

Interim report Q4 2008

12 February 2009

Jan Lidén

President and CEO

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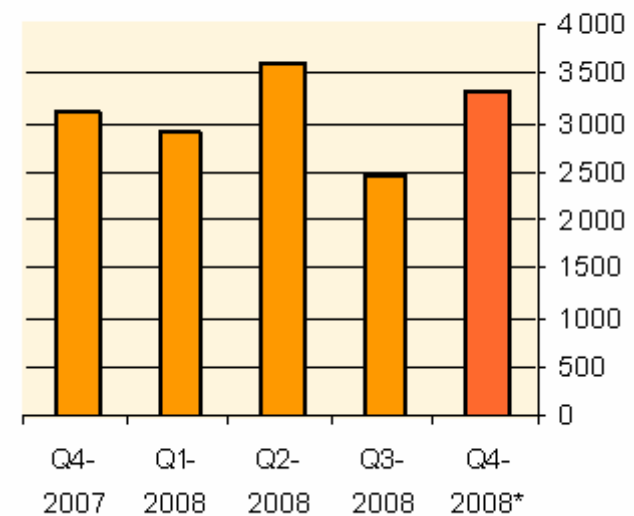
Profit trend



Fourth quarter 2008 – Group

- Profit for the period increased by 34% to SEK 3 318m (2 468 Q3), excl. impairment of goodwill
- Net interest income increased by +6% to SEK 5 742m (5 424)
- Net commission income decreased by 11% due to downturn in the stock market
- Increased provisions for loan losses, SEK 1 633m (812), of which Baltic Banking amounted to SEK 977m
- Impairment of goodwill in Ukraine amounted to SEK 1 403m
- The proposed dividend amounts to SEK 2.40 per preference share and SEK 4.50 per ordinary share.

Profit for the period, SEKm

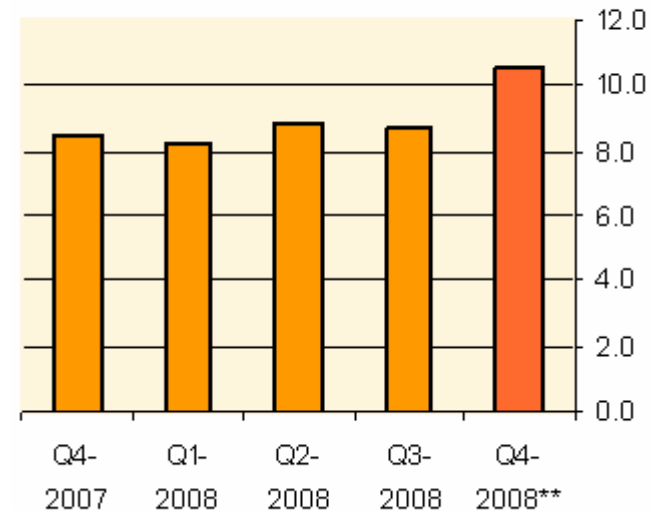


* Excl. impairment of goodwill SEK 1 403m

Fourth quarter 2008 – Group, cont.

- Successful share issue of SEK 12.4bn increases the tier 1 capital ratio to 10.7%
- Stronger liquidity due to larger funding volumes (with and without state guarantee)
- Prepared for tougher times

Tier 1 capital ratio, %



** Including total subscribed capital

Business areas

Swedish Banking

- Continued lending growth, corporate lending decreased due to cooperation with Kommuninvest
- Net interest income increased by 6%
- Continued focus on cost control and credit quality

Baltic Banking

- Significant macroeconomic challenges
- Continued strong profit before loan losses
- Increased provisions for loan losses
- Focus on credit quality

International Banking

- Increased operating profit
- 18 new branches in Ukraine and two more in Russia during the period – focus on attracting deposits
- Good business development in the Nordic branches
- Impairment of goodwill

Swedbank Markets

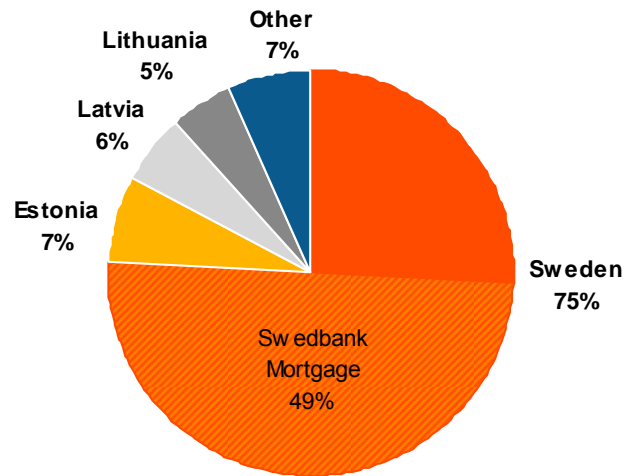
- Growing customer trading and good risk management entailed continued solid earnings
- Swedbank remains a leading player in the Swedish corporate bond market
- Market share in equities trading on Nasdaq OMX Stockholm increased

Comments on issues in focus

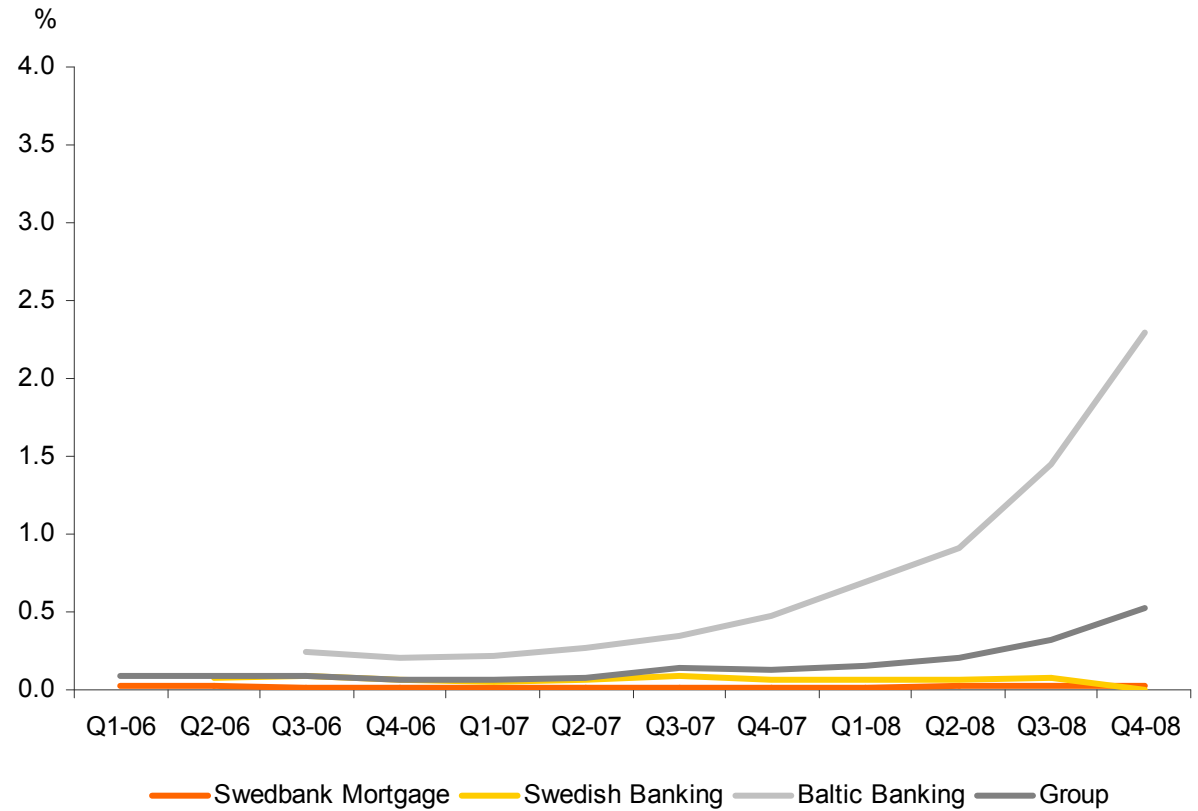


Credit quality – impaired loans are increasing

Distribution of lending

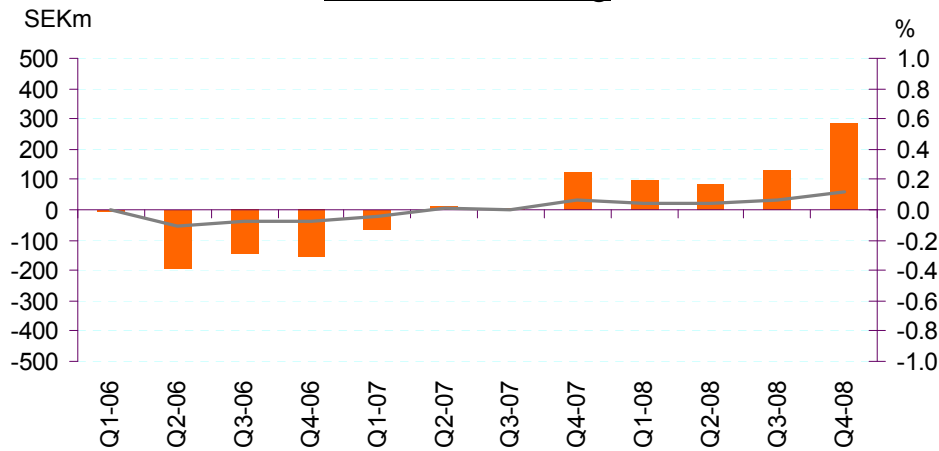


Share of impaired loans

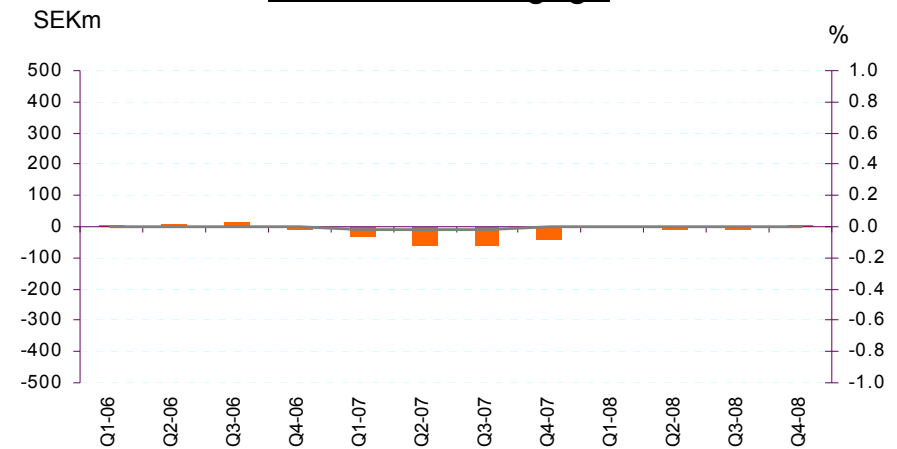


Credit quality – write-offs still low

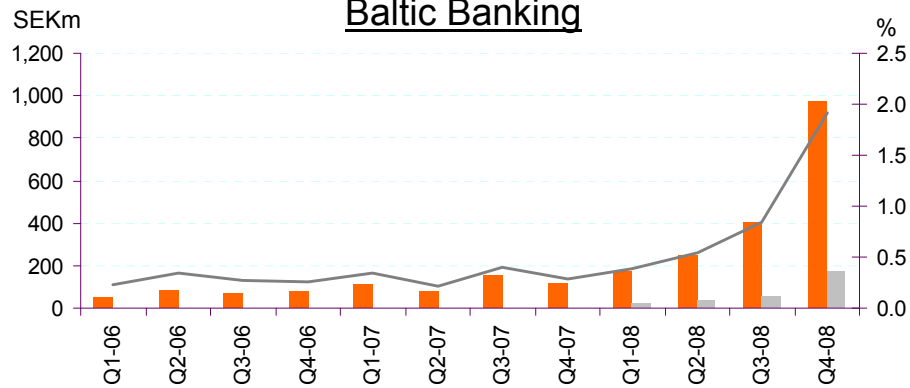
Swedish Banking



Swedbank Mortgage



Baltic Banking



■ Loan losses, net
 ■ Write-offs
 — Loan loss ratio, net

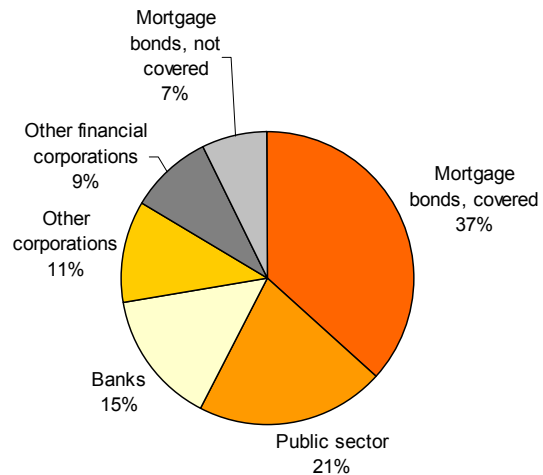
Loan losses, net = write-offs + provisions – recoveries

