

Swedbank's second quarter 2010 results

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Continued progress

- Net profit of SEK 1.6bn
- Improved credit quality
- Term funding YTD higher than full year maturities
- Strengthened capitalisation to 12.7 per cent Core Tier 1 approval to buy back Tier 2 bonds

Business achievements – highlights

- Higher mortgage new sales market shares in Sweden
- Increased corporate activity
- Continued strong deposit trend
- Retail's tailored service concept well received
- Deleveraging in the Baltic countries levelling off

Result by business area

Q2 performance

Retail

Solid credit quality, higher customer activity

Large Corporates & Institutions

Good credit quality, repricing continues, slower trading

Baltic Banking

Improving asset quality, stabilised NII, Estonia back to profit

Russia & Ukraine

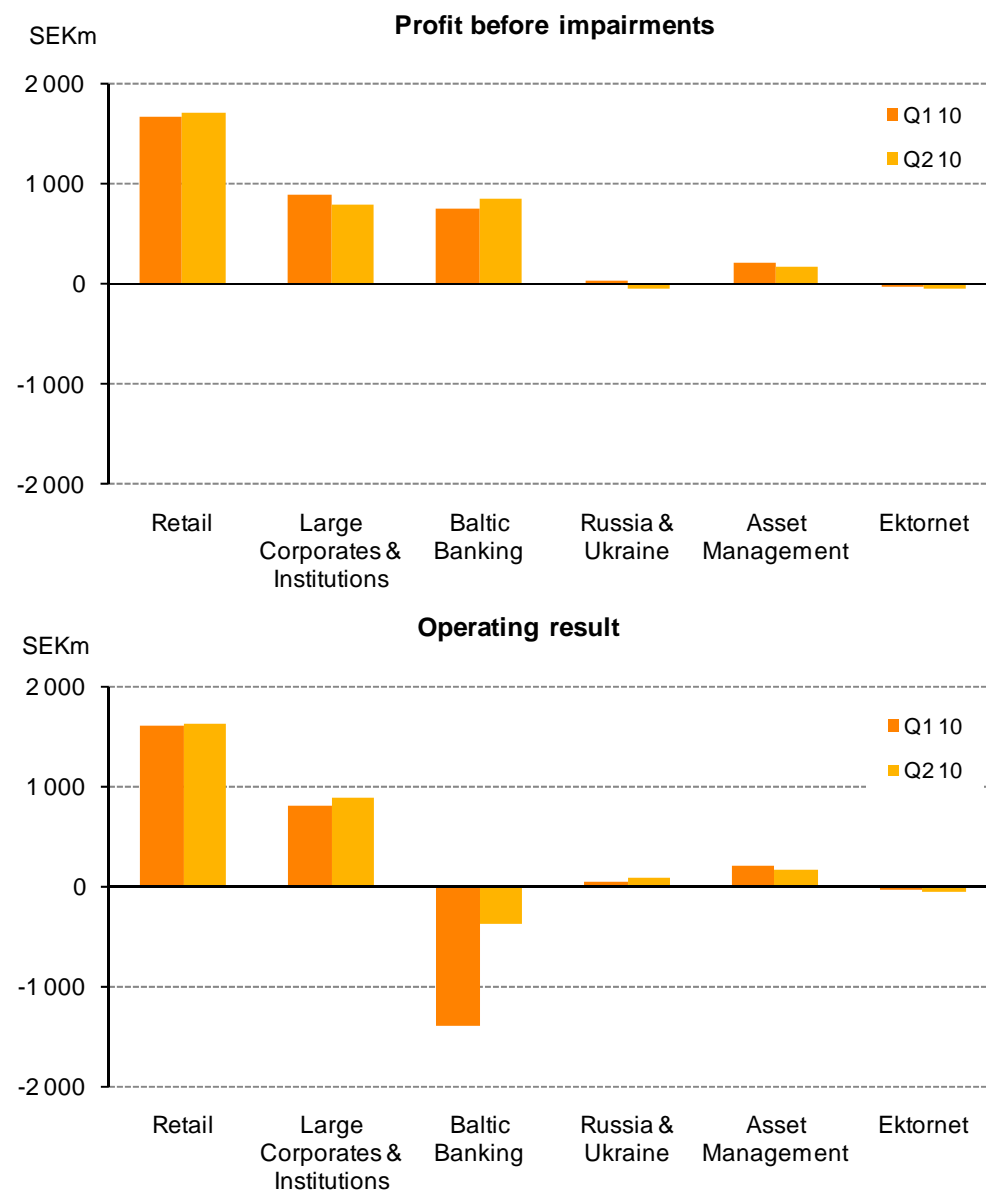
Stabilising credit quality, continued restructuring in Russia

