

Swedbank investor presentation

February 2014



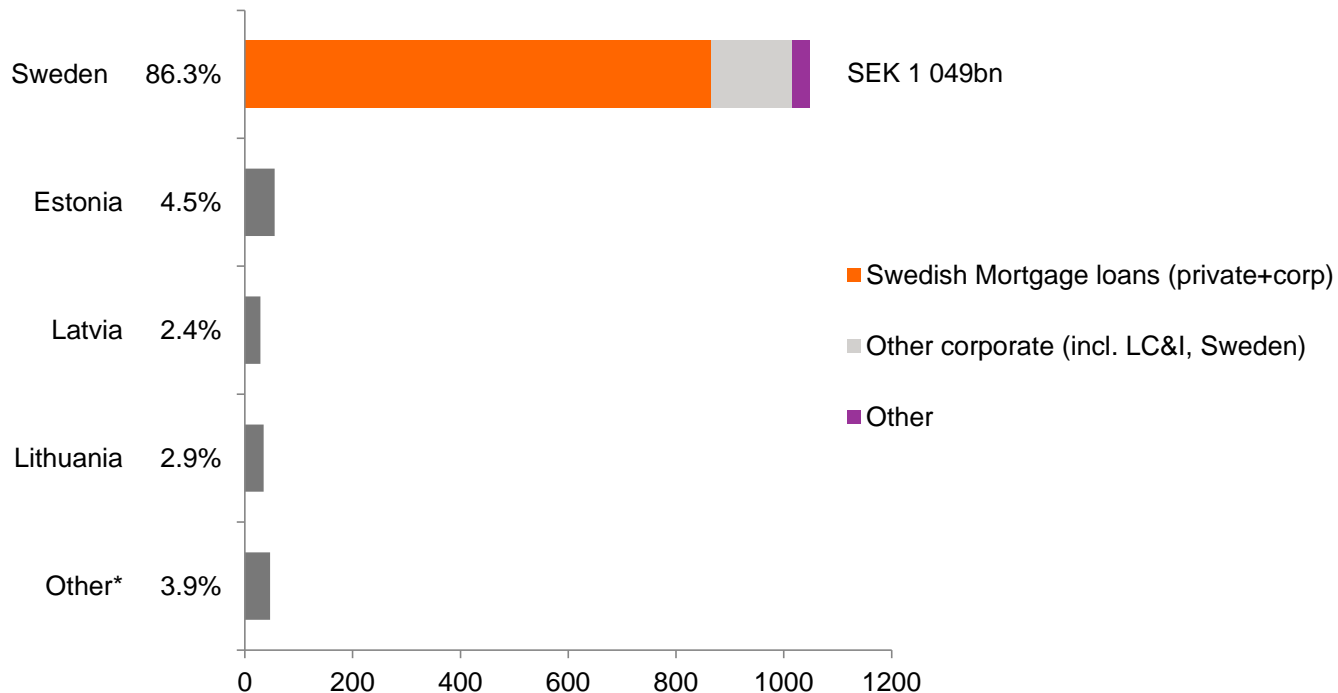
Executive summary

- **Market position** – Swedbank (A+/A1/A+) is the largest retail bank in Sweden and the market leader in private mortgages and deposits in all of its home markets. Approximately 86% of its total lending is originated in Sweden, which is one of the healthier economies among the mature markets
- **Income** – lending and deposits (66%), asset management (11%), and payment/cards (8%) are the main income sources. RoE of 14.7% and C/I ratio of 0.45 (FY 2013)
- **Capitalisation** – strong capitalisation with CET1 capital ratio of 18.3% (full Basel 3)
- **Asset quality** – solid quality with credit impairments of 0.5bps (FY 2013). Show resilience in FSA and Riksbank stress tests.
- **Funding structure** – deposits and covered bonds (AAA/Aaa) make up the primary sources of funding. Given balance sheet structure, limited need for senior unsecured debt.
 - NSFR 89%
 - LCR 142%
 - Pre-funded in excess of 12 months
 - Rare issuer in the senior market

