

Debt Investor Presentation

August 2011



Disclaimer

By attending the meeting where this presentation is made, you agree to be bound by the following limitations.

The information contained in this document has not been independently verified and no representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. The information set out herein may be subject to updating, revision, verification and amendment and such information may change materially. Neither Swedbank AB (publ) nor any of its affiliates including Swedbank Mortgage AB (publ) (jointly referred to as "Swedbank") are under any obligation to update or keep current the information contained in this document or in the presentation to which it relates and any opinions expressed in them is subject to change without notice. Neither Swedbank nor any of its advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss whatsoever arising from any use of this document or its contents, or otherwise arising in connection with this presentation.

This document does not constitute an offering circular in whole or part. This document is presented solely for information purposes and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments and should not be treated as giving investment advice. It has no regard to the specific investment objectives, financial situation or particular needs of any recipient. Any offering of securities would be made by means of a base prospectus that may be obtained from the relevant dealers and any decision to invest in any securities of Swedbank should only be made pursuant to such base prospectus.

This presentation and its contents are confidential and proprietary to Swedbank and no part of it or its subject matter may be reproduced, redistributed, passed on, or the contents otherwise divulged, directly or indirectly, to any other person or published in whole or in part for any purpose without the prior consent of Swedbank. If this presentation has been received in error then it must be returned immediately. The recipients of this presentation should not base any behaviour in relation to qualifying investments or relevant products which would amount to market abuse on the information in this presentation until after the information has been made generally available. Nor should the recipient use the information in this presentation in any way which would constitute "market abuse".

Any securities that may be issued may not be registered under the U.S. Securities Act of 1933 (the "Securities Act"), as amended, under applicable state securities laws, or under the law of any other jurisdiction. Such securities would only be offered (i) in offshore transactions to non-U.S. person in reliance upon Regulation S under the Securities Act and (ii) to qualified institutional buyers in reliance upon Rule 144A under the Securities Act. Any offering of such securities to be made in the United States would be made by means of a base prospectus that may be obtained from the relevant dealers. Such base prospectus would be expected to contain, or incorporate by reference, detailed information about Swedbank and its business and financial results.

Under no circumstances shall the information presented herein constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. Any such offer would be made only after a prospective participant had completed its own independent investigation of the relevant transaction, and received all information it required to make its own investment decision, including, where applicable, a review of any prospectus, prospectus supplement, offering circular or memorandum describing such security or instrument. That information would supersede this material and contain information not contained herein and to which prospective participants are referred. We have no obligation to tell you when information herein is stale or may change, nor are we obligated to provide updated information.

Swedbank is not responsible for the lawfulness of the acquisition of any securities by a prospective purchaser with regard to any law, regulation or policy applicable to it. A prospective investor may not rely on Swedbank when making determinations in relation to these matters. By accepting this document you acknowledge that (a) Swedbank is not in the business of providing (and you are not relying on Swedbank for) legal, tax or accounting advice, (b) there may be legal, tax or accounting risks associated with the securities in this document, (c) you should receive (and rely on) separate and qualified legal, tax and accounting advice, and (d) you should appraise senior management in your organisation as to such legal, tax and accounting advice (and risks associated with the securities) and this disclaimer to these matters.

This presentation includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "anticipates", "believes", "estimates", "expects", "aims", "continues", "intends", "may", "plans", "considers", "projects", "should" or "will", or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places and include, but are not limited to, statements regarding Swedbank's intentions, beliefs or current expectations concerning, amongst other things, results of operations, financial positions, prospects, growth, strategies and expectations of the banking industry and Swedish mortgage market.

By their nature, forward-looking statements involve risk and uncertainty, because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance, and the actual results, performance, achievements or industry results of Swedbank's operations, results of operations, financial position and the development of the markets and the industry in which they operate or are likely to operate and their respective operations may differ materially from those described in, or suggested by, the forward-looking statements contained in this presentation. In addition, even if the operations, results of operations, financial position and the development of the markets and the industry in which Swedbank operates are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. A number of factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, industry trends, competition, prices in the residential mortgage industry, changes in regulation, currency fluctuations.

Forward-looking statements may, and often do, differ materially from actual results. Any forward-looking statements in this document reflect Swedbank's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to Swedbank's financial position, prospects, operations, results of operations, growth, strategy and expectations of the residential mortgage industry. Any forward-looking statement speaks only as of the date on which it is made. New factors will emerge in the future, and it is not possible for Swedbank to predict which factors they will be. In addition, Swedbank cannot assess the impact of each factor on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those described in any forward-looking statements.

Table of contents

1. Executive summary	5
2. This is Swedbank	6
3. Funding	11
4. Swedish economy	17
5. Swedish housing and mortgage market	24
6. Swedbank's lending process in Sweden	31
7. Swedish covered bond legislation and covered bond market	36
8. Swedbank's cover pool	43
9. Summary and conclusion	47
10. Appendix	49

Executive summary

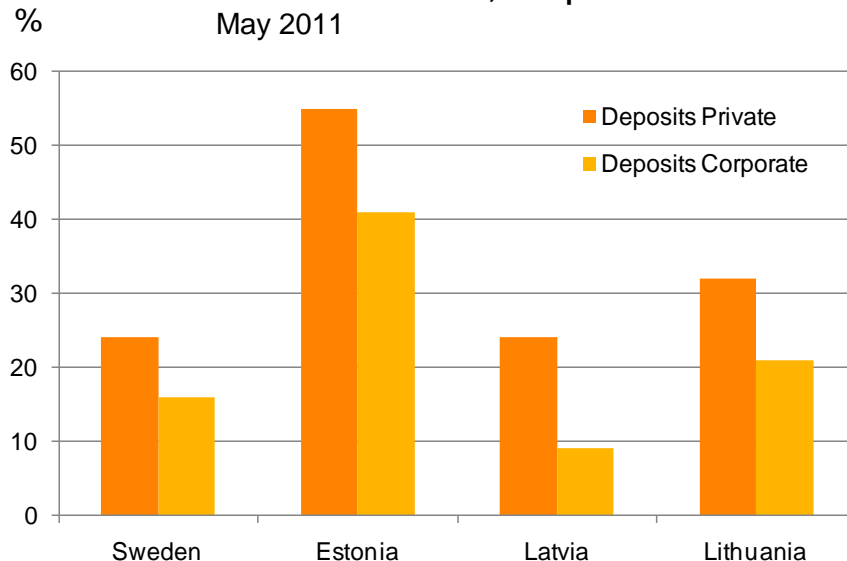
- **Market position** – Swedbank is the largest retail bank in Sweden and the market leader in private mortgages and deposits in all of its home markets. Approximately 85% of its total lending is originated in Sweden, which is one of the healthier economies among the mature markets
- **Capitalization** – strong capitalization with Core Tier 1 ratio of 14.8%
- **Origination process** – stringent credit origination rules with affordability analysis based on cash flows
- **Covered bonds** – primary source of wholesale funding and issued through the wholly-owned subsidiary Swedbank Mortgage. AAA/Aaa ratings from S&P and Moody's and governed by the solid Swedish covered bond legislation. Recurrent and committed covered bond issuer
- **Cover pool** – consists of 100% Swedish prime assets with more than 90% of residential mortgages widespread across Sweden and a weighted average LTV of 57%
- **Credit losses** – accumulated credit losses in Swedbank Mortgage since 1982 of SEK 7.3bn

2. This is Swedbank

Market leading retail franchise in all home markets

- Largest retail bank and fund manager in Sweden

Market shares, Deposits
May 2011



Market shares, Lending
May 2011



Source: Source Sweden: Statistics Sweden (SCB)

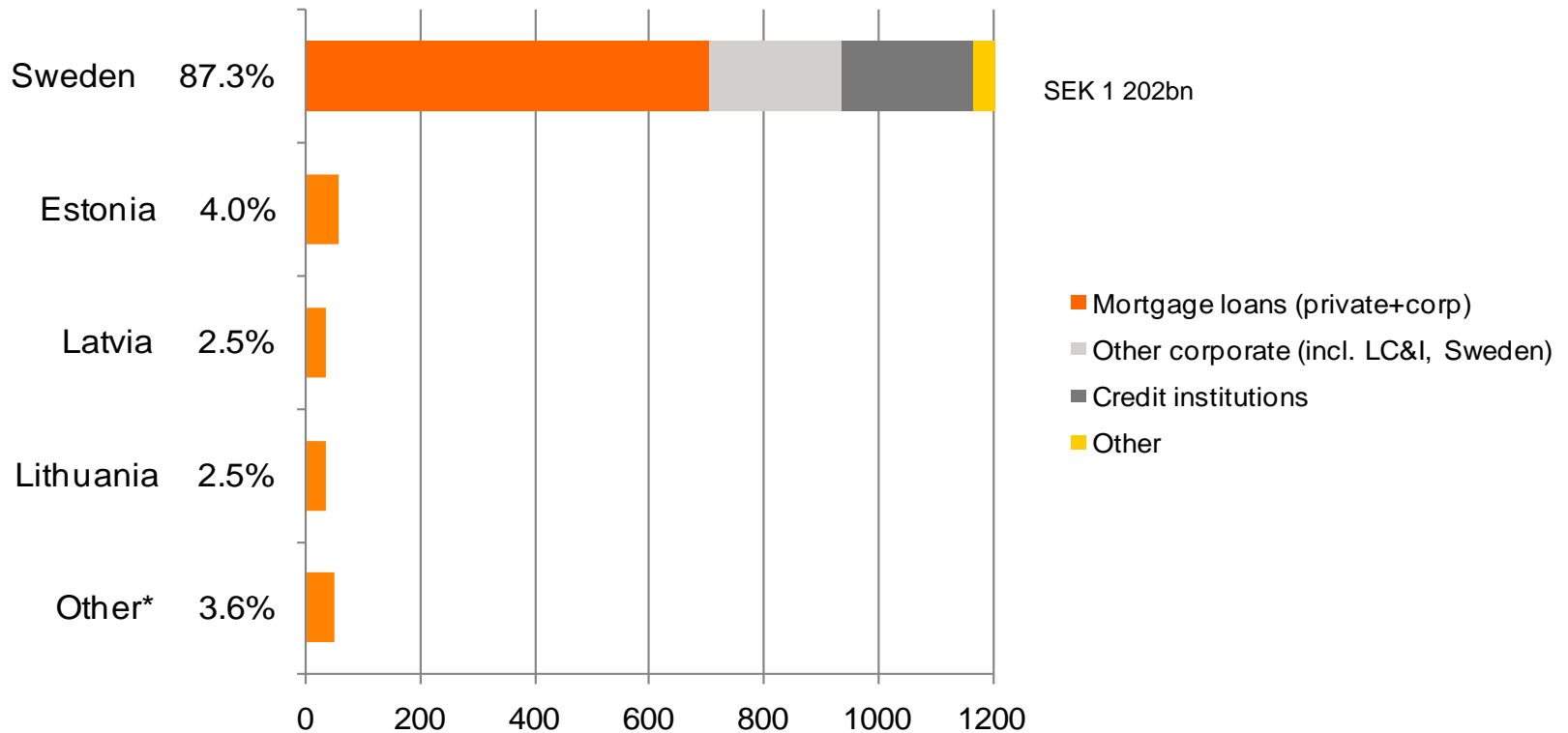
Source Estonia: Estonian Central Bank

Sources Latvia: Association of Commercial Banks of Latvia (ACBL) & The Financial and Capital Market Commission (FCMC)

Source Lithuania: Association of Lithuanian Banks (LBA)

Sweden – the dominating home market

Total lending distributed by business area (Q2 2011)

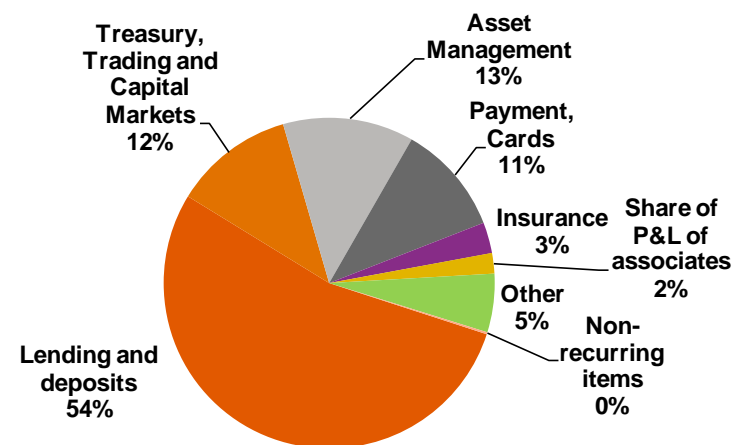


Financial performance

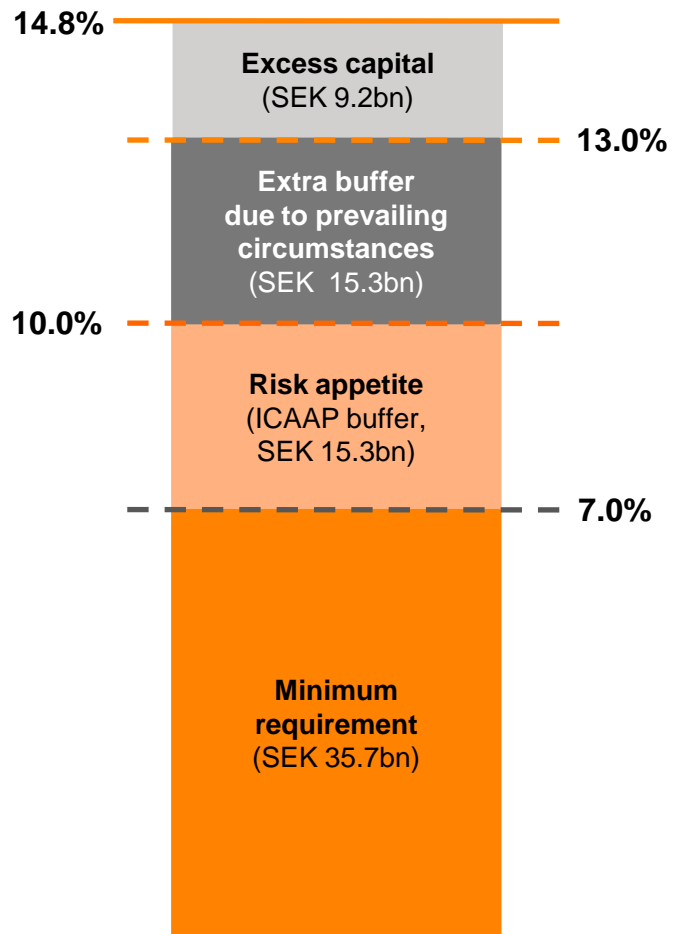
SEKm	Q2 2011	FY 2010
Income	16 807	31 044
<i>of which NII</i>	9 267	16 329
<i>of which Net commissions</i>	4 545	9 525
Expenses	8 729	17 642
<i>of which staff costs</i>	4 857	9 392
Profit before impairments	8 078	13 402
Impairment of intangible assets	-	37
Impairment of tangible assets	17	600
Credit impairments	1 296	2 810
Operating profit	9 357	9 955
Tax expense	2 045	2 472
Profit attributable to shareholder	7 312	7 444
Return on equity, %	15.3	8.1
Cost-income ratio	0.52	0.57
Loan-to-deposit ratio, %	254	222
Core Tier 1 capital ratio, %*	14.8	13.94
Risk-weighted assets, SEKbn*	509	541.3 (FY 2009, 603.4)

