

Debt investor presentation January 2011

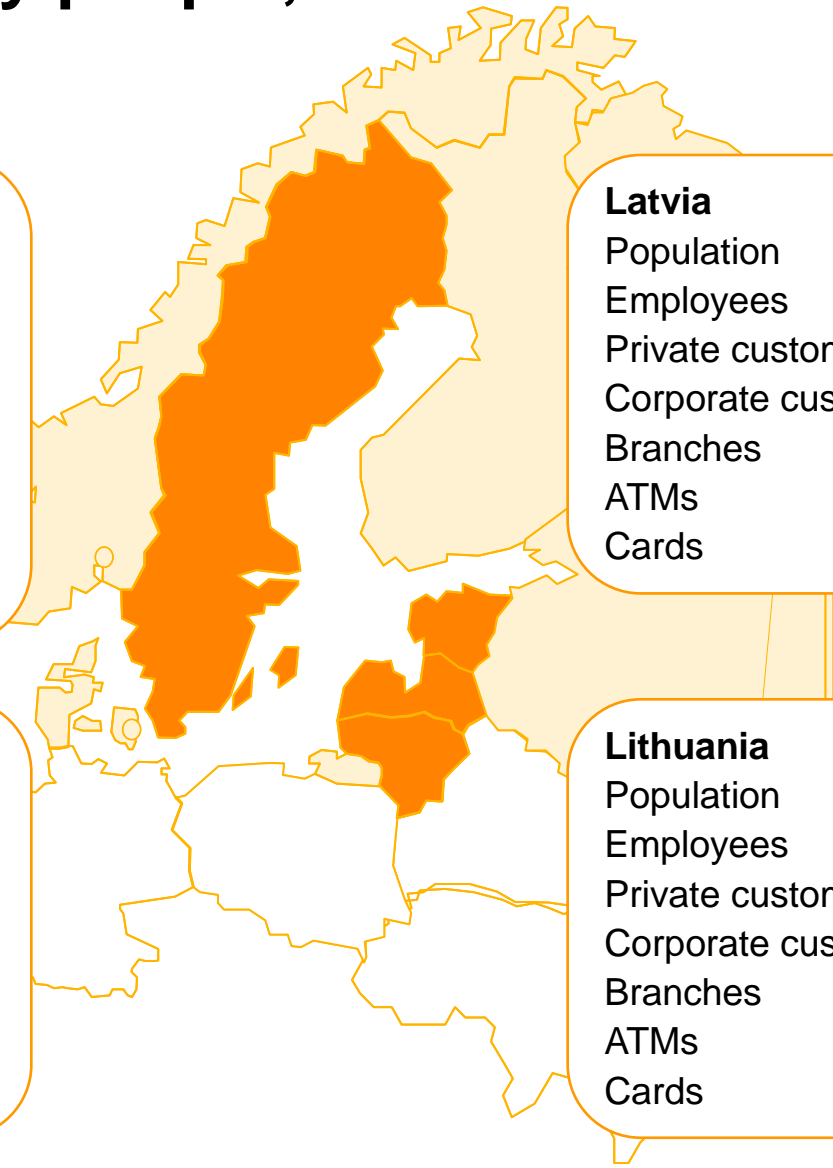


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1. This is Swedbank

The Bank for the many people, households and businesses



Sweden

Population	9.2m
Employees	8 318
Private customers	4.1m
Corporate customers	293 000
Organisations	112 000
Branches	356
ATMs	795
Cards	3.7m

Latvia

Population	2.3m
Employees	1 726
Private customers	1.0m
Corporate customers	64 000
Branches	59
ATMs	372
Cards	0.9m

Estonia

Population	1.3m
Employees	2 572
Private customers	1.2m
Corporate customers	104 000
Branches	65
ATMs	548
Cards	1.1m

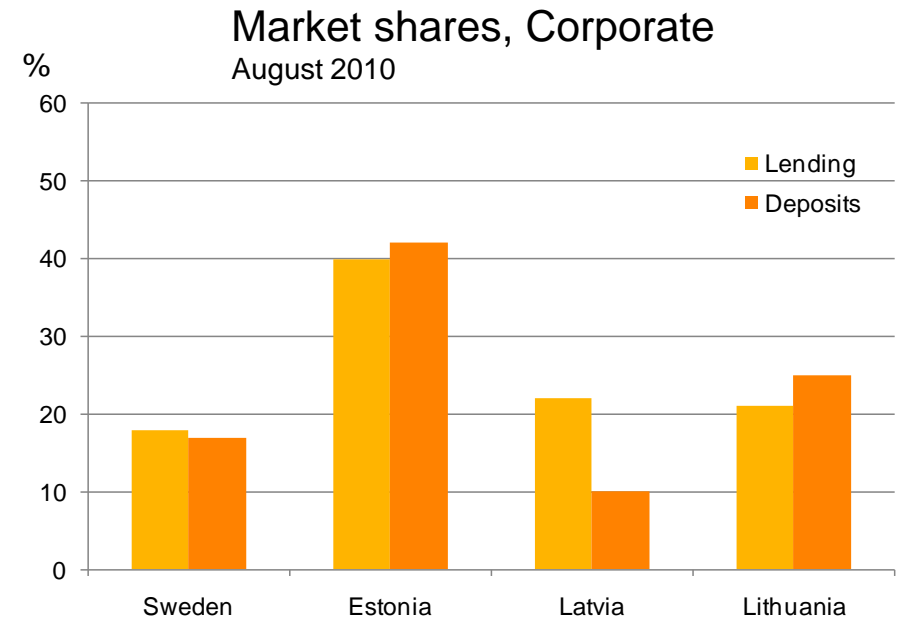
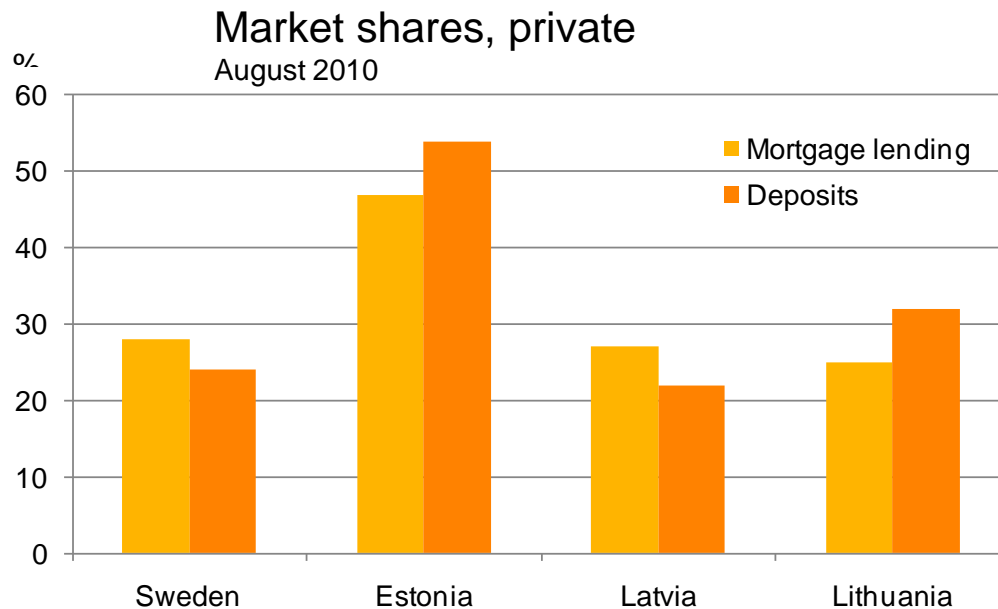
Lithuania

Population	3.4m
Employees	2 325
Private customers	3.2m
Corporate customers	96 000
Branches	98
ATMs	451
Cards	1.7m

Source: Swedbank Fact book Q3, 2010

Swedbank –well positioned in its four home markets

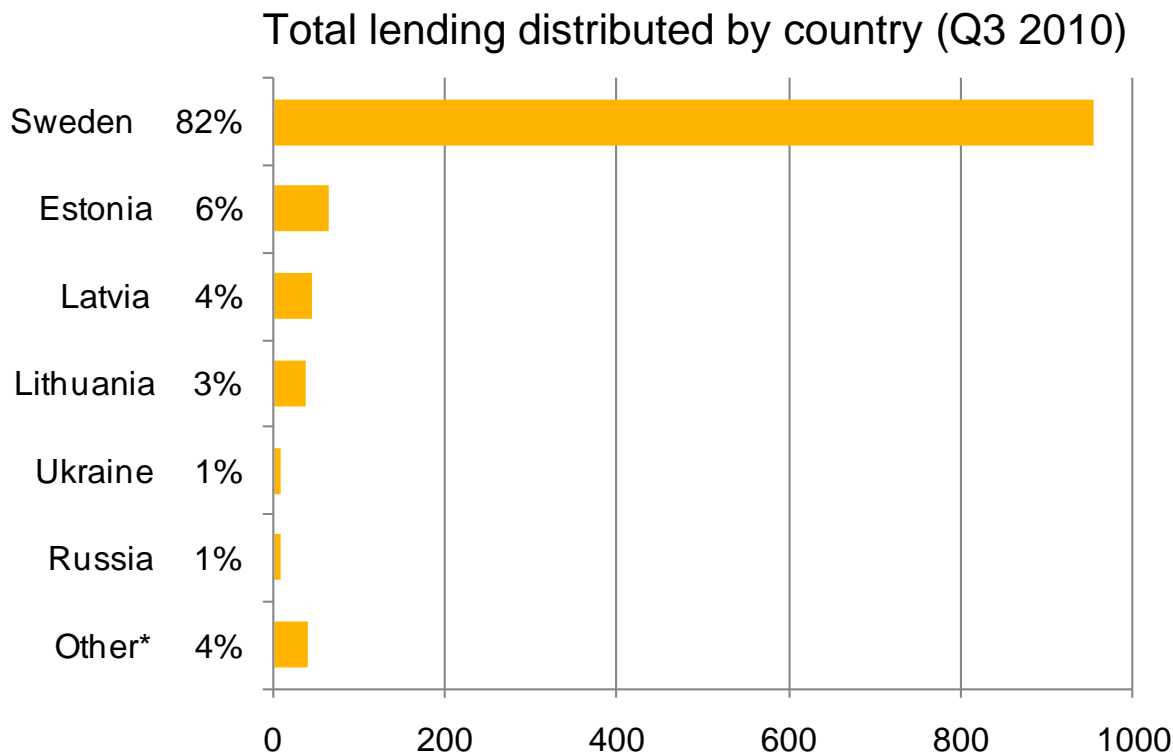
- Strong retail franchises in Sweden, Estonia, Latvia and Lithuania
 - Market leader in private mortgages and deposits in all home markets
- Largest retail bank and fund manager in Sweden



Source: Swedbank Fact book Q3 2010

Sweden – the dominating home market

- Total lending amounts to SEK 1,149bn (as per Q3 2010), out of which more than 80% is originated in Sweden
- Estonia makes up 40% of total lending in the Baltics



Credit ratings

7 December 2010	S&P		Moody's		Fitch	
	Short	Long	Short	Long	Short	Long
Swedbank	A-1	A	P-1	A2	F1	A
Swedbank Mortgage	A-1		P-1	A2		
Covered Bonds		AAA		Aaa		

STABLE outlook for all ratings

- On 16 Nov 2010 Moody's placed Swedbank AB's and Swedbank Mortgage AB's all ratings on review for possible upgrade
- On 6 Oct 2010 Fitch restored its monitoring of Swedbank AB at the bank's request
- On 16 Aug 2010 S&P affirmed the Covered Bond AAA-rating and changed outlook from negative to stable

Swedbank shareholders

Shareholders*, 30 September 2010

%

Folksam - KPA - Förenade Liv	9.3
Sparbanks-Gruppen Members	7.4
Swedbank Robur funds	4.5
AB SVENSK EXPORTKREDIT	3.3
ALECTA PENSIONS FÖRSÄKRING	3.0
CEVIAN CAPITAL II MASTER FUND L P	3.0
AMF Försäkring och Fonder	2.7
Sparbanks-Gruppen - Stiftelser - Non-members	2.3
CBLDN-LIVFÖRSÄKRINGS AB SKANDIA (PUBL)	2.0
FSPA Resultatandelsstiftelser	1.9
Foreign owners	30.3
Other Swedish institutions	20.1
Swedish Natural Persons	10.2

Total

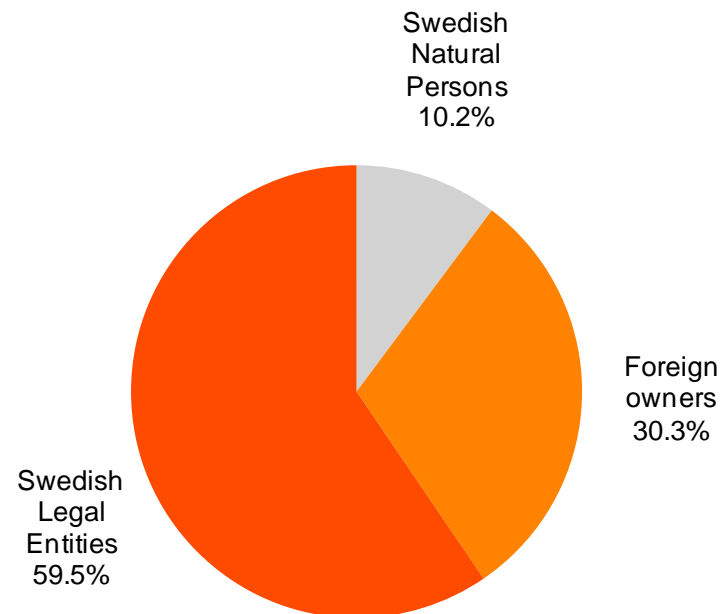
100.0

Number of shareholders: 335,532

*Owner name in lower case letters are grouped owners.
Owner name in upper case letters are non-grouped owners.

