



Interim Report January – September

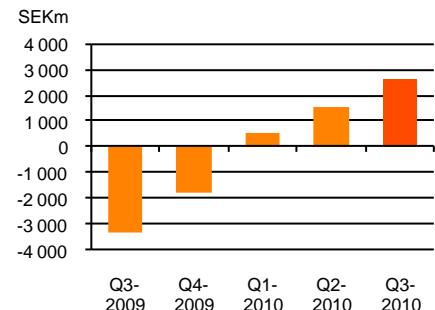
Stockholm 21 October 2010

Third quarter 2010

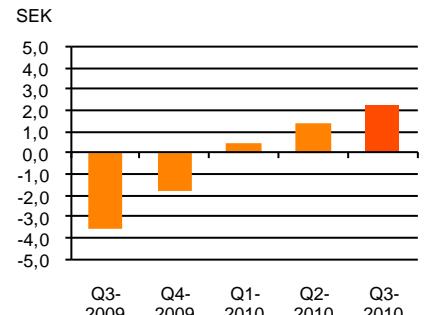
compared with the second quarter 2010

- The Q3 result was SEK 2 591m (1 567)
- Earnings per share were SEK 2.23 (1.36)
- The return on equity was 11.3 per cent (7.0)
- The cost/income ratio was 0.55 (0.57)
- Net interest income increased by 5 per cent to SEK 3 980m (3 799)
- Profit before impairments excluding non-recurring items increased by 2 per cent to SEK 3 409m (3 333)
- Net credit impairments decreased by 88 per cent to SEK 120m (963). Provisions for loan losses amounted to SEK -84m (846). Net write-offs amounted to SEK 204m (117). The credit impairment ratio was 0.03 per cent (0.28)
- The Tier 1 capital ratio according to Basel 2 increased to 14.7 per cent (13.5 per cent on 31 December 2009). According to transition rules, the Tier 1 capital ratio increased to 10.8 per cent (10.4). The core Tier 1 capital ratio was 13.4 per cent (12.0) according to Basel 2 and 9.8 per cent (9.2) according to transition rules.

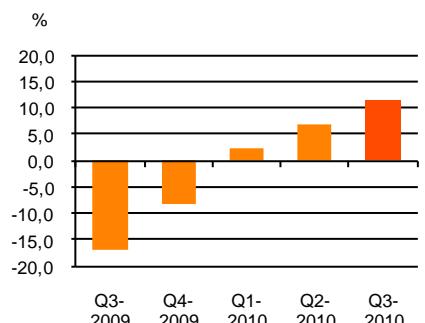
Profit for the period



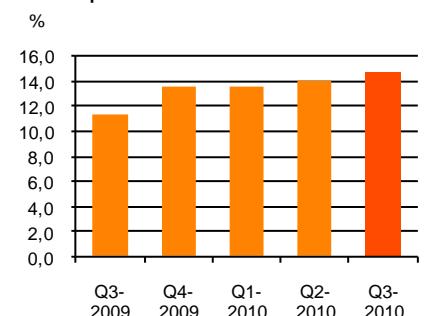
Earnings per share



Return on equity



Tier 1 capital ratio



January-September 2010

compared with January-September 2009

- The result for the period was SEK 4 694m (-8 707)
- Earnings per share were SEK 4.05 (-9.32)
- The return on equity was 6.9 per cent (-14.1)
- The cost/income ratio was 0.57 (0.51)
- Net interest income decreased by 27 per cent to SEK 11 802m (16 063)
- Profit before impairments excluding non-recurring items decreased by 22 per cent to SEK 10 018m (12 875)
- Net credit impairments amounted to SEK 3 293m (19 638). Provisions for loan losses amounted to SEK 2 543m (18 028). Net write-offs amounted to SEK 750m (1 610). The credit impairment ratio was 0.32 per cent (1.85).

CEO Comment

Swedbank's positive trend continued to improve during the third quarter. Our profits were SEK 2.6bn against SEK 1.6bn in Q2 and SEK 0.5bn in Q1. For the first time in six quarters, net interest income increased. Factors that had recently put pressure on net interest income have now begun to have a positive effect. Market interest rates in Sweden in particular have begun to rise, lending margins have strengthened slightly and the cost for local funding in the Baltic countries has decreased. As expected, credit impairments continued to fall during the quarter, mainly as a result of low losses in Baltic Banking. In Q3, the Group credit impairment ratio was a mere 0.03 per cent. The share of impaired loans fell in the Baltic countries and the Group as a whole.

We continued working to decrease risk levels, not least resulting in a continued strong funding position. During the third quarter we raised around SEK 40bn in long-term funding. At the same time SEK 54bn in the form of repos with the Riksbank was replaced with other funding. During the last 12 months Swedbank has raised nearly SEK 300bn in long-term funding. We have been able to do so while at the same time continuously strengthening our relative funding costs compared with other Nordic banks.

Business activity with our customers was good during the quarter. We are pleased to see that more and more private customers in Sweden are becoming Key customers of ours. Key customers have access to specially designed products and services with a guaranteed service level. During the third quarter Swedbank gained 73 000 Key customers. Market shares for new mortgage sales in Sweden continued to rise during the quarter; in August our market share for new sales was 22 per cent. Customers are increasingly choosing the safer option of fixed interest rate mortgages. In September, 60 per cent of all renegotiated and new loans had a fixed term of 1 year or more. The trend towards lower lending volumes to corporate customers in Sweden has been broken, and during the quarter volumes were stable. In the Baltic

countries, credit demand remains low. Corporates and private persons prioritise amortising their loans.

In September we reached a new in-principle framework agreement with the savings banks. The agreement encompasses continued cooperation regarding, among other things, the IT platform, mortgage loans and fund sales. The agreement has been adapted to the changes in business conditions that have arisen as a result of the financial crisis. Individual agreements will be signed with the savings banks during the fourth quarter and take effect on 1 July 2011.

During the quarter we began working actively to establish Swedbank's new brand platform among employees. The aim is to create a values-driven and more customer-focused organisation. The brand platform includes our purpose "We will promote a sound and sustainable financial situation for the many households and businesses" and our values "Open, Simple, and Caring".

Our strong position among private persons and small and medium sized enterprises was confirmed during the period, and surveys have shown increased customer satisfaction, albeit from a low level. Efforts to improve our service offering are continuing. Another priority going forward is to increase effectiveness in every part of the organisation. Provided that the macro economy continues to develop in line with expectations, profit is expected to continue to improve.



Michael Wolf
President and Chief Executive Officer

Table of contents

	Page
Financial summary	4
Overview	5
Market	5
Important events during the quarter	5
Third quarter 2010	5
January-September 2010	6
Result	6
Credit and asset quality	8
Funding and liquidity	10
Capital and capital adequacy	10
Market risk	11
Operational risk	11
Other events	11
Rating	12
Events after 30 September 2010	12
 Business areas	
Retail	13
Large Corporates & Institutions	15
Baltic Banking	17
Russia & Ukraine	19
Asset Management	21
Ektornet	23
Shared Services & Group Staffs	24
Eliminations	24
 Financial information	
Group	
Income statement, condensed	26
Other comprehensive income, condensed	26
Income statement, quarterly	27
Balance sheet, condensed	28
Statement of changes in equity, condensed	29
Cash flow statement, condensed	29
Notes	29
Parent company	55
Signatures of the Board of Directors and the President	58
Review report	58
Contact information	59

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 2010	Q2 2010	%	Q3 2009	%	Jan-Sep 2010	Jan-Sep 2009	%
Net interest income	3 980	3 799	5	5 017	-21	11 802	16 063	-27
Net commissions	2 310	2 395	-4	2 208	5	6 987	5 552	26
Net gains and losses on financial items at fair value	574	822	-30	87		2 043	2 508	-19
Other income	783	756	4	830	-6	2 254	2 677	-16
Total income	7 647	7 772	-2	8 142	-6	23 086	26 800	-14
Staff costs	2 280	2 423	-6	2 448	-7	7 078	7 271	-3
Other expenses	1 958	2 000	-2	2 078	-6	5 974	6 277	-5
Total expenses	4 238	4 423	-4	4 526	-6	13 052	13 548	-4
Profit before impairments	3 409	3 349	2	3 616	-6	10 034	13 252	-24
Impairment of intangible assets	23					37	1 305	-97
Impairment of tangible assets	30	128	-77	77	-61	194	97	100
Credit impairments	120	963	-88	6 121	-98	3 293	19 638	-83
Operating profit	3 236	2 258	43	-2 582		6 510	-7 788	
Tax expense	638	672	-5	734	-13	1 779	866	
Profit for the period	2 598	1 586	64	-3 316		4 731	-8 654	
Profit for the period attributable to the shareholders of Swedbank AB	2 591	1 567	65	-3 337		4 694	-8 707	

Key ratios and data per share	Q3 2010	Q2 2010	Q3 2009	Jan-Sep 2010	Jan-Sep 2009
Return on equity, %	11.3	7.0	-16.9	6.9	-14.1
Earnings per share, SEK ¹⁾	2.23	1.36	-3.57	4.05	-9.32
Cost/income ratio	0.55	0.57	0.56	0.57	0.51
Equity per share, SEK ¹⁾	80.07	78.48	99.15	80.07	99.15
Capital quotient, transition rules	1.66	1.68	1.52	1.66	1.52
Core Tier 1 capital ratio, %, transition rules	9.8	9.5	7.7	9.8	7.7
Tier 1 capital ratio, %, transition rules	10.8	10.5	8.8	10.8	8.8
Capital adequacy ratio, %, transition rules	13.3	13.4	12.1	13.3	12.1
Capital quotient, Basel 2	2.26	2.23	1.96	2.26	1.96
Core Tier 1 capital ratio, %, Basel 2	13.4	12.7	9.9	13.4	9.9
Tier 1 capital ratio, %, Basel 2	14.7	14.0	11.4	14.7	11.4
Capital adequacy ratio, %, Basel 2	18.1	17.9	15.7	18.1	15.7
Credit impairment ratio, %	0.03	0.28	1.75	0.32	1.85
Share of impaired loans, gross, %	2.67	2.90	2.53	2.67	2.53
Total provision ratio for impaired loans, %	64	64	63	64	63

¹⁾ The number of shares is specified on page 53.

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

Balance sheet data SEKbn	30 Sep 2010	31 Dec 2009	%	30 Sep 2009	%
Loans to the public	1 214	1 291	-6	1 245	-2
Deposits and borrowings from the public	524	504	4	477	10
Shareholders' equity	93	90	4	77	21
Total assets	1 846	1 795	3	1 815	2
Risk weighted assets, Basel 2	560	603	-7	607	-8
Risk weighted assets, transition rules	764	784	-3	785	-3
Risk weighted assets, Basel 1	957	990	-3	1 004	-5

Overview

Market

The global economy has strengthened more than expected, because of which growth projections for 2010 have been revised upward both in Sweden and the Baltic countries. This has led to an acceleration of export growth for Swedish and Baltic companies, but investment plans remain constrained. The economic recovery rests on shaky ground, however, with the risk of weaker growth in coming quarters as the inventory build-up is worked off at the same time that several European countries implement public spending cuts.

According to the latest available data, Sweden's GDP grew by 5.2 per cent during the second quarter compared with the same period last year. In Estonia, GDP grew by 3.1 per cent, while Latvia's GDP fell by 2.1 per cent and Lithuania's GDP increased by 1.3 per cent.

The Swedish Riksbank raised the repo rate by 25bp on 1 July and by another 25bp on 2 September, to 0.75 per cent. The key Stibor 3-month rate, which a year ago was around 0.50 per cent, rose by 49bp during the quarter to 1.28 per cent on 30 September. The Euribor 6-month rate rose by 10bp during the quarter to 1.15 per cent on 30 September. Due to economic difficulties in the eurozone, the ECB has delayed any hike in its benchmark interest rate.

The Swedish krona rose by 4 per cent against the euro during the third quarter and by 10 per cent in one year. In relation to the dollar, the krona rose by 13 per cent during the quarter and by 4 per cent in one year.

The Stockholm stock exchange (OMXSPI) rose by 9 per cent during the third quarter. The Tallinn stock exchange (OMXT) gained 16 per cent, while the Riga stock exchange (OMXR) rose by 14 per cent and the Vilnius stock exchange (OMXV) by 18 per cent.

Important events during the quarter

The Baltic Banking business area reported a quarterly profit for the first time since the fourth quarter of 2008. Significantly lower impairment losses were the main reason. Profit before impairments increased for the second consecutive quarter.

The trend with falling net interest income was broken largely thanks to rising short-term interest rates in Sweden, but also because of lower domestic interest rates in the Baltic countries as well as slightly higher Euribor rates.

Impaired loans, gross, decreased by SEK 4.1bn from the previous quarter.

With the approval of the Board of Directors, a new variable remuneration system was introduced for the Swedish part of the Group. For further information, see page 12, Other events.

Third quarter 2010

Quarterly profit attributable to the shareholders increased by 65 per cent from the previous quarter to SEK 2 591m. The main reason for the improvement was

lower credit impairments. The return on equity was 11.3 per cent (7.0). The cost/income ratio was 0.55 (0.57).

Profit before impairments excluding non-recurring items increased by 2 per cent to SEK 3 409m mainly due to improved net interest income and seasonably lower costs.

The Retail and Baltic Banking business areas continued to report higher profit before impairments, while Large Corporates & Institutions generated lower profit, as the third quarter seasonally generates lower activity and trading income.

Profit before impairments excluding non-recurring items			
by business area	Q3 2010	Q2 2010	Q3 2009
SEKm			
Retail	1 858	1 698	1 925
Large Corporates & Institutions	672	794	952
Baltic Banking	934	794	796
Russia & Ukraine	-55	-47	-38
Asset Management	179	177	182
Ektornet	-34	-46	
Shared Services & Group Staffs	-145	-70	-315
Total excl FX effects	3 409	3 300	3 502
FX effects		33	91
Total	3 409	3 333	3 593

Non-recurring items			
by business area (BA)	Q3 BA 2010	Q2 2010	Q3 2009
SEKm			
Income			
Branch sales	RETAIL	3	23
MasterCard	BB	13	
Total income	0	16	23
Expenses			
Total expenses	0	0	0
Impairments			
Total impairments	0	0	0
Tax			
Branch sales	RETAIL	1	6
MasterCard	BB	2	
Total tax	0	3	6
Profit for the period	0	13	17

Income excluding non-recurring items amounted to SEK 7 647m, a decrease of 1 per cent from the previous quarter. The decrease was mainly due to lower net gains and losses on financial items at fair value.

Income analysis		Q3 SEKm	Q3 2010	Q2 2010	Q3 2009
Lending and deposits		3 943	3 806	4 237	
Treasury, trading and capital market products		974	1 291	1 305	
Asset management		981	990	872	
Payments and cards		864	822	860	
Insurance		258	236	222	
Associates		191	159	184	
Other income		497	455	478	
Stability fee		-61	-58	-195	
Non-recurring items			16	23	
Total excl FX effects		7 647	7 717	7 986	
FX effects			55	156	
Total		7 647	7 772	8 142	

Net interest income increased by SEK 181m or 5 per cent. Higher short-term interest rates and the adjustments in terms they necessitated, primarily in Sweden, contributed to the increase, as did a positive mismatch between funding and lending (nose and tail effects). Lower costs for deposits in local currencies in the Baltic countries as well as slightly higher Euribor rates in the Baltic countries contributed positively.

Net commission income decreased by 4 per cent from the previous quarter. This was mainly due to lower income from brokerage and corporate finance.

Net gains and losses on financial items at fair value decreased by 30 per cent. SEK 95m of the decrease was in Group Treasury within Shared Services & Group Staffs and was tied to the market valuation of the funding operations. Basis spreads on EUR-to-SEK swaps continued to widen during the quarter, which contributed positively to the result, though less than in the previous quarter. Repurchased subordinated loans had a positive effect on earnings of SEK 122m. Baltic Banking reported a decrease of SEK 54m in net gains and losses largely due to the market valuation of the holdings of the Private Debt Fund, which is being liquidated. Currency fluctuations reduced net gains and losses in Ukraine by SEK 50m.

Expenses decreased by 4 per cent from the previous quarter. On a seasonal basis expenses are slightly lower in the third quarter. The main part of the decrease was in Large Corporates & Institutions, mainly reflecting the new share-related remuneration programme. The introduction of a new variable remuneration system, where 40-60 per cent of the amount is invested in shares and not paid out for three years, means that the share-related portion, according to current accounting rules, must be accrued until the time it is paid. As a result, staff costs in the Group decreased by approximately SEK 60m during the quarter. Expenses for problem loans and repossessed collateral in FR&R as well as Ektornet amounted to SEK 185m (174). The number of full-time positions decreased during the quarter by 40, of which 4 in Baltic Banking, 12 in Ukraine, 29 in Russia and 35 in Retail. At the same time, the number of employees rose by 23 in Large Corporates & Institutions and by 8 in Asset Management. Other increases were in Ektornet and Shared Services & Group Staffs.

Expense analysis		Q3 SEKm	Q3 2010	Q2 2010	Q3 2009
FR&R and Ektornet			185	174	111
Retail			2 177	2 290	2 162
Large Corporates & Institutions			674	759	760
Baltic Banking			572	612	780
Russia & Ukraine			181	212	262
Asset Management			209	212	182
Other and eliminations			240	142	201
Current franchise			4 053	4 227	4 349
Total excl FX effects			4 238	4 401	4 459
FX effects				22	67
Total			4 238	4 423	4 526

Net credit impairments fell to SEK 120m (963), of which SEK 327m (1 096) related to Baltic Banking. Russia & Ukraine reported net recoveries of SEK 158m (recoveries of SEK 139m). Retail and Large Corporates & Institutions also reported net recoveries. The credit impairment ratio fell to 0.03 per cent (0.28).

The tax expense amounted to SEK 638m, corresponding to an effective tax rate of 20 per cent. The low effective tax rate is mainly because Estonia, Russia and Ukraine post profits without a tax expense. Regarding Estonia, income tax is payable only if there is a dividend to shareholders, and since the parent company does not plan any dividend from its Estonian subsidiary, no tax expense is posted. The profits in Russia and Ukraine can be offset against existing loss carry forwards, on which no deferred tax assets have previously been claimed.

Other comprehensive income after tax amounted to SEK -774m (98) in the quarter and was affected mainly by exchange rate differences on the translation of foreign operations and cash flow hedges.

January-September 2010

Result

Swedbank reported a profit of SEK 4 694m for the first nine months of the year, compared with a loss of SEK 8 707m in the previous year. Significantly lower credit impairments were the main reason why the loss was turned into a profit. The return on equity was 6.9 per cent (-14.1). The cost/income ratio was 0.57 (0.51).

Profit before impairments excluding non-recurring items decreased by 22 per cent to SEK 10 018m. Among the business areas, Asset Management reported higher profit, due to a larger volume of assets under management. Shared Services & Group Staffs reported an improved result from Group Treasury, partly due to valuation effects from basis spreads and repurchased subordinated loans. When arranged in euro, capital market funding is usually swapped into SEK. These swaps are marked to market. Historically the volatility in the swap cost has been low. In 2010 costs increased significantly, which at the same time produced a positive valuation effect. The largest profit decrease was in Large Corporates & Institutions, where the trading operation had its best year ever in 2009 due to very favourable trading conditions during the first half-year.

Profit before impairments excluding non-recurring items by business area SEKm		Jan-Sep 2010	Jan-Sep 2009
Retail		5 218	5 755
Large Corporates & Institutions		2 364	4 373
Baltic Banking		2 508	2 780
Russia & Ukraine		-75	452
Asset Management		564	398
Ektornet		-117	
Shared Services & Group Staffs		-444	-1 242
Total excl FX effects		10 018	12 516
FX effects		359	
Total		10 018	12 875
Non-recurring items by business area (BA) SEKm		Jan-Sep 2010	Jan-Sep 2009
BA			
Income			
Branch sales	RETAIL	3	397
VISA Sweden	RETAIL		322
Repayment fund management fees	AM		-540
MasterCard	BB	13	
Total income		16	179
Expenses			
Dissolved bonus reserve	BB		-198
Total expenses		0	-198
Impairments			
Impairment of goodwill	LC&I		5
Impairment of goodwill	R&U	14	1 300
Total impairments		14	1 305
Tax			
Branch sales	RETAIL	1	105
Repayment fund management fees	AM		-150
Dissolved bonus reserve	BB		28
MasterCard	BB	2	
Total tax		3	-17
Profit for the period		-1	-911

Income excluding non-recurring items amounted to SEK 23 070m, a decrease of 13 per cent. Fluctuations in exchange rates, primarily the rise in the Swedish krona against the euro and the Baltic currencies reduced reported income by SEK 359m.

