

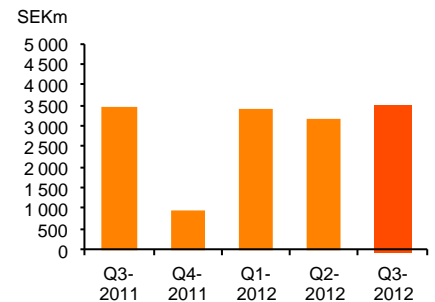


Third quarter 2012

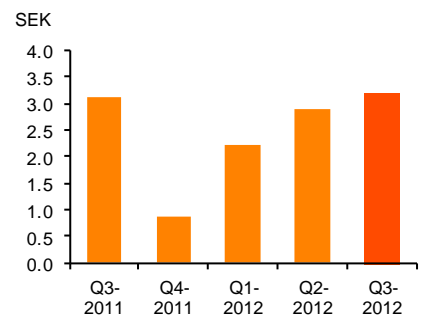
Compared with second quarter 2012

- The result for the quarter amounted to SEK 3 511m (3 162)
- Earnings per share before dilution amounted to SEK 3.20* (2.88) and earnings per share after dilution amounted to SEK 3.19* (2.87)
- The return on equity was 14.1 per cent (13.0)
- The cost/income ratio was 0.44 (0.48)
- Net interest income amounted to SEK 5 263m (5 252)
- Profit before impairments increased by 9 per cent to SEK 5 053m (4 646)
- Swedbank reported net credit impairments of SEK 204m (300)
- The core Tier 1 capital ratio was 17.3 per cent according to Basel 2 (15.7 per cent on 31 December 2011). The core Tier 1 capital ratio according to Basel 3 was 16.1** per cent (14.7 per cent on 31 December 2011).

Profit for the quarter



Earnings per share before dilution*

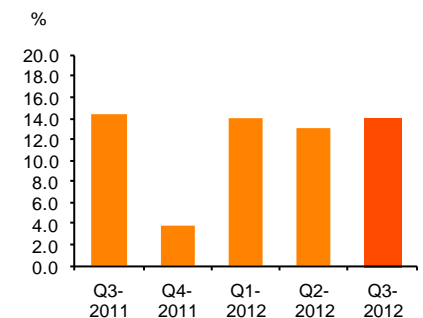


January-September 2012

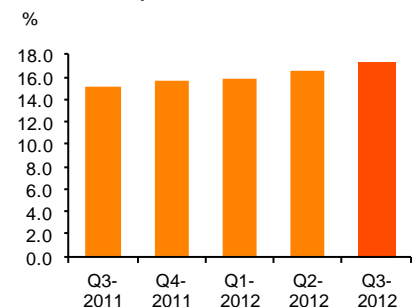
Compared with January-September 2011

- The result for the period amounted to SEK 10 098m (10 779)
- Earnings per share before dilution amounted to SEK 8.28* (8.59) and earnings per share after dilution amounted to SEK 8.26* (8.58)
- The return on equity was 13.7 per cent (15.0)
- The cost/income ratio was 0.47 (0.53)
- Net interest income increased by 12 per cent to SEK 15 723m (14 047)
- Profit before impairments increased by 21 per cent to SEK 14 467m (11 937)
- Swedbank reported net credit impairments of SEK 676m (net recoveries of 1 737)

Return on equity



Core Tier 1 capital ratio, Basel 2



* In the calculation of earnings per share for the first quarter of 2012, the preference share dividend is deducted from profit. The calculation of earnings per share is specified on page 43.

** Swedbank's estimate based on current knowledge of future regulations.

CEO Comment

Swedbank's financial development remained good during the third quarter. Our strategic approach and focus on costs, capital efficiency and repricing have produced results. Our biggest challenge now is to improve our offering and step by step increase customer satisfaction, especially in Sweden.

Economic development has been diverged lately. At the same time that risk willingness has increased in the financial markets and stock prices have risen thanks to political decisions and bailout measures from the ECB, estimates of both global and Swedish growth have been revised lower. From an international perspective Sweden stands out as a financially secure country, which has strengthened the krona against the euro and reduced funding costs for Swedish banks. We expect credit growth to be limited and interest rates low for the foreseeable future.

A more efficient bank

The return on equity was 13.7 per cent for the first nine months of this year. The cost/income ratio was 0.47. We have already achieved a large part of our goal for all of 2012, to reduce costs, excluding variable staff costs, by one billion Swedish kronor, an accomplishment every part of the bank contributed to. During the third quarter we continued to improve capital efficiency, which benefits our customers and ourselves by freeing up capital and reducing the cost of capital. At the same time we still see significant improvement potential. As a result of higher capital adequacy requirements and increased market risks, we are continuing to reprice corporate lending in Sweden.

Better offering

Swedbank's financial strength allows us to now invest more in our customer offering. We are going to hire over 100 private and corporate advisors in Sweden. We are making major investments in the Telephone Bank and digital channels. Swedbank's Mobile Bank already has more than one million active users. Customers now have access to an iPad app as well, which, in addition to the bank's everyday services, includes a well-developed securities service.

In a European comparison, the Nordic region has efficient banks with competitive products, but customers are not satisfied, and that is something we take very seriously. Surveys such as the Swedish Quality Index show that confidence in the banks is on the decline. We want to raise confidence, especially in Sweden, by increasing transparency, distinguishing and improving our offering, and being better at managing our customers' expectations.

Strong capitalisation increasing rapidly

Thanks to a stable earnings capacity, combined with limited lending growth, Swedbank's already strong capitalisation has rapidly increased. Our core Tier 1 capital ratio is 17.3 per cent according to Basel 2, which is well above future Swedish capital requirements. Internal and external stress tests at the same time show that Swedbank remains resilient to crises, even in extremely negative scenarios. Swedbank shall be well capitalised with an adequate buffer with regard to the future regulations. Our assessment is that, despite this, there is surplus capital to repay to the bank's shareholders.

Outlook

The macroeconomic outlook remains uncertain, with slow credit growth and low interest rates. With Swedbank's unique strengths, we are well-positioned to develop into an even more competitive bank for our customers and shareholders.



Michael Wolf
President and CEO

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

Financial summary

Income statement SEKm	Q3 2012	Q2 2012	%	Q3 2011	%	Jan-Sep 2012	Jan-Sep 2011	%
Net interest income	5 263	5 252	0	4 832	9	15 723	14 047	12
Net commissions	2 381	2 346	1	2 438	-2	7 132	7 306	-2
Net gains and losses on financial items at fair value	568	455	25	259		1 782	1 025	74
Other income	839	844	-1	782	7	2 492	3 011	-17
Total income	9 051	8 897	2	8 311	9	27 129	25 389	7
Staff costs	2 252	2 366	-5	2 409	-7	7 058	7 266	-3
Other expenses	1 746	1 885	-7	2 043	-15	5 604	6 186	-9
Total expenses	3 998	4 251	-6	4 452	-10	12 662	13 452	-6
Profit before impairments	5 053	4 646	9	3 859	31	14 467	11 937	21
Impairment of intangible assets	-1	4				3		
Impairment of tangible assets	102	125	-18	-13		267	4	
Credit impairments	204	300	-32	-441		676	-1 737	
Operating profit	4 748	4 217	13	4 313	10	13 521	13 670	-1
Tax expense	1 220	1 052	16	834	46	3 399	2 879	18
Profit for the period from continuing operations	3 528	3 165	11	3 479	1	10 122	10 791	-6
Profit for the period from discontinued operations, after tax	-17					-17		
Profit for the period	3 511	3 165	11	3 479	1	10 105	10 791	-6
Profit for the period attributable to the shareholders of Swedbank AB	3 511	3 162	11	3 475	1	10 098	10 779	-6

Key ratios and data per share	Q3 2012	Q2 2012		Q3 2011		Jan-Sep 2012	Jan-Sep 2011
Return on equity, %	14.1	13.0		14.4		13.7	15.0
Earnings per share before dilution, SEK ¹⁾	3.20	2.88		3.12		8.28	8.59
Earnings per share after dilution, SEK ¹⁾	3.19	2.87		3.11		8.26	8.58
Cost/income ratio	0.44	0.48		0.54		0.47	0.53
Equity per share, SEK ¹⁾	89.48	86.92		83.72		89.48	83.72
Loan/deposit ratio, %	194	216		213		194	213
Core Tier 1 capital ratio, %, Basel 3 ²⁾	16.1	15.5				16.1	
Capital quotient, Basel 2	2.40	2.42		2.33		2.40	2.33
Core Tier 1 capital ratio, %, Basel 2	17.3	16.6		15.1		17.3	15.1
Tier 1 capital ratio, %, Basel 2	18.8	18.2		16.6		18.8	16.6
Capital adequacy ratio, %, Basel 2	19.2	19.4		18.7		19.2	18.7
Capital quotient, transition rules	1.47	1.52		1.52		1.47	1.52
Core Tier 1 capital ratio, %, transition rules	10.6	10.5		9.9		10.6	9.9
Tier 1 capital ratio, %, transition rules	11.6	11.4		10.9		11.6	10.9
Capital adequacy ratio, %, transition rules	11.8	12.2		12.2		11.8	12.2
Credit impairment ratio, %	0.06	0.09		-0.13		0.07	-0.17
Share of impaired loans, gross, %	1.32	1.53		2.05		1.32	2.05
Total provision ratio for impaired loans, %	65	64		60		65	60

Balance sheet data SEKbn	30 Sep 2012	31 Dec 2011	%	30 Sep 2011	%
Loans to the public	1 251	1 211	3	1 186	6
Deposits and borrowings from the public	631	562	12	555	14
Shareholders' equity	101	98	3	97	4
Total assets	1 965	1 857	6	1 886	4
Risk weighted assets, Basel 3 ²⁾	498	515	-3		
Risk weighted assets, Basel 2	476	492	-3	497	-4
Risk weighted assets, transition rules	775	757	2	760	2
Risk weighted assets, Basel 1	993	969	2	968	3

¹⁾ In the calculation of earnings per share the preference share dividend is deducted from profit in the quarter the dividend is declared. The calculation of earnings per share is specified on page 43.

²⁾ Swedbank's estimate based on current knowledge of future regulations.

The key ratios are based on profit and shareholders' equity allocated to shareholders of Swedbank.

Overview

Market

The Swedish economy grew by 0.7 per cent during the second quarter compared with the immediately preceding quarter, corresponding to GDP growth of 1.3 per cent on an annual basis. The biggest growth contributors were rising consumption, investments and increased net exports. During the summer and autumn indicators pointed to a slowdown in the Swedish economy, especially in the Swedish export sector. The Purchasing Managers Index fell in September to the lowest level since spring 2009, which indicates that the resilience of the Swedish economy weakened during the third quarter. At the same time the number of layoffs and corporate bankruptcies has increased, which indicates an impending deterioration in the labour market.

The Baltic economies continued to grow during the first two quarters of the year, driven by increased domestic demand as export growth slowed due to weaker global demand. Unemployment continued to fall at the same time that lower global commodity prices kept inflation in check, thereby strengthening the disposable income of households in the Baltic countries.

The Riksbank cut the repo rate by 0.25pp to 1.25 per cent at its most recent meeting in September. A low inflation rate and clear slowdown in the Swedish economy during the third quarter were among the factors contributing to the rate cut. It is not unlikely that the Riksbank will again cut rates in 2012, since underlying inflation is still low. The Swedish krona strengthened during the third quarter against both the dollar and the euro, which is partly due to Sweden's strong finances.

The Stockholm stock exchange (OMXSPI) rose by 8 per cent during the first nine months of the year. The Tallinn stock exchange (OMXT) rose by 26 per cent, the Vilnius stock exchange (OMXV) by 15 per cent and the Riga stock exchange (OMXR) by 4 per cent.

Third quarter 2012

Compared with second quarter 2012

Result

Profit before impairments increased by 9 per cent to SEK 5 053m (4 646). The increase was mainly due to lower costs and increased profit within Group Treasury.

Profit before impairments by business area	Q3	Q2	Q3
SEKm	2012	2012	2011
Retail	2 852	2 793	2 614
Large Corporates & Institutions	877	772	507
Baltic Banking	720	801	903
Asset Management	193	214	184
Group Functions & Other	411	20	-423
Total excl FX effects	5 053	4 600	3 785
FX effects		46	74
Total	5 053	4 646	3 859

The quarterly result attributable to the shareholders amounted to SEK 3 511m (3 162). Credit impairments amounted to SEK 204m (300). Impairments of tangible assets amounted to SEK 102m (125). Changes in exchange rates, primarily the appreciation of the Swedish krona against the euro, Latvian lats and Lithuanian litas, but also against the Ukrainian hryvnia, reduced reported income by SEK 35m. The return on equity was 14.1 per cent (13.0). The cost/income ratio was 0.44 (0.48).

Income increased by 2 per cent to SEK 9 051m (8 897), mainly due to higher net gains and losses on financial items at fair value and higher net commission income. Net interest income was in line with the second quarter. Changes in exchange rates reduced income by SEK 90m.

Net interest income was at the same level as the previous quarter at SEK 5 263m (5 252). Lower deposit margins due to falling Stibor and Euribor rates as well as increased competition for deposits in Sweden affected net interest income negatively. This was partly offset by the repricing of lending and slightly higher lending volumes within Retail and LC&I. Net interest income from Treasury strengthened, while exchange rate effects and operational cutbacks in Russia and Ukraine had a negative effect on net interest income.

Net commission income increased by 1 per cent to SEK 2 381m (2 346), mainly due to seasonally higher income from payment commissions within Retail and LC&I.

Net gains and losses on financial items at fair value increased by 25 per cent to SEK 568m (455), mainly due to higher earnings within Group Treasury and from fixed income and currency trading within LC&I.

Expenses fell by 6 per cent from the previous quarter to SEK 3 998m (4 251). The decrease is in line with Swedbank's aim to reduce costs for the full-year 2012 by SEK 1bn compared with the full-year 2011 (excluding variable remuneration). The decrease mainly related to lower expenses for personnel and marketing. Changes in exchange rates reduced costs by SEK 44m.

Expense analysis			
Group	Q3	Q2	Q3
SEKm	2012	2012	2011
Expenses excluding variable pay and compensation to savings banks			
Retail	2 168	2 152	2 124
Large Corporates & Institutions	638	597	655
Baltic Banking	541	542	566
Asset Management	170	165	180
Group Functions & Other and Eliminations	151	403	577
Total	3 668	3 859	4 102
Variable pay	184	189	73
Compensation to Savings Banks	146	159	121
Restructuring expenses, Ukraine			100
FX effects		44	56
Total expenses	3 998	4 251	4 452

Underlying expenses excluding exchange rate effects decreased by SEK 191m. During the third quarter a new principle was implemented for allocating internal expenses from Group Treasury. Under the new principle, the accumulated expense was charged to the business areas during the third quarter. During the period expenses have therefore increased by SEK 85m for Retail, SEK 63m for LC&I and SEK 19m for Baltic Banking, with a corresponding decrease in Group Functions.

The number of full-time employees decreased during the quarter by 393, to 15 295.

Credit impairments of SEK 204m (300) were posted during the third quarter. The credit impairments are primarily attributable to Ukraine, while LC&I and Baltic Banking reported net recoveries.

Tangible asset writedowns amounted to SEK 102m (125) due to property appraisals within Ektornet.

The tax expense amounted to SEK 1 220m (1 052), corresponding to an effective tax rate of 25.7 per cent (24.9). The relatively high effective tax rate is mainly because Ukraine reported a loss for which no deferred tax assets have been recognised.

January-September 2012

Compared with January-September 2011

Result

Profit before impairments increased by 21 per cent to SEK 14 467m (11 937). During the same period in 2011 Swedbank received one-off revenue of SEK 716m from a settlement with the Lehman Brothers bankruptcy estate. Stronger net interest income and net gains and losses on financial items at fair value as well as lower expenses affected the result positively during the first three quarters of 2012.

Profit before impairments by business area		
SEKm	Jan-Sep 2012	Jan-Sep 2011
Retail	8 426	7 171
Large Corporates & Institutions	2 923	2 620
Baltic Banking	2 394	2 632
Asset Management	590	585
Group Functions & Other	134	-1 136
Total excl FX effects	14 467	11 872
FX effects		65
Total	14 467	11 937

Profit for the period attributable to the shareholders decreased by 6 per cent to SEK 10 098m (10 779). Credit impairments amounted to SEK 676m (net recoveries of 1 737). Changes in exchange rates, primarily the appreciation of the Swedish krona against the euro and the Baltic currencies, reduced reported income by SEK 53m. The return on equity was 13.7 per cent (15.0). The cost/income ratio was 0.47 (0.53).

Income rose by 7 per cent to SEK 27 129m (25 389). Net interest income increased primarily in Retail and Group Treasury (Group Functions & Other). Net gains and losses on financial items at fair value increased in LC&I. Commission income decreased compared with the previous year. Changes in exchange rates reduced income by SEK 116m.

Net interest income increased by 12 per cent to SEK 15 723m (14 047). The repricing of lending within Retail and LC&I affected net interest income positively. Moreover, the fee for the state-guaranteed funding decreased by SEK 612m due to maturing state-guaranteed funding. Smaller lending portfolios, lower Euribor rates and exchange rate effects negatively affected net interest income within Baltic Banking. In Retail lower Stibor rates and increased competition for deposits had a negative effect. The operational cutbacks in Russia and Ukraine also affected net interest income negatively.

Net commission income was down 2 per cent to SEK 7 132m (7 306). The decrease was mainly the result of lower commission income from asset management and securities trading, while income from corporate finance and lending rose.

Net gains and losses on financial items at fair value increased by 74 per cent to SEK 1 782m (1 025). LC&I reported higher net gains and losses on financial items at fair value thanks to stronger results in fixed income and currency trading.

Expenses decreased by 6 per cent to SEK 12 662m (13 452). The third quarter 2011 includes an expense of SEK 100m for the transformation of the Ukrainian operations. The decrease is well in line with Swedbank's aim to reduce costs for the full-year 2012 by SEK 1bn compared with the full-year 2011 (excluding variable remuneration). Fixed staff costs decreased by SEK 441m and consulting costs fell by SEK 208m. Variable staff costs rose to SEK 581m (348). Changes in exchange rates reduced costs by SEK 51m.

