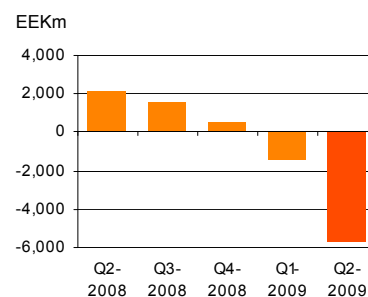


Second quarter 2009

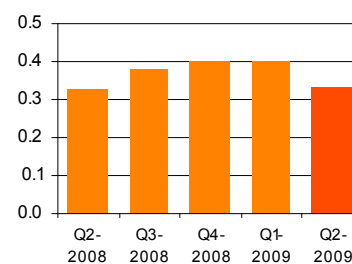
compared with first quarter 2009

- Profit for the period was EEK -5 711m (-1 419). Excluding non-recurring items reversal of bonus reserve, profit for the period was EEK -6 000m.
- The return on equity was negative (negative)
- The cost/income ratio was 0.33 (0.40). Excluding the reversal of bonus reserve, cost/income ratio was 0.44
- Net interest income decreased by 18 per cent to EEK 1 668m (2 031)
- Impairment losses on loans amounted to EEK 8 757m (3 325). Off the total provisions, additional collective provisions accounted for EEK 2 994m, due to the rapidly deteriorating macro-economic situation. The loan loss ratio was 11.43 per cent (4.16)
- The tier 1 capital ratio was 10.5 per cent according to the Basel 2 rules (11.8 per cent on 31 December 2008)

Profit for the period



Cost/income ratio

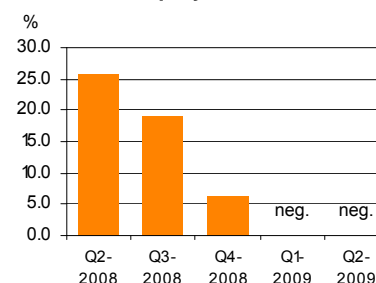


January-June 2009

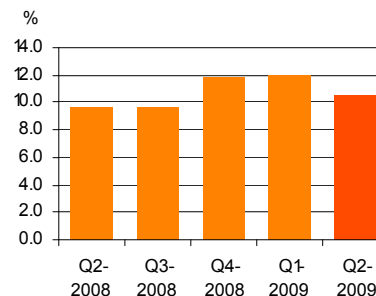
compared with January – June 2008

- Profit for the period was EEK -7 130m (3 830)
- Earnings per share was EEK -22.5 (EEK 12.1)
- The return on equity was negative (24.9 per cent)
- The cost/income ratio was 0.37 (0.36). Excluding the reversal of bonus reserve, cost/income ratio was 0.42 (0.40)
- Net interest income decreased by 30 per cent to EEK 3 699m (5 305)
- Impairment losses on loans amounted to EEK 12 082m (694). The loan loss ratio was 7.56 per cent (0.47)

Return on equity



Tier 1 capital ratio



* The consolidated financial statements of Swedbank AS (Estonia) comprise Swedbank AS and its subsidiaries (together referred to as "Swedbank Baltic Banking" or "Baltic Banking") and Baltic Banking interest in associates. The legal results of Swedbank AS do not reconcile with the business area results of Baltic Banking in the interim report of Swedbank Group due to the group level adjustments.

Financial summary

Income statement EEKm	Q2 2009	Q1 2009	%	Q2 2008	%	Jan-Jun 2009	Jan-Jun 2008	%
Net interest income	1 668	2 031	- 18	2 645	- 37	3 699	5 305	- 30
Net commissions	597	603	- 1	738	- 19	1 200	1 441	- 17
Net gains and losses on financial items at fair value	362	408	- 11	270	34	770	408	89
Other income	171	188	- 9	333	- 49	359	550	- 35
Total income	2 798	3 230	- 13	3 986	- 30	6 028	7 704	- 22
Staff costs	597	670	- 11	760	- 21	1 267	1 521	- 17
Profit-based staff costs	- 289	2		- 182	59	- 287	- 29	
Other expenses	626	619	1	725	- 14	1 245	1 318	- 6
Total expenses	934	1 291	- 28	1 303	- 28	2 225	2 810	- 21
Profit before impairments and provisions	1 864	1 939	- 4	2 683	- 31	3 803	4 894	- 22
Impairment losses on loans and other credit risk provisions	8 757	3 325		406		12 082	694	
Operating profit	-6 893	-1 386		2 277		-8 279	4 200	
Tax expense	-1 182	33		203		-1 149	370	
Profit for the period for continuing operations	-5 711	-1 419		2 074		-7 130	3 830	

Key ratios	Q2 2009	Q1 2009		Q2 2008		Jan-Jun 2009	Jan-Jun 2008
Return on equity, %	neg.	neg.		25.8		neg.	24.9
Earnings per share, EEK	-18.0	-4.5		6.5		-22.5	12.1
Cost/income ratio	0.33	0.40		0.33		0.37	0.36
Tier 1 capital ratio, %	10.52	11.96		9.65		10.52	9.65
Capital adequacy ratio, %	13.94	14.18		12.26		13.94	12.26
Loan loss ratio, % ¹⁾	11.43	4.16		0.54		7.56	0.47
Share of impaired loans, net, %	7.02	4.53		0.83		7.02	0.83
Total provision ratio for impaired loans, %	51	37		69		51	69

¹⁾ Impairment losses on loans and other risk provisions in relation to the lending opening balance (excluding repurchase agreements and credit institutions) as well as loan guarantees.

Balance sheet data EEKbn	30 Jun 2009	31 Dec 2008	%	30 Jun 2008	%
Loans to the public	284	317	- 10	321	- 11
Deposits and borrowings from the public	152	154	- 1	173	- 12
Shareholders' equity	29	35	- 19	33	- 14
Total assets	366	395	- 7	399	- 8

Overview

Baltic economies have been contracting throughout 2009. Sharp contraction in global trade has reduced consumer confidence and investment activity leading to decrease in GDP in all three countries. There are signs of stabilisation in some of the main indicators in Estonia and Lithuania. Price pressure has eased and consumer prices are declining in Estonia. On the other hand, unemployment will continue to increase due to the expected budget cuts and secondary effects in private sector.