Net interest income decreased by SEK 4 261m or 27 per cent, mainly due to lower net lending volumes, higher costs for wholesale funding and liquidity reserves and lower market interest rates. Net interest income was also adversely affected by lower return on the investment portfolio used to hedge interest rates of low-yielding deposit accounts and equity, a mismatch between funding and lending (nose and tail effects) and less favourable trading conditions.

Lending¹ decreased by SEK 63bn or 5 per cent in one year. Volumes fell in the Baltic countries, Russia and Ukraine. In Sweden and the other Nordic countries, corporate lending decreased, while mortgage lending to

private customers rose. This shift resulted in lower net interest income, since interest margins are lower in Sweden than in the other countries and lower on mortgages than on corporate lending.

Income analysis		Jan-Sep 2010	Jan-Sep 2009
Group	SEKm		
Lending and deposits		11 765	13 648
Treasury, trading and capital market products		3 389	5 755
Asset management		2 956	2 321
Payments and cards		2 473	2 444
Insurance		697	658
Associates		496	421
Other income		1 470	945
Stability fee		-176	-195
Non-recurring items		16	179
Total excl FX effects		23 086	26 175
FX effects			625
Total		23 086	26 800
Net commission income increased by 15 per cent excluding the non-recurring expense for refunded fund management fees in Asset Management last year. Asset management commissions increased by 26 per cent due to an equity-related appreciation in assets under management.			
Net gains and losses on financial items at fair value decreased by 19 per cent. The result from trading operations in Large Corporates & Institutions was very high in 2009 due to market conditions. Within Group Treasury (Shared Services & Group Staffs) the market valuation of funding operations positively affected net gains and losses on financial items at fair value as partly mentioned earlier. The impact on earnings of these changes in value will be small over time, although there could be considerable volatility between quarters.			
Expenses excluding dissolved bonus reserves in Baltic Banking last year and excluding exchange rate effects decreased by 3 per cent. Expenses for problem loans and repossessed collateral in FR&R as well as Ektornet amounted to SEK 526m (268). Expenses in Baltic Banking excluding FR&R decreased by SEK 509m or 22 per cent in local currency. In Russia & Ukraine, expenses excluding FR&R fell by SEK 240m or 28 per cent in local currency.			
Expense analysis		Jan-Sep 2010	Jan-Sep 2009
Group	SEKm		
Dissolved bonus reserve			-198
FR&R and Ektornet		526	268
Retail		6 703	6 662
Large Corporates & Institutions		2 166	2 261
Baltic Banking		1 843	2 352
Russia & Ukraine		620	860
Asset Management		618	569
Other and eliminations		577	508
Current franchise		12 526	13 212
Total excl FX effects		13 052	13 282
FX effects			266
Total		13 052	13 548

¹ Lending to the public excluding the Swedish National Debt Office and repos

In one year the number of full-time employees was reduced by 2 783, of which 2 059 were in Russia & Ukraine, 699 in Baltic Banking and 268 in Retail. At the same time, the number of employees rose by 141 in Ektornet, by 61 in Large Corporates & Institutions, by 25 in Shared Services & Group Staffs and by 16 in Asset Management. Since the beginning of the year the number of full-time employees has been reduced by 1 788.

Impairment of intangible assets attributable to Russian Banking operations amounted to SEK 14m during the first quarter and SEK 23m for a subsidiary of the Baltic group during the third quarter. In the previous year impairment losses of SEK 1 300m were attributable to Ukrainian Banking and SEK 5m to Russian investment banking.

Impairment of tangible assets, mostly consisting of repossessed leased heavy goods vehicles, amounted to SEK 194m (97) during the period.

Net credit impairments fell to SEK 3 293m (19 638), of which Baltic Banking accounted for SEK 3 526m (11 533). Of the reported credit impairments, SEK 2 543m was related to net provisions, of which individual provisions for impaired loans amounted to SEK 3 973m and portfolio provisions for loans individually deemed not to be impaired were SEK -1 430m. Net write-offs amounted to SEK 750m. The credit impairment ratio decreased to 0.32 per cent (1.85).

The tax expense amounted to SEK 1 779m, corresponding to an effective tax rate of 27 per cent.

Credit and asset quality

In 2009 Swedbank focused on lowering the Group's risks, primarily by reducing lending outside Sweden i.e. in the Baltic countries, Ukraine and Russia. Risk reduction continued during the first nine months of 2010, but more selectively. Lending¹ in the Baltic countries, Ukraine and Russia decreased from 209 per cent to 162 per cent of equity during the nine-month period.

Loans by business area		Total		
30 Sep 2010	SEKm	Loans gross	Provisions	Loans net
Retail	843 665	1 582	842 083	
Large Corporates & Institutions	427 365	1 038	426 327	
Estonia	63 300	3 218	60 082	
Latvia	47 061	7 596	39 465	
Lithuania	41 721	4 346	37 375	
Investment	430		430	
Baltic Banking	152 512	15 160	137 352	
Russia	9 041	1 255	7 786	
Ukraine	12 739	5 639	7 100	
Russia & Ukraine	21 780	6 894	14 886	
Total	1 445 322	24 674	1 420 648	

Lending decreased by 19 per cent in the Baltic countries, by 24 per cent in Ukraine and by 32 per cent in Russia. Excluding exchange rate effects, lending decreased by 10 per cent in the Baltic countries, by 20 per cent in Ukraine and by 27 per cent in Russia. Corporate lending in Sweden also fell during the period.

¹ Lending to the public excluding the Swedish National Debt Office and repos

The rate of decline slowed in the latter part of the nine-month period. Lending continued to grow in segments with lower risk, especially mortgage lending to private customers in Sweden. Total lending rose by SEK 17bn in Swedbank Mortgage.

The majority (78 per cent) of the Group's lending is real estate related. This lending is highly secured with real estate collateral in Sweden.

Loans by sector/industry	30 Sep 2010	31 Dec 2009
Private customers	650 651	644 846
Agriculture, forestry, fishing	58 556	57 825
Manufacturing	29 518	34 062
Public sector and utilities	15 532	15 792
Construction	13 516	13 642
Retail	23 845	28 265
Transportation	13 273	15 988
Shipping	15 734	13 407
Hotels and restaurants	7 034	7 552
Information and communications	1 360	1 845
Finance and insurance	16 451	9 936
Property management	155 232	166 380
Housing cooperatives	66 509	70 890
Professional services	33 993	37 977
Other corporate lending	47 664	73 791
Credit institutions	137 701	71 670
Swedish National Debt Office and repurchase agreements	134 079	118 930
Total	1 420 648	1 382 798

Lending by Swedbank Mortgage amounted to SEK 688bn on 30 September and the average loan to value ratio was 46 per cent, calculated by loan level.

The mandatory stress tests Swedbank underwent during the nine-month period indicated very good financial resilience to drastically worsened economic conditions. In Swedbank's internal capital evaluation (ICAAP) completed during the second quarter, its core Tier 1 capital ratio exceeded regulatory requirements by a significant margin. The Committee of European Banking Supervisors' (CEBS) stress tests of European banks during the third quarter came up with a similar result for Swedbank, as it did for other major Swedish banks. In addition, Swedbank conducted a number of internal stress tests during the nine-month period. On the real estate side, the Swedish mortgage portfolio and commercial property portfolio were tested and the result showed low credit impairments.

On 30 September 2010 the uncollateralised portion of the mortgage portfolio amounted to SEK 9.7bn, i.e., the share of the loans exceeding current market value (SEK 11.0bn on 31 December 2009). During the second half of 2009 residential real estate markets stabilised in major Baltic cities, and the trend since then has remained stable or positive, especially in Estonia. As a consequence the average loan-to-value ratio in the Baltic countries has begun to fall.

Loans past due by more than 60 days have continued to stabilise during the year. Slight increases were noted during the second quarter, however, mainly attributable to a number of large customers in Ukraine, Estonia and

Lithuania, the majority of whom had already been identified by the bank and were classified as impaired. In the third quarter, loans due by more than 60 days decreased in the three Baltic countries, Ukraine and Russia. Mortgage loans to private customers within Baltic Banking loans past due more than 60 days continue to rise on the back of high unemployment.

Impaired loans, gross by business area SEKm	30 Sep 2010	31 Dec 2009	30 Sep 2009
Retail	1 813	2 061	2 246
Large Corporates & Institutions	1 123	1 082	745
<i>Estonia</i>	5 134	5 465	5 288
<i>Latvia</i>	12 907	13 401	13 279
<i>Lithuania</i>	6 971	7 705	6 960
Baltic Banking	25 012	26 571	25 527
<i>Russia</i>	2 152	2 238	660
<i>Ukraine</i>	8 531	8 180	6 592
Russia & Ukraine	10 683	10 418	7 252
Total	38 631	40 132	35 770

In Baltic Banking impaired loans decreased by 6 per cent during the first nine months of the year. This was partly due to a slowing inflow of new impaired loans during the period and partly to the fact that a few large commitments are no longer impaired. At the same time write-offs and exchange rate effects helped to reduce impaired loans. Excluding currency effects, impaired loans grew by 6 per cent in Estonia, by 8 per cent in Latvia and by 2 per cent in Lithuania in the nine-month period. In the third quarter, impaired loans decreased in the three Baltic countries, in local currency as well as in SEK.

During the period impaired loans in Russia increased by 4 per cent in local currency, while in Ukraine they increased by 10 per cent in local currency, mainly related to a few exposures to large companies.

New individual provisions in the Baltic countries are mainly attributable to corporate credits from known distressed customers as well as to an increased share of impaired loans related to private customers. In Russia, some recoveries were made during the nine-month period. Provisions were marginally affected. A few large recoveries were made among corporate exposures in Ukraine as well as smaller recoveries at the portfolio level during the period.

Credit impairments by business area SEKm	Jan-Sep 2010	Jan-Sep 2009
Retail	132	920
Large Corporates & Institutions	-62	627
<i>Estonia</i>	944	2 034
<i>Latvia</i>	1 776	6 294
<i>Lithuania</i>	806	3 205
Baltic Banking	3 526	11 533
<i>Russia</i>	-127	333
<i>Ukraine</i>	-211	6 212
Russia & Ukraine	-338	6 545
Shared Services & Group Staffs	35	13
Total	3 293	19 638

Individual provisions for impaired loans increased marginally during the nine-month period. At the same time portfolio provisions decreased. The portfolio provisions are related to the portion of the portfolio that does not contain impaired loans. The decrease in portfolio provisions is partly related to the composition of the loan portfolio, with a smaller volume to corporate customers in Sweden and lower volumes to customers in the Baltic countries, Russia and Ukraine, and partly to the change in the internal ratings of individual commitments among corporate customers. Internal ratings improved in Sweden through a positive rating migration among Swedbank's corporate customers during the latter part of the nine-month period, at the same time as the rating migrations in the Baltic countries stabilised. Of the total provisions, 85 per cent was at the individual level as of 30 September 2010, compared with 80 per cent as of 31 December 2009.

Credit impairments Group SEKm	Jan-Sep 2010	Jan-Sep 2009
Provisions	3 567	18 317
<i>of which individual provisions, gross</i>	4 997	11 525
<i>of which portfolio provisions, net</i>	-1 430	6 792
Reversal of individual provisions no longer required	-1 024	-289
Provisions, net	2 543	18 028
Write-offs, gross	2 099	1 985
Utilisation of previous provisions	-970	-273
Recovered from previous write- offs	-379	-102
Write-offs, net	750	1 610
Total	3 293	19 638

Restructured loans refer to loans whose terms have changed as a result of deterioration in the customer's anticipated and/or actual ability to pay interest and/or principal. For the bank, the restructuring process is an important tool. As of 30 September 2010 the Group's restructured loans totalled SEK 30.7bn, the majority of which relates to Baltic Banking (82 per cent) and Ukraine (13 per cent). Of Swedbank's restructured loans, those classified as impaired amounted to SEK 16bn, while those classified as non-impaired totalled SEK 14.7bn.

Swedbank continues to work actively with customers facing financial difficulties. The Financial Reconstruction and Recovery (FR&R) organisations continue to develop and implement restructuring plans.

Repossessed assets increased during the first nine months of 2010. During the third quarter there was a slight increase compared with the second quarter, mainly related to residential properties. As of 30 September 2010 the largest part of repossessed assets was in the Baltic countries. Swedbank's capacity and ability to manage repossession gradually increased in Russia and Ukraine during the nine-month period. Whenever financially feasible, Swedbank avoids repossessing collateral and tries to reach a voluntary agreement with the customer. If an agreement cannot be reached, foreclosure proceedings are launched.

Properties taken over and cancelled leasing agreements by business area SEKm	30 Sep 2010	31 Dec 2009	30 Sep 2009
Retail	12	189	138
Large Corporates & Institutions	102	102	182
Estonia	45	38	215
Latvia	125	183	298
Lithuania	314	679	718
Baltic Banking	484	900	1 231
Russia	4	22	37
Ukraine	92	11	
Russia & Ukraine	96	33	37
Ektornet	1 237	517	
Total	1 931	1 741	1 588

The laws governing foreclosure sales in the Baltic countries are similar to those in other EU member states. However, the entire process takes longer time in the Baltic countries than in Sweden, for example. The process is even more difficult in Ukraine and Russia. During the nine-month period Ektornet took over assets worth SEK 827m. For more information on Ektornet, see page 23.

Funding and liquidity

During the first nine months of the year Swedbank issued a total of SEK 190bn in long-term debt instruments, of which SEK 40bn in the third quarter. Of the quarter's issues, the majority relates to covered bonds, including SEK 31bn issued in the Swedish market.

The average maturity of all capital market funding, including central bank repos and interbank deposits, has been extended from about 22 months as of 31 December 2009 to 28 months on 30 September 2010. The average maturity of covered bonds was 38 months. The average maturity of long-term funding issued during the third quarter was 46 months.

As of 30 September Swedbank had SEK 476bn in outstanding long-term funding outside the state guarantee, of which SEK 267bn was issued in the last 12 months.

In September 2010 the bank repurchased SEK 2.2bn in outstanding subordinated Tier 2 loans out of the total limit of SEK 9bn granted by the Swedish financial supervisory authority. The loans were repurchased at market rates which generated a capital gain of SEK 122m. The Swedish financial supervisory authority's approval for the repurchases ends on 31 October 2010.

In October 2010 subordinated loans with a nominal value of SEK 1bn will be repaid once the bank is entitled to prepay them.

The total volume of repos with central banks was further reduced during the third quarter by SEK 54bn to SEK 35bn.

Changes in outstanding borrowing under the programme SEKbn	Changes since 31 Dec 2009
---	------------------------------

State guaranteed commercial papers	-61
Other commercial papers	30
Covered bond loans	71
State guaranteed bond loans	-16
Senior non-covered bond loans	3
Structured bonds (SPAX)	-9
Central bank repos	-81

Remaining maturity in 2010 SEKbn	Nominal value
-------------------------------------	---------------

Long-term borrowing of which under state guarantee programme	42
Maturity and possible early redemption of subordinated loans	1

Average remaining term	Number of months
Total market financing	28
Covered bond loans	38
Borrowing under state guarantee programme	19

Borrowing - state guarantee prog. Maturity composition per year	SEK billion
2010 ¹	8
2011	80
2012	39
2013	11
2014	27
Total	165

¹ as of 30 September 2010

Capital and capital adequacy

As of 30 September equity amounted to SEK 92 851m, an increase of SEK 3 181m from the beginning of the year.

In Swedbank's financial companies group, where insurance companies are not consolidated and certain associated companies are consolidated in accordance with the purchase method, core Tier 1 capital increased by SEK 2 479m during the year to SEK 74 950m.

The Tier 1 capital ratio according to Basel 2 increased to 14.7 per cent as of 30 September (13.5 per cent on 31 December 2009) and the core Tier 1 capital ratio improved to 13.4 per cent (12.0). The capital adequacy ratio was 18.1 per cent (17.5). According to the transition rules, the core Tier 1 capital ratio was 9.8 per cent (9.2), the Tier 1 capital ratio was 10.8 per cent (10.4) and the capital adequacy ratio was 13.3 per cent (13.5).

Hybrid capital accounted for 9 per cent of Tier 1 capital.

Risk-weighted assets decreased by SEK 43bn or 7 per cent since the beginning of the year to SEK 560bn. Risk-weighted assets for market risks rose by 4 per cent or SEK 1bn, mainly due to increased strategic exchange rate risks. Risk-weighted assets for operational risks increased by 8 per cent or SEK 4bn, due to an increase

in average operating revenue in the last three calendar years in the Swedish and Baltic operations, primarily in household and large customer banking. Risk-weighted assets for credit risks decreased by 9 per cent or SEK 49bn, of which SEK 20bn relates to corporate exposures in the Swedish operations and SEK 18bn to corporate exposures in the Baltic operations. Lower exposure volumes, migration between risk classes and new defaults contributed to the decrease. Of the total change in risk-weighted volumes, SEK -19bn is due to exchange rate effects.

Risk-weighted assets by business area SEKbn	30 Sep 2010	31 Dec 2009	30 Sep 2009
Retail	212	225	224
Large Corporates & Institutions	177	184	183
Estonia	59	64	65
Latvia	42	51	52
Lithuania	34	42	45
Investment	8	8	7
Baltic Banking	143	165	169
Russia	8	10	13
Ukraine	10	11	13
Investment	2	2	0
Russia & Ukraine	20	23	26
Asset Management	3	2	2
Ektornet	2	1	
Shared Services & Group Staffs	3	3	3
Total risk-weighted assets	560	603	607

The average risk weighting for all of the financial companies group's credit risks according to the IRB approach decreased to 31.5 per cent, against 33.6 per cent at the beginning of the year. The risk weightings declined primarily in the Swedish operations. The risk weightings in the Baltic operations were stable at 70.2 per cent as of 30 September.

Swedbank's internal risk classification models use through-the-cycle risk adjusted estimates for probability of default (PD) and downturn adjusted loss given default (LGD), taking into account economic stress.

New Basel rules on capital and the effects on Swedbank

During the third quarter, the proposed Basel 3 capital regulation has been clarified further. Due to increased capital requirements for trading book and counterparty risks, a 2 per cent increase of Swedbank Group's total RWAs is expected under Basel 3, compared to full Basel 2. Changes in the core Tier 1 capital calculation, primarily related to minority interests, investments in the common shares of unconsolidated financial institutions and deferred tax assets, correspondingly decrease the Group's core Tier 1 capital by less than 1 per cent. The estimated negative impact on Swedbank Group's core Tier 1 ratio is around 35bp. Swedbank does not at present regard the proposed leverage ratio as a de-facto restriction to its capital planning.

For further details on capital adequacy, see note 24.

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. Comparable figures in brackets relate to January-September 2009.

SEKm	VaR by risk category			Jan-Sep 2010	30 Sep 2010	31 Dec 2009
	Max	Min	Average			
Interest risk	127 (151)	50 (96)	74 (120)		110	120
Currency rate risk	19 (13)	2 (2)	8 (8)		6	7
Stock price risk	8 (34)	2 (11)	5 (21)		6	8
Diversification			-12 (-30)		-14	-14
Total	126 (148)	52 (95)	75 (119)		108	121

*) VaR 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.

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 2010 would have reduced the value of the Group's assets and liabilities, including derivatives, by SEK 667m (-226). 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 165m (+167). Positions in foreign currency would have decreased in value by SEK 502m (-393).

