

Swedbank Year-end report 2014

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Strong customer activity

SEKm	Q4 14	Q3 14	▲ QoQ	▲ YoY
Net interest income	3 301	3 372	-71	-271
Net commission income	1 821	1 746	75	642
Other income	433	449	-16	681
Total income	5 555	5 567	-12	1 052
Total expenses	2 631	2 581	50	1 153
Profit before impairments	2 924	2 986	-62	-101
Credit impairments	147	43	104	-92

- Improved market position
- Lower deposit margins
- Flat mortgage margins
- Good commission income

Ratios	Q4 14	Q3 14	FY 2014
ROE, %	20.3	25.9	25.4
C/I ratio	0.47	0.46	0.48

Volumes, SEKbn	Q4 14	Q3 14	▲ QoQ	▲ FY 2014
Loans	1 024	1 005	19	87
Deposits	411	402	9	26

Stable result

SEKm	Q4 14	Q3 14	▲ QoQ	▲ YoY
Net interest income	863	865	-2	340
Net commission income	505	500	5	223
Other income	165	148	17	-81
Total income	1 533	1 513	20	482
Total expenses	674	615	59	61
Profit before impairments	859	898	-39	421
Credit impairments	-10	-59	49	251

Ratios	Q4 14	Q3 14	FY 2014
ROE, %	13.9	15.7	14.6
C/I ratio	0.44	0.41	0.41

Volumes, SEKbn	Q4 14	Q3 14	▲ QoQ	▲ YoY
Loans	126	121	5	7
Deposits	138	125	13	18

- Stable income despite low interest rate environment
- Solid asset quality
 - No impact from the situation in Russia
- All countries part of EMU
 - Lithuania joined 1 Jan 2015

Solid result in volatile market

SEKm	Q4 14	Q3 14	▲ QoQ	▲ YoY
Net interest income	888	876	12	90
Net commission income	529	561	-32	248
Net gains and losses	433	354	79	-33
Other income	20	36	-16	-46
Total income	1 870	1 827	43	259
Total expenses	845	835	10	105
Profit before impairments	1 025	992	33	154
Credit impairments	120	270	-150	201

Ratios	Q4 14	Q3 14	FY 2014
ROE, %	15.1	13.8	19.4
C/l ratio	0.45	0.46	0.43

Volumes, SEKbn	Q4 14	Q3 14	▲ QoQ	▲ FY 2014
Loans	175	161	14	21
Deposits	106	104	2	17

- Increased market volatility
- Good corporate activity
 - Strong real estate market
- Falling oil prices
 - Increased risk
 - Changed client needs

