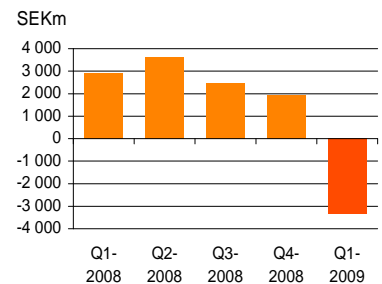




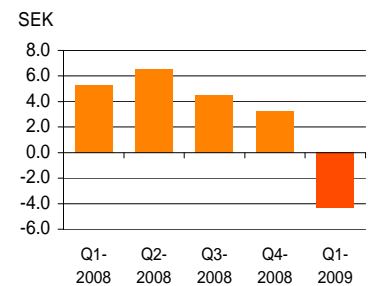
## The result for the period Q1, 2009

- The profit for the period was SEK -3 358m (2 900). Excluding impairment of intangible assets of SEK 1 305m and one-off charge for incorrect fund fees in Swedbank Robur of SEK 346m after tax, profit for the period was SEK -1 707m
- Excluding these items the operating profit amounted to SEK -1 572m
- Earnings per share was SEK -4.34 (SEK 5.26)
- The return on equity was negative (16.8 per cent)
- The cost/income ratio was 0.49 (0.53)
- Net interest income increased by 11 per cent to SEK 5 803m (5 241)
- Impairment losses on loans amounted to SEK 6 845m (288). Provisions for loan losses amounted to SEK 6 552m (235). Net write-offs amounted to SEK 293m (53). Of total provisions, additional collective provisions accounted for SEK 3 680m, due to the rapidly deteriorating macro-economic situation. The loan loss ratio was 2.16 per cent (0.10)
- The tier 1 capital ratio was 10.8 per cent according to the new rules (11.1 per cent on 31 December 2008) and 9.3 per cent (8.4) according to transition rules

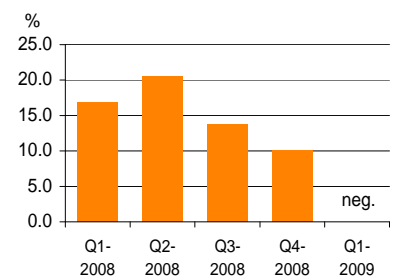
Profit for the period



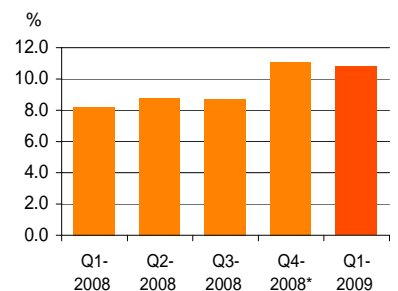
Earnings per share



Return on equity



Tier 1 capital ratio



\* Including total subscribed capital.

Comparative figures refer to the corresponding period previous year unless otherwise stated.

## CEO Comment

Swedbank today faces one of the biggest challenges in the bank's history. The global economic downturn has worsened as the financial crisis increasingly affects the real term economy. In several of the markets in which Swedbank operates, the down turn is substantial. Funding markets for banks across the world are functioning poorly without governmental assistance. The environment for the global banking business is expected to change significantly going forward.

Swedbank has consequently implemented a number of powerful actions to secure the credit quality and protect future earnings generation.

- The management team has been strengthened with increased focus on risk management, communication and implementation of a common business model for the bank's domestic markets.
- An in-depth analysis of our credits in the Baltic States has been conducted and a new organisation for handling distressed debt is under way. At year end we expect this unit to employ up to 200 employees. In the Ukraine a similar unit has been deployed and will within short comprise of 40 employees. These units report to the Group Chief Risk Officer.
- Swedbank has taken an additional collective provisioning of SEK 3.7bn. We deem it prudent to keep the provisioning level of the fourth quarter of 2008 in Baltic Banking as impaired loans have increased fast. In addition we have decided to make provisions for 101 per cent of the impaired loans in Ukrainian Banking.
- The growth rate of impaired loans is expected to decrease later during the year. When this occurs, the provisioning level will decrease.
- In spite of impairment losses on loans of SEK 6.8bn the tier 1 capital ratio has decreased only by 0.3 percentage points to a level of 10.8 per cent.
- Due to the economic and political uncertainties in Ukraine, Swedbank has decided to re-evaluate the country and will develop the business with a lower level of ambition. The growth expectation has been adjusted downwards, which has resulted in that the remaining intangible assets, SEK 1.3bn, in Ukrainian investment have been written off.
- In Sweden we are working preventatively through closer client contact in segments with increased risk and we have intensified follow-ups of overdue loans in order to reduce anticipated effects from the strong economic downturn.
- Cost control, especially in Swedish Banking and Baltic Banking, is good.
- We will actively manage risk-adjusted returns and risk weighted assets, which will lead to a positive impact on earnings and capitalisation in the mid-term.

- In order to secure adequate liquidity, we have extensively taken advantage of the state guarantee for new long-term funding. Our assessment is that funding markets will remain challenging.

With the implementation of these measures, I am confident that we have made a good start to the process needed in order to be well prepared to meet the challenges ahead. During the second quarter, we will continue the initiated work by analysing what further actions are required in order to secure future profitability during the current economic development. This will also include measures to address the funding duration mismatch.

Our Baltic operation is a vital part of our home market strategy. However, due to the low visibility in the region we can not rule out future impairment of goodwill related to the Baltic investment.

Our collaboration with the independent savings banks is of key strategic importance for Swedbank's Swedish operations. This co-operation is based on deep-rooted shared values where our role to be part of building a sustainable society has been of vital importance since 1820. Our vision is a reinforced collaboration with the independent savings banks.

During the first quarter, we have decided to sell a number of local branches to the savings banks, in order to further strengthen the customer product offering and develop an attractive and cost-efficient service.

We have initiated a project of shaping Swedbank's desired long-term position. The project will involve all parts of the organisation and will run over the next three to five years. We aim at an increased degree of organisational formalisation and clarity. The object is to improve the ability of Swedbank's employees to contribute more efficiently in the creation of a bank which cares about each customer's financial safety and development.

I am very pleased that Swedbank once again has been ranked as the most attractive employer in the financial sector in Sweden in a study from Universum Communications. Further more, Swedbank Robur for the third consecutive year has been named the best fund manager in the Nordic region by the international analyst firm Lipper.

# Development during the period

## Overview

Like the previous quarter, the first quarter of 2009 was characterised by substantially lower market interest rates, a sharp yield curve and high volatility in capital markets with large currency fluctuations. Net interest income and net gains and losses on financial items at fair value developed strongly given market conditions. The trend was most evident in the Swedbank Markets business area. Strong trading results are the result of successful risk management based on anticipated market development, stronger market shares and higher customer margins. The exceptionally high earnings level of Swedbank Markets during the period is not considered sustainable in the long-term, since current market conditions are not expected to persist.

The global economic crisis has greatly impacted repayment ability for customers in many of Swedbank's markets. This decline has been most apparent in the Baltic countries and Ukraine. The share of impaired loans has increased to 8.9 per cent in Ukraine, 8.5 per cent in Latvia, 3.6 per cent in Lithuania and 2.5 per cent in Estonia. Swedbank expects a deep-rooted and persistent recession in these countries. The business areas Baltic Banking, International Banking and Asset Management and Insurance reported negative results.

During the quarter, Swedbank has made additional collective provisions of SEK 3.7bn as a result of the rapidly worsening global macro-economic situation. Of these provisions, SEK 1.9bn refers to the Baltic countries, SEK 1.4bn to Ukraine and SEK 0.4bn to Sweden.

In Swedish Banking, impairment losses on loans remained low. In consideration of the fact that both impaired loans and impairment losses on loans will increase as the impact of the recession is more widely spread, preventive measures have been intensified to minimise the negative consequences. This includes closer contacts with customers who show signs of payment difficulties.

The deteriorating economic outlook in Ukraine has resulted in impairment of remaining intangible assets, mainly goodwill, of SEK 1.3bn attributable to Ukrainian investment. The impairment does not affect the capital adequacy ratio or cash flow.

Swedbank has re-evaluated Ukraine and Russia and will develop the operations with a lower level of ambition.

In consideration of the difficult global economic situation, Swedbank has decided to strengthen its FR&R activity (Financial Restructuring and Recovery) with a separate unit that works with problem loans in the Baltic countries. The aim of the Baltic Financial Restructuring and Recovery Unit (BFRR) is to focus on those customers and projects that require special supervision during the regional recession. The BFRR unit will report to Swedbank's Chief Risk Officer and the Head of the Baltic Banking. The unit will be managed at pan-Baltic level and work in all three countries.

Up to 200 persons will work in BFRR including experienced experts who have dealt with similar special situations in several other banks such as in Sweden, Germany and the UK. The unit will be operational before the end of the first half of 2009. A similar dedicated FR&R team of approximately 40 persons, recruited both internally and externally, has also been established in Ukraine.

As a result of the economic downturn, Swedbank considers that the size of the banking sector in Swedbank's home markets – Sweden, Estonia, Latvia and Lithuania – will remain unchanged or contract. Swedbank's distribution capacity will not be fully utilized. This will result in capacity adjustments, mainly in the Baltic countries. The number of employees and branches will be reduced during the next quarters. A cost reduction program has been launched in the Baltic countries to reduce the cost base with approximately 15 per cent. There will also be significant cuts in Ukraine.

The task of creating group wide processes continues. Asset management, capital market products (Swedbank Markets) and IT are those areas which have developed the furthest towards becoming a common organisation for all of Swedbank's domestic markets.

Swedbank has the ambition of extending the period of maturity for capital market funding. This in combination with lower market rates will with time result in increased pressure on net interest income which can only partly be compensated for through the widening of lending margins.

## Profit

The profit for the period attributable to Swedbank's shareholders was SEK -3.4bn. The return on equity was negative (16.8 per cent). Excluding impairment of intangible assets and the additional collective provisions, profit for the period amounted to SEK 0.9bn and the return on equity was 4.1 per cent.

The quarterly results were also affected by Swedbank Robur's one-time cost to repay fund management fees amounting to SEK 480m gross and SEK 346m net after tax.

Income, excluding capital gains and repayment of incorrectly charged fund management fees, was 24 per cent higher than during the corresponding period previous year. Strong net interest income and net gains and losses on financial items at fair value were the biggest contributors to earnings.

Income increased primarily in Swedbank Markets, International Banking and Swedish Banking. In Baltic Banking and Asset Management and Insurance, income decreased primarily due to lower business volumes. Excluding non-recurrent effects and exchange rate effects in the translation of the income of subsidiaries to Swedish kronor, the increase in income was 20 per cent.

Net interest income increased by 11 per cent. Wider lending margins and strong results from trading and

treasury operations contributed the most to the increase and compensated for shrinking deposit margins.

Net commission income decreased by 15 per cent, excluding Swedbank Robur's one-time cost to repay fund management fees. The decrease was mainly due to lower income from fund and insurance savings due to lower stock prices. Swedbank Robur's result was charged with SEK 480m in compensation to customers for fund management fees charged since 2004 that were not in compliance with the fund rules set out for two funds. Payment commissions increased by 5 per cent.

Net gains and losses on financial items at fair value increased by SEK 1.6bn, including SEK 1.0bn in Swedbank Markets and SEK 0.3bn in Group Treasury. The prospects for Swedbank Markets' interest and currency trading have been very favourable, with high volatility, which guaranteed improved customer margins, and good earnings from position taking. In the corresponding period last year, Group Treasury's derivatives declined in value by SEK 253m related to intra-Group financing. Since the second half of 2008, cash flow hedging is applied to these transactions.

Net gains and losses on financial items at fair value have historically shown considerable volatility on a quarterly basis within Swedbank Mortgage (Swedish Banking), since the large part of its lending and funding is marked to fair value. This is due to treasury management strategies in terms of interest rate positions. The impact on income arises in part in connection with large maturing bonds, due to differences in maturity dates between the bonds and lending, differences which are affected by customers' prepayments and bond repurchases. Transactions that are closed out in advance have a reciprocal effect on net interest income. Moreover, differences in interest rate levels with regard to swaps and bonds affect earnings through the valuation of lending and its funding.

In other income, the corresponding period of 2008 included capital gains of SEK 440m in Swedish Banking from the sale of branches to the savings banks.

Excluding exchange rate effects on the translation of subsidiary results to Swedish kronor, costs increased by SEK 78m or 2 per cent. Banco Fonder AB, which is consolidated as of the first quarter, affected costs by SEK 20m, including the amortization of intangible assets attributable to the acquisition. The remaining cost increases were mainly attributable to enhanced credit risk analysis and the building up of capacity to manage problem loans, primarily in the Baltic countries. Restructuring work in Ukraine has also increased costs. Fewer employees and lower profit-based staff costs contributed to the outcome of lower costs.

Impairment losses on loans, net increased by SEK 6.6bn to SEK 6.8bn (0.3) of which SEK 4.2bn in Baltic Banking. Of the reported impairment losses on loans, SEK 6.6bn was provisions, net. Individual provisions, net amounted to SEK 2.4bn (0.2) and model based collective provisions amounted to SEK 0.5bn (0). In addition, an additional collective

provision of SEK 3.7bn has been taken, as a result of the deteriorating macroeconomic development and the rapid increase of impaired loans. Net write-offs amounted to SEK 0.3bn. The loan loss ratio increased to 2.16 per cent (0.10).

Due to the negative operating profit, no tax expense was reported on Group level. Excluding non tax-deductible impairment of intangible assets, the effective tax rate will be higher in 2009 than the previous year due to negative result in the Baltic countries and Ukraine. This is despite a lower corporate tax rate in Sweden.

