

Q3 2015

Interim report for the third quarter 2015

Third quarter compared with second quarter 2015

- Improved net interest income despite lower market interest rates
- Continued lending growth in Sweden and Baltic countries
- Weaker stock market reduced net commission income
- Lower net gains and losses on financial items at fair value caused by wider credit spreads and lower customer activity
- Successful cost control allows investments to be made at an earlier stage. The goal to reduce total expenses to SEK 16bn for 2016 remains unchanged
- Continued high credit quality
- Stronger capitalisation
- Negative sales trend continues for funds

“Efficiency improvements are progressing faster than expected and are now allowing us to invest more to enhance customer value”

Michael Wolf,
President and CEO

Financial information SEKm	Q3 2015	Q2 2015	%	Jan-Sep 2015	Jan-Sep 2014	%
Total income	9 234	9 315	-1	28 167	29 925	-6
of which net interest income	5 811	5 704	2	17 234	16 833	2
Total expenses	3 879	4 047	-4	12 094	13 309	-9
Profit before impairments	5 355	5 268	2	16 073	16 616	-3
Impairment of intangible assets	254			254	1	
Credit impairments	130	6		195	165	18
Tax expense ¹⁾	1 012	1 538	-34	3 651	3 301	11
Profit for the period attributable to the shareholders of Swedbank AB	3 928	3 666	7	11 914	12 652	-6
Earnings per share total operations, SEK, after dilution	3.51	3.30		10.69	11.40	
Return on equity, total operations, %	13.5	13.4		13.8	15.6	
C/I-ratio	0.42	0.43		0.43	0.44	
Common Equity Tier 1 capital ratio, %	23.0	22.4		23.0	20.7	
Credit impairment ratio, %	0.04	0.00		0.02	0.02	

¹⁾ One-off tax expense of SEK 447m during second quarter 2015.

CEO Comment

Increased concerns about global economy

Growth prospects in China's economy were called into question in the third quarter, which led to revised global growth projections, falling commodity prices and uncertainty in the securities markets. Concern surrounding the political situation in Greece continued as well.

The refugee crisis affects us deeply. All of us can help. We at Swedbank are currently working with colleagues in the industry and the authorities to find solutions that will make it easier for newly arrived persons to gain access to banking services. Among the challenges are language difficulties and a lack of personal identification, as well as laws that require us to know our customers.

The Riksbank's repo rate cut of an additional 10 basis points could exacerbate the imbalances in the economy. House prices continue to rise and the housing shortage is growing – not least due to population growth. To take advantage of the economic opportunities that a growing population offers, more resources should be devoted to resolving the acute housing shortage. We need new infrastructure at the same time that laws and regulations need to be re-evaluated to simplify new construction. It is positive, however, to see that new construction has increased this year.

At Swedbank we are ready to help finance these initiatives. At the same time we remain focused on our customers' financial security and are making sure that they have sufficient buffers in their personal finances to handle unforeseen events.

We welcome new customers

Market volatility and greater uncertainty led to slightly lower customer activity during the quarter, which was marked by a sense of hesitancy.

Lending growth remained stable in the Swedish business. In the Baltic countries the positive trend continued and we saw another quarter of lending growth. Through the agreement to acquire Danske Bank's retail banking business, we are strengthening our position mainly in Lithuania, and in Latvia, and gain a total of 127 000 new customers.

The integration of Sparbanken Öresund took a big step forward in October when around 100 000 customers were transferred to Swedbank's system. Our new customers now have access to a broader product range and a better mobile bank and internet bank. The transition has been an important priority this year, and I am proud of the outcome, which has been made

possible by the hard work and fantastic commitment of our employees. I would like to welcome our new customers to Swedbank.

Improved customer value – our highest priority

The results of our annual customer satisfaction survey were published during the quarter. While Swedbank's results are moving in the right direction we have a lot left to do as regards Swedish retail customers. It is positive that customers continue to appreciate our digital services. For the second quarter in a row Swedbank was ranked as having the "best customer service in social media" among global banks. And in the Baltic countries we ranked fourth among "Most Loved Brands" for the second consecutive year. The three top brands were Google, Facebook and Gmail.

The service our customers demand is closely tied to the functionality of our digital services. Dependability and security as well as the new challenges that digitisation poses are therefore priority issues when we examine operational risks. Many of our IT investments are focused on ensuring functionality and raising the level of service.

Stable result in uncertain environment

The financial results for the quarter were stable. Increased lending volumes helped to offset the pressure on earnings from lower interest rates. Credit impairments remained very low. The low risk in the bank has led to lower funding costs. During the first half-year we were more active in our long-term funding and capitalised on favourable market conditions. The issuance pace was maintained in the third quarter despite somewhat more turbulent capital markets.

Cost control remains very good. This puts us in a better position to enhance our customer offering and give employees opportunities to develop. We have also been able to bring forward several investments.

Our financial position has never been stronger. We are in a fantastic position to meet new challenges and opportunities, providing us all with inspiration and motivation. There is a lot of positive energy in the organisation to strengthen customer value.



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 2015	Q2 2015	%	Q3 2014	%	Jan-Sep 2015	Jan-Sep 2014	%
Net interest income	5 811	5 704	2	5 829	0	17 234	16 833	2
Net commission income	2 736	2 842	-4	2 816	-3	8 322	8 322	0
Net gains and losses on financial items at fair value	4	82	-95	799	-99	406	1 917	-79
Other income	683	687	-1	706	-3	2 205	2 853	-23
Total income	9 234	9 315	-1	10 150	-9	28 167	29 925	-6
Staff costs	2 257	2 375	-5	2 469	-9	7 104	7 807	-9
Other expenses	1 622	1 672	-3	1 695	-4	4 990	5 502	-9
Total expenses	3 879	4 047	-4	4 164	-7	12 094	13 309	-9
Profit before impairments	5 355	5 268	2	5 986	-11	16 073	16 616	-3
Impairment of intangible assets	254					254	1	
Impairment of tangible assets	16	22	-27	19	-16	53	223	-76
Credit impairments	130	6		235	-45	195	165	18
Operating profit	4 955	5 240	-5	5 732	-14	15 571	16 227	-4
Tax expense	1 012	1 538	-34	1 164	-13	3 651	3 301	11
Profit for the period from continuing operations	3 943	3 702	7	4 568	-14	11 920	12 926	-8
Profit for the period from discontinued operations, after tax	-11	-32	-66	-2		6	-259	
Profit for the period	3 932	3 670	7	4 566	-14	11 926	12 667	-6
Profit for the period attributable to the shareholders of Swedbank AB	3 928	3 666	7	4 560	-14	11 914	12 652	-6

Key ratios and data per share	Q3 2015	Q2 2015	Q3 2014	Jan-Sep 2015	Jan-Sep 2014
Return on equity, continuing operations, %	13.5	13.5	16.6	13.8	15.9
Return on equity, total operations, %	13.5	13.4	16.6	13.8	15.6
Earnings per share before dilution, continuing operations, SEK ¹⁾	3.57	3.34	4.14	10.78	11.72
Earnings per share after dilution, continuing operations, SEK ¹⁾	3.52	3.32	4.10	10.68	11.63
Cost/income ratio	0.42	0.43	0.41	0.43	0.44
Equity per share, SEK ¹⁾	107.5	103.1	101.1	107.5	101.1
Loan/deposit ratio, %	187	172	193	187	193
Common Equity Tier 1 capital ratio, %	23.0	22.4	20.7	23.0	20.7
Tier 1 capital ratio, %	25.7	25.0	21.9	25.7	21.9
Total capital ratio, %	28.9	28.2	24.9	28.9	24.9
Credit impairment ratio, %	0.04	0.00	0.07	0.02	0.02
Share of impaired loans, gross, %	0.35	0.36	0.47	0.35	0.47
Total provision ratio for impaired loans, %	58	55	55	58	55
Liquidity coverage ratio (LCR), %	135	136	132	135	132
Net stable funding ratio (NSFR), % ²⁾	104	101	102	104	102

Balance sheet data SEKbn	30 Sep 2015	31 Dec 2014	%	30 Sep 2014	%
Loans to the public, excluding the Swedish National Debt Office and repurchase agreements	1 370	1 325	3	1 287	6
Deposits and borrowings from the public, excluding the Swedish National Debt Office and repurchase agreements	734	661	11	667	10
Shareholders' equity	119	117	1	111	7
Total assets	2 312	2 121	9	2 078	11
Risk exposure amount	404	414	-2	410	-1

¹⁾ The number of shares and calculation of earnings per share are specified on page 50.

²⁾ NSFR according to Swedbank's best understanding of the Basel Committee's new recommendation (BCBS295).

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

Key ratios and text comments regarding lending and deposits relate to volumes excluding Swedish National Debt Office and repos.

Overview

Market

The US economy continued to strengthen, mainly driven by a stronger labour market, lower energy prices and low interest rates. However, the Federal Reserve decided not to raise its benchmark rate in September due to growing uncertainty about the global economy, led by China. Commodity prices fell during the summer and early autumn, which dampened global inflation. The European economy continued to improve, not least due to the ECB's expansionary monetary policy.

The Swedish economy grew by 3.3 per cent in the second quarter, driven by consumption and housing investment. The Riksbank's expansionary monetary policy and low interest rates with rising house prices, as well as a housing shortage, helped to further accelerate lending towards households in the third quarter. Retail sales slowed during the summer. Households became more pessimistic about the Swedish economy, while businesses became more optimistic about economic prospects. In July the Riksbank cut the repo rate by 10 basis points to -0.35 per cent, but kept it unchanged in September at the same time that the underlying inflation rate rose. The ECB's expansionary monetary policy and Norges Bank's rate cut raised the pressure on the Riksbank, however, to take additional monetary action to reach its inflation target of two per cent.

The Baltic countries continued to grow in the second quarter at an annualised rate of 1.4 per cent in Lithuania, 2 per cent in Estonia and 2.7 per cent in Latvia. Growth was mainly the result of household consumption, supported by 5-7 per cent wage increases. Baltic exports to Russia have fallen by 20-40 per cent during the year at the same time that exports to other markets have risen by more or less a similar amount. The pace of investment has to increase in order to contribute to higher productivity and higher competitiveness as wages rise. Falling global commodity prices contributed to lower or marginal inflation. The inflation impact from the labour market was still limited despite higher wage increases and declining unemployment.

The Stockholm stock exchange (OMXSPI) gained 0.4 per cent during the first nine months, but fell by 6 per cent in the third quarter. The Tallinn stock exchange (OMXTGI) rose by 14 per cent, the Riga stock exchange (OMXRGI) by 40 per cent and the Vilnius stock exchange (OMXVGI) by 6 per cent during the year. During the third quarter the Tallinn stock exchange (OMXTGI) rose by 2 per cent, the Riga stock exchange (OMXRGI) by 30 per cent, and the Vilnius stock exchange (OMXVGI) by 8 per cent.

Third quarter 2015

Compared with second quarter 2015

Result

The quarterly result increased by 7 per cent to SEK 3 928m (3 666). A one-off tax expense negatively affected profit in the second quarter. Income and expenses both decreased, while credit impairments were higher. Profit before impairments improved to SEK 5 355m (5 268). Profit increased in Baltic Banking as well as in Group Functions & Other, mainly due to a

higher result within Group Treasury. Swedish Banking's profit was stable, while it decreased in Large Corporates & Institutions (LC&I). The return on equity increased to 13.5 per cent (13.4). The cost/income ratio improved to 0.42 (0.43).

Profit before impairments by business segment excl FX effects	Q3	Q2	Q3
SEKm	2015	2015	2014
Swedish Banking	3 161	3 172	3 002
Baltic Banking	961	940	922
Large Corporates & Institutions	956	1 110	947
Group Functions & Other	277	46	1 104
Total excl FX effects	5 355	5 268	5 975
FX effects			11
Total	5 355	5 268	5 986

Income decreased by 1 per cent to SEK 9 234m (9 315). Net interest income increased, while net commission income and net gains and losses on financial items at fair value decreased.

Net interest income increased by 2 per cent to SEK 5 811m (5 704). Net interest income increased in Swedish Banking and Baltic Banking and was stable in LC&I. In Group Functions & Other net interest income fell slightly in Group Treasury. Deposit margins decreased in all business areas due to lower interest rates, while higher lending volumes contributed positively. Lending margins on Swedish mortgages increased. An extra day during the quarter affected net interest income positively.

Net commission income fell by 4 per cent to SEK 2 736m (2 842). Net commission income decreased in Swedish Banking but was stable in Baltic Banking and LC&I. Net commission income from cards was seasonally higher. Lending related commissions were stable. Net commission income from asset management decreased mainly due to a declining stock market, but also to net outflows. Net commission income in corporate finance and securities trading was seasonally lower.

Net gains and losses on financial items at fair value decreased to SEK 4m (82). This was mainly due to a lower result in LC&I, which was seasonally lower and adversely affected by poor liquidity in the fixed income market and wider credit spreads. Net gains and losses on financial items improved in Group Treasury within Group Functions & Other as wider credit spreads had a less negative effect than in the second quarter.

Other income was stable at SEK 683m (687).

Expenses decreased by 4 per cent to SEK 3 879m (4 047), mainly in Swedish Banking and LC&I. Staff costs decreased, mainly due to a lower number of full-time positions and seasonally lower expenses. The number of full-time employees was reduced by 95, mainly in Swedish Banking and Baltic Banking.

Impairment of intangible assets increased to SEK 254m (0) and consisted of IT system impairment within Group Products and the writedown of a previously acquired asset management assignment.

Credit impairments increased to SEK 130m (6). Impairments rose within LC&I due to increased provisions for a previously known problem loan. Swedish Banking continued to report low credit impairments, while recoveries decreased in Baltic Banking.

The tax expense amounted to SEK 1 012m (1 538), corresponding to an effective tax rate of 20.4 per cent (29.4). The second quarter was affected by one-off items related to the Estonian and US operations, which raised the tax expense by SEK 447m. Excluding these one-off items, the second quarter's effective tax rate would have been 20.8 per cent. As previously estimated, the effective tax rate is expected to be 19-21 per cent in the medium term.

The result from discontinued operations improved to SEK -11m (-32).

January-September 2015

Compared with January-September 2014

Result

The result for the period decreased by 6 per cent to SEK 11 914m (12 652), mainly due to a one-off tax expense in the second quarter 2015 and intangible assets impairment in the third quarter 2015. Income and expenses both decreased. Changes in exchange rates, primarily the depreciation of the Swedish krona against the euro, raised profit by SEK 25m. The return on equity fell to 13.8 per cent (15.6), affected equally by a lower result and a larger capital base. The cost/income ratio improved to 0.43 (0.44).

Profit before impairments decreased by 3 per cent to SEK 16 073m (16 616). Profit rose in Swedish Banking but was stable in Baltic Banking. Profit in LC&I and Group Treasury within Group Functions & Other fell.

Profit before impairments by business segment excl FX effects SEKm	Jan-Sep 2015	Jan-Sep 2014	Δ SEKm
Swedish Banking	9 303	9 045	258
Baltic Banking	2 773	2 826	-53
Large Corporates & Institutions	3 185	3 345	-160
Group Functions & Other	812	1 463	-651
Total excl FX effects	16 073	16 679	-606
FX effects		-63	63
Total	16 073	16 616	-543

Income decreased by 6 per cent to SEK 28 167m (29 925), mainly in Group Treasury within Group Functions & Other. Income was stable in Baltic Banking and decreased in other business areas. In 2014 Swedish Banking had one-off income mainly related to the acquisition of Sparbanken Öresund. Net interest income increased and commission income was stable. Net gains and losses on financial items at fair value and other income fell. Changes in exchange rates increased income by SEK 155m.

Net interest income rose by 2 per cent to SEK 17 234m (16 833). Group Treasury's net interest income improved supported by falling market interest rates. Net

interest income decreased slightly within Swedish Banking. Lower market interest rates adversely affected deposit margins, while increased lending volumes and higher mortgage margins contributed positively. Net interest income within Baltic Banking was pressured by lower deposit margins. Net interest income was stable within LC&I, where lower deposit margins were offset by higher lending volumes. Higher stability fees reduced net interest income by SEK 143m. Changes in exchange rates raised net interest income by SEK 98m.

Net commission income was unchanged at SEK 8 322m. Insurance related income and income from card commissions contributed positively, while income from corporate finance and payment commissions fell, the latter due to the euro transition in Lithuania and a one-off item of SEK 35m in 2014. Asset management commissions were stable, the net affected by higher average assets under management due to a rising stock market and price cuts on fund fees.

Net gains and losses on financial items at fair value decreased by 79 per cent to SEK 406m (1 917). The lower result in Group Treasury within Group Functions & Other is mainly due to the negative valuation effects from covered bond repurchases and increased credit spreads. Net gains and losses on financial items within LC&I were stable.

Other income decreased by 23 per cent to SEK 2 205m (2 853). Income decreased in all business areas except LC&I, where it was stable. Swedish Banking recognised one-off income of SEK 461m in 2014 related to the acquisition of Sparbanken Öresund. Within Group Functions & Other income from repossessed assets decreased as the property portfolio was sold off.

Expenses decreased by 9 per cent to SEK 12 094m (13 309). The biggest decrease was in Swedish Banking, where one-off expenses of SEK 615m were recognised in connection with the acquisition of Sparbanken Öresund in 2014, but also due to efficiencies. Expenses decreased in Group Functions & Other mainly as a result of efficiency improvements, but also one-off expenses in 2014 related to the move of the head office. Expenses decreased within Baltic Banking in local currency. Expenses within LC&I were stable. Changes in exchange rates increased expenses by SEK 92m.

The number of full-time employees decreased. In Swedish Banking and Baltic Banking as well as Group Products within Group Functions & Other the decrease was due to efficiencies and digitised processes. In Swedish Banking it was also the result of the integration of Sparbanken Öresund. In LC&I the number of full-time employees increased slightly.

Impairment of intangible assets increased to SEK 254m (1) and consisted of IT system impairment within Group Products and the writedown of a previously acquired asset management assignment.

Impairment of tangible assets decreased to SEK 53m (223) as a result of a lower property portfolio.

Credit impairments increased to SEK 195m (165), mainly because Baltic Banking posted lower recoveries. Impairments decreased within LC&I. Within Swedish Banking credit impairments remained low, though slightly higher than in 2014.

The tax expense amounted to SEK 3 651m (3 301), corresponding to an effective tax rate of 23.4 per cent (20.3). During the second quarter the effective tax rate was affected by one-off items in the Estonian and US operations. Excluding these items, the effective tax rate would have been 20.6 per cent. As previously estimated, the effective tax rate is expected to be 19-21 per cent in the medium term.

The result for discontinued operations amounted to SEK 6m (-259). A reclassification of SEK -223m was recognised in 2014 to wind down the Russian operations.

Volume trend

Lending to mortgage customers in Sweden increased by SEK 28bn during the period to SEK 667bn, of which SEK 8bn in the third quarter. Swedbank's market share of net growth was 21 per cent during the first eight months of the year, compared with a total market share of 25 per cent (25 per cent as of 31 December). Mortgage volumes in Baltic Banking increased by 2 per cent in local currency to SEK 55bn. In Estonia and Lithuania the portfolios grew by 4 and 5 per cent, respectively, while it decreased by 2 per cent in Latvia.

Household lending other than mortgages grew by SEK 3bn during the nine-month period to SEK 137bn. The largest increase was in lending to tenant-owner associations, which rose by SEK 3bn to SEK 101bn. Baltic Banking's volumes grew by 8 per cent in local currency to SEK 11bn. Estonia and Lithuania saw growth, while volumes in Latvia decreased slightly.

Corporate lending within Swedish Banking and LC&I rose by SEK 11bn during the period to SEK 445bn. During the third quarter the growth rate slowed and volumes increased by SEK 1bn. Swedbank's market share of net growth in Sweden was 34 per cent during the first eight months of the year and the total market share increased to 19.0 per cent (18.7) as of 31 August. Corporate lending in Baltic Banking increased by 3 per cent in local currency to SEK 63bn. The lending portfolio grew by 4 per cent in Lithuania, 3 per cent in Estonia and 1 per cent in Latvia.

