

CONTINUED PROFIT IMPROVEMENT

Net profit for the period increased by 19 percent compared with first half year 2006

- Profit for the period increased by 19 percent to SEK 6,022m (5,056)
- Earnings per share increased to SEK 11.68 (9.81)
- The return on equity increased to 19.5 percent (18.5)
- The cost/income ratio improved to 0.50 (0.53)
- Net interest income increased by 21 percent to SEK 9,092m (7,535)
- Operating profit increased by 18 percent to SEK 7,807m (6,635)
- Loan losses amounted to SEK 151m (-66)
- The tier 1 capital ratio amounted to 6.7 percent according to the new rules (6.5 percent on December 31, 2006 according to the old rules).

Higher profit for second quarter compared with first quarter 2007

- Profit for the period improved by 7 percent to SEK 3,112m (2,910)
- Earnings per share increased to SEK 6.03 (5.65)
- The return on equity increased to 19.9 percent (18.9)
- The cost/income ratio improved to 0.50 (0.51)
- Income increased by 6 percent to SEK 8,226m (7,793)
- Operating profit increased by 5 percent to SEK 4,000m (3,807)
- Loan losses amounted to SEK 102m (49).

The CEO comments on the second quarter

Swedbank has continued its positive trend, and earnings per share increased by 19 percent during the first half year compared with the same period a year earlier. The profit trend has been especially strong in the Baltic countries.

Swedbank is in a very good position to continue to grow its earnings for some time to come. We have a stable, strong base in Sweden. At the same time we have generated very good growth in the Baltic region, which has also allowed us over the years to build up considerable experience in providing banking services in emerging markets. Through the acquisition of TAS-Kommerzbank, which was finalized on July 9, coupled with our Russian operations, we have paved the way for our long-term development.

We have noted a continued slowdown in lending growth in the Baltics. Swedbank expects the symptoms of overheating, particularly in Latvia and Estonia, to begin to subside during the second half of 2007. Discipline on the part of both public and private actors is important to ensure positive development.

Financial summary for the group

SEKm	Q2 2007	Q1 2007	%	Q2 2006	%	Jan-Jun 2007	Jan-Jun 2006	%	Full-year 2006
Net interest income	4 591	4 501	2	4 029	14	9 092	7 535	21	15 977
Net commission income	2 552	2 289	11	2 353	8	4 841	4 451	9	8 869
Net gains and losses on financial items at fair value	579	530	9	786	-26	1 109	1 317	-16	2 738
Other income	504	473	7	410	23	977	818	19	1 613
Total income	8 226	7 793	6	7 578	9	16 019	14 121	13	29 197
Staff costs	-2 425	-2 322	4	-2 203	10	-4 747	-4 307	10	-8 560
Other expenses	-1 699	-1 615	5	-1 699	0	-3 314	-3 245	2	-6 579
Total expenses	-4 124	-3 937	5	-3 902	6	-8 061	-7 552	7	-15 139
Profit before loan losses	4 102	3 856	6	3 676	12	7 958	6 569	21	14 058
Loan losses, net	-102	-49		116		-151	66		205
Operating profit	4 000	3 807	5	3 792	5	7 807	6 635	18	14 263
Tax expense	-856	-851	1	-938	-9	-1 707	-1 477	16	-3 211
Profit for the period	3 144	2 956	6	2 854	10	6 100	5 158	18	11 052
Profit for the period attributable to the shareholders of Swedbank AB	3 112	2 910	7	2 786	12	6 022	5 056	19	10 880

Key ratios	Q2 2007	Q1 2007	Q2 2006	Jan-Jun 2007	Jan-Jun 2006	Full-year 2006
Return on equity, %	19,9	18,9	20,2	19,5	18,5	19,3
Earnings per share, SEK ¹⁾	6,03	5,65	5,40	11,68	9,81	21,11
C/I ratio before loan losses	0,50	0,51	0,51	0,50	0,53	0,52
Equity per share, SEK ¹⁾	120,23	122,84	105,78	120,23	105,78	116,37
Tier 1 capital ratio, %	6,7	6,8	6,5	6,7	6,5	6,5
Capital adequacy ratio, %	10,0	10,0	10,0	10,0	10,0	9,8
Loan loss ratio, net, %	0,04	0,02	-0,05	0,03	-0,02	-0,02
Share of impaired loans, %	0,08	0,07	0,09	0,08	0,09	0,07
Total provision ratio for impaired loans, %	185	199	187	185	187	195

1) The number of shares is specified on page 35.

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

Balance sheet data SEKbn	Jun 30 2007	Dec 31 2006	%	Jun 30 2006	%
Loans to the public	1 033	946	9	893	16
Deposits and borrowings from the public	426	400	7	373	14
Shareholders' equity	62	60	3	55	14
Total assets	1 495	1 353	10	1 274	17
Risk weighted assets, old principles	804	727	11	664	21
Risk weighted assets, new principles	553				
Risk weighted assets, transition principles	744				

Group profit trend, Q2 2007 vs. Q1 2007

Improved profit

- Profit for the period increased by 7 percent to SEK 3,112m (2,910)
- Earnings per share increased to SEK 6.03 (5.65)
- The return on equity improved to 19.9 percent (18.9)
- Operating profit increased by SEK 4,000m (3,807)
- Income increased by 6 percent to SEK 8,226m (7,793)
- Net interest income increased by 2 percent to SEK 4,591m (4,501)
- Net commission income increased by 11 percent to SEK 2,552m (2,289)
- Expenses increased by 5 percent to SEK 4,124m (3,937)
- The cost/income ratio improved to 0.50 (0.51)
- Loan losses amounted to SEK 102m (49)
- The effective tax rate decreased to 21 percent (22).

Broad-based income growth

Income increased by 6 percent to SEK 8,226m (7,793). Net commission income increased substantially, while other income sources also trended higher.

Net interest income increased by 2 percent to SEK 4,591m (4,501). Net interest income from the lending portfolio increased by SEK 89m despite continued margin pressure. Net interest income from savings operations increased by SEK 187m due to both volume increases and higher interest margins. Net interest income from other operations decreased by SEK 186m.

Net commission income increased by 11 percent to SEK 2,552m (2,289). Asset management commissions increased by SEK 154m, mainly through the appreciation of assets under management. Payment commissions increased by SEK 80m through higher transaction volumes. Income from lending and corporate finance developed well. Net commission income was marginally affected (SEK 14m) by the cooperation established by Swedbank Robur and Folksam during the quarter.

Net gains and losses on financial items at fair value increased to SEK 579m (530).

Net insurance increased to SEK 91m (79).

The **share of the profit or loss in associates** decreased to SEK 95m (119) in part through lower profit by EnterCard.

Other income increased to SEK 318m (275) mainly through the sale of shares in CEK AB, which resulted in a capital gain of slightly over SEK 40m.

Expenses increased 5 percent

Group **expenses** increased by 5 percent or SEK 187m to SEK 4,124m (3,937). Of the increase, SEK 36m was

due to the cooperation between Swedbank Robur and Folksam.

Staff costs increased by 4 percent to SEK 2,425m (2,322) partly through an increase in the number of employees and investments in competence development.

Other expenses increased by 5 percent to SEK 1,699m (1,615) partly due to higher IT- and marketing expenses.

Low loan loss level

Loan losses amounted to a net of SEK 102m (49). Credit quality remains very strong. Loan losses and claims are specified in Notes 3 and 4.

Lower tax expense

Profit before tax amounted to SEK 4,000m (3,807) and the **tax expense** was SEK 856m (851), giving an effective tax rate of 21 percent (22). The lower tax rate in the second quarter is mainly due to settlement of tax from previous years.

Group profit trend, Q2 2007 vs. Q2 2006

Quarterly profit increased 12 percent

- Profit for the period increased by 12 percent to SEK 3,112m (2,786)
- Earnings per share increased to SEK 6.03 (5.40)
- The return on equity was 19.9 percent (20.2)
- Operating profit increased to SEK 4,000m (3,792)
- Income increased by 9 percent to SEK 8,226m (7,578)
- Net interest income increased by 14 percent to SEK 4,591m (4,029)
- Net commission income increased by 8 percent to SEK 2,552m (2,353)
- Net gains and losses on financial items at fair value amounted to SEK 579m (786)
- Expenses increased by 6 percent to SEK 4,124m (3,902)
- The cost/income ratio improved to 0.50 (0.51)
- Loan losses remained low at SEK 102m (-116)
- The effective tax rate decreased to 21 percent (25).

Income increased

Income increased by 9 percent to SEK 8,226m (7,578) mainly through higher net interest income.

Net interest income increased by 14 percent to SEK 4,591m (4,029). Net interest income from the lending portfolio increased by SEK 264m despite continued margin pressure. Net interest income from savings operations increased by SEK 660m due to both volume increases and higher interest margins. Net interest income from other operations decreased by SEK 362m.

Net commission income increased by 8 percent to SEK 2,552m (2,353). Asset management commissions increased by SEK 189m, while payment commissions increased by SEK 104m.

Net gains and losses on financial items at fair value amounted to SEK 579m (786). Second-quarter income in 2006 was positively affected by approximately SEK 250m by the appreciation in the value of Norwegian primary capital certificates and the shareholding in SpareBank 1 Gruppen.

Net insurance amounted to SEK 91m (100).

The **share of the profit or loss in associates** amounted to SEK 95m (58). The increase is partly due to profit improvements by partly owned banks, VPC and Bankgirocentralen.

Other income increased by 26 percent to SEK 318m (252) mainly through the sale of CEK AB.

Increased expenses

Expenses increased by 6 percent to SEK 4,124m (3,902) mainly due to the higher staff costs.

Staff costs increased by SEK 222m or 10 percent to SEK 2,425m (2,203). The large part of the increase was due to the fast-growing Baltic operations. Contractual wage increases in Sweden, along with the acquisition of Söderhamns Sparbank and the Folksam cooperation, also contributed to higher staff costs.

Other expenses were unchanged at SEK 1,699m (1,699).

Loan losses remain low

Loan losses amounted to a net of SEK 102m (-116).

Lower tax rate

Profit before tax amounted to SEK 4,000m (3,792) and the **tax expense** was SEK 856m (938), giving an effective tax rate of 21 percent (25). The higher tax rate in the second quarter 2006 was mainly due to a lower part of operating profit from Baltic Banking.

Group profit trend, first half 2007 vs. first half 2006

Profit for the period up 19 percent

- Profit for the period increased by 19 percent to SEK 6,022m (5,056)
- Earnings per share increased to SEK 11.68 (9.81)
- The return on equity increased to 19.5 percent (18.5)
- Operating profit increased by 18 percent to SEK 7,807m (6,635)
- Income increased by 13 percent to SEK 16,019m (14,121)
- Net interest income increased by 21 percent to SEK 9,092m (7,535)
- Net commission income increased by 9 percent to SEK 4,841m (4,451)
- Net gains and losses on financial items at fair value amounted to SEK 1,109m (1,317)
- Expenses increased by 7 percent to SEK 8,061m (7,552)
- The cost/income ratio improved to 0.50 (0.53)

- Loan losses remained low at SEK 151m (-66)
- The effective tax rate was unchanged at 22 percent.

Income increased

Income increased by 13 percent to SEK 16,019m (14,121) mainly through higher net interest income.

Net interest income increased by 21 percent to SEK 9,092m (7,535). Net interest income from the lending portfolio increased by SEK 533m through volume increases and despite continued margin pressure. Net interest income from savings operations increased by SEK 1,230m due to volume increases and higher interest margins. Net interest income from other operations decreased by SEK 206m.

Net commission income increased by 9 percent to SEK 4,841m (4,451). This is mainly due to higher asset management and payment commissions.

Net gains and losses on financial items at fair value amounted to SEK 1,109m (1,317). Income in the first half of 2006 was positively affected by the appreciation in the value of Norwegian primary capital certificates and the shareholding in SpareBank 1 Gruppen.

Net insurance increased to SEK 170m (117) mainly through an improved product range and higher sales by the Swedish and Baltic operations.

The **share of the profit or loss in associates** amounted to SEK 214m (195).

Other income increased by 17 percent to SEK 593m (506) partly through income from the sale of CEK AB.

Controlled increase in expenses

Expenses increased by SEK 509m or 7 percent to SEK 8,061m (7,552) mainly through higher staff costs.

Staff costs increased by SEK 440m or 10 percent to SEK 4,747m (4,307). Profit-based compensation accounted for SEK 95m of the increase. The rapid growth in the Baltics, wage increases, the acquisition of Söderhamns Sparbank and the Folksam cooperation all contributed to higher staff costs.

Other expenses increased by SEK 69m or 2 percent to SEK 3,314m (3,245). IT costs accounted for the large part of the increase.

Low loan losses

Loan losses amounted to a net of SEK 151m (-66).

Unchanged tax rate

Profit before tax amounted to SEK 7,807m (6,635) and the **tax expense** was SEK 1,707m (1,477), giving an effective tax rate of 22 percent (22).

Interest rate risk

An increase in all market interest rates of one percentage point as of June 30, 2007 would have reduced the value of the group's assets and liabilities,

including derivatives, by SEK 1,265m (1,623). This calculation includes the portion of the bank'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 1,063m (1,608). Positions in foreign currency would have decreased in value by SEK 202m (15).

An interest rate increase of one percentage point would have raised the group's net gain and losses on items at fair value by SEK 316m (-207) as of June 30, 2007.

Comparative figures refer to December 31, 2006.

