

Swedbank's third quarter 2011 results

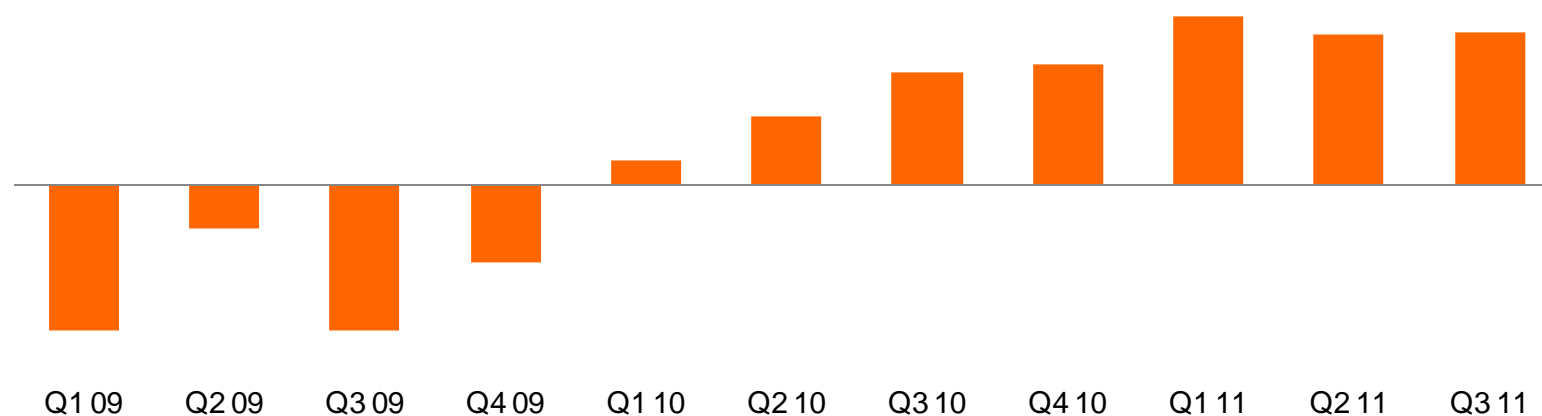
Michael Wolf, CEO
Göran Bronner, CFO
Håkan Berg, CRO



Stable result but increased macro uncertainty

- Net profit of SEK 3 475m
- Core Tier 1 capital ratio of 15.1 per cent
- Return on equity of 14.4 per cent in Q3
- Pause in buy-backs

Profit for the period



Well prepared to meet increased uncertainty

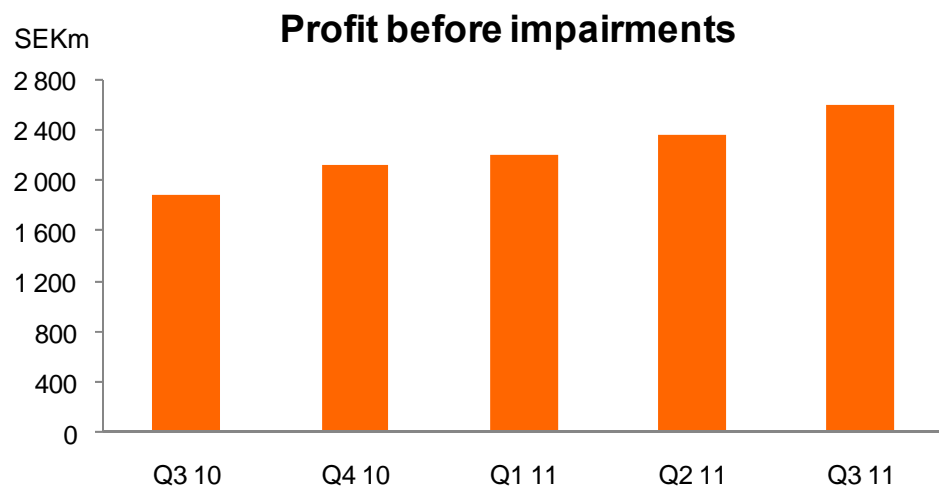
- Increased macro uncertainty – lower growth
- Income pressure likely
 - Interest rates
 - Lower activity
- Intensified cost focus
- Strong position capital and liquidity

Potential long-term effects

Increased cost of doing banking

- Lower leverage
 - Governments, banks, businesses and households
- Reshaping of savings market
- Long-term regulatory changes
 - Demarcation line tax payers/shareholders
 - Cost of senior funding
 - Ring fencing of certain banking activities
 - Increased cost for cross border banking
- Increased cost of doing banking will affect all stakeholders

Solid performance

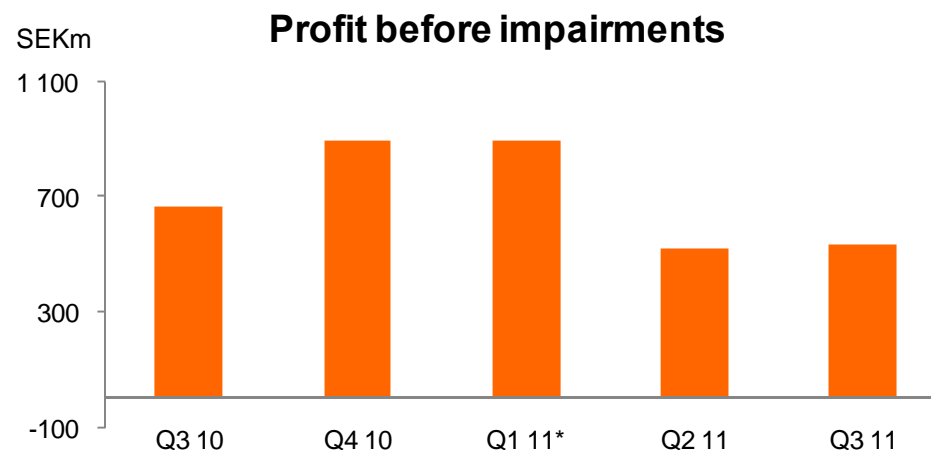


- Improved NII
- Stable asset quality
- Good cost control
- High interest rate sensitivity
- Transaction to relation (T2R)

SEKm	Q3 10	Q4 10	Q1 11	Q2 11	Q3 11
Net interest income	2 499	2 752	2 925	3 026	3 143
Net commission income	1 019	1 132	1 073	1 051	1 089
Total income	3 981	4 349	4 395	4 593	4 683
Total expenses	2 100	2 223	2 193	2 237	2 082
Profit bef impairments	1 881	2 126	2 202	2 356	2 601
Total impairments	-3	136	5	5	106
C/I ratio	0.53	0.51	0.50	0.49	0.44

Turbulent market conditions

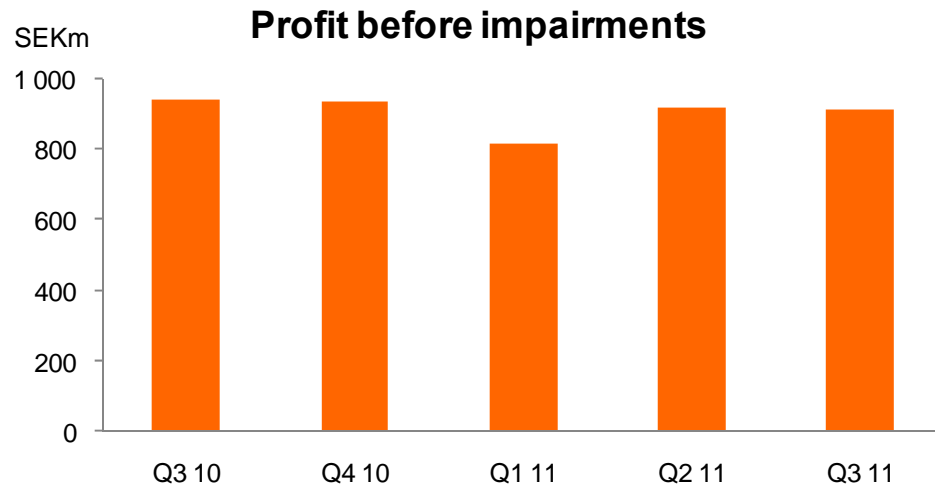
SEKm	Q1 11*	Q2 11	Q3 11
Net interest income	850	884	778
of which LC & FI**	450	485	557
of which Capital markets	370	378	184
Commission income	505	412	399
of which LC & FI**	289	202	225
of which Capital markets	215	211	174
Total income LC&I	1 755	1 344	1 311
of which LC & FI**	781	731	827
of which Capital markets	943	589	415
Total expenses, excl variable pay	776	778	772
Variable staff costs	83	50	6
Profit bef impairments	896	516	533
of which LC & FI**	514	473	594
of which Capital markets	364	31	-127
Credit impairments	-105	-19	-66
C/I ratio	0.49	0.62	0.59



- Poor capital markets income
- Strong customer related income
- Continued re-pricing
- Increased volumes

* Excluding Lehman one-off , **Large corporates and Financial institutions

Stable development



- Slowing deleveraging
- Continued recoveries
- Increased activity
- High interest rate sensitivity

