



Year-end report 2006

Jan Lidén

CEO and President

Summary Q4 2006

- **Continued strong profit, +13% vs. Q4 2005**
- **Swedish Banking, continued good profitability**
 - Higher business volumes and increased market shares
- **Baltic Banking, another record quarter**
 - Strong volume growth, coupled with increased market shares in important segments
 - Continuous investments to capture the market potential
- **Swedbank Markets, best year so far**
 - Strong quarter for customer-driven trading in currencies, equities and fixed income
 - Establishment of broker-dealer in New York
- **Long-term growth investments**
 - Agreement to acquire TAS-Kommerzbank in Ukraine
 - Expansion to Russian retail market
- **Updated financial objectives reflect long-term growth targets.**

Updated financial objectives reflect long-term growth targets

- Return on equity should exceed the average of peers* **(unchanged)**
- A C/I ratio before loan losses of below 0.5 long-term **(unchanged)**
- A tier 1 capital ratio of around 6.5 percent **(previous objective: 7%)**
- Dividends shall constitute around 40 percent of earnings after tax, excluding nonrecurring items **(previous target: nonrecurring items were not taken into account)**
- Growth in sustainable earnings per share shall exceed the average of peers* **(new objective)**.

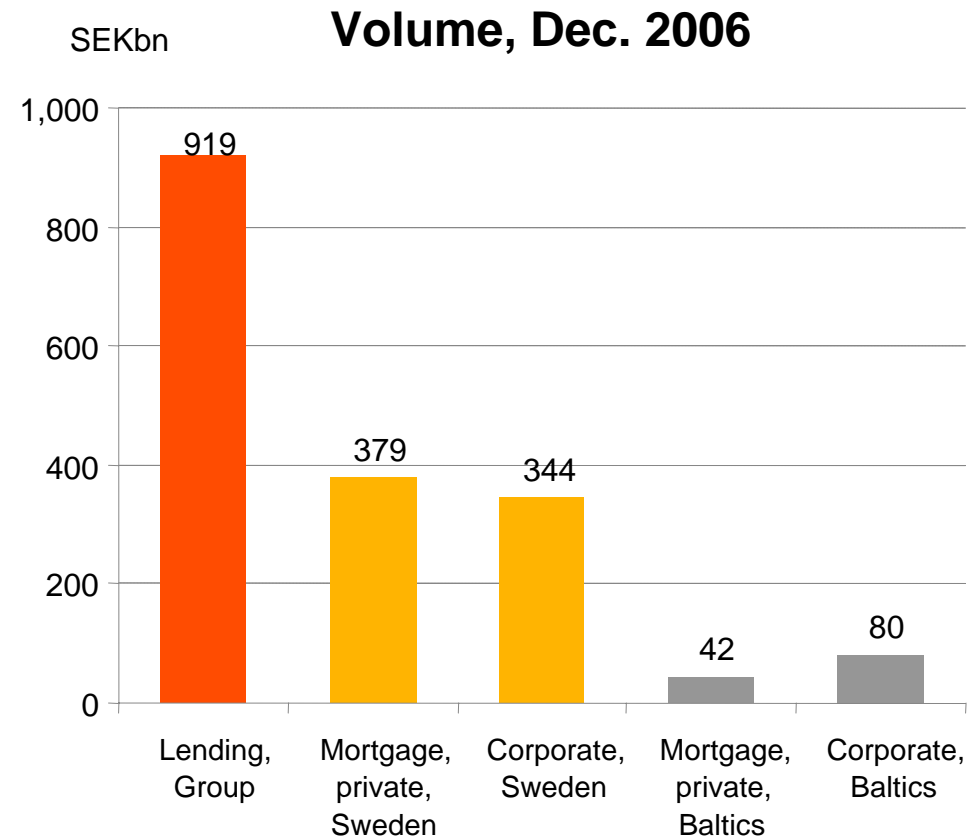
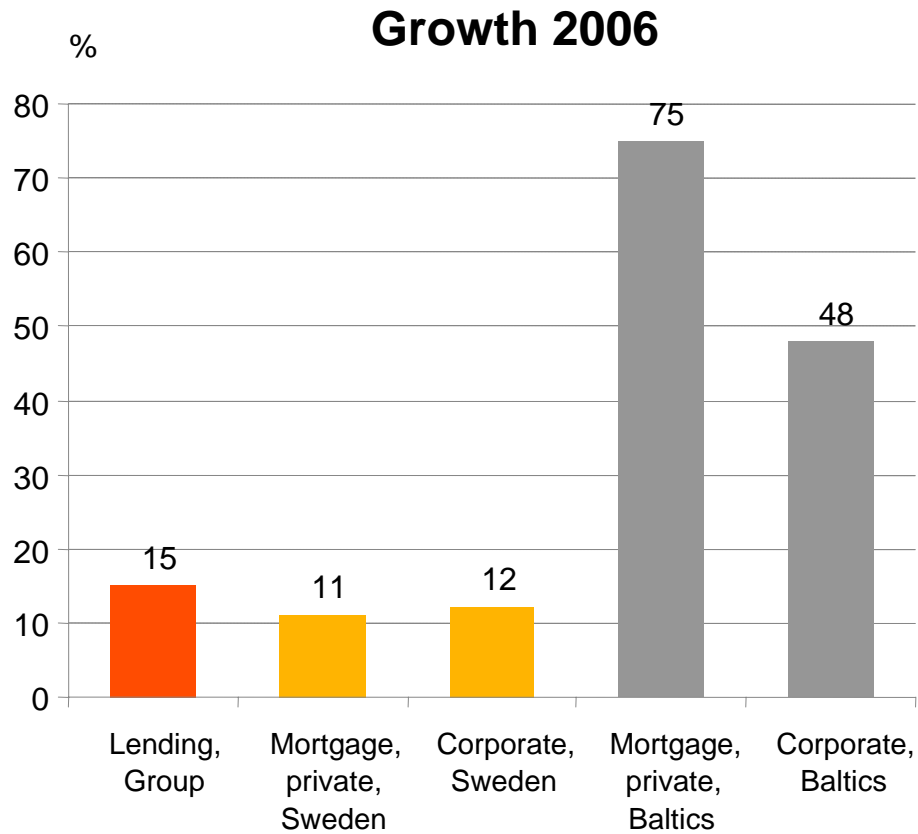
Strong underlying development