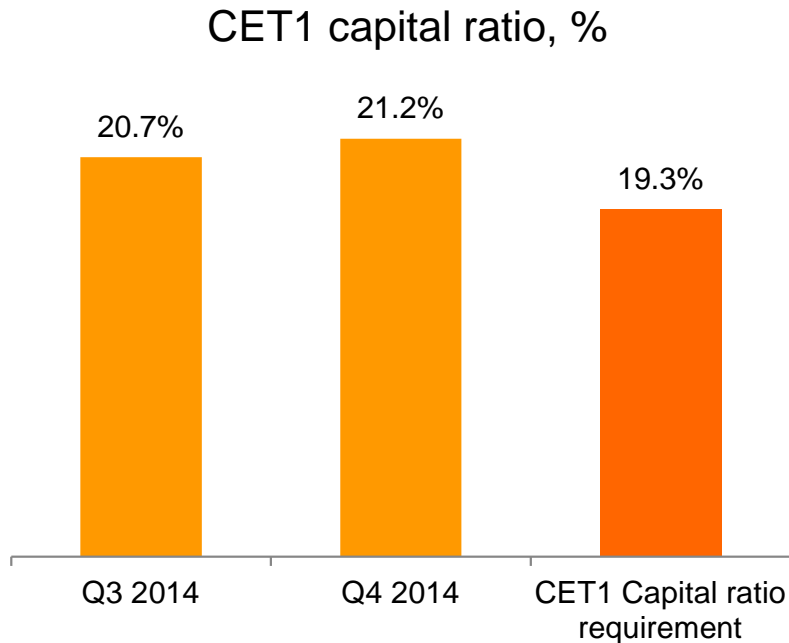
Improved market position

SEKm	Q4 14	Q3 14	▲QoQ	FY 14	▲YoY
Net interest income	5 809	5 829	-20	22 642	613
Net commission income	2 882	2 816	66	11 204	1 072
Net gains and losses	69	799	-730	1 986	502
Other income	619	706	-87	3 472	179
Total income	9 379	10 150	-771	39 304	2 366
Total expenses	4 293	4 164	129	17 602	954
Profit before impairments	5 086	5 986	-900	21 702	1 412
Credit impairments	254	235	19	419	359
Other impairments	33	19	14	257	-618
Tax	1 000	1 164	-164	4 301	202
Profit from continuing operations	3 798	4 562	-764	16 709	1 468

Ratios	Q4 14	Q3 14	FY 14
ROE continuing operations, %	13.3	16.6	15.2
Cost/income ratio	0.46	0.41	0.45
CET1 capital ratio, %	21.2	20.7	21.2

- Strong customer activity
- Mixed margins
- Treasury result effects
- Good cost efficiency
- Solid asset quality

Strong capitalisation – regulatory uncertainty remains



- CET1 capital positively impacted
 - IAS 19 (SEK 1.1bn)
 - Dividend from insurance company (SEK 1.3bn)
- REA net increase of SEK 4.6bn
 - Loan volume growth
 - LGD and PD effects
- Capital regulatory uncertainty
- No regulatory excess capital

Strong asset quality in challenging environment

Credit impairments, SEKm	Q4 14	Q3 14	FY 14
Swedish Banking	147	43	246
Baltic Banking	-10	-59	-186
Large Corporates & Institutions	120	270	381
Group Functions & Other	-3	-19	-22
Swedbank Group	254	235	419

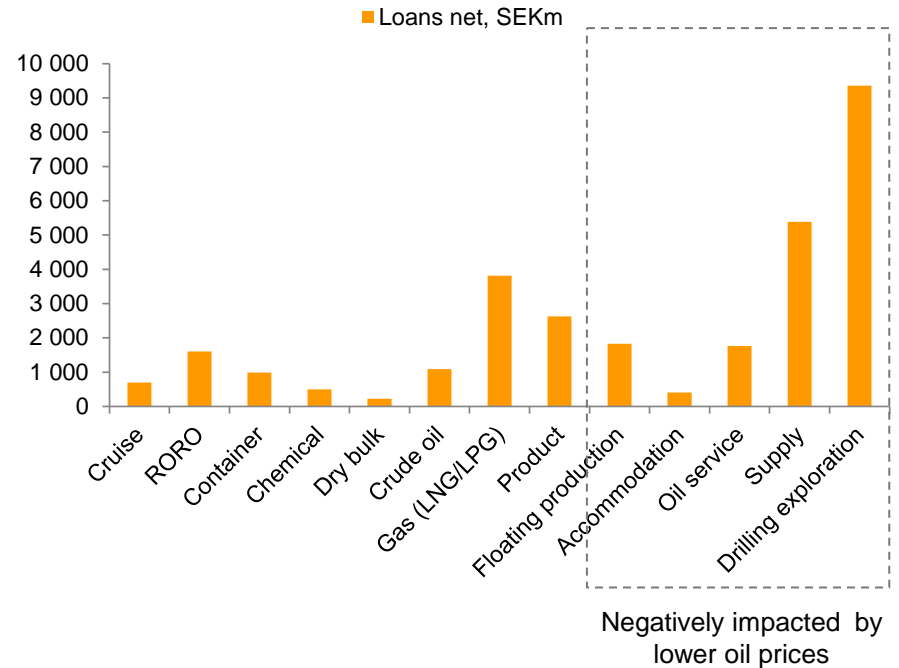
Ratios	Q4 14	Q3 14	FY 14
Credit impairments, ratio %	0.07	0.07	0.03
Share of impaired loans, gross %	0.41	0.47	0.41
Total provision ratio for impaired loans, %	53	55	53

- Continued low loan losses
- Limited impact from Russia

Shipping and Offshore

- Total portfolio of SEK 30bn
 - Moderate volume increase over time
 - USD based
- SEK 19bn negatively impacted by lower oil prices
- Stress tests performed
 - Listed, well-capitalised companies
 - Long-dated contracts
 - Collateralised lending

