

UniCredit Covered Bond Conference

Munich, March 2010

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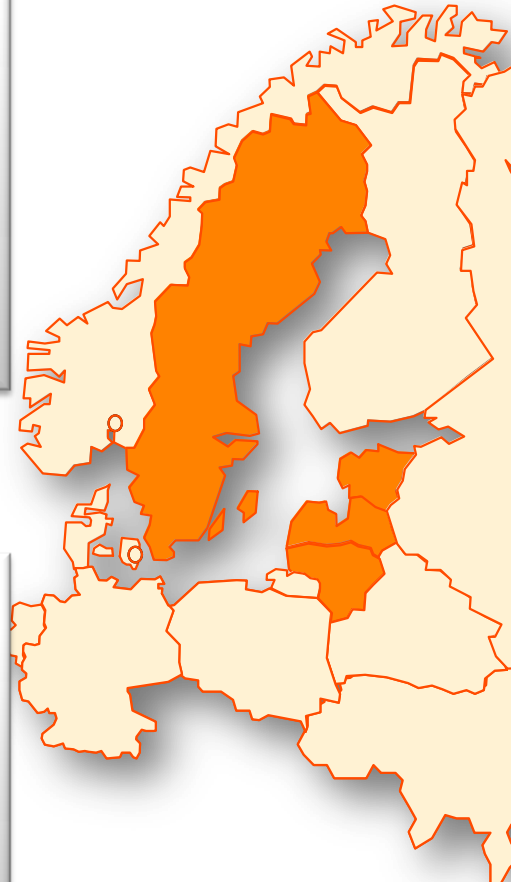
Geographic reach – home markets

Sweden

Population	9.2m
Employees	8 480
Private customers	4.1m
of which Internet customers	2.7m
Corporate customers	285 000
of which internet customers	258 000
Organisations	115 000
Branches	381
ATMs	802
Cards	3.7m

Estonia

Population	1.3m
Employees	2 619
Private customers	1.2m
of which Internet customers	0.9m
Corporate customers	99 000
Branches	68
ATMs	556
Cards	1.2m



Lithuania

Population	3.4m
Employees	2 485
Private customers	3.2m
of which Internet customers	1.2m
Corporate customers	90 000
Branches	99
ATMs	444
Cards	1.7m

Latvia

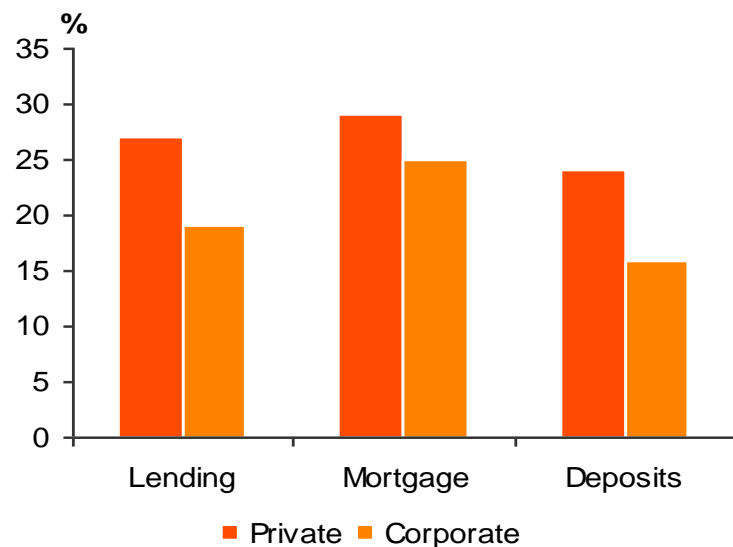
Population	2.3m
Employees	1 846
Private customers	0.9m
of which Internet customers	0.8m
Corporate customers	60 000
Branches	59
ATMs	369
Cards	0.9m

