

**Interim report Q1 2007**  
*April 25, 2007*  
**Jan Lidén**  
*President and CEO*

# Highlights Q1 2007

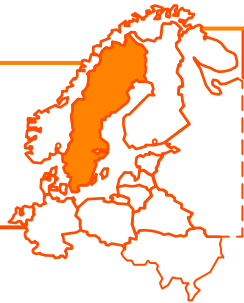
- **Strong and stable results intact – SEK 2,910m (2,270 Q1, 2006)**
  - Strong and stable results from all major business areas; Swedish- and Baltic Banking and Swedbank Markets
  - Group net interest income increased for the fourth consecutive quarter
- **Swedish Banking – SEK 1,632m (1,435)**
  - High level of customer activity, increased volumes in savings, lending and payments
  - Net interest income was stable
- **Baltic Banking – SEK 995m (597)**
  - Continued healthy development
  - Some signs of lending growth slowdown
- **Swedbank Markets – SEK 313m (206)**
  - Continued strong profit development in all product areas
  - Fixed income and FX showed exceptionally good results
- **Swedbank's leading position on the Swedish savings market was reinforced by co-operation agreement with Folksam**
- **Moody's upgraded Swedbank's long term rating to Aa1.**

# Strong position for profitability and growth

## Sweden

Swedbank is the leading bank in Sweden. Profitability is high and stable and the bank is gaining market share in important segments such as retail mortgages and deposits.

Stable base



## Baltics

The Baltic economies are experiencing strong economic growth that is expected to remain for many years. As the largest bank in the region, growing with the market ensures Swedbank an attractive earnings growth.

Growth and experience



## Russia and Ukraine

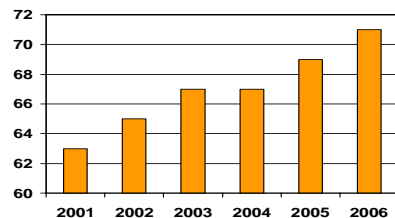
Swedbank has a small but growing presence in Russia and Ukraine. Long term, a significant share of Swedbank's growth will be generated in these markets.

Future growth and profitability



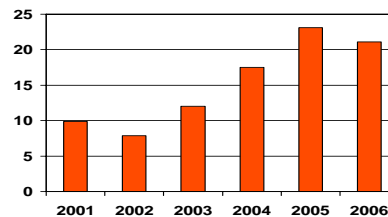
## Customer satisfaction

Swedbank had the highest increase in customer satisfaction in Sweden during 2006. Customer satisfaction in the Baltics is rising from an already high level.



## Profitability

Swedbank's average annual growth of earnings per share the last 5 years was 16.5 percent. The peer group average was 15.5 percent.



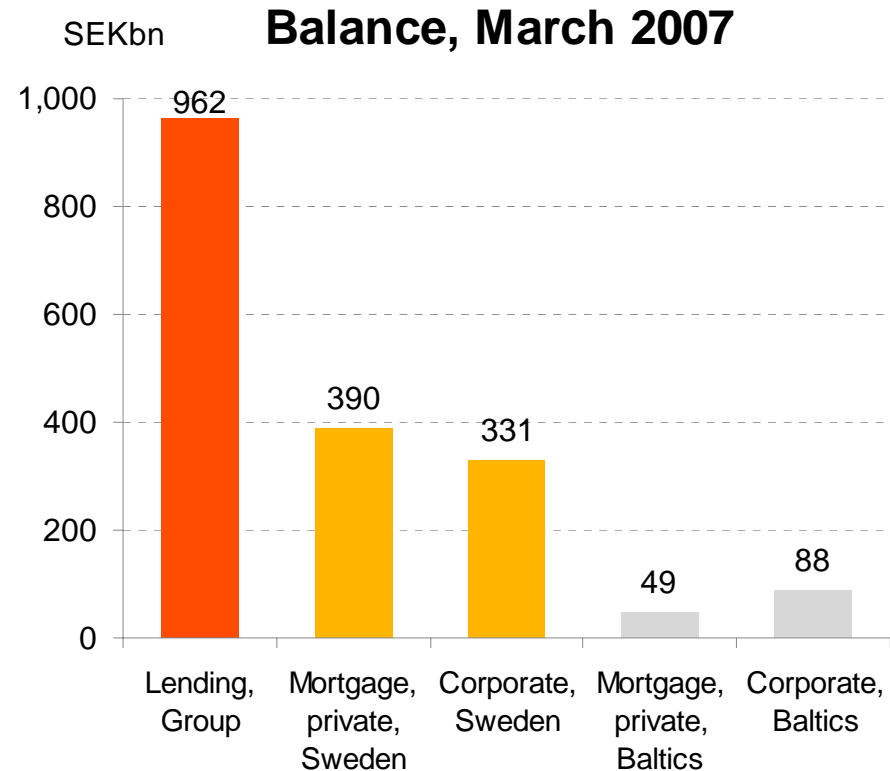
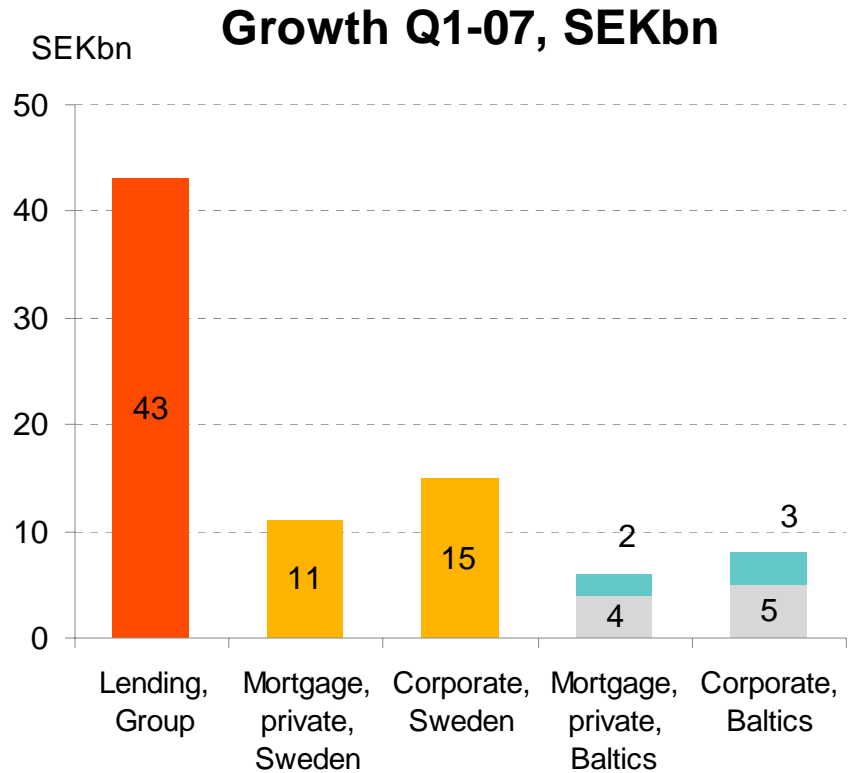
## Attractive employer


In Sweden, Swedbank is ranked as the most attractive employer in the financial services sector\*. In the Baltics we have been able to attract the best talent for a long period of time.

