

Swedbank's year-end 2011 results

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Delivered according to last years prospects

- Net profit of SEK 11.7bn for 2011
- Core Tier 1 capital ratio of 15.7 per cent
- Return on equity of 12.2 per cent for 2011
- Proposed dividend of SEK 5.30 per share

All stakeholders affected by new environment

- Shareholders
 - Two share issues totalling SEK 27bn
 - Buy-back programme halted
 - Goodwill write-downs
 - Harder to reach ROE target
- Staff
 - Number of employees down by about 6 000 since end of 2007
 - Overhaul of remuneration systems will reduce variable pay
- Customers
 - Increased cost of money

Continued stable development

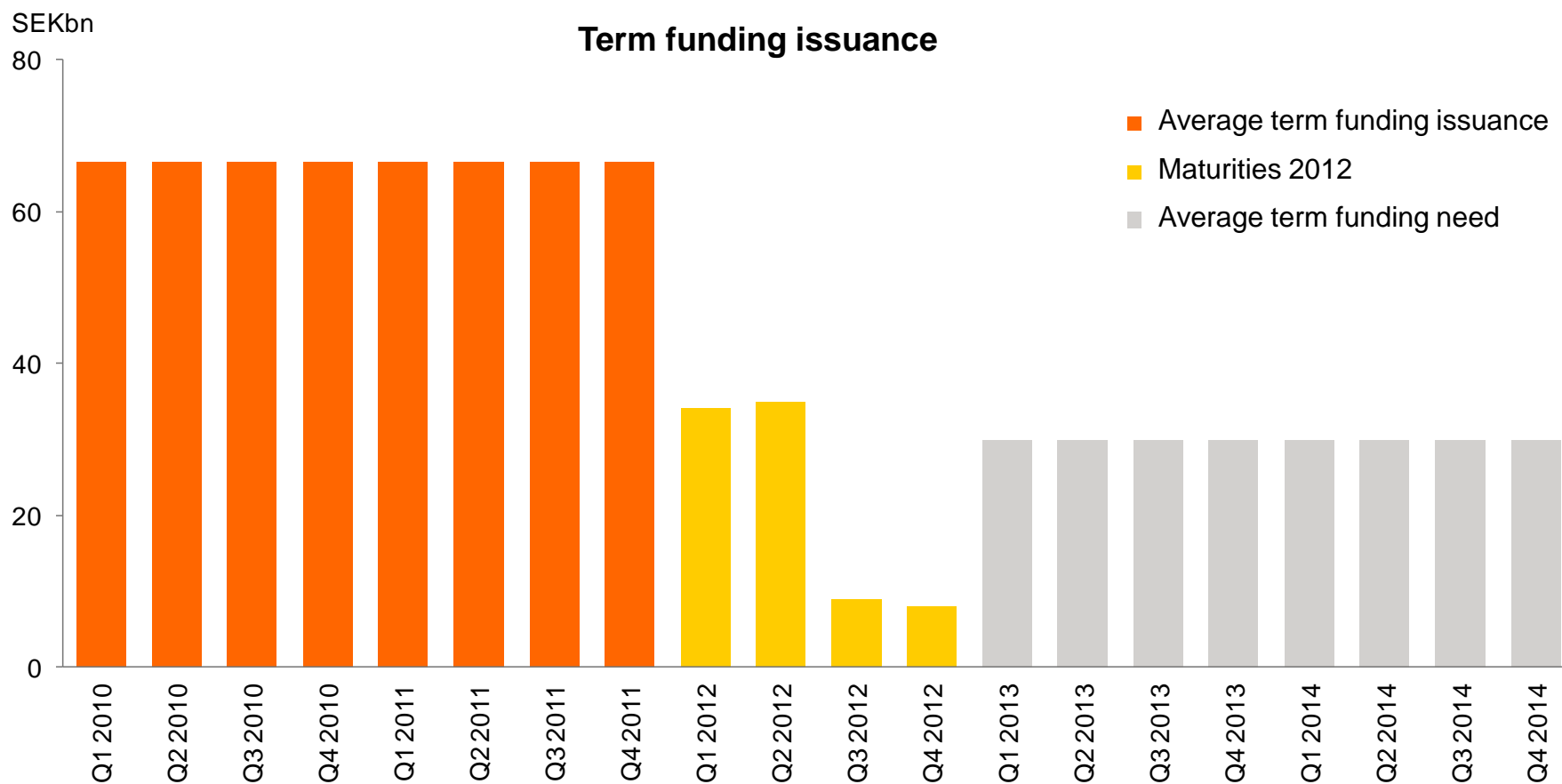
SEKm	FY 2010	FY 2011	Q3 11	Q4 11
Net interest income	16 329	19 118	4 857	4 994
Net commission income	9 525	8 963	2 292	2 126
Net gains and losses	2 400	1 584	259	559
Other income	2 790	3 850	782	839
Total income	31 044	33 515	8 190	8 518
Total expenses	17 642	17 869	4 331	4 809
Profit before impairments	13 402	15 646	3 859	3 709
CT1 ratio, %*	13.9	15.7		
Return on equity, %	8.1	12.2		

* Basel 2

- Goodwill write-down in Latvia SEK 1913m
- SEK 330m restructuring charge
- Increased capital markets income and positive valuation effects
- Cost reduction 2012: SEK 1bn
- Continued focus on capital efficiency

Significantly lower issuance volumes going forward

- SEK 44bn of long-term debt issued in Q4 (incl. SEK 7bn of senior unsecured)
- Over-collateralisation in covered-bond pool increased to 29% (25%)
- Continued strong liquidity reserves



Swedbank regulatory compliant – transition completed

- Transformation of:
 - Maturity structure liabilities
 - Liquidity reserve
 - Capital buffer
- Significantly reduced risk in balance sheet
- Cost for regulatory compliance taken

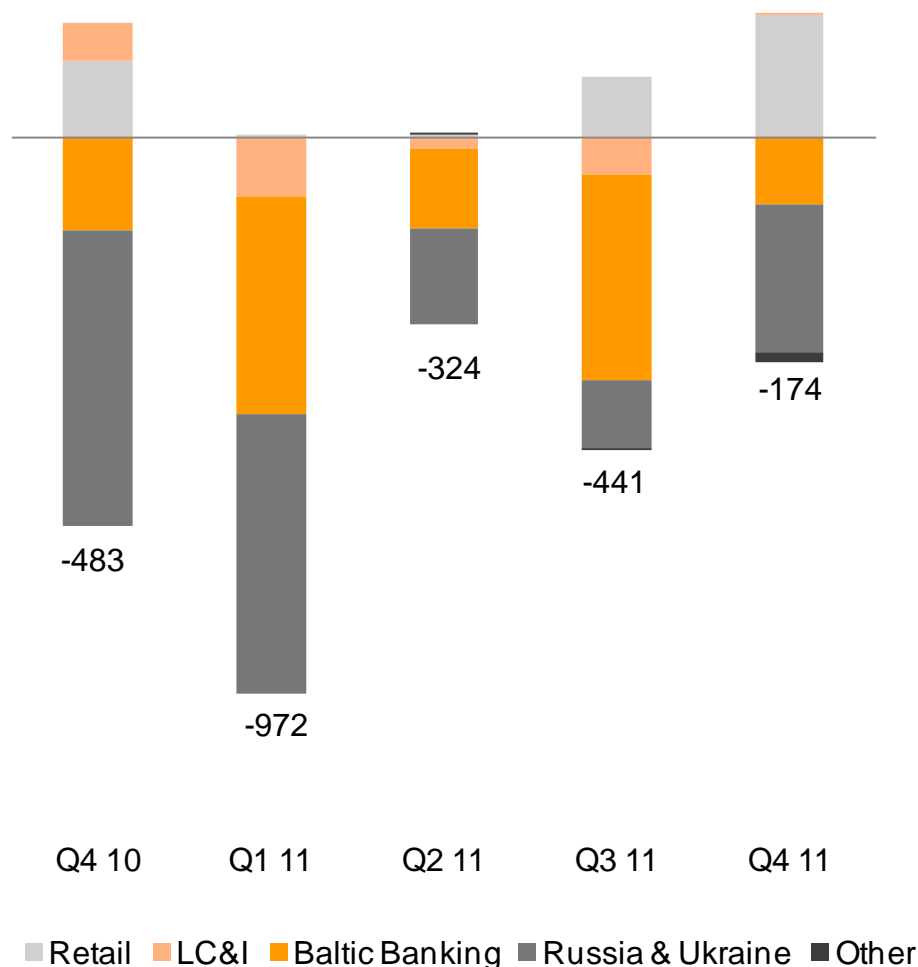
Ratio	Swedbank		Expected requirements	
CT1-ratio, Basel 3	14.7%	✓	10% (2013)	12% (2015)
Liquidity coverage ratio	139%	✓	100% (2015)	EUR/USD
Net stable funding ratio	94%	✓	100% (2018)	

