

Swedbank Mortgage

Year-end report

January - December 2008

Stockholm February 12, 2009



- Operating profit amounted to SEK 3,603m (3,828)
- An extra liquidity buffer and extended funding maturities adversely affect the net interest income
- Swedbank Mortgage participates in the Swedish state's guarantee programme

The Swedbank Mortgage Group (in Swedish: Swedbank Hypotek) comprises the parent company, Swedbank Mortgage AB (publ), and the wholly owned subsidiary Swedbank Skog och Lantbruk AB. Swedbank Mortgage is wholly owned by Swedbank AB (publ).

Swedbank Mortgage provides long-term financing for residential housing, commercial properties, municipal investments and agricultural and forestry properties.

On 5 October, Swedbank Mortgage acquired all the credits granted by Swedbank Jordbrukskredit AB, which at the same time changed its name to Swedbank Skog och Lantbruk AB and was deregistered as a credit market company. Going forward, lending for agricultural and forestry properties will be provided directly by Swedbank Mortgage, but with the secondary name Swedbank Jordbrukskredit. The change has no impact on customers.

Catrin Fransson, Executive Deputy President of Swedbank AB, has been appointed new President as of 1 November 2008.

All amounts within parentheses refer to the previous year.

Profit analysis

Operating profit amounted to SEK 3,603m (3,828). Net interest income was SEK 652m lower than the previous year down to SEK 3,481m (4,133). Lower average annual margins combined with higher volumes, explains about SEK 200m of the lower net interest income. However, during the year, the margins on new lending and renewals were higher than the previous year. Due to current market conditions, Swedbank Mortgage has also decided to maintain a large liquidity reserve,

which has affected the net interest income negatively by approximately SEK 200m. Another SEK 250m is due to a mismatch between the maturities of short-term lending and short-term funding.

Swedbank Mortgage applies the fair value option according to IAS 39 on the main part of the balance sheet and accounts for changes in the value of assets and liabilities, including derivatives, in Net gains and losses on items at fair value. The change in value for the year, mainly consisting of unrealized results, amounted to SEK 617m (86) and is mainly due to the large movements in the fixed income market in December.

Expenses and loan losses

Commission expenses, arising from business interchange with the savings banks and the partly owned banks, were SEK 483m (530). Operating expenses were down to SEK 51m (57). Credit risk in the portfolio remains very low. Loan losses amounted to SEK 6m (-43). Provisions for anticipated loan losses were SEK 77m (82) as per 31 December 2008. Loan losses and receivables are specified in notes 2 and 3.

Lending

Lending increased in all customer segments during the year. Loans to the public rose by a nominal amount of SEK 37,334m (49,303), while lending to the agricultural and forestry sector increased by SEK 1,980m (2,889). Loans to the corporate sector increased by SEK 10,970m (1,101), the large part of the increase owing to the transfer of loans that may be included in the collateral for covered bonds from the parent company to Swedbank Mortgage. Swedbank Mortgage's loans to the public amounted to SEK 623,401m (560,633) as per 31

December 2008, of which the change in the market value of the loans accounted for SEK 8,178m (-4,306).

Funding

On 21 April 2008, Swedbank Mortgage converted its long-term funding to covered bonds, which have been the company's primary source of funding since then. The transition took place through a conversion of outstanding long-term funding to covered bonds with a AAA rating from Standard and Poor's and Aaa rating from Moody's. The first international covered bond of one billion euro was issued 15 May. The quality of the covered bonds rests on the very high quality in Swedbank Mortgage's covered loan portfolio, where the average loan-to-value ratio is approximately 45 percent.

During the fourth quarter, covered bonds were issued to the parent company in order to utilize the funding facilities offered by the Riksbank and the National Debt Office, which have provided cost-effective short-term funding. In November, Swedbank Mortgage also decided to participate in the Swedish state's guarantee programme, which guarantees new unsecured funding and covered bonds. At year-end, Swedbank Mortgage had issued SEK 14.7bn in commercial papers to external investors under this guarantee.

Through access to the Riksbank's and the National Debt Office's facilities, as well as a well-diversified funding base that rests on a portfolio of covered loans, Swedbank Mortgage is well-prepared to meet its payment commitments.

On 10 October, Moody's downgraded Swedbank Mortgage's long-term rating to Aa3. The lower rating does not affect Swedbank Mortgage's covered bonds and is expected to have limited impact on the company's funding costs in the short term.