Risks and uncertainties

Swedbank's earnings are strongly affected by the surrounding world fluctuations that the company has no control over. Changes in interest rates, stock prices and exchange rates are among the factors affecting the group's profit. At the same time Swedbank maintains a low-risk profile through a well-diversified credit portfolio and low financial and operational risks.

In addition to what is stated in this interim report, a detailed description of the group's risks and risk control is provided in the annual report for 2006. No significant changes have taken place with regard to the distribution of risks compared with what is stated in the annual report.

New capital adequacy rules – Basel II

On February 1, 2007 new rules apply in Sweden for capital adequacy and exposures, Basel II. According to the new rules, the capital requirement will be more closely linked to the institution's risk profile. In addition to the capital requirement for credit risks and market risks, a capital requirement is introduced for operational risks as well. Due to the scope of these changes, they are being implemented gradually over a three-year period through 2009. For Swedbank the capital requirement gradually decreases, since the new capital adequacy rules better reflect the low risk in the credit portfolio. The full effect of the lower capital requirement will not be achieved until 2010.

The capital adequacy ratio, which is calculated for the financial companies group, was 10.0 percent as of June 30, 2007 according to the new rules (9.8 as of December 31, 2006 according to the old rules), of which the tier 1 capital ratio was 6.7 percent (6.5 on December 31, 2006 according to the old rules). The tier 1 capital ratio includes profit for the period after deducting the estimated dividend.

A specification of capital adequacy and a summary of the new rules are provided on page 24.

Lending

The Group's lending to the public, excluding repurchase agreements (repos), increased during the period to SEK 1,000bn (919) on June 30. The year-to-year increase in lending is 17 percent.

A specification of lending is provided on page 30.

Savings and investments

Customers' total savings and investments in Swedbank increased by 31 percent to SEK 1,097bn (838) during the period. The year-to-year increase in savings is 44 percent. The high rate of increase is mainly due to the cooperation agreement between Swedbank Robur and

Folksam, whereby Swedbank Robur as of the second quarter 2007 manages Folksam's insurance and fund portfolios, which amounted to SEK 188bn on June 30.

Customers' deposits, excluding repurchase agreements (repos), have increased by 9 percent or SEK 34bn since the beginning of the year to SEK 411bn (377). Since June 30, 2006 deposits have increased by 19 percent.

A specification of savings and investments is provided on page 30.

Annual General Meeting and dividend

Swedbank's Annual General Meeting (AGM) 2007, held in Stockholm on April 27, elected two new members to the Board of Directors, Gail Buyske from the U.S. and Simon Ellis from the UK. Board members Ulrika Francke, Berith Hägglund-Marcus, Göran Johnsson, Anders Nyblom and Caroline Sundewall were reelected, and Carl Eric Stålberg was elected Chair.

The dividend to the shareholders was set at SEK 8.25 per share in accordance with the AGM's resolution. The dividend was paid by VPC (the Swedish Central Securities Depository) on May 8, 2007.

The Board and the President were discharged from liability for the year 2006.

The AGM also resolved, in accordance with the Board's proposal, to amend the articles of association to allow Swedbank AB, until the next AGM, to acquire at any given time in its securities operations to facilitate these operations up to 1 percent of the bank's shares and dispose of such shares. Moreover, the Board was authorized, on one or more occasions until the next AGM, to decide to repurchase the bank's shares, over and above the acquisitions by the securities operations, up to 5 percent of all shares in the bank. Acquisitions may only be made on the Stockholm Stock Exchange (Stockholmsbörsen) and only at a price that, at the time of acquisition, falls within the interval between the highest buying rate and the lowest selling rate. The Board was authorized to decide to raise loans according to Chapter 11 Section 11 of the Companies Act. Lastly, the AGM resolved to issue and transfer the interest in Swedbank First Securities LLC and to approve the merger between the bank and the wholly owned subsidiary Söderhamns Sparbank.

Deloitte AB was elected auditor until the conclusion of the AGM in 2010, with Authorized Public Accountant Jan Palmqvist as Chief Auditor.

The AGM decided on the guidelines for the Nomination Committee. In accordance with the Swedish Code of Corporate Governance, the bank will announce the names of the members of the committee not later than six months before the next AGM.

Accounting policies

The interim 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 32:06 of the Swedish Financial Accounting Standards Council (replaced by the Financial Reporting Council as of April 1, 2007).

The accounting principles applied in the interim report are the same as those applied in the preparation of the annual report for 2006, apart from that interest income and expenses related to trading assets and

liabilities are now recognized in net interest income in the consolidated income statement. Previously they were recognized in net gains and losses on items at fair value in the consolidated income statement.

Comparative figures for 2006 and 2005 have been restated.

During the first quarter 2007 certain financial transactions were made to hedge the exposure to variations in future cash flows. They are recognized as cash flow hedges, which means that the effective part of the change in the value of hedging instruments is recognized directly in shareholders' equity. The group uses the option to irreversibly value separate portfolios of lending and deposits at fair value, since they, together with derivatives, essentially eliminate the portfolio's aggregate interest rate risk. As of 2007 the parent company has also chosen to use the valuation option. Comparative figures have been restated, due to which the opening shareholders' equity balance for 2006 has been adjusted.

Rating

June, 2007	S&P		Moody's			Fitch	
	Short	Long	Short	Long	BFSR *	Short	Long
Swedbank	A-1	A+	P-1	Aa1	B	F1	A+
Swedbank Hypotek	A-1		P-1	Aa1		F1+	AA-
Hansabank			P-1	Aa2	C+	F1	A

* Bank Financial Strength Ratings

Swedbank's share

SWED A	Jun 30 2007	Dec 31 2006
Share price, SEK	249,00	248,50
No. of shares in issue	515 373 412	515 373 412
Market capitalization, SEKm	128 328	128 070

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

Events after June 30, 2007

Acquisition of TAS-Kommerzbank

In early July Swedbank finalized the acquisition of the Ukrainian bank TAS-Kommerzbank (TAS). The acquisition agreement was announced in February 2007, and all customary closing conditions have been met. The paid purchase price was USD 735m, including an equity contribution to TAS of USD 50m. An additional payment of up to USD 250m may be payable in three years subject to TAS's financial performance.

Business area report

Jan-Jun 2007 SEKm	Swedish Banking	Baltic Banking Operations	Baltic Banking Investment	Swedbank Markets	Asset Management and Insurance	Shared Services and New operations	Eliminations	Group
Net interest income	5 859	2 820	-199	694	43	-123	-2	9 092
Net commission income	2 239	917		745	910	30		4 841
Net gains and losses on financial items at fair value	223	449		421	2	12	2	1 109
Share of the profit or loss in associates	161	2		4		47		214
Other income	357	177		18	105	1 577	-1 471	763
Total income	8 839	4 365	-199	1 882	1 060	1 543	-1 471	16 019
Staff costs	-1 991	-743		-324	-157	-741	8	-3 948
Profit-based staff costs	-143	-261		-339	-21	-35		-799
IT expenses	-458	-148		-122	-75	-378	479	-702
Other expenses	-1 918	-503		-226	-168	-460	984	-2 291
Depreciation/amortization	-47	-91	-48	-5	-1	-129		-321
Total expenses	-4 557	-1 746	-48	-1 016	-422	-1 743	1 471	-8 061
Profit before loan losses	4 282	2 619	-247	866	638	-200		7 958
Loan losses, net	54	-207		-3		5		-151
Operating profit	4 336	2 412	-247	863	638	-195		7 807
Tax expense	-1 214	-237	14	-242	-157	129		-1 707
Profit for the period	3 122	2 175	-233	621	481	-66		6 100
Profit for the period attributable to:								
Shareholders of Swedbank AB	3 116	2 175	-233	549	481	-66		6 022
Minority interest	6			72				78
Return on allocated equity, %	24,0	31,8		26,7	56,0	neg.		19,9
C/I ratio before loan losses	0,52	0,40		0,54	0,40	1,13		0,50
Full-time employees	6 283	9 461		712	327	1 727		18 510

Business area accounting policies

The business area report is based on Swedbank's accounting policies, organization and internal accounts. Comparative figures have been restated due to minor organizational 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 develop. 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 services 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 average allocated equity.

Swedish Banking

Swedish Banking is Swedbank's dominant business area, comprising a network of 470 branches organized in 43 local banks in five regions. The cooperation with the savings and partly owned banks adds another 264 branches. The branch network is complemented by 172 in-store banking locations, while 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 responsibility for Swedish customers, with the exception of financial institutions. Of the business area's 6,300 full-time employees, around 4,900 are placed in the five regions.

The business area also comprises the telephone bank and 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 franchise concepts.

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	Jan-Jun 2007	Jan-Jun 2006	%	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006
Net interest income	5 859	5 602	5	2 909	2 950	2 949	2 936	2 850
Net commission income	2 239	2 122	6	1 140	1 099	1 120	1 010	1 049
Net gains and losses on financial items at fair value	223	259	-14	89	134	141	14	212
Share of the profit or loss of associates	161	165	-2	69	92	23	42	42
Other income	357	293	22	224	133	184	189	144
Total income	8 839	8 441	5	4 431	4 408	4 417	4 191	4 297
Staff costs	-1 991	-1 927	3	-1 017	-974	-1 022	-949	-988
Profit-based staff costs	-143	-128	12	-81	-62	11	-60	-58
IT expenses	-458	-423	8	-238	-220	-221	-197	-209
Other expenses	-1 918	-1 828	5	-995	-923	-1 064	-847	-918
Depreciation/amortization	-47	-51	-8	-22	-25	-54	-24	-28
Total expenses	-4 557	-4 357	5	-2 353	-2 204	-2 350	-2 077	-2 201
Profit before loan losses	4 282	4 084	5	2 078	2 204	2 067	2 114	2 096
Loan losses, net	54	197	-73	-13	67	158	144	191
Operating profit	4 336	4 281	1	2 065	2 271	2 225	2 258	2 287
Tax expense	-1 214	-1 199	1	-578	-636	-603	-633	-641
Profit for the period	3 122	3 082	1	1 487	1 635	1 622	1 625	1 646
Profit for the period attributable to:								
Shareholders of Swedbank AB	3 116	3 079	1	1 484	1 632	1 628	1 624	1 644
Minority interest	6	3	100	3	3	-6	1	2
Allocated equity	25 994	27 121	-4	26 388	25 600	29 894	29 428	27 519
Return on allocated equity, %	24,0	22,7		22,5	25,5	21,8	22,1	23,9
Income items								
Income from external customers	7 871	7 443	6	3 934	3 937	3 882	3 815	3 816
Income from transactions with other segments	968	998	-3	497	471	535	376	481
Business volumes, SEK billion								
Lending	806	724	11	806	782	762	745	724
Deposits	290	248	17	290	278	271	263	248
Mutual funds & insurance	274	235	17	274	266	256	244	235
Other investment volume	22	18	22	22	21	19	17	18
Investments in associates	2	2	0	2	2	2	2	2
Risk-weighted volume, old principles	575	500	15	575	556	537	525	500
Total assets	898	801	12	898	928	843	826	801
Total liabilities	872	774	13	872	902	813	797	774
Full-time employees	6 283	6 209	1	6 283	6 326	6 293	6 279	6 209

Swedish economy remains strong

The Swedish economy continued its strong growth during the first half year. Construction, IT and certain industrial areas had difficulty recruiting qualified labor to meet higher demand. Disposable household income grew partly thanks to tax cuts after the turn of the year. Jobs increased quickly and consumer optimism was high. The government's decision to abolish the property tax contributed to further price gains for residential real estate, particularly in metropolitan areas. At the same time the Riksbank signaled that interest rates will rise significantly.

The Riksbank raised its repo rate by 25 bp on February 21 and 25 bp on June 27 to 3.50 percent. On average the repo rate was 3.19 during the first half year 2007, compared with 1.90 percent in the first half year 2006. During the second quarter the repo rate averaged 3.26 percent, against 3.11 percent in the first quarter and 2.03 percent in the second quarter 2006.

Stockholmsbörsen's OMX S Index increased by 9.5 percent during the first half year. During the second quarter the increase was 3.5 percent.

Organizational changes and acquisitions

As part of the continued commitment to private banking and asset management services in Swedish Banking, responsibility for local trading desks with around 50 brokers was transferred from Swedbank Markets to Swedish Banking at year-end 2006. Comparative figures have been restated so that the trading desks are included in Swedish Banking in 2006 as well.

Söderhamns Sparbank, previously 40-percent owned, is a wholly owned subsidiary as of March 2007. Söderhamns Sparbank has two branches and 27 employees. Söderhamns Sparbank, now part of the northern region, will be merged with Swedbank during the third quarter.

Sale of CEK AB

Together with the other owners of the card processing company CEK AB, Swedbank sold its shareholding to EDB Business Partner during the second quarter 2007. The sale generated a capital gain of slightly over SEK 40m.

High level of activity

The second quarter, like the one before, was characterized by a high level of activity and further increase in business volumes. The change to the new Swedbank name and goal to be a service leader by being accessible, uncomplicated and proactive have been received positively by Swedish customers.

During the quarter Swedbank launched a well-publicized mutual fund marketplace where customers can trade a variety of funds from many companies and obtain information, news and analyses.

The industry's leading card issuer, Swedbank was the first bank in Sweden to allow customers to design their own cards online using their own photographs or any of the images in Swedbank's image bank.

Higher lending volumes

Lending increased by SEK 24bn during the quarter, an increase of SEK 44bn or 6 percent since the beginning of the year. Total lending volume amounted to SEK 806bn as of June 30, 2007, an increase of 11 percent in one year.