Swedbank's deposits increased by SEK 73bn from the beginning of the year to a total of SEK 734bn. The increase was mainly due to Group Treasury and related to higher deposits from US money market funds. Swedish Banking's volumes grew by SEK 19bn, of which SEK 18bn was from private individuals. In LC&I deposits decreased by SEK 3bn during the year. In Baltic Banking deposits rose by 5 per cent in local currency, with increases in all three countries. Market shares in Sweden declined somewhat as of 31 August to 20.9 per cent (21.1) for household deposits and 17.9 per cent (18.7) for corporate deposits.

Fund assets under management decreased by SEK 6bn from the beginning of the year to SEK 709bn, of which SEK 678bn relates to the Swedish operations. Discretionary assets under management amounted to SEK 338bn (337). During the year Swedbank Robur had a net outflow of SEK 14bn in the Swedish market, where the outflow was SEK 10bn in the third quarter. The previous trend with outflows from fixed income funds and inflows to mixed funds continued. Equity funds also reported outflows. The net outflow from Swedbank Robur's equity funds was SEK 16bn, of which SEK 5bn

in the third quarter, affected by a declining stock market. Discretionary management has seen a net inflow of SEK 7bn for the year, but an outflow of SEK 3bn in the third quarter. Swedbank Robur's market share for net inflows was negative (13 per cent for 2014).

For more information on the product areas, see page 18.

Credit and asset quality

The quality of Swedbank's credit portfolio remains good. During the quarter lending to solvent customers grew at a stable pace. Credit impairments remained at very low levels despite that macroeconomic uncertainty and political concerns continue to have an impact on economic growth in the bank's home markets. Thanks to Swedbank's focus on stable customers with low risk, coupled with efforts to help them maintain a sound and sustainable financial situation, the credit portfolio has not been affected despite the market turbulence. Measures are also being taken to continuously adapt the bank's procedures and governance to changing global conditions as well as to offset potentially negative effects.

Mortgage lending in Sweden continued to grow during the year. The increase has mainly been in large urban areas with solid economic growth. Low risk is maintained in the mortgage portfolio through good controls and monitoring as well as strict lending terms, where Swedbank is working to instil a clearer culture where borrowers pay off their loans. New amortisation guidelines were introduced during the quarter for new loans, in line with the Swedish Financial Supervisory Authority's previous proposal. These measures have become more important against the backdrop of the continued rise in house prices. During the third quarter 95 per cent (94 in Q2) of new mortgages granted in Sweden with a loan-to-value ratio of over 70 per cent were being amortised, as were 64 per cent (53 in Q2) of those with a loan-to-value ratio of between 50 and 70 per cent. Amortisations in the Swedish mortgage portfolio amounted to around SEK 11bn during the last 12-month period. The average loan-to-value ratio for Swedbank's mortgages in Sweden was 57.9 per cent (60.1 as of 31 December 2014). In Estonia it was 49.7 per cent (53.9), in Latvia 96.1 per cent (108.2) and in Lithuania 79.0 per cent (84.8), based on property level. For more information, see the loan section on page 18 and page 52 of the fact book.

Lending to non-housing related property companies in Sweden rose by SEK 6bn to SEK 125bn during the nine-month period. The portfolio risk remained low thanks to the good solvency of customers.

Impaired loans continued to decrease during the year and corresponded to 0.35 per cent (0.41) of total lending. The provision ratio for impaired loans was 39 per cent (35) and including portfolio provisions was 58 per cent (53). For more information on credit risk, see pages 45-51 of the fact book.

Credit impairments, net by business segment SEKm	Q3 2015	Q2 2015	Q3 2014
Swedish Banking	35	48	43
Baltic Banking	-2	-49	-59
Estonia	21	-9	-3
Latvia	-17	-95	-42
Lithuania	-6	55	-14
Large Corporates & Institutions	97	7	269
Group Functions & Other			-18
Total	130	6	235

Credit impairments amounted to SEK 195m (165) during the nine-month period, of which SEK 130m in the third quarter, mainly related to provisions for anticipated credit impairments from a few commitments in Sweden. Baltic Banking reported further net recoveries, but at a lower level.

Reposessed assets continued to decrease to SEK 575m (933). For more information on reposessed assets, see page 50 of the fact book.

Operational risks

Rapid digitisation has led to very high functionality and security demands. Operational risks are therefore a top priority. The direct losses attributable to operational risks remained low during the third quarter. The trend from the previous year is continuing and the number of IT incidents is on the decline.

During the second quarter Swedbank applied to the SFSA to use the Advanced Measurement Method (AMA) to calculate operational risks. A decision is expected during the first half of 2016.

Funding and liquidity

The nine-month period saw continued positive demand for Swedbank's bonds. In 2015 Swedbank has issued larger volumes of long-term bonds and taken advantage of favourable market conditions partly to pre-finance upcoming maturities, but also to match higher lending volumes. Economic and political uncertainty increased slightly during the third quarter with greater uncertainty regarding China, which led to continued high market volatility and higher credit spreads. During the first nine months Swedbank issued SEK 188bn in long-term debt, of which SEK 55bn related to the third quarter. Covered bonds, which are the most important source of financing for the bank, accounted for SEK 42bn. The higher share of senior unsecured funding contributed positively to the Net Stable Funding Ratio (NSFR). According to the updated definition (Basel 3) of how to calculate NSFR, a larger share of assets has to be financed with long-term financing. According to Swedbank's interpretation of the update, the bank's NSFR amounts to 104 per cent as of 30 September, compared with an anticipated requirement of 100 per cent.

On 30 September the total volume of short-term funding amounted to SEK 251bn (195bn as of 31 December, 2014) at the same time that SEK 269bn was placed with central banks.

Swedbank's most important liquidity measure is the survival horizon, which showed that the bank as of 30 September would survive more than 12 months with the capital markets completely shut down. This applies to total liquidity as well as liquidity in USD and EUR. For

more information on the bank's funding and liquidity, see pages 66-77 of the fact book.

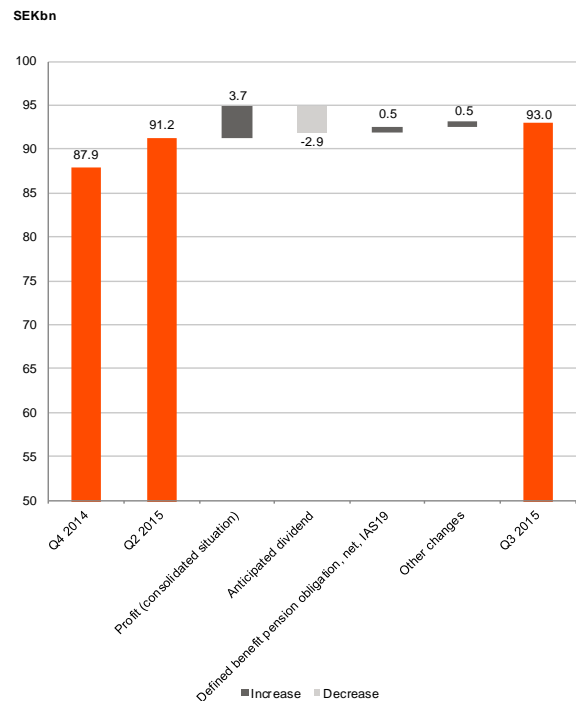
Ratings

There were no changes in Swedbank's ratings in the third quarter.

Capital and capital adequacy

The Common Equity Tier 1 capital ratio was 23.0 per cent on 30 September 2015 (22.4 per cent as of 30 June 2015 and 21.2 per cent as of 31 December 2014). Common Equity Tier 1 capital increased by SEK 1.8bn during the quarter to SEK 93.0bn. The bank's profit after deducting the anticipated dividend positively affected Common Equity Tier 1 capital by SEK 0.7bn. The revaluation of the estimated pension liability according to IAS 19 increased Common Equity Tier 1 capital by about SEK 0.5bn, mainly due to a higher discount rate and lower inflation assumptions.

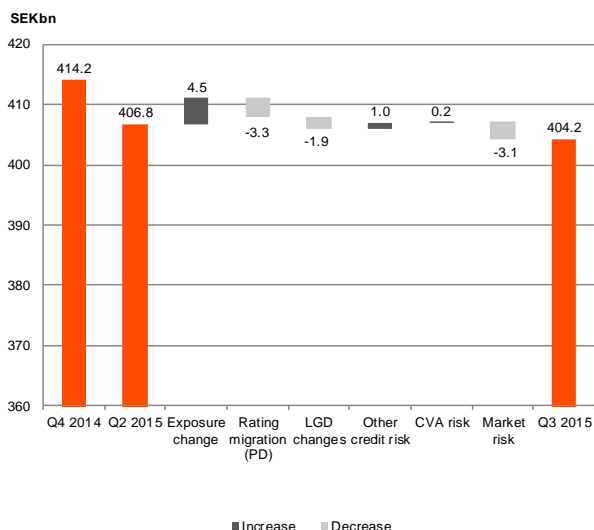
Change in Common Equity Tier 1 capital, 2015, Swedbank consolidated situation



REA decreased by SEK 2.6bn in the third quarter to SEK 404.2bn as of 30 September. REA for credit risks increased by SEK 0.4bn. Increased exposures to mortgages and corporate customers mainly in Sweden, as well as exchange rate effects, raised REA. Positive PD changes reduced REA by SEK 3.3bn with an updated PD model within Baltic Banking contributing with a decrease of SEK 2.9bn. Increased collateral values had a positive effect on LGD, helping to reduce REA by SEK 1.9bn.

REA for market risks decreased by SEK 3.1bn, mainly due to a lower interest rate risk compared with the previous quarter. REA for operational risks was unchanged during the quarter.

Change in REA, 2015, Swedbank consolidated situation



Uncertainty about capital regulations persists – Swedbank well positioned

As of September the countercyclical buffer value of 1 per cent decided by the SFSA in September 2014 is applied. The countercyclical buffer requirement also affects Swedbank's capital requirement through the risk weight floor of 25 per cent for the Swedish mortgage portfolio.

The SFSA has completed its Supervisory Review and Evaluation Process (SREP) for 2015 for Swedbank. In its SREP decision, the SFSA has used the methods it announced in May 2015 to assess capital requirements within Pillar 2 for credit related concentration risk, interest rate risk in the banking book and pension risk. On this basis, Swedbank's Common Equity Tier 1 capital requirement for individual Pillar 2 risks is estimated at 0.9 per cent (1.1).

The total Common Equity Tier 1 capital requirement for Swedbank was unchanged during the quarter at 19.6 per cent, compared with Swedbank's Common Equity Tier 1 capital ratio of 23.0 per cent as of 30 September. The requirement increased because the capital requirement for the risk weight floor for mortgages in Pillar 2 is increasing in relation to the total risk exposure amount. At the same time the requirement decreased by a corresponding amount because the capital requirement for individual Pillar 2 risks is lower than previously estimated. The total requirement takes into account an impending increase in the countercyclical buffer value to 1.5 per cent (June 2016).

The SFSA has announced that it will continue to review Swedish banks' IRB A, especially with regard to corporate risk weights, to improve the models. The SFSA expects this work to be completed in 2016 and to lead to an increase in the capital requirements for corporate exposures. At the same time international work is underway regarding capital requirements. The Basel Committee, among others, is working to improve the comparability of banks' capital ratios. This work comprises future standard methods to calculate capital requirements for credit, market and operational risks, where the possibility of a capital floor is being discussed

for banks that use internal models. Owing to uncertainty about the new requirements and how and when they will be implemented, it is still too early to draw any conclusions about the possible impact on Swedbank. With its robust profitability and strong capitalisation, Swedbank is well positioned to meet future changes in the capital requirements.

An evaluation of the leverage ratio is also underway ahead of the possible introduction of any minimum requirement in 2018. Swedbank's leverage ratio as of 30 September was 4.5 per cent (4.5 per cent on 30 June).

Other events

In September Swedbank agreed to acquire Danske Bank's retail banking business in Lithuania and Latvia. The agreement, which requires the approval of regulatory authorities in Lithuania and Latvia, strengthens Swedbank's presence in the Baltic countries, mainly in Lithuania.

Annual General Meeting 2016

Swedbank's 2016 Annual General Meeting will be held in Malmö on Tuesday, 5 April. More information on the AGM will be available on the bank's website: www.swedbank.com under the heading About Swedbank/ Corporate governance.

The Nomination Committee comprises the following members: Lennart Anderberg, appointed by owner-group Föreningen Sparbanksintressenter and Chair of the Nomination Committee; Ramsay Brufer, appointed by Alecta; Jens Henriksson, appointed by owner-group Folksam; Peter Karlström, appointed by owner-group Sparbanksstiftelserna; and Anders Sundström, Chair of the Board of Directors of Swedbank AB.

Shareholders who wish to submit a proposal to the Nomination Committee must do so no later than 7 January 2016 either by e-mail to valberedningen@swedbank.se or by mail to:

Valberedningen
c/o Swedbank AB
Valberedningens sekreterare, Group Legal
SE-105 34 Stockholm, Sweden

Events after 30 September 2015

On 1 October Sparbanken Öresund AB was merged with Swedbank AB. As a result, Swedbank took over Sparbanken Öresund's role as the issuer of outstanding bond and subordinated loans.

In mid-October a major technological conversion was completed in which around 100 000 customers were transferred from Sparbanken Öresund's system to Swedbank. The transfer and integration of Sparbanken Öresund have been one of Swedbank's highest priorities and biggest challenges during the year. The conversion went well and progressed as planned.

Swedish Banking

- Improved net interest income due to higher lending volumes and margins
- Weaker stock market resulted in lower net commission income
- Efficiency improvements contributed to lower expenses

Income statement

SEKm	Q3 2015	Q2 2015	%	Q3 2014	%	Jan-Sep 2015	Jan-Sep 2014	%
Net interest income	3 404	3 281	4	3 372	1	9 875	10 049	-2
Net commission income	1 717	1 916	-10	1 739	-1	5 414	5 149	5
Net gains and losses on financial items at fair value	64	63	2	47	36	181	150	21
Share of profit or loss of associates	201	228	-12	221	-9	707	886	-20
Other income	187	180	4	177	6	593	936	-37
Total income	5 573	5 668	-2	5 556	0	16 770	17 170	-2
Staff costs	861	883	-2	928	-7	2 663	3 117	-15
Variable staff costs	42	34	24	52	-19	130	152	-14
Other expenses	1 483	1 552	-4	1 545	-4	4 593	4 796	-4
Depreciation/amortisation	26	27	-4	29	-10	81	61	33
Total expenses	2 412	2 496	-3	2 554	-6	7 467	8 126	-8
Profit before impairments	3 161	3 172	0	3 002	5	9 303	9 044	3
Credit impairments	35	48	-27	43	-19	135	99	36
Operating profit	3 126	3 124	0	2 959	6	9 168	8 945	2
Tax expense	666	676	-1	629	6	1 953	1 827	7
Profit for the period	2 460	2 448	0	2 330	6	7 215	7 118	1
Profit for the period attributable to the shareholders of Swedbank AB	2 456	2 444	0	2 324	6	7 203	7 104	1
Non-controlling interests	4	4	0	6	-33	12	14	-14
Return on allocated equity, %	19.0	18.9		26.3		18.6	28.3	
Loan/deposit ratio, %	246	245		250		246	250	
Credit impairment ratio, %	0.01	0.02		0.02		0.02	0.01	
Cost/income ratio	0.43	0.44		0.46		0.45	0.47	
Loans, SEKbn	1 059	1 050	1	1 004	5	1 059	1 004	5
Deposits, SEKbn	431	428	1	402	7	431	402	7
Full-time employees	4 571	4 651	-2	5 053	-10	4 571	5 053	-10

Development January - September

The result for the period was stable at SEK 7 203m (7 104). Income and expenses both decreased, mainly due to larger one-off items in the second quarter 2014 in connection with the acquisition of Sparbanken Öresund. Income was pressured by lower deposit margins, while the focus on further cost efficiencies led to a reduction in the number of employees and lower staff costs.

Net interest income decreased by 2 per cent compared with the first nine months of 2014 as a result of lower deposit margins, which were adversely affected by lower market interest rates. This was largely offset by higher lending volumes and increased mortgage margins on both new lending and the portfolio as a whole. Margins have gradually risen since mid-year 2014 to compensate for higher capital requirements in the form of higher risk weights on mortgages. As of the fourth quarter 2014 capital equivalent to a 25 per cent risk weight floor for Swedish mortgages is allocated to the business area, which increases allocated capital and reduces its return. Compared with the second quarter net interest income rose. Increased lending volumes, an extra day in the quarter and improved mortgage margins contributed positively, while deposit margins continued to decline.

Household deposit volumes increased by SEK 18bn from the beginning of the year, of which SEK 5bn in the third quarter. Swedbank's share of household deposits was 20.9 per cent as of 31 August (21.1 per cent as of

31 December 2014). Corporate deposits within Swedish Banking increased by SEK 1bn from the beginning of the year, but decreased by SEK 2bn in the quarter. Swedbank's market share, including corporate deposits within LC&I, decreased to 17.9 per cent as of 31 August (18.7 per cent as of 31 December 2014).

Swedbank's household mortgage volume increased by SEK 28bn from the beginning of the year. Swedbank's market share of net growth was 21 per cent during the first eight months. Swedbank's share of the total market was 25 per cent (25 per cent as of 31 December 2014). Corporate lending increased by SEK 4bn from the beginning of the year and was stable during the quarter. The market share, including corporate lending within LC&I, improved to 19.0 per cent (18.7 per cent as of 31 December 2014).

Net commission income rose by 5 per cent during the first nine months compared with the same period in 2014. The increase was mainly due to higher income from structured products as well as card and payment commissions resulting from higher volumes. Asset management commissions decreased slightly, the net mainly affected by higher average assets under management and price cuts on fund fees. The reductions in fund fees were implemented primarily in the fourth quarter 2014 and first quarter 2015 to create a more attractive customer offering and adapt the fees to a low interest rate environment. Swedbank's market

share of total assets under management was 22 per cent (23 per cent as of 31 December 2014). A larger share of the savings related to deposit accounts and a significantly smaller share to funds. During the third quarter net commission income fell by 10 per cent, mainly due to a decrease in fund management income caused by a declining stock market as well as lower sales of structured products during the summer. The trend away from equity and fixed income funds toward mixed funds continued. The net flow was negative. A clear shift was evident in customers' risk appetite. The bank's advice in this low interest rate environment focused more on lower risk savings.

The share of associates' profit decreased compared with the previous year, mainly due to one-off income of SEK 230m related to Entercard in 2014.

Other income was lower than in the previous year due to one-off income in 2014 mainly related to the acquisition of Sparbanken Öresund.

Expenses decreased during the first nine months compared with the same period in 2014, when one-off expenses in connection with the acquisition of Sparbanken Öresund contributed to higher expenses. The increased focus on efficiencies also reduced

expenses, mainly related to staff. Expenses fell compared with the second quarter as well, mainly due to lower staff costs and lower marketing expenses. Increased use of digital channels has changed the way customers interact with the bank and is gradually contributing to lower staff costs.

Credit quality remained good and credit impairments were again low, although they increased slightly compared with the first nine months of 2014. The share of impaired loans was 0.14 per cent (0.15 per cent).

The number of customers who use Swedbank's digital channels continues to grow. The Internet Bank had 3.8 million users as of 30 September, an increase of over 100 000 during the year. The Mobile Bank had 2.3 million (+335 000). Industry-wide banking solutions are growing as well. The Swish service is now used by over 3.3 million private individuals and around 30 000 corporate customers, and the number of identifications using Mobile BankID rose by 122 per cent to 50 million in the third quarter. Increasing digitisation strongly contributed to a year-on-year decrease of 16 per cent in the number of teller transactions in branches. At the same time the number of advisory meetings decreased by 19 per cent.