Capital adequacy

New rules on capital adequacy and large exposures, Basel 2, were introduced in 2007. Transitional rules apply in 2008 and 2009, after which Basel 2 will take full effect from 2010. For Swedbank Mortgage, the new rules mean lower capital requirements since the mortgage area is characterized by low risk. According to the new rules, the capital requirement according to Pillar 1, excluding the supplement for the transitional rules, amounted to SEK 4,535m as per 31 December 2008, compared to SEK 28,999m according to the old rules. This corresponds to a capital adequacy ratio, excluding the supplement for the transitional rules, of 49.3 percent, compared to 8.4 percent including the supplement for the transitional rules.

According to the new rules and current transitional rules, the total capital adequacy quotient amounted to 1.05 as per 31 December 2008 (1.11 as per 31 December 2007) and the capital adequacy ratio was 8.4 percent (8.9 as per 31 December 2007), of which the tier 1 capital ratio was 8.4 percent (8.2 as per December 31, 2007).

A specification of capital adequacy is provided in note 7.

Interest rate risk

An increase in market interest rates by one percentage point as per 31 December 2008 would have reduced the fair value of Swedbank Mortgage's interest-bearing assets and liabilities, including derivatives, by SEK 572m (593).

A one percentage point increase in market interest rates would have reduced Swedbank Mortgage's net gains and losses on financial items at fair value by SEK 143m (210) as per 31 December 2008 for financial instruments at fair value.

Risks and uncertainties

The primary risks are credit risk, financial risk and operational risk. Swedbank Mortgage maintains a low-risk profile through a well-diversified credit portfolio and limited financial and operational risks.

In addition to what is stated in this interim report, a description of the company's risks is provided in the annual report for 2007. No significant changes have taken place with regard to the distribution of risks compared to what is stated in the annual report.

Accounting policies

The interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting. The parent company, Swedbank Mortgage AB, prepares its accounts according to the Annual Accounts Act for Credit Institutions and Securities Companies, the directives of the Financial Supervisory Authority and recommendation RFR 2.2 of the Financial Reporting Council. The accounting policies agree with those applied in the annual report for 2007.

Events after 31 December 2008

No significant events have occurred after 31 December 2008.

Annual report

Swedbank Mortgage's annual report will be available to the public online in March.

The Group - Key Financial highlights

2004 - 2008

	2008	2007	2006	2005	2004 *
Lending					
Loans to the public, SEKm	623 401	560 633	510 479	472 058	428 628
Profitability					
Operating profit, SEKm	3 603	3 828	3 759	4 815	4 602
Investment margin **, %	0,56	0,67	0,75	0,98	1,11
Return on equity, %	10,0	10,6	11,5	17,1	17,0
Earnings per share, SEK	116,52	119,70	117,65	150,74	144,04
Capital					
Capital base, SEKm	27 005	26 882	26 823	26 116	23 673
Equity, SEKm	27 612	24 932	24 771	22 065	18 840
Number of shares at beginning/end of period, SEKm	23	23	23	23	23
Equity per share, SEK	1 200,52	1 084,00	1 077,00	959,35	819,13
Total capital adequacy quotient ***	1,05	1,11			
Capital adequacy ratio, % ***	8,4	8,9	9,3	10,1	10,3
Tier 1 Capital ratio, % ***	8,4	8,2	8,6	8,5	8,2
Credit quality					
Loan losses, SEKm	6	-43	-8	-18	-46
Loan loss level, %	0,00	-0,01	-0,00	-0,00	-0,01
Provision ratio for impaired laons, %	41,8	73,9	104,4	96,6	73,3
Share of impaired loans, according to loans to the public, %	0,02	0,01	0,01	0,02	0,04

* According to previously applied accounting policies.

** Calculated as an average over 12 months. Previously calculated as an average for the report period.

*** Swedbank Mortgage AB since 2008. Previous years refer to financial companies group. Since 2007, capital ratios are calculated according to FFFS 2007:1 (Basel 2).