Retail oriented franchise in concentrated markets

Market shares, Sweden

Balance

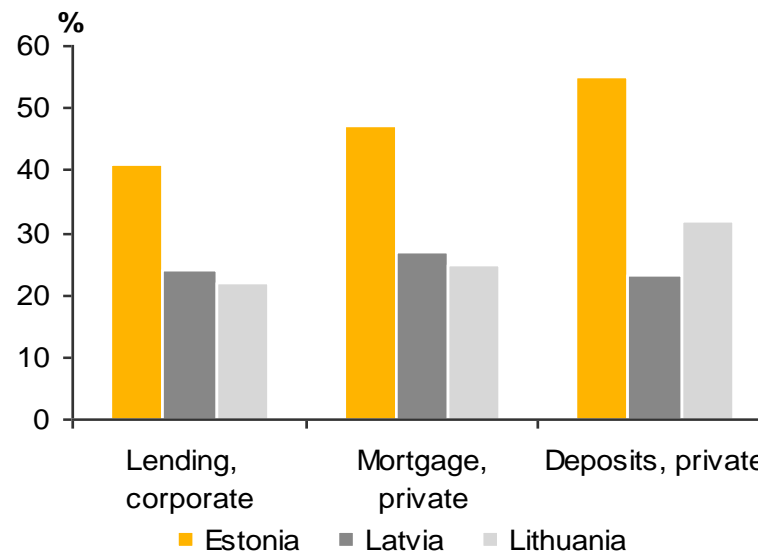
31 Dec 2009



Market shares, Estonia, Latvia, Lithuania

Balance

31 Dec 2009

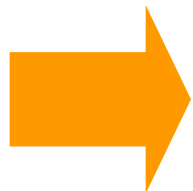
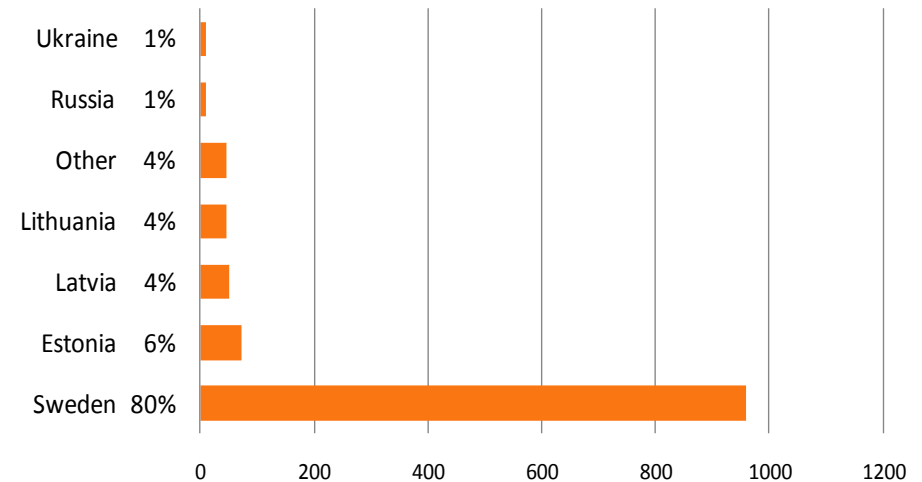


- Savings bank heritage gives strong retail banking position
- Fundamentals of banking market
 - High bank concentration in all home markets
 - Swedish Banking RoE in 2009 was 22%
 - Baltic Banking pre-provision RoE was 24%

The financial crisis

- 80% of the business performing well – 2009 RoE in Swedish Banking 22%
- 20% CEE exposure has been costly
 - Risk reduction was needed
 - Especially Latvia suffered from too high leverage
 - Estonia and Lithuania two largest markets – now seeing reduced past due loans