Selected exposures – limited risk

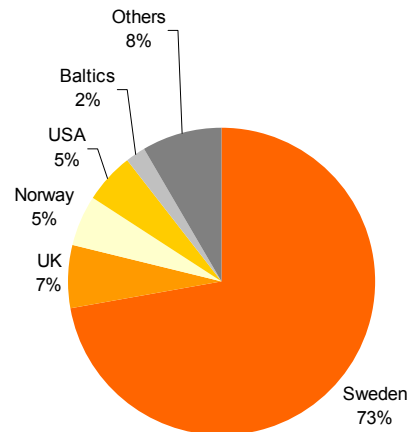
- The secured exposure to Lehman is unchanged – USD 1 350m
 - 69 loans with 55 properties as underlying collateral
 - The collateral value is well above the exposure amount
 - Updated analysis shows that there is no further need of provisions
- Exposure to hedge funds – SEK 1.4bn
 - All exposure is secured
- Exposure to Conduits and SIVs – SEK 94m
- Exposure to CDOs – SEK 183m
- Exposure to Private Equity – SEK 15.1bn
 - Nordic acquisition finance
 - 99% constitutes senior debt
 - Largest sector is health care, 45 %
 - Average loan amount is about SEK 650m

Low risk in interest-bearing securities (SEK 134bn)

Holding distributed per sector

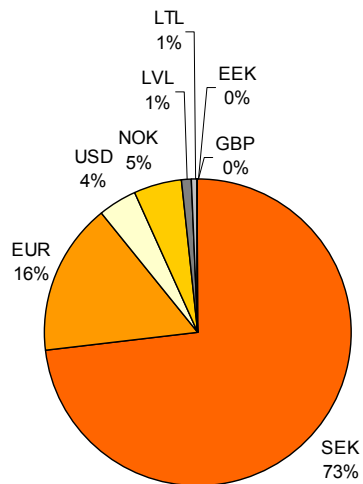


Geographic distribution of issuers

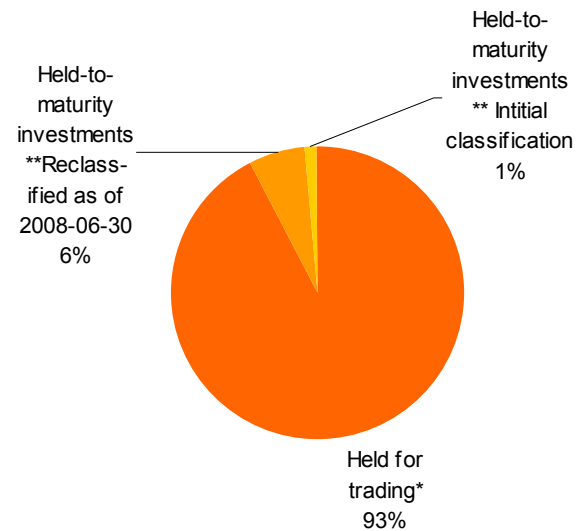


As of 31 December, around 19 percent of the Group's interest-bearing securities were valued using valuation models against around 81 percent as of 30 September and around 5 percent as of 31 December 2007

Holding distributed per currency



Accounting classification



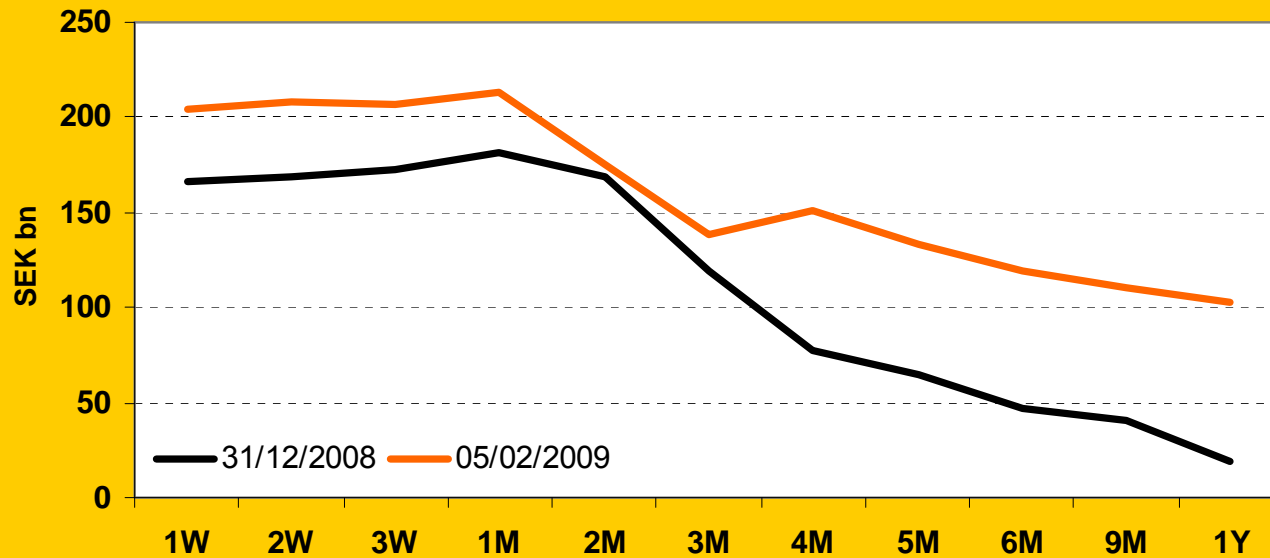
* Recognised at fair value with changes in value through P/L.

** Measured at amortised cost

Liquidity for more than 1 year

Stress test of liquidity as of 31 Dec 2008

Main assumption: No access to capital markets; no refinancing of lending to credit institutions, issued bonds or subordinated loans.



Prepared for tougher times

- Tier 1 capital ratio, 10.7 %
- Solid liquidity
- Closer evaluations of exposures deemed at higher risk
- Continued focus on systematic work in the Baltics:
 - Reinforcement of resources
 - Processes
 - Legal structures
 - Scenario planning

Group results
Mikael Inglander
CFO



Income statement, Group

SEKm	Q4 2008	Q3 2008	%	Q4 2007	%
Net interest income	5 742	5 424	6	5 259	9
Net commission income	2 011	2 265	- 11	2 536	- 21
Net gains/losses on financial items at fair value	1 244	- 109		386	
Other income	1 349	658		693	95
Total income	10 346	8 238	26	8 874	17
Staff costs	2 340	2 223	5	2 111	11
Profit-based staff costs	262	235	11	522	- 50
Other expenses*	2 300	1 855	24	1 893	22
Total expenses	4 902	4 313	14	4 526	8
Profit before loan losses	5 444	3 925	39	4 348	25
Loan losses, net	1 633	812		238	
Operating profit	3 811	3 113	22	4 110	- 7
Tax	500	640	- 22	950	- 47
Profit for the period	3 311	2 473	34	3 160	5
Attributable to shareholders of Swedbank	3 318	2 468	34	3 108	7

* Excluding impairment of goodwill SEK 1 403m, Q4 2008

Income statement, Group

SEKm	Jan-Dec 2008	Jan-Dec 2007	%
Net interest income	21 702	19 157	13
Net commission income	8 830	9 880	- 11
Net gains/losses on financial items at fair value	2 351	1 691	39
Other income	3 580	2 196	63
Total income	36 463	32 924	11
Staff costs	9 142	8 134	12
Profit-based staff costs	950	1 658	- 43
Other expenses*	7 993	6 927	15
Total expenses	18 085	16 719	8
Profit before loan losses	18 378	16 205	13
Loan losses , net	3 156	619	
Operating profit	15 222	15 586	- 2
Tax	2 880	3 450	- 17
Profit for the period	12 342	12 136	2
Attributable to shareholders of Swedbank	12 290	11 996	2

* Excluding impairment of goodwill SEK 1 403m, 2008

Business areas

	Swedish Banking		Baltic Banking		Int'l. Banking*		Swedbank Markets		Asset Mgmt	
2008 vs 2007, SEKm	2008	%	2008	%	2008	%	2008	%	2008	%
Net interest income	11 840	1	6 448	14	2 171	89	1 555	32	76	- 8
Net commission income	4 078	- 9	1 925	4	354	16	960	- 28	1 513	- 19
Other income	2 349	59	1 040	- 17	407		530	- 30	209	- 10
Total income	18 267	3	9 413	7	2 932	87	3 045	- 7	1 798	- 18
Staff costs	4 282		1 801	- 12	846	80	1 094	- 7	414	- 3
Other expenses	4 799	2	1 796	20	769	78	760	11	427	- 8
Total expenses	9 081	1	3 597	1	1 615	79	1 854		841	- 5
Profit before loan losses	9 186	6	5 816	11	1 317	99	1 191	- 16	957	- 26
Loan losses, net	594		1 800		478		290		0	
Operating profit	8 592	0	4 016	- 16	839	70	901	- 36	957	- 26
Tax	2 156	- 11	367	- 19	261		231	- 39	224	- 30
Profit for the period	6 436	4	3 649	- 16	578	54	670	- 35	733	- 25
Attributable to Swedbank's shareholders	6 425	4	3 649	- 16	578	54	629	- 30	733	- 25
Return on allocated equity, %	21.8		24.4		6.5		17.6		33.6	

* Excluding impairment of goodwill SEK 1 403m, 2008

Ukrainian Banking Operations was consolidated July 2007

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Net interest income, Swedish Banking

SEKm	Q4 2008 vs Q3 2008	Q4 2008 vs Q4 2007
<i>Net interest income Q3 2008</i>	2 857	
<i>Net interest income Q4 2007</i>		2 927
<i>Changes:</i>		
Higher lending volumes	15	166
Higher lending margins	247	197
Higher deposit volumes		36
Decreased deposit volumes	- 40	
Decreased deposit margins	- 81	- 103
Other changes	32	- 193
Total change	173	103
<i>Net interest income Q4 2008</i>	3 030	3 030

Baltic Banking Operations, change in net interest income

SEKm	Q4 2008 vs Q3 2008	Q4 2008 vs Q4 2007
<i>Net interest income Q3 2008</i>	1 667	
<i>Net interest income Q4 2007</i>		1 588
<i>Changes:</i>		
Higher lending volumes		104
Decreased lending margins	-24	-124
Exchange rate effect, lending	67	89
Decreased deposit volumes	-61	-14
Higher deposit margins	206	72
Exchange rate effect, deposits	41	59
Other changes	-221	-99
Total change	8	87
<i>Net interest income Q4 2008</i>	1 675	1 675