\* According to Universum

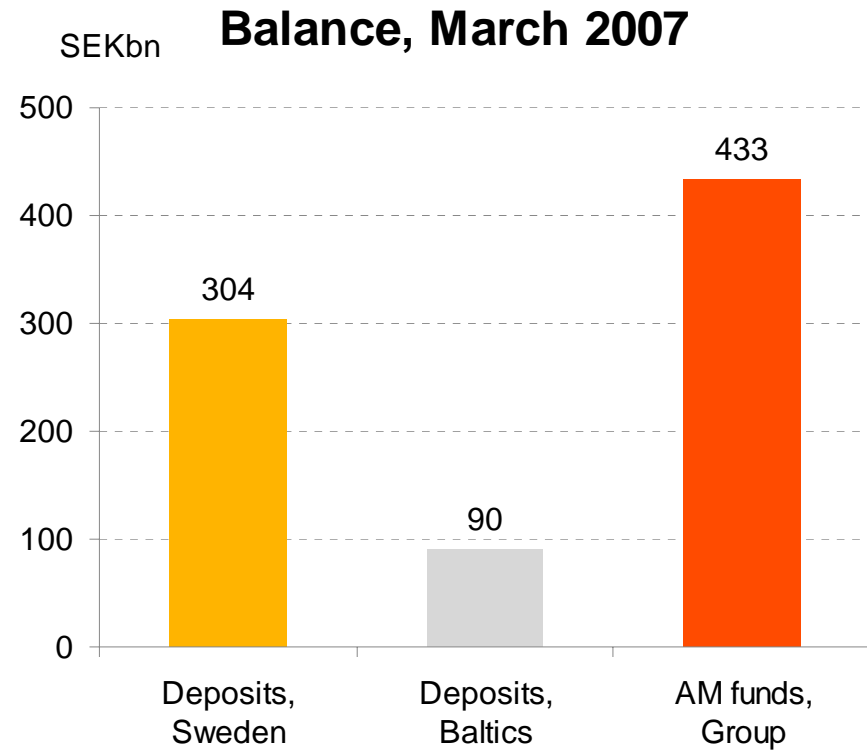
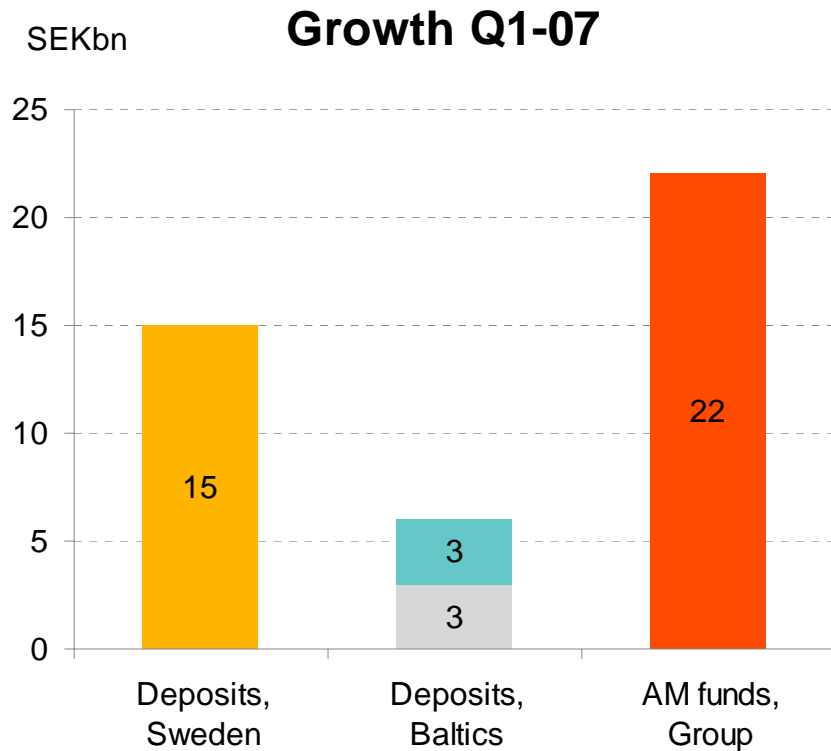



# Business volumes, lending



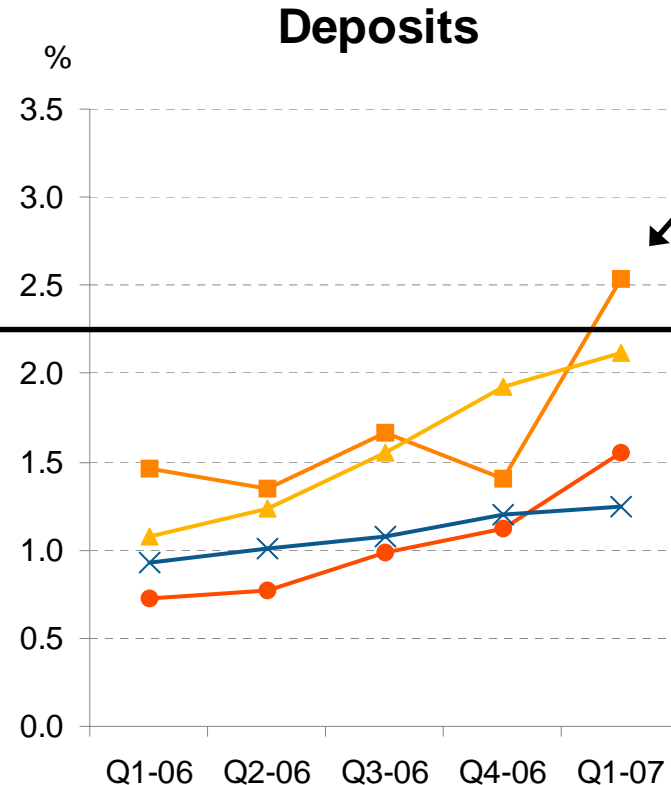
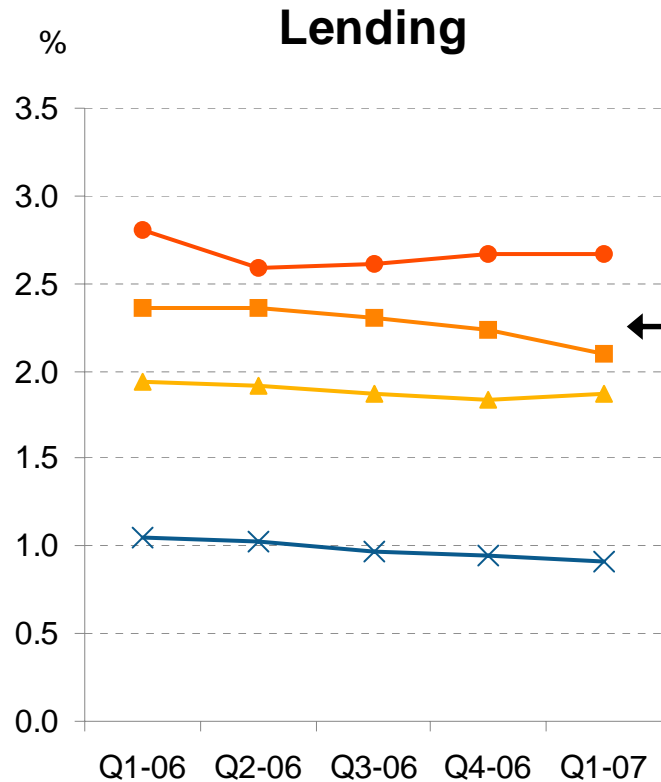
 Due to change in exchange rate between SEK and Euro

# Business volumes, savings



 Due to change in exchange rate between SEK and Euro

# Margins



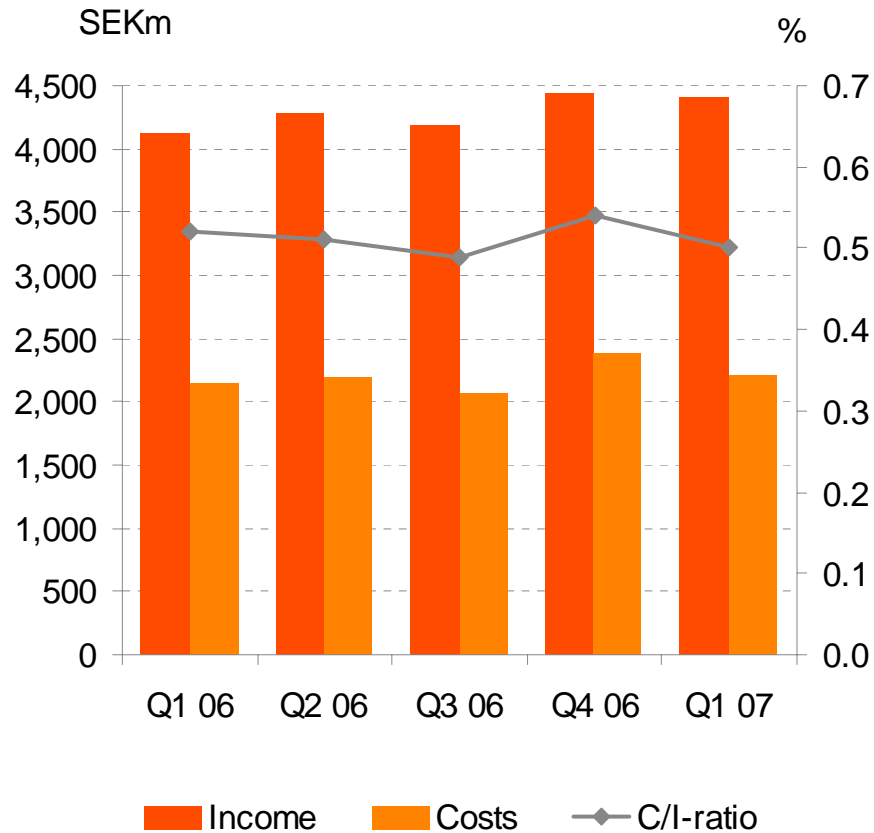
Latvian rate RIGIBOR increased substantially

