

Swedbank's year-end 2013 results

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Stable results

SEKm	Q4 13	Q3 13	▲ Q/Q
Net interest income	3 448	3 473	-25
Net commissions	1 649	1 577	72
Total income	5 536	5 491	45
Total expenses	2 533	2 389	144
Profit before impairments	3 003	3 102	-99
Credit impairments	140	106	34
<hr/>			
ROE, %	27.6	28.1	
<hr/>			
C/I ratio	0.46	0.44	

- Stable NII
 - Loan growth
 - Stable back-book mortgage margins
 - Lower deposit margins
- Strong commission income
- Solid asset quality

Good performance

SEKm	Q4 13	Q3 13	▲ Q/Q
Net interest income	889	864	25
Net commissions	559	467	92
Total income	1 987	1 755	232
Total expenses	878	759	119
Profit before impairments	1 109	996	113
Credit impairments	5	7	-2
<hr/>			
ROE, %	20.3	18.3	
C/l ratio	0.44	0.43	

- Improved NII
 - Loan and deposit growth
- Better trading income
- Strong commission income

Continued improvement

SEKm	Q4 13	Q3 13	▲ Q/Q
Net interest income	844	807	37
Net commissions	454	446	8
Total income	1 511	1453	58
Total expenses	661	604	57
Profit before impairments	850	849	1
Credit impairments	-177	-147	-30
ROE, %	15.1	16.6	
C/I ratio	0.44	0.42	

- Improved NII
 - Continued re-pricing
 - Deposit growth
- Strong commission income
- Operational efficiency
- Continued recoveries

Improving revenue and increasing cost

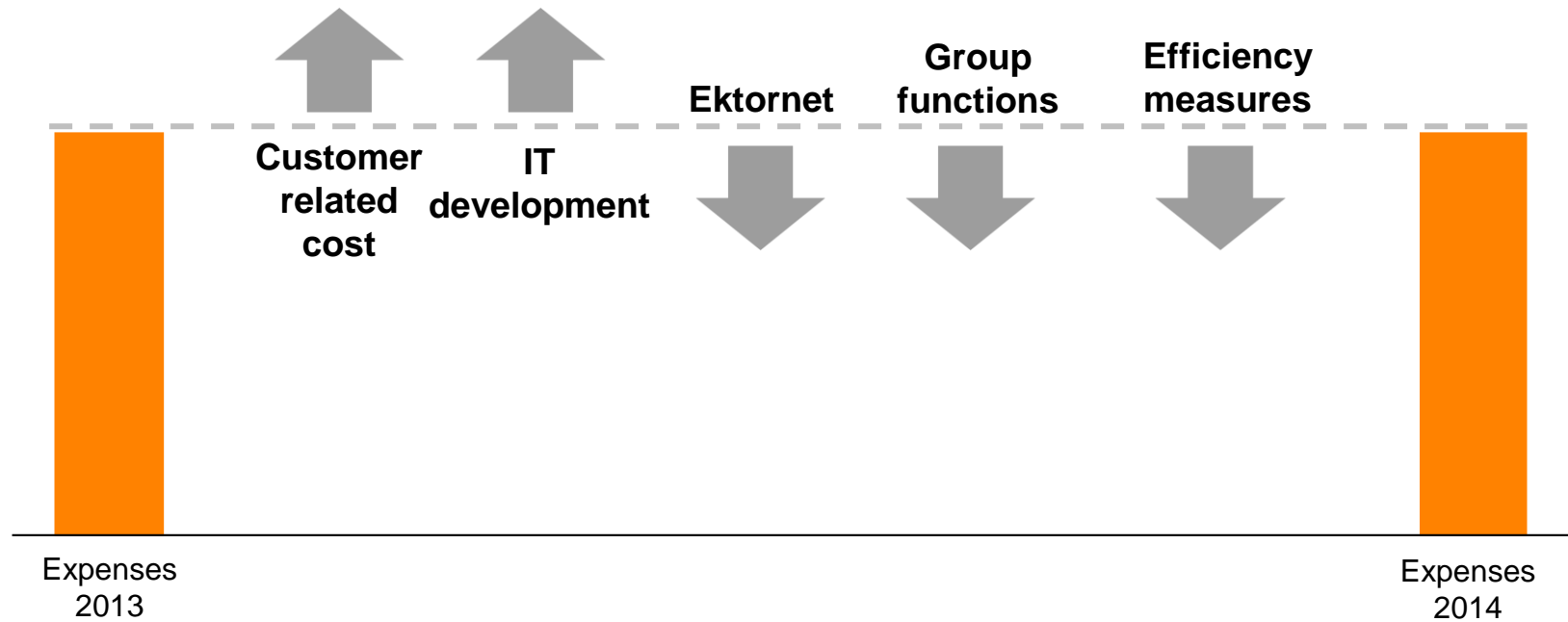
SEKm	Q4 13	Q3 13	▲ Q/Q
Net interest income	5 626	5 641	-15
Net commission income	2 699	2 520	179
Net gains and losses	461	170	291
Total income	9 652	9 225	427
Total expenses	4 484	3 995	489
Profit before impairments	5 168	5 230	-62
Credit impairments	-32	-56	24
Other impairments	323	95	228
Tax	1 212	998	214
Profit from continuing operations	3 665	4 193	-528

