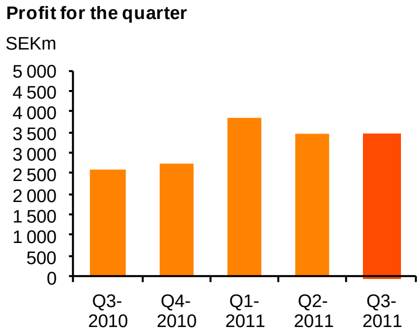
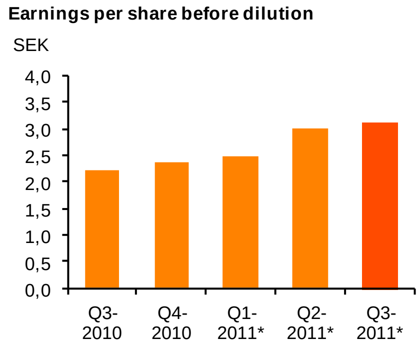
Third quarter 2011

Compared with the second quarter 2011

- The result for the quarter amounted to SEK 3 475m (3 452)
- Earnings per share before dilution amounted to SEK 3.12* (3.02) and earnings per share after dilution amounted to SEK 3.11* (3.01)
- The return on equity was 14.4 per cent (14.4)
- The cost/income ratio was 0.53 (0.52)
- Net interest income was SEK 4 857m (4 740)
- Profit before impairments decreased by 4 per cent to SEK 3 859m (4 010)
- Swedbank reported net recoveries of SEK 441m (324)
- The core Tier 1 capital ratio was 15.1 per cent according to Basel 2 (13.9 per cent on 31 December 2010) and 9.9 per cent (10.1) according to transition rules. The Tier 1 capital ratio according to Basel 2 increased to 16.6 per cent (15.2). According to transition rules, the Tier 1 capital ratio was 10.9 per cent (11.0).

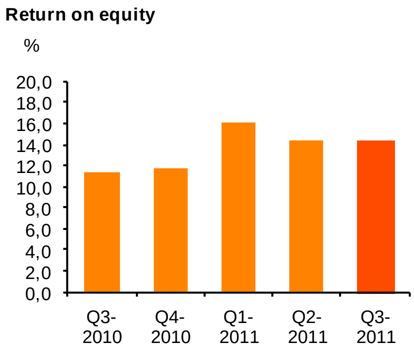


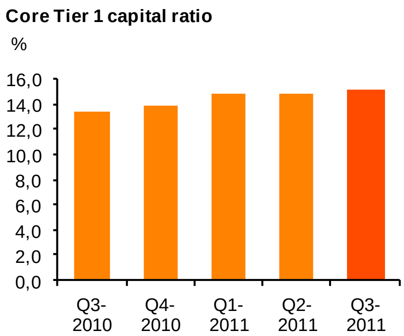


January-September 2011

Compared with January-September 2010

- The result for the period amounted to SEK 10 779m (4 694)
- Earnings per share before dilution amounted to SEK 8.59* (4.05) and earnings per share after dilution amounted to SEK 8.58* (4.05)
- The return on equity was 15.0 per cent (6.9)
- The cost/income ratio was 0.52 (0.57)
- Net interest income increased by 20 per cent to SEK 14 124m (11 802)
- Profit before impairments increased by 19 per cent to SEK 11 937m (10 034)
- Swedbank reported net recoveries of SEK 1 737m (credit impairments of 3 293).





* The calculation of earnings per share is specified on page 41.

CEO Comment

During the third quarter we demonstrated a stable earnings capacity. Net interest income increased for the fifth consecutive quarter and credit quality continued to improve, resulting in credit recoveries. At the same time the economic picture has clearly worsened.

Intensified focus on costs as a result of lower economic growth

During the third quarter, macro risks increased and the economic outlook, primarily in Europe, clearly worsened. This affects Swedbank directly and indirectly. For example, asset prices and interest rates have both fallen. In addition, economic activity is expected to further slow and interest rates are expected to decline. This reduces Swedbank's earnings potential in the near term. We have taken action by strengthening our focus on costs, an effort which will be further intensified in the months ahead. The ambition is that expenses for 2012 will be lower than for 2011 (excluding variable remuneration and Ektornet). Moreover, we have been working for some time to extend the average maturity on our funding and increase our liquidity reserves. This, coupled with our strong capitalisation, makes us well-prepared in the current market. We are equipped to adapt to changes in our operating environment.

Pause in share repurchases

After a comprehensive assessment we decided to make a pause in our share buyback as of 14 September. The purpose of the repurchases is to calibrate our core Tier 1 capital ratio at a level of 13 per cent. Swedbank will maintain a strong capitalization long-term, yet not be over-capitalized since it means increased costs for the bank as well as for our customers.

Balanced volume growth

Mortgage lending growth in Sweden continued to decline during the third quarter. This is a desirable development in line with our expectations. Slower mortgage growth will make Sweden even more financially stable. Swedbank's corporate lending in Sweden has increased within both Retail and Large Corporates & Institutions. Despite increased uncertainty, the lending volumes for large and medium-sized corporates are likely to continue to grow in the near future. Lending in Estonia, Latvia and Lithuania have continued to decline to both individuals and businesses despite that their domestic economies have continued to recover. In the wake of the severe recession people are less willing to go into debt and instead are focused more on repaying their loans. As a result of the deteriorating economic outlook in Europe, the point at which lending is expected to begin to grow again has therefore been pushed further into the future.

Swedish banks strong in funding market

Sweden is regarded by debt investors as a country with very low risks thanks to its limited government debt and balanced budget. The banking system is considered well-capitalised and access to liquidity is good. Swedish banks have been able to capitalise on this position. For its part, Swedbank continued to secure large volumes of long-term funding during the quarter. So far this year we have issued SEK 210bn in long-term funding, compared with about SEK 180bn in maturing funding in all of 2011. The surplus has been used to extend the maturity of the funding as well as to increase liquidity reserves, in part to be well prepared for maturing state-guaranteed funding in the next three quarters. As of midyear 2012 Swedbank's annual funding needs will decline significantly, and with it the supply of the bank's bonds.

Award-winning reporting

The efforts to improve transparency in our risk reporting continue. I am proud that we received Ernst & Young's Risk Transparency Award on 14 October. This is a confirmation that we are moving in the right direction and gives us a boost as we work to make our reporting even better. On 7 September Swedbank was named Estonia's most customer friendly company, according to a survey by TNS Emor, a proof that our efforts to improve customer satisfaction are beginning to bear fruit.

Outlook

Uncertainties have increased significantly during the last quarter due to the huge fiscal challenges facing several European countries. The macroeconomic outcome, and its impact on the banks, will depend greatly on how the crisis is resolved. In general, the leverage will decrease among governments, banks, companies and individuals. We have begun to see the contours of regulatory changes which will significantly impact the banking industry for years to come. Increased costs to provide banking services will affect all our stakeholders in society. Swedbank is strongly positioned under the circumstances. Although external conditions affecting our ability to reach our financial goals have worsened, our position of strength will enable us to adapt and continue in the right direction.

Michael Wolf
President and Chief Executive Officer

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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 2011**	**Q2 2011**	**%**	**Q3 2010**	**%**	**Jan-Sep 2011**	**Jan-Sep 2010**	**%**
Net interest income	4 857	4 740	2	3 980	22	14 124	11 802	20
Net commissions	2 292	2 244	2	2 310	-1	6 837	6 987	-2
Net gains and losses on financial items at fair value	259	511	-49	574	-55	1 025	2 043	-50
Other income	782	860	-9	783	0	3 011	2 254	34
Total income	**8 190**	**8 355**	**-2**	**7 647**	**7**	**24 997**	**23 086**	**8**
Staff costs	2 409	2 390	1	2 280	6	7 266	7 078	3
Other expenses	1 922	1 955	-2	1 958	-2	5 794	5 974	-3
Total expenses	**4 331**	**4 345**	**0**	**4 238**	**2**	**13 060**	**13 052**	**0**
Profit before impairments	**3 859**	**4 010**	**-4**	**3 409**	**13**	**11 937**	**10 034**	**19**
Impairment of intangible assets				23			37	
Impairment of tangible assets	-13	15		30		4	194	-98
Credit impairments	-441	-324	36	120		-1 737	3 293	
Operating profit	**4 313**	**4 319**	**0**	**3 236**	**33**	**13 670**	**6 510**	
Tax expense	834	863	-3	638	31	2 879	1 779	62
Profit for the period	3 479	3 456	1	2 598	34	10 791	4 731	
Profit for the period attributable to the shareholders of Swedbank AB	**3 475**	**3 452**	**1**	**2 591**	34	**10 779**	**4 694**	

Key ratios and data per share	**Q3 2011**	**Q2 2011**	**Q3 2010**	**Jan-Sep 2011**	**Jan-Sep 2010**
Return on equity, %	14.4	14.4	11.3	15.0	6.9
Earnings per share before dilution, SEK [1) 2)]	3.12	3.02	2.23	8.59	4.05
Earnings per share after dilution, SEK [1) 2)]	3.11	3.01	2.23	8.58	4.05
Cost/income ratio	0.53	0.52	0.55	0.52	0.57
Equity per share, SEK [1)]	83.72	82.61	80.07	83.72	80.07
Capital quotient, Basel 2	2.33	2.28	2.26	2.33	2.26
Core Tier 1 capital ratio, %, Basel 2	15.1	14.8	13.4	15.1	13.4
Tier 1 capital ratio, %, Basel 2	16.6	16.1	14.7	16.6	14.7
Capital adequacy ratio, %, Basel 2	18.7	18.2	18.1	18.7	18.1
Capital quotient, transition rules	1.52	1.56	1.66	1.52	1.66
Core Tier 1 capital ratio, %, transition rules	9.9	10.1	9.8	9.9	9.8
Tier 1 capital ratio, %, transition rules	10.9	11.0	10.8	10.9	10.8
Capital adequacy ratio, %, transition rules	12.2	12.5	13.3	12.2	13.3
Credit impairment ratio, %	-0.13	-0.09	0.03	-0.17	0.32
Share of impaired loans, gross, %	2.05	2.20	2.67	2.05	2.67
Total provision ratio for impaired loans, %	60	60	64	60	64

[1)] The number of shares is specified on page 40.
[2)] The calculation of earnings per share is specified on page 41.

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

Balance sheet data SEKbn	**30 Sep 2011**	**31 Dec 2010**	**%**	**30 Sep 2010**	**%**
Loans to the public	1 186	1 187	0	1 214	-2
Deposits and borrowings from the public	555	534	4	524	6
Shareholders' equity	97	95	2	93	5
Total assets	1 886	1 716	10	1 846	2
Risk weighted assets, Basel 2	497	541	-8	560	-11
Risk weighted assets, transition rules	760	750	1	764	0
Risk weighted assets, Basel 1	968	955	1	957	1

Overview

Market

The global economy continues to weaken at the same time as the financial crisis in Europe is worsening. Swedish growth has also slowed, though from a high level. During the second quarter of this year calendar-adjusted GDP rose at an annual rate of 4.9 per cent, from 6.1 per cent in the previous quarter. Lower export and consumption growth are contributing to the slowdown in the Swedish economy. The recovery in the Baltic economies continues thanks to strong domestic demand at the same time as export growth remains high. Estonia and Lithuania had the fastest growth during the second quarter, with GDP climbing by 8.4 per cent and 6.3 per cent, respectively. In Latvia, GDP increased by 5.6 per cent during the same period.

In July the Swedish Riksbank raised the repo rate by an additional 25bp to 2.0 per cent. Uncertainty about the global economy has increased during the fall and led to major fluctuations in the international financial markets. This, together with clear indications of a slowdown in the Swedish economy in coming quarters, was enough for the Riksbank to decide not to raise the repo rate at its monetary meeting in early September. The Swedish krona has remained relatively stable since the beginning of the year.

The Stockholm stock exchange (OMXSPI) has fallen by 23.1 per cent since the beginning of the year. The Tallinn stock exchange (OMXT) and the Vilnius stock exchange (OMXV) have dropped by 23.2 per cent and 18.8 per cent, respectively, while the Riga stock exchange (OMXR) lost a more modest 2.7 per cent.

Important events during the quarter

Given the intensified financial anxiety in Europe and the media coverage of Swedbank's share repurchase programme, the Swedbank brand was at risk of being adversely affected. As a result, Swedbank decided to suspend its share repurchases until further notice. To date Swedbank has repurchased 5.3 per cent of its shares for SEK 6.1bn; see also page 10.

Swedbank has altered its strategy for the Ukrainian market and will exit the retail segment to focus solely on corporate customers. One-off costs related to the change are estimated at approximately SEK 100m; see also page 20.

As part of management changes during the quarter, Göran Bronner, Swedbank's former Chief Risk Officer, was named the new Chief Financial Officer. Håkan Berg, formerly Head of Baltic Banking, is the new Chief Risk Officer. The new Head of Baltic Banking is Birgitte Bonnesen, previously Head of Internal Audit.

Third quarter 2011

Compared with the second quarter 2011

Result

Third quarter profit attributable to the shareholders increased by 1 per cent from the previous quarter to SEK 3 475m (3 452). Recoveries amounted to SEK 441m (324). The return on equity was 14.4 per cent (14.4). The cost/income ratio was 0.53 (0.52).

Profit before impairments decreased by 4 per cent to SEK 3 859m (4 010).

Profit before impairments by business area SEKm	Q3 2011	Q2 2011	Q3 2010
Retail	2 601	2 356	1 881
Large Corporates & Institutions	533	519	659
Baltic Banking	957	935	937
Asset Management	185	203	179
Russia & Ukraine	-78	3	-41
Ektornet	-30	65	-34
Group Functions	-309	-54	-164
Total excl FX effects	**3 859**	**4 026**	**3 418**
FX effects		-16	-9
Total	**3 859**	**4 010**	**3 409**

Income for the third quarter decreased by 2 per cent to SEK 8 190m (8 355). This was mainly due to lower trading related income within Large Corporates & Institutions (LC&I), lower net gains and losses on financial items at fair value within Group Treasury, and lower asset management income. Changes in exchange rates, primarily the weakening of the Swedish krona against the euro, Latvian lats and Lithuanian litas, raised reported income by SEK 50m.

Net interest income increased by 2 per cent to SEK 4 857m (4 740). Higher margins in Retail, better returns in the liquidity portfolios and slightly lower expenses for state guarantees within Group Treasury (Group Functions) contributed positively. Lower lending and deposit margins in the Baltic countries and lower trading related income within LC&I negatively affected net interest income during the third quarter.

Net commission income increased by 2 per cent to SEK 2 292m (2 244). Payment and lending commissions as well as commission income from the new savings bank agreement increased, while commission income from asset management and corporate finance decreased. During the second quarter the method for accruing commission income was changed within LC&I. A larger share of income is accrued than before to reflect the underlying transactions. The change was implemented as of 2011, due to which commission income during the second quarter decreased by SEK 68m, which was recognized during the first quarter.

Net gains and losses on financial items at fair value decreased by 49 per cent to SEK 259m. Within Group Functions, Group Treasury reported a lower result. More expensive basis swaps between euro and kronor contributed positively to the result, while Swedbank Mortgage reported negative valuation effects due to substantial interest rate movements.

Expenses were unchanged compared with the previous quarter at SEK 4 331m (4 345). The third quarter includes one-off expenses of SEK 100m for the transformation of the Ukrainian operations, where SEK 60m relates to staff costs and SEK 40m to the depreciation of tangible assets. Weak trading related results led to lower variable staff costs within LC&I and Asset Management. Consulting costs decreased during the quarter. Operating expenses to manage distressed loans and repossessed collateral in Swedbank's

Financial Restructuring and Recovery (FR&R) teams and Ektornet amounted to SEK 228m (164).

The number of full-time employees decreased during the quarter by 195 to 16 813. The decrease was primarily in Retail and in Russia & Ukraine.

Expense analysis Group SEKm	Q3 2011	Q2 2011	Q3 2010
Retail*	2 074	2 228	2 087
Large Corporates & Institutions*	759	820	709
Baltic Banking*	625	639	537
Asset Management*	186	210	209
Russia & Ukraine*	235	156	153
Other and eliminations*	224	162	289
FR&R and Ektornet	228	164	185
Total excl FX effects	**4 331**	**4 379**	**4 169**
FX effects		-34	69
Total	**4 331**	**4 345**	**4 238**

* Excluding FR&R

Net recoveries of SEK 441m (324) were reported during the third quarter. Recoveries were generated primarily from Baltic Banking and Russia & Ukraine.

The tax expense amounted to SEK 834m (863), corresponding to an effective tax rate of 19.3 per cent (20.0). The low effective tax rate is because the Estonian, Russian and Ukrainian operations as well as the Lithuanian leasing company post profits without any, or with very low, tax expenses. The slightly lower effective tax rate compared with the previous quarter was mainly due to adjustments in previous years' tax expenses.

Other comprehensive income after tax amounted to SEK 368m (408) in the quarter and was largely due to exchange rate differences on the translation of foreign operations and cash flow hedges.

January-September 2011

Compared with January-September 2010

Result

Profit for the period attributable to the shareholders was SEK 10 779m, compared with SEK 4 694m in the previous year. Net recoveries and higher net interest income due to generally higher interest rates affected profit positively, while expenses were unchanged. During the first quarter Swedbank received one-off revenue of SEK 716m before tax from the settlement with the bankruptcy estate of Lehman Brothers. The return on equity was 15.0 per cent (6.9). The cost/income ratio was 0.52 (0.57).

Profit before impairments increased by 19 per cent to SEK 11 937m (10 034).