Mortgage lending to retail customers increased by SEK 12bn during the quarter, a gain of SEK 22bn or 6

percent during the first half year. In one year mortgage lending to private individuals has increased by 12 percent to SEK 401bn.

Bank lending to corporate customers increased by SEK 8bn during the quarter, a gain of SEK 14bn or 8 percent during the first half year. In one year bank lending to corporate customers has increased by 16 percent to SEK 189bn.

Higher savings and investment volumes

Savings and investment volumes, excluding holdings in customers' brokerage accounts, increased by SEK 21bn during the quarter, a gain of SEK 40bn or 7 percent during the first half year. Total savings and investment volume amounted to SEK 586bn at the end of the period, an increase of 17 percent in one year.

Of the volume increase during the first half year, household deposits accounted for SEK 20.2bn, corporate lending for SEK -2.6bn, mutual fund and insurance volumes for SEK 18bn and index-linked bonds for SEK 3bn. The increase in fund and insurance volumes was due to higher market values. For funds sold by Swedish Banking, withdrawals exceeded contributions by SEK 2.9bn during the period.

Increased payment volumes

Swedbank had 3.4 million (3.3) bank cards in issue as of June 30, 2007. During the first half year the number of card purchases increased by 19 percent and the number of card transactions cleared rose 19 percent year-to-year.

Market shares

The market share for household mortgage lending increased to 34 percent (31) for new sales during the first half year. The corresponding market share for the balance of outstanding mortgages was 31 percent (31). The market share for bank lending (outstanding balance) was unchanged at the end of the period at 18 percent (18) for corporate customers and 15 percent (15) for households.

The market share for outstanding household deposits was unchanged at 26 percent (26). For corporate customers, the market share for outstanding deposits increased to 15 percent (14). The market share for net mutual fund sales was negative (0), while the market share for the total outstanding fund assets was 26 percent (26). The market share for listed equity-linked bonds decreased to 23 percent (29) mainly due to retroactive reported SOX volumes. Swedbank's market share for new household savings sold through the internal sales organization in Sweden increased to 17 percent (16).

Equity

Average allocated equity was SEK 25,994m for the period, compared with SEK 27,121m for the first half of 2006. Lower capital allocation in 2007 is due to the lower capital requirement in the new internal risk classification methods. Capital requirements are significantly lower for household exposures according to the IRB method.

Profit trend Q2 2007 vs. Q1 2007

Profit for the period decreased by SEK 148m or 9 percent to SEK 1,484m. The return on equity was 22.5 percent (25.5). The cost/income ratio was 0.53 (0.50).

Income increased by SEK 23m or 1 percent to SEK 4,431m.

Net interest income amounted to SEK 2,909m (2,950). Further increases in deposit and lending volumes raised net interest income by SEK 83m. The lending margin decreased by 6 bp to 0.87 percent, which reduced net interest income by SEK 106m. In terms of deposits, the interest margin improved by 3 bp to 1.28 percent mainly due to a higher repo rate, which positively affected net interest income by SEK 28m. Other effects were SEK 46m lower than the previous quarter.

Net commission income increased by SEK 41m or 4 percent to SEK 1,140m mainly due to higher income from payment commissions.

Net gains and losses on financial items at fair value decreased by SEK 45m to SEK 89m mainly due to the valuation to fair value of lending, borrowings and derivatives in Swedbank Mortgage.

The share of profit or loss in associates decreased by SEK 23m to SEK 69m due to lower profits for EnterCard, partly owned savings banks and Bankgirocentralen, BGC.

Other income increased by SEK 91m to SEK 224m partly due to income from the sale of CEK AB.

Expenses increased by SEK 149m or 7 percent to SEK 2,353m.

Staff costs excluding profit-based compensation increased by SEK 43m or 4 percent mainly due to accrual effects. Profit-based compensation increased by SEK 19m to SEK 81m.

Other expenses increased by SEK 87m or 7 percent to SEK 1,255m partly due to expenses in connection with the replacement of providers of cash handling services and non-life insurance.

The number of full-time positions decreased by 43 to 6,283.

Loan losses amounted to a net of SEK 13m (-67).

Profit trend Q2 2007 vs. Q2 2006

Profit for the period decreased by SEK 160m or 10 percent to SEK 1,484m. The return on equity was 22.5 percent (23.9). The cost/income ratio was 0.53 (0.51).

Income increased by SEK 134m or 3 percent to SEK 4,431m.

Net interest income increased by SEK 59m or 2 percent to SEK 2,909m. Further increases in deposit and lending volumes raised net interest income by SEK 323m. The lending margin decreased by 16 bp to 0.87 percent, which reduced net interest income by SEK 313m. In terms of deposits, the interest margin improved by 28 bp to 1.28 percent mainly due to a higher repo rate, which positively affected net interest income by SEK 203m. Other effects were SEK 154m lower.

Net commission income increased by SEK 91m or 9 percent to SEK 1,140m mainly due to higher income from payment commissions as well as mutual fund and insurance operations.

Net gains and losses on financial items at fair value decreased by SEK 123m to SEK 89m mainly due to the valuation to fair value of lending, borrowings and derivatives in Swedbank Mortgage.

The share of profit or loss in associates increased by SEK 27m. The increase is mainly due to Bankgirocentralen, BGC.

Other income increased by SEK 80m mainly due to income from the sale of CEK AB.

Expenses increased by SEK 152m or 7 percent to SEK 2,353m.

Staff costs excluding profit-based compensation increased by SEK 29m or 3 percent mainly due to contractual wage increases. Profit-based compensation increased by SEK 23m.

Other expenses increased by SEK 100m or 9 percent partly due to expenses in connection with the replacement of providers of cash handling services and non-life insurance.

The number of full-time positions increased by 74 to 6,283, of which 27 were due to the acquisition of Söderhamns Sparbank.

Loan losses amounted to a net of SEK 13m (-191).

Profit trend first half 2007 vs. first half 2006

Profit for the period increased by SEK 37m or 1 percent to SEK 3,116m. The return on equity improved to 24.0 percent (22.7). The cost/income ratio was 0.52 (0.52).

Income increased by SEK 398m or 5 percent to SEK 8,839m.

Net interest income increased by SEK 257m or 5 percent to SEK 5,859m. Further increases in deposit and lending volumes raised net interest income by SEK 631m. The lending margin decreased by 14 bp to 0.89 percent, which reduced net interest income by SEK 568m. In terms of deposits, the interest margin improved by 31 bp to 1.25 percent mainly due to a higher repo rate, which positively affected net interest income by SEK 434m. Other effects were SEK 240m lower.

Net commission income increased by SEK 117m or 6 percent to SEK 2,239m mainly due to higher income from payment commissions as well as mutual fund and insurance operations.

Net gains and losses on financial items at fair value decreased by SEK 36m to SEK 223m mainly due to the valuation to fair value of lending, borrowings and derivatives in Swedbank Mortgage.

The share of profit or loss in associates decreased by SEK 4m. The partly owned savings banks and EnterCard reported profit improvements, while profit for Bankgirocentralen, BGC, was affected in 2006 by the one-time effect of a property sale.

Other income increased by SEK 64m mainly due to income from the sale of CEK AB.

Expenses increased by SEK 200m or 5 percent to SEK 4,557m.

Staff costs excluding profit-based compensation increased by SEK 64m or 3 percent mainly due to contractual wage increases. Profit-based compensation increased by SEK 15m.

Other expenses increased by SEK 121m or 5 percent partly due to higher IT expenses.

The number of full-time positions increased by 74 to 6,283, of whom 27 were from Söderhamns Sparbank.

Recoveries exceeded loan losses by a net of SEK 54m (197).

Sweden's most popular bank to work for

This year's Company Barometer, a survey presented by Universum Communication, ranked Swedbank as the most popular bank to work for. In total, Swedbank is the fourth most popular employer in Sweden among business students.

Baltic Banking

Baltic Banking Operations are defined as the subsidiary group Hansabank, adjusted for slightly lower equity allocated to this business on the basis of the estimated need for risk capital compared with the de facto equity in the subsidiary group. This also results in an adjustment in net interest income compared with what the subsidiary group reports. Hansabank has business operations in Estonia, Latvia, Lithuania and Russia.

The effects of Swedbank's ownership of Hansabank are reported in Baltic Banking Investments in the form of group goodwill, the deduction of the minority interest in profit and shareholders' equity during the periods the company was not wholly owned as well as consolidated amortization of the surplus values in the lending and deposit portfolios identified at the time of the acquisition in 2005.

Baltic Banking Operations

Profit trend

SEKm	Jan-Jun 2007	Jan-Jun 2006	%	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006
Net interest income	2 820	1 815	55	1 496	1 324	1 221	1 088	962
Net commission income	917	730	26	485	432	426	380	378
Net gains and losses on financial items at fair value	449	220		240	209	225	178	104
Share of the profit or loss of associates	2	2	0	1	1	2	2	2
Other income	177	125	42	108	69	81	66	87
Total income	4 365	2 892	51	2 330	2 035	1 955	1 714	1 533
Staff costs	-743	-565	32	-388	-355	-334	-279	-288
Profit-based staff costs	-261	-162	61	-141	-120	-137	-106	-87
IT expenses	-148	-110	35	-81	-67	-68	-53	-60
Other expenses	-503	-551	-9	-269	-234	-283	-217	-341
Depreciation/amortization	-91	-79	15	-47	-44	-44	-43	-40
Total expenses	-1 746	-1 467	19	-926	-820	-866	-698	-816
Profit before loan losses	2 619	1 425	84	1 404	1 215	1 089	1 016	717
Loan losses, net	-207	-136	52	-87	-120	-84	-81	-79
Operating profit	2 412	1 289	87	1 317	1 095	1 005	935	638
Tax expense	-237	-130	82	-137	-100	-82	-78	-76
Profit for the period	2 175	1 159	88	1 180	995	923	857	562
Profit for the period attributable to:								
Shareholders of Swedbank AB	2 175	1 158	88	1 180	995	925	856	561
Minority interest	0	1		0	0	-2	1	1
Allocated equity	13 700	8 871	54	14 490	12 911	11 534	10 355	9 411
Return on allocated equity, %	31,8	26,1		32,6	30,8	32,1	33,1	23,8
Income items								
Income from external customers	4 365	2 892	51	2 330	2 035	1 955	1 714	1 533
Business volumes, SEK billion								
Lending	161	108	50	161	150	134	122	108
Deposits	93	75	24	93	90	84	78	75
Mutual funds & insurance	17	9	89	17	15	13	11	9
Risk-weighted volume, old principles	163	110	48	163	146	131	121	110
Total assets	211	141	50	211	191	176	156	141
Total liabilities	197	131	50	197	178	165	146	131
Full-time employees	9 461	7 861	20	9 461	8 874	8 442	8 190	7 861

Macroeconomic development

The rapidly emerging Baltic economies showed signs of overheating in early 2007. A labor shortage and rising wages have impacted production costs and the competitiveness of domestic products. Rapid price increases, particularly in the construction and real estate sectors, have led to higher inflation. In June inflation, expressed as the change in the consumer price index over 12 months, was 4.8 percent in Lithuania, 5.8 percent in Estonia and 8.8 percent in Latvia.

Standard & Poor's cut its rating for Latvia during the second quarter and lowered its outlook for Estonia and Lithuania from stable to negative.

The consensus is that economic development will remain positive in the Baltics, but with slightly lower growth.

Interest rates have risen. The 90-day Euribor averaged 4.07 percent during the second quarter, against 3.82 percent in the first quarter and 2.61 percent in the second quarter 2006. In Latvia domestic interest

rates rose substantially during the first quarter in connection with devaluation rumors, and the 90-day Rigibor then averaged 5.21 percent. During the second quarter the average was 9.16 percent. This compares with 4.17 percent in the corresponding quarter a year earlier.

Business volumes

Lending increased by SEK 11bn during the second quarter to SEK 161bn. On an annual basis the increase was 50 percent. The rate of increase measured in euro has gradually decreased from 61 percent on an annual basis in September 2006 to 59 percent in December 2006 and 55 percent in March 2007. The rate is expected to continue to decrease.

In one year lending has increased by 39 percent in Estonia to SEK 63bn, by 66 percent in Latvia to SEK 49bn, by 49 percent in Lithuania to SEK 41bn and by 55 percent in Russia to SEK 8bn. Lending to private customers has increased in one year by 62 percent to SEK 66bn, while corporate lending has increased by 42 percent to SEK 95bn.

Deposits increased by SEK 3bn during the quarter to SEK 93bn. In Estonia deposits have increased in one year by 23 percent to SEK 41bn, in Latvia by 26 percent to SEK 22bn and in Lithuania by 25 percent to SEK 29bn.

A total of 3.2 million cards were in issue, an increase of 11 percent since June 30 of the previous year.

The volume of card transactions cleared grew by 39 percent from the previous year.

Market shares*

The market share for outstanding bank lending was largely unchanged at 44 percent (45) in Estonia, 28 percent (27) in Latvia and 21 percent (22) in Lithuania. The market share for the balance of retail mortgages was 49 percent (50) in Estonia, 29 percent (28) in Latvia and 29 percent (29) in Lithuania.

The market share for the balance of household deposits was 62 percent (63) in Estonia, 29 percent (29) in Latvia and 40 percent (38) in Lithuania.

* Market shares for the first half of 2007 refer to May 2007. Comparative figures refer to the first half of 2006.

