

Profit for 2007 increased by 10 percent compared with 2006

- Profit for the period increased by 10 percent to SEK 11,996m (10,880)
- Earnings per share increased by 10 percent to SEK 23.28 (21.11)
- The proposed dividend is raised by 9 percent to SEK 9.00 (8.25)
- The return on equity was 18.9 percent (19.3)
- The cost/income ratio improved to 0.51 (0.52)
- Net interest income increased by 20 percent to SEK 19,157m (15,977)
- Operating profit increased by 9 percent to SEK 15,586m (14,263)
- Loan losses amounted to SEK 619m (-205), corresponding to a loan loss ratio of 0.07 percent (-0.02)
- The tier 1 capital ratio was 8.5 percent according to the new rules and 6.2 percent according to the transitional rules (6.5 percent on December 31, 2006 according to the old rules).

Profit for fourth quarter increased by 8 percent compared with third quarter 2007

- Profit for the period increased by 8 percent to SEK 3,108m (2,866)
- Earnings per share increased by 8 percent to SEK 6.03 (5.57)
- The return on equity improved to 18.8 percent (18.1)
- The cost/income ratio was unchanged at 0.51 (0.51)
- Net interest income increased by 9 percent to SEK 5,259m (4,806)
- Operating profit increased by 12 percent to SEK 4,110m (3,669)
- Loan losses amounted to SEK 238m (230), corresponding to a loan loss ratio of 0.09 percent (0.09).

The CEO comments on the results

Swedbank had a good finish to a successful year. In terms of profit, 2007 was the bank's best year ever, despite the turbulence in the financial markets in the autumn.

Over the year the bank continued to develop alongside its customers, resulting in strong growth in deposits, lending and payment services in all major markets. Net interest income and net commission income have both increased significantly, giving us a stable foundation for continued profitability in 2008. Swedbank's financial risks are and will remain low.

In Sweden, we have improved our position in several areas such as mortgages, the corporate market and private banking. Operations are distinguished by a stable, high level of earnings and low risk.

In the Baltics, we reported record profit, in spite controlled lending growth in line with the respective governments' efforts to achieve a more balanced macroeconomy in the region. We expect the process of readjustment to continue and are confident in the continuing development of the Baltic economies and in the convergence of long-term living standards with those of the Nordic region.

Operations in Ukraine have developed very well, confirming the tremendous future opportunities in this banking market.

Financial summary for the group

SEKm	Q4	Q3	%	Q4	%	Full-year	Full-year	%
	2007	2007		2006		2007	2006	
Net interest income	5,259	4,806	9	4,303	22	19,157	15,977	20
Net commission income	2,536	2,503	1	2,309	10	9,880	8,869	11
Net gains and losses on financial items at fair value	386	196	97	908	-57	1,691	2,738	-38
Other income	693	526	32	392	77	2,196	1,613	36
Total income	8,874	8,031	10	7,912	12	32,924	29,197	13
Staff costs	2,633	2,412	9	2,180	21	9,792	8,560	14
Other expenses	1,893	1,720	10	1,917	-1	6,927	6,579	5
Total expenses	4,526	4,132	10	4,097	10	16,719	15,139	10
Profit before loan losses	4,348	3,899	12	3,815	14	16,205	14,058	15
Loan losses, net	238	230	3	-72		619	-205	
Operating profit	4,110	3,669	12	3,887	6	15,586	14,263	9
Tax expense	950	793	20	928	2	3,450	3,211	7
Profit for the period	3,160	2,876	10	2,959	7	12,136	11,052	10
Profit for the period attributable to the shareholders of Swedbank AB	3,108	2,866	8	2,913	7	11,996	10,880	10

Key ratios	Q4	Q3	Q4	Full-year	Full-year
	2007	2007			
Return on equity, %	18.8	18.1	19.8	18.9	19.3
Earnings per share, SEK ¹⁾	6.03	5.57	5.65	23.28	21.11
C/I ratio before loan losses	0.51	0.51	0.52	0.51	0.52
Equity per share, SEK ¹⁾	131.96	124.89	116.37	131.96	116.37
Tier 1 capital ratio, % excluding complement ²⁾	8.5	8.6	6.5	8.5	6.5
Capital adequacy ratio, % excluding complement ²⁾	12.7	13.1	9.8	12.7	9.8
Total capital quotient ²⁾	1.59	1.63	1.22	1.59	1.22
Tier 1 capital ratio, % including complement ³⁾	6.2	6.2	6.5	6.2	6.5
Capital adequacy ratio, % including complement ³⁾	9.3	9.4	9.8	9.3	9.8
Loan loss ratio, net, %	0.09	0.09	-0.03	0.07	-0.02
Share of impaired loans, %	0.13	0.14	0.07	0.13	0.07
Total provision ratio for impaired loans, %	120	138	195	120	195

1) The number of shares is specified on page 40.

2) 2007 according to new rules, 2006 according to older rules. See page 29.

3) 2007 according to transitional rules, 2006 according to older rules.

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

Balance sheet data SEKbn	Dec 31	Dec 31	%
	2007	2006	
Loans to the public	1,135	946	20
Deposits and borrowings from the public	458	400	15
Shareholders' equity	68	60	13
Total assets	1,608	1,353	19
Risk weighted assets, old rules	892	727	23
Risk weighted assets, new rules	600		
Risk weighted assets, transition rules	822		

Group profit trend, Q4 2007 vs. Q3 2007

Improved profit

- Profit for the period increased by 8 percent to SEK 3,108m (2,866)
- Earnings per share increased to SEK 6.03 (5.57)
- The return on equity improved to 18.8 percent (18.1)
- Operating profit increased by 12 percent to SEK 4,110m (3,669)
- Income increased by 10 percent to SEK 8,874m (8,031)
- Net interest income increased by 9 percent to SEK 5,259m (4,806)
- Net commission income increased to SEK 2,536m (2,503)
- Net gains and losses on financial items at fair value increased to SEK 386m (196)
- Expenses increased by 10 percent to SEK 4,526 m (4,132)
- The cost/income ratio was 0.51 (0.51)
- Loan losses increased marginally to SEK 238m (230)
- The effective tax rate increased to 23 percent (22).

Strong increase in income

Income increased by 10 percent to SEK 8,874m (8,031). Net interest income, net gains and losses on financial items at fair value and net insurance accounted for the large part of the increase.

Net interest income increased by 9 percent to SEK 5,259m (4,806). Net interest income from the lending portfolio increased by SEK 57m despite continued margin pressure. Net interest income from deposits increased by SEK 182m due to volume increases and higher interest margins. Net interest income from other operations, mainly trading, increased by SEK 214m.

Net commission income increased marginally to SEK 2,536m (2,503). Income from corporate finance, mainly First Securities, increased substantially, while asset management commissions decreased.

Net gains and losses on financial items at fair value increased to SEK 386m (196) despite continued turbulence in the financial markets during the fourth quarter. The change in the value of lending, funding and derivatives in Swedbank Mortgage amounted to SEK 66m (-129) during the quarter.

Net insurance increased to SEK 279m (99) mainly through withdrawals from certain technical reserves for loan insurance.

The **share of the profit or loss in associates** decreased to SEK 70m (140), in part due to lower profit in the with Barclay's Bank jointly ventured company EnterCard and certain partly owned banks.

Other income, which seasonally increases in the fourth quarter, amounted to SEK 344m (287).

Expenses

Group **expenses** increased by 10 percent to SEK 4,526m (4 132). Fourth-quarter expenses are always higher on a seasonal basis.

Staff costs increased to SEK 2,633m (2,412). The increase was mainly due to higher profit-based costs.

Other general administrative expenses increased to SEK 1,893m (1,720) mainly due to higher IT and marketing expenses.

Loan losses

Loan losses amounted to a net of SEK 238m (230). Credit quality in the group remains strong. Loan losses and claims are specified in Notes 3 and 4.

Tax rate

Profit before tax amounted to SEK 4,110m (3,669) and the **tax expense** was SEK 950m (793), giving an effective tax rate of 23 percent (22). The higher tax rate in the fourth quarter is due to the fact that a larger share of the profit was generated by the Swedish operations.

Group profit trend, Q4 2007 vs. Q4 2007

Steady profit growth

- Profit for the period increased by 7 percent to SEK 3,108m (2,913)
- Earnings per share increased to SEK 6.03 (5.65)
- The return on equity was 18.8 percent (19.8)
- Operating profit improved by 6 percent to SEK 4,110m (3,887)
- Income increased by 12 percent to SEK 8,874m (7,912)
- Net interest income increased by 22 percent to SEK 5,259m (4,303)
- Net commission income increased by 10 percent to SEK 2,536m (2,309)
- Net gains and losses on financial items at fair value decreased to SEK 386m (908)
- Expenses increased by 10 percent to SEK 4,526m (4,097)
- The cost/income ratio improved to 0.51 (0.52)
- Loan losses amounted to SEK 238m (-72)
- The effective tax rate decreased to 23 percent (24).

Income increased

Income increased by 12 percent to SEK 8,874m (7,912) mainly through higher net interest and net commission income.

Net interest income increased by 22 percent to SEK 5,259m (4,303). Net interest income from the lending portfolio increased by SEK 342m despite continued margin pressure. Net interest income from deposits increased by SEK 631m due to volume increases and higher interest margins. Net interest income from other operations decreased by SEK 17m.

Net commission income increased by 10 percent to SEK 2,536m (2,309). All income classes developed positively. Corporate finance commissions accounted for the largest increase.

Net gains and losses on financial items at fair value decreased to SEK 386m (908). One reason was that during the quarter Swedbank Markets' trading results were recognized to a significantly greater extent as net interest income rather than as net gains and losses on financial items at fair value.

Net insurance increased to SEK 279m (80) due to increased insurance income and withdrawals from certain technical reserves for loan insurance.

The **share of the profit or loss in associates** increased to SEK 70m (-26). The negative result in the previous year was mainly caused by impairment losses in Värdepapperscentralen, VPC.

Other income increased marginally to SEK 344m (338).

Expenses increased

Expenses increased by SEK 429m or by 10 percent to SEK 4,526m (4,097). The expense increase was mainly due to the growing Baltic and international operations. Swedbank Robur's agreement with Folksam also contributed.

Staff costs increased by SEK 453m or 21 percent to SEK 2,633m (2,180). Profit-based staff costs, which increased by SEK 220m, and the rapidly growing operations outside Sweden were the main reasons, although contractual salary increases in Sweden also contributed.

Other general administrative expenses decreased marginally to SEK 1,893m (1,917). A VAT refund of SEK 60m in Russia and expenses in the previous year to launch the new brand were the main reasons.

Loan losses

Loan losses amounted to a net of SEK 238m (-72), corresponding to a loan loss ratio of 0.09 percent (-0.03).

Lower tax rate

Profit before tax amounted to SEK 4,110m (3,887) and the **tax expense** was SEK 950m (928), giving an effective tax rate of 23 percent (24).

Group profit trend, 2007 vs. 2006

Profit for the period increased 10 percent

- Profit for the period increased by 10 percent to SEK 11,996m (10,880)
- Earnings per share increased to SEK 23.28 (21.11)
- The return on equity was 18.9 percent (19.3)
- Operating profit increased by 9 percent to SEK 15,586m (14,263)
- Income increased by 13 percent to SEK 32,924m (29,197)
- Net interest income increased by 20 percent to SEK 19,157m (15,977)
- Net commission income increased by 11 percent to SEK 9,880m (8,869)
- Net gains and losses on financial items at fair value amounted to SEK 1,691m (2,738)

- Expenses increased by 10 percent to SEK 16,719m (15,139)
- The cost/income ratio improved to 0.51 (0.52)
- Loan losses amounted to SEK 619m (-205)
- The effective tax rate decreased to 22 percent (23).

Income increased

Income increased by 13 percent to SEK 32,924m (29,197) mainly through higher net interest and net commission income.

Net interest income increased by 20 percent to SEK 19,157m (15,977). Net interest income from the lending portfolio increased by SEK 1,236m through volume increases and despite continued margin pressure. Net interest income from deposits increased by SEK 2,342m due to volume increases and higher interest margins. Net interest income from other operations decreases by SEK 398m.

Net commission income increased by 11 percent to SEK 9,880m (8,869). This is mainly due to higher income from asset management and payment services.

Net gains and losses on financial items at fair value amounted to SEK 1,691m (2,738). During the second half of 2007 income was negatively affected by turbulence in the financial markets. Income during the previous year was positively affected by SEK 267m from the change in the value of Norwegian primary capital certificates and the shareholding in SpareBank 1 Gruppen.

Net insurance increased to SEK 548m (264) due to higher insurance income and withdrawals from certain technical reserves for loan insurance.

The **share of the profit or loss in associates** increased to SEK 424m (222) mainly through improved profit in EnterCard and VPC.

Other income increased by 9 percent to SEK 1,224m (1,127) in part due to income from the sale of CEK AB.

Controlled increase in expenses

Expenses increased by SEK 1,580m or by 10 percent to SEK 16,719m (15,139), which is largely due to structural changes and rapid growth outside Sweden.

Staff costs increased by SEK 1,232m or by 14 percent to SEK 9,792m (8,560). Profit-based compensation accounted for SEK 351m of the increase. Rapid growth in the Baltics, salary increases, the acquisition of the Ukrainian banking operations, Söderhamns Sparbank and the Folksam agreement all contributed to the increase in staff costs.