Profit before impairments by business area SEKm	Jan-Sep 2011	Jan-Sep 2010
Retail	7 159	5 407
Large Corporates & Institutions	2 661	2 061
Baltic Banking	2 686	2 523
Asset Management	579	562
Russia & Ukraine	-22	-69
Ektornet	47	-117
Group Functions	-1 173	-469
Total excl FX effects	**11 937**	**9 898**
FX effects		136
Total	**11 937**	**10 034**

Income increased by 8 per cent to SEK 24 997m (23 086). Net interest income increased in all major business areas, while net gains and losses on financial items at fair value decreased in LC&I and Group Treasury (Group Functions). Changes in the exchange rates, especially the appreciation of the Swedish krona against the euro and the Baltic currencies, reduced reported income by SEK 438m.

Net interest income increased by 20 per cent to SEK 14 124m (11 802). The factors positively affecting net interest income were higher interest rates in Sweden, with accompanying adjustments in terms, and slightly higher Euribor rates. Interest on overdue payments previously recorded as other income within Baltic Banking has been reclassified as net interest income, which raised net interest income by SEK 106m during the first nine months of the year. Moreover, the fee for the state-guaranteed funding decreased by SEK 303m. The stability fee doubled from the previous year to SEK 386m (176). A higher share of mortgage lending in relation to corporate lending affected net interest income negatively. Increased expenses for liquidity reserves and lower returns on the investment portfolio used to hedge interest rates on current accounts and equity also adversely affected net interest income.

Net commission income fell by 2 per cent to SEK 6 837m (6 987). The decrease was mainly due to lower commission income from corporate finance, asset management and payment processing, while lending and insurance commissions increased.

Net gains and losses on financial items at fair value fell by 50 per cent to SEK 1 025m (2 043). LC&I reported lower net gains and losses on financial items at fair value due to weak trading related income. Within Group Functions, Group Treasury reported lower net gains due to negative funding related valuation effects.

Expenses were unchanged at SEK 13 060m (13 052). One-off expenses of SEK 100m were taken during the third quarter for the transformation of the Ukrainian operations, of which SEK 60m related to staff costs and SEK 40m to depreciation of tangible assets. Consulting expenses decreased by SEK 242m, while variable staff costs rose to SEK 348m (239). Operating expenses for distressed loans and repossessed collateral in FR&R teams and Ektornet amounted to SEK 571m (526).

Since 1 July 2010 Sweden pays parts of its variable remuneration in the form of shares. This remuneration is accrued until such time as the shares are settled. As a result, variable remuneration allocated to employees during the period may differ from the recognised amount. During the first three quarters of the year recognised variable remuneration was SEK 348m, while the allocated variable remuneration was SEK 784m. During the first quarter SEK 54m from previous years' provisions for variable remuneration was reversed within LC&I. A more detailed analysis of variable remuneration is provided on page 13 of the fact book[1].

The number of full-time positions has been reduced by 411 since the beginning of the year, mainly in Russia & Ukraine and Baltic Banking.

Expense analysis Group SEKm	**Jan-Sep 2011**	**Jan-Sep 2010**
Retail*	6 486	6 406
Large Corporates & Institutions*	2 419	2 251
Baltic Banking*	1 882	1 692
Asset Management*	607	617
Russia & Ukraine*	543	550
Other and eliminations*	552	708
FR&R and Ektornet	571	526
Total excl FX effects	**13 060**	**12 750**
FX effects		302
Total	**13 060**	**13 052**

* Excluding FR&R

Net credit recoveries amounted to SEK 1 737m during the first three quarters, against net credit impairments of SEK 3 293m in the previous year. Recoveries were generated primarily from Baltic Banking and Russia & Ukraine.

The tax expense amounted to SEK 2 879m (1 779), corresponding to an effective tax rate of 21.1 per cent (27.3). In the medium term the effective tax rate is estimated at 21-22 per cent.

Other comprehensive income after tax amounted to SEK 511m (-1 545) for the period and was affected mainly by exchange rate differences on the currency translation of foreign operations as well as cash flow hedges.

Credit and asset quality

Swedbank's credit and asset quality continued to improve during the nine-month period. Despite today's turbulent market conditions, Swedbank has not yet seen any major impact on its balance sheet. To better understand how it could be affected by the turbulence in the market and be positioned to take proactive measures, the bank conducted a series of stress tests and special reviews primarily of its loan portfolio and liquidity situation during the period.

Swedbank's total lending has increased by SEK 11bn to SEK 1 157bn since the beginning of the year. Lending to private customers in Sweden continued to grow, but at a slower pace. Swedish corporate lending also rose, mainly to large corporates during the latter part of the period. Lending in the Baltic countries, Russia and Ukraine decreased.

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

The stabilisation of loans past due by more than 60 days continued during the nine-month period. Private mortgage loans in Baltic Banking past due by more than 60 days started to stabilise in Estonia and Latvia back in the second half of 2010, but are still increasing in Lithuania. With the Retail business area, Private mortgage loans past due by more than 60 days increased during the latter part of the nine-month period but remain at historically low levels.

Since the second half of 2009 housing prices in large Baltic cities have been stable or trended higher, especially in Estonia. As a result, the average loan-to-value ratio has begun to fall and as of 30 September amounted to 78 per cent in Estonia, 158 per cent in Latvia and 93 per cent in Lithuania (86 per cent, 161 per cent and 97 per cent, respectively, as of 31 December 2010). Within Baltic Banking the share of the mortgage portfolio that exceeds current market value amounts to SEK 7.5bn as of 30 September 2011, compared with SEK 8.8bn as of 31 December 2010.

The average loan-to-value ratio in Swedbank Mortgage was 60 per cent on 30 September calculated by property level (45 per cent by loan level).

Impaired loans decreased by a total of SEK 6.0bn during the first three quarters and included every business area except Retail, where impaired loans increased marginally. The decrease was partly due to a slower inflow of new impaired loans during the period and partly to certain large corporate commitments that are no longer impaired. Write-offs also contributed to the decrease in impaired loans.

The portfolio provisions related to the portion of the portfolio that does not contain individually assessed impaired loans. Portfolio provisions fell during the nine-month period, mainly due to volume decreases and improved internal ratings in the Baltic countries, Russia and Ukraine. A slight improvement in internal ratings among Swedish corporate customers contributed to the decrease as well. Of the total provisions of SEK 17.2bn as of 30 September 2011, 85 per cent was at the individual level, compared with 85 per cent as of 31 December 2010.

Credit impairments, net by business area SEKm	**Q3 2011**	**Q2 2011**	**Q3 2010**
Retail	106	5	-3
Large Corporates & Institutions	-66	-19	-55
Baltic Banking	-361	-142	327
Estonia	-125	136	3
Latvia	-190	-164	369
Lithuania	-46	-114	-45
Russia & Ukraine	-119	-169	-158
Russia	-59	-13	-83
Ukraine	-60	-156	-75
Group Functions	-1	1	9
Total	**-441**	**-324**	**120**

Net recoveries totalled SEK 1 737m (net credit impairments of SEK 3 293m) during the nine-month period, of which SEK 441m in the third quarter. Credit impairments within Retail and LC&I remain very low. Recoveries in the Baltic countries came mainly from updated valuations of collateral from large corporates. Private lending produced additional credit impairments.

The recoveries in Russia and Ukraine were related to corporate lending and consisted primarily of amortisations and repayments of impaired loans or solutions reached for certain distressed loans.

Credit impairments Group SEKm	Q3 2011	Q2 2011	Q3 2010
Provisions			
Individual provisions, gross	276	423	610
Reversal of individual provisions no longer required	-769	-830	-196
Portfolio provisions	-131	-36	-498
Provisions, net	**-624**	**-443**	**-84**
Write-offs			
Write-offs, gross	1 900	1 102	650
Utilisation of previous provisions	-1 636	-846	-367
Recovered from previous write-offs	-81	-137	-79
Write-offs, net	**183**	**119**	**204**
Total	**-441**	**-324**	**120**

Restructured loans refer to loans whose terms have changed as a result of deterioration in the customer's actual and/or anticipated ability to pay interest and/or principal. As of 30 September 2011 the Group's restructured loans totalled SEK 23.3bn (SEK 27.9bn as of 31 December 2010). The majority relates to Baltic Banking (79 per cent) and Ukraine (12 per cent). Of Swedbank's restructured loans, those classified as impaired amounted to SEK 12.1bn (SEK 15.0bn as of 31 December 2010), while those classified as non-impaired totalled SEK 11.2bn (12.9).

Repossessed assets increased by 65 per cent during the first nine months of the year. Before a repossession, Swedbank tries to reach a voluntary agreement with the customer. If one cannot be reached, legal proceedings are launched.

Assets taken over and cancelled leases by business area SEKm	30 Sep 2011	31 Dec 2010	30 Sep 2010
Retail	44	11	114
Baltic Banking	348	429	484
Estonia	14	42	45
Latvia	155	184	125
Lithuania	179	203	314
Russia & Ukraine	327	351	96
Russia	13	4	5
Ukraine	314	347	91
Ektornet	5 634	3 055	1 237
Sweden	290	270	273
Norway	114	116	165
Finland	751	765	
Estonia	643	469	347
Latvia	1 519	851	227
Lithuania	343	206	104
USA	1 601	305	121
Ukraine	373	73	
Total	**6 353**	**3 846**	**1 931**

During the nine-month period Ektornet repossessed properties valued at SEK 2 826m, the majority of which were in Latvia and the US. For more information on Ektornet, see page 21.

During the summer Swedbank completed its Internal Capital Adequacy Assessment Process (ICAAP) for 2011, in which the core Tier 1 capital ratio exceeded the internal minimum requirements in a stressed scenario as well as the regulatory requirements for total and Tier 1 capital. Swedbank's ICAAP for 2011 comprises a multi-year period with substantially reduced economic activity and significantly higher unemployment. In the scenario it is assumed that housing prices will decline significantly at the same time that the economic situation in the euro zone worsens. The economic scenarios in Swedbank's ICAAP for 2011 generally have a significantly greater negative impact on the bank than the scenarios that are included in the stress tests for European banks carried out by the European Banking Authority (EBA), of which Swedbank is a member. For more details on Swedbank's ICAAP for 2011, see the interim report for January-June 2011, page 8.

During the third quarter Swedbank underwent a new stress test and reviews of its credit portfolio in order to work proactively with risk management. A new stress test of the Swedish mortgage portfolio indicated strong resiliency in a hypothetical scenario with greatly deteriorating macroeconomic conditions. Retail and LC&I underwent reviews of their major commitments in sectors that are considered especially sensitive to an economic slowdown. They have been analysed by the bank's customer representatives and loan managers in consultation with the FR&R teams to determine risk levels and initiate dialogues with the customers on potential measures. Swedbank has also undergone a new review of its mortgage portfolio in Latvia, where a number of other measures were taken to manage distressed loans. In Baltic Banking, a review was made of major customers whose loans have been restructured. The impact of these commitments on the portfolio under deteriorating macroeconomic conditions is considered limited. In Ukraine, a review of the mortgage portfolio was launched and led to supplementary provisions of SEK 93m. Swedbank has also conducted a special review of exposures and limits to banks and financial companies within selected countries.

In the autumn of 2008 Swedbank had an outstanding repurchase agreement of USD 1 350m with a subsidiary of Lehman Brothers. Shortly after Lehman Brothers filed for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code, Swedbank took possession of the approximately 50 commercial real estate loans that were underlying security for the repurchase agreement. Swedbank reported one-off pre-tax revenue of SEK 716m from the Lehman Brothers bankruptcy estate during the first quarter. The remaining carrying amount of loans relating to the repurchase agreement has now been reduced by more than half since the repossession of the collateral for the repurchase agreement in fall 2008. As of 30 September 2011 the book value amounted to USD 601m, corresponding to SEK 4.1bn.

The large part of Swedbank's lending to credit institutions consists of money market loans and commercial paper with very short maturities. Swedbank's total lending to credit institutions with maturities of over 3 months amounted to SEK 9.0bn, of which SEK 5.1bn related to banks in Sweden and SEK 0.7bn to banks in the rest of the Nordic region. Lending to credit institutions and the rest of Europe amounted to SEK 2,3bn as of 30 September 2011, of which SEK 1.8bn related to countries within the euro zone.

Swedbank's exposure to counterparties in Greece, Ireland, Italy, Portugal and Spain as of 30 September 2011 totalled SEK 1.1bn, of which SEK 49m related to Greece. The main part of the exposures to these countries consists of money market loans and commercial paper with very short maturities.

GIIPS exposure 30 Sep 2011 SEKm	Greece[1]	Ireland	Italy	Portugal	Spain	Total
Bonds	24		215	27	10	**276**
of which soveriegn	24		215	27	10	**276**
of which held to maturity[2]	24		105	27	5	**161**
Loans (money market and certificates)			295		89	**384**
Loans (committed credit facilities)						**0**
Derivatives net[3]		46	179		64	**289**
Other[4]	25		65		86	**176**
Total	**49**	**46**	**754**	**27**	**249**	**1 125**

[1] Greek sovereign bonds are reported net, i.e. after provisions of SEK 27m.

[2] Actual market values are below the carrying amounts by approximately SEK 42m.

[3] Derivatives at market value taking into account netting and collateral agreements. Considering the bank's internal risk add-ons for counterparty risk at potential future change in prices, the derivative exposures amount to: Ireland SEK 91m, Italy SEK 451m and Spain SEK 231m. Total SEK 773m.

[4] Includes trade finance and mortgage loans.

Funding and liquidity

As a result of the current European sovereign debt crisis, the global capital markets were volatile during the quarter. In this environment, Swedbank continued to see strong demand from debt investors both domestically and internationally.

During the first nine months of 2011 Swedbank issued a total of SEK 210bn in long-term debt instruments, of which SEK 60bn during the third quarter. Total maturing long-term funding for all of 2011 had a nominal value of SEK 180bn at the beginning of the year. The large part of the third quarter's issues was in covered bonds, of which SEK 38bn was issued in the Swedish market. Among the issues in the international market were a 1.5bn euro public covered bond maturing in September 2015 and a USD 1bn public covered bond for US investors maturing in August 2016.

The average maturity of all capital market funding arranged through the bank's short- and long-term programmes has been extended significantly during the last three years. As of 30 September 2011 it was 33 months, slightly shorter than at the end of the second quarter. This is due to increased demand for the bank's short-term papers and certificates during the third quarter. The average maturity of covered bonds was 42 months. The average maturity of long-term funding issued during the third quarter was 58 months.

During the next three quarters long-term funding with a nominal value of SEK 157bn will mature, of which SEK 80bn relates to funding through the government guarantee programme. To offset the refinancing risk during this period, the bank has increased its liquidity reserves. After June 2012 annual refinancing needs will decline significantly to an average nominal amount of about SEK 120bn, compared with an average nominal issuance volume of approximately SEK 280bn per year in the last two years.

Swedbank's short-term funding needs are limited. At the end of the third quarter the bank had a total of SEK 118bn outstanding in short-term funding issued through various short-term programmes. As a result of strong demand from investors, the total outstanding volume increased by SEK 25bn compared with the second quarter. In terms of size, the total outstanding volume of short-term funding was SEK 74bn lower than the bank's total reserves with central banks at the same point in time.

Changes in outstanding debt Jan-Sep 2011 SEKbn	Changes since 31 Dec 2010
Commercial paper	47
Covered bonds	126
Government guaranteed bonds	-38
Senior unsecured bonds	1
Structured retail bonds (SPAX)	-2

Government guaranteed funding Maturity distribution	SEK billion
2011	41
2012	38
2013	12
2014	27
Total	**118**

At the end of the third quarter Swedbank had total liquid and/or pledgeable reserves of SEK 467bn, of which SEK 280bn (all AAA-rated) consisted of the liquidity reserve within Group Treasury, which is reported in accordance with the template defined by the Swedish Bankers' Association (see Liquidity & Funding section in the Fact book for more information on the liquidity reserve). In addition to the liquidity reserve, liquid securities in other parts of the Group amounted to SEK 57bn. The overcollateralisation in the cover pool for covered bonds amounted to SEK 130bn.

Swedbank's funding strategy is based on the structure of the bank's assets. More than half of Swedbank's lending consists of Swedish mortgages, which are primarily financed through covered bonds. Swedbank is the savings leader in its home markets. Deposit volumes, together with covered bonds and shareholders' equity, nearly cover Swedbank's total funding requirements. This means that the bank is able to a great extent to choose between funding itself with covered or unsecured bonds. Swedbank considers this a strength, given the uncertainty surrounding the unsecured markets in regards to upcoming bail-in and resolution regime proposals. Swedbank strives to match-fund all unsecured financing against assets of an equivalent amount and maturity. Swedbank will mainly issue unsecured funding as a complement to its covered bond financing.

Capital and capital adequacy

As of 30 September shareholders' equity amounted to SEK 97.2bn, an increase of SEK 2.3bn from the beginning of the year.

In Swedbank's financial companies group, core Tier 1 capital was nearly unchanged from the beginning of the year at SEK 75.1bn. Core Tier 1 capital was positively affected by SEK 5.3bn by the period's profit (after the anticipated dividend). On 29 April Swedbank began repurchasing its shares based on the resolution by the

Annual General Meeting. During the second and third quarters 62.1 million shares were repurchased, corresponding to slightly over 5.3 per cent of the total number of shares outstanding (including the issue and repurchase of C shares). Core Tier 1 capital has decreased by around SEK 6.1bn due to the share repurchases. Given the deteriorating macroeconomic outlook, coupled with media and political pressure that exposed the Swedbank brand to risk, the Board of Directors decided on 14 September to halt share repurchases.

