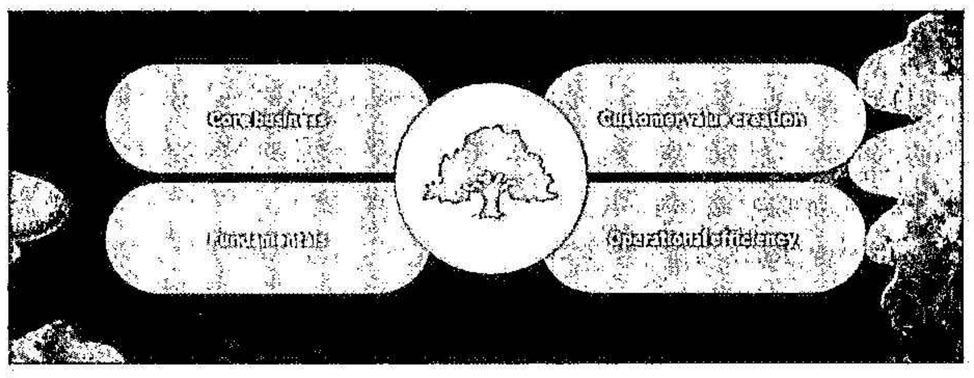
Solid risk management and compliance

Stable and sound risk management affects all parts of our 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 and to remain a stable participant in the financial system. In this way we are able, through deposits from the public and capital markets funding, to continue to lend money to households and businesses at competitive prices, even in times of economic slowdown.

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. By focusing on cost control, automation and digitisation, we can continue to generate a high return on shareholders' equity. 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. This is why we do not follow short-term market trends and instead price our products based on risk and capital requirements. Combined with our market-leading cost efficiency, this has helped us to maintain a strong financial performance, which enables us to continuously invest in product and channel development and offer competitive prices.

Our strategic focus areas



Core business

We focus on profitable growth in our strong and profitable core business in our home markets: Sweden, Estonia, Latvia and Lithuania. Swedbank is a bank for the many private customers, small and mid-sized corporates, and a selected number of large corporates requiring financing, savings, insurance, and daily banking products and services. To meet our customers' needs, we also enter into collaborations and partnerships, with the savings banks being our most important partner. At the foundation of our core business is the ongoing transition towards a more sustainable society.

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 the ability to create value for customers based on their needs. Our success is built 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 and ensure that we deliver on the expectations of our customers by being a reliable partner throughout their lives.

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 ensure our license to operate, sound risk management, customer satisfaction and trust, engaged employees and cost efficiency, but are also central to enabling 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 automation are a key lever to enable further efficiencies and 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.

Our business plan

On 6 December 2022, we held an Investor Day where we presented our business priorities and financial plan for reaching a sustainable return on equity of 15 per cent in 2025 – Swedbank 15/25. We will do it by strengthening our customer offering, working more efficiently and improving our availability.

Focus on core business

During 2022, we conducted a strategic review of our international presence to make it sharper and more focused, in line with how we work with the savings banks in Sweden. The review resulted in a new partnership with SpareBank 1 SR-Bank in Norway, as communicated in Q2. In Denmark, we will close our business and work with Sydbank as a partner for our corporate customers. The Finnish business has been deemed the right size for Swedbank's strategic purposes. Our offices in Shanghai, China, and New York City, US, will remain in operation, while the South African representative office will close.

We have concluded the strategic review of our merchant payment business. The market is characterised by increased competition and fast-moving technological development. We will continue to develop the profitable Baltic merchant payment business. For the Nordic business, we have improved our customer offerings and are focusing on making the business profitable.

Business priorities

Swedbank strives to have the best full-service offering. To enhance the customer experience, we will improve our availability, increase the scope and quality of advice, and make it easier to do business with us via faster processes. We have four priorities for the private and corporate segments in Sweden, Estonia, Latvia, and Lithuania, in line with our core business. The priorities are to leverage proven business model and pricing strategy, grow share of wallet for existing customers, grow business in prioritised segments and improve availability and operational excellence.

1 Leverage proven business model and pricing strategy

We serve approximately seven million customers across our home markets. Thanks to a high degree of digital activation, we can provide individual offers and price volumes in an automated and efficient way, while striking a long-term balance between pricing, competition, and profitability. In the Baltic countries, where mortgage penetration remains relatively low, we are supporting the need for property modernisation.

2 Grow share of wallet for existing customers

We will help our customers find the right offering in our wide range of products and services. To enhance the customer experience and enhance financial health, we will become more proactive towards our customers and improve our advisory capacity and capabilities. In the Baltic region, we also continue to build a long-term savings culture by making non-deposit savings affordable and available to retail customers.

3 Grow business in prioritised segments

Through improved service and advice across the bank, we will increase business volumes in the segments where we have identified opportunities to grow market share. Our Large Corporates and Institutions and Swedish Banking business areas will jointly prioritise midsized corporates by aligning corporate business capabilities in Sweden. We will also grow corporate lending in Latvia and Lithuania and support the green transition in all three Baltic countries.

4 Improve availability and operational excellence

We will continue to invest in the quality, frequency, and speed of customer service and advice by introducing a new communication platform and a new advisory platform, as well as further automating our onboarding and lending processes. Shorter lead times, less time spent on administration and more time spent on service and advice will improve customer satisfaction, drive business growth, and reduce costs.



Financial plan

Swedbank's financial plan to achieve the target of a sustainable return on equity of 15 per cent in 2025 is supported by the following KPIs and assumptions.

Supporting KPIs
- Cost/income ratio of 0.40, supported by strict cost control. Inflationary headwinds shall be mitigated by efficiency gains from automating internal processes and from structural cost reductions.
- Common Equity Tier 1 (CET1) capital management buffer to regulatory requirement of 1–3 per cent, aiming to reach a buffer of 2 per cent in 2025 and onwards

Additional assumptions
- Average annual income growth of 3 per centage points higher than annual average cost growth for 2021–2025, driven by our pricing strategy and gearing towards a normalised rate environment, growing lending volumes, commission income and other income as outlined by the business priorities
- Credit impairment ratio of 0.07 per cent in 2025, derived from the 10-year historical average, which includes impairments in the shipping and offshore portfolio. Excluding these impairments, the 10-year average is 0.03 per cent

Dividend policy and capital plan
- The annual dividend policy of 50 per cent payout ratio will be maintained.
- In addition to ordinary dividends, by 2025, we expect to have generated approximately 3 per cent of capital in excess of a management buffer of 2 per cent.
- Any excess capital will be distributed to shareholders.
- The timing and size of capital distributions and a potential reassessment of dividend policy over the course of the plan are subject to further clarity on capital needs.

Summary of Swedbank 15/25 – our business plan

Financial plan

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

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 excellence

Business targets

Target	Area	Level
No. of advisory meetings	Swedish private segment	≥1.0m in total 2025 (0.28m 2021)
Corporate market shares	Swedish midsized corporate segment[1]	~16% 2025 (~13% 2021)
	Latvia and Lithuania corporate lending	25–30% 2030 (~20% Q2 2022)
Customers with long-term savings	Baltic private segment	Double the number by 2030
Front-line staff time spent on advisory	Swedish corporate segment	>50% 2025 (~30% 2021)
	Baltic Banking	~40% 2025 (~25% 2021)

1) Estimated market share for total midsized corporate business volume (including lending and other business).

A digital bank with physical meeting points

Through proactive advice on customers' terms, we offer secure and effective products and services to simplify their financial lives.

We make our customers' financial lives easier

Our vision and purpose is a financially sound and sustainable society where we empower the many people and businesses to create a better future. By offering financing to households and companies, sustainable savings, and secure and simple payment services, we contribute to our customers' financial security. We are a systemically important institution in our four home markets.

Presence and offering – With approximately seven million private customers and 650 000 corporate customers, we are the leading bank for the many households and businesses in Sweden, Estonia, Latvia and Lithuania. We are active mainly in lending, payments and savings, but 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.

An important part of society

As part of the financial system and one of the largest taxpayers in Sweden, Swedbank plays an important role in society. We are continually affected by global changes. These include regulatory, economic and behavioural changes.

Customers – 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 their financial situation. Customers are increasingly choosing to bank digitally, and our ambition is that they will be able to conduct all their day-to-day transactions digitally, but with personal support when more qualified advice is needed.

Sustainability – We want to actively contribute to a more sustainable society and help our customers make sustainable choices. Climate change and the green transition in society are placing new and increased demands on Swedbank and are important reasons why we adapt and continuously develop our business.

Regulation and reporting – We work actively to comply with the regulations and increased reporting requirements affecting the banking sector. The purpose of these regulations includes increasing financial stability, combating financial crime, accelerating the climate transition and improving the position of bank customers.

Competition – Our competitors consists of traditional banks as well as new actors. To remain relevant for our customers, we must continuously improve our offering by designing more customised and qualified services. We do this partly on our own, but also together with our customers, the savings banks and other partners.

Economic development – As an integral part of the economy, we are affected by long-term economic trends and fluctuations. To stay competitive and relevant, we must be able to adapt quickly to changing market conditions.

Our income and expenses

Net interest income and income from savings products and payment services are our largest sources of income, while personnel and IT are our largest expenses.

Net interest income – The difference between interest income from lending and interest expenses for deposits and funding is net interest income. The lending is financed through deposits from businesses and private customers and through funding from the capital market. To maintain a low risk level, we must understand and price our lending correctly. Our margin must therefore be high enough to cover credit impairments for borrowers who are unable to make repayments. The margin must also cover our own expenses, fees to strengthen financial stability and a return on shareholders' equity.

Net commission income – Our second-largest income source comprises 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 mainly comes from card fees when customers use the cards we have issued, but also from businesses such as stores and restaurants that use our card terminals. The income consists of annual fees and fees based on transaction volumes.

Expenses – Our main expenses are related to personnel and IT. Demand for easy-to-access services with a greater degree of advice is increasing. More extensive regulations and increased reporting requirements also affect expenses. To meet the demand from customers, satisfy the requirements from authorities and increase cost efficiency, we must continuously invest in our employees as well as in modern services and systems.

Simplified income statement, SEKm

+ Our income	
Net interest income (interest income – interest expenses) Lending generates interest income and interest expenses are incurred for deposits and the bank's funding	33 157
Net commission income Fees charged for services such as card usage, payments and asset management.	14 223
Net gains and losses on financial items Result arising through trading in financial instruments and valuation effects from derivatives, for example.	1 887
Other income Share of result from e.g. associated companies, services sold to savings banks and insurance.	3 954
Total income	53 221
– Our expenses	
– Staff costs We are dependent on attracting and developing people with the right skills to meet customer demand, but also to meet internal and external compliance and reporting requirements.	13 246
– Other expenses Development, production and distribution expenses together comprise other expenses.	7 726
– Consulting expenses for AML-related investigations	443
Total expenses	21 415
= Our profit before impairment, Swedish bank tax and resolution fees	31 805
– Credit impairments Credit impairments are natural for a bank as all lending carries a risk. Both write-offs and expected credit losses are included.	1 479
– Impairments Impairments of intangible and tangible assets.	1 138
– Swedish bank tax and resolution fees In 2022, a new tax was introduced for banks in Sweden, which is calculated based on the size of the balance sheet. In 2023, the tax will increase from 0.05 to 0.06 per cent.	1 831
– Tax Swedbank is one of the largest corporate taxpayers in Sweden and together with the country's other banks accounts for about 10 per cent of total corporate income tax collected.	5 478
= Our profit attributable to the shareholders in Swedbank AB	21 877

Earnings distribution

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

Dividend → Equity

Simplified balance sheet, SEKm

Our assets	
Cash and bonds Swedbank maintains a liquidity buffer in the form of cash and liquid securities to meet its commitments even if access to funding is closed for an extended period.	578 772
Loans to the public About half of Swedbank's lending to the public consists of mortgages in Sweden. Swedbank is one of the largest lenders to private and corporate customers in our four home markets.	1 842 811
Loans to credit institutions Swedbank also offers lending and deposits to other banks and credit institutions.	56 589
Derivatives To protect the bank and its customers against unwanted market fluctuations, the bank uses and offers various types of derivatives, which are reported on both the asset and liability sides of the balance sheet.	50 504
Other assets	326 200
Total assets	2 854 876
Our liabilities and equity	
Deposits and borrowings from the public Customer deposits fund a significant share of lending. Swedbank has a large, stable base of deposits.	1 305 948
Debt securities in issue Lending not funded with deposits is funded through the capital markets. Swedbank's market funding is almost exclusively long-term and mainly consists of covered bonds.	784 206
Derivatives See comment under assets above.	68 679
Other liabilities	519 951
Equity Equity ensures that the bank can operate well even under unfavourable conditions.	176 092
Total liabilities and equity	2 854 876

For more detailed information on Swedbank's income statement and balance sheet, see pages 65 and 67.

20230706051854

Our strategy produces results

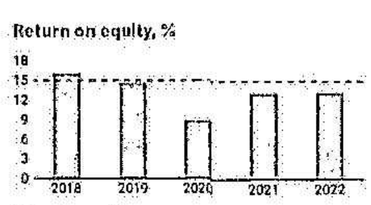
Swedbank's strategic targets are measured and monitored continuously. Progress in each area is reported using a number of selected KPIs. With a focus on the core business and operational efficiency, we created value for our stakeholders and produced stable results in 2022.

Profitability and cost efficiency

Target: Return on equity of at least 15 per cent

Why? A sustainable bank is a profitable bank. By being profitable, we contribute to a financially sound and sustainable society. When we are profitable, we can support our customers, pay a dividend to our shareholders and continue to develop the bank. A profitable bank also contributes to financial stability for customers, employees and society as a whole.

Return on equity, %



Result --- Target

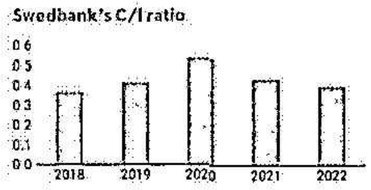
Result

The return on equity was 13.3 per cent (13.2) during the year. In 2020, profit was impacted by an administrative fee of SEK 4 000m, which had a negative impact on profitability.

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

Why? To support our financial target of a return on equity of at least 15 per cent, we aim for a C/I ratio of 0.40. Swedbank will be one of the world's best managed banks with a sustainable ROE of 15 per cent, ensuring that we remain cost effective with low operational risk and that we continue to invest enough in compliance and our competitive strengths.

Swedbank's C/I ratio



Result

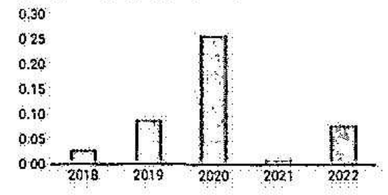
Swedbank's C/I ratio was 0.40 (0.44) during the year. In 2020 the costs were impacted by an administrative fee of SEK 4 000m, which had a negative impact on the C/I ratio.

Risk

Target: Good risk management

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

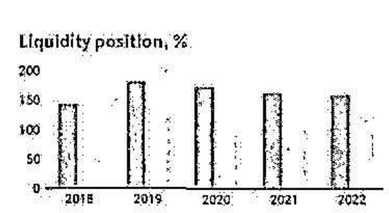
Credit impairment ratio, %



Result

Credit impairments increased to SEK 1 479m (170) primarily due to a change in the macroeconomic outlook and model changes

Liquidity position, %



Liquidity coverage ratio (LCR)
Net stable net funding ratio (NSFR)

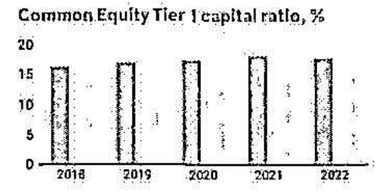
Result

The Group's liquidity coverage ratio (LCR) was 160 per cent (154) at 31 December and the net stable funding ratio (NSFR) was 118 per cent (123), which entails a good margin to the regulatory requirements.

Supporting KPI: A 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 Requirement

Result

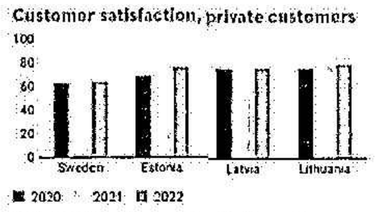
The CET1 ratio was 17.8 per cent (18.3) at 31 December. The Swedish FSA raised the CET1 requirement to 14.4 per cent (13.7) during the year, resulting in a buffer of 3.4 per cent to the capital requirement. Going forward, the buffer will be affected by an increase in the countercyclical buffer requirement, among other things.

Customer

Target: Increased customer satisfaction

Why? Our customers are the basis for our success, and what is important to them is important to us. The banking and financial industry is undergoing constant change and many new companies are entering the market. Delivering high customer value is one of the keys to retaining our customers and attracting new ones. Customer satisfaction, trust and a positive attitude toward the brand explain why our existing customers choose to use our services and products. We continuously monitor how satisfied our customers are through both our own and public surveys. Our own customer satisfaction survey shows which areas we have to prioritise in order to increase or maintain high customer satisfaction.

Customer satisfaction, private customers



2020 2021 2022

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

Result

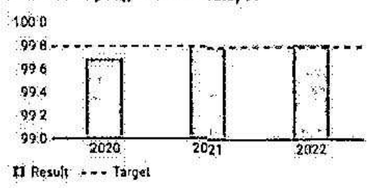
Satisfaction levels in the customer satisfaction index (NKI) are lower in Sweden than in the Baltic countries. The target is to improve the levels in Sweden and maintain the already high levels in the Baltic countries. Customer satisfaction increased slightly for Swedish Banking's private customers as well as for its corporate customers in 2022. In the Baltic countries customer satisfaction increased for both private and corporate customers compared with the preceding year, other than customer satisfaction among private customers in Latvia, which was unchanged.

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 round-the-clock. We therefore have to maintain the highest possible availability in our digital channels. We work continuously to improve availability and prevent incidents that can affect it.

Availability digital channels, %



Result --- Target

Result

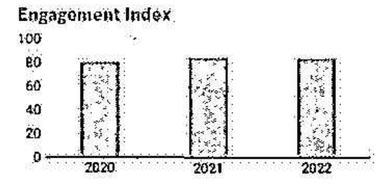
In 2022, availability in the app and internet bank for Sweden and the Baltic countries was 99.82 per cent. In the Baltic countries availability was affected by several brief disruptions, while in Sweden there were no major disruptions.

Employees

Target: Increased employee engagement

Why? Sustainable employees are crucial to both employee engagement and a better customer experience. To be an attractive employer for both current and future employees, we work continuously to provide healthy and sustainable working conditions and an inclusive work environment distinguished by collaboration. Through the Engagement and Sustainable employee indexes we measure how employees feel at work and their work situation, whether they have right resources to do their job, their work-life balance, development on the job, teamwork as well as do they feel valued.

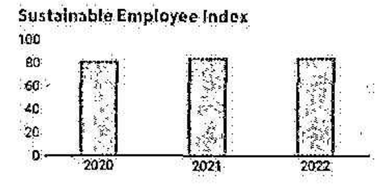
Engagement Index



Result

The result shows continued high and stable engagement among employees during the year. Teamwork, learning and development at work are areas that received strong scores in the survey.

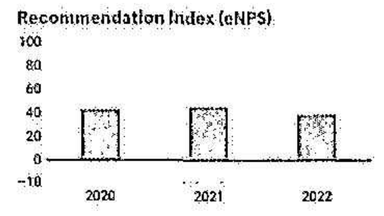
Sustainable Employee Index



Result

The result has increased slightly in recent years when employees have been asked about their work situation. We realise that this is due to increased flexibility and remote work possibilities.

Recommendation Index (eNPS)



Result

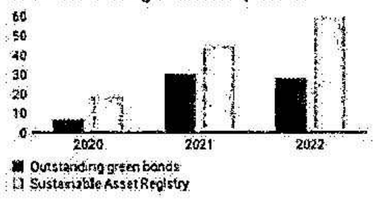
The willingness to recommend Swedbank as an employer, known as the eNPS score, has remained on a high level despite declining slightly during the year.

Sustainability

Target: Reduce the bank's climate impact

Why? Climate change is one of the most important sustainability issues and critical to sustainable development. Society has to transition and banks have an important role to play. In 2022, Swedbank set climate targets for the loan portfolio to help limit global warming to 1.5°C. The targets cover the following sectors: mortgages, commercial real estate, power generation, oil and gas, and steel.

Growth in Swedbank's registry for sustainable assets and green bonds, SEK bn



Result

The Sustainable Asset Registry increased by 33 per cent compared with the preceding year. Financing through the bank's green bonds led to avoided emissions of approximately 385 000 tonnes CO_2e during the year.

Climate targets for the lending portfolio

Sector	Unit	Baseline year 2019[1]	Target 2030
Mortgages	$kgCO_2e/m^2$	17.0	−39%
Commercial real estate	$kgCO_2e/m^2$	27.1	−43%
Oil & gas	million t CO_2e	6.4	−50%
Power generation	t CO_2e/MWh	0.18	−59%
Steel	t CO_2e/ton	0.89	−29%

1) 2019 has been used as a baseline year. The targets for 2030 are based on 2019 levels.
2) Accounting for the year 2022 is not included since the underlying emission data is unavailable

Result

In 2022, Swedbank continued to develop the calculations for indirect emissions via financing and established climate targets for the loan portfolio for 2030. Results will be reported in more detail as of 2023. Financed emissions for 2020 and 2021 are reported on pages 26, 214 and 215.[2]

Sustainability year in brief

A selection of key events

1 Jan Swedbank Robur strengthens and clarifies its policy for responsible investments in part by excluding investments in the commercial gambling sector.

4 Feb Swedbank Lithuania conducts an online course on personal finance and sustainability called Mokonomika, with more than 400 000 participants.

24 May Swedbank collaborates with Junior Achievement Sweden to encourage young entrepreneurs; 220 participating companies consisting of 770 students are showcased at the organisation's annual awards gala.

1–5 Jun Swedbank participates in the annual political gathering Järvaveckan with a focus on young entrepreneurs and youth education.

20 Jun Swedbank's Chief Financial Officer, Anders Karlsson, is named Chief Diversity Officer on Swedbank's Group Executive Committee. This new position, which will rotate every two years, is focused on the bank's proactive approach to diversity and inclusion.

15 Aug Swedbank Robur adopts a strategy for biodiversity and nature-positive investments with overarching targets and milestones in four areas: forests; species and habitats; emission and waste; and water and oceans.

27 Sep Swedbank launches a new Sustainable Funding Framework for green, social and sustainability bonds to finance loans and investments with environmental and/or social benefits.

29 Nov Swedbank sets climate targets for 2030 to reduce emissions in our lending portfolio. The new targets comprise five sectors: mortgages; commercial real estate, oil and gas, power generation, and steel.

11 Dec Nearly 6 000 employees of Swedbank and the Savings Banks have completed a three-stage training programme focused on sustainability and changes in the EU's sustainable finance regulations

A selection of our commitments

Sustainable Development Goals (SDGs)
The Sustainable Development Goals are fundamental to our work.

Global Reporting Initiative (GRI)
In Swedbank's Annual and Sustainability Report 2022 we report in accordance with the GRI Standards from the Global Reporting Initiative.

Net Zero Banking Alliance (NZBA)
Through our participation in NZBA, we are committed to reaching net zero by 2050. This applies to emissions from our own operations as well as emissions related to lending and investment portfolios.

Nordic CEOs for a Sustainable Future
Swedbank's CEO participates in a Nordic initiative where executives share experiences and work together to contribute to achieving the SDGs

Task-Force on Climate-related Financial Disclosures (TCFD)
TCFD is a framework for reporting climate impact from loans and investments. The framework includes information on governance, strategy, risk management, targets and metrics.

Social engagement as an underlying principle since 1820



In Sweden and the Baltic countries, Swedbank is an important part of the financial infrastructure and the development of society.

Our commitment to the community largely involves influencing and engaging in social issues such as promoting financial literacy, supporting local associations and encouraging entrepreneurship. As partners and shareholders in Swedbank, the savings banks and savings bank foundations are strongly engaged in these issues.

Through our ownership groups, part of Swedbank's profit is given back in the form of dividends and is invested in various social initiatives, mainly locally and regionally but also nationally.

Read more about our societal engagement on page 224.

A selection of our commitments, cont.

Science Based Targets initiative (SBTi)
We have adopted the SBTi method to develop and validate science-based climate targets aligned with the Paris Agreement.

UN Global Compact
We have signed the UN Global Compact and support its ten principles on human rights, labour rights, the environment and anti-corruption.

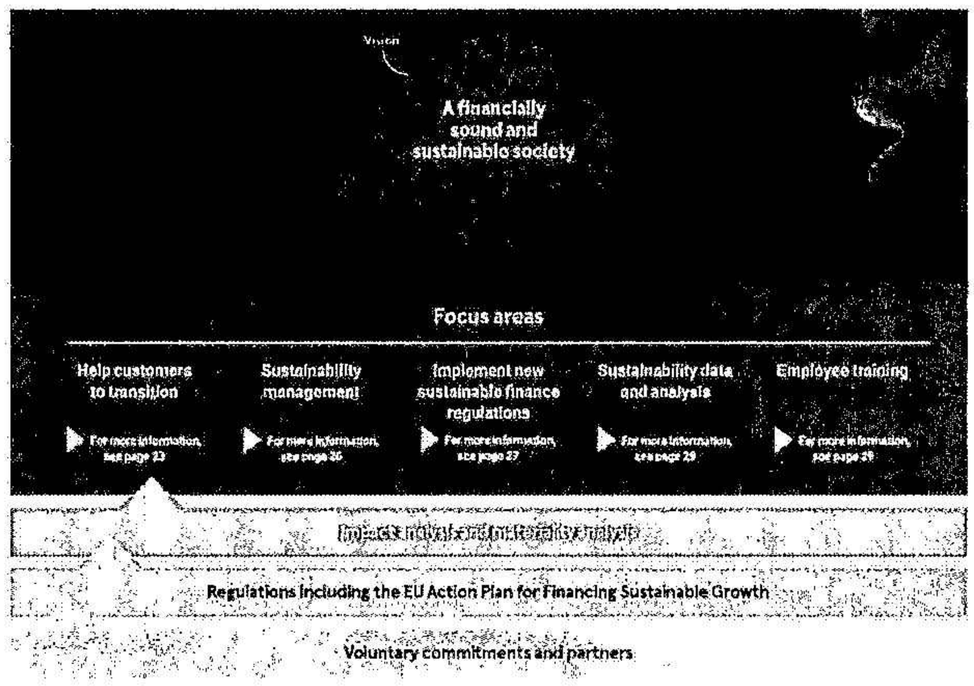
UN Guiding Principles on Business and Human Rights
We have adopted the UN's guiding principles on human rights.

UN Principles for Responsible Banking (PRB)
As part of our efforts to integrate sustainability in our business operations, we have signed the UN Principles for Responsible Banking.

Swedbank's sustainability report has been prepared in accordance with the GRI Standards and comprises Swedbank AB and its subsidiaries (see Notes G1, P22 and P23) in the period 1 January through 31 December 2022. The report has been reviewed by PwC in accordance with the assurance report on page 247. The statutory sustainability report according to the Annual Accounts Act is defined on page 239. The sustainability report covers the pages 19–29, 107–110 and 198–239 and is published on www.swedbank.com

Sustainability with a focus on transition

As a leading bank in Sweden, Estonia, Latvia and Lithuania, Swedbank has a unique opportunity to contribute to positive development. Together with our customers, we are working towards a society where sustainability and financial security are fundamental.



Swedbank's work with societal issues dates back to the opening of the first Swedish savings bank in 1820. Back then, the goal was to reduce poverty and provide everyone with an opportunity to improve their financial situation, and now we take a broader perspective, integrating sustainability into everything we do. Climate change is one of our most pressing issues and is integral to all development. We are committed to adapting our activities and putting the conditions in place to reach the Paris Agreement targets.

We realise that, through our business and activities, we have an opportunity to influence society for the better. Swedbank has adopted a Group-level position statement on climate change, and our position is clear. We will contribute to a more sustainable society and transition our business so that we can meet the demands entailed by climate change and its impact.

Swedbank's strategy is to actively help our customers make sustainable choices and contribute to the transition. We have staked out a clear sustainability direction with a focus on financing the transition. Through voluntary commitments, partnerships and regulations, we work in a structured manner with these issues. With our materiality analysis and impact analysis as a starting point, we have mapped out how Swedbank affects society. This provides guidance on which sustainability areas should be in focus for us.

20230705151855

We maintain a continuous dialogue with both internal and external stakeholders. This helps us to understand Swedbank's role and impact from various sustainability perspectives, as well as the areas on which we should focus. To analyse and report our impact from our business, we use an established method from the UN Principles for Responsible Banking. The method analyses our impact based on the sectors in which our corporate customers operate and on which products we offer our private customers. Based on the results and our strategic direction, we have chosen to prioritise five focus areas:

- Help customers to transition
- Sustainability management
- Implement new sustainable finance regulations
- Sustainability data and analysis
- Employee training

For more information on how we collect stakeholder feedback and assess our impact from a sustainability perspective, see page 201–202.

Help customers to transition

Private customers

Spreading knowledge about personal finance and financial services has always been a driving force at Swedbank. We want to give people the knowledge, tools and advice they need to make sound and sustainable choices. By helping our customers understand personal finance and how they can influence it, we enable them to take control and increase their financial security and freedom. In the long run, this means that the customers become financially healthier, that our business is more profitable and stable, and that it contributes to a financially sound and sustainable society. With additional investments in the skills of our employees and the bank's reach, we have an opportunity to make a difference. During the year, approximately 6 000 employees of Swedbank and the Savings Banks received training on investments and insurance focusing on sustainability and changes in EU regulations.

We also want to contribute to financial health through digital inclusion and by improving financial literacy among young people. Our customers should be able to combine digital aids and analysis tools with in person meetings with our advisors. In collaboration with the savings banks, we carry out two initiatives called Young Economy and Digital Economy, which are examples of education on personal finance for young people and on digital banking issues, respectively. In Lithuania, Mokonomika is a similar initiative, and in both Latvia and Lithuania there is Financial Laboratory.

Savings is another area that contributes to financial stability, and Swedbank Robur's sustainable funds play an important role. One example is the Climate Impact equity fund, which invests solely in companies that contribute to meeting SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action). Mortgages are a major part of Swedbank's operations. In Estonia, Latvia and Lithuania, we participate in a state-guaranteed mortgage assistance programme. Based on established criteria, various groups of people are given the opportunity to finance a home or improve its energy efficiency. In Latvia, for example, families and those up to the age of 35 with a higher education can apply for these loans.

Climate change and energy

Swedbank has a clear strategy to support and advise our customers on the transition to a more sustainable society. Everything is based on enabling them to make informed, long-term decisions. This can involve saving on a monthly basis in a fund that invests in sustainability, installing solar panels on a home or improving energy efficiency. As a result of our business strategy and new EU requirements, we are improving our competency and advisory offering with respect to climate change, with a focus on transparency, sustainability risks and customer preferences.

Energy efficiency has become one of society's most important tools to mitigate climate change. The changing geopolitical situation is making it even more important to take action to reduce energy consumption. We are a market leader in mortgages in our four home markets, and therefore play an important role in spreading knowledge of these issues. Through advice, products and services, we can support customers who want to improve the energy efficiency of their homes.

As part of this effort, Swedbank joined the EU Commission's Energy-Efficient Mortgages Initiative in 2021, which includes approximately 70 financial institutions. The aim is to incentivise energy-efficiency investments and financing models that provide better terms for mortgage borrowers who improve the energy efficiency of their homes. The Nordic Energy-Efficient Mortgage Hub, which is based on the Nordic climate and housing standard, is another initiative in which we participate.

An example of products and services in which the climate is a guiding factor is our mortgages, which offer a lower interest rate if the home meets any of our criteria as an energy class A, B or Nordic Swan-certified property. We also offer lower interest rates to private customers who want to invest in solar panels and those who plan to buy a car that meets specific environmental requirements.

Corporate customers

One of our most important roles is to support corporate customers in developing and transitioning to sustainable strategies and business models. We contribute by channelling capital flows to responsible investments. Through close collaboration with our customers, where we give advice and offer sustainable financing products and services, we can also help them become more competitive.

One concrete example is an initiative with six other banks, where the aim is to contribute to a more sustainable construction industry in Sweden. The aim, together with the real estate and construction sectors, is to achieve greater control over the labour used at every level of the supply chain, thereby reducing the risk of employee mistreatment and financial crime. Together we have developed harmonised guidelines and stricter lending requirements for construction and real estate companies. The launch of harmonised contractual terms for the participating banks is scheduled for 2023, but pilot projects had already been completed by the end of 2022.

In autumn 2022, an offering was launched to support farmers in their transition to more sustainable agricultural methods in our Baltic home markets. In these markets, agriculture is considered sustainable if it contributes substantially to climate change mitigation, does no significant harm in relation to the other objectives in the EU Taxonomy and complies with the minimum social safeguards. 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 meet the requirements receive a certification, which they can use to apply for better loan terms from the bank. Agriculture is not currently included in the EU taxonomy, but as soon as it is, the possibility of categorizing this financing as environmentally sustainable will be explored.

Swedbank's framework for sustainable funding and finance. During the year, the Swedbank Sustainable Funding Framework was launched to replace the previous Swedbank Green Bond Framework. The criteria for green loans were updated to align with market conventions and, on a best-effort basis, with the EU Taxonomy. Several new categories and criteria were added for social loans. This is an important first step to incorporate social sustainability in the bank's sustainable funding framework, and is in line with the bank's strategy and history of strong social engagement.

Since 2017, Swedbank has issued green bonds in our own name. Based on the new framework, we can continue to finance sectors that contribute to a more sustainable society.

Sustainability-oriented products

Green construction credits and green property loans are two products we offer corporate customers in Sweden. Green construction credits are designed for companies that build energy-efficient and sustainability-certified properties in energy class C at a minimum. Green property loans are offered to companies that want to finance buildings with energy class A, B or relevant green certifications. We also offer sustainability linked loans that require companies to reach specific sustainability targets agreed by the bank and customer.

Read more about how Tobii Dynavox AB and Alviksgården financed their activities with social loans on page 25 and 28.

In addition to loans, we offer advice to customers seeking capital market funding. Customers have the opportunity to issue green, social, sustainable or sustainability-linked bonds. This in turn benefits investors who want sustainable investments, such as large insurance companies and pension managers. Swedbank is one of the leading banks in arranging bonds in SEK, both traditional and ESG bonds. We also offer advice on green equity. The main criteria to classify equities as green is that more than 50 per cent of the company's revenue and investments can be classified as green. Swedbank developed the green equity concept in collaboration with CICERO Shades of Green, the world leader in third-party assessments of green bonds. We also served as advisor to Nasdaq in connection with the establishment of its Green Equity Designation, which is available to listed companies in Sweden, Finland and Denmark.



Communication aids for an improved quality of life

We have a history of strong social commitment, and an important milestone in Swedbank's social sustainability work was reached during the year when the Sustainable Funding Framework was launched. The new framework is an important step in working with social sustainability.

One of the first social financing agreements was signed with Tobii Dynavox AB, which develops assistive technology for communication to improve the quality of life for people with disabilities.

"For us, social finance is important proof that what we are doing is making a concrete difference for people and society," says Linda Tybring, Chief Financial Officer at Tobii Dynavox.

Globally, the challenge is massive; approximately 50 million people have various types of disabilities and require assistive technology to communicate. Thanks to solutions from Tobii Dynavox, hundreds of thousands of people around the world have the opportunity to live a more independent life. For example, those with autism, ALS and cerebral palsy can have their own voice through assistive devices.

"The need for communication aids that make it possible to be understood is great. Only a small fraction of those in need currently have access to aids, so there is an enormous opportunity to help more people," says Ms. Tybring.

Besides hardware and software, Tobii Dynavox trains tens of thousands of speech therapists and occupational therapists annually to improve their understanding of communication aids.

If the users of these aids become more independent, they can study or work more, enabling them to become more integrated in society. Greater inclusion also generates short- and long-term benefits for society, including by taking pressure off healthcare systems and reducing the need for assistance.

"Being able to share thoughts and feel included in society is strongly linked to our physical and mental health. We feel that social financing has an important social value, as it makes it easier for companies to contribute to a more sustainable society," says Ms. Tybring.

Sustainability management

Sustainability-related targets and outcomes

We continually track our progress towards a society that is sustainable from an environmental, social and financial perspective. The table below presents a selection of our targets and metrics. The results of the goals are reported to Swedbank's management and Board of Directors on an ongoing basis. Our sustainability-related targets are integrated in the same management structure as the bank's remaining targets. For more information on how we work with the targets, see the sustainability notes on pages 206–227.

Targets	Metrics	Outcome 2022	Outcome 2021	Outcome 2020
Climate-related ambitions and targets				
Reduce Swedbank's direct greenhouse gas emissions by 60 per cent by 2030 compared with 2019 (25 014 tCO_2e)	tCO_2e	14 559	9 201	11 646
For fund management, a sub target is to halve emissions by 2030 compared to 2019 (8.96 tCO_2e/SEK m)	ton CO_2e/SEK m	4.25	3.41	6.47
For fund management, a sub target is that the proportion of AUM that has adopted scientifically based climate goals amounts to 60 per cent by 2030.	per cent	49	43	n/a
For mortgages, the target is to reduce financed emission intensity by 39 per cent by 2030 compared with 2019.[1]	$kgCO_2e/m^2$	n/a	16.8	15.0
For commercial real estate, the target is to reduce financed emission intensity by 43 per cent by 2030 compared with 2019.[1]	$kgCO_2e/m^2$	n/a	27.4	28.1
For power generation, the target is to reduce financed emission intensity by 59 per cent by 2030 compared with 2019.[1]	tCO_2e/MWh	n/a	0.15	0.15
For oil & gas (exploration, production and refining), the target is to reduce absolute financed emissions by 50 per cent by 2030 compared with 2019.[1]	tCO_2e	n/a	4 629 558	5 654 610
For steel, the target is to reduce financed emission intensity by 29 per cent by 2030 compared with 2019.[1]	tCO_2e/tonne	n/a	0.80	1.09

Contribute to the following SDGs: 9.4 Upgrade infrastructure and retrofit industries to make them sustainable. 12.2 Achieve the sustainable management and efficient use of natural resources. 13.3 Build knowledge and capacity to meet climate change.

Help customers make sustainable choices				
Increase sustainable finance to promote financing that drives sustainable development.	SEK bn	73.0	56.0	23.7
Support our corporate customers in the transition with sustainability linked loans.[2]	SEK bn	11.5	9.1	4.5
Improve financial literacy among youth and adults through various educational offerings.	number of lectures	3 334	3 152	2 101

Contribute to the following SDGs: 4.4 Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship. 9.4 Upgrade infrastructure and retrofit industries to make them sustainable.

Employees				
Increased employee engagement	eNPS[3]	39	45	43
Ensure gender equal pay for equal work	pay gap in percentage points	1.9	n/a	n/a

Contribute to the following SDGs: 5.1 End all forms of discrimination against all women and girls everywhere. 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

1) Financed emissions were not available for 2022 when this report was published. Figures for the base year can be found on page 19.
2) Sustainability linked loans are also included in sustainable financing.
3) Likelihood of recommending Swedbank as an employer.

Swedbank's new climate targets

Climate change is one of the greatest challenges of our time. Society has to transition and Swedbank has an important role to play.

In 2022, we set climate targets for our lending portfolio for 2030 in line with the global 1.5°C target. The targets are a strategic planning tool to help society and our customers to transition, provide more financing to sustainable activities, and at the same time manage climate change risks and opportunities. The new targets put in concrete terms the reduction Swedbank hopes to achieve in its financed emissions, i.e. indirect GHG emissions generated via our financing. This is also part of Swedbank's commitment to the Science Based Targets initiative and Net-Zero Banking Alliance.

Swedbank's new climate targets cover five sectors: mortgages, commercial real estate, power generation, oil & gas and steel. These sectors were chosen based on their contribution to climate change, the bank's portfolio exposure and data availability.

Reaching the targets will require considerable effort and investment from all of society. Swedbank is a good corporate citizen and our ability to reach the targets will depend on the speed of transition in each of our home markets. We will work proactively with customers, partners and society as a whole to reach the targets. We previously set climate targets for our investment portfolio (through Swedbank Robur) and own operations.

Governance model

We have put a sound management model in place to ensure that we integrate sustainability in our various processes. The Board of Directors has ultimate responsibility for Swedbank's sustainable business strategy, which includes a sustainability approach at an overarching level as well as the content of our policies. Semi-annually, or more often if needed, the Board receives updates on the sustainability work as well as sustainability training. At an operational level sustainability aspects are integrated in each unit's mandate.

Swedbank's Sustainability Committee provides expertise on the implementation of Group-level sustainability focus areas. All business areas and Group functions can receive help from the Sustainability committee before taking a business decision.

Specific policy documents for sustainability include the bank's sustainability-related policies, instructions, directive and guidelines/guides. Sustainability is also part of the entire bank's operational controls through key performance indicators, key result indicators and key risk indicators as an integral part of the Strategic Direction, Group-level goals, implementation processes, monitoring and reporting.

For more information on Swedbank's sustainability management, see pages 42–55 and 199.

Implementation of new sustainable finance regulations

In 2022, Swedbank's sustainability work accelerated and more regulations have been implemented.

Our activities have included implementing the delegated regulations in MiFID II and IDD, which has meant the integration of sustainability preferences in advisory meetings. To support our advisors in their interactions with customers, we have developed a training programme and updated our digital advisory flows internal guidelines and policies in line with the legal requirements.

The introduction of the regulatory technical standards that have been added to the Sustainable Finance Disclosure Regulation (SFDR) has also been a priority. On our website customers can now learn more about how Swedbank works with sustainability risks in investment decisions. We have clarified the information on how sustainable various financial products are and made the information more widely available.

Expanded reporting requirements from the EU Taxonomy have meant increased reporting of the bank's exposure to our customers' various businesses and activities as covered by the Taxonomy. This applies to corporate customers that are subject to the sustainability reporting requirement.

Last autumn, EU Taxonomy training was launched internally for employees and externally for our customers to access on our website. The aim is to give our customers a better understanding of the regulations and how they affect their businesses or investments.

During the year, we begun to review the new requirements in the EU's upcoming Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD). We will continue to implement the upcoming and expanded reporting requirements in the EU Taxonomy as well as CSRD and CSDDD.

In 2021, Swedbank's Baltic operations carried out a self-assessment on how the bank manages climate related and environmental risks and has formulated an action plan to meet the European Central Bank's (ECB's) expectations from ECB's Guide on Climate-related and Environmental Risks. In 2022, the ECB conducted a full review of the banking sector's processes and strategies for managing climate and environmental risks. At the same time, Swedbank's Baltic operations took part in the ECB Climate Stress Test, which helped both the ECB and banks to learn from each other (for more information, see the group's Pillar 3 report). Swedbank will continue to integrate climate and environmental risks in its strategy and will work to improve related processes.

Sustainability data and analysis

During the year, we developed a plan that describes how we will implement data-driven sustainability-related decisions. The plan consists of four main areas: compliance and transparency tied to the EU's sustainable finance regulations; internal management, e.g. targets and monitoring; development of products and services; and risk management.

We have begun integrating various sustainability parameters in our current financial reporting systems. As part of this, we are enabling our customers to assess sustainability-related parameters. This is done by strengthening collaborations with commercial data providers such as the Swedish Meteorological and Hydrological Institute (SMHI) on physical climate risks for properties. We have also analysed data from the Swedish National Board of Housing, Building and Planning (Boverket) on how we can more easily measure the GHG emissions that our property portfolio indirectly generates. By continuing to work with data-related sustainability information, we see an opportunity to improve efficiencies and contribute to a more sustainable society. In this way we can influence the effort in the right direction together with our customers.

We have various tools at our disposal to gather business intelligence and analyse our portfolios and specific customers. In the credit process, for example, sustainability risks are considered in all lending decisions. An expanded sustainability analysis is mandatory for all corporate customers whose total credit limit exceeds SEK 8m in Sweden and EUR 0.8m in the Baltic countries. For other customers a general assessment is made of sustainability related factors based on what is required given the nature of the business and its complexity. To support the sustainability analysis, sector guidelines are available to provide insight into sustainability issues in the particular sector and to provide suggestions on which questions should be asked and which areas are especially important. The work to develop and improve the sustainability analysis continued during the year and was introduced in parts of the bank. The purpose of the analysis is to further improve our advice and risk management. The analysis considers sector-specific risks based on environmental, social and governance aspects. It makes it possible to identify the key sustainability factors within a sector in an automated way. This then serves as a basis for the questions that are raised with corporate customers and gives us a better understanding of how they manage the sustainability factors that have been identified. When a credit application is considered to have an elevated sustainability risk, it is escalated to the Sustainability Committee for a more thorough assessment and guidance.

Employee training

Swedbank's vision and business strategy are built on sustainability, and sustainability is part of everything we do. Global changes, not least climate change, are affecting the bank and are placing high demands on our employees. This requires an understanding of current developments as well as new skills and adjustments in order to proactively help our customers. We will give advice, develop products, manage risks and take advantage of opportunities. The changes are also placing demands on us as an employer, to put every employee in a position to succeed.

In periodic surveys we ask employees whether we have succeeded. The results give us the necessary insight into how well we perceive, understand and deliver on the bank's strategically important areas. We also have a continuous process to track our employees' personal development (PD) in a structured way during the year.

An upskilling plan was introduced in 2022, and several courses on climate change were held. During the year, 6,000 employees in Swedbank and the savings banks have completed these trainings. Additionally, all employees updated their skills in for example ethics, security and our Code of Conduct through mandatory training.

Diversity and inclusion play a natural role

Swedbank wants to create a culture where gender equality and diversity are deeply ingrained and where differences are used actively to benefit the business. During the year, the Group Executive Committee (GEC) made a commitment to increasing the bank's focus on diversity and inclusion. Swedbank has a history of being at the forefront, at the same time as demands from the operating environment are extensive and continually changing.

In May, the GEC completed a workshop within the area; among the outcomes was the establishment of the new position of Chief Diversity Officer (CDO), a rotating two-year responsibility held by a member of the Group Executive Committee. The CDO is responsible for bringing attention to the bank's proactive efforts involving diversity and inclusion. CFO Anders Karlsson was appointed the bank's first CDO with responsibility for drafting a long-term strategy for diversity and inclusion – a three-year vision setting out our main focus areas in this regard – and for initiating activities and reviewing the appropriate targets and KPIs.

An upskilling programme on diversity and inclusion is being developed for management, consisting of a D&I Speaker Partner Program and learning sessions with experts in the field. Individual GEC members are also involved as sponsors of employee networks: CIO and Head of Group Channels & Technologies for Swedbank Women in Tech, and the Head of Swedish Banking for the LGBTQ+-network GLaS.



Unique production of biofertiliser at Alviksgården

Swedbank offers and develops financing solutions. To help our customers in the green transition, we continued to finance green investments in Sweden and the Baltic countries during the year. One of these investments is a unique treatment facility in northern Sweden that can convert 30 000 tonnes of fertiliser into clean water, heating, electricity and 1 800 tonnes of high-quality, ecolabeled fertiliser pellets.

Alviksgården is the parent company of Nyhléns Hugosons, which sells charcuterie and prepared foods with a focus on ingredients and specialities from northern Sweden. The facility encompasses 13 000 pigs, a slaughterhouse, a biogas boiler, a wood chip boiler and a digestate for biofertiliser.

"Much of the development here is rooted in my desire to refine, think long-term and solve problems," says Mikael Hugoson, who owns Nyhléns Hugosons together with Magnus Nilsson.

Mikael Hugoson was the first in Sweden to install a large-scale biogas facility, and he wanted to make use of waste products from the slaughterhouse.

"Slaughterhouse waste is energy rich and provides 90 per cent of the energy we get from the biogas boiler. The rest comes from the fertiliser. Together with the wood chip boiler, which is powered by raw materials from my forest, the plant heats the entire farm and gives us around 12 000 kWh of renewable electricity a day. That covers all our electricity needs," says Mr. Hugoson.

The Swedbank-financed digestate system is the latest investment at Alviksgården that was made with sustainability and the circular economy in mind. It utilises waste products from the biogas plant and converts them into biofertiliser in the form of pellets. The system represents a total investment of around SEK 80 million, about SEK 20 million of which was provided by the County Administrative Board.

In the digester liquid is separated from the organic material. The liquid is then treated in a heat process and all the nutrients are dried and pressed into pellets. The final pellet contains soil amendments as well as a large number of important nutrients.

This has major benefits in terms of resource conservation and environmental impact. Thanks to the high concentration of nutrients, the pellet-converted digestate can be beneficial as a biofertiliser on cropland. Some of the pellets that are produced will be used on the farm and the rest will be sold.

"Now that I have finished the digestate system, I have started on the next project: solar panels on our least productive farmland. I haven't quite decided yet whether I think the panels are ugly or not," says Mr. Hugoson with a smile.

Good relative return during a year of great challenges

Rising interest rates and growing lending contributed along with high cost efficiency to a strong profit for 2022. Credit impairments were low despite great economic challenges. Together with a strong capitalisation, this means that the bank – in line with the dividend policy – is able 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

Over 40 per cent of the population in our home markets are customers of Swedbank. We have a strategic partnership with the savings banks through which we reach even more customers and also share expenses for among other things IT and product development. The large customer base provides natural economies of scale and paves the way for high cost efficiency. It also contributes with deposits, an important and cost-effective funding source for the bank.

2 High profitability, low risk and strong capitalisation contribute to a high dividend yield

During the year, the return on equity was 13.3 per cent, compared with our target of at least 15 per cent. Credit quality is good despite economic pressures on both companies and households during the year. Swedbank's capitalisation is strong and exceeds the Swedish FSA's requirement by 3.4 percentage points – well over our aim for a buffer of 1–3 percentage points. Against this backdrop the Board of Directors is proposing that the Annual General Meeting resolves to pay a dividend of SEK 9.75 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 2022, the proposed dividend corresponds to a yield of 5.5 per cent.

3 Stronger share performance than other large cap stocks on the Stockholm Stock Exchange

The stock market performance was negative in 2022 and the OMX 30 Large Cap index fell by 15.6 per cent. Swedbank's share price decreased by 2.6 per cent, compared to Nordic banks which increased by 0.7 per cent on average in 2022. The total return of the Swedbank share was 3.8 per cent during the year. Swedbank's market capitalisation was SEK 199bn at year-end 2022.

Trading on several markets

Swedbank has one share class, ordinary shares (A shares), which has been listed on NASDAQ OMX Stockholm's Large Cap list since 1995. The bank also has an American Depositary Receipt (ADR) programme, which enables investors, through depositary receipts, to invest in the Swedbank share on the US OTC market without having to buy it in SEK or register with Euroclear. 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 495m were traded per day on Nasdaq OMX Stockholm in 2022.

Ownership, holding of own shares and convertibles

Swedbank had 1 132 005 722 shares in issue at year-end 2022, of which Swedbank's holding of its own shares amounted to 8 934 918. Of the 1 123 070 804 shares outstanding, 39.7 per cent was owned by international investors and 60.3 per cent by Swedish investors, whereof 13 percentage points was individual investors.

The 2022 AGM authorised the Board of Directors to resolve to repurchase up to 10 per cent of the outstanding shares to adapt the bank's capital structure to prevailing capital requirements, settle share-based remuneration programmes and trade financial instruments on its own account. Repurchases for trading in financial instruments may not exceed 1 per cent of outstanding shares according to the authorisation.

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

Share-based remuneration programmes

In Swedbank's performance based remuneration programme, remuneration is paid in the form of deferred shares, with the aim to build long-term employee engagement in the bank. Swedbank holds its own shares to, among other things, secure the commitments in the performance-based remuneration programme.

In 2022, a total of 1 636 011 shares were transferred in the remuneration programme, corresponding to a dilution effect of about 0.15 per cent based on the number of outstanding shares as of 31 December 2021.

The 2022 AGM resolved to adopt new performance-based remuneration programmes. They are expected to result in the future transfer of approximately 1.3 million ordinary shares, corresponding to a total dilution effect of about 0.11 per cent based on the number of outstanding shares as of 31 December 2022.

20230706518356

Largest shareholders, 31 December 2022, by owner group

Andel av kapital och röster, %	2022
Sparbanksgruppen[1]	11.85
Folksam	6.98
Norges Bank	4.36
Swedbank Robur Fonder	4.02
Sparbanksstiftelser – ej Sparbanksgruppen[2]	3.62
Vanguard	3.15
BlackRock	2.86
DWS Investments	2.00
T Rowe Price	1.89
SEB Fonder	1.84
Total number of shareholders	352 465

1) Sparbanksgruppen (Sparbankernas Ägarstyrning) 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 priorities authorising the owners' association.
2) Savings bank foundations – ej 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.

Source: Modular Finance AB/Euroclear Sweden AB

Number of shareholders, 31 December 2022

Size of holding	No. of shareholders	Holding, %
1–500	290 502	82.4%
501–1 000	31 417	8.9%
1 001–5 000	26 001	7.4%
5 001–10 000	2 452	0.7%
10 001–15 000	675	0.2%
15 001–20 000	322	0.1%
20 001–	1 096	0.3%
Total	352 465	100.0%

Source: Euroclear Sweden AB

Shareholder categories, as of 31 December 2022, %

	2022	2021
Swedish legal entities	47.3	47.6
Swedish individual investors	13.0	12.1
International investors	39.7	40.3

Data per share

SEK	2022	2021	2020	2019	2018
Earnings per share before dilution	19.48	18.62	11.55	17.62	18.96
Earnings per share after dilution	19.43	18.56	11.51	17.56	18.89
Equity per share	156.8	144.16	138.54	123.94	123.04
Cash dividend per ordinary share	11.25	14.55		14.20	13.00
Dividend per share distributed by year of earnings	9.75[1]	11.25	5.60	8.75	14.20
of which special dividend		2.00			
P/E	9.1	9.8	12.5	7.9	10.5
Price/equity per share	1.13	1.26	1.04	1.13	1.61

1) Board of Director's proposal

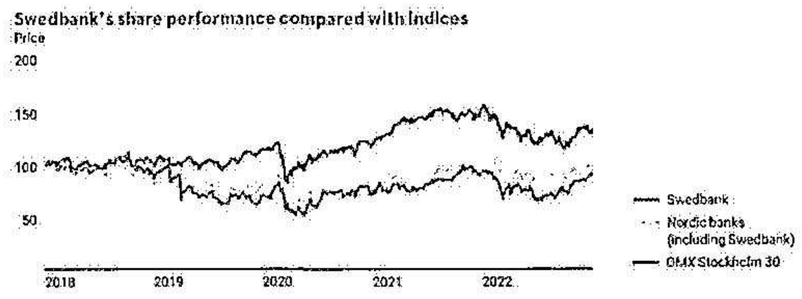
Share statistics, A share	2022	2021	2020	2019	2018
High price, SEK	185.6	196.7	162.7	214.8	221.7
Low price, SEK	128.9	143.2	99.1	120.8	177.2
Closing price, 31 Dec., SEK	177.3	182.1	144.1	139.5	197.8
Average number of trades per listed day	7 638	9 193	11 420	10 622	6 733
Average turnover per listed day, SEKm[1]	495	523	632	655	597
Total market capitalisation, 31 Dec., SEKbn	199	204	161	156	221

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 indices



Financial analysis

A selection of key events

27 Jan Year-end report 2021
Swedbank's profit increased in 2021 compared with the previous year, as the Swedish FSA's administrative fine and higher credit impairments were recognised in 2020. Net interest income decreased slightly, while net commission income increased. A dividend of SEK 11.25 per share including a special dividend of SEK 2 per share was proposed by the Board of Directors.

20 Mar Dividend decision for 2021
The Annual General Meeting resolved in accordance with the Board's proposal to pay a dividend of SEK 11.25 per share. The dividend includes a special dividend of SEK 2 per share in addition to the ordinary dividend of 50 per cent of net profit for the financial year 2021.

28 Apr Interim report first quarter 2022
Swedbank's profit decreased compared with the fourth quarter due to lower net commission income and the introduction the Swedish bank tax. Net interest income was stable, while expenses were seasonally lower.

19 Jul Interim report second quarter 2022
Swedbank's profit increased slightly compared with the first quarter, mainly due to higher net interest income. Net commission income was stable and credit impairments decreased.

27 Oct Interim report third quarter 2022
Swedbank's profit increased compared with the second quarter due to strong net interest income and higher net gains and losses on financial items. Net commission income also increased slightly.

6 Dec Swedbank's Investor Day
Swedbank presented the business priorities and the financial plan to reach a sustainable return on equity of 15 per cent in 2025.

Dec Expenses amounted to SEK 21.4bn
Excluding foreign exchange effects, the extra winter allowance for Baltic employees and the closure of banking operations in Denmark, we stayed below the nominal cost cap we set two years ago.

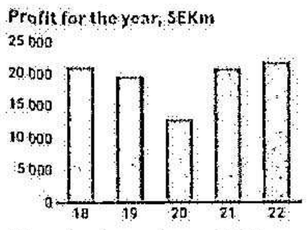
Market shares[1], per cent



	Lending (private)	Lending (corporate)	Deposits (private)	Deposits (corporate)	Payments[2]	Funds
Sweden	20	15	18	15	34	21
Estonia	42	34	48	39	56	38
Latvia	35	19	38	28	0	41
Lithuania	39	22	45	30	57	39

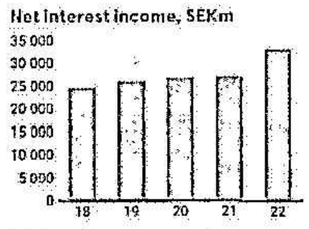
1) Market shares are based on data from statistical authorities in the countries respectively. Latest available data is applied.
2) Bank Giro transactions (Sweden) and domestic payments (Estonia, Latvia and Lithuania).

Profit for the year, SEKm



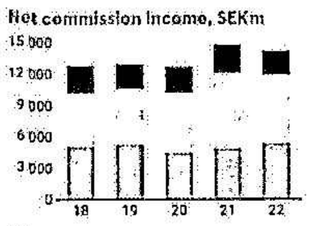
Swedbank's profit amounted to SEK 21 880m compared with SEK 20 872m in the previous year. The increase is due to rising income.

Net interest income, SEKm



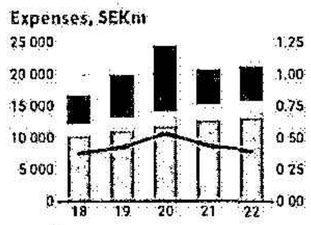
Net interest income increased by 23 per cent to SEK 33 157m mainly due to higher deposit margins and a better return on deposits placed in central banks. Higher lending volumes also contributed.

Net commission income, SEKm



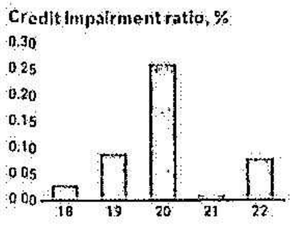
Net commission income decreased by 4 per cent to SEK 14 223m. Income from asset management decreased due to the downturn in the capital markets, while income from card operations increased as pandemic restrictions were lifted during the year.

Expenses, SEKm



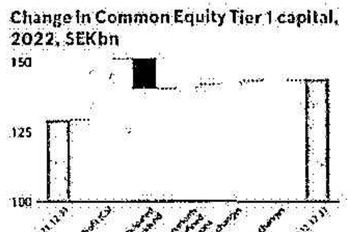
Expenses increased by 3 per cent to SEK 21 415m primarily due to higher staff costs and to some extent higher IT expenses. AML-related investigation expenses increased and amounted to SEK 443m. The C/I ratio decreased to 0.40.

Credit impairment ratio, %



Credit impairments increased to SEK 1 479m and were mainly explained by weaker macroeconomic scenarios as well as negative rating and stage migrations. The credit impairment ratio was 0.08 per cent.

Change in Common Equity Tier 1 capital, 2022, SEKbn



Profit after deducting the proposed dividend positively impacted Common Equity Tier 1 capital by SEK 11bn in 2022. The remeasurements of defined benefit pensions increased Common Equity Tier 1 capital by approximately SEK 1.4bn.

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 governance 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 197.

Financial analysis

Higher income and good cost control strengthened the result
Swedbank's result increased to SEK 21 880m (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. Foreign exchange effects positively impacted profit before impairments, the Swedish bank tax and resolution fees by approximately SEK 417m. The return on equity was 13.3 per cent (13.2) and the cost/income ratio was 0.40 (0.44).

Income increased to SEK 53 221m (47 681) and was positively affected primarily by net interest income. Net commission income and net gains and losses on financial items decreased. Foreign exchange effects increased income by approximately SEK 738m.

Net interest income increased by 23 per cent to SEK 33 157m (27 048). Underlying net interest income improved *mainly on account of higher deposit margins and a better* return on deposits placed at central banks. Higher lending volumes also contributed. Lower lending margins during the year and an adjustment to the deposit guarantee in 2021 offset the increase.

Net commission income decreased by 4 per cent to SEK 14 223m (14 853). Income from asset management decreased due to the downturn in the capital markets, while income from card operations increased as pandemic restrictions were lifted during the year.

Net gains and losses on financial items decreased to SEK 1 887m (2 048). A positive valuation effect in 2021 in connection with Hemnet's IPO and a negative result this year due to the sale of the Danish mortgage portfolio had a negative effect. Revaluations of the trading portfolio of corporate bonds had a negative effect, while repurchases of own bonds positively impacted the comparison.

Other income increased by 6 per cent to SEK 3 954m (3 732) due to higher income from savings banks and reversals of insurance provisions. Entercard's profit decreased.

Expenses increased by 3 per cent to SEK 21 415m (20 847) primarily due to higher staff costs, but also higher IT and AML expenses. Underlying expenses were stable and excluding foreign exchange effects, the extra winter allowance for Baltic employees and the one-off cost in connection with the closure of banking operations in Denmark, expenses were in line with the nominal cost cap of SEK 20.5bn as well as an additional *SEK 0.5bn for AML-related investigations. The AML-related* investigation expenses amounted to SEK 443m (355). Foreign exchange effects increased expenses by approximately SEK 320m.

Impairments of intangible assets amounted to SEK 1 125m (56). The increase was primarily related to impairment of goodwill associated with PayEx and Swedbank's Norwegian operations as well as impairment of proprietary software.

Credit impairments amounted to SEK 1 479m (170) and were mainly explained by weaker macroeconomic scenarios as well as negative rating and stage migrations.

Income statement, SEKm	2022 *Full-year*	2021[1] *Full-year*
Net interest income	33 157	27 048
Net commission income	14 223	14 853
Net gains and losses on financial items	1 887	2 049
Share of profit or loss of associates and joint ventures	738	976
Other income[2]	3 216	2 756
Total income	53 221	47 681
Total expenses	21 415	20 847
Credit losses, write-downs, Swedish bank tax and resolution fees	4 448	1 017
Profit before tax	27 358	25 817
Tax expense	5 478	4 945
Profit for the year	21 880	20 872
Return on equity, %	13.3	13.2
C/I ratio	0.40	0.44

1) Presentation of the income statement has been changed, see note G57.
2) Other income includes the items Net insurance and Other income from the Group income statement.

The Swedish bank tax, which was introduced on 1 January 2022, amounted to SEK 927m (0).

The tax expense amounted to SEK 5 478m (4 945), corresponding to an effective tax rate of 20.0 per cent (19.2). The higher effective tax rate this year is largely due to the non deductible impairment of goodwill related to PayEx and Swedbank's Norwegian operations and a lower share of income from associated companies and joint ventures. The Group's effective tax rate is still estimated at 19–21 per cent in the medium term.

Lending growth continues

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

Loans to customers increased by SEK 122bn to SEK 1 799bn (1 677) during the year, corresponding to an increase of 7 per cent. The largest contribution to the increase came from corporate lending, which increased by SEK 78bn. Growth occurred in several countries and sectors. Commercial real estate accounted for the largest share. Mortgages in Sweden increased by SEK 40bn. Foreign exchange effects positively impacted lending volumes by SEK 26bn compared with 2021.

The sustainable asset registry increased by SEK 15bn to SEK 59bn (45) during the year and for the first time includes social assets. The increase occurred primarily through identification of existing assets based on the new framework criteria introduced during the year, but also through new green and social loans. At year-end, the registry contained SEK 53bn in green assets and SEK 6bn in social assets.

Total deposits in the business areas increased by SEK 38bn to SEK 1 296bn (1 258) during the year. Deposits from the public within Swedish Banking and Baltic Banking increased by SEK 48bn, while corporate deposits in total decreased by SEK 9bn. Corporate deposits decreased in Sweden, while they increased within Baltic Banking. Foreign exchange effects positively impacted total deposit volume by approximately SEK 35bn compared with 2021.

Assets under management by Swedbank Robur decreased 11 per cent during the year to SEK 1 352bn (1 519) as of 31 December, of which SEK 1 276bn (1 192) related to Sweden, SEK 74bn (70) to the Baltic countries and SEK 2bn (2) to other markets. The decrease was due to the market downturn during the year. The net inflow during the year amounted to SEK 46bn. By assets under management, Swedbank Robur is the leader in the Swedish and Baltic fund markets. As of 31 December, the market share in Sweden was 21 per cent and in Estonia, Latvia and Lithuania it was 37, 41 and 38 per cent respectively.

Life insurance assets under management in the Swedish operations decreased by 12 per cent during the year to SEK 284bn (321). In Estonia, Latvia and Lithuania, Swedbank is the largest life insurance company. The market shares for premium payments in the first eleven months of 2022 were 49 per cent in Estonia, 22 per cent in Latvia and 24 per cent in Lithuania.

The total number of Swedbank cards in issue at year-end was 8.3 million, compared with 8.2 million a year earlier. In Sweden 4.5 million cards were in issue and in the Baltic countries 3.8 million cards were in issue.

Swedbank's credit quality is good despite deteriorating macroeconomic conditions with largely unchanged credit quality indicators such as late payments. High inflation, rising interest rates and a weaker economy are creating challenges for both consumers and companies, however, and could impact credit quality going forward, which is reflected in increased credit impairment provisions.

The quality of Swedbank's mortgage portfolio, which accounts for just over half of total lending, is high and historical credit impairments have been very low. Development during the quarter was stable and there are still not many customers with late payments. Customers' long-term repayment capacity is a critical lending factor, leading to low risks for both the customer and the bank. The average loan-to-value ratios in the mortgage portfolio were 55 per cent in Sweden, 41 per cent in Estonia, 68 per cent in Latvia and 47 per cent in Lithuania.

Swedbank's lending to the property management sector amounted to SEK 293bn and accounts for 16 per cent of the total loan portfolio. Of this, 45 per cent relates mainly to offices, 29 per cent to residential properties and the rest to manufacturing facilities, warehouses and other property management. Swedbank attaches great importance to stable cash flows and long-term repayment capacity in its lending process. The average loan-to-value ratio for lending to the property management sector was 53 per cent, 55 per cent for residential properties and 52 per cent for other properties.

The total share of loans in stage 2, gross, increased to 7.4 per cent. The share of personal loans in stage 2 was 5.8 per cent and the share of corporate loans was 11.2 per cent. The increase in loans in stage 2 was due to the weaker macroeconomic outlook and ratings changes during the year. As of 31 December 2021, the total share of loans in stage 2, gross, was 5.7 per cent. The share of loans in stage 3, gross, was 0.31 per cent, compared with 0.37 per cent as of 31 December 2021. The decrease was due to lower exposures in shipping and offshore. The provision ratio for loans in stage 3 was 37 per cent.

Strong liquidity position and higher rating

Funding activity in 2022 was in line with 2021 but lower than previous years because a larger share of the need was met through deposits. Covered bond issuance in particular was lower. The focus has instead been on issuing senior unsecured preferred and non-preferred bonds to meet regulatory requirements. In 2022, Swedbank issued SEK 127bn in long-term debt instruments, including capital instruments in the form of Tier 2 capital of SEK 13bn.

The total issuance need for the full-year 2023 is expected to be in line with issuance volumes in 2022, with a continued focus on senior unsecured preferred and non-preferred bonds. The need for financing is impacted by the current liquidity situation, future maturities, and changes in deposit and lending volumes, and is therefore adjusted over the course of the year. Maturities in 2023 amount to SEK 127bn, of which SEK 52bn matures in the first quarter.

As of 31 December, short-term funding (commercial paper) in issue amounted to SEK 316bn (165). Available cash and balances with central banks and reserves with the Swedish National Debt Office amounted to SEK 370bn (355) and the liquidity reserve amounted to SEK 561bn (546).

The Group's Liquidity Coverage Ratio (LCR) was 160 per cent (163) and for USD, EUR and SEK it was 168, 285 and 115 per cent respectively. The net stable funding ratio (NSFR) was 118 per cent (123).

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

Strong capitalisation

The Common Equity Tier 1 capital ratio was 17.8 per cent (18.3) at the end of the year. The total Common Equity Tier 1 capital requirement, including Pillar 2 guidance, was 14.4 per cent (13.7) of the Risk Exposure Amount (REA), which resulted in a Common Equity Tier 1 capital buffer of 3.4 per cent (4.6). Common Equity Tier 1 capital increased to SEK 144.1bn (129.6) and was mainly impacted by the profit and anticipated dividend. The leverage ratio was 5.6 per cent (5.4). The leverage ratio requirement including Pillar 2 guidance is 3.45 per cent.

During the year, REA increased by SEK 101.6bn to SEK 809.4bn (707.8). REA for credit risk increased due to higher lending, mainly due to higher corporate lending volumes as well as foreign exchange changes. Calibration of the Baltic models according to the new definition of default contributed with SEK 10.9bn to the increase in credit risk, but was partly offset by improved credit quality.

REA for market risk increased by SEK 1.2bn, primarily because REA for internal models increased. REA for CVA increased by SEK 1.5bn mainly due to increased exposures. The annual update of REA for operational risk increased by SEK 4.4bn due to an increase in the moving three-year average of total income compared with 2021.

Due to new guidelines from the European Banking Authority (EBA), Swedbank has applied to have new internal models for risk classification approved. The application process is expected to continue until 2024. The assessment process for the models is underway and implementation began in the third quarter with the introduction of a new default definition. Due to the new definition, the average default level in the Baltics has been adjusted upward, leading to higher and more stable capital requirements. In the fourth quarter, Swedbank decided on an Article 3 add-on of SEK 35.8bn, which corresponds to the bank's estimate of the remaining effect of the introduction of the EBA's REA guidelines.

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), Securities and Exchange Commission (SEC), Office of Foreign Assets Control (OFAC) and Department of Financial Services in New York (DFS), are continuing and the bank is holding individual discussions with the authorities through its U.S. legal advisors. The investigations are at different stages and the bank cannot at this time determine any financial consequences or when the investigations will be completed.

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.

Other events

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

The Annual General Meeting resolved in accordance with the Board's proposal to pay a dividend of SEK 11.25 per share. This includes a special dividend of SEK 2 per share in addition to the ordinary dividend of 50 per cent of the net profit for the financial year 2021.

On 6 July, the Swedish FSA launched an investigation as to whether Swedbank had followed the appropriate laws, regulations, internal routines and processes in connection with the IT incident that occurred on 28–29 April 2022. In October, the Swedish FSA informed Swedbank that it is progressing with its investigation of the IT incident and is assessing a possible sanction.

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

On 1 August, Britta Hjorth-Larsen assumed her role as Chief Compliance Officer and joined Swedbank's Group Executive Committee.

At the Investor Day on 6 December, Swedbank presented the business priorities and the financial plan to reach a sustainable return on equity of 15 per cent in 2025. For more information, see pages 11–12.

On 19 December, Pål Bergström, Head of the business area Large Corporates and Institutions, announced that he will move on to a new assignment and will become CEO of the Seventh AP Fund (AP7). Pål Bergström is leaving his position on 28 February 2023.

Events after 31 December 2022

On 18 January 2023, it was announced that Bo Bengtsson has been appointed Head of Large Corporates and Institutions and will become a member of the Group Executive Committee. Bo Bengtsson left Swedbank's Board of Directors on 18 January and takes up his new position on 1 March 2023.

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 11. Scope is defined on page 239.

Swedish Banking

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

Result 2022

Profit increased to SEK 15 052m (12 992). Increased income was partly offset by higher expenses, higher credit impairments and the introduction of the bank tax.

Net interest income increased by 35 per cent to SEK 20 814m (15 472) mainly due to higher deposit margins resulting from higher market interest rates. Higher average volumes also contributed somewhat. Lending margins were lower.

Net commission income decreased to SEK 8 727m (9 205) due to lower asset management income as a result of the market downturn. Card income was higher.

Net gains and losses on financial items decreased to SEK 372m (586) due to a positive valuation effect in previous year in connection with Hemnet's IPO and a negative result this year due to the sale of the Danish mortgage portfolio.

Other income decreased to SEK 1 828m (1 855) mainly driven by lower income from EnterCard, which was offset by higher net insurance.

Expenses increased by 1 per cent to SEK 10 892m (10 779) mainly due to increased payroll costs, the closure of the Danish banking operations as well as increased compliance related expenses.

Credit impairments amounted to SEK 1 037m (–42) and were mainly explained by weaker macroeconomic scenarios and negative rating and stage migrations.

Condensed income statement, SEKm	2022	2021
Net interest income	20 814	15 472
Net commission income	8 727	9 205
Net gains and losses on financial items at fair value	372	586
Other income	1 828	1 855
Total income	**31 741**	**27 118**
Staff costs	3 319	3 290
Other expenses	7 572	7 489
Total expenses	**10 892**	**10 779**
Profit before impairments, Swedish bank tax and resolution fees	**20 850**	**16 339**
Credit impairments	1 037	-42
Swedish bank tax and resolution fees	1 247	499
Profit before tax	**18 566**	**15 882**
Tax expense	3 514	2 890
Profit for the year	**15 052**	**12 992**

Business volumes, SEKbn	2022	2021
Loans to customers	1 275	1 252
Deposits from customers	725	712

Key ratios	2022	2021
Return on allocated equity, %	21.5	20.0
Cost/income ratio	0.34	0.40
Credit impairment ratio, %	0.08	0.00
Full-time employees	3 996	4 046

Baltic Banking

Swedbank is the largest bank by number of customers in Estonia, Latvia and Lithuania, with around 3.4 million private customers and nearly 300 000 corporate customers. According to surveys, Swedbank is also the most loved brand in the Baltic countries. Through digital channels, customer centres and branches, the bank is always available. Swedbank is part of the local community. Local engagement is expressed in many ways, with initiatives to promote education, entrepreneurship and social welfare. Swedbank has 13 branches in Estonia, 18 in Latvia and 40 in Lithuania.

Result 2022

Profit increased to SEK 6 229m (4 178). Profit in local currency increased mainly due to higher income, partly offset by higher expenses and credit impairments. Foreign exchange effects impacted profit positively by SEK 305m.

Net interest income increased by 48 per cent in local currency mainly due to rising deposit margins and higher lending volumes. Foreign exchange effects impacted profit by SEK 421m.

Lending increased by 9 per cent in local currency. Household lending increased by 9 per cent while corporate lending increased by 10 per cent. Foreign exchange effects increased lending by SEK 18bn.

Deposits increased by 4 per cent in local currency. Household deposits increased by 4 per cent while corporate deposits increased by 3 per cent. Foreign exchange effects increased deposits by SEK 29bn.

Net commission income increased by 6 per cent in local currency largely due to higher card income.

Net gains and losses on financial items decreased by 12 per cent in local currency due to negative revaluation effects from investments in Swedbank's own funds and insurance investments.

Other income increased by 7 per cent in local currency thanks to a better insurance result.

Expenses increased by 8 per cent in local currency mainly due to higher staff costs and energy expenses. Expenses for risk management and compliance also increased, partly offset by a reduction in the number of branches. Expenses for and investments in digital solutions continued to rise. Foreign exchange effects increased expenses by SEK 216m.

Credit impairments amounted to SEK 402m (160) and were mainly explained by weaker macroeconomic scenarios as well as negative rating and stage migration.

Condensed income statement, SEKm	2022	2021
Net interest income	8 348	5 369
Net commission income	3 073	2 779
Net gains and losses on financial items at fair value	405	437
Other income	857	767
Total income	**12 683**	**9 352**
Staff costs	1 908	1 648
Other expenses	2 727	2 450
Total expenses	**4 635**	**4 098**
Profit before impairments, Swedish bank tax and resolution fees	**8 048**	**5 254**
Impairments	13	
Credit impairments	402	160
Swedish bank tax and resolution fees	100	76
Profit before tax	**7 534**	**5 018**
Tax expense	1 305	840
Profit for the year	**6 229**	**4 178**

Business volumes, SEKbn	2022	2021
Loans to customers	236	199
Deposits from customers	375	334

Key ratios	2022	2021
Return on allocated equity, %	22.6	16.9
Cost/income ratio	0.37	0.44
Credit impairment ratio, %	0.19	0.09
Full-time employees	4 701	4 624

Large Corporates and Institutions

Large Corporates and Institutions is responsible for Swedbank's offering to customers with revenues above SEK 2 billion and those with complex needs due to multinational operations or a need for advanced financing solutions. The business area is also responsible for corporate and capital market products in other parts of the bank and for the Swedish savings banks. Large Corporates 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 USA.

Result 2022

Despite increased income, profit decreased to SEK 2 890m (3 102) due to goodwill impairments and the introduction of the bank tax.

Net interest income increased by 24 per cent to SEK 4 877m (3 947) mainly due to higher average lending volumes and higher deposit margins.

Net commission income decreased to SEK 2 621m (2 955) partly due to lower advisory commissions related to equity issues and lower income from asset management. An adjustment related to MasterCard contributed negatively.

Net gains and losses on financial items decreased to SEK 822m (981). Effects from revaluations of the trading portfolio of corporate bonds contributed negatively but were partly offset by high customer activity in fixed income and FX trading.

Expenses increased to SEK 4 219m (4 130). Personnel costs decreased somewhat as a result of lower variable compensation. Expenses for travel and customer activities increased during the year.

Credit impairments amounted to SEK 23m (57). A weaker macroeconomic outlook was offset by lower credit impairment provisions for individually assessed counterparties in the oil and offshore sector as well as lower expert credit adjustments.

Condensed income statement, SEKm	2022	2021
Net interest income	4 877	3 947
Net commission income	2 621	2 955
Net gains and losses on financial items at fair value	822	981
Other income	310	315
Total income	8 630	8 198
Staff costs	1 653	1 674
Other expenses	2 565	2 456
Total expenses	4 219	4 130
Profit before impairments, Swedish bank tax and resolution fees	4 411	4 068
Impairments	181	
Credit impairments	23	57
Swedish bank tax and resolution fees	464	201
Profit before tax	3 745	3 810
Tax expense	855	708
Profit for the year	2 890	3 102

Business volumes, SEKbn	2022	2021
Loans to customers	287	226
Deposits from customers	195	212

Key ratios	2022	2021
Return on allocated equity, %	8.4	9.7
Cost/income ratio	0.49	0.50
Credit impairment ratio, %	0.01	0.02
Full-time employees	1 179	1 221

Group Functions & Other

Group Functions & Other consists of central business support units and the customer advisory unit Group Products & Advice. The central units serve as strategic and administrative support and comprise Group Finance, Group Brand, Communication & Sustainability, Group Risk, Group Channels & Technologies, Group Compliance, Group HR & Infrastructure och Group 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 2022

Profit decreased to SEK –2 291m (600) mainly due to lower income but also as a result of higher expenses and impairment of intangible assets.

Net interest income decreased to SEK –899m (2 271). Group Treasury's net interest income decreased to SEK –639m (2 441) due to effects of the bank's internal pricing model related to higher market interest rates.

Net gains and losses on financial items increased to SEK 288m (44). Net gains and losses on financial items within Group Treasury increased to SEK 300m (59) mainly as a result of positive effects from repurchases of the bank's own bonds.

Expenses increased to SEK 3 051m (2 707) mainly due to higher IT expenses and staff costs.

Impairments of intangible assets amounted to SEK 944m (56). The increase was primarily related to impairment of goodwill associated with PayEx and impairment of proprietary.

Condensed income statement, SEKm	2022	2021
Net interest income	–899	2 271
Net commission income	–213	–89
Net gains and losses on financial items at fair value	288	44
Other income	2 371	1 654
Total income	1 547	3 880
Staff costs	6 380	6 141
Other expenses	–3 329	–3 434
Total expenses	3 051	2 707
Profit before impairments, Swedish bank tax and resolution fees	–1 503	1 173
Impairments	944	56
Credit impairments	18	–5
Swedish bank tax and resolution fees	21	15
Profit before tax	–2 487	1 107
Tax expense and non controlling interests	–196	507
Profit for the year	–2 291	600

Key ratios	2022	2021
Full time employees	6 927	6 674

Proposed disposition of earnings and statement of the Board of Directors

In accordance with the balance sheet of Swedbank AB, earnings of SEK 67 424m are at the disposal of the Annual General Meeting.

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

SEKm	2022
Cash dividend of SEK 9.75 per ordinary share	10 965
To be carried forward to next year	56 459
Total disposed	67 424

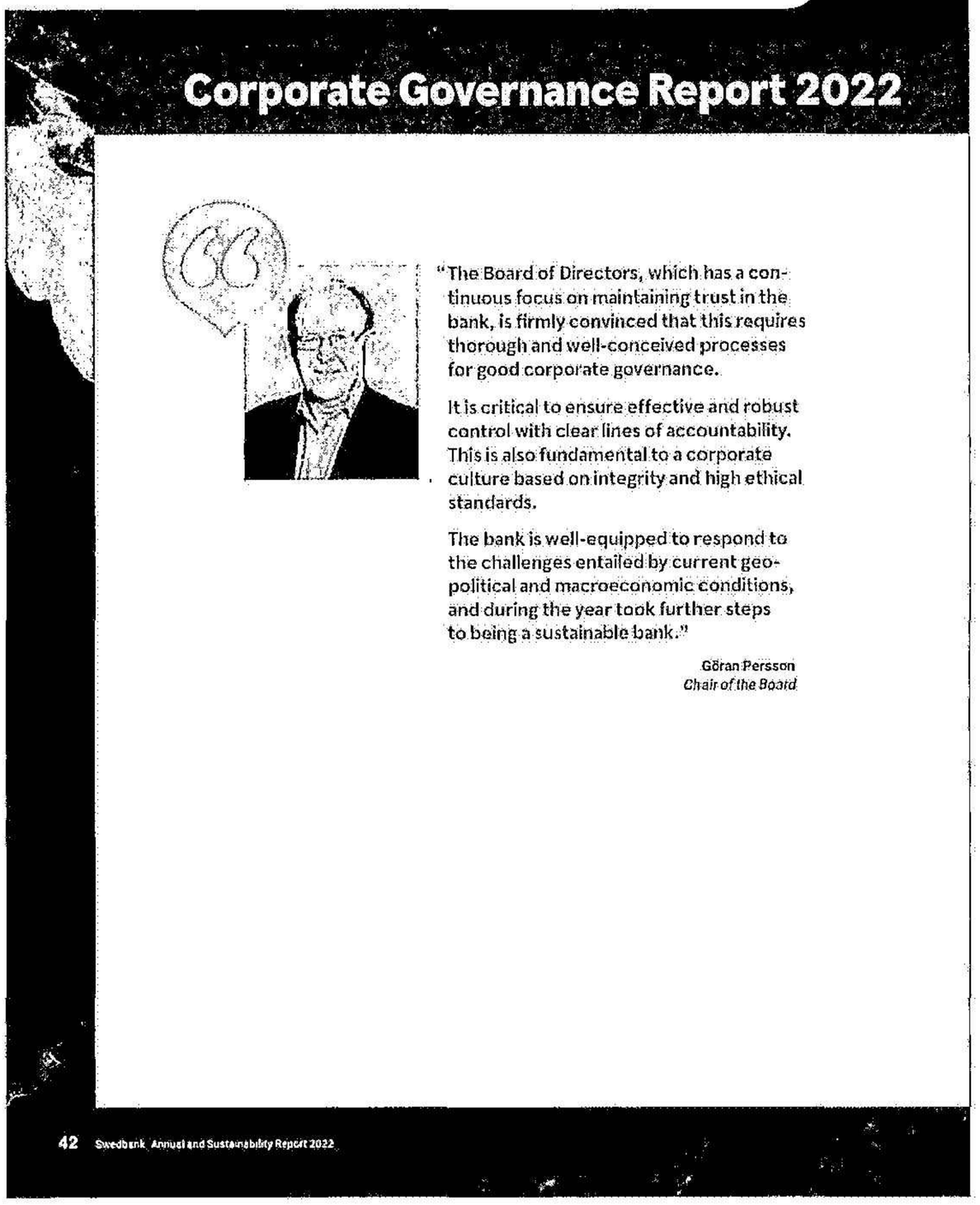
The proposed total amounts to be distributed and carried forward to next year have been calculated on all 1 123 070 804 outstanding ordinary shares at 31 December of 2022, plus 1 498 124 outstanding ordinary shares entitled to dividends which are expected to be exercised by employees between 1 January and the Annual General Meeting on 30 March 2023 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 negative effect on equity of SEK 1 437m.

The proposed record day for the dividend is 3 April 2023. The last day for trading in Swedbank's shares with the right to the dividend is 30 March 2023. If the Annual General Meeting accepts the Board's proposal, the dividend is expected to be paid by Euroclear on 6 April 2023. At year-end, the consolidated situation's total capital exceeded the capital requirement according to Pillar 1 and buffer requirements by SEK 51 575m. The surplus in Swedbank AB was SEK 89 693m.

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 2022

"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 good 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."

Göran Persson
Chair of the Board

Selected highlights from 2022

1 Feb – Special dividend to Swedbank's shareholders
The Board of Directors resolves to propose to the Annual General Meeting on 30 March 2022 an extraordinary dividend of SEK 2 per share over and above the ordinary dividend according to the bank's dividend policy

25 Mar – Eva Wilhelmsson appointed acting Chief Compliance Officer
Eva Wilhelmsson is appointed acting Chief Compliance Officer as of 1 April 2022 and becomes a member of the Group Executive Committee until Britta Hjorth-Larsen takes up her position on 1 August.

30 Mar – Swedbank's Annual General Meeting 2022
Swedbank's Annual General Meeting decides in accordance with all the proposals from the Board of Directors and the Nomination Committee.

The Annual General Meeting decides that there shall be 12 Board members. The following members are re-elected: Bo Bengtsson, Göran Bengtsson, Annika Creutzer, Hans Eckerström, Kerstin Hermansson, Bengt Erik Lindgren, Anna Mossberg, Per Olof Nyman, Biljana Pehrsson, and Göran Persson, and the following elected: Helena Liljedahl and Björn Riese. The Annual General Meeting elects Göran Persson as Chair of the Board of Directors. At the statutory Board meeting, Björn Riese is appointed Deputy Chair of the Board of Directors

15 Jun – Strategic partnership in Norway
Swedbank enters into a strategic partnership with Norway's largest savings bank, SpareBank 1 SR-Bank.

1 Aug – Britta Hjorth-Larsen new Chief Compliance Officer
Britta Hjorth-Larsen takes up her position as Chief Compliance Officer and becomes a member of Swedbank's Group Executive Committee.

6 Dec – Strategic partnership in Denmark
Swedbank enters into a strategic partnership with Sydbank A/S. The partnership will enable a stronger offering for Swedbank's corporate clients operating in Denmark. Swedbank decided to wind down its Danish business to create a clearer focus on its home markets.

19 Dec – Head of Large Corporates and Institutions announces resignation
Pål Bergström, Head of Large Corporates and Institutions, business area, announces that he will move on to a new assignment outside the bank.

Corporate Governance Report 2022

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 clearly defined responsibilities and 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.

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 of importance in order to maintain the trust of Swedbank's shareholders, customers, employees and other stakeholders, and to ensure effective and sound risk management and internal governance and control. Sound corporate governance also contributes to efficient and transparent internal and external information disclosure. Decision-making processes shall be simple and transparent with clear lines of responsibility. There must be clear rules and routines to manage conflicts of interest and effective tools for internal governance, risk management and control. The corporate culture shall be characterised by transparency, integrity, compliance and risk awareness. Swedbank's values shall provide a foundation for decision-making on a daily basis and for employees' daily 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

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 EBA's 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 are constantly changing and becoming more extensive and detailed. All in all, this requires a greater effort on the bank's part to ensure that it lives up to all relevant regulations. The regulations that apply to Swedbank are implemented through the Group's own internal regulations. 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

1) www.bolagsstyrning.se/the-code/current-code_3724

- Policy and instruction on Anti-Money Laundering and Counter-Terrorist Financing
- Remuneration 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 on Human Rights
- Policy for Financial Reporting

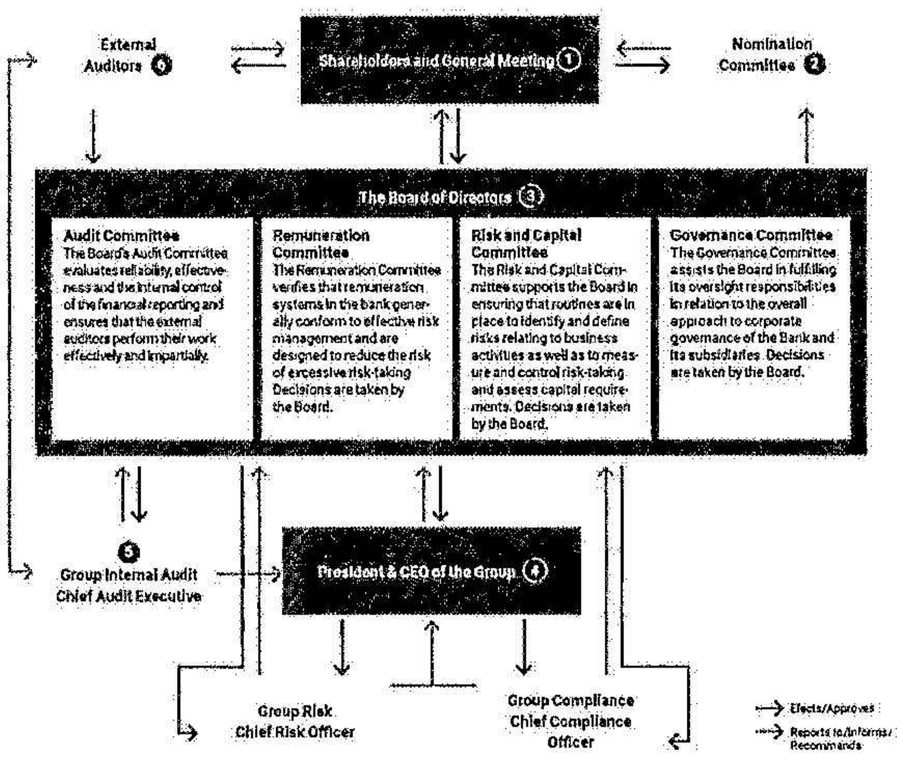
No deviations from with the Swedish Corporate Governance Code (the Code) or the rules of the stock exchange (NASDAQ OMX Stockholm) were reported in 2022.

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 that Swedbank owns through the wholly owned holding company Swedbank Baltics. Swedbank Robur, Swedbank Mortgage and Swedbank Insurance. Board members of 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 that the bank can continuously exercise oversight and control, ensure good internal reporting and maintain control over the risks to which the Group is exposed or could potentially be exposed. The matrix organisation also facilitates collaboration within the Group and ensures that operations are carried out effectively. The bank's 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 actively reviewed its 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 2022

The 2022 AGM was held on 30 March in Stockholm. Due to the easing of the coronavirus pandemic, the Board of Directors decided to hold the AGM on 30 March 2022 with shareholders physically present. In total, the shareholders in attendance represented 561 857 654 shares.

Swedbank's AGM on 30 March 2022 passed all the proposals presented by the Board and the Nomination Committee.

Among the 2022 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 2021.
- That an ordinary dividend of SEK 9.25 per share and an extraordinary dividend of SEK 2.00 per share should be paid to the shareholders. The record day for the dividend was scheduled for 1 April 2022.
- That there should be twelve (12) Board members. The following members were re-elected: Bo Bengtsson, Göran Bengtsson, Annika Creutzer, Hans Eckerström, Kerstin Hermansson, Bengt Erik Lindgren, Anna Mossberg, Per Olof Nyman, Biljana Pehrsson, and Göran Persson, and the following elected: Helena Liljedahl and Björn Riese.
- Re-election of Göran Persson as Chair of the Board. At the statutory Board meeting, Björn 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 programmes for 2022 for the Swedbank Group – in part a general programme for 2022 and in part an individual programme for 2022 – as well as the transfer of ordinary shares etc. for the 2022 programmes and for programmes 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 2022 AGM decided on the principles for the appointment of the Nomination Committee prior to the 2023 AGM. The principles include that the committee shall be composed of six members: the representatives of the five largest shareholders as of 31 August 2022 and the Chair of the Board.

The Nomination Committee's work is governed by the instruction approved by the 2022 AGM. The Nomination Committee's task is to prepare and submit proposals to the 2023 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 and auditor, 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 also 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 and expected future direction are taken into account. It is important that the Board has the support of shareholders, 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, oral statements 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

20230706131858

Current composition of the Nomination Committee prior to the 2023 AGM:

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

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 2022 AGM elected twelve members of the Board. The Board also includes two employee representatives and two deputies. The bank's Board meets the requirements of the Swedish Corporate Governance Code (the Code) with respect to its members' independence. All members except Göran Bengtsson and Bo 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 2022 AGM, the gender distribution was 42 per cent women and 58 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 56-60.

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 the business plan. 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, which 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 2022. An assessment tool obtained from 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 2022, the Board held 16 meetings, 0 of which were per capsulam. 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 neither participates in preparation, in discussions, or in decisions regarding the issue in question.

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

In 2022, the Board was greatly focused on geopolitical and macroeconomic developments, 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 applies to the Board; see Note S6 Employees in the sustainability report.

In 2022, the Board addressed issues such as the following:

First quarter

- Annual and Sustainability Report 2021 and interim report (Q4)
- Issues relating to variable remuneration and allocation to Eken
- Internal capital and liquidity assessment (ICAAP/ ILAAP)
- Remuneration to the CEO, Group Executive Committee and control functions
- Report from the external auditor
- Strategy process and follow-up of activity plan for the Group
- Annual review of outsourcing and supplier agreements
- Notice of and proposal to Annual General Meeting, including dividend proposal
- Statutory Board meeting
- Follow-up of the bank's regulatory compliance, including the bank's work to combat money laundering

Second quarter

- Follow-up on Corporate Strategy
- Update on the bank's sustainability work
- Credit risks associated with real estate sector
- Update of recovery plan
- Interim report (Q1)
- Annual review of potential conflicts of interest for CEO, Group Executive Committee, and heads of control functions.
- Follow-up on Group strategy, activity plans and strategy review.
- Succession planning for CEO and Group Executive Committee
- Annual review of policies and adoption of new Policy on Anti Tax Evasion and Aggressive Tax Planning
- Management of IT incident
- Strategic orientation regarding the bank's operations in Norway, as well as new organization for Large Corporates and Institutions
- Follow-up of the bank's regulatory compliance, including the bank's work to combat money laundering

Third quarter

- Follow-up on Group strategy, activity plans, and business and funding plans
- Update on the bank's sustainability work
- Interim report (Q2)
- Review of customer complaint process
- Capital adequacy and financial management
- Sustainability training
- Follow-up of the bank's regulatory compliance, including the bank's work to combat money laundering

Fourth quarter

- Strategy Days and Swedbank's financial plan – Swedbank 15/25
- Business, activity, and funding plans for 2023
- Interim report (Q3)
- Supervisory Review and Evaluation Process (SREP)
- Annual review of risk classification system
- The bank's work with diversity and inclusion as well as employee survey
- Recovery plan
- Evaluation of the Board and CEO
- Cybersecurity
- Board crisis management exercise
- Follow-up of the bank's regulatory compliance, including the bank's work to combat money laundering

The Board's competence

The members of the Board 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 also 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 relevant 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's main task is to assist the Board in ensuring that the bank has a sustainable and transparent governance model with robust processes for corporate governance and internal control."

Bo Bengtsson, 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 also monitors 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 industry best practices and 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.
- In dialogue with representatives of the Board's various committees, annually evaluate the Board's committee structure and instructions from a corporate governance perspective.
- 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.
- Monitor that the Group's matrix organisation complements the legal structure in a way that involves the 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 2022

The focus in 2022 included ensuring clarity on governance issues. Another focus area 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.

Members of the Governance Committee:

Since the 2022 AGM
Bo Bengtsson, Chair
Hans Eckerström
Göran Persson
Björn Riese

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, 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 supports the Board of Directors in ensuring that the bank has robust internal control and high-quality financial reporting. These are basic preconditions for well-functioning corporate governance and for a successful banking business."

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 the Board takes to monitor the internal control in connection with the financial reporting and that the reporting to the Board is working properly. The routines are designed to provide assurance of the reliability of the financial reporting, compliance, and 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 bank's 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 2022

The Audit Committee's focus in 2022 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 existence of an effective control of the financial reporting. Furthermore, the Audit Committee has assisted the Nomination Committee in connection with the preparation of the Nomination Committee's proposal to the 2023 Annual General Meeting for the appointment of the external auditor.

Members of the Audit Committee:

Since the 2022 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 and define the risks in the business activities, and that risk taking is measured and monitored based on the risk appetite decided by the Board. The members of the committee have special competence and experience of risk and capital matters as well as compliance.



"The work of the Risk and Capital Committee was affected during the year by the geopolitical uncertainty and changing macroeconomic situation, and with the impact this has had and could have on the bank and its customers as well as on the bank's risk exposure."

Per Olof Nyman, Chair

The work of the Risk and Capital Committee includes to:

- Review the Group's overarching risk framework (ERM Policy) and 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 2022

During the year, the Risk and Capital Committee continued to focus on compliance issues. The Committee continued to further improve the bank's management of risk and capital issues based on the changing geopolitical conditions and monitored the changing geopolitical conditions impact on credits.

Members of the Risk and Capital Committee:

Since the 2022 AGM
Per Olof Nyman, Chair
Göran Bengtsson
Kerstin Hermansson
Bengt-Erik Lindgren
Göran Persson
Björn Riese

Remuneration Committee

The Remuneration Committee verifies that the bank's remuneration systems generally conform to effective risk management practices and legal requirements. 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.

The work of the Remuneration 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.
- Allocation and evaluation of the bank's performance- and share-based remuneration programmes and other matters associated with the programmes.
- 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.

For more information on remuneration at Swedbank, see below in the Corporate Governance Report and Note G13

Members of the Remuneration Committee:

Since the 2022 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 business areas and 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 a few exceptions, have any collective decision-making authority. Instead, decisions are made by the chair of each committee or escalated to the CEO. The Board's view of the CEO's special areas of responsibility is set out in documents such as the Board's Governance Policy and Instruction for the CEO. The CEO is responsible for ensuring that the Board's decisions, policies and instructions are followed within the organisation and that they 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 55. 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 Large Corporates and Institutions business areas, the Chief Financial Officer, the Chief Credit Officer and Head of Group Credit, the Head of Anti Financial Crime, Head of Group Products and Advice ("GPA"), Head of Group Channels and Technologies, Chief Risk Officer and Head of Group Risk, Chief Compliance Officer and Head of Group Compliance, Head of Group Human Resources and Infrastructure, Head of Group Brand, Communication and Sustainability, and Chief Legal Officer and Head of 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 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"). The GFCC ensures appropriate and effective management of the Group's risks related to money laundering and financial sanctions, as well as complete and uniform implementation of the Group's internal rules on AML/CTF and financial sanctions.

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

Priority issues for the GEC in 2022

In 2022, the GEC addressed a number of matters, including the following

- How we can assist the bank's customers in difficult geopolitical times characterised by a pandemic, climate change, inflation and rising interest rates.
- Work on the plan to reach the target of a return on equity of 15 per cent by 2025, and work on clarifying our priority areas.
- Focus on strengthening the corporate business, through a new organisation and delivery model where we utilise competence and resources to grow the entire Group.
- Extensive work to improve routines, system support and processes to prevent all types of financial crime. Cybersecurity is a priority as geopolitical conditions continue to impact us, our customers and society.
- Regulators' investigations.
- Measures to build trust and customer value, and to deliver on our customer promise.
- Strengthen internal governance and control
- Capital and liquidity matters.
- Investor meetings.
- Strengthen sustainability work, including by training 3 900 advisors so that they can help customers understand how their investment choices affect and contribute to a sustainable society
- Continued work with IT development and security
- Monitor strategy, business plans and expenses.
- Measures in the Swedish mortgage market, including an effort to shorten wait times
- Launch of new digital tools that enable our advisors to tailor advice to the financial health of our customers.
- Transparency on data integrity and further quality improvements through for example authentication and automation.

Internal control and risk management

The foundation for effective risk management is a strong, shared risk culture. The bank's functions for internal control and risk management are 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 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 has an independent risk control function, Group Risk, which 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 Policy on Enterprise Risk Management ("ERM") and Policy for Group Risk contain frameworks and describe roles and responsibilities pertaining to risk management and control.

Group Compliance



Britta Hjorth-Larsen, Chief Compliance Officer

Swedbank has an independent compliance function, Group Compliance, which 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 money laundering, 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 and advice and support to 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 the Policy for Group Compliance as determined by the Board, is risk based and is 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 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 by the Board. 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 Audit Committee and the Board.

6 External auditor

The external auditor is elected by the AGM and is an independent reviewer of the bank's financial statements which determines 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 auditors. A registered auditing firm may also be appointed as auditor. PwC was elected as accounting firm by the 2019 AGM until the conclusion of the 2023 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 2022, 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 briefly by the Auditor. The Sustainability Report has also been briefly 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. In 2022, the bank conducted a strategic review of its international presence to make it sharper and more focused. As a result of the review, it was decided to wind down the branch office in Denmark and to close the South African representation office.

Business areas

The bank's operations are conducted in three business areas: Swedish Banking, Baltic Banking and Large Corporates and Institutions. The heads of the business areas are directly subordinate to the CEO. They have overarching responsibility for the business area's operations and report continuously 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 product development.
- 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

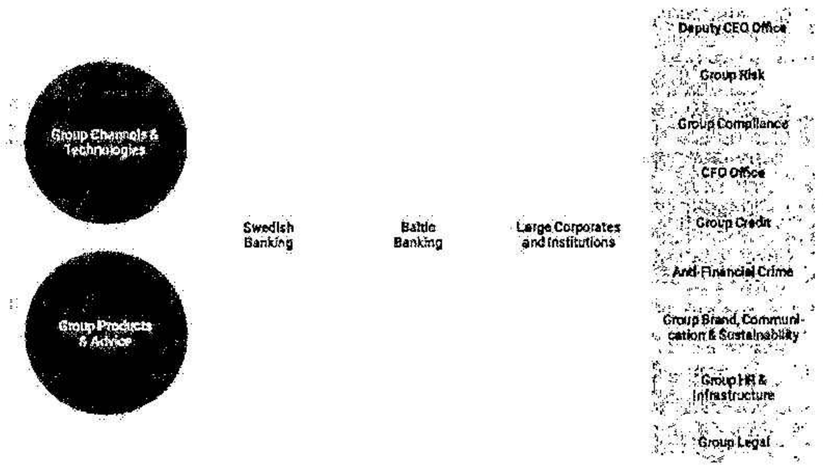
The task of the Group Functions is to support the CEO and the Group's business operations, and to create Group-level routines, ensure effective governance, control and oversight in the Group, and clarify Swedbank's vision, purpose, values and strategy. Among the roles of the Group Functions is to develop 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. In addition, the purpose of the group-wide rules and processes is to minimize the risks in the business. Additionally, the Group Functions create and monitor Group-level routines, which serve as support for the business operations and facilitate the sharing of experience between the bank's 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 within their respective area 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.

Swedbank Group



20230706051859

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. A directive issued by the Group CFO addresses ICFR specifically.

A supporting Group-wide ICFR framework is in place, based on the bank's vision, purpose and values (see page 8). The purpose of the directive and the 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.

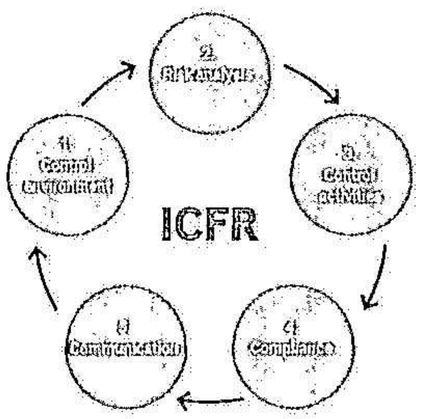
Risk assessment within the ICFR framework is conducted at Group level to identify and create an understanding of the risks in the financial statements regarding materiality and complexity. The risk assessment is also used to decide which areas should be covered by the framework.

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.

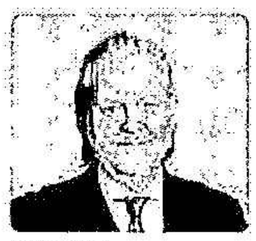
The results of the self-assessment are used to monitor the reliability of the Group's financial statements.

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, the Group Executive Committee and the Audit Committee on a quarterly basis.



Board of Directors





	Göran Persson	Björn Riese
Position	Chair	Vice Chair
Born/Elected	Born 1949. Elected 2019.	Born 1953. Elected 2022.
Role within Swedbank	○ Board of Directors, Chair ◎ Remuneration Committee, Chair ● Risk and Capital Committee, member · Governance Committee, member	○ Board of Directors, Vice Chair ● Risk and Capital Committee, member · Governance Committee, member
Attendance	○ 16/16 ◎ 9/9 ● 10/12 · 6/6	○ 12/12 ● 9/9 · 4/4
Total annual fees[1], SEK	○ 2 982 00 ◎ 118 000 ● 282 000 · 270 000	○ 1 000 000 ● 282 000 270 000
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.	Björn 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 Economic, Stockholm University
Bank specific experience	Board: 8 years (2015)	Board: 1 year (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, Jurié Law AB • Mannheimer Swartling, Chair and Partner • Åbjörnsson & Rausing Advokatbyrå • Court service • Board assignments
Non-executive assignments	LKAB, Chair • Greengold Group AB, Chair • Lumo Advise 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 Supervisory Board, 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' in Swedbank: 45 000	Own and closely related parties' in Swedbank: 4 650

1) For paid amounts see note G13.
2) Holdings as of 31 December 2022.







	Bo Bengtsson[3]	Göran Bengtsson	Annika Creutzer
Position	Board member	Board member	Board member
Born/Elected	Born 1966. Elected 2020.	Born 1967. Elected 2020.	Born 1957. Elected 2021.
Role within Swedbank	○ Board of Directors, member · Governance Committee, Chair	○ Board of Directors, member ● Risk and Capital Committee, member	○ Board of Directors, member ◎ Audit Committee, member
Attendance	○ 16/16 · 6/6	○ 16/16 ● 12/12	○ 16/16 ◎ 11/11
Total annual fees[1], SEK	○ 686 000 · 445 00	○ 686 000 ● 282 000	○ 686 000 ◎ 270 000
Background	Bo Bengtsson brings to the Board a wealth of experience in banking and finance and has held a number of senior positions in the Swedish savings bank movement, including many years as CEO. He is Chair of Sparbanken Skåne.	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.
Education	University studies in auditing (licensed auditor), strategic business management at Stockholm School of Economics, EFL leadership training	Bachelor's Programme in Business and Economics, University of Borås	Economics degree in national economics, Stockholm University
Bank specific experience	Operative: 32 years Board: 3 years (2020)	Operative: 33 years Board: 3 years (2020)	Operative: 5 years Board: 2 years (2021)
Professional experience	Sparbanken Skåne, CEO • Sparbanken 1826, CEO • Kristianstads Sparbank, CEO • Kristianstads Sparbank, Marketing Director • Ikanobanken, Deputy Bank Manager responsible for marketing and product development	Regional Head of Credit, Swedbank AB • Head of Corporate Business, Sparbanken Sjuhärad AB	Swedish Pensions Agency, Board member • Pånind startup, Board member • Penger24, Editor in Chief • Privata Affärer, Editor in Chief • Stockholm Consumer Cooperative Society, Board member • Popplus journalism school, Board member • Skandiabanken, Private economist
Non-executive assignments	Sparbanken Skåne, Chair	Falkenbergs Sparbank, CEO	Consultancy in financial journalism and public education, Creutzer & Co AB
Board member's independence	Dependent in relation to the bank and the executive management but independent in relation to the bank's major shareholders.	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.
Shareholdings[2]	Own and closely related parties' in Swedbank: 4 500	Own and closely related parties' in Swedbank: 2 500	Own and closely related parties' in Swedbank: 600

1) For paid amounts see note G13.
2) Holdings as of 31 December 2022.
3) Bo Bengtsson will take over the role of Head of Large Corporates and Institutions on 13 March 2023. Accordingly, he is stepped down from Swedbank's Board of Directors on 18 January 2023.







	Hans Eckerström	Kerstin Hermansson	Helena Liljedahl
Position	Board member	Board member	Board member
Born/Elected	Born 1972. Elected 2020.	Born 1957. Elected 2019.	Born 1969. Elected 2022.
Role within Swedbank	○ Board of Directors, member ◎ Remuneration Committee, member (Until the 30th of March 2022) Governance Committee, member	○ Board of Directors, member ● Risk and Capital Committee, member ◎ Audit Committee, Chair · Governance Committee, member (Until the 30th of March 2022)	○ Board of Directors, member ◎ Remuneration Committee, member
Attendance	○ 15/16 ◎ 4/4 · 4/4	○ 16/16 ● 9/9 ◎ 11/11 2/2	○ 12/12 ◎ 5/5
Total annual fees[1], SEK	○ 686 000 ◎ 113 400 · 270 000	○ 686 000 ● 282 000 ◎ 445 000 · 259 200	○ 686 000 ◎ 118 000
Background	Hans Eckerström, who has an extensive background as a partner and employee of Nordic Capital as well as a director of investment companies, brings to the Board his business acumen and experience in the financial industry.	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.
Education	M.Sc. Mechanical Engineering, Chalmers University of Technology M.Sc. Business Administration, University of Gothenburg School of Business	LL.M, Lund University	M.Sc, Business Administration, University of Örebro
Bank specific experience	Board: 3 years (2020)	Operative: 9 years Board: 4 years (2019)	Board: 3 years (2020)
Professional experience	Henri Lloyd Group AB, Chair • Nobia AB, Chair • Nordstjernan AB, Board member • Employee and Partner, NC Advisory AB, Nordic Capital • Manager, Arthur D. Little	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 Oy, Board member • Ingka Centres Russia, Head of Commercial Development • Centrumutveckling, Deputy CEO • Alecta, Asset Manager
Non-executive assignments	Allgro Partners Acquisition Company AB (publ), Chief Investment Officer • Profoto Holding AB, Chair • Profoto Invest AB, Chair • Thule Group AB, Chair	Linnaeus University, Chair • Swedsec Licensering 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' in Swedbank: 75 000	Own and closely related parties' in Swedbank: 1 000	Own and closely related parties' in Swedbank: 5 500

1) For paid amounts see note G13.
2) Holdings as of 31 December 2022.



Bengt Erik Lindgren

Position	Board member
Born/Elected	Born 1950. Elected 2020
Role within Swedbank	○ Board of Directors, member ● Risk and Capital Committee, member
Attendance	○ 16/16 ● 12/12
Total annual fees[1], SEK	○ 686 000 ● 282 000
Background	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	Uppsala University, 2-year combined education (business administration, sociology, human resource management)
Bank specific experience	Operative: 35 years Board: 11 years (2012)
Professional experience	Humlegården Fastigheter AB, Board member • Prevas AB, Chair • Lansa Fastigheter AB and Lansa Bostadsfastigheter AB, Board member • 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	
Board member's independence	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' in Swedbank: 10 500



Roger Ljung

Position	Employee representative
Born/Elected	Born 1967. Elected 2015.
Role within Swedbank	○ Board of Directors, member, Employee representative
Attendance	
Total annual fees[1], SEK	No fees
Background	Roger Ljung is an employee representative and has broad experience in banking from both the private and corporate sectors.
Education	Upper secondary education
Bank specific experience	Operative: 36 years
Professional experience	Swedbank AB, Personal advisor, branch manager, business advisor
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
Board member's independence	Not applicable.
Shareholdings[2]	Own and closely related parties' in Swedbank: 141



Anna Mossberg

Position	Board member
Born/Elected	Born 1972. Elected 2018.
Role within Swedbank	○ Board of Directors, member ● Remuneration Committee, member ◐ Audit Committee, member
Attendance	○ 11/16 ● 7/9 ◐ 8/11
Total annual fees[1], SEK	○ 686 000 ● 118 000 ◐ 270 000
Background	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.
Education	Executive MBA, IE University, Spain • Executive MBA, Stanford University, USA • M.Sc. in Industrial Economics, Luleå University of Technology, Sweden
Bank specific experience	Board: 5 years (2018)
Professional experience	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
Non-executive assignments	Swisscom AG, Board member • Orkla ASA, Board member • Volvo Cars AB, 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.
Shareholdings[2]	Own and closely related parties' in Swedbank: 1 800

1) For paid amounts see note G15
2) Holdings as of 31 December 2022



Per Olof Nyman

Position	Board member
Born/Elected	Born 1956. Elected 2021.
Role within Swedbank	○ Board of Directors, member ● Risk- och Kapitalutskottet, Chair ◐ Audit Committee, member
Attendance	○ 16/16 ● 9/9 ◐ 9/11
Total annual fees[1], SEK	○ 686 000 ● 485 000 ◐ 270 000
Background	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	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	Board: 2 years (2021)
Professional experience	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	HKScan Oyj, 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.
Shareholdings[2]	Own and closely related parties' in Swedbank: 7 000



Biljana Pehrsson

Position	Board member
Born/Elected	Born 1970. Elected 2020.
Role within Swedbank	○ Board of Directors, member ● Remuneration Committee, member ◐ Audit Committee, member
Attendance	○ 15/16 ● 9/9 ◐ 7/7
Total annual fees[1], SEK	○ 686 000 ● 118 000 ◐ 270 000
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.
Education	M.Sc. Engineering, Stockholm Royal Institute of Technology
Bank specific experience	Board: 3 years (2020)
Professional experience	Kungsleden AB, CEO • East Capital Baltic Property Fund (ECBPF I & II & III), Board member • Einar Mattsson AB/Fastigheta AB Stadshus, Board member • East Capital Private Equity, Deputy CEO and Head of Real Estate • Centrumutveckling, CEO
Non-executive assignments	Nordr Sverige AB, CEO • Kungliga Dramatiska Teatern AB, 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.
Shareholdings[2]	Own and closely related parties' in Swedbank: 21 000



Åke Skoglund

Position	Employee representative
Born/Elected	Born 1959. Elected 2020 and deputy between 2018–2020.
Role within Swedbank	○ Board of Directors, member, Employee representative
Attendance	
Total annual fees[1], SEK	No fees
Background	Åke Skoglund is an employee representative with many years of experience from various positions within Swedbank.
Education	Business administration, Stockholm University
Bank specific experience	Operative: 33 years
Professional experience	Business development • Accounting/annual accounts • Regulatory reporting
Non-executive assignments	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	Not applicable.
Shareholdings[2]	Own and closely related parties' in Swedbank: 906

1) For paid amounts see note G15
2) Holdings as of 31 December 2022

Group Executive Committee



Jens Henriksson

President and CEO
Born 1967. Employed since 2019
Shareholdings in Swedbank:[1] 40 000
Education: BA Economics, MSc Electrical Engineering, Control Theory, and Fil. Lic. Economics



Tomas Hedberg

Vice President and Deputy CEO
Born 1963. Employed since 2000
Shareholdings in Swedbank:[1] 6 953
Education: Studies in Economics



Pål Bergström[2]

Head of Large Corporates and Institutions
Born 1967. Employed since 2021
Shareholdings in Swedbank:[1] 0
Education: PhD, Economics



Mikael Björknert

Head of Swedish Banking
Born 1966. Employed since 2010
Shareholdings in Swedbank:[1] 4 118
Education: BSc Business Administration and Economics



Lars-Erik Danielsson

Chief Credit Officer and Head of Group Credit
Born 1962. Employed since 1990
Shareholdings in Swedbank:[1] 7 352
Education: Studies in business and economics



Anders Ekedahl

Head of Anti-Financial Crime Unit
Born 1960. Employed since 1987
Shareholdings in Swedbank:[1] 25 887
Education: MSc, Stockholm School of Economics



Britta Hjorth-Larsen[3]

Chief Compliance Officer and Head of Group Compliance
Born 1965. Employed since 2022
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
Shareholdings in Swedbank:[1] 30 500
Education: MSc in Business and Economics



Jon Lidefelt

Head of Baltic Banking
Born 1973. Employed since 2013
Shareholdings in Swedbank:[1] 5 135
Education: MSc Engineering Physics

1) Own and closely related parties' shareholdings in Swedbank as of 31 December 2022
2) On 19 December 2022, Pål Bergström announced that he will be leaving Swedbank in the first half of 2023. Bo Bengtsson will take over the role of Head of Large Corporates and Institutions on 1 March 2023; accordingly, he stepped down from Swedbank's Board of Directors on 18 January 2023.
3) Bo Bengtsson left Swedbank's Board of Directors on 18 January 2023. He will take over the role of Head of Large Corporates and Institutions and will become a member of Swedbank's Group Executive Committee as of 1 March 2023.



Erik Ljungberg

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



Lotta Lövén

Chief Information Officer and Head of Group Channels & Technologies
Born 1967. Employed 1986–1999 and since 2004
Shareholdings in Swedbank:[1] 3 645
Education: Market economist



Rolf Marquardt

Chief Risk Officer and Head of Group Risk
Born 1964. Employed since 2020
Shareholdings in Swedbank:[1] 2 000
Education: PhD in Business Administration



Charlotte Rydin

Chief Legal Officer and Head of Group Legal
Born 1968. Employed since 2021
Shareholdings in Swedbank:[1] 0
Education: Master of Laws, LL.M.



Carina Strand

Head of Group HR & Infrastructure
Born 1964. Employed since 2017
Shareholdings in Swedbank:[1] 0
Education: Economist



Kerstin Winlöf

Head of Group Products & Advice
Born 1966. Employed since 2019
Shareholdings in Swedbank:[1] 2 000
Education: MSc in Business Administration and Economics

1) Own and closely related parties' shareholdings in Swedbank as of 31 December 2022.

20230705151850



Group

Income statement, Group

SEKm	Note	2022	2021[1]
Interest income on financial assets at amortised cost		45 003	29 912
Other interest income		295	452
Interest income		45 298	30 364
Interest expense		−12 141	−3 316
Net interest income[1]	G8, G57	33 157	27 048
Commission income		22 383	22 407
Commission expense		−8 160	−7 554
Net commission income	G9	14 223	14 853
Net gains and losses on financial items	G10	1 887	2 049
Net insurance	G11	1 655	1 457
Share of profit or loss of associates and joint ventures	G28	738	976
Other income	G12	1 561	1 299
Total income		53 221	47 681
Staff costs	G13	13 246	12 739
Other general administrative expenses	G14	6 474	6 477
Depreciation/amortisation of tangible and intangible assets	G15	1 695	1 631
Total expenses		21 415	20 847
Profit before impairment, Swedish bank tax and resolution fees		31 806	26 834
Impairment of intangible assets	G31	1 125	56
Impairment of tangible assets	G16	13	
Credit impairments	G17	1 479	170
Swedish bank tax and resolution fees	G18, G57	1 831	791
Profit before tax		27 358	25 817
Tax expense	G19	5 478	4 945
Profit for the year		21 880	20 872
Profit for the year attributable to:			
Shareholders of Swedbank AB		21 877	20 871
Non-controlling interests		3	1
Earnings per share, SEK	G20	19.43	18.62
Earnings per share after dilution, SEK	G20	19.43	18.56

1) Presentation has been changed, see note G57.

Statement of comprehensive income, Group

SEKm	Note	2022	2021
Profit for the year reported via income statement		21 880	20 872
Items that will not be reclassified to the income statement			
Remeasurements of defined benefit pension plans	G40	3 938	1 686
Share related to associates and joint ventures			
Remeasurements of defined benefit pension plans		152	21
Change in fair value attributable to changes in own credit risk of financial liabilities designated at fair value through profit or loss	G47	0	0
Income tax	G21	−811	−347
Total		3 279	1 360
Items that may be reclassified to the income statement			
Exchange rate differences, foreign operations:			
Gains/losses arising during the year		4 319	848
Reclassification adjustments to income statement, Net gains and losses on financial items			
Hedging of net investments in foreign operations	G30		
Gains/losses arising during the year		−3 421	−729
Reclassification adjustments to income statement, Net gains and losses on financial items			
Cash flow hedges:	G30		
Gains/losses arising during the year		826	145
Reclassification adjustments to income statement, Net gains and losses on financial items		−615	−143
Foreign currency basis risk:			
Gains/losses arising during the year		63	5
Share of other comprehensive income of associates and joint ventures:			
Exchange rate differences, foreign operations		31	91
Income tax:	G21		
Gains/losses arising during the year		563	119
Reclassification adjustments to the income statement, Tax expense		122	29
Total		1 693	365
Other comprehensive income for the year, net of tax		4 972	1 725
Total comprehensive income for the year		26 852	22 597
Total comprehensive income for the year attributable to:			
Shareholders of Swedbank AB		26 849	22 596
Non-controlling interests		3	1

Balance sheet, Group

SEKm	Note	2022	2021	1/1/2021
Assets				
Cash and balances with central banks		365 992	360 153	293 811
Treasury bills and other bills eligible for refinancing with central banks, etc.	G22	151 483	163 590	137 191
Loans to credit institutions	G23	56 589	39 504	47 954
Loans to the public	G24	1 842 811	1 703 206	1 680 987
Value change of the hedged items in portfolio hedges of interest rate risk		−20 369	−1 753	1 774
Bonds and other interest-bearing securities	G25	61 298	58 093	59 975
Financial assets for which the customers bear the investment risk	G26	290 678	328 512	252 411
Shares and participating interests	G27	8 184	13 416	17 215
Investments in associates and joint ventures	G28	7 830	7 705	7 287
Derivatives	G29	50 504	40 531	52 177
Intangible assets	G31	19 896	19 483	18 361
Tangible assets	G32	5 449	5 523	5 421
Current tax assets		1 449	1 372	1 554
Deferred tax assets	G19	159	113	124
Pension assets	G40	2 431		
Other assets	G33	8 474	9 194	16 483
Prepaid expenses and accrued income	G34	2 028	1 970	1 917
Total assets		**2 854 876**	**2 750 617**	**2 594 642**
Liabilities and equity				
Liabilities				
Amounts owed to credit institutions	G35	72 626	92 812	150 313
Deposits and borrowings from the public	G36	1 305 948	1 265 783	1 148 240
Financial liabilities for which the customers bear the investment risk	G37	291 993	329 667	253 229
Debt securities in issue	G38	784 206	733 917	732 814
Short positions securities	G39	27 134	28 613	23 300
Derivatives	G29	68 679	28 106	54 380
Current tax liabilities		1 811	672	424
Deferred tax liabilities	G19	3 599	3 393	2 784
Pension provisions	G40	168	1 801	3 665
Insurance provisions	G41	2 041	1 970	1 859
Other liabilities and provisions	G42	26 944	28 933	30 610
Accrued expenses and prepaid income	G43	4 664	4 813	4 038
Senior non-preferred liabilities		57 439	37 932	10 359
Subordinated liabilities	G44	31 331	28 604	23 434
Total liabilities		**2 678 784**	**2 586 921**	**2 439 449**
Equity				
Non-controlling interests		29	26	25
Equity attributable to shareholders of the parent company		176 064	161 670	155 168
Total equity	G45	**176 092**	**161 696**	**155 193**
Total liabilities and equity		**2 854 876**	**2 750 617**	**2 594 642**

Statement of changes in equity, Group

	Equity attributable to shareholders of Swedbank AB								
SEKm	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 2022	24 904	17 275	5 294	−3 248	2	−58	117 501	161 670	26	161 696
Dividends							−12 632	−12 632		−12 632
Share based payments to employees							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			4 350	−2 716	9	50	25 156	26 849	3	26 852
of which reported through profit or loss							21 877	21 877	3	21 880
of which reported through other comprehensive income, before tax			4 350	−3 421	11	63	4 090	5 093		5 093
of which income tax reported through other comprehensive income				705	−2	−13	−811	−121		−121
Closing balance 31 December 2022	24 904	17 275	9 644	−5 964	11	−8	130 202	176 064	29	176 092

1) Other contributed equity consists mainly of share premiums.

	Equity attributable to shareholders of Swedbank AB								
SEKm	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 2021	24 904	17 275	4 355	−2 669	1	−62	111 364	155 168	25	155 193
Dividends							−16 310	−16 310		−16 310
Share based payments to employees							195	195		195
Deferred tax related to share based payments to employees							20	20		20
Current tax related to share based payments to employees							1	1		1
Total comprehensive income for the year			939	−579	1	4	22 231	22 596	1	22 597
of which reported through profit or loss							20 871	20 871	1	20 872
of which reported through other comprehensive income, before tax			939	−729	2	5	1 707	1 924		1 924
of which income tax reported through other comprehensive income				150	−1	−1	−347	−199		−199
Closing balance 31 December 2021	24 904	17 275	5 294	−3 248	2	−58	117 501	161 670	26	161 696

1) Other contributed equity consists mainly of share premiums.

Statement of cash flow, Group

SEKm	Note	2022	2021
Operating activities			
Profit before tax		27 358	25 817
Adjustments for non-cash items in operating activities	G49	2 800	−2 863
Income taxes paid		−4 537	−4 476
Increase (−) /decrease (+) in loans to credit institution		−16 637	8 733
Increase (−) /decrease (+) in loans to the public		−123 486	−18 746
Increase (−) /decrease (+) in holdings of securities for trading		16 856	−20 742
Increase (−) /decrease (+) in other assets		−6 593	19 618
Increase (+) /decrease (−) in amounts owed to credit institutions		−25 043	−58 471
Increase (+) /decrease (−) in deposits and borrowings from the public		11 707	112 569
Increase (+) /decrease (−) in debt securities in issue		22 722	−6 447
Increase (+) /decrease (−) in other liabilities		76 233	−5 580
Cash flow from operating activities		**−18 620**	**49 409**
Investing activities			
Acquisitions of and contributions to joint ventures		−135	−51
Dividends from associates and joint ventures		1 020	587
Acquisitions of other fixed assets and strategic financial assets		−363	−253
Disposals of/maturity of other fixed assets and strategic financial assets		169	345
Cash flow from investing activities		**691**	**628**
Financing activities			
Amortisation of lease liabilities	G3 2.8	−802	−751
Issuance of senior non-preferred liabilities	G3 2.8	22 993	27 501
Redemption of senior non-preferred liabilities	G3 2.8	−257	
Issuance of subordinated liabilities	G3 2.8	13 374	4 328
Redemption of subordinated liabilities	G3 2.8	−12 661	−617
Dividends paid		−12 632	−16 310
Cash flow from financing activities		**10 015**	**14 151**
Cash flow for the year		**−7 914**	**64 188**
Cash and cash equivalents at the beginning of the year		**360 153**	**293 811**
Cash flow for the year		−7 914	64 188
Exchange rate differences on cash and cash equivalents		13 753	2 154
Cash and cash equivalents at end of the year		**365 992**	**360 153**

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 2022 were approved by the Board of Directors and the CEO for publication on 22 February 2022. 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 30 March 2022.

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
Principal place of business	Sweden
Nature of operations and principal activities	Bank and insurance
Name of parent entity	Swedbank AB (publ)
Name of ultimate parent of group	Swedbank AB (publ)
Website	www.swedbank.com

G2 Accounting policies

Contents

1	Basis of accounting	70
2	Changes in accounting policies and changed presentation	71
3	Significant accounting policies	71
3.1	Presentation of financial statements (IAS 1)	71
3.2	Consolidated financial statements (IFRS 3, IFRS 10)	71
3.3	Assets and liabilities in foreign currency (IAS 21)	71
3.4	Financial instruments (IAS 32, IFRS 9, IAS 39)	71
3.5	Leases (IFRS 16)	74
3.6	Associates and joint ventures (IAS 28, IFRS 11)	75
3.7	Intangible assets (IAS 38)	75
3.8	Tangible assets (IAS 2, IAS 16)	75
3.9	Provisions (IAS 37)	75
3.10	Pensions (IAS 19)	75
3.11	Insurance contracts (IFRS 4)	75
3.12	Net commission income (IFRS 15)	75
3.13	Other income	76
3.14	Share-based payment (IFRS 2)	76
3.15	Impairment (IAS 36)	76
3.16	Tax (IAS 12)	76
3.17	Cash and cash equivalents (IAS 7)	76
3.18	Operating segments (IFRS 8)	76
4	Critical accounting judgments and estimates	76
5	New standards and interpretations	78
5.1	Standards issued but not yet adopted	78
5.2	Significant accounting policies to be applied from 1 January 2023	79

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. Complete financial reports refer to,

- balance sheet as at the end of the period,
- statement of comprehensive income for the period,
- statement of changes in equity for the period,
- cash flow statement for the period, and
- notes, comprising a summary of significant accounting policies and other explanatory information.

The consolidated financial statements are also prepared according to the Swedish Financial 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 prepared using several measurement bases. Financial assets and liabilities are measured at amortised cost, except for certain financial assets and liabilities (including derivative instruments), which are measured at fair value. The carrying amounts of financial assets and liabilities subject to fair value hedge accounting are adjusted for changes in fair value attributable to the hedged risk. Non-monetary items are measured on a historical cost basis. Pension liabilities are measured at their present value.

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.

202307065 1861

2 Changes in accounting policies and changed presentation
The following new accounting pronouncements and changes have been applied in the financial reports during 2022.

Changes in IFRS and Swedish regulations
Amended IFRS, IFRS interpretations and Swedish regulations which have been adopted during 2022 did not have a significant impact on the Group's financial position, results, cash flows or disclosures.

Definition of default and credit-impaired assets
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. During Q3 2022, the Group implemented the new regulatory definition of default according to the EBA Guideline on the application of the definition of default under Article 178 of Regulation (EU) No 575/2013.
According to the new definition, default for sovereigns and financial institutions is no longer solely triggered based on manual decisions. Consequently, Swedbank now applies the 90 days past due criterion for these borrowers. This consequential amendment is implemented prospectively and had no impact on the Stage allocation of these borrowers.

New Swedish bank tax and changed presentation of resolution fees
A new Swedish bank tax (Risk tax on credit institutions) was introduced from 1 January 2022 and is presented on a new row in the income statement. From 2022 the Group also presents resolution fees on this row, which is named Swedish bank tax and resolution fees. Previously the resolution fees have been included in Interest expense within Net interest income. Comparative figures have been restated, see note G57.

3 Significant accounting policies
3.1 Presentation of financial statements (IAS 1)
Financial statements provide a structured representation of a company's financial position, financial results and cash flows, to provide information useful in connection with financial decisions. The financial statements also indicate the results of executive management's administration of the resources entrusted to them. Complete financial statements consist of a balance sheet, statement of comprehensive income, statement of changes in equity, cash flow statement and notes. Swedbank presents the statement of comprehensive income in the form of two statements. A separate income statement contains all revenue and expense items, provided that a special IFRS does not require or allow otherwise. Other revenue and expense items are recognised in other comprehensive income. The statement of comprehensive income contains the profit or loss recognised in the income statement as well as the components included in other comprehensive income.

3.2 Consolidated financial statements (IFRS 3, IFRS 10)
The consolidated financial statements comprise the parent company and those entities (including special purpose vehicles) 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, is exposed to variable returns and is able to use its power to affect those returns. These entities, subsidiaries, are included in the consolidated financial statements in accordance with the acquisition method from the day that control is obtained and are excluded from the day that control ceases.
According to the acquisition method, the acquired entity's identifiable assets, liabilities and contingent liabilities that satisfy the recognition criteria are recognised and measured at fair value upon acquisition. The surplus between the cost of the business combination, transferred consideration measured at fair value on the acquisition date (purchase price) and the fair value of the acquired share of identifiable assets, liabilities and reported contingent liabilities is recognised as goodwill. If the amount is less than the fair value of the acquired company's net assets, the difference is recognised directly in the income statement as bargain purchase within Other income. The transferred consideration includes the fair value of transferred assets, liabilities and shares which, in applicable cases, have been issued by the Group as well as the fair value of all assets or liabilities that are the result of an agreement on contingent consideration. Acquisition-related costs are recognised when they arise. For each acquisition, the Group determines whether all non-controlling interests in the acquired company should be recognised at fair value or at the non-controlling interest's proportionate share of the acquired subsidiary's net assets. 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.

Transactions with non-controlling owners are recognised as equity transactions with the Group's shareholders in their capacity as owners. In the case of acquisitions of interests from non-controlling owners, the difference between the price paid for the interests and the acquired share of the carrying amount of the subsidiary's net assets is recognised in Equity attributable to the shareholders of the parent company as retained earnings. The carrying amounts of holdings with and without control are adjusted to reflect the changes in their relative holdings.
Gains and losses on the sale of interests to non-controlling owners are recognised in equity. If, following a sale of its interests, the Group no longer has control, its remaining holding is re-measured at fair value and the change is recognised in its entirety in the income statement. This fair value subsequently serves as the cost of the remaining holding in the former subsidiary for reporting purposes. All amounts related to the divested entity that were previously recognised in other comprehensive income are recognised as if the Group directly divested the related assets or liabilities, due to which amounts previously recognised in other comprehensive income may be reclassified as profit or loss. If the interest in an associate is reduced but a significant influence is retained, the proportionate share of the amount previously recognised in other comprehensive income is reclassified to profit or loss.

3.3 Assets and liabilities in foreign currencies (IAS 21)
The consolidated financial statements are presented in SEK, which is also the parent company's functional currency and presentation currency. An entity's functional currency is the currency in which the entity primarily generates and expends cash. Each entity within the Group determines its own functional currency according to its primary economic environment. 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 foreign currency and non-monetary assets in 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 in the income statement within Net gains and losses on financial items as changes in exchange rates. 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. As a result, exchange rate differences attributable to hedges of net investments in foreign operations are also recognised in other comprehensive income, net of deferred tax. This is applied when the requirements for hedge accounting are met. Ineffectiveness in 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 recognised in the income statement.

3.4 Financial instruments (IAS 32, IFRS 9, IAS 39)
3.4.1 General
Financial instruments represent the largest part of the Group's balance sheet. A financial instrument is any contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity. Cash and contractual rights to receive cash are examples of financial assets, whereas a contractual obligation to deliver cash or another financial asset is an example of a financial liability. A derivative is a financial instrument that is distinguished by the fact that its value changes in response to the change in a specified variable, such as foreign exchange rates, interest rates or share prices, it requires little or no initial net investment and it is settled on a future date.
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 it is listed on the market, the instrument is classified on the balance sheet as securities. Financial liabilities where the creditor has a lower priority than others are classified on 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.

Recognition and derecognition
Financial assets and liabilities are recognised on the balance sheet on the trade date, which is the date when the Group becomes a party to the instrument's contractual provisions, with the exception of 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.

When a financial asset is modified, the Group assesses whether the modification results in derecognition. A financial asset is considered modified where the contractual terms governing the cash flows are amended versus the original agreement, for example due to forbearance measures being applied, changes in market conditions, customer retention reasons or other factors unrelated to the credit deterioration of a borrower. Modified financial assets are derecognised from the balance sheet and a new loan recognised where an agreement is cancelled and replaced with a new agreement on substantially different terms or where the terms of an existing agreement are substantially modified. Modifications due to financial difficulties, including forbearance measures, are not considered substantial on their own.
Financial liabilities are derecognised when the obligation in the agreement has been discharged, cancelled or expired.

Embedded derivatives
An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract, with the effect such that some of the cash flows vary in a manner similar to a stand-alone derivative. Derivatives embedded in financial liabilities, financial assets not in scope of IFRS 9, such as lease receivables and insurance contracts, or non-financial items are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss. Financial assets in the scope of IFRS 9 are not assessed for the existence of embedded derivatives, but rather the entire contract, including any features which alter the contractual cash flows, is assessed for classification.

Repurchase transactions
A genuine 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 respective counterparty. The securities sold are also recognised as pledged assets. The proceeds paid for acquired securities, so-called reverse repos, are recognised on the balance sheet as a loan to the selling party.

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. In cases where borrowed securities are sold, the so-called short-selling, an amount corresponding to the fair value of the securities is recognised within Other liabilities on the balance sheet.

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

Net interest income
Interest income on financial assets and interest expense on financial liabilities include interest payments received or paid, change in accrued interest and amortisation of any difference between the initial amount and the maturity amount during the period, which produces a constant rate of return over the instrument's life, referred to as the effective interest rate. 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, taking into account transaction costs, premiums or discounts and fees paid or received that are an integral part of the return.
Interest income on financial assets is generally calculated by applying the effective interest rate to the gross carrying amount, with two exceptions. Where financial assets measured at amortised cost have become credit-impaired subsequent to initial recognition (Stage 3 financial assets), interest income is calculated by applying the effective interest rate to the amortised cost, which is the gross carrying amount less credit impairment provisions. If such financial assets are no longer credit-impaired, the calculation of interest income reverts back to the gross carrying amount basis. Where financial assets measured at amortised cost are credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost until the financial asset is derecognised from the balance sheet. The credit-adjusted effective interest rate is calculated based on the amortised cost of the financial asset rather than the gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.
Interest expense is calculated by applying the effective interest rate to the amortised cost of financial liabilities.
Interest income and interest expense on financial instruments which are held for trading financial instruments and related interests within the LC&I operating segment are excluded from Net interest income and reported as Net gains and losses on financial items to better reflect the character of the business.
The Group holds some financial assets and liabilities with negative yield, which are presented in note G8.

3.4.2 Classification and measurement
Financial assets are classified as measured at either amortised cost or fair value through profit or loss, based on the business model for managing the asset and the asset's contractual terms. The Group does not have any financial assets classified as fair value through other comprehensive income (managed under a hold to collect and sell business model).
The business model reflects how the Group manages portfolios of financial assets in order to generate cash flows. The factors considered in determining the business model for a portfolio of financial assets include past experience on how the cash flows have been collected, how the financial assets' performance is evaluated and reported to management, how risks are assessed and managed and how compensation is linked to performance.
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, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement. Principal is defined as the fair value of a financial asset on initial recognition. Interest is defined as the compensation for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. 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.
Financial liabilities are classified as measured at either amortised cost or fair value through profit or loss.

Financial assets at amortised cost
Financial assets which are debt instruments are classified as measured at amortised cost if they are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows and if the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.
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. Accounting policies regarding credit impairment provisions are disclosed in section 3.4.3.

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. The mandatory classification includes:
- Debt 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 whose performance is evaluated on a fair value basis
- Debt instruments with contractual cash flows that are not solely payments of principal and interest
- Equity instruments
- Derivative assets that are not designated for hedge accounting.

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 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 acquisition of financial assets at fair value through profit or loss are expensed in profit or loss. 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 based on observable market data, such as quoted prices in active markets for similar instruments or quoted prices for identical instruments in inactive markets. Differences that arise at initial recognition between the transaction price and the fair value according to a valuation model, so-called 'day 1 profits or losses', are recognised in the income statement only when the valuation model is based entirely on observable market data.
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.

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 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 which is applied to financial assets, however it does not include adjustments for credit impairment provisions.

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.

The Group applies the option to irrevocably designate financial liabilities at fair value through profit or loss 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.

Reclassification of financial assets and liabilities
The Group does not reclassify its financial assets unless the business model under which the financial assets are held changes, which is expected to be very exceptional. Financial liabilities are never reclassified.

3.4.3 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 financial 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.

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, taking into account scheduled repayments of principal and interest, and expected further drawdowns on irrevocable facilities. The LGD represents the expected loss on a defaulted exposure, taking into account 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 non-macroeconomic (borrower-specific) scenarios.

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 takes into account both qualitative and quantitative factors including but not limited to the overdue status or non-payment on other obligations of the same borrower, 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.

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. 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, for example, 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.

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 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.

Modification
Where a loan is modified but is not derecognised, significant increases in credit risk continue to be assessed for impairment purposes as compared to the initial recognition credit risk. Modifications do not automatically lead to a decrease in credit risk and all quantitative and qualitative indicators will continue to be assessed. Further to this, a modification gain or loss is recognised in the income statement within Credit impairments, which represents the difference in the present value of the contractual cash flows, discounted at the original effective interest rate.
Where a loan is modified and derecognised, the date of the modification is the initial recognition date of the new loan for credit impairment purposes, including the assessment of significant increases in credit risk. Where the new loan is considered to be credit-impaired on initial recognition, it is classified as a purchased or originated credit impaired asset and therefore lifetime expected credit losses are calculated until the loan is repaid or written-off.

Purchased or originated credit impaired assets
Instruments which are credit impaired on initial recognition are accounted for as purchased or originated credit-impaired assets. The expected credit losses for such assets are always measured at an amount equal to the lifetime expected credit losses. However, the expected credit loss on initial recognition are considered as part of the gross carrying amount and therefore the recognised credit impairment provision represents only the changes in the lifetime expected credit losses from the initial recognition date. Favourable changes in the lifetime expected credit losses are recognised as an impairment gain, even if those changes are more than the amount previously recognised as credit impairments.

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 liability 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 impairments.

3.4.4 Hedge accounting (IFRS 9, IAS 39)
Fair value hedges
One-to-one hedges (IFRS 9)
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. Where hedge accounting is applied, the hedged risk in the individual hedged item is also measured at fair value. The value of the hedged risk in an individual financial asset or financial liability is recognised on the same line in the balance sheet as the financial instrument. Both the change in the value of the derivative hedging instruments and the change in the value of the hedged risk are recognised in the income statement within Net gains and losses on financial items.
In order to apply hedge accounting, the hedge relationship has been formally identified and documented. The hedge's effectiveness is proven to remain prospectively effective. 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.

Portfolio hedges (IAS 39)
Portfolio fair value hedge accounting is applied by the Group in certain cases where the interest rate exposure in loan portfolios is hedged with derivatives. Where hedge accounting is applied, the hedged risk in the hedged portfolio is also measured at fair value. The value of the hedged risk in the hedged portfolio is recognised on a separate line in the balance sheet as Value change of the hedged items in portfolio hedges of interest rate risk. The item is recognised in connection with Loans to the public. Both the change in the value of the derivative hedging instruments and the change in the value of the hedged risk are recognised in the income statement within Net gains and losses on financial items.
In order to apply hedge accounting, the hedge relationship has been formally identified and documented. The hedge's effectiveness must be measurable in a reliable way and must be proven to remain very effective, both prospectively and retrospectively, in offsetting changes in the fair value of the hedged risk.

Cash flow hedges (IFRS 9)
Derivative transactions are sometimes entered into to hedge the exposure to variations in future cash flows resulting from changes in exchange rates. These hedges can be recognised as cash flow hedges, whereby the effective portion of the change in the value of the derivative hedging instrument, is recognised directly in other comprehensive income. Where the derivative hedging instrument is a cross currency basis swap, the Group excludes the foreign currency basis spread from the hedging relationship. The changes in fair value of the cross currency basis swap are 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. Any ineffective portion is recognised in the income statement within Net gains and losses on financial items.

In order to apply hedge accounting, the hedge relationship has been formally identified and documented. The hedge's effectiveness is proven to remain prospectively effective. 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.

Hedging of net investments in foreign operations (IFRS 9)
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. Financial liabilities reported in the foreign operation's functional currency 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.

In order to apply hedge accounting, the hedge relationship has been formally designated and documented. The hedge's effectiveness is proven to remain prospectively effective.

3.5 Leases (IFRS 16)
Lessee
Where the Group act as a lessee, the standard requires that right-of-use assets and lease liabilities arising from most leases are recognised on the balance sheet. Right-of-use assets are presented within Tangible assets and lease liabilities within Other liabilities. Depreciation of the right-of-use assets and interest expenses related to lease liabilities are recognised in the income statement. In the cash flow statement payments for the principal portion of the lease liability are presented within financing activities and payments for the interest portion are presented within operating activities.

The 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 i.e. the same amount as the initial measurement of the lease liability plus certain other costs, for example lease payments made at or before commencement date. The right-of-use asset is thereafter depreciated over the lease term. Lease payments are discounted using the incremental borrowing rate. The Group applies the exemptions afforded by the standard regarding short-term leases and leases for which the underlying asset is of low value. Expenses related to these lease agreements are recognised as Other expenses. After the commencement date, the carrying amount of the lease liability is remeasured to reflect any reassessment or modification of a lease agreement. The remeasurement of the lease liability is adjusted against the right-of-use asset. Gains or losses relating to modifications resulting in a partial or full termination of the lease are recognised in the income statement.

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 leases where the lessor bears the economic risks and benefits.

The Group's leasing operations, as a lessor, consist of finance leases and are therefore recognised as loans and receivables. The carrying amount corresponds to the present value of future lease payments. The difference between all future lease payments, the gross receivable, and the present value of future lease payments constitutes unearned income. Consequently, lease payments received are recognised in part in the income statement as interest income and in part in the balance sheet as instalments, such that the financial income corresponds to an even return on the net investment.

3.6 Associates and joint ventures (IAS 28, IFRS 11)
Associates and joint ventures are entities where the Group has significant influence or joint control, but not sole control, of another entity and 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 subsequently adjusted for the owned share of the change in the entity's net assets. Goodwill attributable to the associate or the joint venture is included in the carrying amount of the participating interests and is not amortised. The carrying amount of the participating interests is subsequently compared with the recoverable amount of the net investment in the associate or the joint venture to determine whether an impairment need exists. The owned share of the associate's or the joint venture's profit according to the associate's or the joint venture's income statement, together with any impairment, is recognised on a separate line, Share of profit or loss of associates and joint ventures, including taxes related to associates. The associates' and joint venture's reporting dates and accounting policies conform to the Group's.

3.7 Intangible assets (IAS 38)
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. 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. Identified cash generating units correspond to the lowest level in the entity for which the goodwill is monitored in the internal control of the entity. A cash generating unit is not larger than a business 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.

Other intangible assets
Intangible assets are initially measured at cost and subsequently at cost less accumulated amortisation and accumulated impairment. The cost of intangible assets in a business combination corresponds to fair value upon acquisition. The useful life of an intangible asset is considered either finite or indefinite. Intangible assets with a finite useful life are amortised over their useful life and tested for impairment when impairment indication exist. Useful lives and amortisation methods are reassessed and when needed amended in connection with each closing date.

Development expenses are capitalised and recognised in the balance sheet when the Group controls the resulting asset, it is likely that future economic benefits attributable to the assets will accrue to the Group and the costs can be calculated in a reliable way. In other cases, development costs are expensed when they arise.

3.8 Tangible assets (IAS 2, IAS 16)
For protection of claims
Tangible assets acquired or recovered to protect claims are recognised as inventory. Inventories are measured at the lower of cost and net realisable value. The cost includes all expenses for purchasing, manufacturing and to otherwise bring the goods to their current location and condition. The net realisable value represents to the amount that is expected to be realised from a sale.

For own use
Tangible assets, such as equipment and owner-occupied properties, are initially recognised at cost and subsequently measured at cost less accumulated depreciation and impairments.

3.9 Provisions (IAS 37)
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.

Provisions are recognised for restructurings. Restructurings are extensive organisational changes which may require the payment of employee severance for early termination or branches to be shut down. For a provision to be recognised, a restructuring plan must be in place and announced, so that it has created a valid expectation among those affected that the company will implement a restructuring. A provision for restructuring includes only direct expenses related to the restructuring and not to future operations, such as of the cost of severance.