Other general administrative expenses increased by SEK 348m or by 5 percent to SEK 6,927m (6,579). IT and armored transport costs, together with changes in the group structure, accounted for the large part of the increase. A VAT refund of SEK 60m in Russia in 2007 compared with provisions of SEK 151m in 2006 affected the comparison of expenses by SEK 211m.

Loan losses

Loan losses amounted to a net of SEK 619m (-205), corresponding to a loan loss ratio of 0.07 percent (-0.02).

Lower tax rate

Profit before tax amounted to SEK 15,586m (14,263) and the **tax expense** was SEK 3,450m (3,211), giving an effective tax rate of 22 percent (23).

Interest rate risk

An increase in all market interest rates of one percentage point as of December 31, 2007 would have reduced the value of the group's assets and liabilities, including derivatives, by SEK 1,961m (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 1,549m (1,608). Positions in foreign currency would have decreased in value by SEK 412m (15).

An interest rate increase of one percentage point would have reduced the group's net gain and losses on items at fair value by SEK 296m (207) as of December 31, 2007.

Comparative figures refer to December 31, 2006.

Risks and uncertainties

Swedbank's earnings are affected by the movements in global financial and business markets, including by changes in interest rates, stock prices and exchange rates. However, Swedbank maintains a low-risk profile through a well-diversified credit portfolio and low financial and operational risks.

Turbulence in the global financial markets was still evident in the fourth quarter, in particular in the U.S. subprime mortgage market. Swedbank has no significant exposure to this market and the turbulence has had no material impact on the bank's overall profitability.

Current economic conditions in the Baltics have affected general sentiment towards the region; however, there has been no major impact on the bank's profit for the period.

The effects of changes in the marketplace on Swedbank's operations are described in more detail in the business area report below.

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 2

On February 1, 2007 new rules apply in Sweden for capital adequacy and exposures, Basel 2. 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 12.7 percent as of December 31, 2007 with full effect of the new rules (9.8 as

of December 31, 2006 according to the old rules), of which the tier 1 capital ratio was 8.5 percent (6.5 on December 31, 2006 according to the old rules). The capital adequacy quotient was 1.59 (1.22 on December 31, 2006). The tier 1 capital ratio includes profit for the period after deducting the proposed dividend.

Taking into account the transitional rules, the tier 1 capital ratio was 6.2 percent, the capital adequacy ratio was 9.3 percent and the capital adequacy quotient was 1.16.

A specification of capital adequacy and a summary of the new rules is provided on page 29.

Lending

The Group's lending to the public, excluding repurchase agreements (repos), increased during the year by 20 percent to SEK 1,103bn (919) on December 31. A specification of lending is provided on page 35.

The share of impaired loans was 0.13 percent (0.07) as of December 31. The increase is due to the acquisition of the Ukrainian banking operations, among other things.

Savings and investments

Customers' total savings and investments in Swedbank increased by 32 percent to SEK 1,108bn (841) during the year. 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 175bn on December 31.

Customers' deposits, excluding repurchase agreements (repos), have increased by 19 percent or SEK 73bn since the beginning of the year to SEK 450bn (377).

A specification of savings and investments is provided on page 35.

Acquisition of TAS-Kommerzbank

On July 9 Swedbank acquired all the shares in the Ukrainian bank TAS-Kommerzbank JSCB. TAS-Kommerzbank in turn owns the Ukrainian bank TAS-Investbank CJSC.

The acquisition was settled in cash. Moreover, an additional payment of up to USD 250m may be payable in three years subject to TAS's profit and financial performance, and was valued on the acquisition date at USD 125m.

Branch sales to savings banks

In November Swedbank and Sparbanken Alingsås announced that Swedbank's operations in Lerum would be taken over by Sparbanken Alingsås. During the same month it was also announced that Swedbank's branches in the municipalities of Osby and Hässleholm would be taken over by Kristianstads Sparbank and Tyringe Sparbank, which will form the new savings Bank, Sparbanken N Ö Skåne.

Agreement with KP Pension & Försäkring

Swedbank Robur signed an agreement in November with KP Pension & Försäkring to manage slightly more than SEK 40bn of KP's capital. The management

assignment is expected to commence in the first quarter 2008.

Swedbank Babs acquires Zamsos AB

Swedbank Babs acquired all the shares in the development company Zamsos AB in December. Zamsos AB has developed Zaci, a next-generation system for chip card payments.

New head of Swedish Banking

Kjell Hedman was named the new head of Swedish Banking in December. President and CEO Jan Lidén had previously served as the head of Swedish Banking as well.

Name change in Ukraine

In December JSCB TAS-Kommerzbank changed its name to OJSC Swedbank and CJSC TAS-Investbank changed its name to CJSC Swedbank Invest. The re-branding will be finalized in the first half of 2008.

Acquisition of Russian corporate finance business

In December Swedbank signed an agreement to acquire ZAO OKO Capital Vostok, a Russian corporate finance company, from Finland's OKO Bank. The company is active in investment banking with a focus on financial advice to Nordic and Russian companies in connection with acquisitions and divestitures in Russia. The company has seven employees.

Swedbank has also agreed with OKO Corporate Finance Ltd, an OKO Bank Group subsidiary, on a cooperation in corporate finance in Russia, the Baltics and the Nordic countries.

The acquisition is subject to regulatory approvals.

Annual General Meeting and dividend

Swedbank's Annual General Meeting 2008 will be held in Stockholm on April 25.

The Board of Directors proposes that the Annual General Meeting approve a cash dividend of SEK 9.00 per share (8.25), corresponding to SEK 4,638m and a payout ratio of 39 percent. The proposed record date for the 2007 dividend is April 30, 2008. The last day for trading in the bank's share with the right to the dividend is April 25, 2008. If the Annual General Meeting resolves to adopt the Board's recommendation, the cash dividend is expected to be paid by VPC (the Swedish Central Securities Depository) on May 6, 2008.

Accounting policies

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

As previously, the parent company prepares its accounts according to the Annual Accounts Act for Credit Institutions and Securities Companies, the directives of the Financial Supervisory Authority and recommendation RR 32:06 of the Swedish Financial Accounting Standards Council (replaced by the Financial Reporting Council as of April 1, 2007).

The accounting principles applied in the year-end 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 accounts. Previously they were recognized in net gains and losses on items at fair value in the consolidated

accounts. Comparative figures for 2006 have been restated.

As of 2007 certain financial transactions are made to hedge the exposure to variations in future cash flows owing to changes in interest rates and exchange rates. 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. When a projected cash flow leads to the recognition of a non-financial item, the gains and losses that arise on the hedging instrument are deducted from shareholders' equity and included in the acquisition value of the hedged item.

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

Dec, 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	Dec 31 2007	Dec 31 2006
Share price, SEK	183.00	248.50
No. of shares in issue	515,373,412	515,373,412
Market capitalization, SEKm	94,313	128,070

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

Events after December 31 2007

Swedbank Robur 2007 named Fund Manager of the Year

In January 2008 Swedbank Robur was named Fund Manager of the Year for 2007 by the business daily Dagens Industri and Morningstar. In the prestigious annual competition Swedbank Robur won the highest award as Fund Manager of the Year in the category Fund Management Company of the Year. Overall, Swedbank Robur received the most medal points, which led to its Grand Prix award as Sweden's Fund Manager of the Year. The jury's motivation was, "For strong fund performance in 2007."

Swedbank Robur acquires Folksam Fond AB

On January 2 Swedbank Robur acquired all the shares in Folksam Fond AB. The acquisition was settled in cash. The following acquisition analysis has been

prepared as of the acquisition date. The initial figures are preliminary and may be updated within 12 months.

Recognised in the group at the time of acquisition, SEKm	2 Jan 2008
Assets	58
Liabilities	15
The subsidiary's net asset	43
Intangible fixed asset, fund management assignment	583
Related deferred tax	-163
Total	463
Cost, cash	463

The value allocated to the fund management assignment will be amortized on a systematic basis through profit or loss during its remaining useful life, which is estimated to 20 years.

Business area report

Full-year 2007 SEKm	Swedish Banking	Baltic Banking	International Banking	Swedbank Markets	Asset Management and Insurance	Shared Services and Group Staffs	Eliminations	Group
Net interest income	11,701	5,248	986	1,343	83	-196	-8	19,157
Net commission income	4,504	1,854	196	1,441	1,868	17	0	9,880
Net gains and losses on financial items at fair value	335	816	81	729	2	-246	-26	1,691
Share of the profit or loss in associates	331	7		2		84		424
Other income	807	429	16	42	230	3,090	-2,842	1,772
Total income	17,678	8,354	1,279	3,557	2,183	2,749	-2,876	32,924
Staff costs	3,954	1,475	347	697	346	1,361	-46	8,134
Profit-based staff costs	342	569	58	542	79	68		1,658
IT expenses	892	292	54	239	148	752	-909	1,468
Other expenses	3,728	1,023	247	501	311	865	-1,921	4,754
Depreciation/amortization	84	282	65	13	4	257	0	705
Total expenses	9,000	3,641	771	1,992	888	3,303	-2,876	16,719
Profit before loan losses	8,678	4,713	508	1,565	1,295	-554		16,205
Loan losses, net	71	450	170	0		-72		619
Operating profit	8,607	4,263	338	1,565	1,295	-482		15,586
Tax expense	2,413	404	70	427	320	-184		3,450
Profit for the period	6,194	3,859	268	1,138	975	-298		12,136
Profit for the period attributable to:								
Shareholders of Swedbank AB	6,182	3,859	268	1,010	975	-298		11,996
Minority interest	12			128				140
Return on allocated equity, %	23.2	18.3	6.9	24.2	57.0	neg.		18.9
C/I ratio before loan losses	0.51	0.44	0.60	0.56	0.41	1.20		0.51
Full-time employees	6,236	9,203	3,952	752	332	1,673		22,148

Changes in the business areas

Swedbank has modified its business area structure as of the third quarter 2007. The biggest change is the addition of a new business area, International Banking, where the growing international operations outside Swedbank's home markets, Sweden, Estonia, Latvia and Lithuania, are now reported. International Banking includes operations in Ukraine, Russia, Finland, Denmark and Luxembourg, as well as certain operations in Norway. Also included are the representative offices in Japan and Ukraine as well as a management staff. The effects of Swedbank's ownership and acquisition of TAS-Kommerzbank (now OJSC Swedbank) on the consolidated accounts are reported separately from the Ukrainian bank's business operations.

Following this change Baltic Banking includes the operations in Estonia, Latvia and Lithuania. The business operations of Baltic Banking are still separated in the business area report from the effects on the consolidated accounts of Swedbank's ownership and acquisition of Hansabank. This facilitates a clearer analysis of the performance of the Baltic business

operations. Comments on Baltic Banking in this report refer to the business operations, unless otherwise indicated.

Comparative figures have been restated.

Business area accounting policies

The business area report is based on Swedbank's accounting policies, organization and internal accounts.

Market-based compensation is applied between business areas, while all expenses for IT, other shared services and group staffs are transferred at full cost-based internal prices to the business areas. Executive management expenses are not distributed. Cross border transfer pricing is done according to the OECD transfer pricing guidelines. 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 459 branches organized in 42 operating areas in four regions. The cooperation with the savings and partly owned banks adds another 261 branches. The branch network is complemented by 170 in-store banking locations, while the agreement with ICA Banken allows customers to withdraw cash at 1,400 ICA supermarkets. The local bank branches or special corporate units or private banking units within the regions have responsibility for all Swedish customers, with the exception of financial institutions. Of the business area's 6,200 full-time employees, around 4,900 are placed in the four 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 jointly owned card company EnterCard, with operations in Sweden, Norway and Denmark.

