

Swedbank's first quarter 2014 results

Michael Wolf, CEO

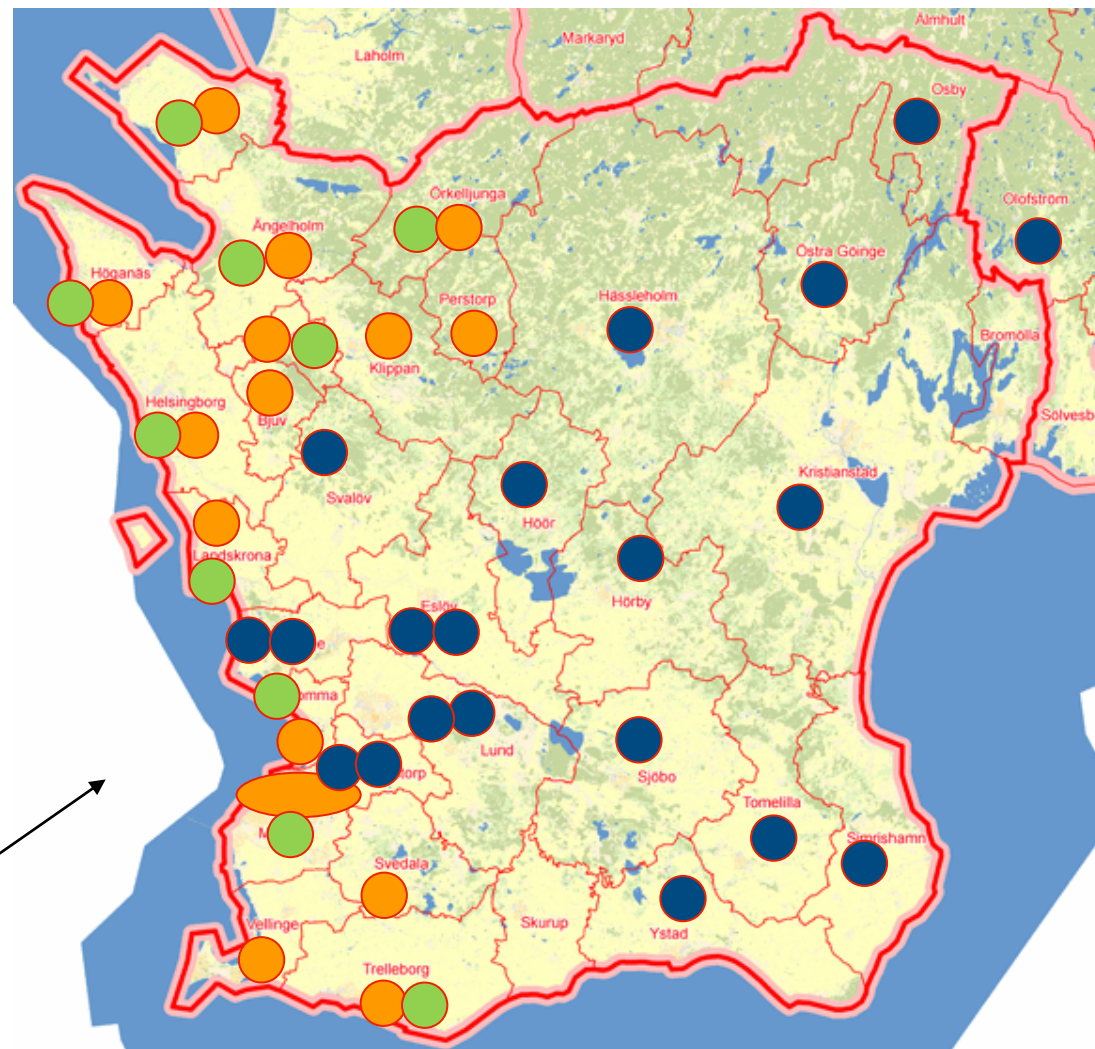
Göran Bronner, CFO

Anders Karlsson, CRO



Stronger market position in southern Sweden

- Acquisition of 100 per cent of Sparbanken Öresund
- Creation of Sweden's largest savings bank Sparbanken Skåne
 - Swedbank will own 22 per cent of Sparbanken Skåne
- Significant financial upside for Swedbank
 - Cost and capital synergies
- Awaiting approval from the Swedish FSA

