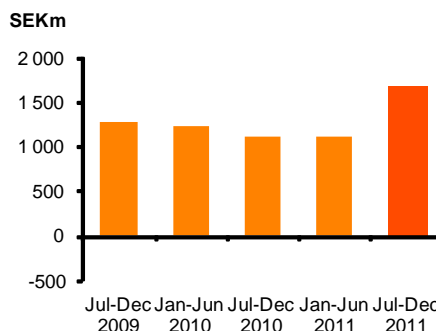


Full-year 2011

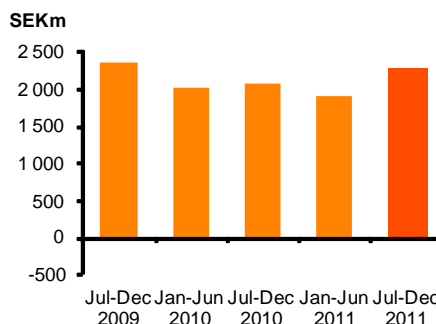
Compared with full-year 2010

- The operating profit amounted to SEK 3 773m (3 179)
- Net interest income increased to SEK 4 147 m (4 069)
- The return on equity was 8.6 per cent (7.4)
- Lending to the public amounted to SEK 716 695m (697 299)
- Swedbank Mortgage reported credit impairments of SEK 56 m (168)
- Profit before impairments increased to SEK 3 829 m (3 347)
- The Tier 1 capital ratio was 9.5 per cent (9.3)
- Covered bonds amounting to SEK 233bn have been issued during the period

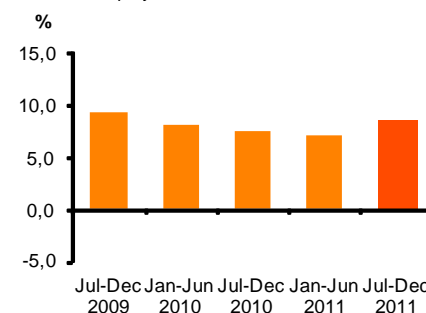
Profit for the period



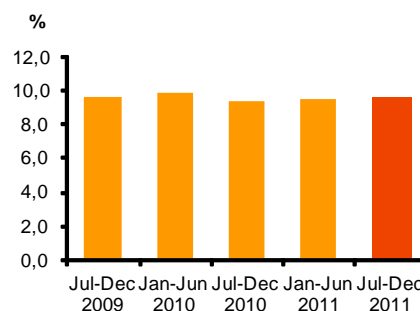
Net interest income



Return on equity



Core Tier 1 capital ration



Year-end report 2011

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, see note 3.

Lending

Lending to the public increased by a nominal amount of SEK 16 426m (30 420) net after provisions during the period. Loans to the private sector rose by a nominal amount of SEK 16 087m (31 540) and lending to the agricultural and forestry sector increased by SEK 3 735m (3 141). Loans to the corporate sector decreased by SEK 3 396m (decrease by 4 261). Swedbank Mortgage's loans to the public amounted to SEK 716 695 m (697 299) as per 31 December 2011, of which the change in the market value of the loans accounted for SEK 5 510m (2 541).

The credit quality of the lending remains very high. Net credit impairments decreased by SEK 112m to SEK 56m (168). This plunge is explained by the fact that Swedbank Mortgage changed its valuation model for portfolio provisions during 2010, which resulted in a one-time effect on credit impairments amounting to SEK 153m.

Provisions for anticipated losses amounted to SEK - 215m (202) as per 31 December 2011. Credit impairments and provisions are specified in note 4 and 5.

Funding

In 2011 the demand for covered bonds from both Swedish and international investors has been continuously high. In total, Swedbank Mortgage issued nominal SEK 233bn in covered bonds, of which SEK 38bn during the fourth quarter. Nominal SEK 145bn was issued in the Swedish covered bond market and nominal SEK 88bn in the international market. To further diversify its funding sources, Swedbank Mortgage has completed a new covered bond program in 2011 which allows for access to the US investor base under rule 144a of the US Securities Act. Swedbank Mortgage issued USD 3bn under the new program. In total Swedbank Mortgage has issued thirteen benchmark covered bonds in the international market, of which three are in EUR, seven in CHF and three in USD.