Profit trend

SEKm	Full-year 2007	Full-year 2006	%	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Net interest income	11,701	11,468	2	2,927	2,926	2,905	2,943	2,943
Net commission income	4,504	4,174	8	1,183	1,130	1,115	1,076	1,101
Net gains and losses on financial items at fair value	335	408	-18	116	1	86	132	140
Share of the profit or loss of associates	331	230	44	52	118	69	92	24
Other income	807	667	21	277	173	224	133	185
Total income	17,678	16,947	4	4,555	4,348	4,399	4,376	4,393
Staff costs	3,954	3,847	3	995	995	1,003	961	1,009
Profit-based staff costs	342	177	93	101	98	81	62	-11
IT expenses	892	830	7	242	197	235	218	218
Other expenses	3,728	3,719	0	927	893	990	918	1,058
Depreciation/amortization	84	125	-33	14	25	21	24	53
Total expenses	9,000	8,698	3	2,279	2,208	2,330	2,183	2,327
Profit before loan losses	8,678	8,249	5	2,276	2,140	2,069	2,193	2,066
Loan losses, net	71	-499		122	3	13	-67	-158
Operating profit	8,607	8,748	-2	2,154	2,137	2,056	2,260	2,224
Tax expense	2,413	2,436	-1	606	598	576	633	609
Profit for the period	6,194	6,312	-2	1,548	1,539	1,480	1,627	1,615
Profit for the period attributable to:								
Shareholders of Swedbank AB	6,182	6,314	-2	1,545	1,536	1,477	1,624	1,621
Minority interest	12	-2		3	3	3	3	-6
Allocated equity	26,658	28,270	-6	28,110	26,792	26,257	25,473	29,770
Return on allocated equity, %	23.2	22.3		22.0	22.9	22.5	25.5	21.8
Income items								
Income from external customers	15,802	15,038	5	4,101	3,894	3,902	3,905	3,858
Income from transactions with other segments	1,876	1,909	-2	454	454	497	471	535
Business volumes, SEK billion								
Lending	867	762	14	867	832	806	781	762
Deposits	308	267	15	308	300	285	275	267
Mutual funds & insurance	251	255	-2	251	263	270	264	255
Other investment volume	25	19	32	25	23	22	22	19
Investments in associates	2	2	0	2	2	2	2	2
Risk-weighted volume, old rules	623	536	16	623	601	575	556	536
Total assets	972	840	16	972	910	895	925	840
Total liabilities	943	809	17	943	883	869	900	809
Full-time employees	6,236	6,239	0	6,236	6,190	6,226	6,272	6,239

Swedish economy remains strong

Sweden's economy developed strongly during the year. Though GDP growth of 2.8 percent was lower than the previous year (4.1), it was still clearly higher than the OECD average. The construction, IT and certain industrial sectors had difficulties recruiting qualified employees to meet higher demand. Disposable household income increased, partly as the result of tax cuts at the start of the year. Employment increased quickly. Consumer optimism was high, but declined slightly at the end of the year. Residential real estate prices continued to rise, but also slowed late in the year. Inflation rose to 3.5 percent (1.6).

The Riksbank raised the repo rate on four occasions by a total of 100 basis points. At year-end the repo rate was 4.00 percent. The average rate for 2007 was 3.46 percent, against 2.21 percent in 2006. For the fourth quarter alone the repo rate averaged 3.91 percent, against 3.55 percent in the third quarter and 2.70 percent in the fourth quarter 2006.

Stockholmsbörsen's OMXSPI Index decreased by 6.0 percent during year. During the fourth quarter the index fell 10.2 percent.

Turbulent financial market during second half of 2007

The turbulence in the global financial market during the second half year sparked by the U.S. subprime crisis affected the Swedish market through lower stock prices and higher volatility.

Like other banks, Swedbank was faced with higher funding costs due to uncertainty in international financial markets. For Swedish Banking, the biggest impact was on Swedbank Mortgage, which finances its operations largely through the capital market. After a slight delay, higher funding costs have led to higher mortgage rates for customers.

Prices fluctuated significantly during the second half year for various types of listed securities and financial instruments. For Swedbank Mortgage, whose lending, funding and derivatives are largely marked to market according to the fair value option, this affected the reporting of net gains and losses on financial items at fair value, since the market quotes that serve as the basis of these valuations swung in different directions.

In the third quarter these valuation effects were negative, but in the fourth quarter they were positive.

Structural changes

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

During the fourth quarter Swedbank Babs acquired all the shares in the development company Zamos, which has developed the next generation of payment systems for chip card payments.

During the second quarter Swedbank divested its interest in the card processing company CEK AB with a capital gain of slightly over SEK 40m.

The strategically important cooperation with Sweden's savings banks was further expanded during the year. In the first quarter Swedbank acquired the remaining 60 percent of the shares in Söderhamns Sparbank from the Söderhamn Savings Bank

Foundation for SEK 117m. The difference between the purchase price and acquired equity according to the subsidiary's accounts has essentially been allocated to assets which are depreciated through profit or loss. Söderhamns Sparbank, with two branches and 27 employees, was merged with Swedbank during the third quarter.

In the fourth quarter Swedbank signed an agreement to sell its Lerum branch to Sparbanken Alingsås and its seven branches in the municipalities of Osby and Hässleholm to the newly formed regional savings bank in northeastern Skåne, which was created through the merger of Kristianstads Sparbank and Tyringe Sparbank.

High level of activity

In general the year 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. As a further step to increase accessibility, a decision has been made to introduce Saturday hours at branches in major metropolitan areas.

Satisfied business customers

In the Swedish Quality Index's annual survey, customer satisfaction among Swedbank's business customers rose by no less than 2.3 percentage points to 70.7. This placed Swedbank third among the four major banks.

For the first time since 2001 satisfaction among Swedbank's retail customers decreased slightly. Still, with a figure of 70.4 Swedbank remains in second place among the major banks.

Higher lending volumes

Lending increased by SEK 35bn during the quarter, an increase of SEK 105bn during the year. Total lending volume amounted to SEK 867bn as of year-end, an increase of 14 percent in one year.

Mortgage lending to retail customers increased by SEK 13bn during the quarter, a gain of SEK 47bn since the beginning of the year. In one year consumer mortgage lending has increased by 12 percent to SEK 426bn.

Bank lending to corporate customers increased by SEK 18bn during the quarter, a gain of SEK 45bn since the beginning of the year. In one year bank lending to corporate customers has increased by 26 percent to SEK 220bn.

Higher savings and investment volumes

Savings and investment volumes, excluding holdings in customers' brokerage accounts, decreased by SEK 2bn during the quarter, up SEK 43bn since the beginning of the year. Total savings and investment volume amounted to SEK 584bn at the end of the period, an increase of 8 percent in one year.

Of the volume increase during the year, household deposits accounted for SEK 38bn, corporate deposits increase by 3bn, mutual fund and insurance volumes accounted for SEK -4bn and index-linked bonds for SEK 6bn. For funds sold by Swedish Banking, withdrawals exceeded contributions by SEK 9bn in 2007.

Increased payment volumes

Swedbank had 3.5 million (3.3) bank cards in issue at year-end. During the year the number of card purchases

increased by 17 percent and the number of card transactions cleared rose 19 percent year-to-year.

Market shares

The market share for household mortgage lending was 30 percent (30) for both new loans during the year and outstanding mortgages. The market share for total outstanding corporate lending was 21 percent (22) and for total household lending 26 percent (26).

The market share for outstanding household deposits was unchanged at 26 percent (26). For corporate customers, the market share for outstanding deposits was 16 percent (15). The market share for net mutual fund sales was negative (neg.), while the market share for outstanding fund assets was 25 percent (26). The market share for listed equity-linked bonds was 27 percent (30). Swedbank's market share for new household savings sold through its own sales organization in Sweden increased to 18 percent (17).

Equity

Average allocated equity was SEK 26,658m for 2007, compared with SEK 28,270m in 2006. The lower capital allocation in 2007 is due to the lower capital requirement in the new internal risk classification method. Capital requirements are significantly lower for household exposures according to the IRB (Internal Ratings Based) method.

Profit trend Q4 vs. Q3 2007

Profit for the period increased by SEK 9m or 1 percent to SEK 1,545m. The return on equity was 22.0 percent (22.9). The cost/income ratio improved to 0.50 (0.51).

Income decreased by SEK 207m or 5 percent to SEK 4,555m.

Net interest income amounted to SEK 2,927m (2,926). Further increases in deposit and lending volumes raised net interest income by SEK 89m. The lending margin decreased by 4 bp to 0.79 percent, which reduced net interest income by SEK 81m. In terms of deposits, the interest margin improved by 6 bp to 1.36 percent mainly due to a higher repo rate, which positively affected net interest income by SEK 52m. Other effects were SEK 59m lower than the previous quarter.

Net commission income increased by SEK 53m or 5 percent to SEK 1,183m mainly due to higher income from securities transactions.

Net gains and losses on financial items at fair value increased by SEK 115m to SEK 116m mainly because lending, funding and derivatives were marked to fair value by Swedbank Mortgage. The third quarter also contained a positive change in value of SEK 89m in the holding of shares in MasterCard.

The share of profit or loss in associates decreased by SEK 66m to SEK 52m. Lower profit from EnterCard and partly owned savings banks was the reason.

Other income increased by 104m to SEK 277m partly due to income from Swedbank Försäkring related to a surplus from the loan protection product.

Expenses increased by SEK 71m or 3 percent to SEK 2,279m.

Staff costs excluding profit-based compensation were unchanged at SEK 995m. Profit-based compensation increased by SEK 3m to SEK 101m.

Other expenses increased by SEK 68m or 6 percent to SEK 1,183m partly due to lower marketing costs and other seasonal effects.

Loan losses amounted to a net of SEK 122m (3). The increase is essentially due to a provision for a single commitment.

The number of full-time positions increased by 46 to 6,236.

Profit trend Q4 2007 vs. Q4 2006

Profit for the period decreased by SEK 76m or 5 percent to SEK 1,545m. The return on equity was 22.0 percent (21.8). The cost/income ratio was 0.50 (0.53).

Income increased by SEK 162m or 4 percent to SEK 4,555m.

Net interest income decreased by SEK 16m to SEK 2,927m. Further increases in deposit and lending volumes raised net interest income by SEK 337m. The lending margin decreased by 15 bp to 0.79 percent, which reduced net interest income by SEK 306m. In terms of deposits, the interest margin improved by 18 bp to 1.36 percent mainly due to a higher repo rate, which positively affected net interest income by SEK 142m. Other effects were SEK 189m lower.

Net commission income increased by SEK 82m or 7 percent to SEK 1,183m mainly due to higher income from payment services as well as mutual fund and insurance operations.

Net gains and losses on financial items at fair value decreased by SEK 24m to SEK 116m.

The share of profit or loss in associates increased by SEK 28m. The increase was attributable to higher profit in EnterCard and partly owned banks.

Other income increased by SEK 92m partly due to income from Swedbank Försäkring related to a surplus from the loan protection product.

Expenses increased by SEK 48m or 2 percent to SEK 2,279m.

Staff costs excluding profit-based compensation decreased by SEK 14m or 1 percent. Profit-based compensation increased by SEK 112m due to higher expenses for the profit-sharing and incentive programs.

Other expenses decreased by SEK 146m or 11 percent partly due to expenses for the launch of the new brand 2006.

Loan losses amounted to a net of SEK 122m (-158).

The number of full-time positions decreased by 3 to 6,236.

Profit trend 2007 vs. 2006

Profit for the period decreased by SEK 132m to SEK 6,182m. The return on equity improved to 23.2 percent (22.3). The cost/income ratio was 0.51 (0.51).

Income increased by SEK 731m or 4 percent to 17 678m.

Net interest income increased by SEK 233m or 2 percent to SEK 11,701m. Further increases in deposit and lending volumes raised net interest income by SEK 1,304m. The lending margin decreased by 14 bp to 0.86 percent, which reduced net interest income by SEK 1,135m. In terms of deposits, the interest margin improved by 24 bp to 1.30 percent mainly due to a higher repo rate, which positively affected net interest income by SEK 703m. Other effects were SEK 639m lower.

Net commission income increased by SEK 330m or 8 percent to SEK 4,504m mainly due to higher income from payment services as well as mutual fund and insurance operations.

Net gains and losses on financial items at fair value decreased by SEK 73m to SEK 335m mainly because

lending, funding and derivatives were marked to fair value by Swedbank Mortgage.

The share of profit or loss in associates increased by SEK 101m to SEK 331m. Partly owned banks and EnterCard reported profit improvements.

Other income increased by SEK 140m to SEK 807m mainly due to income from the sale off CEK AB and income from Swedbank Försäkring related to a surplus from the loan protection product

Expenses increased by SEK 302m or 3 percent to SEK 9,000m.

Staff costs excluding profit-based compensation increased by SEK 107m or 3 percent mainly due to contractual salary increases. Profit-based compensation increased by SEK 165m due to higher expenses for the profit-sharing and incentive programs.

Other expenses increased by SEK 30m or 1 percent to SEK 4,704m partly due to higher expenses for IT and security.

Loan losses amounted to a net of SEK 71m (-499).

The number of full-time positions decreased by 3 to 6,236.

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.

Swedbank came in second place among all companies and first place among banks when business students ranked popular employers, according to the European Student Barometer 2007, a survey by the German company Trendence.

Baltic Banking

Baltic Banking Operations are defined as the subsidiary group Hansabank, excluding the operations in Russia. An adjustment is also made 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. Baltic Banking has business operations in Estonia, Latvia and Lithuania.

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	Full-year 2007	Full-year 2006	%	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Net interest income	5,667	3,776	50	1,588	1,487	1,377	1,215	1,126
Net commission income	1,854	1,517	22	477	475	478	424	417
Net gains and losses on financial items at fair value	816	603	35	163	213	235	205	216
Share of the profit or loss of associates	7	6	17	3	2	1	1	2
Other income	429	268	60	141	111	107	70	79
Total income	8,773	6,170	42	2,372	2,288	2,198	1,915	1,840
Staff costs	1,475	1,127	31	427	348	364	336	320
Profit-based staff costs	569	384	48	160	163	131	115	130
IT expenses	292	224	30	81	70	77	64	64
Other expenses	1,023	798	28	343	236	233	211	254
Depreciation/amortization	187	163	15	51	47	46	43	43
Total expenses	3,546	2,696	32	1,062	864	851	769	811
Profit before loan losses	5,227	3,474	50	1,310	1,424	1,347	1,146	1,029
Loan losses, net	450	270	67	116	153	74	107	74
Operating profit	4,777	3,204	49	1,194	1,271	1,273	1,039	955
Tax expense	455	251	81	124	121	121	89	77
Profit for the period	4,322	2,953	46	1,070	1,150	1,152	950	878
Allocated equity	13,866	9,356	48	15,045	14,665	13,612	12,142	10,931
Return on allocated equity, %	31.2	31.6		28.4	31.4	33.9	31.3	32.1
Income items								
Income from external customers	8,773	6,170	42	2,372	2,288	2,198	1,915	1,840
Business volumes, SEK billion								
Lending	177	127	33 *	177	164	153	143	127
Deposits	102	84	17 *	102	92	92	89	84
Mutual funds & insurance	19	13	46	19	18	17	15	13
Risk-weighted volume, old rules	175	125	40	175	159	154	138	125
Total assets	233	168	39	233	210	202	183	168
Total liabilities	218	158	38	218	197	188	171	158
Full-time employees	9,203	8,209	12	9,203	9,112	9,156	8,610	8,209

* changes reported excl. foreign exchange effects

Macroeconomic development

The rapidly emerging Baltic economies showed signs of overheating in 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.