3.10 Pensions (IAS 19)
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 legal entities, and the risk of a change in value until the funds are paid out rests 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 his/her services. In defined benefit plans, the present value of pension obligations is calculated and recognised as a provision. 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. The income statement, staff costs, is 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 in other comprehensive income, where the difference between the actual return and estimated interest income on plan assets is recognised as well.

3.11 Insurance contracts (IFRS 4)
In the financial statements, insurance policies refer to policies where significant insurance risk is transferred from the insured to the insurer. The majority of the Group's insurance policies do not transfer significant insurance risk; therefore, they are recognised as financial instruments in the balance sheet line Financial liabilities where the customers bear the investment risk. For insurance policies with significant insurance risk, actuarial provisions are allocated corresponding to pledged obligations. In the income statement, revenues from premiums and expenses for provisions are reported as Net insurance.

3.12 Net commission income (IFRS 15)
Revenue from contracts with customers consists primarily 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 of time 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.

3.13 Other income
IT and other services mainly provided to the Saving banks are included in Other income and accounted for in accordance with IFRS 15, see 3.12 Net commission. 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.

In addition, Other income includes capital gains and losses on the sale of ownership interests in subsidiaries and associates, to the extent they do not represent an independent service line, or a significant business conducted within a geographical area. Other income also includes capital gains and losses on the sale of tangible assets.

3.14 Share-based payment (IFRS 2)
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 taken into account 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.

3.15 Impairment (IAS 36)
For assets that are not tested for impairment according to other standards, 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. Goodwill impairment is not reversed. Impairments are recognised separately in the income statement for tangible or intangible assets.

3.16 Tax (IAS 12)
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 estimated at nominal value using each country's tax rate in effect in subsequent years. Deferred tax assets are netted against deferred tax liabilities for Group entities that have offsetting rights. All current and deferred taxes are recognised in the income statement as Tax expense, with the exception of tax attributable to items that are recognised directly in other comprehensive income or equity.

3.17 Cash and cash equivalents (IAS 7)
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.

3.18 Operating segments (IFRS 8)
Segment reporting is presented on the basis of the executive management's perspective and relates to the parts of the Group that are defined as operating segments. Operating segments are identified on the basis of internal reports to the company's chief operating decision maker. The Group has identified the Chief Executive Officer (CEO) as its chief operating decision maker and the internal reports used by the CEO to oversee operations and make decisions on allocating resources serve as the basis of the information presented.

The accounting policies for an operating segment consist of the above accounting policies and those that specifically refer to segment reporting. Market-based compensation is applied between operating segments, while all costs for IT, other shared services and Group staff are transferred at full cost-based transfer prices to the operating segments. Group Executive Management expenses are not distributed. Cross-border services are invoiced according to the OECD's guidelines on transfer pricing. The Group's equity attributable to the shareholders is allocated to each operating segment based on the capital adequacy rules and estimated utilised capital.

The return on equity for the operating segments is based on profit before tax less estimated tax and non-controlling interests in relation to average allocated equity.

4 Critical accounting judgements and estimates

The presentation of consolidated financial statements in conformity with IFRS requires the executive management to make judgements, assumptions and estimates that affect the recognised amounts for assets, liabilities and disclosures of contingent assets and liabilities as of the closing day as well as recognised income and expenses during the reporting period. The executive management continuously evaluates these judgements and estimates, including those that affect the fair value of financial instruments, provisions for impaired loans, impairment of intangible assets, deferred taxes, pension provisions and share-based payments. 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 judgements and estimates.

Investment funds
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, accrues to customers. Within the framework of the approved fund provisions, 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 fund's provisions 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 those 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. The Group's holdings in the investment funds represent an additional variable exposure in the investment funds. The Group's interests in total are seen as principal activity for the Group's own benefit where such interests exceed 35 per cent in an investment fund, or 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 therefore are excluded from the assessment of control over such investment funds. Holdings in investment funds through unit-linked mutual insurance contracts of SEK 228bn (254) are recognised as Financial assets for which the customer bears the investment risk and the corresponding liabilities of SEK 228bn (254) 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 126bn (111) respectively would have been recognised in the Group's balance sheet.

Financial instruments
When determining the fair values of financial instruments, the Group uses various methods depending on the degree of available observable market data and the level of activity in the market. Quoted prices on active markets are primarily used. When financial assets and financial liabilities in active markets have offsetting market risks, the average of bid and sell prices is used as a basis for determining the fair value of the offsetting risk positions. 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 instead uses valuation models. The Group's executive management determines when the 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 generally accepted 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. Note G47 shows financial instruments at fair value divided into three valuation levels: quoted prices, valuation models with observable market inputs and valuation models with significant assumptions. As of year-end the value of financial instruments measured with significant assumptions amounted to SEK 1 402m (1 291), related to holdings in unlisted shares, fund shares, loans and liabilities for which customers bear the investment risk.

A determination is made about which financial instruments hedge accounting will be applied to in order to reduce accounting volatility as far as possible. Accounting volatility lacks economic relevance and arises when financial instruments are measured with different measurement principles despite that they financially hedge each other.

Tax
For the Estonian Group entity, Swedbank AS, income taxation is triggered only if dividends are paid. The parent company determines the dividend payment and does not intend to distribute dividends from the subsidiary's accumulated earnings before 2017 and no deferred tax is reported for this part. Accumulated earnings before 2017 amounted to SEK 15 145m (13 963). The unrecognised deferred tax liability amounted to SEK 3 209m (2 793).

Provisions for credit impairments
Credit impairment provisions are estimated using quantitative models, incorporate inputs, assumptions and methodologies that involve a high degree of management judgement. In particular, the following can have a significant impact on the level of 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 are found on page 86. Analysis of the sensitivity of credit impairment provisions in relation to significant increase in credit risk assumptions is found on page 85 and in relation to the forward-looking macroeconomic scenarios is found on page 84.

Significant credit-impaired exposures (which are those where the borrower's or limit group's total group credit limit is SEK 50m or more), are assessed on an individual basis 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, of which at least one 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 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. The credit impairment provisions recognised in the income statement in relation to individually assessed loans increased by SEK 191m (824).

Impairment testing of goodwill
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 flow or the capital adequacy ratio, since goodwill is a deduction in the calculation of the capital base.

The executive management's tests are done by calculating value in use. The calculation is based on estimated future cash flows from the cash generating unit that the goodwill relates to and has been allocated to as well as when the cash flows are received. The first three years' cash flows are determined on the basis of the financial plans the executive management has established. Subsequent determinations of the size of 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. In addition, a discount rate is determined that in addition to reflecting the time value of money also reflects the risk that the asset is associated with. Different discounting 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.

The Group's goodwill amounted to SEK 13 774m (13 501) at year-end, of which SEK 11 257m (10 378) relates to the investment in the Baltic banking operations. The executive management's assumptions in the calculation of value in use as of year-end did not lead to any impairment losses. If the discount rate had been increased by one percentage point or the growth assumption had been reduced by one percentage point, it would not have created any impairment losses for the investments in the Baltic banking operations.

Defined benefit pensions
For pension provisions for defined benefit obligations, the executive management uses a number of actuarial assumptions to estimate future cash flows. The assumptions are assessed and updated, if necessary, at each reporting date. Changes in assumptions are described in Note G40. Important estimates are made with regard to 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. When actual outcomes deviate from the assumptions made, an experience-based actuarial gain or loss arises. Actuarial gains or losses also arise when assumptions change.

During the year a gain of SEK 3 938m (1 686) was recognised in other comprehensive income, regarding remeasurements of defined benefit pension plans. At year end the discount rate, which are used in the calculation of the pension liability, was 4.25 per cent as per year end 2022 compared to 2.10 per cent last year end. The inflation assumption was 2.11 per cent compared with 2.30 per cent last year end. The changed assumptions represent SEK 8 631m (-561) of the positive result in other comprehensive income. The fair value of plan assets was changed during the year by SEK -3 892m (1 225). In total, the fair value of plan assets exceeded the obligation for funded defined benefit pension plans by SEK 2 431m (-1 801).

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 outcome of the investigations is still not known, and it was not possible to reliably estimate potential fines.

5 New standards and interpretations

5.1 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 2023. 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. Swedbank has not applied the following in the 2022 annual report.

Insurance contracts (IFRS 17)
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 standard was approved by the EU in November 2021 for application to the financial year beginning on 1 January 2023, with transition date 1 January 2022. The impacted areas and the estimated impacts from the adoption of IFRS 17 are summarised below, including election of transition approach. The significant accounting policies that will be applied by the Group from 1 January 2023 are also disclosed in section 5.2.

The key differences between IFRS 17 and IFRS 4 relate to revenue recognition and liability valuation. Under IFRS 4, entities were free to define their own interpretations of revenue recognition and calculation of reserves, while IFRS 17 introduces a measurement model with consistent definitions for cash flows within contract boundaries, discount rates, risk adjustment for non-financial risks and contractual service margin. Contractual service margin represents the unearned profit that the entity will recognise when the services relating to an insurance contract are provided in the future. Three measurement approaches exist: the general model without or with direct participation features and the premium allocation approach. Direct participation features refer to insurance contracts in which the policyholder has a participation feature in a clearly identified pool of underlying items and where the amount to be paid out to the policyholders is a substantial portion of the underlying items' changes in fair value. The premium allocation approach is a simplified measurement approach that can be applied to insurance contracts where the insurance coverage period is less than one year.

The Group will apply all three methods based on the type of insurance contracts. The Group's risk insurance will be reported according to the premium allocation approach, while traditional life insurance will be reported according to the general model, both with and without direct participation features.

IFRS 17 does not allow unbundling of traditional life insurance that is made 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 will be reported as an insurance provision. Consequently, as of 31 December 2022, SEK 23bn will be 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 22bn as of 31 December

2022, will be reclassified in the balance sheet from financial assets for which the customers bear the investment risk to Shares and participating interests

The removal of the unbundling option in IFRS 4 means that the accounting judgment of whether an insurance contract transfers significant insurance risk or not will become more important. As of 31 December 2022, after the introduction of IFRS 17, the recognised amount for investment contracts amounted to SEK 269bn, which mainly consists of unit-linked contracts. Even if part of the carrying amount was were to be reclassified and presented as insurance provisions, it is the Group's judgement that there would not be a significant effect on the Group's financial position or results because of short contract boundaries. The contracts refer to long-term savings, but according to the accounting judgment these contracts have short contract boundaries as they in principle can be continuously price adjusted.

The profit or loss for insurance contracts will be reported in the income statement as Insurance result. In the notes the Insurance result will be divided to insurance revenue and insurance service expenses (insurance service result), insurance finance income or expenses and result of reinsurance contracts held. The income statement lines Insurance result and Return from financial assets backing insurance contracts with participating features are aggregated to Net insurance.

The definition in IFRS 17 of cash flows within contract boundaries includes not only premiums, claims, claims- 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 0.6bn will be reclassified to Net insurance. Net insurance, restated for 2022, and including remeasurement impact is expected to be SEK 1.1bn lower than previously reported.

As a result of IFRS 17 not allowing the unbundling made between investment contract and insurance contract according to IFRS 4, further minor reclassifications will be made between the income statement lines Net commission income, Net gains and losses on financial items and Net insurance.

The transition to IFRS 17 can be performed according to three different approaches: the full retrospective approach, the modified retrospective approach and the fair value approach. The Group will apply all approaches. In general, the full retrospective approach will be applied for risk insurance and reinsurance contracts. The fair value approach will mainly be applied to insurance contracts with direct participating features.

As of the transition date 1 January 2022, the Group's equity is expected to increase by SEK 0.5bn. As of 31 December 2022, the Group's equity is not expected to be affected, because the expected restated profit for 2022 is lower than previously reported. The Tier one capital ratio is not affected.

Other changes in IFRS and Swedish regulations
No other 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.

5.2 Significant accounting policies to be applied from 1 January 2023
Swedbank has elected to present the Group's significant accounting policies for the new standard IFRS 17 Insurance contracts that will be adopted on 1 January 2023. These significant accounting policies will only be applicable for the Group from that adoption date.

Insurance contracts (IFRS 17)
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 in accordance with IFRS 9.

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 expense when they incur.

In the Group's 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 because of provided services in the period, including released contractual service margin. Insurance service expenses represents 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.

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 Group Policy on Enterprise Risk Management (ERM Policy) describes the Enterprise Risk Management framework. This includes the Group's Risk Strategy and Risk Appetite, fundamental principles on risk management such as risk culture and risk awareness, as well as allocation of roles and responsibilities in the risk management process. The framework embeds risk management into existing practices and processes within the Group.

Risk management includes the processes which ensure that the Group identifies, assesses and measures where applicable, manages, monitors and reports on risk. The processes encompass all types of risk and result in an assessment of Swedbank's risk level, which in turn serves as the basis of the internal capital adequacy assessment process.

To ensure that Swedbank's risk exposure maintains a low level also in the long term perspective, the Board has defined an overall low risk appetite by adopting the Group's Risk Appetite Statement Policy. The Group's risk appetite is implemented by the CEO through internal rules and a risk limit framework that consist of limits decided on CEO level, executive management level and, where applicable, lower management level and Subsidiaries. The risk limit framework also includes key risk indicators where required from a risk perspective. Limits and key risk indicators are tools for controlling and monitoring risk exposure, risk concentration and risk build-ups. 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 efficient use of capital and at the same time, even under adverse market conditions, ensure 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
Geopolitical tensions escalated in February 2022 when Russia invaded Ukraine. The global macroeconomic effects of the war in short time made a significant impact during the year and is summed up below regarding inflation and energy prices.
Due to the geopolitical situation, the number of IT attacks towards the financial industry have increased during 2022. Swedbank's external threat level has been assessed as elevated, but the Bank's capacity to manage these risks is satisfactory.

Global inflation trend
A worldwide rapid increase in inflation was seen during 2022, as many countries experienced their highest inflation rate in decades. The inflation's sharp increase has been caused by several factors, including the fiscal and monetary reactionaries during the pandemic, supply shortages, global freight problems, an increase in consumer demand, heat waves and droughts affecting food supplies, and high oil and food prices fuelled by the Russian invasion of Ukraine. When inflation started to rise late last year, a debate arose about whether the inflationary pressure was temporary or persistent.
After initially being cautious, the central banks have reacted swiftly later in the year with a series of sharp interest rate hikes.

European energy prices
The energy prices increased sharply during the year, not least in Europe, partly due to the war in Ukraine and the changed delivery patterns of gas to Europe that this has entailed. Comprehensive initiatives to secure energy deliveries from other sources was initiated but did not have any noticeable effect on prices during 2022.

The development of credit risk
Following a gradual opening from the long-time of lockdowns, the year started with a strong global economic development. The market sentiment worsened quickly during spring due to the Russian invasion of Ukraine. The household's confidence indicators fell to low levels, and house prices in Sweden fell after a long period of strong growth, not least during the pandemic years. The picture is not without ambiguity – the unemployment is continuously low in the Bank's home markets and many companies still experience high demand and labour shortage. At the same time many companies are under pressure because of high energy prices, and in Sweden bankruptcies have increased during the latter part of the year, from low levels. The Bank's credit portfolio remains still stable, and the credit quality is high. The actual default frequencies in Swedbank's credit portfolio remains on historic low levels.

Climate change
The past year again brought extreme weather events, not least on the European continent including heat waves and drought. The set climate targets regarding global warming are assessed to be harder to reach in time.
At the same time corporates and the global financial system are taking action and setting ambitious and more data led targets for reducing Green House Gas (GHG) emissions.
During the year Swedbank communicated GHG emission targets related to the lending portfolio. The ongoing transformation to climate neutral and sustainable societies will create new opportunities for the bank, but also new risks, and the risk management of the bank is currently being adapted to handle this.

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 the bank and our customers. IT and information security risks are therefore identified and addressed in all types of development, procurement and change management.

Measures taken to address the IT incident from April
In April, Swedbank experienced a serious IT incident in connection with a system update. The incident caused incorrect balances in customers' accounts and subsequent payment problems while also affecting the availability of the bank's services. Swedbank takes what occurred seriously and has implemented extensive actions to prevent similar events from happening again. In October, S-FSA informed that it is considering sanctions against Swedbank in connection with the incident.
In addition, Swedbank has several ongoing initiatives to further improve our operational resilience and secure a high level of availability for the customers.

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. Swedbank's business model means that the Group is exposed to risks and potential predicate crimes in relation to Money Laundering and Terrorist Financing (ML/TF) schemes.

The Swedish and Estonian 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. In order 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: AML/CTF program culture project, governance initiative and compliance review. These programs are currently in an ongoing transformation phase but have however to a large extent mitigated the identified deficiencies and are now focusing on reaching the target state which is to be in the forefront in combatting financial crime. In addition, an external consultancy firm has been assigned to conduct a yearly maturity assessment of Swedbank's AML/CTF programs for three years. The first report of 2020 demonstrated the high pace of Swedbank remediation programs to remediate its historical deficiencies. The progress of the program was confirmed also in the second report issued during the fall 2021 and in the third report in 2022.

The Anti-Financial Crime Unit (AFC) has continued to concentrate the Group's resources for technological and investigative resources and competences connected to the prevention of financial crime. Swedbank is also investing heavily in additional resources and infrastructure regarding know your customer (KYC), risk classification, transaction monitoring and screening of financial sanctions. Further, Swedbank has continued its work of updating its current AML/CTF framework to ensure robustness and consistency in the AML/CTF work across the Group. Through these frameworks, Swedbank expresses its risk appetite for money laundering

Financial Sanctions risk
Extensive sanctions from multiple regimes, both financial and sectorial, have been imposed on the Russian Federation and Belarus following Russia's invasion of Ukraine. This has impacted the Swedbank Group elevating the financial sanctions risk. A specific task force is activated, in combination with allocation of resources and properly governed decision-making processes, for prompt action and response.

Other Compliance risks
Swedbank identified during 2021 elevated compliance risks in the customer protection area, and in the market surveillance area. The identified deficiencies in the customer protection area have been addressed in 2022. Work is ongoing to address the deficiencies identified in the market surveillance area.

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.

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	Description
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.
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)	The risk that arises from the inability to properly identify and manage ESG related events that, if they occur, could cause material negative financial impact and material negative impact on the Group's brand and reputation.
Other risk types (3.7)	Other risk types within Swedbank's risk taxonomy are Capital risk, Strategic risk and Compliance risk.

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.

Credit risk also includes concentration risk, country risk, counterparty credit risk in trading transactions and settlement risk.

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 collateral. 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 risks related to these areas 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. 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 (including RAROC)
- 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.

In the PD models, the risk grades are expressed on a scale of 22 risk grades, where 0 represents the highest risk and 21 represents the lowest risk of default. In addition, there is one grade for defaulted loans. The table on the next page describes the risk scale and how it relates to the theoretical probability of default (PD) within twelve months, as well as to an indicative rating from Standard & Poor's.

Risk grade according to IRB methodology

Internal risk grade	PD, %	Indicative rating Standard & Poor's
18–21	<0.1	A- to AAA
13–17	0.1–0.5	BBB- to BBB+
9–12	>0.5–2.0	BB to BB+
6–8	>2.0–5.7	B+ to BB-
0–5	>5.7–99.9	C to B
Default	100	D

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.

20230706051852

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 3.4.3 Credit impairments. 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. 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

			2022				2021			
			Impairment provision impact of				Impairment provision impact of			
Internal risk grade at initial recognition	12-month PD band at initial recognition, %	Threshold, rating downgrades[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	–5.6	5.4	60	12	–6.4	14.9	43	15
13–17	0.1–0.5	3–7 grades	–5.7	7.4	277	12	–5.5	6.8	214	15
9–12	>0.5–2.0	1–5 grades	–12.9	13.4	216	5	–21.8	16.0	159	5
6–8	>2.0–5.7	1–3 grades	–6.1	5.1	100	2	–7.9	4.9	60	2
0–5	>5.7–99.9	1 grade	–1.2	0.0	72	1	–2.2	0.0	38	1
			–7.6	8.1	725	31	–11.2	9.5	514	38
	Sovereigns and financial institutions with low credit risk				3	1			1	9
	Stage 3 financial instruments				653	0			961	0
	Post model expert credit adjustment[4]				401				595	
Total[5]					1 783	33			2 071	47

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 analyses is floored to 1 grade.
4) Represents post-model expert credit adjustments for Stage 1 and Stage 2.
5) Of which provisions for off-balance exposures are SEK 217m (284).

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

		2022				2021			
		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	–14.3	24.1	66	20	–15.7	22.8	24	18
13–17	100–250	–2.3	10.0	706	22	–1.1	5.8	287	20
9–12	100–200	–1.5	8.0	873	11	–5.8	1.0	293	9
6–8	50–150	–2.0	6.8	285	3	–0.6	2.4	140	3
0–5	50	–1.2	1.3	166	1	0.1	0.7	94	1
		–2.3	8.6	2 116	58	–3.0	3.5	838	51
	Sovereigns and financial institutions with low credit risk			26	9			7	2
	Stage 3 financial instruments			1 503	0			1 551	0
	Post model expert credit adjustment[2]			1 335				1 199	
Total[3]				4 981	67			3 595	53

1) Threshold vary within given ranges depending on the borrower's geography, segment and internal risk grade.
2) Represents post-model expert credit adjustments for Stage 1 and Stage 2.
3) Of which provisions for off-balance exposures are SEK 497m (360).

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

It has been a turbulent year. The war in Ukraine and the European energy crisis is affecting the world economy and GDP growth has been revised downwards. Compared to our expectations a year ago inflation has been much higher, while interest rates have increased much faster than in a very long time. Consumption has started to decline as households' purchasing power has fallen. In the housing market, activity has slowed down markedly. In Sweden, housing prices have decreased since the peak in the beginning of the year and in the Baltics, the house prices remained stable.

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

2022	Positive scenario				Baseline scenario				Negative scenario			
	2022[1]	2023	2024	2025	2022[1]	2023	2024	2025[2]	2022[1]	2023	2024	2025
Sweden												
GDP, annual % change	3.0	0.1	0.9	2.1	2.9	–1.0	0.9	2.4	2.1	–8.0	–0.7	3.3
Unemployment, %[3]	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	–0.8	–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	12.0
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	6.9	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	13.6	–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	–8.8	–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 official numbers were not published when the scenarios were set.
2) The baseline scenario variables for 2025 are model-based extrapolations.
3) Unemployment rate, 16–64 years.

2021	Positive scenario				Baseline scenario				Negative scenario			
	2021[1]	2022	2023	2024	2021[1]	2022	2023	2024[2]	2021[1]	2022	2023	2024
Sweden												
GDP, annual % change	4.7	4.3	2.3	1.7	4.7	3.4	2.2	2.0	4.7	–5.7	1.5	3.3
Unemployment, %[3]	8.9	7.4	6.5	6.8	8.9	7.6	7.2	7.0	8.9	9.4	10.6	9.5
House prices, annual % change	15.6	6.5	4.9	3.2	15.6	7.5	3.9	2.8	15.6	–2.1	–2.9	–0.8
St-bor 3m, %	–0.02	0.08	0.17	0.71	–0.02	0.08	0.13	0.58	–0.02	0.26	0.14	0.12
Estonia												
GDP, annual % change	8.3	5.6	3.4	3.0	8.3	4.0	3.2	3.0	8.3	–4.1	3.5	3.2
Unemployment, %	6.4	5.5	4.8	4.9	6.4	5.8	5.4	5.2	6.4	7.8	8.5	7.9
House prices, annual % change	10.1	9.0	6.0	5.3	10.1	8.0	5.0	5.0	10.1	–8.8	1.5	6.6
Latvia												
GDP, annual % change	4.7	5.8	3.5	2.9	4.7	4.6	3.5	3.0	4.7	–4.3	3.6	2.9
Unemployment, %	7.5	6.4	5.8	5.6	7.5	6.7	6.0	5.9	7.5	9.0	9.5	8.9
House prices, annual % change	6.0	9.7	6.3	5.0	6.0	8.1	6.0	5.5	6.0	–10.4	–0.4	7.6
Lithuania												
GDP, annual % change	5.0	4.3	3.4	2.8	5.0	3.3	3.3	2.9	5.0	–5.4	3.1	3.1
Unemployment, %	7.0	5.9	5.5	5.3	7.0	6.5	6.3	6.0	7.0	8.6	9.2	8.5
House prices, annual % change	9.4	5.4	5.8	5.7	9.4	4.7	4.9	5.0	9.4	–11.3	3.6	7.1
Global indicators												
US GDP, annual % change	5.5	4.9	3.1	1.4	5.5	4.1	3.2	1.9	5.5	–1.3	–1.0	1.8
EU GDP, annual % change	5.0	5.1	2.7	1.6	5.0	4.2	2.3	1.7	5.0	–2.0	0.3	2.8
Brent Crude Oil, USD/Barrel	71.5	79.0	75.8	73.0	71.5	77.5	72.6	69.6	71.5	44.4	32.8	43.0
Euribor 6m, %	–0.52	–0.46	–0.06	0.50	–0.52	–0.47	–0.45	–0.32	–0.52	–0.04	–0.43	–0.44

1) Forecasted 2021 values, as the actual official numbers were not published when the scenarios were set.
2) The baseline scenario for 2021, 2022 and 2023 are based on the published Swedbank Economic Outlook. The baseline scenario variables for 2024 are model-based extrapolations.
3) 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.

	2022				2021			
			Credit impairment provisions				Credit impairment provisions	
Operating segments	Credit impairment provisions (probability weighted)	Of which: post-model expert credit adjustment	Negative scenario	Positive scenario	Credit impairment provisions (probability weighted)	Of which: post-model expert credit adjustment	Negative scenario	Positive scenario
Swedish Banking	2 451	450	2 654	2 286	1 558	447	1 632	1 530
Baltic Banking	1 400	363	1 692	1 254	895	389	982	819
LC&I	2 390	925	3 384	2 665	3 206	960	3 615	2 858
Group[1]	6 764	1 738	7 753	6 228	5 666	1 796	6 235	5 212

1) Including operating segment Group Functions & Other.

Post-model expert credit adjustment

High inflation, energy prices and rising interest rates combined with geopolitical instability 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 to increase the credit impairment provisions continue to be deemed necessary.

Credit impairment provisions in the form of post-model expert credit adjustments decreased by SEK 58bn and amounted to SEK 1 738m (1 796), and are allocated as SEK 935m in stage 1, SEK 602m 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 Shipping and offshore and Hotels and restaurant were reduced whilst Property management and Manufacturing were increased. The most significant post-model adjustments were in the Property management, Manufacturing, Retail and wholesale, Shipping and offshore, Construction and Transportation sectors.

Individual assessment of significant credit-impaired assets

The criteria for credit-impaired assets are disclosed in note G2 Accounting policies, paragraph 3.4.3 Credit impairments, under the heading 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 table below.

	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

20230706051863

3.1.6 Swedbank's credit risk exposure

Maximum credit risk exposure, geographical 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.

2022

	Note	Sweden	Estonia	Latvia	Lithuania	Norway	Denmark	Finland	USA	Other	Total
Assets											
Cash and balances with central banks		164 339	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, banks1											
Repurchase agreements, other credit institutions1		15									15
Loans to the public	G24	1 514 820	106 817	44 185	85 407	65 787	247	21 432	2 392	1 734	1 842 911
Swedish National Debt Office		10 004									10 004
Repurchase agreements, Swedish National Debt Office1		6 952									6 952
Repurchase agreements, other public1		6 337				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
Unsecured2		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	5 286	1 071	270	565	894	8	164	3	184	8 445
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		2 128 058	154 664	85 445	195 074	115 400	9 177	74 067	42 132	43 807	2 847 830
% 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

2021

	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	0	0	0	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	0	9 610	23 226
Collateral held1	1 363	19	7	9	1 102	413	80	0	5 899	8 892
Net credit risk exposures after collateral held	4 767	0	14	21	3 553	1 597	671	0	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.

2021

	Note	Sweden	Estonia	Latvia	Lithuania	Norway	Denmark	Finland	USA	Other	Total
Assets											
Cash and balances with central banks		170 452	41 365	36 274	88 161	1 976	428	2 072	19 370	55	360 153
Treasury bills and other bills eligible for refinancing with central banks	G22	153 955	2 500	1 140	3 643	1 439				913	163 590
Governments		150 826	2 500	1 140	3 643	1 439				913	160 461
Municipalities		3 129									3 129
Loans to credit institutions	G23	32 168	1 024	3 132	1 300	33	44	6	34	1 763	39 504
Banks		9 474	1 024	3 132	1 300	33	44	6	34	389	15 436
Other credit institutions		21 311								1 374	22 685
Repurchase agreements, banks1		736									736
Repurchase agreements, other credit institutions1		647									647
Loans to the public	G24	1 426 068	92 980	37 886	68 352	55 410	1 653	16 814	2 273	1 770	1 703 206
Swedish National Debt Office		3									3
Repurchase agreements, Swedish National Debt Office1		3 021									3 021
Repurchase agreements, other public1		4 519				17 022					21 541
Real Estate Residential		1 059 492	41 307	16 994	40 253	1 616	1 357	917			1 161 936
Real Estate Commercial		177 680	18 952	7 129	9 981	8 232	163	75			222 212
Guarantees		28 803	2 857	492	1 523			3 204		1 753	38 732
Received cash		5 874	22	263	739						6 898
Other collateral		52 241	8 968	6 588	11 369	4 165	124	149			83 604
Unsecured2		94 335	20 874	6 420	4 487	24 375	9	12 469	2 273	17	165 259
Bonds and other interest-bearing securities	G25	37 226	45	42	150	7 519	1 812	3 998	2 697	4 564	58 093
Mortgage institutions		29 135									29 135
Banks		2 260	29			1 818	219	2 339	2 533	4 101	13 299
Other financial companies		3 942			12	4 768	1 578	116	18	60	10 494
Non-financial companies		1 889	16	42	178	933	15	1 543	146	403	5 165
Derivatives	G29	13 376	25	27	163	3 714	2 297	1 890		19 039	40 531
Other financial assets	G33	5 587	562	394	488	1 464	17	529		125	9 166
Contingent liabilities and commitments											
Guarantees		38 045	2 927	759	1 214	5 210	174	247	5 045	48	53 669
Commitments		202 889	9 269	4 952	8 367	25 428		17 779		300	268 984
Total		2 079 766	150 697	84 606	171 878	102 193	6 425	43 335	29 419	28 577	2 696 896
% of total		77	6	3	6	4	0	2	1	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

2021

	Sweden	Estonia	Latvia	Lithuania	Norway	Denmark	Finland	USA	Other	Total
Positive fair value of contracts, balance sheet	13 376	25	27	163	3 714	2 297	1 890		19 039	40 531
Netting agreements, related amount not offset in the balance sheet	2 793				856	1 142	962		9 579	15 332
Credit risk exposure, after offset of netting agreements	10 584	25	27	163	2 858	1 155	928		9 460	25 199
Collateral held1	5 669				752	1 155	463		7 378	15 416
Net credit risk exposures after collateral held	4 915	25	27	163	2 107		465		2 082	9 783

1) Collateral consist of cash 89,8 per cent and AAA rated bonds by Standard & Poor's 10,2 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 3 069m.

Loans to the public in Stage 3 by collateral type

2022

	Sweden	Estonia	Latvia	Lithuania	Norway	Denmark	Finland	USA	Other	Total
Real Estate Residential	601	112	100	263						1 076
Real Estate Commercial	350	351	14	28						746
Guarantees	95	11	1	1						109
Received cash	8		1	2						12
Other collateral	231	45	6	22	462					766
Unsecured1	314	39	15	10	530	1				908
Total	1 599	558	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.

2021

	Sweden	Estonia	Latvia	Lithuania	Norway	Denmark	Finland	USA	Other	Total
Real Estate Residential	592	73	91	277						1 033
Real Estate Commercial	223	220	19	25			73			560
Guarantees	77	9	1	1						88
Received cash	3		2	6						11
Other collateral	160	33	195	16	731	2				1 157
Unsecured1	299	31	28	18	709		1			1 086
Total	1 374	366	336	343	1 440	2	74			3 935

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

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 1 806m (2 543). None of this collateral had been sold or repledged as of year end.

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 IFRS 9 impairment requirements

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[1]	Total	Stage 1	Stage 2	Stage 3[1]	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		40 047	509	0	40 556	2 485	2 055		4 540
Total		2 237 421	138 596	5 746	2 381 763	286 621	23 956	131	310 708

1) Including purchased or originated credit impaired

2021

		Financial assets at amortised cost, gross carrying amount				Loan commitments and guarantees, nominal amount			
Internal risk grade	PD, %	Stage 1	Stage 2	Stage 3[1]	Total	Stage 1	Stage 2	Stage 3[1]	Total
18–21	<0.1	1 295 574	959	10	1 296 543	87 024	119	1	87 144
13–17	0.1–0.5	562 681	13 558	27	576 266	165 635	404	0	166 039
9–12	>0.5–2.0	192 853	41 070	58	233 981	31 319	8 884	4	40 207
6–8	>2.0–5.7	34 466	26 764	60	61 290	5 423	2 514	0	7 937
0–5	>5.7–99.9	5 279	15 753	255	21 287	1 034	1 569	14	2 617
Default	100			5 953	5 953			201	201
Non-rated exposures		23 502	598	11	24 111	15 863	2 644	1	18 508
Total		2 114 355	98 702	6 374	2 219 431	306 298	16 134	221	322 653

1) Including purchased or originated credit impaired

Financial assets at amortised cost

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			0	28 760	12	28 773
Default				5 672	3	5 675
Non-rated exposures			24 712	7 445	8 400	40 556
Total	365 992	132 741	56 600	1 817 985	8 445	2 381 763

2021

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	360 153	128 523	12 557	795 291	19	1 296 543
13–17			17 651	558 603	12	576 266
9–12			558	233 411	12	233 981
6–8			152	61 126	12	61 290
0–5			1	21 278	8	21 287
Default				5 951	2	5 953
Non-rated exposures			7 210	7 800	9 101	24 111
Total	360 153	128 523	38 129	1 683 460	9 166	2 219 431

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.

2022

	Stage 1			Stage 2			Stage 3[1]			
	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	1 188 382	412	1 187 970	86 087	1 084	85 003	2 351	754	1 597	1 274 570
Baltic Banking	204 942	304	204 639	31 345	692	30 653	1 379	351	1 027	236 319
Large Corporates & Institutions	265 983	782	265 201	21 016	628	20 388	2 009	1 016	992	286 581
Group Functions & Other	881		881							881
Total	1 660 189	1 498	1 658 691	138 449	2 404	136 044	5 738	2 121	3 617	1 798 352
Geographical distribution										
Sweden	1 384 283	930	1 383 353	104 196	1 459	102 737	2 364	767	1 598	1 487 688
Estonia	93 313	97	93 216	13 240	297	12 943	774	205	568	106 727
Latvia	37 660	105	37 555	6 607	117	6 491	184	45	139	44 185
Lithuania	73 969	101	73 867	11 498	278	11 219	421	101	320	85 407
Norway	45 568	170	45 399	2 279	119	2 160	1 884	893	991	48 550
Denmark	246		246				3	2	1	247
Finland	21 003	65	20 938	628	135	494				21 432
USA	2 382		2 382				111	111		2 382
Other	1 764	30	1 734							1 734
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

1) Including purchased or originated credit impaired

2021

	Stage 1			Stage 2			Stage 3[1]			
	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	1 194 296	194	1 194 102	56 605	710	55 895	1 888	513	1 375	1 251 372
Baltic Banking	174 582	108	174 474	24 181	482	23 699	1 315	270	1 045	199 218
Large Corporates & Institutions	207 507	496	207 011	17 820	597	17 223	3 159	1 644	1 515	225 749
Group Functions & Other	272		272							272
Total	1 576 657	798	1 575 859	98 606	1 789	96 817	6 362	2 427	3 935	1 676 611
Geographical distribution										
Sweden	1 349 151	418	1 348 733	67 349	962	66 387	1 695	520	1 375	1 416 495
Estonia	93 858	35	93 823	9 021	230	8 791	490	124	366	92 950
Latvia	31 513	36	31 477	6 208	136	6 072	383	46	337	37 886
Lithuania	59 212	38	59 174	8 952	116	8 836	442	100	342	68 352
Norway	32 092	224	31 868	5 370	290	5 080	2 966	1 526	1 440	38 388
Denmark	1 652		1 652				3	2	1	1 653
Finland	15 107	18	15 089	1 706	55	1 651	86	12	74	16 874
USA	2 273		2 273				97	97		2 273
Other	1 799	29	1 770							1 770
Loans to Customers	1 576 657	798	1 575 859	98 606	1 789	96 817	6 362	2 427	3 935	1 676 611

1) Including purchased or originated credit impaired

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.

2022

	Stage 1			Stage 2			Stage 3[1]			
	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	43 263	279	43 004	5 670	295	5 375	264	104	161	48 540
Public sector and utilities	35 436	58	35 378	2 048	38	2 011	17	2	15	37 402
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	456	178	288	293 319
Residential properties	69 573	56	69 518	16 167	253	15 914	109	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	56 452	26	56 427	147	0	146				56 573
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	1 868 535
Share of loans, %	92.30			7.39			0.31			100
Credit impairment provision ratio, %	0.09			1.73			36.96			0.32

1) Including purchased or originated credit impaired

2021

	Stage 1			Stage 2			Stage 3[1]			
	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	1 090 376	98	1 090 278	42 148	259	41 889	1 844	480	1 364	1 133 531
Private mortgage	954 265	31	954 234	35 629	140	35 489	1 254	220	1 034	990 757
Tenant owner associations	90 670	2	90 668	1 015	3	1 012				91 680
Private other	45 441	65	45 376	5 504	116	5 388	590	260	330	51 094
Corporate customers	486 281	700	485 581	56 458	1 530	54 928	4 518	1 947	2 571	543 080
Agriculture, forestry, fishing	56 741	7	56 734	6 646	50	6 596	195	27	168	63 498
Manufacturing	33 379	108	33 271	3 715	181	3 534	161	82	79	36 884
Public sector and utilities	28 922	10	28 912	2 398	29	2 369	15	2	13	31 294
Construction	17 143	14	17 129	2 753	51	2 702	180	35	145	19 976
Retail and wholesale	26 470	76	26 394	3 527	178	3 349	134	40	94	29 837
Transportation	11 187	8	11 179	2 079	36	2 043	29	7	22	13 244
Shipping and offshore	7 983	264	7 719	2 253	364	1 989	2 966	1 526	1 440	11 148
Hotels and restaurants	3 480	66	3 414	3 801	309	3 492	390	53	337	7 243
Information and communication	14 576	14	14 562	1 199	11	1 188	2		2	15 752
Finance and insurance	18 021	8	18 013	569	3	566	14	3	11	18 590
Property management, including	239 228	105	239 123	21 827	213	21 614	267	125	142	260 879
Residential properties	76 842	27	76 815	6 884	65	6 819	64	12	52	83 686
Commercial	98 300	49	98 251	9 355	80	9 275	166	108	58	107 584
Industrial and Warehouse	40 619	13	40 606	2 950	14	2 936	23	2	21	43 563
Other	23 467	16	23 451	2 638	54	2 584	14	3	11	26 046
Professional services	17 053	8	17 045	2 514	42	2 472	86	25	61	19 578
Other corporate lending	12 098	12	12 086	3 077	63	3 014	79	22	57	15 157
Loans to customers	1 576 657	798	1 575 859	98 606	1 789	96 817	6 362	2 427	3 935	1 676 611
Cash collaterals posted	1 632		1 632							1 632
Loans to Swedish National Debt Office	3		3							3
Loans to credit institutions	38 102	8	38 094	27		27				38 121
Loans to the public and credit institutions at amortised cost	1 616 594	806	1 615 788	98 633	1 789	96 844	6 362	2 427	3 935	1 716 567
Share of loans, %	93.90			5.73			0.37			100
Credit impairment provision ratio, %	0.05			1.81			38.15			0.29

1) Including purchased or originated credit impaired

Concentration risk, customer exposure

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

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. Stage transfers are reflected as taking place at the end of the year.

Loans to credit institutions	2022				2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Carrying amount before provisions								
Opening balance	38 102	27		38 129	46 367	33		46 400
Closing balance	56 453	147		56 600	38 102	27		38 129
Credit impairment provisions								
Opening balance	8			8	28			28
Movements affecting credit impairments								
New and derecognised financial assets, net	14	−1		13	2			2
Changes in risk factors (EAD, PD, LGD)	−14	0		−13	−19			−19
Changes in macroeconomic scenarios	18	0		19	−2			−2
Changes to models	0			0				
Post-model expert credit adjustments	2	0		2	−2			−2
Stage transfers	−1	1						
Remeasurement of provisions due to stage transfers								
Total movements affecting credit impairments	20	0		20	−21			−21
Movements recognised outside credit impairments								
Change in exchange rates	−2	0		−2	1			1
Closing balance	26	0		26	8			8
Carrying amount								
Opening balance	38 094	27		38 121	46 339	33		46 372
Closing balance	56 427	146		56 574	38 094	27		38 121

Loans to the public	2022				2021			
	Stage 1	Stage 2	Stage 3[1]	Total	Stage 1	Stage 2	Stage 3[1]	Total
Carrying amount before provisions								
Opening balance	1 578 492	98 606	6 362	1 683 460	1 530 290	105 250	10 520	1 649 080
Closing balance	1 673 798	138 449	5 738	1 817 985	1 578 492	98 606	6 362	1 683 460
Credit impairment provisions								
Opening balance	798	1 789	2 427	5 014	827	2 316	4 998	8 141
Movements affecting credit impairments								
New financial assets	407	54	26	487	149	96	46	291
Derecognised financial assets	−147	−180	−508	−835	−90	−371	−217	−678
Write-offs			−653	−653		−121	−3 683	−3 804
Changes in risk factors (EAD, PD, LGD)	18	−188	107	−64	37	−266	5	−224
Changes in macroeconomic scenarios	369	488	21	878	−108	−157	−1	−266
Changes to models	38	58	0	97				
Post-model expert credit adjustments	161	−269	3	−105	88	78	−12	154
Individual assessments			191	191			826	826
Stage transfers	−219	561	350	692	−127	145	232	250
from 1 to 2	−285	980		694	−138	316		178
from 1 to 3	−3		76	74	−1		62	61
from 2 to 1	67	−321		−254	12	−90		−78
from 2 to 3		−140	490	350		−89	228	139
from 3 to 2		43	−182	−139		8	−48	−40
from 3 to 1	2		−35	−33	0		−10	−10
Other			−82	−82	1	0	−82	−81
Total movements affecting credit impairments	627	523	−544	607	−50	−596	−2 886	−3 532
Movements recognised outside credit impairments								
Interest			82	82			82	82
Change in exchange rates	73	92	158	322	21	69	233	323
Closing balance	1 498	2 404	2 121	6 023	798	1 789	2 427	5 014
Carrying amount								
Opening balance	1 577 694	96 817	3 935	1 678 446	1 529 463	105 944	5 532	1 640 939
Closing balance	1 672 300	136 045	3 617	1 811 962	1 577 694	96 817	3 935	1 678 446

1) Including purchased or originated credit impaired

Loans to the public, private customers	2022				2021			
	Stage 1	Stage 2	Stage 3[1]	Total	Stage 1	Stage 2	Stage 3[1]	Total
Carrying amount before provisions								
Opening balance	1 090 376	42 148	1 844	1 134 368	1 036 489	42 251	2 152	1 080 892
Closing balance	1 107 994	68 617	2 043	1 178 655	1 090 376	42 148	1 844	1 134 368
Credit impairment provisions								
Opening balance	98	259	480	837	118	291	505	914
New financial assets	80	7	17	104	32	25	22	79
Derecognised financial assets	−14	−41	−94	−150	−11	−31	−56	−98
Write-offs			−58	−58			−71	−71
Changes in risk factors (EAD, PD, LGD)	27	−59	115	82	20	−67	5	−42
Changes in macroeconomic scenarios	71	159	16	246	−6	−2	−1	−14
Changes to models	−8	0	0	−8				
Post-model expert credit adjustments	−11	−14	3	−22	−22	−17	−12	−51
Individual assessments			0	0			2	2
Stage transfers	51	−12	−39		−16	29	−13	
Remeasurement of provisions due to stage transfers	−128	236	228	336	−16	33	96	111
Change in exchange rates and other	2	12	8	22	1	3	3	7
Closing balance	168	546	676	1 390	98	259	480	837
Carrying amount								
Opening balance	1 090 278	41 889	1 364	1 133 531	1 036 371	41 960	1 647	1 079 978
Closing balance	1 107 827	68 071	1 367	1 177 266	1 090 278	41 889	1 364	1 133 531

1) Including purchased or originated credit impaired

Loans to the public, corporate customers	2022				2021			
	Stage 1	Stage 2	Stage 3[1]	Total	Stage 1	Stage 2	Stage 3[1]	Total
Carrying amount before provisions								
Opening balance	488 116	56 458	4 518	549 092	493 801	65 009	8 378	568 188
Closing balance	565 803	69 631	3 695	639 129	488 116	56 458	4 518	549 092
Credit impairment provisions								
Opening balance	709	1 530	1 947	4 177	709	2 025	4 493	7 227
New financial assets	327	46	10	383	117	71	24	212
Derecognised financial assets	−132	−139	−414	−685	−79	−340	−161	−580
Write-offs			−595	−595		−121	−3 612	−3 733
Changes in risk factors (EAD, PD, LGD)	−9	−129	−8	−146	17	−199	0	−182
Changes in macroeconomic scenarios	297	329	5	631	−102	−150	0	−252
Changes to models	47	58	0	104				
Post-model expert credit adjustments	172	−254	−1	−83	110	95	0	205
Individual assessments			191	191			824	824
Stage transfers	17	48	−65		−22	−23	45	
Remeasurement of provisions due to stage transfers	−159	289	226	356	−71	106	104	139
Change in exchange rates and other	71	79	150	300	21	66	230	317
Closing balance	1 330	1 858	1 445	4 634	700	1 530	1 947	4 177
Carrying amount								
Opening balance	487 416	54 928	2 571	544 915	493 092	63 984	3 885	560 961
Closing balance	564 473	67 973	2 250	634 696	487 416	54 928	2 571	544 915

1) Including purchased or originated credit impaired

Loan commitments and financial guarantees	2022				2021			
	Stage 1	Stage 2	Stage 3[1]	Total	Stage 1	Stage 2	Stage 3[1]	Total
Nominal amount								
Opening balance	306 298	16 134	221	322 653	358 988	17 341	542	376 871
Closing balance	286 621	23 956	131	310 708	306 298	16 134	221	322 653
Credit impairment provisions								
Opening balance	286	273	85	644	249	396	161	806
Movements affecting credit impairments								
New and derecognised financial assets, net	59	−8	−25	26	−1	−21	−91	−113
Changes in risk factors (EAD, PD, LGD)	−39	−54	14	−80	−20	−57	6	−71
Changes in macroeconomic scenarios	92	55	0	147	−36	−45	0	−81
Changes to models	12	7	−15	4				
Post model expert credit adjustments	−19	−54	0	−73	86	−17	0	69
Individual assessments							−3	−3
Stage transfers	−27	66	−37	3	−3	1	0	−2
from 1 to 2	−49	140		91	−5	15		10
from 1 to 3	−1		10	9	0		1	1
from 2 to 1	23	−74		−51	3	−14		−11
from 2 to 3		−2	8	6		0	2	2
from 3 to 2		2	−54	−52		0	−3	−3
from 3 to 1	0		−1	−1	−1		0	−1
Other	0	0	0	0	0	0	0	0
Total movements affecting credit impairments	78	13	−63	28	26	−139	−88	−201
Movements recognised outside credit impairments								
Interest								
Change in exchange rates	21	9	12	42	11	16	12	39
Closing balance	384	295	34	714	286	273	85	644

1) Including purchased or originated credit impaired

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. Stage transfers are reflected as taking place at the end of the year. Credit impairment provisions of SEK 12m (1) relating to Group functions and others are not presented in the tables below.

Swedish Banking

Loans to the public and credit institutions	2022				2021			
	Stage 1	Stage 2	Stage 3[1]	Total	Stage 1	Stage 2	Stage 3[1]	Total
Carrying amount before provisions								
Opening balance	1 194 612	56 605	1 888	1 253 105	1 147 309	63 618	2 208	1 213 134
Closing balance	1 188 746	86 087	2 351	1 277 185	1 194 612	56 605	1 888	1 253 105
Credit impairment provisions								
Opening balance	194	710	513	1 417	214	846	555	1 615
New financial assets	105	26	10	141	38	41	26	105
Derecognised financial assets	−38	−94	−109	−241	−15	−84	−71	−170
Write-offs			−80	−80			−96	−96
Changes in risk factors (EAD, PD, LGD)	68	−103	117	82	5	−116	2	−111
Changes in macroeconomic scenarios	120	275	11	406	−27	−61	0	−88
Changes to models	−4	2	1	−2				
Post-model expert credit adjustments	87	−86	3	4	17	−10	0	7
Individual assessments			0	0			2	2
Stage transfers	47	35	−82		31	−7	−24	
Remeasurement of provisions due to stage transfers	−170	336	368	534	−62	105	118	161
Change in exchange rates and other	2	−16	1	−12	−7	−2	1	−8
Closing balance	413	1 084	753	2 250	194	710	513	1 417
Carrying amount								
Opening balance	1 194 418	55 895	1 375	1 251 688	1 147 094	62 772	1 653	1 211 519
Closing balance	1 188 333	85 003	1 598	1 274 935	1 194 418	55 895	1 375	1 251 688

1) Including purchased or originated credit impaired

Baltic Banking

Loans to the public and credit institutions	2022				2021			
	Stage 1	Stage 2	Stage 3[1]	Total	Stage 1	Stage 2	Stage 3[1]	Total
Carrying amount before provisions								
Opening balance	174 582	24 181	1 315	200 078	157 249	23 951	1 580	182 780
Closing balance	205 033	31 345	1 379	237 757	174 582	24 181	1 315	200 078
Credit impairment provisions								
Opening balance	108	482	270	860	83	335	318	736
New financial assets	71	13	17	100	50	23	20	93
Derecognised financial assets	−6	−21	−51	−79	−5	−36	−62	−103
Write-offs			−17	−17			−63	−63
Changes in risk factors (EAD, PD, LGD)	2	31	−15	18	45	−30	−12	3
Changes in macroeconomic scenarios	37	108	10	156	−5	−9	−1	−15
Changes to models	16	68		84				
Post-model expert credit adjustments	120	−176		−55	24	114	−12	126
Individual assessments			50	50			−2	−2
Stage transfers	−2	24	−22		−75	68	7	
Remeasurement of provisions due to stage transfers	−57	121	85	149	−11	11	71	71
Change in exchange rates and other	16	43	24	83	2	6	6	14
Closing balance	305	693	351	1 349	108	482	270	860
Carrying amount								
Opening balance	174 474	23 699	1 045	199 218	157 166	23 616	1 262	182 044
Closing balance	204 728	30 652	1 028	236 408	174 474	23 699	1 045	199 218

1) Including purchased or originated credit impaired

Large Corporates and Institutions

Loans to the public and credit institutions	2022				2021			
	Stage 1	Stage 2	Stage 3[1]	Total	Stage 1	Stage 2	Stage 3[1]	Total
Carrying amount before provisions								
Opening balance	228 989	17 832	3 159	249 980	228 389	20 724	6 742	255 855
Closing balance	306 229	21 026	2 009	329 264	228 989	17 832	3 159	249 980
Credit impairment provisions								
Opening balance	498	597	1 644	2 739	546	1 135	4 125	5 806
New financial assets	238	15	0	253	67	32		99
Derecognised financial assets	−105	−66	−351	−522	−74	−251	−84	−409
Write-offs			−556	−556		−121	−3 524	−3 645
Changes in risk factors (EAD, PD, LGD)	−57	−116	6	−165	−26	−118	15	−129
Changes in macroeconomic scenarios	215	105		320	−78	−87		−165
Changes to models	27	−12	0	15				
Post-model expert credit adjustments	−46	−7		−53	45	−26		19
Individual assessments			139	139			826	826
Stage transfers	22	−22	0		5	−54	49	
Remeasurement of provisions due to stage transfers	−60	68	1	9	−15	22	11	18
Change in exchange rates and other	53	65	135	252	28	65	226	319
Closing balance	785	627	1 018	2 431	498	597	1 644	2 739
Carrying amount								
Opening balance	228 491	17 235	1 515	247 241	227 843	19 589	2 617	250 049
Closing balance	305 443	20 399	991	326 833	228 491	17 235	1 515	247 241

1) Including purchased or originated credit impaired

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.

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, is SEK 163m (198).

Gross carrying amount of forborne loans

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

2021

	Sweden	Estonia	Latvia	Lithuania	Norway	Other	Total
Performing	1 427	2 318	1 193	551	336	349	6 174
Non-performing	456	462	214	285	2 874	183	4 474
Total	1 883	2 780	1 407	836	3 210	532	10 648

3.1.7 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.

	2022				2021			
	Number	Carrying amount, overtaken during 2022	Carrying amount	Fair value	Number	Carrying amount, overtaken during 2021	Carrying amount	Fair value
Buildings and land	5		16	17	15	1	24	28
Shares and other participating interests					1	20	20	20
Other	24	2	29	30	18	1	28	30
Total	29	2	45	47	34	22	72	78

3.1.8 Capital requirement for credit risks

The capital requirement for credit risks in Swedbank (consolidated situation) at year-end 2022 amounted to SEK 37 040 m (27 111). For more information, see note 04 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, and 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.

Swedbank is the leading savings bank in its home markets. 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.

20230706051864

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]	2022	2021
Level 1 assets	**554 631**	**541 428**
Cash and balances with central banks[2]	359 529	354 991
Securities issued or guaranteed by sovereigns, central banks, MDBs and international organisations	148 195	148 839
Securities issued by municipalities and PSEs	2 076	5 581
Extremely high quality covered bonds	34 831	32 017
Level 2 assets	**6 598**	**4 724**
Level 2A assets	**6 323**	**4 126**
High quality covered bonds	6 321	4 123
Corporate debt securities (lowest rating AA-)	2	3
Level 2B assets	**275**	**598**
Corporate debt securities (rated A+ to BBB-)	140	598
Shares (major stock index)	135	
Total	**561 229**	**546 152**

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 265 076m (268 984) may be drawn at any time by the customer. Issued guarantees and other contingent liabilities of SEK 45 632m (53 668) may lead to future cash outflows if certain events occur. The expected cash outflows, amounting to SEK 714m (644), 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 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	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	990 406	–7 277	1 842 811
Value change of interest hedged items 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	7 355	65 927	3 686	25 690	44 901	123 119		290 678
Shares and participating interests							16 014	16 014
Derivatives		55 296	214 425	738 515	301 702	46 504	–1 305 939	50 504
Intangible assets							19 886	19 886
Tangible assets							5 449	5 449
Other assets		10 521	1 665	304	380	1 671		14 541
Total	**376 796**	**418 238**	**415 182**	**1 254 707**	**819 739**	**1 164 467**	**–1 296 253**	**2 854 876**
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	3 434	84 203	4 080	27 039	46 961	126 276		291 993
Derivatives		61 295	217 747	747 086	304 326	47 356	–1 309 121	68 679
Other liabilities		54 548	3 146	6 145	1 984	739	–200	66 362
of which lease liabilities		217	600	1 965	937	112	–200	3 631
Senior non-preferred liabilities			50 157	14 403			–7 121	57 439
Subordinated liabilities			8 246	19 079	5 590		–1 584	31 331
Equity							176 092	176 092
Total	**1 238 889**	**453 124**	**547 509**	**1 213 644**	**387 056**	**191 784**	**–1 177 130**	**2 854 876**

	Undiscounted contractual cash flows							
Remaining maturity 2021	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	360 153							360 153
Treasury bills and other bills eligible for refinancing with central banks		136 042	9 056	13 526	3 721	860	355	163 560
Loans to credit institutions	2 861	19 269	4 448	11 452	108	1 366		39 504
Loans to the public	312	63 478	143 400	387 857	149 017	961 324	–2 182	1 703 206
Value change of interest hedged items in portfolio hedges of interest rate risk							–1 753	–1 753
Bonds and other interest-bearing securities		5 550	10 054	36 476	6 894	258	–1 139	58 093
Financial assets for which the customers bear the investment risk	7 550	104 728	4 438	28 450	47 400	135 946		328 512
Shares and participating interests							21 121	21 121
Derivatives		12 775	4 116	60 457	65 391	16 008	–138 216	40 531
Intangible assets							19 488	19 488
Tangible assets							5 523	5 523
Other assets		11 169	1 486					12 649
Total	**370 876**	**353 005**	**177 028**	**358 218**	**272 531**	**1 115 762**	**–96 803**	**2 750 617**
Liabilities								
Amounts owed to credit institutions	30 834	34 995	187	26 796				92 812
Deposits and borrowings from the public	1 219 763	25 913	19 509	1 154	40	4		1 265 783
Debt securities in issue		109 939	218 063	374 284	24 076	16 602	–5 047	735 917
Financial liabilities where customers bear the investment risk	3 633	102 537	4 789	29 787	49 535	139 286	–145 429	329 667
Derivatives		7 725	2 326	83 449	65 227	14 808	–145 429	28 106
Other liabilities		58 096	1 956	6 120	2 284	1 948	–204	70 200
of which lease liabilities		200	589	1 950	1 011	213	–204	3 759
Senior non-preferred liabilities				23 433	15 187		–788	37 832
Subordinated liabilities		4 516	6 651	12 323	4 894		220	28 604
Equity							161 696	161 696
Total	**1 253 630**	**343 721**	**251 481**	**557 346**	**161 343**	**172 648**	**10 448**	**2 750 617**

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.

In addition, a sensitivity analysis of the over-collateralisation level of the cover pool is regularly produced, as shown in the snapshot of the cover pool as of 31 December 2022 ("Current") in the table 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	1 111 280	1 102 622	1 094 336	1 082 819	1 067 404	1 047 730	1 023 304	993 896	958 676
Total outstanding covered bonds, SEKm	359 723	359 723	359 723	359 723	359 723	359 723	359 723	359 723	359 723
Over collateralisation level, %	208.9	206.5	204.2	201.0	196.7	191.3	184.5	176.3	166.5

Liquidity coverage ratio[1]	2022	2021
High Quality Liquid Assets (HQLA), SEKm		
High quality liquid assets, Level 1	552 192	530 878
High quality liquid assets, Level 2	5 511	3 806
Total HQLA	**557 704**	**534 684**
Cash Outflows, SEKm		
Retail deposits and deposits from small business customers	57 122	53 306
Unsecured wholesale funding	255 776	234 399
Secured wholesale funding	5 329	5 341
Additional requirements	97 451	65 863
Other cash outflows	23 491	6 698
Total cash outflows	**439 168**	**365 608**
Cash inflows, SEKm		
Secured lending	9 543	6 439
Inflows from fully performing exposures	28 726	19 164
Other cash inflows	57 218	11 395
Total Cash inflows	**90 487**	**36 989**
Liquidity coverage ratio, Total, %	160	163
Liquidity coverage ratio, EUR, %	265	419
Liquidity coverage ratio, USD, %	168	152
Liquidity coverage ratio, SEK[2], %	115	113

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	2022	2021
NSFR, %	118	123
Available stable funding (ASF), SEKm	1 663 231	1 644 050
Required stable funding (RSF), SEKm	1 404 092	1 331 522

3.2.8 Interest-bearing securities and lease liabilities

Repayments of lease liabilities includes interest payments of SEK 44m (42).

	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 liabilities	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	13 975	175	1 008 509
Repurchased		–33 927		–1 140	–35 067				–35 067
Repaid	–757 217	–106 150	–50 812		–914 179	–257	–12 650	–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

	Debts securities in issue								
Turnover during the year, 2021	Commercial papers	Covered bonds	Senior unsecured bonds	Structure retail bonds	Total debt securities in issue	Senior non-preferred liabilities	Subordinated liabilities	Lease liabilities	Total
Opening balance	127 209	471 491	128 437	5 677	732 814	10 359	23 434	3 611	770 218
Issued/New contracts	653 596	74 334	31 503		759 433	27 501	4 328	519	791 781
Repurchased		–23 901		–1 972	–25 873				–25 873
Repaid	–619 612	–85 021	–35 374		–740 007		–617	–793	–741 417
Modifications and other								367	367
Interest, change in fair values or hedged items in fair value hedges and changes in exchange rates	3 874	86	5 243	347	9 550	–28	1 459	55	11 036
Closing balance	165 067	436 989	129 809	4 052	735 917	37 832	28 604	3 759	806 112

20230706131853

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 include 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 appetites 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 Large Corporates and Institutions (LC&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 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 risks, 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 various 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 LC&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 the previous year's movements in various market risk factors such as interest rates, currency rates and equity prices. 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 LC&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 2022 exceeded the VaR level on 11 occasions due to exceptionally high market volatility.

Regulatory VaR trading	Jan–Dec 2022 (2021)			2022	2021
SEKm	Max	Min	Average	31 dec	31 dec
Value-at-Risk	53 (35)	19 (14)	36 (21)	33	24
Stressed Value-at-Risk	104 (127)	52 (71)	78 (96)	56	86

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 36m in 2022, which can be compared to the average value of SEK 24m for 2021.

Risk VaR trading	Jan–Dec 2022 (2021)			2022	2021
SEKm	Max	Min	Average	31 dec	31 dec
Credit spread risk	22 (24)	5 (4)	10 (9)	7	6
Share price risk	14 (16)	2 (2)	4 (5)	3	6
Currency risk	8 (10)	1 (1)	3 (3)	2	5
Interest rate risk	57 (33)	19 (15)	38 (21)	30	24
Diversification			–19 (–14)	–7	–17
Total	52 (42)	19 (16)	36 (24)	35	24

Data in the table are 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 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 –986m (–257) at year end. The effect on positions in Swedish krona would have been a decrease of SEK –1 081m (–1 290), while positions in foreign currency would have increased by SEK 695m (1 033). The Group's net gains and losses on financial items would have been affected by SEK –114m (74).

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 12m (16).

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 –5m (–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.

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
2021										
SEK	–623	19	–130	–246	–477	475	491	–1 020	221	–1 290
Foreign currency	22	94	27	129	553	–350	282	191	85	1 033
Total	–601	113	–103	–117	76	125	773	–829	306	–257

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.

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	250	–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
2021										
SEK	–20	20	–59	–262	–118	130	670	–220	84	225
Foreign currency	–311	31	–171	–102	560	–851	439	246	8	–151
Total	–331	51	–230	–364	442	–721	1 109	26	92	74

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 13 257m (10 378).

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 38m (19), of which 6m (9) 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 –17m (46), of which 7m (48) 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 +/–956m after tax (+/–950), of which 946m (947) relates to euro.

The Group recognises certain currency derivatives as cash flow hedges. An increase in the basis spread, (i.e. 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 5m (6) after tax at year end.

Net funding in foreign currency with a corresponding recognised amount of SEK 46 145m (38 214) 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

2022	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	4 835	2 021		375	8 186		15 467	45 831	61 298
Derivatives and other assets, not distributed								376 703	376 703
Total	496 511	82 402	2 301	7 147	64 233	2 591	635 185	2 219 691	2 854 876
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	190 783	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								427 014	427 034
Equity								176 092	176 092
Total	649 063	384 760	18 063	4 183	18 038	17 250	1 091 357	1 763 519	2 854 876
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		
2021									
Assets									
Cash and balances with central banks	167 873	19 370		428	293	55	188 019	172 134	360 153
Treasury bills and other bills eligible for refinancing with central banks, etc.	7 585	836			1 486		9 907	153 683	163 590
Loans to credit institutions	15 786	3 157	232	1 558	4 946	244	25 923	13 581	39 504
Loans to the public	237 627	22 899	2 799	5 090	41 453	2 187	312 055	1 391 151	1 703 206
Bonds and other interest bearing securities	5 806	1 959		348	7 712		15 825	42 268	58 093
Derivatives and other assets, not distributed								426 071	426 071
Total	434 677	48 221	3 031	7 424	55 890	2 486	551 729	2 198 889	2 750 617
Liabilities									
Amounts owed to credit institutions	51 012	2 868	10	225	921		55 036	37 776	92 812
Deposits and borrowings from the public	345 349	36 786	1 946	3 052	5 014	3 273	395 420	870 363	1 265 783
Debt securities in issue	187 417	164 049	26 263		7 951	13 105	398 786	337 131	735 917
Senior non-preferred liabilities	25 997		4 261		5 292	1 331	36 881	951	37 832
Subordinated liabilities	11 870	13 625				1 891	27 386	1 218	28 604
Derivatives and other liabilities, not distributed								427 973	427 973
Equity								161 696	161 696
Total	621 645	217 328	32 480	3 277	19 179	19 600	913 509	1 837 108	2 750 617
Currency distributed derivatives, other assets and liabilities	198 113	169 009	29 392	–4 127	–36 493	17 097	372 991		
Net position in currency	11 145	–98	–57	20	218	–17	11 211		

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 –20m (–21).

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 717m (1 625) 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. It also includes risk from external events not covered by any other risk type. Operational Risk is divided into sub risk types.

3.4.2 Risk management

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

All business areas apply the same methods (e.g. risk assessments) to self-assess operational risks. 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 and IT-systems as well as major operational or organisational changes including outsourcing. The purpose is to ensure that Swedbank does not enter into activities which entail unintended risks and that accepted risks are adequately managed and controlled as part of the process and also to ensure quality 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 mitigation. Group Risk and Group Compliance contributes with an expert evaluation of the risk analysis process and the residual risks, and both Group Risk and Group Compliance have the mandate to reject changes where risks exceed the risk appetite and the underlying limits.

3.4.5 Incident, Continuity and Crisis 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 and pandemics, which may affect the Group's ability to provide services and offerings continually at an acceptable level. The principles for incident, continuity and crisis management are defined in a Group-common framework as well as established system support for incidents and losses. A Group-level crisis management team is responsible for management, coordination and communication in collaboration with local crisis management teams. Continuity plans are drafted for all business and systemically critical operations and services. The plans describe how Swedbank will operate in the event of a serious disruption. Swedbank's models for continuity and crisis management are based on international and national standards.

Incident reporting

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 the underlying causes are identified and that suitable actions are taken. Incidents and operational risk-related losses are logged in a central database for further analysis.

3.4.6 Process and control management

An internal regulation on managing processes and process control has been adopted. It includes a process universe, with information on process ownership for essential processes as support to risk managing activities and a regulation on internal control of financial reporting.

3.4.7 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.

3.4.8 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 6 400m (6 049).

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. The companies are also exposed to Operational risk. Insurance underwriting risk is defined as the risk to value, earnings, or capital, arising from a deviation between actual and anticipated insurance costs (claims and expenses). In other words, the risk that actual outcomes will deviate from projections e.g. in terms of longevity, mortality, morbidity or claim frequency. This includes expense risk i.e. the risk that administrative costs and sales commissions will exceed the cost estimates that served as the basis for the premiums.

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 ensuring risks of Swedbank Group.

3.5.2 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, currently about 6 per cent, 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 table below 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.

	Savings business (Unit-linked, custody and guarantee)		Protection business		Total	
Risk type in per cent	2022	2021	2022	2021	2022	2021
Market risk	45	51	0	0	45	51
Life underwriting risk (excl expense- and lapse risk)	2	1	5	3	6	5
Expense risk	8	7	0	0	8	8
Lapse risk	33	30	1	1	34	31
Health underwriting risk (excl expense- and lapse risk)	0	0	2	2	2	2
Other risks					3	4
Total					100	100

3.5.3 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 8 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 57 per cent of total unit-linked business while the capital guarantee only 2 per cent and it is decreasing over time.

3.5.4 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 for private customers. The portfolio is mainly located in Estonia (54 per cent) followed by Lithuania (27 per cent) and Latvia (19 per cent). The company's focus is on simple short 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 risks are underwriting risk, mitigated by a scrupulous underwriting policy, and natural and man-made catastrophe risk. Reinsurance programs are used to further mitigate these risks.

3.5.5 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 10 262m (11 100). This compares with the Solvency Capital Requirement of SEK 6 683m (8 778). The solvency ratio was 1.54 (1.26). The capital base in the Baltic life insurance operations amounted to SEK 2 182m (1 891). The solvency ratio was 1.78 (1.50). The capital base in the Baltic property and casualty insurance operations amounted to SEK 625m (501). The solvency ratio was 1.50 (1.58).

3.6 ESG risk

3.6.1 Definition
The risk that arises from the inability to properly identify and manage Environmental, Social or Governance related events that, if they occur, could cause material negative financial impact and/or material negative impact on the Group's brand and reputation

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 the bank 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 27.

3.6.2.2 The exposure method – The corporate customer ESG analysis
In the credit origination process, corporate customers are assessed from a sustainability 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 Corporate ESG Analysis tool was launched for large corporates in 2022 and is planned for launch in remaining segments during 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 635 088 (566 192), or 22 (21) per cent of Swedbank's maximum credit risk exposure as presented on pages 87-95.

Material groups according to TCFD	Gross carrying amount 2022	2021	Sectors according to TCFD	Gross carrying amount 2022	2021
Financial	75 868	53 349	Credit institutions	56 600	38 129
			Insurance companies	55	127
			Asset owners and asset managers	19 213	15 093
Energy	25 270	23 274	Oil and gas	3 902	6 002
			Coal	0	0
			Utilities	21 368	17 272
Transportation	38 654	33 802	Air transport	292	665
			Shipping	11 651	11 577
			Rail transportation	991	359
			Heavy vehicles	17 491	15 461
			Automobiles	8 239	5 740
Agriculture, Food and Forest products	68 074	64 134	Agriculture	37 579	37 637
			Beverages, Packaged food and Meats	6 260	3 933
			Forestry	18 245	18 232
			Paper and forest products	5 990	4 332
Materials and Buildings	427 222	391 633	Metals & Mining	2 520	2 884
			Chemicals	12 945	6 759
			Construction materials (excl. wood)	3 301	3 024
			Capital goods	4 842	4 517
			Real Estate management and development	403 614	374 449
Total	635 088	566 192	Total	635 088	566 192

Understanding the exposures to TCFD material groups is a starting point, but to better understand the implications of possible future developments Swedbank has carried out scenario analysis with the purpose of identifying both risks and opportunities within the different groups.

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 table below.

Short term (1–5 years)	Medium term (>5–15 years)	Long term (>15–25 years)
Risks		
• Oil and gas asset values decline as investor risk appetite is reduced, which contributes to increased credit risk in the energy sector. • Costly investments for the electrification, especially in the transport, energy and materials sectors. Along with uncertainty about different technologies this increases the transition risk. • The planned reallocation of EU subsidies could be a financial issue for the agriculture and forestry sector. Areal support is reduced while sustainable farming methods are given increased funding. • A wave of policy change emanating from the EU green deal push transformation in most sectors. • Rapid changes in consumer preferences, i.e. increased demand for sustainable products create challenges for most sectors, notably manufacturers and retailers.	• Major transformation of the agriculture and forestry sectors with new resource efficiency technologies, e.g. precision agriculture and new crops in farming. New regulations will require less deforestation to preserve biodiversity and increase the coal sink, which will negatively impact cash flows. • Adaptive measures to limit damage from acute and chronic weather events, such as storms, floods and temperature rise increase, especially in the agriculture and forest sectors. • Lower demand for energy-intensive properties leads to price declines/lower valuations in the real estate sector. • Investor risk appetite decreases more generally for assets with climate-related risks. Refinancing risk and credit risk go up. • Reputational risk if the bank's own management of climate risks is seen as insufficient.	• More extreme weather events such as heat waves, more frequent forest fires and heavy precipitation could lead to unusable land and infestations within the agricultural and forestry sector. • Sea level rise in flood-prone areas could lead to price declines, loss of insurance and increased need for building protection and repairs in the real estate sector. • Older, energy inefficient buildings in locations where land is not in high demand become stranded assets. • Impacts from climate change on the global economy can increase systemic risks in the financial system. • Investment and holding companies with insufficient management of climate risk may see their business model and assets being stranded.

Financial
Most of the lending in this group consists of loans to credit institutions, which primarily are short-term and related to the Group's liquidity management. The credit risk is low and expected to remain low in both scenarios although in the stated policy scenario there is an increased risk for disruptions in the financial system in the long-term.

Lending to asset owners and asset managers such as investment firms and treasury companies of large industrials is moderate. These companies have an important role in society, and that they manage the climate-related risks in their investments professionally is a key priority. The risk is well diversified and the Group has not identified significant risks due to climate change in the scenarios.

Energy
The TCFD sector oil and gas shows increased credit risk in the sustainable development scenario in the short-term. The Group's lending to the sector have been significantly reduced since 2015 and are now minor. The Position statement on Climate change states that the Group will not directly finance any exploration of new oil and gas fields. Swedbank has no exposures in the coal industry.

The largest lending in this group is found in the utilities sector. The portfolio consists mainly of lending to large – often state owned or controlled – companies supplying electricity and heat to the home markets. In the sustainable development scenario a wide and far-reaching investment need related to electrification was identified. Production, storage and transmission of electricity require vast investments over the coming decades to meet an increasing demand, not least from transport and industry. In the Baltic economies a challenge of shifting from fossil fuelled electricity production to green production was identified in the same scenario. In the stated policy scenario costs for electricity transmission are expected to increase due to more frequent acute weather events. The transformation in the energy sector holds uncertainties and increased risks, but there is an increasing demand, which strong customers with strong owners and Swedbank's advisory could turn into financial growth.

Transportation
In the short-term the sustainable development scenario entails rapid growth in electrification, where the transport sector is at the forefront with increased transition risk as a consequence. Most of the lending is related to road transport (heavy vehicles and automobiles). The transformation of this sector requires massive investments. To be able to shift the fleet of vehicles from fossil fuelled to electric and hydrogen it is important that companies have a robust financial standing. This is given special attention in the Group's strategy, which aims to provide support to this sector during its transition.

Shipping is exposed to both transition risk and physical risk, but lending volumes are moderate and diversified across many segments. There will be a need to invest in new technologies to reduce emissions, notably in the sustainable development scenario. Moreover, insurance premiums rise due to a higher frequency of extreme weather events, notably in the stated policy scenario. The Group's strategy in this sector is to support customers transitioning in line with climate goals using advisory tailored for each customer.

Agriculture, Food, and Forest products
The agriculture and forestry sectors account for a large portion of the lending portfolio and is impacted throughout both scenarios. Short and medium term in the sustainable development scenario there is significant transition risk, and long term in the stated policy scenario there is significant physical risk from both acute and chronic events. The anticipated credit risk increase is moderate since this is a group with relatively low financial risk and stable demand. Swedbank is working closely with its customers and the climate related advisory, e.g. through the new ESG analysis tool, is important to assure a continued low risk transformation given local and individual conditions.

Materials and Buildings
Real Estate management and development is the Group's largest TCFD sector. It is exposed both to transition risk and physical risk. The overall impact on credit risk is assessed to be low to moderate in both scenarios. The transition risk in the sustainable development scenario is primarily related to the pressure from policy makers and from the market to improve energy efficiency. This means increased investment cost, but also a lower sensitivity to rising energy costs. As long as properties are in high demand costs can be fully or partially transferred on to tenants, which is often allowed contractually. This means cash flows would be only moderately impacted. For properties with low underlying demand this may not be the case and would negatively impact the value of the property. In the stated policy scenario there are increasing physical risks, especially from flooding due to heavy rainfall. Exposed properties may need to invest to mitigate these risks and there is also a risk of higher insurance premiums or loss of insurance. This would impact cash flows and ultimately the value of the property. An important part of Group's risk management strategy is to provide tailored climate advisory and support customers in their transition.

The chemicals sector, which include's plastics and rubber producing companies, and companies involved in the greenhouse gas intensive production of construction materials such as steel and cement are highly exposed to transition risk, especially in the sustainable development scenario. The driving forces are policy, technological change and changes in market behaviour. Still, the products are much needed and the underlying demand is relatively stable. Lending to companies in the chemicals sector is moderate, and lending to companies the construction materials sector is small, and the customers are typically large entities with strong ownership. The strategy for both sectors is to provide pro-active climate related advisory and to support customers in their transition to more sustainable production technologies.

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, and Compliance 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
Strategic risk is defined as the risk arising from changes in the business environment (sometimes also called as business risk) and from business decisions, improper implementation of decisions or lack of responsiveness to changes in the business environment that might lead to failure in reaching the Group's strategic goals.

3.7.3 Compliance risk
Compliance risk is defined as the risk of failure by the Group to fulfil and meet the external and internal regulations applicable to the Group's licensed operations.

Compliance risk includes three risk areas: Conduct risk (market conduct, data protection and customer protection risk), Financial crime risk (money laundering and terrorist financing, bribery and corruption, financial sanctions and facilitation of client tax evasion risk) and regulatory compliance risk.

20230706151866

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		Mentified 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 2022

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 2022 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 2022, the total economic capital demand for Swedbank CS amounted to SEK 41.5bn. The capital supply that meets the internal capital requirement, i.e. the Common Equity Tier 1 capital, amounted to SEK 144.1bn.

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

The table below contains the information that must be published according to the SFSA's regulation (FFFS 2014:12), chapter 8. 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 1423/2013 can be found on Swedbank's website at https://www.swedbank.com/investor-relations/risk-and-capital-adequacy/risk-report/index.htm

Consolidated situation	2022	2021
Available own funds		
Common equity tier 1 (CET1) capital	144 107	129 644
Tier 1 capital	153 320	143 022
Total capital	176 331	158 552
Risk-weighted exposure amounts		
Total risk exposure amount	809 438	707 753
Capital ratios as a percentage of risk-weighted exposure amount		
Common equity tier 1 ratio	17.8	18.3
Tier 1 ratio	18.9	20.2
Total capital ratio	21.8	22.4
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	2.3	1.7
of which: to be made up of CET1 capital	1.5	1.2
Total SREP own funds requirements	10.3	9.7
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	0.9	0.0
Systemic risk buffer	3.0	3.0
Global Systemically Important Institution buffer		
Other Systemically Important Institution buffer	1.0	1.0
Combined buffer requirement	7.4	6.5
Overall capital requirements	17.7	16.2
CET1 available after meeting the total SREP own funds requirements[1]	11.2	12.6

1) The calculation was reviewed and corrected as of Q3 2022, thus the historical figure for 2021 was changed accordingly.

Consolidated situation	2022	2021
Leverage ratio		
Total exposure measure	2 735 019	2 626 642
Leverage ratio, %	5.6	5.4
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	716 743	717 469
Cash outflows, total weighted value	578 133	528 742
Cash inflows, total weighted value	80 684	53 820
Total net cash outflows, adjusted value	497 449	474 922
Liquidity coverage ratio, %	145.4	151.8
Net stable funding ratio		
Total available stable funding	1 663 231	1 644 050
Total required stable funding	1 404 092	1 331 522
Net stable funding ratio, %	118.5	123.0

Common equity tier 1 capital	2022	2021
Shareholders' equity according to the Group's balance sheet	176 064	161 670
Anticipated dividend	−10 967	−12 632
Value changes in own financial liabilities	−339	−91
Cash flow hedges	−13	−2
Additional value adjustments	−576	−1 037
Goodwill	−13 663	−13 590
Deferred tax assets	−106	−68
Intangible assets	−4 005	−4 427
Insufficient coverage for non-performing exposures	−11	−1
Deductions of CET1 capital due to article 3 CRR	−106	−137
Shares deducted from CET1 capital	−10	−41
Pension fund assets	+1 930	0
Total	144 107	129 644

Risk exposure amount	2022	2021
Risk exposure amount credit risks, standardised approach	54 992	51 273
Risk exposure amount credit risks, IRB	336 516	287 328
Risk exposure amount default fund contribution	149	281
Risk exposure amount settlement risks	0	2
Risk exposure amount market risks	21 461	20 306
Risk exposure amount credit value adjustment	3 809	2 338
Risk exposure amount operational risks	79 995	75 618
Additional risk exposure amount, article 3 CRR	71 411	39 302
Additional risk exposure amount, article 458 CRR	241 105	241 305
Total	809 438	707 753

	SEKm		%	
Capital requirements[1]	2022	2021	2022	2021
Capital requirement Pillar 1	124 756	102 624	15.4	14.5
of which: Buffer requirements[2]	60 001	46 004	7.4	6.5
Total capital requirement Pillar 2[3]	18 374	12 032	2.3	1.7
Pillar 2 guidance[4]	8 094	10 616	1.0	1.5
Total capital requirement including Pillar 2 guidance	151 225	125 272	18.7	17.7
Own funds	176 331	158 552		

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 2022.
4) From Q3 2021 Swedbank consolidated situation is subject to Pillar 2 guidance.

	SEKm		%	
Leverage ratio requirements[1]	2022	2021	2022	2021
Leverage ratio requirement Pillar 1	82 051	78 799	3.0	3.0
Leverage ratio Pillar 2 guidance	12 308	11 820	0.5	0.5
Total leverage ratio requirement including Pillar 2 guidance	94 358	90 619	3.5	3.5

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.

	Financial conglomerate	
Capital adequacy for the financial conglomerate[1]	2022	2021
Own funds after adjustments and deductions	187 456	167 589
Capital requirement	158 531	135 156
Surplus	28 924	32 433
Financial conglomerate solvency ratio, %[2]	118.2	124.0

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). Pillar 2 Guidance (P2G) is included in the calculations from 2021, which is updated within this table. Figures from 2021 differ compared to previous year report due to not taking into account P2G.
2) Calculated as the financial conglomerate's own funds after adjustments and deductions divided with the capital requirement for the financial conglomerate.

Operating segments

2022 Income statement	Swedish Banking	Baltic Banking	Large Corporates & Institutions	Group Functions & Other	Elimination	Total
Net interest income	20 814	8 348	4 877	−899	17	33 157
Net commission income	8 727	3 073	2 621	−213	13	14 223
Net gains and losses on financial items	372	405	822	288	0	1 887
Share of the profit or loss of associates and joint ventures	780		−5	−37		738
Other income	1 047	857	316	2 408	−1 412	3 216
Total income	31 741	12 683	8 630	1 547	−1 381	53 221
of which internal income		62	3	1 316	−1 381	
Staff costs	3 277	1 846	1 546	6 244	−14	12 900
Variable staff costs	42	62	107	136	−0	347
Other general administrative expenses	7 545	2 549	2 446	−4 699	−1 367	6 474
Depreciation/amortisation of tangible and intangible assets	27	179	119	1 370		1 695
Total expenses	10 892	4 635	4 219	3 051	−1 381	21 415
Profit before impairments, Swedish bank tax and resolution fees	20 850	8 048	4 411	−1 503		31 806
Impairment of intangible assets			181	944		1 125
Impairment of tangible assets		13				13
Credit impairments	1 037	402	23	18		1 479
Swedish bank tax and resolution fees	1 247	100	464	21		1 831
Profit before tax	18 566	7 534	3 745	−2 487		27 358
Tax expense	3 514	1 305	855	−196		5 478
Profit for the year	15 052	6 229	2 890	−2 291		21 880
Profit for the year attributable to:						
Shareholders of Swedbank AB	15 050	6 229	2 890	−2 295		21 877
Non-controlling interests	3					3
Net commission income						
Commission income						
Payment processing	772	659	505	261	−18	2 179
Cards	2 523	2 003	2 559	−441	−0	6 644
Service concepts	903	209	356	−19		1 450
Asset Management and custody	6 863	534	1 606	−15	−291	8 698
Life insurance	412	97		1	0	510
Securities	276	45	298	22	−8	633
Corporate Finance		3	72			74
Lending	185	205	875	4	−7	1 263
Guarantee	32	75	80	1		189
Deposits	15	136	4	−0		155
Real estate brokerage	188					188
Non-life insurance	70	1	−0	2	0	73
Other	175	26	122	3		327
Total commission income	12 413	3 994	6 479	−180	−323	22 383
Commission expense	3 686	921	3 857	33	−337	8 160
Net Commission Income	8 727	3 073	2 621	−213	13	14 223

The operating segment report is based on Swedbank's accounting policies, organisation and management accounts. Market-based transfer prices are applied between operating segments, while all expenses for Group functions and Group staffs are transfer priced at cost to the operating segments. Cross-border transfer pricing is applied according to OECD transfer pricing guidelines. The Group's equity attributable to shareholders is allocated to each operating segment based on capital adequacy rules and estimated capital requirements based on the 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 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. Large Corporates & Institutions is responsible for 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.

2022 Balance sheet	Swedish Banking	Baltic Banking	Large Corporates & Institutions	Group Functions & Other	Elimination	Total
Cash and balances with central banks	2 705	3 714	221	360 631	−1 281	365 992
Loans to credit institutions	4 758	267	113 029	313 270	−374 735	56 589
Loans to the public	1 274 802	236 410	331 397	10 691	−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	293 323	7 355				290 678
Investments in associates and joint ventures	5 615			2 215		7 830
Derivatives	0	533	180 058	137 949	−268 036	50 504
Tangible and intangible assets	2 048	12 521	627	10 139	0	25 335
Other assets	5 178	152 160	8 758	287 872	−451 611	2 357
Total assets	1 578 665	414 604	670 621	1 288 121	−1 097 136	2 854 876
Amounts owed to credit institutions	29 933	193	282 698	79 699	−319 697	72 826
Deposits and borrowings from the public	725 639	375 684	211 415	2 126	−8 915	1 305 949
Debt securities in issue	−4	2 053	2 996	780 733	−1 572	784 206
Financial liabilities for which customers bear inv. risk	284 347	7 646				291 993
Derivatives		550	191 379	144 676	−267 926	68 679
Other liabilities	466 843	0	−53 698	152 271	−499 026	66 390
Senior non-preferred liabilities				57 439		57 439
Subordinated liabilities			−0	31 331	−0	31 331
Total liabilities	1 506 757	386 126	634 790	1 248 275	−1 097 136	2 678 812
Allocated equity	71 908	28 478	35 831	39 846		176 064
Total liabilities and equity	1 578 665	414 604	670 621	1 288 121	−1 097 136	2 854 876
Key figures						
Return on allocated equity, %	21.5	22.6	8.4	−7.0		13.8
Cost/income ratio	0.34	0.37	0.49	1.97		0.40
Credit impairment ratio[1], %	0.08	0.19	0.01	0.10		0.08
Loans/deposits, %	176	63	147	35		139
Loans to the public, stage 3, SEKbn	2	1	2			6
Loans to customers, total, SEKbn	1 275	236	287	1		1 799
Provisions for loans to customers total, SEKbn	2	1	2			6
Deposits from customers, SEKbn	725	375	195	3		1 298
Risk exposure amount, SEKbn	414	155	213	27		809
Full-time employees	3 998	4 701	1 175	6 927		16 803
Allocated equity, average, SEKbn	70	28	34	33		165

1) For information about calculation of credit impairment ratio, see Fact book page 41

2021 Income statement	Swedish Banking	Baltic Banking	Large Corporates & Institutions	Group Functions & Other	Elimination	Total
Net interest income[1]	15 472	5 369	3 947	2 271	−51	27 048
Net commission income	9 205	2 779	2 955	−89	3	14 853
Net gains and losses on financial items	586	437	981	44		2 048
Share of the profit or loss of associates and joint ventures	920			56		976
Other income	935	767	315	1 598	−859	2 756
Total income	27 118	9 352	8 198	3 880	−867	47 681
of which internal income	1	57	27	782	−867	
Staff costs	3 229	1 585	1 536	5 981	−14	12 317
Variable staff costs	61	63	138	160		422
Other general administrative expenses	7 451	2 279	2 324	−4 724	−853	6 477
Depreciation/amortisation of tangible and intangible assets	28	171	132	1 290		1 631
Total expenses	10 778	4 098	4 130	2 707	−867	20 847
Profit before impairments, Swedish bank tax and resolution fees	16 339	5 254	4 068	1 173		26 834
Impairment of intangible assets				56		56
Impairment of tangible assets						
Credit impairments	−42	160	57	−5		170
Swedish bank tax and resolution fees	499	76	201	15		791
Profit before tax	15 882	5 018	3 810	1 107		25 817
Tax expense	2 890	840	708	507		4 945
Profit for the year	12 992	4 178	3 102	600		20 872
Profit for the year attributable to:						
Shareholders of Swedbank AB	12 991	4 178	3 102	600		20 871
Non-controlling interests	1					1
Net commission income						
Commission income						
Payment processing	730	687	430	301	−30	2 118
Cards	2 096	1 618	2 410	−446		5 678
Service concepts	806	169	324	−19		1 280
Asset Management and custody	7 595	413	1 737	−18	−289	9 546
Life insurance	525	88		2		615
Securities	297	68	459	42	−7	859
Corporate Finance		13	76			89
Lending	210	163	840	7	−7	1 213
Guarantee	34	73	124			231
Deposits	15	118	4	−1		136
Real estate brokerage	224					224
Non-Life Insurance	69	1				69
Other	173	21	151	4		349
Total commission income	12 773	3 380	6 821	158	−725	22 407
Commission expense	3 568	777	3 601	334	−726	7 554
Net Commission Income	9 205	2 603	3 220	−176	1	14 853

1) Presentation has been changed, see note G57

2021 Balance sheet	Swedish Banking	Baltic Banking	Large Corporates & Institutions	Group Functions & Other	Elimination	Total
Cash and balances with central banks	2 196	3 257	−37	356 913	−2 176	360 153
Loans to credit institutions	5 631	311	128 638	188 998	−284 074	39 504
Loans to the public	1 251 556	199 412	252 743	286	−791	1 703 206
Interest-bearing securities	348	1 565	55 115	166 911	−2 256	221 683
Financial assets for which customers bear inv. risk	320 963	7 549				328 512
Investments in associates and joint ventures	5 640			2 065		7 705
Derivatives		285	59 670	37 840	−57 264	40 531
Tangible and intangible assets	2 036	11 639	845	10 467	24	25 011
Other assets	3 729	144 179	15 605	356 677	−495 878	24 312
Total assets	1 592 099	368 197	512 579	1 120 157	−842 415	2 750 617
Amounts owed to credit institutions	26 985		228 537	89 245	−250 955	92 812
Deposits and borrowings from the public	711 842	334 432	229 534	395	−10 420	1 265 783
Debt securities in issue		710	5 136	733 123	−3 052	735 917
Financial liabilities for which customers bear inv. risk	321 846	7 821				329 667
Derivatives		263	57 292	27 815	−57 264	28 105
Other liabilities	466 338	441	−38 310	162 481	−520 724	70 226
Senior non-preferred liabilities			−49	37 881		37 832
Subordinated liabilities			−15	28 619		28 604
Total liabilities	1 527 011	343 667	482 125	1 078 559	−842 415	2 588 947
Allocated equity	65 088	24 530	30 454	41 598		161 670
Total liabilities and equity	1 592 099	368 197	512 579	1 120 157	−842 415	2 750 617
Key figures						
Return on allocated equity, %	20.0	16.9	9.7	1.6		13.2
Cost/income ratio	0.40	0.44	0.50	0.70		0.44
Credit impairment ratio[1], %	0.00	0.09	0.02	−0.01		0.01
Loans/deposits, %	176	60	107	29		133
Loans to the public, stage 3, SEKbn	2	1	3			6
Loans to customers, total, SEKbn	1 252	199	226			1 677
Provisions for loans to customers, total, SEKbn	1	1	3			5
Deposits from customers, SEKbn	712	334	212			1 259
Risk exposure amount, SEKbn	405	107	168	28		709
Full-time employees	4 046	4 624	1 221	6 674		16 565
Allocated equity, average, SEKbn	65	25	32	37		159

1) For information about calculation of credit impairment ratio, see Fact book page 41

20230706S1867

G6 Products

2022	Financing	Savings & investments	Payments & Cards	Trading & Capital markets	Other	Total
Net interest income	22 883	4 604	6 890	−1	−1 219	33 157
Net commission income	1 207	6 525	5 737	546	208	14 223
Net gains and losses on financial items	18	−51	−19	1 242	696	1 887
Share of the profit or loss of associates and joint ventures			378		360	738
Other income	19	1 754	−51	40	1 454	3 216
Total income	24 128	12 831	12 935	1 826	1 501	53 221

2021	Financing	Savings & investments	Payments & Cards	Trading & Capital markets	Other	Total
Net interest income	22 636	685	1 449	−127	2 405	27 048
Net commission income	1 229	7 337	5 087	756	444	14 853
Net gains and losses on financial items	−30	5	−22	1 439	658	2 048
Share of the profit or loss of associates and joint ventures			511		465	976
Other income	31	1 533	−345	36	1 502	2 756
Total income	23 866	9 560	6 679	2 103	5 474	47 681

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.

2022	Sweden	Estonia	Latvia	Lithuania	Norway	USA	Other	Eliminations	Total
Income statement									
Net interest income	24 874	2 993	1 486	2 322	895	154	405	28	33 157
Net commission income	10 477	860	924	1 246	428	41	269	−22	14 223
Net gains and losses on financial items	1 747	47	15	88	48	−10	−48		1 887
Share of the profit or loss of associates and joint ventures	550	3			107		48		738
Other income	3 308	1 047	441	726	145	0	35	−2 485	3 216
Total income	40 986	4 949	2 866	4 382	1 623	185	708	−2 480	53 221
Staff costs	9 307	1 310	762	1 002	335	36	148		12 900
Variable staff costs	232	37	23	28	10	1	16		347
Other general administrative expenses	5 953	680	691	970	276	−8	191	−2 480	6 474
Depreciation/amortisation of tangible and intangible assets	1 328	106	49	93	86	5	27		1 695
Total expenses	16 820	2 334	1 525	2 093	707	33	381	−2 480	21 415
Profit before impairments, Swedish bank tax and resolution fees	24 166	2 616	1 340	2 289	916	152	327		31 806
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
Swedish bank tax and resolution fees	1 677	42	44	44	20	0	5		1 831
Profit before tax	20 019	2 387	1 266	2 045	1 294	152	195		27 358
Tax expense	4 071	353	252	390	335	34	43		5 478
of which current tax	4 979	349	32	403	332	39	28		6 167
of which paid tax	3 938	315	26	168		1	87		4 537
Profit for the year	15 948	2 034	1 014	1 655	959	117	152		21 880
Profit for the year attributable to:									
Shareholders of Swedbank AB	15 945	2 034	1 014	1 655	959	117	152		21 877
Non-controlling interests	3								3

2022	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	92 208	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 items in portfolio hedges of interest rate risk	−20 369	0							−20 369
Interest-bearing securities	199 672	2 823	2 261	13 894	3 546	1 973	266	−10 654	212 780
Financial assets for which customers bear the investment risk	283 323	1 858	1 559	3 938					290 678
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	2 809	4 986	360	31	66		25 335
Other assets	19 019	1 133	388	1 038	1 027	954	4 847	−5 679	22 726
Total assets	2 457 660	161 547	102 320	206 824	103 618	116 265	53 861	−347 219	2 854 876
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	709 993	2				85 864		−10 654	784 206
Financial liabilities for which customers bear inv. risk	284 347	2 035	1 682	4 019					291 993
Derivatives	69 478	326	79	279	472		20	−975	68 679
Other liabilities	35 594	18 457	13 468	10 178	546	185	1 862	−13 920	66 390
Senior non-preferred liabilities	57 439								57 439
Subordinated liabilities	31 331			4 670				−4 670	31 331
Total liabilities	2 320 490	150 226	95 098	196 603	97 706	115 170	50 738	−347 219	2 678 812
Allocated equity	137 170	11 321	7 222	10 221	5 912	1 095	3 124		176 064
Total liabilities and equity	2 457 660	161 547	102 320	206 824	103 618	116 265	53 861	−347 219	2 854 876

2021	Sweden	Estonia	Latvia	Lithuania	Norway	USA	Other	Eliminations	Total
Income statement									
Net interest income[1]	21 230	2 260	990	1 242	785	123	407	11	27 048
Net commission income	11 423	883	808	1 066	382	38	304	−49	14 853
Net gains and losses on financial items	1 484	110	112	158	177	−6	13		2 048
Share of the profit or loss of associates and joint ventures	821	4			93		58		976
Other income	2 577	756	293	548	186		53	−1 657	2 756
Total income	37 535	4 011	2 203	3 014	1 624	155	834	−1 695	47 681
Staff costs	9 176	1 105	653	872	347	31	133		12 317
Variable staff costs	301	37	23	27	28		6		422
Other general administrative expenses	5 796	592	601	723	299	−1	172	−1 695	5 477
Depreciation/amortisation of tangible and intangible assets	1 274	102	52	83	90	4	26		1 631
Total expenses	16 547	1 826	1 329	1 705	764	34	337	−1 695	20 847
Profit before impairments, Swedish bank tax and resolution fees	20 988	2 185	874	1 309	860	121	497		26 834
Impairment of intangible assets	56								56
Credit impairment	−456	117	25	18	569	65	−168		170
Swedish bank tax and resolution fees	679	26	23	36	15	1	6		791
Profit before tax	20 709	2 042	820	1 255	277	55	659		25 817
Tax expense	4 139	311	165	219	−34	12	133		4 945
of which current tax	3 950	304	22	200	35	14	120		4 645
of which paid tax	3 740	306	32	185	−78	−2	48		4 231
Profit for the year	16 570	1 731	655	1 036	310	43	527		20 872
Profit for the year attributable to:									
Shareholders of Swedbank AB	16 569	1 731	655	1 036	310	43	527		20 871
Non-controlling interests	1								1

2021	Sweden	Estonia	Latvia	Lithuania	Norway	USA	Other	Eliminations	Total
Balance sheet									
Cash and balances with central banks	170 452	41 365	36 274	88 161	1 976	19 370	2 555		360 153
Loans to credit institutions	153 871	846	2 782	925	14 059	36 137	4 146	−173 262	39 504
Loans to the public	1 425 769	93 278	37 970	68 469	55 409	2 272	21 383	−1 344	1 703 206
Value change of the hedged items in portfolio hedges of interest rate risk	−1 755	2							−1 753
Interest-bearing securities	204 331	23 932	1 086	12 830	5 085	1 942	1 633	−29 156	221 683
Financial assets for which customers bear the investment risk	320 963	2 063	1 551	3 935					328 512
Investments in associates and joint ventures	6 730	18			702		255		7 705
Derivatives	30 844	154	75	180	11 816		7	−2 545	40 531
Tangible assets and intangible assets	12 369	4 683	2 617	4 645	579	36	88		25 011
Other assets	21 683	628	497	1 027	9 291	753	4 306	−12 120	26 065
Total assets	2 345 251	166 969	82 852	180 172	98 916	60 510	34 374	−218 427	2 750 617
Amounts owed to credit institutions	120 011	16 932	18	10 263	70 198	16 726	25 628	−168 964	92 812
Deposits and borrowings from the public	921 145	123 796	65 817	144 378	6 349	334	3 963	1	1 265 783
Debt securities in issue	724 558	3				40 512		−29 156	735 917
Financial liabilities for which customers bear inv. risk	321 846	2 231	1 594	3 996					329 667
Derivatives	18 340	155	65	155	12 621		12	−3 242	28 106
Other liabilities	45 067	14 454	9 153	7 963	3 937	147	2 273	−12 769	70 226
Senior non-preferred liabilities	37 832								37 832
Subordinated liabilities	28 604			4 298				−4 298	28 604
Total liabilities	2 217 403	157 571	76 647	171 053	93 105	57 719	31 876	−218 427	2 588 947
Allocated equity	127 848	9 398	6 205	9 119	5 811	791	2 498		161 670
Total liabilities and equity	2 345 251	166 969	82 852	180 172	98 916	60 510	34 374	−218 427	2 750 617

1) Presentation has been changed, see note G57.

G8 Net interest income

	2022			2021[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	3 272		3 272	−1 129		−1 129
Treasury bills and other bills eligible for refinancing with central banks, etc.	852	325	1 177	4	82	86
Loans to credit institutions	705	65	770	192	−3	189
Loans to the public	40 168	718	40 886	30 773	−149	30 624
Interest-bearing securities	0	935	935	11	166	177
Total interest-bearing instruments	44 999	2 042	47 041	29 851	96	29 947
Derivatives[2]		463	463		292	292
Other assets	4	2	6	61	2	63
Total	45 003	2 506	47 509	29 912	390	30 302
Deduction of trading-related interests reported within Net gains and losses on financial items			−2 211			−62
Interest income			45 298			30 364
Liabilities						
Amounts owed to credit institutions	1 109	139	1 248	−217	9	−208
Deposits and borrowings from the public	4 726	365	5 091	398	−43	354
of which deposit guarantee fees	496		496	461		461
Debt securities in issue	10 591	11	10 602	4 612	21	4 633
Senior non-preferred liabilities	659		659	213		213
Subordinated liabilities	911		911	764		764
Total interest-bearing instruments	17 996	505	18 501	5 770	−14	5 756
Derivatives[2]		−5 306	−5 306		−2 879	−2 879
Other liabilities	58		58	80		80
of which lease liabilities	44		44	42		42
Total	18 052	−4 799	13 253	5 850	−2 893	2 957
Deduction of trading-related interests reported in Net gains and losses on financial items			−1 112			359
Interest expense			12 141			3 316
Net interest income			33 157			27 048
Interest income on stage 3 loans			142			117
Negative yield on financial assets			830			1 405
Negative yield on financial liabilities			728			1 072

1) Presentation has been changed, see note G7.
2) The derivatives line includes net interest income related to hedged assets and liabilities. These may have both a positive and negative impact on interest income and interest expense.

	Average annual interest rate, %		Average balance	
Interest rates on selected balance sheet items	2022	2021	2022	2021
Assets				
Cash and balances with central banks	0.62	−0.21	529 037	529 765
Treasury bills and other bills eligible for refinancing with central banks, etc.	0.81	0.06	144 794	140 694
Loans to credit institutions	1.19	0.36	64 496	52 981
Loans to the public	2.27	1.82	1 799 150	1 683 510
Interest-bearing securities	1.24	0.27	75 467	66 681
Total interest-bearing instruments	1.80	1.21	2 612 944	2 473 632
Derivatives			56 018	40 589
Other assets			351 665	374 649
Total	1.57	1.05	3 020 628	2 888 870
Liabilities				
Amounts owed to credit institutions	0.80	−0.13	155 527	158 702
Deposits and borrowings from the public	0.38	0.03	1 353 980	1 280 661
Debt securities in issue	1.27	0.56	836 869	831 480
Senior non-preferred liabilities	1.34	0.74	49 208	28 681
Subordinated liabilities	3.17	3.00	28 731	25 429
Total interest-bearing instruments	0.76	0.25	2 424 315	2 324 953
Derivatives			51 927	31 985
Other liabilities			379 612	373 424
Total	0.46	0.14	2 855 854	2 730 362
Net investment margin before trading-related interests are deducted	1.13	0.95		

G9 Net commission income

2022	Commission income: Over time	Commission income: Point in time	Commission income: Total	Commission expense	Net commission income
Payment processing	422	1 757	2 179	−1 363	816
Cards	665	5 979	6 644	−3 332	3 312
Service concepts	1 450		1 450	−178	1 272
Asset management and custody	8 632	66	8 698	−2 168	6 530
Life insurance	504	6	510	−340	170
Securities	45	588	633	−354	279
Corporate finance		74	74		74
Lending	686	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	80	327	−266	61
Total	13 234	9 149	22 383	−8 160	14 223

2021	Commission income: Over time	Commission income: Point in time	Commission income: Total	Commission expense	Net commission income
Payment processing	442	1 676	2 118	−1 309	809
Cards	639	5 039	5 678	−2 713	2 965
Service concepts	1 280	0	1 280	−157	1 123
Asset management and custody	9 398	148	9 546	−2 308	7 238
Life insurance	608	7	615	−335	280
Securities	50	809	859	−344	515
Corporate finance	2	87	89		89
Lending	926	287	1 213	−157	1 056
Guarantee	189	42	231		231
Deposits	113	23	136		136
Real estate brokerage		224	224		224
Non-life insurance	69		69	−1	68
Other	268	81	349	−230	119
Total	13 984	8 423	22 407	−7 854	14 853

G10 Net gains and losses on financial items

	2022	2021
Fair value through profit or loss		
Trading		
Shares and share related derivatives	527	256
of which dividend	107	150
Interest-bearing securities and interest related derivatives	−1 090	70
Other financial instruments	−1	3
Total	−564	329
Other		
Shares	184	163
of which dividend	17	117
Interest-bearing securities	−780	−139
Total	−596	24
Financial liabilities designated at fair value through profit or loss	20	11
Total fair value through profit or loss	−1 139	364
Hedge accounting		
Ineffectiveness, one-to-one fair value hedges	24	54
of which hedging instruments	−33 836	−8 333
of which hedged items	33 859	8 387
Ineffectiveness, portfolio fair value hedges	−54	7
of which hedging instruments	18 561	3 527
of which hedged items	−18 615	−3 526
Ineffectiveness, cash flow hedges	−1	1
Total hedge accounting	−31	56
Amortised cost		
Derecognition gain or loss for financial assets	18	208
Derecognition gain or loss for financial liabilities	572	−32
Total amortised cost	590	176
Trading related interest		
Interest income	2 211	−62
Interest expense	−1 112	359
Total trading related interest	1 099	297
Change in exchange rates	1 368	1 155
Total	1 887	2 048

G11 Net insurance

	2022	2021
Insurance premiums		
Life insurance	1 893	1 818
Non-life insurance	1 371	1 134
Total	3 265	2 952
Insurance provisions		
Life insurance	−663	−797
Non-life insurance	−947	−698
Total	−1 610	−1 495
Net insurance		
Life insurance	1 230	1 021
Non-life insurance	425	436
Total	1 655	1 457

G12 Other income

	2022	2021
Income from real estate operations	9	11
Sold inventories	6	13
of which revenues	117	174
of which carrying amount	−110	−161
IT services	688	602
Other operating income	658	673
Total	1 561	1 299

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.

Total staff costs	2022	2021
Salaries and Board fees	8 651	8 161
Compensation through shares in Swedbank AB	174	195
Social insurance charges	2 415	2 349
Pension costs[1]	1 465	1 493
Training costs	88	74
Other staff costs	453	468
Total	13 246	12 739
of which variable staff costs	347	422
of which personnel redundancy costs	20	103

1) The Group's pension cost for the year is specified in note G39.

13.2 Variable compensation

Swedbank currently has six ongoing share-based variable compensation programmes: Programme 2017, Programme 2018, Programme 2019, Programme 2020, Programme 2021 and Programme 2022.

In 2022 shares associated with Programme 2018 and 2020 were transferred.

13.2.1 Programme 2022

Programme 2022 consists of three parts: a general programme (Eken), an individual programme (IP) and an individual programme for employees in asset management (IPAM). Eken covers the majority of employees in the Group and consists of share-based compensation that is deferred for 3 years. IP covers approximately 350 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 fulfilled at the time of delivery.

Further information on Programme 2022 as well as Programmes 2017–2021 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	2022	2021
Programme 2020 and earlier		
Recognised expense for compensation that is settled with shares in Swedbank AB	63	113
Recognised expense for social insurance charges related to the share settled compensation	15	46
Recognised expense for cash settled compensation	6	27
Recognised expense for fund compensation	−7	12
Recognised expense for payroll overhead costs related to the cash settled compensation and fund shares	−1	9
Programme 2021		
Recognised expense for compensation that is settled with shares in Swedbank AB	22	81
Recognised expense for social insurance charges related to the share settled compensation	3	18
Recognised expense for cash settled compensation	32	45
Recognised expense for fund compensation	4	9
Recognised expense for payroll overhead costs related to the cash settled compensation and fund shares	9	16
Programme 2022		
Recognised expense for compensation that is settled with shares in Swedbank AB	86	
Recognised expense for social insurance charges related to the share settled compensation	16	
Recognised expense for cash settled compensation	47	
Recognised expense for fund compensation	6	
Recognised expense for payroll overhead costs related to the cash settled compensation and fund shares	15	
Total recognised expense	318	375

Number of performance rights that establish the recognised share based expense, millions	2022	2021
Outstanding at the beginning of the year	5.8	5.7
Allotted	1.8	1.6
Forfeited	0.3	0.2
Exercised	1.7	1.3
Outstanding at the end of the year	5.6	5.8
Exercisable at the end of the period	0	0
Weighted average fair value per performance right at measurement date, SEK	161	163
Weighted average remaining contractual life, months	14	23
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 13 500 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 4.5 percent on salary up to 7.5 income base amount and 30 percent on salary over 7.5 income base amount up to the fixed annual salary. The pensionable salary is capped at SEK 15 000 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	2022	2021
Jens Henriksson		
Fixed compensation, salary	13 500	13 294
Other compensation/benefits	245	230
Total	13 745	13 484
Pension cost, excluding payroll tax	3 973	3 897

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 5 580 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	2022	2021
Tomas Hedberg		
Fixed compensation, salary	5 580	2 790
Other compensation/benefits	280	125
Total	5 860	2 915
Pension cost, excluding payroll tax	2 137	1 004

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 effective from 2022.

A total of 13 individuals were members of the Group Executive Committee at the end of the year: Pål Bergström, Mikael Björknert, Lars-Erik Danielsson, Anders Ekedahl, Britta Hjorth-Larsen, Anders Karlsson, Jon Lidefelt, Erik Ljungberg, Lotta Lövén, Rolf Marquardt, Charlotte Rydin, Carina Strand and Kerstin Wallöf. 12 individuals have been active as other senior executives throughout the entire year. 3 individuals were active as other senior executives during part of the year: Ingrid Harbo, Britta Hjorth-Larsen and Eva Wilhelmsson.

Other key management	2022	2021
Fixed compensation, salary	63	61
Variable compensation, share based	1	1
Other compensation/benefits[1]	2	1
Compensation at terminated contract[2]		9
Total	66	72
Pension cost, excluding payroll tax	24	24
Number of performance rights share based compensation used for the annual cost	2 597	2 827
Total number of allotted performance rights share based compensation	14 602	13 505
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.
2) Includes salary during term of notice, severance, pension costs and any benefits.

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	0.5
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	–

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 2022 was SEK 71 000).

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 all 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	Resignation by employee
3 persons	12 months	12 months	6 months
10 persons	12 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

20230706051858

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 2022 to the Annual General Meeting 2023. 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 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 SEK thousands	2022 Board fees	2022 Committee work	2022 Total	2021 Board fees	2021 Committee work	2021 Total
Göran Persson, Chair	2 982	670	3 652	2 840	643	3 483
Björn Riese, Director, Deputy chair	1 000	552	1 552			
Bo Bengtsson, Director	686	445	1 131	653	322	975
Göran Bengtsson, Director	686	282	968	653	270	923
Annika Creutzer, Director	686	270	956	653	259	912
Hans Eckerström, Director	686	270	956	653	113	766
Kerstin Hermansson, Director	686	727	1 413	653	686	1 339
Helena Liljedahl, Director	686	118	804			
Bengt Erik Lindgren, Director	686	282	968	653	270	923
Josefin Lindstrand, Director to 2021-10-25				381	406	787
Bo Magnusson, Deputy chair to 2022-03-30				956	1 096	2 052
Anna Mossberg, Director	686	388	1 074	653	373	1 026
Per Olof Nyman, Director	686	755	1 441	653	259	912
Biljana Pheraon, Director	686	388	1 074	653	113	766
Total	10 842	5 147	15 989	10 054	4 810	14 864

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 frame work of Board fees set by the Board, SEK thousand	2022	2021
Göran Persson	3 610	3 418
Total	3 610	3 418

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.

	2022	2021
Short-term employee benefits	100	93
Post employment benefits, pension costs	30	29
Termination benefits, severance pay	0	9
Share-based payments	1	1
Total	131	132
Granted loans	69	73

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

	2022	2021
Cost for the year related to pensions and similar benefits	33	49
No. of persons	19	47
Granted loans, SEKm	238	219
No. of persons	68	81

Pension obligations for former CEOs and deputy CEOs have been funded through insurance and pension foundations. The latter's obligations amounted to SEK 211 m (255). 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

	2022					2021				
	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 compensation	Salaries and variable compensation	Total	Number of persons	Salaries and Board fees	Variable compensation	Salaries and variable compensation	Total
Sweden	99	127	2	5 762	5 890	93	132	1	5 644	5 777
Estonia	25	17	0	952	970	27	9	0	818	827
Latvia	28	14	2	583	599	9	13	2	503	518
Lithuania	16	21	2	944	967	15	23	2	811	835
Norway	5	0	0	247	247	1	4	0	266	270
USA	0	0	0	28	28	0	0	0	23	23
Other countries	0	0	0	125	125	0	0	0	105	105
Total	173	179	5	8 640	8 825	145	180	5	8 170	8 356

13.9 Key ratios

Average number of employees based on 1 885 hours per employee	2022	2021
Sweden	10 177	10 074
Estonia	2 928	2 819
Latvia	2 167	2 125
Lithuania	2 887	2 862
Norway	252	321
USA	14	14
Other countries	113	113
Total	18 538	18 328
Number of hours worked (thousands)	29 382	29 050
Number of Group employees at year-end excluding long-term absentees in relation to hours worked expressed as full-time positions	16 803	16 565

Employee turnover including retired staff1), %	2022	2021
Swedish Banking	13.4	11.6
Large Corporates & Institutions	12.0	9.4
Baltic Banking	13.2	10.1
Group Functions	11.9	9.8
Total	12.7	10.3

Employee turnover excluding retired staff1), %	2022	2021
Swedish Banking	11.6	11.2
Large Corporates & Institutions	10.8	8.5
Baltic Banking	13.1	8.9
Group Functions	10.2	7.6
Total	11.5	9.2

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	2022	2021
Average number of employees	18 538	18 328
Number of employees at year-end	17 886	17 700
Number of full-time positions	16 803	16 565

Sick leave, %	2022	2021
Sick leave Sweden	3.9	3.6
Sick leave Estonia	2.8	2.7
Sick leave Latvia	3.9	3.2
Sick leave Lithuania	1.8	1.6
Sick Leave Group	3.4	3.2
Long-term healthy employees, %1	63.9	67.5

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, %	2022	2021
Sweden	73.1/26.9	72.3/27.7
Estonia	98.2/1.8	96.9/3.1
Latvia	98.9/1.1	98.4/1.6
Lithuania	93.5/1.5	97.3/2.7

Gender distribution by country, %	2022 Female	2022 Male	2021 Female	2021 Male
Sweden	54	46	55	45
Estonia	73	27	74	26
Latvia	75	25	75	25
Lithuania	70	30	70	30
Norway	33	67	29	71
USA	31	69	23	77
Other countries	54	46	55	45

Gender distribution for all employees, Group Executive Committee and Boards of Directors, %	2022 Female	2022 Male	2021 Female	2021 Male
All employees	62	38	62	38
Swedbank's Board of Directors	42	58	36	64
Group Executive Committee incl CEO	33	67	33	67
Group Executive Committee and their respective management teams	46	54	48	52
Boards of Directors in the entire Group incl. subsidiaries	42	58	39	61
Senior executives in the entire Group incl. subsidiaries	34	66	51	49

Gender distribution, management positions by country, %1	2022 Female	2022 Male	2021 Female	2021 Male
Management positions, total	56	44	56	44
Management positions, Sweden	50	50	50	50
Management positions, Estonia	71	29	68	32
Management positions, Latvia	71	29	69	31
Management positions, Lithuania	57	43	59	42

1) Applicable for Swedbank's home markets Sweden, Estonia, Latvia and Lithuania

G16 Other general administrative expenses

	2022	2021
Premises	469	454
IT expenses	2 665	2 550
Telecommunications, postage	109	126
Consulting	804	933
Compensation to savings banks	225	228
Other purchased services	1 081	939
Travel	86	18
Entertainment	28	22
Office supplies	70	79
Advertising, publ o relations, marketing	246	301
Security transports, alarm systems	71	71
Maintenance	119	126
Other administrative expenses	441	498
Other operating expenses	63	132
Total	6 474	6 477

The following leasing related expenses are included in Premises and IT expenses		
Short-term leases	15	11
Leases of low-value assets	7	8
Variable lease payments not included in the lease liability	53	42

Remuneration to auditors elected by Annual General Meeting, PwC	2022	2021
Statutory audit	56	59
Other audit	12	9
Tax advisory	0	0
Other	0	16
Total remuneration to auditors	69	84
Internal Audit	92	90

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 general expatriate services and other tax services work. Other services include consultation on financial accounting, services related to mergers and acquisitions activities, operational effectiveness and assessments of internal control

G17 Depreciation/amortisation of tangible and intangible assets

	2022	2021
Equipment	276	299
Owner-occupied properties	36	36
Right-of-use assets for rented premises	724	705
Other	134	93
Total tangible assets	1 170	1 133
Intangible assets	525	498
Total	1 695	1 631

G16 Impairments of tangible assets

	2022	2021
Commercial properties	3	0
Right of use assets	10	
Total	13	0

G17 Credit impairments

	2022	2021
Loans at amortised cost		
Credit impairment provisions – stage 1	646	–71
Credit impairment provisions – stage 2	523	–596
Credit impairment provisions – stage 3	–545	–2 884
Credit impairment provisions – purchased or originated credit impaired	1	–3
Total	626	–3 554
Write-offs	982	4 157
Recoveries	–157	–225
Total	826	3 932
Total - loans at amortised cost	1 451	378
Other assets at amortised cost		–7
Loan commitments and guarantees		
Credit impairment provisions – stage 1	77	26
Credit impairment provisions – stage 2	13	–139
Credit impairment provisions – stage 3	–63	–88
Total - loan commitments and guarantees	28	–201
Total credit impairments	1 479	170

Credit impairments by borrower category		
Credit institutions	25	–22
General public	1 454	192
Total	1 479	170

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

G18 Swedish bank tax and resolution fees

	2022	2021
Swedish bank tax	927	
Resolution fees	904	791
Total	1 831	791

Swedish bank tax refers to Risk tax on credit institutions that was introduced from 1 January 2022. It is 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

G19 Tax

Tax expense	2022	2021
Tax related to previous years	49	28
Current tax	6 167	4 645
Deferred tax	–738	272
Total	5 478	4 945

The difference between the Group's tax expense and the tax expense based on the Swedish tax rate is explained below:

	2022	%	2021	%
Results	5 478	20.0	4 945	19.2
Current tax of pre-tax profit	5 636	20.6	5 318	20.6
Difference	–158	–0.6	–373	–1.4
The difference consists of the following items:				
Tax previous years	49	0.2	28	0.1
Deffered tax related to tax previous years	–57	–0.2		
Tax-exempt income/non-deductible expenses	50	0.2	36	0.2
Non deductible interest related to subordinated liabilities	188	0.7	159	0.6
Non deductible impairment goodwill	125	0.4		
Tax-exempt gains and non-deductible losses on shares and participating interest	–11	0.0	–31	–0.1
Other tax basis in insurance operations	–165	–0.6	–200	–0.8
Tax in associates and joint ventures	–151	–0.6	–200	–0.8
Deviating tax rates in other countries	–184	–0.7	–163	–0.6
Other, net	–2	0.0	–2	0.0
Total	–158	–0.6	–373	–1.4

2022

Deferred tax assets	Opening balance	Income statement	Other comprehensive 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	–89			–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
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	–710	826	6	79	3 599

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 97m (4). The assets are not recognised due to uncertainty when sufficient taxable earnings will be generated

Unused tax losses and unused tax credits according to tax calculation

Maturity	Total deduction	Deduction for which deferred tax is recognised			Deduction for which deferred tax is not recognised
		Lithuania	Denmark	Norway	
Without maturity	1 086	482	0	9	595
Total	1 086	482	0	9	595

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 81 per cent (82) of the taxable losses that serve as the basis for recognised deferred tax assets will be utilised before the end of 2025 i.e. within the framework of the Group's three-year financial plan.

Tax losses carried forward from previous years for which deferred tax is not recognised amount to 595 msek and relate to group companies in Lithuania, 378 msek, Luxemburg, 196 msek, Denmark, 13 msek and Finland, 8 msek. There are unused tax losses carried forward also in the local branches to Swedbank AB in Denmark, 79 msek, Norway, 1 212 msek, and the US, 1 045 msek. These local tax losses have no value to the group since the branches are taxed also in Sweden.

2021

Deferred tax assets	Opening balance	Income statement	Other comprehensive income	Equity	Exchange rate differences	Closing balance
Deductible temporary differences						
Share-based payments	9	–9		1		1
Lease liabilities	658	79				737
Right of use assets	–650	–76				–726
Unused tax losses	82	11			5	98
Unrecognised deferred tax assets	–4					–4
Other	25	–21			–1	7
Total	124	–16		1	4	113
Deferred tax liabilities						
Taxable temporary differences						
Untaxed reserves	2 286	–11				2 275
Hedge of net investments in foreign operations	1	0	–1			0
Provision for pensions	–633	24	347			–462
Cash flow hedges	–1	3	1			3
Intangible assets	934	196				1 130
Credit impairment provisions	44				1	45
Foreign currency basis risks	–150	7	1			–142
Share-based payments	10	–6		–19		–15
Owner-occupied properties	17	–3				14
Deferred tax undistributed profits (dividend)	647	158			8	813
Other	–171	–112			20	–263
Total	2 784	256	348	–19	29	3 398

Unused tax losses and unused tax credits according to tax calculation

Maturity	Total deduction	Deduction for which deferred tax is recognised			Deduction for which deferred tax is not recognised
		Lithuania	Denmark	Norway	
Without maturity	448	375	5	48	20
Total	448	375	5	48	20

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
2017	30 March
2018	26 March
2019	28 March
2020	28 May
2021	25 March
2022	30 March

	2022	2021
Average number of shares		
Weighted average number of shares, before dilution	1 122 834 030	1 121 117 329
Weighted average number of shares for dilutive potential ordinary shares resulting from share-based compensation programme	3 046 820	3 676 236
Weighted average number of shares, after dilution	1 125 880 850	1 124 793 565
Earnings per share		
Profit for the year attributable to the shareholders of Swedbank AB	21 877	20 871
Earnings per share before dilution, SEK	19.48	18.62
Earnings per share after dilution, SEK	19.43	18.56

G21 Tax for each component in other comprehensive income

	2022				2021			
	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	3 938	–811		–811	1 686	–347		–347
Share of other comprehensive income of associates, Remeasurements of defined benefit pension plans	152				21			
Total	4 090	–811		–811	1 707	–347		–347
Items that may be reclassified to the income statement								
Exchange differences, foreign operations	4 319				848			
Hedging of net investments in foreign operations	–3 421		705	705	–729	1	149	150
Cash flow hedges	11	–2		–2	2	–1		–1
Foreign currency basis risk	63	–13		–13	5	–1		–1
Share of associates and joint ventures	31				91			
Total	1 003	–15	705	690	217	–1	149	148
Other comprehensive income	5 093	–826	705	–121	1 924	–348	149	–199

G22 Treasury bills and other bills eligible for refinancing with central banks etc.

	Carrying amount			Nominal amount		
	2022	2021	1/1/2021	2022	2021	1/1/2021
Governments and Swedish central bank	149 212	160 461	134 145	148 933	158 889	133 289
Municipalities	2 271	3 129	3 046	2 370	3 096	2 979
Total	151 483	163 590	137 191	151 303	161 985	136 268

G23 Loans to credit institutions

	2022	2021	1/1/2021
Loans and advances	33 201	34 362	37 075
Repurchase agreements	15	1 393	1 582
Cash collaterals posted	23 373	3 759	9 297
Total	56 589	39 504	47 954
of which subordinated loans			
Associates	0	0	120
Other companies	0	0	48
Total	0	0	168

G24 Loans to the public

	2022	2021	1/1/2021
Loans and advances	1 758 014	1 641 878	1 572 550
Finance leases	40 602	34 932	33 857
Total loans to customers	1 798 616	1 676 810	1 606 407
Cash collaterals posted	3 605	1 832	9 638
Repurchase agreements	23 635	21 341	32 704
Repurchase agreements, Swedish National Debt Office	6 952	3 020	7 243
Loans to Swedish National Debt Office	10 004	3	25 003
Total	1 842 812	1 703 206	1 680 997

Finance lease agreements distributed by maturity

	2022				2021			
	< 1 yr	1–5 yrs	> 5 yrs	Total	< 1 yr	1–5 yrs	> 5 yrs	Total
Gross investments	12 747	26 992	4 933	44 672	10 755	21 945	3 946	36 646
Unearned finance income	1 400	2 151	519	4 070	635	896	183	1 714
Net investments	11 347	24 841	4 414	40 602	10 120	21 049	3 763	34 932

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		
	2022	2021	1/1/2021	2022	2021	1/1/2021
Mortgage institutions	31 471	29 135	25 192	33 185	28 690	24 365
Banks	15 563	13 299	15 445	15 858	13 219	15 182
Other financial companies	11 413	10 494	13 181	11 917	10 341	12 930
Non-financial companies	2 849	5 165	6 157	3 015	5 117	6 095
Total	61 298	58 093	59 975	63 975	57 367	58 572
of which subordinated bonds and other interest-bearing securities	117	203	137	125	199	132
of which senior non-preferred bonds and other interest-bearing securities	158	719	234	158	713	232

Bonds and other interest-bearing securities are issued by other than public agencies.

G26 Financial assets for which the customers bear the investment risks

	2022	2021	1/1/2021
Fund units	266 335	297 595	231 563
Interest-bearing securities	5 324	5 562	4 696
Shares	19 019	25 355	16 152
Total	290 678	328 512	252 411

G27 Shares and participating interests

	Carrying amount			Cost		
	2022	2021	1/1/2021	2022	2021	1/1/2021
Trading shares	347	6 368	4 644	377	6 131	4 474
Trading fund units	6 539	5 862	11 491	6 374	5 581	11 080
Shares for protection of claims		20	31		20	10
Condominiums	11	11	11	11	11	11
Other	1 287	1 155	1 038	979	1 189	1 031
Total	8 184	13 416	17 215	7 741	12 931	16 605

20230706051869

G21 Investments in associates and joint ventures

	2022	2021	1/1/2021
Fixed assets			
Credit institutions - Associates	4 415	4 004	3 634
Credit institutions - Joint ventures	2 719	3 220	3 219
Other associates	515	436	354
Other, joint ventures	180	37	80
Total	7 830	7 705	7 287
Opening balance	7 705	7 287	
Additions during the year	224	26	
Change in accumulated profit shares, total comprehensive income	921	1 088	
Dividends received and reversed provision	−1 020	−696	
Closing balance	7 830	7 705	

2022 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	1 745	1 070	22.00	187
Sparbanken Rekarne AB, Eskilstuna	516401-9928	865 000	661	125	50.00	77
Sparbanken Sjuhärad AB, Borås	516401-9852	4 750 000	1 592	288	42.50	139
Vimmerby Sparbank AB, Vimmerby	516401-0174	340 000	109	41	40.00	8
Ölands Bank AB, Borgholm	516401-0034	637 000	308	231	49.00	20
Total credit institutions			4 415	1 755		430
Other associates						
Owned by parent company						
BGC Holding AB, Stockholm	556607-0933	29 360	351	99	29.36	58
Finansiell ID-Teknik BID AB, Stockholm	556630-4928	12 735	21	24	28.30	−7
Getswish AB, Stockholm	556913-7382	10 000	21	21	20.00	2
USE Intressenter AB, Uppsala	559161-9464	2 000	0	0	20.00	0
Owned by subsidiaries						
Thylling Insight AB, Göteborg	559181-9015	40 000	12	11	40.00	1
Bankomat AB, Stockholm	556817-9716	150	87	66	20.00	9
SK ID Solutions AS, Tallinn	10747013	16	22	10	25.00	3
Total other associates			515	220		66
Total associates			4 930	1 975		496

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 associates' other comprehensive income for the year amounted to SEK 102 m (48) and the share of the year's total comprehensive income amounted to SEK 598 m (649). As of 31 December 2022 Swedbank's share of associates' contingent liabilities and commitments amounted to SEK 485 m (369) and SEK 2 162m (5 180), respectively. During the year 40% of Thylling Insight AB was acquired.

2022 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	2 719	420	50.00	311
Other joint ventures						
Invidem AB, Stockholm	559210-0779	10 000	26	122	16.67	−31
P27 Nordic Payments Platform AB, Stockholm	559198-9610	10 000	151	277	16.67	−38
Tibern AB, Stockholm	559384-3542	4 000	3	3	14.29	−1
Total joint ventures			2 899	822		241
Total associates and joint ventures			7 830	2 797		738

During the year Swedbank AB made a capital contribution to Invidem AB of SEK 49 m (25) and P27 Nordic Payments Platform AB of 151 m (0). Swedbank's share of associates' other comprehensive income for the year amounted to SEK 80 m (64) and the share of the year's total comprehensive income amounted to SEK 322 m (439). Swedbank AB received a dividend of 900m (500) from EnterCard Group AB.

Condensed financial information for the EnterCard Group.

	2022	2021
Loans to the public	32 457	30 474
Total assets	39 410	38 224
Amounts owed to credit institutions	33 528	31 204
Total liabilities	33 998	31 707
Total equity	5 412	6 517
Net interest income	2 690	2 988
Total income	3 118	3 376
Total expenses	1 412	1 330
Credit impairments	877	1 002
Profit before tax	809	1 044
Tax expense	185	156
Profit for the year	623	888
Total comprehensive income	784	1 015

G22 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 Remaining contractual maturity			Nominal amount		Positive fair value			Negative fair value		
	Note	< 1 yr	1–5 yrs	> 5 yrs	2022	2021	2022	2021	1/1 2021	2022	2021	1/1 2021
Derivatives in hedge accounting												
One-to-one fair value hedges, interest rate swaps	G30	108 750	363 423	45 583	517 756	517 336	738	8 156	14 953	29 094	1 675	37
Portfolio fair value hedges, interest rate swaps	G30	140 750	282 925	12 330	436 005	495 274	20 269	1 969	137	23	853	2 412
Cash flow hedges, cross currency basis swaps	G30		4 106	4 073	8 179	8 127	603	41	19		130	256
Total		249 500	650 454	61 986	961 940	1 020 737	21 630	10 166	15 109	29 117	2 658	2 705
Non-hedge accounting derivatives		8 664 846	11 766 249	9 148 973	29 580 068	24 945 752	1 223 832	174 838	126 813	1 236 903	170 723	143 547
Gross amount		8 914 346	12 416 704	9 210 959	30 542 008	25 966 489	1 245 462	185 004	141 922	1 266 021	173 381	146 252
Offset amount	G48						−1 194 958	−144 473	−89 745	−1 197 341	−145 275	−91 872
Total							50 504	40 531	52 177	68 679	28 106	54 380
Non-hedge accounting derivatives												
Interest-related												
Options		583 348	349 351	133 356	1 046 055	960 007	4 702	1 589	2 796	5 364	1 974	3 101
Forward contracts		4 260 510	545 501		4 806 011	3 706 918	5 112	859	1 058	4 348	881	1 074
Swaps		2 527 262	10 239 057	8 899 478	21 665 797	18 429 914	1 178 203	146 941	94 475	1 189 386	148 943	96 411
Currency-related												
Options		309	54 872		55 181	19 964	559	76	154	564	77	164
Forward contracts		876 709	13 615		890 324	935 774	10 694	13 240	9 247	15 995	7 387	20 095
Swaps		318 447	557 756	116 139	992 342	794 285	22 477	9 732	14 804	19 572	9 749	18 560
Credit-related												
Options		48 847	2 545		51 393	62 064	1 525	1 936	4 171	1 068	959	3 422
Forward contracts		20 892			20 892	1 691	7	11	26	3	14	29
Swaps		44 086			44 086	29 165	448	311	4	465	544	537
Credit-related												
Swaps			3 551		3 551	3 069				9	74	94
Commodity-related												
Forward contracts		4 436			4 436	2 901	104	141	77	129	121	60
Total		8 664 846	11 766 249	9 148 973	29 580 068	24 945 752	1 223 832	174 838	126 813	1 236 903	170 723	143 547

G23 Hedge accounting

30.1 Fair value hedges

The Group's approach 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. Where hedge accounting is applied, interest rate risk on fixed rate loans to the public (mortgages) is hedged on a portfolio basis whereas 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 3.4.4, 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. Each time bucket position is hedged using interest rate swaps with a nominal amount covering a portion of the total loans. A specified loan amount in each time bucket is therefore designated as the hedged item. 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 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.

	2022					2021				
		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, Loans to the public, Portfolio hedges	436 005	20 269	23	20 368	−54	495 274	1 969	853	1 711	1
Interest rate swaps, Debt securities in issue	424 261	735	22 399	−22 610	31	456 817	7 926	1 127	5 672	57
Interest rate swaps, Senior non-preferred liabilities	60 579		4 947	−4 963	−5	32 120	12	448	−431	−1
Interest rate swaps, Subordinated liabilities	32 916	3	1 748	−1 801	−3	28 399	218	100	44	−2
Total	953 761	21 027	29 117	−9 006	−30	1 012 610	10 125	2 527	6 996	55

	2022					2021				
	Carrying amount		Accumulated adjustment on the hedged item		Change in value used for recognising hedge	Carrying amount		Accumulated adjustment on the hedged item		Change in value used for recognising hedge
Hedged items	Assets	Liabilities	Assets	Liabilities	ineffectiveness	Assets	Liabilities	Assets	Liabilities	ineffectiveness
Portfolio hedges										
Loans to the public	436 005					495 276				
Value change of the hedged items in portfolio hedges of interest rate risk	−20 369		−20 369		−20 369	−1 753		−1 753		−1 753
One-to-one hedges										
Debt securities in issue		410 119		−22 534	22 534		466 972		5 617	−5 617
Senior non-preferred liabilities		60 840		−4 953	4 953		32 114		−429	429
Subordinated liabilities		33 131		−1 799	1 799		28 576		44	−44
Total	415 636	504 091	−20 369	−29 287	8 918	493 523	527 662	−1 753	5 233	−6 986

Maturity profile and average price, hedging instruments	2022 Remaining contractual maturity <1 yr	1–5 yrs	>5 yrs	2021 Remaining contractual maturity <1 yr	1–5 yrs	>5 yrs
Portfolio hedges						
Nominal amount	140 750	282 925	12 330	135 659	350 300	9 315
Average fixed interest rate (%)	0.15	0.84	1.26	0.18	0.29	0.64
One-to-one hedges						
Nominal amount	108 750	363 423	45 583	141 732	327 295	48 309
Average fixed interest rate (%)	1.57	1.79	2.73	0.43	0.31	1.62

Hedge relationships in scope for Interest Rate Benchmark Reform

The Group applies the Amendments to IFRS 9, IAS 39 and IFRS 7 due to the Interest Rate Benchmark Reform – Phase 1. For more information on the Reform itself and Swedbank's assessments, see Note G45. The amendments provide certain temporary relief from the hedge accounting requirements in connection with the Reform.

This has the effect that the Reform will generally not cause hedge accounting relationships to be terminated. The tables below provide details, based on the nominal amounts of the Group's relationships which are considered to be in scope. The USD Libor transition will take place 30 June 2023.

Hedged items and hedging instruments	2022 USD	2021 USD
All contracts	39 035	47 475
Maturity before Interest Rate Benchmark Reform	20 785	22 581
Directly attributable to Interest Rate Benchmark Reform	**18 250**	**24 894**

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 3.4.4. 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 3.4.4. 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 a 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 qualifying 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	2022	2021
Cross currency basis swaps, EUR/SEK		
Nominal amount	8 179	8 127
Carrying amount		
Assets	603	41
Liabilities		130
Hedge effectiveness		
Change in fair value of hedging instruments used for measuring hedge ineffectiveness	623	–7
Change in fair value of hedged items used for measuring hedge ineffectiveness		
EUR debt securities in issue and interest rate swaps	–619	7
Ineffectiveness recognised in the income statement during the year	–1	1

Cash flow hedge reserve		
Opening balance 1 January	2	1
Gains or losses from hedges recognised in other comprehensive income	626	145
Amount reclassified to the income statement, net gains and losses on financial items	–615	–143
Other comprehensive income before tax	11	2
Tax	–2	–1
Closing balance 31 December	11	2

Maturity profile and average price, hedging instruments	2022 Remaining contractual maturity			2021 Remaining contractual maturity		
Foreign currency risk	<1 yr	1–5 yrs	>5 yrs	<1 yr	1–5 yrs	>5 yrs
Nominal amount		4 105	4 073	512	3 826	3 789
Average FX rate		10.34	10.21	9.72	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 amount 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.

Hedging instruments and hedge ineffectiveness	2022 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	2021 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	45 377	–3 401	–3 401	–6 051	37 455	–661	–661	–3 352
NOK denominated, Debt securities in issue	769	–19	–19	87	760	–68	–68	104
Total	**46 145**	**–3 421**	**–3 421**	**–5 964**	**38 214**	**–729**	**–729**	**–3 248**

Hedged items	2022 Change in value used for measuring hedge ineffectiveness	2021 Change in value used for measuring hedge ineffectiveness
EUR net investments	3 401	661
NOK net investments	19	68
Total	**3 421**	**729**

G31 Intangible assets

2022	Indefinite useful life Goodwill	Brand	Definite useful life 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

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 original 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. In connection with the annual impairment testing of goodwill, 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 internally developed software that will no longer be used.

There were no additional indications of impairments of intangible fixed assets.

2021	Indefinite useful life Goodwill	Brand	Definite useful life Customer base	Internally developed software	Other	Total
Cost, opening balance	15 488	158	1 878	6 593	1 432	25 549
Additions through internal development				1 423		1 423
Additions through separate acquisitions					88	88
Sales and disposals					–50	–50
Exchange rate differences	212	1	15	10	4	242
Cost, closing balance	15 700	159	1 893	8 026	1 474	27 252
Amortisation, opening balance			–1 348	–1 562	–1 042	–3 972
Amortisation for the year			–42	–366	–90	–498
Sales and disposals					45	45
Exchange rate differences			–15	–10	–4	–29
Amortisation, closing balance			–1 405	–1 938	–1 111	–4 454
Impairment, opening balance	–2 161	–66	–237	–712	–40	–3 216
Impairment for the year				–56		–56
Exchange rate differences	–38					–38
Impairment, closing balance	–2 199	–66	–237	–768	–40	–3 310
Carrying amount	13 501	93	251	5 320	323	19 488

Specification of intangible assets with indefinite useful life	Acquisition year	Carrying amount 2022	2021	1/1/2021
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	159
FSB Bolåndirekt Bank AB	2002	159	159	24
Söderhamns Sparbank AB	2007	24	24	13
PayEx AB	2017		425	429
Sweden		2 517	2 942	2 946
of which banking operations		1 538	1 538	1 538
of which other		979	1 404	1 408
Swedbank AS	1999	1 343	1 238	1 218
Swedbank AS	2000	14	13	12
Swedbank AS	2001	158	146	143
Swedbank AS	2005	9 742	8 981	8 827
Baltic countries		11 257	10 378	10 200
of which allocated to				
Banking operations in Estonia		4 711	4 344	4 269
Banking operations in Latvia		2 426	2 236	2 198
Banking operations in Lithuania		4 120	3 798	3 733
First Securities ASA	2005		181	181
Norway			181	181
Total		13 774	13 501	13 327

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.

Cash-generating unit	Annual average REA growth % 2022–2025	2021–2024	Annual REA growth % 2026–2048	2025–2048	Annual average REA growth % 2026–2048	2025–2048	Annual REA growth % 2049–	2049–
Banking operations								
Estonia	–5.3	6.4	–1.2–3.1	3.2–2.8	3.0	3.0	3.0	3.0
Latvia	2.1	13.1	–0.1–3.0	4.4–1.9	3.0	2.6	3.0	3.0
Lithuania	–4.4	9.2	0.5–8.5	3.4–1.8	3.0	2.8	3.0	3.0
Sweden	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0

Cash-generating unit	Annual average discount rate % 2022–2025	2022–2024	Average discount rate % 2026–2048	2025–2048	Annual average discount rate % 2026–2048	2025–2048	Average discount rate % 2049–	2049–
Banking operations								
Estonia	11.2	8.9	11.2–11.2	8.9	11.2	8.9	11.2	8.9
Latvia	12.0	9.4	12.0–12.0	9.4–9.0	12.0	9.2	12.0	9.0
Lithuania	11.4	9.1	11.4–11.4	9.1–9.0	11.4	9.0	11.4	9.0
Sweden	8.4	4.3	8.4	4.3	8.4	4.3	8.4	4.3

Sensitivity analysis, change in recoverable amount

Cash-generating unit	Net asset including goodwill, Carrying amount, SEKm 2022	2021	Recoverable amount, SEKm 2022	2021	Decrease in assumption of yearly growth by 1 percentage point 2022	2021	Increase in discount rate by 1 percentage point 2022	2021
Banking operations								
Estonia	24 310	22 174	35 479	34 624	–1 800	–1 677	–2 683	–3 378
Latvia	12 933	11 442	18 741	13 935	–995	–587	–1 501	–1 098
Lithuania	16 093	14 354	19 936	19 049	–978	–1 445	–1 487	–2 201
Sweden[1]	73 538	66 478	83 373	122 803	–389	–18 087	–5 349	–27 044

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 11 257 m (10 378). Goodwill is tested for impairment separately for each country. Essentially the same assumptions were used in the impairment testing for 2022 as at the previous year-end. The three-year financial plans have been updated, as a result of which the initial growth assumptions after the planning period have been reduced. 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 14 per cent (12).

Other cash generating units, excluding banking operations

Other recognised goodwill totalled SEK 979 m (1 585). 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 (3) and the lowest discount rate was 9 per cent (4), or 11 per cent (5) before tax.

Tangible assets

2022	Current assets Properties	Fixed assets 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	3 466	358	5 449

1) In the carrying amount for Other, Right-of-use assets are included with SEK 178m (207).

The useful life of equipment is deemed to be between three and ten 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 2022. 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, which were between 1 and 12 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.

2021	Current assets Properties	Fixed assets Equipment	Owner-occupied properties	Right-of-use assets for rented premises	Other[1]	Total
Cost, opening balance	79	2 975	1 345	4 820	260	9 479
Additions	3	241	7	389	264	904
Sales and disposals	–47	–191	–27	–113	–31	–409
Assessments and modifications				352	52	404
Exchange rate differences	1	11	21	14		47
Cost, closing balance	36	3 036	1 346	5 462	545	10 425
Amortisation, opening balance		–2 213	–487	–1 231	–102	–4 033
Amortisation for the year		–299	–36	–705	–93	–1 133
Sales and disposals		161	14	105	11	291
Exchange rate differences		–6	–8	–2		–16
Amortisation, closing balance		–2 357	–517	–1 833	–184	–4 891
Impairment, opening balance	–25					–25
Sales and disposals	14					14
Impairment, closing balance	–11					–11
Carrying amount	25	679	829	3 629	361	5 523

1) In the carrying amount for Other, Right-of-use assets are included with SEK 207m (72).

Other assets

	2022	2021	1/1/2021
Security settlement claims	3 770	4 891	8 760
Other financial assets	4 645	4 275	7 691
Total financial assets	8 415	9 166	16 451
Property taken over to protect claims	29	28	32
Other non-financial assets	30		
Total non-financial assets	59		
Total	8 474	9 194	16 483

Prepaid expenses and accrued income

	2022	2021	1/1/2021
Prepaid expenses	1 586	1 475	1 369
Unbilled receivables	443	495	548
Total	2 028	1 970	1 917

Amounts owed to credit institutions

	2022	2021	1/1/2021
Swedish central bank	58	22	49 941
Swedish banks	29 376	35 847	32 180
Other swedish credit institutions	5 099	5 242	6 938
Foreign central banks	12 035	28 149	29 774
Foreign banks	25 481	22 507	27 930
Foreign credit institutions	119	231	257
Repurchased agreements, swedish banks and credit institutions	0	814	1 419
Repurchase agreements, foreign banks and credit institutions	659	0	1 874
Total	72 826	92 812	150 313

Deposits and borrowings from the public

	2022	2021	1/1/2021
Private customers	703 935	655 636	588 487
Corporate customers	594 343	603 085	542 466
Total deposits from customers	1 298 278	1 258 721	1 130 953
Cash collaterals received	4 754	1 906	394
Repurchase agreements	2 815	5 088	16 824
Repurchase agreements, Swedish National Debt Office	1	0	0
Swedish National Debt Office	101	68	69
Total borrowing	7 670	7 063	17 287
Total	1 305 948	1 265 783	1 148 240

Financial liabilities for which customers bear the investment risk

	2022	2021	1/1/2021
Investment contracts, unit-link	274 039	309 289	234 395
Investment contracts, life	17 954	20 378	18 834
Total	291 993	329 667	253 229

Debt securities in issue

	2022	2021	1/1/2021
Commercial papers	316 114	165 067	127 209
Covered bonds	343 284	436 989	471 491
Senior unsecured bonds	122 559	129 809	128 437
Structured retail bonds	2 249	4 052	5 677
Total	784 206	735 917	732 814

Short positions in securities

	2022	2021	1/1/2021
Shares	240	249	561
Interest-bearing securities	26 894	28 364	22 739
Total	27 134	28 613	23 300
of which own issued shares	105	121	155

20230706051870

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 74 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 168m (253) 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	2022	2021	1/1/2021
Funded pension obligations and payroll tax	18 892	26 438	26 824
Unfunded pension obligations and payroll tax	168	253	235
Fair value of plan assets	−21 324	−24 890	−23 394
Total	−2 263	1 801	3 665
of which reported as pension assets	2 431		
of which reported as pension provisions	168	1 801	3 665

Changes in defined benefit pension plans, including payroll tax	2022	2021
Opening obligations	26 691	27 059
Current service cost and payroll tax	653	701
Interest expense on pension obligations	550	375
Pension payments	−841	−802
Payroll tax payments	−183	−181
Remeasurement	−7 830	−461
Closing obligations	19 061	26 691

Pension obligations, including payroll tax	2022	2021	2022 Number
Active members	5 519	9 824	3 601
Deferred members	4 099	5 896	9 688
Pensioners	9 443	10 981	13 526
Total	19 061	26 691	26 815
Vested benefits	18 302	24 223	
Non-vested benefits	759	2 468	
Total	19 061	26 691	
of which attributable to future salary increases	1 118	2 685	

Changes in plan assets	2022	2021
Opening fair value	24 890	23 394
Interest income on plan assets	521	330
Contributions by the employer	644	743
Pension payments	−840	−801
Remeasurement	−3 892	1 225
Closing fair value	21 324	24 890

Fair value of plan assets	2022	of which quoted market price in an active market	2021	of which quoted market price in an active market
Bank balances	403		149	
Debt instruments:				
Swedish government and municipalities	376	376	375	375
Derivatives, currency-related	−2		−33	
Investment funds, interest	8 220	8 220	11 242	11 242
Investment funds, shares	6 450	6 450	8 045	8 045
Investment funds, other	5 876	1 602	5 112	1 956
Total	21 324	16 648	24 890	21 619

Undiscounted cash flows	2022						2021					
Remaining maturity	≤ 1 yr	> 1–5 yrs	> 5–10 yrs	> 10 yrs	No maturity/discount effect	Total	≤ 1 yr	> 1–5 yrs	> 5–10 yrs	> 10 yrs	No maturity/discount effect	Total
Pension obligations, including payroll tax	943	3 698	4 894	30 817	−21 291	19 061	860	3 491	4 707	31 758	−14 125	26 691
Plan assets	544	182	53		20 544	21 324	288	196	39		24 367	24 890
Expected contributions by the employer	289					289	680					680

Pension costs reported in income statement	2022	2021
Current service cost and payroll tax	653	701
Interest expense on pension obligations	550	375
Interest income on plan assets	−521	−330
Pension cost defined benefit pension plans	682	746
Premiums paid for defined contribution pension plans and payroll tax	783	747
Total	1 465	1 493

Remeasurements of defined benefit pension plans reported in other comprehensive income	2022	2021
Actuarial gains and losses based on experience	−1 011	310
	−49	
Actuarial gains and losses arising from changes in financial assumptions	8 890	152
Return on plan assets, excluding amounts included in interest income	−3 892	1 225
Total	3 938	1 686

Actuarial assumptions, per cent	2022	2021
Financial		
Discount rate, 1 January	2.10	1.41
Discount rate, 31 December	4.25	2.10
Future annual salary increases, 1 January	3.51	3.01
Future annual salary increases, 31 December	2.69	3.51
Future annual pension indexations/inflation, 1 January	2.30	1.51
Future annual pension indexations/inflation, 31 December	2.11	2.30
Future annual changes in income base amount, 1 January	4.04	3.17
Future annual changes in income base amount, 31 December	3.20	4.04
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	2022	2020
Financial		
Change in discount rate −25 bps	652	1 263
Change in salary assumption +25 bps	261	502
Change in pension indexation/inflation assumption +25 bps	698	1 230
Change in income base amount assumption −25 bps	115	229
Demographic		
All entitled employees choose early retirement option at maximum	495	604
Change in employee turnover assumption −25 bps	6	31
Expected remaining life for a 65 years old man and woman +2 year	991	2 121

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 (21). A reduction in the discount rate of 0.25 bp would increase the pension provision by approximately SEK 652m (1 263) and the pension cost by SEK 49m (52). 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

	Life insurance			Non-life insurance			Total		
	2022	2021	1/1/2021	2022	2021	1/1/2021	2022	2021	1/1/2021
Opening balance	1 421	1 406	1 416	549	453	478	1 970	1 859	1 894
Provisions	667	798	701	988	704	625	1 655	1 502	1 326
Payments	−831	−794	−684	−851	−617	−633	−1 682	−1 411	−1 317
Exchange rate differences	52	11	−27	46	9	−17	98	20	−44
Closing balance	1 309	1 421	1 406	732	549	453	2 041	1 970	1 859

Provisions for insurance contracts

The Group allocates provisions for the insurance contracts or parts of contracts where significant insurance risks are transferred from the policyholder to the Group. Insurance risks differ from financial risks and mean that the Group compensates the policyholder if a specified uncertain future event adversely impacts the policyholder. The Group is compensated through premiums received from policyholders. Provisions are allocated for established claims and correspond to the amount that will be paid out. Provisions are also made for damages incurred but not reported. A statistical assessment of anticipated claims based on previous years' experience with each type of insurance contract is used as a basis for the provision. Assumptions are made with regard to interest rates, morbidity, mortality and expenses.

