

Press Release

26 June 2009

Swedbank has been granted permission to use IRB in Swedbank Finans

The Swedish financial supervisory authority (Finansinspektionen) has granted Swedbank permission to use the internal ratings-based (IRB) approach in its calculation of risk-weighted assets in Swedbank Finans AB (publ) and ML Rental AB (jointly called Swedbank Finans), as from June 30, 2009.

Swedbank Finans' lending constitutes about 2.5% of the Group's total lending, and therefore the implementation of the IRB approach in Swedbank Finans will marginally reduce the Group's capital requirements. In the calibration of the IRB system, Swedbank has chosen a conservative approach and the average IRB risk weight of Swedbank Finans' portfolio will be approximately 75% of the risk weight in the former used standardised approach.

The IRB approach will be applied to about 96% of Swedbank Finans' total credit risk exposure. The risk-weighted assets for the remaining part – consisting mainly of exposures to sovereigns and other public sector entities as well as non-profit organisations - are calculated in accordance with the standardised approach.

The use of the IRB approach in Swedbank Finans means that the Swedbank Group's Tier 1 capital ratio and total capital adequacy ratio strengthens pro forma by about 10 bp as of 31 March 2009, based on fully implemented Basel 2 rules.

Further information, please contact:

Johannes Rudbeck, Head of Investor Relations, Swedbank, phone: +46 70 582 56 56
Anna Sundblad, Press Manager, Swedbank, phone: +46 70 321 39 95