Shift in product mix towards mortgages and higher RIGIBOR

● Estonia    ■ Latvia  
 ▲ Lithuania    ✕ Sweden

● Estonia    ■ Latvia  
 ▲ Lithuania    ✕ Sweden

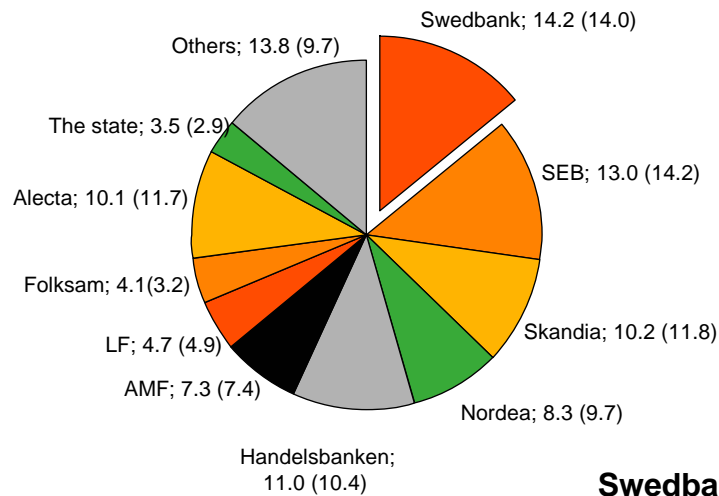
# Swedish Banking



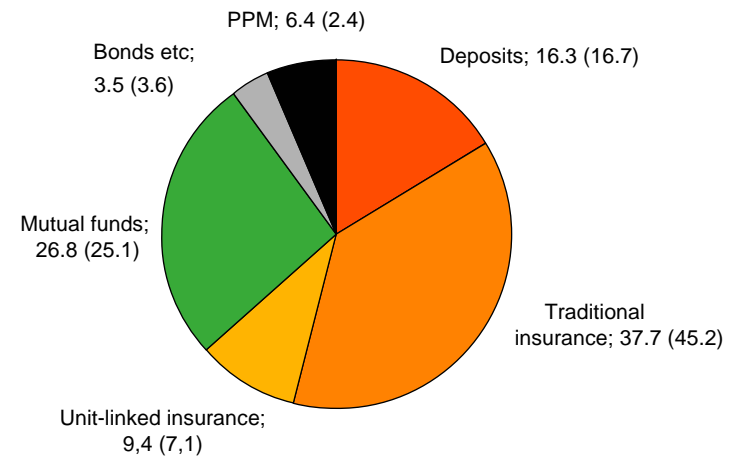
- Continued positive volume- and market share development in:
  - Household mortgages
  - Household deposits
  - Corporate lending
- Net interest income was stable
- Swedbank was named Sweden's most attractive work-place in banking and the fourth most attractive employer over-all.

# Swedbank leads the savings market in Sweden

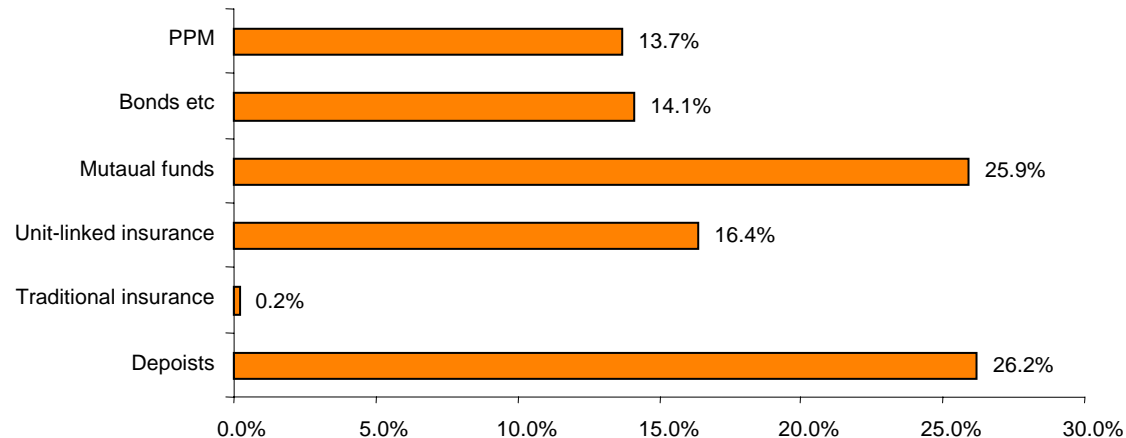
**Total market shares Dec. 2006**



**Breakdown of savings market**



**Swedbank's market shares**





# New ways of distributing mutual funds



Vår nya fond kräver mod.  
Högst 10% mod

För dig som är försiktig men hoppfull.

> Läs mer om Lux Protect 90

Placera i en fond som har framtiden för sig!

Fem av världens hetaste marknader i en enda fond.

> Läs mer om BRICF

Ny het fond

Swedbank Robur Momentum placerar på de hetaste marknaderna.

> Läs mer

Swedbank 

Stora Fonddagen

Ny het fond

Swedbank Robur Momentum placerar på de hetaste marknaderna i världen.

Läs mer

Handla aktier via Internet från 0,03% i courtage

Marknadstendens

Marknad	Index	Ändring	Volym	Stämning
USA	13000	+0,1%	1000	Upp
EU	12000	+0,2%	800	Upp
Asien	11000	+0,3%	600	Upp
Latinamerika	10000	+0,4%	400	Upp
Russland	9000	+0,5%	200	Upp

Spara pengar

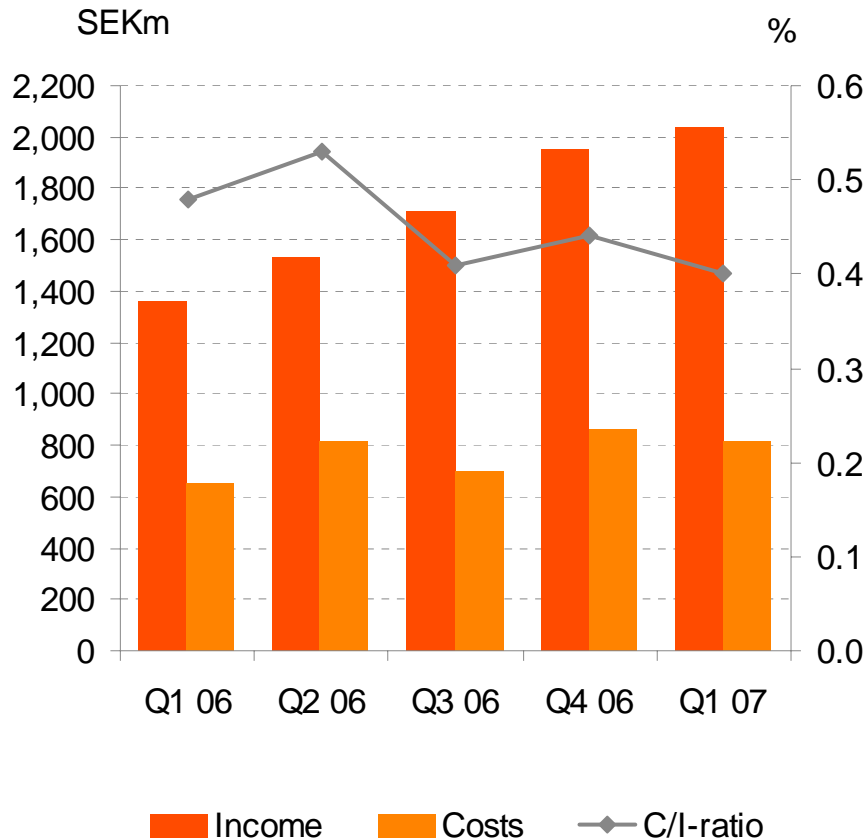
En buffert som hjälper dig att klara dina utgifter.