Tier 2 capital decreased from the beginning of the year, mainly due to redemptions and repurchases of undated and fixed-term subordinated loans by SEK 7.2bn to SEK 13.0bn. The repurchases, which amounted to SEK 4.3bn, were made at market prices, which generated a negative realised net result of SEK 10.6m. The decrease in Tier 2 capital is an element in the active management of the bank's focus on core Tier 1 capital to ensure the long-term stability of the balance sheet.

Risk weighted assets decreased by SEK 44.2bn or slightly over 8 per cent from the beginning of the year to SEK 497.1bn. The risk weighted amount for credit risks decreased by 7 per cent or SEK 31.7bn, mainly related to corporate exposures. The average risk weighting for all credit risks in the financial companies group according to the IRB approach decreased slightly to 27.4 per cent as of 30 September. Risk weighted amount increased with SEK 4.5bn due to exchange rate effects. The risk weighted amount for market risks fell by around 34 per cent or almost SEK 10.0bn, mainly due to Estonia's adoption of the euro and the subsequent decrease in Swedbank's open currency positions. The risk weighted amount for operational risks decreased by 4.5 per cent or SEK 2.6bn. During the third quarter the risk weighted amount decreased by SEK 12.3bn. The change is primarily due to a change in the interpretation of the size classification of corporates (SEK -8.0bn), positive ratings migrations (SEK -4.8bn) and market risks (SEK -2.2bn). Increased credit exposures raised the risk weighted amount by SEK 4.8bn.

The core Tier 1 capital ratio according to Basel 2 increased to 15.1 per cent on 30 September (13.9 per cent on 31 December 2010) and the Tier 1 capital ratio improved to 16.6 per cent (15.2). The capital adequacy ratio was 18.7 per cent (18.4). According to the transition rules, the core Tier 1 capital ratio was 9.9 per cent (10.1), the Tier 1 capital ratio was 10.9 per cent (11.0) and the capital adequacy ratio was 12.2 per cent (13.3).

For further details on capital adequacy, see note 21.

Risk-weighted assets by business area SEKbn	**30 Sep 2011**	**31 Dec 2010**	**30 Sep 2010**
Retail	219	222	227
Large Corporates & Institutions	134	156	162
Baltic Banking	104	136	143
Estonia	42	57	59
Latvia	35	39	42
Lithuania	27	32	34
Investment		8	8
Asset Management	3	3	3
Russia & Ukraine	15	18	20
Russia	6	8	9
Ukraine	9	10	11
Ektornet	6	4	2
Group Functions	16	2	3
Total risk-weighted assets	**497**	**541**	**560**

New Basel capital rules and their impact on Swedbank

On 20 July the EU Commission published a new proposal on capital requirements, which are expected to be adopted in 2012. The proposal conforms with the previously published Basel III regulation. Swedbank estimates that the negative impact on its core Tier 1 capital ratio as a result of the new rules will be around 1,0 percentage points and that the proposed leverage ratio requirement (Tier 1 capital/total assets) will not restrict Swedbank's capital planning.

CRD III (sometimes called Basel 2.5), which will be implemented in Sweden at year-end 2011, will tighten capital requirements for market risks. Swedbank estimates that its risk weighted amount for market risks will increase by SEK 5-8bn.

In its update of Swedish regulations, the Swedish Financial Supervisory Authority clarified that shares with liquidity preference may not be counted in Tier 1 capital as ordinary shares and instead must be treated in the same way as capital contribution securities. However, the Financial Supervisory Authority remains firm in its opinion that Swedish shares with preferential rights in a liquidation are just as a loss-absorbing as ordinary shares from a stability standpoint. The reason why it is still making the change is that it wants to harmonise Swedish regulations with EU regulations.

The preference shares Swedbank issued in 2008 are included in the amount of SEK 8.8bn in core Tier 1 capital, equivalent to 1.8 percentage points of the core Tier 1 capital ratio as of 30 September 2011. Shareholders can voluntarily request to convert their preference shares to ordinary shares in February and August of each year. All outstanding preference shares will automatically be converted to ordinary shares after the 2013 Annual General Meeting. Until then Swedbank has assumed that outstanding preference shares may be included in Tier 1 capital according to the regulations. Since the regulatory amendment does not change the loss-absorbing capacity of preference shares, and because they will be converted to ordinary shares no later than the first half of 2013, Swedbank intends to continue to include the preference shares in core Tier 1 capital in its reporting.

Market risk

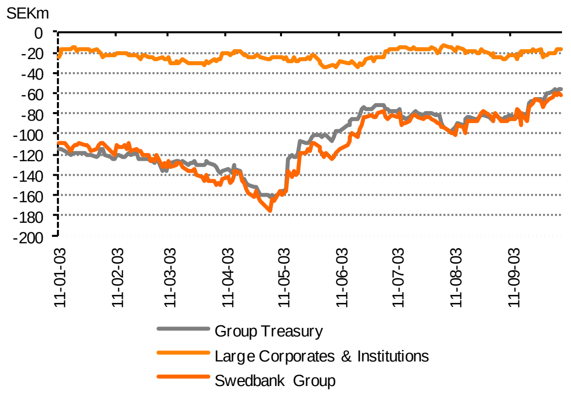
Swedbank measures market risks – those of a structural nature and those that arise in trading operations – with a Value-at-Risk (VaR) model. For a given portfolio, VaR expresses a loss level that statistically is exceeded by a specific probability during a specific time horizon. Swedbank uses a 99 per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

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

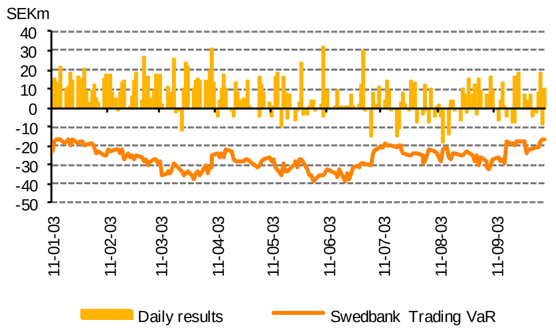
VaR by risk category					
	Jan-Sep 2011 (2010)			30 Sep	31 Dec
SEKm	**Max**	**Min**	**Average**	**2011**	**2010**
Interest risk	186 (127)	56 (50)	116 (74)	56	110
Currency rate risk	29 (19)	2 (2)	7 (8)	8	7
Stock price risk	11 (7)	2 (2)	6 (5)	6	6
Diversification			-16 (-11)	-10	-14
Total	**175 (126)**	**60 (52)**	**113 (75)**	**60**	**109**

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

Market risks in Swedbank in VaR, allocated to risk-taking units



Swedbank trading, daily result and VaR



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

An increase in all market interest rates of one percentage point as of 30 September 2011 would have reduced the value of the Group's assets and liabilities, including derivatives, by SEK 1 313m, compared with a decrease of SEK 777m as of 31 December 2010. This calculation includes the portion of the bank's deposits assigned a duration of between two and three years. The decrease in the value of positions in Swedish kronor would have been SEK 950m (499). Positions in foreign currency would have decreased in value by SEK 362m (278).

With an interest rate increase of one percentage point, the Group's net gains and losses on financial items at fair value would have decreased by SEK 527m as of 30 September 2011, compared with a decrease of SEK 213m as of 31 December 2010.

Operational risks

As a result of efforts by the business areas to address existing risks, the aggregate risk level in the Group has been reduced during the year. The risk level is still considered high, however, partly because of extensive process changes as well as risks in the Swedish IT operations.

Other events

Swedbank has entered into a Group-wide card service agreement with MasterCard Europe. Previous agreements were limited primarily to a single market. The new agreement will strengthen Swedbank's card services and generate major efficiency gains in the charge card area. As a result of the agreement, Swedbank will increase its issuance of MasterCards. The agreement took effect on 3 May 2011 and extends until 31 December 2016, with the option of yearly extensions of up to five years.

The Annual General Meeting approved the Board's resolution on remuneration programme 2011. The Board has decided to establish a two-part performance and share based remuneration programme for 2011 consisting of a collective programme and an individual programme. The collective programme ("CP 2011") essentially covers all employees of the Group and consists of deferred variable remuneration made up entirely of shares. The individual programme ("IP 2011"), which covers around 1 200 Group employees, comprises variable remuneration in two parts: cash remuneration and deferred variable remuneration consisting of shares.

The 2012 Annual General Meeting of Swedbank AB will be held on Tuesday, 27 March 2012 at Dansens hus (Folkets hus) in Stockholm.

The following persons are the members of the Nomination Committee: Lennart Anderberg, appointed by the owner-group Föreningen Sparbanksintressenter and Chair of the Nomination Committee; Tommy Hjalmarsson, appointed by the owner-group Sparbanksstiftelserna; Lars Idermark, Chair of the Board of Directors of Swedbank AB; Tomas Norderheim, appointed by the owner-group Folksam; and Rose Marie Westman, appointed by Alecta Pensionsförsäkring, mutually.

The Nomination Committee will make proposals to the 2012 AGM regarding the election of Chair of the AGM, Chair of the Board and other board members. It will also submit proposals on remuneration to board members and the auditor as well as for principles on the selection of a Nomination Committee for 2013.

Ratings events during the period

On 16 September 2011 Fitch affirmed Swedbank's rating of A/a/F1 with a stable outlook. The affirmation reflects Swedbank AB's financial position, capitalisation and asset quality.

On 8 June 2011 Moody's upgraded Swedbank's standalone bank financial strength rating (BFSR) one notch to C-, equivalent to a standalone rating of Baa2, and raised its junior subordinated debt and Tier 1 hybrid securities one notch to Baa3 and Ba2, respectively, with a positive outlook. The A2 long-term debt rating and A3 subordinated debt rating were affirmed with a stable outlook.

On 2 March 2011 S&P affirmed Swedbank's long-term rating of A and short-term rating of A-1 while raising Swedbank AB's standalone credit profile (SACP) one notch to a- and the rating on its hybrid capital by two notches to BBB-.

Retail

- Stable earnings
- Continued growth for service concepts

Income statement

SEKm	Q3 2011	Q2 2011	%	Q3 2010	%	Jan-Sep 2011	Jan-Sep 2010	%
Net interest income	3 143	3 026	4	2 499	26	9 094	7 348	24
Net commissions	1 089	1 051	4	1 019	7	3 213	3 160	2
Net gains and losses on financial items at fair value	53	52	2	36	47	145	110	32
Share of profit or loss of associates	217	222	-2	192	13	610	497	23
Other income	181	242	-25	235	-23	609	739	-18
Total income	**4 683**	**4 593**	**2**	**3 981**	**18**	**13 671**	**11 854**	**15**
Staff costs	973	988	-2	986	-1	2 974	2 954	1
Variable staff costs	29	35	-17	-23		87	26	
Other expenses	1 012	1 147	-12	1 068	-5	3 251	3 284	-1
Depreciation/amortisation	68	67	1	69	-1	200	183	9
Total expenses	**2 082**	**2 237**	**-7**	**2 100**	**-1**	**6 512**	**6 447**	**1**
Profit before impairments	**2 601**	**2 356**	**10**	**1 881**	**38**	**7 159**	**5 407**	**32**
Credit impairments	106	5		-3		116	136	-15
Operating profit	**2 495**	**2 351**	**6**	**1 884**	**32**	**7 043**	**5 271**	**34**
Tax expense	643	520	24	503	28	1 740	1 452	20
Profit for the period	1 852	1 831	1	1 381	34	5 303	3 819	39
Profit for the period attributable to the shareholders of Swedbank AB	**1 848**	**1 827**	**1**	**1 377**	**34**	**5 291**	**3 812**	**39**
Non-controlling interests	4	4	0	4	0	12	7	71
Return on allocated equity, %	28.9	31.1		25.2		29.5	23.0	
Credit impairment ratio, %	0.05	0.00		0.00		0.02	0.02	
Total provision ratio for impaired loans, %	87	92		85		87	85	
Share of impaired loans, gross, %	0.19	0.17		0.22		0.19	0.22	
Cost/income ratio	0.44	0.49		0.53		0.48	0.54	
Full-time employees	5 374	5 494	-2	5 530	-3	5 374	5 530	-3

Development January-September
The growth rate in the Swedish economy continued to slow during the second quarter. GDP grew by 0.9 per cent between the first and second quarters, compared with 2.0 per cent for the same period in 2010. The decline was mainly in private consumption, which has fallen in the wake of higher interest rates, rising energy prices and weak real wage growth. Lending to Swedish households has grown more slowly at the same time that savings deposits are increasing. Although corporate hiring plans point downward, employment continues to rise. Unemployment fell in August to 7.4 per cent on a seasonally adjusted basis.

Profit for the period increased by 39 per cent year-on-year, mainly due to improved net interest income.

Net interest income increased by 24 per cent compared with the previous year, primarily as a result of higher interest rates, due to which deposit and lending margins increased relative to Stibor. During the third quarter net interest income stabilised at a high level. A slowdown in interest rates, coupled with continued competition for savings, put pressure on deposit margins. Mortgage margins continued to increase during the third quarter relative to Stibor. Net interest income was negatively affected by a slightly lower return on the investment portfolio used to hedge interest rates on current accounts.

Total deposit volume increased by 2 per cent during the period January-September. Household deposits rose by 3 per cent, while corporate volume decreased by 2 per cent. During the third quarter household and corporate deposits grew by 1 per cent and 3 per cent, respectively. Swedbank’s share of household deposits was 23 per cent (24 per cent as of 31 December 2010). Corporate deposit volume has declined in the market as a whole. Swedbank’s market share was 16 per cent (17 per cent as of 31 December 2010).

Lending to private customers increased by 2 per cent during the period. Demand for mortgages, which account for slightly over 85 per cent of Retail’s total lending to households, further declined during the third quarter. The annual growth rate in Swedbank’s mortgage portfolio fell to 4 per cent, against 5 per cent a year earlier. Swedbank’s market share for mortgage lending was 27 per cent (27 per cent as of 31 December 2010).

Corporate lending volume increased by 1 per cent during the period, mainly due to higher growth during the third quarter. The bank's market share was 17 per cent (17 per cent as of 31 December 2010).

The loan-to-deposit ratio increased to 252 (251 at the beginning of the year).

Net commission income was slightly higher than the same period in 2010. Increased income from insurance and payment operations was offset by a weaker performance by the mutual fund operations due to the stock market's decline during the year. During the third quarter a correction was made to internally distributed payment commissions, due to which commission income of SEK 19m was transferred from LC&I to Retail.

The service concepts introduced in 2010 have been well received by customers. Since the beginning of the year the number of customers that have signed up for service concepts has increased by about 280 000. Customers who signed up for the service concepts are using more of the bank's products and services than before and report higher customer satisfaction.

Other income decreased due to lower income from insurance operations.

Expenses were 1 per cent higher than the same period last year. Increased variable compensation and higher depreciation expenses for previous IT investments are adversely affecting the cost level. Continuing efforts to improve efficiencies, including in cash handling and internal processes, are expected to help reduce expenses. The number of employees has been reduced by 156 in the last year. The cost/income ratio improved compared with the same period in 2010 to 0.48 (0.54).

During the period 22 branches were merged into larger units and one new branch was opened as part of the ongoing review of the retail structure.

Credit impairments, which remained at a low level, increased during the quarter due to a limited number of corporate commitments. The share of impaired loans was 0.19 per cent (0.22).

Retail, *Swedbank's dominant business area, is responsible for all Swedish customers except for large corporates and financial institutions. Banking services are sold through Swedbank's own branch network, the Telephone Bank, the Internet Bank and through the savings banks' distribution network. The business area also includes a number of subsidiaries.*

Large Corporates & Institutions

- Worries and turbulence in the financial markets adversely affected quarterly trading related earnings
- Good earnings and business volume in Large Corporates

Income statement

SEKm	Q3 2011	Q2 2011	%	Q3 2010	%	Jan-Sep 2011	Jan-Sep 2010	%
Net interest income	778	884	-12	642	21	2 512	2 084	21
Net commissions	399	412	-3	481	-17	1 316	1 380	-5
Net gains and losses on financial items at fair value	98	25		259	-62	492	1 007	-51
Share of profit or loss of associates		2				2		
Other income	36	21	71	7		804	63	
Total income	**1 311**	**1 344**	**-2**	**1 389**	**-6**	**5 126**	**4 534**	**13**
Staff costs	358	331	8	314	14	1 038	893	16
Variable staff costs	6	50	-88	0		139	185	-25
Other expenses	404	437	-8	393	3	1 259	1 208	4
Depreciation/amortisation	10	10	0	18	-44	29	39	-26
Total expenses	**778**	**828**	**-6**	**725**	**7**	**2 465**	**2 325**	**6**
Profit before impairments	**533**	**516**	**3**	**664**	**-20**	**2 661**	**2 209**	**20**
Credit impairments	-66	-19		-55	20	-190	-66	
Operating profit	**599**	**535**	**12**	**719**	**-17**	**2 851**	**2 275**	**25**
Tax expense	296	133		196	51	883	555	59
Profit for the period	303	402	-25	523	-42	1 968	1 720	14
Profit for the period attributable to the shareholders of Swedbank AB	**303**	**402**	**-25**	**520**	**-42**	**1 968**	**1 690**	**16**
Non-controlling interests				3			30	
Return on allocated equity, %	7.5	10.2		12.7		16.3	13.5	
Credit impairment ratio, %	-0.10	-0.03		-0.06		-0.08	-0.03	
Total provision ratio for impaired loans, %	103	125		99		103	99	
Share of impaired loans, gross, %	0.12	0.17		0.25		0.12	0.25	
Cost/income ratio	0.59	0.62		0.52		0.48	0.51	
Full-time employees	1 179	1 189	-1	1 190	-1	1 179	1 190	-1

Development January-September
The third quarter was defined by growing concerns and turbulence in the financial markets. Economic worries, coupled with the urgent need to reach a political resolution to the debt crisis in several European countries, created great uncertainty and led to a significant decline in long-interest government bond yields in countries such as Germany and Sweden, which are considered safe harbours by risk-averse investors. Market volatility was high during the quarter for a number of asset classes, including commodities, currencies and equities. Leading European and US stock indexes posted major declines.

