Fourth quarter 2009

compared with third quarter 2009

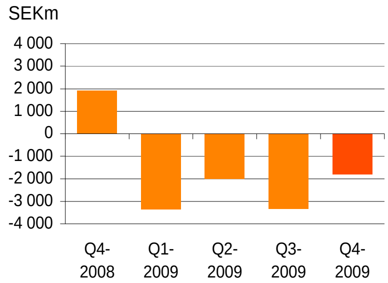
- The result for the period was SEK -1 804m (-3 337)
- Earnings per share were SEK -1.83 (-3.57)
- The return on equity was -8.3 per cent (-16.9)
- The cost/income ratio was 0.54 (0.56)
- Net interest income decreased by 6 per cent to SEK 4 702m (5 017)
- Profit before impairments excluding non-recurring items increased by 4 per cent to SEK 3 737m (3 593)
- Credit impairments amounted to SEK 5 003m (6 121). Provisions for loan losses amounted to SEK 3 766m (5 338). Net write-offs amounted to SEK 1 237m (783). The credit impairment ratio was 1.44 per cent (1.75)

Full-year 2009

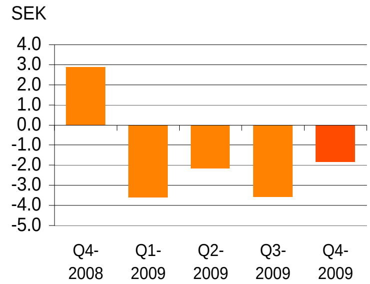
compared with full-year 2008

- The result for the period was SEK -10 511m (10 887)
- Earnings per share were SEK -10.66 (16.51)
- The return on equity was -12.5 per cent (15.2 per cent)
- The cost/income ratio was 0.51 (0.50)
- Net interest income decreased by 4 per cent to SEK 20 765m (21 702)
- Profit before impairments excluding non-recurring items decreased by 1 per cent to SEK 16 612m (16 856)
- Credit impairments amounted to SEK 24 641m (3 156). Provisions for loan losses amounted to SEK 21 794m (2 638). Net write-offs amounted to SEK 2 847m (518)
- Impairment of intangible assets affected profit by SEK 1 305m (1 403)
- The Tier 1 capital ratio increased to 13.5 per cent according to Basel 2 (11.1 per cent on 31 December 2008) and 10.4 per cent (8.4) according to transitional rules. The core Tier 1 capital ratio was 12.0 per cent (9.7) according to Basel 2 and 9.2 per cent (7.4) according to transitional rules).

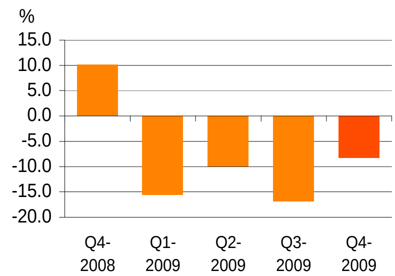
Result for the period



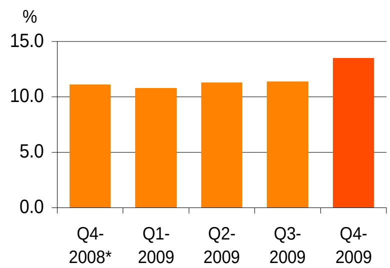
Earnings per share



Return on equity



Tier 1 capital ratio



* Including total subscribed capital.

CEO Comment

2009 will be remembered as one of the most turbulent years in Swedbank's history. The financial crisis in the Baltic countries, Ukraine and Russia entailed large provisions and a loss of SEK 10.5bn. However, the operational measures we implemented during the year together with the rights issue means that the bank is well prepared to take care of our customers and create value for our shareholders.

During the year we focused our work on strengthening our financial position and on reducing the risk level in the bank. Lending in Ukraine, Russia and the Baltic countries decreased during the year and now constitutes 209 per cent of Swedbank's equity compared to 290 per cent a year ago. We reduced liquidity risks during the first half-year with the help of state guarantees and during the second half-year on our own merits. The average maturity of our funding was extended from 14 to 22 months during the year due to more liquid funding markets, our increased capitalisation and systematic risk work. During the latter part of the year we were also successful in attracting deposits, primarily in Sweden, which helped to create a better balance between deposits and lending.

We invested in our Financial Reconstruction and Recovery (FR&R) units as well as in the management company Ektornet, building up professional and effective organisations to manage distressed loans and act to minimise actual losses over time.

In 2009, we also took the initial steps to shift business responsibility closer to customers. We expanded the number of regions from four to six in Sweden and removed the "operating area" level. The Risk, Treasury and Finance staff functions now have formal responsibility to act across the business areas. Processes have become clearer and control has improved.

Priorities for 2010

Customer satisfaction – A traditional banking model where branches have greater authority and responsibility increases customer confidence in the bank. By moving competence and decision-making capabilities as close to customers as possible, we can pave the way towards providing our customers improved advisory services. I am convinced that this will also impact our earnings positively. Swedbank's commitment to sustainable development and environmental protection are also an integral part of this work. Our focus on youth unemployment issues through Young Jobs (Unga Jobb) is a clear example of our commitment.

Lower risk level – We will continue to reduce the share of our lending in Ukraine, Russia and the Baltic countries. Our FR&R teams and Ektornet will continue their intensive work.

Earnings – The focus is on earnings, cost controls as well as adapting to lower demand caused by the economic slowdown. We will take advantage of growth opportunities, especially where we can better utilise existing capacity with limited investments. This is often a question of adapting our offering to various customer groups and ensuring that the right competence is made available, whether to small, medium-sized or large companies, Private Banking customers or an individual who wishes to acquire insurance.

Liquidity and capitalisation – During 2009 Swedbank's liquidity position and funding balance were improved. During 2010 our goal is to further improve the ratio between loans and deposits. We aim to increase the share of local financing in the markets where we are active. We will continue to focus on risk-weighted assets and their returns. We are also carefully monitoring regulatory developments in the aftermath of the financial crisis to be well prepared when new rules enter into force.

Organisational changes

To be more customer-oriented and take advantage of the available opportunities, the organisation will be modified in March 2010. The changes will primarily affect Swedish Banking, Swedbank Markets and International Banking.

Swedbank's dominant business area, Swedish Banking, will be renamed Retail and will be responsible for all private customers as well as small and medium-sized companies in the Nordic region. We currently enjoy a uniquely strong position in a broad market spanning both retail and corporate segments, to a large degree thanks to our social commitment. By strengthening the branch network we increase the importance of local business management. We will thus be able to take advantage of the potential we see in small and medium-sized companies as well as in Private Banking.

To meet the demands of larger companies with more complex needs, we have created a new business area called Large Corporates & Institutions. The business area will comprise all operations previously in Swedbank Markets as well as Large Corporates, Trade Finance, and Swedbank branches in Norway, Finland, Denmark, China and the US. By concentrating the competencies that these customers seek within a single business area, we will be able to establish closer cooperation entailing a broader range of offerings.

The remainder of International Banking will be renamed Russia & Ukraine and will continue to concentrate on restructuring and reducing risks.

Outlook

Compared to a year ago, the risk level in the bank is lower. 2010 will be a challenging year and the work to bring down the risk level will continue. Given that the global macro economy continues to develop positively without substantial divergence, particularly in Latvia and Ukraine, a profit for the full-year 2010 is feasible.

Michael Wolf
President and Chief Executive Officer

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Financial summary

Income statement SEKm	Q4 2009	Q3 2009	%	Q4 2008	%	Full-year 2009	Full-year 2008	%
Net interest income	4 702	5 017	-6	5 742	-18	20 765	21 702	-4
Net commissions	2 273	2 208	3	2 011	13	7 825	8 830	-11
Net gains and losses on financial items at fair value	262	87		1 244	-79	2 770	2 351	18
Other income	745	830	-10	1 349	-45	3 422	3 580	-4
Total income	**7 982**	**8 142**	**-2**	**10 346**	**-23**	**34 782**	**36 463**	**-5**
Staff costs	1 930	2 448	-21	2 602	-26	9 201	10 092	-9
Other expenses	2 370	2 078	14	2 273	4	8 647	7 966	9
Total expenses	**4 300**	**4 526**	**-5**	**4 875**	**-12**	**17 848**	**18 058**	**-1**
Profit before impairments	**3 682**	**3 616**	**2**	**5 471**	**-33**	**16 934**	**18 405**	**-8**
Impairment of intangible assets				1 403		1 305	1 403	-7
Impairment of tangible assets	352	77		27		449	27	
Credit impairments	5 003	6 121	-18	1 633		24 641	3 156	
Operating profit	**-1 673**	**-2 582**	**-35**	**2 408**		**-9 461**	**13 819**	
Tax expense	115	734	-84	500	-77	981	2 880	-66
Profit for the period	-1 788	-3 316	-46	1 908		-10 442	10 939	
Profit for the period attributable to the shareholders of Swedbank AB	**-1 804**	**-3 337**	**-46**	**1 915**		**-10 511**	**10 887**	

Key ratios and data per share	Q4 2009	Q3 2009	Q4 2008	Full-year 2009	Full-year 2008
Return on equity, %	-8.3	-16.9	10.1	-12.5	15.2
Earnings per share, SEK [1]	-1.83	-3.57	2.90	-10.66	16.51
Cost/income ratio	0.54	0.56	0.47	0.51	0.50
Equity per share, SEK [1]	77.33	99.15	121.39	77.33	121.39
Capital quotient, transition rules	1.69	1.52	1.45	1.69	1.45
Core Tier 1 capital ratio, %, transition rules	9.2	7.7	7.4	9.2	7.4
Tier 1 capital ratio, %, transition rules	10.4	8.8	8.4	10.4	8.4
Capital adequacy ratio, %, transition rules	13.5	12.1	11.6	13.5	11.6
Capital quotient, Basel 2	2.19	1.96	1.90	2.19	1.90
Core Tier 1 capital ratio, %, Basel 2	12.0	9.9	9.7	12.0	9.7
Tier 1 capital ratio, %, Basel 2	13.5	11.4	11.1	13.5	11.1
Capital adequacy ratio, %, Basel 2	17.5	15.7	15.2	17.5	15.2
Credit impairment ratio, %	1.44	1.75	0.48	1.74	0.24
Share of impaired loans, gross, %	2.85	2.53	0.74	2.85	0.74
Total provision ratio for impaired loans, %	65	63	60	65	60

[1] The number of shares is specified on page 51

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

Balance sheet data SEKbn	31 Dec 2009	31 Dec 2008	%
Loans to the public	1 291	1 287	0
Deposits and borrowings from the public	504	508	-1
Shareholders' equity	90	86	4
Total assets	1 795	1 812	-1
Risk weighted assets, Basel 2	603	697	-13
Risk weighted assets, transition rules	784	916	-14
Risk weighted assets, Basel 1	990	1 051	-6

Overview

The global economic crisis dominated 2009. On an annual basis GDP fell by just over 4 per cent in Sweden, 14 per cent in Estonia, 18 per cent in Latvia, 16 per cent in Lithuania, 14 per cent in Ukraine and 8 per cent in Russia. This dramatic development created difficulties for a growing number of the bank's loan customers in repaying their interest and principal. The negative trend was most evident in Latvia and in Ukraine. At the same time demand for financial services, especially credit, dropped substantially.

Compared with the previous quarter, interest and exchange rates were relatively stable in the fourth quarter. Prices on the world's stock exchanges continued to rise.

As of the fourth quarter Swedbank added a new business area, Ektornet, which manages properties taken over by the bank. Two other changes in the business area reporting are that the Baltic fund management companies have been transferred from Baltic Banking to Asset Management and that Financial Institutions has been transferred from International Banking to Swedbank Markets. Comparative figures have been restated for the relevant business areas.

Fourth quarter 2009

Swedbank reported a loss for the fourth quarter of SEK 1 804m, compared with a loss of SEK 3 337m for the third quarter.

Profit before impairments as well as excluding non-recurring items increased by SEK 144m or 4 per cent from the previous quarter. Profit improvements, excluding dissolvment of bonuses, in Swedish Banking and International Banking were offset by declines in Baltic Banking, Swedbank Markets and a lower result in Group Treasury within Shared Services and Group Staffs.

Profit before impairments excluding non-recurring items by business area SEKm	**Q4 2009**	**Q3 2009**	**Q4 2008**
Swedish Banking	2 332	2 099	2 837
Baltic Banking	740	902	1 178
Ukraine	*129*	*-114*	*369*
Russia	*37*	*91*	*40*
Other	*49*	*64*	*117*
International Banking	215	41	526
Swedbank Markets	267	486	561
Asset Management	135	180	64
Ektornet	-26	0	0
Shared Services and Group Staffs	-338	-115	-336
Dissolved bonus reserve	412		
Total	**3 737**	**3 593**	**4 830**

Non-recurring items affected profit before tax by SEK -55m, compared with SEK 23m in the previous quarter and SEK 641m in the same quarter of 2008. Non-recurring items during the quarter consisted of compensation of SEK -88m paid to fund investors in Estonia who invested in the Private Debt Fund within Asset Management, SEK 24m realised through the sale of shares in Finland's Aktia Sparbank within Shared Services and Group Staffs, a capital gain of SEK 15m on the sale of the Tallinn Stock Exchange shares to Nasdaq OMX within Baltic Banking, and a capital loss of SEK 6m on the sale of the Ukrainian debt collection company European Agency for Debt Recovery (EADR) within International Banking. Third quarter non-recurring items consisted of a capital gain of SEK 23m from branch sales to savings banks within Swedish Banking. The fourth quarter 2008 included SEK 680m from the sale of NCSD within Shared Services and Group Staffs and SEK 39m for amortisation of the Hansabank trademark within Baltic Banking.

Income excluding non-recurring items decreased by SEK 82m or 1 per cent from the previous quarter. The decrease was mainly due to lower income from lending.

Income analysis Group SEKm	**Q4 2009**	**Q3 2009**	**Q4 2008**
Lending	2 990	3 214	3 625
Deposits	1 094	1 093	1 803
Treasury, trading and capital market products	1 260	1 300	1 794
Asset management	968	884	727
Payments and cards	850	890	889
Insurance	258	222	198
Associates	123	183	136
Other income	523	528	494
Stability fee	-29	-195	
Non-recurring items	-55	23	680
Total income	**7 982**	**8 142**	**10 346**

Net interest income decreased by SEK 315m or 6 per cent from the previous quarter. Net interest income in Swedish Banking, which accounts for about two thirds of the Group's total net interest income, remained stable, while the trend towards lower net interest income in the other business areas continued, especially Baltic Banking and International Banking. Generally low interest rates, high money market rates in local currency relative to Euribor in the Baltic countries and lower lending volumes outside Sweden contributed to pressure on net interest income. The internal funds transfer price model used by Swedish Banking was modified during the year, which reduced reported net interest income on lending and increased reported net interest income on deposits and in treasury operations. The effect was greatest for floating-rate mortgages, where the reported lending margin decreased as loans were converted, at the same time that net interest income improved for the fully owned subsidiary Swedbank Mortgage's treasury department. If a constant internal funds transfer price model had been used over time, lending margins would have continued to improve at Swedbank Mortgage.

Net commission income increased by SEK 153m or 7 per cent from the previous quarter excluding the effect of the refunded fund management fees. The increase was mainly from stock market-related income in the form of brokerage, fund management and insurance commissions.

Net gains and losses on financial items at fair value increased by SEK 175m from the previous quarter. Net gains and losses in Swedish Banking increased by SEK 329m, mainly due to valuation effects in Swedbank Mortgage. Net gains and losses in International Banking increased by SEK 340m, mainly due to a change in currency positions in Ukraine. Net gains and losses in Swedbank Markets decreased by SEK 209m due to less favourable market conditions. In Shared Services and Group Staffs, Group Treasury's net gains and losses decreased by SEK 178m despite a capital gain of SEK 71m from repurchased subordinated loans.

Expenses, excluding profit-based compensation, rose on a seasonal basis during the fourth quarter and were SEK 370m or 9 per cent higher than in the previous quarter. In light of Swedbank's very weak full-year results, provisions for profit-based compensation were reduced to zero, except for the partly-owned subsidiary First Securities. Net profit-based compensation decreased by SEK 389m in the fourth quarter.

Impairment of fixed assets amounted to SEK 352m (77), of which SEK 68m was repossessed properties. SEK 180m was related to owner-occupied properties in Ukraine.

Credit impairments, net, amounted to SEK 5 003m (6 121 previous quarter), of which SEK 3 766m related to provisions and SEK 1 237m to net write-offs. Loan losses in Lithuania and Russia formed the bulk of the total amount. The credit impairment ratio for the Group was 1.44 per cent (1.75).

The tax expense decreased by SEK 619m from the previous quarter to SEK 115m. The decrease was primarily related to Ukraine and Lithuania. Thanks to new legislation introduced in Ukraine during the fourth quarter, in 2009 and 2010 provisions for impairment losses exceeding 10 per cent of the credit portfolio are tax deductible and accrued interest income on impaired loans does not have to be reported for taxation. In Lithuania, the tax rate has been reduced from 20 per cent to 15 per cent as of 2010, which reduced the value of deferred tax assets. Due to materially larger losses in Lithuania during the fourth quarter, deferred tax assets increased. The tax expense is reported in more detail in note 12.

Full-year 2009

Result

The full-year loss amounted to SEK 10 511m, compared with a profit of SEK 10 887m in the previous year.

Profit before impairments and excluding non-recurring items and exchange rate effects on the translation of subsidiary results to Swedish kronor decreased by SEK 1 041m or 6 per cent from the previous year to SEK 16 612m.The decrease was mainly attributable to Baltic Banking and Group Treasury within Shared Services, whereas Swedbank Markets posted a record profit.

Profit before impairments excluding non-recurring items by business area SEKm	**Full-year 2009**	**Full-year 2008**
Swedish Banking	8 881	9 186
Baltic Banking	3 825	5 359
Ukraine	*425*	*955*
Russia	*365*	*222*
Other	*165*	*185*
International Banking	955	1 362
Swedbank Markets	3 578	1 462
Asset Management	561	621
Ektornet	-26	0
Shared Services and Group Staffs	-1 162	-337
Total excl FX-effects	**16 612**	**17 653**
FX-effects		-797
Total incl FX-effects	**16 612**	**16 856**

Non-recurring items affected profit before tax by SEK 322m, compared with SEK 1 549m in the previous year. Non-recurring items in 2009 included capital gains of SEK 397m on branch sales as well as SEK 322m from Visa Sweden (share of associates' profit) in Swedish Banking, refunded fund management fees of SEK -628m within Asset Management, SEK 198m for a dissolved bonus reserve, a capital gain of SEK 15m on the sale of shares in the Tallinn Stock Exchange within Baltic Banking, a capital loss of SEK 6m on the sale the Ukrainian subsidiary EADR within International Banking, and SEK 24m for the appreciation in the value of shares sold in Finland's Aktia within Shared Services and Group Staffs. Non-recurring items in 2008 included capital gains of SEK 440m on branch sales, MasterCard revenue of SEK 101m (net gains and losses on financial items at fair value) within Swedish Banking, a capital gain of SEK 66m on the card centre in Estonia Pankade Kaardikeskus, PKK, SEK 185m for a dissolved bonus reserve, SEK 101m for amortisation of the value of the Hansabank trademark within Baltic Banking, SEK 83m in recovered VAT in the Russian leasing operations within International Banking, and a capital gain of SEK 95m on the sale of SPS Reinsurance and SEK 680m on the sale of NCSD within Shared Services and Group Staffs.

Excluding non-recurring items and exchange rate differences on the translation of subsidiary income to Swedish kronor, income decreased by SEK 1 730m or 5 per cent.

Higher income from treasury, trading and capital market products partly offset lower income from deposits. Deposit income was adversely affected by declining margins, primarily for current accounts, where it was not possible to reduce the interest paid to customers as much as short-term money market rates, which are now at historically low levels. Lending income decreased by 2 per cent excluding exchange rate effects. Insurance income increased by 27 per cent. Asset management income was adversely affected by lower average asset volumes during the period.

Income analysis Group SEKm	Full-year 2009	Full-year 2008
Lending	13 116	13 439
Deposits	4 805	7 272
Treasury, trading and capital market products	7 005	5 570
Asset management	3 342	3 504
Payments and cards	3 388	3 568
Insurance	918	724
Associates	544	512
Other income	1 764	1 800
Stability fee	-224	
Non-recurring items	124	1 382
Total income excl FX-effects	**34 782**	**37 770**
FX-effects		-1 307
Total income	**34 782**	**36 463**

Net interest income decreased by SEK 937m or 4 per cent to SEK 20 765m. Higher lending margins and increased volumes in the Swedish operations, as well as strong earnings from trading and treasury operations, including the effect of current account hedging, were positive contributors. Lower money market rates generally hurt net interest income on deposits, mainly as regards current accounts. Net lending interest in Baltic Banking and International Banking decreased due to lower volumes and rising impaired loans. Extended maturities on funding as well as larger liquidity reserves affected net interest income negatively compared with the previous year. In addition, the Swedish stabilisation fee amounted to SEK 224m. The fee was divided by business area with SEK 146m in Swedish Banking, SEK 14m in Baltic Banking, SEK 7m in International Banking, SEK 54m in Swedbank Markets and SEK 3m in Shared Services and Group Staffs.

Net commission income fell by SEK 377m or 4 per cent excluding the non-recurring cost to refund fund management fees in Asset Management. All types of commissions decreased with the exception of guarantees. Net commission income was stable in Swedish Banking, but decreased in the other business areas.