Asset Management

Stable earnings

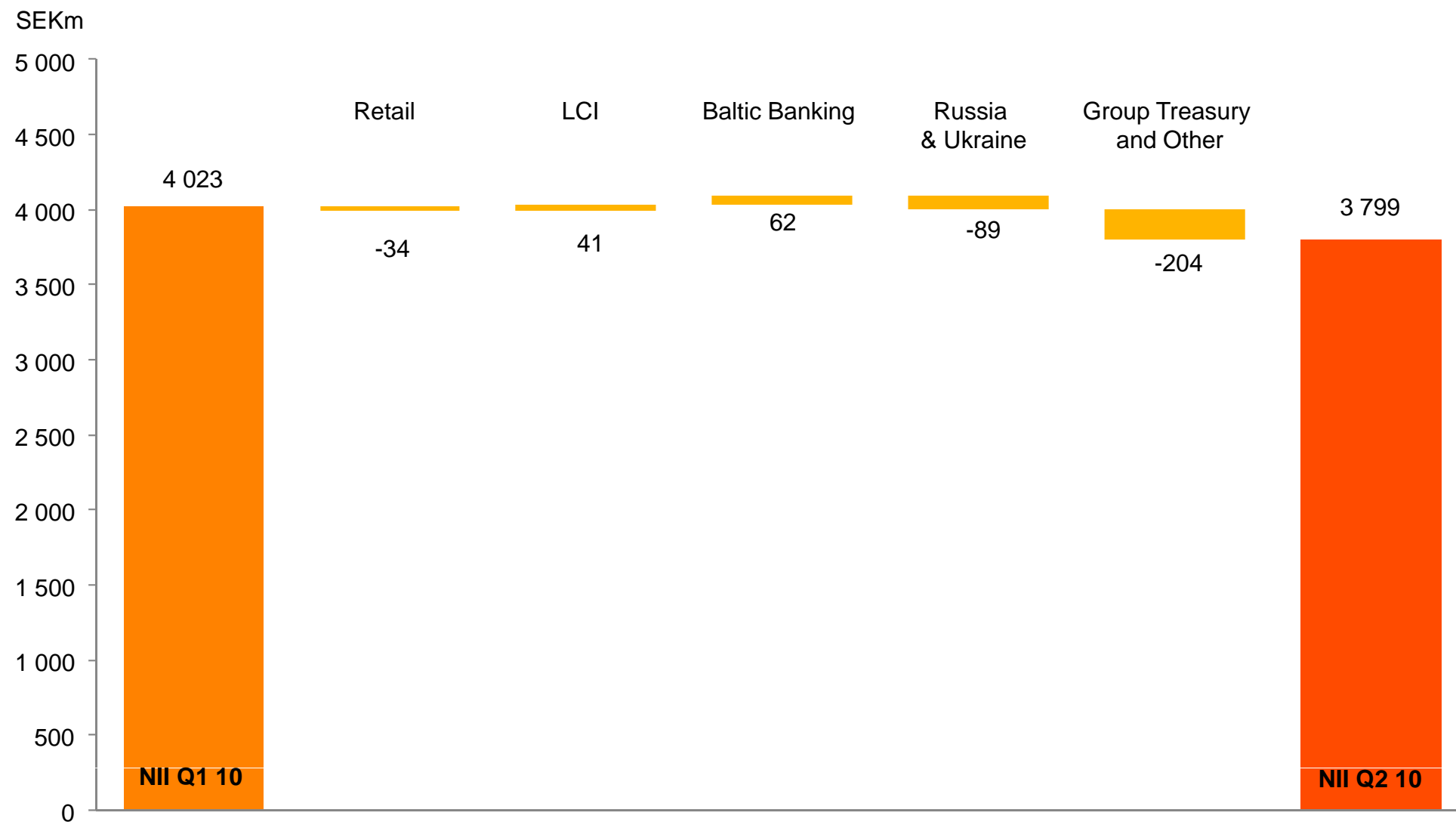
Ektornet

Reposessed properties valued at SEK 1 010m, intake slower than the plan



Net interest income

Pressure decreasing

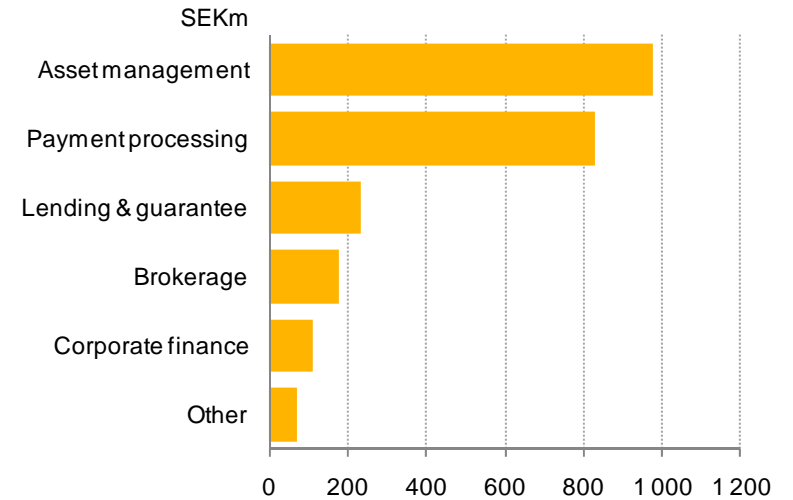


Net commission income

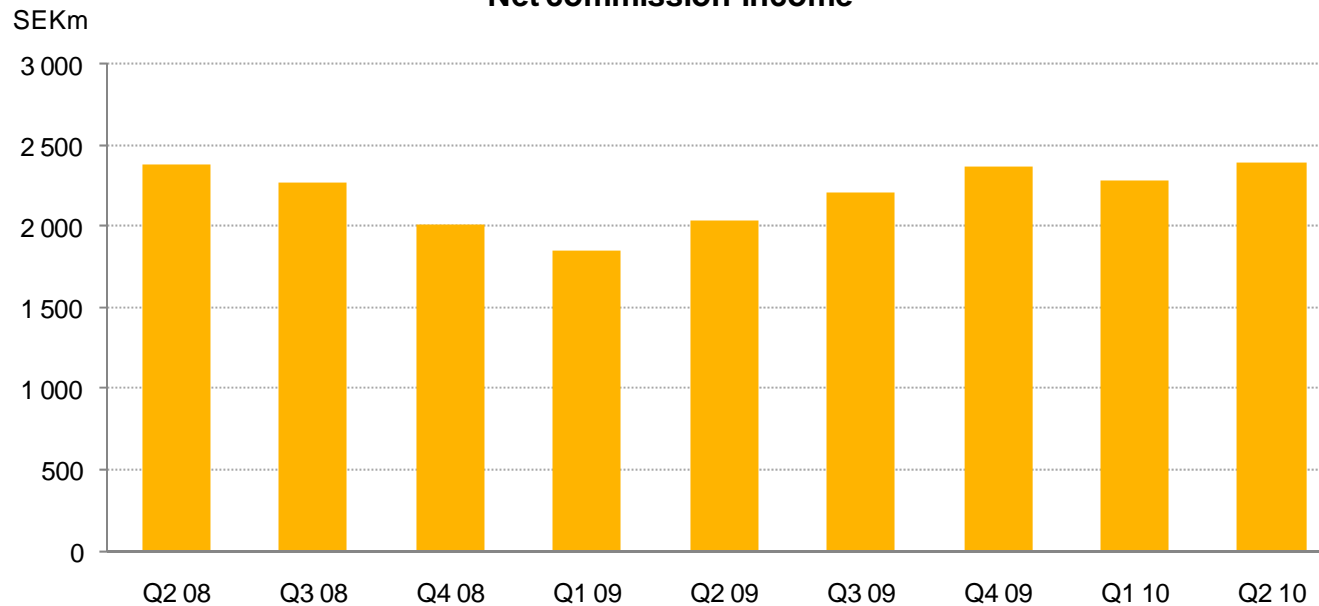
Commissions back to pre-crisis levels

- Positive trend from Q1 2009
- Market leader in cards and payments
- Growth driven by Asset Management