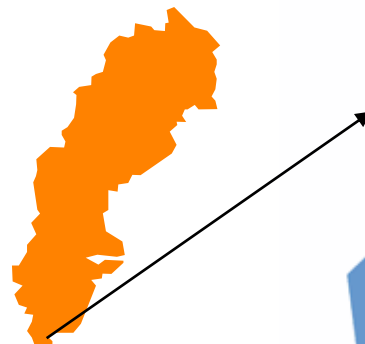


Number of branches:

Swedbank: 27

Sparbanken Öresund: 16

Sparbanken Skåne: 45



Stable results

SEKm	Q1 14	Q4 13	Q1 13	▲ Q/Q	▲ Y/Y
Net interest income	3 314	3 448	3 331	- 134	-17
Net commissions	1 649	1 649	1 589	0	60
Total income	5 422	5 536	5 378	-114	44
Total expenses	2 443	2 526	2 399	-83	44
Profit before impairments	2 979	3 010	2 979	-23	0
Credit impairments	31	140	55	-109	-24
ROE, %	28.3	27.7	28.1		
C/l ratio	0.45	0.46	0.45		

- Lower deposit margins
 - Stibor
 - Number of days effect
- Stable mortgage margins
- Good economic activity supports fee income
- Solid asset quality

Strong Return on Equity

SEKm	Q1 14	Q4 13	Q1 13	▲ Q/Q	▲ Y/Y
Net interest income	867	889	783	-22	84
Net commissions	630	558	420	72	210
Net gains and losses	565	491	579	74	-14
Total income	2 099	1 986	1 813	113	286
Total expenses	834	881	733	-47	101
Profit before impairments	1 265	1 105	1 080	160	185
Credit impairments	-30	5	74	-35	-104
ROE, %	26.9	20.1	16.8		
C/I ratio	0.40	0.44	0.40		

- Strong client activity within Debt Capital Markets and Corporate finance
- Positive deposit volume trend
- Solid asset quality
- Planned cost increases

Solid performance

SEKm	Q1 14	Q4 13	Q1 13	▲ Q/Q	▲ Y/Y
Net interest income	874	844	742	30	132
Net commissions	429	454	388	-25	41
Total income	1 465	1 512	1 282	-47	183
Total expenses	607	664	589	-57	18
Profit before impairments	858	848	693	10	165
Credit impairments	-101	-177	-70	-76	-31
ROE, %	15.2	15.0	12.6		
C/I ratio	0.41	0.44	0.46		

- Continued re-pricing
- Good underlying customer activity
- Latvian EUR-entry
 - Decreased risk
 - Negative income impact
- Continued net recoveries
- Uncertain growth prospect due to geopolitical situation in Russia and Ukraine

Stable quarter

SEKm	Q1 14	Q4 13	Q1 13	▲Q/Q	▲Y/Y
Net interest income	5 483	5 626	5 353	-143	130
Net commission income	2 693	2 699	2 388	-6	305
Net gains and losses	345	461	557	-116	-212
Total income	9 320	9 652	9 082	-332	238
Total expenses	4 226	4 484	4 043	-258	183
Profit before impairments	5 094	5 168	5 039	-74	55
Credit impairments	-100	-32	60	-68	-160
Other impairments	135	323	85	-188	50
Tax	1 074	1 212	976	-138	98
Profit from continuing operations	3 985	3 665	3 918	320	67

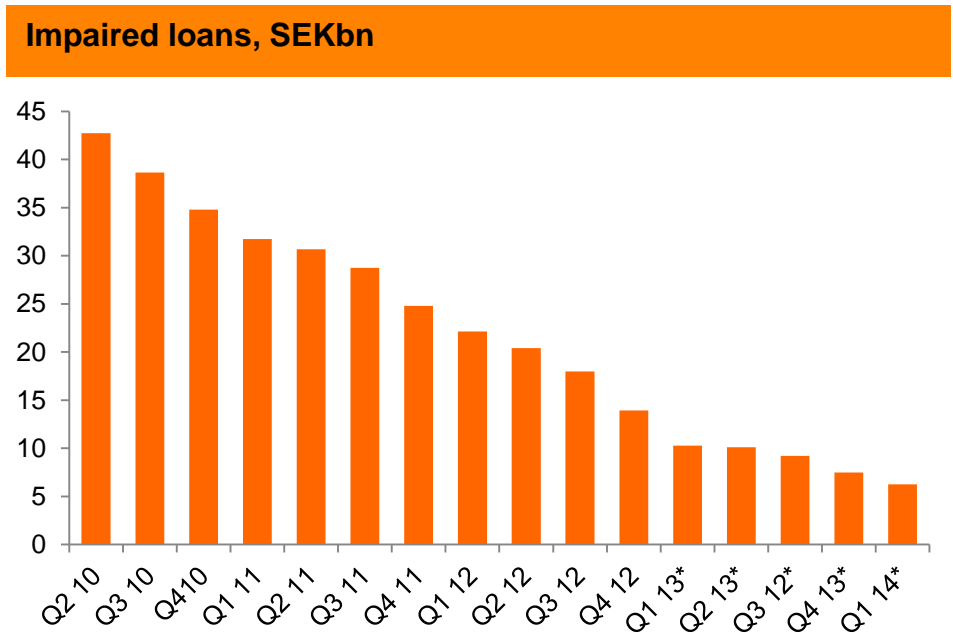
ROE continuing operations, %	14.6	13.6	15.3
Cost/income ratio	0.45	0.46	0.45
CET1 Capital ratio, %	18.3	18.3	16.4