Net gains and losses on financial items at fair value increased by SEK 419m or 18 per cent, including SEK 1 987m in Swedbank Markets and SEK 389m in Baltic Banking, while net gains decreased by SEK 879m in Swedish Banking, SEK 342m in International Banking and SEK 807m in Shared Services and Group Staffs, primarily Group Treasury. Market conditions for Swedbank Markets' interest and currency trading were favourable, especially during the first half year, with clearly defined trends and high volatility, which resulted in improved customer margins and good earnings from position-taking.

Net gains and losses on financial items at fair value have historically shown considerable volatility on a quarterly basis in Swedbank Mortgage within Swedish Banking, since a large part of its lending and funding is marked to fair value. The impact on income arises partly in connection with large maturing bonds, due to differences in maturity dates between the bonds and lending. These differences are affected by customers' prepayments and bond repurchases. These effects, which are reported as net gains and losses on financial items at fair value, have a reciprocal effect on net interest income. Moreover, differences in interest rate levels with regard to swaps and debt securities affect earnings through the valuation of lending and its funding. As of the second quarter hedge accounting is applied to a portion of newly issued bonds, which reduces the volatility of these valuations.

Excluding non-recurring items and exchange rate translation differences of subsidiary earnings to Swedish kronor, Group expenses were SEK 689m or 4 per cent lower than in the previous year. Banco Fonder AB, which was consolidated as of the first quarter, affected costs by SEK 75m, including the amortisation of intangible assets attributable to the acquisition.

Expenses to manage distressed loans and repossessed properties increased by SEK 423m. Expenses for underlying day-to-day operations, excluding the operations of FR&R units and Ektornet decreased by SEK 1 187m or 6 per cent excluding exchange rate effects. Expenses in Baltic Banking decreased by SEK 950m or 22 per cent excluding exchange rate effects.

Expense analysis Group SEKm	Full-year 2009	Full-year 2008
Non-recurring items	**-198**	**-167**
Structural changes (Banco fonder)	**75**	
FR&R and Ektornet	**454**	**31**
Swedish Banking	9 385	9 410
Baltic Banking	3 340	4 290
International Banking	1 447	1 663
Swedbank Markets	2 044	1 994
Asset Management	826	795
Other and eliminations	475	552
Current franchise	**17 517**	**18 704**
Total excl FX-effects	**17 848**	**18 568**
FX-effects		-510
Total expenses	**17 848**	**18 058**

Fewer employees and lower profit-based staff costs reduced expenses. The number of full-time employees decreased by 2 571, with Baltic Banking accounting for 1 352 and International Banking for 1 068. Wage increases amounted to approximately 3 per cent in Sweden. Personnel costs decreased in Estonia, Latvia, Lithuania and Ukraine. Costs for personnel reductions amounted to SEK 106m (45). Profit-based compensation excluding restored provisions in Baltic Banking decreased from SEK 1 135m to SEK 215m. Of the profit-based provisions in 2009 including social insurance charges, SEK 191m (124) was in the subsidiary First Securities. No allocations were made to the Kopparmyntet profit-sharing system (SEK 356m including social security contributions in 2008).

Impairment losses on intangible assets, principally goodwill, amounted to SEK 1 305m (1 403) and related primarily to the Ukrainian investment.

Impairment of tangible assets, primarily repossessed property, amounted to SEK 449m (27).

Credit impairments increased by SEK 21 485m to SEK 24 641m (3 156), including SEK 14 888m (1 800) in Baltic Banking, SEK 6 456m in (349) Ukrainian Banking and SEK 1 326m (125) in Russian Banking. Of the reported credit impairments, SEK 21 794m was net provisions. Individual provisions, net, amounted to SEK

17 042m (1 764). Portfolio provisions amounted to SEK 4 752m (874). Net write-offs amounted to SEK 2 847m (518). The net write-offs are expected to increase, as the financial turmoil continued for an extended period. The credit impairment ratio increased to 1.74 per cent (0.24).

Despite the pre-tax loss, the Group's tax expense for the year totalled SEK 981m, of which SEK 4 001m was current tax paid and SEK 3 007m was deferred tax assets. Essentially, the Group paid current tax on profits in Sweden and formed deferred tax assets for losses in other countries.

For reasons of prudence, not all the deficits in the Group led to deferred tax assets. The value of deferred tax assets is generally limited by projected future taxable income. Unrecognised tax assets are continuously retested. If the earnings outlook improves, additional deferred tax assets will be recognised.

In Estonia, corporate profits are not taxed unless the earnings are distributed, because of which no deferred tax assets are recognised on Estonia's loss. All in all, there was around SEK 370m in unrecognised deferred tax assets in Latvia, Lithuania and Russia. In Ukraine, a number of positive changes in tax laws were made. For reasons of prudence, no deferred tax assets are recognised on Ukraine's loss. Unrecognised deferred tax assets in Ukraine amount to approximately SEK 1.3bn.

Under unchanged conditions, the Group will continue to have a high effective tax rate, since the losses and profits are generated in legal units that cannot be consolidated for taxation purposes.

Credit and asset quality

Economic conditions in the countries where the bank conducts its operations have been severely impacted by the global recession. During the second half year there were several signs that the Swedish economy had passed the trough and that a weak recovery had begun. In the EU, the Baltic countries have been hurt the most by the global recession. Domestic demand, which had accounted for the majority of the region's growth for several years, fell substantially in 2009 in the aftermath of the financial crisis. Public finances in Estonia are in significantly better shape than in the two other Baltic countries in spite of a major decline in GDP. The severe economic decline in the Ukrainian economy levelled off somewhat during the latter part of 2009, but conditions in the country remain very serious. The Russian economy has been hard hit by the international crisis. Industrial production in particular has fallen dramatically.

In 2009 Swedbank focused on reducing risks within the Group. First and foremost, the share of the Group's net lending to the Baltic countries, Ukraine and Russia was reduced.

The Group's lending decreased by SEK 33bn or 2 per cent to SEK 1 383bn during the year. Lending in the form of repurchase agreements (repos) and investments with the National Debt Office increased, while lending to the public excluding repurchase agreements and investments with the National Debt Office decreased by SEK 58bn or 5 per cent to SEK 1 192bn. Excluding exchange rate and market valuation effects, the decrease was SEK 44bn or 4 per cent.

Net lending to the public, excluding exchange rate effects, decreased by 18 per cent in the Baltic countries and by 45 per cent in Ukraine during the year. Lending in the Baltic countries, Ukraine and Russia accounted for 14.1 per cent (17.4 per cent as of 31 December 2008), 0.7 per cent (1.5) and 0.8 per cent (1.1) of the Group's total lending, respectively. The share of lending in Sweden rose to 80 per cent (75). The exposure towards Ukraine, Russia and the Baltic countries will continue to decrease.

Long-term mortgage financing in Sweden through Swedbank Mortgage increased by SEK 49bn or 8 per cent during the year, of which the decrease in the market valuation accounted for SEK 0.1bn. Swedbank Mortgage's loan portfolio of SEK 672bn represented 56 per cent of the Group's total loans to the public. This portfolio has historically had very low impairment losses. Swedbank Mortgage's average loan-to-value ratio was approximately 45 per cent. Approximately 0.1 per cent of the portfolio had a loan-to-value ratio of over 85 per cent.

Lending to real estate management companies accounted for SEK 246bn (SEK 264bn on 31 December 2008), of which SEK 198bn was in Sweden. Lending to real estate management companies in Sweden includes SEK 156bn to low-risk groups as determined by Swedbank, of which housing cooperative associations accounted for SEK 83bn, state and municipally owned real estate companies for SEK 15bn and residential property companies for SEK 58bn.

The portfolio of interest-bearing securities amounted to SEK 171bn on 31 December. The portfolio, consisting of around 79 per cent Swedish securities, 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 36bn, while Swedbank Market's trading book accounted for the remaining holdings. As of 31 December, 97 per cent of the portfolio was valued at quoted prices and 3 per cent using valuation models based on observable market data.

Total credit risk exposure, including derivatives, interest-bearing securities, guarantees and other commitments, amounted to SEK 1 840bn, a decrease of SEK 82bn or 4 per cent since the beginning of the year. The decrease mainly related to the Baltic countries and Ukraine.

Impaired loans, gross, increased by SEK 29.6bn during the year to SEK 40.1bn (including exchange rate effects of SEK -3.0bn). During the fourth quarter the increase was SEK 4.4bn, including exchange rate effects of SEK 0.6bn. During the fourth quarter Swedbank revised its definition of impaired loans regarding lending towards large companies in Baltic Banking, to bring the definition in line with the Group standard. This resulted in a decrease in impaired loans of SEK 2.1bn; the increase excluding this change would have been SEK 6.5bn. The change affected impaired loans in Estonia by SEK 0.3bn, in Latvia by SEK 1.7bn and in Lithuania by SEK 0.1bn.

In Sweden, the strong trend continued and impaired loans decreased for the second consecutive quarter.

In the Baltic countries impaired loans continued to rise, although at a slower pace (even excluding the change in definition). In Estonia the positive trend continued, while

Latvia did not have the same distinct positive trend. In Lithuania the trend was positive in spite of more exposures to large companies than previously were reclassified as impaired loans due to other reasons than delayed interest payments.

Impaired loans continued to increase in Ukraine, although the increase was slightly lower than in the previous two quarters. In Russia impaired loans increased substantially after a thorough review of the bank's credit portfolio. During the quarter the bank formed a FR&R team in Russia.

Impaired loans, gross by business area SEKm	**31 Dec 2009**	**30 Sep 2009**	**31 Dec 2008**
Swedish Banking	2 196	2 286	2 092
Estonia	*5 465*	*5 288*	*2 514*
Latvia	*13 401*	*13 279*	*3 063*
Lithuania	*7 705*	*6 960*	*1 404*
Baltic Banking	26 571	25 527	6 980
Ukraine	*8 180*	*6 591*	*983*
Russia	*2 238*	*660*	*218*
Other	*370*	*128*	*18*
International Banking	10 788	7 379	1 219
Swedbank Markets	577	578	287
Total	**40 132**	**35 770**	**10 578**

Credit impairments by business area Full-year 2009 SEKm	**Individual***	**Portfolio**	**Total**
Swedish Banking	1 078	277	1 355
Estonia	*1 716*	*844*	*2 560*
Latvia	*6 447*	*441*	*6 888*
Lithuania	*3 934*	*1 421*	*5 355*
Investment	*85*		*85*
Baltic Banking	12 182	2 706	14 888
Ukraine	*4 823*	*1 633*	*6 456*
Russia	*1 190*	*136*	*1 326*
Other	*355*		*355*
International Banking	6 368	1 769	8 137
Swedbank Markets	257	4	261
Shared Services and Group Staffs	4	-4	0
Total	**19 889**	**4 752**	**24 641**

* Including write-offs, net

The Group's total provisions were SEK 26bn on 31 December 2009 (SEK 6.4bn on 31 December 2008), of which SEK 20.9bn was individual provisions (SEK 3.2bn on 31 December 2008) for identified impaired loans and SEK 5.1bn was portfolio provisions (SEK 3.2bn on 31 December 2008). Total provisions increased during the fourth quarter by SEK 3.5bn.

An increasing share of impaired loans and related collateral was reviewed during the year, as a result of which portfolio provisions were transferred to individual provisions. Of the total provisions as of 31 December 2009, 80 per cent were at the individual level (50 per cent on 31 December 2008).

The Group's provision ratio was 65 per cent as of 31 December 2009 (60 per cent on 31 December 2008). The provision ratio was 96 (79) per cent in Swedish Banking, 57 (52) in Baltic Banking, 78 (58) in Ukraine and 66 (100) in Russia.

During the fourth quarter the total provision ratio for the Group increased from 63 to 65 per cent and for Baltic Banking from 51 to 57 per cent. The increase in Baltic Banking was partly due to the change in definition of impaired loans, but also because the expected loss ratio for certain impaired loans was adjusted upward in Lithuania and partly because portfolio provisions increased as a result of a migration in internal lending ratings. In Ukraine and Russia the provision ratio fell from 92 and 79 per cent to 78 and 66 per cent, respectively as the portfolio knowledge increased.

Swedbank is working with customers who are having difficulties servicing their debt in order to find beneficial solutions for both parties. Swedbank has Financial Reconstruction and Recovery (FR&R) teams operating in Sweden, Estonia, Latvia, Lithuania and Ukraine. A similar unit has been set up in Russia. As of 31 December all customers in the Baltic countries that had been deemed problem cases had been reviewed, action plans had been formulated and were being implemented. Whenever financially feasible, Swedbank avoids repossessing collateral, but in a large share of cases the bank will be forced to repossess the pledged properties. Residential properties are not taken over by the bank if at all possible. If an agreement cannot be reached with the customer, properties are primarily sold on the open market.

The laws governing the repossession of collateral in the Baltic countries are similar to those in other EU member states. However, the practical work involved in repossessing collateral takes longer in the Baltic countries than for example in Sweden. The legal process to repossess collateral in Ukraine is more cumbersome.

Through Ektornet, Swedbank is building a team of experts to take over, manage and develop the Group's repossessed assets. The aim is to protect the long-term shareholder value. Operations were fully ramped up in the Nordic region, the Baltic countries and the US at year-end. At that point the first asset sales to Ektornet were completed in these markets.

As of 31 December Swedbank had repossessed collateral worth SEK 354m, of which Sweden accounted for SEK 291m, Estonia for SEK 1m, Latvia for SEK 51m and Ukraine for SEK 11m. Repossessed assets consisted mainly of real estate and equities. Repossessed collateral is expected to increase primarily in the Baltic countries. Repossessed leasing assets in Baltic Banking amounted to SEK 848m, of which SEK 407m relates to vehicles. In addition to this repossessed collateral, properties with a book value of SEK 517m were transferred to Ektornet, of which Estonia accounts for SEK 150m, Latvia for SEK 64m, the US for SEK 130m and Norway for SEK 173m. More information about Ektornet can be found on page 24.

Funding and liquidity

As of 31 December Swedbank had a sufficient buffer to meet its cash flows for more than 24 months. Liquidity in the bank continued to improve during the fourth quarter due to the continued extension of the bank's market financing.

Short-term funding under the state guarantee decreased during the quarter by SEK 38bn and amounted to SEK 61bn as of 31 December. The same applied to repo financing from central banks, which decreased during the same period by approximately SEK 49bn to SEK 116bn.

The total outstanding volume of funding with short maturities outside the state guarantee (excluding interbank deposits) was largely unchanged during the fourth quarter at SEK 50bn.

During the fourth quarter Swedbank borrowed approximately SEK 66bn in nominal value with maturities of over one year. This compares with approximately SEK 14bn in maturing debt. No new debt was issued with the state guarantee. As part of its liquidity planning, Swedbank works continuously to repurchase outstanding covered bonds with maturities of less than one year to replace them with bonds with longer maturities.

Of the outstanding financing backed by the state guarantee of SEK 242bn as of 31 December, SEK 166bn has a maturity of over 12 months.

Change in long-term bonds in issue Jan-Dec 2009 SEKbn	**Total**
Bonds in issue [1]	305
of which with state guarantee	*131*
Expired bonds	76
Repurchased bonds	80

[1] Excluding issues tied to equity linked bonds

In 2009 Swedbank issued SEK 305bn in long-term funding, compared with mature funding and buy-backs of SEK 156bn. As a result, the average maturity of the bank's market financing extended to nearly 22 months, from 14 months at the start of 2008.

During the next twelve months approximately SEK 141bn in long-term funding will mature and another SEK 6bn in subordinated loans will mature or potentially be repurchased or prepaid. The bank plans to refinance this mature funding primarily in the covered bond market, though also to some extent in the senior unsecured bond market.

During the fourth quarter Swedbank prepaid a subordinated loan of SEK 2 640m. The repurchase generated a capital gain of SEK 71m.

Capital and capital adequacy

In addition to the loss of SEK 10 511m in the income statement, Swedbank's equity was affected negatively by SEK 627m mainly from exchange rate differences on the translation of foreign operations. In addition, last autumn's rights issue increased equity by SEK 14 636m after issue costs. As of 31 December equity amounted to SEK 89 670m (86 230m).

In Swedbank's financial companies group, where insurance companies are not consolidated and certain associated companies are consolidated in accordance with the purchase method, Tier 1 capital increased by SEK 8 025m during the year to SEK 72 471m.

The Tier 1 capital ratio according to Basel 2 increased to 13.5 per cent as of 31 December, compared with 11.1 per cent a year earlier. The core Tier 1 capital ratio was 12.0 per cent (9.7). The capital adequacy ratio was 17.5 per cent (15.2). According to the transitional rules, the core Tier 1 capital ratio was 9.2 per cent (7.4), the Tier 1 capital ratio was 10.4 per cent (8.4) and the capital adequacy ratio was 13.5 per cent (11.6).

Hybrid capital accounted for 11 per cent of Tier 1 capital.

Risk-weighted assets decreased by SEK 93bn or 13 per cent since the beginning of the year to SEK 603bn. Of the decrease, SEK 15bn was due to exchange rate effects, and SEK 10bn to the fact that Swedbank Finans has begun reporting according to the IRB approach. Risk-weighted assets for market risks rose by SEK 2bn, mainly due to increased exchange rate risks. Risk-weighted assets for operational risks increased by SEK 4bn. Risk-weighted assets for credit risks decreased by SEK 75bn due to other effects. According to the transitional rules, risk-weighted assets decreased by SEK 132bn or 14 per cent from the beginning of the year to SEK 784bn, of which SEK 99bn was due to the floor being lowered from 90 per cent to 80 per cent of risk-weighted assets according to the old rules. An increased focus on risk-adjusted return on capital (RAROC) and specific targets for risk-weighted assets in internal controls, coupled with lower credit demand, contributed to the decrease.

Risk-weighted assets by business area SEKbn	**31 Dec 2009**	**31 Dec 2008**
Swedish Banking	329	352
Estonia	*64*	*69*
Latvia	*51*	*63*
Lithuania	*42*	*57*
Investment	*8*	*3*
Baltic Banking	165	192
Ukraine	*11*	*18*
Russia	*10*	*16*
Other	*31*	*40*
Investment	*1*	*2*
International Banking	53	76
Swedbank Markets	50	64
Asset Management	2	3
Ektornet	1	
Shared Services and Group Staffs	3	10
Total risk-weighted assets	**603**	**697**

The average risk weighting for retail and corporate exposures remains stable in the Swedish and Nordic operations. Swedbank's internal risk classification models use through-the-cycle risk adjusted estimates for probability of default (PD) and down-turn adjusted loss given default (LGD).

For further details on capital adequacy, see note 24.

Market risk

Swedbank measures market risks – those of a structural nature and those that arise in trading operations – with a Value-at-Risk (VaR) model. For a given portfolio, VaR expresses a loss level that statistically is exceeded by a specific probability during a specific time horizon. Swedbank uses a 99 per cent 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 shows Swedbank's VaR*) performance during the year.

31 Dec 2009 SEKm	Max	Min	Average	31 Dec 2009	31 Dec 2008
Interest risk	129	83	108	120	123
Currency rate risk	14	1	7	7	6
Stock price risk	25	7	14	8	15
Diversification			-19	-14	-18
Total	**135**	**83**	**110**	**121**	**126**

**) VaR excluding market risks within Swedbank Ukraine as well as strategic currency rate risks. For Swedbank Ukraine, VaR becomes misleading because of the 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 supplemented with risk measures and limits based on sensitivity to changes in various market prices. Risk-taking is also monitored with stress tests.

An increase in all market interest rates of one percentage point as of 31 December 2009 would have reduced the value of the Group's assets and liabilities, including derivatives, by SEK 226m (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 167m (810). Positions in foreign currency would have decreased in value by SEK 393m (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 decreased by SEK 173m (310) as of 31 December 2009. Comparative figures refer to 31 December 2008.

Operational risks

The operational risk level in the Group remained higher than normal during the fourth quarter. One reason was the continued fragility of the financial markets. Another was because of the operational risks that arose as a result of the major reorganisations underway in the Group. Due to the increased risk level, monitoring of the Group's business areas and reporting by those business areas to the Group's central risk control function have been expanded.

Other events

Swedbank´s nomination committee proposes as new Board members Lars Idermark, Siv Svensson and Göran Hedman, and proposes the re-election of Board members Ulrika Francke, Berith Hägglund-Marcus, Anders Igel, Helle Kruse Nielsen, Pia Rudengren, Anders Sundström and Karl-Henrik Sundström. According to the proposal, the number of Board members elected by the Annual General Meeting will increase from eight to ten. The nomination committee further proposes Lars Idermark as new Chair of the Board.

The nominating committee proposes that Deloitte AB be elected as auditor for a four-year period. Deloitte stated its intention to nominate Svante Forsberg as lead auditor. The nominating committee also proposes that attorney Claes Beyer serve as Chair of the Annual General Meeting 2010.

The nominating committee suggests that remuneration for the Board remain unchanged during the next mandate period and proposes that Swedbank not employ Lars Idermark. Auditors' fees will continue to be paid on account.

The nominating committee assessment is that the proposal is supported by owners representing more than 40 percent of the capital and votes in Swedbank.

The Nominating Committee has the following members:

- Hans Sterte, representing Skandia
- Lars Idermark, representing Folksam, and Chair of the Nominating Committee
- Lennart Anderberg, representing the savings banks, and Deputy Chair of the Nominating Committee
- Tommy Hjalmarsson, representing the savings banks foundations
- Carl Eric Stålberg, Chair of the Board of Directors of Swedbank AB

Lars Idermark has not participated in the proposal on Chair for the Board.