In total, nominal amounts of SEK 60bn have matured and SEK 93bn have been repurchased during the year. Debt to Swedbank AB decreased by SEK 59bn during the year to SEK 171bn. The average maturity on covered bonds was 43 months (38 months).

Capital adequacy

At the end of the year, the capital quotient amounted to 1.19 (1.17 as per 31 December 2010) and the tier 1 capital ratio as well as the total capital adequacy ratio were 9.5 percent (9.3 as per 31 December 2010). The capital requirement according to pillar 1 amounted to SEK 27 427m at the end of the period, compared to SEK 4 424m at full effect of Basel 2. A specification of capital adequacy is provided in note 14.

Risks and uncertainties

The primary risks are credit 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 2010, 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 31 December 2011 would have reduced the fair value of Swedbank Mortgage's interest-bearing assets and liabilities, including derivatives, by SEK 597m (695). A one percentage point in market interest rates as per 31 December 2011 would have reduced Swedbank Mortgage's net gains and losses on financial items at fair value by SEK 254m (303) regarding

financial items at fair value. This would have a negative effect of SEK 187m on equity. A one percentage point decrease in market interest rates as per 31 December 2011 would have increased the fair value of Swedbank Mortgage's interest-bearing assets and liabilities, including derivatives, by SEK 568m (658). The corresponding amount for Swedbank Mortgage's net gains and losses on financial

items at fair value is an increase by SEK 203m (254) regarding financial items at fair value.

Events after December 31 2011

No significant events have occurred.

Financial summary

Group	2011	2010	2009	2008	2007
Lending					
Loans to the public, SEKm	716 695	697 299	672 420	623 401	560 633
Profit					
Operating profit	3 773	3 179	3 631	3 603	3 828
Investment margin, % ^{a)}	0,59	0,53	0,56	0,56	0,67
Return on equity, %	8,6	7,4	9,3	10,0	10,6
Earnings per share, SEK	120,9	101,7	113,3	116,5	119,7
Capital					
Capital base, SEKm ^{b)}	32 562	30 968	29 744	27 005	26 882
Equity, SEKm	34 116	31 680	30 217	27 612	24 932
Number of shares in issue at beginning/end of period, million	23	23	23	23	23
Equity per share, SEK	1 483	1 377	1 314	1 201	1 084
Capital quotient ^{b)}	1,19	1,17	1,20	1,05	1,11
Capital adequacy ratio, % ^{b)}	9,5	9,3	9,6	8,4	8,9
Tier 1 capital ratio, % ^{b)}	9,5	9,3	9,6	8,4	8,2
Credit quality					
Credit impairments, SEKm	56	168	8	6	-43
Loan loss ratio, %	0,01	0,02	0,00	0,00	0,00
Provision ratio for impaired loans, % ^{c)}	204	142	43	42	74
Share of impaired loans, net, loans to the public %	0,02	0,01	0,02	0,02	0,01

^{a)} Calculated as an average over 12 months since 2008. Previously calculated as an average for the report period.

^{b)} Swedbank Mortgage AB since 31 December 2008. Previous years refer to Financial companies group. Since 2007, capital ratios are calculated according to FFFS 2001:1 (Basel 2).