Sweden – the dominating home market

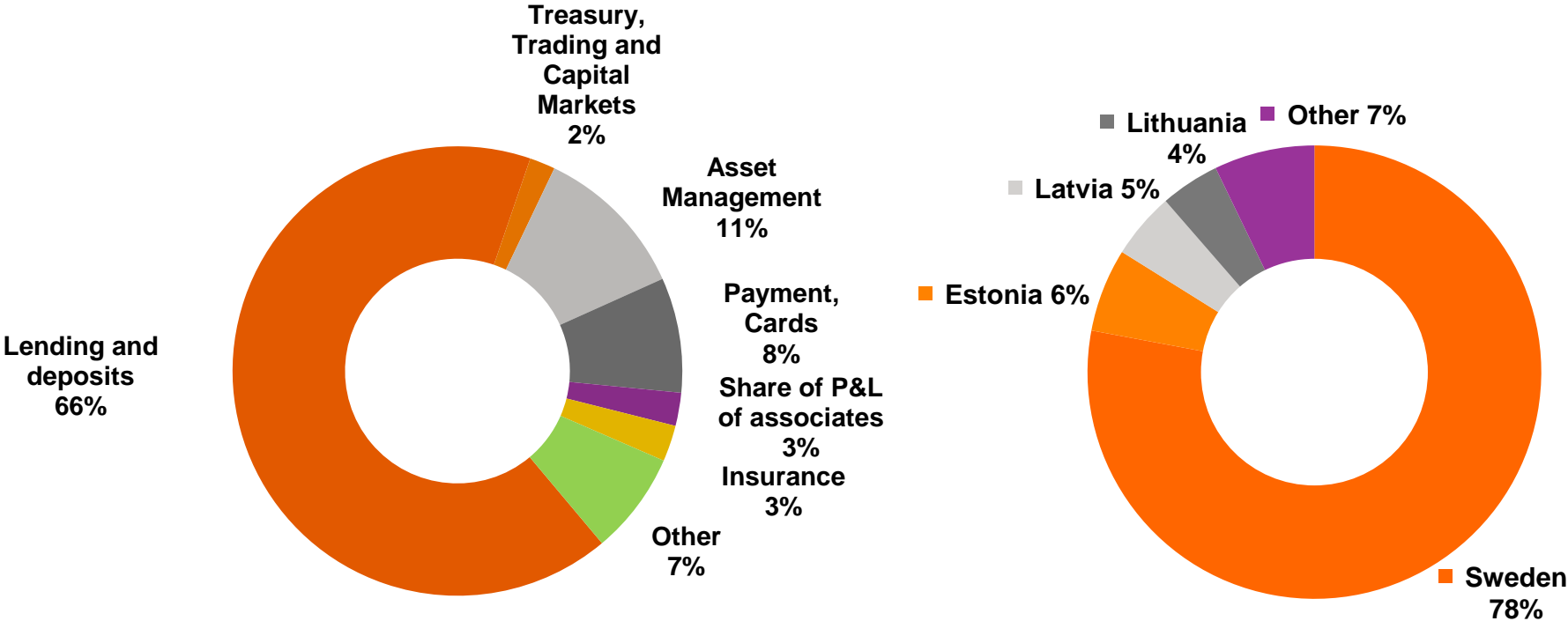
- Total lending to the public amounts to SEK 1,215bn (as per Q4 2013), out of which around 86% is originated in Sweden
- Estonia makes up 46% of total lending in the Baltics

Lending distributed by countries (Q4 2013)



Source: Swedbank Fact book Q4 2013, page 43 * Denmark, Norway, Finland and NY Branch