G42 Other liabilities and provisions

	2022	2021	1/1/2021
Security settlement liabilities	1 939	4 463	5 047
Lease liabilities	3 631	3 759	3 611
Other financial liabilities	20 693	19 994	21 072
Provisions for commitments and financial guarantees	714	644	806
Total financial liabilities	26 977	28 860	30 536
Other provisions	66	73	74
Total	26 944	28 933	30 610

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 3 2.6. Changes in the lease liabilities are presented in note 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 251m (3 595). Future cash outflows for leases not yet commenced to which the Group is committed amounted to SEK 2 515m (769). 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

	2022	2021	1/1/2021
Accrued expenses	2 988	3 169	2 842
Contract liabilities	1 676	1 644	1 196
Total	4 664	4 813	4 038

G44 Subordinated liabilities

	2022	2021	1/1/2021
Subordinated loans	21 925	14 980	14 900
Undated subordinated loans, Additional Tier 1 capital	9 406	13 624	8 534
Total	31 331	28 604	23 434

Fixed-term subordinated loans

Year of issue	Maturity	First optional call date	Currency	Nominal amount	Carrying amount	Coupon interest %
2018	2033	2028-03-28	JPY	5 000	387	0.90%
2016	2028	2023-04-12	JPY	8 000	631	0.75%
2018	2028	2023-05-08	SEK	1 200	1 202	1.59%
2018	2028	2023-06-29	JPY	11 000	867	0.95%
2018	2028	2023-09-18	EUR	500	5 461	1.50%
2022	2032	2027-11-15	GBP	400	5 032	7.27%
2022	2032	2027-08-23	EUR	750	7 802	3.63%
2022	2032	2027-06-16	JPY	7 000	543	1.45%
Total					21 925	

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	4 971	5.63%
2021	Undated	2029-03-17[2]	USD	500	4 435	4.00%
Total					9 406	

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.

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.

	2022	2021	1/1/2021
Restricted equity			
Share capital, ordinary shares	24 904	24 904	24 904
Statutory reserve	10 505	10 399	9 627
Equity method reserve	5 270	5 376	4 995
Fund for internally developed software	4 399	4 224	3 430
Other reserve	21 201	19 936	17 478
Total	66 279	64 839	60 434
Non-restricted equity			
Currency translation from foreign operations	3 680	2 046	1 686
Cash flow hedge reserve	10	2	1
Foreign currency basis reserve	−8	−57	−62
Own credit risk reserve			−18
Share premium reserve	13 206	13 206	13 206
Retained earnings	92 896	81 634	79 921
Total	109 784	96 831	94 734
Non-controlling interest	29	26	25
Total equity	176 092	161 696	155 193

Ordinary shares

Number of shares	2022	2021	1/1/2021
Number of shares authorised			
Issued and fully paid	1 132 005 722	1 132 005 722	1 132 005 722
Own shares	−8 934 918	−10 570 929	−12 013 947
Number of outstanding shares	1 123 070 804	1 121 434 793	1 119 991 775
Opening balance	1 121 434 793	1 119 991 775	1 118 304 389
Share delivery due to Equity-settled share based programmes	1 636 011	1 443 018	1 687 386
Closing balance	1 123 070 804	1 121 434 793	1 119 991 775

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 (-3 349).

20230706518771

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.

		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		365 992					365 992	365 992
Treasury bills and other bills eligible for refinancing with central banks, etc	G22	132 741	9 993	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[1]	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		-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			290 678	290 678		290 678	290 678
Shares and participating interests	G27		6 738	1 446	8 184		8 184	8 184
Derivatives	G29		48 980		48 980	1 524	50 504	50 504
Other financial assets	G33	8 415					8 415	8 415
Total		2 355 314	133 900	324 846	458 746	1 524	2 815 584	2 811 470

			Fair value through profit or loss					
Financial liabilities	Note	Amortised cost	Trading	Designated	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			291 993	291 993		291 993	291 993
Debt securities in issue[2]	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 liabilities		57 439					57 439	59 361
Subordinated liabilities	G44	31 331					31 331	31 121
Other financial liabilities	G42	26 877					26 877	26 877
Total		2 272 782	100 257	292 115	392 372	1 280	2 666 433	2 669 100

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

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

		2021						
			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		360 153					360 153	360 153
Treasury bills and other bills eligible for refinancing with central banks, etc	G22	128 523	25 314	9 753	35 067		163 590	163 600
Loans to credit institutions	G23	38 121	1 383		1 383		39 504	39 504
Loans to the public[1]	G24	1 678 446	24 561	199	24 760		1 703 206	1 703 553
Value change of the hedged items in portfolio hedges of interest rate risk		-1 753					-1 753	-1 753
Bonds and other interest-bearing securities	G25		29 584	28 509	58 093		58 093	58 093
Financial assets for which customers bear the investment risk	G26			328 512	328 512		328 512	328 512
Shares and participating interests	G27		12 067	1 349	13 416		13 416	13 416
Derivatives	G29		30 970		30 970	9 561	40 531	40 531
Other financial assets	G33	9 166					9 166	9 166
Total		2 212 656	123 879	368 322	492 201	9 561	2 714 418	2 714 775

			Fair value through profit or loss					
Financial liabilities	Note	Amortised cost	Trading	Designated	Total	Hedging instruments	Total carrying amount	Fair value
Amounts owed to credit institutions	G35	91 998	814		814		92 812	92 812
Deposits and borrowings from the public	G36	1 260 695	5 088		5 088		1 265 783	1 265 779
Financial liabilities for which customers bear the investment risk	G37			329 667	329 667		329 667	329 667
Debt securities in issue[2]	G38	731 727	4 053	137	4 190		735 917	740 327
Short position securities	G39		28 613		28 613		28 613	28 613
Derivatives	G29		26 401		26 401	1 705	28 106	28 106
Senior non-preferred liabilities		37 832					37 832	38 492
Subordinated liabilities	G44	28 604					28 604	29 026
Other financial liabilities	G42	28 860					28 860	28 860
Total		2 179 716	64 969	329 804	394 773	1 705	2 576 194	2 581 682

1) Financial leasing agreements, when the Group is acting as lessor, are included in the valuation category Amortised cost since they are covered by provisions for expected credit losses
2) Nominal amount of debt securities in issue designated at fair value through profit or loss was SEK 102m.

Interest Rate Benchmark Reform (the Reform)
IBOR transition is a market move from existing Interbank Offered Rates (IBORs) towards alternative Risk Free Rates (RFRs). IBORs act as reference rates for a broad range of financial instruments and are therefore key to financial stability. IBOR transition is a market move from existing Interbank Offered Rates (IBORs) towards alternative Risk Free Rates (RFRs). IBORs 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 runs an IBOR Transition programme across the Group. The goal is 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. Libor rates (GBP, USD, CHF, EUR, JPY) ceased to exist on 31 December 2021 and EONIA ceased to exist on 3rd of January 2022.

USD Libor 1m, 3m, 6m and 12m will end in June 2023. Euribor (EUR), Stibor (SEK), Nibor (NOK) and Cibor (DKK) have undergone a reform to meet the requirements of the Benchmark Regulation. Euribor and Cibor were approved in 2019 and Nibor in 2020. The Stibor Administrator, Swedish Financial Benchmark Facility (SFBF) applied for authorisation in the end of 2021 and the expectation is that this application will be approved by the Swedish Financial Supervisory Authority during 2023. These IBORs are expected to be available beyond 2021 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.

Where applicable, Swedbank applies 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.

The table below shows the nominal amounts of financial assets, financial liabilities and derivatives affected by IBOR reform that have yet to transition to an alternative benchmark interest rate. Derivatives which have both pay and receive legs with exposure to the benchmark reform, such as cross currency swaps, are disclosed for both legs.

	2022		2021				
	USD Libor	Total	EUR Libor	GBP Libor	USD Libor	Other[1]	Total
Financial assets							
Loans to credit institutions	1 983	1 983		47	1 879	13	1 939
Loans to the public	13 589	13 589	1 984	1 959	19 595	79	23 607
Total	15 572	15 572	1 984	2 007	21 463	93	25 546
Financial liabilities							
Amounts owed to credit institutions					32		32
Debt securities in issue	3 170	3 170			20 955		20 955
Total	3 170	3 170			20 988		20 988
Derivatives	1 397 078	1 397 078			1 367 171		1 367 171

1) Other includes CHF Libor and JPY Libor

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 recognized 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.

	2022				2021			
	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	15 630	3 112		18 742	27 580	7 487		35 067
Loans to credit institutions		15		15		1 383		1 383
Loans to the public		30 817	33	30 850		24 746	14	24 760
Bonds and interest-bearing securities	42 138	19 160		61 298	29 272	28 821		58 093
Financial assets for which the customers bear the investment risk	290 534		144	290 678	328 512			328 512
Shares and participating interest	7 093	4	1 087	8 184	12 139		1 277	13 416
Derivatives	179	50 325		50 504	162	40 369		40 531
Total	355 580	103 433	1 258	460 271	397 665	102 806	1 291	501 762
Liabilities								
Amounts owed to credit institutions		659		659		814		814
Deposits and borrowings from the public		2 815		2 815		5 088		5 088
Debt securities in issue		2 371		2 371		4 190		4 190
Financial liabilities for which the customers bear the investment risk		291 849	144	291 993		329 667		329 667
Derivatives	197	68 482		68 679	123	27 583		28 106
Short positions securities	27 014	120		27 134	25 738	2 875		28 613
Total	27 211	366 296	144	393 651	25 861	370 617		396 478

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 2022 and 2021, there were no transfers of financial instruments between valuation levels 1 and 2.

Changes in Level 3

	2022					2021		
	Assets				Liabilities	Assets		
	Equity instruments	Loans	Fund units of which customers bear the investment risk	Total	Liabilities for which the customers bear the investment risk	Equity instruments	Loans	Total
Opening balance	1 277	14		1 291		1 127		1 127
Purchases	28	23		51		13	5	18
Shares received						21		21
Sale of assets/ dividends received	−52		−11	−63		−89		−89
Conversion Visa Inc shares	−461			−461				
Issued							8	8
Sale of liabilities					−11			
Transferred from Level 1 to Level 3			139	139				
Transferred from Level 2 to Level 3					139			
Gains or losses. Net gains and losses on financial items	289	−4	16	301	16	204	1	205
of which changes in unrealised gains or losses for items held at closing day	127	−4	15	138	15	135	1	136
Closing balance	1 081	33	144	1 258	144	1 277	14	1 291

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. During 2022 there was a conversion of VISA Inc. C shares to VISA Inc. A. As of year end 2022, the carrying amount for the holdings in Visa Inc. C amounts to SEK 421m (675).

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.

	2022				2021			
	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.	132 741	50	132 693	132 743	128 523	85	128 447	128 533
Loans to credit institutions	56 574		56 574	56 574	38 121		38 121	38 121
Loans to the public	1 811 962		1 807 845	1 807 845	1 678 446		1 678 794	1 678 794
Total	2 001 276	50	1 997 112	1 997 162	1 845 091	86	1 845 362	1 845 448
Liabilities								
Amounts owed to credit institutions	72 167		72 167	72 167	91 998		91 998	91 998
Deposits and borrowing from the public	1 303 133		1 303 123	1 303 123	1 260 695		1 260 691	1 260 691
Debts securities in issue	781 834	233 914	548 885	782 799	731 727	310 473	425 665	736 138
Senior non-preferred liabilities	57 439		59 361	59 361	37 832		38 493	38 493
Subordinated liabilities	31 331		31 121	31 121	28 604		29 026	29 026
Total	2 245 905	233 914	2 014 657	2 248 571	2 150 857	310 473	1 845 873	2 156 346

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 20 830m (1 447) derived from the balance sheet item Amounts owed to credit institutions. The amount offset for derivative liabilities includes offset cash collateral of SEK 23 213m (2 249), derived from the balance sheet item Loans to credit institutions.

Assets

	2022					2021				
	Derivatives	Reverse repurchase agreements	Security settlement claims	Securities borrowing	Total	Derivatives	Reverse repurchase agreements	Security settlement claims	Securities borrowing	Total
Financial assets, which not have been offset or are not subject to netting agreements	1 154		3 517		4 671	1 099		4 891		5 990
Financial assets, which have been offset or are subject to netting agreements	49 350	30 601	253	73	80 277	39 433	25 944			65 377
Net carrying amount on the balance sheet	*50 504*	*30 601*	*3 770*	*73*	*84 948*	*40 531*	*25 944*	*4 891*		*71 366*
Financial assets, which have been offset or are subject to netting agreements										
Gross amount	1 244 398	117 476	272	73	1 362 130	183 906	88 507	28		272 441
	−1 194									−207
Offset amount	958	−86 875	−19		−1 281 853	−144 473	−62 563	−28		064
Net carrying amount on the balance sheet	49 350	30 601	253	73	80 277	39 433	25 944			65 377
Related amount not offset on the balance sheet										
Financial instruments, netting agreements	27 278	978	253		28 509	15 332	3 960			19 292
Financial instruments, collateral	339	29 526			29 865	1 566	21 953			23 519
Cash, collateral	8 553	26			8 579	13 850	0			13 850
Total amount not offset on the balance sheet	36 170	30 530	253		66 953	30 748	25 913			56 661
Net amount	13 180	71		73	13 324	8 685	31			8 716

Liabilities

	2022					2021				
	Derivatives	Repurchase agreements	Security settlement liabilities	Securities lending	Total	Derivatives	Repurchase agreements	Security settlement liabilities	Securities lending	Total
Financial liabilities, which have not been offset or are not subject to netting agreements	2 094		1 939		4 033	480		4 435		4 915
Financial liabilities, which have been offset or are subject to netting agreements	66 585	3 474	0	23	70 082	27 625	5 902	26	28	33 583
Net carrying amount on the balance sheet	68 679	3 474	1 939	23	74 115	28 106	5 902	4 463	28	38 499
Financial liabilities, which have been offset or are subject to netting agreements										
Gross amount	1 263 926	90 349	20	23	1 354 318	172 900	65 472	3 049	28	241 449
	−1 197									−207
Offset amount	341	−86 875	−19		−1 284 235	−145 275	−59 570	−3 021		666
Net carrying amount on the balance sheet	66 585	3 474	0	23	70 083	27 625	5 902	28	28	33 583
Related amount not offset on the balance sheet										
Financial instruments, netting agreements	27 278	1 231	0		28 509	15 332	3 932	28		19 292
Financial instruments, collateral	6 945	2 132		23	9 100	7 492	1 949		28	9 469
Cash, collateral	21 497				21 497	4 801				4 801
Total amount not offset on the balance sheet	55 720	3 363	0	23	59 106	27 625	5 881	28	28	33 561
Net amount	10 865	111			10 977	1	21			22

G49 Specification of adjustments for non-cash items in operating activities

	2022	2021
Amortised origination fees	−869	−764
Unrealised changes in value/currency changes	107	−2 266
Undistributed share of equity in associates	−738	−976
Depreciation and impairment of tangible fixed assets including repossessed leased assets	1 170	1 133
Amortisation and impairment of goodwill and other intangible assets	1 650	554
Credit impairments	1 636	395
Prepaid expenses and accrued income	−58	−54
Accrued expenses and prepaid income	−148	−1 078
Share-based payment	174	195
Other	−124	−2
Total	2 800	−2 869

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 43 898m (30 810) and interest payments of SEK 11 760m (4 068). 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.

2022

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

2021

Contributions were provided to joint ventures P27 Nordic Payments Platform AB of SEK 25m and Invidem AB of SEK 25m. Additional shares were acquired in associate BGC Holding AB of SEK 1m.

Shares in Nemnet Group AB were sold and Swedbank received a cash payment of SEK 110m which are reported within Disposals of/maturity of other fixed assets and strategic financial assets in the cash flow statement.

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 Group considers liquidity.

What the Group considers to be liquidity and the Group's risk management of liquidity risks are described in note G 3.2

G51 Dividend paid and proposed

Ordinary shares	2022 SEK per share	2022 Total	2021 SEK per share	2021 Total
Dividend paid, 22nd of February			4,35	4 871
Dividend paid, 1st of April			2,90	3 252
Dividend paid, 6th of April	11,25	12 632		
Dividend paid, 4th of November			7,30	8 187
Total	11,25	12 632	14,55	16 310
Proposed dividend to Annual General Meeting	9,75	10 965	11,25	12 632
Total	9,75	10 965	11,25	12 632

The Board of Directors recommends that shareholders receive a dividend of SEK 9.75 (11.25) per ordinary share in 2023 for the financial year 2022, corresponding to SEK 10 965m (12 632). For more information see parent company note P44.

G52 Assets pledged, contingent liabilities and commitments

Assets pledged

Assets pledged for own liabilities	2022	2021	1/1/2021
Government securities and bonds at the Swedish central bank	236	348	50 725
Government securities and bonds at foreign central banks	31 389	14 981	12 401
Government securities and bonds for liabilities to credit institutions, repurchase agreements	1 963	2 360	10 986
Government securities and bonds pledged for deposits from the public, repurchase agreements	27 405	32 957	17 515
Loans secured for for covered bonds[1]	382 095	473 539	361 209
Assets recorded in register on behalf of insurance policy holders	290 678	329 512	247 632
Cash	21 807	5 109	18 464
Total	755 573	857 807	918 932

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

The carrying amount of liabilities for which assets are pledged amounted to SEK 674 263m (856 675) for the Group.

Other assets pledged	2022	2021	1/1/2021
Shares	217	449	447
Government securities and bonds pledged for other commitments	8 899	7 597	6 256
Cash	5 171	482	453
Total	14 287	8 529	7 166

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-restricted as long as the pledge or arrangement remains in effect. The transactions are made on commercial terms.

Contingent liabilities

Nominal amount	2022	2021	1/1/2021
Loan guarantees	2 994	2 868	5 121
Other guarantees	38 848	46 031	41 676
Accepted and endorsed notes	1 352	1 073	828
Letters of credit granted but not utilised	2 439	3 697	3 071
Other contingent liabilities	75	157	172
Total	45 708	53 825	50 868

Commitments

Nominal amount	2022	2021	1/1/2021
Loans granted but not paid[2]	202 987	204 812	259 683
Overdraft facilities granted but not utilised	62 089	64 172	66 492
Total	265 076	268 984	326 175
Credit impairment provisions for contingent liabilities and commitments	−714	−644	−606

2) During the year a change has been made regarding which engagements are included in Loans granted not paid.

AML ongoing investigations

Swedbank is cooperating with authorities in the United States, who are conducting investigations into Swedbank's historic AML compliance and the Group's response thereto, as well as related issues involving the Group's anti-money laundering controls and certain individuals and entities who may at some time have been customers of the Group. In March 2022, Swedbank AS in Estonia was informed by the Estonian Prosecutor that Swedbank AS is suspected of money laundering during the period 2014-2016. The timing of the completion of the investigations is still unknown and the outcome is still uncertain. At present, it is not possible to reliably estimate the amount of any potential settlement or fines, which could be material.

IT incident

In April, Swedbank experienced a serious IT incident in connection with a system update. The incident caused incorrect balances in customers' accounts and subsequent payment problems while also affecting the availability of the bank's services. In October, the Swedish FSA informed that it is investigating the incident and assessing a possible sanction. It cannot be ruled out that the investigation may lead to negative financial effects for the Group.

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		
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

	Transferred assets			Associated liabilities		
2021	Carrying amount	Of which repurchase agreements	Of which securities lending	Carrying amount	Of which repurchase agreements	Of which securities lending
Shares	449		449	25		25
Debt securities	35 317	35 317		35 365	35 365	
Total	35 766	35 317	449	35 390	35 365	25

G27 Related parties and other significant relationships

	Associates and Joint ventures		Other related parties	
Assets	2022	2021	2022	2021
Loans to credit institutions	17 437	15 868		
Loans to the public	7	8		
Derivatives	16	6		
Other assets		6		
Total assets	17 460	15 888		
Liabilities				
Amount owed to credit institutions	3 336	4 912		
Deposits and borrowing from the public		2	487	250
Debt securities in issue, etc.	631	632		
Derivatives	11	12		
Other liabilities	41	49		
Accrued expenses and prepaid income		114		
Total liabilities	4 019	5 722	487	250
Derivatives, nominal amount	745	774		
Income and expenses				
Interest income	230	−103		
Interest expenses	21	3		
Dividends received	1 020	587		
Commission income	529	595		
Commission expenses	383	593		
Net gains and losses on financial items	−3	3		
Other income	596	715		
Other general administrative expenses	1	48		

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 213m (51). Dividend received from associates and joint ventures amounted to SEK 1 020 m (587). As of 31 December associates have issued guarantees and pledged assets of SEK 593m (575) 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 the view of this, Swedbank has a close and comprehensive cooperation with 58 of the total 59 Savings Banks in Sweden. A comprehensive 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 distribution of Swedbank's products and services to their customers, while having continued access to Swedbank's infrastructure and product range. In addition to marketing and product issues, close cooperation exists 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 many 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.

G28 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 primarily sponsor of investment funds where the Group serves as a 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 1 351 542 m (1 519 191).

Alternative investment funds
Swedbank is also a sponsor in 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.

	2022			2021	
	Group Sponsored Investment Funds	Group Alternative Investment Funds	Total	Group Sponsored Investment Funds	Total
Financial assets of which the customers bear the investment risk	17 069		17 069	19 529	19 529
Shares and participating interests	134	11	146	160	160
Total assets recognised in the balance sheet	17 204	11	17 215	19 689	19 689
Loan commitment				1 170	1 170
The Group's maximum exposure to loss	17 204	11	17 215	20 859	20 859
Total income from interests[1]	10 590	2	10 592	11 371	11 371

1) The result from interests in unconsolidated structured entities includes asset management fees, changes in fair value and interest income.

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.

G29 Sensitivity analysis

	Change	2022	2021
Net interest income, 12 months[1]			
Increased interest rates	+1 % point	7 794	4 578
Decreased interest rates	−1 % point	−3 274	−2 379
Change in value[2]			
Market interest rate	+1 % point	−114	76
	−1 % point	173	−114
Stock prices	+10%	6	14
	−10%	23	50
Exchange rates	+5%	38	19
	−5%	−17	46
Other			
Stock market performance[3]	+/− 10 %	+/−546	+/−677
Staff changes	+/− 100 persons	+/−79	+/−78
Payroll changes	+/− 1 % point	+/−123	+/−117
Credit impairment ratio	+/− 0.1 % point	+/−1 899	+/−1 743

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.

G27 Changed presentation regarding resolution fees

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

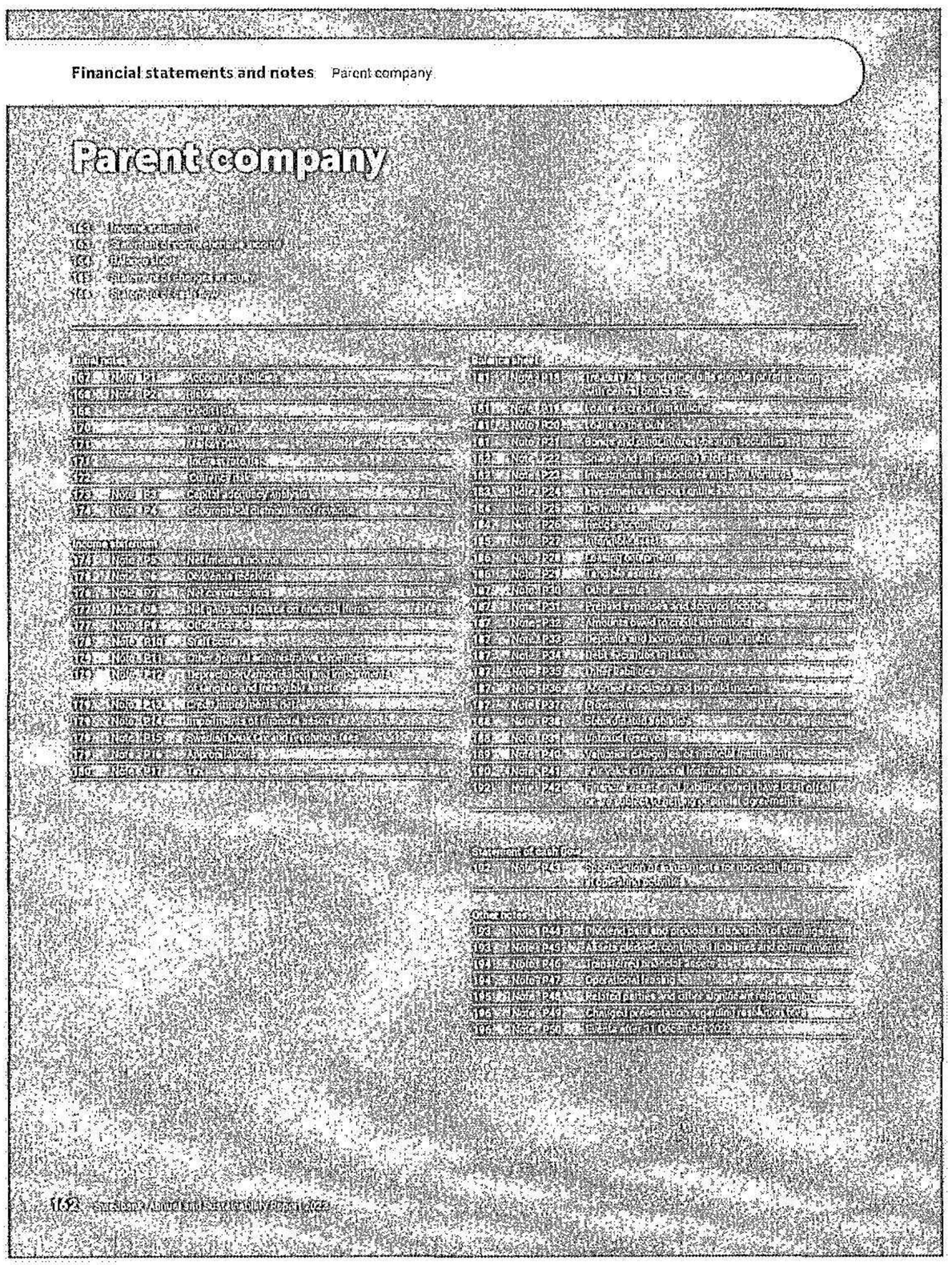
Income statement, Group

		2021		
SEKm	Note	Previous reporting	Change	New reporting
Interest income on financial assets at amortised cost		29 912		29 912
Other interest income		452		452
Interest income		30 364		30 364
Interest expense		−4 107	791	−3 316
Net interest income	G8	26 257	791	27 048
Commission income		22 407		22 407
Commission expense		−7 554		−7 554
Net commission income	G9	14 853		14 853
Net gains and losses on financial items	G10	2 048		2 048
Net insurance	G11	1 457		1 457
Share of profit or loss of associates and joint ventures	G28	976		976
Other income	G12	1 299		1 299
Total income		46 890	791	47 681
Staff costs	G13	12 739		12 739
Other general administrative expenses	G14	6 477		6 477
Depreciation/amortisation of tangible and intangible assets	G15	1 631		1 631
Total expenses		20 847		20 847
Profit before impairments, Swedish bank tax and resolution fees		26 043	791	26 834
Impairment of intangible assets	G31	56		56
Credit impairments	G17	170		170
Swedish bank tax and resolution fees	G18		791	791
Profit before tax		25 817		25 817
Tax expense	G19	4 945		4 945
Profit for the year		20 872		20 872
Profit for the year attributable to:				
Shareholders of Swedbank AB		20 871		20 871
Non-controlling interests		1		1
C/I ratio		0.44		0.44

G30 Events after 31 December 2022

On 18 January, it was announced that Bo Bengtsson has been appointed Head of Large Corporates and Institutions and will become a member of the Group Executive Committee. Bo Bengtsson left Swedbank's Board of Directors on 18 January and takes up his new position on 1 March 2023.

Parent company



20230706531872

Income statement, Parent company

SEKm	Note	2022	2021[1]
Interest income on financial assets measured at amortised cost		25 176	9 872
Other interest income		2 367	457
Leasing income		5 137	4 906
Interest income		32 680	15 235
Interest expense		−12 008	−657
Net interest income	P5	20 672	14 578
Dividends received	P6	16 811	17 065
Commission income		8 548	8 660
Commission expense		−2 193	−2 119
Net commission income	P7	6 355	6 541
Net gains and losses on financial items	P8	−1 186	920
Other income	P9	3 106	2 249
Total income		45 758	41 353
Staff costs	P10	10 504	9 862
Other general administrative expenses	P11	5 977	6 087
Depreciation/amortisation and impairment of tangible and intangible assets	P12	5 047	4 956
Total expenses		21 528	20 905
Profit before impairments, Swedish bank tax and resolution fees		24 230	20 448
Credit impairments, net	P13	735	78
Impairment of financial assets	P14	1 946	
Swedish bank tax and resolution fees	P15	1 089	305
Operating profit		20 460	20 065
Appropriations	P16	−5 263	−53
Tax expense	P17	5 187	4 031
Profit for the year		20 536	16 087

1) Presentation has been changed, see note P49

Statement of comprehensive income, Parent company

SEKm	Note	2022	2021
Profit for the year reported via income statement		20 536	16 087
Total comprehensive income for the year		20 536	16 087

Balance sheet, Parent company

SEKm	Note	2022	2021	1/1/2021
Assets				
Cash and balances with central banks		215 314	194 353	167 121
Treasury bills and other bills eligible for refinancing with central banks, etc.	P19	144 458	155 998	131 657
Loans to credit institutions	P19	830 322	650 948	669 495
Loans to the public	P20	470 187	391 675	428 997
Bonds and other interest-bearing securities	P21	60 484	58 199	60 631
Shares and participating interests	P22	5 614	12 815	16 576
Investments in associates and joint ventures	P23	2 578	2 365	2 339
Investments in Group entities	P24	62 242	63 744	63 406
Derivatives	P25	67 764	44 323	59 644
Intangible assets	P27	268	314	328
Leasing equipment	P28	17 215	16 586	16 135
Tangible assets	P29	629	560	560
Current tax assets		1 421	1 226	1 275
Other assets	P30	17 989	22 595	28 586
Prepaid expenses and accrued income	P31	1 772	1 795	1 634
Total assets		1 898 757	1 617 496	1 648 604
Liabilities and equity				
Liabilities				
Amounts owed to credit institutions	P32	162 348	100 610	246 804
Deposits and borrowings from the public	P33	943 777	942 932	869 222
Debt securities in issue	P34	435 782	296 918	259 922
Derivatives	P25	100 346	42 542	74 236
Current tax liabilities		1 264	666	363
Deferred tax liabilities	P17	888	239	152
Other liabilities	P35	45 374	49 838	46 327
Accrued expenses and prepaid income	P36	2 629	2 641	2 856
Provisions	P37	710	623	814
Senior non-preferred liabilities		57 439	37 832	10 359
Subordinated liabilities	P38	31 331	28 604	23 434
Total liabilities		1 781 888	1 503 445	1 534 489
Untaxed reserves	P39	5 367	10 630	10 692
Equity				
Share capital		24 904	24 904	24 904
Other funds		19 174	19 174	19 174
Retained earnings		67 424	59 343	59 355
Total equity		111 502	103 421	103 433
Total liabilities and equity		1 898 757	1 617 496	1 648 604

The balance sheet and income statement will be adopted at the Annual General Meeting on 30 March 2023.

Statement of changes in equity, Parent company

SEKm	Restricted equity: Share capital[1]	Restricted equity: Statutory reserve	Non-restricted equity: Share premium reserve	Non-restricted equity: Retained earnings	Total
Opening balance 1 January 2022	24 904	5 968	13 206	59 343	103 421
Dividend				−12 632	−12 632
Share based payments to employees				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	
Opening balance 1 January 2021	24 904	5 968	13 206	59 355	103 433
Dividend				−16 310	−16 310
Share based payments to employees				195	195
Deferred tax related to share based payments to employees				18	18
Current tax related to share based payments to employees				−2	−2
Total comprehensive income for the year				16 087	16 087
of which through the Profit and loss account				16 087	16 087
Closing balance 31 December 2021	24 904	5 968	13 206	59 343	103 421
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	2022	2021
Operating activities			
Operating profit		20 460	20 065
Adjustments for non-cash items in operating activities	P43	−6 958	−11 286
Taxes paid		−3 894	−3 504
Increase (-) / decrease (+) in loans to credit institutions		−178 800	18 520
Increase (-) / decrease (+) in loans to the public		−77 849	37 619
Increase (-) / decrease (+) in holdings of securities for trading		16 852	−18 148
Increase (+) / decrease (-) in deposits and borrowings from the public		291	73 709
Increase (+) / decrease (-) in amounts owed to credit institutions		61 564	−146 192
Increase (-) / decrease (+) in other assets		−1 255	33 493
Increase (+) / decrease (-) in debt securities in issue		106 449	28 140
Increase (+) / decrease (-) in other liabilities		61 059	−29 567
Cash flow from operating activities		−2 081	2 849
Investing activities			
Acquisition of and contribution to Group entities and associates and joint ventures		−243	−52
Acquisition of other fixed assets and strategic financial assets		−9 143	−8 142
Disposals of other fixed assets and strategic financial assets		2 682	2 865
Dividends and Group contributions received		18 927	14 809
Cash flow from investing activities		12 223	9 480
Financing activities			
Issuance of senior non-preferred liabilities	P2.2	22 993	27 501
Redemption of senior non-preferred liabilities	P2.2	−257	
Issuance of subordinated liabilities	P2.2	13 375	4 328
Redemption of subordinated liabilities	P2.2	−12 660	−616
Dividends paid		−12 632	−16 310
Cash flow from financing activities		10 819	14 903
Cash flow for the year		20 961	27 232
Cash and cash equivalents at the beginning of the year		194 353	167 121
Cash flow for the year		20 961	27 232
Cash and cash equivalents at end of the year		215 314	194 353

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 31 396m (15 137) and interest payments of SEK 10 257m (978). 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.

2022
During the year shares were acquired in the associate Tibern AB amounting to SEK 3m. Contributions were during the year paid directly to Swedbank PayEx Holding AB's subsidiary PayEx Sverige AB of SEK 119m, Invidem AB of SEK 49m and to P27 Nordic Payment Platform AB of SEK 72m.

2021
During the year additional shares were acquired in the associate BGC Holding AB amounting to SEK 1m. Contributions were during the year paid to Invidem AB of SEK 25m and to P27 Nordic Payment Platform AB of SEK 25m.

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 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.

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 Financial 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.

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

	2022			2021		
Loans to credit institutions	Stage 1	Stage 2	Total	Stage 1	Stage 2	Total
Gross carrying amount before provisions						
Opening balance	648 877	12	648 889	608 546	27	608 573
Closing balance	806 404	10	806 414	648 877	12	648 889
Credit impairment provisions						
Opening balance	14	0	14	37	0	37
Movements affecting credit impairments						
New and derecognised financial assets, net	29	−1	28	−2	0	−2
Changes in risk factors (EAD, PD, LGD)	−14	0	−13	−19	0	−19
Changes in macroeconomic scenarios	20	0	20	−2	0	−2
Changes to models	0	0	0			
Post-model expert credit adjustments	2	0	2	−2	0	−2
Stage transfers	−1	1	0			
from 1 to 2	−2	2	0			
from 2 to 1	1	−1	0			
Total movements affecting credit impairments	36	0	36	−25	0	−25
Movements recognised outside credit impairments						
Change in exchange rates	1	0	1	2		2
Closing balance	50	0	51	14	0	14
Carrying amount						
Opening balance	648 863	12	648 875	608 509	27	608 536
Closing balance	806 354	10	806 363	648 863	12	648 875

	2022				2021			
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	330 543	36 002	4 027	370 572	345 263	42 560	7 935	395 758
Closing balance	389 539	46 763	3 337	439 638	330 543	36 002	4 027	370 572
Credit impairment provisions								
Opening balance	618	1 059	1 974	3 651	656	1 675	4 450	6 811
Movements affecting credit impairments								
New financial assets	314	39	9	362	91	57	24	172
Derecognised financial assets	−132	−104	−405	−642	−80	−290	−116	−486
Write-offs			−632	−632		−121	−3 616	−3 737
Changes in risk factors (EAD, PD, LGD)	−2	−188	81	−109	−13	−187	9	−191
Changes in macroeconomic scenarios	285	268	3	556	−89	−130		−219
Changes to models	24	−16	0	8				
Post-model expert credit adjustments	−4	−136	3	−138	70	−55	1	16
Individual assessments			142	142			826	826
Stage transfers	−129	240	247	358	−35	47	140	152
from 1 to 2	−177	508		331	−41	139		98
from 1 to 3	−2		34	32	−1		51	50
from 2 to 1	50	−199		−149	7	−37		−30
from 2 to 3		−90	337	248		−59	116	57
from 3 to 2		20	−112	−91		4	−23	−19
from 3 to 1	0		−12	−11	0		−4	−4
Other			−72	−72			−73	−73
Total movements affecting credit impairments	356	102	−624	−166	−56	−679	−2 805	−3 540
Movements recognised outside credit impairments								
Interest			72	72			73	73
Change in exchange rates	54	48	134	237	18	63	226	307
Closing balance	1 028	1 209	1 556	3 793	618	1 059	1 974	3 651
Carrying amount								
Opening balance	329 925	34 943	2 053	366 921	344 607	40 885	3 455	388 947
Closing balance	388 511	45 554	1 781	435 845	329 925	34 943	2 053	366 921

	2022				2021			
Commitments and guarantees	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Nominal amount								
Opening balance	480 294	15 104	197	495 595	622 568	16 188	490	639 246
Closing balance	363 549	22 574	97	386 220	480 294	15 104	197	495 595
Credit impairment provisions								
Opening balance	268	271	83	622	244	405	155	804
Movements affecting credit impairments								
New and derecognised financial assets, net	48	−71	−25	−48	−16	−23	−90	−129
Changes in risk factors (EAD, PD, LGD)	−29	−15	16	−27	−8	−54	6	−56
Changes in macroeconomic scenarios	88	56	0	144	−36	−46	0	−82
Changes to models	9	6	−15	0				
Post-model expert credit adjustments	−25	8	0	−18	75	−23	0	52
Stage transfers	−25	62	−38	−1	−1	−1	−1	−3
from 1 to 2	−47	130		83	−3	12		9
from 1 to 3	−1		10	9	0		1	1
from 2 to 1	22	−68		−46	2	−13		−11
from 2 to 3		−2	7	5		0	1	1
from 3 to 2		2	−54	−52		0	−2	−2
from 3 to 1	0		−1	−1	0		−1	−1
Total movements affecting credit impairments	66	46	−62	50	14	−147	−85	−218
Movements recognised outside credit impairments								
Change in exchange rates	19	8	11	38	10	13	13	36
Closing balance	353	325	32	710	268	271	83	622

Gross carrying amount of forborne loans

	2022	2021
Performing	1 636	1 857
Non-performing	2 414	3 456
Total	4 050	5 313

Concentration risk, customer exposure
At end of 2022 the parent company had two exposures against single counterparties 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 1 806m (2 543). 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 253 613m (263 331) may be drawn at any time by the customer. Issued guarantees and other contingent liabilities of SEK 132 607m (232 264) may lead to future cash outflows if certain events occur. The expected cash outflows, amounting to SEK 710m (622), 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 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	12 602	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	304 258	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	821 551	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

		Undiscounted contractual cash flows						
Remaining maturity 2021	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	194 353							194 353
Treasury bills and other bills eligible for refinancing with central banks, etc.		131 830	8 774	10 554	3 639	846	355	155 998
Loans to credit institutions	2 183	20 370	595 536	31 374	119	1 386		650 948
Loans to the public		42 606	96 971	221 063	23 398	7 637		391 675
Bonds and other interest-bearing securities		5 455	10 056	36 047	7 590	178	−1 127	58 199
Shares and participating interests							78 924	78 924
Derivatives		12 964	4 604	82 549	65 510	16 123	−137 427	44 323
Intangible assets							314	314
Tangible assets							17 146	17 146
Other assets		8 832	1 226				15 558	25 616
Total	196 536	222 057	717 167	381 587	100 256	26 150	−26 257	1 617 496
Liabilities								
Amounts owed to credit institutions	64 630	35 747	187	46				100 610
Deposits and borrowings from the public	918 811	16 933	6 538	650				942 932
Debt securities in issue		96 327	112 488	86 382	2 319		−598	296 918
Derivatives		9 187	4 720	90 921	67 467	16 283	−146 036	42 542
Other liabilities		52 032	773	861			10 971	64 637
Senior non-preferred liabilities				23 432	15 187		−787	37 832
Subordinated liabilities		4 516	6 651	12 324	4 894		219	28 604
Equity							103 421	103 421
Total	983 441	214 742	131 357	214 616	89 867	16 283	−32 810	1 617 496

2.2.2 Interest-bearing securities

	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
Change in value including interest	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

	Debt securities in issue						
Turnover during the year, 2021	Commercial papers	Senior unsecured bonds	Structured retail bonds	Total debt securities in issue	Senior non-preferred liabilities	Subordinated liabilities	Total
Opening balance	127 212	127 037	5 673	259 922	10 359	23 434	293 715
Issued	653 595	31 503		685 098	27 501	4 328	716 927
Repurchased			−1 972	−1 972			−1 972
Repaid	−619 613	−35 374		−654 987		−616	−655 603
Change in value including interest	3 873	4 635	349	8 857	−28	1 456	10 287
Closing balance	165 067	127 801	4 050	296 918	37 832	28 604	363 354

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.

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	99	446	−24	156	447	39	−177	−5	−437
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

2021	≤ 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	−723	69	186	109	−95	586	551	−1 004	108	−213
Foreign currency	−29	−20	24	28	−116	145	−130	158	89	150
Total	−751	49	210	137	−211	731	421	−846	197	−63

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.

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	514	−475	−31	29	−444
Total	138	−168	189	−334	−493	1 305	−386	−286	22	−13

2021	≤ 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	79	101	47	−128	−148	516	518	−821	74	238
Foreign currency	−162	63	−188	−87	844	−1 145	663	114	−88	13
Total	−83	164	−141	−215	696	−629	1 180	−707	−14	251

2.3.2 Currency risk

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	33 938	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		

Currency distribution

2021	EUR	USD	GBP	DKK	NOK	Other	Total foreign currency	SEK	Total
Assets									
Cash and balances with central banks	2 072	19 370		428	294	55	22 219	172 134	194 353
Loans to credit institutions	20 114	3 059	176	2 094	5 249	257	30 949	619 999	650 948
Loans to the public	38 308	22 555	2 799	5 151	41 747	2 206	112 766	278 909	391 675
Treasury bills and other bills eligible for refinancing with central banks, etc	569	270			1 486		2 325	153 673	155 998
Bonds and other interest-bearing securities	4 669	1 959		348	7 713		14 689	43 510	58 199
Derivatives and other assets not distributed								166 323	166 323
Total	65 732	47 213	2 975	8 021	56 489	2 518	182 948	1 434 548	1 617 496
Liabilities									
Amounts owed to credit institutions	25 076	2 882	8	221	1 325	1 781	31 293	69 317	100 610
Deposits and borrowings from the public	25 697	25 423	828	2 920	4 537	2 501	62 106	880 826	942 932
Debt securities in issue	78 479	163 992	26 263		2 549	11 584	282 867	14 051	296 918
Senior non-preferred liabilities	25 997		4 261		5 292	1 331	36 881	951	37 832
Subordinated liabilities	11 870	13 625				1 891	27 386	1 218	28 604
Derivatives and other liabilities not distributed								107 179	107 179
Equity								103 421	103 421
Total	167 319	205 922	31 360	3 141	13 703	18 088	440 533	1 176 963	1 617 496
Derivatives, other assets and other liabilities	112 732	158 611	28 326	−4 860	−42 566	16 553	268 796		
Net position in currency	11 145	−98	−57	20	218	−17	11 211		

P3 Capital adequacy analysis

	2022	2021
Available own funds		
Common Equity Tier 1 (CET1) capital	102 528	96 715
Tier 1 capital	111 742	110 093
Total capital	134 563	126 056
Risk-weighted exposure amounts		
Total risk exposure amount	394 817	353 415
Capital ratios as a percentage of risk-weighted exposure amount		
Common Equity Tier 1 ratio	26.0	27.4
Tier 1 ratio	28.3	31.2
Total capital ratio	34.1	35.7
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	2.1	1.8
of which, to be made up of CET1 capital	1.4	1.1
of which, to be made up of Tier 1 capital	1.6	1.2
Total SREP own funds requirements	10.1	9.5
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	0.9	0.1
Systemic risk buffer	0.0	0.0
Global Systemically Important Institution buffer		
Other Systemically Important Institution buffer		
Combined buffer requirement	3.4	2.6
Overall capital requirements	13.5	12.1
CET1 available after meeting the total SREP own funds requirements[1]	20.0	21.8
Leverage ratio		
Total exposure measure	1 340 798	1 209 752
Leverage ratio, %	8.3	9.1
Additional own funds requirements to address the risk of excessive leverage as a percentage of total exposure measure		
Additional own funds requirements to address the risk of excessive leverage		
of which: to be made up of CET1 capital		
Total SREP leverage ratio requirements	3.0	3.0
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

1) The calculation was reviewed and corrected as of Q3 2022, thus the historical figure for 2021 was changed accordingly.

	2022	2021
Liquidity Coverage Ratio		
Total high-quality liquid assets, average weighted value	560 040	569 053
Cash outflows, total weighted value	607 726	555 326
Cash inflows, total weighted value	81 543	62 097
Total net cash outflows, adjusted value	526 182	493 228
Liquidity coverage ratio, %	106.7	115.7
Net Stable Funding Ratio		
Total available stable funding	1 014 113	962 973
Total required stable funding	593 123	534 747
Net stable funding ratio, %	171.0	180.1

Common Equity Tier 1 capital	2022	2021
Shareholders' equity according to the balance sheet	111 502	103 421
Anticipated dividend	−10 967	−12 632
Share of capital of accrual reserve	4 187	8 290
Value changes in own financial liabilities	−659	−379
Additional value adjustments	−513	−924
Goodwill	−709	−709
Intangible assets	−267	−311
Shares deducted from CET1 capital	−40	−41
Insufficient coverage for non-performing exposures	−5	
Total	102 528	96 715

Risk exposure amount	2022	2021
Risk exposure amount credit risks, standardised approach	103 867	86 177
Risk exposure amount credit risks, IRB	180 802	167 375
Risk exposure amount default fund contribution	149	281
Risk exposure amount settlement risks	0	2
Risk exposure amount market risks	21 352	20 987
Risk exposure amount credit value adjustment	3 801	2 933
Risk exposure amount operational risks	42 408	40 216
Additional risk exposure amount, Article 3 CRR	33 638	26 458
Additional risk exposure amount, Article 458 CRR	8 782	9 584
Total	394 817	353 415

	SEKm		Per cent	
Capital requirements[1]	2022	2021	2022	2021
Capital requirement Pillar 1	44 870	37 462	11.4	10.6
of which Buffer requirements[2]	13 285	9 189	3.4	2.6
Total capital requirement Pillar 2[3]	8 291	5 301	2.1	1.5
Total capital requirement including Pillar 2 guidance	53 161	42 763	13.5	12.1
Own funds	134 563	126 056		

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 2022.

	SEKm		Per cent	
Leverage ratio requirements[1]	2022	2021	2022	2021
Leverage ratio requirement Pillar 1	40 224	36 293	3.0	3.0
Total leverage ratio requirement including Pillar 2 guidance	40 224	36 293	3.0	3.0

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

P4 Geographical distribution of revenue

2022	Sweden	Norway	Finland	Denmark	USA	Other	Total
Interest income	22 690	2 189	456	40	2 037	131	27 543
Leasing income	5 137						5 137
Dividends received	16 811						16 811
Commission income	8 112	249	113	19	51	4	8 548
Net gains and losses on financial items	−1 032	−97	20	−47	−4	−26	−1 186
Other income	2 501	3				602	3 105
Total	54 219	2 344	589	12	2 084	711	59 959

2021	Sweden	Norway	Finland	Denmark	USA	Other	Total
Interest income	8 645	1 621	−346	47	220	142	10 329
Leasing income	4 906						4 906
Dividends received	17 065						17 065
Commission income	8 173	244	175	17	47	4	8 660
Net gains and losses on financial items	−3 280	3 232	986	5	−3	−20	920
Other income	2 073	4	6			166	2 249
Total	37 582	5 101	821	69	264	292	44 129

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 and China.

P5 Net interest income

	2022	2021[1]
Interest income	27 543	10 329
Leasing income from financial leases	5 137	4 906
Interest expense	12 008	657
Net interest income before depreciation for financial leases	20 672	14 578
Depreciation according to plan finance leases	4 672	4 658
Net interest income after depreciation for financial leases	16 000	9 920

1) Presentation of the income statement has been changed, see note P49.

	2022			2021[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	3 149		3 149	−511		−511
Treasury bills and other bills eligible for refinancing with central banks, etc.	849	273	1 122		38	38
Loans to credit institutions	8 006	97	8 103	1 369	−18	1 351
Loans to the public	13 167	714	13 881	8 953	−38	8 915
Bonds and other interest-bearing securities		860	860		161	161
Total interest-bearing instruments	25 171	1 944	27 115	9 811	143	9 954
Derivatives[2]		423	423		314	314
Other assets	5 142		5 142	4 967		4 967
Interest income	30 313	2 367	32 680	14 778	457	15 235
Liabilities						
Amounts owed to credit institutions	1 929	139	2 068	183	−13	170
Deposits and borrowings from the public	4 561	355	4 916	292	−95	197
of which deposit guarantee fees	252		252	251		251
Debt securities in issue	7 256	6	7 262	1 404	16	1 420
Senior non-preferred liabilities	659		659	213		213
Subordinated liabilities	911		911	764		764
Total interest-bearing instruments	15 316	500	15 816	2 856	−92	2 764
Derivatives[2]		−3 815	−3 815		−2 130	−2 130
Other liabilities	7		7	23		23
Interest expense	15 323	−3 315	12 008	2 879	−2 222	657
Net interest income	14 990	5 682	20 672			14 578
Interest income on stage 3 loans	98			77		
Negative yield on financial assets	467			784		
Negative yield on financial liabilities	444			649		

1) Presentation of the income statement has been changed, see note P49.

2) The derivatives line includes net interest income related to hedged assets and liabilities. There may have both a positive and negative impact on interest income an interest expense.

	Average annual interest rate, %		Average balance	
Assets	2022	2021	2022	2021
Cash and balances with central banks	0.83	−0.13	360 687	385 078
Treasury bills and other bills eligible for refinancing with central banks, etc.	0.82	0.03	137 652	134 140
Loans to credit institutions	1.05	0.20	772 949	667 841
Loans to the public	3.04	2.19	456 569	408 002
Bonds and other interest-bearing securities	1.89	0.36	45 446	45 202
Total interest-bearing instruments	1.51	0.61	1 793 302	1 640 263
Derivatives			66 761	45 928
Other assets			120 674	140 265
Total	1.65	0.83	1 980 737	1 826 456
Liabilities				
Amounts owed to credit institutions	0.96	0.08	214 932	202 841
Deposits and borrowings from the public	0.48	0.02	1 024 750	986 613
Debt securities in issue	1.64	0.37	442 178	360 189
Senior non-preferred liabilities	1.34	0.74	49 208	28 684
Subordinated liabilities	3.17	3.00	28 731	25 429
Total interest-bearing instruments	0.90	0.17	1 759 799	1 623 736
Derivatives			76 084	48 548
Other liabilities			43 254	52 516
Total	0.64	0.06	1 879 137	1 724 800
Investment margin	1.04	0.78		

P5 Dividends received

	2022	2021
Shares and participating interests	119	161
Investments in associates	1 020	587
Investments in Group entities	15 672	16 317
of which, through Group contributions	12 749	15 538
Total	16 811	17 065

P7 Net commission income

2022	Commission income: Over time	Commission income: Point in time	Commission income: Total	Commission expense	Net commission income
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

2021	Commission income: Over time	Commission income: Point in time	Commission income: Total	Commission expense	Net commission income
Payment processing	343	1 114	1 457	−1 119	338
Cards	315	1 098	1 413	−239	1 174
Service concepts	702		702	−10	692
Asset management and custody	2 269	27	2 296	−143	2 153
Life insurance	513	2	515	−3	512
Securities	1	796	797	−288	509
Corporate finance	2	75	77		77
Lending	722	200	922	−105	817
Guarantee	169		169		169
Deposits	15	3	18		18
Non-life insurance	69		69		69
Other	173	52	225	−212	13
Total	5 293	3 367	8 660	−2 119	6 541

P8 Net gains and losses on financial items

	2022	2021
Fair value through profit or loss		
Held for trading		
Shares and share related derivatives	450	52
Interest-bearing securities and interest related derivatives	−1 762	233
Total	−1 312	285
Other		
Shares	176	49
Interest-bearing securities	−506	−76
Total	−330	−27
Total fair value through profit or loss	−1 642	258
Hedge accounting		
Ineffectiveness, one-to-one fair value hedges		
Hedging instruments	−11 948	−2 337
Hedged items	11 971	2 334
Total hedge accounting	23	−3
Amortised cost		
Derecognition gain or loss for financial liabilities	−5	2
Derecognition gain or loss for financial assets	−55	3
Total amortised cost	−60	5
Change in exchange rates	493	660
Total	−1 186	920

P9 Other income

	2022	2021
IT services subsidiaries	83	147
IT services	980	887
Other sales subsidiaries	1 408	592
Other operating income	635	623
Total	3 106	2 249

P10 Staff costs

Total staff costs	2022	2021
Salaries and remuneration	6 572	6 046
Compensation through shares in Swedbank AB	117	128
Social insurance charges	2 007	1 899
Pension costs	1 381	1 444
Training costs	66	53
Other staff costs	361	292
Total	10 504	9 862
of which variable staff costs	235	254

Variable Compensation Programme	2022	2021
Programme 2020 and earlier		
Recognised expense for compensation that is settled with shares in Swedbank AB	39	67
Recognised expense for social charges related to the share settled compensation	15	42
Recognised expense for cash settled compensation	3	18
Recognised expense for payroll overhead costs related to the cash settled compensation	2	7
Programme 2021		
Recognised expense for compensation that is settled with shares in Swedbank AB	10	61
Recognised expense for social charges related to the share settled compensation	2	17
Recognised expense for cash settled compensation	24	27
Recognised expense for payroll overhead costs related to the cash settled compensation	14	15
Programme 2022		
Recognised expense for compensation that is settled with shares in Swedbank AB	67	
Recognised expense for social charges related to the share settled compensation	17	
Recognised expense for cash settled compensation	27	
Recognised expense for payroll overhead costs related to the cash settled compensation	15	
Total recognised expense	235	254

Number of performance rights that establish the recognised share based expense, millions	2022	2021
Outstanding at the beginning of the period	3.4	3.3
Allotted	1.3	1.0
Forfeited	0.2	0.1
Exercised	1.0	0.8
Outstanding at the end of the period	3.5	3.4
Exercisable at the end of the period	0	0
Weighted average fair value per performance right at measurement date, SEK	162	161
Weighted average remaining contractual life, months	6	18
Weighted average exercise price per performance right, SEK	0	0

2022	Board of directors, President and equivalent senior executives: Number of persons	Salaries and other remunerations	Variable pay	Other employees: Salaries and variable pay	Total
Countries					
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

2021	Board of directors, President and equivalent senior executives: Number of persons	Salaries and other remunerations	Variable pay	Other employees: Salaries and variable pay	Total
Countries					
Sweden	26	90	1	5 345	5 436
Denmark				17	17
Norway				172	172
USA				23	23
Finland				51	51
China				13	13
Estonia				170	170
Latvia				86	86
Lithuania				206	206
Total	26	90	1	6 083	6 174

Board members, President and equivalent senior executives	2022	2021
Costs during the year for pensions and similar benefits	30	29
No. of persons	17	18
Granted loans, SEKm	68	73
No. of persons	15	14

	2022		2021	
Distribution by gender %	Female	Male	Female	Male
All employees	54	46	63	37
Directors	42	58	36	64
Other senior executives, including President	33	67	33	67

P11 Other general administrative expenses

	2022	2021
Rents, etc.	920	892
IT expenses	2 836	2 955
Telecommunications, postage	79	98
Consulting	744	885
Other outside services	755	558
Travel	64	15
Entertainment	20	11
Office supplies	54	51
Advertising, public relations, marketing	122	165
Security transports, alarm systems	46	46
Maintenance	84	93
Other administrative expenses	207	226
Other operating expenses	46	92
Total	5 977	6 087

Remuneration to Auditors elected by Annual General Meeting, PwC	2022	2021
Audit assignment	35	36
Audit related services	11	8
Tax advisory	0	0
Other services	0	16
Total	46	60
Internal Audit	76	80

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 include general expatriate services and other tax services work. 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

	2022	2021
Depreciation/amortisation		
Equipment	223	230
Intangible assets	88	90
Lease objects	4 672	4 658
Total	4 983	4 978
Impairment		
Lease objects	64	–22
Total	64	–22
Total	5 047	4 956

P13 Credit impairments, net

	2022	2021
Loan at amortised cost		
Credit impairment provisions - stage 1	392	–81
Credit impairment provisions - stage 2	102	–679
Credit impairment provisions - stage 3	–624	–2 805
Total	–130	–3 565
Write-offs	864	3 956
Recoveries	–49	–95
Total	815	3 861
Total loan at amortised cost	685	296
Commitments and guarantees		
Credit impairment provisions - stage 1	66	14
Credit impairment provisions - stage 2	40	–147
Credit impairment provisions - stage 3	–62	–85
Total commitments and guarantees	50	–218
Total credit impairments	735	78
Credit impairments by borrower category		
Credit institutions	80	25
General public	655	53
Total	735	78

P14 Impairments of financial assets

	2022	2021
Investments in Group entities		
Swedbank PayEx Holding AB	1 940	
FR & R Invest AB	6	
Total	1 946	

P15 Swedish bank tax and resolution fees

	2022	2021
Swedish bank tax	693	
Resolution fees	396	305
Total	1 089	305

P16 Appropriations

	2022	2021
Tax allocation reserve, reversal 2017	–1 862	
Tax allocation reserve, reversal 2018	–3 538	
Tax allocation reserve, reversal 2019	–51	
Accelerated depreciation, equipment	188	–53
Total	–5 263	–53

P17 Tax

Tax expense	2022	2021
Tax related to previous years	1	6
Current tax	4 534	3 935
Deferred tax	652	90
Total	5 187	4 031

The difference between the parent company's tax expense and the tax expense based on current Swedish tax rate is explained below:

	2022 SEKm	2022 %	2021 SEKm	2021 %
Results	5 187	20.2	4 031	20.0
Current tax of pre-tax profit	5 299	20.6	4 144	20.6
Difference	–112	–0.4	–113	–0.6
The difference consists of the following items				
Tax previous years	1		6	
Tax-exempt income/non-deductible expenses	45	0.2	3	
Non-deductible interest related to subordinated liabilities	188	0.7	159	0.8
Non-taxable dividends	–814	–3.2	–283	–1.4
Tax-exempt gains and non-deductible losses on shares and participating interests	–11		–10	
Reversal tax allocation reserve	67	0.3		
Standard income tax allocation reserve	6		6	
Non-deductible impairment of financial asset	401	1.6		
Deviating tax rates in other countries	5		5	
Total	–112	–0.4	–113	–0.6

2022

Deferred tax liabilities	Opening balance	Income statement	Equity	Exchange rate differences	Closing balance
Deductible and taxable temporary differences					
Hedge of net investments of foreign operations	413	645			1 058
Provisions for pensions	–143	14			–129
Share-based payments	–7		–4		–11
Intangible assets	3	–2			1
Other	–27	–5		1	–31
Total	239	652	–4	1	888

2021

Deferred tax liabilities	Opening balance	Income statement	Equity	Exchange rate differences	Closing balance
Deductible and taxable temporary differences					
Hedge of net investments of foreign operations	288	125			413
Provisions for pensions	–127	–16			–143
Share-based payments	11		–18		–7
Intangible assets	5	–2			3
Other	–25	–17		15	–27
Total	152	90	–18	15	239

P18 Treasury bills and other bills eligible for refinancing with central banks etc.

	Carrying amount 2022	Carrying amount 2021	Carrying amount 1/1/2021	Nominal amount 2022	Nominal amount 2021	Nominal amount 1/1/2021
Swedish government	8 690	22 369	13 991	8 100	20 881	13 233
Swedish municipalities	2 221	3 129	2 666	2 370	3 096	2 608
Swedish central bank	132 693	128 447	114 743	132 730	128 447	114 743
Foreign governments	716	638	75	819	592	71
Foreign municipalities	88	1 415	381	88	1 416	371
Total	144 456	155 998	131 857	144 107	154 432	131 026

P19 Loans to credit institutions

	2022	2021	1/1/2021
Swedish banks	7 508	1 610	5 336
Other Swedish credit institutions	785 233	625 571	623 695
Foreign credit institutions	36 996	21 694	30 973
Repurchase agreement, other Swedish credit institutions	571	1 337	8 449
Repurchase agreement, foreign credit institutions	14	736	842
Total	830 322	850 948	669 495
of which subordinated loans			
Associates			120
Other companies			48
Total			168
of which senior non-preferred loans			
Subsidiaries	25 627	19 303	22 240

P20 Loans to the public

	2022	2021	1/1/2021
Swedish public	335 093	297 022	284 355
Foreign public	87 989	68 250	70 063
Loans to customers	426 082	365 272	354 418
Cash collaterals posted, Swedish public	3 054	1 304	8 656
Cash collaterals posted, foreign public	461	535	973
Repurchase agreements, Swedish public	1 478	3 938	74
Repurchase agreements, Swedish National Debt Office	6 952	3 021	7 243
Repurchase agreements, foreign public	22 156	17 602	32 630
Loans to Swedish National Debt Office	10 004	3	25 003
Total	470 187	391 675	428 997

P21 Bonds and other interest-bearing securities

	Carrying amount 2022	Carrying amount 2021	Carrying amount 1/1/2021	Nominal amount 2022	Nominal amount 2021	Nominal amount 1/1/2021
Swedish mortgage institutions	32 013	30 437	27 357	33 714	30 021	26 569
Swedish financial entities	8 731	6 140	12 519	9 175	6 072	12 219
Swedish non-financial entities	1 569	1 841	3 318	1 649	1 812	3 275
Foreign credit institutions	10 056	10 628	9 523	10 107	10 583	9 437
Foreign financial entities	7 616	6 483	5 574	7 883	6 367	5 456
Foreign non-financial entities	499	2 670	2 340	537	2 661	2 336
Total	60 484	58 199	60 631	63 065	57 516	59 292
of which subordinated bonds and other interest-bearing securities	117	203	137	125	199	132
of which senior non-preferred bonds and other interest-bearing securities	158	719	234	158	713	232

Bonds and other interest-bearing securities issued by other than public agencies.

P22 Shares and participating interests

	Carrying amount 2022	Carrying amount 2021	Carrying amount 1/1/2021	Cost 2022	Cost 2021	Cost 1/1/2021
Trading shares	329	6 345	4 627	358	6 112	4 459
Trading fund units	3 995	5 293	10 918	3 991	5 188	10 700
Shares for protection of claim		20			20	
Condominiums	11	11	11	11	11	11
Other	1 279	1 146	1 020	951	1 167	1 357
Total	5 614	12 815	16 576	5 311	12 498	16 527

P23 Investments in associates and joint ventures

Fixed assets	2022	2021	1/1/2021
Credit institutions	2 054	2 054	2 054
Other associates	524	311	285
Total	2 578	2 365	2 339
Opening balance	2 365	2 339	2 315
Additions during the year	213	26	24
Closing balance	2 578	2 365	2 339

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 Skåne AB, Lund	516401-0091	3 579 342	1 070	1 070	22.00
Sparbanken Sjuhärad AB, Borås	516401-9852	4 750 000	288	288	47.50
Vimmerby Sparbank AB, Vimmerby	516401-0174	340 000	41	41	40.00
Ölanda 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	122	122	16.67
P27 Nordic Payments Platform AB, Stockholm, joint venture	559198-9610	10 000	277	277	16.67
USE Intressenter AB, Uppsala	559161-9464	2 000	0	0	20.00
Tibern AB, Stockholm, joint venture	559384-3542	4 000	3	3	14.00
Total			524	546	
Total			2 578	2 600	

The share of the voting rights in each entity corresponds to the share of its equity. All shares and participating interests are unlisted.

In 2022, capital contribution was provided to Invidem AB of SEK 49m (25) and to P27 Nordic Payments Platform AB of SEK 161m. During 2022 shares in the joint venture Tibern AB were aquired of SEK 3m. During 2021, shares in BGC Holding AB were aquired of SEK 1m.

P24 Investments in Group entities

Fixed assets	2022	2021	1/1/2021
Swedish credit institutions	24 073	24 073	24 073
Foreign credit institutions	19	19	29 371
Other entities	38 150	39 652	9 962
Total	62 242	63 744	63 406
Opening balance	63 744	63 406	63 082
Additions during the year	444	29 736	398
Impairments during the year	−1 946		
Disposals during the year		−29 398	−74
Closing balance	62 242	63 744	63 406

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	24 073	24 073	100
Total			24 073	24 073	
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	556836-6692	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	70	100
Sparbrämjandet AB, Stockholm	*556041-9995*	*45 000*	*5*	*5*	*100*
Sparia Group Försäkring AB, Stockholm	516406-0963	70 000	146	146	100
Swedbank Baltics AS, Riga	40203295309	3 882 550 000	29 457	29 457	100
Swedbank Fastighetsbyrå AB, Stockholm	556090-2115	1 000	284	284	100
Swedbank Försäkring AB, Stockholm	516401-8292	150 000	3 367	3 367	100
Swedbank PayEx Holding AB, Visby	556714-2798	500 000	1 322	2 937	100
Swedbank Robur AB, Stockholm	556110-3895	10 000 000	3 328	3 328	100
Other entities		1 100	0	0	
Total			38 150	41 619	
Total			62 242	65 877	

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.

In 2022 capital contribution in the kind of a group constribution was made directly to Swedbank PayEx Holding AB's subsidiary PayEx Sverige AB with SEK 389m. In 2021 capital contribution was provided to Ektornet AB SEK 0.2m, Swedbank PayEx Holding AB SEK 262m and to FR & R Invest AB SEK 9m. In March 2021, the Latvian holding company Swedbank Baltics AS was formed. On 1 October 2021, a change to the Baltic activities governance and control was implemented. Swedbank Baltics AS thereby became owner of the shares in Swedbank AS (Estonia), Swedbank AS (Latvia) and Swedbank AB (Lithuania), which previously were owned by Swedbank AB.

P25 Derivatives

		Nominal amount Remaining contractual maturity			Nominal amount		Positive fair value		Negative fair value	
	Note	< 1 yr.	1-5 yrs.	> 5 yrs.	2022	2021	2022	2021	2022	2021
Derivatives in hedge accounting	P26	38 269	148 488	20 205	206 962	168 834	4	776	13 023	974
Non-hedging derivatives		9 114 074	12 877 906	9 253 111	31 245 091	26 808 276	1 262 718	188 020	1 284 664	186 842
Gross amount		9 152 343	13 026 394	9 273 316	31 452 053	26 977 110	1 262 722	188 796	1 297 687	187 816
Offset amount	P32						−1 194 958	−144 473	−1 197 341	−145 274
Total		9 152 343	13 026 394	9 273 316	31 452 053	26 977 110	67 764	44 323	100 346	42 542
Non-hedging derivatives										
Interest-related										
Options held		563 348	349 351	134 799	1 047 498	961 265	4 793	2 129	5 362	1 974
Forward contracts		4 260 418	545 501		4 805 919	3 706 970	5 108	858	4 348	881
Swaps		2 951 610	11 235 967	8 975 449	23 163 026	20 139 895	1 215 302	157 993	1 226 440	160 632
Currency-related										
Options held		239	54 872		55 111	19 964	558	78	564	77
Forward contracts		695 152	13 648		908 800	948 642	10 776	13 263	16 030	7 439
Swaps		329 733	672 474	142 863	1 145 070	935 880	24 203	11 443	30 385	14 259
Equity-related										
Options held		48 623	2 542		51 165	61 837	1 524	1 934	1 058	948
Forward contracts		20 865			20 865	1 688	6	11	3	14
Swaps		44 086			44 086	29 166	448	311	465	544
Credit-related										
Swaps			3 551		3 551	3 069			9	74
Total		9 114 074	12 877 906	9 253 111	31 245 091	26 808 276	1 262 718	188 020	1 284 664	186 842

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 and refers to one-to-one fair value hedges.

	2022					2021				
		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 swap, Debt securities in issue	113 467	1	6 328	−6 250	31	108 315	546	426	−69	0
Interest rate swap, Senior non-preferred liabilities	60 579	0	4 947	−4 963	−5	32 120	12	448	−431	−1
Interest rate swap, Subordinated liabilities	32 916	3	1 748	−1 801	−3	28 399	218	100	44	−2
Total	206 962	4	13 023	−13 014	23	168 834	776	974	−456	−3

Hedged items	2022 Carrying amount Liabilities	2022 Accumulated adjustment on the hedged item Liabilities	2022 Change in value used for recognising hedge ineffectiveness	2021 Carrying amount Liabilities	2021 Accumulated adjustment on the hedged item Liabilities	2021 Change in value used for recognising hedge ineffectiveness
Debt securities in issue	113 770	−6 271	6 271	106 518	−65	65
Senior non-preferred liabilities	60 840	−4 953	4 953	32 114	−428	428
Subordinated liabilities	33 131	−1 799	1 799	28 576	44	−44
Total	207 741	−13 023	13 023	169 208	−449	449

Maturity profile and average price, hedging instruments	2022 Remaining contractual maturity <1 yr	1–5 yrs.	>5 yrs.	2021 Remaining contractual maturity <1 yr	1–5 yrs	>5 yrs.
Nominal amount	38 269	148 488	20 205	47 518	103 744	17 572
Average fixed interest rate (%)	3 64	3.27	3 28	0 65	0.03	0 34

Hedged reference rates in scope for interest rate benchmark reform

	Nominal amount	
Hedged items and hedging instruments	2022 USD	2021 USD
All contracts	38 973	47 475
Maturity before interest rate benchmark reform	20 785	22 581
Directly attributal to interest rate benchmark reform	18 187	24 894

P27 Intangible assets

	2022 Goodwill	Customer base	Other	Total	2021 Goodwill	Customer base	Other	Total
Cost, opening balance	3 429	130	1 175	4 734	3 429	130	1 124	4 683
Additions through separate acquisitions			45	45			81	81
Sales and disposals			−25	−25			−30	−30
Cost, closing balance	3 429	130	1 195	4 754	3 429	130	1 175	4 734
Amortisation, opening balance	−3 429	−73	−638	−4 140	−3 429	−73	−573	−4 075
Amortisation for the year			−88	−88			−90	−90
Sales and disposals			22	22			25	25
Amortisation, closing balance	−3 429	−73	−704	−4 206	−3 429	−73	−638	−4 140
Impairments, opening and closing balance		−57	−223	−280		−57	−223	−280
Carrying amount			268	268			314	314

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	2022	2021
Cost, opening balance	28 000	27 018
Additions	8 706	7 903
Sales and disposals	−6 904	−6 921
Cost, closing balance	29 802	28 000
Depreciation, opening balance	−11 372	−10 819
Depreciation for the year	−4 672	−4 658
Sales and disposals	4 062	4 105
Depreciation, closing balance	−11 982	−11 372
Impairments, opening balance	−42	−64
Impairments for the year	−64	22
Sales and disposals	1	0
Impairments, closing balance	−105	−42
Carrying amount	17 715	16 586

2022	< 1 yr	1–5 yrs	> 5 yrs	Total
Future minimum lease payment	5 321	9 892	4 618	19 831

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	2022	2021
Cost, opening balance	2 529	2 377
Additions	295	234
Sales and disposals	−73	−82
Cost, closing balance	2 751	2 529
Depreciation, opening balance	−1 969	−1 797
Depreciation for the year	−223	−230
Sales and disposals	70	58
Depreciation, closing balance	−2 122	−1 969
Carrying amount	629	560

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.

20230706518773

P30 Other assets

	2022	2021	1/1/2021
Security settlement claims	3 365	4 888	8 627
Group contributions	12 749	15 557	13 954
Other financial assets	1 849	2 122	5 977
Total financial assets	17 963	22 567	28 558
Property taken over protection of claims and cancelled leases	25	28	28
Total	17 989	22 595	28 586

P31 Prepaid expenses and accrued income

	2022	2021	1/1/2021
Prepaid expenses	1 394	1 441	1 337
Unbilled receivable	378	354	297
Total	1 772	1 795	1 634

P32 Amounts owed to credit institutions

	2022	2021	1/1/2021
Swedish central bank	60	22	50 004
Swedish banks	29 371	35 848	32 179
Other Swedish credit institutions	69 480	36 171	113 452
Foreign central banks	1 039	1 400	5 739
Foreign credit institutions	61 739	26 355	42 136
Repurchase agreements, Swedish banks		167	4
Repurchase agreements, other Swedish credit institutions		647	1 416
Repurchase agreements, foreign credit institutions	659		1 874
Simuna	162 348	100 610	246 804

P33 Deposits and borrowings from the public

	2022	2021	1/1/2021
Swedish public	915 790	919 994	840 058
Foreign public	20 317	16 876	11 877
Total deposits from customers	936 107	935 870	851 935
Cash collaterals received, Swedish public	4 344	1 802	193
Cash collaterals received, foreign public	338	104	201
Repurchase agreements, Swedish public	4	141	15 061
Repurchase agreements, foreign public	2 813	4 947	1 763
Swedish National Debt Office	178	68	69
Total borrowing	7 670	7 062	17 287
Total	943 777	942 932	869 222

P34 Debt securities in issue

	2022	2021	1/1/2021
Commercial papers	316 114	165 067	127 211
Senior unsecured bonds	117 421	127 801	127 037
Structured retail bonds	2 247	4 050	5 674
Total	435 782	296 918	259 922

Turnover of debt securities in issue is reported in note P2 Liquidity risks

P35 Other liabilities

	2022	2021	1/1/2021
Security settlement liabilities	1 735	4 320	4 910
Group contributions	340	341	413
Short position in shares	299	248	561
of which own issued shares	105	121	155
Short position in interest-bearing securities	26 894	28 364	22 740
Unsettled payments	9 763	10 085	9 200
Other financial liabilities	6 343	6 480	8 503
Total financial liabilities	45 374	49 838	46 327

P36 Accrued expenses and prepaid income

	2022	2021	1/1/2021
Accrued expenses	2 584	2 611	2 823
Contract liabilities	45	30	33
Total	2 629	2 641	2 856

P37 Provisions

	2022	2021	1/1/2021
Provisions for guarantees and other commitments	710	622	804
Other		1	10
Total	710	623	814

P38 Subordinated liabilities

	2022	2021	1/1/2021
Subordinated loans	21 925	14 980	14 900
Undated subordinated loans, Additional Tier 1 capital	9 406	13 624	8 534
Total	31 331	28 604	23 434

Fixed-term subordinated loans

Year of issue	Maturity	First optional call date	Currency	Nominal amount	Carrying amount	Coupon interest, %
2018	2033	3/28/2028	JPY	5 000	397	0.90%
2018	2028	4/12/2023	JPY	8 000	631	0.75%
2018	2028	5/8/2023	SEK	1 200	1 202	1.55%
2018	2028	6/29/2023	JPY	11 000	867	0.95%
2018	2028	9/18/2023	EUR	500	5 461	1.50%
2022	2032	11/15/2027	GBP	400	5 032	7.27%
2022	2032	8/23/2027	EUR	750	7 802	3.63%
2022	2032	6/16/2027	JPY	7 000	543	1.45%
Total					21 925	

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	4 971	5.63%
2021	Undated	3/17/2029[2]	USD	500	4 435	4.00%
Total					9 406	

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.

P39 Untaxed reserves

	Accumulated accelerated depreciation	Tax allocation reserve	Total
Opening balance 2021	5 232	5 451	10 682
Allocation/Reversal	−53		−53
Closing balance 2021	5 179	5 451	10 630
Allocation/Reversal	188	−5 451	−5 263
Closing balance 2022	5 367		5 367

	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	119	149	268
Leasing equipment	17 715		17 715
Tangible assets	443	186	629
Prepaid expenses and accrued income	291	1 481	1 772
Accumulated accelerated depreciation	−5 367		−5 367
Net value	13 201	1 816	15 017

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 335m.

Tax allocation reserve	2022	2021	1/1/2021
Allocation 2017		1 862	1 862
Allocation 2018		3 538	3 538
Allocation 2019		51	51
Total		5 451	5 451

P40 Valuation categories of financial instruments

		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		144 459	144 459
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	1 780 930

		2021						
			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		194 353					194 353	194 353
Treasury bills and other bills eligible for refinancing with central banks, etc.	P18	128 447	24 901	2 650	27 551		155 998	155 998
Loans to credit institutions	P19	648 875	2 073		2 073		650 948	650 948
Loans to the public	P20	366 929	24 561	185	24 746		391 675	391 675
Bonds and other interest-bearing securities	P21		29 814	28 385	58 199		58 199	58 199
Shares and participating interest	P22		11 638	1 177	12 815		12 815	12 815
Derivatives	P25		44 153		44 153	170	44 323	44 323
Other financial assets	P30	22 567					22 567	22 567
Total		1 361 171	137 140	32 397	169 537	170	1 530 878	1 530 878

			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	99 796	814		814		100 610	100 610
Deposits and borrowings from the public	P33	937 844	5 088		5 088		942 932	942 932
Debt securities in issue	P34	292 868	4 050		4 050		296 918	299 529
Senior non-preferred liabilities		37 832					37 832	38 493
Subordinated liabilities	P38	28 604					28 604	29 026
Derivatives	P25		42 521		42 521	21	42 542	42 542
Short positions securities	P35		28 612		28 612		28 612	28 612
Other financial liabilities	P35	21 226					21 226	21 226
Total		1 418 170	81 085		81 085	21	1 499 276	1 502 970

Interest Rate Benchmark Reform
Interest Rate Benchmark Reform is described in note G46

	2022		2021		
	USD Libor	CHF Libor	USD Libor	Other[1]	Total
Financial assets					
Loans to credit institutions	1 983	47	1 878	13	1 938
Loans to the public	13 485	1 959	19 406	71	21 436
Total	15 468	2 006	21 284	84	23 374
Financial liabilities					
Amounts owed to credit institutions			32		32
Debt securities in issue	3 170		20 955		20 955
Total	3 170		20 987		20 987
Derivatives	1 397 202		1 367 279		1 367 279

1) Other includes CHF Libor and JPY Libor.

P41 Fair value of financial instruments

Used methodes for determination of fair values of financial instruments is described in note G47.

Financial instruments recognised at fair value
During the years ended 2022 and 2021 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.

	2022				2021			
	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.	8 653	3 113		11 766	22 564	4 987		27 551
Loans to credit institutions		585		585		2 073		2 073
Loans to the public		30 817	10	30 827		24 737	9	24 746
Bonds and other interest-bearing securities	41 316	19 168		60 484	29 269	28 930		58 199
Shares and participating interest	4 647		967	5 614	11 637		1 178	12 815
Derivatives	70	67 694		67 764	26	44 297		44 323
Total	54 686	121 377	977	177 040	63 496	105 024	1 187	169 707
Liabilities								
Amounts owed to credit institutions		659		659		814		814
Deposits and borrowings from the public		2 815		2 815		5 088		5 088
Debt securities in issue, etc		2 247		2 247		4 050		4 050
Derivatives	68	100 278		100 346	8	42 534		42 542
Short positions securities	27 073	120		27 193	25 737	2 875		28 612
Total	27 141	106 119		133 260	25 745	55 361		81 105

Changes in level 3

	2022 Assets			2021 Assets		
	Equity instruments	Loans	Total	Equity instruments	Loans	Total
Opening balance	1 178	9	1 187	1 032		1 032
Purchases	12		12			
Shares received				21		21
Converted to Visa Inc. A-shares	-461		-461			
Sale of assets/ dividends received	-44		-44	-1		-1
Issues					8	8
Gains or loss	282	1	283	126	1	127
of which are changes in unrealised gains or losses for items held at closing day	113	1	114	126	1	127
Closing balance	967	10	977	1 178	9	1 187

Financial instruments at amortised cost

The following table presents the fair value for financial instruments at amortised cost by the valuation hierarchy levels.

	2022		2021	
	Carrying amount	Fair value Level 2	Carrying amount	Fair value Level 2
Assets				
Treasury bills and other bills eligible for refinancing with central banks, etc	132 692	132 692	128 447	128 447
Loans to credit institutions	829 737	829 737	648 875	648 875
Loans to the public	439 360	439 360	366 929	366 929
Total	1 401 789	1 401 789	1 144 251	1 144 251
Liabilities				
Amounts owed to credit institutions	161 689	161 689	99 796	99 796
Deposits and borrowing from the public	940 952	940 952	937 844	937 844
Debt securities in issue	433 535	436 376	292 868	295 479
Senior non-preferred liabilities	57 439	59 261	37 832	38 493
Subordinated liabilities	31 331	31 121	28 604	29 026
Total	1 624 956	1 629 509	1 396 944	1 400 638

P22 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.

	2022					2021				
Assets	Derivatives	Reverse repurchase agreements	Security settlement claims	Securities borrowing	Total	Derivatives	Reverse repurchase agreements	Security settlement claims	Securities borrowing	Total
Financial assets, which not have been offset or are subject to netting	1 265		3 112		4 377	1 188		4 888		6 076
Financial assets, which have been offset or are subject to netting	65 499	31 171	253	73	97 996	43 135	26 634			69 769
Net amount presented in the balance sheet	67 764	31 171	3 365	73	102 373	44 323	26 634	4 888		75 845
Financial assets, which have been offset or are subject to netting or similar agreements										
Gross amount	1 261 457	118 046	272	73	1 379 848	187 608	89 197	28		276 833
Offset amount	-1 194 958	-86 875	-19		-1 281 852	-144 473	-62 563	-28		-207 064
Net amount presented in the balance sheet	66 499	31 171	253	73	97 996	43 135	26 634			69 769
Related amount not offset in the balance sheet										
Financial instruments, netting agreements	44 604	978	253		45 835	19 250	3 960			23 210
Financial instruments, collateral	339	30 096		73	30 508	1 566	22 643			24 209
Cash, collateral	8 553	26			8 579	13 850				13 850
Total amount not offset in the balance sheet	53 496	31 100	253	73	84 922	34 666	26 603			61 269
Net amount	13 003	71			13 074	8 469	31			8 500

	2022					2021				
Liabilities	Derivatives	Repurchase agreements	Security settlement liabilities	Securities lending	Total	Derivatives	Repurchase agreements	Security settlement liabilities	Securities lending	Total
Financial liabilities, which not have been offset or are subject to netting	2 529		1 734		4 263	561		4 292		4 853
Financial liabilities, which have been offset or are subject to netting	97 817	3 474	1	23	101 314	41 980	5 902	28	28	47 938
Net amount presented in the balance sheet	100 346	3 474	1 735	23	105 578	42 541	5 902	4 320	28	52 791
Financial liabilities, which have been offset or are subject to netting or similar agreements										
Gross amount	1 295 158	90 349	20	23	1 395 550	187 255	65 472	3 049	28	255 804
Offset amount	-1 197 341	-86 875	-19		-1 284 235	-145 275	-59 570	-3 021		-207 866
Net amount presented in the balance sheet	97 817	3 474	1	23	101 315	41 980	5 902	28	28	47 938
Related amount not offset in the balance sheet										
Financial instruments, netting agreements	44 604	1 231	0		45 835	19 250	3 932	28		23 210
Financial instruments, collateral	6 945	2 132		23	9 100	7 492	1 950		28	9 470
Cash, collateral	21 497				21 497	10 158				10 158
Total amount not offset in the balance sheet	73 046	3 363	0	23	76 432	36 900	5 882	28	28	42 838
Net amount	24 771	111	0		24 884	5 080	20			5 100

P23 Specification of adjustments for non-cash items in operating activities

	2022	2021
Amortised origination fees	-716	-615
Unrealised changes in value/currency changes	2 256	1 348
Depreciation of tangible and intangible assets	4 983	4 978
Reversal of previous impairment and impairment of tangible and intangible assets	64	-22
Impairment of fixed assets	1 946	
Credit impairment provisions and write-offs	734	392
Dividend Group entities	-16 610	-16 825
Prepaid expenses and accrued income	-1 263	-250
Accrued expenses and prepaid income	1 733	-218
Share-based payments	117	128
Capital gains/losses on financial assets	-276	0
Other	74	-202
Total	-6 958	-11 286

P24 Dividend paid and proposed disposition of earnings

	2022		2021	
Ordinary shares	SEK per share	Total	SEK per share	Total
Dividend paid, 22nd of February			4.35	4 871
Dividend paid, 1st of April			2.90	3 252
Dividend paid, 6th of April	11.25	12 632		
Dividend paid, 4th of November			7.30	8 187
Total	11.25	12 632	14.55	16 310
Proposed dividend				
Annual General Meeting	9.75	10 965	11.25	12 632
Total	9.75	10 965	11.25	12 632

The Board of Directors recommends that shareholders receive a dividend of SEK 9.75 per ordinary share in 2023 for the financial year 2022, corresponding to SEK 10 965m.

Earnings in accordance with the balance sheet of Swedbank AB to SEK 67 424m is at the disposal of the Annual General Meeting. The Board of Directors recommends that the earnings be disposed as follows (SEKm):

	2022	2021
Proposed dividend per ordinary share	10 965	12 632
To be carried forward to next year	56 459	46 711
Total disposed	67 424	59 343

The proposed total amounts to be distributed and carried forward to next year have been calculated on all 1 123 070 804 outstanding ordinary shares at 31 December 2022, plus 1 498 124 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 30 March 2023 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 negative effect on equity of SEK 1 437m.

The proposed record day for the dividend is 3 April 2023. The last day for trading in Swedbank's shares with the right to the dividend is 30 March 2023. If the Annual General Meeting accepts the Board's proposal, the dividend is expected to be paid by Euroclear on 6 April 2023. At year-end, the consolidated situation's total capital requirement according to Pillar 1 and buffer requirements by SEK 51 575m. The surplus in Swedbank AB was SEK 89 693m.

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.

P25 Assets pledged, contingent liabilities and commitments

Assets pledged

Assets pledged for own liabilities	2022	2021	1/1/2021
Government securities and bonds at the Swedish central bank			50 726
Government securities and bonds at foreign central banks	31 389	14 981	12 401
Government securities and bonds for liabilities to credit institutions, repurchase agreements	1 963	2 360	10 986
Government securities and bonds for deposits from the public, repurchase agreements	27 405	32 957	17 515
Cash	21 716	5 109	18 464
Total	82 473	55 407	110 092

The carrying amount of liabilities for which assets are pledged amounted to SEK 61 410m (52 664) in 2022.

Other assets pledged	2022	2021	1/1/2021
Shares	217	449	447
Government securities and bonds for other commitments	8 899	7 597	6 256
Cash	5 171	483	446
Total	14 287	8 529	7 149

Collateral is pledged in the form of government 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 same time agrees to repurchase it, the sold security remains on the balance sheet. The carrying amount of the security is also recognised as a pledged 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	2022	2021	1/1/2021
Loan guarantees	90 847	184 089	272 397
Other guarantees	39 038	43 437	38 948
Accepted and endorsed notes	1 352	1 073	628
Letters of credit granted but not utilised	2 370	3 665	3 022
Other contingent liabilities	1	12	11
Total	132 608	232 276	315 206

Commitments

Nominal amount	2022	2021	1/1/2021
Loans granted but not paid	186 815	194 554	253 934
Overdraft facilities granted but not utilised	66 798	68 777	70 118
Total	253 613	263 331	324 052
Credit impairment provisions for contingent liabilities and commitments	-710	-622	-804

The nominal amount of interest, equity and currency related contracts are shown in note P25 Derivatives.

AML ongoing investigations

Swedbank is cooperating with authorities in the United States who are conducting investigations into Swedbank's historical AML compliance and the Group's response thereto, as well as related issues involving the Group's anti-money laundering controls and certain individuals and entities who may at some time have been customers of the Group. The timing of the completion of the investigations is still unknown and the outcome is still uncertain. At present, it is not possible to reliably estimate the amount of any potential settlement or fines, which could be material.

IT incident

In April, Swedbank experienced a serious IT incident in connection with a system update. The incident caused incorrect balances in customers' accounts and subsequent payment problems while also affecting the availability of the bank's services. In October, the Swedish FSA informed that it is investigating the incident and assessing a possible sanction. It cannot be ruled out that the investigation may lead to negative financial effects for the parent company.

P26 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 company has continuing involvement.

	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
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

	Transferred assets			Associated liabilities		
2021	Carrying amount	of which repurchase agreements	of which securities lending	Carrying amount	of which repurchase agreements	of which securities lending
Valuation category, fair value through profit or loss						
Held for trading						
Shares	449		449	25		25
Debt securities	35 317	35 317		35 365	35 365	
Total	35 766	35 317	449	35 390	35 365	25

P27 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:

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	2 337	205	2 332
Total	7 058	468	6 590

2021	Expenses	Income subleasing	Total
2022	794	33	761
2023	676	33	643
2024	526	32	494
2025	471	32	439
2026	441	32	409
2027	410	32	378
2028	367	32	335
2029	297	10	287
2030	278	10	268
2031 or later	1 046	71	975
Total	5 306	317	4 989

20230706151876

P48 Related parties and other significant relationships

	Subsidiaries		Associates and joint ventures		Other related parties	
	2022	2021	2022	2021	2022	2021
Assets						
Loans to credit institutions	774 637	612 258	17 437	15 868		
Loans to the public	689	791				
Bonds and other interest-bearing securities	785	1 657				
Derivatives	17 410	4 025	16	6		
Other assets	12 772	15 678				
Prepaid expenses and accrued income	264	297				
Total assets	806 557	634 706	17 453	15 874		
Liabilities						
Amount owed to credit institutions	100 658	34 705	3 336	4 912		
Deposits and borrowing from the public	13 763	11 596			487	250
Derivatives	32 184	14 624	11	12		
Other liabilities	426	380				
Accrued expenses and prepaid income	382	344				
Total liabilities	147 413	61 649	3 347	4 924	487	250
Guarantees	93 019	183 661				
Commitments	29 680	27 627				
Derivatives, nominal amount	926 321	1 021 888	745	774		
Income and expenses						
Interest income	6 644	471	227	86		
Interest expenses	1 576	32	19	3		
Dividends received	15 672	16 317	1 020	587		
Commission income	2 548	2 836	103	122		
Commission expenses	81	87	2	179		
Net gains and losses on financial items			-3	-3		
Other income	1 491	739	596	715		
Other general administrative expenses	146	101	1	1	628	687

Other related parties
Swedbank's pension funds and Sparinstitutens Pensionskasse secure employees' postemployment benefits. They rely on Swedbank for traditional banking services.

P49 Changed presentation regarding resolution fees

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

		2021		
SEKm	Note	Previous reporting	Change	New reporting
Interest income on financial assets measured at amortised cost		9 872		9 872
Other interest income		457		457
Leasing income		4 906		4 906
Interest income		15 235		15 235
Interest expense		-962	305	-657
Net interest income	P5	14 273	305	14 578
Dividends received		17 065		17 065
Commission income		8 660		8 660
Commission expense		-2 119		-2 119
Net commission income		6 541		6 541
Net gains and losses on financial items		920		920
Other income		2 249		2 249
Total income		41 048	305	41 353
Staff costs		9 862		9 862
Other general administrative expenses		6 087		6 087
Depreciation/amortisation and impairment of tangible and intangible assets		4 956		4 956
Total expenses		20 905		20 905
Profit before impairments, Swedish bank tax and resolution fees		20 143	305	20 448
Credit impairments, net		78		78
Swedish bank tax and resolution fees	P13	0	305	305
Operating profit		20 065		20 065
Appropriations		-53		-53
Tax expense		4 031		4 031
Profit for the year		16 087		16 087

P50 Events after 31 December 2022

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
Other alternative performance measures These measures are defined on page 255 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] • Return on total assets • 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

199 Governance and sustainability
201 Promised sustainable areas
202 Stakeholder engagement
203 UN Principles for Responsible Banking
204–205 Swedbank's implementation of the Taxonomy Regulation

Sustainability notes

206–207 S1 – Responsible banking services
207–209 S2 – Responsible investments
210–212 S3 – Sustainable finance
212–213 S4 – Procurement
213–217 S5 – Environmental impacts
218–221 S6 – Employees
222–223 S7 – Business ethics and information security
224–225 S8 – Societal engagement
225–226 S9 – Human rights
226–227 S10 – Taxes

228 About this sustainability report
229–233 GRI Index 2022
234–237 PRB Self-Assessment
238 TCFD Index
238 SASB Index
239 Sustainability reporting according to the requirements of the Annual Accounts Act
247 Assurance report

20230705 1877

Governance and sustainability

Swedbank has a well-established governance model to deliver on the bank's purpose – to empower the many people and businesses to create a better future.

Swedbank has steering documents for sustainability consisting of policies, instructions, directives and guidelines/guides that have their basis in the UN Global Compact's ten principles. The Group's overarching operational controls also include Swedbank's Strategic Direction, Group-level goals, implementation, monitoring and reporting to integrate a sustainability perspective in the bank's core processes.

The Board of Directors has ultimate responsibility for sustainability management and takes decisions on the bank's overarching sustainability direction and the content of Swedbank's policies. They also annually approve the sustainability report as part of the Group's Annual and Sustainability Report. The Board is also responsible for identifying, assessing, managing, monitoring, internally reporting and controlling all relevant risks, including ESG risks. The Board's committees, such as the Audit Committee and the Risk and Capital Committee, play an important role on these issues. For more information on how the bank manages ESG risks, see page 107–110.

The Board receives continuous updates and monitoring on the bank's sustainability management. Among the topics raised during the year were the Corporate Sustainability Reporting Directive (CSRD), specific sustainability issues from the business areas, anti-corruption, financed emissions and the bank's climate targets. The board has also invited external experts and supervisory authorities on training occasions to gain insight into certain issues.

The Board is responsible for all of Swedbank's policies; see pages 44–45. The policies relevant to sustainability management can be found at https://www.swedbank.com/sustainability.

The Board's work is evaluated annually, as is the CEO's, see page 45 for more information.

The President and CEO is responsible for ensuring that Swedbank follows the Strategic Direction. To monitor this, the CEO has sustainability related 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 Group Executive Committee's performance is assessed based on outcomes that ensure long term and sustainable results for the bank and is a parameter that affects their compensation over time.

The CEO is also 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 detail how sustainability is integrated in business decisions and are more operational than the policies.

Committees: Swedbank's Sustainability Committee manages sustainability related matters such as human rights, tax issues, environmental challenges and sustainability governance at the Group level. The Sustainability Committee is led by the Head of Group Brand, Communication and Sustainability with a mandate from the CEO. The members include representatives from the Group Executive Committee, the bank's various business areas and Group Functions. The committee issues recommendations and takes decisions based on each member's specific mandate. Cases can also be escalated to the CEO.

All business areas and Group Functions have the opportunity to tap the committee's competence. Cases are monitored and distributed to the Board, the CEO and Group Executive Committee.

Local sustainability committees that follow the same working principles and process as the Group committee also operate in the Baltic countries.

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 Sustainability Council manages procurement related sustainability issues with the Head of Sustainability participating. In cases where frameworks do not provide enough guidance for a decision, the issues can be escalated to Swedbank's Sustainability Committee.

Group Brand, Communication and Sustainability is responsible for integration of sustainability in the bank's strategy and business plan under the leadership of the Head of Group Brand, Communication and Sustainability. Group Sustainability, which is part of this unit, is led by the bank's Head of Sustainability and supports other parts of the bank on sustainability related issues involving strategy, targets and monitoring. For example, Group Sustainability supports the integration of sustainability in other business units. Also included in the unit is Swedbank's programme office to coordinate and align the implementation of rules in the EU Action Plan on Financing Sustainable Growth. The Head of Group Sustainability reports to the Head of Group Brand, Communication and Sustainability.

Swedbank's ISO 14001 certified environmental management system governs the bank's environmental work and provides a structure to monitor targets and performance, see page 213 for more information.

To ensure that sustainability is integrated throughout the bank, Group Functions and business areas are responsible for integration of frameworks, policies and governance tied 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 of Group units and subsidiaries.

Business areas: Swedbank's business areas, Swedish Banking, Baltic Banking and Large Corporates and Institutions, work to ensure that the bank lives up to the increased sustainability expectations from customers. To meet this demand, each business area has dedicated sustainability experts. They are responsible for implementing the Group's sustainability framework, prioritise development activities and for ensuring that resources and expertise 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 the subsidiaries Swedbank Insurance, Swedbank Robur, Swedbank Mortgage and PayEx. This unit has dedicated sustainability teams and/or managers, who together with other departments ensure that various stakeholders' sustainability requirements are met.

External audits of sustainability management are conducted by third parties for various purposes, such as to improve processes and ensure high quality. Swedbank's Annual and Sustainability Report is audited based on the criteria in the GRI Standards. Swedbank's Sustainable Bond Impact Report is audited, and an external ISO 14001 audit is conducted annually.

For more information, see Swedbank's Corporate Governance Report on pages 42–55.

Commitments

- Principles for Responsible Banking (PRB)
- Science Based Targets initiative (SBTi)
- Task Force on Climate related Financial Disclosures (TCFD)
- UN Women's Empowerment Principles
- UN Global Compact
- UN Guiding Principles on Business and Human Rights
- Climate Action 100+ (Swedbank Robur)
- Finance for Biodiversity (Swedbank Robur)
- ICGN, International Corporate Governance Network (Swedbank Robur)
- Principles for Responsible Investments (PRI) (Swedbank Robur)

Above is a selection of commitments. These commitments also constitute the framework for several of Swedbank's sustainability-related policies as well as for the implementation of sustainability in the bank.

Memberships and networks

- Bankers' associations in Sweden, Estonia, Latvia and Lithuania
- Diversity Charter in Estonia, Latvia, Lithuania and Sweden
- Energy Efficiency Financial Institutions Group (EEFIG)
- European Savings and Retail Banking Group Sustainable Finance Committee
- Hagainitiativet in Sweden
- ICC Business Charter for Sustainable Development
- Institute for Sustainability and Corporate Social Responsibility in Latvia
- Lithuanian Association of Responsible Business
- Nordic CEOs for a Sustainable Future
- The Swedish Association for Sustainable Business (NMC)
- Swedish Bankers' Association's Sustainability Council and Committee
- Swedish banking sector's (employer association BAO and trade union Finansförbundet) Central Gender Equality and Diversity Committee
- Swedish National Advisory Board for Impact Investing (NAB)
- UN Environmental Programme for the Financial Sector (UNEP FI)
- UN Global Compact's Sustainable Ocean Business Action Platform in Norway

The above are a selection of Swedbank's commitments, memberships and networks

Sustainability index

Swedbank closely monitors the demands and recommendations raised in various sustainability surveys and indexes, which helps the bank to ensure that the sustainability work is well developed and maintains a high standard. Monitoring is done for example through dialogues with various stakeholder groups on the results.

During the year, Swedbank's results in the majority of sustainability indexes have been stable. The rating from Sustainalytics has improved during the last three years, while the result slightly declined linked to CDP and the Dow Jones Sustainability Index in 2022.

Sustainability index/ranking	2022	2021	2020
Bloomberg Gender and Equality Index[1]	75	69	77
CDP (previously Carbon Disclosure Project)[2]	C	B	B
Dow Jones Sustainability Index[3]	76	84	81
EY SHE Index Sweden[4]	82	82	
Fair Finance Guide[5]	70	68	68
FTSE4Good ESG rating[6]	4.0	4.3	4.5
ISS Corporate Governance[7]	C (Prime)	C (Prime)	C (Prime)
MSCI ESG rating[8]	AA	AA	AA
S&P ESG rating[9]	76	75	
Sustainalytics[10]	21.7	24.8	27.6

1) Scoring scale 0–100 (max 100)
2) Scoring scale A–D- (max A). B was the average score for the financial sector in 2022.
3) Scoring scale 0–100 (max 100). Swedbank was included in the Dow Jones Sustainability World Index in 2020 and 2021 as well as in the Dow Jones Sustainability Europe Index in 2022.
4) Scoring scale 0–100 (max 100)
5) Scoring scale 0–100% (max 100%)
6) Scoring scale 0–5 (max 5). Swedbank has qualified for the FTSE4Good Index.
7) Scoring scale A+ – D- (max A+)
8) Scoring scale AAA – CCC (max AAA)
9) Scoring scale 0–100 (max 100)
10) Scoring scale 0–10 negligible risk, 10–20 low risk, 20–30 medium risk, 30–40 high risk, 40+ severe risk.

Prioritised sustainability areas

Swedbank evaluates and continuously prioritises which sustainability areas to focus on. This is based on discussions and feedback from various stakeholders, such as internal and external experts, employees, customers, investors, trade organisations, suppliers and non-profit organisations.

Additionally, the bank evaluates and analyses its positive and negative sustainability impacts through the value chain. The method used for the impact analysis is adopted from the UN Environment Program Finance Initiative as part of the Principles for Responsible Banking. The results are used as support in the development of the bank's business strategy and prioritised sustainability areas.

This year's prioritisation is based on the results of a materiality analysis conducted in 2020 and an impact analysis conducted in 2021. Swedbank's assessment is that the outcome from these analyses is still valid. Therefore, the report for 2022 is based on previously identified areas. This was also assured with the help of internal experts within the bank. In this process actual and potential impacts have been assessed but not reported explicitly.

In order to identify actual and potential positive and negative impacts, Swedbank regularly conducts risk assessments and scenario analyses in various areas. The areas that are assessed include how climate change impacts the bank's activities today and potentially going forward. This is described in the note ESG risk on pages 107–110, as well as in the note Environment and Climate on pages 213–214.

The bank has a number of processes to ensure that both current and future risks are identified and managed. In addition to risk identification being a natural element in daily operations, the bank has implemented an annual process with management, the purpose of which is to identify and manage the largest threats to the bank. The identification is made from a top-down perspective and is intended to serve as input to the bank's annual strategy review. The results of the assessment are reported to the bank's Board of Directors. The bank also has annual internal capital and liquidity assessment processes which take into account current and future risks to ensure that the bank has sufficient capital and liquidity in both a normal and stressed situation.

These assessments can be linked to prioritised sustainability areas such as Promote sustainable investment, Promote sustainable finance, Promote climate transition, High availability, Secure and stable IT systems, Combat financial crime and Financially stable bank.

The materiality analysis evaluated what our stakeholders considered to be the most important issues for Swedbank within sustainability. In order to also evaluate our actual and potential impact for our specific operations, the impact analysis was carried out based on challenges and opportunities at sector and country level.

Swedbank updates the materiality analysis every few years to identify the current sustainability issues that are most material to the bank. Given the updates that have been made to the GRI Standards as well as upcoming reporting standards at the EU level, a major reworking of the analyses is planned next year with a greater focus on how Swedbank impacts society and how the bank's operations are impacted, so-called double materiality.

Summary of Swedbank's materiality analysis and impact analysis

Order of priority from the materiality analysis	Impact through Swedbank's customers*	Read more in note
High accessibility	Inclusive & healthy economies	5
Promote sustainable investment	Climate	2 5 6
	Biodiversity & ecosystem	
	Waste	
	Resource efficiency	
	Inclusive & healthy economies	
Promote sustainable finance	Climate	2 5 6
	Biodiversity & ecosystem	
	Waste	
	Resource efficiency	
	Inclusive & healthy economies	
Promote climate transition	Climate	2 5 6 10
Attractive employer	Employment	9
Business ethics	Inclusive & healthy economies	7 10
Responsible governance	Inclusive & healthy economies	7 10
	Justice	
Secure and stable IT systems	Justice	7
Combat financial crime	Justice	7
Financially stable bank	Inclusive & healthy economies	1
Societal engagement	Inclusive & healthy economies	1

* The areas are predefined by the UN and can include both positive and negative impact.

The figure above shows the results of Swedbank's materiality analysis and impact analysis. The results of the impact analysis have been aligned with the key topics identified in the materiality analysis.

Stakeholder engagement

It is important that Swedbank maintains a continuous dialogue with various stakeholders on current sustainability issues to get an indication of which issues are important to Swedbank and to society as a whole. Swedbank conducts more in-depth dialogues with its main stakeholder groups such as customers, employees, owners and investors, and society and the operating environment. The primary stakeholder groups have been chosen based on which stakeholders are materially affected by and have an impact on Swedbank's operations. Additionally, Swedbank interacts with a large number of other groups, including the following:

- Authorities
- Municipalities and county councils
- Regulators
- Pension managers
- Asset managers
- Analysts
- Journalists
- Unions
- Students
- Foundations
- Non-profit organisations
- Interest groups
- Trade organisations
- Associations
- Primary and secondary schools
- Colleges and universities
- Suppliers
- Subsidiaries
- Savings Banks
- Competitors
- Ratings agencies and indexes
- Auditors

Customers

The bank mainly engages in customer dialogues in its digital channels as well as at its branches and various customer events. Swedbank also participates in seminars with sustainability related themes. Annual customer surveys capture customers' comments and suggestions. 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.
- Questions about the bank's work with cybersecurity tied 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 it could impact future financing.
- Increased interest in sustainability related regulations and their impact.
- Discussion around fraud and what Swedbank is doing to prevent it.
- Questions about personal finance given the economic conditions, including 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 is important to employee performance, engagement and well-being. To measure and track how employees feel about their work environment, surveys are conducted continuously. The results of the surveys and employees' opinions are discussed and monitored within each unit. Important issues raised during the year included:

- Implementation of the Strategic Direction.
- Encouragement of an open feedback culture that facilitates successful performance by employees and the organisation.
- Higher 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.
- Further work to create a safe and secure workplace and limiting the spread of the coronavirus.
- Continuous support and upskilling in key areas through training.
- Further development of the Swedbank at Work concept for employees.

Owners and investors

A dialogue is maintained with existing and potential owners and investors through quarterly reports, the Annual and Sustainability Report, meetings, teleconferences, the bank's website and press releases. Important issues raised during the year included:

- How higher interest rates impact Swedish households and the housing market.
- The progress of US regulatory investigations on the bank's historical short comings.
- Discussions on the new Swedbank Sustainable Funding Framework, which enables the bank to issue green, social and sustainability bonds.
- Credit quality in lending to commercial real estate companies and the growth opportunities identified by the bank.

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, and the European Banking Federation's (EBF) ESG Financial Markets Task Force. Most of the discussions with authorities are with the Ministry of Finance, the FSA and other relevant Swedish authorities, but also with the European Commission, the European Central Bank and the European Banking Authority.

To support societal development, the bank is involved in various initiatives in its home markets, where sustainability issues are discussed. Among the issues raised during the year with authorities, decision-makers and charitable organisations were:

- Issues related to EU regulations (e.g. the EU Taxonomy, SFDR, CSRD and Deforestation Regulation). For example, the challenge of including financial institutions in the Deforestation Regulation was discussed, as well as how the EU Taxonomy should be interpreted. The discussions also focused on reporting and how sustainability risks are managed.
- Together with the Savings Banks and Savings Bank Foundations, Swedbank was involved in several initiatives such as Young Economy, Digital Economy and Junior Achievement during the year. Swedbank also participated in the annual political gathering Järvaveckan as well as Stockholm Pride, Riga Pride and Baltic Pride in Vilnius, where the focus was diversity and inclusion.
- Global events tied to the war in Ukraine as well as global economic conditions, including rising interest rates and inflation.

UN Principles for Responsible Banking

Together with over 300 banks around the world, Swedbank applies the Principles for Responsible Banking to speed up the global transition benefiting both people and the planet.

The Principles for Responsible Banking (PRB) provide a sustainability framework that serves as guidance for Swedbank's operations and align the bank's strategic direction with the Paris Agreement and the Sustainable Development Goals.

PRB consists of six principles:
1) Alignment
2) Impact and Target Setting
3) Clients and Customers
4) Stakeholders
5) Governance and Culture
6) Transparency and Accountability

During the year, Swedbank conducted activities involving each principle with a focus on the continued implementation of the bank's strategic direction with the overarching vision to achieve a financially sound and sustainable society. The bank's PRB self-assessment is presented on pages 234–237 and at www.swedbank.com

Analysis of the bank's impact
The portfolio-wide impact analysis was updated in 2021 with a focus on Principle 2 – Impact and Target Setting. The impact analysis shows how Swedbank, through its products and services, impacts various sustainability areas from the UN Impact Radar, which PRB uses to define sustainability areas. The analysis includes both positive and negative impacts. The results provide an opportunity to understand and analyse how Swedbank impacts and create value for its stakeholders and society as a whole and are used to complement Swedbank's materiality analysis. See page 201 for more information about the results of the analysis.

Methodology
The analysis of the bank's impact was conducted with the help of a tool developed by UN Environment Programme Finance Initiative. The methodology and tool that are used are continuously refined and revised. The quality of the results depends on how well the underlying information fits with the tool's structure and design. The aim of the analysis is to give Swedbank a holistic view of its impacts, and it was conducted on a Group level in Sweden, Estonia, Latvia, Lithuania and Norway based on information from each business area: Swedish Banking, Baltic Banking and Large Corporates and Institutions.

The analysis was based on Swedbank's lending to corporate customers as well as products for private customers. Input data for the private market consisted of the number of active customers per product, while data for the corporate market consisted of lending divided geographically and by sector as of 31 December 2020. Every country is unique and therefore requires different measures when it comes to the areas impacted by sustainability aspects, e.g. biodiversity, infrastructure or food accessibility. The analysis tool takes this into consideration by assigning each country a weight. The weights are assigned for various areas, based on social, economic and environmental pillars to show the need in relation to how well the country performs in each area. Asset management, insurance and capital market products were not covered by the analysis.

Results of the analysis
The results of the analysis show that Swedbank, through its business, plays an important role in society and its development. PRB has defined areas based on where the bank has an impact. It is mainly in housing, inclusive and sound economies, and employment that Swedbank has the biggest positive impact, especially in sectors such as real estate and manufacturing. The bank's positive impact in the area of housing is rooted in increased access to housing opportunities e.g. in the form of financing for individuals and construction and real estate companies. The bank also contributes positively to inclusive and sound economies by providing increased access to 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 its business, has an important obligation to limit its own negative impacts, mainly in environmental issues such as climate change, biodiversity, waste and resource efficiency. While the bank creates positive impact on some aspects related to these issues (for example, through contributing to various livelihood opportunities), potential for improvement has been identified in the real estate, manufacturing, agricultural, forestry and fishing sectors, as well as in certain parts of the energy sector. Resource efficiency and a reduced climate impact are important areas that impact SDG 12 Sustainable Consumption and Production and SDG 13 Climate Action.

Targets
In line with PRB's six principles, Swedbank has adopted two overarching targets that will support its efforts to contribute positively to the SDGs and the Paris Agreement.
- Swedbank has developed targets for its indirect emissions from the loan portfolio by 2030. See page 19 and 26 for more information on the targets.
- In 2023, Swedbank will increase its sustainable finance. Total sustainable finance volume was SEK 73 bn at year-end 2022.

The key to reaching Swedbank's targets is close collaboration with customers and industry colleagues in order to make the biggest possible impact. To implement the Group level targets, they are included in the bank's day-to-day activity and business planning. The targets are evaluated continuously as part of this process. Group Sustainability is responsible for building a better understanding of the bank's identified impact areas in close dialogue with the responsible managers in each business area.

Implementation of the EU Taxonomy Regulation

Swedbank continued during the year to implement the EU Taxonomy Regulation (EU Taxonomy). The reporting of the bank's exposure to eligible economic activities has been expanded mainly to include information on the bank's customers and counterparties. Moreover, Swedbank has continued to integrate the EU Taxonomy in the development of its products and services.

The EU has created a uniform classification system for environmentally sustainable economic activities called the EU Taxonomy. The aim is to help investors identify environmentally sustainable investments. For an economic activity to be defined as environmentally sustainable under the EU Taxonomy, and thereby classified as aligned, the activity must meet the following criteria:
- making a substantial contribution to at least one environmental objective,
- doing no significant harm to any other environmental objective,
- meet certain social minimum safeguards and
- complying with the technical screening criteria.

If an activity is not included in the technical screening criteria, it cannot be assessed under the EU Taxonomy and therefore is not governed by the regulation.

There are technical screening criteria for two of the six established environmental objectives: 1) climate change mitigation (CCM) and 2) climate change adaptation (CCA). The other four environmental objectives do not yet have established technical screening criteria.

The EU Taxonomy in Swedbank's business strategy
Swedbank's vision, "A financially sound and sustainable society", is based on a conviction that the bank, together with its customers, can continue to have a major positive impact on society. The EU Taxonomy can help Swedbank to deliver on its vision by guiding customers to do well-informed and sustainable choices. Swedbank sees the EU Taxonomy as a means to both assess environmental sustainability and increase transparency in the financial industry.

During the year, the bank has published targets for reducing financed emissions by 2030 within a number of sectors. The targets are science based and align with the Paris Agreement's 1.5°C target. Going forward, the EU Taxonomy can be used as one of several tools to define customers' activities that align with the Paris Agreement and thereby also help the bank reach its climate targets.

Swedbank has worked to coordinate and facilitate the implementation of the EU regulations on sustainable finance, including the EU Taxonomy, through a Group-level coordination programme. The chair of the steering committee is the Head of Group Brand, Communications & Sustainability. The programme is coordinated by Group Sustainability.

The EU Taxonomy's impact on the bank's products and customers
During the year, Swedbank developed and launched an EU Taxonomy training for its employees and customers, which for example can be used as advisory support. Customer processes affected by the regulation have also been adapted to the EU Taxonomy.

Since the EU Taxonomy is still under development, Swedbank is analysing its future impact on the bank's products and customers. Swedbank's website (swedbank.se) provides information and links to three videos that customers can watch to get a better understanding of the regulation and how it affects their investments.

A new Swedbank Sustainable Funding Framework has been launched as well. The criteria for the green categories in the framework are largely aligned with the criteria in the EU Taxonomy for corresponding economic activities.

The EU Taxonomy impacts the sustainability information that Swedbank has to disclose on funds, insurance and portfolio management in accordance with the Sustainable Finance Disclosure Regulation (SFDR). In pre-contractual disclosures and periodic reporting, the bank has to include information on the product's ambition to invest in EU Taxonomy aligned investments. This means that the EU Taxonomy can be used as a tool to compare these products from a sustainability perspective.

For Swedbank to identify how EU Taxonomy-aligned its assets (mainly loans) are, additional sustainability related information on its customers has to be collected. The EU Taxonomy can be used as a tool in Swedbank's conversations with customers and thereby simplify the transition for the customers. The bank's product range could eventually be impacted in order to align more closely with the requirements in the EU Taxonomy. Swedbank is closely monitoring the development of the EU's sustainable finance regulations and welcomes the expansion of the EU Taxonomy to include more areas of sustainability.

EU Taxonomy reporting 2022 and information on the quantitative indicators
Corporates that are subject to the EU's Non-Financial Reporting Directive (NFRD), i.e., large public interest corporates with more than 500 employees ("NFRD corporates"), have to report in accordance with the EU Taxonomy in their sustainability reporting. Swedbank is defined as a NFRD corporate and is subject to the requirements that apply to credit institutions.

The bank's EU Taxonomy reporting has been prepared based on Swedbank's interpretation of the reporting requirements, and the bank is closely monitoring developments affecting the regulation.

Covered assets
The transition rules for 2022 require banks to report the share of assets on their balance sheet that are EU Taxonomy eligible, as well as EU Taxonomy non-eligible assets. As of the financial year 2023, Swedbank will report how environmentally sustainable the assets on the balance sheet are according to the EU Taxonomy. This will be reported using the Green Asset Ratio (GAR), which is computed as EU Taxonomy-aligned assets (numerator) divided by total covered assets (denominator). According to the reporting requirements, certain exposures are excluded from the numerator, regardless of whether they meet the requirements of the EU Taxonomy or not. Examples include exposures to non NFRD corporates and derivatives. These assets will be included in the GAR's denominator and are thereby part of the covered assets and will have an impact on the future GAR. Certain other exposures are fully excluded from GAR, e.g. exposures to central governments, central banks, supranational issuers and the bank's trading portfolio.

The bank presents the EU Taxonomy reporting based on the consolidated situation as defined in Regulation (EU) No 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 in the consolidation of insurance corporates and joint ventures. The consolidated situation consolidates insurance corporates according to the equity method instead of the acquisition method applied in the consolidated financial statements based on IFRS (see Significant accounting policies, Consolidated financial statements 3.2). The joint ventures EnterCard Group AB, Invidem AB and P27 Nordic Payments Platform AB are consolidated according to the proportional method in the consolidated situation, while the equity method is applied in the consolidated financial statements based on IFRS (see Significant accounting policies, Associates and Joint ventures 3.6). Otherwise, the same principles are applied.

	2022				2021	
	Gross carrying amount	EU Taxonomy-eligible assets	Share of total covered assets, %	Share of total assets, %	Gross carrying amount	EU Taxonomy-eligible assets
Covered assets in both numerator and denominator	1 259 557	1 058 735	55.0	41.2	1 138 143	988 734
Loans and advances, debt securities and equity instruments not held for trading	1 259 529	1 058 707	55.0	41.2	1 138 143	988 734
Financial corporates, NFRD	20 304	5 167	0.3	0.2		
of which credit institutions, NFRD	5 146	1 181				
of which other financial corporates, NFRD	15 158	4 986				
Non-financial corporates, NFRD	54 921	18 932	1.0	0.7		
Households	1 177 610	1 033 608	53.6	40.2	1 136 122	988 698
of which loans collateralised by residential real estate	1 029 407	1 029 407			988 698	988 698
of which loans for building renovations	790	790				
of which loans for motor vehicles	3 411	3 411				
Local governments	5 770					
Regional governments and social security funds	925					
Collateral obtained by taking possession: residential and commercial immovable properties	28	28	0.0	0.0	36	36
Assets excluded from the numerator for calculation of share of covered assets (covered in the denominator)	667 099		34.6	25.9		
Corporations and counterparties within EU not subject to NFRD	567 455					
Corporations and counterparties from countries outside EU not subject to NFRD	67 027					
Derivatives, hedge accounting	1 524					
On demand inter bank loans	5 678					
Cash and cash equivalents	3 794					
Other assets (e.g. Goodwill)	21 622					
Total Covered Assets	1 926 656	1 058 735				988 734
Assets not included in the calculation of share of covered assets	644 679			25.1		
Sovereigns Central Governments	18 656					
Central banks	494 981					
Trading book	131 042					
Total assets	2 571 335	1 058 735			2 429 773	988 734
EU Taxonomy non-eligible assets	200 822		10.4	7.8		

Clarification of the EU Taxonomy table
To increase transparency on which assets are included in the table, this is clarified below.

EU Taxonomy-eligible assets
The EU Taxonomy limits which counterparties and products the bank may include in its reporting. Therefore, the proportion of the bank's assets that is EU Taxonomy eligible does not provide any information on how environmentally sustainable the bank's assets are. One example that illustrates this is that all mortgages to households are EU Taxonomy-eligible, regardless of how energy-efficient the properties are. Banks will also report how these exposures impact the climate objectives 1) climate change mitigation or 2) climate change adaptation. This year the distinction was not applied by the bank, since not all NFRD corporations have reported according to this requirement.

Financial and non-financial NFRD corporates
As a financial institution, Swedbank will base the information regarding gross carrying amount and key ratios on its corporate clients' and counterparties' reported key ratio. Swedbank's corporate customers and counterparties that are defined as NFRD corporations reported the EU Taxonomy eligible share of their economic activities for the first time in the financial year 2021. This means that there could be gaps in clients' and counterparties' reported information, which could entail a risk that certain information for NFRD corporates is lacking.

To identify NFRD corporates, Swedbank has used external data collected from third parties. The information has been supplemented by data that Swedbank collected directly from corporate customers' and counterparties' annual reports.

For NFRD-corporates that are financial corporates Swedbank reports its assets towards these corporates' key ratios of exposures to EU Taxonomy eligible assets. There is still some ambiguity from the EU how the key ratios for financial and non-financial corporates will be reported for financial corporates. Swedbank has chosen to use the non-financial corporates' and counterparties' reported key ratio for turnover due to inadequate method explanation whether the key ratios turnover and capex should be weighted or reported separately.

Households
Ownership of immovable property is seen as an EU taxonomy-eligible economic activity. Consequently, loans to households collateralised by residential immovable property (mortgages) are Taxonomy eligible in their entirety. The majority of Swedbank's Taxonomy eligible assets are mortgages to households, which means that these loans will have the largest impact on Swedbank's reporting of EU Taxonomy-aligned assets for the financial year 2023. Loans to households also include motor vehicle loans issued in 2022 as well as building renovation loans.

Local and regional governments
There is some ambiguity about the interpretation of the reporting requirements, e.g. how exposures to regional and local governments will be treated. Swedbank has made the interpretation that exposures to regional and local governments are included on separate rows.

Corporates not subject to NFRD
Swedbank has to report the proportion of its assets exposed to corporates that are not in scope by the NFRD ("non-NFRD corporates"), i.e. do not meet all the criteria for NFRD corporates.

Exposures to non NFRD corporates are excluded from the reporting of EU Taxonomy aligned assets and can neither be included as Taxonomy eligible assets. Assets to non-NFRD corporates consist of financial and non-financial corporates. Financial corporates are included on this row until more information is shared by the EU. This is because the EU's template does not have a row that includes these exposures.

Most of Swedbank's corporate clients are defined as non-NFRD corporates.

Exposures to economic activities in gas and nuclear power
As a financial company, Swedbank shall base its reporting on its corporate customers' and counterparties' reported data. The Complementary Climate Delegated Act – Commission Delegated Regulation (EU) 2022/1214 on economic activity in certain energy sectors entered into force on 1 January 2023, which is why reported data on these activities is not included in the counterparties' reports from 2021.

51 Available banking services

Material topic:
High availability

Share of sales in digital channels, %

Sweden	58
Estonia, Latvia and Lithuania	76

Swedbank is a digital bank with physical meeting points. Service and advice are provided to customers in person, by phone and digitally. Visits to our branches are steadily decreasing as more customers choose the digital channels. The number of branches is being adapted accordingly.

The financial system is a precondition for modern society to function. Availability and stability are critical factors for a bank's operations and for customer satisfaction. As Swedbank's more than 7 million customers increasingly do their banking digitally, it is essential that the services work easily, securely and conveniently.

Swedbank and the Savings Banks meet customers every day through more than 8 million digital interactions. To meet the demand for digital services and future-proof the bank's IT platforms, development work has to be done continuously. The work is based on long-term plans to meet the need for stability and availability, as well as day-to-day work to minimise and manage incidents. The benchmark for availability in the digital channels, known as uptime, is 99.81 per cent for Sweden and 99.73 per cent for the Baltic countries.

An inclusive bank
The work to create services and content for the digital channels is important. The aim is that as many people as possible, regardless of ability, should be able to use these services. Training is therefore arranged to help seniors and others who do not feel included in the digital development. The Digital Economy initiative is a partnership with the Savings Banks and Savings Bank Foundations to help people feel more comfortable with using digital banking services. Strong emphasis is put on security and how to avoid fraud. During the year, 3 894 people took the training.

Information on the bank, banking services and security is provided in nine languages on swedbank.se. The website also has services that can make banking easier for people with visual or hearing impairments. Additionally, the security token for the mobile and internet bank is available with larger buttons and louder sound as well as a voice assisted version. In the Baltic countries customers are able to log in to the internet bank with biometric authentication, such as fingerprint or facial recognition.

In Sweden all branches are accessible for those with disabilities, and in the Baltic countries the figure is 84 per cent.

Partnerships
To grow the business, increase availability and add new competence, products and services, Swedbank has partnerships and collaborations with other companies and organisations. The collaboration with the Savings Banks is the most important and the most extensive, where spreading information on personal finances is also a key aspect. Fintech is another area where we have established significant partnerships. The emphasis there is on technology, the customer experience and interfaces to continuously offer new functions, services and products with a focus on the customer. For cash management, Bankomat AB is an important partner in Sweden, giving customers access to 1 105 ATMs in more than 500 locations. In cooperation with retailers and various service providers, Swedbank can also offer banking services beyond its standard meeting points in the four home markets.

Partnerships in fintech
- **Minna Technologies** – Subscription management app for automatic control of incoming payments
- **Manliga** – Expense tracker app providing a better financial overview
- **Asteria** – AI-powered smart cash flow management technology for small and medium-sized businesses
- **Yabie** – Cloud based mobile point-of-sale and payment systems for companies
- **BankID** – Sweden's largest electronic identification system

Partnerships in payments
- **Getswish** – Mobile payment service
- **Bankgirot** – Real-time clearing house
- **EnterCard** – Credit card issuer
- **P27** – Nordic payment system

Swedish Banking	2022	2021	2020
Number of card purchases (million)	1 428	1 319	1 271
Branches	145	153	159
Number of digitally active customers (million)[1]	3.5	3.4	3.2
Availability in digital channels, internet bank (%)[2]	100	99.80	99.74
Availability in digital channels, app (%)[2]	100	99.79	99.71
Share of sales in digital channels, (%)[3]	57.7	58.2	
– of which Daily Banking products[4]	51	46	
– of which Savings & Pension	86	88	
– of which Private Lending	35	24	
– of which Insurance	25	19	
– of which Corporate	9.6	7.5	
Swish payments incl. Savings Banks (million)	415	350	282
Prepaid cards (number)[5]	16 282	15 661	13 642

1) Number of customers with at least 3 logins, including shake balance inquiries, in a digital channel in the last month. Including Savings Banks.
2) Refers to uptime in the system.
3) From 2022 the number of equity transactions has been excluded when counting the number of sales contracts. The historical figures have been changed accordingly.
4) Refers to cards and payments.
5) Number of activated cards. Prepaid cards are used to pay out financial assistance and benefits to people without an ID number or bank account, or as a collective debit card for employees of schools, public housing, social services etc. The card, which replaces cash handling and can be used in all stores and ATMs, is offered to municipalities, regions, authorities and state-owned enterprises.

Baltic Banking	2022	2021	2020
Number of card purchases (million)	844	710	652
Branches	86	80	82
Accessible branches and representation points	84	95	100
ATMs	1 141	1 142	1 148
Number of digitally active customers (million)[1]	2.3	2.2	2.0
Availability in digital channels, internet bank (%)	99.60	99.82	99.77
Availability in digital channels, app (%)[2]	99.70	99.76	99.55
Share of sales in digital channels, (%)	76	78	78
– of which Daily Banking products[3]	69	72	74
– of which Savings & Pension	88	85	80
– of which Private lending	90	86	85
– of which Corporate	65	65	58
– of which Insurance	80	74	72

1) Number of customers with at least 3 logins, including shake balance inquiries, in a digital channel in the last month
2) Refers to operating hours
3) Refers to cards and payments

S2 Responsible investments

Material topic:
Promote sustainable investment

Participation in general meetings 852

Dialogues on governance and sustainability issues 1163

Swedbank believes that responsible and sustainable investments make a difference for sustainable development and are essential to generate a long term return. The subsidiary Swedbank Robur manages capital for customers, either in funds or discretionary mandates. Sustainability is an integral part of asset management. Swedbank sees growing demand for savings products that can promote sustainable development. At the same time, European regulation has been strengthened and clarified regarding the sustainability content of financial products and the information disclosed to customers. As a result of the European Sustainable Finance Disclosure Regulation (SFDR), Swedbank Robur offers funds that promote environment or social characteristics (article 8 funds) and funds that have sustainable investment as their objective (article 9 funds).

Sustainability in Swedbank Robur's funds

Swedbank Robur's vision is to be a world leader in sustainable value creation. The strategy to achieve this is to offer sustainable, simple and innovative products that contribute to sustainable development and create value for customers. Swedbank Robur's Policy for Responsible Investments serves as the basis for the sustainability work, which comprises all its funds and is integrated in the asset management. The policy is revised annually.

Swedbank Robur is a major shareholder on the Stockholm Stock Exchange and have holdings in companies both in and outside Sweden. This means Swedbank Robur has both a responsibility and an opportunity to engage. The fund company's dialogues and other work as an active owner contribute to companies developing their work with sustainability and corporate governance. Swedbank Robur continued to take an active role in various industry forums to improve customer information on sustainable funds in response to the EU Action Plan for Financing Sustainable Growth. Climate change was still a key element in the development of core strategies, targets and products but was accompanied by closely related aspects. Nature related risks and opportunities, for example, have increased in importance, not least to achieve Swedbank Robur's climate strategy. In August, a strategy was adopted for Biodiversity & Investments with a positive impact on nature.

Sustainable asset management	2022	2021	2020
Total assets under management (SEKbn)[1]	1 726	1 966	1 632
– of which in funds (SEKbn)	1 352	1 519	1 220
Investments in sustainable bonds (SEKbn)	37	38	29
AUM with Science Based Targets (%)[2]	33	30	–
Carbon footprint of equity funds, weighted average (tonnes CO_2e/SEKm)[3]	50	38	65
Total GHG emissions equity funds (million tonnes CO_2e)[4]	2.6	1.7	2.4
AUM linked to SDG revenue streams (%)[5]	13	10.4	12
Charitable donations from Swedbank Robur Humanfond (SEKm)[6]	50	55	43

1) Assets under management as of 31 December 2022 refer to Swedbank's fund companies in Sweden, Estonia, Latvia and Lithuania. Other metrics in the table refer to Swedish funds. The figures for 2021 and 2020 have been recalculated.
2) Share of total AUM (%) in equities and corporate bonds, in holdings with Science Based Targets.
3) Method in accordance with TCFD's recommendations. Weighted average emission intensity Scope 1+2, tonnes CO_2e/SEKm. The portfolio company's GHG emissions distributed by portfolio weight, i.e. the value of the investment in the company in relation to the portfolio value.
4) Method in accordance with TCFD's recommendations. Total CO_2e emissions from equity funds based on ownership interests in the portfolio companies.
5) Share of total AUM. Based on equity and credit funds. The figure refers to company's revenue streams tied to SDGs.
6) The number of affiliated organizations was 73. The total distribution since the fund's start is SEK 1.3bn.

Sustainable asset management

Sustainability is integrated in the investment philosophy of all asset management operations and sustainability criteria are part of the investment analysis for every asset class. During the year, Swedbank Robur's portfolio managers, sustainability analysts and corporate governance specialists continued to meet companies, evaluate their risks and opportunities, and offer concrete suggestions to develop and support their sustainability work. Swedbank Robur's funds actively invest in companies that focus on the environment and climate change, human rights, working conditions or business ethics. Sustainable bonds have continued to serve as an important transition tool, and Swedbank Robur is a major player in this market. The proportion of sustainable bonds in fixed income and credit funds decreased slightly due to inflation and volatility on the fixed income and credit markets but remains at a high level. All portfolio managers annually present their funds' sustainability process and ESG performance to the fund company's CEO, the Head of asset management and the Head of sustainability & corporate governance.

Impact as an owner

Swedbank Robur is an active owner and have regular contact with boards and managements of companies, foremost when the funds are major shareholders. The foundation for sustainable value creation is a thorough strategy and operational controls. This includes managing both opportunities and risks in corporate governance and sustainability and benefits both the companies and the fund unit holders. Swedbank Robur engages with companies around the world – partly through its own contacts and partly through collaborations, e.g. in the UN supported Principles for Responsible Investment (PRI) network, with investor groups and with the help of providers of dialogue services.

The engagement during the year focused on strategies for climate transition, climate reporting and the adoption of science based climate targets. Swedbank Robur's partnership with the Net-Zero Asset Manager initiative has influenced the dialogue on climate change. Companies with particularly high emissions in sectors with a big climate impact have been contacted directly to encourage them to speed up their transition. The companies have been open to dialogue, and about a year after the initial contact over 20 per cent of the companies had either developed strategies or set concrete targets. Issues such as children's rights, biodiversity and supply chains were also discussed with companies during the year.

Swedbank Robur signed the Finance for Biodiversity Pledge two years ago. Finance for Biodiversity's goal is to reverse nature loss globally and take ambitious action on biodiversity. The fund company was one of five co-authors of a guide for investors on engagement with companies on biodiversity. The group also engaged with decision makers at the UN meeting Stockholm +50 in the spring. In December, the fund company sent a letter to the Swedish ministers for finance and climate action to encourage support for the finance-related texts in Global Biodiversity Framework at COP15 in Montreal.

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 annual meetings of Swedish and international companies and its participation in nomination committees. The basis for Swedbank Robur's ownership work are the fund company's principles for shareholder engagement. Important topics from a shareholder perspective include board composition, management compensation (including share related incentive programs), capital structure, sustainability and that the companies have adequate systems for governance, control and disclosure.

Swedbank Robur promote boards with the right combination of competence, experience and diversity, including gender parity, as well as a balance between independent and non independent directors. The board should actively address the sustainability issues relevant to the company. For companies where Swedbank Robur has been on the nomination committee, the average share of women has increased compared with the original baseline (see note 2 below) and, as in previous years, it is higher than for the Swedish stock exchange as a whole. The fund company voted on around 35 markets, for example in Great Britain, the US, Taiwan and Japan.

Engagement work in funds	2022	2021	2020
Participation in annual general meetings	852	786	593
– of which companies listed in Sweden	282	298	261
– of which companies listed outside Sweden	570	488	332
Participation in nominating committees[1]	110	111	96
– Share of women on corporate boards (Sweden) (%)[2]	38	38	38
Dialogues on governance and sustainability issues[3]	1 163	1 155	948
– of which combined dialogues on E, S, G (%)	36	48	61
– of which dialogues primarily on environment (%)	33	24	13
– of which dialogues primarily on social issues (%)	16	12	3
– of which dialogues primarily on corporate governance (%)	15	16	23

1) Of which 106 (109) companies publicly listed in Sweden and 4 (2) listed in Finland
2) Including CEO if elected by the AGM. Refers to boards where Swedbank Robur has participated in the nomination committee. Nomination committee companies vary from year to year. The baselines for the years 2020–2022 were on average 35.3%, 36.4% and 36.6%, or an increase of 3 (2020), 1 (2021) and 2 (2022) percentage points.
3) Refers to unique companies. Swedbank Robur's sustainability analysts, fund managers and corporate governance specialists had 1 163 dialogues with 786 companies. Suppliers had 257 dialogues 233 companies and as part of investor collectives 271 companies were contacted on 286 occasions.

Exclusions

Swedbank Robur does not invest in controversial weapons (cluster munition, antipersonnel mines, chemical and biological weapons) or nuclear weapons. The funds also exclude companies that generate revenue from tobacco, cannabis, commercial gambling, pornography 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 are reported on a Green List on Swedbank Robur's website. In addition to the above mentioned criteria, companies have been excluded because they seriously violated international norms and conventions to protect people and the environment without showing willingness to change. For more information, see Swedbank Robur's exclusion strategy.

Carbon footprint of the funds

Swedbank Robur's climate target is to align its aggregated AUM with the Paris Agreement by 2025 and reach net zero by 2040. The carbon footprint of equity funds increased, mainly due to an increase in coverage for climate related informa-

tion on fund holdings from around 70 per cent to close to 95 per cent compared to the previous year. The fund company developed a pioneer method to measure the carbon footprint of covered bonds during the year. They represent a large share of the capital in traditional fixed income funds, where established methods to measure carbon footprint have been lacking. The calculations are based on industry standards for estimating carbon footprint by asset class from the Partnership for Carbon Accounting Financials (PCAF).

Swedbank Robur has continued to implement in its fund management the net zero targets it adopted in 2021 as part of the Net Zero Asset Manager (NZAM) initiative. The initiative brings asset managers together from around the world to set net zero targets for their investments. Swedbank Robur was one of the first signers of NZAM.

External reporting on climate work has been integrated in the Swedbank Group's annual report. The fund company also provides information in the annual reports of the funds, vote summaries, customer reports and in dedicated publications on climate change, nature and engagement work. In March, Swedbank Robur published its annual climate report with results for emissions, engagement work and climate related investments in its funds. The report describes how climate risks are managed in the investment portfolio in accordance with the recommendations of the Task Force on Climate related Disclosures (TCFD). For more information on management of ESG risks, including climate change, see the Instruction for integration of sustainability risks in investment decisions, the Swedbank Robur Sustainable Risk Policy and the Process for managing negative impacts, all available on Swedbank Robur's website.

Swedbank Insurance

Swedbank Insurance, a wholly owned subsidiary of Swedbank, offers pension, endowment and personal risk insurance for private customers and businesses.

Swedbank Insurance is working to increase the amount of information on sustainability in its investments to enable customers to make sustainable investment decisions. The insurance company offers products where the included funds are evaluated based on sustainability criteria. The fund companies' overall offering is screened as well. This means that Swedbank Försäkring has funds that embrace financial, social and environmental sustainability in their management. 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 on sustainable finance.

All unit-linked insurance solutions that Swedbank Insurance offers are classified as article 8 products according to the SFDR. Swedbank Insurance's traditional insurance is not classified, since it is not open to new policyholders, but all underlying funds are classified as light or dark green. The third product group, variable universal life insurance, is not classified either, since it may contain individual securities such as equities and bonds which are not governed by SFDR.

Several modifications to the Insurance Distribution Directive (IDD) took effect in 2022 and now apply to the distribution of insurance products. When providing advice, the customer's sustainability preferences must now be identified and matched with the firm's range of sustainable products. While Swedbank Insurance is not a distributor of financial products, the company has not actively participated in the implementation of the revisions to IDD.

The Sustainability Policy and Policy for Responsible Investments were updated during the year. Swedbank Insurance's policies provide a foundation for the sustainability work and cover all investments in traditional, unit linked or variable universal life insurance. During the year, the insurance company maintained contacts with external fund managers to follow up on SFDR classifications and discuss possible new funds with the sustainability focus or fund companies' general sustainability work.

The sustainability level of the fund offering is a priority area and Swedbank Insurance during the year continued to exclude funds that could not meet its sustainability requirements.

Swedbank Insurance requires the funds its investors are offered to take climate action. Swedbank Insurance annually publishes a report on how sustainability is integrated in the investment offer for customers who save through traditional, unit linked or variable universal life insurance. Carbon footprint is measured and reported for investment portfolios in accordance with Swedish Insurance's recommendation. Sustainability ratings are measured and reported for funds in the investment portfolios in Morningstar globes. During the year, Swedbank Insurance also conducted a climate analysis of equity and corporate bond holdings in the sectors most impacted by the transition to a fossil free society. The analysis was performed with the help of the analysis program PACTA. The overarching conclusion shows that the insurance company's share of investments that are highly exposed to climate risks is low compared with the global market.

Biodiversity is an important part of the solution to reach the Paris Agreement's climate targets. Swedbank Insurance actively participates in Mistra BIOPATH, a research collaboration to map and understand the role of the financial system when it comes to biodiversity, and also participates in the TCFD (see page 217 for more information).

Property & casualty insurance and life insurance in the Baltic countries

Swedbank Property & Casualty Insurance and Swedbank Life Insurance are two 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.

In 2022, the Policy for Responsible Investments was updated to provide a comprehensive framework for integrating sustainability in investment decisions and the selection processes used by investment funds. This framework places certain minimum requirements on investment fund managers, on the share of assets under management invested in article 8 and 9 funds according to SFDR, and on the ESG risk classification of each product.

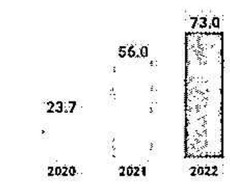
Swedbank Life has also set criteria for companies that are excluded from direct investments as well as maximum thresholds for its savings products consistent with Swedbank Group's position statements on Climate change and defence equipment. Swedbank Property & Casualty's updated policy ensures that the direct investments consisting of client premiums are restricted by a similar framework.

At the same time, Swedbank Life has introduced new investment funds as part of its IBIP products (insurance based investments products) in accordance with the new policy.

S3 Sustainable finance

Material topic:
Promote sustainable finance

Sustainable finance volume 2020–2022 (SEKbn)



Included in sustainable finance:
- Sustainable Asset Register
- Sustainability Linked Loans
- Other green private and corporate loans

Responsible long term lending is part of Swedbank's core business. For Swedbank, sustainable lending means long-term lending where the customer's financial situation is assessed and sustainability risks are identified and managed.

Sustainability analysis in lending

In the lending process sustainability risks are taken into consideration in all credit decisions. A detailed sustainability analysis is carried out for corporate loan applications of more than SEK 8m in Sweden and EUR 0.8m in the Baltic countries. For other customers, a basic assessment of sustainability related factors is made, depending on the type of business and its complexity. Sector guidelines are available to support the sustainability analysis. They provide insights into sustainability issues in various industries and give guidance on which questions to ask.

The work being conducted to develop and improve the sustainability analysis continued during the year and was implemented in parts of the bank. The aim of the revised 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. This then serves as the basis for which questions are taken up with corporate customers. This gives the bank a better understanding of how these customers manage the identified risks.

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. The cases submitted to the Committee in 2022 mainly concerned issues tied to Swedbank's exclusion list and Swedbank's two position statements on defence equipment and climate change.

Swedbank's position statements

Swedbank has two position statements, one on climate change and one on defence equipment.

The position statement on climate change clarifies, for example, that Swedbank will not directly finance coal-fired power generation or the establishment of new coal-fired power plants, unconventional fossil fuel production, exploration of new oil or gas fields, new oil tankers, or new or expanded crude refineries for transportation fuel (unless primarily aimed at biofuel production). Furthermore, Swedbank does not invest in companies that generate more than 5 per cent of their revenue from extraction of coal, oil or gas (with the possible exception under certain circumstances of companies that are defined as transitioning companies with a Paris-aligned strategy).

The position statement on defence equipment clarifies, for example, that Swedbank only provides financial services to the defence equipment sector in conformance with national regulations and sanctions adopted by the UN Security Council, the European Union or the US. Swedbank has zero tolerance for controversial weapons (including nuclear weapons), which means that it will not provide financial services to companies that produce, maintain or trade this type of weapon.

Swedbank's position statements serve as the basis for potential exclusions of companies. The reason for an exclusion could be that they violated various international norms on human rights and the environment. Swedbank annually reviews its position statements and updates them as needed.

Sustainability analysis corporate lending	2022	2021	2020
Swedish Banking (no. of approved loan applications)	30 573	36 399	36 484
Baltic Banking (no. of analyses)	3 014	2 678	2 655
Large Corporates and Institutions (no. of approved loan applications)	1 388	1 465	1 647
Total number of cases escalated to Swedbank's Sustainability Committee	16	13	8
– of which customer related cases	3	4	3
– of which policy and governance related cases	13	9	5

Mortgage loans, Swedish Banking, Energy class (SEK m)[1]	2022	2021	2020
Energy class A	2 579	2 040	1 629
Energy class B	22 316	18 106	12 602
Energy class C	51 244	45 882	33 783
Energy class D	78 223	70 094	63 009
Energy class E	92 853	82 362	87 219
Energy class F	46 662	43 396	43 224
Energy class G	20 307	17 972	15 381
Not classified	800 979	813 518	795 441

1) Volumes as of 2022 12 31, energy classes as of December 2022.

Swedbank Sustainable Funding Framework

Swedbank Sustainable Funding Framework is based on the bank's Green Bond Framework from 2017 and has been expanded to include social areas during the year. The framework, which provides definitions for financing of green and social projects and assets, aligns with the International Capital Markets Association (ICMA) Green Bond Principles 2021, Social Bond Principles 2021 and Sustainability Bond Guidelines 2021. The green categories have to a large extent been adapted to the technical screening criteria in the EU Taxonomy. With the framework as a basis, Swedbank can issue green, social and sustainability bonds that support the Sustainable Development Goals.

The Swedbank Sustainable Bond Impact Report, which is published annually, accounts for the volume and expected impact of loans included in Swedbank's Sustainable Asset Register.

Current financing is mainly comprised of sustainable investments in real estate, renewable energy sources, green transports, forestry and waste management.