## Balance sheet

Lending to the public, excluding repurchase agreements (repos), decreased during the quarter by SEK 1bn excluding exchange rate and market valuation effects. Including valuation effects, the increase was SEK 4bn or 0.3 per cent. Lending amounted to SEK 1 254bn as of 31 March. Long-term mortgage financing in Sweden through Swedbank Mortgage increased by SEK 18bn or 3 per cent, of which the increase in the market valuation of the outstanding loan portfolio accounted for SEK 1bn and new lending accounted for a net of SEK 17bn. Swedbank Mortgage's loan portfolio of SEK 642bn represented 51 per cent of the Group's total lending. Swedbank Mortgage's average loan-to-value ratio was approximately 46 per cent. One per cent of the portfolio had a loan-to-value ratio of over 85 per cent. Lending in the Baltic countries declined by 5 per cent while lending in Ukraine declined by 12 per cent excluding exchange rate effects. Lending in the Baltic countries, Russia and Ukraine accounted for 17 per cent (17 per cent as of 31 December 2008), 1 per cent (1) and 1 per cent (1) of the Group's lending, respectively.

A large part of Swedbank's lending, 75 per cent is conducted through Swedish Banking. Mortgage loans to customers of Swedbank Mortgage secured by Swedish residential properties account for around 50 per cent of the Group's entire lending. Such loans have historically resulted in very low impairment losses on loans and reduces Swedbank's overall risk profile. Lending to real estate management companies accounts for SEK 269bn, of which SEK 206bn is in Sweden. Of the outstanding loan portfolio to real estate management companies in Swedish banking, condominium associations accounted for SEK 89bn, state- and municipally owned real estate companies for SEK 15bn and real estate management companies for SEK 62bn.

As of 31 March, the share of impaired loans was 0.98 per cent, compared with 0.52 per cent on 31 December. Of the gross increase relating to impaired loans of SEK 9.3bn since the start of the year, Baltic Banking accounted for SEK 7.6bn and Ukrainian Banking for SEK 1.4bn. SEK 7.3bn of the increase is attributable to corporate clients, of which real estate management companies accounted for SEK 3.9bn, and private individuals for SEK 2.0bn. The total provision ratio for impaired loans was 64 per cent, compared with 60 per cent at the start of the year.

Total credit risk exposure, including derivatives, interest-bearing securities, guarantees and other commitments, amounted to SEK 1 744bn, an increase of SEK 22bn or 1 per cent since the start of the year. The increase is mainly due to interest bearing securities and lending to credit institutions. Danish counterparties accounted for SEK 15bn of the increase and UK counterparties accounted for SEK 6bn. The exposure against East European counterparties declined by SEK 9bn.

The portfolio of interest-bearing securities amounted to SEK 170bn on 31 March. The portfolio consisted of Swedish securities (around 75 per cent) and has a low risk profile with an emphasis on covered bonds and government securities. Liquidity portfolios in Group Treasury and the Baltic countries amounted to approximately SEK 32bn, while Swedbank Market's trading book accounted for the remaining holdings. As of 31 March, 85 per cent of the portfolio was valued at quoted prices and 15 per cent with valuation models based on observable market data.

Swedbank's exposure to so-called conduits and SIVs (Structured Investment Vehicle) amounted to SEK 86m (SEK 94m on 31 December 2008), while its exposure to CDOs amounted to SEK 22m (183). The exposure to hedge funds amounted to SEK 1.0bn (1.4) and was fully collateralised. The exposure to private equity firms amounted to SEK 15.6bn (15.1). The exposure to shipping amounted to SEK 22.8bn (20.4).

Secured lending which was taken over from Lehman Brothers during September 2008 in connection with their filing for chapter 11 is unchanged at USD 1 350m. Collateral for this exposure of 69 loans consists of 55 real estate properties as security. The loans and collateral have been reassessed, and the assessment shows that no requirement for provisions exists as at 31 March 2009.

Deposits from the public, excluding repos, and the National Debt Office decreased during the quarter by SEK 12bn, excluding exchange rate effects, and amounted to SEK 466bn on 31 March. The decrease was SEK 7bn or 30 per cent in Swedbank Markets, SEK 3bn or 1 per cent in Swedish Banking, SEK 1bn or 1 per cent in the Baltic Banking and SEK 0.6bn or 10 per cent in Ukraine. The market share of deposits from private individuals was unchanged in comparison with the turn of the year, in Sweden 24 per cent, Estonia 56 per cent, Latvia 24 per cent and Lithuania 32 per cent.

The loan/deposit ratio was 269 per cent (262).

## Funding

Swedbank's liquidity situation improved during the quarter. The stronger liquidity situation was largely brought about through borrowing under the Swedish government's bank guarantee programme and through covered bonds and other securities refinanced with the central bank. Total outstanding amount issued through the bank guarantee programme amounted to SEK 227bn (bonds and commercial papers), of which SEK 119bn was issued in the first quarter. SEK 65bn was bonds.

Funding from the Riksbank increased to SEK 198bn during the first quarter from SEK 189bn at the beginning of the year.

During the month of April, Swedbank Mortgage's mortgage bond no. 168 reaches maturity. In December 2008, its outstanding volume was approximately SEK 78bn. During the quarter, Swedbank made repurchases and as of 31 March the outstanding volume amounted to around SEK 20bn.

Q1 2009 Nominal figures SEKbn	Non-covered bonds (Swedbank AB)	Covered bonds Swedbank Mortgage	Total
Bonds in issue <sup>1</sup>	66	25	91
Of which with state guarantee	65	0	65
Expired bonds	18	10	28
Repurchased bonds	0	60	60

<sup>1</sup> Excluding issues tied to indexlinked bonds

During the remainder of 2009, an additional SEK 68bn of the long-term funding will mature, of which SEK 35bn consists of covered bonds reported in nominal figures.

State guarantee fees amounted to SEK 313m for the quarter. Net interest income for the first quarter also included fees for the Swedish deposit guarantee of SEK 54m, as well as an additional SEK 51m for the deposit guarantee systems in Estonia, Latvia, Lithuania, Russia and Ukraine. A gross expenditure of SEK 75m has been allocated for the Swedish stability fee, which enters into force on 1 July and will eventually be coordinated with the deposit guarantee fee. Since 50 per cent of the cost of the state funding guarantee may be offset against the stability fee, the net cost was nil.

Swedbank assumes that funding markets will remain challenging and will therefore make extensive use of the state guarantee to raise new long-term funding.

Swedbank is working actively to reduce liquidity risk and working continuously to extend the maturities of its outstanding funding. As of 31 March, 45 per cent of capital market funding had a maturity of longer than one year. The corresponding figure as of 31 December was 37 per cent.

## Capitalisation/Capital adequacy

The tier 1 capital ratio according to the new rules amounted to 10.8 per cent as of 31 March compared with 11.1 per cent on 31 December. Due to the extraordinary circumstances in the global economy, Swedbank has decided to maintain a tier 1 capital ratio above its stated target of 8.5-9.0 per cent. The core tier 1 capital ratio was 9.4 per cent (9.7). The capital adequacy ratio was 15.0 per cent (15.2).

Risk-weighted assets decreased by SEK 1bn since 31 December. The average risk weights for retail and corporate exposures remained stable in the Swedish and Nordic operations. In the first quarter, for the first time, the Baltic operations reported

credit risks according to the internal ratings based (IRB) approach, which reduced risk-weighted assets by 3 per cent compared with the standardized approach. Due to increased IRB shortfall provisions subtracted from the capital base there were in principle no effects on the capital adequacy due to the transition to the IRB-method. The Swedish finance company will start reporting according to IRB during 2009. Swedbank's internal risk classification models uses through the cycle risk adjusted estimates; probability of default (PD), loss given default (LGD) and exposure at default (EAD).

Hybrid capital accounted for 13 per cent of tier 1 capital, compared with a maximum allowable level of 30 per cent.

## Market risk

Swedbank measures market risks – those of a structural nature and those that arise in trading operations – with, among other methods, a Value-at-Risk (VaR) model. VaR expresses, for a given portfolio, a loss level that statistically is exceeded with a specific probability during a specific time horizon. Swedbank uses a 99-percent probability and a time horizon of one day. This means that the potential loss for the portfolio statistically will exceed the VaR amount one day out of 100.

The table below describes the development of Swedbank's VaR<sup>\*)</sup> during the first quarter of 2009.

Q1 2009					
VaR SEKm				31 Mar	31 Dec
	Max	Min	Average	2009	2008
Interest risk	132	93	111	132	123
Currency rate risk	13	2	9	8	6
Stock price risk	28	12	21	14	15
Diversification			-23	-22	-18
<b>Total</b>	<b>139</b>	<b>102</b>	<b>118</b>	<b>132</b>	<b>126</b>

*\*) VaR excluding market risks within Swedbank Ukraine as well as strategic currency rate risks. For Swedbank Ukraine, VaR becomes misleading because of illiquid and undeveloped financial markets in Ukraine. Regarding the strategic currency rate risks, a VaR-measure based on a time horizon of one day is not relevant.*

For individual risk types VaR is complemented with risk measurements and limits based on sensitivity to change of various market prices. The risk taking is also followed up by stress tests.

An increase in all market interest rates of one percentage point as of 31 March 2009 would have reduced the value of the Group's assets and liabilities, including derivatives, by SEK 1 753m (1 811). This calculation includes the portion of the bank's deposits assigned a duration of between two and three years. The decrease in the value of positions in Swedish kronor would have been SEK 828m (810). Positions in foreign currency would decrease in value by SEK 925 (1 001). With an interest rate increase of one percentage point, the Group's net gains and losses on financial items at fair value would have declined by SEK 297m

(310) of 31 March 2009. Comparative figures refer to 31 December 2008.

## Operational risks

The operational risk level in the Group remained higher than normal during the first quarter due to the situation in the financial markets. One specific risk is the reputation risk that can arise during periods of extensive media coverage. Due to the increased risk level, monitoring of the Group's business areas and reporting from those business areas to the Group's central risk control function have both been expanded.

## Risks and uncertainties

Swedbank's earnings are affected by changes in the marketplace over which it has no control, including changes in interest rates, stock prices and exchange rates.

Swedbank has subsidiaries with operations in countries with currencies other than Swedish kronor. Moreover, in Estonia, Latvia, Lithuania, Russia and Ukraine, a significant share of lending is in euros or U.S. dollars. In the event of a devaluation of the domestic currency in any of these countries, three factors would affect the Group's income statement and balance sheet. First, a gain on financial items at fair value would generally arise due to the impact of changes in exchange rates on the assets and liabilities of the subsidiary. Normally, this produces an exchange rate gain, since the company has larger assets than liabilities in foreign currency (euro or dollar). Secondly, a negative translation effect arises on the Parent Company's net investment in the subsidiary, since the subsidiary's equity would be less when expressed in Swedish kronor. This negative exchange rate effect will not be reported in the consolidated income statement but is recognised in Other Comprehensive Income. Thirdly, it would become more difficult for domestic customers to pay the interest and principal on their loans in foreign currency, which become higher in local currency. This would eventually lead to higher impairment losses on loans in the subsidiary.

Impairment of intangible assets regarding the Baltic investment can not be excluded during the year. Outstanding Group goodwill totalled at SEK 13.2bn. In addition, there are surplus values in the lending portfolio of SEK 0.9bn and values for the client base of SEK 0.5bn. Future prospects are difficult to determine which makes the evaluation of the intangible assets difficult. In order to compensate for the lack of dependable forecasts, the same forecast that was used on 31 December was used for impairment testing, however the discount rate was increased with an additional 15 percentage points for the forthcoming five years. No impairments were identified.

The effects of changes in the marketplace on Swedbank's operations are described in more detail in the business area reports. In addition to what is stated in this interim report, a detailed description of risk factors is provided in Swedbank's rights issue prospectus from December 2008. The Group's risks and risk control are also described in detail in Swedbank's annual report and in its annual disclosure on risk management and capital

adequacy according to the Basel 2 rules, available on [www.swedbank.com](http://www.swedbank.com).

### Other events

Swedbank has during the first quarter reached agreements to transfer four branches to Sparbanken Nord and two branches to Sparbanken Rekarne. These sales generate capital gains of SEK 251m which will be reported after necessary regulatory approvals have been received. The capital gains are taxable.

Swedbank Robur AB has acquired Banco Fonder AB and its assets in the form of customer agreements from Alfred Berg. The acquisition comprises asset management agreements worth around SEK 7bn. The acquisition was completed on 20 January 2009. Banco Fonder has around 128 000 customers and 26 mutual funds. The difference between the purchase price and acquired net assets in the company was allocated to intangible assets. Together with assets and liabilities, the intangible asset amounted to SEK 301m.

Michael Wolf took over as President and CEO on 1 March. Erkki Raasuke, formerly Head of Baltic Banking, has been appointed Group Chief Financial Officer. Göran Bronner, formerly Chief Investment Officer at the Swedish asset management firm Tanglin, has been appointed Chief Risk Officer. Håkan Berg, formerly Head of Internal Audit, has been appointed Head of Baltic Banking. Thomas Bäckteman has been appointed Senior Vice President, Corporate Affairs. Mikael Inglander, formerly Group Chief Financial Officer has been appointed Head of One Group Change Program. Jonas Eriksson, formerly analyst at the Swedish asset management firm Brummer & Partners, has been appointed Head of Strategic Analysis and M&A.

Swedbank's Annual General Meeting 2009 will be held in Stockholm on 24 April. Swedbank's Nomination Committee has nominated Anders Igel, Pia Rudengren, Anders Sundström and Karl-Henrik Sundström as new members of Swedbank's Board of Directors. The Nomination Committee has proposed the re-election of Carl Eric Stålberg as Chair of the Board and the re-election of Ulrika Francke, Berith Häggglund-Marcus and Helle Kruse Nielsen as members of the Board. Gail Buyske, Simon F.D Ellis, Göran Johnsson and Anders Nyblom have declined re-election. The bank's Board of Directors has proposed that no dividend be paid out (SEK 9.00).

