

Interim report January - June

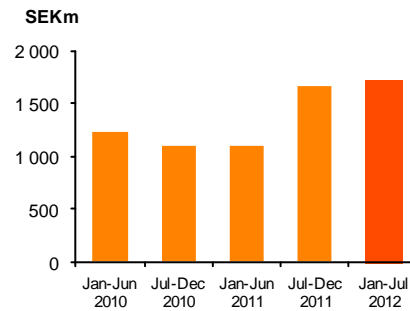
Stockholm, 18 July 2012

January - June 2012

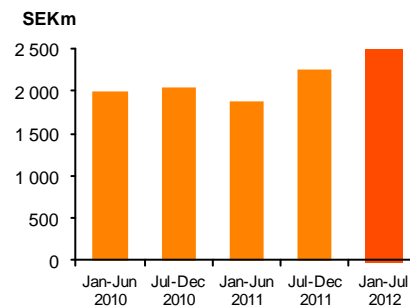
Compared with January - June 2011

- Operating profit increased by SEK 828m to SEK 2 333m (1 505)
- Net interest income increased by SEK 812m to SEK 2 666m (1 854)
- Loans to the public increased by SEK 26 620m to SEK 731 471m (704 851)
- Net loan losses totaled SEK 50m (34), corresponding to loan losses of 0,01 per cent (0,01)
- Profit before impairments increased by 846m to SEK 2 384m (1 538)
- The return on equity was 10,0 per cent (7,0)
- The tier 1 ratio according to Basel II was 9,8 per cent (9,5 on 31 December 2011) and the capital adequacy ratio was 9,8 per cent (9,5 on 31 December 2011)
- Covered bonds totaling the nominal amount of SEK 50bn (137) were issued during the period

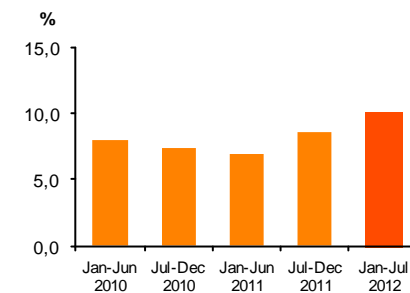
Profit for the period



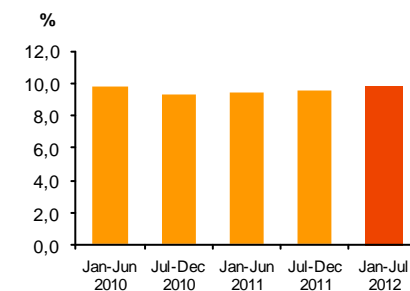
Net interest income



Return on equity



Core Tier 1 capital ratio



Figures in parentheses pertain to the same period in 2011 unless noted otherwise

INTERIM REPORT

JANUARY – JUNE 2012

Swedbank Mortgage AB (in Swedish: Swedbank Hypotek) is a wholly owned subsidiary to Swedbank AB (publ). The Swedbank Mortgage group comprises the parent company, Swedbank Mortgage AB (publ) and the wholly owned subsidiary Swedbank Skog och Lantbruk AB (inactive company).

The mortgage lending is mainly originated through Swedbank's and the savings banks retail network, one of the largest bank-owned distribution networks in Sweden. No lending is performed outside of Sweden.

Numbers within parenthesis refer to the corresponding period from the previous year unless noted otherwise.

Profit analysis

The operating profit for the period increased by SEK 828m to SEK 2 333m (1 505). Net interest income amounted to SEK 2 666m (1 854).

Both interest income and interest expense rose during the period, which were mainly driven by increased funding costs, partly as a consequence of average credit- and basis¹ spreads increasing during H1 2012 compared to H1 2011. Funding and liquidity costs have gradually increased during the first half of the year and will have effect in H2. Net interest income also increased due to larger lending and funding volumes as well as repricing of the lending during the second half of 2011.

Net gains and losses on financial items at fair value (NGL) include realized and unrealized changes in market values. Net gains and losses on financial items at fair value amounted to SEK 3m (-62). Market rates on bonds have decreased since year-end which has a positive P/L effect, whereas reduced basis spreads for swapping EUR to SEK contributed negatively. For further information, see note 3.

Other costs comprise a major part of the compensation paid as a result of the interchange with the savings banks and partly owned banks. This cost amounted to SEK 318m (277). A new long-term agreement with the savings banks and partly owned banks is valid from the 1st of July 2011 to the 30th of June 2017, with the possibility to extend the agreement.

Lending

Swedbank Mortgage is a Swedish mortgage institution with a leading position on the Swedish market. Its business is long-term mortgage lending and the company has over one million clients.

Swedbank Mortgage grants loans up to a ratio of 75 per cent of the market value of the underlying collateral. The lending is secured by collateral in residential properties. Swedbank Mortgage also lends directly to municipalities or to other lenders with local

government guarantees as collateral, and to agricultural and forestry businesses under the secondary name Jordbrukskredit.

During the period, loans to the public increased by nominal SEK 15 332m (8 055) to SEK 726 516m (702 814). Lending to the private sector rose by SEK 8 260m (8 891), lending to the corporate sector by SEK 5 554m (-2 616) and lending to the agricultural and forestry sector by SEK 1 518m (1 780). In total, Swedbank Mortgage's loans to the public amounted to SEK 731 471m (704 851) of which the accumulated change in market value accounted for SEK 4 955m (2 037).