Income Statement

Group

SEKm	Note	2008 Q4	2008 Q3	%	2007 Q4	%	2008 Jan-Dec	2007 Jan-Dec	%
Interest income		8 481	8 272	3	7 134	19	32 150	25 540	26
Interest expenses		-7 637	-7 465	2	-6 144	24	-28 669	-21 407	34
Net interest income		844	807	5	990	-15	3 481	4 133	-16
Commission income		15	16	-6	8	88	58	32	81
Commission expenses		-138	-124	11	-156	-12	-508	-561	-9
Net commission income		-123	-108	14	-148	-17	-450	-529	-15
Net gains and losses on financial items at fair value	1	775	-171		67		617	86	
Other operating income		4	3	33	145	-97	12	152	-92
Total income		1 500	531	182	1 054	42	3 660	3 842	-5
Staff costs		0	2		3		7	14	-50
Other general administrative expenses		10	6	67	9	11	30	29	3
Total general administrative expenses		10	8	25	12	-17	37	43	-14
Depreciation/amortization of tangible and intangible fixed assets		3	3	0	3	0	14	14	0
Total expenses		13	11	18	15	-13	51	57	-11
Profit before loan losses		1 487	520	186	1 039	43	3 609	3 785	-5
Loan losses, net	2	15	1		18	-17	6	-43	
Operating profit		1 472	519	184	1 021	44	3 603	3 828	-6
Tax expense		326	145		289	13	923	1 075	-14
Profit for the period		1 146	374	206	732	57	2 680	2 753	-3
Earnings per share, before and after dilution, SEK		49,83	16,26		31,83		116,52	119,70	

Swedbank Mortgage AB

SEKm	Note	2008 Q4	2008 Q3	%	2007 Q4	%	2008 Jan-Dec	2007 Jan-Dec	%
Interest income		8 573	8 193	5	7 051	22	32 007	25 210	27
Interest expenses		-7 626	-7 452	2	-6 126	24	-28 629	-21 377	34
Net interest income		947	741	28	925	2	3 378	3 833	-12
Dividends received		814					814		
Commission income		14	15	-7	7		53	25	
Commission expenses		-174	-111	57	-144	21	-508	-504	1
Net commission income		-160	-96	66	-137	17	-455	-479	-5
Net gains and losses on financial items at fair value	1	664	-152		59		601	122	
Other operating income		3	2	50	136	-98	12	143	-92
Total income		2 268	495	358	983	131	4 350	3 619	20
Staff costs		0	2		2		7	11	-36
Other general administrative expenses		10	6	67	8	25	30	28	7
Total administrative expenses		10	8	25	10	0	37	39	-5
Depreciation/amortization of tangible and intangible fixed assets		0	0		1		0	1	
Total expenses		10	8	25	11	-9	37	40	-8
Profit before loan losses		2 258	487	363	972	132	4 313	3 579	21
Loan losses, net	2	15	1		17	-12	6	-44	
Operating profit		2 243	486	361	955	135	4 307	3 623	19
Appropriations									
Change in tax allocation reserve		-840					-840		
Tax expense		128	136	-6	269	-52	706	1 016	-31
Profit for the period		1 274	350	264	686	86	2 761	2 607	6

Balance sheet

SEKm	Note	Group		Swedbank Mortgage AB	
		Dec 31 2008	Dec 31 2007	Dec 31 2008	Dec 31 2007
Assets					
Treasury bills eligible for refinancing with central banks		50		50	
Loans to credit institutions	3	106 244	66 838	106 243	98 281
Loans to the public	3	623 401	560 633	623 401	525 164
Derivatives	4	20 256	6 034	20 256	6 030
Other assets		6 138	5 430	6 786	7 403
Total assets		756 089	638 935	756 736	636 878
Liabilities and equity					
Liabilities					
Amount owed to credit institutions		152 776	125 006	153 576	125 006
Debt securities in issue		552 321	464 064	552 321	462 919
Derivatives	4	6 911	4 608	6 911	4 616
Other liabilities		16 469	17 936	16 248	17 868
Subordinated liabilities			2 389		2 389
Total liabilities		728 477	614 003	729 056	612 798
Untaxed reserves				840	
Equity		27 612	24 932	26 840	24 080
Total liabilities and equity		756 089	638 935	756 736	636 878

Financial instruments distributed by valuation category according to IAS 39

Group	Dec 31 2008	Dec 31 2007
Assets		
Treasury bills eligible for refinancing with central banks	50	
valuation category, Fair value through profit or loss, trading	50	
Loans to credit institutions	106 244	66 838
valuation category, Loans and receivables	106 244	66 838
Loans to the public	623 401	560 633
valuation category, Loans and receivables	162 079	117 711
valuation category, Fair value through profit or loss, other	461 322	442 922
Derivatives	20 256	6 034
valuation category, Fair value through profit or loss, trading and derivatives	20 256	6 034
Liabilities		
Amount owed to credit institutions	152 776	125 006
valuation category, Other financial liabilities	40 708	114 552
valuation category, Fair value through profit or loss, other	112 068	10 454
Debt securities in issue	552 321	464 064
valuation category, Other financial liabilities	64 006	
valuation category, Fair value through profit or loss, other	488 315	464 064
Derivatives	6 911	4 608
valuation category, Fair value through profit or loss, trading and derivatives	6 911	4 608
Subordinated liabilities		2 389
valuation category, Other financial liabilities		2 389