SEKm	Q3 10	Q4 10	Q1 11	Q2 11	Q3 11
Net interest income	919	1 168	997	1 017	994
Net commission income	386	383	317	365	392
Total income	1 561	1 632	1 472	1 568	1 606
Total expenses	624	697	658	653	649
Profit bef impairments	937	935	814	915	957
C/I ratio	0.40	0.43	0.45	0.42	0.40

Group results

Solid core development

SEKm	9M 10	9M 11	Q2 11	Q3 11
Net interest income	11 802	14 124	4 740	4 857
Net commission income	6 987	6 837	2 244	2 292
Net gains and losses	2 043	1 025	511	259
Other income	2 254	3 011	860	782
Total income	23 086	24 997	8 355	8 190
Total expenses	13 052	13 060	4 345	4 331
Profit before impairments	10 034	11 937	4 010	3 859
Total impairments	3 524	-1 733	- 309	- 454
Profit for the period	4 694	10 779	3 452	3 475
Return on equity, %	6.9	15.0	14.4	14.4
Cost-income ratio	0.57	0.52	0.52	0.53
Core Tier 1 capital ratio, %*	13.4	15.1	14.8	15.1
Risk-weighted assets, SEKbn*	560	497	509	497
Deposits and borrowings from the public	524	555	529	555

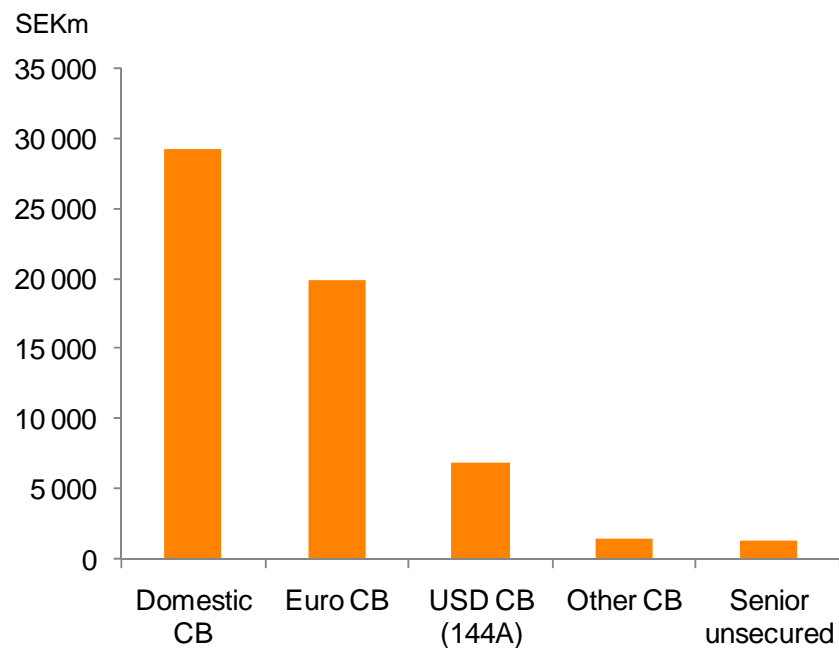
- Lower asset management and corporate finance fees
- Negative funding related valuation effects in Treasury
- Good cost control
 - One-off cost of SEK 100m in Ukraine
 - Cost increase in Ektornet
- Deposit growth

* Basel 2

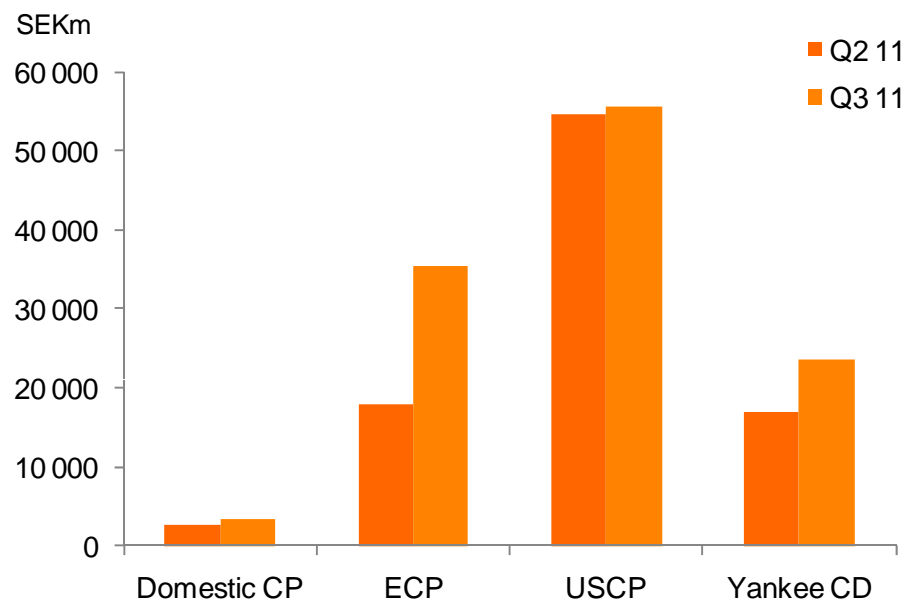
Funding development Q3

- SEK 60bn of long-term debt issued in Q3
- Demand for Swedbank short-term paper continued
- USD-funding need covered for more than 12 months