* Basel 2

Total income distribution in 2010



Strong capitalisation

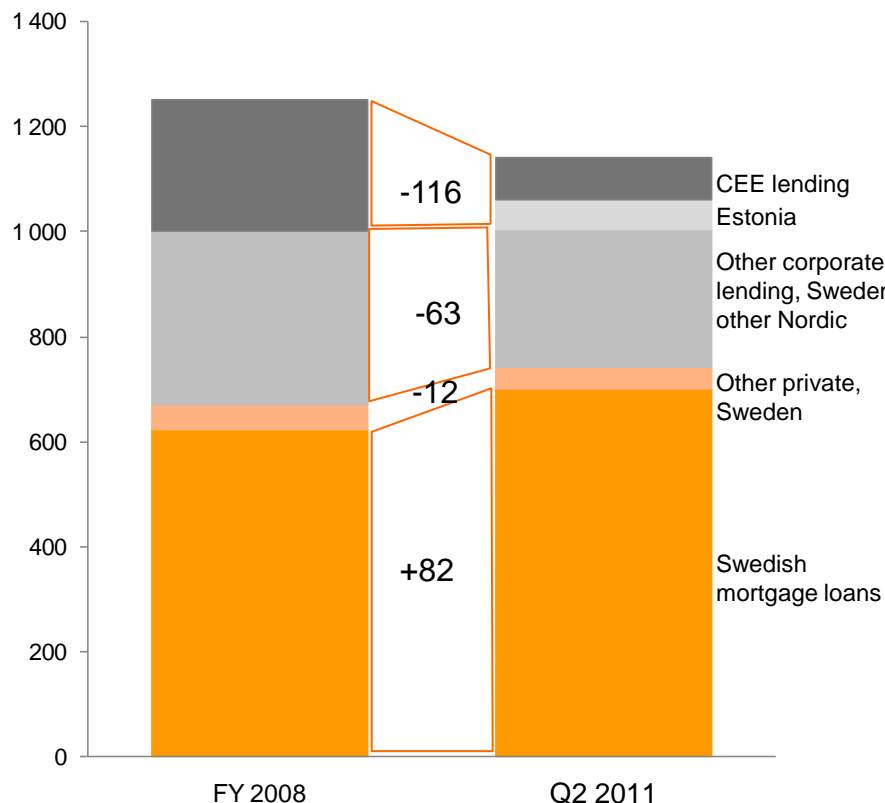


- CT1-ratio to stay above 13 per cent until 2013
 - Perception
 - Unclear regulatory framework
 - Uncertain macro economic environment
- Long-term CT1-ratio of at least 10 per cent
 - CT1-ratio to stay above regulatory minimum in ICAAP (stressed) scenario
 - Known regulation
 - Current balance sheet

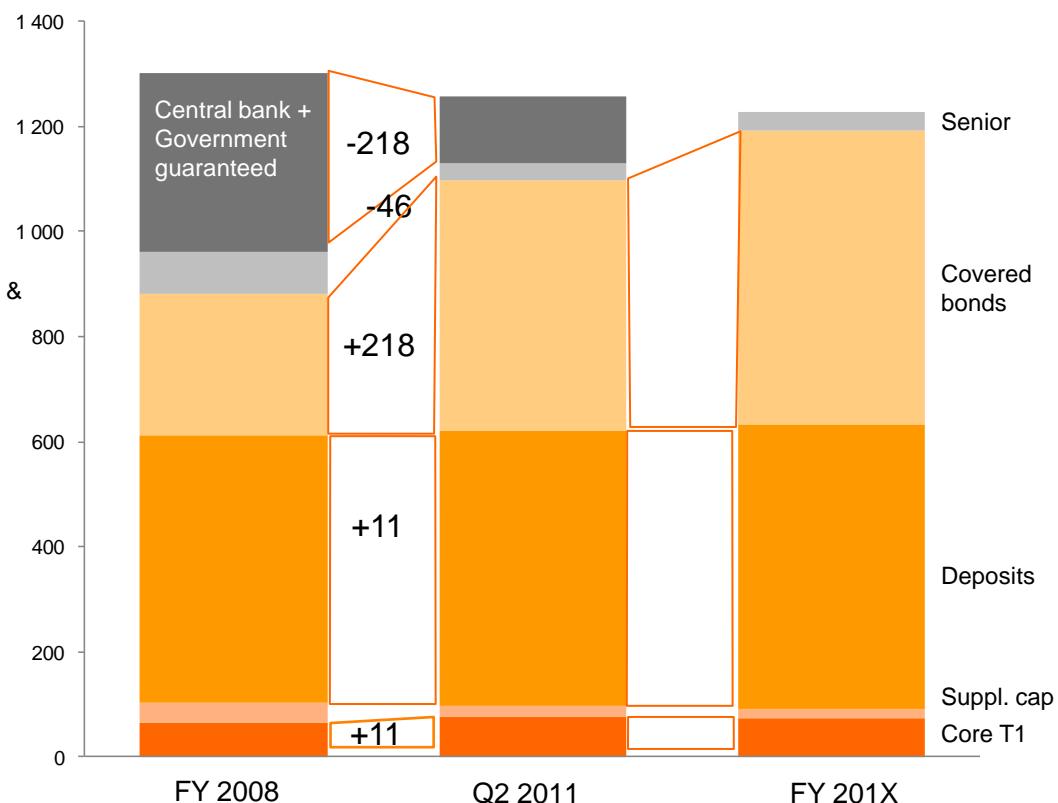
3. Funding

Significantly reduced risk level

Assets*



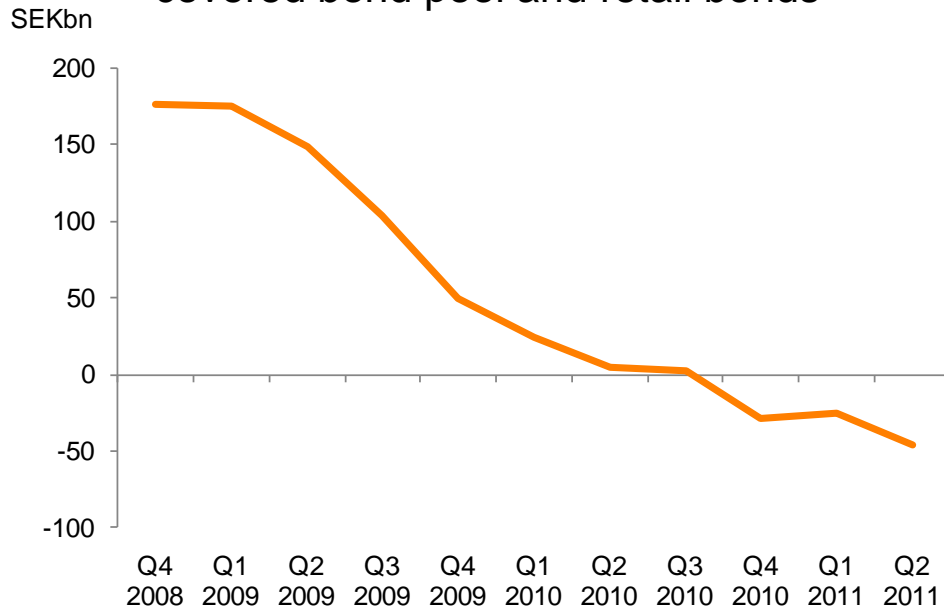
Liabilities*



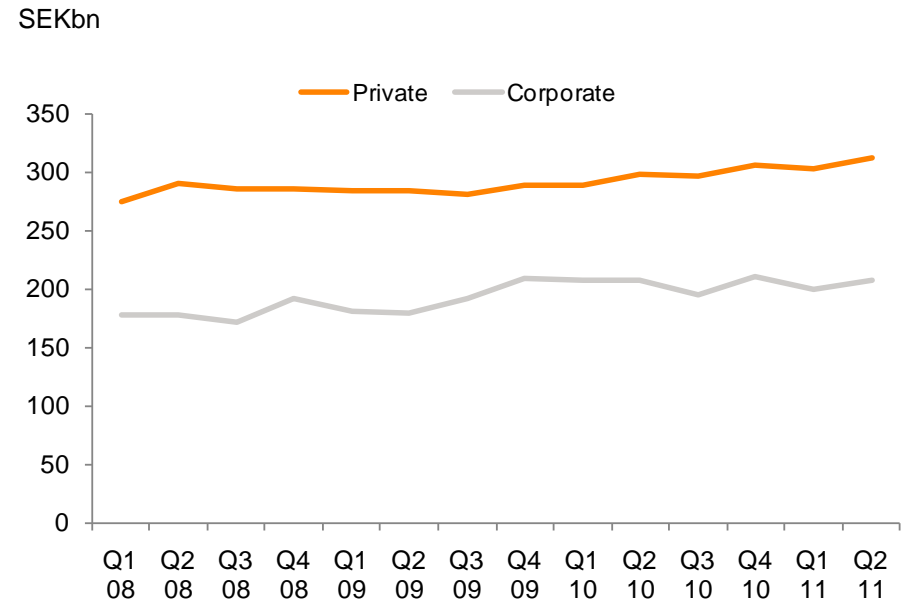
Source: Swedbank, Dec 31, 2008 and Jun 30, 2011 * Simplified balance sheet assets and liabilities