Profit for the period amounted to SEK 1 968m (1 690), an increase of 16 per cent. Excluding the impact on earnings of the SEK 361m settlement with the bankruptcy estate of Lehman Brothers during the first quarter (SEK 716m before tax), profit amounted to SEK 1 607m, or 5 per cent lower than in the same period in 2010. Recoveries during the period amounted to SEK 190m.

Net interest income increased by 21 per cent compared with the same period in 2010. Net interest income for large corporates and institutions rose during the period and accounts for about SEK 500m per quarter. Lending to the public was unchanged from the beginning of the year but increased by 3 per cent compared with the previous quarter to SEK 130bn. The lending margin relative to the internal rate of interest was slightly higher than the beginning of the year. Deposits have decreased by 15 percent since then, but increased by 11 per cent during the third quarter to SEK 63bn. Business volume also rose in the third quarter in the Industry, Service and Shipping & Offshore sectors. Market conditions are a source of growing concern, which could affect business growth in coming quarters. Several credit facilities were successfully refinanced. The forecast for the business flow going forward is uncertain.

Earnings in fixed income and currency trading declined from the previous year and quarter. The decrease affected both net interest income and net gains and losses on financial items at fair value. Market concerns during the third quarter, which led to a lower risk appetite and substantial decline in interest rates on long-term government securities, were the main reason for the lower earnings in fixed income trading. Increased activity in advice for debt managers on specialised interest protection resulted in increased volumes in interest rate derivatives in Sweden and the Baltic countries. Low long-term interest rates contributed to strong demand in the area. Currency volume continued to rise during the quarter, and demand for specialised currency protection increased. The biggest increase was in the area of mid-sized corporates. The large part of quarterly revenue in fixed income and currencies was from customer trading.

Net gains and losses on financial items at fair value were also adversely affected by high market volatility in combination with low liquidity on the Stockholm stock exchange, which led to lower earnings in proprietary equity trading compared with the previous quarter.

Net commission income was slightly lower than the same period in 2010. Activity in Swedish and Norwegian corporate finance operations was low during the third quarter due to both a seasonal decline and a hesitant market. During the third quarter a correction was made to internally distributed payment commissions, as a result of which commission income of SEK 19m was transferred from LC&I to Retail.

Total expenses increased by SEK 140m compared with the same period last year. The increase was primarily due to higher staff costs related to retraining and expenses in connection with the acquisition of First Securities. Compared with the second quarter expenses decreased by SEK 50m, mainly due to a decrease in provisions for variable staff costs.

Swedbank's aggregate market share of turnover on NASDAQ OMX Stockholm was 3.8 per cent (4.5) during the period.

Large Corporates & Institutions *is responsible for large corporates, financial institutions and banks as well as for trading and capital market products. Operations are carried out by the parent bank in Sweden, branches in Norway, Denmark, Finland, the US and China, and the subsidiaries First Securities in Norway and Swedbank First Securities LLC in New York, in addition to the trading and capital market operations in subsidiary banks in Estonia, Latvia and Lithuania.*

Baltic Banking

- Customer deposits are increasing
- Continued net recoveries
- The global macroeconomy is becoming more challenging

Income statement

SEKm	Q3 2011	Q2 2011	%	Q3 2010	%	Jan-Sep 2011	Jan-Sep 2010	%
Net interest income	994	1 017	-2	919	8	3 008	2 603	16
Net commissions	392	365	7	386	2	1 074	1 150	-7
Net gains and losses on financial items at fair value	80	61	31	48	67	196	222	-12
Share of profit or loss of associates				-1				
Other income	140	125	12	209	-33	368	580	-37
Total income	**1 606**	**1 568**	**2**	**1 561**	**3**	**4 646**	**4 555**	**2**
Staff costs	242	255	-5	232	4	755	771	-2
Variable staff costs	16	16	0			39	-13	
Other expenses	351	347	1	353	-1	1 055	1 148	-8
Depreciation/amortisation	40	35	14	39	3	111	126	-12
Total expenses	**649**	**653**	**-1**	**624**	**4**	**1 960**	**2 032**	**-4**
Profit before impairments	**957**	**915**	**5**	**937**	**2**	**2 686**	**2 523**	**6**
Impairment of intangible assets				23			23	
Impairment of tangible assets	-11	19		39		13	188	-93
Credit impairments	-361	-142		327		-885	3 526	
Operating profit	**1 329**	**1 038**	**28**	**548**		**3 558**	**-1 214**	
Tax expense	124	122	2	7		367	-217	
Profit for the period	1 205	916	32	541		3 191	-997	
Profit for the period attributable to the shareholders of Swedbank AB	**1 205**	**916**	**32**	**541**		**3 191**	**-997**	
Return on allocated equity, %	19.6	13.5		6.0		15.3	-3.6	
Credit impairment ratio, %	-1.15	-0.44		0.90		-0.90	2.88	
Total provision ratio for impaired loans, %	54	55		61		54	61	
Share of impaired loans, gross, %	14.32	15.34		16.40		14.32	16.40	
Cost/income ratio	0.40	0.42		0.40		0.42	0.45	
Full-time employees	5 450	5 419	1	5 581	-2	5 450	5 581	-2

Development January-September
The recovery in the Baltic economies has been faster than expected, with strong economic activity reported in all three countries. In the second quarter of 2011 GDP grew by 8.4 per cent in Estonia, 5.6 per cent in Latvia and 6.3 per cent in Lithuania from the previous year. The recovery has been broadly felt. Investments rebounded first and now private consumption has begun to come back as well. The latter is supported by increasing employment and higher wages, as well as growing optimism. Economic growth is still highly dependent on exports, however. Domestic demand is far below the pre-crisis levels due to high unemployment, part of which is structural.

Baltic Banking reported a profit for the first nine months of SEK 3 191m, compared with a loss of SEK 997m a year ago.

Profit before impairments increased by 14 per cent in local currency compared with the first nine months of 2010. Income improved by 10 per cent driven by higher net interest income.

Net interest income rose by 24 per cent in local currency compared with the same period last year. The reclassification of penalty fees and interest from other income to net interest income as of 2011 increased net interest income by SEK 106m during the first nine months and reduced other income correspondingly. Higher Euribor rates and lower costs for deposit accounts had a positive effect on the net interest income during the first two quarters of 2011, while lower lending volumes affected net interest income negatively. During the third quarter the positive effect on net interest income of lower interest rates disappeared. Net interest income decreased by 4 per cent in local currency compared with the previous quarter.

Lending volumes decreased by 7 per cent in local currency from 31 December 2010. This was mainly due to amortisation and limited new loan demand. Companies now have a more cautious view of the future due to macroeconomic uncertainty. Consequently, lending volumes are not expected to bottom out in 2011, as previously announced. Swedbank's market share has fallen during the year and as of 31 August was 27 per cent (29 per cent as of 31 December 2010).

Deposits have increased by 4 per cent in local currency since 31 December 2010 and by 3 per cent in the third quarter. The positive trend is evident in all three Baltic countries. Swedbank's market share for deposits increased to 28 per cent (27 per cent as of 31 December 2010). The loan-to-deposit ratio was 126 per cent (141 per cent as of 31 December 2010).

Net commission income during the first nine months was unchanged in local currency compared with the same period a year ago. Excluding penalties of EUR 4m (SEK 35m) related to card fees in Latvia during the first quarter, the increase was 4 per cent in local currency.

The increase was driven by higher commission income from payment services and security related income. During the year customer transactions and the number of customers both increased in all three countries.

Net gains and losses on financial items at fair value decreased by 5 per cent in local currency compared with the first nine months of 2010, the result of transaction related exchange rate differences.

Expenses increased by 4 per cent in local currency from the same period last year. This was mainly the result of higher staff costs and new marketing activities, while consulting costs fell. The cost income ratio was 0.42 (0.45).

Net recoveries for the period amounted to SEK 885m compared with SEK 3 526m in credit impairments during the first nine months of 2010. The trend in recoveries that began in 2010 is continuing this year with net recoveries in all three Baltic countries.

Recoveries are generated primarily from the corporate portfolio. The household portfolio generated additional credit impairments, since the labour market situation improved only marginally. Recoveries in the corporate portfolio were mainly the result of a reduced risk of default and continued restructurings. Net recoveries are expected to continue in the short term despite that uncertainty has increased due to rising external risks.

Impaired loans, gross, continued to decline during the third quarter and amounted to SEK 19bn (SEK 23bn on 31 December 2010). The trend is expected to continue. To support the real estate market and avoid selling assets at distressed levels, Ektornet is continuing its real estate intake, mainly smaller assets in Latvia.

Slower growth is expected in the Baltic countries in the short term. Swedbank is therefore taking measures to be prepared to drive operations in this market situation. Swedbank focused even more on customers during the third quarter by implementing a new sales model for Baltic Banking. This work is expected to be completed in late 2011.

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

Asset Management

- Outflows from equity funds to blend and money market funds
- Continued high fund management ratings

Income statement

SEKm	Q3 2011	Q2 2011	%	Q3 2010	%	Jan-Sep 2011	Jan-Sep 2010	%
Net interest income	-4	4		-5	-20		-15	
Net commissions	374	403	-7	393	-5	1 180	1 177	0
Net gains and losses on financial items at fair value	-3	-1		-5	-40	-8	7	
Other income	4	7	-43	5	-20	14	13	8
Total income	**371**	**413**	**-10**	**388**	**-4**	**1 186**	**1 182**	**0**
Staff costs	90	97	-7	91	-1	283	290	-2
Variable staff costs	6	13	-54	30	-80	33	31	6
Other expenses	77	88	-13	76	1	254	260	-2
Depreciation/amortisation	13	12	8	12	8	37	37	0
Total expenses	**186**	**210**	**-11**	**209**	**-11**	**607**	**618**	**-2**
Profit before impairments	**185**	**203**	**-9**	**179**	**3**	**579**	**564**	**3**
Operating profit	**185**	**203**	**-9**	**179**	**3**	**579**	**564**	**3**
Tax expense	48	53	-9	42	14	148	130	14
Profit for the period	137	150	-9	137	0	431	434	-1
Profit for the period attributable to the shareholders of Swedbank AB	**137**	**150**	**-9**	**137**	**0**	**431**	**434**	**-1**
Return on allocated equity, %	32.3	31.3		25.4		29.9	26.8	
Cost/income ratio	0.50	0.51		0.54		0.51	0.52	
Full-time employees	276	306	-10	297	-7	276	297	-7
Fund assets under management, SEKbn	421	475	-11	466	-10	421	466	-10
Discretionary assets under mangement, SEKbn	256	263	-3	242	6	256	242	6
Total assets under mangement, SEKbn	677	738	-8	708	-4	677	708	-4

Development January-September
Global political unrest produced turbulent financial markets during the first three quarters of the year and clearly affected fund flows. In 2011 the net outflow from Swedish funds was SEK 3.2bn. Equity funds accounted for a net outflow of SEK 66bn, while other fund categories reported net inflows. The largest net contributions were in money market funds, at SEK 38bn.

The total gross inflow to Swedbank Robur's funds was SEK 71.6bn, while the net flow was SEK -10.2bn. Equity funds generated a net outflow of SEK 17.6bn and blend funds accounted for a net inflow of SEK 8.6bn. The net inflow from institutional management was SEK 5.4bn, mainly due to positive flows through a larger mandate.

Profit for the period amounted to SEK 431m, a decrease of 1 per cent compared with the same period in 2010. The three Baltic countries accounted for 5 per cent of operating profit.

Commission income was unchanged year-on-year due to the favourable market conditions at the end of 2010, which, despite declining values in recent months, has resulted in higher average assets under management in 2011. Commission income fell by 7 per cent compared with the previous quarter, mainly due to market developments during the quarter.
The shift in fund flows from equity to fixed income funds also adversely affects income due to lower margins.

Total assets under management at the end of the period amounted to SEK 677bn, compared with SEK 736bn at the beginning of the year. The market share measured as assets under management in the funds was 23.5 per cent (23.6 per cent at the beginning of the year). Income from discretionary management excluding Swedbank Robur's funds amounted to SEK 87m during the period.

Expenses decreased by 2 per cent compared with the first nine months of 2010. Compared with the previous quarter expenses decreased by 11 per cent mainly due to lower development costs during the summer. Variable staff costs decreased due to lower management results.

Until the third quarter 10 funds were managed according to an amended asset management technique known as alpha/beta separation, which distinguishes between actively and passively managed funds. Preparations to merge funds according to the new European regulations, UCITS IV, are continuing.

The US rating agency Citywire has named Swedbank Robur's America Fund one of the 20 best US funds in a valuation of over 500 funds in Europe. The KPA Etisk Aktiefond, which is managed by Swedbank Robur, also received an award.

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

Russia & Ukraine

- New strategy for the Ukrainian market
- One-off expenses of SEK 100m in Ukraine related to strategic change

Income statement

SEKm	Q3 2011	Q2 2011	%	Q3 2010	%	Jan-Sep 2011	Jan-Sep 2010	%
Net interest income	124	128	-3	146	-15	440	479	-8
Net commissions	21	15	40	19	11	51	61	-16
Net gains and losses on financial items at fair value	14	12	17	-25		35	25	40
Other income	13	9	44	7	86	29	20	45
Total income	**172**	**164**	**5**	**147**	**17**	**555**	**585**	**-5**
Staff costs	124	70	77	80	55	273	296	-8
Variable staff costs								
Other expenses	62	72	-14	105	-41	211	315	-33
Depreciation/amortisation	64	13		17		93	49	90
Total expenses	**250**	**155**	**61**	**202**	**24**	**577**	**660**	**-13**
Profit before impairments	**-78**	**9**		**-55**	**42**	**-22**	**-75**	**-71**
Impairment of intangible assets							14	
Impairment of tangible assets	4	3	33	-11		5	4	25
Credit impairments	-119	-169	-30	-158	-25	-778	-338	
Operating profit	**37**	**175**	**-79**	**114**	**-68**	**751**	**245**	
Tax expense	-2	-2	0	-24	-92	-3	-32	-91
Profit for the period	39	177	-78	138	-72	754	277	
Profit for the period attributable to the shareholders of Swedbank AB	**39**	**177**	**-78**	**138**	**-72**	**754**	**277**	
Return on allocated equity, %	4.3	22.7		14.9		30.6	9.6	
Credit impairment ratio, %	-4.23	-5.36		-3.27		-6.86	-2.28	
Total provision ratio for impaired loans, %	66	64		65		66	65	
Share of impaired loans, gross, %	46.02	47.24		49.05		46.02	49.05	
Cost/income ratio	1.45	0.95		1.37		1.04	1.13	
Full-time employees	1 530	1 662	-8	2 043	-25	1 530	2 043	-25

Development January-September

The Russian and Ukrainian economies continued to report positive growth during the first part of 2011. GDP grew by 4.6 per cent in Ukraine and by 3.9 per cent in Russia during the first six months compared with the same period in 2010. The labour market improved in both countries, though modestly. Unemployment fell to 8.9 per cent in Ukraine and 6.1 per cent in Russia.

Swedbank has changed its strategy regarding the Ukrainian operations and will exit the retail segment to focus solely on corporate customers and improve its offering for this segment. The new strategy will be implemented over a two-year period. The existing retail operations will be exited gradually. The transformation process is expected to be completed in September 2013.

Profit for the period amounted to SEK 754m, compared with SEK 277m in the same period in 2010. The improvement was primarily due to credit quality stabilisation and cost cutting in both Ukraine and Russia.

Net interest income dropped by 8 per cent compared with the same period a year ago. The positive impact on net interest income from the restructuring of impaired loans was offset by rapid amortisation of the performing portfolio, which has not been replaced with new lending in either country. Since the beginning of the year the loan portfolios in local currency have decreased by 23 per cent in both Ukraine and Russia.

Net commission income remained at a low level due to slow new business activity.

Total expenses decreased by SEK 83m year-on-year as a result of the ongoing cost focus in both countries. In Ukraine, one-off expenses of SEK 100m related to the strategy change were booked during the third quarter, of which SEK 60m was staff related costs and SEK 40m was depreciation of investments in the retail network. The number of full-time employees was reduced from 1 554 at the beginning of the year to 1 322 in Ukraine and from 284 to 206 in Russia. The cost/income ratio was 1.04 (1.13).

Credit quality was stable during the period. The volume of impaired loans decreased by 32 per cent from the first nine months of 2010. Net recoveries of SEK 778m were due to successful restructurings. In Ukraine, recoveries decreased partly due to higher portfolio provisions and partly because of increased provisions after a reappraisal of the collateral for impaired loans in the mortgage portfolio.

The provision ratio for impaired loans for the business area was 66 per cent (65).