### Rating

The ratings institute Moody's Investors Service downgraded Swedbank's rating by one step on 27 February from Aa3 to A1 with a continued negative outlook. The primary reason cited was the concerns regarding the development in the Baltic countries. On March 31, 2009, Standard & Poor's Ratings Services affirmed Swedbank's rating, 'A' long-term and 'A-1' short-term, incorporating an uplift of two notches for external support. The outlook remains negative, mainly due to uncertainty of the development in the Baltic countries.

### Events after 31 March 2009

Swedbank has entered into an agreement on transfer of three branches to Nordals Härads Sparbank and one branch to Tidaholms Sparbank. The transfers generate a capital gain of SEK 162m. This will be reported as soon as the necessary regulatory approvals have been received. The capital gains are taxable.

Fitch downgraded Swedbank's long term rating by one step on 16 April to A, but changed the outlook from negative to stable. The reason given was the development and exposure in the Baltic countries and Ukraine.

## Financial summary

Income statement SEKm	Q1 2009	Q1 2008	%	Q4 2008	%
Net interest income	5 803	5 241	11	5 742	1
Net commissions	1 374	2 180	-37	2 011	-32
Net gains and losses on financial items at fair value	1 711	75		1 244	38
Other income	536	950	-44	1 349	-60
<b>Total income</b>	<b>9 424</b>	<b>8 446</b>	<b>12</b>	<b>10 346</b>	<b>-9</b>
Staff costs	2 335	2 311	1	2 340	0
Profit-based staff costs	206	268	-23	262	-21
Other expenses	2 090	1 861	12	2 300	-9
<b>Total expenses</b>	<b>4 631</b>	<b>4 440</b>	<b>4</b>	<b>4 902</b>	<b>-6</b>
<b>Profit before impairments and provisions</b>	<b>4 793</b>	<b>4 006</b>	<b>20</b>	<b>5 444</b>	<b>-12</b>
Impairment of intangible assets	1 305			1 403	-7
Impairment losses on loans and other credit risk provisions	6 845	288		1 633	
<b>Operating profit</b>	<b>-3 357</b>	<b>3 718</b>		<b>2 408</b>	
Tax expense	-13	805		500	
Profit for the period	-3 344	2 913		1 908	
<b>Profit for the period attributable to the shareholders of Swedbank AB</b>	<b>-3 358</b>	<b>2 900</b>		<b>1 915</b>	

Key ratios and data per share	Q1 2009	Q1 2008	Q4 2008
Return on equity excluding impairment of intangible assets, %	neg.	16.8	17.4
Return on equity, %	neg.	16.8	10.1
Earnings per share excluding impairment of intangible assets, SEK <sup>1)</sup>	-2.66	5.26	5.65
Earnings per share, SEK <sup>1)</sup>	-4.34	5.26	3.26
C/I ratio	0.49	0.53	0.47
Equity per share, SEK <sup>1)</sup>	107.05	127.64	111.54
Capital quotient excluding complement <sup>2)</sup>	1.88	1.47	1.90
Core tier 1 capital ratio, %, excluding complement <sup>2)</sup>	9.4	7.0	9.7
Tier 1 capital ratio, %, excluding complement <sup>2)</sup>	10.8	8.2	11.1
Capital adequacy ratio, %, excluding complement <sup>2)</sup>	15.0	11.7	15.2
Loan loss ratio, % <sup>3)</sup>	2.16	0.10	0.53
Share of impaired loans, %	0.98	0.16	0.52
Total provision ratio for impaired loans, %	64	104	60

<sup>1)</sup> The number of shares is specified on page 34.

<sup>2)</sup> Including total subscribed capital 2008-12-31.

<sup>3)</sup> Impairment losses on loans and other risk provisions in relation to the lending opening balance (excluding repurchase agreements, credit institutions and Swedish Nat'l Debt Office) as well as loan guarantees.

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

Balance sheet data SEKbn	31 Mar 2009	31 Dec 2008	%
Loans to the public	1 282	1 287	0
Deposits and borrowings from the public	472	508	-7
Shareholders' equity	83	86	-4
Total assets	1 831	1 812	1
Risk weighted assets, excluding complement	694	697	0
Risk weighted assets, transition rules	811	916	-11
Risk weighted assets, older rules	1 051	1 051	0



## Swedish Banking

- High profitability
- Continued low impairment losses on loans. Increased collective provisions
- Preventive measures to minimise the impact of the deepening recession

### Income statement

SEKm	Q1 2009	Q1 2008	%	Q4 2008	%
Net interest income	3 332	2 982	12	3 030	10
Net commissions	920	1 025	-10	958	-4
Net gains and losses on financial items at fair value	100	16		828	-88
Share of profit or loss of associates	97	90	8	134	-28
Other income	145	584	-75	149	-3
<b>Total income</b>	<b>4 594</b>	<b>4 697</b>	<b>-2</b>	<b>5 099</b>	<b>-10</b>
Staff costs	997	1 021	-2	967	3
Profit-based staff costs	23	78	-71	153	-85
Other expenses	1 139	1 128	1	1 243	-8
Depreciation/amortisation	34	28	21	27	26
<b>Total expenses</b>	<b>2 193</b>	<b>2 255</b>	<b>-3</b>	<b>2 390</b>	<b>-8</b>
<b>Profit before impairments and provisions</b>	<b>2 401</b>	<b>2 442</b>	<b>-2</b>	<b>2 709</b>	<b>-11</b>
Impairment losses on loans and other credit risk provisions	535	95		287	86
<b>Operating profit</b>	<b>1 866</b>	<b>2 347</b>	<b>-20</b>	<b>2 422</b>	<b>-23</b>
Tax expense	498	656	-24	499	0
Profit for the period	1 368	1 691	-19	1 923	-29
<b>Profit for the period attributable to the shareholders of Swedbank AB</b>	<b>1 365</b>	<b>1 688</b>	<b>-19</b>	<b>1 922</b>	<b>-29</b>
Non-controlling interests	3	3	0	1	
Return on allocated equity, %	20.6	23.3		25.1	
Loan loss ratio, %	0.23	0.04		0.12	
Total provision ratio for impaired loans, %	94	136		79	
Share of impaired loans, %	0.15	0.06		0.14	
C/I-ratio	0.48	0.48		0.47	
Full-time employees	5 907	6 133	-4	5 999	-2
Income from transactions with other business areas	365	524	-30	435	-16

#### Development during the period

The quarter was distinguished by a continued deterioration in economic conditions in Sweden, with a falling GDP and increase in number of persons given notice. Household consumption fell and companies reduced production capacity. The economy is expected to be very weak during 2009 and during 2010 a slight positive growth is expected.

Despite the recession and continued concerns in the market, impairment losses on loans are still low. Knowing that both impaired loans and impairment losses on loans will increase as the impact of the recession is more widely felt, preventive measures have been intensified to minimise the negative consequences. The credit process and loan portfolio are continuously being reviewed to ensure adequate monitoring and quality. Overdue loans are being intensely monitored and close contacts are made early on with customers in segments with heightened risk as well as with those who show signs of payment difficulties. The risk of higher impairments losses on loans in the short term is limited primarily to a few larger commitments. In the quarterly results collective provisions based on the declining macro economic situation in Sweden have been included.

The quarterly results, despite increased loan loss provisions, remained unchanged compared to the same period last year excluding the one-off profit from the sale of branch offices during 2008.

Net interest income increased by 12 per cent. Wider lending margins and higher lending volumes together with positive hedge effects of low interest rate deposit accounts compensated for the shrinking deposit margins following the falling interest rates and strong competition.

Household deposits increased by 1 per cent during the quarter, while deposits from the corporate sector dropped by 3 per cent.

Total lending increased marginally during the quarter. To maintain a satisfactory balance between deposits and lending, new lending is currently focused on prioritized customer segments. Prioritized customers include households and small- and medium-sized enterprises that do all their banking with Swedbank. Mortgages to private customers increased by 2 per cent. The ongoing repricing of risk due to the worsening economic conditions allowed for higher lending margins on the corporate side. The margins on mortgage loans increased due to faster turnover of the portfolio and shorter maturity periods.

Swedbank's ambition to reduce the liquidity risk by extending the funding maturity profile for mortgages will gradually result in increased funding costs. Lower deposit margins as a consequence of the cut in interest rates and an increased migration to fixed interest rate accounts will also put pressure on net interest income during the remainder of 2009. Market shares of the total bank and mortgage lending to households and the corporate market were stable during the quarter.

Net commission income fell by 10 per cent due to lower market values, which affected fund management fee income. The funds had a net inflow during the quarter. Income from commission payments improved due to greater volume.

Other income decreased mainly because the previous year's earnings included a profit of SEK 440m for branches sold to savings banks. Agreements have been reached on the transfer of additional branches. The effects of these agreements will be reported as soon as required regulatory approvals have been received.

Impairment losses on loans remained at a low level despite the economic slowdown. The share of impaired loans increased marginally to 0.15 per cent. Loan losses are expected to rise due to the macro economic development.

In Swedish Banking, the Private Equity portfolio amounted to SEK 14bn, and refers to acquisition financing. During the period, no there was no need for need for provisions for this portfolio.

Expenses decreased by 3 per cent year-on-year primarily due to lower staff costs, resulting from efficiency measures in the branch network. Efficiency measures in mortgage lending and cash handling also contributed.

Swedbank was ranked as the most popular employer in the financial sector for the third consecutive year.

*Swedish Banking is Swedbank's dominant business area, with responsibility for all Swedish customers except financial institutions. The bank's services are being sold through Swedbank's own branch office network, Telephone bank and Internet bank and through the cooperating savings banks' distribution network.*

## Baltic Banking

- Substantial increase in provisions
- Intensified measures to protect asset quality
- Income under pressure from falling Euribor interest rate and decreasing lending volumes
- Maintained cost income ratio of 0.40 due to timely adjustments in operations affected by reduced demand

## Baltic Banking Operations

### Income statement

SEKm	Q1	Q1	%	Q4	%
	2009	2008		2008	
Net interest income	1 409	1 575	-11	1 675	-16
Net commissions	456	458	0	497	-8
Net gains and losses on financial items at fair value	285	78		12	
Share of profit or loss of associates	0	2		0	
Other income	132	129	2	167	-21
<b>Total income</b>	<b>2 282</b>	<b>2 242</b>	<b>2</b>	<b>2 351</b>	<b>-3</b>
Staff costs	475	439	8	462	3
Profit-based staff costs	0	83		-9	
Other expenses	371	327	13	462	-20
Depreciation/amortisation	72	50	44	62	16
<b>Total expenses</b>	<b>918</b>	<b>899</b>	<b>2</b>	<b>977</b>	<b>-6</b>
<b>Profit before impairments and provisions</b>	<b>1 364</b>	<b>1 343</b>	<b>2</b>	<b>1 374</b>	<b>-1</b>
Impairment losses on loans and other credit risk provisions	4 241	173		977	
<b>Operating profit</b>	<b>-2 877</b>	<b>1 170</b>		<b>397</b>	
Tax expense	-253	107		48	
Profit for the period	-2 624	1 063		349	
<b>Profit for the period attributable to the shareholders of Swedbank AB</b>	<b>-2 624</b>	<b>1 063</b>		<b>349</b>	
Return on allocated equity, %	neg.	29.1		8.9	
Loan loss ratio, %	7.50	0.39		1.91	
Total provision ratio for impaired loans, %	51	95		52	
Share of impaired loans, %	4.87	0.69		2.31	
C/I-ratio	0.40	0.40		0.42	
Full-time employees	8 075	9 206	-12	8 327	-3
Income from transactions with other business areas	2	0		6	-67

### Development during the period

The quarter was characterized by continued worsening of the economic conditions in all three Baltic countries. Swedbank expects a deep and sustained recession in these countries. The low visibility makes future forecast difficult. An increasing number of bankruptcies across the region together with rising unemployment have led to increased provisions for loan losses. This trend is evident in all client segments and economic sectors. The principal share still came from the real estate development sector. Real estate prices continued to decline in all three countries with prices falling to 2005 levels during the quarter in Tallinn, just as in Riga at the end of 2008.

Taking into account previous experience from various banks in recession-hit countries, Swedbank decided to strengthen its financial restructuring and recovery (FR&R) activities with a dedicated unit working with distressed debt. The objective of the unit, the Baltic Financial Restructuring and Recovery Unit (BFRR), is to work in a focused manner with clients and projects which require special attention during the regional recession and global economic slowdown. Swedbank

initiated in January an in-depth analysis of the loan portfolio to identify the parts that require special attention in order to meet their debt servicing commitments. The BFRR initiative will provide improved service levels to all customers through correct focus being applied on each customer's needs.

The department assigned to advise customers in the early stages of loan repayment difficulties has also been strengthened. For customers with a solid credit history this can include a revised repayment schedule. Swedbank has initiated means to help customers dispose of their collateral, to repay their loans, and has to assist in this process established common sales channels with real estate agencies and car dealers.

As a consequence of the economic slowdown, Swedbank anticipates that the bank's distribution capacity will not be fully utilised. The number of employees and branches will be decreased in order to reduce overcapacity in the next few quarters.

Profit before loan losses was on a par with the corresponding period previous year. After provisions for

loan losses, the loss for the period amounted to SEK 2.6bn.

Total income for the quarter fell 12 per cent in local currencies against the corresponding period previous year, mainly due to a lower net interest income, which fell 23 per cent year on year. Swedbank has more assets than liabilities related to Euribor rate, which continued to put pressure on net interest income during the quarter as the Euribor fell faster than domestic interest rates. Decreasing lending volumes and an increase of overdue loans further hit net interest income. The decline in net interest income was lowest in Lithuania, which has the highest share of local currency loans.

Lending during the quarter decreased by 5 per cent and was at the end of the quarter lower than the previous year in local currency. The trends were similar in all three Baltic countries. The reduction in lending growth was most evident in the leasing and factoring portfolios which were being amortised rapidly. Demand for new lending has substantially diminished.