Limited unsecured funding need

Lending to the public, less deposits, covered bond pool and retail bonds

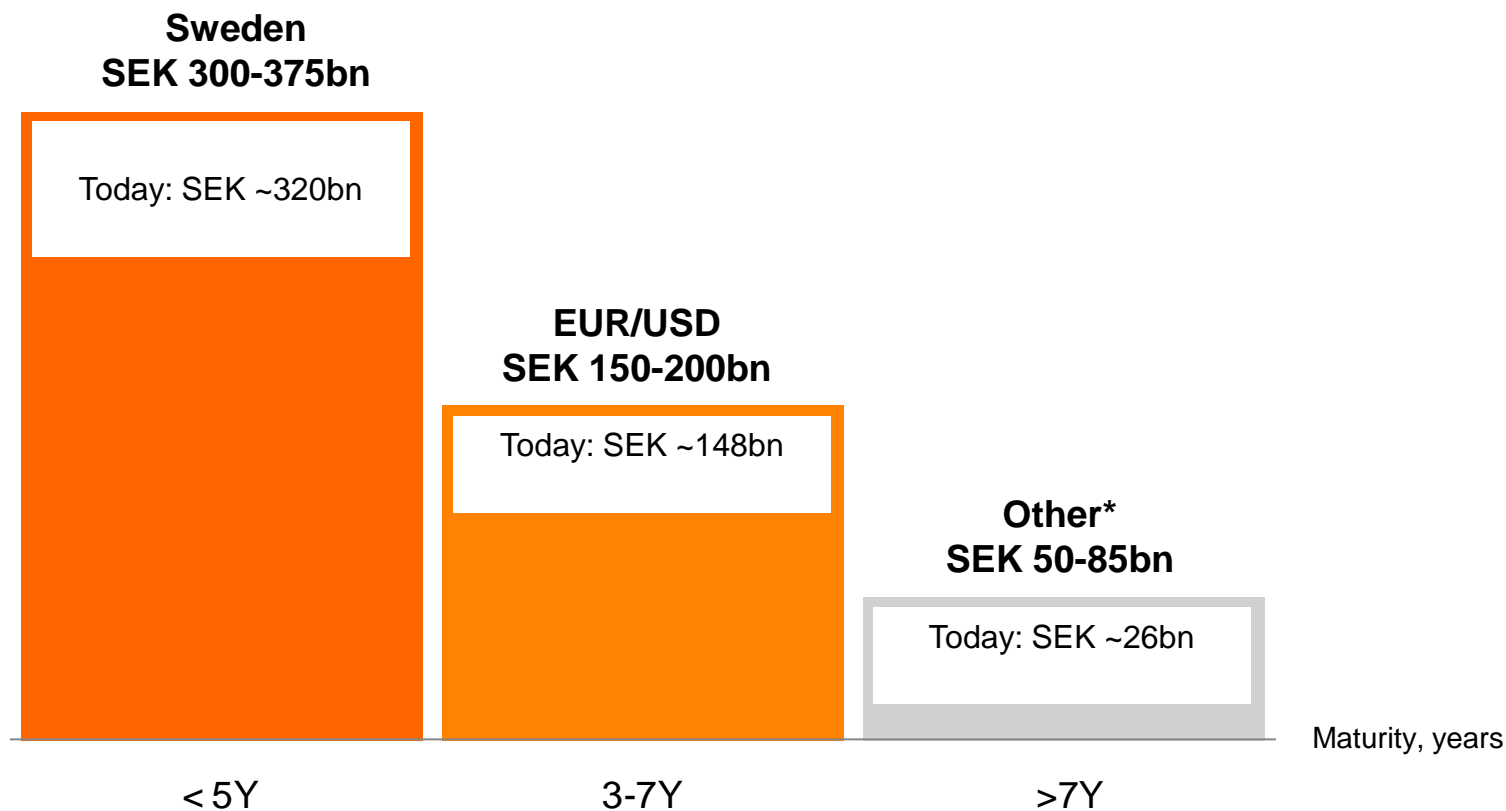


Deposits from the public



Source: Swedbank, Jun 30 2011, interim and annual reports

Covered bond strategy

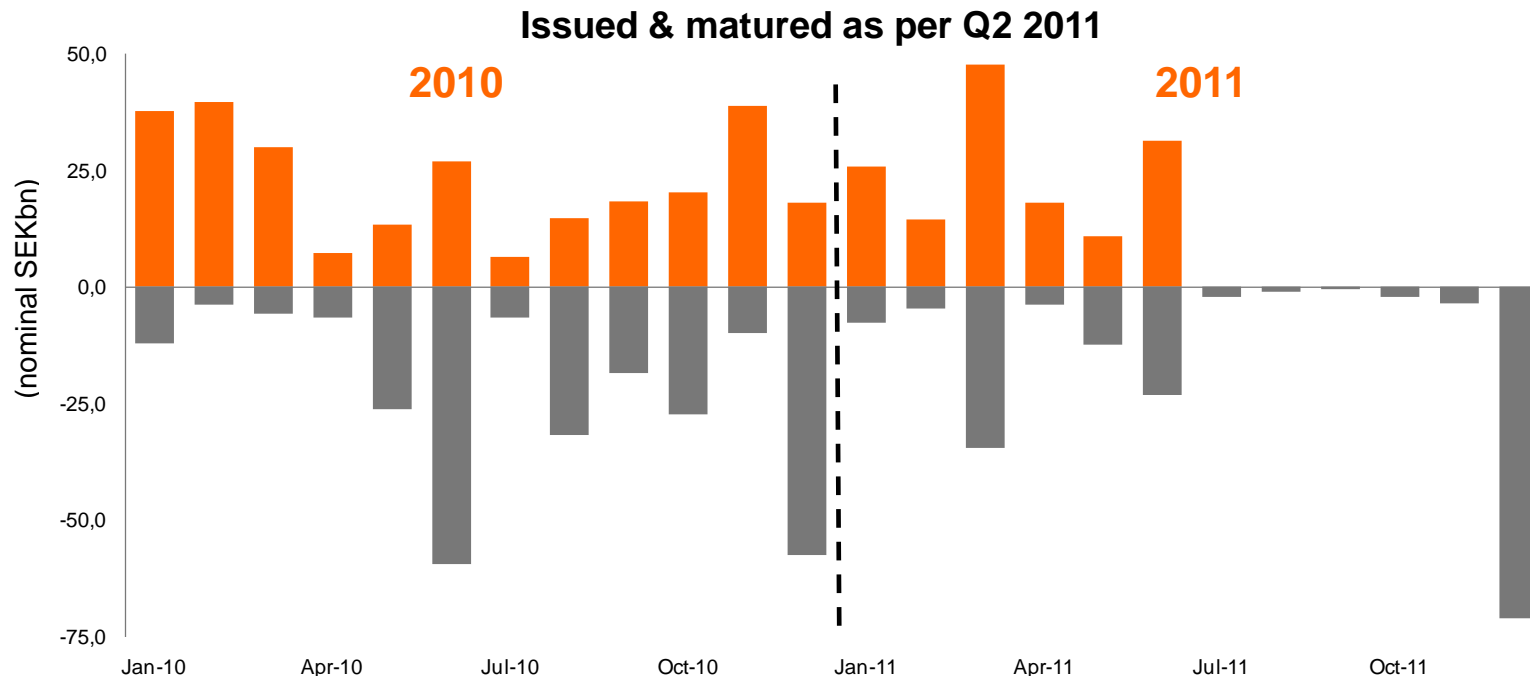


*e.g. Registered covered bonds

Source: Swedbank, Jun 30, 2011, Nominal amounts

SEK 419bn term funding issued in 18 months...

- ...with around SEK 224bn of maturities during the same period
- Issued SEK 374bn in covered bonds
 - 6 EUR-denominated covered bond benchmark deals, EUR 6.5bn
 - 2 USD-denominated covered bond benchmark deals, USD 2bn
 - 7 CHF-denominated covered bond benchmark deals, CHF 1.6bn
 - Increased domestic SEK covered bond out standings, SEK 50bn
 - 1 EUR-denominated senior unsecured benchmark deal, EUR 1.25bn

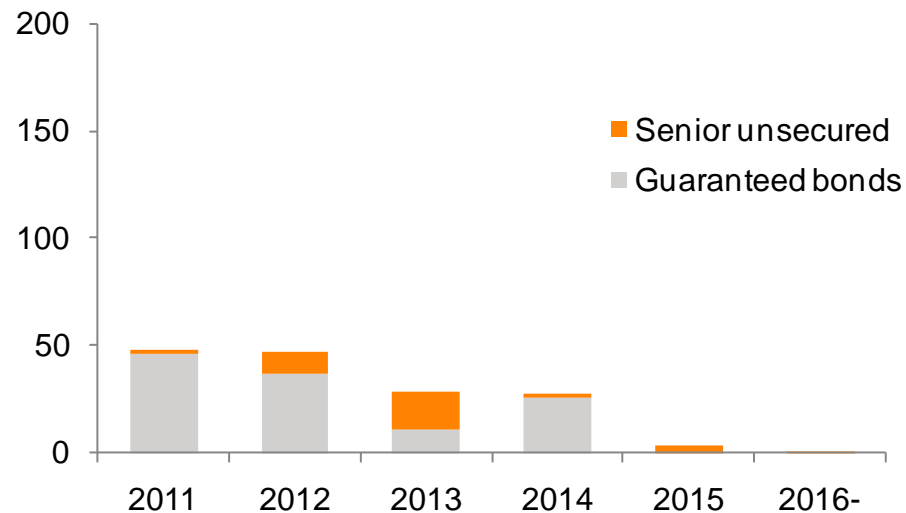
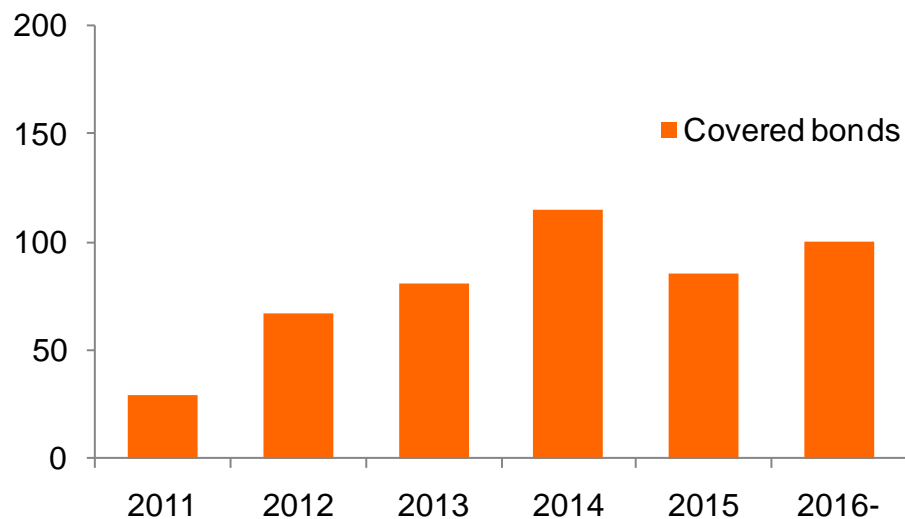


Source: Swedbank, Jun 30, 2011 interim and annual reports

Long-term funding

- Full year 2011 maturities of nominal SEK 180bn, SEK 80 bn maturing in H2

Long-term funding maturity profile, SEKbn

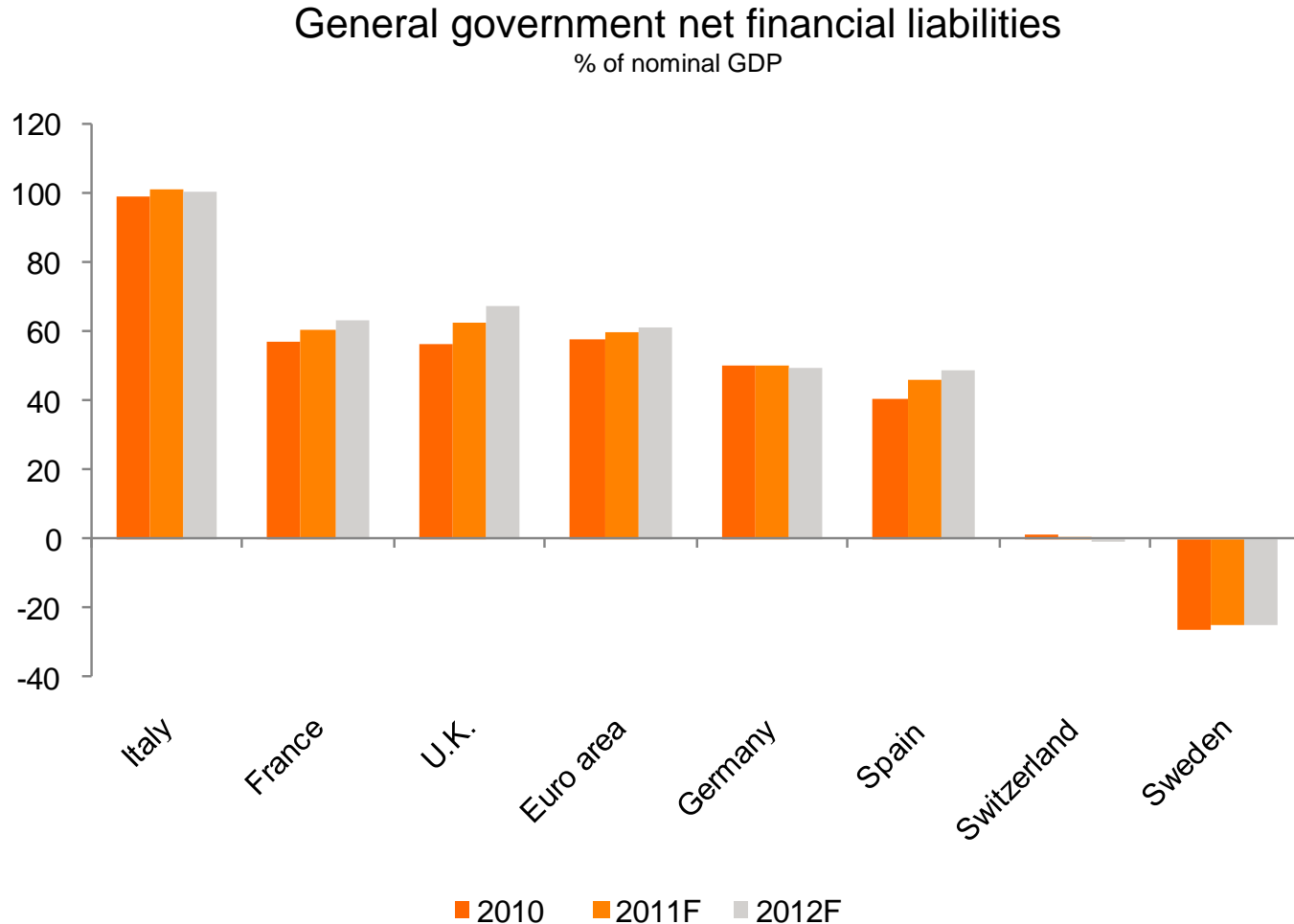


Source: Swedbank , Jun 30, 2011

4. Swedish economy

A balance sheet in favourable condition

- Sweden's financial assets continue to exceed its liabilities



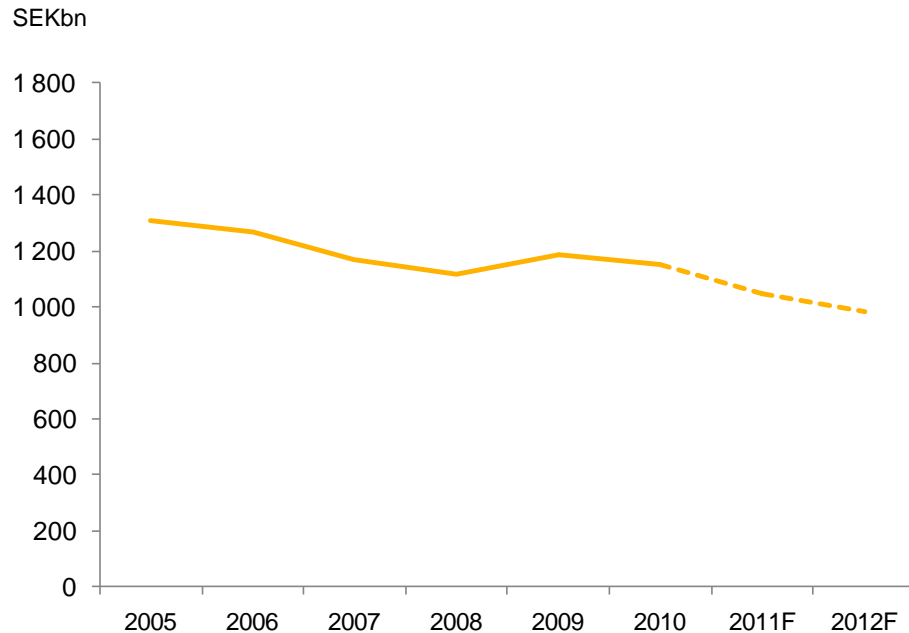
Source: OECD Economic outlook 89 (table 33), May 25, 2011

