Second quarter 2010

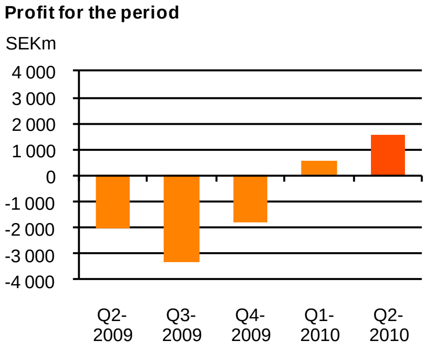
compared with the first quarter 2010

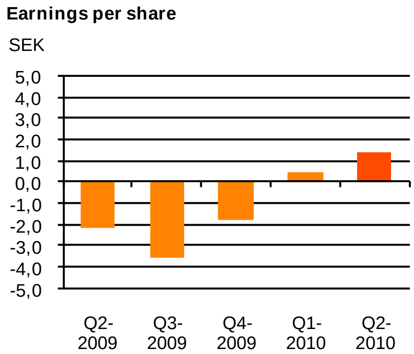
- The result for the period was SEK 1 567m (536)
- Earnings per share were SEK 1.36 (0.46)
- The return on equity was 7.0 per cent (2.4)
- The cost/income ratio was 0.57 (0.57)
- Net interest income decreased by 6 per cent to SEK 3 799m (4 023)
- Profit before impairments excluding non-recurring items increased by 2 per cent to SEK 3 333m (3 276)
- Credit impairments amounted to SEK 963m (2 210). Provisions for loan losses amounted to SEK 846m (1 781). Net write-offs amounted to SEK 117m (429). The credit impairment ratio was 0.28 per cent (0.64)
- The Tier 1 capital ratio according to Basel 2 increased to 14.0 per cent (13.5 per cent on 31 December 2009). According to transition rules, the Tier 1 ratio increased to 10.5 per cent (10.4). The core Tier 1 capital ratio was 12.7 per cent (12.0) according to Basel 2 and 9.5 per cent (9.2) according to the transition rules.

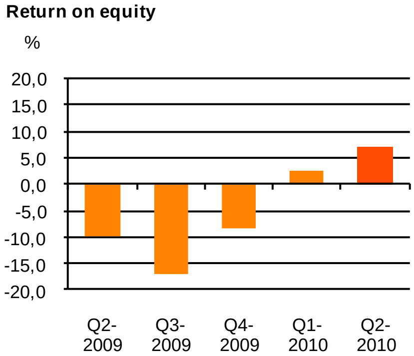
January-June 2010

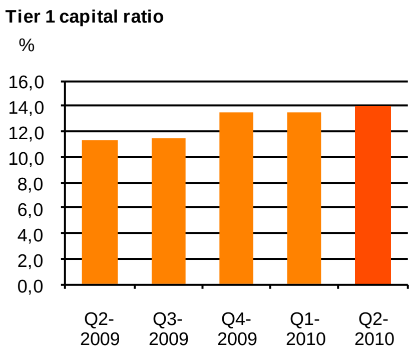
compared with January-June 2009

- The result for the period was SEK 2 103m (-5 370)
- Earnings per share were SEK 1.82 (-5.75)
- The return on equity was 4.7 per cent (-12.8)
- The cost/income ratio was 0.57 (0.48)
- Net interest income decreased by 29 per cent to SEK 7 822m (11 046)
- Profit before impairments excluding non-recurring items decreased by 29 per cent to SEK 6 609m (9 282)
- Credit impairments amounted to SEK 3 173m (13 517). Provisions for loan losses amounted to SEK 2 627m (12 690). Net write-offs amounted to SEK 546m (827). The credit impairment ratio was 0.46 per cent (1.91)









CEO Comment

Swedbank continues its positive trend. During the second quarter of 2010 we posted a profit of SEK 1.6bn, an increase of 192 per cent compared with the first quarter. The improvement is primarily the result of lower credit impairments.

In the Baltic countries credit quality has improved more rapidly than anticipated which meant that credit losses have decreased strongly. In Russia and Ukraine, minor recoveries were made for the second consecutive quarter. Credit quality remains strong in Sweden.

Macroeconomic development in our home markets has been favourable. At the same time, we can see increasing financial concerns in many places in Europe entailing a risk of a backlash. During the second quarter, the results of our efforts continued to be felt in the form of decreased risk levels at the bank. We have strengthened credit quality, capitalisation, access to funding and the funding structure.

In line with our expectations, net interest income fell during the quarter; however, a number of factors are gradually starting to impact net interest income positively. Market interest rates have risen from very low levels pushing up interest rate margins. Our interaction with the corporate market resulted in a higher number of credit applications whilst repricing continues as fixed-rate contracts mature.

Management's primary focus since the first quarter of 2009 has been to secure the bank's financial sustainability. As we gradually phase out this work, we will spend more time on operational development in the business areas. We need to increase efficiency. Credit demand will be the deciding factor for how our costs will be allowed to develop. We will make selective investments to improve our earnings potential in the future.

The Baltic economies continue to stabilise. Estonia's EMU accession in 2011 will strengthen confidence in the country's economy and increase interest in direct investment. In the second quarter of 2010, Swedbank posted a profit in Estonia for the first time since 2008. However, development in the Baltic countries could be adversely affected by new legislation on private debt rescheduling and insolvency. Swedbank is positive to consumer protection. However, if new legislation, that significantly deviates from the EU standard, is adopted, it could diminish the possibility for individual consumers to obtain loans as well as prolong the recovery period. Our work in the Baltic countries has been acknowledged by Euromoney which recently named Swedbank in Estonia and Lithuania as the best bank in each respective country.

A return to traditional retail banking with lower risks positively impacted Swedbank's access to international funding markets. Moody's, the credit rating agency, recently removed its negative outlook rating for Swedbank. In the first half-year, we raised around SEK 150bn in long-term funding of which around SEK 50bn during the second quarter. As a comparison, long-term funding totalling around SEK 140bn will mature in 2010.

Swedbank is the bank for the many households and thus has a responsibility to clarify the risks we can see regarding our customers' long-term financial situations. We have thus instituted stricter requirements regarding loan-to-value ratio for mortgages and have been actively engaged in a debate on customer risk-taking when borrowing money for their homes. As a result of this debate, we have seen a change in customer behaviour towards longer fixed interest rates and an increased willingness to amortise. In June, our market share for new lending rose again to 18 per cent. Given our market position and distribution capacity, this trend should continue.

As part of our community engagement, Swedbank has established a programme called Young Jobs with the goal of helping young people enter the labour market in Sweden. Together with the savings banks and our customers, the initiative created more than 1 000 trainee positions for young job applicants in the first six months of this year.

We are heading in the right direction. Our position has gradually strengthened and the measures we have accomplished have provided us with a solid, financial resilience. There remains a good deal of work to be done to reach our full potential and we are committed to doing more business with our customers. Assuming that the global macroeconomy develops according to current expectations, we believe our results will continue to improve.

Michael Wolf
President and Chief Executive Officer

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More detailed information can be found in Swedbank's fact book, www.swedbank.com/ir, under Financial information and publications.

Financial summary

Income statement SEKm	Q2 2010	Q1 2010	%	Q2 2009	%	Jan-Jun 2010	Jan-Jun 2009	%
Net interest income	3 799	4 023	-6	5 243	-28	7 822	11 046	-29
Net commissions	2 395	2 282	5	1 970	22	4 677	3 344	40
Net gains and losses on financial items at fair value	822	647	27	710	16	1 469	2 421	-39
Other income	756	715	6	1 311	-42	1 471	1 847	-20
Total income	**7 772**	**7 667**	**1**	**9 234**	**-16**	**15 439**	**18 658**	**-17**
Staff costs	2 423	2 375	2	2 282	6	4 798	4 823	-1
Other expenses	2 000	2 016	-1	2 121	-6	4 016	4 199	-4
Total expenses	**4 423**	**4 391**	**1**	**4 403**	**0**	**8 814**	**9 022**	**-2**
Profit before impairments	**3 349**	**3 276**	**2**	**4 831**	**-31**	**6 625**	**9 636**	**-31**
Impairment of intangible assets		14				14	1 305	-99
Impairment of tangible assets	128	36		8		164	20	
Credit impairments	963	2 210	-56	6 672	-86	3 173	13 517	-77
Operating profit	**2 258**	**1 016**		**-1 849**		**3 274**	**-5 206**	
Tax expense	672	469	43	145		1 141	132	
Profit for the period	1 586	547		-1 994		2 133	-5 338	
Profit for the period attributable to the shareholders of Swedbank AB	**1 567**	**536**		**-2 012**		**2 103**	**-5 370**	

Key ratios and data per share	Q2 2010	Q1 2010	Q2 2009	Jan-Jun 2010	Jan-Jun 2009
Return on equity, %	7.0	2.4	-9.9	4.7	-12.8
Earnings per share, SEK [1)]	1.36	0.46	-2.16	1.82	-5.75
Cost/income ratio	0.57	0.57	0.48	0.57	0.48
Equity per share, SEK [1)]	78.48	77.04	104.71	78.48	104.71
Capital quotient, transition rules	1.68	1.68	1.57	1.68	1.57
Core Tier 1 capital ratio, %, transition rules	9.5	9.4	8.0	9.5	8.0
Tier 1 capital ratio, %, transition rules	10.5	10.3	9.2	10.5	9.2
Capital adequacy ratio, %, transition rules	13.4	13.4	12.6	13.4	12.6
Capital quotient, Basel 2	2.23	2.19	1.93	2.23	1.93
Core Tier 1 capital ratio, %, Basel 2	12.7	12.3	9.8	12.7	9.8
Tier 1 capital ratio, %, Basel 2	14.0	13.5	11.3	14.0	11.3
Capital adequacy ratio, %, Basel 2	17.9	17.5	15.4	17.9	15.4
Credit impairment ratio, %	0.28	0.64	1.87	0.46	1.91
Share of impaired loans, gross, %	2.90	2.89	2.09	2.90	2.09
Total provision ratio for impaired loans, %	64	66	63	64	63

[1)] The number of shares is specified on page 54.

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

Balance sheet data SEKbn	30 Jun 2010	31 Dec 2009	%	30 Jun 2009	%
Loans to the public	1 239	1 291	-4	1 276	-3
Deposits and borrowings from the public	529	504	5	469	13
Shareholders' equity	91	90	1	81	12
Total assets	1 905	1 795	6	1 796	6
Risk weighted assets, Basel 2	579	603	-4	651	-11
Risk weighted assets, transition rules	772	784	-2	798	-3
Risk weighted assets, Basel 1	969	990	-2	1 030	-6

Overview

The second quarter of 2010 was affected by renewed concerns in the global financial markets due to the weak finances of several European countries and increased economic uncertainty going forward as public deficits are addressed. A tightening economy in China and its impact globally are another factor that led to increased volatility in the financial markets. The Swedish economy, however, is on a stable footing, especially in terms of its public finances, which are among Europe's strongest. The Estonian economy has also proven its strength, with stable government finances and EMU accession scheduled for next year.

According to the latest available data, Sweden's GDP grew by 3.0 per cent during the first quarter compared with the same period last year. In Estonia, GDP decreased by 2.0 per cent, compared with a decline of 6.0 per cent in Latvia and 2.8 per cent in Lithuania.

The Swedish Riksbank raised the repo rate by 25bp to 0.50 per cent on 1 July. The key Stibor 3-month rate, which had remained around 0.50 per cent since autumn 2009, gradually rose during the second quarter and was 0.79 per cent on 30 June. Euribor rates rose slightly due to higher risk premiums, but the ECB has postponed any rate hikes due to the eurozone's economic difficulties.

The Swedish krona rose by slightly over 2 per cent against the euro during the second quarter and by 12 per cent in one year. In relation to the dollar, the krona weakened by nearly 9 per cent during the quarter and by 1 per cent in one year.

Jittery financial markets contributed to large fluctuations in global stock markets. The Stockholm stock exchange (OMXSPI) dropped by 5 per cent during the second quarter after having bottomed out in late May. The Tallinn stock exchange (OMXT) fell by 9 per cent, while the Riga stock exchange (OMXR) gained 9 per cent and the Vilnius stock exchange (OMXV) lost 3 per cent.

Second quarter 2010

Quarterly profit attributable to the shareholders increased by 192 per cent from the previous quarter to SEK 1 567m. The main reason for the profit improvement was lower credit impairments. The return on equity was 7.0 per cent (2.4). The cost/income ratio was 0.57 (0.57).

Profit before impairments excluding non-recurring items increased by 2 per cent to SEK 3 333m despite continued pressure on net interest income. In Baltic Banking, the negative trend was broken and profit before impairments rose by 16 per cent in local currency thanks to a further reduction in costs and improved net interest income resulting from lower funding costs. Retail's profit before impairments improved as well.

Profit before impairments excluding non-recurring items by business area SEKm	**Q2 2010**	**Q1 2010**	**Q2 2009**
Retail	1 698	1 662	1 878
Large Corporates & Institutions	795	893	1 376
Baltic Banking	826	712	900
Russia & Ukraine	-47	27	231
Asset Management	177	207	148
Ektornet	-46	-37	
Shared Services & Group Staffs	-70	-235	-656
Total excl FX effects	**3 333**	**3 230**	**3 877**
FX effects		46	120
Total	**3 333**	**3 276**	**3 997**

Non-recurring items by business area (BA) SEKm	**BA**	**Q2 2010**	**Q1 2010**	**Q2 2009**
Income				
Branch sales	RETAIL	3		374
VISA Sweden	RETAIL			322
Repayment fund management fees	AM			-60
MasterCard	BB	13		
Total income		**16**	**0**	**636**
Expenses				
Dissolved bonus reserve	BB			-198
Total expenses		**0**	**0**	**-198**
Impairments				
Impairment of goodwill	R&U		14	
Total impairments		**0**	**14**	**0**
Tax				
Branch sales	RETAIL	1		99
Repayment fund management fees	AM			-16
Dissolved bonus reserve	BB			28
MasterCard	BB	2		
Total tax		**3**	**0**	**111**
Profit for the period		**13**	**-14**	**723**

Income excluding non-recurring items amounted to SEK 7 756m, an increase of 1 per cent from the previous quarter. The increase was mainly due to higher net gains and losses on financial items at fair value.

Income analysis Group SEKm	Q2 2010	Q1 2010	Q2 2009
Lending	2 648	2 696	3 257
Deposits	1 167	1 183	1 177
Treasury, trading and capital market products	1 230	1 104	1 695
Asset management	1 020	1 015	813
Payments and cards	830	803	781
Insurance	236	189	236
Associates	160	146	141
Other income	523	515	273
Stability fee	-58	-57	
Non-recurring items	16		636
Total excl FX effects	**7 772**	**7 594**	**9 009**
FX effects		73	225
Total	**7 772**	**7 667**	**9 234**

Net interest income decreased by SEK 224m or 6 per cent. In Russia & Ukraine, net interest income fell by SEK 89m due to declining business volumes. Within Group Treasury (Shared Services & Group Staffs), the net interest income declined as a result of increased funding costs, mismatch between funding and lending (nose and tail effects) and lower contribution from hedging of low-yielding deposits accounts and equity. Net interest income was positively affected by the impact of gradually rising Swedish market rates and lower local market rates in the Baltic countries.

Net commission income rose by 5 per cent from the previous quarter. This was mainly due to increased income from payment processing and corporate finance.

Net gains and losses on financial items at fair value increased by 27 per cent. The increase was mainly in Group Treasury within Shared Services & Group Staffs. Ineffective hedge accounting in connection with capital market funding positively affected net gains and losses on financial items at fair value during the quarter. Income from fixed income and currency trading within Large Corporates & Institutions was lower. The scope of cash flow hedges within Group Treasury was expanded as of the second quarter, which will reduce volatility in net gains and losses on financial items at fair value.

Expenses increased by nearly 1 per cent from the previous quarter. The increase was primarily the result of higher variable staff costs in the subsidiary First Securities. Expenses for problem loans and repossessed collateral in FR&R as well as Ektornet amounted to SEK 174m (167). Expenses in Baltic Banking excluding FR&R decreased by SEK 6m or 1 per cent in local currency. In Russia & Ukraine, the decrease in expenses excluding FR&R was SEK 10m or 4 per cent in local currency. The number of full-time positions decreased during the quarter by 734, of which 97 were in Baltic Banking, 425 in Ukraine, 142 in Russia and 109 in Retail.

Expense analysis Group SEKm	Q2 2010	Q1 2010	Q2 2009
Dissolved bonus reserve			**-198**
FR&R and Ektornet	**174**	**167**	**142**
Retail	2 290	2 236	2 313
Large Corporates & Institutions	765	724	726
Baltic Banking	619	625	686
Russia & Ukraine	218	228	292
Asset Management	212	197	199
Other and eliminations	145	188	138
Current franchise	**4 249**	**4 197**	**4 355**
Total excl FX effects	**4 423**	**4 364**	**4 299**
FX effects		27	104
Total	**4 423**	**4 391**	**4 403**

Credit impairments fell to SEK 963m (2 210), of which SEK 1 096m (2 103) related to Baltic Banking. Russia & Ukraine reported net recoveries of SEK 139m (recoveries of SEK 41m). Large Corporates & Institutions also reported net recoveries. The credit impairment ratio fell to 0.28 per cent (0.64).

The tax expense amounted to SEK 672m, corresponding to an effective tax rate of 30 per cent. Against the backdrop of an advance notification from the Council on Advance Tax Rulings concerning income in life insurance companies, an additional tax allocation of SEK 66m was made in Swedbank Försäkring, of which SEK 49m relates to 2008-2009.

Under unchanged conditions, the Group will continue to have a high effective tax rate, since losses and profits are generated in legal units that cannot be consolidated for taxation purposes and the losses are in legal entities with lower corporate tax rates than Sweden’s 26.3 per cent.

Other comprehensive income in the quarter amounted to SEK 98m (-869) and was affected mainly by exchange rate differences on the translation of foreign operations and cash flow hedges.

January-June 2010

Result

Swedbank reported a profit of SEK 2 103m for the first half-year, compared with a loss of SEK 5 370m in the previous year. Significantly lower credit impairments were the primary reason for the loss becoming a profit. The return on equity was 4.7 per cent (-12.8). The cost/income ratio was 0.57 (0.48).

Profit before impairments excluding non-recurring items decreased by 29 per cent to SEK 6 609m. Among the business areas, only Asset Management reported a higher profit, due to a larger volume of assets under management. The largest profit decrease was in Large Corporates & Institutions, where the trading operations had its best year ever in 2009 due to very favourable trading conditions during the first six months.

Profit before impairments excluding non-recurring items by business area SEKm	Jan-Jun 2010	Jan-Jun 2009
Retail	3 360	3 830
Large Corporates & Institutions	1 692	3 427
Baltic Banking	1 574	1 999
Russia & Ukraine	-20	525
Asset Management	385	216
Ektornet	-83	
Shared Services & Group Staffs	-299	-930
Total excl FX effects	**6 609**	**9 067**
FX effects		215
Total	**6 609**	**9 282**

Non-recurring items by business area (BA) SEKm	BA	Jan-Jun 2010	Jan-Jun 2009
Income			
Branch sales	RETAIL	3	374
VISA Sweden	RETAIL		322
Repayment fund management fees	AM		-540
MasterCard	BB	13	
Total income		**16**	**156**
Expenses			
Dissolved bonus reserve	BB		-198
Total expenses		**0**	**-198**
Impairments			
Impairment of goodwill	LC&I		5
Impairment of goodwill	R&U	14	1 300
Total impairments		**14**	**1 305**
Tax			
Branch sales	RETAIL	1	99
Repayment fund management fees	AM		-150
Dissolved bonus reserve	BB		28
MasterCard	BB	2	
Total tax		**3**	**-23**
Profit for the period		**-1**	**-928**

Income excluding non-recurring items amounted to SEK 15 423m, a decrease of 17 per cent. Income from treasury, trading and capital market products posted the largest decrease from the record levels of 2009.

Lending[1] decreased by SEK 82bn or 7 per cent in one year. Volumes fell in the Baltic countries, Russia and Ukraine. In Sweden and the other Nordic countries, corporate lending decreased, while mortgage lending to private customers rose. This shift resulted in lower interest income and lower average interest margins, since interest margins are lower in Sweden than in the other countries and lower on mortgages than on corporate lending.

On an annual basis, net interest income on deposits was affected by lower 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.