Spara pengar

## Swedbank Robur strengthens its leading position in asset management in the Nordic area

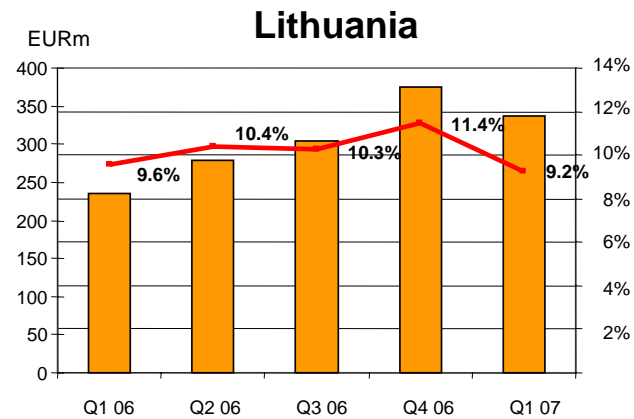
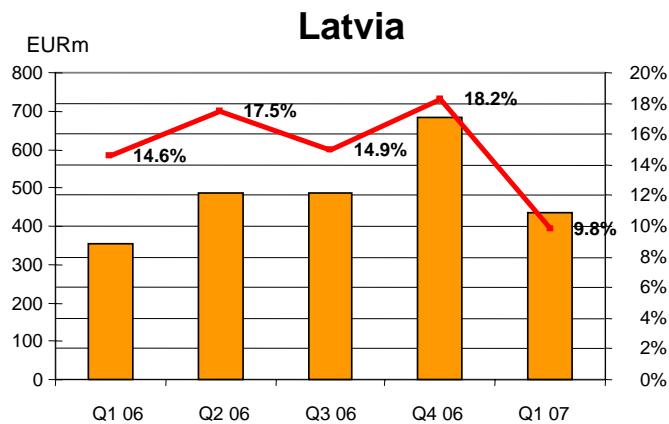
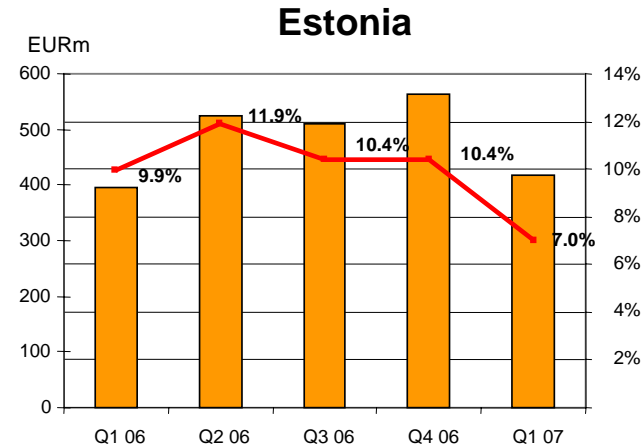
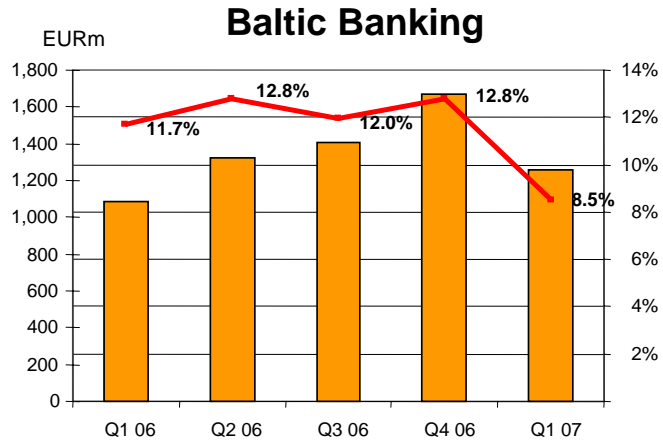
- Swedbank Robur will manage Folksam's portfolio of interest-bearing securities and equities totalling SEK 142m
- Swedbank Robur acquires Folksam Fond AB, with assets under management of approx. SEK 27bn, for SEK 450m. The deal will close as of January 1, 2008
- The management assignment to effective as of May 1, 2007
- Requires usual regulatory approval
- Swedbank Robur's strong asset management performance was a key factor in the deal
- Continued efforts in non-life insurance with Folksam as supplier.

# Baltic Banking



- Continued good earnings trend
  - Profit for the period increased by 8 per cent to SEK 995 million
  - C/I-ratio improved to 0.40
- Some slowing down in the lending increase
- Strong increase in saving volumes
- New employments to meet demand for service
- Continued good credit quality.

# Decreasing lending growth in Baltics



 Growth / quarter

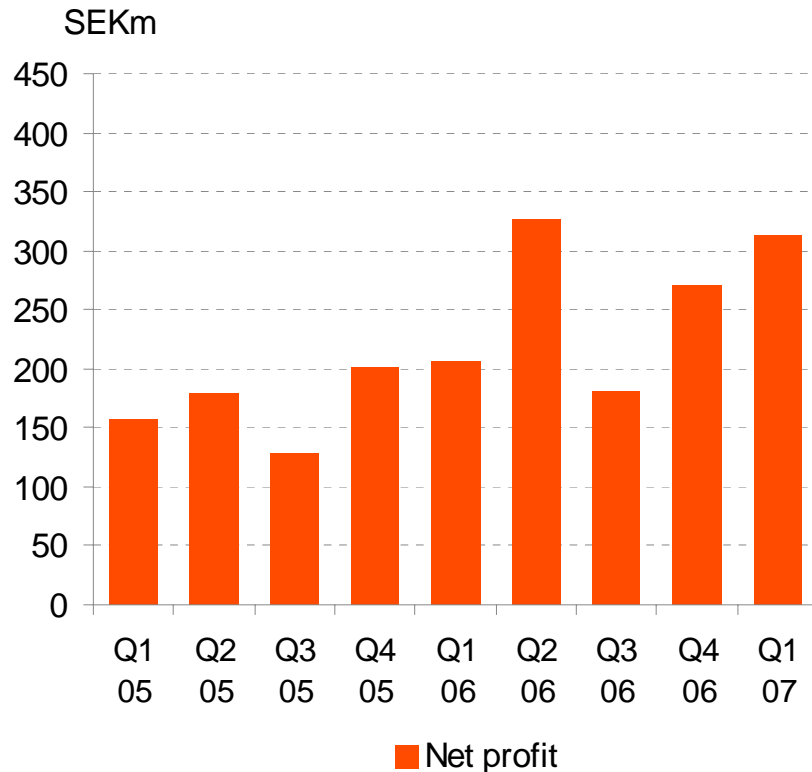
## Actions taken in the Baltics

- Plan to combat inflation in Latvia
  - Expected to be introduced during the spring and summer 2007
  - Hansabank has taken an active part in preparing the plan
- Since Q1 2006; increased risk margins on new credits to e.g. certain parts of the real-estate sector
  - Financing only experienced developers
  - Increased LTV requirements
  - Increased guarantees from construction company required for larger projects
- Tightened requirements for retail lending
  - Increased service ratio
  - Increased LTV requirements
  - Tougher demand on previous credit history.