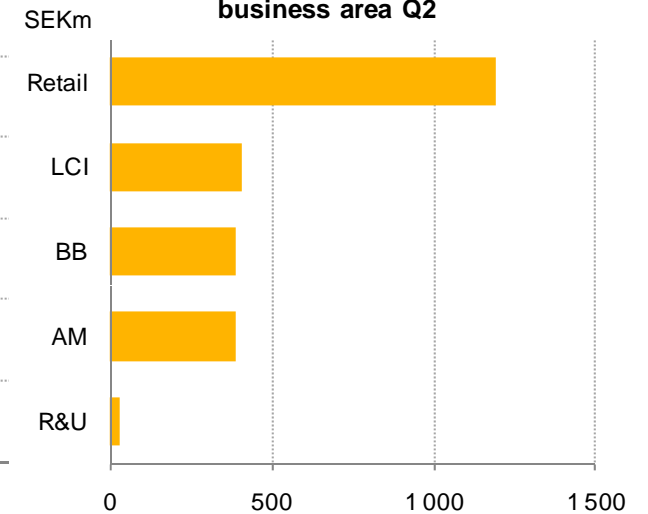
Net commission income by source Q2



Net commission income*



Net commission income by business area Q2



* Excl non-recurring items

Net gains/losses on financial items, fair value

Larger gains supported by valuation effects

- Lower trading results in Fixed Income
- Funding related valuation effects in Group Treasury

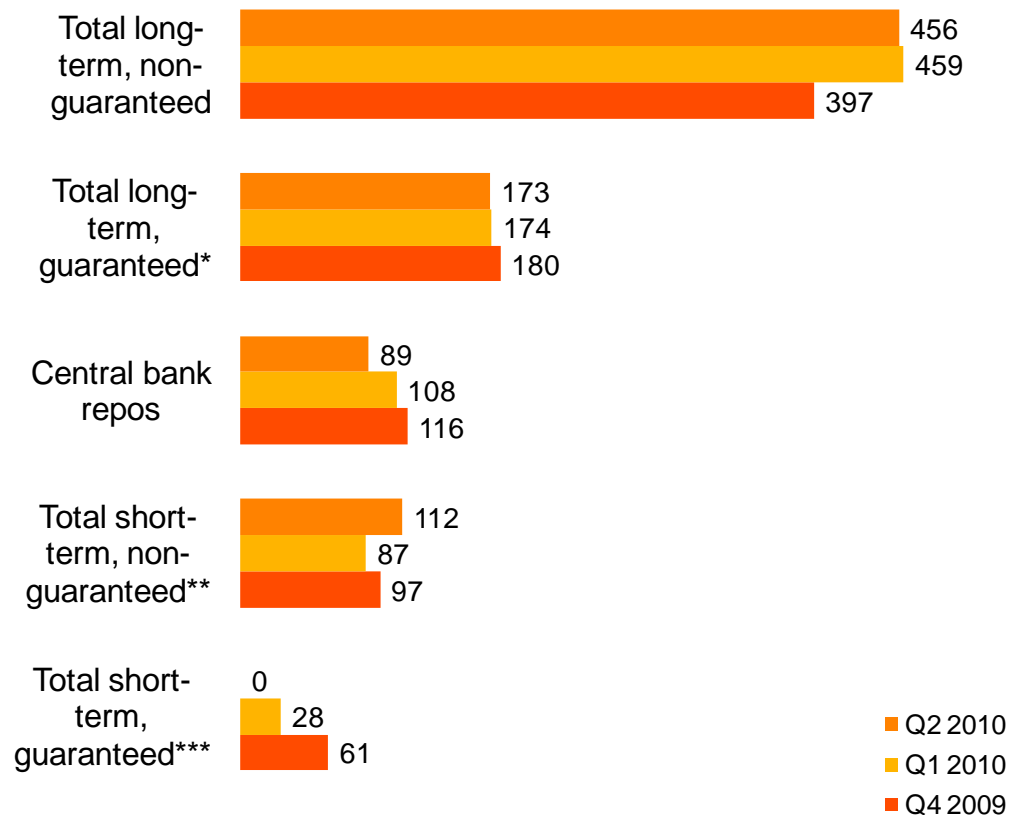
SEKm	Q2 10	Q1 10	Q2 09
Retail	40	32	29
Large Corporates & Institutions	309	441	900
Baltic Banking	89*	72	237
Russia & Ukraine	23	27	13
Group Treasury and Other	348	75	-469
Swedbank Group	809	647	710

* Excluding capital gain of SEK 13m, (MasterCard)

Term funding ahead of plan

- YTD, SEK 150bn in term funding of which around SEK 50bn during the second quarter
- SEK 60bn in remaining term funding maturities to roll or replace in 2010
- YTD around SEK 95bn of central bank repos and guaranteed funding has been redeemed
- Average maturity of wholesale funding further extended to 25 months (38 months for covered bonds)

Outstanding wholesale funding (nom SEKbn)



* Issued with more than 12 months maturity, government fee of 83bp

** Including interbank deposits

*** Issued with less than 12 months maturity, government fee of 50bp

Second quarter 2010 results

Income statement

SEKm	Q2 2010	Q1 2010	Change
Net interest income	3 799	4 023	-224
Net commission income	2 395	2 282	113
Net gains/losses on financial items, fair value	809	647	162
Other income	753	715	68
Non recurring items	16	0	16
Total income	7 772	7 667	105
Staff costs	2 282	2 296	-14
Variable staff costs	141	79	62
Other expenses	2 000	2 016	-16
Total expenses	4 423	4 391	32
Profit before impairments	3 349	3 276	73
Impairment of intangible assets	0	14	-14
Impairment of tangible assets	128	36	92
Credit impairments	963	2 210	-1 247
Operating profit	2 258	1 016	1 242
Tax expense	672	469	203
Result for the period	1 586	547	1 039
Profit for the period attributable to: Shareholders of Swedbank AB	1 567	536	1 031

