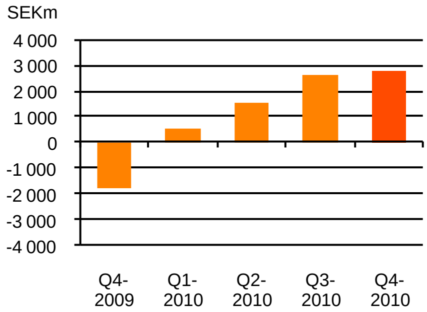
Fourth quarter 2010

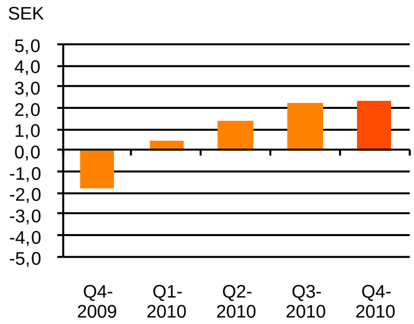
compared with the third quarter 2010

- The quarterly result was SEK 2 750m (2 591)
- Earnings per share were SEK 2.37 (2.23)
- The return on equity was 11.7 per cent (11.3)
- The cost/income ratio was 0.58 (0.55)
- Net interest income increased by 14 per cent to SEK 4 527m (3 980)
- Profit before impairments excluding non-recurring items decreased by 2 per cent to SEK 3 326m (3 409)
- Credit impairments amounted to SEK -483m, i.e., net recoveries (120). Provisions for loan losses amounted to SEK -1 138m (-84). Net write-offs amounted to SEK 655m (204). The credit impairment ratio was -0.14 per cent (0.03)
- The Tier 1 capital ratio according to Basel 2 increased to 15.2 per cent (13.5 per cent on 31 December 2009). According to transition rules, the Tier 1 capital ratio increased to 11.0 per cent (10.4). The core Tier 1 capital ratio was 13.9 per cent (12.0) according to Basel 2 and 10.1 per cent (9.2) according to transition rules.

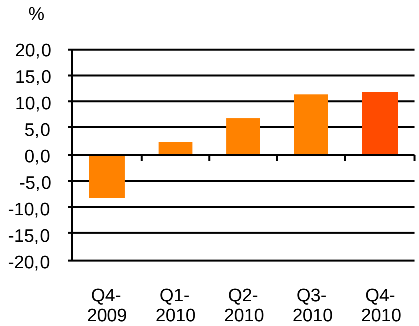
Profit for the period



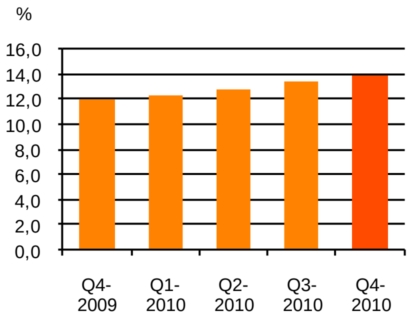
Earnings per share



Return on equity



Core Tier 1 capital ratio



Full-year 2010

compared with the full-year 2009

- The result for the period was SEK 7 444m (-10 511)
- Earnings per share were SEK 6.43 (-10.66)
- The return on equity was 8.1 per cent (-12.5)
- The cost/income ratio was 0.57 (0.51)
- Net interest income decreased by 21 per cent to SEK 16 329m (20 765)
- Profit before impairments excluding non-recurring items decreased by 20 per cent to SEK 13 344m (16 612)
- Credit impairments amounted to SEK 2 810m (24 641). Provisions for loan losses amounted to SEK 1 405m (21 794). Net write-offs amounted to SEK 1 405m (2 847). The credit impairment ratio was 0.20 per cent (1.74)
- The proposed dividend is SEK 2.10 per common share and SEK 4.80 per preference share
- Proposed buy-back programme of up to 10 per cent of outstanding shares
- The dividend policy changed to amount to 50 per cent of the profit for the year, starting from the financial year 2011.

CEO Comment

Prior to 2010 we expected a gradually rising profit trend. In fact, we now see that profit for the full-year was stronger than anticipated, largely thanks to the recovery in the Baltic countries, which resulted in significantly lower credit impairments.

We concluded the year with SEK 7.4bn in profit. Even though all the business areas are now in the black, the current level is far from satisfactory.

In early 2010 we announced four priority areas for the year: customer satisfaction, a lower risk level, earnings, and liquidity and capitalisation. Now, summing up the year, it is clear that we are beginning to see progress in all these areas.

Customer satisfaction

After the significant decline in 2009, customer satisfaction rose slightly in most of our markets in 2010. We still have great potential for improvement before we reach desired levels.

We are working hard to transition the entire organisation from a product focus to a customer focus. Through new service concepts – Key Customer, Key Customer Plus, Premium and Private Banking within Retail – we improve service and give customers a better overview of their financial situation. In the same way, we have consolidated our best and most useful services for small businesses under the Better Business concept. The concepts create clearer customer offerings with increased sales and higher revenue as a result.

To meet better the demand from large companies and institutions with more complex needs, the Large Corporates & Institutions business area was formed during the year. Here a new sector-oriented organisation has been created to enhance our competitive edge. In November the remaining 49 per cent of the Norwegian investment bank First Securities was acquired. This strengthens our competence and offering of capital market-related services for companies, institutions and private customers.

Measures to improve governance and monitoring have enabled a more decentralised organisation where decision-making authority (with a larger mandate and faster decisions) has been shifted closer to customers.

Lower risk level

Active efforts to reduce credit and liquidity risks, coupled with improved macroeconomic conditions, led to a substantial reduction in the total risk level during the year.

Lending in Sweden accounted for 86 per cent of our total lending on 31 December 2010, compared with 83 per cent on 31 December 2009.

Since the end of 2008 the bank's exposure to Eastern Europe has been reduced by more than SEK 100bn. At the same time, corporate lending to other countries (primarily Sweden) has decreased by about SEK 60bn, while Swedish residential mortgage lending increased by about SEK 65bn. This has significantly lowered credit risk, and the dependence on unsecured funding has been reduced by about SEK 150bn. In addition, risks were further reduced when Estonia joined the EMU.

Because of the low inflow of new impaired loans during the year, credit impairments gradually decreased to the point where net recoveries were reported during the fourth quarter. We are well-positioned for the new regulatory requirements that will gradually be introduced for banks and have, in large part, already adapted accordingly.

Earnings

We improved the result by SEK 18bn year-on-year mainly thanks to lower credit impairments in the Baltic countries, Russia and Ukraine.

Profit before impairments decreased by 21 per cent during the year. During the first half year, net interest income was under pressure due to low interest rates and a decline in lending volumes in Eastern Europe. In addition, trading-related income was unusually high in 2009 as a result of very favourable market conditions.

Since the second quarter we have seen a rising trend in net interest income as a consequence of rising Swedish interest rates, among other things. Baltic Banking has also seen a positive trend in net interest income as local interest rates have fallen, partly as a result that it became clear Estonia would join the EMU on 1 January 2011. Credit demand among Swedish companies gradually increased during the year. Rising demand is also evident in Estonia, Latvia and Lithuania.

Expenses excluding variable staff costs decreased by slightly over SEK 500m. The decrease is mainly the result of further capacity adjustments to lower business volumes in the Baltic countries, Russia and Ukraine, as well as currency effects. The number of employees in the Group was reduced by 2 053 during the year to 17 224.

Liquidity and capitalisation

The average maturity of capital market funding was extended by another five months and at year-end was 27 months. In addition, Swedbank significantly strengthened its liquidity buffer during the year. The bank's lower risk level, combined with active measures to inform the market about the development, has created a large investor interest in Swedbank's various bonds. In April we left the state guarantee programme. No funding has been arranged under the state guarantee since summer 2009. All repos with central banks expired during the year at the same time that state guaranteed funding was reduced from about SEK 240bn to SEK 150bn, half of which matures in 2011. Today Swedbank's dependence on capital market funding largely consists of covered bonds, which has been a relatively stable funding source through the crisis. The bank's strong deposit base limits its dependence on unsecured funding. This provides predictability, security and competitive strength.

The core Tier 1 capital ratio rose from 12.0 per cent to 13.9 per cent during the year. This was the result of our net profit for the year and because risk-weighted assets decreased by SEK 62bn.

We are now some way into the journey that began nearly two years ago and that will lead to a sustainably strong Swedbank with satisfied customers, dedicated employees as well as high profitability. We have created the necessary financial leeway to continue the work of developing the bank. Much work still remains and in

2011 we will, among other things, prioritise the following areas:

Focus on customers
We will further improve customer satisfaction and actively match the competence of our employees with customer demand, and then with emphasis on advisory services.

Growth in selected areas
We will strengthen our market position to mid-sized companies and private banking customers. We will have more large corporate customers that rely on us as their main supplier of financial services. At the same time we will reduce the number of exposures with risk-adjusted returns below the hurdle rate. We will continue to develop our savings products, not least in the insurance and investment areas.

Quality and efficiency
Expenses will remain flat, excluding variable staff costs. We will reduce operational risks.

Robust balance sheet with low risk
State guaranteed funding will be replaced primarily with covered bonds. Our goal is to improve Swedbank's credit ratings from the major ratings agencies.

Capital and dividend
We will maintain a core Tier 1 capital ratio of at least 13 per cent until 2013 due to macroeconomic uncertainty, a lack of clarity regarding some aspects of the new regulatory framework for banks, and our desire to ensure that the market's view of Swedbank reflects the substantial risk reduction that has occurred since 2008. Based on the bank's risk appetite, the long-term goal is to maintain a core Tier 1 capital ratio not below 10 per cent.

For 2010 the Board of Directors has proposed a dividend of SEK 2.10 per ordinary share and SEK 4.80 per preference share, in line with our dividend policy.

Against the backdrop of our strong capitalisation, expectations of modest credit demand and our continued focus on capital efficiency, the Board has decided to adjust its dividend policy to distribute 50 per cent, rather than 40 per cent, of net profit from 2011 and onwards. In order to effectively manage our capitalisation, the Board has also asked the Annual General Meeting to authorise the Board to a buy-back programme of up to 10 per cent of outstanding shares (including acquisition of own shares through the securities operations).

Outlook
A continued economic recovery will benefit Swedbank through higher interest rate levels and further consolidated credit quality. In 2011 Swedbank expects Swedish mortgage loans to grow around the nominal GDP growth. Moreover, we expect a slow recovery in credit demand from Swedish companies and that lending volumes in Baltic Banking will bottom out during the year. The repricing of corporate loans that do not reach our desired return, together with maturing state guaranteed funding, will give support to net interest income. Expenses excluding variable staff costs are expected to stay stable.

We expect a gradual improvement in profit before impairments. The credit impairments are expected to remain low with the potential for recoveries in the Baltic countries, Russia and Ukraine.

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	Q4 2010	Q3 2010	%	Q4 2009	%	Full-year 2010	Full-year 2009	%
Net interest income	4 527	3 980	14	4 702	-4	16 329	20 765	-21
Net commissions	2 538	2 310	10	2 273	12	9 525	7 825	22
Net gains and losses on financial items at fair value	357	574	-38	262	36	2 400	2 770	-13
Other income	536	783	-32	745	-28	2 790	3 422	-18
Total income	**7 958**	**7 647**	**4**	**7 982**	**0**	**31 044**	**34 782**	**-11**
Staff costs	2 314	2 280	1	1 930	20	9 392	9 201	2
Other expenses	2 276	1 958	16	2 370	-4	8 250	8 647	-5
Total expenses	**4 590**	**4 238**	**8**	**4 300**	**7**	**17 642**	**17 848**	**-1**
Profit before impairments	**3 368**	**3 409**	**-1**	**3 682**	**-9**	**13 402**	**16 934**	**-21**
Impairment of intangible assets		23				37	1 305	-97
Impairment of tangible assets	406	30		352	15	600	449	34
Credit impairments	-483	120		5 003		2 810	24 641	-89
Operating profit	**3 445**	**3 236**	**6**	**-1 673**		**9 955**	**-9 461**	
Tax expense	693	638	9	115		2 472	981	
Profit for the period	2 752	2 598	6	-1 788		7 483	-10 442	
Profit for the period attributable to the shareholders of Swedbank AB	**2 750**	**2 591**	**6**	**-1 804**		**7 444**	**-10 511**	

Key ratios and data per share	Q4 2010	Q3 2010	Q4 2009	Full-year 2010	Full-year 2009
Return on equity, %	11.7	11.3	-8.3	8.1	-12.5
Earnings per share before and after dilution, SEK [1)]	2.37	2.23	-1.83	6.43	-10.66
Cost/income ratio	0.58	0.55	0.54	0.57	0.51
Equity per share, SEK [1)]	81.84	80.07	77.33	81.84	77.33
Capital quotient, transition rules	1.66	1.66	1.69	1.66	1.69
Core Tier 1 capital ratio, %, transition rules	10.1	9.8	9.2	10.1	9.2
Tier 1 capital ratio, %, transition rules	11.0	10.8	10.4	11.0	10.4
Capital adequacy ratio, %, transition rules	13.3	13.3	13.5	13.3	13.5
Capital quotient, Basel 2	2.30	2.26	2.19	2.30	2.19
Core Tier 1 capital ratio, %, Basel 2	13.9	13.4	12.0	13.9	12.0
Tier 1 capital ratio, %, Basel 2	15.2	14.7	13.5	15.2	13.5
Capital adequacy ratio, %, Basel 2	18.4	18.1	17.5	18.4	17.5
Credit impairment ratio, %	-0.14	0.03	1.44	0.20	1.74
Share of impaired loans, gross, %	2.53	2.67	2.85	2.53	2.85
Total provision ratio for impaired loans, %	63	64	65	63	65

[1)] The number of shares is specified on page 62.

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

Balance sheet data SEKbn	31 Dec 2010	31 Dec 2009	%
Loans to the public	1 187	1 291	-8
Deposits and borrowings from the public	534	504	6
Shareholders' equity	95	90	6
Total assets	1 716	1 795	-4
Risk weighted assets, Basel 2	541	603	-10
Risk weighted assets, transition rules	750	784	-4
Risk weighted assets, Basel 1	955	990	-4

Overview

Market

The global economy has strengthened more than expected, because of which growth projections for 2010 have been revised upward in Sweden, Estonia, Latvia and Lithuania. This has led to accelerated export growth for Swedish and Baltic companies, which will eventually increase the need for investments. The economic recovery rests on shaky ground, however, with the risk of weaker growth in coming quarters as the inventory build-up is gradually worked off at the same time as several European countries will implement public spending cuts.

According to the latest available data, Sweden's GDP grew by 6.9 per cent during the third quarter year-on-year. In Estonia, GDP grew by 5.0 per cent, while Latvia's GDP grew by 2.9 per cent and Lithuania's economy grew by 1.2 per cent during the same period.

The Swedish Riksbank raised the repo rate by 25bp on 27 October and by another 25bp on 22 December, to 1.25 per cent. The key Stibor 3-month rate, which at the end of 2009 was around 0.50 per cent, rose when monetary policy started being tightened and was 1,95 per cent on 31 December. The Euribor 6-month rate, on the other hand, was largely unchanged and on 31 December was 1.23 per cent, or 0.23 percentage points higher than at the end of 2009. The increase in interest rates in Sweden and the country's sound financial position have strengthened the krona against both the euro and the US dollar.

The Stockholm stock exchange (OMXSPI) rose by 7 per cent during the fourth quarter and by 21 per cent during the year. The Tallinn stock exchange (OMXT) added 16 per cent during the quarter and 73 per cent during the year, while the Riga stock exchange (OMXR) was essentially unchanged during the quarter and rose by 41 per cent during the year. The Vilnius stock exchange (OMXV) rose by 13 per cent during the quarter and by 56 per cent during the year.

Important events during the quarter

Swedbank acquired the remaining 49 per cent of the shares of the subsidiary First Securities from the minority employee shareholders. The acquisition strengthens the bank's financial service offering for private and corporate customers as well as institutional investors active in the Nordic and Baltic countries. Swedbank and First Securities – one of Norway's leading investment banks, with 230 employees in Oslo, Bergen and Stavanger – have had a successful collaboration since 2002, when Swedbank became a shareholder. The purchase price amounts to SEK 617m, or NOK 539m, in cash. To retain key staff and incentivise employees to contribute to a successful integration through 2013, the parties have also agreed, as part of the transaction, on additional compensation corresponding to a net cost for Swedbank of up to NOK 172m plus the sellers' share of the 2010 dividend.

Organisational changes implemented during the quarter affected the reported business areas in the segment report. Responsibility for a number of corporate customers has been transferred from Large Corporates & Institutions to Retail at the same time that Swedbank Babs' card processing operations were divided between Large Corporates & Institutions and Retail, instead of being reported in their entirety within Retail. At the same time card and payment support operations were consolidated in Group Functions. This means that around 340 employees have been transferred from the Retail and Baltic Banking business areas to Group Functions. Through internal pricing, the costs associated with supporting card and payment operations have been retained within Retail, Large Corporates & Institutions and Baltic Banking. Certain other functions within Baltic Banking, e.g. Internal Audit, have been transferred to Group Functions. Comparative figures have been restated.

The positive trend in the Baltic Banking business area continued, with a profit for the second consecutive quarter. Latvian operations also reported a profit in the fourth quarter.

Growth in consolidated net interest income continued thanks to rising Swedish short-term interest rates, but also because of lower domestic interest rates in the Baltic countries as well as slightly higher Euribor rates.

Impaired loans, gross, decreased by SEK 3.9bn from the previous quarter.

Fourth quarter 2010

Quarterly profit attributable to the shareholders increased by 6 per cent from the previous quarter to SEK 2 750m. The main reason for the improvement was lower credit impairments. The return on equity was 11.7 per cent (11.3). The cost/income ratio was 0.58 (0.55).

Profit before impairments excluding non-recurring items decreased by 2 per cent to SEK 3 326m due to seasonally higher expenses despite improved net interest income and strong stock market-related commission income.

Retail, Large Corporates & Institutions and Asset Management reported higher profit both before and after impairments. Valuation effects affected Group Functions negatively.

Profit before impairments excluding non-recurring items by business area SEKm	**Q4 2010**	**Q3 2010**	**Q4 2009**
Retail	2 126	1 881	1 954
Large Corporates & Institutions	895	660	1 182
Baltic Banking	893	916	617
Russia & Ukraine	-116	-49	167
Asset Management	188	179	187
Ektornet	-35	-34	-26
Group Functions	-625	-163	-57
Dissolved bonus reserve			-412
Total excl FX effects	**3 326**	**3 390**	**3 612**
FX effects		19	125
Total	**3 326**	**3 409**	**3 737**

Non-recurring items by business area (BA) SEKm	BA	Q4 2010	Q3 2010	Q4 2009
Income				
Estonian Stock Exchange	BB			15
EADR	R&U			-6
Aktia	GF			24
Repayment fund management fees	AM			-88
MasterCard	BB	42		
Total income		**42**	**0**	**-55**
Expenses				
Dissolved bonus reserve	Retail			-89
Dissolved bonus reserve	LC&I			-295
Dissolved bonus reserve	AM			-26
Dissolved bonus reserve	GF			-2
Total expenses		**0**	**0**	**-412**
Impairments				
Total impairments		**0**	**0**	**0**
Tax				
Dissolved bonus reserve	Retail			23
Dissolved bonus reserve	LC&I			78
Dissolved bonus reserve	AM			7
Dissolved bonus reserve	GF			1
Total tax		**0**	**0**	**109**
Profit for the period		**42**	**0**	**248**

Income excluding non-recurring items amounted to SEK 7 916m, 4 per cent higher than the previous quarter. The increase was mainly due to higher net interest income and net commission income.

Income analysis Group SEKm	Q4 2010	Q3 2010	Q4 2009
Lending and deposits	4 926	3 924	3 976
Treasury, trading and capital market products	482	954	1 276
Asset management	1 010	980	921
Payments and cards	873	857	813
Insurance	239	258	258
Associates	127	191	123
Other income	306	488	451
Stability fee	-47	-61	-29
Non-recurring items	42		-55
Total excl FX effects	**7 958**	**7 591**	**7 734**
FX effects		56	248
Total	**7 958**	**7 647**	**7 982**

Net interest income increased by SEK 547m or 14 per cent; SEK 191m was attributable to the reclassification of penalty fees and late interest previously recognised as other income in Baltic Banking. Higher short-term interest rates primarily in Sweden – and the adjusted terms that followed – contributed to the increase. Lower costs for deposits in local currencies as well as slightly higher Euribor rates in the Baltic countries contributed positively.

Net commission income rose by 10 per cent from the previous quarter. The increase was mainly due to higher income from lending commissions, stock trading and corporate finance.

Net gains and losses on financial items at fair value decreased by 38 per cent, SEK 453m of which was in Group Treasury within Group Functions and was mainly tied to the market valuation of funding operations. Repurchased subordinated loans had a negative effect on earnings of SEK 2m, compared with a positive effect of SEK 122m in the third quarter. Closed interest positions in Russia affected net profit negatively by SEK 120m. A change in accounting for securities and derivatives has resulted in an unrealised negative valuation effect on net gains and losses on financial items at fair value of approximately SEK 110m in Large Corporates & Institutions and Group Treasury.

Expenses increased by 8 per cent from the previous quarter. On a seasonal basis expenses are slightly higher in the fourth quarter, mainly in system development and marketing. In addition, variable staff costs increased by SEK 82m. Depreciation increased by SEK 49m due to an adjustment of the depreciation schedule. Expenses for problem loans and repossessed collateral in FR&R and Ektornet amounted to SEK 188m (185). The number of full-time positions decreased during the quarter by 265, of whom 165 were in Baltic Banking, 86 in Ukraine and 109 in Russia. At the same time the number of employees rose by 41 in Retail, by 39 in Large Corporates & Institutions and by 16 in Asset Management. Other increases were attributable to Ektornet.