SEKm, Jan - Dec	2006	2005	%
Net interest income	15,504	15,539	0
Net commission income	8,869	7,170	24
Net gains/losses on financial items at fair value	3,211	2,957	9
Other income	1,613	1,573	3
Capital gains		2,221	
Total income	29,197	29,460	- 1
Staff costs	- 7,253	- 6,837	6
Profit-based staff costs	- 1,307	- 1,354	- 3
Other expenses	- 6,579	- 5,965	10
Total expenses	- 15,139	- 14,156	7
Profit before loan losses	14,058	15,304	- 8
Loan losses	205	- 294	
Operating profit	14,263	15,010	- 5
Tax	- 3,211	- 2,781	15
Profit for the period	11,052	12,229	- 10
Attributable to Swedbank's shareholders	10,880	11,879	- 8

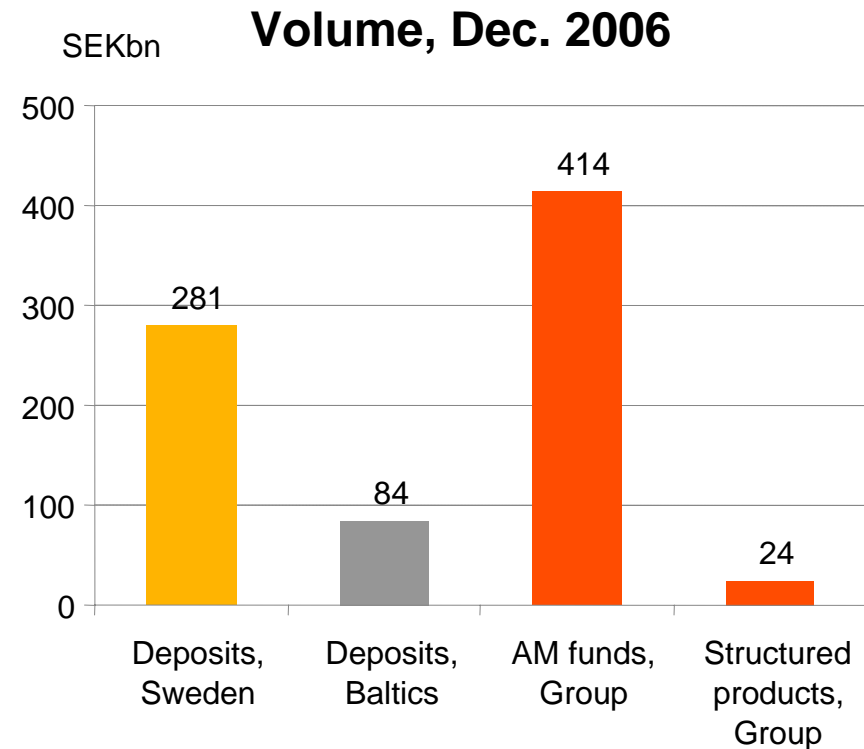
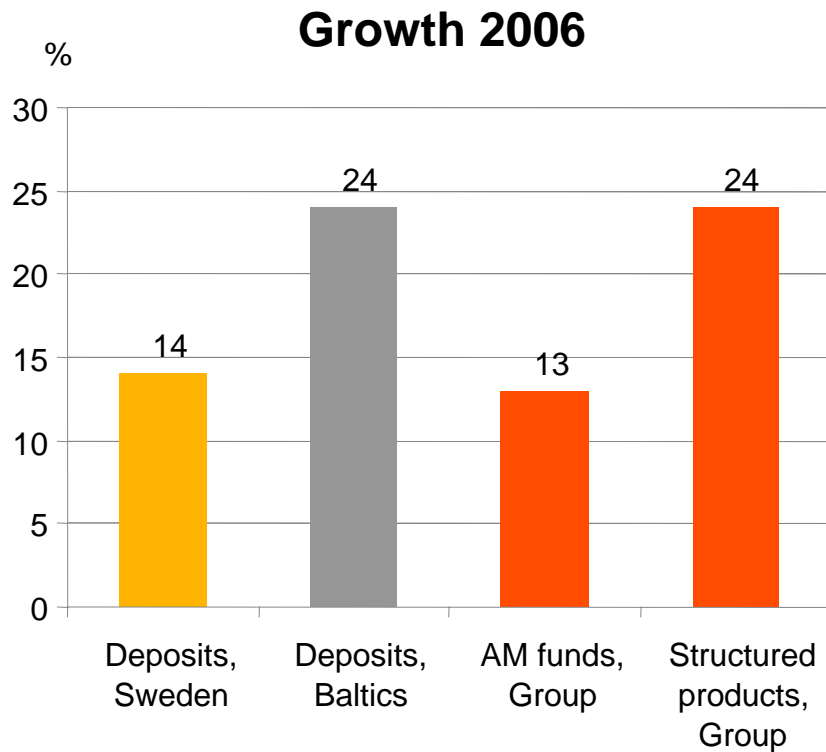
Excl. capital gains,
income increased
7 percent