Swedbank's Annual General Meeting 2010 will be held on Friday, 26 March, in Berwaldhallen, Stockholm.

Michael Wolf became President and CEO on 1 March. Erkki Raasuke, formerly Head of Baltic Banking, was appointed Group Chief Financial Officer. Göran Bronner, formerly Chief Investment Officer at the Swedish asset management firm Tanglin, was appointed Chief Risk Officer. Håkan Berg, formerly Head of Internal Audit, was appointed Head of Baltic Banking. Stefan Carlsson, previously CEO of Banque Öhman S.A. in Luxembourg, was appointed Head of Swedbank Markets. Thomas Backteman was appointed Senior Vice President, Corporate Affairs. Mikael Inglander, formerly Group Chief Financial Officer was appointed Head of Swedbank Change Program. Marie Hallander Larsson, previously head of HR at Posten, was appointed Head of Human Resources for the Swedbank Group. Helena Nelson, formerly the general counsel for Skandia, was appointed Head of Group Compliance. Birgitte Bonnesen, previously Head of Global Financial Institutions, was appointed Head of Internal Audit. Jonas Erikson, formerly Head of Strategic Analysis and Mergers & Acquisitions at Swedbank, was appointed Head of Group Treasury.
Mats Lagerqvist stepped down as head of the Asset Management business area and president of Swedbank Robur. Peter Rydell, formerly managing director of the western region in Swedish Banking, was named acting head.

A new management structure was introduced with a Group Executive Committee and a Senior Management.

Swedbank was named Business Bank of the Year 2009 in Sweden in the business magazine Affärsvärlden's Financial Barometer survey. The Financial Barometer is based on responses from Sweden's largest companies to questions concerning electronic services, quality of advice, price, service, selection and customer satisfaction.

The influential publication Global Finance named Swedbank the "Best bank" in Lithuania and Estonia.

Ratings

On 18 August Standard & Poor's Ratings Services affirmed Swedbank's long-term rating of A and short-term rating of A-1. The ratings incorporate Swedish state support. The outlook remains negative, mainly due to the uncertain economic situation in the Baltic countries.

Moody's downgraded Swedbank's rating twice in 2009. The long-term rating was lowered from Aa3 to A2 with a continued negative outlook. The financial strength rating was lowered from C+ to D+ and incorporated Swedish state support. The primary reason cited was the risk of future credit losses primarily in the Baltic countries, though also in Sweden. The short-term rating of P-1 was left unchanged. As a result, the wholly owned subsidiary Swedbank Mortgage's rating was also downgraded to the same level as the parent company. In August, Moody's updated the rating criterias for covered bond issuers. As a consequence of Moodys' change, Swedbank announced on 18 December that the bank signed an unlimited contingent liability towards Swedbank Mortgage.

On 30 September Fitch withdrew its rating for the entire Swedbank Group, in line with Swedbank's decision to only use two rating agencies until further notice.

Events after 31 December 2009

During February 2010 Swedbank agreed with EBRD, European Bank for Reconstruction and Development, to acquire their 15 percent ownership in OAO Swedbank in accordance with the shareholder agreement which has been in place since EBRD's original acquisition. The transaction is expected to close during the second quarter 2010 and to have no material impact on the Group.

Swedbank's board of directors have decided to withdraw the previously set financial goals, with the exception of the dividend policy.

Swedbank has recieved permission from the Financial Supervisory Authority to redeem two of its outstanding subordinated bonds; the Hybrid Tier 1 subordinated bond in the amount of USD 300 000 000 and the Lower Tier 2 subordinated bond in the amount of USD 246 550 000. Each redemption will take place on the first available date being March 17, 2010 for the Hybrid Tier 1 bond and April 30, 2010 for the Lower Tier 2 bond. Swedbank has at this point no intention to replace either of these bonds by issuing new subordinated instruments.

Swedish Banking

- Continued solid earnings and limited impairment losses on loans
- New organisational structure in retail operations
- Favourable results in life and pension market

Income statement

SEKm	Q4 2009	Q3 2009	%	Q4 2008	%	Full-year 2009	Full-year 2008	%
Net interest income	3 069	3 059	0	3 050	1	12 282	12 092	2
Net commissions	1 271	1 127	13	1 047	21	4 442	4 465	-1
Net gains and losses on financial items at fair value	96	-233		834	-88	35	914	-96
Share of profit or loss of associates	123	182	-32	134	-8	864	443	95
Other income	276	253	9	232	19	1 363	1 223	11
Total income	**4 835**	**4 388**	**10**	**5 297**	**-9**	**18 986**	**19 137**	**-1**
Staff costs	1 023	1 024	0	1 018	0	4 087	4 078	0
Profit-based staff costs	-91	56		153		15	336	-96
Other expenses	1 453	1 151	26	1 260	15	5 151	4 883	5
Depreciation/amortisation	27	35	-23	29	-7	133	113	18
Total expenses	**2 412**	**2 266**	**6**	**2 460**	**-2**	**9 386**	**9 410**	**0**
Profit before impairments	**2 423**	**2 122**	**14**	**2 837**	**-15**	**9 600**	**9 727**	**-1**
Impairment of tangible assets	2					2		
Credit impairments	156	115	36	287	-46	1 355	594	
Operating profit	**2 265**	**2 007**	**13**	**2 550**	**-11**	**8 243**	**9 133**	**-10**
Tax expense	606	589	3	541	12	2 139	2 278	-6
Profit for the period	1 659	1 418	17	2 009	-17	6 104	6 855	-11
Profit for the period attributable to the shareholders of Swedbank AB	**1 657**	**1 416**	**17**	**2 008**	**-17**	**6 096**	**6 844**	**-11**
Non-controlling interests	2	2	0	1	100	8	11	-27
Return on allocated equity, %	25.8	21.1		25.3		22.3	22.4	
Credit impairment ratio, %	0.07	0.05		0.12		0.14	0.07	
Total provision ratio for impaired loans, %	96	99		79		96	79	
Share of impaired loans, gross, %	0.22	0.23		0.22		0.22	0.22	
Cost/income ratio	0.50	0.52		0.46		0.49	0.49	
Full-time employees	5 868	5 935	-1	6 136	-4	5 868	6 136	-4

Development January-December
Economic conditions in Sweden remained weak. The number of corporate bankruptcies increased by 25 per cent in 2009, but the rate of increase slowed in the fourth quarter. The labour market deteriorated less than expected. Lower interest rates and taxes and, during the latter part of the year, stronger household confidence helped consumers maintain their purchasing power. Although the economic outlook has brightened, the risk of a backlash is high.

To limit the economic downturn's effect on Swedbank's income statement and balance sheet, reviews were conducted during the year of major exposures and commitments with high levels of capital utilisation and low returns. During the fourth quarter new technical support was introduced to further improve the calculation of the bank's risk-weighted assets. As a result, collateral has been managed better contributing together with lower corporate lending to a reduction in risk-weighted assets of SEK 23bn in 2009.

Credit impairments were limited during the year despite the downturn. All major commitments are periodically reviewed with an emphasis on high-risk commitments. Customers who are late with their payments are monitored and contacted. Lending rules were tightened during the year to contribute to more restrictive lending.

As part of the bank's strategy to shift responsibility and authority closer to the customer, the branch network was organised in a number of stronger units with a clearer, more prominent role in the local market. The branches were divided into six regions. Regional managers have been given a clearer mandate and are now members of Swedbank's Senior Management.

The savings banks took over 11 branches during the year. The capital gain amounted to SEK 397m.

Profit before impairments was slightly lower than in the previous year. A slight increase in credit impairments from the low levels of 2008 produced a decrease in total profit of 11 per cent.

Profit includes non-recurring items in the form of branch sales and income from Swedbank's holding in the Visa Sweden branding association during the period, totalling SEK 719m. The previous year included non-recurring items of SEK 541m from the sale of branches and shares in MasterCard.

Net interest income increased by 2 per cent year-on-year. Lower deposit margins resulting from lower interest rates and a migration to fixed-rate accounts were offset by positive hedging effects from the investment portfolio used for interest-rate hedging of current accounts as well as a higher lending margin. Despite lower lending volumes on the corporate side, periodic reviews resulted in the re-pricing of a portion of the loan portfolio and created higher net interest income than in the previous year. Mortgage operations generated higher net interest income through expanded margins, coupled with increased volumes. Volumes in Swedbank Mortgage rose by 8 per cent in 2009. The share of lending with interest rates fixed for up to three months increased and amounted to slightly over 50 per cent.

Deposits from businesses increased by 10 per cent during the year (15 per cent during the fourth quarter). The bank's share of corporate market deposits increased by 2 percentage points to 16 per cent. Deposit volumes from households increased by 3 per cent in 2009. The share of the household market was 24 per cent, which is unchanged despite the transfer of approximately SEK 4bn to the savings banks in connection with branch sales.

Total lending increased by 1 per cent in 2009, which represents significantly lower growth than the previous year, when the increase was 8 per cent. The market share in corporate lending was unchanged at 19 per cent despite a decrease in lending of 5 per cent. New lending was primarily to small and medium-sized businesses that do all their banking with Swedbank.

Lending to households also grew at a slower rate during the year. Swedbank's share of new lending during the fourth quarter was 13 per cent, compared with its share of total lending volume of 27 per cent. This is due to the fact that the bank tightened its credit assessments and terms to better balance its risk profile pending the further impact of the economic downturn and to avoid contributing to an overheated housing market.

Payment services, which are not as cyclical, generated stable income during the year. A number of new offerings were developed, e.g. an international payment service. Net commission income was also affected positively by the rise in stock prices during the latter part of the year, together with significantly improved sales in the fund, life and pension areas.

Net inflows to funds brokered by the retail operations developed positively during the year. Sales of property insurance more than doubled compared with 2008. The customer offering has been improved with more products and a simpler sales process.

Development in the life and pension insurance area was very favourable. Premium income rose by 65 per cent during the year to SEK 18.5bn mainly as a result of substantial increases in sales of endowment insurance and collective agreement occupational pensions. Swedbank Insurance was also very successful in the pension entitlements market – 52 per cent of all eligible participants transferred their SAF/LO (Confederation of Swedish Enterprise/The Swedish Trade Union Confederation) entitlements to Swedbank Insurance and its traditional product.

Expenses remained at the same level as in the previous year. Higher IT investments were offset by lower expenses for variable profit-based compensation. As part of the effort to limit cost increases, efficiency improvements are being made continuously, which is simplifying the operating segment's administrative processes.

Credit impairments in Swedish Banking remained low. It is still too early to determine the long-term trend. The share of impaired loans was 0.22 per cent, throughout various geographical regions and sectors.

Swedbank was named Business Bank of the Year for 2009 in the business magazine Affärsvärlden's Financial Barometer survey.

***Swedish Banking** is Swedbank's dominant business area, responsible for all Swedish customers except financial institutions. The bank's services are sold through Swedbank's own branch network, telephone bank, internet bank and through the cooperating savings banks' distribution network. The business area also includes the subsidiaries Swedbank Mortgage, Swedbank Insurance, Swedbank Finans, Swedbank Card Services, Swedbank Fastighetsbyrå and Swedbank Luxembourg, as well as the joint venture company EnterCard and partly owned savings banks.*

Baltic Banking

- Lower total income due to contracting economy
- Deposit increase
- Slower increase in impaired loans

Baltic Banking Operations

Income statement

SEKm	Q4 2009	Q3 2009	%	Q4 2008	%	Full-year 2009	Full-year 2008	%
Net interest income	896	953	-6	1 644	-45	4 414	6 384	-31
Net commissions	441	418	6	454	-3	1 655	1 750	-5
Net gains and losses on financial items at fair value	103	196	-47	-3		719	330	
Share of profit or loss of associates	0	1		0		1	2	-50
Other income	232	268	-13	197	18	762	758	1
Total income	**1 672**	**1 836**	**-9**	**2 292**	**-27**	**7 551**	**9 224**	**-18**
Staff costs	330	322	2	394	-16	1 410	1 484	-5
Profit-based staff costs				-6		-198	-3	
Other expenses	497	521	-5	565	-12	1 915	2 060	-7
Depreciation/amortisation	30	30	0	26	15	126	98	29
Total expenses	**857**	**873**	**-2**	**979**	**-12**	**3 253**	**3 639**	**-11**
Profit before impairments	**815**	**963**	**-15**	**1 313**	**-38**	**4 298**	**5 585**	**-23**
Impairment of tangible assets	171	51				222		
Credit impairments	3 270	3 331	-2	977		14 803	1 800	
Operating profit	**-2 626**	**-2 419**	**9**	**336**		**-10 727**	**3 785**	
Tax expense	-350	-159		36		-1 321	333	
Profit for the period	-2 276	-2 260	1	300		-9 406	3 452	
Profit for the period attributable to the shareholders of Swedbank AB	**-2 276**	**-2 260**	**1**	**300**		**-9 406**	**3 452**	
Return on allocated equity, %	-54.7	-52.6		6.0		-51.5	23.2	
Credit impairment ratio, %	7.23	7.03		1.86		6.57	0.90	
Total provision ratio for impaired loans, %	57	51		52		57	52	
Share of impaired loans, gross, %	14.27	13.30		2.92		14.27	2.92	
Cost/income ratio	0.51	0.48		0.43		0.43	0.39	
Full-time employees	6 105	6 496	-6	7 457	-18	6 105	7 457	-18

As of the fourth quarter asset management operations in the Baltic countries have been transferred to Asset Management and repossessed properties have been transferred to Ektornet. Comparative figures have been restated

Development January-December

The steep decline in economic activity ended, and signs of gradual stabilisation and fragile growth in exports were noted. The cumulative GDP decline from the peak of the cycle reached approximately 20 per cent in Estonia, 23 per cent in Latvia and 15 per cent in Lithuania. Domestic demand continued to decline as unemployment grew, but exports gradually picked up with improved competitiveness and a recovery of global growth. This led to current account surpluses in all three countries, which is expected to continue.

Productivity improvements led to increased layoffs and wage cuts in the private sector, while large budget deficits had a similar effect on the public sector. Unemployment was highest in Latvia at 22 per cent, followed by Estonia and Lithuania at 15 per cent.

Estonia requested euro adoption in 2011, and the Bank of Estonia believes the chances of fulfilling the Maastricht criteria are realistic. Euro adoption would increase stability in the Baltic region and reduce Estonia's risk level. Local currency interest rates fell, reflecting the market's expectations.

Baltic Banking reported a loss of SEK 9 406m, against a profit of SEK 3 452m last year, mainly due to an increase in credit impairments, but also to lower income.

Profit before impairments decreased by 30 per cent measured in local currency from last year. On conversion to Swedish kronor, profit before impairments declined by 23 per cent. Income fell by 26 per cent for the period measured in local currency, mainly due to lower net interest income.

Profit includes one-offs in the form of reversed bonus reserves of SEK 198m and capital gains of SEK 15m from the sale of shares in the Tallinn Stock Exchange. The previous year included one-offs for reversed bonus reserves of SEK 185m and a capital gain of SEK 66m on the sale of the partly owned card company PKK.

In a quarterly comparison, the trend was impacted by the reclassification of losses on the sale of repossessed leasing assets in the third quarter. The reclassification increased total income by SEK 224m, expenses by SEK 82m and impairment losses on loans by SEK 142m in the third quarter.

Net interest income was affected by decreasing Euribor rates during 2009, the increase in impaired loans and lower lending volumes. This was offset, however, by slightly higher lending margins in the performing portfolio.

Euribor rates fell during 2009 with the 6-month rate reaching 1 per cent. As the bank has more Euribor-linked assets (primarily lending) than liabilities (primarily deposits and other funding), a reduction in Euribor affects net interest income adversely. The Euribor decline accounted for approximately 40 per cent of the net interest income decline in 2009. Net interest income was also negatively affected by the high spread between local and euro interest rates. Swedbank had a short open position in local currency (Estonian kroon and Lithuanian lit). As a result, funding costs did not decline at the same rate as net interest income. The increase in non-performing loans is the second largest reason for the net interest income decline (about 30 per cent of the decline).

A risk-adjusted re-pricing of loans produced a positive effect on net interest income. During the year Swedbank re-priced 12 per cent of mortgage loans to better reflect risk and actual funding costs. In addition, 33 per cent of the corporate portfolio was re-priced. New lending margins increased as well and exceeded the existing portfolio margin by 150-200bp. The positive effect is small, however, due to limited new lending volume.

Net lending volume decreased by 18 per cent measured in local currency in 2009, with similar trends in all three Baltic countries. The decrease is the result of a combination of higher provisions and reduced new lending, where both higher provisions and reduced new lending accounted for 9 per cent of the decrease. As a result, portfolios with the highest amortisation rates – leasing, factoring and consumer finance – decreased the fastest. Volume declines accounted for about 14 per cent of the decline in net interest income. Net lending volumes will continue to fall in 2010 as a result of efforts to reach more balanced loan-to-deposit ratios in the Baltic countries. The largest imbalance is in Latvia, where the correction will be more extensive and take longer compared with Estonia and Lithuania.

During 2009 more focus was given to increase local funding. As a result, deposits increased by 2 per cent in local currency. Special campaigns and an active dialogue with customers helped the bank to maintain its market share at 29 per cent. Tight competition for local funding was especially evident for larger depositors in Latvia. The increase in Latvia's cost of deposits was counterbalanced by a lower cost in Estonia, where local interest rates decreased notably given the euro adoption expectations.

As a result of increasing deposit volumes and reduced lending, the loan-to-deposit ratio improved from 204 per cent to 164 per cent in 2009.

Net commission income fell by 14 per cent in local currency, driven by the low level of activity in the financial markets, the decrease in new lending and lower domestic demand. Pricing guidelines were reviewed, resulting in higher prices for many fee-based products. Net gains and losses on financial items at fair value increased by 97 per cent measured in local currency compared with a very turbulent 2008.

Expenses decreased by 19 per cent in local currency. The number of employees was reduced by about 1 352 or 18 per cent during the year, and the number of branches was reduced by 52 or 19 per cent. Swedbank took comprehensive measures to adapt operations to slower economic activity. Detailed action plans with specific targets to increase operational efficiency, maximise procurement efficiencies and limit benefits have been implemented in all three countries.

At the same time the economic downturn and the increase in problem loans raised expenses related to loan restructurings and recovery. These expenses are considered cyclical and will diminish as workout solutions are implemented and the economy recovers. The cost/income ratio was 0.43 in 2009.

Impaired loans, gross, were SEK 26.6bn on 31 December 2009 (SEK 7.0bn on 31 December 2008). There was steep growth during the first half of 2009 that levelled off towards the year-end. In the fourth quarter most of the impaired loan increase was in the Lithuanian large corporate portfolio. The real estate and transport sectors were the growth drivers. During second half of the year private sector loan losses increased along with unemployment levels. The share of impaired loans, gross, was 6.78 per cent in Estonia, 21.08 per cent in Latvia and 14.17 per cent in Lithuania. The Baltic unit for problem loans (BFR&R) achieved the set objective for 2009 to obtain control and full insight of the loan portfolio, including full risk assessment with the delivery of individual and portfolio action plans for the majority of the exposures. In the fourth quarter Swedbank transferred collateral to Ektornet AB, which will manage it during the downturn.