The credit quality of the lending remains at a very high level and credit impairments at a low level. Compared to the first half of 2011, net credit impairments rose by SEK 16m to SEK 50m (34). Provisions for anticipated losses amounted to SEK 226m (216). Credit impairments and loans are specified in note 4 and 5.

Funding

Swedbank Mortgage finances its lending by issuing covered bonds on the Swedish and international capital markets.

Swedbank Mortgage's funding process is simplified by a number of standardized funding programs, which are legally conformed to a number of different markets and investors.

In H1 2012 the demand from both Swedish and international investors has been continuously high. In total, Swedbank Mortgage issued nominal SEK 50bn in covered bonds. SEK 31bn was issued in the Swedish covered bond market and SEK 19bn in the international market. During the period the company issued a public benchmark covered bond in USD. Furthermore, the company issued a new domestic covered bond (tap issuance). Of total redemptions in 2012 which amounted to nominal SEK 32bn at the beginning of the year, nominal SEK 7bn remains for the second half of the year. During H1 buy-backs of nominal SEK 30bn have been performed.

The average maturity of all outstanding covered bonds is 42 months, compared to 43 months at the start of the year.

Debt to Swedbank AB has increased by SEK 15bn to SEK 185bn since year-end. For further information, see note 8 and 10.

¹ Basis spread: The supplementary cost arisen from swapping one currency to another using currency swaps.

Capital adequacy

The capital quotient amounted to 1.22 at the end of the period (1.19 as per 31 December 2011). The total capital adequacy ratio as well as the tier 1 capital ratio were 9.8 per cent (9.5 as per 31 December 2011). The capital requirement according to pillar 1 amounted to SEK 28 144m (27 427 as per December 2011), compared to SEK 4 526m (4 423 as per 31 December 2011) at full effect of Basel 2. Capital adequacy is specified in note 14.

Risks

The primary risks are credit risk, liquidity risk, financial risk and operational risk. Swedbank Mortgage maintains a low-risk profile through a well-diversified credit portfolio and limited financial and operational risks. In addition to what is stated in this interim report, a description of the company's risks is provided in the annual report for 2011, page 9-10. No significant changes have taken place with regard to the distribution of risks compared to what is stated in the annual report.

Interest rate risk

An increase in market interest rates by one percentage point as per 30 June 2012 would have reduced the fair value of Swedbank Mortgage's interest-bearing assets and liabilities, including derivatives, by SEK 723m (591 as per 30 June 2011). A one percentage point increase in market interest rates as per 30 June 2012 would have reduced Swedbank Mortgage's net gains and losses on financial items at fair value by SEK 232m (560 as per 30 June 2011). This would have a negative effect of SEK 171m on equity. A one percentage point decrease in market interest rates would have increased the fair value of Swedbank Mortgage's interest-bearing assets and liabilities, including derivatives, by SEK 715m (SEK 516m as per 30 June 2011). The corresponding amount for Swedbank Mortgage's net gains and losses on financial items at fair value is an increase by SEK 208m (478 as per 30 June 2011).

Rating

Swedbank Mortgage is one of the biggest issuers on the Swedish market for covered bonds with top-rating from both Moody's Investor Service and Standard & Poor's.

On the 24 May 2012, the rating institute Moody's presented the result for the Swedish banks as a part of its rating review of financial institutions in Europe. Swedbank Mortgage's rating was confirmed at an unchanged level (A2/P1) with stable outlook.

On the 28 June 2012 the rating institute Standard & Poor's confirmed Swedbank Mortgage's long- and short-term rating (A+/A-1) with stable outlook.

Important events during the period

Swedbank Mortgage has during the period made a change in how the interchange with the savings banks is accounted for. The change has no P/L effect, but implies an increase in both income and cost.

Events after 30 June 2012

No significant events have occurred.

SWEDBANK MORTGAGE Financial summary

| | 2012 30 Jun | 2011 31 Dec | 2011 30 Jun | 2010 31 Dec | 2009 31 Dec |
|---|----------------|----------------|----------------|----------------|----------------|
| Lending | | | | | |
| Loans to the public, SEKm | 731 471 | 716 695 | 704 851 | 697 299 | 672 420 |
| Profit | | | | | |
| Operating profit | 2 333 | 3 773 | 1 505 | 3 179 | 3 631 |
| Investment margin, % a) | 0,64 | 0,59 | 0,52 | 0,53 | 0,56 |
| Return on equity, % | 10,0 | 8,6 | 7,0 | 7,4 | 9,3 |
| Earnings per share, SEK | 74,8 | 120,9 | 48,2 | 101,7 | 113,3 |
| Capital | | | | | |
| Capital base, SEKm | 34 367 | 32 562 | 31 884 | 30 968 | 29 744 |
| Equity, SEKm | 34 665 | 34 116 | 32 104 | 31 680 | 30 217 |
| Number of shares in issue at beginning/end of period, million | 23 | 23 | 23 | 23 | 23 |
| Equity per share, SEK | 1 507 | 1 483 | 1 396 | 1 377 | 1 314 |
| Capital quotient b) | 1,22 | 1,19 | 1,18 | 1,17 | 1,20 |
| Capital adequacy ratio, % | 9,8 | 9,5 | 9,4 | 9,3 | 9,6 |
| Tier 1 capital ratio, % b) | 9,8 | 9,5 | 9,4 | 9,3 | 9,6 |
| Credit quality | | | | | |
| Credit impairments, SEKm | 50 | 56 | 34 | 168 | 8 |
| Loan loss ratio, % | 0,01 | 0,01 | 0,01 | 0,02 | 0,00 |
| Provision ratio for impaired loans, % b) | 234 | 204 | 132 | 142 | 43 |
| Share of impaired loans, net, loans to the public % | 0,02 | 0,02 | 0,01 | 0,01 | 0,02 |

a) Calculated as an average over 12 months.