Income from asset management posted the most positive trend, mainly due to a strong appreciation in equity-related assets under management.

Fluctuations in exchange rates, primarily the rise in the krona against the euro and the Baltic currencies, reduced reported income by SEK 434m.

Income analysis Group SEKm	Jan-Jun 2010	Jan-Jun 2009
Lending	5 373	6 790
Deposits	2 368	2 518
Treasury, trading and capital market products	2 342	4 416
Asset management	2 023	1 478
Payments and cards	1 609	1 586
Insurance	439	437
Associates	306	238
Other income	1 078	605
Stability fee	-115	
Non-recurring items	16	156
Total excl FX effects	**15 439**	**18 224**
FX effects		434
Total	**15 439**	**18 658**

Net interest income decreased by SEK 3 224m or 29 per cent. The net interest income was negatively affected primarily by lower income from trading, shrinking lending volumes, increased costs for wholesale funding, and reduced deposit margins. In addition the net interest income was negatively affected by reduced lending margins, lower contributions from hedging of low-yielding deposit accounts and equity, mismatch between funding and lending (nose and tail effects), increased costs for liquidity reserves, and stability fees.

Work on price adjusting the loan portfolio to better reflect risk and actual funding costs was actively pursued throughout last year and is still ongoing, primarily in Large Corporates & Institutions.

Net commission income increased by 20 per cent, excluding the non-recurring expense for refunded fund management fees in Asset Management last year. Income from asset management increased by 32 per cent due to an equity-related appreciation in assets under management.

Net gains and losses on financial items at fair value decreased by 39 per cent. The result from trading operations in Large Corporates & Institutions was extremely high in 2009, however, due to market conditions. Within Group Treasury (Shared services & Group Staffs) ineffective hedge accounting in connection with capital market funding positively affected net gains and losses on financial items at fair value. The impact on earnings will be small over time although there could be significant volatility between the quarters.

Expenses excluding dissolved bonus reserves in Baltic Banking last year decreased by 4 per cent. Expenses for problem loans and repossessed collateral in FR&R as well as Ektornet amounted to SEK 341m (165).

[1] Lending to the public excluding the Swedish National Debt Office and repos

Expenses in Baltic Banking excluding FR&R decreased by SEK 285m or 18 per cent in local currency. In Russia & Ukraine, expenses excluding FR&R fell by SEK 155m or 26 per cent in local currency.

Expense analysis Group SEKm	Jan-Jun 2010	Jan-Jun 2009
Dissolved bonus reserve		**-198**
FR&R and Ektornet	**341**	**165**
Retail	4 527	4 499
Large Corporates & Institutions	1 492	1 496
Baltic Banking	1 271	1 556
Russia & Ukraine	438	593
Asset Management	409	387
Other and eliminations	336	305
Current franchise	**8 473**	**8 836**
Total excl FX effects	**8 814**	**8 803**
FX effects		219
Total	**8 814**	**9 022**

In one year the number of full-time positions has been reduced by 3 457, of which 2 207 were in Russia & Ukraine, 1 164 in Baltic Banking and 267 in Retail. Since the beginning of the year the number of full-time positions was reduced by 1 748.

Impairment of intangible assets attributable to Russian Banking operations amounted to SEK 14m during the first quarter. In the previous year SEK 1 300m in impairment losses was attributable to Ukrainian Banking and SEK 5m to Russian investment banking.

Impairment of tangible assets, mostly consisting of repossessed leased larger commercial vehicles, amounted to SEK 164m (20).

Net credit impairments fell to SEK 3 173m (13 517), of which Baltic Banking accounted for SEK 3 199m (8 202). Of the reported credit impairments, SEK 2 627m was related to net provisions, of which individual provisions for impaired loans amounted to SEK 3 559m and portfolio provisions for loans individually deemed not to be impaired were SEK -932m. Net write-offs amounted to SEK 546m. The credit impairment ratio decreased to 0.46 per cent (1.91).

The tax expense amounted to SEK 1 141m, corresponding to an effective tax rate of 35 per cent.

Credit and asset quality

In 2009 Swedbank focused on lowering the Group's risks, primarily by reducing lending outside Sweden, i.e., in the Baltic countries, Ukraine and Russia. Risk reduction continued during the first half of 2010, but more selectively within the bank's various risk areas. Lending[1] in the Baltic countries, Ukraine and Russia decreased from 209 per cent to 179 per cent of equity during the six-month period.

Loans by business area 30 Jun 2010 SEKm	Loans gross	Total Pro- visions	Loans net
Retail	837 509	1 648	835 861
Large Corporates & Institutions	442 979	1 174	441 805
Estonia	*67 351*	*3 566*	*63 785*
Latvia	*51 119*	*7 825*	*43 294*
Lithuania	*43 680*	*4 780*	*38 900*
Investment	*480*	*0*	*480*
Baltic Banking	162 630	16 171	146 459
Russia	*12 237*	*1 507*	*10 730*
Ukraine	*15 208*	*6 632*	*8 576*
Russia & Ukraine	27 445	8 139	19 306
Total	**1 470 563**	**27 132**	**1 443 431**

Total credit risk exposure amounted to SEK 1 956bn as of 30 June 2010, an increase of SEK 116bn or 6 per cent since the beginning of the year. Investments in Swedish treasury bills eligible for refinancing with central banks rose by SEK 50bn to SEK 123bn. Lending[1] decreased by SEK 33bn or 3 per cent to SEK 1 159bn whilst lending to credit institutions, the Swedish National Debt Office and repos increased by SEK 94bn to SEK 284bn during the period.

During the first half-year the loan portfolio continued to decline in the Baltic countries, Russia and Ukraine. Lending[1] decreased by 14 per cent in the Baltic countries, by 6 per cent in Ukraine and by 15 per cent in Russia. Excluding exchange rate effects, lending decreased by 7 per cent in the Baltic countries, by 14 per cent in Ukraine and by 19 per cent in Russia. Corporate lending in Sweden also fell during the period. The rate of decline slowed during the latter part of the six-month period. At the same time lending continued to grow in segments with lower risk, primarily mortgage lending to private customers in Sweden, where Swedbank Mortgage's lending rose by SEK 9bn.

The majority (77 per cent) of the Group's lending is real estate related. This lending is highly secured with real estate collateral in Sweden.

Since May 2009 stricter policies have been applied to mortgages in Swedbank's retail operations. For example, interest rate levels that households must manage in relation to current market rates were raised. Loans with a loan to value (LTV) ratio exceeding a specific level must be amortised as well. More than half of Swedbank Mortgage's customers amortise their first mortgages. The repayment rating score for customers who were granted mortgages in 2009 was higher on average than between 2004 and 2008. This trend continued during the first half of 2010.

[1] Lending to the public excluding the Swedish National Debt Office and repos

Loans by sector/industry SEKm	30 Jun 2010	31 Dec 2009
Private customers	648 959	644 846
Agriculture, forestry, fishing	58 184	57 825
Manufacturing	32 457	34 062
Public sector and utilities	14 975	15 792
Construction	13 513	13 642
Retail	24 859	28 265
Transportation	14 488	15 988
Shipping	16 268	13 407
Hotels and restaurants	7 299	7 552
Information and communication	1 439	1 845
Finance and insurance	17 182	9 936
Property management	155 926	166 380
Housing cooperatives	67 436	70 890
Professional services	35 123	37 977
Other corporate lending	51 187	73 791
Credit institutions	142 359	71 670
Swedish National Debt Office and repurchase agreements	141 777	118 930
Total	**1 443 431**	**1 382 798**

Lending[1] by Swedbank Mortgage amounted to SEK 681bn on 30 June and the average loan to value ratio was 45 per cent, calculated by loan level. Only 0.2 per cent of the loan volume had a LTV higher than 85 per cent. Stress tests have shown that the portfolio is highly resilient to adverse economic conditions.

Collateral for private mortgages in the Baltic countries is of lower quality than in Sweden. This is due to the major decline in real estate prices since 2007. In Riga, prices have fallen by about 70 per cent from their peak. On 30 June 2010 the uncollateralised portion of the portfolio amounted to SEK 10.6bn, i.e., the share of the loans exceeding current market value. The commitment to making interest payments and amortisations on these loans is high among Swedbank's customers. During the second half of 2009 residential real estate markets stabilised in major Baltic cities, and the trend since then has remained stable or positive, especially in Estonia. Transaction volumes increased during the first half of 2010 from low levels.

Loans past due by more than 60 days continued to stabilise in the first half of 2010. An increase was noted during the second quarter, however, mainly attributable to a number of larger customers in Ukraine and Lithuania. The majority of these customers had already been identified by the bank and were classified as impaired. Past due more than 60 days mortgage loans to private customers within Baltic Banking continued to rise on the back of high unemployment.

In Sweden, the share of impaired loans remained low at 0.2 per cent (0.2 per cent as of 31 December 2009). The share of impaired loans was 9 per cent (7) in Estonia, 27 per cent (21) in Latvia, 18 per cent (14) in Lithuania, 64 per cent (53) in Ukraine and 21 per cent (18) in Russia.

Impaired loans, gross by business area SEKm	30 Jun 2010	31 Dec 2009	30 Jun 2009
Retail	1 863	2 061	2 387
Large Corporates & Institutions	1 167	1 082	539
Estonia	*5 739*	*5 465*	*4 802*
Latvia	*13 916*	*13 401*	*11 917*
Lithuania	*7 688*	*7 705*	*5 081*
Baltic Banking	27 343	26 571	21 800
Russia	*2 557*	*2 238*	*627*
Ukraine	*9 789*	*8 180*	*4 304*
Russia & Ukraine	12 346	10 418	4 931
Total	**42 719**	**40 132**	**29 657**

During the first half-year impaired loans in Baltic Banking rose by 3 per cent. Excluding currency effects, impaired loans grew by 13 per cent in Estonia, by 12 per cent in Latvia and by 8 per cent in Lithuania. In Russia, impaired loans increased by 9 per cent in local currency, while in Ukraine they increased by 10 per cent.

New provisions in the Baltic countries were mainly the result of internal corporate credit downgrades and an increased share of impaired loans in the private segment. In Russia, provisions have been marginally affected by bankruptcies in the property and retail sectors as well as by a small increase in impaired loans, at the same time that some recoveries were made. Further reviews of the corporate portfolio in Ukraine reaffirmed that the provision ratio was satisfactory. Certain larger recoveries were made from a few corporate exposures as well as minor recoveries at the portfolio level during the six-month period.

Credit impairments by business area SEKm	Jan-Jun 2010	Jan-Jun 2009
Retail	136	804
Large Corporates & Institutions	-8	405
Estonia	*941*	*1 439*
Latvia	*1 407*	*4 527*
Lithuania	*851*	*2 236*
Baltic Banking	3 199	8 202
Russia	*-44*	*187*
Ukraine	*-136*	*3 915*
Russia & Ukraine	-180	4 102
Shared Services & Group Staffs	26	4
Total	**3 173**	**13 517**

Individual provisions for impaired loans increased during the first half-year as knowledge of the loan portfolio improved and underlying collateral valuations were updated. At the same time portfolio provisions decreased. Of the total provisions, 85 per cent was at the individual level as of 30 June 2010, compared with 80 per cent as of 31 December 2009.

[1] Lending to the public excluding the Swedish National Debt Office and repos

Credit impairments Group SEKm	Jan-Jun 2010	Jan-Jun 2009
Provisions	3 454	12 985
of which individual provisions, gross	*4 386*	*6 294*
of which portfolio provisions, net	*-932*	*6 691*
Reversal of individual provisions no longer required	-827	-295
Provisions, net	**2 627**	**12 690**
Write-offs, gross	1 449	1 027
Utilisation of previous provisions	-603	-127
Recovered from previous write-offs	-300	-73
Write-offs, net	**546**	**827**
Total	**3 173**	**13 517**

Restructured loans refer to loans whose terms have changed as a result of a deterioration in the customer's anticipated and/or actual ability to pay interest and/or principal. For the bank, the restructuring process is an important tool to help customers repay their loans. As of 30 June 2010 restructured loans totalled SEK 34.1bn, the majority of which relates to Baltic Banking (80 per cent) and Ukraine (14 per cent). Of Swedbank's restructured loans, those classified as impaired amounted to SEK 17.9bn, while those classified as non-impaired totalled SEK 16.2bn.

Swedbank continues working actively with customers facing financial difficulties. The Financial Reconstruction and Recovery (FR&R) teams develop and implement restructuring plans in order to find beneficial solutions for both parties. Swedbank has fully operational FR&R teams in Sweden, Estonia, Latvia, Lithuania, Ukraine and Russia. To coordinate and facilitate FR&R efforts throughout the Group, a Group-wide FR&R unit was established during the six-month period with a new management. The purpose of the new organisation is to improve resource utilisation, develop routines and create opportunities to build long-term competence in the area.

Repossessed assets increased during the first half of 2010. During the second quarter there was a decrease compared with the first quarter, mainly regarding vehicles and shares. In 2009 and the first half of 2010 the Baltic countries accounted for the largest share of repossessed assets. Due to the positive trend in demand for properties in Estonia the bank did not take over any properties that served as collateral for compulsory auction during the six-month period. Swedbank's capacity and ability to manage repossessions gradually increased in Russia and Ukraine during the six-month period. Whenever financially feasible, Swedbank avoids repossessing collateral. If an agreement cannot be reached with the customer, properties are generally sold on the open market.

Properties taken over and cancelled leasing agreements by business area SEKm	30 Jun 2010	31 Dec 2009	30 Jun 2009
Retail	100	189	12
Large Corporates & Institutions	102	102	182
Estonia	*42*	*38*	*116*
Latvia	*157*	*183*	*266*
Lithuania	*388*	*679*	*768*
Baltic Banking	587	900	1 150
Russia	*25*	*22*	
Ukraine	*9*	*11*	
Russia & Ukraine	34	33	
Ektornet	1 010	517	
Total	**1 833**	**1 741**	**1 344**

The laws governing foreclosure sales in the Baltic countries are similar to those in other EU member states. However, the entire process takes longer in the Baltic countries than in Sweden, for example. The process is even more difficult in Ukraine and Russia. During the six-month period Ektornet took over assets worth SEK 530m. For more information on Ektornet, see page 23.

Legal changes affecting insolvencies are being discussed in all three Baltic countries, which to varying degrees would ease the debt burden on consumers and mortgage borrowers. In Latvia, a draft law was adopted by the parliament in June, but vetoed by the president.

Swedbank is positive to consumer protection, however, if proposals that significantly deviate from EU standards are adopted, they could reduce lending opportunities for individual consumers and prolong the recovery process in the region.

Funding and liquidity

As of 30 June Swedbank had a sufficient buffer to meet its cash flows for more than 24 months. Liquidity risk in the bank was further reduced during the second quarter following the further extension of the bank's funding.

The total volume of repos with central banks was further reduced during the second quarter by SEK 19bn to SEK 89bn. As of 30 June Swedbank's deposits with central banks and central bank commercial papers were higher than its repo financing from central banks.

During the second quarter Swedbank issued around SEK 50bn in long-term financing, the majority in the form of covered bonds. In total during the first half-year Swedbank raised around SEK 150bn in long-term funding, thus financing more than its long-term funding that matures in 2010

The average maturity of all capital market funding, including central bank repos and interbank deposits, has been extended from about 22 months as of 31 December 2009 to 25 months on 30 June 2010. The average maturity of covered bonds was 38 months as of 30 June.

In April Swedbank's Board of Directors resolved not to renew the state guarantee programme. The agreement expired on 30 April 2010.

Since August 2009 no funding has been raised with the state guarantee. The commercial papers issued with the guarantee have now been fully repaid, while SEK 176bn of the long-term funding still remains. The maturities of the bank's long-term state-guaranteed funding are indicated in the table below. As the guaranteed funding is replaced by market financing, the bank's funding costs are expected to decline.

Changes in outstanding borrowing under the programme Jan-Jun 2010 SEKbn	Changes since 31 Dec 2009
State guaranteed commercial papers	-61
Other commercial papers	12
Covered bonds	66
State guaranteed covered bonds	-6
Senior non-covered bonds	2
Structured bonds (SPAX)	-6
Central bank repos	-27

Remaining maturity in 2010 SEKbn	Nominal value
Long-term borrowing	60
of which under state guarantee programme	*9*
Maturity and possible early redemption of subordinated loans	1

Average remaining term	Number of months
Total market financing	25
Covered bonds	38
Borrowing under state guarantee programme	22

Borrowing - state guarantee prog. Maturity composition per year	SEK billion
2010 [1]	9
2011	84
2012	42
2013	13
2014	28
Total	**176**

[1] as of 30 June 2010

Of the SEK 473bn in long-term funding outside the state guarantee that Swedbank had outstanding as of 30 June, SEK 344bn has been raised since 1 January 2008 at an average cost of approximately 60bp.

During the remainder of 2010 long-term funding with a nominal value of SEK 60bn will mature. In addition, SEK 1bn in subordinated loans will be repaid when the bank is entitled to early redemption.

On 16 December 2009 the Basel Committee proposed new rules for banks on capital, liquidity and funding. The specifics of the new rules and the timetable for their introduction remain uncertain. As the original proposal is worded, the new rules would be introduced by 31 December 2012. Swedbank is carefully monitoring this process.

Capital and capital adequacy

As of 30 June equity amounted to SEK 91 007m, an increase of SEK 1 337m from the beginning of the year.

In Swedbank's financial companies group, where insurance companies are not consolidated and certain associated companies are consolidated in accordance with the purchase method, core Tier 1 capital increased by SEK 1 211m during the year to SEK 73 682m.

The Tier 1 capital ratio according to Basel 2 increased to 14.0 per cent as of 30 June (13.5 per cent on 31 December 2009) and the core Tier 1 capital ratio improved to 12.7 per cent (12.0). The capital adequacy ratio was 17.9 per cent (17.5). According to transition rules, the core Tier 1 capital ratio was 9.5 per cent (9.2), the Tier 1 capital ratio was 10.5 per cent (10.4) and the capital adequacy ratio was 13.4 per cent (13.5).

Hybrid capital accounted for 9 per cent of Tier 1 capital.

Risk-weighted assets decreased by SEK 24bn or 4 per cent since the beginning of the year to SEK 579bn. Risk-weighted assets for market risks rose by 5 per cent or SEK 1bn, mainly due to increased strategic exchange rate risks. Risk-weighted assets for operational risks increased by 8 per cent or SEK 4bn. Risk-weighted assets for credit risks decreased by 6 per cent or SEK 30bn, of which SEK 12bn relates to corporate exposures in the Swedish operations and SEK 13bn to corporate exposures in the Baltic operations. Lower exposure volumes, migration between risk classes and new defaults contributed to the decrease. Of the total change in risk-weighted volumes, SEK 10bn is due to exchange rate effects.

Risk-weighted assets by business area SEKbn	30 Jun 2010	31 Dec 2009	30 Jun 2009
Retail	218	225	231
Large Corporates & Institutions	178	184	195
Estonia	*61*	*64*	*65*
Latvia	*45*	*51*	*58*
Lithuania	*37*	*42*	*58*
Investment	*9*	*8*	*5*
Baltic Banking	152	165	186
Russia	*10*	*10*	*14*
Ukraine	*11*	*11*	*15*
Investment	*2*	*2*	*3*
Russia & Ukraine	23	23	32
Asset Management	3	2	2
Ektornet	2	1	
Shared Services & Group Staffs	3	3	5
Total risk-weighted assets	**579**	**603**	**651**

The average risk weighting for all of the financial companies group's credit risks according to the IRB approach decreased to 32.5 per cent, against 36.2 per cent in the previous year. The risk weights declined primarily in the Swedish operations. The risk weights in the Baltic operations were stable at 69.7 per cent as of 30 June.

Swedbank's internal risk classification models use through-the-cycle risk adjusted estimates for probability of default (PD) and downturn adjusted loss given default (LGD), taking into account economic stress.

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.

VaR by risk category SEKm	Max	Min	Average	30 Jun 2010	31 Dec 2009
Interest risk	127	50	74	64	120
Currency rate risk	19	2	7	7	7
Stock price risk	7	2	5	7	8
Diversification			-10	-10	-14
Total	**126**	**52**	**76**	**68**	**121**

**) VaR excluding market risks within Swedbank Ukraine as well as strategic currency rate risks. For Swedbank Ukraine, VaR is misleading because of the illiquid and undeveloped financial markets in Ukraine. Regarding 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 30 June 2010 would have reduced the value of the Group's assets and liabilities, including derivatives, by SEK 838m (-226). 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 327m, against a year-earlier increase of SEK 167m. Positions in foreign currency would have decreased in value by SEK 511m (-393).

