



Interim report, Q3 2007
24 October, 2007
Jan Lidén
CEO and President

Summary January – September 2007

- **Shareholders' net profit increased 12 percent to SEK 8,888m compared with previous year**
 - Net interest income was up 19 percent
 - Net commission income was up 12 percent
- Deposit, lending and payments growth was strong on all markets
- Excellent access to funding during credit market turmoil
- TAS-Kommerzbank in Ukraine was consolidated as of Q3
- Challenging macro development in Baltics.

Financial markets' turbulence impact

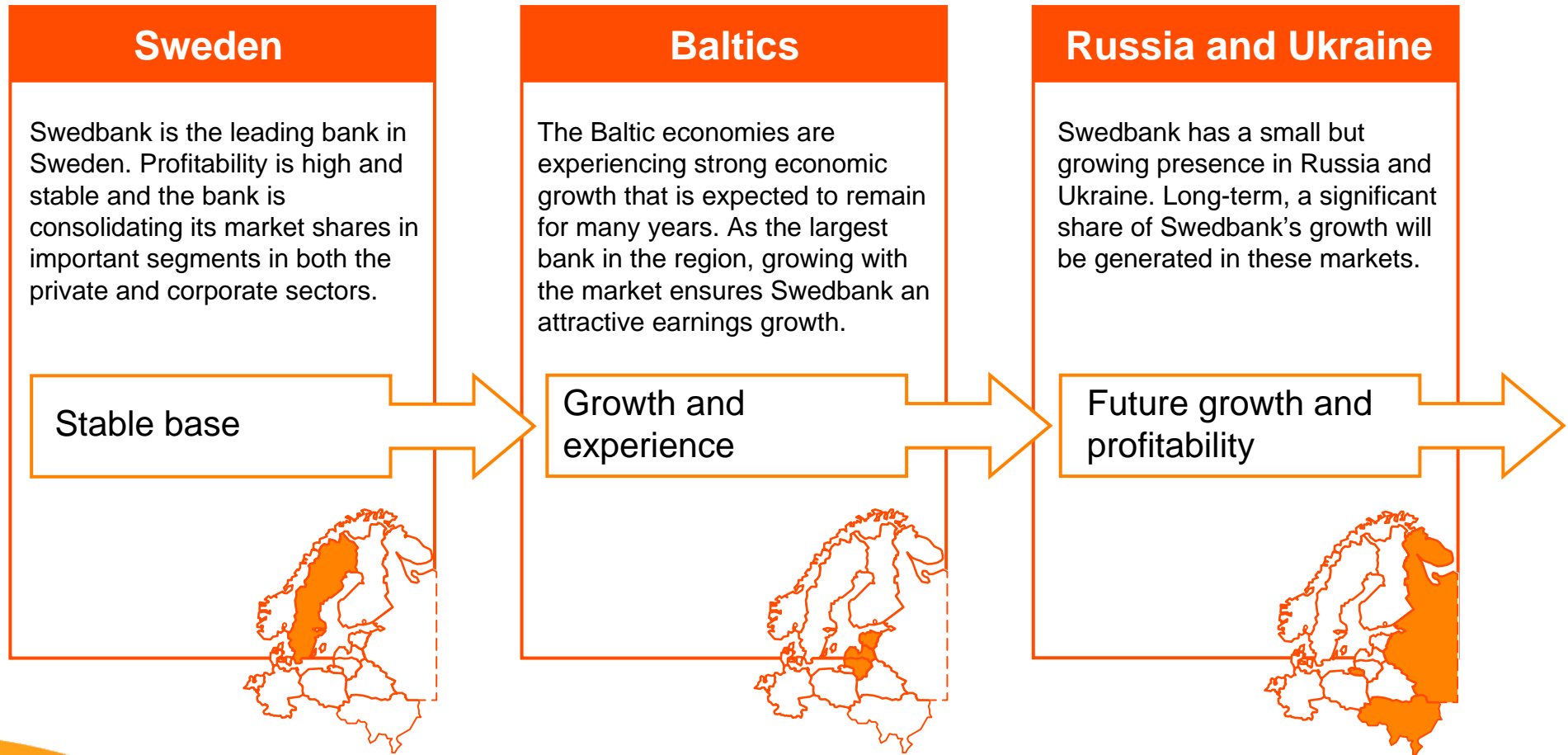
Direct impact

- Valuation effects:
 - Swedish Banking – fair value option in Swedbank Mortgage was affected negatively by about SEK 129m
 - Shared Services and Group Staffs – IAS valuation of interest rates swaps for inter-company lending affected the results negatively by about SEK 90m
 - Swedbank Markets – results were affected negatively by about SEK 60m of re-valuation of credit bonds
- Other
 - The lag until higher cost of funding is passed on to customers is estimated to have decreased lending margins by about 1 bp

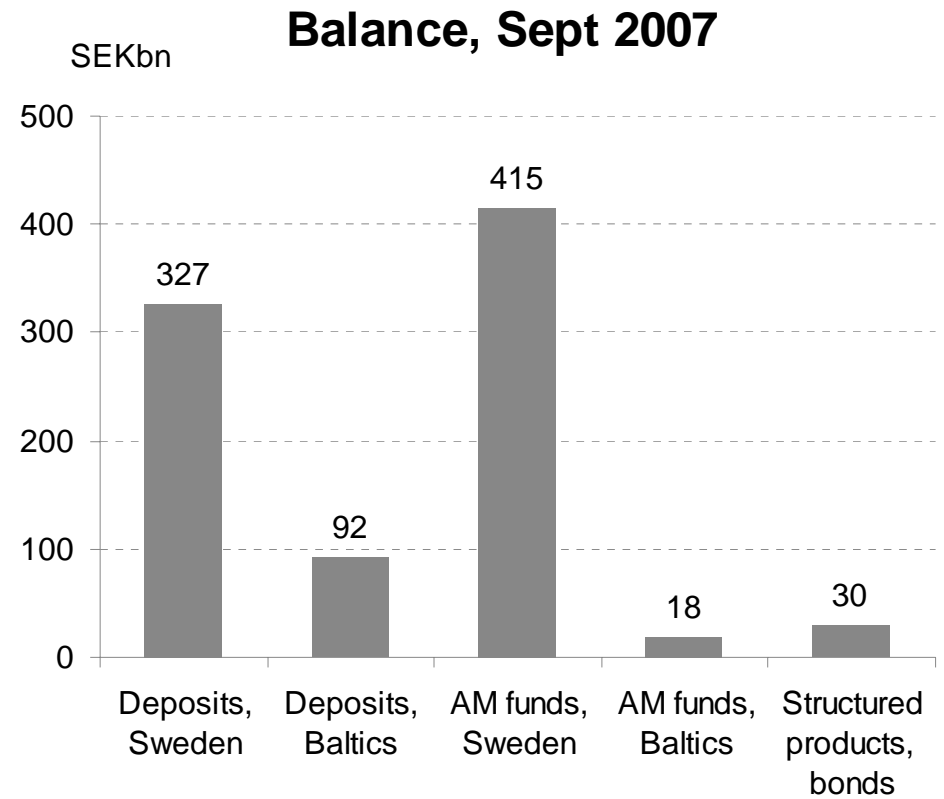
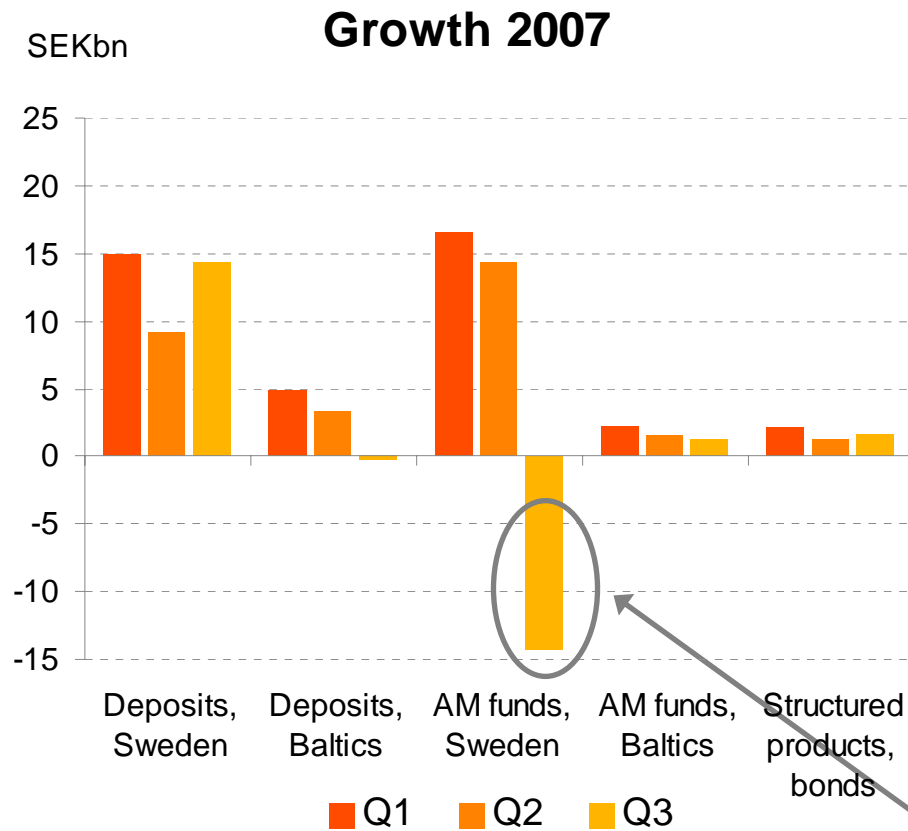
Indirect effects

- Swedbank Markets – lower trading volumes for interest bearing securities.