Economic contraction has been much deeper in Latvia than in the other two Baltic countries. Different parties have also voiced concerns about the sustainability of the currency peg. European Commission and International Monetary Fund have decided to provide international loan package for Latvian support. Latvian government and parliament have adopted new budgetary measures in order to receive next international instalment.

As a result of the rapidly worsening macro-economic situation in the Baltics, Swedbank Group made a collective provision of EEK 2 994m in first quarter. During the second quarter the collective provisions was transferred from Swedbank Group level to Baltic Banking.

A dedicated unit working with distressed debt, the Baltic Financial Restructuring and Recovery Unit (BFRR), was created to work in a focused manner with clients and projects which require special attention during the regional recession and global economic slowdown.

The BFRR unit has been organised on a Pan-Baltic basis and reinforced with internal as well as external resources with previous experiences from restructuring situations. Around 200 people will work in the BFRR organisation at the end of August.

Swedbank Robur AB plans to acquire the Swedbank Group's fund management companies in Estonia, Latvia and Lithuania in the third quarter of 2009, after which the Swedbank Group's asset management resources will be consolidated in a single organisation.

Current financial analysis is presented for continued operations, eg without OAO Swedbank and Hansa Leasing Ltd (sold in 2008) and the three fund management companies (to be sold in 2009). All historical ratios have been recalculated for continued operations.

Second quarter 2009

Profit

Swedbank Baltic Banking result was a loss of EEK 5 711m in the second quarter of 2009. Main contributor to the loss was a significant increase in impairment losses to EEK 8 757 during the quarter (including the transfer of collective provision). Profit before impairments and provisions was

EEK 1 864m and decreased by 4 per cent from the previous quarter.

Total income was EEK 2 798 with quarterly decline of 13 per cent.

Net interest income decreased 18 per cent compared to the first quarter. Half of the decrease in net interest income was due to a lower Euribor rate, as the bank has more Euribor-sensitive assets than liabilities. Net interest income was also affected by higher non-performing loans and lower credit volumes.

Net commission income fell by 1 per cent to EEK 597m compared to the first quarter driven primarily by the lower activity in global and domestic financial markets and contracting domestic demand.

Net gains and losses on items at fair value totalled EEK 362m in the second quarter with 11 per cent quarterly decline. Unrealised losses from hedge of Baltic Banking equity investment into the Latvian subsidiary was the main driver.

Operating expenses decreased by 28 per cent compared to the first quarter to EEK 934m. During the quarter a decision was made to reverse accrued bonus reserves in the amount of EEK 289m. Quarterly expense decline without the bonus reversal was 5 per cent. Bank maintained its operating efficiency despite the more difficult conditions as cost-income ratio was 0.33 (0.44 without the bonus reversal).

Staff costs declined primarily thanks to 4 per cent reduction in the number of employees during the quarter.

Reducing excess operational capacity and maintaining cost efficiency remains one of the key focus areas also for the coming quarters. Activities for productivity improvement include reduction of employee numbers, decrease in total compensation, branch network optimization as well as cost reduction in other administrative items.

A deferred tax asset of EEK 1.2bn was formed from the current year tax loss in Latvia and Lithuania. The tax losses will be used to reduce future income tax expense in coming years.

Volumes

The volume of lending declined by 10 per cent annually with similar trends in all three Baltic countries.

Baltic Banking deposit volume remained stable during the second quarter. Deposit market share improved slightly (0.4 per cent in two months) despite the falling total deposit volume of Baltic countries.

Lending margin declined 26bp during the quarter to 1.28 per cent in Baltics with 25bp reduction in Estonia, 7bp reduction in Latvia and 51bp reduction in Lithuania. The

reduction is driven by two main drivers – an increase in funding cost as well as the growing share on non-performing loans.

Asset quality

Asset quality worsened and loans in arrears increased in all countries during the quarter. Economic slowdown has been the steepest in Latvia and this is also visible in Baltic Banking country portfolios.

Total impairment losses on loans were EEK 8 757m during the second quarter. In addition to individually identified loan provision, the collective provision made at the Swedbank Group level during the first quarter was transferred to Baltic Banking.

Loan loss ratio formed 11.43 per cent of the loan portfolio, up from 4.16 per cent in the first quarter. Impairment losses on loans increased in all segments of the economy.

January-June 2009

Profit

Due to impairment losses on loans of EEK 12 082m, Baltic Banking reported a loss of EEK 7 130m, against a profit of EEK 3 830m in the same period last year. Profit before impairments and provisions was EEK 3 803m and decreased by 22 per cent from the previous year.

Income for the period fell by 22 per cent, mainly due to lower net interest income. Half of the decrease in net interest income was due to a lower Euribor rate, as the bank has more Euribor-sensitive assets than liabilities. Net interest income was also affected by higher non-performing loans and lower credit volumes, though this was offset by slightly higher performing portfolio lending margins. Pricing levels were reviewed for all sub-portfolios. Measurable effects have been achieved by re-pricing the short-term retail and corporate portfolios. Margins on new lending have increased up to 150bp over the past three quarters although the volume of new lending is low.

Net commission income fell by 17 per cent, driven primarily by the low level of activity given global and domestic economic slowdown. Net gains and losses on financial items increased by 89 per cent compared with the first half of 2008 owing to more stable financial markets.

Expenses fell by 21 per cent compared to the same period last year. During the quarter a decision was made to reverse accrued bonus reserves in the amount of EEK 289m. Similar reversal for EEK 268m was performed in the second quarter of 2008.

Timely actions have resulted in a rapid adjustment in the cost level. Adjustments have been extensive through both employee reductions and lower average compensation. Current optimisation measures and third-party contract renegotiations will fully impact future periods. To optimise its

branch network, Swedbank Baltic Banking reduced the number of branches from 278 to 257 during the period. This helped to maintain a cost-income ratio of 0.37 per cent. During the coming quarters the bank will continue to improve productivity levels in response to lower business activity.

Volumes

There is a strong focus strengthening the funding base by increasing the share of local funding. Baltic Banking market share for deposits has increased slightly (0.5 per cent) in 2009 to 30 per cent. Around 50 per cent of Baltic card transactions were executed with Swedbank-issued cards.