Capital management

- Current capitalisation targets withdrawn
- Dividend policy of 50%
- Other capital repatriation on hold
- Proposal to issue convertible debt instruments
- Return target of 15%

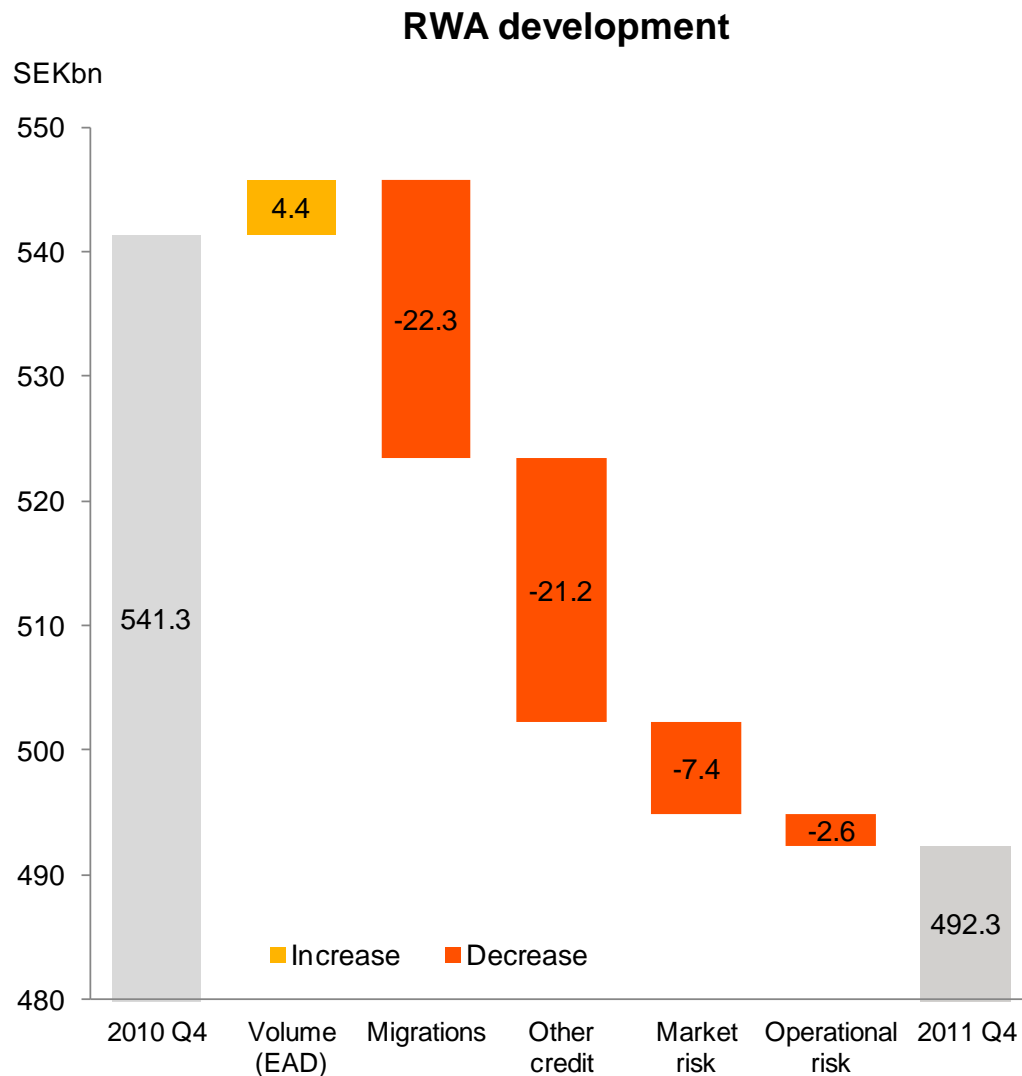
Net recoveries of SEK 174m in Q4

Credit impairments, SEKm



- Credit impairments in Sweden still low
 - Known problems
 - Limited inflow of watch list and problem loans
- Collective provisions mortgage loans in Latvia and Ukraine

Focus on risk-weighted assets



- Significant achievements 2011
 - Full organisational involvement
 - Credit volumes
 - Customer quality
 - Market risks
- Focus areas 2012
 - Review of small and mid-sized corporates Sweden
 - Retail mortgage risk-weights

Many factors impacting outlook

- Challenging economic situation in Europe
- Real estate Sweden: Risk picture is going down
- Positive outlook in Baltic countries

Priorities going forward

Increased focus on operational efficiency

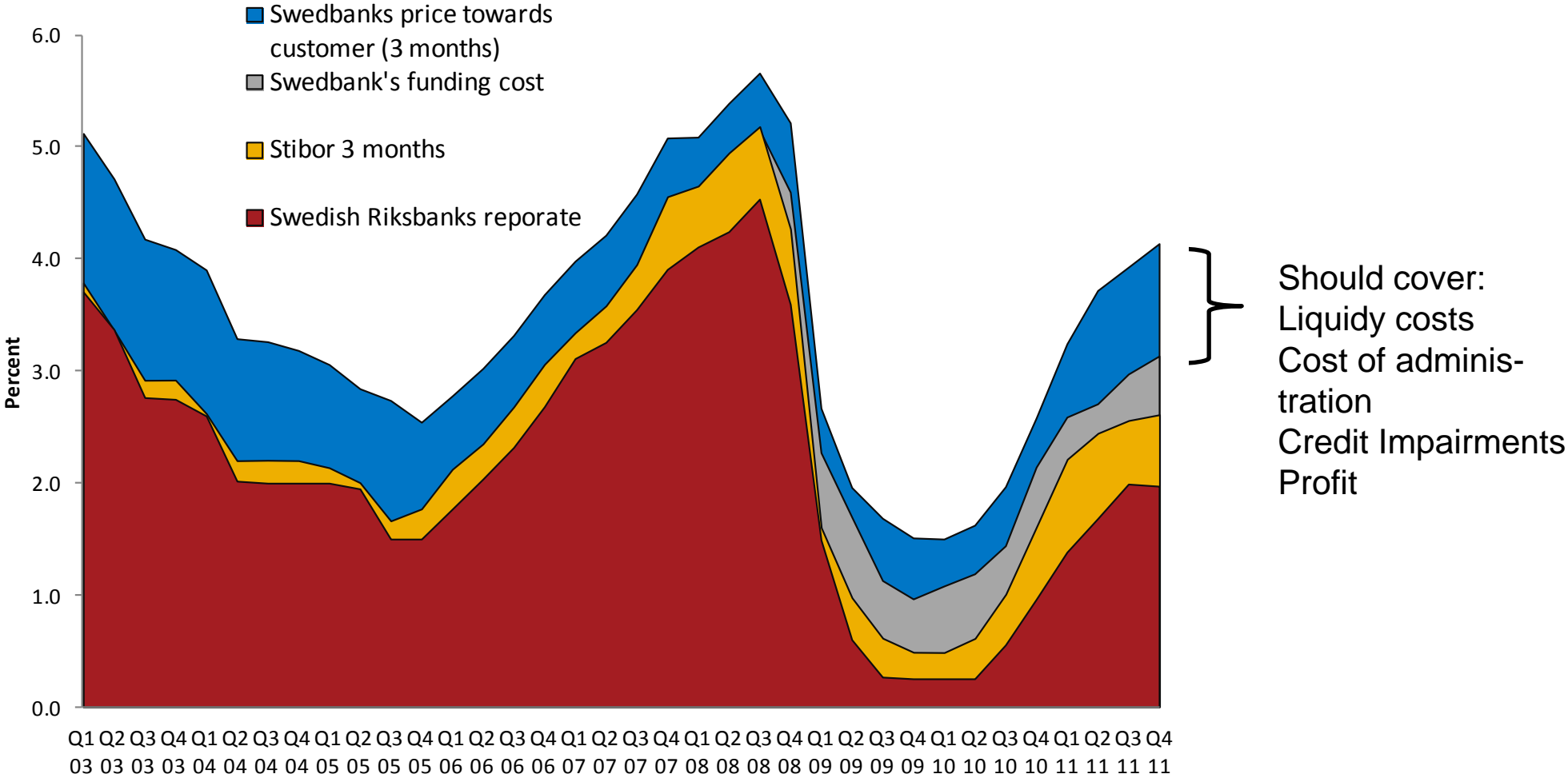
- Improve customer satisfaction
- Increase decision-making close to our customers
- Improve quality and cost effectiveness