Net commission income, Group

SEKm	Q4 2008	Q3 2008	%	Q4 2007	%
Payments	889	899	- 1	800	11
Lending	129	194	- 34	162	- 20
Brokerage	141	166	- 15	290	- 51
Asset management	727	864	- 16	995	- 27
Insurance	59	69	- 14	80	- 26
Corporate finance	58	22		209	- 72
Other	8	51	- 84	0	
Total net commissions	2 011	2 265	- 11	2 536	- 21

Net gains and losses on financial items at fair value

SEKm	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Swedish Banking	828	-126	179	16	116	1
<i>Swedbank Mortgage open interest rate exposure</i>	763	-172	29	-22	66	-129
<i>MasterCard</i>			101			89
Baltic Banking	12	107	205	78	163	213
International Banking	229	-6	114	22	30	42
<i>Inefficiency in hedge accounting</i>	-126	-72	61			
Swedbank Markets	304	-210	118	244	137	167
<i>Valuation of credit bonds</i>	0	-217	0	-187	0	-60
Asset Management & Insurance	1	-14	25	-15	-1	1
Shared Service and Group Staff	-156	139	512	-270	-31	-228
<i>Derivatives Group funding</i>	0	0	419	-272	21	-89
Eliminations	26	1	-12	0	-28	0
Total net gains and losses	1 244	- 109	1 141	75	386	196

Expenses

SEKm	Q4 2008	Q3 2008	%	Q4 2007	%
Swedish Banking	2 390	2 197	9	2 279	5
Baltic Banking Operations	977	926	6	1 062	- 8
International Banking*	557	315	77	302	84
Swedbank Markets	500	398	26	530	- 6
Asset Management & Insurance	182	200	- 9	230	- 21
Other	296	277	7	123	
Total expenses	4 902	4 313	14	4 526	8
<i>of which staff costs in:</i>					
Swedish Banking	1 120	1 046	7	1 096	2
Baltic Banking	453	483	- 6	587	- 23
International Banking	257	213	21	173	49
Swedbank Markets	261	227	15	333	- 22
Asset Management & Insurance	107	99	8	138	- 22

* Excluding impairment of goodwill SEK 1 403m, Q4 2008

Key figures, Group

	Jan-Dec 2008	Jan-Dec 2007
Return on equity, % *	17.1	18.9
Earnings per share, SEK *	21.95	21.78
Equity per share, SEK	111.54	131.96
C/I ratio *	0.50	0.51
Loan loss ratio, %	0.28	0.07
Share of impaired loans, %	0.52	0.13
Provision ratio for impaired loans, %	60	120
Core tier 1 capital ratio, new rules, %	9.3	7.3
Tier 1 capital ratio, new rules, %	10.7	8.5
Capital adequacy ratio, new rules, %	14.8	12.7

* Excluding impairment of goodwill SEK 1 403m, 2008

Summary

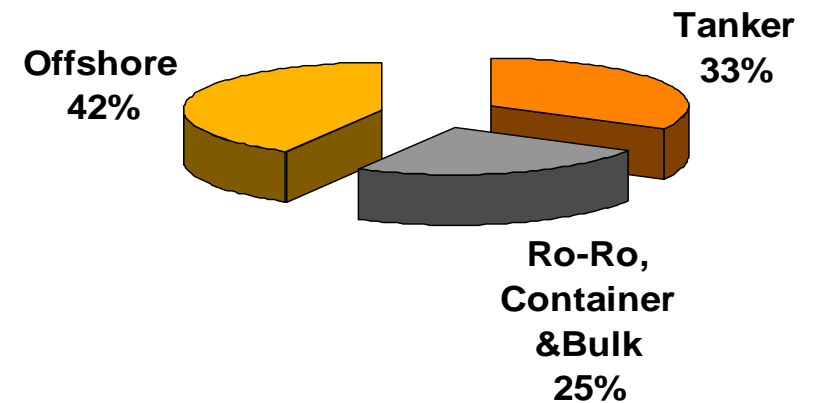
- Strong result
- Transparent, diversified balance sheet
- Improved capitalization and liquidity
- Focus on systematic work to manage the Group through more difficult times

Appendix



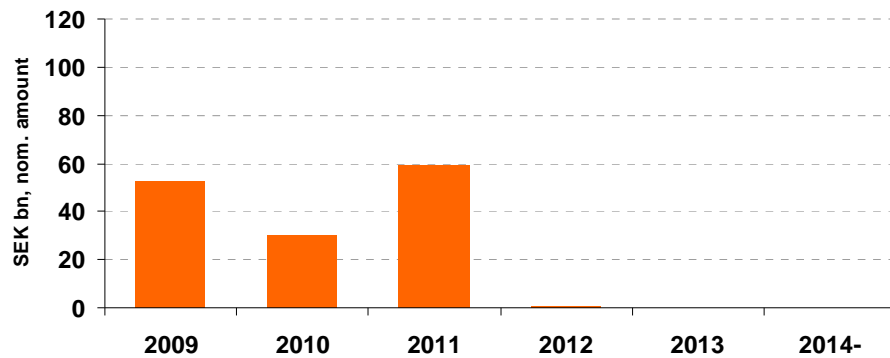
Shipping exposure

- Exposure to shipping companies amounted to SEK 20.4bn as of 31 December
 - Duration of the portfolio is 4 years
 - Average age of vessels is six years
 - Limited exposure to dry cargo (9%) and car transports (2.7%)
 - Customers generally have long freight contracts

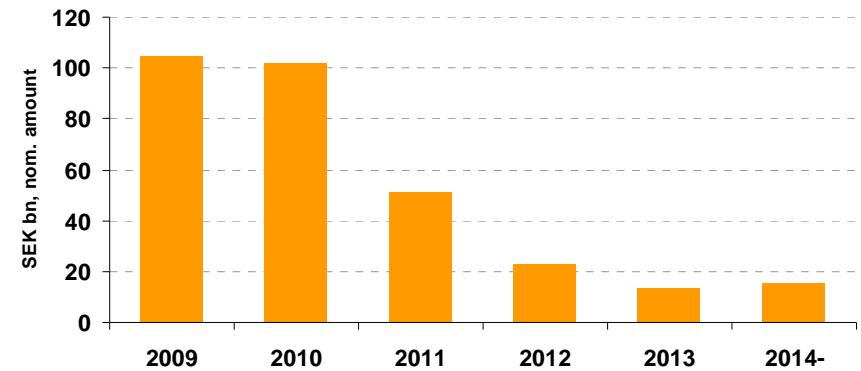


Maturity profile – long-term funding

Swedbank (excl. Swedbank Mortgage) Maturity profile



Swedbank Mortgage, Maturity profile



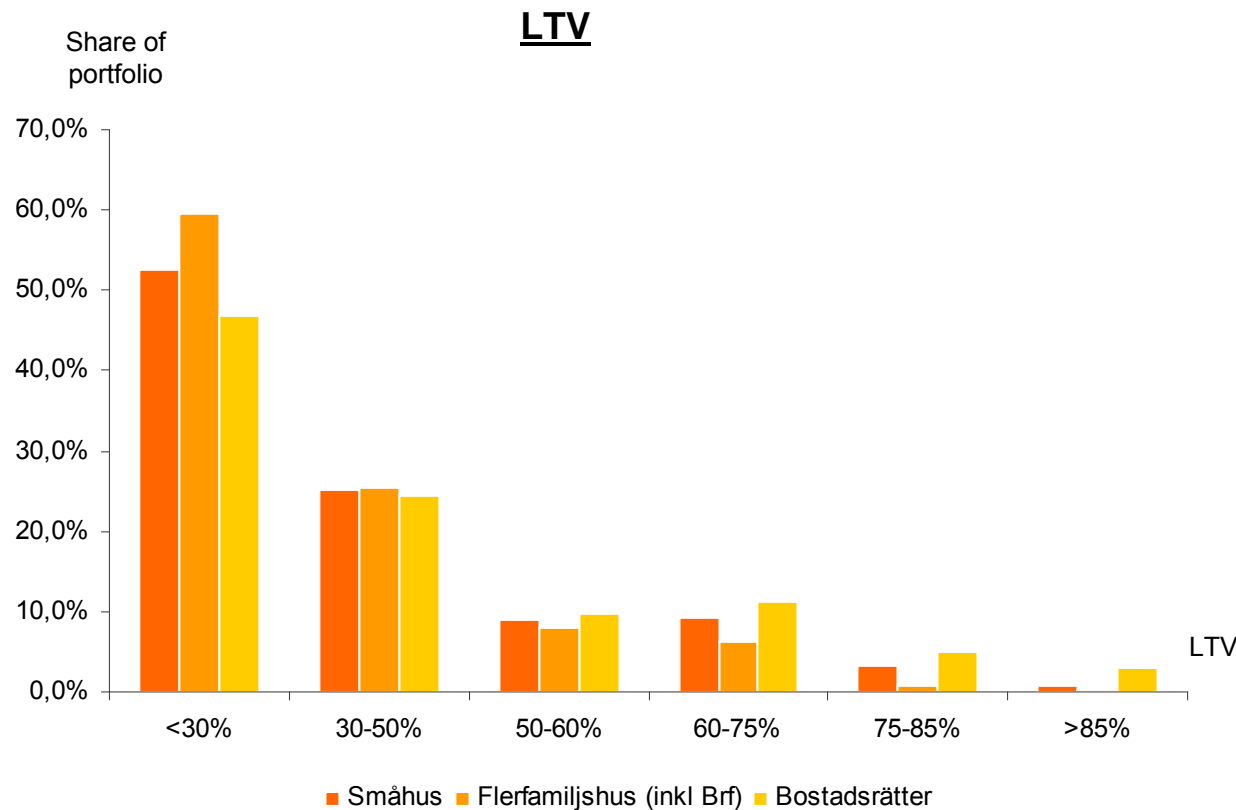
Long-term funding 2008-2009

Swedbank Group - Long-term funding

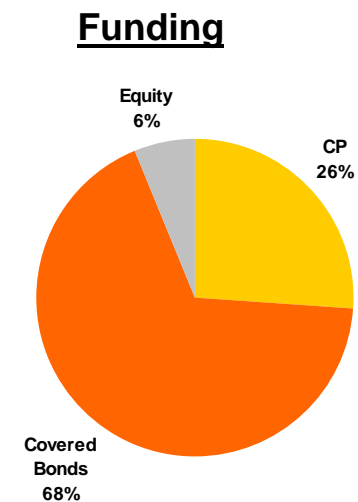
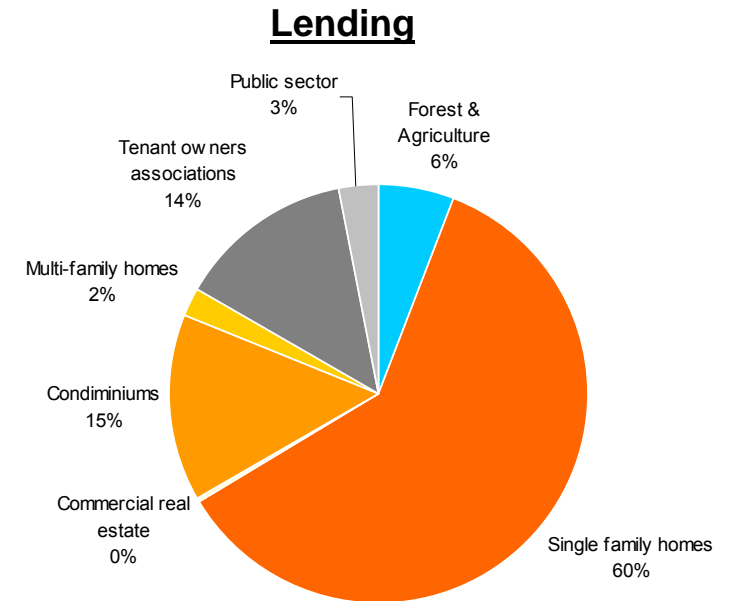
SEK bn	Swedbank	Swedbank Mortgage
Debt to mature 2008	55	155
Issued 2008	110	97
-of which guaranteed	61	0
Debt to mature 2009	49	104
Issued 2009*	41	5
-of which guaranteed	40	0