Expense analysis Group SEKm	Q4 2010	Q3 2010	Q4 2009
Dissolved bonus reserve			**-412**
FR&R and Ektornet	**188**	**185**	**159**
Retail	2 210	2 087	2 275
Large Corporates & Institutions	863	704	758
Baltic Banking	630	556	727
Russia & Ukraine	195	167	274
Asset Management	238	209	211
Other and eliminations	267	293	185
Current franchise	**4 402**	**4 016**	**4 430**
Total excl FX effects	**4 590**	**4 201**	**4 177**
FX effects		37	123
Total	**4 590**	**4 238**	**4 300**

Credit impairments fell to SEK -483m (120). Baltic Banking reported net recoveries of SEK 163m (327). Russia & Ukraine reported net recoveries of SEK 521m (recoveries of SEK 158m).

Impairment of tangible assets rose to SEK 406m (30). The increase was mainly due to impairments of properties owned in Ukraine, where Swedbank previously had branches, and impairments of real estate of SEK 83m (2) in Ektornet.

The tax expense amounted to SEK 693m, corresponding to an effective tax rate of 20 per cent. The low effective tax rate is mainly because Estonia, Russia and Ukraine are posting profits without a tax expense. In Estonia, income tax is payable only if there is a dividend to shareholders, and since the parent company does not plan any dividend from its Estonian subsidiary, no tax expense is posted. The profits in Russia and Ukraine can be offset against existing loss carry forwards, on which no deferred tax assets have previously been claimed.

Other comprehensive income after tax amounted to SEK -218m (-774) in the quarter and was affected mainly by exchange rate differences on the translation of foreign operations and cash flow hedges.

Full-year 2010

Result

Swedbank reported a profit for the year of SEK 7 444m, compared with a loss of SEK 10 511m in the previous year. Significantly lower credit impairments were the main reason why the loss was turned into a profit. The return on equity was 8.1 per cent (-12.5). The cost/income ratio was 0.57 (0.51).

Profit before impairments excluding non-recurring items decreased by 20 per cent to SEK 13 344m. Retail reported lower profit before impairments and non-recurring items due to lower market interest rates and lower corporate lending. The largest decrease among the business areas was in Large Corporates & Institutions, which was because 2009 had been its best year ever on the strength of unusually favourable trading conditions during the first half-year. Baltic Banking was largely successful in compensating for lower income from smaller business volumes and lower market interest rates with cost cuts. Asset Management reported a higher profit before one-offs due to increased assets under management. Group Functions reported an improved result from Group Treasury, partly due to valuation effects from basis spreads and repurchased subordinated loans. When arranged in euro, capital market funding is often swapped into SEK. These swaps are marked to market. Historically the volatility in the swap cost has been low. In 2010 the cost increased significantly, but also produced a positive valuation effect, while the funding cost in SEK increases.

Profit before impairments excluding non-recurring items by business area SEKm	**Full-year 2010**	**Full-year 2009**
Retail	7 530	7 820
Large Corporates & Institutions	3 104	5 070
Baltic Banking	3 403	3 391
Russia & Ukraine	-191	623
Asset Management	752	553
Ektornet	-152	-26
Group Functions	-1 102	-1 310
Total excl FX effects	**13 344**	**16 121**
FX effects		491
Total	**13 344**	**16 612**

Non-recurring items by business area (BA) SEKm	**BA**	**Full-year 2010**	**Full-year 2009**
Income			
Branch sales	Retail	3	397
VISA Sweden	Retail		322
Repayment fund management fees	AM		-540
Repayment fund management fees	AM		-88
Estonian Stock Exchange	BB		15
EADR	R&U		-6
Aktia	GF		24
MasterCard	BB	55	
Total income		**58**	**124**
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	105
Repayment fund management fees	AM		-150
Dissolved bonus reserve	BB		28
MasterCard	BB	2	
Total tax		**3**	**-17**
Profit for the period		**41**	**-966**

Income excluding non-recurring items amounted to SEK 30 986m, a decrease of 11 per cent. Fluctuations in exchange rates, primarily the rise in the Swedish krona against the euro and the Baltic currencies, reduced reported income by SEK 923m.

Net interest income decreased by SEK 4 436m or 21 per cent mainly due to lower net lending volumes, extended durations on wholesale funding, higher costs for liquidity reserves and lower market interest rates. Net interest income was also affected by FX effects, a lower return on the investment portfolio used to hedge interest rates on current accounts and equity, a mismatch between funding and lending (nose and tail effects) and less favourable trading conditions. However, the net interest income trend turned during the second half of the year.

Lending[1] has decreased by SEK 46bn or 4 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 net interest income, since interest margins are lower in Sweden than in the other countries and lower on mortgages than on corporate lending.

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

Income analysis Group SEKm	Full-year 2010	Full-year 2009
Lending and deposits	16 690	17 628
Treasury, trading and capital market products	3 871	7 091
Asset management	3 966	3 237
Payments and cards	3 346	3 258
Insurance	936	915
Associates	624	544
Other income	1 776	1 286
Stability fee	-223	-224
Non-recurring items	58	124
Total excl FX effects	**31 044**	**33 859**
FX effects		923
Total	**31 044**	**34 782**

Net commission income increased by 14 per cent excluding the non-recurring expense for refunded fund management fees in Asset Management last year. Asset management commissions increased by 25 per cent due to an equity-related appreciation in assets under management.

Net gains and losses on financial items at fair value decreased by 13 per cent. The trading result in Large Corporates & Institutions was very high in 2009, however, due to very favourable market conditions. Within Group Treasury (Group Functions), the market valuation of funding operations positively affected net gains and losses on financial items at fair value, as described earlier. The impact on earnings of these changes in value will be small over time, although there could be considerable volatility between quarters.

Expenses were unchanged excluding dissolved bonus reserves in Baltic Banking last year and exchange rate effects. Variable staff costs amounted to SEK 340m (215). Of the variable staff costs, the costs associated with the “Remuneration program 2010” (see p 14) accounted for SEK 255m. The provision is based on an estimated performance amount of SEK 386m including social insurance expenses, of which SEK 214m in cash and SEK 172m for deferred remuneration in the form of shares. Of the latter amount, 12/50, i.e., SEK 41m, has been charged against profit for the year. The remaining SEK 131m will be accrued through February 2014.

Expenses for problem loans and repossessed collateral in FR&R and Ektornet amounted to SEK 714m (427). Expenses in Baltic Banking excluding FR&R decreased by SEK 605m or 20 per cent in local currency. In Russia & Ukraine, expenses excluding FR&R fell by SEK 318m or 28 per cent in local currency.

Expense analysis Group SEKm	Full-year 2010	Full-year 2009
Dissolved bonus reserve		**-198**
FR&R and Ektornet	**714**	**427**
Retail	8 616	8 592
Large Corporates & Institutions	3 151	2 805
Baltic Banking	2 472	3 077
Russia & Ukraine	814	1 132
Asset Management	856	753
Other and eliminations	1 019	827
Current franchise	**16 928**	**17 187**
Total excl FX effects	**17 642**	**17 416**
FX effects		432
Total	**17 642**	**17 848**

In one year the number of full-time employees was reduced by 2 053, of whom 1 625 were in Russia & Ukraine, 508 in Baltic Banking and 167 in Retail. At the same time the number of employees rose by 111 in Ektornet, by 92 in Large Corporates & Institutions, by 22 in Group Functions and by 22 in Asset Management.

Impairment of intangible assets attributable to Russian Banking operations amounted to SEK 14m during the first quarter and SEK 23m for a subsidiary of the Baltic group during the third quarter. In the previous year impairment losses of SEK 1 300m were attributable to Ukrainian Banking and SEK 5m to Russian investment banking.

Impairment of tangible assets amounted to SEK 600m (449) during the year, mostly consisting of properties in Ukraine and repossessed assets (leased heavy vehicles) in Lithuania. Impairment of properties values within Ektornet also had an effect.

Net credit impairments fell to SEK 2 810m (24 641), of which Baltic Banking accounted for SEK 3 363m (14 888). Of the reported credit impairments, SEK 1 405m (21 794) related to net provisions, of which individual provisions for impaired loans amounted to SEK 3 143m (17 042) and portfolio provisions for loans individually deemed not to be impaired were SEK –1 738m (2 847). Net write-offs amounted to SEK 1 405m (4 752). The credit impairment ratio decreased to 0.20 per cent (1.74).

The tax expense amounted to SEK 2 472m, corresponding to an effective tax rate of 25 per cent, closing in on the anticipated effective long-term rate of about 21-22 per cent.

Credit and asset quality

In 2010 Swedbank continued the risk reduction it began in 2009, but more selectively. Lending[1] in the Baltic countries, Ukraine and Russia decreased from 209 per cent to 151 per cent of equity during the year.

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

Loans by business area 31 Dec 2010 SEKm	Loans gross	Total Pro-visions	Loans net
Retail	898 467	1 591	896 876
Large Corporates & Institutions	310 670	817	309 854
Estonia	*61 410*	*2 930*	*58 480*
Latvia	*43 557*	*6 322*	*37 235*
Lithuania	*39 519*	*3 831*	*35 688*
Investment	*391*		*391*
Baltic Banking	144 877	13 083	131 794
Russia	*8 642*	*1 105*	*7 536*
Ukraine	*12 779*	*5 196*	*7 583*
Russia & Ukraine	21 421	6 301	15 119
Total	**1 375 435**	**21 792**	**1 353 643**

Lending decreased by 23 per cent in the Baltic countries, by 32 per cent in Ukraine and by 35 per cent in Russia. Excluding exchange rate effects, lending decreased by 12 per cent in the Baltic countries, by 28 per cent in Ukraine and by 31 per cent in Russia. Corporate lending in Sweden also fell during the period. The rate of decline slowed in the latter part of the year. Lending continued to grow in segments with lower risk, especially mortgage lending to private customers in Sweden. Total lending rose by SEK 31bn in Swedbank Mortgage.

Loans by sector/industry SEKm	31 Dec 2010	31 Dec 2009
Private customers	656 351	644 846
Agriculture, forestry, fishing	59 091	57 825
Manufacturing	29 329	34 062
Public sector and utilities	16 171	15 792
Construction	12 749	13 642
Retail	22 990	28 265
Transportation	13 061	15 988
Shipping	15 605	13 407
Hotels and restaurants	6 910	7 552
Information and communications	2 216	1 845
Finance and insurance	10 694	9 936
Property management	148 196	166 380
Housing cooperatives	71 829	70 890
Professional services	28 012	37 977
Other corporate lending	52 792	73 791
Credit institutions	126 420	71 670
Swedish National Debt Office and repurchase agreements	81 227	118 930
Total	**1 353 643**	**1 382 798**

The majority (78 per cent) of Swedbank's lending is real estate related. This lending is highly secured with real estate collateral in Sweden, primarily residential housing.

Lending by Swedbank Mortgage amounted to SEK 697bn on 31 December and the average loan to value ratio was 60 per cent, calculated by property level (45 per cent calculated by loan level). Swedish mortgage regulations were amended during the year when the Financial Supervisory Authority introduced a mortgage cap on 85 per cent of a property's value. Although the credit policy is restrictive, Swedbank still raised its requirements for mortgage loans beyond the Financial Supervisory Authority's new rules during the fourth quarter.

The stress tests Swedbank underwent during the year indicate strong financial resilience to drastically worsened economic conditions. In its internal capital evaluation (ICAAP) completed during the second quarter, Swedbank's core Tier 1 capital ratio exceeded regulatory requirements by a significant margin. The Committee of European Banking Supervisors' (CEBS) stress tests of European banks during the third quarter came up with a similar result for Swedbank, as it did for other major Swedish banks. In addition, Swedbank conducted a number of internal stress tests during the year. On the real estate side, the Swedish mortgage portfolio and commercial property portfolio were tested and showed good resilience and low credit impairments.

On 31 December 2010 the uncollateralised portion of the mortgage portfolio in Baltic Banking, i.e. the share of the loans exceeding current market value, amounted to SEK 8.8bn (SEK 11.0bn on 31 December 2009). 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. As a result, the average loan-to-value ratio in the Baltic countries has begun to fall.

Loans past due by more than 60 days continued to stabilise during the year. Slight increases were noted during the first half-year, mainly due to a number of large customers in Ukraine, Estonia and Lithuania, the majority of whom had already been identified by the bank and were classified as impaired. In the second half-year loans past due by more than 60 days decreased in the three Baltic countries as well as in Ukraine and Russia. Mortgage loans to private customers of Baltic Banking past due more than 60 days rose during the year on the back of high unemployment, but stabilised in Estonia and Lithuania during the second half-year.

Impaired loans, gross by business area SEKm	30 Dec 2010	31 Dec 2009
Retail	48	2 061
Large Corporates & Institutions	770	1 082
Estonia	*4 722*	*5 465*
Latvia	*11 259*	*13 401*
Lithuania	*6 529*	*7 705*
Baltic Banking	22 510	26 571
Russia	*1 939*	*2 238*
Ukraine	*7 957*	*8 180*
Russia & Ukraine	9 896	10 418
Total	**34 778**	**40 132**

Impaired loans in Baltic Banking fell by 15 per cent during the year. This was partly due to a slower inflow of new loans during the period and partly due to the fact that a few large commitments are no longer impaired. At the same time write-offs and exchange rate effects helped to reduce impaired loans. Excluding currency effects, impaired loans decreased by 1 per cent in Estonia, by 4 per cent in Latvia and by 3 per cent in Lithuania during the year. Impaired loans increased in the Baltic countries during the first half-year, after which the trend was reversed and they decreased by 13 percent in local currency during the second half, with similar figures in all three countries.

During the year impaired loans in Russia decreased by 7 per cent in local currency, while in Ukraine they increased by 2 per cent. Impaired loans increased in both countries during the first half-year, after which the trend was reversed and they declined by 15 per cent and 7 per cent in local currency, respectively, during the second half. The improvements were mainly related to a few exposures to large companies.

In the Baltic countries, new individual provisions during the year were mainly attributable to corporate credits from known distressed customers as well as to an increased share of impaired loans related to private customers. In Russia, recoveries were made throughout 2010. Provisions were marginally affected. During the period a few large recoveries were made from corporate exposures in Ukraine as well as smaller recoveries at the portfolio level.

Credit impairments by business area SEKm	**Full-year 2010**	**Full-year 2009**
Retail	272	833
Large Corporates & Institutions	-1	1 093
Estonia	*968*	*2 560*
Latvia	*1 719*	*6 888*
Lithuania	*676*	*5 355*
Investment		*85*
Baltic Banking	3 363	14 888
Russia	*-271*	*1 326*
Ukraine	*-588*	*6 456*
Russia & Ukraine	-859	7 782
Group Functions	35	45
Total	**2 810**	**24 641**

Individual provisions and impaired loans decreased during the year. The portfolio provisions are related to the portion of the portfolio that does not contain impaired loans. The decrease in provisions is partly related to the composition of the loan portfolio, with a smaller volume to corporate customers in Sweden and increased volume to private customers, and partly to lower volumes for customers in the Baltic countries, Russia and Ukraine. The lower portfolio provisions are also related to the change in the internal ratings of individual commitments among corporate customers. In Sweden, the internal rating improved through a positive rating migration among Swedbank's corporate customers during the latter part of the year, at the same time that rating migrations in the Baltic countries stabilised after having been negative. Of the total provisions, 85 per cent was at the individual level as of 31 December 2010, compared with 80 per cent as of 31 December 2009.

Credit impairments decreased from high levels at the start of the fourth quarter 2009 to the point where Swedbank reported net recoveries for the fourth quarter 2010. During the last two months of the year net recoveries were made in the Baltic countries. In Ukraine and Russia, net recoveries were made in all quarters of 2010. Credit impairments in Retail and Large Corporates & Institutions were very low throughout the year.

Credit impairments Group SEKm	**Full-year 2010**	**Full-year 2009**
Provisions	3 010	22 097
of which individual provisions, gross	*4 748*	*17 345*
of which portfolio provisions, net	*-1 738*	*4 752*
Reversal of individual provisions no longer required	-1 605	-303
Provisions, net	**1 405**	**21 794**
Write-offs, gross	4 373	3 531
Utilisation of previous provisions	-2 410	-468
Recovered from previous write-offs	-558	-216
Write-offs, net	**1 405**	**2 847**
Total	**2 810**	**24 641**

Restructured loans refer to loans whose terms have changed as a result of deterioration in the customer's actual and/or anticipated ability to pay interest and/or principal. Credit restructurings are an important tool for the bank to ensure repayment, at the same time that they can give customers the opportunity to improve their financial situation. As of 31 December 2010 the Group's restructured loans totalled SEK 27.9bn. The majority relates to Baltic Banking (81 per cent) and Ukraine (13 per cent). Of Swedbank's restructured loans, those classified as impaired amounted to SEK 15bn, while those classified as non-impaired totalled SEK 12.9bn.

Swedbank continues to work actively with customers facing or expected to face financial difficulties. The work is done by the Financial Reconstruction and Recovery (FR&R) organisations, which develop and implement restructuring plans.

Repossessed assets rose in 2010. There was a significant increase during the fourth quarter, mainly from a few large units acquired primarily by Ektornet. As of 31 December 2010 the largest part of repossessed assets was in the Baltic countries, though a significant part was in the Nordic region. Swedbank's capacity to manage repossessions in Russia and Ukraine improved during the year. Whenever financially feasible, Swedbank avoids repossessing collateral. In cases where assets are repossessed, Swedbank tries to reach a voluntary agreement with the customer. If an agreement cannot be reached, foreclosure proceedings are launched.

Swedbank's impairment of tangible assets amounted to SEK 600m during the year, which is about 80 per cent related to repossessed assets. Of this impairment, about 35 per cent is attributable to Ukraine, 35 per cent to Lithuania and nearly 20 per cent to Ektornet.

Properties taken over and cancelled leasing agreements by business area SEKm	31 Dec 2010	31 Dec 2009
Retail	11	189
Large Corporates & Institutions		102
Estonia	*42*	*38*
Latvia	*184*	*183*
Lithuania	*203*	*679*
Baltic Banking	429	900
Russia	*4*	*22*
Ukraine	*347*	*11*
Russia & Ukraine	351	33
Sweden	*270*	
Norway	*116*	*173*
Finland	*765*	
Estonia	*469*	*150*
Latvia	*851*	*64*
Lithuania	*206*	
USA	*305*	*130*
Ukraine	*73*	
Ektornet	3 055	517
Total	**3 846**	**1 741**

The laws governing foreclosure sales in the Baltic countries are similar to those in other EU member states. However, the entire process takes longer time in the Baltic countries than in Sweden, for example. The process is more complex in Ukraine and Russia. During the year Ektornet took over assets worth SEK 2 574m, the large part of which was during the fourth quarter. For more information on Ektornet, see page 26.

Funding and liquidity

In 2010 Swedbank issued a total of SEK 265bn in long-term debt instruments, of which SEK 75bn in the fourth quarter. The majority of the fourth quarter's issues relates to covered bonds, including SEK 58bn in the Swedish market. Among the transactions in the international market was a EUR 1bn benchmark covered bond maturing in January 2014. Long-term debt maturing in 2010 totalled SEK 137bn in nominal value. Over the course of the year the bank continued to refinance maturing covered bonds in advance in the Swedish market.

The average maturity of all capital market funding, including short-term funding and interbank deposits, has been extended from about 22 months as of 31 December 2009 to 27 months as of 31 December 2010. The average maturity of covered bonds was 38 months. The average maturity of long-term funding issued during the fourth quarter was 40 months.

Swedbank repurchased a total of SEK 2.3bn in Tier 2 bonds in 2010, of which SEK 60m during the fourth quarter. The loans were repurchased at market rates and generated a capital gain of SEK 120m. The Financial Supervisory Authority's approval to repurchase Tier 2 bonds up to a limit of SEK 9bn ended on 31 October 2010. In addition, Swedbank repaid a total of SEK 4.9bn in subordinated debt in accordance with the call dates of specific bonds, of which SEK 2.1bn was Tier 1 hybrid capital bonds and SEK 2.8bn in Tier 2 bonds.

During the fourth quarter SEK 35m in central bank funding matured.

Changes in outstanding debt Jan-Dec 2010 SEKbn	Changes since 31 Dec 2009
Commercial papers with state guarantee	-61
Other commercial papers	14
Covered bonds	69
State guaranteed bonds	-26
Senior unsecured bonds	2
Structured retail bonds	-16
Central bank repos	-116

State guaranteed funding Maturity distribution	SEK billion
2011	80
2012	38
2013	12
2014	26
Total	**156**

In 2011 long-term funding with a nominal value of about SEK 180bn will mature, of which SEK 80bn relates to funding arranged through the state guarantee programme. Maturities in the Swedish covered bond market amount to SEK 71bn.

In addition, a nominal value of approximately SEK 7bn in subordinated debt matures or can be prepaid.

At year-end Swedbank had a liquidity reserve of about SEK 369bn, of which SEK 109bn consisted of AAA-rated liquid instruments and deposits in central banks. About SEK 200bn of the reserve represents the unutilised portion of the collateral pool for covered bond issuance. In addition to its liquidity reserve, the bank maintains significant liquidity in the interbank market. All securities in the reserve can be pledged to central banks.

When evaluating its liquidity situation, the bank analyses not only the liquidity reserve but also a survival period in a stressed scenario. The survival period is defined as a period of time with positive cumulative cash flows and takes into account the Group's total contractual cash flows. As of 31 December 2010 the bank had a sufficient liquidity buffer to meet its cash flows for more than 24 months. In calculating the survival period, it is assumed that the bank does not have access to the capital markets, i.e. no long- or short-term debt can be issued or refinanced. The calculations include cash flows from the Group's holdings of securities that are liquid on capital markets and eligible for refinancing with central banks.

Capital and capital adequacy

As of 31 December equity amounted to SEK 94 897m, an increase of SEK 5 227m from the beginning of the year.

In Swedbank's financial companies group, core Tier 1 capital increased by SEK 3.0bn to SEK 75.5bn during the year. Following the redemption of hybrid loans during the year, hybrid capital decreased by SEK 2.3bn to SEK 6.9bn, and accounted for about 8 per cent of Tier 1 capital at year-end 2010. Tier 2capital decreased by SEK 5.9bn to SEK 20.2bn due to redemptions and repurchases of undated and fixed-term subordinated loans. The decrease in subordinated liabilities, i.e. hybrid capital and Tier 2 capital, is an element in the active efforts to manage Swedbank's capital structure and is consistent with the bank's focus on core Tier 1 capital to ensure the long-term stability of its balance sheet.

