



Swedbank Mortgage AB (publ)

(Incorporated with limited liability in the Kingdom of Sweden)

€25,000,000,000

Programme for the Issuance of Debt Instruments and S.O. Bonds

This Supplement (the "Supplement") to the Prospectus (the "Prospectus") dated 20 May 2009, which comprises a Base Prospectus, constitutes a supplementary prospectus for the purposes of section 87G of the Financial Services and Markets Act 2000 (the "FSMA") and is prepared in connection with the Programme for the Issuance of Debt Instruments and S.O. Bonds (the "Programme") established by Swedbank Mortgage AB (publ) (the "Company"). Terms defined in the Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Prospectus and any other supplements to the Prospectus issued by the Company.

The Company and the Guarantor (as defined below) accept responsibility for the information contained in this Supplement. To the best of the knowledge of the Company and the Guarantor (each having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

SWEDBANK AB (publ) HAS ISSUED A GUARANTEE IN FAVOUR OF SWEDBANK MORTGAGE AB (publ)

According to a press release from Moody's Investors Service Limited ("Moody's") in August 2009, Moody's has introduced a new methodology for the credit rating of issuers whose main function is to issue covered bonds on behalf of a parent bank, as categorised by Moody's. Among other things, the new methodology entails increased demands from Moody's as regards financial support from the parent bank in order to give the same rating to the issuer as to the parent bank. In connection with the press release, Moody's placed the Company on the watch list for possible downgrade.

As a result, on 17 December 2009, the Company's parent bank, Swedbank AB (publ) (the "Guarantor"), issued a general, unconditional and irrevocable guarantee (the "Guarantee") in respect of all presently outstanding and future unsubordinated debt instruments issued by the Company, including unsubordinated Instruments and S.O. Bonds issued under the Programme, until further notice. A copy of the Guarantee is attached as Appendix 1 to this Supplement.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Prospectus, the statements in (a) will prevail.

If documents which are incorporated by reference or attached to this Supplement themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of the Prospectus for the purposes of the

Prospectus Directive (Directive 2003/71/EC) except where such information or other documents are specifically incorporated by reference or attached to this Supplement.

Save as disclosed in this Supplement and any supplement to the Prospectus previously issued by the Company, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus since the publication of the Prospectus.

In accordance with section 87Q(4) of the FSMA, investors who have agreed to purchase or subscribe for any Instruments or S.O. Bonds before the Supplement is published have the right, exercisable before the end of the period of two working days beginning with the working day after the date on which this Supplement was published, to withdraw their acceptances.

SUMMARY OF THE PROGRAMME

The section "*Summary of the Programme*" on pages 7-13 of the Prospectus shall be amended by the addition of the following paragraphs:

The Guarantee: Swedbank AB (publ) has issued a guarantee in respect of all presently outstanding and future unsubordinated debt instruments issued by the Company, including unsubordinated Instruments and S.O. Bonds.

The Guarantor: Swedbank AB (publ) ("Swedbank") was incorporated under the laws of the Kingdom of Sweden as a limited liability company in Stockholm on 24 April 1942 for an unlimited period of time. It has its registered office at Brunkebergstorg 8, SE-105 34 Stockholm (phone number: +46 8 5859 0000) and is registered in the Swedish Companies Registration Office in Sundsvall under No. 502017-7753. Swedbank, together with its consolidated subsidiaries, is one of the largest banking groups in Sweden and the Nordic countries. It operates under the Banking and Financing Business Act (Lagen 2004:297 om bank-och finansieringsrörelse).

Swedbank serves over nine million private customers and 660,000 corporate customers and organisations. Swedbank is a universal bank, with activities in all business segments ranging from traditional retail banking to corporate and investment banking and asset management. Core operations consist of traditional products and services for private individuals and small and medium-sized companies.

Risk factors relating to the Guarantor: There are various factors which may affect the ability of the Guarantor to fulfil its obligations under the Guarantee. These include risks relating to the Kingdom of Sweden and, in particular, the banking industry in Sweden. The Guarantor's business may be affected by such factors as credit risk, market risk, operational risk and liquidity risk.

INFORMATION INCORPORATED BY REFERENCE

In addition to information previously incorporated by reference in the Prospectus, the following information which has previously been published or is published simultaneously with this Supplement and has been submitted to and filed with the Financial Services Authority shall be incorporated in, and form part of, the Prospectus:

- (1) the audited consolidated financial statements of the Guarantor as at 31 December 2007 and 2008 (including the auditors' reports thereon) contained in the annual reports of the Guarantor for the years ended 31 December 2007 and 2008;
- (2) the unaudited financial information in the published unaudited interim report of the Guarantor as at 30 September 2009;
- (3) the following sections from the Prospectus dated 20 May 2009 issued by the Guarantor relating to the Guarantor's U.S.\$40,000,000,000 Global Medium Term Note Programme (the "GMTN Prospectus"):
 - (i) "*Risk Factors – Factors that may affect the Bank's ability to fulfil its obligations under Notes issued under the Programme*" on pages 13-15 inclusive thereof;
 - (ii) "*Swedbank AB (publ)*" on pages 129-135 inclusive thereof;
 - (iii) paragraph 2 and paragraph 4 of "*General Information*" on page 153 thereof;
- (4) the section "*Amendment to the Risk Factors*" from the Supplement dated 2 November 2009 to the GMTN Prospectus on page 1 thereof; and
- (5) the section "*Recent Developments*" from the Supplement dated 5 January 2010 to the GMTN Prospectus on page 1 thereof.

