

Jan Lidén's address to Swedbank's Annual General Meeting in Stockholm on April 25, 2008

Esteemed Shareholders, Ladies and Gentlemen,

Swedbank has a strategy that leaves us positioned for further growth and profitability. With a strong base in Sweden, we have stable earnings and a strong market position in our most important segments. Our operations in the Baltic countries have continued to generate higher income for the group. In Russia and Ukraine, we have excellent prospects to take advantage of opportunities in these rapidly growing markets.

Volatility spread through the financial markets last year. The turbulence continued into 2008. Swedbank has no exposure to the lending products that provide rise to and exacerbated this situation. Our low risk exposure and solid financial results for the year are evidence of this. The profit we reported yesterday for the first quarter of the year is further reinforcement.

Last year brought considerable attention to the economic imbalances in the Baltics. Our assumption has always been that a correction would come to the Baltic economies, and that it would do so in the form of a soft landing. From what we have seen so far, there is no reason to change this opinion.

In his introduction, the Chairman noted several priorities for me and Swedbank's management. I would therefore like to take a moment to discuss the performance of our operations in 2007.

Having once been primarily a Swedish bank, Swedbank has developed into an international bank with Swedish roots. Today we have four home markets – Sweden, Estonia, Latvia and Lithuania – where we offer a comprehensive range of financial services. Swedbank wants to grow and has an explicit growth strategy.

Our customer offering is based on competitive products and services that are easy to understand and use. Together with top-of-the-line service for customers, we have established a model for successful banking in all our markets.

We also want to maintain a well-diversified credit portfolio with a low risk profile. Our lending is always based on the customer's solvency and collateral.

The group reported record profit for 2007. Net profit for the year rose to SEK 12 billion. Net interest income rose by 20 percent and net commission income by 11 percent.

We increased business volumes in every segment. Lending rose by 20 percent and deposits by 19 percent.

Our Swedish banking operations currently account for more than half the group's total profit. The name change to Swedbank has been well received by customers.

We have helped our customers to improve their finances while raising the bank's profitability through a focus on service. We have introduced Saturday hours on a trial basis in Stockholm, Göteborg and Malmö. Together with extended hours to 6 p.m. at many branches, we are making ourselves more accessible. In the Swedish market, we noted good volume growth in all segments.

Swedbank is the leader in the Swedish mortgage market and our market share for corporate lending remained stable at 22 percent.

The strategically important cooperation with Sweden's savings banks was extended during the year. Continuous efforts to structure the bank's branch network are being made in part together with individual savings banks from which Swedbank has bought and sold branches to achieve a more efficient branch organization. Together, Swedbank and the savings banks continue to offer Sweden's most extensive branch network.

During the year we established an extensive alliance with Folksam in the areas of asset management and non-life insurance.

We opened an online mutual fund marketplace where our customers can trade more than 200 funds from fund managers around the world. In addition, Morningstar and the business daily Dagens Industri named Swedbank Robur Sweden's Fund Manager of the Year in 2007.

In the corporate market, we have continued to broaden our offering for both small and large companies. In the process, we have succeeded in attracting important new customers among large companies. We have also set a goal to continue the transition of payment flows through Plusgirot. In 2007 incoming payment transactions increased by 24 percent. Swedbank's unique electronic bookkeeping product grew by 40 percent in 2007.

In January of this year we launched a group-wide cash management offer for markets outside the EMU. As a result, we have established a good foundation for further offerings in this product area.

According to the Swedish Quality Index, we had the most satisfied life and pension insurance customers in 2007. In the same index, customer satisfaction among Swedbank's business customers rose by two percentage points to nearly 71 percent.

Swedbank was also named the most popular employer in the Swedish financial market in two different surveys and the fourth most popular employer in the entire country. Our popularity among business students is important in order to secure access to future competence.

In the Swedish market, we anticipate slower economic growth this year. Our main scenario calls for GDP growth of around two percent. To ensure continued profitability, we are continuously improving efficiencies in our operations in Sweden.

In Sweden, it is also important that we reduce cash handling. We are planning a number of initiatives in 2008 to reduce the risks for individual customers as well as society in general caused by cash handling. Today, for example, we launched a better offering for retailers for card purchases of less than SEK100.

