

Debt Investor Presentation - Q1-update

May 2011

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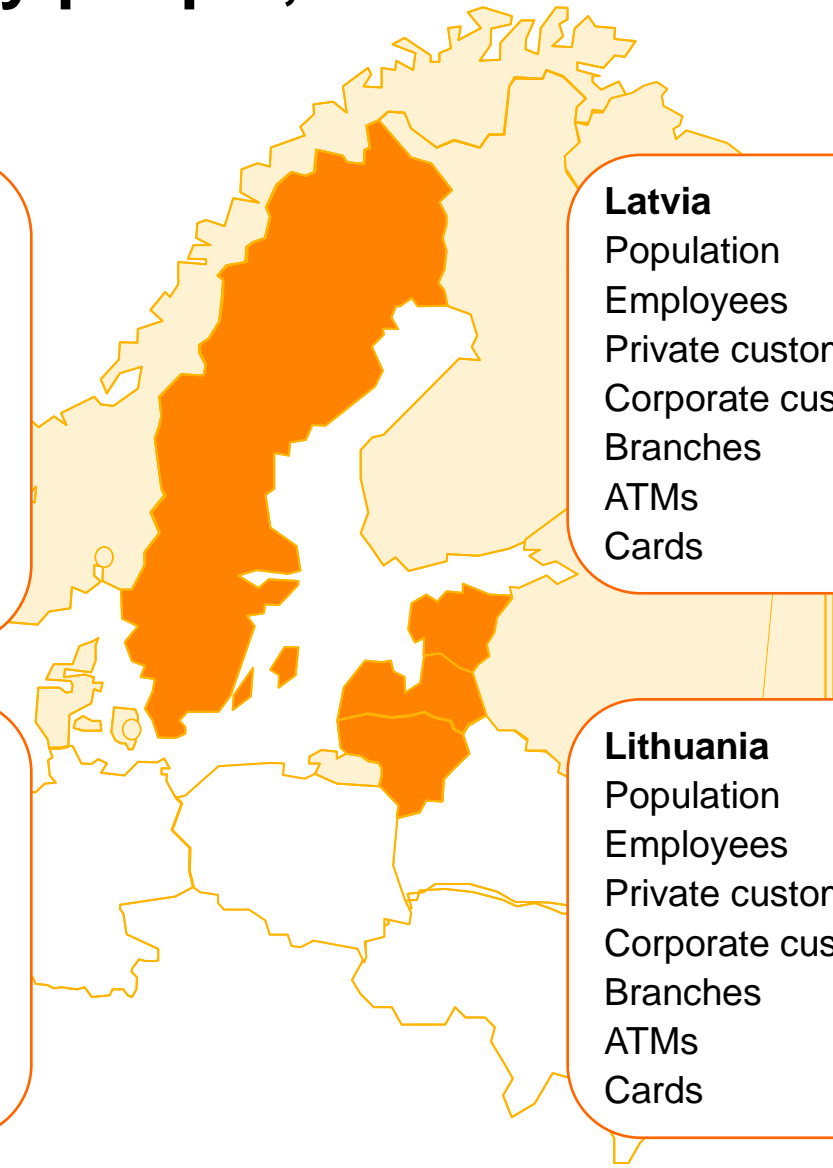


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1. This is Swedbank

The Bank for the many people, households and businesses



Sweden

Population	9.3m
Employees	8 408
Private customers	4.0m
Corporate customers	309 000
Organisations	111 000
Branches	334
ATMs	731
Cards	3.7m

Latvia

Population	2.2m
Employees	1 666
Private customers	1.0m
Corporate customers	66 000
Branches	59
ATMs	375
Cards	0.9m

Estonia

Population	1.3m
Employees	2 511
Private customers	1.2m
Corporate customers	108 000
Branches	64
ATMs	546
Cards	1.1m

Lithuania

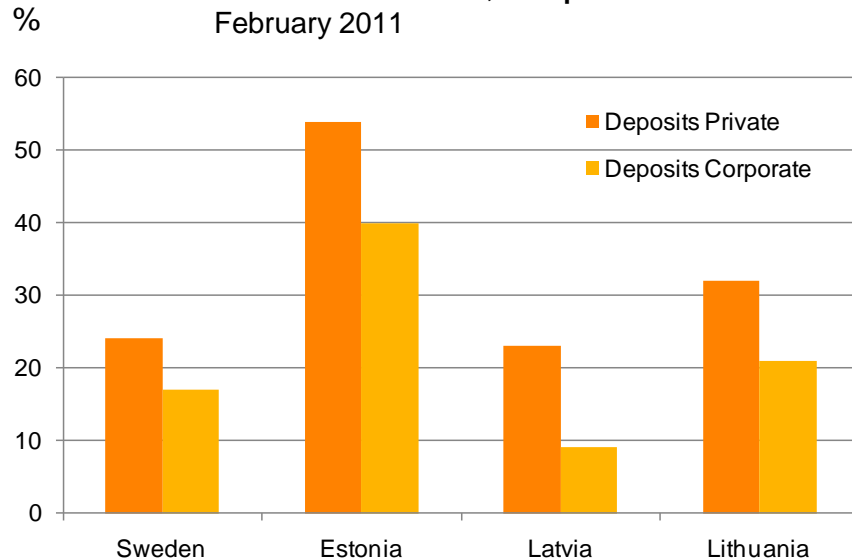
Population	3.3m
Employees	2 161
Private customers	3.2m
Corporate customers	99 000
Branches	96
ATMs	448
Cards	1.7m

Source: Swedbank Fact book Q1, 2011

Market leading retail franchise in all home markets

- Largest retail bank and fund manager in Sweden

Market shares, Deposits
February 2011



Market shares, Lending
February 2011



Source: Source Sweden: Statistics Sweden (SCB)

Source Estonia: Estonian Central Bank

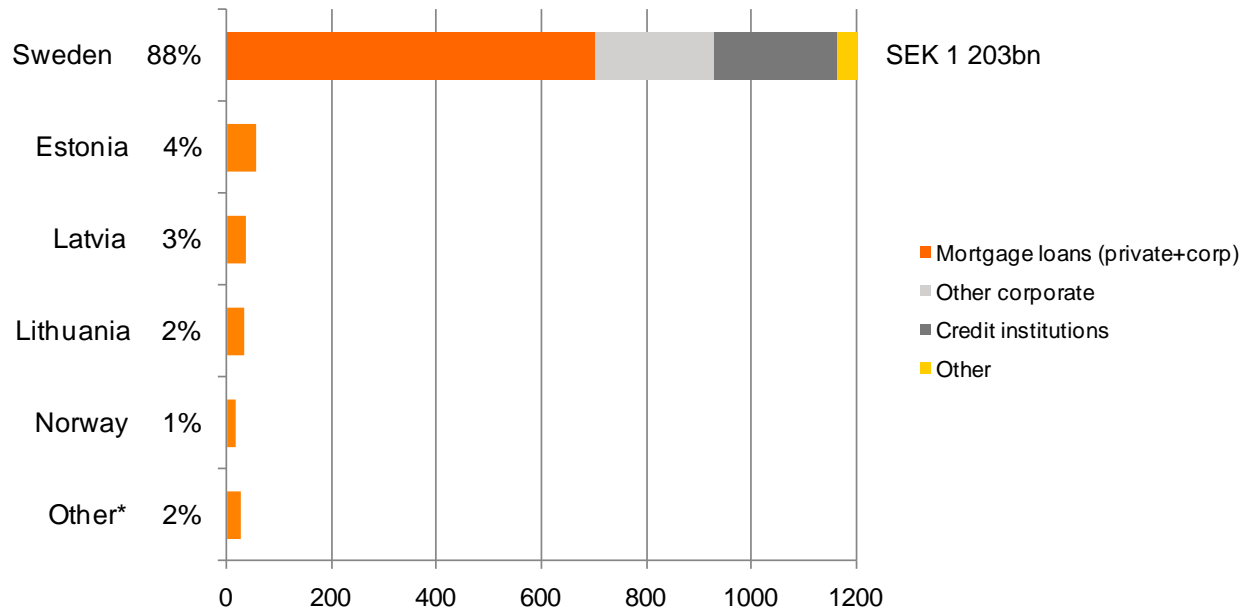
Sources Latvia: Association of Commercial Banks of Latvia (ACBL) & The Financial and Capital Market Commission (FCMC)

Source Lithuania: Association of Lithuanian Banks (LBA)

Sweden – the dominating home market

- Total lending amounts to SEK 1,373bn (as per Q1 2011), out of which 88% is originated in Sweden
- Estonia makes up 44% of total lending in the Baltics

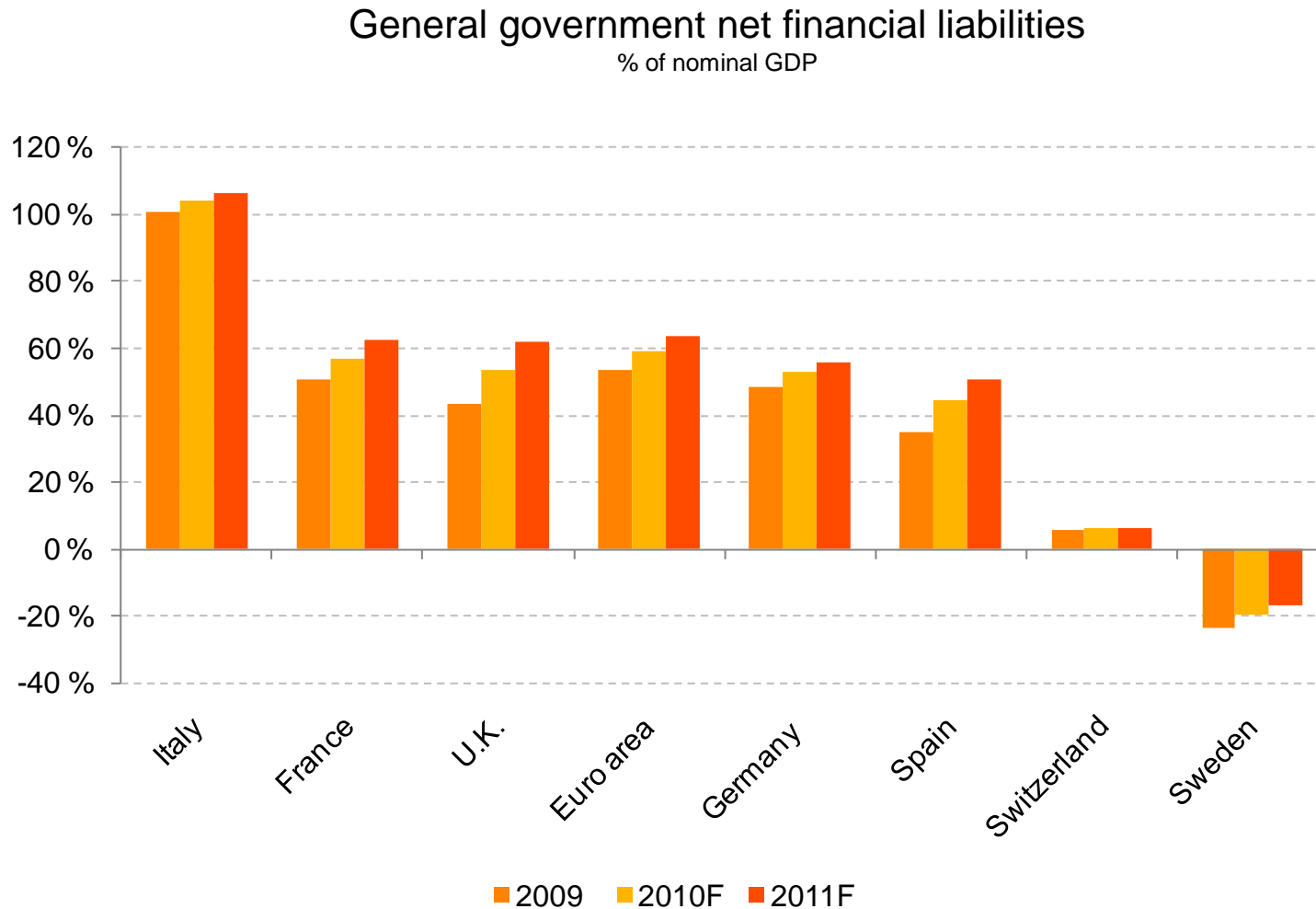
Total lending distributed by country (Q1 2011)



2. The Swedish economy

A balance sheet in favourable condition

- Sweden's financial assets continue to exceed its liabilities

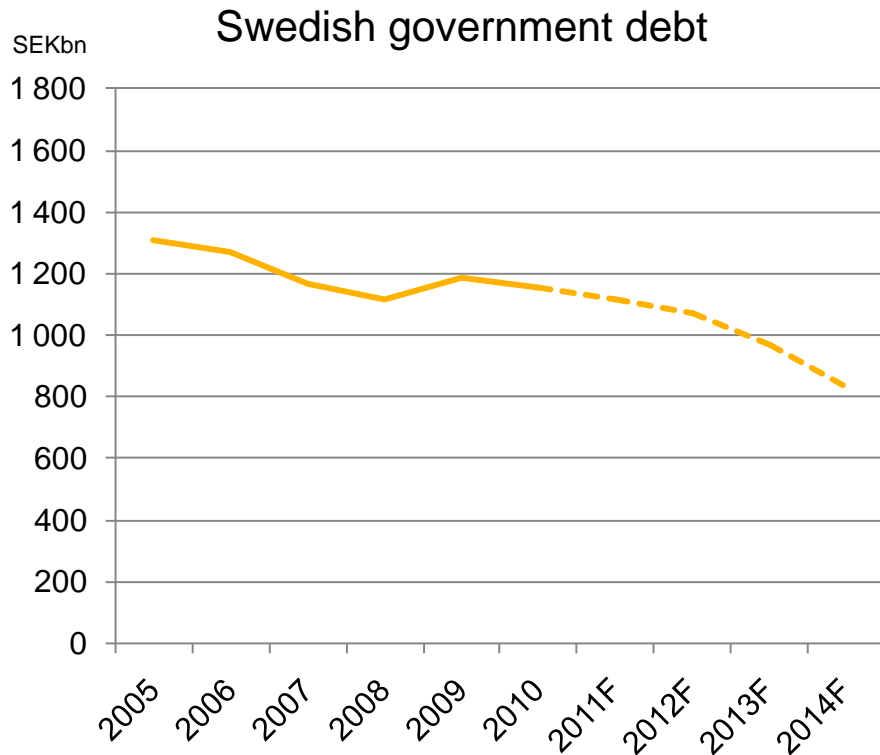


Source: OECD Economic outlook 87 database

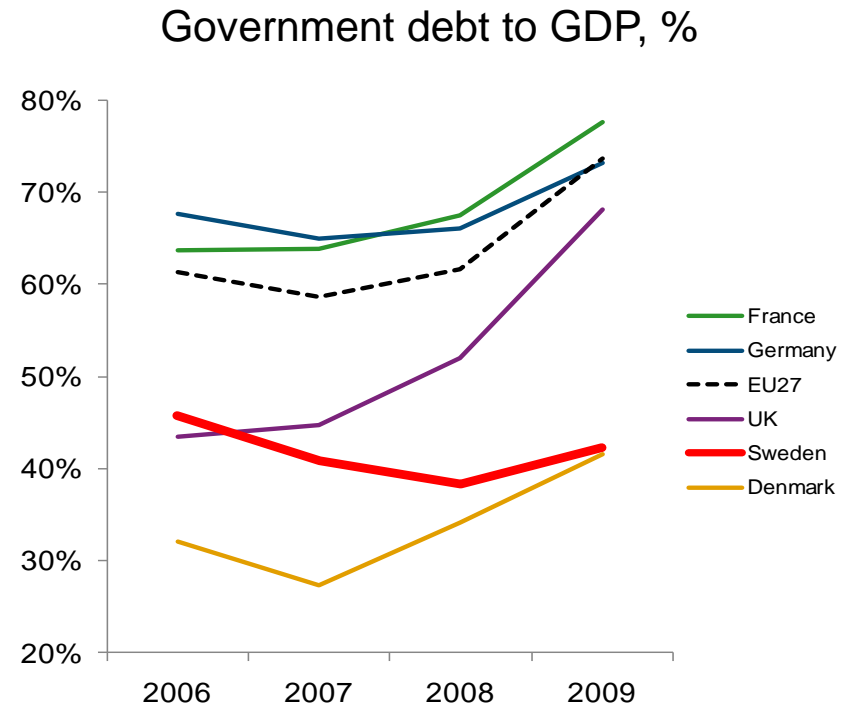
Strong fiscal position

- Kingdom of Sweden rated Aaa/AAA/AAA
- GDP growth 5.5% in 2010
- Balanced budget FY 2010