During the first half-year deposits increased by 1 per cent in Lithuania, but decreased by 5 per cent in Latvia. Deposits in Estonia were unchanged. Net lending volume decreased by 10 per cent annually with largest decline in Latvia. The decline is a combination of higher provisions and contracting lending. The rapidly amortising leasing and factoring portfolio experienced the sharpest decline. As a result of stable deposit volumes and decreased lending, the loan-to-deposit ratio improved from 204 per cent at year-end 2008 to 186 per cent as per 30 June.

Asset quality

Total impairment losses on loans were EEK 12 082m during the period. In addition to individually identified loan provision, the collective provision made at the Swedbank Group level was transferred to Baltic Banking. Of the impairment losses on loans, EEK 6 737m is related to Latvia.

Impaired loans increased to EEK 31.4bn (EEK 10.0bn at year-end). The increase was mainly in the real estate sector in Latvia, transportation sector in Lithuania and private individuals in Estonia and Latvia. The rate of increase did not accelerate during the second quarter, however. Credit quality in Swedbank's retail portfolio is higher than the market average. The share of overdue mortgage loans in Estonia and Latvia was approximately half that of the total market. Measures to strengthen loan workout teams and upgrade the overdue loan process are a priority, with greater attention being placed on pre-overdue management.

Other events

As of 16th of June, Aivo Adamson took over Swedbank Group IT position as a Head of Operation and Infrastructure. Consequently, he resigned from Baltic Banking board.

Swedbank in Estonia was selected as the most reputable company among large enterprises in Estonia based on annual survey performed by TNT Emor.

Estonia

Income statement

EEKm	Q2 2009	Q1 2009	%	Q2 2008	%	Jan-Jun 2009	Jan-Jun 2008	%
CONTINUING OPERATIONS								
Net interest income	671	761	- 12	1 003	- 33	1 432	2 025	- 29
Net commissions	259	266	- 3	320	- 19	525	647	- 19
Net gains and losses on financial items at fair value	128	89	44	63		217	50	
Share of profit or loss of associates							3	- 100
Other income	127	114	11	133	- 5	241	250	- 4
Total income	1 185	1 230	- 4	1 519	- 22	2 415	2 975	- 19
Staff costs	167	200	- 17	223	- 25	367	457	- 20
Profit-based staff costs	6	- 6		32	- 81		66	- 100
Other expenses	280	269	4	334	- 16	549	599	- 8
Depreciation/amortisation	15	15		13	15	30	26	15
Total expenses	468	478	- 2	602	- 22	946	1 148	- 18
Profit before impairments and provisions	717	752	- 5	917	- 22	1 469	1 827	- 20
Impairment losses on loans and other credit risk provisions	1 082	1 056	2	171		2 138	282	
Operating profit	- 365	- 304	20	746		- 669	1 545	
Tax expense	7					7		
Profit for the period from continuing operations	- 372	- 304	22	746		- 676	1 545	
Return on allocated equity, %	neg.	neg.		30.8		neg.	31.1	
Loan loss ratio, %	3.50	3.30		0.55		3.34	0.47	
Total provision ratio for impaired loans, %	54	52		66		54	52	
Share of impaired loans, net, %	3.46	2.18		0.80		3.46	2.18	
Cost/income ratio	0.39	0.39		0.40		0.39	0.39	
Full-time employees	2 800	2 870	- 2	3 346	- 16	2 800	3 346	- 16
Lending, excluding repos	116 250	119 512	- 3	125 982	- 8	116 250	125 982	- 8
Deposits, excluding repos	69 825	69 477	1	78 339	- 11	69 825	78 339	- 11

Development January - June

Swedbank Estonia incurred a loss of EEK 676m first six months of 2009. Worsening asset quality, declining base rate and capacity reduction were driving the performance. The impairment losses totalled EEK 2 138m. Profit before impairments and provisions was EEK 1 469m and decreased by 20 per cent from the previous year. The efforts to adapt to smaller business volumes and reduced revenue base helped to achieve solid cost/income ratio of 0.39.

Total income was EEK 2 415m in the first half of 2009, a decrease of 19 per cent over the year.

Net interest income decreased by 29 per cent. Smaller loan portfolio, declining Euribor, higher cost of funding and increase in overdue loans all contributed to the decline.

Net lending portfolio declined 8 per cent in annual comparison; a decline of 6 per cent in 2009. All core portfolios declined during the period: leasing and factoring EEK 2 830m, corporate portfolio EEK 1 025m, mortgages EEK 881m, and consumer finance EEK 480m. Deposit portfolio decreased by EEK 371m in first half of 2009, with decline of 11 per cent from 30 June

2008. Despite fierce competition for deposits, Estonian business unit has been able to increase its market share by 0.5 per cent to 49 per cent during five months of 2009.

Net commission income was EEK 525m during the period with annual decline of 19 per cent. Net gains and losses on items at fair value was EEK 217m during the period.

Operating expenses decreased by 18 per cent compared to the same period last year and were EEK 946m. Employee related expenses experienced fastest decline both due to no bonus allocations and decrease in number of employees. Number of employees decreased by 150 in the period (including IT and group level employees working in Estonia). Annual employee decline was 16 per cent. Other expenses decreased mainly due to lower marketing, travelling and office equipment related expenses. Thirteen branches were closed in 2009 owing to lower business volumes.

Impairment losses on loans and other credit risk provisions increased to EEK 2 138m in first half of 2009. Loan loss ratio formed 3.34 per cent of loan portfolio in the period, up from 0.47 per cent in 2008. Loans overdue more than 60 days to loan portfolio were 5.60 per cent - up from 2.60 per cent at the end of 2008.