Latvia's GDP growth remained high in the fourth quarter, at 9.6 percent, while growth in Estonia slowed to 4.5 percent, the lowest level in 8 years. In Lithuania GDP growth was 7.9 percent. All GDP-figures are published estimates.

In December inflation, expressed as the change in the consumer price index over 12 months, was 8.1

percent in Lithuania, 9.7 percent in Estonia and 14.1 percent in Latvia.

A further slowdown on lending growth is evident in part as a result of inflation-fighting measures that have been taken. A slight decline in real estate prices has also been noted.

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 4.72 percent in the fourth quarter, against 4.49 percent in the third quarter and 3.59 percent in the fourth quarter 2006. In Latvia, domestic interest rates rose substantially in 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, in the third quarter 8.51 percent and in the fourth quarter 11.72 percent. This compares with 4.51 percent in the corresponding quarter a year earlier.

Business volumes

Lending increased by SEK 13bn during the fourth quarter to SEK 177bn. On an annual basis the increase was 33 percent. The rate of increase measured in euro has gradually decreased from 60 percent on an annual basis in September 2006 to 59 percent in December 2006, 55 percent in March 2007, 49 percent in June 2007 and 43 percent in September 2007. The rate is expected to continue to decrease.

In one year lending has increased by 25 percent in Estonia to SEK 71bn, by 34 percent in Latvia to SEK 56bn and by 46 percent in Lithuania to SEK 50bn. Consumer lending has increased in one year by 39 percent to SEK 77bn, while corporate lending has increased by 29 percent to SEK 100bn.

Deposits increased by 8 percent during the quarter to SEK 102bn. In Estonia, deposits have increased in one year by 16 percent to SEK 45bn, in Latvia by 11 percent to SEK 23bn and in Lithuania by 24 percent to SEK 34bn.

A total of 3.4 million cards were in issue, an increase of 9 percent since December 31 last year.

Market shares

The market share for outstanding bank lending was 44 percent (47) in Estonia, 23 percent (25) in Latvia and 21 percent (20) in Lithuania. The market share for outstanding retail mortgages was 49 percent (49) in Estonia, 28 percent (30) in Latvia and 28 percent (30) in Lithuania.

The market share for outstanding household deposits was 62 percent (62) in Estonia, 28 percent (29) in Latvia and 39 percent (39) in Lithuania.

Profit trend Q4 vs. Q3 2007

Profit for the period amounted to SEK 1,070m (1,150). The return on equity was 28.4 percent (31.4) and the cost/income ratio was 0.45 (0.38).

Income increased by SEK 84m or 4 percent to SEK 2,372 m (2,288) mainly through higher net interest income.

Net interest income increased by SEK 101m or 7 percent to SEK 1,588m. Further increases in deposit and lending volumes raised net interest income by SEK 63m. The lending margin increased by 3 bp to 2.28 percent, which increased net interest income by SEK 14m. In terms of deposits, the interest margin improved by 36 bp to 2.87 percent, which positively affected net interest income by SEK 84m. Other effects reduced net interest income by SEK 60m.

Expenses increased on a seasonal basis by SEK 198m or 23 percent to SEK 1,062m mainly due to increased profit-based staff costs, marketing expenses and consulting expenses.

The number of full-time positions increased by 91 to 9 203, of which by 19 in Estonia and 76 in Latvia, though in Lithuania the number decreased by 4.

Loan losses amounted to SEK 116m (153). The quality of the credit portfolio remains high. The loan loss ratio decreased to 0.28 percent (0.40).

Profit trend Q4 2007 vs. Q4 2006

Profit for the period increased by SEK 192m or 22 percent to SEK 1,070m (878). The return on equity was 28.4 percent (32.1) and the cost/income ratio was 0.45 (0.44).

Income increased by SEK 532m or 29 percent to SEK 2,372 m (1,840) mainly through higher net interest income.

Net interest income increased by SEK 462m or by 41 percent to SEK 1,588m. Further increases in deposit and lending volumes raised net interest income by SEK 329m. The lending margin decreased by 2 bp to 2.28 percent, which reduced net interest income by SEK 10m. In terms of deposits, the interest margin improved by 110 bp to 2.87 percent mainly due to higher interest rates, which positively affected net interest income by SEK 260m. In other operations net interest income decreased by SEK 117m.

Net commission income increased by SEK 60m or 14 percent to SEK 477m mainly due to higher card and payment commissions. Brokerage and lending commissions also increased.

Net gains and losses on financial items at fair value decreased by SEK 53m to SEK 163m mainly due to lower trading income.

Other income increased by SEK 62m to SEK 141m partly due to increased sales of insurance.

Expenses increased by SEK 251m or 31 percent to SEK 1,062m.

Staff costs excluding profit-based compensation increased by 33 percent to SEK 427m due to increases in the number of employees and wages. Profit-based compensation increased by SEK 30m or 23 percent to SEK 160m.

Other expenses increased by SEK 114m or 32 percent mainly due to increased business volumes.

The number of full-time positions increased by 994 to 9,203, of which by 305 in Estonia, 336 in Latvia and 353 in Lithuania.

Loan losses amounted to SEK 116m, an increase of SEK 42m. The loan loss ratio was 0.28 percent (0.26).

Profit trend 2007 vs. 2006

Profit for the period increased by SEK 1,369m or 46 percent to SEK 4,322m (2,953). The return on equity amounted to 31.2 percent (31.6) and the cost/income ratio was 0.40 (0.44).

Income increased by SEK 2,603m or 42 percent to SEK 8,773 m (6,170).

Net interest income increased by SEK 1,891m or 50 percent to SEK 5,667m. Further increases in deposit and lending volumes raised net interest income by SEK 1,428m. The lending margin decreased by 7 bp to 2.28 percent, which reduced net interest income by SEK 96m. In terms of deposits, the interest margin improved by 93 bp to 2.47 percent mainly due to higher interest rates, which positively affected net interest income by SEK 840m. Other effects reduced net interest income by SEK 281m.

Net commission income increased by SEK 337m or 22 percent to SEK 1,854m 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 213m or 35 percent to SEK 816m mainly due to higher trading income.

Other income increased by SEK 161m or 60 percent to SEK 429m partly due to increased insurance income.

Expenses increased by SEK 850m or 32 percent to SEK 3,546m (2,696).

Staff costs excluding profit-based compensation increased by SEK 348m or 31 percent to SEK 1,475m due to increases in the number of employees and wages. Profit-based compensation increased by SEK 185m or 48 percent to SEK 569m.

Other expenses increased by SEK 317m or 27 percent to SEK 1,502 m mainly due to increased business volumes.

The number of full-time positions increased by 994 to 9,203, of which by 305 in Estonia, 336 in Latvia and 353 in Lithuania.

In the last 12 months four new branches have been opened (Estonia - 2 to 94, Latvia + 1 to 77 and Lithuania + 5 to 128).

Loan losses amounted to SEK 450m, an increase of SEK 180m. The loan loss ratio was 0.35 percent (0.32).

Estonia

Estonia is the dominant unit in Baltic Banking with approximately half the business area's profit. Estonia accounts for 40 percent (43) of lending and 44 percent (44) of deposits in the business area.

Euromoney named Hansabank Bank of the Year in Estonia.

Profit for the period decreased by SEK 99m from the third quarter and by SEK 34m from the fourth quarter 2006 to SEK 467m. The return on equity for the full-year 2007 was 37.3 percent (40.9) and the cost/income ratio was 0.38 (0.39).

Latvia

Latvia is the second largest unit in Baltic Banking, accounting for 32 percent (31) of lending and 23 percent (24) of deposits.

For the third consecutive year Hansabank was named the most respected company in Latvia and the country's strongest brand. Also, the respected periodical The Banker named Hansabank Bank of the Year in Latvia.

Profit for the period decreased by SEK 10m from the third quarter and increased by SEK 91m from the fourth quarter 2006 to SEK 329m. The return on equity for the full-year 2007 was 32.3 percent (34.4) and the cost/income ratio was 0.39 (0.43).

Lithuania

Lithuania accounts for 28 percent (26) of lending and 33 percent (32) of deposits in the business area.

Profit for the period increased by SEK 44m from the third quarter and by SEK 149m from the fourth quarter 2006 to SEK 314m. The return on equity for the full-year 2007 improved to 33.1 percent (26.5) and the cost/income ratio to 0.45 (0.52).

Exchange rate effects

The local currencies in Estonia, Latvia and Lithuania are pegged to the euro. The Swedish krona declined against the euro by 4.7 percent in 2007.

The exchange rate effect of the translation to SEK negatively affected profit for the period by SEK 7m or 0.2 percent compared with the 2006.

Popular employer

According to TNS Global's survey, Hansabank ranked as the most popular employer, regardless of industry, in both Estonia and Latvia.

Baltic Banking, Operations and Investment

Profit trend

SEKm	Full-year 2007	Full-year 2006	%	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Net interest income	5,248	3,331	58	1,473	1,382	1,282	1,111	1,023
Net commission income	1,854	1,517	22	477	475	478	424	417
Net gains and losses on financial items at fair value	816	603	35	163	213	235	205	216
Share of the profit or loss of associates	7	6	17	3	2	1	1	2
Other income	429	268	60	141	111	107	70	79
Total income	8,354	5,725	46	2,257	2,183	2,103	1,811	1,737
Staff costs	1,475	1,127	31	427	348	364	336	320
Profit-based staff costs	569	384	48	160	163	131	115	130
IT expenses	292	224	30	81	70	77	64	64
Other expenses	1,023	798	28	343	236	233	211	254
Depreciation/amortization	282	264	7	74	71	69	68	68
Total expenses	3,641	2,797	30	1,085	888	874	794	836
Profit before loan losses	4,713	2,928	61	1,172	1,295	1,229	1,017	901
Loan losses, net	450	270	67	116	153	74	107	74
Operating profit	4,263	2,658	60	1,056	1,142	1,155	910	827
Tax expense	404	216	87	106	108	111	79	68
Profit for the period	3,859	2,442	58	950	1,034	1,044	831	759
Allocated equity	21,139	16,652	27	22,312	21,936	20,885	19,423	18,221
Return on allocated equity, %	18.3	14.7		17.0	18.9	20.0	17.1	16.7
Income items								
Income from external customers	8,354	5,725	46	2,257	2,183	2,103	1,811	1,737
Business volumes, SEK billion								
Lending	178	128	33 *	178	165	154	144	128
Deposits	102	84	17 *	102	92	92	89	84
Mutual funds & insurance	19	13	46	19	18	17	15	13
Risk-weighted volume, old rules	176	126	40	176	160	155	139	126
Total assets	246	180	37	246	223	214	196	180
Total liabilities	224	163	37	224	202	193	177	163
Full-time employees	9,203	8,209	12	9,203	9,112	9,156	8,610	8,209

* changes reported excl. foreign exchange effects

International Banking

International Banking comprises Swedbank's growing international operations outside its home markets of Sweden, Estonia, Latvia and Lithuania. The objective is that at least Ukraine and Russia will develop into geographical home markets for the group.

Aside from operations in Ukraine and Russia, the business area consists of operations in Luxembourg, Finland, Denmark and Norway as well as the representative offices in Japan and Ukraine. Their main purpose is to support Swedbank's operations in its geographical home markets.

The effects of the investment in TAS Kommerzbank (now OJSC Swedbank) in Ukraine at the group level in the form of goodwill, amortization of identified surplus values in connection with the acquisition and financing costs for the acquisition are reported according to the same principles as in Baltic Banking, i.e., as a separate business distinct from Ukrainian Banking Operations. Ukrainian Banking Investment is included in the business area.

A management function with responsibility for strategic issues is also included in the business area.