- Mixed margin development
 - Lower deposit margins
 - Stable mortgage margins
- Continued solid asset quality
- Risk position enables competitive funding
- Continued customer and cost focus

Strong asset quality

- Legacy impaired portfolios almost worked-out
- Ektornet – continued asset sales
- Russia and Ukraine exited – limited remaining exposures

Credit impairments, SEKm	Q1 14	Q4 13	Q1 13
Swedish Banking	31	140	55
Large Corporates & Institutions	-30	5	74
Baltic Banking	-101	-177	-70
Group Functions & Other	0	0	1
Swedbank Group	-100	-32	60



* Russia and Ukraine reported as discontinued operations.

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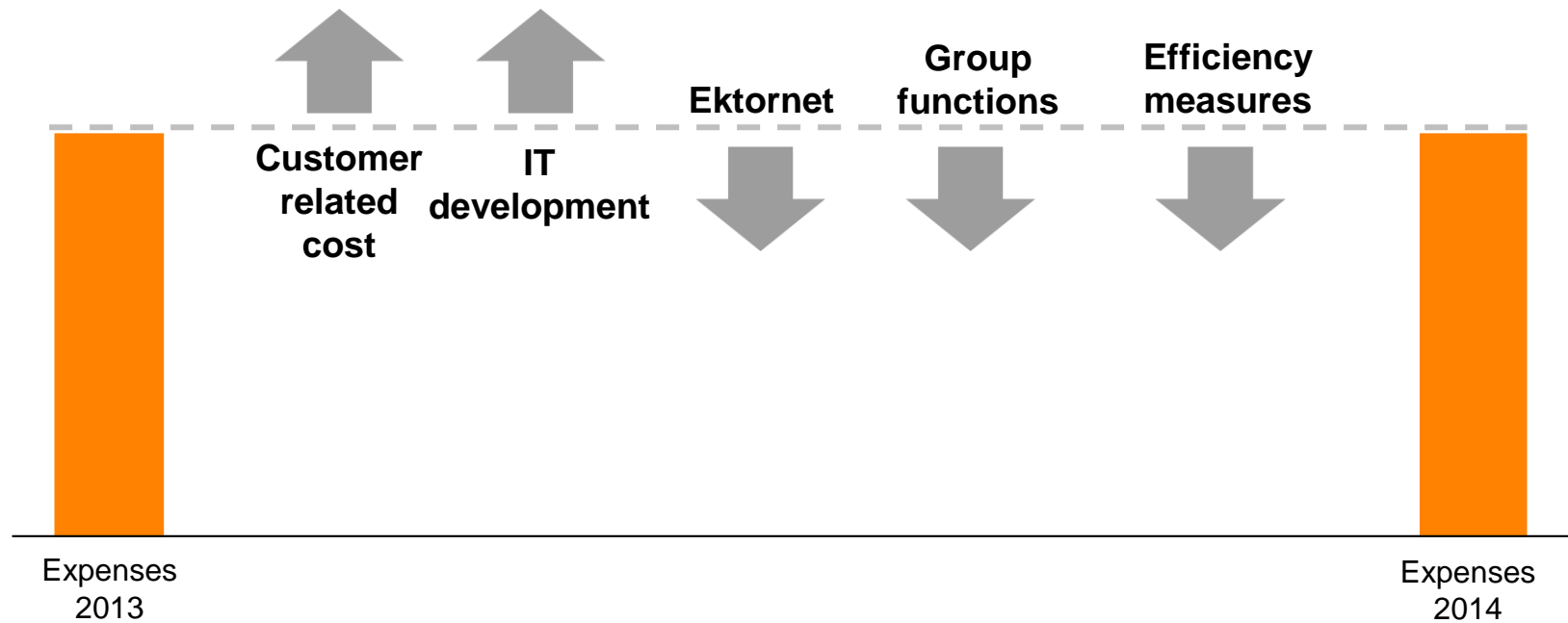
Q & A