*The **Russia & Ukraine** business area comprises the banking operations of Swedbank Group in Russia and Ukraine.*

Ektornet

- The value of total repossessed properties amounted to SEK 5 634m
- Continued large volume of repossessions primarily in the US
- Continued focus on property sales

Income statement

SEKm	Q3 2011	Q2 2011	%	Q3 2010	%	Jan-Sep 2011	Jan-Sep 2010	%
Net interest income	-11	-13	15	-6	83	-37	-13	
Net gains and losses on financial items at fair value	21	24	-13	9		107	13	
Other income	126	154	-18	36		339	78	
Total income	**136**	**165**	**-18**	**39**		**409**	**78**	
Staff costs	26	29	-10	21	24	75	54	39
Variable staff costs								
Other expenses	108	46		40		207	124	67
Depreciation/amortisation	32	25	28	12		80	17	
Total expenses	**166**	**100**	**66**	**73**		**362**	**195**	**86**
Profit before impairments	**-30**	**65**		**-34**	**-12**	**47**	**-117**	
Impairment of tangible assets	-6	-7	-14	2		-14	2	
Operating profit	**-24**	**72**		**-36**	**-33**	**61**	**-119**	
Tax expense	-3	37		-3	0	55	-9	
Profit for the period	-21	35		-33	36	6	-110	
Profit for the period attributable to the shareholders of Swedbank AB	**-21**	**35**		**-33**	**36**	**6**	**-110**	
Full-time employees	206	197	5	141	46	206	141	46

Development January-September
Profit for the period amounted to SEK 6m. Net gains and losses on financial items at fair value amounted to SEK 107m. This includes dividends received of SEK 66m related to a US apartment project, of which SEK 29m was in the third quarter.

During the period properties were sold for SEK 329m (48) with an aggregate pretax gain of SEK 111m (0), which is recognized in other income. Operating income of SEK 222m from properties taken over to protect claims, including rental and hotel income, is recognized in other income. Operating expenses of SEK 166m are included in other expenses, while property depreciation of SEK 77m is included in depreciation.

During the third quarter properties were acquired for SEK 1 509m, primarily in the US, where collateral from a number of loans in the so-called Lehman portfolio has been taken over.

Properties taken over excl shares in apartment projects SEKm	30 Sep 2011	31 dec 2010
Sweden	290	270
Norway	114	116
Finland	751	765
Estonia	606	469
Latvia	1 519	851
Lithuania	343	206
USA	1 514	122
Ukraine	373	73
Total	**5 510**	**2 872**

Ektornet managed properties with a book value of SEK 5 510m as of 30 September (after currency translation, depreciation and investments). Ektornet also has shares in US apartment project with a book value of SEK 88m which are gradually being sold, as well as a repossessed shareholding in Estonia valued at SEK 36m. In total, repossessed assets amount to SEK 5 634m, against SEK 1 237m in the third quarter of 2010. Moreover, SEK 414m has been paid in advance for properties currently awaiting closure, mainly in Latvia. The estimated value of repossessed assets up to 2013 is SEK 10bn, of which the Baltic countries are expected to account for about half.

In addition to the appraisal made in connection with repossessions, Ektornet makes quarterly appraisals of its properties. Since they are reported at cost less depreciation and any write-downs, the carrying amount of the properties may differ from their fair value. The Nordic and US property holdings currently consist primarily of a few high-value commercial properties with relatively low vacancy rates and in most cases positive yields. In Norway and the US, Ektornet owns and manages hotel properties. The majority of the properties in the Baltic countries are residential apartments or projects which will not generate any income until they are sold, as well as commercial properties with high vacancy rates. These properties are burdened with operating and maintenance costs, due to which earnings and cash flow excluding any sales are projected to be negative in the next few years. Property sales will be arranged on a continuing basis going forward. At present there are estimated surplus values in the property portfolio.

***Ektornet** and FR&R Invest, both independent subsidiaries of Swedbank AB, make up the business area. The aim of their operations is to manage and develop the Group's repossessed assets in order to minimise losses and if possible recover value in the long term.*

Group Functions

Income statement

SEKm	Q3 2011	Q2 2011	%	Q3 2010	%	Jan-Sep 2011	Jan-Sep 2010	%
Net interest income	-167	-314	47	-209	-20	-889	-674	32
Net commissions		-14				-37	25	
Net gains and losses on financial items at fair value	-4	338		252		58	659	-91
Other income	1 099	1 195	-8	1 063	3	3 434	3 265	5
Total income	**928**	**1 205**	**-23**	**1 106**	**-16**	**2 566**	**3 275**	**-22**
Staff costs	523	491	7	537	-3	1 520	1 581	-4
Variable staff costs	16	15	7	12	33	50	10	
Other expenses	637	693	-8	650	-2	1 985	1 948	2
Depreciation/amortisation	61	60	2	70	-13	184	213	-14
Total expenses	**1 237**	**1 259**	**-2**	**1 269**	**-3**	**3 739**	**3 752**	**0**
Profit before impairments	**-309**	**-54**		**-163**	**90**	**-1 173**	**-477**	
Credit impairments	-1	1		9			35	
Operating profit	**-308**	**-55**		**-172**	**79**	**-1 173**	**-512**	
Tax expense	-272			-83		-311	-100	
Profit for the period	-36	-55	-35	-89	-60	-862	-412	
Profit for the period attributable to the shareholders of Swedbank AB	**-36**	**-55**	**-35**	**-89**	**-60**	**-862**	**-412**	
Full-time employees	2 798	2 741	2	2 707	3	2 798	2 707	3

***Group Functions** includes IT, support functions, Group Executive Committee and Group Staffs, including Group Treasury, and the Group's own insurance company, Sparia.*

Eliminations

Income statement

SEKm	Q3 2011	Q2 2011	%	Q3 2010	%	Jan-Sep 2011	Jan-Sep 2010	%
Net interest income		8		-6		-4	-10	60
Net commissions	17	12	42	12	42	40	34	18
Net gains and losses on financial items at fair value								
Other income	-1 034	-1 117	7	-970	-7	-3 198	-3 001	-7
Total income	**-1 017**	**-1 097**	**7**	**-964**	**-5**	**-3 162**	**-2 977**	**-6**
Staff costs								
Variable staff costs								
Other expenses	-1 017	-1 097	7	-964	-5	-3 162	-2 977	-6
Depreciation/amortisation								
Total expenses	**-1 017**	**-1 097**	**7**	**-964**	**-5**	**-3 162**	**-2 977**	**-6**

Financial information - contents

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

Income statement, condensed

Group SEKm	Q3 2011	Q2 2011	%	Q3 2010	%	Jan-Sep 2011	Jan-Sep 2010	%
Interest income	13 983	13 210	6	9 757	43	39 294	28 579	37
Interest expenses	-9 126	-8 470	8	-5 777	58	-25 170	-16 777	50
Net interest income (note 5)	**4 857**	**4 740**	**2**	**3 980**	**22**	**14 124**	**11 802**	**20**
Commission income	3 190	3 173	1	3 189	0	9 558	9 622	-1
Commission expenses	-898	-929	-3	-879	2	-2 721	-2 635	3
Net commissions (note 6)	**2 292**	**2 244**	**2**	**2 310**	**-1**	**6 837**	**6 987**	**-2**
Net gains and losses on financial items at fair value (note 7)	259	511	-49	574	-55	1 025	2 043	-50
Insurance premiums	239	389	-39	357	-33	995	1 161	-14
Insurance provisions	-142	-228	-38	-185	-23	-623	-696	-10
Net insurance	**97**	**161**	**-40**	**172**	**-44**	**372**	**465**	**-20**
Share of profit or loss of associates	217	224	-3	191	14	612	497	23
Other income	468	475	-1	420	11	2 027	1 292	57
Total income	**8 190**	**8 355**	**-2**	**7 647**	**7**	**24 997**	**23 086**	**8**
Staff costs	2 409	2 390	1	2 280	6	7 266	7 078	3
Other expenses (note 8)	1 634	1 733	-6	1 721	-5	5 060	5 310	-5
Depreciation/amortisation	288	222	30	237	22	734	664	11
Total expenses	**4 331**	**4 345**	**0**	**4 238**	**2**	**13 060**	**13 052**	**0**
Profit before impairments	**3 859**	**4 010**	**-4**	**3 409**	**13**	**11 937**	**10 034**	**19**
Impairment of intangible assets (note 14)				23			37	
Impairment of tangible assets	-13	15		30		4	194	-98
Credit impairments (note 9)	-441	-324	36	120		-1 737	3 293	
Operating profit	**4 313**	**4 319**	**0**	**3 236**	**33**	**13 670**	**6 510**	
Tax expense	834	863	-3	638	31	2 879	1 779	62
Profit for the period	3 479	3 456	1	2 598	34	10 791	4 731	
Profit for the period attributable to the shareholders of Swedbank AB	**3 475**	**3 452**	**1**	**2 591**	**34**	**10 779**	**4 694**	
Non-controlling interests	4	4	0	7	-43	12	37	-68
Earnings per share before dilution, SEK [1)]	3.12	3.02		2.23		8.59	4.05	
Earnings per share after dilution, SEK [1)]	3.11	3.01		2.23		8.58	4.05	
Equity per share, SEK	83.72	82.61		80.07		83.72	80.07	
Return on equity, %	14.4	14.4		11.3		15.0	6.9	
Credit impairment ratio, %	-0.13	-0.09		0.03		-0.17	0.32	

[1)] The calculation of earnings per share is specified on page 41.
See page 40 for number of shares.

Statement of comprehensive income, condensed

Group SEKm	Q3 2011	Q2 2011	%	Q3 2010	%	Jan-Sep 2011	Jan-Sep 2010	%
Profit for the period reported via income statement	**3 479**	**3 456**	**1**	**2 598**	**34**	**10 791**	**4 731**	
Exchange differences, foreign operations	528	692	-24	-1 441		1 026	-3 669	
Hedging of net investments in foreign operations:								
Gains/losses arising during the period	-351	-479	-27	687		-759	2 103	
Cash flow hedges:								
Gains/losses arising during the period	64	-26		44	45	-226	220	
Reclassification adjustments to income statement, net interest income	79	88	-10	209	-62	268	612	-56
Share of other comprehensive income of associates	-6	25		-25	-76	16	-38	
Income tax relating to components of other comprehensive income	54	108	-50	-248		186	-773	
Other comprehensive income for the period, net of tax	**368**	**408**	**-10**	**-774**		**511**	**-1 545**	
Total comprehensive income for the period	**3 847**	**3 864**	**0**	**1 824**		**11 302**	**3 186**	
Total comprehensive income attributable to the shareholders of Swedbank AB	**3 844**	**3 859**	**0**	**1 823**		**11 290**	**3 160**	
Non-controlling interests	3	5	-40	1		12	26	-54

Balance sheet, condensed

Group SEKm	30 Sep 2011	31 Dec 2010	%	30 Sep 2010	%
Assets					
Cash and balance with central banks	93 072	17 109		17 925	
Loans to credit institutions (note 10)	200 798	166 417	21	206 346	-3
Loans to the public (note 10)	1 185 987	1 187 226	0	1 214 302	-2
Interest-bearing securities	148 461	131 576	13	167 582	-11
Financial assets for which customers bear the investment risk	92 438	100 628	-8	88 685	4
Shares and participating interests	1 927	6 181	-69	9 420	-80
Investments in associates	3 188	2 710	18	2 596	23
Derivatives (note 18)	112 104	65 051	72	92 276	21
Intangible fixed assets (note 14)	16 078	15 794	2	16 058	0
Tangible assets	8 208	5 679	45	4 189	96
Current tax assets	2 068	1 156	79	1 454	42
Deferred tax assets	921	1 218	-24	1 281	-28
Other assets	12 477	8 611	45	17 308	-28
Prepaid expenses and accrued income	8 180	6 325	29	6 510	26
Total assets	**1 885 907**	**1 715 681**	**10**	**1 845 932**	**2**
Liabilities and equity					
Amounts owed to credit institutions (note 15)	129 363	136 766	-5	175 741	-26
Deposits and borrowings from the public (note 16)	554 788	534 237	4	523 683	6
Debt securities in issue (note 17)	819 230	686 517	19	720 687	14
Financial liabilities for which customers bear the investment risk	92 942	100 988	-8	94 941	-2
Derivatives (note 18)	96 133	65 935	46	92 074	4
Current tax liabilities	713	317		717	-1
Deferred tax liabilities	1 674	1 734	-3	1 566	7
Short positions, securities	30 666	34 179	-10	66 029	-54
Other liabilities	23 322	13 625	71	26 798	-13
Accrued expenses and prepaid income	14 444	15 074	-4	17 617	-18
Provisions	4 157	4 087	2	4 210	-1
Subordinated liabilities	21 129	27 187	-22	28 757	-27
Equity	97 346	95 035	2	93 112	5
of which non-controlling interests	138	138	0	261	-47
of which equity attributable to shareholders of Swedbank AB	97 208	94 897	2	92 851	5
Total liabilities and equity	**1 885 907**	**1 715 681**	**10**	**1 845 932**	**2**

Statement of changes in equity, condensed

Group SEKm	Share capital	Other contri-buted equity*	Exchange differences, subsidiaries and associates	Hedging of net investments in foreign operations	Cash flow hedges	Retained earnings	Shareholders' equity Total	Non-controlling interests	Total equity
Opening balance 1 January 2010	**24 351**	**17 152**	**2 143**	**-1 927**	**-755**	**48 706**	**89 670**	**304**	**89 974**
Dividends								-75	-75
Share based payments to employees						21	21		21
Associates' disposal of shares in Swedbank AB						50	50		50
Associates' acquisition of shares in Swedbank AB						-50	-50		-50
Contribution								6	6
Total comprehensive income for the period			-3 701	1 550	617	4 694	3 160	26	3 186
Closing balance 30 September 2010	**24 351**	**17 152**	**-1 558**	**-377**	**-138**	**53 421**	**92 851**	**261**	**93 112**
Opening balance 1 January 2010	**24 351**	**17 152**	**2 143**	**-1 927**	**-755**	**48 706**	**89 670**	**304**	**89 974**
Dividends								-75	-75
Share based payments to employees						31	31		31
Associates' disposal of shares in Swedbank AB						50	50		50
Associates' acquisition of shares in Swedbank AB						-50	-50		-50
Contribution								6	6
Changes in ownership interest in subsidiaries						-497	-497	-124	-621
Total comprehensive income for the period			-4 245	1 783	711	7 444	5 693	27	5 720
Closing balance 31 December 2010	**24 351**	**17 152**	**-2 102**	**-144**	**-44**	**55 684**	**94 897**	**138**	**95 035**
Opening balance 1 January 2011	**24 351**	**17 152**	**-2 102**	**-144**	**-44**	**55 684**	**94 897**	**138**	**95 035**
Dividends						-2 995	-2 995	-12	-3 007
New share issue	32						32		32
Reversal of VAT costs incurred on rights issue 2009		35					35		35
Repurchased shares						-6 180	-6 180		-6 180
Share based payments to employees						133	133		133
Associates' acquisition of shares in Swedbank AB						-4	-4		-4
Total comprehensive income for the period			1 041	-561	31	10 779	11 290	12	11 302
Closing balance 30 September 2011	**24 383**	**17 187**	**-1 061**	**-705**	**-13**	**57 417**	**97 208**	**138**	**97 346**

In connection to the rights issue in 2009 an assessment was made on the VAT Swedbank AB would have to pay on the transaction costs. This assessment has been changed in the second quarter 2011 based on a new tax case ruling. The VAT provision decreased by SEK 35m. The amount includes increased income tax SEK 12m.

*Other contributed equity consists mainly of share premiums.

Cash flow statement, condensed

Group SEKm	Jan-Sep 2011	Full-year 2010	Jan-Sep 2010
Operating activities			
Operating profit	13 670	9 955	6 510
Adjustments for non-cash items in operating activities	-3 993	4 969	6 593
Taxes paid	-2 751	-3 368	-2 653
Increase/decrease in loans to credit institutions	-31 720	-81 818	-76 493
Increase/decrease in loans to the public	7 208	57 969	48 872
Increase/decrease in holdings of securities for trading	-11 133	20 965	-19 365
Increase/decrease in deposits and borrowings from the public including retail bonds	17 744	68 270	48 537
Increase/decrease in amounts owed to credit institutions	-11 425	-78 287	-58 731
Increase/decrease in other assets	-42 015	1 726	-28 380
Increase/decrease in other liabilities	42 013	-14 243	-1 844
Cash flow from operating activities	**-22 402**	**-13 862**	**-76 954**
Investing activities			
Business disposals		140	140
Acquisition of other fixed assets and strategic financial assets	-580	-2 411	-344
Disposals of other fixed assets and strategic financial assets	1 321	3 463	2 405
Cash flow from investing activities	**741**	**1 192**	**2 201**
Financing activities			
Issuance of interest-bearing securities	209 619	261 697	190 961
Redemption of interest-bearing securities	-150 412	-222 899	-109 141
Issuance of certificates etc.	341 040	284 652	212 854
Redemption of certificates etc.	-293 785	-329 099	-236 098
Dividends	-3 007		-75
Change in ownership interest in subsidiaries		-621	-621
New share issue	32		
Repurchased shares	-6 185		
Cash flow from financing activities	**97 302**	**-6 270**	**57 880**
Cash flow for the period	**75 641**	**-18 940**	**-16 873**
Cash and cash equivalents at the beginning of the period	**17 109**	**37 879**	**37 879**
Cash flow for the period	75 641	-18 940	-16 873
Exchange rate differences on cash and cash equivalents	323	-1 830	-3 081
Cash and cash equivalents at end of the period	**93 073**	**17 109**	**17 925**

Note 1 Accounting policies

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

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

The accounting policies applied in the interim report conform to the accounting policies applied in the preparation of the consolidated financial statements and the annual report for 2010 with the exception of the presentation of derivative interest as interest income and interest expenses, respectively.

Previously, derivative interest was presented as interest income or interest expense depending on whether the contract's net interest was an income or an expense. In the new presentation as of the first quarter 2011, interest on all derivatives that economically hedge funding is recognised as an interest expense regardless of whether the contract's net interest is a gain or loss. The aim is to better illustrate the funding's interest expenses after considering the economic hedges. Other derivative interest, trading derivatives and derivatives that financially hedge assets are recognised as interest income.