20230706S1878

Sustainable registry and bonds	2022	2021	2020
Sustainable Asset Registry, total (SEKm)[1]	59 297	44 655	18 344
Renewable energy (SEKm)	2 296	2 401	2 730
Green buildings (SEKm)[2]	45 064	40 277	13 632
Pollution prevention and control (SEKm)	1 200	1 130	1 154
Clean transportation (SEKm)	3 648	252	265
Sustainable management of living natural resources (SEKm)	812	595	563
Sustainable management of water and wastewater (SEKm)	24		
Green assets, total (SEKm)	53 044		
Employment generation (SEKm)	3 670		
Socioeconomic advancement and empowerment (SEKm)	2 583		
Social assets, total (SEKm)	6 253		
Outstanding green bonds (SEKm)[3]	27 872	30 526	7 028
A selection of environmental impacts			
Avoided emissions (tCO_2e)	385 398	595 029	589 547
Green buildings – energy savings (GWh)[4]	78	21	19
Renewable energy – energy production (GWh)	1 154	1 805	1 831
Waste management – processed waste (tonnes)[5]	150 000	150 000	150 000
Forestry – FSC/PEF-certified forest area (ha)[6]	52 496	26 740	26 740

1) Qualified loans according to Swedbank Sustainable Funding Framework. Also reported per business area in the tables Sustainable finance Swedish Banking, Sustainable finance, Baltic Banking and Sustainable finance, Large Corporates and Institutions.
2) In previous year's reporting (based on previous framework), green buildings belonged to the category Energy Efficiency
3) Swedbank AB issuer
4) From 2022, energy savings from green mortgages are included
5) No change in underlying assets. Waste management is a subcategory to Pollution Prevention and Control
6) Forestry is a subcategory to Sustainable Management of Living Natural Resources and Land Use.

Products and offerings with a sustainability focus, private customers

- **Green mortgage** – Swedbank wants to promote sustainable housing and therefore offers customers who live in housing classified as green a discounted mortgage rate (see table Sustainable finance).
- **Car loan/lease with environmental criteria** – Serves as an ordinary car loan but with a lower interest rate when purchasing a vehicle that meets certain environmental criteria (see table Sustainable finance).
- **Energy loan and solar loan** – Loans to install solar panels or make energy efficiency improvements, e.g. installation of a heat pump, with a discounted interest rate (see table Sustainable finance).
- **State-guaranteed mortgage loan** – In the three Baltic countries, Swedbank participates in a state guaranteed mortgage assistance programme for residential housing that provides a subsidy or guarantee for lower amortisation (see table State guaranteed mortgage loan programmes)
- **Green funds and green savings** – Swedbank offers funds that take into consideration sustainability issues in order to help customers invest in the transition to a more sustainable world (see pages 207–209 for more information)

State guaranteed mortgage loan programmes[1]	2022	2021	2020
Estonia			
– number of loans granted during the year	771	1 158	1 062
– portfolio volume (SEK m)	3 139	4 107	2 583
Latvia			
– number of loans granted during the year	1 759	2 120	1 581
– portfolio volume (SEK m)	6 817	10 258	4 119
Lithuania			
– number of loans granted during the year	755	957	726
– portfolio volume (SEK m)	4 818	1 595	1 118

1) Swedbank participates in a state guaranteed mortgage loan programme to help various groups finance a home, based on established criteria that apply for example, to families with low incomes, households that need accessible housing, families with young parents, young people who are highly educated or households that want to improve their home's energy efficiency.

Products and offerings with a sustainability focus, corporate customers

- **Green loans** – A loan to finance projects classified as environmentally sustainable, e.g. to reduce climate impacts or contribute to the transition to a greener society by supporting environmentally friendly technology
- **Sustainability linked loans** – Differ from green loans in that they can be used for general business purposes rather than a specific purpose. The cost of the loan is tied to the borrower's performance relative to sustainability targets and is monitored through performance reports over the loan's duration (see table Sustainable finance, Large Corporates and Institutions).
- **Corporate loans for renewable energy** – Offered by Baltic Banking to encourage small businesses to finance installation of solar panels, wind power farms and/or geothermal energy through specific business loans for renewable energy production (see table Sustainable finance, Baltic Banking)
- **Energy efficiency for tenant-owner associations** – Baltic Banking offers financing for energy-efficiency improvements by tenant-owner associations
- **ESG-related bonds** – Clients of Large Corporates and Institutions are offered assistance to issue green, social and sustainability bonds. Since 2019, Swedbank has also offered sustainability linked bonds in the capital market. Their structure differs from traditional green, social and sustainability bonds in that this type of debt instrument is used for general business purposes and the coupon rate is linked to meeting specific sustainability targets by an agreed deadline.
- **Green equity** – Clients of Large 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 green. Green equity is available with IPOs, new share issues or as public recognition that all the company's outstanding shares are green (without any specific transactions).
- **Sustainability-related advice** – Clients of Large Corporates and Institutions are offered sustainability related advice. For example, they are offered advice on ESG ratings, guidance on the EU Taxonomy and weekly newsletters

Sustainable finance, Swedish Banking[1]	2022	2021	2020
Private			
Green mortgages (SEK m)[2]	1 765	1 106	479
More environmentally friendly car loans (SEK m)	269	177	105
Solar loans (SEK m)	275	170	136
Energy loans (SEK m)[3]	8	18	22
Corporate			
Sustainable loans, portfolio volume (SEK m)[4]	38 645	24 933	2 098
– of which renewable energy	215	265	276
– of which green buildings[5]	36 427	24 668	1 822
– of which clean transportation	1 050		
– *of which sustainable water and wastewater management*	24		
– of which socioeconomic advancement and empowerment	929		

1) Total lending private 2022: SEK 1 039 000m, total lending corporate SEK 236 000m
2) Refers to the green mortgage, the definition of which differs from qualifications for mortgages in the Sustainable Registry.
3) Financing of energy efficiencies in buildings. Not including Savings Banks.
4) Qualified sustainable loans according to Swedbank Sustainable Funding Framework
5) Also includes mortgages 2021–2022

Responsible lending, Swedish Banking, private customers (%)	2022	2021	2020
Households with loan to value ratios above 70% of property value	16	10	14

Sustainable finance, Baltic Banking[1]	2022	2021	2020
Privat			
Sustainable mortgages (SEK m)	210	153	9
More environmentally friendly car leasing (SEK m)	1 097	544	134
Solar panels loans (SEK m)	247	20	31
Corporate			
Renewable energy loans – small businesses (SEK m)	94	10	6
Sustainable loans, portfolio volume (SEK m)[2]	11 456	6 127	3 022
– of which renewable energy	1 323	1 168	1 140
– of which green buildings	2 797	3 234	165
– of which sustainable management of living natural resources	812	595	563
– of which pollution prevention and control	1 200	1 130	1 154
– of which employment generation	3 670		
– of which socioeconomic advancement and empowerment	1 654		

1) Total lending private 2022: SEK 136 000m, total lending corporate SEK 109 000m
2) Qualified sustainable loans according to Swedbank Sustainable Funding Framework

Sustainable finance, Large Corporates and Institutions[1]	2022	2021	2020
Corporate			
Green loans, portfolio volume (SEK m)[2]	9 196	13 595	13 224
– of which renewable energy	758	968	1 314
– of which green buildings	5 840	12 375	11 645
– of which clean transportation	2 598	252	265
Sustainability linked loans, portfolio volume (SEK m)	11 460	9 146	4 481
Capital market[3]			
Transactions that Swedbank arranged during the year (number)	70	99	63
Total volume that Swedbank arranged during the year (SEK bn)	33.6	49.9	36.6
Share in relation to total volume that Swedbank arranged during the year (%)	21.4	23.7	23.8
Total volume that Swedbank arranged from the start (SEK bn)	174.7	141.1	91.2

1) Total corporate lending 2022: SEK 284 000m.
2) Qualified loans according to Swedbank Sustainable Funding Framework
3) Swedbank AB issuer of ESG bonds (green, social and sustainability bonds)

S4 Procurement

Material topic:
Promote climate transition

Number of active suppliers 3 653

Total procurement value (SEKm) 9 473

Swedbank has nearly 3 700 suppliers and an annual procurement expense of approximately SEK 9.5bn divided between IT and digital banking services, shared internal services as well as financial products and services for private and corporate customers.

The procurement unit's goal is to be best in class in sustainable procurement. To achieve this, the focus is on reducing risk in the supply chain, increasing positive impact and innovation.

Reduce risk

In connection with procurements, all suppliers are evaluated in several areas such as the environment, human rights, business ethics and governance. During the year, the number of sustainability criteria was expanded to put more emphasis on high-risk countries and align with the bank's strategy. At the same time, the procurement system was further digitised to enable greater focus on compliance with the procurement process and monitoring of any high risk suppliers when new contracts are signed. Swedbank's suppliers are mainly in Europe and more than 99 per cent of them are in markets assessed as low risk. Suppliers with production operations require an additional risk assessment. Brand and sustainability risks are analysed with the help of an independent external party. The aim is to have a good awareness of material risks and prepare a plan on how such risks can be mitigated before a contract is signed.

In 2022, the work was focused on increasing process compliance and reducing risk in the supply chain through more efficient procedures and increased monitoring of how potential suppliers are evaluated. The risk of noncompliance is evaluated within the framework of the bank's procurement process. The results of the evaluation are recorded so that progress can be tracked. The bank's code of conduct for suppliers was updated to strengthen the requirements placed on suppliers regarding, among other things, reduced climate impact and fair working conditions. Suppliers must confirm that they are in compliance with the code of conduct and sign it before entering a contract. Noncompliance with the code of conduct is continuously monitored to reduce risks in the supply chain. Deviations shall be escalated to the Procurement Sustainability Committee for approval/rejection of the deviation. During 2022, about 20 cases were escalated.

Positive impact and innovation

In addition to the sustainability assessment, suppliers' sustainability management is also assessed through continuous dialogue. For strategic suppliers, the bank evaluates their targets in relevant sustainability areas. In 2022, the focus was on climate change and human rights. The targets are followed up annually to track performance and drive positive development. Furthermore, Swedbank conducts a more extensive evaluation of diversity and inclusion issues, primarily for consult *arms. To minimize unnecessary travel, most of the discussions are held virtually*

The work has encouraged suppliers to take action within their organisations to improve their sustainability management. Swedbank prefers to work with suppliers with a strong sustainability profile and has also purposely chosen other suppliers because of the progress they have made in sustainability. One of them in the US escalated the implementation of sustainability to the Board level, where they received approval to start a sustainability programme with the CEO as the sponsor

To increase knowledge internally, the procurement unit, together with two of Swedbank's suppliers, held a seminar to address procurement and sustainability issues.

Swedbank encourages its suppliers to develop circular services and products, such as to reuse the bank's IT equipment. In Sweden, where the largest share of the use of this equipment takes place, approximately 97 per cent of all computers and monitors are reused. Additionally, at least 50 per cent of the computers that the bank purchases are shipped by train instead of air.

Swedbank prefers to work with suppliers that offer products and services where sustainability aspects are measured and evaluated to encourage improvements and enable innovation. When evaluating bids, the bank looks at how the supplier works with the product/service in question to compare and increase awareness in the selection process.

When selecting event services during the year, offers from four suppliers were evaluated based on their climate work. The bank chose to work with the one that offered the option of carbon neutral events.

Evaluation of suppliers	2022	2021	2020
Procurement value (SEKm)	9 473	9 593	14 219
Number of active suppliers	3 653	3 785	4 107
Percentage of suppliers registered in countries with low environmental risk[1]	99	99	
Percentage of suppliers registered in countries with low social risk[2]	99	99	
Number of supplier dialogues[3]	43	46	
Number of sustainability evaluations[4]	289	129	

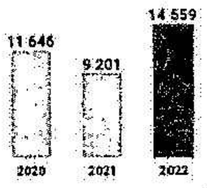
1) Based on the Environmental Performance Index. All suppliers with risk scores over 50 are considered low risk.
2) Based on the Anvari ESGI Index. All suppliers with risk scores over 50 are considered low risk.
3) Supplier dialogues are structured meetings with sustainability agenda managed by Swedbank.
4) Sustainability evaluation conducted on contracted suppliers

S5 Environment and climate

Material topic:
Climate action

Climate action leads to results

Emissions from Swedbank's direct operations, tonnes CO_2e



Includes emissions from the bank's offices, business travel, security transports, paper consumption and IT-equipment.

Swedbank's internal environmental management during the year

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 includes the precautionary principle. The environmental work is structured according to the bank's ISO 14001 certified environmental management system. The bank works continuously to reduce its negative environmental impact, and every unit has a manager responsible for environmental management. Swedbank's subsidiaries Swedbank Robur, Swedbank Försäkring, Swedbank Hypotek, Sparia, Swedbank Fastighetsbyrå and PayEx AB are also covered by Swedbank's ISO 14001 certification.

The bank also has a network of approximately 50 sustainability ambassadors who coordinate target-setting and monitoring and act as support in the sustainability work.

The bank's facility management department works to secure energy-efficient and space saving properties together with property owners to adopt energy conservation measures. Swedbank has established intensity-based targets to curb energy consumption in its offices by 15 per cent between 2017 and 2025.

During 2022, the bank's direct emissions increased. The larger increase occurs in scope 3 due to more travel because of the covid 19 restrictions being removed as well as the bank developing its measurement method for scope 3. The measurement method for scope 3 now includes emissions from employees' IT equipment.

The bank works actively to reduce the environmental impact from business travel. Internal targets have been set for both the Group and units with a focus on increasing the share of virtual meetings to replace travel. In 2022, the target was to reduce travel by 27 per cent from 2019, which was met. After the pandemic, virtual meetings will continue to take precedence over face to face meetings that require long distance travel.

Climate reporting in accordance with TCFD

The Task Force on Climate Related Financial Disclosures (TCFD), which was created by the Financial Stability Board, is a framework for how companies shall disclose the financial impact that climate change has on their businesses. Reporting according to the recommendations gives stakeholders insight into how climate-related risks and opportunities are managed.

Swedbank has performed scenario analyses to understand how different levels of global temperature rise could affect various sectors. The work and its output are described in the ESG Risk note on pages 107–110, which also describes risk management and governance of climate risks. The scenario analyses also provide insights on the opportunities that the green transition represents for Swedbank in the form of new business volumes. The results are listed below.

Opportunities

Opportunities in the short term (1–5 years)

- Increased financing need for investments in technology and distribution for the transition in energy sector
- Expected growth in solar and wind power in both the energy and real estate sectors
- Increased need for energy efficiency in the real estate sector.
- Established relations 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 (5–15 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 segments thanks to increased demand for bioenergy as a renewable raw material in the agricultural and forestry sector.
- Lending to customers with a deep insight into the impact of climate change and their sector-specific transition needs in the financial sector.

As a bank and financial player, Swedbank has both a responsibility and an opportunity to contribute to climate action. Sustainability is an integral part of the bank's strategy. Swedbank works continuously to develop advice and products that meet the transition needs of its customers; see page 211. Attention is also paid to employee training on climate change and to developing climate reporting in a transparent way. In 2022, for example, Swedbank expanded its reporting of financed emissions to comprise a larger share of the loan portfolio.

Targets and metrics

During the year, Swedbank established targets to reduce financed emissions for selected sectors by 2030. These and other climate targets are shown on pages 19 and 26.

Financed emissions

The initial calculations of financed emissions for part of the portfolio of mortgages and commercial real estate loans were published in the Annual and Sustainability Report 2021. During the year, the methodology was improved and calculations were expanded to comprise the entire portfolio for the mortgage and commercial real estate sectors. Consequently, the figures are not directly comparable with those published in 2021. Calculations were also conducted for the power generation, oil & gas, and steel sectors. Swedbank has used a standardised methodology from Partnership for Carbon Accounting Financials (PCAF) to measure and calculate 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

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 real estate. Commercial real estate comprises loans to purchase commercial properties. Swedbank includes all properties used for revenue-generating activities, such as retail, offices, sports facilities, industrial properties and multifamily 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. The building's emissions are expressed as the amount of $kgCO_2e$ per year that the building's energy usage generates. To calculate the building's emissions, information is needed on its heated area, energy consumption, heating source and an emissions factor for each type of energy. Swedbank has used data from energy performance certificates to calculate the building's emissions, provided that energy performance certificates were available. When such data and other information used in the calculations has been lacking or incomplete, estimated figures provided by PCAF have been used. The share of available energy performance certificates for the property portfolio, as well as the data quality, differs between Sweden and the three Baltic countries.

Asset class	Financed emissions (tCO_2e)[1]		Physical emission intensity[2]	
	2021	2020	2021	2020
Mortgages (Sweden)	230 677	253 658	5.9	6.0
Mortgages (Estonia, Latvia and Lithuania)	540 291	472 203	81.5	83.1
Commercial real estate (Sweden)	139 303	155 162	10.7	12.1
Commercial real estate (Estonia, Latvia and Lithuania)	278 268	269 417	123.3	119.8
Oil and gas	4 629 558	5 654 610	n/a	n/a
Power generation	771 077	983 233	0.15	0.15
Steel	167 952	300 415	0.80	1.09

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. Reporting for the years 2020 and 2021, since underlying emissions data is not yet available for 2022.
2) Reporting for the years 2020 and 2021, since underlying emissions data is not yet available for 2022. For Mortgages and Commercial Real Estate – Financed emissions per financed area ($kgCO_2e/m^2$). For Power Generation and Steel – Financed emissions per financed activity (tCO_2e/MWh for Power Generation and tCO_2e/tonne for Steel). For Oil and gas focus is on absolute emissions, therefore, no physical intensity value.

20230706S1879

Financed emissions per property type

Mortgages	Gross carrying amount (SEKm)	Financed emissions (tCO_2e)[1]	Financed area ($1000m^2$)	Emissions intensity[2]	Weighted data quality points[3]
	2021	2021	2021	2021	2021
Mortgages (Sweden)	980 362	230 677	39 192	5.9	3.8
Multi family housing	340 010	40 072	11 450	3.5	3.7
of which tenant owner rights	250 488	30 791	6 412	4.8	3.8
of which tenant owner associations	68 596	8 708	4 963	1.8	3.4
of which other multi-family housing	926	573	75	7.6	3.8
Single family housing	631 370	159 183	24 000	6.6	3.8
Other	8 982	31 423	3 743	8.4	4.3
Mortgages (Estonia, Latvia and Lithuania)	91 789	540 291	6 631	81.5	3.5
Multi family housing	55 966	207 516	3 157	65.7	3.5
Single family housing	35 823	332 774	3 474	95.8	3.6
Total	1 072 151	770 968	45 823	16.8	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 ($1000m^2$)	Emissions intensity[2]	Weighted data quality points[3]
	2021	2021	2021	2021	2021
Commercial real estate (Sweden)	215 726	139 303	12 983	10.7	3.9
Commercial real estate (Estonia, Latvia and Lithuania)	19 880	278 268	2 257	123.3	4.0
Total	235 607	417 571	15 240	27.4	3.9

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 sectors, corporate lending[1]	Total exposure (SEKm)[2]	Total exposure (%)[3]	Financed emissions (tCO_2e)[4]	Emissions intensity[5]	Weighted data quality points[6]
	2021	2021	2021	2021	2021
Oil and gas	5 837	92%	4 629 558	n/a	3.1
Power generation	20 181	81%	771 077	0.15	2.0
Steel	4 992	84%	167 952	0.60	2.0

1) Includes large customers, defined as (1) annual turnover > 500 SEK mer balance sheet total > 1000 SEK m, (2) gross carrying amount and off-balance exposure > 8 SEK m
2) Gross carrying amount and off balance exposure
3) Against total exposure for the sector including small and medium enterprises
4) Scope 1, 2 and 3 financed emissions for Oil and gas, scope 1 for Power generation, scope 1 and 2 for Steel
5) Financed emissions per financed activity (tCO_2e/MWh for power production and tCO_2e/tonne for Steel). For Oil and gas focus is on absolute emissions, therefore, no physical intensity value
6) Weighted per total exposure. High quality = 1, low quality = 5

Other sectors, corporate lending
For the power generation, oil & gas, and steel sectors, financed emissions have been calculated by multiplying the company's total emissions by an attribution factor

Calculation methodology
The attribution factor is Swedbank's lending to the company divided by the company's total assets. The company's emissions data are reported emissions. 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 or revenue

Next step
Swedbank continues to develop its calculations and reporting of financed emissions, including by improving data quality and expanding the calculations to more sectors. As more primary data becomes available, the weighted data quality score according to PCAF's methodology will improve. Swedbank wants to continue to provide transparency and comparability in this area by showing its calculation methodologies and computations.

By calculating financed emissions for a significant share of the loan portfolio, the bank has been able to define a baseline, which in turn enabled the calculation of emissions reduction targets per sector. Setting targets for emissions reductions by 2030 is part of the bank's commitment to the Net Zero Banking Alliance and the Science Based Targets initiative, see page 27.

Greenhouse gas emissions[1], tonnes CO_2e	2022	2021	2020
Total emissions	14 559	9 201	11 646
Reduction target 2030, 60%[2]	15 008	15 008	15 008
Carbon offsetting[3]	0	9 201	11 646
Emissions by scope according to GHG protocol			
Emissions scope 1[4]	622	466	632
Emissions scope 2[5]	5 065	4 787	5 331
Emissions scope 3[6]	8 872	3 948	5 683
Emissions by country			
Emissions, Sweden	7 670	3 842	5 847
Emissions, Estonia	2 782	2 146	2 394
Emissions, Latvia	1 713	1 594	1 735
Emissions, Lithuania	2 039	1 482	1 366
Emissions, other[7]	355	137	304
Energy-related emissions according to Scope 2			
Market based	5 065	4 787	5 331
Location based	13 999	14 805	16 444

1) Included GHG: carbon dioxide, methane, nitrous oxide and chlorofluorocarbons (refrigerants). In all GHG calculations, Swedbank used Ecometrica's software through a system called Our Impact, administered by UStWe, which annually revise their emission factors. Emissions are reported in accordance with the Greenhouse Gas Protocol (World Resources Institute).
2) The base year is 2019, where Swedbank reported 25 014 tonnes of total greenhouse gas emissions (scope 1 1 020, scope 2 1 667 and scope 3, 17 927 tonnes CO_2e). 2019 was chosen as the base year to reflect a year without the impact of covid-19 restrictions.
3) After reducing the emissions in the operational activities during 2020–2021, climate compensation was carried out via Viskogen for the remaining emissions. The measurement method is certified by the Verified Carbon Standard (VCS). In order to further improve the work, in 2022, the bank has shifted more focus towards avoiding emissions through the use of Sustainable Aviation Fuel in the flights that are made. The development of this continues in 2023 and this means that no climate compensation has been made for 2022.
4) Swedbank's direct emissions. Based on fuel consumption in company cars and refrigerant gas loss. Emissions from cooling equipment are estimated using operational controls (based on weight and type of cooling medium). Emissions from company owned vehicles are estimated with the help of the bank's financial controls. None of Swedbank's Scope 1 emissions are biogenic.
5) 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.
6) Swedbank's other indirect emissions from business travel, security transports, paper consumption, water consumption and waste. None of Swedbank's Scope 3 emissions are biogenic. Emissions from the production of employees' IT equipment, such as computers, monitors, tablets and phones, are included in 2022.
7) Norway, Finland, Denmark, US, South Africa and China.

Emissions by category, tonnes CO_2e	2022	2021	2020
Sweden			
Office premises	2 252	1 890	2 229
Business travel	2 566	1 838	3 435
Other emissions[1]	2 852	114	183
Estonia			
Office premises	1 860	2 028	1 697
Business travel	547	112	466
Other emissions[1]	375	6	31
Latvia			
Office premises	1 192	1 245	1 156
Business travel	334	336	517
Other emissions[1]	187	13	62
Lithuania			
Office premises	900	1 057	785
Business travel	487	84	458
Other emissions[1,2]	652	341	113
Other countries			
Office premises	310	112	181
Business travel	45	24	122
Other emissions[1]	0	1	1

1) Security transports and paper consumption, computers, monitors, tablets and phones.
2) In 2021, the security transport company and calculation method were changed.

Other environmental data	2022	2021	2020
Energy consumption in our offices (MWh)	80 555	79 213	78 767
– of which Sweden	43 731	39 183	41 307
– of which Estonia	15 964	16 993	15 654
– of which Latvia	9 631	10 316	10 391
– of which Lithuania	10 002	11 875	10 469
– of which Other	1 227	846	946
Electricity consumption in our offices (MWh)	43 173	40 790	40 447
Renewable electricity as a share of total electricity consumption (%)[1]	99.9	99.9	98
Paper consumption (tonnes)	647	714	1 137
Share of ecolabel paper (%)	100	100	98
Water consumption (m^3/FTE)	7.5	4	5
Recycled waste (tonnes)	653	529	440
Incinerated waste (tonnes)	391	461	328
Landfill waste (tonnes)	151	183	297
Hazardous waste (tonnes)	3.6	2.2	1.7
Compostable waste (tonnes)[2]	57	47	11
Number of digital conferences (million)[3]	2	1.9	1.5
Number digital conference attendees (million)[4]	3	3.60	4

1) Renewable energy refers to wind, biomass and hydroelectric.
2) Waste from offices.
3) Refers to a small amount of electrical scrap, batteries and lamps.
4) Digital meetings via Skype/Teams.

Internal energy consumption[1]	2022	2021	2020
Total emissions from energy consumption (tonnes CO_2e/MWh)	0.063	0.066	0.07
Energy consumption per employee (MWh/FTE)	5.0	5.0	5.0
Energy consumption per m^2 (MWh/m^2)	0.211	0.208	0.200
Energy reduction target of 15% per m^2 2017–2025 (MWh/m^2)	0.213	0.213	0.213

1) Swedbank's internal energy consumption consists of consumption of energy, heating, cooling and gas.

Comparative figures, tonnes CO_2e	2022	2021	2020
Total emissions per employee (tonnes/FTE)	0.91	0.59	0.74
Scope 1 and 2 emissions per employee (tonnes/FTE)	0.35	0.33	0.38
Total emissions per office space (tonnes/m^2)	0.038	0.024	0.030
Scope 1 and 2 emissions per office space (tonnes/m^2)	0.015	0.014	0.015
Emissions per income (tonnes/SEKm)	0.27	0.20	0.25
Scope 1 and 2 emissions per income (tonnes/SEKm)	0.11	0.11	0.13

AutoPlan
Through AutoPlan, Swedbank offers fleet administration for businesses. AutoPlan works actively to reduce its climate impact by helping customers adopt green car policies, supporting them on sustainability issues, and measuring and monitoring their climate impact. In 2022, just over 71 per cent of all new vehicles were electric or hybrid: 25 per cent electric and 46 per cent plug-in hybrids. Of the total number of administered vehicles, 9.2 per cent are electric, compared with 3.2 per cent of the total market. AutoPlan is continuing to increase its share of electric and hybrid vehicles in general, and all electric cars in particular, as part of AutoPlan Green Fleet.

Swedbank offers a leasing programme for employees, with company cars treated as taxable benefits. Since the programme was introduced in 2006, Swedbank and the Savings Banks have grown the fleet to over 1 000 vehicles. Through the programme, Swedbank can use various incentives to encourage employees to drive more environmentally friendly vehicles. Almost all new passenger cars are electric or hybrids.

In addition to AutoPlan and its own fleet, Swedbank finances cars for many consumers and businesses. Here as well Swedbank is working actively to raise the share of vehicles that are less damaging to the environment. One example is that a lower interest rate is offered when choosing a vehicle that emits less than 50g CO_2/km. Green Leasing is also offered in Estonia, Latvia and Lithuania with a lower interest rate for more environmentally friendly cars.

Auto leasing AutoPlan	2022	2021	2020
Leasing of vehicles (tonnes CO_2e)[1]	162 333	169 158	175 777
Total number of leased cars	42 204	42 082	43 780
Average emissions, new cars CO_2 (g/km)[2]	46	71.18	87.07
Average emissions, total CO_2 (g/km)[2]	86	98.71	108.6
Average emissions, new company cars in Swedbank CO_2 (g/km)	23	43	54

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.

Swedbank begins to strengthen biodiversity and ecosystem services
The businesses that Swedbank finances, invests in and insures are dependent on nature for their production needs and supply chains. Therefore, the bank started working with biodiversity and ecosystem services during the year at group level.

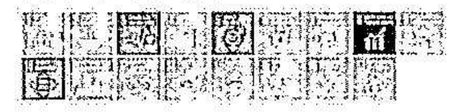
In Swedbank's new Sustainable Funding Framework, which was launched in September 2022, one of the new categories aims to finance projects that safeguard and support various ecosystems on land and at sea to ensure that they are not depleted. Another new category is climate action, where the goal is to offer financing for various measures to mitigate the impact of climate change. Together with customers, the bank can play a key role in reversing biodiversity loss and fighting climate change.

A pilot study has been conducted to provide a better understanding of how Swedbank should address questions on, and include the work with, reducing the loss of biodiversity in all home markets. The study resulted in a market analysis that serves as the basis of the next steps in this area, such as the participation in a pilot study by the Taskforce on Nature related Financial Disclosures (TNFD). TNFD is an internationally recognised initiative, focused on developing a risk management and disclosure framework to help organisations manage nature related risks. It has developed a beta version of recommendations within the framework that Swedbank followed in 2022. As part of the pilot study, Swedbank has gained a better understanding of how the bank should manage its nature-related risks in the forestry and agricultural sectors.

In order to gain an even better understanding of how the financial sector should handle biodiversity issues, the bank joined the multi year research project Mistra BIOPATH. The purpose of the project is to map, assess, co-develop and test existing and new approaches for integrating biodiversity into financial decision-making.

Employees

Material topic:
Attractive employer



Share of Women and men



* Employee representatives are not included in the calculation of Board members.

At Swedbank, every employee is important for our development and success. A number of targets are used to monitor the bank's work in this area, they are shown below.

Target/KPI/Goal	2022	2021	2020
Index for sustainable employees >=80	85	85	82
Sickness rate below 2.8 per cent	3.5	3.2	3.2
Engagement index >=80	84	85	81
Recommendation index (eNPS) >=43	39	45	43
Achieve gender parity, 40/60, in upper management	42/58	40/60	40/60
Achieve gender parity, 40/60, at higher levels in the bank with a focus on succession in upper management	57/43	56/44	55/45
Maintain pay parity for equal work and reduce the gender pay gap (pay gap in percentage points)	1.6	n/a	n/a

Leadership and self-leadership
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. The role of leader includes a responsibility to guide teams and employees in alignment with the bank's Strategic Direction.

Employees are offered opportunities to develop and find inspiration in pace with changes in the marketplace and are encouraged to take responsibility for their personal development. An important part of this is developing self leadership. Self-leadership is based on the ability to be flexible and the willingness to adapt to the rapidly changing and complex environments that the bank operates in. This fosters innovative thinking and a learning culture that helps the bank to develop.

Sustainable employees
Sustainable employees is a term that Swedbank uses which means employees who feel good and enjoy their work. Good occupational health and safety is key to creating the prerequisites for sustainable employees, and systematic efforts focus on detecting early signs of ill health and repeated short term absences. Extensive work is also carried out to address long-term illnesses, conflicts and cooperation difficulties.

Development and implementation of the Swedbank at Work model has continued in all of the bank's home markets and comprises both physical and digital work environments and the design of workspaces and offices. The goal is to create healthy and functional workplaces to facilitate and encourage movement and variation during the workday.

Diversity and inclusion
Swedbank's goal is to have a diverse and inclusive workplace where differences between people are seen as a strength and an opportunity. 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 policy for gender equality and diversity applies to the Board of Directors and the Board's work. The goal is, through diversity and inclusion, to encourage independent thinking and contribute to sound corporate governance. The aim is to achieve gender parity, and in 2022 the bank reached the target of 40/60.

To achieve gender equality, KPIs are in place for the Group Executive Committee, measuring 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.

To accelerate efforts to reach the diversity and inclusion targets, the Group Executive Committee created the position of Chief Diversity Officer, which will rotate between its members. For more information, see page 29.

Work with gender equality in recruiting, succession planning and performance development continued during the year. The management recruitment process now includes an analysis of diversity, and checkpoints have been added to the annual performance review form to control for unconscious biases.

The results of the bank's employee surveys, which are conducted several times a year, confirm that employees see Swedbank as an inclusive workplace. The work to prevent discrimination and harassment is a priority, and there is zero tolerance for all forms of discrimination and harassment. Communication took place and workshops for managers were provided during the year for preventive and educational purposes. Whistleblowing and a process for addressing reported cases of discrimination and harassment have been established and are conducted by trained investigators in the bank.

To increase the share of women in the areas where they are underrepresented, Swedbank Women in Tech was formed at the end of 2021. A number of activities were carried out in 2022 and the network grew to 730 members within the Swedbank Group. The network aims to inspire women to consider a future in tech. However, it is also for women who are already in the field.

Swedbank participated during the year in Stockholm Pride, Riga Pride and Baltic Pride in Vilnius. The month of June was devoted to LGBTQ+ awareness throughout the Group. The LGBTQ+ network GLaS celebrated its second anniversary in April and continues to push for inclusion of LGBTQ+ topics in the bank through events, web seminars, celebration activities on Pride as well as activities on Coming Out Day and Transgender Awareness Day. In 2022, employees were given the option in anonymous surveys to self identify as a third gender, and signage in the bank's premises is now gender-neutral.

Other aspects of diversity such as functional limitations are also a priority for the bank. To increase awareness among the bank's employees, lectures have been held and a collaboration has been established with the consulting company Unicus, which exclusively hires consultants on the Autism spectrum.

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.

Swedbank attaches great importance to equal pay for women and men with the same or similar jobs and is working continuously to achieve this objective. For more information, see pages 219–220.

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 2022 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 terms of gross salary per hour worked without the job role or level being taken into consideration. At Swedbank the differences have steadily decreased each year, from 38 per cent at the end of 2019 to 31 per cent at the end of 2022, as shown on page 220–221.

Equal pay

Equal pay for women and men who do the same work is another way to measure wage gaps. At the end of 2022, the pay gap for the Swedbank Group was 1.8 percentage points. For more information on equal pay between women and men, see page 221.

Activities in 2022 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 other managers and certain higher positions that do not have management responsibility.
- Long-term work on recruiting, succession planning, equal access to upskilling and targeted development in areas where one gender is under represented.
- Management training with a focus on gender equality and unconscious biases
- Ongoing review of all HR processes to ensure gender neutrality and draw attention to potential gender discrimination where relevant, e.g. the performance development process.
- Focus on gender in all remuneration processes
- Open salary range in home markets to increase transparency and awareness
- Special initiatives to encourage women to pursue careers in tech.

Activities in 2022 to maintain equal pay

- Make managers aware of equal pay in all remuneration processes
- Continuous monitoring through monthly calculations that serve as a basis for needed adjustments in the units
- Equal pay is considered during salary setting in the recruitment process.
- Potential pay gaps are monitored during the annual salary review process to prevent them from arising.
- Salary reviews of 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 are taken.

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 better business.

The People Pulse survey was conducted three times in 2022. The purpose is to understand how employees feel and to find out how they perceive, understand and act in relation to the bank's strategically important areas. The aim of the survey is to track and promote behavioural changes in daily work and to encourage a continuous dialogue and open feedback in every unit. The questions relate to nine areas: engagement, loyalty/interest, direction, compensation, work culture, performance, leadership, sustainable employees and unequal treatment.

The results show a stable level of engagement and that employees feel good about their jobs. About half of all employees are still working from home. The surveys conducted during the year had high response rates and showed continued strong results.

Employee surveys, index	2022	2021	2020
Sustainable Employee Index[1]	85	85	82
Target for sustainable employee index[2]	80	80	85
Engagement index[1]	84	85	81
– Sweden	81	82	78
– Estonia	88	89	85
– Latvia	87	88	84
– Lithuania	90	89	84
Recommendation index (eNPS)[1, 3]	39	45	43
Target for recommendation index	43	40	33
Leadership index[4]	86	86	

1) Survey sent to all employees.
2) In previous years the Sustainable Employee Index was measured according to the traffic light model: green, yellow and red. Green is the target level and was previously from 80 and upward, but with a stretch target of 85. After requests from operations to simplify the measurement method for the Sustainable Employee Index, the bank set the same target for the entire Group, i.e. from 80 and upward, in 2021.
3) eNPS (Employee Net Promoter Score) shows the likelihood of recommending Swedbank as an employer. 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.
4) Not measured in 2020.

Internal training	2022	2021	2020
Total number of training hours[1, 2]	452 216	497 490	363 315
Training costs per FTE (SEK)	5 461	4 784	4 700
– of which mandatory	1 243	1 149	1 200
– of which non mandatory	4 218	3 635	3 500
– of which women	5 214	5 498	3 400
– of which men	4 293	3 650	1 300
Training hours per FTE[1]	29	32	24
– of which men	23	24	18
– of which women	33	38	28
– of which managers	34	44	28
– of which specialists	28	30	24
Completed training			
– ethics (number)[3]	16 650	16 593	16 797
– sustainability incl. climate (number)	4 647	7 636	16 149
– anti-money laundering and counter terrorist financing (number)	17 039	17 625	17 153
Number of advisors with Swedsec license[4]	3 952	3 976	4 031
Number of employees who completed the annual knowledge update (ÅKU)[4]	5 934	6 298	6 254

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: 20%. 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 (%)	2022	2021	2020
Sweden	96	96	98
Estonia	96	99	99
Latvia	96	99	99
Lithuania	96	99	99
Group total	96	98	98

Employees who have received training in anti-money laundering and counter-terrorist financing, by category (%)	2022	2021	2020
Managers	99	99	99
Specialists	95	97	98

Employees who received anti-corruption training

	Number of employees		Percentage of total	
	2022	2021	2022	2021
Estonia	2 545	2 303	92	90
Managers	255	249	93	92
Specialists	2 290	2 054	91	90
Latvia	1 932	1 678	91	88
Managers	211	195	95	89
Specialists	1 721	1 483	90	88
Lithuania	2 705	2 268	96	89
Managers	266	256	100	92
Specialists	2 439	2 012	95	89
Sweden	9 102	8 437	91	85
Managers	988	942	93	92
Specialists	8 114	7 495	90	85
Total	16 284	14 686	92	87

Total number of employees by employment contract, by gender[1]	Women	Men	Total
Full time	9 948	6 170	16 118
Part time	1 156	519	1 675
Temporary employment with hourly wage	327	253	580
Permanent	10 382	6 315	16 697
Temporary	722	374	1 096

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	8 568	2 689	2 104	2 777	16 118
Part time	1 460	111	28	56	1 675
Temporary employment with hourly wage					
Permanent	9 401	2 616	2 004	2 676	16 697
Temporary	647	164	128	157	1 096

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, %	2022	2021	2020
Women	59	58	55
Men	41	42	45
Under 30 years	48	52	45
30–50	47	43	49
50–	5	5	6
Sweden	47	48	57
Estonia	19	14	13
Latvia	14	17	13
Lithuania	20	21	17

1) Number of new employees: 2022: 2 493; 2021: 2 178; 2020: 2 043.

Total number[1] and rate of employee turnover by gender, age group and country, %	2022	2021	2020
Women	12	9.7	6.4
Men	13	11.5	7.3
Under 30 years	20	16.6	9.0
30–50	11	8.4	5.5
50–	11	8.9	7.6
Sweden	12	8.8	6.0
Estonia	14	10.4	6.5
Latvia	14	11.2	7.3
Lithuania	14	14.9	9.3
Group total	14.0	10.3	6.8

1) Number of employees who left the bank during the year: 2 249.

Number of employees who are not employed by Swedbank[1]	2022	2021	2020
Sweden	797		
Estonia	1		
Latvia	4		
Lithuania	0		
Total	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], %	2022	2021	2020
Swedbank Sweden	22.65		
Swedbank Group	27.77		

1) Calculated as median salary for Swedbank's employees.

Wage difference women vs. men, managers[1] by country, %	2022	2021	2020
Sweden	–21	–20	–20
Estonia	–25	–27	–30
Latvia	–29	–35	–35
Lithuania	–28	–29	–29
Total	–30	–29	–30

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, %	2022	2021	2020
Sweden	–23	–26	
Estonia	–37	–35	
Latvia	–11	–17	
Lithuania	–33	–27	
Total	–26	–27	

Wage difference women vs. men, specialists by country, %	2022	2021	2020
Sweden	–18	–20	–20
Estonia	–31	–33	–34
Latvia	–29	–28	–28
Lithuania	–32	–33	–33
Total	–30	–31	–32

Wage difference women vs. men, all employees by country, %	2022	2021	2020
Sweden	–20	–21	
Estonia	–30	–33	
Latvia	–30	–32	
Lithuania	–34	–35	
Total	–21	–32	

Equal pay gap, %

Total	Sweden	Estonia	Latvia	Lithuania
1.8	2.2	1.6	1.1	0.4

Level of education, %	2022	2021	2020
Sweden			
University degree	41	41	40
Other university education	10	10	11
Upper secondary school	49	48	47
Other education	0	1	2
Estonia			
University degree	65	64	64
Other university education	10	11	11
Upper secondary school	19	19	19
Other education	6	6	6
Latvia			
University degree	66	66	74
Other university education	17	17	16
Upper secondary school	17	17	10
Other education	0	0	0
Lithuania			
University degree	85	84	84
Other university education	5	6	5
Upper secondary school	5	5	5
Other education	5	5	6

	Number of employees who received performance review[1]			Number of employees who approved performance review			Percentage of employees who received performance review			Percentage of employees who approved performance review		
	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020
Men	6 070	5 987		3 486	5 163		91	100		95	86	
Managers	778	799		326	641		99	100		89	80	
Specialists	5 292	5 188		3 160	4 522		90	100		95	87	
Women	9 808	9 185		5 825	8 594		88	100		96	94	
Managers	1 014	984		479	867		98	100		91	88	
Specialists	8 794	8 201		5 346	7 727		87	100		97	94	
Total	15 878	15 172		9 311	13 757		89	100		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.

Labour/management relations	2022	2021	2020
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]	72	73	72

1) The members of the Group Executive Committee are not covered by collective agreements and the Act on Employment Protection.
2) 100 per cent in Sweden and Lithuania.
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, %	2022	2021	2020
Group Executive Committee			
Under 30 years	0	0	0
30–50	13	13	21
50–	87	87	79
Board of Directors[1]			
Under 30 years	0	0	0
30–50	15	18	40
50–	85	82	60

1) Excluding employee representatives.

Age distribution by country %	2022	2021	2020
Sweden			
Under 30 years	21	21	21
30–50	52	51	50
50–	27	28	29
Estonia			
Under 30 years	19	19	19
30–50	65	66	68
50–	16	15	13
Latvia			
Under 30 years	20	22	22
30–50	72	71	71
50–	8	7	7
Lithuania			
Under 30 years	25	27	29
30–50	61	60	59
50–	14	13	12

S7 Business ethics and information security

Material topics:
Secure and stable IT systems
Responsible corporate governance
Business ethics
Fight financial crime



Employees who have received AML/CTF training

Completed courses 17 039 — 2022: 96%

Completed courses 17 625 — 2021: 98%

Swedbank has zero tolerance for any form of corruption. Swedbank's anticorruption management is based on the bank's Anti-Bribery and Corruption (ABC) Framework, which includes Swedbank's Anti-Bribery and Corruption Policy (ABC Policy) as well as Group-level instructions that provide guidance on how units and employees can prevent corruption. Each unit and subsidiary is responsible for identifying, evaluating and implementing measures to mitigate and reduce actual and potential risks they face. To ensure that employees and consultants have the right skills to manage corruption risks, they attend mandatory anti-corruption training when they join Swedbank. The training is provided annually to ensure that those skills are maintained. Functions that are considered to be at higher risk of corruption also receive specialised anti-corruption training on a more frequent basis.

Strategy and governance for information security

In 2022, geopolitical developments resulted in an elevated threat assessment associated with information security. Swedbank works continuously with threat assessments to ensure the right security protection. Increased digitisation and increased risk of cyberattacks have been drivers for new EU legislation (the Digital Operational Resilience Act). The purpose of the legislation is to ensure that financial entities take the necessary safeguards to mitigate cyberattacks and manage ICT-related risks. The importance of a proactive and structured approach to information security is also increasing due to greater expectations from supervisory authorities, partners and society as a whole. Information security is a priority, and the bank's management and Board are involved in the work with risk and threat assessments.

Swedbank's information security strategy describes the strategic goals and the vision to be "A step ahead", which means that we have a good understanding of threats in order to reduce the risk of successful attacks against us and our customers. The strategy is updated annually to ensure that it aligns with the bank's Strategic Direction, a changing threat and risk landscape, and new requirements. To continuously improve its ability to reach operational targets, manage information security risks and strengthen governance and compliance, the bank has stated goals on modernisation and information security in its strategic direction and supporting strategies. Planned measures are designed to strengthen the bank's digital and operational resilience, not least with respect to cyberattacks against the bank and its third parties. Swedbank continuously monitors technological developments and capitalises on new opportunities such as artificial intelligence to better identify discrepancies that could be a sign of information security incidents.

Information security work is led by the bank's Chief Information Security Officer (CISO). The CISO is supported by a central function with responsibility for leading and coordinating the development and implementation of the bank's information security system based on the International ISO 27001 standard. The system is comprised of processes, tools and rules needed to steer, monitor, evaluate and improve the organisation's information security management. Policy documents, guidance and control frameworks are based on the ISF Standard of Good Practice and are used to protect the organisation's and customers' information. In 2022, the CISO established a new function to improve information security assurance through enhanced methods to monitor and report information security for the entire bank.

Several other functions within the bank such as for example Group Channels & Technologies are responsible for important functions tied to information security. All business areas and relevant Group Functions have information security managers who provide support to the organisation.

The bank's functions for continuous security testing of IT systems and management of security incidents are part of the CISO's organisation. Testing takes the form of penetration testing of critical and new IT systems. Red teaming tests, which involve simulations of advanced cyberattacks against the bank's employees, processes and IT systems, are conducted as well. Changing threat scenarios have also necessitated the allocation of greater resources for proactive testing of information security capabilities and resilience. Testing is carried out annually with the help of external auditors and third-party certification. Deficiencies identified in connection with the tests are analysed and mitigated. The bank has also developed processes to regularly search the IT environment to identify vulnerabilities.

Swedbank's incident response team, SIRT, is an accredited SIRT organisation and has been a member of the Trusted Introducer Network TF-CSIRT since 2010.

The bank has insurance coverage for certain expenses that could arise in connection with a cyber incident. Swedbank also has a comprehensive framework to manage information security risks in connection with the outsourcing of activities and assignments. The ability of suppliers to live up to the bank's information security requirements is evaluated in connection with procurements and is monitored continuously. It is important to create a security conscious culture among the organisation's employees. Information security training, which includes the requirements of the General Data Protection Regulation (GDPR), is mandatory for all employees, and specific employee categories receive specialised information security training tailored to the target group. All employees are frequently reminded of the importance of reporting suspected incidents.

General Data Protection Regulation (GDPR)

Swedbank's customers should feel secure in about the way in which 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 part of the 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.

Whistleblowing ensures compliance

The Group's overarching whistleblower process encourages all employees and external stakeholders to report suspicions of potential or actual violations of local laws or noncompliance with the Group's policies. The whistleblower service is available in every native language in the bank's home markets, as well as in English, and enables anonymous, confidential reporting and continued anonymity in the dialogue with the bank given that all reports are encrypted.

In 2022, the bank has received 110 reports, of which one report concerns operations in Estonia, four reports concern Latvia, seven Lithuania and 63 Sweden (remaining reports are undefined). Of these reports, 38 reports have been assessed as whistle-blowing in accordance with Swedbank's definition.

Fighting financial crime

Fraud is an extensive and growing societal problem that feeds organised crime and every year many individuals are affected. The large scale of fraud is eroding confidence in the financial systems. Swedbank works consistently to fight financial

crime, prevent fraud and protect the bank from being used for illegal transactions with from the proceeds of criminal activity as well as transfers intended to finance terrorism

In 2022, a telephone scam using social manipulation, so-called vishing, increased significantly and affects more and more people. Swedbank continuously invests in and improves its resiliency and capacity to detect, prevent and investigate these crimes

To reduce the risk of being exploited for money laundering and terrorist financing, the Group has established processes to identify and mitigate these risks in all markets where the bank operates. As an overall regulatory framework, a Group wide policy is in place to combat money-laundering and terrorist financing. The bank's Anti Financial Crime unit (AFC) is responsible for strengthening the efforts to combat money-laundering and financial crime. Swedbank is working towards achieving best practices in combating money-laundering and terrorism financing. In 2021, Swedbank established an AML/CTF & Sanctions Transformation Program to drive long-term development and address the shortcomings that were identified in the investigations by the Swedish FSA and the Estonian FSA. This is a long-term process which will result in higher efficiency

In 2022, the bank continued to upgrade its transaction monitoring systems to more accurately assess customers' risks profiles. In Swedish Banking the work was focused on Know Your Customer (KYC) and improving the quality of the risk classification of customers. This is being accomplished through clearer ties to the bank's general framework for risk assessment. During the year, digital processing of KYC information for Swedish corporate customers and the Savings Banks was introduced, creating a more customer-friendly and efficient process

Swedbank invests in technological developments to protect and help its customers while at the same time hindering criminals. During the year, the collaboration between the Swedish police, other government authorities and banks was further expanded through information sharing, helping to limit fraud and the illicit gains that drive the criminal economy. Swedbank actively participates in SAMLIT, a Swedish collaboration between the police and the banks. SAMLIT identifies new approaches, typologies and other patterns in the criminal economy. Together with the Swedish Bankers' Association, the bank is planning a public education campaign on the risk of being targeted for fraud. During the year, the effectiveness of the collaboration to combat money laundering increased thanks to a digital tool. With a connection to an automatic function at the Swedish Tax Agency, public authorities can now retrieve information from Swedbank and the savings banks

Russia's invasion of Ukraine caused the EU to apply an expanded range of sanctions. This has put the bank's systems and processes to the test. Banks are obliged to comply with the sanctions regulations and therefore fulfil an important function in society when it comes to the implementation and enforcement of financial sanctions. In recent years, Swedbank has worked to develop its program to combat breaches of financial sanctions efforts have focused on legal expertise and new technological solutions for screening of transactions and customer relations

Increased credit rating
On 1 July 2022, Fitch Ratings upgraded the bank's Long Term Issuer Default Rating (IDR) to AA- after stating that Swedbank had addressed its historical shortcomings and had largely concluded a broad transformation of its corporate culture, compliance and organisational structure as well as risk oversight.

IT security, data protection and crime prevention	2022	2021	2020
Number of suspicious orders and transactions (MAR)[1] reported	57	61	76
– of which Sweden	17	38	46
– of which Estonia	14	3	0
– of which Latvia	9	11	10
– of which Lithuania	17	11	20
Number of suspicious transactions involving money laundering/terrorist financing (SAR)[1] reported	11 000	8 598	5 501
– of which Sweden	8 478	6 851	3 480
– of which Estonia	1 003	608	973
– of which Latvia	1 053	748	591
– of which Lithuania	466	391	457
Whistleblower reports	110	122	61
Processing of personal data			
Number of queries/complaints from registered parties to data protection officer, total[2]	40	8	13
– of which Sweden	17	0	7
– of which Estonia	4	1	1
– of which Latvia	18	4	
– of which Lithuania	1	3	5
Number of queries/complaints from data protection authority, total[2]	11	19	6
– of which Sweden	0	5	0
– of which Estonia	2	1	0
– of which Latvia	5	3	1
– of which Lithuania	4	9	5

1) Market Abuse Regulation (MAR) and Suspicious Activity Report (SAR). Banks are obligated to report suspicions of market abuse: insider trading, market manipulation and unlawful disclosure of inside information (MAR). 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
2) Registered parties that have submitted queries or complaints through correspondence by mail or email to the data protection authority

Compliance[1]	2022	2021	2020
Number of cases	0	1[2]	2[3]
Fines paid (SEK m)	0	46.6	4 000

1) Refers to cases where Swedbank received a sanction due to noncompliance, which were announced within the framework of the Group's interim reporting
2) In May, the Disciplinary Committee of Nasdaq Stockholm ordered Swedbank to pay a fine of 12 annual fees, totalling SEK 46.6m. The bank breached Nasdaq's rules during the period December 2016 to February 2019. According to Nasdaq, the bank breached the Market Abuse Regulation with respect to the disclosure of information related to the bank's historical shortcomings involving money laundering and did not fully meet Nasdaq's requirements concerning disclosures of insider information
3) The Swedish FSA issued an administrative fine of SEK 4bn. The Estonian FSA issued a precept requiring Swedbank to take certain measures to strengthen AML processes and routines. Both cases concerned serious deficiencies in the mitigation and management of money laundering risks.

Societal engagement

Material topic:
Societal engagement

Societal investment, SEKm 111

Number of lectures 3 334

Financial literacy training
Swedbank's societal engagement is largely focused on spreading knowledge about personal finance and how various life choices can affect one's future. Swedbank meets many children and young people through various initiatives and helps to spark interest in, and share knowledge about, personal finances. This takes place primarily through schools and local clubs.

The Swedish magazine Lyckoslanten, which has been published since 1926, teaches children about money and savings. Today, the circulation is 325 000 and Swedbank and the Savings Banks distribute the magazine free of charge to children in grades 4–6 four times a year. In Sweden, though the Young Economy initiative, a collaboration with the savings banks and savings bank foundations, Swedbank educated 82 700 children and young people in 2022 (105 700 including the Savings Banks). The goal was 110 000 for the year. In this way thousands of young people are reached, regardless of background and prior knowledge. The education is provided both in person and virtually. Young Economy lectures are also held in collaboration with the Economy Museum in Sweden as part of a joint educational programme where financial literacy is combined with tours of the museum.

In 2022, Swedbank in Sweden also spread knowledge digitally to young people with the help of popular influencers. Three short videos on different themes – turning 18, borrowing for a home and saving – were viewed a total of 182 148 times during the period from 28 November to 31 December. In Latvia, Swedbank held 440 online lectures for high school students through Swedbank's educational programme Ready for Life. The programme also distributed educational material that was used by more than 1 200 teachers and reached 31 000 students. In the Baltic countries, Swedbank published the book Start Now: A Financial Guide for Young People.

The Financial Laboratory initiative in Latvia and Lithuania gives children and young people access to digital presentations, virtual tours and other educational material. Swedbank's Estonian employees have the opportunity during working hours to guest lecture, online or in person, in schools via the digital platform Building Your Future (formerly Back to School). During 2022, more than 80 guest lectures were given by Swedbank Estonia employees and more than 2000 students participated.

During the year, Swedbank organised Lithuania's largest online learning programme, known as Mokonomika. More than 400 000 participants were introduced to 24 short lessons on financial literacy, sustainability, social issues and other important topics. Two new initiatives to teach personal finance are Money Day in Latvia, which taught more than 27 000 children in schools, and Swedbank Savings Diary's financial literacy summer festival in Tartu, Estonia.

Public education in all four home markets also includes attention to current economic issues. Swedbank arranges seminars on personal finance themes and other current topics tied to the bank's societal engagement.

An initiative to contribute to digital inclusion in society is Digital Economy in Sweden. Through local presentations – both physical and digital – the bank's employees inform and guide those who need help becoming more comfortable using digital services. In 2022, Digital Economy training was provided for 3 894 people.

Entrepreneurship and innovation collaborations
To encourage innovation and entrepreneurship, Swedbank collaborates with several organisations on various projects. One example is to educate young people on entrepreneurship while they are still in school, to motivate them to start businesses and create more jobs.

Junior Achievement (JA) in Sweden and Latvia and Everyone Can in Lithuania are various types of collaborations focused on entrepreneurship for children and young people. In Sweden, JA companies are offered free banking services during their year with JA. As of 30 April 2022, 3 289 of them were customers of Swedbank, and during the same school year a number of Swedbank employees volunteered as mentors. In Estonia, Swedbank is a co-arranger of one of the largest entrepreneurial festivals in the Baltic countries, sTARTUp Day, which brings together more than 4 000 participants. In Lithuania, Swedbank also organised the initiative Everyone Can – Small Business Academy to support sustainable growth in small businesses.

In Latvia, Swedbank annually arranges a business plan contest for young people called Business Sketches, which in 2022 involved more than 450 youths as well as thousands of backers of their crowdfunding campaigns. There, Swedbank is the most important national partner for the Global Entrepreneurship Network, where the focus is on promoting innovation and entrepreneurs and giving them a chance to show off their work and receive valuable experience and contacts.

A new entrepreneurship programme was also launched in autumn 2022 together with the Estonian Refugee Council and Garage48 to help female Ukrainian refugees learn entrepreneurial skills and start new businesses to build a life in Estonia.

By supporting entrepreneurship and innovation, the bank helps society to develop, become more sustainable and efficient, and give young people better self-confidence and hope for the future.

Focus on the physical and mental health of children and young people
Swedbank in Sweden has partnered for 20 years with the organisation Friends to prevent bullying in schools, in sports and online. As part of this collaboration, anti bullying protection is included in Swedbank's home insurance, which provides support and compensation to the victim. In a similar way, protection against bullying is available to customers with life and child insurance products in the Baltic countries. As a principal partner to Friends, Swedbank has donated SEK 6m annually since 2002.

Exercise and health for children and young adults is also a priority issue were Swedbank contributes by sponsoring local clubs. Swedbank is a sponsor of the Swedish Football Association, where the focus is youth football camps and Skolbollen. The football camp Lira Blågult engaged this year more than 27 000 children throughout the country. The bank also supported the initiative football school run by the Swedish Football Association whereby 27 clubs in economically disadvantaged areas were able to give 2 700 children the chance to train with the club for free. Skolbollen is an initiative with the purpose to create joy of movement in Sweden's schools and at the same time promote an inclusive environment in gym class and in the schoolyard during recess. Right now, the initiative is engaging 160 000 children around Sweden's schoolyards.

In Estonia, Swedbank is one of the founders of Estonian Health Tracks, which throughout the year, offers free access to 120 running tracks around the country. In Latvia, Swedbank supports the national Olympic Committee, which works with schools and youth to inspire and encourage them to exercise. In 2022, the initiative had more than 148 000 participants.

Other social engagements during the year
Swedbank participates every year in the annual Political Weeks in Almedalen and Järva, Sweden, and similar events in Latvia, Estonia and Lithuania, to promote dialogue between politicians, businesses and other parts of society. In Latvia, the bank participated in, and co-arranged, the annual democracy festival LAMPA in Cēsis, which brought together more than 19 000 people on site and more than 250 000 virtually. Swedbank also hosted the festival's sustainability programme for young people.

In 2022, Swedbank collaborated with Food Bank in Lithuania, where the emphasis was on sustainability, responsible consumption and environmental protection.

Donations and volunteer work
Back in 2008, Swedbank and Good Deed Foundation joined together to establish the donation portal I Love to Help, the largest website of its kind in Estonia, which brings together customers and various charitable organisations to provide assistance in vulnerable areas. During 2022, a record high sum, EUR 688 011 was donated through the platform. All employees of Swedbank in Estonia have an opportunity to volunteer. A total of 1 128 employees volunteered for the initiative Summer of Good Deeds. In Latvia, Swedbank has a programme for employee engagement called Let's Do It Together and in Lithuania, We Care.

Support for Ukraine
To ease the humanitarian crisis caused by the war in Ukraine, Swedbank supports various local organisations that aid Ukrainian refugees, including by financing lap top computers and school supplies for Ukrainian children. A separate page for donation projects to support Ukraine was opened in Swedbank Estonia's donation platform I Love to Help. More than EUR 300 000 has already been donated to organisations supporting Ukraine. In Sweden, customers of Swedbank and the Savings Banks donated SEK 239m via Swish to aid organisations in Ukraine.

To help Ukrainian refugees integrate in the bank's home markets, the focus has been on recruiting Ukrainians to fill the bank's talent needs with the help of government support. In Estonia, a special temporary trainee program was established in the Customer Centre to support the heightened customer flow of Ukrainians, creating jobs for 26 Ukrainian women.

Societal investment, SEKm	2022	2021	2020
Societal investments, total[1]	111	117	101
– of which Sweden	88	83	75
– of which Estonia	12	14	14
– of which Latvia	6	13	7
– of which Lithuania	5	7	5

1) Of which SEK 50m in Sweden consists of charitable donations from Swedbank Robur Humanfond 2022 and SEK 1.3m in Lithuania consists of donations to Ukraine from customers via the internet bank.

Societal investment per engagement 2022, %	Sweden	Estonia	Latvia	Lithuania
Sponsorship of social activities	34	63	61	57
Employees' societal engagement during paid working hours	2	20	3	3
Management costs[1]	7	17	17	17
In kind contributions from services or equipment	0	0	19	0
Gifts from customers via the bank's products and services	57	0	0	24

1) Refers to planning, distribution, research and development, project management, communications etc

Number of lectures	2022	2021	2020
Sweden[1]	2 296	2 318	1 498
Estonia	64	60	67
Latvia	440	134	218
Lithuania	514	640	318
Total	3 334	3 152	2 101

1) Refers to the Young Economy initiative in collaboration with the Savings Banks and Savings Bank Foundations

Direct economic value generated and distributed, %	2022 SEKm	2022 %[1]
Total income	53 221	
Interest paid to the public (deposits)	5 081	10
Interest paid on other funding/financing	13 420	25
Deposit guarantee fees	496	1
Resolution fees	904	2
Tax for the year	6 167	12
Non deductible VAT	1 813	3
Social insurance costs and pensions	3 880	7
Salaries and fees incl. shares in Swedbank	8 825	17
Payments to suppliers, home markets	9 473	18
Proposed shareholder dividend	10 965	21
Profit for the year reinvested in the bank	10 912	21

1) Distribution of financial value creation in relation to total value

Human rights

Material topics:
Promote sustainable lending
Promote sustainable investments

Human rights were included in discussions with 79 companies that Swedbank Robur contacted during the year. 79

To guide its work on human rights, Swedbank follows the Group Policy on Human Rights. The Policy is based on the UN Guiding Principles on Business and Human Rights and 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 in, shall respect universal human rights and take precautions and prevent human rights violations. The Policy on Human Rights states that vulnerable groups such as children, seniors, the disabled and minorities must be given special consideration.

Swedbank's Code of Conduct clarifies the responsibilities of employees and managers. It clarifies the bank's values and describes how Swedbank's employees should act with a focus on respecting everyone's equal value.

Within the core processes of investing, lending and procurement, sustainability analyses are conducted where human rights are a key aspect. These core processes are defined as material and, as a result, are central to the assessment of human rights risks. The following sections describe how these core processes, including the internal work, apply due diligence in the bank's operations.

Human rights in lending and investments
In connection with corporate loans, a sustainability analysis is conducted where human rights are among the key areas. When the analysis is performed, the bank may for example discuss human rights risks associated with a company's supply chain and how the customer manages them. The bank also has sector guidelines that address material sustainability risks which advisors can use to facilitate dialogue and risk assessment. If a company is considered to have high sustainability risks, the case is escalated to the Sustainability Committee for an opinion before a decision is made. All corporate exposures exceeding SEK 8m (EUR 0.8m) undergo annual reassessment, in connection with which the sustainability analysis is also updated. For more information on the sustainability analysis in Swedbank's lending, see page 210.

Swedbank Robur's investment process includes an analysis of how well all holdings live up to international conventions and declarations of human rights. The analysis comprises the OECD Guidelines for Multinational Enterprises, the ILO's core conventions and the UN Guiding Principles on Business and Human Rights, among other things. Every investment is also preceded by a risk assessment that includes human rights. The assessment is based on the risks associated for example with the industry, geographic location or whether the companies' degree of maturity in terms of 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. This engagement could be 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 tied to human rights.

Swedbank Robur also engages as a stakeholder in companies in which its funds are major investors. Children are an especially vulnerable group and Swedbank Robur has a position statement on children's rights, which is used to influence companies. A collaboration was established with Global Child Forum, after the non-profit foundation asked Swedbank Robur to share its experience working with children's rights. The foundation was especially influenced by proposals from Swedbank Robur's sustainability specialists on how it could better collaborate with companies to achieve greater reach.

To address human rights risks in the defence industry, Swedbank has an overarching Group position statement on the sector. It 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 it will not provide financial services to companies that produce, maintain or trade with these weapons.

Gender equality and diversity in the bank's operations
All employees of the bank receive mandatory sustainability training including topics such as gender equality, diversity and human rights. Gender equality and diversity are important to the bank's work environment and corporate culture. For that reason, Swedbank tries to represent people with different backgrounds, ethnicities and ages in its internal and external communications and marketing. To further improve working conditions for employees, Swedbank encourages continuous dialogue between managers and employees beyond the basic training. The Group Executive Committee supports development in this area, which means a clearer focus on integrating an equality perspective in the business. For more information on Swedbank's work with gender equality and diversity, see pages 218–221.

Swedbank's internal work involving human rights issues is evaluated continuously. Indications of deficiencies but also working methods and activities are discussed and analysed to increase the bank's understanding of what can cause possible damage. The evaluation gives Swedbank the opportunity to work proactively and take appropriate measures. This can lead to changes in work processes, internal training and integration of specific activities and projects for example.

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 evaluation 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, see pages 212–213. The monitoring also gives Swedbank the opportunity to consider any changes by the suppliers that could impact human rights.

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.

Taxes

Material topics:
Responsible corporate governance
Business ethics

Reporting in accordance with the GRI tax standard (GRI 207: TAX 2019), which includes disclosures on tax strategy, governance and risk management.

Being a good taxpayer and contributing to the local community is a fundamental part of a company's sustainability work. In accordance with Swedbank's vision and values, 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.

Taxes are an important sustainability issue for Swedbank. Since 2008, Swedbank has 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 act in accordance with the purpose of the 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 tries to maintain strong, long-term relationships built 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 interpretations. When needed, Swedbank enters into dialogue with the tax authorities.

Swedbank as a taxpayer
In 2022, Swedbank incurred expenses of approximately SEK 6bn for corporate tax. Swedbank contributes to society by providing jobs and paying approximately SEK 2bn in social security fees for its approximately 16 800 employees. As a financial company, Swedbank incurs costs for non-deductible value added tax (VAT) of approximately SEK 2bn. Since 1 January 2022, Swedbank is also one of approximately ten taxpayers subject to a special bank tax (risk tax for credit institutions) of SEK 1bn. A similar tax levy has been imposed on the financial sector in several other countries where Swedbank operates. Swedbank's aggregate cost for taxes and social security was approximately SEK 11bn in 2022.

Operating taxes
The sustainability analysis conducted in connection with corporate loan applications requires the borrower to transparently report taxes. Swedbank has internal processes to reduce the risk that its operations will be exploited for tax evasion purposes.

Swedbank does not provide tax advice or engage in artificial arrangements whose main purpose is tax avoidance. Transactions containing elements that typically could be interpreted as tax driven receive extra scrutiny. In cases involving difficult assessments, a transaction can be escalated to Swedbank Sustainability Committee. Swedbank withholds, pays and reports the taxes that its private customers owe for interest, dividends and various types of savings.

In addition to the Tax Policy, the Swedbank Group has position statements on tax issues, e.g. in the bank's sector guidelines and for example in Swedbank's 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 will make sure 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 mon-

20230706151880

itor compliance, including by annually reviewing the tax statements of large Group companies, questioning any differences 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 done 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.

All activities in 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 will not engage in aggressive tax planning where the 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.

2022	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	Business being phased out	Business being phased out	WB	Other	
Number of employees[2]	9 414	2 541	1 952	2 575	205	13	53	31		18		16 803
Revenues from third party sales[3]	40 079	4 247	2 475	3 665	2 533	–794	693	98	2	71	11	53 221
Revenues from intra group transactions[3]	907	703	391	517	–910	980	–77	23		–53		2 480
Operating profit (SEKm)[3]	20 019	2 387	1 266	2 045	1 294	152	232	–25	–1	–15	4	27 358
Tangible assets (SEKm)	3 607	340	336	652	242	31	32	8		1		5 449
Tax expense – paid (SEKm)	3 938	315	28	168		1	63	3		21		4 537
Current tax expense – accrued (SEKm)	4 979	349	32	403	337	39	47	–16		–4	1	6 167
Non deductible VAT (SEKm)	1 421	146	59	175	12							1 813
Social security contributions (SEKm)	1 878	321	136	17	51	2	2	4		4		2 414
Bank tax (SEKm)	927											927
Effective tax rate, excl. temp differences/tax previous years (%)	24.9	14.6	2.5	19.7	26.0	25.9	20.0	64.1	–20.5	24.4	25.0	22.5
Statutory tax rate (%)	20.6	14.0	20.0	20.0	25.0	25.0	20.0	22.0	25.0	25.0	25.0	
Difference current/ statutory tax rate (%)	4.3	0.6	–17.5	–0.3	1.0	0.9	0.0	42.1	–45.5	–0.6	0.0	
Difference current/ statutory tax	855	15	–221	–5	13	1	0	–11	1	0	0	647
Explanation difference current/statutory tax (SEKm)												
Special tax rate for insurance business	–165											–165
Associated companies reported after tax	–117				–24			–11				–151
Non deductible interest on subordinated loans	186											186
Temporary differences	902	53		9	2	1	1	–9				959
Latvia taxed at dividend distribution (temporary difference)			–220									–220
Variable tax rate within jurisdiction				–6	–4							–10
Other	48	–38	–1	–9	39			9	1			48

1) RB Retail banking, WB Wholesale 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

List with names of tax resident entities per jurisdiction can be found at swedbank.com/investor relations/risk and capital adequacy.html

About this sustainability report

2022 is the fourteenth year in a row that Swedbank's reporting follows the Global Reporting Initiative Standards for sustainability reporting (see page 229–233). The GRI report is linked to material sustainability topics, which are defined based on the bank's materiality analysis and impact analysis. The sustainability report also follows the reporting frameworks from the Annual Accounts Act (see page 239), the Principles for Responsible Banking (see pages 234–237) and the Task Force on Climate-related Financial Disclosures (see page 238). The report also references SASB (see page 238). The upcoming EU regulations such as the Corporate Sustainability Reporting Directive (CSRD) will set new requirements on sustainability reporting. Swedbank has started to review the new requirements and prepare for implementation.

The Annual and Sustainability Report is published annually and covers the period 1 January through 31 December 2022. It was published on 23 February 2023. The Sustainability Report has been reviewed by independent auditors from PwC in accordance with the assurance report on page 247.

Data collection and calculation methods
A large number of internal and external systems have been used for data collection for the report. The data that appears in the sustainability report is reported by the bank's data providers through Swedbank's digital sustainability platform.

The systems used to collect, and in some cases calculate, the data and statistics presented in each sustainability note are reported below.

S1 Accessible banking: The information in the section is mainly compiled through the bank's financial reporting. The number of payments is obtained through the platform jointly owned by Swedish banks to facilitate Swish payments in real time.

S2 Sustainable investment: The information on assets under management per fund is obtained from the bank's financial system. The climate calculations are based on data from an external supplier. Sustainability analyses are performed using an internal programme at Swedbank Robur based on data from several large ESG data suppliers. Dialogs are logged.

S3 Sustainable finance: The information on corporate loans is obtained from the bank's financial reporting. The volume of sustainability-related products is compiled from internal and external systems. The information on sustainability analyses that have been performed is obtained from several different CRM systems.

S4 Procurement: The bank's supplier statistics are compiled through the Supplier Risk & Contract Management and an external digital platform.

S5 Environmental impacts: A digital system for climate calculations is provided by an external supplier. Data on consumption of energy, paper and water as well as security transports and waste management is compiled directly from the bank's suppliers. Information on the bank's business travel is compiled through a system from an external supplier, and AutoPlan's car leasing data is obtained from the bank's fleet administration system. A limited selection of environmental data is based on a different financial period than the standard sustainability reporting.

S6 Employees: The information is obtained from the bank's HR system and training data from the internal training portal. HR data applies to the headcount as of 31 December 2022.

S7 Business ethics and information security: Data on suspicious orders and transactions (MAR) and reports of suspicious transactions regarding money laundering/terrorist financing (SAR) are obtained from systems specially designed for this purpose. Cases for whistleblowing are registered via the bank's whistleblower process with five different reporting channels. The process is managed by Group Compliance and Group Internal Audit. Swedbank's Swedish subsidiaries Swedbank Försäkring AB, Swedbank Robur Fonder AB and Swedbank PayEx AB have their own separate processes, while Swedbank Hypotek AB has outsourced case management to the parent company.

S8 Societal engagement: The information is compiled through several different internal systems and the bank's internal sponsorship navigator, a system designed for Swedbank.

H9 Human rights: Sustainability analyses by Swedbank Robur are based on data from several large ESG data suppliers. Information on sustainability analyses within lending is obtained from several different CRM systems.

S10 Taxes: The information is obtained from the bank's financial notes, internal reporting system and HR system.

Changes, recalculations and omissions
Changes and recalculations of data are reported where the information that has been calculated in a new way is presented in the report.

GRI Index 2022

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. For all of Swedbank's material topics at least one general or topic-specific disclosure is reported in accordance with the GRI Standards. Swedbank's sustainability reporting follows the GRI's four principles for defining report content: stakeholder inclusiveness, materiality, sustainability context and completeness.

GRI-standard/ Other source	Disclosure	Location	Omission: Requirement(s) omitted	Omission: Reason and explanation	GRI sector standard ref. no.
General disclosures					
GRI 2: General disclosures 2021	2-1 Organizational details	2, 70			
	2-2 Entities included in the organization's sustainability reporting	182–183			
	2-3 Reporting period, frequency and contact point	70, 228, 257			
	2-4 Restatements of information	208, 211, 216, 228			
	2-5 External assurance	21, 229, 247			
	2-6 Activities, value chain and other business relationships	0, 6–13, 91–92, 182–183, 212			
	2-7 Employees	218–221, 228			
	2-8 Workers who are not employees	220			
	2-9 Governance structure and composition	44–62, 199			
	2-10 Nomination and selection of the highest governance body	45–48, 218			
	2-11 Chair of the highest governance body	56, 61			
	2-12 Role of the highest governance body in overseeing the management of impacts	44–62, 199, 225–226			
	2-13 Delegation of responsibility for managing impacts	44–62, 199			
	2-14 Role of the highest governance body in sustainability reporting	199			
	2-15 Conflicts of interest	46–47, 56–60			
	2-16 Communication of critical concerns	27, 199, 210			
	2-17 Collective knowledge of the highest governance body	48			
	2-18 Evaluation of the performance of the highest governance body	47, 199			
	2-19 Remuneration policies	50–51, 125–128, 199			
	2-20 Process to determine remuneration	30, 46, 50–51, 125–128, 237			
	2-21 Annual total compensation ratio	220			
	2-22 Statement on sustainable development strategy	4–6			
	2-23 Policy commitments	44–45, 199, 200, 213, 225			
	2-24 Embedding policy commitments	44–45, 199, 219, 225			
	2-25 Processes to remediate negative impacts	199, 222, 225–226			
	2-26 Mechanisms for seeking advice and raising concerns	199, 222			
	2-27 Compliance with laws and regulations	223			
	2-28 Membership associations	20–21, 200			
	2-29 Approach to stakeholder engagement	201–202			
	2-30 Collective bargaining agreements	221			
Material topics					
GRI 3: Material topics 2021	3-1 Process to determine material topics	22–23, 201–202, 236–237			
	3-2 List of material topics	23, 201			
Financially stable bank					
GRI 3: Material topics 2021	3-3 Management of material topics	2, 7, 8–19, 30–33, 44–55, 80–110, 202			
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	2, 30–31, 65–67, 111–114, 107, 225			
	201-2 Financial implications and other risks and opportunities due to climate change	107–110, 213–214			
Business ethics					
GRI 3: Material topics 2021	3-3 Management of material topics	15–16, 42–55, 110, 199, 202, 222–223, 226–227			
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	2, 30–31, 65–67, 107, 111–114, 225			
Secure and stable IT systems					
GRI 3: Material topics 2021	3-3 Management of material topics	17, 48, 55, 80, 106, 201–202, 222–223			
Own indicator	Number of complaints from registered parties to data protection officer	223			
Own indicator	Number of complaints from Swedish Data Protection Authority	223			

A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.

Information missing. Under represented groups are not analysed. The bank will review the inclusion of this in the coming years.

Not applicable/Information missing. Escalated sustainability issues are handled by the Swedbank Sustainability Committee which is led by the Director of Communications and Sustainability with a mandate from the CEO.

2023070651881

GRI-standard/ Other source	Disclosure	Location	Omission: Requirement(s) omitted	Omission: Reason and explanation	GRI sector standard ref. no.
High availability					
GRI 3: Material topics 2021	3.3 Management of material topics	17, 48, 55, 60, 106, 201, 202, 206–207, 235			
Own indicator	Availability in digital channels	206–207			
Responsible governance					
GRI 3: Material topics 2021	3.3 Management of material topics	44–54, 199, 202, 222–223			
GRI 201: Economic performance 2016	201-3 Defined benefit plan obligations and other retirement plans	125 not k13, 147			
GRI 3: Material topics 2021	3.3 Management of material topics	44–54, 199, 202, 222–228			
GRI 207: Tax 2019	207-1 Approach to tax	227–228			
	207-2 Tax governance, control and risk management	227–228			
	207-3 Stakeholder engagement and management of concerns related to tax	227–228			
	207-4 Country-by-country reporting	227–228			
Promote climate transition					
GRI 3: Material topics 2021	3.3 Management of material topics	19, 26, 27, 107–110, 199–200, 213–214			
GRI 302: Energy 2016	302-3 Energy intensity	217			
GRI 3: Material topics 2021	3.3 Management of material topics	19, 26, 27, 107–110, 199–200, 213–217			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	216			
	305-2 Energy indirect (Scope 2) GHG emissions	216			
	305-3 Other indirect (Scope 3) GHG emissions	213–217			
	305-4 GHG emissions intensity	213–217			
GRI 3: Material topics 2021	3.3 Management of material topics	27, 107–110, 199–200, 213–217			
GRI 306: Waste 2020	306-3 Waste generated	216			

GRI-standard/ Other source	Disclosure	Location	Omission: Requirement(s) omitted	Omission: Reason and explanation	GRI sector standard ref. no.
Attractive employer					
GRI 3: Material topics 2021	3.3 Management of material topics	18, 26–27, 29, 125–128, 199–200, 218–221, 225–226, 237		Information not available – The bank plans to carry out a new materiality analysis according to GRI Standards.	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	220			
GRI 3: Material topics 2021	3.3 Management of material topics	18, 26–27, 29, 125–128, 199–200, 218–221, 225–226, 237			
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	219			
	404-3 Percentage of employees receiving regular performance and career development reviews	221			
GRI 3: Material topics 2021	3.3 Management of material topics	18, 26–27, 29, 125–128, 199–200, 218–221, 225–226, 237			
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	42–55, 125 not k13, 218–221		Not applicable - Age groups by employment contract is not a key indicator that Swedbank uses in its reporting today. The bank will work to include these indicators in coming years.	
	405-2 Ratio of basic salary and remuneration of women to men	218–221			
Combat financial crime					
GRI 3: Material topics 2021	3-3 Management of material topics	42–55, 199–200, 80, 222–223			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	222–223		Not applicable - The percentage, type of corruption risk identified through the risk assessment in each core process, and total number analysed based on corruption risks are measured only for certain parts of the organisation and, as a result, key figures cannot be presented for the Group as a whole. Swedbank is working actively to develop its risk assessments. The bank will work to include these indicators in coming years.	
	205-2 Communication and training about anti-corruption policies and procedures	199, 207–208, 210, 212–213, 219, 220, 222–223			
Own indicator	Percentage of suppliers undergoing business ethics riskassessments	212			
Own indicator	Percentage of holdings in fund portfolios undergoing business ethics risk assessments	208			
Own indicator	Number of corporate customers undergoing business ethics risk assessments	210			
Own indicator	Number of suspicious orders and transactions reported	223			
Own indicator	Number of suspicious transactions regarding money laundering/terrorist financing reported	223			

GRI-standard/ Other source	Disclosure	Location	Omission: Requirement(s) omitted	Omission: Reason and explanation	GRI sector standard ref. no.
Sustainable investment					
GRI 3: Material topics 2021	3.3 Management of material topics	26–27, 199, 201–202, 207–209			
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	208			G4 Sector standard: Financial services
Sustainable financing					
GRI 3: Material topics 2021	3.3 Management of material topics	26–27, 80, 107–110, 199, 201–202, 210–212			
G4-FS6	Percentage of the portfolio for business lines by specific region, size and by sector	88, 91–92			G4 Sector standard. Financial services
G4-FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	211–212, 213–214			G4 Sector standard: Financial services
G4-FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	211–212, 213–214			G4 Sector standard: Financial services
Societal engagement					
GRI 3: Material topics 2021	3.3 Management of material topics	199, 202, 224–225			
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	2, 30–31, 66–67, 111–114, 225			

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 247.

Principle 1: Alignment

Swedbank aligns its business strategy to be consistent with and contribute to individuals' needs and society's goals, 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, and manufacturing.

Links and references
Swedbank Annual and Sustainability Report 2022, pages 8–13
Factbook 2022, 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, and to contribute to their success.

In 2022, Swedbank 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 2022, page 19, 20–21, 26
https://www.swedbank.com/en/hallbarhet/miljo-och-klimat/miljo-och-klimat-tools/klimatmal.html
https://www.swedbankrobur.se/

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 (Key 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
Swedbank Annual and Sustainability Report 2022, page 201

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 page 91–92. For more information on details of the analysis, contact sustainability@swedbank.com.

Links and references
Swedbank Annual and Sustainability Report 2022, pages 91–92

c) The bank's portfolio impacts in the context of society's needs
According to the impact analysis tool from UNEP FI, there are challenges in each country, including the following: Sweden – energy consumption per capita, Estonia – reasonably priced housing, Latvia – climate risk, and Lithuania – recycling rate. These challenges at the national level were considered through the methodology used in the impact analysis tool. The results of the analysis were also cross checked against the country's current challenges to ensure that the correct prioritisation was applied. Information on each country's challenges was collected from stakeholders such as non-profit organisations and governmental organisations through public reports.

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. Swedbank has a high negative impact 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 2022, pages 91–92, 201

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 its 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
Swedbank Annual and Sustainability Report 2022, page 201

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 (Key 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 sustainable finance goals include the bank's new framework for green, social and sustainability bonds. The framework is based on Swedbank's Green Bond Framework from 2017 and has been expanded to include social areas. The framework provides definitions for financing green and social projects and assets and aligns with the ICMA Green Bond Principles 2021, Social Bond Principles 2021 and Sustainability Bond Guidelines 2021. It has also been adapted in large part to the technical screening criteria in the EU Taxonomy.

Links and references
Swedbank Annual and Sustainability Report 2022, pages 19, 26, 210–211

b) Base year:

Climate goals for the credit portfolio until 2030 have been set with a base year of 2019. The base year for the bank's sustainable finance target is 2022.

Links and references
Swedbank Annual and Sustainability Report 2022, pages 19, 26

c) "SMART" targets:
Target 1
To mitigate climate change, Swedbank has adopted climate targets for the credit portfolio by 2030. The targets 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
The second target is to increase Swedbank's sustainable finance in 2023. This includes green, social and sustainability related finance. The bank's aim is to align the target with the definition of SMART.

Links and references
Swedbank Annual and Sustainability Report 2022, pages 19, 26

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 plans to continue to support customers and contribute to the transition by channelising capital flows to responsible investments. Both goals are integrated in the bank's governance structure with relevant monitoring.

Links and references
Swedbank Annual and Sustainability Report 2022, pages 19, 26

	... first area of most significant impact: ... Climate change mitigation and climate change adaptation	... second area of most significant impact: ... Biodiversity
Alignment:	● Yes ○ In progress ○ No	● Yes ○ In progress ○ No
Base 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 (Key Step 2)

During the year, Swedbank developed emissions reductions targets for the loan portfolio, which was the bank's previous target. The goals are a strategic steering tool that will contribute to society and our customers' transition, increase financing of sustainable activities and at the same time manage risks and opportunities related to climate change.

During the year, Swedbank launched a new Sustainable Funding Framework, which replaces the previous Swedbank Green Bond Framework. The criteria for green loans were updated and several new categories and criteria were added for social loans. For more information on the new framework, see page 210. This means that more categories are included in Swedbank's sustainable finance goals. Swedbank reached its sustainable finance goals in both 2021 and 2022. In 2022, the total sustainable finance volume was SEK 73bn at year-end.

Links and references
Swedbank Annual and Sustainability Report 2022, pages 210–211
https://www.swedbank.com/av/hallbarhet/strategi-och-ramverk/sustainable-funding-framework.html

Principle 3: Clients and Customers

Swedbank will work responsibly with our clients and our 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.

The rules adopted at the EU level linked to the EU Green Deal and the EU Action Plan for Financing Sustainable Growth provide support for Swedbank's efforts to encourage sustainable choices by customers. Swedbank has among other things implemented the MiFID II and IDD delegated regulations, which has meant that the bank has integrated sustainability preferences in our advisory services.

Swedbank has launched a new ESG analysis for large corporates as a first step to use as part of the lending process. In 2023, the scope of corporate clients will be expanded. The bank also has sector guidelines that are used to analyse corporate clients' sustainability risks.

Links and references
Swedbank Annual and Sustainability Report 2022, pages 207–212

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 is rapidly increasing. Swedbank therefore intensified its efforts during the year to develop and strengthen sustainability-oriented products and services. One example is the new sustainability analysis that was launched for large corporates, initially to be used as part of the lending process. In 2023, the area of application will be expanded to comprise more corporate clients. Swedbank Robur has developed more 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 2022, pages 207–217

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 pages 201–202.

- A Group-wide materiality analysis was conducted in 2020 where nearly 2 000 respondents answered a survey on how Swedbank should prioritise various sustainability issues.
- Swedbank has established partnerships with the goal to develop and provide solutions for sustainable production and consumption.

Links and references
Swedbank Annual and Sustainability Report 2022, pages 201–202

Principle 5: Governance & Culture

Swedbank will implement its commitment to these Principles through effective governance and a culture of responsible banking.

5 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 PRB's 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 199. The bank's specific targets within the PRB are part of the bank's 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 compensation practices by including qualitative and individual performance criteria as a basis for awarding variable remuneration to all employees, e.g. compliance with Swedbank's values, as well as by applying deferral periods and payment of variable remuneration in the form of financial instruments for the majority of employees. No external consultants have been consulted regarding remuneration issues.

Links and references
Swedbank Annual and Sustainability Report 2022, pages 42–55, 199

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. For example, the bank has provided training in the sustainability area for the Board, managers and employees.

Links and references
Swedbank Annual and Sustainability Report 2022, pages 199, 222–223

5.3 Policies and due diligent 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. Swedbank also has a Sustainability Committee whose purpose is to support effective management and 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 whistle blowing, both internally and externally. For the bank's employees processes are in place to ensure a culture that continuously strives to minimise harassment on the job.

Links and references
Swedbank Annual and Sustainability Report 2022, pages 42–55, 199, 218–221

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 2022.

Links and references
Swedbank Annual and Sustainability Report 2022, page 247

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

Swedbank reports in accordance with the standards and frameworks indicated above and with reference to the SASB's framework.

Links and references
Swedbank Annual and Sustainability Report 2022, pages 229–233, 238–239

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. The targets cover the following sectors: mortgages, commercial real estate, power generation, steel and oil & gas. This is part of Swedbank's commitment in the Science Based Targets Initiative and the Net-Zero Banking Alliance to align with the 1.5°C target by 2030. Now we are entering a stage where we are planning and implementing measures to reach these targets.

The bank is also planning to update the impact analysis in 2023.

Links and references
Swedbank Annual and Sustainability Report 2022, page 19, 22–29

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	26–27, 45, 55, 80–81, 199
b) Describe management's role in assessing and managing climate-related risks and opportunities	26–27, 51–52, 80–81, 199
Strategy	
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	23, 107–110, 213–214
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	23, 26–27, 80–81, 107–110, 213–217
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	107–110, 213–217
Risk management	
a) Describe the organisation's processes for identifying and assessing climate-related risks	80–81, 107–110, 213–217
b) Describe the organisation's processes for managing climate-related risks.	80–81, 107–110, 213–217
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	55, 80–81, 107–110
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.	26–27, 107–110, 213–217
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	107–110, 213–217
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	19, 26–27, 213–217

SASB Index

The table below provides references on where to find information in Swedbank's sustainability reporting related to metrics applied in the Sustainability Accounting Standards Boards (SASB) industry-specific standard for commercial banks.

Topic	Accounting Metric	Code	Page
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	FN-CB-230a.1	222–223
	Description of approach to identifying and addressing data security risks	FN-CB-230a.2	
Financial Inclusion	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	FN-CB-240a.1	21, 23, 224–225
	(1) Number and (2) amount of past due and non-accrual loans qualified to programs designed to promote small business and community development	FN-CB-240a.2	
	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	FN-CB-240a.3	
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	FN-CB-240a.4	
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	Commercial and industrial credit exposure, by industry	FN-CB-410a.1	91–92, 107–110, 210
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	FN-CB-410a.2	
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	FN-CB-510a.1	115, not K5, 222–223
	Description of whistleblower policies and procedures	FN-CB-510a.2	
Systemic Risk Management	Global Systemically Important Bank (G-SIB) score, by category	FN-CB-550a.1	107–110, 111 not K4
	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	FN-CB-550a.2	

Activity Metric	Code	Page
(1) Number and (2) value of current and savings accounts by segment: (a) personal and (b) small business	FN-CB-000.A	
(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	FN-CB-000.B	

20230706051882

Sustainability report according to the requirements of 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 204–205.

Page reference by area	Environment	Employees and Social conditions	Human rights	Anti-corruption
Business model	13–14	13–14	13–14	13–14
Material risks	22–29, 107–110, 201, 213–217	22–29, 107–110, 201, 218–221	22–29, 107–110, 201, 225–226	22–29, 107–110, 201, 222–223
Policy, results and indicators[1]	107–110, 199–202, 213–217 • Environmental Policy • ISO 14001 certified environmental management system • Position on climate change • Sustainability Policy • Swedbank's Code of Conduct • Code of Conduct for Suppliers • Responsible Investment Policy • Exclusion list	199–202, 218–221 • Occupational Health and Safety Policy • Policy on Gender Equality, Diversity and Inclusion • Human Rights Policy • Sustainability Policy • Swedbank's Code of Conduct	199–202, 207–212, 212 213, 225–226 • Human Rights Policy • Policy on Gender Equality, Diversity and Inclusion • Position on defence industry • Sustainability Policy • Swedbank's Code of Conduct • Code of Conduct for Suppliers • Responsible Investment Policy • Exclusion list	199–202, 222–223 • Anti Corruption Policy • Anti Money Laundering and Counter Terrorist Financing Policy • Financial Reporting Policy • Sustainability Policy • Swedbank's Code of Conduct • Code of Conduct for Suppliers • Tax Policy • Whistleblower routine • Exclusion list
Management of risks	22–29, 107–110, 199, 201, 213–217, Pillar 3 report, available at swedbank.com	22–29, 107–110, 199, 201, 218–221, Pillar 3 report, available at swedbank.com	22–29, 107–110, 199, 201, 225–226, Pillar 3 report, available at swedbank.com	22–29, 107–110, 199, 201, 222–223, Pillar 3 report, available at swedbank.com

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 22 February 2023

Göran Persson
Chair

Björn 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 23 February 2023

PricewaterhouseCoopers AB

Anneli Granqvist
Authorised Public Accountant
Auditor in charge

Martin By
Authorised Public Accountant

Auditors' report

To the annual 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 2022, except for the corporate governance statement on pages 42–62. The annual accounts and consolidated accounts of the company are included on pages 32–197 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 2022 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 2022 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 42–62.

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 as a whole, 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 centralised service centers, systems, and processes for several processes. We have organised the audit work by having our central audit team to carry out the testing of all centralised 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 minimised. 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 licences, 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 1-31, 198-237, and 243-259. 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 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.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgement and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgement with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

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 2022.

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 ISQC 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 42-62 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 2022 and has been the company's auditor since 2019.

Stockholm 23 February 2023

PricewaterhouseCoopers AB

Anneli Granqvist	Martin By
Authorised Public Accountant	*Authorised Public Accountant*
Partner in charge	

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 2022 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 organisation 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 organisation 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.

20230706151883

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 2022. The company has defined the scope of its sustainability report on page 21. The self-assessment/assertions are defined on page 234. The statutory sustainability report is defined on page 239.

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 21 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 234 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. 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, 23 February 2023

PricewaterhouseCoopers AB

Anneli Granqvist
Authorised Public Accountant

Karin Juslin
Sustainability Expert

Market shares

	Market shares, per cent					Volumes, SEKbn				
Sweden	2022	2021	2020	2019	2018	2022	2021	2020	2019	2018
Private Market										
Deposits[1]	18	19	19	19	20	476	454	420	384	381
Lending	20	21	21	22	23	1 012	992	950	921	904
of which mortgage lending	22	23	23	24	24	919	895	851	820	800
Bank Cards (thousands)	n.a.	n.a.	n.a.	n.a.	n.a.	4 465	4 413	4 384	4 345	4 291
Corporate Market										
Deposits[1]	15	16	16	16	18	260	273	241	190	186
Lending[1]	15	16	16	17	18	452	408	403	418	415

	Market shares, per cent					Volumes, SEKbn				
Baltic countries	2022	2021	2020	2019	2018	2022	2021	2020	2019	2018
Private Market										
Estonia										
Deposits (2022:11)	48	51	51	50	55	67	62	52	47	45
Lending (2022:11)	42	43	43	44	47	55	48	45	45	41
of which mortgage lending (2022:11)	42	44	45	45	46	47	41	38	37	34
Bank Cards (thousands) (2022:09)	58	59	61	61	62	931	917	922	957	965
Latvia (as of 2022:09)										
Deposits	38	37	34	32	34	48	42	35	31	30
Lending	35	34	35	34	33	23	20	19	19	18
of which mortgage lending	40	40	40	38	37	21	18	17	17	15
Bank Cards (thousands)	n.a.	50	48	48	46	n.a.	1 013	1 011	1 017	1 013
Lithuania (as of 2022:09)										
Deposits	45	45	44	43	43	100	94	79	67	59
Lending	39	39	40	39	35	56	47	42	40	34
of which mortgage lending	39	39	39	38	35	49	42	38	36	31
Bank Cards (thousands)	54	54	53	52	51	1 735	1 693	1 685	1 668	1 657

	Market shares, per cent					Volumes, SEKbn				
Baltic countries	2022	2021	2020	2019	2018	2022	2021	2020	2019	2018
Corporate Market										
Estonia (as of 2022:11)										
Deposits	39	43	44	45	45	55	54	51	43	38
Lending	34	37	37	38	37	49	45	41	41	39
Latvia (as of 2022:09)										
Deposits	28	27	28	24	25	28	24	24	20	21
Lending	19	19	22	21	20	20	17	17	16	17
Lithuania (as of 2022:09)										
Deposits	30	35	31	30	29	45	46	41	29	24
Lending	22	21	22	23	20	30	22	19	43	21

1) Swedbank has updated the definitions of corporate lending and deposits in Sweden from Q2 2018. Corporate lending includes lending to non-financial corporations. Corporate deposits includes deposits from non-financial corporations. Previous periods have been restated

Five-year summary

Key ratios	2022	2021	2020	2019	2018
Profit					
Return on equity, %	13.3	13.2	8.9	14.7	16.1
Return on total assets, %	0.72	0.72	0.48	0.79	0.84
Cost/income ratio[1]	0.40	0.44	0.53	0.42	0.37
Net interest margin before trading interest is deducted, %[1]	1.13	0.95	1.04	1.10	1.09
Capital adequacy					
Common Equity Tier 1 ratio, %	17.8	18.3	17.5	17.0	16.3
Tier 1 capital ratio, %	18.9	20.2	18.7	19.4	18.0
Total capital ratio, %	21.8	22.4	21.0	21.8	21.5
Common Equity Tier 1 capital	144 107	129 644	120 456	110 073	103 812
Tier 1 capital	153 320	143 022	128 848	126 226	114 761
Total own Funds	176 331	158 552	144 737	141 554	136 993
Risk exposure amount	809 438	707 753	689 594	649 237	637 882
Credit quality					
Credit impairment ratio, %	0.08	0.01	0.26	0.09	0.03
Total credit impairment provision ratio, %	0.32	0.29	0.48	0.40	0.37
Share of Stage 3 loans, gross, %	0.31	0.37	0.62	0.82	0.69

Other data	2022	2021	2020	2019	2018
Private customers, million	7	7	7	7	7.3
Corporate customers, thousands	620	620	616	618	620
Full time employees	16 803	16 565	16 213	15 218	14 865
Branches[2]	400	423	431	464	521
ATMs[2]	1 141	1 142	1 148	1 162	1 166

1) Key ratios have been restated due to the change of presentation of the income statement
2) Including savings banks and partly owned banks

Comments to five-year summary

2022 – Profit for the year increased to SEK 21 880m (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 53 221m (47 681) and was positively affected primarily by net interest income. Expenses increased to SEK 21 415m (20 847) primarily due to higher staff costs and also as a result of higher IT expenses to some extent. 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 primarily 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.

2018 – Profit for the year rose 9 per cent to SEK 21 162m, compared with SEK 19 350m 2017. The increase was due to higher net interest income and net commission income as well as an increase in other income. Lower credit impairments also contributed positively. Income increased 6 per cent to SEK 45 878m (43 408). Expenses rose to SEK 16 835m (16 415), largely due to increased staff costs following the acquisition of PayEx. Credit impairments according to IFRS 9 amounted to SEK 521m.

Income statement, SEKm	2022	2021[1]	2020[1]	2019[1]	2018[1]
Net interest income	33 157	27 048	27 716	27 106	26 884
Net commissions	14 223	14 653	12 770	12 984	12 836
Net gains and losses on financial items	1 837	2 048	2 655	3 629	2 112
Net insurance	1 655	1 457	1 518	1 465	1 192
Share of profit or loss of associates and joint ventures	738	976	582	822	1 028
Other income	1 561	1 299	1 298	1 071	1 826
Total income	53 221	47 681	46 539	47 077	45 878
Staff costs	13 246	12 739	11 873	11 119	10 284
Other general administrative expenses	6 474	6 477	7 107	7 314	5 865
Depreciation/amortisation of tangible and intangible fixed assets	1 695	1 631	1 580	1 551	686
Administrative fine			4 000		
Total expenses	21 415	20 847	24 560	19 984	16 835
Profit before impairments	31 806	26 834	21 979	27 093	29 043
Impairments of intangible fixed assets	1 125	56		79	306
Impairments of tangible fixed assets	13		2	8	8
Credit impairments	1 479	170	4 334	1 469	521
Swedish bank tax and resolution fees	1 831	791	863	1 117	1 656
Profit before tax	27 358	25 817	16 780	24 420	26 552
Tax expense	5 478	4 945	3 851	4 711	5 374
Profit for the year	21 880	20 872	12 929	19 709	21 178
Profit for the year attributable to Shareholders in Swedbank AB	21 877	20 871	12 929	19 697	21 162
Non-controlling interests	3	1	0	12	16

1) Presentation of the income statement has been changed, for more information see Note G57

Balance sheet, SEKm	2022	2021	2020	2019	2018
Loans to credit institutions	56 589	39 504	47 954	45 452	36 268
Loans to the public	1 842 811	1 703 206	1 680 987	1 652 296	1 627 368
Interest bearing securities					
Treasury bills and other bills eligible for refinancing with central banks	151 483	163 590	137 191	137 094	99 579
Bonds and other interest bearing securities	61 298	58 093	59 975	57 367	53 312
Shares and participating interests					
Financial assets for which customers bear the investment risk	290 678	328 512	252 411	224 893	177 859
Shares and participating interests	8 184	13 416	17 215	6 568	4 921
Shares and participating interests in associates	7 830	7 705	7 287	6 679	6 088
Derivatives	50 504	40 531	52 177	44 424	39 665
Others	385 499	396 060	339 445	233 455	201 023
Total assets	2 854 876	2 750 617	2 594 642	2 408 228	2 246 092
Amounts owed to credit institutions	72 826	92 812	150 313	69 686	57 218
Deposits and borrowings from the public	1 305 948	1 265 783	1 148 240	954 013	920 750
Debt securities in issue	784 206	735 917	732 814	855 754	804 360
Financial liabilities for which customers bear the investment risk	291 993	329 667	253 229	225 792	178 662
Derivatives	68 679	28 105	54 380	40 977	31 316
Other	66 362	70 200	66 680	80 634	81 993
Senior non preferred liabilities	57 439	37 832	10 359	10 805	
Subordinated liabilities	31 331	28 604	23 434	31 934	34 184
Equity	176 092	161 696	155 193	138 633	137 609
Total liabilities and equity	2 854 876	2 750 617	2 594 642	2 408 228	2 246 092

Three-year summary
Swedish Banking

SEKm	2022	2021	2020
Income statement			
Net interest income	20 614	15 472	16 826
Net commissions	8 727	9 205	7 922
Net gains and losses on financial items	372	586	351
Share of profit or loss of associates and joint ventures	790	920	642
Other income	1 047	935	951
Total income	**31 741**	**27 118**	**26 692**
Staff costs	3 277	3 229	3 049
Variable staff costs	42	61	47
Other expenses	7 545	7 451	6 875
Depreciation/amortization	27	38	53
Total expenses	**10 892**	**10 779**	**10 024**
Profit before impairments, Swedish bank tax and resolution fees	**20 850**	**16 339**	**16 668**
Credit impairments	1 037	-42	664
Swedish bank tax and resolution fees	1 247	499	549
Profit before tax	**18 566**	**15 882**	**15 455**
Tax expense	3 514	2 890	3 008
Profit for the year	**15 052**	**12 992**	**12 447**
Balance sheet, SEKbn			
Cash and balances with central banks	3	2	1
Loans to credit institutions	5	6	7
Loans to the public	1 275	1 252	1 211
Financial assets for which customers bear inv. risk	283	321	246
Other assets	13	11	11
Total assets	**1 579**	**1 592**	**1 476**
Amounts owed to credit institutions	30	27	27
Deposits and borrowings from the public	726	712	645
Financial liabilities for which customers bear inv. risk	284	322	247
Other liabilities	467	466	489
Total liabilities	**1 507**	**1 527**	**1 409**
Allocated equity	72	65	67
Total liabilities and equity	**1 579**	**1 592**	**1 476**
Income items			
Income from external customers	31 712	27 072	26 637
Key ratios			
Return on allocated equity, %	21.5	20.0	18.6
Loans to customer/Deposits from customer, %	176	176	187
Loans to customers, SEKbn	1 275	1 252	1 211
Deposits from customers, SEKbn	725	712	645
Credit impairment ratio[1], %	0.08	0.00	0.06
Cost/income ratio	0.34	0.40	0.38
Risk exposure amount	414	405	391
Full-time employees	3 996	4 046	3 969
Allocated equity, average, SEKbn	70	65	67

1) For more information about the credit impairment ratio see page 41 of the Fact book.

Three-year summary
Baltic Banking

SEKm	2022	2021	2020
Income statement			
Net interest income	8 348	5 369	5 444
Net commissions	3 073	2 779	2 585
Net gains and losses on financial items	405	437	369
Other income	857	767	903
Total income	**12 683**	**9 352**	**9 301**
Staff costs	1 846	1 585	1 540
Variable staff costs	62	63	54
Other expenses	2 548	2 279	1 957
Depreciation/amortization	179	171	176
Total expenses	**4 635**	**4 098**	**3 727**
Profit before impairments, Swedish bank tax and resolution fees	**8 048**	**5 254**	**5 574**
Impairment of tangible assets	13		2
Credit impairments	402	160	237
Swedish bank tax and resolution fees	100	76	86
Profit before tax	**7 534**	**5 018**	**5 249**
Tax expense	1 305	840	879
Profit for the year	**6 229**	**4 178**	**4 370**
Balance sheet, SEKbn			
Cash and balances with central banks	4	3	3
Loans to the public	236	199	182
Bonds and other interest bearing securities	2	2	1
Financial assets for which customers bear inv. risk	7	8	6
Other assets	165	156	127
Total assets	**415**	**368**	**319**
Deposits and borrowings from the public	376	334	288
Debt securities in issue	2	1	1
Financial liabilities for which customers bear inv. risk	8	8	6
Total liabilities	**386**	**343**	**295**
Allocated equity	28	25	24
Total liabilities and equity	**415**	**368**	**319**
Income items			
Income from external customers	12 683	9 352	9 298
Key ratios			
Return on allocated equity, %	22.6	16.9	17.6
Loans to customer/Deposits from customer, %	63	60	63
Loans to customers, SEKbn	236	199	182
Deposits from customers, SEKbn	375	334	288
Credit impairment ratio[1], %	0.19	0.09	0.12
Cost/income ratio	0.37	0.44	0.40
Risk exposure amount	155	107	92
Full-time employees	4 701	4 624	4 638
Allocated equity, average, SEKbn	28	25	25

1) For more information about the credit impairment ratio see page 41 of the Fact book.

Three-year summary
Large Corporates and Institutions

SEKm	2022	2021	2020
Income statement			
Net interest income	4 877	3 947	4 022
Net commissions	2 621	2 955	2 345
Net gains and losses on financial items	822	981	1 868
Other income	316	315	322
Total income	**8 630**	**8 198**	**8 557**
Staff costs	1 546	1 536	1 455
Variable staff costs	107	138	73
Other expenses	2 446	2 334	2 205
Depreciation/amortization	119	132	122
Total expenses	**4 219**	**4 130**	**3 855**
Profit before impairments, Swedish bank tax and resolution fees	**4 411**	**4 068**	**4 702**
Credit impairments	23	57	3 423
Swedish bank tax and resolution fees	464	201	205
Profit before tax	**3 745**	**3 810**	**1 074**
Tax expense	855	708	-197
Profit for the year	**2 890**	**3 102**	**1 271**
Balance sheet, SEKbn			
Loans to credit institutions	113	129	176
Loans to the public	321	253	264
Bonds and other interest bearing securities	47	55	51
Derivatives	180	60	66
Other assets	9	16	26
Total assets	**671**	**513**	**583**
Amounts owed to credit institutions	283	229	322
Deposits and borrowings from the public	211	230	222
Debt securities in issue	3	5	7
Derivatives	191	57	67
Other liabilities	-54	-38	-68
Total liabilities	**635**	**483**	**550**
Allocated equity	36	30	33
Total liabilities and equity	**671**	**513**	**583**
Income items			
Income from external customers	8 488	7 964	8 342
Key ratios			
Return on allocated equity, %	8.4	9.7	4.1
Loans to customer/Deposits from customer, %	147	106	113
Loans to customers, SEKbn	287	226	213
Deposits from customers, SEKbn	195	212	195
Credit impairment ratio[1], %	0.01	0.02	1.16
Cost/income ratio	0.49	0.50	0.45
Risk exposure amount	213	168	167
Full-time employees	1 179	1 231	1 209
Allocated equity, average, SEKbn	34	32	31

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.

20230706151884

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. More information see page 41 in Facts.

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.

Maturity
The time remaining until an asset or liability's terms change or its maturity date.

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.*

Return on total assets
Profit for the financial year in relation to average total assets. 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 Oscarsteatern, Kungsgatan 63, Stockholm, at 11:00 am (CET) on Thursday, 30 March 2023. 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 22 March 2023
- notify the company of their intention to attend the Annual General Meeting according to the instructions in the notice no later than 24 March 2023.

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 22 March 2023. 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 24 March 2023 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 will be published on 22 February 2023 at http://www.swedbank.com/ir and on 24 February 2023 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 9.75 per share. The proposed record day for the dividend is 3 April 2023. The last day for trading in Swedbank's shares including the right to the dividend will thereby be 30 March 2023. If the Annual General Meeting adopts the Board of Directors' proposal, the dividend is expected to be paid by Euroclear on 6 April 2023.

Financial information 2023

Q1 Interim report	27 April
Q2 Interim report	18 July
Q3 Interim report	26 October

Contacts

Head office

Corp. No. 502017-7753
Visiting address:
Landsvägen 40
172 63 Sundbyberg
Mailing address:
105 34 Stockholm, Sweden
Telephone: +46 8 585 900 00
E-mail: info@swedbank.se
www.swedbank.com

Contact

Erik Ljungberg
Director of Communications and Sustainability
Telephone: +46 73 988 35 57
E-mail: erik.ljungberg@swedbank.com

Annie Ho
Head of Investor Relations
Telephone: +46 70 343 78 15
E-mail: annie.ho@swedbank.com

Fredrik Nilzén
Head of Sustainability
Telephone: +46 76 773 19 26
E-mail: fredrik.nilzen@swedbank.se

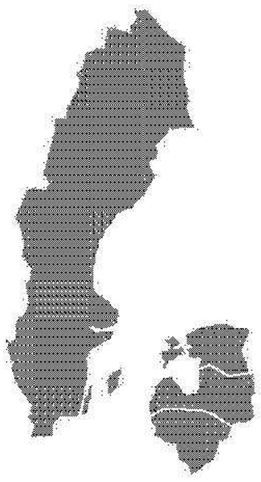


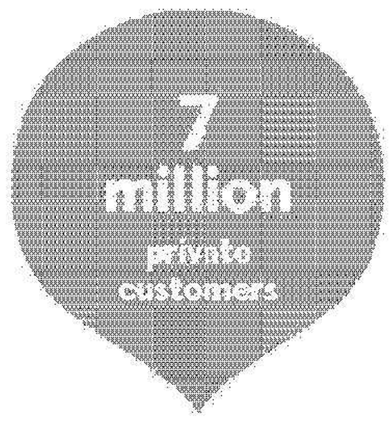
Production: Springtime-Intellecta. Photography: Ulf Berglund CEO page 4, Stefan Tell page 4 and 6, Single Resolution Board page 5, Tobil Dynavox page 25, Joaklm Zetterström page 28, Jenny Hallgren pages 56–62 (Board and Management) and Swedbank's image bank cover, pages 5, 21 and 63. Print: BrandFactory Stockholm

Swedbank



Annual and Sustainability Report 2022

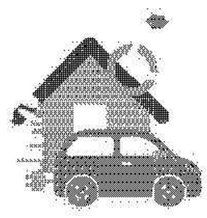




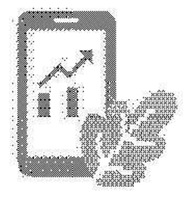


With seven million private customers and 550 000 corporate customers, Swedbank is the leading bank for the many households and businesses in our four home markets: Sweden, Estonia, Latvia and Lithuania.

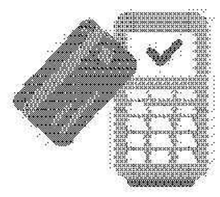
We have a comprehensive offering within the following areas:



Lending

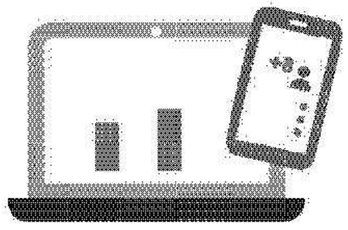


Savings



Payments

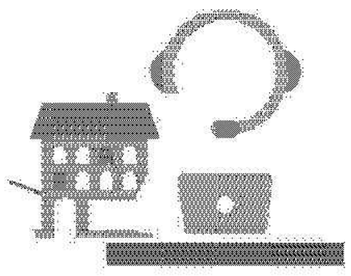
We are available 24 hours a day through our digital channels and our customers can also meet us in any of our physical meeting points.



Digital channels

App and Internet bank

- Everyday banking services
- Sales
- Virtual assistants



Meeting points

Branches

- 145 branches in Sweden
- 71 branches in Baltic countries

Contact centre

- Telephone, email, chat, social media

Flexible meeting points

- Video meetings
- Pop-up branches
- Partners

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**

Contents

The year in brief 2

CEO statement 4

The world around us 7

Value creation

– Strategic direction and targets 8

– Strategy and business model 13

– Strategic targets and results 15

Sustainability year in brief 20

Sustainability 22

The share and owners 30

Board of Directors' report

Financial analysis 32

Swedish Banking 37

Baltic Banking 38

Large Corporates and Institutions 39

Group Functions & Other 40

Disposition of earnings 41

Corporate governance report 42

Internal control 55

Board of Directors 56

Group Executive Committee 61

Financial statements and notes, Group

Income statement 65

Statement of comprehensive income 66

Balance sheet 67

Statement of changes in equity 68

Statement of cash flow 69

Notes 70

Financial statements and notes, Parent company

Income statement 163

Statement of comprehensive income 163

Balance sheet 164

Statement of changes in equity 165

Statement of cash flow 166

Notes 167

Alternative performance measures 197

Reports and notes, Sustainability

Sustainability management 199

Priority sustainable areas 201

UN Principles for Responsible Banking 203

Taxonomy 204

Notes 206

GRI Content Index 229

PRB Self-assessment 234

TCFD index 238

Signatures of the Board of Directors and the CEO 240

Auditors' report 241

Sustainability report, Assurance report 247

Market shares 248

Five-year summary, Group 249

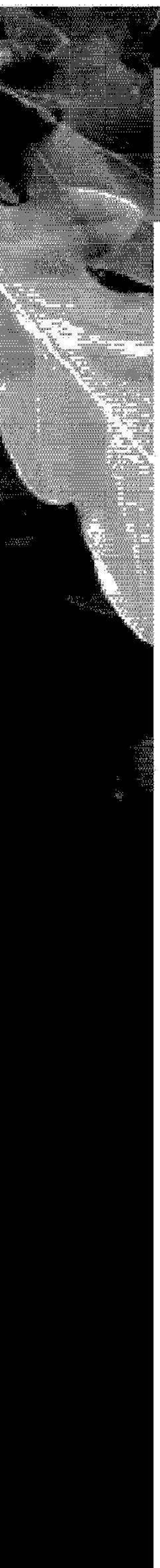
Three-year summary, Business segments 251

Definitions 254

Annual General Meeting 256

Contacts 257

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 year in brief

Strong result and good cost control

- Positive deposit margin led to rising net interest income and higher income
- Turbulent capital markets adversely impacted net commission income
- The cost/income ratio improved during the year to 0.40
- Weaker macroeconomic outlook led to higher credit impairments
- Strong capital and liquidity situation
- Return on equity of 13.3 per cent – target of a sustainable ROE of at least 15 per cent by 2025
- Proposed dividend in line with the bank's dividend policy – SEK 9.75 per share

Financial information, SEKm	2022	2021[1]
Total income	**53 221**	**47 681**
Net interest income	33 157	27 048
Net commission income	14 223	14 853
Net gains and losses on financial items	1 887	2 048
Other income[2]	3 954	3 732
Total expenses	**21 415**	**20 847**
Profit before impairment, Swedish bank tax and resolution fees	**31 806**	**26 834**
Impairment of intangible and tangible assets	1 137	56
Credit impairments	1 479	170
Swedish bank tax and resolution fees[3]	1 831	791
Profit before tax	**27 358**	**25 817**
Tax expense	5 478	4 945
Profit for the year	**21 880**	**20 872**
Earnings per share, SEK, after dilution	19.43	18.56
Return on equity, %	13.3	13.2
C/I ratio	0.40	0.44
Common Equity Tier 1 capital ratio, %	17.8	18.3
Credit impairment ratio, %	0.08	0.01

1) Presentation of the Income statement has been changed, see 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.
3) The Swedish bank tax (risk tax on credit institutions) came into force on 1 January 2022.

A selection of key events

24 Feb

The war in Ukraine
The war in Ukraine has caused fear and anxiety in people and markets. Banks are an important part of society's civil infrastructure. We have helped a total of around 50 000 Ukrainian refugees mainly in the Baltic countries but also in Sweden to integrate in society by becoming customers of Swedbank. Customers can now communicate with our virtual assistant in both Russian and Ukrainian.

28 Apr

IT incident
A substantial IT disturbance occurred on the night of 28 April which affected Swedbank's customers. Forceful measures have been taken to prevent this from happening again. The Swedish FSA informed Swedbank in October that it is investigating the IT incident and assessing a possible sanction.

15 Jun

Strategic partnership in Norway
Swedbank has entered into a strategic partnership with Norway's largest savings bank, Spare- Bank 1 SR-Bank. The partnership enables us to provide greater customer value through improved services for corporate clients in Sweden and Norway. It was approved by the Norwegian regulatory authorities in November 2022.

21 Sep

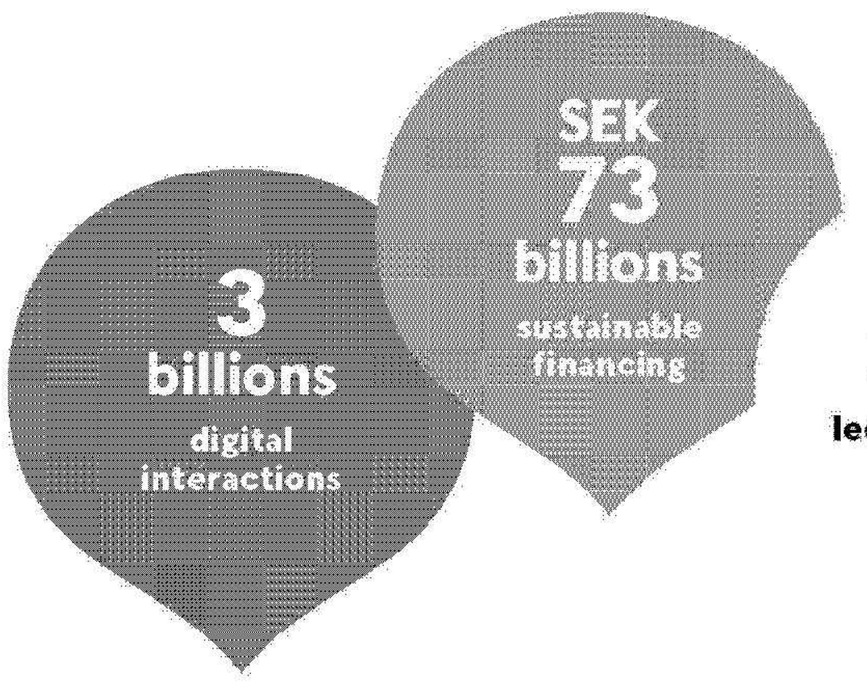
The most loved brand
For the fourth year in a row Swedbank has been named the most loved brand in Estonia, Latvia and Lithuania. Trust in Swedbank in Sweden rose.

6 Dec

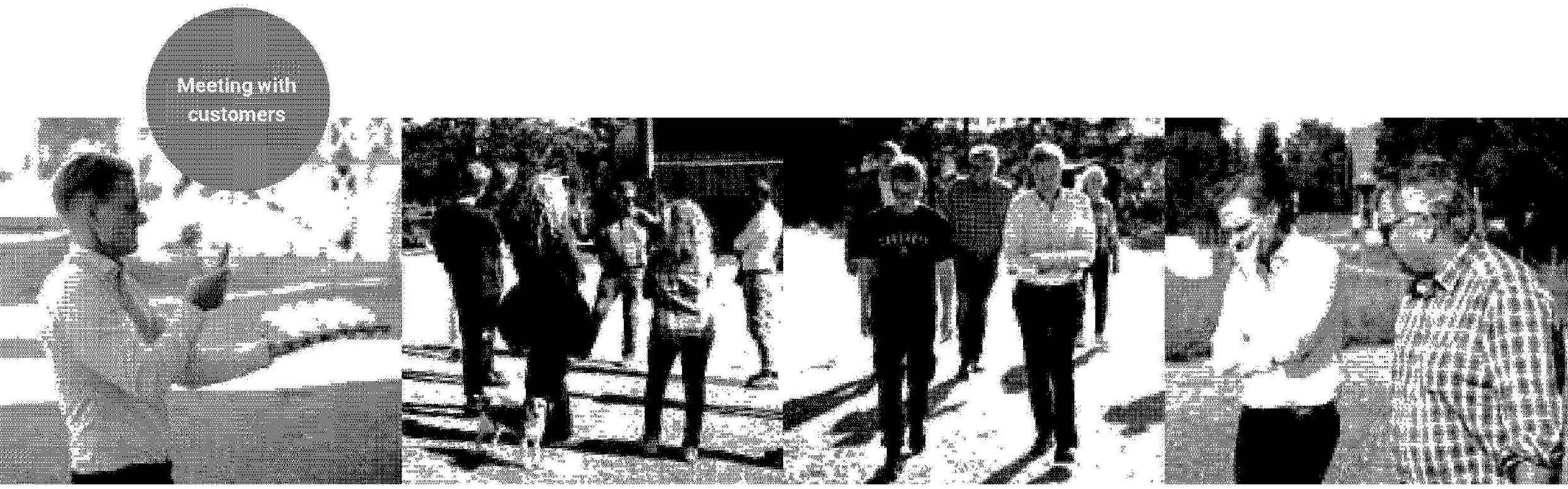
Strategic partnership in Denmark
Swedbank has entered into a strategic partnership with Sydbank A/S. The partnership enables a stronger offering for Swedbank's corporate clients operating in Denmark. Swedbank has decided to close its Danish business in order to create a clearer focus on its home markets.

6 Dec

Swedbank's Investor Day
At the investor day, Swedbank's Group Executive Committee presented the bank's business priorities and the financial plan to reach a sustainable return on equity of 15 per cent in 2025.



3 334
lectures on private economy



Dear Reader,



Swedbank generated a strong result in a turbulent time. We are a reliable and stable partner, and in 2022 we were there for our customers. Our established business model and pricing strategy have delivered, even in a year when the world changed dramatically. Our profitability is good and a sustainable bank is a profitable bank.

We delivered a result that enables us to propose a dividend of SEK 9.75 per share to our owners: savings banks, pension funds, small-scale savers, individual investors and non-profit foundations.

A result that also enables us to continue to teach young people financial skills. In 2022, Swedbank and the Savings Banks educated a total of 105 700 children and young adults in Sweden. In our Baltic markets it was 300 000. For better financial health and a sustainable future.

The pandemic eased

The year started with a sense of cautious optimism. Society reopened as more covid-19 vaccine doses were administered. Humanity had shown that difficult challenges can be overcome through adaptation and science. This gave hope for the future.

Thanks to massive support packages, the economic outlook was positive despite two years of pandemic. But the support packages drove up demand for goods, while pandemic shutdowns in other countries reduced supply. This combination pushed prices higher and created inflation pressure. Initially, this was thought to be temporary, and the expectation was that central banks would keep interest rates low.

Swedbank entered the year with a strong capital and liquidity position combined with strong credit quality. We had succeeded in 2021 in regaining our leading position in mortgage lending in Sweden. We had improved our system availability and strengthened regulatory compliance and risk control.

As society reopened, economic activity grew. Travel, hotels and restaurants were sectors that benefitted, and this had a positive impact on our card business.

It will be the war we remember

With geopolitical tensions running high, we decided early on to evaluate our readiness in terms of localisation, cyber defence and availability. We found our contingency planning and resilience to be satisfactory. When Russia launched its full-scale invasion of Ukraine on 24 February, Swedbank was fully focused on customers and employees. Estonia, Latvia and Lithuania had been working steadily for several years to steer their economies away from Russian relationships and towards the West. And the bank's exposure to Russia was very limited.

The global economy was impacted by the invasion. We saw disruptions to global energy, transportation, food and manufacturing systems. Prices soared. The horrifying realisation that a war was being fought in Europe became palpable.

In Sweden the war also raised the issue of sustainability as relates to the defence industry. We need a defence industry and have support for it in Article 1 of the UN Charter, which permits nations to take the measures necessary to uphold international law and suppress acts of aggression.

The stock market fell sharply and financing costs for businesses rose. Customers who had savings in Russian funds were hit especially hard. Swedbank was there for our customers with our expertise. We guided businesses and individuals on how to handle the new situation. And when Ukrainian



refugees arrived in our home markets, we were able, with the support of the EU's Temporary Protection Directive, to quickly accommodate them as customers. Nearly 50 000 Ukrainian refugees now have a bank account with us. We are enabling them to build a life in Sweden, Estonia, Latvia or Lithuania.

Businesses reacted quickly and decisively to the invasion and pulled out of Russia in droves. The international community introduced several rounds of broad-based sanctions against Russia. Swedbank is continuously implementing and complying with these sanctions.

The war is hitting Ukraine hardest, but has also had consequences for our home markets. Energy prices have spiked and this has pushed inflation to levels not seen since the 1980s, in all our home markets.

Inflation is driving interest rates

The price of money affects the bank's business. Stefan Ingves, the governor of the Swedish Riksbank announced, in mid-March, the need for future rate hikes. At that point, we started to adjust our deposit offering and again pay interest on customers' savings.

The Riksbank and the ECB followed the US Federal Reserve's lead and raised their policy rates. The signal was that several rate hikes would be needed to tame inflation. After many years of very low or negative rates, we saw a historically more normal rate environment emerge.

The Swedish housing market slowed and prices began to fall when higher costs became a reality for households. Customers needed help and advice on how to handle the situation and manage their savings, loans and insurance. In the Baltic markets, we saw inflation rise faster than in Sweden, driven by higher energy prices. Swedbank decided therefore to pay the majority of employees in Estonia, Latvia and Lithuania temporary winter compensation to cover this cost.

Swedbank's business model is based on the savings bank idea, where you save before you borrow, and our deposits have grown substantially in recent years. When rates were low or negative, we lost money on deposits, as we decided to reimburse small savers. We did not want them to pay negative interest rates. After having been a bad business, deposits instead became a strength when we, with our strong balance sheet, were able to benefit in an environment where interest rates are on the rise.

Households and many companies were squeezed by the higher inflation. Consumption fell during the year along with real wages. We have supported companies with advice and financing when they have adapted their businesses to a new reality. The real estate sector has actively strengthened its balance sheet and secured liquidity. And more sectors have driven demand for short-term financing, given the higher prices. The capital markets were cautious but opened up at the end of the year.

Climate change is having an impact

Attention turned to the energy supply, and public debate shifted from climate change to also include energy security. In Sweden an electricity support scheme was launched for households, and Swedbank won the contract to issue the payments in 2023.

Swedbank has a clear position on climate change. We realise that a reduced dependence on fossil fuels increases autonomy in many respects. We have played a part in society's transition for some time and see great opportunities in playing an active role in energy efficiency. Given the current energy

CEO statement



prices, you can expect investments aimed at reducing consumption to pay off quickly.

We are a major real estate bank. Therefore, we developed several proposals during the year on how Swedbank can take on a central role in providing advice and financing for the green energy transition in the property sector, which we will present in 2023.

When the Baltic region had to undergo a transition, Swedbank was there and financed the European gas stockpiles that needed refilling. Major investments were made, for example in the infrastructure needed to receive liquefied natural gas (LNG) by ship in Estonia and Latvia. The dependence on Russia is being reduced step-by-step.

I am seeing the business community take on a leading role in climate action, and during the year Swedbank set climate targets for 2030 in accordance with our commitment to the Net-Zero Banking Alliance. The targets cover our own emissions as well as indirect emissions through our customers, known as financed emissions. War and high energy prices underscore the importance of continuing to work towards reaching these climate targets. Swedbank supports the ten principles of the UN Global Compact on sustainable development and is contributing positively to the green transition through advice, products and services.

Swedbank stands strong

In summing up, Swedbank delivered for our owners, customers and employees in 2022. Our business model with a focus on savings and lending delivers when interest rates rise. We were there for our customers with advice and financing in a year defined by war and uncertainty. Swedbank stands strong.

We have maintained our strong credit quality. Credit impairments in 2022 were driven mainly by macroeconomic and model changes.

Swedbank has four home markets: Sweden, Estonia, Latvia and Lithuania. Four countries with strong public finances, robust banking systems, and well-managed companies and households. In these times, it is essential that we are a sustainable, and thus a profitable bank. By being profitable, we contribute to a financially sound and sustainable society. When we are profitable, we can support our customers, pay a dividend to our owners and at the same time continue to develop the bank. And we contribute to the financial stability of our customers, our employees and society as a whole.

The road forward is called Swedbank 15/25

In December, Swedbank presented a plan to sustainably reach a return on equity of 15 per cent by 2025. We call it Swedbank 15/25, and it will make it faster and easier for our customers to do business with us, and improve our availability. Far more customers than today will receive advice. Both individuals and businesses. Our expertise will reach more people more easily. We will develop our business and give our customers products and services that can improve their financial health.

Looking back, 2022 was a year of hard work. We were there for our customers. It is we who work at Swedbank who make the bank what it is. I want to express my gratitude to all our employees. In 2023, we will take Swedbank forward in the strategic direction we have mapped out together.

Our customers' future is our focus.

Stockholm, February 2023

Jens Henriksson
President and CEO

Market conditions in 2022

Highly uncertain geopolitical conditions, an energy crisis in Europe, the highest inflation in decades and major fluctuations in the financial markets meant great challenges for the global economy. At the same time, a climate crisis is underway. But 2022 will also always be associated with Russia's unprovoked expansion of the invasion of Ukraine.

Volatile markets everywhere

The year was marked by major fluctuations in several markets when assets such as equities, fixed income instruments, currencies, digital currencies, energy, commodities and housing were revalued. The cost for companies to finance themselves via the capital market rose significantly, resulting in a greater tendency to turn to the banks for funding. The labour market proved resilient, however, at least in terms of unemployment, which continued to drop during the year. In many parts of the world, employers stated that they were encountering labour shortages.

High inflation forced central banks to start cutting rates

The year 2022 was also the year when inflation surprised us by rising at the highest paces seen in several decades. At first, prices rose primarily for energy and commodities. Due to shutdowns during the pandemic, the supply of goods such as motor vehicles and leisure goods was lower than normal. This led to a rise in prices given that demand was high. The unusually high energy and freight prices led in turn to a major jump in the price of food, whose production indirectly became much more expensive. After the restrictions were eased, the prices of various services such as hotels and restaurants also soared.

When central banks finally started to tighten monetary policy, high inflation was already prevalent. Economies were running at full steam and labour demand was high. A synchronised and significant global monetary tightening took place during the year, which together with deteriorating geopolitical conditions explains the major fluctuations in various markets. The global equity index MSCI fell by nearly 18 per cent during the year, while the Stockholm Stock Exchange dropped by nearly 25 per cent. The Swedish krona weakened significantly, primarily against the US dollar, from SEK 9.00 to SEK 10.42 per USD, and from SEK 10.30 to SEK 11.12 per euro.

Resilient economies

Economic activity in both the manufacturing and service sectors was favourable and consumption and investment held up. During the summer, Swedish retail sales slumped significantly, while retail sales in the US and the euro area continued to rise during the fall. As a result of its strong performance in the first half of the year, the Swedish economy grew by 2.4 per cent in 2022. However in the fourth quarter the economy slowed, and in 2023 it is instead expected to shrink. Reasons for the expected decline include that households are expected to tighten the purse strings as the high inflation and rising interest rates erode their purchasing power. Furthermore, housing investment is likely to fall at the same time that the international demand for Swedish exports weakens.

Conditions in the labour market continued to strengthen in 2022. But the lower economic activity is expected to lead to a rise in unemployment in 2023. As households reduce their nonessential spending, consumer durables, consumer services and the construction sector in particular are expected to be hit hard.

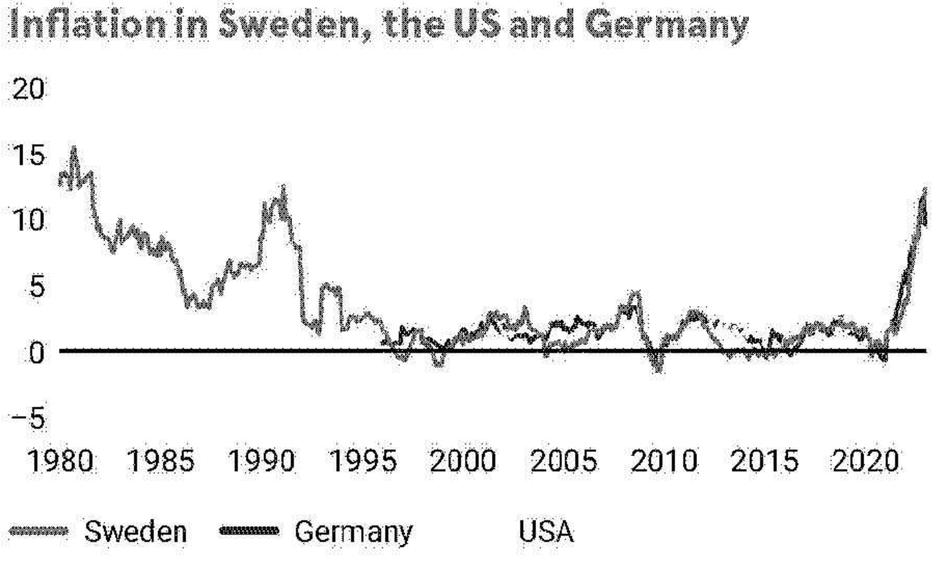
Although wage increases in the Baltic countries have been high, consumer purchasing power deteriorated significantly in 2022. This is because inflation rose by well over 20 per cent in all three countries. Economic activity held up fairly well during the year, however, as households had not yet begun to cut back on consumption. Also, the sanctions against Russia were introduced gradually, which meant that it took until the second half of 2022 before the loss of demand from Russia had its full impact. This year the Baltic economies are expected to stagnate as consumption slows, but government support measures will ease the burden for vulnerable households.

The reversal by central banks led to higher interest rates and the fastest increase in mortgage rates in Sweden since the 1990s. Uncertainty regarding the potential extent of the mortgage rate increases caused a rapid drop in home sales with falling prices as a result. All in all, house prices fell by 13 per cent from the peak in February to the end of 2022 in Sweden.

The climate transition remains in focus

We expect central banks to succeed in bringing down inflation and thereafter to start cutting the policy rates. But many people will experience difficulties for a while. Despite the fact the economic outlook has deteriorated, it is important that we continue to take action to support the climate transition. Among the reasons for optimism are that the current situation should lead to an increased understanding and willingness to help reduce energy consumption and improve energy efficiency in Sweden and globally. Swedish households showed during parts of the autumn that they were able to adjust by consuming significantly less electricity than they did on average in the last seven years. We also saw countries in the rest of Europe, including the Baltic countries, demonstrate this tendency by reducing their gas consumption. This bodes well for our further efforts to stem climate change.

Inflation in Sweden, the US and Germany



Sources: Swedbank Market Research & Macrobond

Swedbank's 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.

When the Swedish savings-bank movement began more than 200 years ago, it was based on enabling people to improve their financial health. This is where Swedbank has its roots.

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 make a positive impact on society and contribute to a society that is sustainable in the long term.

Our customer promise

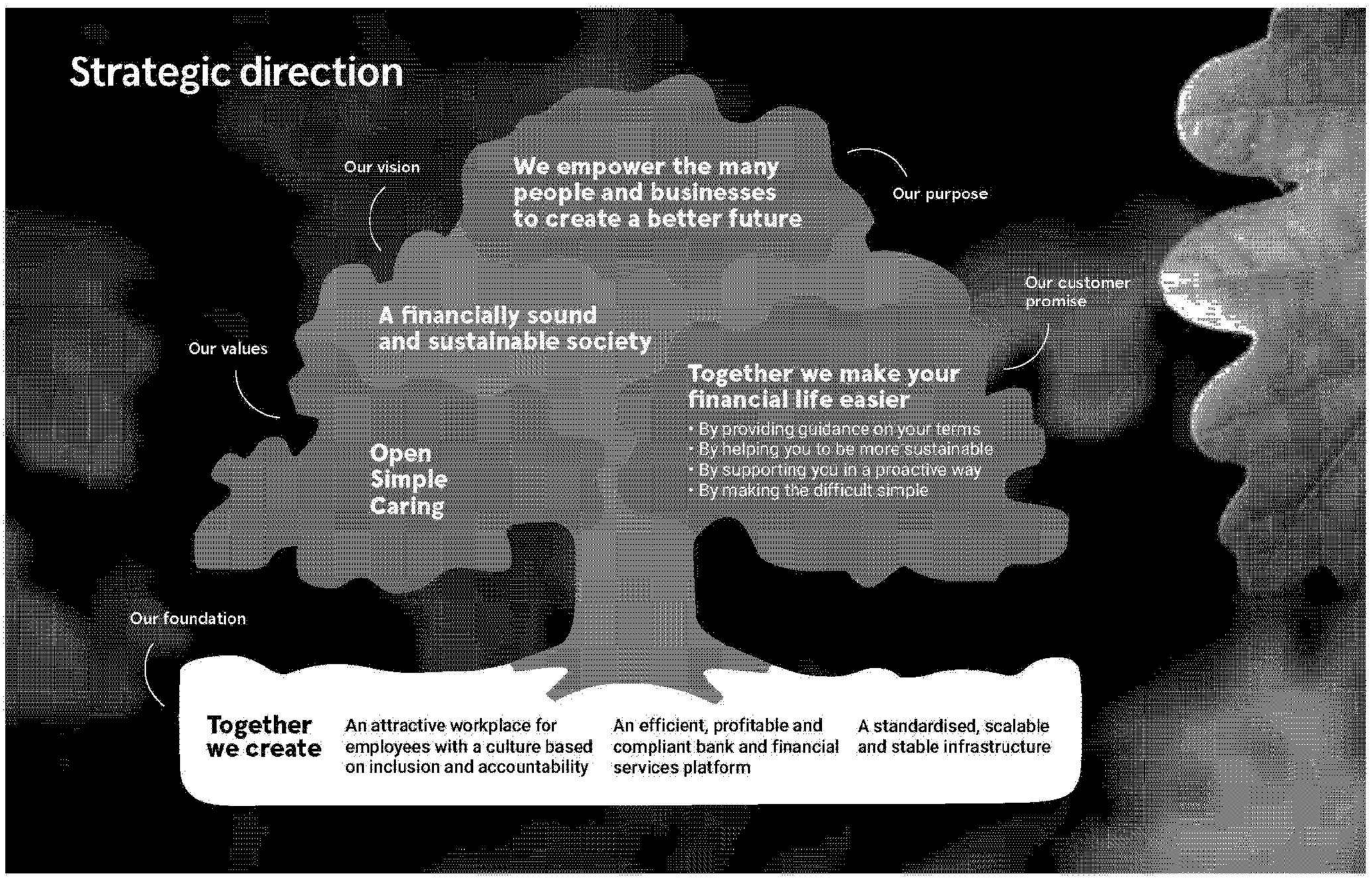
Our customers are the key to our success, and we are there for them at every stage of their lives. We promise customers that together we will make their financial lives easier – by proactively advising them on their terms, helping them to make sustainable decisions and making the difficult simple.

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

Three building blocks are 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.



Our strategic 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 take our role as a major player in the financial market very seriously. Conducting sustainable business and promoting economically, socially and environmentally sustainable development influences everything we do. We have a major responsibility to facilitate the green transition and reduce 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 when they need us. We continuously work 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 and therefore more satisfied customers. Our ambition is to be an attractive employer by offering healthy, sustainable working conditions together with an inclusive work environment that reflects our values.

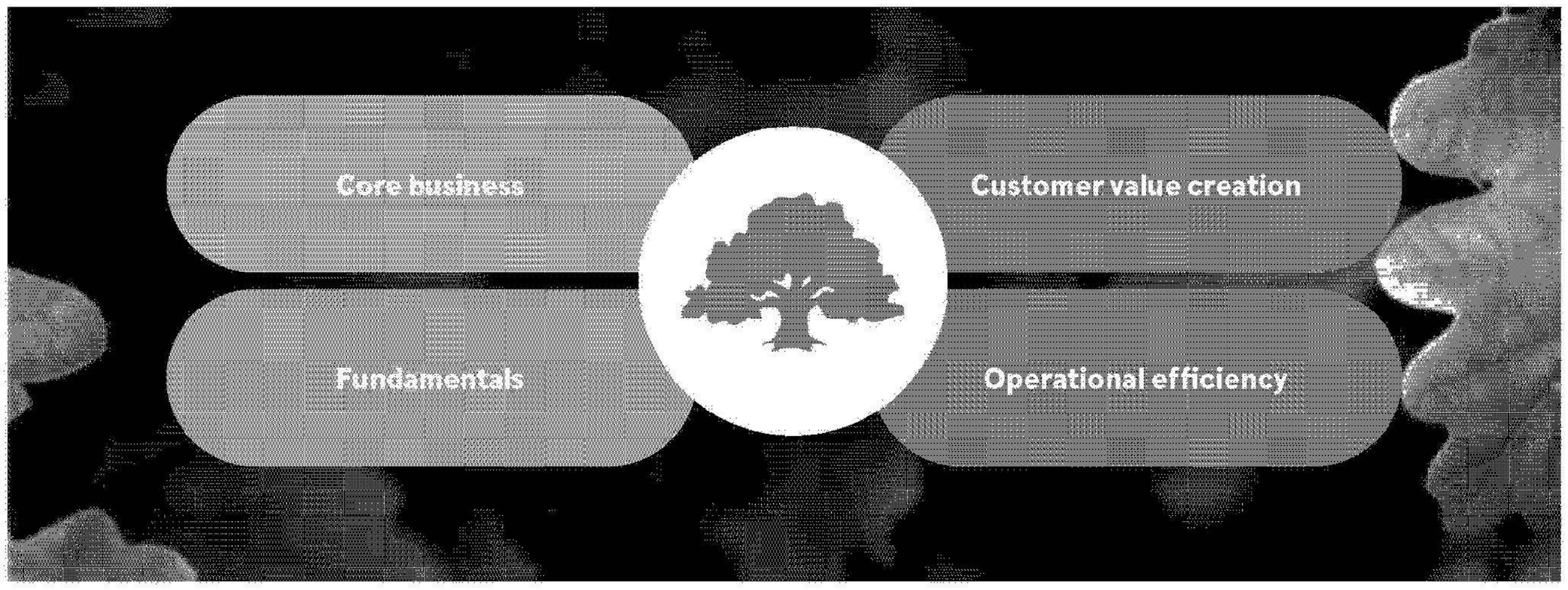
Solid risk management and compliance

Stable and sound risk management affects all parts of our operations and helps us to make wellinformed, sound decisions in relation to risk, return and market situation. This is important to maintain the trust of customers, investors and regulators and to remain a stable participant in the financial system. In this way we are able, through deposits from the public and capital markets funding, to continue to lend money to households and businesses at competitive prices, even in times of economic slowdown.

Competitive return on investment with market-leading cost efficiency

A sustainable bank is a profitable bank. We create value for our shareholders through longterm, profitable growth and efficiency. By focusing on cost control, automation and digitisation, we can continue to generate a high return on shareholders' equity. 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. This is why we do not follow shortterm market trends and instead price our products based on risk and capital requirements. Combined with our marketleading cost efficiency, this has helped us to maintain a strong financial performance, which enables us to continuously invest in product and channel development and offer competitive prices.

Our strategic focus areas



Core business

We focus on profitable growth in our strong and 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 banking products and services. To meet our customers' needs, we also enter into collaborations and partnerships, with the savings banks being our most important partner. At the foundation of our core business is the ongoing transition towards a more sustainable society.

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 the ability to create value for customers based on their needs. Our success is built on longterm 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 and ensure that we deliver on the expectations of our customers by being a reliable partner throughout their lives.

Fundamentals

To be strong, profitable and at the same time ensure longterm 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 ensure our license to operate, sound risk management, customer satisfaction and trust, engaged employees and cost efficiency, but are also central to enabling 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 automation are a key lever to enable further efficiencies and 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.

Our business plan

On 6 December 2022, we held an Investor Day where we presented our business priorities and financial plan for reaching a sustainable return on equity of 15 per cent in 2025 – Swedbank 15/25. We will do it by strengthening our customer offering, working more efficiently and improving our availability.

Focus on core business

During 2022, we conducted a strategic review of our international presence to make it sharper and more focused, in line with how we work with the savings banks in Sweden. The review resulted in a new partnership with SpareBank 1 SR-Bank in Norway, as communicated in Q2. In Denmark, we will close our business and work with Sydbank as a partner for our corporate customers. The Finnish business has been deemed the right size for Swedbank's strategic purposes. Our offices in Shanghai, China, and New York City, US, will remain in operation, while the South African representative office will close.

We have concluded the strategic review of our merchant payment business. The market is characterised by increased competition and fast moving technological development. We will continue to develop the profitable Baltic merchant payment business. For the Nordic business, we have improved our customer offerings and are focusing on making the business profitable.

Business priorities

Swedbank strives to have the best full-service offering. To enhance the customer experience, we will improve our availability, increase the scope and quality of advice, and make it easier to do business with us via faster processes. We have four priorities for the private and corporate segments in Sweden, Estonia, Latvia, and Lithuania, in line with our core business. The priorities are to leverage proven business model and pricing strategy, grow share of wallet for existing customers, grow business in prioritised segments and improve availability and operational excellence.

1 Leverage proven business model and pricing strategy

We serve approximately seven million customers across our home markets. Thanks to a high degree of digital activation, we can provide individual offers and price volumes in an automated and efficient way, while striking a long-term balance between pricing, competition, and profitability. In the Baltic countries, where mortgage penetration remains relatively low, we are supporting the need for property modernisation.

2 Grow share of wallet for existing customers

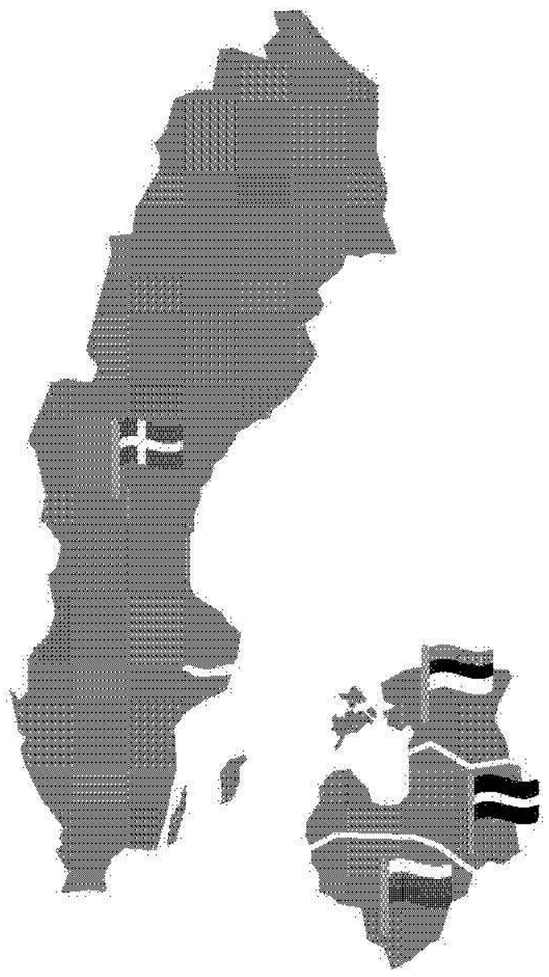
We will help our customers find the right offering in our wide range of products and services. To enhance the customer experience and enhance financial health, we will become more proactive towards our customers and improve our advisory capacity and capabilities. In the Baltic region, we also continue to build a long-term savings culture by making non-deposit savings affordable and available to retail customers.

3 Grow business in prioritised segments

Through improved service and advice across the bank, we will increase business volumes in the segments where we have identified opportunities to grow market share. Our Large Corporates and Institutions and Swedish Banking business areas will jointly prioritise midsized corporates by aligning corporate business capabilities in Sweden. We will also grow corporate lending in Latvia and Lithuania and support the green transition in all three Baltic countries.

4 Improve availability and operational excellence

We will continue to invest in the quality, frequency, and speed of customer service and advice by introducing a new communication platform and a new advisory platform, as well as further automating our onboarding and lending processes. Shorter lead times, less time spent on administration and more time spent on service and advice will improve customer satisfaction, drive business growth, and reduce costs.



Financial plan

Swedbank's financial plan to achieve the target of a sustainable return on equity of 15 per cent in 2025 is supported by the following KPIs and assumptions:

Supporting KPIs

- Cost/income ratio of 0.40, supported by strict cost control. Inflationary headwinds shall be mitigated by efficiency gains from automating internal processes and from structural cost reductions.
- Common Equity Tier 1 (CET1) capital management buffer to regulatory requirement of 1–3 per cent, aiming to reach a buffer of 2 per cent in 2025 and onwards.