Expense analysis			
Group	Jan-Sep	Jan-Sep	Δ
SEKm	2012	2011	SEKm
Expenses excluding variable pay and compensation to savings banks			
Retail	6 468	6 643	-175
Large Corporates & Institutions	1 847	2 005	-158
Baltic Banking	1 715	1 847	-132
Asset Management	524	557	-33
Group Functions & Other and Eliminations	1 070	1 509	-439
Total	11 624	12 561	-937
Variable pay	581	348	233
Compensation to Savings Banks	457	392	65
Restructuring expenses, Ukraine		100	-100
FX effects		51	-51
Total expenses	12 662	13 452	-790

Underlying expenses excluding exchange rate effects decreased by SEK 937m during the period. During the third quarter a new principle was implemented for allocating internal expenses from Group Treasury. Under the new principle, the accumulated expense was charged to the business areas during the third quarter. During the period expenses have therefore increased by SEK 85m for Retail, SEK 63m for LC&I and SEK 19m for Baltic Banking, with a corresponding decrease in Group Functions.

Since 1 July 2010 Swedbank pays parts of its variable remuneration in the form of shares. This remuneration is accrued as an expense until the shares are settled. As a result, variable remuneration allocated to employees during the period differs from the recognised amount. During the period recognised variable remuneration was SEK 581m. A more detailed analysis of variable remuneration is provided on page 13 of the fact book¹.

The number of full-time positions decreased in one year by 1 518, including 866 in Ukraine, 313 in Baltic Banking and 229 in Retail.

Credit impairments of SEK 676m were reported for the first three quarters (net recoveries of 1 737). The credit impairments are primarily attributable to Ukraine, while the Baltic countries reported net recoveries. During the same period in 2011 net recoveries were reported in Baltic Banking, Russia and Ukraine. Tangible asset writedowns rose by SEK 263m to SEK 267m due to property appraisals within Ektornet.

The tax expense amounted to SEK 3 399m (2 879), corresponding to an effective tax rate of 25.1 per cent (21.1). The effective tax rate for the first three quarters of 2012 has been negatively affected by the loss reported in Ukraine, for which no deferred tax assets have been recognised. The opposite applied in the same period in 2011, when Ukraine reported a profit without a tax expense by offsetting the profit against previous tax loss carry-forwards. In the medium term the effective tax rate is estimated at 21-23 per cent.

If the proposed reduction in Sweden's corporate tax rate from 26.3 per cent to 22 per cent is implemented, the Group's effective tax rate is expected to fall to 19-21 per cent in the medium term. If and when the proposed tax

¹ More detailed information can be found in Swedbank's fact book, www.swedbank.com/ir, under Financial information and publications.

cut is implemented, it will also have a one-off effect on deferred tax items. If the change had taken effect as of 30 September 2012, the one-off effect is estimated at nearly SEK 370m in lower tax in the income statement and nearly SEK 150m in lower tax in other comprehensive income.

Credit and asset quality

Swedbank's credit and asset quality further improved in the first nine months of 2012. The Swedish operations continued to report low credit impairments. The credit portfolio in the Baltic countries generated recoveries, though fewer than before. In Ukraine, credit impairments increased, mainly due to the decision to exit the retail segment, where portions of the retail portfolio have been sold. Swedbank believes that the recent global unease has not yet had a major impact on its balance sheet. However, the bank is highly prepared for the potential impacts from economic uncertainty in our operating environment. The Internal Capital Adequacy Assessment Process (ICAAP) conducted for 2012 showed that Swedbank remains resilient to a significantly worse situation in Europe.

Swedbank's lending has increased by SEK 18bn to SEK 1 184bn since the beginning of the year. Lending to Swedish mortgage customers continued to grow during the period, but at a slower rate. Corporate lending within LC&I and Retail rose by SEK 9m during the period. Lending in Baltic Banking fell by 1.3 per cent in local currency during the first nine months of the year. The decrease levelled off during the second quarter and lending increased slightly during the third quarter in local currency. Lending volumes in Estonia increased due to growth in the corporate segment. The lending volume in Latvia also increased, mainly due to the acquisition of Hipoteku Bank's leasing portfolio. The lending portfolios in Russia and Ukraine continued to decrease.

The stable or positive trend in housing prices in major Baltic cities continued during the first nine months of the year, but with a slight decline in Lithuania during the third quarter. The average loan-to-value ratio was 70 per cent in Estonia on 30 September 2012 (75 as of 31 December 2011), 135 per cent in Latvia (149) and 101 per cent in Lithuania (96). Within Baltic Banking the share of the mortgage portfolio exceeding current market value was SEK 5.5bn (6.3). The average loan-to-value ratio in Swedbank Mortgage was 61 per cent (60) on 30 September based on property level (46 per cent by loan level). For new lending in 2012 the average loan-to-value ratio is 63 per cent.

Impaired loans have continuously decreased during the first nine months of the year, in total by SEK 7bn, to SEK 18bn. The decrease affected every business area except Retail, which reported a marginal increase. The decrease was partly due to a slower inflow of new impaired loans and partly because certain large corporate commitments are no longer impaired. Write-offs also contributed to the decrease. The volume in Baltic Banking related to problem loans from the crisis years is gradually declining as the loans are restructured, amortised or written off. The volume of the remaining impaired loans within Baltic Banking has been stable in recent quarters.

During the first nine months of the year loans past due by more than 60 days within Baltic Banking further decreased. Within the Retail business area, private mortgages and corporate loans past due by more than

60 days increased, but without resulting in higher credit impairments. All in all, Swedbank's corporate customers within Retail and LC&I demonstrated continued resilience, with few customers with loans past due by more than 60 days or other financial problems.

Credit impairments, net by business area	Q3	Q2	Q3
SEKm	2012	2012	2011
Retail	69	100	108
Large Corporates & Institutions	-35	54	-68
Baltic Banking	-18	-204	-361
Estonia	2	-25	-125
Latvia	8	-197	-191
Lithuania	-28	18	-71
Other			26
Group Functions & Other	188	350	-120
Russia	28	24	-59
Ukraine	140	325	-60
Other	20	1	-1
Total	204	300	-441

Credit impairments totalled SEK 676m during the first nine months of 2012 (net recoveries of SEK 1 737m). Credit impairments within Retail remain very low and are mainly related to a few corporate commitments. Recoveries in the Baltic countries primarily related to a limited number of corporate commitments. In Ukraine, credit impairments increased during the period to SEK 798m. The increase was primarily related to the sale of parts of the private portfolio and to additional provisions in the remaining private portfolio.

The value of repossessed assets in the Group fell by SEK 608m to SEK 5 767m during the first nine months of the year, of which impairments of tangible assets accounted for SEK 267m. Ektornet acquired repossessed properties valued at SEK 848m, the majority of which were in Latvia. During the same period Ektornet sold assets with a book value of SEK 898m, the majority of which were in Finland and Latvia.

For more information on Ektornet, see page 20.

Assets taken over and cancelled leases by business area	30 Sep	31 Dec	30 Sep
SEKm	2012	2011	2011
Retail	9	44	44
Baltic Banking	172	216	348
Estonia	6	9	14
Latvia	109	117	155
Lithuania	57	90	179
Group Functions & Other	5 586	6 115	5 961
Russia	95	10	13
Ukraine	271	286	314
Ektornet	5 220	5 819	5 634
Sweden	386	305	290
Norway		102	114
Finland	304	709	751
Estonia	545	569	643
Latvia	1 719	1 721	1 519
Lithuania	569	448	343
USA	1 316	1 522	1 601
Ukraine	381	443	373
Total	5 767	6 375	6 353

Swedbank's exposure to counterparties in Greece, Ireland, Italy, Portugal and Spain continued to decrease, largely due to a reduction in derivative exposures related to Italy as well as loans that fell due in Spain. The exposures totalled SEK 402m as of 30 September 2012 (SEK 763m as of 31 December 2011), of which SEK 4m related to Greece.

GIIPS exposure 30 Sep 2012	Greece	Ireland	Italy	Portugal	Spain	Total
SEKm						
Bonds		4	102	26	9	141
of which sovereign		4	102	26	9	141
of which held to maturity ¹		4	84	26	5	119
Loans (money market and commercial paper)						
Loans (committed credit facilities)						
Derivatives net ²		49	7		117	173
Other ³			10		78	88
Total	4	49	119	26	204	402

¹ Current market values are approximately SEK 19m below the carrying amounts.

² Derivatives at market value taking into account netting and collateral agreements.

The derivatives gross value, i.e. market value plus internal add-ons, amount to:

Ireland SEK 75m, Italy SEK 320m and Spain SEK 294m. Total SEK 689m.

³ Includes trade finance and mortgage loans.

Funding and liquidity

Swedbank continued to see strong demand from domestic and international debt investors during the third quarter. The trend among investors to seek out financially strong geographical areas has continued, which has benefited Sweden in general and Swedbank in particular.

Swedbank has entered a phase where its need to refinance long-term debt is significantly lower than in recent years. Of the total long-term funding maturing in 2012, which amounted to a nominal SEK 86bn at the beginning of the year, a nominal SEK 9bn remains in the fourth quarter. During the first nine months of 2012 Swedbank issued a total of SEK 128bn in long-term debt instruments, of which SEK 31bn in the third quarter. Covered bond issuance during the third quarter amounted to SEK 18bn, while issued senior debt amounted to SEK 13bn.

Due to the composition of its assets, Swedbank has limited structural needs for senior funding. The share of senior funding is mainly determined by the bank's liquidity needs and the buffer it wants to maintain in its cover pool in the form of overcollateralisation in order to manage fluctuations in housing prices. During the year the bank has increased its presence somewhat in the senior funding market in Europe and the US, which has given it a larger share of senior funding in relation to covered bonds. Swedbank intends to further increase its presence in the US market over time.

As central banks increased their support to Southern European banks and the debate on the new bail-in rules has intensified, the market has increased its focus on collateral pledged by the banks. To increase transparency in this area, Swedbank has been reporting in its fact book not only its encumbered assets but also assets that are available to be pledged in the fact book. Swedbank regards increased transparency as an important element to improve its relative position and pricing in the capital market.

The average maturity of all capital market funding arranged through the bank's short- and long-term

programmes was 33 months as of 30 September 2012. Long-term funding with an original maturity of over one year had an average maturity of 40 months, of which 40 months for covered bonds and 33 months for senior funding. The average maturity of long-term funding issued during the third quarter was 53 months. The bank's short-term funding is used mainly as a cash management tool. Short-term funding is not used to finance the bank's lending to the public.

Issued long-term debt SEKbn	Q3 2012	Q2 2012	Q1 2012
Covered bonds	18	20	30
of which SEK	17	18	17
of which EUR	1	2	3
of which USD			10
Senior unsecured bonds	13	19	24
Structured retail bonds (SPAX)		2	2
Total	31	41	56

Swedbank's liquidity reserve, which is reported in accordance with the Swedish Bankers' Association's definition, amounted to SEK 296bn on 30 September 2012. In addition to the liquidity reserve, liquid securities in other parts of the Group amounted to SEK 84bn. The liquidity reserve and the Liquidity Coverage Ratio (LCR) will fluctuate over time depending, among other things, on the maturity structure of the bank's outstanding debt. According to Swedbank's interpretation of current Swedish regulations, the Group's LCR amounted to 144 per cent as of 30 September. Distributed by USD and EUR, LCR was 408 per cent and 238 per cent, respectively. Swedbank also reports another measure of structural liquidity risks – Net Stable Funding Ratio (NSFR) – which calculates stable financing in relation to illiquid assets in a stressed scenario that lasts for one year. According to Swedbank's interpretation of the current proposal for regulations, the Group's NSFR amounted to 94 per cent as of 30 September. In the Riksbank's financial stability report published in June 2012 the average NSFR was 84 per cent for Sweden's four major banks based on reports as of March 2012.

Swedbank manages its liquidity so that it can handle long periods of stress in the capital markets when access to new financing would be limited, a so-called survival horizon. At present, the bank would be able to handle a situation with completely shut down capital markets for well over 12 months. This applies to the Group's total liquidity as well as liquidity in USD and EUR.

Ratings

The bank's positive development in recent years has been noticed by the rating agencies. The most recent was Fitch Ratings, which upgraded Swedbank's long-term rating on 25 July from A to A+ with a stable outlook. At the same time it reaffirmed a short-term rating of F1 with a stable outlook.

Swedbank's aim is to maintain a credit rating on par with that of the banks with the highest credit ratings in the Nordic region.

For further information on Swedbank's funding and liquidity, see the fact book.

Capital and capital adequacy

The core Tier 1 capital ratio according to Basel 2 continued to strengthen during the third quarter 2012 to 17.3 per cent on 30 September 2012 (15.7 per cent on 31 December 2011).

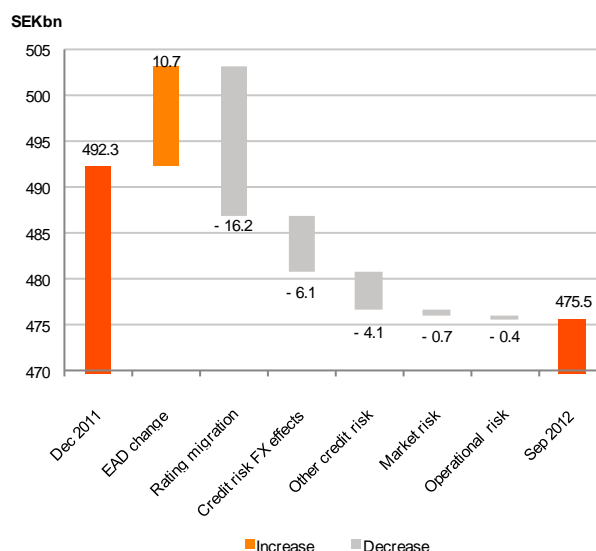
Core Tier 1 capital increased by SEK 4.8bn from the beginning of the year to SEK 82.1bn. The increase was mainly due to profit for the year (after the anticipated dividend). Tier 2 capital decreased by about SEK 6.5bn, mainly due to the redemption of subordinated loans.

Risk-weighted assets decreased by SEK 16.8bn or about 3.4 per cent from the beginning of the year to SEK 475.5bn. The risk weighted amount for credit risks decreased by SEK 15.7bn despite an offsetting effect of SEK 10.7bn from increased exposures, mainly corporate exposures in Sweden. The decrease is primarily attributable to positive rating migrations for corporate exposures in the Retail and LC&I business areas. A model update for exposures to small and medium-sized enterprises (SME) was approved by the Swedish Financial Supervisory Authority during the second quarter, which led to a reduction in the risk-weighted amount of SEK 8.1bn as of 30 September.

Changes in exchange rates, mainly attributable to the Baltic banking credit portfolio, have reduced the risk-weighted amount for credit risks by SEK 6.1bn due to the appreciation of the Swedish krona against the euro.

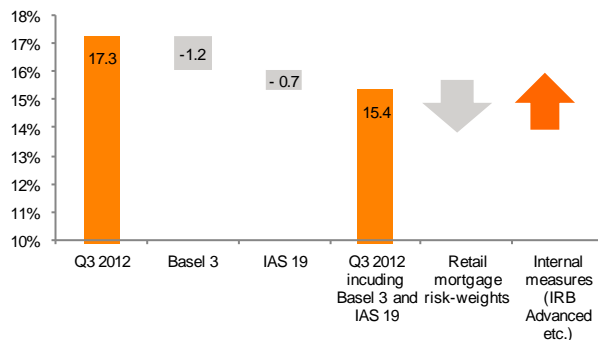
The risk weighted amounts for market risks and operational risks were practically unchanged as of 30 September compared with the beginning of the year.

Change in risk-weighted assets 2012, Swedbank financial companies group



Risk-weighted assets by business area SEKbn	30 Sep 2012	31 Dec 2011	30 Sep 2011
Retail	218	219	222
Large Corporates & Institutions	128	129	131
Baltic Banking	93	102	104
Estonia	37	41	42
Latvia	31	33	35
Lithuania	25	28	27
Asset Management	3	3	3
Group Functions & Other	34	39	37
Group Business Support	2	1	1
Treasury	15	15	14
Russia	5	6	6
Ukraine	6	9	9
Ektornet	6	7	6
Other		1	1
Total risk-weighted assets	476	492	497

Estimated impact of new regulations on the core Tier 1 capital ratio



The core Tier 1 capital ratio according to Basel 3 was 16.1 per cent (14.7) according to Swedbank's estimate based on prevailing knowledge of future regulations. Swedbank estimates that the Basel 3 regulations will negatively affect its core Tier 1 capital ratio by 1.2 percentage points when introduced in 2013. EU negotiations on the future regulations have been postponed, however, due to which implementation could be delayed.

The details of how the new accounting standard for pensions (IAS 19), which is expected to be implemented in 2013, will affect the capital base for banks according to future capital adequacy regulations are not completed. If Swedbank's entire net pension liability is deducted from core Tier 1 capital, the negative effect on the core Tier 1 capital ratio is estimated at 0.7 percentage points (0.4) as of 30 September. Declining discount rates during the third quarter explain the increase in the estimated negative effect.

Swedish supervisory authorities are conducting a review of risk weights for mortgage lending. The outcome of the review is uncertain, but an increase in Swedbank's average risk weight for Swedish mortgages to 15 per cent would increase Swedbank's risk-weighted amount by about SEK 72bn. Swedbank believes that its work to increase capital efficiency would partly offset the negative effect of the higher risk weights on mortgage lending. Swedbank is working to introduce an advanced internal risk classification model (IRBA) to measure credit risks for corporate exposures. An application to

use IRBA is expected to be submitted to the Swedish Financial Supervisory Authority in late 2012. Approval is expected in the second half of 2013 at the earliest.

The Internal Capital Adequacy Assessment Process (ICAAP) for 2012 shows that Swedbank has limited risks and is well capitalised for both future regulatory changes and the effects of a potentially very negative scenario, which includes a major recession in Sweden and the Baltic countries that adversely affects the bank. For more information on Swedbank's ICAAP for 2012, see page 54 of the fact book.

Market risk

Swedbank measures market risks – those of a structural nature and those that arise in trading operations – with a Value-at-Risk (VaR) model. For each portfolio, VaR expresses a loss level that statistically will be exceeded by a specific probability during a set time horizon. Swedbank uses a 99 per cent probability and a time horizon of one day. This means that the potential loss for the portfolio, based on historical data, will exceed VaR on one day of 100.

The table below shows Swedbank's VaR*) performance during the year.