Excl. capital gains,
profit increased 13
percent

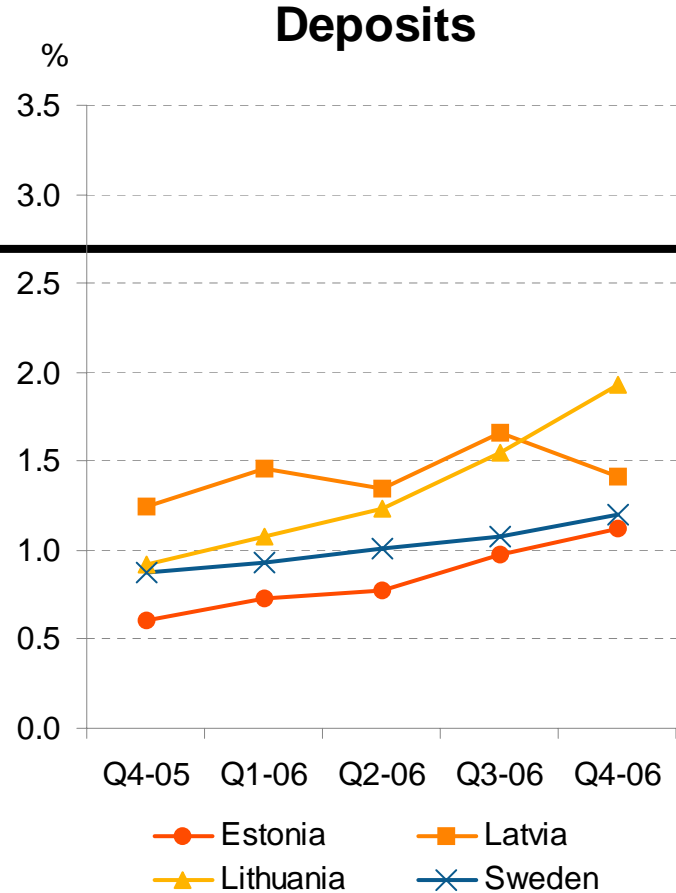
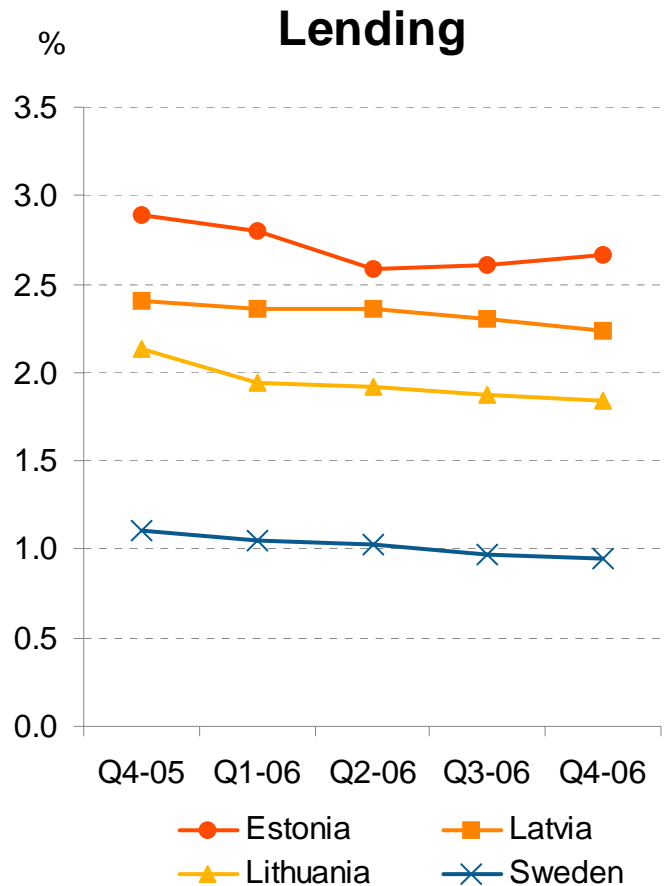
Business volumes, lending



Business volumes, savings



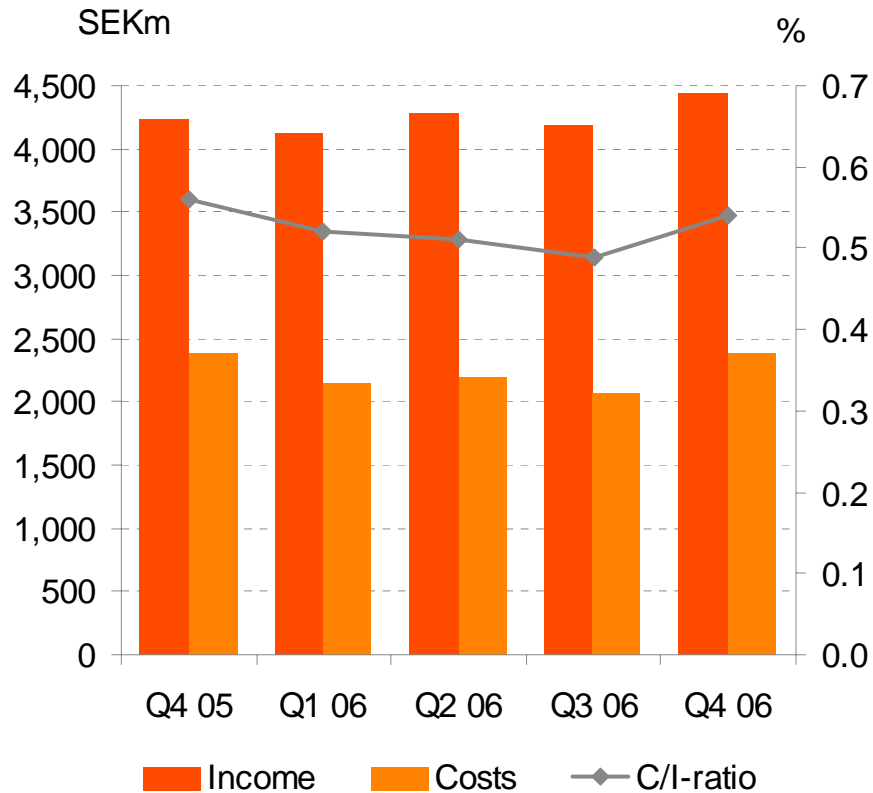
Margins



Mix effect – continued margin pressure in most product lines

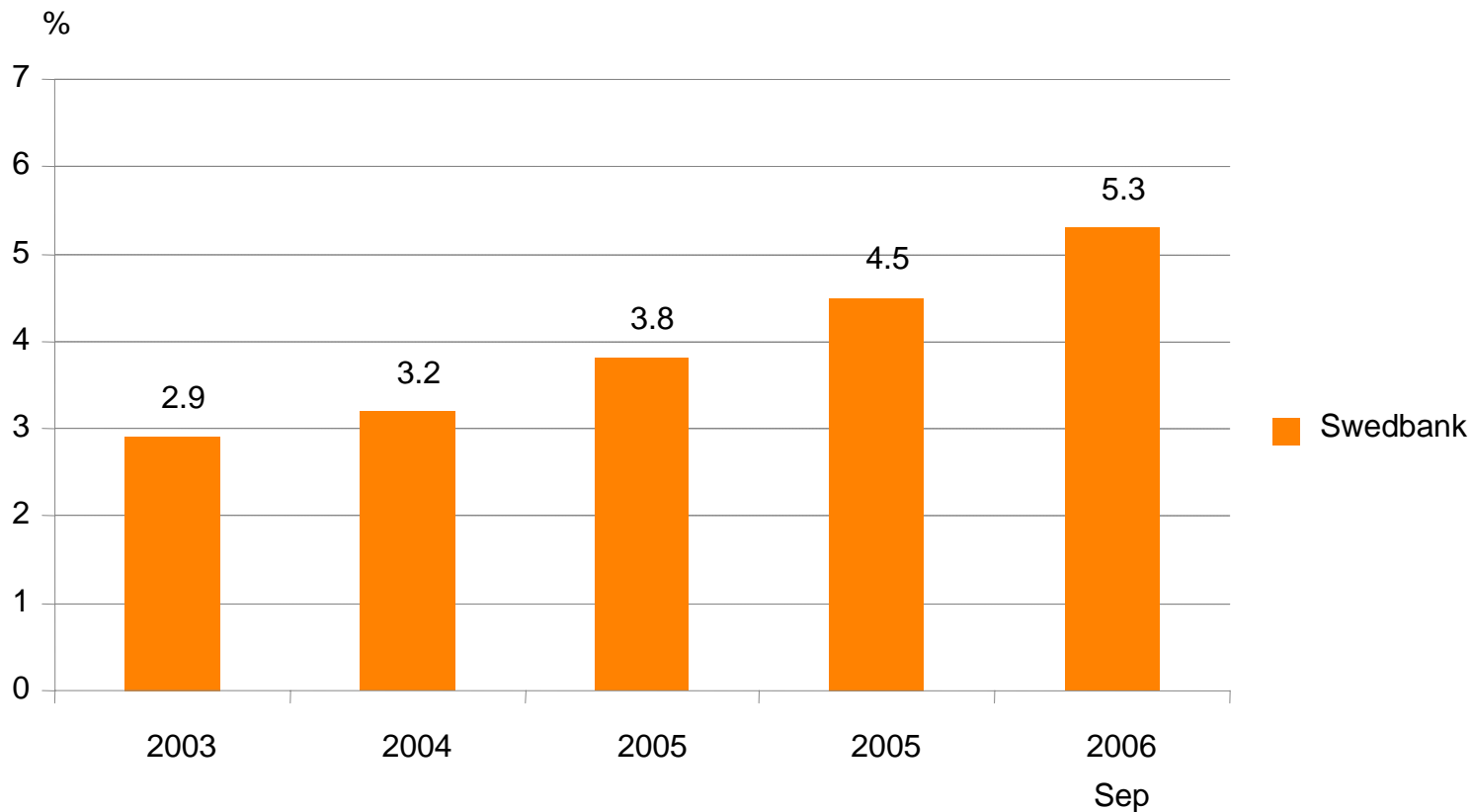
Latvian short-term rate RIGIBOR decreased in Q4