Swedbank's deposits market share as of 28 February 2009 largely remained unchanged from year-end 2008 (48 per cent in Estonia, 16 per cent in Latvia, 28 per cent in Lithuania). The intensified competition for deposits continued during the quarter and was most evident in large corporate deposits where many banks used aggressive deposit pricing strategies.

Swedbank's total deposits declined by 1 percent in Estonia and 3 per cent in Latvia during the quarter in

local currency. Deposits in Lithuania increased by 1 per cent in local currency.

Net commission income fell by 15 per cent in local currency compared to the corresponding period last year driven primarily by the low level of activity in global and domestic financial markets.

Expenses decreased by 12 per cent in local currency. Staff costs dropped by 22 per cent primarily due to performance based remunerations and to a lesser extent reductions in employee numbers. The number of branches was cut from 278 to 272 and several new cost-cutting measures were introduced such as a stricter procurement policy and limited fringe benefits. This contributed to maintaining a cost income ratio of 0.40 per cent.

Impairment losses on loans during the quarter rose to SEK 4 241m (173). Of this amount, SEK 1 900m represents additional collective provisions as a result of the worsened macro-economic situation. The share of impaired loans increased to 4.9 per cent (2.3 at year-end). The default rate and losses increased in all segments of the economy. Loss levels including the additional collective provisions were 14.1 per cent in Latvia, 6.0 per cent in Lithuania and 3.3 per cent in Estonia.

On conversion of the result to Swedish kronor, approximately SEK 400m of the profit deterioration from the previous year is related to a weaker Swedish krona in relation to the Baltic country currencies which are pegged to the euro.

## Baltic Banking, Operations and Investment

### Income statement

SEKm	Q1 2009	Q1 2008	%	Q4 2008	%
Net interest income	1 358	1 461	-7	1 565	-13
Net commissions	456	458	0	497	-8
Net gains and losses on financial items at fair value	285	78		12	
Share of profit or loss of associates	0	2		0	
Other income	132	129	2	167	-21
<b>Total income</b>	<b>2 231</b>	<b>2 128</b>	<b>5</b>	<b>2 241</b>	<b>0</b>
Staff costs	475	439	8	462	3
Profit-based staff costs	0	83		-9	
Other expenses	371	327	13	462	-20
Depreciation/amortisation	93	74	26	126	-26
<b>Total expenses</b>	<b>939</b>	<b>923</b>	<b>2</b>	<b>1 041</b>	<b>-10</b>
<b>Profit before impairments and provisions</b>	<b>1 292</b>	<b>1 205</b>	<b>7</b>	<b>1 200</b>	<b>8</b>
Impairment losses on loans and other credit risk provisions	4 241	173		977	
<b>Operating profit</b>	<b>-2 949</b>	<b>1 032</b>		<b>223</b>	
Tax expense	-253	91		31	
Profit for the period	-2 696	941		192	
<b>Profit for the period attributable to the shareholders of Swedbank AB</b>	<b>-2 696</b>	<b>941</b>		<b>192</b>	
Return on allocated equity, %	neg.	17.2		3.3	
Loan loss ratio, %	7.50	0.39		1.91	
Total provision ratio for impaired loans, %	51	95		52	
Share of impaired loans, %	4.87	0.69		2.31	
C/I-ratio	0.42	0.43		0.46	
Full-time employees	8 075	9 206	-12	8 327	-3
Income from transactions with other business areas	2	0		6	-67

Baltic Banking consists of Baltic Banking Operations and Investment, respectively. Baltic Banking has business operations in Estonia, Latvia and Lithuania. Comments on Baltic Banking in this report refer to business operations, unless otherwise indicated.

In Baltic Banking Investment, the effects of Swedbank's ownership in Swedbank AS is reported, inter alia, as financing costs, Group goodwill and Group amortisation on surplus values in the lending and deposit portfolios identified at the time of acquisition in 2005

## International Banking

- Rapidly deteriorating Ukrainian economy put banking system under pressure
- Intensified measures to protect asset quality primarily in Ukraine
- Focus on risk control across all business areas
- Write-off of remaining goodwill from the investment in Ukraine, SEK 1.3bn

### Income statement

SEKm	Q1 2009	Q1 2008	%	Q4 2008	%
Net interest income	734	407	80	756	-3
Net commissions	89	86	3	97	-8
Net gains and losses on financial items at fair value	18	22	-18	229	-92
Other income	5	6	-17	39	-87
<b>Total income</b>	<b>846</b>	<b>521</b>	<b>62</b>	<b>1 121</b>	<b>-25</b>
Staff costs	188	162	16	232	-19
Profit-based staff costs	24	16	50	25	-4
Other expenses	191	146	31	239	-20
Depreciation/amortisation	42	28	50	61	-31
<b>Total expenses</b>	<b>445</b>	<b>352</b>	<b>26</b>	<b>557</b>	<b>-20</b>
<b>Profit before impairments and provisions</b>	<b>401</b>	<b>169</b>		<b>564</b>	<b>-29</b>
Impairment of intangible assets	1 300			1 403	-7
Impairment losses on loans and other credit risk provisions	2 023	26		248	
<b>Operating profit</b>	<b>-2 922</b>	<b>143</b>		<b>-1 087</b>	
Tax expense	-420	36		104	
Profit for the period	-2 502	107		-1 191	
<b>Profit for the period attributable to the shareholders of Swedbank AB</b>	<b>-2 501</b>	<b>107</b>		<b>-1 191</b>	
Return on allocated equity, %	neg.	5.7		neg.	
Return on allocated equity, excluding impairment of intangible assets, %	neg.	5.7		8.1	
Loan loss ratio, %	10.62	0.25		1.40	
Total provision ratio for impaired loans, %	101	71		66	
Share of impaired loans, %	2.21	0.77		0.79	
C/I-ratio	0.53	0.68		0.50	
Full-time employees	3 914	4 059	-4	4 175	-6
Income from transactions with other business areas	6	4	50	3	100

#### Development during the period

The profit for the period amounted to SEK -2.5bn partly due to impairment of the remaining intangible asset relating to the Ukrainian investment of SEK 1.3bn and partly due to the additional collective provisions as a result of the worsened macro-economic situation in Ukraine of SEK 1.4bn. Other countries reported profits in line with or better than the previous year.

#### Ukrainian Banking

Ukrainian economy faced major challenges during the quarter. GDP continued to fall and confidence in the banking system and the currency remained low. A political power struggle further complicated the implementation of the necessary economic measures and delayed payment of the second part of the IMF support loan which will, however, be paid in May.

Credit quality has rapidly deteriorated as customers face growing difficulties. Since a majority of lending to companies and individuals has been in dollars (75 percent of the total lending) their debt burden has increased due to the devaluation of the hryvnia. The share of impaired loans increased to 8.9 per

cent in the quarter (2.8), primarily driven by exchange rate effects and the economic downturn.

Swedbank has stepped up measures to manage the worsening credit situation. Since the beginning of the year, proactive advice and assistance have been offered to customers needing to restructure their loans. In Ukraine, Swedbank initiated a structured organisation for Financial Restructuring and Recovery (FR&R) to handle problem loans. This has been strengthened through some 15 new recruits from central units and an additional 20 local resources. Also local credit and risk resources have been expanded.

Lending volumes during the quarter continued to decrease in lending currencies and lending in dollars decreased by 12 per cent. When converted to Swedish kronor lending during the quarter fell by 11 per cent to SEK 16.8bn. Swedbank's deposits decreased during the quarter by 10 per cent.

Deposits from the public decreased during the quarter back to the level before the increase at year-end. At the same time Swedbank attracted a higher

level of corporate deposits. The banking system as a whole continued to lose deposits during the quarter.

New branch openings have slowed down since 7 offices were launched in January-February. Some restructuring and modernisation of the retail network continues. New recruitments have largely come to a halt and a cost-cutting programme is being implemented.

Preparations are under way to merge the two banks Swedbank and Swedbank Invest to strengthen the organisation in risk management and control, among other areas, and to achieve economies of scale.

The profit for the period amounted to SEK -1 225m (102).

The provision ratio for impaired loans amounts to 101 per cent.

#### **Russia**

The Russian banking operations had a relatively strong quarter. The share of impaired loans increased to 1.6 per cent (0.8 as per year end 2008). However, the economic conditions in Russia still pose significant challenges for banks and other companies however. The financial turbulence is expected to subside as oil prices stabilize.

New lending during the quarter was very limited. The campaign to attract deposits to the retail branches has been successful. Household deposits increased by 64 per cent.

No new branches were opened during the quarter, and the bank is holding off further openings.

#### **Nordic branches**

New lending was very limited in the Nordic branches. The volume of lending decreased, in Swedish kronor, by 5 per cent from the fourth quarter. Efforts are under way to further strengthen the offering for Nordic companies such as improved cash management services, which generated a continued increase of new customers during the quarter.

#### **Luxembourg**

Private banking operations continued to be adversely affected by poor market conditions. The continued effort to create attractive customer offerings and a continued focus on cost control resulted in a slight positive result for the quarter.

#### **Global Financial Institutions**

Further work was carried out during the quarter to carefully analyse current and potential counterparty risks and increase interactions with successful partners. Loan loss provisions of SEK 67m were allocated for trade finance deals where Swedbank previously had assumed a Ukrainian banking risk on behalf of Nordic exporters. The losses have not been established.

*International Banking comprises all international business units that are not defined as home markets and independent strategic business areas. These include the banking operations in Ukraine and Russia, the branches in Denmark, Finland, Norway, the U.S. and China, the subsidiary in Luxembourg and the representative offices in Japan, Ukraine and Spain. Moreover, International Banking is responsible for the Swedbank Group's overall relations with banks and financial institutions. A management unit with staff functions is also included in the business area.*

*The effects of the investment in OJSC Swedbank in Ukraine at Group level are reported as a separate business distinct from Ukrainian Banking Operations. Ukrainian Banking Investment is included in the business area.*

*Comments on Ukrainian and Russian Banking in this report refer to business operations, unless otherwise indicated*

## Swedbank Markets

- Best quarterly result ever
- Very good earnings in fixed income trading and currency trading
- Increased market share at the Stockholm Stock Exchange to 5.1 per cent (4.2)
- Continued good prospects that earnings will remain positive, but at a lower level

### Income statement

SEKm	Q1 2009	Q1 2008	%	Q4 2008	%
Net interest income	543	251		430	26
Net commissions	110	195	-44	163	-33
Net gains and losses on financial items at fair value	1 221	244		304	
Share of profit or loss of associates	0			1	
Other income	19	8		36	-47
<b>Total income</b>	<b>1 893</b>	<b>698</b>		<b>934</b>	
Staff costs	217	186	17	232	-6
Profit-based staff costs	144	51		29	
Other expenses	225	173	30	235	-4
Depreciation/amortisation	6	3	100	4	50
<b>Total expenses</b>	<b>592</b>	<b>413</b>	<b>43</b>	<b>500</b>	<b>18</b>
<b>Profit before impairments and provisions</b>	<b>1 301</b>	<b>285</b>		<b>434</b>	
Impairment of intangible assets	5				
Impairment losses on loans and other credit risk provisions	50	0		121	-59
<b>Operating profit</b>	<b>1 246</b>	<b>285</b>		<b>313</b>	
Tax expense	327	80		63	
Profit for the period	919	205		250	
<b>Profit for the period attributable to the shareholders of Swedbank AB</b>	<b>907</b>	<b>195</b>		<b>258</b>	
Non-controlling interests	12	10	20	-8	
Return on allocated equity, %	75.9	26.5		22.1	
Return on allocated equity, excluding impairment of intangible assets, %	76.3	26.5		22.1	
Loan loss ratio, %	0.66	0.00		2.15	
Total provision ratio for impaired loans, %	136	139		113	
Share of impaired loans, %	0.03	0.00		0.06	
C/I-ratio	0.31	0.59		0.54	
Full-time employees	748	679	10	736	2
Income from transactions with other business areas	81	66	23	104	-22

#### Development during the period

The quarter was characterised by very strong earnings, higher than in any previous quarter. Strong trading results are the result of successful risk management based on anticipated market development, stronger market shares and higher customer margins.

Competition decreased slightly during the quarter mainly due to lower activity from foreign banks. This applies primarily to Swedish fixed income trading. A continued unwillingness to assume credit risk also reduced competition with regard to counterparty risk in derivative markets.

Increased activity with Swedish institutional investors gave higher market shares within currency and equity trading. Market share on the Stockholm Stock Exchange increased to 5.1 percent compared with 4.2 percent the corresponding period the previous year.

Prospects remain bright that market conditions and earnings opportunities remain good. The earnings

rate is expected to slow through the rest of the year, since the overall economic slowdown is likely to lead to lower activity and turnover.

Earnings in fixed income and currency trading were very strong during the quarter and benefited from the volatility and interest spreads in the market. Successful positioning was possible because interest rates were relatively easy to predict during the quarter. In addition, an improved analysis product facilitated a higher customer flow. Of total income of SEK 1.9bn, interest and currency trading accounted for about SEK 1.5bn. Earnings were distributed as follows; 35 per cent in customer trading and 65 per cent in own trading.

Equity trading got off to a weak start in the year owing to falling stock prices. Swedbank continued to gain market shares.

Sales of structured products increased slightly compared with recent quarters, but were still lower year-over-year.



The earnings from ongoing and completed projects within Project and Corporate Finance remained weak during the quarter. The order books during the quarter were strong. The economic conditions are creating opportunities, since many companies have to strengthen their balance sheet.

First Securities strengthened its market shares with new customers in the private market and had a good earnings development during the quarter.

Expenses increased in comparison with the corresponding period previous year, mainly due to provisions for profit-based staff cost arising from the record return. Other cost increases comprise, inter alia,

of increased staff costs, costs relating to IT operations and IT development as well as the management of the loans and collateral arising from the Lehman Brother exposure.

SEK 41m of the reported impairment losses on loans pertains to shipping.