Strong position for profitability and growth

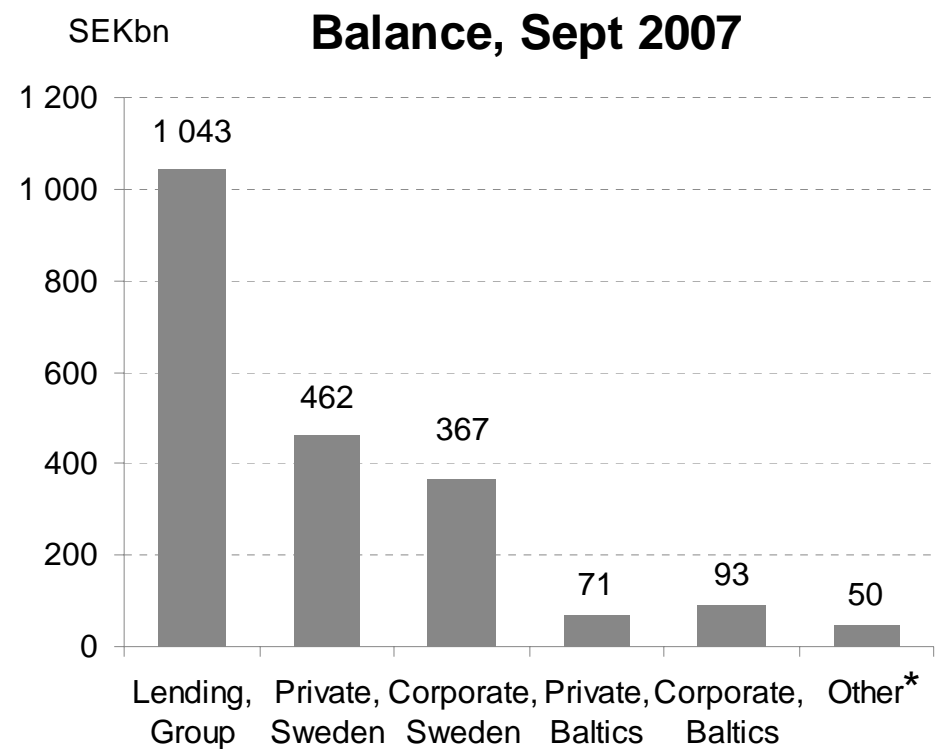
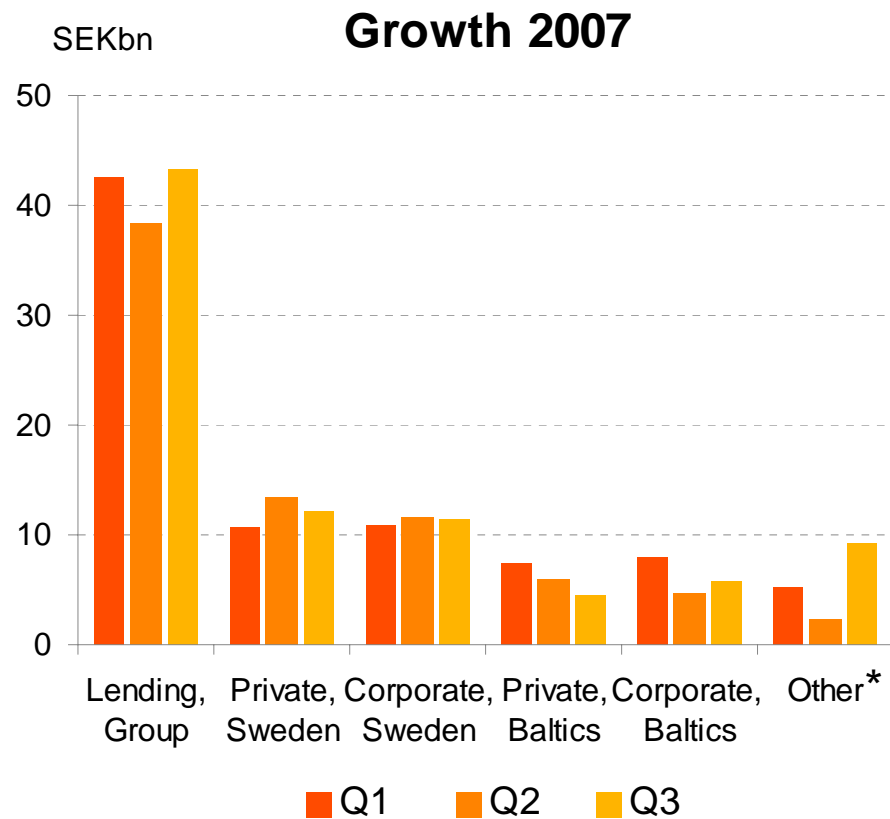


Business volumes, savings

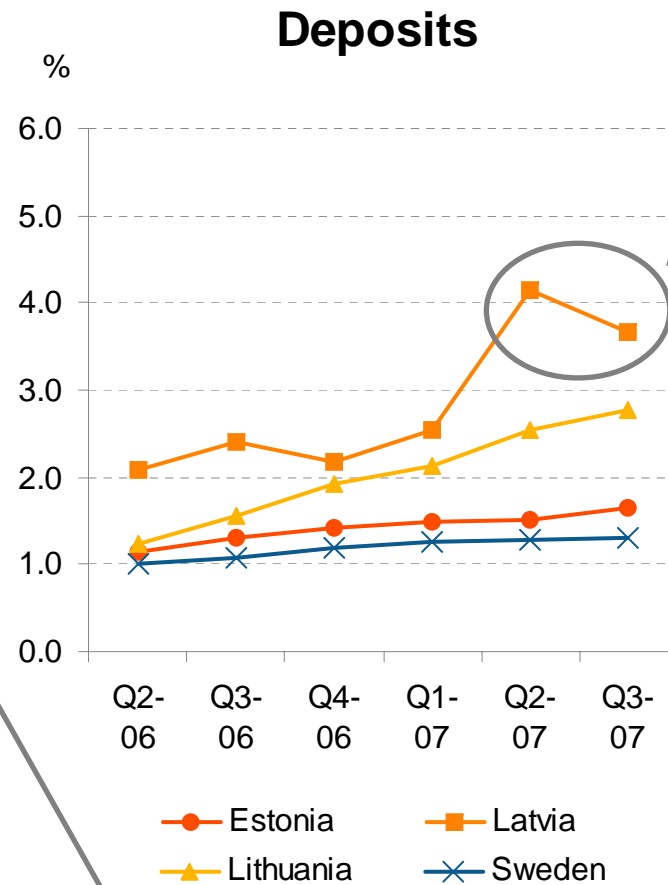
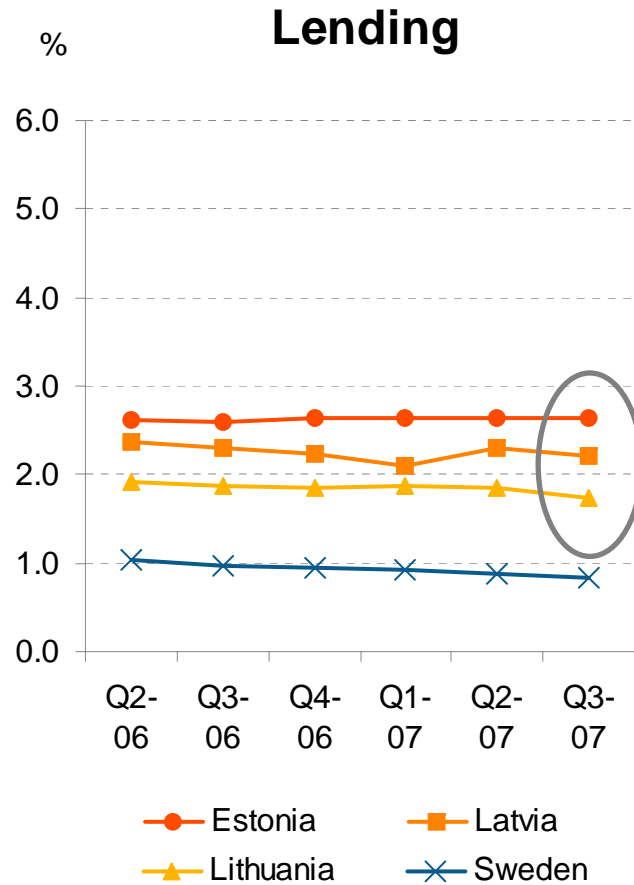


OMX-S index declined by 4.5 percent during Q3 2007

Business volumes, lending



Margins

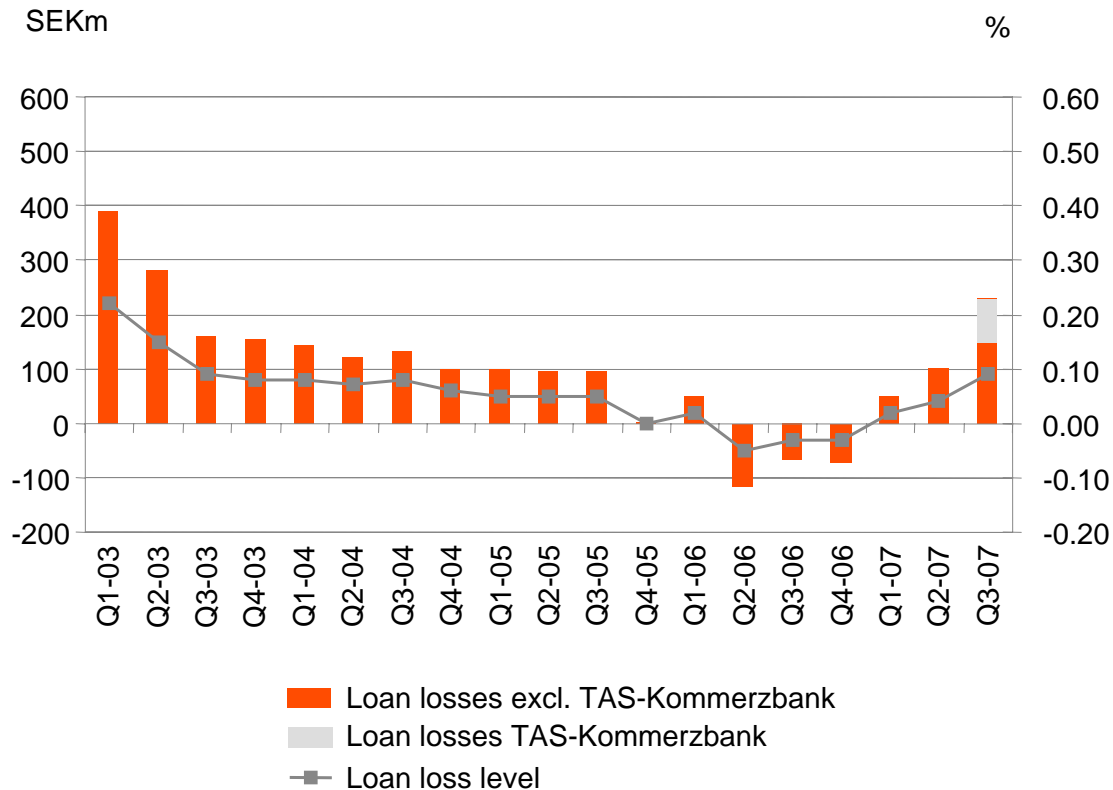


RIGIBOR 90 days averaged 8.5% in Q3 (9.1 in Q2)

Lag until higher cost of funding, mainly Euribor based, is passed on to customers