Cash flow statement

SEKm	Group		Swedbank Mortgage AB	
	Jan-Dec 2008	Jan-Dec 2007	Jan-Dec 2008	Jan-Dec 2007
Cash and cash equivalents at beginning of period *	22 572	900	21 778	461
Cash flow from operating activities	-12 746	-18 213	-13 053	-18 568
Cash flow from investing activities			1 100	
Cash flow from financing activities	55 904	39 885	55 904	39 885
Cash flow for the period	43 158	21 672	43 951	21 317
Cash and cash equivalents at end of period *	65 730	22 572	65 729	21 778

* of which securities for OMX AB

at beginning of period

99

99

at end of period

Statement of changes in equity

Group

SEKm	Equity attributable to shareholders of Swedbank Mortgage AB			
	Share capital	Other capital contributions	Other equity	Total equity
Opening balance January 1, 2007	11 500	2 400	10 871	24 771
Group contribution			-3 600	-3 600
Tax due to Group contribution			1 008	1 008
Profit for the period			2 753	2 753
Closing balance December 31, 2007	11 500	2 400	11 032	24 932
Opening balance January 1, 2008	11 500	2 400	11 032	24 932
Profit for the period			2 680	2 680
Closing balance December 31, 2008	11 500	2 400	13 712	27 612

Swedbank Mortgage AB

SEKm	Share capital	Statutory reserve	Non-	
			restricted equity	Total equity
Opening balance January 1, 2007	11 500	3 100	9 465	24 065
Group contribution			-3 600	-3 600
Tax due to Group contribution			1 008	1 008
Profit for the period			2 607	2 607
Closing balance December 31, 2007	11 500	3 100	9 480	24 080
of which conditional shareholders' contributions			2 400	2 400
Opening balance January 1, 2008	11 500	3 100	9 480	24 080
Profit for the period			2 761	2 761
Closing balance December 31, 2008	11 500	3 100	12 240	26 840
of which conditional shareholders' contributions			2 400	2 400

Notes

Note 1 Net gains and losses on financial items at fair value

Group	2008	2008	2007	2008	2007
SEKm	Q4	Q3	Q4	Jan-Dec	Jan-Dec
Valuation category, Fair value through profit or loss					
<i>Trading and derivatives</i>					
Interest-bearing securities	3 395	7 710	5 316	10 659	7 132
<i>Other</i>					
Interest-bearing securities	-2 632	-7 883	-5 250	-10 061	-7 061
Total	763	-173	66	598	71
Interest income compensation, loans valued at cost	12	2	1	19	15
Changes in exchange rates	0	0	0	0	0
Total	775	-171	67	617	86

Swedbank Mortgage AB	2008	2008	2007	2008	2007
SEKm	Q4	Q3	Q4	Jan-Dec	Jan-Dec
Valuation category, Fair value through profit or loss					
<i>Trading and derivatives</i>					
Interest-bearing securities	3 284	7 729	5 308	10 643	7 168
<i>Other</i>					
Interest-bearing securities	-2 632	-7 883	-5 250	-10 061	-7 061
Total	652	-154	58	582	107
Interest income compensation, loans valued at cost	12	2	1	19	15
Changes in exchange rates	0	0	0	0	0
Total	664	-152	59	601	122

Note 2 Loan losses, net

Group	2008	2008	2007	2008	2007
SEKm	Q4	Q3	Q4	Jan-Dec	Jan-Dec
Loans assessed individually					
The period's write-off for established loan losses	2	1	4	4	17
Reversal of previous provisions for anticipated loan losses reported in the period's accounts as established	-1		0	-1	-7
The period's provisions for anticipated loan losses	7	1	2	16	4
Recoveries from previous year's established loan losses	0	0	0	-2	-33
Recovered provisions for anticipated loan losses	0	-1	0	-6	-7
The period's net expense for loans assessed individually	8	1	6	11	-26
Collective provisions for loans assessed individually					
Allocation to/withdrawal from collective provisions	1	1	4	-15	-32
The period's net expense for collective provisions for loans assessed individually	1	1	4	-15	-32
Collectively assessed homogenous groups of loans with limited value and similar credit risk					
The period's write-off for established loan losses	7	1	2	11	6
Recoveries from previous year's established loan losses	0	-1	0	-2	0
Allocations to/withdrawal from loan loss reserve	-1	-1	7	1	10
The period's net expense for collectively assessed loans	6	-1	8	10	15
The period's net loan loss expense	15	1	18	6	-43
Loan losses distributed by valuation category					
Loans and receivables	4	1	3	2	-9
Fair value through profit or loss	11	0	15	4	-34
Total	15	1	18	6	-43

The loan losses refer to the borrower category general public.