The core Tier 1 capital ratio according to Basel 2 increased to 13.9 per cent as of 31 December (12.0 per cent on 31 December 2009) and the Tier 1 capital ratio improved to 15.2 per cent (13.5). The capital adequacy ratio was 18.4 per cent (17.5). According to the transition rules, the core Tier 1 capital ratio was 10.1 per cent (9.2), the Tier 1 capital ratio was 11.0 per cent (10.4) and the capital adequacy ratio was 13.3 per cent (13.5).

Risk-weighted assets decreased by SEK 62bn or 10 per cent from the beginning of the year to SEK 541bn. This was mainly due to a decrease in risk-weighted assets for credit risks of 12 per cent, or SEK 63bn, of which SEK 25bn relates to corporate exposures in the Swedish operations and SEK 22bn to corporate exposures in the Baltic operations. Lower exposure volumes, migration between risk classes and new defaults contributed to the decrease. Risk-weighted assets for operational risks increased by 8 per cent or SEK 4bn. Of the total change in risk-weighted volumes, SEK -25.6bn is due to exchange rate effects.

For further details on capital adequacy, see note 24.

Risk-weighted assets by business area SEKbn	31 Dec 2010	31 Dec 2009
Retail	222	244
Large Corporates & Institutions	156	164
Estonia	*57*	*64*
Latvia	*39*	*51*
Lithuania	*32*	*42*
Investment	*8*	*8*
Baltic Banking	136	165
Russia	*8*	*10*
Ukraine	*9*	*11*
Investment	*1*	*2*
Russia & Ukraine	18	23
Asset Management	3	2
Ektornet	4	1
Group Functions	2	4
Total risk-weighted assets	**541**	**603**

The average risk weighting for all credit risks in the financial companies group decreased to 29.9 per cent according to the IRB approach, against 33.6 per cent at the beginning of the year. Risk weightings declined primarily in the Swedish operations. Risk weightings in the Baltic operations were stable at 69.2 per cent as of 31 December.

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.

New Basel rules on capital and their effect on Swedbank

The final proposal for Basel 3 was announced in December. Due to increased capital requirements for trading book and counterparty risks, Swedbank's risk-weighted assets are expected to increase by about 4 per cent under Basel 3, compared with Basel 2.

Changes in the core Tier 1 capital calculation, primarily related to non-controlling interests, investments in the common shares of unconsolidated financial institutions and deferred tax assets, correspondingly reduce core Tier 1 capital by less than 1 per cent. The estimated negative impact on Swedbank's core Tier 1 capital ratio should not exceed 50bp. Swedbank does not regard the proposed leverage ratio as a de facto restriction to its capital planning.

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. Comparable figures in brackets relate to January-December 2009.

VaR by risk category	Jan-Dec 2010			31 Dec	31 Dec
SEKm	Max	Min	Average	2010	2009
Interest risk	127 (129)	50 (83)	81 (108)	110	120
Currency rate risk	19 (14)	2 (1)	7 (7)	7	7
Stock price risk	12 (25)	2 (7)	6 (14)	6	8
Diversification			-12 (-19)	-14	-14
Total	**126 (135)**	**52 (83)**	**82 (110)**	**109**	**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 measurement based on a time horizon of one day is not relevant.*

For individual risk types, VaR is supplemented with risk measurements and limits based on sensitivity to changes in various market prices. Risk-taking is also monitored with stress tests.

An increase in all market interest rates of one percentage point as of 31 December 2010 would have reduced the value of the Group's assets and liabilities, including derivatives, by SEK 777m (-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 499m (+167). Positions in foreign currency would have decreased in value by SEK 278m (-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 213m (-173) as of 31 December 2010. Comparative figures refer to 31 December 2009.

Operational risks

The aggregate risk level in the Group remained higher than normal during the fourth quarter of 2010. The main reasons were extensive organisational changes, risks in the Swedish IT operations and external risks primarily in Eastern Europe.

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 neither A shares nor preference shares.

Mikael Björknert, previously employed at SEB, was appointed Head of Group Business Support and a member of the Group Executive Committee. Catrin Fransson was named the head of Retail and a member of the Group Executive Committee. Thomas Eriksson, formerly from SEB, was appointed the head of Asset Management and CEO of Swedbank Robur.

Swedbank's Board of Directors resolved to extensively modify the bank's performance based remuneration programme for 2010. The programme is the first of its kind in the Swedish banking market to convert a portion of variable cash remuneration to restricted shares. The Board's resolution that a portion of the variable remuneration be deferred and paid in the form of shares is subject to the approval of the 2011 Annual General Meeting.

Swedbank's performance and share based "Remuneration programme 2010" divides variable remuneration into two parts, cash remuneration and deferred remuneration in the form of shares. The programme implies no increase in the total amount of variable remuneration to what was applicable previously. The cash portion of variable remuneration is paid out in the year following a full year of service. The deferred portion of variable remuneration has a vesting period of three years. For individuals who qualify as risk-takers according to the Swedish financial supervisory authority's definition, 60 percent is deferred, while for others who qualify for variable remuneration 40 percent is deferred. The programme's performance targets are based on the Group's performance after tax, profit adjusted for capital costs and risks in each business area and risk-adjusted results on an individual and/or team level as well as a number of behavioural variables tied to the Swedbank Group's values. The programme includes around 6 400 employees primarily in the Swedish part of the Group.

Swedbank and the savings banks have, together with Danske Bank, Handelsbanken, Nordea and SEB, decided to establish a company responsible for a common infrastructure for the ATM operations in Sweden. The company will also take over the actual ownership of the banks' ATMs.

Swedbank has signed a new framework agreement with Sparbankernas Riksförbund. The agreements take effect on 1 July 2011.

Swedbank's Annual General Meeting will be held on Friday 25 March 2011 at Cirkus in Stockholm. The Nomination Committee comprises the following members:

Lennart Anderberg, appointed by the owner-group Föreningen Sparbanksintressenter and Chair of the Nomination Committee; Christer Gardell, appointed by the owner-group Cevian; Lars Idermark, Chair of the Board of Directors of Swedbank AB; Anders Sundström, appointed by the owner-group Folksam; Rose Marie Westman, appointed by Alecta Pensionsförsäkring, mutually.

The Nomination Committee will make proposals to the 2011 AGM regarding the election of Chair of the AGM, Chair of the Board and other board members. It will also make proposals regarding remuneration to the board members as well as to the auditor and submit a proposal for the principles for selecting a Nomination Committee for the 2012 AGM.

The bank's Board of Directors proposes that the AGM resolve to pay a cash dividend of SEK 4.80 per preference share and SEK 2.10 per common share, corresponding to SEK 2 995m and a payout ratio of 40 percent. The proposed record date for the 2010 dividend is 30 March 2011. The last day for trading in the bank's share with the right to the dividend is 25 March 2011. If the Annual General Meeting resolves to adopt the Board's recommendation, the cash dividend is expected to be paid by VPC (the Swedish Central Securities Depository) on 4 April 2011.

Ratings

On 23 February Standard & Poor's Ratings Services affirmed Swedbank AB's and Swedbank Mortgage AB's long-term ratings of A and short-term ratings of A-1. Standard & Poor's changed its outlook from negative to stable.

On 22 June Moody's confirmed Swedbank AB's and Swedbank Mortgage AB's ratings of A2 long-term and P-1 short-term and changed its outlook from negative to stable.

On 16 August Standard & Poor's affirmed its AAA rating on Swedbank Mortgage's covered bond programme with a stable outlook. At the same time the covered bonds were removed from Standard & Poor's watch list.

On 6 October the ratings agency Fitch restored its monitoring of Swedbank AB at the bank's request. Fitch assigned Swedbank a long-term rating of A, a short-term rating of F1 and a stable outlook.

On 12 October Moody's removed at the bank's request its rating on the bank's subsidiaries in Russia and Ukraine.

On 16 November Moody's placed Swedbank AB and Swedbank Mortgage AB on review for possible upgrade.

(See note 28 for a complete rating table.)

Events after 31 December 2010

The Board of Directors has more clearly defined the bank's risk appetite. Swedbank's long-term risk profile shall be managed so that the core Tier 1 ratio impact from a severely stressed scenario, defined in the annual Internal Capital Adequacy Assessment Process (ICAAP), shall be no more than three percentage points.

Based on the Group's risk appetite, the Board of Directors has decided on a long-term target for the core

Tier 1 ratio of 10 per cent, which is deemed sufficient to withstand a severely stressed scenario (ICAAP), while also securing the bank's access to wholesale funding.

Due to current uncertainties in the economic and regulatory environments, the bank will maintain a core Tier 1 ratio above 13 per cent until 2013.

The Board of Directors has also changed the dividend policy. The dividend shall be around 50 per cent of profit for the year, provided that the bank fulfills its capital targets.

In order to effectively manage Swedbank's capitalization within the bank's risk appetite and capitalization target the Board proposes the Annual General Meeting to authorise the Board to decide on acquisition of the Bank's own ordinary- and/or preference shares of up to 10 per cent (including acquisition of own shares through the securities operations) of the total number of shares.

Retail

- Improvement in net interest income in the second half-year
- Many customers have accepted Swedbank's new service concepts

Income statement

SEKm	Q4 2010	Q3 2010	%	Q4 2009	%	Full-year 2010	Full-year 2009	%
Net interest income	2 752	2 499	10	2 591	6	10 100	11 166	-10
Net commissions	1 132	1 019	11	1 044	8	4 292	3 672	17
Net gains and losses on financial items at fair value	74	36		45	64	184	150	23
Share of profit or loss of associates	127	192	-34	123	3	624	864	-28
Other income	264	235	12	269	-2	1 003	1 345	-25
Total income	**4 349**	**3 981**	**9**	**4 072**	**7**	**16 203**	**17 197**	**-6**
Staff costs	967	986	-2	995	-3	3 921	3 965	-1
Variable staff costs	17	-23		-93		43	7	
Other expenses	1 137	1 068	6	1 265	-10	4 421	4 505	-2
Depreciation/amortisation	102	69	48	40		285	181	57
Total expenses	**2 223**	**2 100**	**6**	**2 207**	**1**	**8 670**	**8 658**	**0**
Profit before impairments	**2 126**	**1 881**	**13**	**1 865**	**14**	**7 533**	**8 539**	**-12**
Credit impairments	136	-3		-87		272	833	-67
Operating profit	**1 990**	**1 884**	**6**	**1 952**	**2**	**7 261**	**7 706**	**-6**
Tax expense	499	503	-1	515	-3	1 951	1 988	-2
Profit for the period	1 491	1 381	8	1 437	4	5 310	5 718	-7
Profit for the period attributable to the shareholders of Swedbank AB	**1 489**	**1 377**	**8**	**1 436**	**4**	**5 301**	**5 710**	**-7**
Non-controlling interests	2	4	-50	1	100	9	8	13
Return on allocated equity, %	26.9	25.2		28.8		24.0	27.8	
Credit impairment ratio, %	0.06	0.00		-0.04		0.03	0.10	
Total provision ratio for impaired loans, %	99	85		98		99	98	
Share of impaired loans, gross, %	0.18	0.22		0.23		0.18	0.23	
Cost/income ratio	0.51	0.53		0.54		0.54	0.50	
Full-time employees	5 571	5 530	1	5 738	-3	5 571	5 738	-3

Development January - December
The recovery in the Swedish economy has been strong, and GDP grew by 6.9 per cent during the third quarter compared with the same period in 2009. Growth is being driven by a substantial inventory build-up and increased consumer spending, at the same time that business investment rose. The labour market continued to improve and unemployment fell to 7.1 per cent in November, or 0.9 per cent lower than the same period last year. Confidence in the Swedish economy remains strong among households and businesses.

Profit before impairments was 12 per cent lower than the previous year.

Net interest income decreased by 10 per cent compared with the previous year. The decline was mainly due to lower interest rates, but also to higher funding costs and a decrease in corporate lending.

Net interest income improved in the fourth quarter 2010 compared with the third quarter mainly due to rising market interest rates, which raised deposit margins during the period. Lending margins in relation to Stibor also increased. At the same time the return on the investment portfolio used to hedge interest rates on current accounts decreased.

The total volume of deposits increased by 9 per cent from the beginning of the year and by 4 per cent during the fourth quarter 2010. Corporate and household customers both contributed to volume growth. Swedbank's share of household deposits was unchanged compared with the beginning of the year at 24 per cent. Swedbank's share of corporate deposits improved. In a market with declining volumes, the bank's share increased to 17 per cent (16 per cent at the beginning of 2010).

Swedbank's lending to private customers increased by nearly 5 per cent while the total market growth was 9 per cent. Swedbank's growth related exclusively to mortgages. Since the latter part of 2009 there has been a gradual increase in new lending at interest rates fixed for longer than 3 months. Swedbank's market share for residential mortgages was 27 per cent (28) at year-end. The bank's credit policy remains restrictive.

Corporate lending volume decreased by 2 per cent during the year. The market share for corporate lending was 17 per cent (18 per cent at the start of the year)*.

The loan-to-deposit ratio decreased to 251 (269 at the beginning of the year) mainly as a result of increased savings-related deposits.

Net commission income was 17 per cent higher than last year. Higher stock prices and better defined customer offerings, which resulted in strong product sales, contributed to the increase. Customers who signed up for Swedbank's new service concepts have utilised the bank's products and services to a larger extent than earlier.

Expenses were in line with last year and 6 per cent higher than the previous quarter, mainly due to seasonally higher costs during the last quarter principally for IT development and marketing. The number of employees was reduced during the year by 167. The cost/income ratio was 0.54 (0.50).

During the year 42 branches were consolidated into larger units as part of the ongoing review of the branch structure.

Credit quality remained good in both the private and corporate markets. Credit impairments remained low, decreasing against the previous year. The share of impaired loans was 0.18 per cent (0.23) and the credit impairment ratio was 0.03 per cent (0.10).

Swedbank Insurance had one of its best years ever in 2010 in terms of profitability and premium income. The company's assets under management amounted to nearly SEK 100bn on 31 December 2010 (80).

In September Swedbank and the savings banks decided together with Danske Bank, Handelsbanken, Nordea and SEB to establish a company responsible for a common infrastructure for their ATM operations in Sweden. This improves cost efficiency while maintaining service for Swedbank's customers.

During the fourth quarter new cooperation agreements were signed with partnering savings banks in accordance with the previously signed agreement in principle with the Savings Banks Association.

In the annual Universum Swedish Student Survey, Swedbank ranked fifth among prospective employers. Among companies in the financial industry, Swedbank was first.

* Market shares for lending have been measured since September 2010 in relation to all monetary financial institutions that report to the Financial Supervisory Authority.

Retail, *Swedbank's dominant business, is responsible for all Swedish customers except for large corporates and financial institutions. The bank 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

- Stable results from large corporate deposits and lending during the fourth quarter
- Continued high activity and good earnings in structured financing and syndicated loans
- Acquisition of remaining 49 per cent of First Securities

Income statement

SEKm	Q4 2010	Q3 2010	%	Q4 2009	%	Full-year 2010	Full-year 2009	%
Net interest income	733	642	14	862	-15	2 817	3 712	-24
Net commissions	575	481	20	452	27	1 955	1 609	22
Net gains and losses on financial items at fair value	439	259	69	55		1 446	2 583	-44
Other income	25	7		18	39	88	108	-19
Total income	**1 772**	**1 389**	**28**	**1 387**	**28**	**6 306**	**8 012**	**-21**
Staff costs	342	314	9	285	20	1 235	1 120	10
Variable staff costs	69			-252		254	196	30
Other expenses	450	393	15	449	0	1 658	1 550	7
Depreciation/amortisation	16	18	-11	10	60	55	36	53
Total expenses	**877**	**725**	**21**	**492**	**78**	**3 202**	**2 902**	**10**
Profit before impairments	**895**	**664**	**35**	**895**	**0**	**3 104**	**5 110**	**-39**
Impairment of intangible assets							5	
Impairment of tangible assets				7			7	
Credit impairments	65	-55		499	-87	-1	1 093	
Operating profit	**830**	**719**	**15**	**389**		**3 105**	**4 005**	**-22**
Tax expense	213	196	9	78		768	996	-23
Profit for the period	617	523	18	311	98	2 337	3 009	-22
Profit for the period attributable to the shareholders of Swedbank AB	**617**	**520**	**19**	**296**		**2 307**	**2 946**	**-22**
Non-controlling interests		3		15		30	63	-52
Return on allocated equity, %	14.9	12.7		8.7		13.8	19.7	
Credit impairment ratio, %	0.07	-0.06		0.64		0.00	0.39	
Total provision ratio for impaired loans, %	106	99		78		106	78	
Share of impaired loans, gross, %	0.25	0.25		0.34		0.25	0.34	
Cost/income ratio	0.49	0.52		0.35		0.51	0.36	
Full-time employees	1 229	1 190	3	1 137	8	1 229	1 137	8

Development January - December
The global economy continued to recover during the fourth quarter. Meanwhile, the uncertainty about the fiscal health of certain euro countries persisted, and credit concerns led to significantly higher interest rates. Stock market performance varied significantly by region, with strong gains in the US, Germany and Sweden, while the European countries in crisis have seen considerably weaker numbers. The decision by the Federal Reserve to repurchase Treasuries (QE2), as announced in November, did not meet the market's high expectations. Interest rates on US government bonds subsequently rose by more than one percentage point, which led to higher long-term rates in most markets. The Swedish economy remained strong, with a broad-based recovery in the industrial and service sectors.

Profit for 2010 amounted to SEK 2 307m (2 946).

Net interest income decreased by 24 per cent compared with the previous year largely due to a decline in net interest income related to trading and capital market products.

Net commissions increased during the year mainly due to an increase in loan syndications and after M&A activity stabilised at a higher level than the previous year, which has raised demand for acquisition financing.

Net gains and losses on financial items at fair value increased during the fourth quarter due to strong earnings in fixed income and currency trading. Net profit decreased compared with the previous year. Trading and capital market income in 2009 was earned in exceptionally favourable market conditions, with interest rates clearly trending lower and substantially lower credit spreads, which led to a significant increase primarily in net gains and losses on financial items at fair value, though also in net interest income.

Total expenses excluding provisions for profit-based compensation rose by SEK 242m compared with the previous year mainly due to the increase in the number of employees and higher IT costs. Provisions for variable staff costs increased by SEK 58m.

LC&I reported net recoveries of SEK 1m, compared with credit impairments of SEK 1 093m previous year. During the fourth quarter, credit impairments amounted to SEK 65m, mainly due to a realised loss in Finland, where the collateral has been bought by Ektornet.

Risk-weighted assets attributable to the business area decreased by SEK 7.9bn from the beginning of the year to SEK 156.3bn on 31 December.

Operations

Lending to the public decreased by SEK 4bn during the quarter and by a total of SEK 20bn from the beginning of the year. Deposits increased by SEK 13bn during the quarter and by a total of SEK 5bn from the beginning of the year. Lending to large corporates decreased during the first three quarters as Swedbank focused on risk-adjusted return. Exposures where the desired returns could not be achieved have been eliminated whenever possible. Activities targeting both current and new customers increased during the fourth quarter, and new lending grew compared with the previous quarter. The higher level of activity is expected to continue in coming quarters, which is expected to have a positive effect on commission income and net interest income. The trend in the third quarter where customers were refinancing their loans in advance continued during the fourth quarter, due to which Swedbank's margins continued to rise against Stibor. The continued appreciation of the Swedish krona, particularly against the US dollar and euro, affected volumes negatively.

During the fourth quarter demand for financing solutions remained high. Margins still decreased, however, due to greater international competition. Among other things, Swedbank participated in financing the acquisition of the Swedish humidity control specialist Munters.

The fourth quarter began turbulently for the fixed income market when disruptions in the overnight SEK lending affecting the entire interest curve. This impacted earnings negatively at the start of the quarter in both the fixed income and currency areas. The latter part of the quarter was distinguished by high market shares in currency trading. Profit also improved during the second half of the quarter, with strong earnings in both fixed income and currency trading.

Swedbank acted as lead partner when Kommuninvest launched its new bond programme in the Swedish market in November.

Fourth-quarter earnings in equity operations remained at the same level as the previous quarter. Liquidity improved slightly from a low level mainly driven by international investors in connection with the report season. Swedbank's share on NASDAQ OMX Stockholm was 4.9 per cent (5.7) for 2010. Swedbank's aggregate market share on NASDAQ OMX Stockholm and Burgundy was 5.5 per cent in 2010.

In November Swedbank acquired the remaining 49 per cent of First Securities. Combined with the establishment of operations in Finland, this strengthens Swedbank's Nordic/Baltic offering, which now comprises advice and expertise on the entire Nordic and Baltic equity, derivative and capital market. First Securities' result attributable to the shareholders was lower than the previous year and amounted to SEK 29m (64) mainly due to lower income in fixed income trading. Activity in advisory services and corporate finance remained high.

