

# Press Release

8 June, 2011

## Swedbank's early redemption and buyback of subordinated loans

**Swedbank is working actively to manage the bank's capital structure and as a part of this process has applied for, and been granted, approval by Finansinspektionen (SFSA) to buy back issued, subordinated Tier 2 loans amounting to SEK 5bn. SFSA's approval is valid until 31 August 2011.**

The buybacks will be made for subordinated loans where Swedbank has the right to exercise early redemption during 2011 and 2012. Furthermore, Swedbank will, supported by SFSA's approval, redeem outstanding Tier 2 loans amounting to GBP 97.8m (XS0257529296) at the time of the bank's right to exercise early redemption on 22 June 2011.

Swedbank does not at this point plan to issue any new subordinated loans to replace the loans bought back or redeemed early. The bank's focus as regards securing stability in its balance sheet is on its Core Tier 1 capital, as previously communicated. Since mid-2008 Swedbank has increased its Core Tier 1 ratio by 7.4 percentage units to 14.9% in March 2011.

The buybacks will be handled by Swedbank Markets and Bank of America Merrill Lynch. The maximum volume to be bought back is SEK 5bn in compliance with SFSA's approval, but the actual volume bought back could amount to less depending on the market's willingness to sell the above mentioned loans. Swedbank currently does not intend to launch tender offers in the market for any of its outstanding subordinated loans.

**For further information please contact:**

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*Please find attached the Tier 2 loans affected by this statement:*

ISIN	Currency
W94253AD8	USD
XS0080222838	USD
XS0257529296	GBP
XS0269222591	USD
XS0276165346	EUR
XS0300645180	USD
XS0322614420	EUR
NO0010404643	NOK
SE0001800905	SEK
SE0001800913	SEK
SE0001877739	SEK
SE0002268417	SEK
SE0002288381	SEK