Swedbank Mortgage AB	2008	2008	2007	2008	2007
SEKm	Q4	Q3	Q4	Jan-Dec	Jan-Dec
Loans assessed individually					
The period's write-off for established loan losses	2	1	3	4	16
Reversal of previous provisions for anticipated loan losses reported in the period's accounts as established	-1		0	-1	-7
The period's provisions for anticipated loan losses	7	1	2	16	4
Recoveries from previous year's established loan losses	0	0	0	-2	-33
Recovered provisions for anticipated loan losses	0	-1	0	-6	-7
The period's net expense for loans assessed individually	8	1	5	11	-27
Collective provisions for loans assessed individually					
Allocation to/withdrawal from collective provisions	1	1	4	-15	-32
The period's net expense for collective provisions for loans assessed individually	1	1	4	-15	-32
Collectively assessed homogenous groups of loans with limited value and similar credit risk					
The period's write-off for established loan losses	7	1	2	11	6
Recoveries from previous year's established loan losses	0	-1	0	-2	0
Allocations to/withdrawal from loan loss reserve	-1	-1	7	1	10
The period's net expense for collectively assessed loans	6	-1	8	10	15
The period's net loan loss expense	15	1	17	6	-44
Loan losses distributed by valuation category					
Loans and receivables	4	1	3	2	-9
Fair value through profit or loss	11	0	14	4	-35
Total	15	1	17	6	-44

The loan losses refer to the borrower category general public.

Note 3 Loans to credit institutions and loans to the public

SEKm	Group		Swedbank Mortgage AB	
	31 dec 2008	31 dec 2007	31 dec 2008	31 dec 2007
Book value before accounting for provisions	729 722	627 553	729 721	623 526
Specific provisions for individually assessed loans	-34	-25	-34	-24
Collective provisions for loans assessed individually	-13	-28	-13	-28
Provisions for collectively assessed homogenous groups of loans with limited value and similar credit risk	-30	-29	-30	-29
Total provisions	-77	-82	-77	-81
Book value	729 645	627 471	729 644	623 445

Book value of impaired loans	121	57	121	54
Total provision ratio for impaired loans, %	41.8	73.9	41.8	75.3
Provision ratio for individually identified impaired loans, %	34.8	48.9	34.8	49.4
Share impaired loans, %	0.02	0.01	0.02	0.01

Lending distributed by sector/branch

Group SEKm	Privat individuals	Real estate manage- ment	Other corporate lending	Munici- palities	Total loans to the public	Credit- institutions	Total
							Total lending
Book value before provisions	509 682	100 838	7 150	5 809	623 479	106 244	729 722
Specific provisions for individually assessed loans	-2	-32	-1		-34		-34
Collective provisions for loans assessed individually		-13			-13		-13
Provisions for collectively assessed homogenous groups of loans with limited value and similar credit risks	-30				-30		-30
Book value after provisions	509 650	100 793	7 149	5 809	623 401	106 244	729 645
Book value of impaired loans	75	46			121		121

Note 4 Derivatives

Swedbank Mortgage trades in derivatives for the purpose of hedging certain positions with regard to the value of interest rates and foreign currencies.

Group SEKm	December 31, 2008			December 31, 2007		
	Interest rate	Foreign exchange	Total	Interest rate	Foreign exchange	Total
Derivatives related to:						
Derivatives with positive value	8 447	11 809	20 256	1 948	4 086	6 034
Derivatives with negative value	6 657	254	6 911	1 588	3 020	4 608
Nominal value	326 386	82 125	408 511	219 363	223 965	443 328

Credit derivatives in Swedbank Mortgage Group

On December 31 2007, Swedbank Mortgage had a Credit Default Swap with a book value of SEK -0m and nominal value of SEK 5,800m. On December 31 2008 there were no Credit Default Swaps.