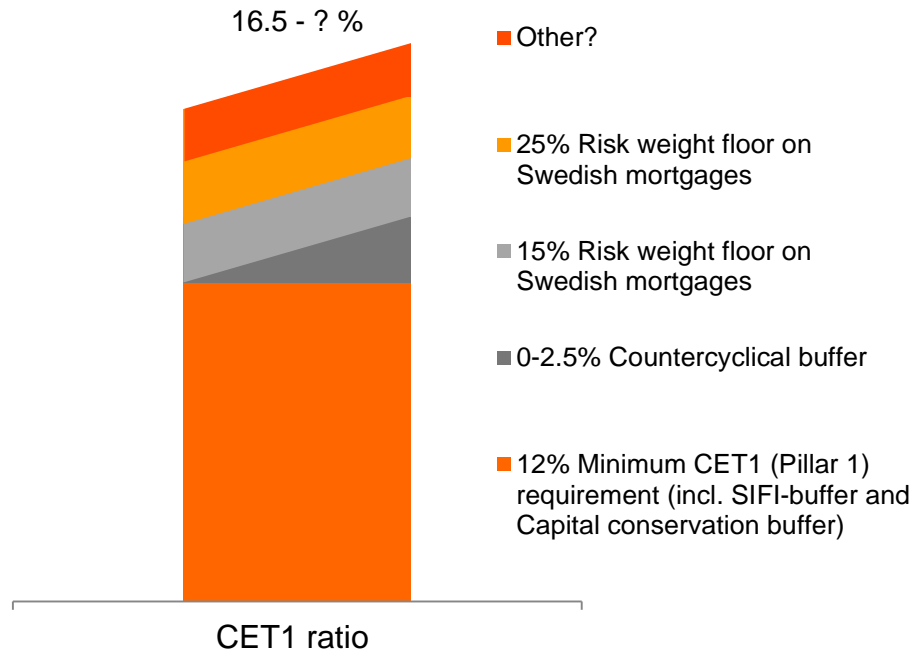
Appendix

Focus on customer activities

- Flat expenses target for 2014

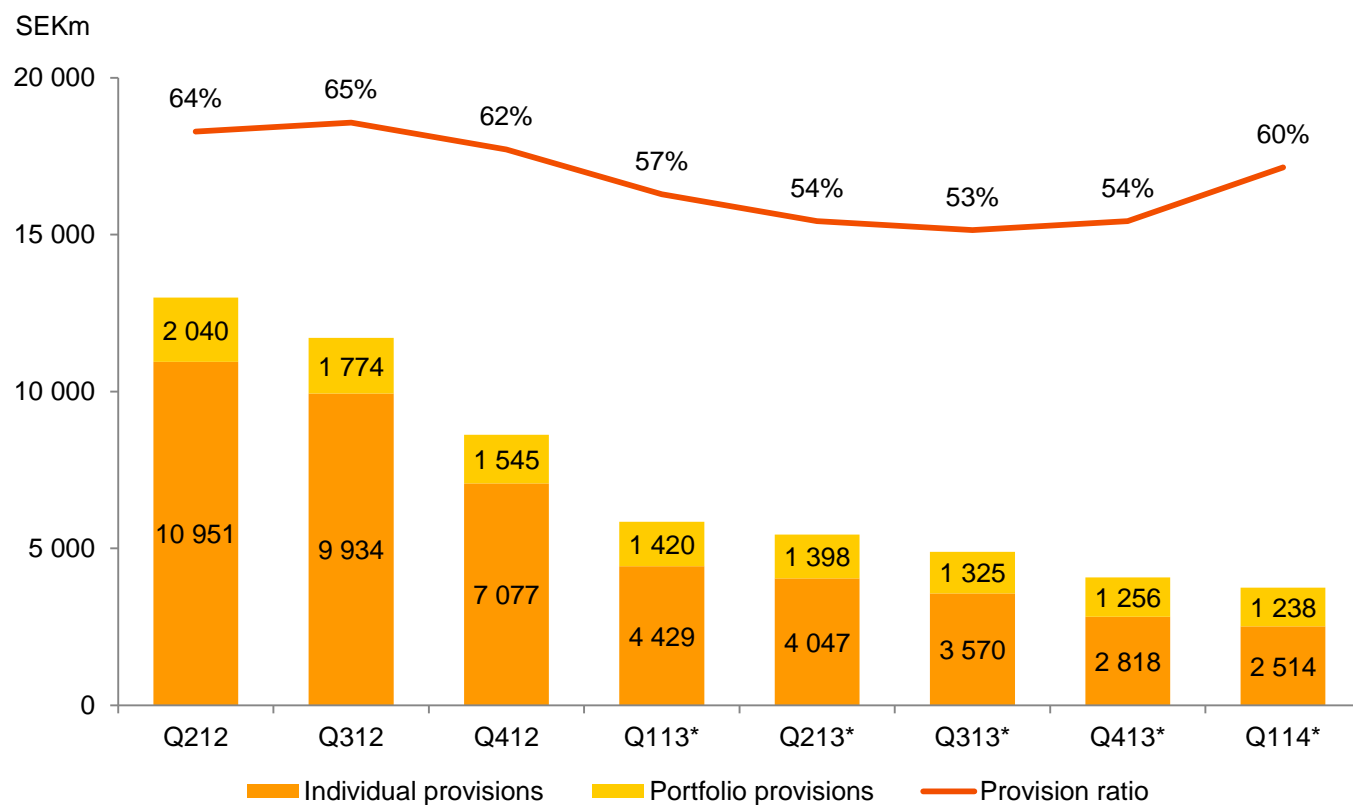


Regulatory uncertainty – higher capital requirements



- Countercyclical buffer
- RW floor on mortgages
- Pillar 2
- Hard limits vs buffers
