

Swedbank investor presentation

April 2017

Table of contents

Executive summary	3
1. Quarterly financial update	4
2. Capital considerations	12
3. Liquidity and funding	16
4. Cover pool data	24
5. Swedish and Baltic economy	31
6. Swedish housing and mortgage market	38
7. Appendix	46

Executive summary

Strong financial position

- Sweden's largest retail bank with a leading position in our three Baltic home markets
- Stable earnings – RoE of 15.9%
- Strong asset quality – low share of impaired loans ratio, gross (50bps) and credit impairments ratio (9bps)
- Solid liquidity and funding position – survival horizon more than 12 months
- One of the best capitalised banks in Europe* with significant buffers to both MDA and Loss absorption trigger levels – CET1 capital ratio of 24.2%

*According to EBA stress test 2016

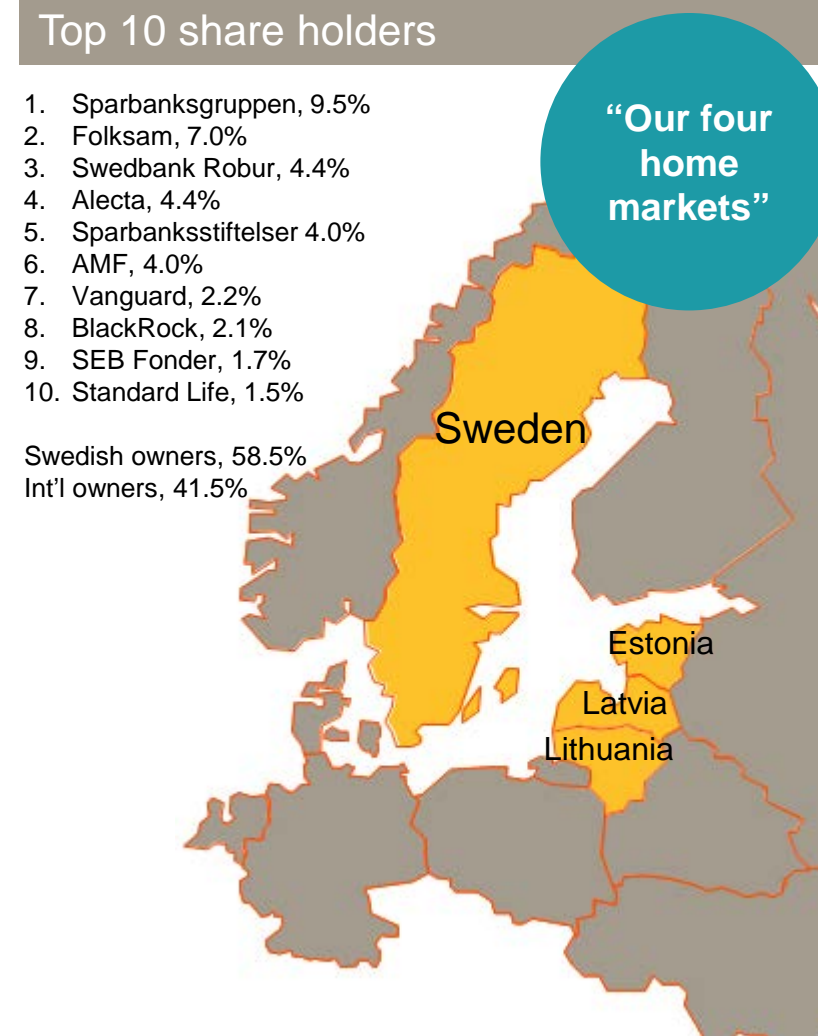
Swedbank Q1 2017 (Q4 2016) – Strong result

■ ROE:	15.9% (13.1%)
■ Cost/income ratio:	0.38 (0.43)
■ CET1 capital ratio:	24.2% (fully loaded CRD IV) – with requirements of 21.7%
■ Leverage ratio:	4.7% (5.4%)
■ Credit impairment ratio:	0.09% (0.15%)
■ Share of impaired loans:	0.50% (0.52%)
■ Total provision ratio for impaired loans:	51% (46%)
■ Liquidity and funding:	LCR: 137%, NSFR: 109%
■ Credit ratings:	AA-(N)/AA-(S)/Aa3(S) from S&P/Fitch/Moody's

Top 10 share holders

1. Sparbanksgruppen, 9.5%
2. Folksam, 7.0%
3. Swedbank Robur, 4.4%
4. Alecta, 4.4%
5. Sparbanksstiftelser 4.0%
6. AMF, 4.0%
7. Vanguard, 2.2%
8. BlackRock, 2.1%
9. SEB Fonder, 1.7%
10. Standard Life, 1.5%

Swedish owners, 58.5%
Int'l owners, 41.5%



Quarterly
financial
update

1. Quarterly financial update

Strong result

SEKm	Q1 17	Q4 16	▲ QoQ
Net interest income	3 637	3 656	-19
Net commission income	1 757	1 789	-32
Other income	1 069	369	700
Total income	6 463	5 814	649
Total expenses	2 208	2 226	-18
Profit before impairments	4 255	3 588	667
Credit impairments	-3	-44	41

Ratios	Q1 17	Q4 16
ROE, %	25.4	21.7
C/I ratio	0.34	0.38

Volumes, SEKbn	Q1 17	Q4 16	▲ QoQ
Loans	1 116	1 135	-19
Deposits	490	496	-6

- Net interest income
 - Mortgage margins expanded in back-book and declined in front-book
 - Increased resolution fund fee
 - Negative impact due to LC&I customer transfer
- Seasonal commission income effects partly offset by stronger asset management
- One-off gain from sale of Hemnet

Resilient performance

Quarterly
financial
update

SEKm	Q1 17	Q4 16	▲ QoQ
Net interest income	1 001	1 061	-60
Net commission income	527	582	-55
Other income	190	213	-23
Total income	1 718	1 856	-138
Total expenses	636	704	-68
Profit before impairments	1 082	1 152	-70
Credit impairments	-66	-15	-51

Ratios	Q1 17	Q4 16
ROE, %	19.5	19.2
C/I ratio	0.37	0.38

Volumes, SEKbn	Q1 17	Q4 16	▲ QoQ
Loans	141	140	1
Deposits	168	170	-2

- Net interest income
 - Mixed margins
 - Negative FX and day-count effects
 - Continued growth in private lending
- Lower asset management income - performance fees in Q4 2016
- Strong asset quality

Lower result



SEKm	Q1 17	Q4 16	▲ QoQ
Net interest income	823	908	-85
Net commission income	580	691	-111
Net gains and losses	452	530	-78
Other income	28	13	15
Total income	1 883	2 142	-259
Total expenses	923	1 011	-88
Profit before impairments	960	1 131	-171
Credit impairments	408	652	-244
Ratios	Q1 17	Q4 16	
ROE, %	9.0	6.7	
C/I ratio	0.49	0.47	
Volumes, SEKbn	Q1 17	Q4 16	▲ QoQ
Loans	200	178	22
Deposits	146	116	30

- Net interest income
 - Lower average loan volumes
 - Positive impact from Swedish Banking customer transfer
 - Higher share of increased resolution fund and deposit guarantee fees
- Lower commission income compared to seasonally higher Q4 2016
- Weaker trading and valuation effects
- Additional provisions for oil related exposures

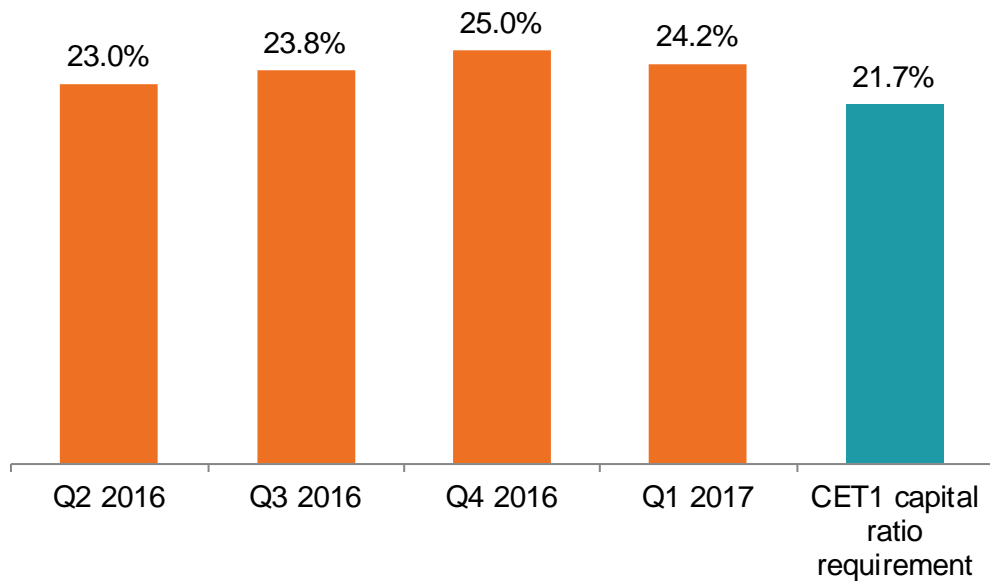
Strong result

SEKm	Q1 17	Q4 16	▲ QoQ
Net interest income	5 971	6 000	-29
Net commission income	2 822	3 055	-233
Net gains and losses	486	285	201
Other income	1 372	607	765
Total income	10 651	9 947	704
Total expenses	4 003	4 157	-154
Profit before impairments	6 648	5 790	858
Credit impairments	339	593	-254
Other impairments	2	56	-54
Tax	1 181	996	185
Net profit	5 124	4 142	982

Ratios	Q1 17	Q4 16
ROE, %	15.9	13.1
C/l ratio	0.38	0.43
CET1 capital ratio, %	24.2	25.0

- Net interest income headwinds mitigated by mortgage loan volume growth and margin expansion
- Lower commission income from asset management, cards and brokerage – seasonal effects in Q4 2016
- Valuation effects
- One-off gain from sale of Hemnet
- Total expenses of around SEK15.8bn for FY 2017

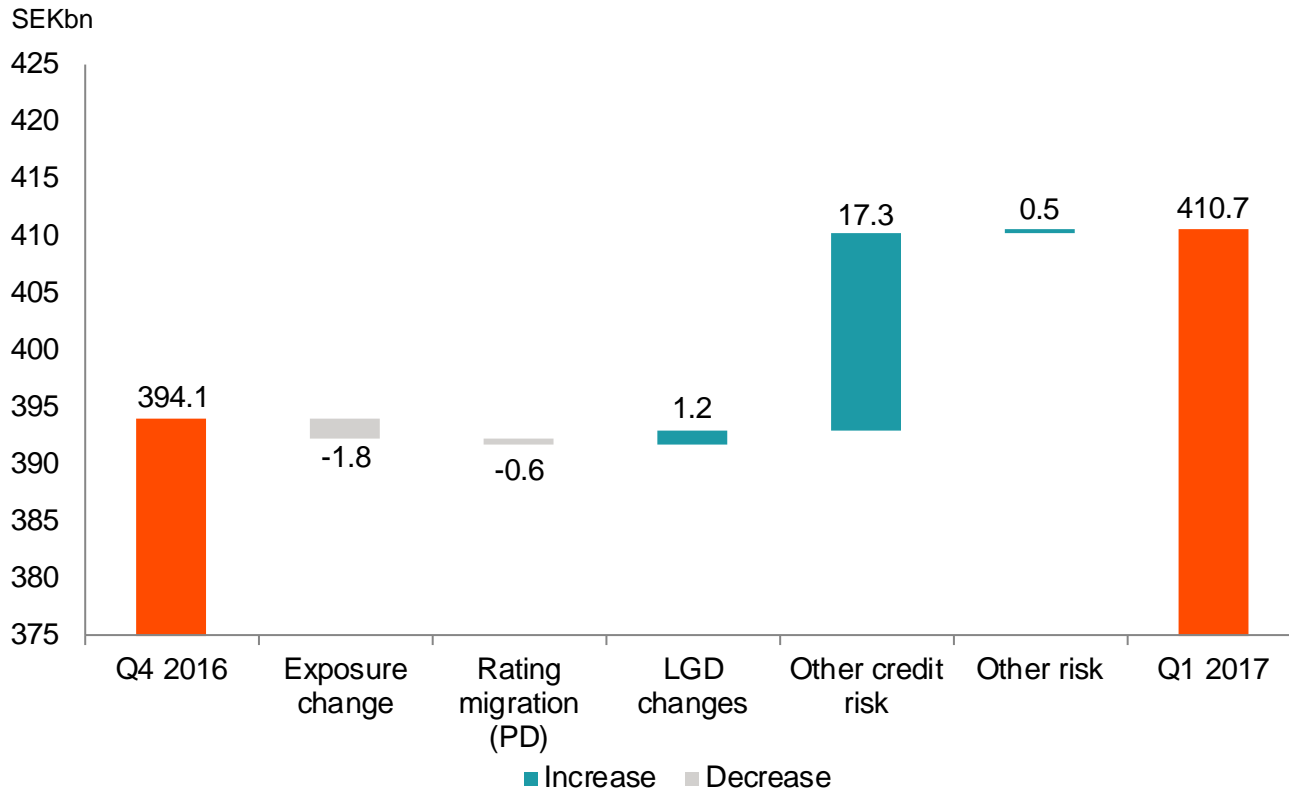
Strong capitalisation – no excess capital



- CET1 capital increased by SEK 0.9bn
 - Positive effect from net profit of SEK 1.8bn excl. dividend
 - Negative pension liability valuation effect (IAS19) of SEK 0.5bn
- REA increased by SEK 16.6bn
- Capital buffer of around 250bps

Capital

Increased REA



- Exposure changes
 - Higher mortgage exposures
 - Lower corporate exposures
- Model adjustments in corporate portfolio relating to default frequency



Group

Solid asset quality

Credit impairments, SEKm	Q1 17	Q4 16	▲ QoQ
Swedish Banking	-3	-44	41
Baltic Banking	-66	-15	-51
Large Corporates & institutions	408	652	-244
Swedbank Group	339	593	-254

Ratios	Q1 17	Q4 16
Credit impairment ratio, %	0.09	0.15
Share of impaired loans, gross %	0.50	0.52
Total provision ratio for impaired loans, %	51	46

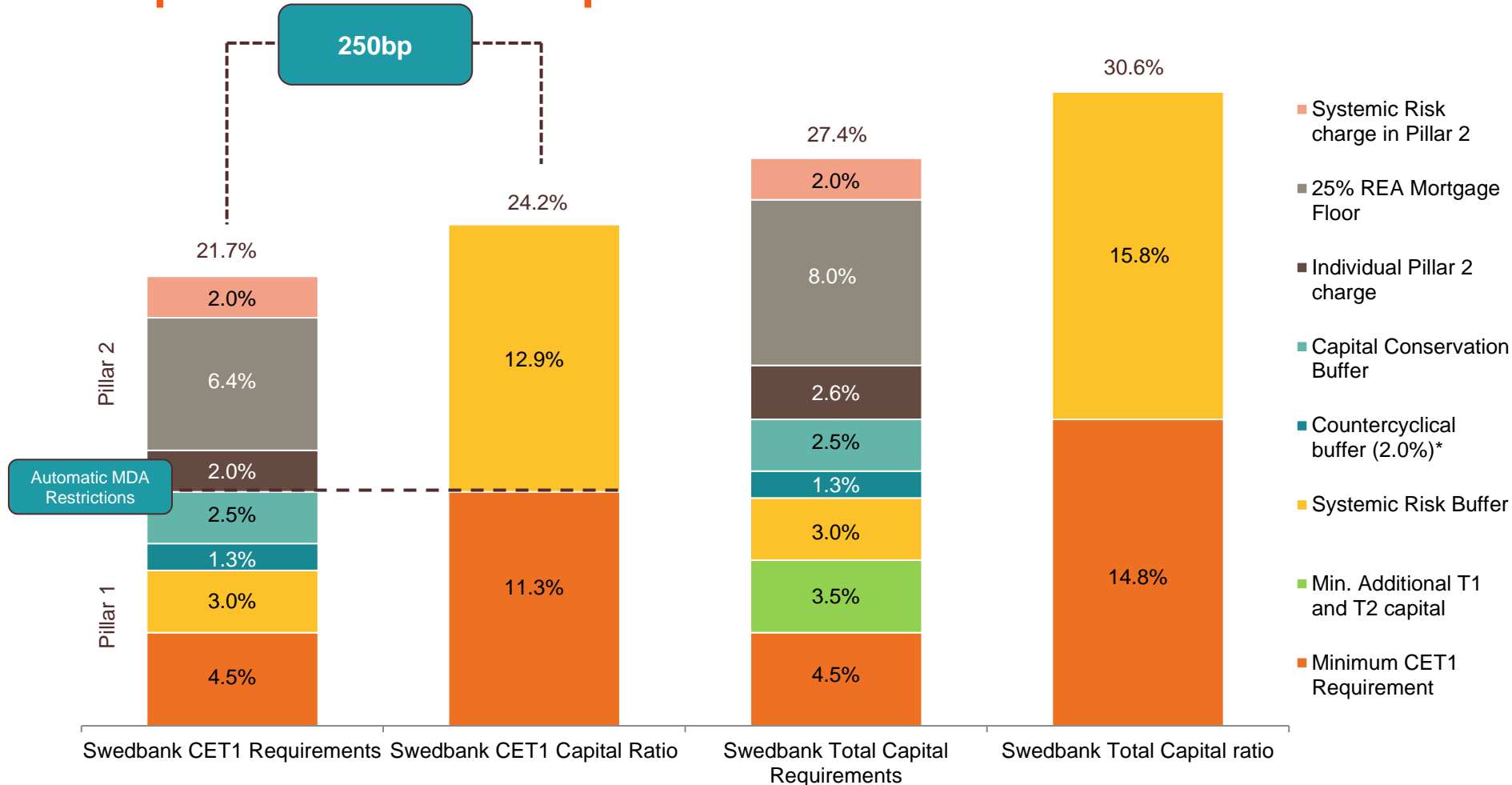
- Credit impairments in line with expectations
 - Additional provisions for oil related exposures

Capital
– fully
loaded
CRD IV

2. Capital considerations

Composition of Swedbank's CET1 and total capital ratio requirements

Capital – fully loaded CRD IV



Available Distributable Items

Swedbank AB (parent comp)	FY 2016**	Q1 2017
Share premium reserve	13 206	13 206
Retained earnings	41 277	30 271
Available distributable items	54 483	43 477
Dividend*	-14 695	
Comprehensive income	3 586	
other	103	
ADI Q1 2017	43 477	