ROE continuing operations, %	13.6	16.2
C/I ratio	0.46	0.43
CET 1 ratio, % (Basel 3)	18.3	18.0

- Stable NII
 - Volume growth
 - Margins
- Strong commission income
- Improved NGL
 - Trading
 - Valuation effects
- Increased cost
 - Provision for staff restructuring
 - Variable pay
 - General cost pressure
- Continued solid asset quality
 - Ektornet

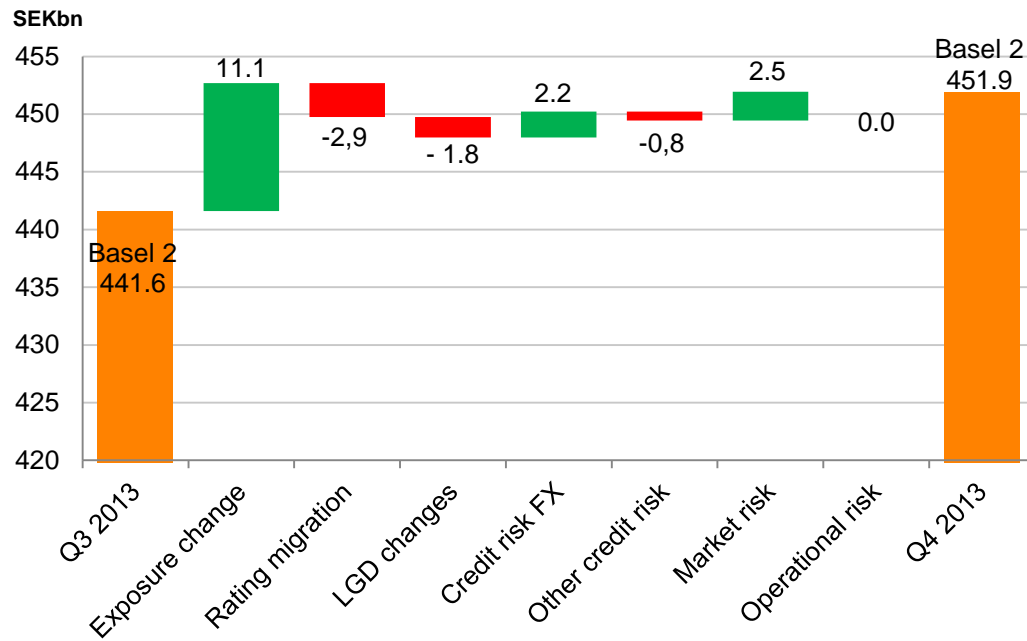
Focus on customer activities

- Flat expenses target for 2014



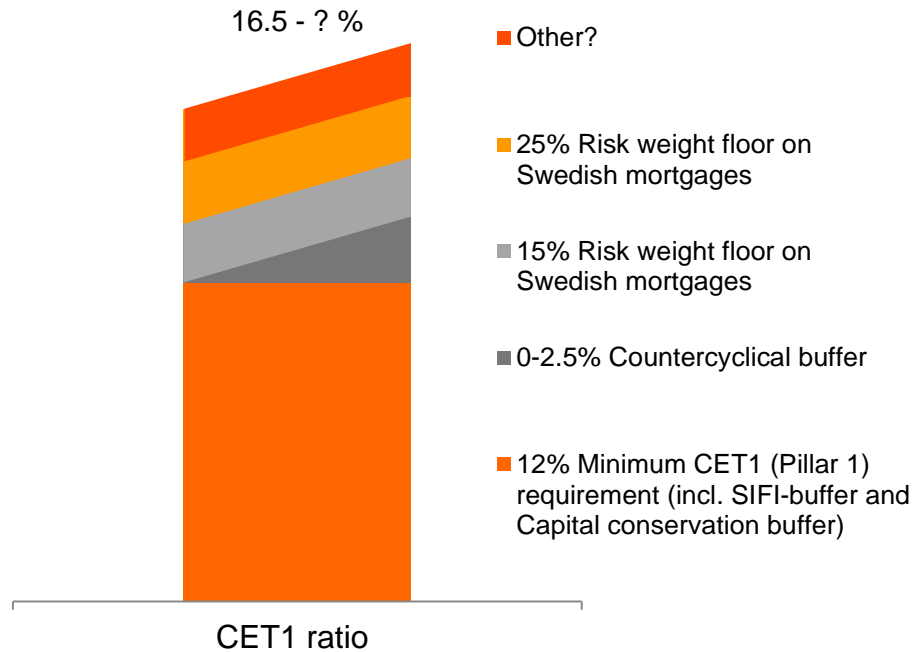
Increased RWA

Swedbank's RWA development



- Loan growth
- Positive rating migration
- Market risk
- FX

Regulatory uncertainty – higher capital requirements