b) Including portfolio provisions for loans that individually are assessed as impaired

INCOME STATEMENT condensed

| SEKm | Note | Group | | | Swedbank Mortgage AB | | |
|---|------|-----------------|-----------------|-----------|----------------------|-----------------|-----------|
| | | 2012 Jan-Jun | 2011 Jan-Jun | % | 2012 Jan-Jun | 2011 Jan-Jun | % |
| Interest income | | 14 805 | 12 899 | 15 | 14 805 | 12 899 | 15 |
| Interest expense | | -12 139 | -11 045 | 10 | -12 139 | -11 045 | 10 |
| Net interest income | | 2 666 | 1 854 | 44 | 2 666 | 1 854 | 44 |
| Commission income | | 40 | 24 | 68 | 40 | 24 | 68 |
| Commission expenses | | -12 | -4 | 196 | -12 | -4 | 196 |
| Net commissions | | 28 | 20 | 42 | 28 | 20 | 42 |
| Net gains and losses on financial items at fair value | 3 | 3 | -62 | -105 | 3 | -62 | -105 |
| Other income | | 5 | 4 | 23 | 5 | 4 | 23 |
| Total income | | 2 702 | 1 815 | 49 | 2 702 | 1 815 | 49 |
| Other expenses | | 318 | 277 | 15 | 318 | 277 | 15 |
| Total expenses | | 318 | 277 | 15 | 318 | 277 | 15 |
| Profit before impairments | | 2 384 | 1 538 | 55 | 2 384 | 1 538 | 55 |
| Credit impairments | 4 | 50 | 34 | 48 | 50 | 34 | 48 |
| Operating profit | | 2 333 | 1 505 | 55 | 2 333 | 1 505 | 55 |
| Tax | | 614 | 396 | 55 | 614 | 396 | 55 |
| Profit for the period | | 1 720 | 1 109 | 55 | 1 720 | 1 109 | 55 |

STATEMENT OF COMPREHENSIVE INCOME condensed

| SEKm | Note | Group | | | Swedbank Mortgage AB | | |
|---|------|-----------------|-----------------|-----------|----------------------|-----------------|-----------|
| | | 2012 Jan-Jun | 2011 Jan-Jun | % | 2012 Jan-Jun | 2011 Jan-Jun | % |
| Profit for the period | | 1 720 | 1 109 | 55 | 1 720 | 1 109 | 55 |
| Cash flow hedges: | | | | | | | |
| Gains and losses arising during the period | | -1 589 | -930 | 71 | -1 589 | -930 | 71 |
| Reclassification adjustments to income statement, net interest income | | 2 | 3 | -33 | 2 | 3 | -33 |
| Reclassification adjustments to income statement, net gains and losses on financial items at fair value | | | -3 | -100 | | -3 | -100 |
| Income tax relating to components of other comprehensive income | | 418 | 245 | 71 | 418 | 245 | 71 |
| Total comprehensive income for the period | | 551 | 424 | 30 | 551 | 424 | 30 |

Total change in value on derivatives included in cash flow hedges amounted to SEK -3 584m during the period, of which SEK -1 996m is transferred to the income statement.

BALANCE SHEET condensed

| SEKm | Note | Group | | | Swedbank Mortgage | | |
|-------------------------------------|------|----------------|----------------|----------------|-------------------|----------------|----------------|
| | | 2012 30 Jun | 2011 31 Dec | 2011 30 Jun | 2012 30 Jun | 2011 31 Dec | 2011 30 Jun |
| Assets | | | | | | | |
| Loans to credit institutions | 5 | 36 205 | 33 505 | 39 253 | 36 205 | 33 505 | 39 253 |
| Loans to the public | 5 | 731 471 | 716 695 | 704 851 | 731 471 | 716 695 | 704 851 |
| Derivatives | 6 | 21 303 | 21 345 | 7 234 | 21 303 | 21 345 | 7 234 |
| Other assets | 7 | 5 341 | 4 842 | 10 836 | 5 341 | 4 842 | 10 836 |
| Total assets | | 794 319 | 776 387 | 762 174 | 794 319 | 776 387 | 762 174 |
| Liabilities and equity | | | | | | | |
| Amounts owed to credit institutions | 8 | 185 417 | 170 540 | 199 838 | 185 417 | 170 540 | 199 838 |
| Debt securities in issue | 10 | 544 722 | 538 734 | 507 997 | 544 722 | 538 734 | 507 997 |
| Derivatives | 6 | 18 960 | 15 677 | 14 075 | 18 960 | 15 677 | 14 075 |
| Other liabilities | 9 | 10 555 | 17 320 | 8 160 | 10 392 | 17 158 | 8 160 |
| Untaxed reserves | | | | | 618 | 618 | |
| Equity | | 34 665 | 34 116 | 32 104 | 34 210 | 33 660 | 32 104 |
| Total liabilities and equity | | 794 319 | 776 387 | 762 174 | 794 319 | 776 387 | 762 174 |