Source: Euroclear

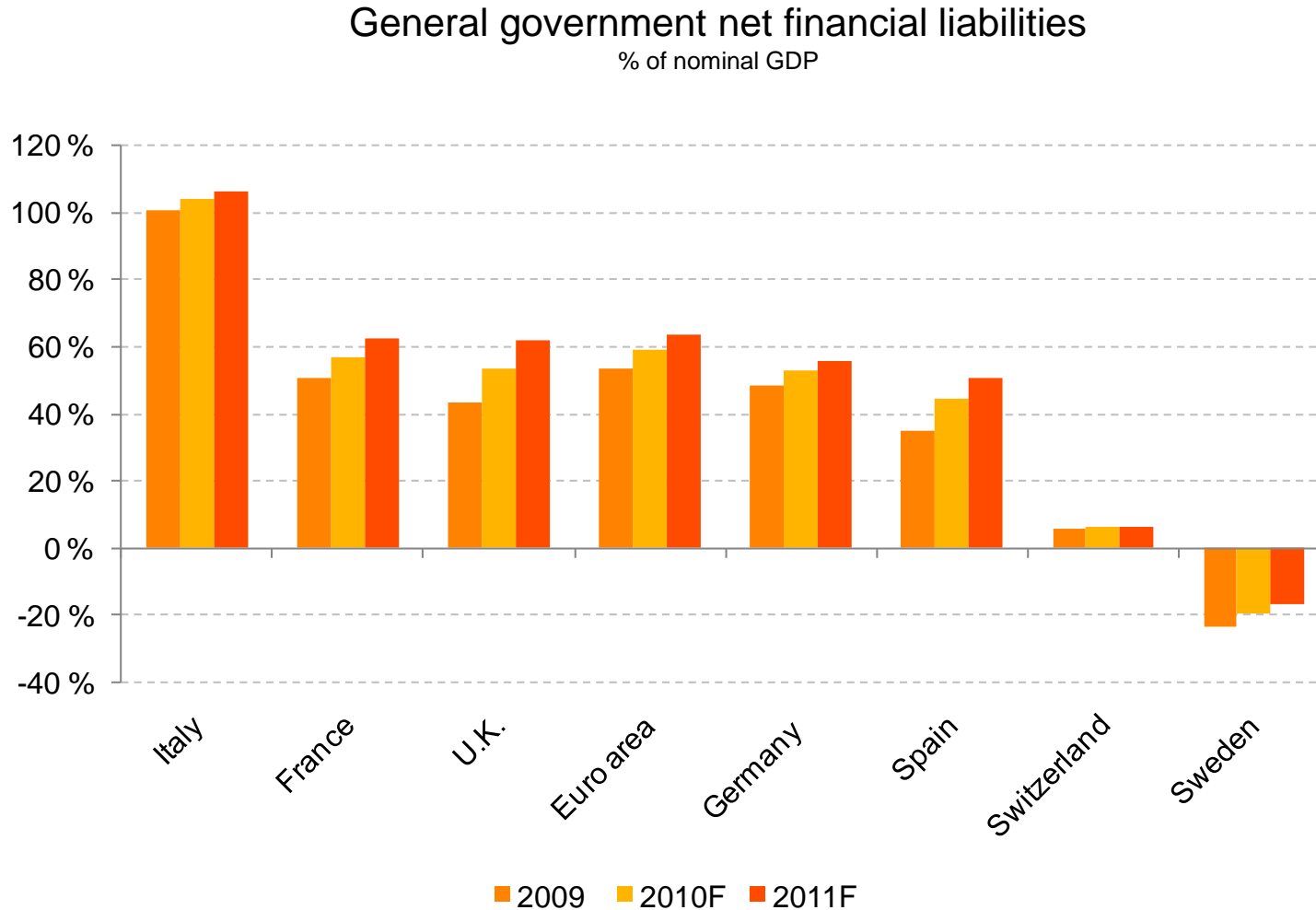
Shareholders*, 30 September 2010



2. The Swedish economy

A balance sheet in favourable condition

- Sweden's financial assets continue to exceed its liabilities

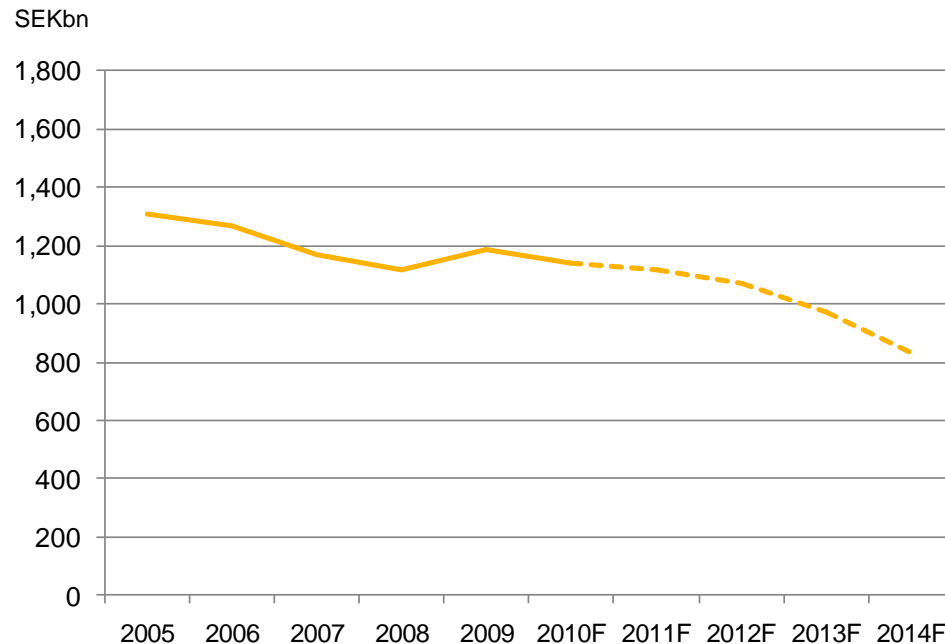


Source: OECD

Solid financial position

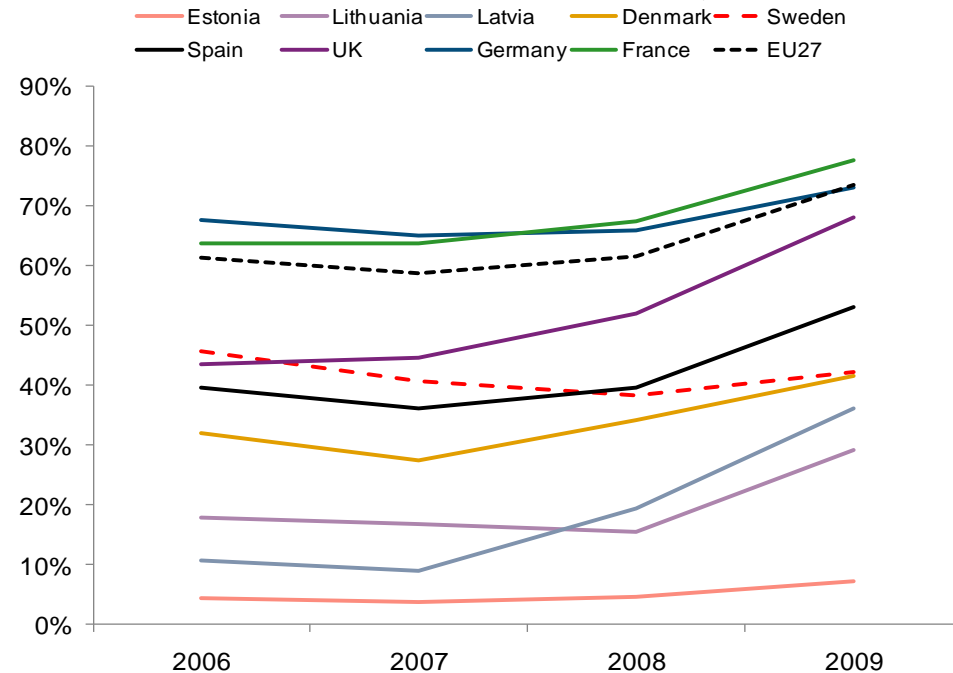
- Stable sovereign rating Aaa/AAA/AAA
- GDP growth of 6.9% Y/Y Q3 2010 (forecast FY 2010, 4,8%)
- Budget deficit of 2.6% in 2009 corresponding to SEK80bn (forecast FY 2010, 0.2%, SEK5bn)
- Unemployment of 7.5% as of October 2010
- Inflation (CPI) of +1.5% (Oct 2010, Y/Y)

Swedish central government debt



Source: Swedish National Debt Office

Government debt to GDP, %

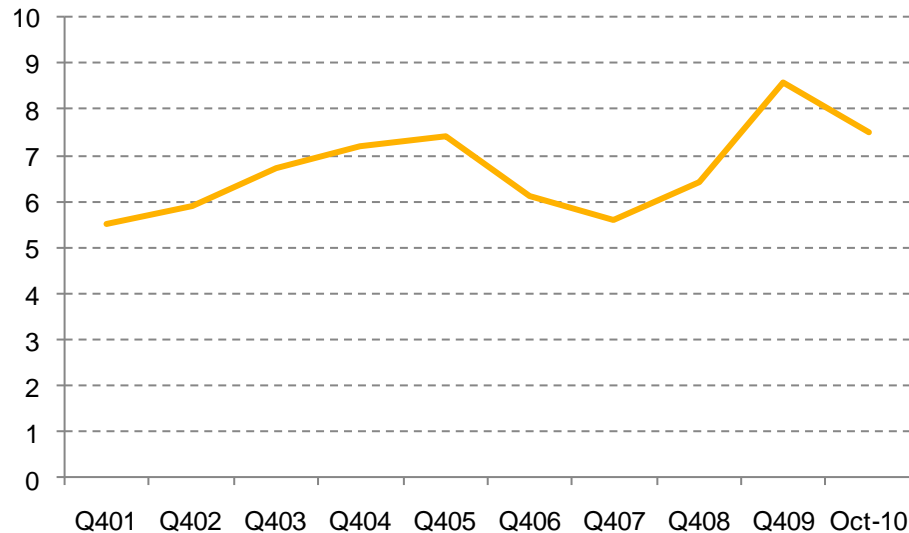


Source: Eurostat, Sweden statistics and Swedbank estimates

Solid financial position (cont.)

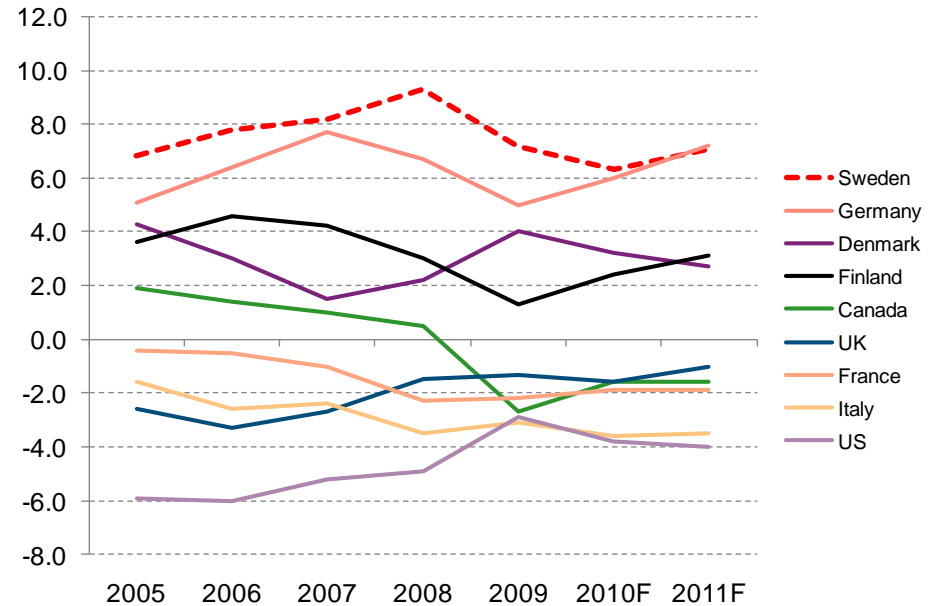
- The Swedish job market has reached a turning point
- Current account balance continues to be strong

Unemployment rate Q4 2001- 2009, %



Source: Statistics Sweden

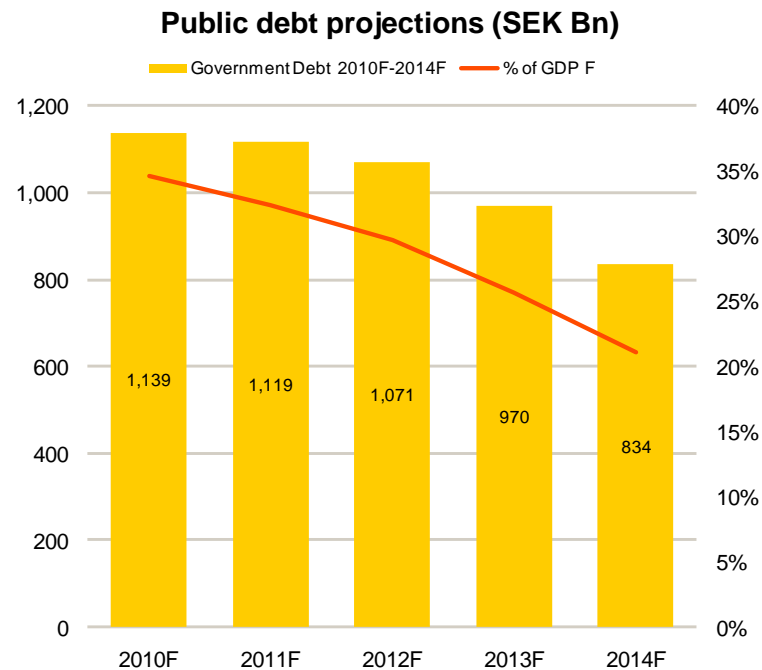
Current account balance as % of GDP



Source: OECD – Economic outlook 87 (June 2010)

Swedish government autumn budget

- Swedish government raised its 2010 budget growth forecast for the third time
- SEK13bn of spending and tax cuts in 2011, while keeping on course for budget surplus in 2012. Reforms include:
 - Increase employment and reduce social exclusion
 - Compensating retirees for the system break by comparable tax cuts
 - Sale of state owned companies of around SEK 100bn over the next 4 years
- Public debt is shrinking to some 20% in 2014, lowest level in 40 years.

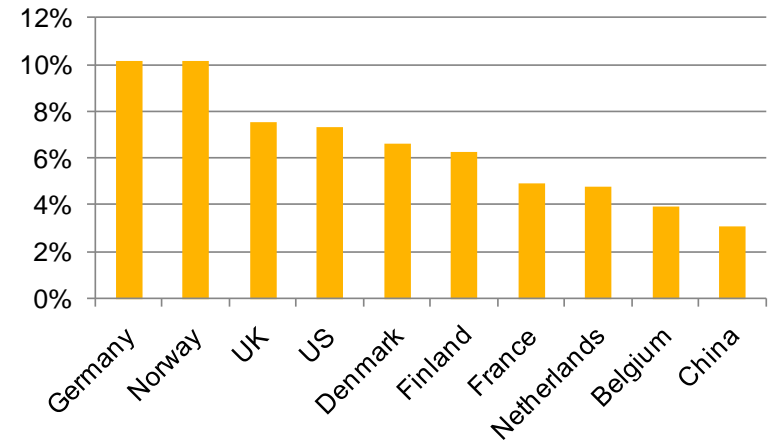


Source: Government budget statement

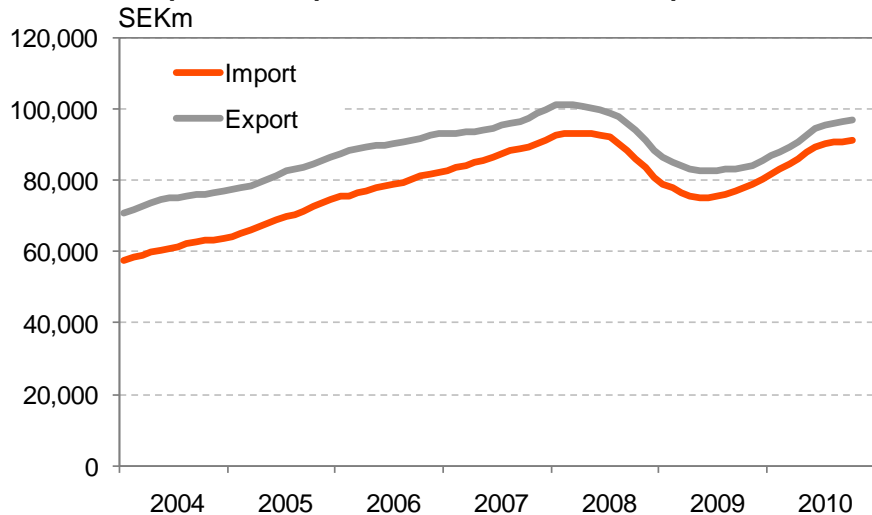
Continuing recovery of foreign trade

- Total value of Exports at SEK 830bn, +12% Y/Y Jan-Sep 2010 and +17% during Q3 2010
- Total value of Imports grew by 17% to SEK 782bn during the same period and + 19% during Q3 2010
- Net trade of SEK 48bn

Top 10 Export countries



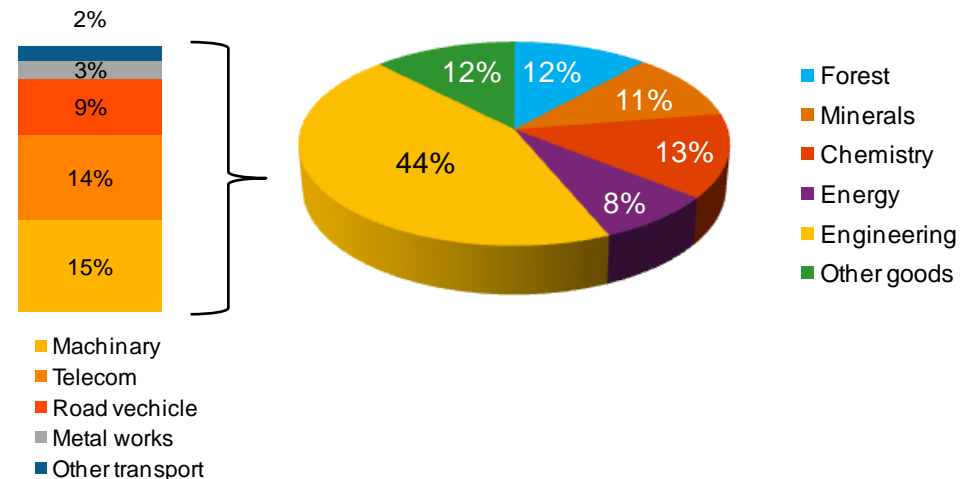
Export, Import and Net trade per month



Source: Statistics Sweden

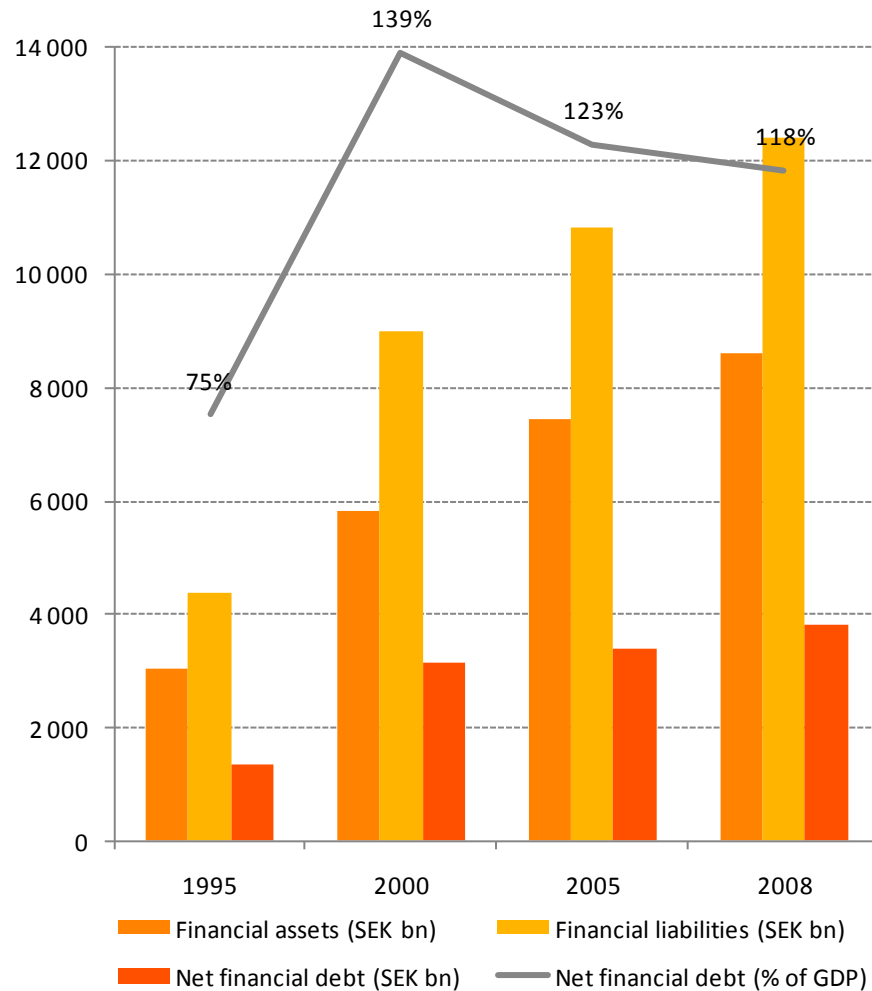
Data up until October 2010

Distribution of Export goods, %

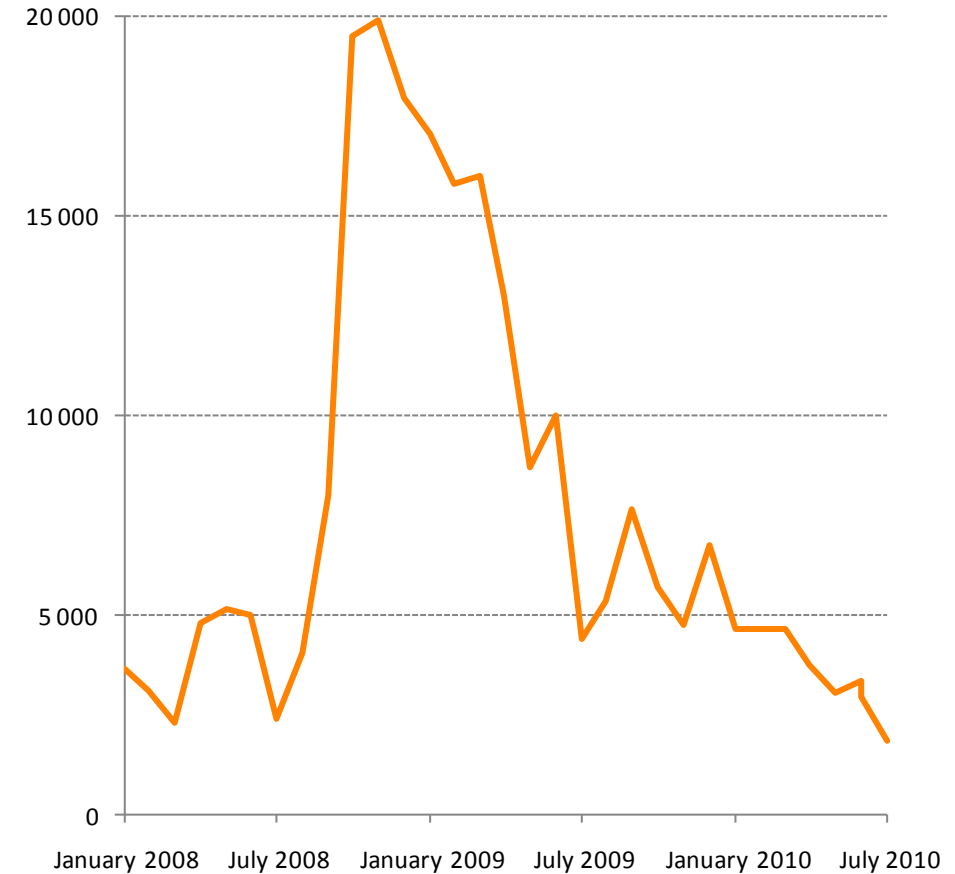


Swedish corporate sector moderately leveraged

Corporate leverage 1995 – 2008 (non-financial companies)