Q & A

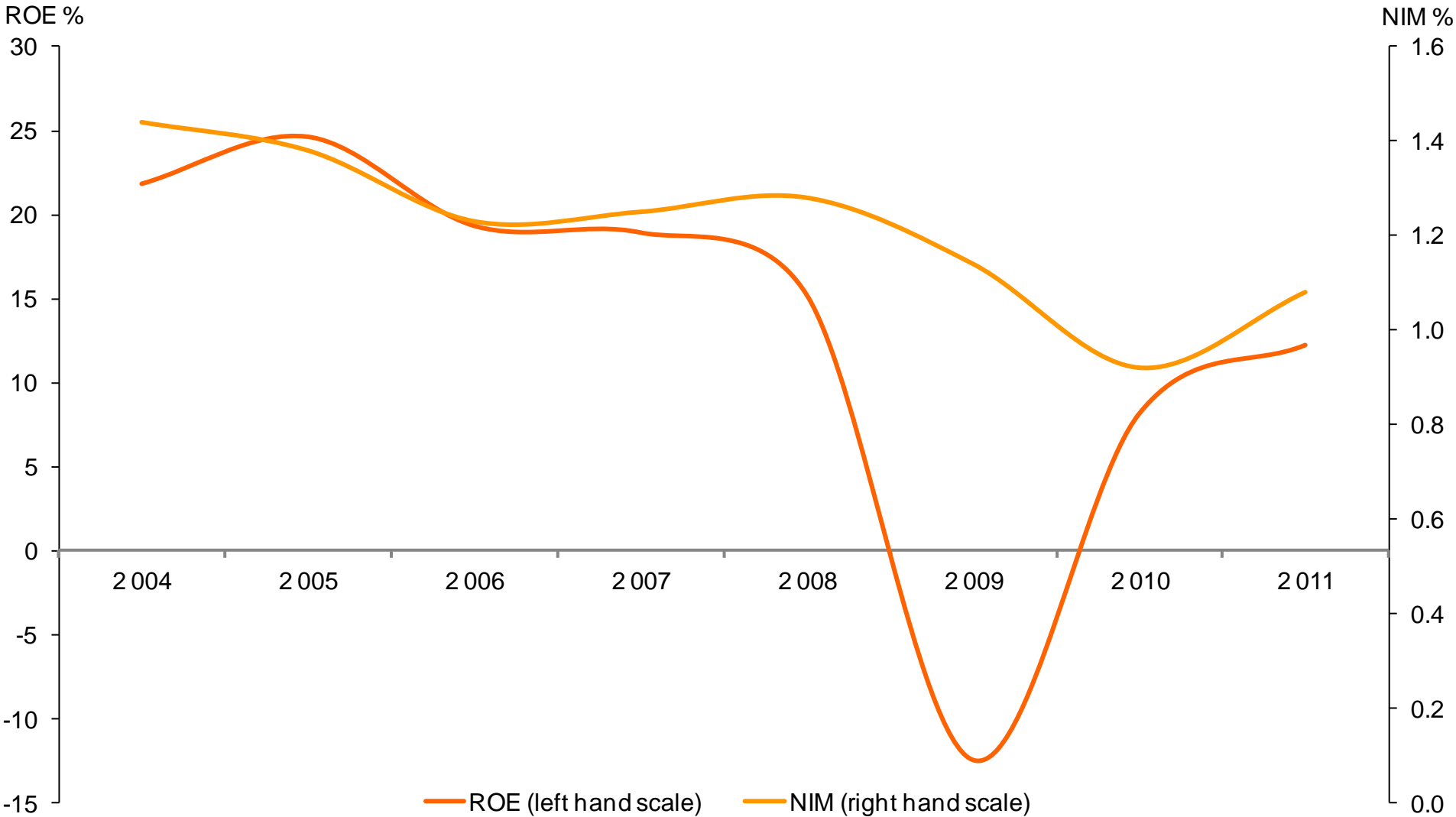


Appendix

Mortgage loans gross margin (3-months)

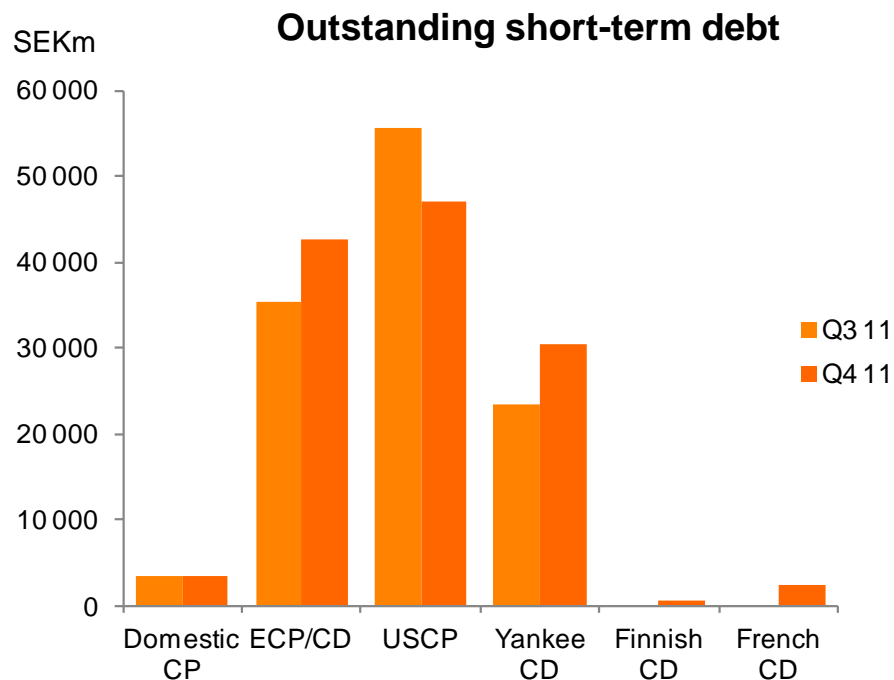
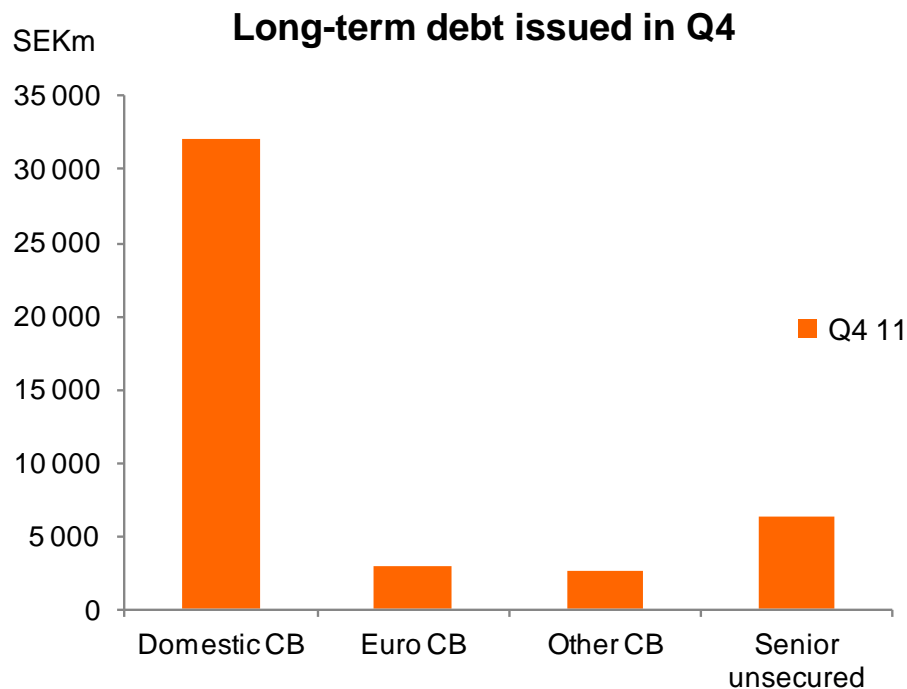