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 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

- Improved net interest income in the fourth quarter
- Lower credit impairments
- Loan portfolio decline is slowing

Income statement

SEKm	Q4 2010	Q3 2010	%	Q4 2009	%	Full-year 2010	Full-year 2009	%
Net interest income	1 168	919	27	854	37	3 771	4 235	-11
Net commissions	383	386	-1	441	-13	1 533	1 655	-7
Net gains and losses on financial items at fair value	119	48		102	17	341	719	-53
Share of profit or loss of associates		-1					1	
Other income	-38	209		232		542	762	-29
Total income	**1 632**	**1 561**	**5**	**1 629**	**0**	**6 187**	**7 372**	**-16**
Staff costs	261	232	13	314	-17	1 032	1 361	-24
Variable staff costs						-13	-203	-94
Other expenses	398	353	13	510	-22	1 546	1 978	-22
Depreciation/amortisation	38	39	-3	47	-19	164	198	-17
Total expenses	**697**	**624**	**12**	**871**	**-20**	**2 729**	**3 334**	**-18**
Profit before impairments	**935**	**937**	**0**	**758**	**23**	**3 458**	**4 038**	**-14**
Impairment of intangible assets		23				23		
Impairment of tangible assets	73	39	87	172	-58	261	223	17
Credit impairments	-163	327		3 355		3 363	14 888	-77
Operating profit	**1 025**	**548**	**87**	**-2 769**		**-189**	**-11 073**	**-98**
Tax expense	35	7		-346		-182	-1 315	-86
Profit for the period	990	541	83	-2 423		-7	-9 758	-100
Profit for the period attributable to the shareholders of Swedbank AB	**990**	**541**	**83**	**-2 423**		**-7**	**-9 758**	**-100**
Return on allocated equity, %	11.4	6.0		-33.2		0.0	-31.6	
Credit impairment ratio, %	-0.51	0.90		7.38		2.05	6.67	
Total provision ratio for impaired loans, %	58	61		57		58	57	
Share of impaired loans, gross, %	15.54	16.40		14.23		15.54	14.23	
Cost/income ratio	0.43	0.40		0.53		0.44	0.45	
Full-time employees	5 416	5 581	-3	5 924	-9	5 416	5 924	-9

Development January - December

The Baltic countries continue to show positive macroeconomic signs. In the third quarter the Estonian economy grew by 5.0 per cent and the Latvian economy by 2.9 per cent. The Lithuanian economy had more modest growth of 1.2 per cent in the third quarter. The recovery was export driven in all countries, while domestic demand remained weak.

Standard & Poor's has raised Latvia's sovereign credit rating from BB to BB+, with a stable outlook. This reflects that the economy has stabilised and is strengthening and that the current account balance has improved. Further upgrades depend on structural reforms.

On 1 January 2011 Estonia adopted the euro. Swedbank has invested about SEK 100m in preparations for the transition, mainly in IT investments. For Swedbank, the euro transition has been smooth, with minimal disruptions.

Baltic Banking reported a loss of SEK 7m for 2010, compared with a loss of SEK 9 758m a year ago. During the third and fourth quarters of 2010 Estonia and Lithuania reported a profit, mainly due to the economic recovery and lower credit impairments. The decline in credit impairments has been slower in Latvia. Latvia reported a profit for the fourth quarter. Profit before impairments in the business area decreased by 4 per cent in local currency compared with 2009.

Income decreased by 6 per cent in local currency during the year, mainly due to lower net gains and losses on financial items at fair value.

Net interest income was unchanged from 2009 in local currency. In the fourth quarter fee income was reclassified in line with Group accounting principles. The change increased net interest income by SEK 191m while reducing other income correspondingly. The annual decline in net interest income excluding the reclassification was 5 per cent. Baltic Banking continues to benefit from low local interest rates and a stronger Euribor rate. Net interest income in the Estonian business unit grew by 15 per cent in local currency in 2010. This was due to falling local interest rates, lower credit impairments and loan repricing. The positive effect of falling local interest rates was captured by the end of 2010, however, when the higher interest rate time deposits matured.

Lending volumes to the public decreased by 12 per cent in local currency compared with 2009. Despite the increase in new sales activity during the second half of 2010, the general deleveraging trend in the Baltic countries continued among corporate and private individuals. During 2011 the lending volumes are expected to bottom out in the business area. Deleveraging is expected to continue in Latvia, however, especially in the corporate and leasing portfolio.

Swedbank's market share in lending decreased in 2010 to 43 (44) per cent in Estonia and 23 per cent in Latvia. Lithuania was unchanged at 23 per cent. The decline was mainly in the corporate portfolio.

Deposits increased by 3 per cent in local currency in 2010, with the largest increase in Lithuania. Swedbank's market share decreased to 46 per cent (48) in Estonia and 14 per cent (16) in Latvia. Lithuania was unchanged at 28 per cent. The decline was due to strong competition in the market and was larger for corporate deposits. The loan-to-deposit ratio improved to 141 per cent (164).

Net commission income improved by 3 per cent in local currency compared with 2009. Payment commissions increased the most, in line with the economic recovery.

Net gains and losses on financial items at fair value fell in local currency by 47 per cent year-on-year. This was mainly due to the unrealised decline in the fair value of interest-bearing securities.

Expenses declined by 9 per cent in local currency compared with 2009. In 2009 accrued bonus reserves of SEK 198m were reversed. Without the reversal, expenses declined by 14 per cent in local currency. In 2010 the focus was on continuous productivity improvements. Due to more efficient operations the decrease in expenses was higher than the decrease in total income during the year. Fourth-quarter expenses are usually higher due to seasonal effects. In addition, the allocation of expenses from Group-wide support and product units was introduced, further increasing the expense base.

The number of full-time employees was reduced by 508 or 9 per cent during the year. The largest decrease was in Lithuania, where the reorganisation continued during the year. Other expenses declined during the year mainly due to lower marketing and sponsorship activities. The cost/income ratio was 0.44 (0.45).

Credit impairments were SEK 3.4bn, a decrease of 76 per cent in local currency from 2009. Impaired loans, gross, were SEK 23bn on 31 December 2010 (SEK 27bn on 31 December 2009). Credit impairment levels decreased significantly over the year and fluctuated around zero for all three countries during the second half of 2010. Impaired loans declined in the second half of 2010 as a result of the recovery in the private portfolio recovery. Improved risk levels and slowly recovering client demand directed the bank's focus to new lending quality. Credit portfolio management has been enhanced in all three countries to ensure well-balanced, sustainable growth.

As in many other EU countries, the competition authorities in Latvia are in discussion with the banks regarding multilateral interchange fees on cards and whether these are violating antitrust laws. The competition authorities are expected to come to a decision regarding violation and potential penalty fees in 2011. In Swedbank's opinion, there are no grounds for the decision to be of material impact to Swedbank. During the fourth quarter of 2010 Swedbank entered into bilateral agreements with its counterparties covering more than 90 per cent of the card market turnover.

***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

- Net recoveries
- Strategic refocusing

Income statement

SEKm	Q4 2010	Q3 2010	%	Q4 2009	%	Full-year 2010	Full-year 2009	%
Net interest income	159	146	9	284	-44	638	1 766	-64
Net commissions	20	19	5	24	-17	81	101	-20
Net gains and losses on financial items at fair value	-96	-25		149		-71	-44	61
Other income	12	7	71	3		32	14	
Total income	**95**	**147**	**-35**	**460**	**-79**	**680**	**1 837**	**-63**
Staff costs	81	80	1	130	-38	377	511	-26
Variable staff costs	-9			-18	-50	-9		
Other expenses	110	105	5	178	-38	425	618	-31
Depreciation/amortisation	29	17	71	18	61	78	83	-6
Total expenses	**211**	**202**	**4**	**308**	**-31**	**871**	**1 212**	**-28**
Profit before impairments	**-116**	**-55**		**152**		**-191**	**625**	
Impairment of intangible assets						14	1 300	-99
Impairment of tangible assets	250	-11		173	45	254	219	16
Credit impairments	-521	-158		1 237		-859	7 782	
Operating profit	**155**	**114**	**36**	**-1 258**		**400**	**-8 676**	
Tax expense	13	-24		-66		-19	-251	-92
Profit for the period	142	138	3	-1 192		419	-8 425	
Profit for the period attributable to the shareholders of Swedbank AB	**142**	**138**	**3**	**-1 192**		**419**	**-8 423**	
Non-controlling interests							-2	
Return on allocated equity, %	15.6	14.9		-161.1		11.0	-230.5	
Credit impairment ratio, %	-14.00	-3.27		21.00		-4.35	21.72	
Total provision ratio for impaired loans, %	64	65		76		64	76	
Share of impaired loans, gross, %	46.20	49.05		37.69		46.20	37.69	
Cost/income ratio	2.22	1.37		0.67		1.28	0.66	
Full-time employees	1 847	2 043	-10	3 472	-47	1 847	3 472	-47

Development January - December

Profit for the period amounted to SEK 419m, compared with a loss of SEK 8 423m for the previous year. The improvement was primarily due to the stabilisation of credit quality and cost cutting in both Ukraine and Russia. Impairment of tangible assets of SEK 254m for property taken over and closed branches was taken in the fourth quarter in line with the strategic repositioning during the year in both markets. Net interest income for the period was 64 per cent lower than the previous year as a result of loan portfolio amortisation, impaired loans and limited new lending. To adjust to lower business volumes, expenses were reduced by 28 per cent compared with the same period last year. Net recoveries of SEK 859m from a number of successful restructurings and lower portfolio provisions more than outweighed the impairment of tangible assets, primarily assets taken over in Ukraine.

Ukrainian Banking

Short-term indicators reinforce the signs of a slowdown in the economic recovery. GDP decelerated in the third quarter to an annual rate of 3.4 per cent, compared with 5.9 in the previous quarter. Many of the factors that supported growth in 2010 are dissipating, in particular external demand. At the same time the government has proposed a budget for 2011 with a deficit of 3.1 per cent, in line with the IMF's programme, implying reduced fiscal stimulus.

Profit before impairments in Ukrainian Banking decreased by 71 per cent in local currency compared with the same period last year. Net interest income dropped 56 per cent in local currency due to sharply increased impaired loans during 2009, limited new lending and amortisation of the loan portfolio. The loan portfolio decreased by 23 per cent in local currency from the beginning of the year. Going forward net interest income is expected to continue downwards as the loan portfolio shrinks. Total costs decreased by SEK 134m during the period. As a result of the closure of 64 branches during the year, impairment of tangible assets of SEK 257m was taken. The number of full-time employees was reduced from 2 880 at the end of last year to 1 554. The cost/income ratio was 0.78 (0.56).

Credit quality gradually stabilised during the year. Impaired loans increased by 2 per cent in local currency. Net recoveries of SEK 588m were made due to lower portfolio provisions resulting from a smaller loan portfolio and a number of successful restructurings. The provision ratio for impaired loans was 65 per cent (78). As part of the restructurings, real estate has been taken to the bank's balance sheet and further marked down in the fourth quarter. Together with the impairment from branches closed during the year, total impairment of tangible assets during the period was SEK 257m.

The loan-to-deposit ratio deteriorated from 310 per cent at the beginning of the year to 314 per cent due to a shift away from fixed term deposits in local currency (hryvnia) and a decrease in corporate deposits. Profit for the year amounted to SEK 444m (- 7 377m)

In December the bank signed a new agreement with the National Bank of Ukraine, which prolongs the temporary exemption from certain regulatory ratios.

Russian Banking

The Russian economic outlook is stabilising, supported by rising global oil prices. In December the price exceeded USD 90 per barrel, the highest level since August 2008. Other areas of the economy are showing a steady recovery. Industrial production rose by 6.7 per cent in November and investments by 8.4 per cent. Rising consumer prices and persistent unemployment are eroding real household income, however, and consumption is expected to lag behind.

Net interest income in the Russian operations was 73 per cent lower in local currency year-on-year and is expected to decline further as the loan portfolio shrinks.

The loan portfolio declined 35 per cent in local currency during the year. The decrease in impaired loans was 13 per cent from the beginning of the year and was mainly due to the appreciation of the US dollar against the rouble. The provision ratio for impaired loans remained stable at 57 per cent (66).

As a result of the repurchase of rouble deposits, the bank incurred a one-off net loss on items at fair value of SEK 120m. The loan-to-deposit ratio deteriorated from 251 per cent from the beginning of the year to 478 per cent. Total expenses declined by 21 per cent in local currency compared with the same period last year. The number of full-time employees at the end of the period was 284, compared with 567 at the end of last year. Costs are expected to decline further in coming quarters as a result of the customer strategy shift.

Profit for the period amounted to SEK 48m (- 895), primarily due to net recoveries of SEK 271m.

*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

- Strong stock markets led to improved result
- Lower sales

Income statement

SEKm	Q4 2010	Q3 2010	%	Q4 2009	%	Full-year 2010	Full-year 2009	%
Net interest income	-2	-5	-60	-7	-71	-17	-23	-26
Net commissions	415	393	6	267	55	1 592	655	
Net gains and losses on financial items at fair value	2	-5		2	0	9	42	-79
Other income	11	5		-4		24	16	50
Total income	**426**	**388**	**10**	**258**	**65**	**1 608**	**690**	
Staff costs	101	91	11	95	6	391	340	15
Variable staff costs	18	30	-40	-26		49		
Other expenses	106	76	39	106	0	366	368	-1
Depreciation/amortisation	13	12	8	10	30	50	48	4
Total expenses	**238**	**209**	**14**	**185**	**29**	**856**	**756**	**13**
Profit before impairments	**188**	**179**	**5**	**73**		**752**	**-66**	
Operating profit	**188**	**179**	**5**	**73**		**752**	**-66**	
Tax expense	47	42	12	40	18	177	-16	
Profit for the period	141	137	3	33		575	-50	
Profit for the period attributable to the shareholders of Swedbank AB	**141**	**137**	**3**	**33**		**575**	**-50**	
Return on allocated equity, %	26.1	25.4		8.6		35.4	-3.3	
Cost/income ratio	0.56	0.54		0.72		0.53	1.10	
Full-time employees	313	297	5	291	8	313	291	8

Development January - December

Fund contributions were affected during the year by the volatile financial markets. Flows have largely followed the stock market's ups and downs, with rising inflows into equity funds during bullish periods and rising inflows into fixed income funds during bearish periods. The largest inflow during the period was in blend funds, which indicates that investors are looking for greater risk diversification. Equity inflows were mainly in funds with a slightly higher risk, such as Emerging Markets and Asia. Inflows in fixed income funds were fairly evenly divided between short- and long-term funds.

Measured in gross investments, the Swedish mutual fund market grew by SEK 110bn year-on-year amounting to a total of SEK 709bn. Net contributions to the Swedish fund market amounted to SEK 86bn, a decrease of 22 per cent compared with 2009. The total gross inflow to Swedbank Robur was SEK 96bn, while the net flow was SEK -3.8bn. Retail accounted for a negative net inflow of SEK 4.5bn, including insurance savings and PPM, while third-party sales contributed a positive net inflow.

In discretionary asset management, Swedbank Robur had positive net flows from institutional clients of SEK 12.3bn.

During the year Swedbank Robur was awarded several prestigious institutional management assignments. According to Morningstar, Swedbank Robur's funds had the highest ratings among comparable fund companies during the year.

Profit for the year amounted to SEK 575m (-50). Profit for the fourth quarter was SEK 141m, compared with SEK 137m for the third quarter. Income increased during the year by 22 per cent excluding refunded management fees of SEK 628m resulting from incorrect charges in the previous year. The increase in income was due to higher assets under management, largely due to increased market values. Positive net flows from institutional and third-party sales also contributed to the increase in income. Income from discretionary management excluding Swedbank Robur's funds amounted to SEK 139m (119). In 2009 SEK 20m was reserved for possible fees from the Swedish Financial Supervisory Authority for violating flagging rules. The fee decided was less than SEK 1m, due to which the difference, SEK 19m, affected net commissions positively during the year. 5 per cent of operating income was attributable to operations in the Baltic countries.

Expenses increased by 13 per cent in 2010 compared with the previous year. This was due to the additional resources allocated to compliance, risk management and control. Aside from expenses for new services, IT investments increased, which will continue in 2011. Cost control routines primarily affecting personnel and IT development have been strengthened.

Assets under management SEKbn	**31 Dec 2010**	**31 Dec 2009**	**%**
Fund assets under management			
Assets under management	*484*	*448*	*8*
of which:			
Swedish equities, %	*34.4*	*32.0*	*7*
foreign equities, %	*34.9*	*35.4*	*-1*
interest-bearing securities, %	*30.7*	*32.6*	*-6*
Discretionary asset management			
Assets under management, excl. Swedbank Robur's funds	252	222	13
Total assets under management	**736**	**670**	**10**

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

- The value of repossessed real properties amounted to SEK 2 872m, while total assets was valued at SEK 3 310m
- During the fourth quarter real properties with a total value of SEK 1 747m were repossessed
- Property repossessions in Finland, the Baltic countries and Ukraine and preparations for repossessions in Russia

Income statement

SEKm	Q4 2010	Q3 2010	%	Q4 2009	%	Full-year 2010	Full-year 2009	%
Net interest income	-8	-6	33	-1		-21	-1	
Net gains and losses on financial items at fair value	18	9	100	2		31	2	
Other income	30	36	-17			108		
Total income	**40**	**39**	**3**	**1**		**118**	**1**	
Staff costs	20	21	-5	2		74	2	
Other expenses	48	40	20	25	92	172	25	
Depreciation/amortisation	7	12	-42			24		
Total expenses	**75**	**73**	**3**	**27**		**270**	**27**	
Profit before impairments	**-35**	**-34**	**3**	**-26**	**35**	**-152**	**-26**	
Impairment of tangible assets	83	2				85		
Operating profit	**-118**	**-36**		**-26**		**-237**	**-26**	
Tax expense	-16	-3		-6		-25	-6	
Profit for the period	-102	-33		-20		-212	-20	
Profit for the period attributable to the shareholders of Swedbank AB	**-102**	**-33**		**-20**		**-212**	**-20**	
Full-time employees	150	141	6	39		150	39	

Development January - December

As of 31 December Ektornet managed real properties valued SEK 2 872m (after currency translation and depreciation), compared with SEK 517m at the beginning of the year. During the fourth quarter properties worth SEK 1 747m were repossessed. The Nordic region accounted for SEK 1 151m of the total property value, including SEK 765m in Finland. Estonia accounted for SEK 469m, Latvia for SEK 851m, Lithuania for SEK 206m, the US for SEK 122m and Ukraine for SEK 73m. Properties worth an additional SEK 255m have been acquired but not yet registered, mainly in Latvia. Further, shares in a US apartment project valued at SEK 183m were taken over. In total, repossessed assets amount to SEK 3 310m. Repossessions are expected to continue until 2013.

As the portfolio of repossessed property grows, an organisation is being created to develop and manage the holdings while enhancing their value. In addition to the appraisal made in connection with repossessions, Ektornet also makes annual appraisals of its properties. This does not include properties acquired during the year, whose initial appraisal still presumably applies, provided that nothing significant has happened that may have affected their value. Since Ektornet reports its properties at cost rather than fair value, only impairments are recognised. Properties acquired during the previous year were

revalued during the fourth quarter, as well as a number of properties whose values were estimated to have changed significantly due to changing conditions or new information. Total impairments amounted to SEK 85m during the year, which was charged against profit. The valuations also indicated surplus values, which are not recognised, however. During the year properties mainly consisting of small and singular assets and shares were sold for SEK 84m with a gain of SEK 17m.

The value of repossessed assets is estimated at SEK 5-10bn by 2013. The Baltic countries account for an estimated two thirds of repossessed properties, the majority of which are expected to be residential apartments or projects which will not generate any income until they are sold. In 2011 the Baltic countries will therefore be Ektornet's highest priority. The Nordic and US holdings currently consist primarily of a few high-value commercial properties.

Since a large share of the portfolio consists of non-income-generating assets, cash flow is expected to be negative in years to come. The loss for 2010 was SEK 212m. A loss of SEK 200-300m is projected in 2011 before any 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 consists of real estate, mainly in the Baltic countries but also in the Nordic region, the US and Ukraine.*

Group Functions

Income statement

SEKm	Q4 2010	Q3 2010	%	Q4 2009	%	Full-year 2010	Full-year 2009	%
Net interest income	-268	-209	28	129		-942	-80	
Net commissions	6			35	-83	31	86	-64
Net gains and losses on financial items at fair value	-199	252		-93		460	-683	
Share of profit or loss of associates							1	
Other income	1 068	1 063	0	1 177	-9	4 333	4 456	-3
Total income	**607**	**1 106**	**-45**	**1 248**	**-51**	**3 882**	**3 780**	**3**
Staff costs	449	537	-16	508	-12	2 030	1 895	7
Variable staff costs	6	12	-50			16	17	-6
Other expenses	696	650	7	698	0	2 644	2 811	-6
Depreciation/amortisation	81	70	16	77	5	294	343	-14
Total expenses	**1 232**	**1 269**	**-3**	**1 283**	**-4**	**4 984**	**5 066**	**-2**
Profit before impairments	**-625**	**-163**		**-35**		**-1 102**	**-1 286**	**-14**
Credit impairments		9		-1		35	45	-22
Operating profit	**-625**	**-172**		**-34**		**-1 137**	**-1 331**	**-15**
Tax expense	-98	-83	18	-100	-2	-198	-415	-52
Profit for the period	-527	-89		66		-939	-916	3
Profit for the period attributable to the shareholders of Swedbank AB	**-527**	**-89**		**66**		**-939**	**-916**	**3**
Full-time employees	2 698	2 707	0	2 676	1	2 698	2 676	1

***Group Functions** 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	Q4 2010	Q3 2010	%	Q4 2009	%	Full-year 2010	Full-year 2009	%
Net interest income	-7	-6	17	-10	-30	-17	-10	70
Net commissions	7	12	-42	10	-30	41	47	-13
Net gains and losses on financial items at fair value							1	
Other income	-963	-970	-1	-1 073	-10	-3 964	-4 145	-4
Total income	**-963**	**-964**	**0**	**-1 073**	**-10**	**-3 940**	**-4 107**	**-4**
Staff costs	-8			-10	-20	-8	-10	-20
Variable staff costs								
Other expenses	-955	-964	-1	-1 063	-10	-3 932	-4 097	-4
Total expenses	**-963**	**-964**	**0**	**-1 073**	**-10**	**-3 940**	**-4 107**	**-4**

Financial information - contents

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

Income statement, condensed

Group SEKm	Q4 2010	Q3 2010	%	Q4 2009	%	Full-year 2010	Full-year 2009	%
Interest income	*11 945*	*11 245*	*6*	*12 291*	*-3*	*45 869*	*56 399*	*-19*
Interest expenses	*-7 418*	*-7 265*	*2*	*-7 589*	*-2*	*-29 540*	*-35 634*	*-17*
Net interest income (note 5)	**4 527**	**3 980**	**14**	**4 702**	**-4**	**16 329**	**20 765**	**-21**
Commission income	*3 477*	*3 189*	*9*	*3 178*	*9*	*13 099*	*11 397*	*15*
Commission expenses	*-939*	*-879*	*7*	*-905*	*4*	*-3 574*	*-3 572*	*0*
Net commissions (note 6)	**2 538**	**2 310**	**10**	**2 273**	**12**	**9 525**	**7 825**	**22**
Net gains and losses on financial items at fair value (note 7)	357	574	-38	262	36	2 400	2 770	-13
Insurance premiums	*375*	*357*	*5*	*409*	*-8*	*1 536*	*1 617*	*-5*
Insurance provisions	*-228*	*-185*	*23*	*-227*	*0*	*-924*	*-970*	*-5*
Net insurance	**147**	**172**	**-15**	**182**	**-19**	**612**	**647**	**-5**
Share of profit or loss of associates	127	191	-34	123	3	624	866	-28
Other income	262	420	-38	440	-40	1 554	1 909	-19
Total income	**7 958**	**7 647**	**4**	**7 982**	**0**	**31 044**	**34 782**	**-11**
Staff costs (note 8)	2 314	2 280	1	1 930	20	9 392	9 201	2
Other expenses (note 10)	1 990	1 721	16	2 168	-8	7 300	7 758	-6
Depreciation/amortisation	286	237	21	202	42	950	889	7
Total expenses	**4 590**	**4 238**	**8**	**4 300**	**7**	**17 642**	**17 848**	**-1**
Profit before impairments	**3 368**	**3 409**	**-1**	**3 682**	**-9**	**13 402**	**16 934**	**-21**
Impairment of intangible assets (note 18)		23				37	1 305	-97
Impairment of tangible assets	406	30		352	15	600	449	34
Credit impairments (note 11)	-483	120		5 003		2 810	24 641	-89
Operating profit	**3 445**	**3 236**	**6**	**-1 673**		**9 955**	**-9 461**	
Tax expense (note 12)	693	638	9	115		2 472	981	
Profit for the period	2 752	2 598	6	-1 788		7 483	-10 442	
Profit for the period attributable to the shareholders of Swedbank AB	**2 750**	**2 591**	**6**	**-1 804**		**7 444**	**-10 511**	
Non-controlling interests	2	7	-71	16	-88	39	69	-43
Earnings per share before and after dilution, SEK	2.37	2.23		-1.83		6.43	-10.66	
Equity per share, SEK	81.84	80.07		77.33		81.84	77.33	
Return on equity, %	11.7	11.3		-8.3		8.1	-12.5	
Credit impairment ratio, %	-0.14	0.03		1.44		0.20	1.74	

See page 62 for number of shares.