* paid out in April 2017

** Based on fully audited numbers

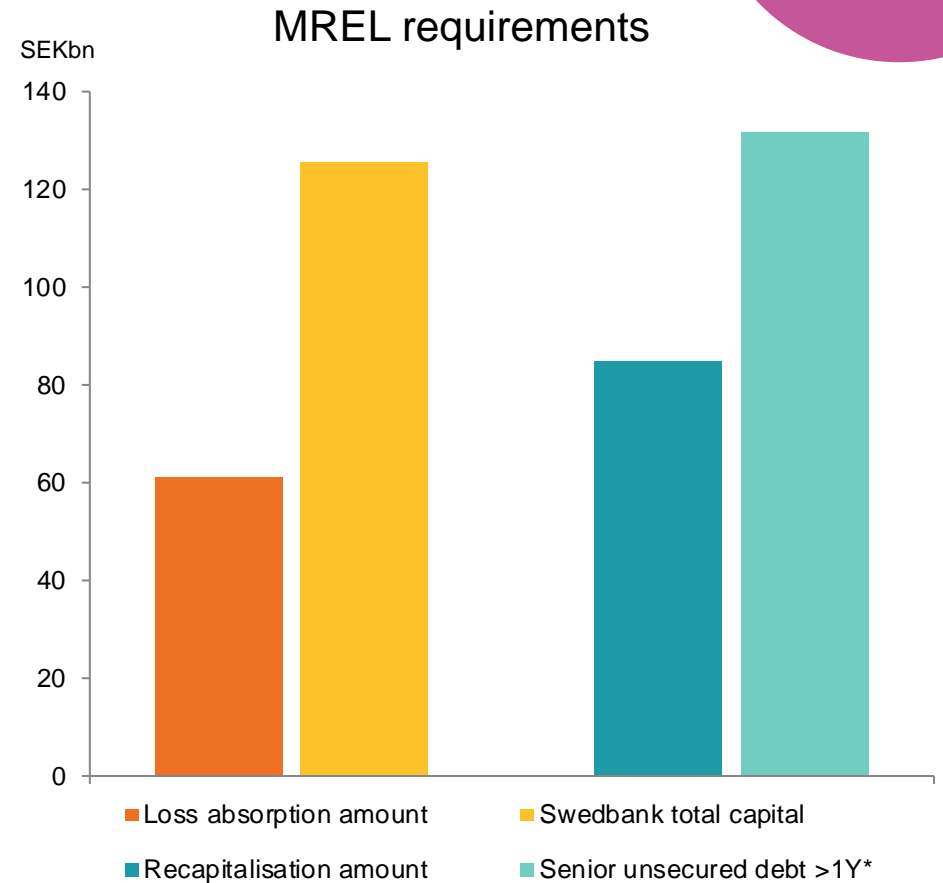
Regulatory uncertainty remains

Capital
– fully
loaded
CRD IV

MREL

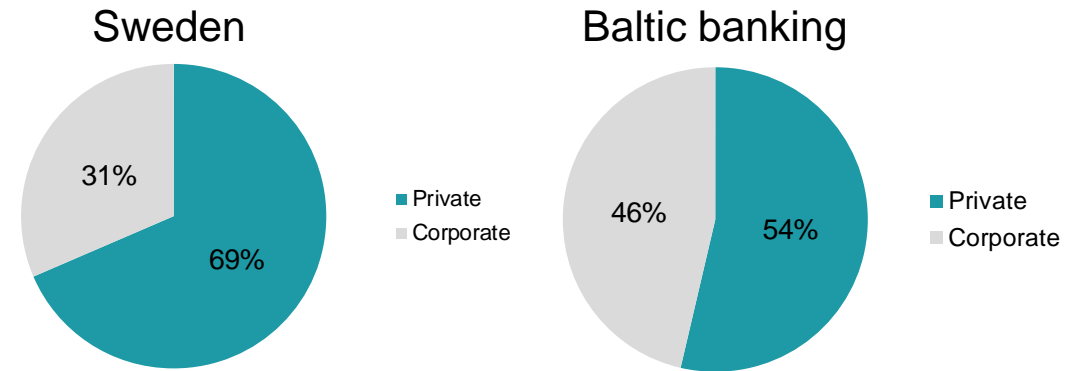
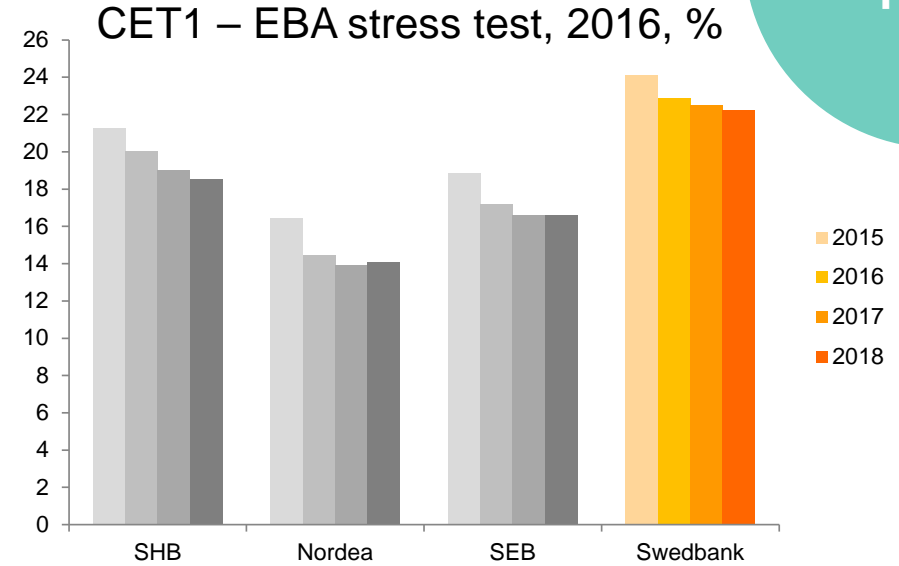
Relevance:	■ EU banks under BRRD
Timing:	■ 1 Jan 2018 – transition period - fully implemented 2022
Amount:	■ Set individually by Riksgälden (National Debt Office) Loss Absorption Amount (LAA): Total capital requirements less combined buffers in Pillar1, Mortgage REA floor 15- 25% and systemic risk buffer in Pillar2 Recapitalisation Amount (RCA): Total capital requirements less combined buffers in Pillar1.
What qualifies:	■ Capital (LAA) + Senior >1Year (RA)
Applies to Swedbank:	■ Yes

- Type of subordination is up to each individual bank to decide:
 - Structural? (hold-co)
 - Statutory? (solvency law)
 - Contractual? (documentation)



Asset portfolios – low risk

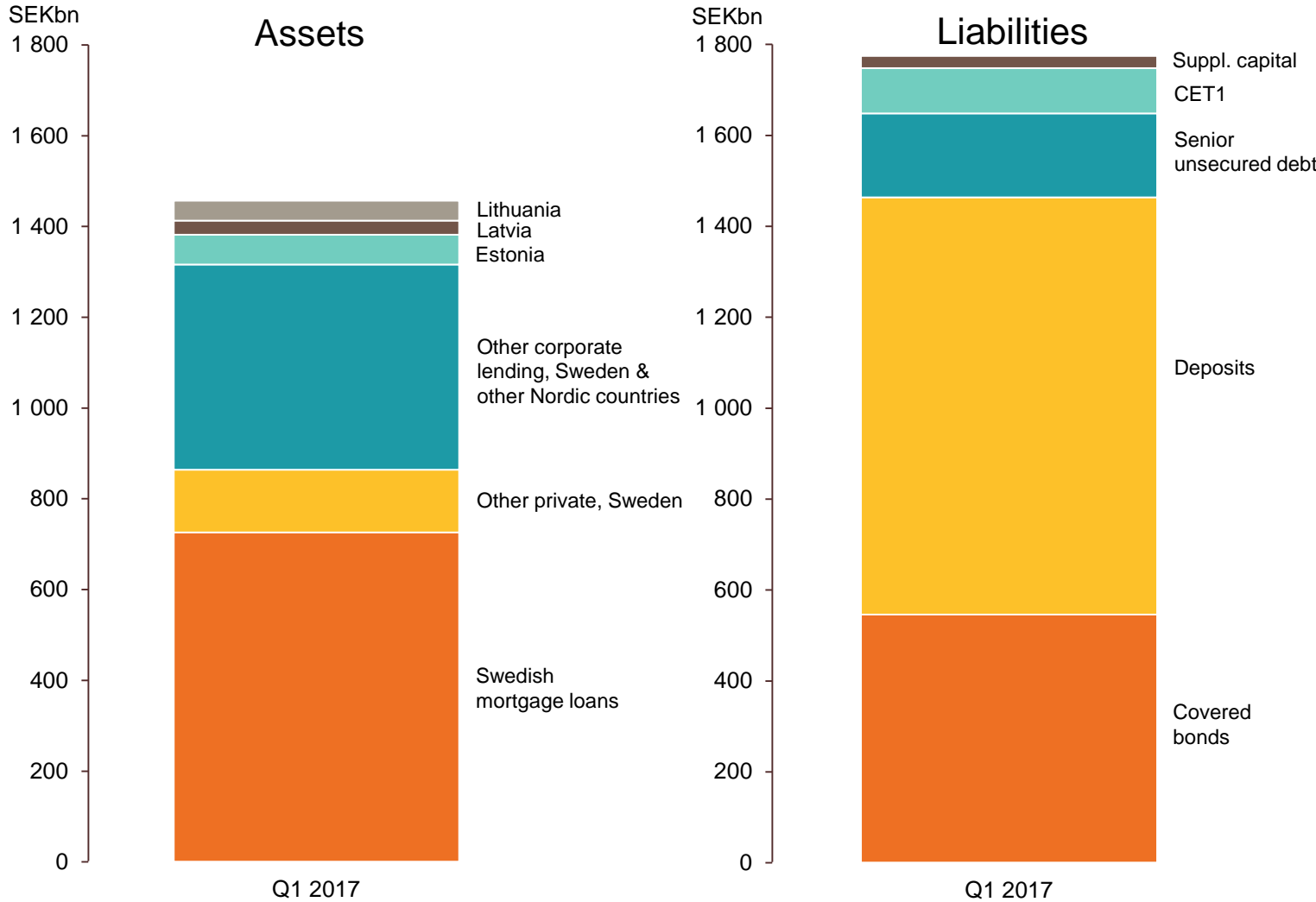
Group loan book* Q1 2017, total SEK 1 457bn



Liquidity
and
funding

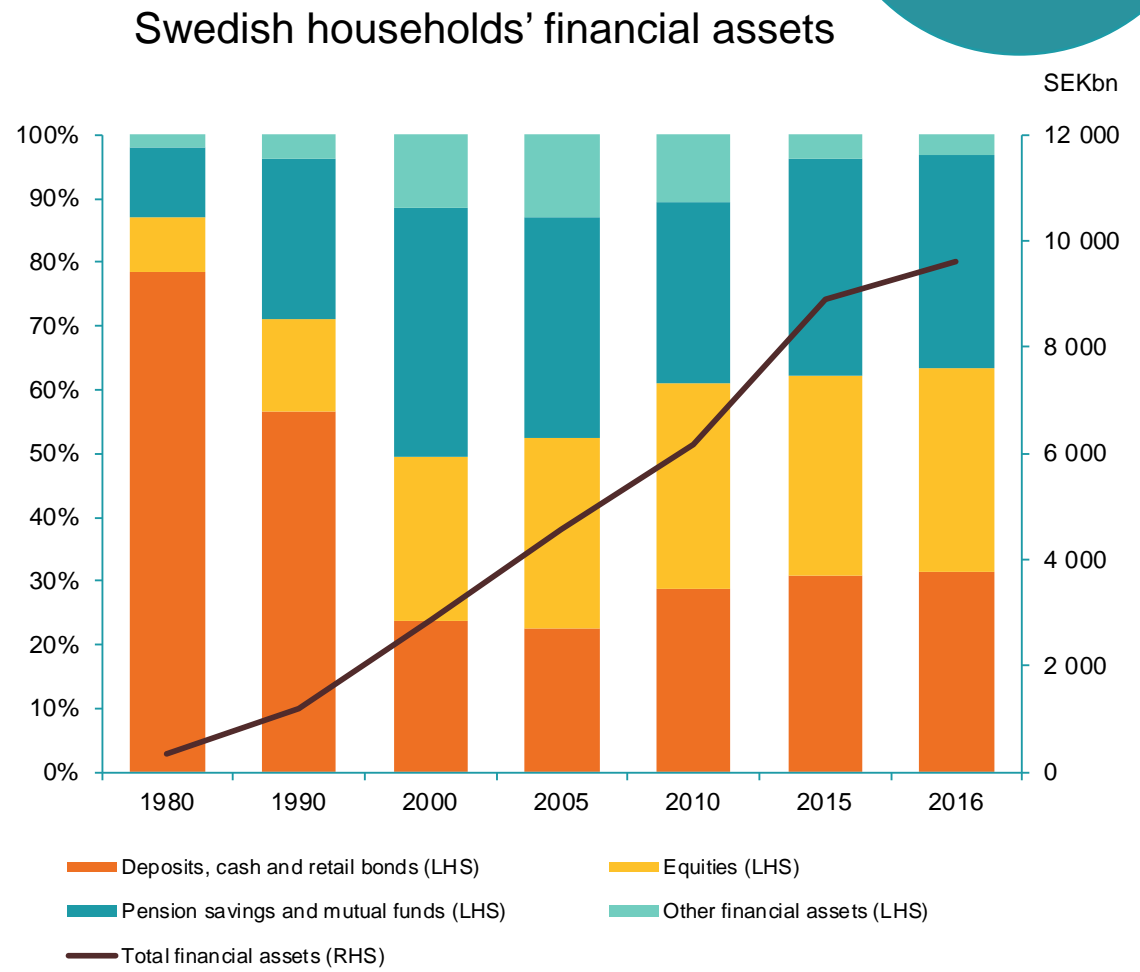
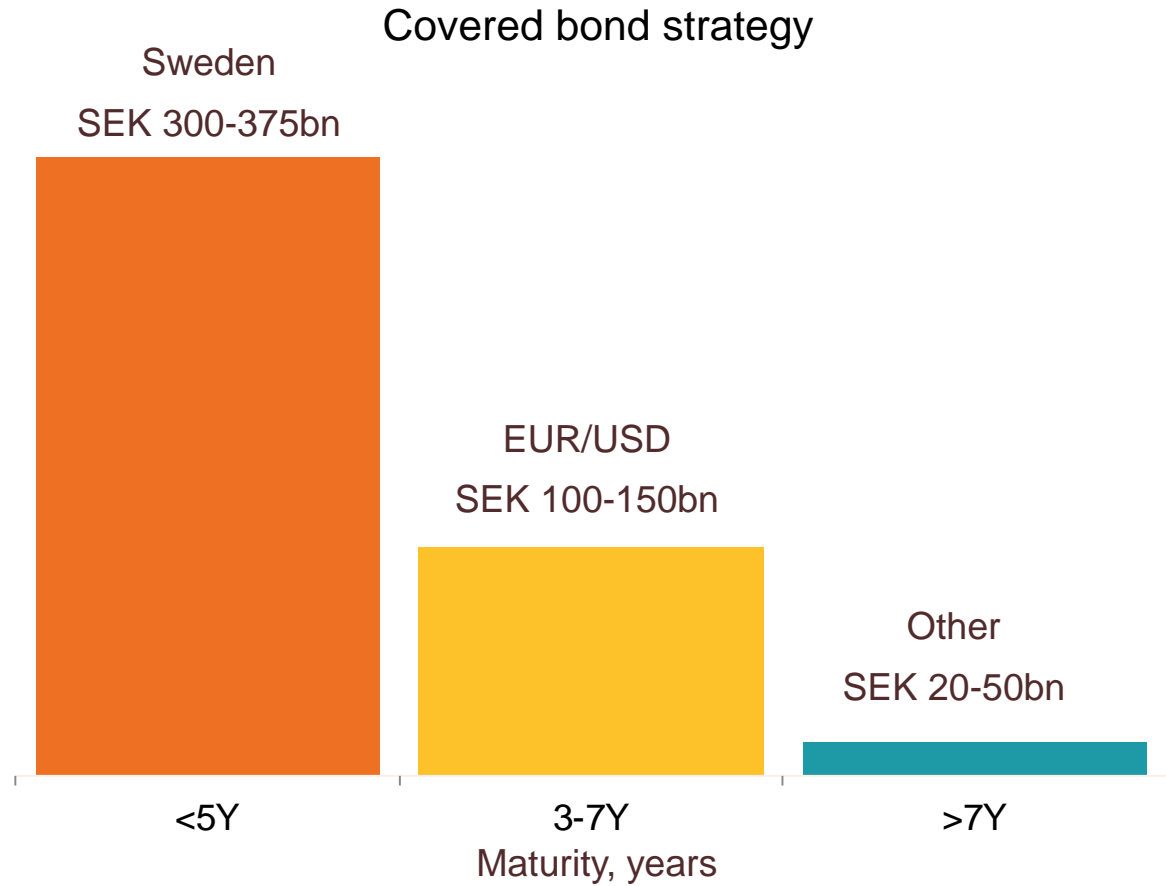
3. Liquidity and funding