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



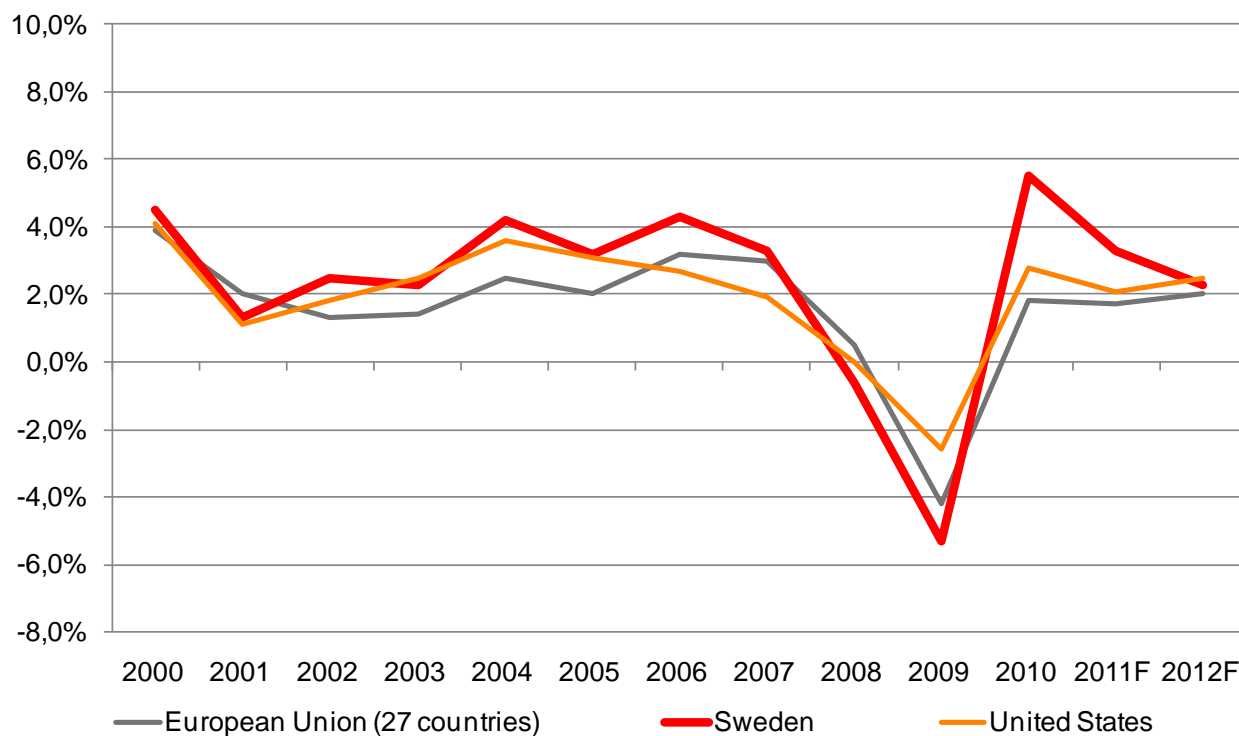
Source: Swedish National Debt Office, Dec 31, 2010 and Swedish Government budget statement, Oct 12, 2010



Source: Eurostat, euroindicators, Nov 15, 2010

Solid macro recovery

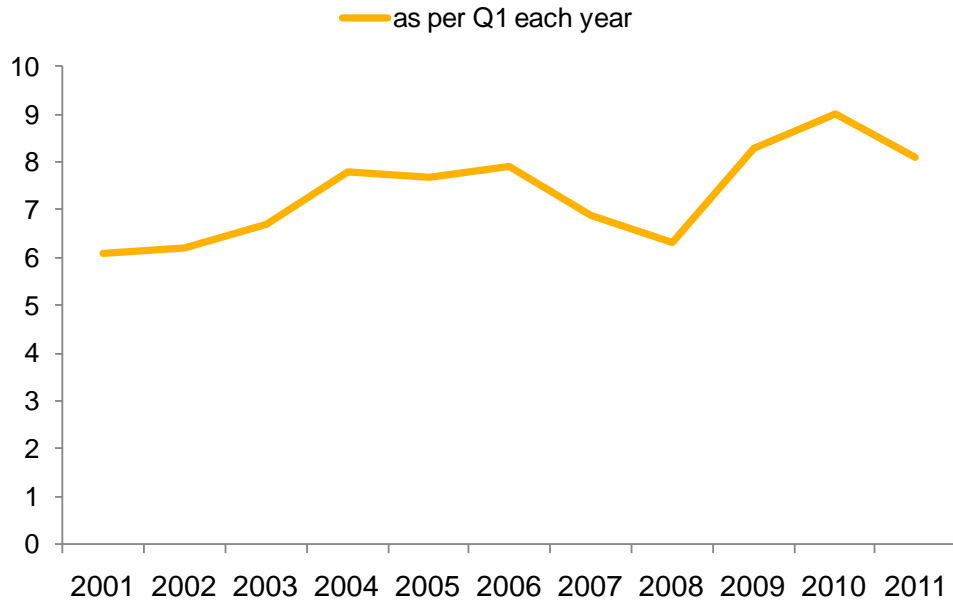
Real GDP growth rate



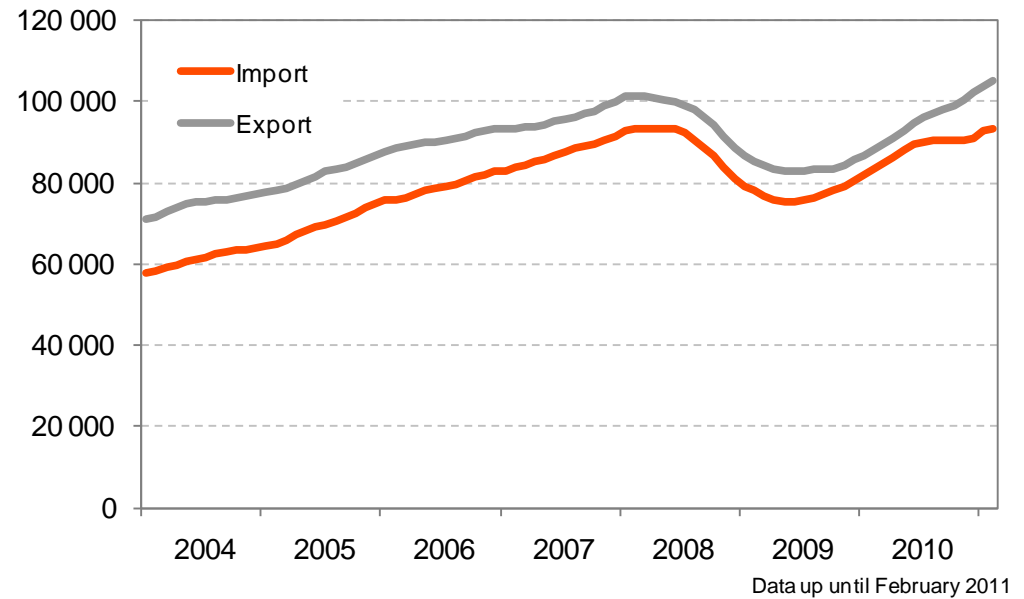
Source: Eurostat, Mar 8, 2011

Solid macro recovery

Unemployment rate 2001 - 2010, %



Export and import trend per month, SEKm

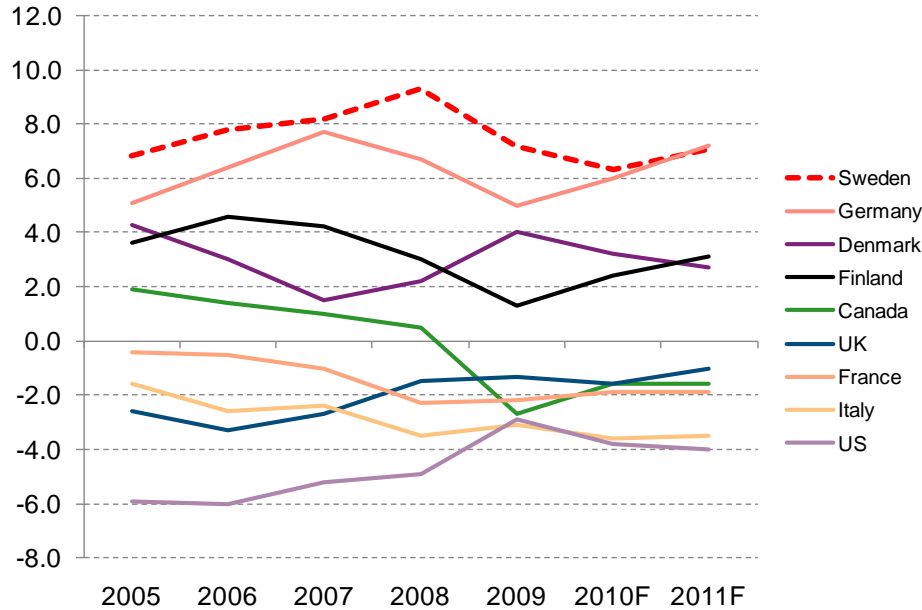


Source: Statistics Sweden, Mar 31, 2011

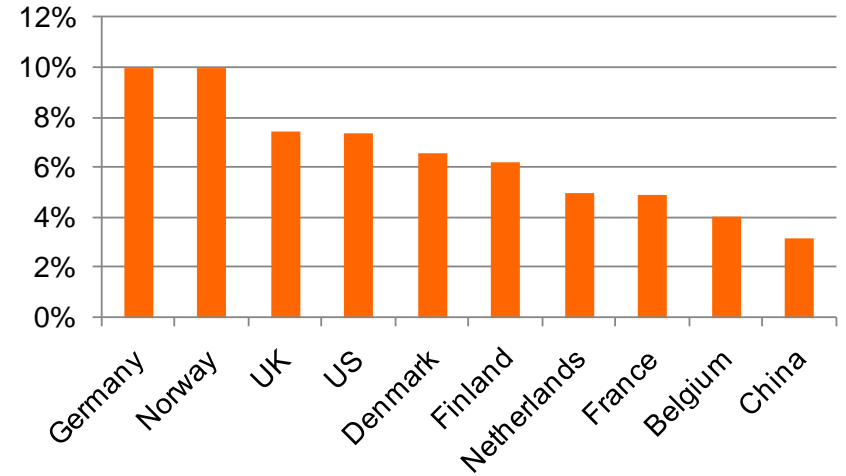
Source: Statistics Sweden, March 28, 2011