Statement of comprehensive income, condensed

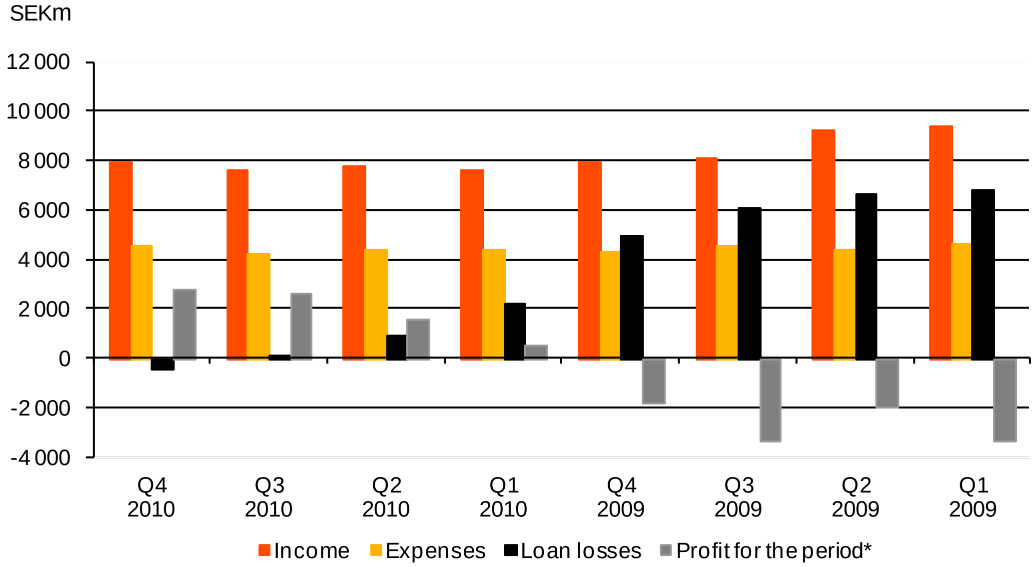
Group SEKm	Q4 2010	Q3 2010	%	Q4 2009	%	Full-year 2010	Full-year 2009	%
Profit for the period reported via income statement	**2 752**	**2 598**	**6**	**-1 788**		**7 483**	**-10 442**	
Exchange differences, foreign operations	-549	-1 441	-62	207		-4 218	-1 852	
Hedging of net investments in foreign operations:								
Gains/losses arising during the period	317	687	-54	-156		2 420	1 312	84
Cash flow hedges:								
Gains/losses arising during the period	-71	44		69		149	-574	
Reclassification adjustments to income statement, net interest income	194	209	-7	199	-3	806	817	-1
Reclassification adjustments to income statement, net gains and losses on financial items at fair value				-75			37	
Share of other comprehensive income of associates	8	-25		13	-38	-30	42	
Income tax relating to components of other comprehensive income	-117	-248	-53	-6		-890	-397	
Other comprehensive income for the period, net of tax	**-218**	**-774**	**-72**	**251**		**-1 763**	**-615**	
Total comprehensive income for the period	**2 534**	**1 824**	**39**	**-1 537**		**5 720**	**-11 057**	
Total comprehensive income attributable to the shareholders of Swedbank AB	**2 533**	**1 823**	**39**	**-1 556**		**5 693**	**-11 138**	
Non-controlling interests	1	1	0	19	-95	27	81	-67

Income statement, quarterly

Group SEKm	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Net interest income	4 527	3 980	3 799	4 023	4 702	5 017	5 243	5 803
Net commissions	2 538	2 310	2 395	2 282	2 273	2 208	1 970	1 374
Net gains and losses on financial items at fair value	357	574	822	647	262	87	710	1 711
Net insurance	147	172	173	120	182	160	175	130
Share of profit or loss of associates	127	191	160	146	123	183	463	97
Other income	262	420	423	449	440	487	673	309
Total income	**7 958**	**7 647**	**7 772**	**7 667**	**7 982**	**8 142**	**9 234**	**9 424**
Staff costs	2 314	2 280	2 423	2 375	1 930	2 448	2 282	2 541
Other expenses	1 990	1 721	1 781	1 808	2 168	1 857	1 895	1 838
Depreciation/amortisation	286	237	219	208	202	221	226	240
Total expenses	**4 590**	**4 238**	**4 423**	**4 391**	**4 300**	**4 526**	**4 403**	**4 619**
Profit before impairments	**3 368**	**3 409**	**3 349**	**3 276**	**3 682**	**3 616**	**4 831**	**4 805**
Impairment of intangible assets		23		14				1 305
Impairment of tangible assets	406	30	128	36	352	77	8	12
Credit impairments	-483	120	963	2 210	5 003	6 121	6 672	6 845
Operating profit	**3 445**	**3 236**	**2 258**	**1 016**	**-1 673**	**-2 582**	**-1 849**	**-3 357**
Tax expense	693	638	672	469	115	734	145	-13
Profit for the period	2 752	2 598	1 586	547	-1 788	-3 316	-1 994	-3 344
Profit for the period attributable to the shareholders of Swedbank AB	**2 750**	**2 591**	**1 567**	**536**	**-1 804**	**-3 337**	**-2 012**	**-3 358**
Non-controlling interests	2	7	19	11	16	21	18	14
Earnings per share before and after dilution, SEK	2.37	2.23	1.36	0.46	-1.83	-3.57	-2.16	-3.59
Equity per share, SEK	81.84	80.07	78.48	77.04	77.33	99.15	104.71	107.05
Return on equity, %	11.7	11.3	7.0	2.4	-8.3	-16.9	-9.9	-15.6
Credit impairment ratio, %	-0.14	0.03	0.28	0.64	1.44	1.75	1.87	1.93

See page 62 for number of shares.

Profit trend, quarterly



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

Balance sheet, condensed

Group SEKm	31 Dec 2010	31 Dec 2009	%
Assets			
Cash and balance with central banks	17 109	37 879	-55
Loans to credit institutions (note 13)	166 417	92 131	81
Loans to the public (note 13)	1 187 226	1 290 667	-8
Interest-bearing securities (note 17)	131 576	170 615	-23
Financial assets for which customers bear the investment risk	100 628	78 194	29
Shares and participating interests	6 181	9 505	-35
Investments in associates	2 710	2 740	-1
Derivatives (note 21)	65 051	72 969	-11
Intangible fixed assets (note 18)	15 794	17 555	-10
Tangible assets	5 679	3 815	49
Current tax assets	1 156	881	31
Deferred tax assets	1 218	1 209	1
Other assets	8 611	9 806	-12
Prepaid expenses and accrued income	6 325	6 721	-6
Total assets	**1 715 681**	**1 794 687**	**-4**
Liabilities and equity			
Amounts owed to credit institutions (note 19)	136 766	231 687	-41
Deposits and borrowings from the public (note 19)	534 237	504 424	6
Debt securities in issue, etc (note 20)	686 517	703 258	-2
Financial liabilities for which customers bear the investment risk	100 988	80 132	26
Derivatives (note 21)	65 935	72 172	-9
Current tax liabilities	317	1 495	-79
Deferred tax liabilities	1 734	720	
Sold, not held, securities	34 179	40 411	-15
Other liabilities	13 625	11 819	15
Accrued expenses and prepaid income	15 074	14 400	5
Provisions	4 087	6 212	-34
Subordinated liabilities	27 187	37 983	-28
Equity	95 035	89 974	6
- Non-controlling interests	*138*	*304*	*-55*
- Equity attributable to shareholders of Swedbank AB	*94 897*	*89 670*	*6*
Total liabilities and equity	**1 715 681**	**1 794 687**	**-4**

Statement of changes in equity, condensed

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							
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' acquisition 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
Share based payments to employees							31	31		31
Associates' disposal of shares in Swedbank AB							50	50		50
Associates' acquisition of shares in Swedbank AB							-50	-50		-50
Contribution									6	6
Changes in ownership interest in subsidiary							-497	-497	-124	-621
Total comprehensive income for the period				-4 245	1 783	711	7 444	5 693	27	5 720
Closing balance 31 December 2010	**24 351**	**17 152**		**-2 102**	**-144**	**-44**	**55 684**	**94 897**	**138**	**95 035**

*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, condensed

Group SEKm	Full-year 2010	Full-year 2009
Operating activities		
Operating profit	9 955	-9 461
Adjustments for non-cash items in operating activities	4 969	26 624
Taxes paid	-3 368	-2 204
Increase/decrease in loans to credit institution	-81 818	55 188
Increase/decrease in loans to the public	57 969	-20 765
Increase/decrease in holdings of securities for trading	20 965	-88 307
Increase/decrease in deposits and borrowings from the public including retail bonds	68 270	-2 846
Increase/decrease in amounts owed to credit institutions	-78 287	-80 967
Increase/decrease in other assets	1 726	47 587
Increase/decrease in other liabilities	-14 243	-51 509
Cash flow from operating activities	**-13 862**	**-126 660**
Investing activities		
Business combinations		-52
Business disposals	140	59
Acquisition of other fixed assets and strategic financial assets	-2 411	-751
Disposals of other fixed assets and strategic financial assets	3 463	26
Cash flow from investing activities	**1 192**	**-718**
Financing activities		
Issuance of interest-bearing securities	261 697	332 568
Redemption of interest-bearing securities	-222 899	-191 640
Issuance of commercial papers etc.	284 652	366 267
Redemption of commercial papers etc.	-329 099	-387 040
Change in ownership interest in subsidiary	-621	
New rights issue		17 252
Cash flow from financing activities	**-6 270**	**137 407**
Cash flow for the period	**-18 940**	**10 029**
Cash and cash equivalents at the beginning of the period	37 879	29 060
Cash flow for the period	-18 940	10 029
Exchange rate differences on cash and cash equivalents	-1 830	-1 210
Cash and cash equivalents at end of the period	17 109	37 879

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 Swedish Financial Supervisory Authority and recommendation RFR 2 of the Financial Reporting Council.

During the third quarter the Group applied the revisions to IAS 27 Consolidated and Separate Financial Statements, which were introduced when IFRS 3 Business Combinations was amended. In accordance with the new rules in IAS 27, Swedbank AB's acquisition of ownership interests without control in the subsidiary First Securities AS of SEK 612m has been reported as a transaction with equity holders. This reduces retained earnings within equity attributable to the parent company's shareholders. According to the previous accounting policies, the corresponding item would have instead been reported as an increase in goodwill.

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

Swedbank introduced a new performance based remuneration programme during the third quarter. The new remuneration programme contains a part implying that employees receive shares issued by Swedbank AB. The group therefore applies IFRS 2 – *Share based payments* as from the third quarter. According to IFRS 2, the total value of received shares is to be expensed over the vesting period. The vesting period is the period that the employee has to remain in service in Swedbank in order to receive these shares. To receive shares in remuneration programme 2010 an employment condition shall exist at the time of allocation in 2014. At the transition to the share based payment, a difference occurs against the earlier cash based programme, which was expensed over the current year. The difference between the old and the new programme is recognised in the income statement beginning in the third quarter.

In the financial statements from December 2008 certain debt issuances subject to hedging instruments were incorrectly presented in the notes as held-for-trading. These should have been disclosed as designated as hedged items in fair value hedge relationships. Despite the presentation in the notes to the financial statements, these transactions were properly accounted for and therefore this reclassification did not have any effect on profit or loss, balance sheet or equity. Accordingly, the comparative information has been reclassified as necessary.

Other 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 Group Functions. Swedbank Babs' card processing business has been divided between Large Corporates & Institutions and Retail instead of being reported in its entirety within Retail. Supporting card and payment operations have been transferred from Retail and Baltic Banking to Group Functions. In addition to the large corporate customers from Retail, Large Corporates & Institutions includes the international branch offices 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 assumptions 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 decreased from SEK 15 276m to SEK 13 082m. Provisions in the Ukrainian operations decreased from SEK 6 390m to SEK 5 196m. 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 largely depends on management's own assumptions. The assumptions are made based on indefinite ownership of the asset. The Group’s goodwill amounted to SEK 13 733m as of 31 December, of which SEK 11 005m 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 9 771m 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. A new test conducted as of year-end 2010 did not necessitate any impairment.

Note 3 Changes in the Group structure

Internal structural changes

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

Within the Swedbank AS Group, several smaller finance companies have been merged into Swedbank Liising AS.

Note 4 Business segments (business areas)

Jan-Dec 2010 SEKm	Retail	Large Corporates & Institutions	Baltic Banking	Russia & Ukraine	Asset Management	Ektornet	Group Functions	Eliminations	Group
Net interest income	10 100	2 817	3 771	638	-17	-21	-942	-17	16 329
Net commissions	4 292	1 955	1 533	81	1 592		31	41	9 525
Net gains and losses on financial items at fair value	184	1 446	341	-71	9	31	460		2 400
Share of profit or loss of associates	624								624
Other income	1 003	88	542	32	24	108	4 333	-3 964	2 166
Total income	**16 203**	**6 306**	**6 187**	**680**	**1 608**	**118**	**3 882**	**-3 940**	**31 044**
of which internal income	*1 491*	*408*	*1 047*		*-1 711*		*1 663*	*-2 898*	
Staff costs	3 921	1 235	1 032	377	391	74	2 030	-8	9 052
Variable staff costs	43	254	-13	-9	49		16		340
Other expenses	4 421	1 658	1 546	425	366	172	2 644	-3 932	7 300
Depreciation/amortisation	285	55	164	78	50	24	294		950
Total expenses	**8 670**	**3 202**	**2 729**	**871**	**856**	**270**	**4 984**	**-3 940**	**17 642**
Profit before impairments	**7 533**	**3 104**	**3 458**	**-191**	**752**	**-152**	**-1 102**		**13 402**
Impairment of intangible assets			23	14					37
Impairment of tangible assets			261	254		85			600
Credit impairments	272	-1	3 363	-859			35		2 810
Operating profit	**7 261**	**3 105**	**-189**	**400**	**752**	**-237**	**-1 137**		**9 955**
Tax expense	1 951	768	-182	-19	177	-25	-198		2 472
Profit for the period	5 310	2 337	-7	419	575	-212	-939		7 483
Profit for the period attributable to the shareholders of Swedbank AB	**5 301**	**2 307**	**-7**	**419**	**575**	**-212**	**-939**		**7 444**
Non-controlling interests	9	30							39
Loans*	896 876	309 854	131 794	15 119					1 353 643
Investments in associates*	1 350	61	4				1 295		2 710
Other assets*	107 567	120 105	40 663	2 341	1 873	3 410	83 369		359 328
Total assets*	**1 005 793**	**430 020**	**172 461**	**17 460**	**1 873**	**3 410**	**84 664**		**1 715 681**
Deposits from the public*	347 027	91 127	92 783	3 300					534 237
Other liabilities*	636 170	322 334	45 264	10 658	-300	1 776	70 645		1 086 547
Total liabilities*	**983 197**	**413 461**	**138 047**	**13 958**	**-300**	**1 776**	**70 645**		**1 620 784**
Allocated equity	22 596	16 559	34 414	3 502	2 173	1 634	14 019		94 897
Total liabilities and equity	**1 005 793**	**430 020**	**172 461**	**17 460**	**1 873**	**3 410**	**84 664**		**1 715 681**
Impaired loans, gross	**1 602**	**770**	**22 510**	**9 896**					**34 778**
Risk-weighted assets	**221 974**	**156 315**	**135 642**	**17 966**	**3 358**	**3 634**	**2 438**		**541 327**
Return on allocated equity, %	24.0	13.8	-0,0	11.0	35.4	-25.2	-9.5		8.1
Loans/deposits	251	176	141	378					222
Credit impairment ratio, %	0.03	0.00	2.05	-4.35					0.20
Total provision ratio for impaired loans, %	99	106	58	64					63
Share of impaired loans, gross, %	0.18	0.25	15.54	46.20					2.53
Cost/income ratio	0.54	0.51	0.44	1.28	0.53	2.29	1.28		0.57
Full-time employees	5 571	1 229	5 416	1 847	313	150	2 698		17 224

* Excluding intra-Group transactions

Jan-Dec 2009 SEKm	Retail	Large Corporates & Institutions	Baltic Banking	Russia & Ukraine	Asset Management	Ektornet	Group Functions	Eliminations	Group
Net interest income	11 166	3 712	4 235	1 766	-23	-1	-80	-10	20 765
Net commissions	3 672	1 609	1 655	101	655		86	47	7 825
Net gains and losses on financial items at fair value	150	2 583	719	-44	42	2	-683	1	2 770
Share of profit or loss of associates	864		1				1		866
Other income	1 345	108	762	14	16		4 456	-4 145	2 556
Total income	**17 197**	**8 012**	**7 372**	**1 837**	**690**	**1**	**3 780**	**-4 107**	**34 782**
of which internal income	*1 318*	*462*	*1 207*		*-1 676*		*1 882*	*-3 193*	
Staff costs	3 965	1 120	1 361	511	340	2	1 895	-10	9 184
Variable staff costs	7	196	-203				17		17
Other expenses	4 505	1 550	1 978	618	368	25	2 811	-4 097	7 758
Depreciation/amortisation	181	36	198	83	48		343		889
Total expenses	**8 658**	**2 902**	**3 334**	**1 212**	**756**	**27**	**5 066**	**-4 107**	**17 848**
Profit before impairments	**8 539**	**5 110**	**4 038**	**625**	**-66**	**-26**	**-1 286**		**16 934**
Impairment of intangible assets		5		1 300					1 305
Impairment of tangible assets		7	223	219					449
Credit impairments	833	1 093	14 888	7 782			45		24 641
Operating profit	**7 706**	**4 005**	**-11 073**	**-8 676**	**-66**	**-26**	**-1 331**		**-9 461**
Tax expense	1 988	996	-1 315	-251	-16	-6	-415		981
Profit for the period	5 718	3 009	-9 758	-8 425	-50	-20	-916		-10 442
Profit for the period attributable to the shareholders of Swedbank AB	**5 710**	**2 946**	**-9 758**	**-8 423**	**-50**	**-20**	**-916**		**-10 511**
Non-controlling interests	8	63		-2					69
Loans*	876 418	315 181	171 432	19 767					1 382 798
Investments in associates*	1 425		5	1			1 309		2 740
Other assets*	78 528	122 418	52 895	4 459	1 883	713	148 253		409 149
Total assets*	**956 371**	**437 599**	**224 332**	**24 227**	**1 883**	**713**	**149 562**		**1 794 687**
Deposits from the public*	317 811	76 813	103 100	6 700					504 424
Other liabilities*	618 083	347 294	91 866	14 702	358	421	127 869		1 200 593
Total liabilities*	**935 894**	**424 107**	**194 966**	**21 402**	**358**	**421**	**127 869**		**1 705 017**
Allocated equity	20 477	13 492	29 366	2 825	1 525	292	21 693		89 670
Total liabilities and equity	**956 371**	**437 599**	**224 332**	**24 227**	**1 883**	**713**	**149 562**		**1 794 687**
Impaired loans, gross	**2 062**	**1 081**	**26 571**	**10 418**					**40 132**
Risk-weighted assets	**243 742**	**164 178**	**165 417**	**23 600**	**2 465**	**526**	**3 503**		**603 431**
Return on allocated equity, %	27.8	19.7	-31.6	-230.5	-3.3	-117.6	-7.3		-12.5
Loans/deposits	269	217	164	276					240
Credit impairment ratio, %	0.10	0.39	6.67	21.72					1.74
Total provision ratio for impaired loans, %	98	78	57	76					65
Share of impaired loans, gross, %	0.23	0.34	14.23	37.69					2.85
Cost/income ratio	0.50	0.36	0.45	0.66	1.10	27.00	1.34		0.51
Full-time employees	5 738	1 137	5 924	3 472	291	39	2 676		19 277

* 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 Group Functions 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 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 consists of real estate, mainly in the Baltic countries but also in the Nordic region, the US and Ukraine.