The table below sets out the relevant page references for the notes and the auditor's reports in the financial statements for 2007 and 2008 as set out in the respective annual reports:

| 2007 Financial Statements | | Page reference |
|----------------------------------|--|-----------------------|
| 1 | Consolidated Financial Statements | p.67-70 |
| 2 | Notes to Consolidated Financial Statements | p.71-105 |
| 3 | Auditor's Report | p.107 |
| 2008 Financial Statements | | |
| 1 | Consolidated Financial Statements | p.60-63 |
| 2 | Notes to Consolidated Financial Statements | p.64-105 |
| 3 | Auditor's Report | p.107 |

The table below sets out the relevant page references for the unaudited financial information in the interim review for the period 1 January 2009 to 30 September 2009:

| | | |
|---|-------------------------------|------|
| 1 | Consolidated Income Statement | p.25 |
|---|-------------------------------|------|

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|---|--------------------------------------|---------|
| 2 | Consolidated Balance Sheet and Notes | p.27-38 |
| 3 | Auditor's statement | p.42 |

Copies of documents incorporated by reference in this Prospectus can be obtained, upon request and free of charge, from the registered office of the Company and from the specified office of the Fiscal Agent in London and will be available for viewing on the website of the Company at www.swedbank.se.

GENERAL INFORMATION

1. The issue of the Guarantee by the Guarantor was authorised pursuant to a resolution of the Board of Directors of the Guarantor dated 18 November 2009.
2. There has been no significant change in the financial or trading position of the Guarantor or the Guarantor together with its consolidated subsidiaries taken as a whole (the "Swedbank Group") since 30 September 2009. Save for the increased need to provide for credit losses in some of the Swedbank Group's markets due to the rapidly worsening global macro-economic situation, as outlined in the section entitled "Credit and asset quality" on pages 8-9 of the unaudited interim report of the Guarantor as at 30 September 2009 which is incorporated by reference herein, there has been no material adverse change in the financial position or prospects of the Guarantor or the Swedbank Group since 31 December 2008.
3. In addition to the documents listed under paragraph 6 of "*General Information*" on page 145 of the Prospectus, for the period of 12 months from the date of the Prospectus, copies and, where appropriate, English translations, of the following documents may be inspected during normal business hours at the registered office of the Company and at the specified office of the Fiscal Agent in London, namely:
 - (a) the Guarantee;
 - (b) the Registration Certificate and Articles of Association of the Guarantor;
 - (c) the audited consolidated financial statements of the Guarantor as at 31 December 2007 and 2008 (including the auditors' reports thereon) contained in the annual reports of the Guarantor for the years ended 31 December 2007 and 2008; and
 - (d) the unaudited financial information in the published unaudited interim report of the Guarantor as at 30 September 2009.

Any English translations of the documents referred to above will be direct and accurate translations of the original.

APPENDIX 1

GUARANTEE



17 December 2009

Guarantee

Swedbank Mortgage AB (publ) ("**Swedbank Mortgage**") is a company limited by shares, registered with the Swedish Companies Registration Office under registration number 556003-3283 and with its registered office at Regeringsgatan 13, SE-106 11 Stockholm, Sweden.

The business of Swedbank Mortgage is mortgage financing with the main emphasis on lending to single family homes and other residential properties, as well as municipal lending and lending to the agricultural and forestry sector, throughout Sweden.

Swedbank Mortgage's short, medium and long-term funding is sourced from the issue of debt instruments domestically and internationally. Swedbank Mortgage has currently an unlimited domestic mortgage bond programme, a SEK 150,000,000,000 domestic MTN programme, an unlimited mortgage bond programme intended for the Norwegian market and for its international medium and long term funding a Euro 25,000,000,000 programme. For its short term funding, Swedbank Mortgage has a SEK 50,000,000,000 Swedish commercial paper programme, a Euro 3,000,000,000 ECP programme, a Euro 3,000,000,000 Guaranteed ECP Programme, a Euro 4,000,000,000 French commercial paper programme and a USD 10,000,000,000 USCP programme. Swedbank Mortgage may from time to time set up new funding programmes, issue debt instruments under stand-alone documentation and borrow money under bi- or multilateral loan agreements.