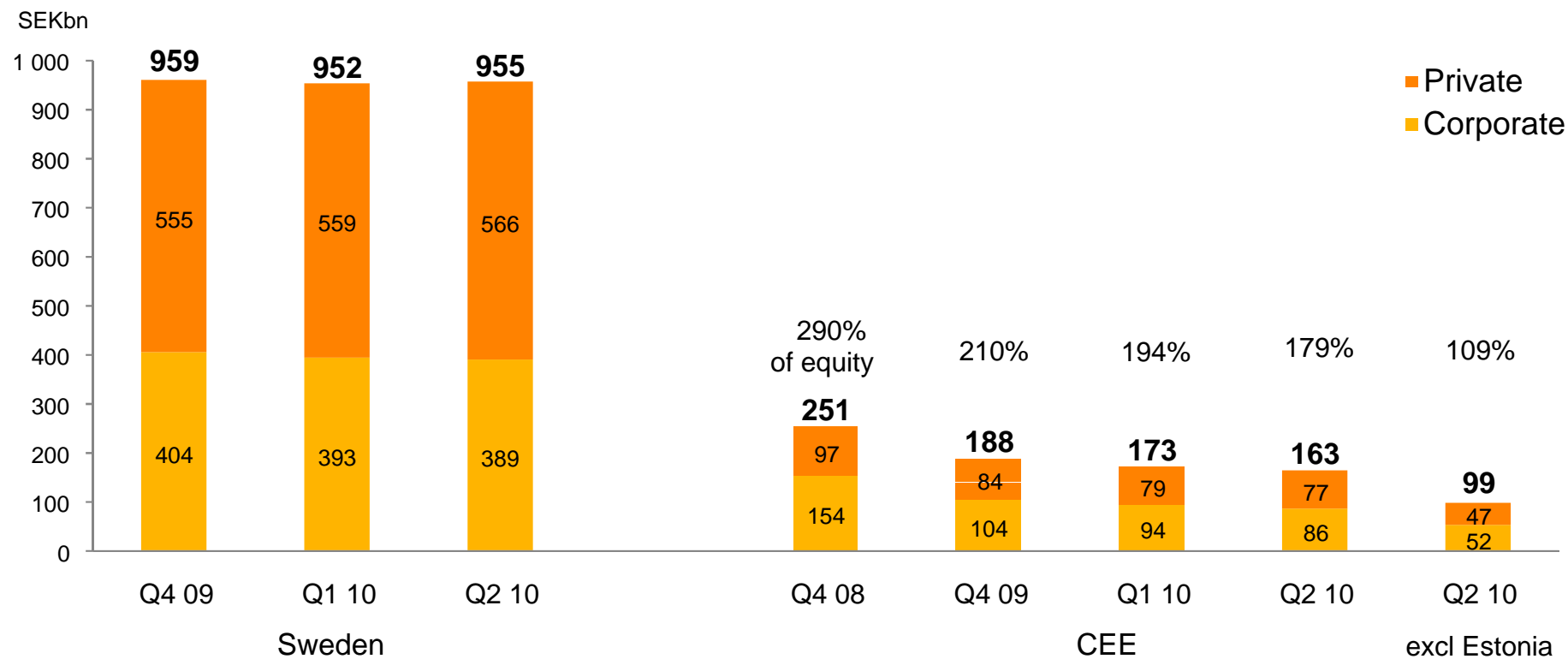
Q2 development

- No impact of European sovereign debt crises
- Further stabilisation/improvement in the Baltic countries
- Continued improved risk profiles on both the asset and liability side
- Swedbank's resilience vastly improved
 - ICAAP
 - Internal stress tests
 - Stress test of the Committee of European Banking Supervisors

Asset quality

Volumes – signs of stabilisation

- Sweden – same pattern with better corporate demand
- CEE exposure not a restriction

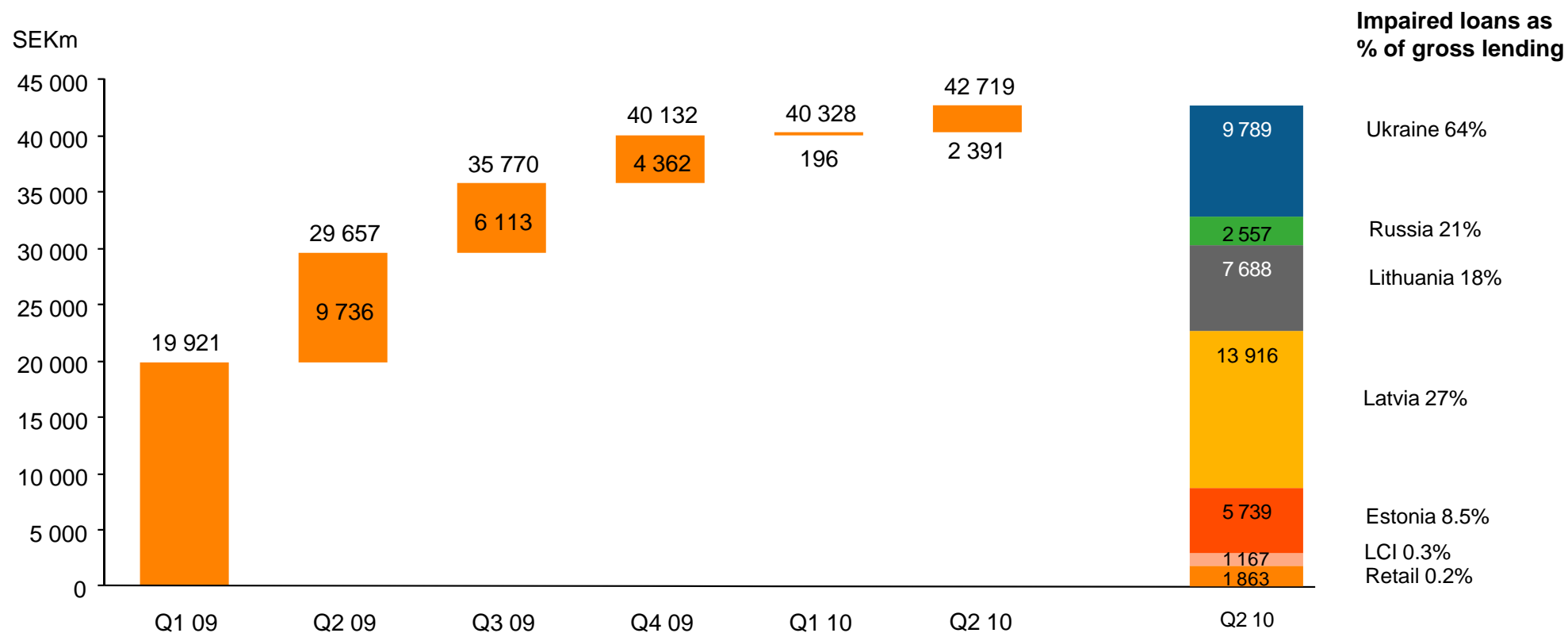


Note: CEE lending as % of equity calculated as net lending to the public divided by balance sheet equity