Development of ROE and net interest margin



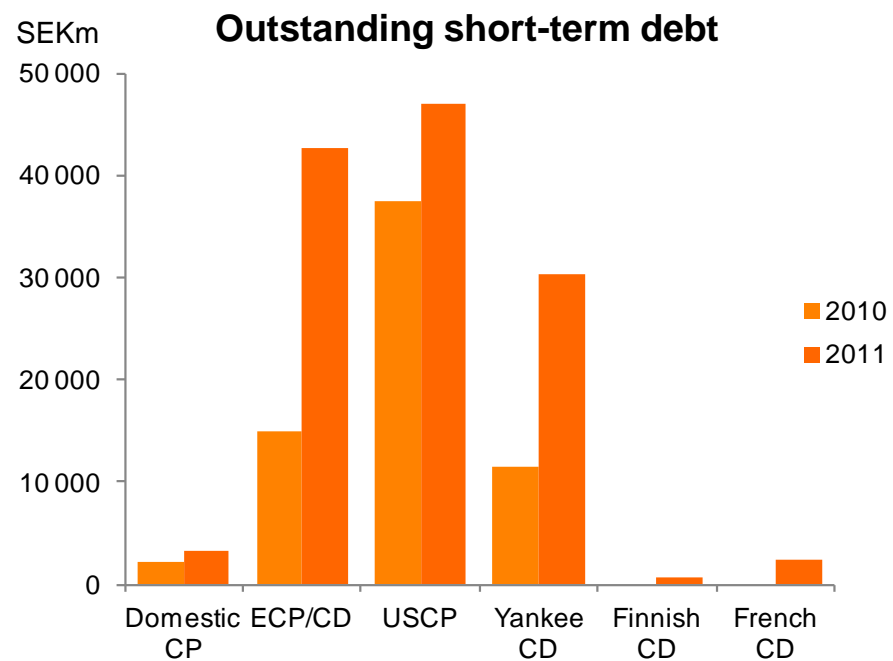
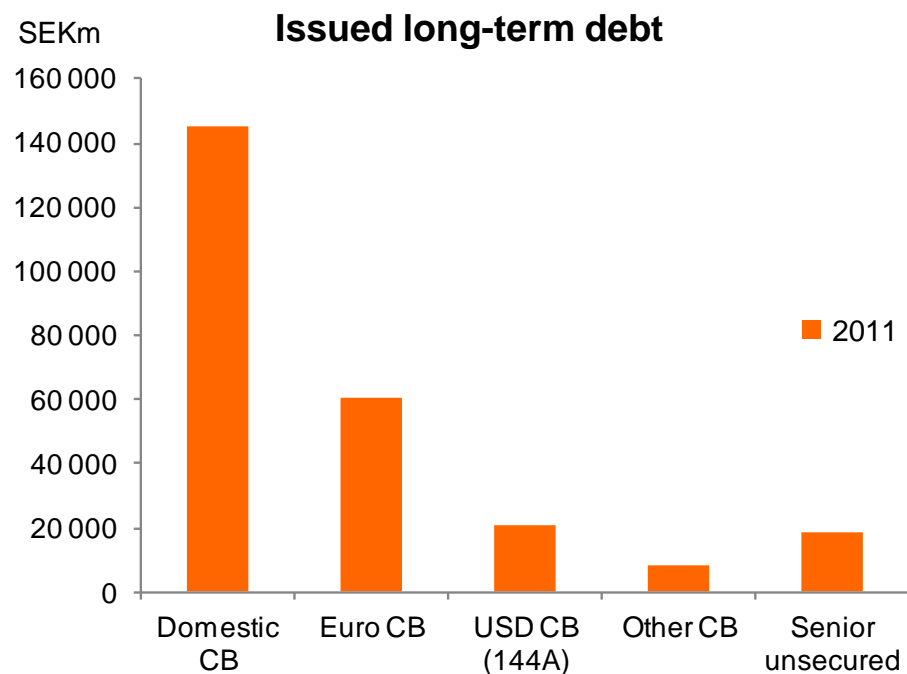
Funding development Q4

- SEK 44bn of long-term debt issued in Q4 (mainly domestic covered bonds and senior unsecured private placements)
- Demand for Swedbank short-term paper continued
- USD funding need covered for more than 12 months



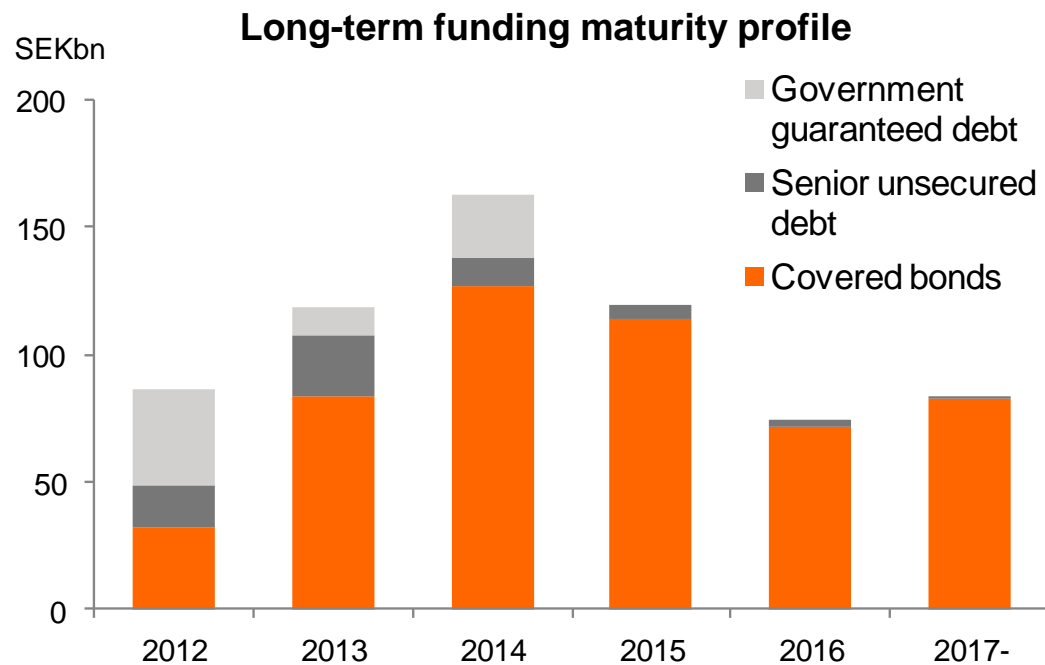
Funding development FY 2011

- SEK 254bn of long-term debt issued and SEK 180bn of maturities at beginning of 2011
- Good demand for Swedbank short-term paper