Group Functions 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-Dec 2010 SEKm	Sweden	Estonia	Latvia	Lithuania	Ukraine	Russia	Other	Total
Net interest income	10 840	1 609	1 121	1 077	428	210	1 044	16 329
Net commissions	7 202	706	495	505	48	32	537	9 525
Net gains and losses on financial items at fair value	1 761	210	233	114	26	-95	151	2 400
Share of profit or loss of associates	355						269	624
Other income	1 499	1	242	326	30	3	65	2 166
Total income	**21 657**	**2 526**	**2 091**	**2 022**	**532**	**150**	**2 066**	**31 044**
Staff costs	6 860	571	332	410	182	166	531	9 052
Variable staff costs	254	-5	-3	-4			98	340
Other expenses	5 525	157	605	585	184	164	80	7 300
Depreciation/amortisation	536	169	61	54	52	26	52	950
Total expenses	**13 175**	**892**	**995**	**1 045**	**418**	**356**	**761**	**17 642**
Profit before impairments	**8 482**	**1 634**	**1 096**	**977**	**114**	**-206**	**1 305**	**13 402**
Impairment of intangible assets		23				14		37
Impairment of tangible assets	2	31	61	207	256	-3	46	600
Credit impairments	275	968	1 720	676	-588	-271	30	2 810
Operating profit	**8 205**	**612**	**-685**	**94**	**446**	**54**	**1 229**	**9 955**
Tax expense	2 339	-3	-89	-64	4	8	277	2 472
Profit for the period	5 866	615	-596	158	442	46	952	7 483
Profit for the period attributable to the shareholders of Swedbank AB	**5 829**	**615**	**-596**	**158**	**442**	**46**	**950**	**7 444**
Non-controlling interests	37						2	39
Loans*	1 164 424	58 636	37 504	35 807	7 589	7 536	42 147	1 353 643
Investments in associates*	1 896	4					810	2 710
Other assets*	291 671	23 222	9 210	11 288	1 610	806	21 521	359 328
Total assets*	**1 457 991**	**81 862**	**46 714**	**47 095**	**9 199**	**8 342**	**64 478**	**1 715 681**
Deposits*	423 370	42 447	20 397	32 383	2 022	1 072	12 546	534 237
Other liabilities*	979 534	27 656	12 696	4 739	5 022	5 896	51 004	1 086 547
Total liabilities*	**1 402 904**	**70 103**	**33 093**	**37 122**	**7 044**	**6 968**	**63 550**	**1 620 784**
Allocated equity*	55 087	11 759	13 621	9 973	2 155	1 374	928	94 897
Total liabilities and equity*	**1 457 991**	**81 862**	**46 714**	**47 095**	**9 199**	**8 342**	**64 478**	**1 715 681**
Impaired loans, gross	**1 957**	**4 722**	**11 259**	**6 529**	**7 957**	**1 939**	**415**	**34 778**
Risk-weighted assets	**357 377**	**61 099**	**43 655**	**34 556**	**10 139**	**7 918**	**26 583**	**541 327**
Return on allocated equity, %	12.1	5.0	-4.2	1.5	19.9	2.8	36.0	8.1
Cost/income ratio	0.61	0.35	0.48	0.52	0.78	2.37	0.37	0.57
Full-time employees	8 401	2 514	1 724	2 228	1 565	287	505	17 224

The geographical distribution has primarily been allocated to the country where the business is carried out and is not comparable to the business segment reporting.

* Excluding intra-Group transactions.

Jan-Dec 2009 SEKm	Sweden	Estonia	Latvia	Lithuania	Ukraine	Russia	Other	Total
Net interest income	13 429	1 339	1 533	1 382	1 030	743	1 309	20 765
Net commissions	5 414	672	550	533	70	27	559	7 825
Net gains and losses on financial items at fair value	1 497	293	463	265	-133	97	288	2 770
Share of profit or loss of associates	650	1					215	866
Other income	1 799	66	255	442	10	9	-25	2 556
Total income	**22 789**	**2 371**	**2 801**	**2 622**	**977**	**876**	**2 346**	**34 782**
Staff costs	6 541	724	418	509	254	220	518	9 184
Variable staff costs	23	-197					191	17
Other expenses	5 578	155	791	748	233	223	30	7 758
Depreciation/amortisation	423	211	75	65	63	20	32	889
Total expenses	**12 565**	**893**	**1 284**	**1 322**	**550**	**463**	**771**	**17 848**
Profit before impairments	**10 224**	**1 478**	**1 517**	**1 300**	**427**	**413**	**1 575**	**16 934**
Impairment of intangible assets						5		1 305
Impairment of tangible assets	6	5	63	154	221			449
Credit impairments	1 602	2 646	6 891	5 355	6 455	1 326	366	24 641
Operating profit	**8 616**	**-1 173**	**-5 437**	**-4 209**	**-7 549**	**-918**	**1 209**	**-9 461**
Tax expense	2 206	6	-836	-454	-178	-11	248	981
Profit for the period	6 410	-1 179	-4 601	-3 755	-7 371	-907	961	-10 442
Profit for the period attributable to the shareholders of Swedbank AB	**6 405**	**-1 179**	**-4 601**	**-3 755**	**-7 371**	**-907**	**897**	**-10 511**
Non-controlling interests	5						64	69
Loans*	1 145 998	74 071	51 672	45 692	8 910	11 438	45 017	1 382 798
Investments in associates*	2 087	5			1		647	2 740
Other assets*	333 954	29 007	9 630	15 534	1 800	2 671	16 553	409 149
Total assets*	**1 482 039**	**103 083**	**61 302**	**61 226**	**10 711**	**14 109**	**62 217**	**1 794 687**
Deposits*	384 597	47 902	20 785	34 191	2 830	3 555	10 564	504 424
Other liabilities*	1 040 401	43 553	31 593	18 094	6 405	9 264	51 283	1 200 593
Total liabilities*	**1 424 998**	**91 455**	**52 378**	**52 285**	**9 235**	**12 819**	**61 847**	**1 705 017**
Allocated equity*	57 041	11 628	8 924	8 941	1 476	1 290	370	89 670
Total liabilities and equity*	**1 482 039**	**103 083**	**61 302**	**61 226**	**10 711**	**14 109**	**62 217**	**1 794 687**
Impaired loans, gross	**2 627**	**5 465**	**13 401**	**7 705**	**8 180**	**2 238**	**516**	**40 132**
Risk-weighted assets	**383 902**	**67 821**	**53 801**	**45 480**	**12 215**	**11 396**	**28 816**	**603 431**
Return on allocated equity, %	13.7	-10.4	-45.9	-38.9	-362.3	-55.7	32.5	-12.5
Cost/income ratio	0.55	0.38	0.46	0.50	0.56	0.53	0.33	0.51
Full-time employees	8 461	2 613	1 857	2 490	2 880	570	406	19 277

The geographical distribution has primarily been allocated to the country where the business is carried out and is not comparable to the business segment reporting.

* Excluding intra-Group transactions.

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

Note 4 cont. Product areas

Jan-Dec 2010 SEKm	Financing	Savings & Investments	Payments & Cards	Trading & Capital Market	Other	Total
Net interest income	11 671	1 966	3 652	1 268	-2 228	16 329
Net commissions	182	4 279	3 347	1 154	563	9 525
Net gains and losses on financial items at fair value	-1	23	60	2 128	190	2 400
Share of profit or loss of associates	428		30		166	624
Other income	304	663	634	36	529	2 166
Total income	**12 584**	**6 931**	**7 723**	**4 586**	**-780**	**31 044**
Total expenses	**5 076**	**4 171**	**4 704**	**2 892**	**799**	**17 642**
Profit before impairments	**7 508**	**2 760**	**3 019**	**1 694**	**-1 579**	**13 402**
Impairment of intangible assets					37	37
Impairment of tangible assets	471				129	600
Credit impairments	2 823		-7	-1	-5	2 810
Operating profit	**4 214**	**2 760**	**3 026**	**1 695**	**-1 740**	**9 955**
Tax expense	1 167	665	617	309	-286	2 472
Profit for the period	3 047	2 095	2 409	1 386	-1 454	7 483
Profit for the period attributable to the shareholders of Swedbank AB	**3 044**	**2 106**	**2 409**	**1 345**	**-1 460**	**7 444**
Non-controlling interests	3	-11		41	6	39
Loans	1 145 891		548	207 204		1 353 643
Deposits		285 592	231 493	153 918		671 003
Mutual funds		503 713				503 713
Retail bonds and index-linked bonds				23 925		23 925
Discretionary asset management		251 580				251 580
Allocated equity	50 084	3 798	6 710	5 555	28 750	94 897
Return on allocated equity, %	6.6	63.6	41.6	25.6	-4.8	8.1
Cost/income ratio	0.40	0.60	0.61	0.63	-1.02	0.57

Jan-Dec 2009 SEKm	Financing	Savings & Investments	Payments & Cards	Trading & Capital Market	Other	Total
Net interest income	13 176	1 503	4 949	2 095	-958	20 765
Net commissions	9	3 586	3 488	629	113	7 825
Net gains and losses on financial items at fair value		42	13	3 007	-292	2 770
Share of profit or loss of associates	328		25		513	866
Other income	507	620	630	-5	804	2 556
Total income	**14 020**	**5 751**	**9 105**	**5 726**	**180**	**34 782**
Total expenses	**5 611**	**4 264**	**4 967**	**2 565**	**441**	**17 848**
Profit before impairments	**8 409**	**1 487**	**4 138**	**3 161**	**-261**	**16 934**
Impairment of intangible assets					1 305	1 305
Impairment of tangible assets	197				252	449
Credit impairments	24 383		191	67		24 641
Operating profit	**-16 171**	**1 487**	**3 947**	**3 094**	**-1 818**	**-9 461**
Tax expense	-592	317	816	551	-111	981
Profit for the period	-15 579	1 170	3 131	2 543	-1 707	-10 442
Profit for the period attributable to the shareholders of Swedbank AB	**-15 572**	**1 179**	**3 131**	**2 461**	**-1 710**	**-10 511**
Non-controlling interests	-7	-9		82	3	69
Loans	1 192 198		376	190 224		1 382 798
Deposits		256 211	240 525	239 375		736 111
Mutual funds		458 318				458 318
Retail bonds and index-linked bonds				30 371		30 371
Discretionary asset management		222 222				222 222
Allocated equity	40 362	2 228	4 957	2 476	39 647	89 670
Return on allocated equity, %	-36.7	52.9	63.2	99.4	-5.3	-12.5
Cost/income ratio	0.40	0.74	0.55	0.45	2.45	0.51

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 and insurance savings
- pension savings
- other life insurance products
- institutional 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 transaction processing
- 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 4 cont. Customer categories

Jan-Dec 2010 SEKm	Private	Corporate	Credit-institutions	Other	Total
Net interest income	7 177	8 751	2 213	-1 812	16 329
Net commissions	5 123	3 265	453	684	9 525
Net gains and losses on financial items at fair value	247	682	1 479	-8	2 400
Share of profit or loss of associates			135	489	624
Other income	469	350	868	479	2 166
Total income	**13 016**	**13 048**	**5 148**	**-168**	**31 044**
Total expenses	**8 660**	**5 336**	**2 860**	**786**	**17 642**
Profit before impairments	**4 356**	**7 712**	**2 288**	**-954**	**13 402**
Impairment of intangible assets				37	37
Impairment of tangible assets	11	395	93	101	600
Credit impairments	965	1 878	-33		2 810
Operating profit	**3 380**	**5 439**	**2 228**	**-1 092**	**9 955**
Tax expense	692	1 236	609	-65	2 472
Profit for the period	2 688	4 203	1 619	-1 027	7 483
Profit for the period attributable to the shareholders of Swedbank AB	**2 688**	**4 174**	**1 613**	**-1 031**	**7 444**
Non-controlling interests		29	6	4	39
Loans	523 651	488 196	341 796		1 353 643
Deposits	302 851	223 615	144 537		671 003
Mutual funds	220 680	201 122	81 911		503 713
Retail bonds and index-linked linked bonds	15 104	8 821			23 925
Discretionary asset management	158 916	91 411	1 253		251 580
Allocated equity	10 332	38 299	13 617	32 649	94 897
Return on allocated equity, %	22.4	11.9	12.1	-3.2	8.1
Cost/income ratio	0.67	0.41	0.56	-4.68	0.57

In the breakdown by customer category, results and business volumes have been divided into four categories:

(1) Private customers
- Private customers with Private Banking agreement or personal banker
- Other private customers (mass market)

(2) Corporate customers
- Small businesses including one-man businesses
- Small and middle-sized companies including organizations, municipalities and county councils with personal banker
- Large companies tied to the organisational unit Large Corporates

(3) Credit institutions
- Banks and other credit institutions
- The trading and capital markets operations including result from positioning
- Savings bank business including administrative services as well the Savings banks businesses through Swedbank Mortgage. Swedbank Robur, Swedbank Insurance etc.

(4) Other
- Real estate brokerage
- Legal services
- EnterCard
- Treasury operations
- Goodwill and other impairment of the Group's own assets
- Non-recurring items
- Other where income and expenses cannot be reported at the customer level.

Note 5 Net interest income

Group SEKm	Q4 2010	Q3 2010	%	Q4 2009	%	Full-year 2010	Full-year 2009	%
Interest income								
Loans to credit institutions	175	201	-13	161	9	785	684	15
Loans to the public*	10 372	9 315	11	9 729	7	37 518	46 943	-20
Interest-bearing securities	373	259	44	598	-38	1 295	2 447	-47
Derivatives	989	1 393	-29	1 758	-44	6 066	6 167	-2
Other	36	77	-53	45	-20	205	158	30
Total interest income	**11 945**	**11 245**	**6**	**12 291**	**-3**	**45 869**	**56 399**	**-19**
Interest expenses								
Amounts owed to credit institutions	-269	-311	-14	-358	-25	-1 244	-3 207	-61
Deposits and borrowings from the public	-1 239	-989	25	-1 195	4	-4 272	-6 341	-33
of which deposit guarantee fees	*-104*	*-121*	*-14*	*-106*	*-2*	*-431*	*-417*	*3*
Debt securities in issue	-5 274	-5 572	-5	-5 285	0	-21 576	-21 756	-1
of which commissions for funding with state guarantee	*-363*	*-384*	*-5*	*-505*	*-28*	*-1 584*	*-1 802*	*-12*
Subordinated liabilities	-329	-344	-4	-436	-25	-1 408	-1 970	-29
Derivatives	-246	25		-281	-12	-755	-2 094	-64
Other	-61	-74	-18	-34	79	-285	-266	7
of which stability fee	*-47*	*-61*	*-23*	*-29*	*62*	*-223*	*-224*	*0*
Total interest expenses	**-7 418**	**-7 265**	**2**	**-7 589**	**-2**	**-29 540**	**-35 634**	**-17**
Net interest income	**4 527**	**3 980**	**14**	**4 702**	**-4**	**16 329**	**20 765**	**-21**
Average balances								
Loans to credit institutions	202 292	210 670	-4	135 056	50	182 646	139 081	31
Loans to the public	1 201 516	1 221 549	-2	1 253 901	-4	1 222 955	1 270 736	-4
Interest-bearing securities	92 729	104 921	-12	144 151	-36	129 977	126 290	3
Interest-bearing assets	**1 496 537**	**1 537 140**	**-3**	**1 533 108**	**-2**	**1 535 578**	**1 536 107**	**0**
Derivatives	78 655	89 853	-12	79 940	-2	81 333	103 385	-21
Other assets	163 835	159 401	3	198 461	-17	161 855	141 874	14
Total assets	**1 739 027**	**1 786 394**	**-3**	**1 811 509**	**-4**	**1 778 766**	**1 781 366**	**0**
Amounts owed to credit institutions	158 359	201 726	-21	263 734	-40	212 335	307 713	-31
Deposits and borrowings from the public	529 546	519 282	2	491 406	8	520 004	484 842	7
Debt securities in issue	709 644	721 134	-2	689 588	3	711 066	653 456	9
Subordinated liabilities	27 944	31 555	-11	38 639	-28	32 374	42 749	-24
Interest-bearing liabilities	**1 425 493**	**1 473 697**	**-3**	**1 483 367**	**-4**	**1 475 779**	**1 488 760**	**-1**
Derivatives	77 499	82 869	-6	80 868	-4	76 921	97 543	-21
Other liabilities	142 012	137 883	3	160 144	-11	134 586	110 891	21
Total liabilities	**1 645 004**	**1 694 449**	**-3**	**1 724 379**	**-5**	**1 687 286**	**1 697 194**	**-1**
Equity	**94 023**	**91 945**	**2**	**87 130**	**8**	**91 480**	**84 172**	**9**
Total liabilities and equity	**1 739 027**	**1 786 394**	**-3**	**1 811 509**	**-4**	**1 778 766**	**1 781 366**	**0**
Average interest rates, %								
Loans to credit institutions	0.35	0.38		0.48		0.43	0.49	
Loans to the public	3.45	3.05		3.10		3.07	3.69	
Interest-bearing securities	1.61	0.99		1.66		1.00	1.94	
Interest-bearing assets	**2.92**	**2.54**		**2.74**		**2.58**	**3.26**	
Total assets	**2.75**	**2.52**		**2.71**		**2.58**	**3.17**	
Amounts owed to credit institutions	0.68	0.62		0.54		0.59	1.04	
Deposits and borrowings from the public	0.94	0.76		0.97		0.82	1.31	
Debt securities in issue	2.97	3.09		3.07		3.03	3.33	
Subordinated liabilities	4.71	4.36		4.51		4.35	4.61	
Interest-bearing liabilities	**2.00**	**1.96**		**1.96**		**1.93**	**2.24**	
Total liabilities	**1.80**	**1.72**		**1.76**		**1.75**	**2.10**	
Total liabilities and equity	**1.71**	**1.63**		**1.68**		**1.66**	**2.00**	
Net interest margin	**1.04**	**0.89**		**1.04**		**0.92**	**1.17**	

Interest-bearing securities are reported net in this note less sold, not held, securities.
Interest income on impaired loans is not accrued.
*In the fourth quarter 2010 fee income in Baltic Banking was reclassified in line with Group accounting principles with SEK 191m from other income to net interest income.

Note 6 Net commissions

Group SEKm	Q4 2010	Q3 2010	%	Q4 2009	%	Full-year 2010	Full-year 2009	%
Commission income								
Payment processing	1 427	1 425	0	1 422	0	5 541	5 474	1
Asset management	1 063	990	7	880	21	4 076	2 714	50
Life insurance	128	117	9	110	16	479	390	23
Brokerage	162	95	71	215	-25	587	652	-10
Other securities	61	31	97	30		191	143	34
Corporate finance	85	57	49	95	-11	314	221	42
Lending	230	153	50	138	67	670	563	19
Guarantee	50	49	2	64	-22	216	278	-22
Deposits	6	17	-65	11	-45	65	70	-7
Real estate brokerage	40	44	-9	38	5	164	146	12
Non-life insurance	18	10	80	7		54	32	69
Other commission income	207	201	3	168	23	742	714	4
Total commission income	**3 477**	**3 189**	**9**	**3 178**	**9**	**13 099**	**11 397**	**15**
Commission expenses								
Payment processing	-554	-561	-1	-572	-3	-2 195	-2 086	5
Asset management	-53	-9		-42	26	-110	-77	43
Life insurance	-54	-41	32	-40	35	-209	-160	31
Brokerage	-4	-2	100	-5	-20	-10	-24	-58
Other securities	-51	-53	-4	-40	28	-227	-271	-16
Lending and guarantees	-14	-28	-50	-17	-18	-77	-93	-17
Other commission expenses	-209	-185	13	-189	11	-746	-861	-13
Total commission expenses	**-939**	**-879**	**7**	**-905**	**4**	**-3 574**	**-3 572**	**0**
Total net commissions	**2 538**	**2 310**	**10**	**2 273**	**12**	**9 525**	**7 825**	**22**

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). Moreover, SEK 88m was charged to commission income from asset management in the fourth quarter 2009 for compensation to Estonian customers of the Private Debt Fund due to ambiguous rules on how conflicts of interest are handled.

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

Group SEKm	Q4 2010	Q3 2010	%	Q4 2009	%	Full-year 2010	Full-year 2009	%
Valuation category, fair value through profit or loss								
Shares and related derivatives	122	-16		406	-70	853	1211	-30
of which dividend	*14*	*5*		*33*	*-58*	*207*	*202*	2
Interest-bearing securities and related derivatives[1]	-322	-3 361	-90	-213	51	-11 609	-9 523	22
Loans	-3 540	-1 270		-686		-5 417	45	
Financial liabilities	3 727	4 786	-22	513		16 744	10 046	67
Other financial instruments	16	-16		-27		-16	14	
Total fair value through profit or loss	**3**	**123**	**-98**	**-7**		**555**	**1 793**	-69
Hedge accounting								
Inefficiency in hedge accounting at fair value[1]	-14	13		-179	-92	231	-204	
of which hedging instrument[1]	-5 786	538		-151		-1 348	908	
of which hedged item[1]	5 772	-525		-28		1 579	-1 112	
Ineffective part in cash flow hedge				75			-37	
Ineffective part in hedging of net investments in foreign operations							3	
Total hedge accounting	**-14**	**13**		**-104**	**-87**	**231**	**-238**	
Loans valued at amortised cost	**19**	**28**	**-32**	**42**	**-55**	**106**	**161**	**-34**
Financial liabilities valued at amortised cost	**-113**	**122**		**71**		**9**	**71**	**-87**
Change in exchange rates	**462**	**288**	**60**	**260**	**78**	**1 499**	**983**	**52**
Total net gains and losses on financial items at fair value	**357**	**574**	**-38**	**262**	**36**	**2 400**	**2 770**	**-13**
Distribution by business purpose								
Financial instruments for trading related business	**659**	**505**	**30**	**285**		**2 307**	**3 087**	**-25**
Financial instruments which are intended to be held to contractual maturity	**-302**	**69**		**-23**		**93**	**-317**	
of which change in the value of open interest position, Swedbank Mortgage	*-232*	*-85*		*6*		*-312*	*-293*	*6*
Total	**357**	**574**	**-38**	**262**	**36**	**2 400**	**2 770**	**-13**

1) According to description within changes in accounting policies, note 1, there has been a transfer between these rows regarding historical figures. The below table express the amounts that has been transferred for these rows.