VaR by risk category SEKm	Jan-Sep 2012 (2011)			30 Sep 2012	31 Dec 2011
	Max	Min	Average		
Interest risk	141 (186)	76(56)	106 (116)	95	91
Currency rate risk	14 (29)	3 (2)	6 (7)	4	7
Stock price risk	14 (11)	4 (2)	7 (6)	6	5
Diversification			-20 (-16)	-17	-19
Total	131 (175)	69 (60)	99 (113)	88	84

*) VaR here excludes market risks within Swedbank Ukraine as well as strategic currency rate risks. For Swedbank Ukraine, VaR is misleading because of the illiquid and undeveloped financial markets in Ukraine. Regarding strategic currency rate risks, a VaR measurement based on a time horizon of one day is not relevant.

For individual risk types, VaR is supplemented with risk measurements and limits based on sensitivity to changes in various market prices. Risk-taking is also monitored with stress tests.

An increase in all market interest rates of one percentage point as of 30 September 2012 would have reduced the value of the Group's assets and liabilities, including derivatives, by SEK 5m, compared with a decrease of SEK 987m as of 31 December 2011. This calculation includes the portion of the bank's deposits assigned a duration of between two and three years. The decrease in the value of positions in Swedish kronor would have been SEK 297m (-656), while positions in foreign currency would have increased in value by SEK 302m (-332).

With an interest rate increase of one percentage point, the Group's net gains and losses on financial items at fair value would have decreased by SEK 180m as of 30 September 2012, compared with a decrease of SEK 434m as of 31 December 2011.

Operational risks

The operational risk level remains elevated. Work to modernise, consolidate and improve efficiency in the bank's IT infrastructure is continuing. To manage incidents related to operational instability, Swedbank has taken extensive measures to safeguard IT operations and accessibility through the Internet Bank and ATMs.

Other events

The 2013 Annual General Meeting of Swedbank AB will be held at Dansens Hus (Folkets Hus) in Stockholm on Wednesday, 20 March 2013.

The following persons are members of the Nomination Committee:

Lennart Anderberg, appointed by the owner-group
Föreningen Sparbanksintressenter, Chair of the
Nomination Committee

Ramsay Brufer, appointed by Alecta Pensionsförsäkring
Tommy Hjalmarsson, appointed by the owner-group
Sparbanksstiftelserna

Lars Idermark, Chair of the Board of Directors of
Swedbank AB

Tomas Norderheim, appointed by the owner-group
Folksam

The Nomination Committee's tasks include making proposals to the 2013 AGM regarding the election of Chair of the AGM, the Chair of the Board and other board members. It will also make proposals regarding remuneration to the board members as well as to the auditor and submit a proposal for principles for the selection of a Nomination Committee for 2014.

Shareholders who wish to submit a proposal to the Nomination Committee must do so in writing no later than 28 December 2012 to the following address:

Nomination Committee
c/o Swedbank AB
Secretary of the Nomination Committee H12
SE-105 34 Stockholm, Sweden

Events after 30 September 2012

No significant events have occurred since 30 September 2012.

Retail

- Stable net interest income
- Continued cost controls
- Development of digital customer contacts

Income statement

SEKm	Q3 2012	Q2 2012	%	Q3 2011	%	Jan-Sep 2012	Jan-Sep 2011	%
Net interest income	3 447	3 404	1	3 143	10	10 258	9 073	13
Net commissions	1 269	1 248	2	1 316	-4	3 778	3 924	-4
Net gains and losses on financial items at fair value	51	55	-7	58	-12	156	157	-1
Share of profit or loss of associates	222	209	6	216	3	633	610	4
Other income	220	222	-1	152	45	645	523	23
Total income	5 209	5 138	1	4 885	7	15 470	14 287	8
Staff costs	848	871	-3	893	-5	2 611	2 737	-5
Variable staff costs	43	34	26	26	65	119	81	47
Other expenses	1 444	1 416	2	1 328	9	4 245	4 229	0
Depreciation/amortisation	22	24	-8	24	-8	69	69	0
Total expenses	2 357	2 345	1	2 271	4	7 044	7 116	-1
Profit before impairments	2 852	2 793	2	2 614	9	8 426	7 171	18
Credit impairments	69	100	-31	108	-36	193	119	62
Operating profit	2 783	2 693	3	2 506	11	8 233	7 052	17
Tax expense	733	696	5	644	14	2 137	1 735	23
Profit for the period	2 050	1 997	3	1 862	10	6 096	5 317	15
Profit for the period attributable to the shareholders of Swedbank AB	2 047	1 994	3	1 857	10	6 086	5 305	15
Non-controlling interests	3	3	0	5	-40	10	12	-17
Return on allocated equity, %	24.4	24.6		28.7		25.2	29.3	
Loan/deposit ratio, %	246	247		251		246	251	
Credit impairment ratio, %	0.03	0.04		0.05		0.03	0.02	
Total provision ratio for impaired loans, %	77	79		88		77	88	
Share of impaired loans, gross, %	0.20	0.19		0.19		0.20	0.19	
Cost/income ratio	0.45	0.46		0.46		0.46	0.50	
Full-time employees	4 775	4 829	-1	5 004	-5	4 775	5 004	-5

A new principle was implemented during the third quarter for allocating internal expenses from Group Treasury. When the new principle was introduced, the accumulated expense for 2012 was charged to the business areas. During the quarter expenses increased by SEK 85m for Retail, with a corresponding decrease in Group Functions.

Development January-September

The Swedish economy grew by 1.3 per cent during the first half year compared with the same period in 2011. However, during the summer and autumn there have been several signs that the slowdown in the economy will become more evident going forward, which could lead to a rise in unemployment. In August unemployment was 7.8 per cent.

Profit for the first nine months of the year amounted to SEK 6 086m, an increase of 15 per cent year-on-year. The increase was mainly the result of stronger net interest income.

Net interest income rose by 13 per cent compared with the same period in 2011, mainly as the result of repricing mortgages and corporate credits. Lower interest rates and increased competition affected deposit margins negatively, primarily on household transaction accounts and savings accounts. During the third quarter net interest income was stable compared with the second quarter. Falling interest rates affected net interest income on deposits negatively, while continued repricing of the corporate portfolio due to higher capital adequacy requirements affected net

interest income positively. The margins on new mortgages were stable during the quarter.

Private deposits rose by 3 per cent from the beginning of the year and by 1 per cent during the third quarter. Volumes increased for the highly competitive savings accounts as well as transaction accounts. Swedbank's share of household deposits was 22 per cent (23 per cent as of 31 December 2011).

The deposit volume from corporate customers has fallen by 2 per cent since the beginning of the year. During the third quarter volumes were stable and Swedbank strengthened its position in a market with falling volumes. Its market share was 17 per cent (16).

Market growth for private mortgage lending was 5 per cent year-on-year, against 6 per cent for the same period last year. Swedbank's share of private mortgage growth was 16 per cent during January- August, while its share of the total market was 26 per cent (26 per cent as of 31 December 2011). Swedbank's mortgage volume in the private market, including housing cooperatives, has increased by 3 per cent since the beginning of the year.

The lending volume from corporate customers is unchanged since the beginning of the year. The bank's market share was 17 per cent (17 per cent as of 31 December 2011).

Risk-weighted assets amounted to SEK 218bn, down 1 per cent since the beginning of the year. Operational risk increased by 11 per cent as a result of a change in the distribution model, while the risk-weighted amount for credit risk decreased by 1 per cent. The new risk model for medium-sized companies introduced during the second quarter has reduced the risk-weighted amount for credit risk by approximately SEK 7.1bn.

Net commission income decreased by 4 per cent year-on-year. Lower income from securities trading and a lower opening balance of assets under management due to the weak stockmarket in 2011 affected net commission income negatively. The relationship with our customers continues to strengthen through distinctive service offerings linked to regular personal advice. This has resulted in increased income from product and concept sales. In total, 19 per cent of the bank's private customers now take advantage of a service concept, as do 26 per cent of customers in the small business, non-profit, forestry and agriculture segments.

To better capture customer opinions and suggestions, a new tool is continuing to be implemented which provides direct feedback when customers contact the bank. All units plan to work with the tool by year-end. The results to date indicate a high response rate and strong customer loyalty.

Developing digital channels that make it fast and easy for customers to do their banking is an important part of the bank's strategy. A new mobile banking app was launched in June and a banking app for the iPad has been launched in October. The total number of mobile

banking users at Swedbank and the savings banks now exceeds one million, an increase of nearly 60 per cent during the year. Increased use of cards as a means of payment and of digital channels is reducing the need for cash, allowing Swedbank to reduce the number of branches that manually handle cash. This frees up time for advice, in line with the bank's strategic focus on qualified advice and service. To strengthen advisory services, an additional 100 advisors will be hired. To date 217 branches, or nearly three quarters of the total number, have stopped handling cash.

Expenses fell by 1 per cent year-on-year. Through continued efficiency improvements and generation and competence change, the number of employees decreased by 171 during the year. In addition, expenses have been reduced for consultants and outside services. As part of the ongoing review of the retail network, 6 branches were merged with larger units during the period. The cost/income ratio was 0.46 (0.50).

Insurance-related income for the period amounted to SEK 1 067m (983), of which SEK 736m (757) consisted of net commission income. The increase was primarily due to an improved risk result, where the number of claims has declined. The main reason for the improvement is lower morbidity. Assets under management amounted to SEK 102.7bn, an increase of SEK 8.2bn since the beginning of the year. Of the assets under management, SEK 90.9bn relates to unit linked and variable universal life insurance.

Credit quality remained good. The migration to a new risk model for medium-sized enterprises affected credit reserves positively at the same time that a limited number of commitments affected credit impairments negatively. The share of impaired loans was 0.20 per cent (0.19).

Retail, Swedbank's dominant business area, is responsible for all Swedish customers except for large corporates and financial institutions. Banking services are sold through Swedbank's own branch network, the Telephone Bank, the Internet Bank and the savings banks' distribution network. The business area also includes a number of subsidiaries as well as the retail operations in branch offices in Denmark, Norway, Finland and Luxembourg.

Large Corporates & Institutions

- Stable business activity and income trend within Large Corporates
- Continued positive development and increased market share for bond issues

Income statement

SEKm	Q3 2012	Q2 2012	%	Q3 2011	%	Jan-Sep 2012	Jan-Sep 2011	%
Net interest income	852	825	3	756	13	2 564	2 463	4
Net commissions	379	346	10	317	20	1 159	1 071	8
Net gains and losses on financial items at fair value	341	316	8	95		1 305	481	
Share of profit or loss of associates				-1		6		
Other income	9	12	-25	17	-47	26	753	-97
Total income	1 581	1 499	5	1 184	34	5 060	4 768	6
Staff costs	255	281	-9	326	-22	830	939	-12
Variable staff costs	66	118	-44	6		290	139	
Other expenses	372	311	20	323	15	986	1 032	-4
Depreciation/amortisation	11	10	10	10	10	31	29	7
Total expenses	704	720	-2	665	6	2 137	2 139	0
Profit before impairments	877	779	13	519	69	2 923	2 629	11
Impairment of intangible assets		4				4		
Credit impairments	-35	54		-68	-49	33	-193	
Operating profit	912	721	26	587	55	2 886	2 822	2
Tax expense	210	245	-14	119	76	885	876	1
Profit for the period	702	476	47	468	50	2 001	1 946	3
Profit for the period attributable to the shareholders of Swedbank AB	702	476	47	468	50	2 001	1 946	3
Return on allocated equity, %	14.2	9.8		11.8		14.3	16.4	
Loan/deposit ratio, %	183	213		216		183	216	
Credit impairment ratio, %	-0.06	0.09		-0.10		0.02	-0.08	
Total provision ratio for impaired loans, %	148	155		100		148	100	
Share of impaired loans, gross, %	0.11	0.12		0.18		0.11	0.18	
Cost/income ratio	0.45	0.48		0.56		0.42	0.45	
Full-time employees	1 021	1 017	0	1 059	-4	1 021	1 059	-4

A new principle was implemented during the third quarter for allocating internal expenses from Group Treasury. When the new principle was introduced, the accumulated expense for 2012 was charged to the business areas. During the quarter expenses increased by SEK 63m for LC&I, with a corresponding decrease in Group Functions.

Development January-September

The third quarter began with further interest rate concerns in the eurozone. A turnaround came when central banks in Europe and the US announced new monetary measures, which led to an increased risk appetite. Despite gains by leading European and US stock exchanges, a generally weak macro outlook remains for the global economy. Short-term Swedish interest rates fell at the end of the quarter after the Riksbank's decision to cut the repo rate.

Profit for the first nine months of the year amounted to SEK 2 001m (1 946), an increase of 3 per cent year-on-year. The first quarter 2011 included one-off revenue of SEK 716m (SEK 316m after tax) from the settlement with the Lehman Brothers bankruptcy estate. Excluding the impact of the Lehman settlement, profit increased by 23 per cent, mainly due to the positive income trend within Large Corporates.

Net interest income increased by 4 per cent compared with the same period in 2011. Net interest income for Large Corporates amounted to SEK 2 007m, an increase of 44 per cent year-on-year. The deposit margin widened through the continued repricing of loans, partly as a result of stricter requirements from the authorities on capital adequacy and liquidity.

Total income within fixed income and currency trading increased year-on-year, mainly as a result of gains in fixed income trading. Net interest income decreased, while net gains and losses on financial items at fair value increased.

Net interest income for the third quarter was slightly higher than in the previous quarter. Business activity and income growth in Large Corporates remained good in the third quarter. Lending volumes and margins both rose slightly.

Lending increased by SEK 8bn from the beginning of the year to SEK 142bn, while deposits rose by SEK 15bn to SEK 77bn.

Risk-weighted assets decreased by approximately SEK 1bn since the beginning of the year to SEK 128bn on 30 September. The change was mainly due to a lower risk-weighted amount for operational risk as a result of a modified distribution model.

Net commission income rose by 8 per cent year-on-year, mainly due to income growth within Corporate Finance. Compared with the previous quarter, net commission income rose by 10 per cent as a result of income growth in payment commissions. Activity and business flows within Corporate Finance operations

were lower during the third quarter due to seasonal fluctuations.

Net gains and losses on financial items at fair value increased by 171 per cent compared with the same period of 2011, mainly due to higher income from fixed income and currency trading. Compared with the previous quarter, net gains and losses on financial items at fair value rose by 8 per cent. Earnings in fixed income and currency trading increased despite generally lower seasonal activity in the capital markets during the third quarter. A positive trend in customer-generated transactions, but also in proprietary risk management, contributed to the solid earnings.

Swedbank retained its strong position in the area of bond issues. During the quarter Swedbank received a

mandate to arrange a number of significant capital market issues in SEK. The market share for SEK issues was 24 per cent for the period, which made it the market leader.

Expenses were in line with the same period in 2011. Excluding variable staff costs, expenses decreased by 8 per cent. The cost review launched during the second half of 2011 has helped to establish a lower cost level, primarily in terms of staff and IT costs. Most of the adjustments were made in the investment banking unit.

Credit quality remained good. A small net recovery was posted during the quarter and impaired loans remained low.

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 by the parent bank in Sweden, branches in Norway, Denmark, Finland, the US and China, and through the trading and capital market operations in subsidiary banks in Estonia, Latvia and Lithuania.

Baltic Banking

- Lower Euribor rates keep net interest income under pressure
- Increased lending volumes during the third quarter

Income statement

SEKm	Q3 2012	Q2 2012	%	Q3 2011	%	Jan-Sep 2012	Jan-Sep 2011	%
Net interest income	755	870	-13	995	-24	2 537	3 009	-16
Net commissions	360	378	-5	392	-8	1 109	1 074	3
Net gains and losses on financial items at fair value	72	74	-3	80	-10	209	196	7
Other income	86	108	-20	122	-30	300	347	-14
Total income	1 273	1 430	-11	1 589	-20	4 155	4 626	-10
Staff costs	168	184	-9	185	-9	540	581	-7
Variable staff costs	12	14	-14	11	9	46	29	59
Other expenses	343	359	-4	392	-13	1 081	1 214	-11
Depreciation/amortisation	30	31	-3	36	-17	94	100	-6
Total expenses	553	588	-6	624	-11	1 761	1 924	-8
Profit before impairments	720	842	-14	965	-25	2 394	2 702	-11
Impairment of tangible assets	5	4	25	-12	7	13	-46	
Credit impairments	-18	-204	-91	-361	-95	-356	-885	-60
Operating profit	733	1 042	-30	1 338	-45	2 743	3 574	-23
Tax expense	58	96	-40	127	-54	231	378	-39
Profit for the period	675	946	-29	1 211	-44	2 512	3 196	-21
Profit for the period attributable to the shareholders of Swedbank AB	675	946	-29	1 211	-44	2 512	3 196	-21
Return on allocated equity, %	11.0	14.8		19.7		13.7	15.3	
Loan/deposit ratio, %	113	115		126		113	126	
Credit impairment ratio, %	-0.07	-0.69		-1.15		-0.40	-0.90	
Total provision ratio for impaired loans, %	56	56		54		56	54	
Share of impaired loans, gross, %	9.62	10.43		14.32		9.62	14.32	
Cost/income ratio	0.43	0.41		0.39		0.42	0.42	
Full-time employees	4 130	4 103	1	4 443	-7	4 130	4 443	-7

A new principle was implemented during the third quarter for allocating internal expenses from Group Treasury. When the new principle was introduced, the accumulated expense for 2012 was charged to the business areas. During the quarter expenses increased by SEK 19m for Baltic Banking, with a corresponding decrease in Group Functions.

Development January-September

In the second quarter 2012 GDP grew by 2.2 per cent in Estonia, 5.0 per cent in Latvia and 2.2 per cent in Lithuania compared with the previous year. Export growth has slowed due to lower demand, and economic growth is increasingly being driven by domestic demand supported by job creation and wage growth. Investment activity remained high during the period, partly because the export sector is strengthening its competitiveness and partly because of infrastructure investments through the EU's structural funds.

Profit amounted to SEK 2 512m for the first nine months, against SEK 3 196m in the same period in 2011. The decrease was mainly due to lower net interest income and lower net recoveries.

Net interest income fell by 13 per cent in local currency compared with the first nine months of 2011. Lower market rates had a negative impact on net interest income, while increased deposit volumes had a positive impact. The pressure on net interest income continued during the third quarter as a result of the lower market rates. Fluctuations in exchange rates reduced net interest income by SEK 43m during the quarter.