We are reassessing our distribution network to ensure profitability and good customer service. There is still significant potential for greater integration between the branches and our Internet and telephone services. We believe that the level of service provided to customers can be raised immeasurably by offering them the opportunity to begin a transaction in one channel and finalize it in another.

Our Baltic banking operations have maintained substantial growth for many years and today account for just over one third of the group's overall profit.

In 2005 Swedbank acquired the remaining 40 percent or so of Hansabank for SEK 16 billion. This means that Hansabank was valued at nearly SEK 40 billion at the time. Compared with the nearly SEK 20 billion Swedbank paid in total for Hansabank, the acquisition even then – based solely on the purchase price – was a success. In just the last three years Hansabank has generated a profit of SEK10 billion.

Business from our Baltic customers continued to grow in 2007, with profit increasing by 46 percent.

In Estonia, Hansabank was named Bank of the Year by Euromoney, and we received the same award in Latvia from The Banker. In Estonia and Latvia, Hansabank was also named to the country's most popular employer.

The Baltic economies have prospects of continued economic growth, but at a lower pace. As I mentioned in my opening, we anticipate a soft landing, with lower GDP growth in the years ahead.

The lower growth rate means that the Baltic economies will soon face the same challenges as more mature markets. We are currently reassessing the operating model in the Baltics. More efficient use of resources and greater focus on cross-border units based on product and customer segments rather than geography is the top priority. This is part of a continuous process to integrate Swedbank into a single group, while maintaining local decision-making and close relationships with customers.

Swedbank Markets consolidated its position as an investment bank in 2007. Among other things, it strengthened its leading position in structured investment products in Sweden.

Based on our stable Swedish banking operations and successful experience in the emerging Baltic markets, Swedbank has established positions in Russia and Ukraine. In 2007 Swedbank acquired TAS-Kommerzbank, one of Ukraine's 15 largest banks. Last year our Russian operations changed its name to Swedbank, and in March of this year TAS-Kommerzbank began the process of switching its name to Swedbank as well.

The Ukrainian banking market is still in its infancy, but substantial growth is expected for some time to come. The forecast is for GDP growth of between six and seven percent in 2008 in both Russia and Ukraine.

Our presence in the rest of the Nordic region and Europe, North America, Japan and China is positively contributing to earnings and providing concrete benefits for customers.

The duties assigned to Management by the Board of Directors during the year included to ensure Swedbank's further development in the mature Swedish market, to continue the successful development in our Baltic home markets and to take advantage of the opportunities for further growth in new markets such as Russia and Ukraine.

In addition, the Chairman stressed the importance of accelerating the integration work to become a unified group with a single brand.

As I briefly described, our performance in 2007 shows that we have taken important steps in this direction.

In closing, I would like to say a few words about Swedbank's role in society. Swedbank has a strong tradition of social responsibility and high ethical standards. This tradition is passed down and continuously adapted. As you perhaps noted, it was the theme of our exhibit here at Cirkus today.

Among our largest owners are 11 savings bank foundations that support business, research, sports and culture in their geographical areas through considerable donations.

These activities are a reflection of Swedbank's heritage. Through our operations, we want to help people to be financially stable and successful. To do so, we try to be accessible, uncomplicated and proactive in terms of our products and services. We are participating in various ways in the economic debate and making our voice heard.

Throughout our history, economic education has been something of a signature for us. In the period following World War II we launched the Swedish Thrift Institute. Those of you who grew up in Sweden probably remember "Lyckoslantén" and the work we did in schools for decades.

Now Swedbank wants to take the next step, building on the same philosophy. We want to create a benchmark for the next generation of young investors. Young people today not only have to understand interest but also pension savings, mutual fund investments, stocks and bonds. The alternatives are practically endless. But you need knowledge to be a smart financial player.

Now we are launching something we call the "financial driver's license" in Sweden. Right after the summer we will introduce a website that we hope will be a leader and one of a kind. It will provide an interactive education on personal finances – one we hope everyone will talk about.

Even though we live in a rapidly changing world – and even though I stand before you shareholders here today – I am proud to be able to present an initiative that ties in with our historical roots and heritage to serve people.

Esteemed Shareholders, Ladies and Gentlemen, I would like to thank you for your attention and turn the microphone back to the chairman of the meeting.