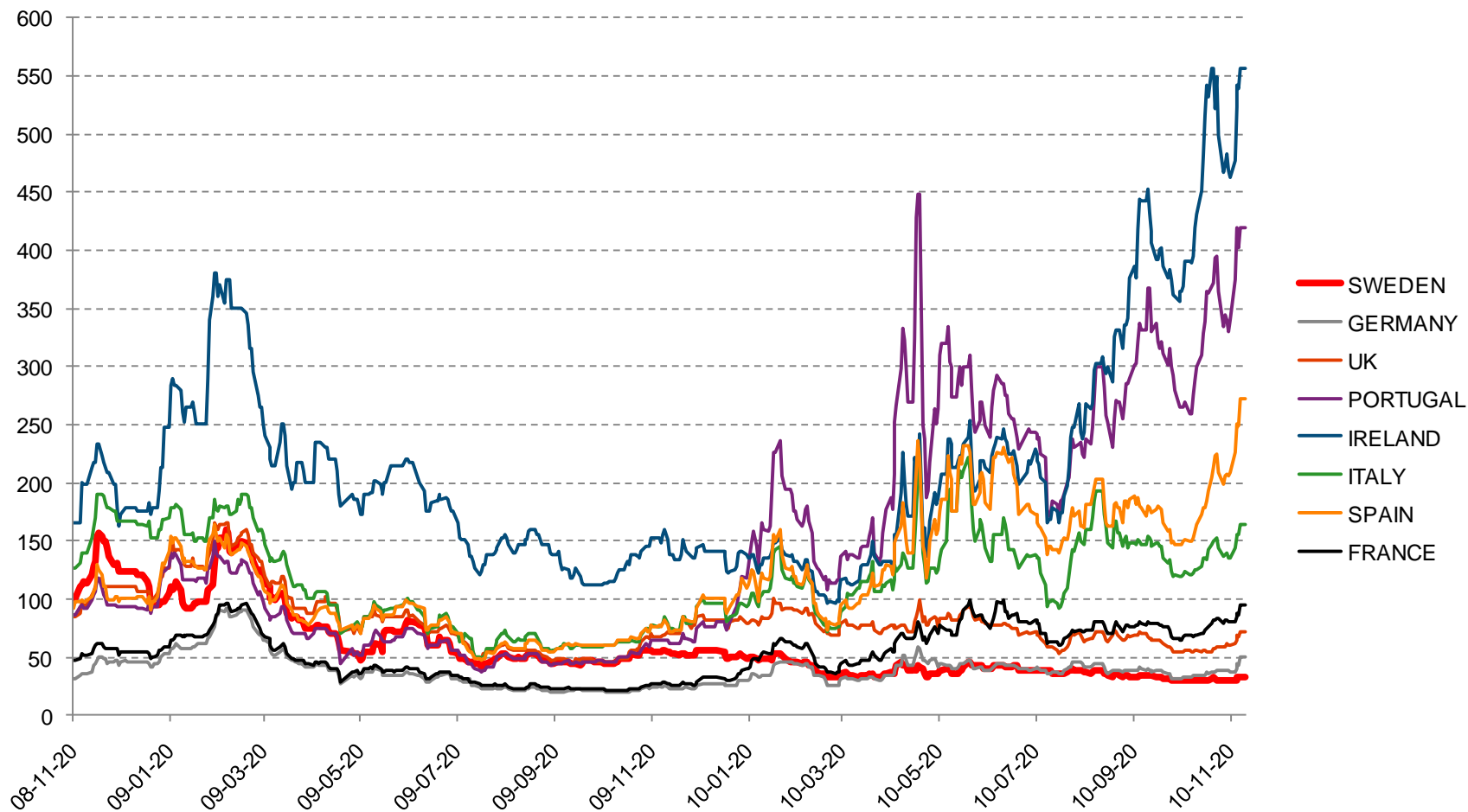


Notices Sweden 2008 – June 2010 (no. per month)



Sweden has shown resilience through turbulent times

5 year Sovereign CDS



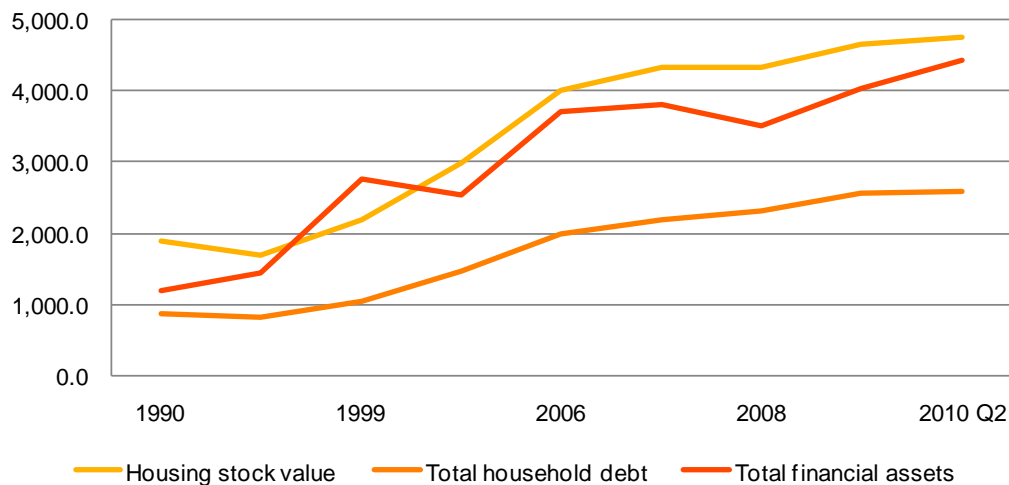
Source: Thomson Reuters

3. The Swedish housing market

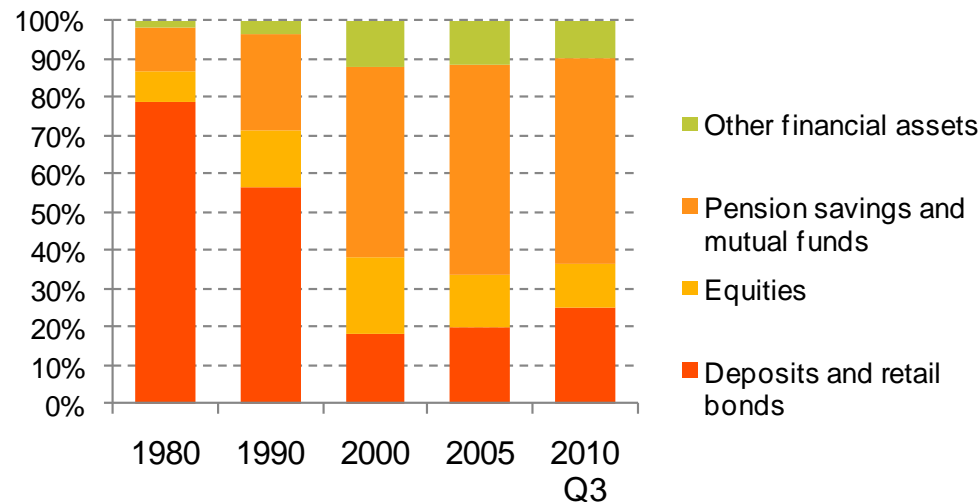
Swedish households' balance sheet

- The Swedish households' savings consist mostly of equities, mutual funds and individual pensions and exceed their total debt
- Even stronger balance sheet when the housing stock is included

Swedish household financial assets and liabilities, SEKbn



Distribution of financial assets

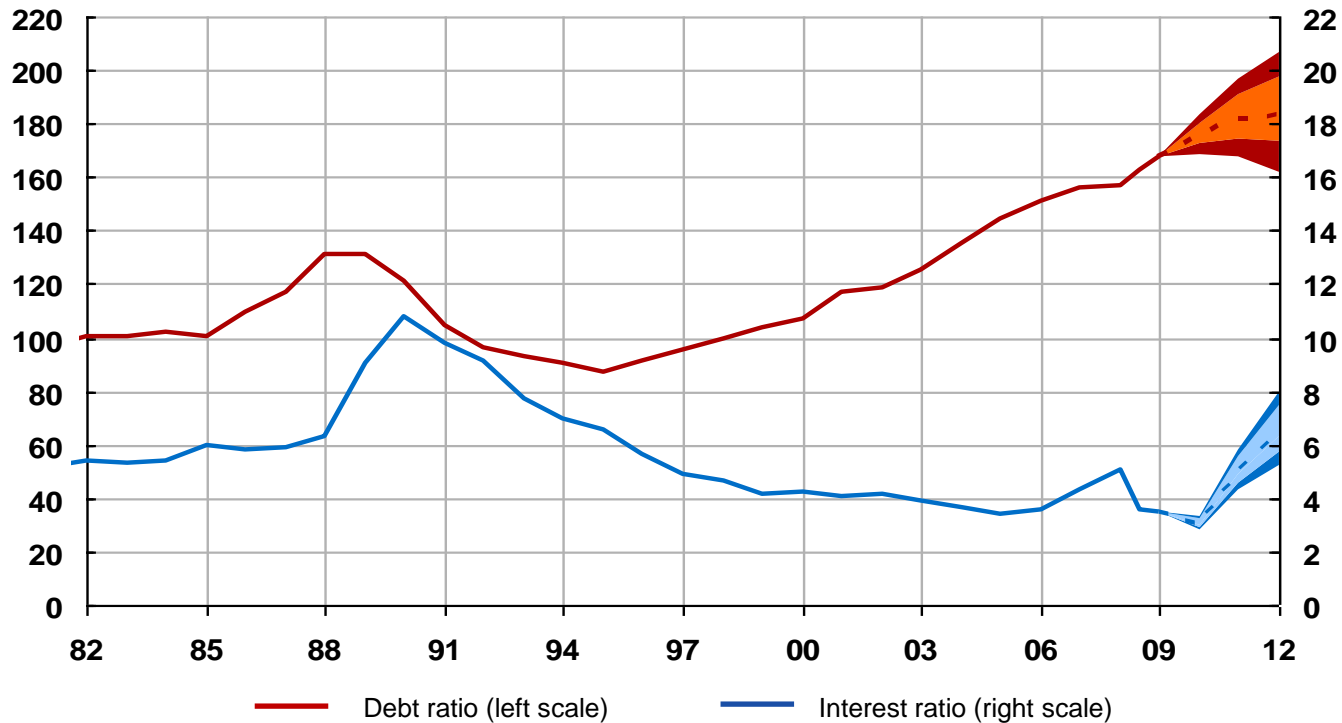


Source: Sweden statistics and Swedbank

Source: Sweden statistics

Structural interest rate decline key to affordability

Household debt and interest expenses after tax as percentage of disposable income

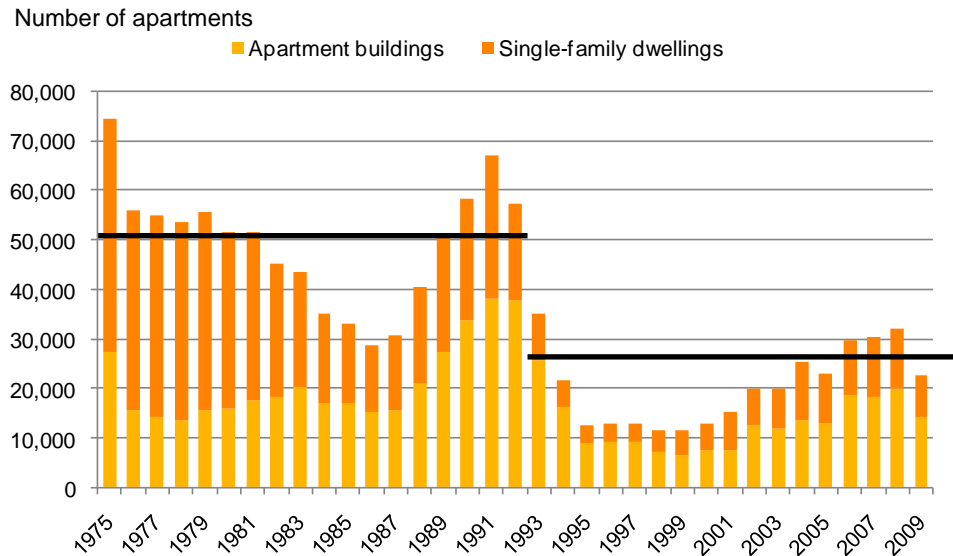


Source: Sweden statistics (SCB) and Riksbanken

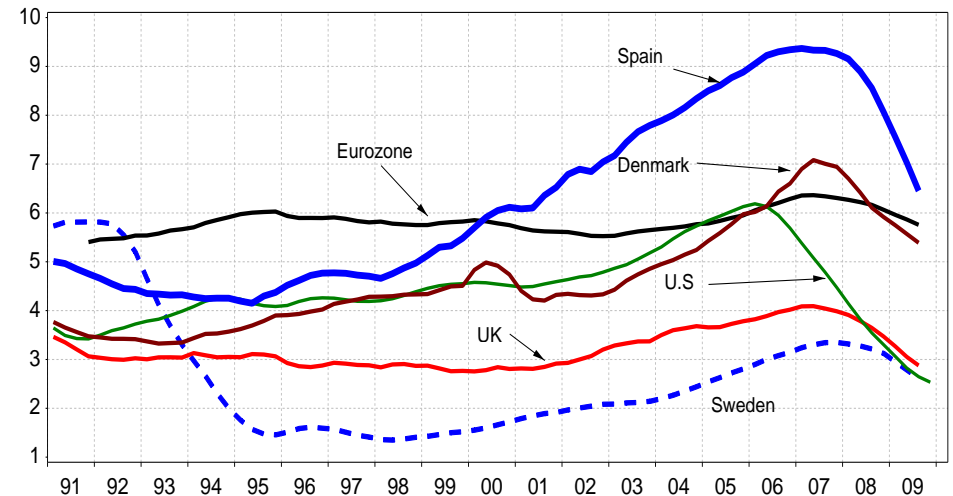
Housing investments at a conservative level

- Low supply for almost two decades
- New household formations have between 1995 and 2008 exceeded the actual new dwellings produced by 80,000 units

Newly built apartments in Multi-family dwellings and Single-family houses in Sweden



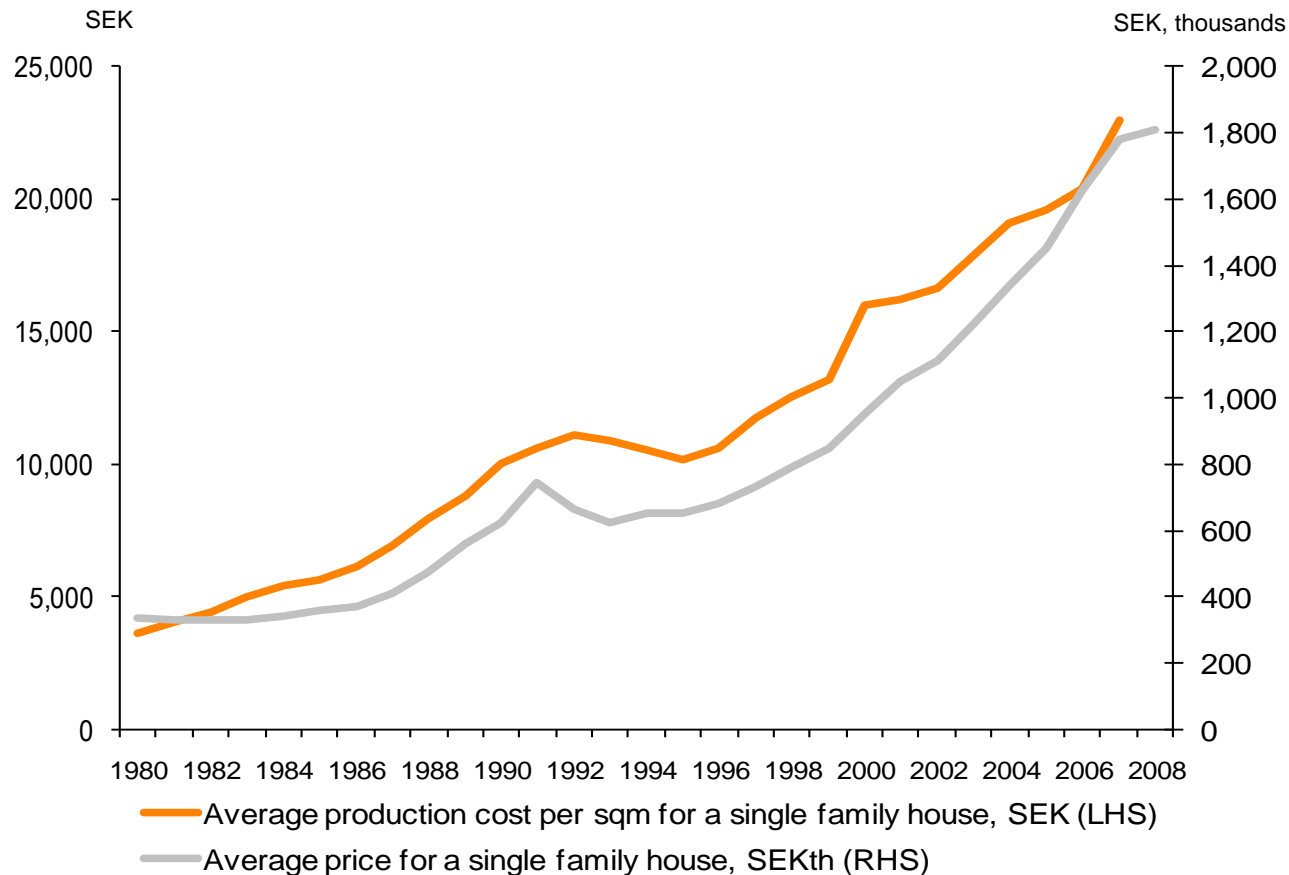
Housing investments as a percentage of GDP



Source: Reuters Ecwin and Statistics Sweden.