* As of 9 Feb 2009

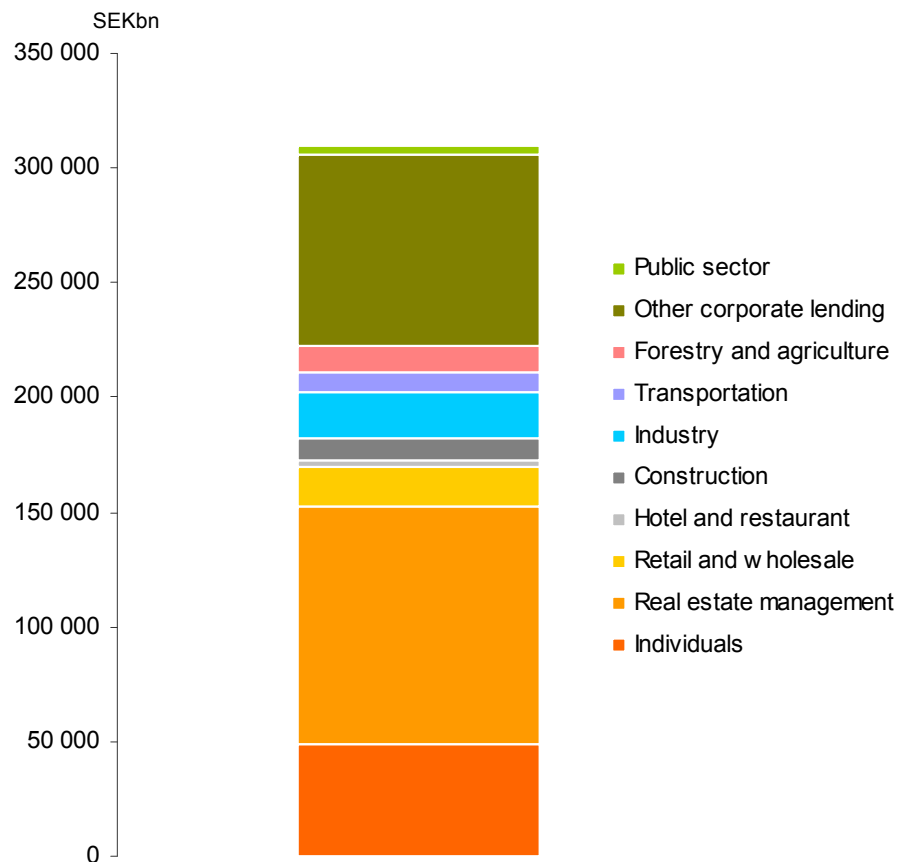
Mortgage lending, Sweden SEK 595bn



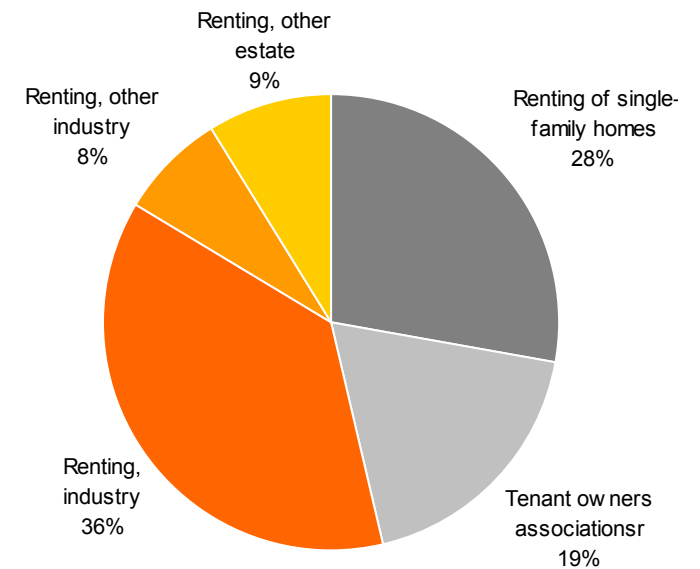
Average loan-to-value 46 percent. More than 50 percent of the total loan portfolio has a loan-to-value ratio of less than 30 percent.



Other lending to the public, Sweden (excl. Swedbank Mortgage), SEK 309bn



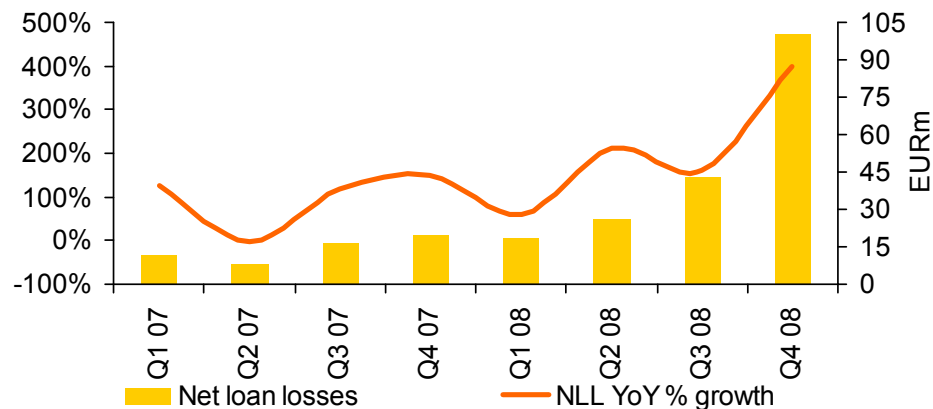
Real estate management



Baltic Banking

Asset quality

Net loan losses



Net loan losses

	2008	2007	Q4 08
Estonia	0.77%	0.33%	1.32%
Latvia	1.61%	0.51%	3.70%
Lithuania	0.58%	0.17%	0.77%
Baltic Banking	0.98%	0.35%	1.91%

Risk indicators

	2008	2007	2006
Overdues >60 days, EURm	535.9	100.7	41.5
Overdues >60 days, %	2.6%	0.5%	0.3%
Total provisions, EURm	320.2	148.7	102.2
Write offs, EURm	27.0	15.1	8.2
Recoveries, EURm	8.7	5.5	7.2
Total repossessed assets, EURm	40.1	5.7	4.8

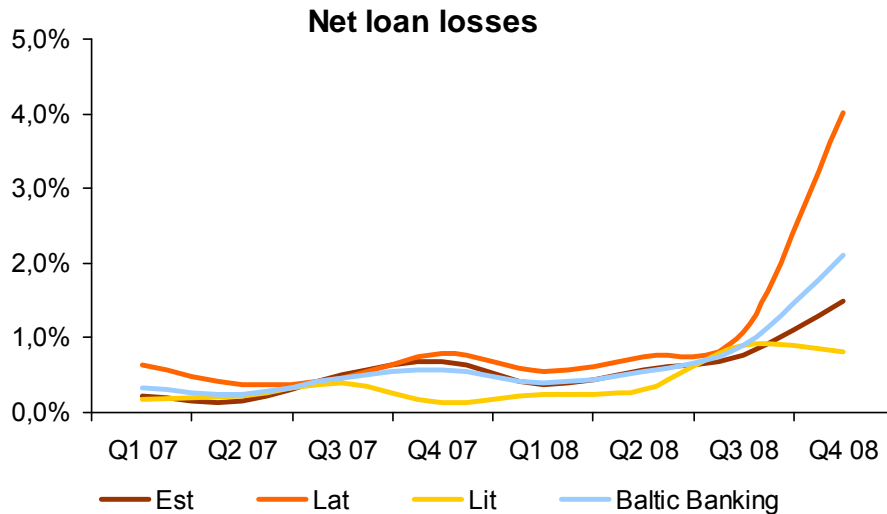
Net loan losses

	2008	2007	Q4 08
Corporate	1.32%	0.42%	2.95%
<i>incl real estate</i>	2.16%	0.57%	5.81%
<i>incl industry</i>	1.02%	0.31%	1.99%
Private	0.52%	0.33%	0.95%
<i>incl private home loans</i>	0.29%	0.34%	0.73%
Baltic Banking	0.98%	0.35%	1.91%

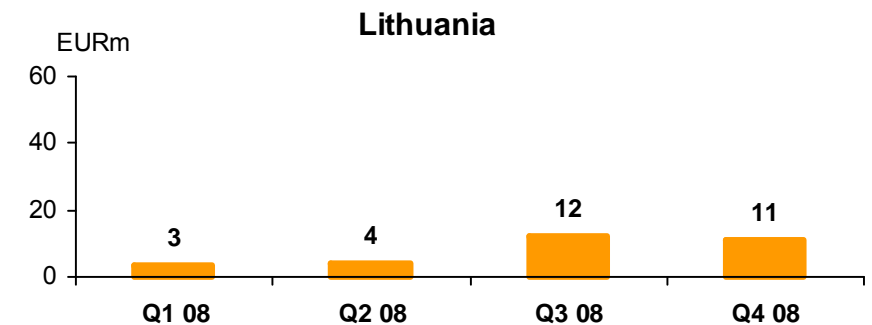
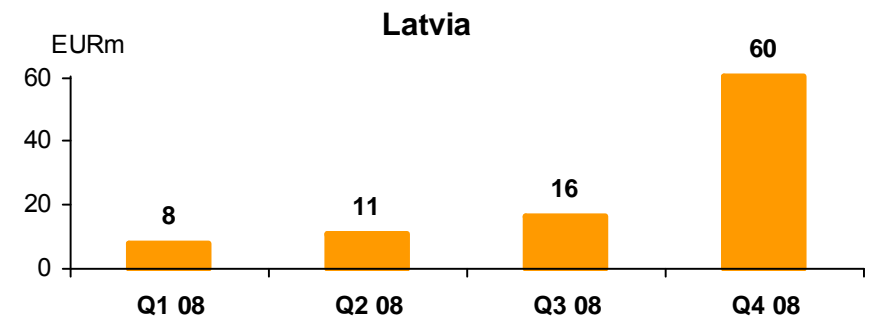
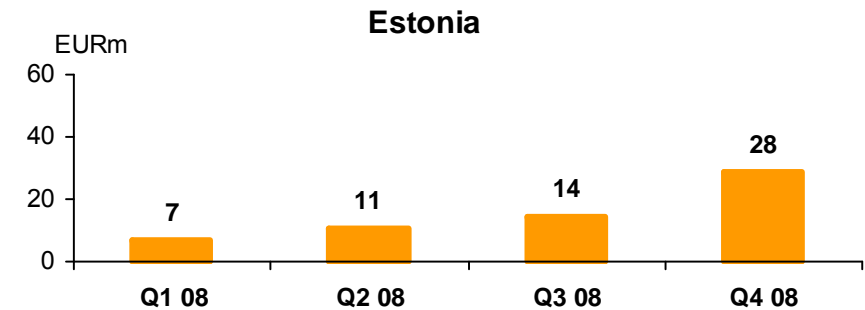
Asset quality by country