Swedish Banking

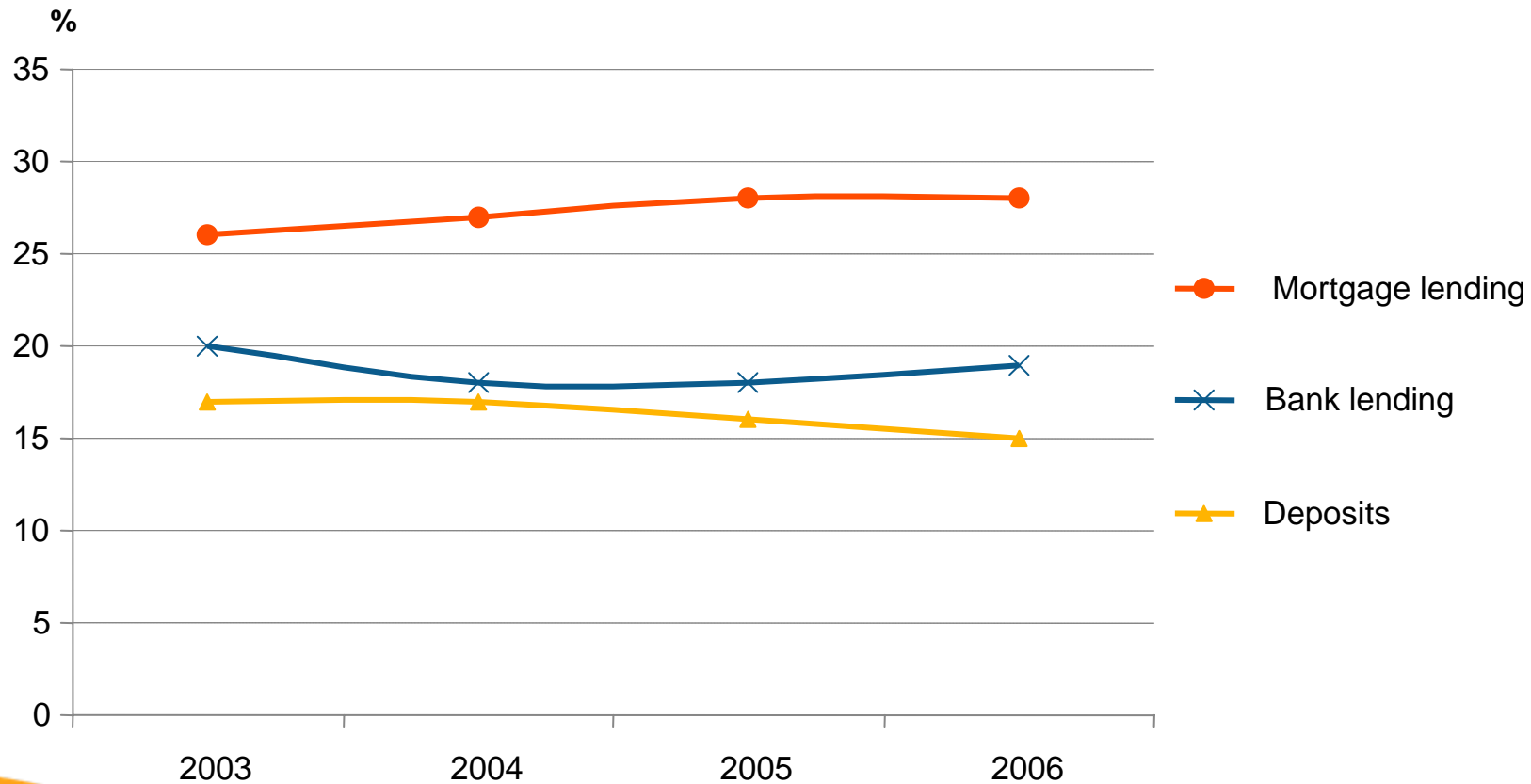


- Operating profit excl. capital gains increased by 4 percent in 2006
- Mortgage loans in focus
 - Market shares recovered
 - Competition remains fierce
- Successful launch of new brand
 - Significant investments in Q4
- Efforts in several long-term growth areas
 - Consumer credits and credit/debit cards through EnterCard
 - Non-life insurance launched
 - Occupational pensions.

