



Interim report Q3, 2006

CEO/CFO presentation

26 October

Jan Lidén,
President and CEO

A strong quarter

- **Swedish Banking, stable and profitable development**
 - high level of activity and increased business volumes
 - increased market shares in several segments
 - net interest income rose
 - deposit margins improved
- **Baltic Banking reported record quarter**
 - impressive volume growth
 - increased market shares in Estonia and Latvia
 - net interest income increased
 - deposit margins improved, lending margins were stable
- **Swedbank Markets**
 - net profit improved compared with Q3-05, but was lower than previous quarter due to seasonality

Lending and savings, Group

| SEK bn Lending | Sep 30 2006 | Dec 31 2005 | Sep 30 2005 | Change, YTD, % | Change, Y/Y, % |
|-------------------------------|----------------|----------------|----------------|-------------------|-------------------|
| Total | 891 | 796 | 766 | 12 | 16 |
| <i>Of which</i> | | | | | |
| Swedbank excl. Baltic Banking | 768 | 707 | 689 | 9 | 11 |
| <i>Of which</i> | | | | | |
| Private mortgages, Sweden | 368 | 340 | 330 | 8 | 12 |
| Baltic Banking | 123 | 89 | 77 | 38 | 60 |
| Savings | | | | | |
| Total | 803 | 729 | 705 | 10 | 14 |
| <i>Of which</i> | | | | | |
| Household deposits | 215 | 182 | 179 | 18 | 20 |
| Funds under management | 390 | 365 | 350 | 7 | 11 |
| Equity linked retail bonds | 21 | 13 | 11 | 61 | 91 |

Market shares, Sweden

New sales

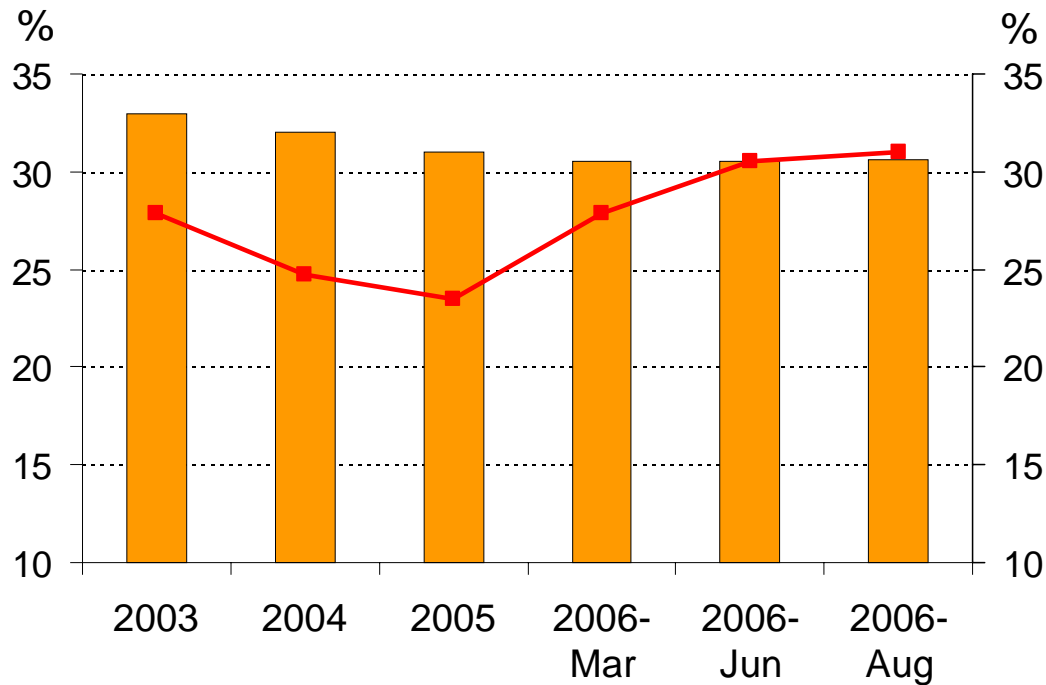
| Shares of new sales | Aug 31, 2006 | Sep 30, 2005 |
|------------------------------|--------------|--------------|
| Household deposits | 27.0 | 25.2 |
| Fund Management* | - 0.5 | 15.6 |
| Individual Pensions Saving** | 59.5 | 55.7 |
| Equity Linked Bonds | 27.8 | 22.6 |
| Corporate loans | 29.1 | 10.2 |
| Private mortgages | 31.0 | 24.0 |

* Refers to September 2006.

** Refers to June 2006 and June 2005.

Household mortgages, Sweden

Market shares restored

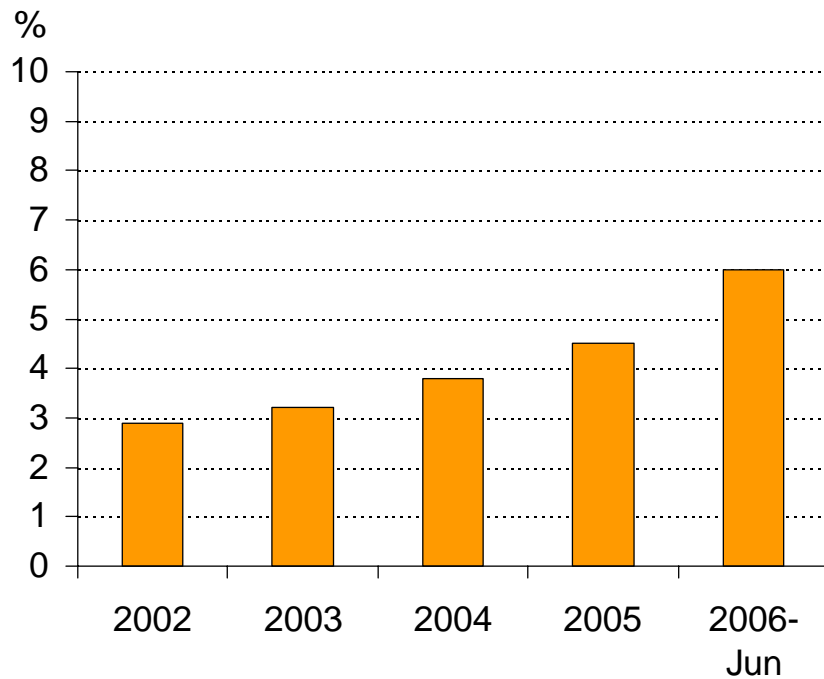


 Balance, market share  New sales, market share

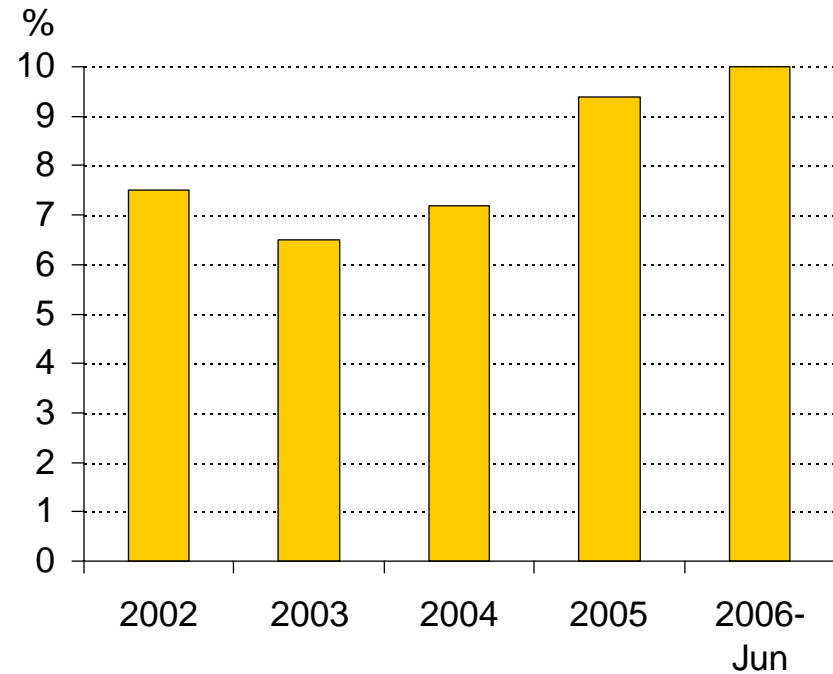
- Increased sales:
 - metropolitan and other growth areas
 - internet
 - distributors
- Tighter cooperation with Group real estate broker
- Improved efficiency:
 - faster handling of loan applications
 - decreased costs