Baltic Banking, Operations and Investment

Income statement

SEKm	Q4 2009	Q3 2009	%	Q4 2008	%	Full-year 2009	Full-year 2008	%
Net interest income	855	912	-6	1 534	-44	4 236	5 934	-29
Net commissions	441	418	6	454	-3	1 655	1 750	-5
Net gains and losses on financial items at fair value	103	196	-47	-3		719	330	
Share of profit or loss of associates	0	1		0		1	2	-50
Other income	232	268	-13	197	18	762	758	1
Total income	**1 631**	**1 795**	**-9**	**2 182**	**-25**	**7 373**	**8 774**	**-16**
Staff costs	330	322	2	394	-16	1 410	1 484	-5
Profit-based staff costs				-6		-198	-3	
Other expenses	497	521	-5	565	-12	1 915	2 060	-7
Depreciation/amortisation	49	50	-2	90	-46	208	294	-29
Total expenses	**876**	**893**	**-2**	**1 043**	**-16**	**3 335**	**3 835**	**-13**
Profit before impairments	**755**	**902**	**-16**	**1 139**	**-34**	**4 038**	**4 939**	**-18**
Impairment of tangible assets	171	51				222		
Credit impairments	3 355	3 331	1	977		14 888	1 800	
Operating profit	**-2 771**	**-2 480**	**12**	**162**		**-11 072**	**3 139**	
Tax expense	-350	-159		19		-1 320	263	
Profit for the period	-2 421	-2 321	4	143		-9 752	2 876	
Profit for the period attributable to the shareholders of Swedbank AB	**-2 421**	**-2 321**	**4**	**143**		**-9 752**	**2 876**	
Return on allocated equity, %	-33.2	-31.1		2.5		-31.5	13.0	
Credit impairment ratio, %	7.48	6.66		1.85		6.43	0.91	
Total provision ratio for impaired loans, %	57	51		52		57	52	
Share of impaired loans, gross, %	14.27	13.30		2.92		14.27	2.92	
Cost/income ratio	0.54	0.50		0.48		0.45	0.44	
Full-time employees	6 105	6 496	-6	7 457	-18	6 105	7 457	-18

Baltic Banking *consists of Baltic Banking Operations and Investment.*

Baltic Banking consists of Baltic Banking Operations and Investment. Baltic Banking has business operations in Estonia, Latvia and Lithuania.The bank's services are sold through Swedbank's own branch network, telephone bank and internet bank. 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 are 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

- Reduced exposure outside Swedbank's home markets and significant cost cuts made
- Impairment losses in Ukraine decreased during the last quarter of the year
- Increase in loan loss provisions in Russian portfolio late in the year

Income statement

SEKm	Q4 2009	Q3 2009	%	Q4 2008	%	Full-year 2009	Full-year 2008	%
Net interest income	379	513	-26	688	-45	2 187	2 016	8
Net commissions	58	64	-9	56	4	239	240	0
Net gains and losses on financial items at fair value	143	-197		228	-37	-18	324	
Other income	4	7	-43	40	-90	22	79	-72
Total income	**584**	**387**	**51**	**1 012**	**-42**	**2 430**	**2 659**	**-9**
Staff costs	160	151	6	206	-22	635	655	-3
Profit-based staff costs	-19	-7		26			105	
Other expenses	215	180	19	221	-3	756	561	35
Depreciation/amortisation	19	22	-14	33	-42	90	120	-25
Total expenses	**375**	**346**	**8**	**486**	**-23**	**1 481**	**1 441**	**3**
Profit before impairments	**209**	**41**		**526**	**-60**	**949**	**1 218**	**-22**
Impairment of intangible assets				1 403		1 300	1 403	-7
Impairment of tangible assets	173	26		27		219	27	
Credit impairments	1 466	2 568	-43	248		8 137	478	
Operating profit	**-1 430**	**-2 553**	**-44**	**-1 152**	**24**	**-8 707**	**-690**	
Tax expense	-107	200		87		-256	227	
Profit for the period	-1 323	-2 753	-52	-1 239	7	-8 451	-917	
Profit for the period attributable to the shareholders of Swedbank AB	**-1 323**	**-2 753**	**-52**	**-1 239**	**7**	**-8 449**	**-917**	
Non-controlling interests						-2		
Return on allocated equity, %	-101.2	-177.9		-47.0		-140.5	-10.4	
Credit impairment ratio, %	9.48	11.02		1.45		11.12	1.21	
Total provision ratio for impaired loans, %	75	91		66		75	66	
Share of impaired loans, gross, %	18.25	11.88		1.54		18.25	1.54	
Cost/income ratio	0.64	0.89		0.48		0.61	0.54	
Full-time employees	3 607	4 238	-15	4 675	-23	3 607	4 675	-23

Financial Institutions has been transferred as of the fourth quarter from International Banking to Swedbank Markets. Comparative figures have been restated.

Development January-December
The loss for the period was SEK 8 449m, compared with the 2008 loss of SEK 917m, and was primarily due to credit impairments in Ukraine. Net interest income for the period was 8 per cent higher year-on-year, but is trending lower due to shrinking lending volumes in all markets and an increase in impaired loans.

Ukrainian Banking
The deep contraction of the Ukrainian economy levelled out during late 2009, but the economic conditions in the country remain precarious. The hryvnia (UAH) lost almost 50 percent of its value against the US dollar (USD) during the year, and Swedbank estimates that real GDP fell by 14 percent. The banking sector was hard hit by the recession. In January-November 2009, total assets decreased by 5 per cent and liabilities decreased by 6 per cent. Several banks are either under temporary management or in the process of liquidation.

Due to the adverse situation, the central bank of Ukraine issued a temporary exemption from its regulatory ratios to banks unable to meet them due to provisions for impairment losses on loans. Changes in the tax law were made in the fourth quarter to provide some relief to banks. The full amount of loan provisions and accrued but not received interest is now tax deductible until 2011. Provisions are 80 per cent tax deductible for one more year, until 2012.

Swedbank's Ukrainian operations were seriously affected by the economic downturn. As practically all new lending ceased, the loan portfolio, gross, decreased by 12 per cent in local currency since the start of the year. Coupled with an increase in the share of impaired loans from 4.97 per cent at the beginning of the year to 53.46 per cent, this led to a decrease in net interest income of 16 per cent compared with 2008. The deleveraging process in Ukraine will continue throughout 2010.

Income in 2009 was also affected by a loss on financial items at fair value as a result of the depreciation of the UAH against the USD. According to local regulations, provisions for loan losses are not taken into account when calculating the size of an open foreign currency position. As a result, Swedbank's operations in Ukraine had a short USD position of USD 227m as of year-end 2009. As of November this position is hedged at Group level. Going forward changes in the exchange rate of UAH against SEK will affect (as a translation difference) other comprehensive income.

The rapid deterioration of the loan portfolio at the beginning of the year slowed in the last quarter. As of year-end the provision ratio for impaired loans was 78 per cent. To ensure an efficient restructuring of the portfolio, a unit for problem loans (FR&R) was set up, which at year-end employed a staff of 61.

Impairment losses on tangible assets, partly on repossessed property and partly on Swedbank's owner-occupied properties, amounted to SEK 219m mainly related to Swedbank's owner-occupied properties. The total value of real estate owned by Swedbank amounted to SEK 646m at the end of the year.

Credit impairments amounted to SEK 6 456m (349).

Swedbank's corporate customer deposits decreased by 60 per cent largely due to one client that withdrew substantial amounts from the market. However, Swedbank was able to maintain its position among private customers, where the decline was 1 per cent.

To match the sharp decline in business, a cost-cutting programme was initiated. During the year the number of full-time employees was reduced by 990 or 26 per cent. The number of branches decreased from 209 to 156. The bank appointed a new CEO during the year and new appointments were made in other management positions. The new management will continue the restructuring during 2010 to a size which is sustainable throughout the downturn. This will include a further reduction in the number of employees and branches.

The process of merging the two Ukrainian banks was completed during the fourth quarter to further improve efficiency and risk control. Swedbank's 51 per cent holding in the collection company EADR was sold to the co-owner, TAS Group, resulting in a capital loss of SEK 6m.

Due to changes in tax legislation which allow tax deductibility of provisions, the tax expense reported previously during the year was reversed in the final quarter.

The loss for the year amounted to SEK 6 099m (467).

Russian Banking

Swedbank estimates that the Russian economy declined by almost 9 percent in real terms in 2009, although world market energy prices started to increase again in the latter half of the year. Together with increased capital inflows, this led to a strengthening in value of the rouble. Swedbank projects continued high oil prices and a real economic growth rate of 4.3 percent in 2010.

Swedbank's lending in Russia decreased by 19 per cent in local currency since the beginning of 2009. The deleveraging process will continue throughout 2010.

Due to success in attracting deposits, the loan-to-deposit ratio improved from 833 per cent to 292 per cent at year-end. Deposits doubled during the year.

Net interest income increased by 30 per cent from the previous year, but trended downward due to the decrease in the loan portfolio. To adapt operations to lower business volumes in forthcoming years, the number of full-time employees was reduced by 10 per cent, and the downsizing will continue.

The share of impaired loans, gross, increased in the fourth quarter to 18.15 per cent, as several customers, primarily in real estate, faced difficulties. The credit impairment ratio increased to 8.0 per cent and was in line with the Russian market average provisioning rate of 8.4 per cent (as of 31 October). A unit for problem loans (FR&R) employing a staff of five was set up.

Profit for the period amounted to SEK -950m (159). The previous year included SEK 83m in recovered VAT.

Nordic branches

Lending volume decreased by SEK 9bn compared with the start of the year. Total lending was SEK 16bn in Norway, SEK 6bn in Finland and SEK 3bn in Denmark. In Norway, the majority of lending is tied to Swedbank Markets' fixed income business with Norwegian customers. The loan-to-deposit ratio improved from 1 763 per cent to 697 per cent at year-end.

During the fourth quarter additional impairment losses of SEK 229m were allocated to the Norwegian real estate segment. Measures for cost reductions were implemented in the Nordic branches. The cost/income ratio improved from 0.47 to 0.43 at year-end, and the number of full-time employees was reduced from 89 to 81.

Activities not related to customers in home markets will be further reduced.

***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 US and China as well as the representative office in Japan. A management unit with staff functions is also included in the business area.*

The effects of the investment in JSC Swedbank in Ukraine at Group level are reported as Ukrainian Banking Investment and are included in International Banking.

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

Swedbank Markets

- Record profit for full-year 2009
- Lower activity in fixed income and currency trading during the fourth quarter
- Positive profit trend in equity operations

Income statement

SEKm	Q4 2009	Q3 2009	%	Q4 2008	%	Full-year 2009	Full-year 2008	%
Net interest income	510	568	-10	520	-2	2 250	1 722	31
Net commissions	235	244	-4	209	12	834	1 110	-25
Net gains and losses on financial items at fair value	59	268	-78	335	-82	2 541	554	
Share of profit or loss of associates				1			1	
Other income	12	26	-54	35	-66	70	69	1
Total income	**816**	**1 106**	**-26**	**1 100**	**-26**	**5 695**	**3 456**	**65**
Staff costs	235	234	0	248	-5	913	842	8
Profit-based staff costs	-251	148		31		191	311	-39
Other expenses	264	232	14	255	4	987	826	19
Depreciation/amortisation	8	6	33	5	60	26	15	73
Total expenses	**256**	**620**	**-59**	**539**	**-53**	**2 117**	**1 994**	**6**
Profit before impairments	**560**	**486**	**15**	**561**	**0**	**3 578**	**1 462**	
Impairment of intangible assets						5		
Impairment of tangible assets	6					6		
Credit impairments	39	99	-61	121	-68	261	290	-10
Operating profit	**515**	**387**	**33**	**440**	**17**	**3 306**	**1 172**	
Tax expense	126	92	37	91	38	835	285	
Profit for the period	389	295	32	349	11	2 471	887	
Profit for the period attributable to the shareholders of Swedbank AB	**375**	**276**	**36**	**357**	**5**	**2 408**	**846**	
Non-controlling interests	14	19	-26	-8		63	41	54
Return on allocated equity, %	27.8	26.7		29.1		43.5	21.8	
Credit impairment ratio, %	0.08	0.28		0.32		0.16	0.15	
Total provision ratio for impaired loans, %	94	93		113		94	113	
Share of impaired loans, gross, %	0.41	0.38		0.19		0.41	0.19	
Cost/income ratio	0.31	0.56		0.49		0.37	0.58	
Full-time employees	918	906	1	878	5	918	878	5

As of the fourth quarter Swedbank Markets' operating profit includes Financial Institutions, which has been transferred from International Banking. Comparative figures have been restated

Development January-December

During the fourth quarter the combination of low short-term interest rates and fiscal stimulus measures continued to contribute to a global recovery and a largely favourable trend for financial markets, with declining volatility as a result. This happened despite concerns regarding Greece's worsening financial situation leading to higher credit spreads for certain countries during the period. Long-term rates also rose in the US towards the end of the period. The effects on the equity and credit markets were limited, however. In the currency market in December, the US dollar reversed its downward trend from the first quarter. Both the Swedish and Norwegian currencies weakened slightly during the period.

For the full year, profit was strong in **fixed income and currency trading** due to favourable market conditions with high volatility, mainly during the first half year. Successful position-taking, good analysis and a favourable trend in credit spreads contributed positively, as did positive earnings in customer trading. However, earnings gradually slowed during the third and especially the fourth quarter compared with the first two quarters. The slowdown was the result of a seasonal decline in activity towards the end of the year, harder-to-decipher interest and exchange rate trends, a less volatile market and lower customer activity. In Stockholm around one third of revenue was from customer trading and two thirds from positions taken. Earnings opportunities in fixed income and currency trading are considered good in 2010, though not as good as in 2009.

After three strong quarters the stock market was calmer during the fourth quarter. For the Swedish stock market this meant an increase for the full year of approximately 47 per cent, creating good market conditions and contributing to a strong profit for **equity operations.** The market share on the Stockholm stock exchange was 5.5 per cent in 2009 (4.5) and 5.0 per cent for the month of December.

Sales of **structured products** continued to increase during the fourth quarter. Full-year sales for 2009 exceeded the previous year's level. Swedbank Markets was the largest issuer in the Swedish market in 2009 with a market share of 20.9 per cent of new issued retail bonds (17.8 per cent in 2008) according to statstics from NCSD. Measured in volume outstanding, Swedbank Markets ranked second in the market with a share of

21.7 per cent. In 2009 a Cross Markets fund was introduced, with a large share of its capital invested in bonds and a smaller percentage in other higher risk assets and the potential for higher returns. Cross Markets collected SEK 600m in assets in 2009. The fund is the first of its kind in Sweden.

Bond and lending operations reported strong profit for the full year with increased interest margins and strong net commissions. The capital market developed from low bond issue volumes and rising risk premiums to a greater risk willingness and record volumes in Sweden and internationally. Swedbank Markets successfully maintained its share of the Swedish and Norwegian markets. Earnings opportunities in 2010 are considered good thanks to expectations of a high level of customer activity and good liquidity in the market.

Corporate Finance's revenue for the full-year 2009 was lower than in the previous year. Revenue from completed and settled transactions rose substantially during the fourth quarter, however, compared with the previous quarter. The market outlook for upcoming quarters is considered good in light of an anticipated high level of activity.

Fourth-quarter profit for **Securities Services** (custodial services and fund administration) was negatively affected by a decline in income resulting from lower transaction volumes and fee-based income. In connection with the introduction of CCP (central counterparty clearing) in the Nordic markets, income from transaction fees decreased. A satisfactory result was achieved for the full year due to lower expenses.

First Securities' profit for the full-year 2009 surpassed that of the previous year. Higher transaction volumes and a high level of activity in advisory services contributed to solid earnings during the year. Fourth-quarter profit was slightly weaker than expected, however, in connection with delayed transaction settlements. New hires and internal changes in 2009 created good opportunities for a successful 2010 with higher market shares and earnings opportunities in all operating areas.

Expenses, excluding profit-based staff costs, increased by SEK 243m or 14 per cent during the year. The increase was attributable to staff costs, system operations, IT development and management of repossessed loans and collateral for the Lehman Brothers receivable. Provisions for proft-based staff costs decreased by SEK 120m. In First Securites profit-based staff costs amounted to SEK 191m (124).

Of the full year provisions for anticipated impairment losses on loans, SEK 41m relates to shipping operations. The provisions in Global Financial Institutions from previous quarters for SEK 167m in transactions with Kazakhstan and Ukraine remain. During the fourth quarter additional provisions of SEK 36m were made for fixed-income trading instruments and SEK 3m for First Securities.

Risk-weighted assets decreased by SEK 14bn during the year and totalled SEK 50bn on 31 December.

To further strengthen its position as a leading Nordic and Baltic investment bank, Swedbank Markets has begun setting up a local equity and research team in Finland, based on a group of senior stockbrokers and equity analysts. The new unit begins operations in early 2010.

Swedbank Markets *comprises capital market products and services and various types of project and corporate finance. In addition to operations in Sweden, Estonia, Latvia and Lithuania, the business area includes the subsidiaries First Securities in Norway, Swedbank First Securities LLC in New York and ZAO Swedbank Markets in Russia. Fixed income trading is conducted by the New York branch and through the Oslo branch in cooperation with First Securities. In addition, Swedbank Markets is responsible for the Swedbank Group's overall relations with banks and financial institutions.*

Asset Management

- Inflow to equity funds
- Market share for total assets in the Swedish fund market of 27 per cent

Income statement

SEKm	Q4 2009	Q3 2009	%	Q4 2008	%	Full-year 2009	Full-year 2008	%
Net interest income	-8	-4	100	-24	67	-23	-32	-28
Net commissions	267	350	-24	265	1	655	1 349	-51
Net gains and losses on financial items at fair value	2	18	-89	-20		42	-41	
Other income	40	34	18	4		160	140	14
Total income	**301**	**398**	**-24**	**225**	**34**	**834**	**1 416**	**-41**
Staff costs	105	89	18	78	35	377	326	16
Profit-based staff costs	-26	8		18		0	48	
Other expenses	138	108	28	57		475	389	22
Depreciation/amortisation	11	13	-15	8	38	49	32	53
Total expenses	**228**	**218**	**5**	**161**	**42**	**901**	**795**	**13**
Profit before impairments	**73**	**180**	**-59**	**64**	**14**	**-67**	**621**	
Operating profit	**73**	**180**	**-59**	**64**	**14**	**-67**	**621**	
Tax expense	41	35	17	11		-15	158	
Profit for the period	32	145	-78	53	-40	-52	463	
Profit for the period attributable to the shareholders of Swedbank AB	**32**	**145**	**-78**	**53**	**-40**	**-52**	**463**	
Return on allocated equity, %	8.4	37.1		17.6		-3.4	39.0	
Cost/income ratio	0.76	0.55		0.72		1.08	0.56	
Full-time employees	318	308	3	306	4	318	306	4

As of the fourth quarter the Baltic asset management operations are included in the business area. Comparative figures have been restated. Expenses for a large part of the insurance operations, which were transferred to Swedish Banking in the third quarter, are still included in Asset Management's figures, since these operations have been outsourced to Swedbank Robur. Cost-based compensation for these services to the insurance company is included in Other income.

Development January-December
Net contributions in the Swedish mutual fund market slightly exceeded SEK 125bn, which made 2009 the best fund year ever. The total net inflow in Swedbank Robur amounted to SEK 20.3bn, a significant improvement compared to the negative inflow in 2008, equivalent to a market share of 16.2 per cent (neg.). Its share of total assets under management was 27.1 per cent (including Banco funds).

In institutional asset management, the net inflow was SEK 41.7bn (55.4).

During the year, Swedbank Robur AB acquired Banco Fonder AB, comprising a total of approximately SEK 7bn in assets under management, distributed among 26 funds, and asset management agreements. Banco Fonder AB had around 128 000 customers at the time of acquisition.

On 1 December 2009 Swedbank Robur AB acquired the bank's fund management companies in Estonia, Latvia and Lithuania as an element in the creation of a legal structure for the Swedbank Group's asset management. The operating structure was coordinated earlier in the year.

The operating loss of SEK 67m was affected by a charge of SEK 628m against net commission income. In connection with an internal control in February it was discovered that excessive fees had been charged by two funds. The customers in question were compensated at a cost of SEK 540m. An agreement was reached with the Estonian FSA to restore confidence in the country's pension system, whereby Swedbank compensated customers who had invested in the bank's Private Debt fund. The cost of SEK 88m was charged to the fourth quarter. Adjusted accordingly, net commission income for the full year amounted to SEK 1 283m, which was slightly lower than in 2008.

The cost increase in 2009 related to staff costs, premises, depreciation and integration costs in connection with the acquisition of Banco Fonder AB. Increased investments in IT development, primarily in administration, also affected costs. No provisions were allocated to profit-based staff costs for 2009.

During the year a number of cases of omitted disclosures were reported to the Financial Supervisory Authority. With one exception they related to events in 2007. A provision of SEK 20m was allocated for any special fees as a result, impacting net commissions.

During the fourth quarter a new board of directors was appointed for Swedbank Robur AB with the Group's CEO, Michael Wolf, as Chair. The fund management company, which is responsible for managing Swedbank Robur's funds, elected independent director KG Lindvall as its new Chair, in connection with which Peter Rydell was named acting president of Swedbank Robur AB.

During the period new managers for the Compliance and Risk Control unit were recruited as well as an acting CFO.

In 2009 Swedbank Fonder AB was named the best fund manager in the Nordic region for the third consecutive year by the Reuters-owned ratings firm Lipper. The award is presented to the Nordic fund management company that produced the best risk-adjusted return.

Swedbank Robur received a total of seven awards, one for best fund management company in the region and six for individual funds.

Assets under management SEKbn	31 Dec 2009	31 Dec 2008	%
Funds assets under management			
Assets under management	*448*	*343*	*31*
of which:			
Swedish equities, %	*32.0*	*25.4*	*26*
foreign equities, %	*35.4*	*33.0*	*7*
interest-bearing securities, %	*32.6*	*41.7*	*-22*
Discretionary asset management			
Assets under management	284	264	8
of which in Swedbank Robur's funds	*56*	*45*	*24*
Total assets under management	**676**	**562**	**20**

Asset Management *comprises the Swedbank Robur Group and its operations in fund management, institutional and discretionary asset management. Asset Management is represented in Swedbank's four home markets.*

Ektornet

- At the end of the year in full operation in the Nordic countries, the Baltic countries and the US
- Repossessed collateral amounts to SEK 517m

Income statement

SEKm	Q4 2009	Q3 2009	%	Q4 2008	%	Full-year 2009	Full-year 2008	%
Net interest income	-1					-1		
Net gains and losses on financial items at fair value	2					2		
Total income	**1**	**0**		**0**		**1**	**0**	
Staff costs	2					2		
Other expenses	25					25		
Total expenses	**27**	**0**		**0**		**27**	**0**	
Profit before impairments	**-26**	**0**		**0**		**-26**	**0**	
Impairment of intangible assets	0					0		
Operating profit	**-26**	**0**		**0**		**-26**	**0**	
Tax expense	-6					-6		
Profit for the period	-20					-20		
Profit for the period attributable to the shareholders of Swedbank AB	**-20**	**0**		**0**		**-20**	**0**	
Full-time employees	39					39		

Development January-December
Ektornet was officially established during the third quarter 2009. Ektornet is an independent business area of Swedbank. Its aim, where it finds development potential, is to manage and develop the Group's repossessed assets in order to recover value in the long term. The president and several other key persons with real estate expertise were recruited externally. During the fourth quarter the company established an operating structure and forms of collaboration with other parts of the bank. Guidelines were adopted for managing the assets to ensure uniformity across a number of countries and for a number of different asset classes. Operations were fully ramped up in the Nordic region, the Baltic countries and the US by year-end. At that point the first assets from these markets had been transferred to Ektornet.