Profit trend Q2 2007 vs. Q1 2007

Net profit for the period amounted to SEK 1,180m (995). The return on equity was 32.6 percent (30.8). The cost/income ratio was unchanged at 0.40.

Income increased by 14 percent to SEK 2,330m (2,035).

Net interest income increased by SEK 172m or 13 percent to SEK 1,496m. Further increases in deposit and lending volumes raised net interest income by SEK 99m. The lending margin increased by 5 bp to 2.49 percent, which increased net interest income by SEK 21m. In terms of deposits, the interest margin improved by 52 bp to 2.47 percent mainly due to a higher discount rate, which positively affected net interest income by SEK 115m. Other effects reduced net interest income by SEK 63m.

Net commission income amounted to SEK 485m (432).

Net gains and losses on financial items at fair value amounted to SEK 240m (209).

Other income increased by SEK 39m to SEK 109m through one-time compensation in Lithuania.

Expenses increased by 13 percent to SEK 926m.

Staff costs excluding profit-based compensation increased by SEK 33m or 9 percent due to increases in the number of employees and wages. Profit-based compensation increased by SEK 21m to SEK 141m.

Other expenses increased by SEK 52m or 15 percent.

The number of full-time positions increased by 587 to 9,461, of which by 274 in Estonia, 127 in Latvia, 145 in Lithuania and 41 in Russia. New employees were primarily hired by retail operations.

Loan losses amounted to SEK 87m, a decrease of SEK 33m. The result for the first quarter 2007 was affected by a provision in Latvia for a commitment related to export financing. The quality of the credit portfolio remains high. The loan loss level was 0.23 percent (0.35).

Profit trend Q2 2007 vs. Q2 2006

Profit for the period increased by SEK 619m or 110 percent to SEK 1,180m (561). The return on equity improved to 32.6 percent (23.8) and the cost/income ratio to 0.40 (0.53).

Income increased by 52 percent to SEK 2,330m (1,533).

Net interest income increased by SEK 534m or 56 percent to SEK 1,496m. Further increases in deposit and lending volumes raised net interest income by SEK 397m. The lending margin decreased by 2 bp to 2.49 percent, which reduced net interest income by SEK 8m. In terms of deposits, the interest margin improved by 110 bp to 2.47 percent mainly due to a higher discount rate, which positively affected net interest income by SEK 246m. In other parts of operations net interest income decreased by SEK 101m.

Net commission income increased by SEK 107m to SEK 485m mainly due to higher card and payment commissions. Brokerage and lending commissions also increased.

Net gains and losses on financial items at fair value increased by SEK 136m to SEK 240m mainly due to higher trading income.

Other income increased by SEK 20m to SEK 109m through one-time compensation in Lithuania.

Expenses increased by 13 percent to SEK 926m. During the second quarter 2006 expenses increased by SEK 114m due to a provision for a value-added tax dispute in Russia.

Staff costs excluding profit-based compensation increased by SEK 100m or 35 percent due to increases in the number of employees and wages. Profit-based compensation increased by SEK 54m to SEK 141m.

Other expenses excluding the provision for the VAT dispute increased by SEK 70m or 21 percent mainly due to higher business volumes.

The number of full-time positions increased by 1,600 to 9,461, of which by 478 in Estonia, 484 in Latvia, 494 in Lithuania and 144 in Russia.

Loan losses amounted to SEK 87m, an increase of SEK 8m. The loan loss level was 0.23 percent (0.31).

Profit trend first half 2007 vs. first half 2006

Profit for the period increased by SEK 1,017m or 88 percent to SEK 2,175m (1,158). The return on equity improved to 31.8 percent (26.1) and the cost/income ratio to 0.40 (0.51).

Income increased by 51 percent to SEK 4,365m (2,892).

Net interest income increased by SEK 1,005m or 55 percent to SEK 2,820m. Further increases in deposit

and lending volumes raised net interest income by SEK 794m. The lending margin decreased by 9 bp to 2.47 percent, which reduced net interest income by SEK 69m. In terms of deposits, the interest margin improved by 87 bp to 2.22 percent mainly due to a higher discount rate, which positively affected net interest income by SEK 381m. Other effects reduced net interest income by SEK 101m.

Net commission income increased by SEK 187m to SEK 917m mainly due to higher card and payment commissions. Brokerage and lending commissions also increased.

Net gains and losses on financial items at fair value increased by SEK 229m to SEK 449m mainly due to higher trading income.

Other income increased by SEK 52m to SEK 179m.

Expenses increased by 19 percent to SEK 1,746m.

Staff costs excluding profit-based compensation increased by SEK 178m or 32 percent due to increases in the number of employees and wages. Profit-based compensation increased by SEK 99m to SEK 261m.

Other expenses were largely unchanged at SEK 742m (740). Excluding the cost of the VAT dispute in the first half of 2006, other expenses increased by SEK 146m mainly due to higher business volumes.

The number of full-time positions increased by 1,600 to 9,461, of which by 478 in Estonia, 484 in Latvia, 494 in Lithuania and 144 in Russia.

In the last 12 months 10 new branches have been opened (Estonia – 2 to 96, Latvia + 3 to 76, Lithuania + 8 to 128 and Russia + 1 to 3).

Loan losses amounted to SEK 207m, an increase of SEK 71m. The loan loss level, on the other hand, was unchanged at 0.30 percent.

Estonia

Estonia is the dominant unit in Baltic Banking with approximately half the business area's profit. Estonia accounts for 39 percent (42) of lending and 44 percent (44) of deposits in the business area.

Profit for the period increased by SEK 49m from the first quarter and by SEK 216m from the second quarter 2006 to SEK 563m. The return on equity for the first half year was 40.4 percent (38.7) and the cost/income ratio 0.37 (0.40).

Latvia

Latvia is the second largest unit in Baltic Banking, accounting for 30 percent (28) of lending and 24 percent (23) of deposits.

For the third consecutive year Hansabank was named the most respected company in Latvia and the strongest brand in the country.

A relatively turbulent economy during the spring has positively affected income and profit. Profit for the period increased by SEK 120m from the first quarter and by SEK 178m from the second quarter 2006 to SEK 352m.

The return on equity for the first half year was 32.9 percent (33.9) and the cost/income ratio 0.38 (0.45).

Lithuania

Lithuania accounts for 25 percent (26) of lending and 31 percent (32) of deposits in the business area.

Profit for the period increased by SEK 54m from the first quarter and by SEK 125m from the second quarter 2006 to SEK 260m. The return on equity was 32.3 percent (25.3) and the cost/income ratio 0.45 (0.54).

Russia

The Russian operations comprise retail banking at three branches in Moscow, St. Petersburg and Kaliningrad, leasing services and trade finance.

The Russian bank changed its name during the second quarter from OAO Hansabank to OAO Swedbank.

An audit performed by the Central Bank of Russia in March and April found deficiencies in OAO Swedbank's compliance with local regulations, due to which it restricted certain operations of Swedbank in Russia for a period of three months beginning June 6. The restrictions apply among others to correspondent banking, foreign exchange operations, attracting new business and interbank loans. The central bank has ordered a number of measures that Swedbank must take. Swedbank has produced an action plan and is working intensely to implement it so that its full range of operations can be reestablished this autumn.

Against the backdrop of the government's actions, the previously announced retail banking expansion in Russia by opening new branches has been delayed.

Russia accounts for 5 percent (5) of lending and 1 percent (1) of deposits in the business area.

Profit for the second quarter amounted to SEK 28m, compared with SEK 45m for the first quarter and SEK – 83m for the second quarter 2006. For the first half year net profit amounted to SEK 73m (-90). Profit for the first half of 2006 was charged with a provision of SEK 144m, of which SEK 114m was reported in the second quarter, for a VAT dispute in the leasing operations.

The return on equity for the first half year was 17.7 percent (neg.) and the cost/income ratio was 0.50 (1.31).

Exchange rate effects

The local currencies in Estonia, Latvia and Lithuania are pegged to the euro. The Swedish krona depreciated against the euro by 1 percent during the second quarter. During the first half year the krona weakened by 2 percent. In 12 months the krona's exchange rate has essentially remained unchanged against the euro.

The exchange rate effect of the translation to SEK negatively affected net profit for the period by SEK 29m or 1 percent compared with the first half 2006.

Baltic Banking, Operations and Investment

Profit trend

SEKm	Jan-Jun 2007	Jan-Jun 2006	%	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006
Net interest income	2 621	1 577	66	1 401	1 220	1 118	984	849
Net commission income	917	730	26	485	432	426	380	378
Net gains and losses on financial items at fair value	449	220		240	209	225	178	104
Share of the profit or loss of associates	2	2	0	1	1	2	2	2
Other income	177	125	42	108	69	81	66	87
Total income	4 166	2 654	57	2 235	1 931	1 852	1 610	1 420
Staff costs	-743	-565	32	-388	-355	-334	-279	-288
Profit-based staff costs	-261	-162	61	-141	-120	-137	-106	-87
IT expenses	-148	-110	35	-81	-67	-68	-53	-60
Other expenses	-503	-551	-9	-269	-234	-283	-217	-341
Depreciation/amortization	-139	-131	6	-70	-69	-69	-67	-66
Total expenses	-1 794	-1 519	18	-949	-845	-891	-722	-842
Profit before loan losses	2 372	1 135		1 286	1 086	961	888	578
Loan losses, net	-207	-136	52	-87	-120	-84	-81	-79
Operating profit	2 165	999		1 199	966	877	807	499
Tax expense	-223	-113	97	-129	-94	-73	-69	-67
Profit for the period	1 942	886		1 070	872	804	738	432
Profit for the period attributable to:								
Shareholders of Swedbank AB	1 942	885		1 070	872	806	737	431
Minority interest	0	1		0	0	-2	1	1
Allocated equity	20 977	16 167	30	21 763	20 192	18 824	17 658	16 698
Return on allocated equity, %	18,5	10,9		19,7	17,3	17,1	16,7	10,3
Income items								
Income from external customers	4 166	2 654	57	2 235	1 931	1 852	1 610	1 420
Business volumes, SEK billion								
Lending	162	109	49	162	151	135	123	109
Deposits	93	75	24	93	90	84	78	75
Mutual funds & insurance	17	9	89	17	15	13	11	9
Risk-weighted volume, old principles	164	111	48	164	147	132	122	111
Total assets	223	153	46	223	204	188	168	153
Total liabilities	202	137	47	202	184	170	151	137
Full-time employees	9 461	7 861	20	9 461	8 874	8 442	8 190	7 861

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 the subsidiaries First Securities in Norway and First Securities LLC in New York, the operations of the Norwegian branch and the branches in New York and 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 equity trading and other investment services 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.

Profit trend

SEKm	Jan-Jun 2007	Jan-Jun 2006	%	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006
Net interest income	694	323		295	399	254	263	358
Net commission income	745	809	-8	381	364	341	319	516
Net gains and losses on financial items at fair value	421	701	-40	188	233	351	109	206
Share of the profit or loss of associates	4	0		-1	5	0	0	0
Other income	18	21	-14	8	10	11	9	9
Total income	1 882	1 854	2	871	1 011	957	700	1 089
Staff costs	-324	-288	13	-157	-167	-176	-151	-139
Profit-based staff costs	-339	-367	-8	-161	-178	-169	-109	-235
IT expenses	-122	-111	10	-61	-61	-63	-58	-53
Other expenses	-226	-211	7	-118	-108	-125	-102	-116
Depreciation/amortization	-5	-6	-17	-2	-3	-2	-3	-3
Total expenses	-1 016	-983	3	-499	-517	-535	-423	-546
Profit before loan losses	866	871	-1	372	494	422	277	543
Loan losses, net	-3	4		-3	0	3	4	0
Operating profit	863	875	-1	369	494	425	281	543
Tax expense	-242	-245	-1	-104	-138	-100	-78	-152
Profit for the period	621	630	-1	265	356	325	203	391
Profit for the period attributable to:								
Shareholders of Swedbank AB	549	532	3	236	313	271	181	326
Minority interest	72	98	-27	29	43	54	22	65
Allocated equity	4 118	3 696	11	4 301	3 935	3 493	3 507	3 773
Return on allocated equity, %	26,7	28,8		21,9	31,8	31,0	20,6	34,6
Income items								
Income from external customers	1 732	1 770	-2	798	934	905	646	1 050
Income from transactions with other segments	150	84	79	73	77	52	54	39
Business volumes, SEK billion								
Lending	21	14	50	21	20	16	18	14
Deposits	28	23	22	28	30	22	25	23
Mutual funds & insurance	2	1	100	2	1	1	1	1
Other investment volume	27	20	35	27	25	23	21	20
Risk-weighted volume, old principles	48	44	9	48	54	45	45	44
Total assets	378	333	14	378	400	320	344	333
Total liabilities	374	329	14	374	396	316	341	329
Full-time employees	712	644	11	712	691	668	667	644

Market conditions

For fixed income and foreign exchange trading the second quarter was distinguished by rising international interest rates. Uncertainty about future rates again led to major fluctuations in the Swedish krona and Swedish interest rates. Unpredictable market shifts in turn somewhat slowed earnings compared with the first quarter 2007 and corresponding quarter of 2006.

The securities market continued to generate high activity in the second quarter. On the other hand the

market was considerably more volatile than in the first quarter. The main reason was a rapid rise in interest rates, initiated in the U.S., where the 10-year bond yield quickly rose from 4.7 to 5.3 percent. The corresponding yield in Sweden increased from 4.0 to 4.4 percent.