Sweden is Swedbank's largest market, with around 4 million private customers and more than 250 000 corporate customers. This makes it Sweden's largest bank by number of customers. Through our digital channels (Telephone Bank, Internet Bank, Mobile Bank and iPad Bank) and branches, and with the cooperation of savings banks and franchisees, we are always available. Swedbank is part of the local community. The bank's branch managers have a strong mandate to act in their local communities. The bank's presence and engagement are expressed in various ways. A project called "Young Jobs", which has created several thousand trainee positions for young people, has played an important part in recent years. Swedbank has 291 branches in Sweden. The various product areas are described beginning on page 18.

Baltic Banking

- Stable operating results
- Growing lending volumes in light of increased consumer confidence
- Acquisition of Danske Bank's retail banking business

Income statement

SEKm	Q3 2015	Q2 2015	%	Q3 2014	%	Jan-Sep 2015	Jan-Sep 2014	%
Net interest income	900	865	4	865	4	2 596	2 633	-1
Net commission income	511	524	-2	500	2	1 504	1 451	4
Net gains and losses on financial items at fair value	48	45	7	60	-20	143	175	-18
Other income	107	102	5	87	23	358	314	14
Total income	1 566	1 536	2	1 512	4	4 601	4 573	1
Staff costs	204	209	-2	187	9	623	567	10
Variable staff costs	20	18	11	19	5	57	58	-2
Other expenses	349	350	0	375	-7	1 044	1 112	-6
Depreciation/amortisation	32	34	-6	36	-11	104	107	-3
Total expenses	605	611	-1	617	-2	1 828	1 844	-1
Profit before impairments	961	925	4	895	7	2 773	2 729	2
Impairment of intangible assets							1	
Impairment of tangible assets	6	1		2		5		
Credit impairments	-2	-49	-96	-59	-97	-60	-176	-66
Operating profit	957	973	-2	952	1	2 828	2 904	-3
Tax expense	132	1 064	-88	142	-7	1 327	437	
Profit for the period	825	-91		810	2	1 501	2 467	-39
Profit for the period attributable to the shareholders of Swedbank AB	825	-91		810	2	1 501	2 467	-39
Return on allocated equity, %	16.2	-1.8		15.7		9.7	15.4	
Loan/deposit ratio, %	90	92		97		90	97	
Credit impairment ratio, %	-0.01	-0.16		-0.19		-0.06	-0.20	
Cost/income ratio	0.39	0.40		0.41		0.40	0.40	
Loans, SEKbn	129	126	2	121	7	129	121	7
Deposits, SEKbn	144	138	4	125	15	144	125	15
Full-time employees	3 786	3 841	-1	3 853	-2	3 786	3 853	-2

Development January - September

Profit for the first nine months of 2015 amounted to SEK 1 501m, a decrease of 39 per cent compared with the same period in 2014. The decrease is due to a higher tax expense caused by an extra dividend from the Estonian sub-group during the second quarter and lower recoveries. Changes in exchange rates improved profit for the period by SEK 61m.

Net interest income decreased by 5 per cent in local currency compared with the nine-month period in 2014 as low market interest rates put pressure on deposit margins. Mortgage portfolio margins were stable, but slightly higher on new lending. Higher consumer finance volume contributed positively at the same time that tight competition and better credit quality pressured corporate lending margins. Resolution fee accruals reduced net interest income by SEK 42m. Changes in exchange rates increased net interest income by SEK 91m. Compared with the previous quarter net interest income rose by 2 per cent in local currency, supported by growing lending volumes and one more day in the quarter.

Lending volumes increased by 3 per cent in local currency compared with 31 December 2014, driven by increased credit demand in light of continued economic growth in the Baltic countries. The main driver remained private consumption supported by strong wage growth. The positive trend was seen in all major portfolios: corporate lending, leasing, consumer finance and

mortgages. Lending volume grew in all three countries compared with year-end 2014. In the third quarter lending volumes increased in Estonia and Latvia. Swedbank's market share in lending was 29 per cent as of 30 June 2015 (29 per cent as of 31 December 2014).

Deposit volumes increased by 5 per cent in local currency from 31 December 2014. Deposits increased in all three countries. Swedbank's market share in deposits was 29 per cent as of 30 June 2015 (28 per cent as of 31 December 2014). The loan-to-deposit ratio was 90 per cent (91 per cent as of 31 December 2014).

Net commission income in local currency was stable compared with the nine-month period in 2014. Higher customer activity increased commissions related to cards and the number of card transactions rose by 12 per cent. Payment commissions decreased due to Lithuania's adoption of the euro and a reversal of a previous fine (SEK 35m) last year. Compared with the previous quarter net commission income decreased by 4 per cent in local currency due to changes in the reporting of insurance income, which had a positive effect of SEK 22m on net commissions during the second quarter and the opposite effect on other income.

Net gains and losses on financial items at fair value decreased by 21 per cent in local currency compared with the first nine months of 2014. The decrease was mainly due to lower income from the Lithuanian FX trading business as a result of the euro adoption.

Other income increased by 10 per cent in local currency compared with the nine-month period in 2014. Income increased due to higher insurance-related income, which rose largely because of changes in the assumptions used to calculate provisions for guaranteed return products in traditional life during the first quarter, but also due to improved underlying business results. Premium income increased by 16 per cent for life insurance products and by 15 per cent for non-life products from the same period in 2014.

Total expenses decreased by 4 per cent in local currency year-on-year, mainly as a result of lower expenses for premises, consultancy and IT. Staff costs rose due to wage increases. As customers increasingly choose digital services, the bank has been able in the last year to reduce its number of branches by 11 to 147, of which 51 are cash-smart branches that focus on advisory services. The emphasis on digital sales is continuing through automated campaigns and specifically targeted offers. Starting in the third quarter customers can obtain small loans through Swedbank's mobile app. Around 40 per cent of new sales to private customers are made through the bank's digital channels. IT expenses decreased after work related to the euro transition in Lithuania was completed. Compared with the previous quarter expenses decreased by 3 per cent, mainly due to seasonally lower staff costs during the summer months.

Net recoveries amounted to SEK 60m (176 in the first nine months of 2014). Latvia reported recoveries, while Estonia and Lithuania reported credit impairments related to a few customers.

The situation in Russia has had no financial impact. The sectors most affected by the Russian recession are agriculture and transportation, but Swedbank's exposure to them directly or indirectly is limited. Swedbank continues to take preventive measures to help customers that could be affected by the Russian situation.

During the second quarter Swedbank decided to take an extra dividend of SEK 3.7bn from the Estonian subgroup to the parent company. Since profits in Estonia are first taxed upon distribution, this generated an extra tax expense of SEK 929m.

Swedbank has reached an agreement with Danske Bank to acquire its retail banking business in Lithuania and Latvia. The acquisition includes around 120 000 private customers in Lithuania with approximately EUR 525m in loans and 7 000 private customers in Latvia with approximately EUR 116m in loans. The acquisition, which is subject to regulatory approval in both Lithuania and Latvia, is targeted for closing in the first quarter of 2016.

In the annual survey of "Most Loved Brands" Swedbank took fourth place in the Baltics, the same position as last year, with the highest score among financial institutions. The three top brands were the global brands Google, Facebook and Gmail.

Swedbank is the largest bank by number of customers in Estonia, Latvia and Lithuania, with more than 3 million private customers and more than 300 000 corporate customers. According to surveys, Swedbank is also the most respected company in the financial sector. Through its digital channels (Telephone Bank, Internet Bank and Mobile Bank) and branches, the bank is always available. Swedbank is part of the local community. Its local social engagement is expressed in many ways, with initiatives to promote education, entrepreneurship and social welfare. Swedbank has 37 branches in Estonia, 42 in Latvia and 68 in Lithuania. The various product areas are described on page 18.

Large Corporates & Institutions

- Stable net interest income and commission income
- Stronger position in euro bond issues
- Declining bond trading in volatile market

Income statement

SEKm	Q3 2015	Q2 2015	%	Q3 2014	%	Jan-Sep 2015	Jan-Sep 2014	%
Net interest income	865	862	0	878	-1	2 589	2 595	0
Net commission income	509	491	4	566	-10	1 496	1 699	-12
Net gains and losses on financial items at fair value	315	576	-45	354	-11	1 478	1 495	-1
Other income	33	39	-15	36	-8	107	101	6
Total income	1 722	1 968	-13	1 834	-6	5 670	5 890	-4
Staff costs	328	363	-10	344	-5	1 050	1 001	5
Variable staff costs	57	72	-21	72	-21	211	221	-5
Other expenses	365	390	-6	418	-13	1 175	1 233	-5
Depreciation/amortisation	16	17	-6	14	14	49	52	-6
Total expenses	766	842	-9	848	-10	2 485	2 507	-1
Profit before impairments	956	1 126	-15	986	-3	3 185	3 383	-6
Credit impairments	97	7		269	-64	120	261	-54
Operating profit	859	1 119	-23	717	20	3 065	3 122	-2
Tax expense	193	16		150	29	460	663	-31
Profit for the period	666	1 103	-40	567	17	2 605	2 459	6
Profit for the period attributable to the shareholders of Swedbank AB	666	1 103	-40	567	17	2 605	2 459	6
Return on allocated equity, %	13.3	21.2		13.6		17.2	20.9	
Loan/deposit ratio, %	177	172		155		177	155	
Credit impairment ratio, %	0.14	0.01		0.46		0.09	0.16	
Cost/income ratio	0.44	0.43		0.46		0.44	0.43	
Loans, SEKbn	182	182	0	162	12	182	162	12
Deposits, SEKbn	103	106	-3	104	-1	103	104	-1
Full-time employees	1 205	1 201	0	1 161	4	1 205	1 161	4

Development January - September

The result for the period increased by 6 per cent compared with the first nine months in 2014, influenced by a positive tax effect in the second quarter 2015.

Net interest income was stable compared with the first nine months of 2014. Lower deposit margins were offset by increased volumes and stable lending margins. Lending volumes increased by SEK 7bn from the beginning of the year, of which SEK 2bn was due to changes in exchange rates. The strategy to gradually grow the business with existing customers and selectively expand the customer base contributed to the increase. The biggest increase was in the retail sector. Deposit volumes were stable. Net interest income was also stable compared with the previous quarter. Lending volumes were stable, as was the margin on the existing portfolio. Credit demand remained low due to good liquidity and relatively low investments among large corporate customers. Deposit margins continued to shrink. Due to the negative interest rate, Swedbank charges financial institutions for deposits in a few currencies. Deposit volumes decreased by SEK 3bn as a result of lower deposits from a few customers.

Net commission income decreased by 12 per cent year-on-year to SEK 1 496m. The decrease mainly relates to lower income from bond issues in Norway and from IPOs and preference share issues in Sweden. Swedbank's market share of Swedish bond issues (SEK) was 22 per cent in 2015 (20 per cent as of 31 December) and in Norway (NOK) was 16 per cent (18 per cent as of 31 December). This made Swedbank

the largest player in Sweden and the third largest in Norway. Swedbank has gradually strengthened its position in EUR issues and its market share has grown during the year. Compared with the second quarter net commission income increased by 4 per cent to SEK 509m. Funding activity was seasonally low. Income generated from M&A activity in Norway increased. Earnings from unrated corporate bond issues in Norway as well as preference share issues and IPOs were low. Card income was seasonally higher.

Net gains and losses on financial items at fair value were stable compared with the same period in 2014. In the third quarter customer activity was seasonally lower and net gains and losses on financial items fell by 45 per cent. Wider credit spreads and low liquidity had a negative effect on earnings from fixed income trading. Lower oil prices and concerns how the impact could spread through the Norwegian economy led to a price adjustment in investment grade bonds, negatively affecting the bank's earnings. At the same time the holdings were reduced significantly. Market volatility was higher at the end of the quarter, which benefited customer activity primarily in equity and FX trading.

Total expenses for the period were stable compared with the same period in 2014. Staff costs increased as a result of deliberate investments. Compared with the previous quarter total expenses fell by 9 per cent, mainly as a result of seasonally lower staff costs in Norway and lower other expenses.

The tax expense in the second quarter 2015 was positively affected by a one-off item of SEK 230m related to the US operations.

Credit impairments for the nine-month period decreased to SEK 120m (261). The losses during the year were primarily attributable to increased provisions during the third quarter for a single commitment in the manufacturing sector. The share of impaired loans was 0.13 per cent (0.22). Credit quality in the loan portfolio is

good. After stabilising somewhat in the second quarter, oil prices continued to fall in the third quarter and the investment level in the oil sector is expected to remain low for an extended period. Companies in the offshore and other oil-related sectors continue to take measures to adapt to the lower investment level. Swedbank closely dialogues with customers in these sectors, which mainly consists of listed companies with high credit ratings and long-term customer contracts.

Large Corporates & Institutions is responsible for Swedbank's offering to customers with revenues above SEK 2 billion and those whose needs are considered complex due to multinational operations or a need for sophisticated financing solutions. They are also responsible for developing corporate and capital market products for other parts of the bank and the Swedish savings banks. LC&I works closely with customers, who receive advice on decisions that create sustainable profits and growth. LC&I is represented in Sweden, Norway, Estonia, Latvia, Lithuania, Finland, Luxembourg, China, the US and South Africa.

Group Functions & Other

Income statement

SEKm	Q3 2015	Q2 2015	%	Q3 2014	%	Jan-Sep 2015	Jan-Sep 2014	%
Net interest income	642	696	-8	714	-10	2 174	1 552	40
Net commission income	-22	-109	-80	-7		-151	-31	
Net gains and losses on financial items at fair value	-423	-600	-30	338		-1 395	97	
Share of profit or loss of associates						1	1	0
Other income	210	188	12	253	-17	587	830	-29
Total income	407	175		1 298	-69	1 216	2 449	-50
Staff costs	697	748	-7	808	-14	2 191	2 515	-13
Variable staff costs	48	48		59	-19	179	176	2
Other expenses	-705	-760	-7	-780	-10	-2 247	-2 020	-11
Depreciation/amortisation	90	94	-4	108	-17	281	318	-12
Total expenses	130	130	0	195	-33	404	989	-59
Profit before impairments	277	45		1 103	-75	812	1 460	-44
Impairment of intangible assets	254					254		
Impairment of tangible assets	10	21	-52	17	-41	48	223	-78
Credit impairments				-18			-19	
Operating profit	13	24	-46	1 104	-99	510	1 256	-59
Tax expense	21	-218		243	-91	-89	374	
Profit for the period from continuing operations	-8	242		861		599	882	-32
Profit for the period from discontinued operations, after tax	-11	-32	-66	-2		6	-259	
Profit for the period	-19	210		859		605	623	-3
Profit for the period attributable to the shareholders of Swedbank AB	-19	210		859		605	622	-3
Non-controlling interests							1	
Full-time employees	4 367	4 331	1	4 537	-4	4 367	4 537	-4

Net interest income and net gains and losses on financial items mainly stem from Group Treasury. Other income mainly refers to income from the savings banks. Expenses mainly relate to Group Products and Group staffs and are allocated to a large extent. The product areas are described in more detail starting on page 18.

Development January - September

The result for continuing operations fell to SEK 599m in the first nine months of the year (882), mainly due to a lower result within Group Treasury. The result for Group Treasury decreased to SEK 784m (1 377).

Net interest income increased to SEK 2 174m (1 552) year-on-year. This is mainly due to Group Treasury, where net interest income rose to SEK 2 227m (1 646) as a result of falling market interest rates. During the third quarter net interest income in Group Treasury decreased to SEK 662m, compared with SEK 717m in the second quarter.

Net gains and losses on financial items at fair value for the nine-month period decreased to SEK -1 395m (97). Net gains and losses on financial items within Group Treasury decreased to SEK -1 403m (161). The effects of covered bond repurchases were the main reason for the negative result, which is reflected by corresponding positive effects in net interest income over time. Increased credit spreads also contributed negatively. During the third quarter Group Treasury's result improved to SEK -417m (-600). The negative effect of wider credit spreads was less than in the second quarter.

Other income fell year-on-year due to lower income from repossessed assets as a result of the significantly

reduced portfolio. A capital gain of SEK 45m on property sales was recognised in the third quarter 2015, compared with one-off income of SEK 82m in 2014.

Expenses decreased compared with 2014 to SEK 404m (989). Excluding the net of services purchased and sold internally, expenses fell by 8 per cent to SEK 4 683m (5 118) as a result of efficiency improvements. Expenses for repossessed assets have been reduced as the property portfolio is sold off. During the first nine months of 2014 one-off expenses of SEK 136m were recognised in connection with the move of the head office.

Impairment of intangible assets increased to SEK 254m (0) and consisted of a writedown of IT systems within Group Products and a writedown of a previously acquired asset management assignment.

Impairment of tangible assets decreased to SEK 48m (223).

Discontinued operations

The result for discontinued operations amounted to SEK 6m (-259). In 2014 SEK -223m related to the winding down of the Russian operations was reclassified. Swedbank's net lending in Russia amounted to SEK 0.1bn.

Group Functions & Other consists of centralised business support units and the product organisation Group Products. The centralised units serve as strategic and administrative support and comprise Accounting & Finance, Communication, Risk, IT, Compliance, Public Affairs, HR and Legal. Group Products' purpose is to improve efficiency in the development and maintenance of Swedbank's products. Group Treasury is responsible for the bank's funding, liquidity and capital planning. Group Treasury sets the prices on all internal deposit and loan flows in the Group through internal interest rates, where the most important parameters are maturity, interest fixing period, currency and need for liquidity reserves.

Eliminations

Income statement

SEKm	Q3 2015	Q2 2015	%	Q3 2014	%	Jan-Sep 2015	Jan-Sep 2014	%
Net interest income							4	
Net commission income	21	20	5	18	17	59	54	9
Net gains and losses on financial items at fair value		-2				-1		
Other income	-55	-50	-10	-68	19	-148	-215	31
Total income	-34	-32	-6	-50	-32	-90	-157	43
Staff costs								
Variable staff costs								
Other expenses	-34	-32	-6	-50	-32	-90	-157	43
Depreciation/amortisation								
Total expenses	-34	-32	-6	-50	-32	-90	-157	43

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

Product areas

Responsibility for the product areas rests with Group Products (GP) within Group Functions & Other. GP's role is to increase efficiency in the development and maintenance of Swedbank's products and to ensure that the customer offering is relevant, is competitive and is of high quality. This puts a priority on harmonising, improving efficiencies and digitising the processes for every product. The number of products will be reduced to make it easier for the bank's customers while also increasing cost efficiencies. The number of funds is being reduced and efficiencies are being achieved in the mortgage lending process at the same time that digital availability is being improved. In mobile e-commerce new card payment solutions are being introduced to meet increased demand for e-commerce solutions. The product areas' results are reported in several legal units and in the three business segments. For more information, see below and in the three business segment descriptions.

Swedbank is a leader in a number of product areas, including asset management, cards and payments, mortgage lending and deposits. Most customers want more digital solutions and the greater availability they provide. Digitisation is therefore an important area for Swedbank. The number of customers connected to the bank's digital channels and their usage continue to rise.

Number of customers million	Jan-Sep 2015	Jan-Sep 2014	%
Internet Bank	6.8	6.7	3
of which Sweden	3.8	3.7	4
of which Baltic countries	3.0	3.0	1
Mobile Bank	3.3	2.6	27
of which Sweden	2.3	1.9	24
of which Baltic countries	1.0	0.7	34
Mobile Bank ID, Sweden	1.9	1.2	57
Teller transactions in branches	3.0	3.8	-20
of which Sweden	2.3	2.7	-16
of which Baltic countries	0.7	1.0	-30

Loans and financing

Market factors

Mortgage demand has remained high as the housing shortage and low interest rates continue to drive up house prices. Credit demand within the property sector has accounted for most of the growth in corporate lending since 2014. To slow the pace of price increases and the build-up of household debt, amortisation requirements and revised interest deductions are being discussed. Neither proposal solves the fundamental problem in the housing market, however, of too little supply relative to demand.

Higher capital requirements for mortgages and growing demands for transparency from customers and authorities are creating new opportunities for Swedish mortgage lenders. At the same time digitisation is making it easier for customers to compare offerings from different providers, as well as raising customer expectations of digital offerings. The market for consumer credit is a clear example where simplicity and speed have taken precedence in recent years and where Swedbank has to be better at promoting its offerings to customers whenever they make a purchase.