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

Income statement, condensed

SEKm	Note	Group				Swedbank Mortgage			
		2011 Jul-Dec	2010 Jul-Dec	2011 Full-Year	2010 Full-Year	2011 Jul-Dec	2010 Jul-Dec	2011 Full-Year	2010 Full-Year
Interest income		14 547	10 528	27 480	20 137	14 547	10 528	27 480	20 137
Interest expense		-12 288	-8 470	-23 333	-16 068	-12 288	-8 470	-23 333	-16 068
Net interest income		2 259	2 058	4 147	4 069	2 259	2 058	4 147	4 069
Commission income		40	30	64	53	40	30	64	53
Commission expenses		-307	-319	-622	-576	-307	-319	-622	-576
Net commissions		-267	-289	-558	-523	-267	-289	-558	-523
Net gains and losses on financial items at fair value	3	295	-271	233	-206	295	-271	233	-206
Other income		4	3	8	7	4	3	8	7
Total income		2 292	1 501	3 830	3 347	2 292	1 501	3 830	3 347
Other expenses		1	0	1		1		1	
Total expenses		1	0	1	0	1	0	1	0
Profit before impairments		2 291	1 501	3 829	3 347	2 291	1 501	3 829	3 347
Credit impairments	4	22	-6	56	168	22	-6	56	168
Operating profit		2 268	1 507	3 773	3 179	2 268	1 507	3 773	3 179
Appropriations						618		618	
Tax		596	400	992	840	434	400	830	840
Profit for the period		1 672	1 107	2 781	2 339	1 216	1 107	2 325	2 339

Statement of comprehensive income, condensed

SEKm	Note	Group				Swedbank Mortgage			
		2011 Jul-Dec	2010 Jul-Dec	2011 Full-Year	2010 Full-Year	2011 Jul-Dec	2010 Jul-Dec	2011 Full-Year	2010 Full-Year
Profit for the period		1 672	1 107	2 781	2 339	1 216	1 107	2 325	2 339
Cash flow hedges:									
Gains and losses arising during the period		1 760	364	829	967	1 760	364	829	967
income		6		6		6		6	
Reclassification adjustments to income statement, net gains and losses on financial items at fair value		-4	2	-3	-155	-4	2	-3	-155
Income tax relating to components of other comprehensive income		-463	-96	-219	-214	-463	-96	-219	-214
Total comprehensive income for the period		2 971	1 377	3 394	2 937	2 515	1 377	2 938	2 937

Total change in value on derivatives included in cash flow hedges amounted to SEK -315m during the period, of which SEK -1 147m is transferred to the income statement.

Balance sheet, condensed

SEKm	Note	Group		Swedbank Mortgage	
		2011 31 Dec	2010 31 Dec	2011 31 Dec	2010 31 Dec
Assets					
Loans to credit institutions	5	33 505	36 493	33 505	36 493
Loans to the public	5	716 695	697 299	716 695	697 299
Derivatives	6	21 345	6 931	21 345	6 931
Other assets	7	4 842	3 858	4 842	3 858
Total assets		776 387	744 581	776 387	744 581
Liabilities and equity					
Amounts owed to credit institutions	8	170 540	229 177	170 540	229 177
Debt securities in issue	10	538 734	451 328	538 734	451 328
Derivatives	6	15 677	15 565	15 677	15 565
Other liabilities	9	17 320	16 831	17 158	16 831
Untaxed reserves				618	
Equity		34 116	31 680	33 660	31 680
Total liabilities and equity		776 387	744 581	776 387	744 581

Statement of changes in equity, condensed

Group, SEKm	Share capital	Other contributed equity	Fair value fund	Retained earnings	Total
Opening balance 1 January, 2010	11 500	2 400		16 317	30 217
Group contributions paid				-2 000	-2 000
Tax reduction due to Group contributions paid				526	526
Total comprehensive income for the period			598	2 339	2 937
Closing balance 31 December, 2010	11 500	2 400	598	17 182	31 680