## Baltic Banking, market shares

	Estonia		Latvia		Lithuania	
	Feb 28, 2007	Dec 31, 2006	Feb 28, 2007	Dec 31, 2006	Feb 28, 2007	Dec 31, 2006
<b>Balance, %</b>						
Deposits, households	62.4	62.3	29.4	29.5	39.1	38.6
Mortgage lending, households	49.0	49.2	30.2	29.8	29.7	29.8
Consumer/bank lending	58.4	59.0	18.7	18.7	32.3	32.2
Deposits, SME/corporate	47.1	47.1	13.6	14.3	18.5	21.5
Lending, corporate	44.1	44.3	26.3	26.3	19.6	20.7
Pension II	52.1	52.3	43.5	43.4	43.2	43.3

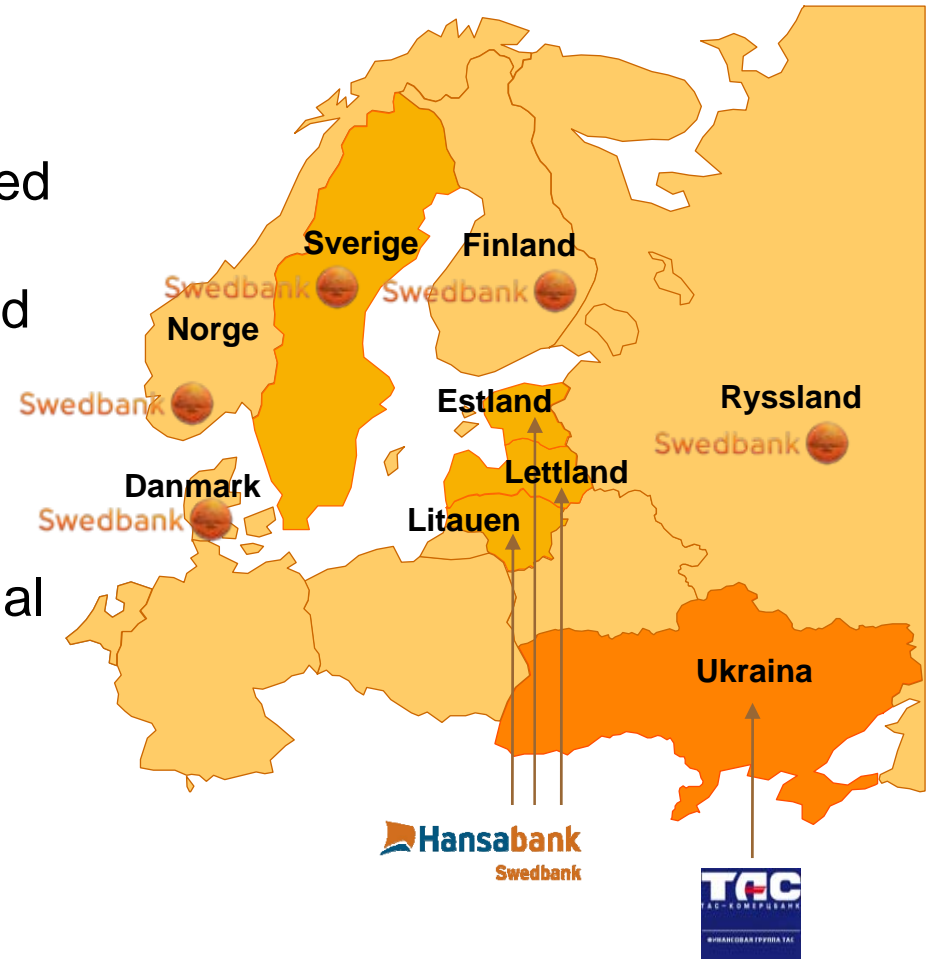
# Swedbank Markets



- Continued strong development in all product areas
  - Net profit increased 16 percent vs. Q4 2006 and 49 percent vs. Q1 2006
  - C/I-ratio improved to 0,51
- Fixed income and foreign exchange reported best improvements
- Issue of structured products increased 24 percent compared to Q1 2006
  - Swedbank was largest issuer of equity linked bonds in Sweden during Q1 2007
- First Securities' profit increased 4 percent vs. Q4 2006 and 40 percent vs. Q1 2006.

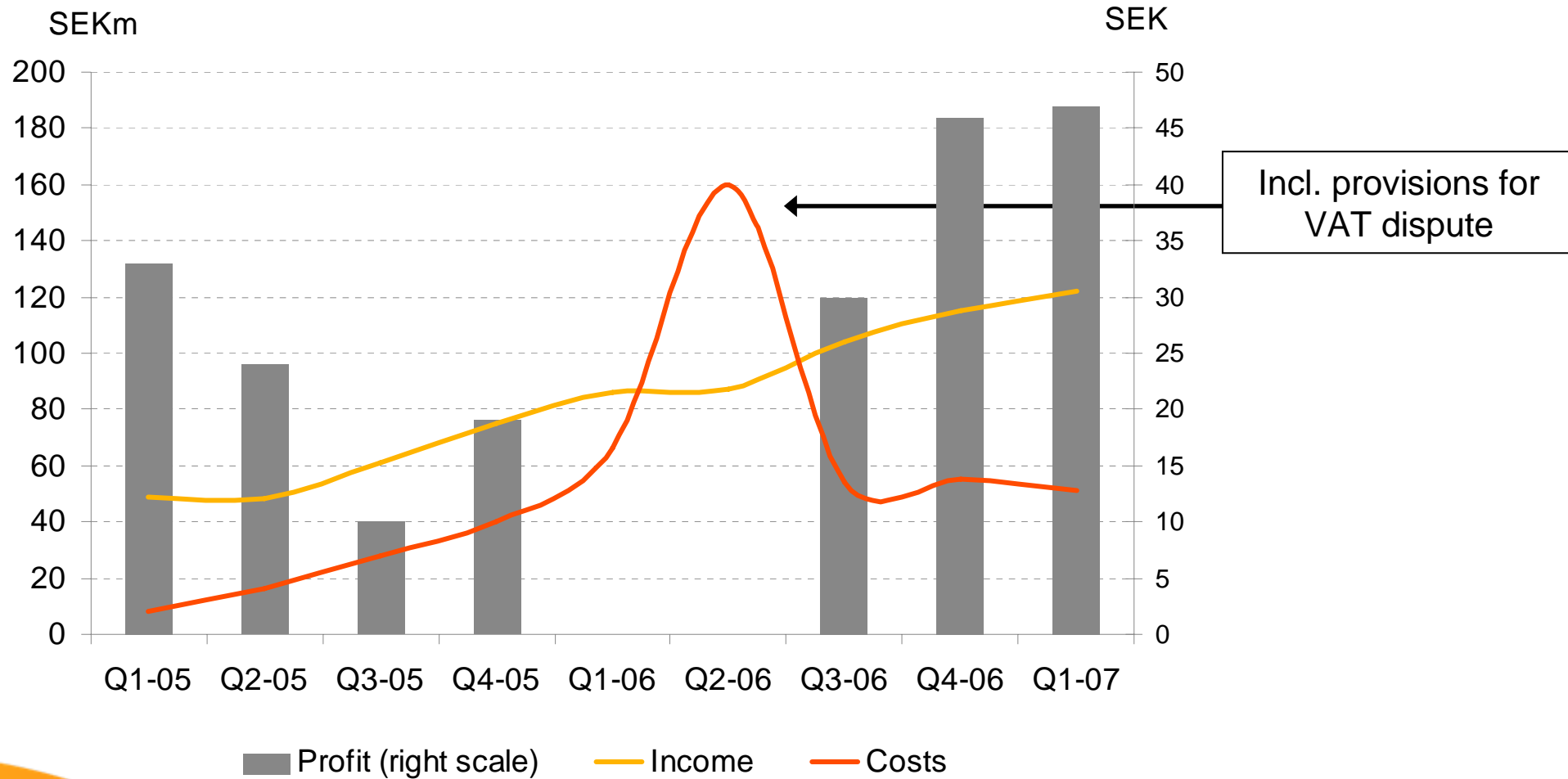
# TAS-Kommerzbank

- Acquisition process is running according to plan. Closing is expected during Q3 after approval from Ukrainian competition authorities and the central bank
- Ongoing preparations in several areas, e.g. treasury, credit, risk management, accounting and internal audit
- Continued rapid growth, opening of another 60 branches during 2007.