Continuing recovery of foreign trade

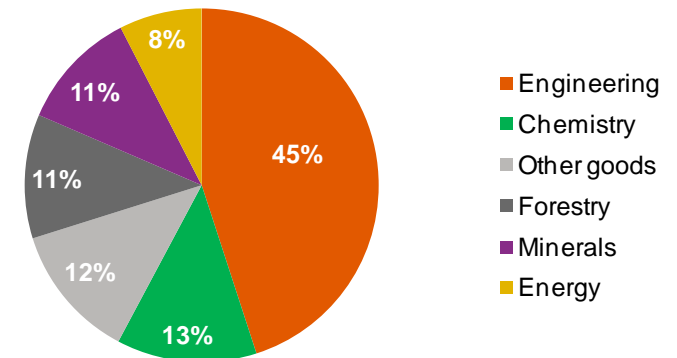
Current account balance as % of GDP



Top 10 export countries 2010



Export – distribution by important commodity groups

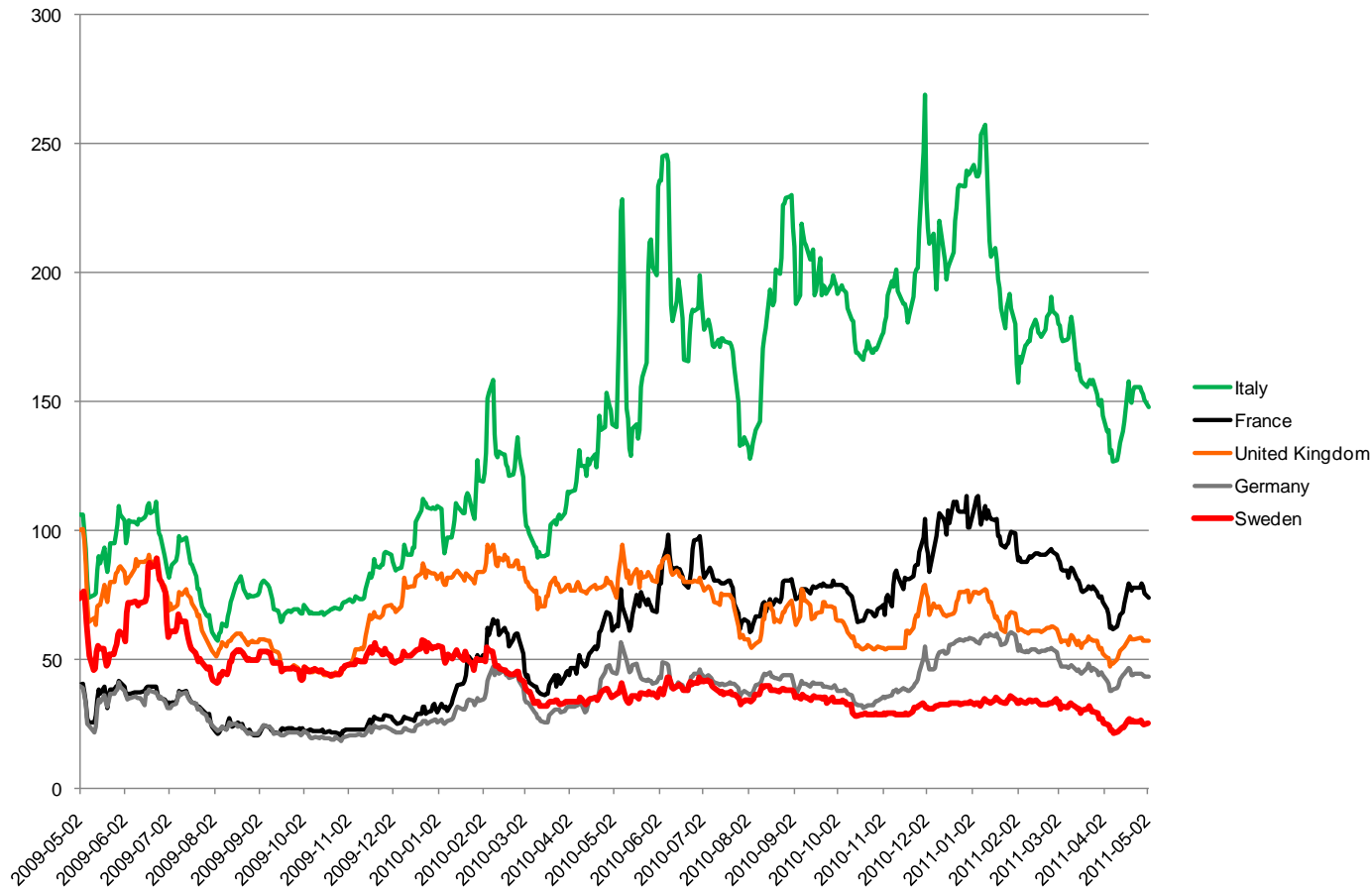


Source: OECD – Economic outlook 87, Jun 16, 2010

Source: Statistics Sweden, Feb 28, 2011

Sweden has shown resilience through turbulent times

5 year Sovereign CDS

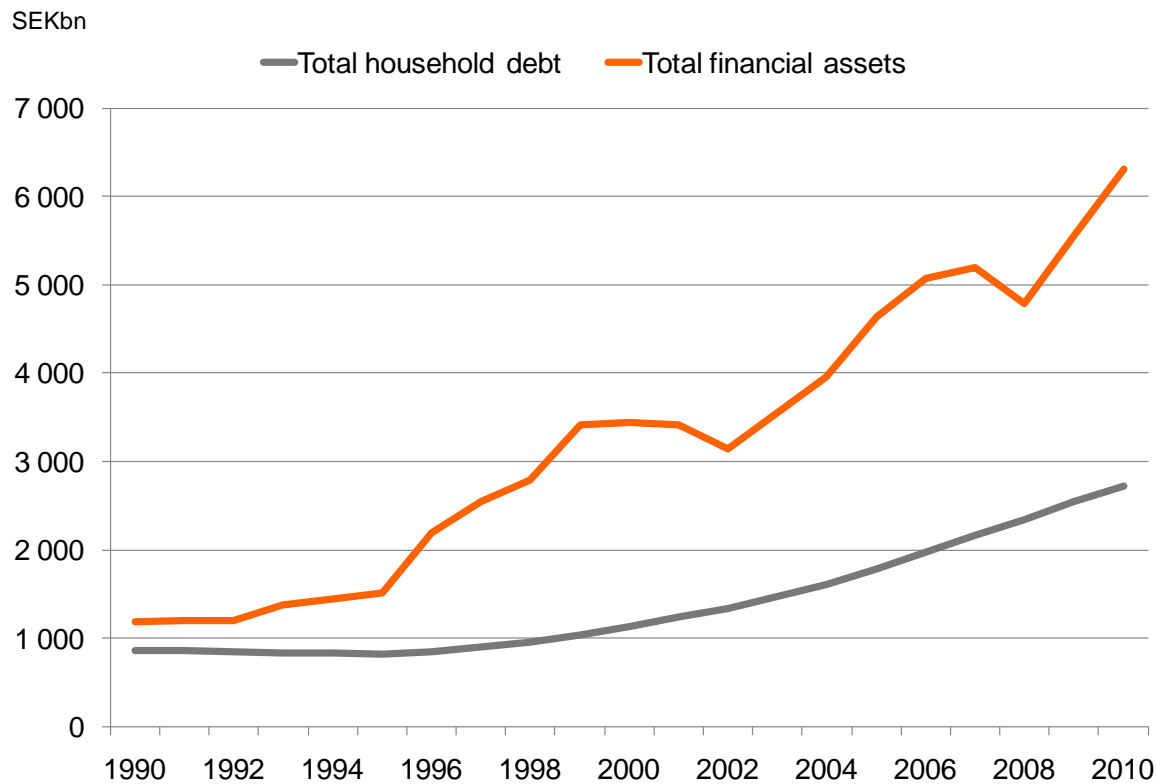


Source: Bloomberg, May 3, 2011

3. Swedish housing and mortgage market

Healthy household balance sheets

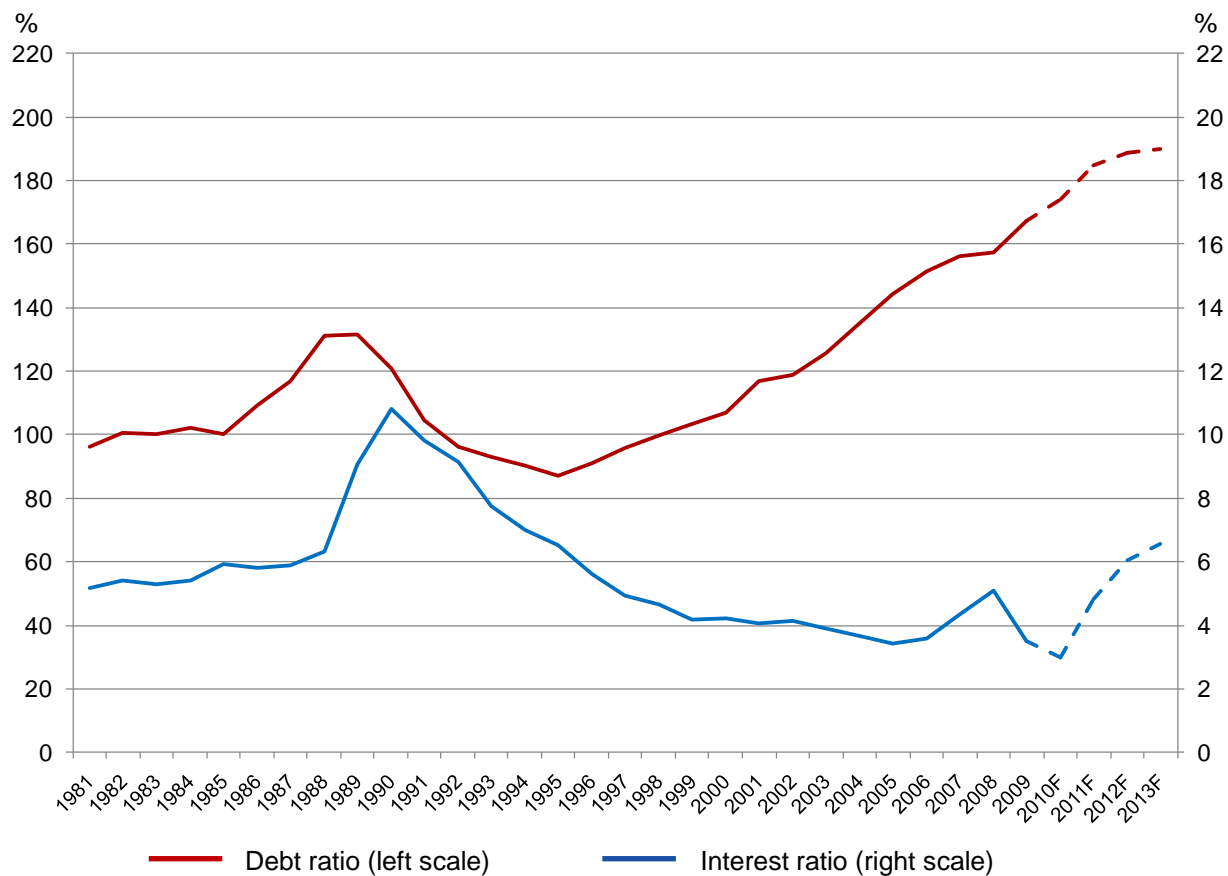
Swedish household financial assets and liabilities



Source: Statistics Sweden "Hushållens ställning och transaktioner" Feb 17, 2011 as per Dec 31, 2010

Structural interest rate decline key to affordability

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



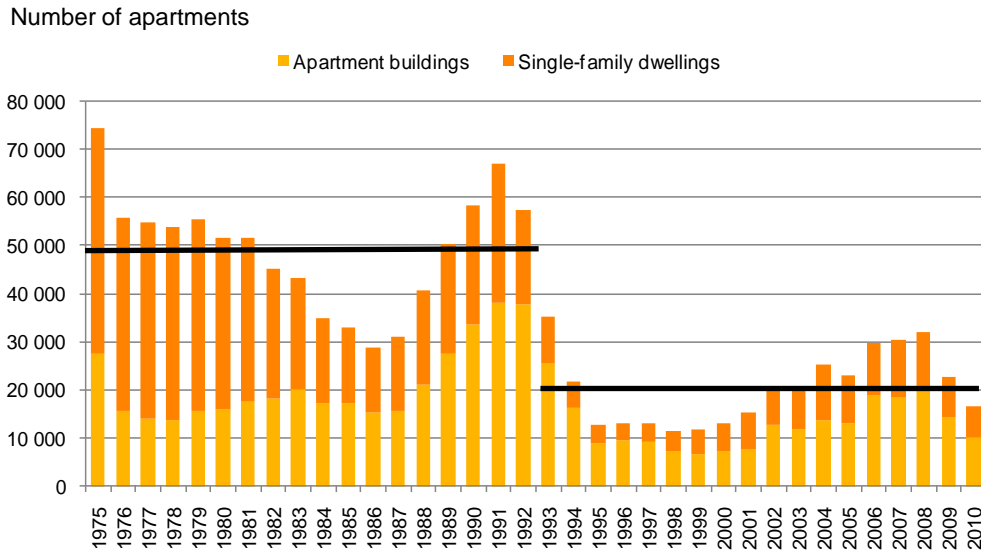
Source: Riksbanken, Financial Stability Report, Dec 2, 2010