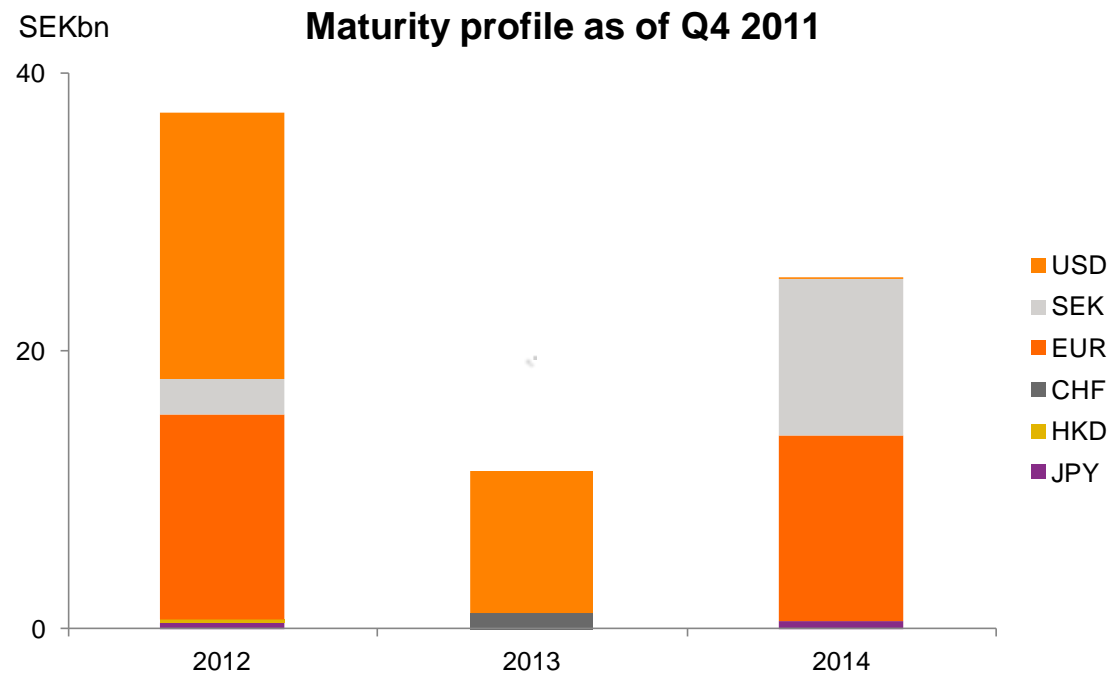
Long-term funding maturity profile

- Maturities for 2012 amount to nominal SEK 86bn



Remaining government guaranteed debt

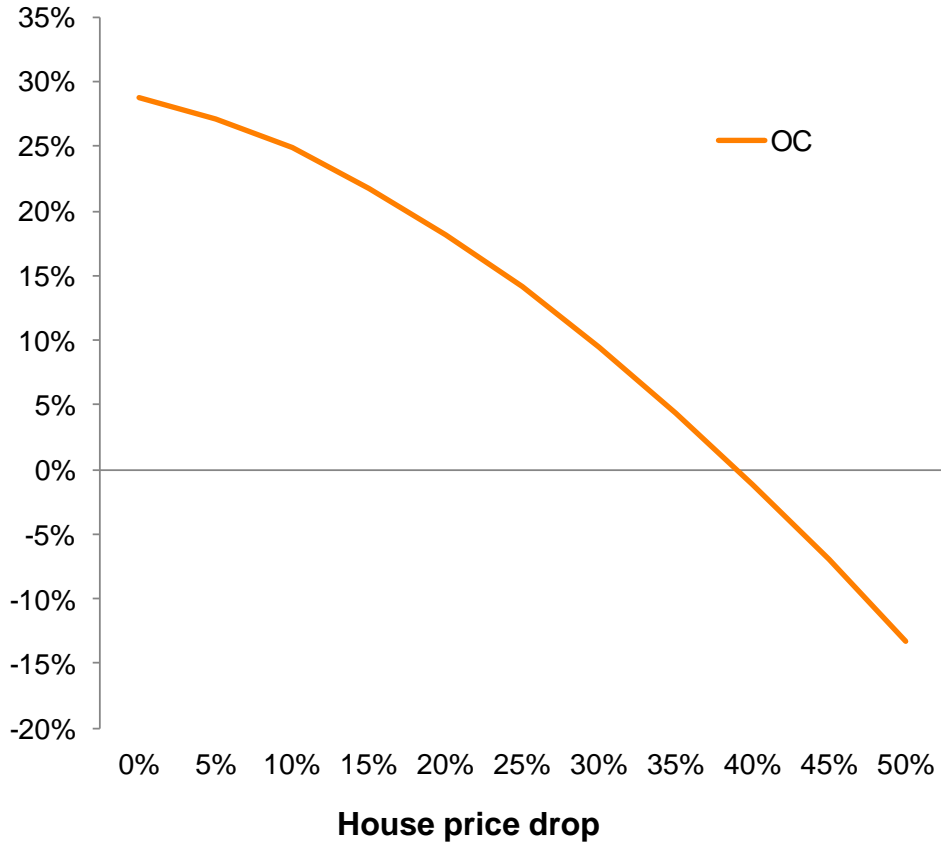
- Exited the programme on 30 April 2010
- No issuance under the programme since summer 2009
- SEK 37bn of government guaranteed debt matures in April 2012



House price sensitivity of the cover pool

House price sensitivity of the cover pool

Over-collateralisation



Liquidity and funding

Liquidity reserve

SEKm

According to the template defined by the Swedish Bankers' Association¹

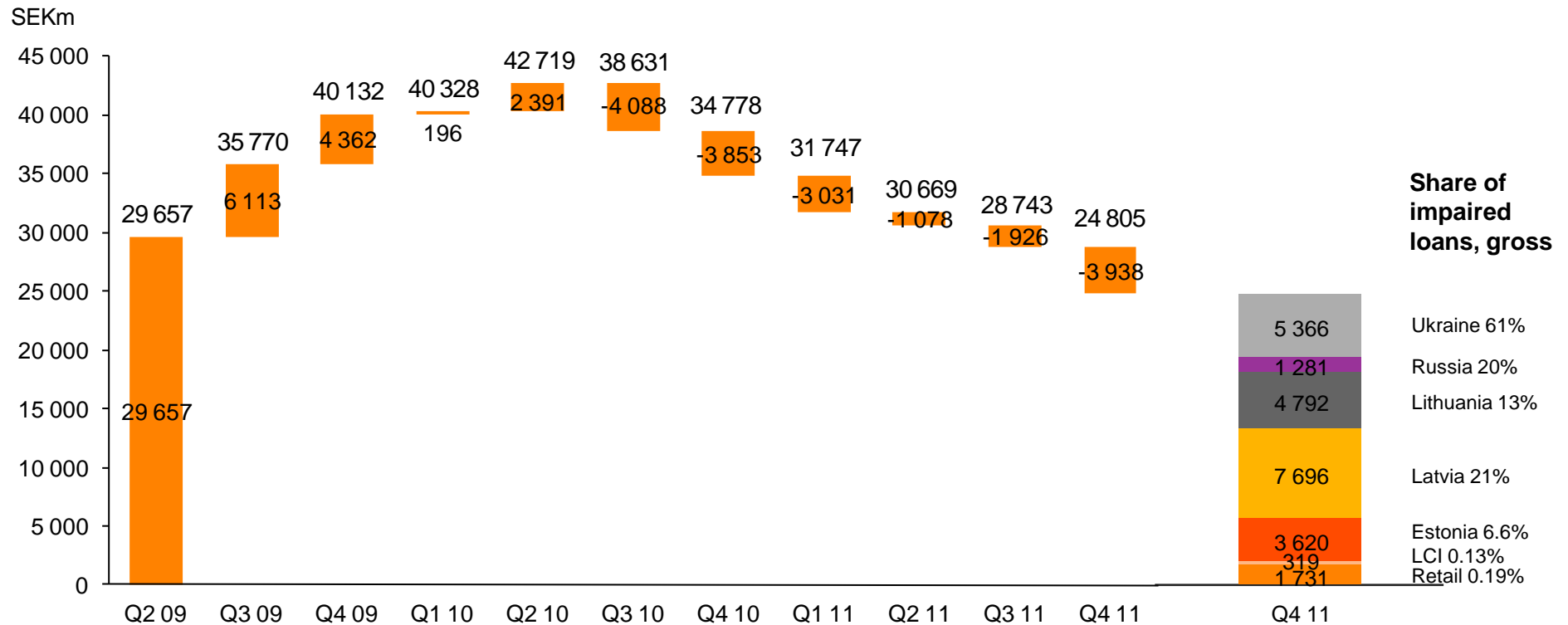
Cash and holdings in central banks	163 215
Deposits in other banks available overnight	
Securities issued or guaranteed by sovereigns, central banks or multilateral development banks	27 880
Securities issued or guaranteed by municipalities or Public sector entities	
Covered bonds	54 132
- Issued by other institutions	54 132
- Own issued	
Securities issued by non-financial corporates	
Securities issued by financial corporates (excl. covered bonds)	1 715
Other	
Total	246 942
Additional liquid assets, Group ²	62 082