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 250m (-173) as of 30 June 2010. Comparative figures refer to 31 December 2009.

Operational risks

The operational risk level in the Group remained higher than normal during the second quarter of 2010. The main reasons were the severity of the recession in several east European countries and a number of major reorganisations underway in the Group. To normalise the risk level, the bank is focused on managing specific risks, and the Group's central risk control function carefully monitors the Group to ensure that risks are reduced.

Other events

Swedbank's Annual General Meeting on 26 March elected Lars Idermark, Siv Svensson and Göran Hedman as new members of the Board of Directors. Board members Ulrika Francke, Berith Hägglund-Marcus, Anders Igel, Helle Kruse Nielsen, Pia Rudengren, Anders Sundström and Karl-Henrik Sundström were re-elected. Lars Idermark was elected as the new Chair, succeeding Carl Eric Stålberg, who had been Chair since 2002.

The Annual General Meeting approved the Board's recommendation not to pay a dividend for 2009 on either A shares or preference shares.

Swedbank sold its shareholding in Bergslagens Sparbank to the majority owner, Sparbanksstiftelsen Bergslagen. As a result, Bergslagens Sparbank is now wholly owned by Sparbanksstiftelsen Bergslagen.

Ratings

On 22 June Moody's affirmed Swedbank's ratings of "A2" long-term and "P-1" short-term, as well as its financial strength rating of "D+". The outlook was changed from negative to stable mainly due to improved capitalisation and access to funding and the stabilisation of the Baltic countries exposure. The ratings incorporate Swedish state support.

The wholly owned subsidiary Swedbank Mortgage's rating was confirmed as well, with its outlook changed from negative to stable based on support from the parent company's rating. Otherwise, its long-term rating was left unchanged at "A2" and its short-term rating at "P-1".

On 23 February the rating agency Standard & Poor's left Swedbank's long-term rating of "A" and its short-term rating of "A-1" unchanged. The rating incorporates Swedish state support. The system support in the rating has been reduced, however, after the outlook was changed from negative to stable primarily due to lower uncertainty about the Baltic countries' development.

On 30 June Moody's withdrew its ratings of Swedbank AS in Estonia based on a request from the bank.

Events after 30 June 2010

As an element in the work to actively manage its capital structure, Swedbank has applied for and been granted approval by Finansinspektionen (Financial Supervisory Authority) to repurchase subordinated Tier 2 loans issued by the bank amounting to SEK 9bn. The approval from Finansinspektionen is valid until 31 October 2010. Furthermore, Swedbank has been granted approval by Finansinspektionen to redeem EUR 105m in outstanding Tier 2 loans on 28 October 2010, the early redemption date. Further information is available in a separate press release.

Retail

- Stable net interest income
- Continued low credit impairments
- Solid commission-based sales

Income statement

SEKm	Q2 2010	Q1 2010	%	Q2 2009	%	Jan-Jun 2010	Jan-Jun 2009	%
Net interest income	2 330	2 364	-1	2 828	-18	4 694	5 742	-18
Net commissions	1 188	1 096	8	957	24	2 284	1 841	24
Net gains and losses on financial items at fair value	40	32	25	29	38	72	72	0
Share of profit or loss of associates	159	146	9	462	-66	305	559	-45
Other income	288	274	5	626	-54	562	842	-33
Total income	**4 005**	**3 912**	**2**	**4 902**	**-18**	**7 917**	**9 056**	**-13**
Staff costs	997	1 031	-3	1 009	-1	2 028	2 035	0
Variable staff costs	27	21	29	24	13	48	45	7
Other expenses	1 235	1 156	7	1 261	-2	2 391	2 382	0
Depreciation/amortisation	45	42	7	34	32	87	68	28
Total expenses	**2 304**	**2 250**	**2**	**2 328**	**-1**	**4 554**	**4 530**	**1**
Profit before impairments	**1 701**	**1 662**	**2**	**2 574**	**-34**	**3 363**	**4 526**	**-26**
Credit impairments	78	58	34	232	-66	136	804	-83
Operating profit	**1 623**	**1 604**	**1**	**2 342**	**-31**	**3 227**	**3 722**	**-13**
Tax expense	498	413	21	507	-2	911	856	6
Profit for the period	1 125	1 191	-6	1 835	-39	2 316	2 866	-19
Profit for the period attributable to the shareholders of Swedbank AB	**1 123**	**1 190**	**-6**	**1 833**	**-39**	**2 313**	**2 862**	**-19**
Non-controlling interests	2	1	100	2	0	3	4	-25
Return on allocated equity, %	21.0	22.0		36.8		21.5	28.6	
Credit impairment ratio, %	0.04	0.03		0.11		0.03	0.20	
Total provision ratio for impaired loans, %	88	101		93		88	93	
Share of impaired loans, gross, %	0.22	0.20		0.29		0.22	0.29	
Cost/income ratio	0.58	0.58		0.47		0.58	0.50	
Full-time employees	5 724	5 833	-2	5 991	-4	5 724	5 991	-4

Development January - June
The Swedish economy is in recovery. GDP grew by 3 per cent during the first quarter compared with the same period last year. The upturn was primarily driven by increased private consumption and a substantial inventory build-up. The improvement in the global economy was also reflected in an increase in Swedish exports by slightly over 7 per cent, albeit from low levels. Signs of an improved labour market from late last year continued during the period. Employment numbers rose at the same time that open unemployment fell to 8.8 per cent in May.

Profit before impairments was 26 per cent lower than in the same period last year, mainly due to lower net interest income.

Net interest income decreased by 18 per cent compared with the same period last year. The decrease was mainly affected by low interest rate levels, though also by higher funding costs and a continued shift towards a smaller share of corporate loans and larger share of private mortgages. Net interest income declined slightly in the second quarter 2010 compared with the first quarter. Towards the end of the period deposit margins increased as a result of rising interest rates. At the same time the return on the investment portfolio used to hedge interest rates on current accounts declined.

Total deposits increased by 3 per cent since the beginning of the year and by 4 per cent during the second quarter 2010. The volume increase is mainly the result of the payment of tax refunds in June. Market shares were stable.

Swedbank's share of total lending to households (including mortgages) was 27 per cent. The bank's more restrictive lending rules resulted in a share of net growth of 13 per cent during the period. The share of new lending increased at the end of the period. Given Swedbank's market position and distribution capacity this trend should continue.

Lending volume to private customers increased by slightly over 2 per cent during the first half-year. Despite the acquisition of SEK 2bn in leasing portfolios, corporate lending continued to decrease. Since the beginning of the year the corporate portfolio has decreased by 1 per cent. The market share was 18 per cent (19).

The loan-to-deposit ratio was 261, an improvement since the beginning of the year mainly resulting from higher deposit volumes from households.

Net commission income remained strong. Compared with the previous year income increased by 24 per cent. The increase was due to stock market gains during the first half-year, solid product sales and a distinct offering designed for various customer groups. Segmenting the customer base and creating offerings that contain both products and a service promise increases income potential. The Key customer offering is one example. To date around 70 000 key customer offerings have been sold. With the service promise, customers have the option of being contacted each year to schedule a meeting, thereby strengthening customer relations and providing an opportunity to better adapt its offerings to the customer's current needs.

Insurance sales continued to perform strongly, mainly as a result of higher sales of endowment insurance and collective occupational pensions.

Expenses were in line with the same period last year. Fewer full-time positions during the second quarter helped to reduce staff costs, which include redundancy costs of SEK 34m. The number of employees was reduced by 109 during the second quarter. The cost/income ratio was 0.58 (0.50).

The branch structure is continuously reviewed. This resulted in the merger of a number of branches with larger branches during the first half of 2010.

Credit impairments remained low and declined against the previous year. The share of impaired loans was 0.22 per cent (0.29). Impaired loans are spread geographically and by sector. The credit impairment ratio was 0.03 per cent (0.20).

Swedbank's insurance operations have allocated SEK 66m in corporate income tax for fund commissions for the tax years 2008-2010 (to the end of the second quarter 2010).

***Retail**, Swedbank's dominant business area, is responsible for all Swedish customers except for large corporates and financial institutions. The bank's services are sold through Swedbank's own branch network, the Telephone Bank, the Internet Bank and through the savings banks' distribution network. The business area also includes a number of subsidiaries.*

Large Corporates & Institutions

- Jitters and turbulence in the financial markets
- Lower earnings in fixed income trading and equity operations during the second quarter
- Stable results from large corporate deposits and lending

Income statement

SEKm	Q2 2010	Q1 2010	%	Q2 2009	%	Jan-Jun 2010	Jan-Jun 2009	%
Net interest income	824	783	5	885	-7	1 607	2 075	-23
Net commissions	408	389	5	343	19	797	639	25
Net gains and losses on financial items at fair value	309	441	-30	900	-66	750	2 232	-66
Other income	34	17	100	18	89	51	40	28
Total income	**1 575**	**1 630**	**-3**	**2 146**	**-27**	**3 205**	**4 986**	**-36**
Staff costs	282	304	-7	268	5	586	554	6
Variable staff costs	116	69	68	153	-24	185	299	-38
Other expenses	370	352	5	334	11	722	673	7
Depreciation/amortisation	12	8	50	7	71	20	15	33
Total expenses	**780**	**733**	**6**	**762**	**2**	**1 513**	**1 541**	**-2**
Profit before impairments	**795**	**897**	**-11**	**1 384**	**-43**	**1 692**	**3 445**	**-51**
Impairment of intangible assets							5	
Credit impairments	-94	86		325		-8	405	
Operating profit	**889**	**811**	**10**	**1 059**	**-16**	**1 700**	**3 035**	**-44**
Tax expense	227	186	22	288	-21	413	805	-49
Profit for the period	662	625	6	771	-14	1 287	2 230	-42
Profit for the period attributable to the shareholders of Swedbank AB	**645**	**615**	**5**	**754**	**-14**	**1 260**	**2 200**	**-43**
Non-controlling interests	17	10	70	17	0	27	30	-10
Return on allocated equity, %	14.6	13.8		18.4		14.3	27.9	
Credit impairment ratio, %	-0.10	0.09		0.37		0.00	0.23	
Total provision ratio for impaired loans, %	101	106		125		101	125	
Share of impaired loans, gross, %	0.26	0.32		0.16		0.26	0.16	
Cost/income ratio	0.50	0.45		0.36		0.47	0.31	
Full-time employees	1 176	1 158	2	1 135	4	1 176	1 135	4

Development January - June
The large fiscal deficits in several EU member states, which could have adverse consequences for the financial markets and the economy, impacted the credit and fixed income markets during the second quarter. Increased economic uncertainty contributed to a decline in long-term bond yields in several markets, at the same time that Swedish long-term interest rates fell thanks to the country's relative financial strength. Despite strong fundamentals, the Swedish krona weakened, primarily because of the dollar's appreciation in the wake of the euro's continued turbulence. Equity markets began the second quarter in stable fashion before falling fairly substantially due to growing financial concerns and a diminished risk appetite.

Profit for the period amounted to SEK 1 260m (2 200). Income fell by 36 per cent from the previous year's record level. Last year's trading income, particularly net gains and losses on financial items at fair value, but also net interest income, was generated under exceptionally favourable market conditions with rapidly falling interest rates, clear interest and exchange rate trends and significantly lower credit spreads.

Net interest income increased by SEK 41m compared with the previous quarter. The portion of net interest income related to corporate loans (about two thirds) continued to develop positively.

Earnings from proprietary trading and customer flows decreased during the second quarter compared with the first quarter. Fixed income trading and equity operations were especially affected by falling Swedish long-term interest rates, higher market volatility and increased risk aversion.

Expenses were in line with the previous year. During the second quarter variable expenses increased, primarily as a result of higher variable compensation in First Securities.

Net recoveries of SEK 8m were reported, compared with credit impairments of SEK 405m in the previous year. The share of impaired loans, gross, was 0.26 per cent (0.16).

Lending[1] declined by SEK 6bn during the quarter, which means that the portfolio decreased by a total of SEK 14bn since the beginning of the year. Deposits have increased by SEK 25bn or 44 per cent in the last year thanks to a competitive customer offering.

Operations
Credit demand increased in the large corporate segment, and margins climbed slightly compared with Stibor.

[1] Lending to the public excluding the Swedish National Debt Office and repos

Work to increase value-added for customers by providing more sophisticated and sector-oriented advice continued. During the second quarter six out of a total of eight sector managers were appointed.

In fixed income and currency trading, the second quarter was one of continued uncertainty about the market's future performance. Under the circumstances, earnings in currency trading were good, while fixed income trading was weak and significantly lower than the same period last year. Market shares improved.

Measures taken to further improve service for companies and institutions by strengthening the Nordic/Baltic product and customer offering continued. The goal is to significantly increase the number of customers that use Swedbank as their primary banking partner. During the second quarter a presence was established in Finland through the recruitment of a trading team focused on customer trading in the fixed income and currency area.

Earnings in equity operations slowed during the second quarter due to uneasiness in the financial markets, which resulted in falling stock prices and substantially higher implicit volatility during the middle of the quarter. The market share on the Stockholm stock exchange was 4.7 per cent for the period (5.3) and 4.6 per cent for June (5.8).

In the area of syndicated loans, activity was higher in the second quarter than in the previous quarter, with deals finalised with Lantmännen, Boliden, Korsnäs and Helsefyr Atrium in Norway, among others.

First Securities' profit for the period was slightly lower than in the previous year at SEK 28m (30), primarily due to lower earnings in the fixed income area. In the areas of advisory services and corporate finance, activity was high, however, with a number of completed deals, primarily during the second quarter.

***Large Corporates & Institutions** is responsible for large corporates, financial institutions and banks as well as for trading and capital market products. Operations are carried out by the parent bank in Sweden, branches in Norway, Denmark, Finland, the US and China, and the partly owned subsidiaries First Securities in Norway and Swedbank First Securities LLC in New York, in addition to the trading and capital market operations in subsidiary banks in Estonia, Latvia and Lithuania.*

Baltic Banking

- Lower credit impairments
- Improvement in net interest income
- Solid deposit growth

Income statement

SEKm	Q2 2010	Q1 2010	%	Q2 2009	%	Jan-Jun 2010	Jan-Jun 2009	%
Net interest income	873	811	8	1 102	-21	1 684	2 469	-32
Net commissions	388	376	3	391	-1	764	796	-4
Net gains and losses on financial items at fair value	102	72	42	237	-57	174	420	-59
Share of profit or loss of associates	1	0		0		1	0	
Other income	153	218	-30	92	66	371	262	42
Total income	**1 517**	**1 477**	**3**	**1 822**	**-17**	**2 994**	**3 947**	**-24**
Staff costs	266	296	-10	349	-24	562	758	-26
Variable staff costs	0	-13		-198		-13	-198	-93
Other expenses	368	399	-8	413	-11	767	897	-14
Depreciation/amortisation	44	47	-6	55	-20	91	109	-17
Total expenses	**678**	**729**	**-7**	**619**	**10**	**1 407**	**1 566**	**-10**
Profit before impairments	**839**	**748**	**12**	**1 203**	**-30**	**1 587**	**2 381**	**-33**
Impairment of tangible assets	118	31				149		
Credit impairments	1 096	2 103	-48	3 961	-72	3 199	8 202	-61
Operating profit	**-375**	**-1 386**	**-73**	**-2 758**	**-86**	**-1 761**	**-5 821**	**-70**
Tax expense	-67	-164	-59	-544	-88	-231	-811	-72
Profit for the period	-308	-1 222	-75	-2 214	-86	-1 530	-5 010	-69
Profit for the period attributable to the shareholders of Swedbank AB	**-308**	**-1 222**	**-75**	**-2 214**	**-86**	**-1 530**	**-5 010**	**-69**
Return on allocated equity, %	-3.3	-12.3		-26.8		-8.0	-30.2	
Credit impairment ratio, %	2.83	5.07		7.17		3.90	7.09	
Total provision ratio for impaired loans, %	59	60		51		59	51	
Share of impaired loans, gross, %	16.81	15.50		10.32		16.81	10.32	
Cost/income ratio	0.45	0.49		0.34		0.47	0.40	
Full-time employees	5 801	5 898	-2	6 965	-17	5 801	6 965	-17

Development January - June
Although Estonia's GDP declined compared with the first half of 2009, its economy is recovering. According to seasonally adjusted data, annualised GDP increased in the half year. The domestic demand and employment have remained sluggish; while export growth and industrial production at the same time showed positive signs. The challenge remains to further improve productivity in order to boost competitiveness.

Estonian inflation picked up in the first months of 2010, reaching 3.5 per cent in June, mainly influenced by price increases in other markets and tax hikes.

The Economic and Financial Affairs Council (ECOFIN) decided to support Estonia's entry into the eurozone from 1 January 2011. Swedbank initiated a programme to prepare for euro introduction in November 2009 and has moved from analysis and planning to the implementation phase. Preparing for the euro is expected to cost the bank SEK 50m, most of which in 2010.

Latvia reported GDP growth of 0.3 per cent in the first quarter, its first quarterly growth since the end of 2007. This is an important indication that a turning point may have been reached in the country's economic development. The recovery in the Latvian economy is the result of the gradual global recovery and the improved competitiveness of Latvian manufacturers. Domestic demand remains low due to high unemployment and falling incomes. A return to economic growth will mainly depend on exports, whereas domestic demand is expected to remain sluggish in upcoming quarters.

After two consecutive quarters of growth, Lithuania's GDP fell by 3.9 per cent in the first quarter of 2010. This contraction was expected given the shutdown of the Ignalina nuclear power plant and increases in oil and other commodity prices. Export growth was not enough to compensate for a continued contraction in domestic demand.

During 2010 Baltic Banking initiated a long-term change process to further strengthen sustainable customer relations. The interaction with the customer shall be an ongoing process rather than a one-off event. A new structure has been established for customer meetings, which has proven effective in day-to-day operations in Sweden.

Baltic Banking reported a loss of SEK 1 530m, compared with a loss of SEK 5 010m a year ago. The improvement was mainly a result of lower credit impairments. Capacity adjustments within the operations also affected the result positively.

Profit before impairments decreased by 26 per cent in local currency compared with the equivalent period a year earlier. Income fell by 16 per cent in local currency, mainly due to lower net interest income.

Net interest income fell by 24 per cent in local currency from the first half of last year but rose by 12 per cent from the first quarter of 2010. The positive impact of falling local interest rates can be seen in all three countries, especially Estonia, where euro expectations have pushed deposit rates significantly lower. The positive effect of lower funding costs was reflected in the result, although declining loan volumes had a greater impact than in 2009. Impaired loans are still adversely affecting net interest income.

Lending volume decreased by 16 per cent in local currency compared with June 2009. This is the result of a combination of provisions, write-offs and limited new lending. Although credit demand remains low in all three countries, increased activity was noted in private lending during the second quarter. Despite a slight seasonal effect, consumer confidence increased in all three countries, encouraging customers to consider debt-financed investments. Swedbank's market share in lending fell by 0.4 percentage points during the first five months mainly due to a smaller leasing portfolio. The market share in private lending grew slightly, while its share in corporate lending declined.

Deposits increased by 4 per cent in local currency from the first half of 2009 and Swedbank's market share remained stable. As a result of higher deposit volumes and reduced lending, the loan-to-deposit ratio improved to 151 per cent during the quarter.

Net commission income improved by 6 per cent in local currency compared with the same period a year ago. Payment services commissions have levelled off in Estonia and Latvia, while securities-related fees increased in pace with the stabilisation of the financial markets. Net gains and losses on financial items at fair value fell in local currency by 54 per cent year-on-year. This is due to a combination of unrealised losses on foreign exchange conversions and a strong basis of comparison in 2009.

Expenses in local currency remained unchanged against the same period last year. In 2009 bonus reserves of SEK 198m were reversed. Excluding the reversal, expenses declined by 12 per cent in local currency. The number of employees was reduced by 304 since the year-end, and by 17 per cent from same period last year. Today's staff level is considered sufficient in the current economic environment. Depending on the speed of the recovery, a slight increase in employees may occur later in the year. Several efficiency improvements initiated a year ago will require more time to impact costs, such as the reductions in the branch network. The cost/income ratio was 0.47 (0.40).