Latvia

Income statement

EEKm	Q2		Q1		Q2		Jan-Jun		Jan-Jun	
	2009	2009	%	2008	%	2009	2008	%	2008	%
CONTINUING OPERATIONS										
Net interest income	668	612	9	843	- 21	1 280	1 695	- 24		
Net commissions	155	170	- 9	221	- 30	325	424	- 23		
Net gains and losses on financial items at fair value	242	199	22	141	72	441	266	66		
Share of profit or loss of associates										
Other income	10	18	- 44	27	- 63	28	55	- 49		
Total income	1 075	999	8	1 232	- 13	2 074	2 440	- 15		
Staff costs	135	155	- 13	178	- 24	290	357	- 19		
Profit-based staff costs	- 11	11		36			82	- 100		
Other expenses	199	227	- 12	288	- 31	426	503	- 15		
Depreciation/amortisation	19	19		16	19	38	32	19		
Total expenses	342	412	- 17	518	- 34	754	974	- 23		
Profit before impairments and provisions	733	587	25	714	3	1 320	1 466	- 10		
Impairment losses on loans and other credit risk provisions	5 320	1 417		172		6 737	299			
Operating profit	- 4 587	- 830		542		- 5 417	1 167			
Tax expense	- 822	4		108		- 818	185			
Profit for the period from continuing operations	- 3 765	- 834		434		- 4 599	982			
Return on allocated equity, %	neg.	neg.		23.6		neg.	26.6			
Loan loss ratio, %	21.98	5.57		0.73		13.25	0.64			
Total provision ratio for impaired loans, %	49	29		55.7		49	29			
Share of impaired loans, net, %	11.82	8.26		1.17		11.82	8.26			
Cost/income ratio	0.32	0.41		0.42		0.36	0.40			
Full-time employees	2 179	2 276	- 4	2 659	- 18	2 179	2 659	- 18		
Lending, excluding repos	87 232	94 668	- 8	98 737	- 12	87 232	98 737	- 12		
Deposits, excluding repos	32 441	33 251	- 2	39 196	- 17	32 441	39 196	- 17		

Development January – June

Economic contraction has been much deeper in Latvia than in the other two Baltic countries. In preparation of continuing economic recession impairment losses on loans increased to the amount of EEK 6 737m during first half of 2009, including the transfer of collective provision from Swedbank Group level. As a result, Swedbank in Latvia incurred a loss of EEK 4 599m in the period. Profit before impairments and provisions was EEK 1 320m and decreased by 10 per cent from the previous year. Given high impairment losses on loans and other credit risk provisions tax losses of EEK 818m was created.

In its core business lines, Latvian business unit continues to work efficiently as shown by the solid cost-income ratio of 0.36. In order to adjust to lower business volumes and reduced revenue base the bank has gradually streamlined its organization and distribution network.

Total income of the Latvian business unit decreased by 15 per cent compared to the same period last year to EEK 2 074m.

Net interest income decreased by 24 per cent. Main impact came from falling base rate, lower volumes and increase in overdue loans.

Lending portfolio declined by 12 per cent since 31 December 2008 and also 12 per cent from 30 June 2008. Decline was largest in leasing and factoring EEK 3 004m and corporate lending EEK 1 882m followed by mortgages EEK 571m and consumer finance EEK 394m. Deposits decreased by EEK 1 786m since 31 December 2008 and decreased 17 per cent from 30 June 2008.

Net commission income decreased 23 per cent from the same period year ago. Decline is evident in all sub-items, especially so in lending related fees. Net gains and losses on items at fair value increased 66 per cent. Strong result is a combination of more favourable financial market and unrealised income from hedge of Baltic Banking equity investment to Latvia.

Latvian unit's operating expenses declined 23 per cent compared to the same period last year. Staff costs declined the most and significant reductions can also be seen in marketing and sponsorship expenses. Number of employees decreased by 163 during the period, annual decrease is 18 per cent.

Impairment losses on loans increased to EEK 6 737m during first half of 2009. Loan loss ratio formed 13.25 per cent of loan portfolio. Loans overdue more than 60 days increased significantly during the period and were 13.93

per cent of the loan portfolio, up from 3.26 per cent on 31

December 2008.

Lithuania

Income statement

EEKm	Q2 2009	Q1 2009	%	Q2 2008	%	Jan-Jun 2009	Jan-Jun 2008	%
CONTINUING OPERATIONS								
Net interest income	513	713	- 28	801	- 36	1 226	1 583	- 23
Net commissions	186	172	8	203	- 8	358	379	- 6
Net gains and losses on financial items at fair value	126	95	33	72	75	221	99	
Share of profit or loss of associates								
Other income	35	56	- 38	64	- 45	91	134	- 32
Total income	860	1 036	- 17	1 140	- 25	1 896	2 195	- 14
Staff costs	168	196	- 14	248	- 32	364	492	- 26
Profit-based staff costs	9	- 9		33	- 73		79	- 100
Other expenses	224	213	5	244	- 8	437	442	- 1
Depreciation/amortisation	12	12		11	9	24	22	9
Total expenses	413	412	0	536	- 23	825	1 035	- 20
Profit before impairments and provisions	447	624	- 28	604	- 26	1 071	1 160	- 8
Impairment losses on loans and other credit risk provisions	2 357	851		64		3 208	116	
Operating profit	-1 910	- 227		540		-2 137	1 044	
Tax expense	- 367	29		96		- 338	186	
Profit for the period from continuing operations	-1 543	- 256		444		-1 799	858	
Return on allocated equity, %	neg.	neg.		23.8		neg.	24.2	
Loan loss ratio, %	10.98	3.79		0.30		7.15	0.28	
Total provision ratio for impaired loans, %	53	39		112.9		53	39	
Share of impaired loans, net, %	6.56	3.60		0.47		6.56	3.60	
Cost/income ratio	0.48	0.40		0.47		0.44	0.47	
Full-time employees	2 807	2 929	- 4	3 237	- 13	2 807	3 237	- 13
Lending, excluding repos	80 398	84 950	- 5	89 218	- 10	80 398	89 218	- 10
Deposits, excluding repos	49 861	49 986	- 0	55 678	- 10	49 861	55 678	- 10

Development January - June

Swedbank in Lithuania result was a loss of EEK 1 799m during the first half of 2009. Similarly to the other two countries, financial performance was affected the most by asset quality developments and decreasing base rate. On the positive side, consistent improvement of operational efficiency, downsizing, and optimising other expenditures have helped to reach higher expense decline rate than that of total income. Profit before impairments and provisions was EEK 1 071m and decreased by 8 per cent from the previous year. Given high impairment losses on loans and other credit risk provisions a tax losses of EEK 338m was created.

Total income decreased by 14 per cent compared to the same period last year and was EEK 1 896m in the period.

Net interest income decreased by 23 per cent. Lower volumes and increasing overdue loans contributed the most to decline.