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 122m (-173) as of 30 September 2010. Comparative figures refer to 31 December 2009.

Operational risks

The operational risk level in the Group remained higher than normal during the third quarter of 2010. The main reasons were the severity of the recession in several east European countries and a number of major reorganisations underway in the Group. To normalise the risk level, the bank is focused on managing specific risks, and the Group's central risk control function carefully monitors the Group to ensure that risks are reduced.

Other events

Swedbank's Annual General Meeting on 26 March elected Lars Idermark, Siv Svensson and Göran Hedman as new members of the Board of Directors. Board members Ulrika Francke, Berith Hägglund-Marcus, Anders Igel, Helle Kruse Nielsen, Pia Rudengren, Anders Sundström and Karl-Henrik Sundström were re-elected. Lars Idermark was elected as the new Chair, succeeding Carl Eric Stålberg, who had been Chair since 2002.

The Annual General Meeting approved the Board's recommendation not to pay a dividend for 2009 on either A shares or preference shares.

Swedbank sold its shareholding in Bergslagens Sparbank to the majority owner, Sparbanksstiftelsen Bergslagen. As a result, Bergslagens Sparbank is now wholly owned by Sparbanksstiftelsen Bergslagen.

Mikael Björknert, previously employed at SEB, was appointed Head of Group Business Support and member of Group Executive Committee.

Swedbank's Board of Directors resolved on extensive changes to the bank's performance based remuneration programme for 2010. The programme is the first of its kind in the Swedish banking market to convert a portion of variable cash remuneration to restricted shares. The Board's resolution that a portion of the variable remuneration will be deferred and paid in the form of shares is subject to the approval of the 2011 Annual General Meeting.

Swedbank's performance and share based remuneration programme for 2010 divides variable remuneration into two parts, cash remuneration and deferred remuneration in the form of shares. The programme implies no increase in the total amount of variable remuneration to what was applicable previously. The cash portion of variable remuneration is paid out in the year following a full year of service. The deferred portion of variable remuneration has a vesting period of three years. For individuals who qualify as risk-takers according to the Swedish financial supervisory authority's definition, 60 percent is deferred, while for others who qualify for variable remuneration 40 percent is deferred. The programme's performance targets are based on the Group's performance after tax, profit adjusted for capital costs and risks in each business area and risk-adjusted results on an individual and/or team level as well as a number of behavioural variables tied to the Swedbank Group's values. The programme includes around 6 400 employees primarily in the Swedish part of the Group.

Swedbank and the savings banks have, together with Danske Bank, Handelsbanken, Nordea and SEB,

decided to establish a company responsible for a common infrastructure for the ATM operations in Sweden. The company will also take over the actual ownership of the banks' ATMs.

Swedbank's Annual General Meeting will be held on Friday, 25 March 2011 at Cirkus in Stockholm. The Nomination Committee comprises the following members:

Lennart Anderberg, appointed by the owner-group Föreningen Sparbanksintressenter and Chair of the Nomination Committee; Christer Gardell, appointed by the owner-group Cevian; Lars Idermark, Chair of the Board of Directors of Swedbank AB; Anders Sundström, appointed by the owner-group Folksam; Rose Marie Westman, appointed by Alesta Pensionsförsäkring, mutually.

The Nomination Committee will make proposals to the 2011 AGM regarding the election of Chair of the AGM, Chair of the Board and other board members. It will also make proposals regarding remuneration to the board members as well as to the auditor and submit a proposal for the principles for selecting a Nomination Committee for the 2012 AGM.

Ratings

On 16 August Standard & Poor's affirmed its AAA rating on Swedbank Mortgage's covered bond programme with a stable outlook. At the same time the covered bonds were removed from Standard & Poor's watch list.

(See note 28 for a complete rating table.)

Events after 30 September 2010

On 6 October the ratings agency Fitch restored its monitoring of Swedbank AB at the bank's request. Fitch assigned Swedbank a long-term rating of A and a short-term rating of F1 with a stable outlook.

At the bank's request Moody's removed its rating on the bank's subsidiaries in Russia and Ukraine on 12 October.

Retail

- Stable income trend
- Continued low credit impairments
- Better defined customer offerings with service commitments

Income statement

SEKm	Q3 2010	Q2 2010	%	Q3 2009	%	Jan-Sep 2010	Jan-Sep 2009	%
Net interest income	2 432	2 330	4	2 609	-7	7 126	8 351	-15
Net commissions	1 131	1 188	-5	1 044	8	3 415	2 885	18
Net gains and losses on financial items at fair value	35	40	-13	40	-13	107	112	-4
Share of profit or loss of associates	192	159	21	182	5	497	741	-33
Other income	258	288	-10	249	4	820	1 091	-25
Total income	4 048	4 005	1	4 124	-2	11 965	13 180	-9
Staff costs	1 014	997	2	1 021	-1	3 042	3 056	0
Variable staff costs	-21	27		54		27	99	-73
Other expenses	1 147	1 235	-7	1 076	7	3 538	3 458	2
Depreciation/amortisation	50	45	11	25	100	137	93	47
Total expenses	2 190	2 304	-5	2 176	1	6 744	6 706	1
Profit before impairments	1 858	1 701	9	1 948	-5	5 221	6 474	-19
Credit impairments	-4	78		116		132	920	-86
Operating profit	1 862	1 623	15	1 832	2	5 089	5 554	-8
Tax expense	493	498	-1	530	-7	1 404	1 386	1
Profit for the period	1 369	1 125	22	1 302	5	3 685	4 168	-12
Profit for the period attributable to the shareholders of Swedbank AB	1 365	1 123	22	1 299	5	3 678	4 161	-12
Non-controlling interests	4	2	100	3	33	7	7	0
Return on allocated equity, %	25.7	21.0		27.0		22.9	28.3	
Credit impairment ratio, %	0.00	0.04		0.06		0.02	0.15	
Total provision ratio for impaired loans, %	87	88		98		87	98	
Share of impaired loans, gross, %	0.21	0.22		0.27		0.21	0.27	
Cost/income ratio	0.54	0.58		0.53		0.56	0.51	
Full-time employees	5 689	5 724	-1	5 957	-4	5 689	5 957	-4

Development January - September

The Swedish economy has improved significantly in the last quarter, though from a low level. GDP grew by 5.2 per cent during the second quarter compared with the same period last year. Employment rose at the same time that open unemployment slowly began to fall. A higher level of activity has been followed by rising short-term interest rates in connection with the Riksbank's two benchmark rate hikes in the last three-month period, from 0.25 per cent to 0.75 per cent. This affected the bank's results positively during the third quarter.

Profit before impairments was 19 per cent lower than the same period last year, mainly due to lower interest rates, but also to higher funding costs and a decline in corporate lending.

Net interest income for the third quarter 2010 improved compared with the second quarter, mainly due to rising market interest rates, which raised deposit margins during the period. Lending margins also rose. At the same time the return on the investment portfolio used to hedge interest rates on current accounts decreased.

Total deposits increased by 5 per cent since the beginning of the year and by 3 per cent during the third

quarter. Corporate and household customers both contributed to volume growth, and market shares remained stable (17 and 24 per cent, respectively).

Lending volume to private customers increased by slightly over 3 per cent during the period. Swedbank's share of total lending to households (including mortgages) was 26 per cent (27). The bank's restrictive credit policy already complies with the new rules with a maximum 85 per cent loan-to-value ratio and with housing as collateral. This is now evident in Swedbank's increasing share of net growth. The share, which was low at the beginning of the year, gradually rose during the three-month period June - August to 22 per cent as of 31 August. Given Swedbank's market position and distribution capacity, this trend should continue.

Since the beginning of the year the volume in the corporate portfolio declined by 1 per cent. During the third quarter lending volumes levelled off and were unchanged between the second and third quarters. The bank's market share was also unchanged since the second quarter at 18 per cent (19 per cent at the beginning of the year).

The loan-to-deposit ratio decreased to 256 (265 at the beginning of the year), mainly due to increased savings-related deposits.

Net commission income was 18 per cent higher than the same period last year. Higher stock prices and better defined customer offerings, which resulted in strong product sales, contributed to the increase. Customers who signed up for one of Swedbank's latest offers have utilised the bank's products and services more than before.

The strong sales trend in insurance operations continued during the third quarter, mainly in the areas of endowment insurance and collective agreement occupational pensions. Swedbank Insurance is now the second largest company in the industry in Sweden, measured in terms of premium income.

Expenses were in line with the same period last year and 5 per cent lower than the previous quarter, mainly due to lower expenses for IT development. The number of employees was reduced by 268 during the period. The cost/income ratio was 0.56 (0.51).

In September Swedbank and the savings banks decided together with Danske Bank, Handelsbanken, Nordea and SEB to establish a company responsible for a common infrastructure for their ATM operations in

Sweden. This improves cost efficiency while maintaining service for Swedbank's customers.

The review of the branch structure continued during the quarter, resulting in the consolidation of another six branches into larger units. In September an agreement in principle was signed by the board of directors of the Savings Banks Association and Swedbank, which will result in separate agreements with individual savings banks and will replace the previous cooperation agreement between Swedbank and the savings banks which expires in March 2012.

Credit quality remained good during the period in both the private and corporate markets. Credit impairments remained low, decreasing against the previous year. The share of impaired loans was 0.21 per cent and the credit impairment ratio was 0.02 per cent.

In the annual Universum Swedish Student Survey, Swedbank ranked fifth among prospective employers. Among companies in the financial industry, Swedbank was first.

Retail, Swedbank's dominant business area, is responsible for all Swedish customers except for large corporates and financial institutions. The bank 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

- Lower earnings in fixed income and currency trading during the third quarter
- Stable results from large corporate deposits and lending during the third quarter
- High level of activity and good earnings in structured financing and syndicated loans

Income statement

SEKm	Q3 2010	Q2 2010	%	Q3 2009	%	Jan-Sep 2010	Jan-Sep 2009	%
Net interest income	711	824	-14	1 030	-31	2 318	3 105	-25
Net commissions	387	408	-5	371	4	1 184	1 010	17
Net gains and losses on financial items at fair value	260	309	-16	289	-10	1 010	2 521	-60
Other income	4	34	-88	43	-91	55	83	-34
Total income	1 362	1 575	-14	1 733	-21	4 567	6 719	-32
Staff costs	317	282	12	291	9	903	845	7
Variable staff costs		116		150		185	449	-59
Other expenses	355	370	-4	326	9	1 077	999	8
Depreciation/amortisation	18	12	50	8		38	23	65
Total expenses	690	780	-12	775	-11	2 203	2 316	-5
Profit before impairments	672	795	-15	958	-30	2 364	4 403	-46
Impairment of intangible assets								5
Credit impairments	-54	-94	-43	222		-62	627	
Operating profit	726	889	-18	736	-1	2 426	3 771	-36
Tax expense	184	227	-19	194	-5	597	999	-40
Profit for the period	542	662	-18	542	0	1 829	2 772	-34
Profit for the period attributable to the shareholders of Swedbank AB	539	645	-16	524	3	1 799	2 724	-34
Non-controlling interests	3	17	-82	18	-83	30	48	-38
Return on allocated equity, %	12.4	14.6		13.5		13.6	21.9	
Credit impairment ratio, %	-0.05	-0.10		0.26		-0.02	0.24	
Total provision ratio for impaired loans, %	92	101		100		92	100	
Share of impaired loans, gross, %	0.26	0.26		0.21		0.26	0.21	
Cost/income ratio	0.51	0.50		0.45		0.48	0.34	
Full-time employees	1 199	1 176	2	1 138	5	1 199	1 138	5

Development January - September

The third quarter began with renewed concerns in the financial markets due to the increased uncertainty about the strength of the global economic recovery. As a result, long-term bond rates fell substantially in August. The equity and credit markets also reacted negatively, but to a lesser extent, partly due to generally strong earnings reports for the second quarter. In September stronger economic indicators eased concerns about a new global recession, leading to rising equity prices and an upswing in long-term interest rates.

Profit for the period amounted to SEK 1 799m (2 724). Income fell by 32 per cent from the same period of 2009.

Net interest income decreased by 25 per cent compared with the same period of 2009. The portion of net interest income related to corporate loans decreased, mainly due to lower lending volumes. The third quarter was stable compared with the previous quarter concerning corporate loans. Higher margins relative to Stibor compensated for lower volumes.

The portion of net interest income related to trading and capital market products decreased compared with the same period last year.

Lending¹ decreased by SEK 4bn during the quarter, which means that the portfolio declined in total by SEK 18bn since the beginning of the year. Deposits decreased by SEK 15bn during the quarter.

Net commissions increased during the period. Activity in the area of financing solutions remained high, which contributed positively, although increased international competition put greater pressure on margins. During the third quarter net commissions decreased, mainly due to lower corporate finance income.

Net gains and losses on financial items at fair value decreased during the period. During the third quarter the result was affected by weak fixed income and currency markets trading as well as weak liquidity in the equity market. Last year's trading and capital market income was generated under exceptionally favourable market conditions with falling interest rates and greatly reduced credit spreads. This contributed to a major increase especially in net gains and losses on financial items at fair value, but also in net interest income.

Total expenses excluding provisions for profit based compensation increased by SEK 151m compared with the previous year. Variable staff costs decreased by SEK 264m, partly due to a lower result and partly to the

¹ Lending to the public excluding the Swedish National Debt Office and repos

new share-related remuneration programme whose cost will be deferred for a longer term compared to previous remuneration programmes.

Net recoveries of SEK 62m were reported, compared with impairment losses of SEK 627m in the previous year. The share of impaired loans, gross, was 0.26 per cent (0.21).

Risk-weighted assets attributable to the business area decreased by approximately SEK 7bn from the beginning of the year to SEK 177bn on 30 September.

Operations

Lending to large corporates has decreased during the last six quarters as Swedbank has focused its attention on risk-adjusted returns. Exposures where the desired returns could not be achieved have been eliminated when possible. Lending continued to decrease in the third quarter compared with the previous quarter. The appreciation of the Swedish krona, particularly against the US dollar and euro, affected volumes negatively. Activities targeting both current and new customers will increase in coming quarters. Continuing measures to strengthen sector-oriented advice will create a more professional customer offering.

Credit demand in the large corporates segment was stable compared with the previous quarter. Swedbank's margins continued to increase slightly against Stibor, despite a market trend toward lower lending margins. This was because a number of customers decided to refinance their current loans in advance, which contributed positively to margins and compensated for the declining volumes.

Fixed income and currency operations were launched in Finland in the third quarter to further improve service for companies and institutions and strengthen the Nordic/Baltic product and customer offering.

Earnings in equity operations increased slightly compared with the previous quarter, but were hampered by continued weak liquidity in the equity market. Liquidity improved slightly at the end of the quarter, however. The market share on the Stockholm stock exchange was 4.5 per cent for the period (5.6) and 4.7 per cent for September (6.5).

The market for syndicated loans and structured financing generated good growth during the period and Swedbank was able to increase its earnings and market shares. A good mix of financing was generated from several industrial sectors. Competition between the Nordic banks increased, placing pressure on fees and credit margins.

During the third quarter Swedbank participated as one of two financiers in arranging significant acquisition financing for Investor AB's acquisition of the health care provider Aleris.

First Securities profit for the period was lower than previous year and amounted to SEK 30m (49), primarily due to lower earnings in the fixed income area. In the areas of advisory services and corporate finance, activity was high, with expectations of a number of new assignments in the coming quarters.

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 partly owned 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

- Improved net interest income during the third quarter
- Lower credit impairments
- Loan portfolio decline is slowing

Income statement

SEKm	Q3 2010	Q2 2010	%	Q3 2009	%	Jan-Sep 2010	Jan-Sep 2009	%
Net interest income	918	873	5	912	1	2 602	3 381	-23
Net commissions	386	388	-1	418	-8	1 150	1 214	-5
Net gains and losses on financial items at fair value	48	102	-53	196	-76	222	616	-64
Share of profit or loss of associates	-1	1		1		0	1	
Other income	209	153	37	268	-22	580	530	9
Total income	1 560	1 517	3	1 795	-13	4 554	5 742	-21
Staff costs	244	266	-8	322	-24	806	1 080	-25
Variable staff costs	0	0		0		-13	-198	-93
Other expenses	341	368	-7	521	-35	1 108	1 418	-22
Depreciation/amortisation	41	44	-7	50	-18	132	159	-17
Total expenses	626	678	-8	893	-30	2 033	2 459	-17
Profit before impairments	934	839	11	902	4	2 521	3 283	-23
Impairment of intangible assets	23					23		
Impairment of tangible assets	39	118	-67	51	-24	188	51	
Credit impairments	327	1 096	-70	3 331	-90	3 526	11 533	-69
Operating profit	545	-375		-2 480		-1 216	-8 301	-85
Tax expense	14	-67		-159		-217	-970	-78
Profit for the period	531	-308		-2 321		-999	-7 331	-86
Profit for the period attributable to the shareholders of Swedbank AB	531	-308		-2 321		-999	-7 331	-86
Return on allocated equity, %	5.9	-3.3		-31.1		-3.6	-31.5	
Credit impairment ratio, %	0.90	2.83		6.66		2.88	6.65	
Total provision ratio for impaired loans, %	61	59		51		61	51	
Share of impaired loans, gross, %	16.40	16.81		13.26		16.40	13.26	
Cost/income ratio	0.40	0.45		0.50		0.45	0.43	
Full-time employees	5 797	5 801	0	6 496	-11	5 797	6 496	-11

Development January - September

Stronger export growth is the most important driver for the Baltic countries, while domestic demand remains weak due to high unemployment and weak income growth. Household spending has stabilised, but even those unaffected by the downturn remain careful regarding spending. Household deposits are increasing, mainly in Lithuania. In Estonia, GDP rose by 3.1 per cent on an annualized basis during the second quarter, compared with 1.3 per cent in Lithuania. In Latvia, on the other hand, the economy continued to shrink, by 2.1 per cent during the corresponding period, although this is considerably less than in previous quarters.

Robust Estonian public finances and its accession to the EMU in 2011 resulted in the ratings agency Fitch raising the credit worthiness of the Estonian economy. The stabilisation of the Latvian economy and major spending cuts in the public sector have improved Latvia's prospects of a higher credit rating, from negative to stable.

Baltic Banking reported a loss of SEK 999m for the period, compared with a loss of SEK 7 331m in the same period a year ago. During the third quarter, Baltic Banking reported a profit of 531m, mainly due to lower credit impairments. Estonia and Lithuania contributed to

the profit while Latvia reported a loss as the decline in credit impairments was slower.

Profit before impairments and provisions decreased by 15 per cent in local currency compared with the same period last year. Income fell by 12 per cent in local currency, mainly due to lower net interest income.

Net interest income fell by 14 per cent in local currency from the same period last year but rose by 8 per cent in the third quarter against the second quarter of 2010. The positive impact of falling local interest rates can be seen in all three countries, with the largest impact in Estonia, where euro expectations pushed deposit rates significantly lower. As a result, Estonian net interest income grew by 2 per cent in local currency compared with the same period last year. The positive effect of lower interest rates was mostly captured by the end of the third quarter as the majority of higher interest rate time deposits had matured by then. Lower funding costs, declining impaired loans and increasing Euribor rates positively affected net interest income.

Lending volume to the public decreased by 10 per cent in local currency compared with the beginning of the year. Despite an increase in sales activity during 2010, the general deleveraging trend in the three Baltic

countries continues. Swedbank's market share in lending remained flat during the quarter.

Deposits were unchanged in local currency from the beginning of the year and Swedbank's market share declined by 0.4 percentage points. The market share decline was due to a strong competition in the market for both private and corporate deposits. The loan-to-deposit ratio was 149 per cent (182).

Net commission income improved by 5 per cent in local currency compared with the same period a year ago. Payment services commissions increased the most. Latvian price revisions of 2009 resulted in commission income increasing by 5 per cent in local currency compared with the same period last year.

Net gains and losses on financial items at fair value fell by 60 per cent year-on-year. This is mainly due to unrealised decline in fair value of interest bearing securities.