Profit trend

SEKm	Full-year 2007	Full-year 2006	%	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Net interest income	986	456		347	335	162	142	134
Net commission income	196	116	69	55	58	40	43	37
Net gains and losses on financial items at fair value	81	38		29	39	6	7	11
Other income	16	7		8	7	1	0	3
Total income	1,279	617		439	439	209	192	185
Staff costs	347	151		121	125	54	47	42
Profit-based staff costs	58	21		34	9	10	5	7
IT expenses	54	32	69	21	13	10	10	12
Other expenses	247	339	-27	66	103	36	42	63
Depreciation/amortization	65	8		30	29	3	3	2
Total expenses	771	551	40	272	279	113	107	126
Profit before loan losses	508	66		167	160	96	85	59
Loan losses, net	170	31		69	75	13	13	10
Operating profit	338	35		98	85	83	72	49
Tax expense	70	36	94	7	21	26	16	-1
Profit for the period	268	-1		91	64	57	56	50
Profit for the period attributable to:								
Shareholders of Swedbank AB	268	-1		91	64	57	56	52
Minority interest		0					0	-2
Allocated equity	3,884	1,060		6,206	5,876	1,756	1,698	1,147
Return on allocated equity, %	6.9	neg.		5.9	4.4	13.0	13.2	18.1
Income items								
Income from external customers	1,273	613		436	437	209	191	184
Income from transactions with other segments	6	4	50	3	2	0	1	1
Business volumes, SEK billion								
Lending	34	13		34	28	19	16	13
Deposits	13	4		13	11	6	5	4
Mutual funds & insurance	2	2	0	2	2	3	3	2
Risk-weighted volume, old rules	38	15		38	31	22	20	15
Total assets	47	18		47	40	24	23	18
Total liabilities	41	17		41	34	23	21	17
Full-time employees	3,952	332		3,952	3,747	419	365	332

Ukrainian Banking

In early July Swedbank finalized its acquisition of the Ukrainian bank TAS-Kommerzbank, which changed its name to OJSC Swedbank (TAS) at the end of 2007. TAS has 167,000 retail customers and 18,000 corporate customers.

The purchase price amounted to USD 735m, including an equity contribution to OJSC Swedbank of USD 50m. An additional payment of up to USD 250m is payable in three years, subject to OJSC Swedbank's financial performance.

The acquisition of OJSC Swedbank 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 growing 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.

Profit for the fourth quarter amounted to SEK 72m for Ukrainian Banking. Profit for the second half year 2007 amounted to SEK 126m. The return on equity for the second half year was 20.0 percent and the cost/income ratio was 0.48.

Lending amounted to SEK 11bn. Measured in local currency, lending has increased by 112 percent in the last 12 months.

Deposits amounted to SEK 6bn. Measured in local currency, deposits have increased by 36 percent in the last 12 months.

In the last year the number of full-time positions has increased by 729 to 3,433. The number of branches increased by 4 in 2007 to 191 as of December 31.

The market share for total lending was 2 percent.

Russian Banking

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

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

A decision was made in the third quarter to transfer ownership of the bank OAO Swedbank and the leasing company OOO Hansa Leasing from Hansabank in Estonia to Swedbank in Sweden. The transfers, which will be made at market value, require the approval of Russian authorities.

The restrictions from the Russian central bank that limited Swedbank's operations in Russia during a three-month period were lifted in early September. Against the backdrop of the government's actions, the previously announced retail banking expansion in Russia through the opening of new branches has been delayed.

Profit for the fourth quarter amounted to SEK 64m, against SEK 40m for the third quarter and SEK 46m for the fourth quarter 2006. Profit for 2007 amounted to SEK 177m (-14m). Profit for 2006 was charged with a provision of SEK 151m for a VAT dispute in the leasing operations. During the fourth quarter 2007 SEK 60m was recognized as refunded VAT.

Lending amounted to SEK 10bn at year-end 2007, an increase of 50 percent in one year.

The return on equity for 2007 was 19.7 percent (neg) and the cost/income ratio was 0.46 (0.86). The number of full-time positions increased to 386 (233).

Nordic branches

Swedbank's branch office in Norway was established in 1998. 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 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 Finnish corporate customers.

Lending by the Nordic branches amounted to SEK 13bn as of year-end 2007, an increase of SEK 7bn in one year. The increase was primarily in Norway. The number of full-time positions was 65, an increase of 29 in one year.

Luxembourg

Swedbank's private banking operations in Luxembourg have grown in scope in recent years. Assets under management amounted to SEK 3.3bn at year-end (3.9). The number of full-time positions was 57 (54).

Other operations

A decision has been made to open a new representative office in Poland during the first half of 2008.

Profit trend Q4 vs. Q3 2007

Profit for the period increased by SEK 27m or 42 percent to SEK 91m (64). The return on equity was 5.9 percent (4.4). The cost/income ratio was 0.62 (0.64).

Ukrainian Banking Operations accounted for SEK 72m (54) of profit. Russian Banking accounted for SEK 64m (40). Ukrainian Banking Investment negatively affected profit by SEK -37m (-37).

Income was unchanged at SEK 439m. Ukrainian Banking Operations contributed income of SEK 286m (273). For Russian Banking income increased to SEK 124m (119). Ukrainian Banking Investment negatively affected income by SEK -40m (-33).

Expenses decreased by SEK 7m or 3 percent to SEK 272m (279). Expenses in Ukrainian Banking Operations increased to SEK 149m (119). For Russian Banking expenses decreased by SEK 51m to SEK 26m (77) due to SEK 60m in refunded VAT. Expenses for amortization in the consolidated accounts of surplus values in Ukrainian Banking Investment amounted to SEK 14m (15).

Loan losses decreased by SEK 6m to SEK 69m (75). In Ukrainian Banking loan losses were nearly cut in half to SEK 42m (80), while losses in Russian Banking, which were positively affected in the third quarter by reserve withdrawals due to a changes in principles, increased to SEK 29m (-6).

Profit trend Q4 2007 vs. Q4 2006

Profit for the period increased by SEK 39m or 75 percent to SEK 91m (52). The return on equity was 5.9 percent (18.1). The cost/income ratio was 0.62 (0.68).

Income increased by SEK 254m to SEK 439m. Ukrainian Banking Operations, which was not previously included in the group, contributed income of SEK 286m. For Russian Banking income increased by SEK 9m or 8 percent to SEK 124m (115). Ukrainian Banking Investment negatively affected profit by SEK -40m.

Expenses increased by SEK 146m to SEK 272m. Ukrainian Banking Operations, which was not previously included in the group, contributed expenses of SEK 149m. For Russian Banking expenses decreased by SEK 29m to SEK 26m (55) due to SEK 60m in refunded VAT. Expenses for amortization in the consolidated accounts of surplus values in Ukrainian Banking Investment amounted to SEK 14m.

Loan losses increased from SEK 10m to SEK 69m through the new Ukrainian operations and increased lending volumes in Russia.

Profit trend 2007 vs. 2006

Profit for the period increased by SEK 269m to SEK 268m (-1). The return on equity was 6.9 percent (neg). The cost/income ratio was 0.60 (0.89).

Of the profit increase, SEK 126m came from Ukrainian Banking Operations and SEK 191m from Russian Banking, which in the previous year was negatively affected by a provision of SEK 151m for a VAT dispute in the leasing operations. In 2007 SEK 60m of the VAT that had been allocated was refunded.

Profit for the period for Ukrainian Banking Investment, i.e., Swedbank's expenses for the investment in the form of financing expenses and amortization of surplus values at the group level, amounted to SEK -74m.

Swedbank Markets

Swedbank Markets comprises capital market products and various types of project and corporate finance. It also has responsibility for financial institutions. In addition to operations in Sweden, the business area includes the subsidiaries First Securities in Norway and Swedbank First Securities LLC in New York, the operations of the Norwegian branch, the branches in New York and Shanghai, and PCFs (Project and Corporate Finance) in Estonia, Latvia and Lithuania.

Swedbank Markets offers trading in securities and derivatives in the equity, fixed income and currency 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	Full-year 2007	Full-year 2006	%	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Net interest income	1,343	840	60	504	145	295	399	254
Net commission income	1,441	1,469	-2	423	273	381	364	341
Net gains and losses on financial items at fair value	729	1,161	-37	138	170	188	233	351
Share of the profit or loss of associates	2	0		-4	2	-1	5	0
Other income	42	41	2	16	8	8	10	11
Total income	3,557	3,511	1	1,077	598	871	1,011	957
Staff costs	697	615	13	192	181	157	167	176
Profit-based staff costs	542	645	-16	159	44	161	178	169
IT expenses	239	232	3	61	56	61	61	63
Other expenses	501	438	14	144	131	118	108	125
Depreciation/amortization	13	11	18	4	4	2	3	2
Total expenses	1,992	1,941	3	560	416	499	517	535
Profit before loan losses	1,565	1,570	0	517	182	372	494	422
Loan losses, net		-11		-8	5	3	0	-3
Operating profit	1,565	1,581	-1	525	177	369	494	425
Tax expense	427	423	1	136	49	104	138	100
Profit for the period	1,138	1,158	-2	389	128	265	356	325
Profit for the period attributable to:								
Shareholders of Swedbank AB	1,010	984	3	340	121	236	313	271
Minority interest	128	174	-26	49	7	29	43	54
Allocated equity	4,169	3,598	16	4,235	4,205	4,301	3,935	3,493
Return on allocated equity, %	24.2	27.3		32.1	11.5	21.9	31.8	31.0
Income items								
Income from external customers	3,265	3,321	-2	1,011	522	798	934	905
Income from transactions with other segments	292	190	54	66	76	73	77	52
Business volumes, SEK billion								
Lending	24	16	50	24	18	21	20	16
Deposits	27	22	23	27	27	28	30	22
Mutual funds & insurance	1	1	0	1	2	2	1	1
Other investment volume	30	23	30	30	29	27	25	23
Risk-weighted volume, old rules	50	45	11	50	51	48	54	45
Total assets	446	320	39	446	448	378	400	320
Total liabilities	442	316	40	442	444	374	396	316
Full-time employees	752	668	13	752	718	712	691	668

Market conditions

During the fourth quarter equity, fixed income and currency trading was overshadowed by the problems with subprime mortgages in the U.S., which have primarily affected activity and liquidity in the fixed income market. The result has been a significant change in the price of credit risk as well as generally higher financing costs. Fourth-quarter profit was negatively affected by a change of SEK 40m in the

market value of the credit bond portfolio as a result of the credit crunch. Slower activity in the issuance of credit bonds also had a negative impact. All this was more than offset by income in currency and fixed income trading and structured products.

Business volumes

Market shares for Swedbank Markets' operating areas remained stable and for several areas rose to a higher level than 2006.

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.

After a temporary recovery in global risk willingness in October, jitters returned to the market in November. Interventions from the major central banks in the short-term market in December gave indications that the demand for liquidity was lower than feared and that the concerns were centered more on solvency than liquidity.

Turnover in the Swedish currency market continued to rise as more companies do business abroad. Swedbank, which offers a broad range of services to effectively minimize currency risks, strengthened its market position in the latest quarter. Trading through Swedbank's Internet trading platform, FX Trade, continues to increase; 43 percent of trades are now made electronically, a gain from 31 percent a year ago.

The turbulence in the credit market decreased slightly in December. Swedbank retains a leading position for new issues of credit bonds in Swedish kronor with a cumulative market share of 30 percent as of December.

Internationally fixed income markets for euro and dollars intermittently experienced problems with pricing and liquidity. The Swedish fixed income market has performed better. The system of market makers, where Swedbank plays a significant role for all products, has proven to work well despite outside disruptions. Investors in Swedish commercial paper and bonds have had access to an efficient second-hand market despite international turbulence for similar products. This has been especially evident in the market for mortgage bonds. Market shares for mortgage and government bonds have clearly improved year-to-year.

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 have remained stable. Its share of trading on the Stockholm Stock Exchange was approximately 4 percent. Its market share for trading in warrants has increased from 9.2 percent in the previous year to 11.9 percent.

During the fourth quarter online securities trades continued to increase. The number of customers has climbed 27 percent. Swedbank's share of online equity trades is growing substantially and for the fourth quarter was 60 percent, against 47 percent the fourth quarter 2006.

Structured products mainly consist of various forms of equity linked bonds, SPAX. At the end of the fourth quarter Swedbank was the leader in the Swedish market with 27.2 percent of outstanding volume. During the fourth quarter sales of structured products increased from SEK 4.5bn last year to SEK 6.3bn. Sales in 2007 totaled SEK 18.6bn, or 39 percent higher than the previous year. Swedbank was also number one in issue volumes in 2007.

Project and Corporate Finance offers qualified advice to businesses on the debt and equity markets. The positive trend continued for the Swedish operations with a strong fourth quarter in which the level of activity

and new mandates remained high. Normalization of credit terms for acquisition financing has led to higher activity in the area.

During the period a corporate finance unit for the Nordic and Baltic regions launched its operations, which are carried out by units in Sweden, Estonia, Latvia and Lithuania under the Swedbank brand. During the fourth quarter an agreement was reached to acquire a corporate finance company in Russia, which will be integrated in 2008.

Group transaction services consist of custody, global payment and trade finance operations. During the fourth quarter Custody had continued success in raising its volumes despite a turbulent market and continued to expand its cooperation with JP Morgan Worldwide Securities. Through the cooperation, Swedbank can combine its expertise in local markets with JP Morgan's sophisticated products and competence in securities. Business volumes for Trade Finance developed well during the year.

First Securities is one of Norway's leading brokerages active in equity, fixed income and currency trading and corporate finance. Equity operations and Corporate Finance developed well during the fourth quarter. Fixed income trading, which had a weak third quarter, stabilized during the fourth quarter.