Long-term debt issued in Q3

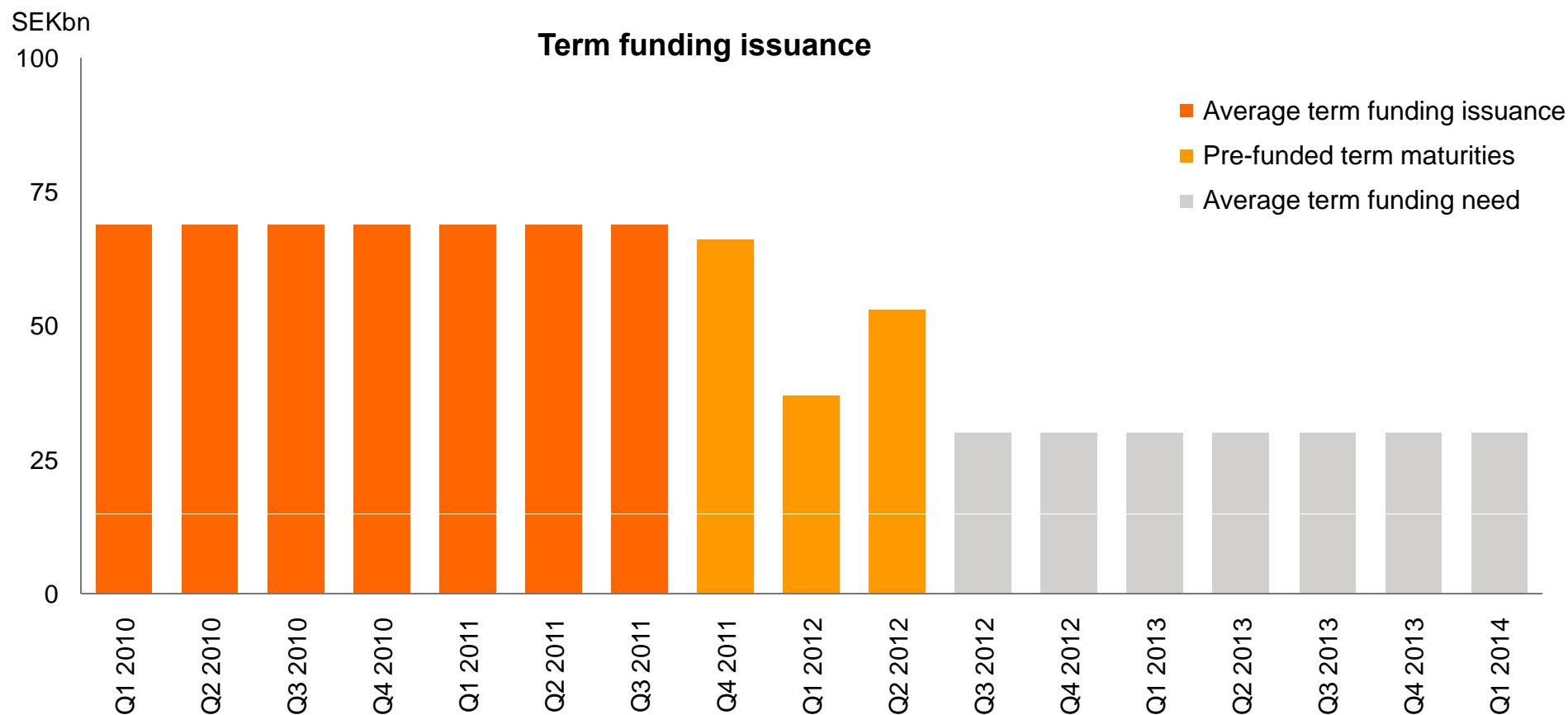


Outstanding short-term debt



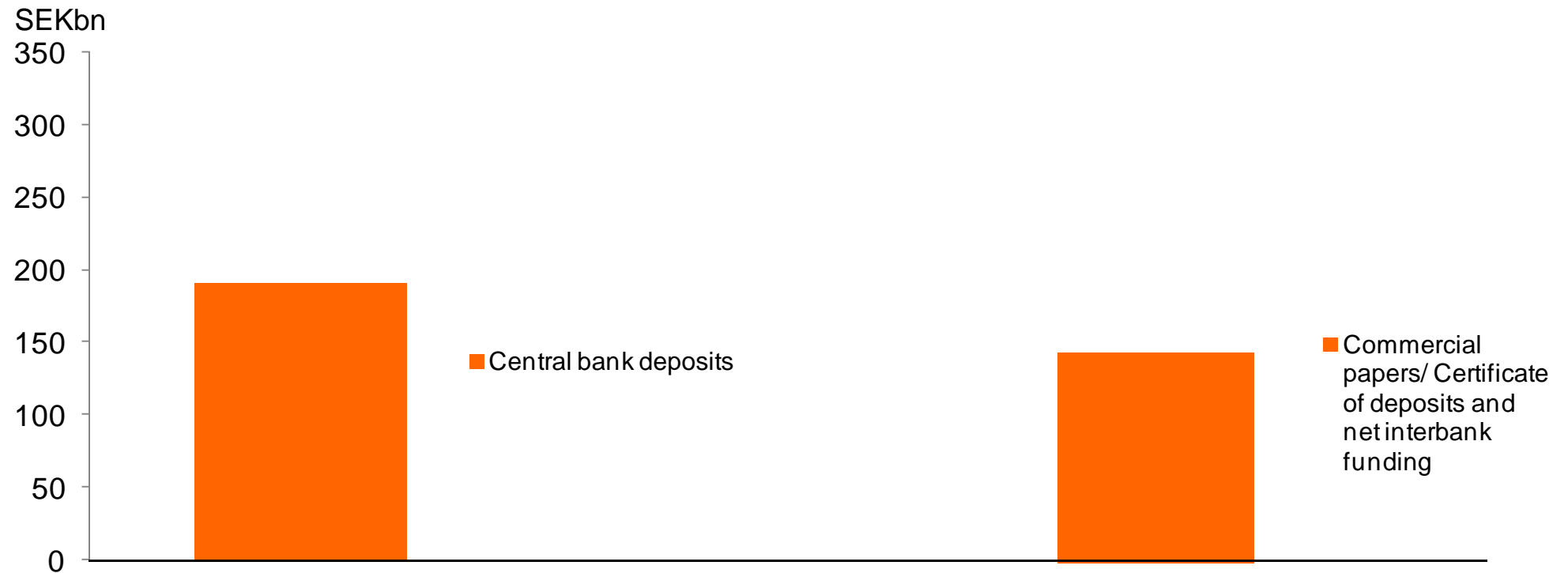
Term funding at a slower pace going forward

- Over SEK 600bn term funding issued since Q3 2009
- Significantly lengthened maturities
- All government guaranteed debt pre-funded



Conservative liquidity levels

- Short-term funding mainly a tool for cash management

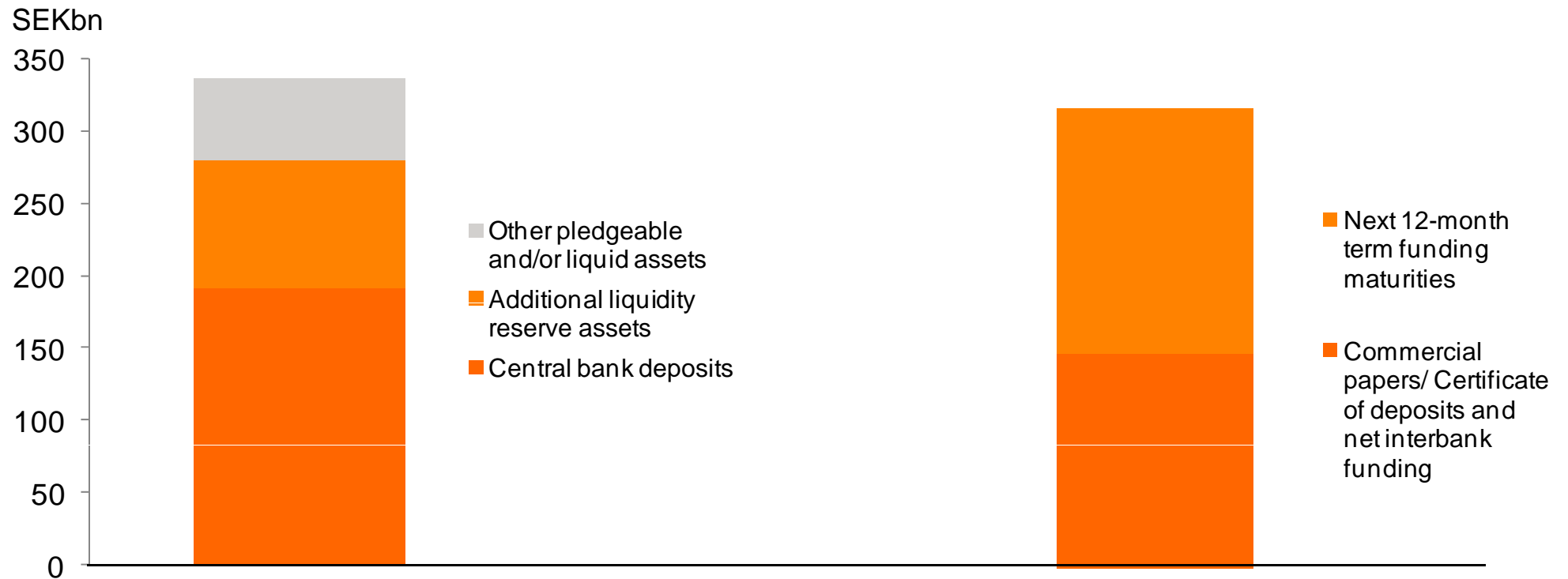


Source: Swedbank 30 Sep 2011

Liquidity

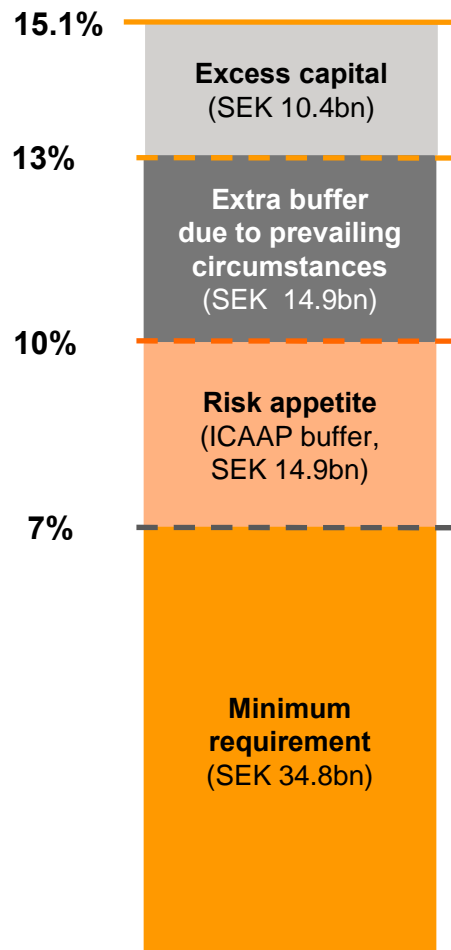
Conservative liquidity levels

- Short-term funding mainly a tool for cash management
- More than 15 months pre-funded