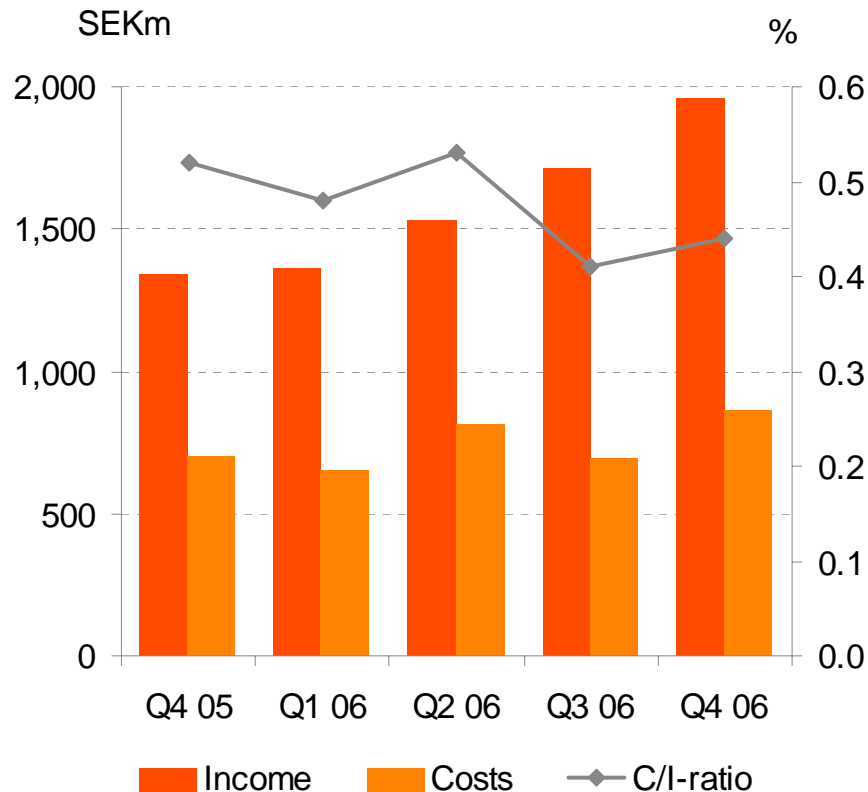
Occupational pensions, markets share new sales Swedish Banking



SME/corporate market share, Swedish Banking



Baltic Banking

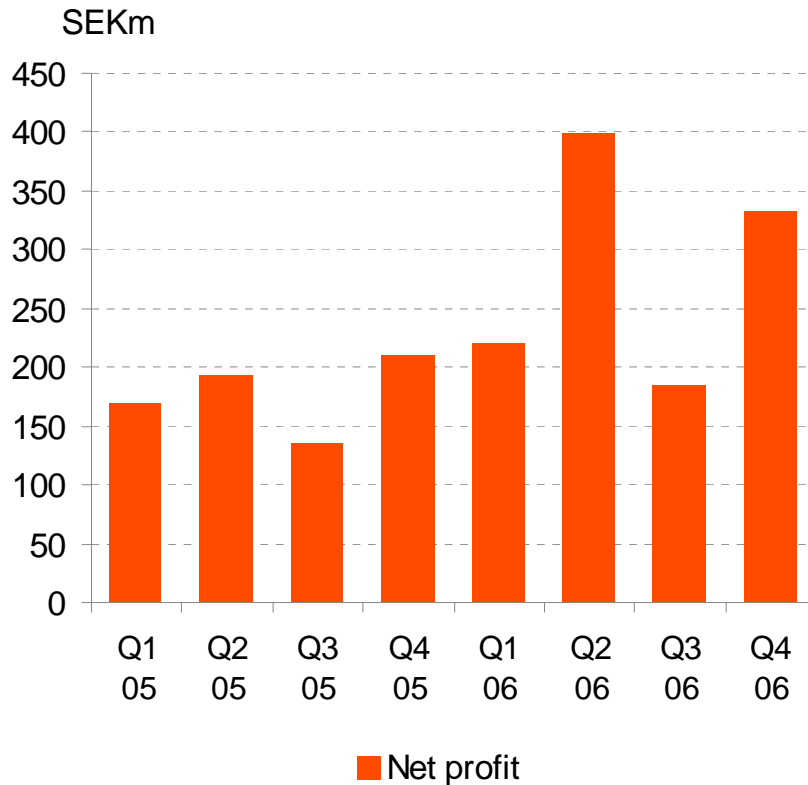


- Record profits in practically all areas
- Continued robust macro economic development
- Continuous investments to capture the market potential
 - Number of employees increased by 17 % in 2006 to 8,442
- Tough competition in terms of both business volumes and labor
- Major volume increases, slight slowdown in pace of increase in Q4
- Market still very attractive.

Baltic Banking, market shares

	Estonia		Latvia		Lithuania	
	Dec 31, 2006	Dec 31, 2005	Dec 31, 2006	Dec 31, 2005	Dec 31, 2006	Dec 31, 2005
Balance, %						
Deposits, households	62.3	62.9	29.5	28.7	38.6	39.2
Mortgage lending, households	49.7	49.6	29.8	27.5	29.8	29.5
Consumer/bank lending	59.0	61.9	18.7	16.2	32.2	29.5
Deposits, SME/corporate	47.1	47.3	14.3	14.7	21.5	20.3
Lending, corporate	44.3	41.2	26.3	22.6	20.7	20.5
Pension II	52.3	52.1	43.4	40.2	43.3	43.8