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

Continued strong asset quality

Credit impairments, SEKm	Q4 13	Q3 13	▲ Q/Q
Swedish Banking	140	106	34
Large Corporates & Institutions	5	7	-2
Baltic Banking	-177	-147	-30
Estonia	-139	-38	-101
Latvia	50	-70	120
Lithuania	-88	-39	-49
Group Functions & Other	0	-22	22
Swedbank Group	-32	-56	24

- Continued solid asset quality in Sweden
- Net recoveries in Baltic Banking
- Ektornet

Swedbank's year-end 2013 results

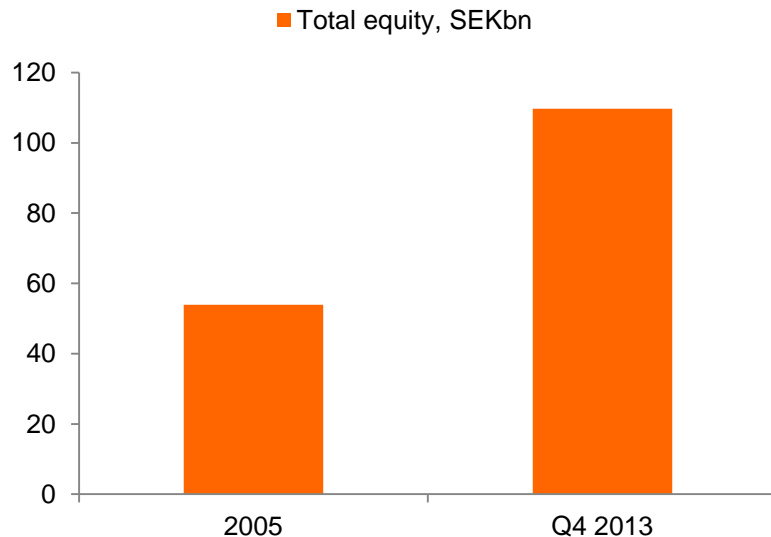
Q & A



Appendix

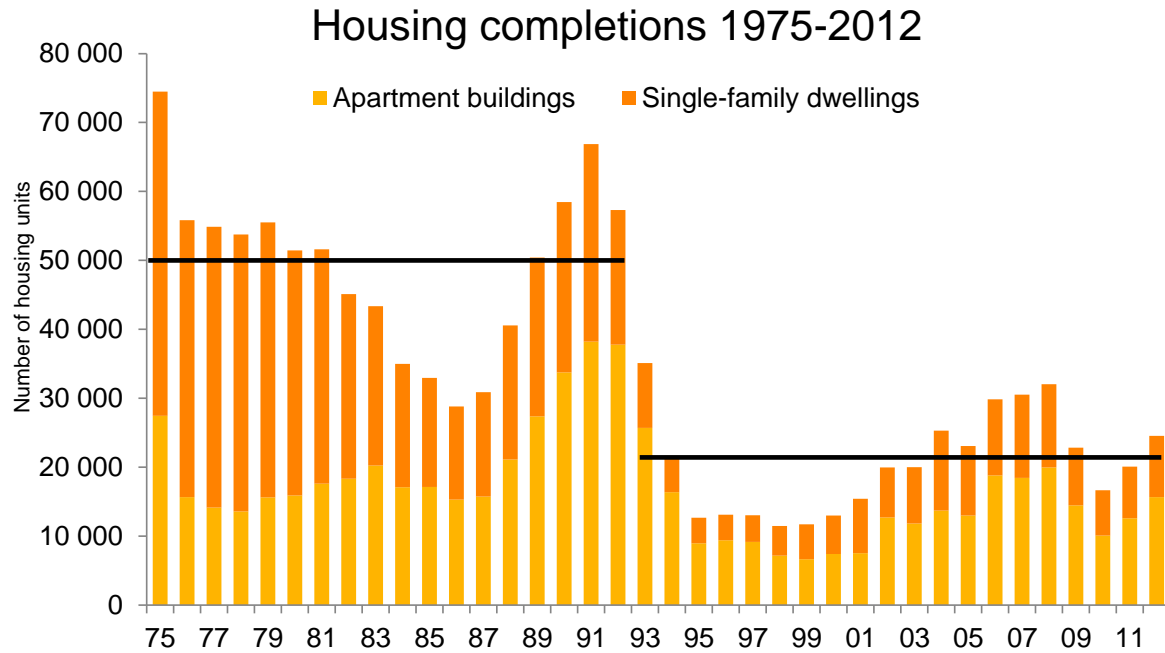
Regulatory initiatives targeting the mortgage market