Despite a more volatile equity market, the Stockholm Stock Exchange still posted a gain of nearly 10 percent in the first half year.

Positive trend in new business and market shares

Activity in Swedbank Markets' areas of operation has remained high. Turnover has increased in a number of areas, as evidenced by stable or rising market shares.

Fixed income and currency trading, the largest product area, is responsible for all customer-related fixed income and foreign exchange transactions in Sweden. The product range consists of everything from simple investment solutions to structured investment or financing solutions in foreign currency designed for specific customer needs.

Activity in the credit bond market has been high. During the second quarter a number of industrial companies issued bonds for the first time in several years. Swedbank Markets has participated in a large number of issues and is one of the leading players in the area.

Turnover in the Swedish foreign exchange market continued to rise. Swedbank Markets maintained its position, substantially raising volume during the year. The number of customers in need of foreign exchange services has also increased, which is primarily evident in continued growth for the Internet trading platform FX Trade, where the number of customers has risen by 60 percent since the beginning of the year.

During the first half year Swedbank Markets greatly improved its share of customer volume in the market for government and mortgage bonds to 14-15 percent.

In addition to responsibility for institutional equity trading, Swedbank Markets' **equity operations** play an important role in providing business support to Swedbank's branch network.

Swedbank's market shares remained stable. Its share of trading on the Stockholm Stock Exchange was 4.1 percent during the first half year, in line with the corresponding year-earlier period. Its market share for trading in warrants increased from 10.9 to 13.9 percent, for market making in index options from 14.3 to 20.2 percent, and for market making in stock futures from 21.7 to 29.4 percent.

The number of online securities customers continued to rise during the second quarter and was 63 percent higher than the first half year 2006. The services launched in autumn 2006 were upgraded during the second quarter to include more functions.

Swedbank is one of the market's two largest issuers of structured products in the Swedish market. The product category mainly consists of various forms of equity linked bonds, SPAX. Swedbank increased its volume of structured products from SEK 6.8bn in the first half year 2006 to SEK 8.5bn in 2007. During the second quarter issue volume was SEK 4.1bn, against slightly over SEK 3.2bn in 2006.

Project & Corporate Finance offers qualified advice to businesses on the debt and equity markets. The positive trend continued during the second quarter, and the level of activity remained high within corporate finance and acquisition finance.

The business area **Group Transaction Services**, which consists of custody, global payment and trade finance operations, reported higher volumes in the second quarter in all areas on a year-to-year basis. Custody increased its revenue during the first half year by 20 percent compared with the first half year 2006. The increase is due to favorable market conditions with larger acquired volumes and higher transaction volumes. Trade Finance's quarterly volumes increased

year-to-year. On the export side China and Russia were again the primary markets during the second quarter.

First Securities is one of Norway's leading brokerages. High activity and demand for services in all areas distinguished a successful first half year. The Oslo Stock Exchange noted strong gains.

During the second quarter the representative office in **Shanghai** was upgraded to a branch.

Awards

In the latest Prospera survey Corporate Finance ranked 3-5 in Sweden in its main segment, the tier 2 segment, out of a total of 18 national and international investment banks with regard to various corporate finance products.

The back office for fixed income and foreign exchange trading was named the best back office in a Prospera survey. And in Prospera's survey in Norway Swedbank Markets' money market back office ranked number 1 ahead of domestic banks.

Profit trend Q2 2007 vs. Q1 2007

Profit for the period decreased by SEK 77m or 25 percent to SEK 236m. The return on equity was 21.9 percent (31.8) and the cost/income ratio 0.57 (0.51). The largest decreases in profit were in First Securities and in fixed income and foreign currency trading.

Income decreased by SEK 140m or 14 percent to SEK 871m, of which income in Norway's First Securities decreased by SEK 95m or 29 percent to SEK 234m.

Expenses decreased by SEK 18m or 3 percent to SEK 499m. First Securities' expenses decreased by SEK 41m to SEK 156m.

Profit trend Q2 2007 vs. Q2 2006

Profit for the period decreased by SEK 90m or 28 percent to SEK 236m. The return on equity was 21.9 percent (34.6) and the cost/income ratio 0.57 (0.50).

Income decreased by SEK 218m or 20 percent to SEK 871m. First Securities' income decreased by SEK 199m or 46 percent.

Expenses decreased by SEK 47m or 9 percent mainly due to lower profit-based compensation. First Securities' expenses decreased by SEK 92m or 37 percent.

Profit trend first half 2007 vs. first half 2006

Profit for the period increased by SEK 17m or 3 percent to SEK 549m. The return on equity was 26.7 percent (28.8) and the cost/income ratio 0.54 (0.53).

Income increased by SEK 28m or 2 percent to SEK 1,882m. First Securities' income decreased by SEK 110m or 16 percent. Fixed income and foreign currency trading accounted for the large part of the increase.

Expenses increased by SEK 33m or 3 percent to SEK 1,016m. Contractual wages increases and new offices in Shanghai and New York contributed to the increase. First Securities' expenses decreased by SEK 45m or 11 percent.

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	Jan-Jun 2007	Jan-Jun 2006	%	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006
Net interest income	43	13		24	19	10	10	5
Net commission income	910	790	15	511	399	395	416	408
Net gains and losses on financial items at fair value	2	-2		1	1	2	2	-5
Share of the profit or loss of associates	0	0		0	0	0	0	0
Other income	105	85	24	50	55	59	48	58
Total income	1 060	886	20	586	474	466	476	466
Staff costs	-157	-131	20	-87	-70	-66	-64	-69
Profit-based staff costs	-21	-23	-9	-15	-6	-6	-12	-12
IT expenses	-75	-49	53	-43	-32	-38	-32	-29
Other expenses	-168	-124	35	-94	-74	-74	-56	-65
Depreciation/amortization	-1	-1	0	0	-1	0	-1	0
Total expenses	-422	-328	29	-239	-183	-184	-165	-175
Profit before loan losses	638	558	14	347	291	282	311	291
Loan losses	0	0		0	0	0	0	0
Operating profit	638	558	14	347	291	282	311	291
Tax expense	-157	-130	21	-88	-69	-70	-74	-69
Profit for the period	481	428	12	259	222	212	237	222
Allocated equity	1 719	1 671	3	1 703	1 735	1 671	1 671	1 672
Return on allocated equity, %	56,0	51,2		60,8	51,2	50,7	56,7	53,1
Income items								
Income from external customers	2 144	1 902	13	1 139	1 005	988	941	946
Income from transactions with other segments	-1 084	-1 016	7	-553	-531	-522	-465	-480
Business volumes, SEK billion								
Mutual funds & insurance	429	360	19	429	415	398	377	360
Other investment volume	212	24		212	23	26	25	24
Risk-weighted volume, old principles	0	0		0	1	1	0	0
Total assets	80	64	25	80	77	71	67	64
Total liabilities	78	62	26	78	75	69	65	62
Full-time employees	327	262	25	327	275	281	269	262

Fund savings, volumes and flows

Contributions to Swedbank Robur's own mutual funds and those it markets amounted to SEK 52.4bn (54.9) during the first half year 2007, while withdrawals amounted to SEK 55.3bn (54.7). Thus, the net outflow from Swedbank Robur's own and brokered funds was SEK 2.9bn, against a net inflow of SEK 0.2bn during the corresponding period of the previous year. In the previous year, however, PPM was included in net contributions in the first half year. Of net contributions, SEK 0.5bn (4.3) was from premium pension investments and SEK 2.3bn (2.6) from unit-linked insurance in Swedbank Insurance.

Swedbank Robur's assets under management amounted to SEK 429bn (398) as of June 30, 2007. The change since the beginning of the year is due to an appreciation in the value of fund assets of SEK 33.9bn mainly from rising stock prices during the year. The institutional asset management operations managed SEK 253bn (63), of which SEK 41bn (37) was invested in Swedbank Robur funds.

SEKbn	Jun 30 2007	Dec 31 2006	Jun 30 2006
Assets under management	429	398	360
<i>of which:</i>			
<i>Swedish equities, %</i>	34,5	33,3	30,9
<i>foreign equities, %</i>	38,3	37,7	36,0
<i>interest-bearing securities, %</i>	27,2	29,0	33,1
Number of customers (thousands)	2 758	2 779	2 783
Unit-linked insurance			
Assets under management	73,3	64,8	59,2
<i>of which in Swedbank Robur's funds</i>	71,8	63,5	57,4
Number of policies (thousands)	881	821	810
Discretionary asset management			
Assets under management	253	63	57
<i>of which in Swedbank Robur's funds</i>	41	37	33

Unit-linked insurance

Sales (premiums paid) of unit-linked insurance during the first half year 2007 amounted to SEK 6.2bn (6.2). Swedbank Insurance's assets under management amounted to SEK 73.3bn (64.8) on June 30. Swedbank Insurance had 881,000 (810,000) policies as of June 30, in addition to around 1 million group life insurance policies.

Market shares

Swedbank Robur's share of net mutual fund contributions was negative (0) during the first half year.

Its market share for assets under management in the fund market was 26 percent (26) on March 31, 2007.

The market share for new unit linked insurance policies was 11 percent (11) as of March 31, 2007.

For Swedish private customers' pension savings Swedbank Robur was the market leader during the first quarter 2007 with a market share of 13 percent (12). In the corporate pension market its share remained low at 5 percent (5).

Fund management results

The majority of Swedbank Robur's funds generated a positive return during the period. Swedish equity funds increased in value by between 12 and 13 percent, while the return on the "Alleman" (public savings) funds was 12 percent.

Balanced funds increased between 3 and 9 percent, while Swedish fixed income funds appreciated in value by -0.2 to 1.5 percent.

The Small Cap Europe, Pacific and Talent Equity Mega funds had the highest returns relative to their indexes. Among equity funds, 86 percent outperformed their comparative indexes and among balanced funds, 92 percent outperformed their indexes.

Morningstar's average rating on Swedbank Robur's funds as of June 30 was 3.25 (3.22).

Cooperation agreement with Folksam

During the first half year an agreement was signed with Folksam, as a result of which Swedbank Robur manages insurance and fund portfolios for Folksam with an aggregate value of SEK 188bn as of June 30. It also means that Swedbank Robur will acquire Folksam Fond AB, a fund management company with 22 funds and SEK 27bn in assets under management. A joint venture

to administer insurance business has been established as well.

Other important events

During the period nine new funds were launched: Protect 90, a fund with a guaranteed return; BRICT, a fund focused on emerging markets; Momentum, a fund that invests in markets with strong performance; three index funds for the institutional market, Stella Sweden and Stella Europe, which are more focused regional funds that invest in a limited number of equities; and Lux China, a China fund denominated in euro.

Swedbank Insurance was selected as one of five providers of unit linked insurance in the ITP procurement. Swedbank Robur has entered into agreements with Nordnet, Avanza and Skandiabanken to distribute Swedbank Robur's funds.

Profit trend Q2 2007 vs. Q1 2007

Profit for the period increased by SEK 37m or 17 percent to SEK 259m. The cost/income ratio was 0.41 (0.39). Income increased by SEK 112m or 24 percent to SEK 586m mainly due to a higher asset volume. The cooperation with Folksam affected income in the second quarter by SEK 14m.

Expenses increased by SEK 56m or 31 percent to SEK 239m. The Folksam agreement led to a cost increase of SEK 36m during the second quarter. Profit-based staff costs also increased.

Profit trend Q2 2007 vs. Q2 2006

Profit for the period increased by SEK 37m or 17 percent. The cost/income ratio was 0.41 (0.38). Income increased by SEK 120m or 26 percent mainly due to a higher asset volume. Expenses increased by SEK 64m or 37 percent mainly due to the Folksam agreement and the expansion of the pension and insurance business.

Profit trend first half 2007 vs. first half 2006

Profit for the period increased by SEK 53m or 12 percent. The cost/income ratio was 0.40 (0.37). Income increased by SEK 174m or 20 percent to SEK 1,060m mainly due to a higher asset volume. Expenses increased by SEK 94m or 29 percent to SEK 422m mainly due to the Folksam agreement and the expansion of the pension and insurance business. The number of full-time positions increased by 65 to 327 mainly as a result of the cooperation with Folksam.

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; and the representative offices in Tokyo and Kiev.

During the second quarter the primary capital certificates in the Norwegian savings bank Nord-Norge were sold. In 2006 the shareholding in SpareBank 1 Gruppen and the primary capital certificates in the Norwegian savings banks Midt-Norge and Rogaland were sold. Consequently there are no remaining interests in Norwegian banks.