- Leverage ratio – corporate risk weights

Conservative provision ratio

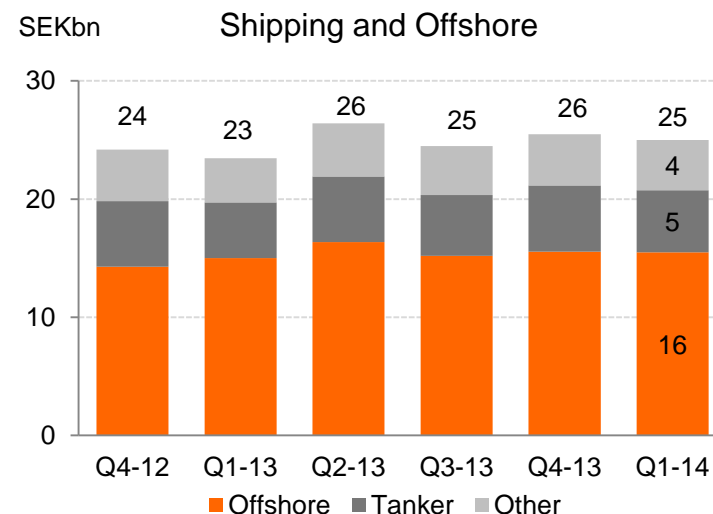


Provision ratio, %	Q114
Swedish Banking	76
LC&I	196
Baltic Banking	51
Group	60

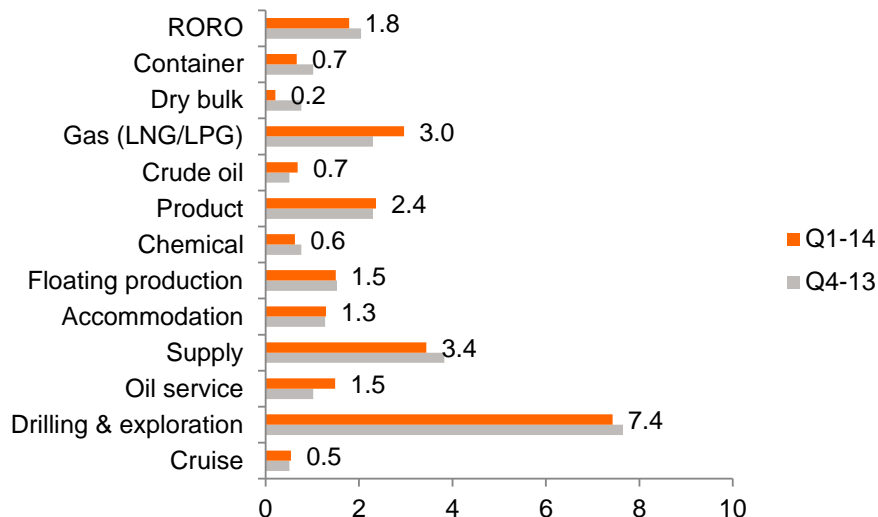
* Russia and Ukraine reported as discontinued operations