Expenses declined by 9 per cent in local currency compared with the same period last year. In 2009, accrued bonus reserves of SEK 198m were reversed. Excluding the reversal, expenses declined by 15 per cent in local currency. Third quarter expenses are usually lower due to seasonal effects. The number of full-time employees declined by 308 during the nine month period, or by 5 per cent. The staff level is considered sufficient in the current economic environment and during the third quarter, the number of employees was stable. Other expenses declined mainly due to lower marketing and sponsorship activities. The cost/income ratio was 0.45 (0.43).

Credit impairments were SEK 4bn, a decrease of 66 per cent in local currency against the same period last year. Impaired loans, gross, were SEK 25bn on 30 September 2010 (SEK 27bn on 31 December 2009).

Impaired loans decreased during the third quarter, mostly due to write-offs and collateral sales in the non-performing part of the corporate portfolio. For the private portfolio, the recovery is expected to be delayed. Impaired loans private, in terms of inflow and outflow are highly dependent on unemployment levels. To support real estate market development and to avoid selling assets in distressed markets, Ektornet expects a sizeable real estate repossession.

In September, Swedbank introduced new mortgage loan pricing – Mortgage Base Rate (MBR). Historically, mortgage price included a base rate and a customer margin that reflects only the specific client risk factor. MBR includes a new component in the pricing that reflects external risks. In September, 56 per cent of new mortgage loans were MBR based in Lithuania, 10 per cent in Estonia and 12 per cent in Latvia.

Similar to many other countries within EU, the competition authorities in Latvia are in discussion with the banks regarding multilateral interchange fees on cards and whether these are violating antitrust laws. As a consequence of this Swedbank has initiated discussions with its counterparties with the aim to move to bilateral agreements.

Swedbank merged a number of leasing subsidiaries in Estonia. Goodwill amounting to SEK 23m was written off during the merger in respect of discontinued business in Russia.

Baltic Banking consists of Baltic Banking Operations and Investment. 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. In Baltic Banking Investment, the effects of Swedbank's ownership in Swedbank AS are reported, *inter alia*, as financing costs, Group goodwill and Group amortisation on surplus values in the lending and deposit portfolios identified at the time of acquisition in 2005.

Russia & Ukraine

- Small net recoveries
- Lower net interest income during the period due to decreased lending volumes

Income statement

SEKm	Q3 2010	Q2 2010	%	Q3 2009	%	Jan-Sep 2010	Jan-Sep 2009	%
Net interest income	146	122	20	400	-64	479	1 482	-68
Net commissions	19	28	-32	27	-30	61	77	-21
Net gains and losses on financial items at fair value	-25	23		-216	-88	25	-193	
Other income	7	8	-13	3		20	11	82
Total income	147	181	-19	214	-31	585	1 377	-58
Staff costs	80	104	-23	120	-33	296	381	-22
Variable staff costs				-8			18	
Other expenses	105	108	-3	143	-27	315	440	-28
Depreciation/amortisation	17	16	6	19	-11	49	65	-25
Total expenses	202	228	-11	274	-26	660	904	-27
Profit before impairments	-55	-47	17	-60	-8	-75	473	
Impairment of intangible assets						14	1 300	-99
Impairment of tangible assets	-11	10		26		4	46	-91
Credit impairments	-158	-139	14	2 443		-338	6 545	
Operating profit	114	82	39	-2 529		245	-7 418	
Tax expense	-24	-28	-14	208		-32	-185	-83
Profit for the period	138	110	25	-2 737		277	-7 233	
Profit for the period attributable to the shareholders of Swedbank AB	138	110	25	-2 737		277	-7 231	
Non-controlling interests							-2	
Return on allocated equity, %	14.9	10.1		-345.4		9.6	-255.9	
Credit impairment ratio, %	-3.27	-2.91		33.80		-2.28	24.28	
Total provision ratio for impaired loans, %	65	66		91		65	91	
Share of impaired loans, gross, %	49.05	44.98		24.06		49.05	24.06	
Cost/income ratio	1.37	1.26		1.28		1.13	0.66	
Full-time employees	2 043	2 085	-2	4 102	-50	2 043	4 102	-50

Development January - September

The profit for the period amounted to SEK 277m, compared with a loss of SEK 7 231m for the same period the previous year. The improvement was primarily due to the stabilisation of the credit quality and cost cutting in both Ukraine and Russia. Net interest income for the period was 68 per cent lower than the previous year as a result of loan portfolio amortizations, impaired loans and limited new lending. To adjust to lower business volumes, expenses were reduced by 27 per cent compared with the same period last year. A number of successful restructurings resulted in decreased portfolio provisions and individual provisions which gave net recoveries of SEK 338m.

Ukrainian Banking

The recovery in Ukraine continued in the third quarter as the economy benefited from increasing global commodity demand. In July and August industrial production rose by 10.4 per cent on average and unemployment fell to below 8 per cent, after having previously exceeded 9 per cent at the beginning of the year. The recovery is also evident in the banking sector, where corporate lending volumes are rising.

Profit before impairments in Ukrainian Banking decreased by 72 per cent compared with the same period last year. Net interest income dropped 64 per cent year-on-year due to credit impairments in end 2009, limited new lending and amortisations in the loan

portfolio. The loan portfolio decreased by 16 per cent in local currency since the beginning of the year. Going forward, net interest income is expected to continue downwards as the loan portfolio shrinks. Total costs decreased by SEK 128m during the period. The Cost/income ratio was 0.78 (0.59). Work to improve the quality of processes and enhance their effectiveness continues.

Credit quality gradually stabilised during the period. In local currency, the volume of impaired loans increased by 10 percent. Net recoveries of SEK 211m were due to lower portfolio provisions resulting from a smaller loan portfolio and a number of successful restructurings. The provision ratio for impaired loans was 66 per cent (92).

The loan-to-deposit ratio deteriorated from 310 per cent from the beginning of the year to 314 per cent due to a shift away from fixed term deposits in local currency (hryvnia) and a decrease in corporate deposits. The profit for the period amounted to SEK 286m (-7 128m).

There are ongoing negotiations with the National Bank of Ukraine regarding a prolonging of their temporary exemption from their regulatory ratios.

Russian Banking

Domestic demand continues to support the Russian recovery. Lower unemployment and rising incomes are contributing to increased consumer spending. The

unemployment rate as of end August was 6.9 per cent, compared with 8.4 per cent at the beginning of the year. The growth rate in industry has slowed, particularly in the oil industry and the agricultural sector, which has been hard hit since last summer's large fires.

Net interest income in the Russian operations was 74 per cent lower year-on-year and is expected to decline further as the loan portfolio shrinks. The loan portfolio declined 31 per cent in local currency since the beginning of the year. The increase in impaired loans in local currency during the period was 4 per cent since January and was mainly due to the appreciation of the US dollar against the rouble. The provision ratio for impaired loans remained stable at 58 per cent (79).

Total expenses declined by 18 per cent compared with the same period last year. Costs are expected to decline further in the coming quarters as a result of the customer strategy shift to Swedbank's home markets. The number of full-time employees was 393 at the end of the period compared with 567 at the end of last year.

The loan-to-deposit ratio improved from 233 per cent from the beginning of the year to 250 per cent due to shrinking loan portfolio and growth in corporate deposits. The profit for the period amounted to SEK 34m (6) due to net recoveries of SEK 127m

*The **Russia & Ukraine** business area comprises the banking operations of Swedbank Group in Russia and Ukraine. A management unit with staff functions is also included in the business area.*

Asset Management

- A volatile market caused major turbulence in fund flows
- Third-party distribution and institutional sales are reporting positive net flows

Income statement

SEKm	Q3 2010	Q2 2010	%	Q3 2009	%	Jan-Sep 2010	Jan-Sep 2009	%
Net interest income	-5	-3	67	-5	0	-15	-16	-6
Net commissions	393	386	2	350	12	1 177	388	
Net gains and losses on financial items at fair value	-5	1		18		7	40	-83
Other income	5	5	0	3	67	13	20	-35
Total income	388	389	0	366	6	1 182	432	
Staff costs	91	99	-8	80	14	290	245	18
Variable staff costs	30	1		8		31	26	19
Other expenses	76	100	-24	82	-7	260	262	-1
Depreciation/amortisation	12	12	0	13	-8	37	38	-3
Total expenses	209	212	-1	183	14	618	571	8
Profit before impairments	179	177	1	183	-2	564	-139	
Operating profit	179	177	1	183	-2	564	-139	
Tax expense	42	38	11	35	20	130	-56	
Profit for the period	137	139	-1	148	-7	434	-83	
Profit for the period attributable to the shareholders of Swedbank AB	137	139	-1	148	-7	434	-83	
Return on allocated equity, %	25.4	25.5		37.8		26.8	-7.2	
Cost/income ratio	0.54	0.54		0.50		0.52	1.32	
Full-time employees	297	289	3	281	6	297	281	6

Development January - September

The financial markets were volatile during the third quarter. This caused significant volatility in the fund market with flows varying greatly between months. The flows have largely coincided with the up- and downswings in the stockmarket, with rising inflows for mutual funds during bullish periods and rising inflows for fixed income funds during bearish periods. Inflows to mutual funds mainly wound up in funds with a slightly higher risk profile, while inflows to fixed income funds were fairly evenly divided between long-term and short-term fixed-income funds.

Net savings in the Swedish fund market amounted to SEK 54bn during the nine-month period, or SEK 15bn lower year-on-year. The total net outflow from Swedbank Robur's funds was SEK 105m. The outflow was primarily from outflows from mutual funds while the inflow mainly to mixed funds and long-term fixed income funds. The goal is to increase volume growth among distributors in the Nordic market and broaden the distribution base in selected European markets. Swedbank Robur's market share of total assets under management in Sweden was 24 per cent (28).

Profit for the period amounted to SEK 434m. Income rose by 22 per cent excluding refunded management

fees of SEK 540m resulting from incorrect charges in the previous year. The increase in income was due to higher assets under management, largely due to favourable market conditions. Income from discretionary management excluding Swedbank Robur's funds amounted to SEK 92.5m during the period (43.4). In 2009 SEK 20m was reserved for possible fees from the Swedish financial supervisory authority for violating flagging rules. The fee decided was less than SEK 1m, due to which the difference, SEK 19m, affected net commissions positively during the period. 6 per cent of operating income was attributable to operations in the three Baltic countries.

Expenses increased by 8 per cent compared with the same period last year. This was due to the additional resources allocated to compliance, risk management and control. A new model for performance-based salaries entered into force on 1 July 2010, because of which provisions for variable remuneration were made during the quarter. Increased investments in IT development, primarily in administration, will mean somewhat higher expenses going forward.

Thomas Eriksson took over as CEO of Robur AB on 2 August 2010.

Assets under management SEKbn	30 Sep 2010	31 Dec 2009	%	30 Sep 2009	%
Fund assets under management					
Assets under management	464	448	4	421	10
<i>of which:</i>					
Swedish equities, %	33.9	32.0	6	31.1	9
foreign equities, %	32.9	35.4	-7	34.7	-5
interest-bearing securities, %	33.2	32.6	2	34.2	-3
Discretionary asset management					
Assets under management, excl. Swedbank Robur's funds	243	222	9	224	9
Total assets under management	707	670	6	644	10

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.

Ektornet

- The value of repossessed properties amounted to SEK 1 237m
- Properties repossessed during the third quarter were valued at SEK 297m

Income statement

SEKm	Q3 2010	Q2 2010	%	Q3 2009	%	Jan-Sep 2010	Jan-Sep 2009	%
Net interest income	-6	-2				-13		
Net gains and losses on financial items at fair value	9					13		
Other income	36	28	29			78		
Total income	39	26	50	0		78	0	
Staff costs	21	28	-25			54		
Other expenses	40	40	0			124		
Depreciation/amortisation	12	4				17		
Total expenses	73	72	1	0		195	0	
Profit before impairments	-34	-46	-26	0		-117	0	
Impairment of tangible assets	2					2		
Operating profit	-36	-46	-22	0		-119	0	
Tax expense	-3	-6	-50			-9		
Profit for the period	-33	-40	-18			-110		
Profit for the period attributable to the shareholders of Swedbank AB	-33	-40	-18	0		-110	0	
Full-time employees	141	123	15			141		

Development January - September

As of 30 September Ektornet managed properties valued at SEK 1 237m (after currency translation and depreciation), compared with SEK 517m at the beginning of the year. During the third quarter properties worth SEK 297m were repossessed. Of the total property value, the Nordic region accounted for SEK 438m, Estonia for SEK 347m, Latvia for SEK 227m, Lithuania for SEK 104m and the US for SEK 121m. In addition, properties valued at SEK 593m have been acquired but not yet repossessed, mainly in Latvia. Due to market conditions and a time-consuming compulsory auction process in some countries, repossessions are expected to continue until 2013. It had previously been announced that Ektornet was expected to repossess assets worth SEK 4bn by year-end 2010, but it is doubtful that this volume will be reached this year.

Ektornet has initially focused on repossessions, but as the portfolio of repossessed properties grows, an organisation is being created to develop and manage the holdings while enhancing their value. In addition to the appraisal made in connection with repossessions, Ektornet also plans to make annual appraisals of its properties. This does not include properties acquired during the year, whose initial appraisal still presumably applies, provided that nothing significant has happened that may have affected their value. Since Ektornet reports its properties at cost rather than fair value, only

its impairment losses are reported, while any appreciation in value will only be mentioned in this text.

During the period through 30 September properties consisting mainly of small and atypical assets were sold for SEK 48m, with a breakeven result. In September the property in the US was put up for sale. Sales activities will gradually increase.

The value of repossessed assets is estimated at SEK 5-10bn by 2013 (previously 2012). The Baltic countries account for an estimated 75 per cent of repossessed properties, the majority of which are expected to be owner-occupied apartments or projects which will not generate any income until they are sold. In 2010 and 2011 the Baltic countries will therefore be Ektornet's highest priority, since the value of these properties will have a significant impact on results. The Nordic and US holdings currently consist primarily of a few high-value commercial properties. Ektornet is planning on further repossessions in the Nordic countries, the US and Ukraine and, in the longer term, in Russia as well.

Since a large share of the portfolio consists of non-income-generating assets, cash flow is expected to be negative in the next few years to come. Operating losses of about SEK 200-300m are projected in 2010 and 2011. Operating results will depend to a large extent, however, on foreclosures and property sales.

Ektornet is an independent subsidiary of Swedbank AB. Its aim is to manage and develop the Group's repossessed assets in order to minimise losses and if possible recover value in the long term. The majority of the collateral consists of real estate, mainly in the Baltic countries but also in the Nordic region, the US and Ukraine.

Shared Services & Group Staffs

Income statement

SEKm	Q3 2010	Q2 2010	%	Q3 2009	%	Jan-Sep 2010	Jan-Sep 2009	%
Net interest income	-210	-330	-36	73		-686	-240	
Net commissions	-5	-1		-7	-29	1	-21	
Net gains and losses on financial items at fair value	252	347	-27	-240		659	-589	
Share of profit or loss of associates							1	
Other income	926	947	-2	931	-1	2 850	2 892	-1
Total income	963	963	0	757	27	2 824	2 043	38
Staff costs	494	506	-2	407	21	1 448	1 258	15
Variable staff costs	10	-3		3		9	12	-25
Other expenses	517	444	16	556	-7	1 557	1 706	-9
Depreciation/amortisation	87	86	1	106	-18	254	309	-18
Total expenses	1 108	1 033	7	1 072	3	3 268	3 285	-1
Profit before impairments	-145	-70		-315	-54	-444	-1 242	-64
Credit impairments	9	22	-59	9	0	35	13	
Operating profit	-154	-92	67	-324	-52	-479	-1 255	-62
Tax expense	-68	10		-74	-8	-94	-308	-69
Profit for the period	-86	-102	-16	-250	-66	-385	-947	-59
Profit for the period attributable to the shareholders of Swedbank AB	-86	-102	-16	-250	-66	-385	-947	-59
Full-time employees	2 323	2 331	0	2 298	1	2 323	2 298	1

Shared Services & Group Staffs 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 2010	Q2 2010	%	Q3 2009	%	Jan-Sep 2010	Jan-Sep 2009	%
Net interest income	-6	-15	-60	-2		-9		
Net commissions	-1	-2	-50	5		-1	-1	0
Net gains and losses on financial items at fair value							1	
Other income	-853	-867	-2	-850	0	-2 659	-2 693	-1
Total income	-860	-884	-3	-847	2	-2 669	-2 693	-1
Staff costs								
Variable staff costs								
Other expenses	-860	-884	-3	-847	2	-2 669	-2 693	-1
Total expenses	-860	-884	-3	-847	2	-2 669	-2 693	-1

Financial information - contents

Group	Page
Income statement, condensed	26
Statement of comprehensive income, condensed	26
Income statement, quarterly	27
Balance sheet, condensed	28
Statement of changes in equity, condensed	29
Cash flow statement, condensed	29
Notes	
Note 1 Accounting policies	29
Note 2 Critical accounting estimates	30
Note 3 Changes in the Group structure	30
Note 4 Business segments (business areas)	31
Note 4 cont. Geographical breakdown	34
Note 4 cont. Product areas	35
Note 5 Net interest income	36
Note 6 Net commissions	37
Note 7 Net gains and losses on financial items at fair value	38
Note 8 Staff costs	38
Note 9 Number of full-time employees	39
Note 10 Other expenses	39
Note 11 Credit impairments, net	40
Note 12 Tax	40
Note 13 Loans	41
Note 14 Impaired loans etc.	43
Note 15 Property taken over to protect claims and cancelled leasing agreements	43
Note 16 Credit risk exposures	43
Note 17 Interest-bearing securities	44
Note 18 Intangible assets	44
Note 19 Savings and investments	45
Note 20 Debt securities in issue	46
Note 21 Derivatives	47
Note 22 Financial instruments carried at fair value	48
Note 23 Pledged collateral, contingent liabilities and commitments	49
Note 24 Capital adequacy	50
Note 25 Risks and uncertainties	52
Note 26 Related-party transactions	52
Note 27 Swedbank's share	53
Note 28 Ratings	53
Note 29 Exchange rates	54
Parent company	
Income statement	55
Statement of comprehensive income	55
Balance sheet	56
Statement of changes in equity	56
Cash flow statement	56
Capital adequacy	57

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 2010	Q2 2010	%	Q3 2009	%	Jan-Sep 2010	Jan-Sep 2009	%
<i>Interest income</i>	11 245	10 729	5	13 115	-14	33 924	44 108	-23
<i>Interest expenses</i>	-7 265	-6 930	5	-8 098	-10	-22 122	-28 045	-21
Net interest income (note 5)	3 980	3 799	5	5 017	-21	11 802	16 063	-27
<i>Commission income</i>	3 189	3 297	-3	3 085	3	9 622	8 219	17
<i>Commission expenses</i>	-879	-902	-3	-877	0	-2 635	-2 667	-1
Net commissions (note 6)	2 310	2 395	-4	2 208	5	6 987	5 552	26
Net gains and losses on financial items at fair value (note 7)	574	822	-30	87		2 043	2 508	-19
<i>Insurance premiums</i>	357	389	-8	391	-9	1 161	1 208	-4
<i>Insurance provisions</i>	-185	-216	-14	-231	-20	-696	-743	-6
Net insurance	172	173	-1	160	8	465	465	0
Share of profit or loss of associates	191	160	19	183	4	497	743	-33
Other income	420	423	-1	487	-14	1 292	1 469	-12
Total income	7 647	7 772	-2	8 142	-6	23 086	26 800	-14
Staff costs (note 8)	2 280	2 423	-6	2 448	-7	7 078	7 271	-3
Other expenses (note 10)	1 721	1 781	-3	1 857	-7	5 310	5 590	-5
Depreciation/amortisation	237	219	8	221	7	664	687	-3
Total expenses	4 238	4 423	-4	4 526	-6	13 052	13 548	-4
Profit before impairments	3 409	3 349	2	3 616	-6	10 034	13 252	-24
Impairment of intangible assets (note 18)	23					37	1 305	-97
Impairment of tangible assets	30	128	-77	77	-61	194	97	100
Credit impairments (note 11)	120	963	-88	6 121	-98	3 293	19 638	-83
Operating profit	3 236	2 258	43	-2 582		6 510	-7 788	
Tax expense (note 12)	638	672	-5	734	-13	1 779	866	
Profit for the period	2 598	1 586	64	-3 316		4 731	-8 654	
Profit for the period attributable to the shareholders of Swedbank AB	2 591	1 567	65	-3 337		4 694	-8 707	
Non-controlling interests	7	19	-63	21	-67	37	53	-30
Earnings per share before and after dilution, SEK	2.23	1.36		-3.57		4.05	-9.32	
Equity per share, SEK	80.07	78.48		99.15		80.07	99.15	
Return on equity, %	11.3	7.0		-16.9		6.9	-14.1	
Credit impairment ratio, %	0.03	0.28		1.75		0.32	1.85	

See page 53 for number of shares.