Pension insurance, Robur Insurance, market shares Sweden

Occupational pensions, premiums paid



Total premiums paid



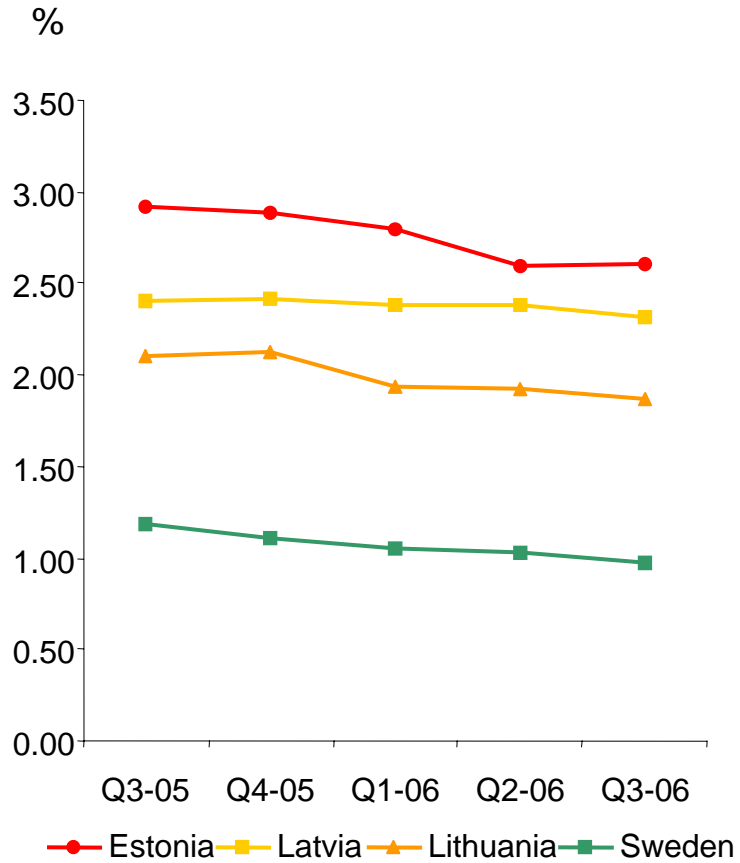
Source: The Swedish Insurance Federation

Baltic Banking Market Shares, %

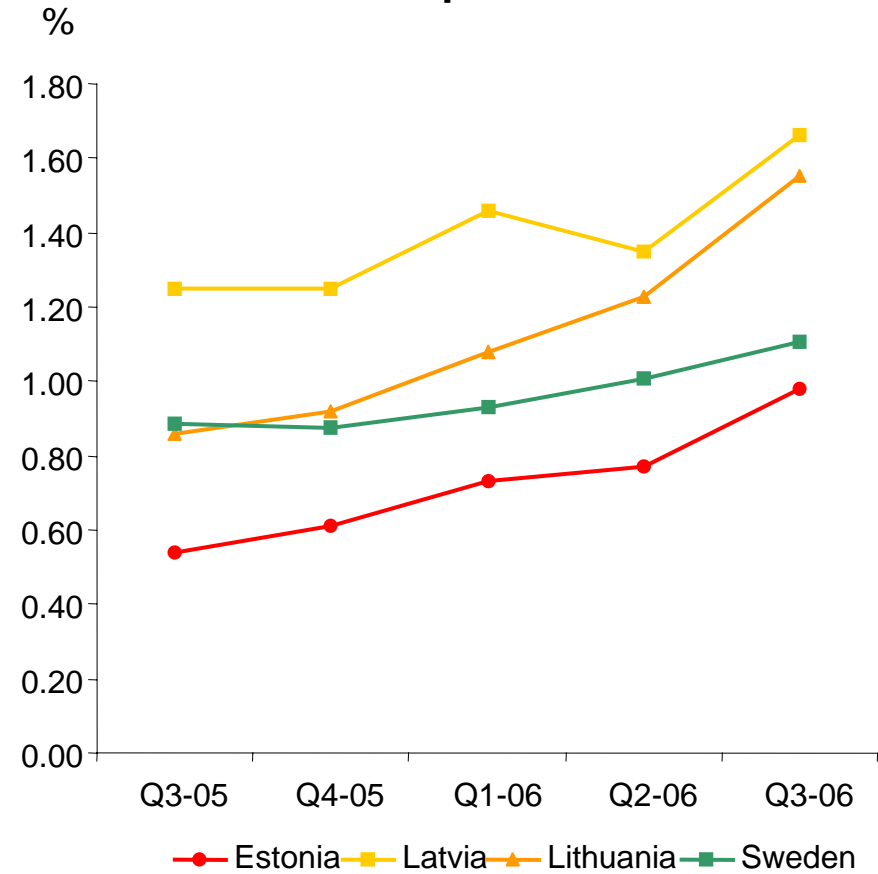
| Balance Aug, 2006 | Estonia | | Latvia | | Lithuania | |
|----------------------|--------------|------------|--------------|------------|--------------|------------|
| | Market Share | Change yoy | Market Share | Change yoy | Market Share | Change yoy |
| Household deposits | 63.1 | 0.0 | 29.8 | 1.3 | 38.2 | - 0.6 |
| Corporate deposits | 48.9 | 1.6 | 13.6 | 0.3 | 19.7 | - 2.2 |
| Lending | 46.4 | 0.9 | 25.6 | 3.8 | 23.8 | 0.4 |
| Pension II | 52.6 | 0.7 | 43.3 | 5.3 | 43.3 | - 0.5 |