Credit impairments were SEK 3 199m, a decrease of 57 per cent in local currency from the same period a year ago. Impaired loans, gross, were SEK 27 343m on 30 June 2010 (SEK 26 571m on 31 December 2009).

Legal changes affecting insolvencies are being discussed in all three Baltic countries, which to varying degrees would ease the debt burden on consumers and mortgage borrowers. In Latvia, a draft law has been adopted by parliament but vetoed by the president.

Swedbank is positive to consumer protection, however, if proposals that significantly deviate from EU standards are adopted, they could reduce lending opportunities for individual consumers and prolong the recovery process in the region.

***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, the Telephone Bank and the Internet Bank. 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.*

Russia & Ukraine

- Small net recoveries
- Lower net interest income due to decreased lending volumes

Income statement

SEKm	Q2 2010	Q1 2010	%	Q2 2009	%	Jan-Jun 2010	Jan-Jun 2009	%
Net interest income	122	211	-42	500	-76	333	1 082	-69
Net commissions	28	14	100	25	12	42	50	-16
Net gains and losses on financial items at fair value	23	27	-15	13	77	50	23	
Other income	8	5	60	4	100	13	8	63
Total income	**181**	**257**	**-30**	**542**	**-67**	**438**	**1 163**	**-62**
Staff costs	104	112	-7	130	-20	216	261	-17
Variable staff costs				3			26	
Other expenses	108	102	6	157	-31	210	297	-29
Depreciation/amortisation	16	16	0	19	-16	32	46	-30
Total expenses	**228**	**230**	**-1**	**309**	**-26**	**458**	**630**	**-27**
Profit before impairments	**-47**	**27**		**233**		**-20**	**533**	
Impairment of intangible assets		14				14	1 300	-99
Impairment of tangible assets	10	5	100	8	25	15	20	-25
Credit impairments	-139	-41		2 146		-180	4 102	
Operating profit	**82**	**49**	**67**	**-1 921**		**131**	**-4 889**	
Tax expense	-28	20		39		-8	-393	-98
Profit for the period	110	29		-1 960		139	-4 496	
Profit for the period attributable to the shareholders of Swedbank AB	**110**	**29**		**-1 959**		**139**	**-4 494**	
Non-controlling interests				-1			-2	
Return on allocated equity, %	10.1	2.7		-200.3		6.3	-201.9	
Credit impairment ratio, %	-2.91	-0.83		25.25		-1.82	22.83	
Total provision ratio for impaired loans, %	66	72		97		66	97	
Share of impaired loans, gross, %	44.98	40.25		14.64		44.98	14.64	
Cost/income ratio	1.26	0.89		0.57		1.05	0.54	
Full-time employees	2 085	2 658	-22	4 292	-51	2 085	4 292	-51

Development January - June
Profit for the period was SEK 139m, compared with a loss of SEK 4 494m for the same period last year. The improvement was primarily due to the stabilisation of credit quality and cost cutting in both Russia and Ukraine. Net interest income for the period was 69 per cent lower than in the previous year as a result of increased impaired loans, amortisation and limited new lending in both countries. To adjust to lower business volumes, expenses were reduced by 27 per cent compared with the same period last year. A decrease in both portfolio and individual provisions due to successful restructurings resulted in net recoveries of SEK 180m.

Ukrainian Banking
After the election of a new president and approval of the new government in the first quarter of 2010 the Ukrainian economy has started to recover. During the first five months of 2010 industrial output increased by 12.6 per cent compared with the same period in 2009 and during the first quarter GDP grew by 4.9 per cent. Consumer prices have risen by 3.7 per cent since the beginning of the year. The UAH/USD exchange rate was stable. Real estate prices continued to fall in the first quarter of 2010, albeit at a slower rate.

The number of branches in the Ukrainian operations has been reduced to 101 (from 220 in 2009) and the number of full-time employees reached 1 652 at the end of the period. Total expenses decreased by SEK 79m against the first half of 2009 and at the end of the period the cost/income ratio was 0.74. Preparations are underway to cautiously begin lending to SMEs to support interest income, since the existing loan portfolio is being amortised rapidly. Lending declined by 14 per cent in local currency since the beginning of the year.

Credit quality stabilised during the period. In local currency, the volume of impaired loans increased by 10 percent. Net recoveries of SEK 136m were due to lower portfolio provisions resulting from a smaller loan portfolio and a number of successful restructurings. The provision ratio for impaired loans was 68 per cent (101).

The loan-to-deposit ratio deteriorated from 310 per cent from the beginning of the year to 327 per cent due to the net decrease in corporate deposits. Efforts to broaden the deposit base have resulted in a reduction in larger corporate term deposits, while deposits from private individuals and current account deposits from SMEs have increased. Profit for the period amounted to SEK 199m.

Russian Banking
The Russian economy continued its positive trend. In the first four months of 2010 industrial production rose by 6.9 per cent, while GDP was 2.9 per cent higher in the first quarter compared with 2009. Annual inflation slowed and was 6 per cent in May, compared with nearly 9 per cent at the beginning of the year. This enabled the Central

Bank of Russia to cut its refinancing rate to an historic low of 7.75 per cent. The real estate market also showed signs of recovery. In May the number of deals on Moscow's secondary residential market rose by 75 per cent and prices climbed 5.6 per cent compared with last year. 20 per cent of deals were concluded with mortgage loans.

During the second quarter, the number of full-time employees was reduced by 129 and three branches were closed (at the end of the period there were 422 full-time positions). Despite one-off costs of SEK 9m to downsize the organisation in May, total expenses declined by 19 per cent year-on-year.

Net interest income in Russia was 70 per cent lower year-on-year and is expected to decline further as the loan portfolio shrinks. The loan portfolio has declined 26 per cent in local currency since the beginning of the year. The increase in impaired loans in local currency during the period was 9 per cent and the provision ratio for impaired loans stayed stable at 59 per cent (64).

The loan-to-deposit ratio was 200 per cent on 30 June, compared with 250 per cent at the beginning of the year. The net loss for the period was SEK 19m.

*The **Russia & Ukraine** business area comprises the banking operations of Swedbank Group in Russia and Ukraine. A management unit with staff functions is also included in the business area.*

Asset Management

- Improved earnings
- Turbulent market produced shift from equity to fixed income funds
- Increased sales through third-party distributors

Income statement

SEKm	Q2 2010	Q1 2010	%	Q2 2009	%	Jan-Jun 2010	Jan-Jun 2009	%
Net interest income	-3	-7	-57	-5	-40	-10	-11	-9
Net commissions	386	398	-3	265	46	784	38	
Net gains and losses on financial items at fair value	1	11	-91	17	-94	12	22	-45
Other income	5	3	67	11	-55	8	17	-53
Total income	**389**	**405**	**-4**	**288**	**35**	**794**	**66**	
Staff costs	99	100	-1	85	16	199	165	21
Variable staff costs	1			10	-90	1	18	-94
Other expenses	100	84	19	90	11	184	180	2
Depreciation/amortisation	12	13	-8	14	-14	25	25	0
Total expenses	**212**	**197**	**8**	**199**	**7**	**409**	**388**	**5**
Profit before impairments	**177**	**208**	**-15**	**89**	**99**	**385**	**-322**	
Operating profit	**177**	**208**	**-15**	**89**	**99**	**385**	**-322**	
Tax expense	38	50	-24	17		88	-91	
Profit for the period	139	158	-12	72	93	297	-231	
Profit for the period attributable to the shareholders of Swedbank AB	**139**	**158**	**-12**	**72**	**93**	**297**	**-231**	
Return on allocated equity, %	25.5	29.2		18.4		27.4	-30.4	
Cost/income ratio	0.54	0.49		0.69		0.52	5.88	
Full-time employees	289	284	2	296	-2	289	296	-2

Development January - June
During the first half-year the financial markets were affected by concerns about public finances in certain European countries. The turbulence intensified in May, impacting fund flows. Long-term fixed income funds and mixed funds reported strong net inflows during the period, while equity funds noted a weak net inflow.

Net contributions in the Swedish fund market amounted to SEK 42.8bn during the first half-year, which was SEK 2.7bn higher year-on-year. The total net inflow to Swedbank Robur's funds was SEK 1.6bn. This meant a market share in Sweden of 3.7 per cent. The entire inflow is attributable to third-party distributors. The goal is to increase volume growth among distributors in the Nordic market and broaden the distribution base in selected European markets during the year. Swedbank Robur's market share of total assets under management in Sweden was 24 per cent (28).

In institutional asset management, the net inflow was SEK 3.1bn (11.8).

Profit for the period amounted to SEK 297m. Income rose by 31 per cent excluding refunded management fees of SEK 540m due to incorrect charges in the previous year. The increase in income was due to higher assets under management. Income from discretionary management, excluding Swedbank Robur's funds, amounted to SEK 66m. 6 per cent of operating income was attributable to operations in the three Baltic countries. In 2009 SEK 20m was reserved for fees that might be charged by Finansinspektionen as a result of not following the flagging rules. The actual fee was less than SEK 1m, due to which the difference of SEK 19m affected net commissions positively during the first quarter.

Expenses increased by 5 per cent compared with the same period last year. This is partly due to the additional resources allocated to risk management and compliance. No provisions were made for profit-based staff costs for 2010. A new, variable-salary model will apply as of 1 July 2010. Increased investments in IT development, primarily in administration, will mean slightly higher expenses going forward. Cost controls have been strengthened primarily in HR and IT.

Thomas Eriksson has been appointed the new CEO of Robur AB, succeeding acting CEO Peter Rydell on 2 August 2010.

Assets under management SEKbn	30 Jun 2010	31 Dec 2009	%	30 Jun 2009	%
Fund assets under management					
Assets under management	*453*	*448*	*1*	*392*	*15*
of which:					
Swedish equities, %	*30.8*	*32.0*	*-4*	*28.9*	*7*
foreign equities, %	*34.0*	*35.4*	*-4*	*33.9*	*0*
interest-bearing securities, %	*35.2*	*32.6*	*8*	*37.2*	*-5*
Discretionary asset management					
Assets under management	290	278	4	258	12
of which in Swedbank Robur's funds	*59*	*56*	*6*	*51*	*16*
Total assets under management	**684**	**670**	**2**	**599**	**14**

***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

- Fewer repossessions than expected due to slow compulsory auction process
- Further repossessions in Baltic countries
- The value of repossessed properties amounted to SEK 1 010m

Income statement

SEKm	Q2 2010	Q1 2010	%	Q2 2009	%	Jan-Jun 2010	Jan-Jun 2009	%
Net interest income	-2	-5	-60			-7		
Net gains and losses on financial items at fair value	0	4				4		
Other income	28	14	100			42		
Total income	**26**	**13**	**100**	**0**		**39**	**0**	
Staff costs	28	5				33		
Other expenses	40	44	-9			84		
Depreciation/amortisation	4	1				5		
Total expenses	**72**	**50**	**44**	**0**		**122**	**0**	
Profit before impairments	**-46**	**-37**	**24**	**0**		**-83**	**0**	
Operating profit	**-46**	**-37**	**24**	**0**		**-83**	**0**	
Tax expense	-6	0				-6		
Profit for the period	-40	-37	8			-77		
Profit for the period attributable to the shareholders of Swedbank AB	**-40**	**-37**	**8**	**0**		**-77**	**0**	
Full-time employees	123	103	19			123		

Development January - June
As of 30 June Ektornet managed properties valued at SEK 1 010m (after currency translation and depreciation), compared with SEK 517m at the beginning of the year. During the second quarter properties worth SEK 241m were taken over. Of the total property value, the Nordic region accounted for SEK 415m, Estonia for SEK 293m, Latvia for SEK 121m, Lithuania for SEK 41m and the US for SEK 140m. Moreover, properties valued at an additional SEK 355m have been acquired but not yet taken over, mainly in Latvia. During the second quarter fewer properties than expected were repossessed, mainly because the compulsory auction process is taking longer than anticipated.

Ektornet is initially focusing on repossessions. By the end of 2010 assets valued at SEK 4bn are expected to be taken over, an estimated 60 per cent in the Baltic countries. The majority are owner-occupied apartments or projects, which do not generate any income before they are sold. In 2010 and 2011 the Baltic countries will therefore be Ektornet's highest priority, since the market for multi-family housing projects there will have a significant impact on results going forward. The Nordic and US property holdings largely consist of commercial properties. Ektornet is planning for further property transfers and value enhancing activities in the Nordic region and the US, as well as in Ukraine. Eventually properties may be taken over in Russia as well.

Repossessed properties are independently appraised taking into account their development potential from a five-year perspective. Ektornet drafts a business plan for each property category and geographical area and evaluates their long-term development potential. Different markets have different laws, tax regulations and options to recoup losses, which complicate the assessment. Given the market's development and slow foreclosure process in a number of countries, repossessions are expected to continue until 2013. The value of assets repossessed by 2012 is estimated at SEK 5-10bn. At present a few commercial properties comprise most of the portfolio, although this is expected to change over time. The Baltic countries account for an estimated three fourths of repossessed properties.

As its portfolio of repossessed properties grows, Ektornet will build up an organisation to develop and manage the holdings while enhancing their value. The goal is to add value to each property through property development, leasing and/or marketing. This will make it possible to sell properties or portfolios at higher prices when the market is more liquid. It is uncertain how quickly the market will recover, however. Sales of large property portfolios are expected to increase by 2013. Since a large share of the portfolio consists of non-income-generating assets, cash flow is expected to be negative in the years to come. Operating losses of about SEK 200-300m are projected in 2010 and 2011. However, operating results will depend to a large extent on repossessions and any property sales.

***Ektornet** is an independent subsidiary of Swedbank AB. Its aim is to manage and develop the Group's repossessed assets in order to minimise losses and if possible recover value in the long term. The majority of the collateral will be real estate, mainly in the Baltic countries but also in the Nordic region, the US and Ukraine.*

Shared Services & Group Staffs

Income statement

SEKm	Q2 2010	Q1 2010	%	Q2 2009	%	Jan-Jun 2010	Jan-Jun 2009	%
Net interest income	-330	-146		-117		-476	-313	52
Net commissions	-1	7		-8	-88	6	-14	
Net gains and losses on financial items at fair value	347	60		-439		407	-349	
Share of profit or loss of associates				1			1	
Other income	947	977	-3	1 005	-6	1 924	1 961	-2
Total income	**963**	**898**	**7**	**442**		**1 861**	**1 286**	**45**
Staff costs	506	448	13	448	13	954	851	12
Variable staff costs	-3	2		1		-1	9	
Other expenses	444	596	-26	548	-19	1 040	1 150	-10
Depreciation/amortisation	86	81	6	97	-11	167	203	-18
Total expenses	**1 033**	**1 127**	**-8**	**1 094**	**-6**	**2 160**	**2 213**	**-2**
Profit before impairments	**-70**	**-229**	**-69**	**-652**	**-89**	**-299**	**-927**	**-68**
Credit impairments	22	4		8		26	4	
Operating profit	**-92**	**-233**	**-61**	**-660**	**-86**	**-325**	**-931**	**-65**
Tax expense	10	-36		-162		-26	-234	-89
Profit for the period	-102	-197	-48	-498	-80	-299	-697	-57
Profit for the period attributable to the shareholders of Swedbank AB	**-102**	**-197**	**-48**	**-498**	**-80**	**-299**	**-697**	**-57**
Full-time employees	2 331	2 329	0	2 307	1	2 331	2 307	1

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

Eliminations

Income statement

SEKm	Q2 2010	Q1 2010	%	Q2 2009	%	Jan-Jun 2010	Jan-Jun 2009	%
Net interest income	-15	12		50		-3	2	
Net commissions	-2	2		-3	-33	0	-6	
Net gains and losses on financial items at fair value	0	0		-47		0	1	
Other income	-867	-939	-8	-908	-5	-1 806	-1 843	-2
Total income	**-884**	**-925**	**-4**	**-908**	**-3**	**-1 809**	**-1 846**	**-2**
Staff costs	0	0		0		0	0	
Variable staff costs				0			0	
Other expenses	-884	-925	-4	-908	-3	-1 809	-1 846	-2
Total expenses	**-884**	**-925**	**-4**	**-908**	**-3**	**-1 809**	**-1 846**	**-2**

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More detailed information can be found in Swedbank's fact book, www.swedbank/se, under Financial information and publications.

Income statement

Group SEKm	Q2 2010	Q1 2010	%	Q2 2009	%	Jan-Jun 2010	Jan-Jun 2009	%
Interest income	*10 697*	*11 924*	*-10*	*13 911*	*-23*	*22 621*	*30 993*	*-27*
Interest expenses	*-6 898*	*-7 901*	*-13*	*-8 668*	*-20*	*-14 799*	*-19 947*	*-26*
Net interest income (note 5)	**3 799**	**4 023**	**-6**	**5 243**	**-28**	**7 822**	**11 046**	**-29**
Commission income	*3 329*	*3 162*	*5*	*2 892*	*15*	*6 491*	*5 134*	*26*
Commission expenses	*-934*	*-880*	*6*	*-922*	*1*	*-1 814*	*-1 790*	*1*
Net commissions (note 6)	**2 395**	**2 282**	**5**	**1 970**	**22**	**4 677**	**3 344**	**40**
Net gains and losses on financial items at fair value (note 7)	822	647	27	710	16	1 469	2 421	-39
Insurance premiums	*389*	*415*	*-6*	*433*	*-10*	*804*	*817*	*-2*
Insurance provisions	*-216*	*-295*	*-27*	*-258*	*-16*	*-511*	*-512*	*0*
Net insurance	**173**	**120**	**44**	**175**	**-1**	**293**	**305**	**-4**
Share of profit or loss of associates	160	146	10	463	-65	306	560	-45
Other income	423	449	-6	673	-37	872	982	-11
Total income	**7 772**	**7 667**	**1**	**9 234**	**-16**	**15 439**	**18 658**	**-17**
Staff costs (note 8)	2 423	2 375	2	2 282	6	4 798	4 823	-1
Other expenses (note 10)	1 781	1 808	-1	1 895	-6	3 589	3 733	-4
Depreciation/amortisation	219	208	5	226	-3	427	466	-8
Total expenses	**4 423**	**4 391**	**1**	**4 403**	**0**	**8 814**	**9 022**	**-2**
Profit before impairments	**3 349**	**3 276**	**2**	**4 831**	**-31**	**6 625**	**9 636**	**-31**
Impairment of intangible assets (note 18)		14				14	1 305	-99
Impairment of tangible assets	128	36		8		164	20	
Credit impairments (note 11)	963	2 210	-56	6 672	-86	3 173	13 517	-77
Operating profit	**2 258**	**1 016**		**-1 849**		**3 274**	**-5 206**	
Tax expense (note 12)	672	469	43	145		1 141	132	
Profit for the period	1 586	547		-1 994		2 133	-5 338	
Profit for the period attributable to the shareholders of Swedbank AB	**1 567**	**536**		**-2 012**		**2 103**	**-5 370**	
Non-controlling interests	19	11	73	18	6	30	32	-6

Earnings per share

Group SEK	Q2 2010	Q1 2010	%	Q2 2009	%	Jan-Jun 2010	Jan-Jun 2009	%
Earnings per share before and after dilution	1.36	0.46		-2.16		1.82	-5.75	

See page 54 for number of shares.