Statement of comprehensive income, condensed

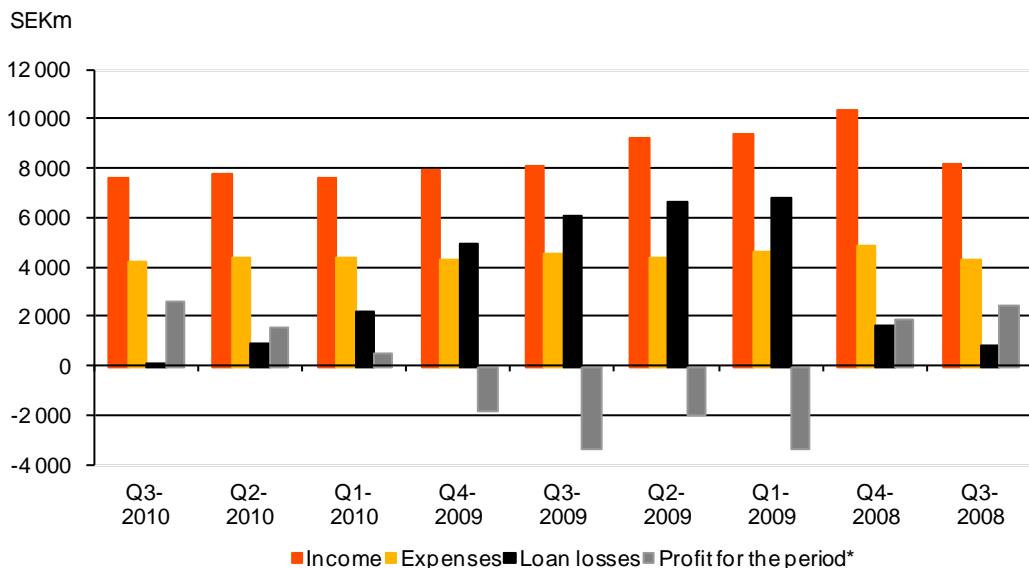
Group SEKm	Q3 2010	Q2 2010	%	Q3 2009	%	Jan-Sep 2010	Jan-Sep 2009	%
Profit for the period reported via income statement	2 598	1 586	64	-3 316		4 731	-8 654	
Exchange differences, foreign operations	-1 441	-595		-2 006	-28	-3 669	-2 059	78
Hedging of net investments in foreign operations:								
Gains/losses arising during the period	687	399	72	1 283	-46	2 103	1 468	43
Cash flow hedges:								
Gains/losses arising during the period	44	337	-87	-120		220	-643	
Reclassification adjustments to income statement, net interest income	209	214	-2	202	3	612	618	-1
Reclassification adjustments to income statement, net gains and losses on financial items at fair value				31			112	
Share of other comprehensive income of associates	-25	-7		16		-38	29	
Income tax relating to components of other comprehensive income	-248	-250	-1	-367	-32	-773	-391	98
Other comprehensive income for the period, net of tax	-774	98		-961	-19	-1 545	-866	78
Total comprehensive income for the period	1 824	1 684	8	-4 277		3 186	-9 520	
Total comprehensive income attributable to the shareholders of Swedbank AB	1 823	1 667	9	-4 298		3 160	-9 582	
Non-controlling interests	1	17	-94	21	-95	26	62	-58

Income statement, quarterly

Group SEKm	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008
Net interest income	3 980	3 799	4 023	4 702	5 017	5 243	5 803	5 742
Net commissions	2 310	2 395	2 282	2 273	2 208	1 970	1 374	2 011
Net gains and losses on financial items at fair value	574	822	647	262	87	710	1 711	1 244
Net insurance	172	173	120	182	160	175	130	139
Share of profit or loss of associates	191	160	146	123	183	463	97	136
Other income	420	423	449	440	487	673	309	1 074
Total income	7 647	7 772	7 667	7 982	8 142	9 234	9 424	10 346
Staff costs	2 280	2 423	2 375	1 930	2 448	2 282	2 541	2 602
Other expenses	1 721	1 781	1 808	2 168	1 857	1 895	1 838	2 004
Depreciation/amortisation	237	219	208	202	221	226	240	269
Total expenses	4 238	4 423	4 391	4 300	4 526	4 403	4 619	4 875
Profit before impairments	3 409	3 349	3 276	3 682	3 616	4 831	4 805	5 471
Impairment of intangible assets	23			14			1 305	1 403
Impairment of tangible assets	30	128	36	352	77	8	12	27
Credit impairments	120	963	2 210	5 003	6 121	6 672	6 845	1 633
Operating profit	3 236	2 258	1 016	-1 673	-2 582	-1 849	-3 357	2 408
Tax expense	638	672	469	115	734	145	-13	500
Profit for the period	2 598	1 586	547	-1 788	-3 316	-1 994	-3 344	1 908
Profit for the period attributable to the shareholders of Swedbank AB	2 591	1 567	536	-1 804	-3 337	-2 012	-3 358	1 915
Non-controlling interests	7	19	11	16	21	18	14	-7
Earnings per share before and after dilution, SEK	2.23	1.36	0.46	-1.83	-3.57	-2.16	-3.59	2.90
Equity per share, SEK	80.07	78.48	77.04	77.33	99.15	104.71	107.05	121.39
Return on equity, %	11.3	7.0	2.4	-8.3	-16.9	-9.9	-15.6	10.1
Credit impairment ratio, %	0.03	0.28	0.64	1.44	1.75	1.87	1.93	0.48

See page 53 for number of shares.

Profit trend, quarterly



* Refers to profit for the period attributable to shareholders in Swedbank AB.

Balance sheet, condensed

Group SEKm	30 Sep 2010	31 Dec 2009	%	30 Sep 2009	%
Assets					
Cash and balance with central banks	17 925	37 879	-53	25 412	-29
Loans to credit institutions (note 13)	206 346	92 131		148 354	39
Loans to the public (note 13)	1 214 302	1 290 667	-6	1 244 800	-2
Interest-bearing securities (note 17)	167 582	170 615	-2	190 701	-12
Fund units for which customers bear the investment risk	88 685	78 194	13	72 170	23
Shares and participating interests	9 420	9 505	-1	6 397	47
Investments in associates	2 596	2 740	-5	2 585	0
Derivatives (note 21)	92 276	72 969	26	82 860	11
Intangible fixed assets (note 18)	16 058	17 555	-9	17 532	-8
Tangible assets	4 189	3 815	10	3 605	16
Current tax assets	1 454	881	65	1 759	-17
Deferred tax assets	1 281	1 209	6	927	38
Other assets	17 308	9 806	77	10 437	66
Prepaid expenses and accrued income	6 510	6 721	-3	7 264	-10
Total assets	1 845 932	1 794 687	3	1 814 803	2
Liabilities and equity					
Amounts owed to credit institutions (note 19)	175 741	231 687	-24	303 627	-42
Deposits and borrowings from the public (note 19)	523 683	504 424	4	476 819	10
Debt securities in issue, etc (note 20)	720 687	703 258	2	674 926	7
Financial liabilities for which customers bear the investment risk	94 941	80 132	18	73 716	29
Derivatives (note 21)	92 074	72 172	28	87 305	5
Current tax liabilities	717	1 495	-52	948	-24
Deferred tax liabilities	1 566	720		2 222	-30
Sold, not held, securities	66 029	40 411	63	37 354	77
Other liabilities	26 798	11 819		19 732	36
Accrued expenses and prepaid income	17 617	14 400	22	14 865	19
Provisions	4 210	6 212	-32	6 062	-31
Subordinated liabilities	28 757	37 983	-24	40 327	-29
Equity	93 112	89 974	3	76 900	21
- <i>Non-controlling interests</i>	261	304	-14	252	4
- <i>Equity attributable to shareholders of Swedbank AB</i>	92 851	89 670	4	76 648	21
Total liabilities and equity	1 845 932	1 794 687	3	1 814 803	2

Statement of changes in equity, condensed

Group SEKm	Shareholders' equity						Non-controlling interests		Total equity	
	Share capital	Other contri- bututed equity*	Non regi- stered shares	Non regi- stered shares and associates	Exchange differences, investments in subsidiaries	Hedging of net foreign operations	Cash flow hedges	Retained earnings	Total	
Opening balance 1 January 2009	14 918	8 939	3 010	3 951	-2 905	-958	59 275	86 230	232	86 462
Dividends									-45	-45
Registration of shares	1 316	1 694	-3 010							
Contribution									3	3
Total comprehensive income for the period				-2 027	1 093	59	-8 707	-9 582	62	-9 520
Closing balance 30 September 2009	16 234	10 633		1 924	-1 812	-899	50 568	76 648	252	76 900
Opening balance 1 January 2009	14 918	8 939	3 010	3 951	-2 905	-958	59 275	86 230	232	86 462
Dividends									-45	-45
Registration of shares	1 316	1 694	-3 010							
New share issue	8 117	6 957						15 074	39	15 113
Expenses in connection with new share issue		-438						-438		-438
Contribution									3	3
Associates' acquisition of shares in Swedbank AB							-58	-58		-58
Business disposal									-6	-6
Total comprehensive income for the period				-1 808	978	203	-10 511	-11 138	81	-11 057
Closing balance 31 December 2009	24 351	17 152		2 143	-1 927	-755	48 706	89 670	304	89 974
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
Business combinations									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

*Other contributed equity consists mainly of share premiums.

Expenses in connection with new share issue includes a positive tax effect of SEK 156m in 2009.

Cash flow statement, condensed

Group SEKm	Jan-Sep 2010	Full-year 2009	Jan-Sep
			2009
Cash flow from operating activities	13 824	-61 828	16 926
Cash flow from investing activities	1 580	-718	-1 217
Cash flow from financing activities	22 117	137 407	92 396
Cash flow for the period	37 521	74 861	108 105
Cash and cash equivalents at beginning of period	131 498	57 707	57 707
Cash flow for the period	37 521	74 861	108 105
Exchange differences on cash and cash equivalents	-3 504	-1 070	-1 384
Cash and cash equivalents at end of period	165 515	131 498	164 428

Note 1 Accounting policies

The interim report has been prepared in accordance with IAS 34.

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 Finansinspektionen, the Swedish financial supervisory authority, and recommendation RFR 2 of the Financial Reporting Council.

Several new and revised IFRS standards and interpretations by IFRIC have not had a material effect

on the financial position, results or disclosures of the Group or the Parent Company.

Swedbank introduced a new performance based remuneration programme during the third quarter. The new remuneration programme contains a part implying that employees grants shares issued by Swedbank AB. The group therefore applies IFRS 2 – *Share based payments* as from the third quarter. According to IFRS 2, the total value of received shares is to be expensed over the vesting period. The vesting period is the period that the employee has to remain in service in Swedbank

in order to receive these shares. To receive shares in remuneration programme 2010 an employment condition should exist at the time of allocation in 2014. At the transition to the share based payment, a difference occurs against the earlier cash based programme, which was expensed over current year. The difference between the old and the new programme is recognised in profit and loss during the third quarter.

Other accounting principles applied in the interim report are the same as those applied in the preparation of the Annual Report for 2009.

The operating segments have been changed in 2010 to coincide with the organisational changes implemented

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 loan losses and impairment testing of goodwill.

Provisions for loan losses

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 loan losses 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 2010 economic conditions stabilised in the Baltic countries, as well as in Ukraine. The Group's provisions in the Baltic operations decreased from SEK 15 276m to SEK 15 160m. Provisions in the Ukrainian operations decreased from SEK 6 390m to SEK 5 639m. The changes were based on the losses that management

in Swedbank's business area organisation. Comparative figures have been restated. The largest corporate customers have been moved from Retail to the new business area Large Corporates & Institutions. At the same time the finance department within Swedbank Mortgage has been moved to Group Treasury within Shared Services and Group Staffs. In addition to the large corporate customers from Retail, Large Corporates & Institutions includes the international branch offices from the old business areas International Banking and Swedbank Markets. The new business area Russia & Ukraine includes the operations in those countries.

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 13 944m as of 30 September, of which SEK 11 066m relates to the investment in the Baltic operations. By 2001, 60 per cent of the Baltic operations had been acquired. In 2005 the remaining 40 per cent was acquired. SEK 9 958m of the goodwill arose in connection with the acquisition of the remaining non-controlling interest, which at the time corresponded to 40 per cent of the operations' total value. Since the economies in the Baltic countries have stabilised, no indications have been identified signifying a new test compared with the one made as of year-end 2009.

Note 3 Changes in the Group structure

Internal structural changes

Swedbank AB acquired Swedbank Försäkring AB from Swedbank Robur AB in January 2010.

Within the Swedbank AS Group, several smaller finance companies have been merged into Swedbank Liising AS.

Note 4 Business segments (business areas)

Jan-Sep 2010 SEKm	Large Corporates						Shared Services & Group Staffs			Group
	Retail	& Institutions	Baltic Banking	Russia & Ukraine	Asset Management	Ektornet	Eliminations			
Net interest income	7 126	2 318	2 602	479	-15	-13	-686	-9	11 802	
Net commissions	3 415	1 184	1 150	61	1 177		1	-1	6 987	
Net gains and losses on financial items at fair value	107	1 010	222	25	7	13	659		2 043	
Share of profit or loss of associates	497								497	
Other income	820	55	580	20	13	78	2 850	-2 659	1 757	
Total income	11 965	4 567	4 554	585	1 182	78	2 824	-2 669	23 086	
Staff costs	3 042	903	806	296	290	54	1 448		6 839	
Variable staff costs	27	185	-13		31		9		239	
Other expenses	3 538	1 077	1 108	315	260	124	1 557	-2 669	5 310	
Depreciation/amortisation	137	38	132	49	37	17	254		664	
Total expenses	6 744	2 203	2 033	660	618	195	3 268	-2 669	13 052	
Profit before impairments	5 221	2 364	2 521	-75	564	-117	-444		10 034	
Impairment of intangible assets			23	14					37	
Impairment of tangible assets			188	4		2			194	
Credit impairments	132	-62	3 526	-338			35		3 293	
Operating profit	5 089	2 426	-1 216	245	564	-119	-479		6 510	
Tax expense	1 404	597	-217	-32	130	-9	-94		1 779	
Profit for the period	3 685	1 829	-999	277	434	-110	-385		4 731	
Profit for the period attributable to the shareholders of Swedbank AB	3 678	1 799	-999	277	434	-110	-385		4 694	
Non-controlling interests	7	30							37	
Loans	842 083	426 327	137 352	14 886					1 420 648	
Investments in associates	1 440		3	1			1 152		2 596	
Other assets	102 035	208 404	45 079	3 224	1 761	1 991	60 194		422 688	
Total assets*	945 558	634 731	182 434	18 111	1 761	1 991	61 346		1 845 932	
Deposits	329 122	98 018	91 326	5 217					523 683	
Other liabilities	595 365	519 216	55 844	9 290	-393	962	49 114		1 229 398	
Total liabilities*	924 487	617 234	147 170	14 507	-393	962	49 114		1 753 081	
Allocated equity	21 071	17 497	35 264	3 604	2 154	1 029	12 232		92 851	
Total liabilities and equity	945 558	634 731	182 434	18 111	1 761	1 991	61 346		1 845 932	
Impaired loans, gross	1 813	1 123	25 012	10 683					38 631	
Risk-weighted assets	211 155	177 247	142 777	20 062	3 242	2 098	3 128		559 709	
Return on allocated equity, %	22.9	13.6	-3.6	9.6	26.8	-20.5	-6.4		6.9	
Loans/deposits	256	236	149	260					233	
Credit impairment ratio, %	0.02	-0.02	2.88	-2.28					0.32	
Total provision ratio for impaired loans, %	87	92	61	65					64	
Share of impaired loans, gross, %	0.21	0.26	16.40	49.05					2.67	
Cost/income ratio	0.56	0.48	0.45	1.13	0.52	2.50	1.16		0.57	
Full-time employees	5 689	1 199	5 797	2 043	297	141	2 323		17 489	

* Excluding intra-Group transactions

Jan-Sep 2009 SEKm	Large Corporates & Institutions						Asset Management	Shared Services & Group Staffs			Group
	Retail	Baltic Banking	Russia & Ukraine	Ektornet	Group Staffs	Eliminations					
Net interest income	8 351	3 105	3 381	1 482	-16			-240		16 063	
Net commissions	2 885	1 010	1 214	77	388			-21	-1	5 552	
Net gains and losses on financial items at fair value	112	2 521	616	-193	40			-589	1	2 508	
Share of profit or loss of associates	741		1					1		743	
Other income	1 091	83	530	11	20			2 892	-2 693	1 934	
Total income	13 180	6 719	5 742	1 377	432			2 043	-2 693	26 800	
Staff costs	3 056	845	1 080	381	245			1 258		6 865	
Variable staff costs	99	449	-198	18	26			12		406	
Other expenses	3 458	999	1 418	440	262			1 706	-2 693	5 590	
Depreciation/amortisation	93	23	159	65	38			309		687	
Total expenses	6 706	2 316	2 459	904	571			3 285	-2 693	13 548	
Profit before impairments	6 474	4 403	3 283	473	-139			-1 242		13 252	
Impairment of intangible assets		5		1 300						1 305	
Impairment of tangible assets			51	46						97	
Credit impairments	920	627	11 533	6 545				13		19 638	
Operating profit	5 554	3 771	-8 301	-7 418	-139			-1 255		-7 788	
Tax expense	1 386	999	-970	-185	-56			-308		866	
Profit for the period	4 168	2 772	-7 331	-7 233	-83			-947		-8 654	
Profit for the period attributable to the shareholders of Swedbank AB	4 161	2 724	-7 331	-7 231	-83			-947		-8 707	
Non-controlling interests	7	48		-2						53	
Loans	830 452	359 737	179 400	23 565						1 393 154	
Investments in associates	1 314		4	1				1 266		2 585	
Other assets	84 038	128 649	49 289	2 747	1 930			152 285		419 064	
Total assets*	915 804	488 386	228 693	26 313	1 930			153 551		1 814 803	
Deposits	300 596	73 918	97 300	5 005						476 819	
Other liabilities	596 627	399 451	102 400	18 252	386			144 094		1 261 336	
Total liabilities*	897 223	473 369	199 700	23 257	386			144 094		1 738 155	
Allocated equity	18 581	15 017	28 993	3 056	1 544			9 457		76 648	
Total liabilities and equity	915 804	488 386	228 693	26 313	1 930			153 551		1 814 803	
Impaired loans, gross	2 246	745	25 527	7 252						35 770	
Risk-weighted assets	224 653	183 100	169 242	25 557	2 231			2 542		607 457	
Return on allocated equity, %	28.3	21.9	-31.5	-255.9	-7.2			-12.9		-14.1	
Loans/deposits	275	275	184	400						257	
Credit impairment ratio, %	0.15	0.24	6.65	24.28						1.85	
Total provision ratio for impaired loans, %	98	100	51	91						63	
Share of impaired loans, gross, %	0.27	0.21	13.26	24.06						2.53	
Cost/income ratio	0.51	0.34	0.43	0.66	1.32			1.61		0.51	
Full-time employees	5 957	1 138	6 496	4 102	281			2 298		20 272	

* Excluding intra-Group transactions

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 shared services and Group staffs are transfer priced at full cost. 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.