Source: Swedbank 30 Sep 2011

Uncertain regulatory demand – Swedbank well positioned

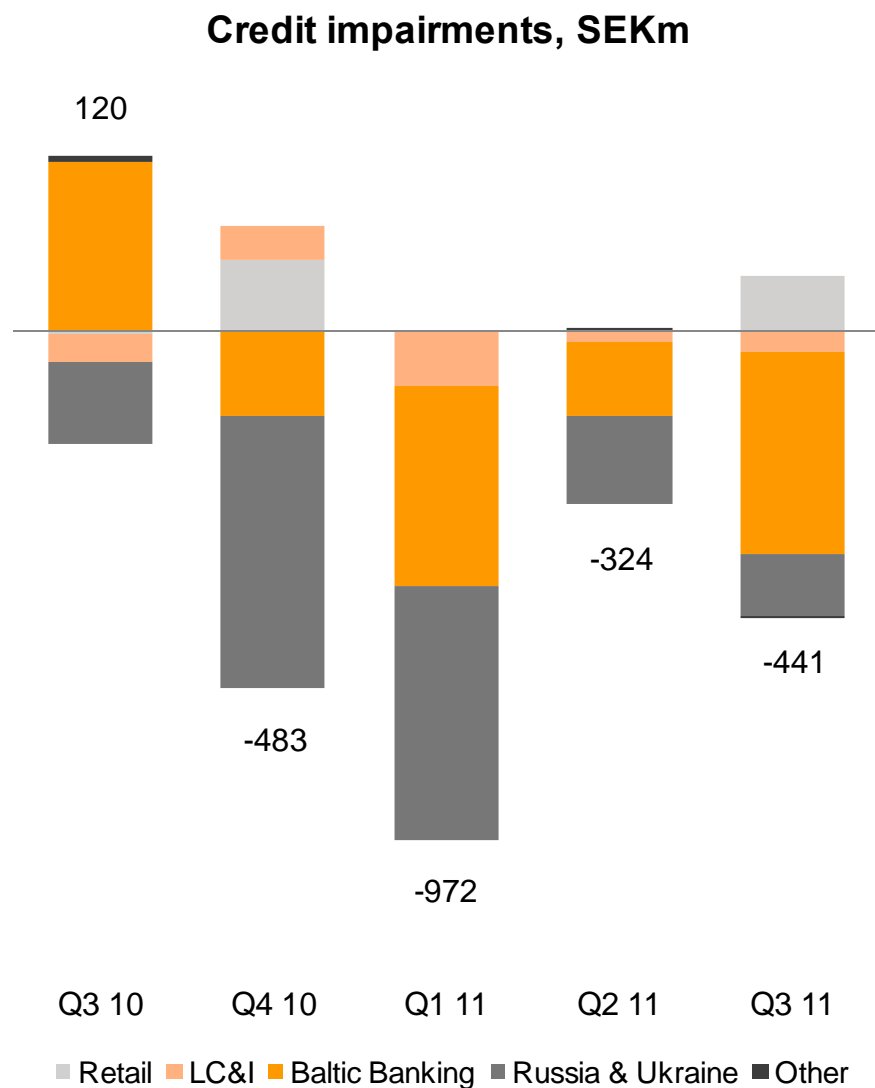


- Still large regulatory uncertainty regarding minimum CT1 ratio and different buffers
- Basel 3
 - CT1 ratio impact 100bp
 - LCR 212%
 - NSFR 92%

Improvement but increased macro uncertainty

- Improved asset quality
 - Decreased impaired loans
 - Continued recoveries
 - Positive rating migration
 - Improved loan-to-value developments in Estonia, Latvia and Lithuania
- Increased macro economic uncertainty
 - World economy slowing
 - House market in Sweden slowing down

Net recoveries of SEK 441m in Q3

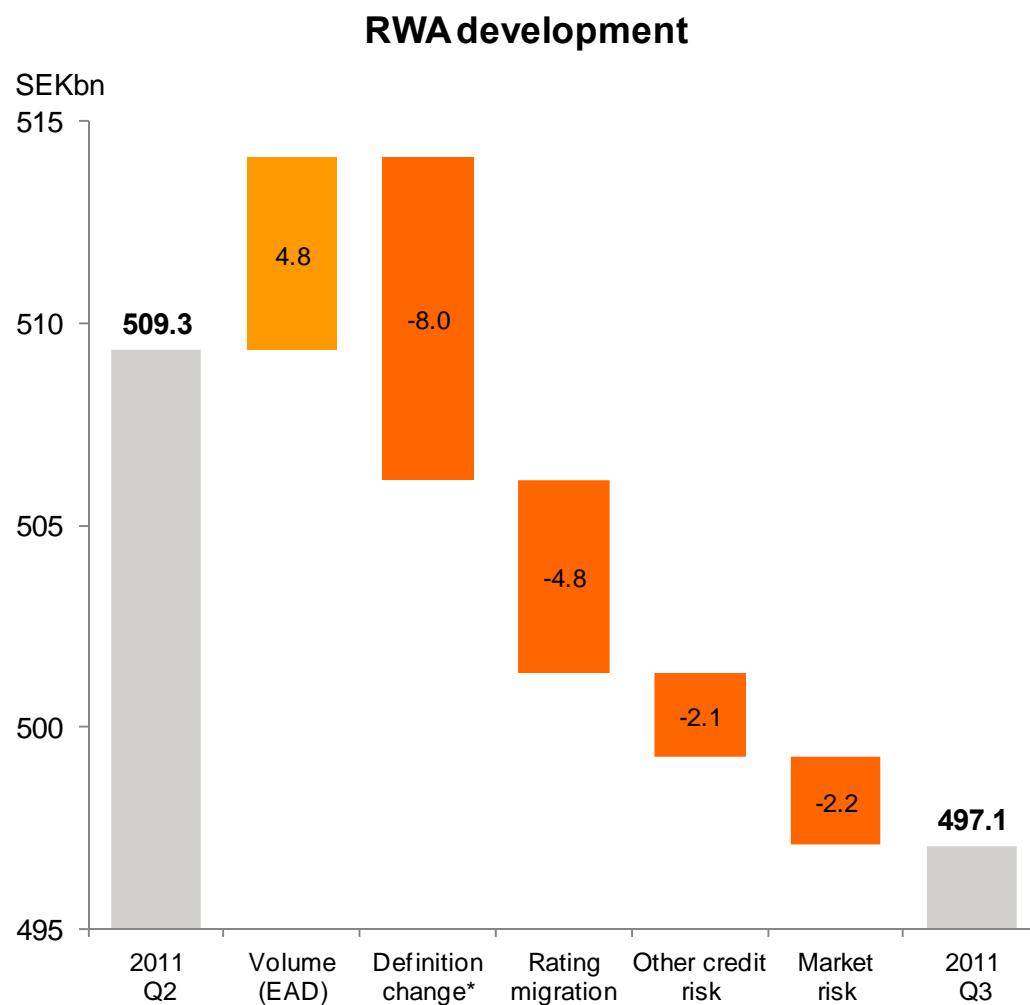


- Continued recoveries in CEE
 - Positive development in the Baltic corporate portfolio
 - Mortgage provisions in Ukraine
- Solid Swedish performance

Continues actions to ensure proactive risk management

- Review of potentially exposed sectors in Retail and LC&I
 - Proactive work
 - Ensure customers' buffers
- Complementary stress tests shows strong resilience
 - Prudent mortgage lending in Sweden
- Ukrainian and Latvian mortgage books most exposed
 - Limited total impact

Focus on risk-weighted assets



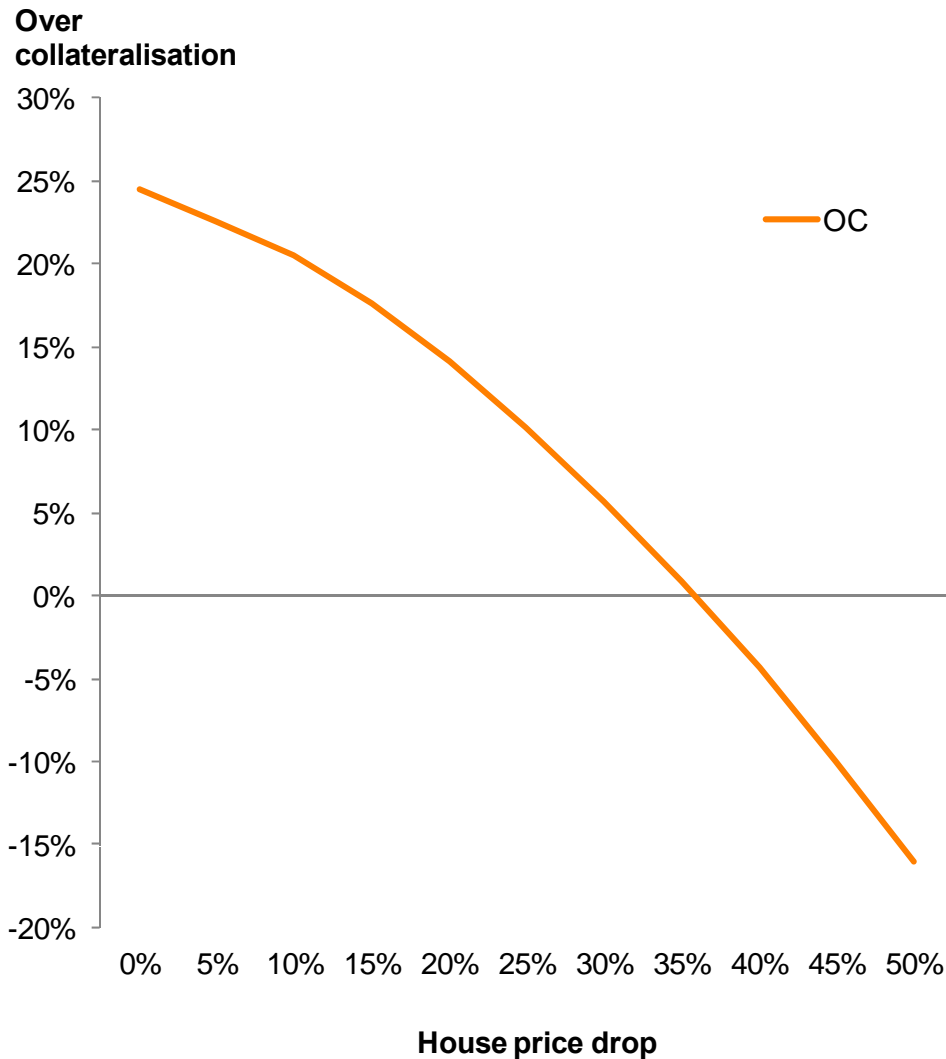
* Corporate size definition

- Future focus areas
 - Review of small and mid-sized corporates Sweden
 - Advanced IRB
- Potential regulatory development
 - Mortgages

Swedbank's resilience strong

- Solid credit portfolio
- Strong capitalisation
- Resilient funding position
 - No short-term funding dependence
 - Limited dependence on senior funding
 - Well matched USD funding
 - High quality covered bond pool