Net loan loss dynamics



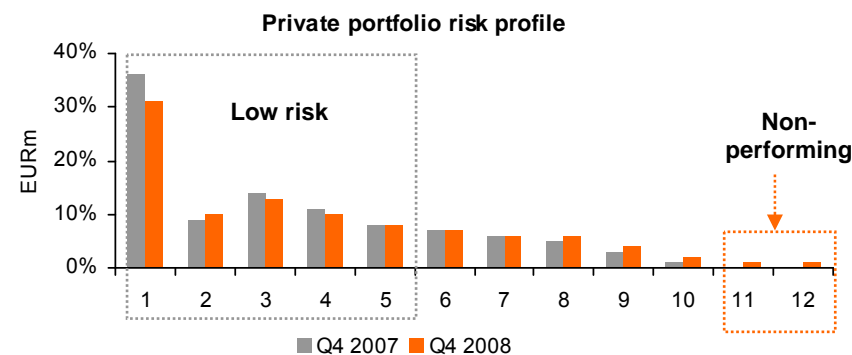
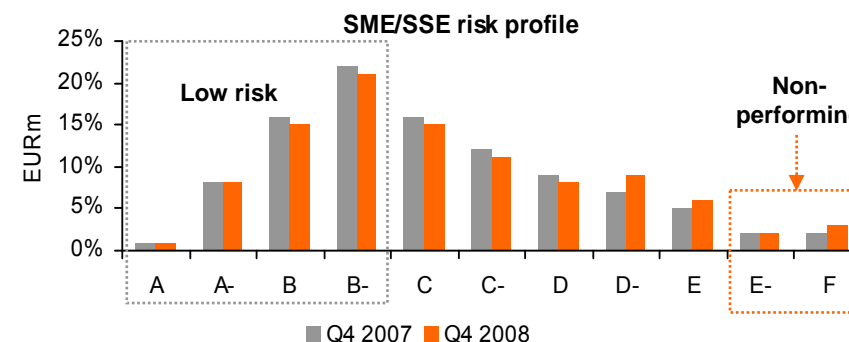
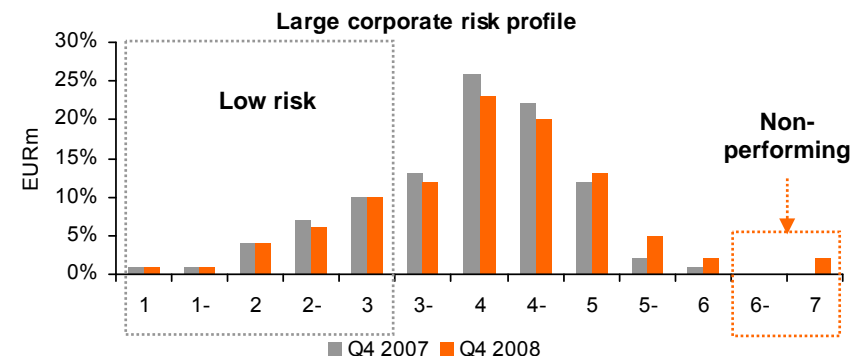
- Global recession has had a large negative impact on the Baltic economies. The impact is seen as a surge in net loan loss levels in Q4 2008 in Estonia and Latvia. Lithuania expected to follow with a time lag
- Downturn has particularly sharp impact on residential market.



Credit quality of the loan book

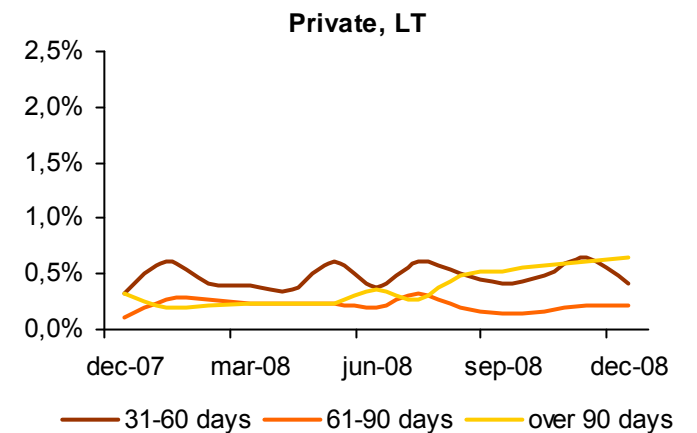
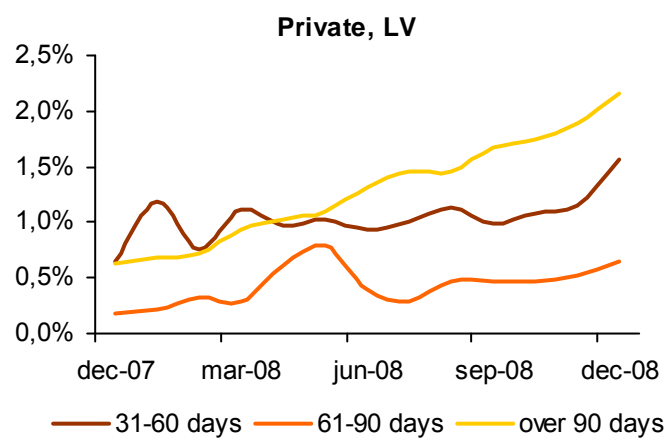
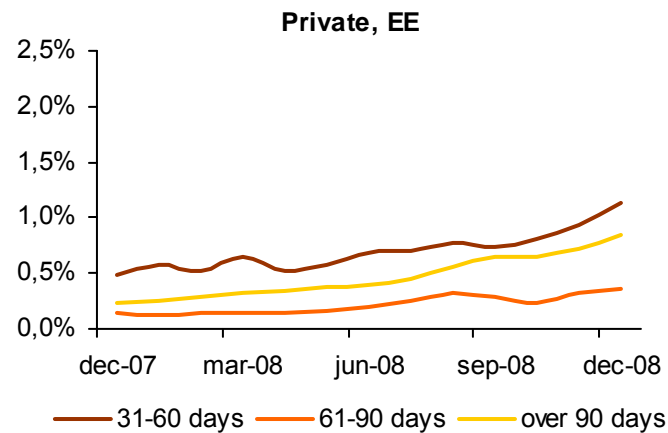
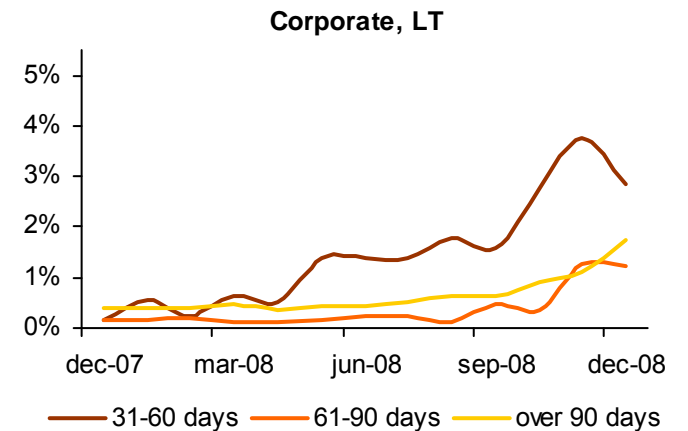
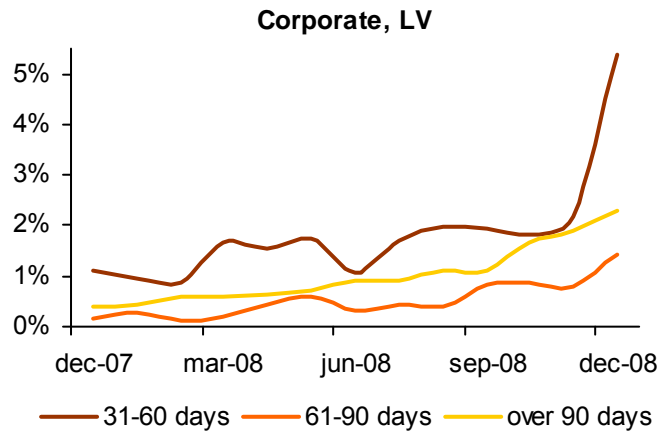
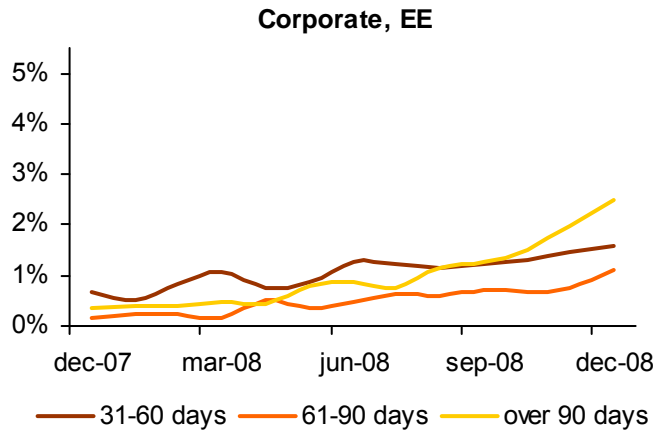


- Well diversified portfolio dominated by retail exposures
- Macro developments have triggered downgrades in all segments:
 - Real estate sector drives downgrades in large corporate segment (exposure > EUR 0.8m). Due to negative sentiment new lending is down, and the effect of downgrades cannot be balanced any more
 - SME/SSE has been the first segment to react to downturn. Acceptable risk profile retained (45% of portfolio with PD<1%)
 - Private portfolio has low risk profile (72% with PD<1%)

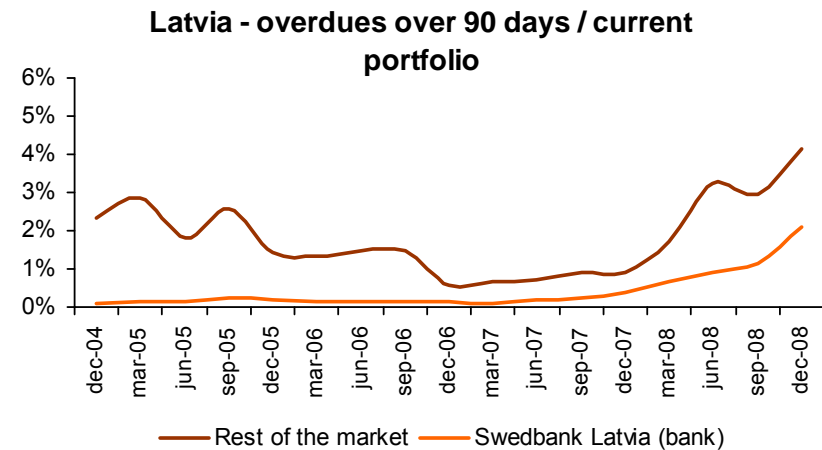
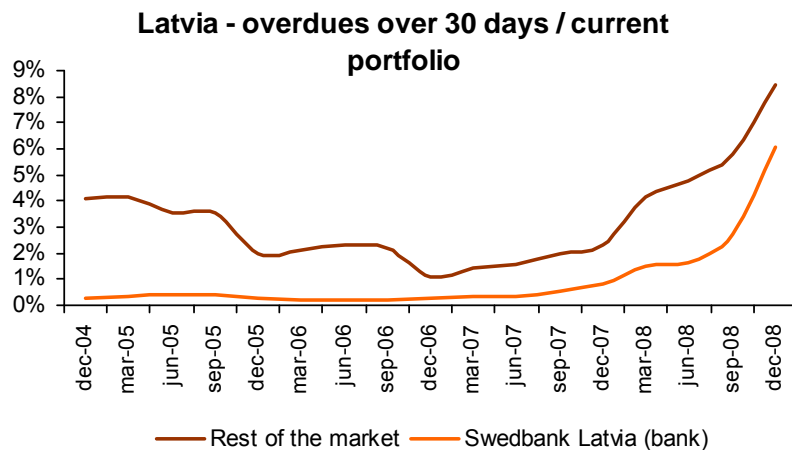
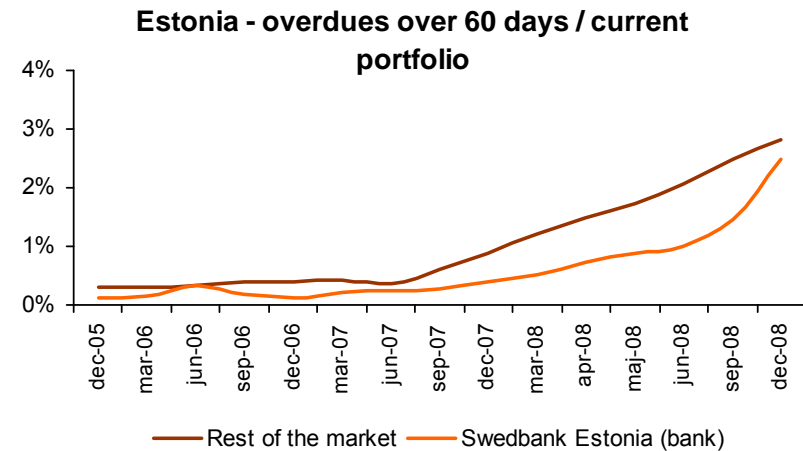
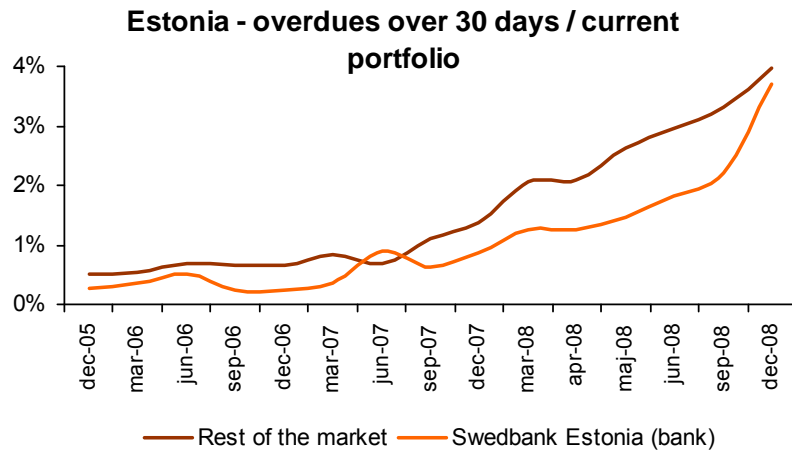