Shipping and Offshore



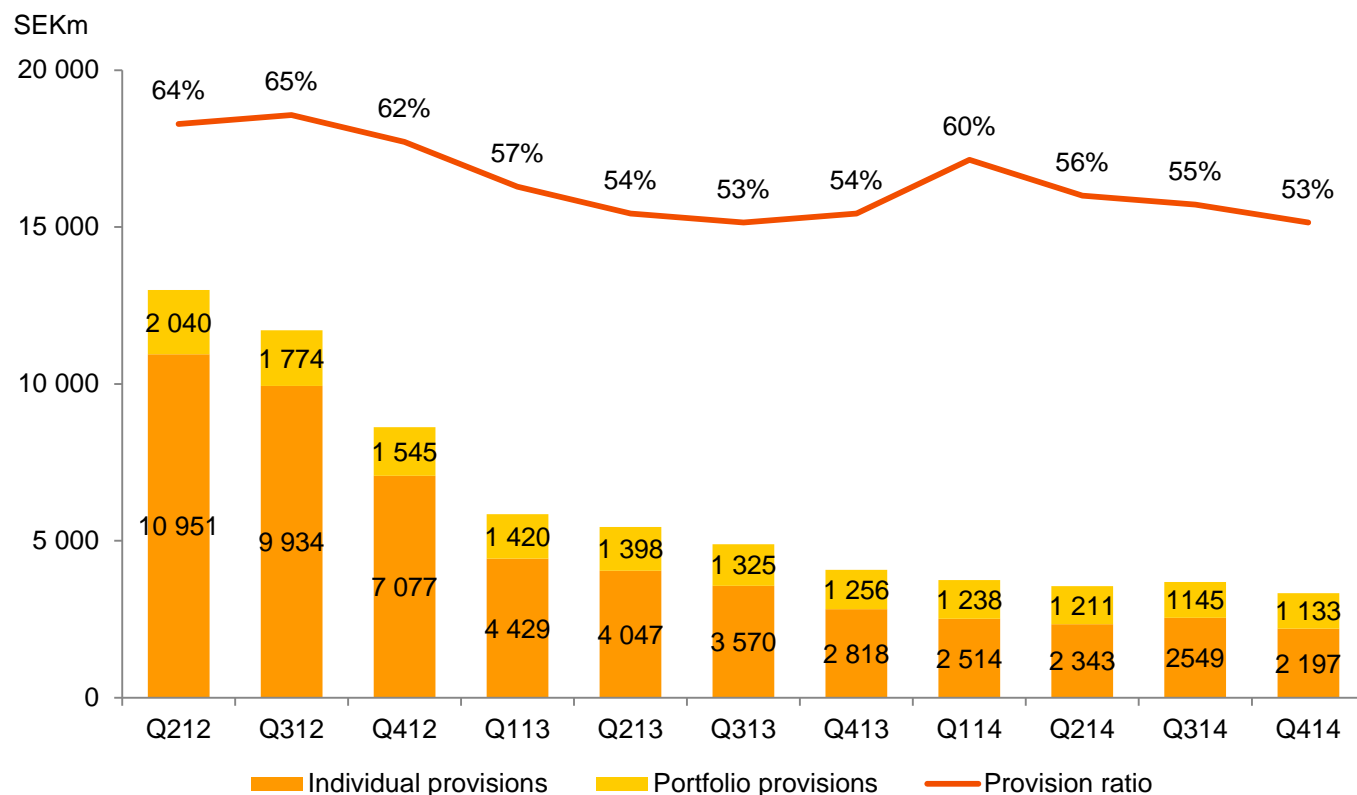
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Q&A