Lithuanian business unit's lending portfolio decreased by 10 per cent from 30 June 2008; a decline of 6 per cent in 2009

Decline was largest in leasing and factoring EEK 3 822m, corporate lending EEK 867m followed by mortgages EEK 486m and consumer finance EEK 487m. Deposits increased by EEK 355m in the period, but decreased 10 per cent from 30 June 2008.

Net commission income decreased 6 per cent from the same period last year. Net gains and losses on items at fair value increased by 123 per cent explained by poor results of 2008 and more stable financial markets during first half of 2009.

Operating expenses decreased 20 per cent compared to the same period last year. Largest decline was in employee related expenses. Number of employees was reduced 227 during 2009; annual decline was 13 per cent. Other expenses have been slower to adjust given the time lag of optimisation efforts.

Impairment losses on loans increased to EEK 3 208m. Loan loss ratio formed 7.15 per cent of lending portfolio in 2009. Loans overdue more than 60 days to loan portfolio were 8.19 per cent - up from 2.16 per cent as of 31 December 2008.

Income statement

EEKm	Q2 2009	Q1 2009	%	Q2 2008	%	Jan-Jun 2009	Jan-Jun 2008	%
CONTINUING OPERATIONS								
<i>Interest income</i>	4 261	5 509	- 23	6 287	- 32	9 770	12 454	- 22
<i>Interest expenses</i>	-2 593	-3 478	- 25	-3 642	- 29	-6 071	-7 149	- 15
Net interest income	1 668	2 031	- 18	2 645	- 37	3 699	5 305	- 30
<i>Commission income</i>	811	798	2	971	- 16	1 609	1 860	- 13
<i>Commission expenses</i>	- 214	- 195	10	- 233	- 8	- 409	- 419	- 2
Net commissions	597	603	- 1	738	- 19	1 200	1 441	- 17
Net gains and losses on financial items at fair value	362	408	- 11	270	34	770	408	89
Net insurance	143	103	39	115	24	246	240	2
Share of profit or loss of associates							3	- 100
Other income	28	85	- 67	218	- 87	113	307	- 63
Total income	2 798	3 230	- 13	3 986	- 30	6 028	7 704	- 22
Staff costs	597	670	- 11	760	- 21	1 267	1 521	- 17
Profit-based staff costs	- 289	2		- 182	59	- 287	- 29	
Other expenses	533	522	2	638	- 16	1 055	1 148	- 8
Depreciation/amortisation	93	97	- 4	87	7	190	170	12
Total expenses	934	1 291	- 28	1 303	- 28	2 225	2 810	- 21
Profit before impairments and provisions	1 864	1 939	- 4	2 683	- 31	3 803	4 894	- 22
Impairment losses on loans and other credit risk provisions (note 3)	8 757	3 325		406		12 082	694	
Operating profit	-6 893	-1 386		2 277		-8 279	4 200	
Tax expense	-1 182	33		203		-1 149	370	
Profit for the period from continuing operations	-5 711	-1 419		2 074		-7 130	3 830	
DISCONTINUED OPERATIONS								
Profit for the period from discontinued operations (note 6)	35	31	13	78	- 55	66	109	- 39
Profit for the period	-5 676	-1 388		2 152		-7 064	3 939	
Earnings per share, EEK	- 18.0	- 4.5		6.5		- 22.5	12.1	

Statement of comprehensive income

EEKm	Q2 2009	Q1 2009	%	Q2 2008	%	Jan-Jun 2009	Jan-Jun 2008	%
Profit for the period reported via income statement	-5 676	-1 388		2 152		-7 064	3 939	
Exchange differences on translating foreign operations	239	- 45		- 97		194	- 174	
Cash flow hedges:								
-Gains/losses arising during the period		40	- 100	- 35	- 100	40	- 13	
Other comprehensive income for the period, net of tax	239	- 5		- 132		234	- 187	
Total comprehensive income for the period	-5 437	-1 393		2 020		-6 830	3 752	

Income statement, quarterly

EEKm	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008
CONTINUING OPERATIONS						
<i>Interest income</i>	4 261	5 509	6 688	6 579	6 287	6 167
<i>Interest expenses</i>	-2 593	-3 478	-4 022	-3 750	-3 642	-3 507
Net interest income	1 668	2 031	2 666	2 829	2 645	2 660
<i>Commission income</i>	811	798	926	965	971	889
<i>Commission expenses</i>	- 214	- 195	- 222	- 225	- 233	- 186
Net commissions	597	603	704	740	738	703
Net gains and losses on financial items at fair value	362	408	33	185	270	138
Net insurance	143	103	115	109	115	125
Share of profit or loss of associates						3
Other income	28	85	142	121	218	89
Total income	2 798	3 230	3 660	3 984	3 986	3 718
Staff costs	597	670	710	655	760	761
Profit-based staff costs	- 289	2	- 18	141	- 182	153
Other expenses	533	522	679	617	638	510
Depreciation/amortisation	93	97	95	91	87	83
Total expenses	934	1 291	1 466	1 504	1 303	1 507
Profit before impairments and provisions	1 864	1 939	2 194	2 480	2 683	2 211
Impairment losses on loans and other credit risk provisions (note 3)	8 757	3 325	1 562	670	406	288
Operating profit	-6 893	-1 386	632	1 810	2 277	1 923
Tax expense	-1 182	33	74	171	203	167
Profit for the period from continuing operations	-5 711	-1 419	558	1 639	2 074	1 756
DISCONTINUED OPERATIONS						
Profit for the period from discontinued operations (note 6)	35	31	- 11	37	78	31
Profit for the period	-5 676	-1 388	547	1 676	2 152	1 787
Earnings per share, EEK	- 18.0	- 4.5	1.8	5.2	6.5	5.5