Swedbank's equity doubled

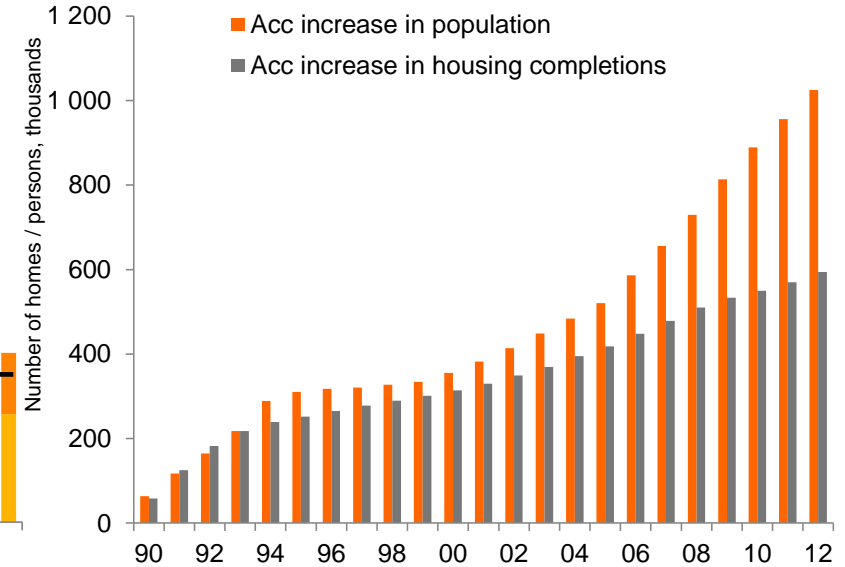


- LTV cap of 85%
- Amortisation
- Risk-weight floor of up to 25% on mortgage loans
- Capital and liquidity requirements
 - High minimum regulatory requirements (including SiFi buffer)
 - Countercyclical buffer?
 - Leverage ratio?