Margins

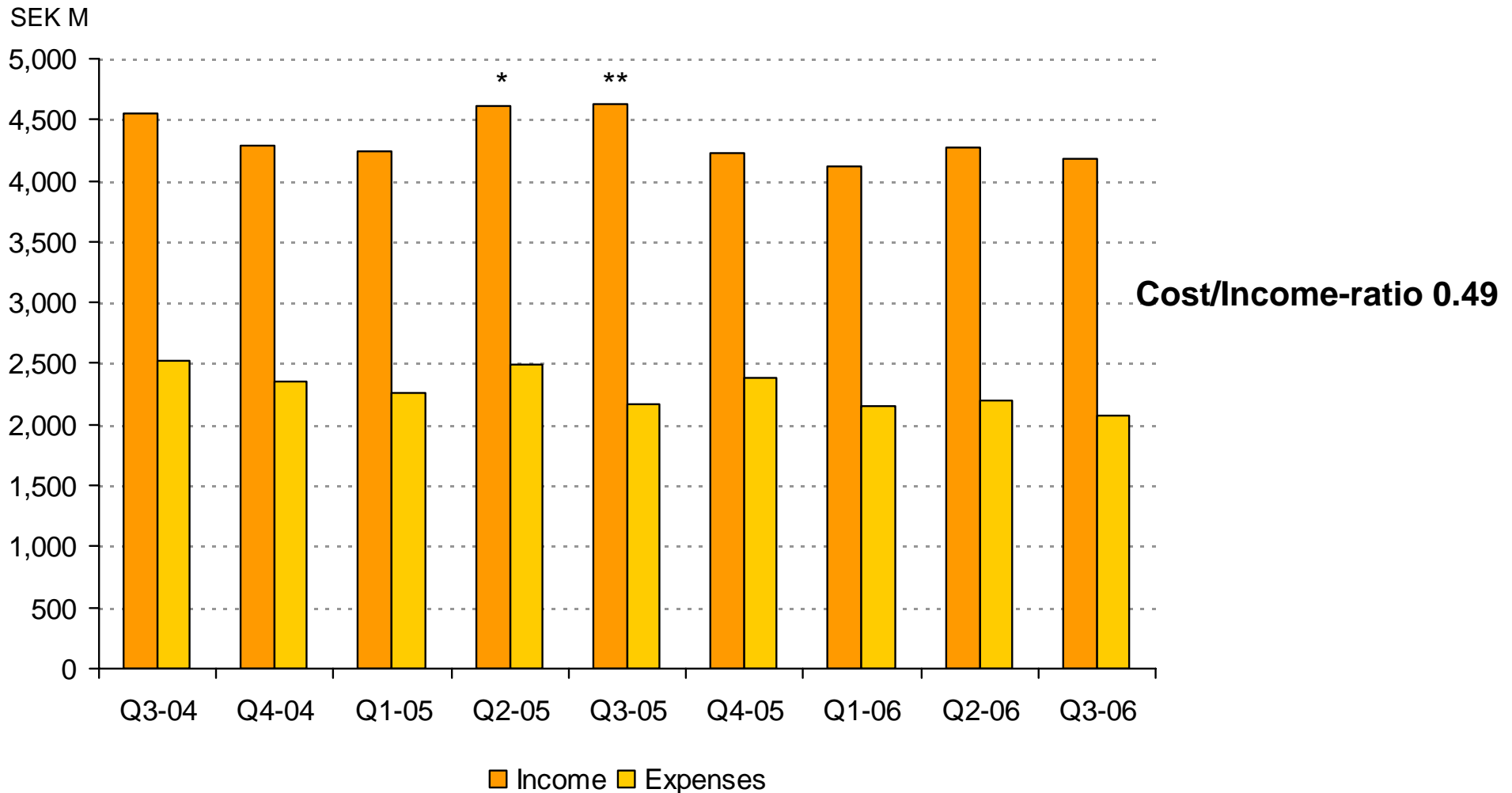
Lending



Deposits



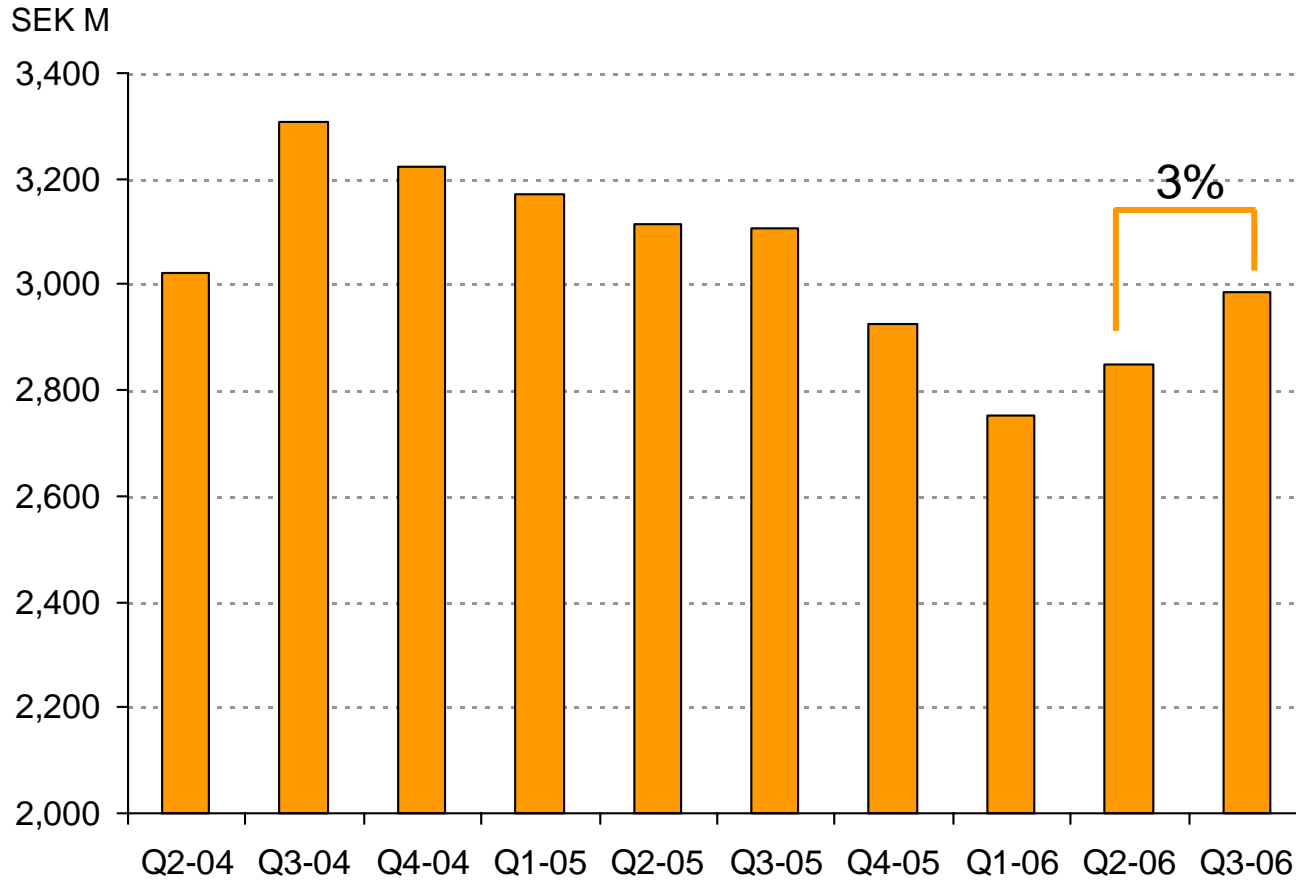
Swedish Banking, Cost/Income-ratio



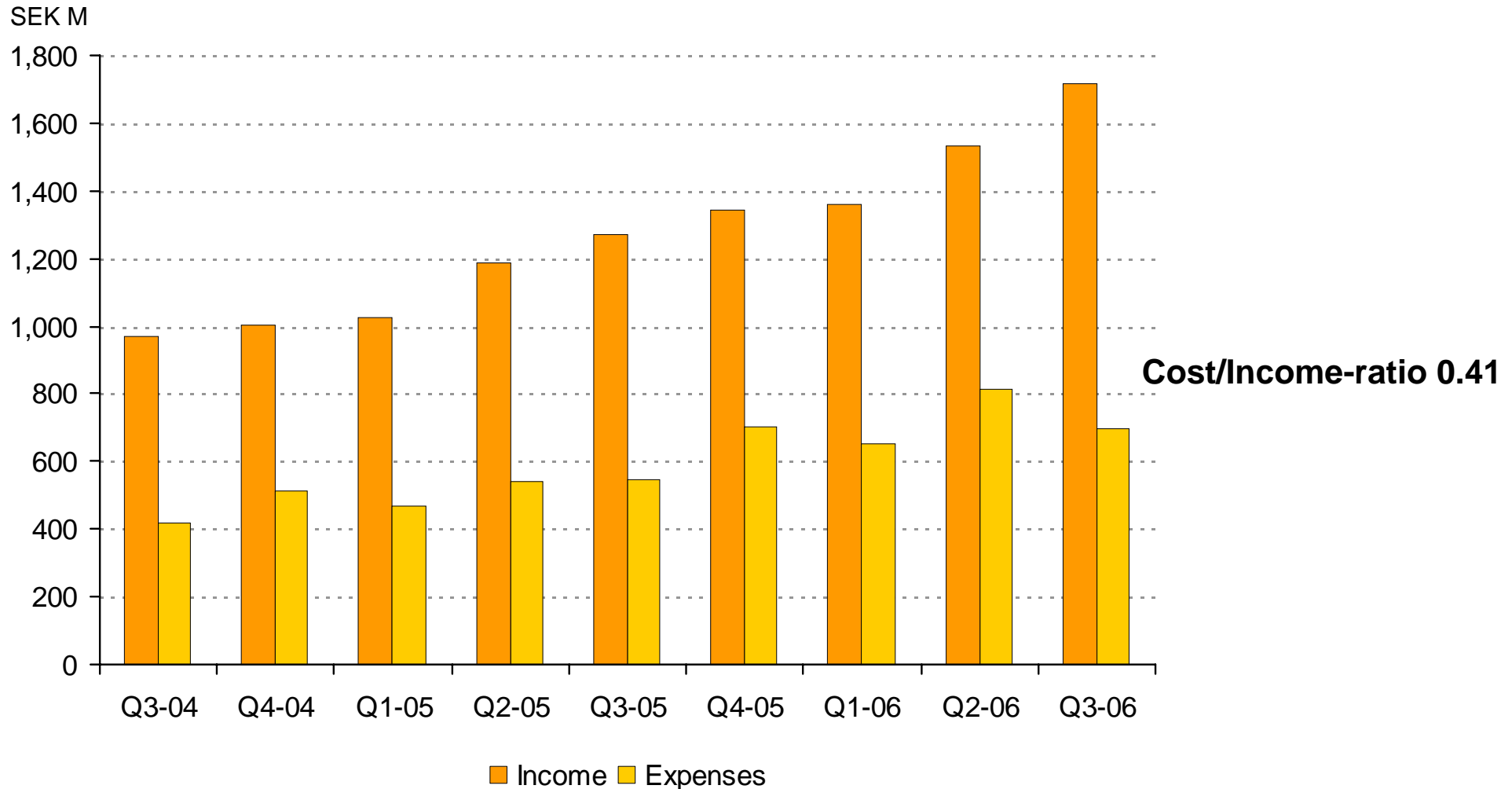
*Excluding EnterCard SEK 810 M