Strong fiscal position

- Kingdom of Sweden rated Aaa/AAA/AAA
- GDP growth 6.4% in Q1 2011
- Balanced budget FY 2010

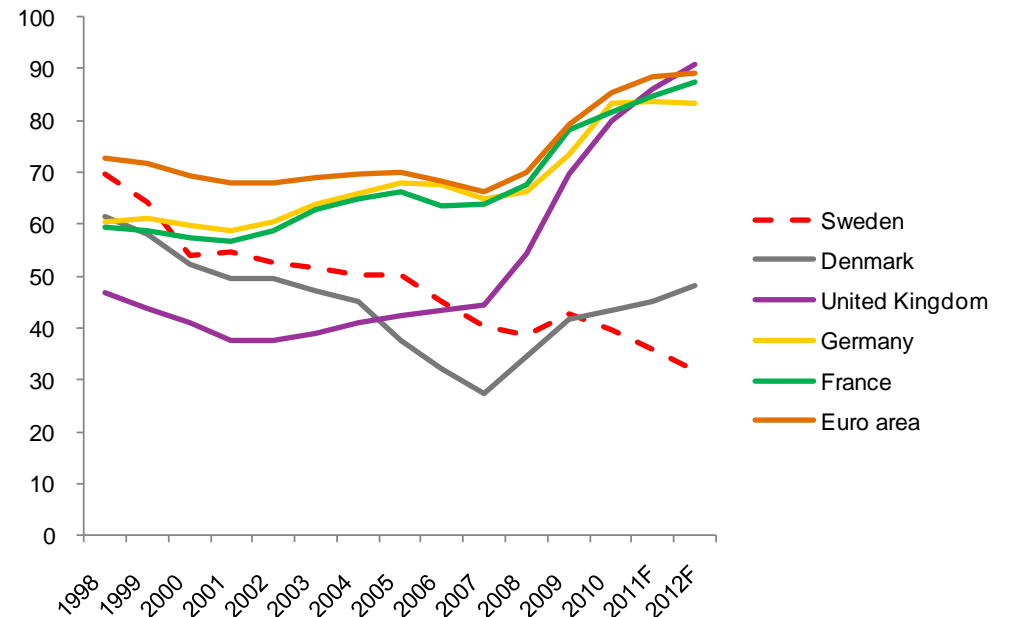
Source: Swedish National Debt Office, Feb 2, 2011 and Statistics Sweden

Swedish government debt



Source: Swedish National Debt Office, May 18, 2011

Maastricht definition* of general government gross public debt as a percentage of nominal GDP

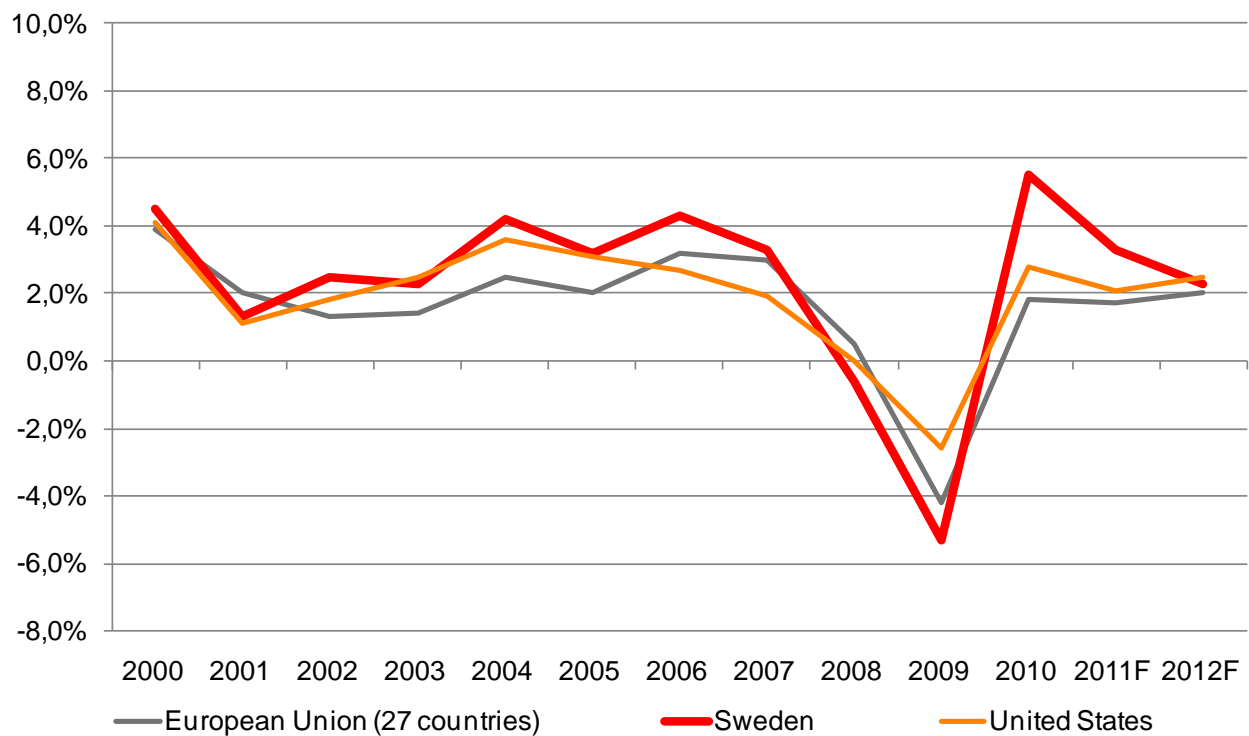


*General government gross debt according to the convergence criteria set out in the Maastricht Treaty comprises currency, bills and short-term bonds, other short-term loans and other medium- and long-term loans and bonds, defined according to ESA 95.