Appendix

Conservative provision ratio



Provision ratio, %	Q4 14
Swedish Banking	61
LC&I	62
Baltic Banking	48
Group	53

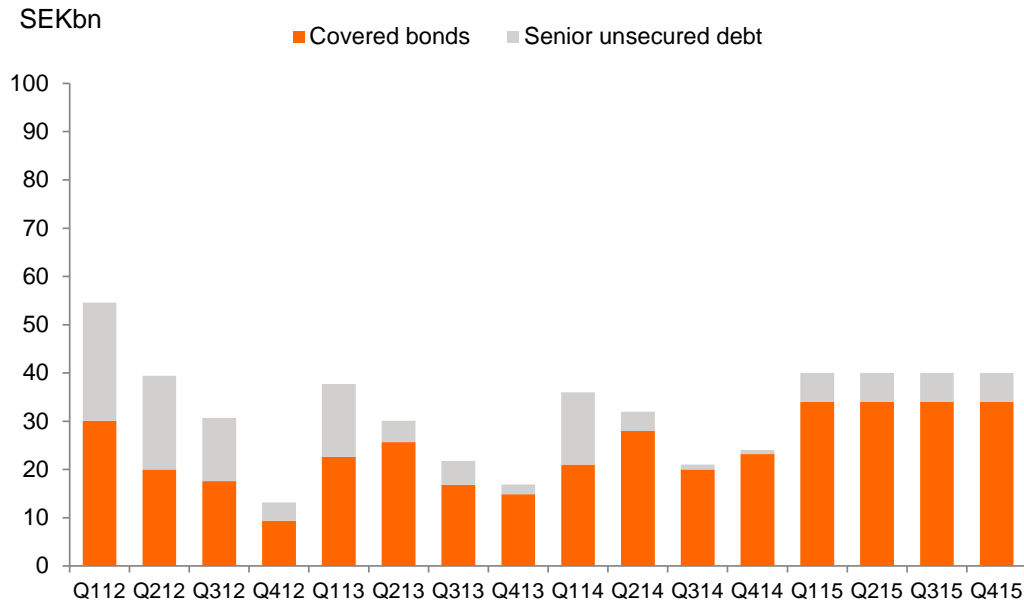
Since Q1 2013 Russia and Ukraine are reported as discontinued operations

Source: Swedbank, Dec 31, 2014

Lower funding needs

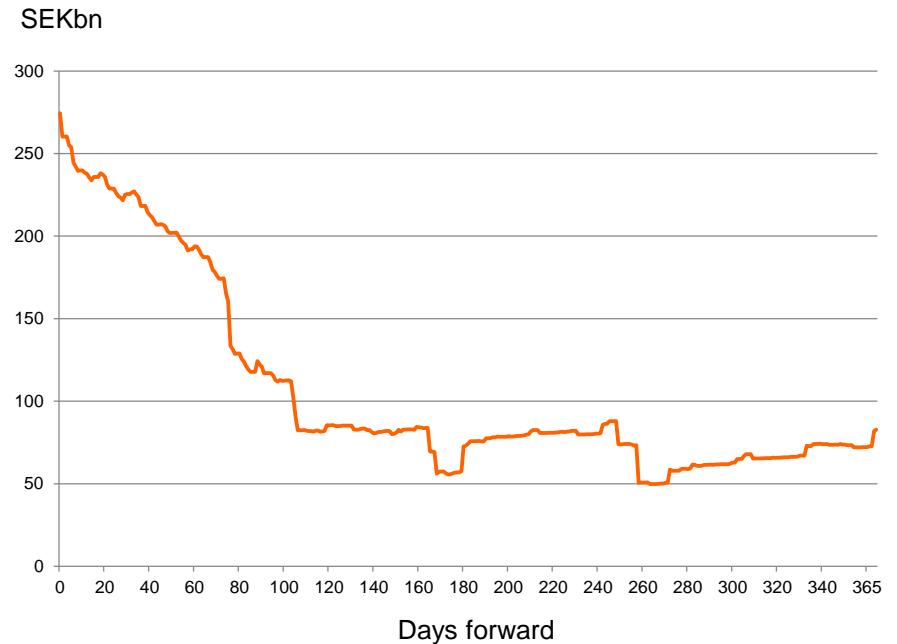
- LCR 120% (Swedish FSA definition FFFS 2012:6)
- NSFR 98% (Basel committee)
- Issued SEK 115bn of term funding in 2014
- FY 2015 funding plan of around SEK 160bn