**Excluding Kundinkasso KIAB AB SEK 1,421 M

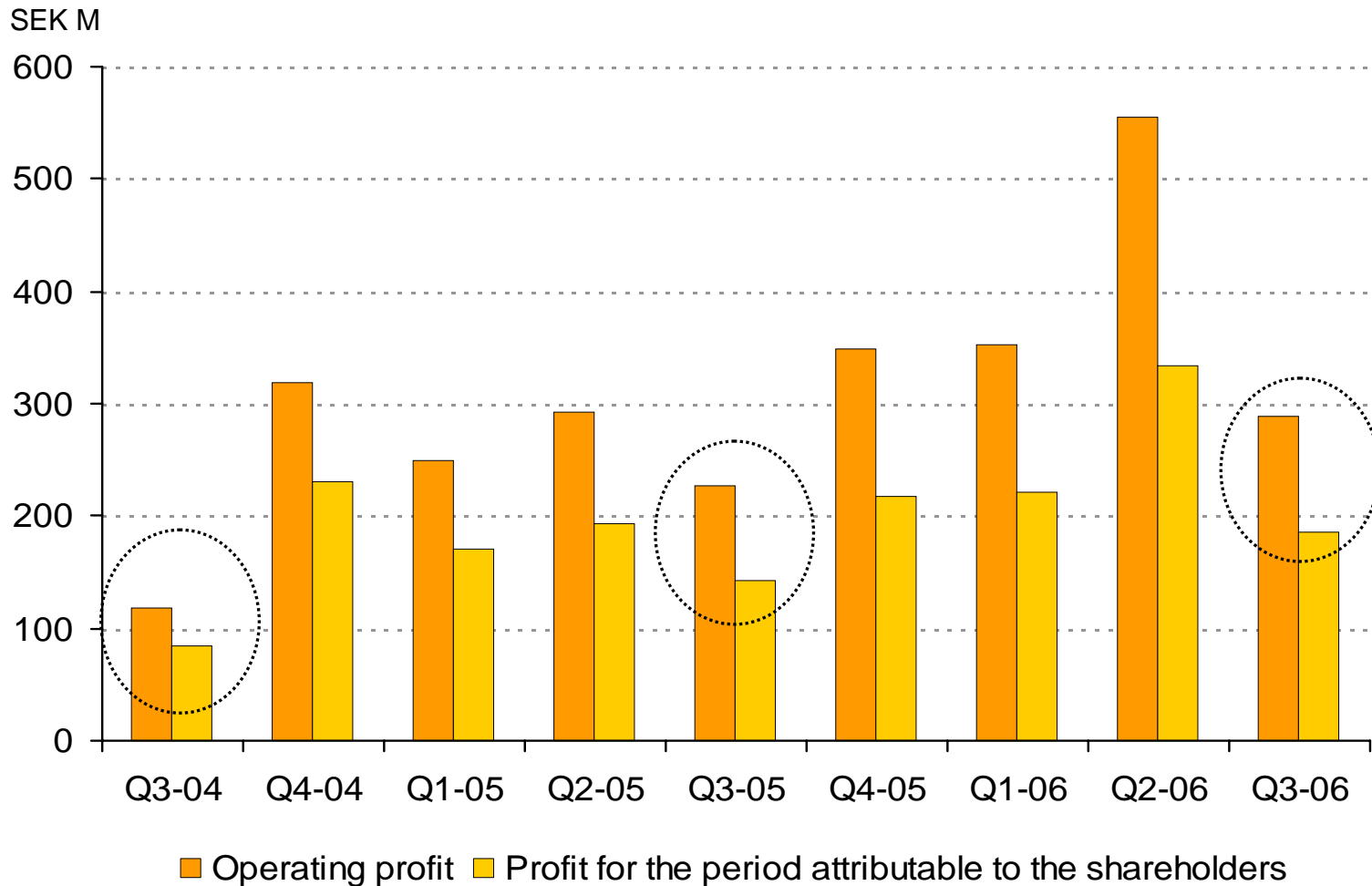
Swedish Banking, net interest income



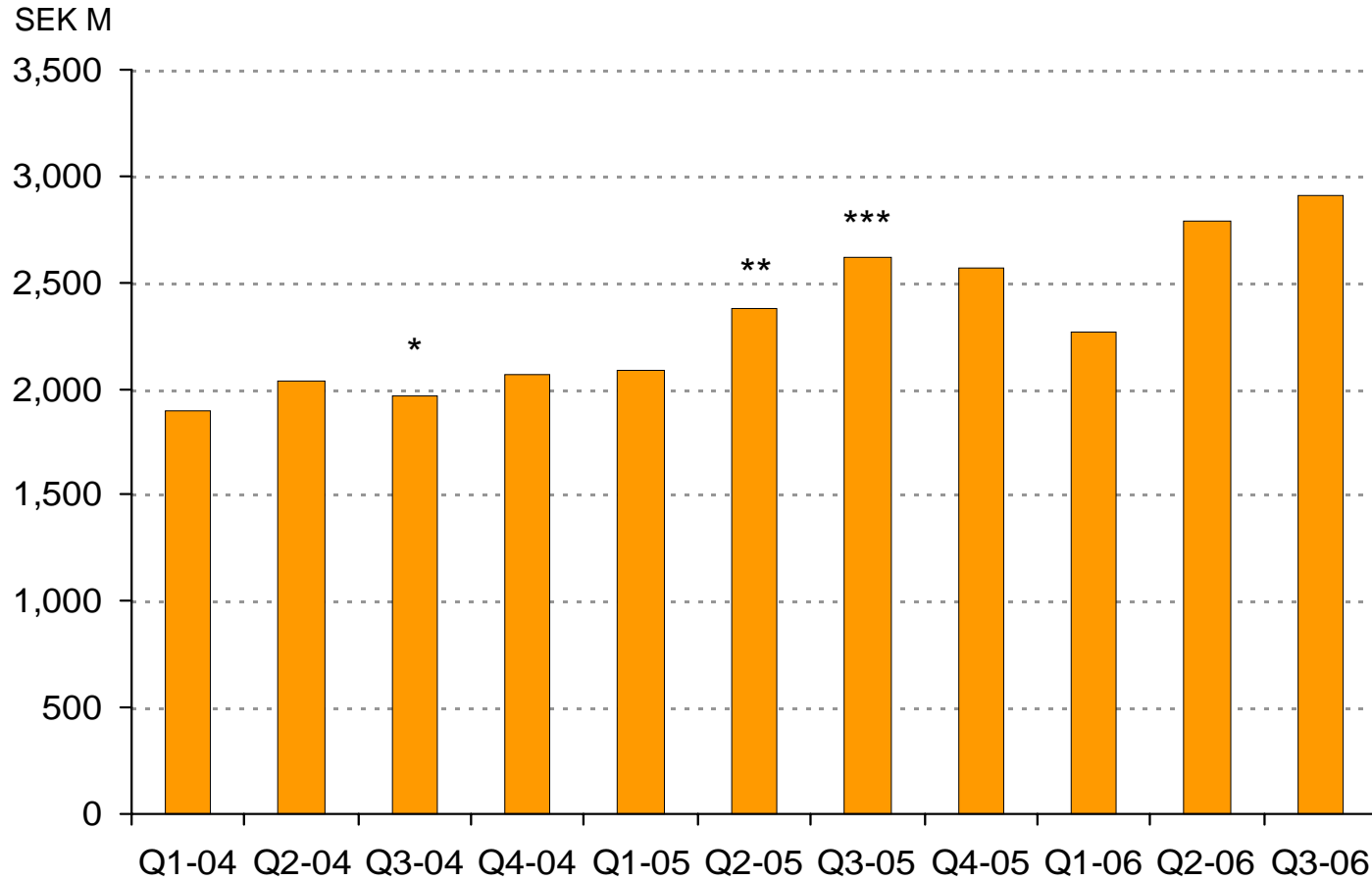
Baltic Banking, Cost/Income-ratio



Swedbank Markets, profit trend



Profit trend, Group