Lending volumes have decreased by 1 per cent in local currency since the beginning of the year. After being flat in the second quarter, volumes increased slightly during the third quarter. Corporate lending increased in

Estonia, while the lending increase in Latvia was largely due to the acquisition of Hipoteku Bank's leasing portfolio.

In the second quarter Swedbank in Latvia acquired parts of the state-owned Hipoteku Bank's lending, deposit and leasing portfolios. The volumes in the acquired lending portfolio amounted to about SEK 1.8bn, while the deposit portfolio amounted to about SEK 3.3bn. The leasing portfolio, which amounted to SEK 0.6bn, was consolidated during the third quarter, and the other portfolios will be consolidated in the fourth quarter.

Swedbank's market share in lending was 27 per cent as of 31 August (27 per cent as of 31 December 2011).

Deposits have increased by 7 per cent in local currency since the beginning of the year, with deposits from private customers growing by 5 per cent and corporate deposits by 10 per cent. While corporate deposit growth is primarily driven by the export sector, which is accumulating assets, private deposits are supported by job creation and wage growth. Swedbank's market share for deposits was 30 per cent as of 31 August (29 per cent as of 31 December 2011).

The loan-to-deposit ratio was 113 per cent (122 per cent as of 31 December 2011).

Net commission income increased by 6 per cent in local currency compared with the same period last year. The increase was mainly due to higher commission income from payment services. The number of active customers and the number of transactions keeps rising, reflecting a high level of customer activity owing to improved macroeconomic conditions in the Baltic countries.

Expenses decreased by 6 per cent in local currency from the previous year, mainly due to lower fixed staff, IT, consulting and marketing expenses. The number of full-time employees has been reduced by 313, a decrease of 7 per cent over the last 12 months.

The cost/income ratio was flat at 0.42.

Net recoveries amounted to SEK 356m, compared with SEK 885m for the first nine months of 2011. Recoveries were generated in the corporate portfolios in all three countries, while the mortgage portfolios generated additional impairments in Latvia and Lithuania. Impaired loans, gross, continued to decline during the third quarter and amounted to SEK 11bn (SEK 16bn on 31 December 2011). The improvement in credit quality was mainly due to ratings upgrades and increased

collateral values. In addition, write-offs have contributed to lower impaired loans. Credit quality is also improving due to the gradual increase in new lending, which carries a lower risk.

Risk-weighted assets have decreased by SEK 9bn since the beginning of the year to SEK 93bn. Risk-weighted assets have stabilised or decreased in most lending portfolios, mainly due to improved ratings.

Profit for the Baltic insurance units amounted to SEK 243m for the first nine months of 2012, an increase of 25 per cent year-on-year. The increase was mainly due to slightly higher management revenue and because the new non-life operations in Lithuania have begun to generate profits. Assets under management amounted to SEK 3.2bn (3.3).

Swedbank has received several awards for its digital channels in recently published surveys. Global Finance magazine ranked Swedbank's Internet Bank as the best in Estonia and Latvia. Swedbank's Mobile Bank in Estonia was named the best in Central and Eastern Europe.

Baltic Banking has business operations in Estonia, Latvia and Lithuania. The bank's services are sold through Swedbank's own branch network, the Telephone Bank and the Internet Bank.

Asset Management

- Concerns in the financial market affected fund flows
- Investors prioritized to fixed income and mixed funds
- Fund consolidations and new fund launches according to plan

Income statement

SEKm	Q3 2012	Q2 2012	%	Q3 2011	%	Jan-Sep 2012	Jan-Sep 2011	%
Net interest income	2	4	-50	-4		10		
Net commissions	370	379	-2	374	-1	1 123	1 180	-5
Net gains and losses on financial items at fair value	3	-1		-3		7	-8	
Other income	1	1	0	3	-67	2	3	-33
Total income	376	383	-2	370	2	1 142	1 175	-3
Staff costs	84	85	-1	90	-7	262	274	-4
Variable staff costs	13	4		6		28	33	-15
Other expenses	73	68	7	77	-5	225	246	-9
Depreciation/amortisation	13	12	8	13	0	37	37	0
Total expenses	183	169	8	186	-2	552	590	-6
Profit before impairments	193	214	-10	184	5	590	585	1
Operating profit	193	214	-10	184	5	590	585	1
Tax expense	49	55	-11	47	4	150	149	1
Profit for the period	144	159	-9	137	5	440	436	1
Profit for the period attributable to the shareholders of Swedbank AB	144	159	-9	137	5	440	436	1
Return on allocated equity, %	33.2	36.3		32.3		33.6	30.3	
Cost/income ratio	0.49	0.44		0.50		0.48	0.50	
Full-time employees	271	270	0	276	-2	271	276	-2
Fund assets under management, SEKbn	474	463	2	421	13	474	421	13
Discretionary assets under management, SEKbn	283	275	3	256	11	283	256	11
Total assets under management, SEKbn	757	738	3	677	12	757	677	12

Development January-September

Financial concerns overshadowed Europe during the first nine months of the year. These concerns were eased slightly after various central banks' stimulus packages, and the third quarter saw slightly lower volatility in the financial markets.

During the period the total net inflow to Swedish funds was SEK 11.7bn. The largest inflow was to equity funds and the largest outflow was from money market funds. The total gross inflow to Swedbank Robur in Sweden was SEK 56.7bn, while the net flow was SEK -1.2bn. The net flow has been negative primarily for equity funds, while mixed funds had a positive net flow.

Swedbank Robur's assets under management at the end of the period amounted to SEK 474bn, compared with SEK 446bn at the beginning of the year. Swedbank's market share measured as assets under management was 23.1 per cent (23.6) and its share of net fund contributions was negative.

The consolidation of similar near-similar funds is continuing according to plan. During the period a total of

16 funds were merged. Two high-dividend funds were launched during the third quarter.

Profit for the period amounted to SEK 440m, which is 1 per cent higher than the same period in 2011.

Net commission income decreased by 5 per cent compared with the same period in the previous year. The decrease is largely due to lower average assets under management caused by the stockmarket's decline during the second half of 2011 and a redistribution from equity to fixed income funds. Income from institutional asset management excluding Swedbank Robur's funds amounted to SEK 100m (87). During the second quarter a performance fee of SEK 11m was received for institutional management services.

Expenses were reduced by 6 per cent year-on-year due to efficiency improvements, which have led to a lower number of employees and lower consulting costs. VAT recoveries during the second quarter reduced expenses by SEK 11m.

Asset Management comprises the Swedbank Robur Group and its operations in fund management, institutional and discretionary asset management. Asset Management is represented in Swedbank's four home markets.

Group Functions & Other

Income statement

SEKm	Q3 2012	Q2 2012	%	Q3 2011	%	Jan-Sep 2012	Jan-Sep 2011	%
Net interest income	208	150	39	-57		357	-493	
Net commissions	-14	-24	42	23		-84	16	
Net gains and losses on financial items at fair value	101	11		29		105	199	-47
Share of profit or loss of associates	2			2	0	2	2	0
Other income	506	557	-9	433	17	1 570	1 299	21
Total income	803	694	16	430	87	1 950	1 023	91
Staff costs	714	756	-6	843	-15	2 235	2 388	-6
Variable staff costs	50	19		24		98	66	48
Other expenses	-503	-247		-219		-948	-780	-22
Depreciation/amortisation	131	148	-11	205	-36	431	499	-14
Total expenses	392	676	-42	853	-54	1 816	2 173	-16
Profit before impairments	411	18		-423		134	-1 150	
Impairment of intangible assets	-1					-1		
Impairment of tangible assets	97	121	-20	-1		260	-9	
Credit impairments	188	350	-46	-120		806	-778	
Operating profit	127	-453		-302		-931	-363	
Tax expense	170	-40		-103		-4	-259	-98
Profit for the period from continuing operations	-43	-413	90	-199	78	-927	-104	
Profit for the period from discontinued operations, after tax	-17					-17		
Profit for the period	-60	-413	85	-199	70	-944	-104	
Profit for the period attributable to the shareholders of Swedbank AB	-57	-413	86	-198	71	-941	-104	
Non-controlling interests	-3			-1		-3		
Full-time employees	5 098	5 469	-7	6 031	-15	5 098	6 031	-15

A new principle was implemented during the third quarter for allocating internal expenses from Group Treasury. When the new principle was introduced, the accumulated expense for 2012 was charged to the business areas. During the period expenses increased by a total of SEK 166m for the business areas, with a corresponding decrease in Group Functions.

Development January-September

Group Functions & Other comprises the bank's group functions (including Group Business Support), the banking operations in Russia and Ukraine, and Ektornet.

Income for Group Functions & Other consists of net interest income, which mainly comes from Group Treasury, the banking operations in Russia and Ukraine, and net gains and losses on financial items at fair value from Group Treasury. Other income mainly consists of revenue from the savings banks as well as sales revenue from Ektornet. Income amounted to SEK 1 950m (1 023).

Expenses for Group Functions & Other decreased by 16 per cent compared with the previous year to SEK 1 816m (2 173). Excluding the net of services purchased and sold internally, expenses fell by 10 per cent to SEK 5 015m (5 545). The decrease was mainly due to lower staff costs, mainly owing to the lower number of employees in Ukraine. Staff costs were reduced by SEK 153m. Lower consulting expenses (SEK -134m) and IT expenses (SEK -88m) also contributed to the lower expense level. The expenses are mainly attributable to Group Business Support.

Group Business Support

Group Business Support (GBS) was established in 2011 and currently consists of around 3 000 employees in Sweden, Estonia, Latvia and Lithuania. The largest units within GBS are Group IT, Group Shared Services, Group Bank Products and Group Insurance Products. GBS's strategy is to improve the bank's productivity by

reducing complexity, cutting lead times, capitalising on economies of scale and better utilising available competence.

In GBS's revenue and expense model, revenue from Swedbank's customers is posted by each business area and GBS receives compensation to cover its expenses. External revenue for GBS largely comes from the savings banks, primarily for IT services.

Expenses (excluding internally sold services) amounted to SEK 3 193m for the first three quarters of 2012 (3 406). The decrease was mainly due to lower costs for consultants and temporary staffing.

Group IT manages Swedbank's IT operations. In 2012 there will be a temporary reduction in IT development as well as more long-term cost cuts through efficiency improvements in the Group's IT systems. Investments will be made in the years ahead to further develop the digital channels. In addition, development investment is needed to meet changes in regulatory requirements and replace older systems. Expenses (excluding internally sold services) amounted to SEK 1 879m (1 985). The decrease was mainly due to lower consulting expenses. Group IT had 1 242 employees, of whom around 60 per cent were in Sweden and 40 per cent in the Baltic countries.

Group Shared Services (GSS) assists Swedbank's business units with office services, premises, physical security, HR administration, purchasing and training services. During the year GSS worked on preparations for the move of the bank's head office to Sundbyberg

and launched a concentration of the Group's loan administration operations, which over time are expected to reduce costs. GSS had 568 employees and total expenses (excluding internally sold services) of SEK 275m (263) during the period.

A large part of Swedbank's product areas relates to the units Group Bank Products and Group Insurance Products. In 2012 an analysis of the product range was conducted, based on which measures to simplify and reduce the number of products will be intensified during the fourth quarter.

Group Bank Products had 709 employees and total expenses (excluding internally sold services) of SEK 1 186m (1 294). The decrease is mainly due to lower expenses for consultants and temporary staffing.

The largest product areas, cards and insurance, are described in more detail on page 22.

Group Treasury

Group Treasury is responsible for the bank's funding, liquidity and capital planning, including internal control and pricing.

The Group's equity is allocated to each business area on the basis of capital adequacy rules and how much capital will be utilised in a stressed scenario according to the bank's Internal Capital Adequacy Assessment Process (ICAAP).

Group Treasury prices funding and liquidity in an internal pricing system, where the most important parameters for setting internal rates are maturity, interest fixing periods, currency and the need for liquidity reserves. Swedbank is conducting a project in 2012 to fine-tune the internal rate setting.

Group Treasury's result over time shall be nearly nil, with the exception of earnings that may arise in debt and liquidity management within the given risk mandate. The fee paid to the Swedish National Debt Office for the state guaranteed funding is charged against Group Treasury. Risk hedging by Group Treasury is generally achieved with financial derivatives. The volatility in results between quarters is largely due to accounting-based fluctuations in these hedges, though also to other types of accrual effects e.g. the allocation of liquidity costs to the business areas.

Net interest income amounted to SEK 212m in the first three quarters, compared with SEK -832m for the same period in 2011. Of the change of SEK 1 044m, SEK 612m is due to lower fees for the state guaranteed funding. The remaining part is due to a better result within liquidity management as well as the bank's funding costs are more accurately reflected in the internal rate charged to the business areas.

Net gains and losses on financial items at fair value amounted to SEK 112m during the first three quarters of 2012, compared with SEK 59m in the same period in 2011. Positive and negative valuation effects largely neutralised each other during the period.

Russia and Ukraine

The process of exiting the retail operations in Russia and Ukraine is progressing according to plan. During the third quarter Swedbank decided to close the last 10 branches in Ukraine.

The result in Russia amounted to SEK 40m (301) for the first nine months. Net interest income amounted to SEK 152m, a decrease of 35 per cent compared with the same period in 2011, mainly due to amortisations of the performing part of the loan portfolio and the sale of the private portfolio. Since the beginning of the year the Russian loan portfolio has decreased by 32 per cent in local currency.

Total expenses in Russia decreased by SEK 66m due to the continued focus on costs. The number of full-time positions in Russia has been reduced since the beginning of the year from 174 to 124.

Credit quality was stable. Net recoveries of SEK 13m were the result of recoveries from a few previously impaired loans. Impaired loans, gross, have decreased by 56 per cent since the beginning of the year.

The result in Ukraine amounted to SEK -826m (483) for the first nine months. Net interest income was SEK 137m, a decrease of 34 per cent compared with the same period in 2011, mainly due to amortisations in the performing part of the loan portfolio and the sale of SEK 1.5bn of the private portfolio. Since the beginning of the year the Ukrainian loan portfolio has decreased by 53 per cent in local currency.

Total expenses in Ukraine amounted to SEK 189m, a decrease of SEK 160m compared with the same period in 2011 due to a continued cost focus. The third quarter 2011 includes an expense of SEK 100m for the transformation of the Ukrainian operations. The number of full-time positions in Ukraine has been reduced since the beginning of the year from 1 037 to 456.

Credit impairments amounted to SEK 798m (-535). The increase was mainly related to sales of portions of the private portfolio as well as additional provisions in the remaining private portfolio. Impaired loans, gross, in Ukraine have decreased by 28 per cent since the beginning of the year.

Ektornet

Ektornet manages and develops Swedbank's repossessed assets to recover as much value as possible.

The value of repossessed assets decreased during the period to SEK 5 220m.

Assets taken over SEKm	30 Sep 2012	31 dec 2011
Sweden	383	305
Norway		102
Finland	304	709
Estonia	510	569
Latvia	1 719	1 721
Lithuania	569	448
USA	1 305	1 415
Ukraine	381	443
Total properties	5 171	5 712
Shares	49	107
Total	5 220	5 819

During the period properties were acquired for SEK 848m (the majority in Latvia), at the same time properties with a book value of SEK 898m were sold (the majority in Finland and Latvia). Property values were written down by SEK 259m.

The operations continued to have negative cash flow. The result for the third quarter amounted to SEK -335m (6).

Property acquisitions are expected only in exceptional cases going forward. At the same time sales work is

intensifying. This means that other revenue, including sales gains, will increase and that impairment losses on tangible assets (properties) may increase. All in all, the volume of repossessed assets is expected to decrease during the year. It is estimated at present that there are surplus values in the property portfolio.

Eliminations

Income statement

SEKm	Q3 2012	Q2 2012	Q3 2011	Jan-Sep 2012	Jan-Sep 2011
Net interest income	-1	-1	-1	-3	-5
Net commissions	17	19	16	47	41
Net gains and losses on financial items at fair value					
Other income	-207	-265	-162	-692	-526
Total income	-191	-247	-147	-648	-490
Staff costs	-1			-1	-1
Variable staff costs					
Other expenses	-190	-247	-146	-647	-489
Depreciation/amortisation					
Total expenses	-191	-247	-147	-648	-490

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

Group Functions & Other comprise, in addition to the Group Functions, Russia, Ukraine and Ektornet. The Group Functions operate across the business areas and serve as strategic and administrative support for them. The Group Functions are Group Business Support, Accounting & Finance (including Group Treasury), Risk (including Compliance), Corporate Affairs (communication, strategic marketing and community affairs), HR and Legal. The Group Executive Committee and Internal Audit are also included in Group Functions.

Product areas

Swedbank intends to gradually expand its product reporting. As part of this, the following information is presented on the card and insurance product areas from a product perspective, which means that the figures cannot be traced to specific lines in the financial statements.

Card business

Swedbank issues cards and acquires card payments from merchants in all its home markets as well as in Denmark and Norway. The credit card operations in Sweden, Denmark and Norway are conducted through EnterCard AB, a joint venture with Barclays Bank, while the Baltic countries' credit card operations are managed within the bank.

Measured in number of transactions, Swedbank is the fifth largest card payment acquirer and tenth largest card issuer in Europe. In its four home markets as a whole, Swedbank has a market share for payment acquiring and issuing of more than 50 per cent.

The number of transactions made by card payments versus cash is increasing in all of Swedbank's home markets. Card volumes are also increasing as a function of underlying growth in the economy. A large share of Swedbank's transaction revenue is based on the number of transactions, not solely on the transactions' value, which makes issuing and acquiring revenue less volatile during periods of slower economic growth.

In Sweden nearly 80 per cent of retail purchases are made by card, giving Sweden one of the highest levels of card usage in the EU, with volume growth of about 10 per cent per year. In Estonia the percentage of card transactions is also high (55 per cent), with an annual growth rate of about 8 per cent. In Latvia and Lithuania card use is lower (25 and 15 per cent), but the growth rate is expected to be higher than in Sweden and Estonia. One of the most important growth areas for Swedbank is rapidly growing e-commerce.

Card operations are managed within GBS, but the results are booked to a number of different business areas and legal entities. Swedbank's total card revenue amounted to SEK 3 028m (2 906) during the period. The seasonal fluctuation in revenue usually follows consumption patterns among consumers, with the lowest revenue in the first quarter. Revenue then gradually increases each quarter.