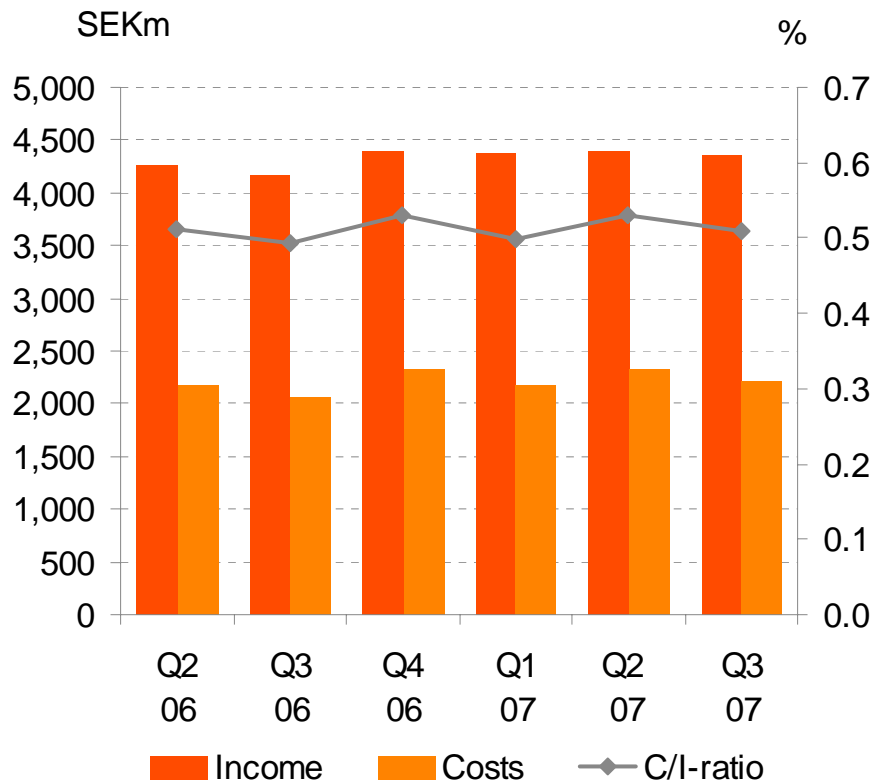
Loan losses, Group



- Increasing loan loss ratio, but still on a very low level, 0.09 percent
- For TAS, provisions are calculated as a share of the period's lending increase
- TAS provisioning model resulted in loan losses of SEK 80m in Q3
- One particular engagement in Estonia resulted in higher loan losses.

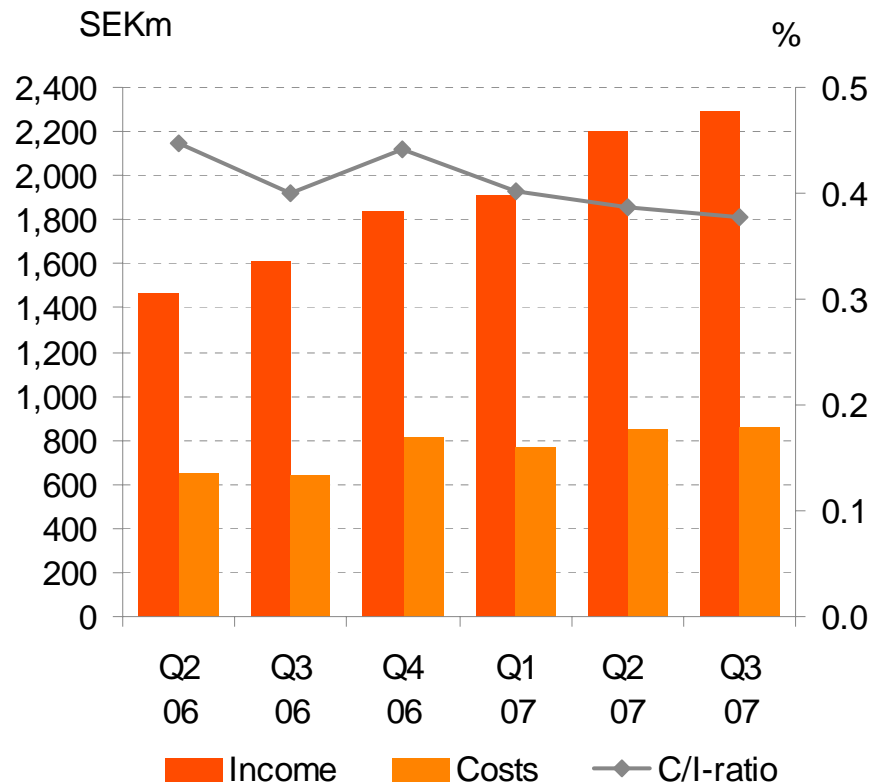


Swedish Banking



- Stable earnings and continued high profitability
- Sustained good volume growth
 - Lending grew 3 percent and deposits 5 percent Q3 vs. Q2
- Increased market shares
 - New retail mortgages sales improved to 33 percent (32 percent as of Dec. 06)
 - Total net new household savings increased to 17 percent (15 percent for 2006)
- Corporate customer satisfaction increased by 2.3 percentage points to 70.7
- Financial markets turbulence had negative effect
 - Swedbank Mortgage's fair value option was SEK 173m lower than in Q2
 - Somewhat higher cost of funding.

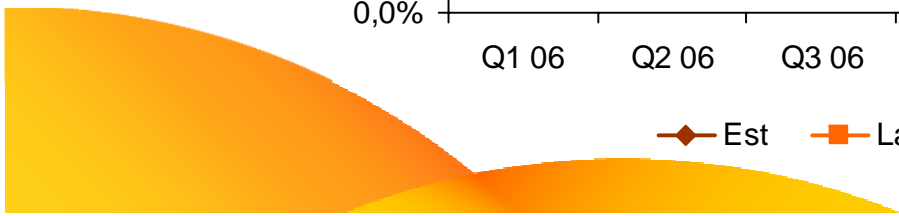
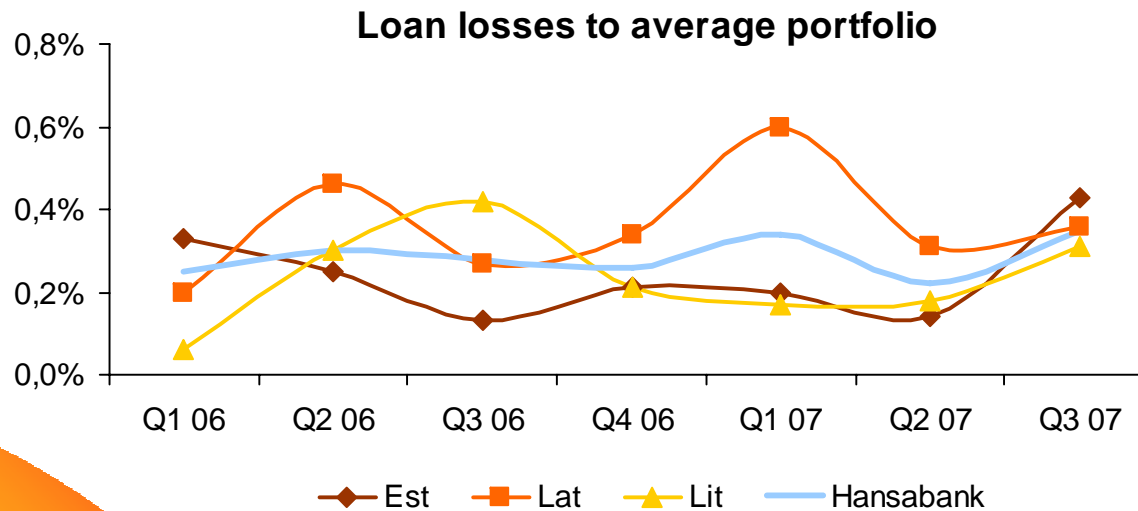
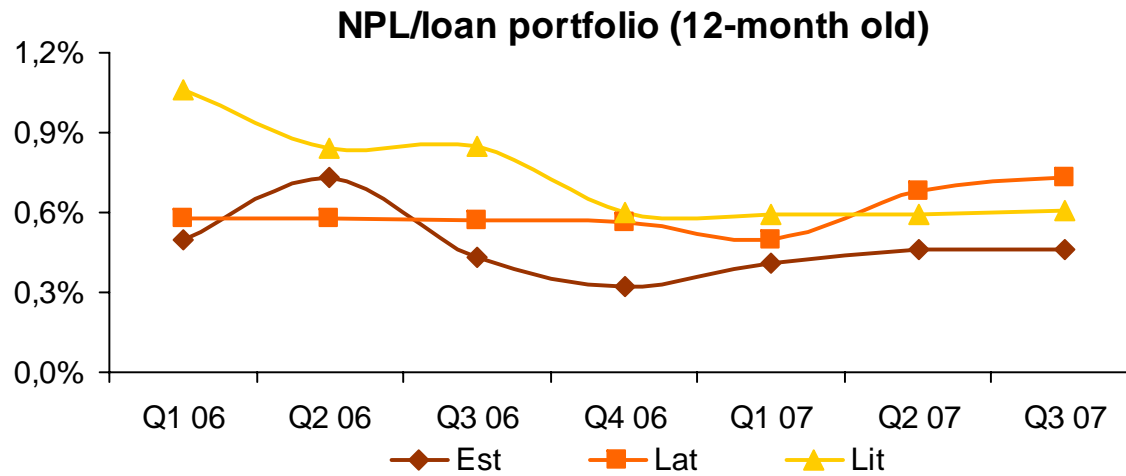
Baltic Banking Operations