Overdue development

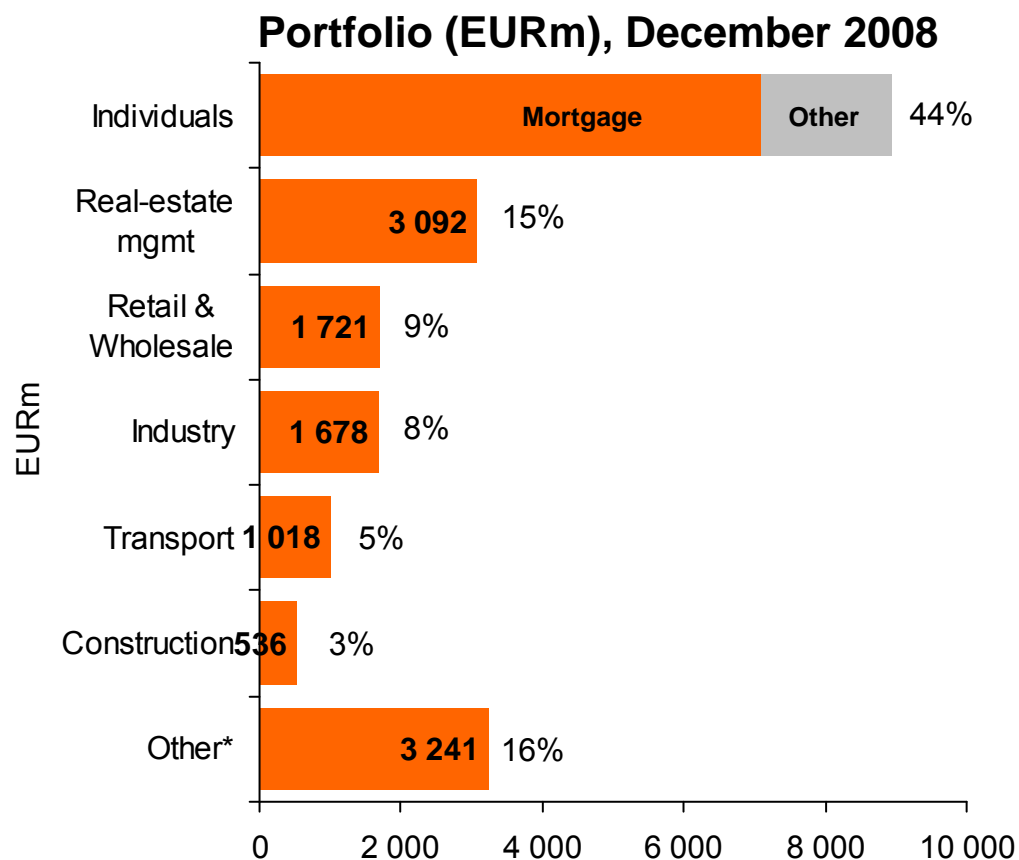
Rising overdues over 90 days have the most impact on rising NLL levels



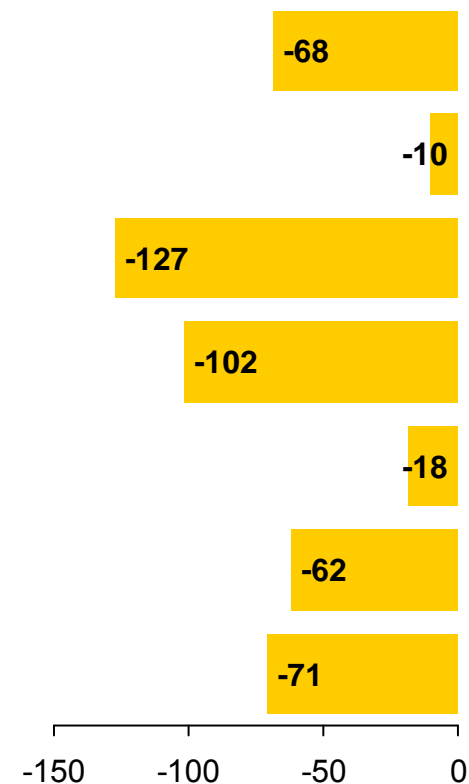
Overdue loans – Swedbank Estonia and Swedbank Latvia vs market



Baltic lending by sectors



Portfolio growth (EURm), Q4 08



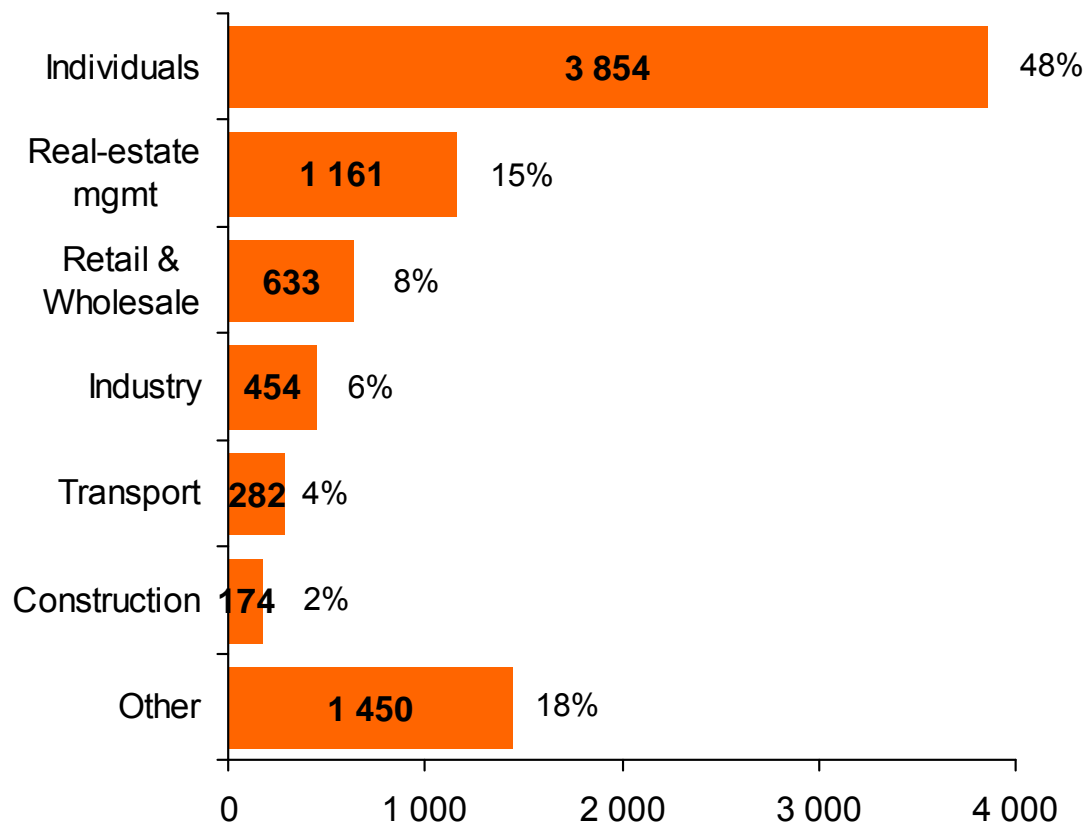
xx% - share of portfolio

* Other portfolio includes Other business services, Energy, Agriculture, State & Municipality and Other loans