An impairment of goodwill amounting to SEK 5m relating to the acquisition of ZAO Swedbank Markets in Russia has been effectuated.

*Swedbank Markets comprises capital market products and services and various types of project and corporate finance. In addition to operations in Sweden, the business area includes the subsidiaries First Securities in Norway and Swedbank First Securities LLC in New York. Fixed income trading is conducted by the New York branch and through the Oslo branch in cooperation with First Securities. Project and Corporate Finance also has operations in Tallinn, Riga, Vilnius and through the subsidiary ZAO Swedbank Markets in Moscow and St. Petersburg.*

## Asset Management and Insurance

- Earnings at lower levels due to falling stock prices
- Swedbank Robur named best Nordic fund management company for third consecutive year
- Corrected error in registered fund fees with the Swedish Financial Supervisory Authority amounting to SEK 480m
- Completed acquisition of Banco Fonder increased Swedbank Robur's market share to 27.9 per cent

### Income statement

SEKm	Q1 2009	Q1 2008	%	Q4 2008	%
Net interest income	-1	25		-1	0
Net commissions	-201	416		296	
Net gains and losses on financial items at fair value	3	-15		1	
Other income	70	39	79	81	-14
<b>Total income</b>	<b>-129</b>	<b>465</b>		<b>377</b>	
Staff costs	100	101	-1	89	12
Profit-based staff costs	8	9	-11	18	-56
Other expenses	122	136	-10	67	82
Depreciation/amortisation	12	7	71	8	50
<b>Total expenses</b>	<b>242</b>	<b>253</b>	<b>-4</b>	<b>182</b>	<b>33</b>
<b>Profit before impairments and provisions</b>	<b>-371</b>	<b>212</b>		<b>195</b>	
<b>Operating profit</b>	<b>-371</b>	<b>212</b>		<b>195</b>	
Tax expense	-101	53		43	
Profit for the period	-270	159		152	
<b>Profit for the period attributable to the shareholders of Swedbank AB</b>	<b>-270</b>	<b>159</b>		<b>152</b>	
Return on allocated equity, %	neg.	29.4		27.7	
C/I-ratio	-1.88	0.54		0.48	
Full-time employees	351	341	3	349	1
Commissions paid to other business areas	-428	-579	-26	-511	-16

### Development during the period

The quarter was distinguished by continued concerns in the financial markets. Earnings were at a lower level than during the corresponding period the previous year mainly due to falling stock prices, which affected the size of assets under management.

Customer activity in the markets was higher than during the corresponding period the previous year, which was primarily seen through a positive fund inflow. Customers showed greater interest than before in "safer" investments and to a greater extent abandoned riskier alternatives. The period showed a lesser net outflow from equity funds and a net inflow to mixed- and fixed income funds.

Competition on the fund market remained tough. Overall on the savings market, fund products have strengthened their position relative other product offerings due to the financial crisis.

During the quarter, Swedbank Robur acquired Banco Fonder AB. The acquisition comprises asset management agreements valued at approximately SEK 7bn. The acquisition was completed on 20 January 2009. Banco Fonder has around 128 000 customers and 26 different funds. The difference between the purchase price and acquired net

assets in the company, at value in SEK 301m, has been allocated to intangible assets and deferred tax liabilities. Swedbank Robur's market share of total assets under management on the fund market totalled 27.9 percent following the acquisition.

During the quarter, Swedbank Robur was named the Nordic region's best fund management company by Lipper for the third consecutive year.

Swedbank Robur had a net inflow of SEK 1 154m to its funds during the period compared to an outflow of SEK 4 437m the previous year.

The fee for the liquidity fund was reduced during the period from 0.95 per cent to 0.5 per cent, primarily in order to make the fund more competitive in the current market conditions with low and falling interest rates.

In unit-linked insurance, income increased during the quarter to SEK 3.3bn from SEK 2.9bn compared to the corresponding period the previous year mainly due to increased sales within the area of endowment insurances and an increased premium income within pension agreements. An endowment insurance product, Kapitalförsäkring Depå Kombi, was launched during the quarter where the policy holder can invest in both mutual funds and individual securities. This type of product is in

demand, and comprises a large part of the increase in premium volumes in the endowment insurance market.

In institutional asset management, the net inflow from new and existing customers totalled at SEK 6.1bn during the period.

In February, it was found that two funds, the Russia and Mix funds, had been registered with too low management fees in the fund rules submitted to the Financial Supervisory Authority. The error, which arose in connection with a reauthorisation of all of Swedbank Robur's funds according to a new law on investment funds introduced in 2004, was the result of human error and caused a higher fee to be charged than the fund rules allowed. The customers affected by this error have been informed and will

be compensated for the higher fees they were charged. Quarterly results were affected by SEK 480m gross, and SEK 346m net after tax. A review of internal controls is under way, and measures to strengthen these have been taken to ensure that similar errors do not re-occur.

Banco Fonder affected income by SEK 16m and costs by SEK 20m, including amortisation of intangible assets attributable to the acquisition.

The profit has more than halved from the previous year, excluding the one-off effect from repaid fund fees. Reduced volume of assets under management, due to the negative stock exchange development, is the primary reason.

SEKbn	31 Mar 2009	31 Dec 2008	%
<b>Funds assets under management</b>	333	326	2
<i>of which:</i>			
Swedish equities, %	26.9	25.4	6
foreign equities, %	30.7	33.0	-7
interest-bearing securities, %	42.4	41.7	2
Number of customers (thousands)	2 744	2 748	0
<b>Unit-linked insurance</b>			
Assets under management	53.4	52.2	2
<i>of which in Swedbank Robur's funds</i>	50.6	50.2	1
Number of policies (thousands)	978	964	1
<b>Discretionary asset management</b>			
Assets under management	284	264	8
<i>of which in Swedbank Robur's funds</i>	45	45	1

*Asset Management and Insurance comprises the Swedbank Robur Group and its operations in fund management, institutional and discretionary asset management, insurance as well as individual pension savings.*

## Shared Services and Group Staffs

### Income statement

SEKm	Q1 2009	Q1 2008	%	Q4 2008	%
Net interest income	-115	115		-4	
Net commissions		0			
Net gains and losses on financial items at fair value	36	-270		-156	
Share of profit or loss of associates	0	24		1	
Other income	769	748	3	1 449	-47
<b>Total income</b>	<b>690</b>	<b>617</b>	<b>12</b>	<b>1 290</b>	<b>-47</b>
Staff costs	358	402	-11	363	-1
Profit-based staff costs	7	31	-77	46	-85
Other expenses	491	424	16	469	5
Depreciation/amortisation	65	67	-3	70	-7
<b>Total expenses</b>	<b>921</b>	<b>924</b>	<b>0</b>	<b>948</b>	<b>-3</b>
<b>Profit before impairments and provisions</b>	<b>-231</b>	<b>-307</b>	<b>-25</b>	<b>342</b>	
Impairment losses on loans and other credit risk provisions	-4	-6	-33	0	
<b>Operating profit</b>	<b>-227</b>	<b>-301</b>	<b>-25</b>	<b>342</b>	
Tax expense	-64	-111	-42	-240	-73
Profit for the period	-163	-190	-14	582	
<b>Profit for the period attributable to the shareholders of Swedbank AB</b>	<b>-163</b>	<b>-190</b>	<b>-14</b>	<b>582</b>	
Full-time employees	1 704	1 658	3	1 694	1
Income from transactions with other business areas	712	675	5	705	1

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

### Eliminations

SEKm	Q1 2009	Q1 2008	%	Q4 2008	%
Net interest income	-48	0		-34	41
Net commissions	0	0			
Net gains and losses on financial items at fair value	48	0		26	85
Other income	-701	-680	3	-708	-1
<b>Total income</b>	<b>-701</b>	<b>-680</b>	<b>3</b>	<b>-716</b>	<b>-2</b>
Staff costs	0	0		-5	
IT expenses	0	0	0	0	0
Other expenses	-701	-680	3	-711	-1
<b>Total expenses</b>	<b>-701</b>	<b>-680</b>	<b>3</b>	<b>-716</b>	<b>-2</b>

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## Income statement

Group SEKm	Q1 2009	Q1 2008	%	Q4 2008	%
<i>Interest income</i>	17 082	19 473	-12	20 889	-18
<i>Interest expenses</i>	-11 279	-14 232	-21	-15 147	-26
<b>Net interest income</b>	<b>5 803</b>	<b>5 241</b>	<b>11</b>	<b>5 742</b>	<b>1</b>
<i>Commission income</i>	2 242	2 998	-25	2 924	-23
<i>Commission expenses</i>	-868	-818	6	-913	-5
<b>Net commissions (Note 3)</b>	<b>1 374</b>	<b>2 180</b>	<b>-37</b>	<b>2 011</b>	<b>-32</b>
Net gains and losses on financial items at fair value (Note 4)	1 711	75		1 244	38
<i>Insurance premiums</i>	384	297	29	399	-4
<i>Insurance provisions</i>	-254	-190	34	-260	-2
<b>Net insurance</b>	<b>130</b>	<b>107</b>	<b>21</b>	<b>139</b>	<b>-6</b>
Share of profit or loss of associates	97	116	-16	136	-29
Other income	309	727	-57	1 074	-71
<b>Total income</b>	<b>9 424</b>	<b>8 446</b>	<b>12</b>	<b>10 346</b>	<b>-9</b>
Staff costs	2 335	2 311	1	2 340	0
Profit-based staff costs	206	268	-23	262	-21
Other expenses	1 838	1 654	11	2 004	-8
Depreciation/amortisation	252	207	22	296	-15
<b>Total expenses</b>	<b>4 631</b>	<b>4 440</b>	<b>4</b>	<b>4 902</b>	<b>-6</b>
<b>Profit before impairments and provisions</b>	<b>4 793</b>	<b>4 006</b>	<b>20</b>	<b>5 444</b>	<b>-12</b>
Impairment of intangible assets (Note 5)	1 305			1 403	-7
Impairment losses on loans and other credit risk provisions (Note 6)	6 845	288		1 633	
<b>Operating profit</b>	<b>-3 357</b>	<b>3 718</b>		<b>2 408</b>	
Tax expense	-13	805		500	
Profit for the period	-3 344	2 913		1 908	
<b>Profit for the period attributable to the shareholders of Swedbank AB</b>	<b>-3 358</b>	<b>2 900</b>		<b>1 915</b>	
Non-controlling interests	14	13	8	-7	
Earnings per share, SEK	-4.34	5.26		3.26	
Earnings per share excluding impairment of intangible assets, SEK	-2.66	5.26		5.65	

See page 34 for number of shares.

## Other comprehensive income

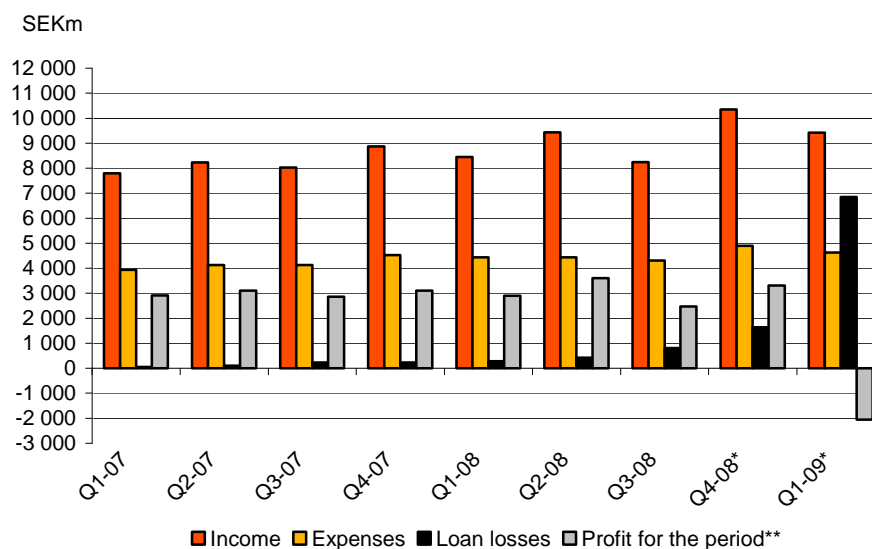
Group SEKm	Q1 2009	Q1 2008	%
<b>Profit for the period reported via income statement</b>	<b>-3 344</b>	<b>2 913</b>	
Exchange differences on translating foreign operations	70	-732	
Hedging of net investments in foreign operations:			
-Gains/losses arising during the period	9	177	-95
Cash flow hedges:			
-Gains/losses arising during the period	-515	-1	
-Reclassification adjustments to income statement, net interest income	204	14	
-Reclassification adjustment to initial carrying amount of hedged item			
Share of other comprehensive income of associates	42	-7	
Income tax relating to components of other comprehensive income	87	-50	
<b>Other comprehensive income for the period, net of tax</b>	<b>-103</b>	<b>-599</b>	<b>-83</b>
<b>Total comprehensive income for the period</b>	<b>-3 447</b>	<b>2 314</b>	
<b>Total comprehensive income attributable to the shareholders of Swedbank AB</b>	<b>-3 472</b>	<b>2 305</b>	
Non-controlling interests	25	9	

## Income statement, quarterly

Group SEKm	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Net interest income	5 803	5 742	5 424	5 295	5 241	5 259	4 806	4 591
Net commissions	1 374	2 011	2 265	2 374	2 180	2 536	2 503	2 552
Net gains and losses on financial items at fair value	1 711	1 244	-109	1 141	75	386	196	579
Net insurance	130	139	105	101	107	279	99	91
Share of profit or loss of associates	97	136	138	122	116	70	140	95
Other income	309	1 074	415	400	727	344	287	318
<b>Total income</b>	<b>9 424</b>	<b>10 346</b>	<b>8 238</b>	<b>9 433</b>	<b>8 446</b>	<b>8 874</b>	<b>8 031</b>	<b>8 226</b>
Staff costs	2 335	2 340	2 223	2 268	2 311	2 111	2 075	2 016
Profit-based staff costs	206	262	235	185	268	522	337	409
Other expenses	1 838	2 004	1 596	1 740	1 654	1 701	1 528	1 539
Depreciation/amortisation	252	296	259	237	207	192	192	160
<b>Total expenses</b>	<b>4 631</b>	<b>4 902</b>	<b>4 313</b>	<b>4 430</b>	<b>4 440</b>	<b>4 526</b>	<b>4 132</b>	<b>4 124</b>
<b>Profit before impairments and provisions</b>	<b>4 793</b>	<b>5 444</b>	<b>3 925</b>	<b>5 003</b>	<b>4 006</b>	<b>4 348</b>	<b>3 899</b>	<b>4 102</b>
Impairment of intangible assets	1 305	1 403						
Impairment losses on loans and other credit risk provisions	6 845	1 633	812	423	288	238	230	102
<b>Operating profit</b>	<b>-3 357</b>	<b>2 408</b>	<b>3 113</b>	<b>4 580</b>	<b>3 718</b>	<b>4 110</b>	<b>3 669</b>	<b>4 000</b>
Tax expense	-13	500	640	935	805	950	793	856
Profit for the period	-3 344	1 908	2 473	3 645	2 913	3 160	2 876	3 144
<b>Profit for the period attributable to the shareholders of Swedbank AB</b>	<b>-3 358</b>	<b>1 915</b>	<b>2 468</b>	<b>3 604</b>	<b>2 900</b>	<b>3 108</b>	<b>2 866</b>	<b>3 112</b>
Non-controlling interests	14	-7	5	41	13	52	10	32
Earnings per share, SEK	-4.34	3.26	4.48	6.54	5.26	5.64	5.20	5.65
Earnings per share excluding impairment of intangible assets, SEK	-2.66	5.65	4.48	6.54	5.26	5.64	5.20	5.65

See page 34 for number of shares.