During the fourth quarter 2010 the bank repurchased SEK 0.1bn and during the third quarter SEK 2.2bn in outstanding subordinated Tier 2 bond loans. The debts were reported as subordinated liabilities in the condensed balance sheet. The repurchases were made at market rates, which generated a capital loss of SEK -2m in the fourth quarter and a gain of SEK 122m in the third quarter.

Adjustments according to accounting principles[1] Change in historical figures, SEKm	Q4 2010	Q3 2010	Q4 2009	Full-year 2010	Full-year 2009
Interest-bearing securities and related derivatives		-20	170		199
Inefficiency in hedge accounting at fair value		20	-170		-199
of which hedging instrument		*-275*	*-102*		*1 248*
of which hedged item		*295*	*-68*		*-1 447*

Note 8 Staff costs

Group SEKm	Q4 2010	Q3 2010	%	Q4 2009	%	Full-year 2010	Full-year 2009	%
Salaries and other remuneration	1 566	1 471	6	1 240	26	6 182	6 062	2
Compensation through shares in Swedbank AB	10	21	-52			31		
Pension costs	197	298	-34	213	-8	1 019	980	4
Social insurance charges	451	430	5	397	14	1 839	1 827	1
Allocation to profit-sharing fund							2	
Training costs	33	15		28	18	88	99	-11
Other staff costs	57	45	27	52	10	233	231	1
Total staff costs	**2 314**	**2 280**	**1**	**1 930**	**20**	**9 392**	**9 201**	**2**
of which variable staff costs	*101*	*19*		*-389*		*340*	*17*	
of which redundancy costs	*43*	*16*		*52*	*-16*	*173*	*106*	*63*

Note 9 Number of full-time employees

Group Number of employees	31 Dec 2010	31 Dec 2009	%
Retail	5 571	5 738	-3
Large Corporates & Institutions	1 229	1 137	8
Sweden	*717*	*651*	*10*
Norway	*279*	*262*	*6*
Baltic countries	*123*	*142*	*-13*
Other branch offices	*89*	*67*	*33*
Other	*21*	*15*	*40*
Baltic Banking	5 416	5 924	-9
Estonia	*1 941*	*2 036*	*-5*
Latvia	*1 502*	*1 635*	*-8*
Lithuania	*1 973*	*2 253*	*-12*
Russia & Ukraine	1 847	3 472	-47
Russia	*284*	*567*	*-50*
Ukraine	*1 554*	*2 880*	*-46*
Other	*9*	*25*	*-64*
Asset Management	313	291	8
Sweden	*286*	*269*	*6*
Baltic countries	*27*	*22*	*23*
Ektornet	150	39	
Group Functions	2 698	2 676	1
Sweden	*1 859*	*1 843*	*1*
Baltic countries	*839*	*833*	*1*
Total	**17 224**	**19 277**	**-11**

Note 10 Other expenses

Group SEKm	Q4 2010	Q3 2010	%	Q4 2009	%	Full-year 2010	Full-year 2009	%
Premises and rents	354	317	12	408	-13	1 379	1 572	-12
IT expenses	457	372	23	489	-7	1 634	1 818	-10
Telecommunications and postage	63	70	-10	73	-14	271	321	-16
Advertising, PR and marketing	131	67	96	136	-4	360	433	-17
Consultants and purchased services	455	397	15	536	-15	1 698	1 654	3
Security transport and alarm systems	125	134	-7	120	4	440	480	-8
Supplies	66	65	2	76	-13	248	258	-4
Travel	78	41	90	66	18	229	217	6
Entertainment	39	16		35	11	98	104	-6
Repair/maintenance of office equipment	56	49	14	52	8	200	186	8
Other expenses	166	193	-14	177	-6	743	715	4
Total other expenses	**1 990**	**1 721**	**16**	**2 168**	**-8**	**7 300**	**7 758**	**-6**

Consulting and other services related to the management of problem loans and repossessed collateral amounted to SEK 64m in the fourth quarter 2010, SEK 61m in the third quarter 2010 and SEK 99m in the fourth quarter 2009. Expenses for properties taken over and included in other expenses amounted to SEK 27m in the fourth quarter 2010, SEK 34m in the third quarter 2010 and SEK 30m in the fourth quarter 2009.

Consulting and other services related to the management of problem loans and repossessed collateral amounted to SEK 261m in full-year 2010 and SEK 240m in full-year 2009. Expenses for properties taken over are included in other expenses amounted to SEK 122m in full-year 2010 and SEK 67m in full-year 2009.

Note 11 Credit impairments

Group SEKm	Q4 2010	Q3 2010	%	Q4 2009	%	Full-year 2010	Full-year 2009	%
Provision for loans that individually are assessed as impaired								
Provisions	274	775	-65	3 326	-92	3 507	14 505	-76
Reversal of previous provisions	-582	-196		-14		-1 605	-303	
Provision for homogenous groups of impaired loans, net	-391	-189		2 380		1 235	2 654	-53
Total	**-699**	**390**		**5 692**		**3 137**	**16 856**	**-81**
Portfolio provisions for loans that individually are not assessed as impaired	**-308**	**-498**	**-38**	**-2 040**	**-85**	**-1 738**	**4 752**	
Write-offs								
Established losses	2 274	650		1 546	47	4 373	3 531	24
Utilisation of previous provisions	-1 440	-367		-196		-2 410	-468	
Recoveries	-179	-79		-113	58	-558	-216	
Total	**655**	**204**		**1 237**	**-47**	**1 405**	**2 847**	**-51**
Credit impairments for contingent liabilities and other credit risk exposures	**-131**	**24**		**114**		**6**	**186**	**-97**
Credit impairments	**-483**	**120**		**5 003**		**2 810**	**24 641**	**-89**
Credit impairment ratio, %	-0.14	0.03		1.44		0.20	1.74	

Note 12 Tax

Group SEKm	Q4 2010	Q3 2010	%	Q4 2009	%	Full-year 2010	Full-year 2009	%
Tax related to previous years	12	-1		13	-8	106	-13	
Current tax	577	610	-5	1 901	-70	2 455	4 001	-39
Deferred tax	104	29		-1 799		-89	-3 007	
Total tax	**693**	**638**	**9**	**115**		**2 472**	**981**	
Sweden	575	534	8	433	33	2 339	2 206	6
Estonia	-1	-3	-63	-1	8	-3	6	
Latvia	47	-7		-63		-89	-836	
Lithuania	-10	28		-270	-96	-64	-454	
Russia	4	2	44	9	-61	8	-11	
Ukraine	1	2	-39	-51		4	-178	
Other	77	82	-5	58	33	277	248	12
Total tax	**693**	**638**	**9**	**115**		**2 472**	**981**	

Note 13 Loans

Group SEKm	31 Dec 2010	31 Dec 2009	%
Loans to credit institutions			
Banks	126 034	70 227	79
Repurchase agreements, banks	27 233	19 984	36
Other credit institutions	386	1 443	-73
Repurchase agreements, other credit institutions	12 764	477	
Loans to credit institutions	**166 417**	**92 131**	**81**
Loans to the public			
Private customers	656 351	644 846	2
Private mortgage	*616 440*	*593 277*	*4*
Private other	*39 911*	*51 569*	*-23*
Corporate customers	489 645	547 352	-11
Agriculture, forestry, fishing	*59 091*	*57 825*	*2*
Manufacturing	*29 329*	*34 062*	*-14*
Public sector and utilities	*16 171*	*15 792*	*2*
Construction	*12 749*	*13 642*	*-7*
Retail	*22 990*	*28 265*	*-19*
Transportation	*13 061*	*15 988*	*-18*
Shipping	*15 605*	*13 407*	*16*
Hotels and restaurants	*6 910*	*7 552*	*-9*
Information and communications	*2 216*	*1 845*	*20*
Finance and insurance	*10 694*	*9 936*	*8*
Property management	*148 196*	*166 380*	*-11*
Housing cooperatives	*71 829*	*70 890*	*1*
Professional services	*28 012*	*37 977*	*-26*
Other corporate lending	*52 792*	*73 791*	*-28*
Loans to the public excluding the Swedish National Debt Office and repurchase agreements	**1 145 996**	**1 192 198**	**-4**
Swedish National Debt Office	1	60 001	-100
Repurchase agreements, Swedish National Debt Office	19 778	19 235	3
Repurchase agreements, public	21 451	19 233	12
Loans to the public	**1 187 226**	**1 290 667**	**-8**
Loans to the public and credit institutions	**1 353 643**	**1 382 798**	**-2**

Group Sector/industry 31 Dec 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	126 110	76		126 034	-1	75	
Repurchase agreements, banks	27 233			27 233			
Other credit institutions	386			386			
Repurchase agreements, other credit institutions							
Loans to credit institutions	**166 493**	**76**		**166 417**	**-1**	**75**	
Loans to the public							
Private customers	660 629	3 744	534	656 351	6 055	9 799	
Private mortgage	*619 316*	*2 612*	*264*	*616 440*	*4 222*	*6 834*	
Private other	*41 313*	*1 132*	*270*	*39 911*	*1 833*	*2 965*	
Corporate customers	507 083	14 675	2 763	489 645	10 230	24 904	600
Agriculture, forestry, fishing	*59 512*	*335*	*86*	*59 091*	*375*	*710*	
Manufacturing	*32 943*	*3 095*	*519*	*29 329*	*2 043*	*5 138*	*9*
Public sector and utilities	*16 256*	*39*	*46*	*16 171*	*94*	*133*	*15*
Construction	*14 410*	*1 502*	*159*	*12 749*	*823*	*2 325*	
Retail	*25 115*	*1 818*	*307*	*22 990*	*1 044*	*2 862*	*29*
Transportation	*13 749*	*551*	*137*	*13 061*	*631*	*1 182*	*19*
Shipping	*15 759*	*34*	*120*	*15 605*	*6*	*40*	
Hotels and restaurants	*7 287*	*290*	*87*	*6 910*	*240*	*530*	*33*
Information and communications	*2 280*	*31*	*33*	*2 216*	*35*	*66*	
Finance and insurance	*10 834*	*109*	*31*	*10 694*	*39*	*148*	
Property management	*154 118*	*5 093*	*829*	*148 196*	*3 673*	*8 766*	*107*
Housing cooperatives	*71 912*	*19*	*64*	*71 829*	*13*	*32*	
Professional services	*28 699*	*529*	*158*	*28 012*	*219*	*747*	
Other corporate lending	*54 209*	*1 230*	*187*	*52 792*	*995*	*2 225*	*388*
Loans to the public excluding the Swedish National Debt Office and repurchase agreements	**1 167 712**	**18 419**	**3 297**	**1 145 996**	**16 285**	**34 703**	**851**
Swedish National Debt Office	1			1			
Repurchase agreements, Swedish National Debt Office	19 778			19 778			
Repurchase agreements, public	21 451			21 451			
Loans to the public	**1 208 942**	**18 419**	**3 297**	**1 187 226**	**16 285**	**34 703**	**851**
Loans to the public and credit institutions	**1 375 435**	**18 495**	**3 297**	**1 353 643**	**16 284**	**34 778**	**851**

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		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**		**92 131**		**181**	
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 communications	*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*		*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	31 Dec 2010	31 Dec 2009	%
Impaired loans, gross	34 778	40 132	-13
Provisions for individually assessed impaired loans	14 444	17 653	-18
Provision for homogenous groups of impaired loans	4 050	3 229	25
Impaired loans, net	**16 284**	**19 250**	**-15**
Portfolio provisions for loans that individually are not assessed as impaired	3 297	5 135	-36
Share of impaired loans, gross, %	2.53	2.85	
Share of impaired loans, net, %	1.20	1.39	
Provision ratio for impaired loans, %	53	52	
Total provision ratio for impaired loans, % *	63	65	
Past due loans that are not impaired	**7 017**	**10 426**	**-33**
of which past due 5-30 days	*4 131*	*5 874*	*-30*
of which past due 31-60 days	*2 035*	*3 691*	*-45*
of which past due 61 days or more	*851*	*861*	*-1*

* 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	31 Dec 2010	31 Dec 2009	%
Buildings and land	3 299	663	
Shares and participating interests	184	207	-11
Other property taken over	30	1	
Total property taken over to protect claims	**3 513**	**871**	
Cancelled leasing agreements	333	870	-62
Total property taken over to protect claims and cancelled leasing agreements	**3 846**	**1 741**	
of which buildings and land acquired by Ektornet	*2 872*	*517*	

Note 16 Credit exposures

Group SEKm	31 Dec 2010	31 Dec 2009	%
Loans to the public	1 187 226	1 290 667	-8
of which repos	*41 229*	*38 468*	*7*
of which Swedish National Debt Office excluding repos	*1*	*60 001*	*-100*
Loans to credit institutions	166 417	92 131	81
of which repos	*39 997*	*20 461*	*95*
Overdraft facilities granted but not utilised	60 462	55 932	8
Loans granted but not paid	114 920	126 190	-9
Loan guarantees	7 742	12 457	-38
Guarantees, other	15 415	16 504	-7
Accepted and endorsed notes	171	227	-25
Derivatives	65 051	72 969	-11
Treasury bills and other eligible bills	34 924	88 724	-61
Bonds and other interest-bearing securities	96 652	81 891	18
Other commitments	1 993	2 254	-12
Total	**1 750 973**	**1 839 946**	**-5**

Note 17 Interest-bearing securities

Group SEKm	31 Dec 2010	31 Dec 2009	%
Valuation category, fair value through profit or loss			
Swedish treasury bills and other bills eligible for refinancing with central banks	24 246	72 920	-67
Non-Swedish treasury bills and other bills eligible for refinancing with central banks	9 412	14 643	-36
Swedish mortgage institutions	60 904	48 315	26
Swedish financial institutions	6 402	7 494	-15
Swedish non-financial companies	5 005	6 823	-27
Non-Swedish financial institutions	16 291	9 372	74
Non-Swedish non-financial companies	3 539	2 239	58
Total	**125 799**	**161 806**	**-22**
Valuation category, held to maturity			
Non-Swedish treasury bills and other bills eligible for refinancing with central banks	1 266	1 161	9
Non-Swedish mortgage institutions	3 335	6 371	-48
Non-Swedish financial institutions	892	1 224	-27
Non-Swedish non-financial companies	284	53	
Total	**5 777**	**8 809**	**-34**
Total interest-bearing securities	**131 576**	**170 615**	**-23**

Note 18 Intangible assets

Group SEKm	31 Dec 2010	31 dec 2009	%
With indefinite useful life			
Goodwill	13 733	15 368	-11
Total	**13 733**	**15 368**	**-11**
With finite useful life			
Customer base	1 105	1 276	-13
Other	956	911	5
Total	**2 061**	**2 187**	**-6**
Total intangible assets	**15 794**	**17 555**	**-10**

Goodwill	Full-year 2010	Full-year 2009
Cost		
Opening balance	**17 962**	**18 711**
Additions through business combinations		
Disposals		-2
Translation differences	-1 598	-747
Closing balance	**16 364**	**17 962**
Accumulated amortisation and impairments		
Opening balance	**-2 594**	**-1 403**
Impairments	-37	-1 191
Closing balance	**-2 631**	**-2 594**
Carrying amount	**13 733**	**15 368**

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 rate. Estimated cash flows and discount rates are derived from external sources whenever possible and appropriate, but must in large part be determined based on management's own assumptions. Management also determines whether there is any need for a new test during the year.

There have been no indications in 2010 that signified the need for new impairment testing with the exception of intangible assets in the Russian operations and the Baltic leasing operations.

During the first quarter impairments of SEK 14m were recognised in the Russian operations and in the third quarter SEK 23m was recognised in the Baltic leasing operations. Based on new tests of all intangible assets as of year-end, management's opinion was that there was no need for impairment of recognised goodwill or other intangible assets as of year-end 2010.

The model to calculate the recoverable amount has been modified compared with the model used previous year, this also means that the used assumptions have been adapted to the conditions by 31 December 2010.

Assumptions for significant goodwill assets 31 Dec 2010

Cash-generating unit, Banking operations	Goodwill carrying amount, SEKm	RWA growth 2011-2013, %	RWA growth 2014-2048, %	Avarage RWA growth 2014-2048, %	RWA growth 2049-, %
Estonia	3 814	5.4	7.0-3.1	4.9	3.0
Latvia	3 849	0.2	7.0-3.1	4.1	3.0
Lithuania	3 342	11.1	7.0-3.1	4.9	3.0
Sweden	2 198	1.4	3.0-3.0	3.0	3.0

	Discount rate 2011-2013, %	Discount rate 2014-2048, %	Avarage discount rate 2014-2048, %	Discount rate 2049-, %
Estonia	10.3	10.3-9.0	9.4	9.0
Latvia	12.0	12.0-9.0	10.0	9.0
Lithuania	11.3	11.3-9.0	9.8	9.0
Sweden	9.0	9.0-9.0	9.0	9.0

			Sensitivity analysis, change in recovarable amount	
	Net asset including goodwill, carrying amount, SEKm	Recoverable amount, SEKm	Decrease in assumption of yearly growth by 1 percentage point	Increase in discount rate by 1 percentage point
Estonia	9 229	15 244	-1 136	-2 110
Latvia	10 078	10 391	-429	-1 038
Lithuania	8 639	13 046	-894	-1 715
Sweden *	23 763	31 289	132	-2 757

* The cash-generating unit is part of the segment Retail.

Note 19 Savings and investments

Group SEKm	31 Dec 2010	31 Dec 2009	%
Amounts owed to credit institutions			
Central banks		116 199	
Banks	113 239	92 860	22
Other credit institutions	3 765	4 383	-14
Repurchase agreements, banks	14 132	16 910	-16
Repurchase agreements, other credit institutions	5 630	1 335	
Amounts owed to credit institutions	**136 766**	**231 687**	**-41**
Deposits from the public in SEK			
Private	248 231	226 140	10
Corporate	153 059	142 997	7
Total	**401 290**	**369 137**	**9**
Deposits from the public in foreign currency			
Private	54 620	58 526	-7
Corporate	61 175	69 073	-11
Total	**115 795**	**127 599**	**-9**
Deposits from the public excluding the Swedish National Debt Office and repurchase agreements	**517 085**	**496 736**	**4**
Swedish National Debt Office	7	7	0
Repurchase agreements, Swedish National Debt Office	7 764	4 956	57
Repurchase agreements, public	9 381	2 725	
Deposits and borrowings from the public	**534 237**	**504 424**	**6**
Discretionary asset management *	251 580	222 222	13
Funds assets under management	487 846	450 420	8
Unit-linked insurance	99 647	80 261	24
Of which unit-linked insurance in own companies	-83 780	-72 363	16
Retail bonds, interest-bearing	1 391	2 616	-47
Retail bonds, equity-linked bonds	22 534	27 755	-19
Total savings and investments	**1 450 221**	**1 447 022**	**0**

* Excluding investments in Swedbank Robur's funds.