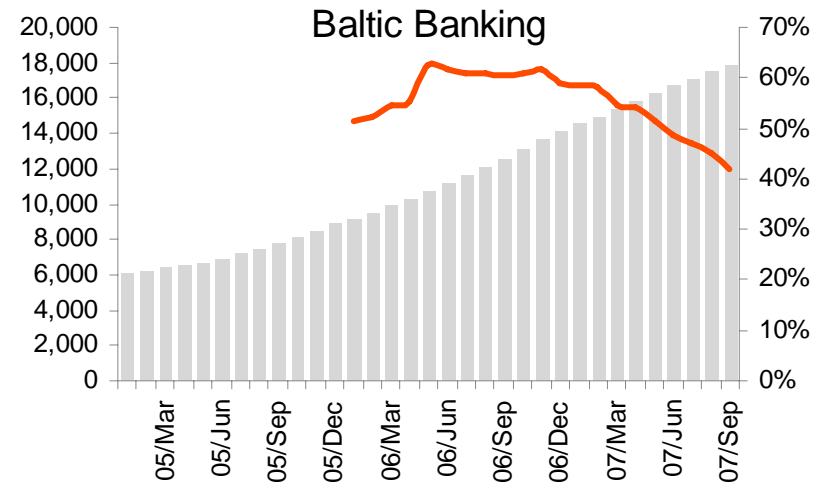
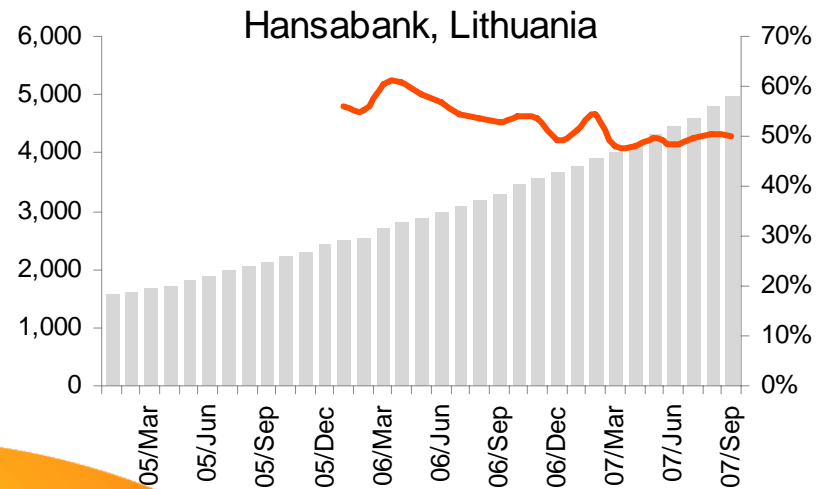
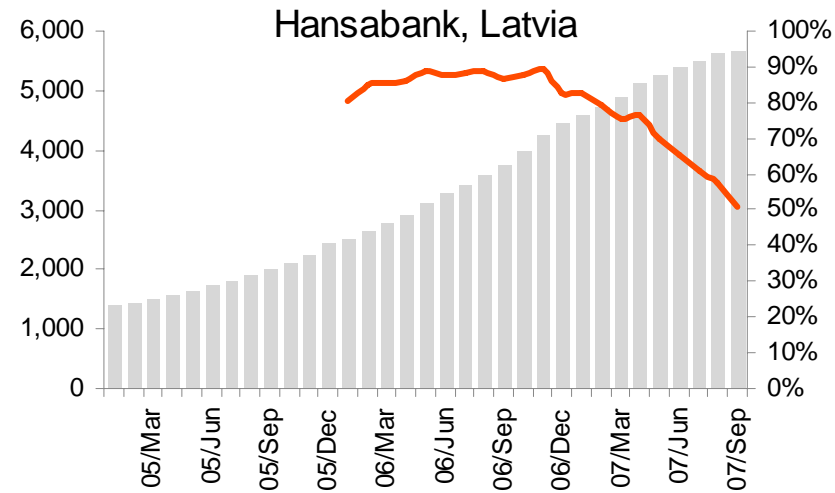
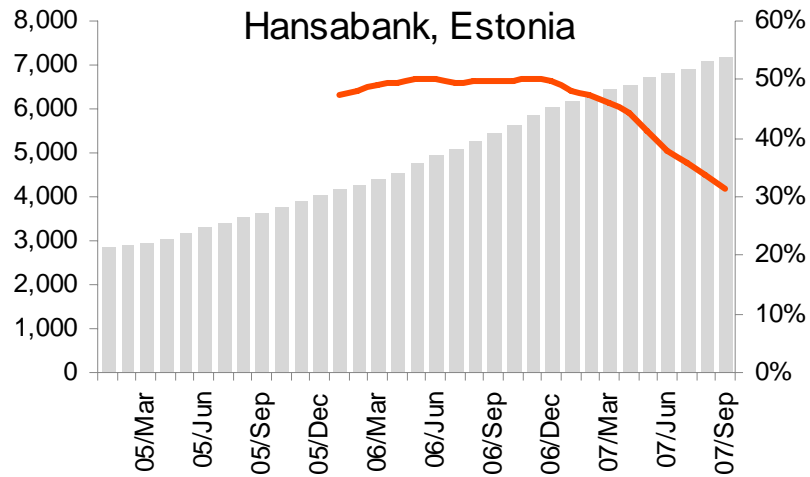
- Earnings continued high
- Net interest income increased 8 percent Q3/Q2
- C/I-ratio improved to 0.38
- Strong volume growth
 - Expected lending growth slow down continues
- Decrease in staff recruitment pace
- Loan losses increased to 40 bps, partly due to one impaired exposure in Estonia
- Macro environment is still challenging.



Credit quality, Baltic Banking



Decreasing Baltic lending growth



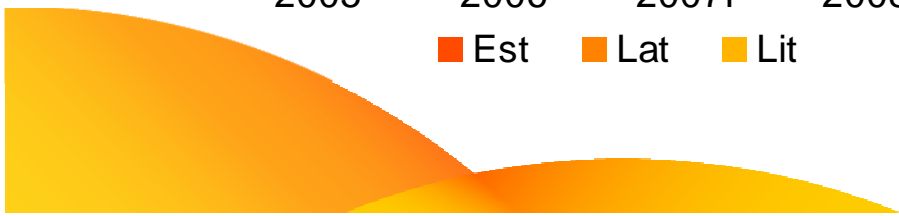
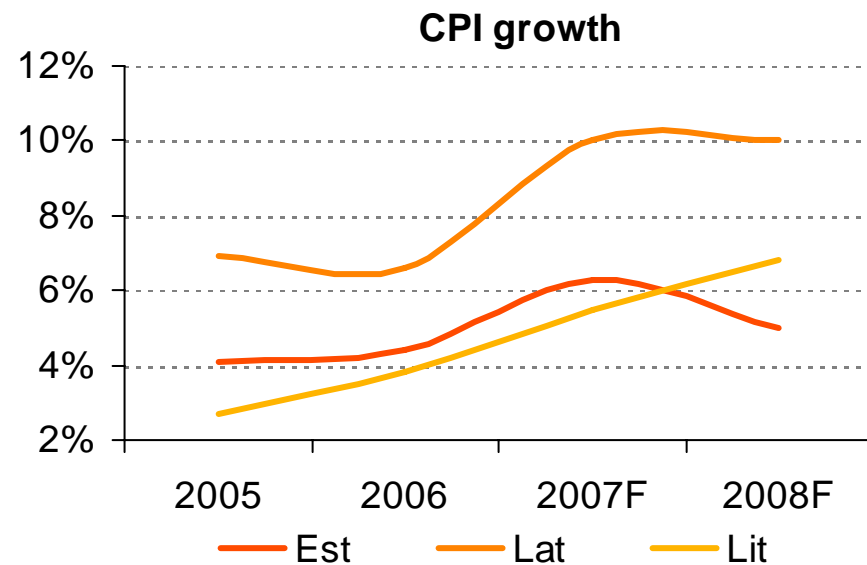
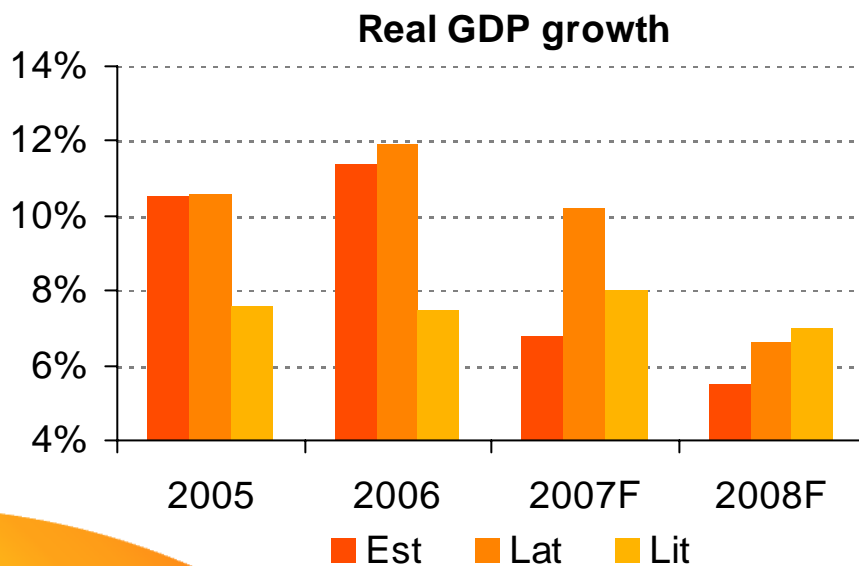
■ Total lending, EURm — YoY growth

Baltic Banking, market shares

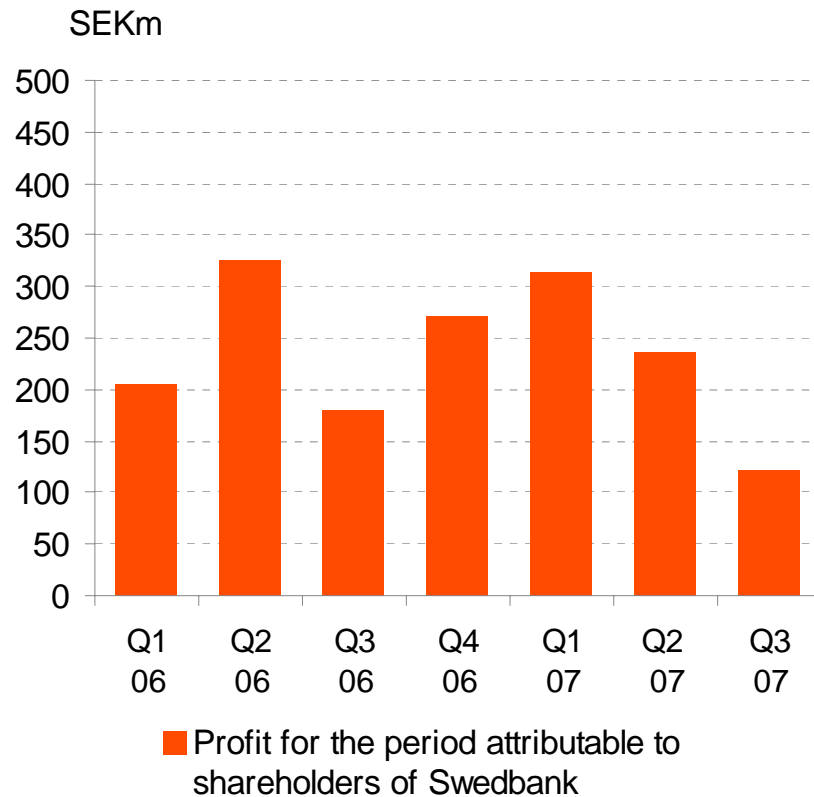
	Estonia		Latvia		Lithuania	
	Aug, 2007	Dec, 2006	Aug, 2007	Dec, 2006	Aug, 2007	Dec, 2006
Balance, %						
Deposits, households	62.5	62.3	28.5	29.5	39.0	38.6
Mortgage lending, households	49.0	49.2	27.8	29.8	28.5	29.5
Consumer/bank lending	55.8	59.0	24.4	18.7	34.9	33.9
Deposits, SME/corporate	45.3	47.1	13.6	14.3	21.2	21.5
Lending, corporate	43.9	45.8	24.8	26.3	20.2	19.4
Pension II	52.4	52.3	43.2	43.4	40.9	41.5

Baltic macro development

- Economy readjusting in Estonia with relatively swift slow-down from 11.4% GDP-growth in 2006 to forecasted 5.5% in 2008
- Fast growth continues in Latvia in 2007 with relatively steep slow down expected in 2008
- Relatively stable growth expected to continue in Lithuania, however inflationary pressures are gradually increasing
- Prosperity in the Baltic economies will continue to approach the EU average. Long term growth will be above EU average.