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.

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

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 partly owned 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 consists of Baltic Banking Operations and Investment. 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. In Baltic Banking Investment, the effects of Swedbank's ownership in Swedbank AS are reported, *inter alia*, as financing costs, Group goodwill and Group amortisation on surplus values in the lending and deposit portfolios identified at the time of acquisition in 2005.

The Russia & Ukraine business area comprises the banking operations of Swedbank Group in Russia and Ukraine. A management unit with staff functions is also included in the business area.

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.

Ektornet is an independent subsidiary of Swedbank AB. Its aim is to manage and develop the Group's repossessed assets in order to minimise losses and if possible recover value in the long term. The majority of the collateral consists of real estate, mainly in the Baltic countries but also in the Nordic region, the US and Ukraine.

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

Note 4, cont. Geographical breakdown

Jan-Sep 2010 SEKm	Sweden	Estonia	Latvia	Lithuania	Ukraine	Russia	Other	Total
Net interest income	8 101	1 128	805	722	317	202	527	11 802
Net commissions	5 131	540	372	375	33	11	525	6 987
Net gains and losses on financial items at fair value	1 562	111	182	78	13	18	79	2 043
Share of profit or loss of associates	279						218	497
Other income	1 083	44	227	318	16	4	65	1 757
Total income	16 156	1 823	1 586	1 493	379	235	1 414	23 086
Staff costs	5 192	420	248	305	140	133	401	6 839
Variable staff costs	173	-5	-3	-4			78	239
Other expenses	3 869	90	444	447	132	125	203	5 310
Depreciation/amortisation	361	133	46	41	28	20	35	664
Total expenses	9 595	638	735	789	300	278	717	13 052
Profit before impairments	6 561	1 185	851	704	79	-43	697	10 034
Impairment of intangible assets		23				14		37
Impairment of tangible assets	2	1	25	162	6	-2		194
Credit impairments	38	944	1 777	806	-211	-62	1	3 293
Operating profit	6 521	217	-951	-264	284	7	696	6 510
Tax expense	1 720	-1	-137	-53	3	4	243	1 779
Profit for the period	4 801	218	-814	-211	281	3	453	4 731
Profit for the period attributable to the shareholders of Swedbank AB	4 795	218	-814	-211	281	3	422	4 694
Non-controlling interests	6						31	37
Loans	1 190 098	60 507	39 477	37 393	7 105	7 560	78 508	1 420 648
Investments in associates	1 821	3			1		771	2 596
Other assets	336 313	26 315	8 978	11 895	1 964	1 268	35 955	422 688
Total assets*	1 528 232	86 825	48 455	49 288	9 070	8 828	115 234	1 845 932
Deposits	418 363	42 636	19 498	32 099	2 172	2 655	6 260	523 683
Other liabilities	1 058 018	31 960	15 041	7 061	4 729	4 731	107 858	1 229 398
Total liabilities*	1 476 381	74 596	34 539	39 160	6 901	7 386	114 118	1 753 081
Allocated equity	51 851	12 229	13 916	10 128	2 169	1 442	1 116	92 851
Total liabilities and equity	1 528 232	86 825	48 455	49 288	9 070	8 828	115 234	1 845 932
Impaired loans, gross	2 681	5 134	12 907	6 971	8 531	2 152	255	38 631
Risk-weighted assets	367 482	63 365	46 139	37 152	10 568	9 515	25 488	559 709
Return on allocated equity, %	13.7	2.3	-7.5	-2.7	16.8	0.3	21.3	6.9
Cost/income ratio	0.59	0.35	0.46	0.53	0.79	1.19	0.51	0.57
Full-time employees	8 318	2 572	1 726	2 325	1 644	396	508	17 489

The geographical distribution is not comparable to the business area reporting.

* Excluding intra-Group transactions

Note 4, cont. Product areas

Jan-Sep 2010 SEKm	Financing	Savings & Investments	Payments & Cards	Trading & Capital Market	Other	Total
Net interest income	8 474	1 405	2 714	918	-1 709	11 802
Net commissions	191	3 188	2 497	720	391	6 987
Net gains and losses on financial items at fair value		19	42	1 369	613	2 043
Share of profit or loss of associates	355		26		116	497
Other income	391	487	466	15	398	1 757
Total income	9 411	5 099	5 745	3 022	-191	23 086
Total expenses	3 734	3 045	3 472	2 066	735	13 052
Profit before impairments	5 677	2 054	2 273	956	-926	10 034
Impairment of intangible assets					37	37
Impairment of tangible assets	177				17	194
Credit impairments	3 290		7		-4	3 293
Operating profit	2 210	2 054	2 266	956	-976	6 510
Tax expense	834	511	466	143	-175	1 779
Profit for the period	1 376	1 543	1 800	813	-801	4 731
Profit for the period attributable to the shareholders of Swedbank AB	1 376	1 540	1 800	788	-810	4 694
Non-controlling interests		3		25	9	37
Loans	1 148 930		370	271 348		1 420 648
Deposits		283 628	208 395	31 660		523 683
Mutual funds	469 089					469 089
Retail bonds and index-linked linked bonds				27 490		27 490
Discretionary asset management	241 778					241 778
Allocated equity	48 375	3 429	6 785	5 986	28 276	92 851
Return on allocated equity, %	3.8	63.0	40.6	17.6	-3.9	6.9
Cost/income ratio	0.40	0.60	0.60	0.68	-3.85	0.57

In the geographical distribution, intangible assets, primarily goodwill, attributable to business combinations have been allocated to the country in which the operations were acquired.

In the product area report, profit and volumes have been distributed among five principal product areas.

(1) **Financing:**

- private residential lending
- consumer finance
- credit cards (including EnterCard)
- corporate lending
- leasing
- credit guarantees
- other financing products

(2) **Savings & Investments**

- savings accounts
- mutual funds
- insurance savings
- pension savings
- other life insurance products
- institutional asset management
- other savings and investment products

(3) **Payments & Cards**

- current accounts (incl. cash management)
- cash handling
- domestic payments
- international payments
- document payments
- debit cards
- card transaction processing
- other payment products

(4) **Trading & Capital Market Products**

- equity trading
- structured products
- corporate finance
- custody services
- fixed income trading
- foreign currency trading
- other capital market products

(5) **Other**

- real estate brokerage
- real estate management
- non-life insurance
- legal services
- safe deposit boxes
- administrative services
- treasury operations
- share of the profit or loss of associates
- capital gains
- goodwill
- other.

Non-recurring items are generally included in Other despite the fact that these items could be distributed to the product areas.

Impairment of tangible assets is reported within Financing when the impairment refers to repossessed collateral. Impairment of the Group's own properties is included in Other.

Note 5 Net interest income

Group SEKm	Q3 2010	Q2 2010	%	Q3 2009	%	Jan-Sep 2010	Jan-Sep 2009	%
Interest income								
Loans to credit institutions	201	221	-9	100		610	523	17
Loans to the public	9 315	8 778	6	10 653	-13	27 146	37 214	-27
Interest-bearing securities	259	315	-18	544	-52	922	1 849	-50
Derivatives	1 393	1 381	1	1 773	-21	5 077	4 409	15
Other	77	34		45	71	169	113	50
Total interest income	11 245	10 729	5	13 115	-14	33 924	44 108	-23
Interest expenses								
Amounts owed to credit institutions	-311	-375	-17	-361	-14	-975	-2 849	-66
Deposits and borrowings from the public	-989	-934	6	-1 259	-21	-3 033	-5 146	-41
of which deposit guarantee fees	-121	-101	20	-106	14	-327	-311	5
Debt securities in issue	-5 572	-5 286	5	-5 392	3	-16 302	-16 471	-1
of which commissions for funding with state guarantee	-384	-400	-4	-534	-28	-1 221	-1 297	-6
Subordinated liabilities	-344	-330	4	-444	-23	-1 079	-1 534	-30
Derivatives	25	69	-64	-435		-509	-1 813	-72
Other	-74	-74	0	-207	-64	-224	-232	-3
of which stability fee	-61	-58	5	-195	-69	-176	-195	-10
Total interest expenses	-7 265	-6 930	5	-8 098	-10	-22 122	-28 045	-21
Net interest income	3 980	3 799	5	5 017	-21	11 802	16 063	-27
Average balances								
Loans to credit institutions	210 670	192 185	10	123 768	70	177 158	141 619	25
Loans to the public	1 221 549	1 224 639	0	1 254 765	-3	1 230 665	1 274 876	-3
Interest-bearing securities	104 921	161 419	-35	140 007	-25	142 033	121 852	17
Interest-bearing assets	1 537 140	1 578 243	-3	1 518 540	1	1 549 856	1 538 347	1
Derivatives	89 853	86 288	4	87 871	2	83 499	110 711	-25
Other assets	159 401	160 212	-1	174 166	-8	161 420	135 905	19
Total assets	1 786 394	1 824 743	-2	1 780 577	0	1 794 775	1 784 963	1
Amounts owed to credit institutions	201 726	258 362	-22	288 335	-30	230 266	324 896	-29
Deposits and borrowings from the public	519 282	518 905	0	470 804	10	516 556	481 414	7
Debt securities in issue	721 134	711 193	1	663 828	9	712 597	641 150	11
Subordinated liabilities	31 555	32 956	-4	41 256	-24	33 784	44 151	-23
Interest-bearing liabilities	1 473 697	1 521 416	-3	1 464 223	1	1 493 203	1 491 611	0
Derivatives	82 869	78 286	6	90 033	-8	78 206	103 189	-24
Other liabilities	137 883	134 995	2	147 565	-7	132 766	107 926	23
Total liabilities	1 694 449	1 734 697	-2	1 701 821	0	1 704 175	1 702 726	0
Equity	91 945	90 046	2	78 756	17	90 600	82 237	10
Total liabilities and equity	1 786 394	1 824 743	-2	1 780 577	0	1 794 775	1 784 963	1
Average interest rates, %								
Loans to credit institutions	0.38	0.46		0.32		0.46	0.49	
Loans to the public	3.05	2.87		3.40		2.94	3.89	
Interest-bearing securities	0.99	0.78		1.55		0.87	2.02	
Interest-bearing assets	2.54	2.36		2.98		2.47	3.43	
Total assets	2.52	2.35		2.95		2.52	3.29	
Amounts owed to credit institutions	0.62	0.58		0.50		0.56	1.17	
Deposits and borrowings from the public	0.76	0.72		1.07		0.78	1.43	
Debt securities in issue	3.09	2.97		3.25		3.05	3.43	
Subordinated liabilities	4.36	4.01		4.30		4.26	4.63	
Interest-bearing liabilities	1.96	1.82		2.04		1.91	2.32	
Total liabilities	1.72	1.60		1.90		1.73	2.20	
Total liabilities and equity	1.63	1.52		1.82		1.64	2.09	
Net interest margin	0.89	0.83		1.13		0.88	1.20	

Interest-bearing securities are reported net in this note less sold, not held, securities.
 Interest income on impaired loans is not accrued.

Note 6 Net commissions

Group SEKm	Q3 2010	Q2 2010	%	Q3 2009	%	Jan-Sep 2010	Jan-Sep 2009	%
Commission income								
Payment processing	1 425	1 377	3	1 400	2	4 114	4 052	2
Asset management	990	1 020	-3	884	12	3 013	1 834	64
Life insurance	117	120	-3	104	13	351	280	25
Brokerage	95	161	-41	152	-38	425	437	-3
Other securities	31	61	-49	37	-16	130	113	15
Corporate finance	57	111	-49	52	10	229	126	82
Lending	153	153	0	142	8	440	425	4
Guarantee	49	52	-6	73	-33	166	214	-22
Deposits	17	17	0	17	0	59	59	0
Real estate brokerage	44	47	-6	38	16	124	108	15
Non-life insurance	10	9	11	7	43	36	25	44
Other commission income	201	169	19	179	12	535	546	-2
Total commission income	3 189	3 297	-3	3 085	3	9 622	8 219	17
Commission expenses								
Payment processing	-561	-547	3	-510	10	-1 641	-1 514	8
Asset management	-9	-29	-69	-8	13	-57	-35	63
Life insurance	-41	-66	-38	-48	-15	-155	-120	29
Brokerage	-2	-2	0	-6	-67	-6	-19	-68
Other securities	-53	-63	-16	-62	-15	-176	-231	-24
Lending and guarantees	-28	-5		-26	8	-63	-76	-17
Other commission expenses	-185	-190	-3	-217	-15	-537	-672	-20
Total commission expenses	-879	-902	-3	-877	0	-2 635	-2 667	-1
Total net commissions	2 310	2 395	-4	2 208	5	6 987	5 552	26

Commission income from asset management includes SEK 480m in the first quarter 2009 and SEK 60m in the second quarter 2009 paid as compensation to Swedish customers because asset management fees charged since 2004 were not in compliance with the provisions of two of Swedbank Robur's funds (Russia Fund and Mixed Fund).

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

Group SEKm	Q3 2010	Q2 2010	%	Q3 2009	%	Jan-Sep 2010	Jan-Sep 2009	%
Valuation category, fair value through profit or loss								
Shares and related derivatives	-16	337		212		731	805	-9
of which dividend	5	148	-97	17	-71	193	169	14
Interest-bearing securities and related derivatives	-3 341	-2 263	48	-6 317	-47	-11 038	-9 339	18
Loans	-1 270	-288		825		-1 877	731	
Financial liabilities	4 786	2 610	83	5 067	-6	13 017	9 533	37
Other financial instruments	-16	-1		18		-32	41	
Total fair value through profit or loss	143	395	-64	-195		801	1 771	-55
Hedge accounting								
Inefficiency in hedge accounting at fair value	-7	39		-1		-4	4	
of which hedging instrument	813	2 104	-61	-108		4 295	-291	
of which hedged item	-820	-2 065	-60	107		-4 299	295	
Ineffective part in cash flow hedge				-31			-112	
Ineffective part in hedging of net investments in foreign operations							3	
Total hedge accounting	-7	39		-32	-78	-4	-105	-96
Loans valued at amortised cost	28	30	-7	52	-46	87	119	-27
Financial liabilities valued at amortised cost	122						122	
Change in exchange rates	288	358	-20	262	10	1 037	723	43
Total net gains and losses on financial items at fair value	574	822	-30	87		2 043	2 508	-19
Distribution by business purpose								
Financial instruments for trading related business	525	742	-29	370	42	1 897	2 773	-32
Financial instruments which are intended to be held to contractual maturity	49	80	-39	-283		146	-265	
of which change in the value of open interest position, Swedbank Mortgage	-85	-5		-327	-74	-80	-299	-73
Total	574	822	-30	87		2 043	2 508	-19

In September 2010 the bank repurchased SEK 2.2bn in outstanding subordinated, Tier 2, bond loans. The debts were reported as subordinated liabilities in the condensed Balance sheet. The repurchases were made at market rates which generated a capital gain of SEK 122m.

Note 8 Staff costs

Group SEKm	Q3 2010	Q2 2010	%	Q3 2009	%	Jan-Sep 2010	Jan-Sep 2009	%
Salaries and other remuneration	1 492	1 600	-7	1 631	-9	4 637	4 821	-4
Pension costs	298	267	12	261	14	822	767	7
Social insurance charges	430	469	-8	486	-12	1 388	1 430	-3
Training costs	15	23	-35	19	-21	55	72	-24
Other staff costs	45	64	-30	51	-12	176	181	-3
Total staff costs	2 280	2 423	-6	2 448	-7	7 078	7 271	-3
of which variable staff costs	19	141	-87	207	-91	239	604	-60
of which redundancy costs	16	73	-78	19	-15	130	45	

Note 9 Number of full-time employees

Group Number of employees	30 Sep 2010	31 Dec 2009	%	30 Sep 2009	%
Retail	5 689	5 894	-3	5 957	-4
Large Corporates & Institutions	1 199	1 147	5	1 138	5
Sweden	688	661	4	654	5
Norway	270	262	3	269	0
Baltic countries	135	142	-5	135	0
Other branch offices	84	67	25	65	29
Other	22	15	47	15	47
Baltic Banking	5 797	6 105	-5	6 496	-11
Estonia	2 084	2 109	-1	2 211	-6
Latvia	1 566	1 684	-7	1 856	-16
Lithuania	2 147	2 312	-7	2 429	-12
Russia & Ukraine	2 043	3 472	-41	4 102	-50
Russia	393	567	-31	575	-32
Ukraine	1 640	2 880	-43	3 498	-53
Other	10	25	-60	29	-66
Asset Management	297	291	2	281	6
Sweden	274	269	2	258	6
Baltic countries	23	22	5	23	0
Ektornet	141	39			
Shared Services & Group Staffs	2 323	2 329	0	2 298	1
Sweden	1 699	1 677	1	1 641	4
Baltic countries	624	652	-4	657	-5
Total	17 489	19 277	-9	20 272	-14

Note 10 Other expenses

Group SEKm	Q3 2010	Q2 2010	%	Q3 2009	%	Jan-Sep 2010	Jan-Sep 2009	%
Premises and rents	317	347	-9	364	-13	1 025	1 164	-12
IT expenses	372	410	-9	445	-16	1 177	1 329	-11
Telecommunications and postage	70	63	11	81	-14	208	247	-16
Advertising, PR and marketing	67	88	-24	82	-18	229	296	-23
Consultants and purchased services	397	435	-9	392	1	1 243	1 118	11
Security transport and alarm systems	134	73	84	110	22	315	360	-13
Supplies	65	51	27	61	7	182	182	0
Travel	41	60	-32	39	5	151	152	-1
Entertainment	16	20	-20	20	-20	59	69	-14
Repair/maintenance of office equipment	49	44	11	45	9	144	134	7
Other expenses	193	190	2	218	-11	577	539	7
Total other expenses	1 721	1 781	-3	1 857	-7	5 310	5 590	-5

Consulting and other services related to the management of problem loans and repossessed collateral amounted to SEK 61m in the third quarter 2010, SEK 53m in the second quarter 2010 and SEK 68m in the third quarter 2009. Expenses for properties taken over and included in Other expenses amounted to SEK 34m in the third quarter 2010, SEK 59m in the second quarter 2010 and SEK 36m in the third quarter 2009.

Consulting and other services related to the management of problem loans and repossessed collateral amounted to SEK 198m in the period January-September 2010 and SEK 142m in January-September 2009. Expenses for properties taken over are included in Other expenses amounted to SEK 121m in January-September 2010 and SEK 36m in January-September 2009.