Income distribution Q4 2013



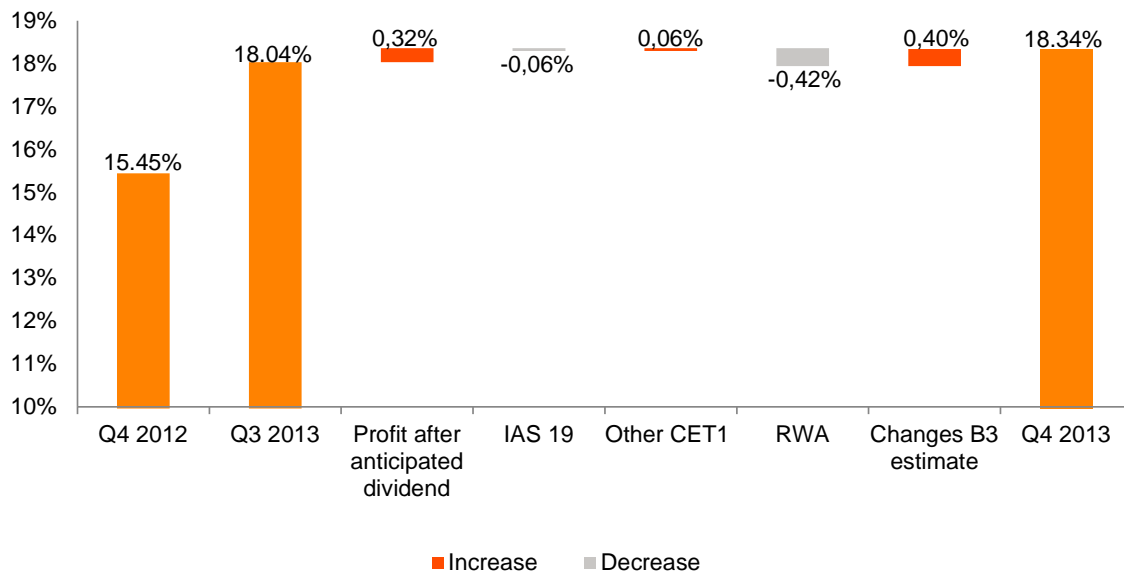
Source: Swedbank Dec 31, 2013

Stable asset quality

- Continued high credit quality
 - Credit impairments for FY 2013 of 0.5bps
 - Impaired loans per Q4 2013 of 16bps in Swedish Banking and 38bps in Large Corporates & Institutions
- Further improvements in Baltic Banking
 - 11 consecutive quarters with net recoveries and reversals (of provisions)
- 54% provision ratio at Group level (provisions / impaired loans)

Strong capitalisation – CET1 ratio of 18.3% (full Basel 3)