Statement of comprehensive income

Group SEKm	Q2 2010	Q1 2010	%	Q2 2009	%	Jan-Jun 2010	Jan-Jun 2009	%
Profit for the period reported via income statement	**1 586**	**547**		**-1 994**		**2 133**	**-5 338**	
Exchange differences, foreign operations	-595	-1 633	-64	-123		-2 228	-53	
Hedging of net investments in foreign operations:								
Gains/losses arising during the period	399	1 017	-61	176		1 416	185	
Cash flow hedges:								
Gains/losses arising during the period	337	-161		-8		176	-523	
Reclassification adjustments to income statement, net interest income	214	189	13	212	1	403	416	-3
Reclassification adjustments to income statement, net gains and losses on financial items at fair value				81			81	
Share of other comprehensive income of associates	-7	-6	17	-29	-76	-13	13	
Income tax relating to components of other comprehensive income	-250	-275	-9	-111		-525	-24	
Other comprehensive income for the period, net of tax	**98**	**-869**		**198**	**-51**	**-771**	**95**	
Total comprehensive income for the period	**1 684**	**-322**		**-1 796**		**1 362**	**-5 243**	
Total comprehensive income attributable to the shareholders of Swedbank AB	**1 667**	**-330**		**-1 812**		**1 337**	**-5 284**	
Non-controlling interests	17	8		16	6	25	41	-39

Income statement, quarterly

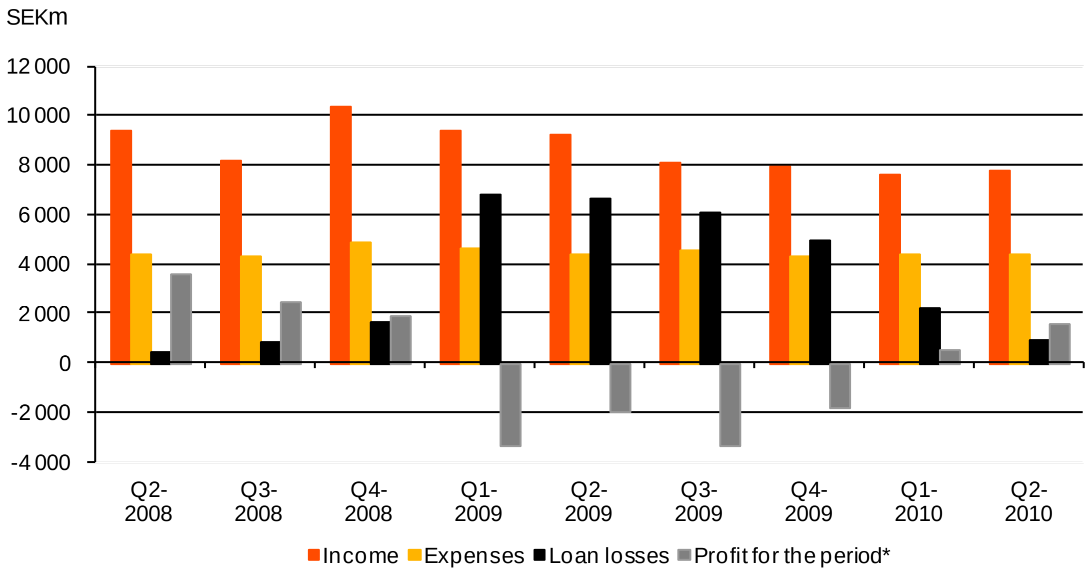
Group SEKm	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008
Net interest income	3 799	4 023	4 702	5 017	5 243	5 803	5 742	5 424
Net commissions	2 395	2 282	2 273	2 208	1 970	1 374	2 011	2 265
Net gains and losses on financial items at fair value	822	647	262	87	710	1 711	1 244	-109
Net insurance	173	120	182	160	175	130	139	105
Share of profit or loss of associates	160	146	123	183	463	97	136	138
Other income	423	449	440	487	673	309	1 074	415
Total income	**7 772**	**7 667**	**7 982**	**8 142**	**9 234**	**9 424**	**10 346**	**8 238**
Staff costs	2 423	2 375	1 930	2 448	2 282	2 541	2 602	2 458
Other expenses	1 781	1 808	2 168	1 857	1 895	1 838	2 004	1 596
Depreciation/amortisation	219	208	202	221	226	240	269	259
Total expenses	**4 423**	**4 391**	**4 300**	**4 526**	**4 403**	**4 619**	**4 875**	**4 313**
Profit before impairments	**3 349**	**3 276**	**3 682**	**3 616**	**4 831**	**4 805**	**5 471**	**3 925**
Impairment of intangible assets		14				1 305	1 403	
Impairment of tangible assets	128	36	352	77	8	12	27	
Credit impairments	963	2 210	5 003	6 121	6 672	6 845	1 633	812
Operating profit	**2 258**	**1 016**	**-1 673**	**-2 582**	**-1 849**	**-3 357**	**2 408**	**3 113**
Tax expense	672	469	115	734	145	-13	500	640
Profit for the period	1 586	547	-1 788	-3 316	-1 994	-3 344	1 908	2 473
Profit for the period attributable to the shareholders of Swedbank AB	**1 567**	**536**	**-1 804**	**-3 337**	**-2 012**	**-3 358**	**1 915**	**2 468**
Non-controlling interests	19	11	16	21	18	14	-7	5

Earnings per share, quarterly

Group SEK	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008
Earnings per share before and after dilution	1.36	0.46	-1.83	-3.57	-2.16	-3.59	2.90	3.81

See page 54 for number of shares.

Profit trend, quarterly



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

Balance sheet

Group SEKm	30 Jun 2010	31 Dec 2009	%	30 Jun 2009	%
Assets					
Cash and balances with central banks	19 833	37 879	-48	22 511	-12
Loans to credit institutions (note 13)	204 327	92 131		122 605	67
Loans to the public (note 13)	1 239 104	1 290 667	-4	1 275 996	-3
Interest-bearing securities (note 17)	215 569	170 615	26	174 048	24
Fund shares for which customers bear the investmenst risk	85 181	78 194	9	64 799	31
Shares and participating interests	10 230	9 505	8	4 523	
Investments in associates	2 486	2 740	-9	2 435	2
Derivatives (note 21)	89 199	72 969	22	89 986	-1
Intangible fixed assets (note 18)	16 592	17 555	-5	18 465	-10
Tangible assets	4 195	3 815	10	3 490	20
Current tax assets	1 307	881	48	2 918	-55
Deferred tax assets	1 335	1 209	10	855	56
Other assets	9 438	9 806	-4	11 028	-14
Prepaid expenses and accrued income	5 792	6 721	-14	2 530	
Total assets	**1 904 588**	**1 794 687**	**6**	**1 796 189**	**6**
Liabilities and equity					
Amounts owed to credit institutions (note 19)	243 947	231 687	5	304 654	-20
Deposits and borrowings from the public (note 19)	529 048	504 424	5	469 336	13
Debt securities in issue, etc (note 20)	710 509	703 258	1	663 721	7
Financial liabilities for which customers bear the investment risk	85 471	80 132	7	65 775	30
Derivatives (note 21)	76 950	72 172	7	82 948	-7
Current tax liabilities	947	1 495	-37	992	-5
Deferred tax liabilities	1 104	720	53	1 594	-31
Sold, not held, securities	90 661	40 411		34 292	
Other liabilities	19 363	11 819	64	36 157	-46
Accrued expenses and prepaid income	12 966	14 400	-10	6 753	92
Provisions	9 725	6 212	57	5 872	66
Subordinated liabilities	32 630	37 983	-14	42 918	-24
Equity	91 267	89 974	1	81 177	12
- Non-controlling interests	*260*	*304*	*-14*	*231*	*13*
- Equity attributable to shareholders of Swedbank AB	*91 007*	*89 670*	*1*	*80 946*	*12*
Total liabilities and equity	**1 904 588**	**1 794 687**	**6**	**1 796 189**	**6**

Statement of changes in equity

Group SEKm	Shareholders' equity								Non-controlling interests	Total equity
	Share capital	Other contri-buted equity*	Non regi-stered shares	Exchange differences, subsidiaries and associates	Hedging of net investments in foreign operations	Cash flow hedges	Retained earnings	Total		
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							
Contribution									3	3
Total comprehensive income for the period				-31	147	-30	-5 370	-5 284	41	-5 243
Closing balance 30 June 2009	**16 234**	**10 633**		**3 920**	**-2 758**	**-988**	**53 905**	**80 946**	**231**	**81 177**
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' acqusition 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**
Opening balance 1 January 2010	**24 351**	**17 152**		**2 143**	**-1 927**	**-755**	**48 706**	**89 670**	**304**	**89 974**
Dividends									-75	-75
Business combinations									6	6
Total comprehensive income for the period				-2 237	1 044	427	2 103	1 337	25	1 362
Closing balance 30 June 2010	**24 351**	**17 152**		**-94**	**-883**	**-328**	**50 809**	**91 007**	**260**	**91 267**

*Other contributed equity consists mainly of share premiums.

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

Cash flow statement

Group SEKm	Jan-Jun 2010	Full-year 2009	Jan-Jun 2009
Cash flow from operating activities	64 544	-61 828	-27 654
Cash flow from investing activities	737	-718	-444
Cash flow from financing activities	10 548	137 407	80 485
Cash flow for the period	**75 829**	**74 861**	**52 387**
Cash and cash equivalents at beginning of period	131 498	57 707	57 707
Cash flow for the period	75 829	74 861	52 387
Exchange differences on cash and cash equivalents	-2 633	-1 070	-288
Cash and cash equivalents at end of period	**204 694**	**131 498**	**109 806**

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.

Several new and revised IFRS and interpretations by IFRIC have not had a material effect on the financial position, results or disclosures of the Group or the Parent Company.

The accounting principles applied in the interim report are the same as those applied in the preparation of the Annual Report for 2009.

The operating segments have been changed in 2010 to coincide with the organisational changes implemented in Swedbank's business area organisation. Comparative figures have been restated. The largest corporate customers have been moved from Retail to the new business area Large Corporates & Institutions. At the same time the finance department within Swedbank Mortgage has been moved to Group Treasury within Shared Services and Group Staffs. In addition to the large corporate customers from Retail, Large Corporates & Institutions includes the international branches from the old business areas International Banking and Swedbank Markets. The new business area Russia & Ukraine includes the operations in those countries.

Note 2 Critical accounting estimates

The Group uses various estimates and judgements 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 affected by a loss event, 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 2010 economic conditions stabilised in the Baltic countries, as well as in Ukraine. The Group's provisions in the Baltic operations increased, however, at a significantly slower rate during the year, from SEK 15 276m to SEK 16 171m. Provisions in the Ukrainian operations increased from SEK 6 390m to SEK 6 632m. The changes 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 14 416m as of 30 June, of which SEK 11 513m relates to the investment in the Baltic operations. By 2001, 60 per cent of the Baltic operations had been acquired. In 2005 the remaining 40 per cent was acquired. SEK 10 360m 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. Since the economies in the Baltic countries have stabilised, no indications have been identified signifying a new test compared with the one made as of year-end 2009. The assumptions that have been made are indicated in note 18 Intangible assets.

Note 3 Changes in the Group structure

Internal structural changes

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

Note 4 Business segments (business areas)

Jan-Jun 2010 SEKm	Retail	Large Corporates & Institutions	Baltic Banking	Russia & Ukraine	Asset Management	Ektornet	Shared Services & Group Staffs	Eliminations	Group
Net interest income	4 694	1 607	1 684	333	-10	-7	-476	-3	7 822
Net commissions	2 284	797	764	42	784		6	0	4 677
Net gains and losses on financial items at fair value	72	750	174	50	12	4	407	0	1 469
Share of profit or loss of associates	305	0	1						306
Other income	562	51	371	13	8	42	1 924	-1 806	1 165
Total income	**7 917**	**3 205**	**2 994**	**438**	**794**	**39**	**1 861**	**-1 809**	**15 439**
Staff costs	2 028	586	562	216	199	33	954	0	4 578
Variable staff costs	48	185	-13	0	1		-1		220
Other expenses	2 391	722	767	210	184	84	1 040	-1 809	3 589
Depreciation/amortisation	87	20	91	32	25	5	167		427
Total expenses	**4 554**	**1 513**	**1 407**	**458**	**409**	**122**	**2 160**	**-1 809**	**8 814**
Profit before impairments	**3 363**	**1 692**	**1 587**	**-20**	**385**	**-83**	**-299**		**6 625**
Impairment of intangible assets				14					14
Impairment of tangible assets			149	15					164
Credit impairments	136	-8	3 199	-180			26		3 173
Operating profit	**3 227**	**1 700**	**-1 761**	**131**	**385**	**-83**	**-325**		**3 274**
Tax expense	911	413	-231	-8	88	-6	-26		1 141
Profit for the period	2 316	1 287	-1 530	139	297	-77	-299		2 133
Profit for the period attributable to the shareholders of Swedbank AB	**2 313**	**1 260**	**-1 530**	**139**	**297**	**-77**	**-299**		**2 103**
Non-controlling interests	3	27	0				0		30
Loans	835 861	441 805	146 459	19 306					1 443 431
Investments in associates	1 329	-1	5	1			1 152		2 486
Other assets	98 872	266 525	46 864	3 459	1 806	1 511	39 634		458 671
Total assets*	**936 062**	**708 329**	**193 328**	**22 767**	**1 806**	**1 511**	**40 786**		**1 904 588**
Deposits	320 222	105 996	96 213	6 617					529 048
Other liabilities	594 571	584 673	60 008	11 954	-363	712	32 979		1 284 533
Total liabilities*	**914 793**	**690 669**	**156 221**	**18 571**	**-363**	**712**	**32 979**		**1 813 581**
Allocated equity	21 269	17 660	37 107	4 196	2 169	799	7 807		91 007
Total liabilities and equity	**936 062**	**708 329**	**193 328**	**22 767**	**1 806**	**1 511**	**40 786**		**1 904 588**
Impaired loans, gross	**1 863**	**1 167**	**27 343**	**12 346**					**42 719**
Risk-weighted assets	**217 858**	**178 384**	**151 919**	**22 956**	**3 277**	**2 050**	**2 947**		**579 391**
Return on allocated equity, %	21.5	14.3	-8.0	6.3	27.4	-24.7	-11.0		4.7
Loans/deposits	261	198	151	243					229
Credit impairment ratio, %	0.03	0.00	3.90	-1.82					0.46
Total provision ratio for impaired loans, %	88	101	59	66					64
Share of impaired loans, gross, %	0.22	0.26	16.81	44.98					2.90
Cost/income ratio	0.58	0.47	0.47	1.05	0.52	3.13	1.16		0.57
Full-time employees	5 724	1 176	5 801	2 085	289	123	2 331		17 529

* Excluding intra-Group transactions

Jan-Jun 2009 SEKm	Retail	Large Corporates & Institutions	Baltic Banking	Russia & Ukraine	Asset Management	Ektornet	Shared Services & Group Staffs	Eliminations	Group
Net interest income	5 742	2 075	2 469	1 082	-11		-313	2	11 046
Net commissions	1 841	639	796	50	38		-14	-6	3 344
Net gains and losses on financial items at fair value	72	2 232	420	23	22		-349	1	2 421
Share of profit or loss of associates	559	0	0	0	0		1	0	560
Other income	842	40	262	8	17		1 961	-1 843	1 287
Total income	**9 056**	**4 986**	**3 947**	**1 163**	**66**		**1 286**	**-1 846**	**18 658**
Staff costs	2 035	554	758	261	165		851	0	4 624
Variable staff costs	45	299	-198	26	18		9	0	199
Other expenses	2 382	673	897	297	180		1 150	-1 846	3 733
Depreciation/amortisation	68	15	109	46	25		203	0	466
Total expenses	**4 530**	**1 541**	**1 566**	**630**	**388**		**2 213**	**-1 846**	**9 022**
Profit before impairments	**4 526**	**3 445**	**2 381**	**533**	**-322**		**-927**		**9 636**
Impairment of intangible assets	0	5	0	1 300	0		0		1 305
Impairment of tangible assets	0	0	0	20	0		0		20
Credit impairments	804	405	8 202	4 102	0		4		13 517
Operating profit	**3 722**	**3 035**	**-5 821**	**-4 889**	**-322**		**-931**		**-5 206**
Tax expense	856	805	-811	-393	-91		-234		132
Profit for the period	2 866	2 230	-5 010	-4 496	-231		-697		-5 338
Profit for the period attributable to the shareholders of Swedbank AB	**2 862**	**2 200**	**-5 010**	**-4 494**	**-231**		**-697**		**-5 370**
Non-controlling interests	4	30	0	-2	0		0		32
Loans	824 619	344 993	200 079	28 910	0		0		1 398 601
Investments in associates	1 164	0	4	1	0		1 266		2 435
Other assets	76 957	109 077	56 475	3 232	1 904		147 508		395 153
Total assets*	**902 740**	**454 070**	**256 558**	**32 144**	**1 904**		**148 773**		**1 796 189**
Deposits	297 249	61 297	105 485	5 305	0		0		469 336
Other liabilities	584 297	375 488	118 750	23 142	351		143 879		1 245 907
Total liabilities*	**881 545**	**436 786**	**224 235**	**28 447**	**351**		**143 879**		**1 715 243**
Allocated equity	21 195	17 284	32 323	3 697	1 553		4 894		80 946
Total liabilities and equity	**902 740**	**454 070**	**256 558**	**32 144**	**1 904**		**148 773**		**1 796 189**
Impaired loans, gross	**2 387**	**539**	**21 800**	**4 931**	**0**		**0**		**29 657**
Risk-weighted assets	**230 676**	**195 342**	**185 881**	**31 363**	**2 184**		**5 348**		**650 794**
Return on allocated equity, %	28.6	26.3	-30.2	-201.9	-30.4		-17.2		-12.8
Loans/deposits	276	342	189	540			0.0		267
Credit impairment ratio, %	0.20	0.23	7.09	22.83					1.91
Total provision ratio for impaired loans, %	93	125	51	97					63
Share of impaired loans, gross, %	0.29	0.16	10.32	14.64					2.09
Cost/income ratio	0.50	0.31	0.40	0.54	5.88		1.72		0.48
Full-time employees	5 991	1 135	6 965	4 292	296		2 307		20 986

* Excluding intra-Group transactions

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.

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.

Retail, Swedbank's dominant business area, is responsible for all Swedish customers except for large corporates and financial institutions. The bank's services are sold through Swedbank's own branch network, the Telephone Bank, Internet Bank and through the savings banks' distribution network. The business area also includes a number of subsidiaries.

Large Corporates & Institutions is responsible for large corporates, financial institutions and banks as well as for trading and capital market products. Operations are carried out by the parent bank in Sweden, branches in Norway, Denmark, Finland, the US and China, and the partly owned subsidiaries First Securities in Norway and Swedbank First Securities LLC in New York, in addition to the trading and capital market operations in subsidiary banks in Estonia, Latvia and Lithuania.

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, the Telephone Bank and the Internet Bank. 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.

The Russia & Ukraine business area comprises the banking operations of Swedbank Group in Russia and Ukraine. A management unit with staff functions is also included in the business area.

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 is an independent subsidiary of Swedbank AB. Its aim is to manage and develop the Group's repossessed assets in order to minimise losses and if possible recover value in the long term. The majority of the collateral will be real estate, mainly in the Baltic countries but also in the Nordic region, the US and Ukraine.

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

Note 4, cont. Geographical breakdown

Jan-Jun 2010 SEKm	Sweden	Estonia	Latvia	Lithuania	Ukraine	Russia	Other	Total
Net interest income	5 291	722	523	476	203	168	439	7 822
Net commissions	3 476	371	241	250	21	5	313	4 677
Net gains and losses on financial items at fair value	1 100	105	123	49	35	16	41	1 469
Share of profit or loss of associates	163	1					142	306
Other income	726	13	156	206	11	2	51	1 165
Total income	**10 756**	**1 212**	**1 043**	**981**	**270**	**191**	**986**	**15 439**
Staff costs	3 454	290	172	216	97	102	247	4 578
Variable staff costs	169	-5	-3	-4			63	220
Other expenses	2 544	44	310	316	87	87	201	3 589
Depreciation/amortisation	228	90	31	28	19	14	17	427
Total expenses	**6 395**	**419**	**510**	**556**	**203**	**203**	**528**	**8 814**
Profit before impairments	**4 361**	**793**	**533**	**425**	**67**	**-12**	**458**	**6 625**
Impairment of intangible assets						14		14
Impairment of tangible assets		1	16	132	6	9		164
Credit impairments	77	942	1 406	851	-136	16	17	3 173
Operating profit	**4 284**	**-150**	**-889**	**-558**	**197**	**-51**	**441**	**3 274**
Tax expense	1 230	1	-129	-82	1	2	118	1 141
Profit for the period	3 054	-151	-760	-476	196	-53	323	2 133
Profit for the period attributable to the shareholders of Swedbank AB	**3 050**	**-151**	**-760**	**-476**	**196**	**-53**	**297**	**2 103**
Non-controlling interests	4						26	30
Loans	1 142 018	64 208	43 271	38 944	8 578	10 735	135 677	1 443 431
Investments in associates	1 745	5			1		735	2 486
Other assets	426 736	5 909	9 000	11 170	836	1 244	3 776	458 671
Total assets*	**1 570 499**	**70 122**	**52 271**	**50 114**	**9 415**	**11 979**	**140 188**	**1 904 588**
Deposits	405 207	45 744	19 660	34 109	2 647	3 606	18 075	529 048
Other liabilities	1 119 132	11 457	17 906	5 561	4 339	6 599	119 539	1 284 533
Total liabilities*	**1 524 339**	**57 201**	**37 566**	**39 670**	**6 986**	**10 205**	**137 614**	**1 813 581**
Allocated equity	46 160	12 921	14 705	10 444	2 429	1 774	2 574	91 007
Total liabilities and equity	**1 570 499**	**70 122**	**52 271**	**50 114**	**9 415**	**11 979**	**140 188**	**1 904 588**
Impaired loans, gross	**2 815**	**5 739**	**13 916**	**7 688**	**9 789**	**2 557**	**215**	**42 719**
Risk-weighted assets	**374 067**	**66 365**	**48 900**	**39 918**	**11 877**	**11 091**	**27 173**	**579 391**
Return on allocated equity, %	13.9	-2.4	-10.1	-8.8	15.3	-5.7	22.4	4.7
Cost/income ratio	0.59	0.35	0.49	0.57	0.75	1.07	0.53	0.57
Full-time employees	8 328	2 562	1 769	2 307	1 652	425	486	17 529

The geographical distribution is not comparable to the business area reporting.