House price sensitivity of the cover pool



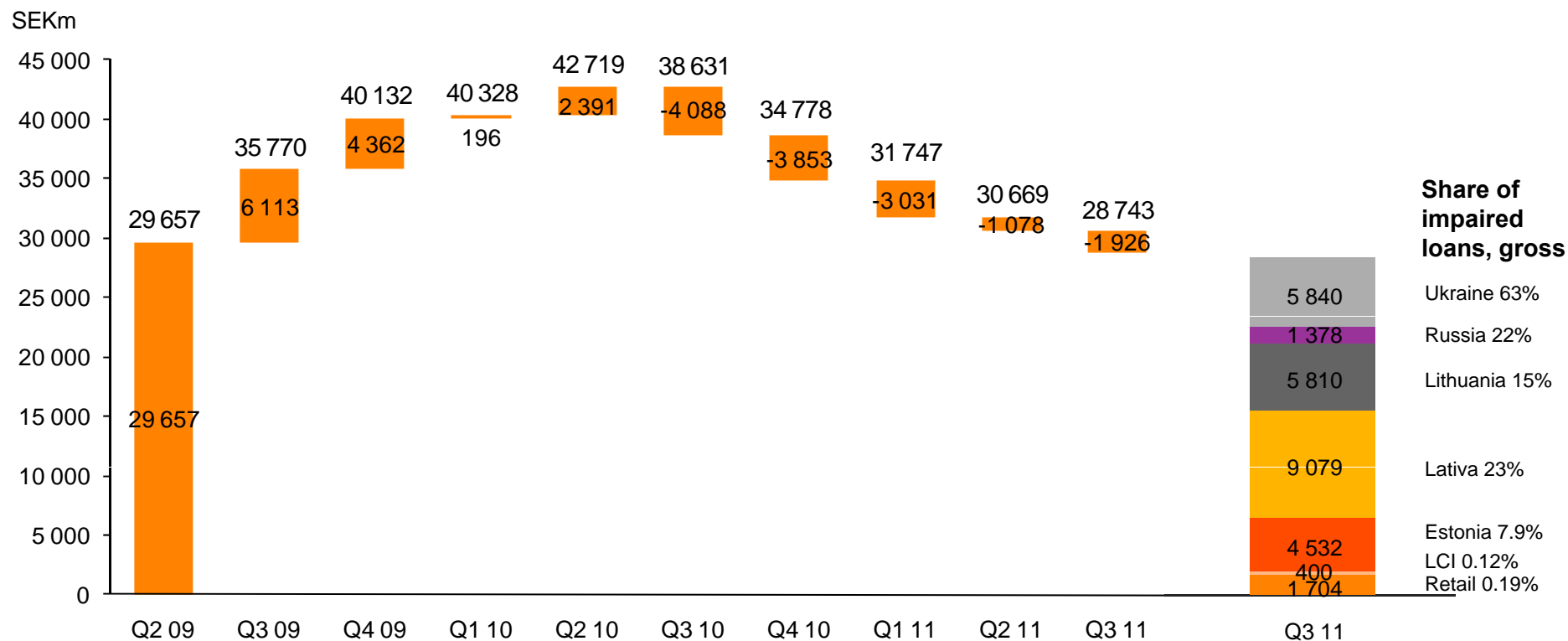
- Resilient LTV-structure with an approximate 2-to-1 relationship between house price drops and cover pool size

Appendix

Asset quality

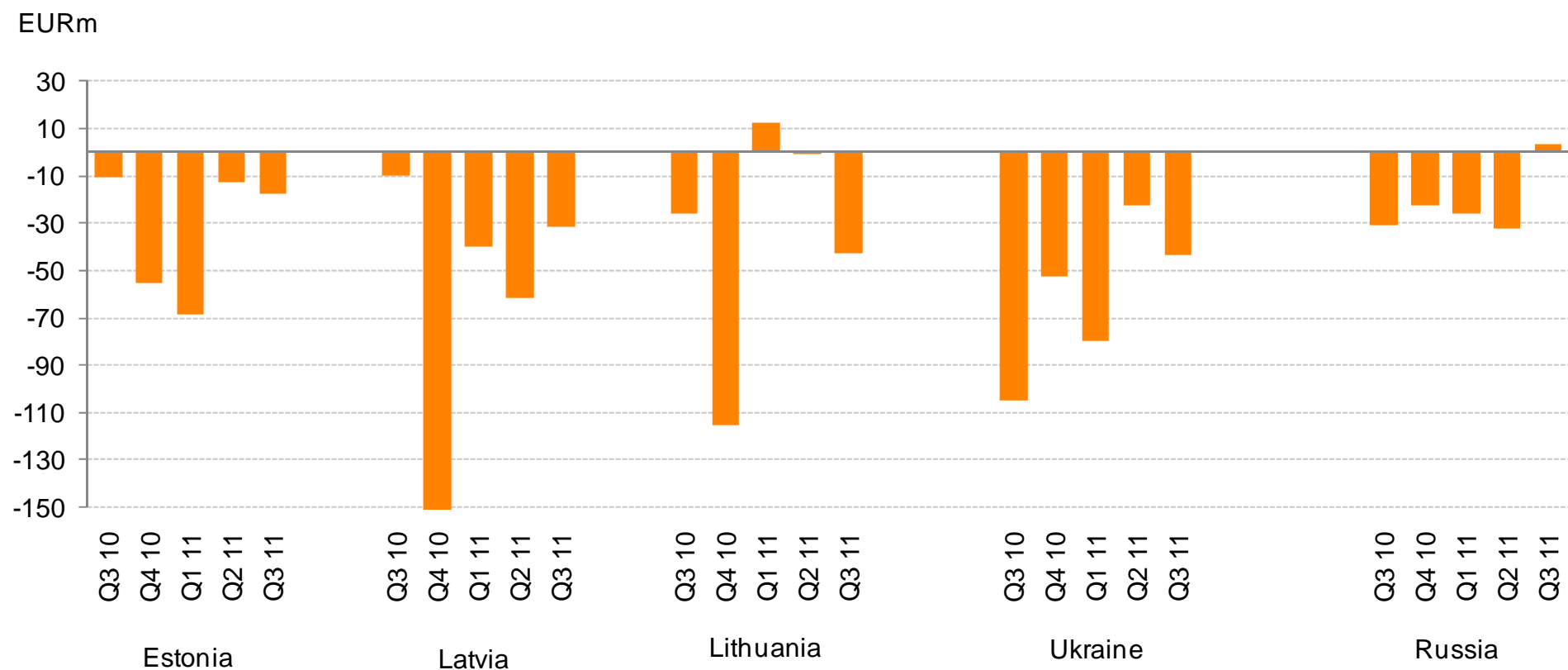
Impaired loans decreasing

- Excluding FX effect down SEK 2.5bn in Q3
- Minor increase in Retail in Q3



Asset quality

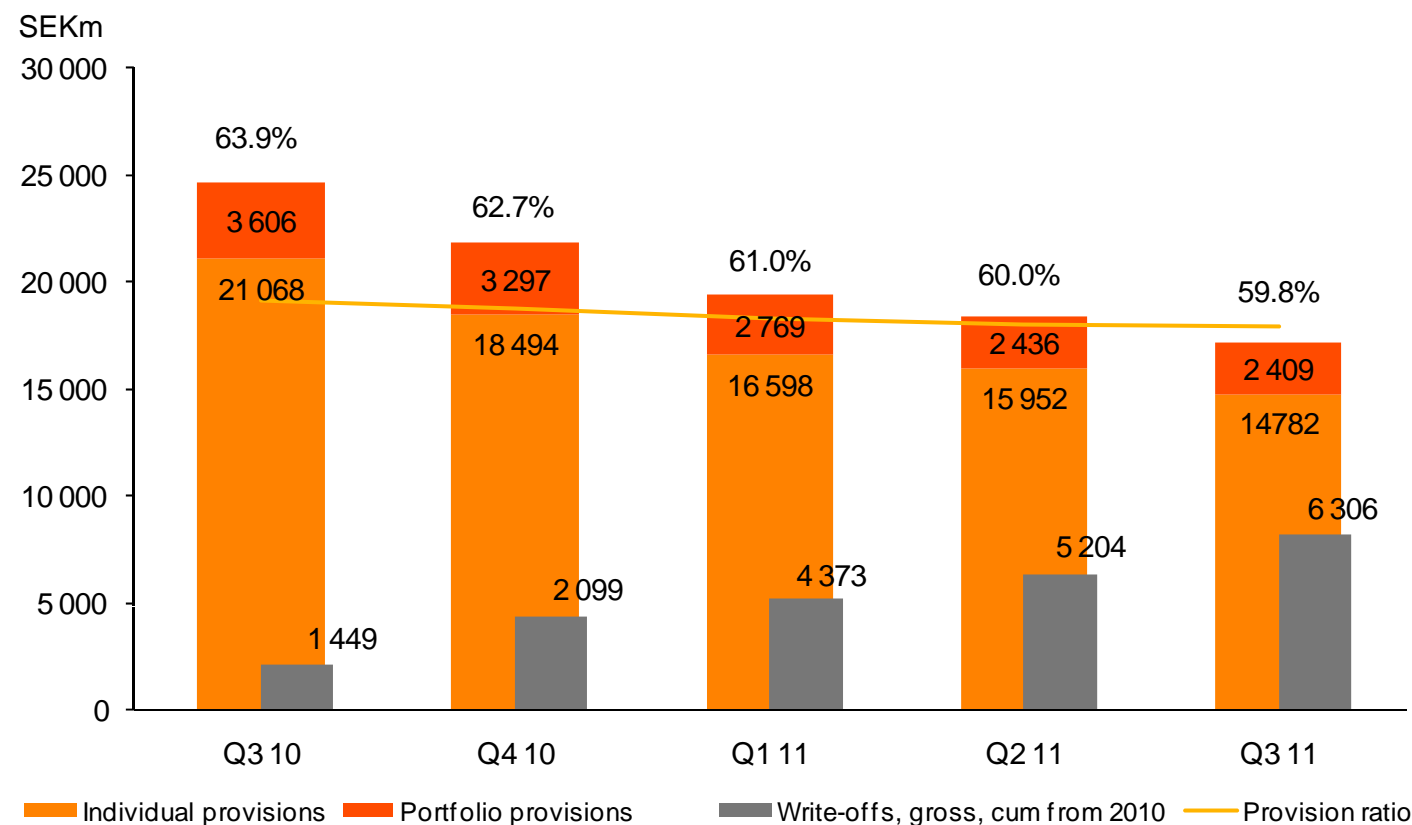
Loans past due 60 days – performance Q/Q