Housing prices are moving in tandem with production costs

Average house production cost & average house price development 1980-2008

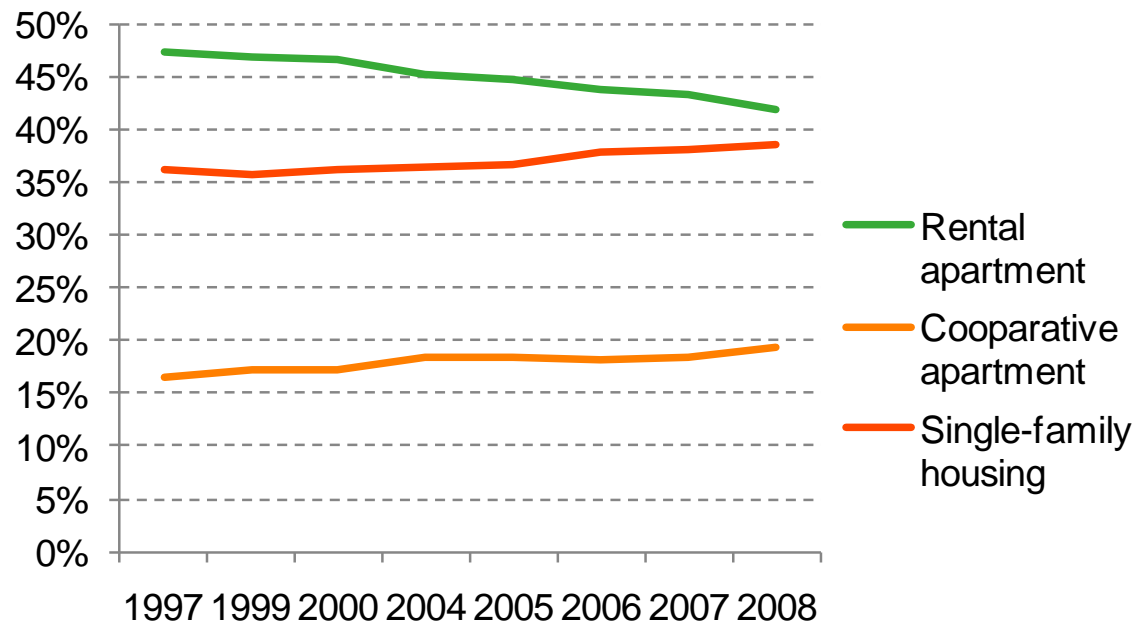


Source: Statistics Sweden and SEB Enskilda.

More than 60% household-owned homes

- Less newly produced rental apartments compared to cooperative apartments during the last 10 years
- Rental apartments in urban areas have been converted into cooperative apartments with self-ownership

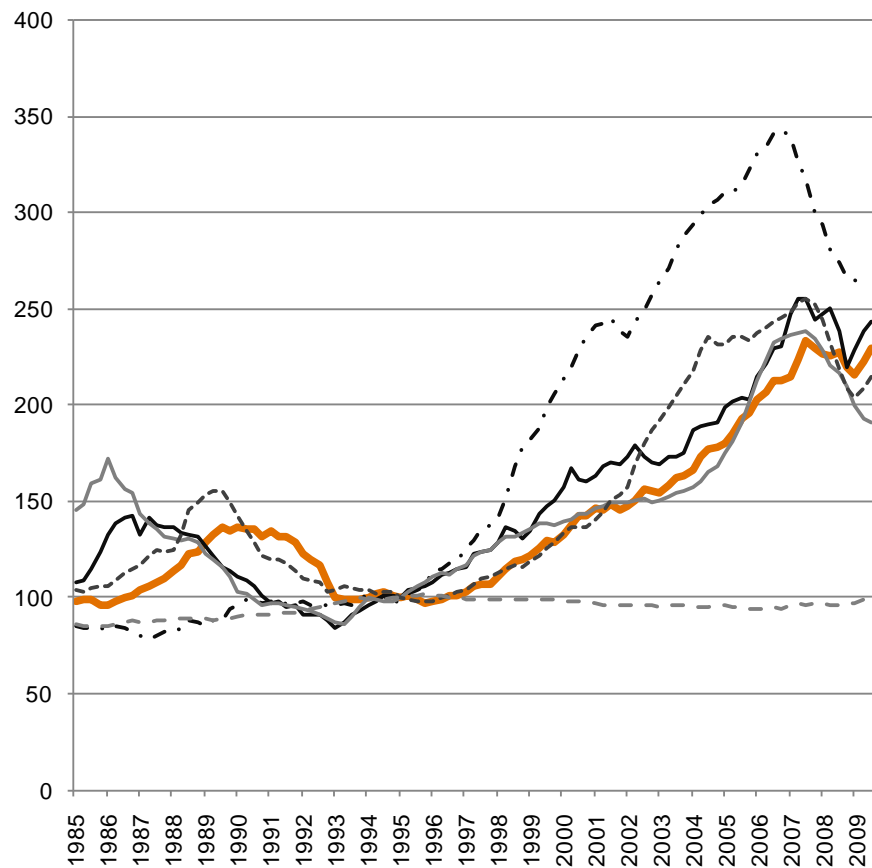
Share of households living in self-owned homes



Source: Statistics Sweden.

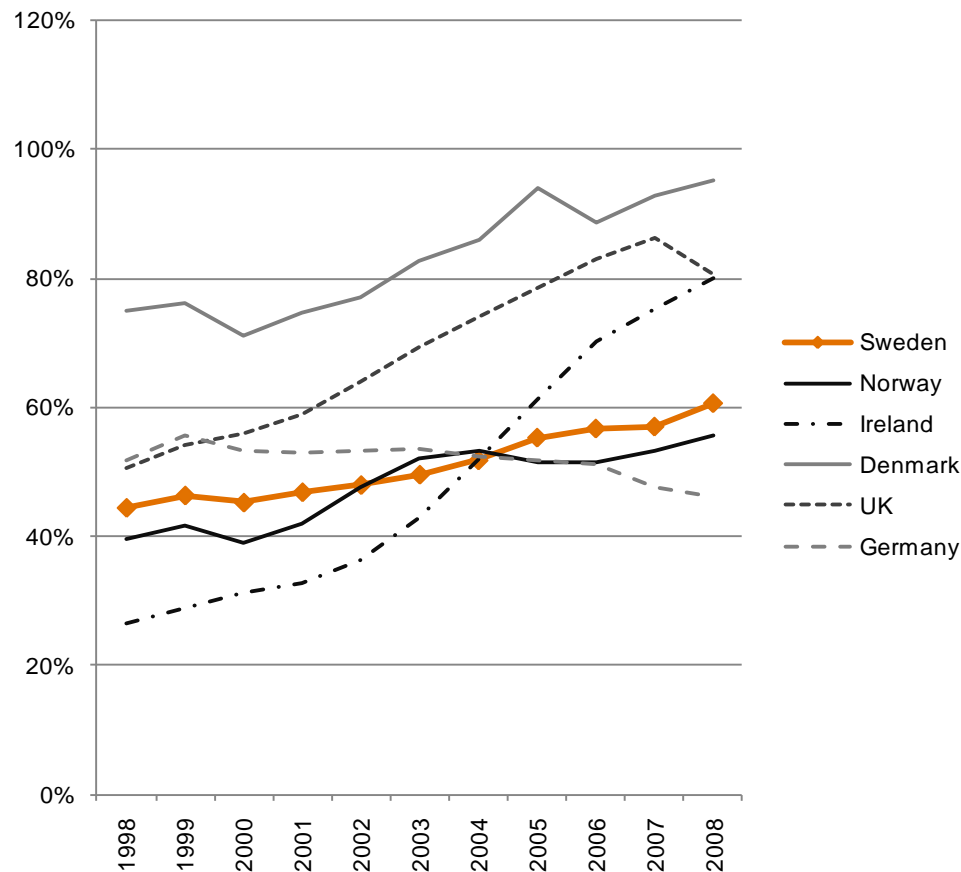
Development of housing prices and mortgage debt

House prices (Index 1995=100)



Source: Riksbank, Reuters EcoWin

Residential mortgage debt to GDP Ratio %



Source: European Mortgage Federation

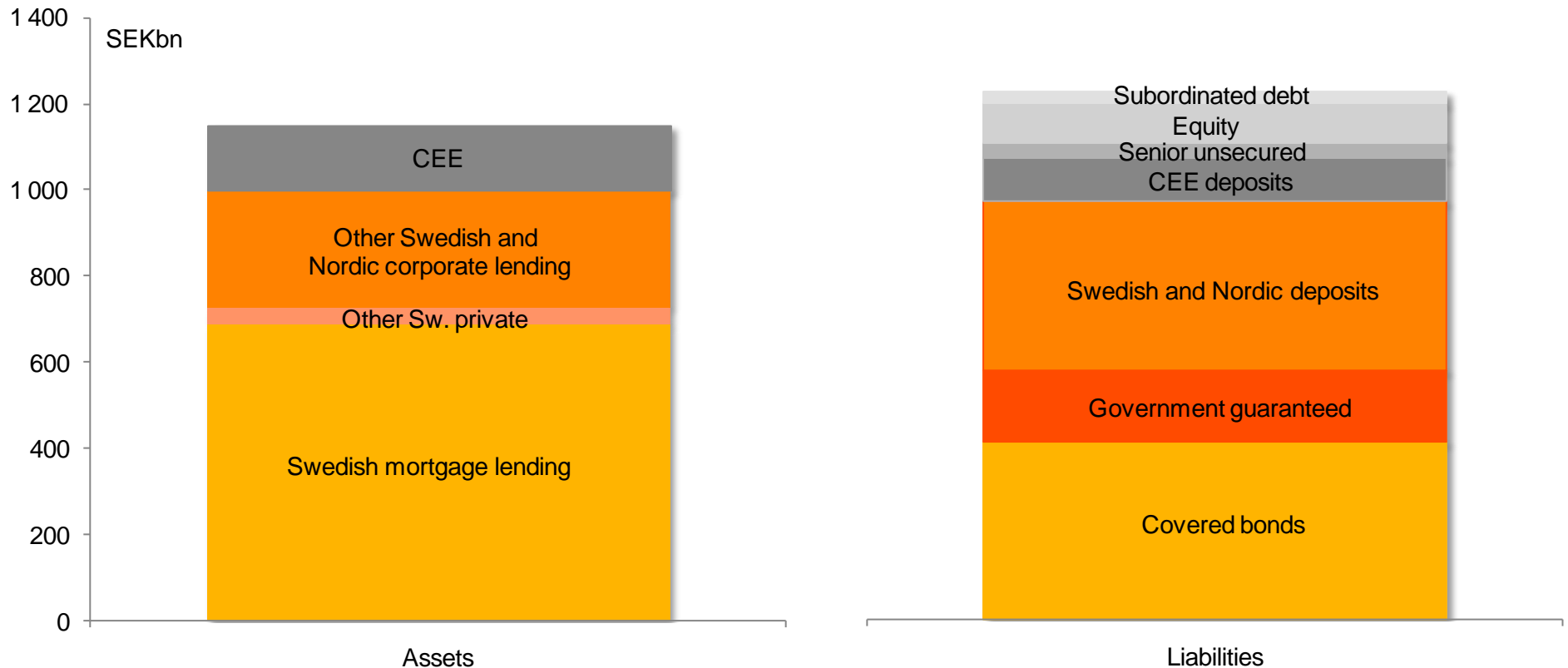
Swedish mortgage market

- No buy-to-let market
- Transparent credit information agency
- Publicly available information regarding income, debt, payment track record etc
- Consumer credit legislation requires affordability calculations including stress test of higher interest rate
- Individual responsibility for indebtedness
- Strong social security and generous unemployment benefit system

4. Liquidity & funding

Limited need of senior unsecured funding

- Large and stable deposit base
- High quality Swedish mortgage portfolio



Funding sources

Swedbank AB

100% owned

Swedbank Mortgage AB*

Program	Limit
Long Term	
Global MTN	USD 40bn
Domestic MTN	SEK 60bn
Short Term	
Domestic CP	SEK 80bn
European CP/CD	EUR 6bn
US CP	USD 15bn
Yankee CD	USD 10bn
French CD	EUR 4bn
Finnish CD	EUR 4bn

Program	Limit
Long Term	
Domestic Benchmark CB	Unlimited*
EMTN CB	EUR 25bn
Domestic MTN CB	SEK 150bn
Norwegian Benchmark CB	Unlimited*

Registered CB (stand alone doc.)	
Short Term	
Domestic CP	SEK 50bn
European CP	EUR 6bn

* Limited by cover pool size

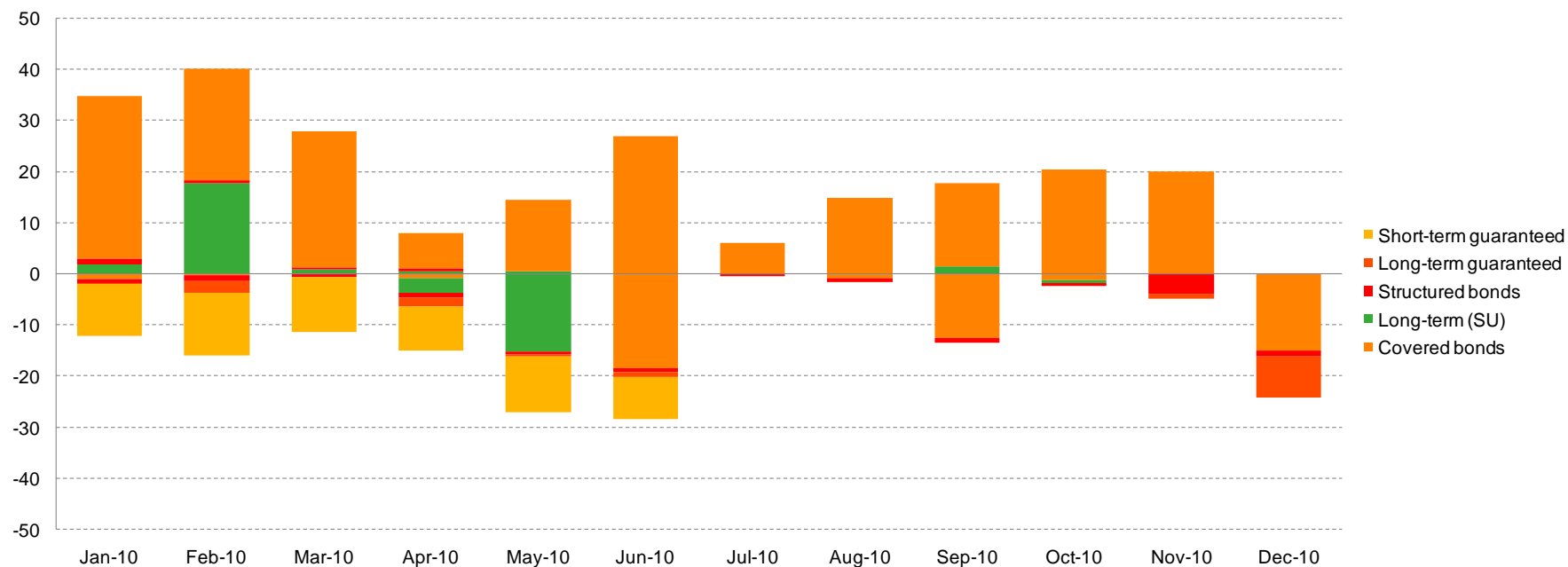
***100% guaranteed from parent company**

- Irrevocable
- Unconditional
- Timely

Term funding YTD exceeds full-year maturities by SEK90bn

- SEK 231bn term funding done so far during 2010 (as per November)
- Average maturity of all wholesale funding now at 28 months (38 months for Covered Bonds)