Housing investments at a conservative level

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

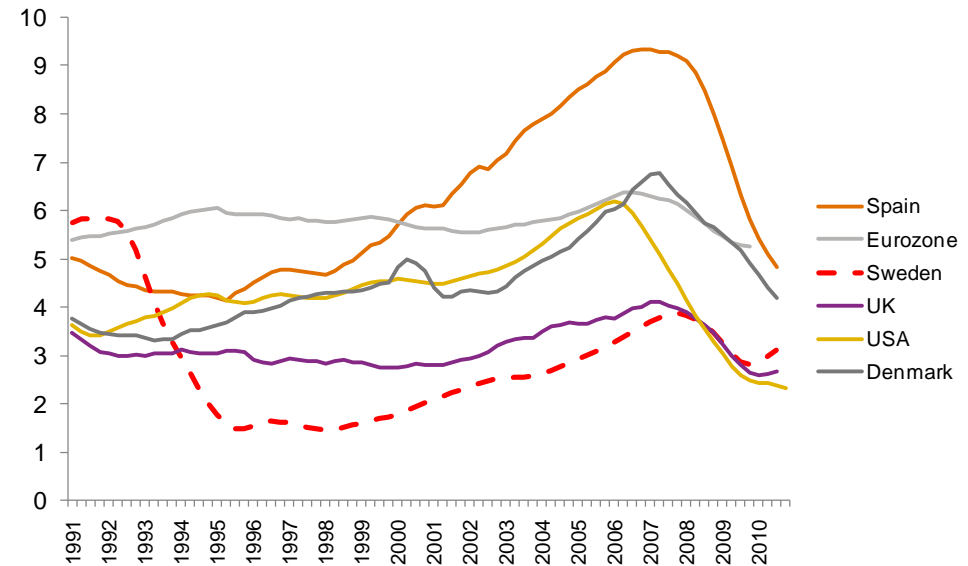
Source: Statistics Sweden, Mar 3, 2011

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



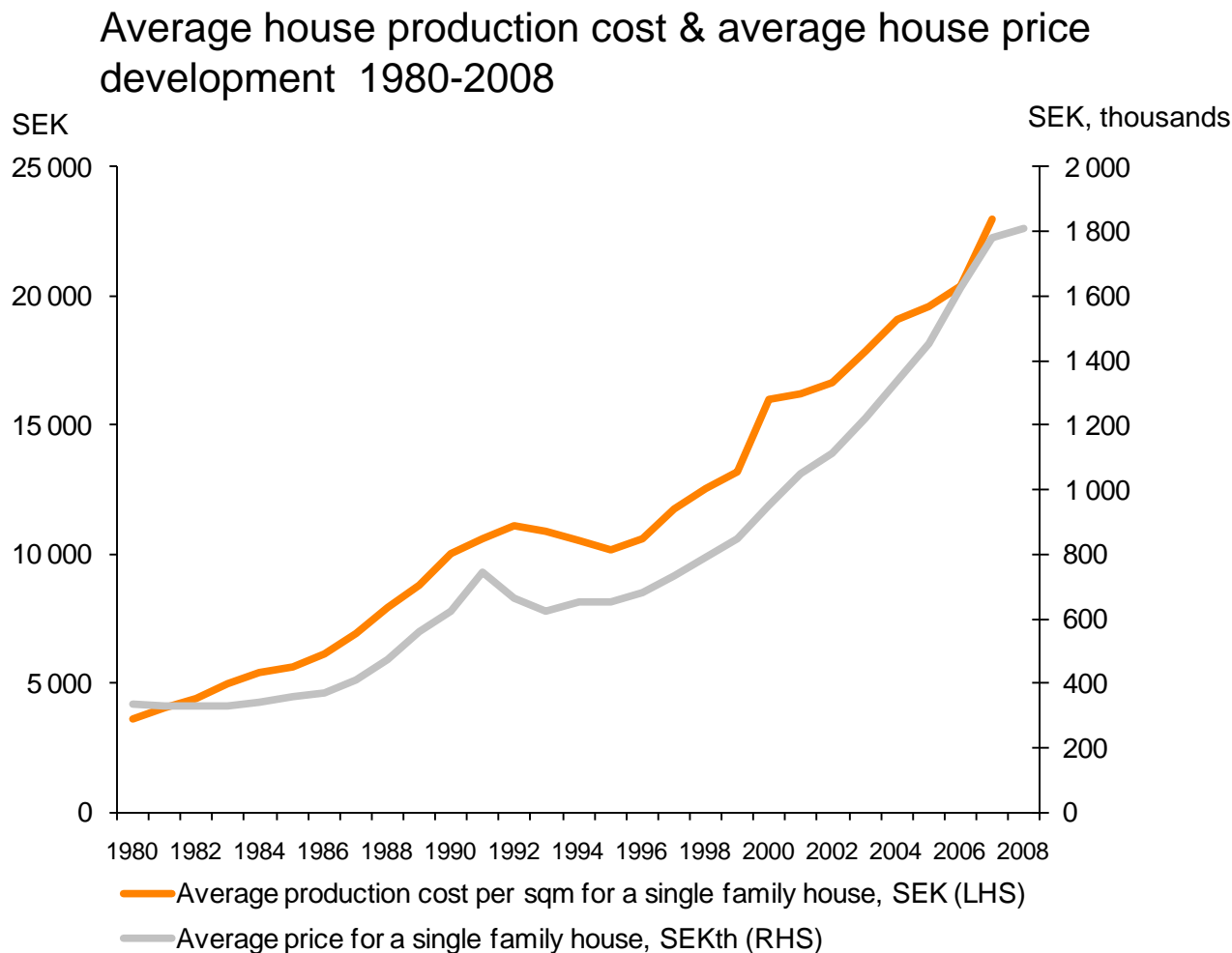
Source: Statistics Sweden, Dec 31, 2010

Housing investments as a percentage of GDP



Source: Reuters Ecowin, Mar 7, 2011

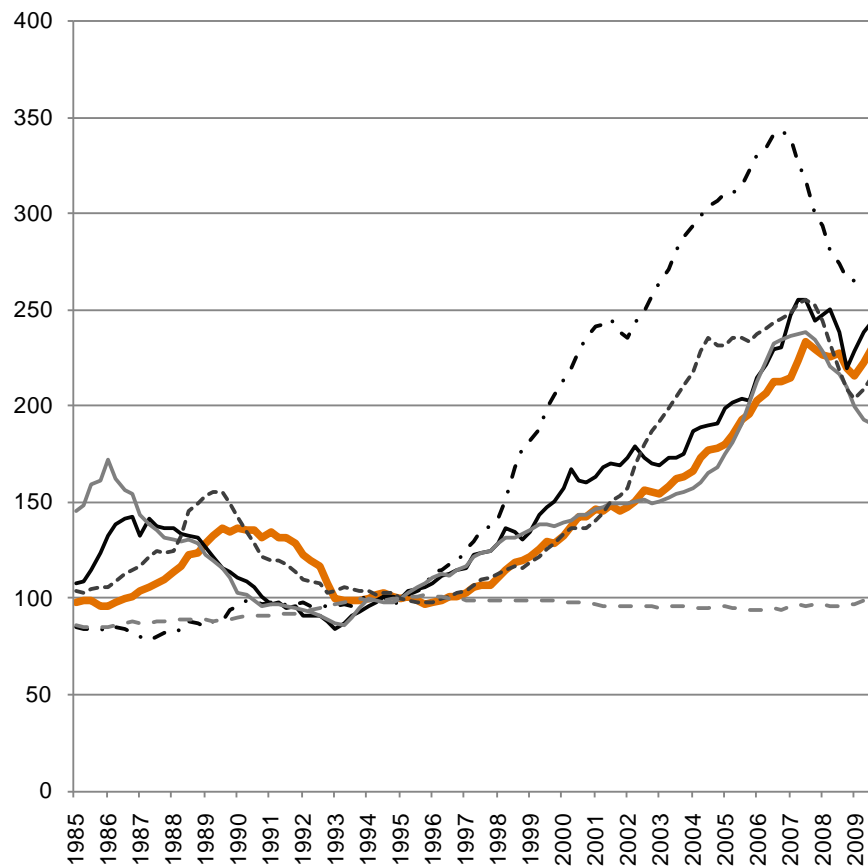
Housing prices are moving in tandem with production costs



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

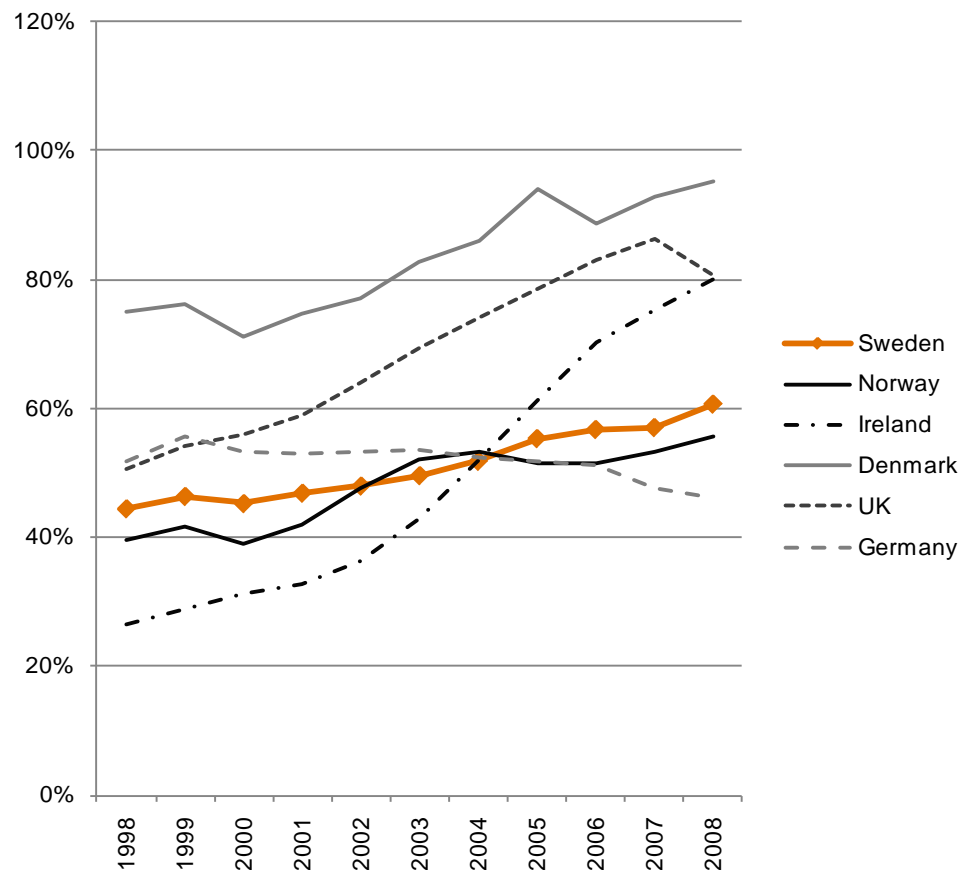
Development of housing prices and mortgage debt

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

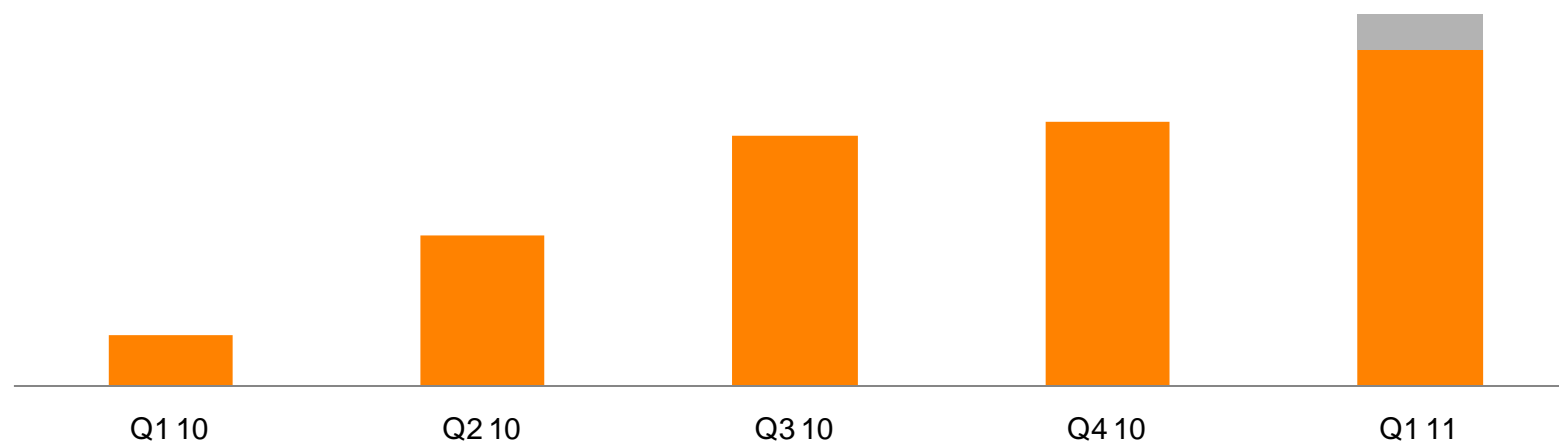
4. Financial performance

Strong start to the year

- Net profit of SEK 3.9bn for Q1
- Core Tier 1 capital ratio of 14.9 per cent
- Return on equity of 16.1 per cent in Q1

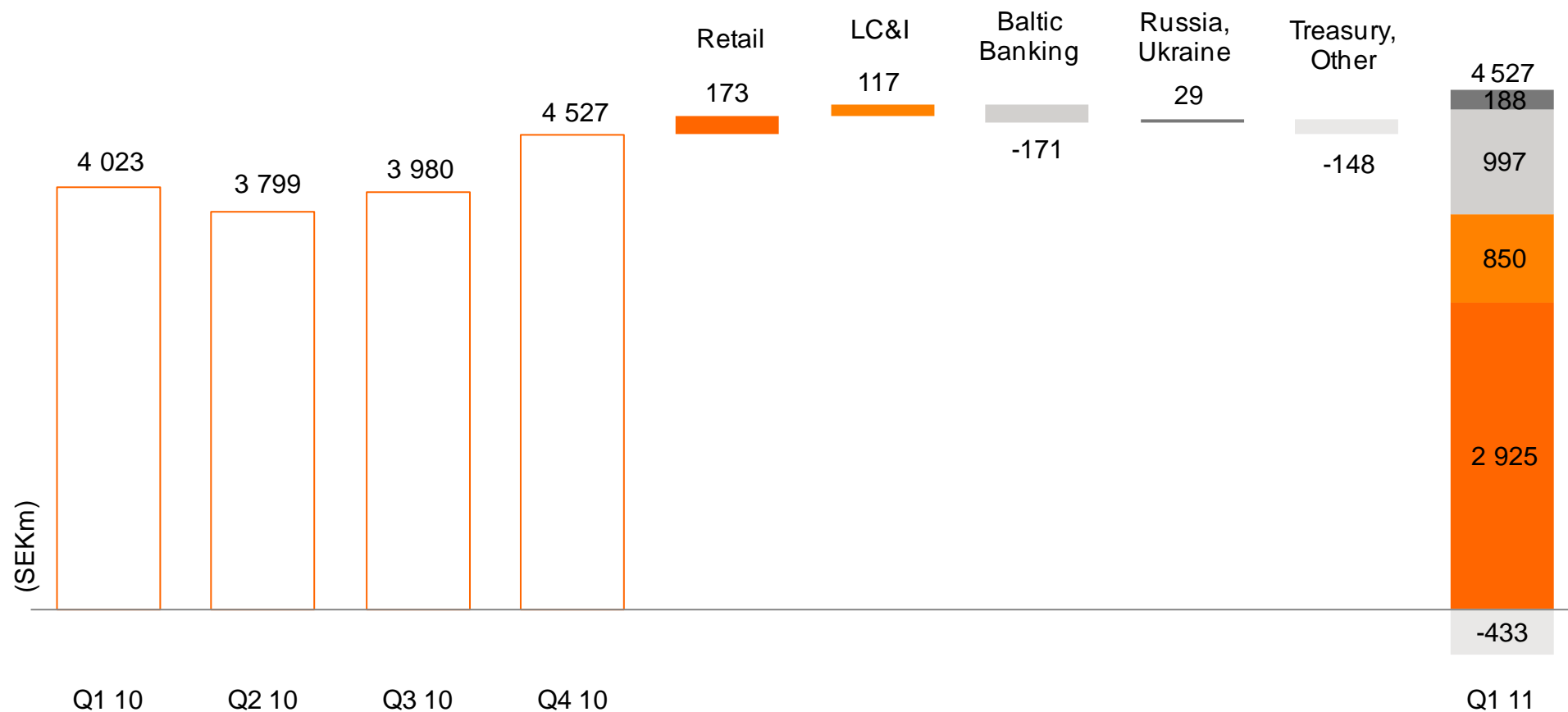
Net profit performance

■ Lehman contribution



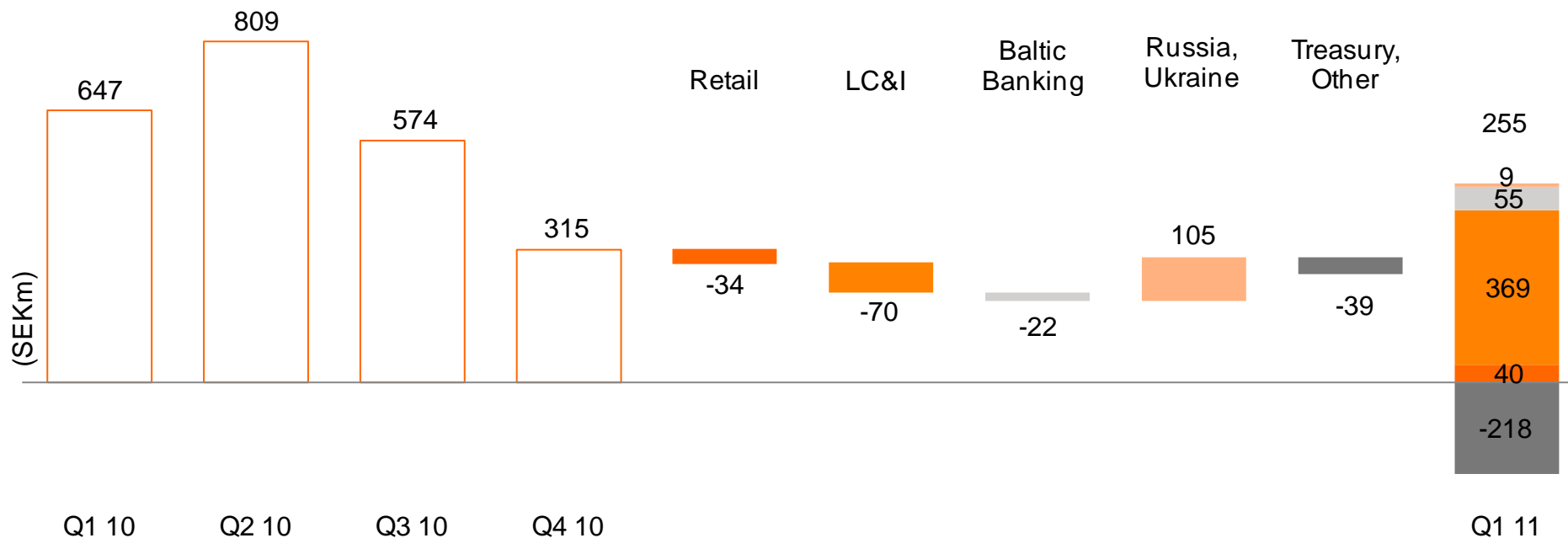
NII supported by higher interest rates

- One-offs and higher stability fee shadowing underlying NII growth
- Improving deposit margins in Retail
- Government guarantee cost kept within Treasury