Asset quality

Provisions – well provided for

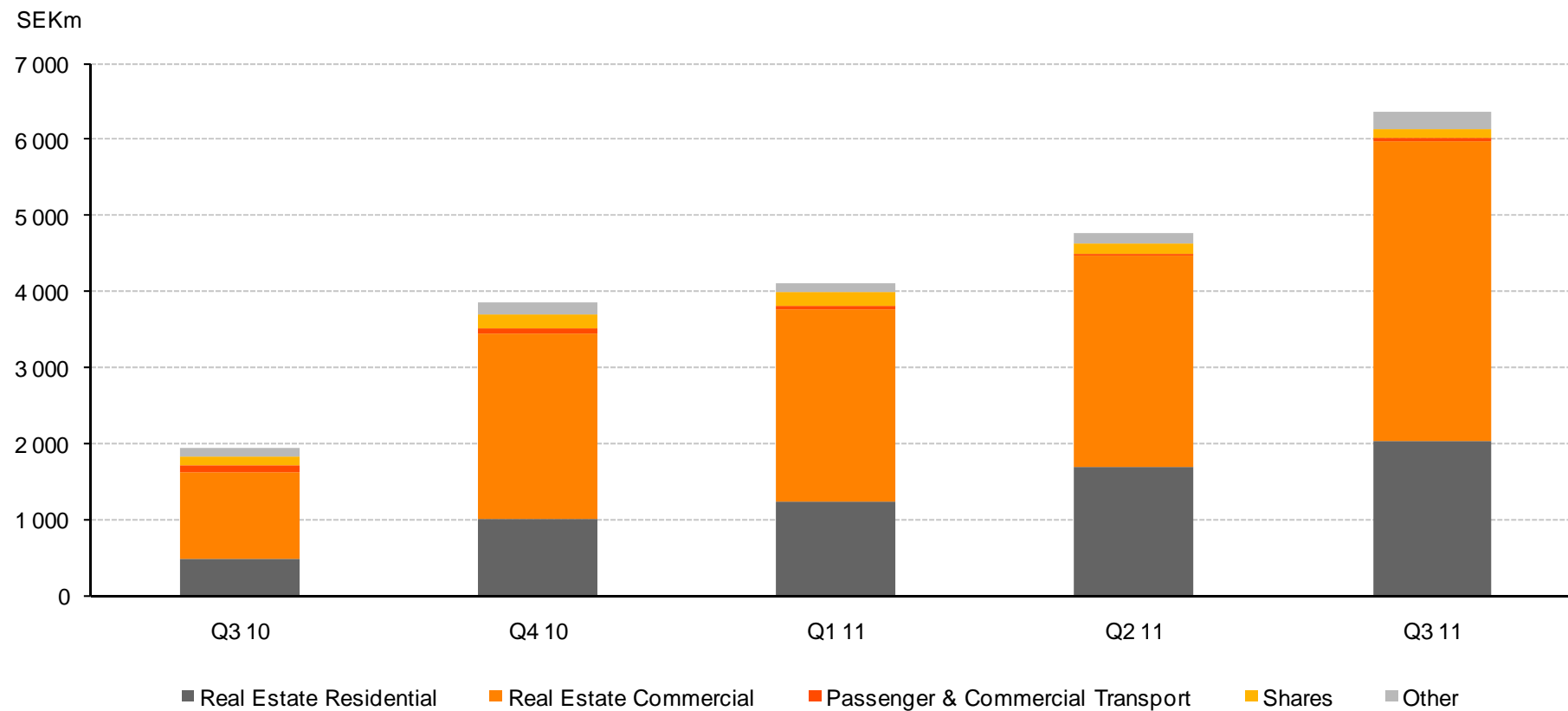
- Individual provisioning rates maintained
- Work-out portfolios slowly declining
- Positive rating migrations



Provision ratios, %	Q3 11
Retail	87
LC&I	103
Baltic Banking	54
Russia	62
Ukraine	67
Group	60