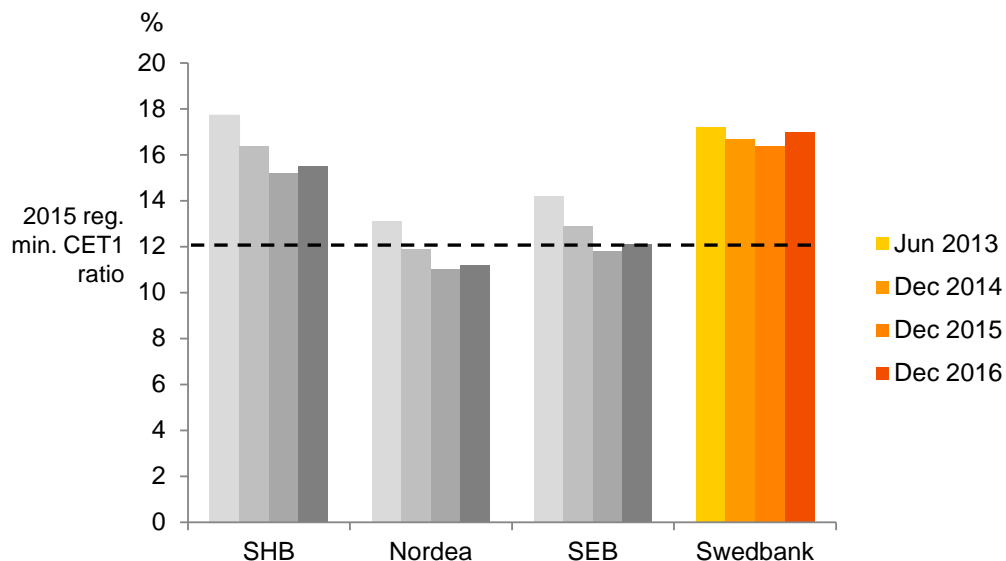
Changes B3 CET1 ratio Q3-Q4



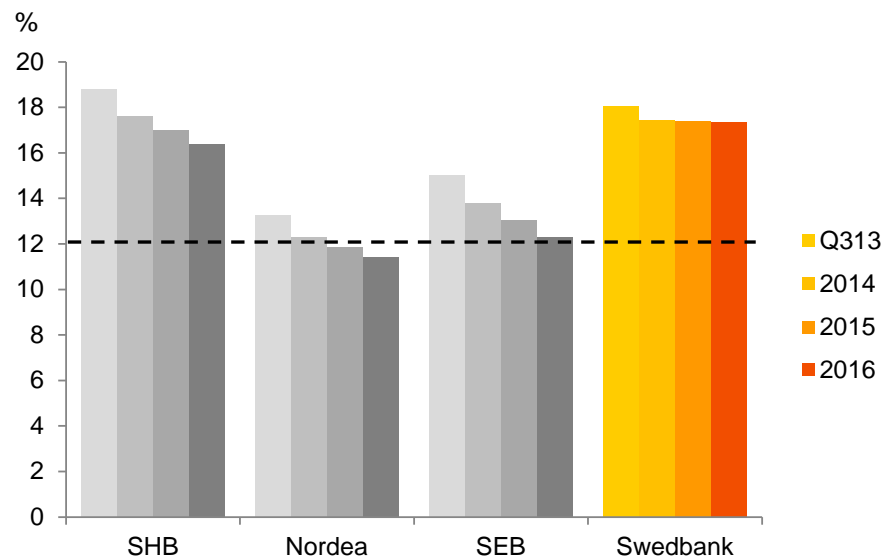
The Swedish FSA and Riksbank stress tests