STATEMENT OF CHANGES IN EQUITY condensed

| Group, SEKm | Share capital | Other contributed equity | Fair value fund | Retained earnings | Total |
|---|---------------|--------------------------|-----------------|-------------------|---------------|
| Opening balance 1 January, 2011 | 11 500 | 2 400 | 598 | 17 182 | 31 680 |
| Group contributions paid | | | | -1 300 | -1 300 |
| Tax reduction due to Group contributions paid | | | | 342 | 342 |
| Total comprehensive income for the period | | | 612 | 2 781 | 3 394 |
| Closing balance 31 December, 2011 | 11 500 | 2 400 | 1 210 | 19 005 | 34 116 |
| Opening balance 1 January, 2012 | 11 500 | 2 400 | 1 210 | 19 005 | 34 116 |
| Total comprehensive income for the period | | | -1 170 | 1 720 | 549 |
| Closing balance 30 June, 2012 | 11 500 | 2 400 | 40 | 20 725 | 34 665 |

| Swedbank Mortgage AB, SEKm | Share capital | Other contributed equity | Fair value fund | Retained earnings | Total |
|--|---------------|--------------------------|-----------------|-------------------|---------------|
| Opening balance 1 January, 2010 | 11 500 | 3 100 | 598 | 16 483 | 31 680 |
| Group contributions paid | | | | -1 300 | -1 300 |
| Tax reduction due to Group contributions paid | | | | 342 | 342 |
| Total comprehensive income for the period | | | 612 | 2 325 | 2 938 |
| Closing balance 31 December, 2011 | 11 500 | 3 100 | 1 210 | 17 850 | 33 660 |
| of which conditional shareholders' contributions | | | | 2 400 | 2 400 |
| Opening balance 1 January, 2012 | 11 500 | 3 100 | 1 210 | 17 850 | 33 660 |
| Total comprehensive income for the period | | | -1 170 | 1 720 | 550 |
| Closing balance 30 June, 2012 | 11 500 | 3 100 | 40 | 19 570 | 34 210 |
| of which conditional shareholders' contributions | | | | 2 400 | 2 400 |

CASH FLOW STATEMENT condensed

| Group, SEKm | 2012 Jan-Jun | 2011 Jan-Jun | 2011 Full year |
|---|-----------------|-----------------|-------------------|
| Operating activities | | | |
| Operating profit | 2 333 | 1 505 | 3 773 |
| Adjustments for non-cash items in operating activities | 3 032 | -47 488 | -203 |
| Taxes paid | -22 | 74 | -348 |
| Increase/decrease in loans to credit institutions | 1 500 | 6 011 | 15 011 |
| Increase/decrease in loans to the public | -15 332 | -8 055 | -16 426 |
| Increase/decrease in amounts owed to credit institutions | 14 873 | -29 337 | -58 635 |
| Increase/decrease in other assets and liabilities, net | 1 772 | -6 653 | -2 567 |
| Cash flow from operating activities | 8 156 | -83 943 | -59 395 |
| Investing activities | | | |
| Change in fixed assets | | | -1 |
| Cash flow from investing activities | | | -1 |
| Financing activities | | | |
| Issuance of interest-bearing securities | 59 040 | 137 181 | 240 079 |
| Redemption of interest-bearing securities | -61 510 | -45 044 | -168 142 |
| Increase/decrease in other funding | -186 | 2 578 | 1 483 |
| Group contributions paid | -1 300 | -2 000 | -2 000 |
| Cash flow from financing activities | -3 956 | 92 715 | 71 420 |
| Cash flow for the period | 4 200 | 8 772 | 12 024 |
| Cash and cash equivalents at the beginning of the period | 27 505 | 15 481 | 15 481 |
| Cash flow for the period | 4 200 | 8 772 | 12 024 |
| Cash and cash equivalents at end of the period | 31 705 | 24 253 | 27 505 |

Cash and cash equivalents consist of cash accounts with Swedbank AB and are included in Loans to credit institutions.

RATING

| Swedbank Mortgage AB | Moody's | Standard & Poor's |
|----------------------|---------|-------------------|
| Covered bonds | Aaa | AAA |
| Long-term | A2 | A+ |
| Short-term | P-1 | A-1 |

NOTES

Note information refers to both the Parent Company and the Group.

NOTE 1 Accounting policies

The interim report has been prepared in accordance with IAS 34.

As previously, the Parent Company, Swedbank Mortgage AB, has prepared its accounts in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies, the directives of the Financial Supervisory Authority, and recommendation RFR 2 of the Financial Reporting Council.

No changes in the legal accounting framework have had a substantial effect on the financial position, results and disclosures of the Group or the Parent Company.

The savings banks are compensated for sales to their customers of Swedbank's products and services. In mid-2011 a new agreement entered into force which governs this compensation. Presentation of the compensation in the income statement has been adjusted as of 2012 based on the new agreement, to better illustrate its impact. Comparative figures have been restated; see table. The change affects interest income, commission expenses and expenses, but not the result in its entirety.