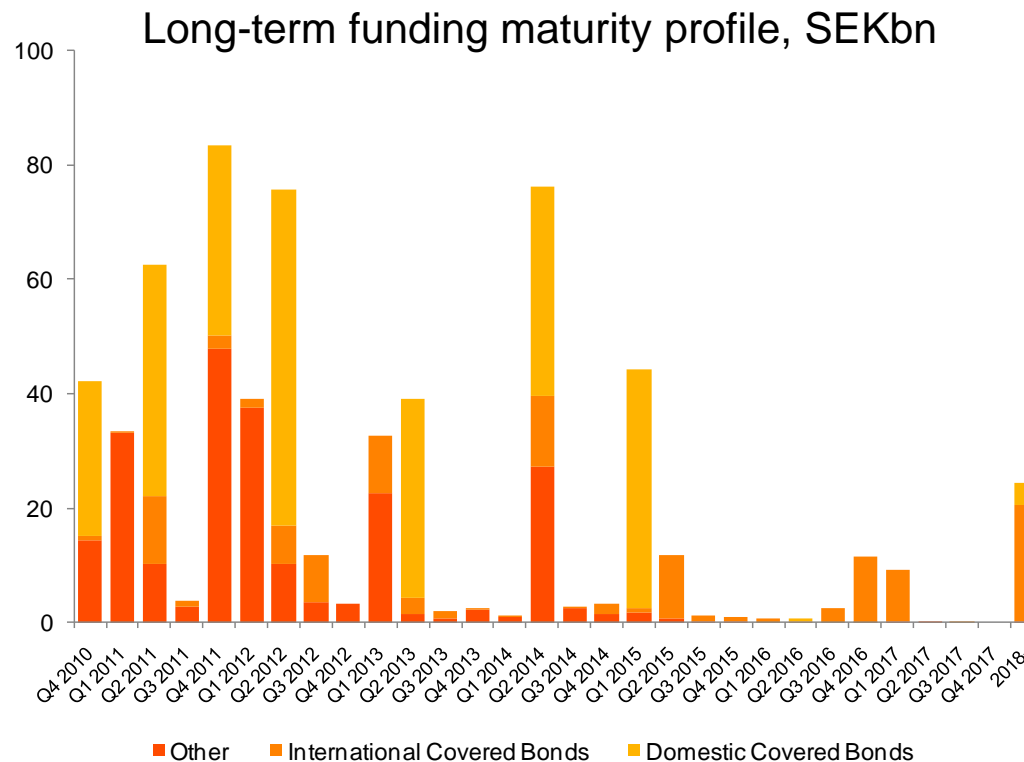
Issued & redeemed Jan 2010 – Nov 2010, SEKbn



Source: Swedbank

Funding plan

- Further covered bond issuance on tap (domestic)
- Continued issuance through registered covered bonds and private placements
- 3-4 Benchmark covered bond transactions per year
- 1-2 Benchmark senior unsecured transactions per year



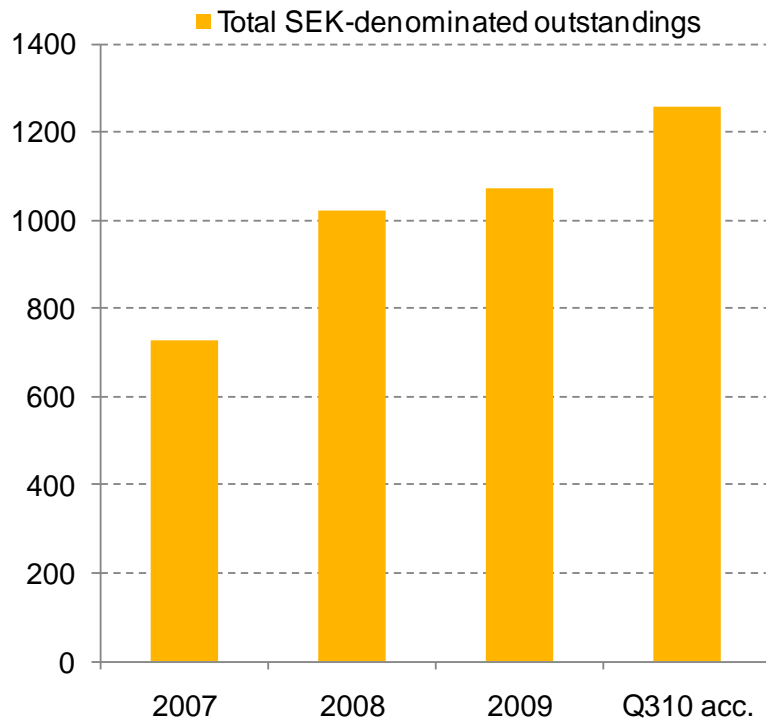
The Swedish covered bond market 1 (3)

- Swedish covered bond outstandings have increased every year throughout the crisis
- Tap issue system
 - Continuous issuance, buy-backs against issuance of longer tenors
 - Issue size multiples of European benchmarks
- Market making at pre-set bid/offer spreads

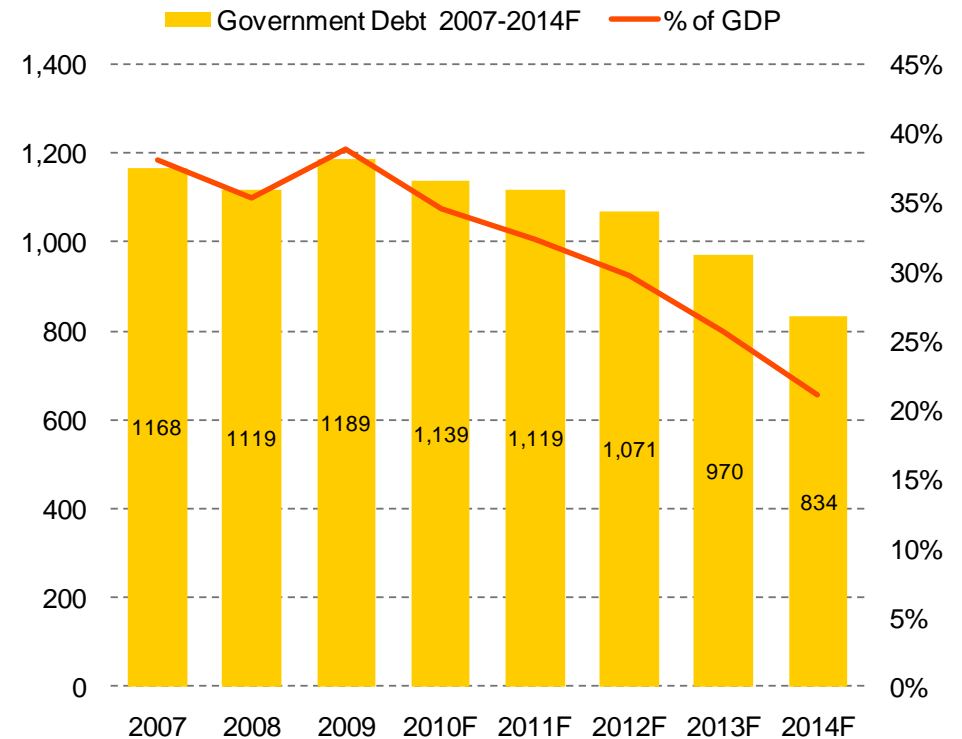
The Swedish covered bond market 2 (3)

- Domestic covered bonds represent approximately 1/3 of GDP and 1/2 of the total Swedish bond market

Swedish Domestic Covered Bonds, in SEKbn



Public debt projections 2010-2014, in SEKbn

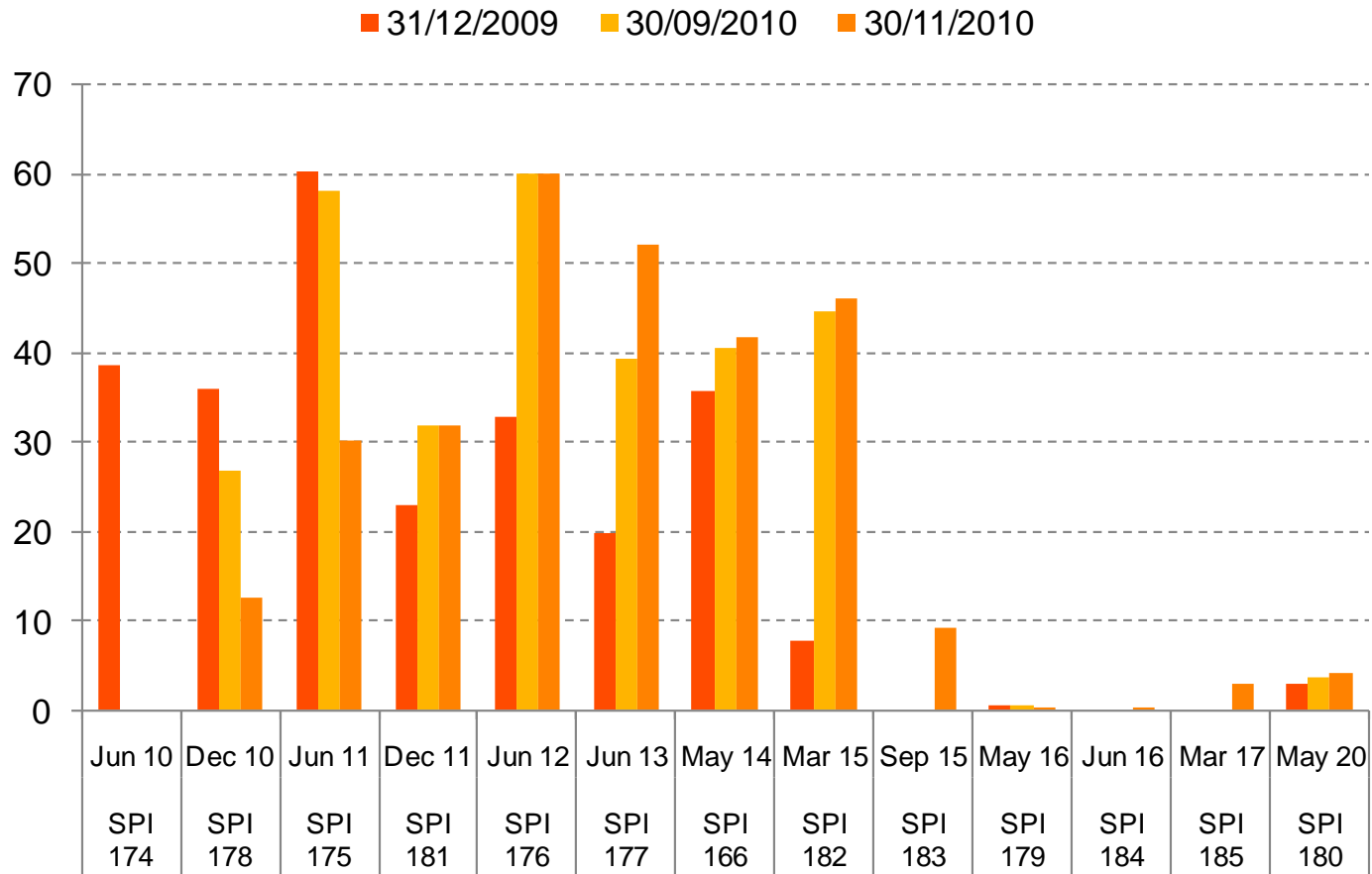


Source: Swedish Bankers' Association, Swedbank

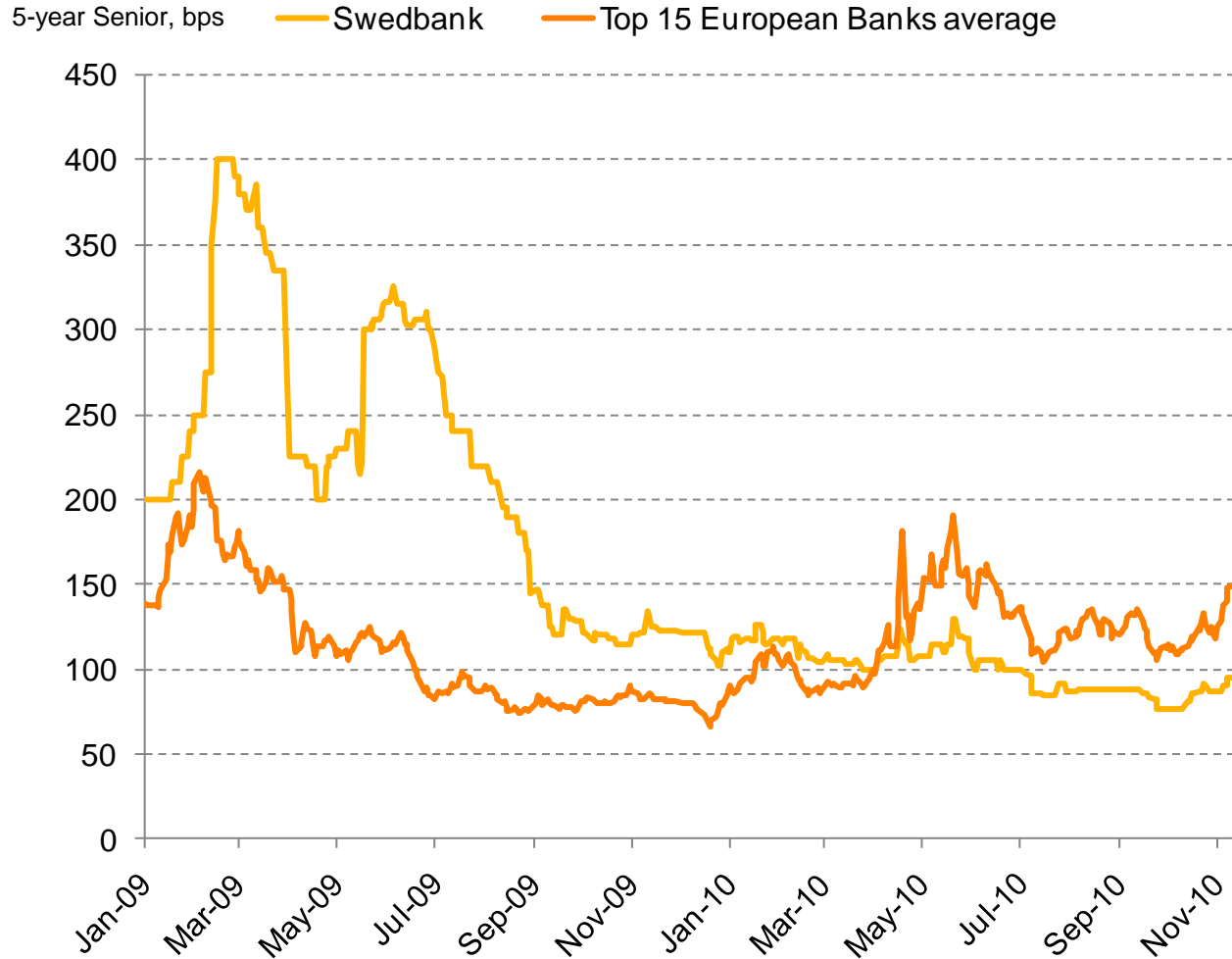
Source: Government budget statement

The Swedish covered bond market 3(3)

Swedbank domestic covered bonds, SEKbn



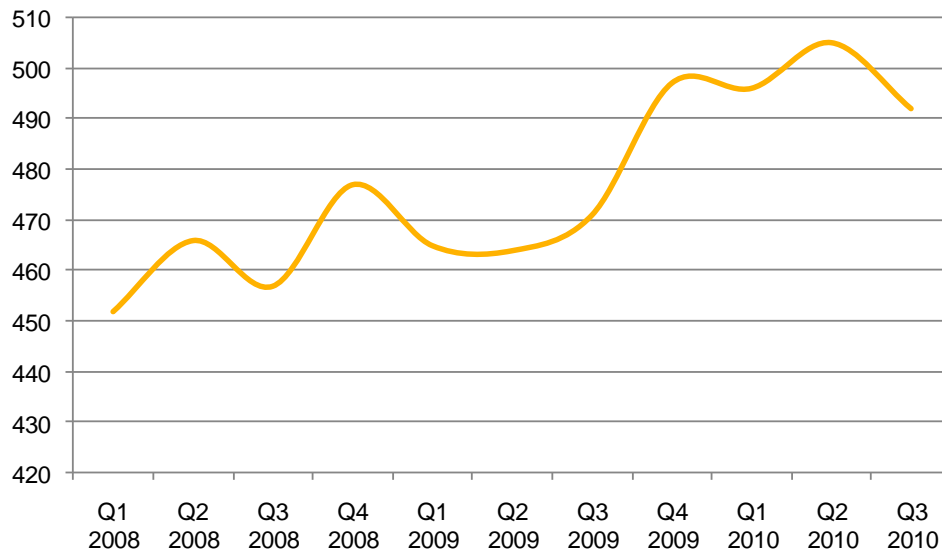
CDS spread development



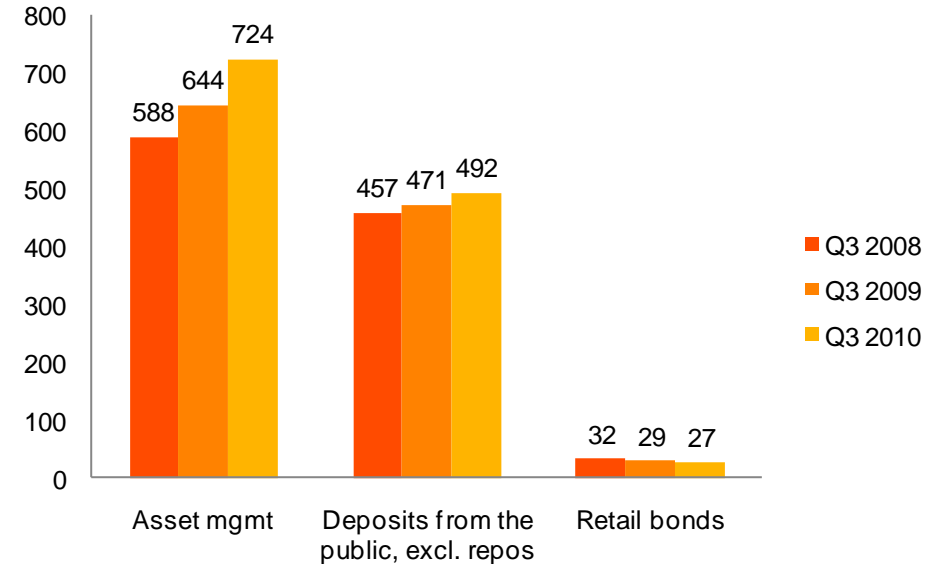
Source: Thomson Reuters

Positive trend in deposits as overall savings increase

Deposits from the public excluding repos



Savings and investments, Swedbank Group, SEKbn



- Market leader in deposits in all of the home markets
- Market shares have remained stable in all markets throughout the crisis
- In addition, SEK 26bn in retail bonds

Source: Thomson Reuters

5. Credit portfolio

Cover pool and covered bond funding sources

As per Q3 2010

Total pool size	SEK 626bn
Geographic distribution	Sweden 100%
Average seasoning	56 months
Average LTV ^{1, 2}	
– WA LTV on property level	58%
Non-performing loans ³	None
Types of loans	
– Residential mortgages	90.8%
– Public	2.3%
– Commercial	0.1%
– Forest and Agriculture	6.8%
Fixed /Floating interest loans ⁴	
– Fixed	51%
– Floating ⁵	49%
Average loan size	SEK 413 441
Number of loans outstanding	1 514 910
Dynamic pool	Yes