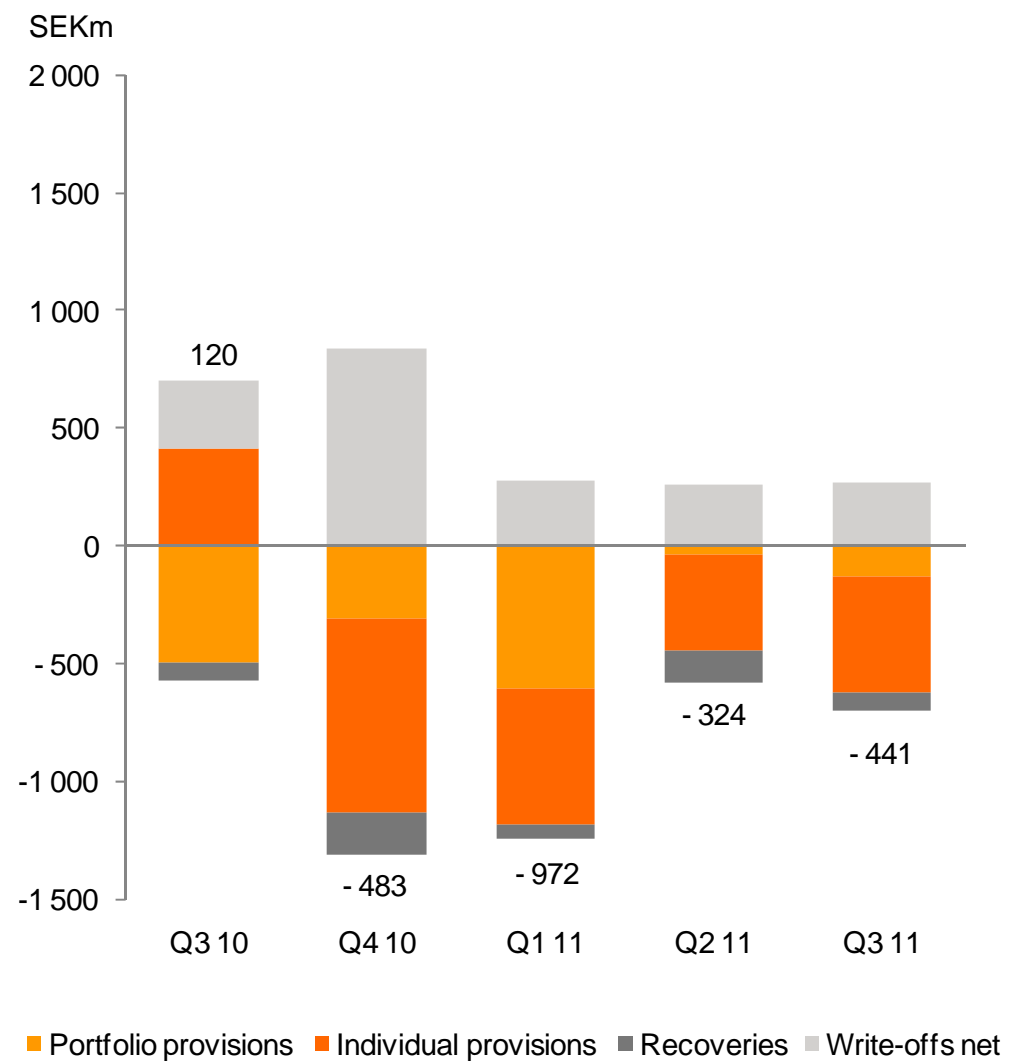
Asset quality

Reposessed assets



Asset quality

Credit impairments by category



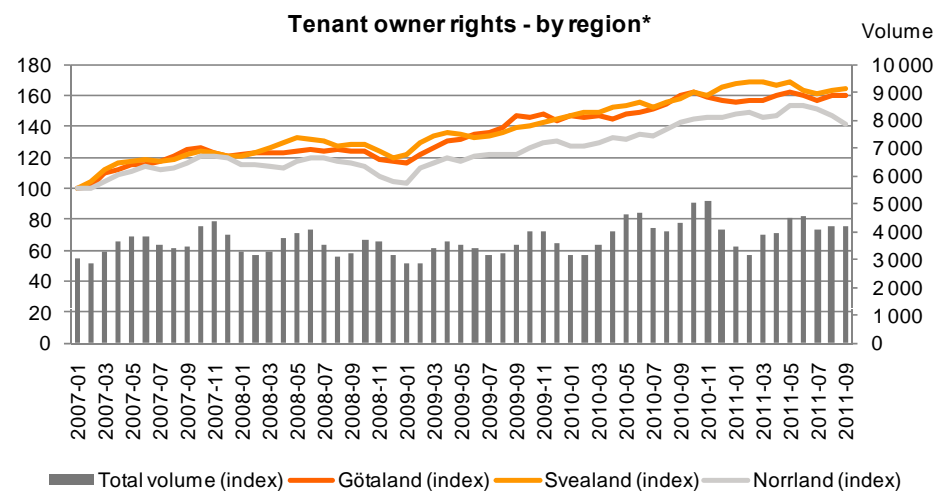
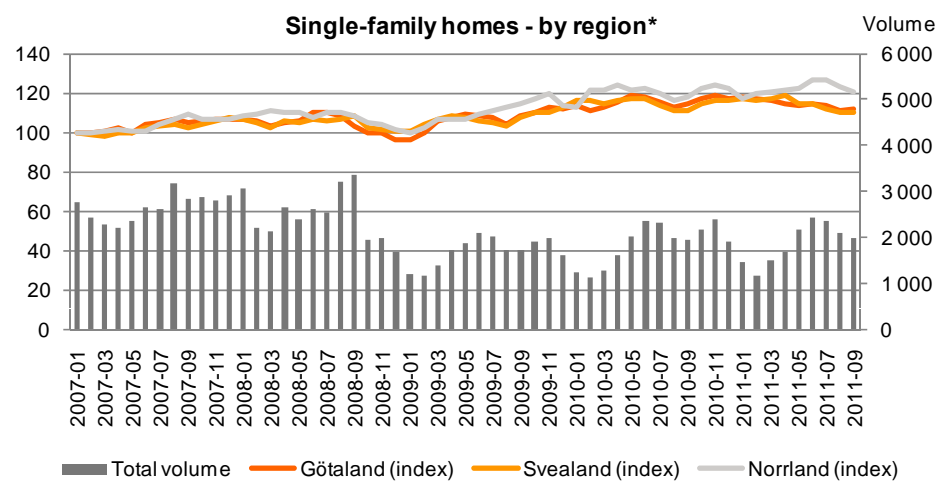
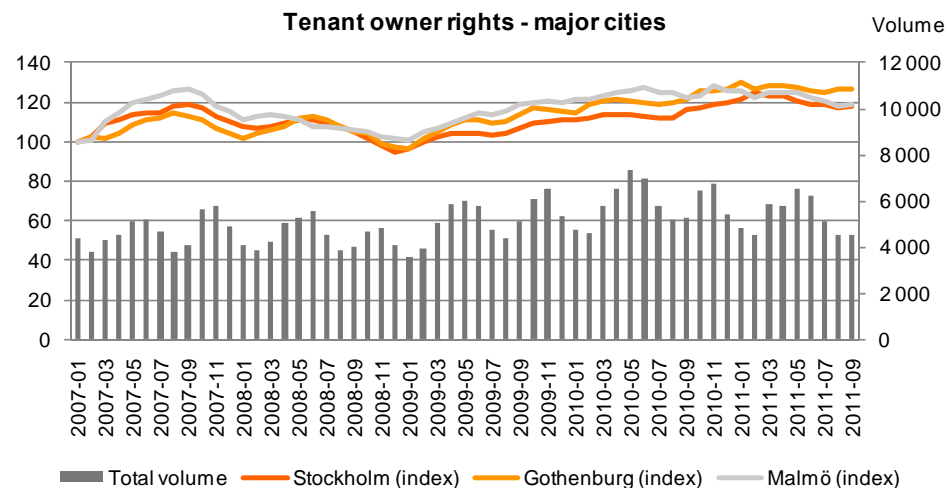
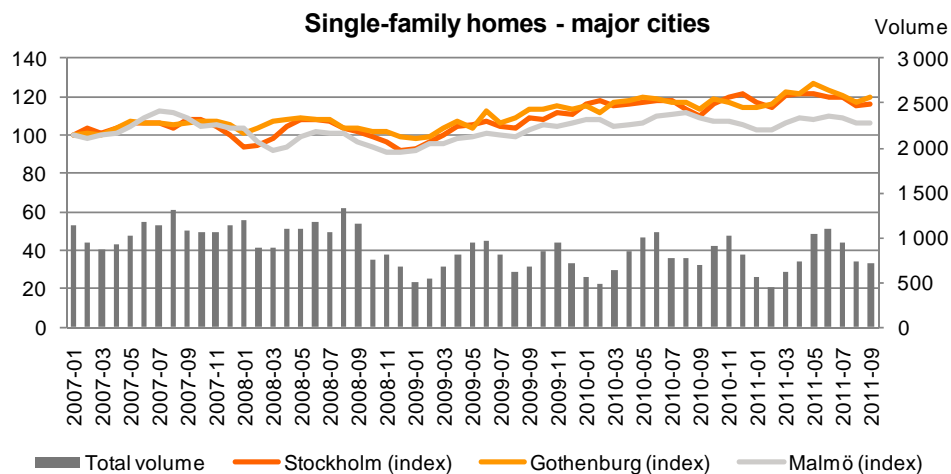
Real estate prices – Sweden 2011

	Single-family homes		Tenant owner rights	
	Purchase price / assessed tax value*	12M Δ	Price (SEK) per Sqm*	12M Δ
Jan/11	1,58	1%	21 909	8%
Feb/11	1,59	1%	22 074	7%
Mar/11	1,59	0%	22 004	7%
Apr/11	1,6	0%	21 884	5%
May/11	1,6	-1%	21 584	4%
Jun/11	1,6	-1%	21 286	3%
Jul/11	1,58	-2%	21 196	1%
Aug/11	1,56	-2%	21 264	-1%
Sep/11	1,56	-2%	21 480	-1%

*3 months moving average

Source: Mäklarstatistik (www.maklarstatistik.se)

Real estate prices – Sweden

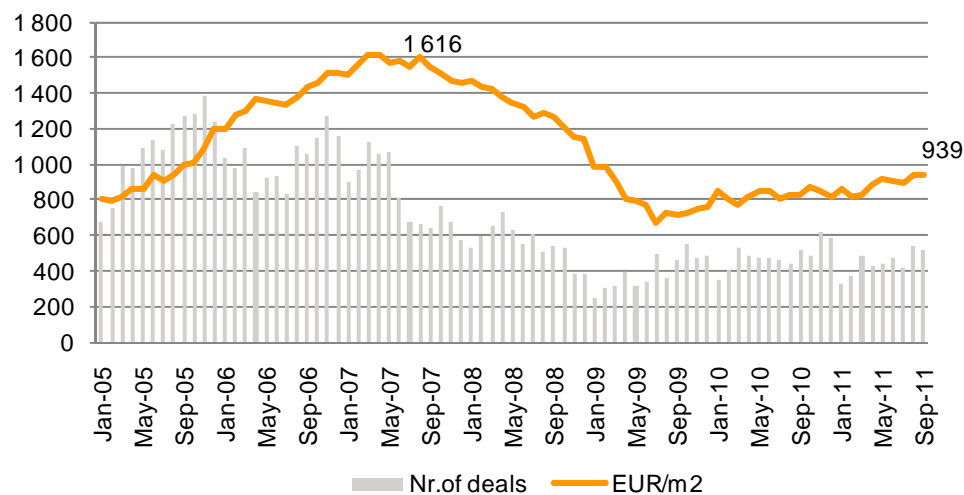


* 20 larger geographically distributed cities excl Stockholm, Gothenburg and Malmö

