

CONTINUED STRONG MOMENTUM ON ALL MARKETS

Stable net profit for the fourth quarter 2006*

- Net profit amounted to SEK 2,913m (2,911)
- Earnings per share amounted to SEK 5.65 (5.65)
- Return on equity amounted to 19.8 percent (20.8)
- The cost/income ratio amounted to 0.52 (0.49)
- Net interest income increased by 4 percent to SEK 4,049m (3,895)
- Operating profit amounted to SEK 3,887m (3,741)
- Recoveries exceeded loan losses which amounted to a net of SEK -72m (-67).

**) Compared with the third quarter 2006*

Net profit for full year 2006 increased by 13 percent excluding capital gains in 2005**

- Net profit amounted to SEK 10,880m (11,879)
- Excluding capital gains in 2005, net profit increased by 13 percent
- Earnings per share amounted to SEK 21.11 (23.14)
- Return on equity amounted to 19.3 percent (24.6)
- The cost/income ratio amounted to 0.52 (0.48)
- The tier 1 capital ratio was unchanged at 6.5 percent
- Total income decreased to SEK 29,197m (29,460)
- Excluding capital gains in 2005, income increased by 7 percent
- The proposed dividend is raised by 10 percent to SEK 8.25 (7.50).

****) Compared with full year 2005*

The CEO comments on the fourth quarter:

"Swedbank continues to develop positively. Net interest income is up for the fourth consecutive quarter, this time by 4 percent compared with the previous quarter. Commission income and net gains on financial items also had a strong quarter. In Baltic Banking further investments and new recruitments are being made to meet demand in the growing market. The launch of our new brand Swedbank has been successful and has exceeded our expectations. The launch contributed to the increased expenses during the quarter.

Swedish Banking, Baltic Banking and Swedbank Markets all reported increased income compared with the previous quarter. Business volumes continued to grow in lending and savings at the same time that market shares in several core product lines increased. Market shares in mortgage lending to private individuals and lending to corporate clients increased in all four home markets, Sweden, Estonia, Latvia and Lithuania.

Early in 2007 we announced two long-term initiatives to sustain earnings growth. In Ukraine, with a population of 47 million, we have signed an agreement to acquire TAS-Kommerzbank. The bank is the thirteenth largest bank in the country and one of the fastest growing. This combined with a young and still undeveloped banking market and a strongly growing economy leads to a considerable long term potential. In Russia we plan to expand to the private market in the years ahead. This market is also characterized by high growth and big potential. In both cases we have an excellent opportunity to leverage our experience from Sweden and the Baltics."

Financial summary for the group

SEKm	Q4 2006	Q3 2006	Change %	Full-year 2006	Full-year 2005	Change %
Net interest income	4,049	3,895	4	15,504	15,539	0
Net commission income	2,309	2,109	9	8,869	7,170	24
Net gains and losses on financial items at fair value	1,162	757	54	3,211	2,957	9
Other income	392	403	-3	1,613	3,794	-57
Total income	7,912	7,164	10	29,197	29,460	-1
Staff costs	-2,180	-2,073	5	-8,560	-8,191	5
Other expenses	-1,917	-1,417	35	-6,579	-5,965	10
Total expenses	-4,097	-3,490	17	-15,139	-14,156	7
Profit before loan losses	3,815	3,674	4	14,058	15,304	-8
Loan losses, net	72	67	7	205	-294	
Operating profit	3,887	3,741	4	14,263	15,010	-5
Tax expense	-928	-806	15	-3,211	-2,781	15
Profit for the period	2,959	2,935	1	11,052	12,229	-10
Profit for the period attributable to the shareholders of Swedbank AB	2,913	2,911	0	10,880	11,879	-8

Key ratios	Q4 2006	Q3 2006	Q4 2005	Full-year 2006	Full-year 2005
Return on equity, %	19.8	20.8	19.7	19.3	24.6
Return on total assets, %				1.10	1.33
Earnings per share, SEK ¹⁾	5.65	5.65	4.99	21.11	23.14
Earnings per share after dilution ²⁾	5.65	5.65	4.99	21.11	23.14
Equity per share, SEK ³⁾				116.37	104.07
Equity per share after dilution, SEK ⁴⁾				116.37	104.07
C/I ratio before loan losses	0.52	0.49	0.53	0.52	0.48
Tier 1 capital ratio, %				6.5	6.5
Capital adequacy ratio, %				9.8	9.7
Loan loss ratio, net, %				-0.02	0.04
Share of impaired loans, %				0.07	0.12
Total provision ratio for impaired loans, %				195	171

1-4) A specification of numbers of shares is found on page 31.

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

Balance sheet data SEKbn	Dec 31 2006	Dec 31 2005	Change %
Loans to the public	946	822	15
Deposits and borrowings from the public	400	339	18
Shareholders' equity	60	54	12
Total assets	1,353	1,197	13
Risk weighted assets	727	616	18

Group profit trend, Q4 2006 **versus Q3 2006**

Strong top-line growth

- Net profit amounted to SEK 2,913m (2,911)
- Earnings per share amounted to SEK 5.65 (5.65)
- Return on equity amounted to 19.8 percent (20.8)
- Operating profit amounted to SEK 3,887m (3,741)
- Total income increased by 10 percent to SEK 7,912m (7,164)
- Net interest income increased by 4 percent to SEK 4,049m (3,895)
- Net commissions increased by 9 percent to SEK 2,309m (2 109)
- Net gains and losses on items at fair value increased by 54 percent to SEK 1,162m (757)
- Expenses increased by 17 percent to SEK 4,097m (3,490)
- The cost/income ratio amounted to 0.52 (0.49)
- Recoveries exceeded loan losses, which amounted to a net of SEK -72m (-67)
- The effective tax rate increased to 24 percent (22).

Net interest income increased

The increase in **net interest income** was mainly due to the development in Baltic Banking, where net interest income continued its strong growth, up 13 percent to SEK 1,164m (1,032). Lending grew by SEK 11bn or 10 percent to SEK 133bn (122) during the quarter. Deposit growth was SEK 6bn or 8 percent to SEK 84bn (78). In total, the volume growth improved net interest income by SEK 115m. Deposit margins, driven by higher base rates, increased adding SEK 19m to net interest income. Lower lending margins negatively affected income by SEK 25m.

Competition in the Swedish deposit and lending market remained fierce on both the private and corporate side. In all net interest income in Swedish Banking still increased by SEK 13m. Continued loan and deposit growth added SEK 67m to net interest income, while lower lending margins had a negative impact of SEK 46m. Improved deposit margins, mostly driven by higher base rates, had a positive effect of SEK 82m. Hedging and other effects decreased net interest income by SEK 90m.

Swedbank Markets' net interest income was stable at SEK 192m (197). In other business areas, net interest income decreased by SEK 14m.

The increase in **net commission income** of SEK 200m or 9 percent, is due to equity related commissions, among other things. Brokerage commissions increased by SEK 58m and asset management commissions by SEK 38m. In addition, payment commissions increased by SEK 19m.

In Swedish Banking net commission income increased by SEK 102m, in Baltic Banking by SEK 46m and in Swedbank Markets by SEK 31m.

Net gains and losses on financial items at fair value in Swedbank Markets increased by SEK 237m and in Baltic Banking by SEK 48m due to strong increase in trading results. In Swedish Banking net gains and losses

increased by SEK 127m partly due to changes in the value of lending, derivatives and borrowing in Swedbank Mortgage.

Net insurance amounted to SEK 80m (67). The increase was mainly attributable to Asset Management and Insurance. Net insurance includes life and non-life insurance operations in Asset Management and Insurance and in Baltic Banking. Income from unit-linked insurance is included in net commissions.

The **share of the profit or loss in associates** amounted to SEK -26m (53). The loss in associates is mainly explained by write-downs in Värdepapperscentralen, VPC.

Other income was up by SEK 55m to SEK 338m partly due to increased income from savings banks and dividend from Upplysningscentralen, UC.

Seasonal expense increase

Group **expenses** increased by 17 percent or SEK 607m to SEK 4,097m (3,490).

Staff costs increased by 5 percent to SEK 2,180m (2,073). The increase was mostly attributable to Baltic Banking by increased number of employees and salaries, but also to Swedbank Markets.

Profit-based staff costs increased in Swedbank Markets through First Securities and in Baltic Banking. Profit-based staff costs decreased by approximately SEK 110m through reversed provisions for the profit sharing system Kopparmyntet. In total, profit-based costs were stable at SEK 302m (301).

Other general administrative expenses increased by 35 percent to SEK 1,917m (1,417). The increase was mainly due to unusually large seasonal variations caused by a lower activity level in the third quarter, which counteracted during the remaining part of the year. The launch of the new brand also effected the expense level in the fourth quarter. In Swedish Banking expenses increased by SEK 269m and in Shared Services and new operations by SEK 108m. In Baltic Banking expenses increased by SEK 82m.

Recoveries exceeded loan losses

Recoveries exceeded **loan losses**, which amounted to a net of SEK -72m (-67). Credit quality is still very strong. In Swedish Banking loan losses amounted to SEK -158m (-144) and the loan loss ratio was -0.08 percent (-0.08).

In Baltic Banking loan losses amounted to SEK 84m (81) and the loan loss ratio was 0.33 percent (0.36).

Loan losses and claims are specified in Notes 3 and 4.

Increased tax expense

Profit before tax amounted to SEK 3,887m (3,741) and the **tax expense** was SEK 928m (806), giving an effective tax rate of 24 percent (22). The higher tax rate in the fourth quarter was mainly due to accrual effects.