Operations and market position

Swedbank's lending operations are concentrated in its home markets as well as in Norway. Lending products account for the majority of the assets on the balance sheet, and lending amounted to SEK 1 370bn as of 30 September (1 325 as of 31 December 2014). The largest share was lending to households, mainly mortgages to private customers and tenant owner associations in Sweden. The market share for mortgages was 25 per cent as of 31 August. Swedbank is also a major corporate lender in Sweden, with a market share of 19 per cent. The bank has a strong position in property management, the service sector and

retail as well as in forestry and agriculture. In Swedish consumer credit Swedbank has a market share of about 10 per cent, corresponding to a volume of SEK 24bn.

In the Baltic countries Swedbank is the largest lender, with market shares of 20-45 per cent. The Baltic countries account for 9 per cent of Swedbank's total lending, with about an equal mix of private and corporate customers. Estonia accounts for nearly half of the Baltic portfolio.

Loans SEKbn	30 Sep 2015	31 Dec 2014	30 Sep 2014
Loans, private mortgage	725	696	683
of which Sweden	667	639	628
of which Baltic countries	55	54	52
Loans, private other incl tenant owner associations	137	134	129
of which Sweden	125	122	118
of which Baltic countries	11	10	10
Loans, corporate	508	495	475
of which Sweden	393	381	366
of which Baltic countries	63	61	59
of which Norway	36	37	35
Total	1 370	1 325	1 287

Lending to private individuals – development

Lending to private individuals amounted to SEK 862bn, an increase of SEK 32bn during the first nine months, of which SEK 10bn in the third quarter. Swedish mortgages account for a total of SEK 667bn. The growth rate in the Swedish mortgage market remained high, with annual growth of 7.6 per cent as of August 2015. Swedbank's market share of net growth was 21 per cent for the first eight months of the year. Margins increased somewhat during the quarter. The mortgage portfolio in the Baltic countries rose by 2 per cent in local currency.

A new law that will allow for mandatory amortisation requirements is in preparation. This suggests that they will be introduced in spring 2016. The requirements are expected to comply with the SFSA's previous proposal where loans with a loan-to-value ratio of 70 per cent will have to be amortised by at least 2 per cent per year. For loans with a loan-to-value ratio of between 70 and 50 per cent, the proposal is to amortise 1 per cent per year. As Sweden's leading mortgage lender, Swedbank wants to help its customers achieve financial stability and avoid excessive debt. As of 1 September it therefore tightened its amortisation guidelines. The guidelines are in line with the SFSA's previous proposal. In addition, Swedbank tightened its loan requirements in the second quarter to ensure that its customers can handle an economic slowdown.

The process of converting loans from Sparbanken Öresund to Swedbank is continuing. A large share of customers from Sparbanken Öresund have mortgages

with other lenders. To date nearly SEK 5bn has been transferred to Swedbank. About SEK 11bn remains.

Swedbank's consumer credit volume in Sweden has risen slightly since 2014. A review is underway of product terms and processes in order to provide a faster, more efficient offering. The Baltic consumer credit portfolio grew by 7 per cent in local currency during the nine month period and margins improved.

Corporate lending – development

Corporate lending amounted to SEK 508bn, an increase of SEK 13bn during the nine-month period, of which SEK 2bn in the third quarter. Swedbank's share of new corporate lending in Sweden is 34 per cent for the year, compared with an underlying market share of 19 per cent. Corporate lending in the Baltic countries grew by 3 per cent in local currency during the nine-month period to SEK 63bn. The lending portfolio in local currency grew by 4 per cent in Lithuania, 4 per cent in Estonia and 1 per cent in Latvia.

The negative repo rate affects a number of corporate loan products. Older loans tied to Stibor have a negative reference rate (base rate). Interest rate floors have been introduced on new corporate loans, whereby the reference rate (Stibor) is set at 0.

Save and invest

Market factors

The savings market is undergoing change. A demographic structure with an ageing population, coupled with greater individual responsibility for pensions and other long-term savings, is creating higher demand for savings and investment products and a great need for advisory services. Increasing digitisation and changing regulations have contributed to greater transparency and competition as well as to more standardised products, leading to price pressure. Upcoming regulations in Sweden that would prohibit commissions are one example and would mean that commissions can no longer be paid to distributors that sell products on an advisory basis. The regulations are expected to be introduced in 2017. Another trend is that customers are more willing to switch savings providers now that transfers are much easier and that they are now reacting faster to changes in the market than previously. Swedbank is positive to the debate on freer transfers of pension savings and is not averse to increased regulation to create an efficient transfer market with greater transparency for customers. A higher share of new savings is being placed in pension products and passively managed funds with lower margins. At the same time deposit margins are under pressure from low interest rates as well as the prices of other investments such as equities, fixed income funds and index-linked bonds. Swedbank is addressing margin pressure mainly through efficiencies and cost savings.

Operations and market position

Swedbank is the leader in deposits in its home markets. Its market share in Sweden was 20.9 per cent for private deposits and 17.9 per cent for corporate deposits. The market shares in the Baltic countries for private deposits ranged between 27 and 54 per cent and for corporate deposits between 11 and 36 per cent. The shares were highest in Estonia.

Asset management is provided through Swedbank Robur in Swedbank's four home markets as well as in Norway. In Sweden Swedbank Robur is the largest player with a market share of 22.0 per cent based on fund assets under management.

Swedbank is the seventh largest life insurance company in Sweden, with a market share of about 7 per cent in terms of premium payments excluding capital transfers. The market share for transferred capital is nearly 5 per cent, putting Swedbank in fifth place. Swedbank is the largest life insurance company in Estonia, with increasing market share in 2015, and the second largest in Lithuania. As of 31 August the market shares were 40 and 22 per cent, respectively. The market share in Latvia was 20 per cent. The market shares for Baltic non-life insurance operations based on total premium income ranged between 2 and 15 per cent, with the largest share in Estonia. In homeowner's and vehicle insurance in Estonia the market shares were 29 per cent and 25 per cent, respectively. Non-life insurance is offered in Sweden through the insurance company Tre Kronor.

Deposits – development

Deposits SEKbn	30 Sep 2015	31 Dec 2014	30 Sep 2014
Deposits, private	391	372	358
of which Sweden	307	289	285
of which Baltic countries	83	82	73
Deposits, corporate	343	289	309
of which Sweden	214	211	212
of which Baltic countries	69	62	57
of which other countries	60	16	40
Total	734	661	667

During the first nine months of the year deposits increased by SEK 73bn. The largest increase was in Group Treasury, where deposits from US money market funds increased by SEK 45bn. In Swedish Banking volumes increased by SEK 19bn, of which SEK 18bn from private customers. In LC&I volumes decreased by SEK 3bn. In Baltic Banking deposits in local currency increased by 5 per cent. Deposits increased in all three countries. The market share for household deposits in Sweden was unchanged at 20.9 per cent as of 31 August. Corporate deposits were stable at 17.9 per cent. Sweden accounts for just over 70 per cent of Swedbank's total deposit volume.

The product range in deposits is being simplified by reducing the number of savings account options.

Asset management – development

Fund assets under management amounted to SEK 709bn (715), of which SEK 678bn is attributable to the Swedish operations. Discretionary assets under management amounted to SEK 338bn (337).

During the first nine months of the year Swedbank Robur had a net outflow of SEK 14bn in the Swedish fund market. Of this amount, SEK 10bn related to the third quarter, of which SEK 4bn was withdrawals by a few institutional customers. The trend from the first half-year with outflows from fixed income funds and inflows to mixed funds continued, although the outflow from fixed income funds decreased and the inflow to mixed funds levelled off. Equity funds continued to see large outflows due to stock market jitters. The net outflow

from Swedbank's equity funds was SEK 16bn during the nine-month period, of which SEK 5bn was in the third quarter.

Net inflow Swedish fund market, SEKbn	Of which		Of which	
	Total 2015	Robur 2015	Total Q3 2015	Robur Q3 2015
Fixed income funds	17	-11	6	-6
Mixed funds	59	13	6	1
Equity funds	-41	-16	-18	-5
of which index funds	10	0	1	0
Other funds	13	0	3	0
Total net inflow	48	-14	-3	-10

Swedbank's market share of the net flow in Sweden in January-September was negative. Swedbank is also a distributor of other funds, and its share of total net sales was also negative (22 per cent for 2014), with lower sales of external funds as well. To strengthen the fund offering, management fees have been reduced on 23 actively managed funds and 11 mixed funds in 2015. Measures to simplify and develop the offering, reduce the number of funds and improve management performance are continuing. Changes were made earlier in the management process to streamline the selection of companies that the funds invest in and add a larger share of global investments. During the second quarter a new policy was adopted for responsible investing, which is being implemented in the fund offering this autumn. This primarily means influencing companies in a sustainable direction, but also eliminating companies that do not meet the sustainability criteria. The percentage of sustainable funds increased during the quarter through the launch of four funds with special sustainability criteria, which at the same time absorbed eight existing funds, four of which were ethical funds. In 2015 the return on assets has improved, as has the average rating from Morningstar.

The investment savings account offering was improved during the period by having contracts and terms managed digitally. The number of new accounts increased by over 50 per cent from the beginning of the year and continues to rise, albeit at a slower rate.

Asset management Key ratios, SEKbn	Jan-Sep 2015	Jan-Sep 2014	%
Total income, SEKm	3 309	3 348	-1
Assets under management	709	677	5
of which Sweden	678	649	4
of which Baltic countries	28	24	13
of which Norway	3	3	-1
Discretionary asset management	338	319	6

Asset management income was stable for 2015 compared with the same period in 2014. The price cuts that have been implemented have squeezed income, while higher average assets under management due to a rising stock market has affected income positively. Compared with the second quarter income decreased by 7 per cent, mainly due to a declining stock market, but also to net outflows.

Insurance – development

Premium income SEKm	Jan-Sep 2015	Jan-Sep 2014	%
Sweden	12 723	11 563	10
of which collective occupational pensions	3 281	3 317	-1
of which endowment insurance	6 785	5 556	22
of which occupational pensions	1 634	1 649	-1
of which risk insurance	606	558	9
of which other	418	484	-14
Baltic countries	1 063	888	20
of which life insurance	657	547	20
of which non-life insurance	406	342	19

During the period life insurance premium income in Sweden rose by 10 per cent year-on-year. Sales of corporate endowment insurance improved primarily due to new policies, but also to higher volumes from existing contracts. The decrease in collective occupational pensions mainly relates to the SAF-LO collective agreement after Swedbank decided to no longer offer traditional management products. On the other hand, capital transferred from other insurers more than doubled. Sales of life and health insurance increased.

Premium income in the Baltic life insurance business rose by 16 per cent in local currency year-on-year, with the biggest gain in risk products, where demand has grown. The increase is due to a high number of contract renewals in the previous year and a further increase in new policies. Customer demand for digital solutions is on the rise. Swedbank's electronic identification solution allows customers to obtain and revise insurance policies and file claims online. Around 31 per cent (12) of claims and 40 per cent (36) of insurance transactions are now handled online, which has made it possible to manage more cases with the same number of employees. The positive trend in premium income in Baltic non-life insurance continued. In total, premiums increased by 15 per cent in local currency. The increase related to all products, but especially homeowner's insurance, where advertising campaigns and more active sales by bank branches led to higher volumes. Increasing online sales contributed to higher premium income primarily for travel and vehicle insurance. Sales of travel insurance sold solely online increased by around 30 per cent compared with the same period in 2014.

Assets under management SEKbn	30 Sep 2015	31 Dec 2014	30 Sep 2014
Sweden	140	136	131
of which collective occupational pensions	60	58	55
of which endowment insurance	55	54	53
of which occupational pensions	16	15	14
of which other	9	9	9
Baltic countries	4	4	4

Assets under management in the Swedish insurance business decreased by nearly SEK 9bn in the third quarter to SEK 140bn due to a declining stock market. A rising stock market, coupled with net inflows, explain the year-on-year increase in assets under management as of 30 September 2015. Assets under management in the Baltic life insurance business rose by 5 per cent in local currency, mainly tied to a rising stock market, but also to net inflows.

Insurance related income SEKm	Jan-Sep 2015	Jan-Sep 2014	%
Total insurance related income	1 477	1 382	7
Sweden	1 097	1 095	0
of which life insurance	1 057	1 056	0
of which non-life insurance	40	39	4
Baltic countries	380	287	32
of which life insurance	209	130	60
of which non-life insurance	171	157	9

Swedbank's total insurance related income rose by 7 per cent year-on-year. Income from the Swedish life insurance business was stable. Increased assets under management led to a higher result for savings products, while the risk result rose due to increased volumes and fewer claims in the group life business. Lower market interest rates had a negative effect on the result. Income from Baltic life insurance rose by 54 per cent in local currency compared with the same period in 2014. The increase is mainly due to changes in the assumptions to calculate provisions for guaranteed return products in traditional life. Income from the Baltic non-life business increased due to rising premium volumes, while a lower return on investments due to lower interest rates and increased claims affected income negatively. The claims ratio for the period rose to 57.8 per cent (54.8); the level is in line with the competition but low compared with the Swedish non-life insurance market.

Pay

Market factors

The payment and card areas are undergoing change through both increased regulation and deregulation, which have altered customer behaviour. Many sectors are seeing more of their sales shift to online and mobile solutions. At the same time the differences between brick-and-mortar payments and online and mobile payments are being erased as more payments are made in stores using mobile devices. This trend is reinforced by the growth of mobile identification (Mobile BankID) in Sweden. The number of mobile identifications increased by 122 per cent to 50 million in the third quarter. Shared bank services are also developing strongly. Due to digitisation, globalisation and deregulation, the payment area in Swedbank's home markets is being challenged by new international players. A new regulation, for example, requires banks, at a customer's request, to make their accounts available to new payment providers, which is placing new demands on the banks' infrastructure. Regulations in the payment market are also increasing demands on banks in terms of fees, stability, security and availability. The purpose of the regulations is to speed up the transition to digital payments, increase competition and not least empower customers. This puts increasing demands on cost efficiency and product development and has created a wave of consolidation in card acquiring in Europe.

Operations and market position

Swedbank is a leader in payment and cash management products in its four home markets. In Sweden it has a market share of 34 per cent for bank giro payments. In the Baltic countries its market shares for domestic payments range between 41 and 59 per cent and for international payments between 26 and 29 per cent, with the highest share in Estonia.

In Sweden over 80 per cent of store payments are made by card and market growth is expected to remain good, with annual growth of about 9 per cent. In Estonia the corresponding figure is 50 per cent and in Latvia and Lithuania it is lower but steadily rising. In Estonia annual growth is 6 per cent, compared with between 13 and 21 per cent in Latvia and Lithuania.

Swedbank issues cards to the public (card issuance) and acquires card payments from merchants via card terminals and online payments (card acquiring) in all its home markets as well as in Norway, Denmark, Finland and Poland to support the international businesses of its home market customers. Online payments are acquired in a number of other EU countries. Swedbank is Europe's fifth largest acquirer based on the number of acquired card purchases. Market shares in the bank's home markets range between 60 per cent (Sweden) and 33 per cent (Latvia). Swedbank is the 11th largest debit card issuer in Europe, with market shares of between 45 and 60 per cent.

Payments – development

Number of payments	Jan-Sep 2015	Jan-Sep 2014	%
International payments (million)	8.6	7.8	10
of which Sweden	3.7	3.5	6
of which Baltic countries	4.9	4.3	14
Domestic payments (million) ¹⁾	671.1	650.3	3
of which Sweden	498.0	481.8	3
of which Baltic countries	173.1	168.5	3
E-services payments (million) ²⁾	53.7	33.7	59
of which Sweden	35.2	17.0	
of which Baltic countries	18.5	16.7	11
Other Digital solutions (million) ³⁾	451.8	222.5	
of which Sweden	438.0	211.2	
of which Baltic countries	13.8	11.3	22

¹⁾ Domestic payments include salary payments, giro payments, direct debit payments, internet payments.

²⁾ E-payments include direct debit payments, Swish, Top-up

³⁾ Other digital solutions include e-invoices, ID transactions through E-ID and BankID

The number of payments has continued to increase – a combination of economic growth and the shift from cash to cards and e-payments. Swish users among the Swedish banks now include over 3.3 million private customers and approximately 30 000 corporate customers.

Payments	Jan-Sep 2015	Jan-Sep 2014	%
Net commission income, SEKm			
Net commission income	646	707	-9
of which Nordic countries	303	293	3
of which Baltic countries	343	414	-17

Net payment commissions decreased by 9 per cent year-on-year. In the Nordic region income increased, mainly due to lower commission expenses. Income in the Baltic countries decreased due to the euro transition in Lithuania and a one-off effect of SEK 35m in 2014. In Estonia and Latvia income increased by 9 and 5 per cent, respectively.

Cards – development

Key ratios, cards	Jan-Sep 2015	Jan-Sep 2014	%
Acquired transactions, million	1 662	1 445	15
of which Nordic countries	1 435	1 224	17
of which Baltic countries	227	220	3
Acquired volumes, SEKbn	407	353	15
of which Nordic countries	373	321	16
of which Baltic countries	35	32	9
Issued cards, million	7.7	7.7	0
of which Nordic countries	4.0	3.9	2
of which Baltic countries	3.8	3.8	-2
Number of card purchases, million	1 072	979	9
of which Nordic countries	785	723	9
of which Baltic countries	287	256	12

Increased card usage is the main reason for transaction growth in the Nordic region and Baltic countries, along with declining cash withdrawals. The value of payments with Swedbank cards in Sweden rose by 8 per cent year-on-year at the same time that ATM withdrawals were down 6 per cent. The trend was similar in Estonia. In Lithuania, where Swedbank is actively encouraging more card payments, they increased by 22 per cent. In Latvia the increase was 15 per cent.

The card issuance business saw growth of 10 per cent in corporate cards in Sweden compared with the first three quarters of 2014, with increases in both transaction volume and number of cards. The bank's many small corporate customers offer good potential to increase this business. The number of cards issued to private customers increased by 2 per cent in Sweden and decreased slightly in the Baltic countries. E-payments with Swedbank's debit cards in Sweden increased by 17 per cent year-on-year, compared with a gain of 8 per cent for brick-and-mortar purchases.

To meet the growing demand for mobile e-commerce and make it easier for customers to use their mobile phones for more secure online purchases by card, Swedbank launched Masterpass this autumn. Masterpass makes payments digital through a copy of the card in the phone.

The payment regulation reduces the interchange fee that the acquirer pays the issuer as of December 2015 and increases price competition in the acquiring business. In Sweden the interchange fee on credit cards is expected to drop from about 0.9 per cent to 0.3 per cent of the transaction value, while the change for debit cards is expected to be minor. The regulation initially means a slight increase in income, since Swedbank is a net acquirer and the compensation it pays to card issuers will be lower. Over time the price pressure in the acquiring business may increase, however, though the exact financial impact of the new regulation is difficult to assess. Interchange fees in the Baltic countries are expected to be halved on both debit and credit cards, which will squeeze income for card issuers. Swedbank is therefore reassessing its pricing. The bank benefits from being a net acquirer in the Baltic countries as well. It has also been able to benefit from the wave of consolidation in the acquiring business by expanding to neighbouring countries, with especially good results in Finland.

Card related income SEKm	Jan-Sep 2015	Jan-Sep 2014	%
Total income, SEKm	2 513	2 578	-3
of which Nordic countries	1 396	1 332	5
of which Baltic countries	667	609	9
of which Entercard ¹⁾	450	638	-29

¹⁾ Swedbank's share of the profit or loss of Entercard.

Total card income decreased by 3 per cent compared with the same period in 2014 due to one-off income of SEK 230m in Entercard in 2014. The card business in the Nordic region, excluding Entercard, grew by 5 per cent; it grew by 9 per cent in the Baltic countries. Income in Sweden rose somewhat less than the transaction volume due to price pressure in the acquiring business. The increase in the Baltic countries is due to the issuance of more debit and credit cards and their increased usage. Card acquiring income rose somewhat owing to increased card usage in all four home markets and as a result of new business internationally and in the Nordic region. At the same time earnings were squeezed by continued margin pressure and higher interchange fees.