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

Swedbank Mortgage AB, SEKm	Share capital	Other contributed equity	Fair value fund	Retained earnings	Total
Opening balance 1 January, 2010	11 500	3 100		15 618	30 217
Group contributions paid				-2 000	-2 000
Tax reduction due to Group contributions paid				526	526
Total comprehensive income for the period			598	2 339	2 937
Closing balance 31 December, 2011	11 500	3 100	598	16 483	31 680

of which conditional shareholders' contributions

2 400 2 400

Opening balance 1 January, 2011	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	17 849	33 660

of which conditional shareholders' contributions

2 400 2 400

Cash flow statement, condensed

Group, SEKm	2011 Full year	2010 Full year
Operating activities		
Operating profit	3 773	3 180
Adjustments for non-cash items in operating activities	-203	-2 880
Taxes paid	-348	-1 274
Increase/decrease in loans to credit institutions	15 011	16 500
Increase/decrease in loans to the public	-16 426	-30 420
Increase/decrease in amounts owed to credit institutions	-58 635	36 455
Increase/decrease in other assets and liabilities, net	-2 567	225
Cash flow from operating activities	-59 395	21 786
Investing activities		
Change in fixed assets	-1	
Cash flow from investing activities	-1	
Financing activities		
Issuance of interest-bearing securities	240 079	243 224
Redemption of interest-bearing securities	-168 142	-225 452
Increase/decrease in other funding	1 483	-84 156
Group contributions paid	-2 000	
Cash flow from financing activities	71 420	-66 384
Cash flow for the period	12 024	-44 598
Cash and cash equivalents at the beginning of the period	15 481	60 079
Cash flow for the period	12 024	-44 598
Cash and cash equivalents at end of the period	27 505	15 481

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.

New or revised IFRS and interpretations by IFRIC have not had any effect on the financial position, results and disclosures of the Group or the Parent Company.

The accounting principles applied in the interim report is the same as those applied in the preparation of the Annual Report for 2010.

NOTE 2 Business segments

Group, SEKm	January - December 2011				January - December 2010			
	Private	Agricultural		Total	Private	Agricultural		Total
		Corporate	& Forestry			Corporate	& Forestry	
Total income	2 142	257	176	2 575	2 171	411	183	2 765
Operating profit	2 085	261	173	2 519	2 046	369	182	2 597
Loans to the public	549 408	116 692	50 595	716 695	531 229	119 435	46 635	697 299

Reconciliation of segment accounting and financial report

Group, SEKm	January - December 2011			January - December 2010		
	Total segment	Coord-ination	Total financial report	Total segment	Coord-ination	Total financial report
Total income	2 575	1 255	3 830	2 765	582	3 347
Operating profit	2 519	1 254	3 773	2 597	582	3 179
Assets	716 695	59 692	776 387	697 299	47 282	744 581

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.

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

Group, SEKm	2011	2010	2011		2010	
	Jul-Dec	Jul-Dec	%	Full-Year	Full-Year	%
Fair value through profit or loss						
<i>Trading and derivatives</i>						
Interest-bearing instruments	-3 014	-3 957	-24	1 013	-11 550	
<i>Fair value option</i>						
Interest-bearing instruments	3 417	3 554	-4	-658	11 162	
Total	403	-403		355	-388	
Hege accounting, fair value hedges						
Inefficiency in hedge accounting at fair value						
of which hedging instruments	11 907	-4 204		11 650	-1 012	
of which hedged items	-12 013	4 216		-11 786	1 014	
Total	-106	12		-136	2	
Financial liabilities at amortised cost	-40	75		-66	75	
Loan receivables at amortised cost	38	45	-16	80	105	-24
Total	295	-271		233	-206	

NOTE 4 Credit impairments

Group, SEKm	2011	2010	2011		2010	
	Jul-Dec	Jul-Dec	%	Full-Year	Full-Year	%
Provisions for loans that are assessed as impaired						
Provisions	6	-11		12	11	9
Reversal of previous provisions	-2	-2		-5	-7	-29
Provisions for homogenous groups of impaired loans, net	7	1		16		
Total	11	-12		23	4	
Portfolio provision for loans that individually are not assessed as impaired						
	-8	-10	-20	-4	132	
Write-offs						
Established losses	24	17	38	45	38	
Utilisation of previous provisions	-4			-6	-5	20
Recoveries	-1	-1		-2	-1	100
Total	19	16	18	37	32	16
Credit impairments	22	-6		56	168	-67