Shipping and offshore

- Lending exposure to Shipping & Offshore sector of SEK 25.0bn
 - Portfolio duration 3.77 years (weighted on commitments)
 - Average fleet age 7 years
 - Strong employment profiles

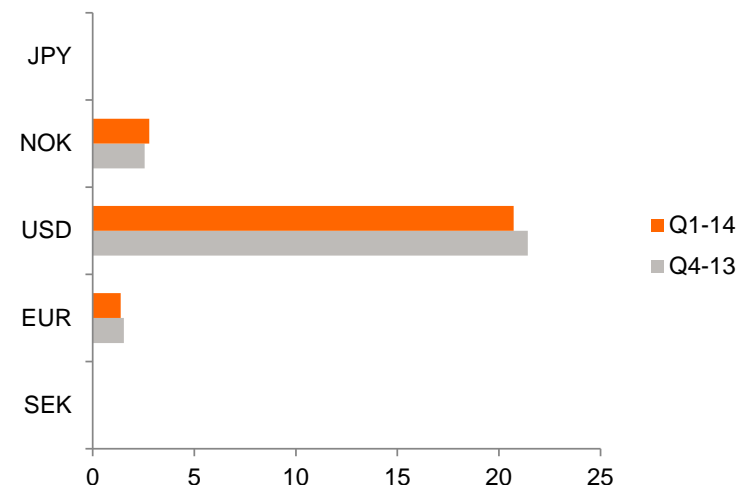


Shipping and Offshore Portfolio by subsegment, SEKbn



Source: Swedbank, Mar 31, 2014

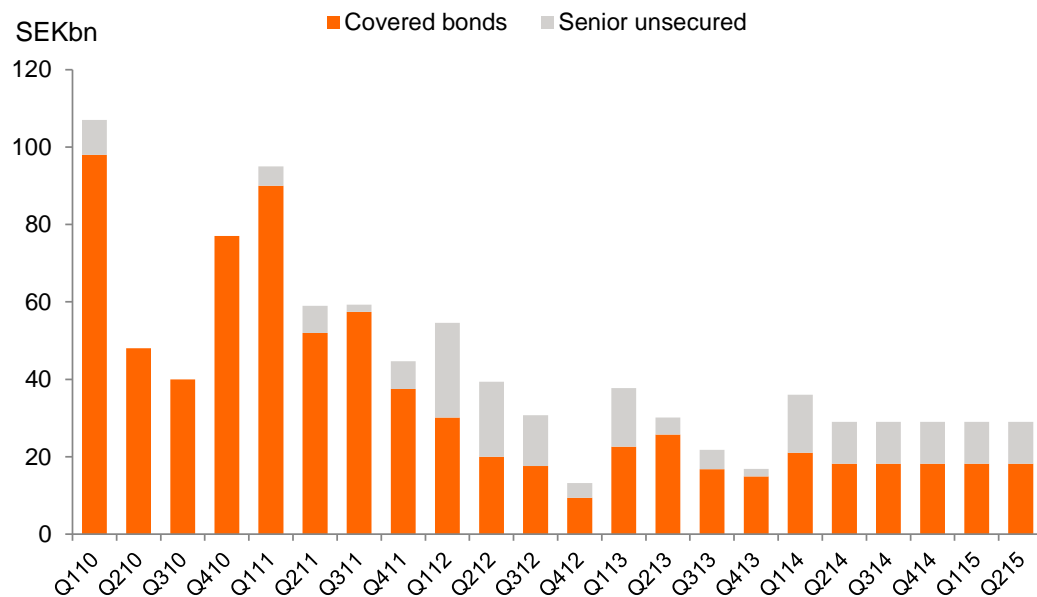
Shipping and Offshore Portfolio by currency, SEKbn



Lower funding needs

- LCR 144% (Swedish FSA definition FFFS 2012:6)
- NSFR 89% / 102% (Basel committee)
- Issued SEK 36bn of term-funding in Q1 2014
- FY 2014 funding plan of SEK 120bn