Shortage of housing

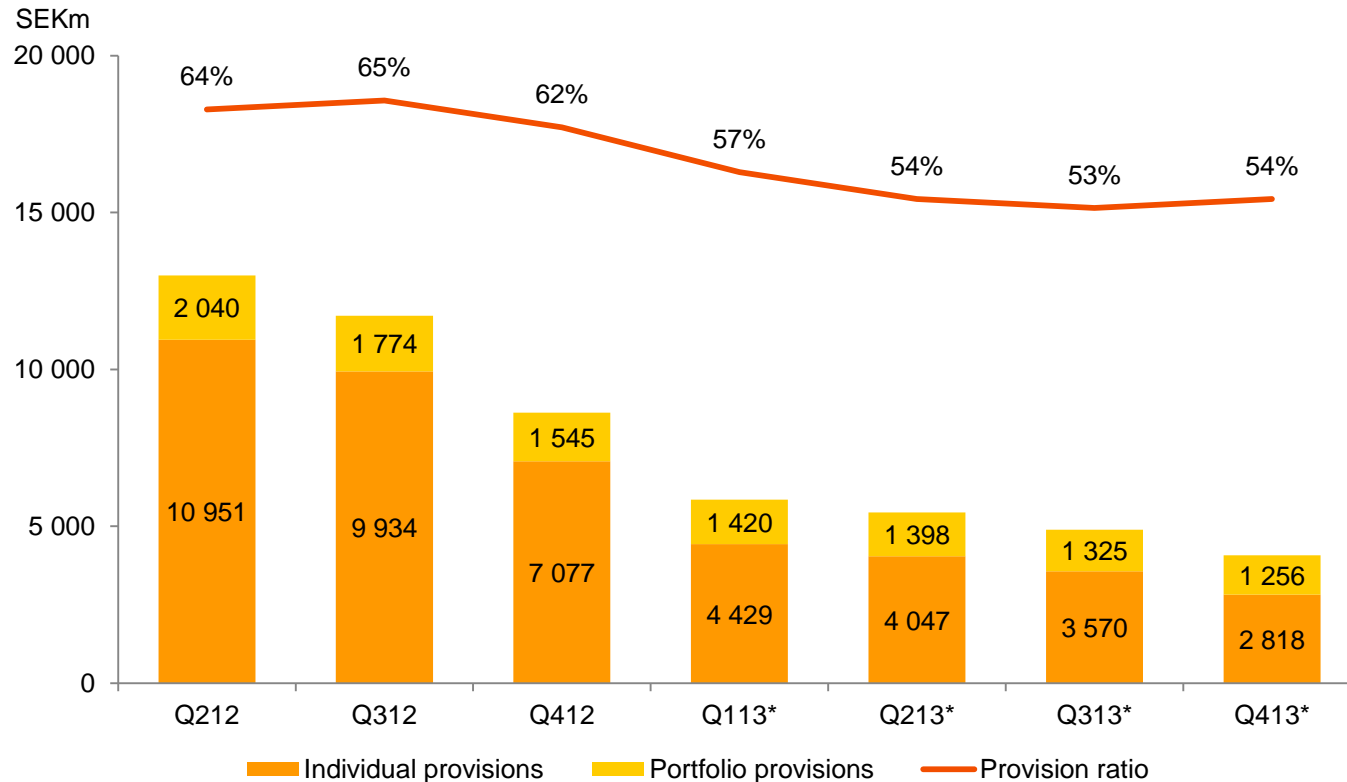


Population and housing growth 1990-2012



Source: Statistics Sweden and Swedbank

Conservative provision ratio



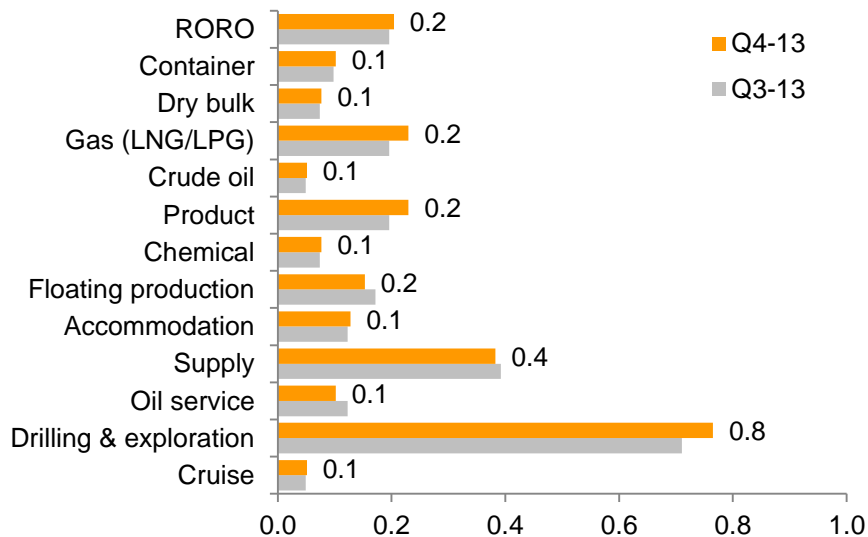
Provision ratio, %	Q413
Swedish Banking	73
LC&I	42
Baltic Banking	51
Group	54

* Russia and Ukraine reported as discontinued operations

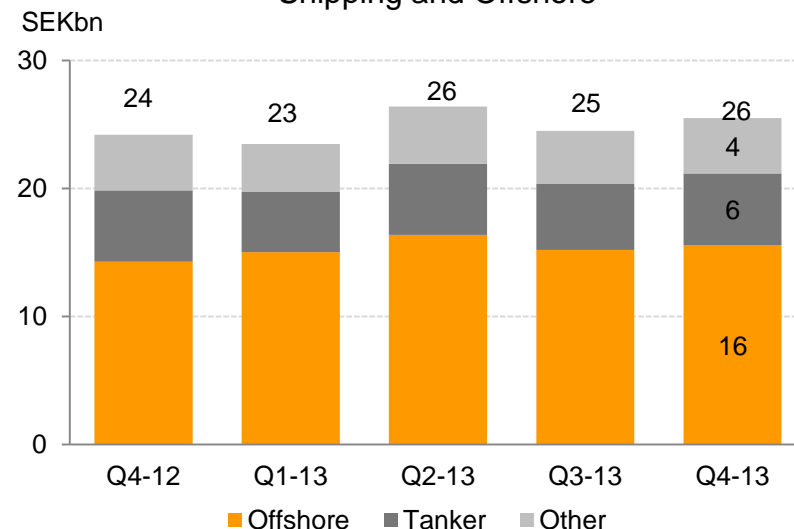
Shipping and offshore

- Lending exposure to Shipping & Offshore sector of SEK 25.5 bn
 - Portfolio duration 4-5y
 - Average fleet age 7y
 - Strong employment profiles