Additional assumptions

- Average annual income growth of 3 per centage points higher than annual average cost growth for 2021–2025, driven by our pricing strategy and gearing towards a normalised rate environment, growing lending volumes, commission income and other income as outlined by the business priorities.
- Credit impairment ratio of 0.07 per cent in 2025, derived from the 10-year historical average, which includes impairments in the shipping and offshore portfolio. Excluding these impairments, the 10-year average is 0.03 per cent.

Dividend policy and capital plan

- The annual dividend policy of 50 per cent payout ratio will be maintained.
- In addition to ordinary dividends, by 2025, we expect to have generated approximately 3 per cent of capital in excess of a management buffer of 2 per cent.
- Any excess capital will be distributed to shareholders.
- The timing and size of capital distributions and a potential reassessment of dividend policy over the course of the plan are subject to further clarity on capital needs.

Summary of Swedbank 15/25 – our business plan

Financial plan

Financial target

≥15%
Return on equity 2025

Supporting KPIs

0.40
C/I ratio 2023–2025

2 per cent
CET1 buffer 2025
(range of 1–3 per cent
above the SFSA's requirement)

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 excellence

Business targets

Target	Area	Level
No. of advisory meetings	Swedish private segment	≥1.0m in total 2025 (0.28m 2021)
Corporate market shares	Swedish midsized corporate segment[1]	~16% 2025 (~13% 2021)
	Latvia and Lithuania corporate lending	25–30% 2030 (~20% Q2 2022)
Customers with long-term savings	Baltic private segment	Double the number by 2030
Front-line staff time spent on advisory	Swedish corporate segment	>50% 2025 (~30% 2021)
	Baltic Banking	~40% 2025 (~25% 2021)

1) Estimated market share for total midsized corporate business volume (including lending and other business).

A digital bank with physical meeting points

Through proactive advice on customers' terms, we offer secure and effective products and services to simplify their financial lives.

We make our customers' financial lives easier

Our vision and purpose is a financially sound and sustainable society where we empower the many people and businesses to create a better future. By offering financing to households and companies, sustainable savings, and secure and simple payment services, we contribute to our customers' financial security. We are a systemically important institution in our four home markets.

Presence and offering – With approximately seven million private customers and 550 000 corporate customers, we are the leading bank for the many households and businesses in Sweden, Estonia, Latvia and Lithuania. We are active mainly in lending, payments and savings, but 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.

An important part of society

As part of the financial system and one of the largest taxpayers in Sweden, Swedbank plays an important role in society. We are continually affected by global changes. These include regulatory, economic and behavioural changes.

Customers – 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 their financial situation. Customers are increasingly choosing to bank digitally, and our ambition is that they will be able to conduct all their day-to-day transactions digitally, but with personal support when more qualified advice is needed.

Sustainability – We want to actively contribute to a more sustainable society and help our customers make sustainable choices. Climate change and the green transition in society are placing new and increased demands on Swedbank and are important reasons why we adapt and continuously develop our business.

Regulation and reporting – We work actively to comply with the regulations and increased reporting requirements affecting the banking sector. The purpose of these regulations includes increasing financial stability, combating financial crime, accelerating the climate transition and improving the position of bank customers.

Competition – Our competitors consists of traditional banks as well as new actors. To remain relevant for our customers, we must continuously improve our offering by designing more customised and qualified services. We do this partly on our own, but also together with our customers, the savings banks and other partners.

Economic development – As an integral part of the economy, we are affected by longterm economic trends and fluctuations. To stay competitive and relevant, we must be able to adapt quickly to changing market conditions.

Our income and expenses

Net interest income and income from savings products and payment services are our largest sources of income, while personnel and IT are our largest expenses.

Net interest income – The difference between interest income from lending and interest expenses for deposits and funding is net interest income. The lending is financed through deposits from businesses and private customers and through funding from the capital market. To maintain a low risk level, we must understand and price our lending correctly. Our margin must therefore be high enough to cover credit impairments for borrowers who are unable to make repayments. The margin must also cover our own expenses, fees to strengthen financial stability and a return on shareholders' equity.

Net commission income – Our second-largest income source comprises 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 mainly comes from card fees when customers use the cards we have issued, but also from businesses such as stores and restaurants that use our card terminals. The income consists of annual fees and fees based on transaction volumes.

Expenses – Our main expenses are related to personnel and IT. Demand for easy to access services with a greater degree of advice is increasing. More extensive regulations and increased reporting requirements also affect expenses. To meet the demand from customers, satisfy the requirements from authorities and increase cost efficiency, we must continuously invest in our employees as well as in modern services and systems.

Simplified income statement, SEKm

+ Our income	
Net interest income (interest income – interest expenses)	33 157
Lending generates interest income and interest expenses are incurred for deposits and the bank's funding.	
Net commission income	14 223
Fees charged for services such as card usage, payments and asset management.	
Net gains and losses on financial items	1 887
Result arising through trading in financial instruments and valuation effects from derivatives, for example.	
Other income	3 954
Share of result from e.g. associated companies, services sold to savings banks and insurance.	
Total income	**53 221**
– Our expenses	
– Staff costs	13 246
We are dependent on attracting and developing people with the right skills to meet customer demand, but also to meet internal and external compliance and reporting requirements.	
– Other expenses	7 726
Development, production and distribution expenses together comprise other expenses.	
– Consulting expenses for AML-related investigations	443
Total expenses	**21 415**
= Our profit before impairment, Swedish bank tax and resolution fees	**31 806**
– Credit impairments	1 479
Credit impairments are natural for a bank as all lending carries a risk. Both write-offs and expected credit losses are included.	
– Impairments	1 138
Impairments of intangible and tangible assets.	
– Swedish bank tax and resolution fees	1 831
In 2022, a new tax was introduced for banks in Sweden, which is calculated based on the size of the balance sheet. In 2023, the tax will increase from 0.05 to 0.06 per cent.	
– Tax	5 478
Swedbank is one of the largest corporate taxpayers in Sweden and together with the country's other banks accounts for about 10 per cent of total corporate income tax collected.	
= Our profit attributable to the shareholders in Swedbank AB	**21 877**

Earnings distribution

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

Dividend → **Equity**

Simplified balance sheet, SEKm

Our assets	
Cash and bonds	578 772
Swedbank maintains a liquidity buffer in the form of cash and liquid securities to meet its commitments even if access to funding is closed for an extended period.	
Loans to the public	1 842 811
About half of Swedbank's lending to the public consists of mortgages in Sweden. Swedbank is one of the largest lenders to private and corporate customers in our four home markets.	
Loans to credit institutions	56 589
Swedbank also offers lending and deposits to other banks and credit institutions.	
Derivatives	50 504
To protect the bank and its customers against unwanted market fluctuations, the bank uses and offers various types of derivatives, which are reported on both the asset and liability sides of the balance sheet.	
Other assets	**326 200**
Total assets	**2 854 876**
Our liabilities and equity	
Deposits and borrowings from the public	1 305 948
Customer deposits fund a significant share of lending. Swedbank has a large, stable base of deposits.	
Debt securities in issue	784 206
Lending not funded with deposits is funded through the capital markets. Swedbank's market funding is almost exclusively long-term and mainly consists of covered bonds.	
Derivatives	68 679
See comment under assets above.	
Other liabilities	519 951
Equity	176 092
Equity ensures that the bank can operate well even under unfavourable conditions.	
Total liabilities and equity	**2 854 876**

For more detailed information on Swedbank's income statement and balance sheet, see pages 65 and 67.

Our strategy produces results

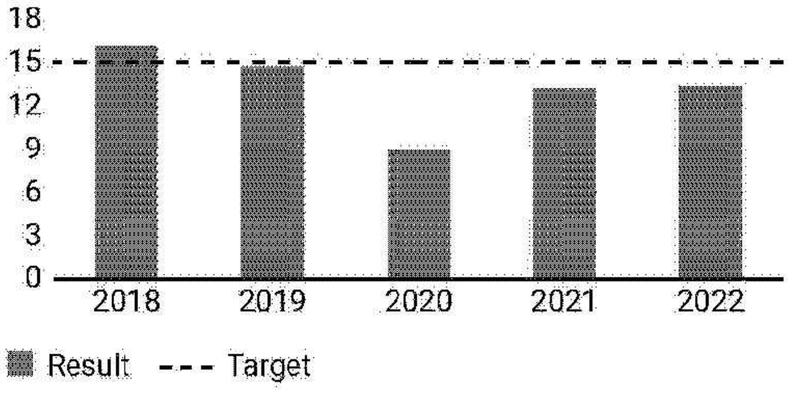
Swedbank's strategic targets are measured and monitored continuously. Progress in each area is reported using a number of selected KPIs. With a focus on the core business and operational efficiency, we created value for our stakeholders and produced stable results in 2022.

Profitability and cost efficiency

Target: Return on equity of at least 15 per cent

Why? A sustainable bank is a profitable bank. By being profitable, we contribute to a financially sound and sustainable society. When we are profitable, we can support our customers, pay a dividend to our shareholders and continue to develop the bank. A profitable bank also contributes to financial stability for customers, employees and society as a whole.

Return on equity, %



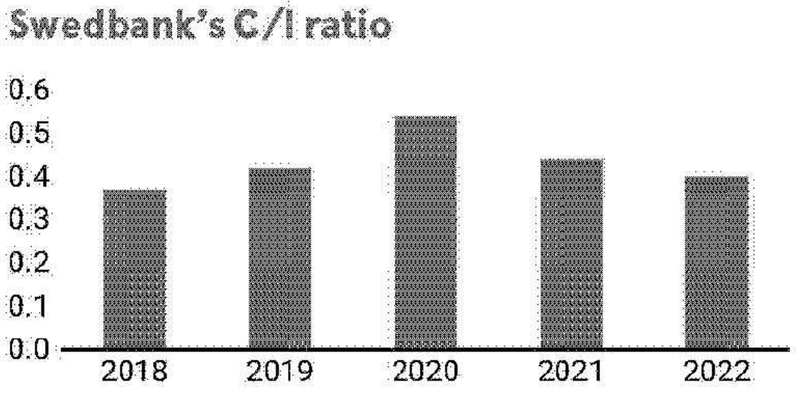
Result

The return on equity was 13.3 per cent (13.2) during the year. In 2020, profit was impacted by an administrative fee of SEK 4 000m, which had a negative impact on profitability.

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

Why? To support our financial target of a return on equity of at least 15 per cent, we aim for a C/I ratio of 0.40. Swedbank will be one of the world's best managed banks with a sustainable ROE of 15 per cent, ensuring that we remain cost effective with low operational risk and that we continue to invest enough in compliance and our competitive strengths.

Swedbank's C/I ratio



Result

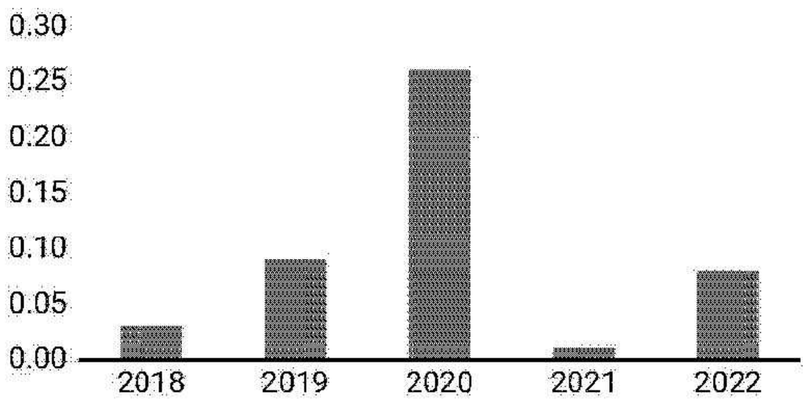
Swedbank's C/I ratio was 0.40 (0.44) during the year. In 2020 the costs were impacted by an administrative fee of SEK 4 000m, which had a negative impact on the C/I ratio.

Risk

Target: Good risk management

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

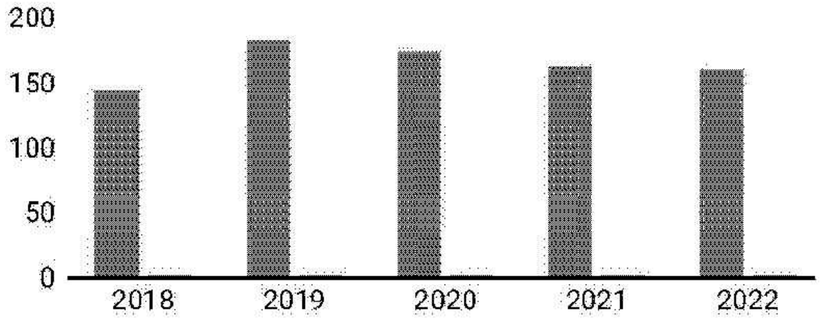
Credit impairment ratio, %



Result

Credit impairments increased to SEK 1 479m (170) primarily due to a change in the macroeconomic outlook and model changes.

Liquidity position, %



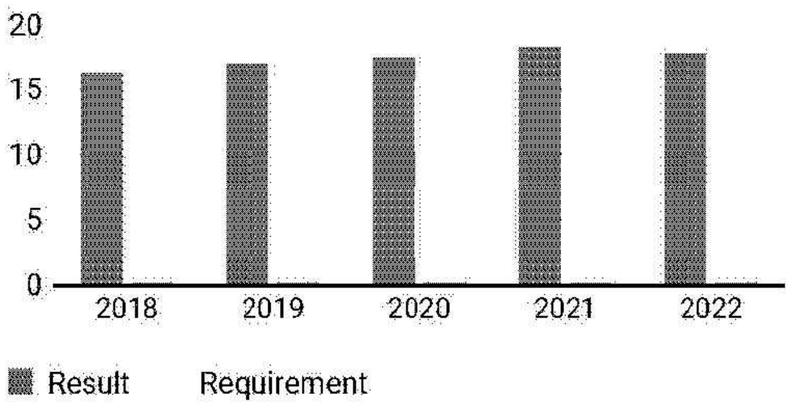
Result

The Group's liquidity coverage ratio (LCR) was 160 per cent (154) at 31 December and the net stable funding ratio (NSFR) was 118 per cent (123), which entails a good margin to the regulatory requirements.

Supporting KPI: A 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

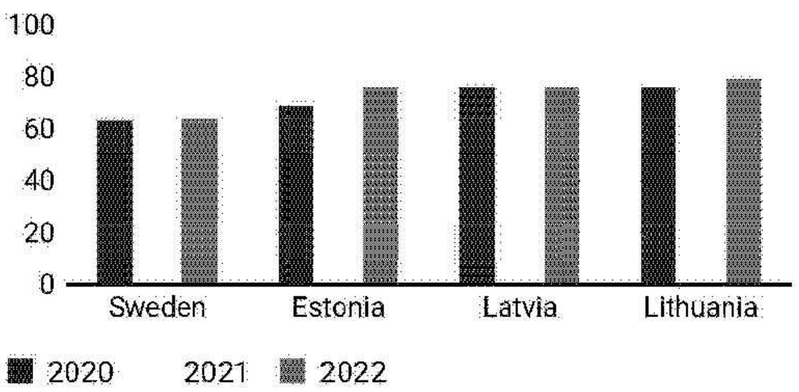
The CET1 ratio was 17.8 per cent (18.3) at 31 December. The Swedish FSA raised the CET1 requirement to 14.4 per cent (13.7) during the year, resulting in a buffer of 3.4 per cent to the capital requirement. Going forward, the buffer will be affected by an increase in the counter-cyclical buffer requirement, among other things.

Customer

Target: Increased customer satisfaction

Why? Our customers are the basis for our success, and what is important to them is important to us. The banking and financial industry is undergoing constant change and many new companies are entering the market. Delivering high customer value is one of the keys to retaining our customers and attracting new ones. Customer satisfaction, trust and a positive attitude toward the brand explain why our existing customers choose to use our services and products. We continuously monitor how satisfied our customers are through both our own and public surveys. Our own customer satisfaction survey shows which areas we have to prioritise in order to increase or maintain high customer satisfaction.

Customer satisfaction, private customers



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

Result

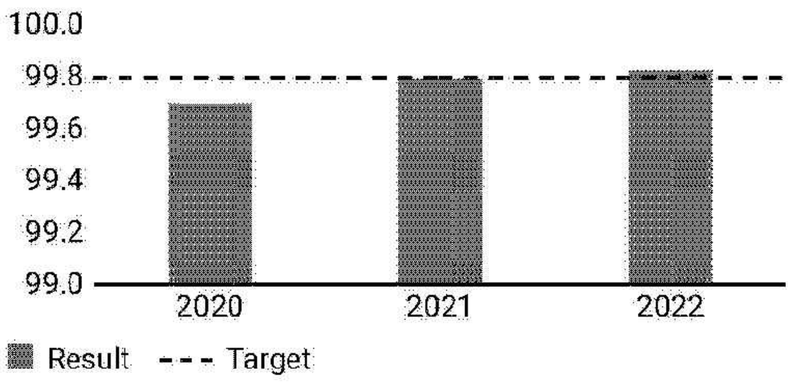
Satisfaction levels in the customer satisfaction index (NKI) are lower in Sweden than in the Baltic countries. The target is to improve the levels in Sweden and maintain the already high levels in the Baltic countries. Customer satisfaction increased slightly for Swedish Banking's private customers as well as for its corporate customers in 2022. In the Baltic countries customer satisfaction increased for both private and corporate customers compared with the preceding year, other than customer satisfaction among private customers in Latvia, which was unchanged.

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 round-the-clock. We therefore have to maintain the highest possible availability in our digital channels. We work continuously to improve availability and prevent incidents that can affect it.

Availability digital channels, %



Result

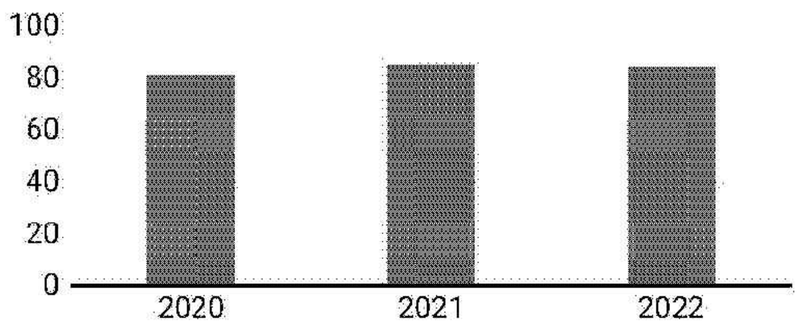
In 2022, availability in the app and internet bank for Sweden and the Baltic countries was 99.82 per cent. In the Baltic countries availability was affected by several brief disruptions, while in Sweden there were no major disruptions.

Employees

Target: Increased employee engagement

Why? Sustainable employees are crucial to both employee engagement and a better customer experience. To be an attractive employer for both current and future employees, we work continuously to provide healthy and sustainable working conditions and an inclusive work environment distinguished by collaboration. Through the Engagement and Sustainable employee indexes we measure how employees feel at work and their work situation, whether they have right resources to do their job, their work-life balance, development on the job, teamwork as well as do they feel valued.

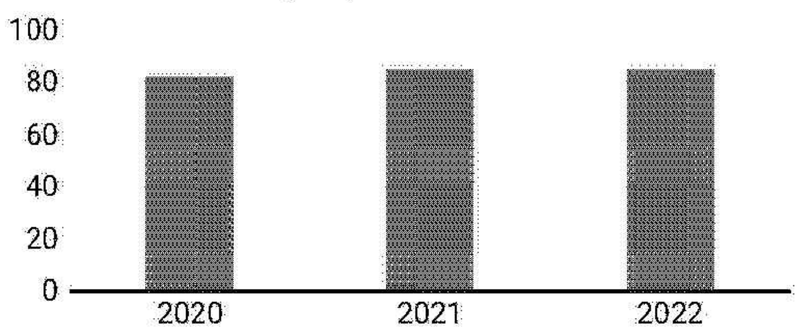
Engagement Index



Result

The result shows continued high and stable engagement among employees during the year. Teamwork, learning and development at work are areas that received strong scores in the survey.

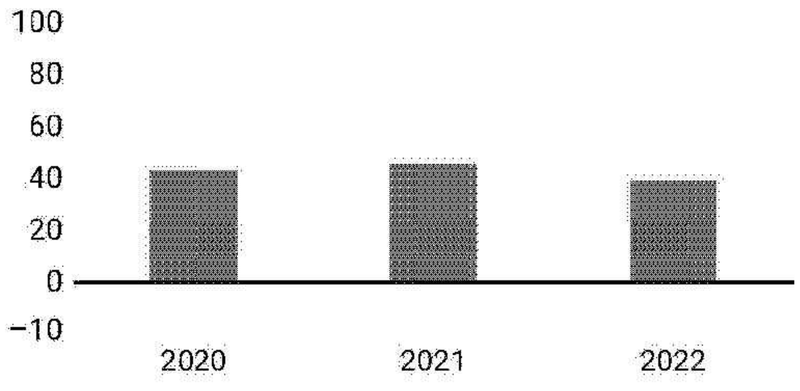
Sustainable Employee Index



Result

The result has increased slightly in recent years when employees have been asked about their work situation. We realise that this is due to increased flexibility and remote work possibilities.

Recommendation Index (eNPS)



Result

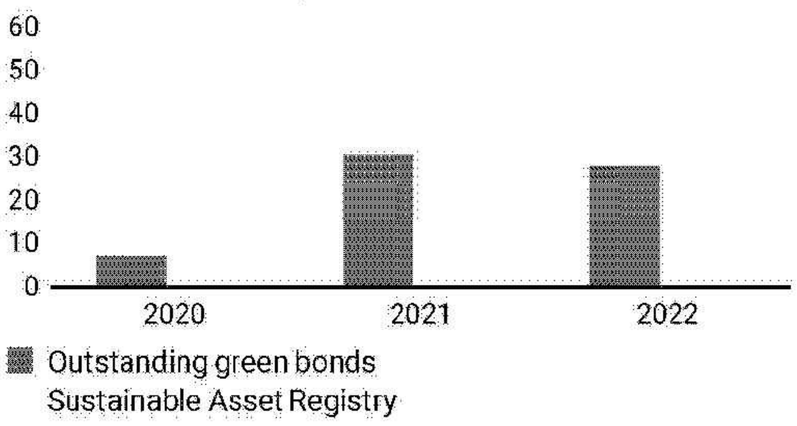
The willingness to recommend Swedbank as an employer, known as the eNPS score, has remained on a high level despite declining slightly during the year.

Sustainability

Target: Reduce the bank's climate impact

Why? Climate change is one of the most important sustainability issues and critical to sustainable development. Society has to transition and banks have an important role to play. In 2022, Swedbank set climate targets for the loan portfolio to help limit global warming to 1.5°C. The targets cover the following sectors: mortgages, commercial real estate, power generation, oil and gas, and steel.

Growth in Swedbank's registry for sustainable assets and green bonds, SEK bn



Result

The Sustainable Asset Registry increased by 33 per cent compared with the preceding year. Financing through the bank's green bonds led to avoided emissions of approximately 385 000 tonnes CO_2e during the year.

Climate targets for the lending portfolio

Sector	Unit	Baseline year 2019[1]	Target 2030
Mortgages	$kgCO_2e/m^2$	17.0	–39%
Commercial real estate	$kgCO_2e/m^2$	27.1	–43%
Oil & gas	million t CO_2e	6.4	–50%
Power generation	t CO_2e/MWh	0.18	–59%
Steel	t CO_2e/ton	0.89	–29%

1) 2019 has been used as a baseline year. The targets for 2030 are based on 2019 levels.
2) Accounting for the year 2022 is not included since the underlying emission data is unavailable.

Result

In 2022, Swedbank continued to develop the calculations for indirect emissions via financing and established climate targets for the loan portfolio for 2030. Results will be reported in more detail as of 2023. Financed emissions for 2020 and 2021 are reported on pages 26, 214 and 215.[2]



Sustainability year in brief

A selection of key events

1 Jan Swedbank Robur strengthens and clarifies its policy for responsible investments in part by excluding investments in the commercial gambling sector.

4 Feb Swedbank Lithuania conducts an online course on personal finance and sustainability called Mokonomika, with more than 400 000 participants.

24 May Swedbank collaborates with Junior Achievement Sweden to encourage young entrepreneurs; 220 participating companies consisting of 770 students are showcased at the organisation's annual awards gala.

1–5 Jun Swedbank participates in the annual political gathering Järvaveckan with a focus on young entrepreneurs and youth education.

20 Jun Swedbank's Chief Financial Officer, Anders Karlsson, is named Chief Diversity Officer on Swedbank's Group Executive Committee. This new position, which will rotate every two years, is focused on the bank's proactive approach to diversity and inclusion.

15 Aug Swedbank Robur adopts a strategy for biodiversity and nature-positive investments with overarching targets and milestones in four areas: forests; species and habitats; emission and waste; and water and oceans.

27 Sep Swedbank launches a new Sustainable Funding Framework for green, social and sustainability bonds to finance loans and investments with environmental and/or social benefits.

29 Nov Swedbank sets climate targets for 2030 to reduce emissions in our lending portfolio. The new targets comprise five sectors: mortgages; commercial real estate, oil and gas, power generation, and steel.

11 Dec Nearly 6 000 employees of Swedbank and the Savings Banks have completed a three-stage training programme focused on sustainability and changes in the EU's sustainable finance regulations.

A selection of our commitments

Sustainable Development Goals (SDGs)
The Sustainable Development Goals are fundmental to our work.

Global Reporting Initiative (GRI)
In Swedbank's Annual and Sustainability Report 2022 we report in accordance with the GRI Standards from the Global Reporting Initiative.

Net Zero Banking Alliance (NZBA)
Through our participation in NZBA, we are committed to reaching net zero by 2050. This applies to emissions from our own operations as well as emissions related to lending and investment portfolios.

Nordic CEOs for a Sustainable Future
Swedbank's CEO participates in a Nordic initiative where executives share experiences and work together to contribute to achieving the SDGs.

Task-Force on Climate-related Financial Disclosures (TCFD)
TCFD is a framework for reporting climate impact from loans and investments. The framework includes information on governance, strategy, risk management, targets and metrics.

Social engagement as an underlying principle since 1820



In Sweden and the Baltic countries, Swedbank is an important part of the financial infrastructure and the development of society.

Our commitment to the community largely involves influencing and engaging in social issues such as promoting financial literacy, supporting local associations and encouraging entrepreneurship. As partners and shareholders in Swedbank, the savings banks and savings bank foundations are strongly engaged in these issues.

Through our ownership groups, part of Swedbank's profit is given back in the form of dividends and is invested in various social initiatives, mainly locally and regionally but also nationally.

Read more about our societal engagement on page 224.

A selection of our commitments, cont.

Science Based Targets initiative (SBTi)
We have adopted the SBTi method to develop and validate science-based climate targets aligned with the Paris Agreement.

UN Global Compact
We have signed the UN Global Compact and support its ten principles on human rights, labour rights, the environment and anti-corruption.

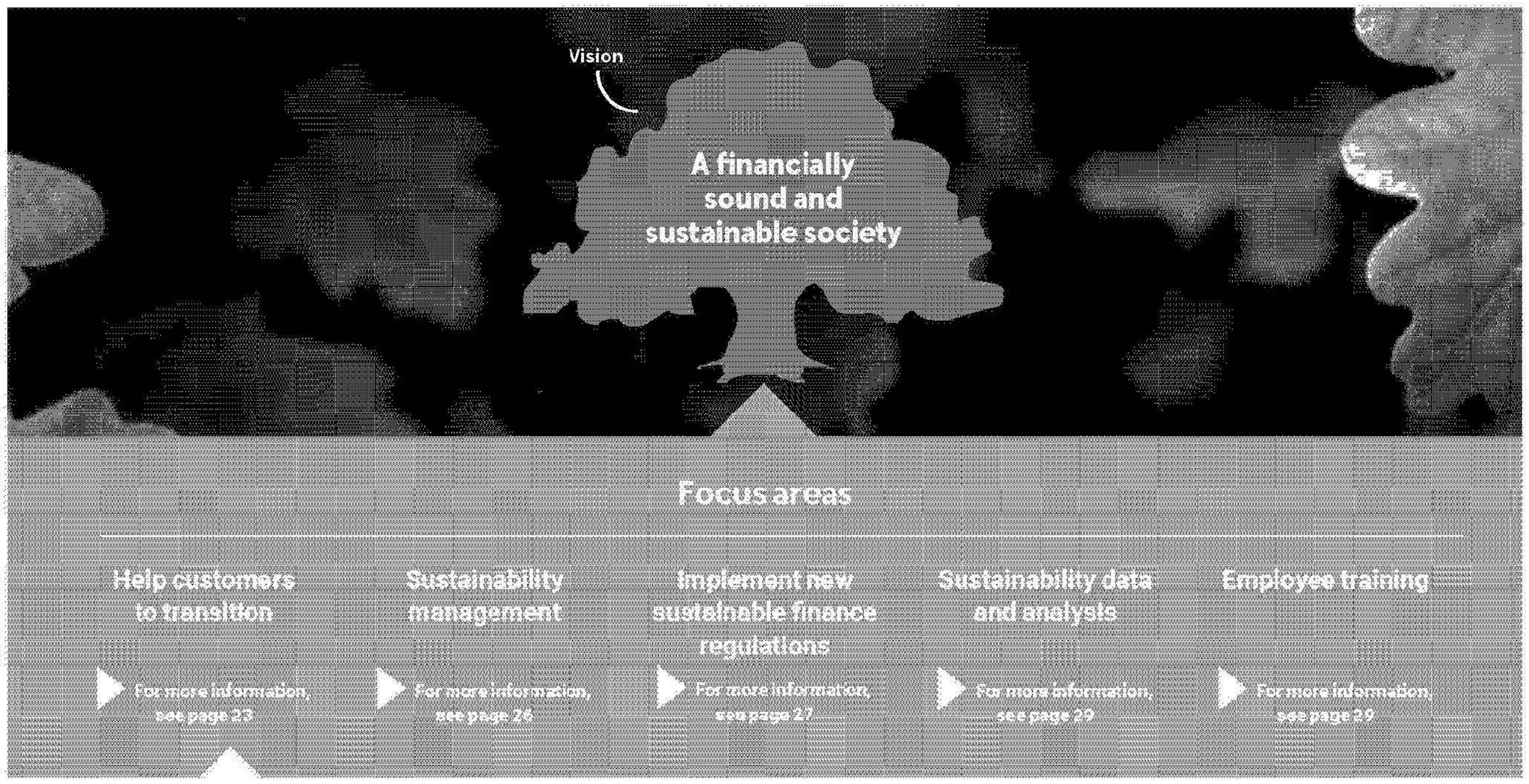
UN Guiding Principles on Business and Human Rights
We have adopted the UN's guiding principles on human rights.

UN Principles for Responsible Banking (PRB)
As part of our efforts to integrate sustainability in our business operations, we have signed the UN Principles for Responsible Banking.

Swedbank's sustainability report has been prepared in accordance with the GRI Standards and comprises Swedbank AB and its subsidiaries (see Notes G1, P22 and P23) in the period 1 January through 31 December 2022. The report has been reviewed by PwC in accordance with the assurance report on page 247. The statutory sustainability report according to the Annual Accounts Act is defined on page 239. The sustainability report covers the pages 19–29, 107–110 and 198–239 and is published on www.swedbank.com

Sustainability with a focus on transition

As a leading bank in Sweden, Estonia, Latvia and Lithuania, Swedbank has a unique opportunity to contribute to positive development. Together with our customers, we are working towards a society where sustainability and financial security are fundamental.



Regulations including the EU Action Plan for Financing Sustainable Growth

Voluntary commitments and partners

Swedbank's work with societal issues dates back to the opening of the first Swedish savings bank in 1820. Back then, the goal was to reduce poverty and provide everyone with an opportunity to improve their financial situation, and now we take a broader perspective, integrating sustainability into everything we do. Climate change is one of our most pressing issues and is integral to all development. We are committed to adapting our activities and putting the conditions in place to reach the Paris Agreement targets.

We realise that, through our business and activities, we have an opportunity to influence society for the better. Swedbank has adopted a Group-level position statement on climate change, and our position is clear. We will contribute to a more sustainable society and transition our business so that we can meet the demands entailed by climate change and its impact.

Swedbank's strategy is to actively help our customers make sustainable choices and contribute to the transition. We have staked out a clear sustainability direction with a focus on financing the transition. Through voluntary commitments, partnerships and regulations, we work in a structured manner with these issues. With our materiality analysis and impact analysis as a starting point, we have mapped out how Swedbank affects society. This provides guidance on which sustainability areas should be in focus for us.

We maintain a continuous dialogue with both internal and external stakeholders. This helps us to understand Swedbank's role and impact from various sustainability perspectives, as well as the areas on which we should focus. To analyse and report our impact from our business, we use an established method from the UN Principles for Responsible Banking. The method analyses our impact based on the sectors in which our corporate customers operate and on which products we offer our private customers. Based on the results and our strategic direction, we have chosen to prioritise five focus areas:

- Help customers to transition
- Sustainability management
- Implement new sustainable finance regulations
- Sustainability data and analysis
- Employee training

For more information on how we collect stakeholder feedback and assess our impact from a sustainability perspective, see page 201–202.

Help customers to transition

Private customers

Spreading knowledge about personal finance and financial services has always been a driving force at Swedbank. We want to give people the knowledge, tools and advice they need to make sound and sustainable choices. By helping our customers understand personal finance and how they can influence it, we enable them to take control and increase their financial security and freedom. In the long run, this means that the customers become financially healthier, that our business is more profitable and stable, and that it contributes to a financially sound and sustainable society. With additional investments in the skills of our employees and the bank's reach, we have an opportunity to make a difference. During the year, approximately 6 000 employees of Swedbank and the Savings Banks received training on investments and insurance focusing on sustainability and changes in EU regulations.

We also want to contribute to financial health through digital inclusion and by improving financial literacy among young people. Our customers should be able to combine digital aids and analysis tools with in-person meetings with our advisors. In collaboration with the savings banks, we carry out two initiatives called Young Economy and Digital Economy, which are examples of education on personal finance for young people and on digital banking issues, respectively. In Lithuania, Mokonomika is a similar initiative, and in both Latvia and Lithuania there is Financial Laboratory.

Savings is another area that contributes to financial stability, and Swedbank Robur's sustainable funds play an important role. One example is the Climate Impact equity fund, which invests solely in companies that contribute to meeting SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action). Mortgages are a major part of Swedbank's operations. In Estonia, Latvia and Lithuania, we participate in a state-guaranteed mortgage assistance programme. Based on established criteria, various groups of people are given the opportunity to finance a home or improve its energy efficiency. In Latvia, for example, families and those up to the age of 35 with a higher education can apply for these loans.

Climate change and energy

Swedbank has a clear strategy to support and advise our customers on the transition to a more sustainable society. Everything is based on enabling them to make informed, long-term decisions. This can involve saving on a monthly basis in a fund that invests in sustainability, installing solar panels on a home or improving energy efficiency. As a result of our business strategy and new EU requirements, we are improving our competency and advisory offering with respect to climate change, with a focus on transparency, sustainability risks and customer preferences.

Energy efficiency has become one of society's most important tools to mitigate climate change. The changing geopolitical situation is making it even more important to take action to reduce energy consumption. We are a market leader in mortgages in our four home markets, and therefore play an important role in spreading knowledge of these issues.Through advice, products and services, we can support customers who want to improve the energy efficiency of their homes.

As part of this effort, Swedbank joined the EU Commission's Energy-Efficient Mortgages Initiative in 2021, which includes approximately 70 financial institutions. The aim is to incentivise energy-efficiency investments and financing models that provide better terms for mortgage borrowers who improve the energy efficiency of their homes. The Nordic Energy-Efficient Mortgage Hub, which is based on the Nordic climate and housing standard, is another initiative in which we participate.

An example of products and services in which the climate is a guiding factor is our mortgages, which offer a lower interest rate if the home meets any of our criteria as an energy class A, B or Nordic Swan-certified property. We also offer lower interest rates to private customers who want to invest in solar panels and those who plan to buy a car that meets specific environmental requirements.

Corporate customers

One of our most important roles is to support corporate customers in developing and transitioning to sustainable strategies and business models. We contribute by channelling capital flows to responsible investments. Through close collaboration with our customers, where we give advice and offer

sustainable financing products and services, we can also help them become more competitive.

One concrete example is an initiative with six other banks, where the aim is to contribute to a more sustainable construction industry in Sweden. The aim, together with the real estate and construction sectors, is to achieve greater control over the labour used at every level of the supply chain, thereby reducing the risk of employee mistreatment and financial crime. Together we have developed harmonised guidelines and stricter lending requirements for construction and real estate companies. The launch of harmonised contractual terms for the participating banks is scheduled for 2023, but pilot projects had already been completed by the end of 2022.

In autumn 2022, an offering was launched to support farmers in their transition to more sustainable agricultural methods in our Baltic home markets. In these markets, agriculture is considered sustainable if it contributes substantially to climate change mitigation, does no significant harm in relation to the other objectives in the EU Taxonomy and complies with the minimum social safeguards. 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 meet the requirements receive a certification, which they can use to apply for better loan terms from the bank. Agriculture is not currently included in the EU taxonomy, but as soon as it is, the possibility of categorizing this financing as environmentally sustainable will be explored.

Swedbank's framework for sustainable funding and finance

During the year, the Swedbank Sustainable Funding Framework was launched to replace the previous Swedbank Green Bond Framework. The criteria for green loans were updated to align with market conventions and, on a best-effort basis, with the EU Taxonomy. Several new categories and criteria were added for social loans. This is an important first step to incorporate social sustainability in the bank's sustainable funding framework, and is in line with the bank's strategy and history of strong social engagement.

Since 2017, Swedbank has issued green bonds in our own name. Based on the new framework, we can continue to finance sectors that contribute to a more sustainable society.

Sustainability-oriented products

Green construction credits and green property loans are two products we offer corporate customers in Sweden. Green construction credits are designed for companies that build energy-efficient and sustainability-certified properties in energy class C at a minimum. Green property loans are offered to companies that want to finance buildings with energy class A, B or relevant green certifications. We also offer sustainability-linked loans that require companies to reach specific sustainability targets agreed by the bank and customer.

Read more about how Tobii Dynavox AB and Alviksgården financed their activities with social loans on page 25 and 28.

In addition to loans, we offer advice to customers seeking capital market funding. Customers have the opportunity to issue green, social, sustainable or sustainability-linked bonds. This in turn benefits investors who want sustainable investments, such as large insurance companies and pension managers. Swedbank is one of the leading banks in arranging bonds in SEK, both traditional and ESG bonds. We also offer advice on green equity. The main criteria to classify equities as green is that more than 50 per cent of the company's revenue and investments can be classified as green. Swedbank developed the green equity concept in collaboration with CICERO Shades of Green, the world leader in third-party assessments of green bonds. We also served as advisor to Nasdaq in connection with the establishment of its Green Equity Designation, which is available to listed companies in Sweden, Finland and Denmark.





Communication aids for an improved quality of life

We have a history of strong social commitment, and an important milestone in Swedbank's social sustainability work was reached during the year when the Sustainable Funding Framework was launched. The new framework is an important step in working with social sustainability.

One of the first social financing agreements was signed with Tobii Dynavox AB, which develops assistive technology for communication to improve the quality of life for people with disabilities.

"For us, social finance is important proof that what we are doing is making a concrete difference for people and society," says Linda Tybring, Chief Financial Officer at Tobii Dynavox.

Globally, the challenge is massive; approximately 50 million people have various types of disabilities and require assistive technology to communicate. Thanks to solutions from Tobii Dynavox, hundreds of thousands of people around the world have the opportunity to live a more independent life. For example, those with autism, ALS and cerebral palsy can have their own voice through assistive devices.

"The need for communication aids that make it possible to be understood is great. Only a small fraction of those in need currently have access to aids, so there is an enormous opportunity to help more people," says Ms. Tybring.

Besides hardware and software, Tobii Dynavox trains tens of thousands of speech therapists and occupational therapists annually to improve their understanding of communication aids.

If the users of these aids become more independent, they can study or work more, enabling them to become more integrated in society. Greater inclusion also generates short- and long-term benefits for society, including by taking pressure off healthcare systems and reducing the need for assistance.

"Being able to share thoughts and feel included in society is strongly linked to our physical and mental health. We feel that social financing has an important social value, as it makes it easier for companies to contribute to a more sustainable society," says Ms. Tybring.

Sustainability management

Swedbank's sustainability-related targets and outcomes

We continually track our progress towards a society that is sustainable from an environmental, social and financial perspective. The table below presents a selection of our targets and metrics. The results of the goals are reported to Swedbank's management and Board of Directors on an ongoing basis. Our sustainability-related targets are integrated in the same management structure as the bank's remaining targets. For more information on how we work with the targets, see the sustainability notes on pages 206–227.

Targets	Metrics	Outcome 2022	Outcome 2021	Outcome 2020
Climate-related ambitions and targets				
Reduce Swedbank's direct greenhouse gas emissions by 60 per cent by 2030 compared with 2019 (25 014 tCO_2e).	tCO_2e	14 559	9 201	11 646
For fund management, a sub-target is to halve emissions by 2030 compared to 2019 (5.96 tCO_2e/SEK m).	ton CO_2e/SEK m	4.25	3.41	6.47
For fund management, a sub-target is that the proportion of AUM that has adopted scientifically based climate goals amounts to 60 per cent by 2030.	per cent	49	43	n/a
For mortgages, the target is to reduce financed emission intensity by 39 per cent by 2030 compared with 2019.[1]	$kgCO_2e/m^2$	n/a	16.8	15.0
For commercial real estate, the target is to reduce financed emission intensity by 43 per cent by 2030 compared with 2019.[1]	$kgCO_2e/m^2$	n/a	27.4	28.1
For power generation, the target is to reduce financed emission intensity by 59 per cent by 2030 compared with 2019.[1]	tCO_2e/MWh	n/a	0.15	0.15
For oil & gas (exploration, production and refining), the target is to reduce absolute financed emissions by 50 per cent by 2030 compared with 2019.[1]	tCO_2e	n/a	4 629 558	5 654 610
For steel, the target is to reduce financed emission intensity by 29 per cent by 2030 compared with 2019.[1]	tCO_2e/tonne	n/a	0.80	1.09

Contribute to the following SDGs: 9.4 Upgrade infrastructure and retrofit industries to make them sustainable. **12.2** Achieve the sustainable management and efficient use of natural resources. **13.3** Build knowledge and capacity to meet climate change.

Help customers make sustainable choices				
Increase sustainable finance to promote financing that drives sustainable development.	SEK bn	73.0	56.0	23.7
Support our corporate customers in the transition with sustainability linked loans.[2]	SEK bn	11.5	9.1	4.5
Improve financial literacy among youth and adults through various educational offerings.	number of lectures	3 334	3 152	2 101

Contribute to the following SDGs: 4.4 Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship. **9.4** Upgrade infrastructure and retrofit industries to make them sustainable.

Employees				
Increased employee engagement	eNPS[3]	39	45	43
Ensure gender equal pay for equal work	pay gap in percentage points	1.8	n/a	n/a

Contribute to the following SDGs: 5.1 End all forms of discrimination against all women and girls everywhere. **5.5** Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

1) Financed emissions were not available for 2022 when this report was published. Figures for the base year can be found on page 19.
2) Sustainability linked loans are also included in sustainable financing.
3) Likelihood of recommending Swedbank as an employer.

Swedbank's new climate targets
Climate change is one of the greatest challenges of our time. Society has to transition and Swedbank has an important role to play.

In 2022, we set climate targets for our lending portfolio for 2030 in line with the global 1.5˚C target. The targets are a strategic planning tool to help society and our customers to transition, provide more financing to sustainable activities, and at the same time manage climate change risks and opportunities. The new targets put in concrete terms the reduction Swedbank hopes to achieve in its financed emissions, i.e. indirect GHG emissions generated via our financing. This is also part of Swedbank's commitment to the Science Based Targets initiative and Net-Zero Banking Alliance.

Swedbank's new climate targets cover five sectors: mortgages, commercial real estate, power generation, oil & gas and steel. These sectors were chosen based on their contribution to climate change, the bank's portfolio exposure and data availability.

Reaching the targets will require considerable effort and investment from all of society. Swedbank is a good corporate citizen and our ability to reach the targets will depend on the speed of transition in each of our home markets. We will work proactively with customers, partners and society as a whole to reach the targets. We previously set climate targets for our investment portfolio (through Swedbank Robur) and own operations.

Governance model

We have put a sound management model in place to ensure that we integrate sustainability in our various processes. The Board of Directors has ultimate responsibility for Swedbank's sustainable business strategy, which includes a sustainability approach at an overarching level as well as the content of our policies. Semi-annually, or more often if needed, the Board receives updates on the sustainability work as well as sustainability training. At an operational level sustainability aspects are integrated in each unit's mandate.

Swedbank's Sustainability Committee provides expertise on the implementation of Group-level sustainability focus areas. All business areas and Group functions can receive help from the Sustainability committee before taking a business decision.

Specific policy documents for sustainability include the bank's sustainability-related policies, instructions, directive and guidelines/guides. Sustainability is also part of the entire bank's operational controls through key performance indicators, key result indicators and key risk indicators as an integral part of the Strategic Direction, Group-level goals, implementation processes, monitoring and reporting.

For more information on Swedbank's sustainability management, see pages 42–55 and 199.

Implementation of new sustainable finance regulations

In 2022, Swedbank's sustainability work accelerated and more regulations have been implemented.

Our activities have included implementing the delegated regulations in MiFID II and IDD, which has meant the integration of sustainability preferences in advisory meetings. To support our advisors in their interactions with customers, we have developed a training programme and updated our digital advisory flows internal guidelines and policies in line with the legal requirements.

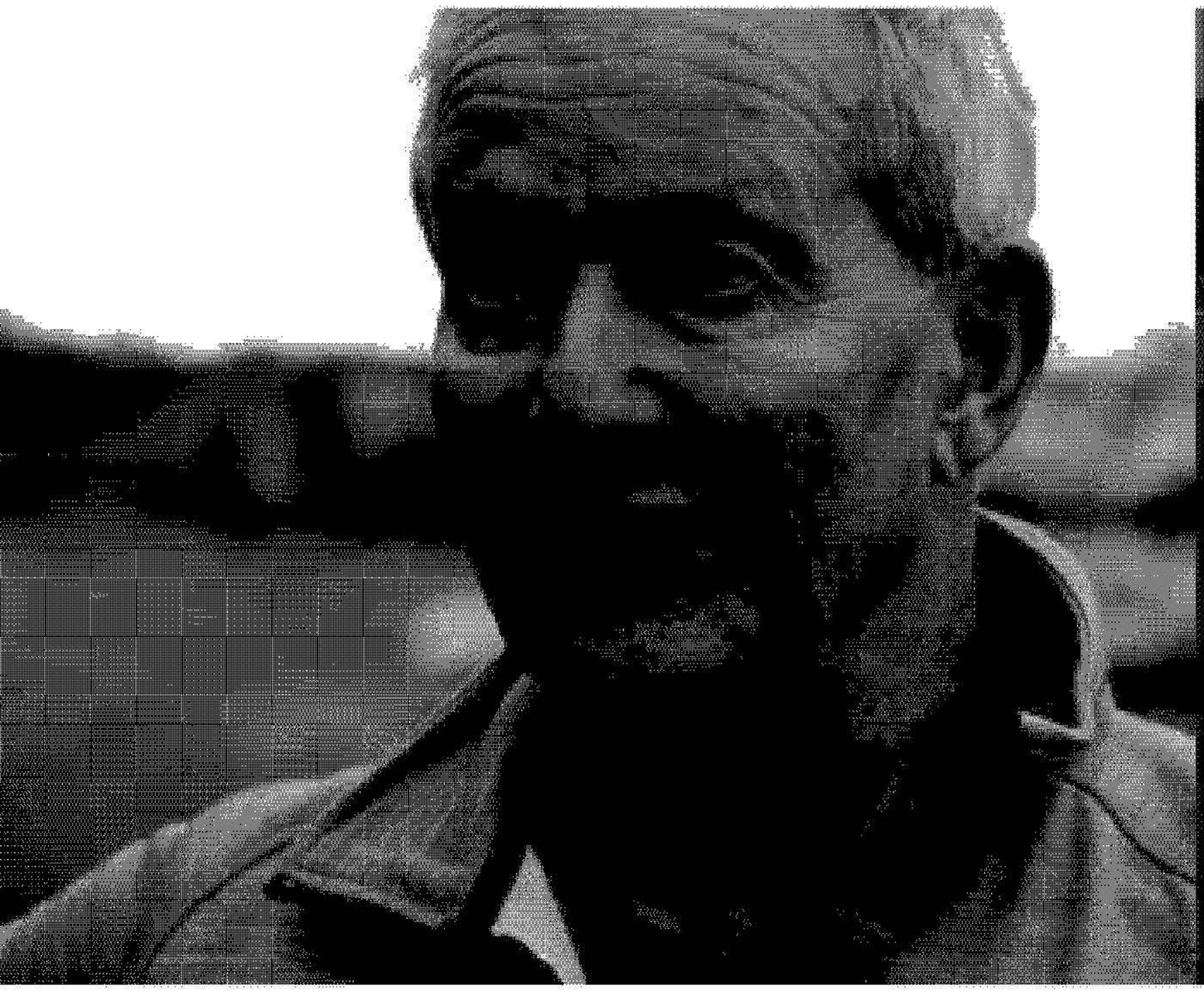
The introduction of the regulatory technical standards that have been added to the Sustainable Finance Disclosure Regulation (SFDR) has also been a priority. On our website customers can now learn more about how Swedbank works with sustainability risks in investment decisions. We have clarified the information on how sustainable various financial products are and made the information more widely available.

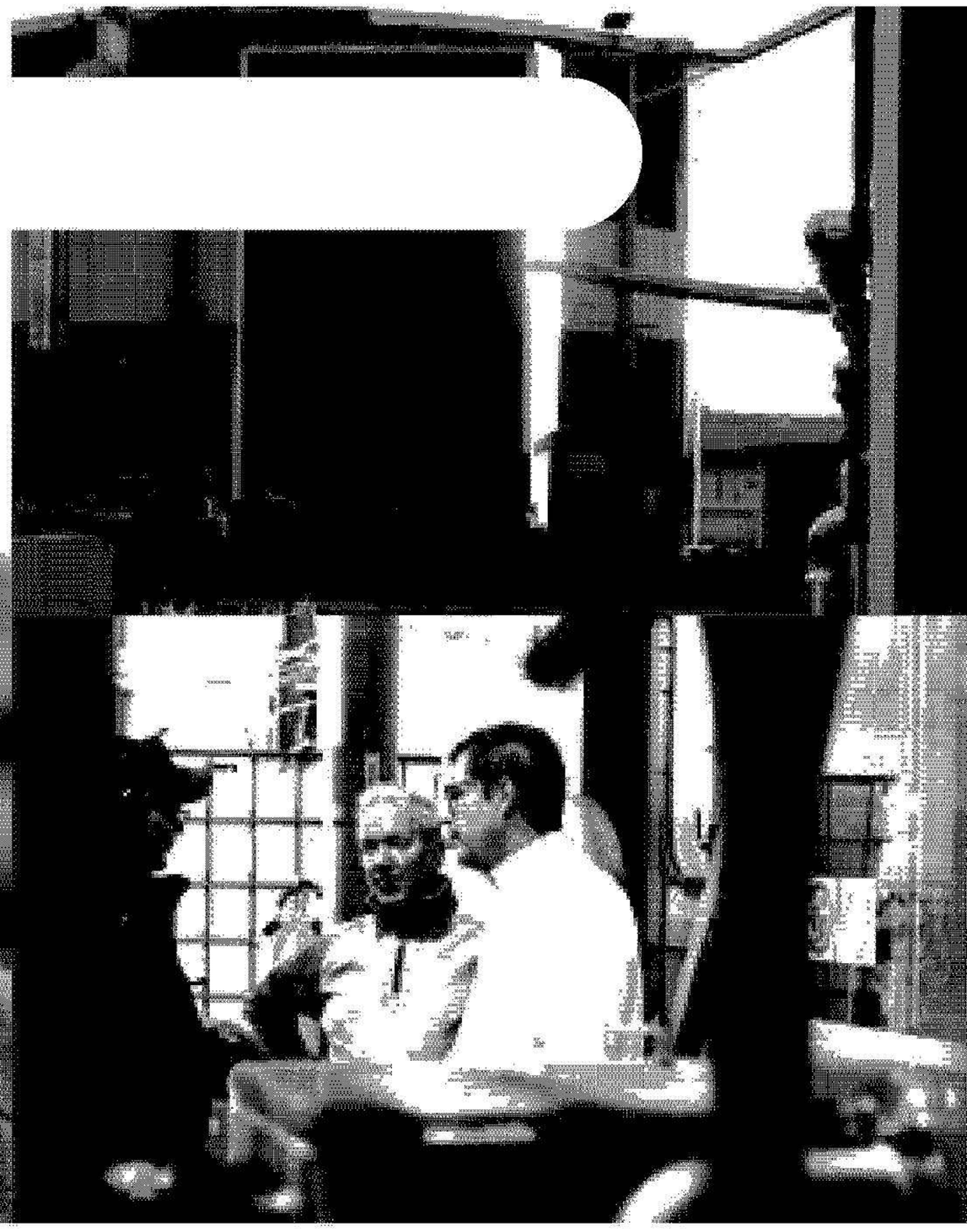
Expanded reporting requirements from the EU Taxonomy have meant increased reporting of the bank's exposure to our customers' various businesses and activities as covered by the Taxonomy. This applies to corporate customers that are subject to the sustainability reporting requirement.

Last autumn, EU Taxonomy training was launched internally for employees and externally for our customers to access on our website. The aim is to give our customers a better understanding of the regulations and how they affect their businesses or investments.

During the year, we begun to review the new requirements in the EU's upcoming Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD). We will continue to implement the upcoming and expanded reporting requirements in the EU Taxonomy as well as CSRD and CSDDD.

In 2021, Swedbank's Baltic operations carried out a self-assessment on how the bank manages climate-related and environmental risks and has formulated an action plan to meet the European Central Bank's (ECB's) expectations from ECB's Guide on Climate-related and Environmental Risks. In 2022, the ECB conducted a full review of the banking sector's processes and strategies for managing climate and environmental risks. At the same time, Swedbank's Baltic operations took part in the ECB Climate Stress Test, which helped both the ECB and banks to learn from each other (for more information, see the group's Pillar 3 report). Swedbank will continue to integrate climate and environmental risks in its strategy and will work to improve related processes.





Unique production of biofertiliser at Alviksgården

Swedbank offers and develops financing solutions. To help our customers in the green transition, we continued to finance green investments in Sweden and the Baltic countries during the year. One of these investments is a unique treatment facility in northern Sweden that can convert 30 000 tonnes of fertiliser into clean water, heating, electricity and 1 800 tonnes of high-quality, ecolabeled fertiliser pellets.

Alviksgården is the parent company of Nyhléns Hugosons, which sells charcuterie and prepared foods with a focus on ingredients and specialties from northern Sweden. The facility encompasses 13 000 pigs, a slaughterhouse, a biogas boiler, a wood chip boiler and a digestate for biofertiliser.

"Much of the development here is rooted in my desire to refine, think long-term and solve problems," says Mikael Hugoson, who owns Nyhléns Hugosons together with Magnus Nilsson.

Mikael Hugoson was the first in Sweden to install a large-scale biogas facility, and he wanted to make use of waste products from the slaughterhouse.

"Slaughterhouse waste is energy rich and provides 90 per cent of the energy we get from the biogas boiler. The rest comes from the fertiliser. Together with the wood chip boiler, which is powered by raw materials from my forest, the plant heats the entire farm and gives us around 12 000 kWh of renewable electricity a day. That covers all our electricity needs," says Mr. Hugoson.

The Swedbank-financed digestate system is the latest investment at Alviksgården that was made with sustainability and the circular economy in mind. It utilises waste products from the biogas plant and converts them into biofertiliser in the form of pellets. The system represents a total investment of around SEK 80 million, about SEK 20 million of which was provided by the County Administrative Board.

In the digester liquid is separated from the organic material. The liquid is then treated in a heat process and all the nutrients are dried and pressed into pellets. The final pellet contains soil amendments as well as a large number of important nutrients.

This has major benefits in terms of resource conservation and environmental impact. Thanks to the high concentration of nutrients, the pellet-converted digestate can be beneficial as a biofertiliser on cropland. Some of the pellets that are produced will be used on the farm and the rest will be sold.

"Now that I have finished the digestate system, I have started on the next project: solar panels on our least productive farmland. I haven't quite decided yet whether I think the panels are ugly or not," says Mr. Hugoson with a smile.

Sustainability data and analysis

During the year, we developed a plan that describes how we will implement data-driven sustainability-related decisions. The plan consists of four main areas: compliance and transparency tied to the EU's sustainable finance regulations; internal management, e.g. targets and monitoring; development of products and services; and risk management.

We have begun integrating various sustainability parameters in our current financial reporting systems. As part of this, we are enabling our customers to assess sustainability-related parameters. This is done by strengthening collaborations with commercial data providers such as the Swedish Meteorological and Hydrological Institute (SMHI) on physical climate risks for properties. We have also analysed data from the Swedish National Board of Housing, Building and Planning (Boverket) on how we can more easily measure the GHG emissions that our property portfolio indirectly generates. By continuing to work with data-related sustainability information, we see an opportunity to improve efficiencies and contribute to a more sustainable society. In this way we can influence the effort in the right direction together with our customers.

We have various tools at our disposal to gather business intelligence and analyse our portfolios and specific customers. In the credit process, for example, sustainability risks are considered in all lending decisions. An expanded sustainability analysis is mandatory for all corporate customers whose total credit limit exceeds SEK 8m in Sweden and EUR 0.8m in the Baltic countries. For other customers a general assessment is made of sustainability-related factors based on what is required given the nature of the business and its complexity. To support the sustainability analysis, sector guidelines are available to provide insight into sustainability issues in the particular sector and to provide suggestions on which questions should be asked and which areas are especially important. The work to develop and improve the sustainability analysis continued during the year and was introduced in parts of the bank. The purpose of the analysis is to further improve our advice and risk management. The analysis considers sector-specific risks based on environmental, social and governance aspects. It makes it possible to identify the key sustainability factors within a sector in an automated way. This then serves as a basis for the questions that are raised with corporate customers and gives us a better understanding of how they manage the sustainability factors that have been identified. When a credit application is considered to have an elevated sustainability risk, it is escalated to the Sustainability Committee for a more thorough assessment and guidance.

Employee training

Swedbank's vision and business strategy are built on sustainability, and sustainability is part of everything we do. Global changes, not least climate change, are affecting the bank and are placing high demands on our employees. This requires an understanding of current developments as well as new skills and adjustments in order to proactively help our customers. We will give advice, develop products, manage risks and take advantage of opportunities. The changes are also placing demands on us as an employer, to put every employee in a position to succeed.

In periodic surveys we ask employees whether we have succeeded. The results give us the necessary insight into how well we perceive, understand and deliver on the bank's strategically important areas. We also have a continuous process to track our employees' personal development (PD) in a structured way during the year.

An upskilling plan was introduced in 2022, and several courses on climate change were held. During the year, 6,000 employees in Swedbank and the savings banks have completed these trainings. Additionally, all employees updated their skills in for example ethics, security and our Code of Conduct through mandatory training.

Diversity and inclusion play a natural role

Swedbank wants to create a culture where gender equality and diversity are deeply ingrained and where differences are used actively to benefit the business. During the year, the Group Executive Committee (GEC) made a commitment to increasing the bank's focus on diversity and inclusion. Swedbank has a history of being at the forefront, at the same time as demands from the operating environment are extensive and continually changing.

In May, the GEC completed a workshop within the area; among the outcomes was the establishment of the new position of Chief Diversity Officer (CDO), a rotating two-year responsibility held by a member of the Group Executive Committee. The CDO is responsible for bringing attention to the bank's proactive efforts involving diversity and inclusion. CFO Anders Karlsson was appointed the bank's first CDO with responsibility for drafting a long-term strategy for diversity and inclusion – a three-year vision setting out our main focus areas in this regard – and for initiating activities and reviewing the appropriate targets and KPIs.

An upskilling programme on diversity and inclusion is being developed for management, consisting of a D&I Speaker Partner Program and learning sessions with experts in the field. Individual GEC members are also involved as sponsors of employee networks: CIO and Head of Group Channels & Technologies for Swedbank Women in Tech, and the Head of Swedish Banking for the LGBTQ+–network GLaS.

Good relative return during a year of great challenges

Rising interest rates and growing lending contributed along with high cost efficiency to a strong profit for 2022. Credit impairments were low despite great economic challenges. Together with a strong capitalisation, this means that the bank – in line with the dividend policy – is able 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**

Over 40 per cent of the population in our home markets are customers of Swedbank. We have a strategic partnership with the savings banks through which we reach even more customers and also share expenses for among other things IT and product development. The large customer base provides natural economies of scale and paves the way for high cost efficiency. It also contributes with deposits, an important and cost-effective funding source for the bank.

2 **High profitability, low risk and strong capitalisation contribute to a high dividend yield**

During the year, the return on equity was 13.3 per cent, compared with our target of at least 15 per cent. Credit quality is good despite economic pressures on both companies and households during the year. Swedbank's capitalisation is strong and exceeds the Swedish FSA's requirement by 3.4 percentage points – well over our aim for a buffer of 1–3 percentage points. Against this backdrop the Board of Directors is proposing that the Annual General Meeting resolves to pay a dividend of SEK 9.75 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 2022, the proposed dividend corresponds to a yield of 5.5 per cent.

3 **Stronger share performance than other large cap stocks on the Stockholm Stock Exchange**

The stock market performance was negative in 2022 and the OMX 30 Large Cap index fell by 15.6 per cent. Swedbank's share price decreased by 2.6 per cent, compared to Nordic banks which increased by 0.7 per cent on average in 2022. The total return of the Swedbank share was 3.8 per cent during the year. Swedbank's market capitalisation was SEK 199bn at year-end 2022.

Trading on several markets

Swedbank has one share class, ordinary shares (A shares), which has been listed on NASDAQ OMX Stockholm's Large Cap list since 1995. The bank also has an American Depositary Receipt (ADR) programme, which enables investors, through depositary receipts, to invest in the Swedbank share on the US OTC market without having to buy it in SEK or register with Euroclear. 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 495m were traded per day on Nasdaq OMX Stockholm in 2022.

Ownership, holding of own shares and convertibles

Swedbank had 1 132 005 722 shares in issue at year-end 2022, of which Swedbank's holding of its own shares amounted to 8 934 918. Of the 1 123 070 804 shares outstanding, 39.7 per cent was owned by international investors and 60.3 per cent by Swedish investors, whereof 13 percentage points was individual investors.

The 2022 AGM authorised the Board of Directors to resolve to repurchase up to 10 per cent of the outstanding shares to adapt the bank's capital structure to prevailing capital requirements, settle share-based remuneration programmes and trade financial instruments on its own account. Repurchases for trading in financial instruments may not exceed 1 per cent of outstanding shares according to the authorisation.

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

Share-based remuneration programmes

In Swedbank's performance-based remuneration programme, remuneration is paid in the form of deferred shares, with the aim to build long-term employee engagement in the bank. Swedbank holds its own shares to, among other things, secure the commitments in the performance-based remuneration programme.

In 2022, a total of 1 636 011 shares were transferred in the remuneration programme, corresponding to a dilution effect of about 0.15 per cent based on the number of outstanding shares as of 31 December 2021.

The 2022 AGM resolved to adopt new performance-based remuneration programmes. They are expected to result in the future transfer of approximately 1.3 million ordinary shares, corresponding to a total dilution effect of about 0.11 per cent based on the number of outstanding shares as of 31 December 2022.

Largest shareholders, 31 December 2022, by owner group

Andel av kapital och röster, %	2022
Sparbanksgruppen[1]	11.86
Folksam	6.98
Norges Bank	4.36
Swedbank Robur Fonder	4.02
Sparbanksstiftelser – ej Sparbanksgruppen[2]	3.62
Vanguard	3.15
BlackRock	2.86
DWS Investments	2.00
T. Rowe Price	1.89
SEB Fonder	1.84
Total number of shareholders	**352 465**

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 – ej 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.

Source: Modular Finance AB/Euroclear Sweden AB

Number of shareholders, 31 December 2022

Size of holding	No. of shareholders	Holding, %
1–500	290 502	82.4%
501–1 000	31 417	8.9%
1 001–5 000	26 001	7.4%
5 001–10 000	2 452	0.7%
10 001–15 000	675	0.2%
15 001–20 000	322	0.1%
20 001–	1 096	0.3%
Total	**352 465**	**100.0%**

Source: Euroclear Sweden AB

Shareholder categories, as of 31 December 2022, %

	2022	2021
Swedish legal entities	47.3	47.6
Swedish individual investors	13.0	12.1
International investors	39.7	40.3

Data per share

SEK	2022	2021	2020	2019	2018
Earnings per share before dilution	19.48	18.62	11.55	17.62	18.96
Earnings per share after dilution	19.43	18.56	11.51	17.56	18.89
Equity per share	156.8	144.16	138.54	123.94	123.04
Cash dividend per ordinary share	11.25	14.55		14.20	13.00
Dividend per share distributed by year of earnings	9.75[1]	11.25	5.80	8.75	14.20
of which special dividend		2.00			
P/E	9.1	9.8	12.5	7.9	10.5
Price/equity per share	1.13	1.26	1.04	1.13	1.61

1) Board of Director's proposal.

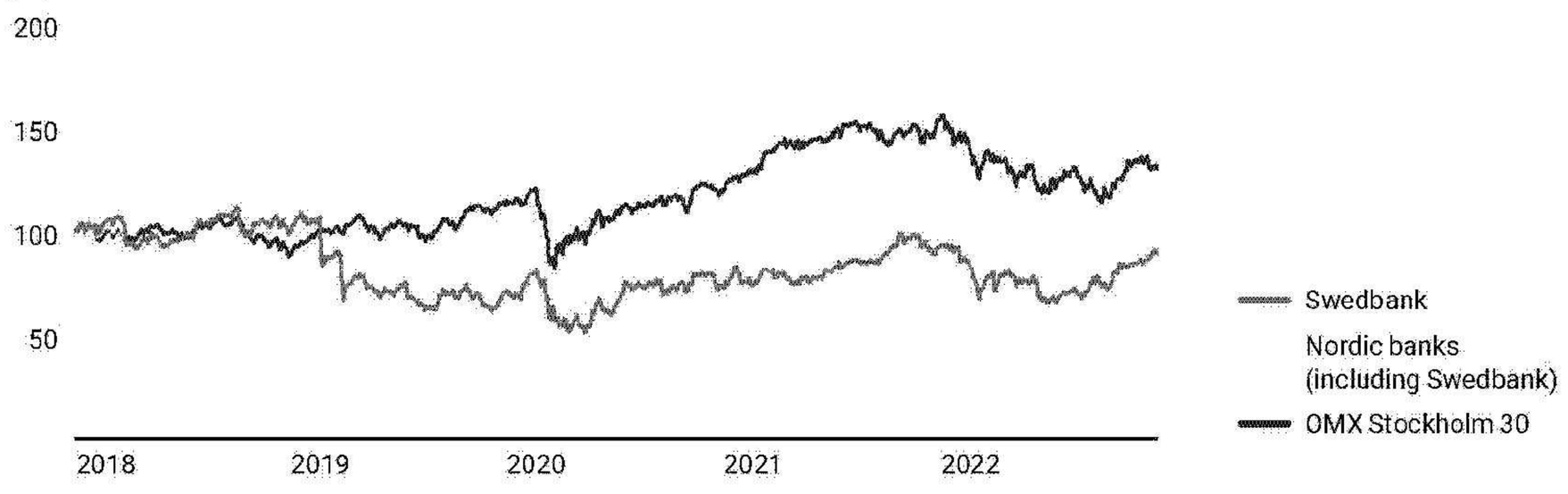
Share statistics, A share	2022	2021	2020	2019	2018
High price, SEK	185.6	196.7	162.7	214.8	221.7
Low price, SEK	128.9	143.2	99.1	120.8	177.2
Closing price, 31 Dec., SEK	177.3	182.1	144.1	139.5	197.8
Average number of trades per listed day[1]	7 638	9 193	11 420	10 622	6 733
Average turnover per listed day, SEKm,[1]	495	523	632	655	597
Total market capitalisation, 31 Dec., SEKbn	199	204	161	156	221
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 indices

Price



Financial analysis

A selection of key events

2 Feb

Year-end report 2021
Swedbank's profit increased in 2021 compared with the previous year, as the Swedish FSA's administrative fine and higher credit impairments were recognised in 2020. Net interest income decreased slightly, while net commission income increased. A dividend of SEK 11.25 per share including a special dividend of SEK 2 per share was proposed by the Board of Directors.

30 Mar

Dividend decision for 2021
The Annual General Meeting resolved in accordance with the Board's proposal to pay a dividend of SEK 11.25 per share. The dividend includes a special dividend of SEK 2 per share in addition to the ordinary dividend of 50 per cent of net profit for the financial year 2021.

28 Apr

Interim report first quarter 2022
Swedbank's profit decreased compared with the fourth quarter due to lower net commission income and the introduction the Swedish bank tax. Net interest income was stable, while expenses were seasonally lower.

19 Jul

Interim report second quarter 2022
Swedbank's profit increased slightly compared with the first quarter, mainly due to higher net interest income. Net commission income was stable and credit impairments decreased.

27 Oct

Interim report third quarter 2022
Swedbank's profit increased compared with the second quarter due to strong net interest income and higher net gains and losses on financial items. Net commission income also increased slightly.

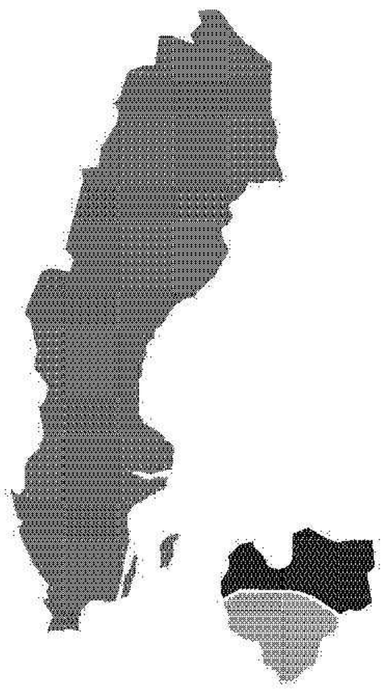
6 Dec

Swedbank's Investor Day
Swedbank presented the business priorities and the financial plan to reach a sustainable return on equity of 15 per cent in 2025.

Dec

Expenses amounted to SEK 21.4bn
Excluding foreign exchange effects, the extra winter allowance for Baltic employees and the closure of banking operations in Denmark, we stayed below the nominal cost cap we set two years ago.

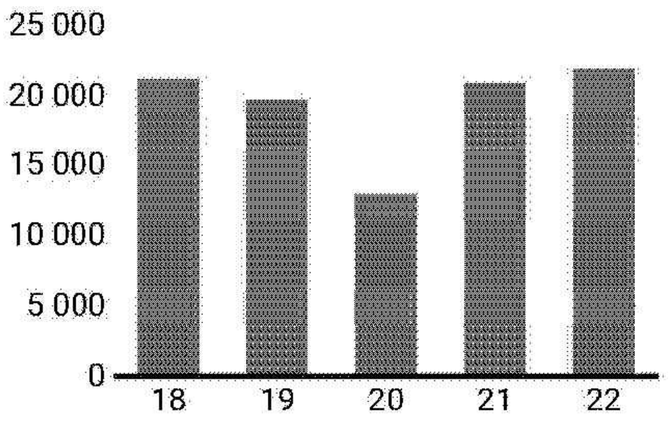
Market shares[1], per cent



	Lending (private)	Lending (corporate)	Deposits (private)	Deposits (corporate)	Payments[2]	Funds
Sweden	20	15	18	15	34	21
Estonia	42	34	48	39	56	38
Latvia	35	19	38	28	0	41
Lithuania	39	22	45	30	57	38

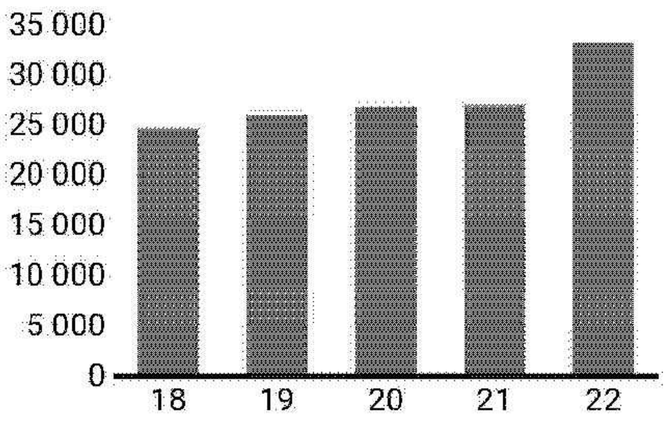
1) Market shares are based on data from statistical authorities in the countries respectively. Latest available data is applied.
2) Bank Giro transactions (Sweden) and domestic payments (Estonia, Latvia and Lithuania).

Profit for the year, SEKm



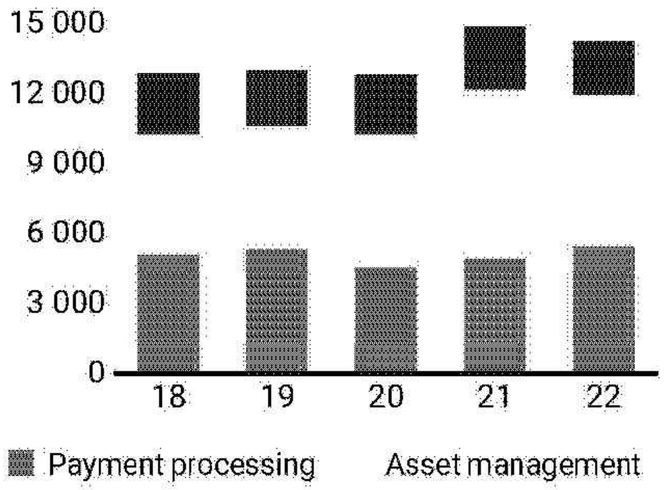
Swedbank's profit amounted to SEK 21 880m compared with SEK 20 872m in the previous year. The increase is due to rising income.

Net interest income, SEKm



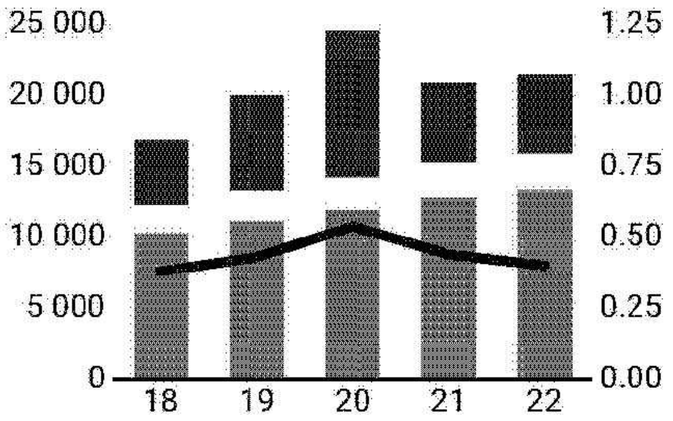
Net interest income increased by 23 per cent to SEK 33 157m mainly due to higher deposit margins and a better return on deposits placed in central banks. Higher lending volumes also contributed.

Net commission income, SEKm



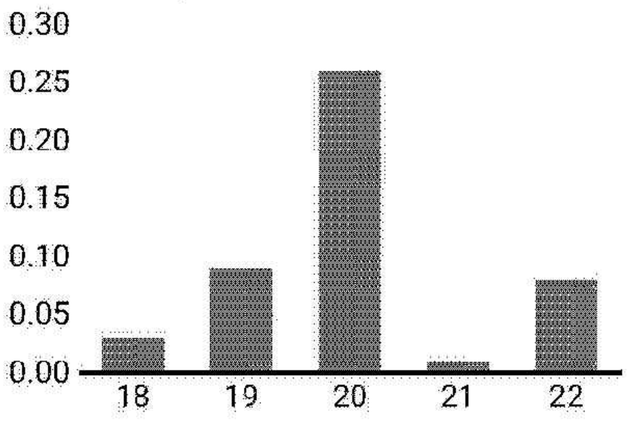
Net commission income decreased by 4 per cent to SEK 14 223m. Income from asset management decreased due to the downturn in the capital markets, while income from card operations increased as pandemic restrictions were lifted during the year.

Expenses, SEKm



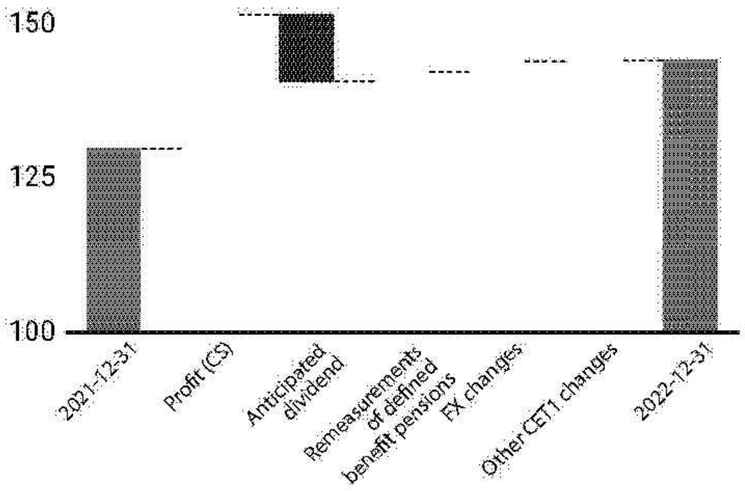
Expenses increased by 3 per cent to SEK 21 415m primarily due to higher staff costs and to some extent higher IT expenses. AML-related investigation expenses increased and amounted to SEK 443m. The C/I ratio decreased to 0.40.

Credit impairment ratio, %



Credit impairments increased to SEK 1 479m and were mainly explained by weaker macroeconomic scenarios as well as negative rating and stage migrations. The credit impairment ratio was 0.08 per cent.

Change in Common Equity Tier 1 capital, 2022, SEKbn



Profit after deducting the proposed dividend positively impacted Common Equity Tier 1 capital by SEK 11bn in 2022. The remeasurements of defined benefit pension's increased Common Equity Tier 1 capital by approximately SEK 1.4bn.

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 governance 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 197.

Financial analysis

Higher income and good cost control strengthened the result

Swedbank's result increased to SEK 21 880m (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. Foreign exchange effects positively impacted profit before impairments, the Swedish bank tax and resolution fees by approximately SEK 417m. The return on equity was 13.3 per cent (13.2) and the cost/income ratio was 0.40 (0.44).

Income increased to SEK 53 221m (47 681) and was positively affected primarily by net interest income. Net commission income and net gains and losses on financial items decreased. Foreign exchange effects increased income by approximately SEK 738m.

Net interest income increased by 23 per cent to SEK 33 157m (27 048). Underlying net interest income improved mainly on account of higher deposit margins and a better return on deposits placed at central banks. Higher lending volumes also contributed. Lower lending margins during the year and an adjustment to the deposit guarantee in 2021 offset the increase.

Net commission income decreased by 4 per cent to SEK 14 223m (14 853). Income from asset management decreased due to the downturn in the capital markets, while income from card operations increased as pandemic restrictions were lifted during the year.

Net gains and losses on financial items decreased to SEK 1 887m (2 048). A positive valuation effect in 2021 in connection with Hemnet's IPO and a negative result this year due to the sale of the Danish mortgage portfolio had a negative effect. Revaluations of the trading portfolio of corporate bonds had a negative effect, while repurchases of own bonds positively impacted the comparison.

Other income increased by 6 per cent to SEK 3 954m (3 732) due to higher income from savings banks and reversals of insurance provisions. Entercard's profit decreased.

Expenses increased by 3 per cent to SEK 21 415m (20 847) primarily due to higher staff costs, but also higher IT and AML expenses. Underlying expenses were stable and excluding foreign exchange effects, the extra winter allowance for Baltic employees and the one-off cost in connection with the closure of banking operations in Denmark, expenses were in line with the nominal cost cap of SEK 20.5bn as well as an additional SEK 0.5bn for AML-related investigations. The AML-related investigation expenses amounted to SEK 443m (355). Foreign exchange effects increased expenses by approximately SEK 320m.

Impairments of intangible assets amounted to SEK 1 125m (56). The increase was primarily related to impairment of goodwill associated with PayEx and Swedbank's Norwegian operations as well as impairment of proprietary software.

Credit impairments amounted to SEK 1 479m (170) and were mainly explained by weaker macroeconomic scenarios as well as negative rating and stage migrations.

Income statement, SEKm	2022 Full-year	2021[1] Full-year
Net interest income	33 157	27 048
Net commission income	14 223	14 853
Net gains and losses on financial items	1 887	2 048
Share of profit or loss of associates and joint ventures	738	976
Other income[2]	3 216	2 756
Total income	**53 221**	**47 681**
Total expenses	**21 415**	**20 847**
Credit losses, write-downs, Swedish bank tax and resolution fees	4 448	1 017
Profit before tax	**27 358**	**25 817**
Tax expense	5 478	4 945
Profit for the year	**21 880**	**20 872**
Return on equity, %	13.3	13.2
C/I ratio	0.40	0.44

1) Presentation of the Income statement has been changed, see note G57.
2) Other income includes the items Net insurance and Other income from the Group income statement.

The Swedish bank tax, which was introduced on 1 January 2022, amounted to SEK 927m (0).

The tax expense amounted to SEK 5 478m (4 945), corresponding to an effective tax rate of 20.0 per cent (19.2). The higher effective tax rate this year is largely due to the non-deductible impairment of goodwill related to PayEx and Swedbank's Norwegian operations and a lower share of income from associated companies and joint ventures. The Group's effective tax rate is still estimated at 19–21 per cent in the medium term.

Lending growth continues

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

Loans to customers increased by SEK 122bn to SEK 1 799bn (1 677) during the year, corresponding to an increase of 7 per cent. The largest contribution to the increase came from corporate lending, which increased by SEK 78bn. Growth occurred in several countries and sectors. Commercial real estate accounted for the largest share. Mortgages in Sweden increased by SEK 40bn. Foreign exchange effects positively impacted lending volumes by SEK 26bn compared with 2021.

The sustainable asset registry increased by SEK 15bn to SEK 59bn (45) during the year and for the first time includes social assets. The increase occurred primarily through identification of existing assets based on the new framework criteria introduced during the year, but also through new green and social loans. At year-end, the registry contained SEK 53bn in green assets and SEK 6bn in social assets.

Total deposits in the business areas increased by SEK 38bn to SEK 1 296bn (1 258) during the year. Deposits from the public within Swedish Banking and Baltic Banking increased by SEK 48bn, while corporate deposits in total decreased by SEK 9bn. Corporate deposits decreased in Sweden, while they increased within Baltic Banking. Foreign exchange effects positively impacted total deposit volume by approximately SEK 35bn compared with 2021.

Assets under management by Swedbank Robur decreased 11 per cent during the year to SEK 1 352bn (1 519) as of 31 December, of which SEK 1 276bn (1 192) related to Sweden, SEK 74bn (70) to the Baltic countries and SEK 2bn (2) to other markets. The decrease was due to the market downturn during the year. The net inflow during the year amounted to SEK 46bn. By assets under management, Swedbank Robur is the leader in the Swedish and Baltic fund markets. As of 31 December, the market share in Sweden was 21 per cent and in Estonia, Latvia and Lithuania it was 37, 41 and 38 per cent respectively.

Life insurance assets under management in the Swedish operations decreased by 12 per cent during the year to SEK 284bn (321). In Estonia, Latvia and Lithuania, Swedbank is the largest life insurance company. The market shares for premium payments in the first eleven months of 2022 were 49 per cent in Estonia, 22 per cent in Latvia and 24 per cent in Lithuania.

The total number of Swedbank cards in issue at year-end was 8.3 million, compared with 8.2 million a year earlier. In Sweden 4.5 million cards were in issue and in the Baltic countries 3.8 million cards were in issue.

Swedbank's credit quality is good despite deteriorating macroeconomic conditions with largely unchanged credit quality indicators such as late payments. High inflation, rising interest rates and a weaker economy are creating challenges for both consumers and companies, however, and could impact credit quality going forward, which is reflected in increased credit impairment provisions.

The quality of Swedbank's mortgage portfolio, which accounts for just over half of total lending, is high and historical credit impairments have been very low. Development during the quarter was stable and there are still not many customers with late payments. Customers' long-term repayment capacity is a critical lending factor, leading to low risks for both the customer and the bank. The average loan-to-value ratios in the mortgage portfolio were 55 per cent in Sweden, 41 per cent in Estonia, 68 per cent in Latvia and 47 per cent in Lithuania

Swedbank's lending to the property management sector amounted to SEK 293bn and accounts for 16 per cent of the total loan portfolio. Of this, 45 per cent relates mainly to offices, 29 per cent to residential properties and the rest to manufacturing facilities, warehouses and other property management. Swedbank attaches great importance to stable cash flows and long-term repayment capacity in its lending process. The average loan-to-value ratio for lending to the property management sector was 53 per cent, 55 per cent for residential properties and 52 per cent for other properties.

The total share of loans in stage 2, gross, increased to 7.4 per cent. The share of personal loans in stage 2 was 5.8 per cent and the share of corporate loans was 11.2 per cent. The increase in loans in stage 2 was due to the weaker macroeconomic outlook and ratings changes during the year. As of 31 December 2021, the total share of loans in stage 2, gross, was 5.7 per cent. The share of loans in stage 3, gross, was 0.31 per cent, compared with 0.37 per cent as of 31 December 2021. The decrease was due to lower exposures in shipping and offshore. The provision ratio for loans in stage 3 was 37 per cent.

Strong liquidity position and higher rating

Funding activity in 2022 was in line with 2021 but lower than previous years because a larger share of the need was met through deposits. Covered bond issuance in particular was lower. The focus has instead been on issuing senior unsecured preferred and non-preferred bonds to meet regulatory requirements. In 2022, Swedbank issued SEK 127bn in long-term debt instruments, including capital instruments in the form of Tier 2 capital of SEK 13bn.

The total issuance need for the full-year 2023 is expected to be in line with issuance volumes in 2022, with a continued focus on senior unsecured preferred and non-preferred bonds. The need for financing is impacted by the current liquidity situation, future maturities, and changes in deposit and lending volumes, and is therefore adjusted over the course of the year. Maturities in 2023 amount to SEK 127bn, of which SEK 52bn matures in the first quarter.

As of 31 December, short-term funding (commercial paper) in issue amounted to SEK 316bn (165). Available cash and balances with central banks and reserves with the Swedish National Debt Office amounted to SEK 370bn (355) and the liquidity reserve amounted to SEK 561bn (546).

The Group's Liquidity Coverage Ratio (LCR) was 160 per cent (163) and for USD, EUR and SEK it was 168, 285 and 115 per cent respectively. The net stable funding ratio (NSFR) was 118 per cent (123).

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

Strong capitalisation

The Common Equity Tier 1 capital ratio was 17.8 per cent (18.3) at the end of the year. The total Common Equity Tier 1 capital requirement, including Pillar 2 guidance, was 14.4 per cent (13.7) of the Risk Exposure Amount (REA), which resulted in a Common Equity Tier 1 capital buffer of 3.4 per cent (4.6). Common Equity Tier 1 capital increased to SEK 144.1bn (129.6) and was mainly impacted by the profit and anticipated dividend. The leverage ratio was 5.6 per cent (5.4). The leverage ratio requirement including Pillar 2 guidance is 3.45 per cent.

During the year, REA increased by SEK 101.6bn to SEK 809.4bn (707.8). REA for credit risk increased due to higher lending, mainly due to higher corporate lending volumes as well as foreign exchange changes. Calibration of the Baltic models according to the new definition of default contributed with SEK 10.9bn to the increase in credit risk, but was partly offset by improved credit quality.

REA for market risk increased by SEK 1.2bn, primarily because REA for internal models increased. REA for CVA increased by SEK 1.5bn mainly due to increased exposures. The annual update of REA for operational risk increased by SEK 4.4bn due to an increase in the moving three-year average of total income compared with 2021.

Due to new guidelines from the European Banking Authority (EBA), Swedbank has applied to have new internal models for risk classification approved. The application process is expected to continue until 2024. The assessment process for the models is underway and implementation began in the third quarter with the introduction of a new default definition. Due to the new definition, the average default level in the Baltics has been adjusted upward, leading to higher and more stable capital requirements. In the fourth quarter, Swedbank decided on an Article 3 add-on of SEK 35.8bn, which corresponds to the bank's estimate of the remaining effect of the introduction of the EBA's REA guidelines.

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), Securities and Exchange Commission (SEC), Office of Foreign Assets Control (OFAC) and Department of Financial Services in New York (DFS), are continuing and the bank is holding individual discussions with the authorities through its U.S. legal advisors. The investigations are at different stages and the bank cannot at this time determine any financial consequences or when the investigations will be completed.

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.

Other events

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

The Annual General Meeting resolved in accordance with the Board's proposal to pay a dividend of SEK 11.25 per share. This includes a special dividend of SEK 2 per share in addition to the ordinary dividend of 50 per cent of the net profit for the financial year 2021.

On 6 July, the Swedish FSA launched an investigation as to whether Swedbank had followed the appropriate laws, regulations, internal routines and processes in connection with the IT incident that occurred on 28–29 April 2022. In October, the Swedish FSA informed Swedbank that it is progressing with its investigation of the IT incident and is assessing a possible sanction.

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

On 1 August, Britta Hjorth-Larsen assumed her role as Chief Compliance Officer and joined Swedbank's Group Executive Committee.

At the Investor Day on 6 December, Swedbank presented the business priorities and the financial plan to reach a sustainable return on equity of 15 per cent in 2025. For more information, see pages 11–12.

On 19 December, Pål Bergström, Head of the business area Large Corporates and Institutions, announced that he will move on to a new assignment and will become CEO of the Seventh AP Fund (AP7). Pål Bergström is leaving his position on 28 February 2023.

Events after 31 December 2022

On 18 January 2023, it was announced that Bo Bengtsson has been appointed Head of Large Corporates and Institutions and will become a member of the Group Executive Committee. Bo Bengtsson left Swedbank's Board of Directors on 18 January and takes up his new position on 1 March 2023.

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 11. Scope is defined on page 239.

Swedish Banking

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

Result 2022

Profit increased to SEK 15 052m (12 992). Increased income was partly offset by higher expenses, higher credit impairments and the introduction of the bank tax.

Net interest income increased by 35 per cent to SEK 20 814m (15 472) mainly due to higher deposit margins resulting from higher market interest rates. Higher average volumes also contributed somewhat. Lending margins were lower.

Net commission income decreased to SEK 8 727m (9 205) due to lower asset management income as a result of the market downturn. Card income was higher.

Net gains and losses on financial items decreased to SEK 372m (586) due to a positive valuation effect in previous year in connection with Hemnet's IPO and a negative result this year due to the sale of the Danish mortgage portfolio.

Other income decreased to SEK 1 828m (1 855) mainly driven by lower income from EnterCard, which was offset by higher net insurance.

Expenses increased by 1 per cent to SEK 10 892m (10 779) mainly due to increased payroll costs, the closure of the Danish banking operations as well as increased compliance-related expenses.

Credit impairments amounted to SEK 1 037m (–42) and were mainly explained by weaker macroeconomic scenarios and negative rating and stage migrations.

Condensed income statement, SEKm	**2022**	**2021**
Net interest income	20 814	15 472
Net commission income	8 727	9 205
Net gains and losses on financial items at fair value	372	586
Other income	1 828	1 855
Total income	**31 741**	**27 118**
Staff costs	3 319	3 290
Other expenses	7 572	7 489
Total expenses	**10 892**	**10 779**
Profit before impairments, Swedish bank tax and resolution fees	**20 850**	**16 339**
Credit impairments	1 037	-42
Swedish bank tax and resolution fees	1 247	499
Profit before tax	**18 566**	**15 882**
Tax expense	3 514	2 890
Profit for the year	**15 052**	**12 992**

Business volumes, SEKbn	**2022**	**2021**
Loans to customers	1 275	1 252
Deposits from customers	725	712

Key ratios	**2022**	**2021**
Return on allocated equity, %	21.5	20.0
Cost/income ratio	0.34	0.40
Credit impairment ratio, %	0.08	0.00
Full-time employees	3 996	4 046

Baltic Banking

Swedbank is the largest bank by number of customers in Estonia, Latvia and Lithuania, with around 3.4 million private customers and nearly 300 000 corporate customers. According to surveys, Swedbank is also the most loved brand in the Baltic countries. Through digital channels, customer centres and branches, the bank is always available. Swedbank is part of the local community. Local engagement is expressed in many ways, with initiatives to promote education, entrepreneurship and social welfare. Swedbank has 13 branches in Estonia, 18 in Latvia and 40 in Lithuania.

Result 2022

Profit increased to SEK 6 229m (4 178). Profit in local currency increased mainly due to higher income, partly offset by higher expenses and credit impairments. Foreign exchange effects impacted profit positively by SEK 305m.

Net interest income increased by 48 per cent in local currency mainly due to rising deposit margins and higher lending volumes. Foreign exchange effects impacted profit by SEK 421m.

Lending increased by 9 per cent in local currency. Household lending increased by 9 per cent while corporate lending increased by 10 per cent. Foreign exchange effects increased lending by SEK 18bn.

Deposits increased by 4 per cent in local currency. Household deposits increased by 4 per cent while corporate deposits increased by 3 per cent. Foreign exchange effects increased deposits by SEK 29bn.

Net commission income increased by 6 per cent in local currency largely due to higher card income.

Net gains and losses on financial items decreased by 12 per cent in local currency due to negative revaluation effects from investments in Swedbank's own funds and insurance investments.

Other income increased by 7 per cent in local currency thanks to a better insurance result.

Expenses increased by 8 per cent in local currency mainly due to higher staff costs and energy expenses. Expenses for risk management and compliance also increased, partly offset by a reduction in the number of branches. Expenses for and investments in digital solutions continued to rise. Foreign exchange effects increased expenses by SEK 216m.

Credit impairments amounted to SEK 402m (160) and were mainly explained by weaker macroeconomic scenarios as well as negative rating and stage migration.

Condensed income statement, SEKm	**2022**	**2021**
Net interest income	8 348	5 369
Net commission income	3 073	2 779
Net gains and losses on financial items at fair value	405	437
Other income	857	767
Total income	**12 683**	**9 352**
Staff costs	1 908	1 648
Other expenses	2 727	2 450
Total expenses	**4 635**	**4 098**
Profit before impairments, Swedish bank tax and resolution fees	**8 048**	**5 254**
Impairments	13	
Credit impairments	402	160
Swedish bank tax and resolution fees	100	76
Profit before tax	**7 534**	**5 018**
Tax expense	1 305	840
Profit for the year	**6 229**	**4 178**

Business volumes, SEKbn	**2022**	**2021**
Loans to customers	236	199
Deposits from customers	375	334

Key ratios	**2022**	**2021**
Return on allocated equity, %	22.6	16.9
Cost/income ratio	0.37	0.44
Credit impairment ratio, %	0.19	0.09
Full-time employees	4 701	4 624

Large Corporates and Institutions

Large Corporates and Institutions is responsible for Swedbank's offering to customers with revenues above SEK 2 billion and those with complex needs due to multinational operations or a need for advanced financing solutions. The business area is also responsible for corporate and capital market products in other parts of the bank and for the Swedish savings banks. Large Corporates 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 USA.

Result 2022

Despite increased income, profit decreased to SEK 2 890m (3 102) due to goodwill impairments and the introduction of the bank tax.

Net interest income increased by 24 per cent to SEK 4 877m (3 947) mainly due to higher average lending volumes and higher deposit margins.

Net commission income decreased to SEK 2 621m (2 955) partly due to lower advisory commissions related to equity issues and lower income from asset management. An adjustment related to MasterCard contributed negatively.

Net gains and losses on financial items decreased to SEK 822m (981). Effects from revaluations of the trading portfolio of corporate bonds contributed negatively but were partly offset by high customer activity in fixed income and FX trading.

Expenses increased to SEK 4 219m (4 130). Personnel costs decreased somewhat as a result of lower variable compensation. Expenses for travel and customer activities increased during the year.

Credit impairments amounted to SEK 23m (57). A weaker macroeconomic outlook was offset by lower credit impairment provisions for individually assessed counterparties in the oil and offshore sector as well as lower expert credit adjustments.

Condensed income statement, SEKm	**2022**	**2021**
Net interest income	4 877	3 947
Net commission income	2 621	2 955
Net gains and losses on financial items at fair value	822	981
Other income	310	315
Total income	**8 630**	**8 198**
Staff costs	1 653	1 674
Other expenses	2 565	2 456
Total expenses	**4 219**	**4 130**
Profit before impairments, Swedish bank tax and resolution fees	**4 411**	**4 068**
Impairments	181	
Credit impairments	23	57
Swedish bank tax and resolution fees	464	201
Profit before tax	**3 745**	**3 810**
Tax expense	855	708
Profit for the year	**2 890**	**3 102**

Business volumes, SEKbn	**2022**	**2021**
Loans to customers	287	226
Deposits from customers	195	212

Key ratios	**2022**	**2021**
Return on allocated equity, %	8.4	9.7
Cost/income ratio	0.49	0.50
Credit impairment ratio, %	0.01	0.02
Full-time employees	1 179	1 221

Group Functions & Other

Group Functions & Other consists of central business support units and the customer advisory unit Group Products & Advice. The central units serve as strategic and administrative support and comprise Group Finance, Group Brand, Communication & Sustainability, Group Risk, Group Channels & Technologies, Group Compliance, Group HR & Infrastructure och Group 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 2022

Profit decreased to SEK −2 291m (600) mainly due to lower income but also as a result of higher expenses and impairment of intangible assets.

Net interest income decreased to SEK −899m (2 271). Group Treasury's net interest income decreased to SEK −639m (2 441) due to effects of the bank's internal pricing model related to higher market interest rates.

Net gains and losses on financial items increased to SEK 288m (44). Net gains and losses on financial items within Group Treasury increased to SEK 300m (59) mainly as a result of positive effects from repurchases of the bank's own bonds.

Expenses increased to SEK 3 051m (2 707) mainly due to higher IT expenses and staff costs.

Impairments of intangible assets amounted to SEK 944m (56). The increase was primarily related to impairment of goodwill associated with PayEx and impairment of proprietary.

Condensed income statement, SEKm	**2022**	**2021**
Net interest income	−899	2 271
Net commission income	−213	−89
Net gains and losses on financial items at fair value	288	44
Other income	2 371	1 654
Total income	**1 547**	**3 880**
Staff costs	6 380	6 141
Other expenses	−3 329	−3 434
Total expenses	**3 051**	**2 707**
Profit before impairments, Swedish bank tax and resolution fees	**−1 503**	**1 173**
Impairments	944	56
Credit impairments	18	−5
Swedish bank tax and resolution fees	21	15
Profit before tax	**−2 487**	**1 107**
Tax expense and non-controlling interests	−196	507
Profit for the year	**−2 291**	**600**

Key ratios	**2022**	**2021**
Full-time employees	6 927	6 674

Proposed disposition of earnings and statement of the Board of Directors

In accordance with the balance sheet of Swedbank AB, earnings of SEK 67 424m are at the disposal of the Annual General Meeting.

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

SEKm	2022
Cash dividend of SEK 9.75 per ordinary share	10 965
To be carried forward to next year	56 459
Total disposed	**67 424**

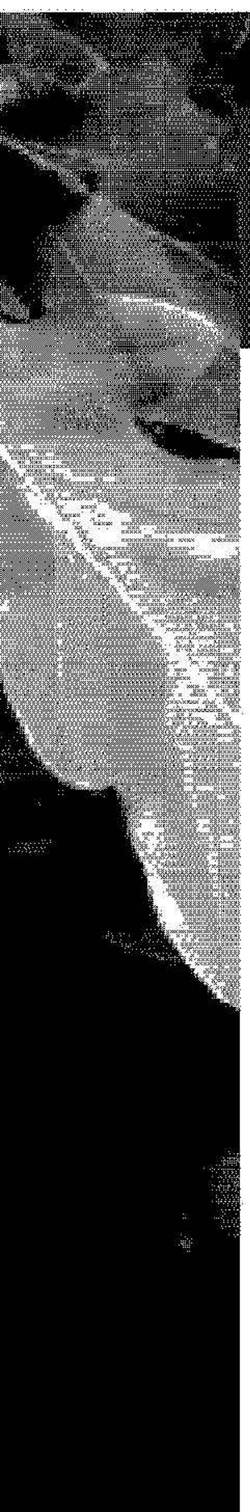
The proposed total amounts to be distributed and carried forward to next year have been calculated on all 1 123 070 804 outstanding ordinary shares at 31 December of 2022, plus 1 498 124 outstanding ordinary shares entitled to dividends which are expected to be exercised by employees between 1 January and the Annual General Meeting on 30 March 2023 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 negative effect on equity of SEK 1 437m.

The proposed record day for the dividend is 3 April 2023. The last day for trading in Swedbank's shares with the right to the dividend is 30 March 2023. If the Annual General Meeting accepts the Board's proposal, the dividend is expected to be paid by Euroclear on 6 April 2023. At year-end, the consolidated situation's total capital exceeded the capital requirement according to Pillar 1 and buffer requirements by SEK 51 575m. The surplus in Swedbank AB was SEK 89 693m.

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 2022



"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 good 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."

Göran Persson
Chair of the Board

Selected highlights from 2022

1 Feb

Special dividend to Swedbank's shareholders
The Board of Directors resolves to propose to the Annual General Meeting on 30 March 2022 an extraordinary dividend of SEK 2 per share over and above the ordinary dividend according to the bank´s dividend policy.

25 Mar

Eva Wilhelmsson appointed acting Chief Compliance Officer
Eva Wilhelmsson is appointed acting Chief Compliance Officer as of 1 April 2022 and becomes a member of the Group Executive Committee until Britta Hjorth-Larsen takes up her position on 1 August.

30 Mar

Swedbank's Annual General Meeting 2022
Swedbank's Annual General Meeting decides in accordance with all the proposals from the Board of Directors and the Nomination Committee.

The Annual General Meeting decides that there shall be 12 Board members. The following members are re-elected: Bo Bengtsson, Göran Bengtsson, Annika Creutzer, Hans Eckerström, Kerstin Hermansson, Bengt Erik Lindgren, Anna Mossberg, Per Olof Nyman, Biljana Pehrsson, and Göran Persson, and the following elected: Helena Liljedahl and Biörn Riese. The Annual General Meeting elects Göran Persson as Chair of the Board of Directors. At the statutory Board meeting, Biörn Riese is appointed Deputy Chair of the Board of Directors.

15 Jun

Strategic partnership in Norway
Swedbank enters into a strategic partnership with Norway's largest savings bank, SpareBank 1 SR-Bank.

1 Aug

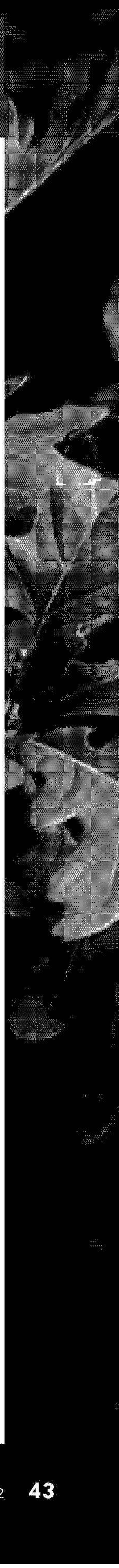
Britta Hjorth-Larsen new Chief Compliance Officer
Britta Hjorth-Larsen takes up her position as Chief Compliance Officer and becomes a member of Swedbank's Group Executive Committee.

6 Dec

Strategic partnership in Denmark
Swedbank enters into a strategic partnership with Sydbank A/S. The partnership will enable a stronger offering for Swedbank's corporate clients operating in Denmark. Swedbank decided to wind down its Danish business to create a clearer focus on its home markets.

19 Dec

Head of Large Corporates and Institutions announces resignation
Pål Bergström, Head of Large Corporates and Institutions, business area, announces that he will move on to a new assignment outside the bank.



Corporate Governance Report 2022

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 clearly defined responsibilities and 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.

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 of importance in order to maintain the trust of Swedbank's shareholders, customers, employees and other stakeholders, and to ensure effective and sound risk management and internal governance and control. Sound corporate governance also contributes to efficient and transparent internal and external information disclosure. Decision-making processes shall be simple and transparent with clear lines of responsibility. There must be clear rules and routines to manage conflicts of interest and effective tools for internal governance, risk management and control. The corporate culture shall be characterised by transparency, integrity, compliance and risk awareness. Swedbank's values shall provide a foundation for decision-making on a daily basis and for employees' daily 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

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 EBA's 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 are constantly changing and becoming more extensive and detailed. All in all, this requires a greater effort on the bank's part to ensure that it lives up to all relevant regulations. The regulations that apply to Swedbank are implemented through the Group's own internal regulations. 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

1) www.bolagsstyrning.se/the-code/current-code__3724

- Policy and Instruction on Anti-Money Laundering and Counter-Terrorist Financing
- Remuneration 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 on Human Rights
- Policy for Financial Reporting

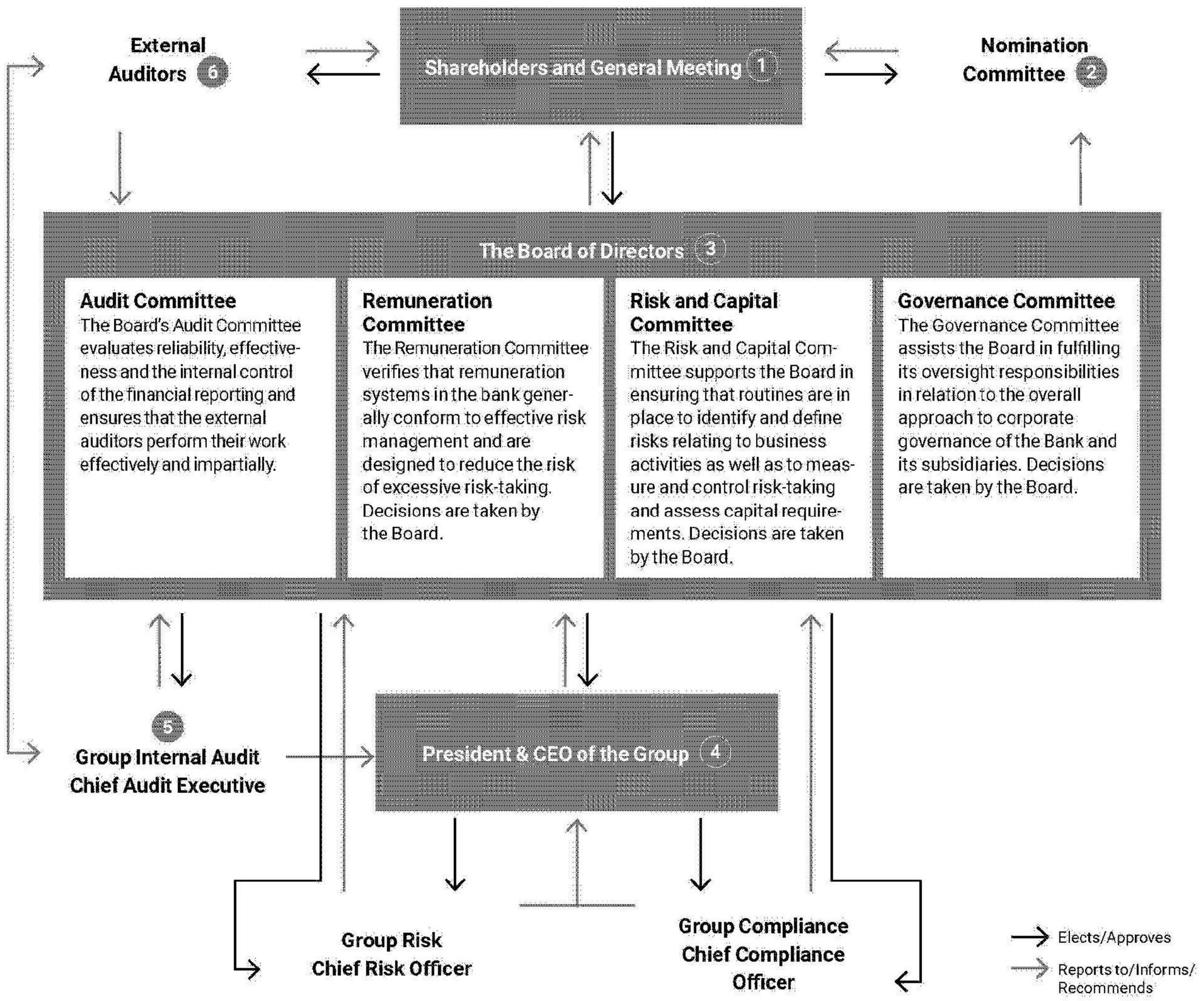
No deviations from with the Swedish Corporate Governance Code (the Code) or the rules of the stock exchange (NASDAQ OMX Stockholm) were reported in 2022.

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 that Swedbank owns through the wholly owned holding company Swedbank Baltics, Swedbank Robur, Swedbank Mortgage and Swedbank Insurance. Board members of 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 that the bank can continuously exercise oversight and control, ensure good internal reporting and maintain control over the risks to which the Group is exposed or could potentially be exposed. The matrix organisation also facilitates collaboration within the Group and ensures that operations are carried out effectively. The bank's 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 actively reviewed its 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
- Approval of performance- and share-based remuneration programmes for 2022 for the Swedbank Group – in part a general programme for 2022 and in part an individual programme for 2022 – as well as the transfer of ordinary shares etc. for the 2022 programmes and for programmes 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.

Annual General Meeting 2022

The 2022 AGM was held on 30 March in Stockholm. Due to the easing of the coronavirus pandemic, the Board of Directors decided to hold the AGM on 30 March 2022 with shareholders physically present. In total, the shareholders in attendance represented 561 857 654 shares.

Swedbank's AGM on 30 March 2022 passed all the proposals presented by the Board and the Nomination Committee.

Among the 2022 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 2021.
- That an ordinary dividend of SEK 9.25 per share and an extraordinary dividend of SEK 2.00 per share should be paid to the shareholders. The record day for the dividend was scheduled for 1 April 2022.
- That there should be twelve (12) Board members. The following members were re-elected: Bo Bengtsson, Göran Bengtsson, Annika Creutzer, Hans Eckerström, Kerstin Hermansson, Bengt Erik Lindgren, Anna Mossberg, Per Olof Nyman, Biljana Pehrsson, and Göran Persson, and the following elected: Helena Liljedahl 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.

2 Nomination Committee

The 2022 AGM decided on the principles for the appointment of the Nomination Committee prior to the 2023 AGM. The principles include that the committee shall be composed of six members: the representatives of the five largest shareholders as of 31 August 2022 and the Chair of the Board.

The Nomination Committee's work is governed by the instruction approved by the 2022 AGM. The Nomination Committee's task is to prepare and submit proposals to the 2023 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 and auditor, 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 also 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 and expected future direction are taken into account. It is important that the Board has the support of shareholders, 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, oral statements 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 2023 AGM:

Member	Representing
Lennart Haglund, Chair of the Nomination Committee	Sparbankernas Ägareförening
Ylva Wessén	Folksam
Anders Oscarsson	AMF
Annette Björkman	Ägargruppen Sparbanks-stiftelserna
Martin Jonasson	Andra 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 2022 AGM elected twelve members of the Board. The Board also includes two employee representatives and two deputies. The bank's Board meets the requirements of the Swedish Corporate Governance Code (the Code) with respect to its members' independence. All members except Göran Bengtsson and Bo 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 2022 AGM, the gender distribution was 42 per cent women and 58 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 56-60.

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 the business plan. 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, which 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 2022. An assessment tool obtained from 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 2022, the Board held 16 meetings, 0 of which were per capsulam. 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 neither participates in preparation, in discussions, or in decisions regarding the issue in question.

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

In 2022, the Board was greatly focused on geopolitical and macroeconomic developments, 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 applies to the Board; see Note S6 Employees in the sustainability report.

In 2022, the Board addressed issues such as the following:

First quarter

- Annual and Sustainability Report 2021 and interim report (Q4)
- Issues relating to variable remuneration and allocation to Eken
- Internal capital and liquidity assessment (ICAAP/ ILAAP)
- Remuneration to the CEO, Group Executive Committee and control functions
- Report from the external auditor
- Strategy process and follow-up of activity plan for the Group
- Annual review of outsourcing and supplier agreements
- Notice of and proposal to Annual General Meeting, including dividend proposal
- Statutory Board meeting
- Follow-up of the bank's regulatory compliance, including the bank's work to combat money laundering

Second quarter

- Follow-up on Corporate Strategy
- Update on the bank's sustainability work
- Credit risks associated with real estate sector
- Update of recovery plan
- Interim report (Q1)
- Annual review of potential conflicts of interest for CEO, Group Executive Committee, and heads of control functions.
- Follow-up on Group strategy, activity plans and strategy review.
- Succession planning for CEO and Group Executive Committee
- Annual review of policies and adoption of new Policy on Anti Tax Evasion and Aggressive Tax Planning
- Management of IT incident
- Strategic orientation regarding the bank's operations in Norway, as well as new organization for Large Corporates and Institutions
- Follow-up of the bank's regulatory compliance, including the bank's work to combat money laundering

Third quarter

- Follow-up on Group strategy, activity plans, and business and funding plans
- Update on the bank's sustainability work
- Interim report (Q2)
- Review of customer complaint process
- Capital adequacy and financial management
- Sustainability training
- Follow-up of the bank's regulatory compliance, including the bank's work to combat money laundering

Fourth quarter

- Strategy Days and Swedbank's financial plan – Swedbank 15/25
- Business, activity, and funding plans for 2023
- Interim report (Q3)
- Supervisory Review and Evaluation Process (SREP)
- Annual review of risk classification system
- The bank's work with diversity and inclusion as well as employee survey
- Recovery plan
- Evaluation of the Board and CEO
- Cybersecurity
- Board crisis management exercise
- Follow-up of the bank's regulatory compliance, including the bank's work to combat money laundering

The Board's competence

The members of the Board 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 also 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 relevant 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's main task is to assist the Board in ensuring that the bank has a sustainable and transparent governance model with robust processes for corporate governance and internal control."

Bo Bengtsson, 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 also monitors 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 industry best practices and 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.
- In dialogue with representatives of the Board's various committees, annually evaluate the Board's committee structure and instructions from a corporate governance perspective.
- 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.
- Monitor that the Group's matrix organisation complements the legal structure in a way that involves the 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 2022

The focus in 2022 included ensuring clarity on governance issues. Another focus area 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.

Members of the Governance Committee:

Since the 2022 AGM

Bo Bengtsson, Chair

Hans Eckerström

Göran Persson

Biörn Riese

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, 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 supports the Board of Directors in ensuring that the bank has robust internal control and high-quality financial reporting. These are basic preconditions for well-functioning corporate governance and for a successful banking business."

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 the Board takes to monitor the internal control in connection with the financial reporting and that the reporting to the Board is working properly. The routines are designed to provide assurance of the reliability of the financial reporting, compliance, and 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 bank's 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 2022

The Audit Committee's focus in 2022 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 existence of an effective control of the financial reporting. Furthermore, the Audit Committee has assisted the Nomination Committee in connection with the preparation of the Nomination Committee´s proposal to the 2023 Annual General Meeting for the appointment of the external auditor.

Members of the Audit Committee:

Since the 2022 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 and define the risks in the business activities, and that risk taking is measured and monitored based on the risk appetite decided by the Board. The members of the committee have special competence and experience of risk and capital matters as well as compliance.



"The work of the Risk and Capital Committee was affected during the year by the geopolitical uncertainty and changing macroeconomic situation, and with the impact this has had and could have on the bank and its customers as well as on the bank's risk exposure."

Per Olof Nyman, Chair

The work of the Risk and Capital Committee includes to:

- Review the Group's overarching risk framework (ERM Policy) and 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 2022

During the year, the Risk and Capital Committee continued to focus on compliance issues. The Committee continued to further improve the bank's management of risk and capital issues based on the changing geopolitical conditions and monitored the changing geopolitical conditions impact on credits.

Members of the Risk and Capital Committee:

Since the 2022 AGM
Per Olof Nyman, Chair
Göran Bengtsson
Kerstin Hermansson
Bengt-Erik Lindgren
Göran Persson
Biörn Riese

Remuneration Committee

The Remuneration Committee verifies that the bank's remuneration systems generally conform to effective risk management practices and legal requirements. 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.

The work of the Remuneration 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.
- Allocation and evaluation of the bank's performance- and share-based remuneration programmes and other matters associated with the programmes.
- 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.

For more information on remuneration at Swedbank, see below in the Corporate Governance Report and Note G13.

Members of the Remuneration Committee:

Since the 2022 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 business areas and 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 a few exceptions, have any collective decision-making authority; instead, decisions are made by the chair of each committee or escalated to the CEO. The Board's view of the CEO's special areas of responsibility is set out in documents such as the Board's Governance Policy and instruction for the CEO. The CEO is responsible for ensuring that the Board's decisions, policies and instructions are followed within the organisation and that they 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 55. 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 Large Corporates and Institutions business areas, the Chief Financial Officer, the Chief Credit Officer and Head of Group Credit, the Head of Anti Financial Crime, Head of Group Products and Advice ("GPA"), Head of Group Channels and Technologies, Chief Risk Officer and Head of Group Risk, Chief Compliance Officer and Head of Group Compliance, Head of Group Human Resources and Infrastructure, Head of Group Brand, Communication and Sustainability, and Chief Legal Officer and Head of 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 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"). The GFCC ensures appropriate and effective management of the Group's risks related to money laundering and financial sanctions, as well as complete and uniform implementation of the Group's internal rules on AML/CTF and financial sanctions.

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

Priority issues for the GEC in 2022

In 2022, the GEC addressed a number of matters, including the following:

- How we can assist the bank's customers in difficult geo-political times charachterised by a pandemic, climate change, inflation and rising interest rates.
- Work on the plan to reach the target of a return on equity of 15 per cent by 2025, and work on clarifying our priority areas.
- Focus on strengthening the corporate business, through a new organisation and delivery model where we utilise competence and resources to grow the entire Group.
- Extensive work to improve routines, system support and processes to prevent all types of financial crime. Cybersecurity is a priority as geopolitical conditions continue to impact us, our customers and society.
- Regulators' investigations.
- Measures to build trust and customer value, and to deliver on our customer promise.
- Strengthen internal governance and control.
- Capital and liquidity matters.
- Investor meetings.
- Strengthen sustainability work, including by training 3 900 advisors so that they can help customers understand how their investment choices affect and contribute to a sustainable society.
- Continued work with IT development and security.
- Monitor strategy, business plans and expenses.
- Measures in the Swedish mortgage market, including an effort to shorten wait times.
- Launch of new digital tools that enable our advisors to tailor advice to the financial health of our customers.
- Transparency on data integrity and further quality improvements through for example authentication and automation.

Internal control and risk management

The foundation for effective risk management is a strong, shared risk culture. The bank's functions for internal control and risk management are 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 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 has an independent risk control function, Group Risk, which 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 Policy on Enterprise Risk Management ("ERM") and Policy for Group Risk contain frameworks and describe roles and responsibilities pertaining to risk management and control.

Group Compliance



Britta Hjorth-Larsen, Chief Compliance Officer

Swedbank has an independent compliance function, Group Compliance, which 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 money laundering, 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 and advice and support to 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 the Policy for Group Compliance as determined by the Board, is risk based and is 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 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 by the Board. 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 Audit Committee and the Board.

6 External auditor

The external auditor is elected by the AGM and is an independent reviewer of the bank's financial statements which determines 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 auditors. A registered auditing firm may also be appointed as auditor. PwC was elected as accounting firm by the 2019 AGM until the conclusion of the 2023 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 2022, 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 briefly by the Auditor. The Sustainability Report has also been briefly 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. In 2022, the bank conducted a strategic review of its international presence to make it sharper and more focused. As a result of the review, it was decided to wind down the branch office in Denmark and to close the South African representation office.

Business areas

The bank's operations are conducted in three business areas: Swedish Banking, Baltic Banking and Large Corporates and Institutions. The heads of the business areas are directly subordinate to the CEO. They have overarching responsibility for the business area's operations and report continuously 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 product development.
- 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

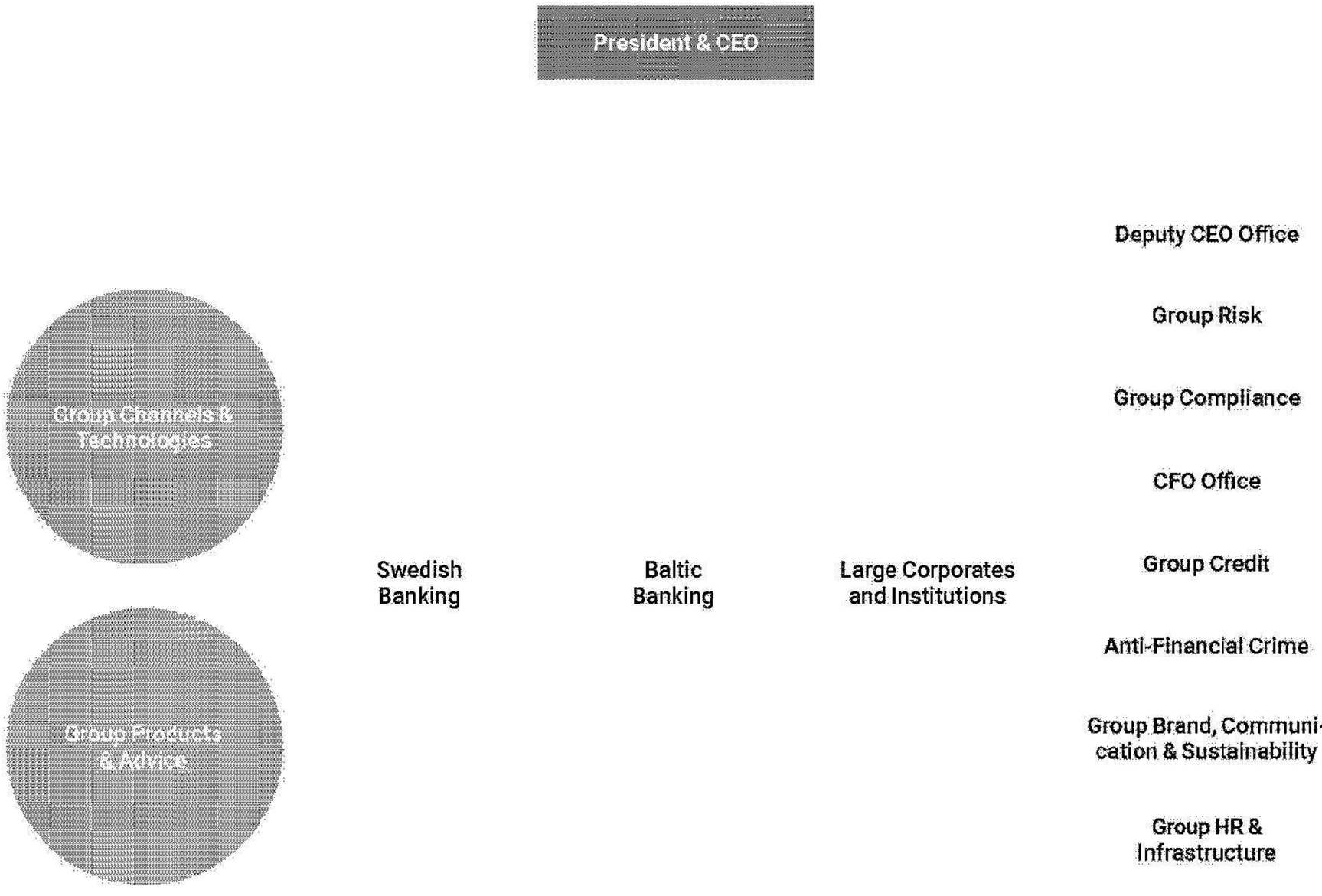
The task of the Group Functions is to support the CEO and the Group's business operations, and to create Group-level routines, ensure effective governance, control and oversight in the Group, and clarify Swedbank's vision, purpose, values and strategy. Among the roles of the Group Functions is to develop 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. In addition, the purpose of the group-wide rules and processes is to minimize the risks in the business. Additionally, the Group Functions create and monitor Group-level routines, which serve as support for the business operations and facilitate the sharing of experience between the bank's 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 within their respective area 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.

Swedbank Group



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. A directive issued by the Group CFO addresses ICFR specifically.

A supporting Group-wide ICFR framework is in place, based on the bank's vision, purpose and values (see page 8). The purpose of the directive and the 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.

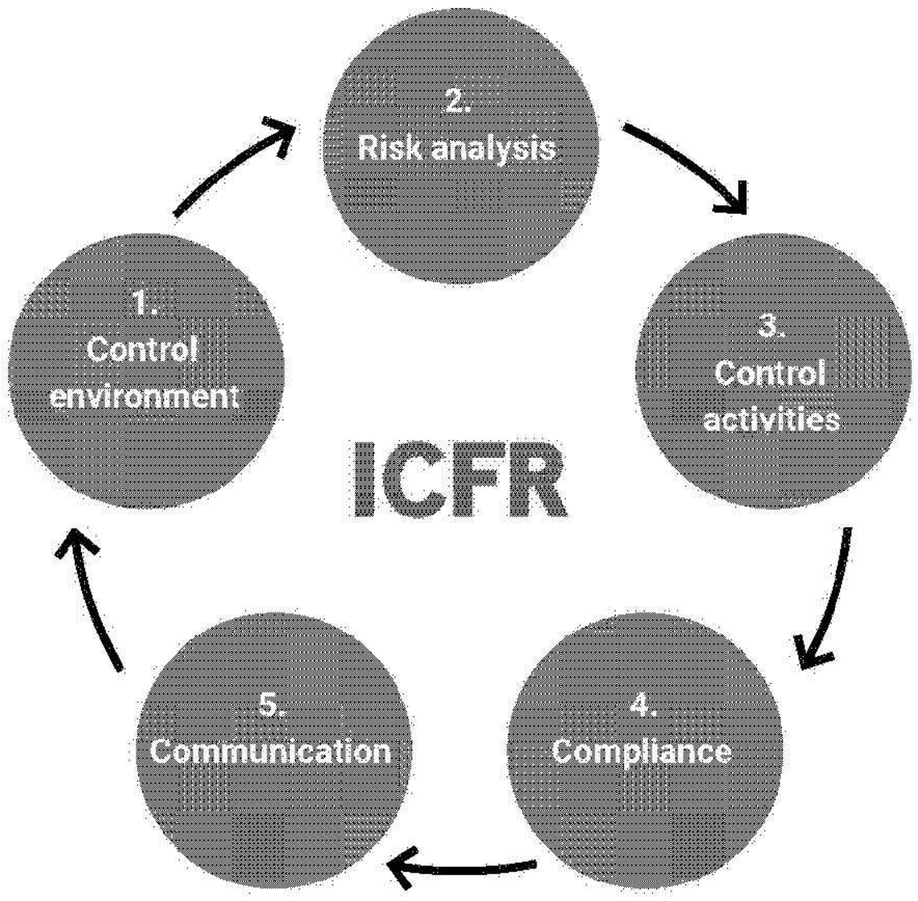
4. Compliance – Follow up and assessment

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, the Group Executive Committee 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 Committee, Chair ● Risk and Capital Committee, member Governance Committee, member	○ Board of Directors, Vice Chair ● Risk and Capital Committee, member Governance Committee, member
Attendance	○ 16/16 ● 9/9 ● 10/12 6/6	○ 12/12 ● 9/9 4/4
Total annual fees[1], SEK	○ 2 982 00 ● 118 000 ● 282 000 270 000	○ 1 000 000 ● 282 000 270 000
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 Economic, Stockholm University
Bank specific experience	Board: 8 years (2015)	Board: 1 year (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 Advise 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 Supervisory Board, 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' in Swedbank: 45 000	Own and closely related parties' in Swedbank: 4 650

1) For paid amounts see note G13.
2) Holdings as of 31 December 2022.







	Bo Bengtsson[3]	Göran Bengtsson	Annika Creutzer
Position	Board member	Board member	Board member
Born/Elected	Born 1966. Elected 2020.	Born 1967. Elected 2020.	Born 1957. Elected 2021.
Role within Swedbank	○ Board of Directors, member Governance Committee, Chair	○ Board of Directors, member ● Risk and Capital Committee, member	○ Board of Directors, member ● Audit Committee, member
Attendance	○ 16/16 6/6	○ 16/16 ● 12/12	○ 16/16 ● 11/11
Total annual fees[1], SEK	○ 686 000 445 00	○ 686 000 ● 282 000	○ 686 000 ● 270 000
Background	Bo Bengtsson brings to the Board a wealth of experience in banking and finance and has held a number of senior positions in the Swedish savings bank movement, including many years as CEO. He is Chair of Sparbanken Skåne.	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.
Education	University studies in auditing (licensed auditor), strategic business management at Stockholm School of Economics, EFL leadership training	Bachelor's Programme in Business and Economics, University of Borås	Economics degree in national economics, Stockholm University
Bank specific experience	Operative: 32 years Board: 3 years (2020)	Operative: 33 years Board: 3 years (2020)	Operative: 5 years Board: 2 years (2021)
Professional experience	Sparbanken Skåne, CEO • Sparbanken 1826, CEO • Kristianstads Sparbank, CEO • Kristianstads Sparbank, Marketing Director • Ikanobanken, Deputy Bank Manager responsible for marketing and product development	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
Non-executive assignments	Sparbanken Skåne, Chair	Falkenbergs Sparbank, CEO	Consultancy in financial journalism and public education, Creutzer & Co AB
Board member's independence	Dependent in relation to the bank and the executive management but independent in relation to the bank's major shareholders.	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.
Shareholdings[2]	Own and closely related parties' in Swedbank: 4 500	Own and closely related parties' in Swedbank: 2 500	Own and closely related parties' in Swedbank: 600

1) For paid amounts see note G13.
2) Holdings as of 31 December 2022.
3) Bo Bengtsson will take over the role of Head of Large Corporates and Institutions on 1 March 2023; accordingly, he stepped down from Swedbank's Board of Directors on 18 January 2023.







	Hans Eckerström	Kerstin Hermansson	Helena Liljedahl
Position	Board member	Board member	Board member
Born/Elected	Born 1972. Elected 2020.	Born 1957. Elected 2019.	Born 1969. Elected 2022.
Role within Swedbank	○ Board of Directors, member ● Remuneration Committee, member (Until the 30th of March 2022) Governance Committee, member	○ Board of Directors, member ● Risk and Capital Committee, member ● Audit Committee, Chair Governance Committee, member (Until the 30th of March 2022)	○ Board of Directors, member ● Remuneration Committee, member
Attendance	○ 15/16 ● 4/4 4/4	○ 16/16 ● 9/9 ● 11/11 2/2	○ 12/12 ● 5/5
Total annual fees[1], SEK	○ 686 000 ● 113 400 270 000	○ 686 000 ● 282 000 ● 445 000 259 200	○ 686 000 ● 118 000
Background	Hans Eckerström, who has an extensive background as a partner and employee of Nordic Capital as well as a director of investment companies, brings to the Board his business acumen and experience in the financial industry.	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.
Education	M.Sc. Mechanical Engineering, Chalmers University of Technology M.Sc. Business Administration, University of Gothenburg School of Business	LLM, Lund University	M.Sc, Business Administration, University of Örebro
Bank specific experience	Board: 3 years (2020)	Operative: 9 years Board: 4 years (2019)	Board: 3 years (2020)
Professional experience	Henri-Lloyd Group AB, Chair • Nobia AB, Chair • Nordstjernan AB, Board member • Employee and Partner, NC Advisory AB, Nordic Capital • Manager, Arthur D. Little	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
Non-executive assignments	Aligro Partners Acquisition Company AB (publ), Chief Investment Officer • Profoto Holding AB, Chair • Profoto Invest AB, Chair • Thule Group AB,Chair	Linnaeus University, Chair • 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' in Swedbank: 75 000	Own and closely related parties' in Swedbank: 1 000	Own and closely related parties' in Swedbank: 5 500

1) For paid amounts see note G13.
2) Holdings as of 31 December 2022.







	Bengt Erik Lindgren	Roger Ljung	Anna Mossberg
Position	Board member	Employee representative	Board member
Born/Elected	Born 1950. Elected 2020.	Born 1967. Elected 2015.	Born 1972. Elected 2018.
Role within Swedbank	○ Board of Directors, member ● Risk and Capital Committee, member	○ Board of Directors, member , Employee representative	○ Board of Directors, member ● Remuneration Committee, member ● Audit Committee, member
Attendance	○ 16/16 ● 12/12		○ 11/16 ● 7/9 ● 8/11
Total annual fees[1], SEK	○ 686 000 ● 282 000	No fees	○ 686 000 ● 118 000 ● 270 000
Background	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.	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.
Education	Uppsala University, 2-year combined education (business administration, sociology, human resource management)	Upper secondary education	Executive MBA, IE University, Spain • Executive MBA, Stanford University, USA • M.Sc. in Industrial Economics, Lulea University of Technology, Sweden
Bank specific experience	Operative: 35 years Board: 11 years (2012)	Operative: 36 years	Board: 5 years (2018)
Professional experience	Humlegården Fastigheter AB, Board member • Prevas AB, Chair • Lansa Fastigheter AB and Lansa Bostadsfastigheter AB, Board member • 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	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
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
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.	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' in Swedbank: 10 500	Own and closely related parties' in Swedbank: 141	Own and closely related parties' in Swedbank: 1 800

1) For paid amounts see note G13.
2) Holdings as of 31 December 2022.



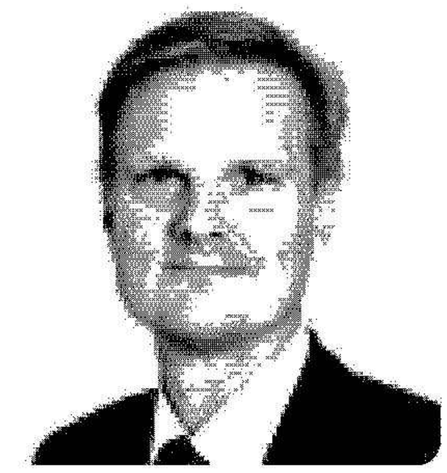




	Per Olof Nyman	Biljana Pehrsson	Åke Skoglund
Position	Board member	Board member	Employee representative
Born/Elected	Born 1956. Elected 2021.	Born 1970. Elected 2020.	Born 1959. Elected 2020 and deputy between 2018–2020.
Role within Swedbank	○ Board of Directors, member ● Risk- och Kapitalutskottet, Chair ◍ Audit Committee, member	○ Board of Directors, member ● Remuneration Committee, member ◍ Audit Committee, member	○ Board of Directors, member , Employee representative
Attendance	○ 16/16 ● 9/9 ◍ 9/11	○ 15/16 ● 9/9 ◍ 7/7	
Total annual fees[1], SEK	○ 686 000 ● 485 000 ◍ 270 000	○ 686 000 ● 118 000 ◍ 270 000	No fees
Background	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.	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. in Industrial Economics (Investment and Financing Theory), Linköping University • IFL School of Economics, Accounting & Financing • IT and Commercial Law, Örebro University	M.Sc. Engineering, Stockholm Royal Institute of Technology	Business administration, Stockholm University
Bank specific experience	Board: 2 years (2021)	Board: 3 years (2020)	Operative: 33 years
Professional experience	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	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	HKScan Oyj, Board member	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.	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' in Swedbank: 7 000	Own and closely related parties' in Swedbank: 21 000	Own and closely related parties' in Swedbank: 906

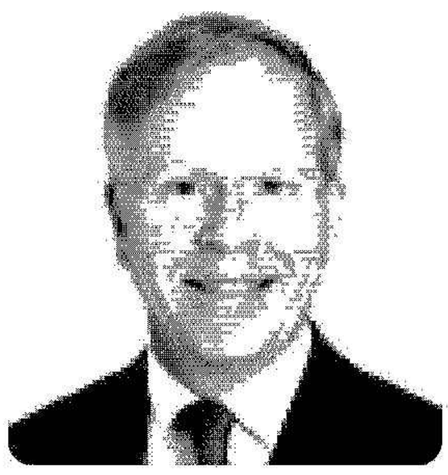
1) For paid amounts see note G13.
2) Holdings as of 31 December 2022.

Group Executive Committee



Jens Henriksson

President and CEO
Born 1967. Employed since 2019
Shareholdings in Swedbank:[1]
40 000
Education: BA Economics, MSc Electrical Engineering, Control Theory, and Fil. Lic. Economics



Tomas Hedberg

Vice President and Deputy CEO
Born 1963. Employed since 2000
Shareholdings in Swedbank:[1]
6 953
Education: Studies in Economics



Pål Bergström[2]

Head of Large Corporates and Institutions
Born 1967. Employed since 2021
Shareholdings in Swedbank:[1] 0
Education: PhD, Economics



Mikael Björknert

Head of Swedish Banking
Born 1966. Employed since 2010
Shareholdings in Swedbank:[1]
4 118
Education: BSc Business Administration and Economics



Lars-Erik Danielsson

Chief Credit Officer and Head of Group Credit
Born 1962. Employed since 1990
Shareholdings in Swedbank:[1]
7 352
Education: Studies in business and economics



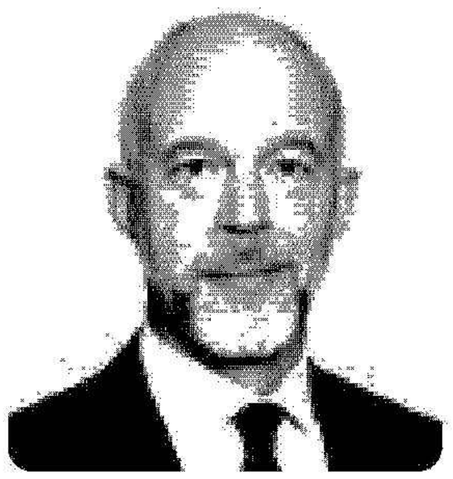
Anders Ekedahl

Head of Anti-Financial Crime Unit
Born 1960. Employed since 1987
Shareholdings in Swedbank:[1]
25 887
Education: MSc, Stockholm School of Economics



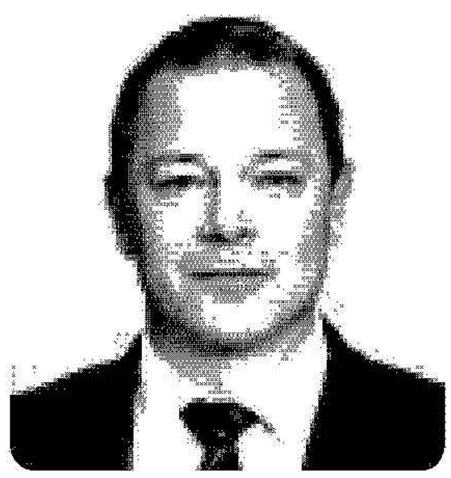
Britta Hjorth-Larsen[3]

Chief Compliance Officer and Head of Group Compliance
Born 1965. Employed since 2022
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
Shareholdings in Swedbank:[1]
30 500
Education: MSc in Business and Economics



Jon Lidefelt

Head of Baltic Banking
Born 1973. Employed since 2013
Shareholdings in Swedbank:[1]
5 135
Education: MSc Engineering Physics

1) Own and closely related parties' shareholdings in Swedbank as of 31 December 2022.
2) On 19 December 2022, Pål Bergström announced that he would be leaving Swedbank in the first half of 2023. Bo Bengtsson will take over the role of Head of Large Corporates and Institutions on 1 March 2023; accordingly, he stepped down from Swedbank's Board of Directors on 18 January 2023.
3) Bo Bengtsson left Swedbank's Board of Directors on 18 January 2023. He will take over the role of Head of Large Corporates and Institutions and will become a member of Swedbank's Group Executive Committee as of 1 March 2023.



Erik Ljungberg

Director of Communications and Sustainability and Head of Group Brand, Communication & Sustainability
Born 1971. Employed since 2020
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
Shareholdings in Swedbank:[1]
3 645
Education: Market economist



Rolf Marquardt

Chief Risk Officer and Head of Group Risk
Born 1964. Employed since 2020
Shareholdings in Swedbank:[1]
2 000
Education: PhD in Business Administration



Charlotte Rydin

Chief Legal Officer and Head of Group Legal
Born 1968. Employed since 2021
Shareholdings in Swedbank:[1] 0
Education: Master of Laws, LL.M.



Carina Strand

Head of Group HR & Infrastructure
Born 1964. Employed since 2017
Shareholdings in Swedbank:[1] 0
Education: Economist



Kerstin Winlöf

Head of Group Products & Advice
Born 1966. Employed since 2019
Shareholdings in Swedbank:[1]
2 000
Education: MSc in Business Administration and Economics

1) Own and closely related parties' shareholdings in Swedbank as of 31 December 2022.



Group

65 Income statement
66 Statement of comprehensive income
67 Balance sheet
68 Statement of changes in equity
69 Statement of cash flow

Initial notes

70	Note	G1	Corporate information
70	Note	G2	Accounting policies
80	Note	G3	Risks
81		3.1	Credit risk
98		3.2	Liquidity risk
103		3.3	Market risk
106		3.4	Operational risks
106		3.5	Risk in the insurance business
107		3.6	ESG-risk
110		3.7	Other risk types
111	Note	G4	Capital
111		4.1	Internal capital assessment
113		4.2	Capital adequacy analysis
115	Note	G5	Operating segments
119	Note	G6	Products
120	Note	G7	Geographical distribution

Income statement

122	Note	G8	Net interest income
123	Note	G9	Net commission income
124	Note	G10	Net gains and losses on financial items
124	Note	G11	Net insurance
124	Note	G12	Other income
125	Note	G13	Staff costs and other staff related key ratios
129	Note	G14	Other general administrative expenses
129	Note	G15	Depreciation/amortisation of tangible and intangible fixed assets
129	Note	G16	Impairments of tangible assets
129	Note	G17	Credit impairments
129	Note	G18	Swedish bank tax and resolution fees
130	Note	G19	Tax
132	Note	G20	Earnings per share

Statement of comprehensive income

132	Note	G21	Tax for each component in other comprehensive income

Balance sheet

133	Note	G22	Treasury bills and other bills eligible for refinancing with central banks etc.
133	Note	G23	Loans to credit institutions
133	Note	G24	Loans to the public
134	Note	G25	Bonds and other interest-bearing securities
134	Note	G26	Financial assets for which the customers bear the investment risk
134	Note	G27	Shares and participating interests
135	Note	G28	Investments in associates and joint ventures
137	Note	G29	Derivatives
138	Note	G30	Hedge accounting
142	Note	G31	Intangible assets
145	Note	G32	Tangible assets
146	Note	G33	Other assets
146	Note	G34	Prepaid expenses and accrued income
146	Note	G35	Amounts owed to credit institutions
146	Note	G36	Deposits and borrowings from the public
146	Note	G37	Financial liabilities for which the customers bear the investment risk
146	Note	G38	Debt securities in issue
146	Note	G39	Short positions in securities
147	Note	G40	Pensions
149	Note	G41	Insurance provisions
149	Note	G42	Other liabilities and provisions
149	Note	G43	Accrued expenses and prepaid income
150	Note	G44	Subordinated liabilities
150	Note	G45	Equity
151	Note	G46	Valuation categories of financial instruments
154	Note	G47	Fair value of financial instruments
156	Note	G48	Financial assets and liabilities which have been offset or are subject to netting agreements or similar agreements

Statement of cash flow

157	Note	G49	Specification of adjustments for non-cash items in operating activities

Other notes

157	Note	G50	Cash flow statement, events during the year
157	Note	G51	Dividend paid and proposed
158	Note	G52	Assets pledged, contingent liabilities and commitments
158	Note	G53	Transferred financial assets
159	Note	G54	Related parties and other significant relationships
160	Note	G55	Interests in unconsolidated structured entities
160	Note	G56	Sensitivity analysis
161	Note	G57	Changed presentation regarding resolution fees
161	Note	G58	Events after 31 December 2021

Income statement, Group

SEKm	Note	2022	2021[1)]
Interest income on financial assets at amortised cost		45 003	29 912
Other interest income		295	452
Interest income		**45 298**	**30 364**
Interest expense		−12 141	−3 316
Net interest income[1]	G8, G57	**33 157**	**27 048**
Commission income		22 383	22 407
Commission expense		−8 160	−7 554
Net commission income	G9	**14 223**	**14 853**
Net gains and losses on financial items	G10	1 887	2 048
Net insurance	G11	1 655	1 457
Share of profit or loss of associates and joint ventures	G28	738	976
Other income	G12	1 561	1 299
Total income		**53 221**	**47 681**
Staff costs	G13	13 246	12 739
Other general administrative expenses	G14	6 474	6 477
Depreciation/amortisation of tangible and intangible assets	G15	1 695	1 631
Total expenses		**21 415**	**20 847**
Profit before impairment, Swedish bank tax and resolution fees		**31 806**	**26 834**
Impairment of intangible assets	G31	1 125	56
Impairment of tangible assets	G16	13	
Credit impairments	G17	1 479	170
Swedish bank tax and resolution fees	G18, G57	1 831	791
Profit before tax		**27 358**	**25 817**
Tax expense	G19	5 478	4 945
Profit for the year		**21 880**	**20 872**
Profit for the year attributable to:			
Shareholders of Swedbank AB		**21 877**	**20 871**
Non-controlling interests		3	1
Earnings per share, SEK	G20	19.48	18.62
Earnings per share after dilution, SEK	G20	19.43	18.56

1) Presentation has been changed, see note G57.