Financial statement
As of 31 December Ektornet had taken over collateral with a value of SEK 517m, of which the Nordic region accounted for SEK 173m, Estonia for SEK 150m, Latvia for SEK 64m and the US for SEK 130m. Repossessed collateral primarily consists of real estate. Repossessions are expected to continue until 2012 due to the slow collateral takeover process in a number of countries. At that point the company expects to own properties with an aggregate value of SEK 5-15bn.

Activities in 2010
Work within Ektornet will initially focus on repossessing assets.

Appraising and developing the portfolio in the Baltic countries, where the size of the bank's investments and market conditions motivate focused attention, will be the highest priority in 2010 and 2011. Ektornet is also planning for a significant number of repossessions as well as development activities in the Nordic region and the US. In the long run properties may also be taken over in Russia and Ukraine as well.

When properties are repossessed their value is ascertained. The value of Ektornet's repossessed properties is based on an external market appraisal, where the appraisal firm took into consideration the properties' development potential from a five-year perspective. Ektornet drafts a business plan and evaluates long-term development potential.

As its portfolio of repossessed properties grows, Ektornet will build up an organisation to develop and manage the holdings using value enhancing measures. The goal is to add value to the holdings using tools such as marketing, renting and property development. This could also include completing the construction of partly-built properties so that they can be sold at a higher price once the market becomes more liquid.

Ektornet's real estate portfolio is distributed across a number of markets with different laws, tax regulations and options for recovery. This complicates any assessment of the portfolio's long-term value.

***Ektornet** is an independent subsidiary of Swedbank AB. A majority of the collateral is real estate mostly in the Baltic countries, but also in the Nordic region and in the US. Ektornet was fully operational at the end of the year.*

Shared Services and Group Staffs

Income statement

SEKm	Q4 2009	Q3 2009	%	Q4 2008	%	Full-year 2009	Full-year 2008	%
Net interest income	-93	-29		8		-157	-7	
Net gains and losses on financial items at fair value	-143	35		-156	-8	-552	255	
Share of profit or loss of associates				1		1	66	-98
Other income	1 051	961	9	1 626	-35	4 023	4 566	-12
Total income	**815**	**967**	**-16**	**1 479**	**-45**	**3 315**	**4 880**	**-32**
Staff costs	475	421	13	409	16	1 771	1 772	0
Profit-based staff costs	-2	2		40		9	153	-94
Other expenses	566	564	0	582	-3	2 290	2 119	8
Depreciation/amortisation	88	95	-7	104	-15	383	398	-4
Total expenses	**1 127**	**1 082**	**4**	**1 135**	**-1**	**4 453**	**4 442**	**0**
Profit before impairments	**-312**	**-115**		**344**		**-1 138**	**438**	
Credit impairments	-13	8		0		0	-6	
Operating profit	**-299**	**-123**		**344**		**-1 138**	**444**	
Tax expense	-195	-23		-249	-22	-396	-331	20
Profit for the period	-104	-100	4	593		-742	775	
Profit for the period attributable to the shareholders of Swedbank AB	**-104**	**-100**	**4**	**593**		**-742**	**775**	
Full-time employees	2 422	2 389	1	2 396	1	2 422	2 396	1

Shared Services and Group Staffs *includes IT, support functions, Group Executive Management and Group Staffs, including Group Treasury, and the Group's own insurance company, Sparia.*

Eliminations

Income statement

SEKm	Q4 2009	Q3 2009	%	Q4 2008	%	Full-year 2009	Full-year 2008	%
Net interest income	-9	-2		-34	-74	-9	-23	-61
Net commissions	1	5	-80	-20			-84	
Net gains and losses on financial items at fair value				26		1	15	-93
Other income	-993	-902	10	-921	8	-3 844	-3 767	2
Total income	**-1 001**	**-899**	**11**	**-949**	**5**	**-3 852**	**-3 859**	**0**
Staff costs	-11	0		-13	-15	-11	-15	-27
Profit-based staff costs	0	0		0			0	
Other expenses	-990	-899	10	-936	6	-3 841	-3 844	0
Total expenses	**-1 001**	**-899**	**11**	**-949**	**5**	**-3 852**	**-3 859**	**0**

Financial information

Income statement

Group SEKm	Q4 2009	Q3 2009	%	Q4 2008	%	Full-year 2009	Full-year 2008	%
Interest income	*12 291*	*13 115*	*-6*	*20 889*	*-41*	*56 399*	*79 563*	*-29*
Interest expenses	*-7 589*	*-8 098*	*-6*	*-15 147*	*-50*	*-35 634*	*-57 861*	*-38*
Net interest income (note 5)	**4 702**	**5 017**	**-6**	**5 742**	**-18**	**20 765**	**21 702**	**-4**
Commission income	*3 178*	*3 085*	*3*	*2 924*	*9*	*11 397*	*12 241*	*-7*
Commission expenses	*-905*	*-877*	*3*	*-913*	*-1*	*-3 572*	*-3 411*	*5*
Net commissions (note 6)	**2 273**	**2 208**	**3**	**2 011**	**13**	**7 825**	**8 830**	**-11**
Net gains and losses on financial items at fair value (note 7)	262	87		1 244	-79	2 770	2 351	18
Insurance premiums	*409*	*391*	*5*	*399*	*3*	*1 617*	*1 563*	*3*
Insurance provisions	*-227*	*-231*	*-2*	*-260*	*-13*	*-970*	*-1 111*	*-13*
Net insurance	**182**	**160**	**14**	**139**	**31**	**647**	**452**	**43**
Share of profit or loss of associates	123	183	-33	136	-10	866	512	69
Other income	440	487	-10	1 074	-59	1 909	2 616	-27
Total income	**7 982**	**8 142**	**-2**	**10 346**	**-23**	**34 782**	**36 463**	**-5**
Staff costs (note 8)	1 930	2 448	-21	2 602	-26	9 201	10 092	-9
Other expenses (note 10)	2 168	1 857	17	2 004	8	7 758	6 994	11
Depreciation/amortisation	202	221	-9	269	-25	889	972	-9
Total expenses	**4 300**	**4 526**	**-5**	**4 875**	**-12**	**17 848**	**18 058**	**-1**
Profit before impairments	**3 682**	**3 616**	**2**	**5 471**	**-33**	**16 934**	**18 405**	**-8**
Impairment of intangible assets (note 18)				1 403		1 305	1 403	-7
Impairment of tangible assets	352	77		27		449	27	
Credit impairments (note 11)	5 003	6 121	-18	1 633		24 641	3 156	
Operating profit	**-1 673**	**-2 582**	**-35**	**2 408**		**-9 461**	**13 819**	
Tax expense (note 12)	115	734	-84	500	-77	981	2 880	-66
Profit for the period	-1 788	-3 316	-46	1 908		-10 442	10 939	
Profit for the period attributable to the shareholders of Swedbank AB	**-1 804**	**-3 337**	**-46**	**1 915**		**-10 511**	**10 887**	
Non-controlling interests	16	21	-24	-7		69	52	33

Earnings per share

Group SEK	Q4 2009	Q3 2009	Q4 2008	Full-year 2009	Full-year 2008
Earnings per share before and after dilution	-1.83	-3.57	2.90	-10.66	16.51

See page 51 for number of shares.

Statement of comprehensive income

Group SEKm	Q4 2009	Q3 2009	%	Q4 2008	%	Full-year 2009	Full-year 2008	%
Profit for the period reported via income statement	**-1 788**	**-3 316**	**-46**	**1 908**		**-10 442**	**10 939**	
Exchange differences, foreign operations	207	-2 006		2 035	-90	-1 852	3 468	
Hedging of net investments in foreign operations:								
-Gains/losses arising during the period	-156	1 283		-2 637	-94	1 312	-3 419	
Cash flow hedges:								
-Gains/losses arising during the period	69	-120		-1 154		-574	-1 423	-60
-Reclassification adjustments to income statement, net interest income	199	202	-1	209	-5	817	198	
-Reclassification adjustments to income statement, net gains and losses on financial items at fair value	-75	31				37		
Share of other comprehensive income of associates	13	16	-19	-47		42	-45	
Income tax relating to components of other comprehensive income	-6	-367	-98	911		-397	1 211	
Other comprehensive income for the period, net of tax	**251**	**-961**		**-683**		**-615**	**-10**	
Total comprehensive income for the period	**-1 537**	**-4 277**	**-64**	**1 225**		**-11 057**	**10 929**	
Total comprehensive income attributable to the shareholders of Swedbank AB	**-1 556**	**-4 298**	**-64**	**1 236**		**-11 138**	**10 885**	
Non-controlling interests	19	21	-10	-11		81	44	84

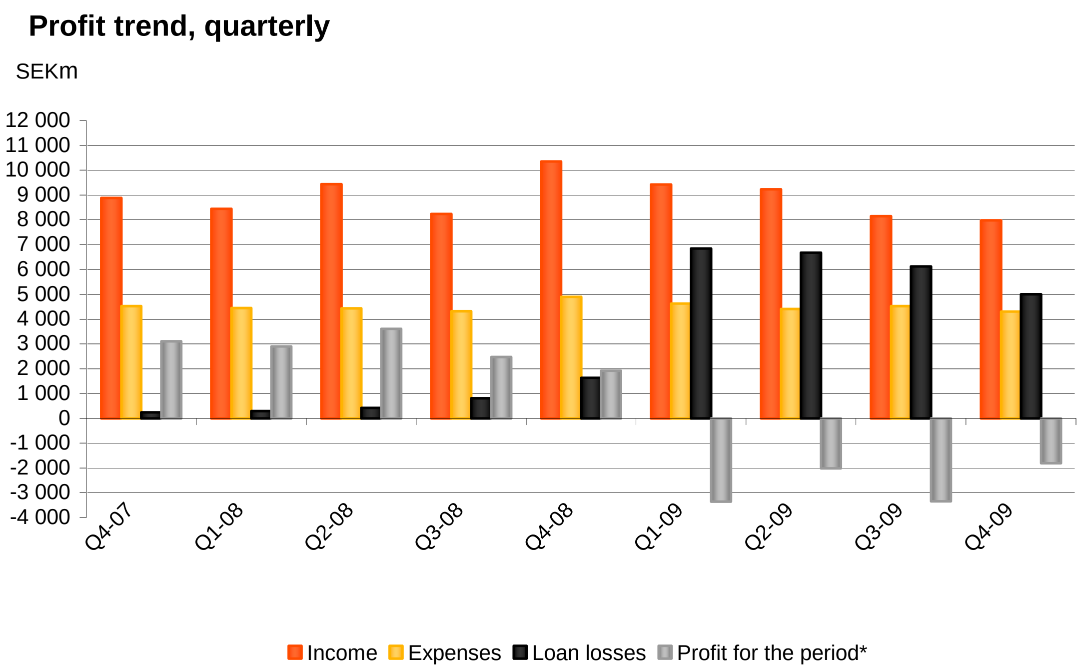
Income statement, quarterly

Group SEKm	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008
Net interest income	4 702	5 017	5 243	5 803	5 742	5 424	5 295	5 241
Net commissions	2 273	2 208	1 970	1 374	2 011	2 265	2 374	2 180
Net gains and losses on financial items at fair value	262	87	710	1 711	1 244	-109	1 141	75
Net insurance	182	160	175	130	139	105	101	107
Share of profit or loss of associates	123	183	463	97	136	138	122	116
Other income	440	487	673	309	1 074	415	400	727
Total income	**7 982**	**8 142**	**9 234**	**9 424**	**10 346**	**8 238**	**9 433**	**8 446**
Staff costs	1 930	2 448	2 282	2 541	2 602	2 458	2 453	2 579
Other expenses	2 168	1 857	1 895	1 838	2 004	1 596	1 740	1 654
Depreciation/amortisation	202	221	226	240	269	259	237	207
Total expenses	**4 300**	**4 526**	**4 403**	**4 619**	**4 875**	**4 313**	**4 430**	**4 440**
Profit before impairments	**3 682**	**3 616**	**4 831**	**4 805**	**5 471**	**3 925**	**5 003**	**4 006**
Impairment of intangible assets				1 305	1 403			
Impairment of tangible assets	352	77	8	12	27			
Credit impairments	5 003	6 121	6 672	6 845	1 633	812	423	288
Operating profit	**-1 673**	**-2 582**	**-1 849**	**-3 357**	**2 408**	**3 113**	**4 580**	**3 718**
Tax expense	115	734	145	-13	500	640	935	805
Profit for the period	-1 788	-3 316	-1 994	-3 344	1 908	2 473	3 645	2 913
Profit for the period attributable to the shareholders of Swedbank AB	**-1 804**	**-3 337**	**-2 012**	**-3 358**	**1 915**	**2 468**	**3 604**	**2 900**
Non-controlling interests	16	21	18	14	-7	5	41	13

Earnings per share, quarterly

Group SEK	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008
Earnings per share before and after dilution	-1.83	-3.57	-2.16	-3.59	2.90	3.81	5.56	4.48

See page 51 for number of shares.



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

Balance sheet

Group SEKm	31 Dec 2009	31 Dec 2008	%
Assets			
Cash and balances with central banks	37 879	29 060	30
Loans to credit institutions (note 13)	92 131	128 536	-28
Loans to the public (note 13)	1 290 667	1 287 424	0
Interest-bearing securities (note 17)	170 615	133 694	28
Fund shares for which the customers bear the investment risk	78 194	51 638	51
Shares and participating interests	9 505	6 557	45
Investments in associates	2 740	1 987	38
Derivatives (note 21)	72 969	128 055	-43
Intangible fixed assets (note 18)	17 555	19 577	-10
Tangible assets	3 815	3 274	17
Current tax assets	881	1 718	-49
Deferred tax assets	1 209	62	
Other assets	9 806	13 619	-28
Prepaid expenses and accrued income	6 721	6 489	4
Total assets	**1 794 687**	**1 811 690**	**-1**
Liabilities and equity			
Amounts owed to credit institutions (note 19)	231 687	316 730	-27
Deposits and borrowings from the public (note 19)	504 424	508 456	-1
Debt securities in issue, etc (note 20)	703 258	593 365	19
Financial liabilities for which customers bear the investment risk	80 132	52 074	54
Derivatives (note 21)	72 172	116 720	-38
Current tax liabilities	1 495	1 190	26
Deferred tax liabilities	720	1 769	-59
Sold, not held, securities	40 411	53 172	-24
Other liabilities	11 819	18 163	-35
Accrued expenses and prepaid income	14 400	13 062	10
Provisions	6 212	5 772	8
Subordinated liabilities	37 983	44 755	-15
Equity	89 974	86 462	4
- Non-controlling interests	*304*	*232*	*31*
- Equity attributable to shareholders of Swedbank AB	*89 670*	*86 230*	*4*
Total liabilities and equity	**1 794 687**	**1 811 690**	**-1**

Statement of changes in equity

Group SEKm	Shareholders' equity								Non-controlling interests	Total equity
	Share capital	Other contributed equity*	Non registered shares	Exchange differences, subsidiaries and associates	Hedging of net investments in foreign operations	Cash flow hedges	Retained earnings	Total		
Opening balance 1 January, 2008	**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
Business combination									6	6
Total comprehensive income for the period				3 431	-2 540	-893	10 887	10 885	44	10 929
Closing balance 31 December, 2008	**14 918**	**8 939**	**3 010**	**3 951**	**-2 905**	**-958**	**59 275**	**86 230**	**232**	**86 462**
Opening balance 1 January, 2009	**14 918**	**8 939**	**3 010**	**3 951**	**-2 905**	**-958**	**59 275**	**86 230**	**232**	**86 462**
Dividends									-45	-45
Registration of shares	1 316	1 694	-3 010							
New share issue	8 117	6 957						15 074	39	15 113
Expenses in connection with new share issue		-438						-438		-438
Contribution									3	3
Associates' acquiring of shares in Swedbank AB							-58	-58		-58
Business disposal									-6	-6
Total comprehensive income for the period				-1 808	978	203	-10 511	-11 138	81	-11 057
Closing balance 31 December, 2009	**24 351**	**17 152**		**2 143**	**-1 927**	**-755**	**48 706**	**89 670**	**304**	**89 974**

*Other contributed equity consists mainly of share premiums.

Expenses in connection with new share issue includes a positive tax effect of SEK 153m in 2008 and SEK 156m in 2009.

Cash flow statement

Group SEKm	Full-year 2009	Full-year 2008
Cash flow from operating activities	-61 828	46 953
Cash flow from investing activities	-718	372
Cash flow from financing activities	137 407	-94 292
Cash flow for the period	**74 861**	**-46 967**
Cash and cash equivalents at beginning of period	57 707	100 763
Cash flow for the period	74 861	-46 967
Exchange differences on cash and cash equivalents	-1 070	3 911
Cash and cash equivalents at end of period	**131 498**	**57 707**

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 of the Financial Reporting Council. The accounting principles applied in the interim report are 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 business area reporting, as of 1 January 2009. Under the standard previously applied, IAS 14 *Segment Reporting*, two sets of segments (operating 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 operating 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 business area information presented.

Swedbank's business area 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 differences consisted of new disclosure requirements by segment and that what IFRS calls Other operating segments correspond to the operating segment International Banking.

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 directly in equity (not transactions with the equity holders), such as translation differences in conjunction with the currency translation of foreign operations' results. Companies 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 directly in equity (other comprehensive income). Swedbank has chosen the latter alternative with a traditional income statement and a separate statement of comprehensive income.

The amendments to IAS 1 also offer the opportunity to use new designations for the financial reports – an opportunity Swedbank has not taken.

The revised standard has had no impact on the reported earnings or financial position of the Group.

Note 2 Critical accounting estimates

The Group uses various estimates and judgments about the future to determine the value of certain assets and liabilities. The most important assumptions in terms of amount are made with regard to provisions for loan losses and impairment testing of goodwill.

Provisions for loan losses

For loans that have been identified as impaired as well as portfolios of loans with similar credit terms for which a loss event has occurred, assumptions are made as to when in the future the cash flows will be received as well as their size. Provisions for loan losses are made for the difference between the present value of these projected cash flows and the claims' carrying amount. Decisions are therefore based on various estimates and management's judgments about current market conditions. Portfolio provisions are based on loss estimates made in accordance with capital adequacy rules.

In 2009 economic conditions worsened significantly, especially in the Baltic countries and Ukraine. The Group's provisions in the Baltic operations increased during the year from SEK 3 595m to SEK 15 276m and in the Ukrainian operations from SEK 572m to SEK 6 390m. The increases were based on the losses that management judged as most likely against the backdrop of the current economic outlook within the range of reasonable assumptions.

Impairment testing of goodwill

When goodwill is tested for impairment, future cash flows are estimated for the cash-generating unit that the goodwill refers to and has been allocated to. As far as possible, the assumptions that are used, or part of those assumptions, are based on outside sources. Nevertheless, the calculation is largely dependent on management's own assumptions. The assumptions are made based on indefinite ownership of the asset. The Group's goodwill amounted to SEK 15 368m as of year-end, of which SEK 12 430m relates to the investment in the Baltic operations. Through 2001, 60 per cent of the Baltic operations had been acquired. In 2005 the remaining 40 per cent was acquired. SEK 11 897m of the goodwill arose in connection with the acquisition of the remaining non-controlling interest, which at the time corresponded to 40 per cent of the operations' total value. Due to the major economic slowdown in the Baltic countries in 2009 and subsequent increase in uncertainty about the region's future development, this portion of the calculation is based to a greater degree on subjective considerations than before. The assumptions that have been made are indicated in note 18 Intangible assets.

Note 3 Changes in the Group structure

Acquisitions

Swedbank Robur AB acquired Banco Fonder AB and its assets in the form of customer agreements from Alfred Berg. The acquisition, which comprises asset management agreements worth around SEK 7bn, was finalised 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 assets amounted to SEK 301m.

Divested subsidiaries

Swedbank AB sold the Ukrainian debt collection company European Agency for Debt Recovery to TAS Group. The sale generated a capital gain of SEK 6m.

Divested associates

Together with other Swedish banks, Swedbank AB sold its shareholding in Privatgirot AB to Banc Tec. The capital gain amounted to SEK 2m.

Divested operations

Swedbank AB sold four branches to Sparbanken Nord, three branches to Sparbanken Dalsland, two branches to Sparbanken Rekarne, one branch to Tidaholms Sparbank and one branch to Sparbanken 1826. These sales generated capital gains of SEK 397m. The capital gains are taxable.

Moreover, Swedbank AB sold one branch to Sparbanken Gotland effective 1 January 2010. The sale produced a capital gain of SEK 10m, which is recognised in 2010.

Internal structural changes

Swedbank Robur AB has acquired the three Baltic fund management companies previously owned by Swedbank's banks in Estonia, Latvia and Lithuania.

Ektornet has been established as a new subsidiary group. Collateral repossessed to protect claims has been transferred through SPVs or directly from other Group companies to companies in the Ektornet group.

Swedbank Invest, a subsidiary of JSC Swedbank in Ukraine, has been merged with JSC Swedbank.

The Baltic insurance companies have been merged and formed a European company with branch offices.

Swedbank AB acquired Swedbank Försäkring AB from Swedbank Robur AB in January 2010.