Balance sheet

EEKm	30 Jun 2009	31 Dec 2008	%	30 Jun 2008	%
Assets					
Loans to credit institutions (note 4)	19 364	20 963	- 8	22 936	- 16
Loans to the public (note 4)	283 928	317 046	- 10	320 524	- 11
Interest-bearing securities	23 844	16 660	43	17 796	34
Shares and participating interests	2 270	2 261	0	4 190	- 46
- for which customers bear the investment risk	1 898	1 625	17	2 693	- 30
Derivatives	1 133	1 263	- 10	972	17
Other assets	35 376	36 157	- 2	32 278	10
Assets held for sale (note 6)	504	488	3	468	8
Total assets	366 419	394 838	- 7	399 164	- 8
Liabilities and equity					
Amounts owed to credit institutions	152 871	169 994	- 10	153 017	- 0
Deposits and borrowings from the public	152 127	153 785	- 1	173 213	- 12
Debt securities in issue, etc	12 727	13 672	- 7	15 446	- 18
Financial liabilities for which customers bear the investment risk	1 902	1 630	17	2 704	- 30
Derivatives	750	321		393	91
Other liabilities and provisions	9 620	12 165	- 21	13 287	- 28
Subordinated liabilities	7 823	7 823		7 824	- 0
Liabilities held for sale (note 6)	35	55	- 36	60	- 42
Equity	28 564	35 393	- 19	33 220	- 14
Total liabilities and equity	366 419	394 838	- 7	399 164	- 8

Statement of changes in equity

EEKm	Shareholders' equity						
	Share capital	Other contributed equity	Reserves	Translation of foreign operations	Cash flow hedges	Retained earnings	Total
Opening balance 1 January, 2008	3 174	504	872	- 238	- 108	25 264	29 468
Appropriations to reserves			131			- 131	
Total comprehensive income for the period				- 174	- 13	3 939	3 752
Closing balance 30 June, 2008	3 174	504	1 003	- 412	- 121	29 072	33 220
Opening balance 1 January, 2008	3 174	504	872	- 238	- 108	25 264	29 468
Appropriations to reserves			136			- 136	
Total comprehensive income for the period				- 306	68	6 163	5 925
Closing balance 31 December, 2008	3 174	504	1 008	- 544	- 40	31 291	35 393
Opening balance 1 January, 2009	3 174	504	1 008	- 544	- 40	31 292	35 394
Appropriations to reserves			232			- 232	
Total comprehensive income for the period				194	40	-7 064	-6 830
Closing balance 30 June, 2009	3 174	504	1 240	- 350		23 996	28 564

Cash flow statement

EEKm	Jan-Jun 2009	Jan-Jun 2008	Full-year 2008
Cash flow from operating activities	28 077	10 457	-24 085
Cash flow from investing activities	- 763	- 308	766
Cash flow from financing activities	-16 475	-7 199	17 155
Cash flow for the period	10 839	2 950	-6 164
Cash and cash equivalents at beginning of period	37 443	43 913	43 913
Cash flow for the period	10 839	2 950	-6 164
Exchange differences on cash and cash equivalents	194	- 174	- 306
Cash and cash equivalents at end of period	48 476	46 689	37 443

Basis of Preparation

Swedbank AS (Estonia) is a fully-owned subsidiary of Swedbank AB. Swedbank AB, the parent company of Swedbank Group, publishes interim reports for Swedbank Group.

The Interim report for the period of January-June 2009 is not audited.

Note 1 Accounting policies

These interim report condensed financial statements are prepared in accordance with IAS 34 Interim financial reporting.

The accounting principles applied in the interim report are the same as those applied in the preparation of the Annual Report for 2008, with the exception of accounting principles related to the new standard below and the revised standard below.

These condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2008.

IFRS 8 Operating Segments

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

Swedbank Baltic Banking's business area reporting under IAS 14 was based on the organisation and internal reporting, and hence only minor differences were identified in conjunction with the transition to IFRS 8.

The implementation of this standard has had no impact on the reported result or financial position of Swedbank Baltic Banking.

IAS 1 (revised) Presentation of Financial Statements

The revised standard entails, amongst other things, a more inclusive Income Statement referred to as a Statement of Comprehensive Income. This includes, in addition to the traditional Income statement, the profit/loss items previously reported directly in equity (not transactions with the equity holders), such as translation differences in conjunction with the currency translation of foreign operations' results. Companies may however choose to present either a Statement of Comprehensive Income, with sub-totals, or in the form of a traditional Income Statement followed by a presentation of the profit/loss items previously reported

directly in equity (other comprehensive income). Swedbank Baltic Banking has chosen the latter alternative of a traditional Income Statement and a separate presentation entitled "Other Comprehensive Income".

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

The revised standard has had no impact on the reported result or financial position of Swedbank Baltic Banking.

Note 2 Business area reporting

Jan-Jun 2009 EEKm	Estonia	Latvia	Lithuania	Other	Baltic Banking
CONTINUING OPERATIONS					
Net interest income	1 432	1 280	1 226	- 239	3 699
Net commissions	525	325	358	- 8	1 200
Net gains and losses on financial items at fair value	217	441	221	- 109	770
Share of profit or loss of associates					
Other income	241	28	91	- 1	359
Total income	2 415	2 074	1 896	- 357	6 028
Staff costs	367	290	364	246	1 267
Profit-based staff costs				- 287	- 287
Other expenses	549	426	437	- 357	1 055
Depreciation/amortisation	30	38	24	98	190
Total expenses	946	754	825	- 300	2 225
Profit before impairments and provisions	1 469	1 320	1 071	- 57	3 803
Impairment losses on loans and other credit risk provisions	2 138	6 737	3 208	- 1	12 082
Operating profit	- 669	- 5 417	- 2 137	- 56	- 8 279
Tax expense	7	- 818	- 338		- 1 149
Profit for the period from continuing operations	- 676	- 4 599	- 1 799	- 56	- 7 130

Note 3 Impairment losses on loans and other credit risk provisions

EEKm	Q2 2009	Q1 2009	%	Q2 2008	%	Jan-Jun 2009	Jan-Jun 2008	%
<i>Provisions:</i>								
Collective provisions, net	2 994					2 994		
Individual provisions	5 515	3 161	74	384		8 676	726	
Reversal of individual provisions no longer required	- 105	- 179	- 41	- 9		- 284	- 51	
Provisions for contingent liabilities, net	6	8	- 25	7	- 14	14	- 17	
Provisions, net	8 410	2 990		382		11 400	658	
<i>Write-offs:</i>								
Write-offs, total	470	415	13	83		885	150	
Reversal of individual provisions utilized for write-offs	- 72	- 57	26	- 33		- 129	- 63	
Write-offs not previously provided for	398	358	11	50		756	87	
Recovered from previous write-offs	- 51	- 23		- 26	96	- 74	- 51	45
Write-offs, net	347	335	4	24		682	36	
Impairment losses on loans and other credit risk provisions	8 757	3 325		406		12 082	694	