- Swedbank's strong relative risk position confirmed

The Swedish FSA stress test

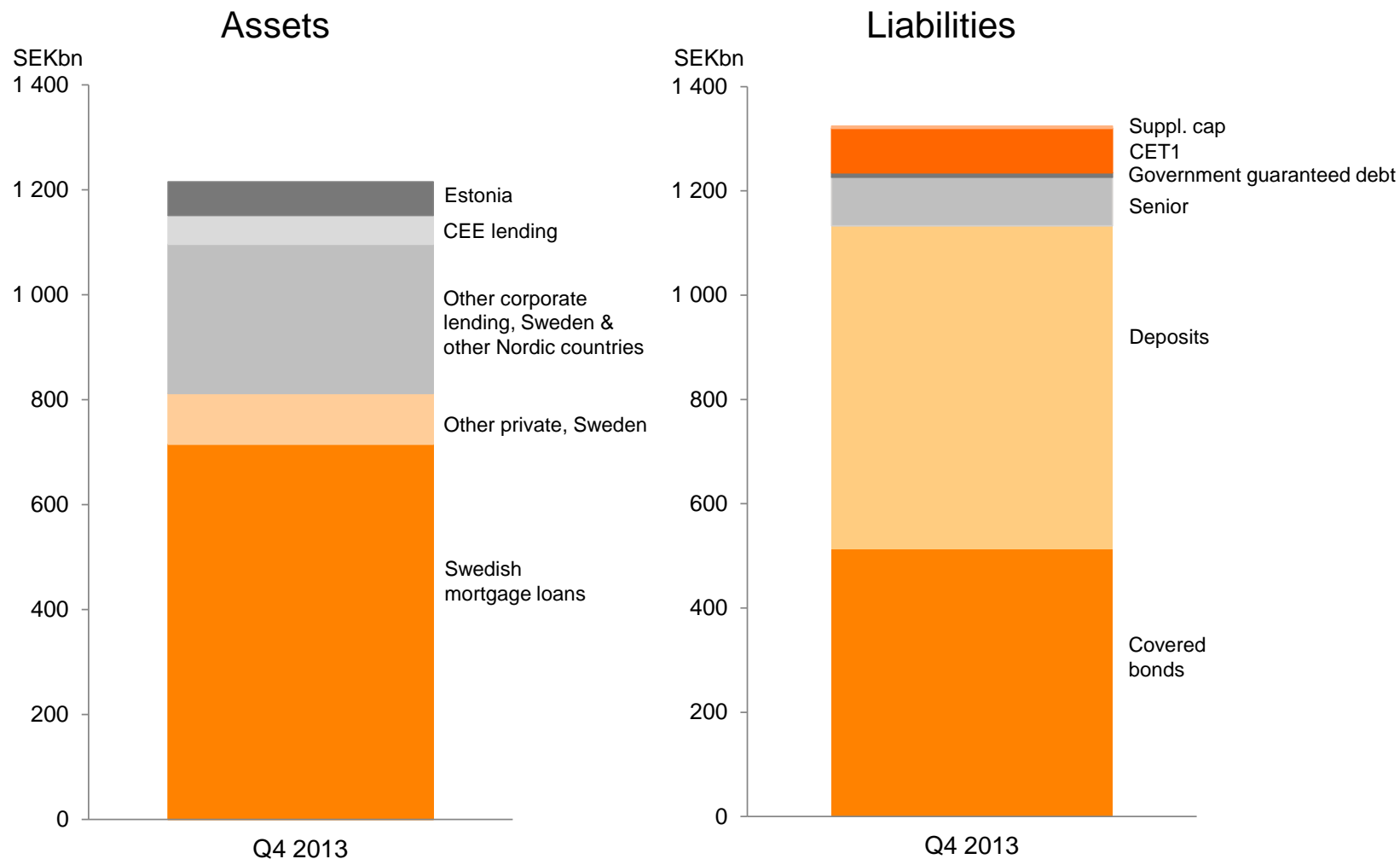


The Swedish Riksbank stress test*



*Main assumption; GDP decline and interest rates increase to stress for higher credit losses