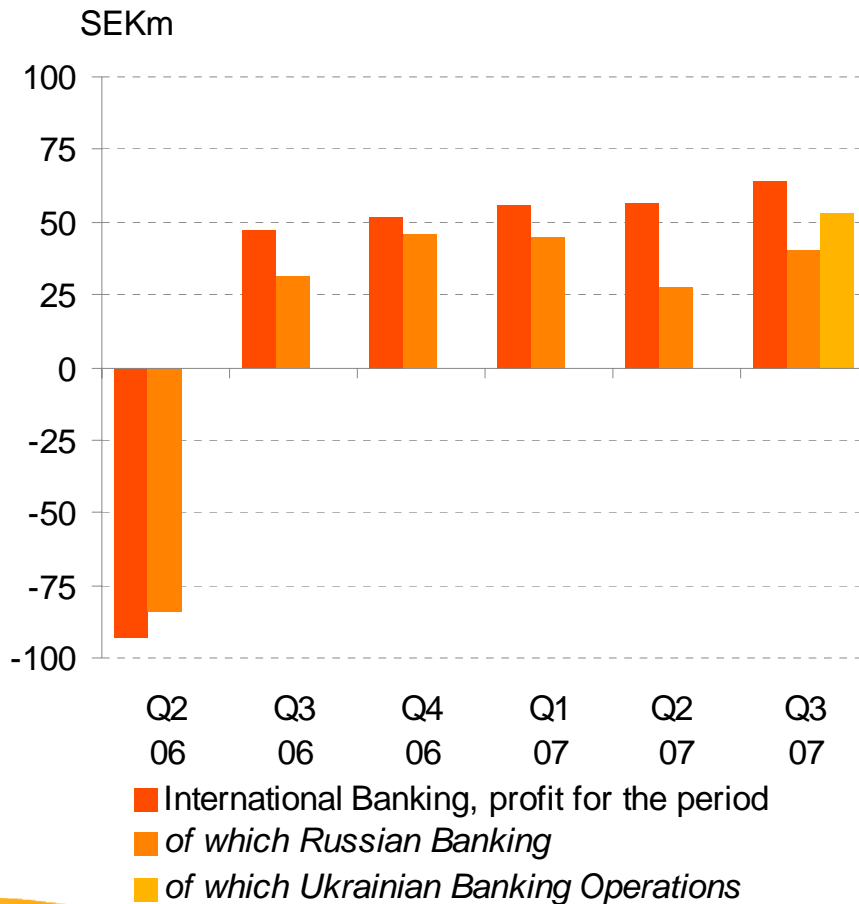


Swedbank Markets



- Difficult trading markets
 - Credit bonds at mark-to-market decreased SEK 60m
 - Lower fixed income trading volumes
 - Results in First Securities declined
 - Profit for the quarter amounted to SEK 121m (236)
- Continued success for structured products, volumes have grown 38 percent to SEK 28.4bn during the last year
- Group wide corporate finance unit the Nordic and Baltic area launched.

International banking



- New business area as of Q3 2007
 - Growing presence outside the home markets
- Continued good performance by TAS-Kommerzbank in Ukraine which was consolidated as of Q3
- Profit for the quarter in Russian banking increased to SEK 40m (28)
- Restrictions were lifted by Central bank of Russia
- Good development in the Nordic countries.



TAS-Kommerzbank

- Expected strong long-term economic growth paired with low penetration of financial services product gives attractive business case
- Strong domestic demand and increased household income, GDP is expected to grow around 7 percent annually
- TAS follows its growth plan
 - Distribution of consumer finance loans, credit cards, mortgages and deposits in streamlined outlets for private clients, "NICE TAS"
 - "BEST TAS" branches for corporate customers, offers lending and deposits, cash management, trade finance etc
 - Lending growth has been 92 percent last 12 months
 - Number of branches has grown to 191 during the year. About 15 expected to be added during the rest of the year and will continue at a rapid pace during 2008
- TAS will be re-branded to Swedbank during the first half year 2008.

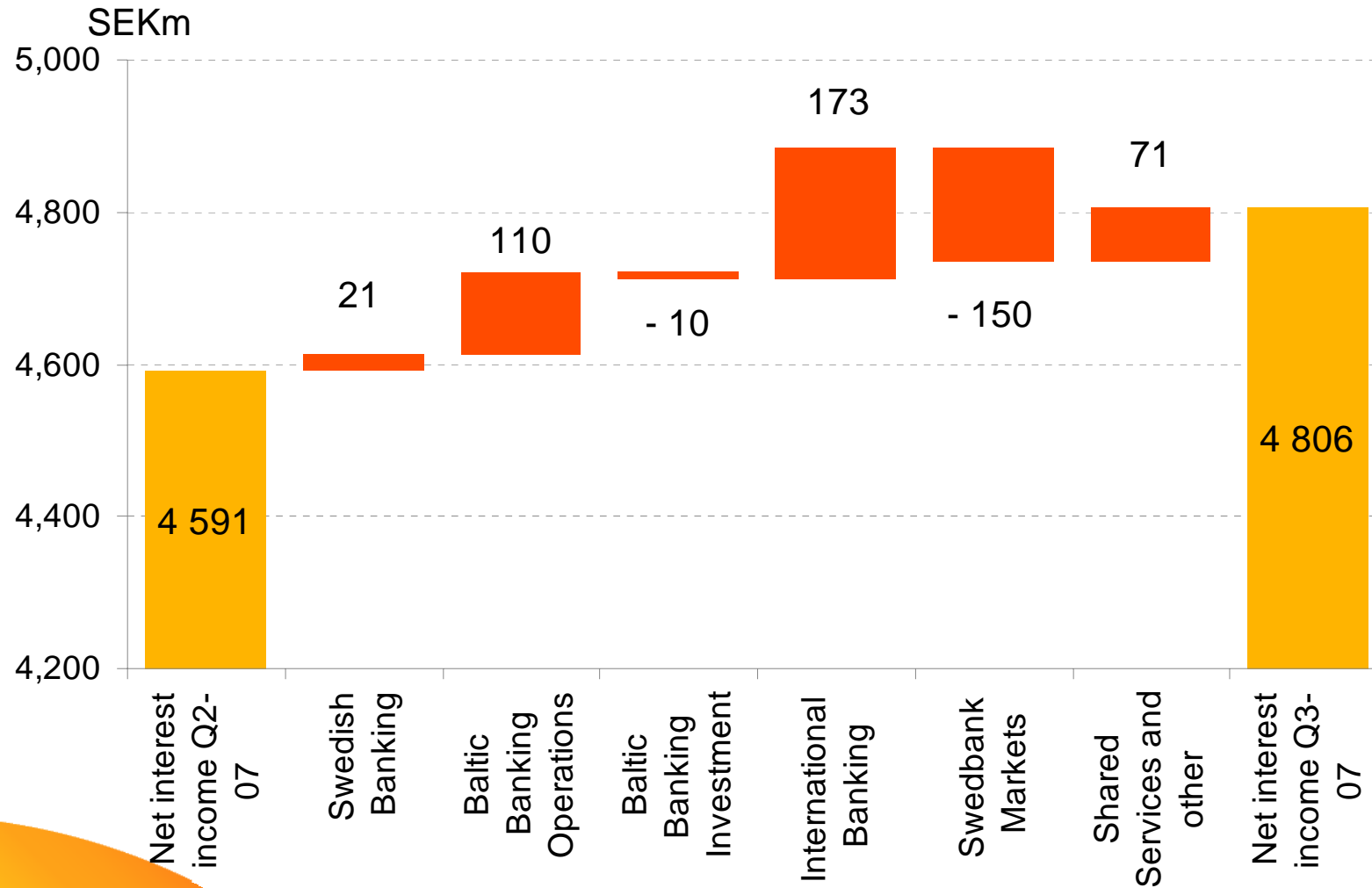
Group results
Mikael Inglander
CFO



Income statement, Group

SEKm	Q3 2007	Q2 2007	%	Q3 2006	%
Net interest income	4,806	4,591	5	4,139	16
Net commission income	2,503	2,552	- 2	2,109	19
Net gains/losses on financial items at fair value	196	579	- 66	513	- 62
Other income	526	504	4	403	31
Total income	8,031	8,226	- 2	7,164	12
Staff costs	- 2,075	- 2,016	3	- 1,772	17
Profit-based staff costs	- 337	- 409	- 18	- 301	12
Other expenses	- 1,720	- 1,699	1	- 1,417	21
Total expenses	- 4,132	- 4,124	0	- 3,490	18
Profit before loan losses	3,899	4,102	- 5	3,674	6
Loan losses	- 230	- 102		67	
Operating profit	3,669	4,000	- 8	3,741	- 2
Tax	- 793	- 856	- 7	- 806	- 2
Profit for the period	2,876	3,144	- 9	2,935	- 2
Attributable to shareholders of Swedbank	2,866	3,112	- 8	2,911	- 2

Net interest income Q3-07 (Q2-07)