Profit trend

SEKm	Jan-Jun 2007	Jan-Jun 2006	%	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006
Net interest income	-123	20		-44	-79	-21	-51	-33
Net commission income	30	0		35	-5	26	-16	1
Net gains and losses on financial items at fair value	12	140	-91	67	-55	189	206	270
Share of the profit or loss of associates	47	28	68	26	21	-51	9	14
Other income	1 577	1 586	-1	756	821	788	732	818
Total income	1 543	1 774	-13	840	703	931	880	1 070
Staff costs	-741	-694	7	-369	-372	-296	-339	-309
Profit-based staff costs	-35	-24	46	-11	-24	-1	-14	-20
IT expenses	-378	-432	-13	-176	-202	-200	-156	-229
Other expenses	-460	-581	-21	-199	-261	-283	-227	-285
Depreciation/amortization	-129	-122	6	-66	-63	-68	-60	-59
Total expenses	-1 743	-1 853	-6	-821	-922	-848	-796	-902
Profit before loan losses	-200	-79		19	-219	83	84	168
Loan losses, net	5	1		1	4	-5	0	4
Operating profit	-195	-78		20	-215	78	84	172
Tax expense	129	210	-39	43	86	-82	48	-9
Profit for the period	-66	132		63	-129	-4	132	163
Allocated equity	8 940	6 063	47	7 701	10 179	5 188	4 648	4 958
Return on allocated equity, %	neg.	4,4		3,3	neg.	neg.	11,4	13,2
Income items								
Income from external customers	533	443	20	297	236	391	312	367
Income from transactions with other segments	1 010	1 331	-24	543	467	540	568	703
Business volumes, SEK billion								
Lending	11	5		11	9	6	5	5
Risk-weighted volume, old principles	17	8		17	16	12	9	8
Total assets	256	210	22	256	278	236	251	210
Total liabilities	253	204	24	253	267	230	245	204
Full-time employees	1 727	1 688	2	1 727	1 715	1 715	1 706	1 688

Nordic branches

Swedbank's branch office in Norway was established in 1998. The money and capital market operations as well as business with financial institutions are part of Swedbank Markets. The branch has historically served Swedish corporate customers with operations in Norway as well as a select number of Norwegian corporate customers. The customer base and credit portfolio have increased substantially in the last two years. As of 2007 greater attention is also being paid to the retail market, which is being cultivated together with EnterCard and First Securities.

Swedbank's branch office in Denmark was established in spring 2005. In autumn 2006 a second branch was opened. The plan is to establish a third branch in 2007. The branches target both retail and corporate customers. The market share among Öresund commuters is estimated at 30 percent.

Swedbank's branch in Finland was founded in autumn 2005. Its focus is on Swedish corporate customers with operations in Finland, Finnish corporate

customers with business in the Baltics and Russia, and a select number of other Finnish corporate customers.

Lending by the Nordic branches amounted to SEK 11bn as of June 30, 2007, an increase of SEK 2bn from the previous quarter and SEK 6bn in one year. The increase was primarily in Norway. The number of full-time positions was 48, an increase of 21 in one year.

Ukraine

In early July Swedbank finalized its acquisition of the Ukrainian bank TAS-Kommerzbank (TAS). Based in Kiev, TAS has 190 branches, 3,000 employees, 135,000 retail customers and 17,000 corporate customers.

The purchase price amounts to USD 735m, including an equity contribution of USD 50m. An additional payment of up to USD 250m is payable in three years, subject to the financial performance of the bank.

The acquisition of TAS is in line with Swedbank's strategy to expand its operations in Eastern Europe, where it is the market leader in the Baltic countries and has developing operations in Russia. A strong growth

outlook, coupled with low penetration for financial services, offers Swedbank the opportunity to establish and develop a meaningful profit contributor.

Shared Services

Shared Services comprises slightly over 1,300 full-time positions and is responsible for IT, back office and other shared support functions in Sweden.

The purchasing process previously introduced in Sweden was implemented in the Baltic countries during the report period. Since the start of the year Swedbank therefore uses uniform routines and coordinates all group purchases.

Shared Services is continuing to improve the efficiency of the bank's processes using structured methodologies. The work is being done in cooperation with Swedish Banking, Baltic Banking and Swedbank Markets. A number of shared projects are also being conducted with the Baltic operations in the areas of IT operations, management and development in order to further improve efficiencies.

Group staffs

The priority duties for the group staffs during the period included preparations for the announced acquisition of TAS Kommerzbank in Ukraine, implementation of the new capital adequacy rules and work with the money laundering directive.

Profit trend Q2 2007 vs. Q1 2007

Profit for the period amounted to SEK 63m (-129). The improvement was mainly due to higher income in Group Treasury, including the internal bank.

The large part of the business area's income is from services sold internally by Shared Services and group functions to other operating areas, primarily Swedish Banking.

Total income increased by SEK 137m or 19 percent to SEK 840m. For the Nordic branches income increased by SEK 8m. Income in the form of dividends and changes in the value of the holding of Norwegian primary capital certificates decreased by SEK 12m. Income from Group Treasury, including the internal

bank, increased by SEK 150m. The share of profit in associates increased by SEK 5m due to improved profit in Värdepapperscentralen, VPC.

Expenses decreased by SEK 101m or 11 percent to SEK 821m. Profit-based staff costs decreased by SEK by SEK 13m. IT and other expenses decreased by SEK 88m.

Profit trend Q2 2007 vs. Q2 2006

Profit for the period decreased by SEK 100m to SEK 63m. The decrease was mainly due to the fact that the current period lacked the same significant appreciation in the value of the shareholding in Norway's SpareBank 1 Gruppen and the primary capital certificates in Norwegian savings banks as in 2006.

Total income decreased by SEK 230m or 21 percent to SEK 840m. Income in the form of dividends and changes in the value of the holdings in SpareBank 1 Gruppen and primary capital certificates was SEK 349m lower. For the Nordic branches income increased by SEK 23m mainly through higher business volumes. Income from Group Treasury, including the internal bank, increased by SEK 118m. The share of profit in associates increased by SEK 12m.

Expenses decreased by SEK 81m or 9 percent to SEK 821m.

Profit trend first half 2007 vs. first half 2006

Profit for the period decreased by SEK 198m to SEK -66m. The decrease was mainly due to lower income from the holdings in SpareBank 1 Gruppen and Norwegian savings banks that have since been sold.

Total income decreased by SEK 231m or 13 percent to SEK 1,543m. Of the decrease, SEK 232m is due to SpareBank 1 Gruppen and the primary capital certificates. For the Nordic branches income increased by SEK 41m mainly through higher business volumes. Income from Group Treasury, including the internal bank, decreased by SEK 32m. The share of profit in associates increased by SEK 19m.

Expenses decreased by SEK 110m or 6 percent to SEK 1,743m.

Eliminations

SEKm	Jan-Jun 2007	Jan-Jun 2006	%	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006
Net interest income	-2	0		6	-8	-7	-3	0
Net commission income	0	0		0	0	1	0	1
Net gains and losses on financial items at fair value	2	-1		-6	8	0	4	-1
Share of the profit or loss of associates	0	0		0	0	0	0	0
Other income	-1 471	-1 487	-1	-737	-734	-705	-694	-764
Total income	-1 471	-1 488	-1	-737	-734	-711	-693	-764
Staff costs	8	2		2	6	16	10	2
Profit-based staff costs	0	0		0	0	0	0	0
IT expenses	479	518	-8	237	242	232	204	269
Other expenses	984	968	2	498	486	463	479	493
Depreciation/amortization	0	0		0	0	0	0	0
Total expenses	1 471	1 488	-1	737	734	711	693	764
Income items								
Income from external customers	-427	-91		-177	-250	-106	-160	-21
Income from transactions with other segments	-1 044	-1 397	-25	-560	-484	-605	-533	-743
Business volumes, SEK billion								
Mutual funds & insurance	-276	-236	17	-276	-267	-257	-245	-236
Other investment volume	-21	-16	31	-21	-20	-18	-16	-16
Total assets	-340	-287	18	-340	-404	-305	-315	-287
Total liabilities	-340	-287	18	-340	-404	-305	-315	-287

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Income statement, group

SEKm	Q2 2007	Q1 2007	%	Q2 2006	%	Jan-Jun 2007	Jan-Jun 2006	%	Full-year 2006
<i>Interest income</i>	15 971	14 751	8	11 168	43	30 722	21 615	42	47 165
<i>Interest expenses</i>	-11 380	-10 250	11	-7 139	59	-21 630	-14 080	54	-31 188
Net interest income	4 591	4 501	2	4 029	14	9 092	7 535	21	15 977
<i>Commission income</i>	3 305	2 998	10	3 047	8	6 303	5 730	10	11 465
<i>Commissions expenses</i>	-753	-709	6	-694	9	-1 462	-1 279	14	-2 596
Net commission income (Note 1)	2 552	2 289	11	2 353	8	4 841	4 451	9	8 869
Net gains and losses on financial items at fair value (Note 2)	579	530	9	786	-26	1 109	1 317	-16	2 738
<i>Insurance premiums</i>	538	369	46	344	56	907	652	39	1 353
<i>Insurance provisions</i>	-447	-290	54	-244	83	-737	-535	38	-1 089
Net insurance	91	79	15	100	-9	170	117	45	264
Share of the profit or loss of associates	95	119	-20	58	64	214	195	10	222
Other income	318	275	16	252	26	593	506	17	1 127
Total income	8 226	7 793	6	7 578	9	16 019	14 121	13	29 197
Staff costs	-2 016	-1 932	4	-1 791	13	-3 948	-3 603	10	-7 253
Profit-based staff costs	-409	-390	5	-412	-1	-799	-704	13	-1 307
Other general administrative expenses	-1 539	-1 454	6	-1 543	0	-2 993	-2 934	2	-5 920
Total general administrative expenses	-3 964	-3 776	5	-3 746	6	-7 740	-7 241	7	-14 480
Depreciation/amortization and impairments of tangible and intangible fixed assets	-160	-161	-1	-156	3	-321	-311	3	-659
Total expenses	-4 124	-3 937	5	-3 902	6	-8 061	-7 552	7	-15 139
Profit before loan losses	4 102	3 856	6	3 676	12	7 958	6 569	21	14 058
Loan losses, net (Note 3)	-102	-49		116		-151	66		205
Operating profit	4 000	3 807	5	3 792	5	7 807	6 635	18	14 263
Tax expense	-856	-851	1	-938	-9	-1 707	-1 477	16	-3 211
Profit for the period	3 144	2 956	6	2 854	10	6 100	5 158	18	11 052
<i>Profit for the period attributable to:</i>									
Shareholders of Swedbank AB	3 112	2 910	7	2 786	12	6 022	5 056	19	10 880
Minority interest	32	46	-30	68	-53	78	102	-24	172
Earnings per share, SEK	6,03	5,65		5,40		11,68	9,81		21,11

See page 35 for number of shares.

Quarterly income statement, group

SEKm	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005	Q3 2005
Net interest income	4 591	4 501	4 303	4 139	4 029	3 506	3 953	3 881
Net commission income	2 552	2 289	2 309	2 109	2 353	2 098	1 896	1 910
Net gains and losses on financial items at fair value	579	530	908	513	786	531	765	768
Net insurance	91	79	80	67	100	17	67	38
Share of the profit or loss of associates	95	119	-26	53	58	137	48	124
Other income	318	275	338	283	252	254	268	1 677
Total income	8 226	7 793	7 912	7 164	7 578	6 543	6 997	8 398
Staff costs	-2 016	-1 932	-1 878	-1 772	-1 791	-1 812	-1 731	-1 700
Profit-based staff costs	-409	-390	-302	-301	-412	-292	-378	-349
Other general administrative expenses	-1 539	-1 454	-1 724	-1 262	-1 543	-1 391	-1 447	-1 182
Total general administrative expenses	-3 964	-3 776	-3 904	-3 335	-3 746	-3 495	-3 556	-3 231
Depreciation/amortization and impairments of tangible and intangible fixed assets	-160	-161	-193	-155	-156	-155	-161	-133
Total expenses	-4 124	-3 937	-4 097	-3 490	-3 902	-3 650	-3 717	-3 364
Profit before loan losses	4 102	3 856	3 815	3 674	3 676	2 893	3 280	5 034
Loan losses, net	-102	-49	72	67	116	-50	-1	-97
Operating profit	4 000	3 807	3 887	3 741	3 792	2 843	3 279	4 937
Tax expense	-856	-851	-928	-806	-938	-539	-675	-817
Profit for the period	3 144	2 956	2 959	2 935	2 854	2 304	2 604	4 120
<i>Profit for the period attributable to:</i>								
Shareholders of Swedbank AB	3 112	2 910	2 913	2 911	2 786	2 270	2 570	4 037
Minority interest	32	46	46	24	68	34	34	83

Capital adequacy

New capital adequacy rules ("Basel II")

On February 1, 2007 Sweden introduced new capital adequacy rules, Basel II. The rules are based on the so-called Basel Accord and are being introduced throughout the EU according to the provisions of the EU's Banking Directive and Capital Requirements Directive. According to the new rules, the capital requirement will be more closely linked to the institute's risk profile. One of the changes is that the minimum capital adequacy requirement for credit risks may now be based on Swedbank's internal risk measurement according to the Internal Ratings-Based Approach ("IRB"), contingent on the permission of the Financial Supervisory Authority. Another important change is that a capital adequacy requirement for operational risks has been added to the existing capital adequacy requirement for credit risks and market risks.

The transition to rules that are based to a greater extent on internal risk measurement entails substantial changes in the minimum capital requirement for the majority of institutions. As a result, capital floors apply during a three-year period through 2009. According to these transitional arrangements, the minimum capital requirement in 2007 may not fall below 95 percent of the capital requirement calculated according to the older rules, with the exception of certain adjustments. In 2008 the floor will be lowered to 90 percent and in 2009 to 80 percent of the capital requirement calculated according to the older rules.

Swedbank has obtained permission from the Swedish FSA to apply IRB

The method will be rolled out in the Swedbank financial companies group during a three-year period. As of 2007 the method is applied in the Swedish business, including the branch offices in New York and Oslo, with the exception of Swedbank Finans, the EnterCard group and certain exposure classes such as the Swedish state and Swedish municipalities, where the method is considered less suitable. In the table in the following page, Swedbank's capital adequacy as of June 30 is shown according to the new rules, with comparable and historical figures according to older rules.