### Profit trend, quarterly



\* Excluding impairment of intangible assets, SEK 1 305m in Q1 2009 and SEK 1 403m in Q4 2008.

\*\* Refers to profit for the period attributable to shareholders in Swedbank AB.

## Balance sheet

Group SEKm	31 Mar 2009	31 Dec 2008	%
<b>Assets</b>			
Loans to credit institutions	141 996	128 536	10
Loans to the public	1 282 258	1 287 424	0
Interest-bearing securities	169 813	133 694	27
Shares and participating interests	59 484	60 182	-1
- for which customers bear the investment risk	52 551	51 638	2
Derivatives	111 752	128 055	-13
Other assets	65 493	73 799	-11
<b>Total assets</b>	<b>1 830 796</b>	<b>1 811 690</b>	<b>1</b>
<b>Liabilities and equity</b>			
Amounts owed to credit institutions	358 812	316 730	13
Deposits and borrowings from the public	471 833	508 456	-7
Debt securities in issue, etc	610 256	593 365	3
Financial liabilities for which customers bear the investment risk	53 126	52 074	2
Derivatives	103 409	116 720	-11
Other liabilities and provisions	104 471	93 128	12
Subordinated liabilities	45 874	44 755	3
Equity	83 015	86 462	-4
- Non-controlling interest	257	232	11
- Equity attributable to shareholders of Swedbank AB	82 758	86 230	-4
<b>Total liabilities and equity</b>	<b>1 830 796</b>	<b>1 811 690</b>	<b>1</b>

## Statement of changes in equity

Group SEKm	Shareholders' equity					Non-controlling interests			Total equity	
	Share capital	Other contributed equity	Non registered shares	Translation of foreign operations	Hedging of net investments in foreign operations	Cash flow hedges	Retained earnings	Total		
<b>Opening balance 1 January, 2008</b>	10 823	4 068		520	-365	-65	53 027	68 008	315	68 323
Dividends									-128	-128
Total comprehensive income for the period				-735	127	13	2 900	2 305	9	2 314
<b>Closing balance 31 March, 2008</b>	10 823	4 068		-215	-238	-52	55 927	70 313	196	70 509
<b>Opening balance 1 January, 2008</b>	10 823	4 068		520	-365	-65	53 027	68 008	315	68 323
Dividends							-4 639	-4 639	-133	-4 772
New share issue	4 095	5 265	3 010					12 370		12 370
Expenses in connection with new share issue		-394						-394		-394
Non-controlling interests acquired during the year									6	6
Total comprehensive income for the period				3 431	-2 540	-893	10 887	10 885	44	10 929
<b>Closing balance 31 December, 2008</b>	14 918	8 939	3 010	3 951	-2 905	-958	59 275	86 230	232	86 462
<b>Opening balance 1 January, 2009</b>	14 918	8 939	3 010	3 951	-2 905	-958	59 275	86 230	232	86 462
Registration of shares	1 316	1 694	-3 010					0		0
Total comprehensive income for the period				101	7	-222	-3 358	-3 472	25	-3 447
<b>Closing balance 31 March, 2009</b>	16 234	10 633	0	4 052	-2 898	-1 180	55 917	82 758	257	83 015



## Cash flow statement

Group SEKm	Jan-Mar 2009	Jan-Mar 2008	Full-year 2008
<b>Cash and cash equivalents at beginning of period</b>	<b>57 707</b>	<b>100 763</b>	<b>100 763</b>
Operating activities	-44 050	-8 477	46 953
Investing activities	-397	-2 168	372
Financing activities	50 074	-8 554	-94 292
<b>Cash flow for the period</b>	<b>5 627</b>	<b>-19 199</b>	<b>-46 967</b>
Exchange differences on cash and cash equivalents	96	-269	3 911
<b>Cash and cash equivalents at end of period</b>	<b>63 430</b>	<b>81 295</b>	<b>57 707</b>

## Note 1 Accounting policies

The interim report has been prepared in accordance with IAS 34.

As previously, the Parent Company has prepared its accounts in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies, the directives of the Financial Supervisory Authority, and recommendation RFR 2.2 of the Financial Reporting Council. The accounting principles applied in the interim report is the same as those applied in the preparation of the Annual Report for 2008, with the exception of accounting principles related to the new standard below and the revised standard below.

### IFRS 8 *Operating Segments*

The Group has adopted IFRS 8 *Operating Segments* to its segment reporting, as of 1 January 2009. Under the standard previously applied, IAS 14 *Segment Reporting*, two sets of segments (business and geographical) were identified using a model based on risks and rewards. Under IFRS 8, the segment information is presented from the perspective of the company management and business segments are identified on the basis of the internal reporting to the company's chief operating decision maker. The Group has identified its President as the chief operating decision maker, and the internal reporting used by the President to monitor operations and take decisions on the allocation of resources forms the basis for the segment information presented.

Swedbank's business segment reporting under IAS 14 was based on the Group's organisation and internal reporting, and hence only minor differences were identified in conjunction with the transition to IFRS 8. The difference consisted of new information requirements per segment and in the fact that the segment referred to in IFRS as Other business segments correspond to the International Banking business segment. The implementation of this standard has had no impact on the reported result or financial position of the Group.

### IAS 1 (revised) *Presentation of Financial Statements*

The revised standard entails, amongst other things, a more inclusive Income Statement referred to as a Statement of Comprehensive Income. This includes, in addition to the traditional Income statement, the profit/loss items previously reported under shareholders' equity (not transactions with the owners), such as currency effects in conjunction with the conversion of foreign operations' results. Entities may, however, choose to present either a Statement of Comprehensive Income, with sub-totals, or in the form of a traditional Income Statement followed by a presentation of the profit/loss items previously reported under shareholders' equity (other comprehensive income). Swedbank has chosen the latter alternative of a traditional Income Statement and a separate presentation entitled "Other Comprehensive Income".

Amendments to IAS 1 also offer the opportunity to use new designations for the financial reports – an opportunity not taken by Swedbank.

However, the revised standard has had no impact on the reported result or financial position of the Group.

## Note 2 Business area report

Q1 2009 SEKm	Swedish Banking	Baltic Banking	Inter- national Banking	Swedbank Markets	Asset Management and Insurance	Shared Services and Group Staffs	Eliminations	Group
Net interest income	3 332	1 358	734	543	-1	-115	-48	5 803
Net commissions	920	456	89	110	-201			1 374
Net gains and losses on financial items at fair value	100	285	18	1 221	3	36	48	1 711
Share of profit or loss of associates	97	0		0		0		97
Other income	145	132	5	19	70	769	-701	439
<b>Total income</b>	<b>4 594</b>	<b>2 231</b>	<b>846</b>	<b>1 893</b>	<b>-129</b>	<b>690</b>	<b>-701</b>	<b>9 424</b>
Staff costs	997	475	188	217	100	358	0	2 335
Profit-based staff costs	23	0	24	144	8	7	0	206
Other expenses	1 139	371	191	225	122	491	-701	1 838
Depreciation/amortisation	34	93	42	6	12	65		252
<b>Total expenses</b>	<b>2 193</b>	<b>939</b>	<b>445</b>	<b>592</b>	<b>242</b>	<b>921</b>	<b>-701</b>	<b>4 631</b>
<b>Profit before impairments and provisions</b>	<b>2 401</b>	<b>1 292</b>	<b>401</b>	<b>1 301</b>	<b>-371</b>	<b>-231</b>		<b>4 793</b>
Impairment of intangible assets			1 300	5				1 305
Impairment losses on loans and other credit risk provisions	535	4 241	2 023	50		-4		6 845
<b>Operating profit</b>	<b>1 866</b>	<b>-2 949</b>	<b>-2 922</b>	<b>1 246</b>	<b>-371</b>	<b>-227</b>		<b>-3 357</b>
Tax expense	498	-253	-420	327	-101	-64		-13
Profit for the period	1 368	-2 696	-2 502	919	-270	-163		-3 344
<b>Profit for the period attributable to the shareholders of Swedbank AB</b>	<b>1 365</b>	<b>-2 696</b>	<b>-2 501</b>	<b>907</b>	<b>-270</b>	<b>-163</b>		<b>-3 358</b>
Non-controlling interests	3		-1	12				14
Return on allocated equity, %	20.6	neg.	neg.	75.9	neg.	neg.		neg.
Return on allocated equity, excluding impairment of intangible assets, %	20.6	neg.	neg.	76.3	neg.	neg.		neg.
Loan loss ratio, %	0.23	7.50	10.62	0.66				2.16
Total provision ratio for impaired loans, %	94	51	101	136				64
Share of impaired loans, %	0.15	4.87	2.21	0.03				0.98
C/I-ratio	0.48	0.42	0.53	0.31	-1.88	1.33		0.49
Full-time employees	5 907	8 075	3 914	748	351	1 704		20 699
Income from transactions with other business areas	365	2	6	81	-428	712		

## Business area accounting policies

The business area report is based on Swedbank's accounting policies, organisation and management accounts. Market-based transfer prices are applied between business areas, while all expenses for IT, other shared services and Group staffs are transfer priced at full cost. Executive management expenses are not distributed. Cross-border transfer pricing is applied

according to OECD transfer pricing guidelines. The Group's equity attributable to shareholders is allocated to each business area based on capital adequacy rules and estimated capital requirements. The new Basel 2 rules are used. Return on equity for the business areas is based on operating profit less estimated tax and minority interests in relation to average allocated equity.

## Note 3 Net commissions

Group SEKm	Q1 2009	Q1 2008	%	Q4 2008	%
<b>Commission income</b>					
Payment processing	1 289	1 259	2	1 401	-8
Lending	130	136	-4	129	1
Brokerage	134	218	-39	144	-7
Asset management	212	962	-78	727	-71
Other securities	50	28	79	31	61
Other	427	395	8	492	-13
<b>Total</b>	<b>2 242</b>	<b>2 998</b>	<b>-25</b>	<b>2 924</b>	<b>-23</b>
<b>Commission expenses</b>					
Payment processing	-456	-466	-2	-512	-11
Securities	-150	-117	28	-126	19
Other	-262	-235	11	-275	-5
<b>Total</b>	<b>-868</b>	<b>-818</b>	<b>6</b>	<b>-913</b>	<b>-5</b>
<b>Total net commissions</b>	<b>1 374</b>	<b>2 180</b>	<b>-37</b>	<b>2 011</b>	<b>-32</b>

## Note 4 Net gains and losses on financial items at fair value

Group SEKm	Q1 2009	Q1 2008	%	Q4 2008	%
<b>Trading, derivatives and fair value option</b>					
Shares/participating interests	141	-48		128	10
- of which change in value	131	-58		90	46
- of which dividend	10	10	0	38	-74
Interest-bearing instruments	1 218	-256		639	91
- of which change in value of open interest-bearing position, Swedbank Mortgage	26	-22		763	-97
- of which other change in value	1 192	-234		-124	
Other financial instruments	127	73	74	19	
- of which change in value	127	73	74	19	
<b>Total</b>	<b>1 486</b>	<b>-231</b>		<b>786</b>	<b>89</b>
<b>Inefficiency in hedge accounting</b>	<b>-34</b>	<b>-8</b>		<b>-131</b>	<b>-74</b>
<b>Interest income compensation, claims valued at amortised cost</b>	<b>28</b>	<b>3</b>		<b>12</b>	
<b>Changes in exchange rates</b>	<b>231</b>	<b>311</b>	<b>-26</b>	<b>577</b>	<b>-60</b>
<b>Total net gains and losses on financial items at fair value</b>	<b>1 711</b>	<b>75</b>		<b>1 244</b>	<b>38</b>

## Note 5 Impairment of intangible assets

Goodwill and other intangible assets have to be tested for impairment when indication exists that the recoverable amount is lower than the carrying amount. The recoverable amount is the higher of its fair value less costs to sell and its value in use. Swedbank calculates value in use by estimating the asset's future cash flows and discount these with a discount rate.

Due to the significant down turn in the Ukraine economy during the first quarter a new impairment test has been performed regarding the investment in Ukrainian Banking operation. The impairment test resulted in that the remaining intangible assets, mainly goodwill, of SEK 1,3bn has been written-off.