Note 11 Credit impairments

Group SEKm	Q3 2010	Q2 2010	%	Q3 2009	%	Jan-Sep 2010	Jan-Sep 2009	%
Provision for loans that individually are assessed as impaired								
Provisions	775	1 158	-33	5 117	-85	3 234	11 179	-71
Reversal of previous provisions	-196	-289	-32	6		-1 024	-289	
Provision for homogenous groups of impaired loans, net	-189	451		57		1 626	274	
Total	390	1 320	-70	5 180	-92	3 836	11 164	-66
Portfolio provisions for loans that individually are not assessed as impaired								
	-498	-581	-14	101		-1 430	6 792	
Write-offs								
Established losses	650	642	1	958	-32	2 099	1 985	6
Utilisation of previous provisions	-367	-345	6	-145		-970	-273	
Recoveries	-79	-180	-56	-30		-379	-102	
Total	204	117	74	783	-74	750	1 610	-53
Credit impairments for contingent liabilities and other credit risk exposures								
	24	107	-78	57	-58	137	72	90
Credit impairments	120	963	-88	6 121	-98	3 293	19 638	-83
Credit impairment ratio, %	0.03	0.28		1.75		0.32	1.85	

Note 12 Tax

Group SEKm	Q3 2010	Q2 2010	%	Q3 2009	%	Jan-Sep 2010	Jan-Sep 2009	%
Tax related to previous years	-1	49		71		94	-26	
Current tax	610	635	-4	615	-1	1 878	2 100	-11
Deferred tax	29	-12		48	-40	-193	-1 208	
Total tax	638	672	-5	734	-13	1 779	866	
Sweden	534	708	-25	648	-18	1 720	1 871	-8
Estonia	-3	0		-1		-1	5	
Latvia	-7	-27		-201		-137	-770	
Lithuania	29	-33		50	-43	-53	-184	
Russia	2	-23		-28		4	-20	
Ukraine	2	0		248	-99	3	-127	
Other	82	47	74	18		243	91	
Total tax	638	672	-5	734	-13	1 779	866	

Note 13 Loans

Group SEKm	30 Sep 2010	31 Dec 2009	%
Loans to credit institutions			
Banks	130 384	70 227	86
Repurchase agreements, banks	68 645	19 984	
Other credit institutions	7 317	1 443	
Repurchase agreements, other credit institutions		477	
Loans to credit institutions	206 346	92 131	
Loans to the public			
Private customers	650 651	644 846	1
<i>Private mortgage</i>	603 872	593 277	2
<i>Private other</i>	46 779	51 569	-9
Corporate customers	498 217	547 352	-9
<i>Agriculture, forestry, fishing</i>	58 556	57 825	1
<i>Manufacturing</i>	29 518	34 062	-13
<i>Public sector and utilities</i>	15 532	15 792	-2
<i>Construction</i>	13 516	13 642	-1
<i>Retail</i>	23 845	28 265	-16
<i>Transportation</i>	13 273	15 988	-17
<i>Shipping</i>	15 734	13 407	17
<i>Hotels and restaurants</i>	7 034	7 552	-7
<i>Information and communications</i>	1 360	1 845	-26
<i>Finance and insurance</i>	16 451	9 936	66
<i>Property management</i>	155 232	166 380	-7
<i>Housing cooperatives</i>	66 509	70 890	-6
<i>Professional services</i>	33 993	37 977	-10
<i>Other corporate lending</i>	47 664	73 791	-35
Loans to the public excluding the Swedish National Debt Office and repurchase agreements	1 148 868	1 192 198	-4
Swedish National Debt Office	2	60 001	-100
Repurchase agreements, Swedish National Debt Office	27 239	19 235	42
Repurchase agreements, public	38 193	19 233	99
Loans to the public	1 214 302	1 290 667	-6
Loans to the public and credit institutions	1 420 648	1 382 798	3

Group Sector/industry 30 Sep 2010 SEKm	Carrying amount before provisions	Provisions for loans that individually are assessed as impaired	Portfolio provisions	Carrying amount of loans after provisions	Carrying amount of impaired loans	Impaired loans gross	Past due loans more than 60 days that are not impaired
Loans to credit institutions							
Banks	130 490	106		130 384	-1	105	
Repurchase agreements, banks	68 645			68 645			
Other credit institutions	7 317			7 317			
Repurchase agreements, other credit institutions							
Loans to credit institutions	206 452	106		206 346	-1	105	
Loans to the public							
Private customers	655 223	4 022	550	650 652	6 144	10 166	
Private mortgage	606 513	2 402	239	603 872	4 285	6 686	
Private other	48 710	1 620	311	46 779	1 859	3 480	
Corporate customers	518 213	16 940	3 056	498 217	11 420	28 360	1 556
Agriculture, forestry, fishing	59 023	375	92	58 556	406	781	6
Manufacturing	33 389	3 355	516	29 518	2 131	5 486	149
Public sector and utilities	15 612	35	45	15 532	30	65	6
Construction	15 362	1 675	171	13 516	944	2 619	28
Retail	26 316	2 157	314	23 845	1 230	3 387	584
Transportation	14 038	603	162	13 273	674	1 277	305
Shipping	15 825	33	58	15 734	13	46	
Hotels and restaurants	7 470	336	100	7 034	337	673	6
Information and communications	1 416	28	28	1 360	33	61	
Finance and insurance	16 555	53	51	16 451	31	84	
Property management	162 376	6 233	911	155 232	3 921	10 155	123
Housing cooperatives	66 592	21	62	66 509	18	39	
Professional services	34 869	576	300	33 993	464	1 040	343
Other corporate lending	49 370	1 460	246	47 664	1 188	2 647	6
Loans to the public excluding the Swedish							
National Debt Office and repurchase agreements	1 173 436	20 962	3 606	1 148 868	17 564	38 526	1 556
Swedish National Debt Office	2			2			
Repurchase agreements, Swedish National Debt Office	27 239			27 239			
Repurchase agreements, public	38 193			38 193			
Loans to the public	1 238 870	20 962	3 606	1 214 302	17 564	38 526	1 556
Loans to the public and credit institutions	1 445 322	21 068	3 606	1 420 648	17 563	38 631	1 556
Group Sector/industry 31 Dec 2009 SEKm							
Carrying amount before provisions	Provisions for loans that individually are assessed as impaired	Portfolio provisions	Carrying amount of loans after provisions	Carrying amount of impaired loans	Impaired loans gross	Past due loans more than 60 days that are not impaired	
Loans to credit institutions							
Banks	70 408	181		70 227		181	
Repurchase agreements, banks	19 984			19 984			
Other credit institutions	1 443			1 443			
Repurchase agreements, other credit institutions	477			477			
Loans to credit institutions	92 312	181		92 131		181	
Loans to the public							
Private customers	649 315	3 688	781	644 846	5 897	9 585	281
Private mortgage	595 649	1 924	448	593 277	3 943	5 867	
Private other	53 666	1 764	333	51 569	1 954	3 718	
Corporate customers	568 715	17 013	4 350	547 352	13 353	30 366	580
Agriculture, forestry, fishing	58 274	338	111	57 825	452	790	56
Manufacturing	38 031	2 817	1 152	34 062	2 094	4 911	34
Public sector and utilities	15 872	52	28	15 792	20	72	
Construction	15 777	1 903	232	13 642	1 069	2 972	10
Retail	30 943	2 057	621	28 265	1 288	3 345	67
Transportation	16 954	713	253	15 988	765	1 478	1
Shipping	13 454	36	11	13 407	1	37	
Hotels and restaurants	7 996	318	126	7 552	361	679	
Information and communications	1 881	26	10	1 845	34	60	
Finance and insurance	10 047	72	39	9 936	36	108	
Property management	173 756	6 481	895	166 380	5 726	12 207	205
Housing cooperatives	70 913	23		70 890	18	41	
Professional services	38 811	638	196	37 977	170	808	
Other corporate lending	76 006	1 539	676	73 791	1 319	2 858	207
Loans to the public excluding the Swedish							
National Debt Office and repurchase agreements	1 218 030	20 701	5 131	1 192 198	19 250	39 951	861
Swedish National Debt Office	60 001			60 001			
Repurchase agreements, Swedish National Debt Office	19 235			19 235			
Repurchase agreements, public	19 237		4	19 233			
Loans to the public	1 316 503	20 701	5 135	1 290 667	19 250	39 951	861
Loans to the public and credit institutions	1 408 815	20 882	5 135	1 382 798	19 250	40 132	861

Note 14 Impaired loans etc.

Group SEKm	30 Sep 2010	31 dec 2009	%	30 Sep 2009	%
Impaired loans, gross	38 631	40 132	-4	35 770	8
Provisions for individually assessed impaired loans	16 627	17 653	-6	14 733	13
Provision for homogenous groups of impaired loans	4 441	3 229	38	849	
Impaired loans, net	17 563	19 250	-9	20 188	-13
Portfolio provisions for loans that individually are not assessed as impaired	3 606	5 135	-30	6 922	-48
Share of impaired loans, gross, %	2.67	2.85		2.53	
Share of impaired loans, net, %	1.24	1.39		1.45	
Provision ratio for impaired loans, %	55	52		44	
Total provision ratio for impaired loans, % *	64	65		63	
Past due loans that are not impaired	5 958	10 426	-43	9 551	-38
of which past due 5-30 days	3 635	5 874	-38	5 394	-33
of which past due 31-60 days	1 470	3 691	-60	3 185	-54
of which past due 61 days or more	853	861	-1	972	-12

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

Note 15 Property taken over to protect claims and cancelled leasing agreements

Group SEKm	30 Sep 2010	31 dec 2009	%	30 Sep 2009	%
Buildings and land	1 380	663		402	
Shares and participating interests	103	207	-50	188	-45
Other property taken over	13	1		2	
Total property taken over to protect claims	1 496	871	72	592	
Cancelled leasing agreements	435	870	-50	996	-56
Total property taken over to protect claims and cancelled leasing agreements	1 931	1 741	11	1 588	22
of which buildings and land acquired by Ektornet	1 237	517			

Note 16 Credit exposures

Group SEKm	30 Sep 2010	31 dec 2009	%	30 Sep 2009	%
Loans to the public	1 214 302	1 290 667	-6	1 244 800	-2
of which repos	65 432	38 468	70	n.a.	
of which Swedish National Debt Office excluding repos	2	60 001	-100	n.a.	
Loans to credit institutions	206 346	92 131		148 354	39
of which repos	68 645	20 461		n.a.	
Overdraft facilities granted but not utilised	58 454	55 932	5	53 493	9
Loans granted but not paid	115 680	126 190	-8	121 715	-5
Loan guarantees	8 128	12 457	-35	13 642	-40
Guarantees, other	17 913	16 504	9	20 019	-11
Accepted and endorsed notes	143	227	-37	211	-32
Derivatives	92 276	72 969	26	82 860	11
Treasury bills and other eligible bills	90 342	88 724	2	115 466	-22
Bonds and other interest-bearing securities	77 240	81 891	-6	75 235	3
Other commitments	1 967	2 254	-13	2 678	-27
Total	1 882 791	1 839 946	2	1 878 473	0

Note 17 Interest-bearing securities

Group SEKm	30 Sep 2010	31 dec 2009	%	30 Sep 2009	%
Valuation category, fair value through profit or loss					
Swedish treasury bills and other bills eligible for refinancing with central banks	74 201	72 920	2	101 460	-27
Non-Swedish treasury bills and other bills eligible for refinancing with central banks	14 851	14 643	1	12 845	16
Swedish mortgage institutions	45 151	48 315	-7	35 518	27
Swedish financial institutions	7 908	7 494	6	8 960	-12
Swedish non-financial companies	4 811	6 823	-29	10 007	-52
Non-Swedish financial institutions	11 114	9 372	19	11 332	-2
Non-Swedish non-financial companies	2 372	2 239	6	1 220	94
Total	160 408	161 806	-1	181 342	-12
Valuation category, held to maturity					
Non-Swedish treasury bills and other bills eligible for refinancing with central banks	1 290	1 161	11	1 161	11
Non-Swedish mortgage institutions	4 711	6 371	-26	6 234	-24
Non-Swedish financial institutions	884	1 224	-28	1 638	-46
Non-Swedish non-financial companies	289	53	326	-11	
Total	7 174	8 809	-19	9 359	-23
Total interest-bearing securities	167 582	170 615	-2	190 701	-12

Note 18 Intangible assets

Group SEKm	30 Sep 2010	31 dec 2009	%	30 Sep 2009	%
With indefinite useful life					
Goodwill	13 944	15 368	-9	15 293	-9
Total	13 944	15 368	-9	15 293	-9
With finite useful life					
Customer base	1 140	1 276	-11	1 306	-13
Other	974	911	7	933	4
Total	2 114	2 187	-3	2 239	-6
Total intangible assets	16 058	17 555	-9	17 532	-8
Goodwill	Jan-Sep 2010	Full-year 2009		Jan-Sep 2009	
Cost					
Opening balance	17 962	18 711		18 711	
Additions through business combinations	12				
Disposals		-2			
Translation differences	-1 399	-747		-824	
Closing balance	16 575	17 962		17 887	
Accumulated amortisation and impairments					
Opening balance	-2 594	-1 403		-1 403	
Impairments	-37	-1 191		-1 191	
Closing balance	-2 631	-2 594		-2 594	
Carrying amount	13 944	15 368		15 293	

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 so far in 2010 that signify the need for new impairment testing, more than the impairments listed below.

With exception of the recognised impairments in the first quarter 2010, of SEK 14m in the Russian operations and of SEK 23m in the third quarter related to intangible assets in the Baltic leasing operations, it is the management's opinion that there is no further need for impairment of recognised goodwill or other intangible assets as of 30 September 2010.

Note 19 Savings and investments

Group SEKm	30 Sep 2010	31 dec 2009	%	30 Sep 2009	%
Amounts owed to credit institutions					
Central banks	34 589	116 199	-70	165 034	-79
Banks	110 201	92 860	19	92 807	19
Other credit institutions	5 921	4 383	35	2 478	
Repurchase agreements, banks	18 377	16 910	9	42 788	-57
Repurchase agreements, other credit institutions	6 653	1 335		520	
Amounts owed to credit institutions	175 741	231 687	-24	303 627	-42
Deposits from the public in SEK					
Private	240 139	226 140	6	224 877	7
Corporate	138 708	142 997	-3	125 440	11
Total	378 847	369 137	3	350 317	8
Deposits from the public in foreign currency					
Private	54 426	58 526	-7	51 947	5
Corporate	58 750	69 073	-15	68 143	-14
Total	113 176	127 599	-11	120 090	-6
Deposits from the public excluding the Swedish National Debt Office and repurchase agreements					
	492 023	496 736	-1	470 407	5
Swedish National Debt Office	8	7	14	8	0
Repurchase agreements, Swedish National Debt Office	7 675	4 956	55	1 725	
Repurchase agreements, public	23 977	2 725		4 679	
Deposits and borrowings from the public	523 683	504 424	4	476 819	10
Discretionary asset management *					
Funds assets under management	241 778	222 222	9	220 217	10
Unit-linked insurance	469 089	450 420	4	421 721	11
Of which unit-linked insurance in own companies	93 026	80 261	16	73 829	26
Retail bonds, interest-bearing	-80 348	-72 363	11	-67 704	19
Retail bonds, equity-linked bonds	1 440	2 616	-45	2 606	-45
Total savings and investments	1 450 459	1 447 022	0	1 459 917	-1

* Excluding investments in Swedbank Robur's funds.

Note 20 Debt securities in issue

Group SEKm	30 Sep 2010	31 dec 2009	%	30 Sep 2009	%
Commercial papers with state guarantee		60 689		97 143	
Other commercial papers	79 736	49 884	60	47 537	68
Covered bond loans	411 983	341 372	21	268 617	53
Bond loans with state guarantee	165 261	181 587	-9	180 431	-8
Other interest-bearing bond loans	35 494	32 721	8	45 650	-22
Structured products	28 213	37 004	-24	35 548	-21
Total debt securities in issue	720 687	703 257	2	674 926	7
Turnover during the period	Jan-Sep 2010	Full-year 2009		Jan-Sep 2009	
Commercial papers with state guarantee					
Opening balance	60 688	79 472		79 472	
Issued		140 406		145 705	
Repurchased					
Repaid	-60 567	-160 574		-120 919	
Change in market value	-131	156		-515	
Changes in exchange rates	10	1 229		-6 600	
Closing balance		60 689		97 143	
Other commercial papers					
Opening balance	49 884	60 458		60 458	
Issued	212 854	215 133		132 816	
Repurchased					
Repaid	-175 531	-226 466		-143 966	
Change in market value	-222	23		135	
Changes in exchange rates	-7 249	736		-1 906	
Closing balance	79 736	49 884		47 537	
Covered bond loans					
Opening balance	341 372	271 236		271 236	
Issued	164 212	169 962		134 793	
Repurchased	-37 637	-80 348		-62 143	
Repaid	-30 725	-19 275		-70 039	
Change in market value	-25 239	-203		-5 254	
Changes in exchange rates				24	
Closing balance	411 983	341 372		268 617	
Bond loans with state guarantee					
Opening balance	181 587	60 295		60 295	
Issued		131 301		130 352	
Repurchased					
Repaid	-5 696	-921			
Change in market value	732	1 004		790	
Changes in exchange rates	-11 362	-10 092		-11 006	
Closing balance	165 261	181 587		180 431	
Other interest-bearing bond loans					
Opening balance	32 721	86 530		86 530	
Issued	23 354	3 622		6 447	
Repurchased		-24		-1 222	
Repaid	-17 888	-56 169		-44 676	
Change in market value	474	-580		-517	
Changes in exchange rates	-3 143	-682		-912	
Closing balance	35 494	32 721		45 650	
Structured products					
Opening balance	37 004	35 374		35 374	
Issued	2 811	14 637		30 782	
Repurchased		-5	-10 522	-16	
Repaid	-9 738	-2 431		-35 231	
Change in market value	-1 855	-4		4 645	
Changes in exchange rates		-4	-50	-6	
Closing balance	28 213	37 004		35 548	

Note 21 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	Interest rate related		Currency related		Equity related		Total	
	30 Sep 2010	31 Dec 2009	30 Sep 2010	31 Dec 2009	30 Sep 2010	31 Dec 2009	30 Sep 2010	31 Dec 2009
Positive derivatives, hedge accounting								
Swaps, fair value hedge	7 323	2 455	71	62			7 393	2 517
Total	7 323	2 455	71	62			7 393	2 517
Other positive derivatives								
Options	1 424	1 039	623	275	2 789	3 274	4 836	4 588
Forward contracts	3 924	6 261	20 910	9 108	3	4	24 837	15 373
Swaps	47 096	49 107	9 938	4 747	962		57 996	53 854
Other			10	3	43	12	53	15
Total	52 444	56 407	31 481	14 133	3 797	3 290	87 722	73 830
Nominal amount	4 890 026	4 567 839	540 911	439 806	59 007	92 654	5 489 944	5 100 299
Negative derivatives, hedge accounting								
Swaps, fair value hedge	207	185					207	185
Swaps, cash flow hedge	417	798	3 136				3 553	798
Total	624	983	3 136				3 760	983
Other negative derivatives								
Options	1 223	776	605	398	1 622	1 597	3 450	2 771
Forward contracts	4 199	5 946	25 715	13 240	6	12	29 920	19 198
Swaps	48 269	47 336	8 824	5 248	640		57 733	52 584
Other			9	3	40	11	49	14
Total	53 691	54 058	35 153	18 889	2 308	1 620	91 152	74 567
Nominal amount	4 532 930	3 995 925	723 881	608 278	53 414	78 501	5 310 225	4 682 704

Derivatives with a value of SEK 2 839m (3 378) have been recognized net in the balance sheet, as these are settled on net basis with clearing houses or are covered by other netting agreements that are acceptable for accounting purposes.

Note 22 Financial instruments carried at fair value

Group 30 Sep 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	89 052			89 052
Loans to credit institutions	152	68 353		68 505
Loans to the public	16	503 472		503 488
Bonds and other interest-bearing securities	40 126	30 548	682	71 356
Fund units for which customers bear the investment risk	88 685			88 685
Shares and participating interests	8 841	52	151	9 044
Derivatives	2 882	89 394		92 276
Total	229 754	691 819	833	922 406
Liabilities				
Amounts owed to credit institutions		25 045		25 045
Deposits and borrowings from the public		31 783		31 783
Debt securities in issue, etc	72 198	217 739	128 420	418 357
Financial liabilities for which customers bear the investment risk		94 941		94 941
Derivatives	3 455	88 602	17	92 074
Total	75 653	458 110	128 437	662 200

The table above contains financial instruments measured at fair value as of 30 September 2010 distributed 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 on the asset side and securities in issue on the liabilities side. 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 price. Securities issued under the state guarantee programme contained terms that were unique to each issue and included the guarantee fee to the state. The valuation of these issues has been based on observable market data in the form of observable interbank rates, which have been adjusted for the difference between the interbank rate and the issue terms prevalent at the time of issuance.

Financial instruments at fair value based on Level 3 SEKm	30 Sep 2010	
	Assets	Liabilities
Opening balance	670	142 373
Purchases for the year	22	
Issued		
Transferred to Level 3		
Sales/maturities during the year		-5 306
Transferred from Level 3	-49	-62
Received dividend from associates	144	
Gain or loss*	46	-8 568
<i>of which in profit or loss</i>	46	-8 568
<i>of which in other comprehensive income</i>		
Closing balance	833	128 437
Total result recognised in Net gains and losses on financial items at fair value	46	-8 568
<i>of which financial instruments held on closing day</i>	46	-8 568

* The change in fair value of bonds issued under the state guarantee programme, which primarily relates to changes in exchange rates. The change in fair value is reported in note 7 Net gains and losses on financial instruments at fair value together with the corresponding negative change in value regarding derivatives that hedge these issues against currency risks and interest-rate risks.