All currently outstanding and future unsubordinated debt instruments of Swedbank Mortgage, including debt instruments with covered bond status in accordance with the Swedish Act (SFS 2003:1223) on Issuance of Covered Bonds (Sw. *lagen (2003:1223) om utgivning av säkerställda obligationer*), are hereinafter referred to as the "**Unsubordinated Debt Instruments**".

Swedbank AB (publ) ("**Swedbank**") is a banking company limited by shares, registered with the Swedish Companies Registration Office under registration number 502017-7753 and with its registered office at Brunkebergs torg 6, SE-105 34 Stockholm, Sweden.

Swedbank Mortgage is a wholly-owned subsidiary of Swedbank. Swedbank Mortgage has outsourced all its business functions to Swedbank, which has integrated the operations of Swedbank Mortgage into its own operations.

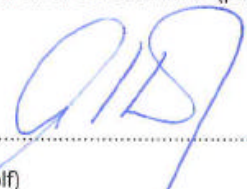
NOW, THEREFORE, Swedbank hereby agrees as follows:

1. Subject to the provisions of paragraph 8 below, Swedbank hereby, irrevocably and unconditionally;
 - (i) guarantees the punctual payment and performance by Swedbank Mortgage of all its payment obligations under the Unsubordinated Debt Instruments; and
 - (ii) undertakes with the holders of the Unsubordinated Debt Instruments that whenever Swedbank Mortgage does not pay any amount due under or in connection with any Unsubordinated Debt Instrument, Swedbank shall immediately on demand pay that amount as if it was the principal obligor.

2. The obligations of Swedbank under paragraph 1 above will not be affected by an act, omission, matter or thing which would reduce, release or prejudice any of its obligations under this Guarantee, including without limitation (whether or not known to Swedbank):
 - (i) any time or waiver granted to, or composition with, Swedbank Mortgage or any other person;
 - (ii) the release of Swedbank Mortgage under the terms of any composition or arrangement with any creditors of Swedbank Mortgage;
 - (iii) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, Swedbank Mortgage, Swedbank or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any guarantee or security; or
 - (iv) any incapacity or lack of power, authority or legal personality of or dissolution or change in Swedbank Mortgage; or
 - (v) any unenforceability, illegality or invalidity of any obligation of Swedbank Mortgage under any Unsubordinated Debt Instrument with the intent that the obligations of Swedbank shall remain in full force and its guarantee be constructed accordingly, as if there were no such unenforceability, illegality or invalidity.
3. If any discharge, release or arrangement (whether in respect of the obligations of Swedbank Mortgage and/or Swedbank or any security for those obligations or otherwise) is made by holder of the Unsubordinated Debt Instruments in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, reorganization, liquidation, administration or otherwise, without limitation, then the liability of Swedbank under paragraph 1 above will continue or be reinstated as if the discharge, release or arrangement had not occurred.
4. Until all amounts which may be or become payable by Swedbank under this Guarantee have been irrevocably paid in full, the Guarantor will not exercise any right of set-off against any payment obligations under any Unsubordinated Debt Instrument.
5. Swedbank hereby acknowledges and consents to:
 - (vi) the disclosure by Swedbank Mortgage of the obligations and undertakings of Swedbank as set out in this Guarantee in any press releases or prospectuses to be prepared in respect of the issue of any Unsubordinated Debt Instruments;
 - (vii) the Guarantee being available for inspection for such periods as may be required by any regulatory authority; and
 - (viii) the inclusion by Swedbank Mortgage of such disclosures referred to above in other information material and similar announcements or advertisements for the purpose of the issue of Unsubordinated Debt Instruments.
6. This Guarantee may be amended or modified by Swedbank, provided such amendments or modifications will not have any adverse effect on the rights of the holders of the Unsubordinated Debt Instruments.
7. This Guarantee will become effective immediately and, subject to the provisions of paragraph 8 below, will not be revocable or conditional upon any event or circumstance being satisfied or waived.

8. This Guarantee shall expire on the earlier of (i) two (2) weeks following the date on which the board of directors of Swedbank resolves to withdraw the Guarantee and such decision is made public through a press release or (ii) the date on which Swedbank Mortgage ceases to be a subsidiary of Swedbank and following such expiry, the Guarantee will not be in force or have any effect in respect of any Unsubordinated Debt Instruments issued by Swedbank after the date of expiry. However, notwithstanding the expiry of the Guarantee pursuant to this paragraph 8, this Guarantee shall be in full force and effect with respect to all Unsubordinated Debt Instruments outstanding at the time of such expiry, and may not be terminated until all amounts which may be or become payable by Swedbank Mortgage under or in connection with such Unsubordinated Debt Instruments have been irrevocably paid in full.
9. This Guarantee is governed by, and shall be construed in accordance with, Swedish law.

Signed on behalf of Swedbank AB (publ):

By: 
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(Michael Wolf)

By: 
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(Cecilia Hernqvist)