¹ Index valuation as per 31 May 2010

² Maximum LTV: Residential 75%, Commercial 60%, Forest and Agriculture 70%

³ Past due loans > 60 days are not eligible for the cover pool

⁴ Distribution by origination

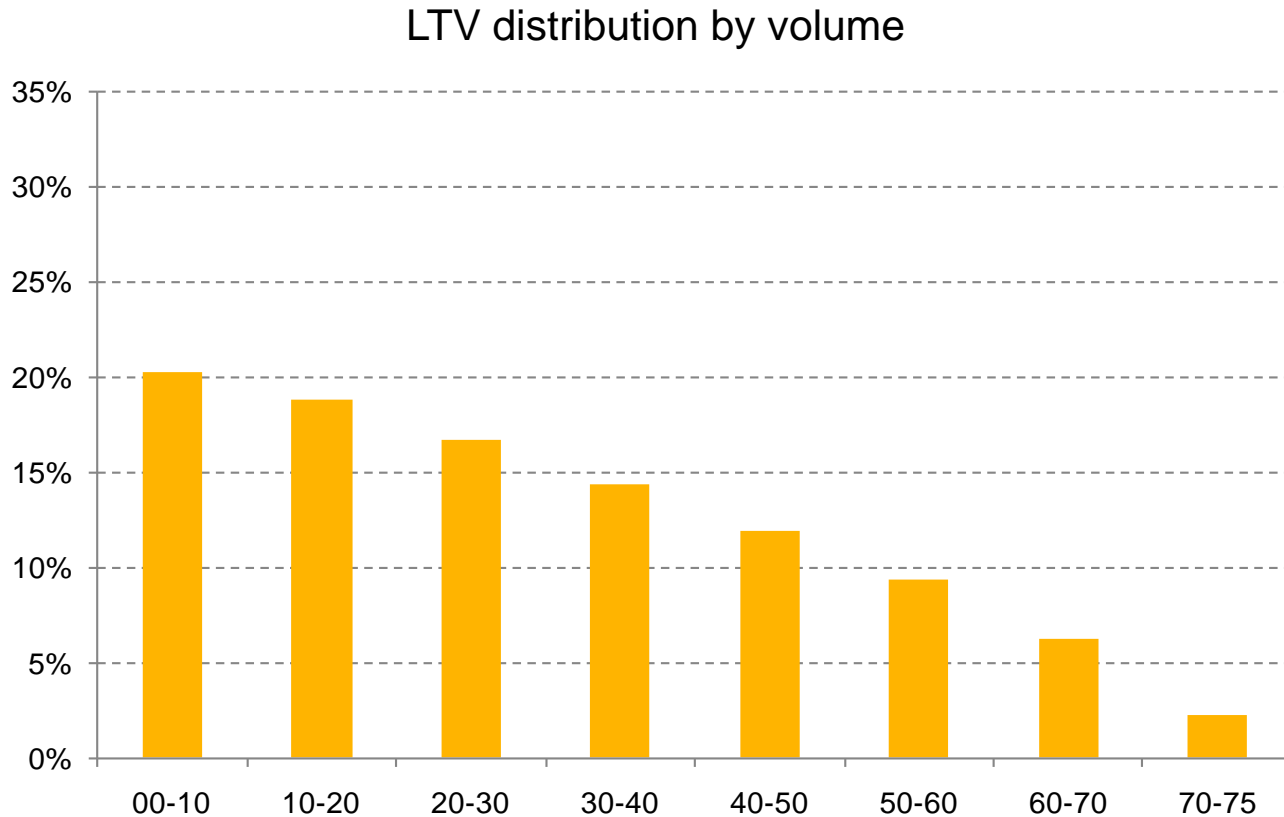
⁵ Floating interest loans < 365 days

Source: Swedbank

- AAA/Aaa Rating from S&P and Moody's
- Unlimited domestic covered bond programme, through tap system
- EUR 25bn EMTN covered bond programme
- SEK150bn domestic MTN covered bond programme
- Unlimited Norwegian covered bond programme
- Registered covered bonds
- In addition to public deals, private placements are executed through all programmes mentioned above

Cover pool loan-to-value distribution

- Weighted average LTV of 58% as per 30 Sep 2010



LTV distribution as defined by the Association of Swedish Covered Bond Issuers (www.ascb.se)

Insignificant historical loan losses in Swedbank Mortgage

- Accumulated losses since 1982 of SEK 7.1bn
- Main part incurred during the years of 1991 and 1992
- Less than 10% in the private households' segment
- No losses in forest & agriculture

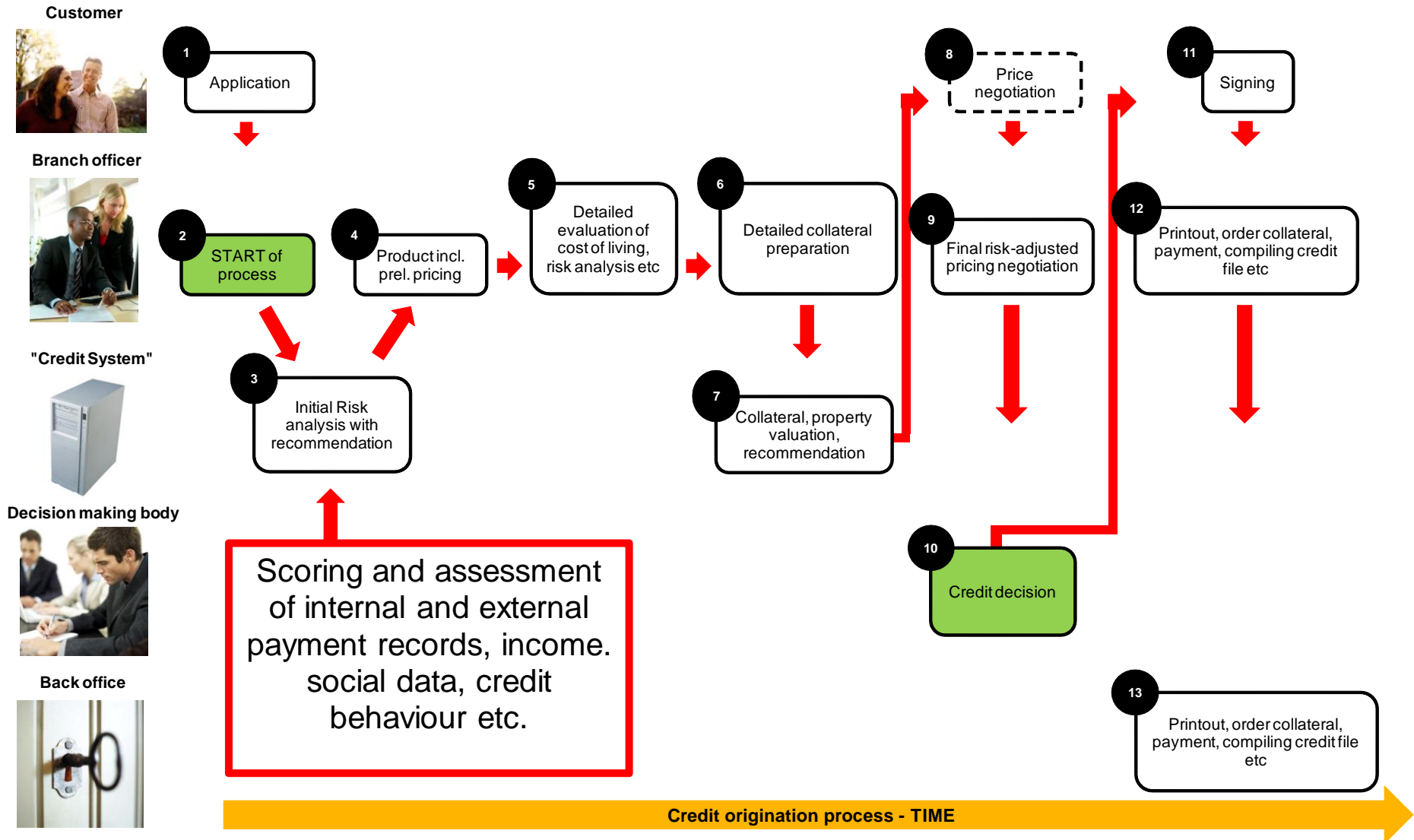
Origination practices

- Income is always verified
 - direct access to tax authority filings
- UC AB (Upplysningscentralen) – Sweden’s largest credit information agency
 - owned by the major Swedish banks. Supports more than 10 million credit- and commercial decisions annually
 - The credit information agency also contains track record of delinquencies and defaults
 - Direct access to full tax authority filings
- Credit scoring
 - is used on all customers with specific score cards for private individuals, SME’s large corporate etc.
- Affordability analysis (parameters revised two times a year or more frequently if deemed needed)
 - carried out on all private individuals
 - Interest rates: 5Y fixed mortgage interest rate + 300 bps < 25% of disposable income
 - Amortization: 1 percent amortization of total mortgage (even when “interest only”)
 - Minimum level of remaining cash-flow when all costs are included, differentiated by: 1 adult, 2 adults and also per child
 - cash flow analysis is used for SMEs, agricultural- and large corporate including a number of stress tests
- Lessons learned from the financial crisis in Sweden in the early 90th’s has formed a conservative credit culture

Valuation of property

- Valuations of single-family houses or cooperative apartments are based on market values. Value of a property is collected by an independent data provider and then affirmed by an internal or external appraiser.
 - Price information from earlier sold properties in the specific area and for the specific property type are used to affirm the value of the property.
 - Value can never exceed the actual purchase price (although it can be affirmed as lower)
 - Value should always mirror market price over time

Credit originating process – mortgage loan application



Swedbank's total private mortgage loan portfolio exhibits resilience even under extreme stress scenario

- With 20% unemployment rate and 10% repo rate the exposure-at-risk amounts to SEK 3.8 billion
- Within plausible macroeconomic scenarios, the potential losses remain low
- Potential losses even lower in the cover pool, as only loans with the highest quality are included

Unemployment rate

		0%	2%	4%	6%	8%	10%	12%	14%	16%	18%	20%
Increase in Repo rate	0.0%	0.01%	0.03%	0.04%	0.06%	0.08%	0.09%	0.11%	0.13%	0.15%	0.16%	0.18%
	1.0%	0.02%	0.03%	0.05%	0.07%	0.08%	0.11%	0.12%	0.14%	0.16%	0.18%	0.20%
	2.0%	0.03%	0.05%	0.06%	0.08%	0.10%	0.12%	0.14%	0.16%	0.18%	0.20%	0.22%
	3.0%	0.04%	0.06%	0.08%	0.09%	0.11%	0.13%	0.15%	0.18%	0.20%	0.22%	0.24%
	4.0%	0.05%	0.07%	0.09%	0.11%	0.13%	0.16%	0.18%	0.21%	0.23%	0.25%	0.28%
	5.0%	0.07%	0.09%	0.12%	0.14%	0.16%	0.19%	0.21%	0.24%	0.26%	0.29%	0.32%
	6.0%	0.10%	0.12%	0.14%	0.17%	0.19%	0.22%	0.25%	0.28%	0.31%	0.34%	0.37%
	7.0%	0.13%	0.16%	0.19%	0.21%	0.24%	0.27%	0.30%	0.34%	0.37%	0.40%	0.44%
	8.0%	0.18%	0.21%	0.24%	0.27%	0.30%	0.34%	0.37%	0.41%	0.44%	0.48%	0.52%
	9.0%	0.24%	0.28%	0.31%	0.35%	0.38%	0.42%	0.46%	0.50%	0.54%	0.58%	0.62%
	10.0%	0.32%	0.36%	0.40%	0.44%	0.48%	0.52%	0.56%	0.60%	0.64%	0.68%	0.73%

Note: Based on FY 2009 financials. In case of unemployment, disposable income decreases to 80% of today's income or a maximum of SEK 12 000 per month

Source: Swedbank

6. The Swedish covered bond legislation

Overview of the Swedish Covered Bond Issuance Act

- Collateralised bonds
 - Dual recourse to the issuer and cover pool
 - Dynamic, regulated pool of assets – frequently audited
 - Transparent, regulated valuation of pool assets
 - Favourable regulatory treatment
- The Covered Bond Act entered into force on 1 July 2004. It enables Swedish banks and credit market companies (“Institutions”), which have been granted a specific licence by the Swedish Financial Supervisory Authority (Sw: Finansinspektionen) (the “Swedish FSA”), to issue full-recourse debt instruments secured by a pool of mortgage credits and/or public sector credits.
 - The Swedish FSA has issued regulations and recommendations under the authority conferred on it by the Covered Bond Issuance Act (Sw: Finansinspektionens föreskrifter och allmänna råd om säkerställda obligationer (FFFS 2004:11)) (the “SFSA Regulations”). Swedish covered bonds may take the form of bonds and other comparable debt instruments, such as commercial paper.
 - In the event of an Institution’s bankruptcy, holders of covered bonds (and certain eligible counterparties to derivative contracts entered into for the purpose of matching the financial terms of the assets in the Cover Pool with those of the covered bonds) benefit from a priority claim over the pool of assets (the “Cover Pool”). The Covered Bond Act also enables such holders (and derivative counterparties) to continue to receive timely payments also following the Institution’s bankruptcy, subject to certain conditions being met.

Licence by
Swedish FSA

Form of bonds
or other debt
instruments

Dual recourse

The cover pool

- The cover pool may consist of certain mortgage credits, public credits and supplemental assets.
- Mortgage credits are defined as loans secured by
 - mortgages over real property (Sw: fastigheter) intended for residential, agricultural, office or commercial purposes or site leasehold rights (Sw: tomträtter) intended for residential, office or commercial purposes,
 - pledges over tenant-owner rights (Sw: bostadsrätter), or
 - comparable security interests over equivalent assets situated in other countries within the European Economic Area.
- Public credits are defined as certain loans to (or guaranteed by) inter alia the Kingdom of Sweden, Swedish municipalities and comparable public bodies, the European Communities, certain foreign states and central banks and certain foreign municipalities and comparable public bodies with powers of taxation.
- Supplemental assets consist primarily of government bonds and cash, although the Swedish FSA may also authorize certain debt instruments issued by credit institutions and other bodies to be used as supplemental assets.

Composition of the cover pool may be made up of mortgage credits, public credits and other supplemental assets

Loan-to-value ratios and other restrictions

- For mortgage credits, there is a maximum loan amount which may be included in the Cover Pool, depending on the value of the underlying collateral:
- For residential collateral, a loan may be included in the Cover Pool only to the extent the loan amount does not exceed 75 per cent of the market value of the collateral.
- For agricultural collateral, a loan may be included in the Cover Pool only to the extent the loan amount does not exceed 70 per cent of the market value of the collateral.
- For office or commercial collateral, a loan may be included in the Cover Pool only to the extent the loan amount does not exceed 60 per cent of the market value of the collateral.
- The Covered Bond Act restricts the overall proportion of loans provided against security over real property (or site leasehold rights or tenant-owner rights) intended for office or commercial purposes to 10 per cent of an Institution's Cover Pool.
- Furthermore, the proportion of supplemental assets may not exceed 20 per cent of the Cover Pool, although the Swedish FSA has the authority to raise this limit to 30 per cent for a limited period of time provided there is a particular reason for such increase.
- Institutions are required to regularly monitor the market value of the mortgage assets that serve as collateral for loans included in the Cover Pool. If the market value of such a mortgage asset declines significantly (15 per cent or more according to the preparatory works to the Covered Bond Issuance Act), then only such part of the loan that falls within the permitted loan-to-value ratio will be eligible for inclusion in the Cover Pool and will be subject to the priority right described below. However, a decline in the market value following an Institution's bankruptcy would not result in a reduction of the assets to which holders of covered bonds (and relevant derivative counterparties) have a priority right, but may result in the Cover Pool ceasing to meet the matching requirements.

Max. LTVs:
Residential 75%
Agricultural 70%
Commercial 60%

Max. 10%
commercial loans

Max. 20%
supplemental assets

Property values
are reviewed on a
monthly basis

Matching requirements

- The Covered Bond Issuance Act prescribes that the value of the Cover Pool shall at all times exceed the aggregate value of claims that may be asserted against an Institution by reference to covered bonds. The calculation shall be made on the basis of current book values and shall take into account the effect of relevant derivative contracts.
- Furthermore, an Institution must compose the Cover Pool in such a way as to ensure a sound balance between the covered bonds and the assets in the Cover Pool in terms of currency, interest rate and maturity profile. Such sound balance is deemed to exist when the present value of the Cover Pool at all times exceeds the present value of the liabilities relating to the covered bonds. The present value of derivative contracts shall be taken into account for the purposes of such calculation. The calculations of present value shall withstand certain stress tests (changes in interest rates and/or currency exchange rates).
- The payment flows relating to the assets in the Cover Pool, derivative contracts and covered bonds shall be such that an Institution is at all times able to perform its payment obligations towards holders of covered bonds and relevant derivative counterparties. Non-performing assets in the Cover Pool which are more than 60 days overdue must be disregarded for the purposes of the matching tests.

Value of the pool shall always exceed all claims

Sound balance between covered bonds and pool assets – FX, interest rates and maturities

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

Supervision

- The Swedish FSA monitors that an Institution complies with the Covered Bond Act and other provisions of the legislative and regulatory framework which regulates the business of the Institution. In addition, the Swedish FSA appoints an independent inspector (Sw: oberoende granskare) for each Institution that issues covered bonds.
- The independent inspector is responsible for monitoring the Register to assess whether or not it is being maintained correctly and in compliance with the Covered Bond Issuance Act and the SFSA Regulations. In particular, the independent inspector shall verify that:
 - covered bonds and relevant derivative contracts are registered in the Register,
 - only loans and supplemental assets that satisfy the eligibility criteria are included in the Cover Pool and registered in the Register,
 - the valuations of the underlying collateral for loans in the Cover Pool are in accordance with the Covered Bond Issuance Act and the SFSA Regulations,
 - mortgage loans the underlying collateral of which has decreased significantly in value are, for the purpose of the matching requirements, deducted from the Cover Pool to the extent necessary to comply with the relevant loan-to-value ratio and
 - the matching requirements are complied with.
- The independent inspector is entitled to request information from the Institution, conduct site visits and is required to report regularly and at least once a year to the Swedish FSA. The Covered Bond Issuance Act does not provide for any change to the independent inspector's remit upon the bankruptcy of an Institution.