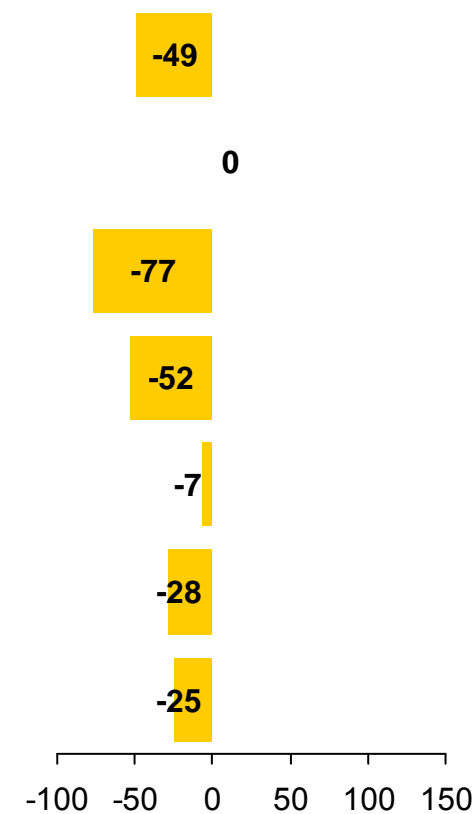
Estonian lending by sectors



Portfolio (EURm), December 2008



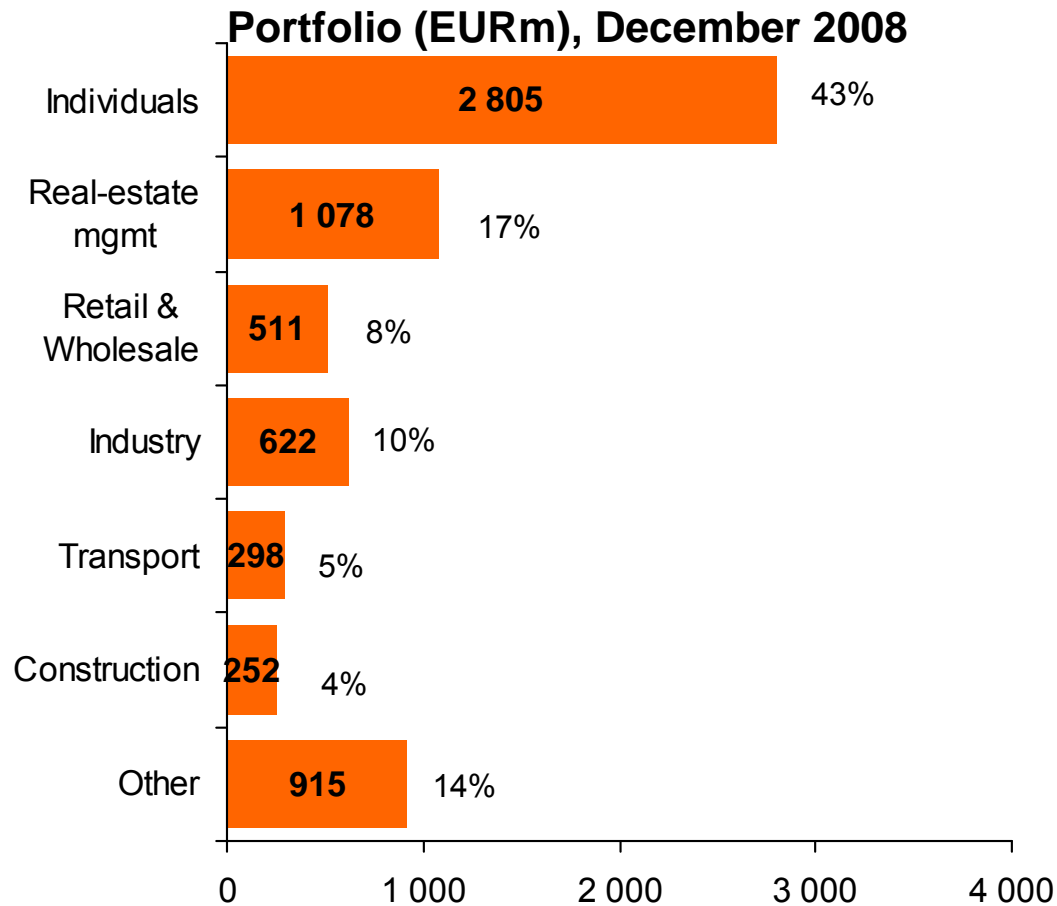
Portfolio growth (EURm), Q4 08



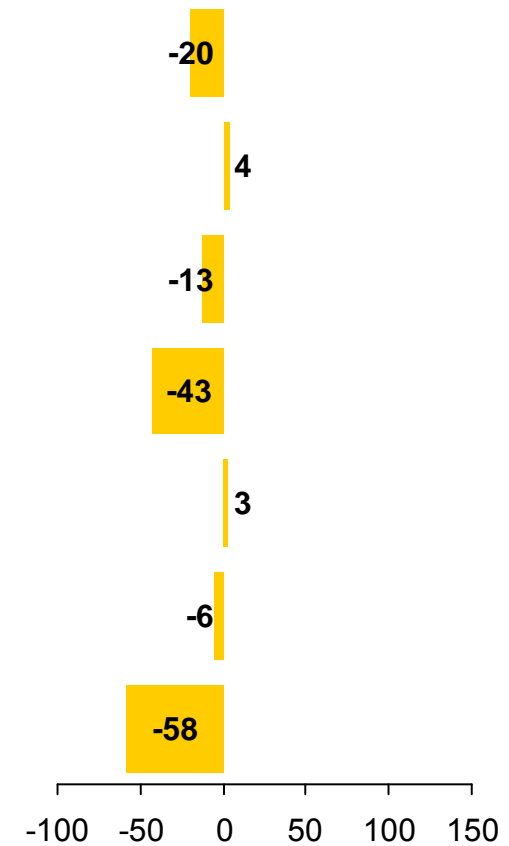
xx% - share of portfolio

* Other portfolio includes Other business services, Energy, Agriculture, State & Municipality and Other loans

Latvian lending by sectors



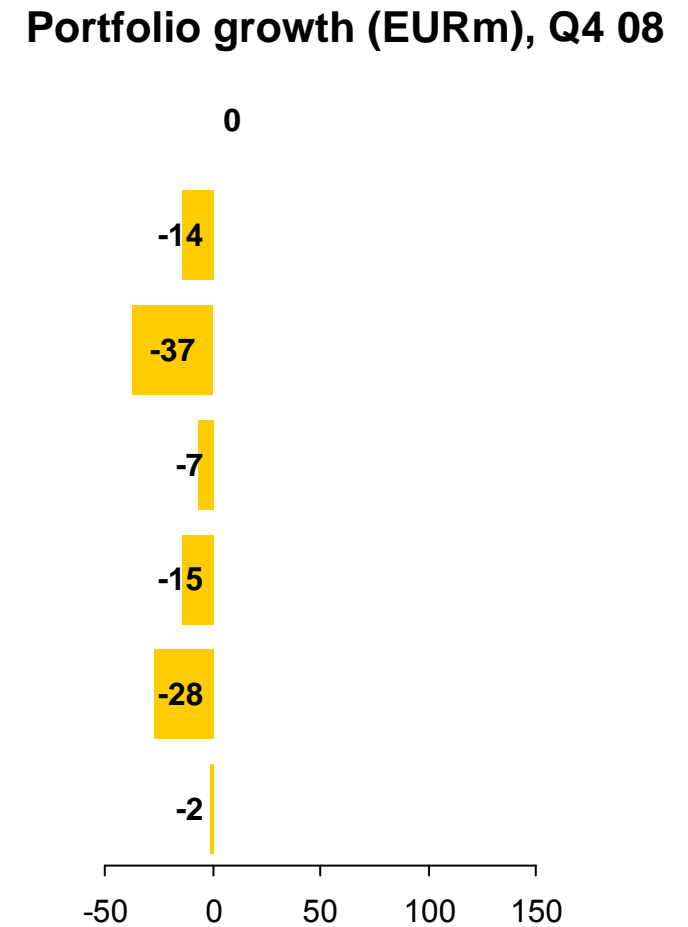
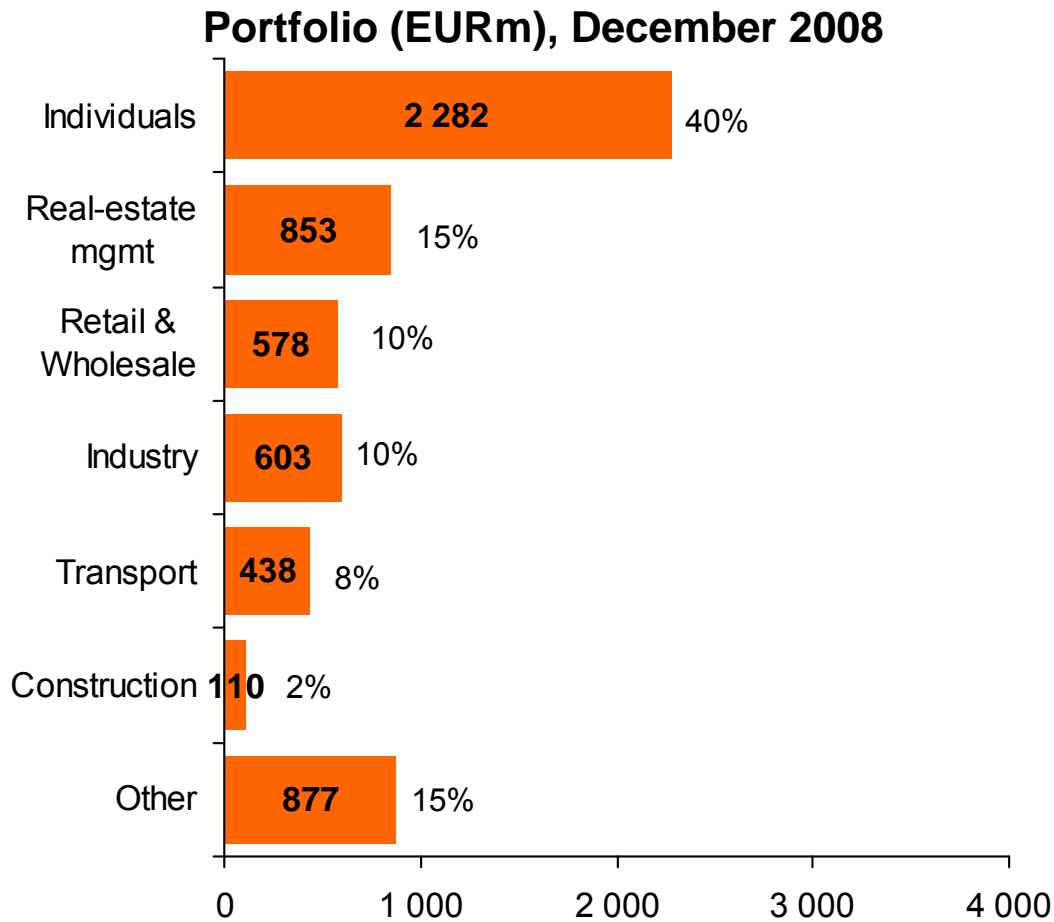
Portfolio growth (EURm), Q4 08



xx% - share of portfolio

* Other portfolio includes Other business services, Energy, Agriculture, State & Municipality and Other loans

Lithuanian lending by sectors



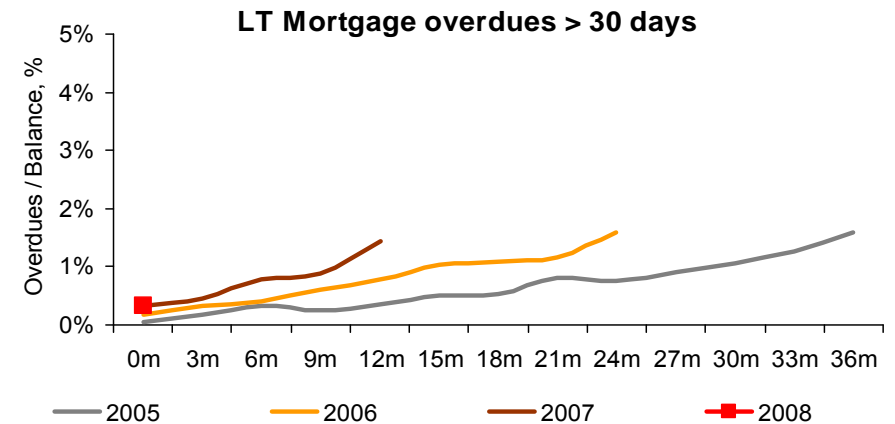
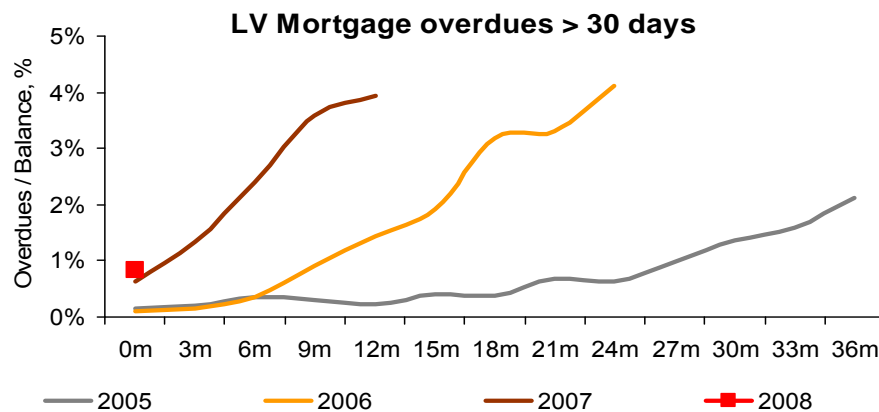
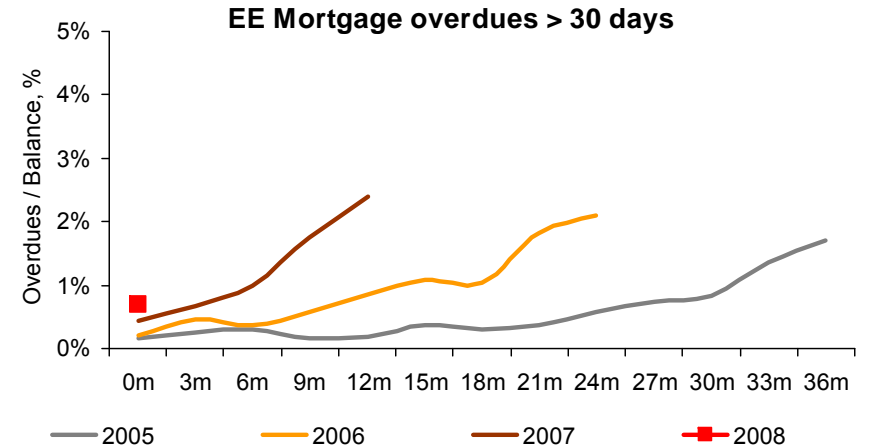
xx% - share of portfolio