Swedbank financial companies group	According to older rules			
	Jun 30 2007	Jun 30 2007	Dec 31 2006	Jun 30 2006
SEKm				
Primary capital	49 535	50 535	47 497	42 957
Supplementary capital	26 656	27 658	26 067	26 233
Less shares, etc.	-1 867	-2 456	-2 634	-3 081
Capital base	74 324	75 737	70 930	66 109
Risk-weighted assets	552 800	804 338	726 712	663 691
Capital requirement for credit risks, older rules	16 137	62 639	56 657	51 454
Capital requirement for credit risks, IRB	24 277			
Capital requirement for settlement risks	12	12	5	4
Capital requirement for market risks	1 129	1 696	1 475	1 637
<i>whereof risks in the trading book outside VaR</i>	885	1 452	1 277	1 260
<i>whereof currency risks outside VaR</i>	1	1		196
<i>whereof risks where VaR models are applied</i>	243	243	198	181
Capital requirement for operational risks	2 669			
Capital requirement	44 224	64 347	58 137	53 095
Supplement during transition period	15 307			
Capital requirement including supplement	59 531			
Tier 1 capital ratio, % excluding supplement	9,0	6,3	6,5	6,5
Capital adequacy ratio, % excluding supplement	13,4	9,4	9,8	10,0
Capital base in relation to capital requirement excluding supplement	1,68	1,18	1,22	1,25
Tier 1 capital ratio, % including supplement	6,7			
Capital adequacy ratio, % including supplement	10,0			
Capital base in relation to capital requirement including supplement	1,25			

As of June 30, 2007 the Swedbank financial companies group included the Swedbank group, EnterCard Holding AB, Eskilstuna Rekarne Sparbank AB, Färs och Frosta Sparbank AB, Swedbank Sjuhärad AB, Bergslagens Sparbank AB, Vimmerby Sparbank AB and Bankernas Depå AB. The group's insurance companies are not included according to the capital adequacy rules for financial companies groups.

Capital base

As indicated in the table above, tier 1 capital and the capital base are lower when calculated according to the new capital adequacy rules. This is primarily because of a deduction from the capital base for the amount by which the expected loss exceeds the provisions in the accounts for the part of the portfolio calculated according to IRB. Half of this deduction is in tier 1 capital.

These expected losses are estimated according to current laws and regulations and with information from Swedbank's internal risk classification system. Swedbank's calculations are characterized by prudence, so that risks are overestimated rather than underestimated. In addition, the Swedish FSA's instructions have built additional safety margins into the risk classification system. As a result, expected losses according to the new capital adequacy rules exceed the bank's best estimate of loss levels and required provisions.

Capital requirement for credit risks according to older rules

In 2007 the 2006 capital adequacy rules are applied to exposures where IRB is not applied.

Capital requirements for credit risks according to IRB

As indicated in the table above, the capital requirement for the part of the portfolio now calculated according to IRB decreased by 48 percent, from SEK 46 502m to SEK 24,277m. The principal decrease is in the household portfolio, while the effect in the corporate portfolio is mixed. The capital requirement increases significantly for certain credits at the same time it decreases significantly for others. At portfolio level the capital requirement also decreases in the corporate segment, albeit less than in the household segment. Since the first report on the capital requirement for credit risks according to IRB as of March 31, 2007 the methods have been refined, as a result of which the capital requirement has further decreased.

Credit risks, IRB Jun 30, 2007 SEKm	Exposure after credit risk protection	Average risk weight	Capital requirement
Total credit risks, IRB	1 152 443	26%	24 277
<i>whereof institutional exposures</i>	256 997	10%	2 096
<i>whereof corporate exposures</i>	272 352	79%	17 135
<i>whereof retail exposures</i>	592 756	10%	4 655
<i>whereof equity exposures</i>	41	290%	9
<i>whereof other non credit-obligation asset exposures</i>	30 297	16%	382

Market risks

Swedbank has obtained permission from the Swedish FSA to calculate the capital requirement for general interest rate risk in the trading book of Swedbank AB and the Hansabank group with its own Value at Risk model. The permission also covers general and specific share price risk in Swedbank AB as well as currency risk in Swedbank AB and the Hansabank group.

The capital requirement for other market risks therefore relates to specific interest rate risk, share price risk in the Hansabank group, market risks in First Securities' trading book and currency exposures outside Swedbank AB and the Hansabank group. Counterparty risks in the trading book were previously reported as market risks, but are now reported as credit risk according to the new capital adequacy rules.

Operational risk

Swedbank has chosen the standardized method to calculate operational risk. According to the Swedish FSA, Swedbank meets the qualitative requirements to apply this method.

Income statement, parent company

SEKm	Q2 2007	Q1 2007	%	Q2 2007	%	Jan-Jun 2007	Jan-Jun 2006	%	Full-year 2006
<i>Interest income</i>	9 243	8 314	11	5 866	58	17 557	11 159	57	24 972
<i>Interest expenses</i>	-7 393	-6 390	16	-3 929	88	-13 783	-7 710	79	-17 885
Net interest income	1 850	1 924	-4	1 937	-4	3 774	3 449	9	7 087
Dividends received	426	253	68	311	37	679	481	41	1 836
<i>Commission income</i>	1 414	1 392	2	1 634	-13	2 806	3 178	-12	6 202
<i>Commission expenses</i>	-159	-247	-36	-386	-59	-406	-714	-43	-1 404
Net commission income (Note 1)	1 255	1 145	10	1 248	1	2 400	2 464	-3	4 798
Net gains and losses on financial items at fair value (Note 2)	40	113	-65	209	-81	153	557	-73	1 546
Other income	340	270	26	237	43	610	459	33	1 047
Total income	3 911	3 705	6	3 942	-1	7 616	7 410	3	16 314
General administrative expenses									
- Staff costs	-1 606	-1 544	4	-1 513	6	-3 150	-3 033	4	-5 954
- Other expenses	-1 016	-994	2	-1 022	-1	-2 010	-2 026	-1	-4 090
Total general administrative expenses	-2 622	-2 538	3	-2 535	3	-5 160	-5 059	2	-10 044
Depreciation/amortization and impairments of tangible and intangible fixed assets	-65	-64	2	-70	-7	-129	-137	-6	-268
Amortization of goodwill	-29	-30	-3	-29	0	-59	-59	0	-119
Total expenses	-2 716	-2 632	3	-2 634	3	-5 348	-5 255	2	-10 431
Profit before loan losses	1 195	1 073	11	1 308	-9	2 268	2 155	5	5 883
Loan losses, net (Note 3)	-45	42		200		-3	212		479
Impairment of financial fixed assets									-4
Operating profit	1 150	1 115	3	1 508	-24	2 265	2 367	-4	6 358
Appropriations	-4	-4	0	-4	0	-8	-8	0	138
Tax expense	-225	-263	-14	-291	-23	-488	-432	13	-1 461
Profit for the period	921	848	9	1 213	-24	1 769	1 927	-8	5 035

Balance sheet

SEKm	Group			Parent company		
	Jun 30 2007	Dec 31 2006	Jun 30 2006	Jun 30 2007	Dec 31 2006	Jun 30 2006
Assets						
Loans to credit institutions	183 046	161 097	150 180	364 981	322 643	286 688
Loans to the public	1 032 661	946 319	893 206	318 318	273 669	268 112
Interest-bearing securities	104 971	99 600	86 190	108 764	105 960	92 211
Shares and participating interests	83 052	72 589	68 217	43 480	42 733	45 165
- for which customers bear the investment risk	73 714	65 008	58 493			
Derivatives	32 601	23 864	24 854	29 592	22 934	22 798
Other assets	58 595	49 520	51 481	18 905	14 692	15 467
Total assets	1 494 926	1 352 989	1 274 128	884 040	782 631	730 441
Liabilities and equity						
Amounts owed to credit institutions	130 985	130 642	128 886	179 005	174 727	177 441
Deposits and borrowings from the public	426 425	400 035	372 712	332 762	315 490	296 758
Debt securities in issue, etc	631 852	561 208	535 095	191 960	145 581	117 766
Financial liabilities for which customers bear the investment risk	74 135	65 289	58 643			
Derivatives	35 047	31 607	30 815	30 632	25 144	24 919
Other liabilities and provisions	97 692	69 506	58 607	78 621	50 008	46 477
Subordinated liabilities	36 595	34 425	34 512	34 092	32 140	30 491
Untaxed reserves				3 226	3 226	3 358
Equity	62 195	60 277	54 858	33 742	36 315	33 231
- <i>Minority</i>	232	303	341			
- <i>Shareholders</i>	61 963	59 974	54 517	33 742	36 315	33 231
Total liabilities and equity	1 494 926	1 352 989	1 274 128	884 040	782 631	730 441
Assets pledged for own liabilities				67 166	91 792	67 061
Other assets pledged				10 385	11 817	11 165
Contingent liabilities				28 764	39 991	40 302
Commitments				135 592	106 489	94 318

Cash flow statement

SEKm	Group			Parent company		
	Jan-Jun 2007	Jan-jun 2006	Full-year 2006	Jan-Jun 2007	Jan-jun 2006	Full-year 2006
Cash and cash equivalents at beginning of period *)	83 032	89 514	89 514	76 779	96 074	96 074
Operating activities	-47 322	-24 501	-58 747	-13 685	-14 093	-58 955
Investing activities	-250	-427	1 076	27	-74	1 264
Financing activities	53 980	24 315	52 074	29 591	7 120	38 396
Cash flow for the period	6 408	-613	-5 597	15 933	-7 047	-19 295
Exchange rate differences on cash and cash equivalents	531	-382	-885			
Cash and cash equivalents in acquired entities	5	0	0			
Cash and cash equivalents at end of period *)	89 976	88 519	83 032	92 712	89 027	76 779
*) of which, securities pledged for OMX						
- at beginning of period	4 384	2 729	2 729	4 384	2 729	2 729
- at end of period	4 084	2 208	4 384	4 084	2 208	4 384

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. The turnover of interest-bearing securities, bonds and commercial paper during the period was as follows:

Issued (sold) SEK 118bn (115)
Redeemed (bought) SEK -113bn (-129)

Statement of changes in equity, group

SEKm	Minority interest	Shareholders' equity		Total	Total equity
		Capital contributions	Other equity		
Opening balance January 1, 2006	232	14 674	38 963	53 637	53 869
Currency translation from foreign operations	-2		-250	-250	-252
Deferred tax			-61	-61	-61
Net income for the period recognized directly in equity	-2	0	-311	-311	-313
Profit for the period reported via income statement	102		5 056	5 056	5 158
Total profit for the period	100	0	4 745	4 745	4 845
Dividend	-107		-3 865	-3 865	-3 972
Sold to minority	116				116
Closing balance June 30, 2006	341	14 674	39 843	54 517	54 858
Opening balance January 1, 2006	232	14 674	38 963	53 637	53 869
Currency translation of foreign operations	-11		-541	-541	-552
Deferred tax			-137	-137	-137
Net income for the period recognized directly in equity	-11	0	-678	-678	-689
Profit for the period reported via income statement	172		10 880	10 880	11 052
Total profit for the period	161	0	10 202	10 202	10 363
New share issue	20				20
Dividend	-107		-3 865	-3 865	-3 972
Decrease share capital		-299	299	0	
Bonus issue		516	-516	0	
Acquisition from minority	-3				-3
Closing balance December 31, 2006	303	14 891	45 083	59 974	60 277
Opening balance January 1, 2007	303	14 891	45 083	59 974	60 277
Cash flow hedge accounting			-198	-198	-198
Deferred tax considering cash flow hedge accounting			35	35	35
Currency translation of foreign operations	13		277	277	290
Deferred tax considering currency translation of foreign operations			105	105	105
Net income for the period recognized directly in equity	13	0	219	219	232
Profit for the period reported via income statement	78		6 022	6 022	6 100
Total profit for the period	91	0	6 241	6 241	6 332
Dividend	-172		-4 252	-4 252	-4 424
New minority interest on acquisitions of subsidiaries	10				10
Closing balance June 30, 2007	232	14 891	47 072	61 963	62 195

Statement of changes in equity, parent company

SEKm	Restricted equity	Non-restricted equity	Total equity
Closing balance December 31, 2005	17 312	17 702	35 014
Change in accounting policy relating to FFFS 2006:16		155	155
Adjusted opening balance January 1, 2006	17 312	17 857	35 169
Dividend		-3 865	-3 865
Profit for the period		1 927	1 927
Closing balance June 30, 2006	17 312	15 919	33 231
Closing balance December 31, 2005	17 312	17 702	35 014
Change in accounting policy relating to FFFS 2006:16		155	155
Adjusted opening balance January 1, 2006	17 312	17 857	35 169
Dividend		-3 865	-3 865
Reduction of the share capital	-299	299	0
Stock dividend	299	-299	0
Group contribution net		-24	-24
Profit for the period		5 035	5 035
Closing balance December 31, 2006	17 312	19 003	36 315
Opening balance January 1, 2007	17 312	19 003	36 315
Cash flow hedge accounting		-125	-125
Deferred tax		35	35
Net income for the period recognized directly in equity		-90	-90
Profit for the period		1 769	1 769
Total profit for the period		1 679	1 679
Dividend		-4 252	-4 252
Closing balance June 30, 2007	17 312	16 430	33 742

