

20 November 2007

Swedbank Mortgage AB (publ) announces a Consent Solicitation in connection with the intended issuance of covered bonds

On 14 September 2007, Swedbank Mortgage AB (publ) (the **Company**) received approval from Finansinspektionen (the Swedish Financial Supervisory Authority (the **Swedish FSA**)) to issue covered bonds in accordance with the Swedish Act (2003:1223) on Issuance of Covered Bonds (*lagen (2003:1223) om utgivning av säkerställda obligationer*) (the **S.O. Act**). The Company plans to issue its first covered bond in the second quarter of 2008.

As a precondition to obtaining a licence to issue covered bonds, the S.O. Act requires that unsubordinated bonds and comparable debt instruments previously issued by the Company must be converted into covered bonds or be taken care of in an equivalent manner from the relevant creditors' point of view as approved by the Swedish FSA. The purpose of the Consent Solicitation is to give holders of the Company's unsubordinated bonds (the **Notes**) the opportunity to have the same rights in respect of such Notes as holders of covered bonds.

At the date hereof, the unsecured, unsubordinated debt of the Company is rated Aa1 by Moody's Investor Services. Based on this, and given the quality of its credit portfolio, its financial risk profile, the features of the Swedish covered bond legislation and credit ratings assigned to covered bonds issued by other Swedish issuers, the Company has reason to believe (although it cannot and will not make any representation or undertaking in this respect) that any covered bonds issued by it will be rated Aaa or AAA, as the case may be, by at least one rating agency.

The granting of licences to issue instruments under the S.O. Act is made by the Swedish FSA and the observance of the S.O. Act is supervised by the Swedish FSA, which is also authorised to issue regulations in respect of the S.O. Act.