The economy in the Baltic countries deteriorated also during the first quarter. Due to extensive uncertainty and lack of reliable estimates regarding the development in Baltic Banking operation during the next years the impairment test was performed based on the impairment test performed at the last year end. Same assumptions have been used except that the discount rate has been raised with a further risk premium at 15 percentages the next five years. No impairments were identified at the end of the quarter.

## Note 6 Impairment losses on loans and other credit risk provisions

Group mkr	Q1 2009	Q1 2008	%	Q4 2008	%
<i>Provisions:</i>					
Collective provisions, net *	4 171	37		574	
Individual provisions	2 549	280		866	
Reversal of individual provisions no longer required	-178	-67		-25	
Provisions for contingent liabilities, net	10	-15		-6	
<b>Provisions, net</b>	<b>6 552</b>	<b>235</b>		<b>1 409</b>	
<i>Write-offs:</i>					
Write-offs, total	385	126		335	15
Reversal of individual provisions utilized for for write-offs	-65	-50	30	-26	
<b>Write-offs not previously provided for</b>	<b>320</b>	<b>76</b>		<b>309</b>	<b>4</b>
Recovered from previous write-offs	-27	-23	17	-85	-68
<b>Write-offs, net</b>	<b>293</b>	<b>53</b>		<b>224</b>	<b>31</b>
<b>Impairment losses on loans and other credit risk provisions</b>	<b>6 845</b>	<b>288</b>		<b>1 633</b>	

\* SEK 3.7bn relates additional provisions as a result of the deteriorating macroeconomic development and the rapid increase of impaired loans.

## Note 7 Lending

Group SEKbn	31 Mar 2009	31 Dec 2008	%
Private customers	637.8	628.0	2
<i>of which Swedbank Mortgage AB</i>	<i>484.1</i>	<i>472.1</i>	<i>3</i>
Real estate management	268.9	264.3	2
Retail, hotels, restaurants	46.8	49.5	-5
Construction	17.7	19.3	-8
Manufacturing	53.3	54.1	-1
Transportation	27.2	27.5	-1
Forestry and agriculture	56.1	55.4	1
Other corporate lending	137.1	143.1	-4
Municipalities *	9.3	9.3	0
<b>Total lending to the public, excluding repos</b>	<b>1 254.2</b>	<b>1 250.5</b>	<b>0</b>
<i>of which Baltic Banking Operations</i>	<i>207.1</i>	<i>217.7</i>	<i>-5 **</i>
Credit institutions including the Swedish Nat'l Debt Office	113.5	92.6	23
Repurchase agreements (Repos)	56.6	72.9	-22
<i>of which to the public</i>	<i>27.8</i>	<i>13.8</i>	
<i>of which to credit institutons including the Swedish Nat'l Debt Office</i>	<i>28.8</i>	<i>59.1</i>	<i>-51</i>
<b>Total lending</b>	<b>1 424.3</b>	<b>1 416.0</b>	<b>1</b>

\* Not including municipal companies

\*\* Changes reported excluding foreign exchange effects

## Note 8 Loans to credit institutions and loans to the public

Group SEKm	31 Mar 2009	31 Dec 2008	%
Book value (before recognized provisions)	1 436 983	1 422 314	1
Provisions for individually assessed loans	-5 893	-3 161	86
Provisions for collectively assessed loans	-6 835	-3 193	
<b>Total provisions</b>	<b>-12 728</b>	<b>-6 354</b>	
<b>Book value</b>	<b>1 424 255</b>	<b>1 415 960</b>	<b>1</b>
Book value of impaired loans	13 989	7 397	89
<b>Property taken over to protect claims:</b>			
- Buildings and land	6	2	
- Shares and participating interests	189	190	-1
- Other	2	2	0
<b>Total</b>	<b>197</b>	<b>194</b>	<b>2</b>
Share of impaired loans, %	0.98	0.52	
Total provision ratio for impaired loans, % *	64	60	
Provision ratio for individually identified impaired loans, %	30	30	

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

## Note 9 Credit Risks

Group Sector/Industry 31 Mar, 2009 SEKm	Carrying amount before provisions	Provisions for individually assessed loans	Provisions for collectively assessed loans	Carrying amount of loans after provisions	Carrying amount of impaired loans
Private customers	639 828	1 526	559	637 743	3 037
Real estate management	270 722	1 556	318	268 848	5 364
Retail, hotels, restaurants	47 839	656	425	46 758	1 251
Construction	18 242	452	135	17 655	1 211
Manufacturing	54 346	505	515	53 326	1 110
Transportation	27 639	214	186	27 239	671
Forestry and agriculture	56 348	129	104	56 115	329
Other corporate lending	142 527	787	4 593	137 147	1 016
Municipalities, excl. municipal corporates	9 340			9 340	
<b>Lending</b>	<b>1 266 831</b>	<b>5 825</b>	<b>6 835</b>	<b>1 254 171</b>	<b>13 989</b>
Credit Institutions incl. Nat'l Debt Office	113 599	68		113 531	0
Repurchase agreements - credit					
Institutions incl. Nat'l Debt Office	28 768			28 768	
Repurchase agreements - public	27 785			27 785	
<b>Total lending to credit Institutions and the public</b>	<b>1 436 983</b>	<b>5 893</b>	<b>6 835</b>	<b>1 424 255</b>	<b>13 989</b>

## Note 10 Savings and investments

SEKbn	31 Mar 2009	31 Dec 2008	%
<b>Deposits from the public</b>			
Households	278.5	278.3	0
Other deposits from the public	187.2	199.3	-6
<b>Total deposits from the public, excluding repos</b>	<b>465.7</b>	<b>477.6</b>	<b>-2</b>
<i>of which Baltic Banking Operations</i>	<i>106.8</i>	<i>107.5</i>	<i>-1 *</i>
Credit institutions including the Swedish Nat'l Debt Office	351.3	318.0	10
Repurchase agreements (Repos)	13.6	29.6	-54
<b>Total deposits</b>	<b>830.6</b>	<b>825.2</b>	<b>1</b>
Discretionary asset management **	239.1	219.0	9
Funds assets under management	351.0	343.3	2
Unit-linked insurance	53.3	52.2	2
Of which unit-linked insurance in own companies	-50.6	-50.2	1
Retail bonds, interest-bearing	2.6	2.6	0
Retail bonds, equity linked	29.7	29.9	-1
<b>Total savings and investments</b>	<b>1 455.7</b>	<b>1 422.0</b>	<b>2</b>

\* Changes reported excluding foreign exchange effects

\*\* Excluding investments in Swedbank Robur's funds

## Note 11 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.		Total	
	31 Mar 2009	31 Dec 2008	31 Mar 2009	31 Dec 2008	31 Mar 2009	31 Dec 2008	31 Mar 2009	31 Dec 2008
Derivatives with positive book values	88 791	83 876	28 287	49 481	3 531	4 215	120 609	137 571
Derivatives with negative book values	83 295	79 026	27 983	46 152	988	1 058	112 266	126 236
Nominal amount	8 269 446	8 733 108	1 034 701	963 477	93 762	81 372	9 397 909	9 777 957

Derivatives with a value of SEK 8 857m (9 516) have, as a consequence of netting agreements, been recorded net in the balance sheet.

## Note 12 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 98bn (11)  
Redeemed (bought) SEK -101bn (-68)

## Note 13 Financial instruments carried at fair value

Group 31 mar 2009 SEKbn	Quoted market price	Valuation models based on observable market data	Total
<b>Assets</b>			
Loans to credit institutions		17.1	17.1
Loans to the public		531.4	531.4
Interest-bearing securities	134.2	23.0	157.2
Shares and participating interests	4.0	0.1	4.1
Fund assets for which customers bear the investment risk	52.5		52.5
Derivatives	9.9	101.9	111.8
<b>Total</b>	<b>200.6</b>	<b>673.5</b>	<b>874.1</b>
<b>Liabilities</b>			
Amounts owed to credit institutions		7.6	7.6
Deposits and borrowings from the public		34.7	34.7
Debt securities in issue, etc.		497.3	497.3
Financial liabilities for which customers bear the investment risk		53.1	53.1
Derivatives	8.9	94.5	103.4
<b>Total</b>	<b>8.9</b>	<b>687.2</b>	<b>696.1</b>

## Note 14 Assets pledged for own liabilities, contingent liabilities and commitments

Group SEKm	31 Mar 2009	31 Dec 2008	%
Assets pledged for own liabilities	697 554	696 938	0
- Loans pledged for securities in issue	581 849	567 363	3
- Fund units pledged for policyholders	53 624	52 904	1
- Other assets pledged for own liabilities	62 081	76 671	-19
Contingent liabilities	40 089	43 860	-9
- Loan guarantees	14 378	16 825	-15
- Other guarantees	22 354	22 864	-2
- Accepted and endorsed notes	253	234	8
- Letters of credit granted but not utilised	2 528	3 138	-19
- Other contingent liabilities	576	799	-28
Commitments	200 143	199 643	0
- Loans granted but not paid	134 877	131 361	3
- Overdraft facilities granted but not utilised	65 266	68 282	-4

## Note 15 Capital adequacy

The Internal Ratings-Based Approach ("IRB") is being successively rolled out through the Swedbank financial companies Group. As of 2007, the method has been applied to the Swedish business operations, 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. IRB is also, as of Q1 2009, applied to the majority of exposure classes within the Baltic banking operations.

As of 31 March 2009, Swedbank financial companies Group included the Swedbank Group, the EnterCard Group, 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 under the capital adequacy rules for financial companies Groups.

Swedbank financial companies Group SEKm	31 Mar 2009	31 Dec 2008	% or %-points
Core tier 1 capital	65 067	64 446	1
Hybrid capital	9 944	9 709	2
<b>Total tier 1 capital</b>	<b>75 011</b>	<b>74 155</b>	<b>1</b>
Tier 2 capital	31 322	30 774	2
Settlements, equities, etc.	-1 986	-1 986	0
<b>Total capital base</b>	<b>104 347</b>	<b>102 943</b>	<b>1</b>
<b>Risk-weighted assets</b>	<b>694 392</b>	<b>696 505</b>	<b>0</b>
Capital requirement for credit risks, standardised approach	7 494	20 528	-63
Capital requirement for credit risks, IRB	41 665	28 908	44
Capital requirement for settlement risks	0	1	-69
Capital requirement for market risks	2 148	2 396	-10
<i>of which risks in the trading book outside VaR</i>	664	1 015	-35
<i>of which currency risks outside VaR</i>	707	591	20
<i>of which risks where VaR models are applied</i>	776	790	-2
Capital requirement for operational risks	4 244	3 888	9
<b>Capital requirement</b>	<b>55 551</b>	<b>55 720</b>	<b>0</b>
Complement during transition period	9 320	17 569	-47
<b>Capital requirement including complement</b>	<b>64 871</b>	<b>73 289</b>	<b>-11</b>
Capital quotient excluding complement <sup>1)</sup>	1.88	1.90	-0.02
Core tier 1 capital ratio, %, excluding complement <sup>1)</sup>	9.4	9.7	-0.3
Tier 1 capital ratio, %, excluding complement <sup>1)</sup>	10.8	11.1	-0.3
Total capital adequacy ratio, %, excluding complement <sup>1)</sup>	15.0	15.2	-0.2
Capital quotient, transition rules <sup>1)</sup>	1.61	1.45	0.16
Core tier 1 capital ratio, %, transition rules <sup>1)</sup>	8.0	7.4	0.7
Tier 1 capital ratio, %, transition rules <sup>1)</sup>	9.3	8.4	0.8
Total capital adequacy ratio, %, transition rules <sup>1)</sup>	12.9	11.6	1.3

<sup>1)</sup> Including total subscribed capital 2008-12-31. SEK 3bn was subscribed but not paid capital in the end of 2008.

Excluding this capital the capital quotient was 1.85 (1.40 according to transition rules)

The core tier 1 capital ratio was 9.3 (7.0)

The tier 1 capital ratio was 10.6 (8.1)

The capital adequacy ratio was 14.8 (11.2)

Swedbank financial companies Group Credit risks, IRB SEKm	Exposure after credit risk protection			Average risk weight, %		Capital requirement		
	31 Mar 2009	31 Dec 2008	%	31 Mar 2009	31 Dec 2008	31 Mar 2009	31 Dec 2008	%
	Institutional exposures	124 805	64 049	95	21	26	2 103	1 339
Corporate exposures	476 902	348 142	37	80	73	30 445	20 257	50
Retail exposures	811 454	695 841	17	12	10	8 062	5 402	49
Securitization	7 581	7 762	-2	12	12	71	73	-2
Other non credit-obligation asset exposures	42 549	53 761	-21	29	43	985	1 837	-46
<b>Total credit risks, IRB</b>	<b>1 463 291</b>	<b>1 169 555</b>	<b>25</b>	<b>36</b>	<b>31</b>	<b>41 665</b>	<b>28 908</b>	<b>44</b>



## Capital base

A deduction for the difference between expected losses and provisions in the accounts for the part of the portfolio calculated according to IRB is made from the capital base. These expected losses are estimated in accordance with legislative and regulatory requirements and using information drawn from Swedbank's internal risk classification system. The calculations are characterised by the prudence concept, so that risks are overestimated, rather than underestimated. The Swedish FSA's interpretation of legislation and regulations has, furthermore, built additional safety margins into the risk classification system. As a result, expected losses calculated in accordance with the new capital adequacy rules exceed Swedbank's best estimate of loss levels and required provisions.

## Capital requirement for credit risks according to the standardised approach

The subsidiary companies in Russia and the Ukraine, and the Swedish finance company, associated companies (with the exception of the jointly owned banks), and a few minor subsidiary companies all use the standardised method for calculating credit risks.