Note 4 Loans

EEKm	30 Jun 2009	31 Dec 2008	%	30 Jun 2008	%
Private customers	132 836	138 740	- 4	136 763	- 3
Real estate management	44 131	47 068	- 6	48 141	- 8
Retail, hotels, restaurants	22 397	26 516	- 16	27 933	- 20
Construction	5 911	8 083	- 27	8 923	- 34
Manufacturing	26 288	30 486	- 14	30 790	- 15
Transportation	13 754	15 677	- 12	16 260	- 15
Forestry and agriculture	6 574	7 462	- 12	7 782	- 16
Other corporate lending	30 946	35 422	- 13	37 870	- 18
Municipalities, excluding municipal companies	4 044	2 256	79	955	
Total lending to the public, excluding repos before collective provision	286 881	311 710	- 8	315 417	- 9
Not allocated collective provisions	- 2 994				
Total lending to the public, excluding repos	283 887	311 710	- 9	315 417	- 10
Credit institutions	19 364	20 963	- 8	22 936	- 16
Repurchase agreements (Repos)	41	5 336	- 99	5 107	- 99
Total loans	303 292	338 009	- 10	343 460	- 12

Note 5 Capital Adequacy

New capital adequacy rules ("Basel 2")

On January 1, 2007 Estonia introduced new capital adequacy rules, Basel 2. The rules are based on the so-called Basel Accord and are being introduced throughout the EU according to the provisions of the EU's Banking Directive and Capital Requirements Directive.

In 2008, Swedbank Baltic Banking used standardized method for credit, market and operational risks in all group companies. As of first quarter 2009, IRB method is used to calculate capital requirement for credit risk. Information on the capital base and capital requirements is provided for the most significant subsidiaries within the Swedbank Baltic Banking: Swedbank AS (Estonia), Swedbank AS (Latvia), "Swedbank" AB (Lithuania) on solo bases.

Swedbank Baltic Banking companies included in capital adequacy calculation

As of 30 June 2009 the Swedbank Baltic Banking companies included in capital adequacy calculation were as follows:

Parent company and major subsidiaries	Subsidiaries	Companies NOT included in the CAD calculation *
Swedbank AS (Estonia)	Swedbank Investeerimisfondid AS Swedbank Support OÜ AS Hansa Capital Swedbank Liising AS AS Hansa Leasing Russia Swedbank Autopargi Juhtimise AS Hansa Private Equity Partners S.a.r.l. SRE Management OÜ SCRE Segundo OÜ	Swedbank Elukindlustus AS Swedbank Varakindlustus AS
Swedbank AS (Latvia)	Swedbank Lizings SIA Swedbank Īpašumi SIA SIA Īpašumu pārvaldes fonds SIA Zemju pārvaldes fonds SIA Komercoobjektu pārvaldes fonds SIA Mājokļu pārvaldes fonds Swedbank Autoparku Vadība SIA SIA Hansa Apdrošinašanas Brokeris Swedbank Ieguldījumu Pārvaldes Sabiedrība AS Swedbank Atklātais Pensiju Fonds AS	
"Swedbank" AB (Lithuania)	„Swedbank lizingas” UAB „Swedbank investiciju valdymas” UAB „Swedbank autoparko valdymas” UAB „Swedbank valda” UAB „Swedbank draudimo brokeris” UADBB	„Swedbank gyvybės draudimas” UAB

* The Swedbank Baltic Banking insurance companies are not included according to the Basel 2 capital adequacy rules.

Capital base

The capital base serves as a buffer against the losses that can arise from risks to which Swedbank Baltic Banking is exposed. Bank's ability to sustain large losses is also to a large extent dependent on the strength of the income statement but also on more qualitative factors such as risk management capabilities and internal governance and control.

Capital requirement for credit risks

Credit risk refers to the risk that a counterpart is incapable of meeting its obligations and pledged assets do not cover the claims. Credit risk includes concentration risk that includes large individual exposures as well as significant exposures to groups of counterparts whose likelihood of default is

driven by common underlying factors, such as the economy, sector, geography, instrument type or other. Credit risk forms the largest part of the total outstanding risk for Swedbank Baltic Banking and is inherent in almost all regular credit products such as loans, leasing, credit cards, guarantees and derivatives.

Market risks

Exposure to market risks arises from positions that are affected by changes in market risk factors: interest rates, foreign exchange rates and equity prices (or other relevant risk factors such as implicit volatility for options).

For capital requirement calculation purposes, the standardized approach has been implemented under Basel 2 capital adequacy rules.

Operational risk

Operational risk stands for any undesirable impact to business objectives, including direct or indirect financial loss or loss of confidence, occurring in day-to-day business operation, resulting from errors or omissions in internal procedures or systems, or due to human errors or fraud, or from external events.

For defining capital requirement to cover unexpected losses from operational risk, Swedbank Baltic Banking has implemented the standardized approach under Basel 2 capital adequacy rules. The required methods have been implemented, such as loss database, risk self-assessment and business contingency planning.

Capital base

EEKm	Basel II		Basel II
	Basel II	IRB	Standardised
	30 Jun 09		31 Dec 08
Primary capital (Tier 1)			
Share capital		3 174	3 174
Share premium		504	504
Reserves		1 216	984
Retained earnings from previous periods		30 511	24 579
Retained earnings (loss) from current period		-7 322	6 163
Foreign currency translation reserve		- 350	- 544
Cash flow hedges (effective portion)		1	- 39
Less: Intangible assets		- 291	- 307
Total Tier 1		27 443	34 514
Supplementary capital (Tier 2)			
Subordinated debt		7 823	7 823
Value adjustments and provisions exceeding the expected loss		1 265	
Supplementary capital (Tier 2)		9 088	7 823
Own funds, total		36 531	42 337
Deductions from own funds		479	479
Own funds, net		36 052	41 858

Capital ratios

%	Basel II		Basel II
	Basel II	IRB	Standardised
	30 Jun 09		31 Dec 08
Tier 1 capital ratio, %*		10.52	11.82
Tier 2 capital ratio, %**		3.42	2.62
Total capital adequacy ratio		13.94	14.44