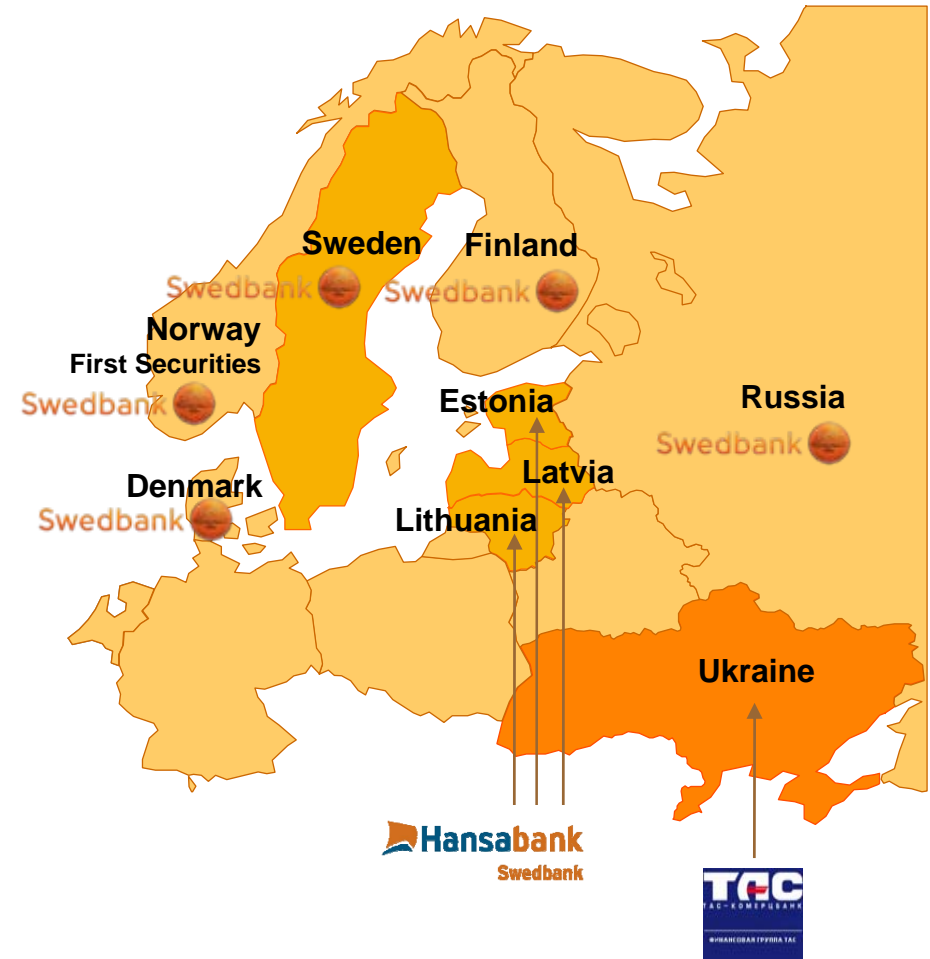
Swedbank Markets



- Best year so far, all business areas reported all time high results
- Profit 2006 increased by 54 percent
- Market leader in corporate credit bonds issuing in SEK and NOK
- Establishment of broker-dealer in New York
- Chinese authorities approved preliminary license for Shanghai branch.

Acquisition of TAS-Kommerzbank

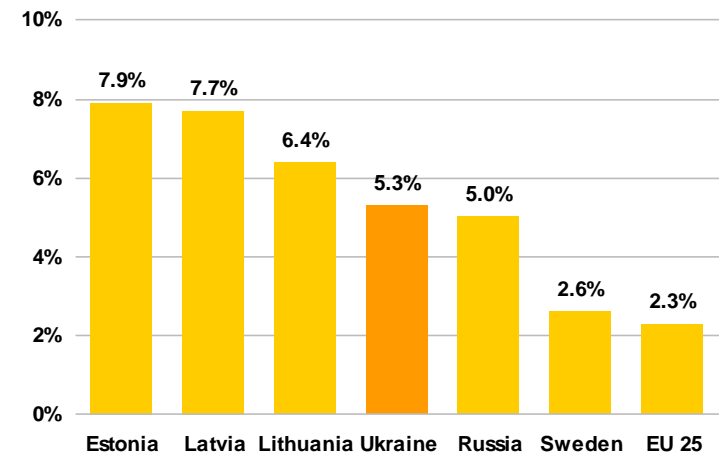
- Another step to enhance growth
- Leverage Swedbank's experience and expertise from the Baltics
- Ukraine is one of the best growth opportunities in Europe
- TAS has a good fit with its focus on the retail and SME segments
- Highly experienced management team.



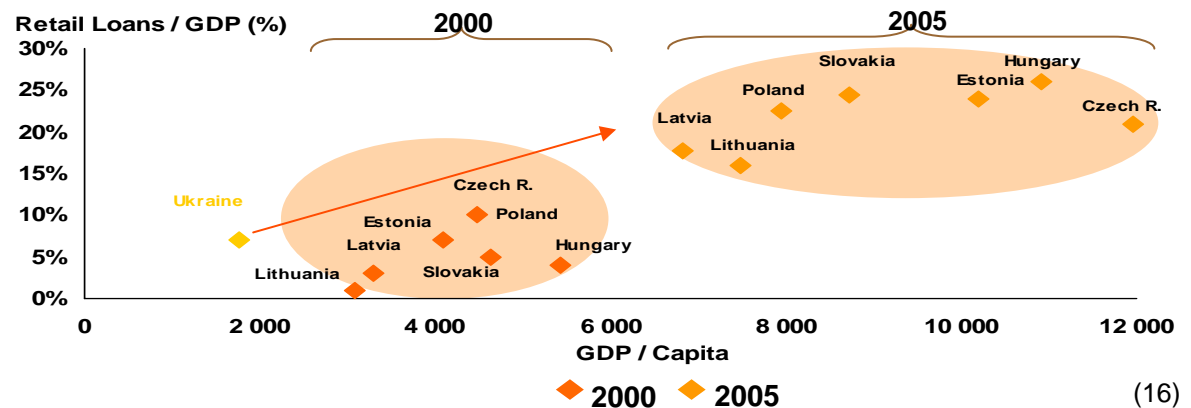
Excellent long-term growth potential

- Ukraine is expected to have a continued high GDP growth
- Under penetrated banking market
 - Retail loans/GDP, cards, current accounts
- TAS will continue to gain market share
 - Clear strategy focusing on retail- and SME segments
 - TAS has climbed from number 22 to number 13 in terms of total loans in the last 3 years.

Real GDP Growth 2005-2010E



High Growth Potential



Expansion to Russian retail market

- The Russian retail market has a substantial growth potential
 - Strong GDP growth
 - Increased demand for traditional retail banking products such as mortgages, cards and savings products
- Leverage on our experience in fast growing markets through Hansabank
- Initially 6-7 new bank branches in prime locations in Moscow and St. Petersburg
- ATMs, telephone and Internet banks
- Profitable organic growth.

Group results

Mikael Inglander

CFO

Q4 summary

- **Continued increase in net interest income, up 4 percent vs. Q3**
 - Good volume increase, lending margin pressure remains
- **Net commission income increased 9 percent vs. Q3**
 - Strong development of the securities market
- **Net gains and losses on financial items at fair value substantially up**
 - Successful customer-driven trading
- **Investments in growth and brand name**
 - Investments to capture the Baltic market potential
 - Swedbank's new brand name launched
- **Proposed dividend increase by 10 percent to SEK 8.25 (7.50).**

Income statement, Group

SEKm	Q4 2006	Q3 2006	%	Q4 2005	%
Net interest income	4,049	3,895	4	3,712	9
Net commission income	2,309	2,109	9	1,896	22
Net gains and losses on financial items at fair value	1,162	757	54	1,006	16
Other income	392	403	- 3	383	2
Total income	7,912	7,164	10	6,997	13
Staff costs	- 1,878	- 1,772	6	- 1,731	8
Profit-based staff costs	- 302	- 301		- 378	- 20
Other expenses	- 1,917	- 1,417	35	- 1,608	19
Total expenses	- 4,097	- 3,490	17	- 3,717	10
Profit before loan losses	3,815	3,674	4	3,280	16
Loan losses	72	67	7	- 1	
Operating profit	3,887	3,741	4	3,279	19
Tax	- 928	- 806	15	- 675	37
Profit for the period	2,959	2,935	1	2,604	14
Attributable to Swedbank's shareholders	2,913	2,911		2,570	13