Group profit trend, Q4 2006 versus Q4 2005

Net profit increased by 13 percent

- Profit for the period increased by 13 percent to SEK 2,913m (2,570)
- Operating profit increased by 19 percent to SEK 3,887m (3,279)
- Total income increased by 13 percent to SEK 7,912m (6,997)
- Net interest income increased by 9 percent to SEK 4,049m (3,712)
- Net commission income increased by 22 percent to SEK 2,309m (1,896)
- Net gains and losses on financial items at fair value increased by 16 percent to SEK 1,162m (1,006)
- Expenses increased by 10 percent to SEK 4,097m (3,717)
- The cost/income ratio was 0.52 (0.53)
- Recoveries exceeded loan losses which amounted to SEK -72m (1).

Income increased by 13 percent

The increase in **net interest income** of SEK 337m was mainly due to operations in Baltic Banking, where net interest income increased by SEK 312m or by 37 percent to SEK 1,164m (852). Lending growth was SEK 47bn or 53 percent to SEK 134bn (87) during the period. Deposit growth was SEK 16bn or 24 percent to SEK 84bn (68). In total, volume growth raised net interest income by SEK 382m. Deposit margins, driven by higher base rates, increased adding SEK 118m to net interest income. Lending margins decreased and affected negatively net interest by SEK 170m. the accrual of lending commissions reduced net interest by SEK 90m.

Net interest income in Swedish Banking increased by SEK 26m. Continued loan and deposit volume growth added SEK 307 to net interest income, while decreased lending margins had a negative impact of SEK 307m. On the other hand, improved deposit margins, mainly due to higher base rates, had a positive effect of SEK 221m.

Swedbank Markets' net interest income decreased to SEK 192m (237). In other business areas, net interest income increased by SEK 44m, partly due to the opening of new branches in Denmark and Finland.

The increase in **net commissions**, which amounted to SEK 413m or 22 percent, was mainly due to increased commissions from payments, asset management and corporate finance. Insurance commissions also rose.

In Swedish Banking net commissions increased by SEK 105m, in Baltic Banking by SEK 110m, in Swedbank Markets by SEK 92m and in Asset Management and Insurance by SEK 90M.

Net gains and losses on financial items at fair value

increased by 16 percent to SEK 1,162m (1,006). Net gains and losses in Swedbank Markets increased by SEK 151m and in Baltic Banking by SEK 140m. In remaining business areas net gains and losses decreased by SEK 135m mainly due to change in value of Norwegian primary capital certificates, which were substantial in the fourth quarter 2005.

Net insurance amounted to SEK 80m (67).

The **share of the profit or loss in associates**

decreased to SEK -26m (48). The main reason for the decline was write-downs in VPC.

Other income increased by 26 percent to SEK 338m (268).

Increased expenses

Expenses increased by 10 percent to SEK 4,097m (3,717). In Baltic Banking and Swedbank Markets expenses increased by SEK 163m and SEK 78m, respectively. In Swedish Banking expenses decreased by SEK 13m.

Staff costs increased by 3 percent to SEK 2,180m (2,109). Staff costs excluding profit-based staff costs increased by 8 percent to SEK 1,878m (1,731). In Baltic Banking staff costs increased by SEK 125m and in Swedbank Markets by SEK 65m. In Swedish Banking total staff costs decreased by SEK 123m mainly due to reversed provisions for Kopparmyntet in the fourth quarter 2006.

Other general administrative expenses increased by 19 percent to SEK 1,917m (1,608). The increase was due to higher expenses in Swedish Banking of SEK 110m and in Shared Services and new operations of SEK 66m mainly due to launching of the new brand. In Baltic Banking expenses increased by SEK 38m.

Recoveries exceeded loan losses

Recoveries exceeded **loan losses**, which declined by a net of SEK 73m to SEK -72m (1). In Swedish Banking loan losses amounted to SEK -158m (-43) and in Baltic Banking SEK 84m (57).

Increased tax expense

Profit before tax amounted to SEK 3,887m (3,279) and the **tax expense** was SEK 928m (675), giving an effective tax rate of 24 percent (21). The higher tax rate in the fourth quarter 2006 was mainly due to accrual effects.

Group profit trend, full year 2006 versus full year 2005

Net profit increased by 13 percent excluding capital gains

- Profit for the period decreased to SEK 10,880m (11,879). Excluding capital gains in 2005, operating profit increased by 13 percent
- Operating profit decreased to SEK 14,263m (15,010). Excluding capital gains in 2005, operating profit increased by 12 percent
- Earnings per share decreased to SEK 21.11 (23.14)
- Return on equity decreased to 19.3 percent (24.6)
- The cost/income ratio was 0.52 (0.48)
- The tier 1 capital ratio was unchanged at 6.5 percent
- Total income decreased to SEK 29,197m (29,460)
- Net interest income amounted to SEK 15,504m (15,539)
- Net commission income increased by 24 percent to SEK 8,869m (7,170)
- Net gains and losses on financial items increased by 9 percent to SEK 3,211m (2,957)
- Expenses increased to SEK 15,139m (14,156)
- Recoveries exceeded loan losses, which amounted to SEK -205m (294).

Strong income growth

Income in 2005 included two major capital gains totaling SEK 2,221m. The sale of 50 percent of EnterCard resulted in a capital gain of SEK 800m and the sale of Kundinkasso resulted in a capital gain of SEK 1,421m. Income for 2006 does not include any similar capital gains.

The Group's **net interest income** 2006 was more or less unchanged compared with 2005 at SEK 15,504m (15,539).

In Baltic Banking net interest income continued to grow, increasing by SEK 903m or 30 percent to SEK 3 938m (3,035). During the year lending increased by SEK 47bn or 53 percent to SEK 134bn (87). Deposits increased by SEK 16bn or 24 percent to SEK 84bn (68). In total, the volume growth raised net interest income by SEK 1,580m. Deposit margins, driven by higher base rates, increased adding SEK 276m to net interest income. Lending margins decreased and affected net interest income negatively by SEK 646m. The accrual of lending commissions decreased net interest income by SEK 351m.

In total, net interest income in Swedish Banking decreased by SEK 826m. Continued loan and deposit growth affected net interest income positively by SEK 1,083m, while margin pressure within lending had a negative impact by SEK 1,384m. Improved deposit margins, mostly driven by higher base rates, had a positive effect of SEK 260m.

In addition net interest income decreased by SEK 784m, of which SEK 270m due to the divestment of EnterCard and Kundinkasso in 2005.

Swedbank Markets' net interest income decreased to SEK 757m (844). In other business areas, net interest income decreased by SEK 25m.

Net commission income increased by 24 percent to SEK 8,869m (7 170). Asset management commissions increased by 18 percent or SEK 569m to SEK 3,719m (3,150). Brokerage commissions increased by 42 percent or SEK 291m to SEK 989m (698).

Net commission income increased by SEK 666m in Swedbank Markets, by SEK 434m in Baltic Banking, by SEK 343m in Asset Management and Insurance and by SEK 287m in Swedish Banking.

Net gains and losses on items at fair value increased by 9 percent to SEK 3,211m (2,957). Net gains and losses increased by SEK 338m in Swedbank Markets and by SEK 242m in Baltic Banking due to good results from trading activities.

In Swedish Banking net gains and losses decreased by SEK 132m mainly due to changes in the fair value of lending, derivatives and borrowing in Swedbank Mortgage.

In other business areas net gains and losses decreased by SEK 345m mainly due to a substantial change in the value of the holdings of Norwegian bank shares and primary capital certificates last year.

Net insurance amounted to SEK 264m (154). Increased growth within the insurance area resulted in higher income mainly in Baltic Banking where income increased by SEK 79m. In Asset Management and Insurance income increased by SEK 30m.

Other income decreased to SEK 1,127m (3,339). Income in 2005 included capital gains of SEK 2,221m.

Controlled expense increase

Group **expenses** increased by 7 percent to SEK 15,139m (14,156). Of this increase, SEK 777m is due to the expansion in Baltic Banking. The increase in Swedbank Markets' expenses of SEK 467m is due to the acquisition of First Securities in June 2005. Expenses in Swedish Banking decreased by SEK 449m.

Staff costs increased by 5 percent to SEK 8,560m (8,191). Staff costs excluding profit-based staff costs and staff change costs increased by 6 percent to SEK 7,253m (6,837). Profit-based staff costs amounted to SEK 1,307m (1,354). In Swedish Banking, total staff costs decreased by 8 percent to SEK 4,041m (4,413).

In Baltic Banking staff costs amounted to SEK 1,583m (1,174) and in Swedbank Markets to SEK 1,294m (931). The increase in staff costs is mainly due to an increased number of employees in Baltic Banking where the number of employees increased to 8,842 (7,226). Salaries increases also affected the change.

A specification of the number of employees is found on page 31.

Other general administrative expenses increased by 10 percent to SEK 6,579m (5,965). The increase is mainly due to higher expenses in Baltic Banking. In Swedish Banking, expenses decreased to SEK 4,691m (4,768) in spite of the launching of the new brand, while in Baltic Banking they increased to

SEK 1,448m (1,080). Expenses in Baltic Banking were negatively affected by a provision of SEK 151m due to a Russian VAT claim dispute. Other expenses in Swedbank Markets increased by SEK 104m mainly due to First Securities.

The group's **IT expenses** for the period, after deducting income from savings banks and partly owned banks, amounted to SEK 2,323m (2,205). IT expenses include all development and production expenses as well as computer equipment service costs and depreciation.

Recoveries exceeded loan losses

Loan losses decreased by SEK 499m to SEK -205m (294). The loan loss level decreased to -0.02 percent (0.04). In Baltic Banking loan losses amounted to SEK 301m (244) with a loan loss level of 0.33 percent (0.45). A specification of loan losses and claims is provided in Notes 3 and 4.

Increased tax expense

Profit before tax amounted to SEK 14,263m (15,010), the **tax expense** was SEK 3,211m (2,781) and the effective tax rate was 23 percent (19). The lower tax rate 2005 was mainly due to a higher share of tax-exempt income.