# Swedbank Russia



# **Group results**

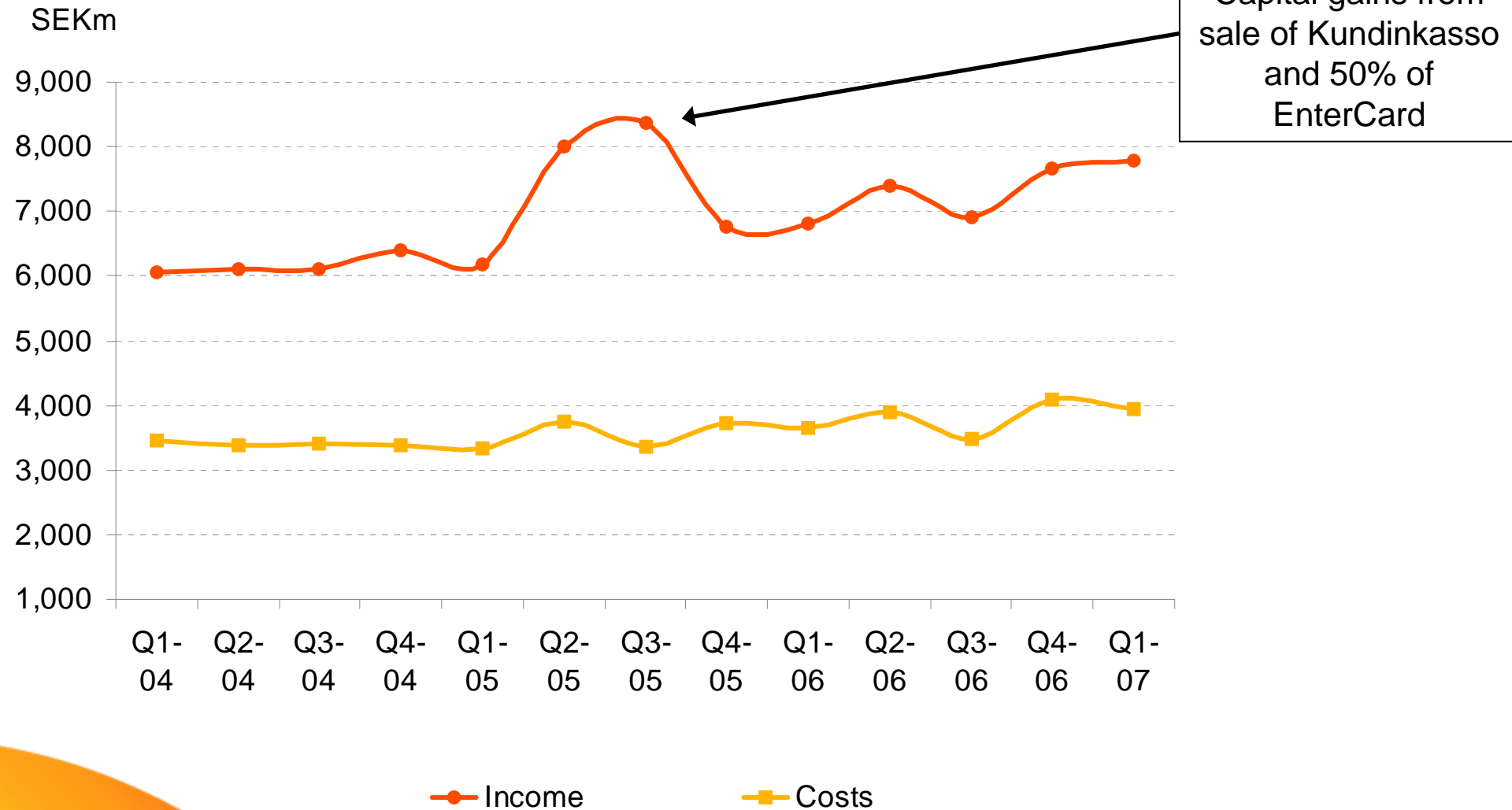
Mikael Inglander

CFO

# Income statement, Group

SEKm	Q1 2007	Q4 2006	%	Q1 2006	%
Net interest income	4,501	4,303	5	3,506	28
Net commission income	2,289	2,309	- 1	2,098	9
Net gains/losses on financial items at fair value	530	908	- 42	531	- 0
Other income	473	392	21	408	16
<b>Total income</b>	<b>7,793</b>	<b>7,912</b>	<b>- 2</b>	<b>6,543</b>	<b>19</b>
Staff costs	- 1,932	- 1,878	3	- 1,812	7
Profit-based staff costs	- 390	- 302	29	- 292	34
Other expenses	- 1,615	- 1,917	- 16	- 1,546	4
<b>Total expenses</b>	<b>- 3,937</b>	<b>- 4,097</b>	<b>- 4</b>	<b>- 3,650</b>	<b>8</b>
Profit before loan losses	3,856	3,815	1	2,893	33
Loan losses	- 49	72		- 50	- 2
<b>Operating profit</b>	<b>3,807</b>	<b>3,887</b>	<b>- 2</b>	<b>2,843</b>	<b>34</b>
Tax	- 851	- 928	- 8	- 539	58
Profit for the period	2,956	2,959	- 0	2,304	28
<b>Attributable to Swedbank's shareholders</b>	<b>2,910</b>	<b>2,913</b>	<b>- 0</b>	<b>2,270</b>	<b>28</b>

# Improved efficiency



## Net interest income, by business area

SEKm	Q1 2007	Q4 2006	%	Q1 2006	%
Swedish Banking	2,950	2,949	0	2,752	7
Baltic Banking Operations	1,324	1,221	8	853	55
Baltic Banking Investment	- 104	- 103	- 1	- 125	17
Swedbank Markets	399	254	57	- 35	
Asset Management and Insurance	19	10	90	8	138
Shared Services and New Operations	- 79	- 21		53	
Eliminations	- 8	- 7	14	0	
<b>Total net interest income</b>	<b>4,501</b>	<b>4,303</b>	<b>5</b>	<b>3,506</b>	<b>28</b>

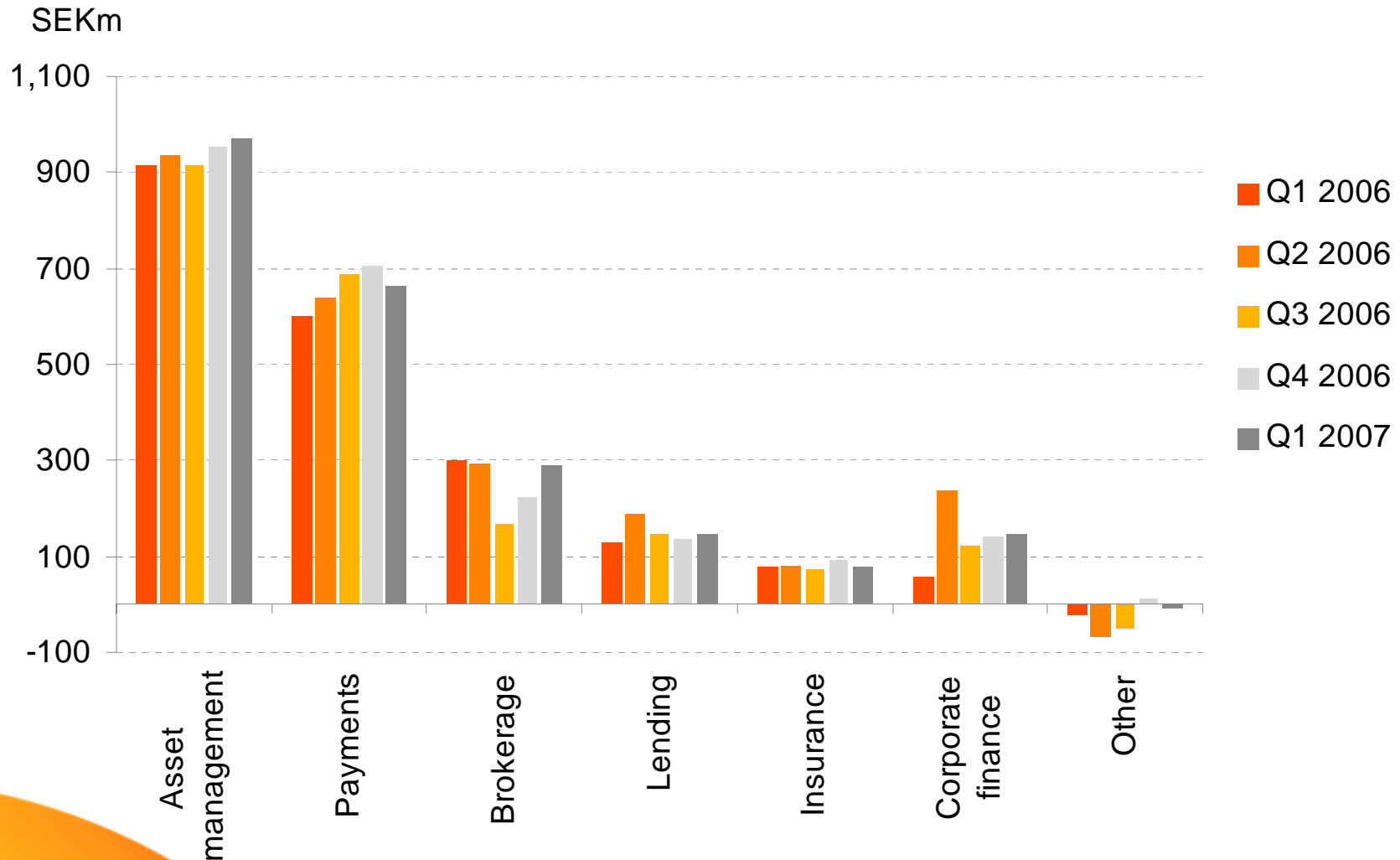
# Net interest income Swedish Banking, change