Asset quality

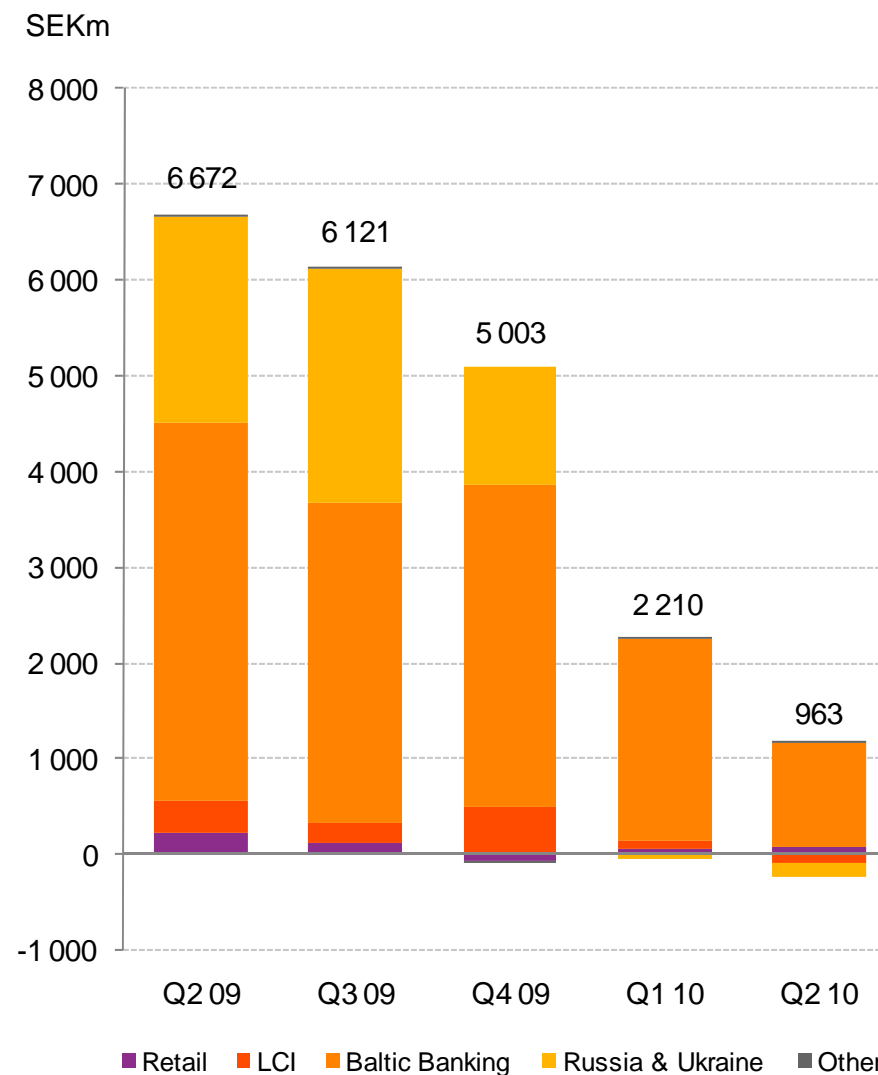
Impaired loans – small increase

- Up SEK 2.4bn in Q2



Credit impairments significantly reduced

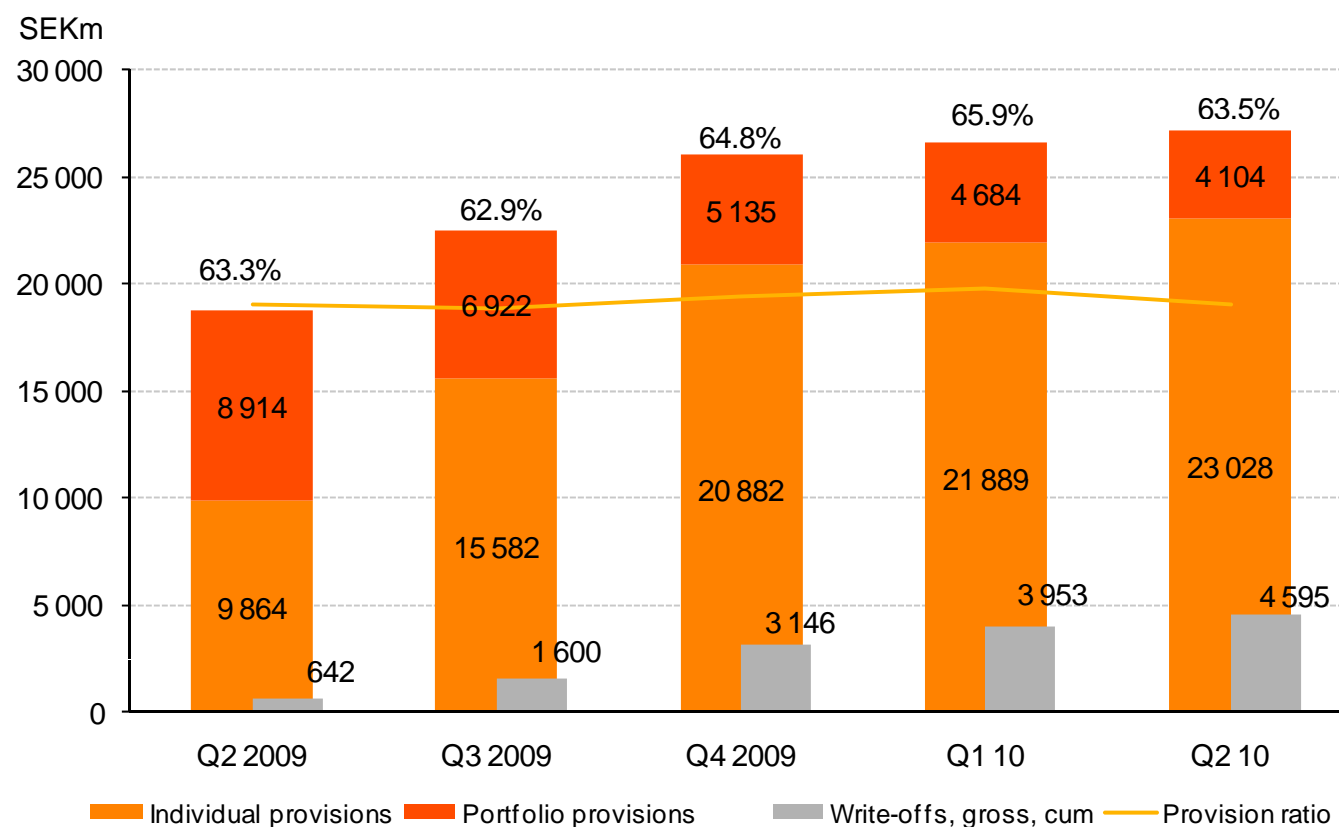
- Sweden very low levels
- Small recoveries in Russia and Ukraine
- Baltic countries
 - Few new problems
 - Property prices stabilising/increasing
 - Insolvency and debt restructuring laws



Asset quality

Provisions

- Stability in portfolio provisions



Provision ratios Q2 10

Retail	88%
Large Corporates	101%
Baltic Banking	59%
Russia	59%
Ukraine	68%
Group	64%