Term funding issuance – completed and planned



Source: Swedbank, Dec 31, 2014, nominal amounts

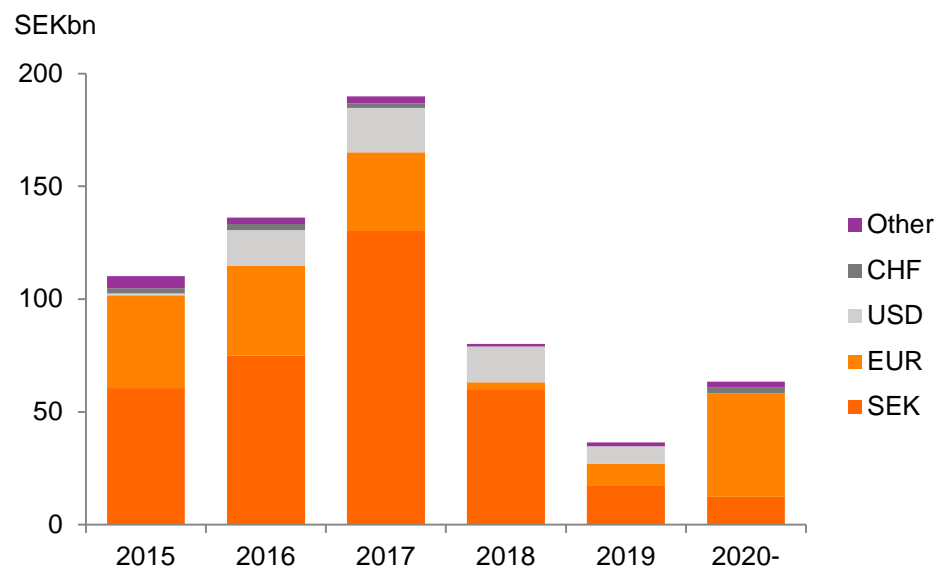
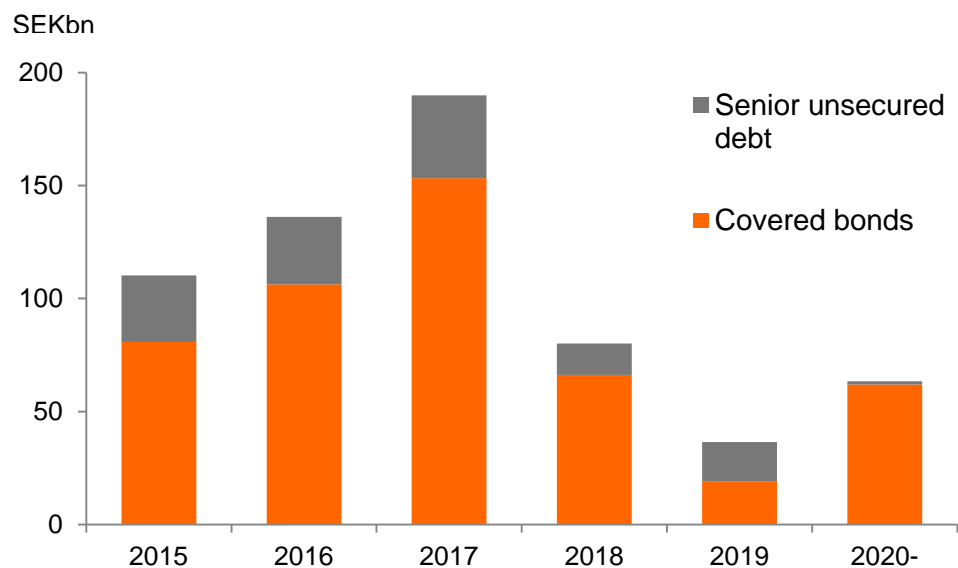
Prefunded in excess of 12 months



Long-term funding maturity profile

- Funding plan of around SEK 160bn to meet volume growth and next 12 months' nominal SEK 110bn maturities

Long-term funding maturity profile, by funding source Long-term funding maturity profile, by currency



Source: Swedbank Dec 31, 2014

Real estate prices – Sweden 12 months performance

	Single-family homes ¹ 12M Δ	Tenant-owner rights ² 12M Δ	Combined ³ 12M Δ
Jan/14	7%	13%	9%
Feb/14	7%	13%	9%
Mar/14	7%	13%	9%
Apr/14	8%	12%	9%
May/14	8%	12%	9%
Jun/14	8%	11%	9%
Jul/14	9%	14%	11%
Aug/14	9%	14%	11%
Sep/14	9%	15%	11%
Oct/14	8%	15%	11%
Nov/14	13%	15%	14%
Dec/14	15%	15%	15%

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

Baltic countries