NGL affected by funding effects

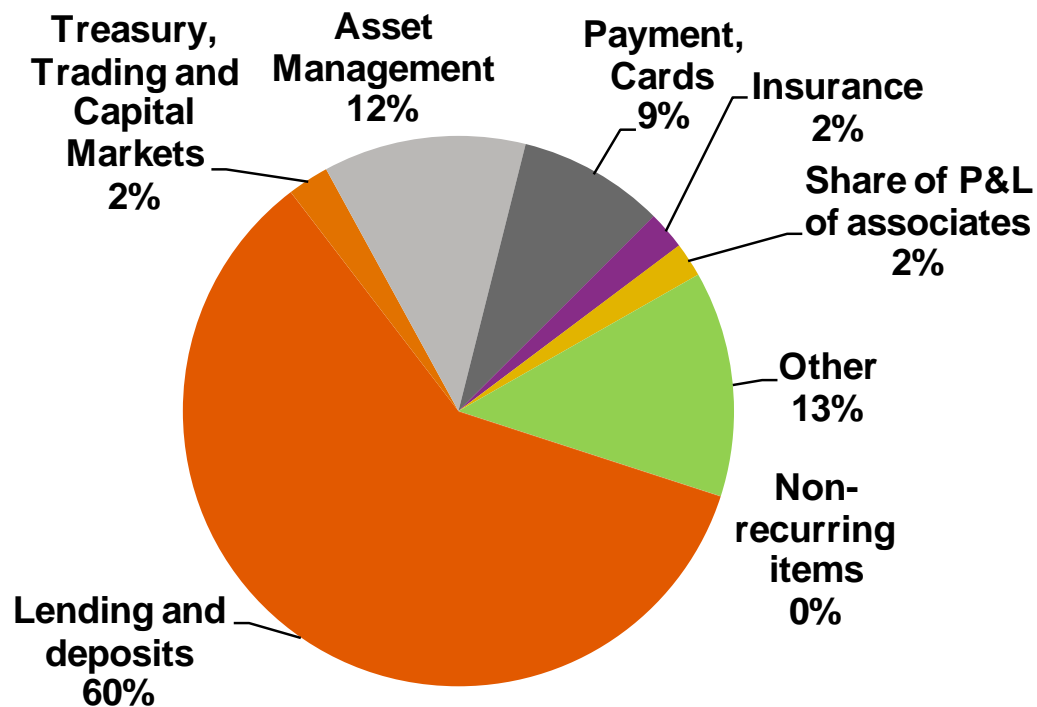
- Strong trading result in LC&I, but higher portion of income reported as NII
- Russia & Ukraine returning to normalised levels
- Basis swap gains of 2010 partly reversed, benefits euro funding cost



Income statement

SEKm	Q1 11	Q4 10	Δ	Q1 10
Net interest income	4 527	4 527	0	4 023
Net commission income	2 301	2 538	-237	2 282
Net gains/losses	255	315	-60	647
Other	1 369	578	791	715
Total income	8 452	7 958	494	7 667
Total expenses	4 384	4 590	-206	4 391
Profit before impairments	4 068	3 368	700	3 276
Total impairments	- 970	- 77	-893	2 260
Operating profit	5 038	3 445	1 593	1 016
Tax expense	1 182	693	489	469
Profit attributable to shareholders	3 852	2 750	1 102	536

Total income distribution Q1 2011



Source: Swedbank Facts, Mar 31, 2011

Key ratios

Volumes, SEKbn	Q1 11	Q4 10	Δ	Q1 10
Lending to the public	1 141	1 146	-5	1 168
Deposits from the public	502	517	-15	496
Covered bonds	477	410	66	389

Key ratios	Q1 11	Q4 10	Q1 10
Return on equity, %	16.1	11.7	2.4
Cost-income ratio	0.52	0.58	0.57
Core funding ratio, %*	114	121	127
Core Tier 1 capital ratio, %**	14.9	13.9	12.3

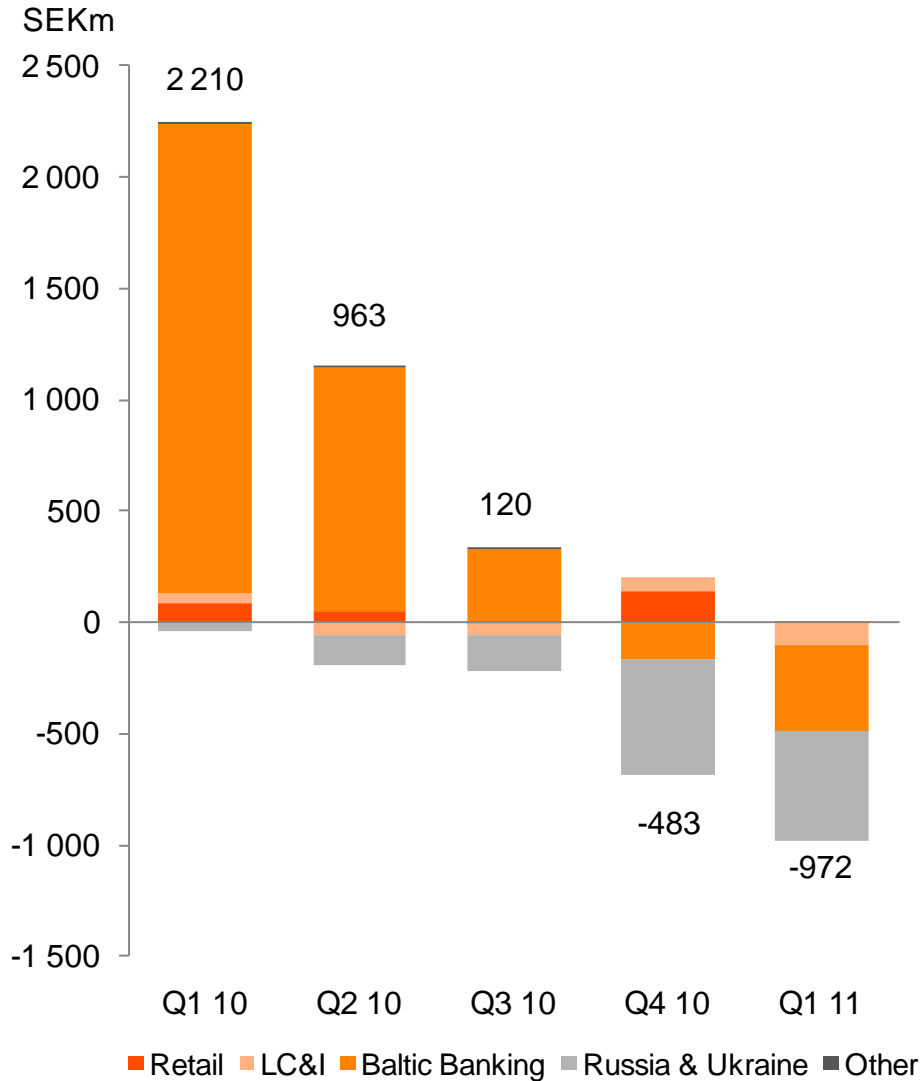
* Lending/(deposits+covered bonds+retail bonds), ** Basel 2

Continued asset quality improvements

- Asset quality
 - Decreasing impaired loans
 - FR&R/Ektonet according to plan
- Substantial recoveries – all countries
- Lehman income
- RWA decreased by SEK 22.3bn in Q1
 - SEK 11.0bn lower credit risk
 - SEK 8.7bn lower market risk
- Strong funding position

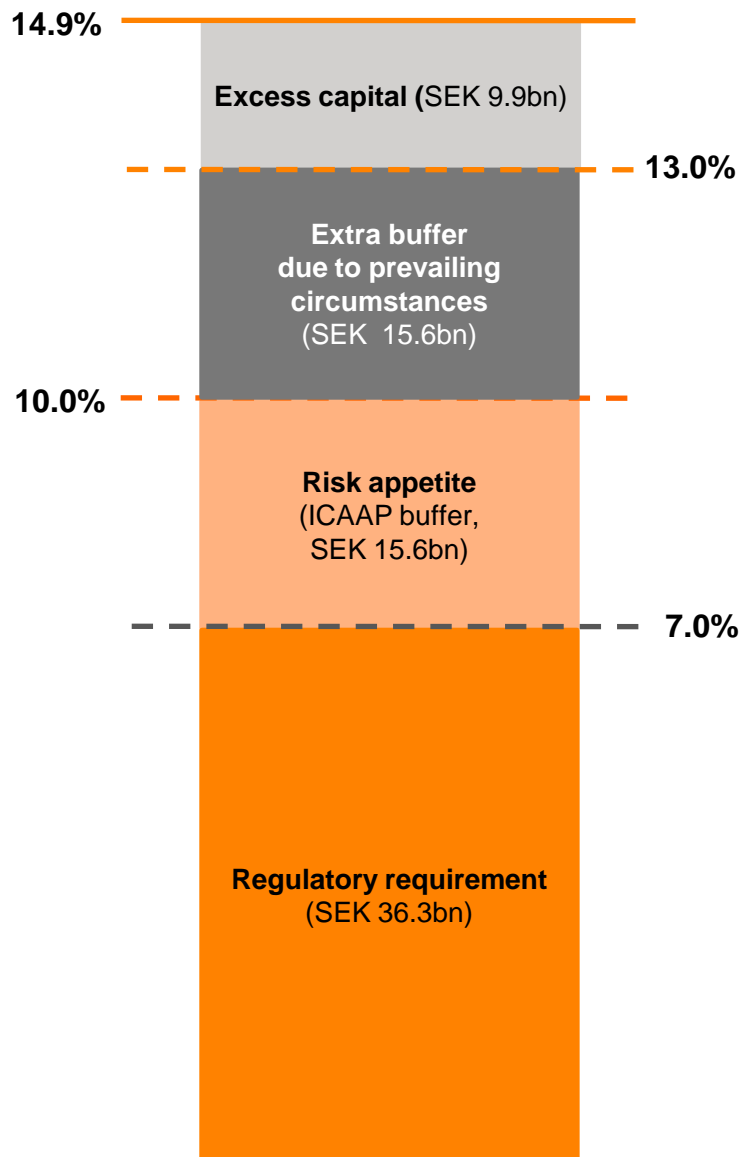
Net recoveries of SEK 972m in Q1

Credit impairments



- Net recoveries in all CEE countries
- Sweden – also recoveries
- Collateral revaluations, repayments and rating migration

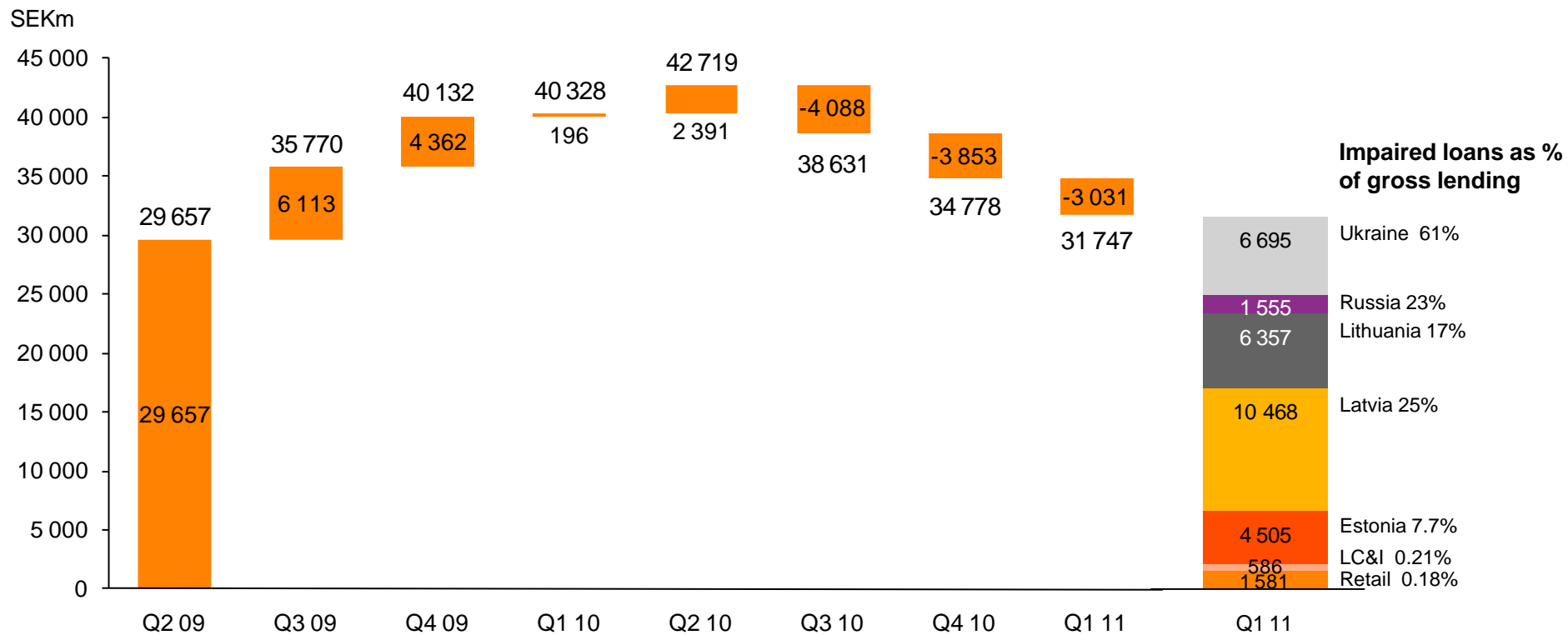
Core Tier I ratio target



- Core Tier I ratio to stay above 13% until 2013
- Long-term Core Tier I ratio of at least 10%
- Share buy-back program to be executed gradually during four quarters