Distribution of lending by country, SEK 1 192bn



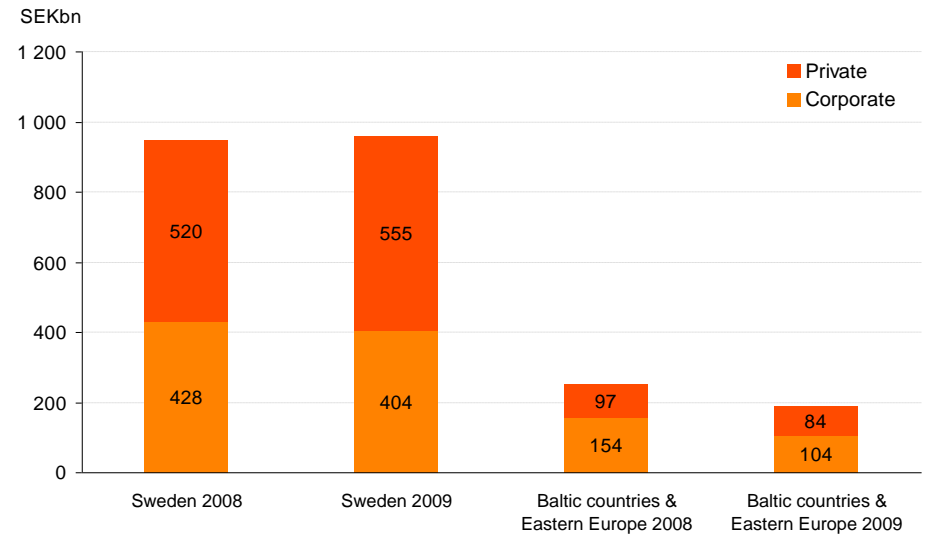
~85% of exposure now in Swedish business

CEE exposure has declined to ~15%

2009 a turning point

- New management team
- RWA reduced from SEK 700bn to 600bn
- Set-up of 300 people strong restructuring unit
- Introducing LTD ratio targets of 130-150% for Baltic units
- Rights issue in August 2009 turning point for funding exercises
- CEE exposure reduced
- Risk reduction continues also going forward

Development – lending to the public



CEE exposure now vs late 2008

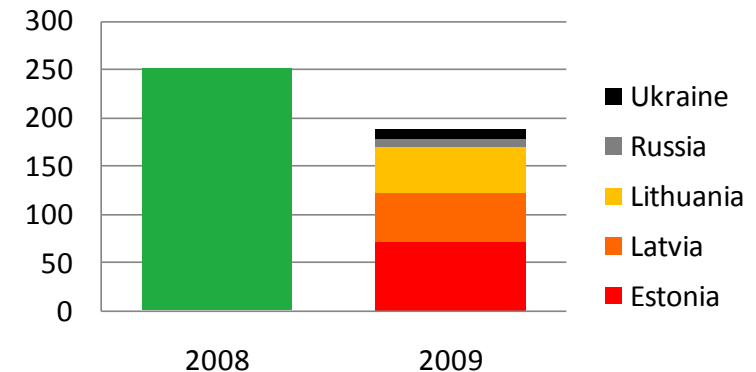
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- Exposure to CEE of SEK 251bn
- Uncertainty of macro economic outlook
- Currency regimes
- Loan losses

• NOW

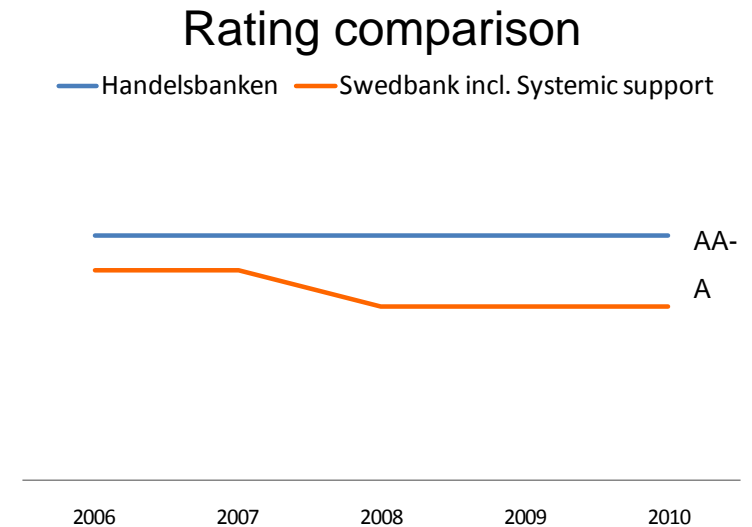
- **Estonia** SEK 72bn – one of few countries in EU to fulfil the Maastricht criteria – could be EMU member from 2011
- **Lithuania** SEK 46bn - already seeing a decline in absolute overdue loans
- **Latvia** SEK 51bn - still needs restructuring during the coming 2-3 years
- **Ukraine** SEK 9bn - already taken provisions of close to half of the loan book
- **Russia** SEK 10bn – performing in line with market