Note 4 Business segments (business areas)

Full-year 2009 SEKm	Swedish Banking	Baltic Banking	International Banking	Swedbank Markets	Asset Management	Ektornet	Shared Services and Group Staffs	Eliminations	Group
Net interest income	12 282	4 236	2 187	2 250	-23	-1	-157	-9	20 765
Net commissions	4 442	1 655	239	834	655				7 825
Net gains and losses on financial items at fair value	35	719	-18	2 541	42	2	-552	1	2 770
Share of profit or loss of associates	864	1					1		866
Other income	1 363	762	22	70	160		4 023	-3 844	2 556
Total income	**18 986**	**7 373**	**2 430**	**5 695**	**834**	**1**	**3 315**	**-3 852**	**34 782**
of which internal income	*1 360*	*116*	*6*	*346*	*-1 774*		*2 947*	*-3 001*	
Staff costs	4 087	1 410	635	913	377	2	1 771	-11	9 184
Profit-based staff costs	15	-198		191	0		9		17
Other expenses	5 151	1 915	756	987	475	25	2 290	-3 841	7 758
Depreciation/amortisation	133	208	90	26	49		383		889
Total expenses	**9 386**	**3 335**	**1 481**	**2 117**	**901**	**27**	**4 453**	**-3 852**	**17 848**
Profit before impairments	**9 600**	**4 038**	**949**	**3 578**	**-67**	**-26**	**-1 138**		**16 934**
Impairment of intangible assets			1 300	5		0			1 305
Impairment of tangible assets	2	222	219	6					449
Credit impairments	1 355	14 888	8 137	261			0		24 641
Operating profit	**8 243**	**-11 072**	**-8 707**	**3 306**	**-67**	**-26**	**-1 138**		**-9 461**
Tax expense	2 139	-1 320	-256	835	-15	-6	-396		981
Profit for the period	6 104	-9 752	-8 451	2 471	-52	-20	-742		-10 442
Profit for the period attributable to the shareholders of Swedbank AB	**6 096**	**-9 752**	**-8 449**	**2 408**	**-52**	**-20**	**-742**		**-10 511**
Non-controlling interests	8		-2	63					69
Loans	951 463	171 431	50 188	207 851	1 857	8			1 382 798
Investments in associates	2 734	5	1						2 740
Other assets	91 345	55 897	11 748	195 344	1 567	964	52 284		409 149
Total assets*	**1 045 542**	**227 333**	**61 937**	**403 195**	**3 424**	**972**	**52 284**		**1 794 687**
Deposits	355 865	103 064	10 516	34 979					504 424
Other liabilities	663 313	94 903	46 766	362 656	1 899	680	30 376		1 200 593
Total liabilities*	**1 019 178**	**197 967**	**57 282**	**397 635**	**1 899**	**680**	**30 376**		**1 705 017**
Allocated equity	26 364	29 366	4 655	5 560	1 525	292	21 908		89 670
Total liabilities and equity	**1 045 542**	**227 333**	**61 937**	**403 195**	**3 424**	**972**	**52 284**		**1 794 687**
Impaired loans, gross	**2 196**	**26 571**	**10 788**	**577**					**40 132**
Risk-weighted assets	**328 443**	**165 417**	**53 053**	**50 262**	**2 465**	**526**	**3 266**		**603 431**
Return on allocated equity, %	22.3	-31.5	-140.5	43.5	-3.4	-117.6	-5.8		-12.5
Loans/deposits	263	165	436	113					240
Credit impairment ratio, %	0.14	6.43	11.12	0.16					1.74
Total provision ratio for impaired loans, %	96	57	75	94					65
Share of impaired loans, gross, %	0.22	14.27	18.25	0.41					2.85
Cost/income ratio	0.49	0.45	0.61	0.37	1.08	27.00	1.34		0.51
Full-time employees	5 868	6 105	3 607	918	318	39	2 422		19 277

* Excluding intra-Group transactions

Note 4 Geographical breakdown

Full-year 2009 SEKm	Sweden	Estonia	Latvia	Lithuania	Ukraine	Russia	Other	Total
Net interest income	14 135	1 521	1 533	1 382	1 032	743	419	20 765
Net commissions	4 920	686	557	538	72	27	1 025	7 825
Net gains and losses on financial items at fair value	1 670	293	463	265	-133	97	115	2 770
Share of profit or loss of associates	648	1					217	866
Other income	1 800	66	255	442	10	9	-26	2 556
Total income	**23 173**	**2 567**	**2 808**	**2 627**	**981**	**876**	**1 750**	**34 782**
Staff costs	6 556	732	410	509	259	220	498	9 184
Profit-based staff costs	23	-198					192	17
Other expenses	5 311	168	796	753	234	223	273	7 758
Depreciation/amortisation	505	129	75	65	63	20	32	889
Total expenses	**12 395**	**831**	**1 281**	**1 327**	**556**	**463**	**995**	**17 848**
Profit before impairments	**10 778**	**1 736**	**1 527**	**1 300**	**425**	**413**	**755**	**16 934**
Impairment of intangible assets					1 300	5		1 305
Impairment of tangible assets	8	5	63	154	219			449
Credit impairments	1 684	2 561	6 892	5 355	6 456	1 326	367	24 641
Operating profit	**9 086**	**-830**	**-5 428**	**-4 209**	**-7 550**	**-918**	**388**	**-9 461**
Tax expense	2 401	4	-833	-454	-178	-11	52	981
Profit for the period	6 685	-834	-4 595	-3 755	-7 372	-907	336	-10 442
Profit for the period attributable to the shareholders of Swedbank AB	**6 677**	**-834**	**-4 595**	**-3 755**	**-7 370**	**-907**	**273**	**-10 511**
Non-controlling interests	8				-2		63	69
Loans	1 147 631	78 591	56 157	49 712	8 910	11 450	30 347	1 382 798
Investments in associates	2 698	5			1		36	2 740
Other assets	338 830	29 613	9 636	15 539	1 800	2 680	11 051	409 149
Total assets	**1 489 159**	**108 209**	**65 793**	**65 251**	**10 711**	**14 130**	**41 434**	**1 794 687**
Deposits	388 578	47 902	20 785	34 191	2 830	3 555	6 583	504 424
Other liabilities	1 045 569	48 679	36 084	22 119	6 644	9 285	32 213	1 200 593
Total liabilities	**1 434 147**	**96 581**	**56 869**	**56 310**	**9 474**	**12 840**	**38 796**	**1 705 017**
Allocated equity	55 012	11 628	8 924	8 941	1 237	1 290	2 638	89 670
Total liabilities and equity	**1 489 159**	**108 209**	**65 793**	**65 251**	**10 711**	**14 130**	**41 434**	**1 794 687**
Impaired loans, gross	**2 627**	**5 465**	**13 401**	**7 705**	**8 180**	**2 238**	**516**	**40 132**
Risk-weighted assets	**383 902**	**67 821**	**53 801**	**45 480**	**12 215**	**11 396**	**28 816**	**603 431**
Return on allocated equity, %	14.3	-7.3	-45.9	-38.9	-369.0	-55.7	9.1	-12.5
Cost/income ratio	0.53	0.32	0.46	0.50	0.57	0.53	0.57	0.51
Full-time employees	8 480	2 619	1 846	2 485	2 880	570	397	19 277

Note 4 Product areas

Full-year 2009 SEKm	Lending	Savings & Investments	Payments & Cards	Trading & Capital Market	Other	Total
Net interest income	13 176	1 503	4 949	2 095	-958	20 765
Net commissions	9	3 586	3 488	629	113	7 825
Net gains and losses on financial items at fair value		42	13	3 007	-292	2 770
Share of profit or loss of associates	328		25		513	866
Other income	507	620	630	-5	804	2 556
Total income	**14 020**	**5 751**	**9 105**	**5 726**	**180**	**34 782**
Total expenses	**5 611**	**4 264**	**4 967**	**2 565**	**441**	**17 848**
Profit before impairments	**8 409**	**1 487**	**4 138**	**3 161**	**-261**	**16 934**
Impairment of intangible assets					1 305	1 305
Impairment of tangible assets	197				252	449
Credit impairments	24 383		191	67		24 641
Operating profit	**-16 171**	**1 487**	**3 947**	**3 094**	**-1 818**	**-9 461**
Tax expense	-592	317	816	551	-111	981
Profit for the period	-15 579	1 170	3 131	2 543	-1 707	-10 442
Profit for the period attributable to the shareholders of Swedbank AB	**-15 571**	**1 179**	**3 131**	**2 459**	**-1 711**	**-10 511**
Non-controlling interests	-7	-9		82	3	69
Loans	1 192 198		376	190 224		1 382 798
Deposits		271 317	211 422	21 685		504 424
Mutual funds		450 420				450 420
Retail bonds, interest-bearing and equity linked bonds				30 371		30 371
Discretionary asset management		228 725				228 725
Allocated equity	40 362	2 228	4 957	2 476	39 647	89 670
Return on allocated equity, %	-36.7	52.9	63.2	99.4	-5.3	-12.5
Cost/income ratio	0.40	0.74	0.55	0.45	2.45	0.51

Business area accounting policies

The operating segment report is based on Swedbank's accounting policies, organisation and management accounts. Market-based transfer prices are applied between operating segments, 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 operating segment based on capital adequacy rules and estimated capital requirements. The new Basel 2 rules are used. Return on equity for the operating segments is based on operating profit less estimated tax and non-controlling interests in relation to average allocated equity.

In the geographical distribution, intangible assets, primarily goodwill, attributable to business combinations have been allocated to the country that the operations were acquired in.

In the product area report, profit and volumes have been distributed among five principal product areas.

(1) Financing:
- private residencial lending
- consumer finance
- credit cards (including EnterCard)
- corporate lending
- leasing
- credit guarantees
- other financing products

(2) Savings & Investments
- savings accounts
- mutual funds
- insurance savings
- pension savings
- other life insurance products
- discretionary asset management
- other savings and investment products

(3) Payments & Cards
- current accounts (incl. cash management)
- cash handling
- domestic payments
- international payments
- document payments
- debit cards
- card acquiring
- other payment products

(4) Trading & Capital Market Products
- equity trading
- structured products
- corporate finance
- custody services
- fixed income trading
- foreign currency trading
- other capital market products

(5) Other
- real estate brokerage
- real estate management
- non-life insurance
- legal services
- safe deposit boxes
- administrative services
- treasury operations
- share of profits of associates
- capital gains
- goodwill
- other

Non-recurring items are generally included in Other, e.g. refunded fund management fees as well as income from Visa and MasterCard, despite that these items would be able to distribute to other products.

Impairment of tangible assets is reported within the area Lending when the impairment refers to repossessed collaterals. Impairment of owner-occupied property is included in Other.

Note 5 Net interest income

Group SEKm	Q4 2009	Q3 2009	%	Q4 2008	%	Full-year 2009	Full-year 2008	%
Interest income								
Loans to credit institutions	161	100	61	965	-83	684	5 509	-88
Loans to the public	9 729	10 653	-9	18 778	-48	46 943	69 598	-33
Interest-bearing securities	598	544	10	576	4	2 447	2 836	-14
Derivatives	1 758	1 773	-1	555		6 167	1 580	
Other	45	45	0	15		158	40	
Total interest income	**12 291**	**13 115**	**-6**	**20 889**	**-41**	**56 399**	**79 563**	**-29**
Interest expenses								
Amounts owed to credit institutions	-358	-361	-1	-2 847	-87	-3 207	-8 064	-60
Deposits and borrowing from the public	-1 195	-1 259	-5	-3 641	-67	-6 341	-15 643	-59
of which deposits guarantee fees	*-106*	*-106*	*0*	*-94*	*13*	*-417*	*-440*	*-5*
Debt securities in issue	-5 285	-5 392	-2	-6 683	-21	-21 756	-29 062	-25
guarantee	*-505*	*-534*	*-5*	*-56*		*-1 802*	*-56*	
Subordinated liabilities	-436	-444	-2	-611	-29	-1 970	-2 210	-11
Derivatives	-281	-435	-35	-1 343	-79	-2 094	-2 832	-26
Other	-34	-207	-84	-22	55	-266	-50	
of which stability fee	*-29*	*-195*	*-85*	*0*		*-224*	*0*	
Total interest expenses	**-7 589**	**-8 098**	**-6**	**-15 147**	**-50**	**-35 634**	**-57 861**	**-38**
Net interest income	**4 702**	**5 017**	**-6**	**5 742**	**-18**	**20 765**	**21 702**	**-4**
Average balances								
Loans to credit institutions	135 056	123 768	9	117 457	15	139 081	164 544	-15
Loans to the public	1 253 901	1 254 765	0	1 279 104	-2	1 270 736	1 213 702	5
Interest-bearing securities	144 151	140 007	3	66 369		126 290	48 631	
Interest-bearing assets	**1 533 108**	**1 518 540**	**1**	**1 462 930**	**5**	**1 536 107**	**1 426 877**	**8**
Derivatives	79 940	87 871	-9	113 058	-29	103 385	66 770	55
Other assets	198 461	174 166	14	191 607	4	141 874	143 387	-1
Total assets	**1 811 509**	**1 780 577**	**2**	**1 767 595**	**2**	**1 781 366**	**1 637 034**	**9**
Amounts owed to credit institutions	263 734	288 335	-9	293 855	-10	307 713	211 676	45
Deposits and borrowings from the public	491 406	470 804	4	514 263	-4	484 842	486 267	0
Debt securities in issue	689 588	663 828	4	588 676	17	653 456	651 027	0
Subordinated liabilities	38 639	41 256	-6	43 114	-10	42 749	39 698	8
Interest-bearing liabilities	**1 483 367**	**1 464 223**	**1**	**1 439 908**	**3**	**1 488 760**	**1 388 668**	**7**
Derivatives	80 868	90 033	-10	95 038	-15	97 543	62 277	57
Other liabilities	160 144	147 565	9	156 749	2	110 891	114 479	-3
Total liabilities	**1 724 379**	**1 701 821**	**1**	**1 691 695**	**2**	**1 697 194**	**1 565 424**	**8**
Equity	**87 130**	**78 756**	**11**	**75 900**	**15**	**84 172**	**71 610**	**18**
Total liabilities and equity	**1 811 509**	**1 780 577**	**2**	**1 767 595**	**2**	**1 781 366**	**1 637 034**	**9**
Average interest rates, %								
Loans to credit institutions	0.48	0.32		3.29		0.49	3.35	
Loans to the public	3.10	3.40		5.87		3.69	5.73	
Interest-bearing securities	1.66	1.55		3.47		1.94	5.83	
Interest-bearing assets	**2.74**	**2.98**		**5.56**		**3.26**	**5.46**	
Total assets	**2.71**	**2.95**		**4.73**		**3.17**	**4.86**	
Amounts owed to credit institutions	0.54	0.50		3.88		1.04	3.81	
Deposits and borrowings from the public	0.97	1.07		2.83		1.31	3.22	
Debt securities in issue	3.07	3.25		4.54		3.33	4.46	
Subordinated liabilities	4.51	4.30		5.67		4.61	5.57	
Interest-bearing liabilities	**1.96**	**2.04**		**3.83**		**2.24**	**3.96**	
Total liabilities	**1.76**	**1.90**		**3.58**		**2.10**	**3.70**	
Total liabilities and equity	**1.68**	**1.82**		**3.43**		**2.00**	**3.53**	
Net interest margin	**1.04**	**1.13**		**1.30**		**1.17**	**1.33**	

Interest-bearing securities are reported net in this note less sold, not held, securities.
Interest income on impaired loans is not accrued.

Note 6 Net commissions

Group SEKm	Q4 2009	Q3 2009	%	Q4 2008	%	Full-year 2009	Full-year 2008	%
Commission income								
Payment processing	1 422	1 400	2	1 401	1	5 474	5 349	2
Asset management	880	884	0	727	21	2 714	3 486	-22
Life insurance	110	104	6	94	17	390	398	-2
Brokerage	215	152	41	144	49	652	734	-11
Other securities	30	37	-19	31	-3	143	132	8
Corporate finance	95	52	83	58	64	221	277	-20
Lending	138	142	-3	129	7	563	658	-14
Guarantee	64	73	-12	75	-15	278	257	8
Deposits	11	17	-35	13	-15	70	61	15
Real estate brokerage	38	38	0	25	52	146	127	15
Non-life insurance	7	7	0	12	-42	32	43	-26
Other commission income	168	179	-6	215	-22	714	719	-1
Total commission income	**3 178**	**3 085**	**3**	**2 924**	**9**	**11 397**	**12 241**	**-7**
Commission expenses								
Payment processing	-572	-510	12	-512	12	-2 086	-1 929	8
Asset management	-42	-8		-37	14	-77	-164	-53
Life insurance	-40	-48	-17	-33	21	-160	-160	0
Brokerage	-5	-6	-17	-3	67	-24	-26	-8
Other securities	-40	-62	-35	-86	-53	-271	-308	-12
Lending and guarantees	-17	-26	-35	-32	-47	-93	-137	-32
Other commission expenses	-189	-217	-13	-210	-10	-861	-687	25
Total commission expenses	**-905**	**-877**	**3**	**-913**	**-1**	**-3 572**	**-3 411**	**5**
Total net commissions	**2 273**	**2 208**	**3**	**2 011**	**13**	**7 825**	**8 830**	**-11**

Commission income from asset management in 2009 includes SEK 540m in compensation to Swedish customers because asset management fees charged since 2004 were not in compliance with the provisions of two of Swedbank Robur's funds (Russia Fund and Blend Fund). Moreover, commission income from asset management includes SEK 88m in the fourth quarter 2009 for compensation to Estonian customers for the Private Debt Fund, due to unclear rules on conflicts of interest.

Note 7 Net gains and losses on financial items at fair value

Group SEKm	Q4 2009	Q3 2009	%	Q4 2008	%	Full-year 2009	Full-year 2008	%
Valuation category, fair value through profit or loss								
Shares and related derivatives	406	212	92	127		1 211	205	
of which dividend	*33*	*17*	94	*38*	-13	*202*	*72*	
Interest-bearing securities and related derivatives	-383	-6 317	-94	3 196		-9 722	10 040	
Loans	-686	825		15 994		45	13 456	-100
Financial liabilities	513	5 067	-90	-18 151		10 046	-23 007	
Other financial instruments	-27	18		19		14	122	-89
Total fair value through profit or loss	**-177**	**-195**	**-9**	**1 185**		**1 594**	**816**	95
Hedge accounting								
Hedge accounting to fair value	-9	-1		-39	-77	-5	15	
varav säkringsinstrument	-49	-108	-55	1 457		-340	1 691	
varav säkrad post	40	107	-63	-1 496		335	-1 676	
Ineffective portion in cash flow hedge	75	-112				-37		
Ineffective portion in hedging of net investments in foreign operations		81		-92		3	-137	
Total hedge accounting	**66**	**-32**		**-131**		**-39**	**-122**	**-68**
Loans valued at amortised cost	**42**	**52**	**-19**	**12**		**161**	**19**	
Financial liabilities valued at amortised cost	**71**					**71**		
Change in exchange rates	**260**	**262**	**-1**	**178**	**46**	**983**	**1 638**	**-40**
Total net gains and losses on financial items at fair value	**262**	**87**		**1 244**	**-79**	**2 770**	**2 351**	**18**
Distribution by business purpose								
Financial instruments for trading related business	**115**	**370**	**-69**	**550**	**-79**	**2 888**	**1 663**	**74**
of which share related	*396*	*198*	*100*	*81*		*1 195*	*14*	
of which interest related	*-514*	*-108*		*272*		*696*	*-111*	
of which exchange rate related	*260*	*262*	*-1*	*178*	*46*	*983*	*1 638*	*-40*
of which other	*-27*	*18*		*19*		*14*	*122*	*-89*
Financial instruments which are intended to be held to contractual maturity	**147**	**-283**		**694**	**-79**	**-118**	**688**	
of which change in the value of open interest position, Swedbank Mortgage	*29*	*-323*		*763*	*-96*	*-262*	*598*	
Total	**262**	**87**		**1 244**	**-79**	**2 770**	**2 351**	**18**

Note 8 Staff costs

Group SEKm	Q4 2009	Q3 2009	%	Q4 2008	%	Full-year 2009	Full-year 2008	%
Salaries and other remunerations	1 240	1 631	-24	1 649	-25	6 062	6 452	-6
Pension costs	213	261	-18	233	-9	980	995	-2
Social insurance charges	397	486	-18	468	-15	1 827	1 998	-9
Allocation to profit-sharing fund				133		2	289	-99
Training costs	28	19	47	43	-35	99	150	-34
Other staff costs	52	51	2	76	-32	231	208	11
Total staff costs	**1 930**	**2 448**	**-21**	**2 602**	**-26**	**9 201**	**10 092**	**-9**
of which profit-based staff costs	*-389*	*207*		*262*		*17*	*950*	*-98*
of which redundancy costs	*52*	*26*		*17*		*106*	*45*	

Note 9 Number of full-time employees

Group Number of employees	31 Dec 2009	31 Dec 2008	%
Swedish Banking	5 868	6 136	-4
Baltic Banking	6 105	7 457	-18
Estonia	*2 109*	*2 434*	*-13*
Latvia	*1 684*	*2 173*	*-23*
Lithuania	*2 312*	*2 850*	*-19*
International Banking	3 607	4 675	-23
Ukraine	*2 880*	*3 870*	*-26*
Russia	*567*	*631*	*-10*
Nordic branches	*81*	*89*	*-9*
Other	*79*	*85*	*-7*
Swedbank Markets	918	878	5
Sweden	*539*	*519*	*4*
Norway	*222*	*212*	*5*
The Baltic countries	*142*	*128*	*11*
Other	*15*	*19*	*-21*
Asset Management	318	306	4
Sweden	*296*	*261*	*13*
The Baltic countries	*22*	*45*	*-51*
Ektornet	39		
Shared Services & Group Staffs	2 422	2 396	1
Sweden	*1 770*	*1 698*	*4*
The Baltic countries	*652*	*698*	*-7*
Total	**19 277**	**21 848**	**-12**

Note 10 Other expenses

Group SEKm	Q4 2009	Q3 2009	%	Q4 2008	%	Full-year 2009	Full-year 2008	%
Premises and rents	408	364	12	393	4	1 572	1 433	10
IT-expenses	489	445	10	442	11	1 818	1 623	12
Tele communications and postage	73	81	-10	101	-28	321	347	-7
Advertising, PR and marketing	136	82	66	142	-4	433	475	-9
Consultants and purchased services	536	392	37	366	46	1 654	1 184	40
Security transports and alarm systems	120	110	9	114	5	480	481	0
Supplies	76	61	25	83	-8	258	323	-20
Travelling	66	39	69	69	-4	217	231	-6
Entertainment	35	20	75	62	-44	104	199	-48
Repair/maintenance of office equipment	52	45	16	46	13	186	172	8
Other expenses	177	218	-19	186	-5	715	526	36
Total other expenses	**2 168**	**1 857**	**17**	**2 004**	**8**	**7 758**	**6 994**	**11**

Consulting and other services related to the management of problem loans and repossessed collateral are included in the amounts of SEK 240m in 2009 (of which SEK 99m in the fourth quarter and SEK 68m in the third quarter) and SEK 3m in 2008. Expenses for properties taken over are included in other expenses in the amounts of SEK 67m in 2009 (of which SEK 30m in the fourth quarter and SEK 37m in the third quarter) and SEK 0m in 2008. Recovered VAT in the Russian leasing operations reduced other expenses by SEK 83m in 2008.