Statement of comprehensive income, Group

SEKm	Note	2022	2021
Profit for the year reported via income statement		**21 880**	**20 872**
Items that will not be reclassified to the income statement			
Remeasurements of defined benefit pension plans	G40	3 938	1 686
Share related to associates and joint ventures:			
Remeasurements of defined benefit pension plans		152	21
Change in fair value attributable to changes in own credit risk of financial liabilities designated at fair value through profit or loss	G47	0	0
Income tax	G21	−811	−347
Total		**3 279**	**1 360**
Items that may be reclassified to the income statement			
Exchange rate differences, foreign operations:			
Gains/losses arising during the year		4 319	848
Reclassification adjustments to income statement, Net gains and losses on financial items			
Hedging of net investments in foreign operations:	G30		
Gains/losses arising during the year		−3 421	−729
Reclassification adjustments to income statement, Net gains and losses on financial items			
Cash flow hedges:	G30		
Gains/losses arising during the year		626	145
Reclassification adjustments to income statement, Net gains and losses on financial items		−615	−143
Foreign currency basis risk:			
Gains/losses arising during the year		63	5
Share of other comprehensive income of associates and joint ventures:			
Exchange rate differences, foreign operations		31	91
Income tax:	G21		
Gains/losses arising during the year		563	119
Reclassification adjustments to the income statement, Tax expense		127	29
Total		**1 693**	**365**
Other comprehensive income for the year, net of tax		**4 972**	**1 725**
Total comprehensive income for the year		**26 852**	**22 597**
Total comprehensive income for the year attributable to:			
Shareholders of Swedbank AB		**26 849**	**22 596**
Non-controlling interests		3	1

Balance sheet, Group

SEKm	Note	2022	2021	1/1/2021
Assets				
Cash and balances with central banks		365 992	360 153	293 811
Treasury bills and other bills eligible for refinancing with central banks, etc.	G22	151 483	163 590	137 191
Loans to credit institutions	G23	56 589	39 504	47 954
Loans to the public	G24	1 842 811	1 703 206	1 680 987
Value change of the hedged items in portfolio hedges of interest rate risk		−20 369	−1 753	1 774
Bonds and other interest-bearing securities	G25	61 298	58 093	59 975
Financial assets for which the customers bear the investment risk	G26	290 678	328 512	252 411
Shares and participating interests	G27	8 184	13 416	17 215
Investments in associates and joint ventures	G28	7 830	7 705	7 287
Derivatives	G29	50 504	40 531	52 177
Intangible assets	G31	19 886	19 488	18 361
Tangible assets	G32	5 449	5 523	5 421
Current tax assets		1 449	1 372	1 554
Deferred tax assets	G19	159	113	124
Pension assets	G40	2 431		
Other assets	G33	8 474	9 194	16 483
Prepaid expenses and accrued income	G34	2 028	1 970	1 917
Total assets		**2 854 876**	**2 750 617**	**2 594 642**
Liabilities and equity				
Liabilities				
Amounts owed to credit institutions	G35	72 826	92 812	150 313
Deposits and borrowings from the public	G36	1 305 948	1 265 783	1 148 240
Financial liabilities for which the customers bear the investment risk	G37	291 993	329 667	253 229
Debt securities in issue	G38	784 206	735 917	732 814
Short positions securities	G39	27 134	28 613	23 300
Derivatives	G29	68 679	28 106	54 380
Current tax liabilities		1 811	672	424
Deferred tax liabilities	G19	3 599	3 398	2 784
Pension provisions	G40	168	1 801	3 665
Insurance provisions	G41	2 041	1 970	1 859
Other liabilities and provisions	G42	26 944	28 933	30 610
Accrued expenses and prepaid income	G43	4 664	4 813	4 038
Senior non-preferred liabililties		57 439	37 832	10 359
Subordinated liabilities	G44	31 331	28 604	23 434
Total liabilities		**2 678 784**	**2 588 921**	**2 439 449**
Equity				
Non-controlling interests		29	26	25
Equity attributable to shareholders of the parent company		176 064	161 670	155 168
Total equity	G45	**176 092**	**161 696**	**155 193**
Total liabilities and equity		**2 854 876**	**2 750 617**	**2 594 642**

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 2022	**24 904**	**17 275**	**5 294**	**–3 248**	**2**	**–58**	**117 501**	**161 670**	**26**	**161 696**
Dividends							–12 632	–12 632		–12 632
Share based payments to employees							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			4 350	–2 716	9	50	25 156	26 849	3	26 852
of which reported through profit or loss							21 877	21 877	3	21 880
of which reported through other comprehensive income, before tax			4 350	–3 421	11	63	4 090	5 093		5 093
of which income tax reported through other comprehensive income				705	–2	–13	–811	–121		–121
Closing balance 31 December 2022	**24 904**	**17 275**	**9 644**	**–5 964**	**11**	**–8**	**130 202**	**176 064**	**29**	**176 092**

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
Opening balance 1 January 2021	**24 904**	**17 275**	**4 355**	**–2 669**	**1**	**–62**	**111 364**	**155 168**	**25**	**155 193**
Dividends							–16 310	–16 310		–16 310
Share based payments to employees							195	195		195
Deferred tax related to share based payments to employees							20	20		20
Current tax related to share based payments to employees							1	1		1
Total comprehensive income for the year			939	–579	1	4	22 231	22 596	1	22 597
of which reported through profit or loss							20 871	20 871	1	20 872
of which reported through other comprehensive income, before tax			939	–729	2	5	1 707	1 924		1 924
of which income tax reported through other comprehensive income				150	–1	–1	–347	–199		–199
Closing balance 31 December 2021	**24 904**	**17 275**	**5 294**	**–3 248**	**2**	**–58**	**117 501**	**161 670**	**26**	**161 696**

1) Other contributed equity consists mainly of share premiums.

Statement of cash flow, Group

SEKm	Note	2022	2021
Operating activities			
Profit before tax		27 358	25 817
Adjustments for non-cash items in operating activities	G49	2 800	-2 863
Income taxes paid		-4 537	-4 478
Increase (-) /decrease (+) in loans to credit institution		-16 637	8 733
Increase (-) /decrease (+) in loans to the public		-123 486	-18 746
Increase (-) /decrease (+) in holdings of securities for trading		16 856	-20 742
Increase (-) /decrease (+) in other assets		-6 593	19 618
Increase (+) /decrease (-) in amounts owed to credit institutions		-25 043	-58 471
Increase (+) /decrease (-) in deposits and borrowings from the public		11 707	112 568
Increase (+) /decrease (-) in debt securities in issue		22 722	-6 447
Increase (+) /decrease (-) in other liabilities		76 233	-5 580
Cash flow from operating activities		**-18 620**	**49 409**
Investing activities			
Acquisitions of and contributions to joint ventures		-135	-51
Dividends from associates and joint ventures		1 020	587
Acquisitions of other fixed assets and strategic financial assets		-363	-253
Disposals of/maturity of other fixed assets and strategic financial assets		169	345
Cash flow from investing activities		**691**	**628**
Financing activities			
Amortisation of lease liabilities	G3.2.8	-802	-751
Issuance of senior non-preferred liablities	G3.2.8	22 993	27 501
Redemption of senior non-preferred liablities	G3.2.8	-257	
Issuance of subordinated liabilities	G3.2.8	13 374	4 328
Redemption of subordinated liabilities	G3.2.8	-12 661	-617
Dividends paid		-12 632	-16 310
Cash flow from financing activities		**10 015**	**14 151**
Cash flow for the year		**-7 914**	**64 188**
Cash and cash equivalents at the beginning of the year		**360 153**	293 811
Cash flow for the year		-7 914	64 188
Exchange rate differences on cash and cash equivalents		13 753	2 154
Cash and cash equivalents at end of the year		**365 992**	**360 153**

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 2022 were approved by the Board of Directors and the CEO for publication on 22 February 2022. 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 30 March 2022.

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
Principal place of business	Sweden
Nature of operations and principal activities	Bank and Insurance
Name of parent entitiy	Swedbank AB (publ)
Name of ultimate parent of group	Swedbank AB (publ)
Website	www.swedbank.com

G2 Accounting policies

Contents

1	**Basis of accounting**	70
2	**Changes in accounting policies and changed presentation**	71
3	**Significant accounting policies**	71
3.1	Presentation of financial statements (IAS 1)	71
3.2	Consolidated financial statements (IFRS 3, IFRS 10)	71
3.3	Assets and liabilities in foreign currency (IAS 21)	71
3.4	Financial instruments (IAS 32, IFRS 9, IAS 39)	71
3.5	Leases (IFRS 16)	74
3.6	Associates and joint ventures (IAS 28, IFRS 11)	75
3.7	Intangible assets (IAS 38)	75
3.8	Tangible assets (IAS 2, IAS 16)	75
3.9	Provisions (IAS 37)	75
3.10	Pensions (IAS 19)	75
3.11	Insurance contracts (IFRS 4)	75
3.12	Net commission income (IFRS 15)	75
3.13	Other income	75
3.14	Share-based payment (IFRS 2)	76
3.15	Impairment (IAS 36)	76
3.16	Tax (IAS 12)	76
3.17	Cash and cash equivalents (IAS 7)	76
3.18	Operating segments (IFRS 8)	76
4	**Critical accounting judgments and estimates**	76
5	**New standards and interpretations**	78
5.1	Standards issued but not yet adopted	78
5.2	Significant accounting policies to be applied from 1 January 2023	79

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. Complete financial reports refer to:

- balance sheet as at the end of the period,
- statement of comprehensive income for the period,
- statement of changes in equity for the period,
- cash flow statement for the period, and
- notes, comprising a summary of significant accounting policies and other explanatory information.

The consolidated financial statements are also prepared according to the Swedish Financial 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 prepared using several measurement bases. Financial assets and liabilities are measured at amortised cost, except for certain financial assets and liabilities (including derivative instruments), which are measured at fair value. The carrying amounts of financial assets and liabilities subject to fair value hedge accounting are adjusted for changes in fair value attributable to the hedged risk. Non-monetary items are measured on a historical cost basis. Pension liabilities are measured at their present value.

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.

2 Changes in accounting policies and changed presentation

The following new accounting pronouncements and changes have been applied in the financial reports during 2022.

Changes in IFRS and Swedish regulations

Amended IFRS, IFRS-interpretations and Swedish regulations which have been adopted during 2022 did not have a significant impact on the Group's financial position, results, cash flows or disclosures.

Definition of default and credit-impaired assets

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. During Q3 2022, the Group implemented the new regulatory definition of default according to the EBA Guideline on the application of the definition of default under Article 178 of Regulation (EU) No 575/2013.

According to the new definition, default for sovereigns and financial institutions is no longer solely triggered based on manual decisions. Consequently, Swedbank now applies the 90 days past due criterion for these borrowers. This consequential amendment is implemented prospectively and had no impact on the Stage allocation of these borrowers.

New Swedish bank tax and changed presentation of resolution fees

A new Swedish bank tax (Risk tax on credit institutions) was introduced from 1 January 2022 and is presented on a new row in the income statement. From 2022 the Group also presents resolution fees on this row, which is named Swedish bank tax and resolution fees. Previously the resolution fees have been included in Interest expense within Net interest income. Comparative figures have been restated, see note G57.

3 Significant accounting policies

3.1 Presentation of financial statements (IAS 1)

Financial statements provide a structured representation of a company's financial position, financial results and cash flows, to provide information useful in connection with financial decisions. The financial statements also indicate the results of executive management's administration of the resources entrusted to them. Complete financial statements consist of a balance sheet, statement of comprehensive income, statement of changes in equity, cash flow statement and notes. Swedbank presents the statement of comprehensive income in the form of two statements. A separate income statement contains all revenue and expense items, provided that a special IFRS does not require or allow otherwise. Other revenue and expense items are recognised in other comprehensive income. The statement of comprehensive income contains the profit or loss recognised in the income statement as well as the components included in other comprehensive income.

3.2 Consolidated financial statements (IFRS 3, IFRS 10)

The consolidated financial statements comprise the parent company and those entities (including special purpose vehicles) 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, is exposed to variable returns and is able to use its power to affect those returns. These entities, subsidiaries, are included in the consolidated financial statements in accordance with the acquisition method from the day that control is obtained and are excluded from the day that control ceases.

According to the acquisition method, the acquired entity's identifiable assets, liabilities and contingent liabilities that satisfy the recognition criteria are recognised and measured at fair value upon acquisition. The surplus between the cost of the business combination, transferred consideration measured at fair value on the acquisition date (purchase price) and the fair value of the acquired share of identifiable assets, liabilities and reported contingent liabilities is recognised as goodwill. If the amount is less than the fair value of the acquired company's net assets, the difference is recognised directly in the income statement as bargain purchase within Other income. The transferred consideration includes the fair value of transferred assets, liabilities and shares which, in applicable cases, have been issued by the Group as well as the fair value of all assets or liabilities that are the result of an agreement on contingent consideration. Acquisition-related costs are recognised when they arise. For each acquisition, the Group determines whether all non-controlling interests in the acquired company should be recognised at fair value or at the non-controlling interest's proportionate share of the acquired subsidiary's net assets. 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.

Transactions with non-controlling owners are recognised as equity transactions with the Group's shareholders in their capacity as owners. In the case of acquisitions of interests from non-controlling owners, the difference between the price paid for the interests and the acquired share of the carrying amount of the subsidiary's net assets is recognised in Equity attributable to the shareholders of the parent company as retained earnings. The carrying amounts of holdings with and without control are adjusted to reflect the changes in their relative holdings.

Gains and losses on the sale of interests to non-controlling owners are recognised in equity. If, following a sale of its interests, the Group no longer has control, its remaining holding is re-measured at fair value and the change is recognised in its entirety in the income statement. This fair value subsequently serves as the cost of the remaining holding in the former subsidiary for reporting purposes. All amounts related to the divested entity that were previously recognised in other comprehensive income are recognised as if the Group directly divested the related assets or liabilities, due to which amounts previously recognised in other comprehensive income may be reclassified as profit or loss. If the interest in an associate is reduced but a significant influence is retained, the proportionate share of the amount previously recognised in other comprehensive income is reclassified to profit or loss.

3.3 Assets and liabilities in foreign currencies (IAS 21)

The consolidated financial statements are presented in SEK, which is also the parent company's functional currency and presentation currency. An entity's functional currency is the currency in which the entity primarily generates and expends cash. Each entity within the Group determines its own functional currency according to its primary economic environment. 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 foreign currency and non-monetary assets in 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 in the income statement within Net gains and losses on financial items as changes in exchange rates. 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. As a result, exchange rate differences attributable to hedges of net investments in foreign operations are also recognised in other comprehensive income, net of deferred tax. This is applied when the requirements for hedge accounting are met. Ineffectiveness in 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 recognised in the income statement.

3.4 Financial instruments (IAS 32, IFRS 9, IAS 39)

3.4.1 General

Financial instruments represent the largest part of the Group's balance sheet. A financial instrument is any contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity. Cash and contractual rights to receive cash are examples of financial assets, whereas a contractual obligation to deliver cash or another financial asset is an example of a financial liability. A derivative is a financial instrument that is distinguished by the fact that its value changes in response to the change in a specified variable, such as foreign exchange rates, interest rates or share prices, it requires little or no initial net investment and it is settled on a future date.

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 it is listed on the market, the instrument is classified on the balance sheet as securities. Financial liabilities where the creditor has a lower priority than others are classified on 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.

Recognition and derecognition

Financial assets and liabilities are recognised on the balance sheet on the trade date, which is the date when the Group becomes a party to the instrument's contractual provisions, with the exception of 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.

When a financial asset is modified, the Group assesses whether the modification results in derecognition. A financial asset is considered modified where the contractual terms governing the cash flows are amended versus the original agreement, for example due to forbearance measures being applied, changes in market conditions, customer retention reasons or other factors unrelated to the credit deterioration of a borrower. Modified financial assets are derecognised from the balance sheet and a new loan recognised where an agreement is cancelled and replaced with a new agreement on substantially different terms or where the terms of an existing agreement are substantially modified. Modifications due to financial difficulties, including forbearance measures, are not considered substantial on their own.

Financial liabilities are derecognised when the obligation in the agreement has been discharged, cancelled or expired.

Embedded derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract, with the effect such that some of the cash flows vary in a manner similar to a stand-alone derivative. Derivatives embedded in financial liabilities, financial assets not in scope of IFRS 9, such as lease receivables and insurance contracts, or non-financial items are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss. Financial assets in the scope of IFRS 9 are not assessed for the existence of embedded derivatives, but rather the entire contract, including any features which alter the contractual cash flows, is assessed for classification.

Repurchase transactions

A genuine 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 respective counterparty. The securities sold are also recognised as pledged assets. The proceeds paid for acquired securities, so-called reverse repos, are recognised on the balance sheet as a loan to the selling party.

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. In cases where borrowed securities are sold, the so-called short-selling, an amount corresponding to the fair value of the securities is recognised within Other liabilities on the balance sheet.

Offsetting

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

Net interest income

Interest income on financial assets and interest expense on financial liabilities include interest payments received or paid, change in accrued interest and amortisation of any difference between the initial amount and the maturity amount during the period, which produces a constant rate of return over the instrument's life, referred to as the effective interest rate. 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, taking into account transaction costs, premiums or discounts and fees paid or received that are an integral part of the return.

Interest income on financial assets is generally calculated by applying the effective interest rate to the gross carrying amount, with two exceptions. Where financial assets measured at amortised cost have become credit-impaired subsequent to initial recognition (Stage 3 financial assets), interest income is calculated by applying the effective interest rate to the amortised cost, which is the gross carrying amount less credit impairment provisions. If such financial assets are no longer credit-impaired, the calculation of interest income reverts back to the gross carrying amount basis. Where financial assets measured at amortised cost are credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost until the financial asset is derecognised from the balance sheet. The credit-adjusted effective interest rate is calculated based on the amortised cost of the financial asset rather than the gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

Interest expense is calculated by applying the effective interest rate to the amortised cost of financial liabilities.

Interest income and interest expense on financial instruments which are held for trading financial instruments and related interests within the LC&I operating segment are excluded from Net interest income and reported as Net gains and losses on financial items to better reflect the character of the business.
The Group holds some financial assets and liabilities with negative yield, which are presented in note G8.

3.4.2 Classification and measurement

Financial assets are classified as measured at either amortised cost or fair value through profit or loss, based on the business model for managing the asset and the asset's contractual terms. The Group does not have any financial assets classified as fair value through other comprehensive income (managed under a hold to collect and sell business model).

The business model reflects how the Group manages portfolios of financial assets in order to generate cash flows. The factors considered in determining the business model for a portfolio of financial assets include past experience on how the cash flows have been collected, how the financial assets' performance is evaluated and reported to management, how risks are assessed and managed and how compensation is linked to performance.

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, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement. Principal is defined as the fair value of a financial asset on initial recognition. Interest is defined as the compensation for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. 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.

Financial liabilities are classified as measured at either amortised cost or fair value through profit or loss.

Financial assets at amortised cost

Financial assets which are debt instruments are classified as measured at amortised cost if they are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows and if the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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. Accounting policies regarding credit impairment provisions are disclosed in section 3.4.3.

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. The mandatory classification includes:

- Debt 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 whose performance is evaluated on a fair value basis
- Debt instruments with contractual cash flows that are not solely payments of principal and interest
- Equity instruments
- Derivative assets that are not designated for hedge accounting

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 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 acquisition of financial assets at fair value through profit or loss are expensed in profit or loss. 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 based on observable market data, such as quoted prices in active markets for similar instruments or quoted prices for identical instruments in inactive markets. Differences that arise at initial recognition between the transaction price and the fair value according to a valuation model, so-called 'day 1 profits or losses', are recognised in the income statement only when the valuation model is based entirely on observable market data.

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.

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 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 which is applied to financial assets, however it does not include adjustments for credit impairment provisions.

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

The Group applies the option to irrevocably designate financial liabilities at fair value through profit or loss 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.

Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets unless the business model under which the financial assets are held changes, which is expected to be very exceptional. Financial liabilities are never reclassified.

3.4.3 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 financial 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.

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, taking into account scheduled repayments of principal and interest, and expected further drawdowns on irrevocable facilities. The LGD represents the expected loss on a defaulted exposure, taking into account 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 non-macroeconomic (borrower-specific) scenarios.

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 takes into account both qualitative and quantitative factors including but not limited to the overdue status or non-payment on other obligations of the same borrower, 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.

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. 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; for example, 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.

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 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.

Modifications

Where a loan is modified but is not derecognised, significant increases in credit risk continue to be assessed for impairment purposes as compared to the initial recognition credit risk. Modifications do not automatically lead to a decrease in credit risk and all quantitative and qualitative indicators will continue to be assessed. Further to this, a modification gain or loss is recognised in the income statement within Credit impairments, which represents the difference in the present value of the contractual cash flows, discounted at the original effective interest rate.

Where a loan is modified and derecognised, the date of the modification is the initial recognition date of the new loan for credit impairment purposes, including the assessment of significant increases in credit risk. Where the new loan is considered to be credit-impaired on initial recognition, it is classified as a purchased or originated credit impaired asset and therefore lifetime expected credit losses are calculated until the loan is repaid or written-off.

Purchased or originated credit impaired assets

Instruments which are credit impaired on initial recognition are accounted for as purchased or originated credit-impaired assets. The expected credit losses for such assets are always measured at an amount equal to the lifetime expected credit losses. However, the expected credit loss on initial recognition are considered as part of the gross carrying amount and therefore the recognised credit impairment provision represents only the changes in the lifetime expected credit losses from the initial recognition date. Favourable changes in the lifetime expected credit losses are recognised as an impairment gain, even if those changes are more than the amount previously recognised as credit impairments.

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 liability 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 impairments.

3.4.4 Hedge accounting (IFRS 9, IAS 39)

Fair value hedges

One-to-one hedges (IFRS 9):

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. Where hedge accounting is applied, the hedged risk in the individual hedged item is also measured at fair value. The value of the hedged risk in an individual financial asset or financial liability is recognised on the same line in the balance sheet as the financial instrument. Both the change in the value of the derivative hedging instruments and the change in the value of the hedged risk are recognised in the income statement within Net gains and losses on financial items.

In order to apply hedge accounting, the hedge relationship has been formally identified and documented. The hedge's effectiveness is proven to remain prospectively effective. 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.

Portfolio hedges (IAS 39):

Portfolio fair value hedge accounting is applied by the Group in certain cases where the interest rate exposure in loan portfolios is hedged with derivatives. Where hedge accounting is applied, the hedged risk in the hedged portfolio is also measured at fair value. The value of the hedged risk in the hedged portfolio is recognised on a separate line in the balance sheet as Value change of the hedged items in portfolio hedges of interest rate risk. The item is recognised in connection with Loans to the public. Both the change in the value of the derivative hedging instruments and the change in the value of the hedged risk are recognised in the income statement within Net gains and losses on financial items.

In order to apply hedge accounting, the hedge relationship has been formally identified and documented. The hedge's effectiveness must be measurable in a reliable way and must be proven to remain very effective, both prospectively and retrospectively, in offsetting changes in the fair value of the hedged risk.

Cash flow hedges (IFRS 9)
Derivative transactions are sometimes entered into to hedge the exposure to variations in future cash flows resulting from changes in exchange rates. These hedges can be recognised as cash flow hedges, whereby the effective portion of the change in the value of the derivative hedging instrument, is recognised directly in other comprehensive income. Where the derivative hedging instrument is a cross currency basis swap, the Group excludes the foreign currency basis spread from the hedging relationship. The changes in fair value of the cross currency basis swap are 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. Any ineffective portion is recognised in the income statement within Net gains and losses on financial items.

In order to apply hedge accounting, the hedge relationship has been formally identified and documented. The hedge's effectiveness is proven to remain prospectively effective. 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.

Hedging of net investments in foreign operations (IFRS 9)
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. Financial liabilities reported in the foreign operation's functional currency 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.

In order to apply hedge accounting, the hedge relationship has been formally designated and documented. The hedge's effectiveness is proven to remain prospectively effective.

3.5 Leases (IFRS 16)
Lessee
Where the Group act as a lessee, the standard requires that right-of-use assets and lease liabilities arising from most leases are recognised on the balance sheet. Right-of-use assets are presented within Tangible assets and lease liabilities within Other liabilities. Depreciation of the right-of-use assets and interest expenses related to lease liabilities are recognised in the income statement. In the cash flow statement payments for the principal portion of the lease liability are presented within financing activities and payments for the interest portion are presented within operating activities.

The 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 i.e. the same amount as the initial measurement of the lease liability plus certain other costs, for example lease payments made at or before commencement date. The right-of-use asset is thereafter depreciated over the lease term. Lease payments are discounted using the incremental borrowing rate. The Group applies the exemptions afforded by the standard regarding short-term leases and leases for which the underlying asset is of low value. Expenses related to these lease agreements are recognised as Other expenses. After the commencement date, the carrying amount of the lease liability is remeasured to reflect any reassessment or modification of a lease agreement. The remeasurement of the lease liability is adjusted against the right-of-use asset. Gains or losses relating to modifications resulting in a partial or full termination of the lease are recognised in the income statement.

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 leases where the lessor bears the economic risks and benefits.

The Group's leasing operations, as a lessor, consist of finance leases and are therefore recognised as loans and receivables. The carrying amount corresponds to the present value of future lease payments. The difference between all future lease payments, the gross receivable, and the present value of future lease payments constitutes unearned income. Consequently, lease payments received are recognised in part in the income statement as interest income and in part in the balance sheet as instalments, such that the financial income corresponds to an even return on the net investment.

3.6 Associates and joint ventures (IAS 28, IFRS 11)
Associates and joint ventures are entities where the Group has significant influence or joint control, but not sole control, of another entity and 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 subsequently adjusted for the owned share of the change in the entity's net assets. Goodwill attributable to the associate or the joint venture is included in the carrying amount of the participating interests and is not amortised. The carrying amount of the participating interests is subsequently compared with the recoverable amount of the net investment in the associate or the joint venture to determine whether an impairment need exists. The owned share of the associate's or the joint venture's profit according to the associate's or the joint venture's income statement, together with any impairment, is recognised on a separate line, Share of profit or loss of associates and joint ventures, including taxes related to associates. The associates' and joint venture's reporting dates and accounting policies conform to the Group's.

3.7 Intangible assets (IAS 38)
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. 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. Identified cash generating units correspond to the lowest level in the entity for which the goodwill is monitored in the internal control of the entity. A cash generating unit is not larger than a business 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.

Other intangible assets
Intangible assets are initially measured at cost and subsequently at cost less accumulated amortisation and accumulated impairment. The cost of intangible assets in a business combination corresponds to fair value upon acquisition. The useful life of an intangible asset is considered either finite or indefinite. Intangible assets with a finite useful life are amortised over their useful life and tested for impairment when impairment indication exist. Useful lives and amortisation methods are reassessed and when needed amended in connection with each closing date.

Development expenses are capitalised and recognised in the balance sheet when the Group controls the resulting asset, it is likely that future economic benefits attributable to the assets will accrue to the Group and the costs can be calculated in a reliable way. In other cases, development costs are expensed when they arise.

3.8 Tangible assets (IAS 2, IAS 16)
For protection of claims
Tangible assets acquired or recovered to protect claims are recognised as inventory. Inventories are measured at the lower of cost and net realisable value. The cost includes all expenses for purchasing, manufacturing and to otherwise bring the goods to their current location and condition. The net realisable value represents to the amount that is expected to be realised from a sale.

For own use
Tangible assets, such as equipment and owner-occupied properties, are initially recognised at cost and subsequently measured at cost less accumulated depreciation and impairments.

3.9 Provisions (IAS 37)
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.

Provisions are recognised for restructurings. Restructurings are extensive organisational changes which may require the payment of employee severance for early termination or branches to be shut down. For a provision to be recognised, a restructuring plan must be in place and announced, so that it has created a valid expectation among those affected that the company will implement a restructuring. A provision for restructuring includes only direct expenses related to the restructuring and not to future operations, such as of the cost of severance.

3.10 Pensions (IAS 19)
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 legal entities, and the risk of a change in value until the funds are paid out rests 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 his/her services. In defined benefit plans, the present value of pension obligations is calculated and recognised as a provision. 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. The income statement, staff costs, is 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 in other comprehensive income, where the difference between the actual return and estimated interest income on plan assets is recognised as well.

3.11 Insurance contracts (IFRS 4)
In the financial statements, insurance policies refer to policies where significant insurance risk is transferred from the insured to the insurer. The majority of the Group's insurance policies do not transfer significant insurance risk; therefore, they are recognised as financial instruments in the balance sheet line Financial liabilities where the customers bear the investment risk. For insurance policies with significant insurance risk, actuarial provisions are allocated corresponding to pledged obligations. In the income statement, revenues from premiums and expenses for provisions are reported as Net insurance.

3.12 Net commission income (IFRS 15)
Revenue from contracts with customers consists primarily 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 of time 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.

3.13 Other income
IT and other services mainly provided to the Saving banks are included in Other income and accounted for in accordance with IFRS 15, see 3.12 Net commission. 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.

In addition, Other income includes capital gains and losses on the sale of ownership interests in subsidiaries and associates, to the extent they do not represent an independent service line, or a significant business conducted within a geographical area. Other income also includes capital gains and losses on the sale of tangible assets.

3.14 Share-based payment (IFRS 2)
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 taken into account 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.

3.15 Impairment (IAS 36)
For assets that are not tested for impairment according to other standards, 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. Goodwill impairment is not reversed. Impairments are recognised separately in the income statement for tangible or intangible assets.

3.16 Tax (IAS 12)

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 estimated at nominal value using each country's tax rate in effect in subsequent years. Deferred tax assets are netted against deferred tax liabilities for Group entities that have offsetting rights. All current and deferred taxes are recognised in the income statement as Tax expense, with the exception of tax attributable to items that are recognised directly in other comprehensive income or equity.

3.17 Cash and cash equivalents (IAS 7)

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.

3.18 Operating segments (IFRS 8)

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

The accounting policies for an operating segment consist of the above accounting policies and policies that specifically refer to segment reporting. Market-based compensation is applied between operating segments, while all costs for IT, other shared services and Group staff are transferred at full cost-based transfer prices to the operating segments. Group Executive Management expenses are not distributed. Cross-border services are invoiced according to the OECD's guidelines on transfer pricing. The Group's equity attributable to the shareholders is allocated to each operating segment based on the capital adequacy rules and estimated utilised capital.

The return on equity for the operating segments is based on profit before tax less estimated tax and non-controlling interests in relation to average allocated equity.

4 Critical accounting judgements and estimates

The presentation of consolidated financial statements in conformity with IFRS requires the executive management to make judgements, assumptions and estimates that affect the recognised amounts for assets, liabilities and disclosures of contingent assets and liabilities as of the closing day as well as recognised income and expenses during the reporting period. The executive management continuously evaluates these judgements and estimates, including those that affect the fair value of financial instruments, provisions for impaired loans, impairment of intangible assets, deferred taxes, pension provisions and share-based payments. 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 judgements and estimates.

Investment funds

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, accrues to customers. Within the framework of the approved fund provisions, 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 fund's provisions 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 those 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. The Group's holdings in the investment funds represent an additional variable exposure in the investment funds. The Group's interests in total are seen as principal activity for the Group's own benefit where such interests exceed 35 per cent in an investment fund, or 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 therefore are excluded from the assessment of control over such investment funds. Holdings in investment funds through unit-linked mutual insurance contracts of SEK 228bn (254) are recognised as Financial assets for which the customer bears the investment risk and the corresponding liabilities of SEK 228bn (254) 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 126bn (111) respectively would have been recognised in the Group's balance sheet.

Financial instruments

When determining the fair values of financial instruments, the Group uses various methods depending on the degree of available observable market data and the level of activity in the market. Quoted prices on active markets are primarily used. When financial assets and financial liabilities in active markets have offsetting market risks, the average of bid and sell prices is used as a basis for determining the fair value of the offsetting risk positions. 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 instead uses valuation models. The Group's executive management determines when the 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 generally accepted 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. Note G47 shows financial instruments at fair value divided into three valuation levels: quoted prices, valuation models with observable market inputs and valuation models with significant assumptions. As of year-end the value of financial instruments measured with significant assumptions amounted to SEK 1 402m (1 291), related to holdings in unlisted shares, fund shares, loans and liabilities for which customers bear the investment risk.

A determination is made about which financial instruments hedge accounting will be applied to in order to reduce accounting volatility as far as possible. Accounting volatility lacks economic relevance and arises when financial instruments are measured with different measurement principles despite that they financially hedge each other.

Tax

For the Estonian Group entity, Swedbank AS, income taxation is triggered only if dividends are paid. The parent company determines the dividend payment and does not intend to distribute dividends from the subsidiary's accumulated earnings before 2017 and no deferred tax is reported for this part. Accumulated earnings before 2017 amounted to SEK 15 145m (13 963). The unrecognised deferred tax liability amounted to SEK 3 209m (2 793).

Provisions for credit impairments
Credit impairment provisions are estimated using quantitative models incorporate inputs, assumptions and methodologies that involve a high degree of management judgement. In particular, the following can have a significant impact on the level of 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 are found on page 86. Analysis of the sensitivity of credit impairment provisions in relation to significant increase in credit risk assumptions is found on page 85 and in relation to the forward-looking macroeconomic scenarios is found on page 84.

Significant credit-impaired exposures (which are those where the borrower's or limit group's total group credit limit is SEK 50m or more), are assessed on an individual basis 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, of which at least one 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 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. The credit impairment provisions recognised in the income statement in relation to individually assessed loans increased by SEK 191m (824).

Impairment testing of goodwill
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 flow or the capital adequacy ratio, since goodwill is a deduction in the calculation of the capital base.

The executive management's tests are done by calculating value in use. The calculation is based on estimated future cash flows from the cash generating unit that the goodwill relates to and has been allocated to as well as when the cash flows are received. The first three years' cash flows are determined on the basis of the financial plans the executive management has established. Subsequent determinations of the size of 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. In addition, a discount rate is determined that in addition to reflecting the time value of money also reflects the risk that the asset is associated with. Different discounting 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.

The Group's goodwill amounted to SEK 13 774m (13 501) at year-end, of which SEK 11 257m (10 378) relates to the investment in the Baltic banking operations. The executive management's assumptions in the calculation of value in use as of year-end did not lead to any impairment losses. If the discount rate had been increased by one percentage point or the growth assumption had been reduced by one percentage point, it would not have created any impairment losses for the investments in the Baltic banking operations.

Defined benefit pensions
For pension provisions for defined benefit obligations, the executive management uses a number of actuarial assumptions to estimate future cash flows. The assumptions are assessed and updated, if necessary, at each reporting date. Changes in assumptions are described in Note G40. Important estimates are made with regard to 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. When actual outcomes deviate from the assumptions made, an experience-based actuarial gain or loss arises. Actuarial gains or losses also arise when assumptions change.

During the year a gain of SEK 3 938m (1 686) was recognised in other comprehensive income, regarding remeasurements of defined benefit pension plans. At year end the discount rate, which are used in the calculation of the pension liability, was 4.25 per cent as per year end 2022 compared to 2.10 per cent last year end. The inflation assumption was 2.11 per cent compared with 2.30 per cent last year end. The changed assumptions represent SEK 8 631m (- 561) of the positive result in other comprehensive income. The fair value of plan assets was changed during the year by SEK - 3 892m (1 225). In total, the fair value of plan assets exceeded the obligation for funded defined benefit pension plans by SEK 2 431m (- 1 801).

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 outcome of the investigations is still not known, and it was not possible to reliably estimate potential fines.

5 New standards and interpretations

5.1 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 2023. 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. Swedbank has not applied the following in the 2022 annual report.

Insurance contracts (IFRS 17)
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 standard was approved by the EU in November 2021 for application to the financial year beginning on 1 January 2023, with transition date 1 January 2022. The impacted areas and the estimated impacts from the adoption of IFRS 17 are summarised below, including election of transition approach. The significant accounting policies that will be applied by the Group from 1 January 2023 are also disclosed in section 5.2.

The key differences between IFRS 17 and IFRS 4 relate to revenue recognition and liability valuation. Under IFRS 4, entities were free to derive their own interpretations of revenue recognition and calculation of reserves, while IFRS 17 introduces a measurement model with consistent definitions for cash flows within contract boundaries, discount rates, risk adjustment for non-financial risks and contractual service margin. Contractual service margin represents the unearned profit that the entity will recognise when the services relating to an insurance contract are provided in the future. Three measurement approaches exist: the general model without or with direct participation features and the premium allocation approach. Direct participation features refer to insurance contracts in which the policyholder has a participation feature in a clearly identified pool of underlying items and where the amount to be paid out to the policyholders is a substantial portion of the underlying items' changes in fair value. The premium allocation approach is a simplified measurement approach that can be applied to insurance contracts where the insurance coverage period is less than one year.

The Group will apply all three methods based on the type of insurance contracts. The Group's risk insurance will be reported according to the premium allocation approach, while traditional life insurance will be reported according to the general model, both with and without direct participation features.

IFRS 17 does not allow unbundling of traditional life insurance that is made 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 will be reported as an insurance provision. Consequently, as of 31 December 2022, SEK 23bn will be 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 22bn as of 31 December

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

The removal of the unbundling option in IFRS 4 means that the accounting judgment of whether an insurance contract transfers significant insurance risk or not will become more important. As of 31 December 2022, after the introduction of IFRS 17, the recognised amount for investment contracts amounted to SEK 269bn, which mainly consists of unit-linked contracts. Even if part of the carrying amount was were to be reclassified and presented as insurance provisions, it is the Group's judgement that there would not be a significant effect on the Group's financial position or results because of short contract boundaries. The contracts refer to long-term savings, but according to the accounting judgment these contracts have short contract boundaries as they in principle can be continuously price adjusted.

The profit or loss for insurance contracts will be reported in the income statement as Insurance result. In the notes the Insurance result will be divided to insurance revenue and insurance service expenses (insurance service result), insurance finance income or expenses and result of reinsurance contracts held. The income statement lines Insurance result and Return from financial assets backing insurance contracts with participating features are aggregated to Net insurance.

The definition in IFRS 17 of cash flows within 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 0.6bn will be reclassified to Net insurance. Net insurance, restated for 2022, and including remeasurement impact is expected to be SEK 1.1bn lower than previously reported.

As a result of IFRS 17 not allowing the unbundling made between investment contract and insurance contract according to IFRS 4, further minor reclassifications will be made between the income statement lines Net commission income, Net gains and losses on financial items and Net insurance.

The transition to IFRS 17 can be performed according to three different approaches: the full retrospective approach, the modified retrospective approach and the fair value approach. The Group will apply all approaches. In general, the full retrospective approach will be applied for risk insurance and reinsurance contracts. The fair value approach will mainly be applied to insurance contracts with direct participating features.

As of the transition date 1 January 2022, the Group's equity is expected to increase by SEK 0.5bn. As of 31 December 2022, the Group's equity is not expected to be affected , because the expected restated profit for 2022 is lower than previously reported. The Tier one capital ratio is not affected.

Other changes in IFRS and Swedish regulations

No other 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.

5.2 Significant accounting policies to be applied from 1 January 2023

Swedbank has elected to present the Group's significant accounting policies for the new standard IFRS 17 Insurance contracts that will be adopted on 1 January 2023. These significant accounting policies will only be applicable for the Group from that adoption date.

Insurance contracts (IFRS 17)

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 in accordance with IFRS 9.

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 expense when they incur.

In the Group's 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 because of provided services in the period, including released contractual service margin. Insurance service expenses represents 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.

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 Group Policy on Enterprise Risk Management (ERM Policy) describes the Enterprise Risk Management framework. This includes the Group's Risk Strategy and Risk Appetite, fundamental principles on risk management such as risk culture and risk awareness, as well as allocation of roles and responsibilities in the risk management process. The framework embeds risk management into existing practices and processes within the Group.

Risk management includes the processes which ensure that the Group identifies, assesses and measures where applicable, manages, monitors and reports on risk. The processes encompass all types of risk and result in an assessment of Swedbank's risk level, which in turn serves as the basis of the internal capital adequacy assessment process.

To ensure that Swedbank's risk exposure maintains a low level also in the long term perspective, the Board has defined an overall low risk appetite by adopting the Group's Risk Appetite Statement Policy. The Group´s risk appetite is implemented by the CEO through internal rules and a risk limit framework that consist of limits decided on CEO level, executive management level and, where applicable, lower management level and Subsidiaries. The risk limit framework also includes key risk indicators where required from a risk perspective. Limits and key risk indicators are tools for controlling and monitoring risk exposure, risk concentration and risk build-ups. 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 efficient use of capital and at the same time, even under adverse market conditions, ensure 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

Geopolitical tensions escalated in February 2022 when Russia invaded Ukraine. The global macroeconomic effects of the war in short time made a significant impact during the year and is summed up below regarding inflation and energy prices.

Due to the geopolitical situation, the number of IT attacks towards the financial industry have increased during 2022. Swedbank´s external threat level has been assessed as elevated, but the Bank´s capacity to manage these risks is satisfactory.

Global inflation trend

A worldwide rapid increase in inflation was seen during 2022, as many countries experienced their highest inflation rate in decades. The inflation's sharp increase has been caused by several factors, including the fiscal and monetary reactionaries during the pandemic, supply shortages, global freight problems, an increase in consumer demand, heat waves and droughts affecting food supplies, and high oil and food prices fuelled by the Russian invasion of Ukraine. When inflation started to rise late last year, a debate arose about whether the inflationary pressure was temporary or persistent.

After initially being cautious, the central banks have reacted swiftly later in the year with a series of sharp interest rate hikes.

European energy prices

The energy prices increased sharply during the year, not least in Europe, partly due to the war in Ukraine and the changed delivery patterns of gas to Europe that this has entailed. Comprehensive initiatives to secure energy deliveries from other sources was initiated but did not have any noticeable effect on prices during 2022

The development of credit risk

Following a gradual opening from the long-time of lockdowns, the year started with a strong global economic development. The market sentiment worsened quickly during spring due to the Russian invasion of Ukraine. The household's confidence indicators fell to low levels, and house prices in Sweden fell after a long period of strong growth, not least during the pandemic years. The picture is not without ambiguity – the unemployment is continuously low in the Bank's home markets and many companies still experience high demand and labour shortage. At the same time many companies are under pressure because of high energy prices, and in Sweden bankruptcies have increased during the latter part of the year, from low levels. The Bank´s credit portfolio remains still stable, and the credit quality is high. The actual default frequencies in Swedbank´s credit portfolio remains on historic low levels.

Climate change

The past year again brought extreme weather events, not least on the European continent including heat waves and drought. The set climate targets regarding global warming are assessed to be harder to reach in time.

At the same time corporates and the global financial system are taking action and setting ambitious and more detailed targets for reducing Green House Gas (GHG) emissions.

During the year Swedbank communicated GHG emission targets related to the lending portfolio. The ongoing transformation to climate neutral and sustainable societies will create new opportunities for the bank, but also new risks, and the risk management of the bank is currently being adapted to handle this.

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 the bank and our customers. IT and information security risks are therefore identified and addressed in all types of development, procurement and change management.

Measures taken to address the IT incident from April

In April, Swedbank experienced a serious IT incident in connection with a system update. The incident caused incorrect balances in customers' accounts and subsequent payment problems while also affecting the availability of the bank's services. Swedbank takes what occurred seriously and has implemented extensive actions to prevent similar events from happening again. In October, S-FSA informed that it is considering sanctions against Swedbank in connection with the incident.

In addition, Swedbank has several ongoing initiatives to further improve our operational resilience and secure a high level of availability for the customers.

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. Swedbank´s business model means that the Group is exposed to risks and potential predicate crimes in relation to Money Laundering and Terrorist Financing (ML/TF) schemes.

The Swedish and Estonian 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. In order 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: AML/CTF program culture project, governance initiative and compliance review. These programs are currently in an ongoing transformation phase but have however to a large extent mitigated the identified deficiencies and are now focusing on reaching the target state which is to be in the forefront in combatting financial crime. In addition, an external consultancy firm has been assigned to conduct a yearly maturity assessment of Swedbank's AML/CTF programs for three years.The first report of 2020 demonstrated the high pace of Swedbank remediation programs to remediate its historical deficiencies. The progress of the program was confirmed also in the second report issued during the fall 2021 and in the third report in 2022.

The Anti-Financial Crime Unit (AFC) has continued to concentrate the Group´s resources for technological and investigative resources and competences connected to the prevention of financial crime. Swedbank is also investing heavily in additional resources and infrastructure regarding know your customer (KYC), risk classification, transaction monitoring and screening of financial sanctions. Further, Swedbank has continued its work of updating its current AML/CTF framework to ensure robustness and consistency in the AML/CTF work across the Group. Through these frameworks, Swedbank expresses its risk appetite for money laundering.

Financial Sanctions risk
Extensive sanctions from multiple regimes, both financial and sectorial, have been imposed on the Russian Federation and Belarus following Russia`s invasion of Ukraine. This has impacted the Swedbank Group elevating the financial sanctions risk. A specific task force is activated, in combination with allocation of resources and properly governed decision-making processes, for prompt action and response.

Other Compliance Risks
Swedbank identified during 2021 elevated compliance risks in the customer protection area, and in the market surveillance area. The identified deficiencies in the customer protection area have been addressed in 2022. Work is ongoing to address the deficiencies identified in the market surveillance area.

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.

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	Description
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.
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)	The risk that arises from the inability to properly identify and manage ESG related events that, if they occur, could cause material negative financial impact and material negative impact on the Group's brand and reputation.
Other risk types (3.7)	Other risk types within Swedbank's risk taxonomy are Capital risk, Strategic risk and Compliance risk.

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.

Credit risk also includes concentration risk, country risk, counterparty credit risk in trading transactions and settlement risk.

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 risks related to these areas 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. 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 (including RAROC)
- 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.

In the PD models, the risk grades are expressed on a scale of 22 risk grades, where 0 represents the highest risk and 21 represents the lowest risk of default. In addition, there is one grade for defaulted loans. The table on the next page describes the risk scale and how it relates to the theoretical probability of default (PD) within twelve months, as well as to an indicative rating from Standard & Poor's.

Risk grade according to IRB methodology

Internal risk grade	PD, %	Indicative rating Standard & Poor's
18–21	<0.1	A- to AAA
13–17	0.1–0.5	BBB- to BBB+
9–12	>0.5–2.0	BB to BB+
6–8	>2.0–5.7	B+ to BB-
0–5	>5.7–99.9	C to B
Default	100	D

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 3.4.3 Credit impairments, 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. 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

			2022				2021			
			Impairment provision impact of				Impairment provision impact of			
Internal risk grade at initial recognition	12-month PD band at initial recognition, %	Threshold, rating downgrade[1, 2, 3]	Increase in threshold by 1 grade, %	Decrease in threshold by 1 grade, %	Recognised credit impairment provisions	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	–5.6	5.4	60	12	–6.4	14.9	43	15
13–17	0.1–0.5	3–7 grades	–5.7	7.4	277	12	–5.5	6.8	214	15
9–12	>0.5–2.0	1–5 grades	–12.9	13.4	216	5	–21.8	16.0	159	5
6–8	>2.0–5.7	1–3 grades	–6.1	5.1	100	2	–7.9	4.9	60	2
0–5	>5.7–99.9	1 grade	–1.2	0.0	72	1	–2.2	0.0	38	1
			–7.6	8.1	726	31	–11.2	9.5	514	38
		Sovereigns and financial institutions with low credit risk			3	1			1	9
		Stage 3 financial instruments			653	0			961	0
		Post model expert credit adjustment[4]			401				595	
Total[5]					**1 783**	**33**			**2 071**	**47**

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 analyses is floored to 1 grade.
4) Represents post-model expert credit adjustments for Stage 1 and Stage 2.
5) Of which provisions for off-balance exposures are SEK 217m (284).

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

		2022				2021			
		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	–14.3	24.1	86	20	–15.7	22.8	24	18
13–17	100–250	–2.3	10.0	706	22	–1.1	5.8	287	20
9–12	100–200	–1.5	8.0	873	11	–5.8	1.0	293	9
6–8	50–150	–2.0	6.8	285	3	–0.6	2.4	140	3
0–5	50	–1.2	1.3	166	1	0.1	0.7	94	1
		–2.3	8.6	2 116	58	–3.0	3.5	838	51
	Sovereigns and financial institutions with low credit risk	26	9			7	2		
	Stage 3 financial instruments	1 503	0			1 551	0		
	Post model expert credit adjustment[2]	1 335				1 199			
Total[3]		**4 981**	**67**			**3 595**	**53**		

1) Threshold vary within given ranges depending on the borrower's geography, segment and internal risk grade.
2) Represents post-model expert credit adjustments for Stage 1 and Stage 2.
3) Of which provisions for off-balance exposures are SEK 497m (360).

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

It has been a turbulent year. The war in Ukraine and the European energy crisis is affecting the world economy and GDP growth has been revised downwards. Compared to our expectations a year ago inflation has been much higher, while interest rates have increased much faster than in a very long time. Consumption has started to decline as households' purchasing power has fallen. In the housing market, activity has slowed down markedly. In Sweden, housing prices have decreased since the peak in the beginning of the year and in the Baltics, the house prices remained stable.

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

2022	Positive scenario				Baseline scenario				Negative scenario			
	2022[1]	2023	2024	2025	2022[1]	2023	2024	2025[2]	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, %[3]	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) The baseline scenario variables for 2025 are model-based extrapolations.

3) Unemployment rate, 16-64 years

2021	Positive scenario				Baseline scenario				Negative scenario			
	2021[1]	2022	2023	2024	2021[1]	2022	2023	2024[2]	2021[1]	2022	2023	2024
Sweden												
GDP, annual % change	4.7	4.3	2.3	1.7	4.7	3.4	2.2	2.0	4.7	−5.7	1.5	3.3
Unemployment, %[3]	8.9	7.4	6.9	6.8	8.9	7.6	7.2	7.0	8.9	9.4	10.6	9.5
House prices, annual % change	15.6	8.5	4.9	3.2	15.6	7.5	3.9	2.8	15.6	−2.1	−2.9	−0.8
Stibor 3m, %	−0.02	0.08	0.17	0.71	−0.02	0.08	0.13	0.58	−0.02	0.26	0.14	0.12
Estonia												
GDP, annual % change	8.3	5.6	3.4	3.0	8.3	4.0	3.2	3.0	8.3	−4.1	3.5	3.2
Unemployment, %	6.4	5.5	4.8	4.9	6.4	5.8	5.4	5.2	6.4	7.8	8.5	7.9
House prices, annual % change	10.1	9.0	6.0	5.3	10.1	8.0	5.0	5.0	10.1	−8.8	1.5	6.8
Latvia												
GDP, annual % change	4.7	5.8	3.5	2.9	4.7	4.6	3.5	3.0	4.7	−4.3	3.6	3.8
Unemployment, %	7.5	6.4	5.8	5.6	7.5	6.7	6.0	5.9	7.5	9.0	9.5	8.9
House prices, annual % change	6.0	9.7	6.3	5.0	6.0	8.1	6.0	5.5	6.0	−10.4	−0.4	7.6
Lithuania												
GDP, annual % change	5.0	4.3	3.4	2.8	5.0	3.3	3.3	2.9	5.0	−5.4	3.1	3.1
Unemployment, %	7.0	5.9	5.5	5.3	7.0	6.5	6.3	6.0	7.0	8.6	9.2	8.5
House prices, annual % change	9.4	5.4	5.8	5.7	9.4	4.7	4.9	5.0	9.4	−11.3	3.6	7.1
Global indicators												
US GDP, annual % change	5.5	4.9	3.1	1.4	5.5	4.1	3.2	1.9	5.5	−1.3	−1.0	1.8
EU GDP, annual % change	5.0	5.1	2.7	1.6	5.0	4.2	2.3	1.7	5.0	−2.0	0.3	2.8
Brent Crude Oil, USD/Barrel	71.5	79.0	75.8	73.0	71.5	77.5	72.6	69.6	71.5	44.4	32.8	43.0
Euribor 6m, %	−0.52	−0.46	−0.06	0.50	−0.52	−0.47	−0.45	−0.32	−0.52	−0.04	−0.43	−0.44

1) Forecasted 2021 values, as the actual offical numbers were not published when the scenarios were set.

2) The baseline scenario for 2021, 2022 and 2023 are based on the published Swedbank Economic Outlook. The baseline scenario variables for 2024 are model-based extrapolations.

3) 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.

	2022				2021			
			Credit impairment provisions				Credit impairment provisions	
Operating segments	Credit impairment provisions (probability weighted)	Of which: post-model expert credit adjustment	Negative scenario	Positive scenario	Credit impairment provisions (probability weighted)	Of which: post-model expert credit adjustment	Negative scenario	Positive scenario
Swedish Banking	2 451	450	2 654	2 286	1 558	447	1 632	1 530
Baltic Banking	1 400	363	1 692	1 254	895	389	982	819
LC&I	2 890	925	3 384	2 665	3 206	960	3 615	2 858
Group1	**6 764**	**1 738**	**7 753**	**6 228**	**5 666**	**1 796**	**6 235**	**5 212**

1) including operating segment Group Functions & Other

Post-model expert credit adjustment

High inflation, energy prices and rising interest rates combined with geopolitical instability 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 to increase the credit impairment provisions continue to be deemed necessary.

Credit impairment provisions in the form of post-model expert credit adjustments decreased by SEK 58bn and amounted to SEK 1 738m (1 796), and are allocated as SEK 935m in stage 1, SEK 802m 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 Shipping and offshore and Hotels and restaurant were reduced whilst Property management and Manufacturing were increased. The most significant post-model adjustments were in the Property management, Manufacturing, Retail and wholesale, Shipping and offshore, Construction and Transportation sectors.

Individual assessments on significant credit-impaired assets

The criteria for credit-impaired assets are disclosed in note G2 Accounting policies, paragraph 3.4.3 Credit impairments, under the heading 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 table below.

	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 Swedbank's credit risk exposure

Maximum credit risk exposure, 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.

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, banks1											
Repurchase agreements, other credit institutions1		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 Office1		6 952									6 952
Repurchase agreements, other public1		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
Unsecured2		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	5 286	1 071	270	565	894	8	164	3	184	8 445
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		**2 128 058**	**154 664**	**85 445**	**195 074**	**115 400**	**9 177**	**74 067**	**42 137**	**43 807**	**2 847 830**
% 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

2021

	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	0	0	0	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**	**0**	**9 610**	**23 226**
Collateral held1	1 363	19	7	9	1 102	413	80	0	5 899	8 892
Net credit risk exposures after collateral held	**4 767**	**0**	**14**	**21**	**3 553**	**1 597**	**671**	**0**	**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.

2021

	Note	Sweden	Estonia	Latvia	Lithuania	Norway	Denmark	Finland	USA	Other	Total
Assets											
Cash and balances with central banks		170 452	41 365	36 274	88 161	1 976	428	2 072	19 370	55	360 153
Treasury bills and other bills eligible for refinancing with central banks	G22	153 955	2 500	1 140	3 643	1 439				913	163 590
Governments		150 826	2 500	1 140	3 643	1 439				913	160 461
Municipalities		3 129									3 129
Loans to credit institutions	G23	32 168	1 024	3 132	1 300	33	44	6	34	1 763	39 504
Banks		9 474	1 024	3 132	1 300	33	44	6	34	389	15 436
Other credit institutions		21 311								1 374	22 685
Repurchase agreements, banks1		736									736
Repurchase agreements, other credit institutions1		647									647
Loans to the public	G24	1 426 068	92 980	37 886	68 352	55 410	1 653	16 814	2 273	1 770	1 703 206
Swedish National Debt Office		3									3
Repurchase agreements, Swedish National Debt Office1		3 021									3 021
Repurchase agreements, other public1		4 519				17 022					21 541
Real Estate Residential		1 059 492	41 307	16 994	40 253	1 616	1 357	917			1 161 936
Real Estate Commercial		177 680	18 952	7 129	9 981	8 232	163	75			222 212
Guarantees		28 903	2 857	492	1 523			3 204		1 753	38 732
Received cash		5 874	22	263	739						6 898
Other collateral		52 241	8 968	6 588	11 369	4 165	124	149			83 604
Unsecured2		94 335	20 874	6 420	4 487	24 375	9	12 469	2 273	17	165 259
Bonds and other interest-bearing securities	G25	37 226	45	42	190	7 519	1 812	3 998	2 697	4 564	58 093
Mortgage institutions		29 135									29 135
Banks		2 260	29			1 818	219	2 339	2 533	4 101	13 299
Other financial companies		3 942			12	4 768	1 578	116	18	60	10 494
Non-financial companies		1 889	16	42	178	933	15	1 543	146	403	5 165
Derivatives	G29	13 376	25	27	163	3 714	2 297	1 890		19 039	40 531
Other financial assets	G33	5 587	562	394	488	1 464	17	529		125	9 166
Contingent liabilities and commitments											
Guarantees		38 045	2 927	759	1 214	5 210	174	247	5 045	48	53 669
Commitments		202 889	9 269	4 952	8 367	25 428		17 779		300	268 984
Total		**2 079 766**	**150 697**	**84 606**	**171 878**	**102 193**	**6 425**	**43 335**	**29 419**	**28 577**	**2 696 896**
% of total		77	6	3	6	4	0	2	1	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

2021

	Sweden	Estonia	Latvia	Lithuania	Norway	Denmark	Finland	USA	Other	Total
Positive fair value of contracts, balance sheet	13 376	25	27	163	3 714	2 297	1 890		19 039	40 531
Netting agreements, related amount not offset in the balance sheet	2 793				856	1 142	962		9 579	15 332
Credit risk exposure, after offset of netting agreements	**10 584**	**25**	**27**	**163**	**2 858**	**1 155**	**928**		**9 460**	**25 199**
Collateral held1	5 669				752	1 155	463		7 378	15 416
Net credit risk exposures after collateral held	**4 915**	**25**	**27**	**163**	**2 107**		**465**		**2 082**	**9 783**

1) Collateral consist of cash 89.8 per cent and AAA rated bonds by Standard & Poor's 10.2 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 3 069m.

Loans to the public in Stage 3 by collateral type

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.

2021

	Sweden	Estonia	Latvia	Lithuania	Norway	Denmark	Finland	USA	Other	Total
Real Estate Residential	592	73	91	277						1 033
Real Estate Commercial	223	220	19	25			73			560
Guarantees	77	9	1	1						88
Received cash	3		2	6						11
Other collateral	180	33	195	16	731	2				1 157
Unsecured[1]	299	31	28	18	709		1			1 086
Total	**1 374**	**366**	**336**	**343**	**1 440**	**2**	**74**			**3 935**

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

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 1 806m (2 543). None of this collateral had been sold or repledged as of year end.

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 IFRS 9 impairment requirements

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[1]	Total	Stage 1	Stage 2	Stage 3[1]	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		40 047	509	0	40 556	2 485	2 055		4 540
Total		**2 237 421**	**138 596**	**5 746**	**2 381 763**	**286 621**	**23 956**	**131**	**310 708**

1) including purchased or originated credit impaired

2021

		Financial assets at amortised cost, gross carrying amount				Loan commitments and guarantees, nominal amount			
Internal risk grade	PD, %	Stage 1	Stage 2	Stage 3[1]	Total	Stage 1	Stage 2	Stage 3[1]	Total
18–21	<0.1	1 295 574	959	10	1 296 543	87 024	119	1	87 144
13–17	0.1–0.5	562 681	13 558	27	576 266	165 635	404	0	166 039
9–12	>0.5–2.0	192 853	41 070	58	233 981	31 319	8 884	4	40 207
6–8	>2.0–5.7	34 466	26 764	60	61 290	5 423	2 514	0	7 937
0–5	>5.7–99.9	5 279	15 753	255	21 287	1 034	1 569	14	2 617
Default	100			5 953	5 953			201	201
Non–rated exposures		23 502	598	11	24 111	15 863	2 644	1	18 508
Total		**2 114 355**	**98 702**	**6 374**	**2 219 431**	**306 298**	**16 134**	**221**	**322 653**

1) including purchased or originated credit impaired

Financial assets at amortised cost

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			0	28 760	12	28 773
Default				5 672	3	5 675
Non–rated exposures			24 712	7 445	8 400	40 556
Total	**365 992**	**132 741**	**56 600**	**1 817 985**	**8 445**	**2 381 763**

2021

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	360 153	128 523	12 557	795 291	19	1 296 543
13–17			17 651	558 603	12	576 266
9–12			558	233 411	12	233 981
6–8			152	61 126	12	61 290
0–5			1	21 278	8	21 287
Default				5 951	2	5 953
Non–rated exposures			7 210	7 800	9 101	24 111
Total	**360 153**	**128 523**	**38 129**	**1 683 460**	**9 166**	**2 219 431**

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.

2022

	Stage 1			Stage 2			Stage 3[1]			
	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	1 188 382	412	1 187 970	86 087	1 084	85 003	2 351	754	1 597	1 274 570
Baltic Banking	204 942	304	204 639	31 345	692	30 653	1 379	351	1 027	236 319
Large Corporates & Institutions	265 983	782	265 201	21 016	628	20 388	2 009	1 016	992	286 581
Group Functions & Other	881		881							881
Total	**1 660 189**	**1 498**	**1 658 691**	**138 449**	**2 404**	**136 044**	**5 738**	**2 121**	**3 617**	**1 798 352**
Geographical distribution										
Sweden	1 384 283	930	1 383 353	104 196	1 459	102 737	2 364	767	1 598	1 487 688
Estonia	93 313	97	93 216	13 240	297	12 943	774	205	568	106 727
Latvia	37 660	105	37 555	6 607	117	6 491	184	45	139	44 185
Lithuania	73 969	101	73 867	11 498	278	11 219	421	101	320	85 407
Norway	45 568	170	45 399	2 279	119	2 160	1 881	890	991	48 550
Denmark	246		246				3	2	1	247
Finland	21 003	65	20 938	628	135	494				21 432
USA	2 382		2 382				111	111		2 382
Other	1 764	30	1 734							1 734
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**

1) Including purchased or originated credit impaired

2021

	Stage 1			Stage 2			Stage 3[1]			
	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	1 194 296	194	1 194 102	56 605	710	55 895	1 888	513	1 375	1 251 372
Baltic Banking	174 582	108	174 474	24 181	482	23 699	1 315	270	1 045	199 218
Large Corporates & Institutions	207 507	496	207 011	17 820	597	17 223	3 159	1 644	1 515	225 749
Group Functions & Other	272		272							272
Total	**1 576 657**	**798**	**1 575 859**	**98 606**	**1 789**	**96 817**	**6 362**	**2 427**	**3 935**	**1 676 611**
Geographical distribution										
Sweden	1 349 151	418	1 348 733	67 349	962	66 387	1 895	520	1 375	1 416 495
Estonia	83 858	35	83 823	9 021	230	8 791	490	124	366	92 980
Latvia	31 513	36	31 477	6 208	136	6 072	383	46	337	37 886
Lithuania	59 212	38	59 174	8 952	116	8 836	442	100	342	68 352
Norway	32 092	224	31 868	5 370	290	5 080	2 966	1 526	1 440	38 388
Denmark	1 652		1 652				3	2	1	1 653
Finland	15 107	18	15 089	1 706	55	1 651	86	12	74	16 814
USA	2 273		2 273				97	97		2 273
Other	1 799	29	1 770							1 770
Loans to Customers	**1 576 657**	**798**	**1 575 859**	**98 606**	**1 789**	**96 817**	**6 362**	**2 427**	**3 935**	**1 676 611**

1) Including purchased or originated credit impaired

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.

2022

	Stage 1			Stage 2			Stage 3[1]			
	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				56 573
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**	**1 868 535**
Share of loans, %	92.30			7.39			0.31			100
Credit impairment provision ratio, %	0.09			1.73			36.96			0.32

1) Including purchased or originated credit impaired

2021

	Stage 1			Stage 2			Stage 3[1]			
	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	1 090 376	98	1 090 278	42 148	259	41 889	1 844	480	1 364	1 133 531
Private mortgage	954 265	31	954 234	35 629	140	35 489	1 254	220	1 034	990 757
Tenant owner associations	90 670	2	90 668	1 015	3	1 012				91 680
Private other	45 441	65	45 376	5 504	116	5 388	590	260	330	51 094
Corporate customers	486 281	700	485 581	56 458	1 530	54 928	4 518	1 947	2 571	543 080
Agriculture, forestry, fishing	56 741	7	56 734	6 646	50	6 596	195	27	168	63 498
Manufacturing	33 379	108	33 271	3 715	181	3 534	161	82	79	36 884
Public sector and utilities	28 922	10	28 912	2 398	29	2 369	15	2	13	31 294
Construction	17 143	14	17 129	2 753	51	2 702	180	35	145	19 976
Retail and wholesale	26 470	76	26 394	3 527	178	3 349	134	40	94	29 837
Transportation	11 187	8	11 179	2 079	36	2 043	29	7	22	13 244
Shipping and offshore	7 983	264	7 719	2 353	364	1 989	2 966	1 526	1 440	11 148
Hotels and restaurants	3 480	66	3 414	3 801	309	3 492	390	53	337	7 243
Information and communication	14 576	14	14 562	1 199	11	1 188	2		2	15 752
Finance and insurance	18 021	8	18 013	569	3	566	14	3	11	18 590
Property management, including	239 228	105	239 123	21 827	213	21 614	267	125	142	260 879
Residential properties	76 842	27	76 815	6 884	65	6 819	64	12	52	83 686
Commercial	98 300	49	98 251	9 355	80	9 275	166	108	58	107 584
Industrial and Warehouse	40 619	13	40 606	2 950	14	2 936	23	2	21	43 563
Other	23 467	16	23 451	2 638	54	2 584	14	3	11	26 046
Professional services	17 053	8	17 045	2 514	42	2 472	86	25	61	19 578
Other corporate lending	12 098	12	12 086	3 077	63	3 014	79	22	57	15 157
Loans to customers	**1 576 657**	**798**	**1 575 859**	**98 606**	**1 789**	**96 817**	**6 362**	**2 427**	**3 935**	**1 676 611**
Cash collaterals posted	1 832		1 832							1 832
Loans to Swedish National Debt Office	3		3							3
Loans to credit institutions	38 102	8	38 094	27		27				38 121
Loans to the public and credit institutions at amortised cost	**1 616 594**	**806**	**1 615 788**	**98 633**	**1 789**	**96 844**	**6 362**	**2 427**	**3 935**	**1 716 567**
Share of loans, %	93.90			5.73			0.37			100
Credit impairment provision ratio, %	0.05			1.81			38.15			0.29

1) Including purchased or originated credit impaired

Concentration risk, customer exposure

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

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. Stage transfers are reflected as taking place at the end of the year.

Loans to credit institutions	2022				2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Carrying amount before provisions								
Opening balance	**38 102**	**27**		**38 129**	**46 367**	**33**		**46 400**
Closing balance	**56 453**	**147**		**56 600**	**38 102**	**27**		**38 129**
Credit impairment provisions								
Opening balance	**8**			**8**	**28**			**28**
Movements affecting credit impairments								
New and derecognosed financial assets, net	14	–1		13	2			2
Changes in risk factors (EAD, PD, LGD)	–14	0		–13	–19			–19
Changes in macroeconomic scenarios	18	0		19	–2			–2
Changes to models	0			0				
Post-model expert credit adjustments	2	0		2	–2			–2
Stage transfers	–1	1						
Remeasurement of provisions due to stage transfers								
Total movements affecting credit impairments	**20**	**0**		**20**	**–21**			**–21**
Movements recognised outside credit impairments								
Change in exchange rates	–2	0		–2	1			1
Closing balance	**26**	**0**		**26**	**8**			**8**
Carrying amount								
Opening balance	**38 094**	**27**		**38 121**	**46 339**	**33**		**46 372**
Closing balance	**56 427**	**146**		**56 574**	**38 094**	**27**		**38 121**

Loans to the public	2022				2021			
	Stage 1	Stage 2	Stage 3[1]	Total	Stage 1	Stage 2	Stage 3[1]	Total
Carrying amount before provisions								
Opening balance	**1 578 492**	**98 606**	**6 362**	**1 683 460**	**1 530 290**	**108 260**	**10 530**	**1 649 080**
Closing balance	**1 673 798**	**138 449**	**5 738**	**1 817 985**	**1 578 492**	**98 606**	**6 362**	**1 683 460**
Credit impairment provisions								
Opening balance	**798**	**1 789**	**2 427**	**5 014**	**827**	**2 316**	**4 998**	**8 141**
Movements affecting credit impairments								
New financial assets	407	54	26	487	149	96	46	291
Derecognised financial assets	–147	–180	–508	–835	–90	–371	–217	–678
Write-offs			–653	–653		–121	–3 683	–3 804
Changes in risk factors (EAD, PD, LGD)	18	–188	107	–64	37	–266	5	–224
Changes in macroeconomic scenarios	369	488	21	878	–108	–157	–1	–266
Changes to models	38	58	0	97				
Post-model expert credit adjustments	161	–269	3	–105	88	78	–12	154
Individual assessments			191	191			826	826
Stage transfers	–219	561	350	692	–127	145	232	250
from 1 to 2	–285	980		694	–138	316		178
from 1 to 3	–3		76	74	–1		62	61
from 2 to 1	67	–321		–254	12	–90		–78
from 2 to 3		–140	490	350		–89	228	139
from 3 to 2		43	–182	–139		8	–48	–40
from 3 to 1	2		–35	–33	0		–10	–10
Other			–82	–82	1	0	–82	–81
Total movements affecting credit impairments	**627**	**523**	**–544**	**607**	**–50**	**–596**	**–2 886**	**–3 532**
Movements recognised outside credit impairments								
Interest			82	82			82	82
Change in exchange rates	73	92	158	322	21	69	233	323
Closing balance	**1 498**	**2 404**	**2 121**	**6 023**	**798**	**1 789**	**2 427**	**5 014**
Carrying amount								
Opening balance	**1 577 694**	**96 817**	**3 935**	**1 678 446**	**1 529 463**	**105 944**	**5 532**	**1 640 939**
Closing balance	**1 672 300**	**136 045**	**3 617**	**1 811 962**	**1 577 694**	**96 817**	**3 935**	**1 678 446**

1) Including purchased or originated credit impaired

Loans to the public, private customers	2022				2021			
	Stage 1	Stage 2	Stage 3[1]	Total	Stage 1	Stage 2	Stage 3[1]	Total
Carrying amount before provisions								
Opening balance	**1 090 376**	**42 148**	**1 844**	**1 134 368**	**1 036 489**	**42 251**	**2 152**	**1 080 892**
Closing balance	**1 107 994**	**68 617**	**2 043**	**1 178 655**	**1 090 376**	**42 148**	**1 844**	**1 134 368**
Credit impairment provisions								
Opening balance	**98**	**259**	**480**	**837**	**118**	**291**	**505**	**914**
New financial assets	80	7	17	104	32	25	22	79
Derecognised financial assets	−14	−41	−94	−150	−11	−31	−56	−98
Write-offs			−58	−58			−71	−71
Changes in risk factors (EAD, PD, LGD)	27	−59	115	82	20	−67	5	−42
Changes in macroeconomic scenarios	71	159	16	246	−6	−7	−1	−14
Changes to models	−8	0	0	−8				
Post-model expert credit adjustments	−11	−14	3	−22	−22	−17	−12	−51
Individual assessments			0	0			2	2
Stage transfers	51	−12	−39		−16	29	−13	
Remeasurement of provisions due to stage transfers	−128	236	228	336	−18	33	96	111
Change in exchange rates and other	2	12	8	22	1	3	3	7
Closing balance	**168**	**546**	**676**	**1 390**	**98**	**259**	**480**	**837**
Carrying amount								
Opening balance	**1 090 278**	**41 889**	**1 364**	**1 133 531**	**1 036 371**	**41 960**	**1 647**	**1 079 978**
Closing balance	**1 107 827**	**68 071**	**1 367**	**1 177 266**	**1 090 278**	**41 889**	**1 364**	**1 133 531**

1) Including purchased or originated credit impaired

Loans to the public, corporate customers	2022				2021			
	Stage 1	Stage 2	Stage 3[1]	Total	Stage 1	Stage 2	Stage 3[1]	Total
Carrying amount before provisions								
Opening balance	**488 116**	**56 458**	**4 518**	**549 092**	**493 801**	**66 009**	**8 378**	**568 188**
Closing balance	**565 803**	**69 831**	**3 695**	**639 329**	**488 116**	**56 458**	**4 518**	**549 092**
Credit impairment provisions								
Opening balance	**700**	**1 530**	**1 947**	**4 177**	**709**	**2 025**	**4 493**	**7 227**
New financial assets	327	46	10	383	117	71	24	212
Derecognised financial assets	−132	−139	−414	−685	−79	−340	−161	−580
Write-offs			−595	−595		−121	−3 612	−3 733
Changes in risk factors (EAD, PD, LGD)	−9	−129	−8	−146	17	−199	0	−182
Changes in macroeconomic scenarios	297	329	5	631	−102	−150	0	−252
Changes to models	47	58	0	104				
Post-model expert credit adjustments	172	−254	−1	−83	110	95	0	205
Individual assessments			191	191			824	824
Stage transfers	17	48	−65		−22	−23	45	
Remeasurement of provisions due to stage transfers	−159	289	226	356	−71	106	104	139
Change in exchange rates and other	71	79	150	300	21	66	230	317
Closing balance	**1 330**	**1 858**	**1 445**	**4 634**	**700**	**1 530**	**1 947**	**4 177**
Carrying amount								
Opening balance	**487 416**	**54 928**	**2 571**	**544 915**	**493 092**	**63 984**	**3 885**	**560 961**
Closing balance	**564 473**	**67 973**	**2 250**	**634 696**	**487 416**	**54 928**	**2 571**	**544 915**

1) Including purchased or originated credit impaired

Loan commitments and financial guarantees	2022				2021			
	Stage 1	Stage 2	Stage 3[1]	Total	Stage 1	Stage 2	Stage 3[1]	Total
Nominal amount								
Opening balance	**306 298**	**16 134**	**221**	**322 653**	**358 988**	**17 341**	**542**	**376 871**
Closing balance	**286 621**	**23 956**	**131**	**310 708**	**306 298**	**16 134**	**221**	**322 653**
Credit impairment provisions								
Opening balance	**286**	**273**	**85**	**644**	**249**	**396**	**161**	**806**
Movements affecting credit impairments								
New and derecognosed financial assets, net	59	−8	−25	26	−1	−21	−91	−113
Changes in risk factors (EAD, PD, LGD)	−39	−54	14	−80	−20	−57	6	−71
Changes in macroeconomic scenarios	92	55	0	147	−36	−45	0	−81
Changes to models	12	7	−15	4				
Post-model expert credit adjustments	−19	−54	0	−73	86	−17	0	69
Individual assessments							−3	−3
Stage transfers	−27	66	−37	3	−3	1	0	−2
from 1 to 2	−49	140		91	−5	15		10
from 1 to 3	−1		10	9	0		1	1
from 2 to 1	23	−74		−51	3	−14		−11
from 2 to 3		−2	8	6		0	2	2
from 3 to 2		2	−54	−52		0	−3	−3
from 3 to 1	0		−1	−1	−1		0	−1
Other	0	0	0	0	0	0	0	0
Total movements affecting credit impairments	**78**	**13**	**−63**	**28**	**26**	**−139**	**−88**	**−201**
Movements recognised outside credit impairments								
Interest								
Change in exchange rates	21	9	12	42	11	16	12	39
Closing balance	**384**	**295**	**34**	**714**	**286**	**273**	**85**	**644**

1) Including purchased or originated credit impaired

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. Stage transfers are reflected as taking place at the end of the year. Credit impairment provisions of SEK 12m (1) relating to Group functions and others are not presented in the tables below.

Swedish Banking

Loans to the public and credit institutions	2022				2021			
	Stage 1	Stage 2	Stage 3[1]	Total	Stage 1	Stage 2	Stage 3[1]	Total
Carrying amount before provisions								
Opening balance	**1 194 612**	**56 605**	**1 888**	**1 253 105**	**1 147 308**	**63 618**	**2 208**	**1 213 134**
Closing balance	**1 188 746**	**86 087**	**2 351**	**1 277 185**	**1 194 612**	**56 605**	**1 888**	**1 253 105**
Credit impairment provisions								
Opening balance	**194**	**710**	**513**	**1 417**	**214**	**846**	**555**	**1 615**
New financial assets	105	26	10	141	38	41	26	105
Derecognised financial assets	−38	−94	−109	−241	−15	−84	−71	−170
Write-offs			−80	−80			−96	−96
Changes in risk factors (EAD, PD, LGD)	68	−103	117	82	5	−118	2	−111
Changes in macroeconomic scenarios	120	275	11	406	−27	−61	0	−88
Changes to models	−4	2	1	−2				
Post-model expert credit adjustments	87	−86	3	4	17	−10	0	7
Individual assessments			0	0			2	2
Stage transfers	47	35	−82		31	−7	−24	
Remeasurement of provisions due to stage transfers	−170	336	368	534	−62	105	118	161
Change in exchange rates and other	2	−16	1	−12	−7	−2	1	−8
Closing balance	**413**	**1 084**	**753**	**2 250**	**194**	**710**	**513**	**1 417**
Carrying amount								
Opening balance	**1 194 418**	**55 895**	**1 375**	**1 251 688**	**1 147 094**	**62 772**	**1 653**	**1 211 519**
Closing balance	**1 188 333**	**85 003**	**1 598**	**1 274 935**	**1 194 418**	**55 895**	**1 375**	**1 251 688**

1) Including purchased or originated credit impaired

Baltic Banking

Loans to the public and credit institutions	2022				2021			
	Stage 1	Stage 2	Stage 3[1]	Total	Stage 1	Stage 2	Stage 3[1]	Total
Carrying amount before provisions								
Opening balance	**174 582**	**24 181**	**1 315**	**200 078**	**157 249**	**23 951**	**1 580**	**182 780**
Closing balance	**205 033**	**31 345**	**1 379**	**237 757**	**174 582**	**24 181**	**1 315**	**200 078**
Credit impairment provisions								
Opening balance	**108**	**482**	**270**	**860**	**83**	**335**	**318**	**736**
New financial assets	71	13	17	100	50	23	20	93
Derecognised financial assets	−6	−21	−51	−79	−5	−36	−62	−103
Write-offs			−17	−17			−63	−63
Changes in risk factors (EAD, PD, LGD)	2	31	−15	18	45	−30	−12	3
Changes in macroeconomic scenarios	37	108	10	156	−5	−9	−1	−15
Changes to models	16	68		84				
Post-model expert credit adjustments	120	−176		−55	24	114	−12	126
Individual assessments			50	50			−2	−2
Stage transfers	−2	24	−22		−75	68	7	
Remeasurement of provisions due to stage transfers	−57	121	85	149	−11	11	71	71
Change in exchange rates and other	16	43	24	83	2	6	6	14
Closing balance	**305**	**693**	**351**	**1 349**	**108**	**482**	**270**	**860**
Carrying amount								
Opening balance	**174 474**	**23 699**	**1 045**	**199 218**	**157 166**	**23 616**	**1 262**	**182 044**
Closing balance	**204 728**	**30 652**	**1 028**	**236 408**	**174 474**	**23 699**	**1 045**	**199 218**

1) Including purchased or originated credit impaired

Large Corporates and Institutions

Loans to the public and credit institutions	2022				2021			
	Stage 1	Stage 2	Stage 3[1]	Total	Stage 1	Stage 2	Stage 3[1]	Total
Carrying amount before provisions								
Opening balance	**228 989**	**17 832**	**3 159**	**249 980**	**228 389**	**20 724**	**6 742**	**255 855**
Closing balance	**306 229**	**21 026**	**2 009**	**329 264**	**228 989**	**17 832**	**3 159**	**249 980**
Credit impairment provisions								
Opening balance	**498**	**597**	**1 644**	**2 739**	**546**	**1 135**	**4 125**	**5 806**
New financial assets	238	15	0	253	67	32		99
Derecognised financial assets	−105	−66	−351	−522	−74	−251	−84	−409
Write-offs			−556	−556		−121	−3 524	−3 645
Changes in risk factors (EAD, PD, LGD)	−57	−116	6	−166	−26	−118	15	−129
Changes in macroeconomic scenarios	215	105		320	−78	−87		−165
Changes to models	27	−12	0	15				
Post-model expert credit adjustments	−46	−7		−53	45	−26		19
Individual assessments			139	139			826	826
Stage transfers	22	−22	0		5	−54	49	
Remeasurement of provisions due to stage transfers	−60	68	1	9	−15	22	11	18
Change in exchange rates and other	53	65	135	252	28	65	226	319
Closing balance	**785**	**627**	**1 018**	**2 431**	**498**	**597**	**1 644**	**2 739**
Carrying amount								
Opening balance	**228 491**	**17 235**	**1 515**	**247 241**	**227 843**	**19 589**	**2 617**	**250 049**
Closing balance	**305 443**	**20 399**	**991**	**326 833**	**228 491**	**17 235**	**1 515**	**247 241**

1) Including purchased or originated credit impaired

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.

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, is SEK 163m (198).

Gross carrying amount of forbone loans

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**

2021

	Sweden	Estonia	Latvia	Lithuania	Norway	Other	Total
Performing	1 427	2 318	1 193	551	336	349	6 174
Non-performing	456	462	214	285	2 874	183	4 474
Total	**1 883**	**2 780**	**1 407**	**836**	**3 210**	**532**	**10 648**

3.1.7 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.

	2022				2021			
	Number	Carrying amount, overtaken during 2022	Carrying amount	Fair value	Number	Carrying amount, overtaken during 2021	Carrying amount	Fair value
Buildings and land	5		16	17	15	1	24	28
Shares and other participating interests					1	20	20	20
Other	24	2	29	30	18	1	28	30
Total	**29**	**2**	**45**	**47**	**34**	**22**	**72**	**78**

3.1.8 Capital requirement for credit risks

The capital requirement for credit risks in Swedbank (consolidated situation) at year end 2022 amounted to SEK 37 040 m (27 111). 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, and 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.

Swedbank is the leading savings bank in its home markets. 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]	2022	2021
Level 1 assets	**554 631**	**541 428**
Cash and balances with central banks[2]	369 529	354 991
Securities issued or guaranteed by sovereigns, central banks, MDBs and international organisations	148 195	148 839
Securities issued by municipalites and PSEs	2 076	5 581
Extremely high quality covered bonds	34 831	32 017
Level 2 assets	**6 598**	**4 724**
Level 2A assets	**6 323**	**4 126**
High quality covered bonds	6 321	4 123
Corporate debt securities (lowest rating AA-)	2	3
Level 2B assets	**275**	**598**
Corporate debt securities (rated A+ to BBB-)	140	598
Shares (major stock index)	135	
Total	**561 229**	**546 152**

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 265 076m (268 984) may be drawn at any time by the customer. Issued guarantees and other contingent liabilities of SEK 45 632m (53 668) may lead to future cash outflows if certain events occur. The expected cash outflows, amounting to SEK 714m (644), 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 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	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 items 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	7 355	85 927	3 686	25 690	44 901	123 119		290 678
Shares and participating interests							16 014	16 014
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		10 521	1 665	304	380	1 671		14 541
Total	**378 796**	**418 238**	**415 182**	**1 254 707**	**519 739**	**1 164 467**	**–1 296 253**	**2 854 876**
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	3 434	84 203	4 080	27 039	46 961	126 276		291 993
Derivatives		61 285	217 747	747 086	304 326	47 356	–1 309 121	68 679
Other liabilities		54 548	3 146	6 145	1 984	739	–200	66 362
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							176 092	176 092
Total	**1 238 889**	**453 124**	**547 509**	**1 213 644**	**387 056**	**191 784**	**–1 177 130**	**2 854 876**

	Undiscounted contractual cash flows							
Remaining maturity 2021	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	360 153							360 153
Treasury bills and other bills eligible for refinancing with central banks		136 042	9 086	13 526	3 721	860	355	163 590
Loans to credit institutions	2 861	19 269	4 448	11 452	108	1 366		39 504
Loans to the public	312	63 478	143 400	387 857	149 017	961 324	–2 182	1 703 206
Value change of interest hedged items in portfolio hedges of interest rate risk							–1 753	–1 753
Bonds and other interest-bearing securities		5 550	10 054	36 476	6 894	258	–1 139	58 093
Financial assets for which the customers bear the investment risk	7 550	104 728	4 438	28 450	47 400	135 946		328 512
Shares and participating interests							21 121	21 121
Derivatives		12 775	4 116	80 457	65 391	16 008	–138 216	40 531
Intangible assets							19 488	19 488
Tangible assets							5 523	5 523
Other assets		11 163	1 486					12 649
Total	**370 876**	**353 005**	**177 028**	**558 218**	**272 531**	**1 115 762**	**–96 803**	**2 750 617**
Liabilities								
Amounts owed to credit institutions	30 834	34 995	187	26 796				92 812
Deposits and borrowings from the public	1 219 163	25 913	19 509	1 154	40	4		1 265 783
Debt securities in issue		109 939	216 063	374 284	24 076	16 602	–5 047	735 917
Financial liabilities where customers bear the investment risk	3 633	102 537	4 789	29 787	49 635	139 286		329 667
Derivatives		7 725	2 326	83 449	65 227	14 808	–145 429	28 106
Other liabilities		58 096	1 956	6 120	2 284	1 948	–204	70 200
of which lease liabilities		200	589	1 950	1 011	213	–204	3 759
Senior non-preferred liabililties				23 433	15 187		–788	37 832
Subordinated liabilities		4 516	6 651	12 323	4 894		220	28 604
Equity							161 696	161 696
Total	**1 253 630**	**343 721**	**251 481**	**557 346**	**161 343**	**172 648**	**10 448**	**2 750 617**

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.

In addition, a sensitivity analysis of the over-collateralisation level of the cover pool is regularly produced, as shown in the snapshot of the cover pool as of 31 December 2022 ("Current") in the table 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	1 111 280	1 102 622	1 094 336	1 082 819	1 067 404	1 047 730	1 023 304	993 896	958 676
Total outstanding covered bonds, SEKm	359 723	359 723	359 723	359 723	359 723	359 723	359 723	359 723	359 723
Over collateralisation level, %	208.9	206.5	204.2	201.0	196.7	191.3	184.5	176.3	166.5

Liquidity coverage ratio[1]	2022	2021
High Quality Liquid Assets (HQLA), SEKm		
High quality liquid assets, Level 1	552 192	530 878
High quality liquid assets, Level 2	5 511	3 806
Total HQLA	**557 704**	**534 684**
Cash Outflows, SEKm		
Retail deposits and deposits from small business customers	57 122	53 306
Unsecured wholesale funding	255 776	234 399
Secured wholesale funding	5 329	5 341
Additional requirements	97 451	65 863
Other cash outflows	23 491	6 698
Total cash outflows	**439 168**	**365 608**
Cash Inflows, SEKm		
Secured lending	9 543	6 439
Inflows from fully performing exposures	23 726	19 154
Other cash inflows	57 218	11 395
Total Cash inflows	**90 487**	**36 989**
Liquidity coverage ratio, Total, %	160	163
Liquidity coverage ratio, EUR,%	285	419
Liquidity coverage ratio, USD, %	168	152
Liquidity coverage ratio, SEK[2], %	115	113

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	2022	2021
NSFR, %	118	123
Available stable funding (ASF), SEKm	1 663 231	1 644 050
Required stable funding (RSF), SEKm	1 404 092	1 331 522

3.2.8 Interest-bearing securities and lease liabilities

Repayments of lease liabilities includes interest payments of SEK 44m (42).

	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**

	Debts securities in issue								
Turnover during the year, 2021	**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	**127 209**	**471 491**	**128 437**	**5 677**	**732 814**	**10 359**	**23 434**	**3 611**	**770 218**
Issued/New contracts	653 596	74 334	31 503		759 433	27 501	4 328	519	791 781
Repurchased		−23 901		−1 972	−25 873				−25 873
Repaid	−619 612	−85 021	−35 374		−740 007		−617	−793	−741 417
Modifications and other								367	367
Interest, change in fair values or hedged items in fair value hedges and changes in exchange rates	3 874	86	5 243	347	9 550	−28	1 459	55	11 036
Closing balance	**165 067**	**436 989**	**129 809**	**4 052**	**735 917**	**37 832**	**28 604**	**3 759**	**806 112**

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 include 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 appetites 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 Large Corporates and Institutions (LC&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 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 risks, 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 various 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 LC&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 the previous year's movements in various market risk factors such as interest rates, currency rates and equity prices. 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 LC&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 2022 exceeded the VaR level on 11 occasions due to exceptionally high market volatility.

Regulatory VaR trading	Jan–Dec 2022 (2021)			2022	2021
SEKm	Max	Min	Average	31 dec	31 dec
Value-at-Risk	53 (35)	19 (14)	36 (21)	33	24
Stressed Value-at-Risk	104 (127)	52 (71)	78 (96)	56	86

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 36m in 2022, which can be compared to the average value of SEK 24m for 2021.

Risk VaR trading	Jan–Dec 2022 (2021)			2022	2021
SEKm	Max	Min	Average	31 dec	31 dec
Credit spread risk	22 (24)	5 (4)	10 (9)	7	6
Share price risk	14 (16)	2 (2)	4 (5)	3	6
Currency risk	8 (10)	1 (1)	3 (3)	2	5
Interest rate risk	57 (33)	19 (15)	38 (21)	30	24
Diversification			−19 (−14)	−7	−17
Total	**52 (42)**	**19 (16)**	**36 (24)**	**35**	**24**

Data in the table are 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 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 −986m (−257) at year end. The effect on positions in Swedish krona would have been a decrease of SEK −1 681m (−1 290), while positions in foreign currency would have increased by SEK 695m (1 033). The Group's Net gains and losses on financial items would have been affected by SEK −114m (74).

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 12m (16).

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 −5m (−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.

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**
2021										
SEK	−623	19	−130	−246	−477	475	491	−1 020	221	−1 290
Foreign currency	22	94	27	129	553	−350	282	191	85	1 033
Total	**−601**	**113**	**−103**	**−117**	**76**	**125**	**773**	**−829**	**306**	**−257**

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.

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**
2021										
SEK	−20	20	−59	−262	−118	130	670	−220	84	225
Foreign currency	−311	31	−171	−102	560	−851	439	246	8	−151
Total	**−331**	**51**	**−230**	**−364**	**442**	**−721**	**1 109**	**26**	**92**	**74**

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 257m (10 378).

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 38m (19), of which 6m (9) 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 −17m (46), of which 7m (48) 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 +/− 956m after tax (+/−950), of which 946m (947) relates to euro.

The Group recognises certain currency derivatives as cash flow hedges. An increase in the basis spread, (i.e. 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 5m (6) after tax at year end.

Net funding in foreign currency with a corresponding recognised amount of SEK 46 145m (38 214) 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

2022	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								376 703	376 703
Total	**496 511**	**62 402**	**2 301**	**7 147**	**64 233**	**2 591**	**635 185**	**2 219 691**	**2 854 876**
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								427 034	427 034
Equity								176 092	176 092
Total	**649 063**	**384 760**	**18 063**	**4 183**	**18 038**	**17 250**	**1 091 357**	**1 763 519**	**2 854 876**
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**		

2021									
Assets									
Cash and balances with central banks	167 873	19 370		428	293	55	188 019	172 134	360 153
Treasury bills and other bills eligible for refinancing with central banks, etc.	7 585	836			1 486		9 907	153 683	163 590
Loans to credit institutions	15 786	3 157	232	1 558	4 946	244	25 923	13 581	39 504
Loans to the public	237 627	22 899	2 799	5 090	41 453	2 187	312 055	1 391 151	1 703 206
Bonds and other interest-bearing securities	5 806	1 959		348	7 712		15 825	42 268	58 093
Derivatives and other assets, not distributed								426 071	426 071
Total	**434 677**	**48 221**	**3 031**	**7 424**	**55 890**	**2 486**	**551 729**	**2 198 888**	**2 750 617**
Liabilities									
Amounts owed to credit institutions	51 012	2 868	10	225	921		55 036	37 776	92 812
Deposits and borrowings from the public	345 349	36 786	1 946	3 052	5 014	3 273	395 420	870 363	1 265 783
Debt securities in issue	187 417	164 049	26 263		7 952	13 105	398 786	337 131	735 917
Senior non-preferred liabilities	25 997		4 261		5 292	1 331	36 881	951	37 832
Subordinated liabilities	11 870	13 625				1 891	27 386	1 218	28 604
Derivatives and other liabilities, not distributed								427 973	427 973
Equity								161 696	161 696
Total	**621 645**	**217 328**	**32 480**	**3 277**	**19 179**	**19 600**	**913 509**	**1 837 108**	**2 750 617**
Currency distributed derivatives, other assets and liabilities	198 113	169 009	29 392	−4 127	−36 493	17 097	372 991		
Net position in currency	**11 145**	**−98**	**−57**	**20**	**218**	**−17**	**11 211**		

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 −20m (−21).

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 717m (1 625) 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. It also includes risk from external events not covered by any other risk type Operational Risk is divided into sub risk types.

3.4.2 Risk management
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
All business areas apply the same methods (e.g. risk assessments) to self–assess operational risks. 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 and IT-systems as well as major operational or organisational changes including outsourcing. The purpose is to ensure that Swedbank does not enter into activities which entail unintended risks and that accepted risks are adequately managed and controlled as part of the process and also to ensure quality 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 mitigation. Group Risk and Group Compliance contributes with an expert evaluation of the risk analysis process and the residual risks, and both Group Risk and Group Compliance have the mandate to reject changes where risks exceed the risk appetite and the underlying limits.

3.4.5 Incident, Continuity and Crisis 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 and pandemics, which may affect the Group's ability to provide services and offerings continually at an acceptable level. The principles for incident, continuity and crisis management are defined in a Group-common framework as well as established system support for incidents and losses. A Group-level crisis management team is responsible for management, coordination and communication in collaboration with local crisis management teams. Continuity plans are drafted for all business and systemically critical operations and services. The plans describe how Swedbank will operate in the event of a serious disruption. Swedbank's models for continuity and crisis management are based on international and national standards.

Incident reporting
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 the underlying causes are identified and that suitable actions are taken. Incidents and operational risk-related losses are logged in a central database for further analysis.

3.4.6 Process and control management
An internal regulation on managing processes and process control has been adopted. It includes a process universe, with information on process ownership for essential processes as support to risk managing activities and a regulation on internal control of financial reporting.

3.4.7 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.

3.4.8 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 6 400m (6 049).

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. The companies are also exposed to Operational risk. Insurance underwriting risk is defined as the risk to value, earnings, or capital, arising from a deviation between actual and anticipated insurance costs (claims and expenses). In other words, the risk that actual outcomes will deviate from projections e.g. in terms of longevity, mortality, morbidity or claim frequency. This includes expense risk i.e. the risk that administrative costs and sales commissions will exceed the cost estimates that served as the basis for the premiums.

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 ensuring risks of Swedbank Group.

3.5.2 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, currently about 6 per cent, 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 addi- tion to the risks described above, these contracts can lead to situations where Swedbank Försäkring needs to do capital injections in order to honour the guaran- tees, 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 table below 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.

	Savings business (Unit-linked, custody and guarantee)		Protection business		Total	
Risk type in per cent	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Market risk	45	51	0	0	45	51
Life underwriting risk (excl expense- and lapse risk)	2	1	5	3	6	5
Expense risk	8	7	0	0	8	8
Lapse risk	33	30	1	1	34	31
Health underwriting risk (excl expense- and lapse risk)	0	0	2	2	2	2
Other risks					3	4
Total					**100**	**100**

3.5.3 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 8 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 57 per cent of total unit-linked business while the capital guarantee only 2 per cent and it is decreasing over time.

3.5.4 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 for private customers. The portfolio is mainly located in Estonia (54 per cent) followed by Lithuania (27 per cent) and Latvia (19 per cent). The company's focus is on simple short 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 risks are underwriting risk, mitigated by a scrupulous underwriting policy, and natural and man-made catastrophe risk. Reinsurance programs are used to further mitigate these risks.

3.5.5 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 10 262m (11 100). This compares with the Solvency Capital Requirement of SEK 6 683m (8 778). The solvency ratio was 1.54 (1.26). The capital base in the Baltic life insurance operations amounted to SEK 2 182m (1 891). The solvency ratio was 1.78 (1.50). The capital base in the Baltic property and casualty insurance operations amounted to SEK 625m (501). The solvency ratio was 1.50 (1.58).

3.6 ESG risk

3.6.1 Definition

The risk that arises from the inability to properly identify and manage Environmental, Social or Governance related events that, if they occur, could cause material negative financial impact and/or material negative impact on the Group's brand and reputation.

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 the bank 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 27.

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 Corporate ESG Analysis tool was launched for large corporates in 2022 and is planned for launch in remaining segments during 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 635 088 (566 192), or 22 (21) per cent of Swedbank's maximum credit risk exposure as presented on pages 87-88.

	Gross carrying amount			Gross carrying amount	
Material groups according to TCFD	**2022**	**2021**	**Sectors according to TCFD**	**2022**	**2021**
Financial	75 868	53 349	Credit institutions	56 600	38 129
			Insurance companies	55	127
			Asset owners and asset managers	19 213	15 093
Energy	25 270	23 274	Oil and gas	3 902	6 002
			Coal	0	0
			Utilities	21 368	17 272
Transportation	38 654	33 802	Air transport	292	665
			Shipping	11 651	11 577
			Rail transportation	991	359
			Heavy vehicles	17 481	15 461
			Automobiles	8 239	5 740
Agriculture, Food and Forest products	68 074	64 134	Agriculture	37 579	37 637
			Beverages, Packaged food and Meats	6 260	3 933
			Forestry	18 245	18 232
			Paper and forest products	5 990	4 332
Materials and Buildings	427 222	391 633	Metals & Mining	2 520	2 884
			Chemicals	12 945	6 759
			Construction materials (excl. wood)	3 301	3 024
			Capital goods	4 842	4 517
			Real Estate management and development	403 614	374 449
Total	**635 088**	**566 192**	**Total**	**635 088**	**566 192**

Understanding the exposures to TCFD material groups is a starting point, but to better understand the implications of possible future developments Swedbank has carried out scenario analysis with the purpose of identifying both risks and opportunities within the different groups.

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 table below.

Short term (1–5 years)	Medium term (>5–15 years)	Long term (>15–25 years)
Risks		
• Oil and gas asset values decline as investor risk appetite is reduced, which contributes to increased credit risk in the energy sector. • Costly investments for the electrification, especially in the transport, energy and materials sectors. Along with uncertainty about different technologies this increases the transition risk. • The planned reallocation of EU subsidies could be a financial issue for the agriculture and forestry sector. Areal support is reduced while sustainable farming methods are given increased funding. • A wave of policy change emanating from the EU green deal push transformation in most sectors. • Rapid changes in consumer preferences, i.e. increased demand for sustainable products create challenges for most sectors, notably manufacturers and retailers.	• Major transformation of the agriculture and forestry sectors with new resource efficiency technologies, e.g. precision agriculture and new crops in farming. New regulations will require less deforestation to preserve biodiversity and increase the coal sink, which will negatively impact cash flows. • Adaptive measures to limit damage from acute and chronic weather events, such as storms, floods and temperature rise increase, especially in the agriculture and forest sectors. • Lower demand for energy- intensive properties leads to price declines/lower valuations in the real estate sector. • Investor risk appetite decreases more generally for assets with climate-related risks. Refinancing risk and credit risk go up. • Reputational risk if the bank's own management of climate risks is seen as insufficient.	• More extreme weather events such as heat waves, more frequent forest fires and heavy precipitation could lead to unusable land and infestations within the agricultural and forestry sector. • Sea level rise in flood-prone areas could lead to price declines, loss of insurance and increased need for building protection and repairs in the real estate sector. • Older, energy inefficient buildings in locations where land is not in high demand become stranded assets. • Impacts from climate change on the global economy can increase systemic risks in the financial system. • Investment and holding companies with insufficient management of climate risk may see their business model and assets being stranded.

Financial

Most of the lending in this group consists of loans to credit institutions, which primarily are short-term and related to the Group's liquidity management. The credit risk is low and expected to remain low in both scenarios, although in the stated policy scenario there is an increased risk for disruptions in the financial system in the long-term.

Lending to asset owners and asset managers such as investment firms and treasury companies of large industrials is moderate. These companies have an important role in society, and that they manage the climate-related risks in their investments professionally is a key priority. The risk is well diversified and the Group has not identified significant risks due to climate change in the scenarios.

Energy

The TCFD sector oil and gas shows increased credit risk in the sustainable development scenario in the short-term. The Group's lending to the sector have been significantly reduced since 2015 and are now minor. The Position statement on Climate change states that the Group will not directly finance any exploration of new oil and gas fields. Swedbank has no exposures in the coal industry.

The largest lending in this group is found in the utilities sector. The portfolio consists mainly of lending to large – often state owned or controlled – companies supplying electricity and heat to the home markets. In the sustainable development scenario a wide and far-reaching investment need related to electrification was identified. Production, storage and transmission of electricity require vast investments over the coming decades to meet an increasing demand, not least from transport and industry. In the Baltic economies a challenge of shifting from fossil fuelled electricity production to green production was identified in the same scenario. In the stated policy scenario costs for electricity transmission are expected to increase due to more frequent acute weather events. The transformation in the energy sector holds uncertainties and increased risks, but there is an increasing demand, which strong customers with strong owners and Swedbank's advisory could turn into financial growth.

Transportation

In the short-term the sustainable development scenario entails rapid growth in electrification, where the transport sector is at the forefront with increased transition risk as a consequence. Most of the lending is related to road transport (heavy vehicles and automobiles). The transformation of this sector requires massive investments. To be able to shift the fleet of vehicles from fossil fuelled to electric and hydrogen it is important that companies have a robust financial standing. This is given special attention in the Group's strategy, which aims to provide support to this sector during its transition.

Shipping is exposed to both transition risk and physical risk, but lending volumes are moderate and diversified across many segments. There will be a need to invest in new technologies to reduce emissions, notably in the sustainable development scenario. Moreover, insurance premiums rise due to a higher frequency of extreme weather events, notably in the stated policy scenario. The Group's strategy in this sector is to support customers transitioning in line with climate goals using advisory tailored for each customer.

Agriculture, Food, and Forest products

The agriculture and forestry sectors account for a large portion of the lending portfolio and is impacted throughout both scenarios. Short and medium term in the sustainable development scenario there is significant transition risk, and long term in the stated policy scenario there is significant physical risk from both acute and chronic events. The anticipated credit risk increase is moderate since this is a group with relatively low financial risk and stable demand. Swedbank is working closely with its customers and the climate related advisory, e.g. through the new ESG analysis tool, is important to assure a continued low risk transformation given local and individual conditions.

Materials and Buildings

Real Estate management and development is the Group's largest TCFD sector. It is exposed both to transition risk and physical risk. The overall impact on credit risk is assessed to be low to moderate in both scenarios. The transition risk in the sustainable development scenario is primarily related to the pressure from policy makers and from the market to improve energy efficiency. This means increased investment cost, but also a lower sensitivity to rising energy costs. As long as properties are in high demand costs can be fully or partially transferred on to tenants, which is often allowed contractually. This means cash flows would be only moderately impacted. For properties with low underlying demand this may not be the case and would negatively impact the value of the property. In the stated policy scenario there are increasing physical risks, especially from flooding due to heavy rainfall. Exposed properties may need to invest to mitigate these risks and there is also a risk of higher insurance premiums or loss of insurance. This would impact cash flows and ultimately the value of the property. An important part of Group's risk management strategy is to provide tailored climate advisory and support customers in their transition.

The chemicals sector, which includes plastics and rubber producing companies, and companies involved in the greenhouse gas intensive production of construction materials such as steel and cement are highly exposed to transition risk, especially in the sustainable development scenario. The driving forces are policy, technological change and changes in market behaviour. Still, the products are much needed and the underlying demand is relatively stable. Lending to companies in the chemicals sector is moderate, and lending to companies the construction materials sector is small, and the customers are typically large entities with strong ownership. The strategy for both sectors is to provide pro-active climate related advisory and to support customers in their transition to more sustainable production technologies.

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, and Compliance 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

Strategic risk is defined as the risk arising from changes in the business environment (sometimes also called as business risk) and from business decisions, improper implementation of decisions or lack of responsiveness to changes in the business environment that might lead to failure in reaching the Group's strategic goals.

3.7.3 Compliance risk

Compliance risk is defined as the risk of failure by the Group to fulfil and meet the external and internal regulations applicable to the Group's licensed operations.

Compliance risk includes three risk areas: Conduct risk (market conduct, data protection and customer protection risk), Financial crime risk (money laundering and terrorist financing, bribery and corruption, financial sanctions and facilitation of client tax evasion risk) and regulatory compliance risk.

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 2022

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 2022 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 2022, the total economic capital demand for Swedbank CS amounted to SEK 41.5bn. The capital supply that meets the internal capital requirement. i.e. the Common Equity Tier 1 capital, amounted to SEK 144.1bn.

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

The table below contains the information that must be published according to the SFSA's regulation (FFFS 2014:12), chapter 8. 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 1423/2013 can be found on Swedbank's website at https://www.swedbank.com/investor-relations/risk-and-capital-adequacy/risk-report/index.htm

Consolidated situation	2022	2021
Available own funds		
Common equity tier 1 (CET1) capital	144 107	129 644
Tier 1 capital	153 320	143 022
Total capital	176 331	158 552
Risk-weighted exposure amounts		
Total risk exposure amount	809 438	707 753
Capital ratios as a percentage of risk-weighted exposure amount		
Common equity tier 1 ratio	17.8	18.3
Tier 1 ratio	18.9	20.2
Total capital ratio	21.8	22.4
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	2.3	1.7
of which: to be made up of CET1 capital	1.5	1.2
of which: to be made up of Tier 1 capital	1.8	1.3
Total SREP own funds requirements	10.3	9.7
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	0.9	0.0
Systemic risk buffer	3.0	3.0
Global Systemically Important Institution buffer		
Other Systemically Important Institution buffer	1.0	1.0
Combined buffer requirement	7.4	6.5
Overall capital requirements	17.7	16.2
CET1 available after meeting the total SREP own funds requirements[1]	11.2	12.6

1) The calculation was reviewed and corrected as of Q3 2022, thus the historical figure for 2021 was changed accordingly.

Consolidated situation	2022	2021
Leverage ratio		
Total exposure measure	2 735 019	2 626 642
Leverage ratio, %	5.6	5.4
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	716 743	717 469
Cash outflows, total weighted value	578 133	528 742
Cash inflows, total weighted value	80 684	53 820
Total net cash outflows, adjusted value	497 449	474 922
Liquidity coverage ratio, %	145.4	151.8
Net stable funding ratio		
Total available stable funding	1 663 231	1 644 050
Total required stable funding	1 404 092	1 331 522
Net stable funding ratio, %	118.5	123.0

Common equity tier 1 capital	2022	2021
Shareholders' equity according to the Group's balance sheet	176 064	161 670
Anticipated dividend	−10 967	−12 632
Value changes in own financial liabilities	−339	−91
Cash flow hedges	−13	−2
Additional value adjustments	−576	−1 037
Goodwill	−13 863	−13 590
Deferred tax assets	−106	−68
Intangible assets	−4 005	−4 427
Insufficient coverage for non-performing exposures	−11	−1
Deductions of CET1 capital due to article 3 CRR	−106	−137
Shares deducted from CET1 capital	−40	−41
Pension fund assets	−1 930	0
Total	**144 107**	**129 644**

Risk exposure amount	2022	2021
Risk exposure amount credit risks, standardised approach	54 992	51 273
Risk exposure amount credit risks, IRB	336 516	287 328
Risk exposure amount default fund contribution	149	281
Risk exposure amount settlement risks	0	2
Risk exposure amount market risks	21 461	20 306
Risk exposure amount credit value adjustment	3 809	2 338
Risk exposure amount operational risks	79 995	75 618
Additional risk exposure amount, article 3 CRR	71 411	29 302
Additional risk exposure amount, article 458 CRR	241 106	241 305
Total	**809 438**	**707 753**

	SEKm		%	
Capital requirements[1]	**2022**	**2021**	**2022**	**2021**
Capital requirement Pillar 1	124 756	102 624	15.4	14.5
of which Buffer requirements[2]	60 001	46 004	7.4	6.5
Total capital requirement Pillar 2[3]	18 374	12 032	2.3	1.7
Pillar 2 guidance[4]	8 094	10 616	1.0	1.5
Total capital requirement including Pillar 2 guidance	**151 225**	**125 272**	**18.7**	**17.7**
Own funds	**176 331**	**158 552**		

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 2022.

4) From Q3 2021 Swedbank consolidated situation is subject to Pillar 2 guidance.

	SEKm		%	
Leverage ratio requirements[1]	**2022**	**2021**	**2022**	**2021**
Leverage ratio requirement Pillar 1	82 051	78 799	3.0	3.0
Leverage ratio Pillar 2 guidance	12 308	11 820	0.5	0.5
Total leverage ratio requirement including Pillar 2 guidance	**94 358**	**90 619**	**3.5**	**3.5**

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.

	Financial conglomerate	
Capital adequacy for the financial conglomerate[1]	**2022**	**2021**
Own funds after adjustments and deductions	187 456	167 589
Capital requirement	158 531	135 156
Surplus	**28 924**	**32 433**
Financial conglomerate solvency ratio, %[2]	**118.2**	**124.0**

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). Pillar 2 Guidance (P2G) is included in the calculations from 2021, which is updated within this table. Figures from 2021 differ compared to previous year report due to not taking into account P2G.

2) Calculated as the financial conglomerate's own funds after adjustments and deductions divided with the capital requirement for the financial conglomerate.

G5 Operating segments

2022	Swedish Banking	Baltic Banking	Large Corporates & Institutions	Group Functions & Other	Elimination	Total
Income statement						
Net interest income	20 814	8 348	4 877	−899	17	33 157
Net commission income	8 727	3 073	2 621	−213	13	14 223
Net gains and losses on financial items	372	405	822	288	0	1 887
Share of the profit or loss of associates and joint ventures	780		−5	−37		738
Other income	1 047	857	316	2 408	−1 412	3 216
Total income	**31 741**	**12 683**	**8 630**	**1 547**	**−1 381**	**53 221**
of which internal income		62	3	1 316	−1 381	
Staff costs	3 277	1 846	1 546	6 244	−14	12 900
Variable staff costs	42	62	107	136	−0	347
Other general administrative expenses	7 545	2 548	2 446	−4 699	−1 367	6 474
Depreciation/amortisation of tangible and intangible assets	27	179	119	1 370		1 695
Total expenses	**10 892**	**4 635**	**4 219**	**3 051**	**−1 381**	**21 415**
Profit before impairments, Swedish bank tax and resolution fees	**20 850**	**8 048**	**4 411**	**−1 503**		**31 806**
Impairment of intangible assets			181	944		1 125
Impairment of tangible assets		13				13
Credit impairments	1 037	402	23	18		1 479
Swedish bank tax and resolution fees	1 247	100	464	21		1 831
Profit before tax	**18 566**	**7 534**	**3 745**	**−2 487**		**27 358**
Tax expense	3 514	1 305	855	−196		5 478
Profit for the year	**15 052**	**6 229**	**2 890**	**−2 291**		**21 880**
Profit for the year attributable to:						
Shareholders of Swedbank AB	**15 050**	**6 229**	**2 890**	**−2 291**		**21 877**
Non-controlling interests	3					3
Net commission income						
Commission income						
Payment processing	772	659	505	261	−18	2 179
Cards	2 523	2 003	2 559	−441	−0	6 644
Service concepts	903	209	356	−19		1 450
Asset Management and custody	6 863	534	1 606	−15	−291	8 698
Life insurance	412	97		1	0	510
Securities	276	45	298	22	−8	633
Corporate Finance		3	72			74
Lending	185	206	875	4	−7	1 263
Guarantee	32	75	80	1		189
Deposits	15	136	4	−0		155
Real estate brokerage	188					188
Non-life Insurance	70	1	−0	2	0	73
Other	175	26	122	3		327
Total commission income	**12 413**	**3 994**	**6 479**	**−180**	**−323**	**22 383**
Commission expense	**3 686**	**921**	**3 857**	**33**	**−337**	**8 160**
Net Commission Income	**8 727**	**3 073**	**2 621**	**−213**	**13**	**14 223**

The operating segment report is based on Swedbank's accounting policies, organisation and management accounts. Market−based transfer prices are applied between operating segments, while all expenses for Group functions and Group staffs are transfer priced at cost to the operating segments. Cross−border transfer pricing is applied according to OECD transfer pricing guidelines.The Group's equity attributable to shareholders is allocated to each operating segment based on capital adequacy rules and estimated capital requirements based on the 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 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. Large Corporates & Institutions is responsible for 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.

2022 Balance sheet	Swedish Banking	Baltic Banking	Large Corporates & Institutions	Group Functions & Other	Elimination	Total
Cash and balances with central banks	2 705	3 714	221	360 631	−1 281	365 992
Loans to credit institutions	4 758	267	113 029	313 270	−374 735	56 589
Loans to the public	1 274 802	236 410	321 397	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	283 323	7 355				290 678
Investments in associates and joint ventures	5 615			2 215		7 830
Derivatives	0	533	180 058	137 949	−268 036	50 504
Tangible and intangible assets	2 048	12 521	627	10 139	0	25 335
Other assets	5 178	152 160	8 758	287 872	−451 611	2 357
Total assets	**1 578 665**	**414 604**	**670 621**	**1 288 121**	**−1 097 136**	**2 854 876**
Amounts owed to credit institutions	29 933	193	282 698	79 699	−319 697	72 826
Deposits and borrowings from the public	725 639	375 684	211 415	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	284 347	7 646				291 993
Derivatives		550	191 379	144 676	−267 926	68 679
Other liabilities	466 843	0	−53 698	152 271	−499 026	66 390
Senior non-preferred liabililties				57 439		57 439
Subordinated liabilities			−0	31 331	−0	31 331
Total liabilities	**1 506 757**	**386 126**	**634 790**	**1 248 275**	**−1 097 136**	**2 678 812**
Allocated equity	71 908	28 478	35 831	39 846		176 064
Total liabilities and equity	**1 578 665**	**414 604**	**670 621**	**1 288 121**	**−1 097 136**	**2 854 876**
Key figures						
Return on allocated equity, %	21.5	22.6	8.4	−7.0		13.3
Cost/income ratio	0.34	0.37	0.49	1.97		0.40
Credit impairment ratio[1], %	0.08	0.19	0.01	0.10		0.08
Loans/deposits, %	176	63	147	35		139
Loans to the public, stage 3, SEKbn	2	1	2			6
Loans to customers, total, SEKbn	1 275	236	287	1		1 799
Provisions for loans to customers total, SEKbn	2	1	2			6
Deposits from customers, SEKbn	725	375	195	3		1 298
Risk exposure amount, SEKbn	414	155	213	27		809
Full-time employees	3 996	4 701	1 179	6 927		16 803
Allocated equity, average, SEKbn	70	28	34	33		165

1) For information about calculation of credit impairment ratio, see Fact book page 41.

2021	Swedish Banking	Baltic Banking	Large Corporates & Institutions	Group Functions & Other	Elimination	Total
Income statement						
Net interest income[1]	15 472	5 369	3 947	2 271	−11	27 048
Net commission income	9 205	2 779	2 955	−89	3	14 853
Net gains and losses on financial items	586	437	981	44		2 048
Share of the profit or loss of associates and joint ventures	920			56		976
Other income	935	767	315	1 598	−859	2 756
Total income	**27 118**	**9 352**	**8 198**	**3 880**	**−867**	**47 681**
of which internal income	1	57	27	782	−867	
Staff costs	3 229	1 585	1 536	5 981	−14	12 317
Variable staff costs	61	63	138	160		422
Other general administrative expenses	7 451	2 279	2 324	−4 724	−853	6 477
Depreciation/amortisation of tangible and intangible assets	38	171	132	1 290		1 631
Total expenses	**10 779**	**4 098**	**4 130**	**2 707**	**−867**	**20 847**
Profit before impairments, Swedish bank tax and resolution fees	**16 339**	**5 254**	**4 068**	**1 173**		**26 834**
Impairment of intangible assets				56		56
Impairment of tangible assets						
Credit impairments	−42	160	57	−5		170
Swedish bank tax and resolution fees	499	76	201	15		791
Profit before tax	**15 882**	**5 018**	**3 810**	**1 107**		**25 817**
Tax expense	2 890	840	708	507		4 945
Profit for the year	**12 992**	**4 178**	**3 102**	**600**		**20 872**
Profit for the year attributable to:						
Shareholders of Swedbank AB	**12 991**	**4 178**	**3 102**	**600**		**20 871**
Non-controlling interests	1					1
Net commission income						
Commission income						
Payment processing	730	687	430	301	−30	2 118
Cards	2 096	1 618	2 410	−446		5 678
Service concepts	806	169	324	−19		1 280
Asset Management and custody	7 595	413	1 737	−18	−289	9 546
Life insurance	525	88		2		615
Securities	297	68	459	42	−7	859
Corporate Finance		13	76			89
Lending	210	163	840	7	−7	1 213
Guarantee	34	73	124			231
Deposits	15	118	4	−1		136
Real estate brokerage	224					224
Non-life Insurance	68	1				69
Other	173	21	151	4		349
Total commission income	**12 773**	**3 380**	**6 821**	**158**	**−725**	**22 407**
Commission expense	**3 568**	**777**	**3 601**	**334**	**−726**	**7 554**
Net Commission Income	**9 205**	**2 603**	**3 220**	**−176**	**1**	**14 853**

1) Presentation has been changed, see note G57.

2021 Balance sheet	Swedish Banking	Baltic Banking	Large Corporates & Institutions	Group Functions & Other	Elimination	Total
Cash and balances with central banks	2 196	3 257	−37	356 913	−2 176	360 153
Loans to credit institutions	5 631	311	128 638	188 998	−284 074	39 504
Loans to the public	1 251 556	199 412	252 743	286	−791	1 703 206
Interest-bearing securities	348	1 565	55 115	166 911	−2 256	221 683
Financial assets for which customers bear inv. risk	320 963	7 549				328 512
Investments in associates and joint ventures	5 640			2 065		7 705
Derivatives		285	59 670	37 840	−57 264	40 531
Tangible and intangible assets	2 036	11 639	845	10 467	24	25 011
Other assets	3 729	144 179	15 605	356 677	−495 878	24 312
Total assets	**1 592 099**	**368 197**	**512 579**	**1 120 157**	**−842 415**	**2 750 617**
Amounts owed to credit institutions	26 985		228 537	88 245	−250 955	92 812
Deposits and borrowings from the public	711 842	334 432	229 534	395	−10 420	1 265 783
Debt securities in issue		710	5 136	733 123	−3 052	735 917
Financial liabilities for which customers bear inv. risk	321 846	7 821				329 667
Derivatives		263	57 292	27 815	−57 264	28 106
Other liabilities	466 338	441	−38 310	162 481	−520 724	70 226
Senior non-preferred liabililties			−49	37 881		37 832
Subordinated liabilities			−15	28 619		28 604
Total liabilities	**1 527 011**	**343 667**	**482 125**	**1 078 559**	**−842 415**	**2 588 947**
Allocated equity	65 088	24 530	30 454	41 598		161 670
Total liabilities and equity	**1 592 099**	**368 197**	**512 579**	**1 120 157**	**−842 415**	**2 750 617**
Key figures						
Return on allocated equity, %	20.0	16.9	9.7	1.6		13.2
Cost/income ratio	0.40	0.44	0.50	0.70		0.44
Credit impairment ratio[1], %	0.00	0.09	0.02	−0.01		0.01
Loans/deposits, %	176	60	107	29		133
Loans to the public, stage 3, SEKbn	2	1	3			6
Loans to customers, total, SEKbn	1 252	199	226			1 677
Provisions for loans to customers, total, SEKbn	1	1	3			5
Deposits from customers, SEKbn	712	334	212			1 259
Risk exposure amount, SEKbn	405	107	168	28		708
Full-time employees	4 046	4 624	1 221	6 674		16 565
Allocated equity, average, SEKbn	65	25	32	37		159

1) For information about calculation of credit impairment ratio, see Fact book page 41.

G6 Products

2022	Financing	Savings & Investments	Payments & Cards	Trading & Capital markets	Other	Total
Net interest income	22 883	4 604	6 890	−1	−1 219	33 157
Net commission income	1 207	6 525	5 737	546	208	14 223
Net gains and losses on financial items	18	−51	−19	1 242	696	1 887
Share of the profit or loss of associates and joint ventures			378		360	738
Other income	19	1 754	−51	40	1 454	3 216
Total income	**24 128**	**12 831**	**12 935**	**1 826**	**1 501**	**53 221**

2021	Financing	Savings & Investments	Payments & Cards	Trading & Capital markets	Other	Total
Net interest income	22 636	685	1 449	−127	2 405	27 048
Net commission income	1 229	7 337	5 087	756	444	14 853
Net gains and losses on financial items	−30	5	−22	1 439	658	2 048
Share of the profit or loss of associates and joint ventures			511		465	976
Other income	31	1 533	−345	36	1 502	2 756
Total income	**23 866**	**9 560**	**6 679**	**2 103**	**5 474**	**47 681**

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.

2022	Sweden	Estonia	Latvia	Lithuania	Norway	USA	Other	Eliminations	Total
Income statement									
Net interest income	24 874	2 993	1 486	2 322	895	154	405	28	33 157
Net commission income	10 477	860	924	1 246	428	41	269	−22	14 223
Net gains and losses on financial items	1 747	47	15	88	48	−10	−48		1 887
Share of the profit or loss of associates and joint ventures	580	3			107		48		738
Other income	3 308	1 047	441	726	145	0	35	−2 485	3 216
Total income	**40 986**	**4 949**	**2 866**	**4 382**	**1 623**	**185**	**708**	**−2 480**	**53 221**
Staff costs	9 307	1 310	762	1 002	335	36	148		12 900
Variable staff costs	232	37	23	28	10	1	16		347
Other general administrative expenses	5 953	880	691	970	276	−8	191	−2 480	6 474
Depreciation/amortisation of tangible and intangible assets	1 328	106	49	93	86	5	27		1 695
Total expenses	**16 820**	**2 334**	**1 525**	**2 093**	**707**	**33**	**381**	**−2 480**	**21 415**
Profit before impairments, Swedish bank tax and resolution fees	**24 166**	**2 616**	**1 340**	**2 289**	**916**	**152**	**327**		**31 806**
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
Swedish bank tax and resolution fees	1 677	42	44	44	20	0	5		1 831
Profit before tax	**20 019**	**2 387**	**1 266**	**2 045**	**1 294**	**152**	**195**		**27 358**
Tax expense	4 071	353	252	390	335	34	43		5 478
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	**15 948**	**2 034**	**1 014**	**1 655**	**959**	**117**	**152**		**21 880**
Profit for the year attributable to:									
Shareholders of Swedbank AB	**15 945**	**2 034**	**1 014**	**1 655**	**959**	**117**	**152**		**21 877**
Non-controlling interests	3								3

2022	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 items 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 customers bear the investment risk	283 323	1 858	1 559	3 938					290 678
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	19 019	1 133	388	1 038	1 027	954	4 847	−5 679	22 726
Total assets	**2 457 660**	**161 547**	**102 320**	**206 824**	**103 618**	**116 265**	**53 861**	**−347 219**	**2 854 876**
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 customers bear inv. risk	284 347	2 025	1 602	4 019					291 993
Derivatives	68 478	326	79	279	472		20	−975	68 679
Other liabilities	35 594	18 457	13 488	10 178	546	185	1 862	−13 920	66 390
Senior non-preferred liabililties	57 439								57 439
Subordinated liabilities	31 331			4 670				−4 670	31 331
Total liabilities	**2 320 490**	**150 226**	**95 098**	**196 603**	**97 706**	**115 170**	**50 738**	**−347 219**	**2 678 812**
Allocated equity	137 170	11 321	7 222	10 221	5 912	1 095	3 124		176 064
Total liabilities and equity	**2 457 660**	**161 547**	**102 320**	**206 824**	**103 618**	**116 265**	**53 861**	**−347 219**	**2 854 876**

2021	Sweden	Estonia	Latvia	Lithuania	Norway	USA	Other	Eliminations	Total
Income statement									
Net interest income[1]	21 230	2 260	990	1 242	785	123	407	11	27 048
Net commission income	11 423	881	808	1 066	382	38	304	−49	14 853
Net gains and losses on financial items	1 484	110	112	158	177	−6	13		2 048
Share of the profit or loss of associates and joint ventures	821	4			93		58		976
Other income	2 577	756	293	548	186		53	−1 657	2 756
Total income	**37 535**	**4 011**	**2 203**	**3 014**	**1 624**	**155**	**834**	**−1 695**	**47 681**
Staff costs	9 176	1 105	653	872	347	31	133		12 317
Variable staff costs	301	37	23	27	28		6		422
Other general administrative expenses	5 796	582	601	723	299	−1	172	−1 695	6 477
Depreciation/amortisation of tangible and intangible assets	1 274	102	52	83	90	4	26		1 631
Total expenses	**16 547**	**1 826**	**1 329**	**1 705**	**764**	**34**	**337**	**−1 695**	**20 847**
Profit before impairments, Swedish bank tax and resolution fees	**20 988**	**2 185**	**874**	**1 309**	**860**	**121**	**497**		**26 834**
Impairment of intangible assets	56								56
Credit impairment	−456	117	25	18	569	65	−168		170
Swedish bank tax and resolution fees	679	26	28	36	15	1	6		791
Profit before tax	**20 709**	**2 042**	**820**	**1 255**	**277**	**55**	**659**		**25 817**
Tax expense	4 139	311	165	219	−34	12	133		4 945
of which current tax	3 950	304	22	200	35	14	120		4 645
of which paid tax	3 740	306	32	185	−78	−2	48		4 231
Profit for the year	**16 570**	**1 731**	**655**	**1 036**	**310**	**43**	**527**		**20 872**
Profit for the year attributable to: Shareholders of Swedbank AB	**16 569**	**1 731**	**655**	**1 036**	**310**	**43**	**527**		**20 871**
Non-controlling interests	1								1

2021	Sweden	Estonia	Latvia	Lithuania	Norway	USA	Other	Eliminations	Total
Balance sheet									
Cash and balances with central banks	170 452	41 365	36 274	88 161	1 976	19 370	2 555		360 153
Loans to credit institutions	153 871	846	2 782	925	14 059	36 137	4 146	−173 262	39 504
Loans to the public	1 425 769	93 278	37 970	68 469	55 409	2 272	21 383	−1 344	1 703 206
Value change of the hedged items in portfolio hedges of interest rate risk	−1 755	2							−1 753
Interest-bearing securities	204 331	23 932	1 086	12 830	5 085	1 942	1 633	−29 156	221 683
Financial assets for which customers bear the investment risk	320 963	2 063	1 551	3 935					328 512
Investments in associates and joint ventures	6 730	18			702		255		7 705
Derivatives	30 844	154	75	180	11 816		7	−2 545	40 531
Tangible assets and intangible assets	12 363	4 683	2 617	4 645	579	36	88		25 011
Other assets	21 683	628	497	1 027	9 291	753	4 306	−12 120	26 065
Total assets	**2 345 251**	**166 969**	**82 852**	**180 172**	**98 916**	**60 510**	**34 374**	**−218 427**	**2 750 617**
Amounts owed to credit institutions	120 011	16 932	18	10 263	70 198	18 726	25 628	−168 964	92 812
Deposits and borrowings from the public	921 145	123 796	65 817	144 378	6 349	334	3 963	1	1 265 783
Debt securities in issue	724 558	3				40 512		−29 156	735 917
Financial liabilities for which customers bear inv. risk	321 846	2 231	1 594	3 996					329 667
Derivatives	18 340	155	65	155	12 621		12	−3 242	28 106
Other liabilities	45 067	14 454	9 153	7 963	3 937	147	2 273	−12 768	70 226
Senior non-preferred liabililties	37 832								37 832
Subordinated liabilities	28 604			4 298				−4 298	28 604
Total liabilities	**2 217 403**	**157 571**	**76 647**	**171 053**	**93 105**	**59 719**	**31 876**	**−218 427**	**2 588 947**
Allocated equity	127 848	9 398	6 205	9 119	5 811	791	2 498		161 670
Total liabilities and equity	**2 345 251**	**166 969**	**82 852**	**180 172**	**98 916**	**60 510**	**34 374**	**−218 427**	**2 750 617**

1) Presentation has been changed, see note G57.

G8 Net interest income

	2022			2021[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	3 272		3 272	−1 129		−1 129
Treasury bills and other bills eligible for refinancing with central banks, etc.	852	325	1 177	4	82	86
Loans to credit institutions	705	65	770	192	−3	189
Loans to the public	40 168	718	40 886	30 773	−149	30 624
Interest-bearing securities	0	935	935	11	166	177
Total interest-bearing instruments	**44 999**	**2 042**	**47 041**	**29 851**	**96**	**29 947**
Derivatives[2]		463	463		292	292
Other assets	4	2	6	61	2	63
Total	**45 003**	**2 506**	**47 509**	**29 912**	**390**	**30 302**
Deduction of trading-related interests reported within Net gains and losses on financial items			−2 211			−62
Interest income			**45 298**			**30 364**
Liabilities						
Amounts owed to credit institutions	1 109	139	1 248	−217	9	−208
Deposits and borrowings from the public	4 726	355	5 081	398	−44	354
of which deposit guarantee fees	496		496	461		461
Debt securities in issue	10 591	11	10 602	4 612	21	4 633
Senior non-preferred liabilities	659		659	213		213
Subordinated liabilities	911		911	764		764
Total Interest-bearing instruments	**17 996**	**505**	**18 501**	**5 770**	**−14**	**5 756**
Derivatives[2]		−5 306	−5 306		−2 879	−2 879
Other liabilities	58		58	80		80
of which lease liabilities	44		44	42		42
Total	**18 052**	**−4 799**	**13 253**	**5 850**	**−2 893**	**2 957**
Deduction of trading-related interests reported in Net gains and losses on financial items			−1 112			359
Interest expense			**12 141**			**3 316**
Net interest income			**33 157**			**27 048**
Interest income on stage 3 loans			142			117
Negative yield on financial assets			830			1 405
Negative yield on financial liabilities			728			1 072

1) Presentation has been changed, see note 57.
2) The derivatives line includes net interest income related to hedged assets and liabilities. These may have both a positive and negative impact on interest income and interest expense

	Average annual interest rate, %		Average balance	
Interest rates on selected balance sheet items	**2022**	**2021**	**2022**	**2021**
Assets				
Cash and balances with central banks	0.62	−0.21	529 037	529 765
Treasury bills and other bills eligible for refinancing with central banks, etc.	0.81	0.06	144 794	140 694
Loans to credit institutions	1.19	0.36	64 496	52 981
Loans to the public	2.27	1.82	1 799 150	1 683 510
Interest-bearing securities	1.24	0.27	75 467	66 681
Total interest-bearing instruments	**1.80**	**1.21**	**2 612 944**	**2 473 632**
Derivatives			56 018	40 589
Other assets			351 665	374 649
Total	**1.57**	**1.05**	**3 020 628**	**2 888 870**
Liabilities				
Amounts owed to credit institutions	0.80	−0.13	155 527	158 702
Deposits and borrowings from the public	0.38	0.03	1 353 980	1 280 661
Debt securities in issue	1.27	0.56	836 869	831 480
Senior non-preferred liabilities	1.34	0.74	49 208	28 681
Subordinated liabilities	3.17	3.00	28 731	25 429
Total Interest-bearing instruments	**0.76**	**0.25**	**2 424 315**	**2 324 953**
Derivatives			51 927	31 985
Other liabilities			379 612	373 424
Total	**0.46**	**0.14**	**2 855 854**	**2 730 362**
Net investment margin before trading-related interests are deducted	1.13	0.95		

G9 Net commission income

2022	Commission income			Commission expense	Net commission income
	Over time	Point in time	Total		
Payment processing	422	1 757	2 179	−1 363	816
Cards	665	5 979	6 644	−3 332	3 312
Service concepts	1 450		1 450	−178	1 272
Asset management and custody	8 632	66	8 698	−2 168	6 530
Life insurance	504	6	510	−340	170
Securities	45	588	633	−354	279
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	80	327	−266	61
Total	**13 234**	**9 149**	**22 383**	**−8 160**	**14 223**

2021	Commission income			Commission expense	Net commission income
	Over time	Point in time	Total		
Payment processing	442	1 676	2 118	−1 309	809
Cards	639	5 039	5 678	−2 713	2 965
Service concepts	1 280	0	1 280	−157	1 123
Asset management and custody	9 398	148	9 546	−2 308	7 238
Life insurance	608	7	615	−335	280
Securities	50	809	859	−344	515
Corporate finance	2	87	89		89
Lending	926	287	1 213	−157	1 056
Guarantee	189	42	231		231
Deposits	113	23	136		136
Real estate brokerage		224	224		224
Non-life insurance	69		69	−1	68
Other	268	81	349	−230	119
Total	**13 984**	**8 423**	**22 407**	**−7 554**	**14 853**

G10 Net gains and losses on financial items

	2022	2021
Fair value through profit or loss		
Trading		
Shares and share related derivatives	527	256
of which dividend	107	150
Interest-bearing securities and interest related derivatives	−1 090	70
Other financial instruments	−1	3
Total	**−564**	**329**
Other		
Shares	184	163
of which dividend	17	117
Interest-bearing securities	−780	−139
Total	**−596**	**24**
Financial liabilities designated at fair value through profit or loss	**20**	**11**
Total fair value through profit or loss	**−1 139**	**364**
Hedge accounting		
Ineffectiveness, one-to-one fair value hedges	**24**	**54**
of which hedging instruments	−33 836	−8 333
of which hedged items	33 859	8 387
Ineffectiveness, portfolio fair value hedges	**−54**	**1**
of which hedging instruments	18 561	3 527
of which hedged items	−18 615	−3 526
Ineffectiveness, cash flow hedges	**−1**	**1**
Total hedge accounting	**−31**	**56**
Amortised cost		
Derecognition gain or loss for financial assets	18	208
Derecognition gain or loss for financial liabilities	572	−32
Total amortised cost	**590**	**176**
Trading related interest		
Interest income	2 211	−62
Interest expense	−1 112	359
Total trading related interest	**1 099**	**297**
Change in exchange rates	**1 368**	**1 155**
Total	**1 887**	**2 048**

G11 Net insurance

	2022	2021
Insurance premiums		
Life insurance	1 893	1 818
Non-life insurance	1 371	1 134
Total	**3 265**	**2 952**
Insurance provisions		
Life insurance	−663	−797
Non-life insurance	−947	−698
Total	**−1 610**	**−1 495**
Net insurance		
Life insurance	1 230	1 021
Non-life insurance	425	436
Total	**1 655**	**1 457**

G12 Other income

	2022	2021
Income from real estate operations	9	11
Sold inventories	6	13
of which revenues	117	174
of which carrying amount	−110	−161
IT services	888	602
Other operating income	658	673
Total	**1 561**	**1 299**

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.

Total staff costs	2022	2021
Salaries and Board fees	8 651	8 161
Compensation through shares in Swedbank AB	174	195
Social insurance charges	2 415	2 348
Pension costs[1]	1 465	1 493
Training costs	88	74
Other staff costs	453	468
Total	**13 246**	**12 739**
of which variable staff costs	347	422
of which personnel redundancy costs	20	103

1) The Group's pension cost for the year is specified in note G39.

13.2 Variable compensation

Swedbank currently has six ongoing share–based variable compensation programmes: Programme 2017, Programme 2018, Programme 2019, Programme 2020, Programme 2021 and Programme 2022.

In 2022 shares associated with Programme 2018 and 2020 were transferred.

13.2.1 Programme 2022

Programme 2022 consists of three parts: a general programme (Eken), an individual programme (IP) and an individual programme for employees in asset management (IPAM). Eken covers the majority of employees in the Group and consists of share-based compensation that is deferred for 3 years. IP covers approximately 350 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 2022 as well as Programmes 2017–2021 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	2022	2021
Programme 2020 and earlier		
Recognised expense for compensation that is settled with shares in Swedbank AB	63	113
Recognised expense for social insurance charges related to the share settled compensation	15	46
Recognised expense for cash settled compensation	6	27
Recognised expense for fund compensation	–7	12
Recognised expense for payroll overhead costs related to the cash settled compensation and fund shares	–1	9
Programme 2021		
Recognised expense for compensation that is settled with shares in Swedbank AB	22	81
Recognised expense for social insurance charges related to the share settled compensation	3	18
Recognised expense for cash settled compensation	32	45
Recognised expense for fund compensation	4	9
Recognised expense for payroll overhead costs related to the cash settled compensation and fund shares	9	15
Programme 2022		
Recognised expense for compensation that is settled with shares in Swedbank AB	88	
Recognised expense for social insurance charges related to the share settled compensation	16	
Recognised expense for cash settled compensation	47	
Recognised expense for fund compensation	8	
Recognised expense for payroll overhead costs related to the cash settled compensation and fund shares	15	
Total recognised expense	**318**	**375**

Number of performance rights that establish the recognised share based expense, millions	2022	2021
Outstanding at the beginning of the year	**5.8**	**5.7**
Allotted	1.8	1.6
Forfeited	0.3	0.2
Exercised	1.7	1.3
Outstanding at the end of the year	**5.6**	**5.8**
Exercisable at the end of the period	0	0
Weighted average fair value per performance right at measurement date, SEK	161	163
Weighted average remaining contractual life, months	14	23
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 13 500 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 4.5 percent on salary up to 7.5 income base amount and 30 percent on salary over 7.5 income base amount up to the fixed annual salary. The pensionable salary is capped at SEK 15 000 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	2022	2021
Jens Henriksson		
Fixed compensation, salary	13 500	13 234
Other compensation/benefits	245	230
Total	**13 745**	**13 464**
Pension cost, excluding payroll tax	3 973	3 897

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 5 580 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	2022	2021
Tomas Hedberg		
Fixed compensation, salary	5 580	2 790
Other compensation/benefits	280	125
Total	**5 860**	**2 915**
Pension cost, excluding payroll tax	2 137	1 004

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 effective from 2022.

A total of 13 individuals were members of the Group Executive Committee at the end of the year: Pål Bergström, Mikael Björknert, Lars-Erik Danielsson, Anders Ekedahl, Britta Hjorth-Larsen, Anders Karlsson, Jon Lidefelt, Erik Ljungberg, Lotta Lovén, Rolf Marquardt, Charlotte Rydin, Carina Strand and Kerstin Winlöf. 12 individuals have been active as other senior executives throughout the entire year.
3 individuals were active as other senior executives during part of the year: Ingrid Harbo, Britta Hjorth-Larsen and Eva Wilhelmsson.

Other key management	2022	2021
Fixed compensation, salary	63	61
Variable compensation, share based	1	1
Other compensation/benefits1	2	1
Compensation at terminated contract2		9
Total	**66**	**72**
Pension cost, excluding payroll tax	24	24
Number of performance rights share based compensation used for the annual cost	2 597	2 827
Total number of allotted performance rights share based compensation	14 602	13 505
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
2) Includes salary during term of notice, severance, pension costs and any benefits

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	–

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 2022 was SEK 71 000).

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 all 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	Resignation by employee
3 persons	12 months	12 months	6 months
10 persons	12 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 2022 to the Annual General Meeting 2023. 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 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.

	2022			2021		
SEK thousands	**Board fees**	**Committee work**	**Total**	**Board fees**	**Committee work**	**Total**
Göran Persson, Chair	2 982	670	3 652	2 840	643	3 483
Biörn Riese, Director, Deputy chair	1 000	552	1 552			
Bo Bengtsson, Director	686	445	1 131	653	322	975
Göran Bengtsson, Director	686	282	968	653	270	923
Annika Creutzer, Director	686	270	956	653	259	912
Hans Eckerström, Director	686	270	956	653	113	766
Kerstin Hermansson, Director	686	727	1 413	653	686	1 339
Helena Liljedahl, Director	686	118	804			
Bengt Erik Lindgren, Director	686	282	968	653	270	923
Josefin Lindstrand, Director to 2021-10-25				381	406	787
Bo Magnusson, Deputy chair to 2022-03-30				956	1 096	2 052
Anna Mossberg, Director	686	388	1 074	653	373	1 026
Per Olof Nyman, Director	686	755	1 441	653	259	912
Biljana Phersson, Director	686	388	1 074	653	113	766
Total	**10 842**	**5 147**	**15 989**	**10 054**	**4 810**	**14 864**

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	**2022**	**2021**
Göran Persson	3 610	3 418
Total	**3 610**	**3 418**

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.

	2022	2021
Short-term employee benefits	100	93
Post employment benefits, pension costs	30	29
Termination benefits, severance pay	0	9
Share-based payments	1	1
Total	**131**	**132**
Granted loans	68	73

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.

	2022	2021
Cost for the year related to pensions and similar benefits	33	49
No. of persons	19	47
Granted loans, SEKm	238	219
No. of persons	68	81

Pension obligations for former CEOs and deputy CEOs have been funded through insurance and pension foundations. The latter's obligations amounted to SEK 211 m (255). 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.

	2022					2021				
	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 compensation	Salaries and variable compensation	Total	Number of persons	Salaries and Board fees	Variable compensation	Salaries and variable compensation	Total
Sweden	99	127	2	5 762	5 890	93	132	1	5 644	5 777
Estonia	25	17	0	952	970	27	9	0	818	827
Latvia	28	14	2	583	599	9	13	2	503	518
Lithuania	16	21	2	944	967	15	23	2	811	835
Norway	5	0	0	247	247	1	4	0	266	270
USA	0	0	0	28	28	0	0	0	23	23
Other countries	0	0	0	125	125	0	0	0	105	105
Total	**173**	**179**	**5**	**8 640**	**8 825**	**145**	**180**	**5**	**8 170**	**8 356**

13.9 Key ratios

Average number of employees based on 1 585 hours per employee	2022	2021
Sweden	10 177	10 074
Estonia	2 928	2 819
Latvia	2 167	2 125
Lithuania	2 887	2 862
Norway	252	321
USA	14	14
Other countries	113	113
Total	**18 538**	**18 328**
Number of hours worked (thousands)	29 382	29 050
Number of Group employees at year-end excluding long-term absentees in relation to hours worked expressed as full-time positions	16 803	16 565

Employee turnover including retired staff[1], %	2022	2021
Swedish Banking	13.4	11.6
Large Corporates & Institutions	12.0	9.4
Baltic Banking	13.2	10.1
Group Functions	11.9	9.8
Total	**12.7**	**10.3**

Employee turnover excluding retired staff[1], %	2022	2021
Swedish Banking	11.6	11.2
Large Corporates & Institutions	10.8	8.5
Baltic Banking	13.1	8.9
Group Functions	10.2	7.6
Total	**11.5**	**9.2**

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	2022	2021
Average number of employees	18 538	18 328
Number of employees at year-end	17 886	17 700
Number of full-time positions	16 803	16 565

Sick leave, %	2022	2021
Sick leave Sweden	3.9	3.6
Sick leave Estonia	2.8	2.7
Sick leave Latvia	3.9	3.2
Sick leave Lithuania	1.8	1.6
Sick Leave Group	3.4	3.2
Long-term healthy employees, %[1]	63.9	67.5

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, %	2022	2021
Sweden	73.1/26.9	72.3/27.7
Estonia	98.2/1.8	96.9/3.1
Latvia	98.9/1.1	98.4/1.6
Lithuania	98.5/1.5	97.3/2.7

	2022		2021	
Gender distribution by country, %	Female	Male	Female	Male
Sweden	54	46	55	45
Estonia	73	27	74	26
Latvia	75	25	75	25
Lithuania	70	30	70	30
Norway	33	67	29	71
USA	31	69	23	77
Other countries	54	46	55	45

	2022		2021	
Gender distribution for all employees, Group Executive Committee and Boards of Directors, %	Female	Male	Female	Male
All employees	62	38	62	38
Swedbank's Board of Directors	42	58	36	64
Group Executive Committee incl. CEO	33	67	33	67
Group Executive Committee and their respective management teams	46	54	48	52
Boards of Directors in the entire Group incl. subsidiaries	42	58	39	61
Senior executives in the entire Group incl. subsidiaries	34	66	51	49

	2022		2021	
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	68	32
Management positions, Latvia	71	29	69	31
Management positions, Lithuania	57	43	58	42

1) Applicable for Swedbank's home markets Sweden, Estonia, Latvia and Lithuania

G14 Other general administrative expenses

	2022	2021
Premises	469	454
IT expenses	2 665	2 550
Telecommunications, postage	108	126
Consulting	804	933
Compensation to savings banks	225	228
Other purchased services	1 081	939
Travel	86	18
Entertainment	28	22
Office supplies	70	79
Advertising, public relations, marketing	246	301
Security transports, alarm systems	71	71
Maintenance	119	126
Other administrative expenses	441	498
Other operating expenses	62	132
Total	**6 474**	**6 477**

The following leasingrelated expenses are included in Premises and IT expenses:		
Short-term leases	15	11
Leases of low-value assets	7	8
Variable lease payments not included in the lease liabilty	53	42

	2022	2021
Remuneration to auditors elected by Annual General Meeting, PwC		
Statutory audit	56	59
Other audit	12	9
Tax advisory	0	0
Other	0	16
Total remuneration to auditors	**69**	**84**
Internal Audit	92	90

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 general expatriate services and other tax services work. 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

	2022	2021
Equipment	276	299
Owner-occupied properties	36	36
Right-of-use assets for rented premises	724	705
Other	134	93
Total tangible assets	**1 170**	**1 133**
Intangible assets	525	498
Total	**1 695**	**1 631**

G16 Impairments of tangible assets

	2022	2021
Commercial properties	3	0
Right of use assets	10	
Total	**13**	**0**

G17 Credit impairments

	2022	2021
Loans at amortised cost		
Credit impairment provisions – stage 1	646	–71
Credit impairment provisions – stage 2	523	–596
Credit impairment provisions – stage 3	–545	–2 884
Credit impairment provisions – purchased or originated credit impaired	1	–3
Total	**626**	**–3 554**
Write-offs	982	4 157
Recoveries	–157	–225
Total	**826**	**3 932**
Total - loans at amortised cost	**1 451**	**378**
Other assets at amortised cost		**–7**
Loan commitments and guarantees		
Credit impairment provisions – stage 1	77	26
Credit impairment provisions – stage 2	13	–139
Credit impairment provisions – stage 3	–63	–88
Total - loan commitments and guarantees	**28**	**–201**
Total credit impairments	**1 479**	**170**

Credit impairments by borrower category		
Credit institutions	25	–22
General public	1 454	192
Total	**1 479**	**170**

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

G18 Swedish bank tax and resolution fees

	2022	2021
Swedish bank tax	927	
Resolution fees	904	791
Total	**1 831**	**791**

Swedish bank tax refers to Risk tax on credit institutions that was introduced from 1 January 2022. It is 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.

G19 Tax

Tax expense	2022	2021
Tax related to previous years	49	28
Current tax	6 167	4 645
Deferred tax	–738	272
Total	**5 478**	**4 945**

The difference between the Group´s tax expense and the tax expense based on the Swedish tax rate is explained below:

	2022		2021	
		%		%
Results	5 478	20,0	4 945	19.2
Current tax of pre-tax profit	5 636	20,6	5 318	20.6
Difference	**–158**	**–0,6**	**–373**	**–1.4**
The difference consists of the following items:				
Tax previous years	49	0,2	28	0.1
Deffered tax related to tax previous years	–57	–0,2		
Tax-exempt income/non-deductible expenses	50	0,2	36	0.2
Non deductible interest related to subordinated liabilities	188	0,7	159	0.6
Non deductible impairment goodwill	125	0,4		
Tax-exempt gains and non-deductible losses on shares and participating interest	–11	0,0	–31	–0.1
Other tax basis in insurance operations	–165	–0,6	–200	–0.8
Tax in associates and joint ventures	–151	–0,6	–200	–0.8
Deviating tax rates in other countries	–184	–0,7	–163	–0.6
Other, net	–2	0,0	–2	0.0
Total	**–158**	**–0,6**	**–373**	**–1.4**

2022

Deferred tax assets	Opening balance	Income statement	Other comprehensive 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
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**	**–710**	**826**	**6**	**79**	**3 599**

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 97m (4). The assets are not recognised due to uncertainty when sufficient taxable earnings will be generated.

Unused tax losses and unused tax credits according to tax calculation

Maturity	Total deduction	Deduction for which deferred tax is recognised			Deduction for which deferred tax is not recognised
		Lithuania	Denmark	Norway	
Without maturity	1 086	482	0	9	595
Total	**1 086**	**482**	**0**	**9**	**595**

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 81 per cent (82) of the taxable losses that serve as the basis for recognised deferred tax assets will be utilised before the end of 2025 i.e. within the framework of the Group's three–year financial plan.