CEE lending, SEKbn



Relative rating and funding costs key to banking model

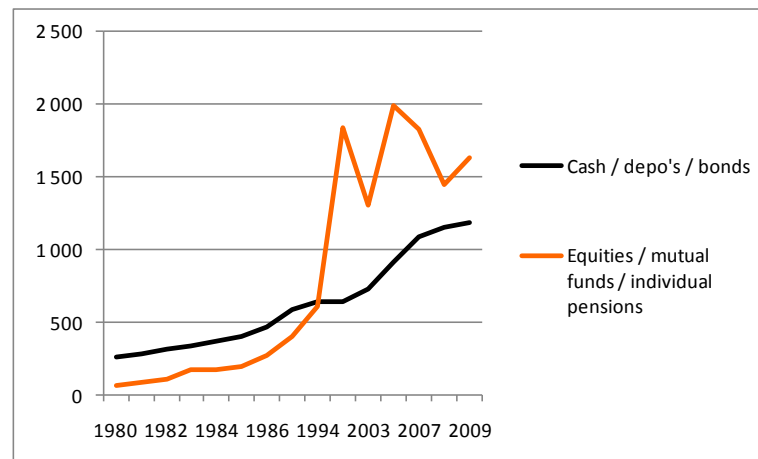
- Risk reduction and capital increase aimed to reach more equal terms to peers on rating and funding costs
- S&P outlook raised to stable in Feb 2010 – first step of improvement
- Covered bond rating:
 - Moody's: Aaa
 - S&P: AAA



Do loan-to-deposit ratios matter?

- Dynamics of domestic savings market – Sweden has more mutual fund savings than deposits
- Dynamics of domestic wholesale funding market – SEK 1 000bn domestic covered bond market
- Quality of assets and “fundability” of assets – Swedbank’s need for wholesale funding primarily to finance mortgages (LTV’s 44%)
- Swedish covered bond legislation - stringent and supportive
- Baltic’s different – small savings markets, no domestic wholesale funding – LTD ratio targets lower, more Latvian de-leveraging still ahead of us

Swedish household balance sheet, SEKbn



How Swedbank will be funded long-term

- Swedish business funded by deposits and covered bonds
- Baltic business with deposits and small amounts of senior unsecured (LTD ratio targeted to 130-150%)
- Liquidity handling, liquidity buffers and Markets' trading portfolios with senior, short-term and interbank

Swedish business

- Deposits
- Covered bonds

Baltic business

- Deposits
- Senior unsecured

Liquidity and trading portfolios

- Senior unsecured
- Senior unsecured CP's
- Interbank

The Swedish covered bond market

- Can provide ~50% of Swedbank's term funding needs
- On tap through market makers
- Continuous refinancing through roll-overs and buy-backs
- Total market of SEK 1,000bn (1/3 of GDP)
- Swedish pension managers, assets under management, ~SEK 2.5trn of which ~2/3 in mutual funds or quasi Government institutions
- Market making setup
- Remained liquid throughout the financial crisis