The positive revenue trend between the years is mainly due to an increase in the number of transactions (both card acquiring and card issuing) as well as increased credit volumes in EnterCard. Baltic countries' card issuance revenue fell by 6 per cent in local currency. Revenue has declined due to new interbank agreements on so-called interchange fees paid by payment acquirers to issuers due to regulatory requirements, although this has had a positive effect on the Baltic acquiring business through lower expenses. The card acquiring business is also growing in Denmark and Norway, where Swedbank is gaining market share.

Card related income SEKm	Jan-Sep 2012	Jan-Sep 2011	%
Card acquiring	585	554	6
of which Nordic countries	498	492	1
of which Baltic countries	87	62	40
Card issuing	1 277	1 278	0
of which Sweden	915	882	4
of which Baltic countries	362	396	-9
Net interest income, credit cards	211	202	4
of which Sweden	47	45	4
of which Baltic countries	164	157	4
EnterCard*	955	872	10
Total Card related income	3 028	2 906	4

* Swedbank's share of EnterCard's total income. EnterCard is consolidated into Swedbank Group by the equity method.

Card acquiring business

The value of processed payments increased by 6 per cent to SEK 295bn compared with the previous year and the number of transactions processed grew by 9 per cent to 1.2 billion, compared with 6 and 8 per cent for the market as a whole. The reason why revenue is not growing at the same rate as the volume of acquired payments or the number of transactions is price pressure at the retail level.

Growth is higher in the Baltic countries than in the Nordic region, but the Nordic countries still account for about 90 per cent of card processing volume.

Card issuing business

The number of cards issued by Swedbank increased by 2 per cent to 7.8 million compared with the previous year, while the market grew by 2 per cent to around 22 million cards. The number of card purchases increased during the period by 10 per cent to 793 million.

Key ratios, cards	Jan-Sep 2012	Jan-Sep 2011	%
Card acquiring transactions, millions	1 179	1 084	9
Card acquiring volume, SEKbn	295	280	6
Issued cards, millions	7.8	7.6	2
Card purchases (POS), millions	793	724	10
POS/total card turnover, %	63	61	

Insurance business

Swedbank has life insurance operations in Sweden and the Baltic countries as well as the non-life operations in the Baltic countries. In addition, Swedbank offers non-life insurance in Sweden through a third-party solution with the insurance company Tre Kronor.

Swedbank Försäkring AB, the Group's Swedish life insurance company, is the fifth largest company in the Swedish life insurance market, with a market share of about 8 per cent in terms of premium income. In Estonia, Latvia and Lithuania the corresponding market shares are 36, 15 and 23 per cent, which makes Swedbank the largest life insurer in the Estonian and Lithuanian markets. Insurance products are sold

through the distribution channels of Swedbank and the savings banks.

Premium payments SEKm	Jan-Sep 2012	Jan-Sep 2011	%
Sweden	9 933	13 845	-28
of which collective occupational pension	3 250	3 456	-6
of which endowment insurance	4 470	8 143	-45
of which occupational pension	1 297	1 222	6
of which risk insurance	475	449	6
of which other	442	575	-23
Baltic countries	688	762	-10
of which life insurance	427	500	-15
of which property insurance	261	262	0

The insurance operations are managed within Group Business Support, but the result is recognised within Retail and Baltic Banking.

Sweden

In Sweden endowment insurance has historically been the largest life insurance product. The introduction of investment savings accounts at the turn of the year has placed pressure on endowment insurance, especially in terms of new policy sales.

The largest potential in Sweden today is thought to be in risk products such as life and health insurance as well as occupational pensions, where Swedbank's customer base and distribution channels provide a solid foundation for growth. Premium payments from occupational pensions amounted to SEK 4.5bn (4.7), of which occupational pensions excluding collective occupational pension increased by 6 per cent from the previous year to SEK 1.3bn.

Total insurance assets under management in Sweden amounted to SEK 103bn, of which SEK 91bn was in unit linked insurance and deposit insurance and SEK 12bn was in traditional insurance.

Assets under management, Swedbank Insurance SEKbn	Jan-Sep 2012	Jan-Sep 2011	%
Assets under management	103	91	13
of which collective occupational pension	39	32	22
of which endowment insurance	47	45	4
of which occupational pension	9	7	29
of which other	8	7	14

Baltic countries

The Baltic countries' life insurance operations are divided into two main groups: risk and savings products. Swedbank is focused mainly on risk products, where it sees major growth potential. Premium payments for life insurance operations in the Baltic countries amounted to SEK 427m during the period, a decrease of 6 per cent in local currency compared with the previous year, mainly due to a shift from insurance savings to risk insurance, where the premiums, but not necessarily the earnings, are lower.

In the Baltic countries' non-life operations Swedbank offers insurance solutions for private customers. The largest product areas are car and home insurance. Since car and home sales have decreased in recent years, the focus has been on increasing sales to new customer segments and launching new and simpler products in other areas e.g. travel insurance. Moreover, a new branch was opened in Lithuania during the year. Premium payments for non-life insurance in the Baltic countries amounted to SEK 261m during the period, an increase of 10 per cent in local currency.

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

Income statement, condensed

Group SEKm	Q3 2012	Q2 2012	%	Q3 2011	%	Jan-Sep 2012	Jan-Sep 2011	%
Interest income	13 033	13 558	-4	13 958	-7	40 712	39 217	4
Interest expenses	-7 770	-8 306	-6	-9 126	-15	-24 989	-25 170	-1
Net interest income (note 5)	5 263	5 252	0	4 832	9	15 723	14 047	12
Commission income	3 142	3 170	-1	3 190	-2	9 468	9 558	-1
Commission expenses	-761	-824	-8	-752	1	-2 336	-2 252	4
Net commissions (note 6)	2 381	2 346	1	2 438	-2	7 132	7 306	-2
Net gains and losses on financial items at fair value (note 7)	568	455	25	259		1 782	1 025	74
Insurance premiums	380	499	-24	239	59	1 308	995	31
Insurance provisions	-233	-336	-31	-142	64	-840	-623	35
Net insurance	147	163	-10	97	52	468	372	26
Share of profit or loss of associates	224	209	7	217	3	641	612	5
Other income	468	472	-1	468	0	1 383	2 027	-32
Total income	9 051	8 897	2	8 311	9	27 129	25 389	7
Staff costs	2 252	2 366	-5	2 409	-7	7 058	7 266	-3
Other expenses (note 8)	1 539	1 660	-7	1 755	-12	4 942	5 452	-9
Depreciation/amortisation	207	225	-8	288	-28	662	734	-10
Total expenses	3 998	4 251	-6	4 452	-10	12 662	13 452	-6
Profit before impairments	5 053	4 646	9	3 859	31	14 467	11 937	21
Impairment of intangible assets (note 14)	-1	4				3		
Impairment of tangible assets	102	125	-18	-13		267	4	
Credit impairments (note 9)	204	300	-32	-441		676	-1 737	
Operating profit	4 748	4 217	13	4 313	10	13 521	13 670	-1
Tax expense	1 220	1 052	16	834	46	3 399	2 879	18
Profit for the period from continuing operations	3 528	3 165	11	3 479	1	10 122	10 791	-6
Profit for the period from discontinued operations, after tax	-17					-17		
Profit for the period	3 511	3 165	11	3 479	1	10 105	10 791	-6
Profit for the period attributable to the shareholders of Swedbank AB	3 511	3 162	11	3 475	1	10 098	10 779	-6
Profit for the period from continuing operations	3 525	3 162	11	3 475	1	10 112	10 779	-6
Profit for the period from discontinued operations	-17					-17		
Non-controlling interests		3		4		7	12	-42
Profit for the period from continuing operations	3	3	0	4	-25	10	12	-17
Profit for the period from discontinued operations	-3					-3		
Earnings per share, total operations, SEK ¹⁾	3.20	2.88		3.12		8.28	8.59	
after dilution ¹⁾	3.19	2.87		3.11		8.26	8.58	
Earnings per share, continued operations, SEK ¹⁾	3.22	2.88				8.30		
after dilution ¹⁾	3.21	2.87				8.28		
Earnings per share, discontinued operations, SEK ¹⁾	-0.02					-0.02		
after dilution ¹⁾	-0.02					-0.02		
Equity per share, SEK	89.48	86.92		83.72		89.48	83.72	
Return on equity, %	14.1	13.0		14.4		13.7	15.0	
Credit impairment ratio, %	0.06	0.09		-0.13		0.07	-0.17	

¹⁾ In the calculation of earnings per share the preference share dividend is deducted from profit in the period the dividend is declared. The calculation of earnings per share is specified on page 43.

Statement of comprehensive income, condensed

Group SEKm	Q3 2012	Q2 2012	%	Q3 2011	%	Jan-Sep 2012	Jan-Sep 2011	%
Profit for the period reported via income statement	3 511	3 165	11	3 479	1	10 105	10 791	-6
Exchange differences, foreign operations								
Gains/losses arising during the period	-1 700	-344		528		-2 317	1 026	
Reclassification adjustments to income statement, net gains and losses on financial items at fair value						-1		
Hedging of net investments in foreign operations:*								
Gains/losses arising during the period	1 265	313		-351		1 718	-759	
Cash flow hedges:								
Gains/losses arising during the period	-37	-32	-16	64		-498	-226	
Reclassification adjustments to income statement, net interest income	43	48	-10	79	-46	164	268	-39
Share of other comprehensive income of associates	-18	-1		-6		-1	16	
Income tax relating to components of other comprehensive income	-339	-88		54		-370	186	
Other comprehensive income for the period, net of tax	-786	-104		368		-1 305	511	
Total comprehensive income for the period	2 725	3 061	-11	3 847	-29	8 800	11 302	-22
Total comprehensive income attributable to the shareholders of Swedbank AB	2 725	3 058	-11	3 844	-29	8 793	11 290	-22
Non-controlling interests		3		3		7	12	-42

* The Group hedges in principle all foreign net investments except goodwill.

Balance sheet, condensed

Group SEKm	30 Sep 2012	31 Dec 2011	%	30 Sep 2011	%
Assets					
Cash and balance with central banks	212 761	164 307	29	93 072	
Loans to credit institutions (note 10)	95 615	97 195	-2	200 798	-52
Loans to the public (note 10)	1 251 456	1 211 454	3	1 185 987	6
Interest-bearing securities	136 804	138 311	-1	148 461	-8
Financial assets for which customers bear the investment risk	103 834	95 747	8	92 438	12
Shares and participating interests	4 879	2 015		1 927	
Investments in associates	3 532	3 111	14	3 188	11
Derivatives (note 18)	110 342	103 726	6	112 104	-2
Intangible fixed assets (note 14)	13 244	13 799	-4	16 078	-18
Investment properties	3 089	3 910	-21	4 068	-24
Tangible assets	4 738	4 383	8	4 140	14
Current tax assets	1 559	2 083	-25	2 068	-25
Deferred tax assets	662	872	-24	921	-28
Other assets	13 525	7 531	80	12 477	8
Prepaid expenses and accrued income	8 799	8 371	5	8 180	8
Group of assets classified as held for sale	204	250	-18		
Total assets	1 965 043	1 857 065	6	1 885 907	4
Liabilities and equity					
Amounts owed to credit institutions (note 15)	129 060	139 598	-8	129 363	0
Deposits and borrowings from the public (note 16)	630 594	561 696	12	554 788	14
Debt securities in issue (note 17)	825 838	781 458	6	819 230	1
Financial liabilities for which customers bear the investment risk	104 668	96 449	9	92 942	13
Derivatives (note 18)	104 178	90 484	15	96 133	8
Current tax liabilities	1 339	472		713	88
Deferred tax liabilities	3 258	3 183	2	1 674	95
Short positions, securities	13 463	30 603	-56	30 666	-56
Other liabilities	18 243	13 059	40	23 322	-22
Accrued expenses and prepaid income	16 475	18 612	-11	14 444	14
Provisions	3 428	3 690	-7	4 157	-18
Subordinated liabilities	12 980	19 531	-34	21 129	-39
Liabilities directly associated with group of assets classified as held for sale	77	97	-21		
Equity	101 442	98 133	3	97 346	4
of which non-controlling interests	155	140	11	138	12
of which equity attributable to shareholders of Swedbank AB	101 287	97 993	3	97 208	4
Total liabilities and equity	1 965 043	1 857 065	6	1 885 907	4

Statement of changes in equity, condensed

Group SEKm	Shareholders' equity				Non-controlling interests			Total equity	
	Share capital	Other contri- buted equity*	Exchange differences, subsidiaries and associates	Hedging of net investments in foreign operations**	Cash flow hedges	Retained earnings	Total		
January-September 2011									
Opening balance 1 January 2011	24 351	17 152	-2 102	-144	-44	55 684	94 897	138	95 035
Dividends						-2 995	-2 995	-12	-3 007
New share issue	32						32		32
Reversal of VAT costs incurred on rights issue 2009		35					35		35
Repurchased shares						-6 180	-6 180		-6 180
Share based payments to employees						133	133		133
Associates' acquisition of shares in Swedbank AB						-4	-4		-4
Total comprehensive income for the period			1 041	-561	31	10 779	11 290	12	11 302
Closing balance 30 September 2011	24 383	17 187	-1 061	-705	-13	57 417	97 208	138	97 346
January-December 2011									
Opening balance 1 January 2011	24 351	17 152	-2 102	-144	-44	55 684	94 897	138	95 035
Dividends						-2 995	-2 995	-15	-3 010
New share issue	32						32		32
Reversal of VAT costs incurred on rights issue 2009		35					35		35
Repurchased shares						-6 180	-6 180		-6 180
Share based payments to employees						159	159		159
Associates' acquisition of shares in Swedbank AB						-4	-4		-4
Business combinations								2	2
Total comprehensive income for the period			-287	280	312	11 744	12 049	15	12 064
Closing balance 31 December 2011	24 383	17 187	-2 389	136	268	58 408	97 993	140	98 133
January-September 2012									
Opening balance 1 January 2012	24 383	17 187	-2 389	136	268	58 408	97 993	140	98 133
Dividends						-5 825	-5 825	-6	-5 831
Decrease in share capital	-611					611			
Bonus issue	1 132					-1 132			
Reversal of VAT costs incurred on rights issues in 2008 and 2009		92					92		92
Share based payments to employees						249	249		249
Associates' acquisition of shares in Swedbank AB						-16	-16		-16
Changes in ownership interest in subsidiary						1	1		1
Business disposals								-2	-2
Contribution								16	16
Total comprehensive income for the period			-2 320	1 260	-245	10 098	8 793	7	8 800
Closing balance 30 September 2012	24 904	17 279	-4 709	1 396	23	62 394	101 287	155	101 442

In connection to the rights issues in 2008 and 2009 an assessment was made on the non-deductible VAT Swedbank AB would have to pay on the transaction costs. This assessment was partly changed in the second quarter 2011 based on a new tax case ruling. The VAT expense decreased by SEK 35m after income tax. The income tax expense on the VAT amount was SEK 12m. After a reassessment made by the Swedish Tax Agency, the VAT expense was further decreased by SEK 92m after income tax during the third quarter 2012. The income tax expense on the VAT amount was SEK 33m.

*Other contributed equity consists mainly of share premiums.

** The Group hedges in principle all foreign net investments except goodwill.

Cash flow statement, condensed

Group SEKm	Jan-Sep 2012	Full-year 2011	Jan-Sep 2011
Operating activities			
Operating profit	13 521	15 423	13 670
Profit for the period from discontinued operations	-17	4	
Adjustments for non-cash items in operating activities	-1 985	-17	-3 993
Taxes paid	-3 211	-2 456	-2 751
Increase/decrease in loans to credit institutions	10	69 012	-31 720
Increase/decrease in loans to the public	-47 045	-23 100	7 208
Increase/decrease in holdings of securities for trading	-5 607	-467	-11 133
Increase/decrease in deposits and borrowings from the public including retail bonds	74 303	28 222	17 744
Increase/decrease in amounts owed to credit institutions	-6 810	3 448	-11 425
Increase/decrease in other assets	-14 565	-32 139	-42 015
Increase/decrease in other liabilities	7 811	22 655	42 013
Cash flow from operating activities	16 405	80 585	-22 402
Investing activities			
Business combinations		-2	
Business disposals	2	6	
Acquisitions of and contributions to associates	-30	-50	
Acquisitions of other fixed assets and strategic financial assets	-348	-4 396	-580
Disposals/maturity of other fixed assets and strategic financial assets	1 708	4 544	1 321
Cash flow from investing activities	1 332	102	741
Financing activities			
Issuance of interest-bearing securities	128 526	253 855	209 619
Redemption of interest-bearing securities	-119 262	-237 487	-150 412
Issuance of commercial paper etc.	414 399	319 621	227 559
Redemption of commercial paper etc.	-386 668	-260 254	-180 304
Dividends paid	-5 831	-3 010	-3 007
Changes in ownership interest in subsidiary	1		
Contribution	16		
New share issue		32	32
Repurchased shares		-6 184	-6 185
Cash flow from financing activities	31 181	66 573	97 302
Cash flow for the period	48 918	147 260	75 641
Cash and cash equivalents at the beginning of the period	164 307	17 109	17 109
Cash flow for the period	48 918	147 260	75 641
Exchange rate differences on cash and cash equivalents	-465	-62	323
Cash and cash equivalents at end of the period	212 760	164 307	93 073

Note 1 Accounting policies

The interim report has been prepared in accordance with IAS 34, Interim Financial Reporting.

Consistent with prior periods, the Parent Company has prepared its accounts in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies, the directives of the Swedish Financial Supervisory Authority and recommendation RFR 2 of the Financial Reporting Council.

The accounting policies applied in the interim report conform to the accounting policies applied in the preparation of the consolidated financial statements and the annual report for 2011 with the exceptions below.

The savings banks are compensated for sales to their customers of Swedbank's products and services. In mid-2011 a new agreement entered into force which governs this compensation. Presentation of the compensation in the income statement has been

adjusted as of 2012 based on the new agreement, to better illustrate its meaning. Comparative figures have been restated; see table below. The change affects interest income, commission expenses and expenses, but not the result in its entirety.

The operating segments were changed in 2012 to coincide with the organisational changes implemented in Swedbank's business area organisation.

Responsibility for the retail operations of the Nordic branch offices has been transferred from Large Corporates & Institutions to Retail. Responsibility for coordinating the life insurance operations in Sweden and the Baltic countries and for the Baltic P&C insurance operations has been transferred from Retail and Baltic Banking to Group Functions & Other. Furthermore, a number of product and staff functions have been transferred from Retail, Large Corporates & Institutions, Baltic Banking and Asset Management to

Group Functions & Other. Russia, Ukraine and Ektornet are no longer reported as separate segments and instead are included in Group Functions & Other. Comparative figures have been restated.