Core balance sheet structure

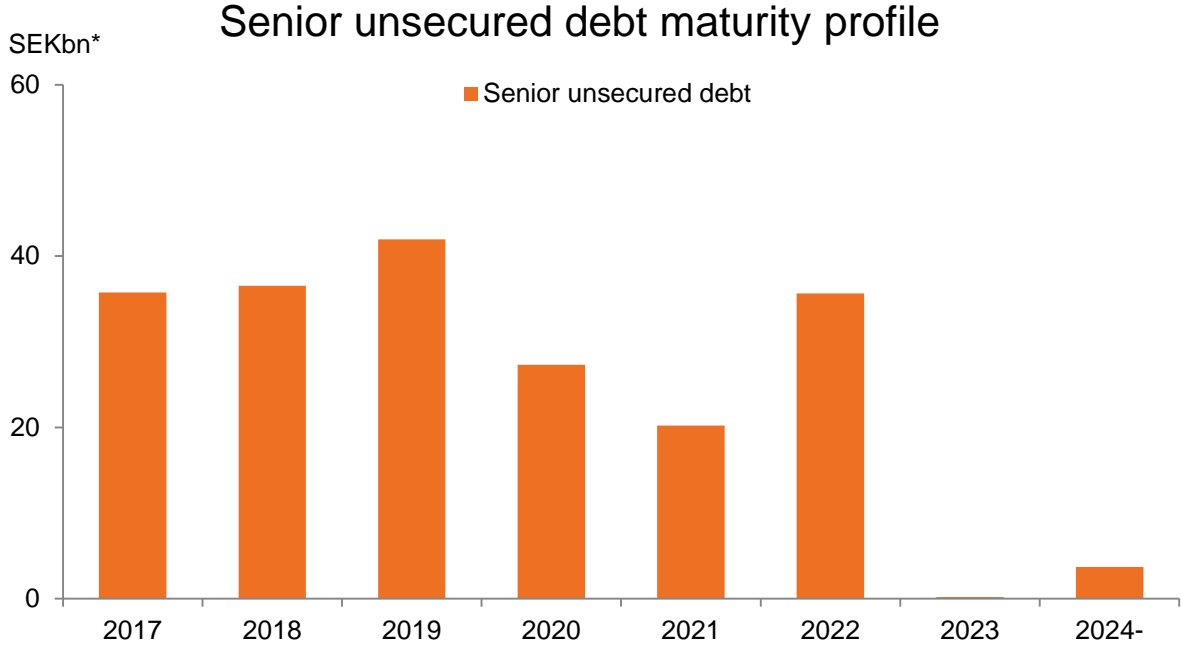


● Simplified balance sheet

Covered bond strategy



Senior unsecured debt strategy

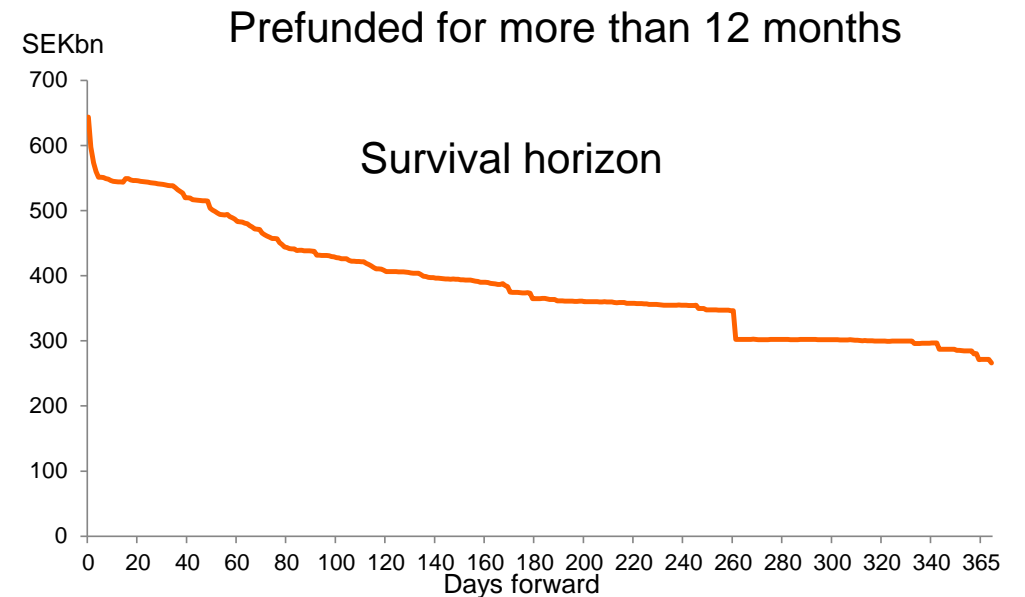
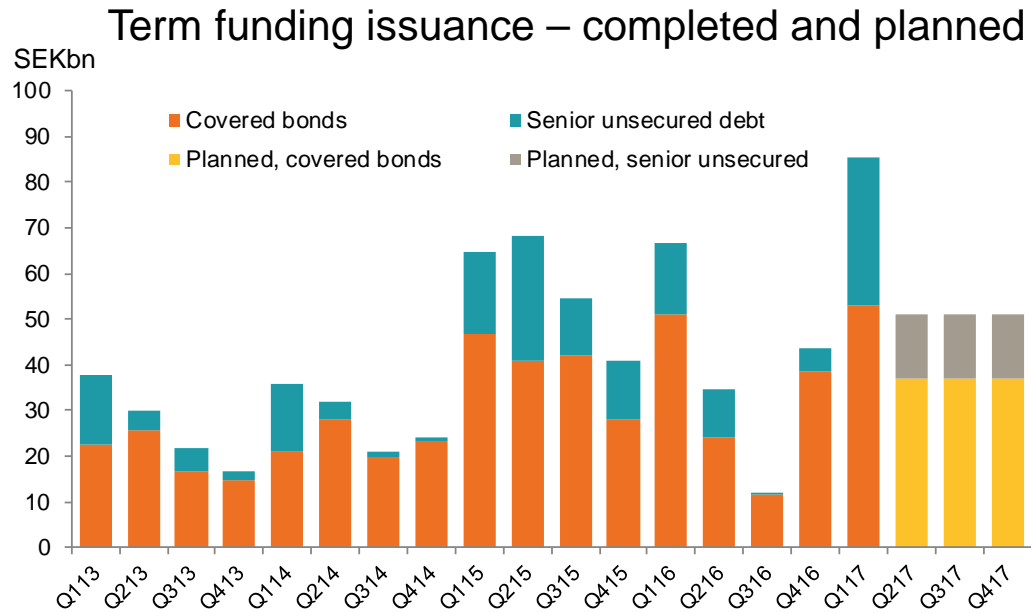


*Nominal amount

Conservative funding position



- LCR 137% (Swedish FSA definition FFFS 2012:6)
- NSFR 109% (Basel committee)
- Issued SEK 86bn of term funding YTD Q1 2017
- Plan to issue around SEK 200bn in 2017





Private placements – active in both covered bonds and senior unsecured debt

- All major currencies
- Bullet format, FRN or Fixed
- EUR 10m equivalent minimum size
- Sweet spots:
 - Senior: 2.5-5Y
 - Covered: 3-8Y
 - Longer tenors also possible
- Open to larger placements with smaller investor groups
- Open to tap existing bonds
- Listing is optional
- FRN's (SEK and EUR) – issued with a “strike adjustment spread”*
- Program formats available:
 - Senior unsecured debt: MTN, NSV and potentially USD 144a format
 - Covered bonds: MTN, RCB and Norwegian CB program

*Spread added to the coupon to avoid negative coupon fixings. Bond issued above par to compensate for this. The above par value reflects the NPV of the adjusted spread

Liquidity reserve

According to the template defined by the Swedish Bankers' Association



	SEKm
Cash and holdings in central banks ¹	408 391
Deposits in other banks available overnight	7
Securities issued or guaranteed by sovereigns, central banks or multilateral development banks	97 560
Securities issued or guaranteed by municipalities or public sector entities	6 595
Covered bonds	79 955
- Issued by other institutions	64 044
- Own issued	15 911
Securities issued by non-financial corporates	133
Securities issued by financial corporates (excl. covered bonds)	302
Other	
Total²	592 943

1) Including loans to the Swedish National Debt Office

2) 95% of the securities in the liquidity reserve per Q1 2017 are rated AAA. The rating requirement is AA-.

Assets included in the liquidity reserve should comply with the following:

- assets shall be under the control of the Treasury function in the bank
- assets can not be encumbered
- market values are used for the assets
- only unencumbered securities receiving 0-20% risk weight under the standardised approach to credit risk of the Basel II framework can be included
- securities received in reverse repo transactions shall be included in the liquidity reserve and securities used as collateral for repo transactions shall be excluded

Rating



- May 26, 2016, Fitch upgraded the rating from A+ to AA-, with a stable outlook. The main drivers behind the upgrade are: Execution of the low risk strategy including conservative risk-returns and underwriting standards, strong retail franchise and continued strong capitalisation.
- December 3, 2015, S&P raised Swedbank AB to AA-/A-1+ to reflect their view of Sweden's ongoing support of its systemically important banks. As such, S&P removed the negative adjustment notch in place since July, which reflected an expected negative transition due to the potential removal of government support. The outlook on the rating is negative, reflecting S&P's view of heightened economic risk for the Swedish economy
- June 17, 2015, Moody's upgraded Swedbank to Aa3 with a stable outlook. The upgrade reflects Moody's estimation that Swedbank's strong asset quality and stable earnings generation, underpinned by focused management and established franchise in Sweden and the Baltic countries, position the bank well to manage challenges coming from the low interest-rate environment, developments in mobile banking, and competition in historically more profitable activities

	S&P (Negative)			Moody's (Stable)			Fitch (Stable)		
	Short	Long	SACP ¹	Short	Long	BCA ¹	Short	Long	VR ¹
Swedbank	A-1+	AA-	a+	P-1	Aa3	a3	F1+	AA-	AA-
Swedbank Mortgage	A-1+	AA-	-	P-1	Aa3	-	-	-	-
Covered bonds	-	AAA ²	-	-	Aaa	-	-	-	-

¹ Standalone Rating

² Stable outlook



Swedbank is a labeled issuer of
the ECBC Covered Bond Label
Foundation
(www.coveredbondlabel.com)

4. Cover pool data

Cover pool data



Swedbank is a labeled issuer of the ECBC Covered Bond Label Foundation
www.coveredbondlabel.com

Rating, S&P / Moody's	AAA / Aaa
Total pool size	SEK 890.8bn
Geographic distribution	Sweden 100%
Current OC-level	72.6%
<hr/>	
Weighted average seasoning ²	65 months
Average LTV ^{3, 4}	
– WA LTV on property level (Max LTV)	50%
Non-performing loans ⁵	None
<hr/>	
Fixed /Floating interest loans ⁶	
– Fixed	26.9%
– Floating	73.1%

Repayment structure ⁷	
– Amortising	64%
– Interest only	36%
<hr/>	
Average loan size	SEK 555 390
Number of loans outstanding	1 603 875
Number of borrowers	1 123 353
Number of properties	752 859
<hr/>	
Dynamic pool	Yes

¹ As per 31 Mar, 2017

² Public sector loans not included

³ Index valuation as per 31 Dec, 2016

⁴ Maximum LTV: Residential 75%, Commercial 60%, Forest and Agriculture 70%

⁵ Past due loans > 60 days are not eligible for the cover pool

⁶ Floating interest loans < 365 days

⁷ Property level of cover pool

Cover pool data



Swedbank is a labeled issuer of the ECBC Covered Bond Label Foundation (www.coveredbondlabel.com)

Type of loans (based on loan volume)	
Residentials	92.0%
of w hich Single-family housing	57.2%
of w hich Tenant ow ner rights	20.0%
of w hich Tenant ow ner association	10.2%
of w hich Multi-family housing	4.6%
Public	0.8%
Commercial	0.5%
Forest & Agricultural	6.7%
	100.0%

Population, Nov 2016 (thousands)	
Sweden	9 982
Stockholm, county	2 261
Västra Götaland, county (incl. Gothenburg)	1 666
Skåne, county (incl. Malmö)	1 318



Geographical distribution, Sweden, per cent (based on loan volume)	31 Mar 2017
North	6.4
Norrbottn county (BD)	1.3
Västerbotten county (AC)	2.4
Västernorrland county (Y)	1.5
Jämtland county (Z)	1.2
Middle (including Stockholm)	44.2
Dalarna county (W)	2.0
Gävleborg county (X)	2.1
Värmland county (S)	2.1
Örebro county (T)	2.5
Västmanland county (U)	2.4
Uppsala county (C)	4.0
Södermanland county (D)	2.3
Stockholm county (including Stockholm) (AB)	26.8
South (including Göteborg and Malmö)	49.4
Västra götaland county (Including Göteborg) (O)	17.6
Östergötland county (E)	4.1
Jönköping county (F)	3.5
Halland county (N)	3.9
Kronoberg county (G)	2.1
Kalmar county (H)	2.9
Skåne county (including Malmö) (M)	13.4
Blekinge county (K)	1.4
Gotland county (I)	0.5
	100.0

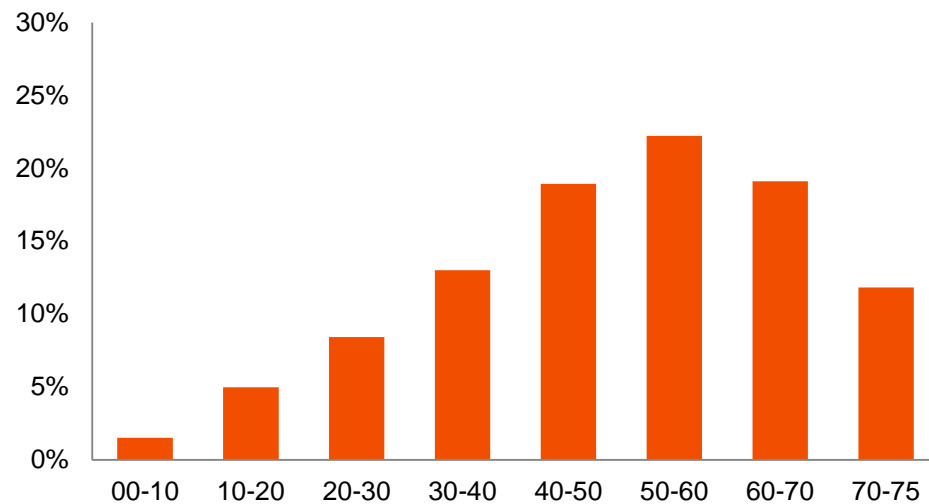
Cover pool loan-to-value distribution



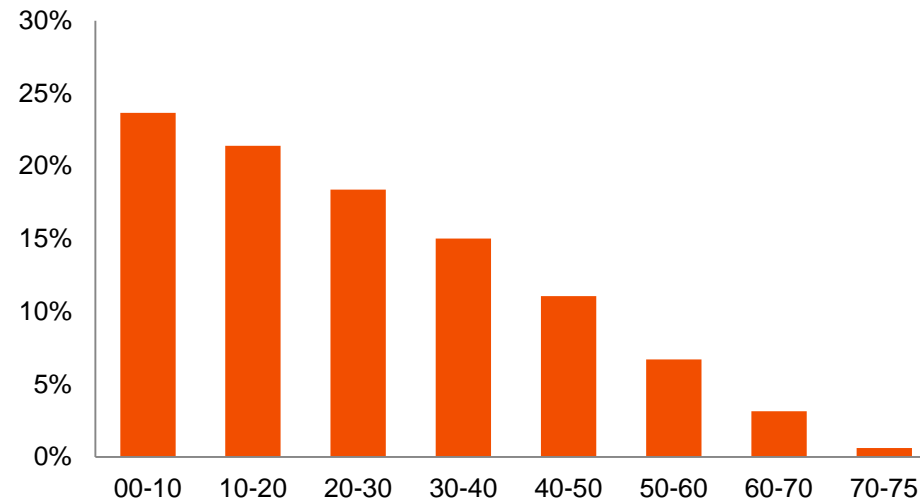
Swedbank is a labeled issuer of the ECBC Covered Bond Label Foundation (www.coveredbondlabel.com)

- Weighted average LTV on property level 50%

LTV distribution per property¹



LTV distribution by volume^{1, 2}

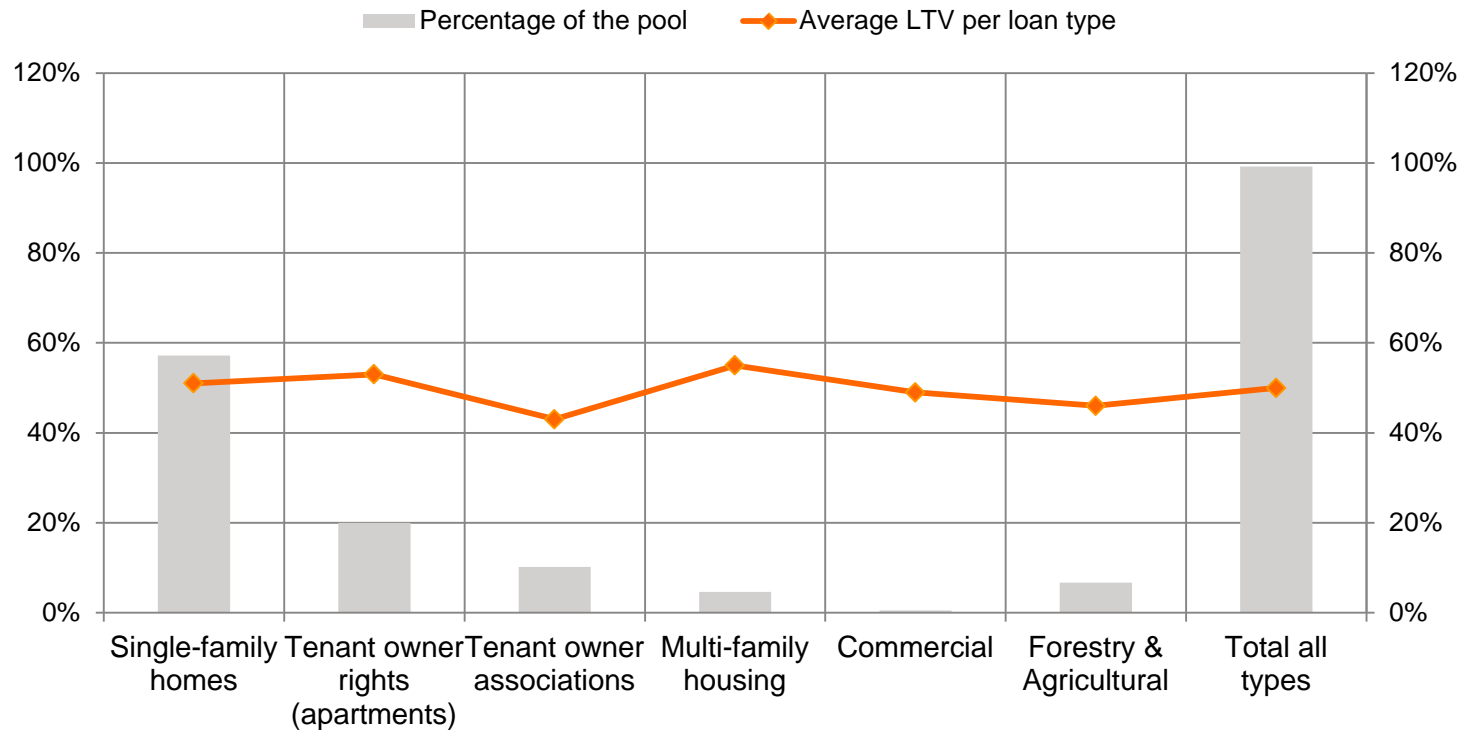


¹ Public loans of 0.8% of the cover pool are excluded as they are either guaranteed by a Swedish municipality or the government and have therefore no LTV assigned to them. ² LTV distribution as defined by the Association of Swedish Covered Bond Issuers (www.ascb.se)