The accounting principles applied in the interim report is otherwise the same as those applied in the preparation of the Annual Report for 2011.

| Statement of compensation to savings banks SEKm | New reporting 2011 Jan-Jun | Previous reporting 2011 Jan-Jun | Change |
|--|----------------------------------|---------------------------------------|--------|
| Interest income | 12 899 | 12 933 | -34 |
| Net interest income | 1 854 | 1 888 | -34 |
| Commission expenses | -4 | -315 | 311 |
| Net commissions | 20 | -291 | 311 |
| Other expenses | 277 | | 277 |
| Total expenses | 277 | | 277 |

NOTE 2 Business segments

| Group, SEKm | January - June 2012 | | | | January - June 2011 | | | |
|---------------------|---------------------|-----------|-------------------------|----------------|---------------------|-----------|-------------------------|----------------|
| | Private | Corporate | Agricultural & Forestry | Total | Private | Corporate | Agricultural & Forestry | Total |
| Total income | 1 774 | 183 | 181 | 2 138 | 1 123 | 144 | 113 | 1 380 |
| Total cost | 266 | 17 | 38 | 321 | 226 | 15 | 37 | 278 |
| Operating profit | 1 462 | 166 | 143 | 1 771 | 872 | 123 | 74 | 1 069 |
| Loans to the public | 557 246 | 122 152 | 52 072 | 731 470 | 539 777 | 116 696 | 48 378 | 704 851 |

Reconciliation of segment accounting and financial report

| Group, SEKm | January - June 2012 | | | January - June 2011 | | |
|------------------|---------------------|---------------|------------------------|---------------------|---------------|------------------------|
| | Total segment | Coord-ination | Total financial report | Total segment | Coord-ination | Total financial report |
| Total income | 2 138 | 563 | 2 701 | 1 380 | 436 | 1 816 |
| Total cost | 321 | -3 | 318 | 277 | | 277 |
| Operating profit | 1 771 | 562 | 2 333 | 1 069 | 436 | 1 505 |
| Assets | 731 470 | 62 849 | 794 319 | 704 851 | 57 323 | 762 174 |

Income and balance in the Private segment arises from loans to private individuals for financing of residential housing. Corresponding items for the Corporate segment refers to loans to municipally owned real estate companies and residential property companies with underlying collateral in apartment buildings. The Agricultural and Forestry segment includes loans for financing of agricultural and forestry properties. P/L-posts such as net gains and losses on financial items at fair value, return on legal capital and other minor posts are not distributed on business segments.

NOTE 3 Net gains/losses on financial items at fair value

| Group, SEKm | 2012 | 2011 | 2011 | |
|--|------------|------------|------------|-------------|
| | Jan-Jun | Jan-Jun | % | Full-year |
| Fair value through profit or loss | | | | |
| <i>Trading and derivatives</i> | | | | |
| Interest-bearing instruments | -1 815 | 4 027 | | 1 013 |
| <i>Fair value option</i> | | | | |
| Interest-bearing instruments | 1 741 | -4 075 | | -658 |
| Total | -74 | -48 | 54 | 355 |
| Hege accounting, fair value hedges | | | | |
| Inefficiency in hedge accounting at fair value | 52 | -30 | | -136 |
| of which hedging instruments | 2 034 | -257 | | 11 650 |
| of which hedged items | -1 982 | 227 | | -11 786 |
| Total | 52 | -30 | | -136 |
| Financial liabilities at amortised cost | -22 | -26 | -15 | -66 |
| Loan receivables at amortised cost | 47 | 42 | 12 | 80 |
| Total | 3 | -62 | | 233 |

NOTE 4 Credit impairments

| Group, SEKm | 2012 | 2011 | 2011 | |
|---|-----------|-----------|------------|-----------|
| | Jan-Jun | Jan-Jun | % | Full-year |
| Provisions for loans that are assessed as impaired | | | | |
| Provisions | 7 | 5 | 40 | 12 |
| Reversal of previous provisions | -1 | -2 | -50 | -5 |
| Provisions for homogenous groups of impaired loans, net | 8 | 9 | -11 | 16 |
| Total | 14 | 12 | 17 | 23 |
| Portfolio provision for loans that individually are not assessed as impaired | | | | |
| | 2 | 5 | -60 | -4 |
| Write-offs | | | | |
| Established losses | 39 | 21 | 86 | 45 |
| Utilisation of previous provisions | -4 | -3 | 33 | -6 |
| Recoveries | -1 | -1 | | -2 |
| Total | 34 | 17 | 100 | 37 |
| Credit impairments | 50 | 34 | 47 | 56 |