Lending, group

SEKbn	Jun 30 2007	Dec 31 2006	%	Jun 30 2006	%
Private individuals	517,2	479,9	8	443,8	17
<i>of which Swedbank Mortgage AB</i>	401,3	379,2	6	357,4	12
Real estate management	200,8	190,9	5	174,9	15
Retail, hotels, restaurants	37,2	34,1	9	30,8	21
Construction	14,2	12,9	10	12,1	17
Manufacturing	33,2	30,1	10	28,0	19
Transportation	18,9	16,5	15	14,4	31
Forestry and agriculture	47,4	45,3	5	43,3	9
Other service businesses	41,2	36,5	13	30,4	36
Other business lending	74,3	58,8	26	60,2	23
Municipalities	15,4	13,9	11	14,4	7
Total lending to the public, excl. repos	999,8	918,9	9	852,3	17
<i>of which Baltic Banking Operations</i>	161,1	133,6	21	107,6	50
Credit institutions incl. Nat'l Debt Office	72,1	78,4	-8	58,6	23
Repurchase agreements (repos)	143,8	110,1	31	132,5	9
Total lending	1 215,7	1 107,4	10	1 043,4	17

Savings and investments, group

SEKbn	Jun 30 2007	Dec 31 2006	%	Jun 30 2006	%
Deposits from the public					
Households	250,4	223,4	12	209,8	19
Other deposits from the public	161,0	153,3	5	136,6	18
Total deposits from the public	411,4	376,7	9	346,4	19
<i>of which Baltic Banking Operations</i>	92,9	84,4	10	75,0	24
Discretionary asset management *	211,8	25,8		24,3	
Fund assets under management	446,0	411,2	8	369,1	21
<i>of which unit-linked insurance in own companies</i>	71,8	63,5	13	57,4	25
Retail bonds, interest-bearing	1,1	1,1	-2	1,1	0
Retail bonds, equity linked	26,7	23,3	15	20,4	31
Total savings and investments	1 097,0	838,1	31	761,3	44

* excluding investments in Swedbank Robur's funds

Notes

Note 1. Net commission income

Group SEKm	Q2 2007	Q1 2007	Q2 2006	Jan-Jun 2007	Jan-Jun 2006	Full-year 2006
Commission income						
Payment processing	1 143	1 033	995	2 176	1 905	4 010
Lending	178	148	189	326	318	605
Brokerage	242	289	258	531	552	989
Asset management	1 126	972	937	2 098	1 851	3 719
Other securities	15	24	33	39	57	119
Other	601	532	635	1 133	1 047	2 023
Total	3 305	2 998	3 047	6 303	5 730	11 465
Commission expenses						
Payment processing	-400	-370	-356	-770	-664	-1 376
Securities	-73	-70	-62	-143	-116	-240
Other	-280	-269	-276	-549	-499	-980
Total	-753	-709	-694	-1 462	-1 279	-2 596
Total net commission income	2 552	2 289	2 353	4 841	4 451	8 869
Parent company SEKm	Q2 2007	Q1 2007	Q2 2006	Jan-Jun 2007	Jan-Jun 2006	Full-year 2006
Commission income						
Payment processing	474	451	697	925	1 342	2 591
Lending	86	80	119	166	191	346
Brokerage	103	126	119	229	261	460
Asset management	475	452	434	927	871	1 726
Other securities	12	23	31	35	53	100
Other	264	260	234	524	460	979
Total	1 414	1 392	1 634	2 806	3 178	6 202
Commission expenses						
Payment processing	-106	-121	-292	-227	-542	-991
Securities	-42	-44	-39	-86	-75	-154
Other	-11	-82	-55	-93	-97	-259
Total	-159	-247	-386	-406	-714	-1 404
Total net commission income	1 255	1 145	1 248	2 400	2 464	4 798

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

Group SEKm	Q2 2007	Q1 2007	Q2 2006	Jan-Jun 2007	Jan-Jun 2006	Full-year 2006
Trading, derivatives and fair value option						
Shares/participating interests	345	225	428	570	594	1 241
- Of which change in value	20	193	147	213	300	935
- Of which dividend	325	32	281	357	294	306
Interest-bearing instruments	-68	-50	72	-118	418	733
- Of which change in value	-68	-50	72	-118	418	733
Other financial instruments	-36	-51	26	-87	23	-74
- Of which change in value	-36	-51	26	-87	23	-74
Total	241	124	526	365	1 035	1 900
Interest income compensation, claims valued at cost						
	5	6	13	11	35	51
Changes in exchange rates	333	400	247	733	247	787
Total net gains and losses on financial items at fair value	579	530	786	1 109	1 317	2 738
Parent company SEKm	Q2 2007	Q1 2007	Q2 2006	Jan-Jun 2007	Jan-Jun 2006	Full-year 2006
Capital gains/losses						
Shares/participating interests	-168	-196	181	-364	507	1 082
Interest-bearing securities	39	47	211	86	251	652
Total	-129	-149	392	-278	758	1 734
Unrealized changes in value						
Shares/participating interests	112	281	7	393	-214	-392
Interest-bearing securities	-168	-190	-383	-358	57	347
Other financial instruments			74		-56	-397
Total	-56	91	-302	35	-213	-442
Changes in exchange rates	225	171	119	396	12	254
Total net gains and losses on financial items at fair value	40	113	209	153	557	1 546

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

Group SEKm	Q2 2007	Q1 2007	Q2 2006	Jan-Jun 2007	Jan-Jun 2006	Full-year 2006
<i>Loans assessed individually</i>						
The period's write-off for established loan losses	-102	-58	-77	-160	-238	-493
Reversal of previous provisions for anticipated loan losses reported in the period's accounts as established losses	72	39	56	111	133	207
The period's provisions for anticipated loan losses	-44	-106	-95	-150	-160	-222
Recoveries from previous years' established loan losses	55	23	115	78	161	225
Recovered provisions no longer necessary for anticipated loan losses	31	61	59	92	109	264
Net expense for the period	12	-41	58	-29	5	-19
<i>Collective provisions for loans assessed individually</i>						
Allocations/withdrawals from collective provisions	-71	7	89	-64	118	319
<i>Collectively valued homogeneous groups of loans with limited value and similar credit risk</i>						
The period's write-off for established loan losses	-21	-16	-18	-37	-33	-61
Recoveries from previous years' established loan losses	7	7	2	14	4	9
Allocations to/withdrawals from loan loss reserve	-18	-13	-11	-31	-6	-17
The period's net expense for collectively valued homogenous claims	-32	-22	-27	-54	-35	-69
<i>Contingent liabilities</i>						
The period's net expense for discharged guarantees and other contingent liabilities	-7	-6	13	-13	-5	-5
The period's net loan loss expense	-98	-62	133	-160	83	226
Change in the value of property taken over	-4	13	-17	9	-17	-21
Total loan losses, net and change in value of property taken over	-102	-49	116	-151	66	205
Parent company SEKm	Q2 2007	Q1 2007	Q2 2006	Jan-Jun 2007	Jan-Jun 2006	Full-year 2006
<i>Loans assessed individually</i>						
The period's write-off for established loan losses	-85	-41	-61	-126	-195	-398
Reversal of previous provisions for anticipated loan losses reported in the period's accounts as established losses	60	30	50	90	110	171
The period's provisions for anticipated loan losses	-16	-24	-59	-40	-77	-118
Recoveries from previous years' established loan losses	17	5	83	22	99	124
Recovered provisions no longer necessary for anticipated loan losses	19	35	43	54	57	148
Net expense for the period	-5	5	56	0	-6	-73
<i>Collective provisions for loans assessed individually</i>						
Allocations/withdrawals from collective provisions	-15	50	171	35	256	590
<i>Collectively valued homogeneous groups of loans with limited value and similar credit risk</i>						
The period's write-off for established loan losses	-11	-8	-12	-19	-24	-43
Recoveries from previous years' established loan losses	0	0	0	0	0	0
Allocations to/withdrawals from loan loss reserve	-6	-5	-6	-11	0	7
The period's net expense for collectively valued homogenous claims	-17	-13	-18	-30	-24	-36
<i>Contingent liabilities</i>						
The period's net expense for discharged guarantees and other contingent liabilities	-4	-13	8	-17	3	20
The period's net loan loss expense	-41	29	217	-12	229	501
Change in the value of property taken over	-4	13	-17	9	-17	-22
Total loan losses, net and change in value of property taken over	-45	42	200	-3	212	479

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

SEKm	Group			Parent company		
	Jun 30 2007	Dec 31 2006	Jun 30 2006	Jun 30 2007	Dec 31 2006	Jun 30 2006
Book value (before recognized provisions)	1 218 961	1 110 595	1 046 949	684 895	598 037	557 066
Specific provisions for individually assessed claims	-637	-681	-807	-318	-423	-534
Provisions for collectively valued homogeneous groups of claims with limited value and similar credit risk	-148	-124	-161	-78	-67	-74
Collective provisions for individually assessed claims	-2 469	-2 374	-2 595	-1 200	-1 235	-1 569
Total provisions	-3 254	-3 179	-3 563	-1 596	-1 725	-2 177
Book value	1 215 707	1 107 416	1 043 386	683 299	596 312	554 889
Book value of impaired loans	971	825	937	314	323	346
Property taken over to protect claims:						
- Buildings and land	0	1	1	0	0	0
- Shares and participating interests	45	40	45	41	36	40
- Other	2	2	2	0	0	0
Total	47	43	48	41	36	40
Impaired loans as % of total lending	0,08	0,07	0,09	0,05	0,05	0,06
Total provision ratio for impaired loans, % *	185	195	187	224	212	228
Provision ratio for individually identified impaired loans, %	45	50	51	56	60	64

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

Credit risks

Group Sector/branch Jun 30, 2007 SEKm	Book value before provisions	Specific provisions for individually assessed claims	Collective provisions for individually assessed claims	Provisions for collectively assessed homogeneous groups	Book value of loans after provisions	Book value of impaired loans
Private individuals	517 705	45	266	148	517 246	213
Real estate management	201 150	58	261		200 831	88
Retail, hotels, restaurants	37 655	77	417		37 161	119
Construction	14 310	41	74		14 195	59
Manufacturing	33 687	139	342		33 206	94
Transportation	18 980	7	100		18 873	55
Forestry and agriculture	47 453	19	69		47 365	75
Other service businesses	41 404	16	141		41 247	59
Other corporate lending	75 387	232	799		74 356	197
Municipalities, excl. municipal corporates	15 362				15 362	
Lending	1 003 093	634	2 469	148	999 842	959
Credit institutions incl. Nat'l Debt Office	72 085	3			72 082	12
Repurchase agreements - credit institutions incl. Nat'l Debt Office	115 207				115 207	
Repurchase agreements - public	28 576				28 576	
Total lending to credit institutions and the public	1 218 961	637	2 469	148	1 215 707	971

Derivatives

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

Group			
Jun 30, 2007			
Sekm	Interest related	Currency related	Equity related, etc.
Derivatives with positive book values	22 394	7 769	5 585
Derivatives with negative book values	23 366	9 461	5 367
Nominal amount	7 163 137	973 448	71 376

Derivatives with a value of SEK 3,147m have, as a consequence of netting agreements, been recognized net in the balance sheet.

Number of shares in issue

Number of shares in issue	Q2 2007	Q1 2007	Q2 2006	Full-year 2006
Average number of shares outstanding before and after dilution	515 373 412	515 373 412	515 373 412	515 373 412
Number of shares outstanding before and after dilution	515 373 412	515 373 412	515 373 412	515 373 412

Number of shares in issue	Jun 30 2007	Dec 31 2007	Jun 30 2006
Average number of shares outstanding before and after dilution	515 373 412	515 373 412	515 373 412
Number of shares outstanding before and after dilution	515 373 412	515 373 412	515 373 412

Number of employees

Number of full-time employees	Jun 30 2007	Dec 31 2006	Jun 30 2006
Swedish Banking	6 283	6 293	6 209
Baltic Banking	9 461	8 442	7 861
<i>Estonia</i>	3 338	2 941	2 860
<i>Latvia</i>	2 514	2 241	2 030
<i>Lithuania</i>	3 304	3 027	2 810
<i>Russia</i>	305	233	161
Swedbank Markets	712	668	644
Asset Management and Insurance	327	281	262
Shared Services and new operations	1 727	1 715	1 688
Total	18 510	17 399	16 664

The signatures of the Board of Directors and the President

The Board of Directors and the President assure that the interim report for the period January 1, 2007 to June 30, 2007 provides a fair and accurate overview of the operations, financial position and results of the parent company and the group, and that it describes the significant risks and uncertainties faced by the parent company and the companies in the group.

Stockholm, August 7, 2007

Carl Eric Stålberg
Chair

Ulrika Francke
Deputy Chair

Gail Buyske
Board Member

Simon Ellis
Board Member

Berit Hägglund-Marcus
Board Member

Göran Johnsson
Board Member

Anders Nyblom
Board Member

Caroline Sundewall
Board Member

Gith Bengtsson
Board Member
Employee Representative

Monica Hellström
Board Member
Employee Representative

Jan Lidén
President

Review report

Introduction

We have reviewed the interim report for the period January 1, 2007 to June 30, 2007 for Swedbank AB (publ). The Board of Directors and the CEO are responsible for the preparation and presentation of this interim financial information in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden RS and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information for Swedbank AB (publ) is not, in all material aspects, in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and IAS 34.

Stockholm, August 7, 2007

Deloitte AB

Jan Palmqvist
Authorized Public Accountant

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:

Interim report third quarter 2007, October 24, 2007

Year-end report for 2007, February 13, 2008

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