¹ 96% of the securities in the liquidity reserve as of Q4 2011 are rated AAA

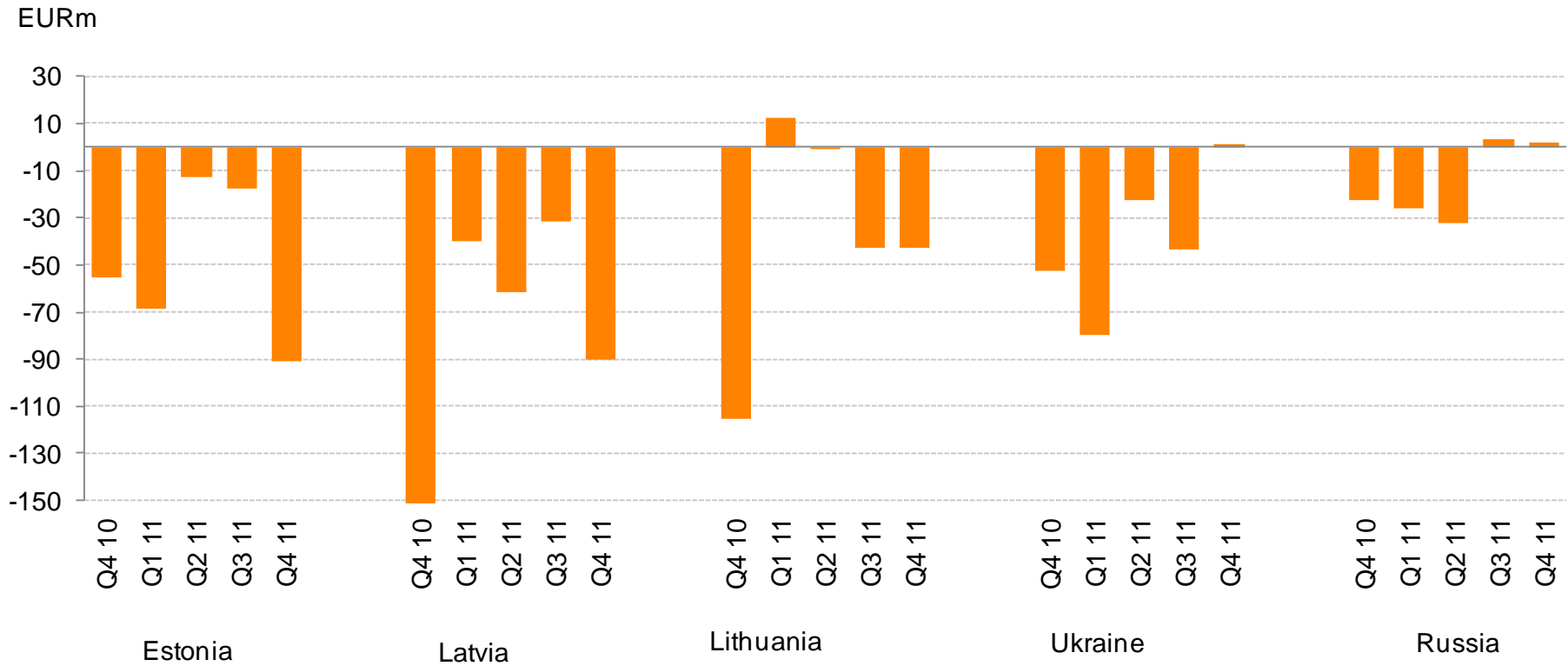
² 80% of the additional liquid assets fulfill the Liquidity Reserve definition by the Swedish Bankers' Association except from that they are held outside Group Treasury.

Impaired loans decreasing

- Excluding FX effect down SEK 3.4bn in Q4
- Corporate portfolio quality improvements