Profit for the period attributable to shareholders, excluding larger capital gains:

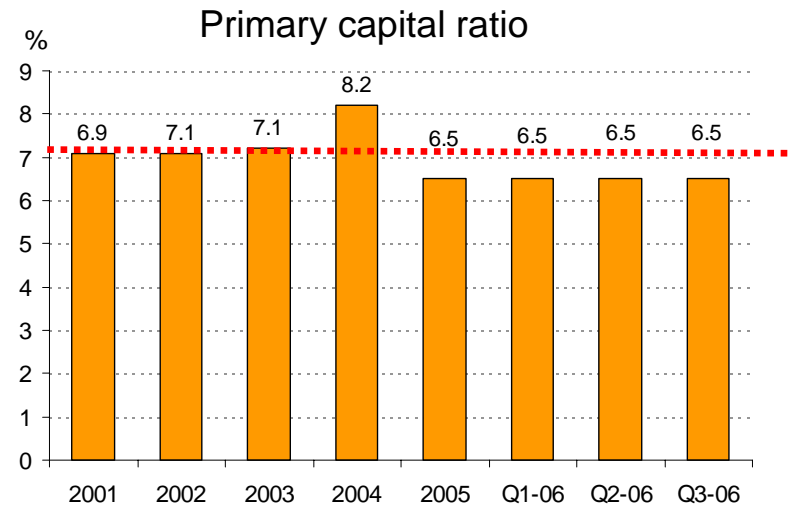
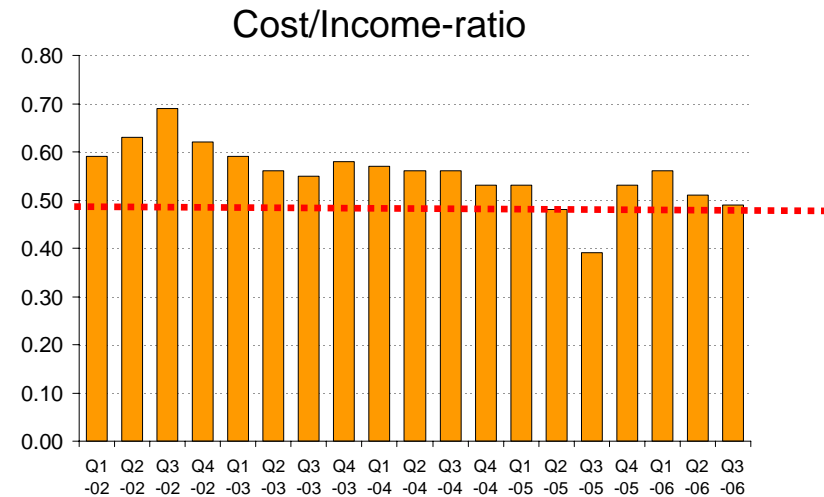
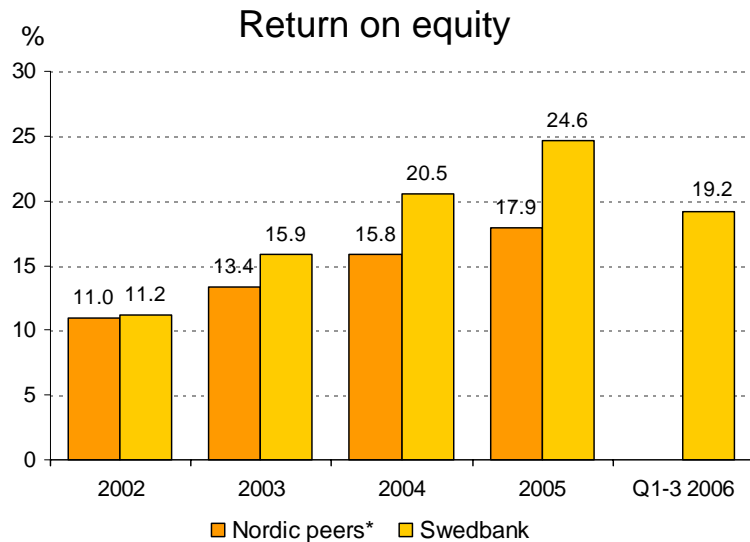
* FIH SEK 1,200 M