New or revised IFRS and IFRIC interpretations have not had a significant effect on the financial position, results or disclosures pertaining to the Group or parent company.

Reporting of compensation to savings banks Group SEKm	New reporting		Previous reporting	
	Q3	Jan-Sep	Q3	Jan-Sep
	2011	2011	2011	2011
Interest income from the public	12 277	34 766	12 302	34 843
Interest income	13 958	39 217	13 983	39 294
Net interest income	4 832	14 047	4 857	14 124
Other commission expenses	59	164	205	633
Commission expenses	752	2 252	898	2 721
Net commission income	2 438	7 306	2 292	6 837
Other purchased services	341	999	220	607
Other expenses	1 755	5 452	1 634	5 060
Total expenses	4 452	13 452	4 331	13 060

Note 2 Critical accounting estimates

The Group uses various estimates and assumptions about the future to determine the value of certain assets and liabilities. The most important assumptions in terms of amount are made with regard to provisions for impairments and impairment testing of goodwill.

Provisions for impairments

For loans that have been identified as impaired as well as portfolios of loans with similar credit terms affected by a loss event, assumptions are made as to when in the future the cash flows will be received as well as their size. Provisions for impairments are made for the difference between the present value of these projected cash flows and the claims' carrying amount. Decisions are therefore based on various estimates and executive management's judgments about current market conditions. Portfolio provisions are based on loss estimates made in accordance with capital adequacy rules.

The Group's provisions in the operations in the Baltic countries decreased during 2012 from SEK 8 819m to SEK 6 333m. Provisions in the Ukrainian operations decreased from SEK 3 856m to SEK 3 170m.

Note 3 Changes in the Group structure

Internal structural changes

On 1 January the assets and liabilities of the Norwegian subsidiary First Securities AS were sold to Swedbank AB's Norwegian branch office. During the second quarter, the banking operation in the Luxembourgian subsidiary Swedbank S.A. was transferred to Swedbank AB's Luxembourg branch office.

The changes were based on the losses that executive management judged as most likely against the backdrop of the current economic outlook within the range of reasonable assumptions.

Impairment testing of goodwill

When goodwill is tested for impairment, future cash flows are estimated for the cash-generating unit that the goodwill refers to and has been allocated to. As far as possible, the assumptions that are used, or part of those assumptions, are based on outside sources. Nevertheless, the calculation largely depends on the executive management's own assumptions. The assumptions are made based on indefinite ownership of the asset.

The Group's goodwill amounted to SEK 11 276m as of 30 September 2012, of which SEK 8 451m related to the investment in the operations in the Baltic countries. On the balance sheet date there were no indications of a need for impairment testing.

During the third quarter 2012 Mandab AB, Swedbank Företagskredit AB and Nordic Foodservice Investment AB were merged with Swedbank AB.

The changes do not affect the Group in its entirety or the reporting of the operating segments.

Note 4 Operating segments (business areas)

Jan-Sep 2012 SEKm	Large			Asset Management	Group		Group
	Retail	Corporates & Institutions	Baltic Banking		Functions & Other	Eliminations	
Income statement							
Net interest income	10 258	2 564	2 537	10	357	-3	15 723
Net commissions	3 778	1 159	1 109	1 123	-84	47	7 132
Net gains and losses on financial items at fair value	156	1 305	209	7	105		1 782
Share of profit or loss of associates	633	6			2		641
Other income	645	26	300	2	1 570	-692	1 851
Total income	15 470	5 060	4 155	1 142	1 950	-648	27 129
of which internal income	212	5	2		269	-488	
Staff costs	2 611	830	540	262	2 235	-1	6 477
Variable staff costs	119	290	46	28	98		581
Other expenses	4 245	986	1 081	225	-948	-647	4 942
Depreciation/amortisation	69	31	94	37	431		662
Total expenses	7 044	2 137	1 761	552	1 816	-648	12 662
Profit before impairments	8 426	2 923	2 394	590	134		14 467
Impairment of intangible assets		4			-1		3
Impairment of tangible assets			7		260		267
Credit impairments	193	33	-356		806		676
Operating profit	8 233	2 886	2 743	590	-931		13 521
Tax expense	2 137	885	231	150	-4		3 399
Profit for the period from continuing operations	6 096	2 001	2 512	440	-927		10 122
Profit for the period from discontinued operations, after tax					-17		-17
Profit for the period	6 096	2 001	2 512	440	-944		10 105
Profit for the period attributable to the shareholders of Swedbank AB	6 086	2 001	2 512	440	-941		10 098
Non-controlling interests	10				-3		7
Balance sheet, SEKbn							
Cash and balances with central banks	1	7	2		203		213
Loans to credit institutions	29	301		2	243	-479	96
Loans to the public	921	207	111		13	-1	1 251
Bonds and other interest-bearing securities		61	2		82	-8	137
Financial assets for which customers bear inv. risk	102		2				104
Investments in associates	3				1		4
Derivatives		133			38	-61	110
Total tangible and intangible assets	3	1	9	1	7		21
Other assets	8	14	3	1	687	-684	29
Total assets	1 067	724	129	4	1 274	-1 233	1 965
Amounts owed to credit institutions	70	222			312	-475	129
Deposits and borrowings from the public	374	99	99		65	-6	631
Debt securities in issue		17	1		818	-10	826
Financial liabilities for which customers bear inv. risk	103		2				105
Derivatives		131			34	-61	104
Other liabilities	487	237	3	2	8	-681	56
Subordinated liabilities					13		13
Total liabilities	1 034	706	105	2	1 250	-1 233	1 864
Allocated equity	33	18	24	2	24		101
Total liabilities and equity	1 067	724	129	4	1 274	-1 233	1 965
Key figures							
Return on allocated equity, %	25.2	14.3	13.7	33.6	-5.8		13.7
Loan/deposit ratio, %	246	183	113		17		194
Credit impairment ratio, %	0.03	0.02	-0.40		4.56		0.07
Share of impaired loans, gross, %	0.20	0.11	9.62		16.33		1.32
Cost/income ratio	0.46	0.42	0.42	0.48	0.93		0.47
Risk-weighted assets, SEKbn	218	128	93	3	34		476
Full-time employees	4 775	1 021	4 130	271	5 098		15 295

Jan-Sep 2011 SEKm	Large Corporates & Institutions	Baltic Banking	Asset Management	Group Functions & Other	Eliminations	Group
Income statement						
Net interest income	9 073	2 463	3 009		-493	14 047
Net commissions	3 924	1 071	1 074	1 180	16	7 306
Net gains and losses on financial items at fair value	157	481	196	-8	199	1 025
Share of profit or loss of associates	610				2	612
Other income	523	753	347	3	1 299	2 399
Total income	14 287	4 768	4 626	1 175	1 023	-490
of which internal income	196	5	2		84	-287
Staff costs	2 737	939	581	274	2 388	6 918
Variable staff costs	81	139	29	33	66	348
Other expenses	4 229	1 032	1 214	246	-780	5 452
Depreciation/amortisation	69	29	100	37	499	734
Total expenses	7 116	2 139	1 924	590	2 173	-490
Profit before impairments	7 171	2 629	2 702	585	-1 150	11 937
Impairment of intangible assets						
Impairment of tangible assets			13		-9	4
Credit impairments	119	-193	-885		-778	-1 737
Operating profit	7 052	2 822	3 574	585	-363	13 670
Tax expense	1 735	876	378	149	-259	2 879
Profit for the period from continuing operations	5 317	1 946	3 196	436	-104	10 791
Profit for the period from discontinued operations, after tax						
Profit for the period	5 317	1 946	3 196	436	-104	10 791
Profit for the period attributable to the shareholders of Swedbank AB	5 305	1 946	3 196	436	-104	10 779
Non-controlling interests	12					12
Balance sheet, SEKbn						
Cash and balances with central banks	1	6	2		84	93
Loans to credit institutions	31	316		2	425	201
Loans to the public	892	155	125		15	1 186
Bonds and other interest-bearing securities		65	3		92	148
Financial assets for which customers bear inv. risk	90		2			92
Investments in associates	1				2	3
Derivatives		120			39	112
Total tangible and intangible assets	3	1	13	1	6	24
Other assets	10	12	1	1	647	27
Total assets	1 028	675	146	4	1 310	-1 277
Amounts owed to credit institutions	74	242			382	129
Deposits and borrowings from the public	356	71	99		34	555
Debt securities in issue		18	1		815	819
Financial liabilities for which customers bear inv. risk	91		2			93
Derivatives		116			27	96
Other liabilities	472	206	16	2	21	76
Subordinated liabilities	9	7	4		1	21
Total liabilities	1 002	660	122	2	1 280	-1 277
Allocated equity	26	15	24	2	30	97
Total liabilities and equity	1 028	675	146	4	1 310	-1 277
Key figures						
Return on allocated equity, %	29.3	16.4	15.3	30.3	-0.5	15.0
Loan/deposit ratio, %	250	215	133		44	213
Credit impairment ratio, %	0.02	-0.08	-0.90		-6.86	-0.17
Share of impaired loans, gross, %	0.19	0.18	14.32		5.60	2.05
Cost/income ratio	0.50	0.45	0.42	0.50	2.12	0.53
Risk-weighted assets, SEKbn	222	131	104	3	37	497
Full-time employees	5 004	1 059	4 443	276	6 031	16 813

Operating segments accounting policies

The operating segment reporting is based on Swedbank's accounting policies, organisation and management accounts. Market-based transfer prices are applied between operating segments, while all expenses within Group Business Support and other Group Functions are transfer priced at cost to the operating segments. Executive management expenses are not distributed. The net of services purchased and sold internally is recognised as other expenses in the income statements of the operating segments. Cross-border transfer pricing is applied according to OECD transfer pricing guidelines.

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

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

During the first quarter 2012 the assumptions for the internal capital allocation were changed due to expected changes in capital adequacy requirements. This change means that more capital is allocated to all business areas, which affects net interest income positively for all business areas and negatively for Group Treasury. A further SEK 17bn has been allocated to the business areas from Treasury compared with the fourth quarter 2011.

Note 5 Net interest income

Group SEKm	Q3 2012	Q2 2012	%	Q3 2011	%	Jan-Sep 2012	Jan-Sep 2011	%
Interest income								
Loans to credit institutions	315	283	11	533	-41	933	1 369	-32
Loans to the public	11 970	12 239	-2	12 277	-3	36 828	34 766	6
Interest-bearing securities	724	825	-12	879	-18	2 298	2 513	-9
Derivatives	-78	85		97		263	289	-9
Other	102	126	-19	172	-41	390	280	39
Total interest income	13 033	13 558	-4	13 958	-7	40 712	39 217	4
Interest expenses								
Amounts owed to credit institutions	-279	-278	0	-330	-15	-878	-960	-9
Deposits and borrowings from the public	-1 895	-1 900	0	-2 053	-8	-5 839	-5 388	8
of which deposit guarantee fees	-139	-135	3	-127	9	-408	-375	9
Debt securities in issue	-5 489	-5 547	-1	-5 898	-7	-16 725	-16 882	-1
of which commissions for government guaranteed funding	-85	-88	-3	-280	-70	-306	-918	-67
Subordinated liabilities	-252	-279	-10	-294	-14	-807	-903	-11
Derivatives	305	-130		-400		-243	-597	-59
Other	-160	-172	-7	-151	6	-497	-440	13
of which government stabilisation fund fee	-134	-144	-7	-133	1	-422	-386	9
Total interest expenses	-7 770	-8 306	-6	-9 126	-15	-24 989	-25 170	-1
Net interest income	5 263	5 252	0	4 832	9	15 723	14 047	12
Net interest margin	1.11	1.14		1.08		1.12	1.07	

Note 6 Net commissions

Group SEKm	Q3 2012	Q2 2012	%	Q3 2011	%	Jan-Sep 2012	Jan-Sep 2011	%
Commission income								
Payment processing	1 418	1 387	2	1 415	0	4 089	4 054	1
Service concepts	88	81	9	53	66	246	140	76
Asset management	946	941	1	946	0	2 838	2 998	-5
Life insurance	110	110	0	121	-9	332	386	-14
Brokerage	74	76	-3	113	-35	263	382	-31
Other securities	17	26	-35	41	-59	91	102	-11
Corporate finance	26	78	-67	42	-38	215	168	28
Lending	173	179	-3	166	4	520	485	7
Guarantees	42	46	-9	43	-2	141	146	-3
Deposits	22	20	10	25	-12	63	61	3
Real estate brokerage	38	43	-12	42	-10	114	125	-9
Non-life insurance	15	15	0	21	-29	47	34	38
Other commission income	173	168	3	162	7	509	477	7
Total commission income	3 142	3 170	-1	3 190	-2	9 468	9 558	-1
Commission expenses								
Payment processing	-588	-614	-4	-538	9	-1 755	-1 627	8
Service concepts	-3	-4	-25	-3	0	-11	-9	22
Asset management	-30	-36	-17	-30	0	-93	-89	4
Life insurance	-41	-44	-7	-48	-15	-124	-160	-23
Brokerage				-3			-8	
Other securities	-40	-72	-44	-63	-37	-177	-159	11
Lending and guarantees	-13	-12	8	-11	18	-38	-45	-16
Other commission expenses	-46	-42	10	-56	-18	-138	-155	-11
Total commission expenses	-761	-824	-8	-752	1	-2 336	-2 252	4
Total net commissions	2 381	2 346	1	2 438	-2	7 132	7 306	-2

Note 7 Net gains and losses on financial items at fair value

Group SEKm	Q3 2012	Q2 2012	%	Q3 2011	%	Jan-Sep 2012	Jan-Sep 2011	%
Valuation category, fair value through profit or loss								
Shares and related derivatives	27	136	-80	352	-92	137	593	-77
of which dividend	7	157	-96	6	17	258	141	83
Interest-bearing securities and related derivatives	-8 810	-512		1 941		-10 342	5 876	
Loans	1 636	310		3 276	-50	1 120	2 735	-59
Financial liabilities	7 345	-41		-5 592		9 557	-9 159	
Other financial instruments	-3	-2	-50	-50	94	-4	-35	89
Total fair value through profit or loss	195	-109		-73		468	10	
Hedge accounting								
Ineffective part in hedge accounting at fair value	9	183	-95	-194		162	-98	
of which hedging instruments	3 518	3 136	12	10 728	-67	5 412	9 340	-42
of which hedged items	-3 509	-2 953	-19	-10 922	68	-5 250	-9 438	44
Ineffective part in hedging of net investments in foreign operations	2	57	-96			55		
Total hedge accounting	11	240	-95	-194		217	-98	
Loan receivables at amortised cost	30	26	15	55	-45	77	55	40
Financial liabilities valued at amortised cost	-2	3		-15	-87	4	-54	
Change in exchange rates	334	295	13	486	-31	1 016	1 112	-9
Total net gains and losses on financial items at fair value	568	455	25	259		1 782	1 025	74
Distribution by business purpose								
Financial instruments for trading related business	261	489	-47	255	2	1 257	997	26
Financial instruments intended to be held to contractual maturity	307	-34		4		525	28	
Total	568	455	25	259		1 782	1 025	74

Note 8 Other expenses

Group SEKm	Q3 2012	Q2 2012	%	Q3 2011	%	Jan-Sep 2012	Jan-Sep 2011	%
Premises and rents	313	314	0	313	0	958	987	-3
IT expenses	366	380	-4	377	-3	1 184	1 178	1
Telecommunications and postage	57	53	8	71	-20	174	199	-13
Advertising, PR and marketing	57	87	-34	84	-32	213	262	-19
Consultants	65	70	-7	101	-36	210	418	-50
Compensation to savings banks	146	159	-8	121	21	457	392	17
Other purchased services	146	167	-13	220	-34	454	607	-25
Security transport and alarm systems	96	102	-6	108	-11	299	329	-9
Supplies	26	33	-21	50	-48	98	152	-36
Travel	30	47	-36	49	-39	122	172	-29
Entertainment	10	12	-17	18	-44	35	62	-44
Repair/maintenance of inventories	34	37	-8	28	21	112	132	-15
Other expenses	193	199	-3	215	-10	626	562	11
Total other expenses	1 539	1 660	-7	1 755	-12	4 942	5 452	-9

Note 9 Credit impairments

Group SEKm	Q3 2012	Q2 2012	%	Q3 2011	%	Jan-Sep 2012	Jan-Sep 2011	%
Provision for loans individually assessed as impaired								
Provisions	442	229	93	257	72	1 020	1 115	-9
Reversal of previous provisions	-141	-328	-57	-769	-82	-786	-2 523	-69
Provision for homogenous groups of impaired loans, net	21	-11		64	-67	-55	134	
Total	322	-110		-448		179	-1 274	
Portfolio provisions for loans individually assessed as not impaired	-269	78		-131		-127	-774	-84
Write-offs								
Established losses	1 076	1 855	-42	1 900	-43	3 941	3 833	3
Utilisation of previous provisions	-858	-1 453	-41	-1 636	-48	-3 057	-3 036	1
Recoveries	-83	-86	-3	-81	2	-298	-283	5
Total	135	316	-57	183	-26	586	514	14
Credit impairments for contingent liabilities and other credit risk exposures	16	16	0	-45		38	-203	
Credit impairments	204	300	-32	-441		676	-1 737	
Credit impairment ratio, %	0.06	0.09		-0.13		0.07	-0.17	

Note 10 Loans

Group SEKm	30 Sep 2012			31 Dec 2011	30 Sep 2011		
	Loans before provisions	Provisions	Loans after provisions Carrying amount	Loans after provisions Carrying amount	%	Loans after provisions Carrying amount	%
Loans to credit institutions							
Banks	63 430	61	63 369	63 686	0	162 581	-61
Repurchase agreements, banks	15 913		15 913	6 856		16 558	-4
Other credit institutions	771		771	1 052	-27	2 560	-70
Repurchase agreements, other credit institutions	15 562		15 562	25 601	-39	19 099	-19
Loans to credit institutions	95 676	61	95 615	97 195	-2	200 798	-52
Loans to the public							
Private customers	754 991	3 950	751 041	737 650	2	736 644	2
Private, mortgage	637 340	2 586	634 754	628 823	1	626 736	1
Housing cooperatives	81 048	83	80 965	71 467	13	71 456	13
Private, other	36 603	1 281	35 322	37 360	-5	38 452	-8
Corporate customers	440 956	7 697	433 259	428 631	1	420 401	3
Agriculture, forestry, fishing	65 513	276	65 237	62 223	5	62 172	5
Manufacturing	44 999	1 564	43 435	29 745	46	30 065	44
Public sector and utilities	18 068	56	18 012	14 942	21	15 426	17
Construction	16 982	673	16 309	13 191	24	13 045	25
Retail	31 374	1 119	30 255	23 567	28	23 293	30
Transportation	14 286	190	14 096	11 689	21	11 705	20
Shipping and offshore	22 487	299	22 188	23 291	-5	20 520	8
Hotels and restaurants	6 207	115	6 092	6 412	-5	6 682	-9
Information and communications	3 126	51	3 075	2 412	27	2 839	8
Finance and insurance	19 487	79	19 408	16 662	16	16 290	19
Property management	160 711	2 230	158 481	144 664	10	140 461	13
Professional services	12 081	410	11 671	30 343	-62	30 676	-62
Other corporate lending	25 635	635	25 000	49 490	-49	47 227	-47
Loans to the public excluding the Swedish National Debt Office and repurchase agreements	1 195 947	11 647	1 184 300	1 166 281	2	1 157 045	2
Swedish National Debt Office	5 625		5 625	2 776		2 540	
Repurchase agreements, Swedish National Debt Office	5		5	13 834	-100	6 272	-100
Repurchase agreements, public	61 526		61 526	28 563		20 130	
Loans to the public	1 263 103	11 647	1 251 456	1 211 454	3	1 185 987	6
Loans to the public and credit institutions	1 358 779	11 708	1 347 071	1 308 649	3	1 386 785	-3

Classification of housing cooperatives has been changed from corporate customers to private customers.