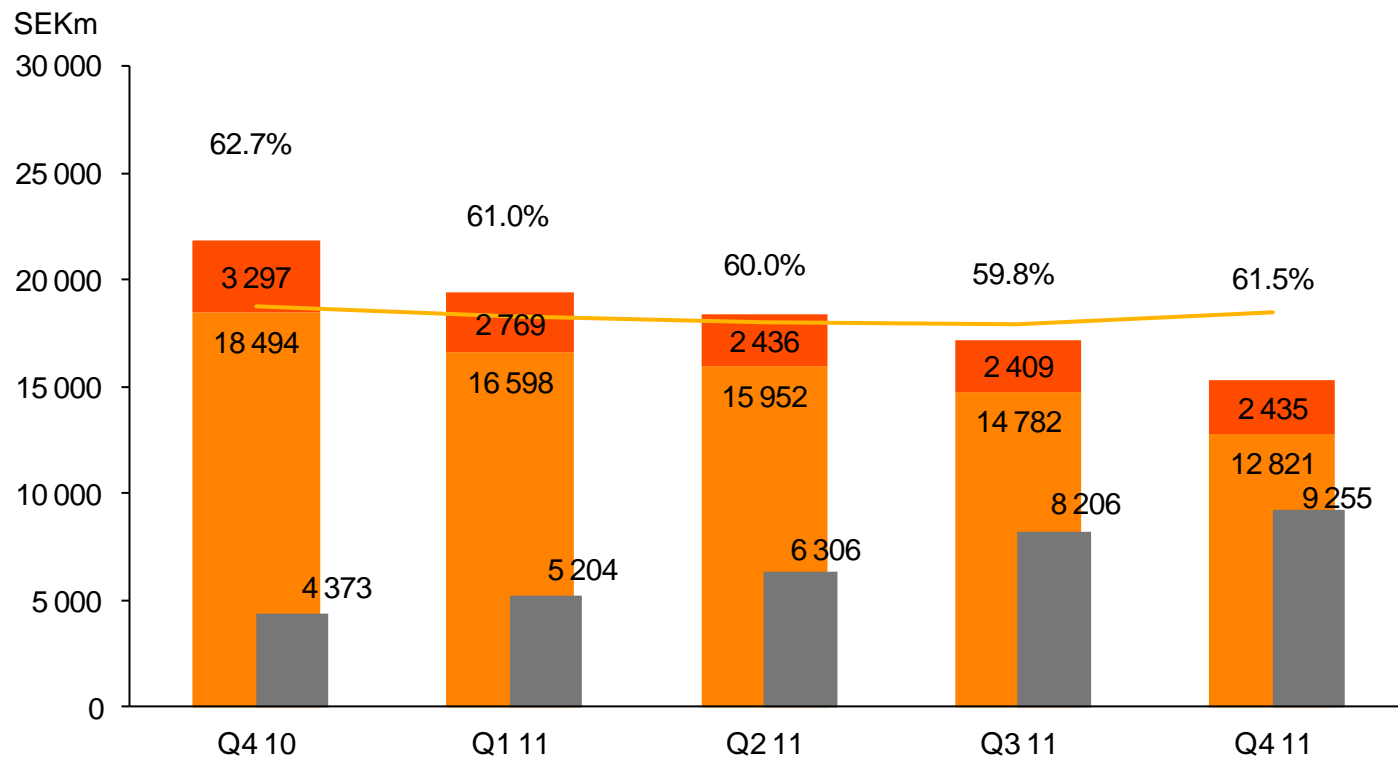


Loans past due 60 days – performance Q/Q



Provisions – well provided for

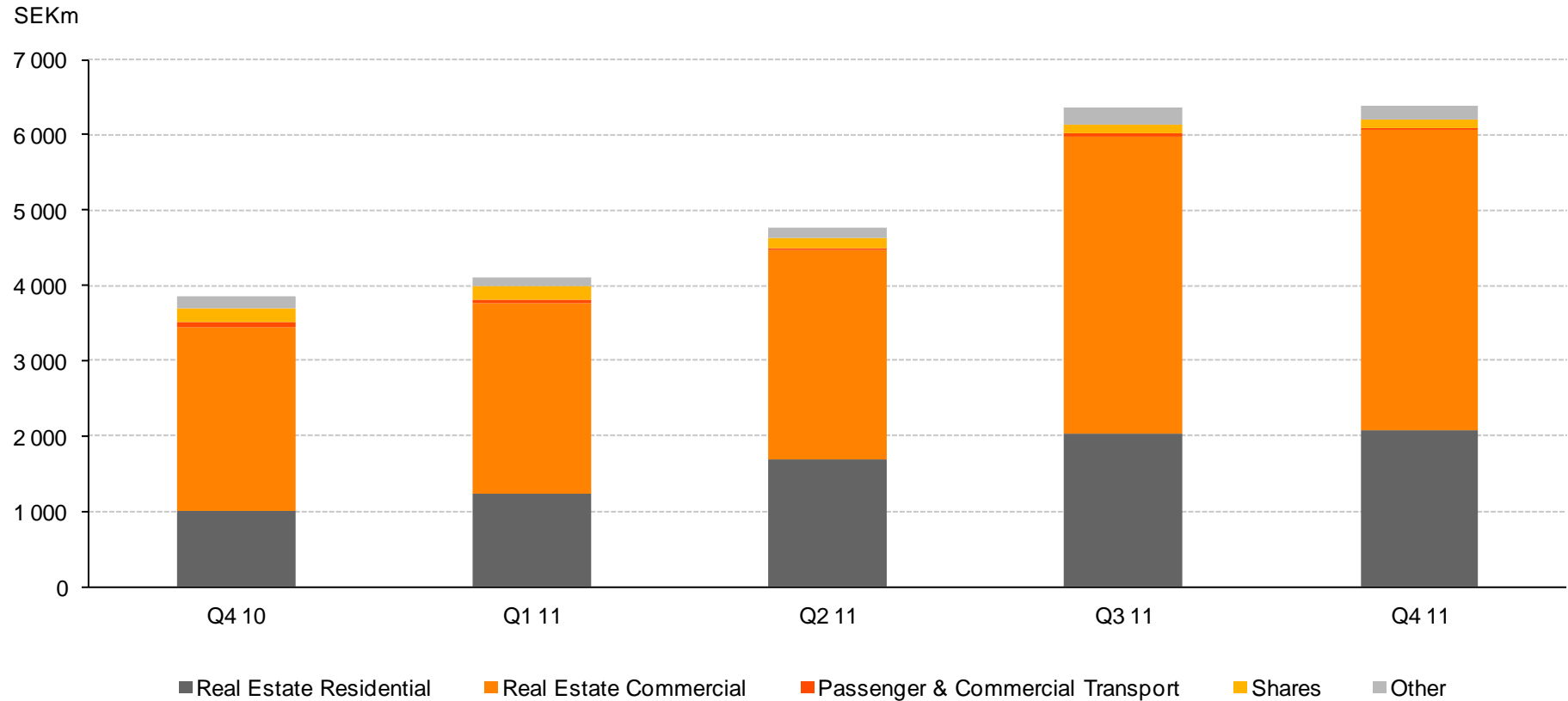
- Individual provisioning rates maintained
- Additional portfolio provisions in Latvian and Ukrainian mortgages
- Positive rating migrations



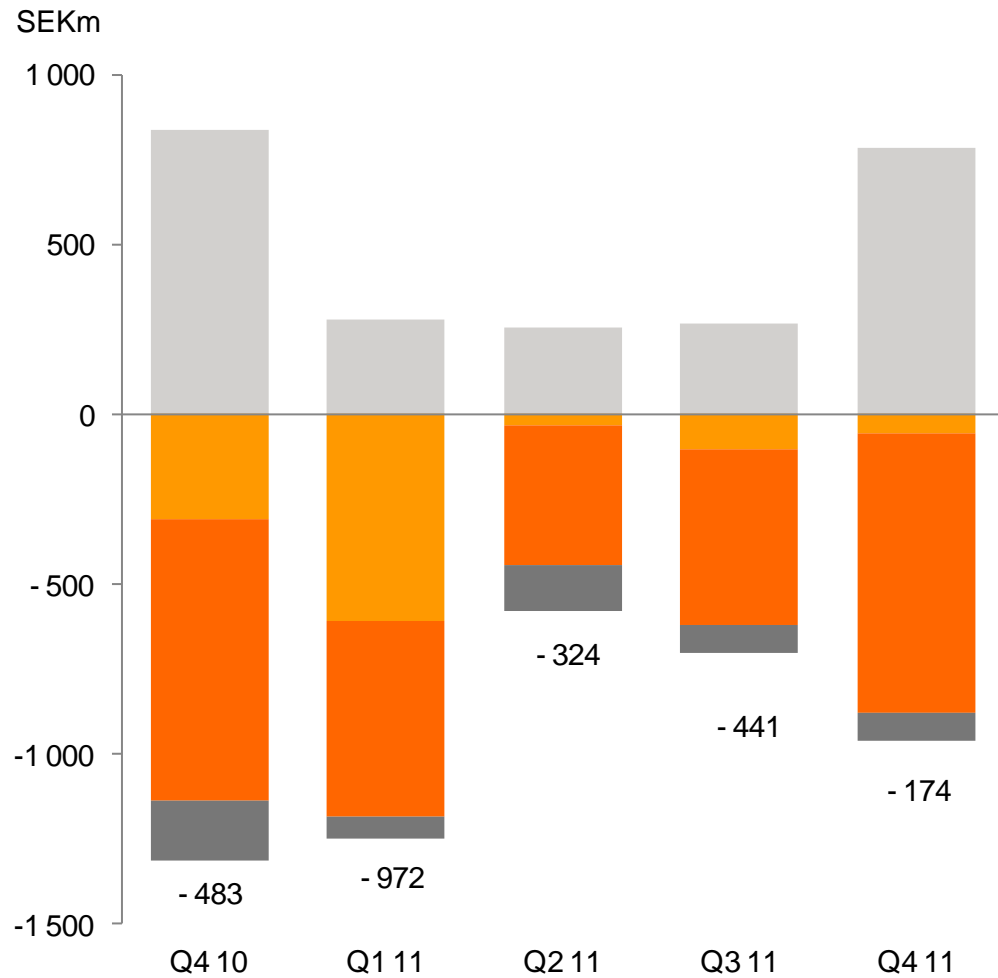
Provision ratios, %	Q4 11
Retail	90
LC&I	135
Baltic Banking	55
Russia	46
Ukraine	72
Group	62

■ Individual provisions
 ■ Portfolio provisions
 ■ Write-offs, gross, cum from 2010
 — Provision ratio

Reposessed assets



Credit impairments by category

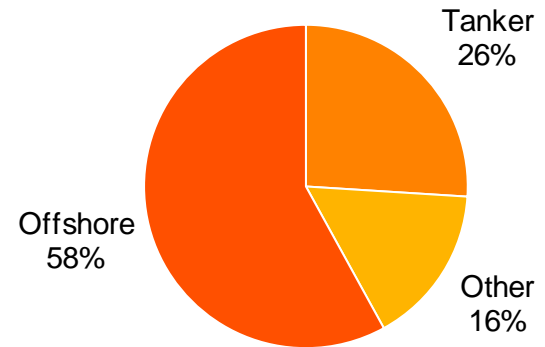


■ Portfolio provisions
 ■ Individual provisions
 ■ Recoveries
 ■ Write-offs net

Shipping and offshore

- Lending exposure to the shipping and offshore sector is SEK 22.7bn plus unutilised commitments of SEK 6.1bn
 - Portfolio duration 4-5y
 - Average fleet age 7y
 - Other represents dry bulk (4%), ro/ro/car (7%), container (5%)
 - Strong employment profiles

Shipping and offshore portfolio



Note: Portfolio breakdown based on total exposure (lending + unutilised commitments).