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

Income statement, condensed

Group SEKm	Q3 2015	Q2 2015	%	Q3 2014	%	Jan-Sep 2015	Jan-Sep 2014	%
Interest income	8 645	8 819	-2	10 343	-16	26 880	31 343	-14
Interest expenses	-2 834	-3 115	-9	-4 514	-37	-9 646	-14 510	-34
Net interest income (note 5)	5 811	5 704	2	5 829	0	17 234	16 833	2
Commission income	4 111	4 240	-3	4 150	-1	12 385	12 084	2
Commission expenses	-1 375	-1 398	-2	-1 334	3	-4 063	-3 762	8
Net commission income (note 6)	2 736	2 842	-4	2 816	-3	8 322	8 322	0
Net gains and losses on financial items at fair value (note 7)	4	82	-95	799	-99	406	1 917	-79
Insurance premiums	464	504	-8	422	10	1 495	1 386	8
Insurance provisions	-301	-337	-11	-299	1	-980	-979	0
Net insurance	163	167	-2	123	33	515	407	27
Share of profit or loss of associates	201	228	-12	221	-9	708	887	-20
Other income	319	292	9	362	-12	982	1 559	-37
Total income	9 234	9 315	-1	10 150	-9	28 167	29 925	-6
Staff costs	2 257	2 375	-5	2 469	-9	7 104	7 807	-9
Other expenses (note 8)	1 458	1 500	-3	1 508	-3	4 475	4 964	-10
Depreciation/amortisation	164	172	-5	187	-12	515	538	-4
Total expenses	3 879	4 047	-4	4 164	-7	12 094	13 309	-9
Profit before impairments	5 355	5 268	2	5 986	-11	16 073	16 616	-3
Impairment of intangible assets (note 14)	254					254	1	
Impairment of tangible assets	16	22	-27	19	-16	53	223	-76
Credit impairments (note 9)	130	6		235	-45	195	165	18
Operating profit	4 955	5 240	-5	5 732	-14	15 571	16 227	-4
Tax expense	1 012	1 538	-34	1 164	-13	3 651	3 301	11
Profit for the period from continuing operations	3 943	3 702	7	4 568	-14	11 920	12 926	-8
Profit for the period from discontinued operations, after tax	-11	-32	-66	-2		6	-259	
Profit for the period	3 932	3 670	7	4 566	-14	11 926	12 667	-6
Profit for the period attributable to the shareholders of Swedbank AB	3 928	3 666	7	4 560	-14	11 914	12 652	-6
of which profit for the period from continuing operations	3 939	3 698	7	4 562	-14	11 908	12 911	-8
of which profit for the period from discontinued operations	-11	-32	-66	-2		6	-259	
Non-controlling interests	4	4	0	6	-33	12	15	-20
of which profit for the period from continuing operations	4	4	0	6	-33	12	15	-20
of which profit for the period from discontinued operations								
SEK								
Earnings per share, continuing operations, SEK	3.57	3.34		4.14		10.78	11.72	
after dilution	3.52	3.32		4.10		10.68	11.63	
Earnings per share, discontinued operations, SEK	-0.01	-0.02		0.00		0.01	-0.23	
after dilution	-0.01	-0.02		0.00		0.01	-0.23	
Earnings per share, total operations, SEK	3.56	3.32		4.14		10.79	11.49	
after dilution	3.51	3.30		4.10		10.69	11.40	

Statement of comprehensive income, condensed

Group SEKm	Q3 2015	Q2 2015	%	Q3 2014	%	Jan-Sep 2015	Jan-Sep 2014	%
Profit for the period reported via income statement	3 932	3 670	7	4 566	-14	11 926	12 667	-6
Items that will not be reclassified to the income statement								
Remeasurements of defined benefit pension plans	755	4 192	-82	-1 090		2 497	-974	
Share related to associates	11	122	-91	-28		60	-41	
Income tax	-168	-949	-82	246		-562	224	
Total	598	3 365	-82	-872		1 995	-791	
Items that may be reclassified to the income statement								
Exchange differences, foreign operations								
Gains/losses arising during the period	841	-257		-225		-486	997	
Reclassification adjustments to income statement, profit for the period from discontinued operation							508	
Hedging of net investments in foreign operations:								
Gains/losses arising during the period	-570	242		140		511	-861	
Reclassification adjustments to income statement, profit for the period from discontinued operations							-365	
Cash flow hedges:								
Gains/losses arising during the period	13	36	-64	69	-81	161	-7	
Reclassification adjustments to income statement, net interest income	7	-3		-23		7	-14	
Share of other comprehensive income of associates	-93	-24		45		-93	74	
Income tax								
Income tax	124	-64		-44		-148	190	
Reclassification adjustments to income statement, tax	-2	1		5		-2	3	
Reclassification adjustments to income statement, profit for the period from discontinued operations							80	
Total	320	-69		-33		-50	605	
Other comprehensive income for the period, net of tax	918	3 296	-72	-905		1 945	-186	
Total comprehensive income for the period	4 850	6 966	-30	3 661	32	13 871	12 481	11
Total comprehensive income attributable to the shareholders of Swedbank AB	4 846	6 962	-30	3 655	33	13 858	12 466	11
Non-controlling interests	4	4	0	6	-33	13	15	-13

For 2015 income of SEK 1 995m (-791) has been recognised in other comprehensive income after tax, including remeasurements of defined benefit pension plans in associates. The 2015 income arose primarily because market interest rates rose from the beginning of the year. For the period as a whole interest rates were volatile and reached very low levels soon after the first quarter ended. As of 30 September, however, the discount rate, which is used to calculate the closing pension obligation, was raised to 3.08% from 2.29%. The market's future inflation expectations also rose and the inflation assumption was raised to 1.43% from 1.28%. The changes in both of these assumptions were the main reason why the defined benefit pension obligation decreased. The market value of the assets under management exceeded the obligation by SEK 134m.

For 2015 an exchange difference of SEK -486m (997) was recognised for the Group's foreign net investments in subsidiaries. In addition, an exchange rate difference of SEK -94m for the Group's foreign net investments in associates is included in Share related to associates. The losses related to subsidiaries mainly arose because the Swedish krona appreciated against the euro. The total loss of SEK 580m is not taxable. Since the large part of the Group's foreign net assets is hedged against currency risk, a gain of SEK 511m (-861) before tax arose related to the hedging instruments.

The revaluation of defined benefit pension plans and translation of net investments in foreign operations can be volatile in certain periods due to movements in the discount rate, inflation and exchange rates.

Key ratios

Group	Q3 2015	Q2 2015	%	Q3 2014	%	Jan-Sep 2015	Jan-Sep 2014	%
Equity per share, SEK	107.54	103.08		101.08		107.54	101.08	
Return on equity, continuing operations, %	13.5	13.5		16.6		13.8	15.9	
Return on equity, total operations, %	13.5	13.4		16.6		13.8	15.6	
Credit impairment ratio, %	0.04	0.00		0.07		0.02	0.02	

Balance sheet, condensed

Group SEKm	30 Sep 2015	31 Dec 2014	Δ SEKm	%	30 Sep 2014	%
Assets						
Cash and balance with central banks	266 466	113 768	152 698		158 041	69
Loans to credit institutions (note 10)	108 628	113 820	-5 192	-5	95 818	13
Loans to the public (note 10)	1 441 293	1 404 507	36 786	3	1 340 580	8
Value change of interest hedged item in portfolio hedge	1 526	1 291	235	18	994	54
Interest-bearing securities	190 091	170 680	19 411	11	193 665	-2
Financial assets for which customers bear the investment risk	147 192	143 319	3 873	3	137 138	7
Shares and participating interests	9 527	9 931	-404	-4	10 689	-11
Investments in associates	5 290	4 924	366	7	4 973	6
Derivatives (note 18)	99 550	123 202	-23 652	-19	93 697	6
Intangible fixed assets (note 14)	13 900	14 319	-419	-3	13 969	0
Investment properties	70	97	-27	-28	159	-56
Tangible assets	2 036	2 653	-617	-23	2 904	-30
Current tax assets	2 764	1 304	1 460		1 062	
Deferred tax assets	185	638	-453	-71	623	-70
Other assets	15 807	10 103	5 704	56	16 335	-3
Prepaid expenses and accrued income	7 048	6 126	922	15	6 720	5
Group of assets classified as held for sale (note 26)	143	615	-472	-77	1 106	-87
Total assets	2 311 516	2 121 297	190 219	9	2 078 473	11
Liabilities and equity						
Amounts owed to credit institutions (note 15)	153 303	171 453	-18 150	-11	142 658	7
Deposits and borrowings from the public (note 16)	755 727	676 679	79 048	12	686 426	10
Debt securities in issue (note 17)	950 795	835 012	115 783	14	826 826	15
Financial liabilities for which customers bear the investment risk	150 340	146 177	4 163	3	139 887	7
Derivatives (note 18)	74 317	85 694	-11 377	-13	73 287	1
Current tax liabilities	1 301	1 477	-176	-12	265	
Deferred tax liabilities	2 456	1 684	772	46	2 301	7
Short positions, securities	36 636	27 058	9 578	35	25 183	45
Other liabilities	27 113	20 768	6 345	31	31 749	-15
Accrued expenses and prepaid income	12 631	13 071	-440	-3	12 312	3
Provisions	2 614	5 855	-3 241	-55	7 467	-65
Subordinated liabilities	25 260	18 957	6 303	33	18 395	37
Liabilities directly associated with group of assets classified as held for sale (note 26)	4	39	-35	-90	122	-97
Equity	119 019	117 373	1 646	1	111 595	7
of which non-controlling interests	178	170	8	5	175	2
of which attributable to shareholders of Swedbank AB	118 841	117 203	1 638	1	111 420	7
Total liabilities and equity	2 311 516	2 121 297	190 219	9	2 078 473	11

Balance sheet analysis

Total assets increased by SEK 190bn from 1 January 2015. Assets increased mainly due to higher cash and balances with central banks, which rose by SEK 153bn. The increase is mainly attributable to higher deposits with the US Federal Reserve resulting from an increase in deposits from US money market funds rose by SEK 45bn. The increase in US money market funds also increased deposits and borrowings from the public, which rose by a total of SEK 79bn. Debt securities in issue increased by SEK 116bn. The increase was because Swedbank issued larger volumes of long-term funding to capitalise on favourable market conditions, pre-finance upcoming maturities and match increased lending volumes to the public. Interest-bearing securities increased by SEK 19bn mainly due to increased liquidity reserves within Group Treasury. Lending to credit institutions decreased by SEK 5bn at the same time that amounts owed to them decreased by SEK 18bn. Balance sheet items related to credit institutions fluctuate over time depending on repos, among other things. The market value of derivatives decreased on both the asset and liability side, mainly due to large movements in interest rates and currencies. Excluding the National Debt Office and repos, lending volumes increased by SEK 46n. The increase related to all home markets in local currency; SEK 28bn of the increase is attributable to mortgages in Sweden. The increase in subordinated liabilities was due to an issuance of USD 750m in Additional Tier 1 capital to optimise the capital structure in accordance with the new European capital requirements. The change in equity was the net of the profit for the year and a dividend of SEK 12.5bn for 2014.

Statement of changes in equity, condensed

Group SEKm	Shareholders' equity					Non-controlling interests		Total equity	
	Share capital	Other contri- buted equity ¹⁾	Exchange differences, subsidiaries and associates	Hedging of net investments in foreign operations	Cash flow hedges	Retained earnings	Total		
January-September 2014									
Opening balance 1 January 2014	24 904	17 275	-833	293	-139	68 040	109 540	165	109 705
Dividends						-11 133	-11 133	-5	-11 138
Share based payments to employees						347	347		347
Deferred tax related to share based payments to employees						-8	-8		-8
Current tax related to share based payments						42	42		42
Associates' disposal of shares in Swedbank AB						166	166		166
Total comprehensive income for the period			1 577	-958	-15	11 862	12 466	15	12 481
of which reported through profit or loss						12 652	12 652	15	12 667
of which reported through other comprehensive income			1 577	-958	-15	-790	-186		-186
Closing balance 30 September 2014	24 904	17 275	744	-665	-154	69 316	111 420	175	111 595
January-December 2014									
Opening balance 1 January 2014	24 904	17 275	-833	293	-139	68 040	109 540	165	109 705
Dividends						-11 133	-11 133	-9	-11 142
Share based payments to employees						459	459		459
Deferred tax related to share based payments to employees						16	16		16
Current tax related to share based payments						50	50		50
Repurchase of own shares for trading purposes						-32	-32		-32
Associates' disposal of shares in Swedbank AB						166	166		166
Total comprehensive income for the period			3 397	-2 094	34	16 800	18 137	14	18 151
of which reported through profit or loss						16 447	16 447	16	16 463
of which reported through other comprehensive income			3 397	-2 094	34	353	1 690	-2	1 688
Closing balance 31 December 2014	24 904	17 275	2 564	-1 801	-105	74 366	117 203	170	117 373
January-September 2015									
Opening balance 1 January 2015	24 904	17 275	2 564	-1 801	-105	74 366	117 203	170	117 373
Dividends						-12 539	-12 539	-5	-12 544
Share based payments to employees						342	342		342
Deferred tax related to share based payments to employees						-49	-49		-49
Current tax related to share based payments to employees						63	63		63
Repurchase of own shares for trading purposes						-22	-22		-22
Acquired non-controlling interest						-8	-8		-8
Associates' acquisition of non-controlling interest						-7	-7		-7
Total comprehensive income for the period			-581	396	134	13 909	13 858	13	13 871
of which reported through profit or loss						11 914	11 914	12	11 926
of which reported through other comprehensive income			-581	396	134	1 995	1 944	1	1 945
Closing balance 30 September 2015	24 904	17 275	1 983	-1 405	29	76 055	118 841	178	119 019

¹⁾ Other contributed equity consists mainly of share premiums.

Cash flow statement, condensed

Group SEKm	Jan-Sep 2015	Full-year 2013	Jan-Sep 2014
Operating activities			
Operating profit	15 571	21 026	16 227
Profit for the period from discontinued operations	6	-262	-259
Adjustments for non-cash items in operating activities	-3 771	-555	-1 004
Taxes paid	-4 017	-5 494	-5 172
Increase/decrease in loans to credit institutions	5 087	-26 662	-8 942
Increase/decrease in loans to the public	-37 356	-115 813	-65 492
Increase/decrease in holdings of securities for trading	-19 989	12 925	-11 610
Increase/decrease in deposits and borrowings from the public including retail bonds	80 170	34 957	49 965
Increase/decrease in amounts owed to credit institutions	-17 582	45 468	18 412
Increase/decrease in other assets	18 829	-41 353	-26 261
Increase/decrease in other liabilities	-6 604	84 693	69 375
Cash flow from operating activities	30 344	8 930	35 239
Investing activities			
Business combinations		-2 918	-2 918
Business disposals	245	-590	-744
Acquisitions of and contributions to associates	-10	-814	-814
Acquisitions of other fixed assets and strategic financial assets	-368	-1 111	-1 125
Disposals/maturity of other fixed assets and strategic financial assets	863	362	830
Cash flow from investing activities	730	-5 071	-4 771
Financing activities			
Issuance of interest-bearing securities	188 008	114 936	96 259
Redemption of interest-bearing securities	-119 265	-139 976	-116 277
Issuance of commercial paper etc.	730 557	730 879	545 265
Redemption of commercial paper etc.	-664 854	-646 040	-446 595
Dividends paid	-12 545	-11 138	-11 138
Changes in ownership interest in subsidiary			
Contribution			
New share issue			
Repurchased shares			
Cash flow from financing activities	121 901	48 661	67 514
Cash flow for the period	152 975	52 520	97 982
Cash and cash equivalents at the beginning of the period	113 768	59 382	59 382
Cash flow for the period	152 975	52 520	97 982
Exchange rate differences on cash and cash equivalents	-277	1 866	677
Cash and cash equivalents in acquired companies			
Cash and cash equivalents at end of the period	266 466	113 768	158 041

During the first half-year 2014 Sparbanken Öresund AB was acquired for SEK 2 938m. Acquired cash and cash equivalents amounted to SEK 20m. In connection with the acquisition a number of bank branches were sold to Sparbanken Skåne AB. The proceeds, together with payment of the net debt assumed by the acquirer, amounted to a cash disbursement of SEK 913m.

Note 1 Accounting policies

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

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

The accounting policies applied in the interim report conform to those applied in the Annual Report for 2014, which was prepared in accordance with International Financial Reporting Standards as adopted by the European Union and interpretations thereof. There have been no significant changes to the Group's accounting policies set out in the 2014 Annual Report, except for the new standards and changes as set out below.

Other IFRS changes

Other new or amended standards or interpretations which have been adopted have not had a significant effect on the financial position, results or disclosures of the Group or the parent company. For more information, refer to page 72 of the 2014 Annual Report.

Note 2 Critical accounting estimates

Presentation of consolidated financial statements in conformity with IFRS requires the executive management to make judgments and estimates that affect the recognised amounts for assets, liabilities and disclosures of contingent assets and liabilities as of the closing day as well as the recognised income and expenses during the report period. The executive management continuously evaluates these judgments and estimates, including assessing control over investment funds, the fair value of financial instruments, provisions for credit impairments, impairment testing of goodwill, investment properties and owner-occupied properties, net realisable value of properties recognised as inventory, deferred taxes, defined benefit pension provisions and share-based payment costs. With the exception of tax in the Estonian subgroup as outlined below, there have been no significant changes to the basis upon which the critical accounting policies and judgments have been determined compared with 31 December 2014.

Tax

For the parent company's Estonian subgroup, Swedbank AS, income taxation is triggered only if dividends are paid. The parent company determines the dividend payment and has established a specific dividend policy that a portion of the profit will be distributed; therefore a deferred tax liability is recognised based on this dividend policy. During the second quarter 2015 the decision was taken by the parent company to take an extra dividend of SEK 3 695m, which generated a tax expense of SEK 929m. Further dividends are not expected to be paid in the foreseeable future and the Group continues not to recognise a deferred tax liability on undistributed profits. If the largest possible dividend were to be distributed, the Group would face an estimated tax charge of SEK 2 386m.

Note 3 Changes in the Group structure

External

During the first quarter 2015 the wholly owned subsidiary Svensk Fastighetsförmedling AB was sold. The proceeds from the sale amounted to SEK 245m and a capital gain of SEK 51m was recognised.

During the second quarter the wholly owned subsidiary Swedbank Juristbyrå AB was sold for SEK 1 and a capital gain of SEK 9m was recognised. The divested subsidiary contributed SEK 5m to the Group's total income for 2015.