Appendix

Balance sheet

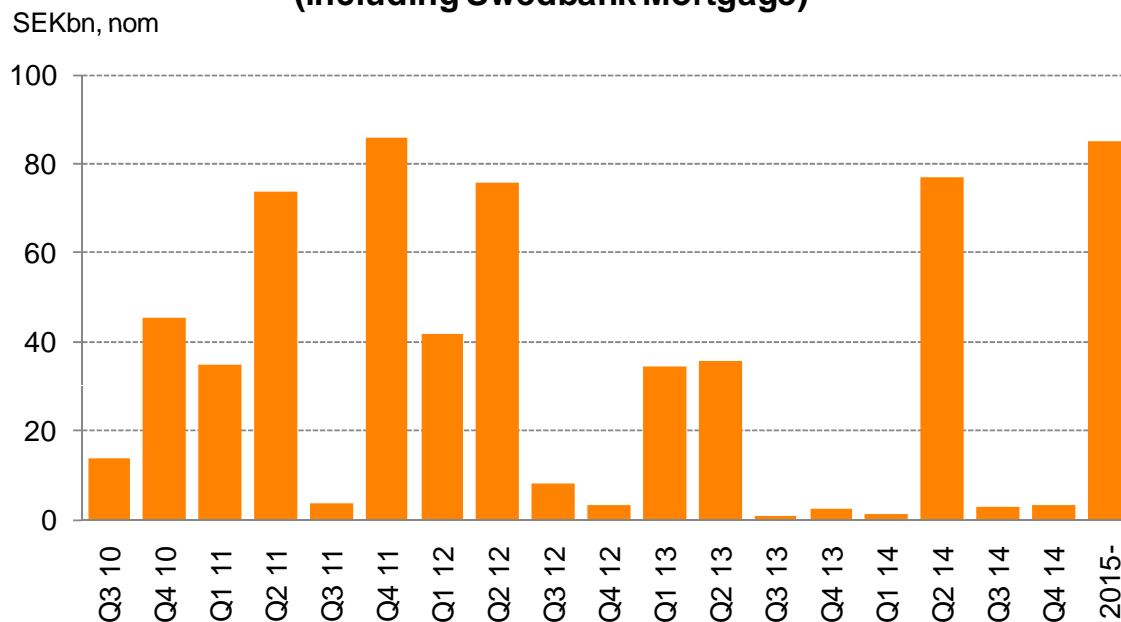
Swedbank Group SEKm	Jun 10	Dec 09	%
Loans to credit institutions	204 327	92 131	122%
Loans to the public	1 239 104	1 290 667	-4%
Interest-bearing securities	215 569	170 615	26%
Fund shares for which customers bear the investment risk	85 181	78 194	9%
Shares and participating interests	12 716	12 245	4%
Derivatives	89 199	72 969	22%
Other assets	58 492	77 866	-25%
Total assets	1 904 588	1 794 687	6%
Amounts owed to credit institutions	243 947	231 687	5%
Deposits and borrowings from the public	529 048	504 424	5%
Debt securities in issue	710 509	703 258	1%
Financial liabilities for which customers bear the investment risk	85 471	80 132	7%
Derivatives	76 950	72 172	7%
Other liabilities and provisions	134 766	75 057	80%
Subordinated liabilities	32 630	37 983	-14%
Equity	91 267	89 974	1%
- Non-controlling interest	260	304	-14%
- Equity attributable to shareholders	91 007	89 670	1%
Total liabilities and equity	1 904 588	1 794 687	6%

Liquidity & Funding

Long-term funding

- SEK 60bn in remaining term funding maturities to roll or replace in 2010
- Continued focus on covered bonds, YTD SEK 129bn issued
- YTD issued SEK 21bn in senior unsecured funding
- Average maturity of wholesale funding further extended to 25 months (covered bonds, 38 months)

Swedbank, long-term maturity profile
(including Swedbank Mortgage)

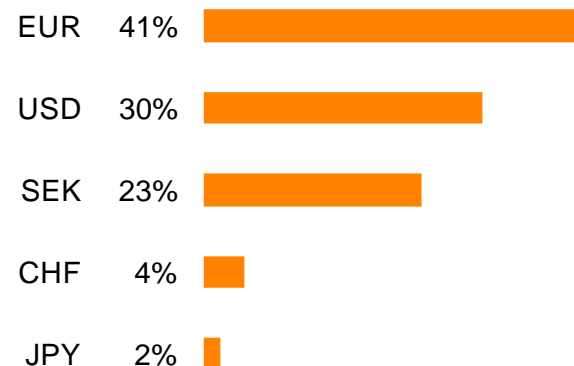


Funding under the Swedish guarantee programme

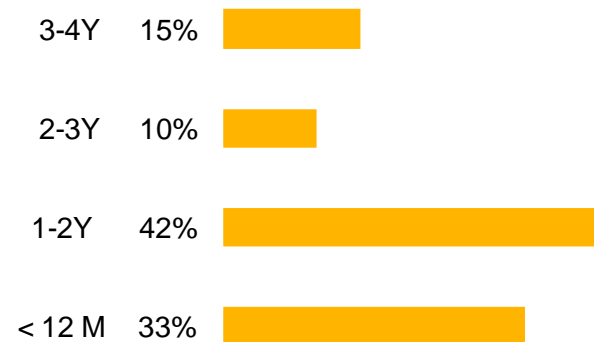
(total outstanding as per 30 June, nom SEK 173bn)

- Swedbank exited guarantee programme as per 30 April 2010
- Outstanding guaranteed funding decreased during the second quarter by SEK 28bn to SEK 173bn
- Strive to buy back longest maturities of guaranteed funding when liquidity rules are clearer

Currency distribution



Maturity distribution



Cover pool and new issuance of covered bonds YTD 2010

Total pool size	SEK 618bn
Average loan size	SEK 401 082
Number of loans outstanding	1 504 480
Types of loans	
– Residential mortgages	90.7%
– Public	2.4%
– Commercial	0.1%
– Forest and Agriculture	6.8%
Fixed /Floating interest loans ¹	
– Fixed	48%
– Floating ²	52%
Remaining fixing period	
– Fixed	32%
– Floating ²	68%
Average LTV ^{4, 5}	
– WA LTV on loan level ³	43%
– WA LTV on property level	57%
Average seasoning	56 months
Non-performing loans ⁶	None
Geographic distribution	Sweden 100%
Dynamic pool	Yes

- YTD three euro covered bonds in primary market
 - Euro MTN CB 3Y, ms+39bp
EUR 1bn, issued Jan 2010
 - Euro MTN CB 7Y, ms+57bp
EUR 1bn, issued Mar 2010
 - Euro MTN CB 5Y, ms+52bp
EUR 1bn, issued Jun 2010
- Also continued good demand for domestic covered bond issuance through tap system
- Registered CBs
- Private placements
- YTD SEK 129bn issued in domestic and international markets