Impaired loans decreasing

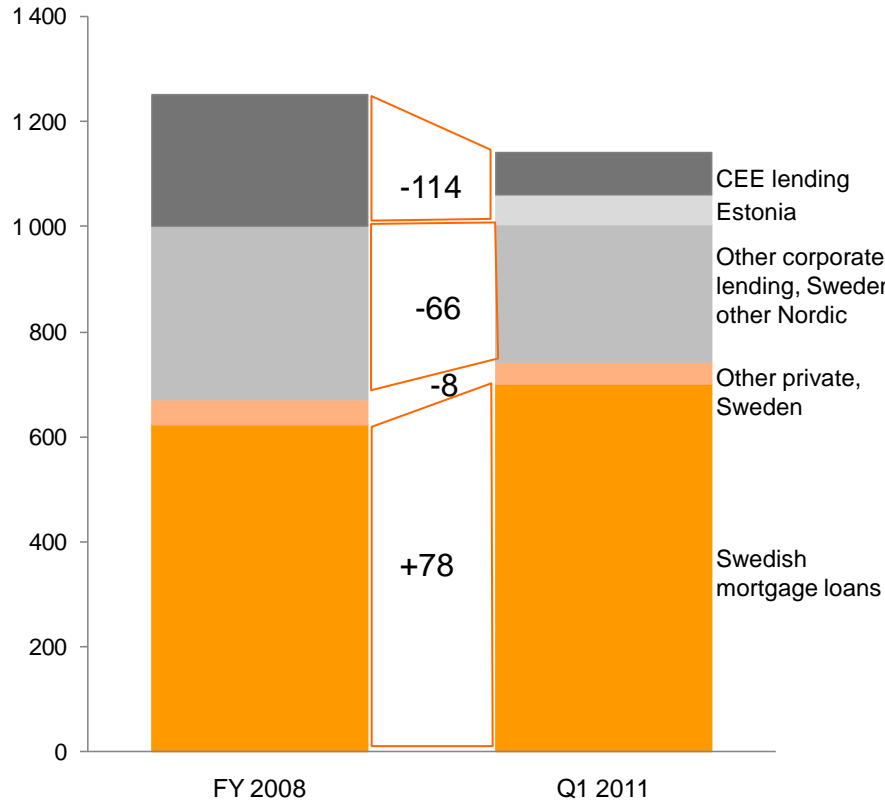
- Excl. FX effect down SEK 2.5bn in Q1
- Underlying decreases in all business areas in Q1



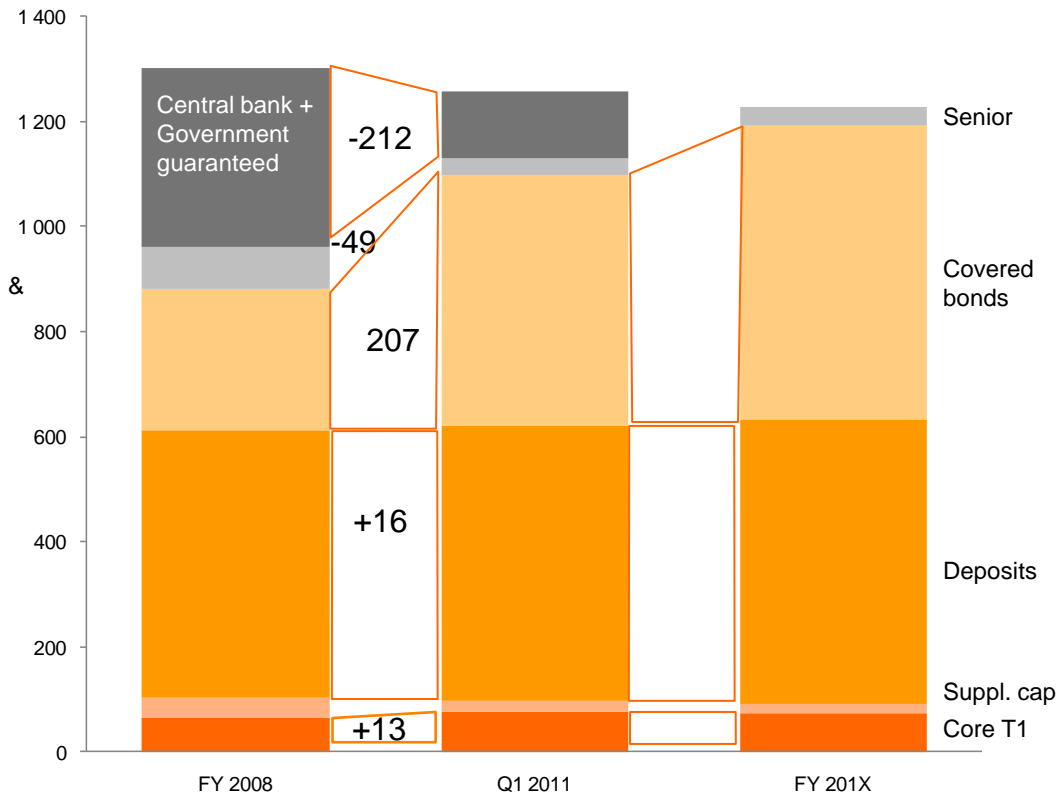
5. Liquidity and funding

Significantly reduced risk level

Assets*

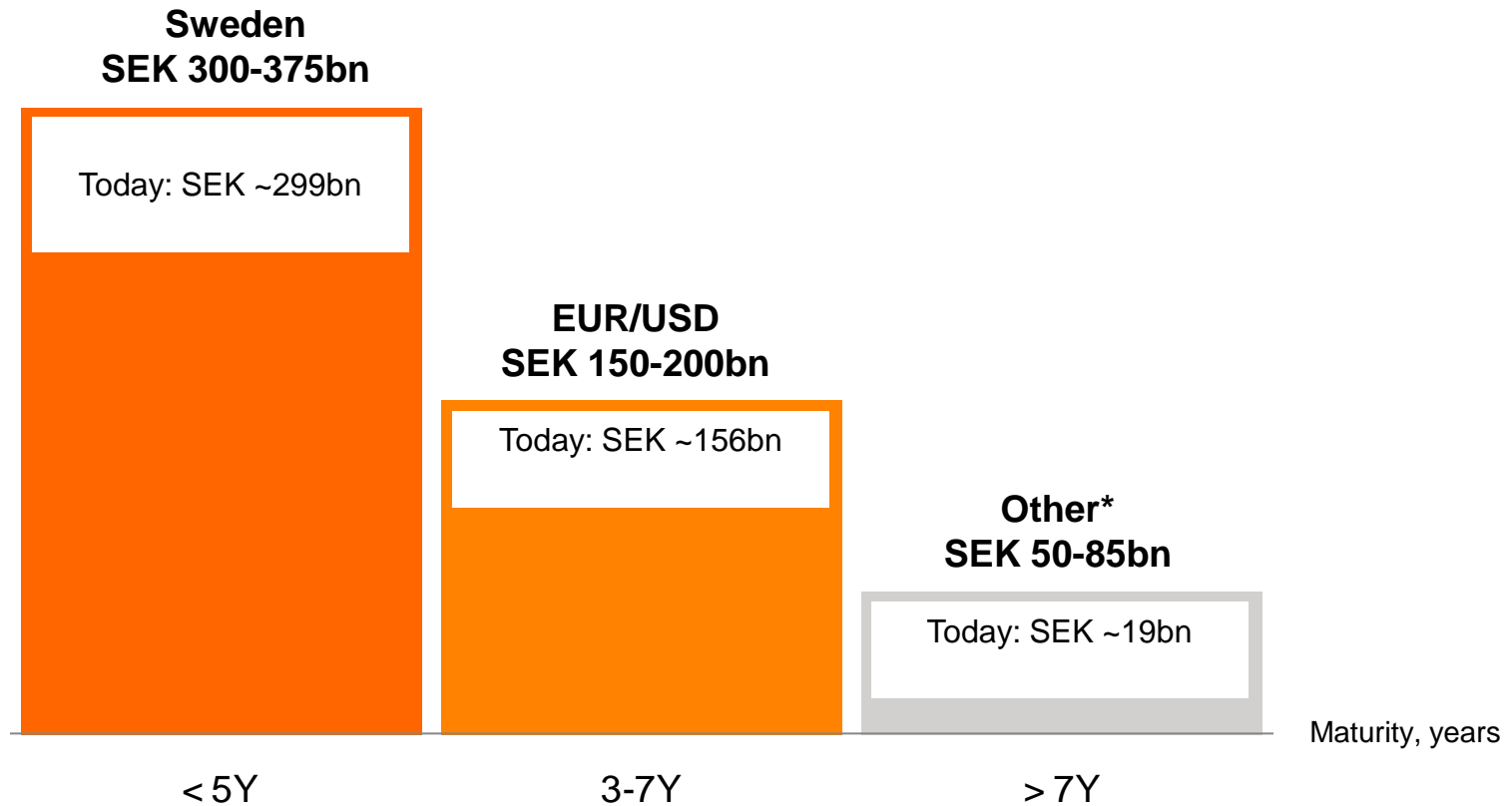


Liabilities*



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

Covered bond strategy

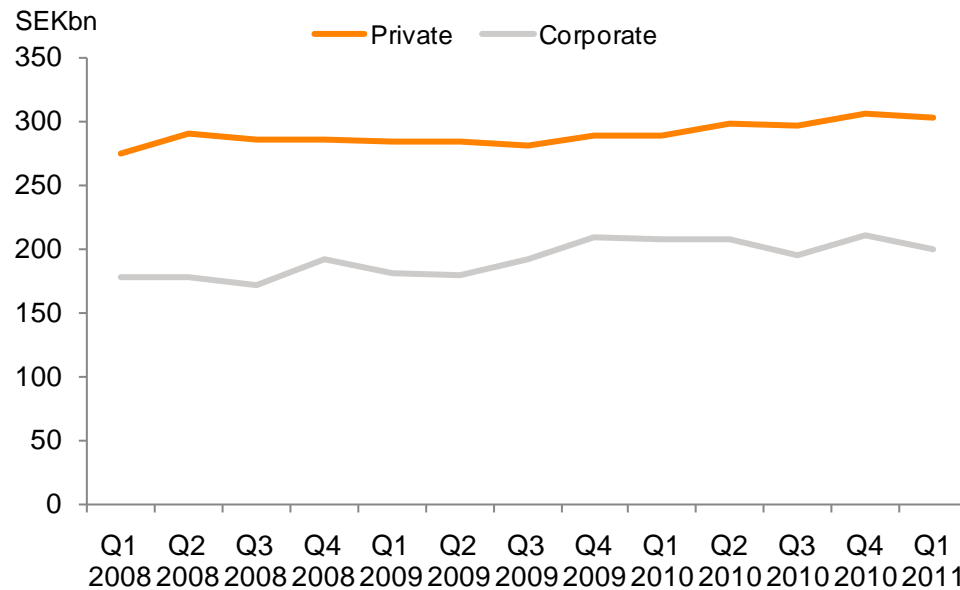


*e.g. Registered covered bonds

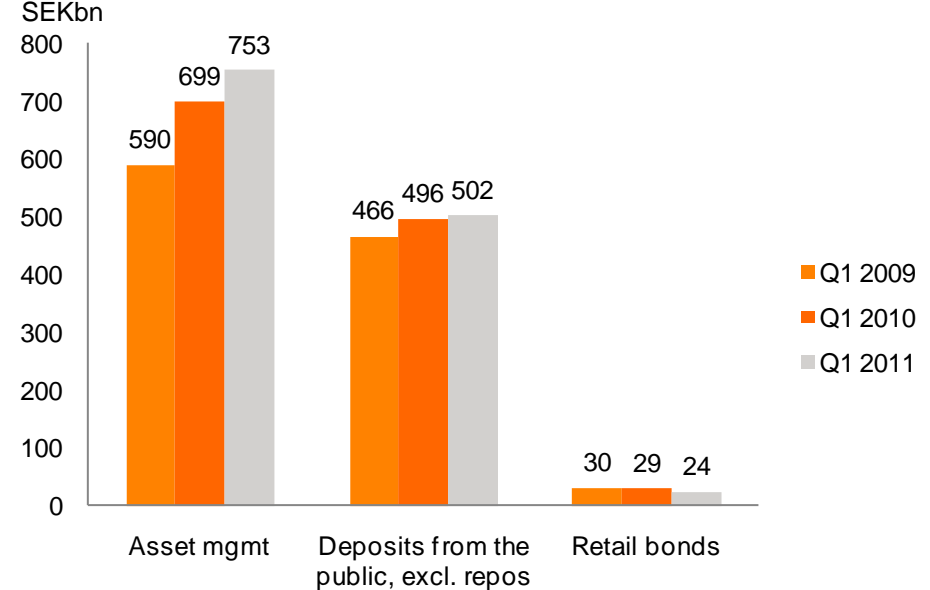
Source: Swedbank, Mar 31, 2011, Nominal amounts excluding intra group items

Positive trend in deposits as overall savings increase

Deposits from the public excluding repos



Savings and investments, Swedbank Group, SEKbn

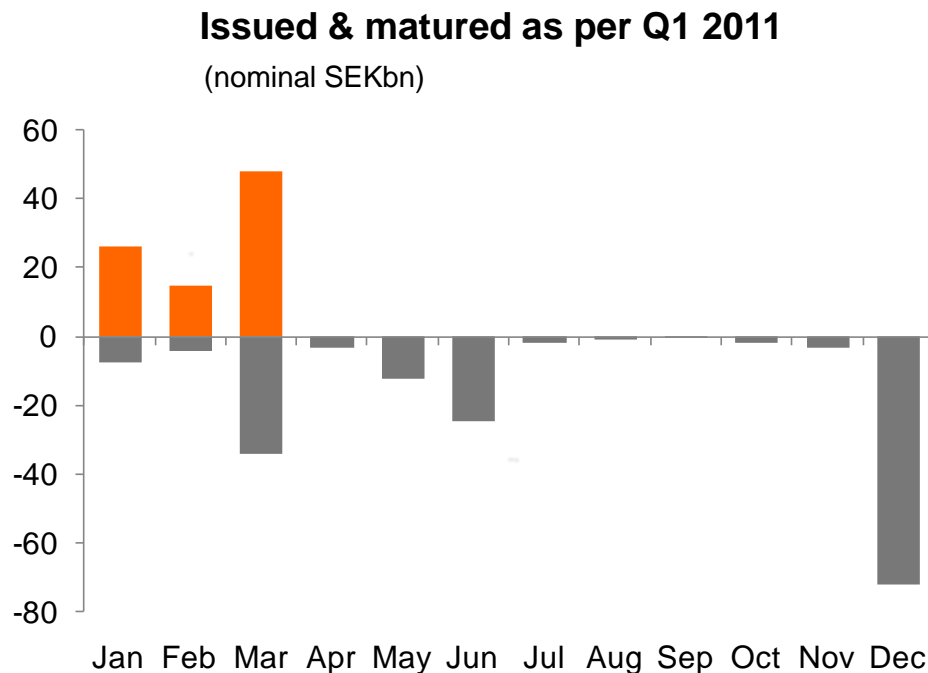


- Market leader in deposits in all of the home markets
- Market shares have remained stable in all markets throughout the crisis
- Share of private deposits as per Q1 2011, 60%

Source: Swedbank Fact book, Mar 31, 2011

SEK 91bn term funding issued in Q1 2011

- Of which SEK 85bn in covered bonds
 - 2 EUR-denominated covered bond benchmark deals, in the size of EUR 1bn and EUR 1.5bn
 - 2 USD-denominated covered bond benchmark deals, of USD 1bn each
- Average maturity of wholesale funding, including all short- and long-term funding programs, 30 months (39 months for covered bonds)