## Capital requirements for credit risks according to IRB

The capital adequacy requirement for the portion of the portfolio calculated according to the IRB approach has increased by 44 per cent since the start of the year. The change is almost entirely due to the transition by the Baltic operations from the standard method in the calculation of the capital adequacy requirement, as a result of which a corresponding decrease in the requirement arises. The average risk weight in new Baltic IRB portfolios is significantly higher than for the previously reported Swedish IRB portfolios. For non-Baltic corporate exposures, the average risk weight fell from 73 per cent at the start of the year to 71 per cent. For non-Baltic retail exposures, the average risk weight was unchanged at 10 per cent.

## Market risks

Under current regulations, capital adequacy for market risks can be based either on a standardised method or on an internal Value at Risk model, which requires the approval of the Swedish FSA. In 2004, the parent company received the permission of the Swedish FSA to use its own internal VaR model for general interest rate risks, general and specific share price risks in the trading book, and currency risks throughout the operations. The capital adequacy requirement reporting has been conducted in accordance with this approach since the beginning of 2005. In 2006, the approval was extended to include the Baltic banking operations for general interest rate risks in the trading book and currency risks throughout the operations.

This approval was amended at the end of 2008 after a decision by the Swedish FSA, such that currency risks outside the trading book, i.e. in the rest of the operations, are excluded from the internal VaR model.

The capital requirement for currency risks elsewhere in the operations is, instead, calculated using the standardised method prescribed in the capital adequacy regulations. The change in the method used was primarily made in order to exclude strategic currency risks for which a VaR model is an inappropriate calculation method – an approach that now also coincides with the Group's internal view and handling of these risks. The amendment has resulted in a reduced capital requirement for market risks than under the old model. The Group's capital requirement for market risks has, however, increased since the end of 2007 due to the increased volatility of and turbulence in the financial markets.

The capital requirement for other market risks thus refers to specific interest rate risks in Swedbank AB and Swedbank AS, to share price risks in Swedbank AS, and to market risks in other companies. Counterparty risks in the trading book were previously reported as market risks, but are now reported as credit risks in accordance with the new regulations.

## Operational risk

Swedbank has chosen to use the standardised method to calculate operational risk. The Swedish FSA has stated that Swedbank meets the qualitative requirements for application of this method.

## Transition rules

The new capital adequacy rules are being introduced gradually over a three-year period. The full effect of the new rules will not be achieved until 2010. According to the transition rules, the capital adequacy requirement may amount to 80 per cent of the requirement according to the older rules in 2009. In 2008, the corresponding figure was 90 per cent and in 2007 it was 95 per cent.

## Note 16 Number of employees

Group	31 Mar 2009	31 Dec 2008	%
<b>Number of employees</b>			
Swedish Banking	5 907	5 999	-2
Baltic Banking	8 075	8 327	-3
<i>Estonia</i>	2 870	2 950	-3
<i>Latvia</i>	2 276	2 342	-3
<i>Lithuania</i>	2 929	3 035	-3
International Banking	3 914	4 175	-6
<i>Ukraine</i>	3 027	3 302	-8
<i>Russia</i>	644	631	2
<i>Nordic branches and Luxembourg</i>	143	143	0
<i>Other</i>	100	99	1
Swedbank Markets	748	736	2
Asset Management and Insurance	351	349	1
Shared Services & Group Staffs	1 704	1 694	1
<b>Total</b>	<b>20 699</b>	<b>21 280</b>	<b>-3</b>

## Note 17 Swedbank's share

SWED A and SWED PREF	31 Mar 2009	31 Dec 2008	%
<b>SWED A</b>			
Share price, SEK	27.50	44.40	-38
No. of ordinary shares in issue	515 373 412	515 373 412	0
Market capitalization, SEKm	14 173	22 883	-38
<b>SWED PREF</b>			
Share price, SEK	27.50	44.40	-38
No. of subscribed preference share in issue	257 686 706	194 985 456	32
Market capitalization, SEKm	7 086	8 657	-18
<b>Total market capitalization, SEKm</b>	<b>21 259</b>	<b>31 540</b>	<b>-33</b>

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

The preference share has the ticker symbol SWED PREF and is traded in the Large cap segment.

## Note 18 Number of shares outstanding

Average number of shares in issue	Q1 2009	Q1 2008	Q4 2008
Average number of shares in issue before and after dilution	773 060 118	550 863 197	587 090 956

In relation to the rights issue a bonus element was identified, which means that the average number of shares in issue has been retroactively restated.

Number of shares in issue on the closing day	31 Mar 2009	31 Dec 2008
Ordinary shares	515 373 412	515 373 412
Subscribed and paid preference shares	257 686 706	194 985 456
Subscribed but not paid preference shares	0	62 701 250
<b>Total number of shares in issue on the closing day</b>	<b>773 060 118</b>	<b>773 060 118</b>

In February and August of each year, starting in August 2009, holders of preference shares may request to convert their preference shares to ordinary shares. The request must pertain to the shareholder's entire holding. If the shareholder previously has not requested a

conversion, all their preference shares outstanding will be converted ordinary shares in the month immediately after the month in which the Annual General Meeting is held in 2013. Preference shares carry the same voting rights as ordinary shares.

## Note 19 Ratings

Mar 2009	S&P		Short	Moody's		Fitch	
	Short	Long		Long	BFSR *	Short	Long
Swedbank	A-1	A	P-1	A1	C-	F1	A+
Swedbank Mortgage	A-1		P-1	A1		F1+	AA-
Covered bonds		AAA		Aaa			
Hansabank			P-2	Baa2	D		

\* Bank Financial Strength Ratings

On 16 April, Fitch lowered Swedbank's long-term rating to A but changed the outlook to stable from negative.

Fitch motivated the lowered rating with the development and the exposure in the Baltic countries and Ukraine.

## Note 20 Exchange rates

	31 Mar 2009	31 Dec 2008	31 Mar 2008
SEK/EUR, average rate	10.968	9.627	9.429
SEK/EUR, closing day rate	10.945	10.935	9.390
SEK/EEK, average rate	0.701	0.615	0.603
SEK/EEK, closing day rate	0.700	0.699	0.600
SEK/UAH, average rate	1.037	1.255	1.238
SEK/UAH, closing day rate	1.022	1.006	1.185
SEK/RUB, average rate	0.247	0.264	0.259
SEK/RUB, closing day rate	0.243	0.263	0.253
SEK/USD, average rate	8.302	6.572	6.247
SEK/USD, closing day rate	8.225	7.720	5.918
UAH/USD, closing day rate	8.000	7.800	4.990
RUB/USD, closing day rate	33.954	30.525	23.486

As from 2009 the average rate is calculated as the average of previous month's closing day rate and actual month's closing day rate.

# Swedbank AB

## Income statement

Parent company SEKm	Q1 2009	Q1 2008	%	Q4 2008	%
<i>Interest income</i>	10 187	11 297	-10	12 946	-21
<i>Interest expenses</i>	-7 392	-9 126	-19	-10 520	-30
<b>Net interest income</b>	<b>2 795</b>	<b>2 171</b>	<b>29</b>	<b>2 426</b>	<b>15</b>
Dividends received	10	147	-93	1 356	-99
<i>Commission income</i>	1 291	1 372	-6	1 310	-1
<i>Commission expenses</i>	-394	-273	44	-368	7
<b>Net commissions</b>	<b>897</b>	<b>1 099</b>	<b>-18</b>	<b>942</b>	<b>-5</b>
Net gains and losses on financial items at fair value	1 294	-7		83	
Other income	282	732	-61	1 199	-76
<b>Total income</b>	<b>5 278</b>	<b>4 142</b>	<b>27</b>	<b>6 006</b>	<b>-12</b>
Staff costs	1 503	1 528	-2	1 450	4
Profit-based staff costs	128	130	-2	256	-50
Other expenses	1 179	1 072	10	1 278	-8
Depreciation/amortisation	92	98	-6	97	-5
<b>Total expenses</b>	<b>2 902</b>	<b>2 828</b>	<b>3</b>	<b>3 081</b>	<b>-6</b>
<b>Profit before impairments and provisions</b>	<b>2 376</b>	<b>1 314</b>	<b>81</b>	<b>2 925</b>	<b>-19</b>
Impairment of financial fixed assets (Note 5)	1 382 642			2 965 269	-53
<b>Operating profit</b>	<b>352</b>	<b>1 216</b>	<b>-71</b>	<b>-309</b>	
Appropriations				-690	
Tax expense	344	283	22	71	
<b>Profit for the period</b>	<b>8</b>	<b>933</b>	<b>-99</b>	<b>-1 070</b>	

## Balance sheet

Parent company SEKm	31 Mar 2009	31 Dec 2008	%
<b>Assets</b>			
Loans to credit institutions	623 804	522 327	19
Loans to the public	387 011	397 515	-3
Interest-bearing securities	278 247	261 666	6
Shares and participating interests	45 534	48 777	-7
Derivatives	119 585	133 982	-11
Other assets	28 311	37 553	-25
<b>Total assets</b>	<b>1 482 492</b>	<b>1 401 820</b>	<b>6</b>
<b>Liabilities and equity</b>			
Amounts owed to credit institutions	512 872	425 284	21
Deposits and borrowings from the public	360 240	393 079	-8
Debt securities in issue, etc	307 421	278 051	11
Derivatives	123 509	136 639	-10
Other liabilities and provisions	84 777	79 011	7
Subordinated liabilities	43 826	42 677	3
Untaxed reserves	5 855	5 855	0
Equity	43 992	41 224	7
<b>Total liabilities and equity</b>	<b>1 482 492</b>	<b>1 401 820</b>	<b>6</b>
Assets pledged for own liabilities	252 636	304 160	-17
Other assets pledged	2 783	3 350	-17
Contingent liabilities	33 420	36 862	-9
Commitments	159 965	157 325	2

## Statement of changes in equity

Parent company SEKm	Restricted equity	Non-restricted equity	Total equity
<b>Opening balance 1 January, 2008</b>	<b>17 312</b>	<b>19 623</b>	<b>36 935</b>
Profit for the period		933	933
<b>Total net income for the period</b>		<b>933</b>	<b>933</b>
<b>Closing balance 31 March, 2008</b>	<b>17 312</b>	<b>20 556</b>	<b>37 868</b>
<b>Opening balance 1 January, 2008</b>	<b>17 312</b>	<b>19 623</b>	<b>36 935</b>
Cash flow hedges:			
-Gains/losses arising during the period		-1 365	-1 365
-Reclassification adjustments to income statement, net interest income		103	103
-Related deferred tax		332	332
Group contributions paid		-589	-589
Related tax		165	165
<b>Net income for the period recognized directly in equity</b>		<b>-1 354</b>	<b>-1 354</b>
Profit for the period		1 316	1 316
<b>Total net income for the period</b>		<b>-38</b>	<b>-38</b>
Dividend		-4 639	-4 639
New share issue	4 095	5 265	9 360
Expenses in connection with new share issue		-394	-394
<b>Closing balance 31 December, 2008</b>	<b>21 407</b>	<b>19 817</b>	<b>41 224</b>
<b>Opening balance 1 January, 2009</b>	<b>21 407</b>	<b>19 817</b>	<b>41 224</b>
Cash flow hedges:			
-Gains/losses arising during the period		-516	-516
-Reclassification adjustments to income statement, net interest income		177	177
-Related deferred tax		89	89
<b>Net income for the period recognized directly in equity</b>		<b>-250</b>	<b>-250</b>
Profit for the period		8	8
<b>Total net income for the period</b>		<b>-242</b>	<b>-242</b>
New share issue	1 316	1 694	3 010
<b>Closing balance 31 March, 2009</b>	<b>22 723</b>	<b>21 269</b>	<b>43 992</b>

## Cash flow statement

Parent company SEKm	Jan-Mar 2009	Jan-Mar 2008	Full-year 2008
<b>Cash and cash equivalents at beginning of period</b>	<b>187 118</b>	<b>109 826</b>	<b>109 826</b>
Operating activities	-28 931	-14 363	78 912
Investing activities	10 145	-2 188	-61 895
Financing activities	31 495	-3 275	60 275
<b>Cash flow for the period</b>	<b>12 709</b>	<b>-19 826</b>	<b>77 292</b>
<b>Cash and cash equivalents at end of period</b>	<b>199 827</b>	<b>90 000</b>	<b>187 118</b>

## Signatures of the board of Directors and the President

The Board of Directors and the President certify that the interim report for the first quarter 2009 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, 22 April 2009

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

Helle Kruse Nielsen  
Board Member

Anders Nyblom  
Board Member

Monica Hellström  
Board Member  
Employee Representative

Kristina Janson  
Board Member  
Employee Representative

Michael Wolf  
President

## Review report

### Introduction

We have reviewed the interim report for Swedbank AB (publ) for the first quarter 2009. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and IAS 34. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of review

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of 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 interim report 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, 22 April 2009

Deloitte AB  
Jan Palmqvist  
Authorised Public Accountant

## Publication of financial information

The Group's financial reports can be found on <http://www.swedbank.se/ir> or [www.swedbank.com](http://www.swedbank.com).

Swedbank will publish financial results on the following dates in 2009:

Interim report for the second quarter on 17 July

Interim report for the third quarter on 21 October

## Annual General Meeting 2009

The Annual General Meeting will be held in Stockholm on 24 April 2009.

### For further information, please contact:

Michael Wolf  
President and CEO  
Telephone +46 8 585 926 66

Erkki Raasuke  
CFO  
Telephone +46 8 585 913 76

Johannes Rudbeck  
Head of Investor Relations  
Telephone +46 8 585 933 22,  
+46 70 582 56 56

Thomas Backteman  
Head of Group Corporate  
Affairs  
Telephone +46 8 585 933 66  
+46 73 098 14 17



### Swedbank AB (publ)

Registration no. 502017-7753  
Brunkebergstorg 8  
SE-105 34 Stockholm, Sweden  
Telephone +46 8 585 900 00  
[www.swedbank.com](http://www.swedbank.com)