Cover pool loan type and loan-to-value distribution



Swedbank is a labeled issuer of the ECBC Covered Bond Label Foundation
(www.coveredbondlabel.com)

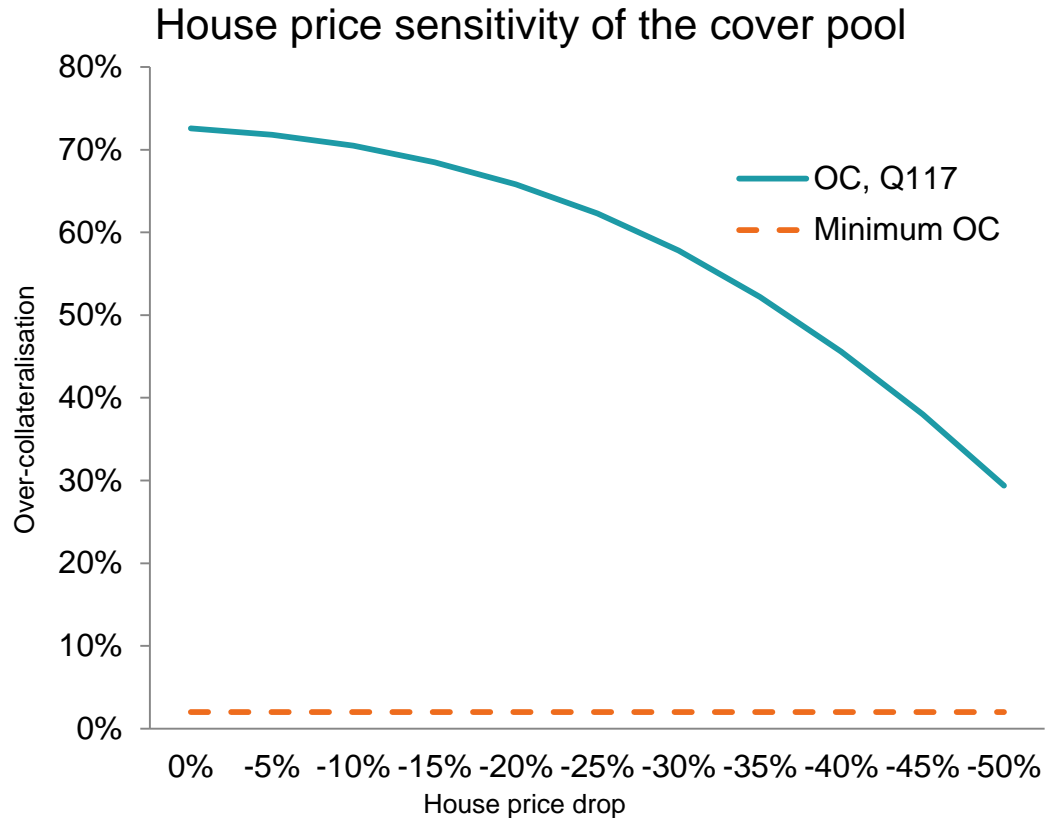


¹excluding public sector loans of 0.8%

Strong resilience to house price changes



Swedbank is a labeled issuer of the ECBC Covered Bond Label Foundation (www.coveredbondlabel.com)



- Current OC-level of 72.6%
- 2% legal minimum requirement
- Can withstand a severe house price drop and still be able to issue AAA-rated covered bonds

Overview of the Swedish covered bond legislation

The Covered Bond Act

- The Covered Bond Act entered into force on July 1, 2004 and is over-sighted by the Swedish FSA. Its main characteristics are:
 - ▶ Dual recourse to the issuer and cover pool
 - ▶ Dynamic, regulated pool of assets, frequently monitored by the Swedish FSA via appointment of an independent inspector
 - ▶ Regulated valuation of cover pool assets which remain on the balance sheet
- The cover pool may consist of certain mortgage credits, public credits and supplemental assets. There is no requirement to segregate mortgage and public credits.

Loan-to-value ratios and other limitations

- Maximum LTVs: Residential 75%, Agricultural 70%, Commercial 60%
- Maximum 10% commercial loans and 20% supplemental assets in cover pool
- Regular monitoring of the property values, revaluation of property prices in case of significant drop (generally interpreted as 15% drop)

Matching requirements

- The S.O. Act amended, effective as of 21 June 2016, requires that the nominal value of the cover pool shall, at all times, be at least two per cent. higher than the aggregate nominal value of the liabilities relating to the covered bonds..
- Regional constraint on collateral assets (Mortgage - EEA, Public - OECD)
- The cover pool value shall always exceed the aggregate value of claims (including derivatives)
- A sound balance in terms of FX, interest rates and maturities must be achieved. It is deemed to exist when the present value of the cover pool at all times exceed the present value of liabilities (including derivatives), even on a stressed basis. Present value cover must hold even after 1% upward and downward shift in the yield curve and a 10% change in the currency

Benefit of a priority right over the cover pool

- Non-performing assets in the cover pool which are more than 60 days overdue must be disregarded for the purposes of the matching tests
- Holders of covered bonds and relevant derivative counterparties benefit from a priority claim over the cover pool should the institution be declared bankrupt and rank pari passu ahead of unsecured creditors and all other creditors of the institution in respect of assets in the cover pool

Administration in event of bankruptcy

- The registered assets in the cover pool, the covered bonds and any relevant derivative contracts are required to be maintained as a unit and kept segregated from other assets and liabilities of the bankruptcy estate of the institution. The administrators-in-bankruptcy are then required to procure the continued timely service of payments due under the covered bonds and any relevant derivative contracts

Swedish
and Baltic
macro

5. Swedish and Baltic economies

Sweden - Strong fiscal position



Key economic indicators¹, 2015-2018

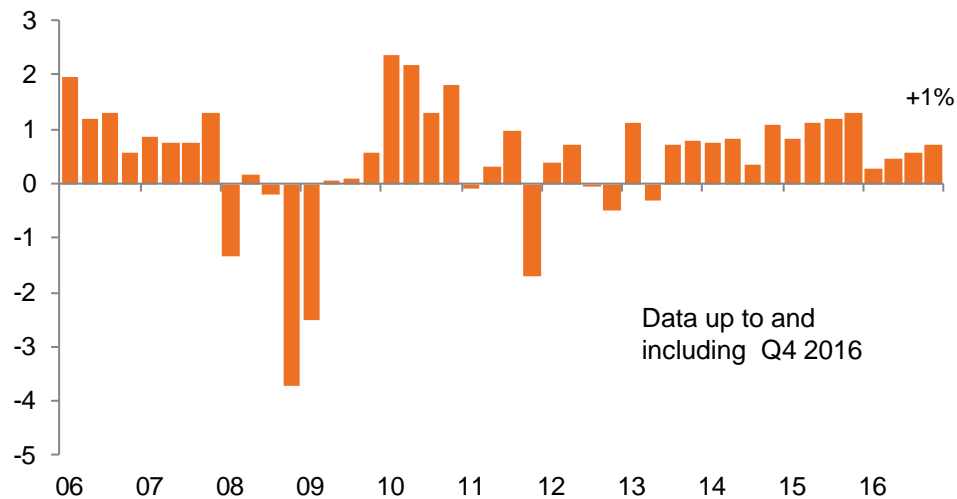
	Most recent	2015	2016	2017F	2018F
Real GDP (calendar adjusted)	2.3 (Q4)	3.8	3.0	3.1	2.5
CPI growth, average	1.3 (Mar)	0.0	1.0	1.6	2.2
CPIF growth, average	1.5 (Mar)	0.9	1.4	1.6	1.7
Unemployment rate (15-74), % of labor force	6.9 (Feb) ²	7.4	6.9	6.8	6.8
Savings ratio (households), %		16.2	16.6	16.7	16.8
Real disposable income (households)		2.4	3.4	2.7	2.1

¹ % growth rate unless indicated otherwise, Y/Y growth for the most recent data

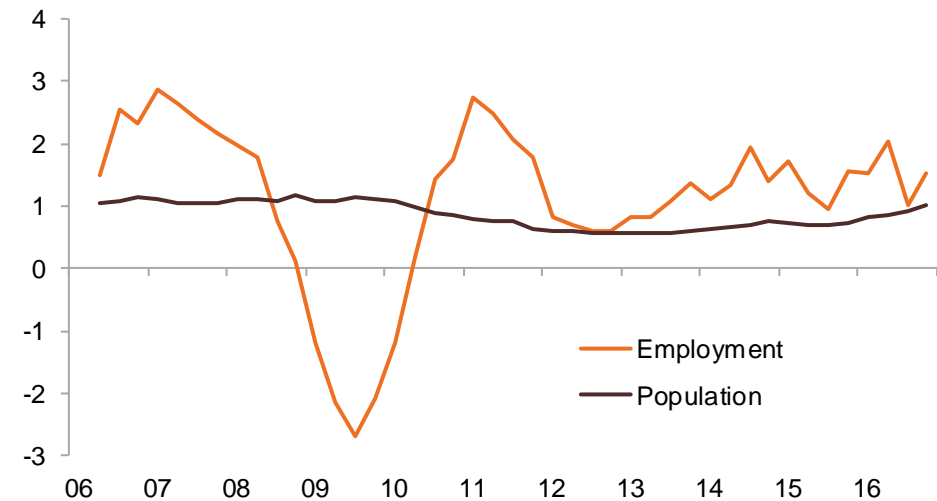
² seasonally adjusted and smoothed

- Kingdom of Sweden rated Aaa/AAA/AAA

Real GDP growth, Q/Q s.a., %



Employment and 15-74 population growth, Y/Y %



Exports to our 30 largest trade partners

The Swedish export of goods to the thirty largest countries of destination (SEK million).

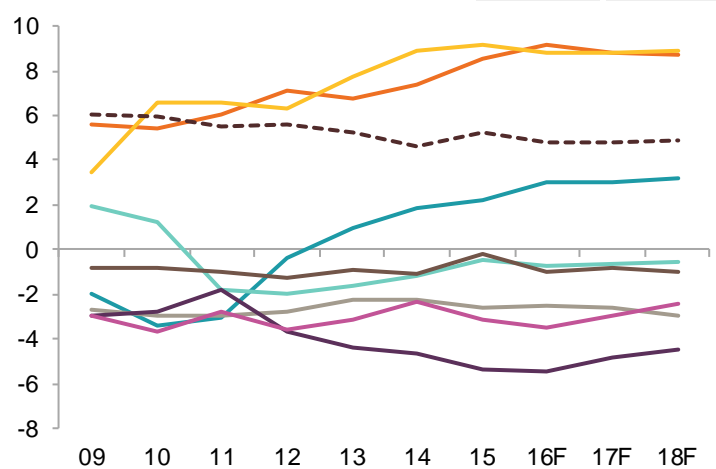
Swedish exports

growth

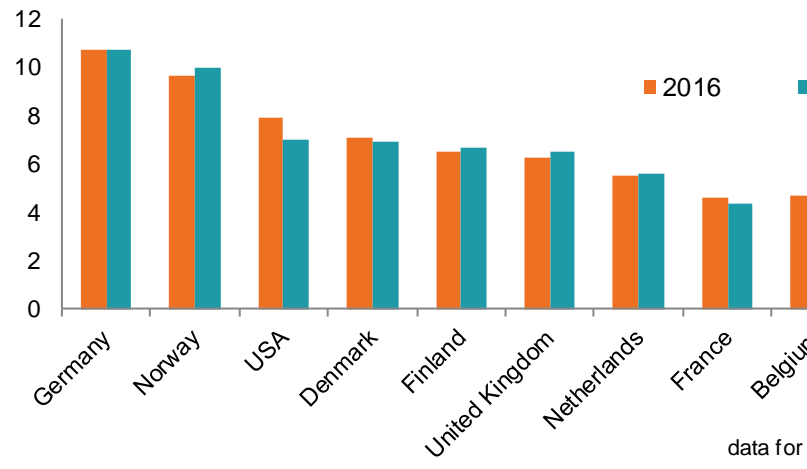
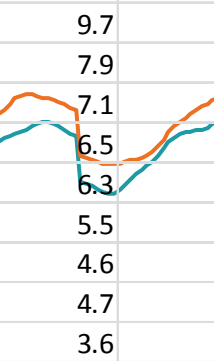


Ranking	Country	Value January-March		Share in %	Change in %
		2017	2016		
	TOTAL	322 979	285 563	100	13
1	Germany	34 601	30 657	10.7	13
2	Denmark	27 608	22 645	10	17
3	Sweden	20 361	18 695	6.9	9
4	Italy	17 959	15 784	6.5	17
5	Finland	13 168	13 168	4.4	14
6	France	13 530	10 346	4.4	9
7	US	10 346	9 478	4.2	32
8	UK	9 478	7 868	3	3
9	Canada	7 868	5 757	2.8	14
10	Japan	5 248	3 554	1.6	48
11	Russia	4 083	3 106	1.3	31
12	Switzerland	4 065	3 678	1.3	11
13	Australia	3 721	2 864	1.2	30
14	Turkey	3 422	3 162	1.1	8
15	Austria	3 222	2 586	1	25
16	Canada	2 845	2 360	0.9	21
17	South Korea	2 789	2 312	0.9	21
18	India	2 684	2 075	0.8	29
19	Estonia	2 628	2 276	0.8	15
20	Czech Repul	2 582	2 278	0.8	13
21	Saudi Arabia	2 151	2 019	0.7	7
22	Lithuania	2 023	1 687	0.6	20
23	South Africa	1 861	1 914	0.6	-3
24	Brazil	1 688	1 292	0.5	31
25	Portugal	1 658	1 472	0.5	13

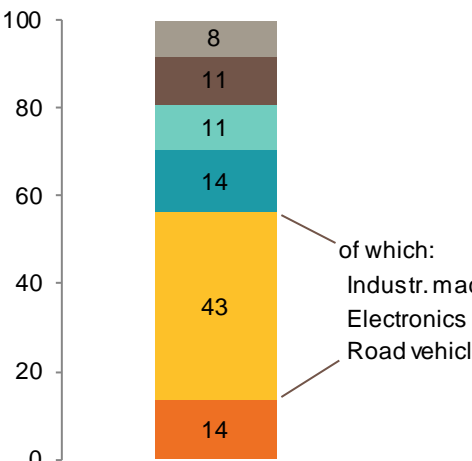
Current account balance



Import trend, S



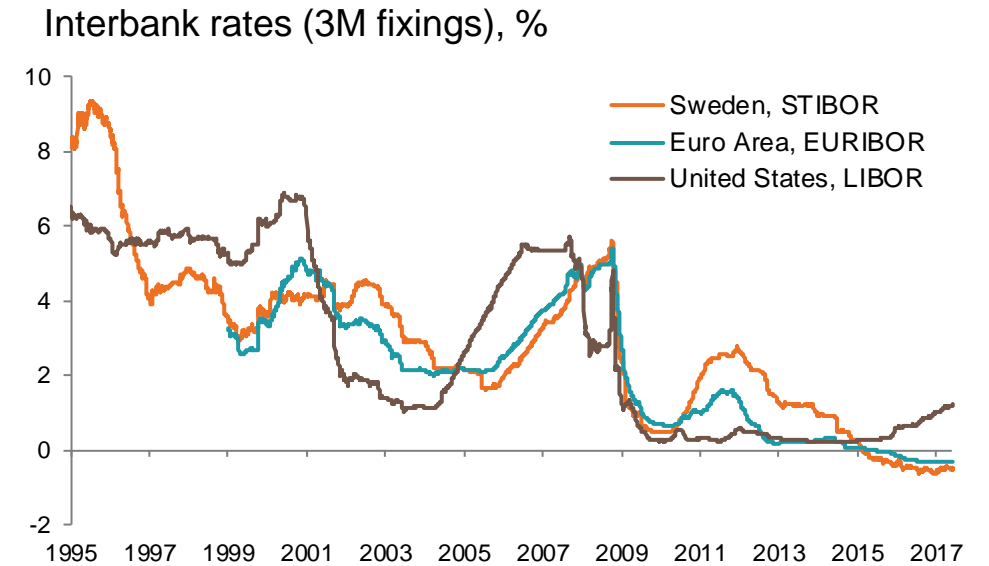
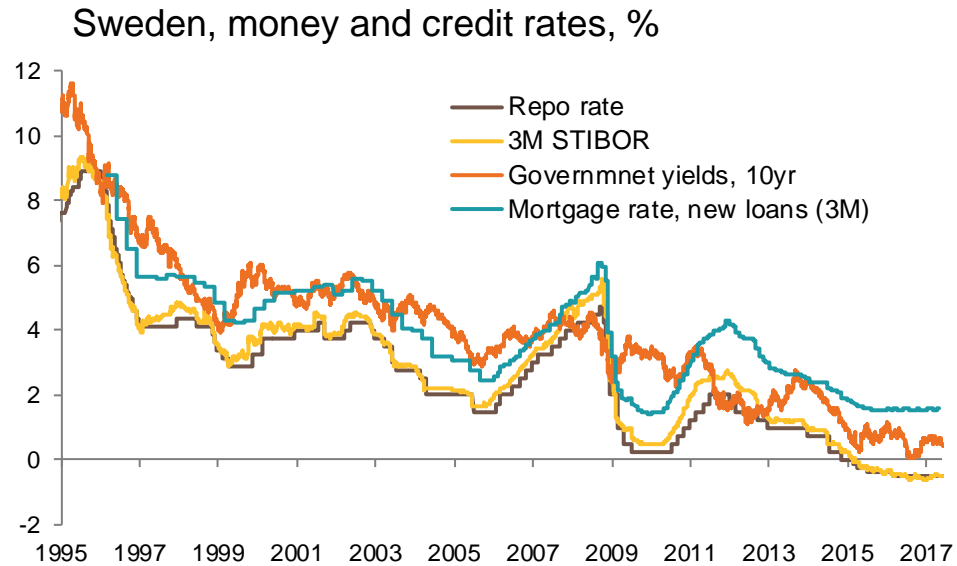
Exports by important col