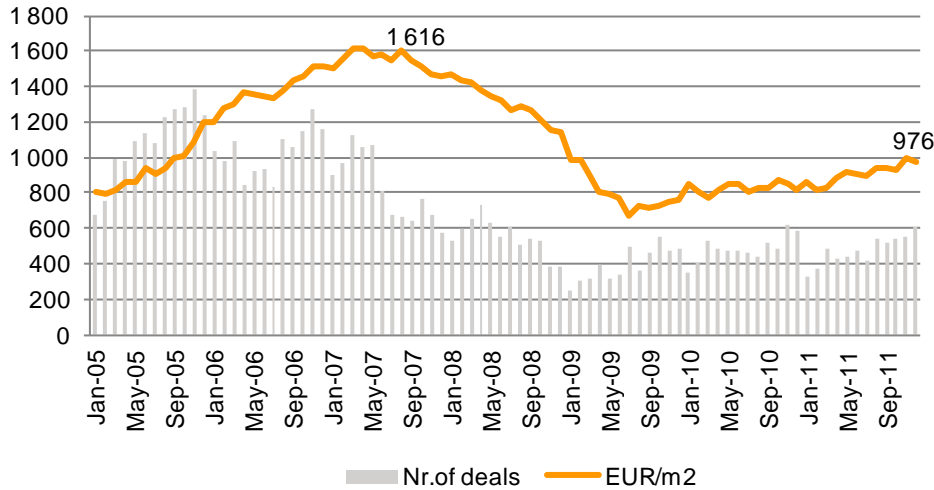
Real estate prices – Sweden 2011

	Single-family homes ¹	Tenant owner rights ²	Combined ³
	12M Δ	12M Δ	12M Δ
Jan	0%	8%	2%
Feb	2%	7%	3%
Mar	2%	6%	3%
Apr	1%	6%	3%
May	0%	6%	2%
Jun	0%	5%	2%
Jul	0%	6%	2%
Aug	-2%	3%	-1%
Sep	-3%	1%	-2%
Oct	-4%	-1%	-3%
Nov	-5%	-4%	-5%
Dec	-7%	-4%	-6%

Source: Valuegard www.valuegard.se (Based on data from Mäklarstatistik), ¹ HOXHOUSESWE, ² HOXFLATSWE, ³ HOXSWE

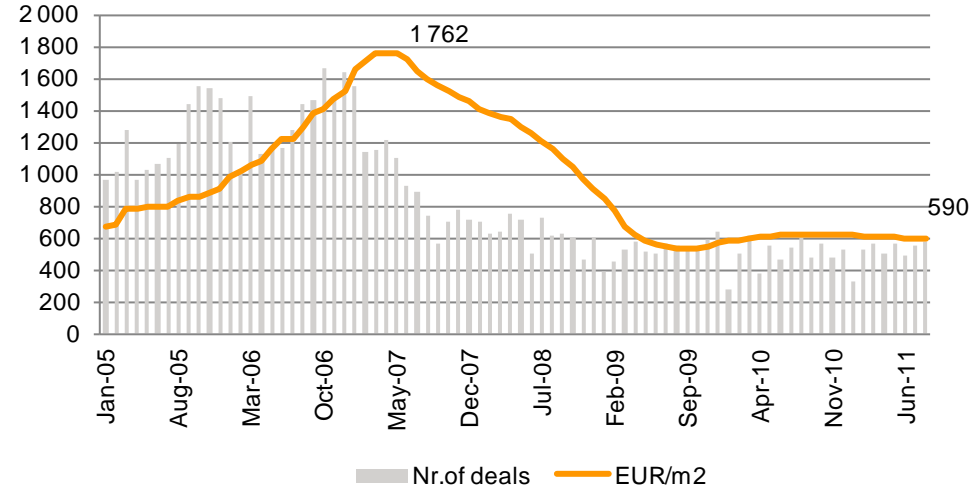
Real estate prices – Baltic countries

Tallinn



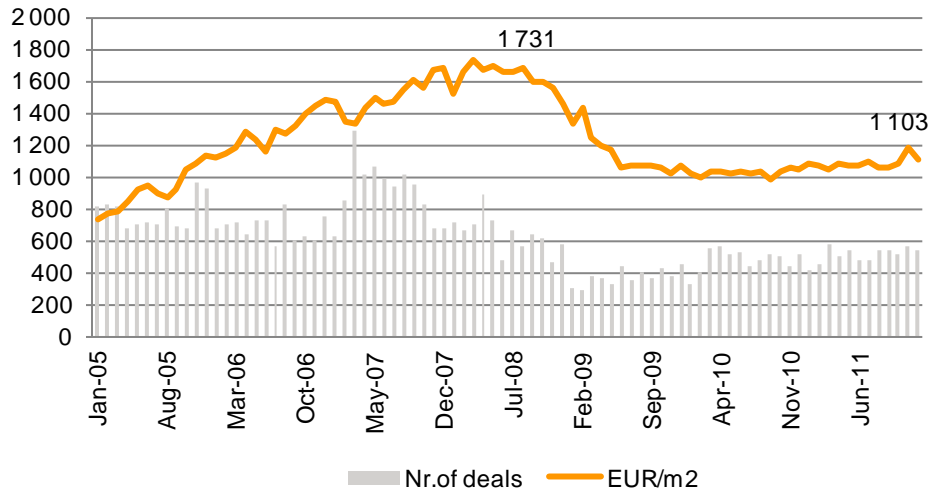
Source: Swedbank, Estonian Land Board

Riga



Source: Swedbank

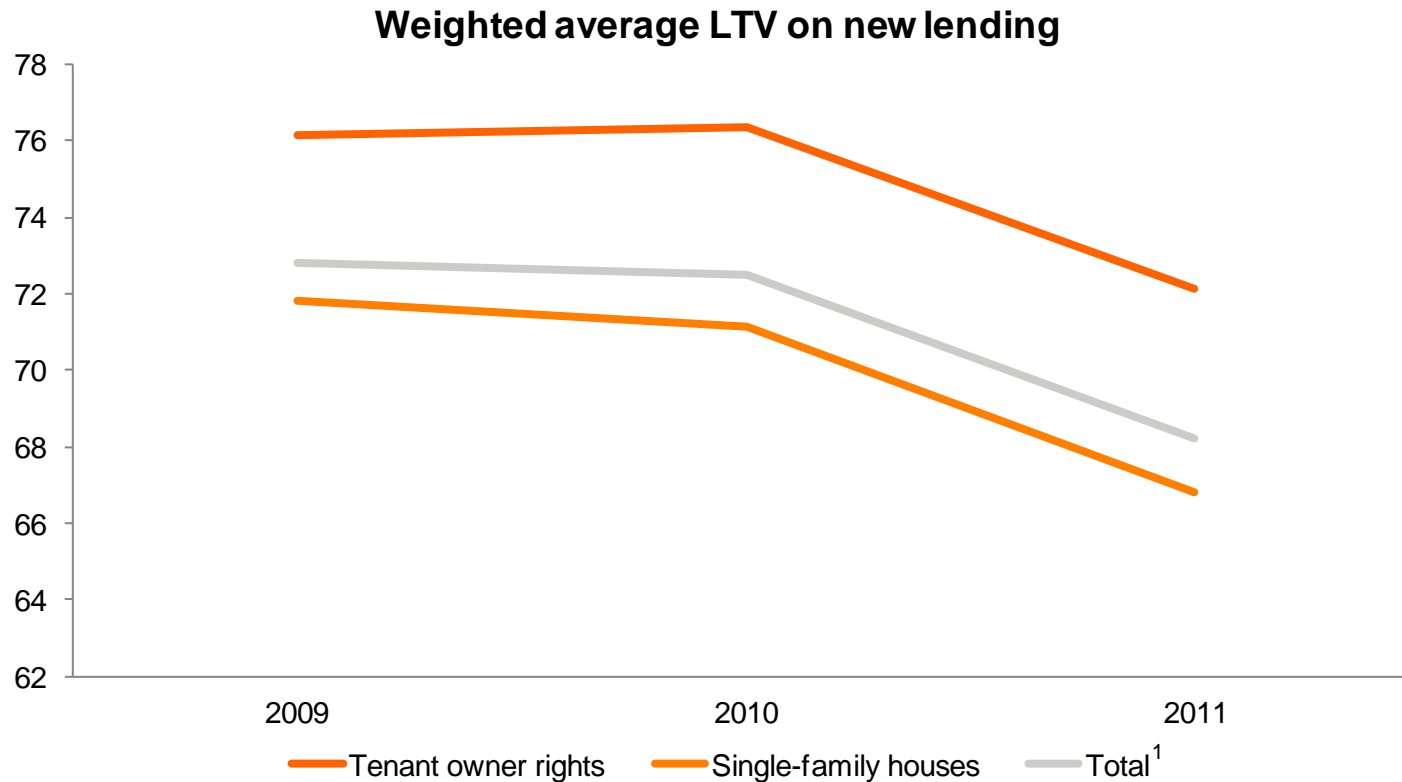
Vilnius



Source: Swedbank, State Enterprise Centre of Registers

New private lending in Sweden

- Internal LTV limit of 75% having a clear impact on average LTV levels of new origination



¹ Total of Tenant owner rights and Single-family houses