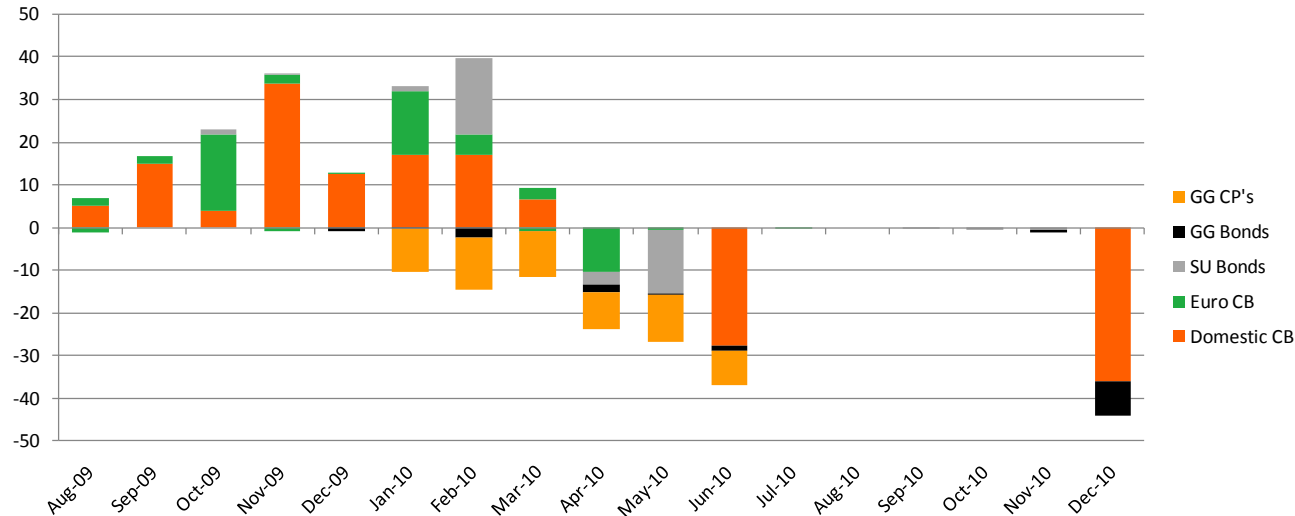
Funding plans for 2010

- SEK 80bn in covered and senior unsecured bonds issued YTD

- Remaining maturities to roll or replace during the year:

- Plans for remainder of 2010
 - 3 further covered benchmark deals in Euro market this year
 - 1 further senior unsecured benchmark deal in Euro market
 - Possibly 1 benchmark deal in US 144a market
 - Further increase out standings in domestic covered market slightly
 - Continue with private placements and registered covered bonds

Issued & redeemed Aug 09 - 2010, SEKbn



Cover pool and new issuance of cover bonds

Total pool size	SEK 608bn
Average loan size	SEK 398 818
Number of loans outstanding	1 524 546
Types of loans	
– Residential mortgages	90.3%
– Public	2.9%
– Commercial	0.1%
– Forest and Agriculture	6.7%
Fixed /Floating interest loans ¹	
– Fixed	49%
– Floating	51%
Average LTV ^{2, 3}	
– WA LTV on loan level	44%
– WA LTV on property level	58%
Average seasoning	54 months
None performing loans ⁴	None
Geographic distribution	Sweden 100%
Dynamic pool	Yes

Data as per 31 Dec 2009

- Two euro covered bonds have been issued in the last 6 months
 - Euro MTN CB 7Y, EUR 1.25bn, Sep/Oct 2009
 - Euro MTN CB 3Y, EUR 1bn, Jan 2010
- Also continued good demand for domestic covered bonds issuance through tap system
- Registered CBs
- YTD SEK 63bn issued in domestic and international markets, SEK 150bn since rights issue launch last August

