

Jan Lidén's address to Swedbank's Annual General Meeting in Stockholm on April 27, 2007

My fellow shareholders, ladies and gentlemen,

Swedbank's vision is to be the leading financial institution in the markets where we are active. Being a leader means:

- Having the highest customer satisfaction
- Having the best profitability
- Being the most attractive employer.

As a full-service bank, we serve every customer segment in our home markets of Sweden, Estonia, Latvia and Lithuania, as well as niche segments in other markets.

Our vision is evident in every aspect of the bank's operations. The basic assumption is that satisfied customers do more business.

Late last year we began the process of changing our name to Swedbank. It entails more than just changing signs. Our new name and graphic identity, which together create our new trademark, reflect our aim to be a service leader. To fulfill this promise, we will be accessible, uncomplicated and proactive. Customers should never feel far from the bank, literally or figuratively. It should be easy to become and remain a customer. And we will maintain active, continuous dialogue with customers. Everyone should feel welcome at Swedbank.

We can see that customer satisfaction at Swedbank is increasing by more than any other bank, according to the Swedish Quality Index. This applies to both private and corporate customers in Sweden. In the Baltic countries, we are further strengthening customer satisfaction despite having long been among the top players in Estonia, Latvia and Lithuania.

In 2006 we received an award as Bank of the Year in Sweden and Estonia by the international publication The Banker. This is the result of our success in creating value-added for customers at the same time that we have improved the bank's profitability.

We see the bank's solid financial results as further proof that a satisfied customer will do more business with Swedbank. Our underlying profit increased by 13% in 2006 when adjusted for the large capital gains in 2005. The Swedish market remained stable. Baltic operations and the investment bank Swedbank Markets reported record profits. In mortgages and corporate lending, we increased our market share in all home markets last year.

In our report for the first quarter of this year, we were pleased to note that the positive trend had continued and that we had raised not only our market shares but also business intensity in several important areas. In financial terms, our profit rose by 28% compared with the first quarter of 2006.

Carl Eric Stålberg described the duties assigned to management by the board last year. Allow me to say a few words about how well we performed these duties and how we are working systematically to achieve the vision's long-term objectives.

We have been successfully providing banking services in Sweden since 1820. Today Swedbank is Sweden's largest bank in terms of number of customers and branches.

The Swedish market is considered mature. But a mature market is not the same thing as one without opportunities. On the contrary, our success demonstrates that we can help customers with their financial situation while improving the bank's profitability by adding value to the relationship. Thanks to our expansive market presence, we can meet many different customer needs: from easy-to-use everyday banking services to specialized advice.

The mortgage market is a good example of how we are adding value for customers through active marketing, pricing and product development. In the process, we have succeeded in reversing what had been a downward trend in the bank's market shares in 2006. In summing up last year, I would note that Swedbank consolidated its position as the leader in the Swedish mortgage market.

Offering property and liability insurance also increases value-added for mortgage customers. This year we are expanding our offering to include homeowners insurance for both primary and secondary residences as well as auto insurance.

In Private Banking, it is evident our initiatives are working. We are seeing a significant increase in business volumes. During the year we will expand our offering to include asset management services for businesses, among other things.

Further improvements to our offering in finance company and corporate lending are creating value-added for customers in the agricultural, forestry and contracting sectors as well as in consumer loans and fleet management.

We have refocused our work in the corporate market in Sweden and the Baltics to meet customer demand for cross-border services. The changes have led to higher market share and improved profitability.

We are also creating value-added through an increasingly interconnected distribution network. Branches, the Internet and telephone should all interact in a single unit to make it easy to be and become a customer of Swedbank. A growing share of customers today is choosing to receive professional advice by telephone. At the same time more want to do their routine banking online. In 2006 we launched a functionality that makes it easier to handle

transactions online. We have thereby taken another step toward linking the various ways in which customers can do business with the bank.

In the days ahead we will introduce an option that allows customers to handle practically all their communication with the bank through digital channels. For an average family, this will save around 90 pieces of correspondence from the bank a year. Not only is this an example of improving service from the bank, but also is a manifestation of the bank's active environmental work.

Our branches are better adapting to customer needs. We are continuously reviewing how we staff and structure our branches. Last autumn we increased branch hours to 6 p.m. at around 50 branches. This year we are staying open longer at another 100 branches, primarily Monday to Thursday.

The international share of the bank's total operations has increased significantly in recent years. Today more than half of all customers are outside Sweden, and nearly half of all employees as well. Four of 10 branches are in other markets, and income from Swedbank's operations outside Sweden has doubled since 2002.

Besides Sweden, Estonia, Latvia and Lithuania are our home markets. The Baltic economies have undergone a long period of economic growth. Average annual GDP growth in the last 10 years has ranged between 6.5% and 7.5%, compared to an EU average of 2.5%. This makes the Baltics the fastest growing region in the union.

Hansabank is currently the leading bank in all three Baltic countries. In 2006 it reported its highest profit ever, up 34% from the year before. Its operations are shifting from product-oriented sales to segment-based service offerings and a growing business in Russia.

In savings and investments, important steps are being taken to diversify savings options. Deposits are still the main form of savings, but alternatives are becoming more popular. Pension savings continued to grow, for example. Half of all those saving for retirement have chosen one of Hansabank's pension funds, and total contributions to its funds increased substantially last year.

Loan demand from consumers and businesses remains high. At the same time the level of penetration for banking products in the market is still lower than the EU average.

The very high growth in the last two years is not sustainable long-term. Inflation has increased significantly in all three countries, especially Latvia, delaying their admission to the European Monetary Union, EMU. At the same time economic volatility has increased. Swedbank is therefore carefully monitoring economic development in the region and maintaining an open dialogue with local authorities and players to ensure controlled, sustainable development.

With our successful operations in the Baltics as a base, we are raising our aims in neighboring Russia. In September 2005 we opened a branch in Moscow. In 2006 we opened

new branches in St. Petersburg and Kaliningrad. This year we will gradually introduce retail services and expand the distribution network by adding new branches. We have established a strategy to expand operations in the next three to five years to become a universal bank.

In the years ahead the Baltics and Russia will remain one of the fastest-growing regions in the EU. The financial sector is expected to grow faster than nominal growth due to the continued low penetration of banking products.

Along with Russia, Ukraine is our latest emerging market. Swedbank has made an offer to acquire TAS-Kommerzbank, a rapidly growing bank that serves both corporate and private customers. Today its emphasis is on private customers, of which it has around 100,000, with about 10,000 corporate customers. TAS-Kommerzbank also has around 2,300 employees and 170 branches. Ukraine's economic development is expected to be very strong for years to come. The banking market there is less developed than, for example, the Baltics was seven years ago. In terms of population, Ukraine is five times larger than Sweden. On the other hand, the banking system in Ukraine is equivalent in value to about one third of Swedbank's balance sheet. This says a lot about the growth potential.

As Carl Eric Stålberg told you, the duties assigned to management in 2006 consisted of further developing Swedbank in the mature Swedish market, continuing our success in our Baltic home markets, and, lastly, taking advantage of opportunities for further growth in new markets.

As I have described, Swedbank took successful initiatives in all three areas during the year.

My fellow shareholders, ladies and gentlemen, I would like to thank you for your attention and express my thanks to Swedbank's customers and employees for a rewarding collaboration in 2006.

Now I give you the chairman of the meeting.