SEKm	Q1 2007 vs Q4 2006	Q1 2007 vs Q1 2006
<i>Net interest income Q4 2006</i>	2,949	
<i>Net interest income Q1 2006</i>		2,752
<i>Changes:</i>		
Higher lending volumes	39	216
Decreased lending margins	- 58	- 249
Higher deposit volumes	25	101
Higher deposit margins	32	222
Other changes	- 37	- 92
<b>Total change</b>	<b>1</b>	<b>198</b>
<i>Net interest income Q1 2007</i>	2,950	2,950

## Baltic Banking, change in net interest income

<b>SEKm</b>	<b>Q1 2007 vs Q4 2006</b>	<b>Q1 2007 vs Q1 2006</b>
<i>Net interest income Q4 2006</i>	1,221	
<i>Net interest income Q1 2006</i>		853
<i>Changes:</i>		
Higher lending volumes	63	314
Decreased lending margins	- 11	- 33
Higher deposit volumes	10	46
Higher deposit margins	119	206
Other changes	- 78	- 62
<b>Total change</b>	<b>103</b>	<b>471</b>
<i>Net interest income Q1 2007</i>	1,324	1,324

# Net commission income, Group

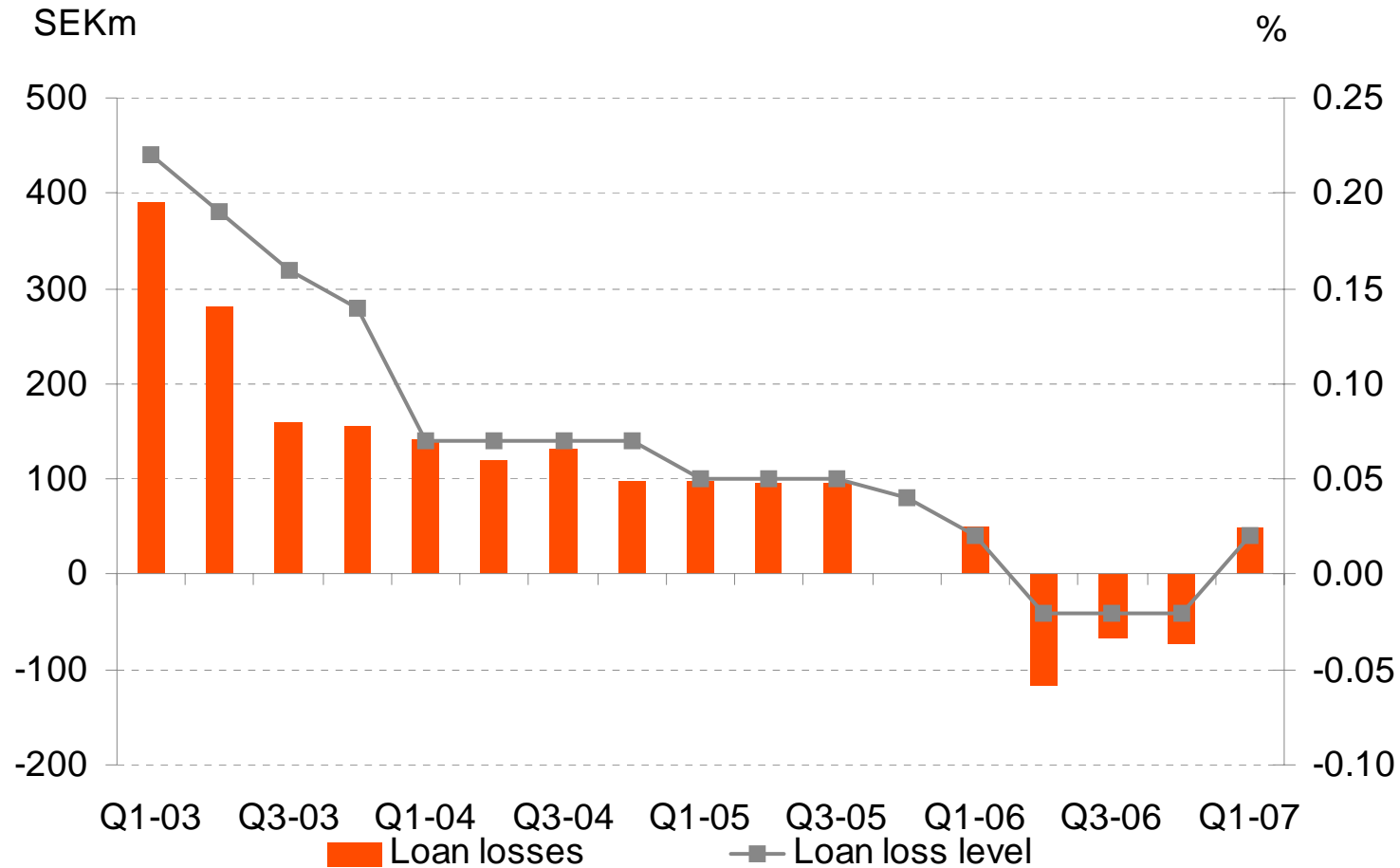




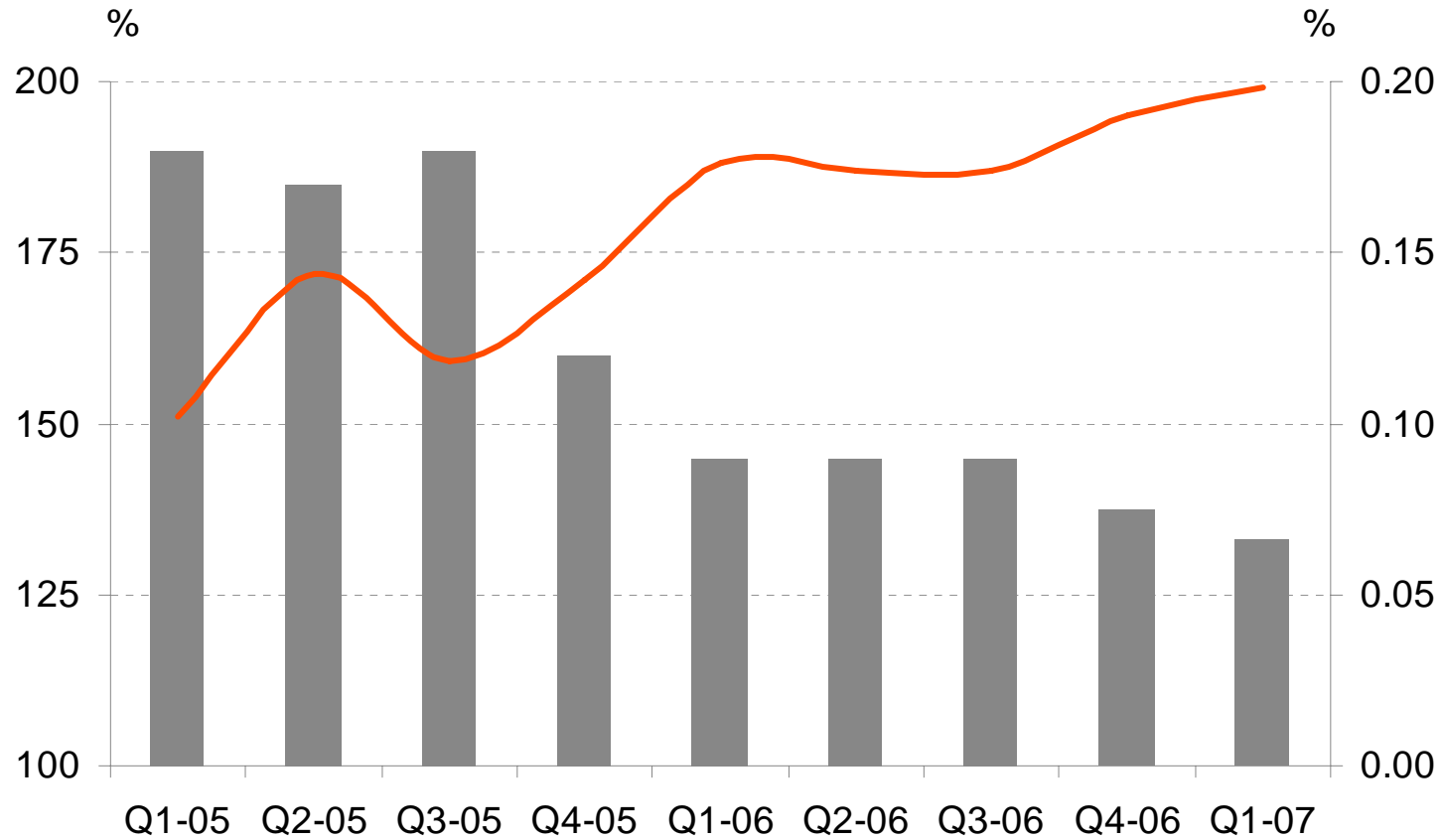
# Expenses

SEKm	Q1 2007	Q4 2006	% Q1 2006	%	
Swedish Banking	- 2,204	- 2,350	- 6	- 2,156 2	
Baltic Banking	- 820	- 866	- 5	- 651 26	
Swedbank Markets	- 517	- 535	- 3	- 437 18	
Other business areas	- 396	- 346	14	- 406 - 2	
<b>Total expenses</b>	<b>- 3,937</b>	<b>- 4,097</b>	<b>- 4</b>	<b>- 3,650 8</b>	
<i>of which staff costs in:</i>					
Swedish Banking	- 1,036	- 1,011	2	- 1,009 3	
Baltic Banking	- 475	- 471	1	- 352 35	
Swedbank Markets	- 345	- 345	0	- 281 23	

# Loan losses, Group



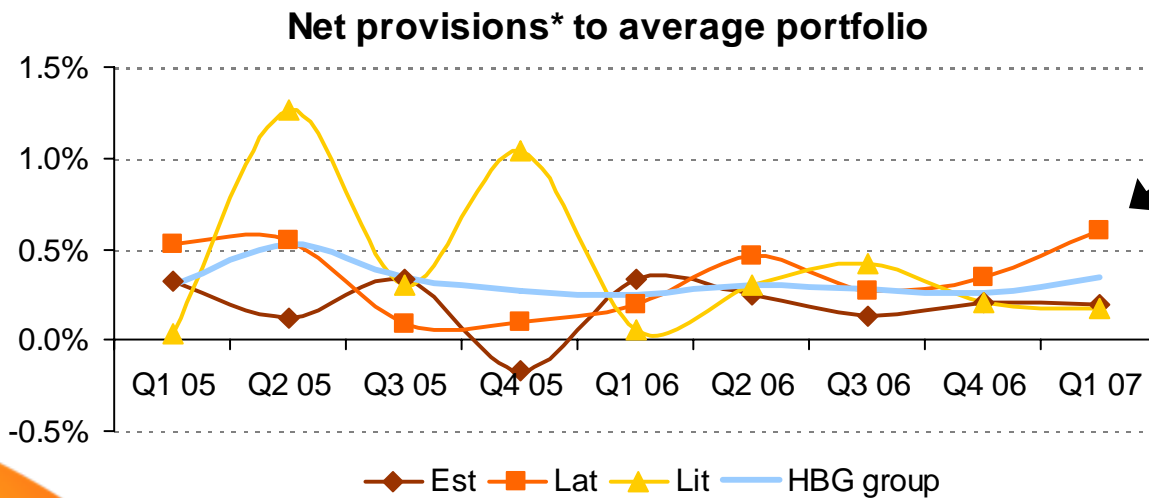