Note 11 Credit impairments

Group SEKm	Q4 2009	Q3 2009	%	Q4 2008	%	Full-year 2009	Full-year 2008	%
Provision for individually valued impaired loans								
Provisions	3 326	5 117	-35	832		14 505	1 838	
Write-back of previous provisions	-14	6		-25	-44	-303	-194	56
Provision for homogenous groups of impaired loans, net	2 380	57		34		2 654	136	
Total	**5 692**	**5 180**	**10**	**841**		**16 856**	**1 780**	
Portfolio provisions for loans that are not impaired	**-2 040**	**101**		**574**		**4 752**	**874**	
Write-offs								
Actual credit impairments for the period	1 546	958	61	335		3 531	976	
Utilisation of previous provisions	-196	-145	35	-26		-468	-291	61
Recoveries	-113	-30		-84	35	-216	-167	29
Total	**1 237**	**783**	**58**	**225**		**2 847**	**518**	
Credit impairments for contingent liabilities and other credit risk exposures	**114**	**57**	**100**	**-7**		**186**	**-16**	
Credit impairments	**5 003**	**6 121**	**-18**	**1 633**		**24 641**	**3 156**	
Credit impairment ratio, %	1.44	1.75		0.48		1.74	0.24	

Note 12 Tax

Group SEKm	Q4 2009	Q3 2009	%	Q4 2008	%	Full-year 2009	Full-year 2008	%
Tax related to previous years	13	71	-82	-143		-13	-213	-94
Current tax	1 901	615		-100		4 001	2 308	73
Deferred tax	-1 799	48		743		-3 007	785	
Total	**115**	**734**	**-84**	**500**	**-77**	**981**	**2 880**	**-66**
Sweden	530	648	-18	343	55	2 401	2 175	10
Estonia	-1	-1	0			4	1	
Latvia	-63	-201	-69	-11		-833	139	
Lithuania	-270	50		58		-454	228	
Ukraine	-51	248		69		-178	191	
Russia	9	-28		35	-74	-11	49	
Other	-39	18		6		52	97	-46
Total	**115**	**734**	**-84**	**500**	**-77**	**981**	**2 880**	**-66**

During the fourth quarter SEK 5 024m was utilised from the Parent Company's tax allocation reserve, which reduced deferred tax by SEK 1 321m at the same time that current tax increased by the same amount.

Note 13 Loans

Group SEKm	31 Dec 2009	31 Dec 2008	%
Private customers	645 979	627 959	3
of which Swedbank Mortgage AB	*510 537*	*472 061*	*8*
Real estate management	245 858	264 308	-7
Retail, hotels, restaurants	35 478	49 499	-28
Construction	13 765	19 277	-29
Manufacturing	40 837	54 156	-25
Transportation	19 812	27 486	-28
Forestry and agriculture	57 858	55 383	4
Other corporate lending	125 941	143 122	-12
Municipalities, excluding municipal companies	6 670	9 341	-29
Lending to the public excluding the Swedish National Debt Office and repurchase agreements	**1 192 198**	**1 250 531**	**-5**
Banks	70 227	90 468	-22
Swedish National Debt Office	60 001	1	
Other credit institutions	1 443	2 128	-32
Repurchase agreements, public	19 233	13 765	40
Repurchase agreements, banks	19 984	34 568	-42
Repurchase agreements, Swedish National Debt Office	19 234	23 126	-17
Repurchase agreements, other credit institutions	478	1 373	-65
Loans to the public and credit institutions	**1 382 798**	**1 415 960**	**-2**

Group Sector/Industry 31 Dec 2009 SEKm	Carrying amount before provisions	Provisions for individually assessed impaired loans	Portfolio provisions	Carrying amount of loans after provisions	Carrying amount of impaired loans	Impaired loans gross	Past due loans more than 60 days that are not impaired
Private customers	650 342	3 652	711	645 979	6 035	9 687	281
Real estate management	253 155	6 449	848	245 858	5 661	12 110	205
Retail, hotels and restaurants	38 456	2 279	699	35 478	1 594	3 873	67
Construction	16 027	1 960	302	13 765	1 082	3 042	10
Manufacturing	45 177	3 127	1 213	40 837	2 036	5 163	34
Transportation	20 828	772	244	19 812	768	1 540	1
Forestry and agriculture	58 292	327	107	57 858	448	775	56
Other corporate lending	129 083	2 135	1 007	125 941	1 626	3 761	207
Municipalities excl municipal companies	6 670			6 670			
Lending to the public excluding the Swedish National Debt Office and repos	**1 218 030**	**20 701**	**5 131**	**1 192 198**	**19 250**	**39 951**	**861**
Credit institutions	71 851	181		71 670	0	181	
Swedish National Debt Office	60 001			60 001			
Repurchase agreements, credit institutions	20 462			20 462			
Repurchase agreements, Swedish National Debt Office	19 234			19 234			
Repurchase agreements, public	19 237		4	19 233			
Loans to the public and credit institutions	**1 408 815**	**20 882**	**5 135**	**1 382 798**	**19 250**	**40 132**	**861**

Group Sector/Industry 31 Dec 2008 SEKm	Carrying amount before provisions	Provisions for individually assessed impaired loans	Portfolio provisions	Carrying amount of loans after provisions	Carrying amount of impaired loans	Impaired loans gross	Past due loans more than 60 days that are not impaired
Private customers	629 359	905	495	627 959	1 627	2 532	291
Real estate management	265 510	611	591	264 308	2 374	2 985	17
Retail, hotels and restaurants	50 286	436	351	49 499	932	1 368	6
Construction	19 680	237	166	19 277	432	669	
Manufacturing	54 940	314	470	54 156	641	955	
Transportation	27 745	68	191	27 486	381	449	
Forestry and agriculture	55 538	70	85	55 383	117	187	50
Other corporate lending	144 486	520	844	143 122	913	1 433	26
Municipalities excl municipal companies	9 341			9 341			
Lending to the public excluding the Swedish National Debt Office and repos	**1 256 885**	**3 161**	**3 193**	**1 250 531**	**7 417**	**10 578**	**390**
Credit institutions	92 596			92 596			
Swedish National Debt Office	1			1			
Repurchase agreements, credit institutions	35 941			35 941			
Repurchase agreements, Swedish National Debt Office	23 126			23 126			
Repurchase agreements, public	13 765			13 765			
Loans to the public and credit institutions	**1 422 314**	**3 161**	**3 193**	**1 415 960**	**7 417**	**10 578**	**390**

Note 14 Impaired loans etc.

Group SEKm	31 dec 2009	31 dec 2008	%
Impaired loans, gross	40 132	10 578	
Provisions for individually assessed impaired loans	17 653	2 841	
Provision for homogenous groups of impaired loans	3 229	320	
Impaired loans, net	**19 250**	**7 417**	
Portfolio provisions for loans that are not impaired	5 135	3 193	61
Share of impaired loans, gross, %	2.85	0.74	
Share of impaired loans, net, %	1.39	0.52	
Provision ratio for impaired loans, %	52	30	
Total provision ratio for impaired loans, % *	65	60	
Past due loans that are not impaired	**10 426**	**12 683**	**-18**
of which past due 5-30 days	*5 874*	*6 574*	*-11*
of which past due 31-60 days	*3 691*	*5 719*	*-35*
of which past due more than 61 days	*861*	*390*	
**Restructured loans that are not impaired ** **	**12 475**	**335**	

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

** Loans where terms have been modified for reasons related to the debtor's financial difficulties.

Note 15 Property taken over to protect claims and cancelled leasing agreements

Group SEKm	31 dec 2009	31 dec 2008	%
Buildings and land	663	2	
Shares and participating interests	207	190	9
Other property taken over	1	2	-50
Total property taken over to protect claims	**871**	**194**	
Cancelled leasing agreements	870	381	
Total	**1 741**	**575**	

Buildings and land acquired by Ektornet amounted to SEK 517m as of 31 December 2009.

Note 16 Credit exposures

Group SEKm	31 dec 2009	31 dec 2008	%
Loans to the public	1 290 666	1 287 423	0
of which repos	*38 467*	*36 891*	*4*
of which Swedish National Debt Office excluding repos	*60 001*	*1*	
Loans to credit institutions	92 132	128 537	-28
of which repos	*20 462*	*35 941*	*-43*
Overdraft facilities granted but not utilised	55 932	68 282	-18
Loans granted but not paid	126 190	131 361	-4
Loan guarantees	12 457	16 825	-26
Guarantees, other	16 504	22 864	-28
Accepted and endorsed notes	227	234	-3
Derivatives	72 969	128 055	-43
Treasury bills and other eligible bills	88 724	27 978	
Bonds and other interest-bearing securities	81 891	105 716	-23
Other commitments	2 254	4 408	-49
Total	**1 839 946**	**1 921 683**	**-4**

Note 17 Interest-bearing securities

Group SEKm	31 dec 2009	31 dec 2008	%
Valuation category, fair value through profit or loss			
Swedish treasury bills and other bills eligible for refinancing with central banks	72 920	20 638	
Non-Swedish treasury bills and other bills eligible for refinancing with central banks	14 643	6 047	
Swedish mortgage institutions	48 315	50 531	-4
Swedish financial institutions	7 494	3 373	
Swedish non-financial companies	6 823	22 007	-69
Non-Swedish financial institutions	9 372	19 791	-53
Non-Swedish non-financial companies	2 239	1 545	45
Total	**161 806**	**123 932**	**31**
Valuation category, held to maturity			
Non-Swedish treasury bills and other bills eligible for refinancing with central banks	1 161	1 293	-10
Non-Swedish mortgage institutions	6 371	7 579	-16
Non-Swedish financial institutions	1 224	867	41
Non-Swedish non-financial companies	53	23	
Total	**8 809**	**9 762**	**-10**
Total interest-bearing securities	**170 615**	**133 694**	**28**

Note 18 Intangible assets

Group SEKm	31 dec 2009	31 dec 2008	%
With indefinite useful life			
Goodwill	15 368	17 308	-11
Total	**15 368**	**17 308**	**-11**
With finite useful life			
Customer base	1 276	1 254	2
Other	911	1 015	-10
Total	**2 187**	**2 269**	**-4**
Total intangible assets	**17 555**	**19 577**	**-10**

Goodwill and brand name	2009	2008
Cost		
Opening balance	**18 711**	**18 624**
Additions through business combinations		2
Revaluation of supplemental payment		-813
Transferred to determinable useful life		-116
Disposals	-2	
Translation differences	-747	1 014
Closing balance	**17 962**	**18 711**
Accumulated amortisation and impairments		
Opening balance	**-1 403**	**0**
Impairments	-1 191	-1 403
Closing balance	**-2 594**	**-1 403**
Carrying amount	**15 368**	**17 308**

Impairment of intangible assets

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

Due to the significant downturn in the Ukrainian economy during the first quarter, a new impairment test was performed with regard to the investment in Ukrainian Banking Operations. The impairment test resulted in the write-off of the remaining intangible assets, mainly goodwill, of SEK 1,300m.

The Baltic economy also deteriorated significantly in 2009. Impairment testing was performed continuously over the course of the year. Impairment was tested separately for the banking operations in Estonia, Latvia and Lithuania. No impairment losses were identified.

The impairment testing was based on management's financial plan for the operations in the next three years and subsequently on model-based assumptions about growth and profitability. For the years 2013-2042 it was assumed that risk-weighted assets would grow by 7 per cent per year, after which the annual growth rate was estimated at 4 per cent, corresponding to the assumed nominal GDP growth rate in all three Baltic countries.

Earnings in relation to risk-weighted assets from 2017 were assumed to be in line with the average for the years 2004-2008. The earnings level in the years 2013-2016 has been presumed to be slightly higher, since the years after a recession historically produces slightly higher profit margins.

The first 10 years' estimated cash flows, the discount factor has been set to 12 per cent for Estonia and to 13 per cent for Latvia and Lithuania, which reflects different specific country risk premiums. After the first 10 years the specific country risk premiums are expected to correlate, which results in a discount factor of 12 per cent. This discount factor is used for the entire period for cash flows after more than 10 years.

Other intangible assets have also been tested for impairment as of year-end. No impairment needs were identified in their case either.

Assumptions for significant goodwill assets 31 Dec 2009

Cash-generating unit, Bank unit	Goodwill carrying amount, SEKm	Assumption of yearly growth year 4-34, %	Assumption of yearly growth year >34, %	Discount factor for estimated cash flows year <10, %	Discount factor for estimated cash flows year >10, %
Estonia	4 399	7.0	4.0	12.0	12.0
Latvia	4 407	7.0	4.0	13.4	12.0
Lithuania	3 818	7.0	4.0	12.8	12.0
Sweden*	2 198	4.0	4.0	10.1	10.1

			Sensitivity analysis, Change in recovery value	
	Net asset including goodwill, carrying amount, SEKm	Recoverable amount, SEKm	Decrease in assumption of yearly growth by 1 percentage point	Increase in discount factor by 1 percentage point
Estonia	10 042	12 945	-699	-1 191
Latvia	12 248	13 583	-826	-1 357
Lithuania	9 560	12 098	-703	-1 165
Sweden*	26 597	34 554	-801	-3 381

The cash-generating unit is a part of the segment Swedish Banking.

Note 19 Savings and investments

Group SEKm	31 dec 2009	31 dec 2008	%
Deposits from the public in SEK			
Private	226 140	221 012	2
Corporate	142 997	124 659	15
Total	**369 137**	**345 671**	**7**
Deposits from the public in foreign currency			
Private	58 526	57 312	2
Corporate	69 073	74 661	-7
Total	**127 599**	**131 973**	**-3**
Total deposits from the public excluding the Swedish National Debt Office and repurchase agreements	**496 736**	**477 644**	**4**
Banks	92 859	121 041	-23
Central banks	116 199	162 110	-28
Swedish National Debt Office	7	0	
Other credit institutions	4 376	7 564	-42
Repurchase agreements, public	2 733	3 654	*-25*
Repurchase agreements, banks	16 910	25 888	*-35*
Repurchase agreements, Swedish National Debt Office	4 956	27 285	*-82*
Repurchase agreements, other credit institutions	1 335		
Total deposits etc from the public and credit institutions	**736 111**	**825 186**	**-11**
Discretionary asset management *	228 725	218 996	4
Funds assets under management	450 420	343 341	31
Unit-linked insurance	80 261	52 188	54
Of which unit-linked insurance in own companies	-72 363	-50 151	44
Retail bonds, interest-bearing	2 616	2 583	1
Retail bonds, equity linked	27 755	29 912	-7
Total savings and investments	**1 453 525**	**1 422 055**	**2**

Note 20 Debt securities in issue

Group SEKm	31 dec 2009	31 dec 2008	%
Certificates with state guarantee	60 689	79 472	-24
Other certificates	49 884	60 458	-17
Covered bonds	341 372	271 236	26
Bonds with state guarantee	181 587	60 295	
Other interest-bearing bond loans	32 721	86 530	-62
Structured products	37 004	35 374	5
Total debt securities in issue	**703 257**	**593 365**	**19**

Turnover during the year	2009	2008
Certificates with state guarantee		
Opening balance, 1 January	79 472	0
Issued	140 406	77 072
Repurchased		
Repaid	-160 574	
Change in market values	156	115
Changes in exchange rates	1 229	2 285
Closing balance, 31 December	60 689	79 472
Other certificates		
Opening balance, 1 January	60 458	215 510
Issued	215 133	794 077
Repurchased		
Repaid	-226 466	-953 208
Change in market values	23	1 314
Changes in exchange rates	736	2 765
Closing balance, 31 December	49 884	60 458
Covered bonds		
Opening balance, 1 January	271 236	632
Issued	169 962	85 549
Repurchased	-80 348	-99 531
Repaid	-19 275	-80 509
Reclassificated to covered bonds		347 023
Change in market values	-203	18 075
Changes in exchange rates	0	-3
Closing balance, 31 December	341 372	271 236
Bonds with state guarantee		
Opening balance, 1 January	60 295	0
Issued	131 301	58 745
Repurchased		
Repaid	-921	
Change in market values	1 004	584
Changes in exchange rates	-10 092	966
Closing balance, 31 December	181 587	60 295
Other interest-bearing bond loans		
Opening balance, 1 January	86 530	438 052
Issued	3 622	57 492
Repurchased		
Repaid	-56 169	-108 824
Reclassificated to covered bonds		-309 877
Change in market values	-580	-260
Changes in exchange rates	-682	9 947
Closing balance, 31 December	32 721	86 530
Strucured products		
Opening balance, 1 January	35 374	20 046
Issued	14 637	151 507
Repurchased	-10 522	-1 349
Repaid	-2 431	-132 513
Reclassificated to covered bonds		-1 547
Change in market values	-4	-769
Changes in exchange rates	-50	-1
Closing balance, 31 December	37 004	35 374

Note 21 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 rate related 31 Dec 2009	 31 Dec 2008	Currency related 31 Dec 2009	 31 Dec 2008	Equity related 31 Dec 2009	 31 Dec 2008	Total 31 Dec 2009	 31 Dec 2008
Positive derivatives, hedge accounting								
Swaps, fair value hedge	2 455	2 377	62				2 517	2 377
Swaps, net investments in foreign operations				186				186
Total	**2 455**	**2 377**	**62**	**186**			**2 517**	**2 563**
Other positive derivatives								
Options	1 039	871	275	264	3 274	4 112	4 588	5 247
Forward contracts	6 261	20 507	9 108	37 891	4	66	15 373	58 464
Swaps	49 107	60 251	4 747	11 006			53 854	71 257
Other	0	0	3	4	12	36	15	40
Total	**56 407**	**81 629**	**14 133**	**49 165**	**3 290**	**4 214**	**73 830**	**135 008**
Nominal amount	4 567 839	4 495 306	439 806	493 677	92 654	30 277	5 100 299	5 019 260
Negative derivatives, hedge accounting								
Swaps, fair value hedge	185						185	
Swaps, cash flow hedge	798	902					798	902
Total	**983**	**902**					**983**	**902**
Other negative derivatives								
Options	776	464	398	220	1 597	1 019	2 771	1 703
Forward contracts	5 946	21 245	13 240	38 343	12	4	19 198	59 592
Swaps	47 336	56 415	5 248	7 585			52 584	64 000
Other		0	3	4	11	35	14	39
Total	**54 058**	**78 124**	**18 889**	**46 152**	**1 620**	**1 058**	**74 567**	**125 334**
Nominal amount	3 995 925	4 238 814	608 278	468 787	78 501	51 096	4 682 704	4 758 697

Derivatives with a value of SEK 3 378m (9 516) have, as a consequence of netting agreements, been recorded net in the balance sheet.