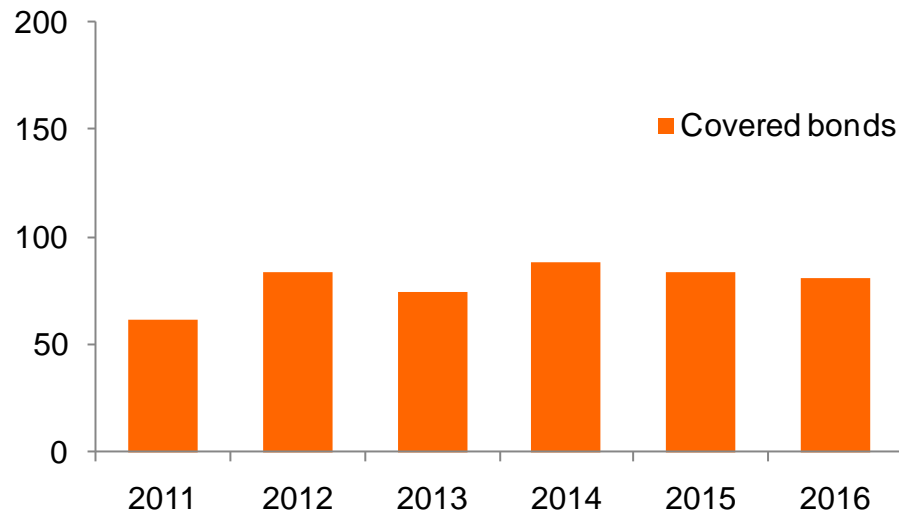


Source: Swedbank, Mar 31, 2011 interim report and Fact book

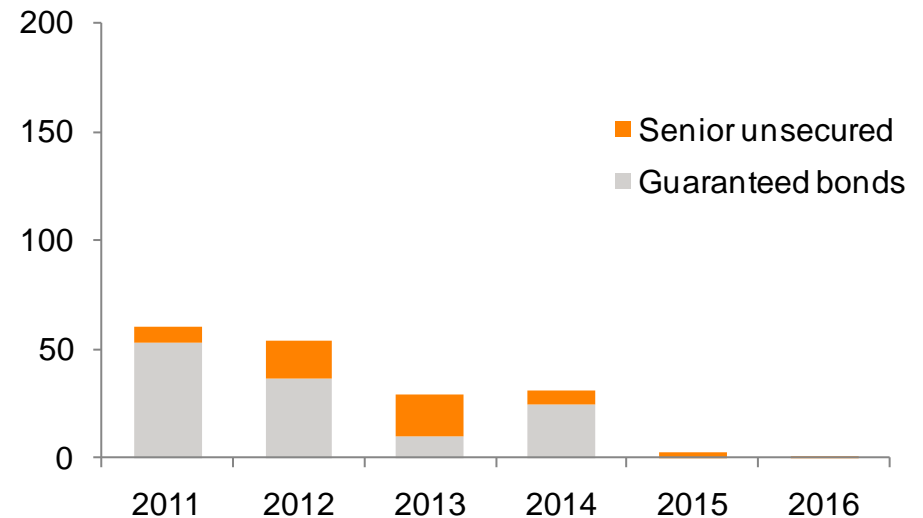
Funding plan

- Nominal SEK 121bn in maturities for the remainder of 2011

Covered bonds, nominal SEKbn¹



Senior unsecured, nominal SEKbn



¹ Excl. intra-group items

Liquidity reserve*

	SEKm
Cash and holdings in central banks and deposits in other banks available o/n	63 437
Securities issued or guaranteed by sovereigns, central banks or multilateral development banks	29 214
Securities issued or guaranteed by municipalities or PSEs	0
Covered bonds	53 366
- Issued by other institutions	53 272
- Own issued	93
Securities issued by non-financial corporates	0
Securities issued by financial corporates (excl. covered bonds)	1 869
Other	0
Total	147 886
* As defined by the Swedish FSA	
Liquid assets outside Treasury organisation	103 737
Total	251 623

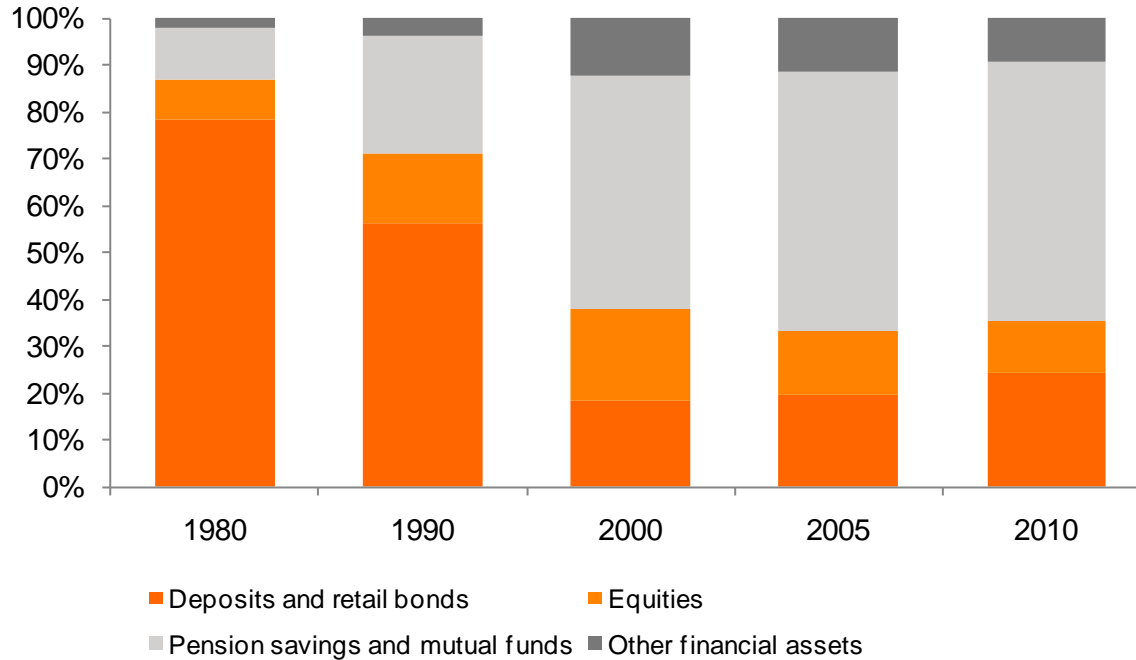
Source: Swedbank Fact book, Mar 31, 2011

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

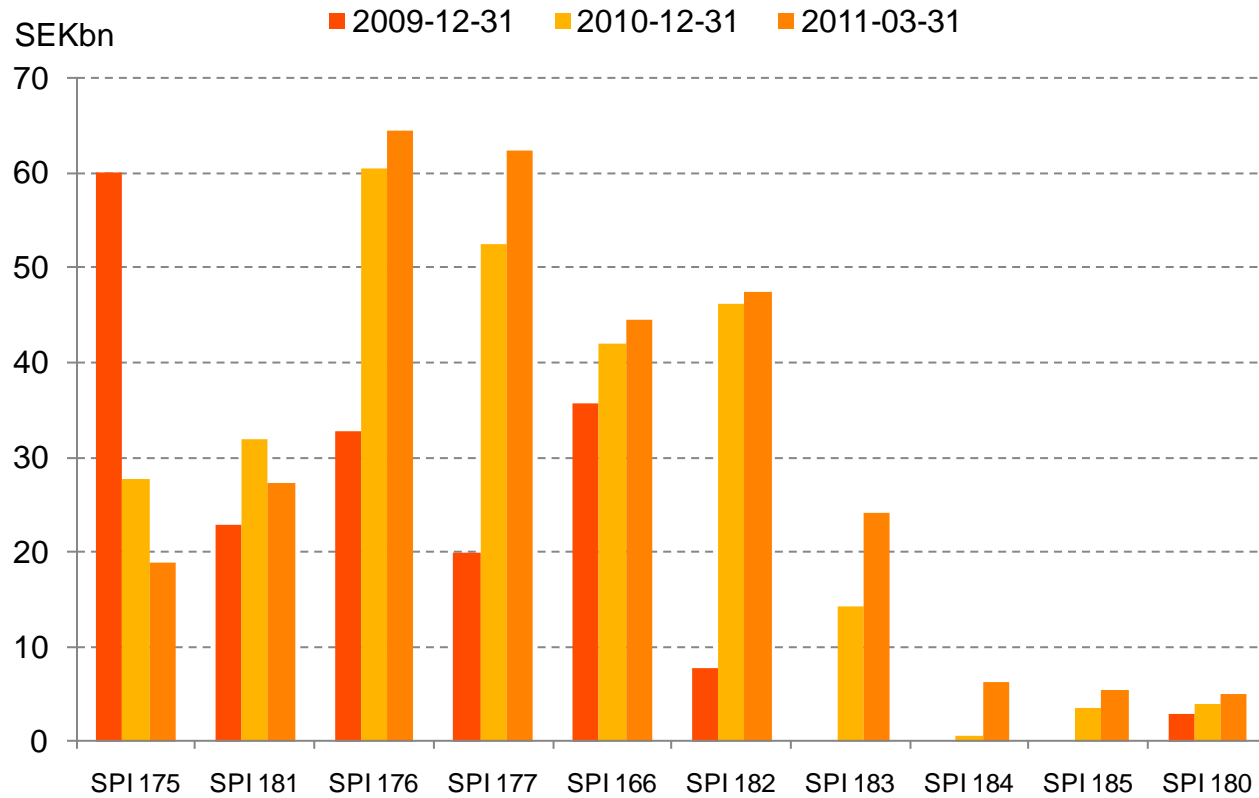
Natural domestic wholesale funding market

Swedish households' financial assets



Source: Statistics Sweden "Hushållens ställning och transaktioner" Nov 17, 2011 as per Dec 31, 2010