¹ Distribution by origination

² Floating interest loans < 365 days

³ LTV: by volume

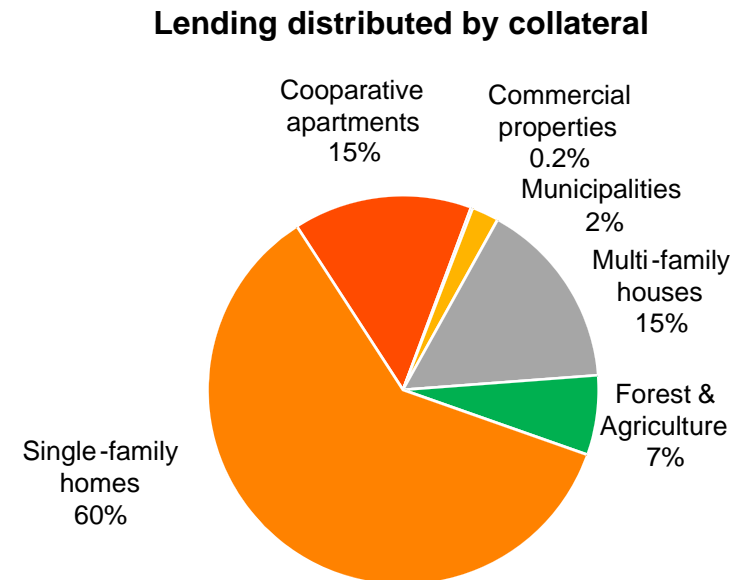
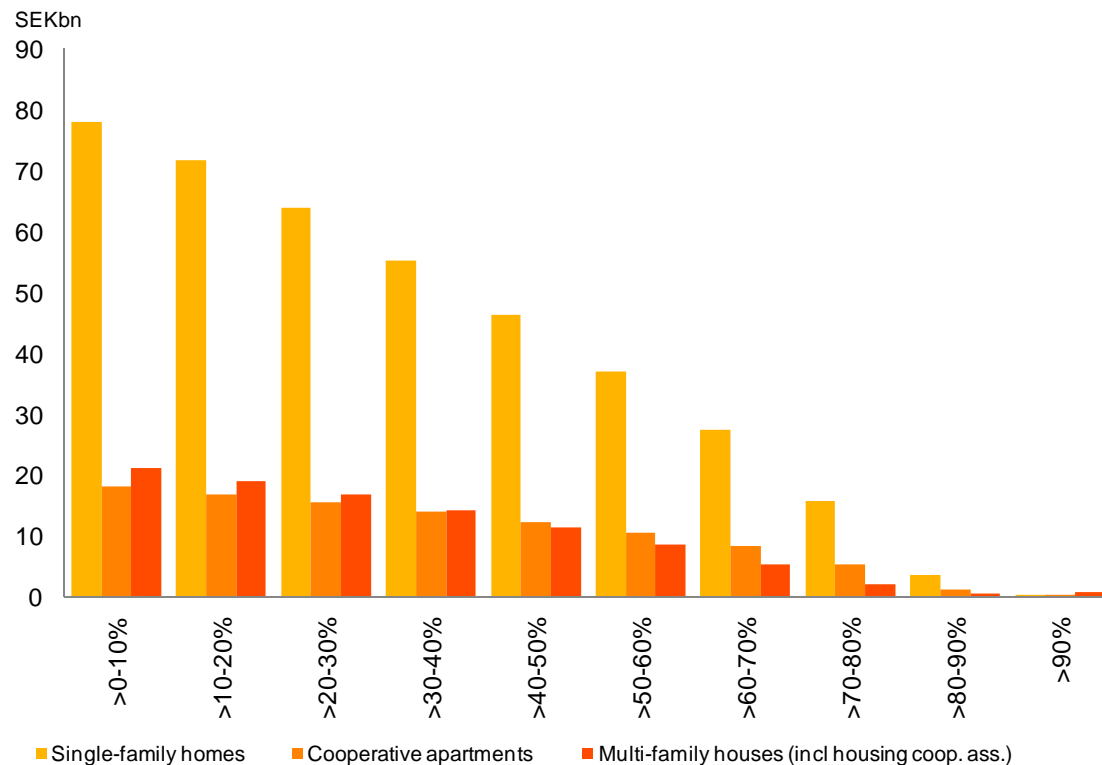
⁴ Index valuation as of 31 Dec 2008

⁵ Maximum LTV: Residential 75%, Commercial 60%, Forest and Agriculture 70%

⁶ Past due loans > 60 days are not eligible for the cover pool

Swedbank Mortgage, 30 Jun 2010, total loan portfolio SEK 681bn

- 100% lending – Swedish properties
- 90% residential lending
- Average LTV of 45% (loan level) 61% (property level). Cover pool 43% / 57%
- 79% of the total lending book within a loan-to-value ratio below 50%