** EnterCard SEK 810 M

*** Kundinkasso KIAB AB SEK 1,421 M

Financial objectives, Group

- Return on equity (higher than average of Nordic peers*)
- Cost/Income-ratio (below 0.50)
- Primary capital ratio (>7% long term)



* Nordic peers consists of SEB, Nordea, SHB, DnB NOR and Danske Bank

Group financial overview

Mikael Inglander,
CFO and Head of Group Staffs

Highlights, Q3-06 (Q2-06)

- Profit for the quarter increased by SEK 125 M or 4 percent to SEK 2,911 M (2,786)
- Earnings per share, increased by 4 percent to SEK 5.65 (5.40)
- Return on equity increased to 20.8 percent (20.2)
- Cost/Income-ratio improved to 0.49 (0.51)
- Primary capital ratio remained at 6.5
- Swedish and Baltic Banking net interest income increased
- Baltic Banking reported another record quarter. The quarter's profit increased by 53 percent to SEK 856 M.

Income statement, Group

| SEK M | Q3 2006 | Q2 2006 | Change, | | |
|---|----------------|----------------|-------------|----------------|-------------|
| | | | % | Q3 2005 | % |
| Net interest income | 3,895 | 3,783 | 3 | 3,860 | 1 |
| Net commission income | 2,109 | 2,353 | - 10 | 1,910 | 10 |
| Net gains and losses on financial items at fair value | 757 | 1,032 | - 27 | 789 | - 4 |
| Other income | 403 | 410 | - 2 | 1,839 | - 78 |
| Total income | 7,164 | 7,578 | - 5 | 8,398 | - 15 |
| Staff costs | - 1,772 | - 1,791 | - 1 | - 1,700 | 4 |
| Profit-based staff costs | - 301 | - 412 | - 27 | - 349 | - 14 |
| Other expenses | - 1,417 | - 1,699 | - 17 | - 1,315 | 8 |
| Total expenses | - 3,490 | - 3,902 | - 11 | - 3,364 | 4 |
| Profit before loan losses | 3,674 | 3,676 | | 5,034 | - 27 |
| Loan losses | 67 | 116 | - 42 | - 97 | |
| Operating profit | 3,741 | 3,792 | - 1 | 4,937 | - 24 |
| Tax | - 806 | - 938 | - 14 | - 817 | - 1 |
| Profit for the period | 2,935 | 2,854 | 3 | 4,120 | - 29 |
| Attributable to shareholders of Swedbank | 2,911 | 2,786 | 4 | 4,037 | - 28 |

Net interest income, Group

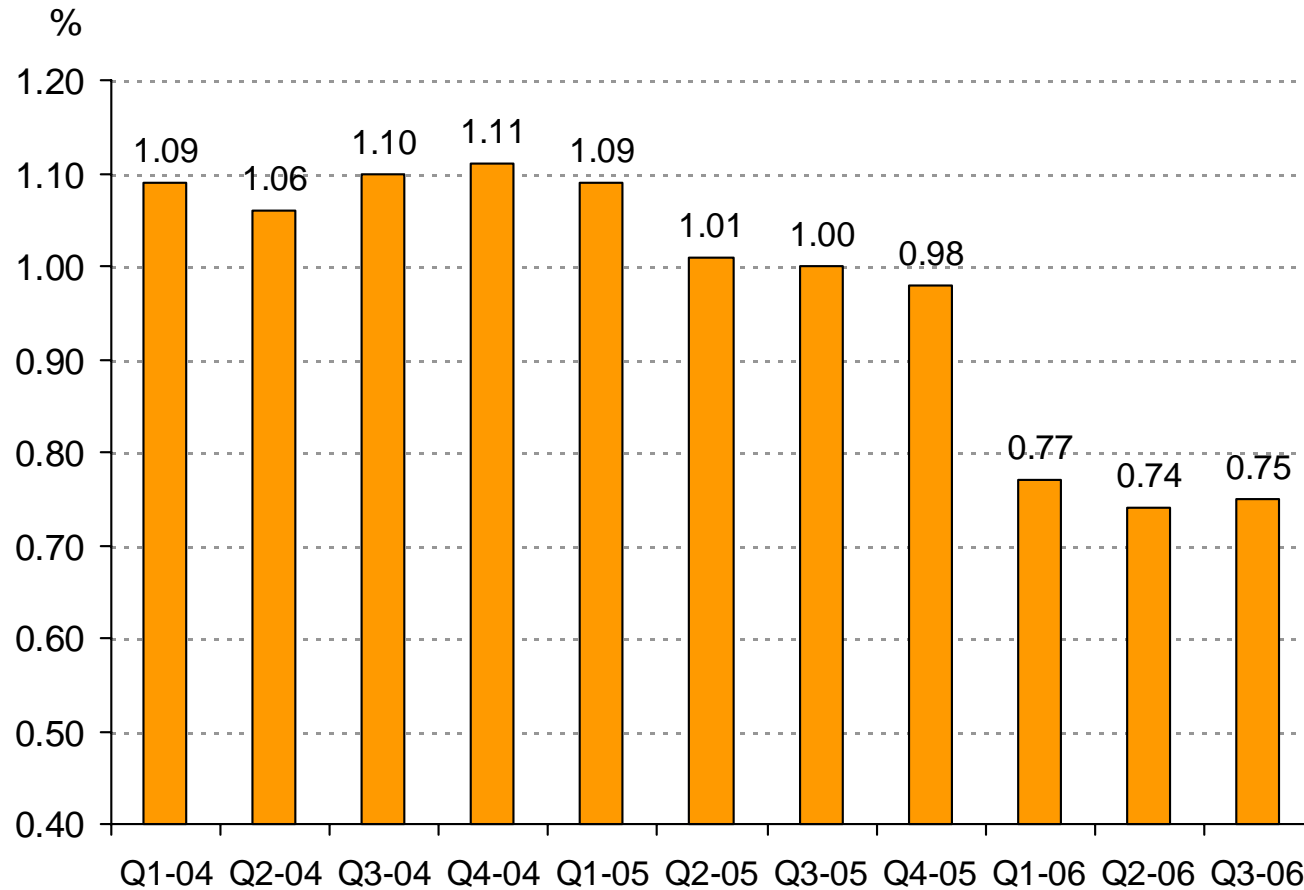
| SEK M | Change, | | | Change, | |
|------------------------------------|--------------|--------------|----------|--------------|----------|
| | Q3 2006 | Q2 2006 | % | Q3 2005 | % |
| Swedish Banking | 2,948 | 2,850 | 3 | 3,107 | - 5 |
| Baltic Banking Operations | 1,032 | 920 | 12 | 785 | 31 |
| Baltic Banking Investments | - 104 | - 113 | 8 | - 74 | - 41 |
| Swedbank Markets | 197 | 183 | 8 | 198 | - 1 |
| Asset Management and Insurance | 9 | 3 | | 5 | 80 |
| Shared Services and new operations | 60 | 5 | | - 84 | |
| Eliminations | - 247 | - 65 | | - 77 | |
| Total | 3,895 | 3,783 | 3 | 3,860 | 1 |