Note 5 Assets pledged, contingent liabilities and commitments

SEKm	Group		Swedbank Mortgage AB	
	Dec 31 2008	Dec 31 2007	Dec 31 2008	Dec 31 2007
Contingent liabilities				
Loan guarantees		1 132		1 132
Assets pledged				
Securities pledged for own liabilities *	567 362		567 362	
Securities pledged for other liabilities	50		50	
Commitments, nominal amounts				
Letters of credit granted but not utilized	14 113	11 620	14 113	11 232
Total	581 525	12 752	581 525	12 364

* Consists of collateral for covered bonds. Collateral refers to the customer's nominal debt including accrued interest.

Note 6 Related parties

The following headings in the balance sheet and income statement include transactions with Swedbank AB in the amounts specified.

SEKm	Group		Swedbank Mortgage AB	
	Dec 31 2008	Dec 31 2007	Dec 31 2008	Dec 31 2007
Assets				
Loans to credit institutions	106 228	66 233	106 228	65 627
Derivatives	19 925	2 051	19 925	2 051
Other assets	26	22	26	21
Prepaid expenses and accrued income	2 171	38	2 171	38
Total	128 350	68 344	128 351	67 737
Liabilities				
Amounts owed to credit institutions	152 527	124 637	152 527	124 637
Derivatives	6 787	1 559	6 787	1 559
Other liabilities		3 600		3 600
Accrued expenses and prepaid income	116	6 438	116	6 435
Total	159 430	136 234	159 430	136 231
Income statement				
Interest income	3 870	2 341	3 813	2 334
Interest expenses	-4 806	-4 270	-4 806	-4 270
Net gains and losses on financial items at fair value	11 013	1 957	11 013	1 957
Commission expenses	-116	-33	-116	-30
General administrative expenses	-5	145	-5	145
Total	9 956	140	9 899	136

Note 7 Capital adequacy

For Swedbank Mortgage, the Basel 2 capital adequacy rules mean that the minimum capital requirement for credit risks, with the approval of the Financial Supervisory Authority, will be based on an internal risk classification according to an Internal Ratings-based Approach ("IRB") developed by Swedbank. For a small portion of lending, the capital requirement is calculated for credit risks according to the old rules. The capital requirement for operational risk is calculated according to the standard method, with the approval of the Financial Supervisory Authority.

Special transitional rules that apply during a transitional period until 2009 gradually reduce the capital requirement because of the new rules. The transitional rules mean that the minimum capital requirement in 2008 and 2009 may not fall below 90 and 80 percent of the capital requirement calculated according to the old rules.

Until 5 October 2008 Swedbank Mortgage's financial companies group comprised Swedbank Mortgage AB and Swedbank Jordbrukskredit AB. When Swedbank Mortgage AB on the same date acquired all the credits granted by Swedbank Jordbrukskredit AB, the latter company changed its name and was deregistered as a credit market company, and therefore is no longer included in Swedbank Mortgage's financial companies group.

SEKm	Swedbank Mortgage Dec 31 2008	Financial companies group Dec 31 2007
Primary capital	27 005	24 705
Supplementary capital	0	2 177
Capital base	27 005	26 882
Risk-weighted assets	320 560	301 474
Capital requirement for credit risks, IRB	4 074	3 862
Capital requirement for operational risks	461	532
Capital requirement	4 535	4 394
Supplement during transition period	21 110	19 724
Capital requirement including supplement	25 645	24 118
Tier 1 capital ratio, % excluding supplement	49.3	45.0
Capital adequacy ratio, % excluding supplement	49.3	48.9
Capital base in relation to capital requirement excluding supplement	5.96	6.12
Tier 1 capital ratio, % including supplement	8.4	8.2
Capital adequacy ratio, % including supplement	8.4	8.9
Capital base in relation to capital requirement including supplement	1.05	1.11

Swedbank Mortgage's rating

	S&P	Moody's	Fitch
Covered Bonds	AAA	Aaa	
Long-term		Aa3	AA-
Short-term	A-1	P-1	F1+

On 10 October, Moody's downgraded Swedbank Mortgage's long-term rating to Aa3. The lower rating does not affect Swedbank Mortgage's covered bonds and is expected to have little impact on the company's funding costs in the short term.

Signatures of the Board of Directors and the President

The Board of Directors and the President certify that the year-end report for 2008 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 February 9, 2009

Jan Lidén
Chairman

Kjell Hedman
Deputy Chairman

Catrin Fransson
President

Lars Ljungälv

Ingvar Svensson

Ragnar Udin

Review Report

Introduction

We have reviewed the year-end report for Swedbank Mortgage AB (publ) for 2008. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report 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 report 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 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 interim report for Swedbank Mortgage 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, February 9, 2009

Deloitte AB

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