Group 30 Sep 2009 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	115 421	15		115 436
Loans to credit institutions	358	59 683		60 041
Loans to the public	21	567 141		567 162
Bonds and other interest-bearing securities	59 507	8 766	705	68 978
Fund units for which customers bear the investment risk	72 170			72 170
Shares and participating interests	6 077	82		6 159
Derivatives	196	82 664		82 860
Total	253 750	718 351	705	972 806
Liabilities				
Amounts owed to credit institutions		24 965		24 965
Deposits and borrowings from the public		35 060		35 060
Debt securities in issue, etc	147 890	215 026	180 431	543 347
Financial liabilities for which customers bear the investment risk		73 716		73 716
Derivatives	308	86 997		87 305
Total	148 198	435 764	180 431	764 393
Financial instruments at fair value based on Level 3				
30 Sep 2009				
SEKm	Assets	Liabilities		
Opening balance	664	61 522		
Purchases for the year	48			
Issued		130 352		
Transferred to Level 3				
Sales/maturities during the year				
Transferred from Level 3				
Received dividend from associates				
Gain or loss	-7	-11 443		
<i>of which in profit or loss</i>	-7	-11 443		
<i>of which in other comprehensive income</i>				
Closing balance	705	180 431		
Total result recognised in Net gains and losses on financial items at fair value	-7	-11 443		
<i>of which financial instruments held on closing day</i>	-7	-11 443		

Note 23 Pledged collateral, contingent liabilities and commitments

Group SEKm	30 Sep 2010	31 Dec 2009	%	30 Sep 2009	%
Pledged collateral	824 245	749 456	10	784 317	5
<i>of which loan receivables</i>	628 745	610 456	3	604 909	4
<i>of which fund units pledged for policyholders</i>	87 460	80 647	8	74 235	18
<i>of which other assets pledged</i>	108 040	58 353	85	105 173	3
Contingent liabilities	28 151	31 415	-10	36 286	-22
<i>of which loan guarantees</i>	8 128	12 457	-35	13 642	-40
<i>of which other guarantees</i>	17 913	16 504	9	20 019	-11
<i>of which accepted and endorsed notes</i>	143	227	-37	211	-32
<i>of which letters of credit granted but not utilised</i>	1 510	1 878	-20	1 979	-24
<i>of which other contingent liabilities</i>	457	349	31	435	5
Commitments	174 134	182 122	-4	175 208	-1
<i>of which loans granted but not paid</i>	115 680	126 190	-8	121 715	-5
<i>of which overdraft facilities granted but not utilised</i>	58 454	55 932	5	53 493	9

Note 24 Capital adequacy

Swedbank financial companies Group SEKm	30 Sep 2010	31 Dec 2009	% or pp	30 Sep 2009	% or pp
Shareholders' equity according to the Group's balance sheet	92 851	89 670	4	76 648	21
Non-controlling interests	261	304	-14	252	4
Anticipated dividend	-1 889				
Deconsolidation of insurance companies	-1 260	-1 130	-12	-939	-34
Associated companies consolidated according to purchase method	1 254	1 659	-24	1 289	-3
Shareholders' equity financial companies Group	91 217	90 503	1	77 250	18
Change in the value of own credit rating	-35				
Goodwill	-13 173	-14 594	10	-14 519	9
Deferred tax assets	-1 270	-1 206	5		
Intangible assets	-1 812	-2 352	23	-2 401	25
Net provisions for reported IRB credit exposures	-78	-309	75	-730	89
Cash flow hedges	138	769	-82	912	-85
Shareholdings deducted from Tier 1 capital	-37	-27	-37	-26	-42
Shares in insurance companies		-313		-313	
Total core Tier 1 capital	74 950	72 471	3	60 173	25
Tier 1 capital contribution with step up	6 688	8 683	-23	8 621	-22
Tier 1 capital contribution without step up	535	535	0	535	0
Total Tier 1 capital	82 173	81 689	1	69 329	19
Undated subordinated loans	3 455	4 273	-19	4 239	-18
Fixed-term subordinated loans	18 479	23 687	-22	25 839	-28
Deduction for remaining duration		-1 249		-1 242	
Net provisions for reported IRB credit exposures	-78	-309	75	-730	89
Shareholdings deducted from Tier 2 capital	-37	-27	-37	-26	-42
Shares in insurance companies		-313		-313	
Total Tier 2 capital	21 819	26 062	-16	27 767	-21
Shares in insurance companies	-2 657	-1 966	-35	-1 964	-35
Total capital base	101 335	105 785	-4	95 132	7
Risk-weighted assets	559 709	603 431	-7	607 457	-8
Capital requirement for credit risks, standardised approach	2 946	3 454	-15	3 727	-21
Capital requirement for credit risks, IRB	34 578	37 997	-9	38 370	-10
Capital requirement for settlement risks	15	0		1	
Capital requirement for market risks	2 673	2 579	4	2 255	19
<i>of which risks in the trading book outside VaR</i>	841	784	7	508	66
<i>of which currency risks outside VaR</i>	1 517	1 468	3	1 397	9
<i>of which risks where VaR models are applied</i>	315	327	-4	350	-10
Capital requirement for operational risks	4 565	4 244	8	4 244	8
Capital requirement	44 777	48 274	-7	48 597	-8
Complement during transition period	16 317	14 483	13	14 169	15
Capital requirement including complement	61 094	62 757	-3	62 766	-3
Capital quotient, Basel 2	2.26	2.19	0.07	1.96	0.31
Core Tier 1 capital ratio, %, Basel 2	13.4	12.0	1.4	9.9	3.5
Tier 1 capital ratio, %, Basel 2	14.7	13.5	1.1	11.4	3.3
Total capital adequacy ratio, %, Basel 2	18.1	17.5	0.6	15.7	2.4
Capital quotient, transition rules	1.66	1.69	-0.03	1.52	0.14
Core Tier 1 capital ratio, %, transition rules	9.8	9.2	0.6	7.7	2.1
Tier 1 capital ratio, %, transition rules	10.8	10.4	0.3	8.8	1.9
Total capital adequacy ratio, %, transition rules	13.3	13.5	-0.2	12.1	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 2010 the Swedbank financial companies group included the Swedbank Group, the EnterCard Group, Sparbanken Rekarne AB, Färs och Frosta Sparbank AB, Swedbank Sjöhärad AB, Vimmerby Sparbank AB, Bankernas Depå AB and Finansiell ID-teknik. 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			Average risk weighting, %		Capital requirement		
	30 Sep 2010	31 Dec 2009	%	30 Sep 2010	31 Dec 2009	30 Sep 2010	31 Dec 2009	%
	104 317	79 011	32	19	29	1 603	1 834	-13
of which repurchase agreements	3 707	1 327		7	7	20	7	
of which other lending	100 610	77 684	30	20	29	1 583	1 827	-13
Corporate exposures	406 325	447 224	-9	76	77	24 534	27 582	-11
of which repurchase agreements	1 952	1 657	18	18	3	28	4	
of which other lending	404 373	445 567	-9	76	77	24 506	27 577	-11
Retail exposures	841 104	833 222	1	11	11	7 327	7 407	-1
of which repurchase agreements	21	6		66	22	1	0	
of which mortgage lending	755 009	740 507	2	7	8	4 483	4 613	-3
of which other lending	86 074	92 709	-7	41	38	2 843	2 794	2
Securitisation	4 994	6 753	-26	12	12	47	64	-27
Exposures without counterparties	14 887	15 165	-2	90	92	1 067	1 110	-4
Total credit risks, IRB	1 371 627	1 381 375	-1	32	34	34 578	37 997	-9

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. Finansinspektionen'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 9 per cent since the start of the year. For the Baltic portfolios, the average risk weighting was 70 per cent. For Swedbank Finans' portfolios the average risk weighting was 52 per cent and 26 per cent for other portfolios. For the Baltic retail exposures, the average risk weighting was 39 per cent, for Swedbank Finans' portfolios 17 per cent and 8 per cent for other portfolios.

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 Finansinspektionen. The parent company has received permission 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. The capital requirement for other market risks thus refers to specific interest rate risks in Swedbank AB and Swedbank AS, share price risks in Swedbank AS and market risks in other companies.

Operational risk

Swedbank calculates operational risk using the standardised approach. Finansinspektionen 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.

Note 25 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 Estonia, Latvia, Lithuania, Russia and Ukraine, a significant share of lending is in 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 the consolidated income statement but in Other comprehensive income. 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, a detailed description of risk factors is provided in the September 2009 prospectus. The Group's risks and risk control are also described in detail in Swedbank's 2009 annual report and in the annual disclosure on risk management and capital adequacy according to the Basel 2 rules, available on www.swedbank.com.

Note 26 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. Fär & Frosta Sparbank AB acquired 3 720 000 shares in Swedbank AB, partly in connection with the two rights issues. The Group's share of these shares has reduced equity in the consolidated statements by SEK 58m.

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

Note 27 Swedbank's share

SWED A and SWED PREF	30 Sep 2010	31 Dec 2009	%	30 Sep 2009	%
SWED A					
Share price, SEK	93.45	71.00	32	66.50	41
Number of outstanding ordinary shares	952 323 439	939 953 583	1	553 423 524	72
Market capitalisation, SEKm	88 995	66 737	33	36 803	
SWED PREF					
Share price, SEK	95.85	70.50	36	65.75	46
Number of subscribed and outstanding preference shares	207 266 738	219 636 594	-6	219 636 594	-6
Market capitalisation, SEKm	19 867	15 484	28	14 441	38
Total market capitalisation, SEKm	108 862	82 221	32	51 244	

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.

Average number of outstanding shares	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008
Average number of outstanding shares before and after dilution	1 158 474 177	1 158 474 177	1 158 474 177	986 470 586	933 774 426	933 968 804	934 117 009	659 356 567
A rights issue was completed on 26 November 2009. The average number of shares outstanding has therefore been adjusted for the rights issue's bonus issue element of 21% for all periods. The average number of shares outstanding after the rights issue was 1 159 590 177, of which 219 636 594 were preference shares and 939 953 583 were ordinary shares. After deduction of the Group's share of associates' holdings in Swedbank shares the number of outstanding shares is 1 158 474 177.								
Number of outstanding shares on the closing day	30 Sep 2010	31 Dec 2009	30 Sep 2009					
Average number of outstanding shares before and after dilution, from the beginning of the year	1 158 474 177	986 470 586	933 774 426					
Ordinary shares	952 323 439	939 953 583	553 423 524					
Subscribed and paid preference shares	207 266 738	219 636 594	219 636 594					
Associates' acquisition of shares	-1 116 000	-1 116 000	-600 000					
Total number of outstanding shares on the closing day	1 158 474 177	1 158 474 177	772 460 118					

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 12 362 751 preference shares were converted to ordinary shares.

Note 28 Ratings

Sep 2010	Swedbank		Swedbank Mortgage		Covered bonds	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
Standard & Poor's						
Short	A-1	Stable	A-1	Stable		
Long	A	Stable	A	Stable	AAA	Stable
Moody's						
Short	P-1	Stable	P-1	Stable		
Long	A2	Stable	A2	Stable	Aaa	n.a.*
Financial strength (BFSR)	D+					
Fitch						
Short	F1	Stable				
Long	A	Stable				

Fitch became Swedbank's third rating agency as of 6 October 2010.

* Based on Moody's covered bond methodology – no outlook is used

For more information about ratings, see page 12.

Note 29 Exchange rates

	30 Sep 2010	31 Dec 2009	30 Sep 2009
SEK/EUR, average rate	9.668	10.615	10.686
SEK/EUR, closing day rate	9.152	10.283	10.225
SEK/EEK, average rate	0.618	0.678	0.683
SEK/EEK, closing day rate	0.585	0.657	0.654
SEK/UAH, average rate	0.916	0.953	0.976
SEK/UAH, closing day rate	0.846	0.893	0.848
SEK/RUB, average rate	0.241	0.241	0.241
SEK/RUB, closing day rate	0.219	0.237	0.233
SEK/USD, average rate	7.300	7.627	7.798
SEK/USD, closing day rate	6.710	7.191	7.003
UAH/USD, closing day rate	7.933	8.050	8.260
RUB/USD, closing day rate	30.586	30.305	30.064

The continuous average rate is calculated as the average of the previous month's closing day rate and the actual month's closing day rate for each month in the period.

Swedbank AB

Income statement

Parent company SEKm	Q3 2010	Q2 2010	%	Q3 2009	%	Jan-Sep 2010	Jan-Sep 2009	%
<i>Interest income</i>	6 499	5 452	19	7 112	-9	18 164	24 855	-27
<i>Interest expenses</i>	-4 752	-3 805	25	-4 805	-1	-12 915	-17 510	-26
Net interest income	1 747	1 647	6	2 307	-24	5 249	7 345	-29
Dividends received	18	180	-90	15	20	2 790	261	
<i>Commission income</i>	1 453	1 546	-6	1 399	4	4 482	4 032	11
<i>Commission expenses</i>	-322	-324	-1	-378	-15	-970	-1 194	-19
Net commissions	1 131	1 222	-7	1 021	11	3 512	2 838	24
Net gains and losses on financial items at fair value	371	184		61		826	985	-16
Other income	308	360	-14	335	-8	956	1 341	-29
Total income	3 575	3 593	-1	3 739	-4	13 333	12 770	4
Staff costs	1 580	1 695	-7	1 664	-5	4 946	4 950	0
Other expenses	1 158	1 153	0	1 094	6	3 444	3 483	-1
Depreciation/amortisation	89	83	7	90	-1	255	274	-7
Total expenses	2 827	2 931	-4	2 848	-1	8 645	8 707	-1
Profit before impairments	748	662	13	891	-16	4 688	4 063	15
Impairment of financial fixed assets	-133	-255	-48			29	4 092	-99
Impairment of tangible assets								
Credit impairments	-50	-2		348		-193	1 547	
Operating profit	931	919	1	543	71	4 852	-1 576	
Appropriations				2			2	
Tax expense	172	196	-12	160	8	621	551	13
Profit for the period	759	723	5	385	97	4 231	-2 125	

Statement of comprehensive income

Parent company SEKm	Q3 2010	Q2 2010	%	Q3 2009	%	Jan-Sep 2010	Jan-Sep 2009	%
Profit for the period reported via income statement	759	723	5	385	97	4 231	-2 125	
Cash flow hedges:								
-Gains/losses arising during the period	-73	107		-121	-40	-127	-644	-80
-Reclassification adjustments to income statement, net interest income	209	214	-2	202	3	612	591	4
-Reclassification adjustments to income statement, net gains and losses on financial items at fair value				31			112	
Group contributions paid	-2	-1	100	0		-3	-2	50
Income tax relating to components of other comprehensive income	-35	-85	-59	-30	17	-127	-16	
Other comprehensive income for the period, net of tax	99	235	-58	82	21	355	41	
Total comprehensive income for the period	858	958	-10	467	84	4 586	-2 084	

Balance sheet

Parent company SEKm	30 Sep 2010	31 Dec 2009	%	30 Sep 2009	%
Assets					
Loans to credit institutions	504 171	464 458	9	600 557	-16
Loans to the public	355 110	413 350	-14	365 677	-3
Interest-bearing securities	199 976	262 851	-24	291 338	-31
Shares and participating interests	51 048	50 990	0	43 340	18
Derivatives	108 556	80 438	35	90 679	20
Other assets	25 191	38 770	-35	30 343	-17
Total assets	1 244 052	1 310 857	-5	1 421 934	-13
Liabilities and equity					
Amounts owed to credit institutions	223 739	339 875	-34	428 158	-48
Deposits and borrowings from the public	425 755	394 054	8	373 687	14
Debt securities in issue, etc	300 487	340 929	-12	374 452	-20
Derivatives	104 079	82 460	26	96 640	8
Other liabilities and provisions	97 225	57 354	70	61 555	58
Subordinated liabilities	29 130	37 151	-22	39 442	-26
Untaxed reserves	815	816	0	5 852	-86
Equity	62 822	58 218	8	42 148	49
Total liabilities and equity	1 244 052	1 310 857	-5	1 421 934	-13
Pledged collateral	143 932	192 303	-25	267 309	-46
Other assets pledged	1 404	1 922	-27	2 944	-52
Contingent liabilities	460 227	408 045	13	30 867	
Commitments	148 082	151 526	-2	141 486	5

Statement of changes in equity

Parent company SEKm	Share capital	Share premium reserve	Statutory reserve	Cash flow hedges	Retained earnings	Total
Opening balance 1 January 2009	14 918	4 871	6 489	-930	15 876	41 224
New share issue	3 010					3 010
Total comprehensive income for the period			43		-2 129	-2 086
Closing balance 30 September 2009	17 928	4 871	6 489	-887	13 747	42 148
Opening balance 1 January 2009	14 918	4 871	6 489	-930	15 876	41 224
New share issue	9 433	8 650				18 083
Expenses in connection with new share issue		-438				-438
Total comprehensive income for the period			187		-838	-651
Closing balance 31 December 2009	24 351	13 083	6 489	-743	15 038	58 218
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

Cash flow statement

Parent company SEKm	Jan-Sep 2010	Full-year 2009	Jan-Sep 2009
Cash flow from operating activities	-74 907	4 741	20 863
Cash flow from investing activities	45 801	821	13 374
Cash flow from financing activities	-46 808	79 230	99 267
Cash flow for the period	-75 914	84 792	133 504
Cash and cash equivalents at beginning of period	271 910	187 118	187 118
Cash flow for the period	-75 914	84 792	133 504
Cash and cash equivalents at end of period	195 996	271 910	320 622

Capital adequacy

Parent company SEKm	30 Sep 2010	31 Dec 2009	% or pp	30 Sep 2009	% or pp
Core Tier 1 capital	59 699	57 377	4	45 011	33
Tier 1 capital contribution	7 223	9 218	-22	8 480	-15
Total Tier 1 capital	66 922	66 595	0	53 491	25
Tier 2 capital	20 890	25 952	-20	29 009	-28
Settlements, equities, etc.	-2 651	-555		-555	
Total capital base	85 161	91 992	-7	81 945	4
Risk-weighted assets	422 295	465 046	-9	462 208	-9
Capital requirement	33 784	37 204	-9	36 977	-9
Capital requirement including complement	33 784	37 204	-9	36 977	-9
Capital quotient*	2.52	2.47	0.05	2.22	0.30
Core Tier 1 capital ratio, %*	14.1	12.3	1.8	9.7	4.4
Tier 1 capital ratio, %*	15.8	14.3	1.5	11.6	4.3
Total capital adequacy ratio, %*	20.2	19.8	0.4	17.7	2.4

* 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 the third quarter 2010 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, 20 October 2010

Lars Idermark
Chair

Anders Sundström
Deputy Chair

Ulrika Francke
Board Member

Göran Hedman
Board Member

Berith Hägglund-Marcus
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

Jimmy Johnsson
Board Member
Employee Representative

Michael Wolf
President

Review report

Introduction

We have reviewed the interim report for Swedbank AB (publ) for the period 1 January to 30 September 2010. 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 Standards on Auditing in Sweden RS 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, 20 October 2010

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 2011:

Year end report for 2010 on 8 February 2011
Interim report for the first quarter on 28 April 2011
Interim report for the second quarter on 21 July 2011
Interim report for the third quarter on 25 October 2011

For further information, please contact:

Michael Wolf
President and CEO
Telephone +46 8 585 926 66

Erkki Raasuke
CFO
Telephone +46 8 585 913 76

Johannes Rudbeck
Head of Investor Relations
Telephone +46 8 585 933 22,
+46 70 582 56 56

Thomas Backteman
Head of Corporate Affairs
Telephone +46 8 585 933 66
+46 70 831 11 66

Swedbank AB (publ)

Registration no. 502017-7753
Brunkebergstorg 8
SE-105 34 Stockholm, Sweden
Telephone +46 8 585 900 00
www.swedbank.com
info@swedbank.se