Source: Mäklarstatistik, Swedbank

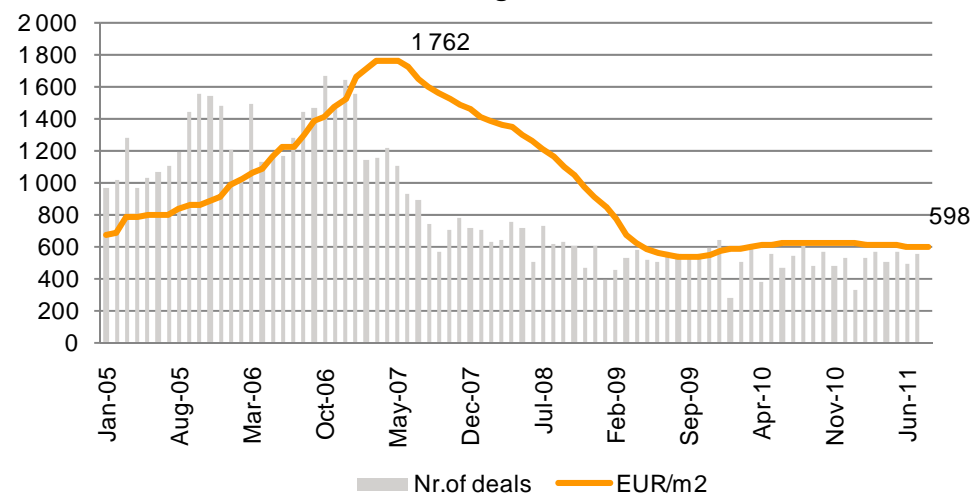
Real estate prices – Baltic countries

Tallinn



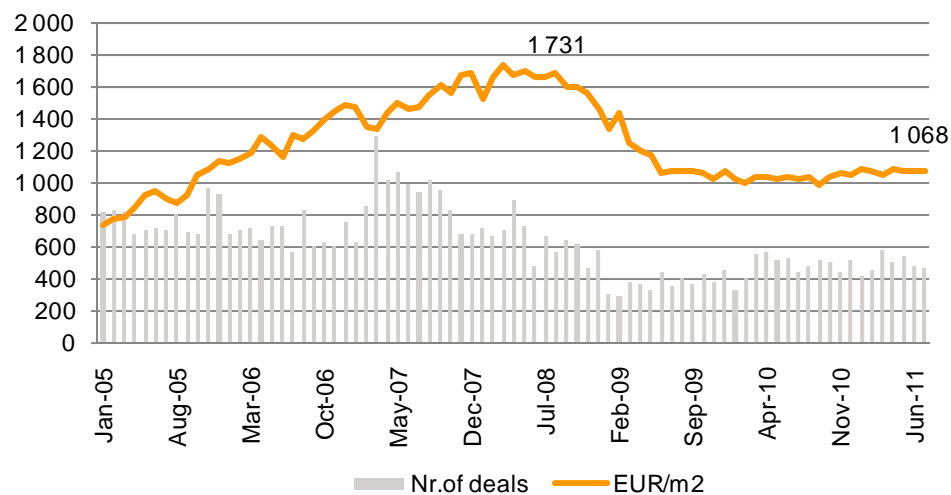
Source: Swedbank, Estonian Land Board

Riga



Source: Swedbank

Vilnius



Source: Swedbank, State Enterprise Centre of Registers

Liquidity and funding

Liquidity reserve*

SEKm

AAA-rating**

Cash and holdings in central banks	190 843
Deposits in other banks available overnight	759
Securities issued or guaranteed by sovereigns, central banks or multilateral development banks	32 854
Securities issued or guaranteed by municipalities or Public sector entities	
Covered bonds	54 383
- Issued by other institutions	54 383
- Own issued	
Securities issued by non-financial corporates	
Securities issued by financial corporates (excl. covered bonds)	929
Other	
Total	279 768

*According to the template defined by the Swedish Bankers' Association

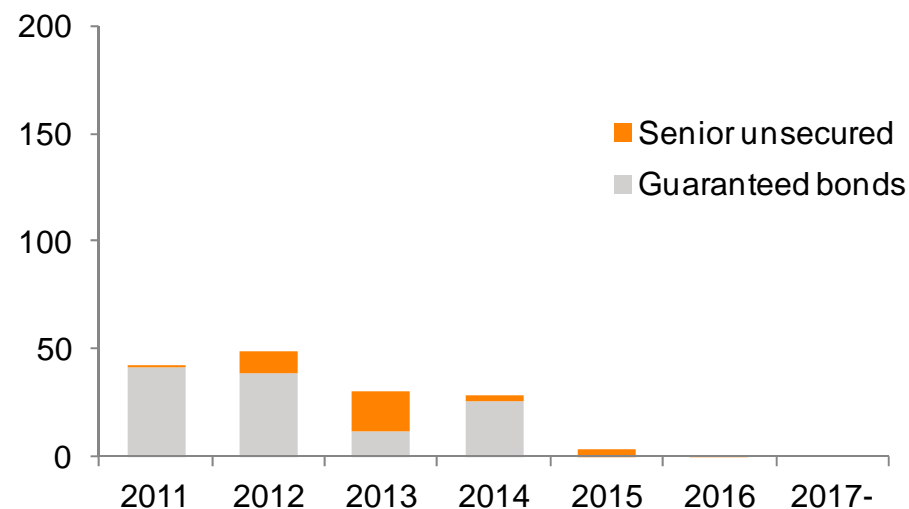
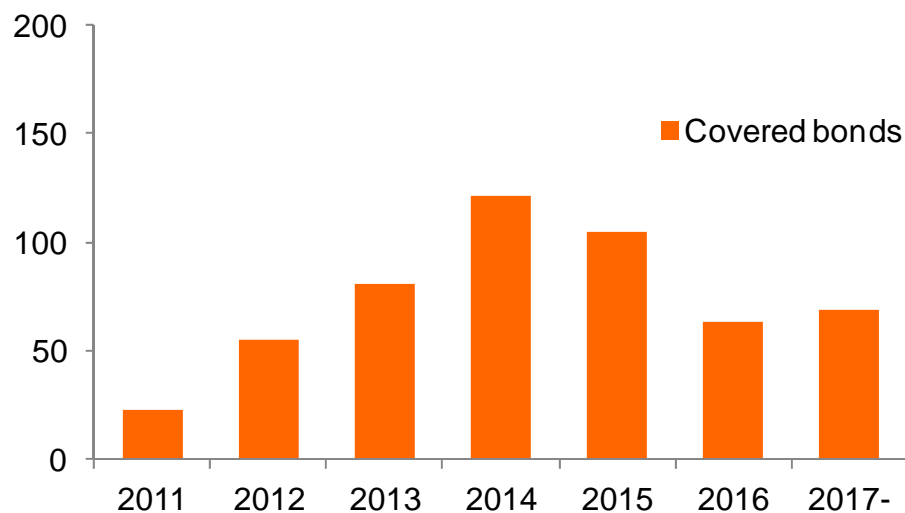
Additional liquid assets, Group	57 287
Other, over-collateralisation in the cover pool	130 000
Total	467 055

**100% of the securities in the liquidity reserve per Q3 2011 are rated AAA

Long-term funding

- Continued focus on covered bonds with Q3 issuance of SEK 60bn
- Term funding of SEK 210bn issued first 9M 2011, with maturities of SEK 97bn during the same period
- Maturities for the remainder of 2011 amount to nominal SEK 69bn
- Nominal figures term funding Q3 2011:
 - Covered bonds SEK 58bn; Senior unsecured SEK 2bn

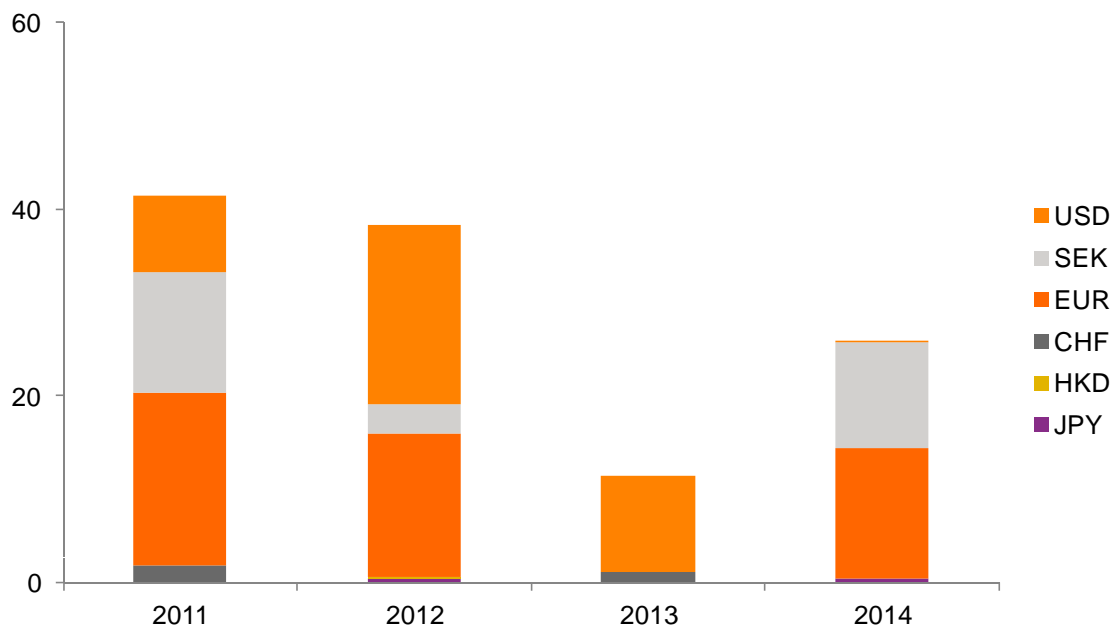
Long-term funding maturity profile, SEKbn



Remaining government guaranteed debt

- Exited the programme on 30 April 2010
- No issuance under the programme since summer 2009
- SEK 39bn of government guaranteed debt matured during the first nine months of 2011
- Maturities of SEK 41bn for the remainder of 2011

Maturity profile as per Q3 2011, SEKbn



Limited unsecured funding need

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