Core balance sheet* structure

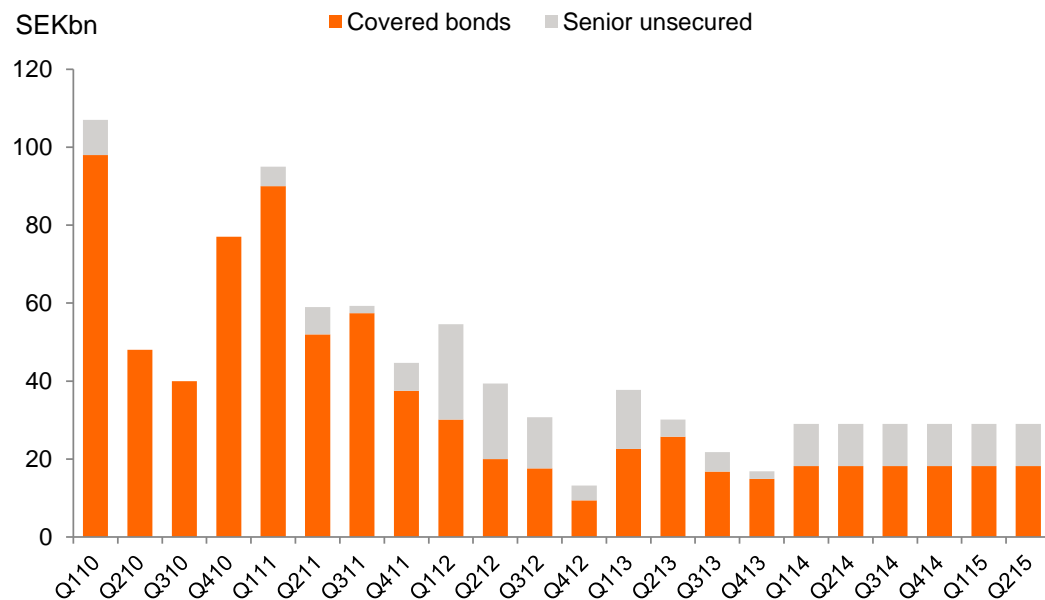


Source: Swedbank Dec 2013 * Simplified balance sheet

Lower funding needs

- LCR 142% (Swedish FSA definition FFFS 2012:6)
- NSFR 89%
- Issued SEK 103bn of term-funding FY 2013 of which SEK 14bn in Q4
- FY 2014 funding plan of SEK 120 bn

Term funding issuance – completed and planned



Source: Swedbank, Dec 31, 2013, nominal amounts

Liquidity reserve

According to the template defined by the Swedish Bankers' Association

	SEKm
Cash and holdings in central banks	59 382
Deposits in other banks available overnight	397
Securities issued or guaranteed by sovereigns, central banks or multilateral development banks	68 054
Securities issued or guaranteed by municipalities or public sector entities	
Covered bonds	54 002
- Issued by other institutions	54 002
- Own issued	
Securities issued by non-financial corporates	
Securities issued by financial corporates (excl. covered bonds)	2 096
Other	
Total¹	183 931
Additional liquid assets, Group ^{2, 3}	52 510

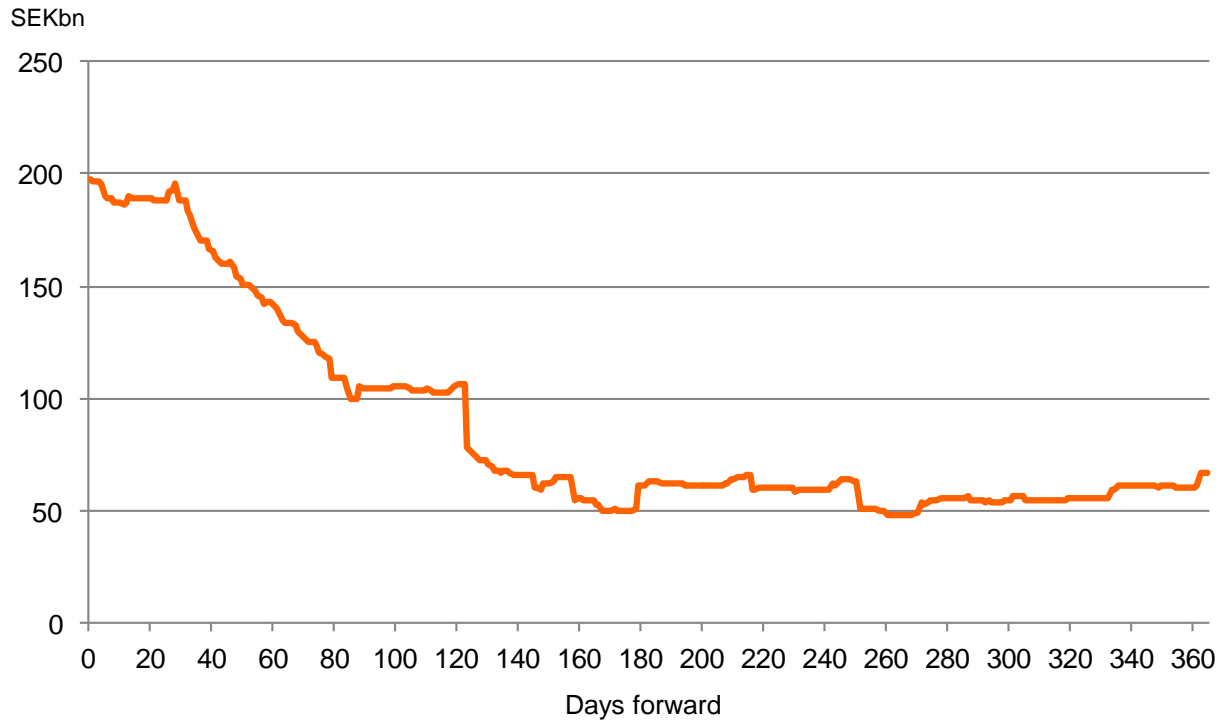
¹ 90% of the securities in the liquidity reserve per Q3 2013 are rated AAA

² 82% of the additional liquid assets fulfill the Liquidity Reserve definition by the Swedish Bankers' Association except from that they are held outside the Treasury department.