Ranking	Country	Value January-March 2017	Value January-March 2016	Share in %	Change in %
14	Japan	5 248	3 554	1.6	48
15	Russia	4 083	3 106	1.3	31
16	Switzerland	4 065	3 678	1.3	11
17	Australia	3 721	2 864	1.2	30
18	Turkey	3 422	3 162	1.1	8
19	Austria	3 222	2 586	1	25
20	Canada	2 845	2 360	0.9	21
21	South Korea	2 789	2 312	0.9	21
22	India	2 684	2 075	0.8	29
23	Estonia	2 628	2 276	0.8	15
24	Czech Repul	2 582	2 278	0.8	13
25	Saudi Arabia	2 151	2 019	0.7	7
26	Lithuania	2 023	1 687	0.6	20
27	South Africa	1 861	1 914	0.6	-3
28	Brazil	1 688	1 292	0.5	31
29	Portugal	1 658	1 472	0.5	13

Sweden - low interest rate environment

Swedish
and Baltic
macro



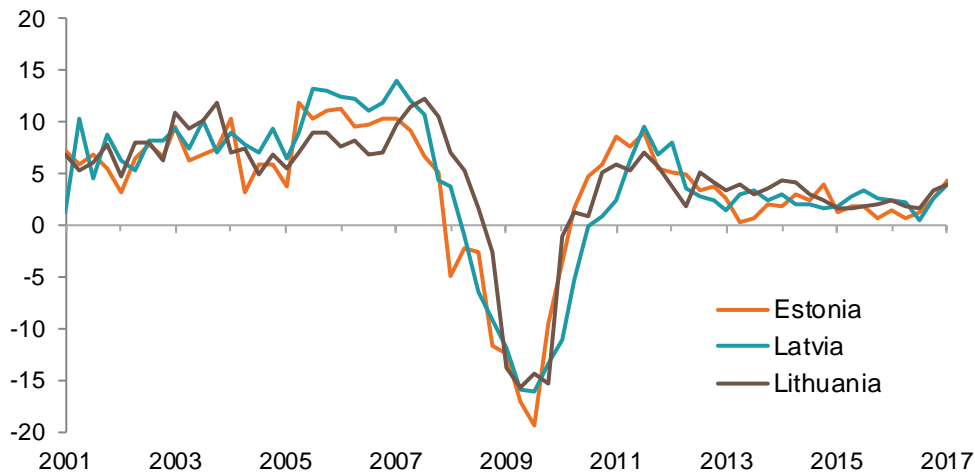
Baltics - slower convergence, but resilient economies



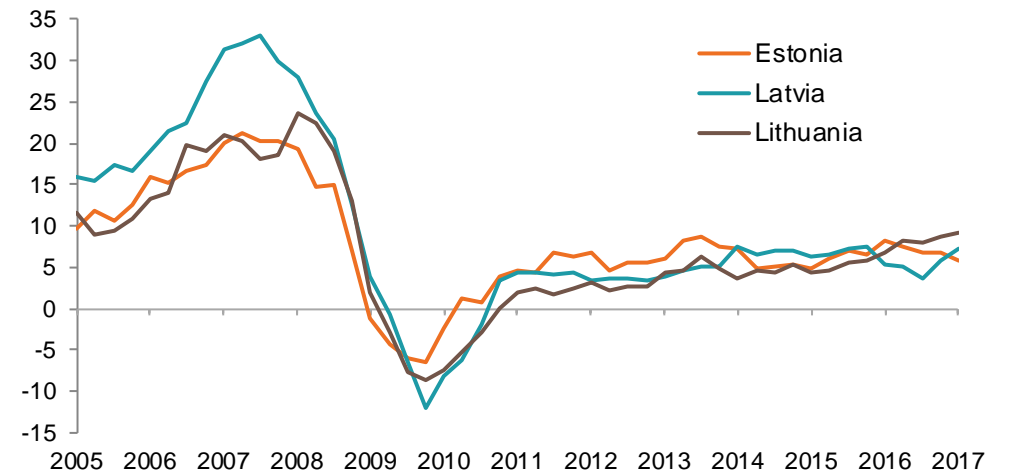
Key economic indicators¹, 2015-2018

		Most recent	2015	2016	2017F	2018F
Real GDP	Estonia	2.7 (Q4)	1.4	1.6	2.2	2.8
	Latvia	2.6 (Q4)	2.7	2.0	3.0	3.5
	Lithuania	3.2 (Q4)	1.8	2.3	3.0	2.7
CPI growth, average	Estonia	2.8 (Mar)	-0.5	0.1	3.2	2.6
	Latvia	3.4 (Mar)	0.2	0.1	2.5	2.2
	Lithuania	3.1 (Mar)	-0.9	0.9	3.0	2.5
Unemployment rate (15-74), % of labor force	Estonia	6.6 (Q4)	6.2	6.8	7.6	7.9
	Latvia	9.3 (Q4)	9.9	9.6	8.5	7.5
	Lithuania	7.6 (Q4)	9.1	7.9	7.4	6.9

Annual real GDP growth, %



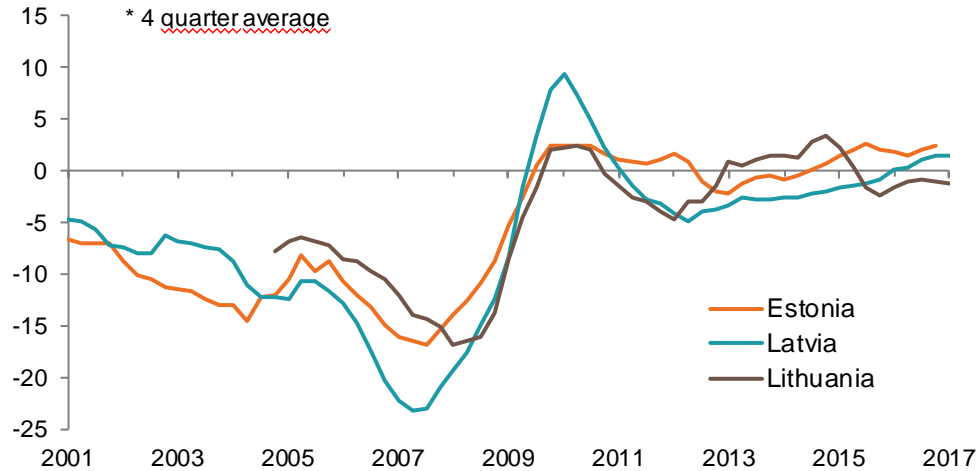
Gross wage growth, Y/Y %



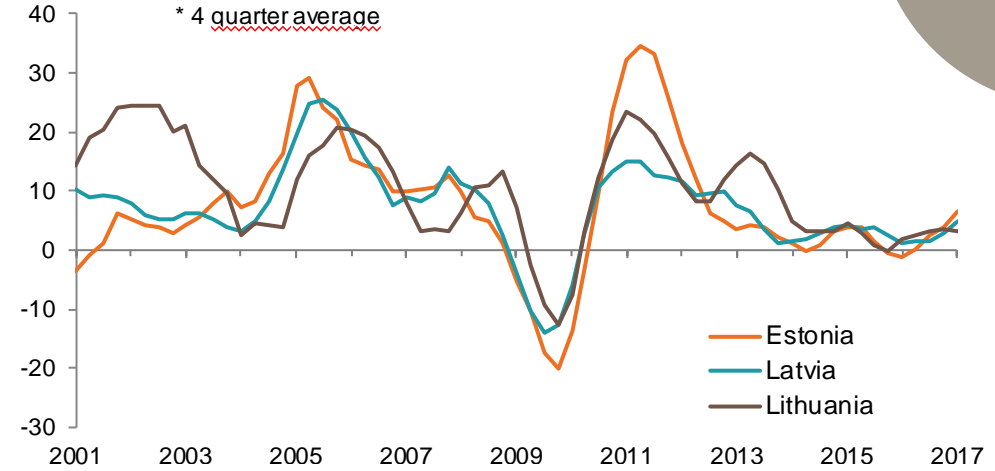
Baltic exports – key factor for growth



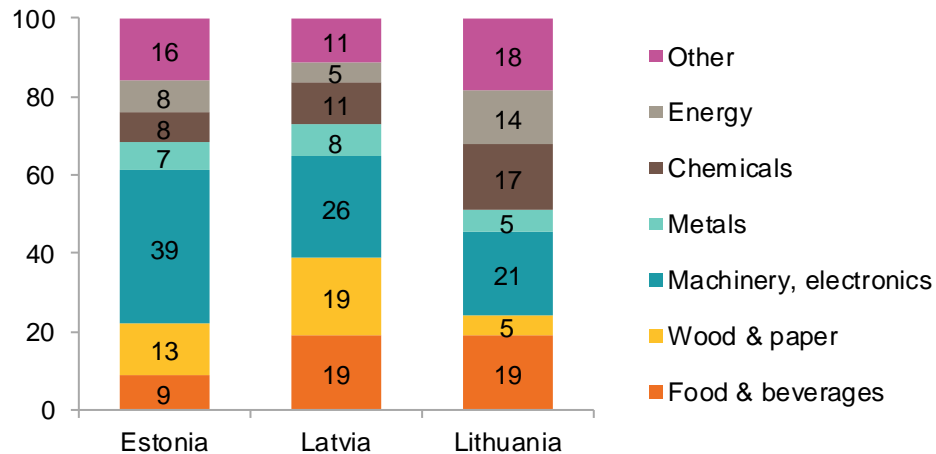
Current account balance, as % of GDP*



Export volume growth, Y/Y*, %



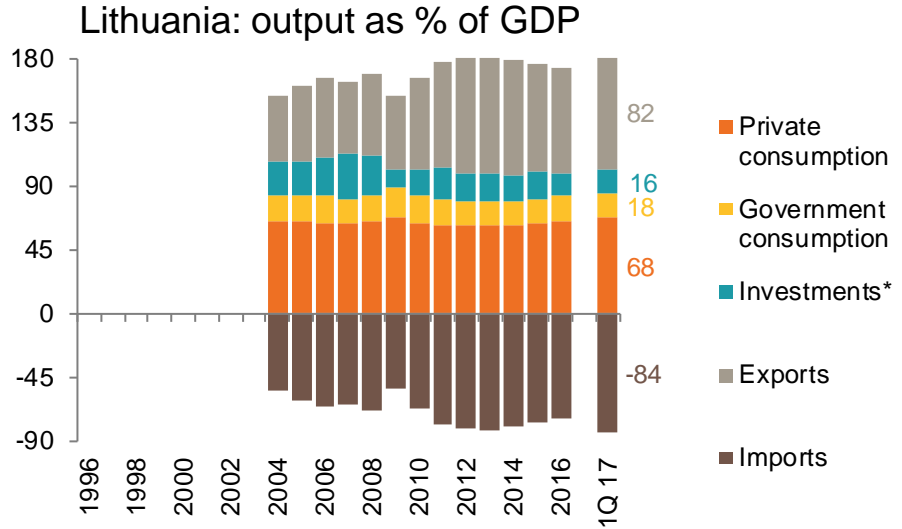
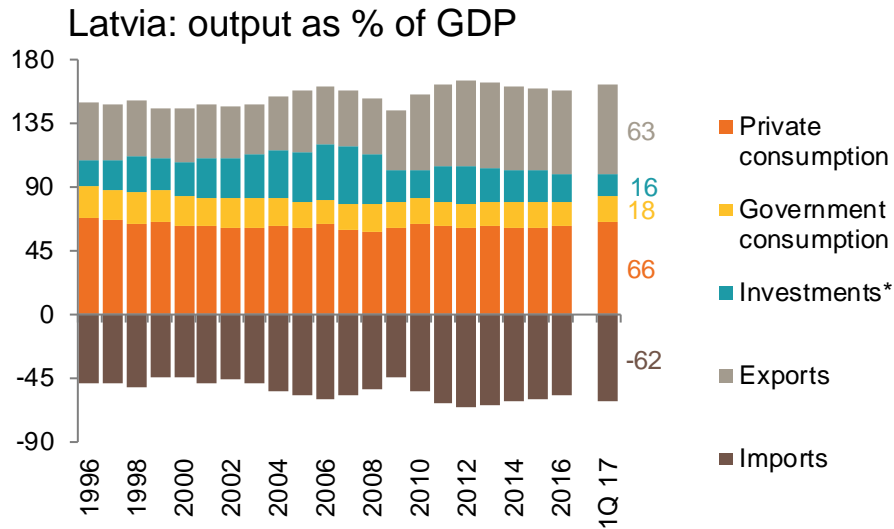
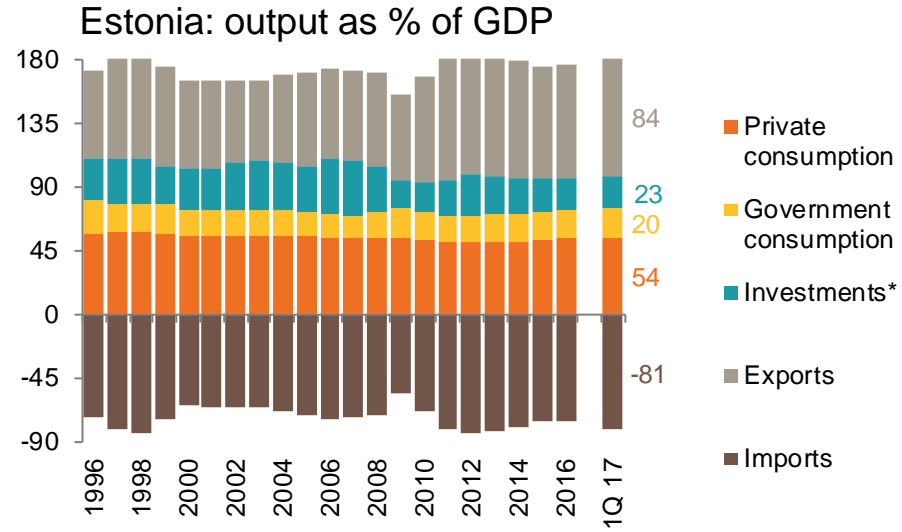
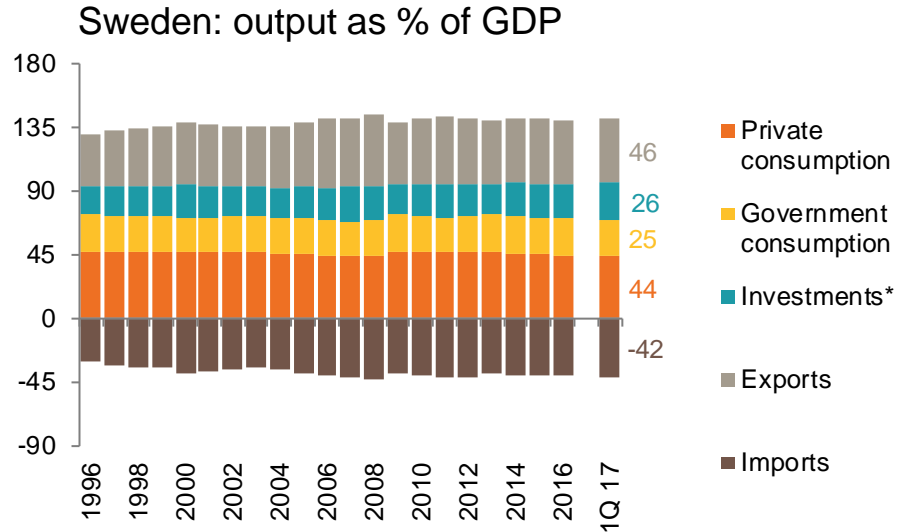
Exports by commodity groups (2016), %



Top export countries (2016), %

	Estonia		Latvia		Lithuania	
Finland	16		Lithuania	17	Russia	13*
Sweden	14		Estonia	12	Latvia	9
Latvia	9		Germany	8	Poland	9
Germany	6		Russia	8	Germany	8
Russia	6		Sweden	7	Sweden	5
Lithuania	6		Denmark	6	Estonia	5
Norway	4		UK	5	Belarus	4
Denmark	3		Poland	5	UK	4
US	3		Netherlands	3	Netherlands	3
UK	2		Norway	2	Denmark	3

Open and diversified economies



Swedish
housing
and
mortgage
market

6. Swedish housing and mortgage market

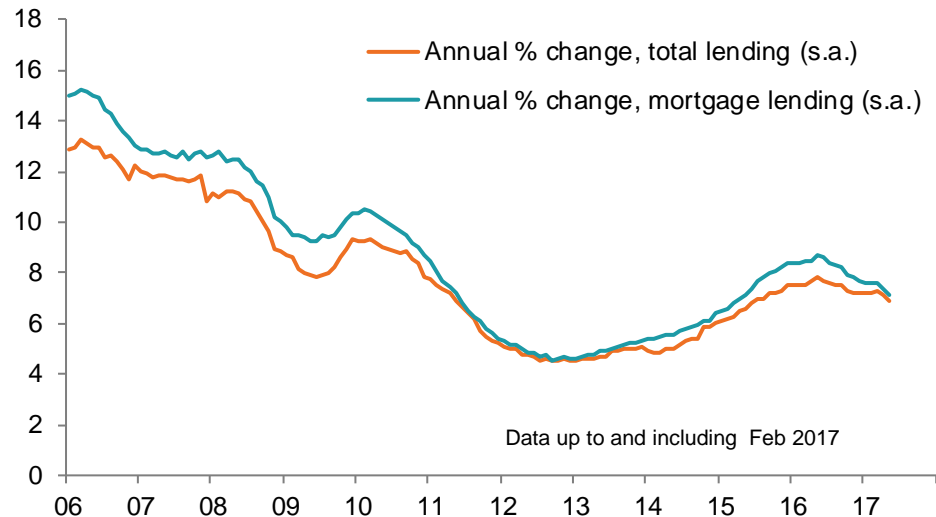
Swedish mortgage market



- No securitisation (on balance sheet), no sub-prime market, no 3rd party origination
- Restricted buy-to-let market
- 64% home ownership¹
- Rental market is regulated
- Transparent credit information (credit information agency, www.uc.se)
 - Publicly available information regarding income, debt, payment track record etc.
- Consumer credit legislation requires affordability calculations including stress test of higher interest rate and conservative cost of living
- Very limited debt forgiveness possibilities (full recourse)
- Strong social security and generous unemployment benefit system