NOTE 5 Loans

Group, SEKm	2011	2010
	31 Dec	31 Dec
Lending		
Carrying amount before provisions	750 415	733 994
Provisions for loans that individually are assessed as impaired	-73	-56
Portfolio provisions for loans that individually are not assessed as impaired	-142	-146
Total provisions	-215	-202
Carrying amount of loans after provisions	750 200	733 792
Impaired loans		
Impaired loans, gross	204	142
Provisions for individually assessed impaired loans	-73	-56
Carrying amount of impaired loans	131	86
Share of impaired loans, gross, loans to the public, %	0,03	0,02
Share of impaired loans, net, loans to the public, %	0,02	0,01
Total provision ratio for impaired loans, % ^{c)}	105,4	141,8
Provision ratio for individually identified impaired loans, %	35,7	39,5

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

Loans by borrower category

Group, SEKm	Real estate		Other	Municipalities	Total	Credit institutions	Total lending
	Private customers	Management	corporate lending		lending to the public		
Book value before accounting for provisions	606 686	99 357	8 329	2 538	716 910	33 505	750 415
Provisions for loans that individually are assessed as impaired	-53	-15	-5		-73		-73
Portfolio provisions for loans that individually are not assessed as impaired	-105	-37			-142		-142
Book value after accounting for provisions	606 528	99 305	8 324	2 538	716 695	33 505	750 200
Book value of impaired loans	124	5	2		131		131

NOTE 6 Derivatives

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

Group, SEKm	31 Dec 2011			31 Dec 2010		
	Interest	Currency	Total	Interest	Currency	Total
Derivatives with positive book values	17 002	4 343	21 345	5 157	1 774	6 931
of which in hedge accounting	14 595	339	14 934	2 534		2 534
Derivatives with negative book values	5 374	10 303	15 677	5 179	10 386	15 565
of which in hedge accounting	1	7 545	7 546	1 080	8 506	9 586
Nominal amount	503 300	192 916	696 216	383 676	131 345	515 021

NOTE 7 Other assets

Group, SEKm	2011	2010
	31 dec	31 dec
Prepaid expenses and accrued income	3 832	3 076
Security settlement claims	530	80
Current tax assets	362	501
Other assets	118	201
Total	4 842	3 858

NOTE 8 Amounts owed to credit institutions

Group, SEKm	2011	2010
	31 dec	31 dec
Valuation category, other financial liabilities		
Swedish banks	163 842	219 081
Total	163 842	219 081
Valuation category, fair value through profit or loss		
Other*		
Swedish banks	6 698	10 096
Total	6 698	10 096
Total	170 540	229 177

* Nominal amount

6 699

10 096

NOTE 9 Other liabilities

SEKm	Group		Swedbank Hypotek AB	
	2011 31 dec	2010 31 dec	2011 31 dec	2010 31 dec
Security settlement liabilities	10	1 033	10	1 033
Group contribution to parent company	1 300	2 000	1 300	2 000
Accrued expenses and deferred income	15 320	13 408	15 320	13 408
Deferred tax liabilities	596	214	433	214
Other liabilities	94	176	94	176
Total	17 320	16 831	17 157	16 831

NOTE 10 Debt securities in issue

Group, SEKm	2011	2010
Valuation category, other financial liabilities		
Commercial paper	3 597	1 430
Bond loans	426 263	313 198
Change in value due to hedge accounting	11 033	-861
Other	765	1349
Total	441 659	315 116
Valuation category, fair value through profit or loss		
Commercial paper		100
Bond loans	97 075	136 112
Total	97 075	136 212
Total	538 734	451 328