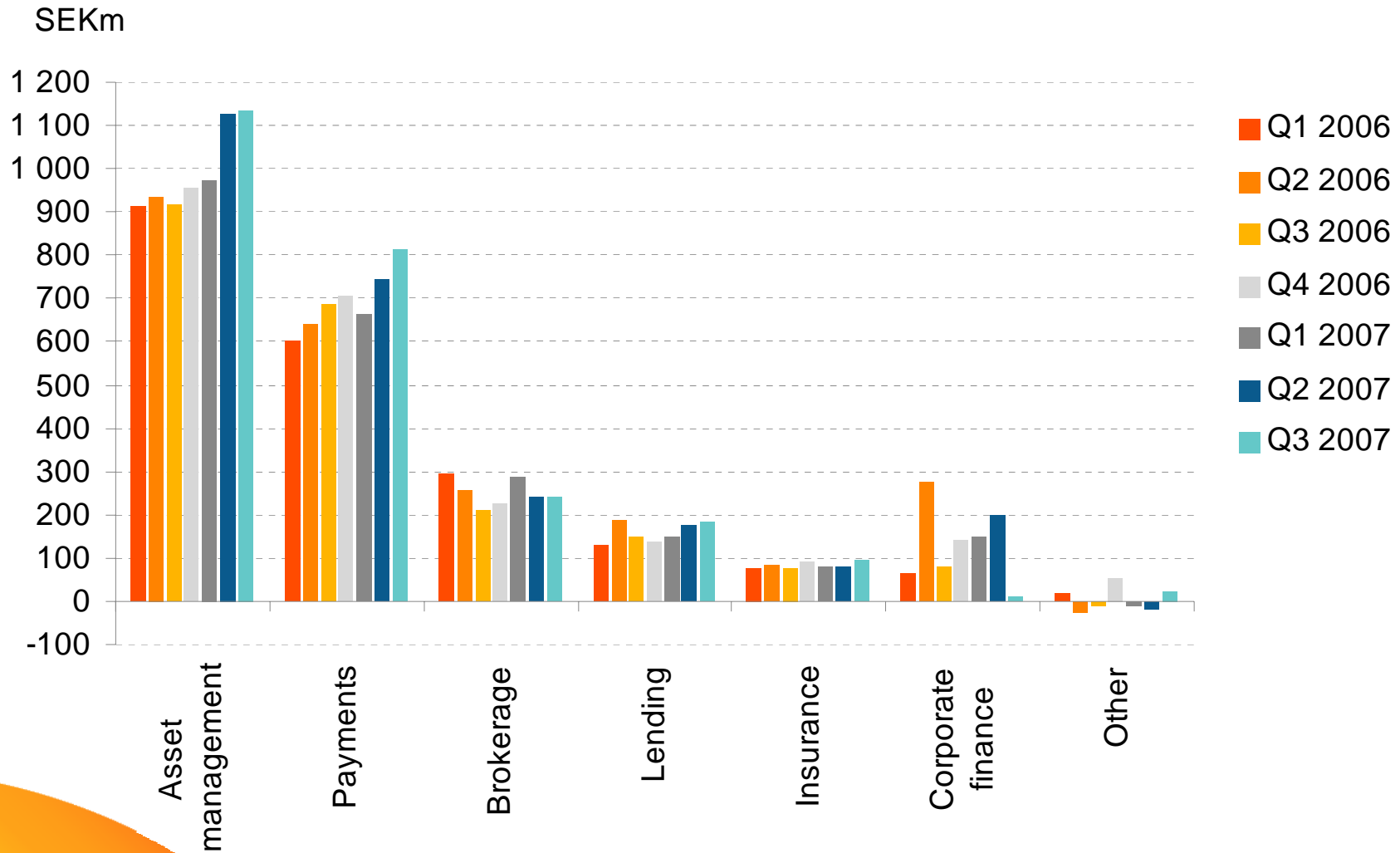
Swedish Banking, change in net interest income

SEKm	Q3 2007 vs Q2 2007	Q3 2007 vs Q3 2006
<i>Net interest income Q2 2007</i>	2 905	
<i>Net interest income Q3 2006</i>		2 933
<i>Changes:</i>		
Higher lending volumes	55	213
Decreased lending margins	- 87	- 270
Difference in number of days/quarter, lending	19	
Higher deposit volumes	43	96
Higher deposit margins	4	170
Difference in number of days/quarter, deposits	10	
Other changes	- 23	- 216
Total change	21	- 7
<i>Net interest income Q3 2007</i>	2 926	2 926

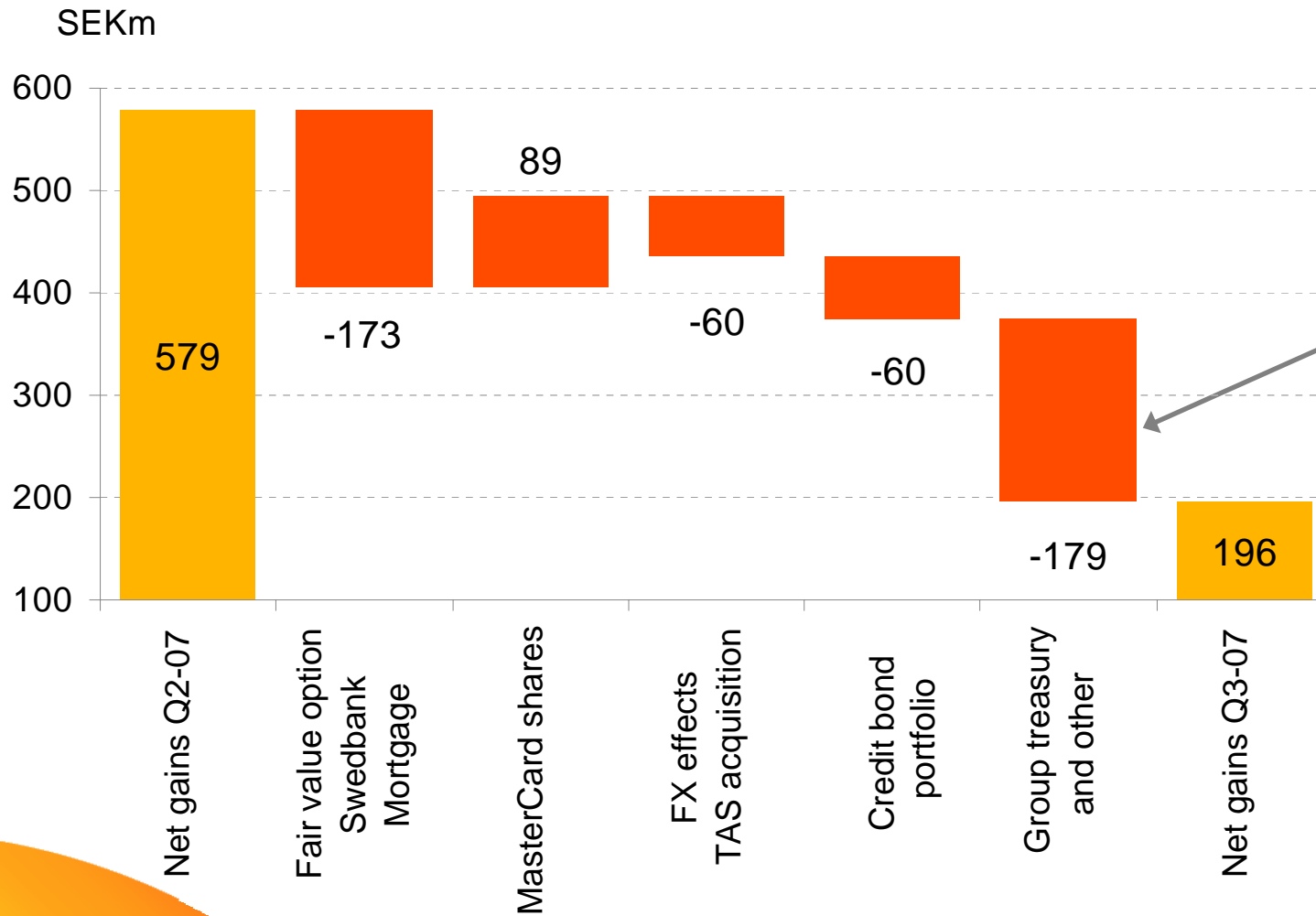
Baltic Banking, change in net interest income

SEKm	Q3 2007 vs Q2 2007	Q3 2007 vs Q3 2006
<i>Net interest income Q2 2007</i>	1,377	
<i>Net interest income Q3 2006</i>		990
<i>Changes:</i>		
Higher lending volumes	67	295
Decreased lending margins	- 28	- 27
Difference in number of days/quarter, lending	10	
FX-effects, lending	2	2
Higher deposit volumes	21	74
Higher deposit margins	5	197
Difference in number of days/quarter, deposits	6	
FX-effects, deposits	1	1
Other changes	26	- 45
Total change	110	497
<i>Net interest income Q3 2007</i>	1,487	1,487

Net commission income, Group



Net gains on financial items, fair value Q3 (Q2)



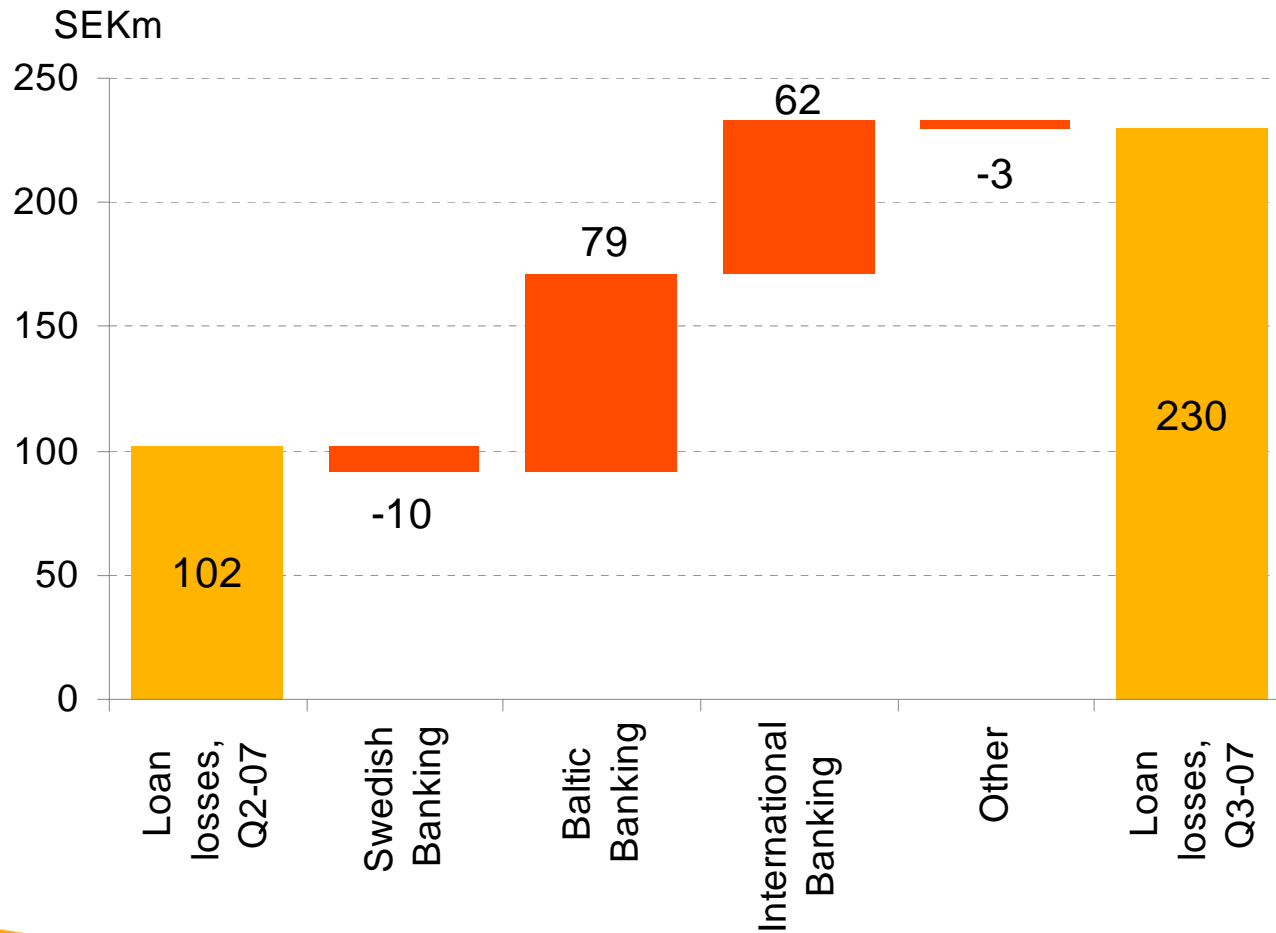
Mainly valuation effects in swap portfolio