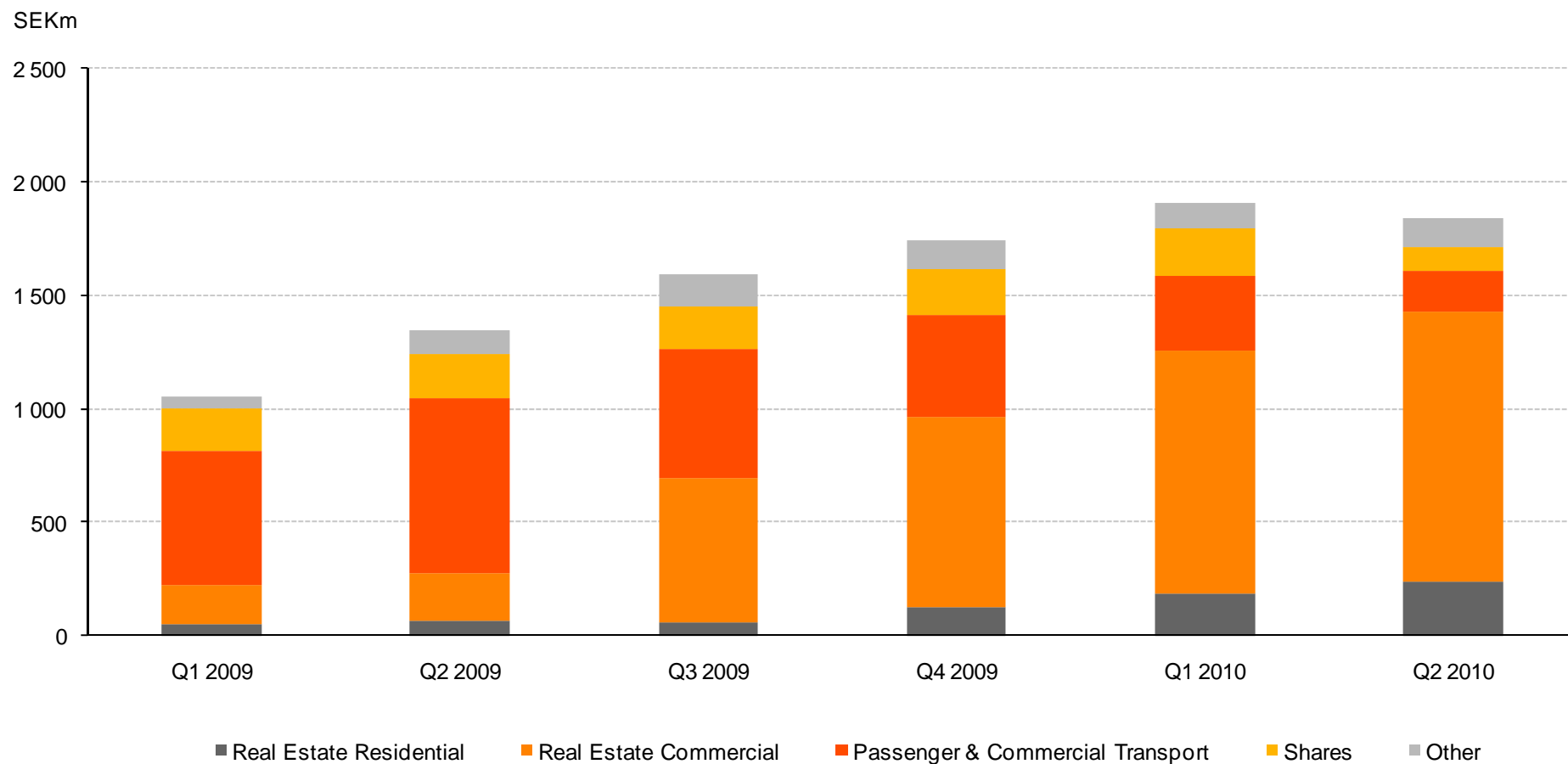
Earnings capacity

Foreign exchange positions as of 30 June 2010

SEKm	EEK	LVL	LTL	UAH	RUB
Structural position	-34 331	-293	-15 935	68	58
Net assets	17 493	6 315	4 572	1 018	1 184
Equity hedge	0	- 6 315	-4 574	0	0
Goodwill	10 581	0	0	0	0
Total position	- 6 257	-293	-15 937	1 086	1 242

Asset quality

Repossessed assets

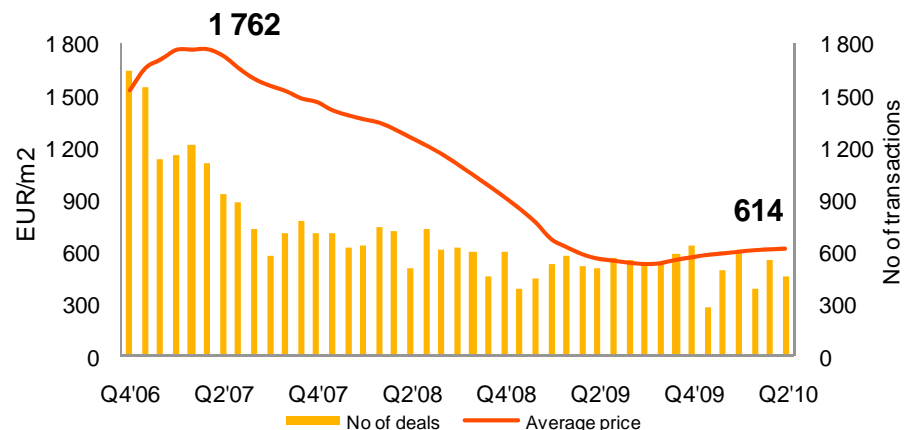


Real estate prices stabilised

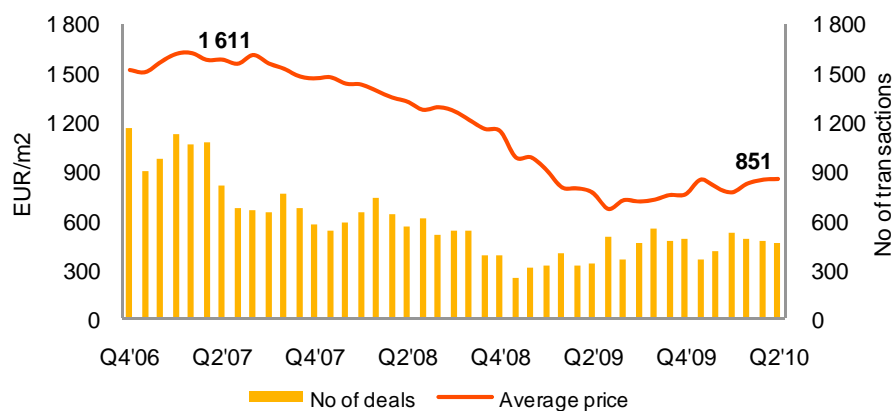
Market situation

- Slight fluctuations in average price influenced by the small transaction volumes

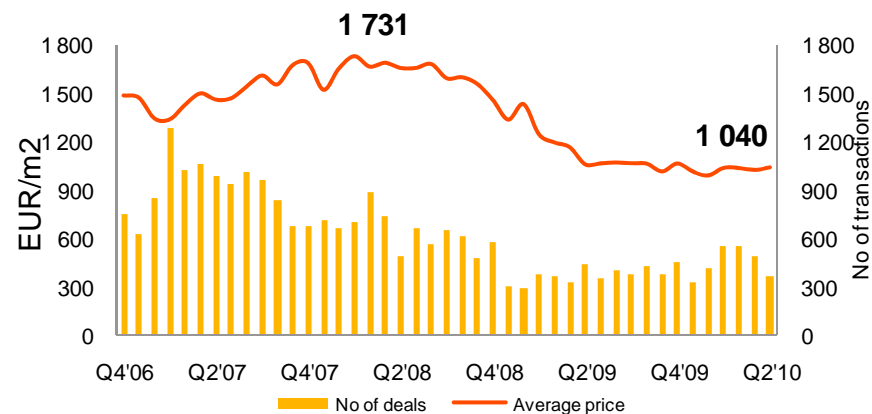
Riga



Tallinn



Vilnius*



* Based on preliminary data for Q2 2010