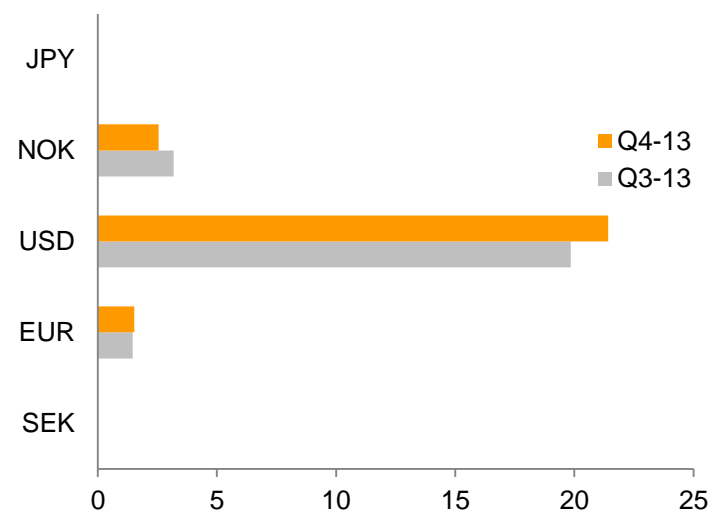
Shipping and offshore portfolio by subsegment, SEKbn



Shipping and Offshore



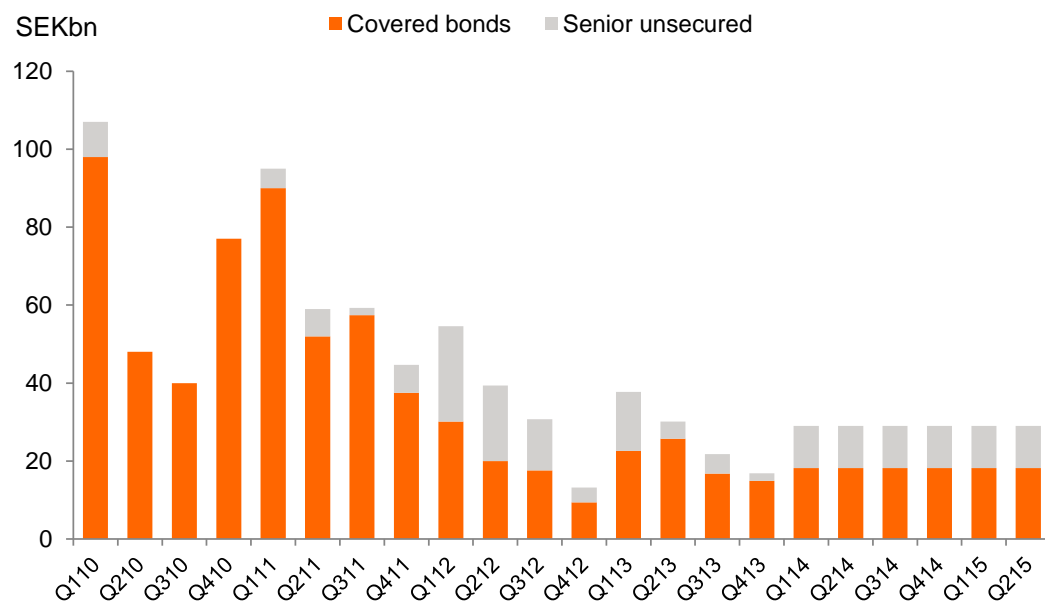
Shipping and offshore portfolio by currency, SEKbn