Expenses

SEKm	Q3 2007	Q2 2007	%	Q3 2006	%
Swedish Banking	- 2,208	- 2,330	- 5	- 2,055	7
Baltic Banking	- 864	- 851	2	- 644	34
Swedbank Markets	- 416	- 499	- 17	- 423	- 2
International Banking	- 279	- 113		- 84	
<i>Of which Ukrainian Banking</i>	- 134				
Other business areas	- 365	- 331	10	- 284	29
Total expenses	- 4,132	- 4,124	0	- 3,490	18
<i>of which staff costs in:</i>					
Swedish Banking	- 1,093	- 1,084	1	- 995	10
Baltic Banking	- 511	- 495	3	- 366	40
Swedbank Markets	- 225	- 318	- 29	- 260	- 13
International Banking	- 134	- 64		- 42	

Loan losses Q3-07 (Q2-07)



Business areas

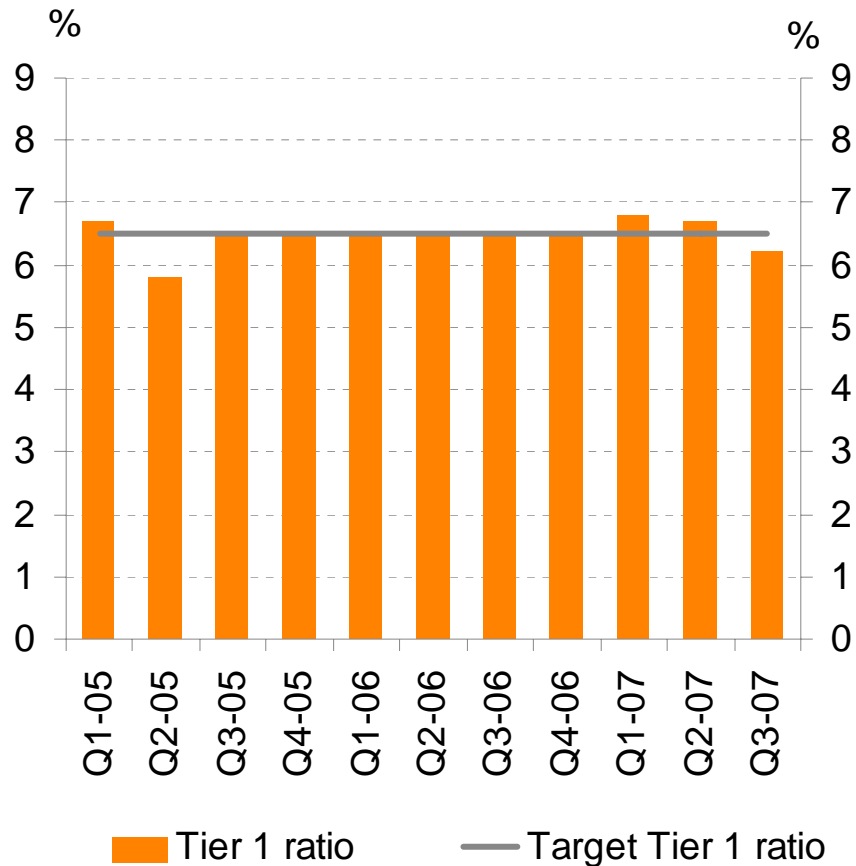
Q3 07 vs Q3 06, SEKm	Swedish Banking Q3		Baltic Banking Q3		Swedbank Markets Q3		Asset Mgmt Q3		Internat. Banking Q3	
	2007	%	2007	%	2007	%	2007	%	2007	%
Net interest income	2,926	-0	1,487	50	145	-45	19	90	335	
Net commission income	1,130	14	475	27	273	-14	543	31	58	
Other income	292	21	326	33	180	53	56	12	46	
Total income	4,348	4	2,288	42	598	-15	618	30	439	
Staff costs	-1,093	10	-511	40	-225	-13	-109	43	-134	
Other expenses	-1,115	5	-353	27	-191	17	-127	43	-145	
Total expenses	-2,208	7	-864	34	-416	-2	-236	43	-279	
Profit before loan losses	2,140	1	1,424	47	182	-34	382	23	160	
Loan losses	-3		-153		-5		0		-75	
Operating profit	2,137	-5	1,271	41	177	-37	382	23	85	42
Tax	-598	-5	-121	66	-49	-37	-94	27	-21	75
Profit for the period	1,539	-5	1,150	39	128	-37	288	22	64	33
To Swedbank's shareholders	1,536	-5	1,150	39	121	-33	288	22	64	36
ROE, %	22.9		31.4		11.5		67.5		4.4	

Key figures

	Jan - Sep, 2007	Jan - Sep, 2006
Return on equity, %	19.0	19.2
Earnings per share, SEK	17.25	15.46
Equity per share, SEK	124.89	111.86
C/l ratio before loan losses	0.51	0.52
Loan loss ratio, net, %	0.06	- 0.02
Share of impaired loans, %	0.14	0.09
Provision ratio for impaired loans, %	138	187
Tier 1 capital ratio, %	6.2	6.5
Capital adequacy ratio, %	9.4	10.1

Excl. TAS-Kommerzbank, loan loss level was 0.04 percent and share of impaired loans was 0.11 percent in September 2007.

Tier 1 ratio, Group



- Tier 1 ratio was 6.2 percent
- Acquisition of TAS-Kommerzbank decreased the tier 1 ratio by 73 bps.
- Issue of hybrid capital during Q3 improved the ratio by 23 bps
- Gradual introduction of Basel II regulations gives a reduction of 5 percent of RWAs as of January 2008.



Summary January – September 2007

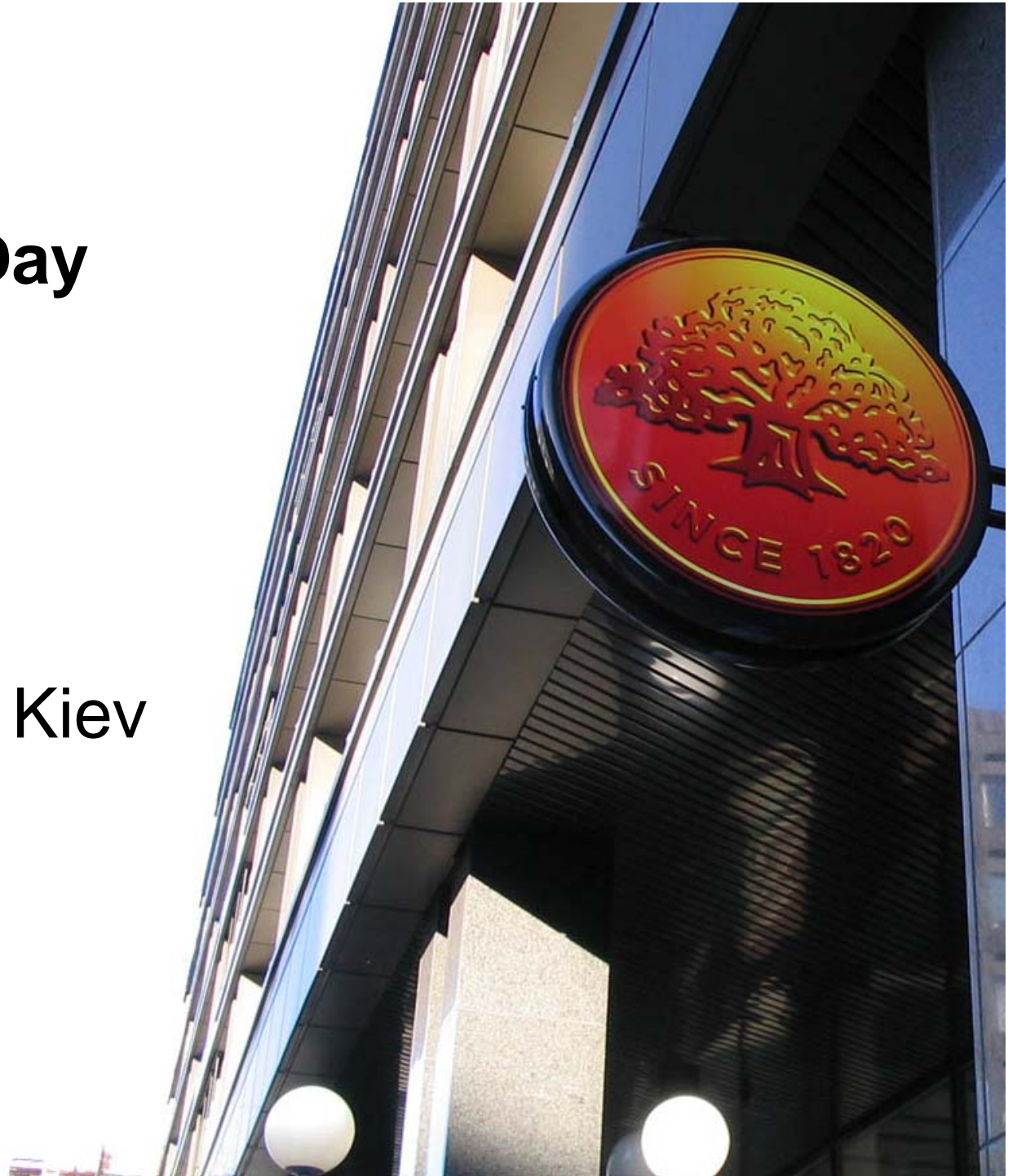
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- TAS-Kommerzbank in Ukraine was consolidated as of Q3
- Challenging macro development in Baltics.