Term funding issuance – completed and planned

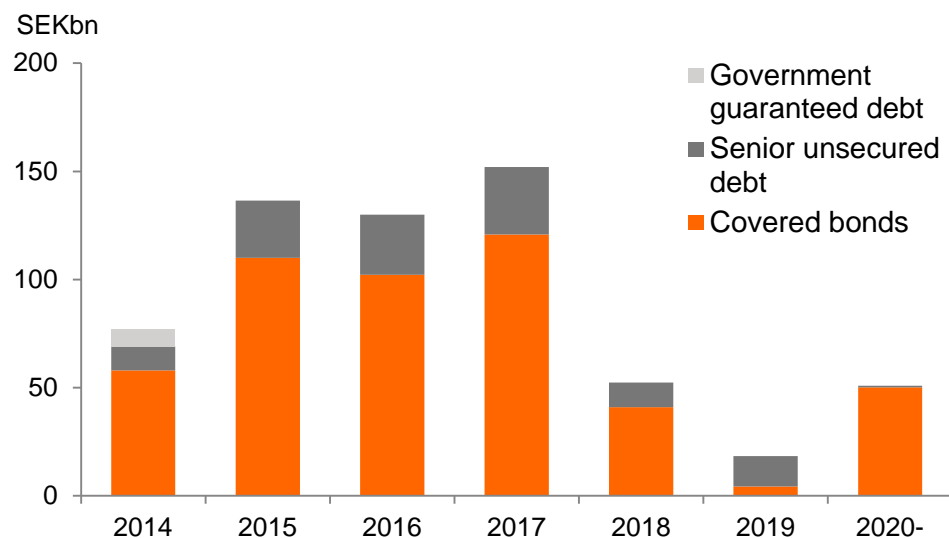


Source: Swedbank, Mar 31, 2014, nominal amounts

Long-term funding maturity profile

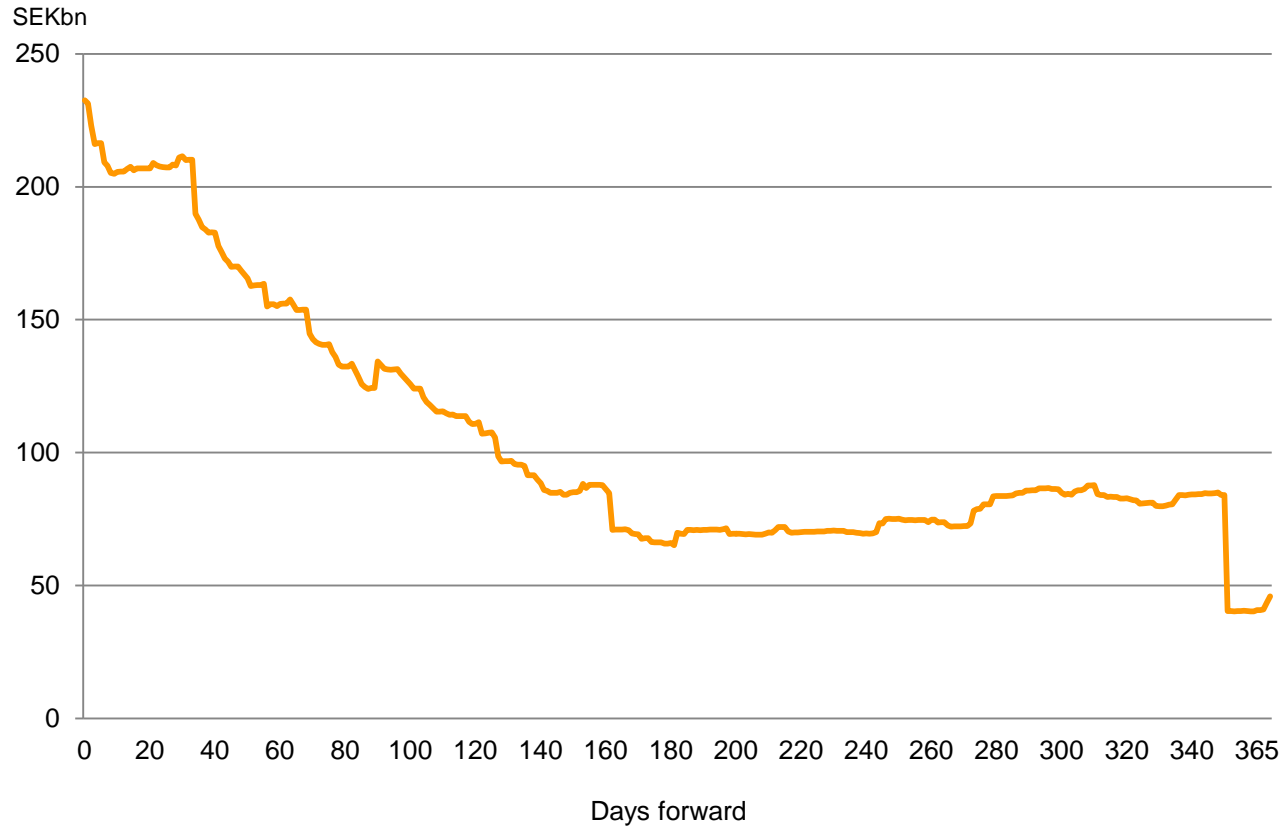
- Funding plan of SEK 120bn to meet next 12 months' nominal SEK 125bn maturities