Swedish Banking

Change in net interest income

| SEK M | Q3-06 vs Q2-06 | Q3-06 vs Q3-05 |
|---------------------------|-----------------------|-----------------------|
| Increased lending volumes | 64 | 224 |
| Increased deposit volumes | 24 | 61 |
| Increased deposit margins | 62 | 141 |
| Decreased lending margins | – 95 | – 380 |
| Sold operation (KIAB) | | – 44 |
| Other | 43 | – 161 |
| Total | 98 | – 159 |

Swedbank Mortgage, Investment margin



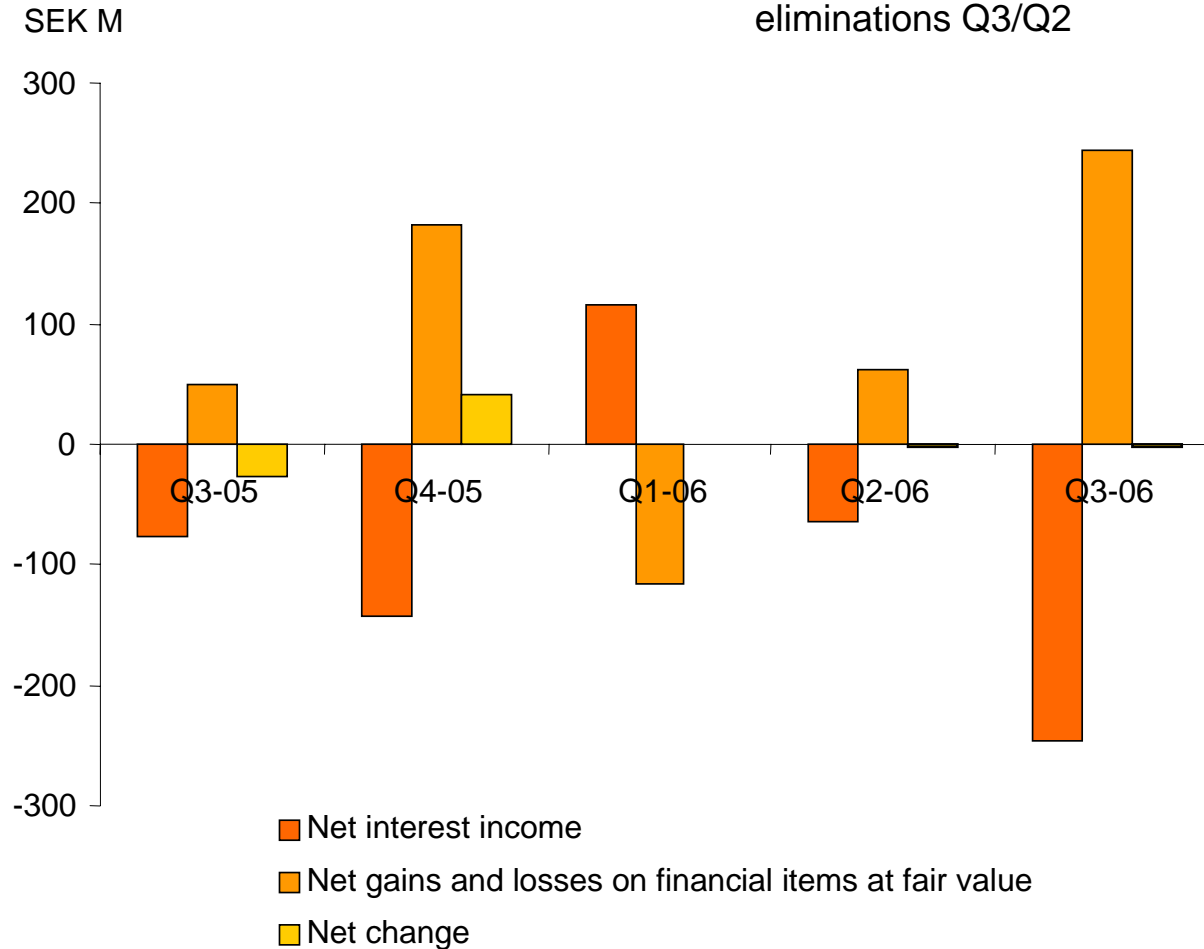
Baltic Banking

Change in net interest income

| SEK M | Q3-06 vs Q2-06 | Q3-06 vs Q2-05 |
|---------------------------|-----------------------|-----------------------|
| Increased lending volumes | 79 | 368 |
| Increased deposit volumes | 8 | 39 |
| Increased deposit margins | 62 | 101 |
| Increased lending margins | 11 | |
| Decreased lending margins | | – 156 |
| Accrued loan fees IFRS | | – 88 |
| Other | – 48 | – 17 |
| Total | 112 | 247 |

Eliminations

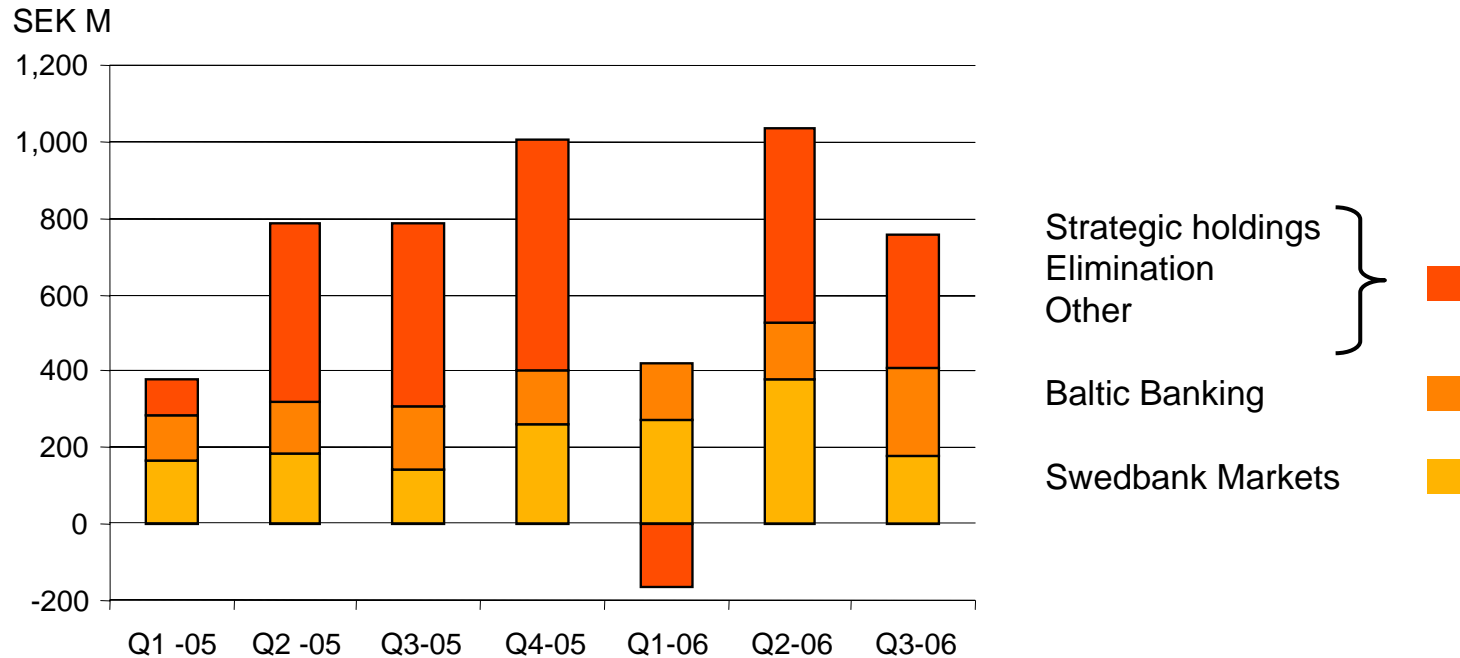
SEK – 182 M change in
eliminations Q3/Q2