* Excluding intra-Group transactions

Note 4, cont. Product areas

Jan-Jun 2010 SEKm	Financing	Savings & Investments	Payments & Cards	Trading & Capital Market	Other	Total
Net interest income	5 351	935	1 912	665	-1 041	7 822
Net commissions	132	2 126	1 580	576	263	4 677
Net gains and losses on financial items at fair value		24	18	1 030	397	1 469
Share of profit or loss of associates	215		18		73	306
Other income	272	322	312	17	242	1 165
Total income	**5 970**	**3 407**	**3 840**	**2 288**	**-66**	**15 439**
Total expenses	**2 587**	**2 073**	**2 307**	**1 441**	**406**	**8 814**
Profit before impairments	**3 383**	**1 334**	**1 533**	**847**	**-472**	**6 625**
Impairment of intangible assets					14	14
Impairment of tangible assets	149				15	164
Credit impairments	3 173		1	2	-3	3 173
Operating profit	**61**	**1 334**	**1 532**	**845**	**-498**	**3 274**
Tax expense	370	347	329	124	-29	1 141
Profit for the period	-309	987	1 203	721	-469	2 133
Profit for the period attributable to the shareholders of Swedbank AB	**-311**	**984**	**1 204**	**703**	**-478**	**2 103**
Non-controlling interests	0	3		18	9	30
Loans	1 159 181		374	283 876		1 443 431
Deposits		296 016	209 932	23 100		529 048
Mutual funds		456 754				456 754
Retail bonds, interest-bearing and equity linked bonds				28 843		28 843
Discretionary asset management		231 381				231 381
Allocated equity	49 047	3 239	6 671	5 898	26 152	91 007
Return on allocated equity, %	-1.3	63.2	39.1	24.8	-3.7	4.7
Cost/income ratio	0.43	0.61	0.60	0.63	-6.15	0.57

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

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

(1) Financing:
- private residential 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 the profit or loss of associates
- capital gains
- goodwill
- other.

Non-recurring items are generally included in Other despite the fact that these items could be distributed to the product areas.

Impairment of tangible assets is reported within Financing when the impairment refers to repossessed collateral. Impairment of the Group's own properties is included in Other.

Note 5 Net interest income

Group SEKm	Q2 2010	Q1 2010	%	Q2 2009	%	Jan-Jun 2010	Jan-Jun 2009	%
Interest income								
Loans to credit institutions	189	162	17	87		351	423	-17
Loans to the public	8 894	9 053	-2	11 906	-25	17 947	26 561	-32
Interest-bearing securities	199	348	-43	603	-67	547	1 305	-58
Derivatives	1 381	2 303	-40	1 282	8	3 684	2 636	40
Other	34	58	-41	33	3	92	68	35
Total interest income	**10 697**	**11 924**	**-10**	**13 911**	**-23**	**22 621**	**30 993**	**-27**
Interest expenses								
Amounts owed to credit institutions	-343	-263	30	-749	-54	-606	-2 488	-76
Deposits and borrowings from the public	-934	-1 110	-16	-1 541	-39	-2 044	-3 887	-47
of which deposit guarantee fees	*-101*	*-105*	*-4*	*-101*	*0*	*-206*	*-205*	*0*
Debt securities in issue	-5 286	-5 444	-3	-4 601	15	-10 730	-11 079	-3
of which commissions for funding with state guarantee	*-400*	*-437*	*-8*	*-465*	*-14*	*-837*	*-763*	*10*
Subordinated liabilities	-330	-405	-19	-531	-38	-735	-1 090	-33
Derivatives	69	-603		-1 224		-534	-1 378	-61
Other	-74	-76	-3	-22		-150	-25	
of which stability fee	*-58*	*-57*	*2*			*-115*		
Total interest expenses	**-6 898**	**-7 901**	**-13**	**-8 668**	**-20**	**-14 799**	**-19 947**	**-26**
Net interest income	**3 799**	**4 023**	**-6**	**5 243**	**-28**	**7 822**	**11 046**	**-29**
Average balances								
Loans to credit institutions	192 185	129 443	48	156 782	23	161 962	149 103	9
Loans to the public	1 224 639	1 243 618	-2	1 274 393	-4	1 237 003	1 286 528	-4
Interest-bearing securities	161 419	173 054	-7	115 887	39	160 794	114 036	41
Interest-bearing assets	**1 578 243**	**1 546 115**	**2**	**1 547 062**	**2**	**1 559 759**	**1 549 667**	**1**
Derivatives	86 288	74 037	17	101 043	-15	80 682	120 802	-33
Other assets	160 212	165 926	-3	130 745	23	161 867	135 048	20
Total assets	**1 824 743**	**1 786 078**	**2**	**1 778 850**	**3**	**1 802 308**	**1 805 517**	**0**
Amounts owed to credit institutions	258 362	238 971	8	335 670	-23	247 768	342 896	-28
Deposits and borrowings from the public	518 905	515 787	1	471 145	10	517 543	485 751	7
Debt securities in issue	711 193	707 691	0	641 180	11	707 420	631 415	12
Subordinated liabilities	32 956	36 588	-10	44 565	-26	34 893	45 629	-24
Interest-bearing liabilities	**1 521 416**	**1 499 037**	**1**	**1 492 560**	**2**	**1 507 624**	**1 505 691**	**0**
Derivatives	78 286	71 938	9	95 064	-18	75 362	107 815	-30
Other liabilities	134 995	125 508	8	109 761	23	129 432	107 551	20
Total liabilities	**1 734 697**	**1 696 483**	**2**	**1 697 385**	**2**	**1 712 418**	**1 721 057**	**-1**
Equity	**90 046**	**89 595**	**1**	**81 465**	**11**	**89 890**	**84 460**	**6**
Total liabilities and equity	**1 824 743**	**1 786 078**	**2**	**1 778 850**	**3**	**1 802 308**	**1 805 517**	**0**
Average interest rates, %								
Loans to credit institutions	0.39	0.50		0.22		0.43	0.57	
Loans to the public	2.91	2.91		3.74		2.90	4.13	
Interest-bearing securities	0.49	0.80		2.08		0.68	2.29	
Interest-bearing assets	**2.35**	**2.47**		**3.26**		**2.42**	**3.65**	
Total assets	**2.34**	**2.67**		**3.13**		**2.51**	**3.43**	
Amounts owed to credit institutions	0.53	0.44		0.89		0.49	1.45	
Deposits and borrowings from the public	0.72	0.86		1.31		0.79	1.60	
Debt securities in issue	2.97	3.08		2.87		3.03	3.51	
Subordinated liabilities	4.01	4.43		4.77		4.21	4.78	
Interest-bearing liabilities	**1.81**	**1.93**		**1.99**		**1.87**	**2.46**	
Total liabilities	**1.59**	**1.86**		**2.04**		**1.73**	**2.32**	
Total liabilities and equity	**1.51**	**1.77**		**1.95**		**1.64**	**2.21**	
Net interest margin	**0.83**	**0.90**		**1.18**		**0.87**	**1.22**	

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	Q2 2010	Q1 2010	%	Q2 2009	%	Jan-Jun 2010	Jan-Jun 2009	%
Commission income								
Payment processing	1 377	1 312	5	1 363	1	2 689	2 652	1
Asset management	1 020	1 003	2	738	38	2 023	950	
Life insurance	120	114	5	92	30	234	176	33
Brokerage	180	185	-3	151	19	365	285	28
Other securities	61	38	61	26		99	76	30
Corporate finance	111	61	82	55		172	74	
Lending	153	134	14	153	0	287	283	1
Guarantee	83	72	15	69	20	155	141	10
Deposits	17	25	-32	23	-26	42	42	0
Real estate brokerage	47	33	42	43	9	80	70	14
Non-life insurance	9	17	-47	7	29	26	18	44
Other commission income	151	168	-10	172	-12	319	367	-13
Total commission income	**3 329**	**3 162**	**5**	**2 892**	**15**	**6 491**	**5 134**	**26**
Commission expenses								
Payment processing	-547	-533	3	-548	0	-1 080	-1 004	8
Asset management	-44	-48	-8	-16		-92	-27	
Life insurance	-66	-48	38	-39	69	-114	-72	58
Brokerage	-2	-2	0	-7	-71	-4	-13	-69
Other securities	-80	-57	40	-36		-137	-169	-19
Lending and guarantees	-5	-30	-83	-28	-82	-35	-50	-30
Other commission expenses	-190	-162	17	-248	-23	-352	-455	-23
Total commission expenses	**-934**	**-880**	**6**	**-922**	**1**	**-1 814**	**-1 790**	**1**
Total net commissions	**2 395**	**2 282**	**5**	**1 970**	**22**	**4 677**	**3 344**	**40**

Commission income from asset management includes SEK 480m in the first quarter 2009 and SEK 60m in the second quarter 2009 paid as 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 Mixed Fund).

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

Group SEKm	Q2 2010	Q1 2010	%	Q2 2009	%	Jan-Jun 2010	Jan-Jun 2009	%
Valuation category, fair value through profit or loss								
Shares and related derivatives	337	410	-18	453	-26	747	593	26
of which dividend	*148*	*40*		*142*	4	*188*	*152*	24
Interest-bearing securities and related derivatives	-2 263	-5 434	-58	-1 857	22	-7 697	-3 022	
Loans	-288	-319	-10	-1 528	-81	-607	-94	
Financial liabilities	2 610	5 621	-54	3 516	-26	8 231	4 466	84
Other financial instruments	-1	-15	-93	-104	-99	-16	23	
Total fair value through profit or loss	**395**	**263**	**50**	**480**	-18	**658**	**1 966**	-67
Hedge accounting								
Hedge accounting to fair value	39	-36		12		3	5	-40
of which hedging instrument	2 104	1 378	53	-417		3 482	-183	
of which hedged item	-2 065	-1 414	46	428		-3 479	188	
Ineffective part of in cash flow hedge				-81			-81	
Ineffective part of in hedging of net investments in foreign operations				30			3	
Total hedge accounting	**39**	**-36**		**-39**		**3**	**-73**	
Loans valued at amortised cost	**30**	**29**	**3**	**39**	**-23**	**59**	**67**	**-12**
Financial liabilities valued at amortised cost								
Change in exchange rates	**358**	**391**	**-8**	**230**	**56**	**749**	**461**	**62**
Total net gains and losses on financial items at fair value	**822**	**647**	**27**	**710**	**16**	**1 469**	**2 421**	**-39**
Distribution by business purpose								
Financial instruments for trading related business	**742**	**630**	**18**	**712**	**4**	**1 372**	**2 403**	**-43**
of which share related	*317*	*410*	*-23*	*461*	*-31*	*727*	*601*	*21*
of which interest related	*69*	*-157*		*125*	*-45*	*-88*	*1 318*	
of which exchange rate related	*357*	*392*	*-9*	*230*	*55*	*749*	*461*	*62*
of which other	*-1*	*-15*	*-93*	*-104*	*-99*	*-16*	*23*	
Financial instruments which are intended to be held to contractual maturity	**80**	**17**		**-2**		**97**	**18**	
of which change in the value of open interest position, Swedbank Mortgage	*-5*	*10*		*2*		*5*	*28*	*-82*
Total	**822**	**647**	**27**	**710**	**16**	**1 469**	**2 421**	**-39**

Note 8 Staff costs

Group SEKm	Q2 2010	Q1 2010	%	Q2 2009	%	Jan-Jun 2010	Jan-Jun 2009	%
Salaries and other remuneration	1 600	1 545	4	1 487	8	3 145	3 192	-1
Pension costs	267	257	4	247	8	524	506	4
Social insurance charges	469	489	-4	460	2	958	944	1
Training costs	23	17	35	27	-15	40	53	-25
Other staff costs	64	67	-4	61	5	131	128	2
Total staff costs	**2 423**	**2 375**	**2**	**2 282**	**6**	**4 798**	**4 823**	**-1**
of which variable staff costs	*141*	*79*	*78*	*-7*		*220*	*199*	*11*
of which redundancy costs	*73*	*41*	*80*	*19*		*114*	*28*	

Note 9 Number of full-time employees

Group Number of employees	30 Jun 2010	31 Dec 2009	%	30 Jun 2009	%
Retail	5 724	5 894	-3	5 991	-4
Large Corporates & Institutions	1 176	1 147	3	1 135	4
Sweden	*672*	*661*	*2*	*652*	*3*
Norway	*268*	*262*	*2*	*267*	*0*
The Baltic countries	*139*	*142*	*-2*	*139*	*0*
Other branches	*75*	*67*	*12*	*63*	*19*
Other	*22*	*15*	*47*	*14*	*57*
Baltic Banking	5 801	6 105	-5	6 965	-17
Estonia	*2 063*	*2 109*	*-2*	*2 303*	*-10*
Latvia	*1 607*	*1 684*	*-5*	*2 025*	*-21*
Lithuania	*2 131*	*2 312*	*-8*	*2 637*	*-19*
Russia & Ukraine	2 085	3 472	-40	4 292	-51
Russia	*422*	*567*	*-26*	*639*	*-34*
Ukraine	*1 652*	*2 880*	*-43*	*3 623*	*-54*
Other	*11*	*25*	*-56*	*30*	*-63*
Asset Management	289	291	-1	296	-2
Sweden	*266*	*269*	*-1*	268	-1
The Baltic countries	*23*	*22*	*5*	28	-18
Ektornet	123	39			
Shared Services & Group Staffs	2 331	2 329	0	2 307	1
Sweden	*1 700*	*1 677*	*1*	*1 641*	*4*
The Baltic countries	*631*	*652*	*-3*	*666*	*-5*
Total	**17 529**	**19 277**	**-9**	**20 986**	**-16**

Note 10 Other expenses

Group SEKm	Q2 2010	Q1 2010	%	Q2 2009	%	Jan-Jun 2010	Jan-Jun 2009	%
Premises and rents	347	361	-4	393	-12	708	799	-11
IT expenses	410	396	4	448	-8	806	884	-9
Telecommunications and postage	63	75	-16	79	-20	138	166	-17
Advertising, PR and marketing	88	74	19	129	-32	161	214	-25
Consultants and purchased services	435	411	6	407	7	846	726	17
Security transports and alarm systems	73	108	-32	117	-38	181	250	-28
Supplies	51	66	-23	61	-16	117	120	-3
Travelling	60	50	20	59	2	110	113	-3
Entertainment	20	23	-13	10	100	43	49	-12
Repair/maintenance of office equipment	44	51	-14	45	-2	95	89	7
Other expenses	190	193	-2	147	29	384	323	19
Total other expenses	**1 781**	**1 808**	**-1**	**1 895**	**-6**	**3 589**	**3 733**	**-4**

Consulting and other services related to the management of problem loans and repossessed collateral amounted to SEK 53m in the second quarter 2010, SEK 84m in the first quarter 2010 and SEK 72m in the second quarter 2009. Expenses for properties taken over are included in other expenses amounted to SEK 59m in the second quarter 2010, SEK 30m in the first quarter 2010 and SEK 0m in the second quarter 2009.

Consulting and other services related to the management of problem loans and repossessed collateral amounted to SEK 137m in the period January-June 2010 and SEK 72m in the period January-June 2009. Expenses for properties taken over are included in other expenses amounted to SEK 89m in the period January-June 2010 and SEK 0m in the period January-June 2009.

Note 11 Credit impairments

Group SEKm	Q2 2010	Q1 2010	%	Q2 2009	%	Jan-Jun 2010	Jan-Jun 2009	%
Provision for loans that individually are assessed as impaired								
Provisions	1 158	1 300	-11	3 639	-68	2 458	6 061	-59
Reversal of previous provisions	-289	-538	-46	-117		-827	-295	
Provision for homogenous groups of impaired loans, net	451	1 364	-67	91		1 815	217	
Total	**1 320**	**2 126**	**-38**	**3 613**	**-63**	**3 446**	**5 983**	**-42**
Portfolio provisions for loans that individually are not assessed as impaired	**-581**	**-351**	**66**	**2 520**		**-932**	**6 691**	
Write-offs								
Established losses	642	807	-20	642	0	1 449	1 027	41
Utilisation of previous provisions	-345	-258	34	-62		-603	-127	
Recoveries	-180	-120	50	-46		-300	-73	
Total	**117**	**429**	**-73**	**534**	**-78**	**546**	**827**	**-34**
Credit impairments for contingent liabilities and other credit risk exposures	**107**	**6**		**5**		**113**	**16**	
Credit impairments	**963**	**2 210**	**-56**	**6 672**	**-86**	**3 173**	**13 517**	**-77**
Credit impairment ratio, %	0.28	0.64		1.87		0.46	1.91	

Note 12 Tax

Group SEKm	Q2 2010	Q1 2010	%	Q2 2009	%	Jan-Jun 2010	Jan-Jun 2009	%
Tax related to previous years	49	46	7	31	58	95	-97	
Current tax	635	633	0	643	-1	1 268	1 485	-15
Deferred tax	-12	-210	-94	-529	-98	-222	-1 256	-82
Total tax	**672**	**469**	**43**	**145**		**1 141**	**132**	
Sweden	708	522	36	533	33	1 230	1 189	3
Estonia	0	1		5		1	5	-81
Latvia	-27	-102	-74	-366	-93	-129	-569	-77
Lithuania	-33	-49	-33	-185	-82	-82	-234	-65
Russia	-23	25		-2		2	8	-76
Ukraine	0	1		62		1	-376	
Other	47	71	-34	96	-51	118	108	9
Total tax	**672**	**469**	**43**	**145**		**1 141**	**132**	

Note 13 Loans

Group SEKm	30 Jun 2010	31 Dec 2009	%
Loans to credit institutions			
Banks	142 359	70 227	
Repurchase agreements, banks	60 710	19 984	
Other credit institutions	0	1 443	
Repurchase agreements, other credit institutions	1 258	477	
Loans to credit institutions	204 327	92 131	
Loans to the public			
Private customers	648 959	644 846	1
Private mortgage	*599 790*	*593 277*	*1*
Private other	*49 169*	*51 569*	*-5*
Corporate customers	510 336	547 352	-7
Agriculture, forestry, fishing	*58 184*	*57 825*	*1*
Manufacturing	*32 457*	*34 062*	*-5*
Public sector and utilities	*14 975*	*15 792*	*-5*
Construction	*13 513*	*13 642*	*-1*
Retail	*24 859*	*28 265*	*-12*
Transportation	*14 488*	*15 988*	*-9*
Shipping	*16 268*	*13 407*	*21*
Hotels and restaurants	*7 299*	*7 552*	*-3*
Information and communication	*1 439*	*1 845*	*-22*
Finance and insurance	*17 182*	*9 936*	*73*
Property management	*155 926*	*166 380*	*-6*
Housing cooperatives	*67 436*	*70 890*	*-5*
Professional services	*35 123*	*37 977*	*-8*
Other corporate lending	*51 187*	*73 791*	*-31*
Loans to the public excluding the Swedish National Debt Office and repurchase agreements	**1 159 295**	**1 192 198**	**-3**
Swedish National Debt Office	1	60 001	-100
Repurchase agreements, Swedish National Debt Office	23 087	19 235	20
Repurchase agreements, public	56 721	19 233	
Loans to the public	**1 239 104**	**1 290 667**	**-4**
Loans to the public and credit institutions	**1 443 431**	**1 382 798**	**4**

