

Stockholm, 14 February 2012

Swedbank Mortgage year-end report 2011

- The operating profit amounted to SEK 3 773m (3 179)
- Swedbank Mortgage reported credit impairments of SEK 56 m (168)
- Covered bonds amounting to SEK 233bn have been issued during the period

The Swedbank Mortgage Group (in Swedish: Swedbank Hypotek) comprises the parent company, Swedbank Mortgage AB (publ) and the wholly owned subsidiary Swedbank Skog och Lantbruk AB (inactive company). Swedbank Mortgage is wholly owned by Swedbank AB (publ). Swedbank Mortgage provides long-term financing for residential housing, commercial properties, municipal investments and agricultural and forestry properties. Numbers within parenthesis refer to the corresponding period from the previous year unless noted otherwise.

Profit analysis

Operating profit amounted to SEK 3 773m (3 179) and net interest income to SEK 4 147m (4 069).

The net interest income rose marginally during the year. Both interest income and interest expense increased as a result of rising short-term market rates and growing volumes of lending and funding. Interest expense was also affected by the average maturities on all funding from the money market and capital market being further prolonged.

Net commissions mainly consist of costs arising from the interchange with the savings banks and partly owned banks. These commission costs amounted to SEK 609m (562). A new long-term agreement with the savings banks and partly owned banks is valid from the 1st of July 2011 to 30th of June 2017, with the possibility to extend the agreement.

Net gains and losses on financial items at fair value (NGL) include realized and unrealized changes in market values. In April 2009 a gradual transition was initiated to increase amortized cost accounting and hedge accounting by applying fair value hedge accounting and cash flow hedging, which in the long term will reduce the effect of the so called fair value option. Net gains and losses on financial items at fair value amounted to SEK 233m (-206). The single most important cause to this trend is that long-term market rates have plunged during the year, which has had a positive effect on the P/L.

For further information:

Please access the complete report at www.swedbank.com/ir or in the enclosed pdf

Peter Stenborn, President

Phone: 08-585 909 30

Kristina Norin, CFO

Phone: 08-585 902 72

Swedbank promotes a sound and sustainable financial situation for the many people, households and companies. Our vision is to contribute to a development "Beyond Financial Growth". As a leading bank in the home markets Sweden, Estonia, Latvia and Lithuania, Swedbank offers a wide range of financial services and products. Swedbank has 9.8 million retail customers and around 631,000 corporate customers and organizations with 319 branches in Sweden and over 200 branches in the Baltic countries. The group is also present in other Nordic countries, the U.S., China, Russia and Ukraine. As of 31 December, 2011 the group had total assets of SEK 1 857 billion. Read more at www.swedbank.com