Comparative figures have been restated - see table. The change affects both interest income and interest expenses, but not net interest income in its entirety.

New reporting of interest Group SEKm	**Q3 2010**	**Jan-Sep 2010**
Derivatives	-95	-268
Interest income	9 757	28 579
Derivatives	1 513	4 836
Interest expenses	-5 777	-16 777
Net interest income	**3 980**	**11 802**

Previous reporting of interest Group SEKm	**Q3 2010**	**Jan-Sep 2010**
Derivatives	1 393	5 077
Interest income	11 245	33 924
Derivatives	25	-509
Interest expenses	-7 265	-22 122
Net interest income	**3 980**	**11 802**

New or revised IFRS as well IFRIC interpretation statements have not had any significant effect on the financial position, income or information pertaining to the Group or parent company.

The operating segments have been changed in 2011 to coincide with the organisational changes implemented in Swedbank's business area organisation. The internal bank and the internal bank operations within the New York branch office were moved from Large Corporates & Institutions to Group Treasury in Group Functions. The Baltic treasury operations were moved from Baltic Banking to Group Treasury.

Note 2 Critical accounting estimates

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

Provisions for impairments

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

In 2011 economic conditions stabilised in the Baltic countries, as well as in Ukraine. The Group's provisions in the Baltic operations decreased from SEK 13 083m to SEK 10 052m. Provisions in the Ukrainian operations decreased from SEK 5 196m to SEK 3 937m. The changes were based on the losses that management judged as most likely against the backdrop of the current economic outlook within the range of reasonable assumptions.

Impairment testing of goodwill

When goodwill is tested for impairment, future cash flows are estimated for the cash-generating unit that the goodwill refers to and has been allocated to. As far as possible, the assumptions that are used, or part of those assumptions, are based on outside sources. Nevertheless, the calculation largely depends on management's own assumptions. The assumptions are made based on indefinite ownership of the asset. The Group's goodwill amounted to SEK 14 043m as of 30 September, of which SEK 11 251m relates to the investment in the Baltic operations. The most recent test was conducted as of year-end 2010 and did not necessitate any impairment.

There have been no indications in 2011 that signified the need for new impairment testing.

Note 3 Changes in the Group structure

Internal structural changes

The jointly owned franchise company Net Trade Swedbank AB (the name of which is being changed to Swedbank Franchise AB) acquired Swedbank Fastighetsbyrå AB, Swedbank Juristbyrå AB and Swedbank Företagsförmedling AB from Swedbank on 31 May 2011.

On 1 July 2011 Swedbank implemented changes to the Baltic group with the parent company Swedbank AS of Estonia. On that date Swedbank AB acquired all of Swedbank AS's shares in the Latvian group with the parent company Swedbank AS as well as all the shares in the Lithuanian group with the parent company Swedbank AB. The changes to the legal structure have no impact on the segment reporting.

Note 4 Business segments (business areas)

Jan-Sep 2011 SEKm	Retail	Large Corporates & Institutions	Baltic Banking	Asset Management	Russia & Ukraine	Ektornet	Group Functions	Eliminations	Group
Income statement									
Net interest income	9 094	2 512	3 008		440	-37	-889	-4	14 124
Net commissions	3 213	1 316	1 074	1 180	51		-37	40	6 837
Net gains and losses on financial items at fair value	145	492	196	-8	35	107	58		1 025
Share of profit or loss of associates	610	2							612
Other income	609	804	368	14	29	339	3 434	-3 198	2 399
Total income	**13 671**	**5 126**	**4 646**	**1 186**	**555**	**409**	**2 566**	**-3 162**	**24 997**
Staff costs	2 974	1 038	755	283	273	75	1 520		6 918
Variable staff costs	87	139	39	33			50		348
Other expenses	3 251	1 259	1 055	254	211	207	1 985	-3 162	5 060
Depreciation/amortisation	200	29	111	37	93	80	184		734
Total expenses	**6 512**	**2 465**	**1 960**	**607**	**577**	**362**	**3 739**	**-3 162**	**13 060**
Profit before impairments	**7 159**	**2 661**	**2 686**	**579**	**-22**	**47**	**-1 173**		**11 937**
Impairment of tangible assets			13		5	-14			4
Credit impairments	116	-190	-885		-778				-1 737
Operating profit	**7 043**	**2 851**	**3 558**	**579**	**751**	**61**	**-1 173**		**13 670**
Tax expense	1 740	883	367	148	-3	55	-311		2 879
Profit for the period	5 303	1 968	3 191	431	754	6	-862		10 791
Profit for the period attributable to the shareholders of Swedbank AB	**5 291**	**1 968**	**3 191**	**431**	**754**	**6**	**-862**		**10 779**
Non-controlling interests	12								12
Balance sheet, SEKbn									
Cash and balances with central banks	1	6	2		1		83		93
Loans to credit institutions	31	415		2	2	1	333	-583	201
Loans to the public	887	160	125		10		11	-7	1 186
Bonds and other interest-bearing securities		65	3				91	-11	148
Financial assets for which customers bear inv. risk	90		2						92
Derivatives		120					39	-47	112
Other assets	14	13	14	2	2	6	655	-652	54
Total assets	**1 023**	**779**	**146**	**4**	**15**	**7**	**1 212**	**-1 300**	**1 886**
Amounts owed to credit institutions	73	342			7	5	283	-581	129
Deposits and borrowings from the public	352	75	99		2		33	-6	555
Debt securities in issue		18	1				815	-15	819
Financial liabilities for which customers bear inv. risk	91		2						93
Derivatives		116					27	-47	96
Other liabilities	472	206	16	2	1		29	-650	76
Subordinated liabilities	9	7	4		1		1	-1	21
Total liabilities	**997**	**764**	**122**	**2**	**11**	**5**	**1 188**	**-1 300**	**1 789**
Allocated equity	26	15	24	2	4	2	24		97
Total liabilities and equity	**1 023**	**779**	**146**	**4**	**15**	**7**	**1 212**	**-1 300**	**1 886**
Key figures									
Return on allocated equity, %	29.5	16.3	15.3	29.9	30.6	0.4	-5.4		15.0
Loan/deposit ratio, %	252	208	126		470				213
Credit impairment ratio, %	0.02	-0.08	-0.90		-6.86				-0.17
Total provision ratio for impaired loans, %	87	103	54		66				60
Share of impaired loans, gross, %	0.19	0.12	14.32		46.02				2.05
Cost/income ratio	0.48	0.48	0.42	0.51	1.04	0.89	1.46		0.52
Impaired loans, gross, SEKbn	1.7	0.4	19.4		7.2				28.7
Risk-weighted assets, SEKbn	219	134	104	3	15	6	16		497
Full-time employees	5 374	1 179	5 450	276	1 530	206	2 798		16 813

Jan-Sep 2010 SEKm	Retail	Large Corporates & Institutions	Baltic Banking	Asset Management	Russia & Ukraine	Ektornet	Group Functions	Eliminations	Group
Income statement									
Net interest income	7 348	2 084	2 603	-15	479	-13	-674	-10	11 802
Net commissions	3 160	1 380	1 150	1 177	61		25	34	6 987
Net gains and losses on financial items at fair value	110	1 007	222	7	25	13	659		2 043
Share of profit or loss of associates	497								497
Other income	739	63	580	13	20	78	3 265	-3 001	1 757
Total income	**11 854**	**4 534**	**4 555**	**1 182**	**585**	**78**	**3 275**	**-2 977**	**23 086**
Staff costs	2 954	893	771	290	296	54	1 581		6 839
Variable staff costs	26	185	-13	31			10		239
Other expenses	3 284	1 208	1 148	260	315	124	1 948	-2 977	5 310
Depreciation/amortisation	183	39	126	37	49	17	213		664
Total expenses	**6 447**	**2 325**	**2 032**	**618**	**660**	**195**	**3 752**	**-2 977**	**13 052**
Profit before impairments	**5 407**	**2 209**	**2 523**	**564**	**-75**	**-117**	**-477**		**10 034**
Impairment of intangible assets			23		14				37
Impairment of tangible assets			188		4	2			194
Credit impairments	136	-66	3 526		-338		35		3 293
Operating profit	**5 271**	**2 275**	**-1 214**	**564**	**245**	**-119**	**-512**		**6 510**
Tax expense	1 452	555	-217	130	-32	-9	-100		1 779
Profit for the period	3 819	1 720	-997	434	277	-110	-412		4 731
Profit for the period attributable to the shareholders of Swedbank AB	**3 812**	**1 690**	**-997**	**434**	**277**	**-110**	**-412**		**4 694**
Non-controlling interests	7	30							37
Balance sheet, SEKbn									
Cash and balances with central banks	2	1	13		2				18
Loans to credit institutions	27	488	13	2	3	1	317	-645	206
Loans to the public	866	198	136		14		11	-11	1 214
Bonds and other interest-bearing securities		143	14				44	-33	168
Financial assets for which customers bear inv. risk	87		2						89
Derivatives		99					20	-27	92
Other assets	17	16	18	2	4	2	626	-626	59
Total assets	**999**	**945**	**196**	**4**	**23**	**3**	**1 018**	**-1 342**	**1 846**
Amounts owed to credit institutions	76	371	60		12	2	304	-649	176
Deposits and borrowings from the public	335	92	91		5		6	-5	524
Debt securities in issue		97	1				657	-34	721
Financial liabilities for which customers bear inv. risk	93		2						95
Derivatives		100					19	-27	92
Other liabilities	462	257		2			16	-621	116
Subordinated liabilities	11	11	7		2		4	-6	29
Total liabilities	**977**	**928**	**161**	**2**	**19**	**2**	**1 006**	**-1 342**	**1 753**
Allocated equity	22	17	35	2	4	1	12		93
Total liabilities and equity	**999**	**945**	**196**	**4**	**23**	**3**	**1 018**	**-1 342**	**1 846**
Key figures									
Return on allocated equity, %	23.0	13.5	-3.6	26.8	9.6	-20.5	-6.6		6.9
Loan/deposit ratio, %	259	220	149		260				233
Credit impairment ratio, %	0.02	-0.03	2.88		-2.28				0.32
Total provision ratio for impaired loans, %	85	99	61		65				64
Share of impaired loans, gross, %	0.22	0.25	16.40		49.05				2.67
Cost/income ratio	0.54	0.51	0.45	0.52	1.13	2.50	1.15		0.57
Impaired loans, gross, SEKbn	2.0	1.0	25.0		10.6				38.6
Risk-weighted assets, SEKbn	227	162	143	3	20	2	3		560
Full-time employees	5 530	1 190	5 581	297	2 043	141	2 707		17 489

Business area accounting policies

The operating segment report is based on Swedbank's accounting policies, organisation and management accounts. Market-based transfer prices are applied between operating segments, while all expenses for IT, other Group Functions and Group Staffs are transfer priced at cost price. Executive management expenses are not distributed. Cross-border transfer pricing is applied according to OECD transfer pricing guidelines.

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

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

As of the second quarter 2011, operating segment balance sheets are presented in more detail. Each operating segment's balance sheet now also contains transactions with other business segments. Comparable figures for 2010 have been recalculated as per the new presentation method.

Note 5 Net interest income

Group SEKm	Q3 2011	Q2 2011	%	Q3 2010	%	Jan-Sep 2011	Jan-Sep 2010	%
Interest income								
Loans to credit institutions	533	489	9	201		1 369	610	
Loans to the public	12 302	11 713	5	9 315	32	34 843	27 146	28
Interest-bearing securities	879	1 015	-13	259		2 513	922	
Derivatives[1]	97	-53		-95		289	-268	
Other	172	46		77		280	169	66
Total interest income	**13 983**	**13 210**	**6**	**9 757**	**43**	**39 294**	**28 579**	**37**
Interest expenses								
Amounts owed to credit institutions	-330	-360	-8	-311	6	-960	-975	-2
Deposits and borrowings from the public	-2 053	-1 853	11	-989		-5 388	-3 033	78
of which deposit guarantee fees	-127	-140	-9	-121	5	-375	-327	15
Debt securities in issue	-5 898	-5 778	2	-5 572	6	-16 882	-16 302	4
of which commissions for funding with government guarantee	-280	-293	-4	-384	-27	-918	-1 221	-25
Subordinated liabilities	-294	-292	1	-344	-15	-903	-1 079	-16
Derivatives	-400	-168		1 513		-597	4 836	
Other	-151	-19		-74		-440	-224	96
of which government stabilisation fund fee	-133	-132	1	-61		-386	-176	
Total interest expenses	**-9 126**	**-8 470**	**8**	**-5 777**	**58**	**-25 170**	**-16 777**	**50**
Net interest income	**4 857**	**4 740**	**2**	**3 980**	**22**	**14 124**	**11 802**	**20**
Net interest margin	**1.09**	**1.09**		**0.89**		**1.08**	**0.88**	

[1] See note 1, Accounting policies, for more information.

Note 6 Net commissions

Group SEKm	Q3 2011	Q2 2011	%	Q3 2010	%	Jan-Sep 2011	Jan-Sep 2010	%
Commission income								
Payment processing	1 415	1 371	3	1 425	-1	4 054	4 114	-1
Asset management	946	1 020	-7	990	-4	2 998	3 013	0
Life insurance	121	134	-10	117	3	386	351	10
Brokerage	113	117	-3	95	19	382	425	-10
Other securities	41	24	71	31	32	102	130	-22
Corporate finance	42	77	-45	57	-26	168	229	-27
Lending	166	105	58	153	8	485	440	10
Guarantees	43	49	-12	49	-12	146	166	-12
Deposits	25	16	56	17	47	61	59	3
Real estate brokerage	42	48	-13	44	-5	125	124	1
Non-life insurance	21	6		10		34	36	-6
Other commission income	215	206	4	201	7	617	535	15
Total commission income	**3 190**	**3 173**	**1**	**3 189**	**0**	**9 558**	**9 622**	**-1**
Commission expenses								
Payment processing	-538	-546	-1	-561	-4	-1 627	-1 641	-1
Asset management	-30	-32	-6	-9		-89	-57	56
Life insurance	-48	-56	-14	-41	17	-160	-155	3
Brokerage	-3	-5	-40	-2	50	-8	-6	33
Other securities	-63	-47	34	-53	19	-159	-176	-10
Lending and guarantees	-11	-18	-39	-28	-61	-45	-63	-29
Other commission expenses	-205	-225	-9	-185	11	-633	-537	18
Total commission expenses	**-898**	**-929**	**-3**	**-879**	**2**	**-2 721**	**-2 635**	**3**
Total net commissions	**2 292**	**2 244**	**2**	**2 310**	**-1**	**6 837**	**6 987**	**-2**

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

Group SEKm	Q3 2011	Q2 2011	%	Q3 2010	%	Jan-Sep 2011	Jan-Sep 2010	%
Valuation category, fair value through profit or loss								
Shares and related derivatives	352	147		-16		593	731	-19
of which dividend	6	119	-95	5	20	141	193	-27
Interest-bearing instruments and related derivatives	1 941	4 262	-54	-3 361		5 876	-11 287	
Loans	3 276	1 320		-1 270		2 735	-1 877	
Financial liabilities	-5 592	-5 500	2	4 786		-9 159	13 017	
Other financial instruments	-50	3		-16		-35	-32	9
Total fair value through profit or loss	**-73**	**232**		**123**		**10**	**552**	-98
Hedge accounting								
Inefficiency in hedge accounting at fair value	-194	69		13		-98	245	
of which hedging instruments	10 728	3 782		538		9 340	4 438	
of which hedged items	-10 922	-3 713		-525		-9 438	-4 193	
Total hedge accounting	**-194**	**69**		**13**		**-98**	**245**	
Loan receivables at amortised cost	**55**	**-9**		**28**	**96**	**55**	**87**	**-37**
Financial liabilities valued at amortised cost	**-15**	**-13**	**15**	**122**		**-54**	**122**	
Change in exchange rates	**486**	**232**		**288**	**69**	**1 112**	**1 037**	**7**
Total net gains and losses on financial items at fair value	**259**	**511**	**-49**	**574**	**-55**	**1 025**	**2 043**	**-50**
Distribution by business purpose								
Financial instruments for trading related business	**255**	**247**	**3**	**505**	**-50**	**997**	**1 648**	**-40**
Financial instruments intended to be held to contractual maturity	**4**	**264**	**-98**	**69**	**-94**	**28**	**395**	**-93**
Total	**259**	**511**	**-49**	**574**	**-55**	**1 025**	**2 043**	**-50**

Note 8 Other expenses

Group SEKm	Q3 2011	Q2 2011	%	Q3 2010	%	Jan-Sep 2011	Jan-Sep 2010	%
Premises and rents	313	335	-7	317	-1	987	1 025	-4
IT expenses	377	402	-6	372	1	1 178	1 177	0
Telecommunications and postage	71	52	37	70	1	199	208	-4
Advertising, PR and marketing	84	106	-21	67	25	262	229	14
Consultants	101	166	-39	196	-48	418	660	-37
Other purchased services	220	204	8	201	9	607	583	4
Security transport and alarm systems	108	113	-4	134	-19	329	315	4
Supplies	50	47	6	65	-23	152	182	-16
Travel	49	64	-23	41	20	172	151	14
Entertainment	18	23	-22	16	13	62	59	5
Repair/maintenance of inventories	28	57	-51	49	-43	132	144	-8
Other expenses	215	164	31	193	11	562	577	-3
Total other expenses	**1 634**	**1 733**	**-6**	**1 721**	**-5**	**5 060**	**5 310**	**-5**