Interest rate risk

An increase in all market interest rates of one percentage point as of December 31, 2006 would have reduced the value of the group's interest-bearing assets and liabilities, including derivatives, by SEK 1,623m (1,298). This calculation includes the portion of the parent company's deposits that have been assigned a duration of between 2 and 3 years. The decrease in the value of positions in Swedish kronor would have been SEK 1,608m (1,276). Positions in foreign currency would have decreased in value by SEK 15m (22). Comparative figures refer to December 31, 2005.

An interest rate increase of one percentage point would have reduced the group's net gain and losses on items at fair value by SEK 207m (19) as of December 31, 2006.

Capital adequacy

The capital adequacy ratio, which is calculated for the financial companies group, was 9.6 percent (9.7) on December 31, 2006. The tier 1 capital ratio was 6.5 percent (6.5).

Tier 1 capital includes profit for the period after deducting the proposed dividend. The risk-weighted amount for credit risks increased to SEK 707bn (590) mainly due to lending volume increases in Swedish and Baltic Banking. The risk-weighted amount for market risks decreased to SEK 18bn (26).

In December, Finansinspektionen, the Swedish Financial Supervisory Authority, approved Swedbank's internal ratings based (IRB) approach. This means that Swedbank can base its capital requirement for credit risks according to Basel II on these models starting in 2007. The approval covers 84 percent of Swedbank's credit exposure.

A specification of capital adequacy is found on page 21.

Lending

The Group's lending to the public increased during the year by 15 percent and amounted by the end of the year to SEK 919bn (796).

In Swedish Banking, lending increased by 11 percent to SEK 762bn (688) during the year. Lending to private individuals increased by 11 percent to SEK 425bn and lending to corporate customers increased by 12 percent to SEK 342bn. Mortgage lending to private individuals grew by 11 percent during the year.

The market share for mortgage lending to private individuals in Sweden increased to 32 percent (25) for new sales. The corresponding market share for the balance of outstanding mortgages was 31 percent. The market share for lending (outstanding balance) to SME and corporate clients in Sweden increased to 19 percent (18) at year end.

Lending in Baltic Banking increased to SEK 134bn (87) or by 53 percent for the year. Lending in Estonia grew by 44 percent to SEK 54bn, in Latvia by 77 percent to SEK 40bn, in Lithuania by 45 percent to SEK 34bn and in Russia by 56 percent to SEK 6bn. Lending to private persons increased by 64 percent to SEK 54bn and lending to SME and corporate clients increased by 48 percent to SEK 80bn.

In Baltic Banking the market share for bank lending increased to 45 percent (43) in Estonia, 27 percent (23) in Latvia and 22 percent (21) in Lithuania. The market share for new sales amounted to 50 percent in Estonia, 32 percent in Latvia and 23 percent in Lithuania. The market share for the outstanding balance of private mortgage loans was 50 percent (50) in Estonia, 30 percent (28) in Latvia and 30 percent (30) in Lithuania.

A specification of group lending is provided on page 25.

Savings and investments

Customers' total savings and investments in Swedbank increased by 15 percent to SEK 841bn (734) during the year. Customers' deposits, excluding repurchase agreements (repos), increased by 16 percent or SEK 52bn to SEK 377bn (325).

Deposits in Swedish Banking increased by 13 percent to SEK 292bn (257). Deposits in Baltic Banking increased 24 percent to SEK 84bn (68), of which in Estonia by 26 percent to SEK 37bn, in Latvia by 24 percent to 20bn and in Lithuania by 23 percent to 27bn.

In Sweden, the market share for new sales of household deposits was 30 percent (31), compared with a markets share for the balance of 26 percent. The market share for net new sales of mutual funds was 2 percent (11) while the market share for the total balance was 26 percent. The markets share for net new sales of listed equity linked bonds was 31 percent and the market share for the outstanding balance was 30 percent. Swedbank's total market share for new sales of savings products in Sweden amounted to 17 percent (19).

In Baltic Banking the market share for the outstanding balance of household deposits was 62 percent (63) in Estonia, 30 percent (29) in Latvia and 39 percent (39) in Lithuania.

A specification of group savings and investments is found on page 25.

Payments

The trend towards greater card use continued in the fourth quarter of 2006. In Baltic Banking, 3.1 million bank cards are currently in issue, an increase of 15 percent since the previous year. Swedbank has 3.3 million (3.2) bank cards in issue in the Swedish market. During 2006 the number of card purchases has increased by 17 percent and the number of card transactions cleared has increased by 22 percent in Sweden.

Babs Kortinlösen a separate company

During the fourth quarter Swedbank transferred all operations within the business area Babs Kortinlösen (processing of card transactions) to a separate company, Swedbank Babs AB.

Annual General Meeting and dividend

Swedbank's Annual General Meeting will be held in Stockholm on April 27, 2006.

The Board of Directors proposes that the Annual General Meeting approve a cash dividend of SEK 8.25 per share (7.50), which is equivalent to SEK 4 252m and a payout ratio of 39 percent. The proposed record day for the 2006 dividend is May 3, 2007. The last day for trading in the bank's share with the right to the dividend is April 27, 2007. If the Annual General Meeting resolves to adopt the Board's recommendation, the dividend is expected to be paid by VPC (the Swedish Central Securities Depository) on May 8, 2007.

Accounting policies

The year end report has been prepared in accordance with IAS 34.

As previously, the parent company prepares its accounts according to the Annual Accounts Act for Credit Institutions and Securities Companies, the directives of the Financial Supervisory Authority and recommendation RR 32:05 of the Swedish Financial Accounting Standards Council.

The accounting principles applied in the year-end report are the same as those applied in the preparation of the annual report for 2005, apart from that the Parent company has changed the valuation principle for currency hedges of investments in foreign subsidiaries and associated companies. The foreign exchange component of the hedge is now valued at cost. Comparative figures have been restated.

Ratings

In October S&P upgraded Swedbank's long-term rating to A+ from A.

Dec, 2006	S&P		Moody's			Fitch	
	Short	Long	Short	Long	BFSR *	Short	Long
Swedbank	A-1	A+	P-1	Aa3	B-	F1	A+
Swedbank Hypotek	A-1		P-1	Aa3		F1+	AA-
Hansabank			P-1	Aa3	C+	F1	A

* Bank Financial Strength Ratings

The Swedbank share

Swedbank's share, ticker symbol SWED A, is listed on the OMX Nordic Exchange.

SWED A	Dec 31 2006	Dec 31 2005
Share price, SEK	248.50	216.50
No. of shares in issue	515,373,412	515,373,412
Market capitalization, SEKm	128,070	111,578

Events after December 31, 2006

Swedbank enters Ukraine - acquires TAS-Kommerzbank

Swedbank has signed an agreement to acquire TAS-Kommerzbank ("TAS"). Based in Kiev, TAS is today the Ukraine's thirteenth largest bank based on total loans and one of the faster growing in the retail segment. The bank has 170 branches and 2,300 employees, serving over 100,000 retail and 9,000 corporate clients.

The purchase price amounts to USD 735 million including an equity contribution to TAS of USD 50 million, to be made when the transaction closes. According to 2006 year-end unaudited IFRS Management Accounts, TAS had total assets of USD 1,142 million, loans of USD 834 million and deposits of USD 675 million. TAS' equity, including the upcoming equity contribution of USD 50 million, was USD 177 million. Profit for 2006 amounted to USD 10 million, reflecting the investment in TAS' branch network expansion. An additional payment of up to USD 250 million is payable in three years, subject to the financial performance of the bank.

Swedbank's tier 1 capital ratio will initially decrease by 73 basis points upon the closing of the deal.

TAS' CEO, Sergiy Tigipko, will continue to act as CEO and will have overall responsibility for the bank's business and development. He will report directly to Swedbank CEO Jan Lidén, who will serve as the new chairman of the bank.

The transaction is subject to customary regulatory approvals and is expected to close during the second half of 2007.

Swedbank to enter the Russian retail banking market in 2007

Swedbank is expanding its operations in Russia to include retail banking in addition to corporate banking and leasing operations. The bank will expand the current branches in Moscow, St Petersburg and Kaliningrad will also offer banking services to private individuals and small businesses. New branches will also be opened in Moscow, St Petersburg and Kaliningrad in 2007.

Swedbank acquires Söderhamn's Savings Bank

In February Swedbank reached an agreement to acquire the remaining 60 percent of the shares in Söderhamn's Savings Bank from the Savings bank Foundation Söderhamn. Swedbank already held 40 percent of the shares in the bank.

The operations in Söderhamn's Savings Bank will be a part of the Northern Region within the business area Swedish Banking. The Bank has two branches, 25 employees and a business volume of approximately SEK 4bn.

The price for the remaining 60 percent of the bank amounts to, before dividend, SEK 117.2m, of which 7.2m equals the foundation's dividend for the fiscal year 2006. The acquisition requires ordinary approval from the Swedish FSA.

Revised financial objectives

The board of Swedbank decided in February 2007 to revise the group's financial objectives which are now as follows:

Return on equity - Swedbank's return on equity shall exceed the average for all other large listed Nordic banks. Comparison banks are SEB, Handelsbanken, Nordea, Danske Bank and DnB NOR.

Operational efficiency – operational efficiency is measured as the relation between costs and income, the so-called C/I ratio. The long-term goal for Swedbank's C/I ratio before loan losses shall be less than 0.5.

Capital adequacy - Swedbank's capital adequacy ratio shall at least equate with the level that is assessed to be appropriate at any point of time to maintain sustainable financial stability and to develop operations. For the tier 1 capital ratio, this means around 6.5 percent.