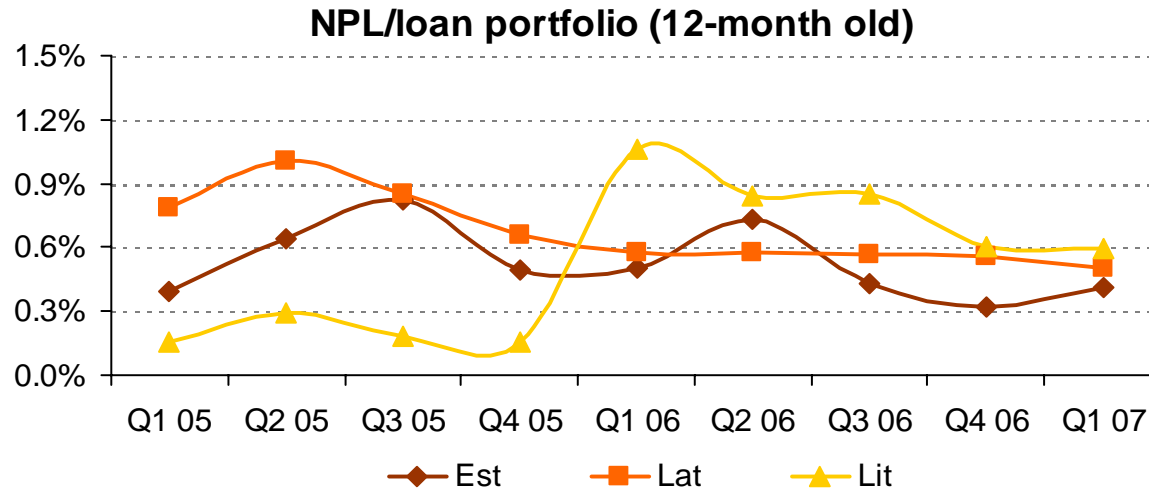
# Credit quality, Group



■ Share of impaired loans (right scale)

— Provision ratio

# Credit quality, Baltic Banking



Increase relates to an individual customer

## Business areas

Q1 07 vs Q1 06, SEKm	Swedish Banking		Baltic Banking		Swedbank Markets		Asset Mgmt	
	Q1 2007	%	Q1 2007	%	Q1 2007	%	Q1 2007	%
Net interest income	2,950	7	1,324	55	399		19	138
Net commission income	1,082	1	432	23	364	24	399	4
Other income	376	18	279	81	248	-51	56	87
<b>Total income</b>	<b>4,408</b>	<b>6</b>	<b>2,035</b>	<b>50</b>	<b>1,011</b>	<b>32</b>	<b>474</b>	<b>13</b>
Staff costs	-1,036	3	-475	35	-345	23	-76	4
Other expenses	-1,168	2	-345	15	-172	10	-107	34
<b>Total expenses</b>	<b>-2,204</b>	<b>2</b>	<b>-820</b>	<b>26</b>	<b>-517</b>	<b>18</b>	<b>-183</b>	<b>20</b>
Profit before loan losses	2,204	11	1,215	72	494	51	291	9
Loan losses	67		-120					
<b>Operating profit</b>	<b>2,271</b>	<b>14</b>	<b>1,095</b>	<b>68</b>	<b>494</b>	<b>49</b>	<b>291</b>	<b>9</b>
Return on allocated equity, %	25.5		31.1		31.8		51.2	

# Key figures

	<b>Mar 31, 2007</b>	<b>Mar 31, 2006</b>
Return on equity, %	18.9	16.6
Earnings per share, SEK	5.65	4.41
Equity per share, SEK	122.84	108.66
C/I ratio before loan losses	0.51	0.56
Loan loss ratio, net, %	0.02	0.02
Share of impaired loans, %	0.07	0.09
Provision ratio for impaired loans, %	199	188
Tier 1 capital ratio, %	6.8	6.5
Capital adequacy ratio, %	10.0	9.7

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