NOTE 5 Loans

| Group, SEKm | 2012 30 Jun | 2011 31 dec | 2011 30 Jun |
|---|----------------|----------------|----------------|
| Lending | | | |
| Carrying amount before provisions | 767 902 | 750 415 | 744 320 |
| Provisions for loans that individually are assessed as impaired | -82 | -73 | -66 |
| Portfolio provisions for loans that individually are not assessed as impaired | -144 | -142 | -150 |
| Total provisions | -226 | -215 | -216 |
| Carrying amount of loans after provisions | 767 676 | 750 200 | 744 104 |
| Impaired loans | | | |
| Impaired loans, gross | 233 | 204 | 164 |
| Provisions for individually assessed impaired loans | -82 | -73 | -66 |
| Carrying amount of impaired loans | 151 | 131 | 98 |
| Share of impaired loans, gross, loans to the public, % | 0,03 | 0,03 | 0,02 |
| Share of impaired loans, net, loans to the public, % | 0,02 | 0,02 | 0,01 |
| Total provision ratio for impaired loans, % c) | 96,8 | 105,4 | 132,1 |
| Provision ratio for individually identified impaired loans, % | 35,3 | 35,7 | 40,1 |

c) Including portfolio provisions for loans that individually are assessed as impaired

Loans by borrower category

| Group, SEKm | Private customers | Real estate Manage- ment | Other corporate lending | Munici- palities | Total lending to the public | Credit institutions | Total lending |
|---|----------------------|--------------------------------|-------------------------------|---------------------|-----------------------------------|------------------------|------------------|
| Book value before accounting for provisions | 616 580 | 104 524 | 7 667 | 2 926 | 731 697 | 36 205 | 767 902 |
| Provisions for loans that individually are assessed as impaired | -65 | -17 | | | -82 | | -82 |
| Portfolio provisions for loans that individually are not assessed as impaired | -115 | -29 | | | -144 | | -144 |
| Book value after accounting for provisions | 616 400 | 104 478 | 7 667 | 2 926 | 731 471 | 36 205 | 767 676 |
| Book value of impaired loans | 143 | 8 | | | 151 | | 151 |

NOTE 6 Derivative instruments

Swedbank Mortgage trades derivatives to hedge positions with regard to the value of interest rates and currencies.

| Group, SEKm | 30 jun 2012 | | | 31 Dec 2011 | | | 30 Jun 2011 | | |
|---------------------------------------|-------------|----------|----------------|-------------|----------|----------------|-------------|----------|----------------|
| | Interest | Currency | Total | Interest | Currency | Total | Interest | Currency | Total |
| Derivatives with positive book values | 16 934 | 4 369 | 21 303 | 17 002 | 4 343 | 21 345 | 4 342 | 2 892 | 7 234 |
| of which in hedge | 15 181 | | 15 181 | 14 595 | 339 | 14 934 | 2 161 | 619 | 2 780 |
| Derivatives with negative book values | 4 942 | 14 018 | 18 960 | 5 374 | 10 303 | 15 677 | 5 091 | 8 984 | 14 075 |
| of which in hedge | 19 | 12 351 | 12 370 | 1 | 7 545 | 7 546 | 1 932 | 7 964 | 9 896 |
| Notional amount | 642 574 | 207 430 | 850 004 | 503 300 | 192 916 | 696 216 | 444 230 | 167 536 | 611 766 |

NOTE 7 Other assets

| Group, SEKm | 2012 30 Jun | 2011 31 Dec | 2011 30 Jun |
|-------------------------------------|----------------|----------------|----------------|
| Prepaid expenses and accrued income | 4 077 | 3 832 | 3 675 |
| Security settlement claims | 1 056 | 530 | 7 145 |
| Current tax assets | | 362 | |
| Other assets | 208 | 118 | 16 |
| Total | 5 341 | 4 842 | 10 836 |

NOTE 8 Amounts owed to credit institutions

| Group, SEKm | 2012 30 Jun | 2011 31 Dec | 2011 30 Jun |
|--|----------------|----------------|----------------|
| Valuation category, other financial liabilities | | | |
| Swedish banks | 180 282 | 163 842 | 191 495 |
| Total | 180 282 | 163 842 | 191 495 |
| Valuation category, fair value through profit or loss | | | |
| Other* | | | |
| Swedish banks | 5 135 | 6 698 | 8 343 |
| Total | 5 135 | 6 698 | 8 343 |
| Total | 185 417 | 170 540 | 199 838 |
| * Nominal amount | 5 133 | 6 999 | 8 346 |

NOTE 9 Other liabilities

| Group, SEKm | 2012 30 Jun | 2011 31 Dec | 2011 30 Jun |
|--------------------------------------|----------------|----------------|----------------|
| Security settlement liabilities | 10 | 10 | 91 |
| Group contribution to parent company | | 1 300 | |
| Accrued expenses and deferred income | 9 984 | 15 320 | 7 966 |
| Deferred tax liabilities | 178 | 596 | |
| Other liabilities | 383 | 94 | 103 |
| Total | 10 555 | 17 320 | 8 160 |

| Swedbank Mortgage, SEKm | 2012 30 Jun | 2011 31 Dec | 2011 30 Jun |
|--------------------------------------|----------------|----------------|----------------|
| Security settlement liabilities | 10 | 10 | 91 |
| Group contribution to parent company | | 1 300 | |
| Accrued expenses and deferred income | 9 984 | 15 320 | 7 966 |
| Deferred tax liabilities | 15 | 433 | |
| Other liabilities | 383 | 94 | 103 |
| Total | 10 392 | 17 158 | 8 160 |