Note 11 Impaired loans etc.

Group SEKm	30 Sep 2012	31 Dec 2011	%	30 Sep 2011	%
Impaired loans, gross	17 967	24 805	-28	28 743	-37
Provisions for individually assessed impaired loans	7 012	9 246	-24	10 773	-35
Provision for homogenous groups of impaired loans	2 922	3 575	-18	4 009	-27
Impaired loans, net	8 033	11 984	-33	13 961	-42
of which private customers	3 493	4 896	-29	5 649	-38
of which corporate customers	4 540	7 088	-36	8 312	-45
Portfolio provisions for loans individually assessed as not impaired	1 774	2 435	-27	2 409	-26
Share of impaired loans, gross, %	1.32	1.87		2.05	
Share of impaired loans, net, %	0.60	0.92		1.01	
Provision ratio for impaired loans, %	55	52		51	
Total provision ratio for impaired loans, % *	65	62		60	
Past due loans that are not impaired	5 822	6 884	-15	5 039	16
of which past due 5-30 days	3 042	4 510	-33	3 187	-5
of which past due 31-60 days	1 540	1 637	-6	966	59
of which past due 61 days or more	1 240	737	68	886	40

* Total provision i.e. all provisions for claims in relation to impaired loans, gross.

Note 12 Assets taken over for protection of claims and cancelled leases

Group SEKm	30 Sep 2012	31 Dec 2011	%	30 Sep 2011	%
Buildings and land	5 600	6 067	-8	5 916	-5
Shares and participating interests	49	107	-54	124	-61
Other property taken over	19	54	-65	68	-73
Total assets taken over for protection of claims	5 668	6 228	-9	6 109	-7
Cancelled leases	99	147	-32	244	-59
Total assets taken over for protection of claims and cancelled leases	5 767	6 375	-10	6 353	-9
of which acquired by Ektornet	5 220	5 819	-10	5 634	-7

Note 13 Credit exposures

Group SEKm	30 Sep 2012	31 Dec 2011	%	30 Sep 2011	%
Assets					
Cash and balances with central banks	212 761	164 307	29	93 072	
Interest-bearing securities	136 804	138 311	-1	148 461	-8
Loans to credit institutions	95 615	97 195	-2	200 798	-52
Loans to the public	1 251 456	1 211 454	3	1 185 987	6
Derivatives	110 342	103 726	6	112 104	-2
Other financial assets	20 572	14 357	43	18 821	9
Total assets	1 827 550	1 729 350	6	1 759 243	4
Contingent liabilities and commitments					
Loan guarantees	23 688	24 251	-2	24 794	-4
Loan commitments	192 008	185 959	3	185 249	4
Total contingent liabilities and commitments	215 696	210 210	3	210 043	3
Total credit exposure	2 043 246	1 939 560	5	1 969 286	4

Note 14 Intangible assets

Group SEKm	30 Sep 2012	31 Dec 2011	%	30 Sep 2011	%
With indefinite useful life					
Goodwill	11 276	11 762	-4	14 043	-20
Total	11 276	11 762	-4	14 043	-20
With finite useful life					
Customer base	903	992	-9	1 028	-12
Other	1 065	1 045	2	1 007	6
Total	1 968	2 037	-3	2 035	-3
Total intangible assets	13 244	13 799	-4	16 078	-18

Goodwill	Jan-Sep 2012	Full year 2011	Jan-Sep 2011
Cost			
Opening balance	15 996	16 026	16 026
Translation differences	-475	-30	766
Closing balance	15 521	15 996	16 792
Accumulated amortisation and impairments			
Opening balance	-4 234	-2 293	-2 293
Impairments		-1 930	
Translation differences	-11	-11	-456
Closing balance	-4 245	-4 234	-2 749
Carrying amount	11 276	11 762	14 043

Impairment testing of intangible assets

Goodwill and other intangible assets are tested for impairment annually or when there are indications that the recoverable amount of the assets is lower than their carrying amount. The recoverable amount is the higher of fair value less costs to sell and value in use. Swedbank calculates value in use by estimating an asset's future cash flows and calculating them at present value with a discount rate. Estimated cash flows and discount rates are derived from external sources whenever possible and appropriate, but must in large part be determined based on the executive management's own assumptions. The executive management also determines whether there is any need for a new test during the year.

The test as of year-end 2011 led to goodwill impairment of SEK 1 913m related to the Latvian operations and SEK 17m in the Norwegian operations.

Estimated future cash flows are affected by the level of equity required in the cash-generating unit for continuing operations. Since capital adequacy requirements were raised in 2011, impairment tests were updated accordingly. The increase was the main driver behind a writedown of the investment in the Latvian operations.

No indications have been identified in 2012 that would necessitate new impairment testing of goodwill.

Note 15 Amounts owed to credit institutions

Group SEKm	30 Sep 2012	31 Dec 2011	%	30 Sep 2011	%
Amounts owed to credit institutions					
Central banks	2 391	3 665	-35	1 930	24
Banks	108 469	109 559	-1	108 367	0
Other credit institutions	3 725	3 789	-2	3 112	20
Repurchase agreements - banks	8 778	17 174	-49	7 991	10
Repurchase agreements - other credit institutions	5 697	5 411	5	7 963	-28
Amounts owed to credit institutions	129 060	139 598	-8	129 363	0

Note 16 Deposits from the public

Group SEKm	30 Sep 2012	31 Dec 2011	%	30 Sep 2011	%
Deposits from the public					
Private customers	326 586	319 123	2	315 022	4
Corporate customers	282 705	228 254	24	227 507	24
Deposits from the public excluding the Swedish National Debt Office and repurchase agreements	609 291	547 377	11	542 529	12
Swedish National Debt Office	1	1	0	2	-50
Repurchase agreements - Swedish National Debt Office		12 163		3 275	
Repurchase agreements - public	21 302	2 155		8 982	
Deposits and borrowings from the public	630 594	561 696	12	554 788	14

Note 17 Debt securities in issue

Group SEKm	30 Sep 2012	31 Dec 2011	%	30 Sep 2011	%
Commercial paper	157 770	122 970	28	110 673	43
Covered bonds	525 547	525 892	0	536 394	-2
Government guaranteed bonds	37 508	75 568	-50	118 441	-68
Senior unsecured bonds	87 110	39 440		35 615	
Structured retail bonds	17 903	17 588	2	18 107	-1
Total debt securities in issue	825 838	781 458	6	819 230	1
Turnover during the period	Jan-Sep 2012	Full year 2011	%	Jan-Sep 2011	%
Opening balance	781 458	686 517	14	686 517	14
Issued	542 924	573 476		437 216	
Repurchased	-50 887	-110 790		-70 664	
Repaid	-448 481	-378 875		-253 209	
Change in market value	8 947	11 663		18 241	
Changes in exchange rates	-8 123	-533		1 129	
Closing balance	825 838	781 458	6	819 230	1

Note 18 Derivatives

The Group trades derivatives in the normal course of business and to hedge certain positions with regard to the value of equities, interest rates and currencies.

Group SEKm	Nominal amount 30 Sep 2012			Nominal amount		Positive fair value		Negative fair value	
	Remaining contractual maturity			30 Sep	31 Dec	30 Sep	31 Dec	30 Sep	31 Dec
	< 1 yr.	1-5 yrs.	> 5 yrs.	2012	2011	2012	2011	2012	2011
Derivatives in hedge accounting	60 996	311 726	48 149	420 871	399 101	22 716	19 026		2
Derivatives in cash flow hedges	11 650	13 562	9 287	34 499	38 554			5 767	3 949
Derivatives in hedges of net investment in foreign operations	1 678			1 678				46	
Other derivatives	9 013 063	3 445 023	620 994	13 079 080	12 652 187	90 493	88 012	101 232	89 845
Netting agreements						-2 867	-3 312	-2 867	-3 312
Total	9 087 387	3 770 311	678 430	13 536 128	13 089 842	110 342	103 726	104 178	90 484
of which cleared	3 567 960	704 662		4 272 622	3 038 232	2 953	3 587	3 428	3 838

Note 19 Financial instruments carried at fair value

Group 30 Sep 2012 SEKm	Instruments with quoted market prices in active markets (Level 1)	Valuation techniques using observable market data (Level 2)	Valuation techniques using non- observable market data (Level 3)	Total
Determination of fair value from quoted market prices or valuation techniques				
Assets				
Treasury bills and other bills eligible for refinancing with central banks	21 307	1 213		22 520
Loans to credit institutions	280	31 475		31 755
Loans to the public	898	515 702		516 600
Bonds and other interest-bearing securities	80 629	31 018	334	111 981
Financial assets for which the customers bear the investment risk	103 834			103 834
Shares and participating interests	4 257	205	14	4 476
Derivatives	117	110 225		110 342
Total	211 322	689 838	348	901 508
Liabilities				
Amounts owed to credit institutions		15 059		15 059
Deposits and borrowings from the public		52 164		52 164
Debt securities in issue	51 383	41 678		93 061
Financial liabilities for which the customers bear the investment risk		104 668		104 668
Derivatives	600	103 578		104 178
Short positions, securities	13 463			13 463
Total	65 446	317 147		382 593

The table above contains financial instruments measured at fair value as of 30 September 2012 by valuation level. Level 1 contains financial instruments where fair value is determined on the basis of quoted market prices on an active market. Level 2 contains financial instruments where fair value is determined on the basis of valuation models based on observable market data. Level 3 contains financial instruments where fair value is determined on the basis of valuation models based primarily on observable market data, but in this case also using internal estimates. Level 3 principally contains corporate bonds. For corporate bonds where there is no observable quoted price for the current credit spread, a reasonable assumption is used, such as a comparison with similar counterparties where there is an observable quoted credit spread.

Group 31 Dec 2011 SEKm	Instruments with quoted market prices in active markets (Level 1)	Valuation techniques using observable market data (Level 2)	Valuation techniques using non- observable market data (Level 3)	Total
Determination of fair value from quoted market prices or valuation techniques				
Assets				
Treasury bills and other bills eligible for refinancing with central banks	24 402	209		24 611
Loans to credit institutions	160	32 309		32 469
Loans to the public		508 682		508 682
Bonds and other interest-bearing securities	80 606	28 762	390	109 758
Financial assets for which the customers bear the investment risk	95 747			95 747
Shares and participating interests	1 768	112	71	1 951
Derivatives	337	103 389		103 726
Total	203 020	673 463	461	876 944
Liabilities				
Amounts owed to credit institutions		22 585		22 585
Deposits and borrowings from the public		50 402		50 402
Debt securities in issue	79 709	32 813		112 522
Financial liabilities for which the customers bear the investment risk		96 449		96 449
Derivatives	619	89 865		90 484
Short positions, securities	30 603			30 603
Total	110 931	292 114		403 045

Note 20 Pledged collateral

Group SEKm	30 Sep 2012	31 Dec 2011	%	30 Sep 2011	%
Loan receivables	694 791	673 410	3	664 138	5
Financial assets pledged for policyholders	103 083	94 971	9	91 720	12
Other assets pledged	67 919	67 313	1	52 918	28
Pledged collateral	865 793	835 694	4	808 776	7

Note 21 Capital adequacy

Swedbank financial companies group SEKm	30 Sep 2012	31 Dec 2011	% or pp	30 Sep 2011	% or pp
Shareholders' equity according to the Group's balance sheet	101 287	97 993	3	97 208	4
Non-controlling interests	155	140	11	138	12
Anticipated dividend	-5 049	-5 825	-13	-5 389	-6
Deconsolidation of insurance companies	-2 478	-1 980	-25	-1 908	-30
Associated companies consolidated according to purchase method	2 023	1 742	16	1 678	21
Unrealised value changes in financial liabilities due to changes in own creditworthiness	92	-23		-15	
Cash flow hedges	-23	-268	91	13	
Goodwill	-10 717	-11 085	3	-13 367	20
Deferred tax assets	-626	-843	26	-908	31
Intangible assets	-1 795	-1 767	-2	-1 795	0
Net provisions for reported IRB credit exposures	-764	-748	-2	-551	-39
Shares deducted from Tier 1 capital	-35	-34	-3	-41	15
Total core Tier 1 capital	82 070	77 302	6	75 063	9
Tier 1 capital contributions	7 498	7 553	-1	7 562	-1
of which undated Tier 1 instruments that must be converted in a critical situation	0				
of which undated Tier 1 instruments without incentives to redeem	535	535	0	535	0
of which fixed-term Tier 1 instruments or undated Tier 1 instruments with incentives to redeem	6 963	7 018	-1	7 027	-1
Total Tier 1 capital	89 568	84 855	6	82 625	8
Undated subordinated loans	547	1 616	-66	1 634	-67
Fixed-term subordinated loans	4 962	10 389	-52	11 959	-59
Net provisions for reported IRB credit exposures	-764	-748	-2	-551	-39
Shares deducted from Tier 2 capital	-35	-34	-3	-41	15
Total Tier 2 capital	4 710	11 223	-58	13 001	-64
Deduction of shares in insurance companies	-2 888	-2 905	1	-2 909	1
Total capital base	91 390	93 173	-2	92 717	-1
Capital requirement for credit risks, standardised approach	2 204	2 427	-9	2 536	-13
Capital requirement for credit risks, IRB	29 816	30 850	-3	31 332	-5
Capital requirement for settlement risks	3	1		1	
Capital requirement for market risks	1 693	1 750	-3	1 537	10
of which risks in the trading book outside VaR	595	455	31	559	6
of which currency risks outside VaR	702	766	-8	745	-6
of which risks where VaR models are applied	396	529	-25	233	70
Capital requirement for operational risks	4 326	4 359	-1	4 359	-1
Capital requirement	38 042	39 387	-3	39 765	-4
RWA credit risks	400 246	415 957	-4	423 350	-5
RWA settlement risks	34	13		13	
RWA market risks	21 163	21 880	-3	19 217	10
RWA operational risks	54 081	54 487	-1	54 487	-1
Risk-weighted assets	475 524	492 337	-3	497 067	-4
Core Tier 1 capital ratio, %, Basel 2	17.3	15.7	1.6	15.1	2.2
Tier 1 capital ratio, %, Basel 2	18.8	17.2	1.6	16.6	2.2
Total capital adequacy ratio, %, Basel 2	19.2	18.9	0.3	18.7	0.6
Capital quotient, Basel 2	2.40	2.37	0.04	2.33	0.07
Capital adequacy Basel 2 transition rules	30 Sep	31 Dec	% or	30 Sep	% or
SEKm	2012	2011	pp	2011	pp
Capital requirement	38 042	39 387	-3	39 765	-4
Complement during transition period	23 984	21 154	13	21 071	14
Capital requirement including complement	62 026	60 541	2	60 836	2
Core Tier 1 capital ratio, %, transition rules	10.6	10.2	0.4	9.9	0.7
Tier 1 capital ratio, %, transition rules	11.6	11.2	0.3	10.9	0.7
Total capital adequacy ratio, %, transition rules	11.8	12.3	-0.5	12.2	-0.4
Capital quotient, transition rules	1.47	1.54	-0.07	1.52	-0.05
Capital adequacy Basel 3*	30 Sep	31 Dec	% or	30 Sep	% or
SEKm	2012	2011	pp	2011	pp
Core Tier 1 capital, Basel 3	79 907	75 595	6		
Risk-weighted assets, Basel 3	497 763	515 137	-3		
Core Tier 1 capital ratio, %, Basel 3	16.1	14.7	1.4		

* According to Swedbank's estimate based on current knowledge of future regulations.

The Internal Ratings-Based approach (IRB) is applied to the Swedish parts of Swedbank financial companies group, including the branch offices in New York and Oslo, but excluding EnterCard and certain exposure classes such as the Swedish state and Swedish municipalities, where the method is considered less suitable. The IRB approach is also applied to the majority of Swedbank's exposure classes in the Baltic countries.

As of 30 September 2012 the Swedbank financial companies group included the Swedbank Group, the EnterCard Group, Sparbanken Rekarne AB, Färs och Frosta Sparbank AB, Swedbank Sjuhärads AB, Vimmerby Sparbank AB, Bankernas Depå AB and Bankomat AB. The insurance companies are included in the Group but not in the financial companies group under the capital adequacy rules.