Household borrowing growth

Lack of residential housing drives household lending growth

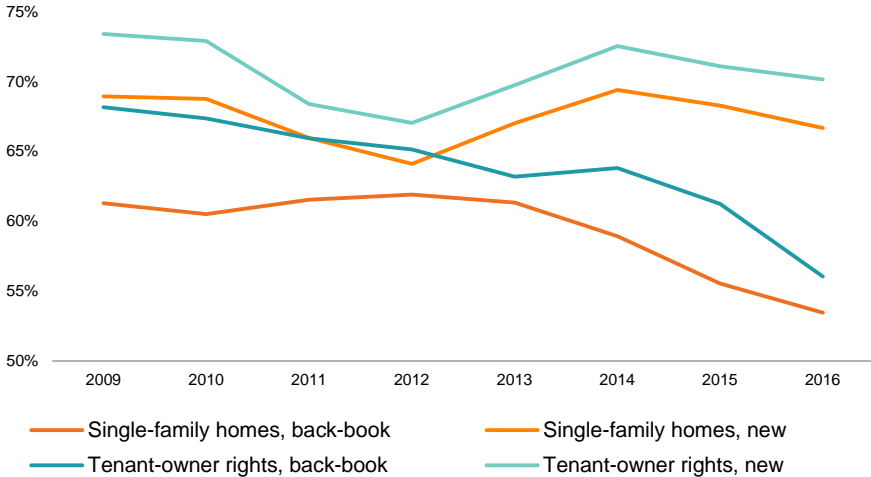


- LTV cap of 85%
 - Mandatory since 2010 (SFSA)
 - (Min 15% own equity)
- Amortisation (1st June 2016)
 - 2% annual amortisation >70% LTV
 - 1% annual amortisation >50% LTV
- Risk-weight floor of 25% on mortgage loans (Pillar2)

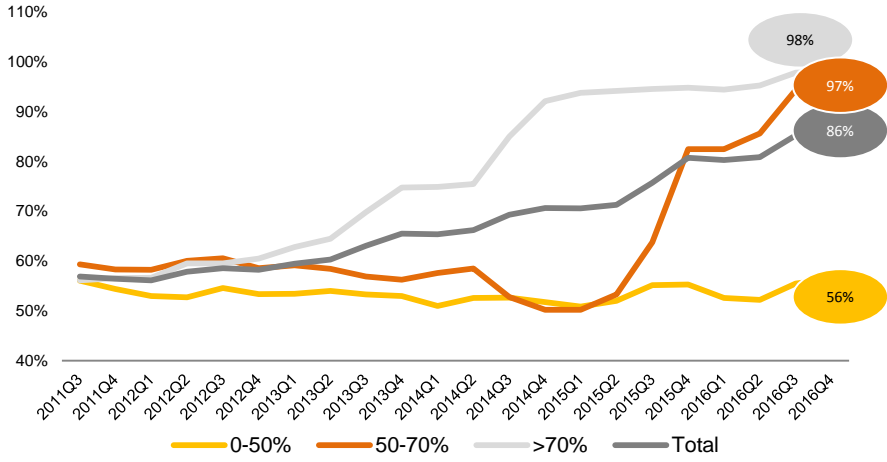
High amortisation in new lending with LTV > 50%

- Average LTV in back book is 54%. Average LTV in new lending is 68%
- 98% of households with LTV > 70% amortise in Q4 (93% in back-book)
- 97% of households with LTV 50-70% amortise in Q4 (71% in back-book)
- In total 86% of households amortise in Q4 (65% in back-book)

LTV distribution



Amortisation level – new lending¹⁾



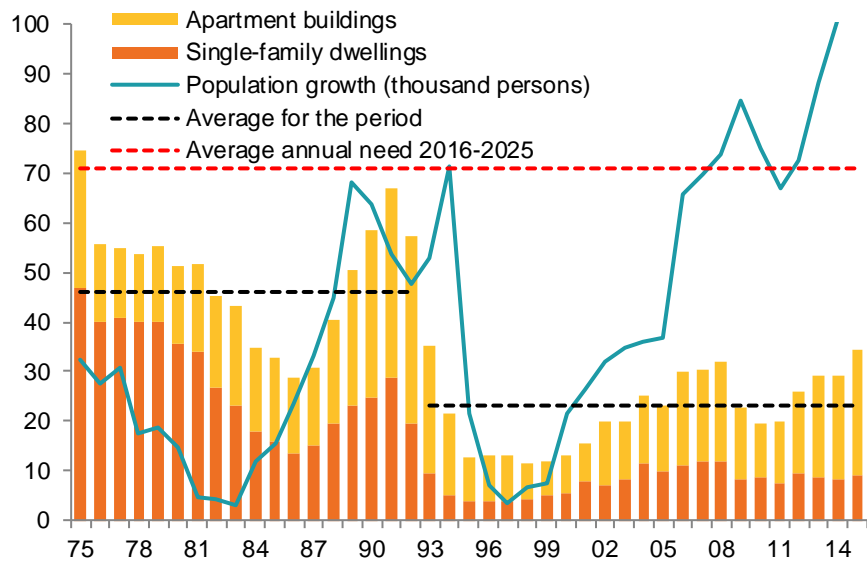
1) The amortisation rates are based on amortisation on property level (i.e. amortisation YES or NO) and should not be mixed up with the share of households compliant with SFSA's new amortisation requirement

Shortage of housing

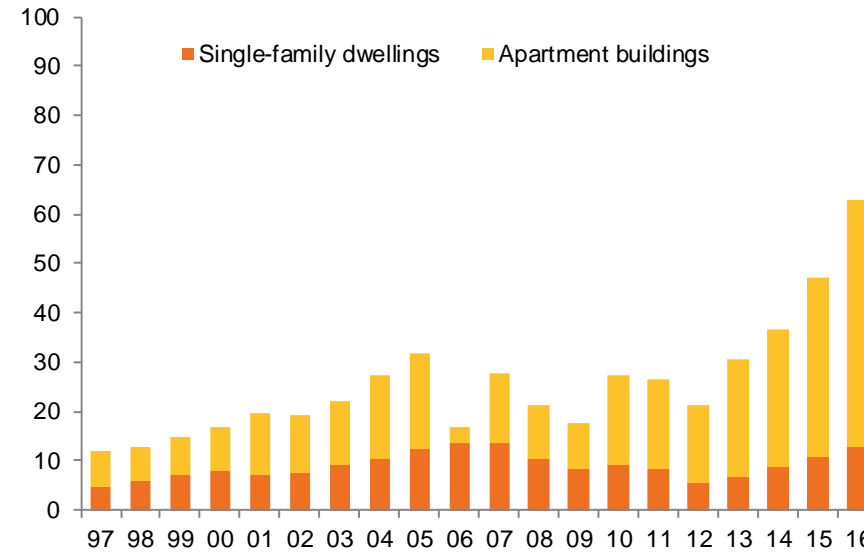


- In 2015 59% of the apartments was produced in the three largest areas (Stockholm, Gothenburg and Malmoe)
- According to the National board of Housing, Building and Planning (Boverket) the need for housing in 2016-2025 is 710 000 units (average 71 000 per year)
- Housing starts FY 2016 show a trend-shift

Housing completions (thousand units / year)



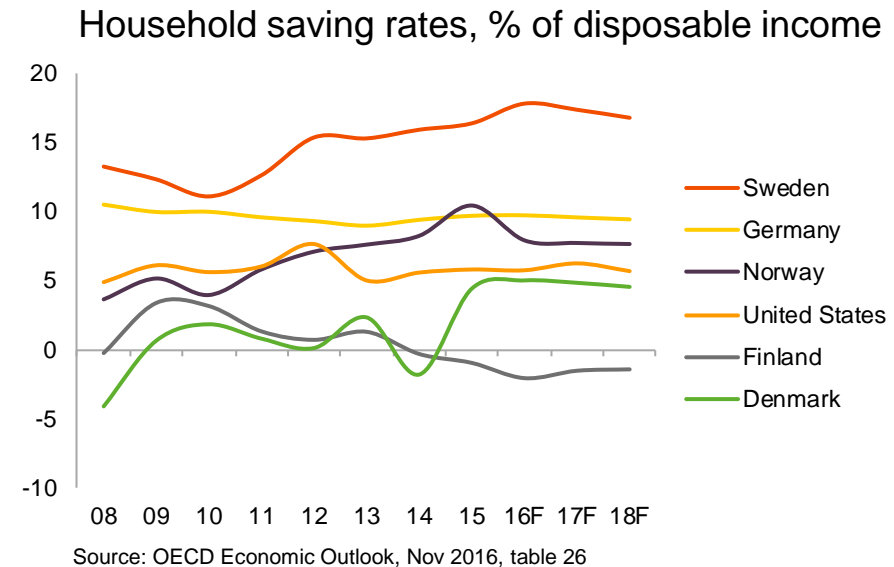
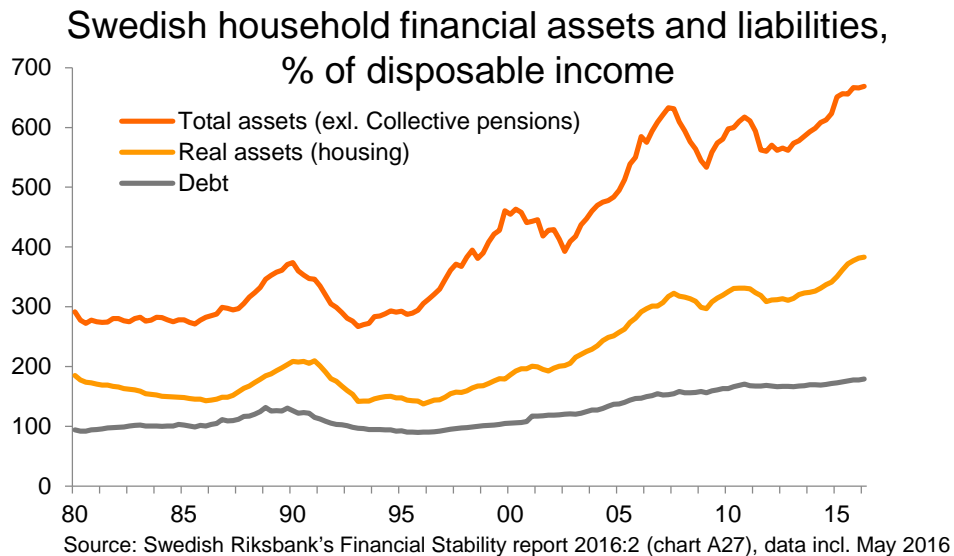
Housing starts (thousand units / year)



Strong affordability



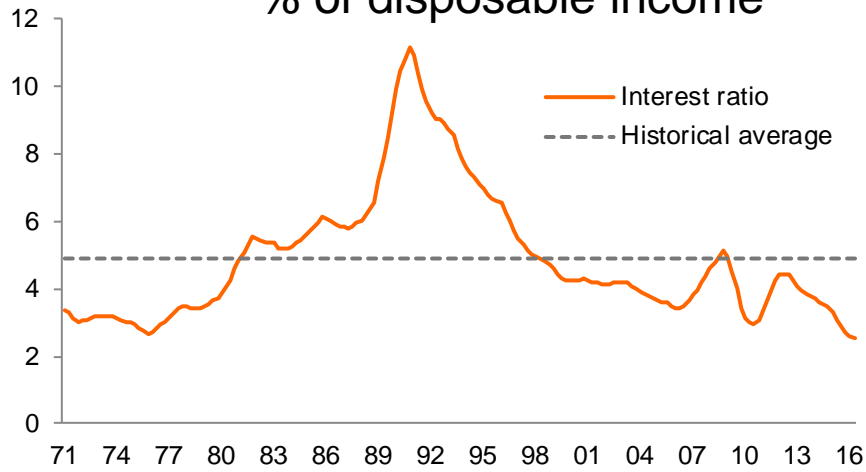
- Low interest rate environment
- Disposable income: Increase in salaries and tax cuts (income + property tax etc.)
- Higher indebtedness: Higher share of home ownership, rapid population growth and strong urbanisation trend
- Wealth: Increase in house prices, mutual funds and pension savings etc.



Strong affordability

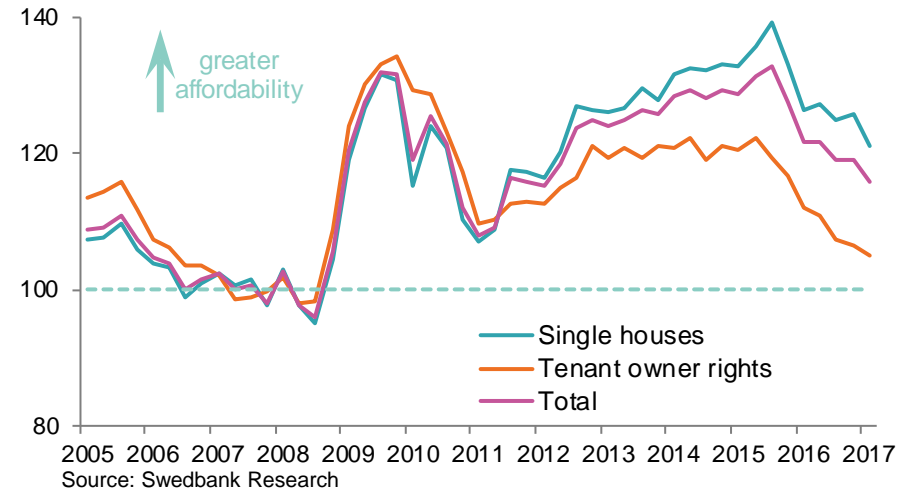


Household interest expenditure in Sweden, % of disposable income



Source: Swedish Riksbank's Financial Stability report 2016:2 (chart A31)

Swedbank boindex (4Q 16)



	Single houses	Tenant owner rights
Stockholm	99	85
Gothenburg	95	85
Malmö	87	97

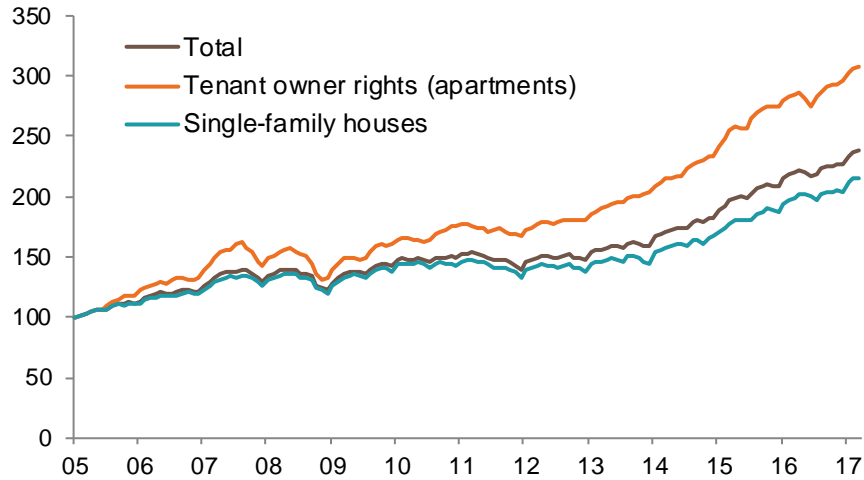
Boindex (the housing affordability index) is 100 when a household* uses 30% of their disposable income for housing costs. The higher the number, the greater the affordability.

* 2 adults and 2 children with median disposable income paying for a 135 sqm house or a 95 sqm apartment. Market rates for new lending (a mix of fixed and variable rates) are used.

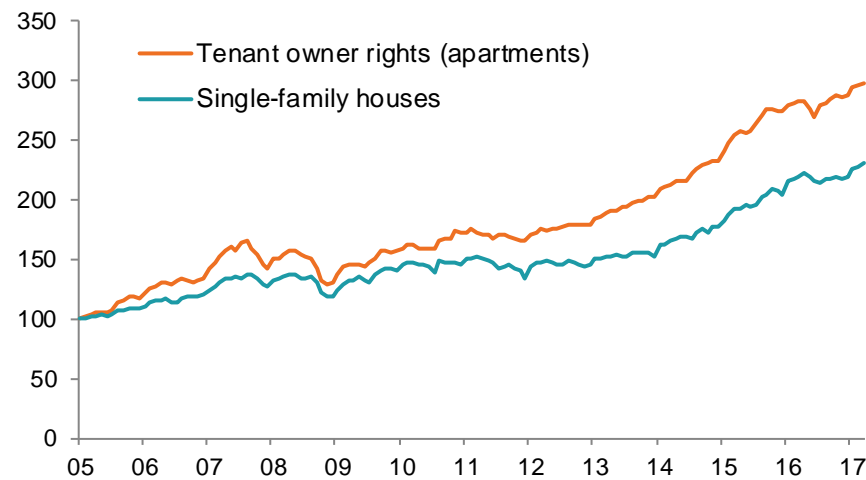
Upward pressure on house price

Swedish housing and mortgage market

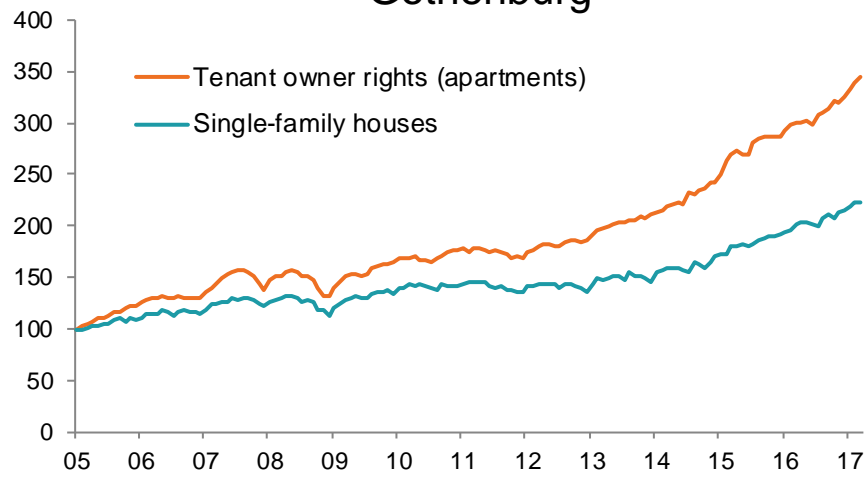
Sweden, total



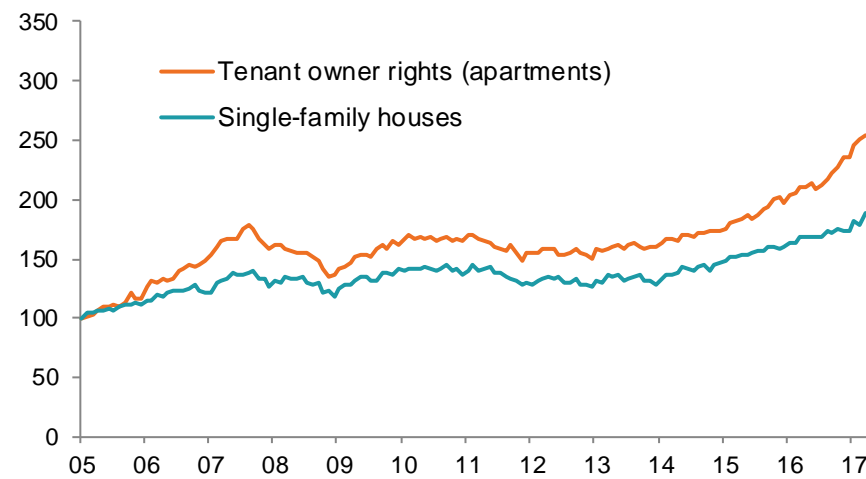
Stockholm



Gothenburg



Malmoe



Source: Valueguard Index (2005=100), (data up to and including Dec 2016)