NOTE 10 Debt securities in issue

| Group, SEKm | 2012 30 Jun | 2011 31 Dec | 2011 30 Jun |
|--|----------------|----------------|----------------|
| Valuation category, other financial liabilities | | | |
| Commercial paper | 3 348 | 3 597 | 775 |
| Bond loans | 455 595 | 426 263 | 387 148 |
| Change in value due to hedge accounting | 13 019 | 11 033 | -1 024 |
| Other | 828 | 765 | 4 682 |
| Total | 472 790 | 441 659 | 391 581 |
| Valuation category, fair value through profit or loss | | | |
| Bond loans | 71 932 | 97 075 | 116 417 |
| Total | 71 932 | 97 075 | 116 417 |
| Total | 544 722 | 538 734 | 507 998 |

NOTE 11 Financial instruments

| Group, SEKm | 2012 30 Jun | 2011 31 Dec | 2011 30 Jun |
|---|----------------|----------------|----------------|
| Assets | | | |
| Loans to credit institutions | 36 205 | 33 505 | 39 253 |
| valuation category, loans and receivables | 36 205 | 33 505 | 39 253 |
| Loans to the public | 731 471 | 716 694 | 704 851 |
| valuation category, loans and receivables | 352 957 | 321 069 | 289 438 |
| valuation category, fair value through profit or loss | 378 514 | 395 625 | 415 413 |
| Derivatives | 21 303 | 21 345 | 7 234 |
| fair value hedge | 15 181 | 14 595 | 2 161 |
| cash flow hedge | | 339 | 619 |
| other | 6 122 | 6 411 | 4 454 |
| Total | 788 979 | 771 544 | 751 338 |
| Liabilities | | | |
| Amounts owed to credit institutions | 185 417 | 170 540 | 199 838 |
| other financial liabilities | 180 282 | 163 842 | 191 495 |
| valuation category, fair value through profit or loss | 5 135 | 6 698 | 8 343 |
| Debt securities in issue | 544 722 | 538 734 | 507 998 |
| other financial liabilities | 459 771 | 430 626 | 392 605 |
| change in value due to fair value hedge accounting | 13 019 | 11 033 | -1 024 |
| valuation category, fair value through profit or loss | 71 932 | 97 075 | 116 417 |
| Derivatives | 18 960 | 15 677 | 14 075 |
| fair value hedge | 19 | 1 | 1 932 |
| cash flow hedge | 12 351 | 7 545 | 7 964 |
| other | 6 590 | 8 131 | 4 179 |
| Total | 749 099 | 724 951 | 721 911 |

NOTE 11 Financial instruments, cont.

Determination of fair value for financial instruments

| 30 jun 2012 Group, SEKm | Instruments with quoted market prices in active markets (Level 1) | Valuation technique using observable data (Level 2) | Valuation technique using non- observable data (Level 3) | Total |
|-------------------------------------|---|---|--|----------------|
| Assets | | | | |
| Loans to the public | | 378 514 | | 378 514 |
| Derivatives | | 21 303 | | 21 303 |
| Total | | 399 817 | | 399 817 |
| Liabilities | | | | |
| Amounts owed to credit institutions | | | 5 135 | 5 135 |
| Debt securities in issue | 56 332 | 15 600 | | 71 932 |
| Derivatives | | 18 960 | | 18 960 |
| Total | 56 332 | 34 560 | 5 135 | 96 027 |

| 31 dec 2011 Group, SEKm | Instruments with quoted market prices in active markets (Level 1) | Valuation technique using observable data (Level 2) | Valuation technique using non- observable data (Level 3) | Total |
|-------------------------------------|---|---|--|----------------|
| Assets | | | | |
| Loans to the public | | 395 625 | | 395 625 |
| Derivatives | | 21 345 | | 21 345 |
| Total | | 416 970 | | 416 970 |
| Liabilities | | | | |
| Amounts owed to credit institutions | | | 6 698 | 6 698 |
| Debt securities in issue | 88 226 | 8 849 | | 97 075 |
| Derivatives | | 15 677 | | 15 677 |
| Total | 88 226 | 24 526 | 6 698 | 119 450 |

| 31 dec 2011 Group, SEKm | Instruments with quoted market prices in active markets (Level 1) | Valuation technique using observable data (Level 2) | Valuation technique using non- observable data (Level 3) | Total |
|-------------------------------------|---|---|--|----------------|
| Assets | | | | |
| Loans to the public | | 415 413 | | 415 413 |
| Derivatives | | 7 234 | | 7 234 |
| Total | | 422 647 | | 422 647 |
| Liabilities | | | | |
| Amounts owed to credit institutions | | | 8 343 | 8 343 |
| Debt securities in issue | 78 182 | 37 211 | | 115 393 |
| Derivatives | | 14 075 | | 14 075 |
| Total | 78 182 | 51 286 | 8 343 | 137 811 |

The table above indicates valuation method for financial instruments measured at fair value. These methods are divided into three levels based on the degree of observability in the valuation.

If possible, fair value of the financial instruments is established from quoted market prices in active markets (Level 1). Where quoted market prices can't be established, generally accepted valuation techniques using observable data are used (Level 2). These techniques may require certain assumptions (Level 3) and the scope of these depend on the complexity of the instrument and the availability of market data. This group includes loans from Swedbank AB. The valuation of these loans is based on observable interbank rates adjusted for the difference between the interbank rate and the issue terms that existed at the time of issuance.