Swedbank financial companies group Credit risks, IRB SEKm	Exposure after credit risk protection			Average risk weighting, %		Capital requirement		
	30 Sep	31 Dec	%	30 Sep	31 Dec	30 Sep	31 Dec	%
	2012	2011		2012	2011	2012	2011	
Institutional exposures	135 142	131 337	3	14	13	1 536	1 357	13
of which repurchase agreements	763	805	-5	7	6	4	4	-2
of which other lending	134 379	130 532	3	14	13	1 532	1 353	13
Corporate exposures	428 779	413 739	4	59	64	20 295	21 232	-4
of which repurchase agreements	112	41		22	14	2		
of which other lending	428 667	413 698	4	59	64	20 293	21 232	-4
Retail exposures	867 895	855 675	1	10	10	6 909	6 983	-1
of which repurchase agreements	7	1						
of which mortgage lending	792 012	777 816	2	7	7	4 446	4 447	0
of which other lending	75 876	77 858	-3	41	41	2 463	2 536	-3
Securitisation	1 147	1 598	-28	11	11	10	15	-31
Exposures without counterparties	15 840	17 726	-11	84	89	1 066	1 263	-16
Total credit risks, IRB	1 448 803	1 420 075	2	26	27	29 816	30 850	-3

Capital base

A deduction was made from the capital base for the difference between expected losses and provisions in the accounts for the part of the portfolio calculated according to IRB. These expected losses are estimated in accordance with legislative and regulatory requirements and using information drawn from Swedbank's internal risk classification system. The calculations are based on the prudence concept, so that risks are overestimated rather than underestimated. The Swedish Financial Supervisory Authority's interpretation of legislation and regulations has, furthermore, built additional safety margins into the risk classification system. As a result, expected losses calculated in accordance with the new capital adequacy rules exceed Swedbank's best estimate of loss levels and required provisions.

Capital requirements for credit risks according to the standardised approach

Associated companies with the exception of the partly owned banks, a few minor subsidiaries and the subsidiaries in Russia and Ukraine use the standardised approach to calculate credit risks.

Capital requirements for credit risks according to IRB

The capital adequacy requirement for the portion of the portfolio calculated according to IRB was largely unchanged compared with the beginning of the year. The average risk-weight for retail exposures was 10 per cent, of which 38 per cent was in the portfolios in the Baltic countries and 8 per cent in other portfolios. The risk weight for corporate exposures was 59 per cent, of which 97 per cent was in the portfolios in the Baltic countries and 54 per cent for other portfolios. For institutional exposures, the average risk-weight was 22 per cent in the portfolios in the Baltic countries and 14 per cent in other portfolios, in total 14 per cent.

Market risks

Under current regulations, capital adequacy for market risks can be based either on a standardised approach or on an internal Value at Risk model, which requires the approval of the Swedish Financial Supervisory Authority.

The parent company has received such approval and uses its own internal VaR model for general interest rate risks, general and specific share price risks as well as currency risks in the trading book.

The approval also comprises the operations in the Baltic countries, Swedbank Estonia AS, Swedbank Latvia AS and Swedbank Lithuania AB with respect to general interest rate risks and currency risks in the trading book. Exchange rate risks outside the trading book i.e. in other operations, are mainly of a structural and strategic nature and are less suited to a VaR model. These risks are instead estimated according to the standardised approach, as per the Group's internal approach to managing these risks.

Operational risk

Swedbank calculates operational risk using the standardised approach. The Swedish Financial Supervisory Authority has stated that Swedbank meets the qualitative requirements to apply this method.

Transition rules

The transition rules, which state that the capital requirement may not fall below 80 per cent of the requirement according to the Basel 1 rules, have been prolonged and their expiry date is not yet decided.

An update to the Swedish capital adequacy rules at the beginning of the year affects, among other things, how preference shares are included in Tier 1 capital. The preference shares Swedbank issued in 2008 are included in core Tier 1 capital amounting to SEK 8.3bn,

corresponding to 1.8 percentage points of the core Tier 1 capital ratio as of 30 September 2012. Since the rule change does not alter the view of the loss-absorbing capacity of the preference shares, Swedbank will continue to include them in its reporting of core Tier 1

capital. Swedbank's preference shares will be converted to common shares no later than the first half of 2013.

Note 22 Risks and uncertainties

Swedbank's earnings are affected by changes in the global marketplace over which it has no control, including macroeconomic changes and changes in interest rates, stock prices and exchange rates.

Swedbank has subsidiaries with operations in countries with currencies other than Swedish kronor. Moreover, in Latvia, Lithuania, Russia and Ukraine, a significant share of lending is in foreign currency i.e. euros or US dollars. In the event of a devaluation of the domestic currency in any of these countries, three main factors would affect the Group's income statement and balance sheet.

Firstly, a gain on financial items at fair value would generally arise due to the impact of changes in exchange rates on the assets and liabilities of the subsidiary. Normally, this would produce an exchange rate gain, since the company has larger assets than liabilities in foreign currencies (euro or

dollar). Secondly, a negative translation effect would arise on the parent company's net investment in the subsidiary, since the subsidiary's equity would be less when expressed in Swedish kronor. This negative exchange rate effect is recognised in other comprehensive income, not the consolidated income statement. Thirdly, it would be more difficult for domestic customers to pay the interest and principal on their loans in foreign currency, which would become higher in the local currency. This would eventually lead to higher impairment losses in the subsidiary.

In addition to what is stated in this interim report, detailed descriptions are provided in Swedbank's 2011 annual report and in the annual disclosure on risk management and capital adequacy according to the Basel 2 rules, available on www.swedbank.com.

Note 23 Related-party transactions

During the period normal business transactions were executed between companies in the Group, including other related companies such as associates. Significant associates include the partly owned savings banks. Färs & Frosta Sparbank AB holds 4 291 409 shares in Swedbank AB. The Group's share of these shares has reduced equity in the consolidated statements by SEK 78m.

Other significant relations are with Swedbank's pension funds and Sparinstitutens Pensionskassa SPK, which safeguard employees' post-employment benefits. These related parties use Swedbank for customary banking services.

Note 24 Swedbank's share

	30 Sep 2012	31 Dec 2011	%	30 Sep 2011	%
SWED A					
Share price, SEK	123.40	89.15	38	76.60	61
Number of outstanding ordinary shares	917 549 816	907 421 303	1	907 421 303	1
Market capitalisation, SEKm	113 226	80 897	40	69 508	63
SWED PREF					
Share price, SEK	123.50	89.15	39	76.45	62
Number of outstanding preference shares	180 168 484	190 434 519	-5	190 434 519	-5
Market capitalisation, SEKm	22 251	16 977	31	14 559	53
SWED C					
Share price, SEK					
Number of outstanding shares	0	0		0	
Market capitalisation, SEKm	0	0		0	
Total market capitalisation, SEKm	135 477	97 874	38	84 067	61

Repurchased shares have been taken into consideration when calculating the market capitalisation.

Swedbank's share, ticker symbol SWED A and the preference share, ticker symbol SWED PREF, are listed on the OMX Nordic Exchange and traded in the Large cap segment.

	30 Sep 2012	31 Dec 2011	30 Sep 2011
Number of outstanding shares			
Issued shares			
SWED A	951 149 816	965 190 117	965 190 117
SWED PREF	180 855 906	194 400 060	194 400 060
SWED C	0	1 500 000	1 500 000
Repurchased shares			
SWED A	-33 000 000	-57 168 814	-57 168 814
SWED PREF	0	-3 415 641	-3 415 641
SWED C	0	-1 500 000	-1 500 000
Swedbank's share of associates' holding of shares			
SWED A	-600 000	-600 000	-600 000
SWED PREF	-687 422	-549 900	-549 900
Number of outstanding shares on the closing day	1 097 718 300	1 097 855 822	1 097 855 822

In February and August of each year, starting in August 2009, holders of preference shares may request to convert their preference shares to ordinary shares. The request must pertain to the shareholder's entire holding. If the shareholder previously has not requested a conversion, all their outstanding preference shares will be converted into ordinary shares as soon as possible after the Annual General Meeting 2013, however, if applicable, not earlier than the day after the record day for the right to receive the dividend, as resolved at the said Annual General Meeting. Preference shares carry the same voting rights as ordinary shares. During the year 10 128 513 preference shares have been converted to ordinary shares.

Swedbank's share capital decreased by SEK 610 773 555 in May 2012, through cancellation of own shares equivalent to 24 168 814 ordinary shares, 3 415 641 preference shares and 1 500 000 C shares.

	Q3 2012	Q2 2012	Q3 2011	Jan-Sep 2012	Jan-Sep 2011
Earnings per share					
Average number of shares					
Average number of shares before dilution	1 097 770 581	1 097 796 722	1 113 057 146	1 097 801 142	1 138 371 692
Weighted average number of shares for potential ordinary shares that incur a dilutive effect due to share-based compensation programme	4 546 602	3 626 454	2 581 299	3 823 889	2 216 445
Average number of shares after dilution	1 102 317 183	1 101 423 176	1 115 638 445	1 101 625 030	1 140 588 137
Profit, SEKm					
Profit for the period attributable to shareholders of Swedbank	3 511	3 162	3 475	10 098	10 779
Preference dividends on non-cumulative preference shares declared in respect of the period				1 004	995
Earnings for the purpose of calculating earnings per share	3 511	3 162	3 475	9 094	9 784
Earnings per share, SEK					
Earnings per share before dilution	3.20	2.88	3.12	8.28	8.59
Earnings per share after dilution	3.19	2.87	3.11	8.26	8.58

When calculating earnings per share the preference share dividend is deducted from profit in the period the dividend is declared.

Swedbank AB

Income statement, condensed

Parent company SEKm	Q3 2012	Q2 2012	%	Q3 2011	%	Jan-Sep 2012	Jan-Sep 2011	%
Interest income	6 160	6 276	-2	6 853	-10	19 090	19 450	-2
Interest expenses	-3 375	-3 629	-7	-4 480	-25	-10 984	-12 386	-11
Net interest income	2 785	2 647	5	2 373	17	8 106	7 064	15
Dividends received *	537	190		6		841	2 410	-65
Commission income	1 482	1 519	-2	1 454	2	4 596	4 410	4
Commission expenses	-270	-315	-14	-230	17	-893	-937	-5
Net commissions	1 212	1 204	1	1 224	-1	3 703	3 473	7
Net gains and losses on financial items at fair value	407	544	-25	-369		2 287	689	
Other income	332	322	3	343	-3	944	1 682	-44
Total income	5 273	4 907	7	3 577	47	15 881	15 318	4
Staff costs	1 702	1 786	-5	1 658	3	5 317	5 024	6
Other expenses	927	1 023	-9	1 074	-14	3 034	3 361	-10
Depreciation/amortisation	138	146	-5	82	68	430	243	77
Total expenses	2 767	2 955	-6	2 814	-2	8 781	8 628	2
Profit before impairments	2 506	1 952	28	763		7 100	6 690	6
Impairment of financial fixed assets	36	356	-90	297	-88	411	74	
Credit impairments	55	134	-59	6		207	-176	
Operating profit	2 415	1 462	65	460		6 482	6 792	-5
Appropriations	29	29	0			87		
Tax expense	576	551	5	204		1 767	1 411	25
Profit for the period	1 810	882		256		4 628	5 381	-14

* During the third quarter 2012 the assets and liabilities of Mandab AB, Swedbank Företagskredit AB and Nordic Foodservice Investment AB were transferred to Swedbank AB. As a whole this produced a merger result of SEK 531m, which is recognized as dividends received.

Statement of comprehensive income, condensed

Parent company SEKm	Q3 2012	Q2 2012	%	Q3 2011	%	Jan-Sep 2012	Jan-Sep 2011	%
Profit for the period reported via income statement	1 810	882		256		4 628	5 381	-14
Cash flow hedges:								
Gains/losses arising during the period	-25	-10		-35	29	-58	-39	49
Reclassification adjustments to income statement, net interest income	43	49	-12	79	-46	164	268	-39
Income tax relating to components of other comprehensive income	-5	-10	50	-12	58	-28	-60	53
Other comprehensive income for the period, net of tax	13	29	-55	32	-59	78	169	-54
Total comprehensive income for the period	1 823	911		288		4 706	5 550	-15

Balance sheet, condensed

Parent company SEKm	30 Sep 2012	31 Dec 2011	%	30 Sep 2011	%
Assets					
Cash and balance with central banks	202 934	154 392	31	84 740	
Loans to credit institutions	354 898	325 896	9	426 023	-17
Loans to the public	371 224	342 394	8	318 587	17
Interest-bearing securities	134 391	136 530	-2	144 035	-7
Shares and participating interests	63 614	60 711	5	60 722	5
Derivatives	136 993	119 320	15	121 703	13
Other assets	22 943	15 935	44	15 077	52
Total assets	1 286 997	1 155 178	11	1 170 887	10
Liabilities and equity					
Amounts owed to credit institutions	218 911	200 430	9	184 728	19
Deposits and borrowings from the public	531 226	459 720	16	452 888	17
Debt securities in issue	294 991	251 764	17	279 296	6
Derivatives	127 222	111 752	14	112 020	14
Other liabilities and provisions	36 640	46 256	-21	57 651	-36
Subordinated liabilities	13 275	19 833	-33	21 165	-37
Untaxed reserves	2 759	2 672	3	805	
Equity	61 973	62 751	-1	62 334	-1
Total liabilities and equity	1 286 997	1 155 178	11	1 170 887	10
Pledged collateral	70 193	74 479	-6	58 682	20
Other assets pledged	2 140	3 249	-34	1 815	18
Contingent liabilities	551 158	560 835	-2	570 417	-3
Commitments	170 299	161 709	5	158 783	7

Statement of changes in equity, condensed

Parent company
SEKm

	Share capital	Share premium reserve	Statutory reserve	Cash flow hedges	Retained earnings	Total
January-September 2011						
Opening balance 1 January 2011	24 351	13 083	6 489	-306	22 142	65 759
Dividend					-2 995	-2 995
New share issue	32					32
Reversal of VAT costs incurred on rights issue 2009		35				35
Repurchased shares					-6 180	-6 180
Share based payments to employees					133	133
Total comprehensive income for the period				169	5 381	5 550
Closing balance 30 September 2011	24 383	13 118	6 489	-137	18 481	62 334
January-December 2011						
Opening balance 1 January 2011	24 351	13 083	6 489	-306	22 142	65 759
Dividend					-2 995	-2 995
New share issue	32					32
Reversal of VAT costs incurred on rights issue 2009		35				35
Repurchased shares					-6 180	-6 180
Share based payments to employees					159	159
Total comprehensive income for the period				183	5 758	5 941
Closing balance 31 December 2011	24 383	13 118	6 489	-123	18 884	62 751
January-September 2012						
Opening balance 1 January 2012	24 383	13 118	6 489	-123	18 884	62 751
Dividend					-5 825	-5 825
Decrease share capital	-611				611	
Bonus issue	1 132		-521		-611	
Reversal of VAT costs incurred on rights issues in 2008 and 2009		92				92
Share based payments to employees					249	249
Total comprehensive income for the period				78	4 628	4 706
Closing balance 30 September 2012	24 904	13 210	5 968	-45	17 936	61 973

In connection to the rights issues in 2008 and 2009 an assessment was made on the non-deductible VAT Swedbank AB would have to pay on the transaction costs. This assessment was partly changed in the second quarter 2011 based on a new tax case ruling. The VAT expense decreased by SEK 35m after income tax. The income tax expense on the VAT amount was SEK 12m. After a reassessment made by the Swedish Tax Agency, the VAT expense was further decreased by SEK 92m after income tax during the third quarter 2012. The income tax expense on the VAT amount was SEK 33m.

Cash flow statement, condensed

Parent company SEKm	Jan-Sep 2012	Full-year 2011	Jan-Sep 2011
Cash flow from operating activities	11 667	181 337	74 874
Cash flow from investing activities	4 018	6 111	14 453
Cash flow from financing activities	32 857	-37 758	-9 287
Cash flow for the period	48 542	149 690	80 040
Cash and cash equivalents at beginning of period	154 392	4 702	4 702
Cash flow for the period	48 542	149 690	80 040
Cash and cash equivalents at end of period	202 934	154 392	84 742

Capital adequacy

Parent company SEKm	30 Sep 2012	31 Dec 2011	% or pp	30 Sep 2011	% or pp
Core Tier 1 capital	56 534	57 521	-2	56 238	1
Tier 1 capital contribution	7 498	7 553	-1	7 562	-1
Total Tier 1 capital	64 032	65 074	-2	63 800	0
Tier 2 capital	5 112	11 572	-56	12 958	-61
Settlements, equities, etc.	-2 904	-2 902	0	-2 902	0
Total capital base	66 240	73 744	-10	73 856	-10
Capital requirement	27 489	29 201	-6	29 491	-7
Capital requirement including complement	27 489	29 201	-6	29 491	-7
Risk-weighted assets	343 613	365 013	-6	368 643	-7
Core Tier 1 capital ratio, %*	16.5	15.8	0.7	15.3	1.2
Tier 1 capital ratio, %*	18.6	17.8	0.8	17.3	1.3
Total capital adequacy ratio, %*	19.3	20.2	-0.9	20.0	-0.8
Capital quotient*	2.41	2.53	-0.12	2.50	-0.09

* Key ratios refer to both transition rules and Basel 2.

Signatures of the Board of Directors and the President

The Board of Directors and the President certify that the interim report for January-September 2012 provides a fair and accurate overview of the operations, financial position and results of the parent company and the Group and describes the significant risks and uncertainties faced by the parent company and the companies in the Group.

Stockholm, 22 October 2012

Lars Idermark
Chair

Anders Sundström
Deputy Chair

Olav Fjell
Board Member

Ulrika Francke
Board Member

Göran Hedman
Board Member

Anders Igel
Board Member

Pia Rudengren
Board Member

Charlotte Strömberg
Board Member

Karl-Henrik Sundström
Board Member

Siv Svensson
Board Member

Kristina Janson
Board Member
Employee Representative

Jimmy Johnsson
Board Member
Employee Representative

Michael Wolf
President

Review report

Introduction

We have reviewed the interim report for Swedbank AB (publ) for the period 1 January to 30 September 2012. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the Standard on Review Engagements (SÖG) 2410 Review of Interim Financial Information performed by the company's auditors. A review consists of making inquiries, primarily with persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report for the Group is not, in all material aspects, in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies and as regards the parent company in accordance the Annual Accounts Act for Credit Institutions and Securities Companies.

Stockholm, 22 October 2012

Deloitte AB

Svante Forsberg
Authorised Public Accountant

Publication of financial information

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

Swedbank will publish financial results on the following dates in 2013:

Year-end report for 2012 on 30 January 2013
Interim report for the first quarter 2013 on 23 April 2013
Interim report for the second quarter 2013 on 17 July 2013
Interim report for the third quarter 2013 on 22 October 2013

For further information, please contact:

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

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