Source: OECD Economic outlook 89, May 25, 2011

Solid macro recovery

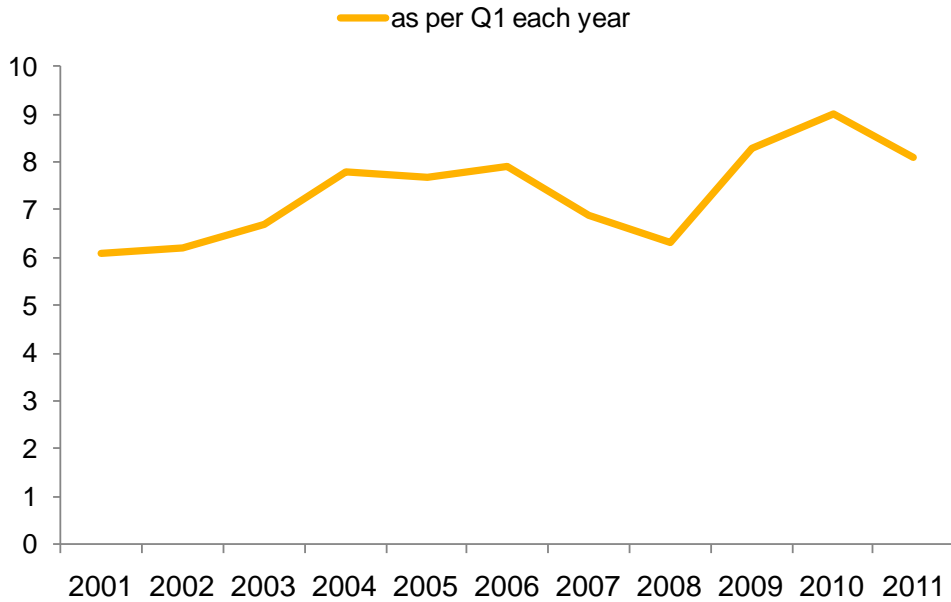
Real GDP growth rate



Source: Eurostat, Mar 8, 2011

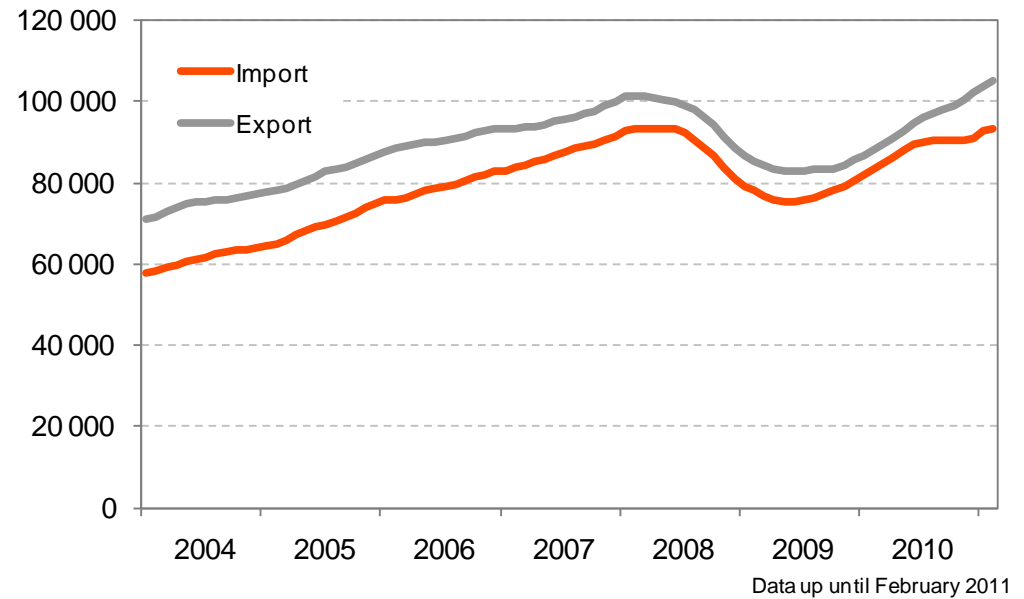
Solid macro recovery

Unemployment rate 2001 - 2010, %



Source: Statistics Sweden, Mar 31, 2011

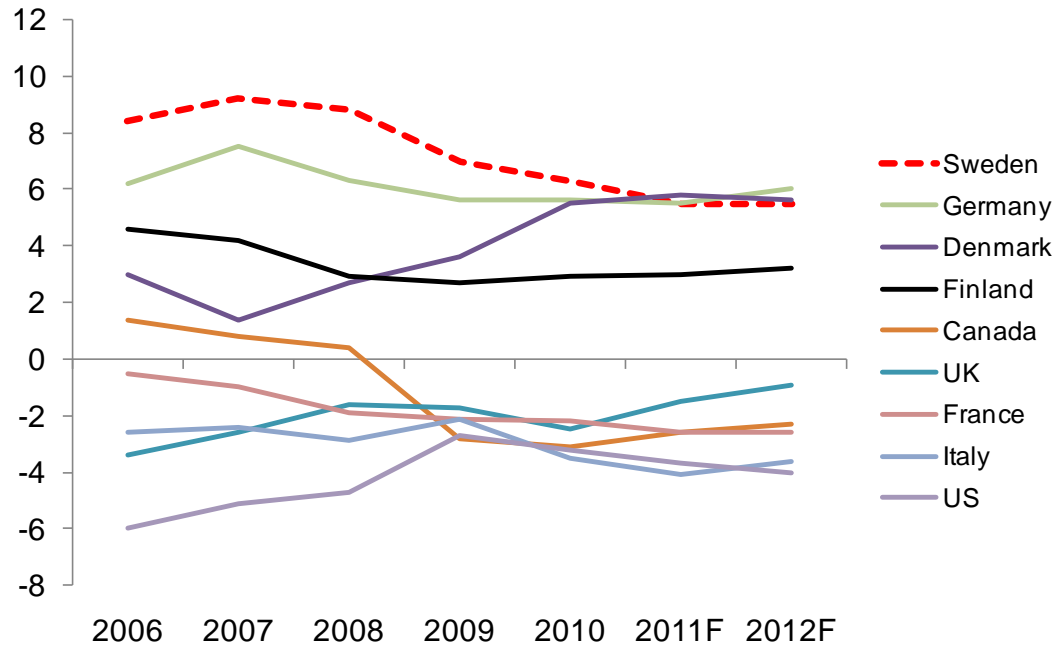
Export and import trend per month, SEKm



Source: Statistics Sweden, March 28, 2011

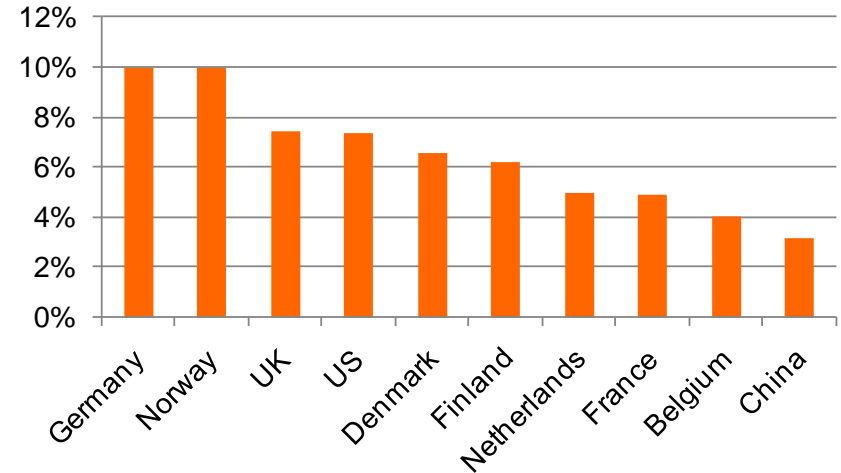
Continuing recovery of foreign trade

Current account balance as % of GDP

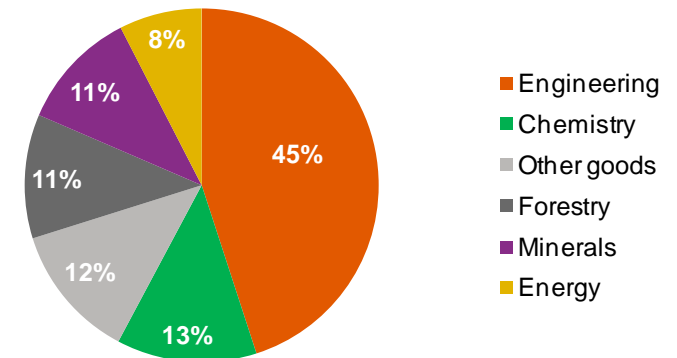


Source: OECD – Economic outlook 89, May 25, 2010

Top 10 export countries 2010



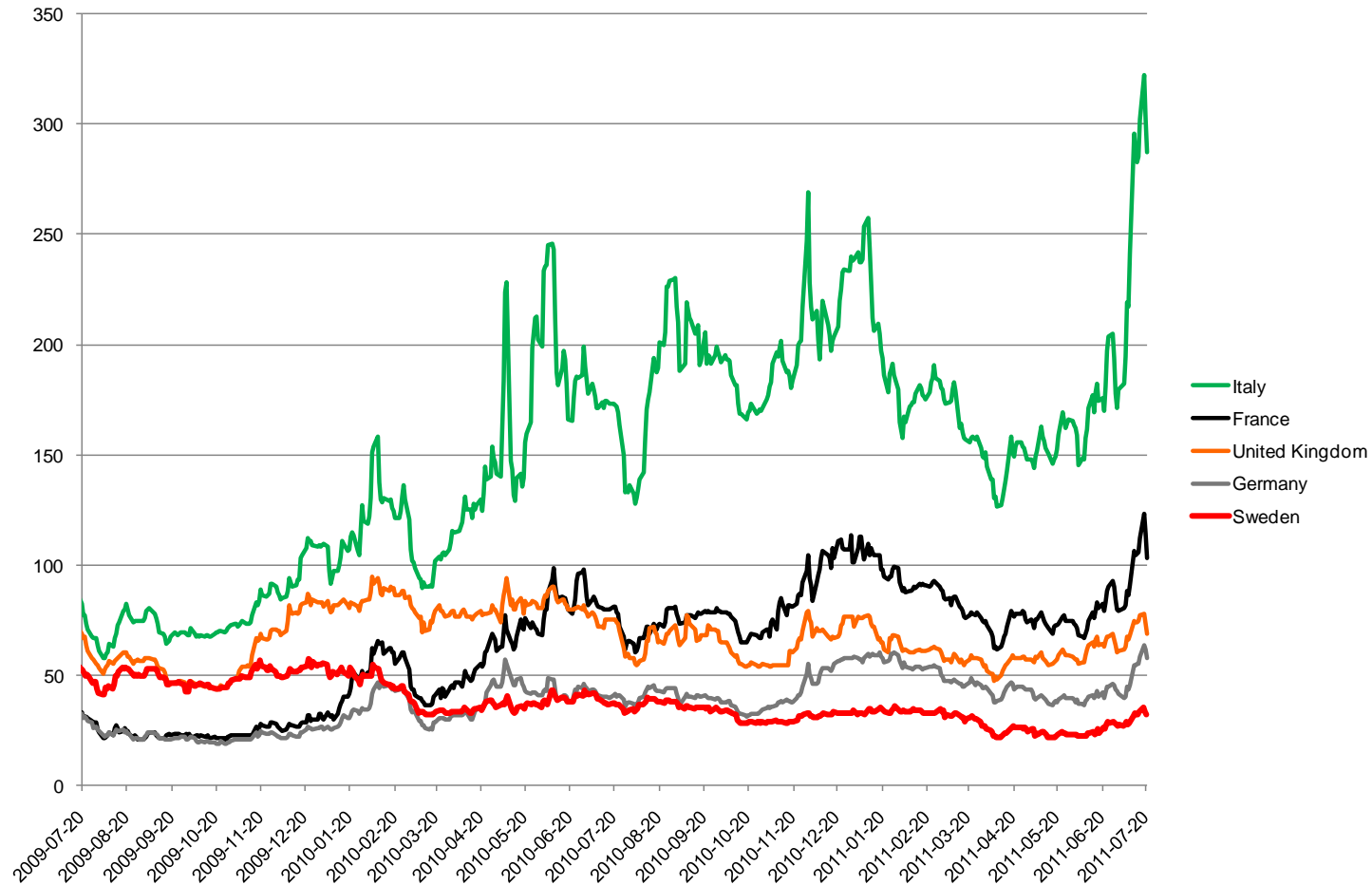
Export – distribution by important commodity groups



Source: Statistics Sweden, Feb 28, 2011

Sweden has shown resilience through turbulent times

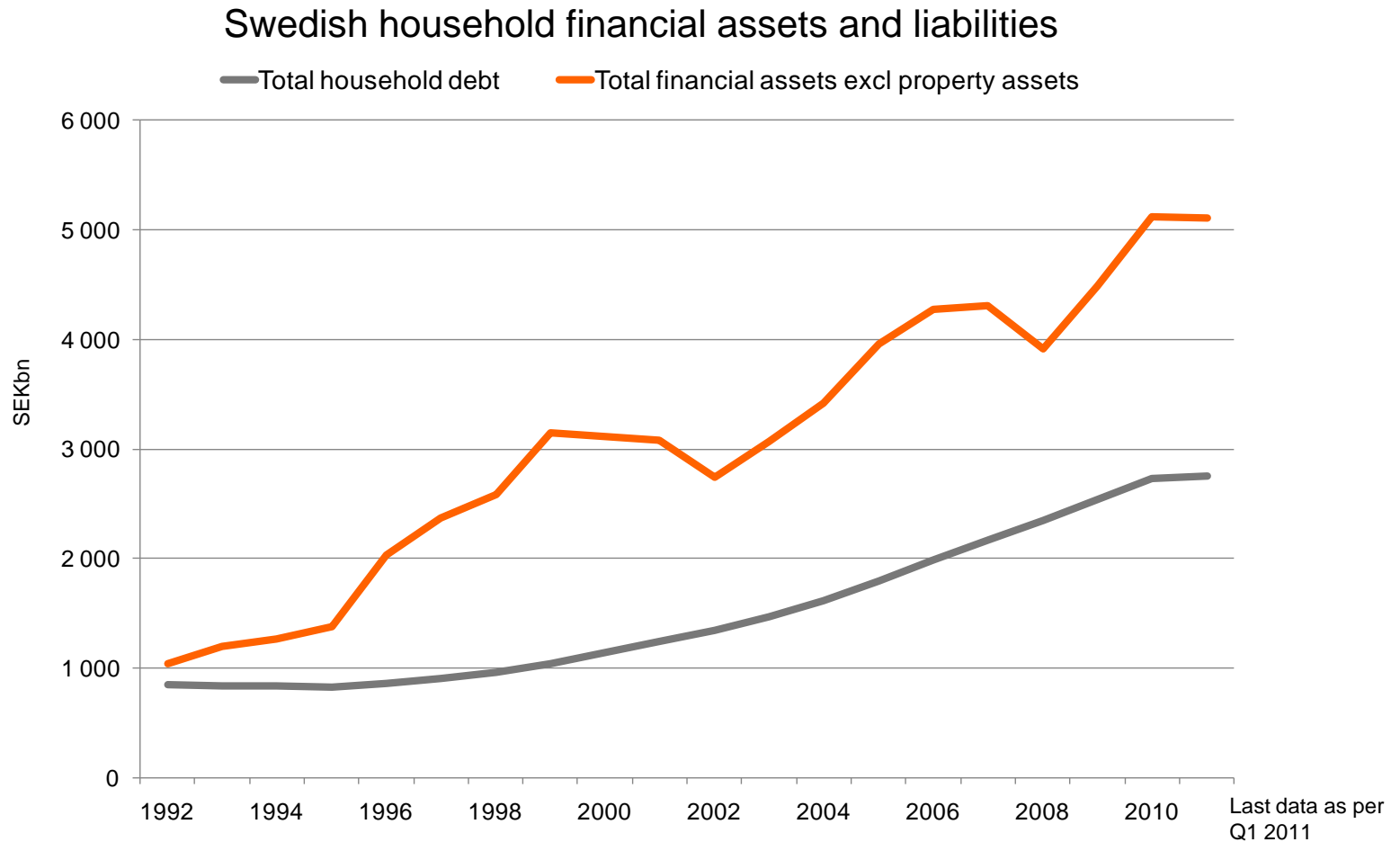
5 year Sovereign CDS



Source: Bloomberg, July 20, 2011

5. Swedish housing and mortgage market

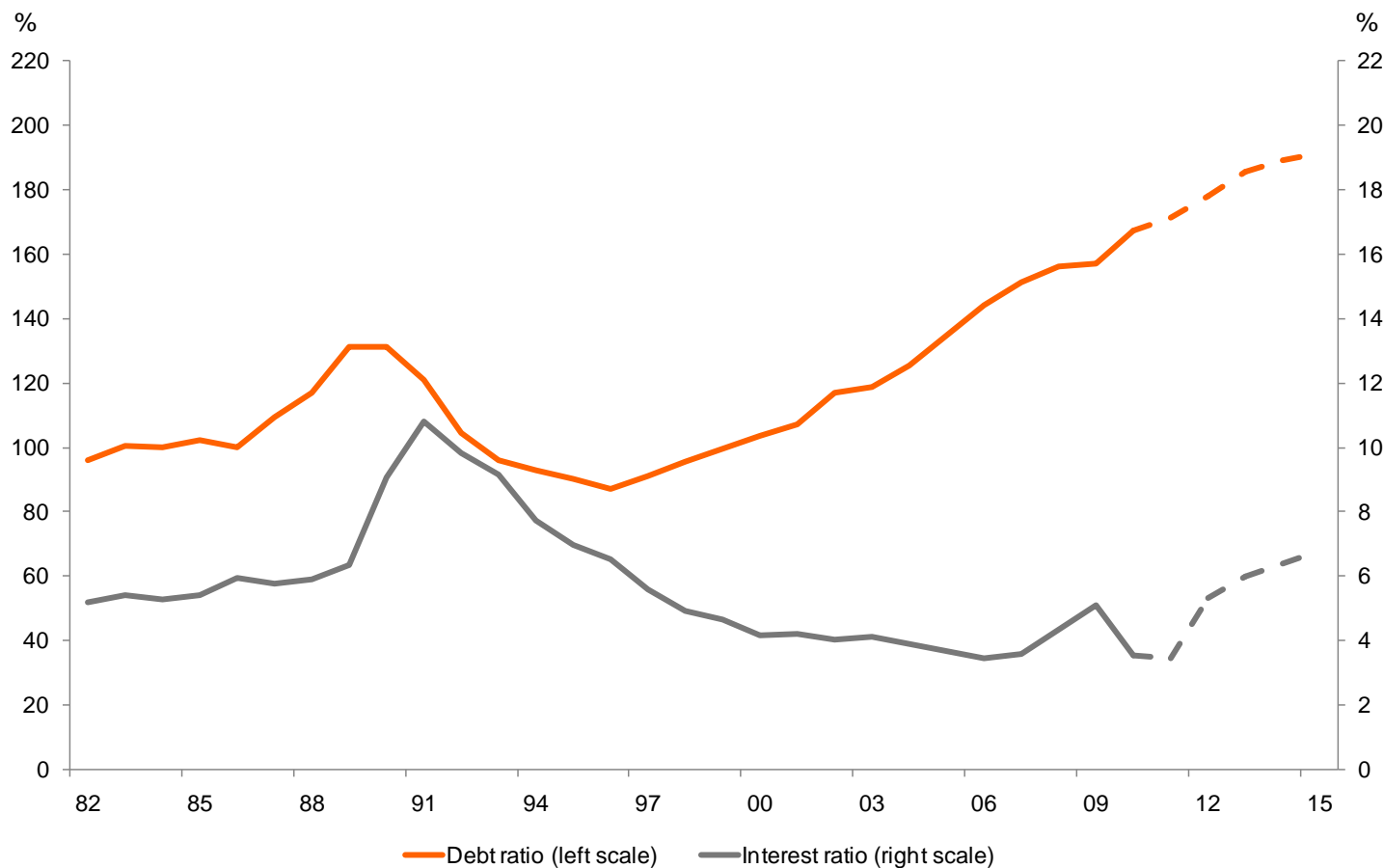
Healthy household balance sheets



Source: Statistics Sweden "Hushållens ställning och transaktioner" May 18, 2011 as per Mar 31, 2011