Frequently reviewed by the Swedish FSA and the independent inspector (appointed by the SFSA)

Benefit of a priority right over the cover pool

- Pursuant to the Covered Bond Issuance Act and the Swedish Preferential Rights of Creditors Act (Sw: förmånsrättslagen (1970: 979)), holders of covered bonds benefit from a priority claim over the Cover Pool should the Institution be declared bankrupt (Sw: försatt i konkurs). The same priority is awarded to the Institution's eligible counterparties to derivative contracts entered into for the purpose of matching the financial terms of the assets in the Cover Pool with those of the covered bonds. Such derivative counterparties and the holders of covered bonds rank pari passu with joint seniority in relation to the Cover Pool.
- By virtue of the aforementioned priority, holders of covered bonds and relevant derivative counterparties rank ahead of unsecured creditors and all other creditors of the Institution in respect of assets in the Cover Pool (except the administrator-in-bankruptcy as regards fees for his administration of assets in the Cover Pool and costs for such administration). The priority claim also covers cash received by an Institution and deriving from the Cover Pool or relevant derivative contracts, provided that certain administrative procedures have been complied with.

Administration of the cover pool in the event of bankruptcy

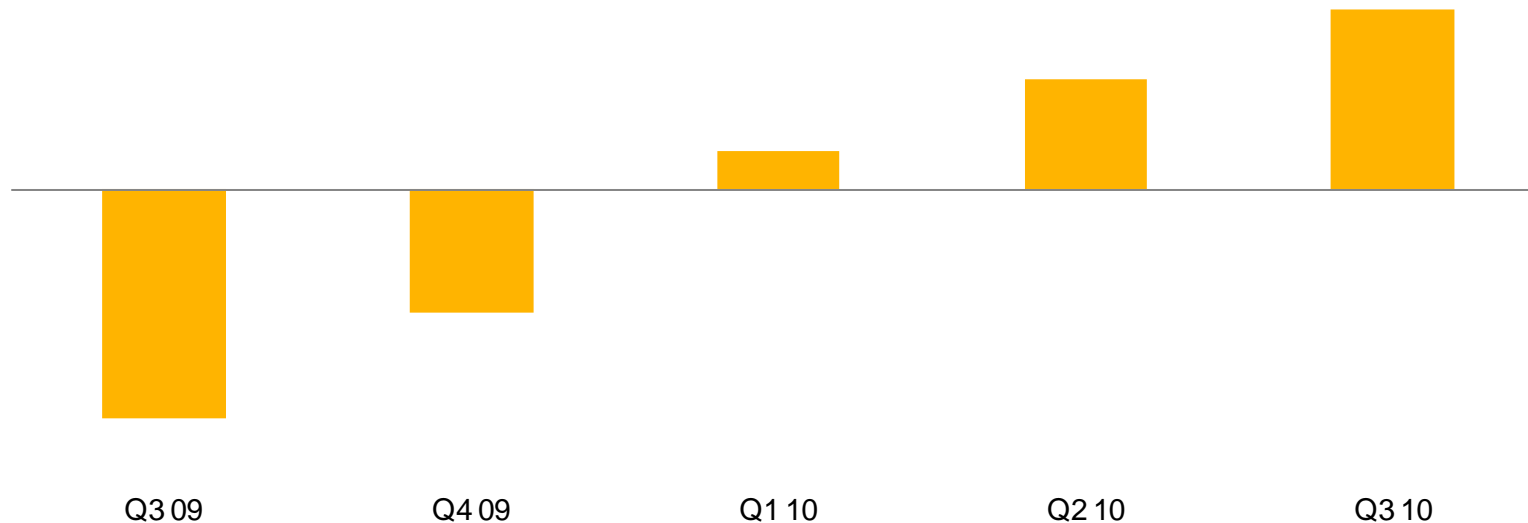
- Should an Institution be declared bankrupt, at least one administrator-in-bankruptcy would be appointed by the bankruptcy court and one administrator-in-bankruptcy would be appointed by the Swedish FSA. The administrators-in-bankruptcy would take over the administration of the bankruptcy estate, including the Cover Pool.
- Provided that (and as long as) the Cover Pool meets the requirements of the Covered Bond Act (including the matching requirements), the assets in the Cover Pool, the covered bonds and any relevant derivative contracts that have been entered into the Register are required to be maintained as a unit and kept segregated from other assets and liabilities of the bankruptcy estate of the Institution. The administrators-in-bankruptcy are then required to procure the continued timely service of payments due under the covered bonds and any relevant derivative contracts. Consequently, the bankruptcy would not as such result in early repayment or suspension of payments to holders of covered bonds or to counterparties to derivative contracts, so long as the Cover Pool continues to meet the requirements of the Covered Bond Act.
- If, however, the Cover Pool ceases to meet the requirements of the Covered Bond Act, and the deviations are not just temporary and minor, the Cover Pool may no longer be maintained as a unit and the continuous payment under the terms and conditions of the covered bonds and derivative contracts will cease. The holders of covered bonds and counterparties to derivative contracts would in such case instead benefit from a priority claim over the proceeds of a sale of the assets in the Cover Pool in accordance with general bankruptcy rules. This could result in the holders of covered bonds receiving payment according to a schedule that is different from that contemplated by the terms and conditions of the covered bonds (with accelerations as well as delays) or that the holders of covered bonds are not paid in full. However, the holders of covered bonds and derivative counterparties would retain the benefit of the right of priority to the assets comprised in the Cover Pool. Any residual claims of the holders of covered bonds and derivative counterparties remain valid claims against the Institution, but will rank pari passu with other unsecured and unsubordinated claims.

7. Financial performance

Continued financial improvement

- Net profit of SEK 2.6bn in Q3
- Baltic Banking net profit in Q3 of SEK 531m
- Improved NII and stable net commission income

Net profit performance



Key business highlights

- Sweden - increased market shares in new mortgage lending
- Stable corporate lending volumes
- New in-principle framework agreement with savings banks
- Lower credit demand in the Baltic countries, although consumer confidence is picking up from low levels
- Decreasing credit impairment trend

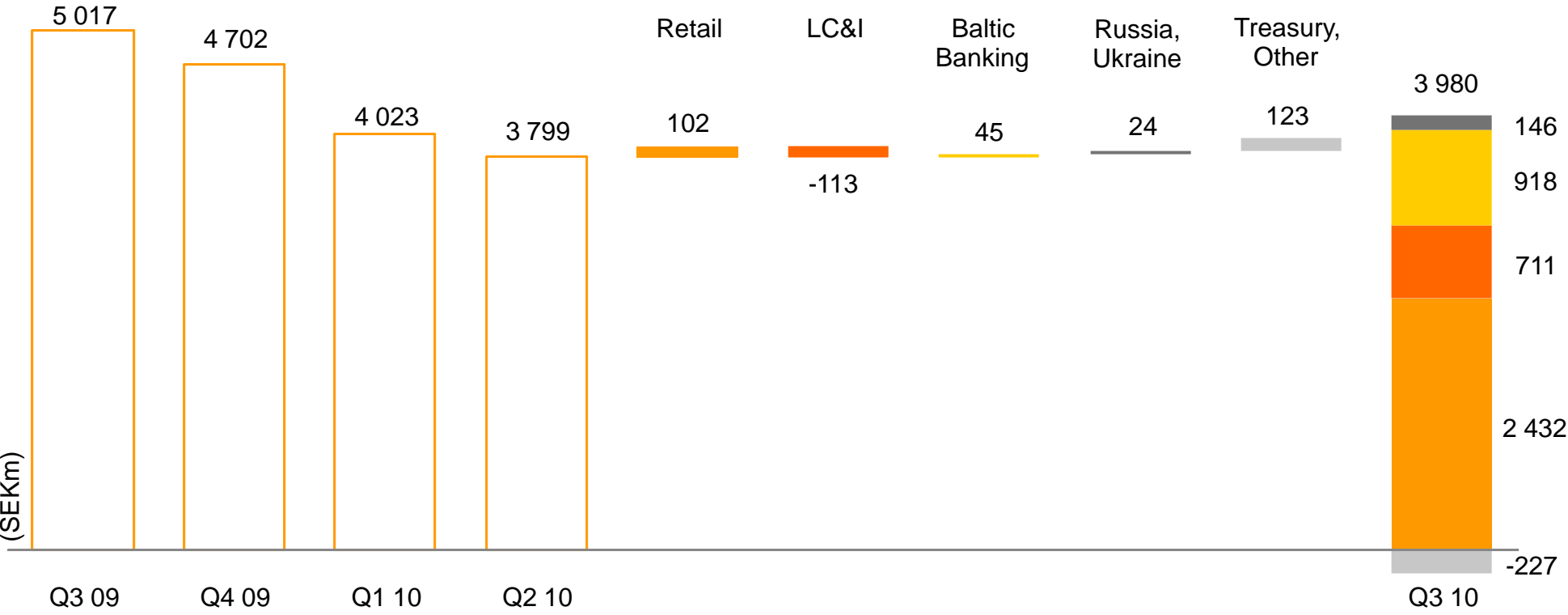
Income statement

SEKm	Q3 10	Q2 10	QoQ %	YTD 10	YTD 09	YoY%
Income	7 647	7 772	-2	23 086	26 800	-14
Expenses	4 238	4 423	-4	13 052	13 548	-4
Profit before impairments	3 409	3 349	2	10 034	13 252	-24
Total impairments	173	1 091		3 524	21 040	
Operating profit	3 236	2 258	43	6 510	-7 788	
Tax expense	638	672	-5	1 779	866	105
Profit attributable to shareholders	2 591	1 567	65	4 694	-8 707	
Return on equity, %	11.3	7.0		6.9	-14.1	
Cost-income ratio	0.55	0.57		0.57	0.51	
Loan-deposit ratio, %	233	229		233	257	
Core Tier 1 capital ratio, %*	13.4	12.7		13.4	9.9	
Risk-weighted assets *	559.7	579.4		559.7	607.5	

* Basel 2

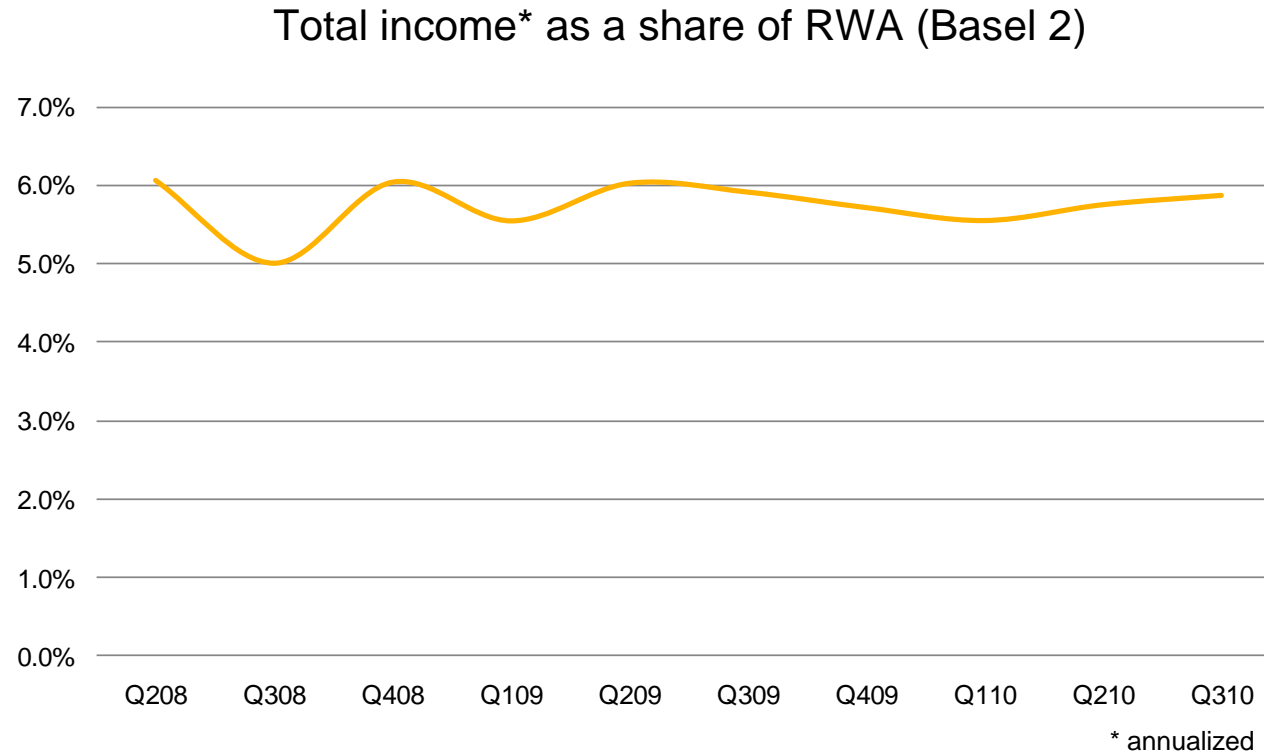
Improved NII

- Retail showed increased volumes and improved margins
- LC&I lower activity levels
- Treasury deficit reduced by funding mismatch effects



Stable underlying yield to RWA

- Net interest income increased in Q3 2010
 - Restructuring of balance sheet largely completed with RWA decreasing with around 20% since peak



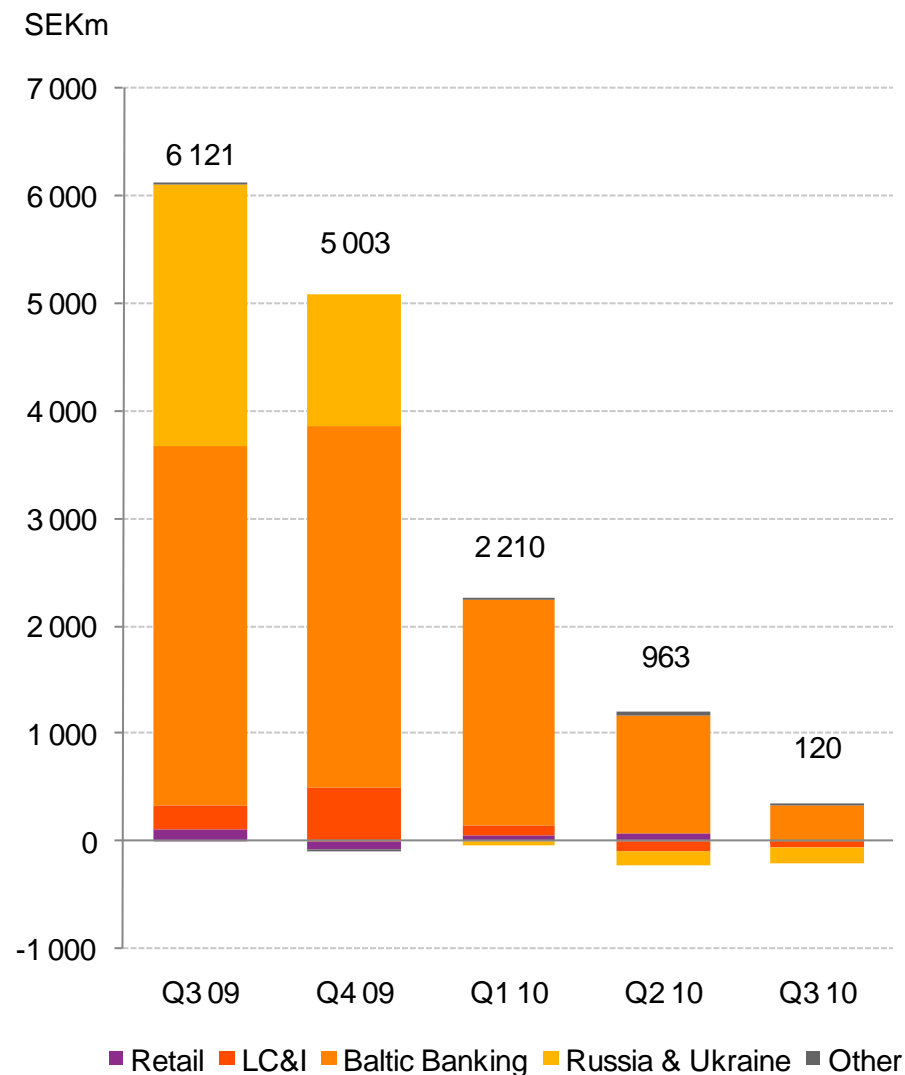
Source: Swedbank Fact book Q3 2010

Asset quality continues to improve

- Asset quality indicators in the right direction
 - Impaired loans
 - 60 days overdue
 - Restructured loans
 - Watch list
- All declining
- Well provided for within existing problem areas
 - Positive rating migration in Sweden, stable in the Baltic countries
 - Significant RWA reduction
 - Business activity increasing

Credit Impairments Significantly Reduced

- Sweden small reversals
- Baltic countries
 - Credit impairments in Latvia
- Recoveries in Russia and Ukraine