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

Term funding issuance – completed and planned

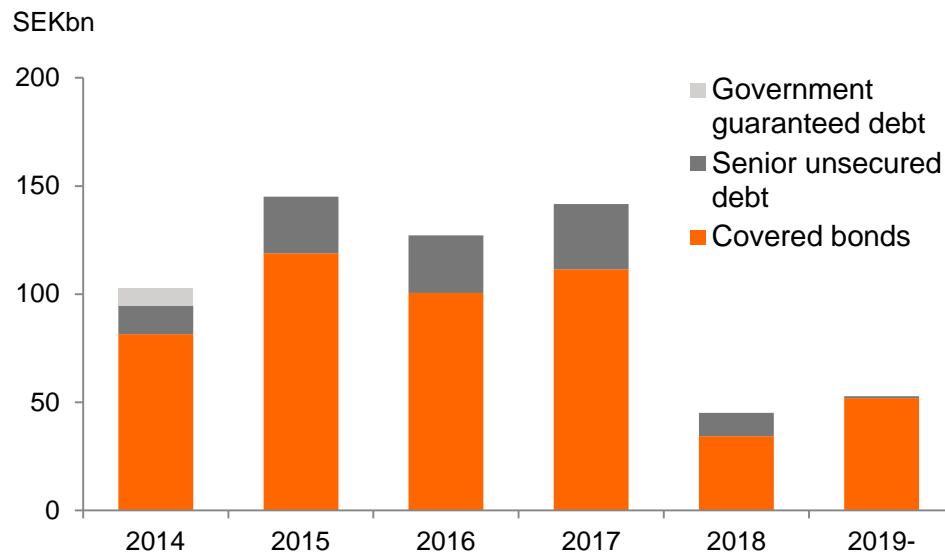


Source: Swedbank, Dec 31, 2013, nominal amounts

Long-term funding maturity profile

- Funding plan of SEK 120bn to meet next 12 months' nominal SEK 103bn maturities

Long-term funding maturity profile, by funding source



Source: Swedbank Dec 31, 2013

Liquidity and funding

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

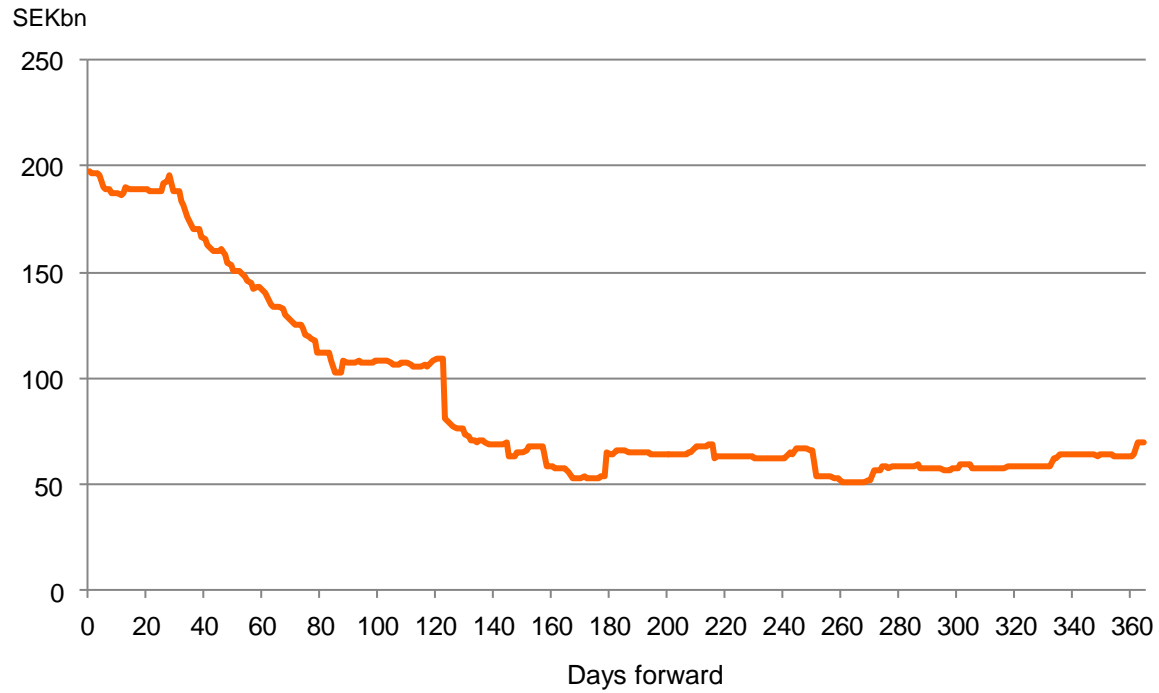
¹ 90% of the securities in the liquidity reserve per Q4 2013 are rated AAA

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

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

Asset encumbrance

Encumbered assets - distribution by type of liability (row) and asset (column)											
SEKm	Central banks and Government debt instruments		Covered bonds	Debt instruments issued by credit institutions		Securities issued by corporate and other issuers	Mortgage loans		Cash	Total	of which received collateral (off-balance)
	supranational debt instruments	debt instruments		institutions	other issuers		ABS	loans			
Central bank funding											
Intraday settlement	1 912		9 243							11 155	5 397
Repurchase agreements 1)	19 272		7 475							26 747	7 314
Derivative 2)	968		1 266						7 178	9 412	2
Covered bonds 3)							514 186			514 186	
Other 4)				860					510	1 370	
Total	22 152		17 984	860			514 186		7 688	562 870	12 713

Financial assets pledged for insurance policy holders 118 627

Unencumbered assets - additional assets available for secured funding											
SEKm	Central banks and Government debt instruments		Covered bonds	Debt instruments issued by credit institutions		Securities issued by corporate and other issuers	Mortgage loans		Cash	Total	of which received collateral (off-balance)
	supranational debt instruments	debt instruments		institutions	other issuers		ABS	loans			
Securities 5, 6)	39 699	32 925	80 358	14 248	9 157	705				177 092	23 761
Cover pool over collateralisation 7)							226 029			226 029	
Cover pool eligible assets 8)											
Total	39 699	32 925	80 358	14 248	9 157	705	226 029		0	403 121	23 761