³ 80% of the additional assets are rated AAA

Source: Swedbank Fact book, Dec 31, 2013

Prefunded in excess of 12 months



Source: Swedbank Dec 31, 2013

Rating strategy – same level as the best rated Nordic banks

- On July 19, 2013 S&P changed the outlook for Swedbank AB and Swedbank Mortgage AB from negative to stable. Main reasons are the ability to build capital and withhold a high profitability
- On June 4, 2013 Moody's upgraded Swedbank AB's and Swedbank Mortgage AB's senior unsecured credit rating to A1, with stable outlook

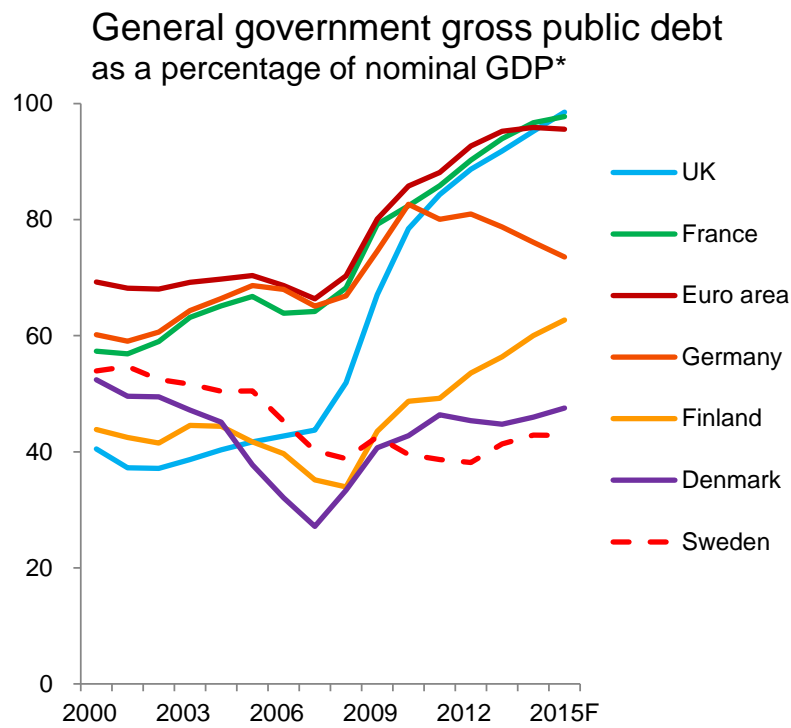
	S&P		Moody's			Fitch	
	Short	Long	Short	Long	BFSR*	Short	Long
Swedbank	A-1	A+	P-1	A1	C-	F1	A+
Swedbank Mortgage	A-1	A+	P-1	A1			
Covered bonds		AAA		Aaa			

* Bank Financial Strength Rating

Continued strong fiscal position

- Kingdom of Sweden rated Aaa/AAA/AAA
- GDP growth 0.3% (Q3 13 Y/Y)
- CPI/CPIF 0.1% / 0.8% (Dec 13 Y/Y)
- Unemployment 7.5% (Dec 13 Y/Y)
- Debt to GDP 35.2% (Nov 13)

Source: Statistics Sweden and National Debt Office



* Maastricht definition

Source: OECD Economic outlook 94 table 61, Dec 2013

Swedbank – contacts and financial calendar

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Financial calendar

AGM	19 Mar 2014
Q1 Interim report	28 Apr 2014
Q2 Interim report	16 Jul 2014
Q3 Interim report	21 Oct 2014

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