Note 4 Operating segments (business areas)

Jan-Sep 2015 SEKm	Swedish Banking	Baltic Banking	Large Corporates & Institutions	Group Functions & Other	Eliminations	Group
Income statement						
Net interest income	9 875	2 596	2 589	2 174		17 234
Net commission income	5 414	1 504	1 496	-151	59	8 322
Net gains and losses on financial items at fair value	181	143	1 478	-1 395	-1	406
Share of profit or loss of associates	707			1		708
Other income	593	358	107	587	-148	1 497
Total income	16 770	4 601	5 670	1 216	-90	28 167
of which internal income	129		89	-415	197	
Staff costs	2 663	623	1 050	2 191		6 527
Variable staff costs	130	57	211	179		577
Other expenses	4 593	1 044	1 175	-2 247	-90	4 475
Depreciation/amortisation	81	104	49	281		515
Total expenses	7 467	1 828	2 485	404	-90	12 094
Profit before impairments	9 303	2 773	3 185	812		16 073
Impairment of intangible assets				254		254
Impairment of tangible assets		5		48		53
Credit impairments	135	-60	120			195
Operating profit	9 168	2 828	3 065	510		15 571
Tax expense	1 953	1 327	460	-89		3 651
Profit for the period from continuing operations	7 215	1 501	2 605	599		11 920
Profit for the period from discontinued operations, after tax				6		6
Profit for the period	7 215	1 501	2 605	605		11 926
Profit for the period attributable to the shareholders of Swedbank AB	7 203	1 501	2 605	605		11 914
Non-controlling interests	12					12
Balance sheet, SEKbn						
Cash and balances with central banks		2	3	261		266
Loans to credit institutions	43		283	24	-241	109
Loans to the public	1 058	129	253	1		1 441
Bonds and other interest-bearing securities		1	64	133	-8	190
Financial assets for which customers bear inv. risk	146	3			-2	147
Investments in associates	3			2		5
Derivatives			104	51	-55	100
Total tangible and intangible assets	2	11		3		16
Other assets	5	21	27	729	-744	38
Total assets	1 257	167	734	1 204	-1 050	2 312
Amounts owed to credit institutions	81		222	85	-235	153
Deposits and borrowings from the public	436	144	120	62	-6	756
Debt securities in issue	1		17	946	-13	951
Financial liabilities for which customers bear inv. risk	147	3				150
Derivatives			99	30	-55	74
Other liabilities	541		256	28	-741	84
Subordinated liabilities				25		25
Total liabilities	1 206	147	714	1 176	-1 050	2 193
Allocated equity	51	20	20	28		119
Total liabilities and equity	1 257	167	734	1 204	-1 050	2 312
Key figures						
Return on allocated equity, continuing operations, %	18.6	9.7	17.2	3.5		13.8
Return on allocated equity, total operations, %	18.6	9.7	17.2	3.6		13.8
Cost/income ratio	0.45	0.40	0.44	0.33		0.43
Credit impairment ratio, %	0.02	-0.06	0.09	0.00		0.02
Loan/deposit ratio, %	246	90	177			187
Loans, SEKbn	1 059	129	182			1 370
Deposits, SEKbn	431	144	103	56		734
Risk exposure amount, Basel 3, SEKbn	187	74	123	20		404
Full-time employees	4 571	3 786	1 205	4 367		13 929

Jan-Sep 2014 SEKm	Swedish Banking	Baltic Banking	Large Corporates & Institutions	Group Functions & Other	Eliminations	Group
Income statement						
Net interest income	10 049	2 633	2 595	1 552	4	16 833
Net commission income	5 149	1 451	1 699	-31	54	8 322
Net gains and losses on financial items at fair value	150	175	1 495	97		1 917
Share of profit or loss of associates	886			1		887
Other income	936	314	101	830	-215	1 966
Total income	17 170	4 573	5 890	2 449	-157	29 925
of which internal income	130	0	-2	-325	197	
Staff costs	3 117	567	1 001	2 515		7 200
Variable staff costs	152	58	221	176		607
Other expenses	4 796	1 112	1 233	-2 020	-157	4 964
Depreciation/amortisation	61	107	52	318		538
Total expenses	8 126	1 844	2 507	989	-157	13 309
Profit before impairments	9 044	2 729	3 383	1 460		16 616
Impairment of intangible assets		1				1
Impairment of tangible assets				223		223
Credit impairments	99	-176	261	-19		165
Operating profit	8 945	2 904	3 122	1 256		16 227
Tax expense	1 827	437	663	374		3 301
Profit for the period from continuing operations	7 118	2 467	2 459	882		12 926
Profit for the period from discontinued operations, after tax				-259		-259
Profit for the period	7 118	2 467	2 459	623		12 667
Profit for the period attributable to the shareholders of Swedbank AB	7 104	2 467	2 459	622		12 652
Non-controlling interests	14			1		15
Balance sheet, SEKbn						
Cash and balances with central banks		2	5	151		158
Loans to credit institutions	43		287	118	-352	96
Loans to the public	1 003	122	215	1		1 341
Bonds and other interest-bearing securities		1	72	128	-7	194
Financial assets for which customers bear inv. risk	136	2			-1	137
Investments in associates	3			2		5
Derivatives			109	40	-55	94
Total tangible and intangible assets	3	11		3		17
Other assets	7	12	27	693	-703	36
Total assets	1 195	150	715	1 136	-1 118	2 078
Amounts owed to credit institutions	77		224	188	-346	143
Deposits and borrowings from the public	406	125	121	40	-6	686
Debt securities in issue	2	1	14	822	-12	827
Financial liabilities for which customers bear inv. risk	137	3				140
Derivatives			105	22	-54	73
Other liabilities	538		234	8	-700	80
Subordinated liabilities				18		18
Total liabilities	1 160	129	698	1 098	-1 118	1 967
Allocated equity	35	21	17	38		111
Total liabilities and equity	1 195	150	715	1 136	-1 118	2 078
Key figures						
Return on allocated equity, continuing operations, %	28.3	15.4	20.9	3.1		15.9
Return on allocated equity, total operations, %	28.3	15.4	20.9	2.2		15.6
Cost/income ratio	0.47	0.40	0.43	0.40		0.44
Credit impairment ratio, %	0.01	-0.20	0.16	-0.57		0.02
Loan/deposit ratio, %	250	97	155	1		193
Loans, SEKbn	1 004	121	162			1 287
Deposits, SEKbn	402	125	104	36		667
Risk exposure amount, Basel 3, SEKbn	180	82	120	28		410
Full-time employees	5 053	3 853	1 161	4 537		14 604

Operating segments' accounting policies

Operating segment reporting is based on Swedbank's accounting policies, organisation and management accounting. Market-based transfer prices are applied between operating segments, while all expenses within Group Functions are transfer priced at cost to the operating segments. 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 taking into account capital adequacy rules and estimated capital requirements based on the bank's Internal Capital Adequacy Assessment Process (ICAAP). All equity is allocated.

The 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.

Note 5 Net interest income

Group SEKm	Q3 2015	Q2 2015	%	Q3 2014	%	Jan-Sep 2015	Jan-Sep 2014	%
Interest income								
Loans to credit institutions	62	97	-36	174	-64	242	596	-59
Loans to the public	8 113	8 386	-3	9 758	-17	25 312	29 443	-14
Interest-bearing securities	251	361	-30	635	-60	1 030	1 843	-44
Derivatives	59	-145		-125		58	-308	
Other	247	224	10	197	25	727	544	34
Total interest income	8 732	8 923	-2	10 639	-18	27 369	32 118	-15
of which interest income reported in net gains and losses on financial items at fair value	87	104	-16	296	-71	489	775	-37
Interest income according to income statement	8 645	8 819	-2	10 343	-16	26 880	31 343	-14
Interest expenses								
Amounts owed to credit institutions	-81	-83	-2	-93	-13	-229	-400	-43
Deposits and borrowings from the public	-289	-333	-13	-684	-58	-1 082	-2 632	-59
of which deposit guarantee fees	-155	-155	0	-147	5	-465	-429	8
Debt securities in issue	-3 721	-3 553	5	-4 118	-10	-11 148	-12 919	-14
of which commissions for government guaranteed funding							-31	
Subordinated liabilities	-279	-271	3	-205	36	-771	-547	41
Derivatives	1 752	1 309	34	664		4 121	1 964	
Other	-208	-204	2	-164	27	-600	-451	33
of which government stabilisation fund fee	-188	-185	2	-140	34	-548	-405	35
Total interest expenses	-2 826	-3 135	-10	-4 600	-39	-9 709	-14 985	-35
of which interest income reported in net gains and losses on financial items at fair value	8	-20		-86		-63	-475	-87
Interest expense according to income statement	-2 834	-3 115	-9	-4 514	-37	-9 646	-14 510	-34
Net interest income	5 811	5 704	2	5 829	0	17 234	16 833	2
Net interest margin	1.01	0.99		1.16		1.01	1.14	

Note 6 Net commission income

Group SEKm	Q3 2015	Q2 2015	%	Q3 2014	%	Jan-Sep 2015	Jan-Sep 2014	%
Commission income								
Payment processing	426	420	1	439	-3	1 263	1 317	-4
Card commissions	1 321	1 215	9	1 203	10	3 596	3 294	9
Service concepts	121	123	-2	123	-2	378	370	2
Asset management and custody fees	1 362	1 462	-7	1 462	-7	4 285	4 240	1
Life insurance	163	182	-10	131	24	500	383	31
Brokerage and other securities	112	197	-43	144	-22	507	512	-1
Corporate finance	49	83	-41	56	-13	182	306	-41
Lending	251	250	0	259	-3	770	756	2
Guarantees	53	57	-7	56	-5	170	160	6
Deposits	39	39	0	40	-3	122	99	23
Real estate brokerage	59	71	-17	79	-25	201	228	-12
Non-life insurance	20	18	11	20	0	55	58	-5
Other commission income	135	123	10	138	-2	356	361	-1
Total commission income	4 111	4 240	-3	4 150	-1	12 385	12 084	2
Commission expenses								
Payment processing	-242	-254	-5	-269	-10	-756	-746	1
Card commissions	-644	-616	5	-570	13	-1 753	-1 568	12
Service concepts	-4	-4	0	-4	0	-12	-12	0
Asset management and custody fees	-313	-337	-7	-320	-2	-976	-893	9
Life insurance	-48	-51	-6	-56	-14	-148	-171	-13
Brokerage and other securities	-69	-79	-13	-58	19	-219	-218	0
Lending and guarantees	-18	-19	-5	-19	-5	-56	-44	27
Other commission expenses	-37	-38	-3	-38	-3	-143	-110	30
Total commission expenses	-1 375	-1 398	-2	-1 334	3	-4 063	-3 762	8
Total Net commission income	2 736	2 842	-4	2 816	-3	8 322	8 322	0

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

Group SEKm	Q3 2015	Q2 2015	%	Q3 2014	%	Jan-Sep 2015	Jan-Sep 2014	%
Valuation category, fair value through profit or loss								
Shares and share related derivatives	210	287	-27	55		424	204	
of which dividend	5	226	-98	6	-17	315	302	4
Interest-bearing securities and interest related derivatives	-75	155		-268	-72	298	-281	
Loans to the public	-489	-1 137	-57	377		-1 777	1 519	
Financial liabilities	689	233		-71		749	-500	
Other financial instruments	123	3		-2		132	-4	
Total fair value through profit or loss	458	-459		91		-174	938	
Hedge accounting								
Ineffective part in hedge accounting at fair value	-65	21		38		-66	-5	
of which hedging instruments	1 147	-4 991		1 584	-28	-2 399	5 910	
of which hedged items	-1 212	5 012		-1 546	-22	2 333	-5 915	
Ineffective part in hedging of net investments in foreign operations	-7	-6	17				10	
Total hedge accounting	-72	15		38		-66	5	
Loan receivables at amortised cost	74	34		113	-35	154	113	36
Financial liabilities valued at amortised cost	-676	-21		-66		-697	-2	
Trading related interest								
Interest income	88	104	-15	295	-70	490	775	-37
Interest expense	8	-20		-87		-63	-476	-87
Total trading related interest	96	84	14	208	-54	427	299	43
Change in exchange rates	124	429	-71	415	-70	762	564	35
Total net gains and losses on financial items at fair value	4	82	-95	799	-99	406	1 917	-79
Distribution by business purpose								
Financial instruments for trading related business	350	424	-17	618	-43	1 542	1 940	-21
Financial instruments intended to be held to contractual maturity	-346	-342	1	181		-1 136	-23	
Total	4	82	-95	799	-99	406	1 917	-79

Note 8 Other expenses

Group SEKm	Q3 2015	Q2 2015	%	Q3 2014	%	Jan-Sep 2015	Jan-Sep 2014	%
Premises and rents	264	271	-3	274	-4	815	1 060	-23
IT expenses	481	433	11	445	8	1 363	1 347	1
Telecommunications and postage	39	37	5	34	15	120	118	2
Advertising, PR and marketing	56	67	-16	92	-39	208	269	-23
Consultants	72	70	3	72	0	216	324	-33
Compensation to savings banks	192	214	-10	192	0	585	541	8
Other purchased services	148	145	2	144	3	447	471	-5
Security transport and alarm systems	21	21	0	22	-5	60	62	-3
Supplies	24	32	-25	20	20	83	84	-1
Travel	35	52	-33	42	-17	128	152	-16
Entertainment	11	11	0	13	-15	32	35	-9
Repair/maintenance of inventories	26	26	0	32	-19	76	94	-19
Other expenses	89	121	-26	126	-29	342	407	-16
Total other expenses	1 458	1 500	-3	1 508	-3	4 475	4 964	-10

Note 9 Credit impairments

Group SEKm	Q3 2015	Q2 2015	%	Q3 2014	%	Jan-Sep 2015	Jan-Sep 2014	%
Provision for loans individually assessed as impaired								
Provisions	174	144	21	556	-69	469	767	-39
Reversal of previous provisions	-36	-77	-53	-88	-59	-197	-259	-24
Provision for homogenous groups of impaired loans, net	-15	1		-144	-90	-24	-335	-93
Total	123	68	81	324	-62	248	173	43
Portfolio provisions for loans individually assessed as not impaired		-26		-39		-45	-58	-22
Write-offs								
Established losses	189	243	-22	298	-37	673	961	-30
Utilisation of previous provisions	-87	-128	-32	-149	-42	-364	-545	-33
Recoveries	-90	-149	-40	-181	-50	-310	-335	-7
Total	12	-34		-32		-1	81	
Credit impairments for contingent liabilities and other credit risk exposures	-5	-2		-18	-72	-7	-31	-77
Credit impairments	130	6		235	-45	195	165	18
Credit impairment ratio, %	0.04	0.00		0.07		0.02	0.02	

Note 10 Loans

Group SEKm	30 Sep 2015			31 Dec 2014	30 Sep 2014		
	Loans before provisions	Provisions	Loans after provisions Carrying amount	Loans after provisions Carrying amount	%	Loans after provisions Carrying amount	%
Loans to credit institutions							
Banks	75 876	24	75 852	87 302	-13	69 746	9
Repurchase agreements, banks	13 116		13 116	12 473	5	11 234	17
Other credit institutions	9 454		9 454	9 049	4	8 453	12
Repurchase agreements, other credit institutions	10 206		10 206	4 996		6 385	60
Loans to credit institutions	108 652	24	108 628	113 820	-5	95 818	13
Loans to the public							
Private customers	863 702	1 154	862 548	830 158	4	812 574	6
Private, mortgage	726 050	799	725 251	696 398	4	683 211	6
Housing cooperatives	100 999	36	100 963	98 258	3	94 788	7
Private, other	36 653	319	36 334	35 502	2	34 575	5
Corporate customers	509 554	1 964	507 590	495 181	3	474 857	7
Agriculture, forestry, fishing	74 447	117	74 330	72 623	2	71 648	4
Manufacturing	44 474	599	43 875	42 335	4	40 163	9
Public sector and utilities	26 545	36	26 509	21 951	21	22 753	17
Construction	17 567	82	17 485	16 325	7	17 141	2
Retail	36 205	247	35 958	30 759	17	30 614	17
Transportation	12 551	43	12 508	11 926	5	12 742	-2
Shipping and offshore	28 335	59	28 276	30 302	-7	26 761	6
Hotels and restaurants	8 811	47	8 764	6 739	30	6 588	33
Information and communications	5 553	12	5 541	5 562	0	5 800	-4
Finance and insurance	10 559	36	10 523	10 264	3	12 064	-13
Property management	208 124	360	207 764	205 295	1	188 366	10
Residential properties	52 395	94	52 301	53 003	-1	49 040	7
Commercial	90 203	107	90 096	89 144	1	77 437	16
Industrial and Warehouse	41 608	39	41 569	40 919	2	39 031	7
Other	23 918	120	23 798	22 229	7	22 858	4
Professional services	17 400	197	17 203	16 867	2	16 785	2
Other corporate lending	18 983	129	18 854	24 233	-22	23 432	-20
Loans to the public excluding the Swedish National Debt Office and repurchase agreements	1 373 256	3 118	1 370 138	1 325 339	3	1 287 431	6
Swedish National Debt Office	1 810		1 810	16 556	-89	2 332	-22
Repurchase agreements, Swedish National Debt Office	469		469	3 449	-86		
Repurchase agreements, public	68 876		68 876	59 163	16	50 817	36
Loans to the public	1 444 411	3 118	1 441 293	1 404 507	3	1 340 580	8
Loans to the public and credit institutions	1 553 063	3 142	1 549 921	1 518 327	2	1 436 398	8

Note 11 Impaired loans etc.

Group SEKm	30 Sep 2015	31 Dec 2014	%	30 Sep 2014	%
Impaired loans, gross	5 458	6 281	-13	6 726	-19
Provisions for individually assessed impaired loans	1 478	1 306	13	1 550	-5
Provision for homogenous groups of impaired loans	648	891	-27	999	-35
Impaired loans, net	3 332	4 084	-18	4 177	-20
of which private customers	1 592	1 833	-13	1 835	-13
of which corporate customers	1 740	2 251	-23	2 342	-26
Portfolio provisions for loans individually assessed as not impaired	1 016	1 133	-10	1 145	-11
Share of impaired loans, gross, %	0.35	0.41	-15	0.47	-26
Share of impaired loans, net, %	0.22	0.27	-19	0.29	-24
Provision ratio for impaired loans, %	39	35	11	38	3
Total provision ratio for impaired loans, % ¹⁾	58	53	9	55	5
Past due loans that are not impaired	4 051	4 362	-7	3 883	4
of which past due 5-30 days	2 482	2 409	3	2 490	0
of which past due 31-60 days	865	1 100	-21	1 141	-24
of which past due 61-90 days ²⁾	304	n.a		n.a	
of which past due more than 90 days ³⁾	400	853		252	

¹⁾ Total provision i.e. all provisions for claims in relation to impaired loans, gross.

²⁾ New interval from Q1 2015. Prior to this it was reported under of which past due more than 60 days.

³⁾ The split between the new intervals for previous periods are not available. For periods prior to 31 March 2015, the row of which past due more than 90 days also includes the interval 61-90 days.

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

Group SEKm	30 Sep 2015	31 Dec 2014	%	30 Sep 2014	%
Buildings and land	515	874	-41	1 035	-50
Shares and participating interests	18	13	38	17	6
Other property taken over	8	13	-38	14	-43
Total assets taken over for protection of claims	541	900	-40	1 066	-49
Cancelled leases	34	33	3	44	-23
Total assets taken over for protection of claims and cancelled leases	575	933	-38	1 110	-48
of which acquired by Ektornet	387	778	-50	916	-58

Note 13 Credit exposures

Group SEKm	30 Sep 2015	31 Dec 2014	%	30 Sep 2014	%
Assets					
Cash and balances with central banks	266 466	113 768		158 041	69
Interest-bearing securities	190 091	170 680	11	193 665	-2
Loans to credit institutions	108 628	113 820	-5	95 818	13
Loans to the public	1 441 293	1 404 507	3	1 340 580	8
Derivatives	99 550	123 202	-19	93 697	6
Other financial assets	20 024	14 712	36	21 516	-7
Total assets	2 126 052	1 940 689	10	1 903 317	12
Contingent liabilities and commitments					
Guarantees	28 719	27 259	5	26 998	6
Commitments	252 755	237 007	7	229 716	10
Total contingent liabilities and commitments	281 474	264 266	7	256 714	10
Total credit exposures	2 407 526	2 204 955	9	2 160 031	11

Note 14 Intangible assets

Group SEKm	30 Sep 2015	31 Dec 2014	%	30 Sep 2014	%
With indefinite useful life					
Goodwill	12 256	12 344	-1	11 972	2
Total	12 256	12 344	-1	11 972	2
With finite useful life					
Customer base	642	857	-25	876	-27
Internally developed software	561	536	5	520	8
Other	441	582	-24	601	-27
Total	1 644	1 975	-17	1 997	-18
Total intangible assets	13 900	14 319	-3	13 969	0

	Jan-Sep 2015	Full year 2014	%	Jan-Sep 2014	%
Goodwill					
Cost					
Opening balance	14 668	13 701	7	13 701	7
Exchange rate differences	-388	967		445	
Closing balance	14 280	14 668	-3	14 146	1
Accumulated amortisation and impairments					
Opening balance	-2 324	-1 941	20	-1 941	20
Exchange rate differences	300	-383		-233	
Closing balance	-2 024	-2 324	-13	-2 174	-7
Carrying amount	12 256	12 344	-1	11 972	2

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 either value to sell or 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 executive management's own assumptions. Executive management also determines whether there is any need for a new test during the year.