Dividends - Swedbank's goal for dividends is that they shall constitute around 40 percent of earnings after tax, excluding one-offs. The size of the annual dividend is based on the last dividend, and is determined with reference to expected profit trends, the capital which is assessed to be necessary to develop operations and the required return within the market.

Earnings per share - Swedbank shall have a sustainable growth in earnings per share that exceeds the average for its peer group.

Business area report

Full-year SEKm	Swedish Banking		Baltic Banking Operations		Baltic Banking Investments		Swedbank Markets		Asset Management and Insurance		Shared Services and new operations		Eliminations		Group	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Net interest income	11,489	12,315	3,938	3,035	-445	-369	757	844	29	32	176	-198	-440	-120	15,504	15,539
Net commission income	4,447	3,860	1,536	1,102			1,575	909	1,601	1,258	9	41	1	0	8,869	7,170
Net gains and losses on value	414	546	809	567		-19	1,243	754	6	14	312	961	427	134	3,211	2,957
Share of the profit or loss in associates	230	205	6	4				25			-14	67			222	301
Other income	666	2,907	272	118			40	78	192	161	3,100	3,226	-2,879	-2,997	1,391	3,493
Total income	16,946	19,833	6,561	4,826	-445	-388	3,615	2,610	1,828	1,465	3,583	4,097	-2,891	-2,983	29,197	29,460
Staff costs	-4,041	-4,413	-1,583	-1,174			-1,294	-931	-302	-290	-1,368	-1,413	28	30	-8,560	-8,191
IT expenses	-838	-736	-231	-182			-235	-222	-119	-109	-788	-759	954	792	-1,257	-1,216
Other expenses	-3,724	-3,944	-1,051	-739		11	-454	-362	-254	-232	-1,089	-1,041	1,909	2,161	-4,663	-4,146
Depreciation/amortization	-129	-88	-166	-159	-101	-74	-11	-12	-2	-2	-250	-268			-659	-603
Total expenses	-8,732	-9,181	-3,031	-2,254	-101	-63	-1,994	-1,527	-677	-633	-3,495	-3,481	2,891	2,983	-15,139	-14,156
Profit before loan losses	8,214	10,652	3,530	2,572	-546	-451	1,621	1,083	1,151	832	88	616			14,058	15,304
Loan losses, net	499	-27	-301	-244	0	1	11	-7			-4	-17			205	-294
Operating profit	8,713	10,625	3,229	2,328	-546	-450	1,632	1,076	1,151	832	84	599			14,263	15,010
Return on allocated equity, %	22.2	31.7	29.7	31.7			28.3	21.0	52.5	38.9	4.7	12.8			19.3	24.6
C/l ratio before loan losses	0.52	0.46	0.46	0.47			0.55	0.58	0.37	0.43	0.98	0.85			0.52	0.48
Full-time employees	6,251	6,268	8,442	7,226			728	714	281	255	1,697	1,685			17,399	16,148

Business area accounting policies

The business area report is based on Swedbank's accounting policies, organization and internal accounts. Comparative figures have been restated accordingly to smaller organization changes.

The business operations of Baltic Banking are separated in the business area report from the effects of Swedbank's acquisition and ownership of Hansabank in the consolidated group accounting. This facilitates a clearer analysis of how the business operations of Baltic Banking are developing. Comments on Baltic Banking in this report refer to business operations, unless otherwise indicated.

Market-based compensation is applied between business areas, while all expenses for IT, other shared service and group staff are transferred at full cost-based internal prices to the business areas. Executive management expenses are not distributed.

The group's equity allocated to shareholders is distributed to each business area based on capital adequacy rules and estimated capital requirements.

Return on equity for the business areas is based on operating profit less estimated tax and minority interests in relation to allocated equity.

Swedish Banking

Swedish Banking is Swedbank's dominant business area, comprising a network of 477 branches organized in 46 local banks in five regions. The cooperation with the savings and partly owned banks adds another 276 branches. The branch network is complemented by 183 in-store banking locations and the agreement with ICA Banken allows customers to withdraw cash at 1,400 ICA supermarkets. The bank branches or special business units within the regions have the responsibility for Swedish customers, with the exception of financial institutions. Of the business area's 6,300 full-time employees, around 4,800 are placed in the five regions.

The business area also comprises the Telephone bank and the Internet bank as well as the subsidiaries Swedbank Mortgage, Swedbank Finans and Swedbank Babs, whose products are sold through Swedbank and the cooperating savings banks' distribution network. The subsidiaries Swedbank Fastighetsbyrå (real estate brokerage), Swedbank Juristbyrå (legal services) and Swedbank Företagsförmedling (company sales) operate according to a franchise concept.

The Customer and Product Offerings unit produces and coordinates offerings for various customer groups and is responsible for the development and launch of new products based on customer needs.

Swedish Banking also includes the private banking operations of the subsidiary Swedbank Luxembourg, whose customers are predominantly Swedish expatriates, as well as the jointly owned card company EnterCard, with operations in Sweden, Norway and Denmark. Swedbank Robur, which specializes in mutual fund and asset management, pensions and insurance, is reported separately from Swedish Banking in the business area report.

Profit trend

SEKm	Full-year 2006	Full-year 2005	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005
Net interest income	11,489	12,315	2,950	2,937	2,850	2,752	2,924
Net commission income	4,147	3,860	1,093	991	1,023	1,040	988
Net gains and losses on financial items at fair value	414	546	141	14	212	47	111
Share of the profit or loss of associates	230	205	23	42	42	123	31
Other income	666	2,907	184	189	144	149	138
Total income	16,946	19,833	4,391	4,173	4,271	4,111	4,192
Staff costs	-4,041	-4,413	-1,002	-1,001	-1,038	-1,000	-1,125
IT expenses	-838	-736	-220	-196	-209	-213	-193
Other expenses	-3,724	-3,944	-1,059	-844	-914	-907	-1,007
Depreciation/amortization	-129	-88	-54	-24	-28	-23	-23
Total expenses	-8,732	-9,181	-2,335	-2,065	-2,189	-2,143	-2,348
Profit before loan losses	8,214	10,652	2,056	2,108	2,082	1,968	1,844
Loan losses, net	499	-27	158	144	191	6	43
Operating profit	8,713	10,625	2,214	2,252	2,273	1,974	1,887
Tax expense	-2,419	-2,313	-599	-631	-638	-551	-536
Profit for the period	6,294	8,312	1,615	1,621	1,635	1,423	1,351
Profit for the period attributable to:							
Shareholders of Sw edbank AB	6,296	8,307	1,621	1,620	1,633	1,422	1,350
Minority interest	-2	5	-6	1	2	1	1
Allocated equity	28,391	26,233	29,894	29,428	27,519	26,723	26,701
Return on allocated equity, %	22.2	31.7	21.7	22.0	23.7	21.3	20.2
Income items							
Income from external customers	15,143	18,642	3,883	3,817	3,816	3,627	3,866
Income from transactions with other segments	1,803	1,191	508	356	455	484	326
Business volumes, SEK billion							
Lending	762	688	762	745	724	701	688
Deposits	271	234	271	263	248	235	234
Mutual funds & insurance	256	236	256	244	235	251	236
Other investment volume	19	16	19	17	18	17	16
Investments in associates	2	2	2	2	2	2	2
Risk-weighted volume	537	467	537	525	500	480	467
Total assets	843	750	843	826	801	759	750
Total liabilities	815	724	815	798	774	732	724
Full-time employees	6,251	6,268	6,251	6,236	6,167	6,213	6,268

Operating profit amounted to SEK 8,713m and was SEK 1,912m or 18 percent lower than the previous year. Excluding capital gains 2005, operating profit was SEK 308m or 4 percent higher than last year.

Income decreased by SEK 2,887m or 15 percent to SEK 16,946m and expenses decreased by SEK 449m or 5 percent to SEK 8,732m. Income for 2005 includes capital gains of SEK 800m on the sell of EnterCard and SEK 1,421m on the sale of Kundinkasso.

Recoveries exceeded loan losses, with the net amounting to SEK -499m, against SEK 27m in the previous year. The loan loss level was -0.07 percent (0.00). The return on allocated equity was 22.2 percent (31.7, excluding capital gains 23.2). The number of full-time positions decreased by 17 compared with the corresponding period of the previous year.

Operating profit for the fourth quarter of 2006 amounted to SEK 2,214m compared to SEK 2,252m during third quarter of 2006. The decrease was mainly due to expenses for the new brand launching.

Baltic Banking

Baltic Banking Operations is defined as the subsidiary Hansabank, but adjusted for an allocation of a slightly lower equity to this business area on the basis of estimated need for risk capital compared with Hansabank's statutory equity. This also

results in an adjustment of net interest income compared with what Hansabank reports. Hansabank has business operations in Estonia, Latvia, Lithuania and Russia.

The effect of Swedbank's acquisition and ownership of Hansabank is reported in Baltic Banking Investments in the form of goodwill, the deduction of the minority interest and shareholders equity during the period the subsidiary was not wholly-owned as well as the amortization of the revalued loan portfolio identified at the time of the acquisition in 2005.