Note 20 Debt securities in issue

Group SEKm	31 Dec 2010	30 Sep 2010	30 Jun 2010	31 Mar 2010	31 dec 2009	%
Commercial papers with state guarantee				27 716	60 689	
Other commercial papers	64 375	79 736	61 772	44 004	49 884	29
Covered bond loans	410 369	411 983	406 707	389 404	341 372	20
Bond loans with state guarantee	156 045	165 261	175 866	175 994	181 587	-14
Other interest-bearing bond loans	35 196	35 494	35 011	52 182	32 722	8
Structured retail bonds	20 532	28 213	31 153	34 296	37 004	-45
Total debt securities in issue	**686 517**	**720 687**	**710 509**	**723 596**	**703 258**	**-2**

Turnover during the period	Full-year 2010	Oct-Dec 2010	Jul-Sep 2010	Apr-Jun 2010	Jan-Mar 2010	Full-year 2009
Commercial papers with state guarantee						
Opening balance	60 689			27 716	60 689	79 472
Issued						140 406
Repurchased						
Repaid	-60 689	-121	43	-27 716	-32 895	-160 574
Change in market value		131	-10		-121	156
Changes in exchange rates		-10	-33		43	1 229
Closing balance					27 716	60 689
Other commercial papers						
Opening balance	49 884	79 736	61 772	44 004	49 884	60 458
Issued	284 652	71 798	99 989	80 308	32 557	215 133
Repurchased						
Repaid	-268 179	-92 648	-73 341	-63 763	-38 427	-226 466
Change in market value	-1 519	-1 297	-98	-457	333	23
Changes in exchange rates	-463	6 786	-8 586	1 680	-343	736
Closing balance	64 375	64 375	79 736	61 772	44 004	49 884
Covered bond loans						
Opening balance	341 372	411 983	406 707	389 404	341 372	271 236
Issued	237 958	73 746	38 266	46 055	79 891	169 962
Repurchased	-57 635	-19 998	-3 803	-5 516	-28 318	-80 348
Repaid	-103 351	-72 626	-10 399	-19 050	-1 276	-19 275
Change in market value	-7 975	17 264	-18 788	-4 186	-2 265	-203
Changes in exchange rates						
Closing balance	410 369	410 369	411 983	406 707	389 404	341 372
Bond loans with state guarantee						
Opening balance	181 587	165 261	175 866	175 994	181 587	60 295
Issued						131 301
Repurchased						
Repaid	-14 035	-8 339		-3 332	-2 364	-921
Change in market value	342	-390	221	108	403	1 004
Changes in exchange rates	-11 849	-487	-10 826	3 096	-3 632	-10 092
Closing balance	156 045	156 045	165 261	175 866	175 994	181 587
Other interest-bearing bond loans						
Opening balance	32 721	35 494	35 011	52 182	32 721	86 530
Issued	23 524	170	1 380	951	21 023	3 622
Repurchased	-33	-9	-3	-13	-8	
Repaid	-18 128	-240	-83	-17 613	-192	-56 169
Change in market value	264	-210	741	-42	-225	-580
Changes in exchange rates	-3 152	-9	-1 552	-454	-1 137	-681
Closing balance	35 196	35 196	35 494	35 011	52 182	32 721
Structured retail bonds						
Opening balance	37 004	28 213	31 153	34 296	37 004	35 374
Issued	3 768	957	333	529	1 949	14 637
Repurchased	-4 901		5 930	-3 049	-2 886	-10 522
Repaid	-16 552	-6 814	-8 564	-620	-554	-2 431
Change in market value	1 217	3 072	-637	-1	-1 217	-4
Changes in exchange rates	-4		-2	-2		-50
Closing balance	20 532	20 532	28 213	31 153	34 296	37 004

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	Nominal amount 31 Dec 2010 Remaining contractual maturity < 1 yr.	 1-5 yrs.	 > 5 yrs.	Nominal amount 31 Dec 2010	 31 Dec 2009	Positive fair value 31 Dec 2010	 31 Dec 2009	Negative fair value 31 Dec 2010	 31 Dec 2009
Derivatives in hedge accounting									
Fair value hedges									
Interest-rate-related									
Swaps[1]	58 408	66 188	5 072	129 667	226 065	2 938	4 963		185
Currency-related									
Swaps[1]	4 746	17 619	1 340	23 704	24 385	2 048	351		790
Total	**63 154**	**83 807**	**6 412**	**153 371**	**250 450**	**4 986**	**5 314**	**0**	**975**
Cash flow hedges									
Interest-rate-related									
Swaps	2 849	6 527		9 376	18 801			328	798
Currency-related									
Swaps		10 453	22 220	32 673				3 611	
Total	**2 849**	**16 980**	**22 220**	**42 049**	**18 801**	**0**	**0**	**3 939**	**798**
Hedges of net investment in foreign operations									
Interest-rate-related									
Swaps									
Currency-related									
Swaps	915			915		6			
Total	**915**	**0**	**0**	**915**	**0**	**6**	**0**	**0**	**0**
Other derivatives									
Interest-rate-related contracts									
Options held	974 037	300 315	48 882	1 323 233	834 907	1 279	1 039	1 264	776
Forward contracts	4 324 091	1 314 541		5 638 632	5 330 042	4 067	6 261	3 854	5 946
Swaps[1]	638 051	1 238 798	397 503	2 274 353	2 153 949	33 274	46 599	35 150	47 336
Other	10			10		93			
Currency-related contracts									
Options held	37 806	44		37 852	33 463	396	275	355	398
Forward contracts	922 506	7 336	7	929 849	739 708	10 250	9 108	12 052	13 240
Swaps[1]	7 437	200 928	57 474	265 839	250 502	10 193	4 458	9 765	4 458
Other	773	92		865	26	14	3	10	3
Equity-related contracts									
Options held	41 862	10 144	45 605	97 611	170 556	2 312	3 274	1 683	1 597
Forward contracts	482	3		484	296	3	4	10	12
Swaps	259	13	7 478	7 750		1 005		679	
Other	999			999	303	69	12	70	11
Total	**6 948 313**	**3 072 214**	**556 949**	**10 577 477**	**9 513 752**	**62 955**	**71 033**	**64 892**	**73 777**
Netting agreements						-2 896	-3 378	-2 896	-3 378
Total				**10 773 811**	**9 783 003**	**65 051**	**72 969**	**65 935**	**72 172**
of which cleared				236 119	2 133 210	2 979	3 804	3 589	4 108

1 According to description within changes in accounting policies, note 1, there has been a transfer between these rows regarding historical figures.
The below table express the amounts that has been transferred for these rows.

Adjustments according to accounting principles[1] Change in historical figures SEKm	Nominal amount 31 Dec 2010 Remaining contractual maturity < 1 yr.	 1-5 yrs.	 > 5 yrs.	Nominal amount 31 Dec 2010	 31 Dec 2009	Positive fair value 31 Dec 2010	 31 Dec 2009	Negative fair value 31 Dec 2010	 31 Dec 2009
Fair value hedges									
Interest-rate-related									
Swaps					89 890		2 508		
Currency-related									
Swaps					23 332		289		790
Other derivatives									
Interest-rate-related contracts									
Swaps					-89 890		-2 508		
Currency-related contracts									
Swaps					-23 332		-289		-790

Note 22 Financial instruments carried at fair value

Group 31 Dec 2010 SEKm	Instruments with quoted market prices in active markets (Level 1)	Valuation techniques using observable market data (Level 2)	Valuation techniques using non-observable market 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	33 658			33 658
Loans to credit institutions	6	40 545		40 551
Loans to the public	24	545 707		545 731
Bonds and other interest-bearing securities	69 126	22 324	691	92 141
Financial assets for which customers bear the investment	100 628			100 628
Shares and participating interests	5 801	323		6 124
Derivatives	2 997	62 054		65 051
Total	**212 240**	**670 953**	**691**	**883 884**
Liabilities				
Amounts owed to credit institutions		19 763		19 763
Deposits and borrowings from the public		28 374		28 374
Debt securities in issue, etc	72 880	106 381		179 261
Financial liabilities for which customers bear the investment risk		100 988		100 988
Derivatives	3 615	62 311	9	65 935
Sold, not held, securities	34 162	17		34 179
Total	**110 657**	**317 834**	**9**	**428 500**

The table above contains financial instruments measured at fair value as of 31 December 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 data. 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. 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.

Group 31 Dec 2009 SEKm	Instruments with quoted market prices in active markets (Level 1)	Valuation techniques using observable market data (Level 2)	Valuation techniques using non-observable market 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	87 563			87 563
Loans to credit institutions		20 886		20 886
Loans to the public		635 261		635 261
Bonds and other interest-bearing securities	68 649	4 933	661	74 243
Financial assets for which customers bear the investment	78 194			78 194
Shares and participating interests	9 323	133		9 456
Derivatives	3 850	69 110	9	72 969
Total	**247 579**	**730 323**	**670**	**978 572**
Liabilities				
Amounts owed to credit institutions		18 284		18 284
Deposits and borrowings from the public		26 273		26 273
Debt securities in issue, etc *	111 468	170 548		282 016
Financial liabilities for which customers bear the investment risk		80 132		80 132
Derivatives	4 118	68 013	41	72 172
Sold, not held, securities	40 411			40 411
Total	**155 997**	**363 250**	**41**	**519 288**

*According to the description in change in accounting policies, note 1, the comparative figures for the row Debt securities in issue have been adjusted with SEK 142 332m in level 3 above and SEK 30 143m in level 2 above. Historical disclosures for these instruments are included in the notes for hedge accounting.

Note 23 Pledged collateral, contingent liabilities and commitments

Group **SEKm**	**31 Dec 2010**	**31 Dec 2009**	**%**
Pledged collateral	792 110	749 456	6
of which loan receivables	*640 207*	*610 456*	*5*
of which fund units pledged for policyholders	*99 475*	*80 647*	*23*
of which other assets pledged	*52 428*	*58 353*	*-10*
Contingent liabilities	25 321	31 415	-19
of which loan guarantees	*7 742*	*12 457*	*-38*
of which other guarantees	*15 415*	*16 504*	*-7*
of which accepted and endorsed notes	*171*	*227*	*-25*
of which letters of credit granted but not utilised	*1 672*	*1 878*	*-11*
of which other contingent liabilities	*321*	*349*	*-8*
Commitments	175 382	182 122	-4
of which loans granted but not paid	*114 920*	*126 190*	*-9*
of which overdraft facilities granted but not utilised	*60 462*	*55 932*	*8*

Note 24 Capital adequacy

Swedbank financial companies Group SEKm	31 Dec 2010	31 Dec 2009	% or pp
Shareholders' equity according to the Group's balance sheet	94 897	89 670	6
Non-controlling interests	138	304	-55
Anticipated dividend	-2 995		
Deconsolidation of insurance companies	-1 395	-1 130	23
Associated companies consolidated according to purchase method	1 332	1 659	-20
Shareholders' equity financial companies Group	**91 977**	**90 503**	**2**
Change in the value of own credit rating	-10		
Goodwill	-12 966	-14 594	-11
Deferred tax assets	-1 213	-1 206	1
Intangible assets	-1 794	-2 352	-24
Net provisions for reported IRB credit exposures	-534	-309	73
Cash flow hedges	44	769	-94
Shareholdings deducted from Tier 1 capital	-34	-27	26
Deduction of shares in insurance companies		-313	
Total core Tier 1 capital	**75 470**	**72 471**	**4**
Tier 1 capital contribution with step up	6 380	8 683	-27
Tier 1 capital contribution without step up	535	535	0
Total Tier 1 capital	**82 385**	**81 689**	**1**
Undated subordinated loans	2 458	4 273	-42
Fixed-term subordinated loans	18 313	23 687	-23
Deduction for remaining duration		-1 249	
Net provisions for reported IRB credit exposures	-534	-309	73
Shareholdings deducted from Tier 2 capital	-34	-27	26
Deduction of shares in insurance companies		-313	
Total Tier 2 capital	**20 203**	**26 062**	**-22**
Deduction of shares in insurance companies	-2 901	-1 966	48
Total capital base	**99 687**	**105 785**	**-6**
Risk-weighted assets	**541 327**	**603 431**	**-10**
Capital requirement for credit risks, standardised approach	2 723	3 454	-21
Capital requirement for credit risks, IRB	33 678	*37 997*	-11
Capital requirement for settlement risks	0	0	
Capital requirement for market risks	2 340	2 579	-9
of which risks in the trading book outside VaR	*638*	*784*	*-19*
of which currency risks outside VaR	*1 443*	*1 468*	*-2*
of which risks where VaR models are applied	*259*	*327*	*-21*
Capital requirement for operational risks	4 565	4 244	8
Capital requirement	**43 306**	**48 274**	**-10**
Complement during transition period	16 729	14 483	16
Capital requirement including complement	**60 035**	**62 757**	**-4**
Capital quotient, Basel 2	2.30	2.19	0.11
Core Tier 1 capital ratio, %, Basel 2	13.9	12.0	1.9
Tier 1 capital ratio, %, Basel 2	15.2	13.5	1.7
Total capital adequacy ratio, %, Basel 2	18.4	17.5	0.9
Capital quotient, transition rules	1.66	1.69	-0.03
Core Tier 1 capital ratio, %, transition rules	10.1	9.2	0.8
Tier 1 capital ratio, %, transition rules	11.0	10.4	0.6
Total capital adequacy ratio, %, transition rules	13.3	13.5	-0.2

The Internal Ratings-Based Approach (IRB) is applied to the Swedish parts of 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 31 December 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 Bankernas automatbolag AB. The insurance companies are included in the Group but not in financial companies groups under the capital adequacy rules.

Swedbank financial companies Group Credit risks, IRB SEKm	Exposure after credit risk protection 31 Dec 2010	31 Dec 2009	%	Average risk weighting, % 31 Dec 2010	31 Dec 2009	Capital requirement 31 Dec 2010	31 Dec 2009	%
Institutional exposures	146 519	79 011	85	14	29	1 630	1 834	-11
of which repurchase agreements	*2 228*	*1 327*	*68*	*9*	*7*	*16*	*7*	
of which other lending	*144 291*	*77 684*	*86*	*14*	*29*	*1 614*	*1 827*	*-12*
Corporate exposures	397 770	447 224	-11	75	77	23 800	27 582	-14
of which repurchase agreements	*673*	*1 657*	*-59*	*7*	*3*	*4*	*4*	*0*
of which other lending	*397 097*	*445 567*	*-11*	*75*	*77*	*23 796*	*27 577*	*-14*
Retail exposures	845 823	833 222	2	10	11	7 059	7 407	-5
of which repurchase agreements	*15*	*6*		*59*	*22*	*1*	*0*	
of which mortgage lending	*762 666*	*740 507*	*3*	*7*	*8*	*4 359*	*4 613*	*-6*
of which other lending	*83 142*	*92 709*	*-10*	*41*	*38*	*2 699*	*2 794*	*-3*
Securitisation	3 535	6 753	-48	12	12	33	64	-48
Exposures without counterparties	16 080	15 165	6	90	92	1 156	1 110	4
Total credit risks, IRB	**1 409 727**	**1 381 375**	**2**	**30**	**34**	**33 678**	**37 997**	**-11**

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 Financial Supervisory Authority'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 11 per cent since the start of the year. For the Baltic portfolios, the average risk weighting was 69 per cent. For Swedbank Finans' portfolios the average risk weighting was 52 per cent and 25 per cent for other portfolios. For the Baltic retail exposures, the average risk weighting was 37 per cent, for Swedbank Finans' portfolios 17 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 Finansinspektionen. 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 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.

Operational risk

Swedbank calculates operational risk using the standardised approach. Finansinspektionen 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 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, detailed descriptions are provided in Swedbank's annual report and in the annual disclosure on risk management and capital adequacy according to the Basel 2 rules, available on www.swedbank.com.

Note 26 Related-party transactions

During the period normal business transactions were executed between companies in the Group, including other related companies, such as associates. Significant associates are the partly owned Savings Banks. Färs & Frosta Sparbank AB holds 3 720 000 shares in Swedbank AB. The Group's share of these shares has reduced equity in the consolidated statements by SEK 58m.

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

Note 27 Swedbank's share

SWED A and SWED PREF	31 Dec 2010	31 Dec 2009	%
SWED A			
Share price, SEK	93.80	71.00	32
Number of outstanding ordinary shares	952 323 439	939 953 583	1
Market capitalisation, SEKm	89 328	66 737	34
SWED PREF			
Share price, SEK	95.90	70.50	36
Number of subscribed and outstanding preference shares	207 266 738	219 636 594	-6
Market capitalisation, SEKm	19 877	15 484	28
Total market capitalisation, SEKm	**109 205**	**82 221**	**33**

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	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Average number of outstanding shares before and after dilution	1 158 474 177	1 158 474 177	1 158 474 177	1 158 474 177	986 470 586	933 774 426	933 968 804	934 117 009

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	31 Dec 2010	31 Dec 2009
Average number of outstanding shares before and after dilution, from the beginning of the year	1 158 474 177	986 470 586
Ordinary shares	952 323 439	939 953 583
Subscribed and paid preference shares	207 266 738	219 636 594
Associates' holding 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**

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 12 369 856 preference shares were converted to ordinary shares.

Note 28 Ratings

Dec 2010	Swedbank Rating	Swedbank Outlook	Swedbank Mortgage Rating	Swedbank Mortgage Outlook	Covered bonds Rating	Covered bonds Outlook
Standard & Poor's						
Short	A-1	Stable	A-1	Stable		
Long	A	Stable	A	Stable	AAA	Stable
Moody's						
Short	P-1	Stable	P-1	Stable		
Long	A2	Stable	A2	Stable	Aaa	n.a.*
Financial strength (BFSR)	D+					
Fitch						
Short	F1	Stable				
Long	A	Stable				

* Based on Moody's covered bond methodology – no outlook is used

For more information about ratings, see page 14.

Note 29 Exchange rates

	31 Dec 2010	31 Dec 2009
SEK/EUR, average rate	9.551	10.615
SEK/EUR, closing day rate	8.983	10.283
SEK/EEK, average rate	0.610	0.678
SEK/EEK, closing day rate	0.574	0.657
SEK/UAH, average rate	0.903	0.953
SEK/UAH, closing day rate	0.848	0.893
SEK/RUB, average rate	0.236	0.241
SEK/RUB, closing day rate	0.221	0.237
SEK/USD, average rate	7.193	7.627
SEK/USD, closing day rate	6.759	7.191
UAH/USD, closing day rate	7.968	8.050
RUB/USD, closing day rate	30.554	30.305

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

Swedbank AB

Income statement

Parent company SEKm	Q4 2010	Q3 2010	%	Q4 2009	%	Full-year 2010	Full-year 2009	%
Interest income	*6 264*	*6 499*	*-4*	*6 643*	*-6*	*24 428*	*31 498*	*-22*
Interest expenses	*-4 179*	*-4 752*	*-12*	*-4 426*	*-6*	*-17 094*	*-21 936*	*-22*
Net interest income	**2 085**	**1 747**	**19**	**2 217**	**-6**	**7 334**	**9 562**	**-23**
Dividends received	3 440	18		1 232		6 230	1 493	
Commission income	*1 667*	*1 453*	*15*	*1 490*	*12*	*6 149*	*5 522*	*11*
Commission expenses	*-344*	*-322*	*7*	*-368*	*-7*	*-1 314*	*-1 562*	*-16*
Net commissions	**1 323**	**1 131**	**17**	**1 122**	**18**	**4 835**	**3 960**	**22**
Net gains and losses on financial items at fair value	356	371	-4	-398		1 182	587	
Other income	377	308	22	368	2	1 333	1 709	-22
Total income	**7 581**	**3 575**		**4 541**	**67**	**20 914**	**17 311**	**21**
Staff costs	1 594	1 580	1	1 186	34	6 540	6 136	7
Other expenses	1 341	1 158	16	1 397	-4	4 785	4 880	-2
Depreciation/amortisation	95	89	7	85	12	350	359	-3
Total expenses	**3 030**	**2 827**	**7**	**2 668**	**14**	**11 675**	**11 375**	**3**
Profit before impairments	**4 551**	**748**		**1 873**		**9 239**	**5 936**	**56**
Impairment of financial fixed assets	365	-133		3 022	-88	394	7 114	-94
Impairment of tangible assets				2			2	
Credit impairments	182	-50		989	-82	-11	2 536	
Operating profit	**4 004**	**931**		**-2 140**		**8 856**	**-3 716**	
Appropriations	10			5 037	-100	10	5 039	-100
Tax expense	1 173	172		1 604	-27	1 794	2 155	-17
Profit for the period	**2 841**	**759**		**1 293**		**7 072**	**-832**	

Statement of comprehensive income

Parent company SEKm	Q4 2010	Q3 2010	%	Q4 2009	%	Full-year 2010	Full-year 2009	%
Profit for the period reported via income statement	**2 841**	**759**		**1 293**		**7 072**	**-832**	
Cash flow hedges:								
-Gains/losses arising during the period	-87	-73	20	71		-214	-573	-63
-Reclassification adjustments to income statement, net interest income	194	209	-7	199	-2	806	790	2
-Reclassification adjustments to income statement, net gains and losses on financial items at fair value				-75			37	
Group contributions paid	3	-2		-7			-9	
Income tax relating to components of other comprehensive income	-28	-35	-20	-48	-42	-155	-64	
Other comprehensive income for the period, net of tax	**82**	**99**	**-17**	**140**	**-41**	**437**	**181**	
Total comprehensive income for the period	**2 923**	**858**		**1 433**		**7 509**	**-651**	

Balance sheet

Parent company SEKm	31 Dec 2010	31 Dec 2009	%
Assets			
Loans to credit institutions	478 941	464 458	3
Loans to the public	324 662	413 350	-21
Interest-bearing securities	156 196	262 851	-41
Shares and participating interests	55 307	50 990	8
Derivatives	80 325	80 438	0
Other assets	23 073	38 770	-40
Total assets	**1 118 504**	**1 310 857**	**-15**
Liabilities and equity			
Amounts owed to credit institutions	190 710	339 875	-44
Deposits and borrowings from the public	437 870	394 054	11
Debt securities in issue, etc	273 819	340 929	-20
Derivatives	72 639	82 460	-12
Other liabilities and provisions	49 241	57 354	-14
Subordinated liabilities	27 661	37 151	-26
Untaxed reserves	805	816	-1
Equity	65 759	58 218	13
Total liabilities and equity	**1 118 504**	**1 310 857**	**-15**
Pledged collateral	78 346	192 303	-59
Other assets pledged	2 589	1 922	35
Contingent liabilities	457 321	408 045	12
Commitments	147 217	151 526	-3

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	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**
Share based payments to employees					32	32
Total comprehensive income for the period				437	7 072	7 509
Closing balance 31 December 2010	**24 351**	**13 083**	**6 489**	**-306**	**22 142**	**65 759**

Cash flow statement

Parent company SEKm	Full-year 2010	Full-year 2009
Cash flow from operating activities	10 707	-69 374
Cash flow from investing activities	49 011	821
Cash flow from financing activities	-74 254	79 230
Cash flow for the period	**-14 536**	**10 677**
Cash and cash equivalents at beginning of period	19 238	8 561
Cash flow for the period	-14 536	10 677
Cash and cash equivalents at end of period	**4 702**	**19 238**

Capital adequacy

Parent company **SEKm**	**31 Dec** **2010**	**31 Dec** **2009**	**% or** **pp**
Core Tier 1 capital	61 471	57 377	7
Tier 1 capital contribution	6 915	9 218	-25
Total Tier 1 capital	**68 386**	**66 595**	**3**
Tier 2 capital	19 685	25 952	-24
Settlements, equities, etc.	-2 901	-555	
Total capital base	**85 170**	**91 992**	**-7**
Risk-weighted assets	**409 740**	**465 046**	**-12**
Capital requirement	**32 779**	**37 204**	**-12**
Capital requirement including complement	**32 779**	**37 204**	**-12**
Capital quotient*	2.60	2.47	0.13
Core Tier 1 capital ratio, %*	15.0	12.3	2.7
Tier 1 capital ratio, %*	16.7	14.3	2.4
Total capital adequacy ratio, %*	20.8	19.8	1.0

* 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 year-end report for 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, 7 February 2011

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 year-end report for Swedbank AB (publ) for the period 1 January to 31 December 2010. The Board of Directors and the President are responsible for the preparation and presentation of this year-end 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 with persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden RS and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the year-end report for 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, 7 February 2011

Deloitte AB

Svante Forsberg
Authorised Public Accountant

Publication of financial information

The Group's financial reports can be found on www.swedbank.com/ir or www.swedbank.com

Swedbank will publish financial results on the following dates in 2011:

Interim report for the first quarter on 28 April 2011
Interim report for the second quarter on 21 July 2011
Interim report for the third quarter on 25 October 2011

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