Profit trend Q4 2007 vs. Q3 2007

Profit for the period increased by SEK 219m or SEK 181 percent to 340m. The return on equity was 32.1 percent (11.5) and the cost/income ratio was 0.52 (0.70). The largest increases in profit were in Capital Markets and First Securities.

Income increased by SEK 479m or 80 percent to SEK 1,077 m, of which income in Norway's First Securities increased by SEK 218m or 165 percent. The market valuation of Swedbank Markets' holding of credit bonds due to the international credit crisis negatively affected profit by SEK 40m.

Expenses increased by SEK 144m or 35 percent to SEK 560m. Profit-based costs increased by SEK 115m mainly in First Securities.

Profit trend Q4 2007 vs. Q4 2006

Profit for the period increased by SEK 69m or 25 percent to SEK 340m. The return on equity was 32.1 percent (31.0) and the cost/income ratio was 0.52 (0.56).

Income increased by SEK 120m or 13 percent to SEK 1,077 m. Income in First Securities increased by SEK 32m or 10 percent.

Expenses increased marginally to SEK 560m (535). Profit-based staff costs decreased by SEK 10m.

Profit trend 2007 vs. 2006

Profit for the period increased by SEK 26m to SEK 1,010m. The return on equity was 24.2 percent (27.3) and the cost/income ratio was 0.56 (0.55).

Income increased by SEK 46m or 1 percent to SEK 3,557 m. Income in First Securities decreased by SEK 152m.

Expenses increased by SEK 51m or 3 percent to SEK 1,992 m. Contractual salary increases and an expanded presence in Shanghai and New York contributed to the increase, while profit-based expenses decreased.

Asset Management and Insurance

Asset Management and Insurance comprises the Swedbank Robur Group and its operations in fund

management, institutional and discretionary asset management, insurance and individual pension savings.

Profit trend

SEKm	Full-year 2007	Full-year 2006	%	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Net interest income	83	33		21	19	24	19	10
Net commission income	1,868	1,601	17	415	543	511	399	395
Net gains and losses on financial items at fair value	2	2	0	-1	1	1	1	2
Other income	230	192	20	70	55	50	55	59
Total income	2,183	1,828	19	505	618	586	474	466
Staff costs	346	261	33	92	97	87	70	66
Profit-based staff costs	79	41	93	46	12	15	6	6
IT expenses	148	119	24	37	36	43	32	38
Other expenses	311	254	22	54	89	94	74	74
Depreciation/amortization	4	2	100	1	2	0	1	0
Total expenses	888	677	31	230	236	239	183	184
Profit before loan losses	1,295	1,151	13	275	382	347	291	282
Operating profit	1,295	1,151	13	275	382	347	291	282
Tax expense	320	274	17	69	94	88	69	70
Profit for the period	975	877	11	206	288	259	222	212
Allocated equity	1,712	1,671	2	1,703	1,707	1,703	1,735	1,671
Return on allocated equity, %	57.0	52.5		48.4	67.5	60.8	51.2	50.7
Income items								
Income from external customers	4,305	3,831	12	1,011	1,150	1,139	1,005	988
Income from transactions with other segments	-2,122	-2,003	6	-506	-532	-553	-531	-522
Business volumes, SEK billion								
Mutual funds & insurance	401	398	1	401	415	429	415	398
Other investment volume	205	26		205	202	212	22	26
Risk-weighted volume, old rules	0	1		0	0	0	1	1
Total assets	75	71	6	75	78	80	77	71
Total liabilities	74	69	7	74	76	78	75	69
Full-time employees	332	281	18	332	327	327	275	281

Fund savings, volumes and flows

Contributions to Swedbank Robur's own mutual funds and those it markets amounted to SEK 106.5bn (100.6) during the year, while withdrawals amounted to SEK 114.9bn (98.6). Thus, the net outflow from Swedbank Robur's own and brokered funds was SEK 8.4bn, against a net inflow of SEK 2.0bn during the previous year. Of net contributions, SEK 3.9bn (8.7) was from premium pension savings and SEK 1.0bn (1.4) from unit-linked insurance in Swedbank Insurance. However, the previous year included two PPM payments for 2006 and 2007.

Swedbank Robur's assets under management amounted to SEK 401bn as of December 31, 2007 (398 as of December 31, 2006). The change is due to appreciation in the value of fund assets of SEK 11.4bn mainly from rising stock prices during the year.

The institutional asset management operations managed SEK 246bn (63), of which SEK 41bn (37) was invested in Swedbank Robur funds.

SEKbn	Dec 31 2007	Dec 31 2006
Assets under management	401	398
<i>of which:</i>		
<i>Swedish equities, %</i>	30.0	33.3
<i>foreign equities, %</i>	38.5	37.7
<i>interest-bearing securities, %</i>	31.5	29.0
Number of customers (thousands)	2,778	2,779
Unit-linked insurance		
Assets under management	68.7	64.8
<i>of which in Swedbank Robur's funds</i>	66.9	63.5
Number of policies (thousands)	896	821
Discretionary asset management		
Assets under management	246	63
<i>of which in Swedbank Robur's funds</i>	41	37

Unit-linked insurance

Sales (premiums paid) of unit-linked insurance in 2007 amounted to SEK 9.1bn (9.6). Swedbank Insurance's assets under management amounted to SEK 68.7bn (64.8) on December 31. Swedbank Insurance had 896,000 (821,000) policies as of December 31, in addition to around 1 million group life insurance policies.

Market shares

Swedbank Robur's share of net mutual fund contributions was negative (neg.) in 2007. Its market share for assets under management in the Swedish fund market was 25 percent (26) on September 30, 2007.

The market share for new unit linked insurance policies was 10 percent (11) as of September 30, 2007.

In private pension savings Swedbank Insurance was one of the largest players in the Swedish market in 2007 with a market share of 12 percent (14). In the corporate pension market its share was 5 percent (6).

Fund management results

The majority of Swedbank Robur's funds generated a positive return during the period. Swedish equity funds decreased in value by between 1.9 and 4.3 percent, while the appreciation for "Alleman" (public savings) funds was 0.3 to 0.6 percent. Balanced funds changed in value by between -4.0 and 2.6 percent, while Swedish fixed income funds appreciated in value by 1.1 to 3.7 percent.

Morningstar's average rating on Swedbank Robur's funds as of December 31 was 3.42 (3.22).

Swedbank Robur named Fund Manager of the Year

In January 2008 Swedbank Robur was named Fund Manager of the Year for 2007 by the business daily Dagens Industri and Morningstar. In the prestigious annual competition Swedbank Robur won the highest award as Fund Manager of the Year in the category Fund Management Company of the Year. Overall, Swedbank Robur received the most medal points, which led to its Grand Prix award as Sweden's Fund Manager of the Year. The jury's motivation was, "For strong fund performance in 2007."

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 175bn as of December 31. It also means that Swedbank Robur on January 2, 2008, acquired Folksam Fond AB, a fund management company with 19 funds and SEK 28bn in assets under management. A joint venture to administer insurance business has been established as well.

Agreement with KP Pension & Försäkring

Swedbank Robur signed an agreement in November with KP Pension & Försäkring to manage slightly more than SEK 40bn of KP's capital. The management assignment is expected to commence in the first quarter 2008.

Other important events

During the period thirteen 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 strongly performing markets; three index funds for the institutional market, Stella Sweden and Stella Europe, which are more regionally focused funds that invest in a limited number of equities; and Lux China, a China fund denominated in euro. In the autumn Action and Solid, two equity funds designed for private banking customers, were launched, along with Robur Effective World and the Africa Fund.

Swedbank Insurance was selected as one of five providers of unit linked insurance in an ITP procurement.

Swedbank Robur entered into agreements with Nordnet, Avanza and Skandiabanken to distribute Swedbank Robur's funds.

Profit trend Q4 2007 vs. Q3 2007

Profit for the period decreased by SEK 82m or 28 percent to SEK 206m. The cost/income ratio was 0.46 (0.38).

Certain cost compensation from Folksam that had been recognized as commission income in the second and third quarters has been reclassified and as of the fourth quarter is recognized as a deduction in expenses.

Profit trend Q4 2007 vs. Q4 2006

Profit for the period decreased marginally and amounted to SEK 206m (212). The cost/income ratio was 0.46 (0.39).

Profit trend 2007 vs. 2006

Profit for the period increased by SEK 98m or 11 percent. The cost/income ratio was 0.41 (0.37). Income increased by SEK 355m or 19 percent to SEK 2,183m mainly due to higher assets under management. Expenses increased by SEK 211m or 31 percent to SEK 888m mainly due to the Folksam agreement and expansion in pensions and insurance. The number of full-time positions increased by 51 to 332, of which 43 were a result of the cooperation with Folksam.

Shared Services and Group Staffs

The business area includes the Shared Service units, comprising IT and other service functions, Group Executive Management and group Staffs, including Treasury, and the group's own insurance company, Sparia.

During the second quarter 2007 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	Full-year 2007	Full-year 2006	%	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Net interest income	-196	-141	39	-5	-3	-83	-105	-55
Net commission income	17	-9		-17	24	27	-17	17
Net gains and losses on financial items at fair value	-246	523		-31	-228	69	-56	189
Share of the profit or loss of associates	84	-14		19	18	26	21	-52
Other income	3,090	3,102	0	784	731	755	820	786
Total income	2,749	3,461	-21	750	542	794	663	885
Staff costs	1,361	1,280	6	312	339	353	357	281
Profit-based staff costs	68	39	74	22	11	11	24	1
IT expenses	752	774	-3	213	170	172	197	195
Other expenses	865	1,025	-16	193	221	204	247	255
Depreciation/amortization	257	249	3	69	61	65	62	68
Total expenses	3,303	3,367	-2	809	802	805	887	800
Profit before loan losses	-554	94		-59	-260	-11	-224	85
Loan losses, net	-72	4		-61	-6	-1	-4	5
Operating profit	-482	90		2	-254	-10	-220	80
Tax expense	-184	-174	6	26	-77	-49	-84	82
Profit for the period	-298	264		-24	-177	39	-136	-2
Allocated equity	5,955	5,104	17	4,293	3,197	6,953	9,377	4,768
Return on allocated equity, %	neg.	5.2		neg.	neg.	2.2	neg.	neg.
Income items								
Income from external customers	593	1,028	-42	185	-41	281	168	349
Income from transactions with other segments	2,156	2,433	-11	565	583	513	495	536
Business volumes, SEK billion								
Risk-weighted volume, old rules	5	4	25	5	5	4	4	4
Total assets	246	229	7	246	242	244	266	229
Total liabilities	240	224	7	240	238	236	255	224
Full-time employees	1,673	1,670	0	1,673	1,656	1,670	1,668	1,670

Shared Services

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

According to international benchmarking by the polling company Compass, Swedbank's IT operations are among the most cost-effective in the industry. Despite substantial increases in transaction volumes, particularly for the Internet bank and in the card area, Swedbank's IT costs for Swedish operations have essentially remained unchanged for several years.

The purchasing process previously introduced in Sweden has been implemented in the Baltics and Ukraine. 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 all business areas. 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 main duties of the group Staffs during the year included preparations for, and implementation of, the integration of OJSC Swedbank in Ukraine, implementation of the new capital adequacy rules and work with the money laundering directive.

Profit trend Q4 vs. Q3 2007

Profit for the period amounted to SEK - 24m (-177). The profit improvement was mainly due to higher income in Group Treasury including the internal bank and the reversal of loss provisions.

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

Income increased by SEK 208m or 38 percent to SEK 750m (542). Income from Group Treasury including the internal bank increased by SEK 234m.

Expenses were stable, amounting to SEK 809m (802).

Reversals of collective loan loss reserves for individually valued receivables amounted to SEK 61m (6).

Profit trend Q4 2007 vs. Q4 2006

Profit for the period amounted to SEK -24m (-2).

Income decreased by SEK 135m or 15 percent to 750m (885). Income from Group Treasury including the internal bank but excluding equity shares decreased by SEK 194m.

The now divested holdings in Norwegian savings banks had a positive change in value of SEK 28m in the previous year.

The share of profit in associates increased by SEK 71m due to higher profit from VPC.

Expenses were stable, amounting to SEK 809m (800).

The change in collective provisions for individually assessed receivables amounted to SEK -61m (5).

Profit trend 2007 vs. 2006

Profit for the period decreased by SEK 562m to SEK -298m (264). The decrease was mainly due to lower income from Group Treasury including the internal bank as well as significant increases in value in 2006 in the now divested holdings in Norwegian savings banks and SpareBank 1 Gruppen.

Income decreased by SEK 712m or 21 percent to SEK 2,749m (3,461).

Income from Group Treasury including the internal bank decreased by SEK 192m, of which net interest income improved by SEK 173m, while net gains and losses on financial items at fair value decreased by SEK 460m. Income from the holding in Norwegian savings banks and SpareBank 1 Gruppen decreased by SEK 227m.

The share of profit in associates increased by SEK 98m due to higher profit from VPC.

Expenses decreased by SEK 64m or 2 percent to SEK 3,303m (3,367).

The change in collective provisions for individually assessed receivables amounted to -72m (4).