NOTE 12 Assets pledged for own liabilities and commitments

| Group, SEKm | 2012 30 Jun | 2011 31 Dec | 2011 30 Jun |
|---|----------------|----------------|----------------|
| Assets pledged for own liabilities | | | |
| Loans pledged for securities in issue e) | 689 965 | 673 410 | 655 716 |
| Securities pledged for other liabilities | 106 | 106 | 104 |
| Contingent liabilities | None | Inga | None |
| Commitments, nominal amount | 8 377 | 8 256 | 8 237 |
| Total | 698 448 | 681 772 | 664 057 |

NOTE 13 Related parties

The following headings in the balance sheet and statement of comprehensive income include transactions with other companies in the Swedbank Group in the amounts specified.

| Group, SEKm | 2012 30 Jun | 2011 31 Dec | 2011 30 Jun |
|-------------------------------------|----------------|----------------|----------------|
| Assets | | | |
| Loans to credit institutions | 36 202 | 33 498 | 39 250 |
| Derivatives | 21 043 | 21 035 | 7 025 |
| Other assets | 553 | 200 | 301 |
| Total | 57 798 | 54 733 | 46 576 |
| Liabilities | | | |
| Amounts owed to credit institutions | 185 406 | 170 501 | 199 838 |
| Debt securities in issue, etc | 12 512 | 11 346 | 20 353 |
| Derivatives | 18 954 | 15 676 | 14 047 |
| Other liabilities | 4 106 | 4 681 | 3 166 |
| Total | 220 978 | 202 204 | 237 404 |
| Income statement | | | |
| Interest income | 385 | 858 | 354 |
| Interest expenses | -3 295 | -7 228 | -3 510 |
| Other expenses | -74 | -144 | -56 |
| Total | -2 984 | -6 514 | -3 212 |

NOTE 14 Capital adequacy

For Swedbank Mortgage, the Basel 2 capital adequacy rules mean that the minimum capital requirement for credit risks, with the approval of the Financial Supervisory Authority, will be based on an internal risk classification according to an Internal Ratings-based Approach ("IRB") developed by Swedbank. For a small portion of assets, the capital requirement for credit risks is calculated according to the standardised approach. The capital requirement for operational risk is calculated according to the standardised approach with the approval of the Financial Supervisory Authority.

The transitional rules, stating that the minimum capital requirement should not fall below 80 percent of the capital requirement calculated according to the old rules, have been extended and no date has been set for their expiration.

| Capital base | 2012 | 2011 | | 2011 | |
|---------------------------|---------------|---------------|----------|---------------|----------|
| Group, SEKm | 30 Jun | 31 Dec | % | 30 Jun | % |
| Tier 1 capital | 34 367 | 32 562 | 6 | 31 884 | 8 |
| Total capital base | 34 367 | 32 562 | 6 | 31 884 | 8 |

| Capital requirement | 2012 | 2011 | | 2011 | |
|---|----------------|----------------|----------|----------------|-----------|
| Group, SEKm | 30 Jun | 31 Dec | % | 30 Jun | % |
| Capital requirement for credit risks, IRB | 4 086 | 3 963 | 3 | 4 239 | -4 |
| Capital requirement for operational risks | 440 | 460 | -4 | 460 | -4 |
| Capital requirement | 4 526 | 4 423 | 2 | 4 699 | -4 |
| Complement during transition period | 23 618 | 23 004 | 3 | 22 308 | 6 |
| Capital requirement including complement | 28 144 | 27 427 | 3 | 27 007 | 4 |
| Risk-weighted assets | 351 802 | 342 852 | 3 | 337 582 | 4 |

| Capital adequacy analysis | 2012 | 2011 | | 2011 | |
|---|--------|--------|-------------|--------|-------------|
| Group | 30 Jun | 31 Dec | per-centage | 30 Jun | per-centage |
| Capital quotient excluding complement | 7,59 | 7,36 | 0,23 | 6,79 | 0,80 |
| Tier 1 capital ratio, %, excluding complement | 62,8 | 61,0 | 1,80 | 56,1 | 6,70 |
| Total capital adequacy ratio, %, excluding complement | 62,8 | 61,0 | 1,80 | 56,1 | 6,70 |
| Capital quotient, transition rules | 1,22 | 1,19 | 0,03 | 1,18 | 0,04 |
| Tier 1 capital ratio, %, transition rules | 9,8 | 9,5 | 0,30 | 9,4 | 0,40 |
| Total capital adequacy ratio, %, transition rules | 9,8 | 9,5 | 0,30 | 9,4 | 0,40 |

Signatures of the Board of Directors and the President

The Board of Directors and the President certify that the interim report for the period 1 January to 30 June 2012 provides a fair and accurate overview of the operations, financial position and results of the Parent Company and the Group, and that it describes the significant risks and uncertainties faced by the Parent Company and the companies in the Group.

Stockholm, 18 July 2012

Anders Ekedahl
Chairman

Peter Stenborn
President

Gunilla Domeij Hallros

Eva De Falck

Johan Smedman

Review report

Introduction

We have reviewed the interim report for Swedbank Mortgage AB (publ) for the period 1 January to 30 June 2012. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the Standard on Review Engagements (SÖG) 2410 Review of Interim Financial Information performed by the company's auditors. A review consists of making inquiries, primarily 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 ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

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

Stockholm, 18 July 2012

Deloitte AB

Jan Larsson
Authorised Public Accountant

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