The annual test in 2014 did not lead to any impairment. During the third quarter 2015 an IT system was written down by SEK 112m and an acquired management contract by SEK 142m.

Note 15 Amounts owed to credit institutions

Group SEKm	30 Sep 2015	31 Dec 2014	%	30 Sep 2014	%
Amounts owed to credit institutions					
Central banks	12 971	11 159	16	10 242	27
Banks	132 314	150 435	-12	118 670	11
Other credit institutions	3 479	4 112	-15	1 058	
Repurchase agreements - banks	3 155	3 839	-18	10 586	-70
Repurchase agreements - other credit institutions	1 384	1 908	-27	2 102	-34
Amounts owed to credit institutions	153 303	171 453	-11	142 658	7

Note 16 Deposits and borrowings from the public

Group SEKm	30 Sep 2015	31 Dec 2014	%	30 Sep 2014	%
Deposits from the public					
Private customers	391 263	371 877	5	358 308	9
Corporate customers	342 969	289 034	19	308 741	11
Deposits from the public excluding the Swedish National Debt Office and repurchase agreements	734 232	660 911	11	667 049	10
Swedish National Debt Office	2	1		1	
Repurchase agreements - Swedish National Debt Office		2 965			
Repurchase agreements - public	21 493	12 802	68	19 376	11
Deposits and borrowings from the public	755 727	676 679	12	686 426	10

Note 17 Debt securities in issue

Group SEKm	30 Sep 2015	31 Dec 2014	%	30 Sep 2014	%
Commercial paper	251 395	195 191	29	209 049	20
Covered bonds	537 225	511 666	5	490 903	9
Senior unsecured bonds	148 176	114 840	29	113 490	31
Structured retail bonds	13 999	13 315	5	13 384	5
Total debt securities in issue	950 795	835 012	14	826 826	15

Turnover during the period	Jan-Sep 2015	Full year 2014	%	Jan-Sep 2014	%
Opening balance	835 012	726 275	15	726 275	15
Issued	912 269	838 981	9	634 690	44
Business combination		2 028		2 028	
Repurchased	-32 736	-44 924	-27	-31 440	4
Repaid	-751 383	-741 088	1	-531 429	41
Change in market value or in hedged item in fair value hedge accounting	-7 955	22 224		13 173	
Changes in exchange rates	-4 412	31 516		13 529	
Closing balance	950 795	835 012	14	826 826	15

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 2015			Nominal amount		Positive fair value		Negative fair value	
	Remaining contractual maturity			2015	2014	2015	2014	2015	2014
	< 1 yr.	1-5 yrs.	> 5 yrs.	30 Sep	31 Dec	30 Sep	31 Dec	30 Sep	31 Dec
Derivatives in fair value hedges	64 435	362 664	57 852	484 951	418 889	19 750	23 235	247	340
Derivatives in portfolio fair value hedges	38 000	69 350	9 175	116 525	73 700	15	1	1 965	1 752
Derivatives in cash flow hedges		13 773	8 466	22 239	22 697		10	1 758	1 793
Derivatives in hedges of net investment in foreign operations					153				9
Other derivatives	6 026 230	3 552 438	721 812	10 300 480	11 833 956	94 363	110 915	86 302	94 097
Gross amount	6 128 665	3 998 225	797 305	10 924 195	12 349 395	114 128	134 161	90 272	97 991
Offset amount	-2 379 230	-1 315 208	-285 293	-3 979 731		-14 578	-10 959	-15 955	-12 297
Total	3 749 435	2 683 017	512 012	6 944 464	12 349 395	99 550	123 202	74 317	85 694

The amounts offset for derivative assets and derivative liabilities include cash collateral offsets of SEK 2 067m and SEK 689m, respectively.

Note 19 Financial instruments at fair value

Group SEKm	30 Sep 2015			31 Dec 2014		
	Fair value	Carrying amount	Difference	Fair value	Carrying amount	Difference
Assets						
Financial assets covered by IAS 39						
Cash and balances with central banks	266 466	266 466		113 768	113 768	
Treasury bills etc.	77 944	77 936	8	45 904	46 225	-321
Loans to credit institutions	108 628	108 628		113 820	113 820	
Loans to the public	1 448 594	1 441 293	7 301	1 412 718	1 404 507	8 211
Value change of interest hedged items in portfolio hedge	1 526	1 526		1 291	1 291	
Bonds and interest-bearing securities	112 155	112 155		121 189	124 455	-3 266
Financial assets for which the customers bear the investment risk	147 192	147 192		143 319	143 319	
Shares and participating interest	9 527	9 527		9 931	9 931	
Derivatives	99 550	99 550		123 202	123 202	
Other financial assets	20 024	20 024		14 712	14 712	
Total	2 291 606	2 284 297	7 309	2 099 854	2 095 230	4 624
Investment in associates		5 290			4 924	
Non-financial assets		21 929			21 143	
Total		2 311 516			2 121 297	
Liabilities						
Financial liabilities covered by IAS 39						
Amounts owed to credit institutions	152 956	153 303	-347	171 457	171 453	4
Deposits and borrowings from the public	755 725	755 727	-2	676 662	676 679	-17
Debt securities in issue	957 249	950 795	6 454	842 238	835 012	7 226
Financial liabilities for which the customers bear the investment risk	150 340	150 340		146 177	146 177	
Subordinated liabilities	25 802	25 260	542	18 932	18 957	-25
Derivatives	74 317	74 317		85 694	85 694	
Short positions securities	36 636	36 636		27 058	27 058	
Other financial liabilities	35 745	35 745		30 096	30 096	
Total	2 188 770	2 182 123	6 647	1 998 314	1 991 126	7 188
Non-financial liabilities		10 374			12 798	
Total		2 192 497			2 003 924	

Group 30 Sep 2015 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
Assets				
Treasury bills etc.	29 139	48 305		77 444
Loans to credit institutions		23 322		23 322
Loans to the public		283 135		283 135
Bonds and other interest-bearing securities	74 909	36 201		111 110
Financial assets for which the customers bear the investment risk	147 192			147 192
Shares and participating interests	9 403	40	84	9 527
Derivatives	205	99 216	129	99 550
Total	260 848	490 219	213	751 280
Liabilities				
Amounts owed to credit institutions		4 539		4 539
Deposits and borrowings from the public		21 702		21 702
Debt securities in issue	9 148	13 984		23 132
Financial liabilities for which the customers bear the investment risk		150 340		150 340
Derivatives	160	74 157		74 317
Short positions, securities	36 636			36 636
Total	45 944	264 722		310 666

The table above contains financial instruments measured at fair value by valuation level. The Group uses various methods to determine the fair value for financial instruments depending on the degree of observable market data in the valuation and activity in the market. Activity is continuously evaluated by analysing factors such as trading volumes and differences in bid and ask prices.

The methods are divided into three different levels:

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

When financial assets and financial liabilities in active markets have market risks that offset each other, an average of bid and ask prices is used as a basis to determine the fair values of the risk positions that offset each other. For any open net positions, bid rates are applied for long positions and ask rates for short positions.

The Group has a continuous process whereby financial instruments that indicate a high level of internal estimates or low level of observable market data are captured. The process determines the way to calculate and how the internal assumptions are expected to affect the valuation. In cases where internal assumptions have a material impact on fair value, the financial instrument is reported in level 3. The process also includes an analysis and evaluation based on the quality of the valuation data as well as whether a type of financial instrument is to be transferred between levels. There were no transfers of financial instruments between valuation levels 1 and 2 during the quarter.

Group 31 Dec 2014 SEKm	Instruments with quoted market prices in an active market (Level 1)	Valuation techniques using observable market data (Level 2)	Valuation techniques using non- observable market data (Level 3)	Total
Assets				
Treasury bills etc.	32 587	13 137		45 724
Loans to credit institutions		17 469		17 469
Loans to the public		340 771		340 771
Bonds and other interest-bearing securities	75 188	47 982		123 170
Financial assets for which the customers bear the investment risk	143 319			143 319
Shares and participating interests	9 681	173	77	9 931
Derivatives	5 399	117 722	81	123 202
Total	266 174	537 254	158	803 586
Liabilities				
Amounts owed to credit institutions		5 746		5 746
Deposits and borrowings from the public		16 149		16 149
Debt securities in issue	17 768	31 763		49 531
Financial liabilities for which the customers bear the investment risk		146 177		146 177
Derivatives	6 925	78 769		85 694
Short positions, securities	27 024	34		27 058
Total	51 717	278 638		330 355

Changes in level 3 Group SEKm	Assets		
	Equity instruments	Derivatives	Total
January-September 2015			
Opening balance 1 January 2015	77	81	158
Purchases	26		26
Sale of assets	-14		-14
Maturities		-19	-19
Issues		3	3
Transferred from Level 2 to Level 3		162	162
Transferred from Level 3 to Level 1	-2		-2
Transferred from Level 3 to Level 2		-68	-68
Gains or losses	-3	-30	-33
of which in the income statement, net gains and losses on financial items at fair value		-30	-30
of which changes in unrealised gains or losses for items held at closing day		-3	-3
Closing balance 30 september 2015	84	129	213

Level 3 primarily contains unlisted equity instruments and illiquid options. The options hedge changes in the market value of hybrid debt instruments, so-called structured products. The structured products consist of a corresponding option element as well as a host contract, which in principle is an ordinary interest-bearing bond. When the Group determines the level on which the financial instruments will be reported, they are measured in their entirety on an individual basis. Since the bond part of the structured products is essentially the financial instrument's fair value, the internal assumptions normally used to value the illiquid option element do not have a material impact on the valuation. The financial instrument is thus reported on level 2. Internal assumptions are of greater importance to individual options that hedge structured products, because of which several are reported as derivatives on level 3. In general, the Group always hedges market risks that arise in structured products, because of which differences between the carrying amount of assets and liabilities on level 3 do not reflect differences in the use of internal assumptions in valuations.

Given historical movements in the underlying prices for options on level 3, it is unlikely that future price movements will affect the market value by more than SEK +/- 31m. The corresponding pair of value changes arises for financial instruments reported in level 2.

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

Changes in level 3 Group SEKm	Assets			Liabilities
	Equity instruments	Derivatives	Total	Derivatives
January-September 2014				
Opening balance 1 January 2014	57	133	190	19
Purchases	21		21	
Transferred from Level 2 to Level 3	3	16	19	
Transferred from Level 3 to Level 2		-104	-104	-25
Gains or losses	-1	35	34	6
of which in the income statement, net gains and losses on financial items at fair value	-1	35	34	6
of which changes in unrealised gains or losses for items held at closing day	-1	16	15	
Closing balance 30 September 2014	78	80	158	0

Note 20 Pledged collateral

Group SEKm	30 Sep	31 Dec	%	30 Sep	%
	2015	2014		2014	
Loan receivables	812 183	780 213	4	767 835	6
Financial assets pledged for policyholders	140 590	136 529	3	131 227	7
Other assets pledged	53 494	53 415	0	68 396	-22
Pledged collateral	1 006 267	970 157	4	967 458	4

Note 21 Offsetting financial assets and liabilities

The disclosures below refer to reported financial instruments that have been offset in the balance sheet or are subject to legally binding netting agreements, even when they have not been offset in the balance sheet, as well as to related rights to financial collateral. As of the closing day these financial instruments related to derivatives, repos (including reverse) and securities lending.

Group SEKm	Assets			Liabilities		
	30 Sep 2015	31 Dec 2014	%	30 Sep 2015	31 Dec 2014	%
Financial assets and liabilities, which have been offset or are subject to netting or similar agreements						
Gross amount	219 030	213 414	3	133 573	120 623	11
Offset amount	-30 135	-14 735		-31 512	-16 073	96
Net amounts presented in the balance sheet	188 895	198 679	-5	102 061	104 550	-2
Related amounts not offset in the balance sheet						
Financial instruments, netting arrangements	75 322	78 707	-4	75 322	78 707	-4
Financial Instruments, collateral	70 886	66 997	6	11 571	10 844	7
Cash, collateral	23 595	29 717	-21	13 665	11 907	15
Total amount not offset in the balance sheet	169 803	175 421	-3	100 558	101 458	-1
Net amount	19 092	23 258	-18	1 503	3 092	-51

The amounts offset for financial assets and financial liabilities include cash collateral offsets of SEK 2 067m and SEK 689m, respectively.

Note 22 Capital adequacy, consolidated situation

Capital adequacy SEKm	30 Sep 2015	31 Dec 2014	30 Sep 2014
Shareholders' equity according to the Group's balance sheet	118 841	117 203	111 420
Non-controlling interests	51	46	41
Anticipated dividend	-8 936	-12 511	-9 656
Deconsolidation of insurance companies	-1 191	-692	-2 006
Value changes in own financial liabilities	34	74	76
Cash flow hedges	-29	103	153
Additional value adjustments ¹⁾	-459		
Goodwill	-12 344	-12 434	-12 064
Deferred tax assets	-83	-166	-171
Intangible assets	-1 413	-1 698	-1 716
Net provisions for reported IRB credit exposures	-1 381	-1 599	-1 410
Shares deducted from CET1 capital		-410	
Defined benefit pension fund assets ²⁾	-110		
Common Equity Tier 1 capital	92 980	87 916	84 667
Additional Tier 1 capital	10 741	4 998	5 024
Total Tier 1 capital	103 721	92 914	89 691
Tier 2 capital	13 136	12 674	12 288
Total capital	116 857	105 588	101 979
Minimum capital requirement for credit risks, standardised approach	3 973	4 295	3 751
Minimum capital requirement for credit risks, IRB	21 504	21 988	22 186
Minimum capital requirement for credit risk, default fund contribution	4	3	3
Minimum capital requirement for settlement risks	1	2	5
Minimum capital requirement for market risks	1 165	1 525	1 401
Trading book	1 151	1 335	1 195
of which VaR and SVaR	576	711	619
of which risks outside VaR and SVaR	575	624	576
FX risk other operations	14	190	206
Minimum capital requirement for credit value adjustment	618	579	680
Minimum capital requirement for operational risks	5 071	4 745	4 745
Minimum capital requirement ³⁾	32 336	33 137	32 771
Risk exposure amount credit risks	318 516	328 574	324 243
Risk exposure amount settlement risks	5	30	62
Risk exposure amount market risks	14 565	19 059	17 516
Risk exposure amount credit value adjustment	7 721	7 241	8 506
Risk exposure amount operational risks	63 389	59 310	59 310
Risk exposure amount	404 196	414 214	409 637
Common Equity Tier 1 capital ratio, %	23.0	21.2	20.7
Tier 1 capital ratio, %	25.7	22.4	21.9
Total capital ratio, %	28.9	25.5	24.9
Capital buffer requirement ⁴⁾	30 Sep	31 Dec	30 Sep
%	2015	2014	2014
CET1 capital requirement including buffer requirements	10.7	7.0	7.0
of which minimum CET1 requirement	4.5	4.5	4.5
of which capital conservation buffer	2.5	2.5	2.5
of which countercyclical capital buffer	0.7		
of which systemic risk buffer	3.0		
CET 1 capital available to meet buffer requirement ⁵⁾	18.5	16.4	15.9
Capital adequacy Basel 1 floor	30 Sep	31 Dec	30 Sep
SEKm	2015	2014	2014
Capital requirement Basel 1 floor	69 561	69 557	67 239
Own funds Basel 3 adjusted according to rules for Basel 1 floor	118 238	107 187	103 389
Surplus of capital according to Basel 1 floor	48 677	37 630	36 150
Leverage ratio ⁶⁾	30 Sep	31 Dec	30 Sep
	2015	2014	2014
Tier 1 Capital, SEKm	103 721	92 914	89 691
Leverage ratio exposure, SEKm	2 298 934	2 066 385	2 036 912
Leverage ratio, %	4.5	4.5	4.4

¹⁾ Adjustment due to the implementation of EBA's technical standards on prudent valuation. The objective of these standards is to determine prudent values of fair valued positions.

²⁾ Net pension assets

³⁾ Total minimum capital requirement under Pillar 1, i.e. 8% of total risk exposure amount.

⁴⁾ Buffer requirement according to Swedish implementation of CRD IV.

⁵⁾ CET1 capital ratio as reported, less minimum requirement of 4.5% (excluding buffer requirements) and less any CET1 items used to meet the Tier 1 and total capital requirements.

⁶⁾ Calculated according to applicable regulation at each respective reporting date.

The consolidated situation for Swedbank as of 30 September 2015 comprised the Swedbank Group with the exception of insurance companies. The Entercard Group was included as well through the proportionate consolidation method.

In February 2015 Swedbank issued USD 750m in Additional Tier 1 capital with a contractually optional annual coupon rate of 5.5 per cent. The issuance was in the form of a perpetual subordinated debt instrument, which has a call option in 5 years. The instrument also has a mandatory conversion to a variable number of ordinary shares if Swedbank's regulatory capital base falls below a certain level. Swedbank classifies the instrument as subordinated liabilities in the consolidated balance sheet, even though it is considered part of Tier 1 capital in the capital adequacy report.

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

Swedbank Consolidated situation Credit risk, IRB SEKm	Exposure value		Average risk weighting, %		Minimum capital requirement ¹⁾	
	30 Sep 2015	31 Dec 2014	30 Sep 2015	31 Dec 2014	30 Sep 2015	31 Dec 2014
Institutional exposures	119 197	136 263	15	15	1 428	1 666
Corporate exposures	480 387	461 567	36	37	13 696	13 616
Retail exposures	964 123	931 884	7	8	5 768	6 110
of which mortgage	870 814	839 420	5	6	3 682	4 001
of which other	93 309	92 464	28	29	2 086	2 109
Securitisation	483	763	10	11	4	7
Non credit obligation	56 932	75 078	13	10	608	589
Total credit risks, IRB	1 621 122	1 605 555	17	17	21 504	21 988

¹⁾ Total minimum capital requirement under Pillar 1, i.e 8% of total risk exposure amount.

Risk exposure amount and Own funds requirement, consolidated situation

30 Sep 2015
SEKm

	Risk exposure amount	Minimum capital requirement
Credit risks, STD	49 659	3 973
Central government or central banks exposures	261	21
Regional governments or local authorities exposures	283	23
Public sector entities exposures	57	5
Multilateral development banks exposures	1	0
International organisation exposures		
Institutional exposures	1 103	88
Corporate exposures	10 029	802
Retail exposures	17 108	1 369
Exposures secured by mortgages on immovable property	1 235	99
Exposures in default	501	40
Exposures associated with particularly high risk	6	0
Exposures in the form of covered bonds	4	0
Items representing securitisation positions		
Exposures to institutions and corporates with a short-term credit assessment		
Exposures in the form of units or shares in collective investment undertakings		
Equity exposures	14 846	1 188
Other items	4 225	338
Credit risks, IRB	268 803	21 504
Institutional exposures	17 856	1 428
Corporate exposures	171 201	13 696
of which specialized lending in category 1	22	2
of which specialized lending in category 2	447	36
of which specialized lending in category 3	639	51
of which specialized lending in category 4	1 046	84
of which specialized lending in category 5		
Retail exposures	72 094	5 768
of which mortgage lending	46 021	3 682
of which other lending	26 073	2 086
Securitisation	53	4
Non-credit obligation	7 599	608
Credit risks, Default fund contribution	54	4
Settlement risks	5	1
Market risks	14 565	1 165
Trading book	14 393	1 151
of which VaR and SVaR	7 202	576
of which risks outside VaR and SVaR	7 191	575
FX risk other operations	171	14
Credit value adjustment	7 721	618
Operational risks	63 389	5 071
of which Basic indicator approach	1 527	122
of which Standardised approach	61 862	4 949
Total	404 196	32 336

Credit risks

The Internal Ratings-Based Approach (IRB) is applied within the Swedish part of Swedbank's consolidated situation, including the branch offices in New York and Oslo but excluding EnterCard, several small subsidiaries and certain exposure classes such as exposures to national governments and municipalities. IRB is also applied for the majority of Swedbank's exposure classes in the Baltic countries.

When it acts as clearing member, Swedbank calculates a capital base requirement for its pre-financed contributions to the default fund of qualified and unqualified central counterparty funds.