Group Sector/industry 30 Jun 2010 SEKm	Carrying amount before provisions	Provisions for loans that individually are assessed as impaired	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
Loans to credit institutions							
Banks	142 542	183		142 359	-16	167	
Repurchase agreements, banks	60 710			60 710			
Other credit institutions	0			0			
Repurchase agreements, other credit institutions	1 258			1 258			
Loans to credit institutions	**204 510**	**183**	**0**	**204 327**	**-16**	**167**	**0**
Loans to the public							
Private customers	653 942	4 421	562	648 959	6 564	10 985	0
Private mortgage	*602 527*	*2 467*	*270*	*599 790*	*4 403*	*6 870*	
Private other	*51 415*	*1 954*	*292*	*49 169*	*2 161*	*4 115*	
Corporate customers	532 302	18 424	3 542	510 336	13 143	31 567	846
Agriculture, forestry, fishing	*58 678*	*398*	*96*	*58 184*	*438*	*836*	*28*
Manufacturing	*36 708*	*3 589*	*662*	*32 457*	*2 537*	*6 126*	*89*
Public sector and utilities	*15 060*	*42*	*43*	*14 975*	*40*	*82*	*16*
Construction	*15 699*	*2 015*	*171*	*13 513*	*1 076*	*3 091*	*15*
Retail	*27 634*	*2 343*	*432*	*24 859*	*1 346*	*3 689*	*171*
Transportation	*15 413*	*748*	*177*	*14 488*	*811*	*1 559*	*99*
Shipping	*16 352*	*38*	*46*	*16 268*	*1*	*39*	
Hotels and restaurants	*7 714*	*316*	*99*	*7 299*	*355*	*671*	*14*
Information and communication	*1 485*	*26*	*20*	*1 439*	*31*	*57*	
Finance and insurance	*17 325*	*63*	*80*	*17 182*	*46*	*109*	
Property management	*163 508*	*6 577*	*1 005*	*155 926*	*4 954*	*11 531*	*182*
Housing cooperatives	*67 534*	*25*	*73*	*67 436*	*16*	*41*	
Professional services	*36 134*	*682*	*329*	*35 123*	*382*	*1 064*	*232*
Other corporate lending	*53 058*	*1 562*	*309*	*51 187*	*1 110*	*2 672*	
Loans to the public excluding the Swedish National Debt Office and repurchase agreements	**1 186 244**	**22 845**	**4 104**	**1 159 295**	**19 707**	**42 552**	**846**
Swedish National Debt Office	1			1			
Repurchase agreements, Swedish National Debt Office	23 087			23 087			
Repurchase agreements, public	56 721			56 721			
Loans to the public	**1 266 053**	**22 845**	**4 104**	**1 239 104**	**19 707**	**42 552**	**846**
Loans to the public and credit institutions	**1 470 563**	**23 028**	**4 104**	**1 443 431**	**19 691**	**42 719**	**846**

Group Sector/industry 31 Dec 2009 SEKm	Carrying amount before provisions	Provisions for loans that individually are assessed as impaired	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
Loans to credit institutions							
Banks	70 408	181		70 227	0	181	
Repurchase agreements, banks	19 984			19 984			
Other credit institutions	1 443			1 443			
Repurchase agreements, other credit institutions	477			477			
Loans to credit institutions	**92 312**	**181**	**0**	**92 131**	**0**	**181**	**0**
Loans to the public							
Private customers	649 315	3 688	781	644 846	5 897	9 585	281
Private mortgage	*595 649*	*1 924*	*448*	*593 277*	*3 943*	*5 867*	
Private other	*53 666*	*1 764*	*333*	*51 569*	*1 954*	*3 718*	
Corporate customers	568 715	17 013	4 350	547 352	13 353	30 366	580
Agriculture, forestry, fishing	*58 274*	*338*	*111*	*57 825*	*452*	*790*	*56*
Manufacturing	*38 031*	*2 817*	*1 152*	*34 062*	*2 094*	*4 911*	*34*
Public sector and utilities	*15 872*	*52*	*28*	*15 792*	*20*	*72*	
Construction	*15 777*	*1 903*	*232*	*13 642*	*1 069*	*2 972*	*10*
Retail	*30 943*	*2 057*	*621*	*28 265*	*1 288*	*3 345*	*67*
Transportation	*16 954*	*713*	*253*	*15 988*	*765*	*1 478*	*1*
Shipping	*13 454*	*36*	*11*	*13 407*	*1*	*37*	
Hotels and restaurants	*7 996*	*318*	*126*	*7 552*	*361*	*679*	
Information and communication	*1 881*	*26*	*10*	*1 845*	*34*	*60*	
Finance and insurance	*10 047*	*72*	*39*	*9 936*	*36*	*108*	
Property management	*173 756*	*6 481*	*895*	*166 380*	*5 726*	*12 207*	*205*
Housing cooperatives	*70 913*	*23*	*0*	*70 890*	*18*	*41*	
Professional services	*38 811*	*638*	*196*	*37 977*	*170*	*808*	
Other corporate lending	*76 006*	*1 539*	*676*	*73 791*	*1 319*	*2 858*	*207*
Loans to the public excluding the Swedish National Debt Office and repurchase agreements	**1 218 030**	**20 701**	**5 131**	**1 192 198**	**19 250**	**39 951**	**861**
Swedish National Debt Office	60 001			60 001			
Repurchase agreements, Swedish National Debt Office	19 235			19 235			
Repurchase agreements, public	19 237		4	19 233			
Loans to the public	**1 316 503**	**20 701**	**5 135**	**1 290 667**	**19 250**	**39 951**	**861**
Loans to the public and credit institutions	**1 408 815**	**20 882**	**5 135**	**1 382 798**	**19 250**	**40 132**	**861**

Note 14 Impaired loans etc.

Group SEKm	30 Jun 2010	31 dec 2009	%	30 Jun 2009	%
Impaired loans, gross	42 719	40 132	6	29 657	44
Provisions for individually assessed impaired loans	18 092	17 653	2	9 378	93
Provision for homogenous groups of impaired loans	4 936	3 229	53	486	
Impaired loans, net	**19 691**	**19 250**	**2**	**19 793**	**-1**
Portfolio provisions for loans that individually are not assessed as impaired	4 104	5 135	-20	8 856	-54
Share of impaired loans, gross, %	2.90	2.85		2.09	
Share of impaired loans, net, %	1.36	1.39		1.42	
Provision ratio for impaired loans, %	54	52		33	
Total provision ratio for impaired loans, % *	64	65		63	
Past due loans that are not impaired	**6 525**	**10 426**	**-37**	**n.a.**	
of which past due 5-30 days	*3 853*	*5 874*	*-34*	*n.a.*	
of which past due 31-60 days	*1 826*	*3 691*	*-51*	*n.a.*	
of which past due more than 60 days	*846*	*861*	*-2*	*308*	

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

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

Group SEKm	30 Jun 2010	31 Dec 2009	%	30 Jun 2009	%
Buildings and land	1 139	663	72	33	
Shares and participating interests	108	207	-48	189	-43
Other property taken over	18	1		2	
Total property taken over to protect claims	**1 265**	**871**	**45**	**224**	
Cancelled leasing agreements	568	870	-35	1 120	-49
Total	**1 833**	**1 741**	**5**	**1 344**	**36**
of which buildings and land acquired by Ektornet	*1 010*	*517*	*95*		

Note 16 Credit exposures

Group SEKm	30 Jun 2010	31 Dec 2009	%	30 Jun 2009	%
Loans to the public	1 239 104	1 290 667	-4	1 275 996	-3
of which repos	*79 808*	*38 468*		*n.a.*	
of which Swedish National Debt Office excluding repos	*1*	*60 001*	*-100*	*n.a.*	
Loans to credit institutions	204 327	92 131		122 605	67
of which repos	*61 968*	*20 461*		*n.a.*	
Overdraft facilities granted but not utilised	60 951	55 932	9	54 898	11
Loans granted but not paid	118 534	126 190	-6	132 410	-10
Loan guarantees	8 917	12 457	-28	14 330	-38
Guarantees, other	17 639	16 504	7	21 565	-18
Accepted and endorsed notes	112	227	-51	215	-48
Derivatives	89 199	72 969	22	89 986	-1
Treasury bills and other eligible bills	141 311	88 724	59	88 706	59
Bonds and other interest-bearing securities	74 258	81 891	-9	85 342	-13
Other commitments	2 019	2 254	-10	2 658	-24
Total	**1 956 371**	**1 839 946**	**6**	**1 888 711**	**4**

Note 17 Interest-bearing securities

Group SEKm	30 Jun 2010	31 Dec 2009	%	30 Jun 2009	%
Valuation category, fair value through profit or loss					
Swedish treasury bills and other bills eligible for refinancing with central banks	123 255	72 920	69	71 472	72
Non-Swedish treasury bills and other bills eligible for refinancing with central banks	16 789	14 643	15	15 964	5
Swedish mortgage institutions	45 033	48 315	-7	42 391	6
Swedish financial institutions	7 070	7 494	-6	9 948	-29
Swedish non-financial companies	7 177	6 823	5	9 795	-27
Non-Swedish financial institutions	6 891	9 372	-26	11 893	-42
Non-Swedish non-financial companies	1 904	2 239	-15	2 474	-23
Total	**208 119**	**161 806**	**29**	**163 937**	**27**
Valuation category, held to maturity					
Non-Swedish treasury bills and other bills eligible for refinancing with central banks	1 267	1 161	9	1 270	0
Swedish financial institutions				820	
Non-Swedish mortgage institutions	5 041	6 371	-21	6 942	-27
Non-Swedish financial institutions	838	1 224	-32	775	8
Non-Swedish non-financial companies	304	53		304	0
Total	**7 450**	**8 809**	**-15**	**10 111**	**-26**
Total interest-bearing securities	**215 569**	**170 615**	**26**	**174 048**	**24**

Note 18 Intangible assets

Group SEKm	30 Jun 2010	31 Dec 2009	%	30 Jun 2009	%
With indefinite useful life					
Goodwill	14 416	15 368	-6	16 075	-10
Total	**14 416**	**15 368**	**-6**	**16 075**	**-10**
With finite useful life					
Customer base	1 183	1 276	-7	1 367	-13
Other	993	911	9	1 023	-3
Total	**2 176**	**2 187**	**-1**	**2 390**	**-9**
Total intangible assets	**16 592**	**17 555**	**-5**	**18 465**	**-10**

Goodwill	Jan-Jun 2010	Jan-Dec 2009		Jan-Jun 2009	
Cost					
Opening balance	**17 962**	**18 711**		**18 711**	
Disposals		-2			
Translation differences	-938	-747		72	
Closing balance	**17 024**	**17 962**		**18 783**	
Accumulated amortisation and impairments					
Opening balance	**-2 594**	**-1 403**		**-1 403**	
Impairments	-14	-1 191		-1 305	
Closing balance	**-2 608**	**-2 594**		**-2 708**	
Carrying amount	**14 416**	**15 368**		**16 075**	

Impairment testing of intangible assets

Goodwill and other intangible assets are tested for impairment annually or when there are indications that the recoverable amount of the assets is lower than their 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 factor. Estimated cash flows and discount factors are derived from external sources whenever possible, but must be determined in large part based on management's own assumptions. Management also determines whether there is any need for a new test during the year.

In 2009 there was great uncertainty regarding the Baltic economies, due to which the goodwill Swedbank recognised for the operations in these countries was tested continuously. Impairment testing as of year-end 2009 was based on management's financial plan for the operations in the following three years and subsequently on model-based assumptions about growth and profitability. For 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 2013-2016 has been presumed to be slightly higher, since the years after a recession historically produce slightly higher profit margins.

For the first 10 years' estimated cash flows, the discount factor has been set at 12.0 per cent for Estonia, 13.4 per cent for Latvia and 12.8 per cent for Lithuania, which reflects different specific country risk premiums. Specific country risk premiums are then expected to correlate, resulting in a discount factor of 12 per cent.

There have been no indications so far in 2010 that signify the need for new testing.

Consequently, management's opinion is that there is no need for impairment of recognised goodwill or other tangible assets as of 30 June, aside from a goodwill write-off of SEK 14m in the Russian operations in the first quarter.

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 part of the segment Retail.

Note 19 Savings and investments

Group SEKm	30 Jun 2010	31 Dec 2009	%	30 Jun 2009	%
Amounts owed to credit institutions					
Central banks	89 177	116 199	-23	201 559	-56
Banks	88 328	92 860	-5	71 746	23
Other credit institutions	40 251	4 383		1 370	
Repurchase agreements, banks	18 767	16 910	11	28 905	-35
Repurchase agreements, other credit institutions	7 424	1 335		1 074	
Amounts owed to credit institutions	**243 947**	**231 687**	**5**	**304 654**	**-20**
Deposits from the public in SEK					
Private	235 244	226 140	4	224 006	5
Corporate	136 211	142 997	-5	120 678	13
Total	**371 455**	**369 137**	**1**	**344 684**	**8**
Deposits from the public in foreign currency					
Private	57 763	58 526	-1	56 269	3
Corporate	75 931	69 073	10	63 521	20
Total	**133 694**	**127 599**	**5**	**119 790**	**12**
Deposits from the public excluding the Swedish National Debt Office and repurchase agreements	**505 149**	**496 736**	**2**	**464 474**	**9**
Swedish National Debt Office	9	7	29	0	
Repurchase agreements, Swedish National Debt Office	4 358	4 956	-12	3 719	17
Repurchase agreements, public	19 532	2 725		1 143	
Deposits and borrowings from the public	**529 048**	**504 424**	**5**	**469 336**	**13**
Discretionary asset management *	231 381	222 222	4	207 006	12
Funds assets under management	456 754	450 420	1	393 006	16
Unit-linked insurance	89 005	80 261	11	65 803	35
Of which unit-linked insurance in own companies	-77 515	-72 363	7	-61 114	27
Retail bonds, interest-bearing	1 440	2 616	-45	2 608	-45
Retail bonds, equity linked	27 403	27 755	-1	28 731	-5
Total savings and investments	**1 501 463**	**1 447 022**	**4**	**1 410 030**	**6**

* Excluding investments in Swedbank Robur's funds.

Note 20 Debt securities in issue

Group SEKm	30 Jun 2010	31 Dec 2009	%	30 Jun 2009	%
Certificates with state guarantee		60 689		116 307	
Other certificates	61 772	49 884	24	18 167	
Covered bonds	406 707	341 372	19	250 864	62
Bond loans with state guarantee	175 866	181 587	-3	189 281	-7
Other interest-bearing bond loans	35 011	32 721	7	54 302	-36
Structured products	31 153	37 004	-16	34 800	-10
Total debt securities in issue	**710 509**	**703 257**	**1**	**663 721**	**7**

Turnover during the period	Jan-Jun 2010	Jan-Dec 2009	Jan-Jun 2009
Certificates with state guarantee			
Opening balance	60 688	79 472	79 472
Issued		140 406	148 433
Repurchased			
Repaid	-60 610	-160 574	-107 948
Change in market values	-121	156	-410
Changes in exchange rates	43	1 229	-3 240
Closing balance		60 689	116 307
Other certificates			
Opening balance	49 884	60 458	60 458
Issued	112 865	215 133	76 695
Repurchased			
Repaid	-102 190	-226 466	-119 619
Change in market values	-124	23	40
Changes in exchange rates	1 337	736	593
Closing balance	61 772	49 884	18 167
Covered bonds			
Opening balance	341 372	271 236	271 236
Issued	125 946	169 962	72 800
Repurchased	-33 834	-80 348	-52 254
Repaid	-20 326	-19 275	-35 877
Reclassified to covered bonds			
Change in market values	-6 451	-203	-5 040
Changes in exchange rates			-1
Closing balance	406 707	341 372	250 864
Bond loans with state guarantee			
Opening balance	181 587	60 295	60 295
Issued		131 301	126 869
Repurchased			
Repaid	-5 696	-921	
Change in market values	511	1 004	597
Changes in exchange rates	-536	-10 092	1 520
Closing balance	175 866	181 587	189 281
Other interest-bearing bond loans			
Opening balance	32 721	86 530	86 530
Issued	21 974	3 622	710
Repurchased	-21		-37
Repaid	-17 805	-56 169	-33 841
Reclassified to covered bonds			
Change in market values	-267	-580	-1 084
Changes in exchange rates	-1 591	-682	2 024
Closing balance	35 011	32 721	54 302
Strucured products			
Opening balance	37 004	35 374	35 374
Issued	2 478	14 637	4 605
Repurchased	-5 935	-10 522	-5 166
Repaid	-1 174	-2 431	-110
Reclassified to covered bonds			
Change in market values	-1 218	-4	97
Changes in exchange rates		-50	0
Closing balance	31 153	37 004	34 800

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 30 Jun 2010	 31 Dec 2009	Currency related 30 Jun 2010	 31 Dec 2009	Equity related 30 Jun 2010	 31 Dec 2009	Total 30 Jun 2010	 31 Dec 2009
Positive derivatives, hedge accounting								
Swaps, fair value hedge	5 756	2 455	80	62			5 836	2 517
Total	**5 756**	**2 455**	**80**	**62**			**5 836**	**2 517**
Other positive derivatives								
Options	1 303	1 039	301	275	2 875	3 274	4 478	4 588
Forward contracts	4 736	6 261	13 593	9 108	3	4	18 333	15 373
Swaps	51 786	49 107	12 148	4 747			63 934	53 854
Other	0	0	0	3	39	12	39	15
Total	**57 825**	**56 407**	**26 042**	**14 133**	**2 917**	**3 290**	**86 784**	**73 830**
Nominal amount	4 407 386	4 567 839	559 701	439 806	61 083	92 654	5 028 171	5 100 299
Negative derivatives, hedge accounting								
Swaps, fair value hedge	244	185					244	185
Swaps, cash flow hedge	535	798	1 954				2 489	798
Total	**779**	**983**	**1 954**				**2 732**	**983**
Other negative derivatives								
Options	1 002	776	443	398	1 451	1 597	2 896	2 771
Forward contracts	5 203	5 946	12 445	13 240	3	12	17 651	19 198
Swaps	50 568	47 336	6 489	5 248			57 058	52 584
Other	0		0	3	33	11	33	14
Total	**56 774**	**54 058**	**19 377**	**18 889**	**1 487**	**1 620**	**77 639**	**74 567**
Nominal amount	4 520 842	3 995 925	624 300	608 278	63 440	78 501	5 208 582	4 682 704

Derivatives with a value of SEK 3 421m (5 687) have been recognized net in the balance sheet, when these are settled on net basis with clearing houses or are covered by other netting agreements that are acceptable for accounting purposes.

Note 22 Financial instruments carried at fair value

Group 30 Jun 2010 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 market prices or valuation techniques				
Assets				
Treasury bills and other bills eligible for refinancing with central banks	140 044			140 044
Loans to credit institutions	548	61 277		61 825
Loans to the public	28	533 129		533 157
Bonds and other interest-bearing securities	39 563	27 823	689	68 075
Fund shares for which customers bear the investment risk	85 181			85 181
Shares and participating interests	9 870	122	144	10 136
Derivatives	3 484	85 674	41	89 199
Total	**278 718**	**708 025**	**874**	**987 617**
Liabilities				
Amounts owed to credit institutions		19 153		19 153
Deposits and borrowings from the public		24 093		24 093
Debt securities in issue, etc	71 259	226 447	136 318	434 024
Financial liabilities for which customers bear the investment risk		85 471		85 471
Derivatives	4 010	72 865	75	76 950
Total	**75 269**	**428 029**	**136 393**	**639 691**

The table above contains financial instruments measured at fair value as of 30 June 2010 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.

Financial instruments at fair value based on Level 3 SEKm	30 Jun 2010 Assets	 Liabilities
Opening balance	**670**	**142 373**
Purchases for the year	22	
Issued		
Transferred to Level 3		
Sales/maturities during the year		-2 943
Transferred from Level 3		
Received dividend from associates	144	
Gain or loss*	38	-3 037
of which in profit or loss	*38*	*-3 037*
of which in other comprehensive income		
Closing balance	**874**	**136 393**
Total result recognised in Net gains and losses on financial items at fair value	38	-3 037
of which financial instruments held on closing day	*38*	*-3 037*

* The change in fair value of bonds issued under the state guarantee programme, which primarily relates to changes in exchange rates. The change in fair value is reported in note 7 Net gains and losses on financial instruments at fair value together with the corresponding negative change value for derivatives that hedge these issues against currency risks and interest-rate risks.