Net interest income, by business area

SEKm	Q4 2006	Q3 2006	%	Q4 2005	%
Swedish Banking	2,950	2,937	0	2,924	1
Baltic Banking Operations	1,164	1,032	13	852	37
Baltic Banking Investments	- 103	- 104	1	- 132	22
Swedbank Markets	192	197	- 2	237	- 19
Asset Management and Insurance	9	9	4	11	- 17
Shared Services and New Operations	81	71	14	- 38	
Eliminations	- 244	- 247	1	- 142	- 72
Total net interest income	4,049	3,895	4	3,712	9

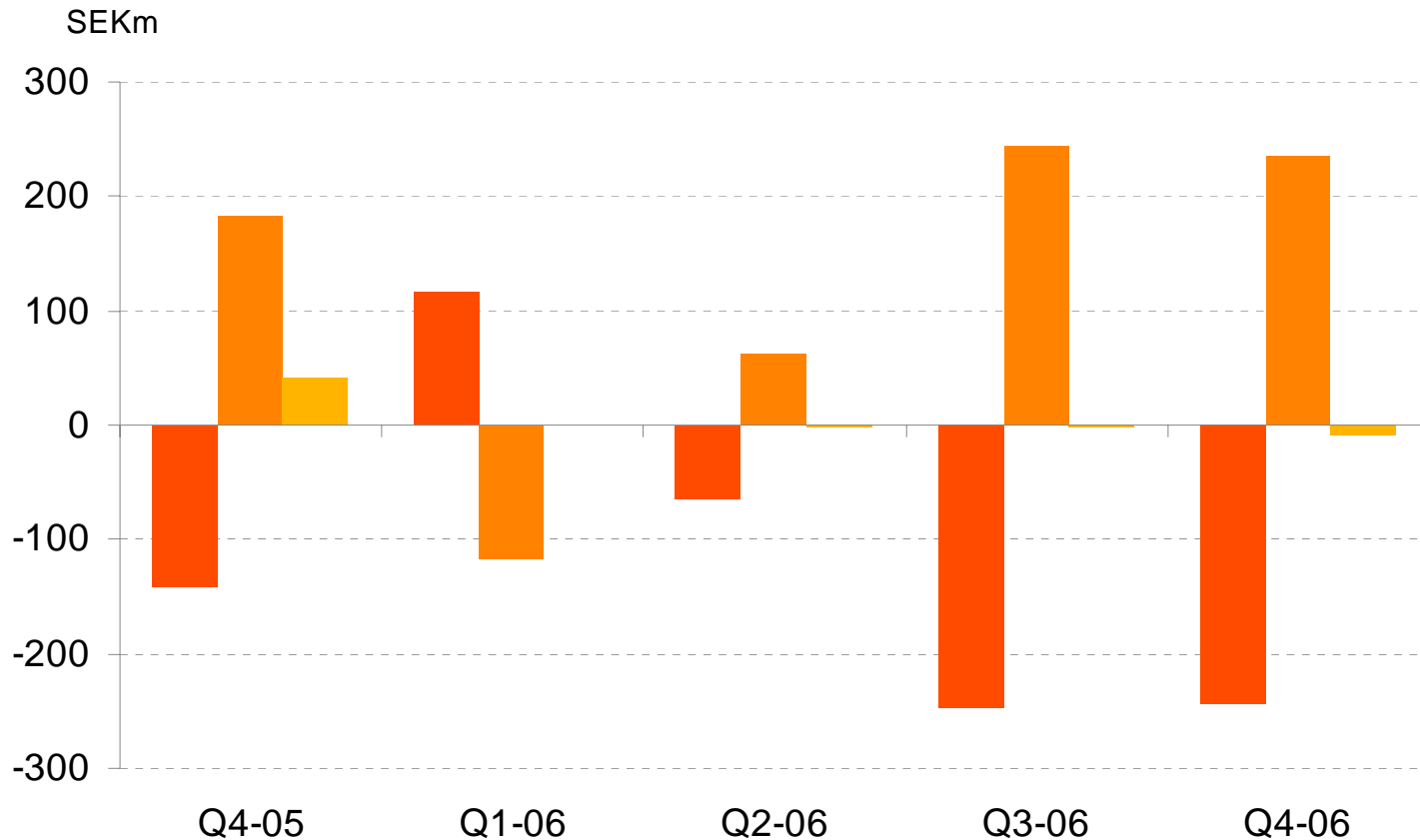
Net interest income Swedish Banking, change

SEKm	Q4 2006 vs Q3 2006	Q4 2006 vs Q4 2005
<i>Net interest income Q3 2006</i>	2,937	
<i>Net interest income Q4 2005</i>		2,924
<i>Changes:</i>		
Higher lending volumes	46	228
Decreased lending margins	- 46	- 307
Higher deposit volumes	21	79
Higher deposit margins	82	221
Other changes	- 90	- 195
Total change	13	26
<i>Net interest income Q4 2006</i>	2,950	2,950

Baltic Banking, change in net interest income

SEKm	Q4 2006 vs Q3 2006	Q4 2006 vs Q4 2005
<i>Net interest income Q3 2006</i>	1,032	
<i>Net interest income Q4 2005</i>		852
<i>Changes:</i>		
Higher lending volumes	95	399
Decreased lending margins	- 25	- 170
Higher deposit volumes	20	43
Higher deposit margins	19	118
Accrued loan fees IFRS		- 90
Other changes	23	12
Total change	132	312
<i>Net interest income Q4 2006</i>	1,164	1,164

Eliminations



- Net interest income
- Net gains and losses on financial items at fair value
- Net change

Net commission income

SEKm	Q4 2006	Q3 2006	%	Q4 2005	%
Payments	706	687	3	607	16
Lending	138	149	- 7	128	8
Brokerage	226	168	35	264	- 14
Asset management	953	915	4	880	8
Insurance	133	115	16	88	51
Corporate finance	140	125	12	63	222
Other	13	- 50		- 134	
Total net commissions	2,309	2,109	9	1,896	22

Net gains and losses on financial items at fair value

mkkr	Q4 2006	Q3 2006	%	2006	2005	%
Trading, derivatives and fair value option	372	392	- 5	1,643	1,540	7
Net interest income	254	244	4	473	140	
Change in value of Norwegian PCCs and shares etc *	24	77	- 69	257	510	- 50
Interest income compensation **	7	9	- 22	51	178	- 71
Change in exchange rates	505	35		787	589	34
Total net gains and losses	1,162	757	54	3,211	2,957	9
<i>Of which IAS 39-effect excluding * and **</i>						
<i>Inefficiency in hedging package</i>	- 4	35		- 39	79	
<i>Valuation of assets at fair value</i>	- 83	14		- 10	199	