Structural interest rate decline key to affordability

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



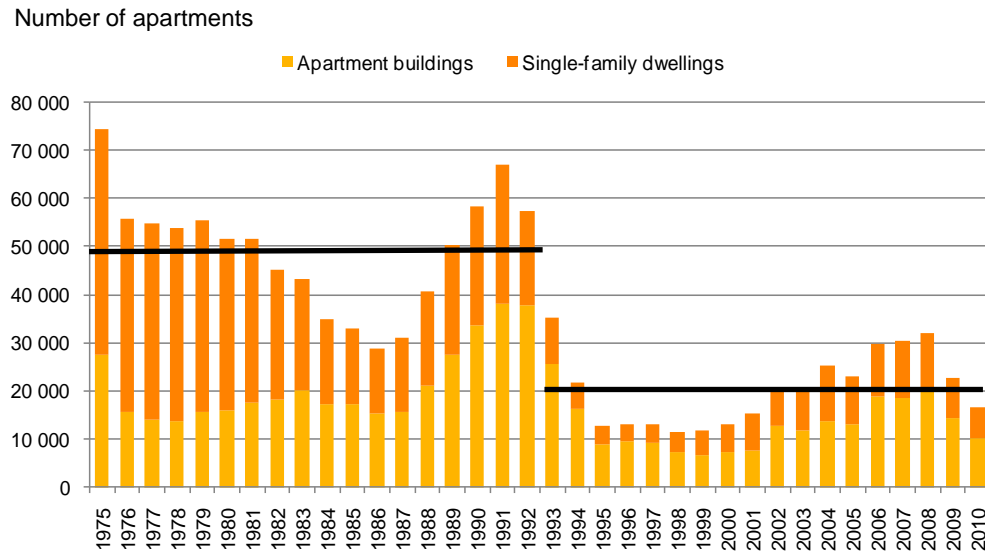
Source: Riksbanken, Financial Stability Report (2:7), May 31, 2011

Housing investments at a conservative level

- New household formations have between 1995 and 2008 exceeded the actual new dwellings produced by 80,000 units

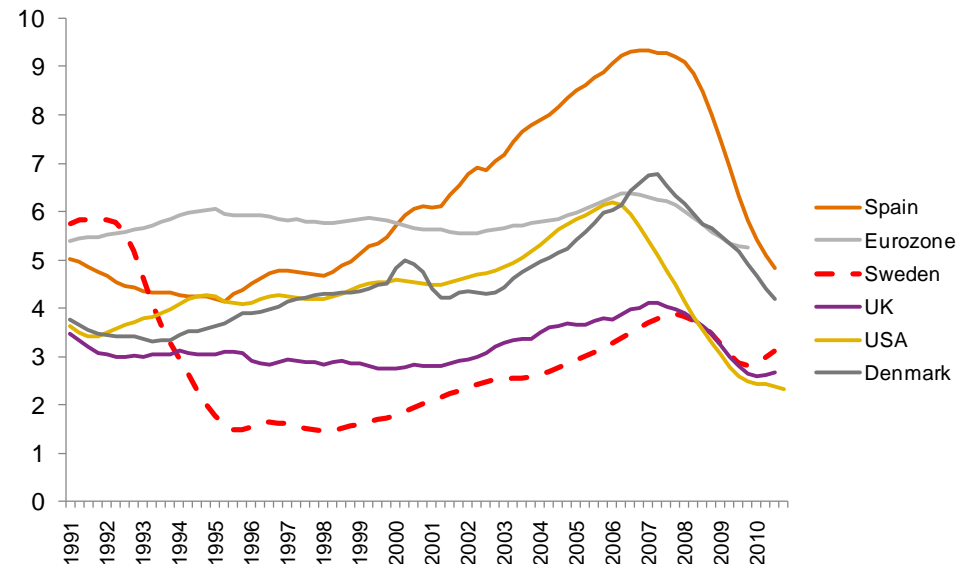
Source: Statistics Sweden, Mar 3, 2011

Housing completions, apartments in Multi-family dwellings and Single-family houses in Sweden



Source: Statistics Sweden, Dec 31, 2010

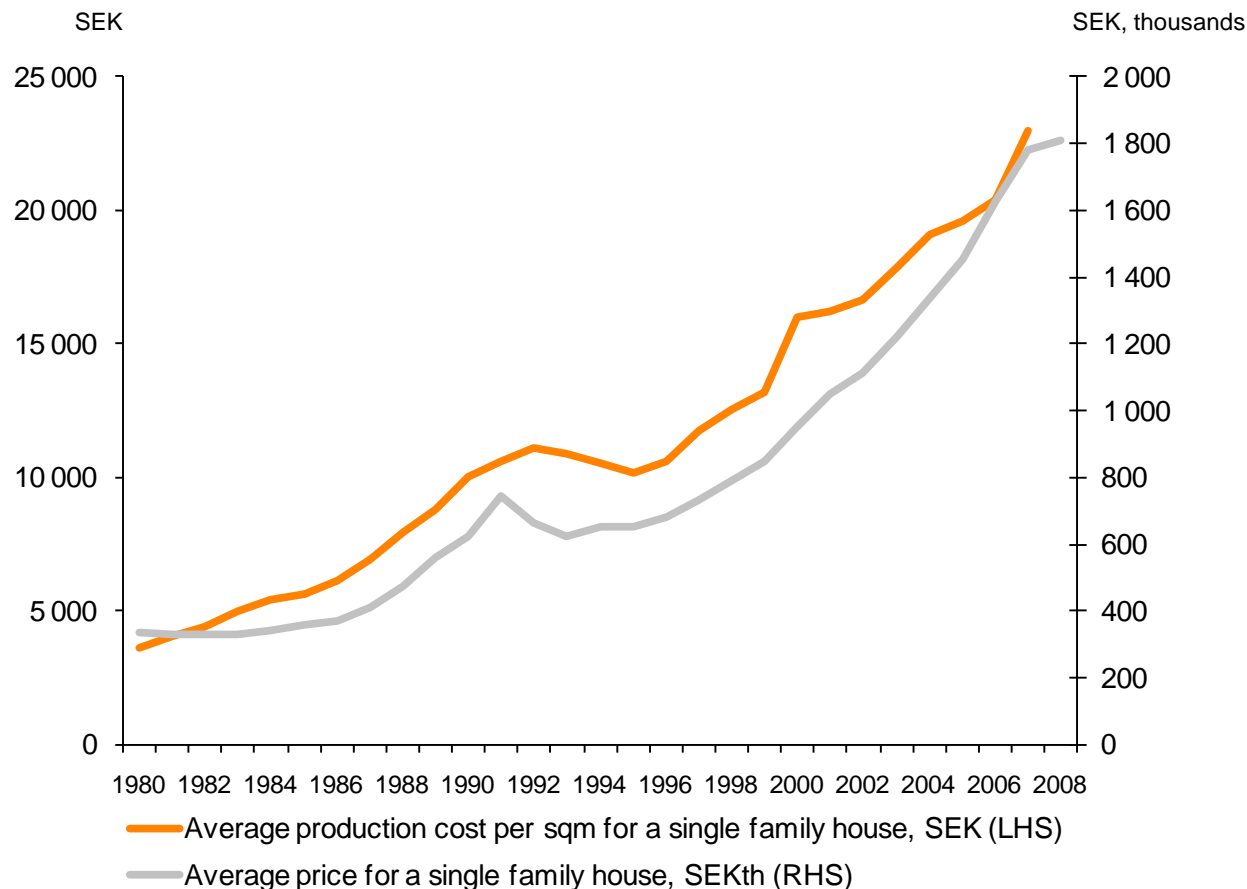
Housing investments as a percentage of GDP



Source: Reuters Ecowin, Mar 7, 2011

Housing prices are moving in tandem with production costs

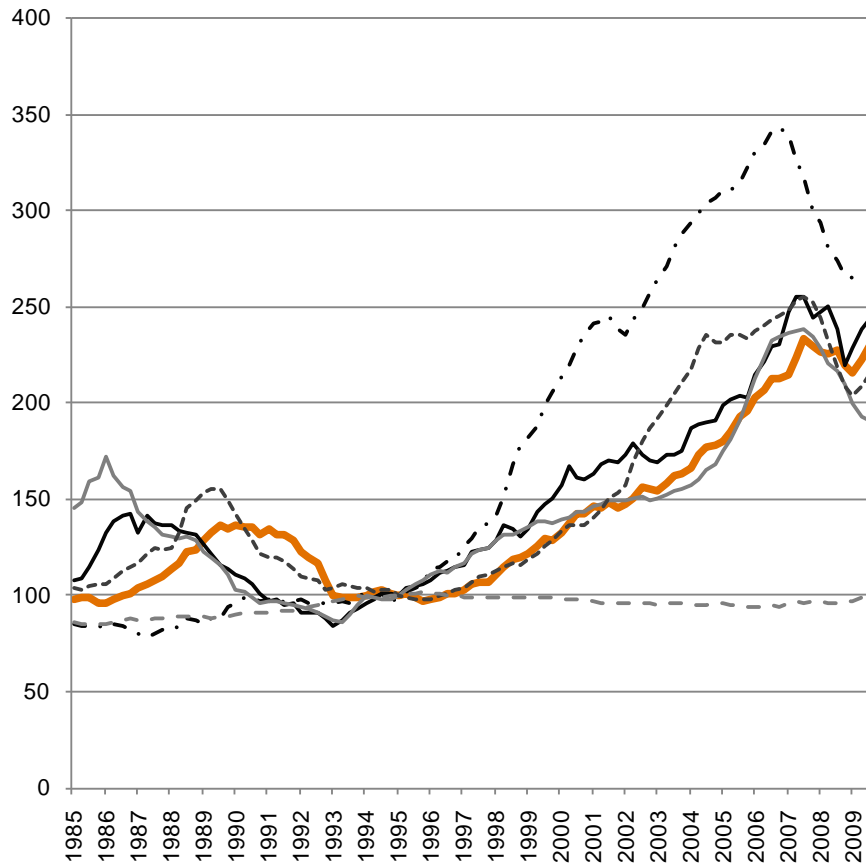
Average house production cost & average house price development 1980-2008



Source: "Bostads- och byggnadsstatistisk årsbok 2010", published Feb 15, 2010 by Statistics Sweden; page 128 and 156

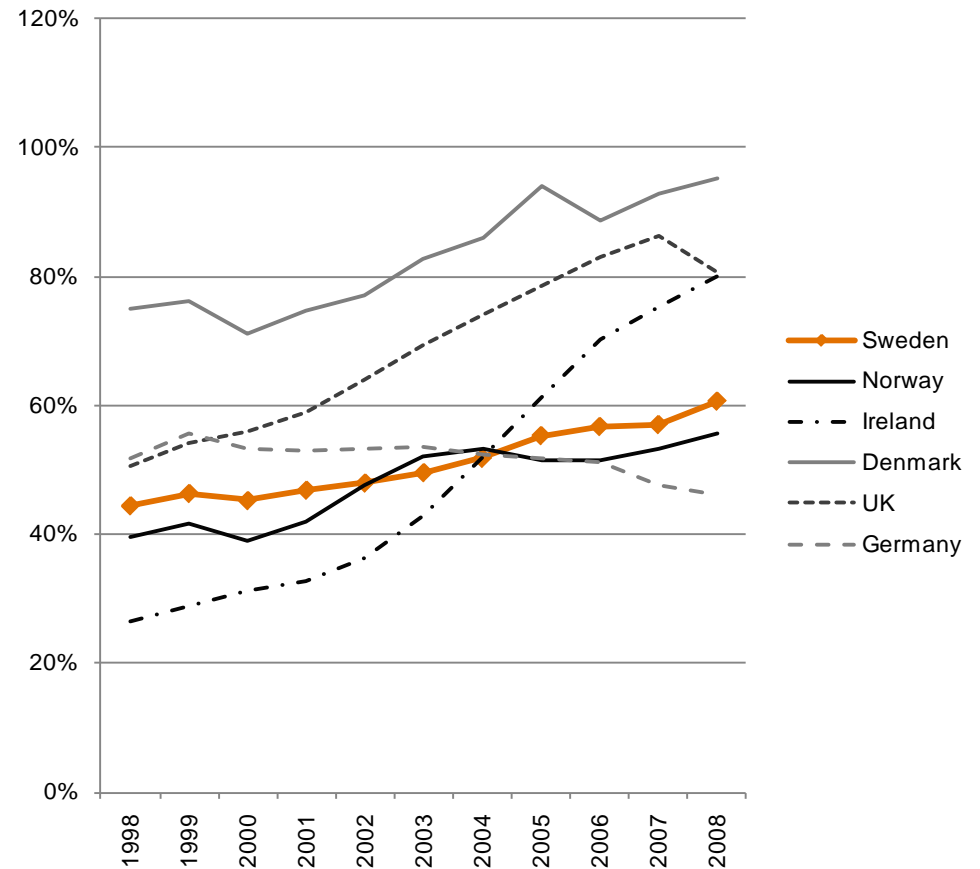
Development of housing prices and mortgage debt

House prices (Index 1995=100)