Note 9 Credit impairments

Group SEKm	Q3 2011	Q2 2011	%	Q3 2010	%	Jan-Sep 2011	Jan-Sep 2010	%
Provision for loans individually assessed as impaired								
Provisions	257	383	-33	775	-67	1 115	3 234	-66
Reversal of previous provisions	-769	-830	-7	-196		-2 523	-1 024	
Provision for homogenous groups of impaired loans, net	64	184	-65	-189		134	1 626	-92
Total	**-448**	**-263**	**70**	**390**		**-1 274**	**3 836**	
Portfolio provisions for loans individually assessed as not impaired	**-131**	**-36**		**-498**	**-74**	**-774**	**-1 430**	**-46**
Write-offs								
Established losses	1 900	1 102	72	650		3 833	2 099	83
Utilisation of previous provisions	-1 636	-846	93	-367		-3 036	-970	
Recoveries	-81	-137	-41	-79	3	-283	-379	-25
Total	**183**	**119**	**54**	**204**	**-10**	**514**	**750**	**-31**
Credit impairments for contingent liabilities and other credit risk exposures	**-45**	**-144**	**-69**	**24**		**-203**	**137**	
Credit impairments	**-441**	**-324**	**36**	**120**		**-1 737**	**3 293**	
Credit impairment ratio, %	-0.13	-0.09		0.03		-0.17	0.32	

Note 10 Loans

Group	30 Sep 2011			31 Dec 2010		30 Sep 2010	
SEKm	Loans before provisions	Provisions	Loans after provisions Carrying amount	Loans after provisions Carrying amount	%	Loans after provisions Carrying amount	%
Loans to credit institutions							
Banks	162 659	78	162 581	126 034	29	130 384	25
Repurchase agreements, banks	16 558		16 558	27 233	-39	68 645	-76
Other credit institutions	2 560		2 560	386		7 317	-65
Repurchase agreements, other credit institutions	19 099		19 099	12 764	50		
Loans to credit institutions	**200 876**	**78**	**200 798**	**166 417**	**21**	**206 346**	**-3**
Loans to the public							
Private customers	669 603	4 415	665 188	656 351	1	650 651	2
Private, mortgage	629 836	3 100	626 736	616 440	2	603 872	4
Private,other	39 767	1 315	38 452	39 911	-4	46 779	-18
Corporate customers	504 555	12 698	491 857	489 645	0	498 217	-1
Agriculture, forestry, fishing	62 587	415	62 172	59 091	5	58 556	6
Manufacturing	32 438	2 373	30 065	29 329	3	29 518	2
Public sector and utilities	15 495	69	15 426	16 171	-5	15 532	-1
Construction	13 792	747	13 045	12 749	2	13 516	-3
Retail	25 198	1 905	23 293	22 990	1	23 845	-2
Transportation	12 023	318	11 705	13 061	-10	13 273	-12
Shipping	20 854	334	20 520	15 605	31	15 734	30
Hotels and restaurants	6 967	285	6 682	6 910	-3	7 034	-5
Information and communications	2 913	74	2 839	2 216	28	1 360	
Finance and insurance	16 384	94	16 290	10 694	52	16 451	-1
Property management	144 985	4 524	140 461	148 196	-5	155 232	-10
Housing cooperatives	71 547	91	71 456	71 829	-1	66 509	7
Professional services	31 295	619	30 676	28 012	10	33 993	-10
Other corporate lending	48 077	850	47 227	52 792	-11	47 664	-1
Loans to the public excluding the Swedish National Debt Office and repurchase agreements	**1 174 158**	**17 113**	**1 157 045**	**1 145 996**	**1**	**1 148 868**	**1**
Swedish National Debt Office	2 540		2 540	1		2	
Repurchase agreements, Swedish National Debt Office	6 272		6 272	19 778	-68	27 239	-77
Repurchase agreements, public	20 130		20 130	21 451	-6	38 193	-47
Loans to the public	**1 203 100**	**17 113**	**1 185 987**	**1 187 226**	**0**	**1 214 302**	**-2**
Loans to the public and credit institutions	**1 403 976**	**17 191**	**1 386 785**	**1 353 643**	**2**	**1 420 648**	**-2**

Note 11 Impaired loans etc.

Group SEKm	30 Sep 2011	31 Dec 2010	%	30 Sep 2010	%
Impaired loans, gross	28 743	34 778	-17	38 631	-26
Provisions for individually assessed impaired loans	10 773	14 444	-25	16 627	-35
Provision for homogenous groups of impaired loans	4 009	4 050	-1	4 441	-10
Impaired loans, net	**13 961**	**16 284**	**-14**	**17 563**	**-21**
of which private customers	5 603	6 055	-7	6 144	-9
of which corporate customers	8 358	10 229	-18	11 419	-27
Portfolio provisions for loans individually assessed as not impaired	2 409	3 297	-27	3 606	-33
Share of impaired loans, gross, %	2.05	2.53		2.67	
Share of impaired loans, net, %	1.01	1.20		1.24	
Provision ratio for impaired loans, %	51	53		55	
Total provision ratio for impaired loans, % *	60	63		64	
Past due loans that are not impaired	**5 039**	**7 017**	**-28**	**5 958**	**-15**
of which past due 5-30 days	3 187	4 131	-23	3 635	-12
of which past due 31-60 days	966	2 035	-53	1 470	-34
of which past due 61 days or more	886	851	4	853	4

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

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

Group SEKm	30 Sep 2011	31 Dec 2010	%	30 Sep 2010	%
Buildings and land	5 916	3 299	79	1 380	
Shares and participating interests	124	184	-33	103	21
Other property taken over	69	30		13	
Total assets taken over for protection of claims	**6 109**	**3 513**	**74**	**1 496**	
Cancelled leases	244	333	-27	435	-44
Total assets taken over for protection of claims and cancelled leases	**6 353**	**3 846**	**65**	**1 931**	
of which buildings and land acquired by Ektornet	5 510	2 872	92	1 237	

Note 13 Credit exposures

Group SEKm	30 Sep 2011	31 Dec 2010	%	30 Sep 2010	%
Assets					
Cash and balances with central banks	93 072	17 109		17 925	
Interest-bearing securities	148 461	131 576	13	167 582	-11
Loans to credit institutions	200 798	166 417	21	206 346	-3
Loans to the public	1 185 987	1 187 226	0	1 214 302	-2
Derivatives	112 104	65 051	72	92 276	21
Other financial assets	19 133	13 687	40	22 347	-14
Total assets	**1 759 555**	**1 581 066**	**11**	**1 720 778**	**2**
Contingent liabilities and commitments					
Loan guarantees	24 794	25 321	-2	28 151	-12
Loan commitments	185 249	175 382	6	174 134	6
Total contingent liabilities and commitments	**210 043**	**200 703**	**5**	**202 285**	**4**
Total credit exposure	**1 969 598**	**1 781 769**	**11**	**1 923 063**	**2**

Note 14 Intangible assets

Group SEKm	30 Sep 2011	31 Dec 2010	%	30 Sep 2010	%
With indefinite useful life					
Goodwill	14 043	13 733	2	13 944	1
Total	**14 043**	**13 733**	**2**	**13 944**	**1**
With finite useful life					
Customer base	1 028	1 105	-7	1 140	-10
Other	1 007	956	5	974	3
Total	**2 035**	**2 061**	**-1**	**2 114**	**-4**
Total intangible assets	**16 078**	**15 794**	**2**	**16 058**	**0**

Goodwill	Jan-Sep 2011	Full-year 2010	Jan-Sep 2010
Cost			
Opening balance	**16 026**	**17 765**	**17 765**
Translation differences	766	-1 739	-1 520
Closing balance	**16 792**	**16 026**	**16 245**
Accumulated amortisation and impairments			
Opening balance	**-2 293**	**-2 397**	**-2 397**
Impairments	0	-37	-37
Translation differences	-456	141	133
Closing balance	**-2 749**	**-2 293**	**-2 301**
Carrying amount	**14 043**	**13 733**	**13 944**

Impairment testing of intangible assets

Goodwill and other intangible assets are tested for impairment annually or when there are indications that the recoverable amount of the assets is lower than their carrying amount. The recoverable amount is the higher of fair value less costs to sell and value in use. Swedbank calculates value in use by estimating an asset's future cash flows and calculates these 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 management's own assumptions. Management also determines whether there is any need for a new test during the year.

There have been no indications in 2011 that signified the need for new impairment testing.

Note 15 Amounts owed to credit institutions

Group SEKm	30 Sep 2011	31 Dec 2010	%	30 Sep 2010	%
Amounts owed to credit institutions					
Central banks	1 930	116		34 589	-94
Banks	108 367	113 123	-4	110 201	-2
Other credit institutions	3 112	3 765	-17	5 921	-47
Repurchase agreements, banks	7 991	14 132	-43	18 377	-57
Repurchase agreements, other credit institutions	7 963	5 630	41	6 653	20
Amounts owed to credit institutions	**129 363**	**136 766**	**-5**	**175 741**	**-26**

Note 16 Deposits from the public

Group SEKm	30 Sep 2011	31 Dec 2010	%	30 Sep 2010	%
Deposits from the public					
Private customers	315 022	302 851	4	294 565	7
Corporate customers	227 507	214 234	6	197 458	15
Deposits from the public excluding the Swedish National Debt Office and repurchase agreements	**542 529**	**517 085**	**5**	**492 023**	**10**
Swedish National Debt Office	2	7	-71	8	-75
Repurchase agreements, Swedish National Debt Office	3 275	7 764	-58	7 675	-57
Repurchase agreements, public	8 982	9 381	-4	23 977	-63
Deposits and borrowings from the public	**554 788**	**534 237**	**4**	**523 683**	**6**

Note 17 Debt securities in issue

Group SEKm	30 Sep 2011	31 Dec 2010	%	30 Sep 2010	%
Other commercial paper	110 673	64 375	72	79 736	39
Covered bonds	536 394	410 369	31	411 983	30
Government guaranteed bonds	118 441	156 045	-24	165 261	-28
Other interest-bearing bonds	35 615	35 196	1	35 494	0
Structured retail bonds	18 107	20 532	-12	28 213	-36
Total debt securities in issue	**819 230**	**686 517**	**19**	**720 687**	**14**

Turnover during the period	Jan-Sep 2011	Full-year 2010		Jan-Sep 2010	
Opening balance	**686 517**	**703 257**	**-2**	**703 257**	**-2**
Issued	550 659	549 902	0	403 231	37
Repurchased	-70 664	-62 569	13	-37 666	88
Repaid	-366 690	-480 934	-24	-300 146	22
Change in market value	18 241	-7 671		-26 241	
Changes in exchange rates	1 167	-15 468		-21 748	
Closing balance	**819 230**	**686 517**	**19**	**720 687**	**14**

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 2011 Remaining contractual maturity < 1 yr.	 1-5 yrs.	 > 5 yrs.	Nominal amount 30 Sep 2011	 31 Dec 2010	Positive fair value 30 Sep 2011	 31 Dec 2010	Negative fair value 30 Sep 2011	 31 Dec 2010
Derivatives in hedge accounting	97 435	262 562	67 859	427 856	153 371	15 919	4 986	128	
Derivatives in cash flow hedges	4 444	12 730	22 239	39 413	42 049	5		3 180	3 939
Derivatives in hedges of net investment in foreign operations					915		6	0	
Other derivatives	8 998 135	3 316 815	561 109	12 876 059	10 577 476	100 942	62 955	97 587	64 892
Netting agreements						-4 762	-2 896	-4 762	-2 896
Total	**9 100 014**	**3 592 107**	**651 207**	**13 343 328**	**10 773 811**	**112 104**	**65 051**	**96 133**	**65 935**
of which cleared				4 072 241	236 119	4 758	2 979	5 536	3 589

Note 19 Financial instruments carried at fair value

Group 30 Sep 2011 SEKm	Instruments with quoted market prices in active markets (Level 1)	Valuation techniques using observable market data (Level 2)	Valuation techniques using non-observable market data (Level 3)	Total
Determination of fair value from quoted market prices or valuation techniques				
Assets				
Treasury bills and other bills eligible for refinancing with central banks	28 003	491		28 494
Loans to credit institutions	256	35 653		35 909
Loans to the public		507 084		507 084
Bonds and other interest-bearing securities	82 404	30 021	598	113 023
Financial assets for which the customers bear the investment risk	92 438			92 438
Shares and participating interests	1 458	252		1 710
Derivatives	2 582	109 522		112 104
Total	**207 141**	**683 023**	**598**	**890 762**
Liabilities				
Amounts owed to credit institutions		15 439		15 439
Deposits and borrowings from the public		48 532		48 532
Debt securities in issue	74 672	130 848		205 520
Financial liabilities for which the customers bear the investment risk		92 942		92 942
Derivatives	3 838	92 291	4	96 133
Short positions securities	30 666			30 666
Total	**109 176**	**380 052**	**4**	**489 232**

The table above contains financial instruments measured at fair value as of 30 September 2011 by valuation level. Level 1 contains financial instruments where fair value is determined on the basis of quoted market prices on an active market. Level 2 contains financial instruments where fair value is determined on the basis of valuation models based on observable market data. Level 3 contains financial instruments where fair value is determined on the basis of valuation models based primarily on observable market data, but in this case also using internal estimates. Level 3 principally contains corporate bonds. For corporate bonds where there is no observable quoted price for the current credit spread, a reasonable assumption is used, such as a comparison with similar counterparties where there is an observable quoted credit spread price.

Group 31 Dec 2010 SEKm	Instruments with quoted market prices in active markets (Level 1)	Valuation techniques using observable market data (Level 2)	Valuation techniques using non-observable market data (Level 3)	Total
Determination of fair value from quoted market prices or valuation techniques				
Assets				
Treasury bills and other bills eligible for refinancing with central banks	33 658			33 658
Loans to credit institutions	6	40 545		40 551
Loans to the public	24	545 707		545 731
Bonds and other interest-bearing securities	69 126	22 324	691	92 141
Financial assets for which the customers bear the investment risk	100 628			100 628
Shares and participating interests	5 801	323		6 124
Derivatives	2 997	62 054		65 051
Total	**212 240**	**670 953**	**691**	**883 884**
Liabilities				
Amounts owed to credit institutions		19 763		19 763
Deposits and borrowings from the public		28 374		28 374
Debt securities in issue	72 880	106 381		179 261
Financial liabilities for which the customers bear the investment risk		100 988		100 988
Derivatives	3 615	62 311	9	65 935
Short positions securities	34 162	17		34 179
Total	**110 657**	**317 834**	**9**	**428 500**

Note 20 Pledged collateral

Group SEKm	30 Sep 2011	31 Dec 2010	%	30 Sep 2010	%
Loan receivables	664 138	640 207	4	628 745	6
Financial assets pledged for policyholders	91 720	99 475	-8	87 460	5
Other assets pledged	52 918	52 428	1	108 040	-51
Pledged collateral	**808 776**	**792 110**	**2**	**824 245**	**-2**

Note 21 Capital adequacy

Swedbank financial companies group SEKm	30 Sep 2011	31 Dec 2010	% or pp	30 Sep 2010	% or pp
Shareholders' equity according to the Group's balance sheet	97 208	94 897	2	92 851	5
Non-controlling interests	138	138	0	261	-47
Anticipated dividend	-5 389	-2 995	-80	-1 889	
Deconsolidation of insurance companies	-1 908	-1 395	-37	-1 260	-51
Associated companies consolidated according to purchase method	1 678	1 332	26	1 254	34
Unrealised value changes in financial liabilities due to changes in own creditworthiness	-15	-10	-50	-35	-57
Cash flow hedges	13	44	-70	138	-91
Goodwill	-13 367	-12 966	-3	-13 173	-1
Deferred tax assets	-908	-1 213	25	-1 270	-29
Intangible assets	-1 795	-1 794	0	-1 812	1
Net provisions for reported IRB credit exposures	-551	-534	-3	-78	
Shares deducted from Tier 1 capital	-41	-34	-21	-37	-11
Total core Tier 1 capital	**75 063**	**75 470**	**-1**	**74 950**	**0**
Tier 1 capital contributions	7 562	6 915	9	7 223	5
of which undated Tier 1 instruments that must be converted in a critical situation.	0				
of which Undated Tier 1 instruments without incentives to redeem.	535	535	0	535	0
of which Fixed-term Tier 1 instruments or undated Tier 1 instruments with incentives to redeem.	7 027	6 380	10	6 688	5
Total Tier 1 capital	**82 625**	**82 385**	**0**	**82 173**	**1**
Undated subordinated loans	1 634	2 458	-34	3 455	-53
Fixed-term subordinated loans	11 959	18 313	-35	18 479	-35
Net provisions for reported IRB credit exposures	-551	-534	-3	-78	
Shares deducted from Tier 2 capital	-41	-34	-21	-37	-11
Total Tier 2 capital	**13 001**	**20 203**	**-36**	**21 819**	**-40**
Deduction of shares in insurance companies	-2 909	-2 901	0	-2 657	-9
Total capital base	**92 717**	**99 687**	**-7**	**101 335**	**-9**
Risk-weighted assets	**497 067**	**541 327**	**-8**	**559 709**	**-11**
Capital requirement for credit risks, standardised approach	2 536	2 723	-7	2 946	-14
Capital requirement for credit risks, IRB	31 332	33 678	-7	34 578	-9
Capital requirement for settlement risks	1	0		15	-93
Capital requirement for market risks	1 537	2 340	-34	2 673	-42
of which risks in the trading book outside VaR	559	638	-12	841	-34
of which currency risks outside VaR	745	1 443	-48	1 517	-51
of which risks where VaR models are applied	233	259	-10	315	-26
Capital requirement for operational risks	4 359	4 565	-5	4 565	-5
Capital requirement	**39 765**	**43 306**	**-8**	**44 777**	**-11**
Complement during transition period	21 071	16 729	26	16 317	29
Capital requirement including complement	**60 836**	**60 035**	**1**	**61 094**	**0**
Capital quotient, Basel 2	2.33	2.30	0.03	2.26	0.07
Core Tier 1 capital ratio, %, Basel 2	15.1	13.9	1.2	13.4	1.7
Tier 1 capital ratio, %, Basel 2	16.6	15.2	1.4	14.7	1.9
Total capital adequacy ratio, %, Basel 2	18.7	18.4	0.2	18.1	0.5
Capital quotient, transition rules	1.52	1.66	-0.14	1.66	-0.13
Core Tier 1 capital ratio, %, transition rules	9.9	10.1	-0.2	9.8	0.1
Tier 1 capital ratio, %, transition rules	10.9	11.0	-0.1	10.8	0.1
Total capital adequacy ratio, %, transition rules	12.2	13.3	-1.1	13.3	-1.1

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

As of 30 September 2011 the Swedbank financial companies group included the Swedbank Group, the EnterCard Group, Sparbanken Rekarne AB, Färs och Frosta Sparbank AB, Swedbank Sjuhärad AB, Vimmerby Sparbank AB, Bankernas Depå AB and Bankernas automatbolag AB. The insurance companies are included in the Group but not in financial companies groups under the capital adequacy rules.