* Other portfolio includes Other business services, Energy, Agriculture, State & Municipality and Other loans

Mortgage portfolio

- Due to the effects of crisis all vintages are converging to the same level of overdues. Complicated to separate the effects of origination quality from the downturn impact

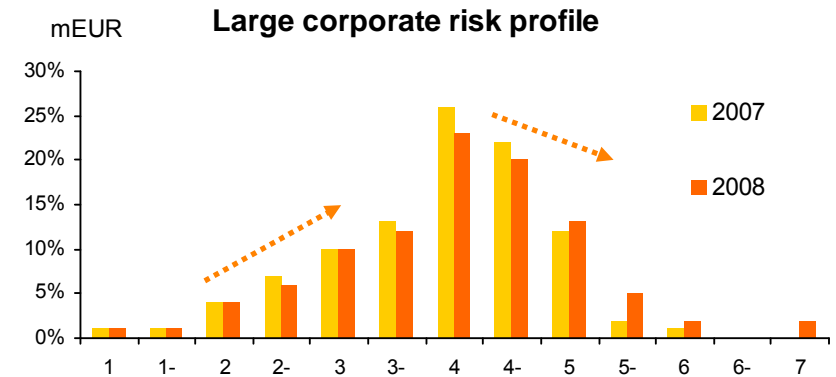
	EE	LV	LT*
LTV, total portfolio	67%	71%	70%
LTV>80% (share of portfolio)	30%	38%	33%
LTV>100% (share of portfolio)	12%	12%	13%



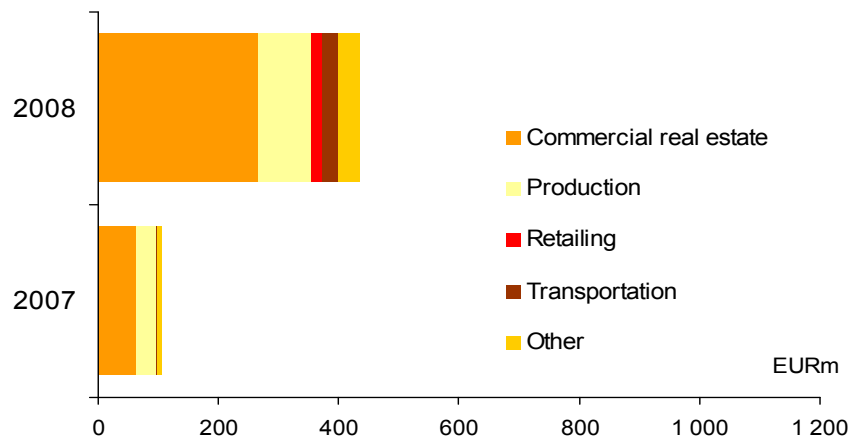
Corporate client portfolio



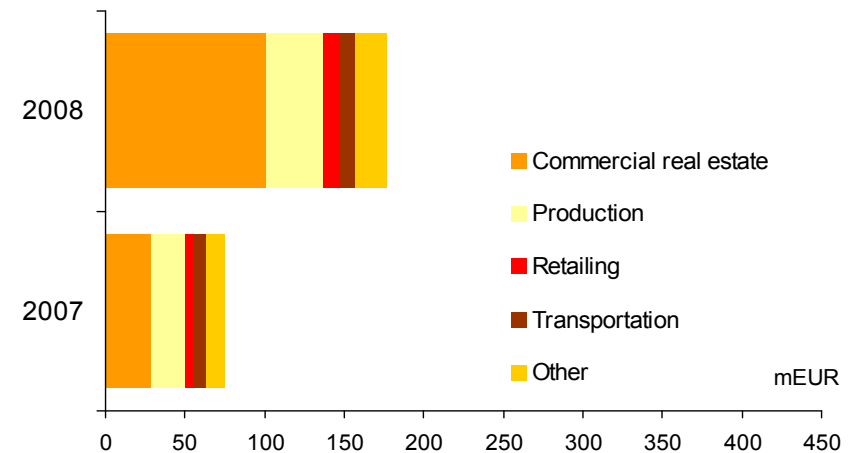
- From 2005 to 2008, new lending changed
 - New lending in 2006 and 2007 mainly went to companies rated 4 or 5 (scale of 7)
 - In 2008, the downturn caused downgrades, rating 5 real estate portfolio most affected
 - New lending in 2008 focused to high quality borrowers, mainly ratings 1 to 3-. Volumes decreasing due to negative market sentiment



BB Rating 6 & 7 exposures



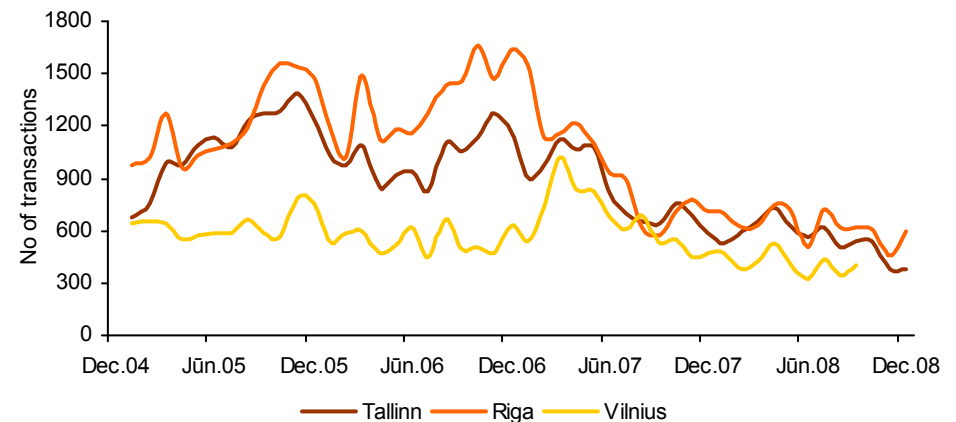
BB Total provisions, YTD



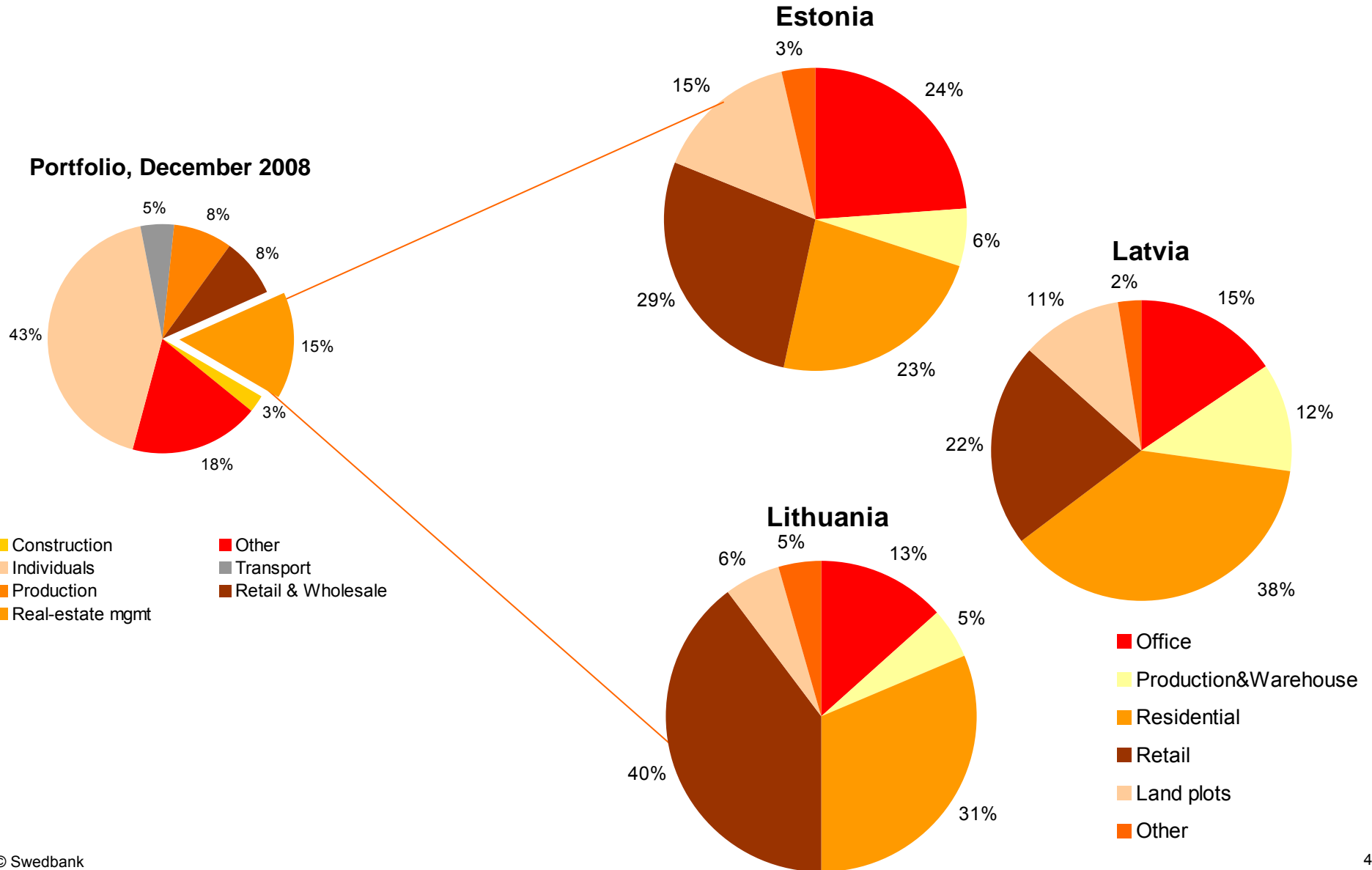
Real estate portfolio

- Real estate and in particular residential development is the most sensitive sector in Baltic Banking portfolio
- Around 58% from total Real Estate portfolio are cash flow generating properties with good tenant mix. Baltic Banking has always strictly restrained from financing speculative type of properties
- Downturn has caused drop in residential market transaction volumes. As a result residential development portfolio (31% of total real estate portfolio) is demonstrating increase in overdue and default figures. Portfolio vulnerabilities are well understood and monitored, action plans set on a case by case basis

Apartment transaction volume development



Baltic lending by sectors – real estate



Collateral breakdown

- Baltic Banking loan portfolio is adequately secured.
- Private mortgage portfolio is fully covered with family houses and apartments (as a rule owner occupied).
- Commercial real estate collaterals are revaluated at least once per year. Valuation is performed by independent experts.
- Full asset pledge, including tangible assets and current assets, is most common case for Corporate portfolio. Collateral position enhancement with owner guarantees and additional collateral is used for more risky customers and SME segments.
- The share of unsecured loans is insignificant: 5.4% (used for top ratings in corporate segment and consumer products in private).

Baltic Collateral (EURm)

	Dec 2008	%	Dec 2007	%
State	370	2%	273	1%
Private real-estate	7,321	36%	6,660	33%
Corporate real-estate	7,715	38%	7,960	39%
Guarantees	317	2%	668	3%
Other collateral*	3,742	18%	3,621	18%
Unsecured	1,104	5%	985	5%
<i>Unsecured corporate</i>	776	4%	706	4%
<i>Unsecured private</i>	328	2%	279	1%
Total**	20,569	100%	20,167	100%

*Other collateral is deposits, customer payments, vehicles, etc

** Total loans including repos