Baltic Banking, Operations

Profit trend

SEKm	Full-year 2006	Full-year 2005	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005
Net interest income	3,938	3,035	1,164	1,032	920	822	852
Net commission income	1,536	1,102	426	380	378	352	316
Net gains and losses on financial items at fair value	809	567	282	234	146	147	142
Share of the profit or loss of associates	6	4	2	2	2	0	2
Other income	272	118	81	66	87	38	29
Total income	6,561	4,826	1,955	1,714	1,533	1,359	1,341
Staff costs	-1,583	-1,174	-471	-385	-375	-352	-346
IT expenses	-231	-182	-68	-53	-60	-50	-56
Other expenses	-1,051	-739	-283	-217	-341	-210	-261
Depreciation/amortization	-166	-159	-44	-43	-40	-39	-40
Total expenses	-3,031	-2,254	-866	-698	-816	-651	-703
Profit before loan losses	3,530	2,572	1,089	1,016	717	708	638
Loan losses, net	-301	-244	-84	-81	-79	-57	-57
Operating profit	3,229	2,328	1,005	935	638	651	581
Tax expense	-290	-141	-82	-78	-76	-54	-34
Profit for the period	2,939	2,187	923	857	562	597	547
Profit for the period attributable to:							
Shareholders of Sw edbank AB	2,939	2,187	925	856	561	597	547
Minority interest		0	-2	1	1	0	0
Allocated equity	9,908	6,894	11,534	10,355	9,411	8,331	7,905
Return on allocated equity, %	29.7	31.7	32.1	33.1	23.8	28.7	27.7
Income items							
Income from external customers	6,561	4,826	1,955	1,714	1,533	1,359	1,341
Business volumes, SEK billion							
Lending	134	87	134	122	108	98	87
Deposits	84	68	84	78	75	72	68
Mutual funds & insurance	13	8	13	11	9	9	8
Investments in associates	0	0	0	0	0	0	0
Risk-weighted volume	131	91	131	121	110	101	91
Total assets	176	119	176	156	141	130	119
Total liabilities	166	112	166	147	132	122	112
Full-time employees	8,442	7,226	8,442	8,190	7,861	7,459	7,226

Operating profit amounted to SEK 3,229m, an increase by SEK 901m or 39 percent from the previous year. Amortization of loan fees caused a drop in reported net interest income of about SEK 351m. Provisions for a VAT dispute in Russia amounted to SEK 151m. Excluding these items the operating profit increased by SEK 1 403m. The return on allocated equity was 29.7 percent (31.7).

Operating profit for the fourth quarter 2006 amounted to SEK 1,005m and was SEK 70m or 7 percent higher than the third quarter 2006.

The number of employees increased by 1,216 compared with the previous year and by 252 compared with the previous quarter. The increase is due to organic growth in the Baltic region and expansion in Russia.

Baltic Banking, Operations and Investment

Profit trend

SEKm	Full-year 2006	Full-year 2005	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005
Net interest income	3,493	2,666	1,061	928	807	697	720
Net commission income	1,536	1,102	426	380	378	352	316
Net gains and losses on financial items at fair value	809	548	282	234	146	147	142
Share of the profit or loss of associates	6	4	2	2	2	0	2
Other income	272	118	81	66	87	38	29
Total income	6,116	4,438	1,852	1,610	1,420	1,234	1,209
Staff costs	-1,583	-1,174	-471	-385	-375	-352	-346
IT expenses	-231	-182	-68	-53	-60	-50	-56
Other expenses	-1,051	-728	-283	-217	-341	-210	-248
Depreciation/amortization	-267	-233	-69	-67	-66	-65	-67
Total expenses	-3,132	-2,317	-891	-722	-842	-677	-717
Profit before loan losses	2,984	2,121	961	888	578	557	492
Loan losses, net	-301	-243	-84	-81	-79	-57	-57
Operating profit	2,683	1,878	877	807	499	500	435
Tax expense	-255	-133	-73	-69	-67	-46	-26
Profit for the period	2,428	1,745	804	738	432	454	409
Profit for the period attributable to:							
Shareholders of Sw edbank AB	2,428	1,481	806	737	431	454	409
Minority interest		264	-2	1	1	0	0
Allocated equity	17,204	11,271	18,824	17,658	16,698	15,636	15,199
Return on allocated equity, %	14.1	13.1	17.1	16.7	10.3	11.6	10.8
Income items							
Income from external customers	6,561	4,826	1,955	1,714	1,533	1,359	1,341
Income from transactions w ith other segments	-445	-388	-103	-104	-113	-125	-132
Business volumes, SEK billion							
Lending	135	89	135	123	109	99	89
Deposits	84	68	84	78	75	72	68
Mutual funds & insurance	13	8	13	11	9	9	8
Investments in associates	0	0	0	0	0	0	0
Risk-w eighted volume	132	92	132	122	111	102	92
Total assets	188	131	188	168	153	143	131
Total liabilities	171	120	171	152	137	128	120
Full-time employees	8,442	7,226	8,442	8,190	7,861	7,459	7,226

Swedbank Markets

Swedbank Markets comprises capital market products and various types of project and corporate finance. Swedbank Markets also has customer responsibility for financial institutions. In addition to operations in Sweden, the business area includes First Securities LLC in New York, First Securities in Norway and a representative office in Shanghai.

Swedbank Markets offers trading in securities and derivatives in the equity, fixed income and foreign exchange markets, as well as financing solutions and professional analysis and advice. The research unit issues a continuous stream of analyses of about 150 Nordic companies. For individual investors, Swedbank Markets offers stock trading and broad-market products such as equity linked bonds. The sale of these products is done through the group's Swedish branch network, through savings banks and partly owned banks, and through the Internet bank and Telephone bank.

During the first quarter of 2005 First Securities in Norway was consolidated using the equity method, which means that the net of income and expenses was accounted for in the share of the profit or loss of associates. As of June 2005 First Securities was consolidated as a subsidiary, resulting in a change to gross accounting of income and expenses in the profit and loss account.

Profit trend

SEKm	Full-year 2006	Full-year 2005	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005
Net interest income	757	844	192	197	183	185	237
Net commission income	1,575	909	369	338	542	326	277
Net gains and losses on financial items at fair value	1,243	754	413	176	379	275	262
Share of the profit or loss of associates	0	25	0	0	0	0	3
Other income	40	78	10	9	9	12	14
Total income	3,615	2,610	984	720	1,113	798	793
Staff costs	-1,294	-931	-354	-268	-382	-290	-289
IT expenses	-235	-222	-64	-59	-53	-59	-59
Other expenses	-454	-362	-130	-106	-120	-98	-119
Depreciation/amortization	-11	-12	-2	-3	-3	-3	-5
Total expenses	-1,994	-1,527	-550	-436	-558	-450	-472
Profit before loan losses	1,621	1,083	434	284	555	348	321
Loan losses, net	11	-7	3	4	0	4	18
Operating profit	1,632	1,076	437	288	555	352	339
Tax expense	-439	-301	-104	-81	-156	-98	-95
Profit for the period	1,193	775	333	207	399	254	244
Profit for the period attributable to:							
Shareholders of Sw edbank AB	1,019	694	279	185	334	221	211
Minority interest	174	81	54	22	65	33	33
Allocated equity	3,598	3,308	3,493	3,507	3,773	3,619	3,659
Return on allocated equity, %	28.3	21.0	31.9	21.1	35.4	24.4	23.1
Income items							
Income from external customers	3,319	2,309	905	646	1,048	720	714
Income from transactions w ith other segments	296	301	79	74	65	78	79
Business volumes, SEK billion							
Lending	16	19	16	18	14	16	19
Deposits	22	23	22	25	23	24	23
Mutual funds & insurance	1	2	1	1	1	2	2
Other investment volume	23	18	23	21	20	20	18
Investments in associates	0	0	0	0	0	0	0
Risk-w eighted volume	45	47	45	45	44	47	47
Total assets	320	305	320	344	333	356	305
Total liabilities	316	302	316	340	329	352	302
Full-time employees	728	714	728	728	703	690	714

Operating profit was SEK 1,632m, which is SEK 556m or 52 percent higher than previous year.

Income from First Securities amounted to SEK 1,196m (549) and expenses to SEK 734m (342).

The return on allocated equity was 28.3 percent (21.0).

Operating profit for the fourth quarter 2006 amounted to SEK 437m and was SEK 149m or 52 percent higher than the third quarter 2006. Income from First Securities decreased by SEK 113m during the fourth quarter to SEK 318m, compared with SEK 205m in the third quarter 2006. Expenses amounted to SEK 194m compared with SEK 141m in the third quarter 2006.

Asset Management and Insurance

Asset Management and Insurance comprises the Swedbank Robur Group and its operations in fund management, institutional and discretionary asset management, insurance and individual pension savings.

Profit trend

SEKm	Full-year 2006	Full-year 2005	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005
Net interest income	29	32	9	9	3	8	11
Net commission income	1,601	1,258	395	416	408	382	305
Net gains and losses on financial items at fair value	6	14	3	3	-3	3	3
Other income	192	161	59	48	58	27	74
Total income	1,828	1,465	466	476	466	420	393
Staff costs	-302	-290	-72	-76	-81	-73	-76
IT expenses	-119	-109	-38	-32	-29	-20	-34
Other expenses	-254	-232	-74	-56	-65	-59	-65
Depreciation/amortization	-2	-2	0	-1	0	-1	0
Total expenses	-677	-633	-184	-165	-175	-153	-175
Profit before loan losses	1,151	832	282	311	291	267	218
Operating profit	1,151	832	282	311	291	267	218
Tax expense	-274	-183	-70	-74	-69	-61	-46
Profit for the period	877	649	212	237	222	206	172
Allocated equity	1,671	1,669	1,671	1,671	1,672	1,670	1,669
Return on allocated equity, %	52.5	38.9	50.7	56.7	53.1	49.3	41.2
Income items							
Income from external customers	3,831	3,249	988	941	946	956	915
Income from transactions with other segments	-2,003	-1,784	-522	-465	-480	-536	-522
Business volumes, SEK billion							
Mutual funds & insurance	401	357	401	379	362	388	357
Other investment volume	26	24	26	25	24	26	24
Risk-weighted volume	1	0	1	0	0	0	0
Total assets	71	60	71	67	64	68	60
Total liabilities	69	58	69	65	62	66	58
Full-time employees	281	255	281	269	262	262	255

Operating profit amounted to SEK 1 151m, an increase by SEK 319m or 38 percent compared with previous year. Compared with the third quarter 2006 operating profit increased by 9 percent in the fourth quarter.