Eliminations

SEKm	Full-year 2007	Full-year 2006	%	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Net interest income	-8	-10	-20	-8	2	6	-8	-6
Net commission income	0	1		0	0	0	0	1
Net gains and losses on financial items at fair value	-26	3		-28		-6	8	-1
Other income	-2,842	-2,886	-2	-673	-699	-736	-734	-705
Total income	-2,876	-2,892	-1	-709	-697	-736	-734	-711
Staff costs	-46	-28	64	-28	-10	-2	-6	-16
IT expenses	-909	-954	-5	-230	-201	-236	-242	-232
Other expenses	-1,921	-1,910	1	-451	-486	-498	-486	-463
Depreciation/amortization	0	0		0	0	0	0	0
Total expenses	-2,876	-2,892	-1	-709	-697	-736	-734	-711
Income items								
Income from external customers	-668	-359	86	-127	-114	-206	-221	-109
Income from transactions with other segments	-2,208	-2,533	-13	-582	-583	-530	-513	-602
Business volumes, SEK billion								
Mutual funds & insurance	-253	-256	-1	-253	-265	-273	-266	-256
Other investment volume	-24	-18	33	-24	-22	-21	-20	-18
Total assets	-424	-305	39	-424	-364	-340	-404	-305
Total liabilities	-424	-305	39	-424	-364	-340	-404	-305

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Income statement, group

SEKm	Q4 2007	Q3 2007	%	Q4 2006	%	Full-year 2007	Full-year 2006	%
<i>Interest income</i>	19,146	17,219	11	13,389	43	67,087	47,165	42
<i>Interest expenses</i>	-13,887	-12,413	12	-9,086	53	-47,930	-31,188	54
Net interest income	5,259	4,806	9	4,303	22	19,157	15,977	20
<i>Commission income</i>	3,398	3,238	5	2,977	14	12,939	11,465	13
<i>Commission expenses</i>	-862	-735	17	-668	29	-3,059	-2,596	18
Net commission income (Note 1)	2,536	2,503	1	2,309	10	9,880	8,869	11
Net gains and losses on financial items at fair value (Note 2)	386	196	97	908	-57	1,691	2,738	-38
<i>Insurance premiums</i>	367	437	-16	417	-12	1,711	1,353	26
<i>Insurance provisions</i>	-88	-338	-74	-337	-74	-1,163	-1,089	7
Net insurance	279	99		80		548	264	
Share of the profit or loss of associates	70	140	-50	-26		424	222	91
Other income	344	287	20	338	2	1,224	1,127	9
Total income	8,874	8,031	10	7,912	12	32,924	29,197	13
Staff costs	2,111	2,075	2	1,878	12	8,134	7,253	12
Profit-based staff costs	522	337	55	302	73	1,658	1,307	27
Other general administrative expenses	1,701	1,528	11	1,724	-1	6,222	5,920	5
Total general administrative expenses	4,334	3,940	10	3,904	11	16,014	14,480	11
Depreciation/amortization and impairments of tangible and intangible fixed assets	192	192	0	193	-1	705	659	7
Total expenses	4,526	4,132	10	4,097	10	16,719	15,139	10
Profit before loan losses	4,348	3,899	12	3,815	14	16,205	14,058	15
Loan losses, net (Note 3)	238	230	3	-72		619	-205	
Operating profit	4,110	3,669	12	3,887	6	15,586	14,263	9
Tax expense	950	793	20	928	2	3,450	3,211	7
Profit for the period	3,160	2,876	10	2,959	7	12,136	11,052	10
Profit for the period attributable to:								
Shareholders of Swedbank AB	3,108	2,866	8	2,913	7	11,996	10,880	10
Minority interest	52	10		46	13	140	172	-19
Earnings per share, SEK	6.03	5.57	0	5.65		23.28	21.11	

See page 40 for number of shares.

Quarterly income statement

Group SEKm	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006
Net interest income	5,259	4,806	4,591	4,501	4,303	4,139	4,029	3,506
Net commission income	2,536	2,503	2,552	2,289	2,309	2,109	2,353	2,098
Net gains and losses on financial items at fair value	386	196	579	530	908	513	786	531
Net insurance	279	99	91	79	80	67	100	17
Share of the profit or loss of associates	70	140	95	119	-26	53	58	137
Other income	344	287	318	275	338	283	252	254
Total income	8,874	8,031	8,226	7,793	7,912	7,164	7,578	6,543
Staff costs	2,111	2,075	2,016	1,932	1,878	1,772	1,791	1,812
Profit-based staff costs	522	337	409	390	302	301	412	292
Other general administrative expenses	1,701	1,528	1,539	1,454	1,724	1,262	1,543	1,391
Total general administrative expenses	4,334	3,940	3,964	3,776	3,904	3,335	3,746	3,495
Depreciation/amortization and impairments of tangible and intangible fixed assets	192	192	160	161	193	155	156	155
Total expenses	4,526	4,132	4,124	3,937	4,097	3,490	3,902	3,650
Profit before loan losses	4,348	3,899	4,102	3,856	3,815	3,674	3,676	2,893
Loan losses, net	238	230	102	49	-72	-67	-116	50
Operating profit	4,110	3,669	4,000	3,807	3,887	3,741	3,792	2,843
Tax expense	950	793	856	851	928	806	938	539
Profit for the period	3,160	2,876	3,144	2,956	2,959	2,935	2,854	2,304
Profit for the period attributable to:								
Shareholders of Swedbank AB	3,108	2,866	3,112	2,910	2,913	2,911	2,786	2,270
Minority interest	52	10	32	46	46	24	68	34
Earnings per share, SEK	6.03	5.57	6.03	5.65	5.65	5.65	5.40	4.41

See page 40 for number of shares.

Capital adequacy

New capital adequacy rules ("Basel 2")

On February 1, 2007 Sweden introduced new capital adequacy rules, Basel 2. 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 floor rules, any reduction in the capital requirement is limited by the new rules during the transition period. The rules state that 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.

The capital requirement according to the new rules is increased by an add-on corresponding to the minimum capital requirement in the transition 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, EnterCard 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 December 31 is shown according to the new rules, with comparable and historical figures according to older rules.

Swedbank financial companies group SEKm	According to older rules		
	Dec 31 2007	Dec 31 2007	Dec 31 2006
Primary capital	50,920	51,470	47,497
Supplementary capital	27,458	28,467	26,067
Less shares, etc.	-1,922	-2,157	-2,634
Capital base	76,456	77,781	70,930
Risk-weighted assets	600,238	891,595	726,712
Capital requirement for credit risks, older rules	19,364	69,380	56,657
Capital requirement for credit risks, IRB	24,737		
Capital requirement for settlement risks	7	7	5
Capital requirement for market risks	1,242	1,940	1,475
<i>whereof risks in the trading book outside VaR</i>	891	1,589	1,277
<i>whereof currency risks outside VaR</i>	0	0	
<i>whereof risks where VaR models are applied</i>	351	351	198
Capital requirement for operational risks	2,669		
Capital requirement	48,019	71,328	58,137
Complement during transition period	17,770		
Capital requirement including complement	65,789		
Tier 1 capital ratio, % excluding complement	8.5	5.8	6.5
Capital adequacy ratio, % excluding complement	12.7	8.7	9.8
Capital quotient	1.59	1.09	1.22
Tier 1 capital ratio, % including complement	6.2		
Capital adequacy ratio, % including complement	9.3		
Capital quotient	1.16		

As of December 31, 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 and the other half is in supplementary 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 51 percent, from SEK 50,016m to SEK 24,737m. The principal decrease is in the household portfolio, where the capital requirement generally decreases. In the corporate portfolio the effect 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.

Credit risks, IRB Dec 31, 2007 SEKm	Exposure after credit risk protection	Average risk weight	Capital requirement
Total credit risks, IRB	1,199,270	26%	24,737
<i>whereof institutional exposures</i>	204,329	9%	1,452
<i>whereof corporate exposures</i>	299,713	72%	17,326
<i>whereof retail exposures</i>	653,557	10%	5,233
<i>whereof equity exposures</i>	0	0%	0
<i>whereof other non credit-obligation asset exposures</i>	41,671	22%	726

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	Q4 2007	Q3 2007	%	Q4 2006	%	Full-year 2007	Full-year 2006	%
<i>Interest income</i>	11,185	9,707	15	7,329	53	38,449	24,972	54
<i>Interest expenses</i>	-9,107	-7,976	14	-5,512	65	-30,866	-17,885	73
Net interest income	2,078	1,731	20	1,817	14	7,583	7,087	7
Dividends received	4,736	-15		1,338		5,400	1,836	
<i>Commission income</i>	1,417	1,428	-1	1,503	-6	5,651	6,202	-9
<i>Commission expenses</i>	-205	-122	68	-308	-33	-733	-1,404	-48
Net commission income (Note 1)	1,212	1,306	-7	1,195	1	4,918	4,798	3
Net gains and losses on financial items at fair value (Note 2)	145	65		623	-77	363	1,546	-77
Other income	309	276	12	351	-12	1,195	1,047	14
Total income	8,480	3,363		5,324	59	19,459	16,314	19
General administrative expenses								
- Staff costs	1,604	1,586	1	1,425	13	6,340	5,954	6
- Other expenses	1,068	996	7	1,184	-10	4,074	4,090	0
Total general administrative expenses	2,672	2,582	3	2,609	2	10,414	10,044	4
Depreciation/amortization and impairments of tangible and intangible fixed assets	68	70	-3	65	5	267	268	0
Amortization of goodwill	31	33	-6	30	3	123	119	3
Total expenses	2,771	2,685	3	2,704	2	10,804	10,431	4
Profit before loan losses	5,709	678		2,620		8,655	5,883	47
Loan losses, net (Note 3)	59	17		-128		79	-479	
Impairment of financial fixed assets	7	0		4		7	4	75
Operating profit	5,643	661		2,744		8,569	6,358	35
Appropriations	-1,944	-4		135		-1,956	138	
Tax expense	1,060	198		739	43	1,746	1,461	20
Profit for the period	2,639	459		2,140	23	4,867	5,035	-3

Balance sheet

SEKm	Group		Parent company	
	Dec 31 2007	Dec 31 2006	Dec 31 2007	Dec 31 2006
Assets				
Loans to credit institutions	174,014	161,097	386,240	322,643
Loans to the public	1,135,287	946,319	362,213	273,669
Interest-bearing securities	115,492	99,600	134,452	105,960
Shares and participating interests	77,618	72,589	47,765	42,733
- for which customers bear the investment risk	69,324	65,008		
Derivatives	36,984	23,864	33,227	22,934
Other assets	68,589	49,520	33,664	14,692
Total assets	1,607,984	1,352,989	997,561	782,631
Liabilities and equity				
Amounts owed to credit institutions	163,785	130,642	230,802	174,727
Deposits and borrowings from the public	458,375	400,035	348,557	315,490
Debt securities in issue, etc	673,116	561,208	229,381	145,581
Financial liabilities for which customers bear the investment risk	69,819	65,289		
Derivatives	36,267	31,607	34,392	25,144
Other liabilities and provisions	98,563	69,506	75,355	50,008
Subordinated liabilities	39,736	34,425	36,975	32,140
Untaxed reserves			5,164	3,226
Equity	68,323	60,277	36,935	36,315
- <i>Minority</i>	315	303		
- <i>Shareholders</i>	68,008	59,974	36,935	36,315
Total liabilities and equity	1,607,984	1,352,989	997,561	782,631
Assets pledged for own liabilities			35,705	91,792
Other assets pledged			77,592	11,817
Contingent liabilities			25,346	39,991
Commitments			149,084	106,489

Cash flow statement

SEKm	Group		Parent company	
	Full-year 2007	Full-year 2006	Full-year 2007	Full-year 2006
Cash and cash equivalents at beginning of period *)	83,032	89,514	76,779	96,074
Operating activities	-75,085	-58,747	-30,328	-58,955
Investing activities	-6,203	1,076	-6,880	1,264
Financing activities	97,626	52,074	70,253	38,396
Cash flow for the period	16,338	-5,597	33,045	-19,295
Exchange rate differences on cash and cash equivalents	1,099	-885		
Cash and cash equivalents in acquired entities	294		2	
Cash and cash equivalents at end of period *)	100,763	83,032	109,826	76,779
*) of which, securities pledged for OMX				
- at beginning of period	4,384	2,729	4,384	2,729
- at end of period	8,086	4,384	8,086	4,384

Turnover of own debt instruments

The Swedbank group issues and repurchases its own debt instruments. This turnover is intended for the bank'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 177bn (245)
Redeemed (bought)	SEK -174bn (195)

Statement of changes in equity, group

SEKm	Minority interest	Shareholders' equity		Total equity	
		Capital contributions	Other equity		Total
Opening balance January 1, 2006	232	14,674	38,963	53,637	53,869
Translation difference of subsidiaries and associates	-11		-1,031	-1,031	-1,042
Hedging of net investments in foreign operation:					
-Gains/losses recognised directly in equity			490	490	490
-Related 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		
Bonus issue		516	-516		
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
Translation difference of subsidiaries and associates	16		860	860	876
Hedging of net investments in foreign operation:					
-Gains/losses recognised directly in equity			-716	-716	-716
-Related deferred tax			211	211	211
Cash flow hedges:					
-Gains/losses recognised directly in equity			-40	-40	-40
-Related deferred tax			44	44	44
-Transferred to initial carrying amount of hedged item			157	157	157
-Related deferred tax			-44	-44	-44
-Transferred to Income statement, Net interest income			-182	-182	-182
Net income for the period recognized					
directly in equity	16	0	290	290	306
Profit for the period reported via income statement	140		11,996	11,996	12,136
Total profit for the period	156	0	12,286	12,286	12,442
New share issue	18				18
Dividend	-172		-4,252	-4,252	-4,424
Minority interest in newly started business	10				10
Closing balance December 31, 2007	315	14,891	53,117	68,008	68,323