Note 22 Financial instruments carried at fair value

Group 31 dec 2009 SEKm	Instruments with quoted market prices in active markets (Level 1)	Valuation technique using observable data (Level 2)	Valuation technique using non-observable data (Level 3)	Total
Determination of fair value from quoted markets prices or valuation techniques				
Assets				
Treasury bills and other bills eligible for refinancing with central banks	87 563			87 563
Loans to credit institutions		20 886		20 886
Loans to the public		635 261		635 261
Bonds and other interest-bearing secutities	68 649	4 934	661	74 244
Fund shares for which the customers bear the investmenst risk	78 194			78 194
Shares and participating interests	9 322	133		9 455
Derivatives	3 850	69 110	9	72 969
Total	**247 578**	**730 324**	**670**	**978 572**
Liabilities				
Amounts owed to credit institutions		18 285		18 285
Deposits and borrowings from the public		26 273		26 273
Debt securities in issue, etc	111 468	200 691	142 332	454 491
Financial liabilities for which customers bear the investment risk		80 132		80 132
Derivatives	4 118	68 013	41	72 172
Total	**115 586**	**393 394**	**142 373**	**651 353**

The table above indicates financial instruments measured at fair value as of 31 December 2009 distributed by valuation level. Level 1 contains financial instruments where fair value is determined on the basis of quoted market prices on an active market. Level 2 contains financial instruments where fair value is determined on the basis of valuation models based on observable market inputs. Level 3 contains financial instruments where fair value is determined on the basis of valuation models based primarily on observable market data, but in this case also using internal estimates. Level 3 principally contains corporate bonds on the asset side and securities in issue on the liabilities side. For corporate bonds where there is no observable quoted price for the current credit spread, a reasonable assumption is used, such as a comparison with similar counterparties where there is an observable quoted price. Securities issued under the state guarantee programme contained terms that were unique to each issue and included the guarantee fee to the state. The valuation of these issues has been based on observable market inputs in the form of observable interbank rates, which have been adjusted for the difference between the interbank rate and the issue terms that existed at the time of issuance.

Note 23 Assets pledged for own liabilities, contingent liabilities and commitments

Group **SEKm**	**31 Dec 2009**	**31 Dec 2008**	**%**
Assets pledged for own liabilities	748 863	696 938	7
of which loans pledged for securities in issue	*610 456*	*567 363*	*8*
of which fund units pledged for policyholders	*80 647*	*52 904*	*52*
of which other assets pledged for own liabilities	*57 760*	*76 671*	*-25*
Contingent liabilities	31 415	43 860	-28
of which loan guarantees	*12 457*	*16 825*	*-26*
of which other guarantees	*16 504*	*22 864*	*-28*
of which accepted and endorsed notes	*227*	*234*	*-3*
of which letters of credit granted but not utilised	*1 878*	*3 138*	*-40*
of which other contingent liabilities	*349*	*799*	*-56*
Commitments	182 122	199 643	-9
of which loans granted but not paid	*126 190*	*131 361*	*-4*
of which overdraft facilities granted but not utilised	*55 932*	*68 282*	*-18*

Note 24 Capital adequacy

Swedbank financial companies Group SEKm	**31 Dec 2009**	**31 Dec 2008**	**% or pp**
Shareholders' equity according to the Group's balance sheet	89 670	86 230	4
Non-controlling interests	304	232	31
On the closing day non-paid capital		-3 010	
Deconsolidation of insurance companies	-1 130	-1 540	27
Associated companies consolidated according to purchase method	1 659	1 503	10
Shareholders' equity financial companies Group	**90 503**	**83 415**	**8**
Goodwill	-14 594	-16 515	12
Deferred tax assets	-1 206		
Intangible assets	-2 352	-2 188	-7
Net provisions for reported IRB credit exposures	-309	-1 197	74
Cash flow hedges	769	959	-20
Shareholdings deducted from Tier 1 capital	-27	-28	4
Shares in insurance companies	-313		
Total core Tier 1 capital	**72 471**	**64 446**	**12**
Tier 1 capital contribution with step up	8 683	9 174	-5
Tier 1 capital contribution without step up	535	535	0
Total Tier 1 capital	**81 689**	**74 155**	**10**
Undated subordinated loans	4 273	4 843	-12
Fixed-term subordinated loans	23 687	28 241	-16
Deduction remaining duration	-1 249	-1 085	-15
Net provisions for reported IRB credit exposures	-309	-1 197	74
Shareholdings deducted from Tier 2 capital	-27	-28	4
Shares in insurance companies	-313		
Total Tier 2 capital	**26 062**	**30 774**	**-15**
Shares in insurance companies	-1 966	-1 986	1
Total capital base	**105 785**	**102 943**	**3**
Risk-weighted assets	**603 431**	**696 505**	**-13**
Capital requirement for credit risks, standardised approach	3 454	20 528	-83
Capital requirement for credit risks, IRB	37 997	*28 908*	31
Capital requirement for settlement risks	0	1	
Capital requirement for market risks	2 579	2 396	8
of which risks in the trading book outside VaR	*784*	*1 015*	*-23*
of which currency risks outside VaR	*1 468*	*591*	
of which risks where VaR models are applied	*327*	*790*	*-59*
Capital requirement for operational risks	4 244	3 888	9
Capital requirement	**48 274**	**55 720**	**-13**
Complement during transition period	14 483	17 569	-18
Capital requirement including complement	**62 757**	**73 289**	**-14**
Capital quotient, Basel 2 [1)]	2.19	1.90	0.29
Core Tier 1 capital ratio, %, Basel 2 [1)]	12.0	9.7	2.3
Tier 1 capital ratio, %, Basel 2 [1)]	13.5	11.1	2.5
Total capital adequacy ratio, %, Basel 2 [1)]	17.5	15.2	2.3
Capital quotient, transition rules [1)]	1.69	1.45	0.24
Core Tier 1 capital ratio, %, transition rules [1)]	9.2	7.4	1.9
Tier 1 capital ratio, %, transition rules [1)]	10.4	8.4	2.0
Total capital adequacy ratio, %, transition rules [1)]	13.5	11.6	1.9

[1)] Including total subscribed capital 2008-12-31. SEK 3bn was subscribed but not paid capital at 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) and the capital adequacy ratio was 14.8 (11.2)

The Internal Ratings-Based Approach (IRB) is being successively rolled out in the Swedbank financial companies Group. In 2009 the method was applied to the Swedish business operations, including the branch offices in New York and Oslo, but excluding EnterCard and certain exposure classes such as the Swedish state and Swedish municipalities, where the method is considered less suitable. The IRK approach is also applied to the majority of exposure classes in the Baltic countries.

As of 31 December 2009 Swedbank financial companies Group included the Swedbank Group, the EnterCard Group, Sparbanken Rekarne 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 Credit risks, IRB SEKm	Exposure after credit risk protection 31 Dec 2009	31 Dec 2008	%	Average risk weighting, % 31 Dec 2009	31 Dec 2008	Capital requirement 31 Dec 2009	31 Dec 2008	%
Institutional exposures	79 011	64 049	23	29	26	1 834	1 339	37
of which repurchase agreements	*1 327*	*2 547*	*-48*	*7*	*6*	*7*	*12*	*-42*
of which other lending	*77 684*	*61 502*	*26*	*29*	*27*	*1 827*	*1 327*	*38*
Corporate exposures	447 224	348 142	28	77	73	27 582	20 257	36
of which repurchase agreements	*1 657*	*552*		*3*	*28*	*4*	*13*	*-69*
of which other lending	*445 567*	*347 590*	*28*	*77*	*73*	*27 577*	*20 245*	*36*
Retail exposures	833 222	695 841	20	11	10	7 407	5 402	37
of which repurchase agreements	*6*	*1*		*22*	*54*	*0*	*0*	
of which mortgage lending	*740 507*	*628 231*	*18*	*8*	*6*	*4 613*	*3 158*	*46*
of which other lending	*92 709*	*67 609*	*37*	*38*	*42*	*2 794*	*2 244*	*25*
Securitisation	6 753	7 762	-13	12	12	64	73	-12
Other non credit-obligation asset exposures	48 380	53 761	-10	29	43	1 110	1 837	-40
Total credit risks, IRB	**1 414 590**	**1 169 555**	**21**	**34**	**31**	**37 997**	**28 908**	**31**

Capital base

A deduction was made from the capital base for the difference between expected losses and provisions in the accounts for the part of the portfolio calculated according to IRB. 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 based on 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

Associated companies with the exception of the partly owned banks, a few minor subsidiaries and the subsidiaries in Russia and Ukraine use the standardised approach to calculate credit risks.

Capital requirements for credit risks according to IRB

The capital adequacy requirement for the portion of the portfolio calculated according to IRB has increased by 31 per cent since the start of the year. The change is primarily due to the transition to the IRB method from the standardised method in Baltic Banking and in Swedbank Finance, as a result of which a corresponding decrease in the requirement arose. The average risk weighting in the additional IRB portfolios is significantly higher than for the previously reported Swedish IRB portfolios. For the Baltic portfolios, the average risk weighting was 66 per cent. For Swedbank Finans' portfolios the average risk weighting was 59 per cent and 28 per cent for other portfolios. For the Baltic retail exposures, the average risk weighting was 32 per cent, for Swedbank Finans' portfolios 18 per cent and 8 per cent for other portfolios.

Market risks

Under current regulations, capital adequacy for market risks can be based either on a standardised approach or on an internal Value at Risk model, which requires the approval of the Swedish FSA. In 2004, the parent company received permission from 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 its 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 operations, Swedbank AS, 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 approach prescribed in the capital adequacy regulations. The change in the approach 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 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 are reported as credit risks in accordance with the new regulations.

Operational risk

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

Transitional rules

The new capital adequacy rules are being introduced gradually. According to the transitional rules, the capital adequacy requirement in 2009 may amount to 80 per cent of the requirement according to the 2009 Basel 1 rules. In 2008 the corresponding figure was 90 per cent and in 2007 it was 95 per cent. The transition period is prolonged and is now valid through 2011.

Note 25 Risks and uncertainties

Swedbank's earnings are affected by changes in the marketplace over which it has no control, including macroeconomic changes and 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 US dollars. In the event of a devaluation of the domestic currency in any of these countries, three main 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 would produce an exchange rate gain, since the company has larger assets than liabilities in foreign currencies (euro or dollar). Secondly, a negative translation effect would arise 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 would not be reported in the consolidated income statement but would be 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 currencies, which would become higher in the local currency. This would eventually lead to higher impairment losses in the subsidiary.

The effects of changes in the marketplace on Swedbank's operations are described in more detail in the year-end report's sections on operating segments. In addition to what is stated in this year-end report, a detailed description of risk factors is provided in the prospectus for Swedbank's rights issue from September 2009. The Group's risks and risk control are also described in detail in Swedbank's annual report and in the annual disclosure on risk management and capital adequacy according to the Basel 2 rules, available on www.swedbank.com.

Note 26 Related-party transactions

During the period normal business transactions were executed between companies in the Group, including associates, other related companies, and foundations which secure compensation to former employees and top management (key persons). Significant associates include partly-owned savings banks, Swedbank's pension foundations and Sparinstitutens Pensionskassa SPK. They use Swedbank for the usual banking services.

The associated company Färs & Frosta Sparbank has acquired 3 720 000 shares in Swedbank, partly in connection with the two rights issues. The Group's share of these shares has reduced equity in the consolidated statements by SEK 58m.

Note 27 Swedbank's share

SWED A and SWED PREF	31 Dec 2009	31 Dec 2008	%
SWED A			
Share price, SEK	71.00	44.40	60
No. of ordinary shares in issue	939 953 583	515 373 412	82
Market capitalisation, SEKm	66 737	22 883	
SWED PREF			
Share price, SEK	70.50	44.40	59
No. of subscribed preference shares in issue	219 636 594	194 985 456	13
Market capitalisation, SEKm	15 484	8 657	79
Total market capitalisation, SEKm	**82 221**	**31 540**	

Swedbank's share, ticker symbol SWED A and the preference share, ticker symbol SWED PREF, are listed on the OMX Nordic Exchange and traded in the Large cap segment.

Average number of shares in issue	Q4 2009	Q3 2009	Q4 2008	Full-year 2009	Full-year 2008
Average number of shares in issue before and after dilution	986 470 586	933 774 426	659 356 567	986 470 586	659 356 567

A rights issue was finalised 26 November 2009. The average number of shares outstanding has therefore been adjusted for the rights issue's bonus issue element of 21% for all periods. The average number of shares aoutstanding in 2008 has also been adjusted for the rights issue in 2008. The average number of shares outstanding after the rights issue is 1 159 590 177, of which 219 636 594 are preference shares and 939 953 583 are ordinary shares.
After deduction of the Group's share of associate's holdings in Swedbank shares the number outstanding shares is 1 158 474 177.

Number of shares in issue on the closing day	31 Dec 2009	31 Dec 2008
Ordinary shares	939 953 583	515 373 412
Subscribed and paid preference shares	219 636 594	194 985 456
Subscribed but not paid preference shares		62 701 250
Associate's acquisition of shares	-1 116 000	
Total number of shares in issue on the closing day	**1 158 474 177**	**773 060 118**

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 outstanding preference shares will be converted to 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. During 2009 38 050 112 preference shares was converted to ordinary shares.

Note 28 Ratings

Dec 2009	Swedbank		Swedbank Mortgage		Covered bonds	Swedbank AS	
Standard & Poor's							
Short	A-1	N	A-1	N			
Long	A	N			AAA*		
Moody's							
Short	P-1	N	P-1	N		P-3	N
Long	A2	N	A2	N	Aaa	Baa3	N
Financial strength (BFSR)	D+					D-	

* On credit watch since 16 December 2009 due to revised rating criterion.

P=positive outlook, S=stable outlook, N=negative outlook

BFSR = Bank financial strength rating

For more information about ratings, see page 12.

Note 29 Exchange rates

	31 Dec 2009	31 Dec 2008
SEK/EUR, average rate	10.615	9.627
SEK/EUR, closing day rate	10.283	10.935
SEK/EEK, average rate	0.678	0.615
SEK/EEK, closing day rate	0.657	0.699
SEK/UAH, average rate	0.953	1.255
SEK/UAH, closing day rate	0.893	1.006
SEK/RUB, average rate	0.241	0.264
SEK/RUB, closing day rate	0.237	0.263
SEK/USD, average rate	7.627	6.572
SEK/USD, closing day rate	7.191	7.720
UAH/USD, closing day rate	8.050	7.800
RUB/USD, closing day rate	30.305	30.525

As of 2009 the continuous average rate is calculated as the average of the previous month’s closing day rate and the actual month’s closing day rate for each month in the period.

Swedbank AB

Income statement

Parent company SEKm	Q4 2009	Q3 2009	%	Q4 2008	%	Full-year 2009	Full-year 2008	%
Interest income	*6 643*	*7 112*	*-7*	*12 946*	*-49*	*31 498*	*47 066*	*-33*
Interest expenses	*-4 426*	*-4 805*	*-8*	*-10 520*	*-58*	*-21 936*	*-38 237*	*-43*
Net interest income	**2 217**	**2 307**	**-4**	**2 426**	**-9**	**9 562**	**8 829**	**8**
Dividends received	1 232	15		1 356	-9	1 493	1 583	-6
Commission income	*1 490*	*1 399*	*7*	*1 310*	*14*	*5 522*	*5 462*	*1*
Commission expenses	*-368*	*-378*	*-3*	*-368*	*0*	*-1 562*	*-1 252*	*25*
Net commissions	**1 122**	**1 021**	**10**	**942**	**19**	**3 960**	**4 210**	**-6**
Net gains and losses on financial items at fair value	-398	61		83		587	855	-31
Other income	368	335	10	1 199	-69	1 709	2 519	-32
Total income	**4 541**	**3 739**	**21**	**6 006**	**-24**	**17 311**	**17 996**	**-4**
Staff costs	1 186	1 664	-29	1 706	-30	6 136	6 568	-7
Other expenses	1 397	1 094	28	1 278	9	4 880	4 470	9
Depreciation/amortisation	85	90	-6	97	-12	359	395	-9
Total expenses	**2 668**	**2 848**	**-6**	**3 081**	**-13**	**11 375**	**11 433**	**-1**
Profit before impairments	**1 873**	**891**		**2 925**	**-36**	**5 936**	**6 563**	**-10**
Impairment of financial fixed assets	3 022			2 965	2	7 114	2 965	
Impairment of tangible assets	2					2		
Credit impairments	989	348		269		2 536	762	
Operating profit	**-2 140**	**543**		**-309**		**-3 716**	**2 836**	
Appropriations	5 037	2		-690		5 039	-690	
Tax expense	1 604	160		71		2 155	830	
Profit for the period	**1 293**	**385**		**-1 070**		**-832**	**1 316**	

Statement of comprehensive income

Parent company SEKm	Q4 2009	Q3 2009	%	Q4 2008	%	Full-year 2009	Full-year 2008	%
Profit for the period reported via income statement	**1 293**	**385**		**-1 070**		**-832**	**1 316**	
Cash flow hedges:								
-Gains/losses arising during the period	71	-121		-1 116		-573	-1 365	-58
-Reclassification adjustments to income statement, net interest income	199	202	-1	143	39	790	103	
-Reclassification adjustments to income statement, net gains and losses on financial items at fair value	-75	31				37		
Group contributions paid	-7			-588	-99	-9	-589	-98
Income tax relating to components of other comprehensive income	-48	-30	60	416		-64	497	
Other comprehensive income for the period, net of tax	**140**	**82**	**71**	**-1 145**		**181**	**-1 354**	
Total comprehensive income for the period	**1 433**	**467**		**-2 215**		**-651**	**-38**	
Total comprehensive income attributable to the shareholders of Swedbank AB	**1 433**	**467**		**-2 215**		**-651**	**-38**	

Balance sheet

Parent company SEKm	31 Dec 2009	31 Dec 2008	%
Assets			
Loans to credit institutions	464 458	522 327	-11
Loans to the public	413 350	397 515	4
Interest-bearing securities	262 851	261 666	0
Shares and participating interests	50 990	48 777	5
Derivatives	80 438	133 982	-40
Other assets	38 770	37 553	3
Total assets	**1 310 857**	**1 401 820**	**-6**
Liabilities and equity			
Amounts owed to credit institutions	339 875	425 284	-20
Deposits and borrowings from the public	394 054	393 079	0
Debt securities in issue, etc	340 929	278 051	23
Derivatives	82 460	136 639	-40
Other liabilities and provisions	57 354	79 011	-27
Subordinated liabilities	37 151	42 677	-13
Untaxed reserves	816	5 855	-86
Equity	58 218	41 224	41
Total liabilities and equity	**1 310 857**	**1 401 820**	**-6**
Assets pledged for own liabilities	192 303	304 160	-37
Other assets pledged	1 922	3 350	-43
Contingent liabilities	408 045	36 862	
Commitments	151 526	157 325	-4

Statement of changes in equity

Parent company SEKm	Share capital	Share premium reserve	Statutory reserve	Cash flow hedges	Retained earnings	Total
Opening balance 1 January, 2008	**10 823**		**6 489**		**19 623**	**36 935**
Dividends					-4 639	-4 639
New share issue	4 095	5 265				9 360
Expenses in connection with new share issue		-394				-394
Total comprehensive income for the period				-930	892	-38
Closing balance 31 December, 2008	**14 918**	**4 871**	**6 489**	**-930**	**15 876**	**41 224**
Opening balance 1 January, 2009	**14 918**	**4 871**	**6 489**	**-930**	**15 876**	**41 224**
New share issue	9 433	8 650				18 083
Expenses in connection with new share issue		-438				-438
Total comprehensive income for the period				187	-838	-651
Closing balance 31 December, 2009	**24 351**	**13 083**	**6 489**	**-743**	**15 038**	**58 218**

Cash flow statement

Parent company SEKm	Full-year 2009	Full-year 2008
Cash flow from operating activities	4 741	78 912
Cash flow from investing activities	821	-61 895
Cash flow from financing activities	79 230	60 275
Cash flow for the period	**84 792**	**77 292**
Cash and cash equivalents at beginning of period	187 118	109 826
Cash flow for the period	84 792	77 292
Cash and cash equivalents at end of period	**271 910**	**187 118**

Capital adequacy

Parent company SEKm	**31 Dec 2009**	**31 Dec 2008**	**% or pp**
Core Tier 1 capital	57 377	43 870	31
Tier 1 capital contribution	9 218	8 277	11
Total Tier 1 capital	**66 595**	**52 147**	**28**
Tier 2 capital	25 952	31 882	-19
Settlements, equities, etc.	-555	-555	0
Total capital base	**91 992**	**83 474**	**10**
Risk-weighted assets	**465 046**	**539 724**	**-14**
Capital requirement	**37 204**	**43 178**	**-14**
Capital requirement including complement	**37 204**	**43 178**	**-14**
Capital quotient*	2.47	1.93	0.54
Core Tier 1 capital ratio, %*	12.3	8.1	4.2
Tier 1 capital ratio, %*	14.3	9.7	4.7
Total capital adequacy ratio, %*	19.8	15.5	4.3

* Key ratios refers to both transition rules and Basel 2.

Signatures of the Board of Directors and the President

The Board of Directors and the President certify that the year-end report for 2009 provides a fair and accurate overview of the operations, financial position and results of the Parent company and the Group and describes the significant risks and uncertainties faced by the Parent company and the companies in the Group.

Stockholm, 8 February 2010

Carl Eric Stålberg Chair	Anders Sundström Deputy Chair

Ulrika Francke Board Member	Berith Hägglund-Marcus Board Member	Anders Igel Board Member
Helle Kruse Nielsen Board Member	Pia Rudengren Board Member	Karl-Henrik Sundström Board Member
Monica Hellström Board Member Employee Representative	Kristina Janson Board Member Employee Representative	Michael Wolf President

Review report

Introduction

We have reviewed the year-end report for Swedbank AB (publ) for 2009. The Board of Directors and the President are responsible for the preparation and presentation of this year-end 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 year-end 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 year-end 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, 8 February 2010

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

Swedbank will publish financial results on the following dates in 2010:

Interim report for the first quarter on 27 April 2010
Interim report for the second quarter on 22 July 2010
Interim report for the third quarter on 21 October 2010

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