The standard approach is applied to exposures, excluding capital requirements for default fund contributions, which are not calculated according to IRB.

Market risks

Under current regulations, capital adequacy for market risks can be based on either a standard approach or an internal Value at Risk model, which requires the approval of the SFSA. The parent company has received such approval and uses its internal VaR model for general interest rate risks, general and specific share price risks and currency risks in the trading book. The approval also covers operations in the Baltic countries with respect to general interest rate risks and currency risks in the trading book. Currency 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 standard approach, as per the Group's internal approach to managing these risks.

Strategic currency risks mainly arise through risks associated with holdings in foreign operations.

Credit valuation adjustment

The risk of a credit valuation adjustment is estimated according to the standard approach and was added after the implementation of the new EU regulation (CRR).

Note 23 Internal capital requirement

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

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

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

Note 24 Risks and uncertainties

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

Operational risk

Swedbank calculates operational risk mainly using the standard approach. SFSA has stated that Swedbank meets the qualitative requirements to apply this method.

Basel 1 floor

The transition rules state that the minimum capital requirement must not fall below 80 per cent of the requirement according to the Basel 1 rules.

statement and balance sheet as well as the capital base and risk-weighted assets. The purpose is to ensure efficient use of capital. The methodology serves as a basis of proactive risk and capital management.

As of 30 September 2015 the internal capital assessment for Swedbank's consolidated situation amounted to SEK 31.3bn (SEK 31.5bn as of 30 June). The capital to meet the internal capital assessment, i.e. the capital base, amounted to SEK 116.9bn (SEK 114.7bn as of 30 June) (see Note 22). Swedbank's internal capital assessment with its own models is not comparable with the estimated capital requirement that the SFSA releases quarterly.

The internally estimated capital requirement for the Parent Company is SEK 24.8bn (SEK 24.7bn as of 30 June) and the capital base is SEK 90.0bn (SEK 90.8bn as of 30 June) (see Note Capital adequacy for parent company).

In addition to what is stated in this interim report, risk management and capital adequacy according to the Basel 3 framework are described in more detail in Swedbank's annual report for 2014 as well as in Swedbank's yearly Risk and Capital Adequacy Report, available on www.swedbank.com.

In addition to what is stated in this interim report, detailed descriptions are provided in Swedbank's 2014 annual report and in the annual disclosure on risk management and capital adequacy according to Basel 2 rules, available on www.swedbank.com.

**Effect on value of assets and liabilities in SEK and foreign currency, including derivatives
if interest rates increase by 100bp, 30 Sep 2015**

Group SEKm	< 5 years	5-10 years	>10 years	Total
Swedbank, the Group	-1 370	-167	94	-1 443
of which SEK	-1 239	-202	92	-1 349
of which UVAL	-131	36	2	-94
Of which financial instruments at fair value reported through profit or loss	-544	124	-46	-467
of which SEK	-406	56	-71	-421
of which UVAL	-139	68	25	-46

Note 25 Business combinations 2014

On 20 May 2014 Swedbank AB acquired all the shares in Sparbanken Öresund AB. On the same date, immediately after the share purchase, Sparbanken Öresund AB sold a number of bank branches to

Sparbanken Skåne AB. Because certain assets and liabilities in the combination were acquired to be immediately divested, they were classified as held for sale on the acquisition date.

Group SEKm	Carrying amount in the Group at acquisition date 20 May 2014
Cash and balances with central banks	20
Loans to credit institutions	4 461
Loans to the public	16 331
Interest-bearing securities	1 973
Shares and participating interests	33
Investments in associates	60
Derivatives	26
Intangible fixed assets	205
Tangible assets	113
Other assets	219
Prepaid expenses and accrued income	134
Group of assets classified as held for sale	10 503
Total assets	34 078
Amounts owed to credit institutions	2 841
Deposits and borrowings from the public	11 596
Debt securities in issue	2 028
Derivatives	49
Deferred tax liabilities	176
Other liabilities	1 626
Subordinated liabilities	947
Liabilities directly associated with group of assets classified as held for sale	11 417
Total liabilities	30 679
Total identifiable net assets	3 398
Acquisition cost, cash	2 938
Bargain purchase, reported as other income	461

The gain recognised on the acquisition was a result of the fact that Swedbank had to make extensive changes in the acquired operations, including the divestment of branches and associated system solutions. For this

reason, a restructuring reserve has been recognised and immediately after the acquisition amounted to SEK 591m.

Group SEKm	Carrying amount in the Group at acquisition date 20 May 2014
Cash flow	
Cash and cash equivalents in the acquired company	20
Acquisition cost, cash	-2 938
Net	-2 918
Acquired loans, fair value	16 331
Acquired loans, gross contractual amounts	16 654
Acquired loans, best estimate of the contractual cash	258

From the acquisition date the acquired company contributed SEK 489m to income and SEK 75m to profit after tax, excluding the bargain purchase gain. If the company had been acquired at the beginning of the 2014 financial year, consolidated income to 31

December 2014 would have amounted to SEK 39 653m instead of SEK 39 304m. The Group's profit after tax would have amounted to SEK 16 457m instead of SEK 16 463m.

Note 26 Discontinued operations

Group SEKm	Jan-Sep 2015		Jan-Sep 2014		
	Russia	Total	Russia	Lithuania	Total
Profit from discontinued operations					
Income	-5	-5	83	192	275
Expenses	17	17	59	184	243
Profit before impairments	-23	-23	24	8	32
Impairments	-71	-71	-60		-60
Operating profit	-93	-93	-36	8	-28
Tax expense	99	99	-8		-8
Post-tax profit for the period of discontinued operations	6	6	-44	8	-36
Disposal result					
Reclassification adjustments to income statement			-223		-223
of which exchange differences foreign operations			-508		-508
of which hedging of net investments in foreign operations			365		365
of which income tax			-80		-80
Profit for the period from discontinued operations, after tax	6	6	-267	8	-259

Group of assets classified as held for sale	30 Sep 2015		30 Sep 2014		
	Russia	Total	Russia	Lithuania	Total
Loans to the public	99	99	826		826
of which impaired loans, gross	307	307	241		241
of which individual provisions	-208	-208	-141		-141
of which impaired loans, net	99	99	100		100
of which portfolio provisions			-51		-51
Non-current tangible assets				97	97
Other assets	44	44	73	110	183
Total assets	143	143	899	207	1 106
Liabilities directly associated with group of assets classified as held for sale					
Amounts owed to credit institutions					
Other liabilities	4	4	48	74	122
Total liabilities	4	4	48	74	122

Note 27 Related-party transactions

During the period normal business transactions were executed between companies in the Group, including other related companies such as associates. Partly-owned savings banks are major associates. During the second quarter 2014 the former Färs & Frosta Sparbank AB sold its entire holding of Swedbank shares. The Group's interest in these shares increased equity in the consolidated statements by SEK 166m. The holding generated a net gain of SEK 50m.

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

Note 28 Swedbank's share

	30 Sep 2015	31 Dec 2014	%	30 Sep 2014	%
SWED A					
Share price, SEK	184.90	195.50	-5	181.70	2
Number of outstanding ordinary shares	1 105 108 117	1 102 088 934	0	1 102 255 145	0
Market capitalisation, SEKm	204 334	215 458	-5	200 280	2

	30 Sep 2015	31 Dec 2014	30 Sep 2014
Number of outstanding shares			
Issued shares			
SWED A	1 132 005 722	1 132 005 722	1 132 005 722
Repurchased shares			
SWED A	-26 601 972	-29 750 577	-29 750 577
Repurchase of own shares for trading purposes			
SWED A	-295 633	-166 211	
Number of outstanding shares on the closing day	1 105 108 117	1 102 088 934	1 102 255 145

Within Swedbank's share-based compensation programme, Swedbank AB has during 2015 transferred 3 148 605 shares at no cost to employees.

	Q3 2015	Q2 2015	Q3 2014	Jan-Sep 2015	Jan-Sep 2014
Earnings per share					
Average number of shares					
Average number of shares before dilution	1 105 400 254	1 105 122 231	1 102 254 633	1 104 723 323	1 100 945 076
Weighted average number of shares for potential ordinary shares that incur a dilutive effect due to share-based compensation programme	8 852 559	8 470 089	8 495 543	9 484 114	9 043 905
Average number of shares after dilution	1 114 252 814	1 113 592 320	1 110 750 176	1 114 207 437	1 109 988 981
Profit, SEKm					
Profit for the period attributable to shareholders of Swedbank	3 928	3 666	4 560	11 914	12 652
Earnings for the purpose of calculating earnings per share	3 928	3 666	4 560	11 914	12 652
Earnings per share, SEK					
Earnings per share before dilution	3.56	3.32	4.14	10.79	11.49
Earnings per share after dilution	3.51	3.30	4.10	10.69	11.40

Swedbank AB

Income statement, condensed

Parent company SEKm	Q3 2015	Q2 2015	%	Q3 2014	%	Jan-Sep 2015	Jan-Sep 2014	%
Interest income	3 750	3 785	-1	4 084	-8	12 002	12 914	-7
Interest expenses	-771	-927	-17	-1 600	-52	-2 893	-5 529	-48
Net interest income	2 979	2 858	4	2 484	20	9 109	7 385	23
Dividends received	1 259	5 057	-75	1 066	18	7 968	8 764	-9
Commission income	2 352	2 418	-3	1 689	39	7 035	5 180	36
Commission expenses	-870	-893	-3	-394		-2 560	-1 185	
Net commission income	1 482	1 525	-3	1 295	14	4 475	3 995	12
Net gains and losses on financial items at fair value	80	-73		76	5	-59	870	
Other income	314	295	6	315	0	863	969	-11
Total income	6 114	9 662	-37	5 236	17	22 356	21 983	2
Staff costs	1 867	1 954	-4	1 944	-4	5 840	5 843	0
Other expenses	1 115	1 053	6	955	17	3 259	3 128	4
Depreciation/amortisation	1 071	1 016	5	135		3 164	400	
Total expenses	4 053	4 023	1	3 034	34	12 263	9 371	31
Profit before impairments	2 061	5 639	-63	2 202	-6	10 093	12 612	-20
Impairment of financial fixed assets		65		90		102	313	-67
Impairment of intangible assets	112					112		
Impairment of tangible assets	21	4				42		
Credit impairments	106	43		261	-59	187	298	-37
Operating profit	1 822	5 527	-67	1 851	-2	9 650	12 001	-20
Appropriations	-16	-17	-6	-15	7	-49	-46	7
Tax expense	441	-42		463	-5	613	1 590	-61

Statement of comprehensive income, condensed

Parent company SEKm	Q3 2015	Q2 2015	%	Q3 2014	%	Jan-Sep 2015	Jan-Sep 2014	%
Profit for the period reported via income statement	1 397	5 586	-75	1 403	0	9 086	10 457	-13
Items that will not be reclassified to the income statement								
Remeasurements of defined benefit pension plans	8	-1		3		8		
Income tax	-1					-1	1	
Total	7	-1		3		7	1	
Items that may be reclassified to the income statement								
Cash flow hedges:								
Gains/losses arising during the period	-1	5		-4	-75	1	-13	
Reclassification adjustments to income statement, net interest income	-3	4		4		4	13	-69
Income tax		-2				-2		
Total	-4	7				3		
Other comprehensive income for the period, net of tax	3	6	-50	3	0	10	1	
Total comprehensive income for the period	1 400	5 592	-75	1 406	0	9 096	10 458	-13

Balance sheet, condensed

Parent company SEKm	30 Sep 2015	31 Dec 2014	%	30 Sep 2014	%
Assets					
Cash and balance with central banks	229 706	73 802		149 157	54
Loans to credit institutions	418 056	435 979	-4	434 017	-4
Loans to the public	441 859	432 879	2	366 329	21
Interest-bearing securities	188 255	160 021	18	182 705	3
Shares and participating interests	69 776	69 970	0	69 394	1
Derivatives	110 960	133 703	-17	106 447	4
Other assets	36 565	40 150	-9	22 264	64
Total assets	1 495 177	1 346 504	11	1 330 313	12
Liabilities and equity					
Amounts owed to credit institutions	202 153	222 569	-9	205 836	-2
Deposits and borrowings from the public	601 670	532 118	13	549 574	9
Debt securities in issue	411 435	318 041	29	331 131	24
Derivatives	107 991	118 696	-9	98 464	10
Other liabilities and provisions	64 746	51 045	27	57 518	13
Subordinated liabilities	24 313	18 010	35	17 448	39
Untaxed reserves	9 994	10 043	0	6 259	60
Equity	72 875	75 982	-4	64 083	14
Total liabilities and equity	1 495 177	1 346 504	11	1 330 313	12
Pledged collateral	51 802	49 462	5	69 626	-26
Other assets pledged	9 788	7 053	39	5 485	78
Contingent liabilities	575 328	515 934	12	518 688	11
Commitments	219 982	201 188	9	205 903	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 2014						
Opening balance 1 January 2014	24 904	13 206	5 968	-7	20 312	64 383
Dividend					-11 133	-11 133
Share based payments to employees					347	347
Deferred tax related to share based payments to employees					-14	-14
Current tax related to share based payments to employees					42	42
Total comprehensive income for the period					10 458	10 458
Closing balance 30 September 2014	24 904	13 206	5 968	-7	20 012	64 083
January-December 2014						
Opening balance 1 January 2014	24 904	13 206	5 968	-7	20 312	64 383
Dividend					-11 133	-11 133
Repurchase of own shares for trading purposes					-33	-33
Share based payments to employees					459	459
Deferred tax related to share based payments to employees					12	12
Current tax related to share based payments to employees					42	42
Total comprehensive income for the period				4	22 248	22 252
Closing balance 31 December 2014	24 904	13 206	5 968	-3	31 907	75 982
January-September 2015						
Opening balance 1 January 2015	24 904	13 206	5 968	-3	31 907	75 982
Dividend					-12 539	-12 539
Disposal of own shares for trading purposes					-22	-22
Share based payments to employees					342	342
Deferred tax related to share based payments to employees					-40	-40
Current tax related to share based payments to employees					56	56
Total comprehensive income for the period				3	9 093	9 096
Closing balance 30 September 2015	24 904	13 206	5 968	0	28 797	72 875

Cash flow statement, condensed

Parent company SEKm			
	Jan-Sep 2015	Full-year 2014	Jan-Sep 2014
Cash flow from operating activities	59 663	-50 145	5 608
Cash flow from investing activities	6 831	-399	3 199
Cash flow from financing activities	89 410	91 907	107 911
Cash flow for the period	155 904	41 363	116 718
Cash and cash equivalents at beginning of period	73 802	32 439	32 439
Cash flow for the period	155 904	41 363	116 718
Cash and cash equivalents at end of period	229 706	73 802	149 157

Capital adequacy

Capital adequacy, Parent company SEKm	30 Sep 2015	31 Dec 2014	30 Sep 2014
Common Equity Tier 1 capital	66 334	65 453	57 562
Additional Tier 1 capital	10 732	4 989	5 017
Tier 1 capital	77 066	70 442	62 579
Tier 2 capital	12 956	12 402	11 915
Total capital	90 022	82 844	74 494
Minimum capital requirement¹⁾	25 215	25 593	23 758
Risk exposure amount	315 192	319 908	296 977
Common Equity Tier 1 capital ratio, %	21.0	20.5	19.4
Tier 1 capital ratio, %	24.5	22.0	21.1
Total capital ratio, %	28.6	25.9	25.1
Capital buffer requirement²⁾ %	30 Sep 2015	31 Dec 2014	
CET1 capital requirement including buffer requirements	7.9	7.0	7.0
of which minimum CET1 requirement	4.5	4.5	4.5
of which capital conservation buffer	2.5	2.5	2.5
of which countercyclical capital buffer	0.9		
CET 1 capital available to meet buffer requirement ³⁾	16.6	16.0	19.4
Capital adequacy transition rules Basel 1 floor⁴⁾ SEKm	30 Sep 2015	31 Dec 2014	30 Sep 2014
Capital requirement Basel 1 floor	26 989	28 135	25 699
Own funds Basel 3 adjusted according to rules for Basel 1 floor	90 530	83 414	75 032
Surplus of capital according to Basel 1 floor	63 541	55 279	49 333
Leverage ratio⁵⁾ %	30 Sep 2015	31 Dec 2014	30 Sep 2014
Tier 1 Capital, SEKm	77 067	70 442	62 579
Total exposure, SEKm	2 181 969	1 960 610	1 932 468
Leverage ratio, %	3.5	3.6	3.2
Total exposure taking into account CRR article 429.7 ⁶⁾ , SEKm	1 310 919	1 130 434	1 098 587
Leverage ratio taking into account CRR article 429.7 ⁶⁾ , %	5.9	6.2	5.7

¹⁾ Total minimum capital requirement under Pillar 1, i.e. 8% of total risk exposure amount.

²⁾ Buffer requirement according to Swedish implementation of CRD IV.

³⁾ CET1 capital ratio as reported, less minimum requirement of 4.5% (excluding buffer requirements) and less any CET1 items used to meet the Tier 1 and total capital requirements.

⁴⁾ Basel 1 floor based on the higher of the Basel 3 capital requirement and 80% of Basel 1 capital requirement. In the latter case the own funds is adjusted according to CRR article 500.4.

⁵⁾ Calculated according to applicable regulation at each respective reporting date.

⁶⁾ Taking into account potential exemption according to CRR article 429.7 excluding certain intragroup exposures.

Risk exposure amount and own funds requirement, parent company
30 Sep 2015
SEKm

	Risk exposure amount	Minimum capital requirement
Credit risks, STD	87 374	6 990
Central government or central banks exposures	103	8
Regional governments or local authorities exposures	61	5
Public sector entities exposures	46	4
Multilateral development banks exposures	1	0
International organisation exposures		
Institutional exposures	1 915	153
Corporate exposures	8 278	662
Retail exposures	3 722	298
Exposures secured by mortgages on immovable property	686	55
Exposures in default	23	2
Exposures associated with particularly high risk		
Exposures in the form of covered bonds		
Items representing securitisation positions		
Exposures to institutions and corporates with a short-term credit assessment		
Exposures in the form of units or shares in collective investment undertakings		
Equity exposures	71 749	5 740
Other items	790	63
Credit risks, IRB	169 223	13 539
Institutional exposures	19 390	1 551
Corporate exposures	121 659	9 733
of which specialized lending		
Retail exposures	21 936	1 755
of which mortgage lending	2 882	231
of which other lending	19 054	1 524
Securitisation	53	4
Non-credit obligation	6 185	496
Credit risks, Default fund contribution	55	4
Settlement risks	5	0
Market risks	13 917	1 113
Trading book	13 646	1 091
of which VaR and SVaR	7 226	578
of which risks outside VaR and SVaR	6 420	513
FX risk other operations	271	22
Credit value adjustment	7 679	614
Operational risks	36 939	2 955
Standardised approach	36 939	2 955
Total	315 192	25 215

Signatures of the Board of Directors and the President

The Board of Directors and the President certify that the interim report for January-September 2015 provides a fair and accurate overview of the operations, position and results of the parent company and the Group and describes the significant risks and uncertainties faced by the parent company and the companies in the Group.

Stockholm, 19 October 2015

Anders Sundström
Chair

Lars Idermark
Deputy Chair

Ulrika Francke
Board Member

Göran Hedman
Board Member

Anders Igel
Board Member

Pia Rudengren
Board Member

Karl-Henrik Sundström
Board Member

Siv Svensson
Board Member

Maj-Charlotte Wallin
Board Member

Camilla Linder
Board Member
Employee Representative

Roger Ljung
Board Member
Employee Representative

Michael Wolf
President

Review report

Introduction

We have reviewed the year-end report for Swedbank AB (publ) for the period 1 January-30 September 2015. 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 International Standard on Review Engagements (ISRE) 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, 19 October 2015
Deloitte AB

Svante Forsberg
Authorised Public Accountant

Publication of financial information

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

Financial calendar 2016

Year-end report for 2015	2 February 2016
Annual report	25 February 2016
Annual General Meeting	5 April 2016
Interim report for the first quarter	26 April 2016
Interim report for the second quarter	18 July 2016
Interim report for the third quarter	25 October 2016

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

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