NOTE 11 Financial instruments

Financial instruments distributed by valuation category according to IAS 39

Group, SEKm	2011 31 Dec	2010 31 Dec
Assets		
Loans to credit institutions	33 505	36 493
valuation category, loans and receivables	33 505	36 493
Loans to the public	716 694	697 299
valuation category, loans and receivables	321 069	257 346
valuation category, fair value through profit or loss	395 625	439 953
Derivatives	21 345	6 931
hedge accounting at fair value	14 595	2 534
cash flow hedge	339	
other	6 411	4 397
Total	771 544	740 723
Liabilities		
Amounts owed to credit institutions	170 540	229 177
other financial liabilities	163 842	219 081
valuation category, fair value through profit or loss	6 698	10 096
Debt securities in issue	538 734	451 328
other financial liabilities	430 626	315 977
change in value due to hedge accounting at fair value	11 033	-861
valuation category, fair value through profit or loss	97 075	136 212
Derivatives	15 677	15 565
hedge accounting at fair value	1	1 080
cash flow hedge	7 545	8 506
other	8 131	5 979
Total	724 951	696 070

NOTE 11 Financial instruments, cont.

Determination of fair value for financial instruments

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 2010 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		439 953		439 953
Derivatives		6 931		6 931
Total		446 884		446 884

Liabilities

Amounts owed to credit institutions			10 096	10 096
Debt securities in issue	99 392	36 820		136 212
Derivatives		15 565		15 565
Total	99 392	52 385	10 096	161 873

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	2011 31 Dec	2010 31 Dec
Assets pledged for own liabilities		
Loans pledged for securities in issue ^{e)}	673 410	640 207
Securities pledged for other liabilities	106	103
Contingent liabilities	none	none
Commitments, nominal amount	8 256	9 390
Total	681 772	649 700

^{e)} Consists of collateral for covered bonds. Collateral refers to the customer's nominal debt including accrued interest.

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	2011 31 Dec	2010 31 Dec
Assets		
Loans to credit institutions	33 498	36 481
Derivatives	21 035	6 831
Other assets	200	202
Total	54 733	43 514
Liabilities		
Amounts owed to credit institutions	170 501	229 138
Debt securities in issue, etc	11 346	42 964
Derivatives	15 676	15 565
Other liabilities	4 681	6 684
Total	202 204	294 351
Income statement		
Interest income	858	520
Interest expenses	-7 228	-2 674
Net gains and losses on financial items at fair value		
Commission expenses	-144	-136
Total	-6 514	-2 290

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	2011	2010
Group, SEKm	31 Dec	31 Dec
Tier 1 capital	32 562	30 968
Total capital base	32 562	30 968

Capital requirement	2011	2010
Group, SEKm	31 Dec	31 Dec
Capital requirement for credit risks, IRB	3 963	4 211
Capital requirement for operational risks	460	471
Capital requirement	4 423	4 682
Complement during transition period	23 004	21 874
Capital requirement including complement	27 427	26 556
Risk-weighted assets	342 852	331 945

Capital adequacy analysis	2011	2010
Group	31 Dec	31 Dec
Capital quotient excluding complement	7,36	6,61
Tier 1 capital ratio, %, excluding complement	61,0	54,7
Total capital adequacy ratio, %, excluding complement	61,0	54,7
Capital quotient, transition rules	1,19	1,17
Tier 1 capital ratio, %, transition rules	9,5	9,3
Total capital adequacy ratio, %, transition rules	9,5	9,3

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 31 December 2011 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, 14 February 2012

Anders Ekedahl
Chairman

Peter Stenborn
President

Gunilla Domeij Hallros

Magnus Francke

Johan Smedman

Review report

Introduction

We have reviewed the interim report for Swedbank Mortgage AB (publ) for the period 1 January to 31 December 2011. 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, 14 February 2012

Deloitte AB

Jan Larsson
Authorised Public Accountant

For further information, please contact:

Peter Stenborn
President
Telephone +46 8 585 909 30

Kristina Norin
Head of accounting
Telephone +46 8 585 902 72

Swedbank Mortgage AB (publ)
Registration no. 556003-3283
Brunkebergstorg 8
SE-106 11 Stockholm, Sweden
Telephone +46 8 585 921 00
www.swedbank.se/hypotek
E-post: info@swedbank.se