Total assets (Balance sheet): SEKm 1 820 807

- 1) Repoed securities.
- 2) Collateral posted under CSA agreements, gross (3-year, SEKm, High: 21 572, Low: 10 086, Average: 14 223).
- 3) Of which accrued interest of encumbered assets in the cover pool, SEKm 2 091 as of 31 Dec 2013.
- 4) Collateral pledged in securities lending activities and with exchanges.
- 5) Reversed repos are included.
- 6) All type of securities, including securities non pledgeable at central banks, of which 78% are rated AAA, 2% are rated below A- and 7% are not rated.
- 7) Of which accrued interest of assets in the cover pool overcollateralisation, SEKm 932 as of Dec 2013.
- 8) Securities received as collateral in for example reversed repo transactions that: either have (encumbered) or have not (unencumbered), been used as collateral by Swedbank.

Source: Swedbank Facts Dec 2013

Real estate prices – Sweden 12-month development

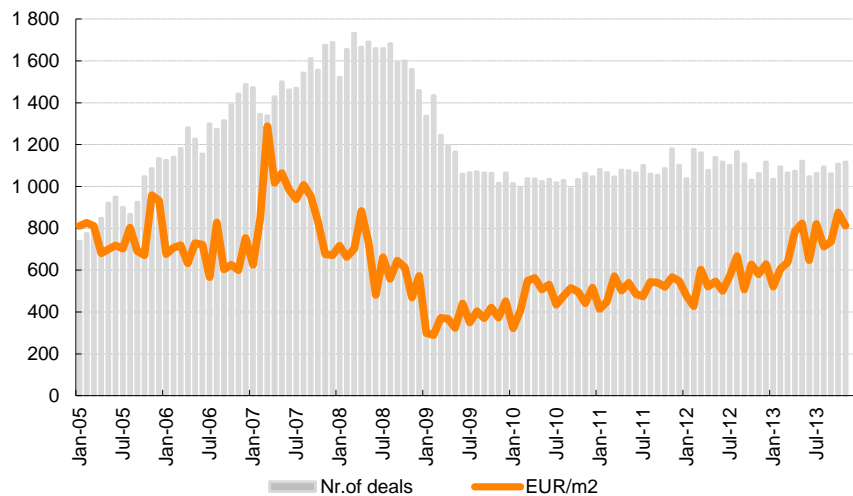
	Single-family homes ¹ 12M Δ	Tenant-owner rights ² 12M Δ	Combined ³ 12M Δ
Jan/13	3%	7%	5%
Feb/13	4%	7%	5%
Mar/13	3%	7%	5%
Apr/13	2%	8%	4%
May/13	4%	8%	5%
Jun/13	4%	10%	6%
Jul/13	4%	9%	6%
Aug/13	5%	11%	7%
Sep/13	5%	11%	7%
Oct/13	6%	11%	8%
Nov/13	4%	13%	7%
Dec/13	4%	13%	7%

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

Baltic countries

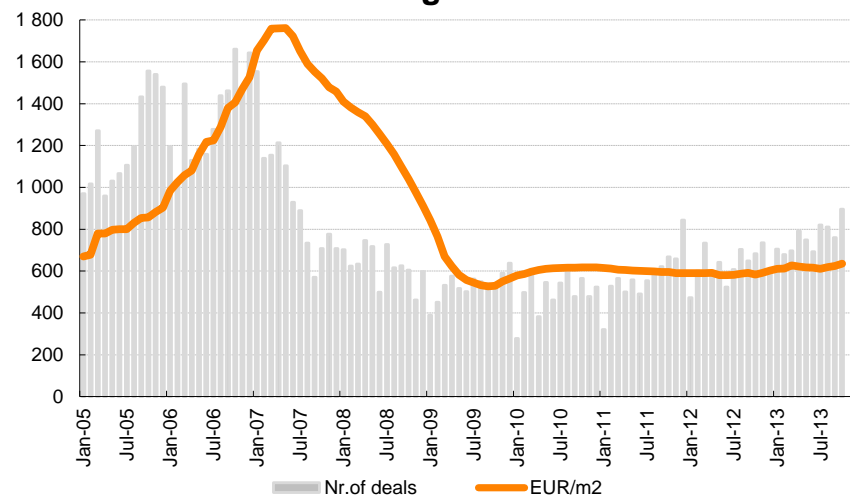
EUR/m² /Nr of deals

Tallinn



EUR/m² /Nr of deals

Riga



EUR/m² /Nr of deals

Vilnius