Swedbank's domestic covered bonds

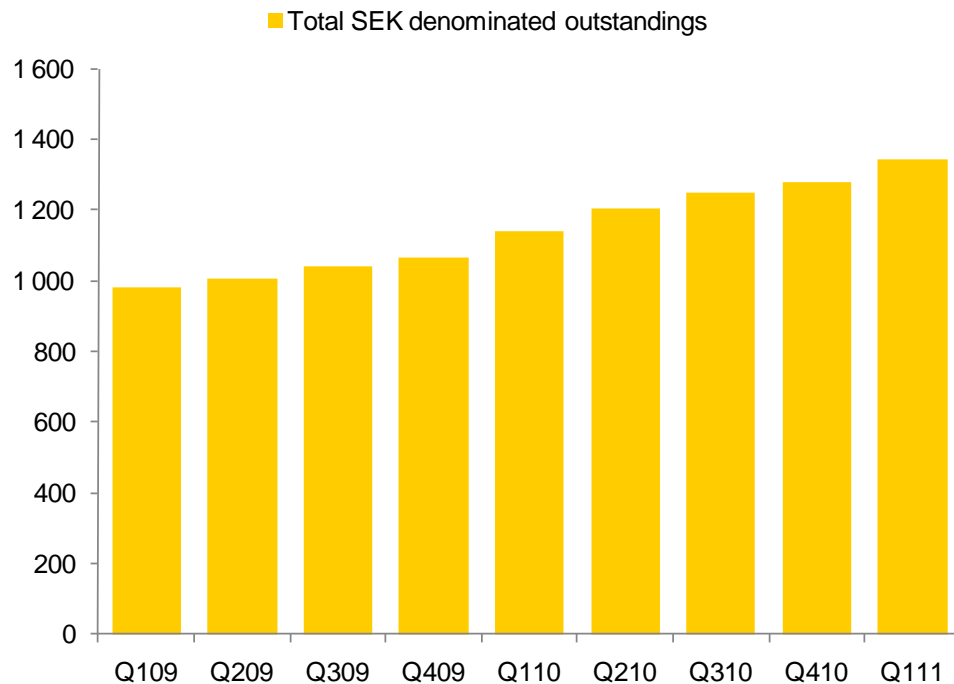


Source: Swedbank, Mar 31, 2011

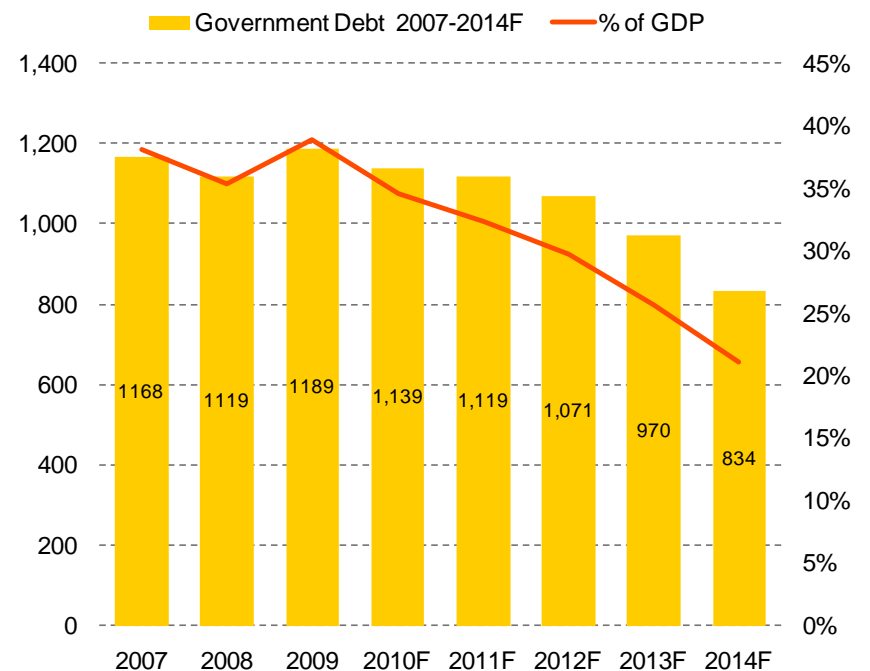
The Swedish covered bond market

- 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

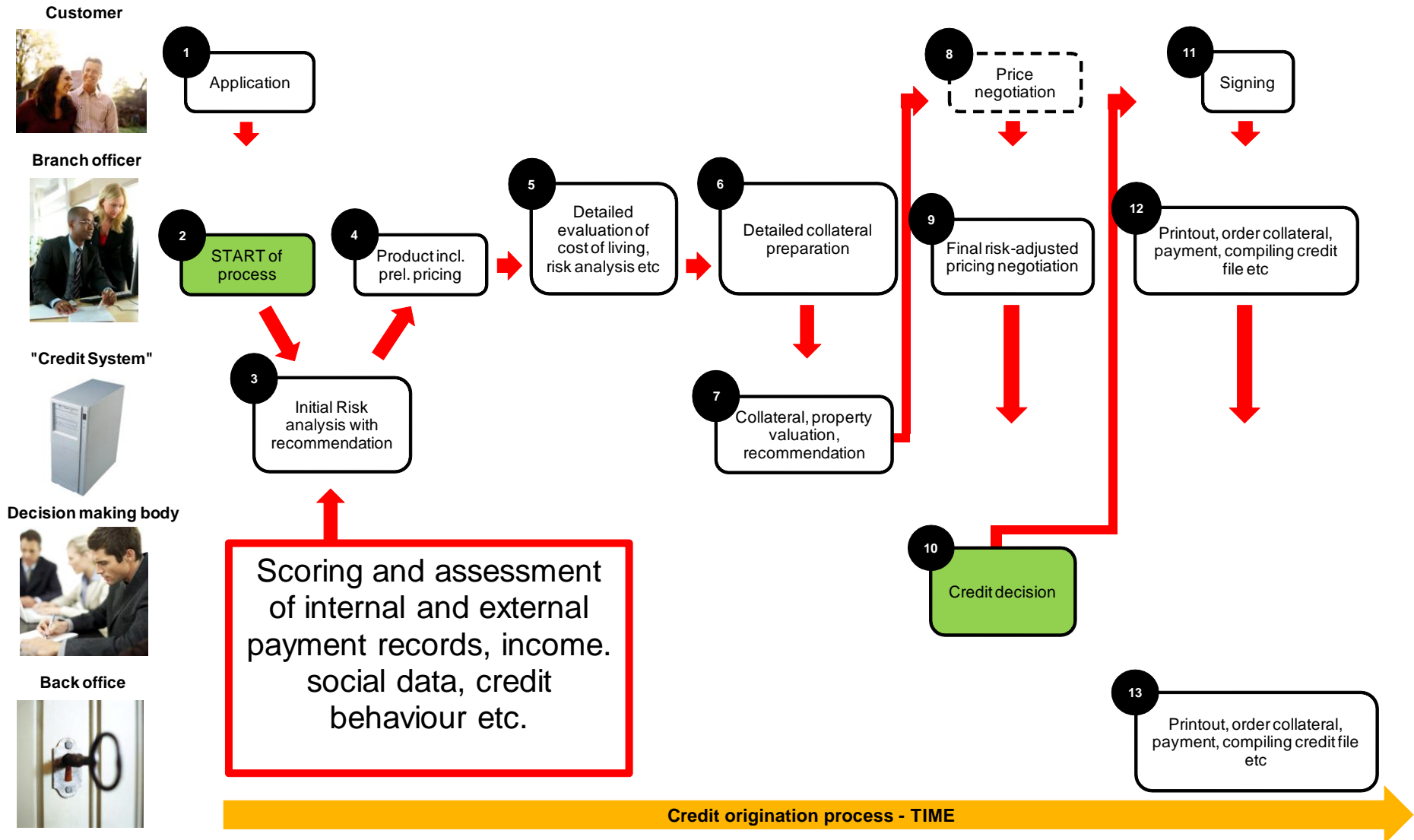


Source: www.ascb.se

Source: Government budget statement, Sep 23, 2010

6. Swedbank's lending process in Sweden

Credit originating 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% in the private segment

7. Swedish covered bond legislation

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.

8. Swedbank's cover pool

Cover pool data¹

Rating	AAA/Aaa by S&P and Moody's
Total pool size	SEK 642.9bn
Geographic distribution	Sweden 100%
Current OC-level	27%

Weighted average seasoning ²	57 months
Average LTV ^{3, 4}	
– WA LTV on property level (Max LTV)	56%
Non-performing loans ⁵	None

Fixed /Floating interest loans ⁶	
– Fixed	36%
– Floating	64%

Repayment structure ⁷	
– Amortising	54%
– Interest only	46%

Average loan size	SEK 418 774
Number of loans outstanding	1 535 061
Dynamic pool	Yes

¹ As per Mar 31, 2010

² Public sector loans not included

³ Index valuation as per Dec 31, 2010

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

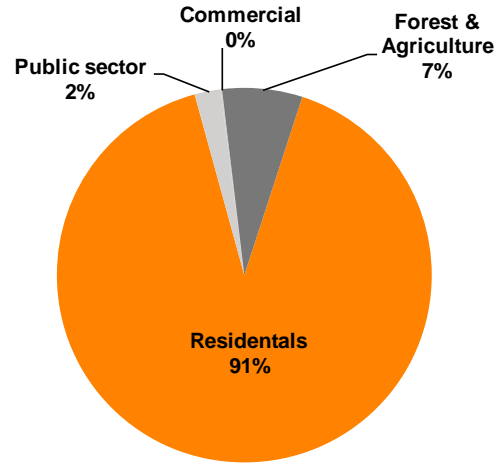
⁵ Past due loans > 60 days are not eligible for the cover pool

⁶ Floating interest loans < 365 days

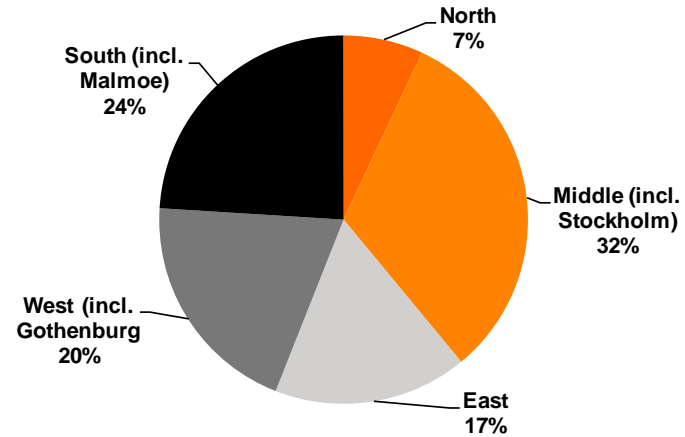
⁷ Property level of cover pool

Cover pool data

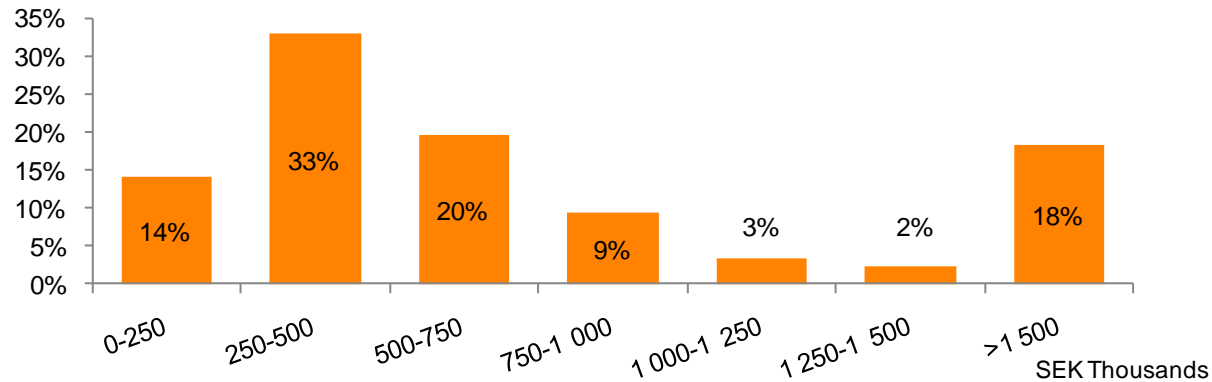
Type of loans



Geographical distribution*



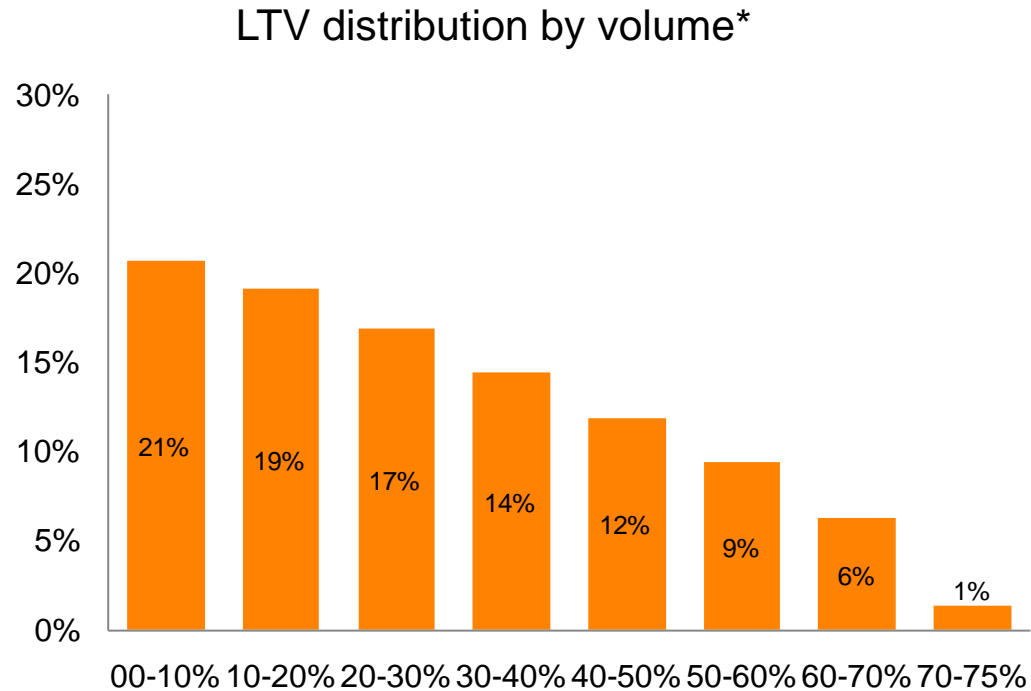
Loan size distribution by volume



Source: Swedbank, Mar 31, 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, Mar 31, 2011

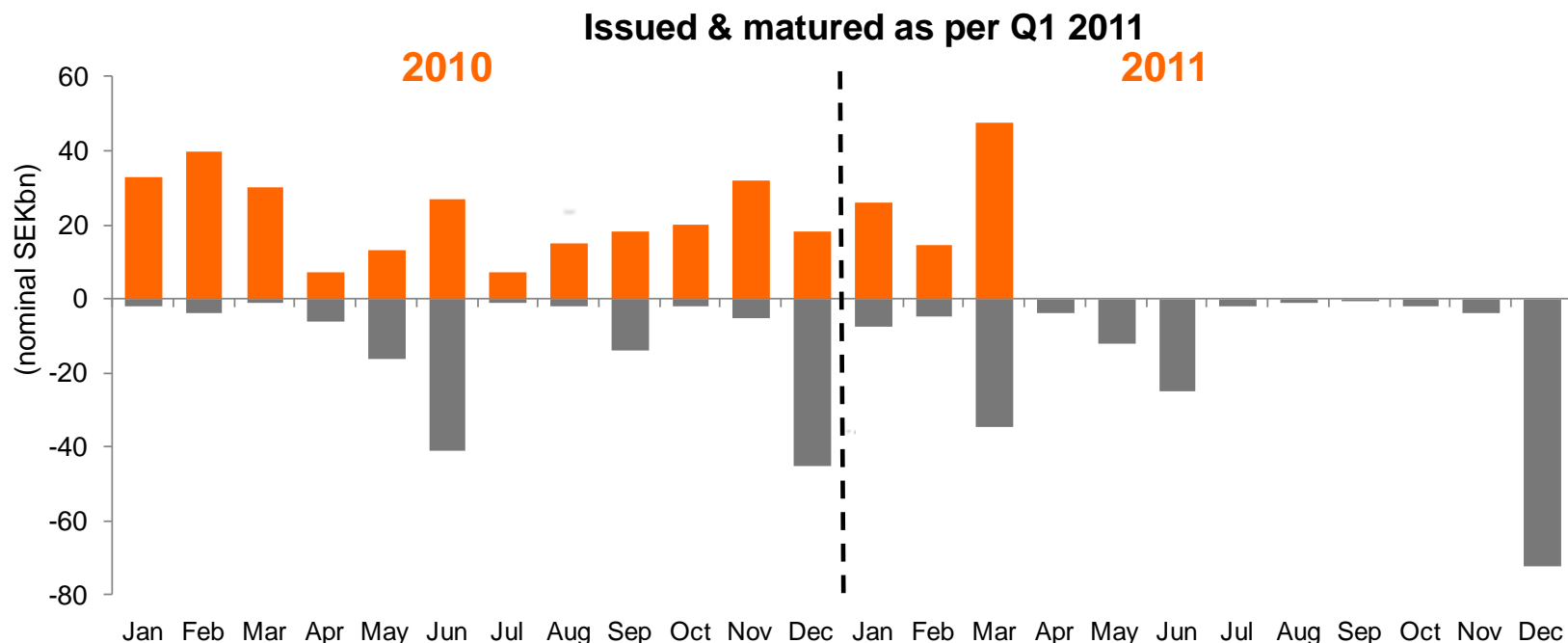
9. Appendix

One-off income through sale of Lehman claim

- One-off pre-tax income of SEK 716m in Q1 after agreement with Lehman and sale of claim (US commercial real estate assets)
- Remaining gross exposure was USD 1.1bn as of 31 March 2011, consisting of 35 assets
- No. of repossessed assets are expected to increase (2 as of today)
- Over-collateralisation still intact

SEK 356bn term funding issued in 15 months...

- ...with around SEK 181bn of maturities during the same period
- Issued SEK 323bn 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 1bn

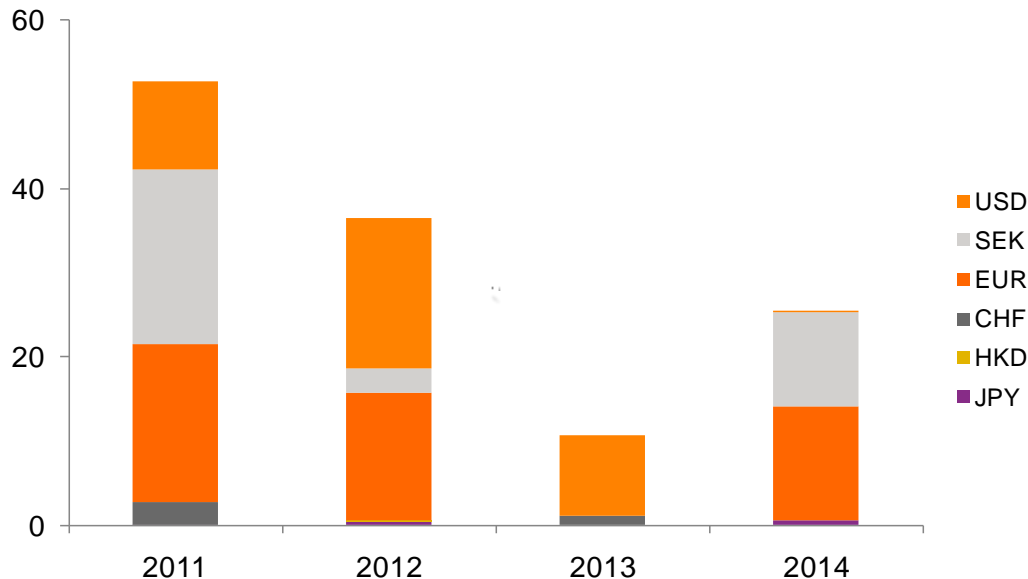


Source: Swedbank, Mar 31, 2011 interim report and Fact book

Remaining government guaranteed debt

- Exited the programme on 30 April 2010
- No issuance under the programme since summer 2009
- SEK 25bn of government guaranteed debt matured during Q1 2011
- Maturities of SEK 53bn for the remainder of 2011

Maturity profile as per Q1 2011, SEKbn



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

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Financial calendar

Q2 Interim report,	21 July 2011
Q3 Interim report	25 October 2011
Q4 Interim report	14 February 2012

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