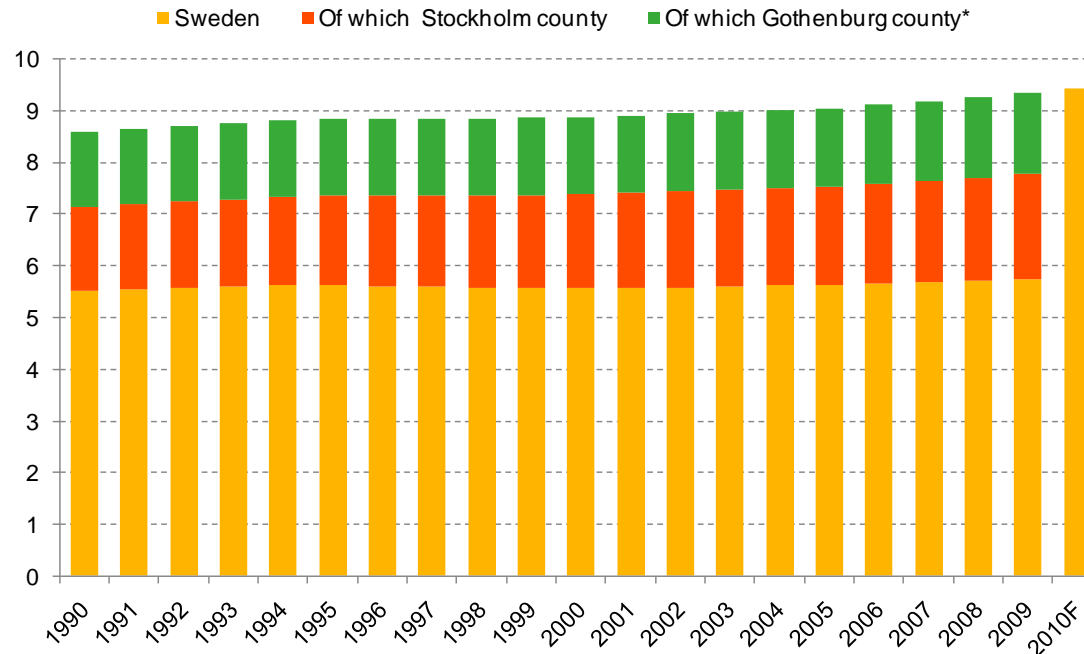


8. Appendix

Kingdom of Sweden

- Population: 9.2m
 - Sweden has a low population density of 21 inhabitants per square kilometre
- Third largest country within the European Union by area, 449,964 km² (173,745 sq mi)
- Currency: Swedish krona (1USD~SEK 6.85)
- Government: Unitary parliamentary democracy and constitutional monarchy

Swedish population, millions

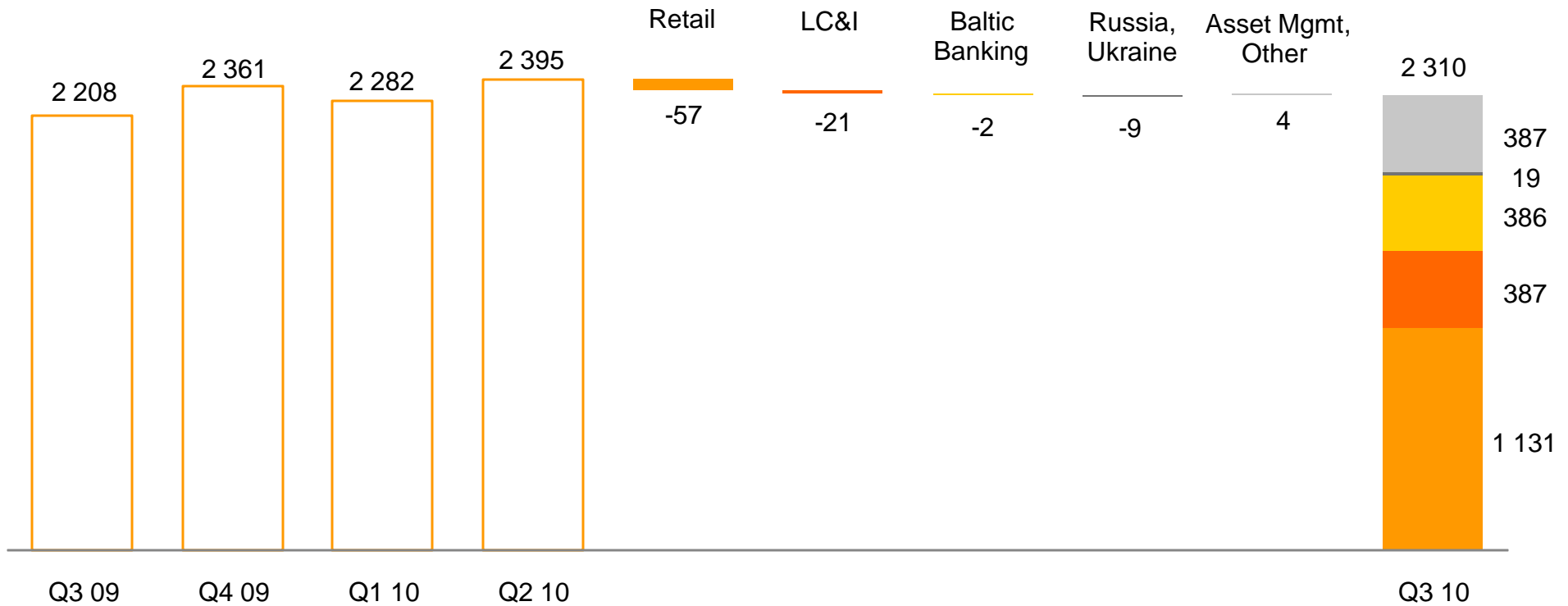


Source: Statistics Sweden. * Official name: Västra Götaland

Stable Net Commission Income

- Strong card and payment volumes
- Lower brokerage and corporate finance fees

(SEKm)

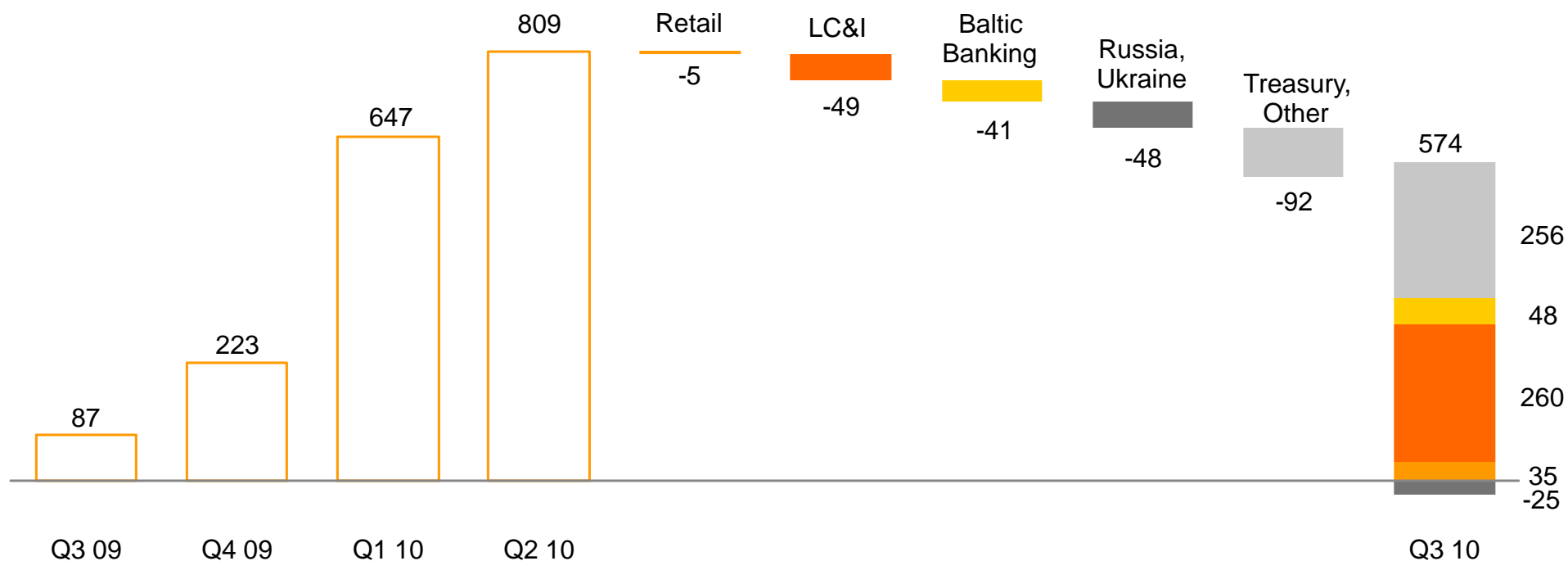


Net gains/losses on financial items, fair value

Supported by Valuation Effects

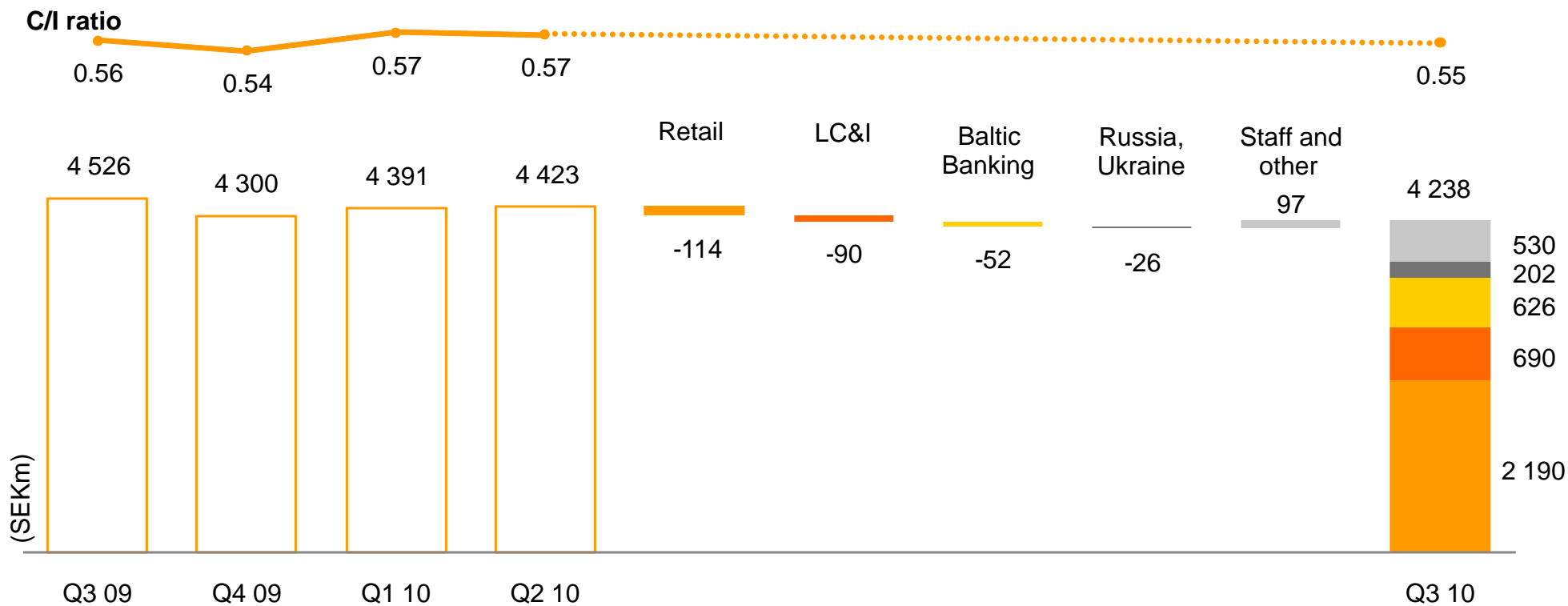
- Low trading activities
- FX losses in Ukraine
- Funding related valuation effects in Group Treasury still high

(SEKm)



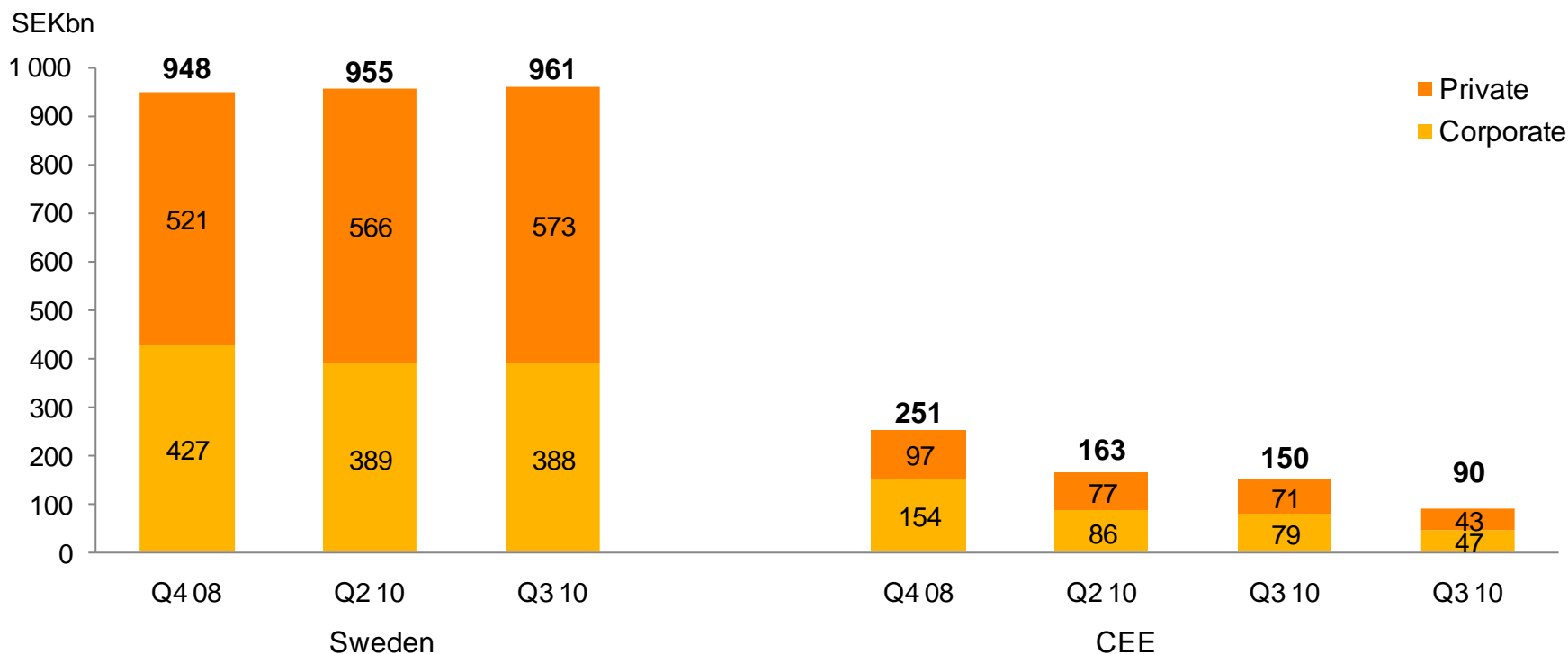
Expenses Seasonally Lower

SEKm	Q3 10	Q2 10	%
Staff costs	2 261	2 282	-1
Variable staff costs	19	141	-87
Other expenses	1 958	2 000	-2
Total expenses	4 238	4 423	-4



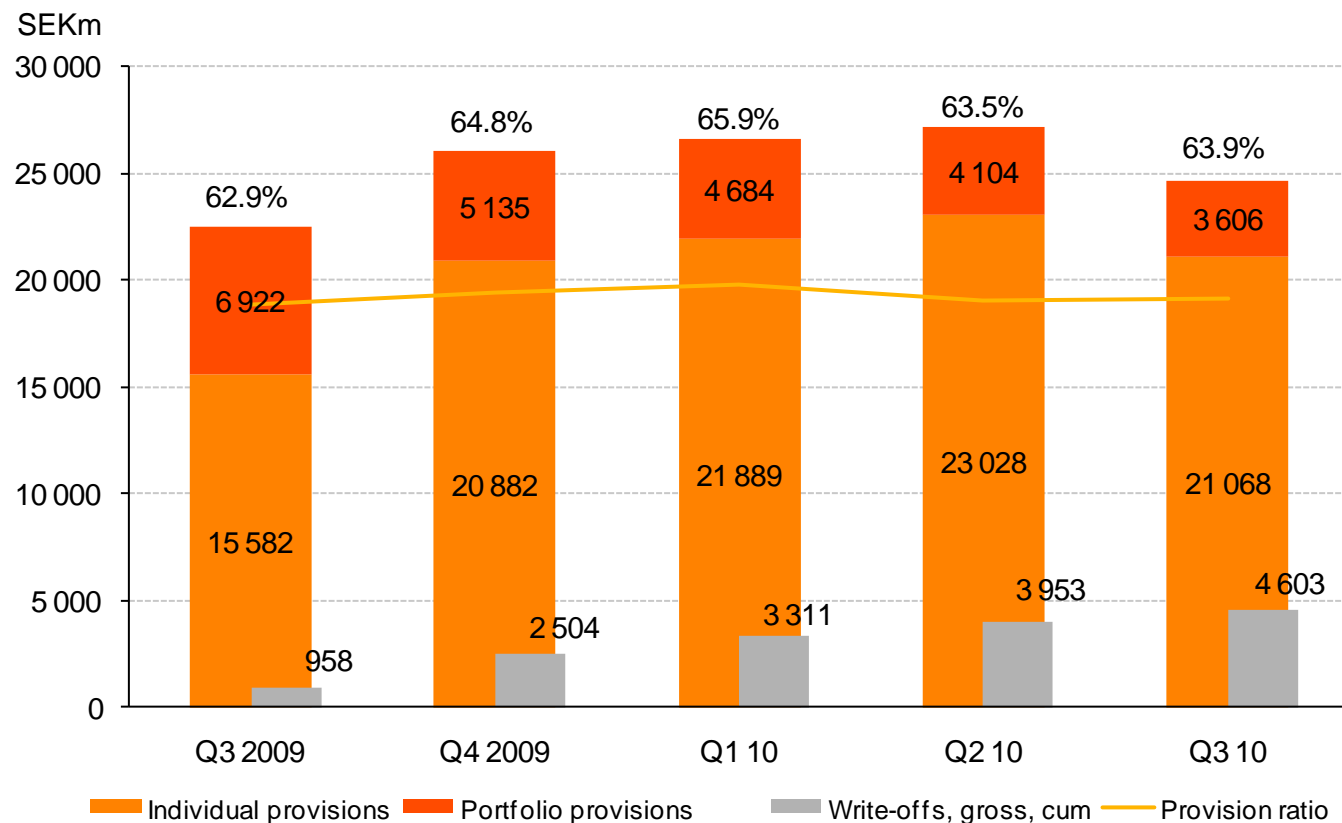
Lending Volumes

- CEE lending decreased partly due to SEK 7.5bn FX effect
- Continued relative shift from corporate to private in Sweden



Provisions

- Provision ratio levels maintained



Provision ratios Q3 10

Retail	87%
LC&I	92%
Baltic Banking	61%
Russia	58%
Ukraine	66%
Group	64%

Swedbank – contacts and financial calendar

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Financial calendar

Q4 Interim report, 8 February 2011

Capital Markets Day
in Stockholm, 23 February 2011

Annual General Meeting 25 March 2011

Q1 Interim report, 28 April 2011

Q2 Interim report, 21 July 2011

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