The return on allocated equity was 52.5 percent (38.9).

Fund savings, volumes and flows

Gross contributions to Swedbank Robur's own mutual funds and those it markets amounted to SEK 100.6bn (76.9) during 2006, and withdrawals amounted to SEK 98.6bn (67.2). Thus, the net inflow to Swedbank Robur's own and brokered funds during 2006 was SEK 2.0bn, against SEK 9.7bn during previous year. Of net contributions, SEK 8.7bn (4.1) was from premium pension investments and SEK 1.4bn (0.0) from unit-linked insurance in Swedbank Försäkring.

Swedbank Robur's assets under management as of December 31, 2006 amounted to SEK 398bn (355). The change is due to an appreciation in the value of fund assets of SEK 41bn, mainly from rising stock prices during the year. To that add the net inflow to Swedbank Robur's funds of SEK 1,6bn makes an increase of assets under management during the year

amounting to SEK 43bn. The institutional asset management operations managed SEK 63bn (54), of which SEK 37bn (30) was invested in Swedbank Robur funds.

Swedbank Robur's share of net contributions in the Swedish mutual fund market was 2 percent (11) for 2006. Swedbank Robur's share of assets under management in the fund market was 26 percent (27) as of September 30, 2006.

Funds and insurance management SEKbn	Dec 31 2006	Dec 31 2005
Assets under management	398	355
<i>of which: Swedish equities, %</i>	33.3	30.5
<i>foreign equities, %</i>	37.7	36.7
<i>interest-bearing securities, %</i>	29.0	32.8
Number of customers (thousands)	2,779	2,793
Unit-linked insurance		
Assets under management	64.8	54.7
<i>of which in Robur funds</i>	63.5	54.0
Number of policies (thousands)	821	758
Discretionary asset management		
Assets under management	63	54
<i>of which in Robur funds</i>	37	30

Unit-linked insurance

Sales (premiums paid) of unit-linked insurance during 2006 amounted to SEK 9.6bn (7.5). Swedbank Försäkring's assets under management amounted to SEK 64.8bn (54.7). The market share for new unit-linked insurance was 11 percent (11) as of September 30, 2006. Swedbank Försäkring had 821,000 (758,000) policies at the end of 2006, in addition to around 1 million group life insurance policies.

Fund management results

The majority of Swedbank Robur's funds had a positive return during the period. Swedish equity funds increased in value by between 26 and 31 percent, while the return on the "Alleman" (public savings) funds was 18 percent. Balanced funds increased between 5 and 15 percent, while Swedish fixed income funds gained between 0,2 and 1,9 percent. Among equity funds, 77 percent posted higher returns than their comparative indexes. The Small Cap European, the raw material fund and Ethic funds Sweden Mega had the highest returns relative to their indexes. All balanced funds outperformed their comparative indexes, while non of the fixed income funds outperformed theirs. Morningstar's average rating on Swedbank Robur's funds as of December 31 was 3.22 (*).

*) As Morningstar have changed their method of measuring a comparison is not relevant.

Shared Services and new operations

The business area includes IT and other service functions, Treasury, Group Staffs, the Group's own insurance company, Sparia, the international branches in Norway, Finland and Denmark, the representative office in Tokyo, the primary capital certificates in the Norwegian savings bank Nord-Norge. During 2006 the shareholding in SpareBank 1 Gruppen and the primary capital certificates in the Norwegian savings banks Midt-Norge and Rogaland were disposed of.

Profit trend

SEKm	Full-year 2006	Full-year 2005	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005
Net interest income	176	-198	81	71	5	19	-38
Net commission income	9	41	25	-16	1	-1	8
Net gains and losses on financial items at fair value	312	961	88	85	235	-96	305
Share of the profit or loss of associates	-14	67	-51	9	14	14	12
Other income	3,100	3,226	786	729	817	768	889
Total income	3,583	4,097	929	878	1,072	704	1,176
Staff costs	-1,368	-1,413	-297	-353	-329	-389	-287
IT expenses	-788	-759	-200	-156	-229	-203	-189
Other expenses	-1,089	-1,041	-282	-226	-285	-296	-229
Depreciation/amortization	-250	-268	-68	-60	-59	-63	-66
Total expenses	-3,495	-3,481	-847	-795	-902	-951	-771
Profit before loan losses	88	616	82	83	170	-247	405
Loan losses, net	-4	-17	-5	0	4	-3	-5
Operating profit	84	599	77	83	174	-250	400
Tax expense	176	149	-82	49	-8	217	28
Profit for the period	260	748	-5	132	166	-33	428
Allocated equity	5,491	5,856	5,188	4,648	4,958	7,170	5,080
Return on allocated equity, %	4.7	12.8	neg.	11.4	13.4	neg.	33.7
Income items							
Income from external customers	896	1,024	141	312	367	76	297
Income from transactions with other segments	2,687	3,073	788	566	705	628	879
Business volumes, SEK billion							
Lending	6	0	6	5	5	4	0
Investments in associates	0	0	0	0	0	0	0
Risk-weighted volume	12	10	12	9	8	3	10
Total assets	236	166	236	251	210	172	166
Total liabilities	227	154	227	243	204	164	154
Full-time employees	1,697	1,685	1,697	1,688	1,671	1,671	1,685

Operating profit amounted to SEK 84m, a decrease by SEK 515m compared with previous year. The decrease arise due to the significant increase 2005 in the market value in the primary capital certificates in the Norwegian savings banks.

Compared with the third quarter of 2006 operating profit decreased by SEK 6m.

Eliminations

SEKm	Full-year 2006	Full-year 2005	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005
Net interest income	-440	-120	-244	-247	-65	116	-142
Net commission income	1	0	1	0	1	-1	2
Net gains and losses on financial items at fair value	427	134	235	245	63	-116	183
Other income	-2,879	-2,997	-702	-691	-763	-723	-809
Total income	-2,891	-2,983	-710	-693	-764	-724	-766
Staff costs	28	30	16	10	2	0	14
IT expenses	954	792	232	204	269	249	221
Other expenses	1,909	2,161	462	479	493	475	531
Total expenses	2,891	2,983	710	693	764	724	766
Business volumes, SEK billion							
Mutual funds & insurance	-257	-238	-257	-245	-236	-253	-238
Other investment volume	-18	-14	-18	-16	-16	-16	-14
Total assets	-305	-215	-305	-315	-287	-233	-215
Total liabilities	-305	-215	-305	-315	-287	-233	-215

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Income statement, Group

SEKm	Full-year 2006	Full-year 2005	%	Q4 2006	Q4 2005	%
<i>Interest income</i>	39,408	34,204	15	10,975	8,477	29
<i>Interest expenses</i>	-23,904	-18,665	28	-6,926	-4,765	45
Net interest income	15,504	15,539	0	4,049	3,712	9
<i>Commission income</i>	11,465	9,525	20	2,977	2,503	19
<i>Commissions expenses</i>	-2,596	-2,355	10	-668	-607	10
Net commission income (Note 1)	8,869	7,170	24	2,309	1,896	22
Net gains and losses on financial items at fair value (Note 2)	3,211	2,957	9	1,162	1,006	16
<i>Insurance premiums</i>	1,353	1,114	21	417	236	77
<i>Insurance provisions</i>	-1,089	-960	13	-337	-169	99
Net insurance	264	154	71	80	67	19
Share of the profit or loss of associates	222	301	-26	-26	48	
Other income	1,127	3,339	-66	338	268	26
Total income	29,197	29,460	-1	7,912	6,997	13
Staff costs	-7,253	-6,837	6	-1,878	-1,731	8
Profit-based staff costs	-1,307	-1,354	-3	-302	-378	-20
Other general administrative expenses	-5,920	-5,362	10	-1,724	-1,447	19
Total general administrative expenses	-14,480	-13,553	7	-3,904	-3,556	10
Depreciation/amortization and impairments of tangible and intangible fixed assets	-659	-603	9	-193	-161	20
Total expenses	-15,139	-14,156	7	-4,097	-3,717	10
Profit before loan losses	14,058	15,304	-8	3,815	3,280	16
Loan losses, net (Note 3)	205	-294		72	-1	
Operating profit	14,263	15,010	-5	3,887	3,279	19
Tax expense	-3,211	-2,781	15	-928	-675	37
Profit for the period	11,052	12,229	-10	2,959	2,604	14
<i>Profit for the period attributable to:</i>						
Shareholders of Swedbank AB	10,880	11,879	-8	2,913	2,570	13
Minority interest	172	350	-51	46	34	35
Earnings per share, SEK	21.11	23.14		5.65	4.99	
Earnings per share after dilution, SEK	21.11	23.14		5.65	4.99	

See page 31 for number of shares.