* Tier 1 capital divided by total risk-weighted on and off balance sheet items

** Tier 2 capital divided by total risk-weighted on and off balance sheet items

Capital requirements Swedbank Baltic Banking

EEKm	Basel II	
	IRB 30 Jun 09	Standardised 31 Dec 08
Capital requirement for credit risks, standardized approach		
Central governments and central banks	125	37
Regional and local governments	90	98
Institutions administered by state authorities, non-profit institutions and associations	272	306
Credit institutions and investment firms	343	376
Companies	120	13 207
Retail exposures	17	3 230
Exposures secured by real property		8 087
Past due claims	2	474
Shares of investment funds	18	18
Other assets	838	1 080
Capital requirement for credit risks, internal ratings based approach		
Credit institutions and investment firms	59	
Other companies	16 948	
Other items	93	
Retail exposures	4 412	
Total capital requirement for credit risk	23 337	26 913
Capital requirement for market risks		
Foreign exchange risk capital requirement	531	358
Capital requirement for interest rate risk	192	193
Equity position capital requirement	14	4
Capital requirements for options		2
Total capital requirement for market risk	737	557
Capital requirement for operational risks		
Operational risk standardized approach	1 791	1 525
Total capital requirement for operational risk	1 791	1 525
Total capital requirement	25 865	28 995
Transitional minimum of own funds	23 521	
Total capital requirement for adequacy calculation	25 865	28 995

Capital requirements, significant subsidiaries (solo)

	Swedbank AS (Estonia)	Swedbank AS (Latvia)	"Swedbank" AB (Lithuania)
EEKm			
Capital requirement for credit risks, standardized approach			
Central governments and central banks	40	64	3
Regional and local governments and associations	62	20	12
Credit institutions and investment firms	2 145	150	77
Companies	809	510	321
Past due claims	1	1	
Other assets	67	234	91
Capital requirement for credit risks, internal ratings based approach			
Credit institutions and investment firms	18	16	31
Other companies	5 474	3 739	2 649
Retail exposures	1 243	1 218	851
Total capital requirement for credit risk	10 094	5 952	4 035
Capital requirement for market risks			
Foreign exchange risk capital requirement	653		263
Capital requirement for interest rate risk	32	63	204
Equity position capital requirement	9		
Total capital requirement for market risk	694	63	467
Capital requirement for operational risks			
Operational risk standardized approach	583	474	456
Total capital requirement for operational risk	583	474	456
Total capital requirement	11 371	6 489	4 958
Transitional minimum of own funds	11 172	5 137	4 677
Total capital requirement for adequacy calculation	11 371	6 489	4 958

Note 6 Discontinued operations

Swedbank Robur in Sweden plans to acquire the Swedbank Group's fund management companies in Estonia, Latvia and Lithuania in the third quarter of 2009, after which the Group's asset management resources will be consolidated in a single organisation. The entities to be acquired are Swedbank Investeerimisfondid AS (Estonia), Swedbank leguldījumu Pārvaldes Sabiedrība AS (Latvia) and „Swedbank investīciju valdymas” UAB (Lithuania).

These operations are reported in accordance with IFRS 5, “Discontinued operations”.

In May 2008, AS Hansapank and AS Hansa Capital sold to Swedbank AB the following operations (Russian business unit):

- OOO Swedbank - 85% of the shares (Note: 15% of the shares belong to EBRD)
- Hansa Leasing Ltd - 100% of the shares

In 2008, the financial results of the sold entities have been consolidated for the period of January to April (incl) and are reported as discontinued operations in this interim report.

Profit for the year from discontinued operations

EEKm	Q2 2009	Q1 2009	%	Q2 2008	%	Jan-Jun 2009	Jan-Jun 2008	%
DISCONTINUED OPERATIONS								
Net interest income	4	3	33	68	- 94	7	240	- 97
Net commissions	53	46	15	63	- 16	99	131	- 24
Net gains and losses on financial items at fair value	7	- 1		2		6		
Other income				60	- 100		63	- 100
Total income	64	48	33	193	- 67	112	434	- 74
Staff costs	7	7		26	- 73	14	91	- 85
Profit-based staff costs	2	- 2		7	- 71		24	- 100
Other expenses	16	8	100	33	- 52	24	98	- 76
Depreciation/amortisation				1	- 100		4	- 100
Total expenses	25	13	92	67	- 63	38	217	- 82
Profit before impairments and provisions	39	35	11	126	- 69	74	217	- 66
Impairment losses on loans and other credit risk provisions				32	- 100		64	- 100
Operating profit	39	35	11	94	- 59	74	153	- 52
Tax expense	4	4		16	- 75	8	44	- 82
Profit for the period from discontinued operations	35	31	13	78	- 55	66	109	- 39

Net cash flows from discontinued operations

EEKm	Jan-Jun 2009	Jan-Jun 2008	Full-year 2008
Cash flow from operating activities	50	-2 838	-2 837
Cash flow from investing activities	1		1
Cash flow from financing activities	- 31	2 666	2 666
Cash flow for the period	20	- 172	- 170
Cash and cash equivalents at beginning of period	186	1 389	1 389
Cash flow for the period	20	- 172	- 170
Exchange differences on cash and cash equivalents			
Cash and cash equivalents at end of period	206	1 217	1 219

Assets and liabilities related to asset for sale

EEKm	30 Jun 2009	31 Dec 2008	%	30 Jun 2008	%
Assets					
Loans to credit institutions	210	190	11	184	14
Interest-bearing securities	70	66	6	19	
Shares and participating interests	185	183	1	211	- 12
Other assets	39	49	- 20	54	- 28
Total assets	504	488	3	468	8
Liabilities and equity					
Other liabilities and provisions	35	55	- 36	60	- 42
Equity	469	433	8	408	15
Total liabilities and equity	504	488	3	468	8

General information

Company name	Swedbank AS
Address	Liivalaia 8, Tallinn 15040, Estonia
Registered in	Republic of Estonia
Registry code	10060701 (Estonian Commercial Register)
Phone	+372 6310 310
Fax	+372 6310 410
SWIFT/BIC	HABAE2X
e-mail	swedbank@swedbank.ee
Internet homepage	www.swedbank.ee
Audit company	AS Deloitte Audit Eesti
Report balance sheet date	30 June 2009
Reporting period	1 January 2009 – 30 June 2009
Report currency	Estonian kroon (EEK), millions