Source: Riksbanken, Reuters EcoWin

Residential mortgage debt to GDP Ratio, %



Source: European Mortgage Federation

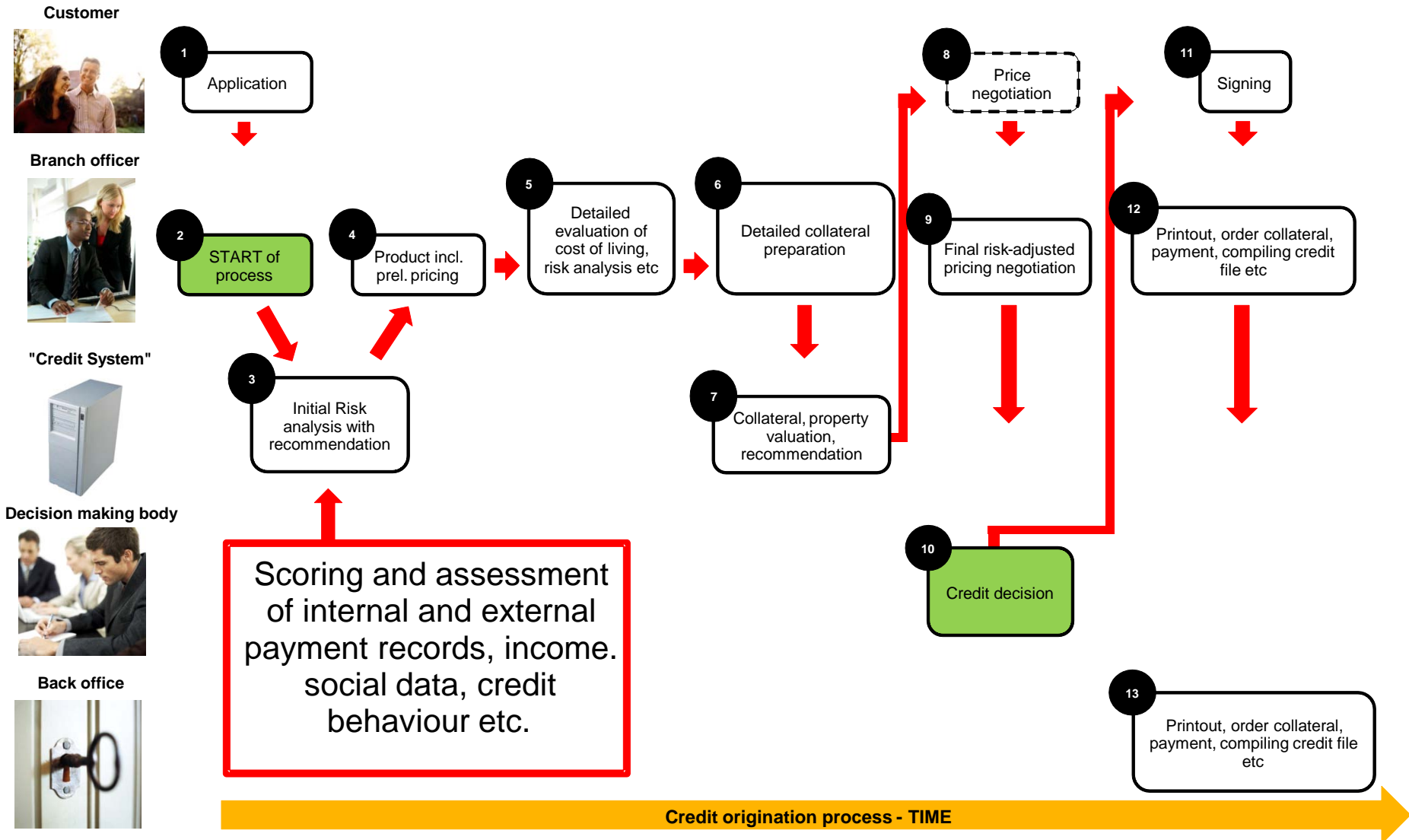
Swedish mortgage market

- No securitization (on balance sheet)
- No sub-prime market
- No 3rd party origination
- No buy-to-let market
- 60% home ownership¹
- Rental market is regulated
 - First hand contracts difficult to obtain
 - Rents need to be negotiated with the Swedish Union of Tenants
- Transparent credit information (credit information agency, www.uc.se)
 - Publicly available information regarding income, debt, payment track record etc
- Consumer credit legislation requires affordability calculations including stress test of higher interest rate
- Very limited debt forgiveness possibilities (full recourse)
- Strong social security and generous unemployment benefit system

¹ Source: Statistics Sweden, Dec 22, 2009

6. Swedbank's lending process in Sweden

Origination process – mortgage loan application



Origination practices – summary

- 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 carried out on all private individuals
 - 5Y fixed mortgage interest rate +300 bps, in addition 100bps in amortization of mortgage is applied
 - Minimum level of remaining cash-flow when all costs are included
- Valuations of single-family houses and 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

Insignificant historical loan losses in Swedbank Mortgage

- Accumulated losses since 1982 of SEK 7.3bn
- Main part incurred during the years of 1991 and 1992
- Less than 10% of the cumulated losses in the private segment

7. Swedish covered bond legislation and market

Overview of the Swedish covered bond legislation

The Covered Bond Act

- The Covered Bond Act entered into force on July 1, 2004 and is over-sighted by the Swedish FSA. Its main characteristics are:
 - ▶ Dual recourse to the issuer and cover pool
 - ▶ Dynamic, regulated pool of assets – frequently monitored by the Swedish FSA via appointment of an independent inspector
 - ▶ Regulated valuation of cover pool assets
- The cover pool may consist of certain mortgage credits, public credits and supplemental assets

Loan-to-value Ratios and Other Limitations

- Maximum LTVs: Residential 75%, Agricultural 70%, Commercial 60%
- Maximum 10% commercial loans and 20% supplemental assets in cover pool
- Regular monitoring of the property values (reviewed on a monthly basis by Swedbank)

Matching Requirements

- The cover pool value shall always exceed the aggregate value of claims (including derivatives)
- A sound balance in terms of FX, interest rates and maturities must be achieved. It is deemed to exist when the present value of the cover pool at all times exceed the present value of liabilities (including derivatives), even on a stressed basis
- Non-performing assets in the cover pool which are more than 60 days overdue must be disregarded for the purposes of the matching tests

Benefit of a priority right over the cover pool

- Holders of covered bonds and relevant derivative counterparties benefit from a priority claim over the cover pool should the institution be declared bankrupt
- Holders of covered bonds and relevant derivative counterparties rank pari passu ahead of unsecured creditors and all other creditors of the Institution in respect of assets in the cover pool

Administration in event of bankruptcy

- 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

Source: www.ascb.se

Administration of the cover pool in the event of bankruptcy

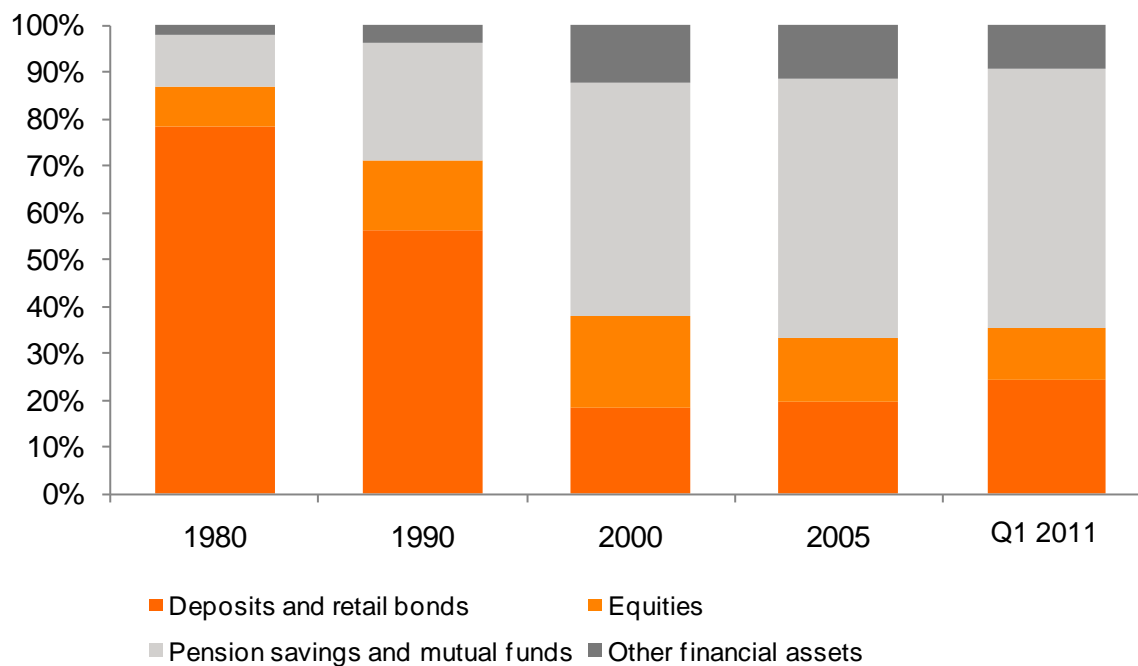
- Should an Institution be declared bankrupt, at least one administrator-in-bankruptcy would be appointed by the bankruptcy court and one administrator-in-bankruptcy would be appointed by the Swedish FSA. The administrators-in-bankruptcy would take over the administration of the bankruptcy estate, including 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.

Structure of the Swedish domestic covered bond market

- Benchmark system established in early 1990s
- Tap issuance enhances liquidity and reduces execution risk
 - Continuous daily issuance
 - Buy-backs against issuance of longer tenors
 - Total issue size often peak at SEK 40-60bn
- Market making at pre-set bid/offer spreads

Natural domestic wholesale funding market

Swedish households' financial assets

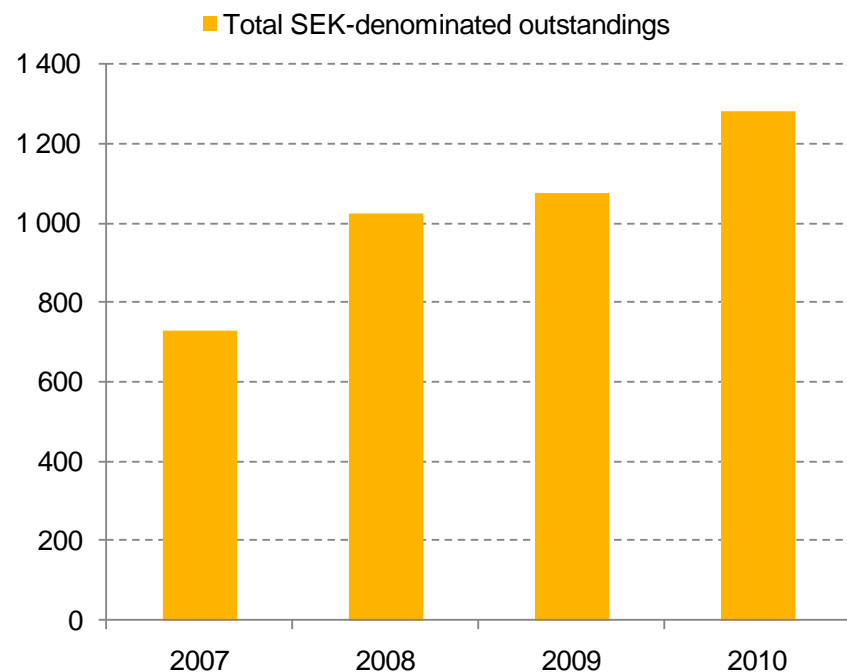


Source: Statistics Sweden "Hushållens ställning och transaktioner" May 18, 2011 as per Mar 31, 2011