¹ Distribution by origination, floating interest loans < 365 days

² LTV: by volume, index-valuation as of 31 Dec 2008

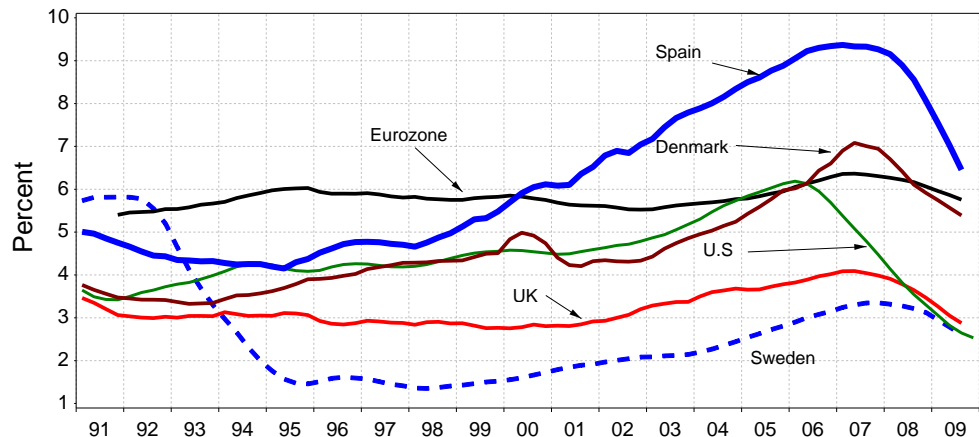
³ Maximum LTV: Residential 75%, Commercial 60%, Forest and Agriculture 70%

⁴ Past due loans > 60 days are not eligible for the cover pool

Housing Investments at a conservative level

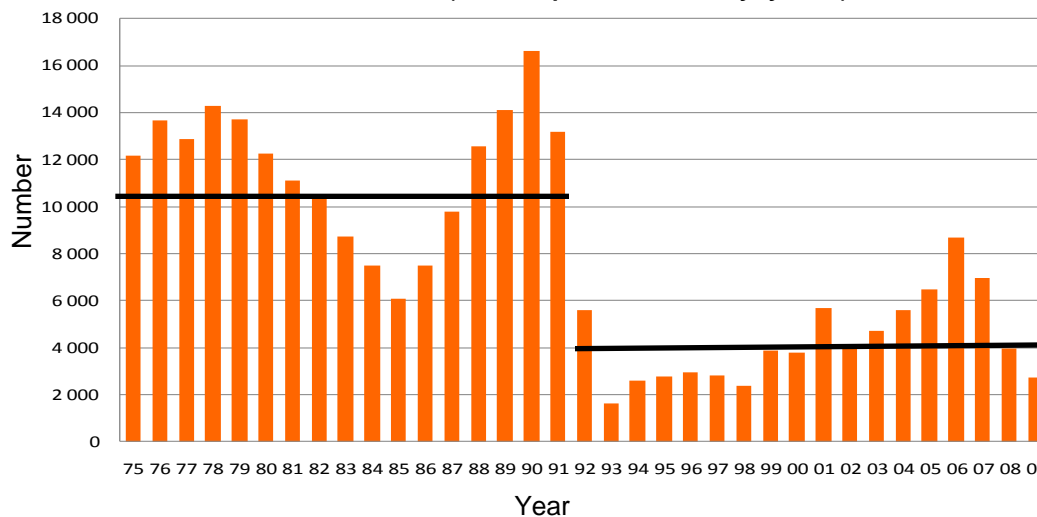
- Housing investments in Sweden, as a percentage of GDP, are at a low level compared to the Eurozone

Housing investments as a percentage of GDP



Source: Reuters EcoWin

New built Multi-family dwellings and Single-family houses in Sweden (third quarter every year)



A successful banking model – acknowledging Swedbank's DNA

- I. We believe in a traditional, relationship- and advisory driven banking model
- II. We will run a simple balance sheet with a conservative risk profile
- III. Product areas exist to support client relationships, not the other way around
- IV. We always act fairly
- V. We keep our promises
- VI. We promote sustainable solutions
- VII. Business decisions should be made on rational and sound commercial grounds
- VIII. Funding and capital efficiency are natural parts of evaluating business opportunities
- IX. Swedbank is a banks based on inclusiveness, rather than exclusiveness

Swedbank – Contacts and Financial Calendar

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Financial calendar

Q1 Interim report,	27 April 2010
Q2 Interim report,	22 July 2010
Q3 Interim report,	21 October 2010

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