Net commission income, Group

| SEK M | Q3 2006 | Q2 2006 | Change, | | |
|------------------------------|--------------|--------------|-------------|--------------|-----------|
| | | | % | Q3 2005 | % |
| Payment processing | 687 | 639 | 8 | 643 | 7 |
| Lending | 149 | 189 | - 21 | 154 | - 3 |
| Brokerage | 168 | 294 | - 43 | 190 | - 12 |
| Asset management | 915 | 937 | - 2 | 820 | 12 |
| Insurance | 115 | 122 | - 6 | 108 | 6 |
| Other | 75 | 172 | - 56 | -5 | |
| Net commission income | 2,109 | 2,353 | - 10 | 1,910 | 10 |

Net gains and losses on items at fair value



Strategic holding sold during Q3:

Primary Capital Certificates (Grunnfondbevis)

- SpareBank1 Midt-Norge
- SpareBank 1 SR-bank

Shares

- SpareBank 1 Gruppen

Strategic holding still on board:

Primary Capital Certificates (Grunnfondbevis)

- SpareBank 1 Nord-Norge

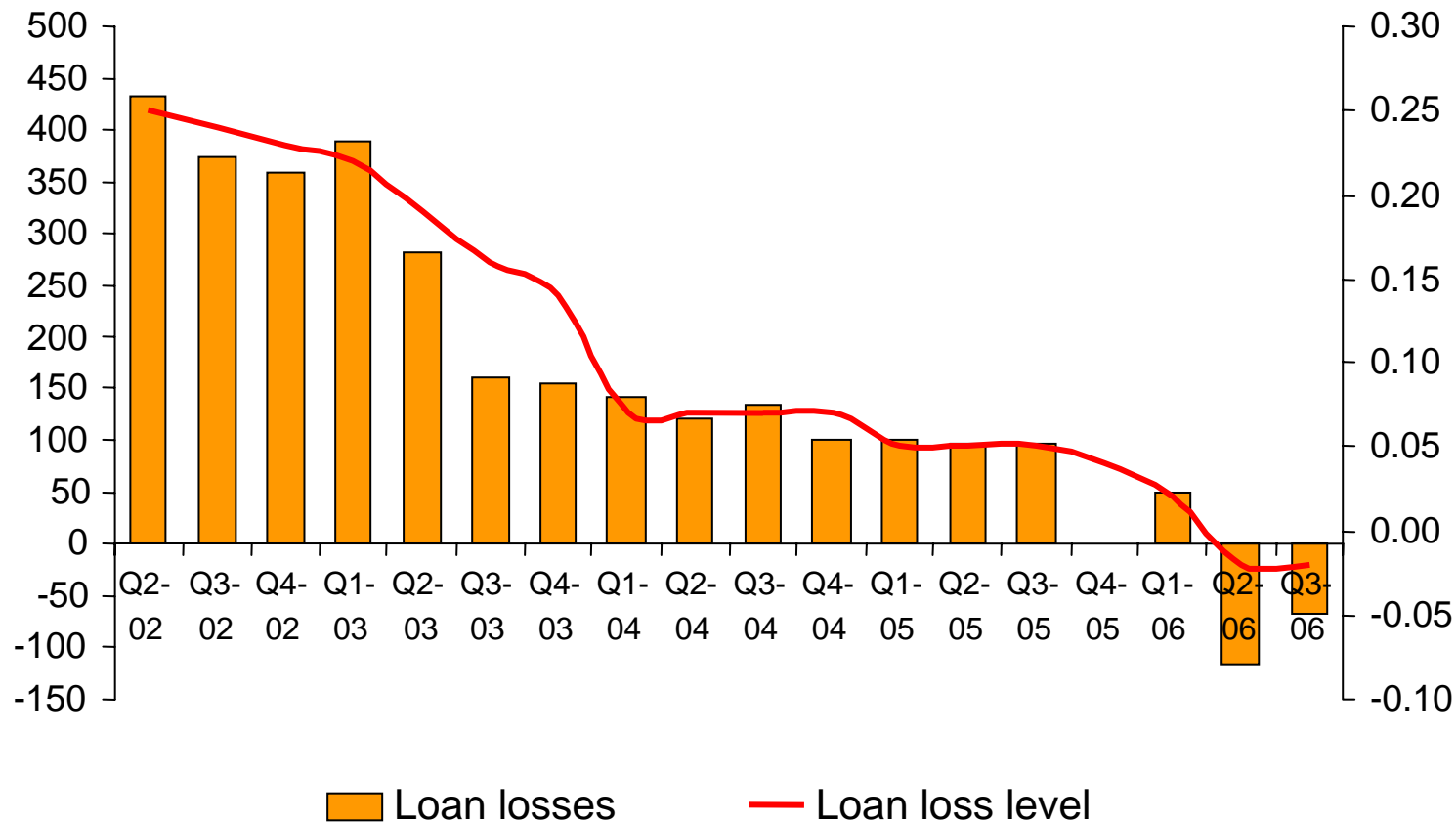
Expenses, Group

| SEK M | Q3 2006 | Q2 2006 | Change, % | Q3 2005 | Change, % |
|---------------------------|----------------|----------------|----------------------|----------------|----------------------|
| Swedish Banking | - 2,068 | - 2,195 | - 6 | - 2,167 | - 5 |
| Baltic Banking Operations | - 698 | - 816 | - 14 | - 545 | 28 |
| Swedbank Markets | - 436 | - 558 | - 22 | - 389 | 12 |
| Other | - 288 | - 333 | - 14 | - 263 | 10 |
| Total | - 3,490 | - 3,902 | - 11 | - 3,364 | 4 |

Loan losses, Group

Loan losses
SEK M

Loan loss level,
%



Profit per business area

Q3, 2006

| SEK M | Swedish Banking | Baltic Banking | Swedbank Markets | Asset Mgmt. & Insurance |
|---|--------------------|-------------------|---------------------|----------------------------|
| Net interest income | 2,948 | 1,032 | 197 | 9 |
| Net commission income | 991 | 380 | 338 | 416 |
| Other income | 248 | 302 | 185 | 51 |
| Total income | 4,187 | 1,714 | 720 | 476 |
| Staff costs | - 1,001 | - 385 | - 268 | - 76 |
| Other expenses | - 1,067 | - 313 | - 168 | - 89 |
| Total expenses | - 2,068 | - 698 | - 436 | - 165 |
| Profit before loan losses | 2,119 | 1,016 | 284 | 311 |
| Loan losses | 144 | - 81 | 4 | |
| Operating profit | 2,263 | 935 | 288 | 311 |
| Tax | - 634 | - 78 | - 81 | - 74 |
| Profit for the period | 1,629 | 857 | 207 | 237 |
| Attributable to shareholders of Swedbank | 1,628 | 856 | 185 | 237 |
| Allocated equity | 29,428 | 10,355 | 3,507 | 1,671 |
| Return on equity, % | 22.1 | 33.1 | 21.1 | 56.7 |

A strong quarter

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 - high level of activity and increased business volumes
 - increased market shares in several important segments
 - net interest income rose
 - deposit margins improved
- **Baltic Banking reported record quarter**
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Welcome to
Swedbank's Capital Markets Day
in Stockholm on 16 November

www.swedbank.se/cmd