Income statement, quarterly, Group

SEKm	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	2006	2006	2006	2006	2005	2005	2005	2005
Net interest income	4,049	3,895	3,783	3,777	3,712	3,860	4,028	3,939
Net commission income	2,309	2,109	2,353	2,098	1,896	1,910	1,834	1,530
Net gains and losses on financial items at fair value	1,162	757	1,032	260	1,006	789	785	377
Net insurance	80	67	100	17	67	38	18	31
Share of the profit or loss of associates	-26	53	58	137	48	124	57	72
Other income	338	283	252	254	268	1,677	1,069	325
Total income	7,912	7,164	7,578	6,543	6,997	8,398	7,791	6,274
Staff costs	-2,180	-2,073	-2,203	-2,104	-2,109	-2,049	-2,153	-1,880
Other general administrative expenses	-1,724	-1,262	-1,543	-1,391	-1,447	-1,182	-1,416	-1,317
Total general administrative expenses	-3,904	-3,335	-3,746	-3,495	-3,556	-3,231	-3,569	-3,197
Depreciation/amortization and impairments of tangible and intangible fixed assets	-193	-155	-156	-155	-161	-133	-173	-136
Total expenses	-4,097	-3,490	-3,902	-3,650	-3,717	-3,364	-3,742	-3,333
Profit before loan losses	3,815	3,674	3,676	2,893	3,280	5,034	4,049	2,941
Loan losses, net	72	67	116	-50	-1	-97	-97	-99
Operating profit	3,887	3,741	3,792	2,843	3,279	4,937	3,952	2,842
Tax expense	-928	-806	-938	-539	-675	-817	-736	-553
Profit for the period	2,959	2,935	2,854	2,304	2,604	4,120	3,216	2,289
<i>Profit for the period attributable to:</i>								
Shareholders of Swedbank AB	2,913	2,911	2,786	2,270	2,570	4,037	3,184	2,088
Minority interest	46	24	68	34	34	83	32	201

Capital adequacy

SEKm	Dec 31 2006	Dec 31 2005
Primary capital	47,497	39,939
Supplementary capital	26,067	23,374
Less shares, etc.	-2,634	-3,945
Expanded portion of capital base		361
Capital base	70,930	59,729
Risk-weighted amount for credit risks	708,215	590,261
Risk-weighted amount for market risks	18,497	25,791
Total risk-weighted amount	726,712	616,052
Tier 1 capital ratio, %	6.5	6.5
Capital adequacy ratio, %	9.8	9.7

As of December 31, 2006 the Swedbank financial companies group included the Swedbank group, EnterCard Holding AB, Eskilstuna Rekarne Sparbank AB, Färs och Frosta Sparbank AB, FöreningsSparbanken Sjuhärad AB, Söderhamns Sparbank AB, Bergslagens Sparbank AB and Vimmerby Sparbank AB. The group's insurance companies are not included according to the capital adequacy rules for financial groups.

Income statement, Parent company

SEKm	Full-year 2006	Full-year 2005	%	Q4 2006	Q4 2005	%
<i>Interest income</i>	24,878	18,538	34	7,302	4,746	54
<i>Interest expenses</i>	-17,885	-11,866	51	-5,512	-2,994	84
Net interest income	6,993	6,672	5	1,790	1,752	2
Dividends received	1,836	1,125	63	1,338	767	74
<i>Commission income</i>	6,351	5,943	7	1,536	1,629	-6
<i>Commission expenses</i>	-1,404	-1,284	9	-308	-397	-22
Net commission income (Note 1)	4,947	4,659	6	1,228	1,232	0
Net gains and losses on financial items at fair value (Note 2)	1,899	1,791	6	737	706	4
Other income	1,047	3,550	-71	351	321	9
Total income	16,722	17,797	-6	5,444	4,778	14
General administrative expenses						
- Staff costs	-5,954	-6,255	-5	-1,425	-1,549	-8
- Other expenses	-4,090	-4,076	0	-1,185	-1,040	14
Total general administrative expenses	-10,044	-10,331	-3	-2,610	-2,589	1
Depreciation/amortization and impairments of tangible and intangible fixed assets	-268	-306	-12	-65	-74	-12
Amortization of goodwill	-119	-119	0	-30	-30	0
Total expenses	-10,431	-10,756	-3	-2,705	-2,693	0
Profit before loan losses	6,291	7,041	-11	2,739	2,085	31
Loan losses, net (Note 3)	479	-184		128	45	
Impairment of financial fixed assets	-4	-11		-4	-11	
Operating profit	6,766	6,846	-1	2,863	2,119	35
Appropriations	138	-221		135	-208	
Tax expense	-1,575	-1,196	32	-772	-656	18
Profit for the period	5,329	5,429	-2	2,226	1,255	77

Balance sheet

SEKm	Group		Parent company	
	Dec 31 2006	Dec 31 2005	Dec 31 2006	Dec 31 2005
Assets				
Loans to credit institutions	161,097	152,348	322,643	258,445
Loans to the public	946,319	822,425	273,874	235,095
Interest-bearing securities	99,600	87,506	105,960	91,396
Shares and participating interests	72,589	63,338	42,733	44,233
- for which customers bear the investment risk	65,008	55,008		
Derivatives	23,864	32,170	22,934	25,640
Other assets	49,520	39,496	14,638	12,612
Total assets	1,352,989	1,197,283	782,782	667,421
Liabilities and equity				
Amounts owed to credit institutions	130,642	110,066	174,727	145,473
Deposits and borrowings from the public	400,035	338,894	315,502	269,417
Debt securities in issue, etc	561,208	517,582	145,581	117,453
Financial liabilities for which customers bear the investment risk	65,289	55,249		
Derivatives	31,607	30,144	25,144	26,205
Other liabilities and provisions	69,506	59,258	50,008	42,519
Subordinated liabilities	34,425	32,221	32,140	27,982
Untaxed reserves			3,226	3,358
Equity	60,277	53,869	36,454	35,014
- <i>Minority</i>	303	232		
- <i>Shareholders</i>	59,974	53,637	36,454	35,014
Total liabilities and equity	1,352,989	1,197,283	782,782	667,421
Assets pledged for own liabilities			91,792	70,557
Other assets pledged			11,817	11,747
Contingent liabilities			39,991	33,791
Commitments			106,489	90,649

Cash flow statements

SEKm	Group		Parent company	
	Full-year 2006	Full-year 2005	Full-year 2006	Full-year 2005
Cash and cash equivalents at beginning of period *)	89,514	80,032	96,074	69,537
Operating activities	-58,747	-44,719	-58,955	1,011
Investing activities	1,076	-12,788	1,264	-11,939
Financing activities	52,074	66,192	38,396	37,465
Cash flow for the period	-5,597	8,685	-19,295	26,537
Exchange rate differences on cash and cash equivalents	0	0		
Cash and cash equivalents in acquired entities	-885	470		
Cash and cash equivalents at end of period *)	83,032	89,514	76,779	96,074
*) of which, securities pledged for OMX				
- at beginning of period	2,729	2,296	2,729	2,296
- at end of period	4,384	2,729	4,384	2,729

Turnover of own debt instruments

The Swedbank Group issues and repurchases its own debt instruments. This turnover is intended for the Group's securities operations and as a component in financing its operations.

Turnover during the year was as follows:

Interest-bearing securities, bonds and commercial paper:

Issued (sold) SEK 186bn

Redeemed (bought) SEK 158bn

Statement of changes in equity, Group

SEKm	Minority interest	Shareholders' equity	Total equity
Opening balance January 1, 2005	3,169	44,175	47,344
Currency translation from foreign operations	59	351	410
Deferred tax		104	104
Net income for the period recognized directly in equity	59	455	514
Profit for the period reported via income statement	350	11,879	12,229
Total profit for the period	409	12,334	12,743
Dividend	-1	-3,334	-3,335
New share issue		468	468
Revaluation of net assets from acquisitions of subsidiary		-6	-6
New minority interest on acquisitions of subsidiaries	44		44
Acquisition from minority	-3,389		-3,389
Closing balance December 31, 2005	232	53,637	53,869
Opening balance January 1, 2006	232	53,637	53,869
Currency translation of foreign operations	-13	-541	-554
Deferred tax		-137	-137
Net income for the period recognized directly in equity	-13	-678	-691
Profit for the period reported via income statement	174	10,880	11,054
Total profit for the period	161	10,202	10,363
New share issue	20		20
Dividend	-107	-3,865	-3,972
Acquisition from minority	-3		-3
Closing balance December 31, 2006	303	59,974	60,277

Statement of changes in equity, Parent company

SEKm	Restricted equity	Non-restricted equity	Total equity
Closing balance December 31, 2004	18,934	13,899	32,833
Changes in accounting policies 2005 relating in accordance to ÅRKL	-2,090	2,290	200
Change in accounting policy 2006 relating to changes in value on hedging of net investments in foreign operations in accordance to RR32		6	6
Adjusted opening balance January 1, 2005	16,844	16,195	33,039
Dividend		-3,334	-3,334
New share issue	468		468
Group contributions, paid		-588	-588
Profit for the period		5,429	5,429
Closing balance December 31, 2005	17,312	17,702	35,014
Opening balance January 1, 2006	17,312	17,702	35,014
Dividend		-3,865	-3,865
Reduction of the share capital	-299	299	
Stock dividend	299	-299	
Group contribution net		-24	-24
Profit for the period		5,329	5,329
Closing balance December 31, 2006	17,312	19,142	36,454

Lending, Group

SEKbn	Dec 31 2006	Dec 31 2005	%
Private individuals	479.9	417.8	15
<i>of which Swedbank Mortgage AB</i>	379.2	340.2	11
Real estate management	190.9	164.0	16
Retail, hotels, restaurants	34.1	27.1	26
Construction	12.9	11.2	15
Manufacturing	30.1	23.7	27
Transportation	16.5	13.8	20
Forestry and agriculture	45.3	41.6	9
Other service businesses	36.5	25.5	43
Other business lending	58.8	57.0	3
Municipalities	13.9	14.0	0
Total lending to the public	918.9	795.7	15
<i>of which Baltic Banking Operations</i>	133.6	86.9	53
Credit institutions incl. Nat'l Debt Office	78.4	68.5	14
Repurchase agreements (repos)	110.1	110.6	0
Total lending	1,107.4	974.8	14

Savings and investments, Group

SEKbn	Dec 31 2006	Dec 31 2005	%
Deposits from the public			
Households, Group excl. Baltic Banking	178.5	151.3	18
SME/corporate, other, Group excl. Baltic Banking	113.8	106.1	7
Total, Group excl. Baltic Banking	292.3	257.4	14
Households, Baltic Banking	44.7	35.3	27
SME/corporate, other, Baltic Banking	39.7	32.6	22
Total, Baltic Banking	84.4	67.9	24
Total deposits from the public	376.7	325.3	16
Discretionary asset management *	25.8	24.0	7
Fund assets under management	413.6	364.5	13
<i>of which unit-linked insurance in own companies</i>	63.5	54.0	18
Retail bonds, interest-bearing	1.1	2.0	-44
Retail bonds, equity linked	23.3	17.6	32
Total savings and investments	840.5	733.4	15