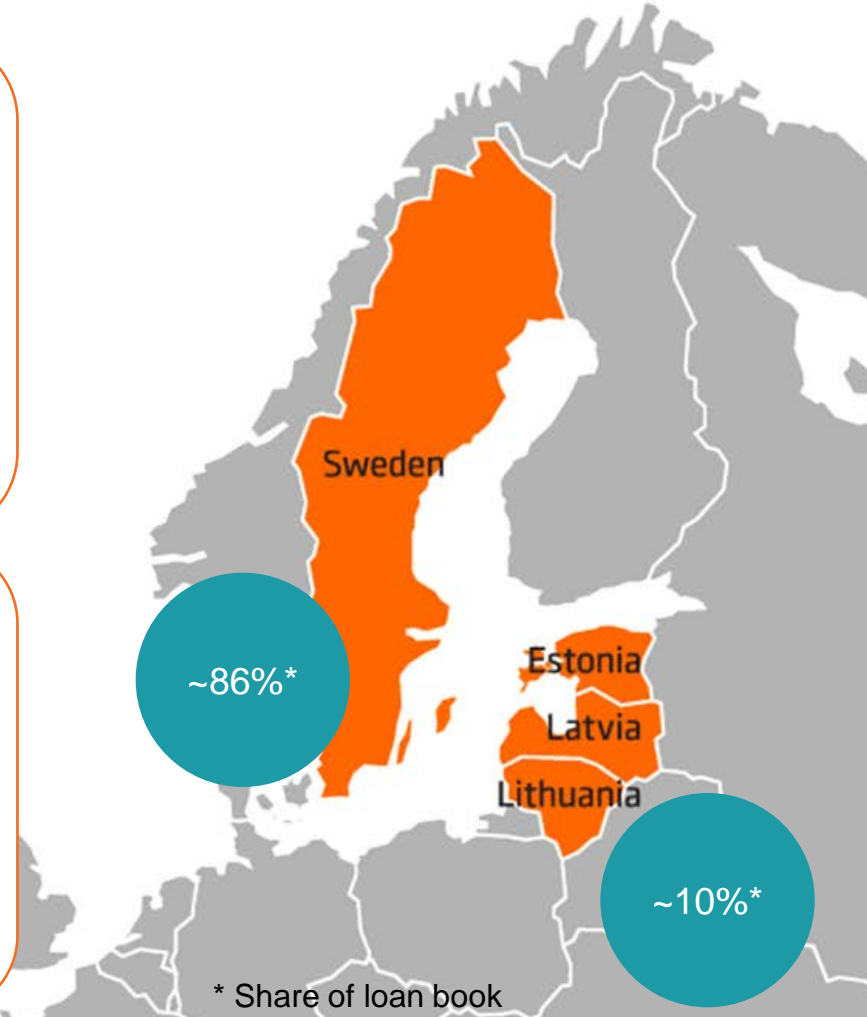
Appendix

Swedbank – largest retail bank in our four home markets

This is Swedbank

Sweden	
Population	10.0m
Private customers	4.0m
Corporate customers	265 000
Organisations	67 000
Branches	241
Cards	4.2m
Number of card purchases	284m
Digitally active customers*	3.0m
Number of logins**	336m

Estonia	
Population	1.3m
Private customers	0.9m
Corporate customers	143 000
Branches	35
Cards	1.1m
Number of card purchases	45m
Digitally active customers*	0.6m
Number of logins**	31m


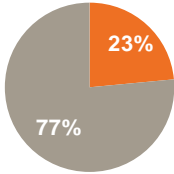
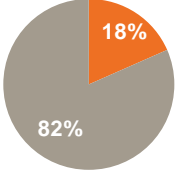
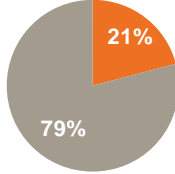
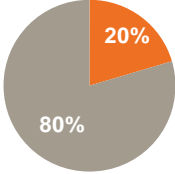
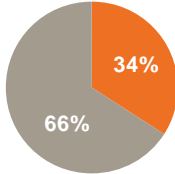
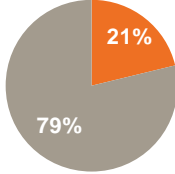

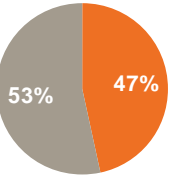
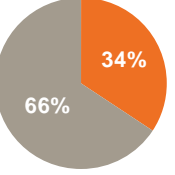
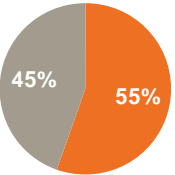
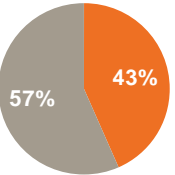
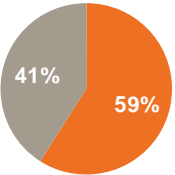
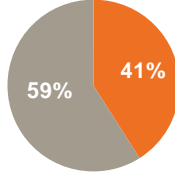

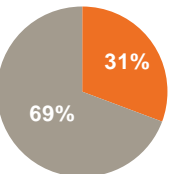
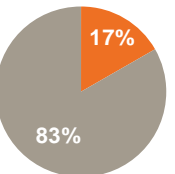
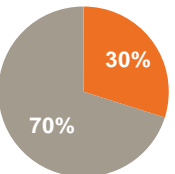
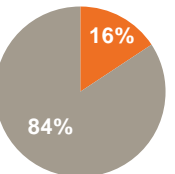
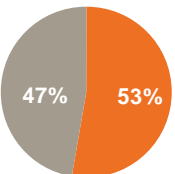
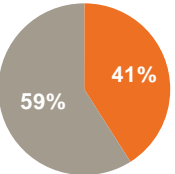

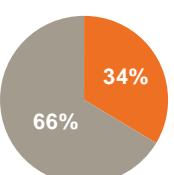
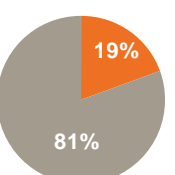
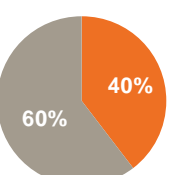
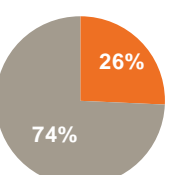
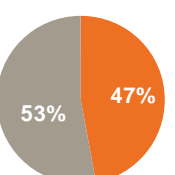
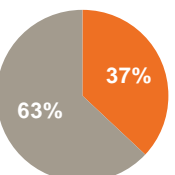


Latvia	
Population	2.0m
Private customers	0.9m
Corporate customers	91 000
Branches	41
Cards	1.0m
Number of card purchases	33m
Digitally active customers*	0.7m
Number of logins**	28m

Lithuania	
Population	2.9m
Private customers	1.5m
Corporate customers	85 000
Branches	65
Cards	1.7m
Number of card purchases	44.9m
Digitally active customers*	0.7m
Number of logins**	31m

Market leading position

This is Swedbank

	Loans (private)*	Loans (corporate)*	Deposits (private)	Deposits (corporate)	Payments**	Funds
 Sweden						
 Estonia						
 Latvia						
 Lithuania						

Our objective



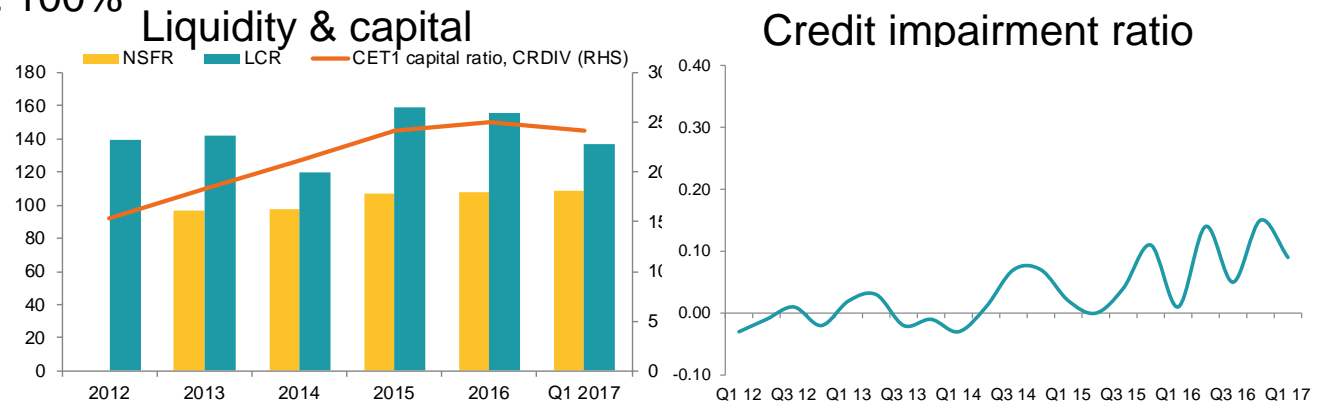
Strategy

- Daily banking is fully digital – 100% self service
- Meet our customers with relevant offerings, in our own or external channels
- Data and knowledge automation – to foresee needs, provide proactive offering and advice. This will generate loyalty as well as increased sales
- Have an attractive financial platform for customers and 3rd party suppliers, providing value-added and competitive edge
- Branches attract new customers - build the brand and increasingly focus on corporate customers

Swedbank – a low-risk bank with strong capital base



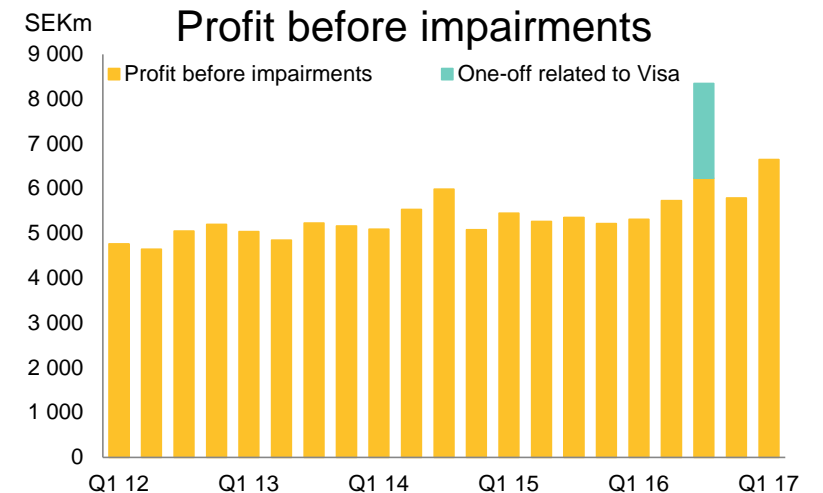
- Low risk – a Board of Directors’ strategic priority – ensures access to funding markets and low funding cost
- Retail profile and four home markets a key feature
 - 86% of total loans originated in Sweden - Swedish mortgages account for 58% of total loans
 - 90% of total loans are collateralised (76% real estate and 14% other collateral)
- Strong capital position – Board of Directors’ decision to maintain a buffer above prevailing SFSA capital requirements to have operational flexibility – current buffer around 250bp
- Conservative funding and liquidity position – survival horizon longer than 12 months assuming closed funding markets, NSFR 109% and LCR 137%
- Baltic operations self-funded – loan-to-deposit ratio < 100%



Swedbank – strong and stable earnings capacity



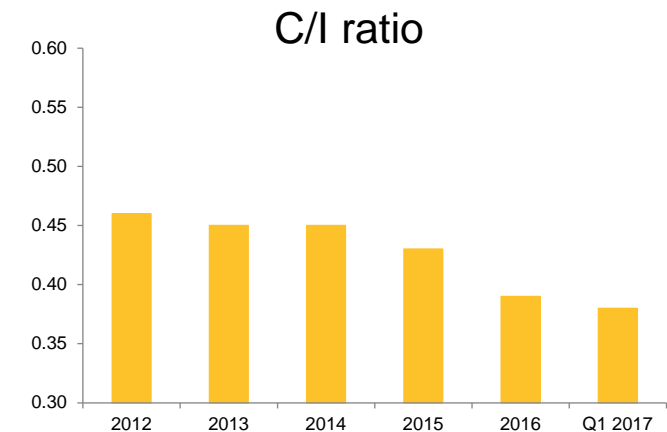
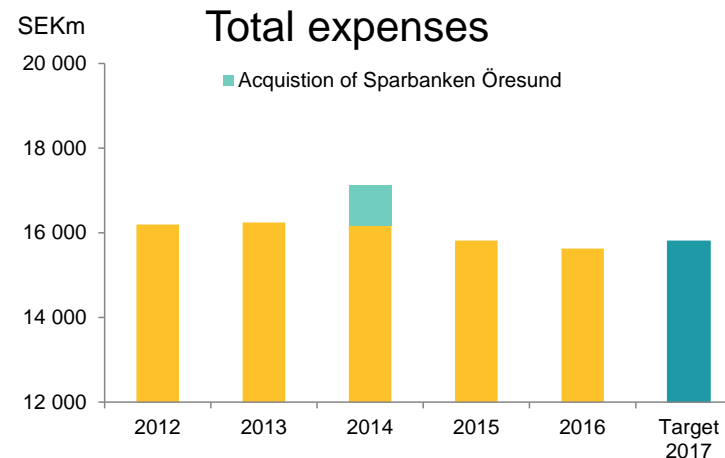
- Four home markets – Sweden, Estonia, Latvia and Lithuania
 - Strong and stable economies
 - Market-leading position in all home markets
 - Largest customer base in all home markets
- Retail profile ensures stable earnings with low volatility
- High cost efficiency – a strategic priority – ensures good profitability
- Stable earnings is first line of defence supporting low risk profile and strong capital position



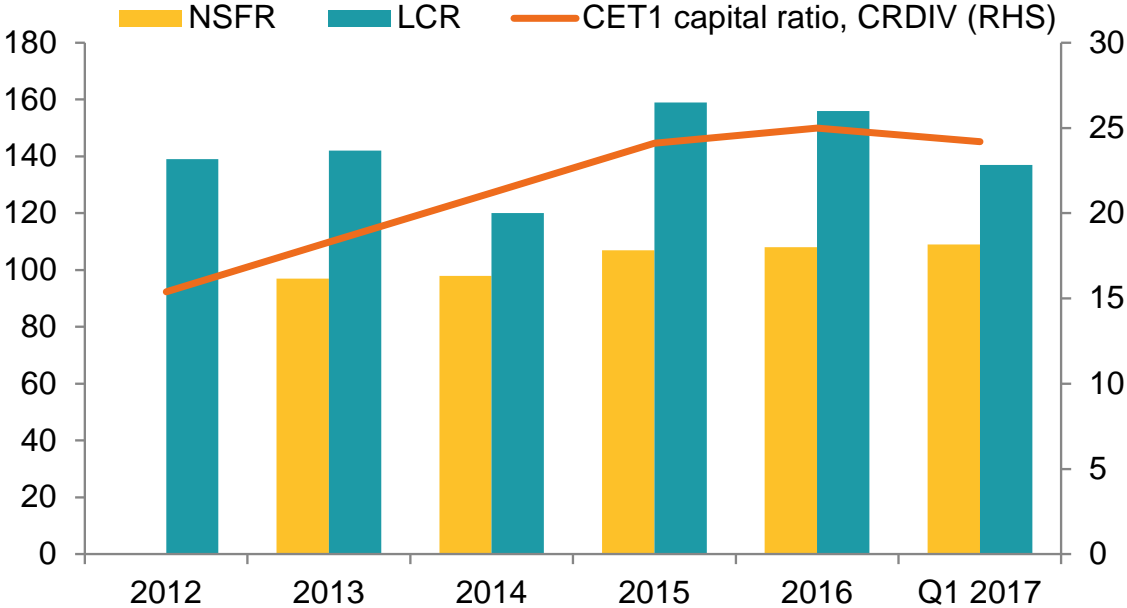
Swedbank – market leader in cost efficiency

This is
Swedbank

- Best-in-class cost efficiency – an executive management strategic priority
- Executive management strongly focused on cost and change management
 - Integrated in corporate culture
 - Focus on straight-through-processing
 - Evolving household banking model – digitisation trend
- Retail profile a key feature
 - Four home markets – Sweden, Estonia, Latvia and Lithuania – reduce complexity
 - Largest private and SME customer base
 - High degree of digitisation in home markets