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
Reduction of the share capital	-299	299	
Bonus issue	299	-299	
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 hedges:			
-Gains/losses recognised directly in equity		-157	-157
-Related deferred tax		44	44
-Transferred to initial carrying amount of hedged item		157	157
-Related deferred tax		-44	-44
Merger profit, Söderhamns Sparbank AB		11	11
Group contributions paid		-8	-8
Related tax		2	2
Net income for the period recognized directly in equity		5	5
Profit for the period		4,867	4,867
Total profit for the period		4,872	4,872
Dividend		-4,252	-4,252
Closing balance December 31, 2007	17,312	19,623	36,935

Lending, group

SEKbn	Dec 31 2007	Dec 31 2006	%
Private individuals	559.5	479.9	17
<i>of which Swedbank Mortgage AB</i>	<i>426.4</i>	<i>379.2</i>	<i>12</i>
Real estate management	217.9	190.9	14
Retail, hotels, restaurants	42.5	34.1	25
Construction	16.3	12.9	26
Manufacturing	37.1	30.1	24
Transportation	21.8	16.5	32
Forestry and agriculture	49.9	45.3	10
Other service businesses	51.2	36.5	40
Other business lending	90.0	58.8	53
Municipalities	16.8	13.9	21
Total lending to the public, excl. repos	1,103.0	918.9	20
<i>of which Baltic Banking Operations</i>	<i>177.1</i>	<i>126.9</i>	<i>33 *</i>
Credit institutions incl. Nat'l Debt Office	83.4	78.4	6
Repurchase agreements (repos)	122.9	110.1	12
Total lending	1,309.3	1,107.4	18

* changes reported excl. foreign exchange effects

Savings and investments, group

SEKbn	Dec 31 2007	Dec 31 2006	%
Deposits from the public			
Households	274.3	223.4	23
Other deposits from the public	175.2	153.3	14
Total deposits from the public	449.5	376.7	19
<i>of which Baltic Banking Operations</i>	<i>102.2</i>	<i>83.7</i>	<i>17 *</i>
Discretionary asset management **	204.7	25.8	
Fund assets under management	421.3	412.5	2
Unit-linked insurance	68.6	64.8	6
Of which unit-linked insurance in own companies	-66.9	-63.5	5
Retail bonds, interest-bearing	1.1	1.1	0
Retail bonds, equity linked	30.1	23.3	29
Total savings and investments	1,108.4	840.7	32

* changes reported excl. foreign exchange effects

** excluding investments in Swedbank Robur's funds

Notes

Note 1. Net commission income

Group SEKm	Q4 2007	Q3 2007	Q4 2006	Full-year 2007	Full-year 2006
Commission income					
Payment processing	1,216	1,220	1,068	4,612	4,010
Lending	162	183	138	671	605
Brokerage	290	243	226	1,064	989
Asset management	995	1,133	953	4,226	3,719
Other securities	47	18	43	104	119
Other	688	441	549	2,262	2,023
Total	3,398	3,238	2,977	12,939	11,465
Commission expenses					
Payment processing	-416	-406	-362	-1,592	-1,376
Securities	-74	-73	-65	-290	-240
Other	-372	-256	-241	-1,177	-980
Total	-862	-735	-668	-3,059	-2,596
Total net commission income	2,536	2,503	2,309	9,880	8,869
Parent company SEKm	Q4 2007	Q3 2007	Q4 2006	Full-year 2007	Full-year 2006
Commission income					
Payment processing	460	491	533	1,876	2,591
Lending	84	111	71	361	346
Brokerage	115	101	125	445	460
Asset management	435	453	451	1,815	1,726
Other securities	46	16	33	97	100
Other	277	256	290	1,057	979
Total	1,417	1,428	1,503	5,651	6,202
Commission expenses					
Payment processing	-95	-81	-174	-403	-991
Securities	-47	-41	-40	-174	-154
Other	-63	0	-94	-156	-259
Total	-205	-122	-308	-733	-1,404
Total net commission income	1,212	1,306	1,195	4,918	4,798

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

Group SEKm	Q4 2007	Q3 2007	Q4 2006	Full-year 2007	Full-year 2006
Trading, derivatives and fair value option					
Shares/participating interests	116	189	399	875	1,241
- of which change in value	114	191	393	518	935
- of which dividend	2	-2	6	357	306
Interest-bearing instruments	-179	-243	64	-540	733
- of which change in value of open interest-bearing position, Swedbank Mortgage	66	-129	15	71	145
- of which other change in value	-245	-114	49	-611	588
Other financial instruments	62	85	-67	60	-74
- of which change in value	62	85	-67	60	-74
Total	-1	31	396	395	1,900
Interest income compensation, claims valued at cost					
	1	3	7	15	51
Changes in exchange rates	386	162	505	1,281	787
Total net gains and losses on financial items at fair value	386	196	908	1,691	2,738
Parent company SEKm	Q4 2007	Q3 2007	Q4 2006	Full-year 2007	Full-year 2006
Capital gains/losses					
Shares/participating interests	-44	68	412	-340	1,082
Interest-bearing securities	43	107	325	236	652
Total	-1	175	737	-104	1,734
Unrealized changes in value					
Shares/participating interests	235	136	-177	764	-392
Interest-bearing securities	-325	-222	-150	-905	347
Other financial instruments	16		-123	16	-397
Total	-74	-86	-450	-125	-442
Changes in exchange rates	220	-24	336	592	254
Total net gains and losses on financial items at fair value	145	65	623	363	1,546

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

Group SEKm	Q4 2007	Q3 2007	Q4 2006	Full-year 2007	Full-year 2006
<i>Loans assessed individually</i>					
The period's write-off for established loan losses	-370	-45	-163	-575	-493
Reversal of previous provisions for anticipated loan losses reported in the period's accounts as established losses	104	21	44	236	207
The period's provisions for anticipated loan losses	-187	-116	-55	-453	-222
Recoveries from previous years' established loan losses	85	15	31	178	225
Recovered provisions no longer necessary for anticipated loan losses	13	21	95	126	264
Net expense for the period	-355	-104	-48	-488	-19
<i>Collective provisions for loans assessed individually</i>					
Allocations/withdrawals from collective provisions	176	-73	130	39	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	-28	-20	-15	-85	-61
Recoveries from previous years' established loan losses	5	4	2	23	9
Allocations to/withdrawals from loan loss reserve	-25	-17	1	-73	-17
The period's net expense for collectively valued homogenous claims	-48	-33	-12	-135	-69
<i>Contingent liabilities</i>					
The period's net expense for discharged guarantees and other contingent liabilities	2	-14	2	-25	-5
The period's net loan loss expense	-225	-224	72	-609	226
Change in the value of property taken over	-13	-6	0	-10	-21
Total loan losses, net and change in value of property taken over	-238	-230	72	-619	205
Parent company SEKm	Q4 2007	Q3 2007	Q4 2006	Full-year 2007	Full-year 2006
<i>Loans assessed individually</i>					
The period's write-off for established loan losses	-252	-21	-120	-399	-398
Reversal of previous provisions for anticipated loan losses reported in the period's accounts as established losses	42	8	37	140	171
The period's provisions for anticipated loan losses	-104	-49	-44	-193	-118
Recoveries from previous years' established loan losses	69	5	12	96	124
Recovered provisions no longer necessary for anticipated loan losses	8	10	39	72	148
Net expense for the period	-237	-47	-76	-284	-73
<i>Collective provisions for loans assessed individually</i>					
Allocations/withdrawals from collective provisions	200	64	189	299	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	-15	-11	-10	-45	-43
Recoveries from previous years' established loan losses	0	0	0	0	0
Allocations to/withdrawals from loan loss reserve	-2	-4	9	-17	7
The period's net expense for collectively valued homogenous claims	-17	-15	-1	-62	-36
<i>Contingent liabilities</i>					
The period's net expense for discharged guarantees and other contingent liabilities	8	-13	17	-22	20
The period's net loan loss expense	-46	-11	129	-69	501
Change in the value of property taken over	-13	-6	-1	-10	-22
Total loan losses, net and change in value of property taken over	-59	-17	128	-79	479

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

SEKm	Group		Parent company	
	Dec 31 2007	Dec 31 2006	Dec 31 2007	Dec 31 2006
Book value (before recognized provisions)	1,312,992	1,110,595	749,880	598,037
Specific provisions for individually assessed claims	-1,145	-681	-407	-423
Provisions for collectively valued homogeneous groups of claims with limited value and similar credit risk	-187	-124	-84	-67
Collective provisions for individually assessed claims	-2,359	-2,374	-936	-1,235
Total provisions	-3,691	-3,179	-1,427	-1,725
Book value	1,309,301	1,107,416	748,453	596,312
Book value of impaired loans	1,740	825	303	323
Property taken over to protect claims:				
- Buildings and land	0	1	0	0
- Shares and participating interests	28	40	21	36
- Other	2	2	0	0
Total	30	43	21	36
Impaired loans as % of total lending	0.13	0.07	0.04	0.05
Total provision ratio for impaired loans, % *	120	195	180	212
Provision ratio for individually identified impaired loans, %	43	50	62	60

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

Credit risks

Group Sector/branch Dec 31, 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	560,277	223	375	187	559,492	481
Real estate management	218,295	162	256		217,877	393
Retail, hotels, restaurants	43,054	156	398		42,500	96
Construction	16,455	56	96		16,303	66
Manufacturing	37,682	162	394		37,126	222
Transportation	21,972	20	115		21,837	105
Forestry and agriculture	50,043	59	73		49,911	124
Other service businesses	51,385	38	201		51,146	69
Other corporate lending	90,665	256	451		89,958	196
Municipalities, excl. municipal corporates	16,820				16,820	
Lending	1,106,648	1,132	2,359	187	1,102,970	1,752
Credit institutions incl. Nat'l Debt Office	83,460	13			83,447	-12
Repurchase agreements - credit institutions incl. Nat'l Debt Office	97,634				97,634	
Repurchase agreements - public	25,250				25,250	
Total lending to credit institutions and the public	1,312,992	1,145	2,359	187	1,309,301	1,740

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 currencies.

Group SEKm	Interest related		Currency related		Equity related, etc.	
	Full-year 2007	Full-year 2006	Full-year 2007	Full-year 2006	Full-year 2007	Full-year 2006
Derivatives with positive book values	17,765	14,901	14,413	7,024	6,632	4,959
Derivatives with negative book values	19,856	15,200	13,350	13,795	4,887	5,632
Nominal amount	7,232,312	4,993,736	1,104,433	774,499	96,075	51,765

Derivatives with a value of SEK 1,826m (3,020) have, as a consequence of netting agreements, been recognized net in the balance sheet.

Number of shares in issue

Number of shares in issue	Q4 2007	Q3 2007	Q4 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	Dec 31 2007	Dec 31 2006
Average number of shares outstanding before and after dilution	515,373,412	515,373,412
Number of shares outstanding before and after dilution	515,373,412	515,373,412

Number of employees

Number of full-time employees	Dec 31 2007	Dec 31 2006
Swedish Banking	6,236	6,239
Baltic Banking	9,203	8,209
<i>Estonia</i>	3,246	2,941
<i>Latvia</i>	2,577	2,241
<i>Lithuania</i>	3,380	3,027
International Banking	3,952	332
<i>Ukraine</i>	3,433	
<i>Russia</i>	386	233
<i>Nordic branches and Luxemburg</i>	122	90
<i>Other</i>	11	9
Swedbank Markets	752	668
Asset Management and Insurance	332	281
Shared Services & Group Staffs	1,673	1,670
Total	22,148	17,399

Signatures of the Board of Directors and the President

The Board of Directors and the President certify that the year-end report for 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, February 13, 2008

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 year-end report for 2007 for Swedbank AB (publ). The Board of Directors and the CEO are responsible for the preparation and presentation of this year-end 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 year-end 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 year-end 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, February 13, 2008

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> or on <http://www.swedbank.com>.

The annual report for 2007 is scheduled to be made available to the public week 13, 2008.

On February 1, 2007 new rules were applied in Sweden for capital adequacy and exposures (Basel 2). The rules strengthen the link between risk and capital requirement with stricter requirements as regards banks risk management and information disclosure. Thus, this is the first year that Swedbank's yearly report (Annual report about risks and capital adequacy 2007) is published according to these new rules. The report comprises the Swedbank financial companies group and refers to the situation as of December 31, 2007. The report will be published on www.swedbank.com together with Swedbank's Annual Report.

Swedbank will publish financial results on the following dates in 2008:

Interim report for the first quarter on April 24

Interim report for the second quarter on July 17

Interim report for the third quarter on October 23

Annual General Meeting 2008

The Annual General Meeting will be held in Stockholm on April 25, 2008.

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