* excluding investments in Robur's funds

Notes

Note 1. Net commission income

Group SEKm	Full-year 2006	Full-year 2005	Q4 2006	Q4 2005
Commission income				
Payment processing	4,010	3,690	1,068	950
Lending	605	454	138	128
Brokerage	989	698	226	264
Asset management	3,719	3,150	953	880
Other securities	119	106	43	42
Other	2,023	1,427	549	239
Total	11,465	9,525	2,977	2,503
Commission expenses				
Payment processing	-1,376	-1,176	-362	-343
Securities	-240	-206	-65	-66
Other	-980	-973	-241	-198
Total	-2,596	-2,355	-668	-607
Total net commission income	8,869	7,170	2,309	1,896
Parent company SEKm	Full-year 2006	Full-year 2005	Q4 2006	Q4 2005
Commission income				
Payment processing	2,591	2,639	533	673
Lending	495	430	104	120
Brokerage	460	375	125	117
Asset management	1,726	1,600	451	465
Other securities	100	102	33	41
Other	979	797	290	213
Total	6,351	5,943	1,536	1,629
Commission expenses				
Payment processing	-991	-960	-174	-283
Securities	-154	-144	-40	-48
Other	-259	-180	-94	-66
Total	-1,404	-1,284	-308	-397
Total net commission income	4,947	4,659	1,228	1,232

Note 2. Net gains and losses on financial items at fair value

Group SEKm	Full-year 2006	Full-year 2005	Q4 2006	Q4 2005
Trading, derivatives and fair value option				
Shares/participating interests	1,241	1,139	399	442
- Of which change in value	935	930	393	438
- Of which dividend	306	209	6	4
Interest-bearing instruments	1,206	1,013	318	419
- Of which change in value	733	873	64	178
- Of which interest	473	140	254	241
Other financial instruments	-74	39	-67	19
- Of which change in value	-74	39	-67	19
Total	2,373	2,191	650	880
Interest income compensation, claims valued at cost				
	51	177	7	48
Changes in exchange rates	787	589	505	78
Total net gains and losses on financial items at fair value	3,211	2,957	1,162	1,006
Parent company				
SEKm	Full-year 2006	Full-year 2005	Q4 2006	Q4 2005
Capital gains/losses				
Shares/participating interests	1082	343	412	94
Interest-bearing securities	652	130	325	-104
Other financial instruments	0	0	0	0
Total	1734	473	737	-10
Unrealized changes in value				
Shares/participating interests	-392	529	-177	330
Interest-bearing securities	303	600	-159	410
Other financial instruments				
Total	-89	1,129	-336	740
Changes in exchange rates	254	189	336	-24
Total net gains and losses on financial items at fair value	1,899	1,791	737	706

Note 3. Loan losses, net and change in the value of property taken over

Group SEKm	Full-year 2006	Full-year 2005	Q4 2006	Q4 2005
<i>Loans assessed individually</i>				
The period's write-off for established loan losses	-493	-535	-163	-197
Reversal of previous provisions for anticipated loan losses reported in the period's accounts as established losses	207	270	44	82
The period's provisions for anticipated loan losses	-222	-490	-55	-173
Recoveries from previous years' established loan losses	225	293	31	23
Recovered provisions no longer necessary for anticipated loan losses	264	179	95	47
Net expense for the period	-19	-283	-48	-218
<i>Collective provisions for loans assessed individually</i>				
Allocations/withdrawals from collective provisions	319	123	130	238
<i>Collectively valued homogeneous groups of loans with limited value and similar credit risk</i>				
The period's write-off for established loan losses	-61	-103	-15	-18
Recoveries from previous years' established loan losses	9	14	2	5
Allocations to/withdrawals from loan loss reserve	-17	-23	1	-13
The period's net expense for collectively valued homogenous claims	-69	-112	-12	-26
<i>Contingent liabilities</i>				
The period's net expense for discharged guarantees and other contingent liabilities	-5	-22	2	5
The period's net loan loss expense	226	-294	72	-1
Change in the value of property taken over	-21	0	0	
Total loan losses, net and change in value of property taken over	205	-294	72	-1
Parent company				
SEKm	Full-year 2006	Full-year 2005	Q4 2006	Q4 2005
<i>Loans assessed individually</i>				
The period's write-off for established loan losses	-398	-424	-120	-152
Reversal of previous provisions for anticipated loan losses reported in the period's accounts as established losses	171	208	37	71
The period's provisions for anticipated loan losses	-118	-294	-44	-149
Recoveries from previous years' established loan losses	124	41	12	5
Recovered provisions no longer necessary for anticipated loan losses	148	82	39	22
Net expense for the period	-73	-387	-76	-203
<i>Collective provisions for loans assessed individually</i>				
Allocations/withdrawals from collective provisions	590	287	189	284
<i>Collectively valued homogeneous groups of loans with limited value and similar credit risk</i>				
The period's write-off for established loan losses	-43	-70	-10	-13
Recoveries from previous years' established loan losses	0	1	0	1
Allocations to/withdrawals from loan loss reserve	7	-7	9	-2
The period's net expense for collectively valued homogenous claims	-36	-76	-1	-14
<i>Contingent liabilities</i>				
The period's net expense for discharged guarantees and other contingent liabilities	20	-8	17	-22
The period's net loan loss expense	501	-184	129	45
Change in the value of property taken over	-22	0	-1	0
Total loan losses, net and change in value of property taken over	479	-184	128	45

Note 4. Loans to credit institutions and loans to the public

SEKm	Group		Parent company	
	Dec 31 2006	Dec 31 2005	Dec 31 2006	Dec 31 2005
Book value (before recognized provisions)	1,110,595	978,556	598,242	496,069
Specific provisions for individually assessed claims	-681	-921	-423	-630
Provisions for collectively valued homogeneous groups of claims with limited value and similar credit risk	-124	-151	-67	-74
Collective provisions for individually assessed claims	-2,374	-2,711	-1,235	-1,825
Total provisions	-3,179	-3,783	-1,725	-2,529
Book value	1,107,416	974,773	596,517	493,540
Book value of impaired loans	825	1,147	323	574
Property taken over to protect claims:				
- Buildings and land	1	1	0	0
- Shares and participating interests	40	12	36	7
- Other	2	2	0	0
Total	43	15	36	7
Impaired loans as % of total lending	0.07	0.12	0.05	0.12
Total provision ratio for impaired loans, % *	195	171	212	198
Provision ratio for individually identified impaired loans, %	50	48	60	55

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

Credit risks

Group Sector/branch December 31, 2006 SEKm	Book value before provisions	Provisions for			Book value of loans after provisions	Book value of impaired loans
		Specific provisions for individually assessed claims	Collective provisions for individually assessed claims	Provisions for collectively assessed homogeneous groups		
Private individuals	480,260	45	224	124	479,867	161
Real estate management	191,245	66	288		190,891	58
Retail, hotels, restaurants	34,636	62	440		34,134	86
Construction	13,050	43	74		12,933	42
Manufacturing	30,621	158	409		30,054	105
Transportation	16,605	19	84		16,502	43
Forestry and agriculture	45,388	27	77		45,284	91
Other service businesses	36,681	17	156		36,508	118
Other corporate lending	59,635	218	622		58,795	121
Municipalities, excl. municipal corporates	13,949				13,949	
Lending	922,070	655	2,374	124	918,917	825
Credit institutions incl. Nat'l Debt Office	78,433	26			78,407	0
Repurchase agreements - credit institutions incl. Nat'l Debt Office	91,227				91,227	
Repurchase agreements - public	18,865				18,865	
Total lending to credit institutions and the public	1,110,595	681	2,374	124	1,107,416	825

Derivatives

The group trades in derivatives in the normal course of business and to hedge certain positions with regard to the value of equities, interest rates and foreign currencies.

December 31, 2006			
Group, SEKm	Interest related	Currency related	Equity related, etc.
Derivatives with positive book values	14,901	7,024	4,959
Derivatives with negative book values	15,200	13,795	5,632
Nominal amount	4,993,736	774,499	51,765

Derivatives at a value of SEK 3,020m has, as a consequence of netting agreements, been recognized net in the balance sheet.

Number of shares in issue

Number of shares in issue	Q4 2006	Q4 2005	Full-year 2006	Full-year 2005
1) Average number of shares outstanding	515,373,412	513,412,862	515,373,412	513,412,862
2) Average number of shares outstanding after dilution			515,373,412	513,412,862
3) Number of shares outstanding	515,373,412	513,412,862	515,373,412	515 373 412
4) Number of shares outstanding after dilution			515,373,412	515 373 412

Number of employees

Number of employees	Dec 31 2006	Dec 31 2005
The Group excl. Baltic Banking	8,957	8,922
Baltic Banking	8,442	7,226
Total	17,399	16,148

Stockholm, February 16, 2007

Jan Lidén

President and Chief Executive Officer

This report is published in Swedish and English. In the event of any inconsistencies between these language versions the Swedish version shall prevail.

Review report

This preliminary year-end report has not been reviewed by the bank's auditors.

Publication of financial information

The Group's financial reports can be found on <http://www.swedbank.se/ir>.

Swedbank will announce results on the following dates during 2007:

Interim report first quarter 2007, April 25

Interim report second quarter 2007, August 7

Interim report third quarter 2007, October 24.

Annual General Meeting 2007

The Annual General Meeting will be held in Stockholm on April 27 2007.

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