Swedbank financial companies group Credit risks, IRB SEKm	Exposure after credit risk protection 30 Sep 2011	31 Dec 2010	%	Average risk weighting, % 30 Sep 2011	31 Dec 2010	Capital requirement 30 Sep 2011	31 Dec 2010	%
Institutional exposures	144 608	146 519	-1	12	14	1 361	1 630	-17
of which repurchase agreements	1 907	2 228	-14	7	9	10	16	-37
of which other lending	142 700	144 291	-1	12	14	1 351	1 614	-16
Corporate exposures	412 371	397 770	4	65	75	21 701	23 800	-9
of which repurchase agreements	332	673	-51	14	7	4	4	-6
of which other lending	412 039	397 097	4	66	75	21 698	23 796	-9
Retail exposures	853 777	845 823	1	10	10	7 117	7 059	1
of which repurchase agreements	7	15	-57	52	59	0	1	-73
of which mortgage lending	774 036	762 666	1	7	7	4 495	4 359	3
of which other lending	79 734	83 142	-4	41	41	2 621	2 699	-3
Securitisation	2 596	3 535	-27	12	12	24	33	-27
Exposures without counterparties	15 984	16 080	-1	88	90	1 129	1 156	-2
Total credit risks, IRB	**1 429 336**	**1 409 727**	**1**	**27**	**30**	**31 332**	**33 678**	**-7**

Capital base

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

Capital requirements for credit risks according to the standardised approach

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

Capital requirements for credit risks according to IRB

The capital adequacy requirement for the portion of the portfolio calculated according to IRB has decreased by 7 per cent since the beginning of the year. The average risk-weighting for retail exposures was 10 per cent, of which 38 per cent in the Baltic portfolios and 8 per cent for other portfolios. The risk weighting for corporate exposures was 65 per cent, of which 93 per cent in the Baltic portfolios and 61 per cent for other portfolios. For institutional exposures, the average risk-weighting was 33 per cent in the Baltic portfolios and 12 per cent for other portfolios, in total 12 per cent.

Market risks

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

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

The approval also comprises Baltic operations, Swedbank AS, for general interest rate risks in the trading book and currency risks throughout operations. Exchange rate risks outside the trading book, i.e., in other operations, are excluded in the internal VaR model and estimated according to the standardised approach, as per the Group's internal approach to managing these strategic exchange-rate risks. The capital requirement for other market risks thus refers to specific interest-rate risk in Swedbank AB and Swedbank AS, share price risk in Swedbank AS and market risks in other companies. Counterparty risks in the trading book are included in credit risk.

Operational risk

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

Transition rules

The transition rules, which state that the capital requirement may not fall below 80 per cent of the requirement according to the Basel 1 rules, have been extended until the end of 2011, but are expected to be extended further.

Note 22 Risks and uncertainties

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

Swedbank has subsidiaries with operations in countries with currencies other than Swedish kronor. Moreover, in Latvia, Lithuania, Russia and Ukraine, a significant share of lending is in the foreign currencies euros or US dollars. In the event of a devaluation of the domestic currency in any of these countries, three main factors would affect the Group's income statement and balance sheet. First, a gain on financial items at fair value would generally arise due to the impact of changes in exchange rates on the assets and liabilities of the subsidiary. Normally, this would produce an exchange rate gain, since the company has larger assets than liabilities in foreign currencies (euro or dollar). Secondly, a negative translation effect would arise on the parent company's net investment in the subsidiary, since the subsidiary's equity would be less when expressed in Swedish kronor. This negative exchange rate effect would not be reported in other comprehensive income, but in the consolidated income statement. Thirdly, it would become more difficult for domestic customers to pay the interest and principal on their loans in foreign currencies, which would become higher in the local currency. This would eventually lead to higher impairment losses in the subsidiary.

In addition to what is stated in this interim report, detailed descriptions are provided in Swedbank's annual report for 2010 and in the annual disclosure on risk management and capital adequacy according to the Basel 2 rules, available on www.swedbank.com.

Note 23 Related-party transactions

During the period normal business transactions were executed between companies in the Group, including other related companies such as associates. Significant associates are the partly owned savings banks. Färs & Frosta Sparbank AB holds 3 833 000 shares in Swedbank AB. The Group's share of these shares has reduced equity in the consolidated statements by SEK 62m.

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

Note 24 Swedbank's share

	30 Sep 2011	31 Dec 2010	%	30 Sep 2010	%
SWED A					
Share price, SEK	76.60	93.80	-18	93.45	-18
Number of outstanding ordinary shares	907 421 303	951 723 439	-5	951 723 439	-5
Market capitalisation, SEKm	**69 508**	**89 272**	**-22**	**88 939**	**-22**
SWED PREF					
Share price, SEK	76.45	95.90	-20	95.85	-20
Number of outstanding preference shares	190 434 519	206 750 738	-8	206 750 738	-8
Market capitalisation, SEKm	**14 559**	**19 827**	**-27**	**19 817**	**-27**
SWED C					
Share price, SEK					
Number of outstanding preference shares	0				
Market capitalisation, SEKm	**0**	**0**		**0**	
Total market capitalisation, SEKm	**84 067**	**109 099**	**-23**	**108 756**	**-23**

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

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

Number of outstanding shares	30 Sep 2011	31 Dec 2010	30 Sep 2010
Issued shares			
SWED A	965 190 117	952 323 439	952 323 439
SWED PREF	194 400 060	207 266 738	207 266 738
SWED C	1 500 000		
Repurchased shares			
SWED A	-57 168 814		
SWED PREF	-3 415 641		
SWED C	-1 500 000		
Associates' holding of shares	-1 149 900	-1 116 000	-1 116 000
Number of outstanding shares on the closing day	**1 097 855 822**	**1 158 474 177**	**1 158 474 177**

In February and August of each year, starting in August 2009, holders of preference shares may request to convert their preference shares to ordinary shares. The request must pertain to the shareholder's entire holding. If the shareholder previously has not requested a conversion, all their outstanding preference shares will be converted to ordinary shares in the month immediately after the month in which the Annual General Meeting is held in 2013. Preference shares carry the same voting rights as ordinary shares. During the year 12 866 678 preference shares have been converted to ordinary shares.

Earnings per share	Q3 2011	Q2 2011	Q3 2010	Jan-Sep 2011	Jan-Sep 2010
Average number of outstanding shares					
Average number of outstanding shares before dilution	1 113 057 146	1 144 082 842	1 158 474 177	1 138 371 692	1 158 474 177
Weighted average number of shares for dilutive potential ordinary shares resulting from share-based compensation programme	2 581 299	924 941		2 216 445	
Average number of outstanding shares after dilution	1 115 638 445	1 145 007 783	1 158 474 177	1 140 588 137	1 158 474 177
Profit, SEKm					
Profit for the period attributable to shareholders of Swedbank	3 475	3 452	2 591	10 779	4 694
Preference dividends on non-cumulative preference shares declared in respect of the period				995	
Earnings for the purpose of calculating earnings per share	3 475	3 452	2 591	9 784	4 694
Earnings per share, SEK					
Earnings per share before dilution	3.12	3.02	2.23	8.59	4.05
Earnings per share after dilution	3.11	3.01	2.23	8.58	4.05

Swedbank AB

Income statement, condensed

Parent company SEKm	Q3 2011	Q2 2011	%	Q3 2010	%	Jan-Sep 2011	Jan-Sep 2010	%
Interest income	6 853	6 460	6	4 457	54	19 450	12 944	50
Interest expenses	-4 480	-4 000	12	-2 710	65	-12 386	-7 695	61
Net interest income	**2 373**	**2 460**	**-4**	**1 747**	**36**	**7 064**	**5 249**	**35**
Dividends received*	6	2 388	-100	18	-67	2 410	2 790	-14
Commission income	1 454	1 402	4	1 453	0	4 410	4 482	-2
Commission expenses	-230	-400	-43	-322	-29	-937	-970	-3
Net commissions	**1 224**	**1 002**	**22**	**1 131**	**8**	**3 473**	**3 512**	**-1**
Net gains and losses on financial items at fair value	-369	45		371		689	826	-17
Other income	343	332	3	308	11	1 682	956	76
Total income	**3 577**	**6 227**	**-43**	**3 575**	**0**	**15 318**	**13 333**	**15**
Staff costs	1 658	1 687	-2	1 580	5	5 024	4 946	2
Other expenses	1 074	1 171	-8	1 158	-7	3 361	3 444	-2
Depreciation/amortisation	82	81	1	89	-8	243	255	-5
Total expenses	**2 814**	**2 939**	**-4**	**2 827**	**0**	**8 628**	**8 645**	**0**
Profit before impairments	**763**	**3 288**	**-77**	**748**	**2**	**6 690**	**4 688**	**43**
Impairment of financial fixed assets	297			-133		74	29	
Credit impairments	6	-61		-50		-176	-193	-9
Operating profit	**460**	**3 349**	**-86**	**931**	**-51**	**6 792**	**4 852**	**40**
Appropriations								
Tax expense	204	311	-34	172	19	1 411	621	
Profit for the period	**256**	**3 038**	**-92**	**759**	**-66**	**5 381**	**4 231**	**27**

* During the second quarter the Estonian subsidiary Swedbank AS approved a one-off distribution to the parent company of profits originally attributable to the operations in Latvia and Lithuania, and which were taxed there. Such a distribution is not subject to any further taxation.

Previous reporting of interest Parent company SEKm	Q3 2010	Jan-Sep 2010
Interest income	6 499	18 164
Interest expenses	-4 752	-12 915
Net interest income	**1 747**	**5 249**

See note 1, Accounting policies, for more information.

Statement of comprehensive income, condensed

Parent company SEKm	Q3 2011	Q2 2011	%	Q3 2010	%	Jan-Sep 2011	Jan-Sep 2010	%
Profit for the period reported via income statement	**256**	**3 038**	**-92**	**759**	**-66**	**5 381**	**4 231**	**27**
Cash flow hedges:								
Gains/losses arising during the period	-35	-39	-10	-73	-52	-39	-127	69
Reclassification adjustments to income statement, net interest income	79	88	-10	209	-62	268	612	-56
Group contributions paid				-2			-3	
Income tax relating to components of other comprehensive income	-12	-12	0	-35	66	-60	-127	53
Other comprehensive income for the period, net of tax	**32**	**37**	**-14**	**99**	**-68**	**169**	**355**	**-52**
Total comprehensive income for the period	**288**	**3 075**	**-91**	**858**	**-66**	**5 550**	**4 586**	**21**

Balance sheet, condensed

Parent company SEKm	30 Sep 2011	31 Dec 2010	%	30 Sep 2010	%
Assets					
Loans to credit institutions	426 023	478 941	-11	504 171	-16
Loans to the public	318 587	324 662	-2	355 110	-10
Interest-bearing securities	144 035	156 196	-8	199 976	-28
Shares and participating interests	60 722	55 307	10	51 048	19
Derivatives	121 703	80 325	52	108 556	12
Other assets	99 817	23 073		25 191	
Total assets	**1 170 887**	**1 118 504**	**5**	**1 244 052**	**-6**
Liabilities and equity					
Amounts owed to credit institutions	184 728	190 710	-3	223 739	-17
Deposits and borrowings from the public	452 888	437 870	3	425 755	6
Debt securities in issue	279 296	273 819	2	300 487	-7
Derivatives	112 020	72 639	54	104 079	8
Other liabilities and provisions	57 651	49 241	17	97 225	-41
Subordinated liabilities	21 165	27 661	-23	29 130	-27
Untaxed reserves	805	805	0	815	-1
Equity	62 334	65 759	-5	62 822	-1
Total liabilities and equity	**1 170 887**	**1 118 504**	**5**	**1 244 052**	**-6**
Pledged collateral	58 682	78 346	-25	143 932	-59
Other assets pledged	1 815	2 589	-30	1 404	29
Contingent liabilities	570 417	457 321	25	460 227	24
Commitments	158 783	147 217	8	148 082	7

Statement of changes in equity, condensed

Parent company SEKm	Share capital	Share premium reserve	Statutory reserve	Cash flow hedges	Retained earnings	Total
Opening balance 1 January 2010	**24 351**	**13 083**	**6 489**	**-743**	**15 038**	**58 218**
Share based payments to employees					18	18
Total comprehensive income for the period				357	4 229	4 586
Closing balance 30 September 2010	**24 351**	**13 083**	**6 489**	**-386**	**19 285**	**62 822**
Opening balance 1 January 2010	**24 351**	**13 083**	**6 489**	**-743**	**15 038**	**58 218**
Share based payments to employees					32	32
Total comprehensive income for the period				437	7 072	7 509
Closing balance 31 December 2010	**24 351**	**13 083**	**6 489**	**-306**	**22 142**	**65 759**
Opening balance 1 January 2011	**24 351**	**13 083**	**6 489**	**-306**	**22 142**	**65 759**
Dividend					-2 995	-2 995
New share issue	32					32
Reversal of VAT costs incurred on rights issue 2009		35				35
Repurchased shares					-6 180	-6 180
Share based payments to employees					133	133
Total comprehensive income for the period				169	5 381	5 550
Closing balance 30 September 2011	**24 383**	**13 118**	**6 489**	**-137**	**18 481**	**62 334**

In connection to the rights issue in 2009 an assessment was made on the VAT Swedbank AB would have to pay on the transaction costs. This assessment has been changed in the second quarter 2011 based on a new tax case ruling. The VAT provision decreased by SEK 35m. The amount includes increased income tax SEK 12m.

Cash flow statement, condensed

Parent company SEKm	Jan-Sep 2011	Full-year 2010	Jan-Sep 2010
Cash flow from operating activities	74 874	10 707	-35 129
Cash flow from investing activities	14 453	49 011	66 397
Cash flow from financing activities	-9 287	-74 254	-46 808
Cash flow for the period	**80 040**	**-14 536**	**-15 540**
Cash and cash equivalents at beginning of period	4 702	19 238	19 238
Cash flow for the period	80 040	-14 536	-15 540
Cash and cash equivalents at end of period	**84 742**	**4 702**	**3 698**

Capital adequacy

Parent company SEKm	30 Sep 2011	31 Dec 2010	% or pp	30 Sep 2010	% or pp
Core Tier 1 capital	56 238	61 471	-9	59 699	-6
Tier 1 capital contribution	7 562	6 915	9	7 223	5
Total Tier 1 capital	**63 800**	**68 386**	**-7**	**66 922**	**-5**
Tier 2 capital	12 958	19 685	-34	20 890	-38
Settlements, equities, etc.	-2 902	-2 901	0	-2 651	9
Total capital base	**73 856**	**85 170**	**-13**	**85 161**	**-13**
Risk-weighted assets	**368 643**	**409 740**	**-10**	**422 295**	**-13**
Capital requirement	**29 491**	**32 779**	**-10**	**33 784**	**-13**
Capital requirement including complement	**29 491**	**32 779**	**-10**	**33 784**	**-13**
Capital quotient*	2.50	2.60	-0.09	2.52	-0.02
Core Tier 1 capital ratio, %*	15.3	15.0	0.3	14.1	1.1
Tier 1 capital ratio, %*	17.3	16.7	0.6	15.8	1.5
Total capital adequacy ratio, %*	20.0	20.8	-0.8	20.2	-0.1

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

Signatures of the Board of Directors and the President

The Board of Directors and the President certify that the interim report for January- September 2011 provides a fair and accurate overview of the operations, financial position and results of the parent company and the Group and describes the significant risks and uncertainties faced by the parent company and the companies in the Group.

Stockholm, 24 October 2011

Lars Idermark Chair	Anders Sundström Deputy Chair

Olav Fjell Board Member	Ulrika Francke Board Member	Göran Hedman Board Member
Anders Igel Board Member	Helle Kruse Nielsen Board Member	Pia Rudengren Board Member
Karl-Henrik Sundström Board Member	Siv Svensson Board Member	Kristina Janson Board Member Employee Representative
Camilla Linder Deputy Board Member Employee Representative	Michael Wolf President	

Review report

Introduction

We have reviewed the interim report for Swedbank AB (publ) for the period 1 January to 30 September 2011. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

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

Conclusion

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

Stockholm, 24 October 2011

Deloitte AB

Svante Forsberg
Authorised Public Accountant

Publication of financial information

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

Swedbank will publish financial results on the following dates in 2012:

Year-end report for 2011 on 14 February 2012
Interim report for the first quarter on 25 April 2012
Interim report for the third quarter on 18 July 2012
Interim report for the third quarter on 23 October 2012

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

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