Tax losses carried forward from previous years for which deferred tax is not recognised amount to 595 msek and relate to group companies in Lithuania, 378 msek, Luxemburg, 196 msek, Denmark, 13 msek and Finland, 8 msek. There are unused tax losses carried forward also in the local branches to Swedbank AB in Denmark, 79 msek, Norway, 1 212 msek, and the US, 1 045 msek. These local tax losses have no value to the group since the branches are taxed also in Sweden.

2021

Deferred tax assets	Opening balance	Income statement	Other comprehensive income	Equity	Exchange rate differences	Closing balance
Deductible temporary differences						
Share-based payments	9	–9		1		1
Lease liabilities	658	79				737
Right of use assets	–650	–76				–726
Unused tax losses	82	11			5	98
Unrecognised deferred tax assets	–4					–4
Other	29	–21			–1	7
Total	**124**	**–16**		**1**	**4**	**113**
Deferred tax liabilities						
Taxable temporary differences						
Untaxed reserves	2 286	–11				2 275
Hedge of net investments in foreign operations	1	0	–1			0
Provision for pensions	–833	24	347			–462
Cash flow hedges	–1	3	1			3
Intangible assets	934	196				1 130
Credit impairment provisions	44				1	45
Foreign currency basis risks	–150	7	1			–142
Share-based payments	10	–6		–19		–15
Owner-occupied properties	17	–3				14
Deferred tax undistributed profits (dividend)	647	158			8	813
Other	–171	–112			20	–263
Total	**2 784**	**256**	**348**	**–19**	**29**	**3 398**

Unused tax losses and unused tax credits according to tax calculation

Maturity	Total deduction	Deduction for which deferred tax is recognised			Deduction for which deferred tax is not recognised
		Lithuania	Denmark	Norway	
Without maturity	448	375	5	48	20
Total	**448**	**375**	**5**	**48**	**20**

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
2017	30 March
2018	26 March
2019	28 March
2020	28 May
2021	25 March
2022	30 March

	2022	2021
Average number of shares		
Weighted average number of shares, before dilution	1 122 834 030	1 121 117 329
Weighted average number of shares for dilutive potential ordinary shares resulting from share-based compensation programme	3 046 820	3 676 236
Weighted average number of shares, after dilution	1 125 880 850	1 124 793 565
Earnings per share		
Profit for the year attributable to the shareholders of Swedbank AB	21 877	20 871
Earnings per share before dilution, SEK	19.48	18.62
Earnings per share after dilution, SEK	19.43	18.56

G21 Tax for each component in other comprehensive income

	2022				2021			
	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	3 938	−811		−811	1 686	−347		−347
Share of other comprehensive income of associates, Remeasurements of defined benefit pension plans	152				21			
Total	**4 090**	**−811**		**−811**	**1 707**	**−347**		**−347**
Items that may be reclassified to the income statement								
Exchange differences, foreign operations	4 319				848			
Hedging of net investments in foreign operations	−3 421		705	705	−729	1	149	150
Cash flow hedges	11	−2		−2	2	−1		−1
Foreign currency basis risk	63	−13		−13	5	−1		−1
Share of associates and joint ventures	31				91			
Total	**1 003**	**−15**	**705**	**690**	**217**	**−1**	**149**	**148**
Other comprehensive income	**5 093**	**−826**	**705**	**−121**	**1 924**	**−348**	**149**	**−199**

G22 Treasury bills and other bills eligible for refinancing with central banks etc.

	Carrying amount			Nominal amount		
	2022	2021	1/1/2021	2022	2021	1/1/2021
Governments and Swedish central bank	149 212	160 461	134 145	148 933	158 889	133 289
Municipalities	2 271	3 129	3 046	2 370	3 096	2 979
Total	**151 483**	**163 590**	**137 191**	**151 303**	**161 985**	**136 268**

G23 Loans to credit institutions

	2022	2021	1/1/2021
Loans and advances	33 201	34 362	37 075
Repurchase agreements	15	1 383	1 582
Cash collaterals posted	23 373	3 759	9 297
Total	**56 589**	**39 504**	**47 954**
of which subordinated loans			
Associates	0	0	120
Other companies	0	0	48
Total	**0**	**0**	**168**

G24 Loans to the public

	2022	2021	1/1/2021
Loans and advances	1 758 014	1 641 878	1 572 550
Finance leases	40 602	34 932	33 857
Total loans to customers	**1 798 616**	**1 676 810**	**1 606 407**
Cash collaterals posted	3 605	1 832	9 630
Repurchase agreements	23 635	21 541	32 704
Repurchase agreements, Swedish National Debt Office	6 952	3 020	7 243
Loans to Swedish National Debt Office	10 004	3	25 003
Total	**1 842 812**	**1 703 206**	**1 680 987**

Finance lease agreements distributed by maturity

	2022				2021			
	< 1 yr	1–5 yrs	> 5 yrs	Total	< 1 yr	1–5 yrs	> 5 yrs	Total
Gross investments	12 747	26 992	4 933	44 672	10 755	21 945	3 946	36 646
Unearned finance income	1 400	2 151	519	4 070	635	896	183	1 714
Net investments	11 347	24 841	4 414	40 602	10 120	21 049	3 763	34 932

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		
	2022	2021	1/1/2021	2022	2021	1/1/2021
Mortgage institutions	31 471	29 135	25 192	33 185	28 690	24 365
Banks	15 565	13 299	15 445	15 858	13 219	15 182
Other financial companies	11 413	10 494	13 181	11 917	10 341	12 930
Non-financial companies	2 849	5 165	6 157	3 015	5 117	6 095
Total	**61 298**	**58 093**	**59 975**	**63 975**	**57 367**	**58 572**
of which subordinated bonds and other interest-bearing securities	117	203	137	125	199	132
of which senior non-preferred bonds and other interest-bearing securities	158	719	234	158	713	232

Bonds and other interest-bearing securities are issued by other than public agencies.

G26 Financial assets for which the customers bear the investment risks

	2022	2021	1/1/2021
Fund units	266 335	297 595	231 563
Interest-bearing securities	5 324	5 562	4 696
Shares	19 019	25 355	16 152
Total	**290 678**	**328 512**	**252 411**

G27 Shares and participating interests

	Carrying amount			Cost		
	2022	2021	1/1/2021	2022	2021	1/1/2021
Trading shares	347	6 368	4 644	377	6 131	4 474
Trading fund units	6 539	5 862	11 491	6 374	5 581	11 080
Shares for protection of claims		20	31		20	10
Condominiums	11	11	11	11	11	11
Other	1 287	1 155	1 038	979	1 189	1 031
Total	**8 184**	**13 416**	**17 215**	**7 741**	**12 931**	**16 605**

G28 Investments in associates and joint ventures

	2022	2021	1/1/2021
Fixed assets			
Credit institutions - Associates	4 415	4 004	3 634
Credit institutions - Joint ventures	2 719	3 228	3 219
Other associates	515	436	354
Other, joint ventures	180	37	80
Total	**7 830**	**7 705**	**7 287**
Opening balance	**7 705**	**7 287**	
Additions during the year	224	26	
Change in accumulated profit shares, total comprehensive income	921	1 088	
Dividends received and reversed provision	−1 020	−696	
Closing balance	**7 830**	**7 705**	

2022 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	1 745	1 070	22.00	187
Sparbanken Rekarne AB, Eskilstuna	516401-9928	865 000	661	125	50.00	77
Sparbanken Sjuhärad AB, Borås	516401-9852	4 750 000	1 592	288	47.50	139
Vimmerby Sparbank AB, Vimmerby	516401-0174	340 000	109	41	40.00	8
Ölands Bank AB, Borgholm	516401-0034	637 000	308	231	49.00	20
Total credit institutions			**4 415**	**1 755**		**430**
Other associates						
Owned by parent company						
BGC Holding AB, Stockholm	556607-0933	29 360	351	99	29.36	58
Finansiell ID-Teknik BID AB, Stockholm	556630-4928	12 735	21	24	28.30	−7
Getswish AB, Stockholm	556913-7382	10 000	21	21	20.00	2
USE Intressenter AB, Uppsala	559161-9464	2 000	0	0	20.00	0
Owned by subsidiaries						
Thylling Insight AB, Göteborg	559181-9015	40 000	12	11	40.00	1
Bankomat AB, Stockholm	556817-9716	150	87	66	20.00	9
SK ID Solutions AS, Tallinn	10747013	16	22	10	25.00	3
Total other associates			**515**	**220**		**66**
Total associates			**4 930**	**1 975**		**496**

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 associates' other comprehensive income for the year amounted to SEK 102 m (48) and the share of the year's total comprehensive income amounted to SEK 598 m (649). As of 31 December 2022 Swedbank's share of associates' contingent liabilities and commitments amounted to SEK 485 m (369) and SEK 2 162m (5 180), respectively. During the year 40% of Thylling Insight AB was acquired.

2022 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	2 719	420	50.00	311
Other joint ventures						
Invidem AB, Stockholm	559210-0779	10 000	26	122	16.67	–31
P27 Nordic Payments Platform AB, Stockholm	559198-9610	10 000	151	277	16.67	–38
Tibern AB, Stockholm	559384-3542	4 000	3	3	14.29	–1
Total joint ventures			**2 899**	**822**		**241**
Total associates and joint ventures			**7 830**	**2 797**		**738**

During the year Swedbank AB made a capital contribution to Invidem AB of SEK 49 m (25) and P27 Nordic Payments Platform AB of 161 m (0). Swedbank's share of associates' other comprehensive income for the year amounted to SEK 80 m (64) and the share of the year's total comprehensive income amounted to SEK 322 m (439). Swedbank AB received a dividend of 900m (500) from EnterCard Group AB.

Condensed financial information for the EnterCard Group:

	2022	2021
Loans to the public	32 457	30 474
Total assets	39 410	38 224
Amounts owed to credit institutions	33 528	31 204
Total liabilities	33 998	31 707
Total equity	5 412	6 517
Net interest income	2 690	2 988
Total income	3 118	3 376
Total expenses	1 412	1 330
Credit impairments	877	1 002
Profit before tax	809	1 044
Tax expense	185	156
Profit for the year	**623**	**888**
Total comprehensive income	**784**	**1 015**

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 Remaining contractual maturity			Nominal amount		Positive fair value			Negative fair value		
	Note	< 1 yr	1–5 yrs	> 5 yrs	2022	2021	2022	2021	1/1 2021	2022	2021	1/1 2021
Derivatives in hedge accounting												
One-to-one fair value hedges, interest rate swaps	G30	108 750	363 423	45 583	517 756	517 336	738	8 156	14 953	29 094	1 675	37
Portfolio fair value hedges, interest rate swaps	G30	140 750	282 925	12 330	436 005	495 274	20 289	1 969	137	23	853	2 412
Cash flow hedges, cross currency basis swaps	G30		4 106	4 073	8 179	8 127	603	41	19		130	256
Total		**249 500**	**650 454**	**61 986**	**961 940**	**1 020 737**	**21 630**	**10 166**	**15 109**	**29 117**	**2 658**	**2 705**
Non-hedge accounting derivatives		**8 664 846**	**11 766 249**	**9 148 973**	**29 580 068**	**24 945 752**	**1 223 832**	**174 838**	**126 813**	**1 236 903**	**170 723**	**143 547**
Gross amount		**8 914 346**	**12 416 704**	**9 210 959**	**30 542 008**	**25 966 489**	**1 245 462**	**185 004**	**141 922**	**1 266 021**	**173 381**	**146 252**
Offset amount	G48						−1 194 958	−144 473	−89 745	−1 197 341	−145 275	−91 872
Total							**50 504**	**40 531**	**52 177**	**68 679**	**28 106**	**54 380**
Non-hedge accounting derivatives												
Interest-related												
Options		563 348	349 351	133 356	1 046 055	960 007	4 702	1 589	2 796	5 364	1 974	3 101
Forward contracts		4 260 510	545 501		4 806 011	3 706 918	5 112	859	1 058	4 348	881	1 074
Swaps		2 527 262	10 239 057	8 899 478	21 665 797	18 429 914	1 178 203	146 941	94 475	1 189 386	148 943	96 411
Currency-related												
Options		308	54 872		55 181	19 964	559	78	154	564	77	164
Forward contracts		876 709	13 615		890 324	935 774	10 694	13 240	9 247	15 995	7 387	20 095
Swaps		318 447	557 756	116 139	992 342	794 285	22 477	9 732	14 804	19 572	9 749	18 560
Equity-related												
Options		48 847	2 545		51 393	62 064	1 525	1 936	4 171	1 068	959	3 422
Forward contracts		20 892			20 892	1 691	7	11	26	3	14	29
Swaps		44 086			44 086	29 165	448	311	4	465	544	537
Credit-related												
Swaps			3 551		3 551	3 069				9	74	94
Commodity-related												
Forward contracts		4 436			4 436	2 901	104	141	77	129	121	60
Total		**8 664 846**	**11 766 249**	**9 148 973**	**29 580 068**	**24 945 752**	**1 223 832**	**174 838**	**126 813**	**1 236 903**	**170 723**	**143 547**

G30 Hedge accounting

30.1 Fair value hedges

The Group's approach 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. Where hedge accounting is applied, interest rate risk on fixed rate loans to the public (mortgages) is hedged on a portfolio basis whereas 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 3.4.4, 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. Each time bucket position is hedged using interest rate swaps with a nominal amount covering a portion of the total loans. A specified loan amount in each time bucket is therefore designated as the hedged item. 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 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.

	2022					2021				
		Carrying amount		Change in fair value usedfor recognising hedge ineffectiveness	Ineffectiveness recognised in Profit or loss		Carrying amount		Change in fair value usedfor 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, Loans to the public, Portfolio hedges	436 005	20 289	23	20 368	−54	495 274	1 969	853	1 711	1
Interest rate swaps, Debt securities in issue	424 261	735	22 399	−22 610	31	456 817	7 926	1 127	5 672	57
Interest rate swaps, Senior non-preferred liabilities	60 579		4 947	−4 963	−5	32 120	12	448	−431	−1
Interest rate swaps, Subordinated liabilities	32 916	3	1 748	−1 801	−3	28 399	218	100	44	−2
Total	**953 761**	**21 027**	**29 117**	**−9 006**	**−30**	**1 012 610**	**10 125**	**2 527**	**6 996**	**55**

	2022					2021				
	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	436 005					495 276				
Value change of the hedged items in portfolio hedges of interest rate risk	−20 369		−20 369		−20 369	−1 753		−1 753		−1 753
One-to-one hedges										
Debt securities in issue		410 119		−22 534	22 534		466 972		5 617	−5 617
Senior non-preferred liabililties		60 840		−4 953	4 953		32 114		−429	429
Subordinated liabilities		33 131		−1 799	1 799		28 576		44	−44
Total	**415 636**	**504 091**	**−20 369**	**−29 287**	**8 918**	**493 523**	**527 662**	**−1 753**	**5 233**	**−6 986**

Maturity profile and average price, hedging instruments	2022 Remaining contractual maturity <1 yr	1–5 yrs	>5 yrs	2021 Remaining contractual maturity <1 yr	1–5 yrs	>5 yrs
Portfolio hedges						
Nominal amount	140 750	282 925	12 330	135 659	350 300	9 315
Average fixed interest rate (%)	0.15	0.54	1.26	0.18	0.20	0.64
One-to-one hedges						
Nominal amount	108 750	363 423	45 583	141 732	327 295	48 309
Average fixed interest rate (%)	1.57	1.79	2.73	0.43	0.31	1.62

Hedge relationships in scope for Interest Rate Benchmark Reform

The Group applies the Amendments to IFRS 9, IAS 39 and IFRS 7 due to the Interest Rate Benchmark Reform– Phase 1. For more information on the Reform itself and Swedbank's assessments, see Note G46. The amendments provide certain temporary relief from the hedge accounting requirements in connection with the Reform.

This has the effect that the Reform will generally not cause hedge accounting relationships to be terminated. The tables below provide details, based on the nominal amounts of the Gr.up's relationships which are considered to be in scope. The USD Libor transition will take place 30 June 2023.

Hedged items and hedging instruments	2022 USD	2021 USD
All contracts	39 035	47 475
Maturity before Interest Rate Benchmark Reform	20 785	22 581
Directly attributable to Interest Rate Benchmark Reform	**18 250**	**24 894**

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 3.4.4. 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 3.4.4. 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 qualifying 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	2022	2021
Cross currency basis swaps, EUR/SEK		
Nominal amount	8 179	8 127
Carrying amount		
Assets	603	41
Liabilities		130
Hedge effectiveness		
Change in fair value of hedging instruments used for measuring hedge ineffectiveness	623	–7
Change in fair value of hedged items used for measuring hedge ineffectiveness		
EUR debt securities in issue and interest rate swaps	–619	7
Ineffectiveness recognised in the income statement during the year	–1	1

Cash flow hedge reserve		
Opening balance 1 January	**2**	**1**
Gains or losses from hedges recognised in other comprehensive income	626	145
Amount reclassified to the income statement, net gains and losses on financial items	–615	–143
Other comprehensive income before tax	11	2
Tax	–2	–1
Closing balance 31 December	**11**	**2**

	2022			2021		
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		4 106	4 073	512	3 826	3 789
Average FX rate		10.34	10.21	9.77	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.

	2022				2021			
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	45 377	−3 401	−3 401	−6 051	37 455	−661	−661	−3 352
NOK denominated, Debt securities in issue	769	−19	−19	87	760	−68	−68	104
Total	**46 145**	**−3 421**	**−3 421**	**−5 964**	**38 214**	**−729**	**−729**	**−3 248**

	2022	2021
Hedged items	Change in value used for measuring hedge ineffectiveness	Change in value used for measuring hedge ineffectiveness
EUR net investments	3 401	661
NOK net investments	19	68
Total	**3 421**	**729**

G31 Intangible 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**

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. In connection with the annual impairment testing of goodwill, 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.

There were no additional indications of impairments of intangible fixed assets.

2021	Indefinite useful life		Definite useful life			
	Goodwill	Brand	Customer base	Internally developed software	Other	Total
Cost, opening balance	**15 488**	**158**	**1 878**	**6 593**	**1 432**	**25 549**
Additions through internal development				1 423		1 423
Additions through separate acquisitions					88	88
Sales and disposals					−50	−50
Exchange rate differences	212	1	15	10	4	242
Cost, closing balance	**15 700**	**159**	**1 893**	**8 026**	**1 474**	**27 252**
Amortisation, opening balance			**−1 348**	**−1 562**	**−1 062**	**−3 972**
Amortisation for the year			−42	−366	−90	−498
Sales and disposals					45	45
Exchange rate differences			−15	−10	−4	−29
Amortisation, closing balance			**−1 405**	**−1 938**	**−1 111**	**−4 454**
Impairment, opening balance	**−2 161**	**−66**	**−237**	**−712**	**−40**	**−3 216**
Impairment for the year				−56		−56
Exchange rate differences	−38					−38
Impairment, closing balance	**−2 199**	**−66**	**−237**	**−768**	**−40**	**−3 310**
Carrying amount	**13 501**	**93**	**251**	**5 320**	**323**	**19 488**

Specification of intangible assets with indefinite useful life	Acquisition year	Carrying amount 2022	2021	1/1/2021
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	159
FSB Bolåndirekt Bank AB	2002	159	159	24
Söderhamns Sparbank AB	2007	24	24	13
PayEx AB	2017		425	429
Sweden		**2 517**	**2 942**	**2 946**
of which banking operations		1 538	1 538	1 538
of which other		979	1 404	1 408
Swedbank AS	1999	1 343	1 238	1 218
Swedbank AS	2000	14	13	12
Swedbank AS	2001	158	146	143
Swedbank AS	2005	9 742	8 981	8 827
Baltic countries		**11 257**	**10 378**	**10 200**
of which allocated to:				
Banking operations in Estonia		4 711	4 344	4 269
Banking operations in Latvia		2 426	2 236	2 198
Banking operations in Lithuania		4 120	3 798	3 733
First Securities ASA	2005		181	181
Norway			**181**	**181**
Total		**13 774**	**13 501**	**13 327**

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 %	
	2022	2021	2022	2021	2022	2021	2022	2021
Cash-generating unit	2023–2025	2022–2024	2026–2048	2025–2048	2026–2048	2025–2048	2049–	2049–
Banking operations								
Estonia	-5.3	6.4	-1.2–3.1	3.2–2.8	3.0	3.0	3.0	3.0
Latvia	2.1	13.1	-0.1–3.0	4.4–1.9	3.0	2.6	3.0	3.0
Lithuania	-4.4	9.2	0.5–8.5	3.4–1.8	3.0	2.8	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 %	
	2022	2021	2022	2021	2022	2021	2022	2021
Cash-generating unit	2023–2025	2022–2024	2026–2048	2025–2048	2026–2048	2025–2048	2049–	2049–
Banking operations								
Estonia	11.2	8.9	11.2–11.2	8.9	11.2	8.9	11.2	8.9
Latvia	12.0	9.4	12.0–12.0	9.4–9.0	12.0	9.2	12.0	9.0
Lithuania	11.4	9.1	11.4–11.4	9.1–9.0	11.4	9.0	11.4	9.0
Sweden	8.4	4.3	8.4	4.3	8.4	4.3	8.4	4.3

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	2022	2021	2022	2021	2022	2021	2022	2021
Banking operations								
Estonia	24 310	22 174	35 479	34 624	-1 800	-1 677	-2 683	-3 378
Latvia	12 933	11 442	18 741	13 935	-995	-587	-1 501	-1 098
Lithuania	16 093	14 354	19 936	19 049	-978	-1 445	-1 487	-2 201
Sweden[1]	73 538	66 478	83 373	122 803	-389	-18 087	-5 349	-27 044

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 11 257 m (10 378). Goodwill is tested for impairment separately for each country. Essentially the same assumptions were used in the impairment testing for 2022 as at the previous year-end. The three-year financial plans have been updated, as a result of which the initial growth assumptions after the planning period have been reduced. 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 14 per cent (12).

Other cash generating units, excluding banking operations
Other recognised goodwill totalled SEK 979 m (1 585). 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 (3) and the lowest discount rate was 9 per cent (4), or 11 per cent (5) before tax.

G32 Tangible assets

	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**	**3 466**	**358**	**5 449**

1) In the carrying amount for Other, Right-of-use assets are included with SEK 178m (207).

The useful life of equipment is deemed to be between three and ten 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 2022. 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, which were between 1 and 12 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				
2021	Properties	Equipment	Owner-occupied properties	Right-of-use assets for rented premises	Other[1]	Total
Cost, opening balance	**79**	**2 975**	**1 345**	**4 820**	**260**	9 479
Additions	3	241	7	389	264	904
Sales and disposals	−47	−191	−27	−113	−31	−409
Assessments and modifications				352	52	404
Exchange rate differences	1	11	21	14		47
Cost, closing balance	**36**	**3 036**	**1 346**	**5 462**	**545**	**10 425**
Amortisation, opening balance		**−2 213**	**−487**	**−1 231**	**−102**	**−4 033**
Amortisation for the year		−299	−36	−705	−93	−1 133
Sales and disposals		161	14	105	11	291
Exchange rate differences		−6	−8	−2		−16
Amortisation, closing balance		**−2 357**	**−517**	**−1 833**	**−184**	**−4 891**
Impairment, opening balance	**−25**					**−25**
Sales and disposals	14					14
Impairment, closing balance	**−11**					**−11**
Carrying amount	**25**	**679**	**829**	**3 629**	**361**	**5 523**

1) In the carrying amount for Other, Right-of-use assets are included with SEK 207m (72).

G33 Other assets

	2022	2021	1/1/2021
Security settlement claims	3 770	4 891	8 760
Other financial assets	4 645	4 275	7 691
Total financial assets	**8 415**	**9 166**	**16 451**
Property taken over to protect claims	29	28	32
Other non-financial assets	30		
Total non-financial assets	**59**		
Total	**8 474**	**9 194**	**16 483**

G34 Prepaid expenses and accrued income

	2022	2021	1/1/2021
Prepaid expenses	1 586	1 475	1 369
Unbilled receivables	443	495	548
Total	**2 028**	**1 970**	**1 917**

G35 Amounts owed to credit institutions

	2022	2021	1/1/2021
Swedish central bank	58	22	49 941
Swedish banks	29 376	35 847	32 180
Other swedish credit institutions	5 099	5 242	6 938
Foreign central banks	12 035	28 149	29 774
Foreign banks	25 481	22 507	27 930
Foreign credit institutions	119	231	257
Repurchased agreements, swedish banks and credit institutions	0	814	1 419
Repurchase agreements, foreign banks and credit institutions	659	0	1 874
Total	**72 826**	**92 812**	**150 313**

G36 Deposits and borrowings from the public

	2022	2021	1/1/2021
Private customers	703 935	655 636	588 487
Corporate customers	594 343	603 085	542 466
Total deposits from customers	**1 298 278**	**1 258 721**	**1 130 953**
Cash collaterals received	4 754	1 906	394
Repurchase agreements	2 815	5 088	16 824
Repurchase agreements, Swedish National Debt Office	1	0	0
Swedish National Debt Office	101	68	69
Total borrowing	**7 670**	**7 063**	**17 287**
Total	**1 305 948**	**1 265 783**	**1 148 240**

G37 Financial liabilities for which customers bear the investment risk

	2022	2021	1/1/2021
Investment contracts, unit-link	274 039	309 289	234 395
Investment contracts, life	17 954	20 378	18 834
Total	**291 993**	**329 667**	**253 229**

G38 Debt securities in issue

	2022	2021	1/1/2021
Commercial papers	316 114	165 067	127 209
Covered bonds	343 284	436 989	471 491
Senior unsecured bonds	122 559	129 809	128 437
Structured retail bonds	2 249	4 052	5 677
Total	**784 206**	**735 917**	**732 814**

G39 Short positions in securities

	2022	2021	1/1/2021
Shares	240	249	561
Interest-bearing securities	26 894	28 364	22 739
Total	**27 134**	**28 613**	**23 300**
of which own issued shares	105	121	155

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 74 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 168m (253) 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	2022	2021	1/1/2021
Funded pension obligations and payroll tax	18 892	26 438	26 824
Unfunded pension obligations and payroll tax	168	253	235
Fair value of plan assets	−21 324	−24 890	−23 394
Total	**−2 263**	**1 801**	**3 665**
of which reported as pension assets	2 431		
of which reported as pension provisions	168	1 801	3 665

Changes in defined benefit pension plans, including payroll tax	2022	2021
Opening obligations	**26 691**	**27 059**
Current service cost and payroll tax	653	701
Interest expense on pension obligations	550	375
Pension payments	−841	−802
Payroll tax payments	−163	−181
Remeasurement	−7 830	−461
Closing obligations	**19 061**	**26 691**

Pension obligations, including payroll tax	2022	2021	2022 Number
Active members	5 519	9 824	3 601
Deferred members	4 099	5 886	9 688
Pensioners	9 443	10 981	13 526
Total	**19 061**	**26 691**	**26 815**
Vested benefits	18 302	24 223	
Non-vested benefits	759	2 468	
Total	**19 061**	**26 691**	
of which attributable to future salary increases	1 118	2 685	

Changes in plan assets	2022	2021
Opening fair value	**24 890**	**23 394**
Interest income on plan assets	521	330
Contributions by the employer	644	743
Pension payments	−840	−801
Remeasurement	−3 892	1 225
Closing fair value	**21 324**	**24 890**

Fair value of plan assets	2022	of which quoted market price in an active market	2021	of which quoted market price in an active market
Bank balances	403		149	
Debt instruments, Swedish government and municipalities	376	376	375	375
Derivatives, currency-related	−2		−33	
Investment funds, interest	8 220	8 220	11 242	11 242
Investment funds, shares	6 450	6 450	8 045	8 045
Investment funds, other	5 876	1 602	5 112	1 958
Total	**21 324**	**16 648**	**24 890**	**21 619**

	Undiscounted cash flows											
	2022						2021					
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	943	3 698	4 894	30 817	−21 291	19 061	860	3 491	4 707	31 758	−14 125	26 691
Plan assets	544	182	53		20 544	21 324	288	196	39		24 367	24 890
Expected contributions by the employer	289					289	680					680

Pension costs reported in income statement	2022	2021
Current service cost and payroll tax	653	701
Interest expense on pension obligations	550	375
Interest income on plan assets	−521	−330
Pension cost defined benefit pension plans	**682**	**746**
Premiums paid for defined contribution pension plans and payroll tax	**783**	**747**
Total	**1 465**	**1 493**

Remeasurements of defined benefit pension plans reported in other comprehensive income	2022	2021
Actuarial gains and losses based on experience	−1 011	310
	−49	
Actuarial gains and losses arising from changes in financial assumptions	8 890	152
Return on plan assets, excluding amounts included in interest income	−3 892	1 225
Total	**3 938**	**1 686**

Actuarial assumptions, per cent	2022	2021
Financial		
Discount rate, 1 January	2.10	1.41
Discount rate, 31 December	4.25	2.10
Future annual salary increases, 1 January	3.51	3.01
Future annual salary increases, 31 December	2.69	3.51
Future annual pension indexations/inflation, 1 January	2.30	1.51
Future annual pension indexations/inflation, 31 December	2.11	2.30
Future annual changes in income base amount, 1 January	4.04	3.17
Future annual changes in income base amount, 31 December	3.20	4.04
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	2022	2020
Financial		
Change in discount rate - 25 bps	652	1 263
Change in salary assumption +25 bps	261	502
Change in pension indexation/inflation assumption +25 bps	698	1 230
Change in income base amount assumption −25 bps	115	229
Demographic		
All entitled employees choose early retirement option at maximum	495	604
Change in employee turnover assumption −25 bps	6	31
Expected remaining life for a 65 years old man and woman +2 year	991	2 121

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 (21). A reduction in the discount rate of 0.25 bp would increase the pension provision by approximately SEK 652m (1 263) and the pension cost by SEK 49m (52). 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

	Life insurance			Non-life insurance			Total		
	2022	2021	1/1/2021	2022	2021	1/1/2021	2022	2021	1/1/2021
Opening balance	**1 421**	**1 406**	**1 416**	**549**	**453**	**478**	**1 970**	**1 859**	**1 894**
Provisions	667	798	701	988	704	625	1 655	1 502	1 326
Payments	−831	−794	−684	−851	−617	−633	−1 682	−1 411	−1 317
Exchange rate differences	52	11	−27	46	9	−17	98	20	−44
Closing balance	**1 309**	**1 421**	**1 406**	**732**	**549**	**453**	**2 041**	**1 970**	**1 859**

Provisions for insurance contracts
The Group allocates provisions for the insurance contracts or parts of contracts where significant insurance risks are transferred from the policyholder to the Group. Insurance risks differ from financial risks and mean that the Group compensates the policyholder if a specified uncertain future event adversely impacts the policyholder. The Group is compensated through premiums received from policyholders. Provisions are allocated for established claims and correspond to the amount that will be paid out. Provisions are also made for damages incurred but not reported. A statistical assessment of anticipated claims based on previous years' experience with each type of insurance contract is used as a basis for the provision. Assumptions are made with regard to interest rates, morbidity, mortality and expenses.

G42 Other liabilities and provisions

	2022	2021	1/1/2021
Security settlement liabilities	1 939	4 463	5 047
Lease liabilities	3 631	3 759	3 611
Other financial liabilities	20 593	19 994	21 072
Provisions for commitments and financial guarantees	714	644	806
Total financial liabilities	**26 877**	**28 860**	**30 536**
Other provisions	66	73	74
Total	**26 944**	**28 933**	**30 610**

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 3.2.6. Changes in the lease liabilities are presented in note 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 251m (3 595). Future cash outflows for leases not yet commenced to which the Group is committed amounted to SEK 2 515m (769). 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

	2022	2021	1/1/2021
Accrued expenses	2 988	3 169	2 842
Contract liabilities	1 676	1 644	1 196
Total	**4 664**	**4 813**	**4 038**

G44 Subordinated liabilities

	2022	2021	1/1/2021
Subordinated loans	21 925	14 980	14 900
Undated subordinated loans, Additional Tier 1 capital	9 406	13 624	8 534
Total	**31 331**	**28 604**	**23 434**

Fixed-term subordinated loans

Year of issue	Maturity	First optional call date	Currency	Nominal amount	Carrying amount	Coupon interest %
2018	2033	2028-03-28	JPY	5 000	387	0.90%
2018	2028	2023-04-12	JPY	8 000	631	0.75%
2018	2028	2023-05-08	SEK	1 200	1 202	1.59%
2018	2028	2023-06-29	JPY	11 000	867	0.95%
2018	2028	2023-09-18	EUR	500	5 461	1.50%
2022	2032	2027-11-15	GBP	400	5 032	7.27%
2022	2032	2027-08-23	EUR	750	7 802	3.63%
2022	2032	2027-06-16	JPY	7 000	543	1.45%
Total					**21 925**	

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	4 971	5.63%
2021	Undated	2029-03-17[2]	USD	500	4 435	4.00%
Total					**9 406**	

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.

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.

	2022	2021	1/1/2021
Restricted equity			
Share capital, ordinary shares	24 904	24 904	24 904
Statutory reserve	10 505	10 399	9 627
Equity method reserve	5 270	5 376	4 995
Fund for internally developed software	4 399	4 224	3 430
Other reserve	21 201	19 936	17 478
Total	**66 279**	**64 839**	**60 434**
Non-restricted equity			
Currency translation from foreign operations	3 680	2 046	1 686
Cash flow hedge reserve	10	2	1
Foreign currency basis reserve	-8	−57	−62
Own credit risk reserve			−18
Share premium reserve	13 206	13 206	13 206
Retained earnings	92 896	81 634	79 921
Total	**109 784**	**96 831**	**94 734**
Non-controlling interest	29	26	25
Total equity	**176 092**	**161 696**	**155 193**

Ordinary shares

Number of shares	2022	2021	1/1/2021
Number of shares authorised, issued and fully paid	1 132 005 722	1 132 005 722	1 132 005 722
Own shares	−8 934 918	−10 570 929	−12 013 947
Number of outstanding shares	**1 123 070 804**	**1 121 434 793**	**1 119 991 775**
Opening balance	**1 121 434 793**	**1 119 991 775**	**1 118 304 389**
Share delivery due to Equity-settled share based programmes	1 636 011	1 443 018	1 687 386
Closing balance	**1 123 070 804**	**1 121 434 793**	**1 119 991 775**

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).

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.

		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		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[1]	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		-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			290 678	290 678		290 678	290 678
Shares and participating interests	G27		6 738	1 446	8 184		8 184	8 184
Derivatives	G29		48 980		48 980	1 524	50 504	50 504
Other financial assets	G33	8 415					8 415	8 415
Total		**2 355 314**	**133 900**	**324 846**	**458 746**	**1 524**	**2 815 584**	**2 811 470**

			Fair value through profit or loss				
Financial liabilities	**Note**	**Amortised cost**	**Trading**	**Designated**	**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			291 993	291 993		291 993	291 993
Debt securites in issue[2]	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	26 877					26 877	26 877
Total		**2 272 782**	**100 257**	**292 115**	**392 372**	**1 280**	**2 666 433**	**2 669 100**

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

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

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

		2021						
			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		360 153					360 153	360 153
Treasury bills and other bills eligible for refinancing with central banks, etc	G22	128 523	25 314	9 753	35 067		163 590	163 600
Loans to credit institutions	G23	38 121	1 383		1 383		39 504	39 504
Loans to the public[1]	G24	1 678 446	24 561	199	24 760		1 703 206	1 703 553
Value change of the hedged items in portfolio hedges of interest rate risk		−1 753					−1 753	−1 753
Bonds and other interest-bearing securities	G25		29 584	28 509	58 093		58 093	58 093
Financial assets for which customers bear the investment risk	G26			328 512	328 512		328 512	328 512
Shares and participating interests	G27		12 067	1 349	13 416		13 416	13 416
Derivatives	G29		30 970		30 970	9 561	40 531	40 531
Other financial assets	G33	9 166					9 166	9 166
Total		**2 212 656**	**123 879**	**368 322**	**492 201**	**9 561**	**2 714 418**	**2 714 775**

			Fair value through profit or loss					
Financial liabilities	Note	Amortised cost	Trading	Designated	Total	Hedging instruments	Total carrying amount	Fair value
Amounts owed to credit institutions	G35	91 998	814		814		92 812	92 812
Deposits and borrowings from the public	G36	1 260 695	5 088		5 088		1 265 783	1 265 779
Financial liabilities for which customers bear the investment risk	G37			329 667	329 667		329 667	329 667
Debt securites in issue[2]	G38	731 727	4 053	137	4 190		735 917	740 327
Short position securities	G39		28 613		28 613		28 613	28 613
Derivatives	G29		26 401		26 401	1 705	28 106	28 106
Senior non-preferred liabililties		37 832					37 832	38 492
Subordinated liabilities	G44	28 604					28 604	29 026
Other financial liabilities	G42	28 860					28 860	28 860
Total		**2 179 716**	**64 969**	**329 804**	**394 773**	**1 705**	**2 576 194**	**2 581 682**

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

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

Interest Rate Benchmark Reform (the Reform)

IBOR transition is a market move from existing Interbank Offered Rates (IBORs) towards alternative Risk Free Rates (RFRs). IBORs act as reference rates for a broad range of financial instruments and are therefore key to financial stability. IBOR transition is a market move from existing Interbank Offered Rates (IBORs) towards alternative Risk Free Rates (RFRs). IBORs 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 runs an IBOR Transition programme across the Group. The goal is 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. Libor rates (GBP, USD, CHF, EUR, JPY) ceased to exist on 31 December 2021 and EONIA ceased to exist on 3rd of January 2022.

USD Libor 1m, 3m, 6m and 12m will end in June 2023. Euribor (EUR), Stibor (SEK), Nibor (NOK) and Cibor (DKK) have undergone a reform to meet the requirements of the Benchmark Regulation. Euribor and Cibor were approved in 2019 and Nibor in 2020. The Stibor Administrator, Swedish Financial Benchmark Facility (SFBF) applied for authorisation in the end of 2021 and the expectation is that this application will be approved by the Swedish Financial Supervisory Authority during 2023. These IBORs are expected to be available beyond 2021 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.

Where applicable, Swedbank applies 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.

The table below shows the nominal amounts of financial assets, financial liabilities and derivatives affected by IBOR reform that have yet to transition to an alternative benchmark interest rate. Derivatives which have both pay and receive legs with exposure to the benchmark reform, such as cross currency swaps, are disclosed for both legs.

	2022		2021				
	USD Libor	Total	EUR Libor	GBP Libor	USD Libor	Other[1]	Total
Financial assets							
Loans to credit institutions	1 983	1 983		47	1 878	13	1 939
Loans to the public	13 589	13 589	1 984	1 959	19 585	79	23 607
Total	**15 572**	**15 572**	**1 984**	**2 007**	**21 463**	**93**	**25 546**
Financial liabilities							
Amounts owed to credit institutions					32		32
Debt securities in issue	3 170	3 170			20 955		20 955
Total	**3 170**	**3 170**			**20 988**		**20 988**
Derivatives	**1 397 078**	**1 397 078**			**1 367 171**		**1 367 171**

1) Other includes CHF Libor and JPY Libor.

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.

	2022				2021			
	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	15 630	3 112		18 742	27 580	7 487		35 067
Loans to credit institutions		15		15		1 383		1 383
Loans to the public		30 817	33	30 850		24 746	14	24 760
Bonds and interest-bearing securities	42 138	19 160		61 298	29 272	28 821		58 093
Financial assets for which the customers bear the investment risk	290 534		144	290 678	328 512			328 512
Shares and participating interest	7 099	4	1 081	8 184	12 139		1 277	13 416
Derivatives	179	50 325		50 504	162	40 369		40 531
Total	**355 580**	**103 433**	**1 258**	**460 271**	**397 665**	**102 806**	**1 291**	**501 762**
Liabilities								
Amounts owed to credit institutions		659		659		814		814
Deposits and borrowings from the public		2 815		2 815		5 088		5 088
Debt securities in issue		2 371		2 371		4 190		4 190
Financial liabilities for which the customers bear the investment risk		291 849	144	291 993		329 667		329 667
Derivatives	197	68 482		68 679	123	27 983		28 106
Short positions securities	27 014	120		27 134	25 738	2 875		28 613
Total	**27 211**	**366 296**	**144**	**393 651**	**25 861**	**370 617**		**396 478**

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 2022 and 2021, there were no transfers of financial instruments between valuaton levels 1 and 2.

Changes in Level 3

	2022					2021		
	Assets				Liabilities	Assets		
	Equity instruments	Loans	Fund units of which customers bear the investment risk	Total	Liabilities for which the customers bear the investment risk	Equity instruments	Loans	Total
Opening balance	**1 277**	**14**		**1 291**		**1 127**		**1 127**
Purchases	28	23		**51**		13	5	18
Shares received						21		21
Sale of assets/ dividends received	−52		−11	**−63**		−88		−88
Conversion Visa Inc shares	−461			**−461**				
Issued							8	8
Sale of liabilities					−11			
Transferred from Level 1 to Level 3			139	**139**				
Transferred from Level 2 to Level 3					139			
Gains or losses, Net gains and losses on financial items	289	−4	16	**301**	16	204	1	205
of which changes in unrealised gains or losses for items held at closing day	127	−4	15	**138**	15	135	1	136
Closing balance	**1 081**	**33**	**144**	**1 258**	**144**	**1 277**	**14**	**1 291**

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. During 2022 there was a conversion of VISA Inc. C shares to VISA Inc. A. As of year end 2022, the carrying amount for the holdings in Visa Inc. C amounts to SEK 421m (675).

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.

	2022				2021			
	Carrying amount	Fair value		Total	Carrying amount	Fair value		Total
		Level 1	Level 2			Level 1	Level 2	
Assets								
Treasury bills and other bills eligible for refinancing with central banks, etc.	132 741	50	132 693	132 743	128 523	86	128 447	128 533
Loans to credit institutions	56 574		56 574	56 574	38 121		38 121	38 121
Loans to the public	1 811 962		1 807 845	1 807 845	1 678 446		1 678 794	1 678 794
Total	**2 001 276**	**50**	**1 997 112**	**1 997 162**	**1 845 091**	**86**	**1 845 362**	**1 845 448**
Liabilities								
Amounts owed to credit institutions	72 167		72 167	72 167	91 998		91 998	91 998
Deposits and borrowing from the public	1 303 133		1 303 123	1 303 123	1 260 695		1 260 691	1 260 691
Debts securities in issue	781 834	233 914	548 885	782 799	731 727	310 473	425 665	736 138
Senior non-preferred liabilities	57 439		59 361	59 361	37 832		38 493	38 493
Subordinated liabilities	31 331		31 121	31 121	28 604		29 026	29 026
Total	**2 245 905**	**233 914**	**2 014 657**	**2 248 571**	**2 150 857**	**310 473**	**1 845 873**	**2 156 346**

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 20 830m (1 447) derived from the balance sheet item Amounts owed to credit institutions. The amount offset for derivative liabilities includes offset cash collateral of SEK 23 213m (2 249), derived from the balance sheet item Loans to credit institutions.

Assets	2022					2021				
	Derivatives	Reverse repurchase agreements	Security settlement claims	Securities borrowing	Total	Derivatives	Reverse repurchase agreements	Security settlement claims	Securities borrowing	Total
Financial assets, which not have been offset or are not subject to netting agreements	1 154		3 517		4 671	1 099		4 891		5 990
Financial assets, which have been offset or are subject to netting agreements	49 350	30 601	253	73	80 277	39 433	25 944			65 377
Net carrying amount on the balance sheet	**50 504**	**30 601**	**3 770**	**73**	**84 948**	**40 531**	**25 944**	**4 891**		**71 366**
Financial assets, which have been offset or are subject to netting agreements										
Gross amount	1 244 308	117 476	272	73	1 362 130	183 906	88 507	28		272 441
Offset amount	−1 194 958	−86 875	−19		−1 281 853	−144 473	−62 563	−28		−207 064
Net carrying amount on the balance sheet	**49 350**	**30 601**	**253**	**73**	**80 277**	**39 433**	**25 944**			**65 377**
Related amount not offset on the balance sheet										
Financial instruments, netting agreements	27 278	978	253		28 509	15 332	3 960			19 292
Financial instruments, collateral	339	29 526			29 865	1 566	21 953			23 519
Cash, collateral	8 553	26			8 579	13 850	0			13 850
Total amount not offset on the balance sheet	**36 170**	**30 530**	**253**		**66 953**	**30 748**	**25 913**			**56 661**
Net amount	**13 180**	**71**		**73**	**13 324**	**8 685**	**31**			**8 716**

Liabilities	2022					2021				
	Derivatives	Repurchase agreements	Security settlement liabilities	Securities lending	Total	Derivatives	Repurchase agreements	Security settlement liabilities	Securities lending	Total
Financial liabilities, which have not been offset or are not subject to netting agreements	2 094		1 939		4 033	480		4 435		4 915
Financial liabilities, which have been offset or are subject to netting agreements	66 585	3 474	0	23	70 082	27 625	5 902	28	28	33 583
Net carrying amount on the balance sheet	**68 679**	**3 474**	**1 939**	**23**	**74 115**	**28 106**	**5 902**	**4 463**	**28**	**38 499**
Financial liabilities, which have been offset or are subject to netting agreements										
Gross amount	1 263 926	90 349	20	23	1 354 318	172 900	65 472	3 049	28	241 449
Offset amount	−1 197 341	−86 875	−19		−1 284 235	−145 275	−59 570	−3 021		−207 866
Net carrying amount on the balance sheet	**66 585**	**3 474**	**0**	**23**	**70 083**	**27 625**	**5 902**	**28**	**28**	**33 583**
Related amount not offset on the balance sheet										
Financial instruments, netting agreements	27 278	1 231	0		28 509	15 332	3 932	28		19 292
Financial instruments, collateral	6 945	2 132		23	9 100	7 492	1 949		28	9 469
Cash, collateral	21 497				21 497	4 801				4 801
Total amount not offset on the balance sheet	**55 720**	**3 363**	**0**	**23**	**59 106**	**27 625**	**5 881**	**28**	**28**	**33 561**
Net amount	**10 865**	**111**			**10 977**	**1**	**21**			**22**

G49 Specification of adjustments for non-cash items in operating activities

	2022	2021
Amortised origination fees	−869	−764
Unrealised changes in value/currency changes	107	−2 266
Undistributed share of equity in associates	−738	−976
Depreciation and impairment of tangible fixed assets including repossessed leased assets	1 170	1 133
Amortisation and impairment of goodwill and other intangible assets	1 650	554
Credit impairments	1 636	395
Prepaid expenses and accrued income	−58	−54
Accrued expenses and prepaid income	−148	−1 078
Share-based payment	174	195
Other	−124	−2
Total	**2 800**	**−2 863**

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 43 898m (30 810) and interest payments of SEK 11 760m (4 068). 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.

2022
During the year contributions were provided to the joint ventures P27 Nordic Payments Platform AB, Invidem AB and Tibern AB of SEK 72m, 49m and 3m. During the second quarter shares were acquired in the associate Thylling Insight AB of SEK 11m.

2021
Contributions were provided to joint ventures P27 Nordic Payments Platform AB of SEK 25m and Invidem AB of SEK 25m. Additional shares were acquired in associate BGC Holding AB of SEK 1m.

Shares in Hemnet Group AB were sold and Swedbank received a cash payment of SEK 110m which are reported within Disposals of/maturity of other fixed assets and strategic financial assets in the cash flow statement.

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 Group considers liquidity.

What the Group considers to be liquidity and the Group's risk management of liquidity risks are described in note G 3.2

G51 Dividend paid and proposed

	2022		2021	
Ordinary shares	**SEK per share**	**Total**	**SEK per share**	**Total**
Dividend paid, 22nd of February			4,35	4 871
Dividend paid, 1st of April			2,90	3 252
Dividend paid, 6th of April	11,25	12 632		
Dividend paid, 4th of November			7,30	8 187
Total	**11,25**	**12 632**	**14,55**	**16 310**
Proposed dividend to Annual Generel Meeting	9,75	10 965	11,25	12 632
Total	**9,75**	**10 965**	**11,25**	**12 632**

The Board of Directors recommends that shareholders receive a dividend of SEK 9.75 (11.25) per ordinary share in 2023 for the financial year 2022, corresponding to SEK 10 965m (12 632). For more information see parent company note P44.

G52 Assets pledged, contingent liabilities and commitments

Assets pledged

Assets pledged for own liabilities	2022	2021	1/1/2021
Government securities and bonds at the Swedish central bank	236	348	50 725
Government securities and bonds at foreign central banks	31 389	14 981	12 401
Government securities and bonds for liabilities to credit institutions, repurchase agreements	1 963	2 360	10 986
Government securities and bonds pledged for deposits from the public, repurchase agreements	27 405	32 957	17 515
Loans secured for for covered bonds[1]	382 095	473 539	561 209
Assets recorded in register on behalf of insurance policy holders	290 678	328 512	247 632
Cash	21 807	5 109	18 464
Total	**755 573**	**857 807**	**918 932**

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

The carrying amount of liabilities for which assets are pledged amounted to SEK 674 263m (856 675) for the Group.

Other assets pledged	2022	2021	1/1/2021
Shares	217	449	447
Government securities and bonds pledged for other commitments	8 899	7 597	6 256
Cash	5 171	482	463
Total	**14 287**	**8 529**	**7 166**

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-restricted as long as the pledge or arrangement remains in effect. The transactions are made on commercial terms.

Contingent liabilities

Nominal amount	2022	2021	1/1/2021
Loan guarantees	2 994	2 868	5 121
Other guarantees	38 848	46 031	41 676
Accepted and endorsed notes	1 352	1 073	828
Letters of credit granted but not utilised	2 438	3 697	3 071
Other contingent liabilities	75	157	172
Total	**45 708**	**53 825**	**50 868**

Commitments

Nominal amount	2022	2021	1/1/2021
Loans granted but not paid[2]	202 987	204 812	259 683
Overdraft facilities granted but not utilised	62 089	64 172	66 492
Total	**265 076**	**268 984**	**326 175**
Credit impairment provisions for contingent liabilities and commitments	-714	–644	-806

2) During the year a change has been made regarding which engagements are included in Loans granted not paid.

AML ongoing investigations

Swedbank is cooperating with authorities in the United States, who are conducting investigations into Swedbank's historic AML compliance and the Group's response thereto, as well as related issues involving the Group's anti-money laundering controls and certain individuals and entities who may at some time have been customers of the Group. In March 2022, Swedbank AS in Estonia was informed by the Estonian Prosecutor that Swedbank AS is suspected of money laundering during the period 2014-2016. The timing of the completion of the investigations is still unknown and the outcome is still uncertain. At present, it is not possible to reliably estimate the amount of any potential settlement or fines, which could be material.

IT incident

In April, Swedbank experienced a serious IT incident in connection with a system update. The incident caused incorrect balances in customers' accounts and subsequent payment problems while also affecting the availability of the bank's services. In October, the Swedish FSA informed that it is investigating the incident and assessing a possible sanction. It cannot be ruled out that the investigation may lead to negative financial effects for the Group

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		
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**

	Transferred assets			Associated liabilities		
2021	Carrying amount	Of which repurchase agreements	Of which securities lending	Carrying amount	Of which repurchase agreements	Of which securities lending
Shares	449		449	25		25
Debt securities	35 317	35 317		35 365	35 365	
Total	**35 766**	**35 317**	**449**	**35 390**	**35 365**	**25**

G54 Related parties and other significant relationships

	Associates and joint ventures		Other related parties	
Assets	**2022**	**2021**	**2022**	**2021**
Loans to credit institutions	17 437	15 868		
Loans to the public	7	8		
Derivatives	16	6		
Other assets		6		
Total assets	**17 460**	**15 888**		
Liabilities				
Amount owed to credit institutions	3 336	4 912		
Deposits and borrowing from the public		2	487	250
Debt securities in issue, etc.	631	632		
Derivatives	11	12		
Other liabilities	41	49		
Accrued expenses and prepaid income		114		
Total liabilities	**4 019**	**5 722**	**487**	**250**
Derivatives, nominal amount	745	774		
Income and expenses				
Interest income	230	–103		
Interest expenses	21	3		
Dividends received	1 020	587		
Commission income	529	595		
Commission expenses	383	593		
Net gains and losses on financial items	–3	3		
Other income	596	715		
Other general administrative expenses	1	48		

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 213m (51). Dividend received from associates and joint ventures amounted to SEK 1 020 m (587). As of 31 December associates have issued guarantees and pledged assets of SEK 593m (575) 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 the view of this, Swedbank has a close and comprehensive cooperation with 58 of the total 59 Savings Banks in Sweden. A comprehensive 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 distribution of Swedbank's products and services to their customers, while having continued access to Swedbank's infrastructure and product range. In addition to marketing and product issues, close cooperation exists 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 many 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 primarily sponsor of investment funds where the Group serves as a 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 1 351 542 m (1 519 191).

Alternative Investment funds
Swedbank is also a sponsor in 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.

	2022			2021	
	Group Sponsored Investment Funds	Group Alternative Investment Funds	Total	Group Sponsored Investment Funds	Total
Financial assets of which the customers bear the investment risk	17 069		17 069	19 529	19 529
Shares and participating interests	134	11	146	160	160
Total assets recognised in the balance sheet	**17 204**	**11**	**17 215**	**19 689**	**19 689**
Loan commitment				1 170	1 170
The Group's maximum exposure to loss	**17 204**	**11**	**17 215**	**20 859**	**20 859**
Total income from interests[1]	10 590	2	10 592	11 371	11 371

1) The result from interests in unconsolidated structured entities includes asset management fees, changes in fair value and interest income.

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	2022	2021
Net interest income, 12 months[1]			
Increased interest rates	+ 1 % point	7 794	4 578
Decreased interest rates	– 1 % point	–3 274	–2 373
Change in value[2]			
Market interest rate	+ 1 % point	–114	76
	– 1 % point	173	–114
Stock prices	+10%	6	14
	–10%	23	50
Exchange rates	+5%	38	19
	–5%	–17	46
Other			
Stock market performance[3]	+/– 10 %	+/–546	+/–677
Staff changes	+/– 100 persons	+/–79	+/–78
Payroll changes	+/– 1 % point	+/–123	+/–117
Credit impairment ratio	+/– 0.1 % point	+/–1 899	+/–1 743

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 Changed presentation regarding resolution fees

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

Income statement, Group

		2021		
SEKm	**Note**	**Previous reporting**	**Change**	**New reporting**
Interest income on financial assets at amortised cost		29 912		29 912
Other interest income		452		452
Interest income		**30 364**		**30 364**
Interest expense		−4 107	791	−3 316
Net interest income	G8	**26 257**	**791**	**27 048**
Commission income		22 407		22 407
Commission expense		−7 554		−7 554
Net commission income	G9	**14 853**		**14 853**
Net gains and losses on financial items	G10	2 048		2 048
Net insurance	G11	1 457		1 457
Share of profit or loss of associates and joint ventures	G28	976		976
Other income	G12	1 299		1 299
Total income		**46 890**	**791**	**47 681**
Staff costs	G13	12 739		12 739
Other general administrative expenses	G14	6 477		6 477
Depreciation/amortisation of tangible and intangible assets	G15	1 631		1 631
Total expenses		**20 847**		**20 847**
Profit before impairments, Swedish bank tax and resolution fees		**26 043**	**791**	**26 834**
Impairment of intangible assets	G31	56		56
Credit impairments	G17	170		170
Swedish bank tax and resolution fees	G18		791	791
Profit before tax		**25 817**		**25 817**
Tax expense	G19	4 945		4 945
Profit for the year		**20 872**		**20 872**
Profit for the year attributable to:				
Shareholders of Swedbank AB		**20 871**		**20 871**
Non-controlling interests		1		1
C/I ratio		0.44		0.44

G58 Events after 31 December 2022

On 18 January, it was announced that Bo Bengtsson has been appointed Head of Large Corporates and Institutions and will become a member of the Group Executive Committee. Bo Bengtsson left Swedbank's Board of Directors on 18 January and takes up his new position on 1 March 2023.

Parent company

163 Income statement
163 Statement of comprehensive income
164 Balance sheet
165 Statement of changes in equity
166 Statement of cash flow

Initial notes

167 Note P1 Accounting policies
168 Note P2 Risks
168 Credit risk
170 Liquidity risk
171 Market risk
171 Interest rate risk
172 Currency risk
173 Note P3 Capital adequacy analysis
174 Note P4 Geographical distribution of revenue

Income statement

174 Note P5 Net interest income
176 Note P6 Dividends received
176 Note P7 Net commissions
177 Note P8 Net gains and losses on financial items
177 Note P9 Other income
178 Note P10 Staff costs
179 Note P11 Other general administrative expenses
179 Note P12 Depreciation/amortisation and impairments of tangible and intangible assets
179 Note P13 Credit impairments, net
179 Note P14 Impairments of financial assets
179 Note P15 Swedish bank tax and resolution fees
179 Note P16 Appropriations
180 Note P17 Tax

Balance sheet

181 Note P18 Treasury bills and other bills eligible for refinancing with central banks etc.
181 Note P19 Loans to credit institutions
181 Note P20 Loans to the public
181 Note P21 Bonds and other interest-bearing securities
182 Note P22 Shares and participating interests
182 Note P23 Investments in associates and joint ventures
183 Note P24 Investments in Group entities
184 Note P25 Derivatives
184 Note P26 Hedge accounting
185 Note P27 Intangible assets
186 Note P28 Leasing equipment
186 Note P29 Tangible assets
187 Note P30 Other assets
187 Note P31 Prepaid expenses and accrued income
187 Note P32 Amounts owed to credit institutions
187 Note P33 Deposits and borrowings from the public
187 Note P34 Debt securities in issue
187 Note P35 Other liabilities
187 Note P36 Accrued expenses and prepaid income
187 Note P37 Provisions
188 Note P38 Subordinated liabilities
188 Note P39 Untaxed reserves
189 Note P40 Valuation categories of financial instruments
190 Note P41 Fair value of financial instruments
192 Note P42 Financial assets and liabilities which have been offset or are subject to netting or similar agreements

Statement of cash flow

192 Note P43 Specification of adjustments for non-cash items in operating activities

Other notes

193 Note P44 Dividend paid and proposed disposition of earnings
193 Note P45 Assets pledged, contingent liabilities and commitments
194 Note P46 Transferred financial assets
194 Note P47 Operational leasing
195 Note P48 Related parties and other significant relationships
196 Note P49 Changed presentation regarding resolution fees
196 Note P50 Events after 31 December 2022

Income statement, Parent company

SEKm	Note	2022	2021[1]
Interest income on financial assets measured at amortised cost		25 176	9 872
Other interest income		2 367	457
Leasing income		5 137	4 906
Interest income		**32 680**	**15 235**
Interest expense		−12 008	−657
Net interest income	P5	**20 672**	**14 578**
Dividends received	P6	16 811	17 065
Commission income		8 548	8 660
Commission expense		−2 193	−2 119
Net commission income	P7	**6 355**	**6 541**
Net gains and losses on financial items	P8	−1 186	920
Other income	P9	3 106	2 249
Total income		**45 758**	**41 353**
Staff costs	P10	10 504	9 862
Other general administrative expenses	P11	5 977	6 087
Depreciation/amortisation and impairment of tangible and intangible assets	P12	5 047	4 956
Total expenses		**21 528**	**20 905**
Profit before impairments, Swedish bank tax and resolution fees		**24 230**	**20 448**
Credit impairments, net	P13	735	78
Impairment of financial assets	P14	1 946	
Swedish bank tax and resolution fees	P15	1 089	305
Operating profit		**20 460**	**20 065**
Appropriations	P16	−5 263	−53
Tax expense	P17	5 187	4 031
Profit for the year		**20 536**	**16 087**

1) Presentation has been changed, see note P49.

Statement of comprehensive income, Parent company

SEKm	Note	2022	2021
Profit for the year reported via income statement		**20 536**	**16 087**
Total comprehensive income for the year		**20 536**	**16 087**

Balance sheet, Parent company

SEKm	Note	2022	2021	1/1/2021
Assets				
Cash and balances with central banks		215 314	194 353	167 121
Treasury bills and other bills eligible for refinancing with central banks, etc.	P18	144 458	155 998	131 857
Loans to credit institutions	P19	830 322	650 948	669 495
Loans to the public	P20	470 187	391 675	428 997
Bonds and other interest-bearing securities	P21	60 484	58 199	60 631
Shares and participating interests	P22	5 614	12 815	16 576
Investments in associates and joint ventures	P23	2 578	2 365	2 339
Investments in Group entities	P24	62 242	63 744	63 406
Derivatives	P25	67 764	44 323	59 644
Intangible assets	P27	268	314	328
Leasing equipment	P28	17 715	16 586	16 135
Tangible assets	P29	629	560	580
Current tax assets		1 421	1 226	1 275
Other assets	P30	17 989	22 595	28 586
Prepaid expenses and accrued income	P31	1 772	1 795	1 634
Total assets		**1 898 757**	**1 617 496**	**1 648 604**
Liabilities and equity				
Liabilities				
Amounts owed to credit institutions	P32	162 348	100 610	246 804
Deposits and borrowings from the public	P33	943 777	942 932	869 222
Debt securities in issue	P34	435 782	296 918	259 922
Derivatives	P25	100 346	42 542	74 236
Current tax liabilities		1 264	666	363
Deferred tax liabilities	P17	888	239	152
Other liabilities	P35	45 374	49 838	46 327
Accrued expenses and prepaid income	P36	2 629	2 641	2 856
Provisions	P37	710	623	814
Senior non-preferred liabilities		57 439	37 832	10 359
Subordinated liabilities	P38	31 331	28 604	23 434
Total liabilities		**1 781 888**	**1 503 445**	**1 534 489**
Untaxed reserves	P39	5 367	10 630	10 682
Equity				
Share capital		24 904	24 904	24 904
Other funds		19 174	19 174	19 174
Retained earnings		67 424	59 343	59 355
Total equity		**111 502**	**103 421**	**103 433**
Total liabilities and equity		**1 898 757**	**1 617 496**	**1 648 604**

The balance sheet and income statement will be adopted at the Annual General Meeting on 30 March 2023.

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 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	
Opening balance 1 January 2021	**24 904**	**5 968**	**13 206**	**59 355**	**103 433**
Dividend				−16 310	−16 310
Share based payments to employees				195	195
Deferred tax related to share based payments to employees				18	18
Current tax related to share based payments to employees				−2	−2
Total comprehensive income for the year				16 087	16 087
of which through the Profit and loss account				16 087	16 087
Closing balance 31 December 2021	**24 904**	**5 968**	**13 206**	**59 343**	**103 421**
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	2022	2021
Operating activities			
Operating profit		20 460	20 065
Adjustments for non-cash items in operating activities	P43	−6 958	−11 286
Taxes paid		−3 894	−3 504
Increase (-) / decrease (+) in loans to credit institutions		−178 800	18 520
Increase (-) / decrease (+) in loans to the public		−77 849	37 619
Increase (-) / decrease (+) in holdings of securities for trading		16 852	−18 148
Increase (+) / decrease (-) in deposits and borrowings from the public		291	73 709
Increase (+) / decrease (-) in amounts owed to credit institutions		61 564	−146 192
Increase (-) / decrease (+) in other assets		−1 255	33 493
Increase (+) / decrease (-) in debt securities in issue		106 449	28 140
Increase (+) / decrease (-) in other liabilities		61 059	−29 567
Cash flow from operating activities		**−2 081**	**2 849**
Investing activities			
Acquisition of and contribution to Group entities and associates and joint ventures		−243	−52
Acquisition of other fixed assets and strategic financial assets		−9 143	−8 142
Disposals of other fixed assets and strategic financial assets		2 682	2 865
Dividends and Group contributions received		18 927	14 809
Cash flow from investing activities		**12 223**	**9 480**
Financing activities			
Issuance of senior non-preferred liabilities	P2.2	22 993	27 501
Redemption of senior non-preferred liabilities	P2.2	−257	
Issuance of subordinated liabilities	P2.2	13 375	4 328
Redemption of subordinated liabilities	P2.2	−12 660	−616
Dividends paid		−12 632	−16 310
Cash flow from financing activities		**10 819**	**14 903**
Cash flow for the year		**20 961**	**27 232**
Cash and cash equivalents at the beginning of the year		**194 353**	**167 121**
Cash flow for the year		20 961	27 232
Cash and cash equivalents at end of the year		**215 314**	**194 353**

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 31 396m (15 137) and interest payments of SEK 10 257m (978). 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.

2022
During the year shares were acquired in the associate Tibern AB amounting to SEK 3m. Contributions were during the year paid directly to Swedbank PayEx Holding AB's subsidiary PayEx Sverige AB of SEK 119m, Invidem AB of SEK 49m and to P27 Nordic Payment Platform AB of SEK 72m.

2021
During the year additional shares were acquired in the associate BGC Holding AB amounting to SEK 1m. Contributions were during the year paid to Invidem AB of SEK 25m and to P27 Nordic Payment Platform AB of SEK 25m.

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 G3.2.

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 Financial 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

	2022			2021		
Loans to credit institutions	**Stage 1**	**Stage 2**	**Total**	**Stage 1**	**Stage 2**	**Total**
Gross carrying amount before provisions						
Opening balance	648 877	12	648 889	608 546	27	608 573
Closing balance	806 404	10	806 414	648 877	12	648 889
Credit impairment provisions						
Opening balance	**14**	**0**	**14**	**37**	**0**	**37**
Movements affecting credit impairments						
New and derecognised financial assets, net	29	−1	28	−2	0	−2
Changes in risk factors (EAD, PD, LGD)	−14	0	−13	−19	0	−19
Changes in macroeconomic scenarios	20	0	20	−2	0	−2
Changes to models	0	0	0			
Post-model expert credit adjustments	2	0	2	−2	0	−2
Stage transfers	−1	1	0			
from 1 to 2	−2	2	0			
from 2 to 1	1	−1	0			
Total movements affecting credit impairments	**36**	**0**	**36**	**−25**	**0**	**−25**
Movements recognised outside credit impairments						
Change in exchange rates	1	0	1	2		2
Closing balance	**50**	**0**	**51**	**14**	**0**	**14**
Carrying amount						
Opening balance	648 863	12	648 875	608 509	27	608 536
Closing balance	806 354	10	806 363	648 863	12	648 875

	2022				2021			
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	330 543	36 002	4 027	370 572	345 263	42 560	7 935	395 758
Closing balance	389 539	46 763	3 337	439 638	330 543	36 002	4 027	370 572
Credit impairment provisions								
Opening balance	**618**	**1 059**	**1 974**	**3 651**	**656**	**1 675**	**4 480**	**6 811**
Movements affecting credit impairments								
New financial assets	314	39	9	362	91	57	24	172
Derecognised financial assets	−132	−104	−405	−642	−80	−290	−116	−486
Write-offs			−632	−632		−121	−3 616	−3 737
Changes in risk factors (EAD, PD, LGD)	−2	−188	81	−109	−13	−187	9	−191
Changes in macroeconomic scenarios	285	268	3	556	−89	−130		−219
Changes to models	24	−16	0	8				
Post-model expert credit adjustments	−4	−136	3	−138	70	−55	1	16
Individual assessments			142	142			826	826
Stage transfers	−129	240	247	358	−35	47	140	152
from 1 to 2	−177	508		331	−41	139		98
from 1 to 3	−2		34	32	−1		51	50
from 2 to 1	50	−199		−149	7	−37		−30
from 2 to 3		−90	337	246		−59	116	57
from 3 to 2		20	−112	−91		4	−23	−19
from 3 to 1	0		−12	−11	0		−4	−4
Other			−72	−72			−73	−73
Total movements affecting credit impairments	**356**	**102**	**−624**	**−166**	**−56**	**−679**	**−2 805**	**−3 540**
Movements recognised outside credit impairments								
Interest			72	72			73	73
Change in exchange rates	54	48	134	237	18	63	226	307
Closing balance	**1 028**	**1 209**	**1 556**	**3 793**	**618**	**1 059**	**1 974**	**3 651**
Carrying amount								
Opening balance	329 925	34 943	2 053	366 921	344 607	40 885	3 455	388 947
Closing balance	388 511	45 554	1 781	435 845	329 925	34 943	2 053	366 921

	2022				2021			
Commitments and guarantees	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Nominal amount								
Opening balance	480 294	15 104	197	495 595	622 568	16 188	490	639 246
Closing balance	363 549	22 574	97	386 220	480 294	15 104	197	495 595
Credit impairment provisions								
Opening balance	**268**	**271**	**83**	**622**	**244**	**405**	**155**	**804**
Movements affecting credit impairments								
New and derecognised financial assets, net	48	−71	−25	−48	−16	−23	−90	−129
Changes in risk factors (EAD, PD, LGD)	−28	-15	16	-27	−8	−54	6	−56
Changes in macroeconomic scenarios	88	56	0	144	−36	−46	0	−82
Changes to models	9	6	-15	0				
Post-model expert credit adjustments	−25	8	0	−18	75	−23	0	52
Stage transfers	−25	62	−38	−1	−1	−1	−1	−3
from 1 to 2	−47	130		83	−3	12		9
from 1 to 3	−1		10	9	0		1	1
from 2 to 1	22	−68		−46	2	−13		−11
from 2 to 3		−2	7	5		0	1	1
from 3 to 2		2	−54	−52		0	−2	−2
from 3 to 1	0		−1	−1	0		−1	−1
Total movements affecting credit impairments	**66**	**46**	**−62**	**50**	**14**	**−147**	**−85**	**−218**
Movements recognised outside credit impairments								
Change in exchange rates	19	8	11	38	10	13	13	36
Closing balance	**353**	**325**	**32**	**710**	**268**	**271**	**83**	**622**

Gross carrying amount of forborne loans

	2022	2021
Performing	1 636	1 857
Non-performing	2 414	3 456
Total	**4 050**	**5 313**

Concentration risk, customer exposure

At end of 2022 the parent company had two exposures against single counterparties 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 1 806m (2 543). 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 253 613m (263 331) may be drawn at any time by the customer. Issued guarantees and other contingent liabilities of SEK 132 607m (232 264) may lead to future cash outflows if certain events occur. The expected cash outflows, amounting to SEK 710m (622), 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 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**

	Undiscounted contractual cash flows							
Remaining maturity 2021	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	194 353							194 353
Treasury bills and other bills eligible for refinancing with central banks, etc.		131 830	8 774	10 554	3 639	846	355	155 998
Loans to credit institutions	2 183	20 370	595 536	31 374	119	1 366		650 948
Loans to the public		42 606	96 971	221 063	23 398	7 637		391 675
Bonds and other interest-bearing securities		5 455	10 056	36 047	7 590	178	–1 127	58 199
Shares and participating interests							78 924	78 924
Derivatives		12 964	4 604	82 549	65 510	16 123	–137 427	44 323
Intangible assets							314	314
Tangible assets							17 146	17 146
Other assets		8 832	1 226				15 558	25 616
Total	**196 536**	**222 057**	**717 167**	**381 587**	**100 256**	**26 150**	**–26 257**	**1 617 496**
Liabilities								
Amounts owed to credit institutions	64 630	35 747	187	46				100 610
Deposits and borrowings from the public	918 811	16 933	6 538	650				942 932
Debt securities in issue		96 327	112 488	86 382	2 319		–598	296 918
Derivatives		9 187	4 720	90 921	67 467	16 283	–146 036	42 542
Other liabilities		52 032	773	861			10 971	64 637
Senior non-preferred liabilities				23 432	15 187		–787	37 832
Subordinated liabilities		4 516	6 651	12 324	4 894		219	28 604
Equity							103 421	103 421
Total	**983 441**	**214 742**	**131 357**	**214 616**	**89 867**	**16 283**	**–32 810**	**1 617 496**

2.2.2 Interest-bearing securities

	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
Change in value including interest	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**

	Debt securities in issue						
Turnover during the year, 2021	Commercial papers	Senior unsecured bonds	Structured retail bonds	Total debt securities in issue	Senior non-preferred liabilities	Subordinated liabilities	Total
Opening balance	**127 212**	**127 037**	**5 673**	**259 922**	**10 359**	**23 434**	**293 715**
Issued	653 595	31 503		685 098	27 501	4 328	716 927
Repurchased			−1 972	−1 972			−1 972
Repaid	−619 613	−35 374		−654 987		−616	−655 603
Change in value including interest	3 873	4 635	349	8 857	−28	1 458	10 287
Closing balance	**165 067**	**127 801**	**4 050**	**296 918**	**37 832**	**28 604**	**363 354**

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.

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**

2021	≤ 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	−723	69	186	109	−95	586	551	−1 004	108	−213
Foreign currency	−28	−20	24	28	−116	145	−130	158	89	150
Total	**−751**	**49**	**210**	**137**	**−211**	**731**	**421**	**−846**	**197**	**−63**

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.

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**

2021	≤ 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	79	101	47	−128	−148	516	518	−821	74	238
Foreign currency	−162	63	−188	−87	844	−1 145	662	114	−88	13
Total	**−83**	**164**	**−141**	**−215**	**696**	**−629**	**1 180**	**−707**	**−14**	**251**

2.3.2 Currency risk

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**		

Currency distribution

2021	EUR	USD	GBP	DKK	NOK	Other	Total foreign currency	SEK	Total
Assets									
Cash and balances with central banks	2 072	19 370		428	294	55	22 219	172 134	194 353
Loans to credit institutions	20 114	3 059	176	2 094	5 249	257	30 949	619 999	650 948
Loans to the public	38 308	22 555	2 799	5 151	41 747	2 206	112 766	278 909	391 675
Treasury bills and other bills eligible for refinancing with central banks, etc.	569	270			1 486		2 325	153 673	155 998
Bonds and other interest-bearing securities	4 669	1 959		348	7 713		14 689	43 510	58 199
Derivatives and other assets not distributed								166 323	166 323
Total	**65 732**	**47 213**	**2 975**	**8 021**	**56 489**	**2 518**	**182 948**	**1 434 548**	**1 617 496**
Liabilities									
Amounts owed to credit institutions	25 076	2 882	8	221	1 325	1 781	31 293	69 317	100 610
Deposits and borrowings from the public	25 897	25 423	828	2 920	4 537	2 501	62 106	880 826	942 932
Debt securities in issue	78 479	163 992	26 263		2 549	11 584	282 867	14 051	296 918
Senior non-preferred liabilities	25 997		4 261		5 292	1 331	36 881	951	37 832
Subordinated liabilities	11 870	13 625				1 891	27 386	1 218	28 604
Derivatives and other liabilities not distributed								107 179	107 179
Equity								103 421	103 421
Total	**167 319**	**205 922**	**31 360**	**3 141**	**13 703**	**19 088**	**440 533**	**1 176 963**	**1 617 496**
Derivatives, other assets and other liabilities	112 732	158 611	28 328	−4 860	−42 568	16 553	268 796		
Net position in currency	**11 145**	**−98**	**−57**	**20**	**218**	**−17**	**11 211**		

P3 Capital adequacy analysis

	2022	2021
Available own funds		
Common Equity Tier 1 (CET1) capital	102 528	96 715
Tier 1 capital	111 742	110 093
Total capital	134 563	126 056
Risk-weighted exposure amounts		
Total risk exposure amount	394 817	353 415
Capital ratios as a percentage of risk-weighted exposure amount		
Common Equity Tier 1 ratio	26.0	27.4
Tier 1 ratio	28.3	31.2
Total capital ratio	34.1	35.7
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	2.1	1.5
of which: to be made up of CET1 capital	1.4	1.1
of which: to be made up of Tier 1 capital	1.6	1.2
Total SREP own funds requirements	10.1	9.5
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	0.9	0.1
Systemic risk buffer	0.0	0.0
Global Systemically Important Institution buffer		
Other Systemically Important Institution buffer		
Combined buffer requirement	3.4	2.6
Overall capital requirements	13.5	12.1
CET1 available after meeting the total SREP own funds requirements[1]	20.0	21.8
Leverage ratio		
Total exposure measure	1 340 798	1 209 752
Leverage ratio, %	8.3	9.1
Additional own funds requirements to address the risk of excessive leverage as a percentage of total exposure measure		
Additional own funds requirements to address the risk of excessive leverage		
of which: to be made up of CET1 capital		
Total SREP leverage ratio requirements	3.0	3.0
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

1) The calculation was reviewed and corrected as of Q3 2022, thus the historical figure for 2021 was changed accordingly.

	2022	2021
Liquidity Coverage Ratio		
Total high-quality liquid assets, average weighted value	560 040	569 053
Cash outflows, total weighted value	607 726	555 326
Cash inflows, total weighted value	81 543	62 097
Total net cash outflows, adjusted value	526 182	493 228
Liquidity coverage ratio, %	106.7	115.7
Net Stable Funding Ratio		
Total available stable funding	1 014 113	962 973
Total required stable funding	593 123	534 747
Net stable funding ratio, %	171.0	180.1

Common Equity Tier 1 capital	**2022**	**2021**
Shareholders' equity according to the balance sheet	111 502	103 421
Anticipated dividend	−10 967	−12 632
Share of capital of accrual reserve	4 187	8 290
Value changes in own financial liabilities	−659	−379
Additional value adjustments	−513	−924
Goodwill	−709	−709
Intangible assets	−267	−311
Shares deducted from CET1 capital	−40	−41
Insufficient coverage for non-performing exposures	−5	
Total	**102 528**	**96 715**

Risk exposure amount	**2022**	**2021**
Risk exposure amount credit risks, standardised approach	103 867	86 177
Risk exposure amount credit risks, IRB	180 802	167 375
Risk exposure amount default fund contribution	149	281
Risk exposure amount settlement risks	0	2
Risk exposure amount market risks	21 352	20 987
Risk exposure amount credit value adjustment	3 801	2 333
Risk exposure amount operational risks	42 408	40 218
Additional risk exposure amount, Article 3 CRR	33 658	26 458
Additional risk exposure amount, Article 458 CRR	8 782	9 584
Total	**394 817**	**353 415**

	SEKm		Per cent	
Capital requirements[1]	**2022**	**2021**	**2022**	**2021**
Capital requirement Pillar 1	44 870	37 462	11.4	10.6
of which Buffer requirements[2]	13 285	9 189	3.4	2.6
Total capital requirement Pillar 2[3]	8 291	5 301	2.1	1.5
Total capital requirement including Pillar 2 guidance	**53 161**	**42 763**	**13.5**	**12.1**
Own funds	**134 563**	**126 056**		

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 2022.

	SEKm		Per cent	
Leverage ratio requirements[1]	**2022**	**2021**	**2022**	**2021**
Leverage ratio requirement Pillar 1	40 224	36 293	3.0	3.0
Total leverage ratio requirement including Pillar 2 guidance	**40 224**	**36 293**	**3.0**	**3.0**

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

P4 Geographical distribution of revenue

2022	Sweden	Norway	Finland	Denmark	USA	Other	Total
Interest income	22 690	2 189	456	40	2 037	131	27 543
Leasing income	5 137						5 137
Dividends received	16 811						16 811
Commission income	8 112	249	113	19	51	4	8 548
Net gains and losses on financial items	−1 032	−97	20	−47	−4	−26	−1 186
Other income	2 501	3				602	3 106
Total	**54 219**	**2 344**	**589**	**12**	**2 084**	**711**	**59 959**

2021	Sweden	Norway	Finland	Denmark	USA	Other	Total
Interest income	8 645	1 621	−346	47	220	142	10 329
Leasing income	4 906						4 906
Dividends received	17 065						17 065
Commission income	8 173	244	175	17	47	4	8 660
Net gains and losses on financial items	−3 280	3 232	986	5	−3	−20	920
Other income	2 073	4	6			166	2 249
Total	**37 582**	**5 101**	**821**	**69**	**264**	**292**	**44 129**

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 and China.

P5 Net interest income

	2022	2021[1]
Interest income	27 543	10 329
Leasing income from financial leases	5 137	4 906
Interest expense	12 008	657
Net interest income before depreciation for financial leases	**20 672**	**14 578**
Depreciation according to plan finance leases	4 672	4 658
Net interest income after depreciation for financial leases	**16 000**	**9 920**

1) Presentation of the Income statement has been changed, see note P49.

	2022			2021[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	3 149		3 149	−511		−511
Treasury bills and other bills eligible for refinancing with central banks, etc.	849	273	1 122		38	38
Loans to credit institutions	8 006	97	8 103	1 369	−18	1 351
Loans to the public	13 167	714	13 881	8 953	−38	8 915
Bonds and other interest-bearing securities		860	860		161	161
Total interest-bearing instruments	**25 171**	**1 944**	**27 115**	**9 811**	**143**	**9 954**
Derivatives[2]		423	423		314	314
Other assets	5 142		5 142	4 967		4 967
Interest income	**30 313**	**2 367**	**32 680**	**14 778**	**457**	**15 235**
Liabilities						
Amounts owed to credit institutions	1 929	139	2 068	183	−13	170
Deposits and borrowings from the public	4 561	355	4 916	292	−95	197
of which deposit guarantee fees	252		252	251		251
Debt securities in issue	7 256	6	7 262	1 404	16	1 420
Senior non-preferred liabilities	659		659	213		213
Subordinated liabilities	911		911	764		764
Total interest-bearing instruments	**15 316**	**500**	**15 816**	**2 856**	**−92**	**2 764**
Derivatives[2]		−3 815	−3 815		−2 130	−2 130
Other liabilities	7		7	23		23
Interest expense	**15 323**	**−3 315**	**12 008**	**2 879**	**−2 222**	**657**
Net interest income	**14 990**	**5 682**	**20 672**			**14 578**
Interest income on stage 3 loans			98			77
Negative yield on financial assets			467			784
Negative yield on financial liabilities			444			649

1) Presentation of the Income statement has been changed, see note P49.

2) The derivatives line includes net interest income related to hedged assets and liabilities. There may have both a positive and negative impact on interest income an interest expense.

	Average annual interest rate, %		Average balance	
Assets	**2022**	**2021**	**2022**	**2021**
Cash and balances with central banks	0.83	−0.13	380 687	385 078
Treasury bills and other bills eligible for refinancing with central banks, etc.	0.82	0.03	137 652	134 140
Loans to credit institutions	1.05	0.20	772 949	667 841
Loans to the public	3.04	2.19	456 568	408 002
Bonds and other interest-bearing securities	1.89	0.36	45 446	45 202
Total interest-bearing instruments	**1.51**	**0.61**	**1 793 302**	**1 640 263**
Derivatives			66 761	45 928
Other assets			120 674	140 265
Total	**1.65**	**0.83**	**1 980 737**	**1 826 456**
Liabilities				
Amounts owed to credit institutions	0.96	0.08	214 932	202 841
Deposits and borrowings from the public	0.48	0.02	1 024 750	986 613
Debt securities in issue	1.64	0.37	442 178	380 169
Senior non-preferred liabilities	1.34	0.74	49 208	28 684
Subordinated liabilities	3.17	3.00	28 731	25 429
Total interest-bearing instruments	**0.90**	**0.17**	**1 759 799**	**1 623 736**
Derivatives			76 084	48 548
Other liabilities			43 254	52 516
Total	**0.64**	**0.06**	**1 879 137**	**1 724 800**
Investment margin	1.04	0.78		

P6 Dividends received

	2022	2021
Shares and participating interests	119	161
Investments in associates	1 020	587
Investments in Group entities	15 672	16 317
of which, through Group contributions	12 749	15 538
Total	**16 811**	**17 065**

P7 Net commission income

	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**

	Commission income			Commission expense	Net commission income
2021	**Over time**	**Point in time**	**Total**		
Payment processing	343	1 114	1 457	−1 119	338
Cards	315	1 098	1 413	−239	1 174
Service concepts	702		702	−10	692
Asset management and custody	2 269	27	2 296	−143	2 153
Life insurance	513	2	515	−3	512
Securities	1	796	797	−288	509
Corporate finance	2	75	77		77
Lending	722	200	922	−105	817
Guarantee	169		169		169
Deposits	15	3	18		18
Non-life insurance	69		69		69
Other	173	52	225	−212	13
Total	**5 293**	**3 367**	**8 660**	**−2 119**	**6 541**

P8 Net gains and losses on financial items

	2022	2021
Fair value through profit or loss		
Held for trading		
Shares and share related derivatives	450	52
Interest-bearing securities and interest related derivatives	−1 762	233
Total	**−1 312**	**285**
Other		
Shares	176	49
Interest-bearing securities	−506	−76
Total	**−330**	**−27**
Total fair value through profit or loss	**−1 642**	**258**
Hedge accounting		
Ineffectiveness, one-to-one fair value hedges		
Hedging instruments	−11 948	−2 337
Hedged items	11 971	2 334
Total hedge accounting	**23**	**−3**
Amortised cost		
Derecognition gain or loss for financial liabilities	−5	2
Derecognition gain or loss for financial assets	−55	3
Total amortised cost	**−60**	**5**
Change in exchange rates	**493**	**660**
Total	**−1 186**	**920**

P9 Other income

	2022	2021
IT services subsidiaries	83	147
IT services	980	887
Other sales subsidiaries	1 408	592
Other operating income	635	623
Total	**3 106**	**2 249**

P10 Staff costs

Total staff costs	2022	2021
Salaries and remuneration	6 572	6 046
Compensation through shares in Swedbank AB	117	128
Social insurance charges	2 007	1 899
Pension costs	1 381	1 444
Training costs	66	53
Other staff costs	361	292
Total	**10 504**	**9 862**
of which variable staff costs	235	254

Variable Compensation Programme	2022	2021
Programme 2020 and earlier		
Recognised expense for compensation that is settled with shares in Swedbank AB	39	67
Recognised expense for social charges related to the share settled compensation	15	42
Recognised expense for cash settled compensation	3	18
Recognised expense for payroll overhead costs related to the cash settled compensation	2	7
Programme 2021		
Recognised expense for compensation that is settled with shares in Swedbank AB	10	61
Recognised expense for social charges related to the share settled compensation	2	17
Recognised expense for cash settled compensation	24	27
Recognised expense for payroll overhead costs related to the cash settled compensation	14	15
Programme 2022		
Recognised expense for compensation that is settled with shares in Swedbank AB	67	
Recognised expense for social charges related to the share settled compensation	17	
Recognised expense for cash settled compensation	27	
Recognised expense for payroll overhead costs related to the cash settled compensation	15	
Total recognised expense	**235**	**254**

Number of performance rights that establish the recognised share based expense, millions	2022	2021
Outstanding at the beginning of the period	**3.4**	**3.3**
Allotted	1.3	1.0
Forfeited	0.2	0.1
Exercised	1.0	0.8
Outstanding at the end of the period	**3.5**	**3.4**
Exercisable at the end of the period	0	0
Weighted average fair value per performance right at measurement date, SEK	162	161
Weighted average remaining contractual life, months	6	18
Weighted average exercise price per performance right, SEK	0	0

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**

2021	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	90	1	5 345	5 436
Denmark				17	17
Norway				172	172
USA				23	23
Finland				51	51
China				13	13
Estonia				170	170
Latvia				86	86
Lithuania				206	206
Total	**26**	**90**	**1**	**6 083**	**6 174**

Board members, President and equivalent senior executives	2022	2021
Costs during the year for pensions and similar benefits	30	29
No. of persons	17	18
Granted loans, SEKm	68	73
No. of persons	15	14

	2022		2021	
Distribution by gender %	Female	Male	Female	Male
All employees	54	46	63	37
Directors	42	58	36	64
Other senior executives, including President	33	67	33	67

P11 Other general administrative expenses

	2022	2021
Rents, etc.	920	892
IT expenses	2 836	2 955
Telecommunications, postage	79	98
Consulting	744	885
Other outside services	755	558
Travel	64	15
Entertainment	20	11
Office supplies	54	51
Advertising, public relations, marketing	122	165
Security transports, alarm systems	46	46
Maintenance	84	93
Other administrative expenses	207	226
Other operating expenses	46	92
Total	**5 977**	**6 087**

Remuneration to Auditors elected by Annual General Meeting, PwC	2022	2021
Audit assignment	35	36
Audit related services	11	8
Tax advisory	0	0
Other services	0	16
Total	**46**	**60**
Internal Audit	76	80

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 include general expatriate services and other tax services work. 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

	2022	2021
Depreciation/amortisation		
Equipment	223	230
Intangible assets	88	90
Lease objects	4 672	4 658
Total	**4 983**	**4 978**
Impairment		
Lease objects	64	–22
Total	**64**	**–22**
Total	**5 047**	**4 956**

P13 Credit impairments, net

	2022	2021
Loan at amortised cost		
Credit impairment provisions - stage 1	392	–81
Credit impairment provisions - stage 2	102	–679
Credit impairment provisions - stage 3	–624	–2 805
Total	**–130**	**–3 565**
Write-offs	864	3 956
Recoveries	–49	–95
Total	**815**	**3 861**
Total loan at amortised cost	**685**	**296**
Commitments and guarantees		
Credit impairment provisions - stage 1	66	14
Credit impairment provisions - stage 2	46	–147
Credit impairment provisions - stage 3	–62	–85
Total commitments and guarantees	**50**	**–218**
Total credit impairments	**735**	**78**
Credit impairments by borrower category		
Credit institutions	80	25
General public	655	53
Total	**735**	**78**

P14 Impairments of financial assets

	2022	2021
Investments in Group entities		
Swedbank PayEx Holding AB	1 940	
FR & R Invest AB	6	
Total	**1 946**	

P15 Swedish bank tax and resolution fees

	2022	2021
Swedish bank tax	693	
Resolution fees	396	305
Total	**1 089**	**305**

P16 Appropriations

	2022	2021
Tax allocation reserve, reversal 2017	–1 862	
Tax allocation reserve, reversal 2018	–3 538	
Tax allocation reserve, reversal 2019	–51	
Accelerated depreciation, equipment	188	–53
Total	**–5 263**	**–53**

P17 Tax

Tax expense	2022	2021
Tax related to previous years	1	6
Current tax	4 534	3 935
Deferred tax	652	90
Total	**5 187**	**4 031**

The difference between the parent company's tax expense and the tax expense based on current Swedish tax rate is explained below:

	2022		2021	
	SEKm	%	SEKm	%
Results	5 187	20.2	4 031	20.0
Current tax of pre-tax profit	5 299	20.6	4 144	20.6
Difference	**–112**	**–0.4**	**–113**	**–0.6**
The difference consists of the following items				
Tax previous years	1		6	
Tax-exempt income/non-deductible expenses	45	0.2	3	
Non-deductible interest related to subordinated liabilities	188	0.7	159	0.8
Non-taxable dividends	–814	–3.2	–283	–1.4
Tax-exempt gains and non-deductible losses on shares and participating interests	–11		–10	
Reversal tax allocation reserve	67	0.3		
Standard income tax allocation reserve	6		6	
Non-deductible impairment of financial asset	401	1.6		
Deviating tax rates in other countries	5		6	
Total	**–112**	**–0.4**	**–113**	**–0.6**

2022

Deferred tax liabilities	Opening balance	Income statement	Equity	Exchange rate differences	Closing balance
Deductible and taxable temporary differences					
Hedge of net investments of foreign operations	413	645			1 058
Provisions for pensions	–143	14			–129
Share-based payments	–7		–4		–11
Intangible assets	3	–2			1
Other	–27	–5		1	–31
Total	**239**	**652**	**–4**	**1**	**888**

2021

Deferred tax liabilities	Opening balance	Income statement	Equity	Exchange rate differences	Closing balance
Deductible and taxable temporary differences					
Hedge of net investments of foreign operations	288	125			413
Provisions for pensions	–127	–16			–143
Share-based payments	11		–18		–7
Intangible assets	5	–2			3
Other	–25	–17		15	–27
Total	**152**	**90**	**–18**	**15**	**239**

P18 Treasury bills and other bills eligible for refinancing with central banks etc.

	Carrying amount			Nominal amount		
	2022	2021	1/1/2021	2022	2021	1/1/2021
Swedish government	8 690	22 369	13 991	8 100	20 881	13 233
Swedish municipalities	2 271	3 129	2 666	2 370	3 096	2 608
Swedish central bank	132 693	128 447	114 743	132 730	128 447	114 743
Foreign governments	716	638	76	819	592	71
Foreign municipalities	88	1 415	381	88	1 416	371
Total	**144 458**	**155 998**	**131 857**	**144 107**	**154 432**	**131 026**

P19 Loans to credit institutions

	2022	2021	1/1/2021
Swedish banks	7 508	1 610	5 336
Other Swedish credit institutions	785 233	625 571	623 895
Foreign credit institutions	36 996	21 694	30 973
Repurchase agreement, other Swedish credit institutions	571	1 337	8 449
Repurchase agreement, foreign credit institutions	14	736	842
Total	**830 322**	**650 948**	**669 495**
of which subordinated loans			
Associates			120
Other companies			48
Total			**168**
of which senior non-preferred loans			
Subsidiaries	25 627	19 303	22 240

P20 Loans to the public

	2022	2021	1/1/2021
Swedish public	338 093	297 022	284 355
Foreign public	87 989	68 250	70 063
Loans to customers	**426 082**	**365 272**	**354 418**
Cash collaterals posted, Swedish public	3 054	1 304	8 656
Cash collaterals posted, foreign public	461	535	973
Repurchase agreements, Swedish public	1 478	3 938	74
Repurchase agreements, Swedish National Debt Office	6 952	3 021	7 243
Repurchase agreements, foreign public	22 156	17 602	32 630
Loans to Swedish National Debt Office	10 004	3	25 003
Total	**470 187**	**391 675**	**428 997**

P21 Bonds and other interest-bearing securities

	Carrying amount			Nominal amount		
	2022	2021	1/1/2021	2022	2021	1/1/2021
Swedish mortgage institutions	32 013	30 437	27 357	33 714	30 021	26 569
Swedish financial entities	8 731	6 140	12 519	9 175	6 072	12 219
Swedish non-financial entities	1 569	1 841	3 318	1 649	1 812	3 275
Foreign credit institutions	10 056	10 628	9 523	10 107	10 583	9 437
Foreign financial entities	7 616	6 483	5 574	7 883	6 367	5 456
Foreign non-financial entities	499	2 670	2 340	537	2 661	2 336
Total	**60 484**	**58 199**	**60 631**	**63 065**	**57 516**	**59 292**
of which subordinated bonds and other interest-bearing securities	117	203	137	125	199	132
of which senior non-preferred bonds and other interest-bearing securities	158	719	234	158	713	232

Bonds and other interest-bearing securities issued by other than public agencies.

P22 Shares and participating interests

	Carrying amount			Cost		
	2022	2021	1/1/2021	2022	2021	1/1/2021
Trading shares	329	6 345	4 627	358	6 112	4 459
Trading fund units	3 995	5 293	10 918	3 991	5 188	10 700
Shares for protection of claim		20			20	
Condominiums	11	11	11	11	11	11
Other	1 279	1 146	1 020	951	1 167	1 357
Total	**5 614**	**12 815**	**16 576**	**5 311**	**12 498**	**16 527**

P23 Investments in associates and joint ventures

Fixed assets	2022	2021	1/1/2021
Credit institutions	2 054	2 054	2 054
Other associates	524	311	285
Total	**2 578**	**2 365**	**2 339**
Opening balance	**2 365**	**2 339**	**2 315**
Additions during the year	213	26	24
Closing balance	**2 578**	**2 365**	**2 339**

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 Skåne AB, Lund	516401-0091	3 670 342	1 070	1 070	22.00
Sparbanken Sjuhärad AB, Borås	516401-9852	4 750 000	288	288	47.50
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	122	122	16.67
P27 Nordic Payments Platform AB, Stockholm, joint venture	559198-9610	10 000	277	277	16.67
USE Intressenter AB, Uppsala	559161-9464	2 000	0	0	20.00
Tibern AB, Stockholm, joint venture	559384-3542	4 000	3	3	14.00
Total			**524**	**546**	
Total			**2 578**	**2 600**	

The share of the voting rights in each entity corresponds to the share of its equity. All shares and participating interests are unlisted.

In 2022, capital contribution was provided to Invidem AB of SEK 49m (25) and to P27 Nordic Payments Platform AB of SEK 161m. During 2022 shares in the joint venture Tibern AB were aquired of SEK 3m. During 2021, shares in BGC Holding AB were aquired of SEK 1m.

P24 Investments in Group entities

Fixed assets	2022	2021	1/1/2021
Swedish credit institutions	24 073	24 073	24 073
Foreign credit institutions	19	19	29 371
Other entities	38 150	39 652	9 962
Total	**62 242**	**63 744**	**63 406**
Opening balance	**63 744**	**63 406**	**63 082**
Additions during the year	444	29 736	398
Impairments during the year	−1 946		
Disposals during the year		−29 398	−74
Closing balance	**62 242**	**63 744**	**63 406**

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	24 073	24 073	100
Total			**24 073**	**24 073**	
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	70	100
Sparfrämjandet AB, Stockholm	556041-9995	45 000	5	5	100
Sparia Group Försäkring AB, Stockholm	516406-0963	70 000	146	146	100
Swedbank Baltics AS, Riga	40203295309	3 882 550 000	29 457	29 457	100
Swedbank Fastighetsbyrå AB, Stockholm	556090-2115	1 000	284	284	100
Swedbank Försäkring AB, Stockholm	516401-8292	150 000	3 367	3 367	100
Swedbank PayEx Holding AB, Visby	556714-2798	500 000	1 322	2 937	100
Swedbank Robur AB, Stockholm	556110-3895	10 000 000	3 328	3 328	100
Other entities		1 100	0	0	
Total			**38 150**	**41 619**	
Total			**62 242**	**65 877**	

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.

In 2022 capital contribution in the kind of a group constribution was made directly to Swedbank PayEx Holding AB's subsidiary PayEx Sverige AB with SEK 389m. In 2021 capital contribution was provided to Ektornet AB SEK 0.2m, Swedbank PayEx Holding AB SEK 262m and to FR & R Invest AB SEK 9m. In March 2021, the Latvian holding company Swedbank Baltics AS was formed. On 1 October 2021, a change to the Baltic activities governance and control was implemented. Swedbank Baltics AS thereby became owner of the shares in Swedbank AS (Estonia), Swedbank AS (Latvia) and Swedbank AB (Lithuania), which previously were owned by Swedbank AB.

P25 Derivatives

		Nominal amount Remaining contractual maturity			Nominal amount		Positive fair value		Negative fair value	
	Note	< 1 yr.	1-5 yrs.	> 5 yrs.	2022	2021	2022	2021	2022	2021
Derivatives in hedge accounting	P26	38 269	148 488	20 205	206 962	168 834	4	776	13 023	974
Non-hedging derivatives		9 114 074	12 877 906	9 253 111	31 245 091	26 808 276	1 262 718	188 020	1 284 664	186 842
Gross amount		**9 152 343**	**13 026 394**	**9 273 316**	**31 452 053**	**26 977 110**	**1 262 722**	**188 796**	**1 297 687**	**187 816**
Offset amount	P42						−1 194 958	−144 473	−1 197 341	−145 274
Total		**9 152 343**	**13 026 394**	**9 273 316**	**31 452 053**	**26 977 110**	**67 764**	**44 323**	**100 346**	**42 542**
Non-hedging derivatives										
Interest-related										
Options held		563 348	349 351	134 799	1 047 498	961 265	4 793	2 129	5 362	1 974
Forward contracts		4 260 418	545 501		4 805 919	3 706 870	5 108	858	4 348	881
Swaps		2 951 610	11 235 967	8 975 449	23 163 026	20 139 895	1 215 302	157 993	1 226 440	160 632
Currency-related										
Options held		239	54 872		55 111	19 964	558	78	564	77
Forward contracts		895 152	13 648		908 800	948 642	10 776	13 263	16 030	7 439
Swaps		329 733	672 474	142 863	1 145 070	935 880	24 203	11 443	30 385	14 259
Equity-related										
Options held		48 623	2 542		51 165	61 837	1 524	1 934	1 058	948
Forward contracts		20 865			20 865	1 688	6	11	3	14
Swaps		44 086			44 086	29 166	448	311	465	544
Credit-related										
Swaps			3 551		3 551	3 069			9	74
Total		**9 114 074**	**12 877 906**	**9 253 111**	**31 245 091**	**26 808 276**	**1 262 718**	**188 020**	**1 284 664**	**186 842**

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 and refers to one-to-one fair value hedges.

	2022					2021				
		Carrying amount		Change in fair value used for recognising hedge in effectiveness	Ineffectiveness recognised in Profit or loss		Carrying amount		Change in fair value used for recognising hedge in effectiveness	Ineffectiveness recognised in Profit or loss
Hedging instruments and hedge ineffectiveness	Nominal amount	Assets	Liabilities			Nominal amount	Assets	Liabilities		
Interest rate risk										
Interest rate swap, Debt securities in issue	113 467	1	6 328	−6 250	31	108 315	546	426	−69	0
Interest rate swap, Senior non-preferred liabilities	60 579	0	4 947	−4 963	−5	32 120	12	448	−431	−1
Interest rate swap, Subordinated liabilities	32 916	3	1 748	−1 801	−3	28 399	218	100	44	−2
Total	**206 962**	**4**	**13 023**	**−13 014**	**23**	**168 834**	**776**	**974**	**−456**	**−3**

	2022			2021		
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
Debt securities in issue	113 770	−6 271	6 271	108 518	−65	65
Senior non-preferred liabilities	60 840	−4 953	4 953	32 114	−428	428
Subordinated liabilities	33 131	−1 799	1 799	28 576	44	−44
Total	**207 741**	**−13 023**	**13 023**	**169 208**	**−449**	**449**

	2022			2021		
	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.
Nominal amount	38 269	148 488	20 205	47 518	103 744	17 572
Average fixed interest rate (%)	3.64	3.27	3.28	0.65	0.03	0.34

Hedged reference rates in scope for interest rate benchmark reform

	Nominal amount	
	2022	2021
Hedged items and hedging instruments	USD	USD
All contracts	38 973	47 475
Maturity before Interest rate benchmark reform	20 785	22 581
Directly attributal to Interest rate benchmark reform	**18 187**	**24 894**

P27 Intangible assets

	2022				2021			
	Goodwill	Customer base	Other	Total	Goodwill	Customer base	Other	Total
Cost, opening balance	**3 429**	**130**	**1 175**	**4 734**	**3 429**	**130**	**1 124**	**4 683**
Additions through separate acquisitions			45	45			81	81
Sales and disposals			−25	−25			−30	−30
Cost, closing balance	**3 429**	**130**	**1 195**	**4 754**	**3 429**	**130**	**1 175**	**4 734**
Amortisation, opening balance	**−3 429**	**−73**	**−638**	**−4 140**	**−3 429**	**−73**	**−573**	**−4 075**
Amortisation for the year			−88	−88			−90	−90
Sales and disposals			22	22			25	25
Amortisation, closing balance	**−3 429**	**−73**	**−704**	**−4 206**	**−3 429**	**−73**	**−638**	**−4 140**
Impairments, opening and closing balance		**−57**	**−223**	**−280**		**−57**	**−223**	**−280**
Carrying amount			**268**	**268**			**314**	**314**

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	2022	2021
Cost, opening balance	**28 000**	**27 018**
Additions	8 706	7 903
Sales and disposals	−6 904	−6 921
Cost, closing balance	**29 802**	**28 000**
Depreciation, opening balance	**−11 372**	**−10 819**
Depreciation for the year	−4 672	−4 658
Sales and disposals	4 062	4 105
Depreciation, closing balance	**−11 982**	**−11 372**
Impairments, opening balance	**−42**	**−64**
Impairments for the year	−64	22
Sales and disposals	1	0
Impairments, closing balance	**−105**	**−42**
Carrying amount	**17 715**	**16 586**

2022	< 1 yr	1–5 yrs	> 5 yrs	Total
Future minimum lease payment	5 321	9 892	4 618	19 831

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	2022	2021
Cost, opening balance	**2 529**	**2 377**
Additions	295	234
Sales and disposals	−73	−82
Cost, closing balance	**2 751**	**2 529**
Depreciation, opening balance	**−1 969**	**−1 797**
Depreciation for the year	−223	−230
Sales and disposals	70	58
Depreciation, closing balance	**−2 122**	**−1 969**
Carrying amount	**629**	**560**

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

	2022	2021	1/1/2021
Security settlement claims	3 365	4 888	8 627
Group contributions	12 749	15 557	13 954
Other financial assets	1 849	2 122	5 977
Total financial assets	**17 963**	**22 567**	**28 558**
Property taken over protection of claims and cancelled leases	26	28	28
Total	**17 989**	**22 595**	**28 586**

P31 Prepaid expenses and accrued income

	2022	2021	1/1/2021
Prepaid expenses	1 394	1 441	1 337
Unbilled receivable	378	354	297
Total	**1 772**	**1 795**	**1 634**

P32 Amounts owed to credit institutions

	2022	2021	1/1/2021
Swedish central bank	60	22	50 004
Swedish banks	29 371	35 848	32 179
Other Swedish credit institutions	69 480	36 171	113 452
Foreign central banks	1 039	1 400	5 739
Foreign credit institutions	61 739	26 355	42 136
Repurchase agreements, Swedish banks		167	4
Repurchase agreements, other Swedish credit institutions		647	1 416
Repurchase agreements, foreign credit institutions	659		1 874
Summa	**162 348**	**100 610**	**246 804**

P33 Deposits and borrowings from the public

	2022	2021	1/1/2021
Swedish public	915 790	918 994	840 058
Foreign public	20 317	16 876	11 877
Total deposits from customers	**936 107**	**935 870**	**851 935**
Cash collaterals received, Swedish public	4 344	1 802	193
Cash collaterals received, foreign public	338	104	201
Repurchase agreements, Swedish public	4	141	15 061
Repurchase agreements, foreign public	2 811	4 947	1 763
Swedish National Debt Office	173	68	69
Total borrowing	**7 670**	**7 062**	**17 287**
Total	**943 777**	**942 932**	**869 222**

P34 Debt securities in issue

	2022	2021	1/1/2021
Commercial papers	316 114	165 067	127 211
Senior unsecured bonds	117 421	127 801	127 037
Structured retail bonds	2 247	4 050	5 674
Total	**435 782**	**296 918**	**259 922**

Turnover of debt securities in issue is reported in note P2 Liquidity risks.

P35 Other liabilities

	2022	2021	1/1/2021
Security settlement liabilities	1 735	4 320	4 910
Group contributions	340	341	413
Short position in shares	299	248	561
of which own issued shares	105	121	155
Short position in interest-bearing securities	26 894	28 364	22 740
Unsettled payments	9 763	10 085	9 200
Other financial liabilities	6 343	6 480	8 503
Total financial liabilities	**45 374**	**49 838**	**46 327**

P36 Accrued expenses and prepaid income

	2022	2021	1/1/2021
Accrued expenses	2 584	2 611	2 823
Contract liabilities	45	30	33
Total	**2 629**	**2 641**	**2 856**

P37 Provisions

	2022	2021	1/1/2021
Provisions for guarantees and other commitments	710	622	804
Other		1	10
Total	**710**	**623**	**814**

P38 Subordinated liabilities

	2022	2021	1/1/2021
Subordinated loans	21 925	14 980	14 900
Undated subordinated loans, Additional Tier 1 capital	9 406	13 624	8 534
Total	**31 331**	**28 604**	**23 434**

Fixed-term subordinated loans

Year of issue	Maturity	First optional call date	Currency	Nominal amount	Carrying amount	Coupon interest, %
2018	2033	3/28/2028	JPY	5 000	387	0.90%
2018	2028	4/12/2023	JPY	8 000	631	0.75%
2018	2028	5/8/2023	SEK	1 200	1 202	1.59%
2018	2028	6/29/2023	JPY	11 000	867	0.95%
2018	2028	9/18/2023	EUR	500	5 461	1.50%
2022	2032	11/15/2027	GBP	400	5 032	7.27%
2022	2032	8/23/2027	EUR	750	7 802	3.63%
2022	2032	6/16/2027	JPY	7 000	543	1.45%
Total					**21 925**	

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	4 971	5.63%
2021	Undated	3/17/2029[2]	USD	500	4 435	4.00%
Total					**9 406**	

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.

P39 Untaxed reserves

	Accumulated accelerated depreciation	Tax allocation reserve	Total
Opening balance 2021	**5 232**	**5 451**	**10 682**
Allocation/Reversal	−53		−53
Closing balance 2021	**5 179**	**5 451**	**10 630**
Allocation/Reversal	188	−5 451	−5 263
Closing balance 2022	**5 367**		**5 367**

	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	119	149	268
Leasing equipment	17 715		17 715
Tangible assets	443	186	629
Prepaid expenses and accrued income	291	1 481	1 772
Accumulated accelerated depreciation	−5 367		−5 367
Net value	**13 201**	**1 816**	**15 017**

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 335m.

Tax allocation reserve	2022	2021	1/1/2021
Allocation 2017		1 862	1 862
Allocation 2018		3 538	3 538
Allocation 2019		51	51
Total		**5 451**	**5 451**

P40 Valuation categories of financial instruments

		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**

		2021						
			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		194 353					194 353	194 353
Treasury bills and other bills eligible for refinancing with central banks, etc.	P18	128 447	24 901	2 650	27 551		155 998	155 998
Loans to credit institutions	P19	648 875	2 073		2 073		650 948	650 948
Loans to the public	P20	366 929	24 561	185	24 746		391 675	391 675
Bonds and other interest-bearing securities	P21		29 814	28 385	58 199		58 199	58 199
Shares and participating interest	P22		11 638	1 177	12 815		12 815	12 815
Derivatives	P25		44 153		44 153	170	44 323	44 323
Other financial assets	P30	22 567					22 567	22 567
Total		**1 361 171**	**137 140**	**32 397**	**169 537**	**170**	**1 530 878**	**1 530 878**

			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	99 796	814	814		100 610	100 610
Deposits and borrowings from the public	P33	937 844	5 088	5 088		942 932	942 932
Debt securities in issue	P34	292 868	4 050	4 050		296 918	299 529
Senior non-preferred liabilities		37 832				37 832	38 493
Subordinated liabilities	P38	28 604				28 604	29 026
Derivatives	P25		42 521	42 521	21	42 542	42 542
Short positions securities	P35		28 612	28 612		28 612	28 612
Other financial liabilities	P35	21 226				21 226	21 226
Total		**1 418 170**	**81 085**	**81 085**	**21**	**1 499 276**	**1 502 970**

Interest Rate Benchmark Reform
Interest Rate Benchmark Reform is described in note G46.

	2022	2021			
	USD Libor	GBP Libor	USD Libor	Other[1]	Total
Financial assets					
Loans to credit institutions	1 983	47	1 878	13	1 938
Loans to the public	13 485	1 959	19 406	71	21 436
Total	**15 468**	**2 006**	**21 284**	**84**	**23 374**
Financial liabilities					
Amounts owed to credit institutions			32		32
Debt securities in issue	3 170		20 955		20 955
Total	**3 170**		**20 987**		**20 987**
Derivatives	**1 397 202**		**1 367 279**		**1 367 279**

1) Other includes CHF Libor and JPY Libor.

P41 Fair value of financial instruments

Used methodes for determination of fair values of financial instruments is described in note G47.

Financial instruments recognised at fair value
During the years ended 2022 and 2021 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.

	2022				2021			
	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.	8 653	3 113		11 766	22 564	4 987		27 551
Loans to credit institutions		585		585		2 073		2 073
Loans to the public		30 817	10	30 827		24 737	9	24 746
Bonds and other interest-bearing securities	41 316	19 168		60 484	29 269	28 930		58 199
Shares and participating interest	4 647		967	5 614	11 637		1 178	12 815
Derivatives	70	67 694		67 764	26	44 297		44 323
Total	**54 686**	**121 377**	**977**	**177 040**	**63 496**	**105 024**	**1 187**	**169 707**
Liabilities								
Amounts owed to credit institutions		659		659		814		814
Deposits and borrowings from the public		2 815		2 815		5 088		5 088
Debt securities in issue, etc		2 247		2 247		4 050		4 050
Derivatives	68	100 278		100 346	8	42 534		42 542
Short positions securities	27 073	120		27 193	25 737	2 875		28 612
Total	**27 141**	**106 119**		**133 260**	**25 745**	**55 361**		**81 106**

Changes in level 3	2022			2021		
	Assets			Assets		
	Equity instruments	Loans	Total	Equity instruments	Loans	Total
Opening balance	**1 178**	**9**	**1 187**	**1 032**		**1 032**
Purchases	12		12			
Shares received				21		21
Converted to Visa Inc. A-shares	−461		−461			
Sale of assets/ dividends received	−44		−44	−1		−1
Issues					8	8
Gains or loss	282	1	283	126	1	127
of which are changes in unrealised gains or losses for items held at closing day	113	1	114	126	1	127
Closing balance	**967**	**10**	**977**	**1 178**	**9**	**1 187**

Financial instruments at amortised cost

The following table presents the fair value for financial instruments at amortised cost by the valuation hierarchy levels.

	2022		2021	
		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.	132 692	132 692	128 447	128 447
Loans to credit institutions	829 737	829 737	648 875	648 875
Loans to the public	439 360	439 360	366 929	366 929
Total	**1 401 789**	**1 401 789**	**1 144 251**	**1 144 251**
Liabilities				
Amounts owed to credit institutions	161 689	161 689	99 796	99 796
Deposits and borrowing from the public	940 962	940 962	937 844	937 844
Debt securities in issue	433 535	436 376	292 868	295 479
Senior non-preferred liabilities	57 439	59 361	37 832	38 493
Subordinated liabilities	31 331	31 121	28 604	29 026
Total	**1 624 956**	**1 629 509**	**1 396 944**	**1 400 638**

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.

	2022					2021				
Assets	**Derivatives**	**Reverse repurchase agreements**	**Security settlement claims**	**Securities borrowing**	**Total**	**Derivatives**	**Reverse repurchase agreements**	**Security settlement claims**	**Securities borrowing**	**Total**
Financial assets, which not have been offset or are subject to netting	1 265		3 112		4 377	1 188		4 888		6 076
Financial assets, which have been offset or are subject to netting	66 499	31 171	253	73	97 996	43 135	26 634			69 769
Net amount presented in the balance sheet	**67 764**	**31 171**	**3 365**	**73**	**102 373**	**44 323**	**26 634**	**4 888**		**75 845**
Financial assets, which have been offset or are subject to netting or similar agreements										
Gross amount	1 261 457	118 046	272	73	1 379 848	187 608	89 197	28		276 833
Offset amount	−1 194 958	−86 875	−19		−1 281 852	−144 473	−62 563	−28		−207 064
Net amount presented in the balance sheet	**66 499**	**31 171**	**253**	**73**	**97 996**	**43 135**	**26 634**			**69 769**
Related amount not offset in the balance sheet										
Financial instruments, netting agreements	44 604	978	253		45 835	19 250	3 960			23 210
Financial instruments, collateral	339	30 096		73	30 508	1 566	22 643			24 209
Cash, collateral	8 553	26			8 579	13 850				13 850
Total amount not offset in the balance sheet	**53 496**	**31 100**	**253**	**73**	**84 922**	**34 666**	**26 603**			**61 269**
Net amount	**13 003**	**71**			**13 074**	**8 469**	**31**			**8 500**

	2022					2021				
Liabilities	**Derivatives**	**Repurchase agreements**	**Security settlement liabilities**	**Securities lending**	**Total**	**Derivatives**	**Repurchase agreements**	**Security settlement liabilities**	**Securities lending**	**Total**
Financial liabilities, which not have been offset or are subject to netting	2 529		1 734		4 263	561		4 292		4 853
Financial liabilities, which have been offset or are subject to netting	97 817	3 474	1	23	101 314	41 980	5 902	28	28	47 938
Net amount presented in the balance sheet	**100 346**	**3 474**	**1 735**	**23**	**105 578**	**42 541**	**5 902**	**4 320**	**28**	**52 791**
Financial liabilities, which have been offset or are subject to netting or similar agreements										
Gross amount	1 295 158	90 349	20	23	1 385 550	187 255	65 472	3 049	28	255 804
Offset amount	−1 197 341	−86 875	−19		−1 284 235	−145 275	−59 570	−3 021		−207 866
Net amount presented in the balance sheet	**97 817**	**3 474**	**1**	**23**	**101 315**	**41 980**	**5 902**	**28**	**28**	**47 938**
Related amount not offset in the balance sheet										
Financial instruments, netting agreements	44 604	1 231	0		45 835	19 250	3 932	28		23 210
Financial instruments, collateral	6 945	2 132		23	9 100	7 492	1 950		28	9 470
Cash, collateral	21 497				21 497	10 158				10 158
Total amount not offset in the balance sheet	**73 046**	**3 363**	**0**	**23**	**76 432**	**36 900**	**5 882**	**28**	**28**	**42 838**
Net amount	**24 771**	**111**	**0**		**24 884**	**5 080**	**20**			**5 100**

P43 Specification of adjustments for non-cash items in operating activities

	2022	2021
Amortised origination fees	−716	−615
Unrealised changes in value/currency changes	2 256	1 348
Depreciation of tangible and intangible assets	4 983	4 978
Reversal of previous impairment and impairment of tangible and intangible assets	64	−22
Impairment of fixed assets	1 946	
Credit impairment provisions and write-offs	734	392
Dividend Group entities	−16 610	−16 825
Prepaid expenses and accrued income	−1 263	−250
Accrued expenses and prepaid income	1 733	−218
Share-based payments	117	128
Capital gains/losses on financial assets	−276	0
Other	74	−202
Total	**−6 958**	**−11 286**

P44 Dividend paid and proposed disposition of earnings

	2022		2021	
Ordinary shares	**SEK per share**	**Total**	**SEK per share**	**Total**
Dividend paid, 22nd of February			4.35	4 871
Dividend paid, 1st of April			2.90	3 252
Dividend paid, 6th of April	11.25	12 632		
Dividend paid, 4th of November			7.30	8 187
Total	**11.25**	**12 632**	**14.55**	**16 310**
Proposed dividend				
Annual General Meeting	9.75	10 965	11.25	12 632
Total	**9.75**	**10 965**	**11.25**	**12 632**

The Board of Directors recommends that shareholders receive a dividend of SEK 9.75 per ordinary share in 2023 for the financial year 2022, corresponding to SEK 10 965m.

Earnings in accordance with the balance sheet of Swedbank AB to SEK 67 424m is at the disposal of the Annual General Meeting. The Board of Directors recommends that the earnings be disposed as follows (SEKm):

	2022	2021
Proposed dividend per ordinary share	10 965	12 632
To be carried forward to next year	56 459	46 711
Total disposed	**67 424**	**59 343**

The proposed total amounts to be distributed and carried forward to next year have been calculated on all 1 123 070 804 outstanding ordinary shares at 31 December 2022, plus 1 498 124 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 30 March 2023 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 negative effect on equity of SEK 1 437m.

The proposed record day for the dividend is 3 April 2023. The last day for trading in Swedbank's shares with the right to the dividend is 30 March 2023. If the Annual General Meeting accepts the Board's proposal, the dividend is expected to be paid by Euroclear on 6 April 2023. At year-end, the consolidated situation's total capital requirement according to Pillar 1 and buffer requirements by SEK 51 575m. The surplus in Swedbank AB was SEK 89 693m.

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 liabilities and commitments

Assets pledged

Assets pledged for own liabilities	**2022**	**2021**	**1/1/2021**
Government securities and bonds at the Swedish central bank			50 726
Government securities and bonds at foreign central banks	31 389	14 981	12 401
Government securities and bonds for liabilities to credit institutions, repurchase agreements	1 963	2 360	10 986
Government securities and bonds for deposits from the public, repurchase agreements	27 405	32 957	17 515
Cash	21 716	5 109	18 464
Total	**82 473**	**55 407**	**110 092**

The carrying amount of liabilities for which assets are pledged amounted to SEK 81 410m (52 664) in 2022.

Other assets pledged	**2022**	**2021**	**1/1/2021**
Shares	217	449	447
Government securities and bonds for other commitments	8 899	7 597	6 256
Cash	5 171	483	446
Total	**14 287**	**8 529**	**7 149**

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	**2022**	**2021**	**1/1/2021**
Loan guarantees	90 847	184 089	272 397
Other guarantees	38 038	43 437	38 948
Accepted and endorsed notes	1 352	1 073	828
Letters of credit granted but not utilised	2 370	3 665	3 022
Other contingent liabilities	1	12	11
Total	**132 608**	**232 276**	**315 206**

Commitments

Nominal amount	**2022**	**2021**	**1/1/2021**
Loans granted but not paid	186 815	194 554	253 934
Overdraft facilities granted but not utilised	66 798	68 777	70 118
Total	**253 613**	**263 331**	**324 052**
Credit impairment provisions for contingent liabilities and commitments	−710	−622	−804

The nominal amount of interest, equity and currency related contracts are shown in note P25 Derivatives.

AML ongoing investigations

Swedbank is cooperating with authorities in the United States who are conducting investigations into Swedbank's historical AML compliance and the Group's response thereto, as well as related issues involving the Group's anti-money laundering controls and certain individuals and entities who may at some time have been customers of the Group. The timing of the completion of the investigations is still unknown and the outcome is still uncertain. At present, it is not possible to reliably estimate the amount of any potential settlement or fines, which could be material.

IT incident

In April, Swedbank experienced a serious IT incident in connection with a system update. The incident caused incorrect balances in customers' accounts and subsequent payment problems while also affecting the availability of the bank's services. In October, the Swedish FSA informed that it is investigating the incident and assessing a possible sanction. It cannot be ruled out that the investigation may lead to negative financial effects for the parent company.

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		
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**

	Transferred assets			Associated liabilities		
2021	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	449		449	25		25
Debt securities	35 317	35 317		35 365	35 365	
Total	**35 766**	**35 317**	**449**	**35 390**	**35 365**	**25**

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:

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**

2021	Expenses	Income subleasing	Total
2022	794	33	761
2023	676	33	643
2024	526	32	494
2025	471	32	439
2026	441	32	409
2027	410	32	378
2028	367	32	335
2029	297	10	287
2030	278	10	268
2031 or later	1 046	71	975
Total	**5 306**	**317**	**4 989**

P48 Related parties and other significant relationships

	Subsidiaries		Associates and joint ventures		Other related parties	
	2022	2021	2022	2021	2022	2021
Assets						
Loans to credit institutions	774 637	612 258	17 437	15 868		
Loans to the public	689	791				
Bonds and other interest-bearing securities	785	1 657				
Derivatives	17 410	4 025	16	6		
Other assets	12 772	15 678				
Prepaid expenses and accrued income	264	297				
Total assets	**806 557**	**634 706**	**17 453**	**15 874**		
Liabilities						
Amount owed to credit institutions	100 658	34 705	3 336	4 912		
Deposits and borrowing from the public	13 763	11 596			487	250
Derivatives	32 184	14 624	11	12		
Other liabilities	426	380				
Accrued expenses and prepaid income	382	344				
Total liabilities	**147 413**	**61 649**	**3 347**	**4 924**	**487**	**250**
Guarantees	93 019	183 661				
Commitments	29 680	27 627				
Derivatives, nominal amount	926 321	1 021 888	745	774		
Income and expenses						
Interest income	6 644	471	227	86		
Interest expenses	1 576	32	19	3		
Dividends received	15 672	16 317	1 020	587		
Commission income	2 548	2 836	103	122		
Commission expenses	81	87	2	179		
Net gains and losses on financial items			-3	3		
Other income	1 491	739	596	715		
Other general administrative expenses	146	101	1	1	628	687

Other related parties
Swedbank's pension funds and Sparinstitutens Pensionskassa secure employees' postemployment benefits. They rely on Swedbank for traditional banking services.

P49 Changed presentation regarding resolution fees

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

		2021		
SEKm	Note	Previous reporting	Change	New reporting
Interest income on financial assets measured at amortised cost		9 872		9 872
Other interest income		457		457
Leasing income		4 906		4 906
Interest income		**15 235**		**15 235**
Interest expense		−962	305	−657
Net interest income	P5	**14 273**	**305**	**14 578**
Dividends received		17 065		17 065
Commission income		8 660		8 660
Commission expense		−2 119		−2 119
Net commission income		**6 541**		**6 541**
Net gains and losses on financial items		920		920
Other income		2 249		2 249
Total income		**41 048**	**305**	**41 353**
Staff costs		9 862		9 862
Other general administrative expenses		6 087		6 087
Depreciation/amortisation and impairment of tangible and intangible assets		4 956		4 956
Total expenses		**20 905**		**20 905**
Profit before impairments, Swedish bank tax and resolution fees		**20 143**	**305**	**20 448**
Credit impairments, net		78		78
Swedish bank tax and resolution fees	P15	0	305	305
Operating profit		**20 065**		**20 065**
Appropriations		−53		−53
Tax expense		4 031		4 031
Profit for the year		**16 087**		**16 087**

P50 Events after 31 December 2022

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.
Other alternative performance measures These measures are defined on page 255 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] • Return on total assets • 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

199	Governance and sustainability
201	Prioritised sustainable areas
202	Stakeholder engagement
203	UN Principles for Responsible Banking
204–205	Swedbank's implementation of the Taxonomy Regulation

Sustainability notes

206–207	S1 – Accessible banking services
207–209	S2 – Responsible investments
210–212	S3 – Sustainable finance
212–213	S4 – Procurement
213–217	S5 – Environmental impacts
218–221	S6 – Employees
222–223	S7 – Business ethics and information security
224–225	S8 – Societal engagement
225–226	S9 – Human rights
226–227	S10 – Taxes

228	About this sustainability report
229–233	GRI Index 2022
234–237	PRB Self-Assessment
238	TCFD Index
238	SASB Index
239	Sustainability reporting according to the requirements of the Annual Accounts Act
247	Assurance report

Governance and sustainability

Swedbank has a well-established governance model to deliver on the bank's purpose – to empower the many people and businesses to create a better future.

Swedbank has steering documents for sustainability consisting of policies, instructions, directives and guidelines/guides that have their basis in the UN Global Compact's ten principles. The Group's overarching operational controls also include Swedbank's Strategic Direction, Group-level goals, implementation, monitoring and reporting to integrate a sustainability perspective in the bank's core processes.

The **Board of Directors** has ultimate responsibility for sustainability management and takes decisions on the bank's overarching sustainability direction and the content of Swedbank's policies. They also annually approve the sustainability report as part of the Group's Annual and Sustainability Report. The Board is also responsible for identifying, assessing, managing, monitoring, internally reporting and controlling all relevant risks, including ESG risks. The Board's committees, such as the Audit Committee and the Risk and Capital Committee, play an important role on these issues. For more information on how the bank manages ESG risks, see page 107–110.

The Board receives continuous updates and monitoring on the bank's sustainability management. Among the topics raised during the year were the Corporate Sustainability Reporting Directive (CSRD), specific sustainability issues from the business areas, anti-corruption, financed emissions and the bank's climate targets. The board has also invited external experts and supervisory authorities on training occasions to gain insight into certain issues.

The Board is responsible for all of Swedbank's policies; see pages 44–45. The policies relevant to sustainability management can be found at https://www.swedbank.com/sustainability.

The Board's work is evaluated annually, as is the CEO's; see page 45 for more information.

The **President and CEO** is responsible for ensuring that Swedbank follows the Strategic Direction. To monitor this, the CEO has sustainability-related 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 Group Executive Committee's performance is assessed based on outcomes that ensure long-term and sustainable results for the bank and is a parameter that affects their compensation over time.

The CEO is also 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 detail how sustainability is integrated in business decisions and are more operational than the policies.

Committees: Swedbank's Sustainability Committee manages sustainability-related matters such as human rights, tax issues, environmental challenges and sustainability governance at the Group level. The Sustainability Committee is led by the Head of Group Brand, Communication and Sustainability with a mandate from the CEO. The members include representatives from the Group Executive Committee, the bank's various business areas and Group Functions. The committee issues recommendations and takes decisions based on each member's specific mandate. Cases can also be escalated to the CEO.

All business areas and Group Functions have the opportunity to tap the committee's competence. Cases are monitored and distributed to the Board, the CEO and Group Executive Committee.

Local sustainability committees that follow the same working principles and process as the Group committee also operate in the Baltic countries.

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 Sustainability Council manages procurement-related sustainability issues with the Head of Sustainability participating. In cases where frameworks do not provide enough guidance for a decision, the issues can be escalated to Swedbank's Sustainability Committee.

Group Brand, Communication and Sustainability is responsible for integration of sustainability in the bank's strategy and business plan under the leadership of the Head of Group Brand, Communication and Sustainability. Group Sustainability, which is part of this unit, is led by the bank's Head of Sustainability and supports other parts of the bank on sustainability-related issues involving strategy, targets and monitoring. For example, Group Sustainability supports the integration of sustainability in other business units. Also included in the unit is Swedbank's programme office to coordinate and align the implementation of rules in the EU Action Plan on Financing Sustainable Growth. The Head of Group Sustainability reports to the Head of Group Brand, Communication and Sustainability.

Swedbank's ISO 14001 certified environmental management system governs the bank's environmental work and provides a structure to monitor targets and performance; see page 213 for more information.

To ensure that sustainability is integrated throughout the bank, **Group Functions** and **business areas** are responsible for integration of frameworks, policies and governance tied 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 of Group units and subsidiaries.

Business areas: Swedbank's business areas, Swedish Banking, Baltic Banking and Large Corporates and Institutions, work to ensure that the bank lives up to the increased sustainability expectations from customers. To meet this demand, each business area has dedicated sustainability experts. They are responsible for implementing the Group's sustainability framework, prioritise development activities and for ensuring that resources and expertise 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 the subsidiaries Swedbank Insurance, Swedbank Robur, Swedbank Mortgage and PayEx. This unit has dedicated sustainability teams and/or managers, who together with other departments ensure that various stakeholders' sustainability requirements are met.

External audits of sustainability management are conducted by third parties for various purposes, such as to improve processes and ensure high quality. Swedbank's Annual and Sustainability Report is audited based on the criteria in the GRI Standards, Swedbank's Sustainable Bond Impact Report is audited, and an external ISO 14001 audit is conducted annually.

For more information, see Swedbank's Corporate Governance Report on pages 42–55.

- Principles for Responsible Banking (PRB)
- Science Based Targets initiative (SBTi)
- Task Force on Climate-related Financial Disclosures (TCFD)
- UN Women's Empowerment Principles
- UN Global Compact
- UN Guiding Principles on Business and Human Rights
- Climate Action 100+ (Swedbank Robur)
- Finance for Biodiversity (Swedbank Robur)
- ICGN, International Corporate Governance Network (Swedbank Robur)
- Principles for Responsible Investments (PRI) (Swedbank Robur)

Above is a selection of commitments. These commitments also constitute the framework for several of Swedbank's sustainability-related policies as well as for the implementation of sustainability in the bank.

Memberships and networks

- Bankers' associations in Sweden, Estonia, Latvia and Lithuania
- Diversity Charter in Estonia, Latvia, Lithuania and Sweden
- Energy Efficiency Financial Institutions Group (EEFIG)
- European Savings and Retail Banking Group Sustainable Finance Committee
- Hagainitiativet in Sweden
- ICC Business Charter for Sustainable Development
- Institute for Sustainability and Corporate Social Responsibility in Latvia
- Lithuanian Association of Responsible Business
- Nordic CEOs for a Sustainable Future
- The Swedish Association for Sustainable Business (NMC)
- Swedish Bankers' Association's Sustainability Council and Committee
- Swedish banking sector's (employer association BAO and trade union Finansförbundet) Central Gender Equality and Diversity Committee
- Swedish National Advisory Board for Impact Investing (NAB)
- UN Environmental Programme for the Financial Sector (UNEP-FI)
- UN Global Compact's Sustainable Ocean Business Action Platform in Norway

The above are a selection of Swedbank's commitments, memberships and networks.

Sustainability index

Swedbank closely monitors the demands and recommendations raised in various sustainability surveys and indexes, which helps the bank to ensure that the sustainability work is well-developed and maintains a high standard. Monitoring is done for example through dialogues with various stakeholder groups on the results.

During the year, Swedbank's results in the majority of sustainability indexes have been stable. The rating from Sustainalytics has improved during the last three years, while the result slightly declined linked to CDP and the Dow Jones Sustainability Index in 2022.

Sustainability index/ranking	2022	2021	2020
Bloomberg Gender and Equality Index[1]	75	69	77
CDP (previously Carbon Disclosure Project)[2]	C	B	B
Dow Jones Sustainability Index[3]	76	84	81
EY SHE Index Sweden[4]	82	82	
Fair Finance Guide[5]	70	68	68
FTSE4Good ESG rating[6]	4.0	4.3	4.5
ISS Corporate Governance[7]	C (Prime)	C (Prime)	C (Prime)
MSCI ESG rating[8]	AA	AA	AA
S&P ESG rating[9]	76	75	
Sustainalytics[10]	21.7	24.8	27.6

1) Scoring scale 0–100 (max 100)
2) Scoring scale A–D- (max A). B was the average score for the financial sector in 2022.
3) Scoring scale 0–100 (max 100). Swedbank was included in the Dow Jones Sustainability World Index in 2020 and 2021 as well as in the Dow Jones Sustainability Europe Index in 2022.
4) Scoring scale 0–100 (max 100)
5) Scoring scale 0–100% (max 100%)
6) Scoring scale 0–5 (max 5). Swedbank has qualified for the FTSE4Good Index.
7) Scoring scale A+ – D- (max A+)
8) Scoring scale AAA – CCC (max AAA)
9) Scoring scale 0–100 (max 100)
10) Scoring scale 0–10 negligible risk, 10–20 low risk, 20–30 medium risk, 30–40 high risk, 40+ severe risk.

Prioritised sustainability areas

Swedbank evaluates and continuously prioritises which sustainability areas to focus on. This is based on discussions and feedback from various stakeholders such as internal and external experts, employees, customers, investors, trade organisations, suppliers and non-profit organisations.

Additionally, the bank evaluates and analyses its positive and negative sustainability impacts through the value chain. The method used for the impact analysis is adopted from the UN Environment Program Finance Initiative as part of the Principles for Responsible Banking. The results are used as support in the development of the bank's business strategy and prioritised sustainability areas.

This year's prioritisation is based on the results of a materiality analysis conducted in 2020 and an impact analysis conducted in 2021. Swedbank's assessment is that the outcome from these analyses is still valid. Therefore, the report for 2022 is based on previously identified areas. This was also assured with the help of internal experts within the bank. In this process actual and potential impacts have been assessed but not reported explicitly.

In order to identify actual and potential positive and negative impacts, Swedbank regularly conducts risk assessments and scenario analyses in various areas. The areas that are assessed include how climate change impacts the bank's activities today and potentially going forward. This is described in the note ESG risk on pages 107–110, as well as in the note Environment and Climate on pages 213–214.

The bank has a number of processes to ensure that both current and future risks are identified and managed. In addition to risk identification being a natural element in daily operations, the bank has implemented an annual process with management, the purpose of which is to identify and manage the largest threats to the bank. The identification is made from a top-down perspective and is intended to serve as input to the bank's annual strategy review. The results of the assessment are reported to the bank's Board of Directors. The bank also has annual internal capital and liquidity assessment processes which take into account current and future risks to ensure that the bank has sufficient capital and liquidity in both a normal and stressed situation.

These assessments can be linked to prioritised sustainability areas such as Promote sustainable investment, Promote sustainable finance, Promote climate transition, High availability, Secure and stable IT systems, Combat financial crime and Financially stable bank.

The materiality analysis evaluated what our stakeholders considered to be the most important issues for Swedbank within sustainability. In order to also evaluate our actual and potential impact for our specific operations, the impact analysis was carried out based on challenges and opportunities at sector and country level.

Swedbank updates the materiality analysis every few years to identify the current sustainability issues that are most material to the bank. Given the updates that have been made to the GRI Standards as well as upcoming reporting standards at the EU level, a major reworking of the analyses is planned next year with a greater focus on how Swedbank impacts society and how the bank's operations are impacted, so-called double materiality.

Summary of Swedbank's materiality analysis and impact analysis

Order of priority from the materiality analysis	Impact through Swedbank's customers*	Read more in note
High accessibility	Inclusive & healthy economies	S1
Promote sustainable investment	Climate Biodiversity & ecosystem Waste Resource efficiency Inclusive & healthy economies	S2 S9
Promote sustainable finance	Climate Biodiversity & ecosystem Waste Resource efficiency Inclusive & healthy economies	S3 S9
Promote climate transition	Climate	S2 S3 S4 S5
Attractive employer	Employment	S6
Business ethics	Inclusive & healthy economies	S7 S10
Responsible governance	Inclusive & healthy economies Justice	S7 S10
Secure and stable IT systems	Justice	S7
Combat financial crime	Justice	S7
Financially stable bank	Inclusive & healthy economies	S8
Societal engagement	Inclusive & healthy economies	S8

* The areas are predefined by the UN and can include both positive and negative impact.

The figure above shows the results of Swedbank's materiality analysis and impact analysis. The results of the impact analysis have been aligned with the key topics identified in the materiality analysis.

Stakeholder engagement

It is important that Swedbank maintains a continuous dialogue with various stakeholders on current sustainability issues to get an indication of which issues are important to Swedbank and to society as a whole. Swedbank conducts more in-depth dialogues with its main stakeholder groups such as customers, employees, owners and investors, and society and the operating environment. The primary stakeholder groups have been chosen based on which stakeholders are materially affected by and have an impact on Swedbank's operations. Additionally, Swedbank interacts with a large number of other groups, including the following:

- Authorities
- Municipalities and county councils
- Regulators
- Pension managers
- Asset managers
- Analysts
- Journalists
- Unions
- Students
- Foundations
- Non-profit organisations
- Interest groups
- Trade organisations
- Associations
- Primary and secondary schools
- Colleges and universities
- Suppliers
- Subsidiaries
- Savings Banks
- Competitors
- Ratings agencies and indexes
- Auditors

Customers

The bank mainly engages in customer dialogues in its digital channels as well as at its branches and various customer events. Swedbank also participates in seminars with sustainability-related themes. Annual customer surveys capture customers' comments and suggestions. 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.
- Questions about the bank's work with cybersecurity tied 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 it could impact future financing.
- Increased interest in sustainability-related regulations and their impact.
- Discussion around fraud and what Swedbank is doing to prevent it.
- Questions about personal finance given the economic conditions, including 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 is important to employee performance, engagement and well-being. To measure and track how employees feel about their work environment, surveys are conducted continuously. The results of the surveys and employees' opinions are discussed and monitored within each unit. Important issues raised during the year included:

- Implementation of the Strategic Direction.
- Encouragement of an open feedback culture that facilitates successful performance by employees and the organisation.
- Higher 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.
- Further work to create a safe and secure workplace and limiting the spread of the coronavirus.
- Continuous support and upskilling in key areas through training.
- Further development of the Swedbank at Work concept for employees.

Owners and investors

A dialogue is maintained with existing and potential owners and investors through quarterly reports, the Annual and Sustainability Report, meetings, teleconferences, the bank´s website and press releases. Important issues raised during the year included:

- How higher interest rates impact Swedish households and the housing market.
- The progress of US regulatory investigations on the bank´s historical shortcomings.
- Discussions on the new Swedbank Sustainable Funding Framework, which enables the bank to issue green, social and sustainability bonds.
- Credit quality in lending to commercial real estate companies and the growth opportunities identified by the bank.

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, and the European Banking Federation's (EBF) ESG Financial Markets Task Force. Most of the discussions with authorities are with the Ministry of Finance, the FSA and other relevant Swedish authorities, but also with the European Commission, the European Central Bank and the European Banking Authority.

To support societal development, the bank is involved in various initiatives in its home markets, where sustainability issues are discussed. Among the issues raised during the year with authorities, decision-makers and charitable organisations were:

- Issues related to EU regulations (e.g. the EU Taxonomy, SFDR, CSRD and Deforestation Regulation). For example, the challenge of including financial institutions in the Deforestation Regulation was discussed, as well as how the EU Taxonomy should be interpreted. The discussions also focused on reporting and how sustainability risks are managed.
- Together with the Savings Banks and Savings Bank Foundations, Swedbank was involved in several initiatives such as Young Economy, Digital Economy and Junior Achievement during the year. Swedbank also participated in the annual political gathering Järvaveckan as well as Stockholm Pride, Riga Pride and Baltic Pride in Vilnius, where the focus was diversity and inclusion.
- Global events tied to the war in Ukraine as well as global economic conditions, including rising interest rates and inflation.

UN Principles for Responsible Banking

Together with over 300 banks around the world, Swedbank applies the Principles for Responsible Banking to speed up the global transition benefiting both people and the planet.

The Principles for Responsible Banking (PRB) provide a sustainability framework that serves as guidance for Swedbank's operations and align the bank's strategic direction with the Paris Agreement and the Sustainable Development Goals.

PRB consists of six principles:
1) Alignment
2) Impact and Target Setting
3) Clients and Customers
4) Stakeholders
5) Governance and Culture
6) Transparency and Accountability

During the year, Swedbank conducted activities involving each principle with a focus on the continued implementation of the bank's strategic direction with the overarching vision to achieve a financially sound and sustainable society. The bank's PRB self-assessment is presented on pages 234–237 and at www.swedbank.com.

Analysis of the bank's impact
The portfolio-wide impact analysis was updated in 2021 with a focus on Principle 2 – Impact and Target Setting. The impact analysis shows how Swedbank, through its products and services, impacts various sustainability areas from the UN Impact Radar, which PRB uses to define sustainability areas. The analysis includes both positive and negative impacts. The results provide an opportunity to understand and analyse how Swedbank impacts and create value for its stakeholders and society as a whole and are used to complement Swedbank's materiality analysis. See page 201 for more information about the results of the analysis.

Methodology
The analysis of the bank's impact was conducted with the help of a tool developed by UN Environment Programme Finance Initiative. The methodology and tool that are used are continuously refined and revised. The quality of the results depends on how well the underlying information fits with the tool's structure and design. The aim of the analysis is to give Swedbank a holistic view of its impacts, and it was conducted on a Group level in Sweden, Estonia, Latvia, Lithuania and Norway based on information from each business area: Swedish Banking, Baltic Banking and Large Corporates and Institutions.

The analysis was based on Swedbank's lending to corporate customers as well as products for private customers. Input data for the private market consisted of the number of active customers per product, while data for the corporate market consisted of lending divided geographically and by sector as of 31 December 2020. Every country is unique and therefore requires different measures when it comes to the areas impacted by sustainability aspects, e.g. biodiversity, infrastructure or food accessibility. The analysis tool takes this into consideration by assigning each country a weight. The weights are assigned for various areas, based on social, economic and environmental pillars to show the need in relation to how well the country performs in each area. Asset management, insurance and capital market products were not covered by the analysis.

Results of the analysis
The results of the analysis show that Swedbank, through its business, plays an important role in society and its development. PRB has defined areas based on where the bank has an impact. It is mainly in housing, inclusive and sound economies, and employment that Swedbank has the biggest positive impact, especially in sectors such as real estate and manufacturing. The bank's positive impact in the area of housing is rooted in increased access to housing opportunities e.g. in the form of financing for individuals and construction and real estate companies. The bank also contributes positively to inclusive and sound economies by providing increased access to 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 its business, has an important obligation to limit its own negative impacts, mainly in environmental issues such as climate change, biodiversity, waste and resource efficiency. While the bank creates positive impact on some aspects related to these issues (for example, through contributing to various livelihood opportunities), potential for improvement has been identified in the real estate, manufacturing, agricultural, forestry and fishing sectors, as well as in certain parts of the energy sector. Resource efficiency and a reduced climate impact are important areas that impact SDG 12 Sustainable Consumption and Production and SDG 13 Climate Action.

Targets
In line with PRB's six principles, Swedbank has adopted two overarching targets that will support its efforts to contribute positively to the SDGs and the Paris Agreement.

- Swedbank has developed targets for its indirect emissions from the loan portfolio by 2030. See page 19 and 26 for more information on the targets.
- In 2023, Swedbank will increase its sustainable finance. Total sustainable finance volume was SEK 73 bn at year-end 2022.

The key to reaching Swedbank's targets is close collaboration with customers and industry colleagues in order to make the biggest possible impact. To implement the Group-level targets, they are included in the bank's day-to-day activity and business planning. The targets are evaluated continuously as part of this process. Group Sustainability is responsible for building a better understanding of the bank's identified impact areas in close dialogue with the responsible managers in each business area.

Implementation of the EU Taxonomy Regulation

Swedbank continued during the year to implement the EU Taxonomy Regulation (EU Taxonomy). The reporting of the bank's exposure to eligible economic activities has been expanded mainly to include information on the bank's customers and counterparties. Moreover, Swedbank has continued to integrate the EU Taxonomy in the development of its products and services.

The EU has created a uniform classification system for environmentally sustainable economic activities called the EU Taxonomy. The aim is to help investors identify environmentally sustainable investments. For an economic activity to be defined as environmentally sustainable under the EU Taxonomy, and thereby classified as aligned, the activity must meet the following criteria:

- making a substantial contribution to at least one environmental objective,
- doing no significant harm to any other environmental objective,
- meet certain social minimum safeguards and
- complying with the technical screening criteria.

If an activity is not included in the technical screening criteria, it cannot be assessed under the EU Taxonomy and therefore is not governed by the regulation.

There are technical screening criteria for two of the six established environmental objectives: 1) climate change mitigation (CCM) and 2) climate change adaptation (CCA). The other four environmental objectives do not yet have established technical screening criteria.

The EU Taxonomy in Swedbank's business strategy

Swedbank's vision, "A financially sound and sustainable society", is based on a conviction that the bank, together with its customers, can continue to have a major positive impact on society. The EU Taxonomy can help Swedbank to deliver on its vision by guiding customers to do well-informed and sustainable choices. Swedbank sees the EU Taxonomy as a means to both assess environmental sustainability and increase transparency in the financial industry.

During the year, the bank has published targets for reducing financed emissions by 2030 within a number of sectors. The targets are science-based and align with the Paris Agreement's 1.5°C target. Going forward, the EU Taxonomy can be used as one of several tools to define customers activities that align with the Paris Agreement and thereby also help the bank reach its climate targets.

Swedbank has worked to coordinate and facilitate the implementation of the EU regulations on sustainable finance, including the EU Taxonomy, through a Group-level coordination programme. The chair of the steering committee is the Head of Group Brand, Communications & Sustainability. The programme is coordinated by Group Sustainability.

The EU Taxonomy's impact on the bank's products and customers

During the year, Swedbank developed and launched an EU Taxonomy training for its employees and customers, which for example can be used as advisory support. Customer processes affected by the regulation have also been adapted to the EU Taxonomy.

Since the EU Taxonomy is still under development, Swedbank is analysing its future impact on the bank's products and customers. Swedbank's website (swedbank.se) provides information and links to three videos that customers can watch to get a better understanding of the regulation and how it affects their investments.

A new Swedbank Sustainable Funding Framework has been launched as well. The criteria for the green categories in the framework are largely aligned with the criteria in the EU Taxonomy for corresponding economic activities.

The EU Taxonomy impacts the sustainability information that Swedbank has to disclose on funds, insurance and portfolio management in accordance with the Sustainable Finance Disclosure Regulation (SFDR). In pre-contractual disclosures and periodic reporting, the bank has to include information on the product's ambition to invest in EU Taxonomy-aligned investments. This means that the EU Taxonomy can be used as a tool to compare these products from a sustainability perspective.

For Swedbank to identify how EU Taxonomy-aligned its assets (mainly loans) are, additional sustainability-related information on its customers has to be collected. The EU Taxonomy can be used as a tool in Swedbank's conversations with customers and thereby simplify the transition for the customers. The bank's product range could eventually be impacted in order to align more closely with the requirements in the EU Taxonomy. Swedbank is closely monitoring the development of the EU's sustainable finance regulations and welcomes the expansion of the EU Taxonomy to include more areas of sustainability.