Group 30 Jun 2010 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 market prices or valuation techniques				
Assets				
Treasury bills and other bills eligible for refinancing with central banks	87 247	108		87 355
Loans to credit institutions		23 148		23 148
Loans to the public		556 224		556 224
Bonds and other interest-bearing securities	62 014	12 379	670	75 063
Fund shares for which customers bear the investment risk	64 799			64 799
Shares and participating interests	3 839	74		3 913
Derivatives	222	89 764		89 986
Total	**218 121**	**681 697**	**670**	**900 488**
Liabilities				
Amounts owed to credit institutions		9 429		9 429
Deposits and borrowings from the public		29 222		29 222
Debt securities in issue, etc	146 257	227 811	129 841	503 909
Financial liabilities for which customers bear the investment risk		65 775		65 775
Derivatives	169	82 779		82 948
Total	**146 426**	**415 016**	**129 841**	**691 283**

Financial instruments at fair value based on Level 3 SEKm	30 Jun 2009 Assets	 Liabilities
Opening balance	**664**	**61 522**
Purchases for the year		
Issued		69 076
Transferred to Level 3		
Sales/maturities during the year		
Transferred from Level 3		
Received dividend from associates		
Gain or loss	6	-757
of which in profit or loss	*6*	*-757*
of which in other comprehensive income		
Closing balance	**670**	**129 841**
Total result recognised in Net gains and losses on financial items at fair value	6	-757
of which financial instruments held on closing day	*6*	*-757*

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

Group SEKm	30 Jun 2010	31 Dec 2009	%	30 Jun 2009	%
Assets pledged for own liabilities	786 176	749 456	5	716 335	10
of which loans pledged for securities in issue	*620 417*	*610 456*	*2*	*597 236*	4
of which fund units pledged for policyholders	*84 094*	*80 647*	*4*	*66 161*	27
of which other assets pledged for own liabilities	*81 665*	*58 353*	*40*	*52 938*	54
Contingent liabilities	28 688	31 415	-9	38 743	-26
of which loan guarantees	*8 917*	*12 457*	*-28*	*14 330*	-38
of which other guarantees	*17 639*	*16 504*	*7*	*21 565*	-18
of which accepted and endorsed notes	*112*	*227*	*-51*	*215*	-48
of which letters of credit granted but not utilised	*1 631*	*1 878*	*-13*	*2 098*	-22
of which other contingent liabilities	*389*	*349*	*11*	*535*	-27
Commitments	179 485	182 122	-1	187 308	-4
of which loans granted but not paid	*118 534*	*126 190*	*-6*	*132 410*	-10
of which overdraft facilities granted but not utilised	*60 951*	*55 932*	*9*	*54 898*	11

Note 24 Capital adequacy

Swedbank financial companies Group SEKm	30 Jun 2010	31 Dec 2009	% or pp	30 Jun 2009	% or pp
Shareholders' equity according to the Group's balance sheet	91 007	89 670	1	80 946	12
Non-controlling interests	260	304	-14	231	13
Anticipated dividend	-812				
Deconsolidation of insurance companies	-1 128	-1 130	0	-767	-47
Associated companies consolidated according to purchase method	1 255	1 659	-24	1 393	-10
Shareholders' equity financial companies Group	**90 582**	**90 503**	**0**	**81 803**	**11**
Change in the value of own credit rating	-49				
Goodwill	-13 638	-14 594	7	-15 286	11
Deferred tax assets	-1 337	-1 206	11		
Intangible assets	-1 899	-2 352	19	-2 490	24
Net provisions for reported IRB credit exposures	-113	-309	63	-1 046	89
Cash flow hedges	167	769	-78	988	-83
Shareholdings deducted from Tier 1 capital	-31	-27	-15	-25	-24
Shares in insurance companies		-313		-313	
Total core Tier 1 capital	**73 682**	**72 471**	**2**	**63 631**	**16**
Tier 1 capital contribution with step up	6 954	8 683	-20	9 184	-24
Tier 1 capital contribution without step up	535	535	0	535	0
Total Tier 1 capital	**81 171**	**81 689**	**-1**	**73 350**	**11**
Undated subordinated loans	4 537	4 273	6	4 499	1
Fixed-term subordinated loans	20 626	23 687	-13	27 047	-24
Deduction for remaining duration		-1 249		-1 234	
Net provisions for reported IRB credit exposures	-113	-309	63	-1 046	89
Shareholdings deducted from Tier 2 capital	-31	-27	-15	-25	-24
Shares in insurance companies		-313		-313	
Total Tier 2 capital	**25 019**	**26 062**	**-4**	**28 928**	**-14**
Shares in insurance companies	-2 668	-1 966	-36	-1 984	-34
Total capital base	**103 522**	**105 785**	**-2**	**100 294**	**3**
Risk-weighted assets	**579 391**	**603 431**	**-4**	**650 793**	**-11**
Capital requirement for credit risks, standardised approach	3 541	3 454	3	4 394	-19
Capital requirement for credit risks, IRB	35 548	*37 997*	-6	*41 357*	-14
Capital requirement for settlement risks	1	0		0	
Capital requirement for market risks	2 696	2 579	5	2 068	30
of which risks in the trading book outside VaR	*812*	*784*	*4*	*555*	*46*
of which currency risks outside VaR	*1 550*	*1 468*	*6*	*1 018*	*52*
of which risks where VaR models are applied	*334*	*327*	*2*	*495*	*-33*
Capital requirement for operational risks	4 565	4 244	8	4 244	8
Capital requirement	**46 351**	**48 274**	**-4**	**52 063**	**-11**
Complement during transition period	15 422	14 483	6	11 748	31
Capital requirement including complement	**61 773**	**62 757**	**-2**	**63 811**	**-3**
Capital quotient, Basel 2	2.23	2.19	0.04	1.93	0.31
Core Tier 1 capital ratio, %, Basel 2	12.7	12.0	0.7	9.8	2.9
Tier 1 capital ratio, %, Basel 2	14.0	13.5	0.5	11.3	2.7
Total capital adequacy ratio, %, Basel 2	17.9	17.5	0.3	15.4	2.5
Capital quotient, transition rules	1.68	1.69	-0.01	1.57	0.10
Core Tier 1 capital ratio, %, transition rules	9.5	9.2	0.3	8.0	1.6
Tier 1 capital ratio, %, transition rules	10.5	10.4	0.1	9.2	1.3
Total capital adequacy ratio, %, transition rules	13.4	13.5	-0.1	12.6	0.8

The Internal Ratings-Based Approach (IRB) is applied to the Swedbank financial companies group, 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 IRB approach is also applied to the majority of exposure classes in the Baltic countries.

As of 30 June 2010 the Swedbank financial companies group included the Swedbank Group, the EnterCard Group, Sparbanken Rekarne AB, Färs och Frosta Sparbank AB, Swedbank Sjuhärad AB, Vimmerby Sparbank AB, Bankernas Depå AB and Finansiell ID-teknik. 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 30 Jun 2010	 31 Dec 2009	 %	Average risk weighting, % 30 Jun 2010	 31 Dec 2009	Capital requirement 30 Jun 2010	 31 Dec 2009	 %
Institutional exposures	90 067	79 011	14	19	29	1 336	1 834	-27
of which repurchase agreements	*2 727*	*1 327*		*7*	*7*	*16*	*7*	
of which other lending	*87 340*	*77 684*	*12*	*19*	*29*	*1 320*	*1 827*	*-28*
Corporate exposures	422 212	447 224	-6	76	77	25 621	27 582	-7
of which repurchase agreements	*1 960*	*1 657*	*18*	*14*	*3*	*22*	*4*	
of which other lending	*420 252*	*445 567*	*-6*	*76*	*77*	*25 599*	*27 577*	*-7*
Retail exposures	834 499	833 222	0	11	11	7 459	7 407	1
of which repurchase agreements	*15*	*6*		*62*	*22*	*1*	*0*	
of which mortgage lending	*748 308*	*740 507*	*1*	*8*	*8*	*4 560*	*4 613*	*-1*
of which other lending	*86 176*	*92 709*	*-7*	*42*	*38*	*2 898*	*2 794*	*4*
Securitisation	5 344	6 753	-21	11	12	47	64	-27
Other non credit-obligation asset exposures	14 912	15 165	-2	91	29	1 085	1 110	-2
Total credit risks, IRB	**1 367 034**	**1 381 375**	**-1**	**33**	**34**	**35 548**	**37 997**	**-6**

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 requirements 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 decreased by 6 per cent since the start of the year. For the Baltic portfolios, the average risk weighting was 70 per cent. For Swedbank Finans' portfolios the average risk weighting was 55 per cent and 27 per cent for other portfolios. For the Baltic retail exposures, the average risk weighting was 39 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. The Parent Company has received permission and uses 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 approval also comprises the Baltic operations, Swedbank AS, for general interest rate risks in the trading book and currency risks throughout operations. Exchange rate risks outside the trading book, i.e., in other operations, are excluded in the internal VaR model and estimated according to the standardised approach, as per the Group's internal approach to managing these strategic exchange rate risks. The capital requirement for other market risks thus refers to specific interest rate risk in Swedbank AB and Swedbank AS, share price risk in Swedbank AS and market risks in other companies. Counterparty risks in the trading book are included in credit risk. The capital requirement for other market risks thus refers to specific interest rate risks in Swedbank AB and Swedbank AS, share price risks in Swedbank AS and market risks in other companies.

Operational risk

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

Transition rules

The transition rules, which state that the capital requirement may not fall below 80 per cent of the requirement according to the Basel 1 rules, have been extended until the end of 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 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.

In addition to what is stated in this interim report, a detailed description of risk factors is provided in the September 2009 prospectus. The Group's risks and risk control are also described in detail in Swedbank's 2009 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 other related companies, such as associates. Significant associates are the partly owned Savings Banks. Färs & Frosta Sparbank AB has acquired 3 720 000 shares in Swedbank AB, 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.

Other significant relations are executed with Swedbank's pension foundations and Sparinstitutens Pensionskassa SPK, which secure employees' post-employment benefits. These related parties rely on Swedbank for traditional banking services.

Note 27 Swedbank’s share

SWED A and SWED PREF	30 Jun 2010	31 Dec 2009	%	30 Jun 2009	%
SWED A					
Share price, SEK	72.55	71.00	2	44.90	62
Number of outstanding ordinary shares	952 316 334	939 953 583	1	515 373 412	85
Market capitalisation, SEKm	69 091	66 737	4	23 140	
SWED PREF					
Share price, SEK	73.05	70.50	4	44.30	65
Number of subscribed and outstanding preference shares	207 273 843	219 636 594	-6	257 686 706	-20
Market capitalisation, SEKm	15 141	15 484	-2	11 416	33
Total market capitalisation, SEKm	**84 232**	**82 221**	**2**	**34 556**	

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 outstanding shares	Q2 2010	Q1 2010	Q2 2009	Jan-Jun 2010	Jan-Jun 2009
Average number of outstanding shares before and after dilution	1 158 474 177	1 158 474 177	933 968 804	1 158 474 177	933 968 804

A rights issue was completed on 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 outstanding after the rights issue was 1 159 590 177, of which 219 636 594 were preference shares and 939 953 583 were ordinary shares. After deduction of the Group's share of associates' holdings in Swedbank shares the number of outstanding shares is 1 158 474 177.

Number of outstanding shares on the closing day	30 Jun 2010	31 Dec 2009	30 Jun 2009
Ordinary shares	952 316 334	939 953 583	515 373 412
Subscribed and paid preference shares	207 273 843	219 636 594	257 686 706
Associates' acquisition of shares	-1 116 000	-1 116 000	
Total number of outstanding shares on the closing day	**1 158 474 177**	**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 the year 12 362 751 preference shares were converted to ordinary shares.

Note 28 Ratings

Jun 2010	Swedbank		Swedbank Mortgage		Covered bonds
Standard & Poor's					
Short	A-1	S	A-1	S	
Long	A	S			AAA*
Moody's					
Short	P-1	S	P-1	S	
Long	A2	S	A2	S	Aaa
Financial strength (BFSR)	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

	30 Jun 2010	31 Dec 2009	30 jun 2009
SEK/EUR, average rate	9.815	10.615	10.876
SEK/EUR, closing day rate	9.524	10.283	10.863
SEK/EEK, average rate	0.627	0.678	0.695
SEK/EEK, closing day rate	0.609	0.657	0.694
SEK/UAH, average rate	0.924	0.953	1.022
SEK/UAH, closing day rate	0.974	0.893	0.998
SEK/RUB, average rate	0.245	0.241	0.247
SEK/RUB, closing day rate	0.248	0.237	0.248
SEK/USD, average rate	7.382	7.627	8.084
SEK/USD, closing day rate	7.751	7.191	7.747
UAH/USD, closing day rate	7.954	8.050	7.765
RUB/USD, closing day rate	31.210	30.305	31.165

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	Q2 2010	Q1 2010	%	Q2 2009	%	Jan-Jun 2010	Jan-Jun 2009	%
Interest income	*5 452*	*6 213*	*-12*	*7 556*	*-28*	*11 665*	*17 743*	*-34*
Interest expenses	*-3 805*	*-4 358*	*-13*	*-5 313*	*-28*	*-8 163*	*-12 705*	*-36*
Net interest income	**1 647**	**1 855**	**-11**	**2 243**	**-27**	**3 502**	**5 038**	**-30**
Dividends received	180	2 592	-93	236	-24	2 772	246	
Commission income	*1 546*	*1 483*	*4*	*1 342*	*15*	*3 029*	*2 633*	*15*
Commission expenses	*-324*	*-324*	*0*	*-422*	*-23*	*-648*	*-816*	*-21*
Net commissions	**1 222**	**1 159**	**5**	**920**	**33**	**2 381**	**1 817**	**31**
Net gains and losses on financial items at fair value	184	271	-32	-370		455	924	-51
Other income	360	288	25	724	-50	648	1 006	-36
Total income	**3 593**	**6 165**	**-42**	**3 753**	**-4**	**9 758**	**9 031**	**8**
Staff costs	1 695	1 671	1	1 655	2	3 366	3 286	2
Other expenses	1 153	1 133	2	1 210	-5	2 286	2 389	-4
Depreciation/amortisation	83	83	0	92	-10	166	184	-10
Total expenses	**2 931**	**2 887**	**2**	**2 957**	**-1**	**5 818**	**5 859**	**-1**
Profit before impairments	**662**	**3 278**	**-80**	**796**	**-17**	**3 940**	**3 172**	**24**
Impairment of financial fixed assets	-255	417		2 710		162	4 092	-96
Impairment of tangible assets								
Credit impairments	-2	-141	-99	557		-143	1 199	
Operating profit	**919**	**3 002**	**-69**	**-2 471**		**3 921**	**-2 119**	
Appropriations								
Tax expense	196	253	-23	47		449	391	15
Profit for the period	**723**	**2 749**	**-74**	**-2 518**		**3 472**	**-2 510**	

Statement of comprehensive income

Parent company SEKm	Q2 2010	Q1 2010	%	Q2 2009	%	Jan-Jun 2010	Jan-Jun 2009	%
Profit for the period reported via income statement	**723**	**2 749**	**-74**	**-2 518**		**3 472**	**-2 510**	
Cash flow hedges:								
-Gains/losses arising during the period	107	-161		-7		-54	-523	-90
-Reclassification adjustments to income statement, net interest income	214	189	13	212	1	403	389	4
-Reclassification adjustments to income statement, net gains and losses on financial items at fair value				81			81	
Group contributions paid	-1			-2	-50	-1	-2	-50
Income tax relating to components of other comprehensive income	-85	-7		-75	13	-92	14	
Other comprehensive income for the period, net of tax	**235**	**21**		**209**	**12**	**256**	**-41**	
Total comprehensive income for the period	**958**	**2 770**	**-65**	**-2 309**		**3 728**	**-2 551**	

Balance sheet

Parent company SEKm	30 Jun 2010	31 Dec 2009	%	30 Jun 2009	%
Assets					
Loans to credit institutions	535 655	464 458	15	607 415	-12
Loans to the public	375 022	413 350	-9	380 950	-2
Interest-bearing securities	260 296	262 851	-1	286 552	-9
Shares and participating interests	51 745	50 990	1	42 172	23
Derivatives	103 956	80 438	29	96 281	8
Other assets	17 059	38 770	-56	25 122	-32
Total assets	**1 343 733**	**1 310 857**	**3**	**1 438 492**	**-7**
Liabilities and equity					
Amounts owed to credit institutions	325 188	339 875	-4	438 111	-26
Deposits and borrowings from the public	423 375	394 054	7	357 688	18
Debt securities in issue, etc	296 651	340 929	-13	381 973	-22
Derivatives	90 862	82 460	10	98 104	-7
Other liabilities and provisions	112 270	57 354	96	73 825	52
Subordinated liabilities	32 625	37 151	-12	41 253	-21
Untaxed reserves	815	816	0	5 855	-86
Equity	61 947	58 218	6	41 683	49
Total liabilities and equity	**1 343 733**	**1 310 857**	**3**	**1 438 492**	**-7**
Assets pledged for own liabilities	171 800	192 303	-11	249 135	-31
Other assets pledged	2 247	1 922	17	2 744	-18
Contingent liabilities	451 438	408 045	11	32 658	
Commitments	149 008	151 526	-2	148 513	0

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 2009	**14 918**	**4 871**	**6 489**	**-930**	**15 876**	**41 224**
New share issue	3 010					3 010
Total comprehensive income for the period				-41	-2 510	-2 551
Closing balance 30 June 2009	**17 928**	**4 871**	**6 489**	**-971**	**13 366**	**41 683**
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**
Opening balance 1 January 2010	**24 351**	**13 083**	**6 489**	**-743**	**15 038**	**58 218**
Total comprehensive income for the period				257	3 472	3 729
Closing balance 30 June 2010	**24 351**	**13 083**	**6 489**	**-486**	**18 510**	**61 947**

Cash flow statement

Parent company SEKm	Jan-Jun 2010	Full-year 2009	Jan-Jun 2009
Cash flow from operating activities	1 890	4 741	10 275
Cash flow from investing activities	22 464	821	13 651
Cash flow from financing activities	-47 592	79 230	108 348
Cash flow for the period	**-23 238**	**84 792**	**132 274**
Cash and cash equivalents at beginning of period	271 910	187 118	187 118
Cash flow for the period	-23 238	84 792	132 274
Cash and cash equivalents at end of period	**248 672**	**271 910**	**319 392**

Capital adequacy

Parent company SEKm	30 Jun 2010	31 Dec 2009	% or pp	30 Jun 2009	% or pp
Core Tier 1 capital	59 984	57 377	5	44 196	36
Tier 1 capital contribution	7 489	9 218	-19	8 336	-10
Total Tier 1 capital	**67 473**	**66 595**	**1**	**52 532**	**28**
Tier 2 capital	24 174	25 952	-7	30 611	-21
Settlements, equities, etc.	-2 651	-555		-555	
Total capital base	**88 996**	**91 992**	**-3**	**82 588**	**8**
Risk-weighted assets	**428 603**	**465 046**	**-8**	**492 516**	**-13**
Capital requirement	**34 288**	**37 204**	**-8**	**39 401**	**-13**
Capital requirement including complement	**34 288**	**37 204**	**-8**	**39 401**	**-13**
Capital quotient*	2.60	2.47	0.12	2.10	0.50
Core Tier 1 capital ratio, %*	14.0	12.3	1.7	9.0	5.0
Tier 1 capital ratio, %*	15.7	14.3	1.4	10.7	5.1
Total capital adequacy ratio, %*	20.8	19.8	1.0	16.8	4.0

* Key ratios refer 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 interim report for the second quarter 2010 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, 21 July 2010

Lars Idermark Chair	Anders Sundström Deputy Chair

Ulrika Francke Board Member	Göran Hedman 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	Siv Svensson Board Member	Kristina Janson Board Member Employee Representative
Jimmy Johnsson Board Member Employee Representative	Michael Wolf President	

Review report

Introduction

We have reviewed the interim report for Swedbank AB (publ) for the period 1 January to 30 June 2010. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410 Review of Interim Financial Information performed by the company's auditors. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden RS and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report for the Group is not, in all material aspects, in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies and as regards the parent company in accordance the Annual Accounts Act for Credit Institutions and Securities Companies.

Stockholm, 21 July 2010

Deloitte AB

Svante Forsberg
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 third quarter on 21 October 2010

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