Long-term funding maturity profile, by funding source



Source: Swedbank Mar 31, 2014

Prefunded in excess of 12 months



Source: Swedbank Mar 31, 2014

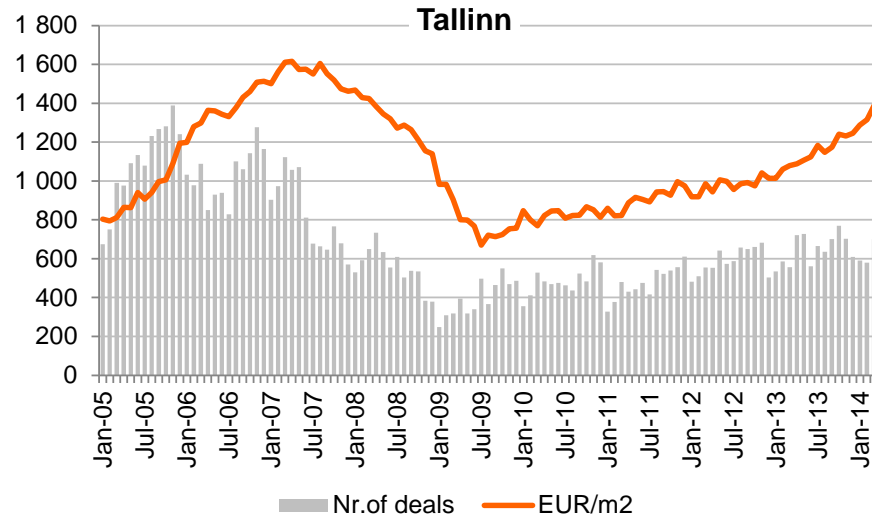
Real estate prices – Sweden 12-month development

	Single-family homes ¹ 12M Δ	Tenant-owner rights ² 12M Δ	Combined ³ 12M Δ
Jan/13	3%	7%	5%
Feb/13	4%	7%	5%
Mar/13	3%	7%	5%
Apr/13	2%	8%	4%
May/13	4%	8%	5%
Jun/13	4%	10%	6%
Jul/13	4%	9%	6%
Aug/13	5%	11%	7%
Sep/13	5%	11%	7%
Oct/13	6%	11%	8%
Nov/13	4%	13%	7%
Dec/13	4%	13%	7%

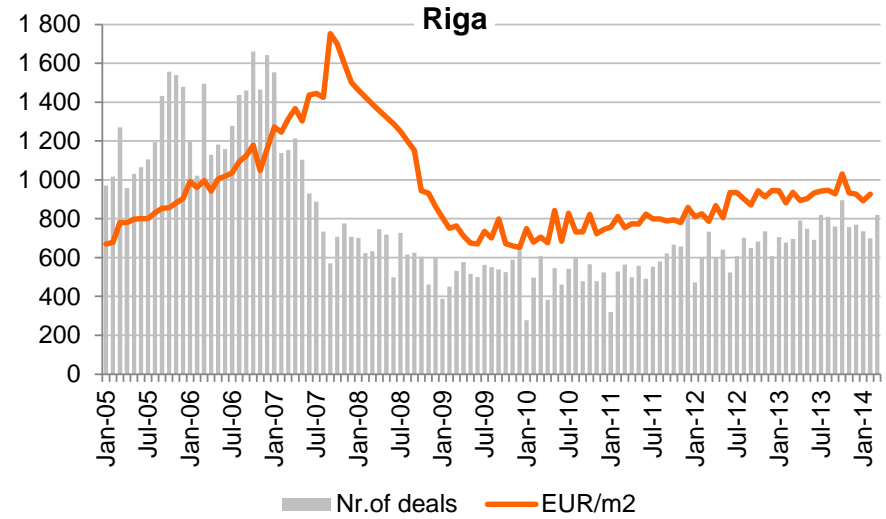
Source: Valuegard www.valuegard.se (Based on data from Mäklarstatistik), ¹ HOXHOUSESWE, ² HOXFLATSWE, ³ HOXSWE

Baltic countries

EUR/m² /Nr of deals



EUR/m² /Nr of deals



EUR/m² /Nr of deals