EU Taxonomy reporting 2022 and information on the quantitative indicators

Corporates that are subject to the EU's Non-Financial Reporting Directive (NFRD), i.e., large public-interest corporates with more than 500 employees ("NFRD corporates"), have to report in accordance with the EU Taxonomy in their sustainability reporting. Swedbank is defined as a NFRD corporate and is subject to the requirements that apply to credit institutions.

The bank's EU Taxonomy reporting has been prepared based on Swedbank's interpretation of the reporting requirements, and the bank is closely monitoring developments affecting the regulation.

Covered assets

The transition rules for 2022 require banks to report the share of assets on their balance sheet that are EU Taxonomy-eligible, as well as EU Taxonomy non-eligible assets. As of the financial year 2023, Swedbank will report how environmentally sustainable the assets on the balance sheet are according to the EU Taxonomy. This will be reported using the Green Asset Ratio (GAR), which is computed as EU Taxonomy-aligned assets (numerator) divided by total covered assets (denominator). According to the reporting requirements, certain exposures are excluded from the numerator, regardless of whether they meet the requirements of the EU Taxonomy or not. Examples include exposures to non-NFRD corporates and derivatives. These assets will be included in the GAR's denominator and are thereby part of the covered assets and will have an impact on the future GAR. Certain other exposures are fully excluded from GAR, e.g. exposures to central governments, central banks, supranational issuers and the bank's trading portfolio.

The bank presents the EU Taxonomy reporting based on the consolidated situation as defined in Regulation (EU) No 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 in the consolidation of insurance corporates and joint ventures. The consolidated situation consolidates insurance corporates according to the equity method instead of the acquisition method applied in the consolidated financial statements based on IFRS (see Significant accounting policies, Consolidated financial statements 3.2). The joint ventures EnterCard Group AB, Invidem AB and P27 Nordic Payments Platform AB are consolidated according to the proportional method in the consolidated situation, while the equity method is applied in the consolidated financial statements based on IFRS (see Significant accounting policies, Associates and Joint ventures 3.6). Otherwise, the same principles are applied.

	2022				2021	
	Gross carrying amount	EU Taxonomy-eligible assets	Share of total covered assets, %	Share of total assets, %	Gross carrying amount	EU Taxonomy-eligible assets
Covered assets in both numerator and denominator	**1 259 557**	**1 058 735**	**55.0**	**41.2**	**1 138 143**	**988 734**
Loans and advances, debt securities and equity instruments not held for trading	**1 259 529**	**1 058 707**	**55.0**	**41.2**	**1 138 143**	**988 734**
Financial corporates, NFRD	20 304	6 167	0.3	0.2		
of which credit institutions, NFRD	5 146	1 181				
of which other financial corporates, NFRD	15 158	4 986				
Non-financial corporates, NFRD	54 921	18 932	1.0	0.7		
Households	1 177 610	1 033 608	53.6	40.2	1 136 122	988 698
of which loans collateralised by residential real estate	1 029 407	1 029 407			988 698	988 698
of which loans for building renovations	790	790				
of which loans for motor vehicles	3 411	3 411				
Local governments	5 770					
Regional governments and social security funds	925					
Collateral obtained by taking possession: residential and commercial immovable properties	**28**	**28**	**0.0**	**0.0**	**36**	**36**
Assets excluded from the numerator for calculation of share of covered assets (covered in the denominator)	**667 099**		**34.6**	**25.9**		
Corporations and counterparties within EU not subject to NFRD	567 455					
Corporations and counterparties from countries outside EU not subject to NFRD	67 027					
Derivatives, hedge accounting	1 524					
On demand inter-bank loans	5 678					
Cash and cash equivalents	3 794					
Other assets (e.g. Goodwill)	21 622					
Total Covered Assets	**1 926 656**	**1 058 735**				**988 734**
Assets not included in the calculation of share of covered assets	**644 679**			**25.1**		
Sovereigns Central Governments	18 656					
Central banks	494 981					
Trading book	131 042					
Total assets	**2 571 335**	**1 058 735**			**2 429 773**	**988 734**
EU Taxonomy non-eligible assets	**200 822**		**10.4**	**7.8**		

Clarification of the EU Taxonomy table
To increase transparency on which assets are included in the table, this is clarified below.

EU Taxonomy-eligible assets
The EU Taxonomy limits which counterparties and products the bank may include in its reporting. Therefore, the proportion of the bank's assets that is EU Taxonomy-eligible does not provide any information on how environmentally sustainable the bank's assets are. One example that illustrates this is that all mortgages to households are EU Taxonomy-eligible, regardless of how energy-efficient the properties are. Banks will also report how these exposures impact the climate objectives: 1) climate change mitigation or 2) climate change adaptation. This year the distinction was not applied by the bank, since not all NFRD corporations have reported according to this requirement.

Financial and non-financial NFRD corporates
As a financial institution, Swedbank will base the information regarding gross carrying amount and key ratios on its corporate clients' and counterparties' reported key ratio. Swedbank's corporate customers and counterparties that are defined as NFRD corporations reported the EU Taxonomy-eligible share of their economic activities for the first time in the financial year 2021. This means that there could be gaps in clients' and counterparties' reported information, which could entail a risk that certain information for NFRD corporates is lacking.

To identify NFRD corporates, Swedbank has used external data collected from third parties. The information has been supplemented by data that Swedbank collected directly from corporate customers' and counterparties' annual reports.

For NFRD-corporates that are financial corporates Swedbank reports its assets towards these corporates' key ratios of exposures to EU Taxonomy eligible assets. There is still some ambiguity from the EU how the key ratios for financial and non-financial corporates will be reported for financial corporates. Swedbank has chosen to use the non-financial corporates' and counterparies' reported key ratio for turnover due to inadequate method explanation whether the key ratios turnover and capex should be weighted or reported separately.

Households
Ownership of immovable property is seen as an EU taxonomy-eligible economic activity. Consequently, loans to households collateralised by residential immovable property (mortgages) are Taxonomy-eligible in their entirety. The majority of Swedbank's Taxonomy-eligible assets are mortgages to households, which means that these loans will have the largest impact on Swedbank's reporting of EU Taxonomy-aligned assets for the financial year 2023. Loans to households also include motor vehicle loans issued in 2022 as well as building renovation loans.

Local and regional governments
There is some ambiguity about the interpretation of the reporting requirements, e.g. how exposures to regional and local governments will be treated. Swedbank has made the interpretation that exposures to regional and local governments are included on separate rows.

Corporates not subject to NFRD
Swedbank has to report the proportion of its assets exposed to corporates that are not in scope by the NFRD ("non-NFRD corporates"), i.e. do not meet all the criteria for NFRD corporates.

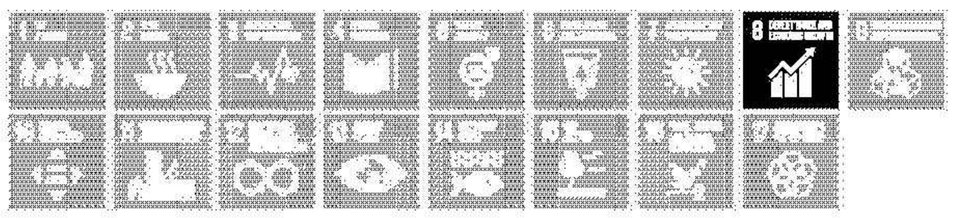
Exposures to non-NFRD corporates are excluded from the reporting of EU Taxonomy-aligned assets and can neither be included as Taxonomy-eligible assets. Assets to non-NFRD corporates consist of financial and non-financial corporates. Financial corporates are included on this row until more information is shared by the EU. This is because the EU's template does not have a row that includes these exposures.

Most of Swedbank's corporate clients are defined as non-NFRD corporates.

Exposures to economic activities in gas and nuclear power
As a financial company, Swedbank shall base its reporting on its corporate customers' and counterparties' reported data. The Complementary Climate Delegated Act – Commission Delegated Regulation (EU) 2022/1214 on economic activity in certain energy sectors entered into force on 1 January 2023, which is why reported data on these activities is not included in the counterparties' reports from 2021.

S1 Available banking services

Material topic:
High availability



Share of sales in digital channels, %

Sweden	**58**
Estonia, Latvia and Lithuania	**76**

Swedbank is a digital bank with physical meeting points. Service and advice are provided to customers in person, by phone and digitally. Visits to our branches are steadily decreasing as more customers choose the digital channels. The number of branches is being adapted accordingly.

The financial system is a precondition for modern society to function. Availability and stability are critical factors for a bank's operations and for customer satisfaction. As Swedbank's more than 7 million customers increasingly do their banking digitally, it is essential that the services work easily, securely and conveniently.

Swedbank and the Savings Banks meet customers every day through more than 8 million digital interactions. To meet the demand for digital services and future-proof the bank's IT platforms, development work has to be done continuously. The work is based on long-term plans to meet the need for stability and availability, as well as day-to-day work to minimise and manage incidents. The benchmark for availability in the digital channels, known as uptime, is 99.81 per cent for Sweden and 99.73 per cent for the Baltic countries.

An inclusive bank

The work to create services and content for the digital channels is important. The aim is that as many people as possible, regardless of ability, should be able to use these services. Training is therefore arranged to help seniors and others who do not feel included in the digital development. The Digital Economy initiative is a partnership with the Savings Banks and Savings Bank Foundations to help people feel more comfortable with using digital banking services. Strong emphasis is put on security and how to avoid fraud. During the year, 3 894 people took the training.

Information on the bank, banking services and security is provided in nine languages on swedbank.se. The website also has services that can make banking easier for people with visual or hearing impairments. Additionally, the security token for the mobile and internet bank is available with larger buttons and louder sound as well as a voice assisted version. In the Baltic countries customers are able to log in to the internet bank with biometric authentication, such as fingerprint or facial recognition.

In Sweden all branches are accessible for those with disabilities, and in the Baltic countries the figure is 84 per cent.

Partnerships

To grow the business, increase availability and add new competence, products and services, Swedbank has partnerships and collaborations with other companies and organisations. The collaboration with the Savings Banks is the most important and the most extensive, where spreading information on personal finances is also a key aspect. Fintech is another area where we have established significant partnerships. The emphasis there is on technology, the customer experience and interfaces to continuously offer new functions, services and products with a focus on the customer. For cash management, Bankomat AB is an important partner in Sweden, giving customers access to 1 105 ATMs in more than 500 locations. In cooperation with retailers and various service providers, Swedbank can also offer banking services beyond its standard meeting points in the four home markets.

Partnerships in fintech

- **Minna Technologies** – Subscription management app for automatic control of incoming payments
- **Meniga** – Expense tracker app providing a better financial overview
- **Asteria** – AI-powered smart cash flow management technology for small and medium-sized businesses
- **Yabie** – Cloud-based mobile point-of-sale and payment systems for companies
- **BankID** – Sweden's largest electronic identification system

Partnerships in payments

- **Getswish** – Mobile payment service
- **Bankgirot** – Real-time clearing house
- **EnterCard** – Credit card issuer
- **P27** – Nordic payment system

Swedish Banking	2022	2021	2020
Number of card purchases (million)	1 428	1 319	1 271
Branches	145	153	159
Number of digitally active customers (million)[1]	3.5	3.4	3.2
Availability in digital channels, internet bank (%)[2]	100	99.80	99.74
Availability in digital channels, app (%)[2]	100	99.79	99.71
Share of sales in digital channels, (%)[3]	57.7	58.2	
– of which Daily Banking products[4]	51	46	
– of which Savings & Pension	86	88	
– of which Private Lending	35	24	
– of which Insurance	25	19	
– of which Corporate	9.6	7.5	
Swish payments incl. Savings Banks (million)	416	350	282
Prepaid cards (number)[5]	16 282	15 661	13 642

1) Number of customers with at least 3 logins, including shake balance inquiries, in a digital channel in the last month. Including Savings Banks.
2) Refers to uptime in the system.
3) From 2022 the number of equity transactions has been excluded when counting the number of sales contracts. The historical figures have been changed accordingly.
4) Refers to cards and payments.
5) Number of activated cards. Prepaid cards are used to pay out financial assistance and benefits to people without an ID number or bank account, or as a collective debit card for employees of schools, public housing, social services etc. The card, which replaces cash handling and can be used in all stores and ATMs, is offered to municipalities, regions, authorities and state-owned enterprises

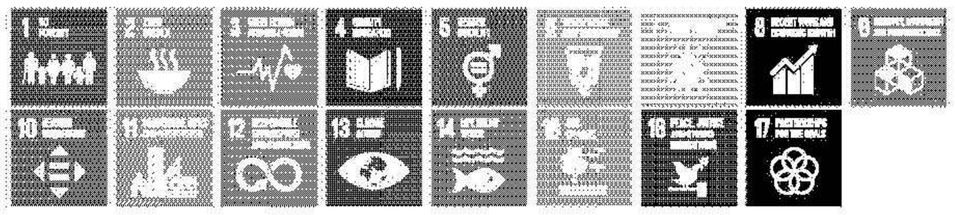
Baltic Banking	2022	2021	2020
Number of card purchases (million)	844	710	652
Branches	86	80	82
Accessible branches and representation points	84	95	100
ATMs	1 141	1 142	1 148
Number of digitally active customers (million)[1]	2.3	2.2	2.0
Availability in digital channels, internet bank (%)	99.60	99.82	99.77
Availability in digital channels, app (%)[2]	99.70	99.76	99.55
Share of sales in digital channels, (%)	76	78	78
– of which Daily Banking products[3]	69	72	74
– of which Savings & Pension	88	86	80
– of which Private lending	90	86	85
– of which Corporate	65	65	58
– of which Insurance	80	74	72

1) Number of customers with at least 3 logins, including shake balance inquiries, in a digital channel in the last month.
2) Refers to operating hours.
3) Refers to cards and payments.

Responsible investments

Material topic:

Promote sustainable investment



Participation in general meetings **852**

Dialogues on governance and sustainability issues **1 163**

Swedbank believes that responsible and sustainable investments make a difference for sustainable development and are essential to generate a long-term return. The subsidiary Swedbank Robur manages capital for customers, either in funds or discretionary mandates. Sustainability is an integral part of asset management. Swedbank sees growing demand for savings products that can promote sustainable development. At the same time, European regulation has been strengthened and clarified regarding the sustainability content of financial products and the information disclosed to customers. As a result of the European Sustainable Finance Disclosure Regulation (SFDR), Swedbank Robur offers funds that promote environment or social characteristics (article 8 funds) and funds that have sustainable investment as their objective (article 9 funds).

Sustainability in Swedbank Robur's funds

Swedbank Robur's vision is to be a world leader in sustainable value creation. The strategy to achieve this is to offer sustainable, simple and innovative products that contribute to sustainable development and create value for customers. Swedbank Robur's Policy for Responsible Investments serves as the basis for the sustainability work, which comprises all its funds and is integrated in the asset management. The policy is revised annually.

Swedbank Robur is a major shareholder on the Stockholm Stock Exchange and have holdings in companies both in and outside Sweden. This means Swedbank Robur has both a responsibility and an opportunity to engage. The fund company's dialogues and other work as an active owner contribute to companies developing their work with sustainability and corporate governance. Swedbank Robur continued to take an active role in various industry forums to improve customer information on sustainable funds in response to the EU Action Plan for Financing Sustainable Growth. Climate change was still a key element in the development of core strategies, targets and products but was accompanied by closely related aspects. Nature-related risks and opportunities, for example, have increased in importance, not least to achieve Swedbank Robur's climate strategy. In August, a strategy was adopted for Biodiversity & investments with a positive impact on nature.

Sustainable asset management	2022	2021	2020
Total assets under management (SEKbn)[1]	1 726	1 966	1 632
– of which in funds (SEKbn)	1 352	1 519	1 220
Investments in sustainable bonds (SEKbn)	37	38	29
AUM with Science Based Targets (%)[2]	33	30	–
Carbon footprint of equity funds, weighted average (tonnes CO_2e/SEKm)[3]	5.0	3.8	6.5
Total GHG emissions equity funds (million tonnes CO_2e)[4]	2.6	1.7	2.4
AUM linked to SDG revenue streams (%)[5]	13	10.4	12
Charitable donations from Swedbank Robur Humanfond (SEKm)[6]	50	55	43

1) Assets under management as of 31 December 2022 refer to Swedbank's fund companies in Sweden, Estonia, Latvia and Lithuania. Other metrics in the table refer to Swedish funds. The figures for 2021 and 2020 have been recalculated.
2) Share of total AUM (%) in equities and corporate bonds, in holdings with Science Based Targets.
3) Method in accordance with TCFD's recommendations. Weighted average emission intensity Scope 1+2, tonnes CO_2e/SEKm. The portfolio company's GHG emissions distributed by portfolio weight, i.e. the value of the investment in the company in relation to the portfolio value.
4) Method in accordance with TCFD's recommendations. Total CO_2e emissions from equity funds based on ownership interests in the portfolio companies.
5) Share of total AUM. Based on equity and credit funds. The figure refers to company's revenue streams tied to SDGs.
6) The number of affiliated organizations was 73. The total distribution since the fund's start is SEK 1.3bn.

Sustainable asset management

Sustainability is integrated in the investment philosophy of all asset management operations and sustainability criteria are part of the investment analysis for every asset class. During the year, Swedbank Robur's portfolio managers, sustainability analysts and corporate governance specialists continued to meet companies, evaluate their risks and opportunities, and offer concrete suggestions to develop and support their sustainability work. Swedbank Robur's funds actively invest in companies that focus on the environment and climate change, human rights, working conditions or business ethics. Sustainable bonds have continued to serve as an important transition tool, and Swedbank Robur is a major player in this market. The proportion of sustainable bonds in fixed income and credit funds decreased slightly due to inflation and volatility on the fixed income and credit markets but remains at a high level. All portfolio managers annually present their funds' sustainability process and ESG performance to the fund company's CEO, the Head of asset management and the Head of sustainability & corporate governance.

Impact as an owner

Swedbank Robur is an active owner and have regular contact with boards and managements of companies, foremost when the funds are major shareholders. The foundation for sustainable value creation is a thorough strategy and operational controls. This includes managing both opportunities and risks in corporate governance and sustainability and benefits both the companies and the fund unit holders. Swedbank Robur engages with companies around the world – partly through its own contacts and partly through collaborations, e.g. in the UN-supported Principles for Responsible Investment (PRI) network, with investor groups and with the help of providers of dialogue services.

The engagement during the year focused on strategies for climate transition, climate reporting and the adoption of science-based climate targets. Swedbank Robur's partnership with the Net Zero Asset Manager initiative has influenced the dialogue on climate change. Companies with particularly high emissions in sectors with a big climate impact have been contacted directly to encourage them to speed up their transition. The companies have been open to dialogue, and about a year after the initial contact over 20 per cent of the companies had either developed strategies or set concrete targets. Issues such as children's rights, biodiversity and supply chains were also discussed with companies during the year.

Swedbank Robur signed the Finance for Biodiversity Pledge two years ago. Finance for Biodiversity's goal is to reverse nature loss globally and take ambitious action on biodiversity. The fund company was one of five co-authors of a guide for investors on engagement with companies on biodiversity. The group also engaged with decision-makers at the UN meeting Stockholm +50 in the spring. In December, the fund company sent a letter to the Swedish ministers for finance and climate action to encourage support for the finance-related texts in Global Biodiversity Framework at COP15 in Montreal.

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 annual meetings of Swedish and international companies and its participation in nomination committees. The basis for Swedbank Robur's ownership work are the fund company's principles for shareholder engagement. Important topics from a shareholder perspective include board composition, management compensation (including share-related incentive programs), capital structure, sustainability and that the companies have adequate systems for governance, control and disclosure.

Swedbank Robur promote boards with the right combination of competence, experience and diversity, including gender parity, as well as a balance between independent and non-independent directors. The board should actively address the sustainability issues relevant to the company. For companies where Swedbank Robur has been on the nomination committee, the average share of women has increased compared with the original baseline (see note 2 below) and, as in previous years, it is higher than for the Swedish stock exchange as a whole. The fund company voted on around 35 markets, for example in Great Britain, the US, Taiwan and Japan.

Engagement work in funds	2022	2021	2020
Participation in annual general meetings	852	786	593
– of which companies listed in Sweden	282	298	261
– of which companies listed outside Sweden	570	488	332
Participation in nominating committees[1]	110	111	96
– Share of women on corporate boards (Sweden) (%)[2]	38	38	38
Dialogues on governance and sustainability issues[3]	1 163	1 155	948
– of which combined dialogues on E, S, G (%)	36	48	61
– of which dialogues primarily on environment (%)	33	24	13
– of which dialogues primarily on social issues (%)	16	12	3
– of which dialogues primarily on corporate governance (%)	15	16	23

1) Of which 106 (109) companies publicly listed in Sweden and 4 (2) listed in Finland.
2) Including CEO if elected by the AGM. Refers to boards where Swedbank Robur has participated in the nomination committee. Nomination committee companies vary from year to year. The baselines for the years 2020–2022 were on average 35.3%, 36.4% and 36.0%, or an increase of 3 (2020), 1 (2021) and 2 (2022) percentage points.
3) Refers to unique companies. Swedbank Robur's sustainability analysts, fund managers and corporate governance specialists had 1 163 dialogues with 786 companies. Suppliers had 257 dialogues 233 companies and as part of investor collectives 271 companies were contacted on 286 occasions.

Exclusions

Swedbank Robur does not invest in controversial weapons (cluster munition, antipersonnel mines, chemical and biological weapons) or nuclear weapons. The funds also exclude companies that generate revenue from tobacco, cannabis, commercial gambling, pornography 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 are reported on a Green List on Swedbank Robur's website. In addition to the above-mentioned criteria, companies have been excluded because they seriously violated international norms and conventions to protect people and the environment without showing willingness to change. For more information, see Swedbank Robur's exclusion strategy.

Carbon footprint of the funds

Swedbank Robur's climate target is to align its aggregated AUM with the Paris Agreement by 2025 and reach net zero by 2040. The carbon footprint of equity funds increased, mainly due to an increase in coverage for climate related informa-

tion on fund holdings from around 70 per cent to close to 95 per cent compared to the previous year. The fund company developed a pioneer method to measure the carbon footprint of covered bonds during the year. They represent a large share of the capital in traditional fixed income funds, where established methods to measure carbon footprint have been lacking. The calculations are based on industry standards for estimating carbon footprint by asset class from the Partnership for Carbon Accounting Financials (PCAF).

Swedbank Robur has continued to implement in its fund management the net zero targets it adopted in 2021 as part of the Net Zero Asset Manager (NZAM) initiative. The initiative brings asset managers together from around the world to set net zero targets for their investments. Swedbank Robur was one of the first signers of NZAM.

External reporting on climate work has been integrated in the Swedbank Group's annual report. The fund company also provides information in the annual reports of the funds, vote summaries, customer reports and in dedicated publications on climate change, nature and engagement work. In March, Swedbank Robur published its annual climate report with results for emissions, engagement work and climate related investments in its funds. The report describes how climate risks are managed in the investment portfolio in accordance with the recommendations of the Task Force on Climate-related Disclosures (TCFD). For more information on management of ESG risks, including climate change, see the Instruction for integration of sustainability risks in investment decisions, the Swedbank Robur Sustainable Risk Policy and the Process for managing negative impacts, all available on Swedbank Robur's website.

Swedbank Insurance

Swedbank Insurance, a wholly owned subsidiary of Swedbank, offers pension, endowment and personal/risk insurance for private customers and businesses.

Swedbank Insurance is working to increase the amount of information on sustainability in its investments to enable customers to make sustainable investment decisions. The insurance company offers products where the included funds are evaluated based on sustainability criteria. The fund companies' overall offering is screened as well. This means that Swedbank Försäkring has funds that embrace financial, social and environmental sustainability in their management. 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 on sustainable finance.

All unit-linked insurance solutions that Swedbank Insurance offers are classified as article 8 products according to the SFDR. Swedbank Insurance's traditional insurance is not classified, since it is not open to new policyholders, but all underlying funds are classified as light or dark green. The third product group, variable universal life insurance, is not classified either, since it may contain individual securities such as equities and bonds which are not governed by SFDR.

Several modifications to the Insurance Distribution Directive (IDD) took effect in 2022 and now apply to the distribution of insurance products. When providing advice, the customer's sustainability preferences must now be identified and matched with the firm's range of sustainable products. While Swedbank Insurance is not a distributor of financial products, the company has not actively participated in the implementation of the revisions to IDD.

The Sustainability Policy and Policy for Responsible Investments were updated during the year. Swedbank Insurance's policies provide a foundation for the sustainability work and cover all investments in traditional, unit linked or variable universal life insurance. During the year, the insurance company maintained contacts with external fund managers to follow up on SFDR classifications and discuss possible new funds with the sustainability focus or fund companies' general sustainability work.

The sustainability level of the fund offering is a priority area and Swedbank Insurance during the year continued to exclude funds that could not meet its sustainability requirements.

Swedbank Insurance requires the funds its investors are offered to take climate action. Swedbank Insurance annually publishes a report on how sustainability is integrated in the investment offer for customers who save through traditional, unit linked or variable universal life insurance. Carbon footprint is measured and reported for investment portfolios in accordance with Swedish Insurance's recommendation. Sustainability ratings are measured and reported for funds in the investment portfolios in Morningstar globes. During the year, Swedbank Insurance also conducted a climate analysis of equity and corporate bond holdings in the sectors most impacted by the transition to a fossil free society. The analysis was performed with the help of the analysis program PACTA. The overarching conclusion shows that the insurance company's share of investments that are highly exposed to climate risks is low compared with the global market.

Biodiversity is an important part of the solution to reach the Paris Agreement's climate targets. Swedbank Insurance actively participates in Mistra BIOPATH, a research collaboration to map and understand the role of the financial system when it comes to biodiversity, and also participates in the TCFD (see page 217 for more information).

Property & casualty insurance and life insurance in the Baltic countries

Swedbank Property & Casualty Insurance and Swedbank Life Insurance are two 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.

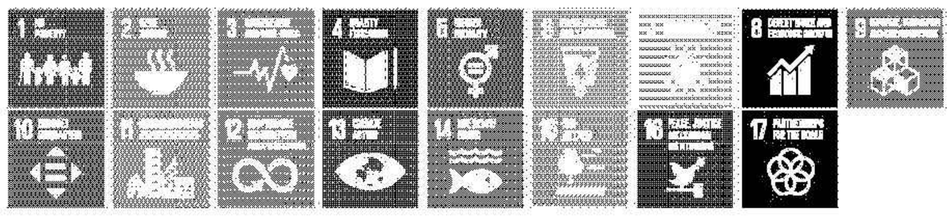
In 2022, the Policy for Responsible Investments was updated to provide a comprehensive framework for integrating sustainability in investment decisions and the selection processes used by investment funds. This framework places certain minimum requirements on investment fund managers, on the share of assets under management invested in article 8 and 9 funds according to SFDR, and on the ESG risk classification of each product.

Swedbank Life has also set criteria for companies that are excluded from direct investments as well as maximum thresholds for its savings products consistent with Swedbank Group' s position statements on Climate change and defence equipment. Swedbank Property & Casualty's updated policy ensures that the direct investments consisting of client premiums are restricted by a similar framework.

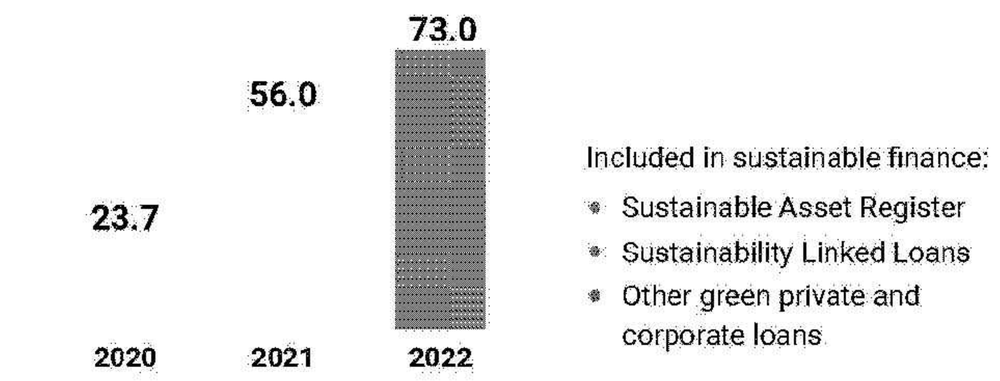
At the same time, Swedbank Life has introduced new investment funds as part of its IBIP products (insurance based investments products) in accordance with the new policy.

Sustainable finance

Material topic:
Promote sustainable finance



Sustainable finance volume 2020–2022 (SEKbn)



Responsible long-term lending is part of Swedbank's core business. For Swedbank, sustainable lending means long-term lending where the customer's financial situation is assessed and sustainability risks are identified and managed.

Sustainability analysis in lending
In the lending process sustainability risks are taken into consideration in all credit decisions. A detailed sustainability analysis is carried out for corporate loan applications of more than SEK 8m in Sweden and EUR 0.8m in the Baltic countries. For other customers, a basic assessment of sustainability-related factors is made, depending on the type of business and its complexity. Sector guidelines are available to support the sustainability analysis. They provide insights into sustainability issues in various industries and give guidance on which questions to ask.

The work being conducted to develop and improve the sustainability analysis continued during the year and was implemented in parts of the bank. The aim of the revised 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. This then serves as the basis for which questions are taken up with corporate customers. This gives the bank a better understanding of how these customers manage the identified risks.

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. The cases submitted to the Committee in 2022 mainly concerned issues tied to Swedbank's exclusion list and Swedbank's two position statements on defence equipment and climate change.

Swedbank's position statements
Swedbank has two position statements: one on climate change and one on defence equipment.

The position statement on climate change clarifies, for example, that Swedbank will not directly finance coal-fired power generation or the establishment of new coal-fired power plants, unconventional fossil fuel production, exploration of new oil or gas fields, new oil tankers, or new or expanded crude refineries for transportation fuel (unless primarily aimed at biofuel production). Furthermore, Swedbank does not invest in companies that generate more than 5 per cent of their revenue from extraction of coal, oil or gas (with the possible exception under certain circumstances of companies that are defined as transitioning companies with a Paris-aligned strategy).

The position statement on defence equipment clarifies, for example, that Swedbank only provides financial services to the defence equipment sector in conformance with national regulations and sanctions adopted by the UN Security Council, the European Union or the US. Swedbank has zero tolerance for controversial weapons (including nuclear weapons), which means that it will not provide financial services to companies that produce, maintain or trade this type of weapon.

Swedbank's position statements serve as the basis for potential exclusions of companies. The reason for an exclusion could be that they violated various international norms on human rights and the environment. Swedbank annually reviews its position statements and updates them as needed.

Sustainability analysis corporate lending	2022	2021	2020
Swedish Banking (no. of approved loan applications)	30 573	36 399	36 484
Baltic Banking (no. of analyses)	3 014	2 678	2 655
Large Corporates and Institutions (no. of approved loan applications)	1 388	1 465	1 647
Total number of cases escalated to Swedbank's Sustainability Committee	16	13	8
– of which customer-related cases	3	4	3
– of which policy and governance-related cases	13	9	5

Mortgage loans, Swedish Banking, Energy class (SEK m)[1]	2022	2021	2020
Energy class A	2 579	2 040	1 629
Energy class B	22 316	18 106	12 802
Energy class C	51 244	45 882	33 783
Energy class D	78 223	70 094	63 009
Energy class E	92 853	82 362	87 219
Energy class F	46 662	43 396	43 224
Energy class G	20 307	17 972	15 381
Not classified	800 979	813 518	796 441

1) Volumes as of 2022-12-31, energy classes as of December 2022.

Swedbank Sustainable Funding Framework
Swedbank Sustainable Funding Framework is based on the bank's Green Bond Framework from 2017 and has been expanded to include social areas during the year. The framework, which provides definitions for financing of green and social projects and assets, aligns with the International Capital Markets Association (ICMA) Green Bond Principles 2021, Social Bond Principles 2021 and Sustainability Bond Guidelines 2021. The green categories have to a large extent been adapted to the technical screening criteria in the EU Taxonomy. With the framework as a basis, Swedbank can issue green, social and sustainability bonds that support the Sustainable Development Goals.

The Swedbank Sustainable Bond Impact Report, which is published annually, accounts for the volume and expected impact of loans included in Swedbank's Sustainable Asset Register.

Current financing is mainly comprised of sustainable investments in real estate, renewable energy sources, green transports, forestry and waste management.

Sustainable registry and bonds	2022	2021	2020
Sustainable Asset Registry, total (SEKm)[1]	59 297	44 655	18 344
Renewable energy (SEKm)	2 296	2 401	2 730
Green buildings (SEKm)[2]	45 064	40 277	13 632
Pollution prevention and control (SEKm)	1 200	1 130	1 154
Clean transportation (SEKm)	3 648	252	265
Sustainable management of living natural resources (SEKm)	812	595	563
Sustainable management of water and wastewater (SEKm)	24		
Green assets, total (SEKm)	**53 044**		
Employment generation (SEKm)	3 670		
Socioeconomic advancement and empowerment (SEKm)	2 583		
Social assets, total (SEKm)	**6 253**		
Outstanding green bonds (SEKm)[3]	27 872	30 526	7 028
A selection of environmental impacts			
Avoided emissions (tCO_2e)	385 398	595 029	589 547
Green buildings – energy savings (GWh)[4]	78	21	19
Renewable energy – energy production (GWh)	1 154	1 805	1 831
Waste management – processed waste (tonnes)[5]	150 000	150 000	150 000
Forestry – FSC/PEF-certified forest area (ha)[6]	52 496	26 740	26 740

1) Qualified loans according to Swedbank Sustainable Funding Framework. Also reported per business area in the tables Sustainable finance Swedish Banking, Sustainable finance, Baltic Banking and Sustainable finance, Large Corporates and Institutions.
2) In previous year's reporting (based on previous framework), green buildings belonged to the category: Energy Efficiency.
3) Swedbank AB issuer.
4) From 2022, energy savings from green mortgages are included.
5) No change in underlying assets. Waste management is a subcategory to Pollution Prevention and Control.
6) Forestry is a subcategory to Sustainable Management of Living Natural Resources and Land Use.

Products and offerings with a sustainability focus, private customers

- **Green mortgage** – Swedbank wants to promote sustainable housing and therefore offers customers who live in housing classified as green a discounted mortgage rate (see table Sustainable finance).
- **Car loan/lease with environmental criteria** – Serves as an ordinary car loan but with a lower interest rate when purchasing a vehicle that meets certain environmental criteria (see table Sustainable finance).
- **Energy loan and solar loan** – Loans to install solar panels or make energy-efficiency improvements, e.g. installation of a heat pump, with a discounted interest rate (see table Sustainable finance).
- **State-guaranteed mortgage loan** – In the three Baltic countries, Swedbank participates in a state-guaranteed mortgage assistance programme for residential housing that provides a subsidy or guarantee for lower amortisation (see table State guaranteed mortgage loan programmes).
- **Green funds and green savings** – Swedbank offers funds that take into consideration sustainability issues in order to help customers invest in the transition to a more sustainable world (see pages 207–209 for more information).

State guaranteed mortgage loan programmes[1]	2022	2021	2020
Estonia			
– number of loans granted during the year	771	1 158	1 062
– portfolio volume (SEK m)	3 139	4 107	2 583
Latvia			
– number of loans granted during the year	1 759	2 120	1 581
– portfolio volume (SEK m)	6 817	10 258	4 119
Lithuania			
– number of loans granted during the year	755	957	726
– portfolio volume (SEK m)	4 818	1 595	1 118

1) Swedbank participates in a state guaranteed mortgage loan programme to help various groups finance a home, based on established criteria that apply, for example, to families with low incomes, households that need accessible housing, families with young parents, young people who are highly educated or households that want to improve their home's energy efficiency.

Products and offerings with a sustainability focus, corporate customers

- **Green loans** – A loan to finance projects classified as environmentally sustainable, e.g. to reduce climate impacts or contribute to the transition to a greener society by supporting environmentally friendly technology.
- **Sustainability linked loans** – Differ from green loans in that they can be used for general business purposes rather than a specific purpose. The cost of the loan is tied to the borrower's performance relative to sustainability targets and is monitored through performance reports over the loan's duration (see table Sustainable finance, Large Corporates and Institutions).
- **Corporate loans for renewable energy** – Offered by Baltic Banking to encourage small businesses to finance installation of solar panels, wind power farms and/or geothermal energy through specific business loans for renewable energy production (see table Sustainable finance, Baltic Banking).
- **Energy efficiency for tenant-owner associations** – Baltic Banking offers financing for energy-efficiency improvements by tenant-owner associations.
- **ESG-related bonds** – Clients of Large Corporates and Institutions are offered assistance to issue green, social and sustainability bonds. Since 2019, Swedbank has also offered sustainability linked bonds in the capital market. Their structure differs from traditional green, social and sustainability bonds in that this type of debt instrument is used for general business purposes and the coupon rate is linked to meeting specific sustainability targets by an agreed deadline.
- **Green equity** – Clients of Large 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 green. Green equity is available with IPOs, new share issues or as public recognition that all the company's outstanding shares are green (without any specific transactions).
- **Sustainability-related advice** – Clients of Large Corporates and Institutions are offered sustainability-related advice. For example, they are offered advice on ESG ratings, guidance on the EU Taxonomy and weekly newsletters.

Sustainable finance, Swedish Banking[1]	2022	2021	2020
Private			
Green mortgages (SEK m)[2]	1 786	1 106	479
More environmentally friendly car loans (SEK m)	269	177	105
Solar loans (SEK m)	275	170	136
Energy loans (SEK m[3]	8	18	22
Corporate			
Sustainable loans, portfolio volume (SEK m)[4]	38 645	24 933	2 098
– of which renewable energy	215	265	276
– of which green buildings[5]	36 427	24 668	1 822
– of which clean transportation	1 050		
– of which sustainable water and wastewater management	24		
– of which socioeconomic advancement and empowerment	929		

1) Total lending private 2022: SEK 1 039 000m, total lending corporate SEK 236 000m.
2) Refers to the green mortgage, the definition of which differs from qualifications for mortgages in the Sustainable Registry.
3) Financing of energy efficiencies in buildings. Not including Savings Banks.
4) Qualified sustainable loans according to Swedbank Sustainable Funding Framework.
5) Also includes mortgages 2021–2022.

Responsible lending, Swedish Banking, private customers (%)	2022	2021	2020
Households with loan to value ratios above 70% of property value	16	10	14

Sustainable finance, Baltic Banking[1]	2022	2021	2020
Privat			
Sustainable mortgages (SEK m)	210	153	9
More environmentally friendly car leasing (SEK m)	1 097	544	134
Solar panels loans (SEK m)	247	30	31
Corporate			
Renewable energy loans – small businesses (SEK m)	94	10	6
Sustainable loans, portfolio volume (SEK m)[2]	11 456	6 127	3 022
– of which renewable energy	1 323	1 168	1 140
– of which green buildings	2 797	3 234	165
– of which sustainable management of living natural resources	812	595	563
– of which pollution prevention and control	1 200	1 130	1 154
– of which employment generation	3 670		
– of which socioeconomic advancement and empowerment	1 654		

1) Total lending private 2022: SEK136 000m, total lending corporate SEK 100 000m.
2) Qualified sustainable loans according to Swedbank Sustainable Funding Framework.

Sustainable finance, Large Corporates and Institutions[1]	2022	2021	2020
Corporate			
Green loans, portfolio volume (SEK m)[2]	9 196	13 595	13 224
– of which renewable energy	758	968	1 314
– of which green buildings	5 840	12 375	11 645
– of which clean transportation	2 598	252	265
Sustainability linked loans, portfolio volume (SEK m)	11 460	9 146	4 481
Capital market[3]			
Transactions that Swedbank arranged during the year (number)	70	99	63
Total volume that Swedbank arranged during the year (SEK bn)	33.6	49.9	36.6
Share in relation to total volume that Swedbank arranged during the year (%)	21.4	23.7	23.8
Total volume that Swedbank arranged from the start (SEK bn)	174.7	141.1	91.2

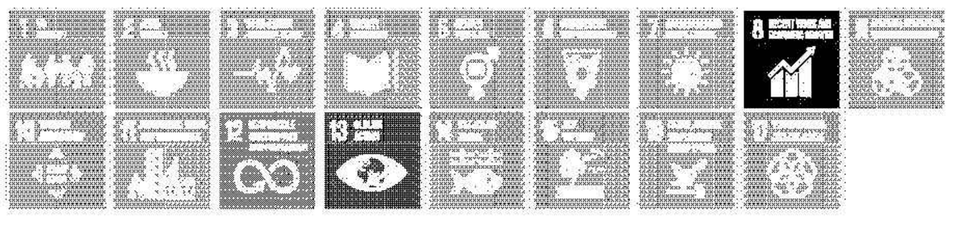
1) Total corporate lending 2022: SEK 284 000m.
2) Qualified loans according to Swedbank Sustainable Funding Framework.
3) Swedbank AB issuer of ESG bonds (green, social and sustainability bonds).

S4

Procurement

Material topic:

Promote climate transition



Number of active suppliers **3 653**

Total procurement value (SEKm) **9 473**

Swedbank has nearly 3 700 suppliers and an annual procurement expense of approximately SEK 9.5bn divided between IT and digital banking services, shared internal services as well as financial products and services for private and corporate customers.

The procurement unit's goal is to be best in class in sustainable procurement. To achieve this, the focus is on reducing risk in the supply chain, increasing positive impact and innovation.

Reduce risk

In connection with procurements, all suppliers are evaluated in several areas such as the environment, human rights, business ethics and governance. During the year, the number of sustainability criteria was expanded to put more emphasis on high-risk countries and align with the bank's strategy. At the same time, the procurement system was further digitised to enable greater focus on compliance with the procurement process and monitoring of any high-risk suppliers when new contracts are signed. Swedbank's suppliers are mainly in Europe and more than 99 per cent of them are in markets assessed as low risk. Suppliers with production operations require an additional risk assessment. Brand and sustainability risks are analysed with the help of an independent external party. The aim is to have a good awareness of material risks and prepare a plan on how such risks can be mitigated before a contract is signed.

In 2022, the work was focused on increasing process compliance and reducing risk in the supply chain through more efficient procedures and increased monitoring of how potential suppliers are evaluated. The risk of noncompliance is evaluated within the framework of the bank's procurement process. The results of the evaluation are recorded so that progress can be tracked. The bank's code of conduct for suppliers was updated to strengthen the requirements placed on suppliers regarding, among other things, reduced climate impact and fair working conditions. Suppliers must confirm that they are in compliance with the code of conduct and sign it before entering a contract. Noncompliance with the code of conduct is continuously monitored to reduce risks in the supply chain. Deviations shall be escalated to the Procurement Sustainability Committee for approval/rejection of the deviation. During 2022, about 20 cases were escalated.

Positive impact and innovation

In addition to the sustainability assessment, suppliers' sustainability management is also assessed through continuous dialogue. For strategic suppliers, the bank evaluates their targets in relevant sustainability areas. In 2022, the focus was on climate change and human rights. The targets are followed up annually to track performance and drive positive development. Furthermore, Swedbank conducts a more extensive evaluation of diversity and inclusion issues, primarily for consultants. To minimize unnecessary travel, most of the discussions are held virtually.

The work has encouraged suppliers to take action within their organisations to improve their sustainability management. Swedbank prefers to work with suppliers with a strong sustainability profile and has also purposely chosen other suppliers because of the progress they have made in sustainability. One of them in the US escalated the implementation of sustainability to the Board level, where they received approval to start a sustainability programme with the CEO as the sponsor.

To increase knowledge internally, the procurement unit, together with two of Swedbank's suppliers, held a seminar to address procurement and sustainability issues.

Swedbank encourages its suppliers to develop circular services and products, such as to reuse the bank's IT equipment. In Sweden, where the largest share of the use of this equipment takes place, approximately 97 per cent of all computers and monitors are reused. Additionally, at least 50 per cent of the computers that the bank purchases are shipped by train instead of air.

Swedbank prefers to work with suppliers that offer products and services where sustainability aspects are measured and evaluated to encourage improvements and enable innovation. When evaluating bids, the bank looks at how the supplier works with the product/service in question to compare and increase awareness in the selection process.

When selecting event services during the year, offers from four suppliers were evaluated based on their climate work. The bank chose to work with the one that offered the option of carbon neutral events.

Evaluation of suppliers	2022	2021	2020
Procurement value (SEKm)	9 473	9 593	14 219
Number of active suppliers	3 653	3 785	4 107
Percentage of suppliers registered in countries with low environmental risk[1]	99	99	
Percentage of suppliers registered in countries with low social risk[2]	99	99	
Number of supplier dialogues[3]	43	46	
Number of sustainability evaluations[4]	289	129	

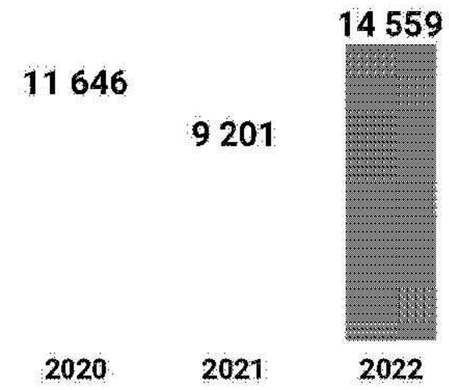
1) Based on the Environmental Performance Index. All suppliers with risk scores over 50 are considered low risk.
2) Based on the Amfori BSCI index. All suppliers with risk scores over 60 are considered low risk.
3) Supplier dialogues are structured meetings with sustainability agenda managed by Swedbank.
4) Sustainability evaluation conducted on contracted suppliers.

Environment and climate

Material topic:
Climate action

Climate action leads to results

Emissions from Swedbank's direct operations, tonnes CO_2e



Includes emissions from the bank's offices, business travel, security transports, paper consumption and IT-equipment.

Swedbank's internal environmental management during the year
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 includes the precautionary principle. The environmental work is structured according to the bank's ISO 14001 certified environmental management system. The bank works continuously to reduce its negative environmental impact, and every unit has a manager responsible for environmental management. Swedbank's subsidiaries Swedbank Robur, Swedbank Försäkring, Swedbank Hypotek, Sparia, Swedbank Fastighetsbyrå and PayEx AB are also covered by Swedbank's ISO 14001 certification.

The bank also has a network of approximately 50 sustainability ambassadors who coordinate target-setting and monitoring and act as support in the sustainability work.

The bank's facility management department works to secure energy-efficient and space-saving properties together with property owners to adopt energy-conservation measures. Swedbank has established intensity-based targets to curb energy consumption in its offices by 15 per cent between 2017 and 2025.

During 2022, the bank's direct emissions increased. The larger increase occurs in scope 3 due to more travel because of the covid-19 restrictions being removed as well as the bank developing its measurement method for scope 3. The measurement method for scope 3 now includes emissions from employees' IT equipment.

The bank works actively to reduce the environmental impact from business travel. Internal targets have been set for both the Group and units with a focus on increasing the share of virtual meetings to replace travel. In 2022, the target was to reduce travel by 27 per cent from 2019, which was met. After the pandemic, virtual meetings will continue to take precedence over face-to-face meetings that require long-distance travel.

Climate reporting in accordance with TCFD
The Task Force on Climate-Related Financial Disclosures (TCFD), which was created by the Financial Stability Board, is a framework for how companies shall disclose the financial impact that climate change has on their businesses. Reporting according to the recommendations gives stakeholders insight into how climate-related risks and opportunities are managed.

Swedbank has performed scenario analyses to understand how different levels of global temperature rise could affect various sectors. The work and its output are described in the ESG Risk note on pages 107–110, which also describes risk management and governance of climate risks. The scenario analyses also provide insights on the opportunities that the green transition represents for Swedbank in the form of new business volumes. The results are listed below.

Opportunities

Opportunities in the short term (1–5 years)

- Increased financing need for investments in technology and distribution for the transition in energy sector.
- Expected growth in solar and wind power in both the energy and real estate sectors.
- Increased need for energy efficiency in the real estate sector.
- Established relations 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 segments thanks to increased demand for bioenergy as a renewable raw material in the agricultural and forestry sector.
- Lending to customers with a deep insight into the impact of climate change and their sector-specific transition needs in the financial sector.

As a bank and financial player, Swedbank has both a responsibility and an opportunity to contribute to climate action. Sustainability is an integral part of the bank's strategy. Swedbank works continuously to develop advice and products that meet the transition needs of its customers; see page 211. Attention is also paid to employee training on climate change and to developing climate reporting in a transparent way. In 2022, for example, Swedbank expanded its reporting of financed emissions to comprise a larger share of the loan portfolio.

Targets and metrics

During the year, Swedbank established targets to reduce financed emissions for selected sectors by 2030. These and other climate targets are shown on pages 19 and 26.

Financed emissions

The initial calculations of financed emissions for part of the portfolio of mortgages and commercial real estate loans were published in the Annual and Sustainability Report 2021. During the year, the methodology was improved and calculations were expanded to comprise the entire portfolio for the mortgage and commercial real estate sectors. Consequently, the figures are not directly comparable with those published in 2021. Calculations were also conducted for the power generation, oil & gas, and steel sectors. Swedbank has used a standardised methodology from Partnership for Carbon Accounting Financials (PCAF) to measure and calculate 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

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 real estate. Commercial real estate comprises loans to purchase commercial properties. Swedbank includes all properties used for revenue-generating activities, such as retail, offices, sports facilities, industrial properties and multifamily 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. The building's emissions are expressed as the amount of $kgCO_2e$ per year that the building's energy usage generates. To calculate the building's emissions, information is needed on its heated area, energy consumption, heating source and an emissions factor for each type of energy. Swedbank has used data from energy performance certificates to calculate the building's emissions, provided that energy performance certificates were available. When such data and other information used in the calculations has been lacking or incomplete, estimated figures provided by PCAF have been used. The share of available energy performance certificates for the property portfolio, as well as the data quality, differs between Sweden and the three Baltic countries.

Asset class	Financed emissions (tCO_2e)[1]		Physical emission intensity[2]	
	2021	2020	2021	2020
Mortgages (Sweden)	230 677	253 858	5.9	6.0
Mortgages (Estonia, Latvia and Lithuania)	540 291	472 203	81.5	83.1
Commercial real estate (Sweden)	139 303	155 182	10.7	12.1
Commercial real estate (Estonia, Latvia and Lithuania)	278 268	269 417	123.3	119.8
Oil and gas	4 629 558	5 654 610	n/a	n/a
Power generation	771 077	983 233	0.15	0.15
Steel	167 952	300 415	0.80	1.09

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. Reporting for the years 2020 and 2021, since underlying emissions data is not yet available for 2022.
2) Reporting for the years 2020 and 2021, since underlying emissions data is not yet available for 2022. For Mortgages and Commercial Real Estate – financed emissions per financed area ($kgCO_2e/m^2$). For Power Generation and Steel – Financed emissions per financed activity (tCO_2e/MWh for Power Generation and tCO_2e/tonne for Steel) For Oil and gas focus is on absolute emissions, therefore, no physical intensity value.

Financed emissions per property type

Mortgages	Gross carrying amount (SEKm)	Financed emissions (tCO_2e)[1]	Financed area ($1000m^2$)	Emissions intensity[2]	Weighted data quality points[3]
	2021	2021	2021	2021	2021
Mortgages (Sweden)	**980 362**	**230 677**	**39 192**	**5.9**	**3.8**
Multi-family housing	340 010	40 072	11 450	3.5	3.7
of which tenant owner rights	250 488	30 791	6 412	4.8	3.8
of which tenant owner associations	88 596	8 708	4 963	1.8	3.4
of which other multi-family housing	926	573	75	7.6	3.8
Single-family housing	631 370	159 183	24 000	6.6	3.8
Other	8 982	31 423	3 743	8.4	4.3
Mortgages (Estonia, Latvia and Lithuania)	**91 789**	**540 291**	**6 631**	**81.5**	**3.5**
Multi-family housing	55 966	207 516	3 157	65.7	3.5
Single-family housing	35 823	332 774	3 474	95.8	3.6
Total	**1 072 151**	**770 968**	**45 823**	**16.8**	**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 ($1000m^2$)	Emissions intensity[2]	Weighted data quality points[3]
	2021	2021	2021	2021	2021
Commercial real estate (Sweden)	215 726	139 303	12 983	10.7	3.9
Commercial real estate (Estonia, Latvia and Lithuania)	19 880	278 268	2 257	123.3	4.0
Total	**235 607**	**417 571**	**15 240**	**27.4**	**3.9**

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 sectors, corporate lending [1]	Total exposure (SEKm)[2]	Total exposure (%)[3]	Financed emissions (tCO_2e)[4]	Emissions intensity[5]	Weighted data quality points[6]
	2021	2021	2021	2021	2021
Oil and gas	5 887	92%	4 629 558	n/a	3.1
Power generation	20 181	81%	771 077	0.15	2.0
Steel	4 992	84%	167 952	0.80	2.0

1) Includes large customers, defined as (1) annual turnover > 500 SEK m or balance sheet total > 1000 SEK m, (2) gross carrying amount and off-balance exposure > 8 SEK m.
2) Gross carrying amount and off-balance exposure.
3) Against total exposure for the sector including small and medium enterprises.
4) Scope 1, 2 and 3 financed emissions for Oil and gas, scope 1 for Power generation, scope 1 and 2 for Steel.
5) Financed emissions per financed activity (tCO_2e/MWh for power production and tCO_2e/tonne for Steel). For Oil and gas focus is on absolute emissions, therefore, no physical intensity value.
6) Weighted per total exposure. High quality = 1, low quality = 5

Other sectors, corporate lending

For the power generation, oil & gas, and steel sectors, financed emissions have been calculated by multiplying the company's total emissions by an attribution factor.

Calculation methodology

The attribution factor is Swedbank's lending to the company divided by the company's total assets. The company's emissions data are reported emissions. 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 or revenue.

Next step

Swedbank continues to develop its calculations and reporting of financed emissions, including by improving data quality and expanding the calculations to more sectors. As more primary data becomes available, the weighted data quality score according to PCAF's methodology will improve. Swedbank wants to continue to provide transparency and comparability in this area by showing its calculation methodologies and computations.

By calculating financed emissions for a significant share of the loan portfolio, the bank has been able to define a baseline, which in turn enabled the calculation of emissions reduction targets per sector. Setting targets for emissions reductions by 2030 is part of the bank's commitment to the Net Zero Banking Alliance and the Science Based Targets initiative; see page 27.

Greenhouse gas emissions[1], tonnes CO_2e	2022	2021	2020
Total emissions	**14 559**	**9 201**	**11 646**
Reduction target 2030, 60%[2]	15 008	15 008	15 008
Carbon offsetting[3]	0	9 201	11 646
Emissions by scope according to GHG protocol			
Emissions scope 1[4]	622	466	632
Emissions scope 2[5]	5 065	4 787	5 331
Emissions scope 3[6]	8 872	3 948	5 683
Emissions by country			
Emissions, Sweden	7 670	3 842	5 847
Emissions, Estonia	2 782	2 146	2 394
Emissions, Latvia	1 713	1 594	1 735
Emissions, Lithuania	2 039	1 482	1 366
Emissions, other[7]	355	137	304
Energy-related emissions according to Scope 2			
Market-based	5 065	4 787	5 331
Location-based	13 999	14 805	16 444

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 revise their emission factors. Emissions are reported in accordance with the Greenhouse Gas Protocol (World Resources Institute).
2) The base year is 2019, where Swedbank reported 25 014 tonnes of total greenhouse gas emissions (scope 1: 1 020, scope 2: 1 667 and scope 3; 17 927 tonnes CO_2e). 2019 was chosen as the base year to reflect a year without the impact of covid-19 restrictions.
3) After reducing the emissions in the operational activities during 2020–2021, climate compensation was carried out via ViSkogen for the remaining emissions. The measurement method is certified by the Verified Carbon Standard (VCS). In order to further improve the work, in 2022, the bank has shifted more focus towards avoiding emissions through the use of Sustainable Aviation Fuel in the flights that are made. The development of this continues in 2023 and thus means that no climate compensation has been made for 2022.
4) Swedbank's direct emissions. Based on fuel consumption in company cars and refrigerant gas loss. Emissions from cooling equipment are estimated using operational controls (based on weight and type of cooling medium). Emissions from company-owned vehicles are estimated with the help of the bank's financial controls. None of Swedbank's Scope 1 emissions are biogenic.
5) 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.
6) Swedbank's other indirect emissions from business travel, security transports, paper consumption, water consumption and waste. None of Swedbank's Scope 3 emissions are biogenic. Emissions from the production of employees' IT equipment, such as computers, monitors, tablets and phones, are included in 2022.
7) Norway, Finland, Denmark, US, South Africa and China.

Emissions by category, tonnes CO_2e	2022	2021	2020
Sweden			
Office premises	2 252	1 890	2 229
Business travel	2 566	1 838	3 435
Other emissions[1]	2 852	114	183
Estonia			
Office premises	1 860	2 028	1 897
Business travel	547	112	466
Other emissions[1]	375	6	31
Latvia			
Office premises	1 192	1 245	1 156
Business travel	334	336	517
Other emissions[1]	187	13	62
Lithuania			
Office premises	900	1 057	785
Business travel	487	84	468
Other emissions[1, 2]	652	341	113
Other countries			
Office premises	310	112	181
Business travel	45	24	122
Other emissions[1]	0	1	1

1) Security transports and paper consumption, computers, monitors, tablets and phones.
2) In 2021, the security transport company and calculation method were changed.

Other environmental data	2022	2021	2020
Energy consumption in our offices (MWh)	80 555	79 213	78 767
– of which Sweden	43 731	39 183	41 307
– of which Estonia	15 964	16 993	15 654
– of which Latvia	9 631	10 316	10 391
– of which Lithuania	10 002	11 875	10 469
– of which Other	1 227	846	946
Electricity consumption in our offices (MWh)	43 173	40 790	40 447
Renewable electricity as a share of total electricity consumption (%)[1]	99.9	99.9	98
Paper consumption (tonnes)	647	714	1 137
Share of ecolabel paper (%)	100	100	98
Water consumption (m^3/FTE)	7.5	4	5
Recycled waste (tonnes)	653	529	440
Incinerated waste (tonnes)	391	461	328
Landfill waste (tonnes)	161	183	297
Hazardous waste (tonnes)	3.6	2.2	1.7
Compostable waste (tonnes)[2]	57	47	11
Number of digital conferences (million)[3]	2	1.9	1.5
Number digital conference attendees (million)[4]	3	3.60	4

1) Renewable energy refers to wind, biomass and hydroelectric.
2) Waste from offices.
3) Refers to a small amount of electrical scrap, batteries and lamps.
4) Digital meetings via Skype/Teams.

Internal energy consumption[1]	2022	2021	2020
Total emissions from energy consumption (tonnes CO_2e/MWh)	0.063	0.066	0.07
Energy consumption per employee (MWh/FTE)	5.0	5.0	5.0
Energy consumption per m² (MWh/m²)	0.211	0.208	0.200
Energy reduction target of 15% per m² 2017–2025 (MWh/m²)	0.213	0.213	0.213

1) Swedbank's internal energy consumption consists of consumption of energy, heating, cooling and gas.

Comparative figures, tonnes CO_2e	2022	2021	2020
Total emissions per employee (tonnes/FTE)	0.91	0.59	0.74
Scope 1 and 2 emissions per employee (tonnes/FTE)	0.36	0.33	0.38
Total emissions per office space (tonnes/m²)	0.038	0.024	0.030
Scope 1 and 2 emissions per office space (tonnes/m²)	0.015	0.014	0.015
Emissions per income (tonnes/SEKm)	0.27	0.20	0.25
Scope 1 and 2 emissions per income (tonnes/SEKm)	0.11	0.11	0.13

AutoPlan

Through AutoPlan, Swedbank offers fleet administration for businesses. AutoPlan works actively to reduce its climate impact by helping customers adopt green car policies, supporting them on sustainability issues, and measuring and monitoring their climate impact. In 2022, just over 71 per cent of all new vehicles were electric or hybrid: 25 per cent electric and 46 per cent plug-in hybrids. Of the total number of administered vehicles, 9.2 per cent are electric, compared with 3.2 per cent of the total market. AutoPlan is continuing to increase its share of electric and hybrid vehicles in general, and all-electric cars in particular, as part of AutoPlan Green Fleet.

Swedbank offers a leasing programme for employees, with company cars treated as taxable benefits. Since the programme was introduced in 2006, Swedbank and the Savings Banks have grown the fleet to over 1 000 vehicles. Through the programme, Swedbank can use various incentives to encourage employees to drive more environmentally friendly vehicles. Almost all new passenger cars are electric or hybrids.

In addition to AutoPlan and its own fleet, Swedbank finances cars for many consumers and businesses. Here as well Swedbank is working actively to raise the share of vehicles that are less damaging to the environment. One example is that a lower interest rate is offered when choosing a vehicle that emits less than 50g CO_2/km. Green Leasing is also offered in Estonia, Latvia and Lithuania with a lower interest rate for more environmentally friendly cars.

Auto leasing AutoPlan	2022	2021	2020
Leasing of vehicles (tonnes CO_2e)[1]	162 333	169 158	175 777
Total number of leased cars	42 204	42 082	43 780
Average emissions, new cars CO_2 (g/km)[2]	46	71.18	87.07
Average emissions, total CO_2 (g/km)[2]	86	98.71	108.8
Average emissions, new company cars in Swedbank CO_2 (g/km)	23	43	54

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.

Swedbank begins to strengthen biodiversity and ecosystem services

The businesses that Swedbank finances, invests in and insures are dependent on nature for their production needs and supply chains. Therefore, the bank started working with biodiversity and ecosystem services during the year at group level.

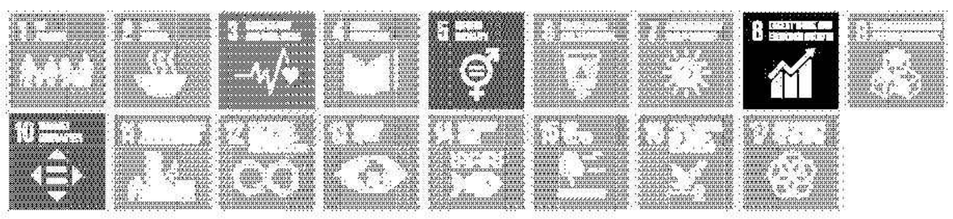
In Swedbank's new Sustainable Funding Framework, which was launched in September 2022, one of the new categories aims to finance projects that safeguard and support various ecosystems on land and at sea to ensure that they are not depleted. Another new category is climate action, where the goal is to offer financing for various measures to mitigate the impact of climate change. Together with customers, the bank can play a key role in reversing biodiversity loss and fighting climate change.

A pilot study has been conducted to provide a better understanding of how Swedbank should address questions on, and include the work with, reducing the loss of biodiversity in all home markets. The study resulted in a market analysis that serves as the basis of the next steps in this area, such as the participation in a pilot study by the Taskforce on Nature-related Financial Disclosures (TNFD). TNFD is an internationally recognised initiative, focused on developing a risk management and disclosure framework to help organisations manage nature-related risks. It has developed a beta version of recommendations within the framework that Swedbank followed in 2022. As part of the pilot study, Swedbank has gained a better understanding of how the bank should manage its nature-related risks in the forestry and agricultural sectors.

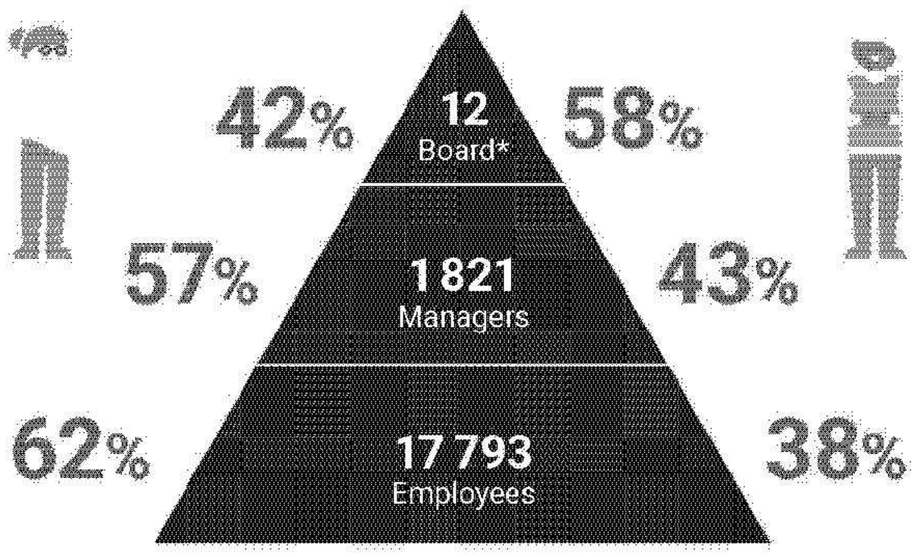
In order to gain an even better understanding of how the financial sector should handle biodiversity issues, the bank joined the multi-year research project Mistra BIOPATH. The purpose of the project is to map, assess, co-develop and test existing and new approaches for integrating biodiversity into financial decision-making.

5.6 Employees

Material topic:
Attractive employer



Share of women and men



* Employee representatives are not included in the calculation of Board members.

At Swedbank, every employee is important for our development and success. A number of targets are used to monitor the bank's work in this area; they are shown below.

Employee targets	2022	2021	2020
Index for sustainable employees >=80	85	85	82
Sickness rate below 2.8 per cent	3.5	3.2	3.2
Engagement index >=80	84	85	81
Recommendation index (eNPS) >=43	39	45	43
Achieve gender parity, 40/60, in upper management	42/58	40/60	40/60
Achieve gender parity, 40/60, at higher levels in the bank with a focus on succession in upper management	57/43	56/44	55/45
Maintain pay parity for equal work and reduce the gender pay gap (pay gap in percentage points)	1.8	n/a	n/a

Leadership and self-leadership

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. The role of leader includes a responsibility to guide teams and employees in alignment with the bank's Strategic Direction.

Employees are offered opportunities to develop and find inspiration in pace with changes in the marketplace and are encouraged to take responsibility for their personal development. An important part of this is developing self-leadership. Self-leadership is based on the ability to be flexible and the willingness to adapt to the rapidly changing and complex environments that the bank operates in. This fosters innovative thinking and a learning culture that helps the bank to develop.

Sustainable employees

Sustainable employees is a term that Swedbank uses which means employees who feel good and enjoy their work. Good occupational health and safety is key to creating the prerequisites for sustainable employees, and systematic efforts focus on detecting early signs of ill health and repeated short-term absences. Extensive work is also carried out to address long-term illnesses, conflicts and cooperation difficulties.

Development and implementation of the Swedbank at Work model has continued in all of the bank's home markets and comprises both physical and digital work environments and the design of workspaces and offices. The goal is to create healthy and functional workplaces to facilitate and encourage movement and variation during the workday.

Diversity and inclusion

Swedbank's goal is to have a diverse and inclusive workplace where differences between people are seen as a strength and an opportunity. 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 policy for gender equality and diversity applies to the Board of Directors and the Board's work. The goal is, through diversity and inclusion, to encourage independent thinking and contribute to sound corporate governance. The aim is to achieve gender parity, and in 2022 the bank reached the target of 40/60.

To achieve gender equality, KPIs are in place for the Group Executive Committee, measuring 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.

To accelerate efforts to reach the diversity and inclusion targets, the Group Executive Committee created the position of Chief Diversity Officer, which will rotate between its members. For more information, see page 29.

Work with gender equality in recruiting, succession planning and performance development continued during the year. The management recruitment process now includes an analysis of diversity, and checkpoints have been added to the annual performance review form to control for unconscious biases.

The results of the bank's employee surveys, which are conducted several times a year, confirm that employees see Swedbank as an inclusive workplace. The work to prevent discrimination and harassment is a priority, and there is zero tolerance for all forms of discrimination and harassment. Communication took place and workshops for managers were provided during the year for preventive and educational purposes. Whistleblowing and a process for addressing reported cases of discrimination and harassment have been established and are conducted by trained investigators in the bank.

To increase the share of women in the areas where they are underrepresented, Swedbank Women in Tech was formed at the end of 2021. A number of activities were carried out in 2022 and the network grew to 730 members within the Swedbank Group. The network aims to inspire women to consider a future in tech. However, it is also for women who are already in the field.

Swedbank participated during the year in Stockholm Pride, Riga Pride and Baltic Pride in Vilnius. The month of June was devoted to LGBTQ+ awareness throughout the Group. The LGBTQ+ network GLaS celebrated its second anniversary in April and continues to push for inclusion of LGBTQ+ topics in the bank through events, web seminars, celebration activities on Pride as well as activities on Coming Out Day and Transgender Awareness Day. In 2022, employees were given the option in anonymous surveys to self-identify as a third gender, and signage in the bank's premises is now gender-neutral.

Other aspects of diversity such as functional limitations are also a priority for the bank. To increase awareness among the bank's employees, lectures have been held and a collaboration has been established with the consulting company Unicus, which exclusively hires consultants on the Autism spectrum.

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.

Swedbank attaches great importance to equal pay for women and men with the same or similar jobs and is working continuously to achieve this objective. For more information, see pages 219–220.

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 2022 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 terms of gross salary per hour worked without the job role or level being taken into consideration. At Swedbank the differences have steadily decreased each year, from 38 per cent at the end of 2019 to 31 per cent at the end of 2022, as shown on page 220–221.

Equal pay

Equal pay for women and men who do the same work is another way to measure wage gaps. At the end of 2022, the pay gap for the Swedbank Group was 1.8 percentage points. For more information on equal pay between women and men, see page 221.

Activities in 2022 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 other managers and certain higher positions that do not have management responsibility.
- Long-term work on recruiting, succession planning, equal access to upskilling and targeted development in areas where one gender is underrepresented.
- Management training with a focus on gender equality and unconscious biases
- Ongoing review of all HR processes to ensure gender neutrality and draw attention to potential gender discrimination where relevant, e.g. the performance development process.
- Focus on gender in all remuneration processes.
- Open salary range in home markets to increase transparency and awareness.
- Special initiatives to encourage women to pursue careers in tech.

Activities in 2022 to maintain equal pay

- Make managers aware of equal pay in all remuneration processes.
- Continuous monitoring through monthly calculations that serve as a basis for needed adjustments in the units.
- Equal pay is considered during salary setting in the recruitment process.
- Potential pay gaps are monitored during the annual salary review process to prevent them from arising.
- Salary reviews of 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 are taken.

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 better business.

The People Pulse survey was conducted three times in 2022. The purpose is to understand how employees feel and to find out how they perceive, understand and act in relation to the bank's strategically important areas. The aim of the survey is to track and promote behavioural changes in daily work and to encourage a continuous dialogue and open feedback in every unit. The questions relate to nine areas: engagement, loyalty/interest, direction, compensation, work culture, performance, leadership, sustainable employees and unequal treatment.

The results show a stable level of engagement and that employees feel good about their jobs. About half of all employees are still working from home. The surveys conducted during the year had high response rates and showed continued strong results.

Employee surveys, index	2022	2021	2020
Sustainable Employee Index[1]	85	85	82
Target for sustainable employee index[2]	80	80	85
Engagement index[1]	84	85	81
— Sweden	81	82	78
— Estonia	88	89	85
— Latvia	87	88	84
— Lithuania	90	89	84
Recommendation index (eNPS)[1, 3]	39	45	43
Target for recommendation index	43	40	33
Leadership index[4]	86	86	

1) Survey sent to all employees.
2) In previous years the Sustainable Employee Index was measured according to the traffic light model: green, yellow and red. Green is the target level and was previously from 80 and upward, but with a stretch target of 85. After requests from operations to simplify the measurement method for the Sustainable Employee Index, the bank set the same target for the entire Group, i.e. from 80 and upward, in 2021.
3) eNPS (Employee Net Promoter Score) shows the likelihood of recommending Swedbank as an employer. 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.
4) Not measured in 2020.

Internal training	2022	2021	2020
Total number of training hours[1,2]	452 216	497 490	363 315
Training costs per FTE (SEK)	5 461	4 784	4 700
– of which mandatory	1 243	1 149	1 200
– of which non-mandatory	4 218	3 635	3 500
– of which women	6 214	5 498	3 400
– of which men	4 293	3 660	1 300
Training hours per FTE[1]	29	32	24
– of which men	23	24	18
– of which women	33	38	28
– of which managers	34	44	28
– of which specialists	28	30	24
Completed training			
– ethics (number)[3]	16 650	16 593	16 797
– sustainability incl. climate (number)	4 647	7 636	16 149
– anti-money laundering and counter-terrorist financing (number)	17 039	17 625	17 153
Number of advisors with Swedsec license[4]	3 952	3 976	4 031
Number of employees who completed the annual knowledge update (ÅKU)[4]	5 934	6 298	6 254

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: 20%. 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 (%)	2022	2021	2020
Sweden	96	96	98
Estonia	96	99	99
Latvia	96	99	99
Lithuania	96	99	99
Group total	**96**	**98**	**98**

Employees who have received training in anti-money laundering and counter-terrorist financing, by category (%)	2022	2021	2020
Managers	99	99	99
Specialists	95	97	98

Employees who received anti-corruption training

	Number of employees		Percentage of total	
	2022	2021	2022	2021
Estonia	**2 545**	**2 303**	**92**	**90**
Managers	255	249	93	92
Specialists	2 290	2 054	91	90
Latvia	**1 932**	**1 678**	**91**	**88**
Managers	211	195	95	88
Specialists	1 721	1483	90	88
Lithuania	**2 705**	**2 268**	**96**	**89**
Managers	266	256	100	92
Specialists	2 439	2 012	95	89
Sweden	**9 102**	**8 437**	**91**	**85**
Managers	988	942	93	92
Specialists	8 114	7 495	90	85
Total	**16 284**	**14 686**	**92**	**87**

Total number of employees by employment contract, by gender[1]	Women	Men	Total
Full-time	9 948	6 170	**16 118**
Part-time	1 156	519	**1 675**
Temporary employment with hourly wage	327	253	**580**
Permanent	10 382	6 315	**16 697**
Temporary	722	374	**1 096**

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	8 568	2 669	2 104	2 777	**16 118**
Part-time	1 480	111	28	56	**1 675**
Temporary employment with hourly wage					
Permanent	9 401	2 616	2 004	2 676	**16 697**
Temporary	647	164	128	157	**1 096**

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, %	2022	2021	2020
Women	59	58	55
Men	41	42	45
Under 30 years	48	52	45
30–50	47	43	49
50–	5	5	6
Sweden	47	48	57
Estonia	19	14	13
Latvia	14	17	13
Lithuania	20	21	17

1) Number of new employees: 2022: 2 499, 2021: 2 178, 2020: 2 043.

Total number[1] and rate of employee turnover by gender, age group and country, %	2022	2021	2020
Women	12	9.7	6.4
Men	13	11.5	7.3
Under 30 years	20	16.6	9.0
30–50	11	8.4	5.5
50–	11	8.9	7.6
Sweden	12	8.8	6.0
Estonia	14	10.4	6.5
Latvia	14	11.2	7.3
Lithuania	14	14.9	9.3
Group total	**14.0**	**10.3**	**6.8**

1) Number of employees who left the bank during the year: 2 269.

Number of employees who are not employed by Swedbank[1]	2022	2021	2020
Sweden	797		
Estonia	1		
Latvia	4		
Lithuania	0		
Total	**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], %	2022	2021	2020
Swedbank Sweden	22.65		
Swedbank Group	27.77		

1) Calculated as median salary for Swedbank's employees.

Wage difference women vs. men, managers[1] by country, %	2022	2021	2020
Sweden	–21	–20	–20
Estonia	–25	–27	–30
Latvia	–29	–35	–35
Lithuania	–28	–29	–29
Total	**–30**	**–29**	**–30**

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, %	2022	2021	2020
Sweden	–23	–26	
Estonia	–37	–35	
Latvia	–11	–17	
Lithuania	–33	–27	
Total	**–26**	**–27**	

Wage difference women vs. men, specialists by country, %	2022	2021	2020
Sweden	–18	–20	–20
Estonia	–31	–33	–34
Latvia	–29	–28	–28
Lithuania	–32	–33	–33
Total	**–30**	**–31**	**–32**

Wage difference women vs. men, all employees by country, %	2022	2021	2020
Sweden	–20	–21	
Estonia	–30	–33	
Latvia	–30	–32	
Lithuania	–34	–36	
Total	**–31**	**–32**	

Equal pay gap, %				
Total	**Sweden**	**Estonia**	**Latvia**	**Lithuania**
1.8	2.2	1.6	1.1	0.4

Level of education, %	2022	2021	2020
Sweden			
University degree	41	41	40
Other university education	10	10	11
Upper secondary school	49	48	47
Other education	0	1	2
Estonia			
University degree	65	64	64
Other university education	10	11	11
Upper secondary school	19	19	19
Other education	6	6	6
Latvia			
University degree	66	66	74
Other university education	17	17	16
Upper secondary school	17	17	10
Other education	0	0	0
Lithuania			
University degree	85	84	84
Other university education	5	6	5
Upper secondary school	5	5	5
Other education	5	5	6

	Number of employees who received performance review[1]			Number of employees who approved performance review			Percentage of employees who received performance review			Percentage of employees who approved performance review		
	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020
Men	**6 070**	**5 987**		**3 486**	**5 163**		**91**	**100**		**95**	**86**	
Managers	778	799		326	641		99	100		89	80	
Specialists	5 292	5 188		3 160	4 522		90	100		95	87	
Women	**9 808**	**9 185**		**5 825**	**8 594**		**88**	**100**		**96**	**94**	
Managers	1 014	984		479	867		98	100		91	88	
Specialists	8 794	8 201		5 346	7 727		87	100		97	94	
Total	**15 878**	**15 172**		**9 311**	**13 757**		**89**	**100**		**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.

Labour/management relations	2022	2021	2020
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]	72	73	72

1) The members of the Group Executive Committee are not covered by collective agreements and the Act on Employment Protection.
2) 100 per cent in Sweden and Lithuania.
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, %	2022	2021	2020
Group Executive Committee			
Under 30 years	0	0	0
30–50	13	13	21
50–	87	87	79
Board of Directors[1]			
Under 30 years	0	0	0
30–50	15	18	40
50–	85	82	60

1) Excluding employee representatives.

Age distribution by country, %	2022	2021	2020
Sweden			
Under 30 years	21	21	21
30–50	52	51	50
50–	27	28	29
Estonia			
Under 30 years	19	19	19
30–50	65	66	68
50–	16	15	13
Latvia			
Under 30 years	20	22	22
30–50	72	71	71
50–	8	7	7
Lithuania			
Under 30 years	25	27	29
30–50	61	60	59
50–	14	13	12

S7 Business ethics and information security

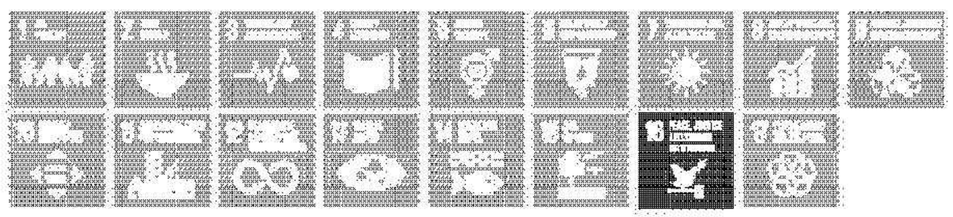
Material topics:

Secure and stable IT systems

Responsible corporate governance

Business ethics

Fight financial crime



Employees who have received AML/CTF training

Completed courses 17 039

2022
96%

Completed courses 17 625

2021
98%

Swedbank has zero tolerance for any form of corruption. Swedbank's anticorruption management is based on the bank's Anti-Bribery and Corruption (ABC) Framework, which includes Swedbank's Anti-Bribery and Corruption Policy (ABC Policy) as well as Group-level instructions that provide guidance on how units and employees can prevent corruption. Each unit and subsidiary is responsible for identifying, evaluating and implementing measures to mitigate and reduce actual and potential risks they face. To ensure that employees and consultants have the right skills to manage corruption risks, they attend mandatory anti-corruption training when they join Swedbank. The training is provided annually to ensure that those skills are maintained. Functions that are considered to be at higher risk of corruption also receive special anti-corruption training on a more frequent basis.

Strategy and governance for information security

In 2022, geopolitical developments resulted in an elevated threat assessment associated with information security. Swedbank works continuously with threat assessments to ensure the right security protection. Increased digitisation and increased risk of cyberattacks have been drivers for new EU legislation (the Digital Operational Resilience Act). The purpose of the legislation is to ensure that financial entities take the necessary safeguards to mitigate cyberattacks and manage ICT-related risks. The importance of a proactive and structured approach to information security is also increasing due to greater expectations from supervisory authorities, partners and society as a whole. Information security is a priority, and the bank's management and Board are involved in the work with risk and threat assessments.

Swedbank's information security strategy describes the strategic goals and the vision to be "A step ahead", which means that we have a good understanding of threats in order to reduce the risk of successful attacks against us and our customers. The strategy is updated annually to ensure that it aligns with the bank's Strategic Direction, a changing threat and risk landscape, and new requirements. To continuously improve its ability to reach operational targets, manage information security risks and strengthen governance and compliance, the bank has stated goals on modernisation and information security in its strategic direction and supporting strategies. Planned measures are designed to strengthen the bank's digital and operational resilience, not least with respect to cyberattacks against the bank and its third parties. Swedbank continuously monitors technological developments and capitalises on new opportunities such as artificial intelligence to better identify discrepancies that could be a sign of information security incidents.

Information security work is led by the bank's Chief Information Security Officer (CISO). The CISO is supported by a central function with responsibility for leading and coordinating the development and implementation of the bank's information security system based on the international ISO 27001 standard. The system is comprised of processes, tools and rules needed to steer, monitor, evaluate and improve the organisation's information security management. Policy documents, guidance and control frameworks are based on the ISF Standard of Good Practice and are used to protect the organisation's and customers' information. In 2022, the CISO established a new function to improve information security assurance through enhanced methods to monitor and report information security for the entire bank.

Several other functions within the bank such as for example Group Channels & Technologies are responsible for important functions tied to information security. All business areas and relevant Group Functions have information security managers who provide support to the organisation.

The bank's functions for continuous security testing of IT systems and management of security incidents are part of the CISO's organisation. Testing takes the form of penetration testing of critical and new IT systems. Red teaming tests, which involve simulations of advanced cyberattacks against the bank's employees, processes and IT systems, are conducted as well. Changing threat scenarios have also necessitated the allocation of greater resources for proactive testing of information security capabilities and resilience. Testing is carried out annually with the help of external auditors and third party certification. Deficiencies identified in connection with the tests are analysed and mitigated. The bank has also developed processes to regularly search the IT environment to identify vulnerabilities.

Swedbank's incident response team, SIRT, is an accredited SIRT organisation and has been a member of the Trusted Introducer Network TF-CSIRT since 2010.

The bank has insurance coverage for certain expenses that could arise in connection with a cyber incident. Swedbank also has a comprehensive framework to manage information security risks in connection with the outsourcing of activities and assignments. The ability of suppliers to live up to the bank's information security requirements is evaluated in connection with procurements and is monitored continuously. It is important to create a security conscious culture among the organisation's employees. Information security training, which includes the requirements of the General Data Protection Regulation (GDPR), is mandatory for all employees, and specific employee categories receive specialised information security training tailored to the target group. All employees are frequently reminded of the importance of reporting suspected incidents.

General Data Protection Regulation (GDPR)

Swedbank's customers should feel secure in about the way in which 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 though customer surveys and market analyses. Personal information is also part of the 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.

Whistleblowing ensures compliance

The Group's overarching whistleblower process encourages all employees and external stakeholders to report suspicions of potential or actual violations of local laws or noncompliance with the Group's policies. The whistleblower service is available in every native language in the bank's home markets, as well as in English, and enables anonymous, confidential reporting and continued anonymity in the dialogue with the bank given that all reports are encrypted.

In 2022, the bank has received 110 reports, of which one report concerns operations in Estonia, four reports concern Latvia, seven Lithuania and 83 Sweden (remaining reports are undefined). Of these reports, 38 reports have been assessed as whistle-blowing in accordance with Swedbank's definition.

Fighting financial crime

Fraud is an extensive and growing societal problem that feeds organised crime and every year many individuals are affected. The large scale of fraud is eroding confidence in the financial systems. Swedbank works consistently to fight financial

crime, prevent fraud and protect the bank from being used for illegal transactions with from the proceeds of criminal activity as well as transfers intended to finance terrorism.

In 2022, a telephone scam using social manipulation, so-called vishing, increased significantly and affects more and more people. Swedbank continuously invests in and improves its resiliency and capacity to detect, prevent and investigate these crimes.

To reduce the risk of being exploited for money laundering and terrorist financing, the Group has established processes to identify and mitigate these risks in all markets where the bank operates. As an overall regulatory framework, a Group-wide policy is in place to combat money-laundering and terrorist financing. The bank's Anti-Financial Crime unit (AFC) is responsible for strengthening the efforts to combat money-laundering and financial crime. Swedbank is working towards achieving best practices in combating money-laundering and terrorism financing. In 2021, Swedbank established an AML/CTF & Sanctions Transformation Program to drive long-term development and address the shortcomings that were identified in the investigations by the Swedish FSA and the Estonian FSA. This is a long-term process which will result in higher efficiency.

In 2022, the bank continued to upgrade its transaction monitoring systems to more accurately assess customers' risks profiles. In Swedish Banking the work was focused on Know Your Customer (KYC) and improving the quality of the risk classification of customers. This is being accomplished through clearer ties to the bank's general framework for risk assessment. During the year, digital processing of KYC information for Swedish corporate customers and the Savings Banks was introduced, creating a more customer-friendly and efficient process.

Swedbank invests in technological developments to protect and help its customers while at the same time hindering criminals. During the year, the collaboration between the Swedish police, other government authorities and banks was further expanded through information sharing, helping to limit fraud and the illicit gains that drive the criminal economy. Swedbank actively participates in SAMLIT, a Swedish collaboration between the police and the banks. SAMLIT identifies new approaches, typologies and other patterns in the criminal economy. Together with the Swedish Bankers' Association, the bank is planning a public education campaign on the risk of being targeted for fraud. During the year, the effectiveness of the collaboration to combat money laundering increased thanks to a digital tool. With a connection to an automatic function at the Swedish Tax Agency, public authorities can now retrieve information from Swedbank and the savings banks.

Russia's invasion of Ukraine caused the EU to apply an expanded range of sanctions. This has put the bank's systems and processes to the test. Banks are obliged to comply with the sanctions regulations and therefore fulfil an important function in society when it comes to the implementation and enforcement of financial sanctions. In recent years, Swedbank has worked to develop its program to combat breaches of financial sanctions efforts have focused on legal expertise and new technological solutions for screening of transactions and customer relations.

Increased credit rating

On 1 July 2022, Fitch Ratings upgraded the bank's Long-Term Issuer Default Rating (IDR) to AA– after stating that Swedbank had addressed its historical shortcomings and had largely concluded a broad transformation of its corporate culture, compliance and organisational structure as well as risk oversight.

IT security, data protection and crime prevention	2022	2021	2020
Number of suspicious orders and transactions (MAR)[1] reported	57	63	76
– of which Sweden	17	38	46
– of which Estonia	14	3	0
– of which Latvia	9	11	10
– of which Lithuania	17	11	20
Number of suspicious transactions involving money laundering/terrorist financing (SAR)[1] reported	11 000	8 598	5 501
– of which Sweden	8 478	6 851	3 480
– of which Estonia	1 003	608	973
– of which Latvia	1 053	748	591
– of which Lithuania	466	391	457
Whistleblower reports	110	122	61
Processing of personal data			
Number of queries/complaints from registered parties to data protection officer, total[2]	40	8	13
– of which Sweden	17	0	7
– of which Estonia	4	1	1
– of which Latvia	18	4	
– of which Lithuania	1	3	5
Number of queries/complaints from data protection authority, total	11	19	6
– of which Sweden	0	6	0
– of which Estonia	2	1	0
– of which Latvia	5	3	1
– of which Lithuania	4	9	5

1) Market Abuse Regulation (MAR) and Suspicious Activity Report (SAR). Banks are obligated to report suspicions of market abuse: insider trading, market manipulation and unlawful disclosure of inside information (MAR). 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.
2) Registered parties that have submitted queries or complaints through correspondence by mail or email to the data protection authority.

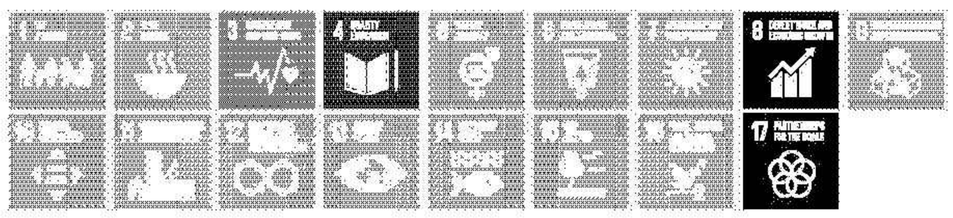
Compliance[1]	2022	2021	2020
Number of cases	0	1[2]	2[3]
Fines paid (SEK m)	0	46.6	4 000

1) Refers to cases where Swedbank received a sanction due to noncompliance, which were announced within the framework of the Group's interim reporting.
2) In May, the Disciplinary Committee of Nasdaq Stockholm ordered Swedbank to pay a fine of 12 annual fees, totalling SEK 46.6m. The bank breached Nasdaq's rules during the period December 2016 to February 2019. According to Nasdaq, the bank breached the Market Abuse Regulation with respect to the disclosure of information related to the bank's historical shortcomings involving money laundering and did not fully meet Nasdaq's requirements concerning disclosures of insider information.
3) The Swedish FSA issued an administrative fine of SEK 4bn. The Estonian FSA issued a precept requiring Swedbank to take certain measures to strengthen AML processes and routines. Both cases concerned serious deficiencies in the mitigation and management of money laundering risks.

Societal engagement

Material topic:

Societal engagement



Societal investment, SEKm 111

Number of lectures 3 334

Financial literacy training

Swedbank's societal engagement is largely focused on spreading knowledge about personal finance and how various life choices can affect one's future. Swedbank meets many children and young people through various initiatives and helps to spark interest in, and share knowledge about, personal finances. This takes place primarily through schools and local clubs.

The Swedish magazine Lyckoslanten, which has been published since 1926, teaches children about money and savings. Today, the circulation is 325 000 and Swedbank and the Savings Banks distribute the magazine free of charge to children in grades 4–6 four times a year. In Sweden, though the Young Economy initiative, a collaboration with the savings banks and savings bank foundations, Swedbank educated 82 700 children and young people in 2022 (105 700 including the Savings Banks). The goal was 110 000 for the year. In this way thousands of young people are reached, regardless of background and prior knowledge. The education is provided both in person and virtually. Young Economy lectures are also held in collaboration with the Economy Museum in Sweden as part of a joint educational programme where financial literacy is combined with tours of the museum.

In 2022, Swedbank in Sweden also spread knowledge digitally to young people with the help of popular influencers. Three short videos on different themes – turning 18, borrowing for a home and saving – were viewed a total of 182 148 times during the period from 28 November to 31 December. In Latvia, Swedbank held 440 online lectures for high school students through Swedbank's educational programme Ready for Life. The programme also distributed educational material that was used by more than 1 200 teachers and reached 31 000 students. In the Baltic countries, Swedbank published the book Start Now: A Financial Guide for Young People.

The Financial Laboratory initiative in Latvia and Lithuania gives children and young people access to digital presentations, virtual tours and other educational material. Swedbank's Estonian employees have the opportunity during working hours to guest lecture, online or in person, in schools via the digital platform Building Your Future (formerly Back to School). During 2022, more than 80 guest lectures were given by Swedbank Estonia employees and more than 2000 students participated.

During the year, Swedbank organised Lithuania's largest online learning programme, known as Mokonomika. More than 400 000 participants were introduced to 24 short lessons on financial literacy, sustainability, social issues and other important topics. Two new initiatives to teach personal finance are Money Day in Latvia, which taught more than 27 000 children in schools, and Swedbank Savings Diary's financial literacy summer festival in Tartu, Estonia.

Public education in all four home markets also includes attention to current economic issues. Swedbank arranges seminars on personal finance themes and other current topics tied to the bank's societal engagement.

An initiative to contribute to digital inclusion in society is Digital Economy in Sweden. Through local presentations – both physical and digital – the bank's employees inform and guide those who need help becoming more comfortable using digital services. In 2022, Digital Economy training was provided for 3 894 people.

Entrepreneurship and innovation collaborations

To encourage innovation and entrepreneurship, Swedbank collaborates with several organisations on various projects. One example is to educate young people on entrepreneurship while they are still in school, to motivate them to start businesses and create more jobs.

Junior Achievement (JA) in Sweden and Latvia and Everyone Can in Lithuania are various types of collaborations focused on entrepreneurship for children and young people. In Sweden, JA companies are offered free banking services during their year with JA. As of 30 April 2022, 3 289 of them were customers of Swedbank, and during the same school year a number of Swedbank employees volunteered as mentors. In Estonia, Swedbank is a co-arranger of one of the largest entrepreneurial festivals in the Baltic countries, sTARTUp Day, which brings together more than 4 000 participants. In Lithuania, Swedbank also organised the initiative Everyone Can – Small Business Academy to support sustainable growth in small businesses.

In Latvia, Swedbank annually arranges a business plan contest for young people called Business Sketches, which in 2022 involved more than 450 youths as well as thousands of backers of their crowdfunding campaigns. There, Swedbank is the most important national partner for the Global Entrepreneurship Network, where the focus is on promoting innovation and entrepreneurs and giving them a chance to show off their work and receive valuable experience and contacts.

A new entrepreneurship programme was also launched in autumn 2022 together with the Estonian Refugee Council and Garage48 to help female Ukrainian refugees learn entrepreneurial skills and start new businesses to build a life in Estonia.

By supporting entrepreneurship and innovation, the bank helps society to develop, become more sustainable and efficient, and give young people better self-confidence and hope for the future.

Focus on the physical and mental health of children and young people

Swedbank in Sweden has partnered for 20 years with the organisation Friends to prevent bullying in schools, in sports and online. As part of this collaboration, anti-bullying protection is included in Swedbank's home insurance, which provides support and compensation to the victim. In a similar way, protection against bullying is available to customers with life and child insurance products in the Baltic countries. As a principal partner to Friends, Swedbank has donated SEK 6m annually since 2002.

Exercise and health for children and young adults is also a priority issue were Swedbank contributes by sponsoring local clubs. Swedbank is a sponsor of the Swedish Football Association, where the focus is youth football camps and Skolbollen. The football camp Lira Blågult engaged this year more than 27 000 children throughout the country. The bank also supported the initiative football school run by the Swedish Football Association whereby 27 clubs in economically disadvantaged areas were able to give 2 700 children the chance to train with the club for free. Skolbollen is an initiative with the purpose to create joy of movement in Sweden's schools and at the same time promote an inclusive environment in gym class and in the schoolyard during recess. Right now, the initiative is engaging 160 000 children around Sweden's schoolyards.

In Estonia, Swedbank is one of the founders of Estonian Health Tracks, which throughout the year, offers free access to 120 running tracks around the country. In Latvia, Swedbank supports the national Olympic Committee, which works with schools and youth to inspire and encourage them to exercise. In 2022, the initiative had more than 148 000 participants.

Other social engagements during the year

Swedbank participates every year in the annual Political Weeks in Almedalen and Järva, Sweden, and similar events in Latvia, Estonia and Lithuania, to promote dialogue between politicians, businesses and other parts of society. In Latvia, the bank participated in, and co-arranged, the annual democracy festival LAMPA in Cēsis, which brought together more than 19 000 people on site and more than 250 000 virtually. Swedbank also hosted the festival's sustainability programme for young people.

In 2022, Swedbank collaborated with Food Bank in Lithuania, where the emphasis was on sustainability, responsible consumption and environmental protection.

Donations and volunteer work

Back in 2008, Swedbank and Good Deed Foundation joined together to establish the donation portal I Love to Help, the largest website of its kind in Estonia, which brings together customers and various charitable organisations to provide assistance in vulnerable areas. During 2022, a record-high sum, EUR 688 011 was donated through the platform. All employees of Swedbank in Estonia have an opportunity to volunteer. A total of 1 128 employees volunteered for the initiative Summer of Good Deeds. In Latvia, Swedbank has a programme for employee engagement called Let's Do It Together and in Lithuania, We Care.

Support for Ukraine
To ease the humanitarian crisis caused by the war in Ukraine, Swedbank supports various local organisations that aid Ukrainian refugees, including by financing laptop computers and school supplies for Ukrainian children. A separate page for donation projects to support Ukraine was opened in Swedbank Estonia's donation platform I Love to Help. More than EUR 300 000 has already been donated to organisations supporting Ukraine. In Sweden, customers of Swedbank and the Savings Banks donated SEK 239m via Swish to aid organisations in Ukraine.

To help Ukrainian refugees integrate in the bank's home markets, the focus has been on recruiting Ukrainians to fill the bank's talent needs with the help of government support. In Estonia, a special temporary trainee program was established in the Customer Centre to support the heightened customer flow of Ukrainians, creating jobs for 26 Ukrainian women.

Societal investment, SEKm.	2022	2021	2020
Societal investments, total[1]	**111**	**117**	**101**
–of which Sweden	88	83	75
–of which Estonia	12	14	14
–of which Latvia	6	13	7
–of which Lithuania	5	7	5

1) Of which SEK 50m in Sweden consists of charitable donations from Swedbank Robur Humanfond 2022 and SEK 1.3m in Lithuania consists of donations to Ukraine from customers via the internet bank.

Societal investment per engagement 2022, %	Sweden	Estonia	Latvia	Lithuania
Sponsorship of social activities	34	63	61	57
Employees' societal engagement during paid working hours	2	20	3	3
Management costs[1]	7	17	17	17
In-kind contributions from services or equipment	0	0	19	0
Gifts from customers via the bank's products and services	57	0	0	24

1) Refers to printing, distribution, research and development, project management, communications etc.

Number of lectures	2022	2021	2020
Sweden[1]	2 296	2 318	1 498
Estonia	84	60	67
Latvia	440	134	218
Lithuania	514	640	318
Total	**3 334**	**3 152**	**2 101**

1) Refers to the Young Economy initiative in collaboration with the Savings Banks and Savings Bank Foundations.

	2022	
Direct economic value generated and distributed, %	**SEKm**	**%**[1]
Total income	53 221	
Interest paid to the public (deposits)	5 081	10
Interest paid on other funding/financing	13 420	25
Deposit guarantee fees	496	1
Resolution fees	904	2
Tax for the year	6 167	12
Non-deductible VAT	1 813	3
Social insurance costs and pensions	3 880	7
Salaries and fees incl. shares in Swedbank	8 825	17
Payments to suppliers, home markets	9 473	18
Proposed shareholder dividend	10 965	21
Profit for the year reinvested in the bank	10 912	21

1) Distribution of financial value creation in relation to total value.

Human rights

Material topics:
Promote sustainable lending
Promote sustainable investments

Human rights were included in discussions with 79 companies that Swedbank Robur contacted during the year.

79

To guide its work on human rights, Swedbank follows the Group Policy on Human Rights. The Policy is based on the UN Guiding Principles on Business and Human Rights and 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 in, shall respect universal human rights and take precautions and prevent human rights violations. The Policy on Human Rights states that vulnerable groups such as children, seniors, the disabled and minorities must be given special consideration.

Swedbank's Code of Conduct clarifies the responsibilities of employees and managers. It clarifies the bank's values and describes how Swedbank's employees should act with a focus on respecting everyone's equal value.

Within the core processes of investing, lending and procurement, sustainability analyses are conducted where human rights are a key aspect. These core processes are defined as material and, as a result, are central to the assessment of human rights risks. The following sections describe how these core processes, including the internal work, apply due diligence in the bank's operations.

Human rights in lending and investments
In connection with corporate loans, a sustainability analysis is conducted where human rights are among the key areas. When the analysis is performed, the bank may for example discuss human rights risks associated with a company's supply chain and how the customer manages them. The bank also has sector guidelines that address material sustainability risks which advisors can use to facilitate dialogue and risk assessment. If a company is considered to have high sustainability risks, the case is escalated to the Sustainability Committee for an opinion before a decision is made. All corporate exposures exceeding SEK 8m (EUR 0.8m) undergo annual reassessment, in connection with which the sustainability analysis is also updated. For more information on the sustainability analysis in Swedbank's lending, see page 210.

Swedbank Robur's investment process includes an analysis of how well all holdings live up to international conventions and declarations of human rights. The analysis comprises the OECD Guidelines for Multinational Enterprises, the ILO's core conventions and the UN Guiding Principles on Business and Human Rights, among other things. Every investment is also preceded by a risk assessment that includes human rights. The assessment is based on the risks associated for example with the industry, geographic location or whether the companies' degree of maturity in terms of 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. This engagement could be 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 tied to human rights.

Swedbank Robur also engages as a stakeholder in companies in which its funds are major investors. Children are an especially vulnerable group and Swedbank Robur has a position statement on children's rights, which is used to influence

companies. A collaboration was established with Global Child Forum, after the non-profit foundation asked Swedbank Robur to share its experience working with children's rights. The foundation was especially influenced by proposals from Swedbank Robur's sustainability specialists on how it could better collaborate with companies to achieve greater reach.

To address human rights risks in the defence industry, Swedbank has an overarching Group position statement on the sector. It 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 it will not provide financial services to companies that produce, maintain or trade with these weapons.

Gender equality and diversity in the bank's operations

All employees of the bank receive mandatory sustainability training including topics such as gender equality, diversity and human rights. Gender equality and diversity are important to the bank's work environment and corporate culture. For that reason, Swedbank tries to represent people with different backgrounds, ethnicities and ages in its internal and external communications and marketing. To further improve working conditions for employees, Swedbank encourages continuous dialogue between managers and employees beyond the basic training. The Group Executive Committee supports development in this area, which means a clearer focus on integrating an equality perspective in the business. For more information on Swedbank's work with gender equality and diversity, see pages 218–221.

Swedbank's internal work involving human rights issues is evaluated continuously. Indications of deficiencies but also working methods and activities are discussed and analysed to increase the bank's understanding of what can cause possible damage. The evaluation gives Swedbank the opportunity to work proactively and take appropriate measures. This can lead to changes in work processes, internal training and integration of specific activities and projects for example.

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 evaluation 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, see pages 212–213. The monitoring also gives Swedbank the opportunity to consider any changes by the suppliers that could impact human rights.

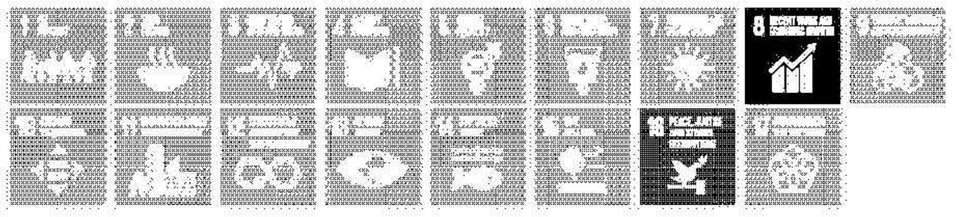
Swedbank's Code of Conduct for Suppliers requires due diligence on human rights. If irregularities are detected, the bank will decide on suitable actions together with the supplier. This could, for example, entail demands to modify operating processes without delay.

S10 Taxes

Material topics:

Responsible corporate governance

Business ethics



Reporting in accordance with the GRI tax standard (GRI 207: TAX 2019), which includes disclosures on tax strategy, governance and risk management.

Being a good taxpayer and contributing to the local community is a fundamental part of a company's sustainability work. In accordance with Swedbank's vision and values, 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.

Taxes are an important sustainability issue for Swedbank. Since 2008, Swedbank has 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 act in accordance with the purpose of the 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 tries to maintain strong, long-term relationships built 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 interpretations. When needed, Swedbank enters into dialogue with the tax authorities.

Swedbank as a taxpayer

In 2022, Swedbank incurred expenses of approximately SEK 6bn for corporate tax. Swedbank contributes to society by providing jobs and paying approximately SEK 2bn in social security fees for its approximately 16 800 employees. As a financial company, Swedbank incurs costs for non-deductible value-added tax (VAT) of approximately SEK 2bn. Since 1 January 2022, Swedbank is also one of approximately ten taxpayers subject to a special bank tax (risk tax for credit institutions) of SEK 1bn. A similar tax levy has been imposed on the financial sector in several other countries where Swedbank operates. Swedbank's aggregate cost for taxes and social security was approximately SEK 11bn in 2022.

Operating taxes

The sustainability analysis conducted in connection with corporate loan applications requires the borrower to transparently report taxes. Swedbank has internal processes to reduce the risk that its operations will be exploited for tax evasion purposes.

Swedbank does not provide tax advice or engage in artificial arrangements whose main purpose is tax avoidance. Transactions containing elements that typically could be interpreted as tax-driven receive extra scrutiny. In cases involving difficult assessments, a transaction can be escalated to Swedbank Sustainability Committee. Swedbank withholds, pays and reports the taxes that its private customers owe for interest, dividends and various types of savings.

In addition to the Tax Policy, the Swedbank Group has position statements on tax issues, e.g. in the bank's sector guidelines and for example in Swedbank's 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 will make sure 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 mon-

itor compliance, including by annually reviewing the tax statements of large Group companies, questioning any differences 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 done 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.

All activities in 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 will not engage in aggressive tax planning where the 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.

2022	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	Business being phased out	Business being phased out	WB	Other	
Number of employees[2]	9 414	2 541	1 952	2 575	205	13	53	31		18		**16 803**
Revenues from third-party sales[3]	40 079	4 247	2 475	3 865	2 533	−794	633	98	2	71	11	**53 221**
Revenues from intra-group transactions[3]	907	703	391	517	−910	980	−77	23		−53		**2 480**
Operating profit (SEKm)[3]	20 019	2 387	1 266	2 045	1 294	152	232	−25	−1	−15	4	**27 358**
Tangible assets (SEKm)	3 607	340	336	852	242	31	32	8		1		**5 449**
Tax expense – paid (SEKm)	3 938	315	28	168		1	63	3		21		**4 537**
Current tax expense – accrued (SEKm)	4 979	349	32	403	337	39	47	−16		−4	1	**6 167**
Non-deductible VAT (SEKm)	1 421	146	59	175	12							**1 813**
Social security contributions (SEKm)	1 878	321	136	17	51	2	2	4		4		**2 414**
Bank tax (SEKm)	927											**927**
Effective tax rate, excl. temp differences/tax previous years (%)	24.9	14.6	2.5	19.7	26.0	25.9	20.0	64.1	−20.5	24.4	25.0	**22.5**
Statutory tax rate (%)	20.6	14.0	20.0	20.0	25.0	25.0	20.0	22.0	25.0	25.0	25.0	
Difference current/ statutory tax rate (%)	4.3	0.6	−17.5	−0.3	1.0	0.9	0.0	42.1	−45.5	−0.6	0.0	
Difference current/ statutory tax	855	15	−221	−6	13	1	0	−11	1	0	0	**647**
Explanation difference current/statutory tax (SEKm)												
Special tax rate for insurance business	−165											**−165**
Associated companies reported after tax	−117				−24			−11				**−151**
Non-deductible interest on subordinated loans	188											**188**
Temporary differences	902	53		9	2	1	1	−9				**959**
Latvia taxed at dividend distribution (temporary difference)			−220									**−220**
Variable tax rate within jurisdiction				−6	−4							**−10**
Other	48	−38	−1	−9	39			9	1			**48**

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

List with names of tax resident entities per jurisdiction can be found at swedbank.com/investor-relations/risk-and-capital-adequacy.html

About this sustainability report

2022 is the fourteenth year in a row that Swedbank's reporting follows the Global Reporting Initiative Standards for sustainability reporting (see page 229–233). The GRI report is linked to material sustainability topics, which are defined based on the bank's materiality analysis and impact analysis. The sustainability report also follows the reporting frameworks from the Annual Accounts Act (see page 239), the Principles for Responsible Banking (see pages 234–237) and the Task Force on Climate-related Financial Disclosures (see page 238). The report also references SASB (see page 238). The upcoming EU regulations such as the Corporate Sustainability Reporting Directive (CSRD) will set new requirements on sustainability reporting. Swedbank has started to review the new requirements and prepare for implementation.

The Annual and Sustainability Report is published annually and covers the period 1 January through 31 December 2022. It was published on 23 February 2023. The Sustainability Report has been reviewed by independent auditors from PwC in accordance with the assurance report on page 247.

Data collection and calculation methods

A large number of internal and external systems have been used for data collection for the report. The data that appears in the sustainability report is reported by the bank's data providers through Swedbank's digital sustainability platform.

The systems used to collect, and in some cases calculate, the data and statistics presented in each sustainability note are reported below:

S1 Accessible banking: The information in the section is mainly compiled through the bank's financial reporting. The number of payments is obtained through the platform jointly owned by Swedish banks to facilitate Swish payments in real time.

S2 Sustainable investment: The information on assets under management per fund is obtained from the bank's financial system. The climate calculations are based on data from an external supplier. Sustainability analyses are performed using an internal programme at Swedbank Robur based on data from several large ESG data suppliers. Dialogs are logged.

S3 Sustainable finance: The information on corporate loans is obtained from the bank's financial reporting. The volume of sustainability-related products is compiled from internal and external systems. The information on sustainability analyses that have been performed is obtained from several different CRM systems.

S4 Procurement: The bank's supplier statistics are compiled through the Supplier Risk & Contract Management and an external digital platform.

S5 Environmental impacts: A digital system for climate calculations is provided by an external supplier. Data on consumption of energy, paper and water as well as security transports and waste management is compiled directly from the bank's suppliers. Information on the bank's business travel is compiled through a system from an external supplier, and AutoPlan's car leasing data is obtained from the bank's fleet administration system. A limited selection of environmental data is based on a different financial period than the standard sustainability reporting.

S6 Employees: The information is obtained from the bank's HR system and training data from the internal training portal. HR data applies to the headcount as of 31 December 2022.

S7 Business ethics and information security: Data on suspicious orders and transactions (MAR) and reports of suspicious transactions regarding money laundering/terrorist financing (SAR) are obtained from systems specially designed for this purpose. Cases for whistleblowing are registered via the bank's whistleblower process with five different reporting channels. The process is managed by Group Compliance and Group Internal Audit. Swedbank's Swedish subsidiaries Swedbank Försäkring AB, Swedbank Robur Fonder AB and Swedbank PayEx AB have their own separate processes, while Swedbank Hypotek AB has outsourced case management to the parent company.

S8 Societal engagement: The information is compiled through several different internal systems and the bank's internal sponsorship navigator, a system designed for Swedbank.

H9 Human rights: Sustainability analyses by Swedbank Robur are based on data from several large ESG data suppliers. Information on sustainability analyses within lending is obtained from several different CRM systems.

S10 Taxes: The information is obtained from the bank's financial notes, internal reporting system and HR system.

Changes, recalculations and omissions

Changes and recalculations of data are reported where the information that has been calculated in a new way is presented in the report.

GRI Index 2022

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. For all of Swedbank's material topics at least one general or topic-specific disclosure is reported in accordance with the GRI Standards. Swedbank's sustainability reporting follows the GRI's four principles for defining report content: stakeholder inclusiveness, materiality, sustainability context and completeness.

GRI-standard/ Other source	Disclosure	Location	Omission: Requirement(s) omitted	Omission: Reason and explanation	GRI sector standard ref. no.
General disclosures					
GRI 2: General disclosures 2021	2-1 Organizational details	2, 70			
	2-2 Entities included in the organization's sustainability reporting	182–183	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.		
	2-3 Reporting period, frequency and contact point	70, 228, 257			
	2-4 Restatements of information	208, 211, 216, 228			
	2-5 External assurance	21, 228, 247			
	2-6 Activities, value chain and other business relationships	0, 8–13, 91–92, 182–183, 212			
	2-7 Employees	218–221, 228			
	2-8 Workers who are not employees	220			
	2-9 Governance structure and composition	44–62, 199		Information missing - Under-represented groups are not analysed. The bank will review the inclusion of this in the coming years.	
	2-10 Nomination and selection of the highest governance body	46–48, 218			
	2-11 Chair of the highest governance body	56, 61			
	2-12 Role of the highest governance body in overseeing the management of impacts	44–62, 199, 225–226			
	2-13 Delegation of responsibility for managing impacts	44–62, 199			
	2-14 Role of the highest governance body in sustainability reporting	199			
	2-15 Conflicts of interest	46–47, 56–60			
	2-16 Communication of critical concerns	27, 199, 210		Not applicable/Information missing - Escalated sustainability issues are handled by the Swedbank Sustainability Committee which is led by the Director of Communications and Sustainability with a mandate from the CEO.	
	2-17 Collective knowledge of the highest governance body	48			
	2-18 Evaluation of the performance of the highest governance body	47, 199			
	2-19 Remuneration policies	50–51, 125–128, 199			
	2-20 Process to determine remuneration	30, 46, 50–51, 125–128, 237			
	2-21 Annual total compensation ratio	220			
	2-22 Statement on sustainable development strategy	4–6			
	2-23 Policy commitments	44–45, 199, 200, 213, 225			

GRI-standard/ Other source	Disclosure	Location	Omission: Requirement(s) omitted	Omission: Reason and explanation	GRI sector standard ref. no.
GRI 2: General disclosures 2021	2-24 Embedding policy commitments	44–45, 199, 219, 226			
	2-25 Processes to remediate negative impacts	199, 222, 225–226			
	2-26 Mechanisms for seeking advice and raising concerns	199, 222			
	2-27 Compliance with laws and regulations	223			
	2-28 Membership associations	20–21, 200			
	2-29 Approach to stakeholder engagement	201–202			
	2-30 Collective bargaining agreements	221			
Material topics					
GRI 3: Material topics 2021	3-1 Process to determine material topics	22–23, 201–202, 236–237			
	3-2 List of material topics	23, 201			
Financially stable bank					
GRI 3: Material topics 2021	3-3 Management of material topics	2, 7, 8–19, 30–33, 44–55, 80–110, 202			
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	2, 30–31, 65–67, 111–114, 107, 225			
	201-2 Financial implications and other risks and opportunities due to climate change	107–110, 213–214			
Business ethics					
GRI 3: Material topics 2021	3-3 Management of material topics	15–16, 42–55, 110, 199, 202, 222–223, 226–227			
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	2, 30–31, 65–67, 107, 111–114, 225			
Secure and stable IT systems					
GRI 3: Material topics 2021	3-3 Management of material topics	17, 48, 55, 80, 106, 201–202, 222–223			
Own indicator	Number of complaints from registered parties to data protection officer	223			
Own indicator	Number of complaints from Swedish Data Protection Authority	223			

GRI-standard/ Other source	Disclosure	Location	Omission: Requirement(s) omitted	Omission: Reason and explanation	GRI sector standard ref. no.
High availability					
GRI 3: Material topics 2021	3-3 Management of material topics	17, 48, 55, 80, 106, 201, 202, 206–207, 235			
Own indicator	Availability in digital channels	206–207			
Responsible governance					
GRI 3: Material topics 2021	3-3 Management of material topics	44–54, 199, 202, 222–223			
GRI 201: Economic performance 2016	201-3 Defined benefit plan obligations and other retirement plans	125 not k13, 147			
GRI 3: Material topics 2021	3-3 Management of material topics	44–54, 199, 202, 222–228			
GRI 207: Tax 2019	207-1 Approach to tax	227–228			
	207-2 Tax governance, control and risk management	227–228			
	207-3 Stakeholder engagement and management concerns related to tax	227–228			
	207-4 Country-by-country reporting	227–228			
Promote climate transition					
GRI 3: Material topics 2021	3-3 Management of material topics	19, 26, 27, 107–110, 199–200, 213–214			
GRI 302: Energy 2016	302-3 Energy intensity	217			
GRI 3: Material topics 2021	3-3 Management of material topics	19, 26, 27, 107–110, 199–200, 213–217			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	216			
	305-2 Energy indirect (Scope 2) GHG emissions	216			
	305-3 Other indirect (Scope 3) GHG emissions	213–217			
	305-4 GHG emissions intensity	213–217			
GRI 3: Material topics 2021	3-3 Management of material topics	27, 107–110, 199–200, 213–217			
GRI 306: Waste 2020	306-3 Waste generated	216			

GRI-standard/ Other source	Disclosure	Location	Omission: Requirement(s) omitted	Omission: Reason and explanation	GRI sector standard ref. no.
Attractive employer					
GRI 3: Material topics 2021	3-3 Management of material topics	18, 26–27, 29, 125–128, 199–200, 218–221, 225–226, 237		Information not available – The bank plans to carry out a new materiality analysis according to GRI Standards.	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	220			
GRI 3: Material topics 2021	3-3 Management of material topics	18, 26–27, 29, 125–128, 199–200, 218–221, 225–226, 237			
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	219			
	404-3 Percentage of employees receiving regular performance and career development reviews	221			
GRI 3: Material topics 2021	3-3 Management of material topics	18, 26–27, 29, 125–128, 199–200, 218–221, 225–226, 237			
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	42–55, 125 not k13, 218–221		Not applicable - Age groups by employment contract is not a key indicator that Swedbank uses in its reporting today. The bank will work to include these indicators in coming years.	
	405-2 Ratio of basic salary and remuneration of women to men	218–221			
Combat financial crime					
GRI 3: Material topics 2021	3-3 Management of material topics	42–55, 199–200, 80, 222–223			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	222–223		Not applicable - The percentage, type of corruption risk ident fied through the risk assessment in each core process, and total number analysed based on corruption risks are measured only for certain parts of the organisation and, as a result, key figures cannot be presented for the Group as a whole. Swedbank is working actively to develop its risk assessments. The bank will work to include these indicators in coming years.	
	205-2 Communication and training about anti-corruption policies and procedures	199, 207–208, 210, 212–213, 219, 220, 222–223			
Own indicator	Percentage of suppliers undergoing business ethics riskassessments	212			
Own indicator	Percentage of holdings in fund portfolios undergoing business ethics risk assessments	208			
Own indicator	Number of corporate customers undergoing business ethics risk assessments	210			
Own indicator	Number of suspicious orders and transactions reported	223			
Own indicator	Number of suspicious transactions regarding money laundering/terrorist financing reported	223			

GRI-standard/ Other source	Disclosure	Location	Omission: Requirement(s) omitted	Omission: Reason and explanation	GRI sector standard ref. no.
Sustainable investment					
GRI 3: Material topics 2021	3-3 Management of material topics	26–27, 199, 201–202, 207–209			
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	208			G4 Sector standard: Financial services
Sustainable financing					
GRI 3: Material topics 2021	3-3 Management of material topics	26–27, 80, 107–110, 199, 201–202, 210–212			
G4-FS6	Percentage of the portfolio for business lines by specific region, size and by sector	88, 91–92			G4 Sector standard: Financial services
G4-FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	211–212, 213–214			G4 Sector standard: Financial services
G4-FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	211–212, 213–214			G4 Sector standard: Financial services
Societal engagement					
GRI 3: Material topics 2021	3-3 Management of material topics	199, 202, 224–225			
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	2, 30–31, 66–67, 111–114, 225			

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 247.

Principle 1: Alignment

Swedbank aligns its business strategy to be consistent with and contribute to individuals' needs and society's goals, 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, and manufacturing.

Links and references
Swedbank Annual and Sustainability Report 2022, pages 8–13
Factbook 2022, 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, and to contribute to their success.

In 2022, Swedbank 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 2022, page 19, 20–21, 26
https://www.swedbank.com/sv/hallbarhet/miljo-och-klimat/mal-och-fokusomraden/klimatmal.html
https://www.swedbankrobur.se/

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 (Key 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
Swedbank Annual and Sustainability Report 2022, page 201

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 page 91–92. For more information on details of the analysis, contact sustainability@swedbank.com.

Links and references
Swedbank Annual and Sustainability Report 2022, pages 91–92

c) The bank's portfolio impacts in the context of society's needs
According to the impact analysis tool from UNEP FI, there are challenges in each country, including the following: Sweden – energy consumption per capita, Estonia – reasonably priced housing, Latvia – climate risk, and Lithuania – recycling rate. These challenges at the national level were considered through the methodology used in the impact analysis tool. The results of the analysis were also cross-checked against the country's current challenges to ensure that the correct prioritisation was applied. Information on each country's challenges was collected from stakeholders such as non-profit organisations and governmental organisations through public reports.

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. Swedbank has a high negative impact 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 2022, pages 91–92, 201

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
Swedbank Annual and Sustainability Report 2022, page 201

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 (Key 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 sustainable finance goals include the bank's new framework for green, social and sustainability bonds. The framework is based on Swedbank's Green Bond Framework from 2017 and has been expanded to include social areas. The framework provides definitions for financing green and social projects and assets and aligns with the ICMA Green Bond Principles 2021, Social Bond Principles 2021 and Sustainability Bond Guidelines 2021. It has also been adapted in large part to the technical screening criteria in the EU Taxonomy.

Links and references
Swedbank Annual and Sustainability Report 2022, pages 19, 26, 210–211

b) Base year:

Climate goals for the credit portfolio until 2030 have been set with a base year of 2019. The base year for the bank's sustainable finance target is 2022.

Links and references
Swedbank Annual and Sustainability Report 2022, pages 19, 26

c) "SMART" targets:
Target 1
To mitigate climate change, Swedbank has adopted climate targets for the credit portfolio by 2030. The targets 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
The second target is to increase Swedbank's sustainable finance in 2023. This includes green, social and sustainability related finance. The bank's aim is to align the target with the definition of SMART.

Links and references
Swedbank Annual and Sustainability Report 2022, pages 19, 26

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 plans to continue to support customers and contribute to the transition by channelising capital flows to responsible investments. Both goals are integrated in the bank's governance structure with relevant monitoring.

Links and references
Swedbank Annual and Sustainability Report 2022, pages 19, 26

	... first area of most significant impact: ... Climate change mitigation and climate change adaptation	**... second area of most significant impact: ... Biodiversity**
Alignment:	● Yes ○ In progress ○ No	● Yes ○ In progress ○ No
Base 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 (Key Step 2)

During the year, Swedbank developed emissions reductions targets for the loan portfolio, which was the bank's previous target. The goals are a strategic steering tool that will contribute to society and our customers' transition, increase financing of sustainable activities and at the same time manage risks and opportunities related to climate change.

During the year, Swedbank launched a new Sustainable Funding Framework, which replaces the previous Swedbank Green Bond Framework. The criteria for green loans were updated and several new categories and criteria were added for social loans. For more information on the new framework, see page 210. This means that more categories are included in Swedbank's sustainable finance goals. Swedbank reached its sustainable finance goals in both 2021 and 2022. In 2022, the total sustainable finance volume was SEK 73bn at year-end.

Links and references
Swedbank Annual and Sustainability Report 2022, pages 210–211
https://www.swedbank.com/sv/hallbarhet/strategi-och-ramverk/sustainable-funding-framework.html

Principle 3: Clients and Customers

Swedbank will work responsibly with our clients and our 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.

The rules adopted at the EU level linked to the EU Green Deal and the EU Action Plan for Financing Sustainable Growth provide support for Swedbank's efforts to encourage sustainable choices by customers. Swedbank has among other things implemented the MiFID II and IDD delegated regulations, which has meant that the bank has integrated sustainability preferences in our advisory services.

Swedbank has launched a new ESG analysis for large corporates as a first step to use as part of the lending process. In 2023, the scope of corporate clients will be expanded. The bank also has sector guidelines that are used to analyse corporate clients' sustainability risks.

Links and references
Swedbank Annual and Sustainability Report 2022, pages 207–212

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 is rapidly increasing. Swedbank therefore intensified its efforts during the year to develop and strengthen sustainability-oriented products and services. One example is the new sustainability analysis that was launched for large corporates, initially to be used as part of the lending process. In 2023, the area of application will be expanded to comprise more corporate clients. Swedbank Robur has developed more 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 2022, pages 207–217

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 pages 201–202.

- A Group-wide materiality analysis was conducted in 2020 where nearly 2 000 respondents answered a survey on how Swedbank should prioritise various sustainability issues.
- Swedbank has established partnerships with the goal to develop and provide solutions for sustainable production and consumption.

Links and references
Swedbank Annual and Sustainability Report 2022, pages 201–202

Principle 5: Governance & Culture

Swedbank will implement its commitment to these Principles through effective governance and a culture of responsible banking.

5. 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 PRB's 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 199. The bank's specific targets within the PRB are part of the bank's 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 compensation practices by including qualitative and individual performance criteria as a basis for awarding variable remuneration to all employees, e.g. compliance with Swedbank's values, as well as by applying deferral periods and payment of variable remuneration in the form of financial instruments for the majority of employees. No external consultants have been consulted regarding remuneration issues.

Links and references
Swedbank Annual and Sustainability Report 2022, pages 42–55, 199

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. For example, the bank has provided training in the sustainability area for the Board, managers and employees.

Links and references
Swedbank Annual and Sustainability Report 2022, pages 199, 222–223

5.3 Policies and due diligent 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. Swedbank also has a Sustainability Committee whose purpose is to support effective management and 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 culture that continuously strives to minimise harassment on the job.

Links and references
Swedbank Annual and Sustainability Report 2022, pages 42–55, 199, 218–221

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 2022.

Links and references
Swedbank Annual and Sustainability Report 2022, page 247

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

Swedbank reports in accordance with the standards and frameworks indicated above and with reference to the SASB's framework.

Links and references
Swedbank Annual and Sustainability Report 2022, pages 229–233, 238–239

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. The targets cover the following sectors: mortgages, commercial real estate, power generation, steel and oil & gas. This is part of Swedbank's commitment in the Science Based Targets initiative and the Net-Zero Banking Alliance to align with the 1.5°C target by 2030. Now we are entering a stage where we are planning and implementing measures to reach these targets.

The bank is also planning to update the impact analysis in 2023.

Links and references
Swedbank Annual and Sustainability Report 2022, page 19, 22–29

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.	26–27, 45, 55, 80–81, 199
b) Describe management's role in assessing and managing climate-related risks and opportunities.	26–27, 51–52, 80–81, 199
Strategy	
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	23, 107–110, 213–214
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	23, 26–27, 80–81, 107–110, 213–217
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	107–110, 213–217
Risk management	
a) Describe the organisation's processes for identifying and assessing climate-related risks.	80–81, 107–110, 213–217
b) Describe the organisation's processes for managing climate-related risks.	80–81, 107–110, 213–217
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	55, 80–81, 107–110
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.	26–27, 107–110, 213–217
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	107–110, 213–217
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	19, 26–27, 213–217

SASB Index

The table below provides references on where to find information in Swedbank´s sustainability reporting related to metrics applied in the Sustainability Accounting Standards Boards (SASB) industry-specific standard for commercial banks.

Topic	Accounting Metric	Code	Page
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	FN-CB-230a.1	222–223
	Description of approach to identifying and addressing data security risks	FN-CB-230a.2	
Financial Inclusion	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	FN-CB-240a.1	21, 23, 224–225
	(1) Number and (2) amount of past due and non-accrual loans qualified to programs designed to promote small business and community development	FN-CB-240a.2	
	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	FN-CB-240a.3	
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	FN-CB-240a.4	
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	Commercial and industrial credit exposure, by industry	FN-CB-410a.1	91–92, 107–110, 210
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	FN-CB-410a.2	
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	FN-CB-510a.1	115, not K5, 222–223
	Description of whistleblower policies and procedures	FN-CB-510a.2	
Systemic Risk Management	Global Systemically Important Bank (G-SIB) score, by category	FN-CB-550a.1	107–110, 111 not K4
	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	FN-CB-550a.2	

Activity Metric	Code	Page
(1) Number and (2) value of current and savings accounts by segment: (a) personal and (b) small business	FN-CB-000.A	
(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	FN-CB-000.B	

Sustainability report according to the requirements of 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 204–205.

Page reference by area	Environment	Employees and Social conditions	Human rights	Anti-corruption
Business model	13–14	13–14	13–14	13–14
Material risks	22–29, 107–110, 201, 213–217	22–29, 107–110, 201, 218–221	22–29, 107–110, 201, 225–226	22–29, 107–110, 201, 222–223
Policy, results and indicators[1]	107–110, 199–202, 213–217 • Environmental Policy • ISO 14001 certified environmental management system • Position on climate change • Sustainability Policy • Swedbank's Code of Conduct • Code of Conduct for Suppliers • Responsible Investment Policy • Exclusion list	199–202, 218–221 • Occupational Health and Safety Policy • Policy on Gender Equality, Diversity and Inclusion • Human Rights Policy • Sustainability Policy • Swedbank's Code of Conduct	199–202, 207–212, 212-213, 225–226 • Human Rights Policy • Policy on Gender Equality, Diversity and Inclusion • Position on defence industry • Sustainability Policy • Swedbank's Code of Conduct • Code of Conduct for Suppliers • Responsible Investment Policy • Exclusion list	199–202, 222–223 • Anti-Corruption Policy • Anti-Money Laundering and Counter-Terrorist Financing Policy • Financial Reporting Policy • Sustainability Policy • Swedbank's Code of Conduct • Code of Conduct for Suppliers • Tax Policy • Whistleblower routine • Exclusion list
Management of risks	22–29, 107–110, 199, 201, 213–217, Pillar 3 report, available at swedbank.com	22–29, 107–110, 199, 201, 218–221, Pillar 3 report, available at swedbank.com	22–29, 107–110, 199, 201, 225–226, Pillar 3 report, available at swedbank.com	22–29, 107–110, 199, 201, 222–223, Pillar 3 report, available at swedbank.com

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 22 February 2023

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 23 February 2023

PricewaterhouseCoopers AB

Anneli Granqvist
Authorised Public Accountant
Auditor in charge

Martin By
Authorised Public Accountant

Auditors' report

To the annual 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 2022, except for the corporate governance statement on pages 42–62. The annual accounts and consolidated accounts of the company are included on pages 32–197 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 2022 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 2022 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 42–62.

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 as a whole, 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 centralised service centers, systems, and processes for several processes. We have organised the audit work by having our central audit team to carry out the testing of all centralised 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 minimised. 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 misstakes. 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 licences, 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 1-31, 198-237, and 243-253 . 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 2022 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 organisation 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 organisation 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.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgement and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgement with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

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 2022.

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 ISQC 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 42-62 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 2022 and has been the company's auditor since 2019.

Stockholm 23 February 2023

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 2022. The company has defined the scope of its sustainability report on page 21. The self-assessment/assertions are defined on page 234. The statutory sustainability report is defined on page 239.

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 21 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 234 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. 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, 23 February 2023

PricewaterhouseCoopers AB

Anneli Granqvist
Authorised Public Accountant

Karin Juslin
Sustainability Expert

Market shares

	Market shares, per cent					Volumes, SEKbn				
Sweden	**2022**	**2021**	**2020**	**2019**	**2018**	**2022**	**2021**	**2020**	**2019**	**2018**
Private Market										
Deposits[1]	18	19	19	19	20	476	454	420	384	381
Lending	20	21	21	22	23	1 012	992	950	921	904
of which mortgage lending	22	23	23	24	24	919	895	851	820	800
Bank Cards (thousands)	n.a.	n.a.	n.a.	n.a.	n.a.	4 465	4 413	4 384	4 345	4 291
Corporate Market										
Deposits[1]	15	16	16	16	18	260	273	241	190	186
Lending[1]	15	16	16	17	18	452	408	403	418	415

	Market shares, per cent					Volumes, SEKbn				
Baltic countries	**2022**	**2021**	**2020**	**2019**	**2018**	**2022**	**2021**	**2020**	**2019**	**2018**
Private Market										
Estonia										
Deposits (2022.11)	48	51	51	50	55	67	62	52	47	45
Lending (2022.11)	42	43	43	44	47	55	48	45	45	41
of which mortgage lending (2022.11)	42	44	45	45	46	47	41	38	37	34
Bank Cards (thousands) (2022.09)	58	59	61	61	62	931	917	922	957	965
Latvia (as of 2022.09)										
Deposits	38	37	34	32	34	48	42	35	31	30
Lending	35	34	35	34	33	23	20	19	19	18
of which mortgage lending	40	40	40	38	37	21	18	17	17	15
Bank Cards (thousands)	n.a.	50	48	48	46	n.a.	1 013	1 011	1 017	1 013
Lithuania (as of 2022.09)										
Deposits	45	45	44	43	43	100	94	79	67	59
Lending	39	39	40	39	35	56	47	42	40	34
of which mortgage lending	39	39	39	38	35	49	42	38	36	31
Bank Cards (thousands)	54	54	53	52	51	1 735	1 693	1 685	1 668	1 657

	Market shares, per cent					Volumes, SEKbn				
Baltic countries	**2022**	**2021**	**2020**	**2019**	**2018**	**2022**	**2021**	**2020**	**2019**	**2018**
Corporate Market										
Estonia (as of 2022.11)										
Deposits	39	43	44	45	45	55	54	51	43	38
Lending	34	37	37	38	37	49	45	41	41	39
Latvia (as of 2022.09)										
Deposits	28	27	28	24	25	28	24	24	20	21
Lending	19	19	22	21	20	20	17	17	18	17
Lithuania (as of 2022.09)										
Deposits	30	35	31	30	29	45	46	41	29	24
Lending	22	21	22	23	20	30	22	19	43	21

1) Swedbank has updated the definitions of corporate lending and deposits in Sweden from Q2 2018. Corporate lending includes lending to non-financial corporations. Corporate deposits includes deposits from non-financial corporations. Previous periods have been restated.

Five-year summary

Key ratios	2022	2021	2020	2019	2018
Profit					
Return on equity, %	13.3	13.2	8.9	14.7	16.1
Return on total assets, %	0.72	0.72	0.48	0.79	0.84
Cost/income ratio[1]	0.40	0.44	0.53	0.42	0.37
Net interest margin before trading interest is deducted, %[1]	1.13	0.95	1.04	1.10	1.09
Capital adequacy					
Common Equity Tier 1 ratio, %	17.8	18.3	17.5	17.0	16.3
Tier 1 capital ratio, %	18.9	20.2	18.7	19.4	18.0
Total capital ratio, %	21.8	22.4	21.0	21.8	21.5
Common Equity Tier 1 capital	144 107	129 644	120 496	110 073	103 812
Tier 1 capital	153 320	143 022	128 848	126 226	114 761
Total own Funds	176 331	158 552	144 737	141 554	136 993
Risk exposure amount	809 438	707 753	689 594	649 237	637 882
Credit quality					
Credit impairment ratio, %	0.08	0.01	0.26	0.09	0.03
Total credit impairment provision ratio, %	0.32	0.29	0.48	0.40	0.37
Share of Stage 3 loans, gross, %	0.31	0.37	0.62	0.82	0.69

Other data	2022	2021	2020	2019	2018
Private customers, million	7	7	7	7	7.3
Corporate customers, thousands	620	620	616	618	620
Full-time employees	16 803	16 565	16 213	15 218	14 865
Branches[2]	400	423	431	464	521
ATMs[2]	1 141	1 142	1 148	1 162	1 166

1) Key ratios have been restated due to the change of presentation of the Income statement.
2) Including savings banks and partly owned banks.

Comments to five-year summary

2022 – Profit for the year increased to SEK 21 880m (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 53 221m (47 681) and was positively affected primaily by net interest income. Expenses increased to SEK 21 415m (20 847) primarily due to higher stff costs and also as a result of higher IT expenses to some extent. 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.

2018 – Profit for the year rose 9 per cent to SEK 21 162m, compared with SEK 19 350m 2017. The increase was due to higher net interest income and net commission income as well as an increase in other income. Lower credit impairments also contributed positively. Income increased 6 per cent to SEK 45 878m (43 408). Expenses rose to SEK 16 835m (16 415), largely due to increased staff costs following the acquisition of PayEx. Credit impairments according to IFRS 9 amounted to SEK 521m.

Income statement, SEKm	2022	2021[1]	2020[1]	2019[1]	2018[1]
Net interest income	33 157	27 048	27 716	27 106	26 884
Net commissions	14 223	14 853	12 770	12 984	12 836
Net gains and losses on financial items	1 887	2 048	2 655	3 629	2 112
Net insurance	1 655	1 457	1 518	1 465	1 192
Share of profit or loss of associates and joint ventures	738	976	582	822	1 028
Other income	1 561	1 299	1 298	1 071	1 826
Total income	**53 221**	**47 681**	**46 539**	**47 077**	**45 878**
Staff costs	13 246	12 739	11 873	11 119	10 284
Other general administrative expenses	6 474	6 477	7 107	7 314	5 865
Depreciation/amortisation of tangible and intangible fixed assets	1 695	1 631	1 580	1 551	686
Administrative fine			4 000		
Total expenses	**21 415**	**20 847**	**24 560**	**19 984**	**16 835**
Profit before impairments	**31 806**	**26 834**	**21 979**	**27 093**	**29 043**
Impairments of intangible fixed assets	1 125	56		79	306
Impairments of tangible fixed assets	13		2	8	8
Credit impairments	1 479	170	4 334	1 469	521
Swedish bank tax and resolution fees	1 831	791	863	1 117	1 656
Profit before tax	**27 358**	**25 817**	**16 780**	**24 420**	**26 552**
Tax expense	5 478	4 945	3 851	4 711	5 374
Profit for the year	21 880	20 872	12 929	19 709	21 178
Profit for the year attributable to Shareholders in Swedbank AB	**21 877**	**20 871**	**12 929**	**19 697**	**21 162**
Non-controlling interests	3	1	0	12	16

1) Presentation of the Income statement has been changed, for more information see Note G57.

Balance sheet, SEKm	2022	2021	2020	2019	2018
Loans to credit institutions	56 589	39 504	47 954	45 452	36 268
Loans to the public	1 842 811	1 703 206	1 680 987	1 652 296	1 627 368
Interest-bearing securities					
Treasury bills and other bills eligible for refinancing with central banks	151 483	163 590	137 191	137 094	99 579
Bonds and other interest-bearing securities	61 298	58 093	59 975	57 367	53 312
Shares and participating interests					
Financial assets for which customers bear the investment risk	290 678	328 512	252 411	224 893	177 868
Shares and participating interests	8 184	13 416	17 215	6 568	4 921
Shares and participating interests in associates	7 830	7 705	7 287	6 679	6 088
Derivatives	50 504	40 531	52 177	44 424	39 665
Others	385 499	396 060	339 445	233 455	201 023
Total assets	**2 854 876**	**2 750 617**	**2 594 642**	**2 408 228**	**2 246 092**
Amounts owed to credit institutions	72 826	92 812	150 313	69 686	57 218
Deposits and borrowings from the public	1 305 948	1 265 783	1 148 240	954 013	920 750
Debt securities in issue	784 206	735 917	732 814	855 754	804 360
Financial liabilities for which customers bear the investment risk	291 993	329 667	253 229	225 792	178 662
Derivatives	68 679	28 106	54 380	40 977	31 316
Other	66 362	70 200	66 680	80 634	81 993
Senior non-preferred liabilities	57 439	37 832	10 359	10 805	
Subordinated liabilities	31 331	28 604	23 434	31 934	34 184
Equity	176 092	161 696	155 193	138 633	137 609
Total liabilities and equity	**2 854 876**	**2 750 617**	**2 594 642**	**2 408 228**	**2 246 092**

Three-year summary

Swedish Banking

SEKm	2022	2021	2020
Income statement			
Net interest income	20 814	15 472	16 826
Net commissions	8 727	9 205	7 922
Net gains and losses on financial items	372	586	351
Share of profit or loss of associates and joint ventures	780	920	642
Other income	1 047	935	951
Total income	**31 741**	**27 118**	**26 692**
Staff costs	3 277	3 229	3 049
Variable staff costs	42	61	47
Other expenses	7 545	7 451	6 875
Depreciation/amortization	27	38	53
Total expenses	**10 892**	**10 779**	**10 024**
Profit before impairments, Swedish bank tax and resolution fees	**20 850**	**16 339**	**16 668**
Credit impairments	1 037	−42	664
Swedish bank tax and resolution fees	1 247	499	549
Profit before tax	**18 566**	**15 882**	**15 455**
Tax expense	3 514	2 890	3 008
Profit for the year	**15 052**	**12 992**	**12 447**
Balance sheet, SEKbn			
Cash and balances with central banks	3	2	1
Loans to credit institutions	5	6	7
Loans to the public	1 275	1 252	1 211
Financial assets for which customers bear inv. risk	283	321	246
Other assets	13	11	11
Total assets	**1 579**	**1 592**	**1 476**
Amounts owed to credit institutions	30	27	27
Deposits and borrowings from the public	726	712	646
Financial liabilities for which customers bear inv. risk	284	322	247
Other liabilities	467	466	489
Total liabilities	**1 507**	**1 527**	**1 409**
Allocated equity	72	65	67
Total liabilities and equity	**1 579**	**1 592**	**1 476**
Income items			
Income from external customers	31 712	27 072	26 637
Key ratios			
Return on allocated equity, %	21,5	20.0	18.6
Loans to customer/Deposits from customer, %	176	176	187
Loans to customers, SEKbn	1 275	1252	1211
Deposits from customers, SEKbn	725	712	646
Credit impairment ratio[1], %	0,08	0.00	0.06
Cost/income ratio	0,34	0.40	0.38
Risk exposure amount	414	405	391
Full-time employees	3 996	4 046	3 969
Allocated equity, average, SEKbn	70	65	67

1) For more information about the credit impairment ratio see page 41 of the Fact book.

Three-year summary

Baltic Banking

SEKm	2022	2021	2020
Income statement			
Net interest income	8 348	5 369	5 444
Net commissions	3 073	2 779	2 585
Net gains and losses on financial items	405	437	369
Other income	857	767	903
Total income	**12 683**	**9 352**	**9 301**
Staff costs	1 846	1 585	1 540
Variable staff costs	62	63	54
Other expenses	2 548	2 279	1 957
Depreciation/amortization	179	171	176
Total expenses	**4 635**	**4 098**	**3 727**
Profit before impairments, Swedish bank tax and resolution fees	**8 048**	**5 254**	**5 574**
Impairment of tangible assets	13		2
Credit impairments	402	160	237
Swedish bank tax and resolution fees	100	76	86
Profit before tax	**7 534**	**5 018**	**5 249**
Tax expense	1 305	840	879
Profit for the year	**6 229**	**4 178**	**4 370**
Balance sheet, SEKbn			
Cash and balances with central banks	4	3	3
Loans to the public	236	199	182
Bonds and other interest-bearing securities	2	2	1
Financial assets for which customers bear inv. risk	7	8	6
Other assets	165	156	127
Total assets	**415**	**368**	**319**
Deposits and borrowings from the public	376	334	288
Debt securities in issue	2	1	1
Financial liabilities for which customers bear inv. risk	8	8	6
Total liabilities	**386**	**343**	**295**
Allocated equity	28	25	24
Total liabilities and equity	**415**	**368**	**319**
Income items			
Income from external customers	12 683	9 352	9 298
Key ratios			
Return on allocated equity, %	22.6	16.9	17.6
Loans to customer/Deposits from customer, %	63	60	63
Loans to customers, SEKbn	236	199	182
Deposits from customers, SEKbn	375	334	288
Credit impairment ratio[1], %	0.19	0.09	0.12
Cost/income ratio	0.37	0.44	0.40
Risk exposure amount	155	107	92
Full-time employees	4 701	4 624	4 638
Allocated equity, average, SEKbn	28	25	25

1) For more information about the credit impairment ratio see page 41 of the Fact book.

Three-year summary

Large Corporates and Institutions

SEKm	2022	2021	2020
Income statement			
Net interest income	4 877	3 947	4 022
Net commissions	2 621	2 955	2 345
Net gains and losses on financial items	822	981	1 868
Other income	316	315	322
Total income	**8 630**	**8 198**	**8 557**
Staff costs	1 546	1 536	1 455
Variable staff costs	107	138	73
Other expenses	2 446	2 324	2 205
Depreciation/amortization	119	132	122
Total expenses	**4 219**	**4 130**	**3 855**
Profit before impairments, Swedish bank tax and resolution fees	**4 411**	**4 068**	**4 702**
Credit impairments	23	57	3 423
Swedish bank tax and resolution fees	464	201	205
Profit before tax	**3 745**	**3 810**	**1 074**
Tax expense	855	708	–197
Profit for the year	**2 890**	**3 102**	**1 271**
Balance sheet, SEKbn			
Loans to credit institutions	113	129	176
Loans to the public	321	253	264
Bonds and other interest-bearing securities	47	55	51
Derivatives	180	60	66
Other assets	9	16	26
Total assets	**671**	**513**	**583**
Amounts owed to credit institutions	283	229	322
Deposits and borrowings from the public	211	230	222
Debt securities in issue	3	5	7
Derivatives	191	57	67
Other liabilities	-54	–38	–68
Total liabilities	**635**	**483**	**550**
Allocated equity	36	30	33
Total liabilities and equity	**671**	**513**	**583**
Income items			
Income from external customers	8 488	7 964	8 342
Key ratios			
Return on allocated equity, %	8.4	9.7	4.1
Loans to customer/Deposits from customer, %	147	106	113
Loans to customers, SEKbn	287	226	213
Deposits from customers, SEKbn	195	212	196
Credit impairment ratio[1], %	0.01	0.02	1.16
Cost/income ratio	0.49	0.50	0.45
Risk exposure amount	213	168	167
Full-time employees	1 179	1 221	1 209
Allocated equity, average, SEKbn	34	32	31

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.

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. More information see page 41 in Facts.

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.

Maturity
The time remaining until an asset or liability's terms change or its maturity date.

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.

Return on total assets
Profit for the financial year in relation to average total assets. 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 Oscarsteatern, Kungsgatan 63, Stockholm, at 11:00 am (CET) on Thursday, 30 March 2023. 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 22 March 2023
- notify the company of their intention to attend the Annual General Meeting according to the instructions in the notice no later than 24 March 2023.

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 22 March 2023. 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 24 March 2023 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 will be published on 22 February 2023 at http://www.swedbank.com/ ir and on 24 February 2023 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 9.75 per share. The proposed record day for the dividend is 3 April 2023.The last day for trading in Swedbank's shares including the right to the dividend will thereby be 30 March 2023. If the Annual General Meeting adopts the Board of Directors' proposal, the dividend is expected to be paid by Euroclear on 6 April 2023.

Financial information 2023

Q1 Interim report	27 April
Q2 Interim report	18 July
Q3 Interim report	26 October

Contacts

Head office

Corp. No. 502017–7753
Visiting address:
Landsvägen 40
172 63 Sundbyberg
Mailing address:
105 34 Stockholm, Sweden
Telephone: +46 8 585 900 00
E-mail: info@swedbank.se
www.swedbank.com

Contact

Erik Ljungberg
Director of Communications and Sustainability
Telephone: +46 73 988 35 57
E-mail: erik.ljungberg@swedbank.com

Annie Ho
Head of Investor Relations
Telephone: +46 70 343 78 15
E-mail: annie.ho@swedbank.com

Fredrik Nilzén
Head of Sustainability
Telephone: +46 76 773 19 26
E-mail: fredrik.nilzen@swedbank.se

Production: Springtime-Intellecta. **Photography:** Ulf Berglund CEO page 4, Stefan Tell page 4 and 6, Single Resolution Board page 5, Tobii Dynavox page 25, Joakim Zetterström page 28, Jenny Hallgren pages 56–62 (Board and Managment) and Swedbank's image bank cover, pages 5, 21 and 63. **Print:** BrandFactory, Stockholm