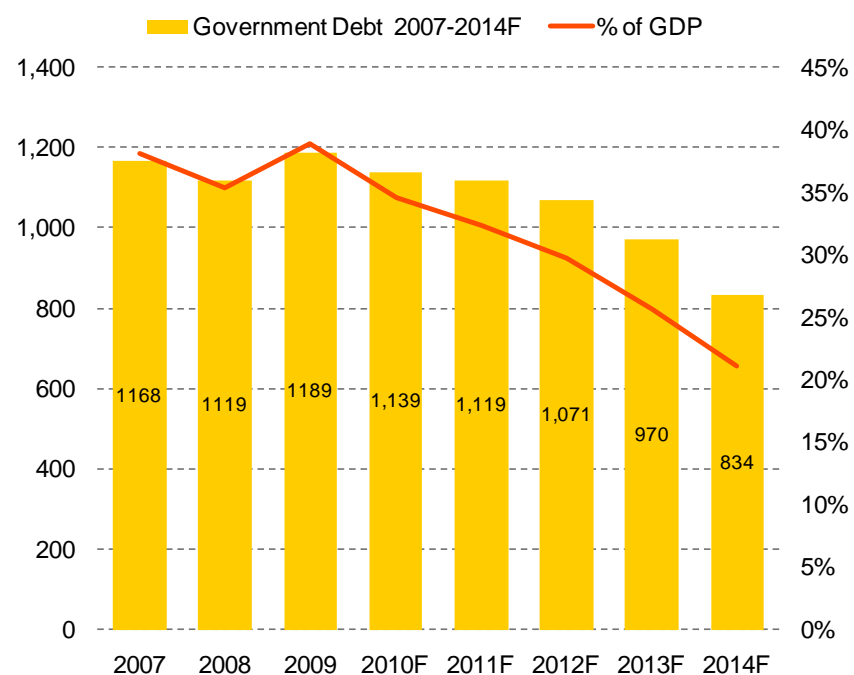
The Swedish covered bond market

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

Swedish Domestic Covered Bonds, in SEKbn



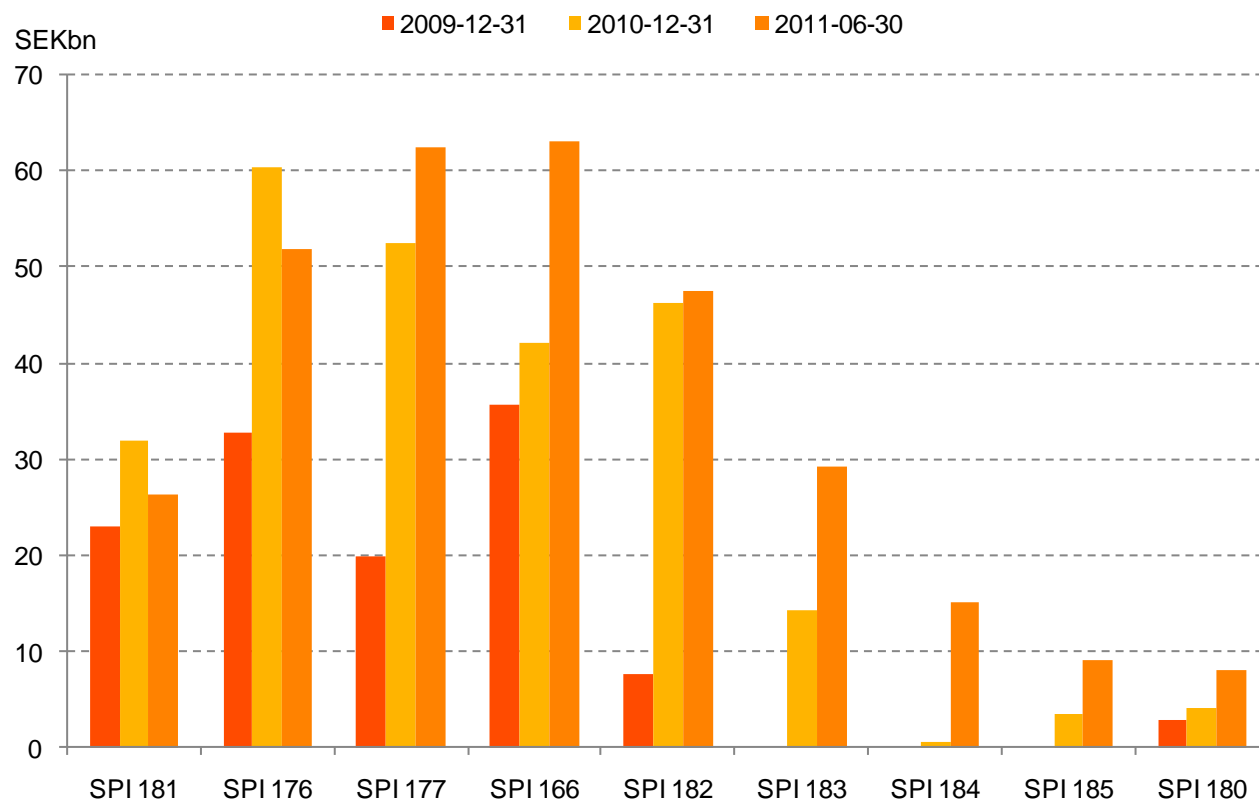
Public debt projections 2010-2014, in SEKbn



Source: www.ascb.se

Source: Government budget statement, Sep 23, 2010

Swedbank's domestic covered bonds



Source: Swedbank, Jun 30, 2011

8. Swedbank's cover pool

Cover pool data¹

Rating	AAA/Aaa by S&P and Moody's
Total pool size	SEK 652.4bn
Geographic distribution	Sweden 100%
Current OC-level	29%

Weighted average seasoning ²	58 months
Average LTV ^{3, 4}	
– WA LTV on property level (Max LTV)	57%
Non-performing loans ⁵	None

Fixed /Floating interest loans ⁶	
– Fixed	37%
– Floating	63%

Repayment structure ⁷	
– Amortising	53%
– Interest only	47%

Average loan size	SEK 423 345
Number of loans outstanding	1 541 111
Dynamic pool	Yes

¹ As per June 30, 2011

² Public sector loans not included

³ Index valuation as per June 30, 2011

⁴ Maximum LTV: Residential 75%, Commercial 60%, Forest and Agriculture 70%

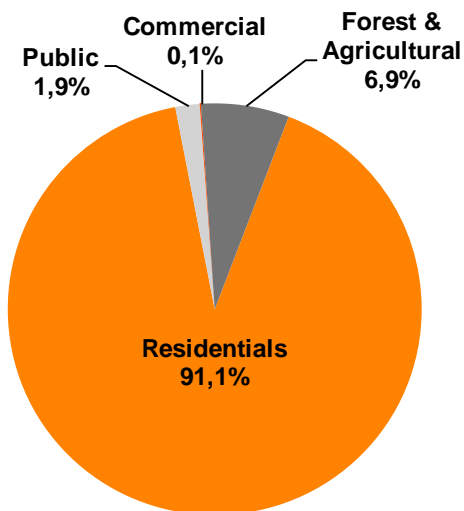
⁵ Past due loans > 60 days are not eligible for the cover pool

⁶ Floating interest loans < 365 days

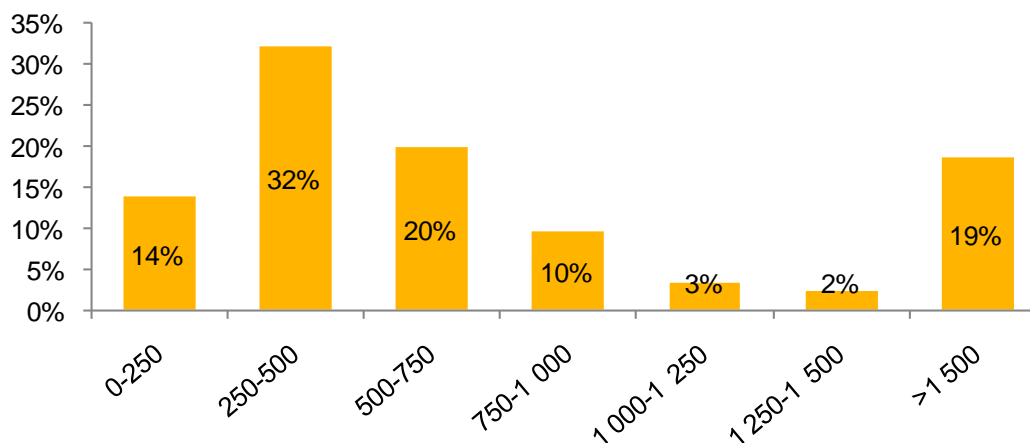
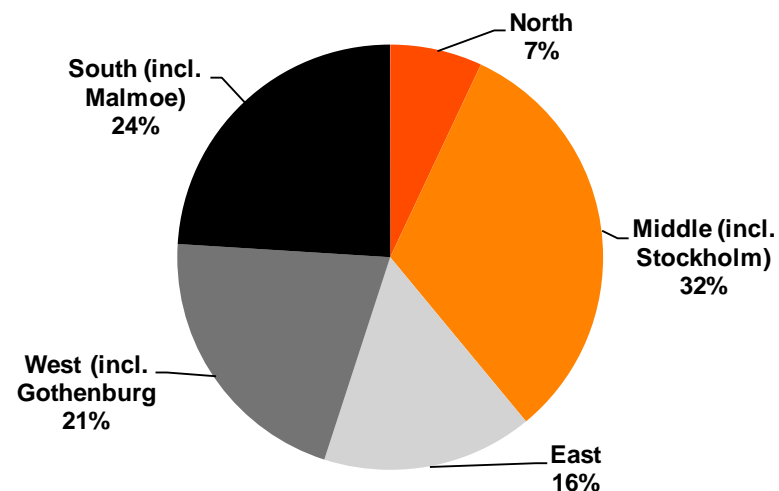
⁷ Property level of cover pool

Cover pool data

Type of loans



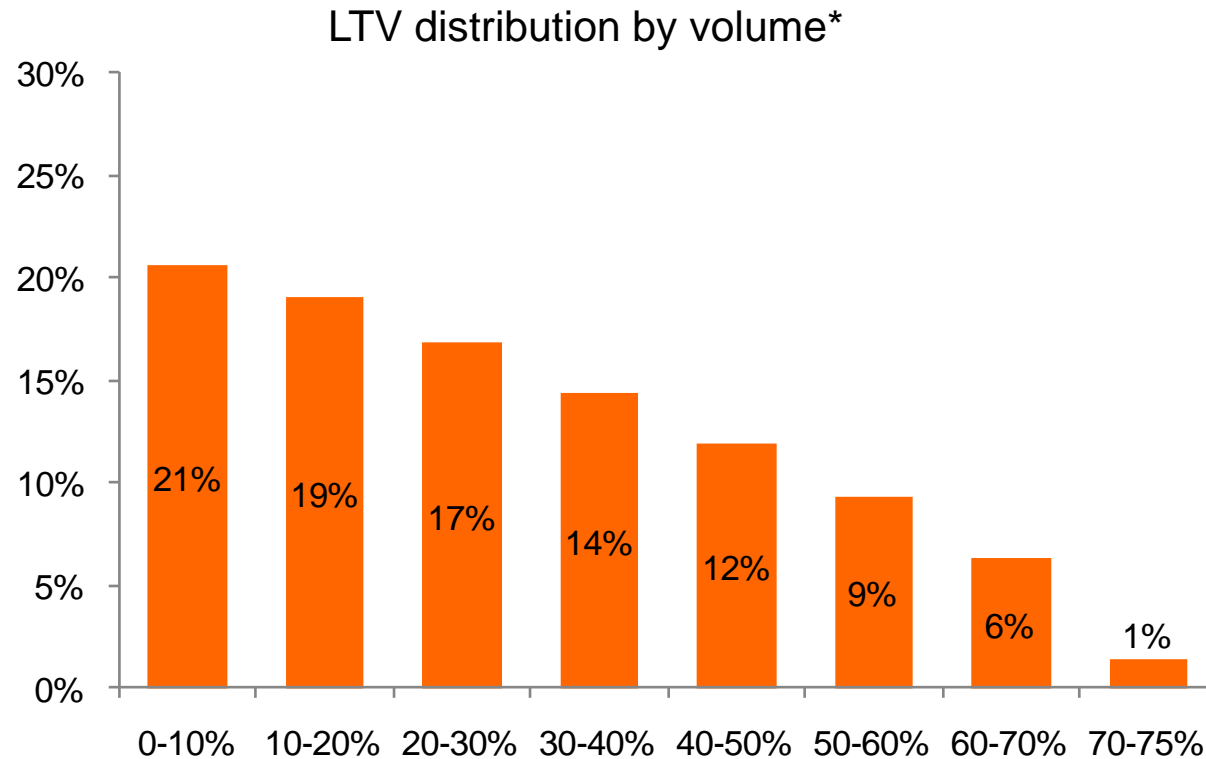
Geographical distribution*



Source: Swedbank, June 30, 2011

* Excluding public sector loans

Cover pool loan-to-value distribution



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

Source: Swedbank, June 30, 2011

9. Summary and conclusion

Summary and conclusion

- **Market position** – Swedbank is the largest retail bank in Sweden and the market leader in private mortgages and deposits in all of its home markets. Approximately 85% of its total lending is originated in Sweden, which is one of the healthier economies among the mature markets
- **Capitalization** – strong capitalization with Core Tier 1 ratio of 14.8%
- **Origination process** – stringent credit origination rules with affordability analysis based on cash flows
- **Covered bonds** – primary source of wholesale funding and issued through the wholly-owned subsidiary Swedbank Mortgage. AAA/Aaa ratings from S&P and Moody's and governed by the solid Swedish covered bond legislation. Recurrent and committed covered bond issuer
- **Cover pool** – consists of 100% Swedish prime assets with more than 90% of residential mortgages widespread across Sweden and a weighted average LTV of 57%
- **Credit losses** – accumulated credit losses in Swedbank Mortgage since 1982 of SEK 7.3bn

10. Appendix

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
144a US Covered bonds	USD 15bn
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

Swedbank – contacts and financial calendar

For further information, please contact:

Jonas Erikson, Head of Group Treasury

jonas.erikson@swedbank.com +46 767 6550 88

Gregori Karamouzis, Head of Debt Investor Relations

gregori.karamouzis@swedbank.com +46 8 585 930 31

Peter Stenborn, Debt Investor Relations

peter.stenborn@swedbank.com +46 8 585 911 04

Cecilia Mattsson, Debt Investor Relations

cecilia.mattsson@swedbank.com +46 8 585 907 43

Ulf Jakobsson, Head of Funding

ulf.jakobsson@swedbank.se +46 8 700 90 61

Martin Rydin, Head of Long-Term Funding

martin.rydin@swedbank.com +46 8 700 90 62

Ingela Saarinen-Kindbom, Money Markets and Short-Term Funding

Ingela.saarinen-kindbom@swedbank.com +46 8 700 98 10

Financial calendar

Annual General Meeting 25 March 2011

Q1 Interim report, 28 April 2011

Q2 Interim report, 21 July 2011

Q3 Interim report, 25 October 2011

Contact debt investor relations:

debt.ir@swedbank.com

www.swedbank.com/investor-relations

Postal address:

Swedbank Group Treasury
SE-105 34 Stockholm, Sweden

Visitors:

Regeringsgatan 13