Capital Markets Day

5 March 2008

Tentative location: Kiev

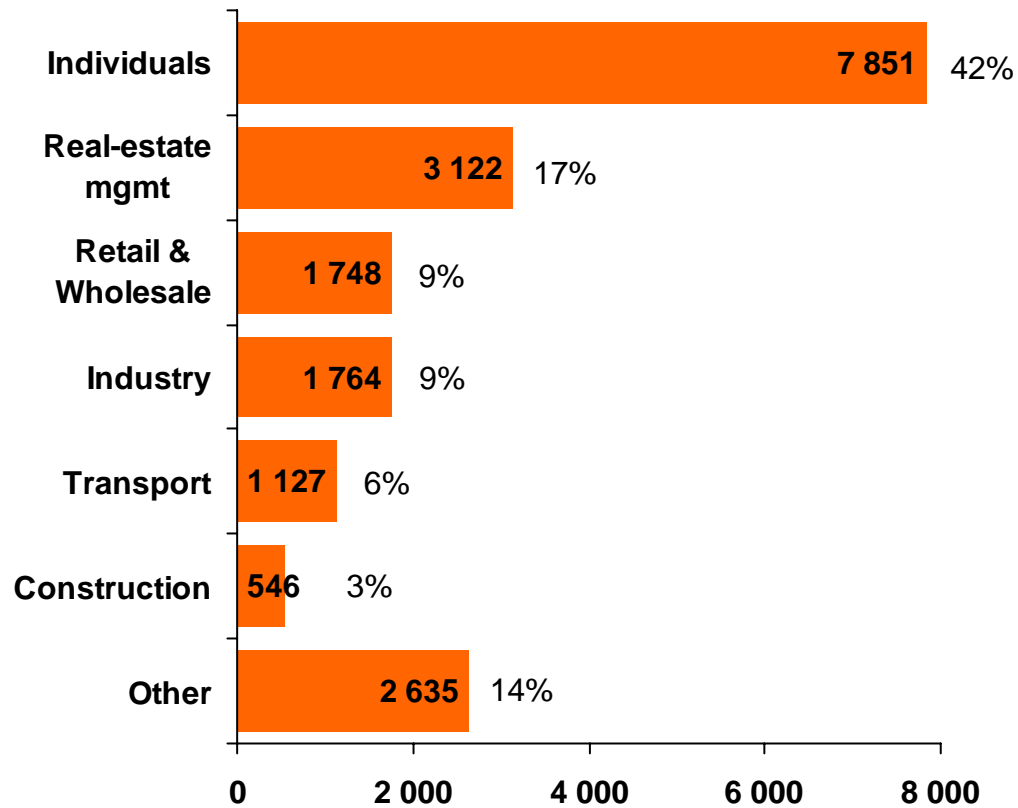


Appendix

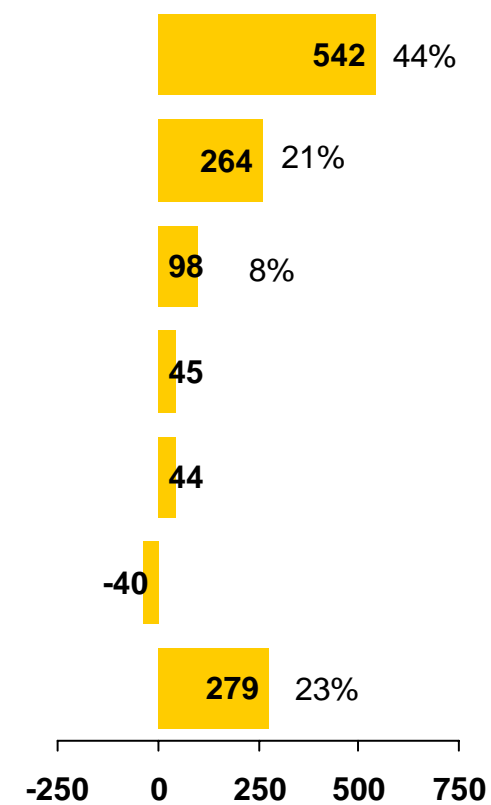


Lending by sectors – Baltic Banking

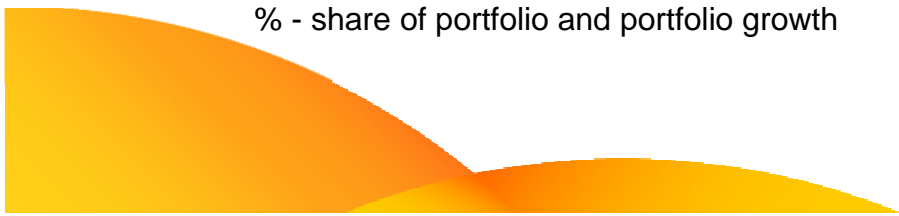
Portfolio, September 2007



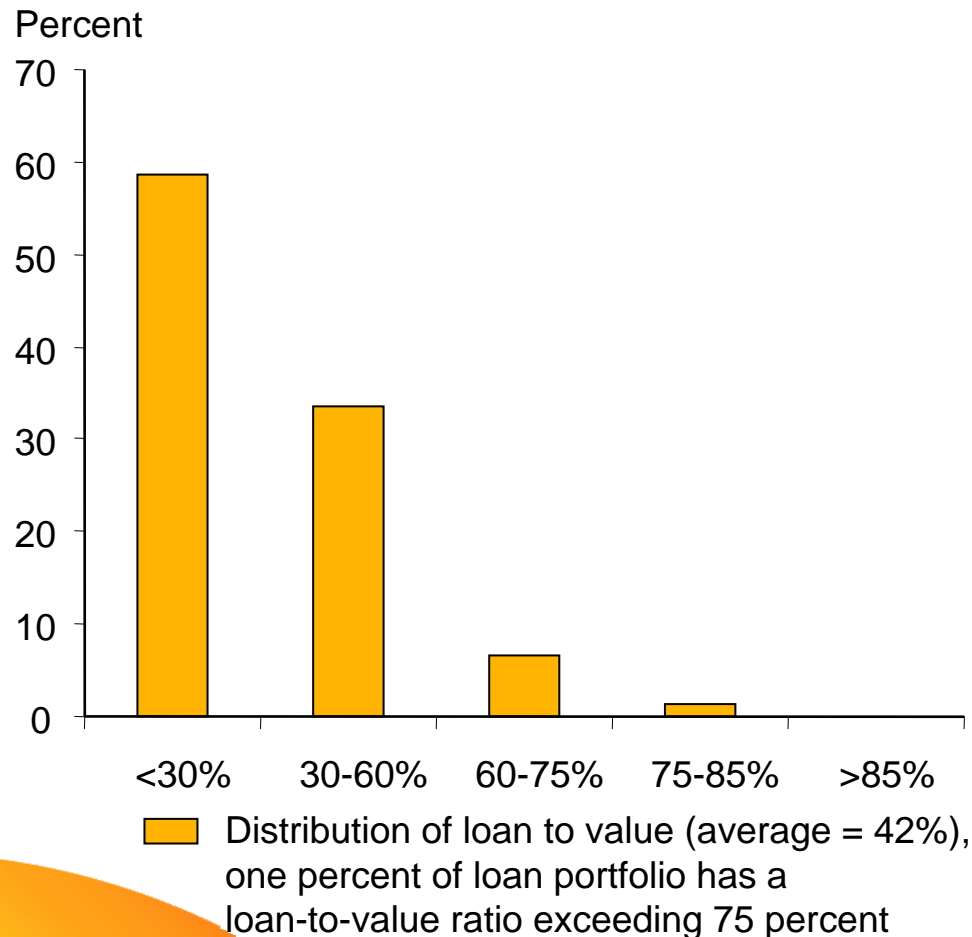
Portfolio growth, Q3 07



% - share of portfolio and portfolio growth



Swedbank Mortgage, secure base for external financing



- Swedbank is a net lender to the interbank market
- The parent company issues securities of its own partly to fill a minor financing need and partly to ensure a substantial liquidity reserve
- Swedbank's lending to the public, disregarding Swedbank Mortgage, is to about 90 percent financed through deposits and equity
- Very high credit quality assures good access to financing
- Swedbank Mortgage is wholesale funded, principally by issuing securities in its own name

Funding and liquidity FAQ

- Excellent access to funding maintained during recent months
 - Strategy is to develop and maintain a well diversified and broad investor base in all core markets. Long term target of funds raised outside Sweden should be around 50 percent.
- Well diversified funding base with diversified sources of funding
 - Deposit surplus in parent bank, Swedbank is market leader in deposits
 - Capital markets funding, mainly to finance mortgage lending, is mostly programme financed, 9 percent is from interbank funding
 - Domestic mortgage bonds, US CP, CDE and ECP, EMTN, GMTN programmes
 - Conversion of mortgage bonds to covered bonds (AAA realistic) during H1 2008
 - Funding of Baltic operation in "hard currency" is performed by Group Treasury
- All funding programs have good liquidity
- Swedbank is a net lender in the interbank market
- Conservative view at liquidity risk, continuously revised
- Substantial liquidity reserves, both at Group level and in Baltic operations.

Exposure FAQ

- No direct US Sub-Prime exposure
 - Minimal indirect exposure through investments of USD 95m in bonds issued by US mortgage institutions who, in their turn, have exposure towards US sub-prime
- Total exposure towards structured credits is minimal
 - No commitments towards conduits or SIV's of any kind
 - Negligible exposure towards CDO's
 - Swedbank holds a very small CDO trading stock for client trades in CDO's which we have issued ourselves with mainly large Cap's as underlying risk
 - 80% of the tranches held are rated Aaa and 20% are rated A
- Hedge fund exposure is about SEK 4.8bn, all collateralized
- Exposure towards private equity firms and their target companies is about SEK 12.5bn in total
 - Nordic related LBO's
- Above mentioned exposure represents approximately 1.1 percent of total assets.