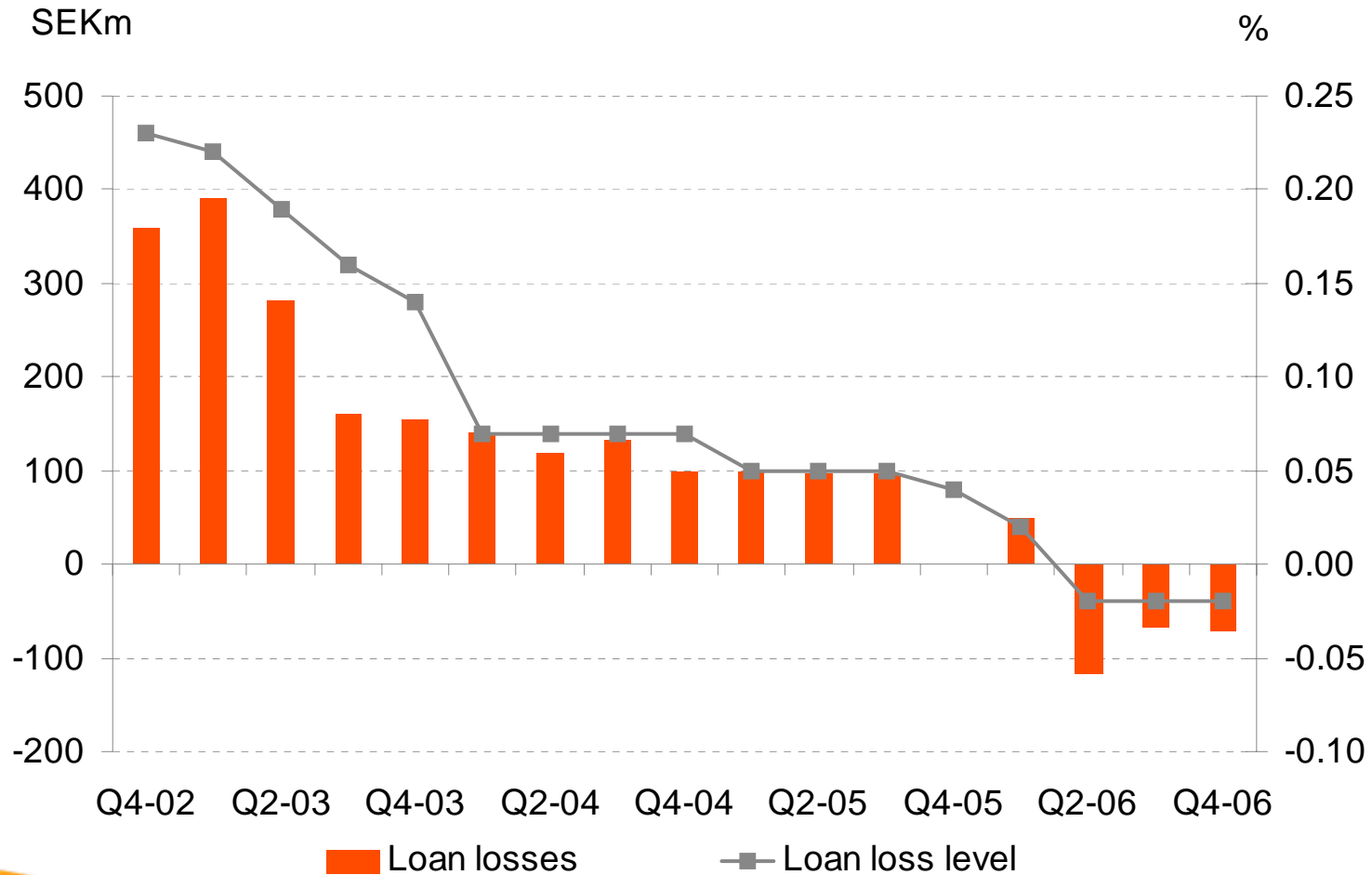
Net gains and losses on financial items at fair value

SEKm	Q4 2006	Q3 2006	%	Q4 2005	%
Swedish Banking	141	14	907	111	27
Baltic Banking	282	234	21	142	99
Swedbank Markets	413	176	135	262	58
Other business areas	326	333	- 2	491	- 34
Total net gains and losses	1,162	757	54	1,006	16

Expenses

SEKm	Q4 2006	Q3 2006	%	Q4 2005	%
Swedish Banking	- 2,335	- 2,065	13	- 2,348	- 1
Baltic Banking	- 866	- 698	24	- 703	23
Swedbank Markets	- 550	- 436	26	- 472	17
Other business areas	- 346	- 291	19	- 194	78
Total expenses	- 4,097	- 3,490	17	- 3,717	10
<i>of which staff costs in:</i>					
Swedish Banking	- 1,002	- 1,001	0	- 1,125	- 11
Baltic Banking	- 471	- 385	22	- 346	36
Swedbank Markets	- 354	- 268	32	- 289	22

Loan losses, Group



Business areas, summary

Q4 06 vs Q4 05, SEKm	Swedish Banking Q4		Baltic Banking Q4		Swedbank Markets Q4		Asset Mgmt Q4	
	2006	%	2006	%	2006	%	2006	%
Net interest income	2,950	1	1,164	37	192	-19	9	-18
Net commission income	1,093	11	426	35	369	33	395	30
Other income	348	24	365	111	423	52	62	-19
Total income	4,391	5	1,955	46	984	24	466	19
Staff costs	-1,002	-11	-471	36	-354	22	-72	-5
Other expenses	-1,333	9	-395	11	-196	7	-112	13
Total expenses	-2,335	-1	-866	23	-550	17	-184	5
Profit before loan losses	2,056	11	1,089	71	434	35	282	29
Loan losses	158		-84		3			
Operating profit	2,214	17	1,005	73	437	29	282	29

Key figures

	Dec 31, 2006	Dec 31, 2005
Return on equity, %	19.3	24.6
<i>Return on equity excluding capital gains, %</i>	<i>19.3</i>	<i>19.7</i>
Earnings per share, SEK	21.11	23.14
Equity per share, SEK	116.37	104.07
C/I ratio before loan losses	0.52	0.48
Loan loss ratio, net, %	- 0.02	0.04
Share of impaired loans, %	0.07	0.12
Provision ratio for impaired loans, %	195	171
Tier 1 capital ratio, %	6.5	6.5
Capital adequacy ratio, %	9.8	9.7

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Reminder: CFO presentation and Q&A in London, Feb 19th

- 08.00 – 09.00 GMT
- SEB Enskilda
Scandinavian House
2 Cannon Street
London EC4M 6XX
- Confirm your attendance to ir@swedbank.se