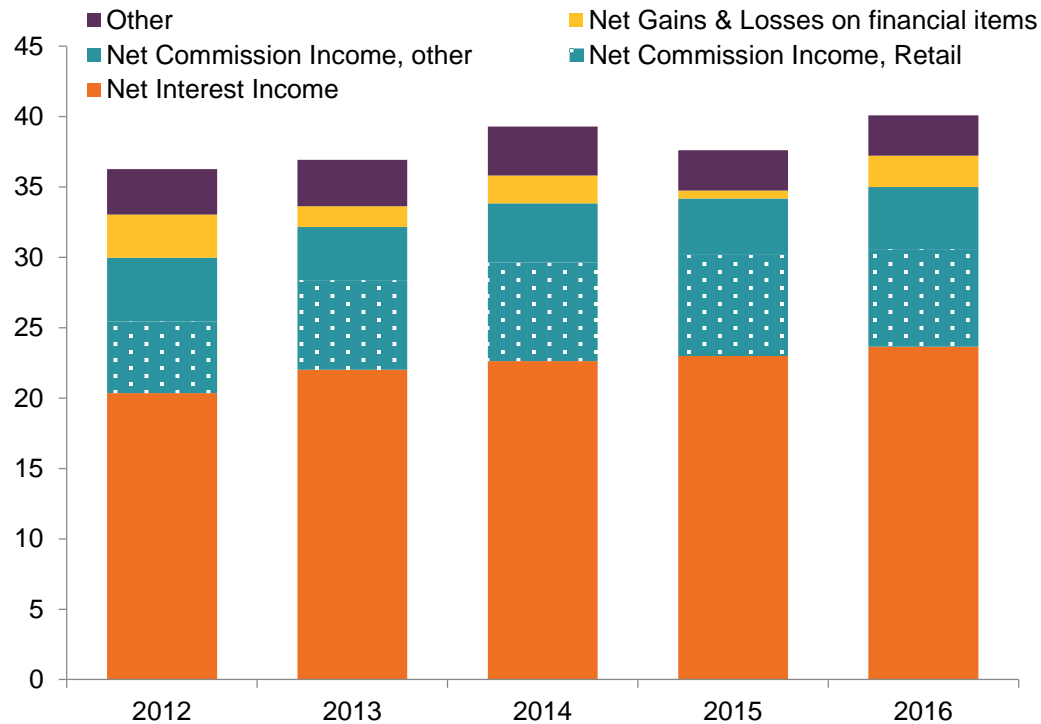
Value creation



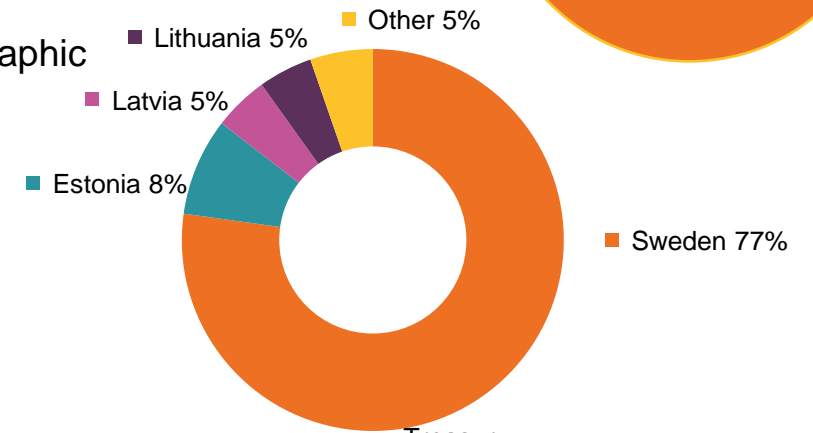
Strong and stable earnings capacity – retail bank profile



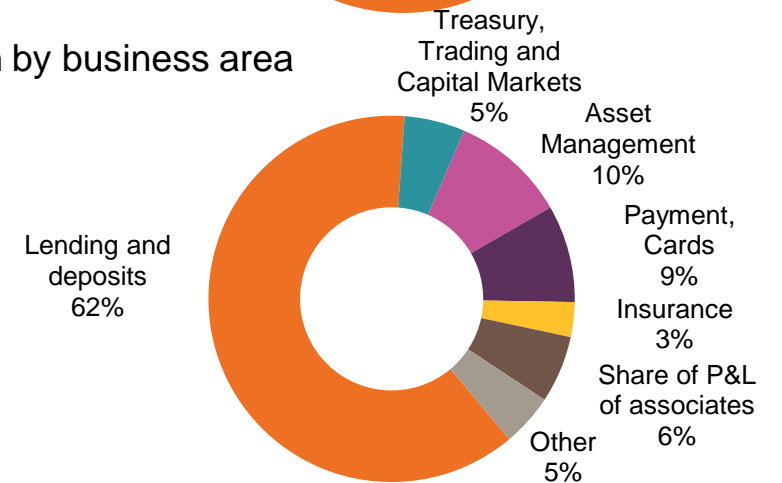
Total Income evolution, SEKbn



Total income geographic distribution...



...and distribution by business area

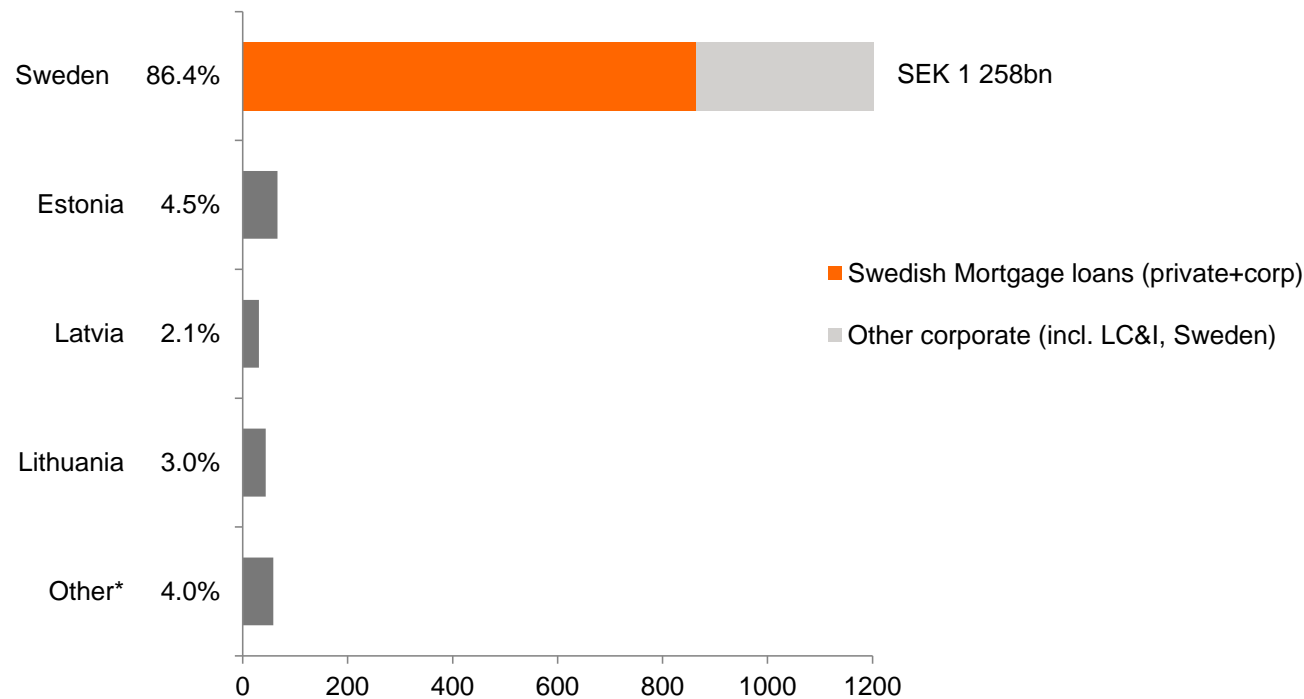


Sweden – the dominating home market



- Total lending to the public amounts to SEK 1 457bn (as per Q1 2017), out of which around 86% is originated in Sweden
- Estonia makes up 47% of total lending in the Baltics

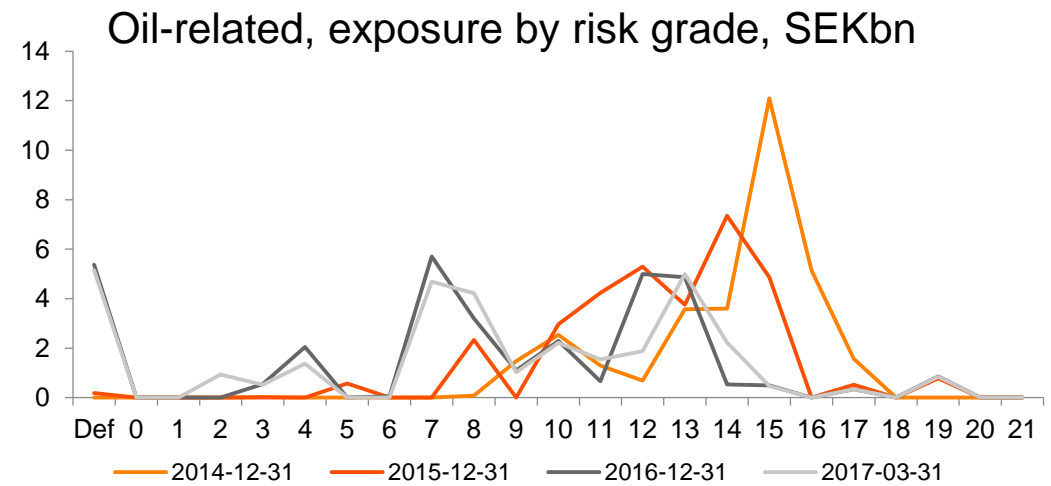
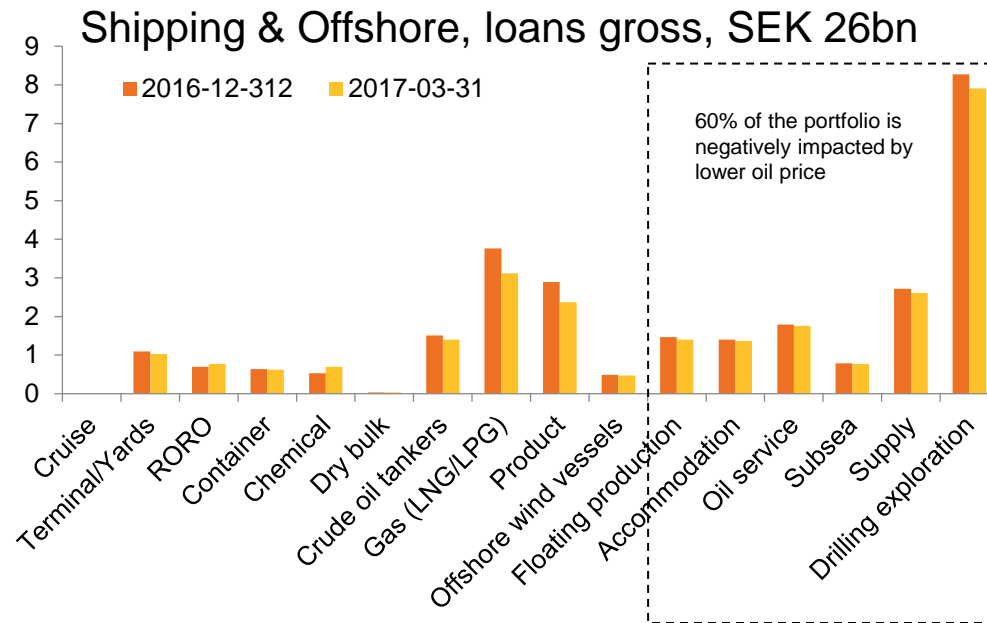
Lending distributed by countries



Oil sector under stress



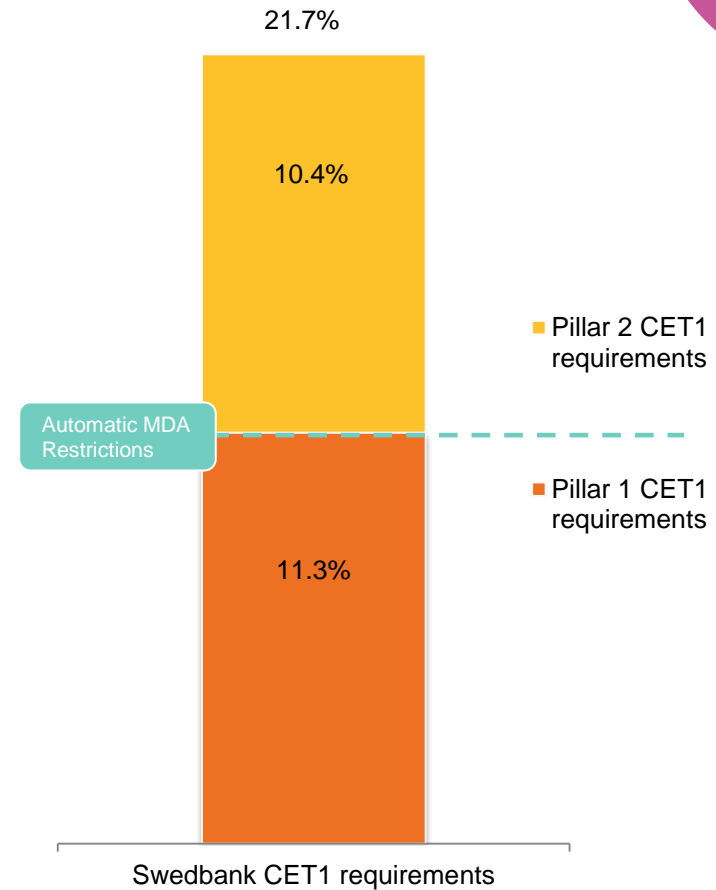
- Loan portfolio negatively impacted by lower oil price, SEK 15.8bn
 - 1.1% of total loans net
 - Derivatives exposures of SEK 2.3bn (incl. collateral)
- Provisions of SEK 417m in Q1



No automatic sanctions for breaching the Pillar 2 capital requirements

Capital – fully loaded CRD IV

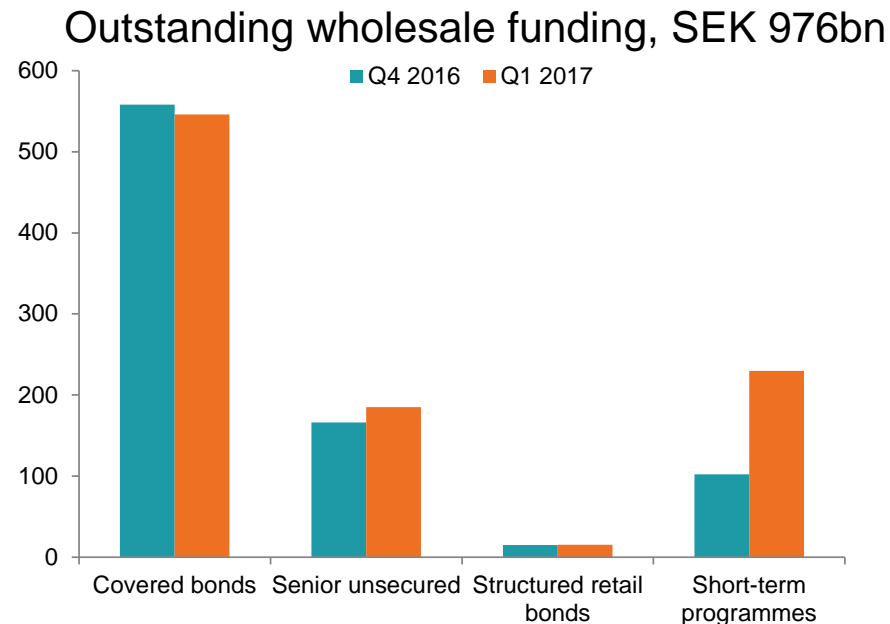
- “It is particularly important that FI has the possibility of giving due consideration to the specific situation...in which a firm in financial stress finds itself... **For example, certain risks included in the assessment of the Pillar 2 basic requirement might have materialized, which might mean there are no longer grounds for requiring the firm to hold capital for them**”.
- “It ought to be positive for financial stability that a firm has the possibility... to restore its capital without the firm necessarily becoming subject to priority specified and automatic legal restrictions. **In other words, firms are hence given the possibility of re-establishing their capital in a strained situation without automatic restrictions on distributions or, depending on the size of the capital shortage, a formal resolution phase being activated.**”
- “Hence...a firm may freely choose...the most suitable way of restoring the capital in that specific situation. **For example, the firm is not obliged to halt or limit dividends or interest payments on Tier 1 capital contributions**, if the firm can identify other and more appropriate ways of restoring the capital sufficiently quickly.”



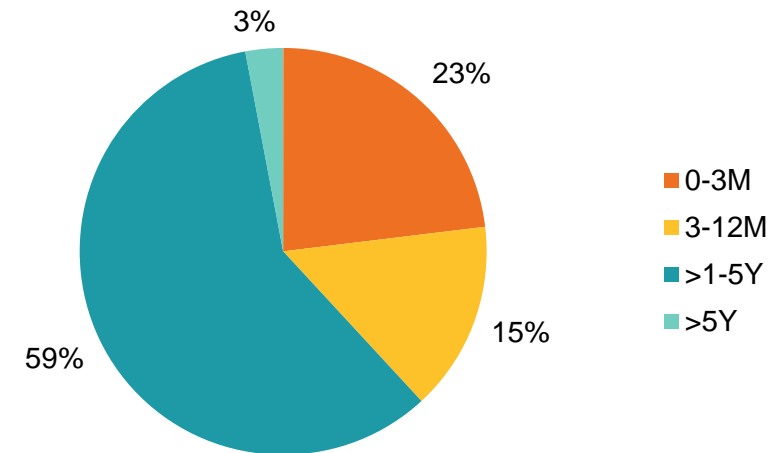
Wholesale funding profile



- Q1 2017 – 38% of wholesale funding < 12 months, SEK 408bn placed with central banks
- Average maturity for covered bonds, 38 months
- Average maturity for senior unsecured bonds, 32 months



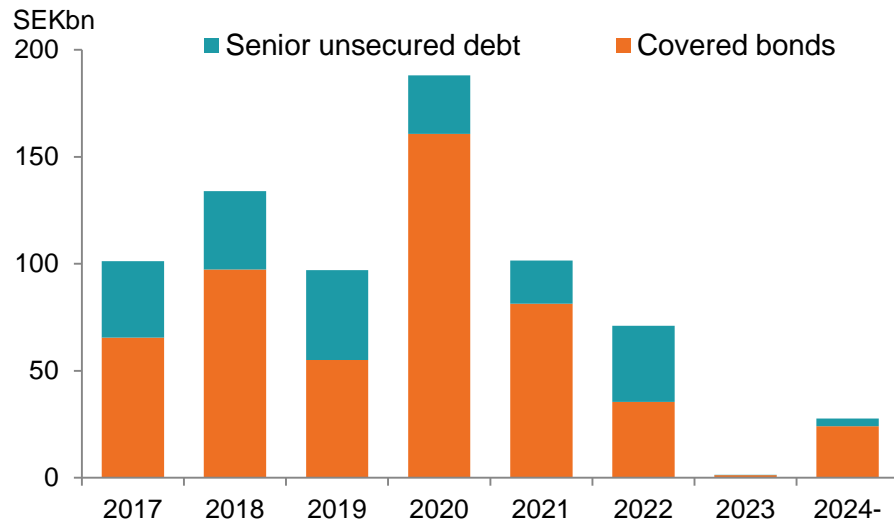
Maturity profile of outstanding wholesale funding



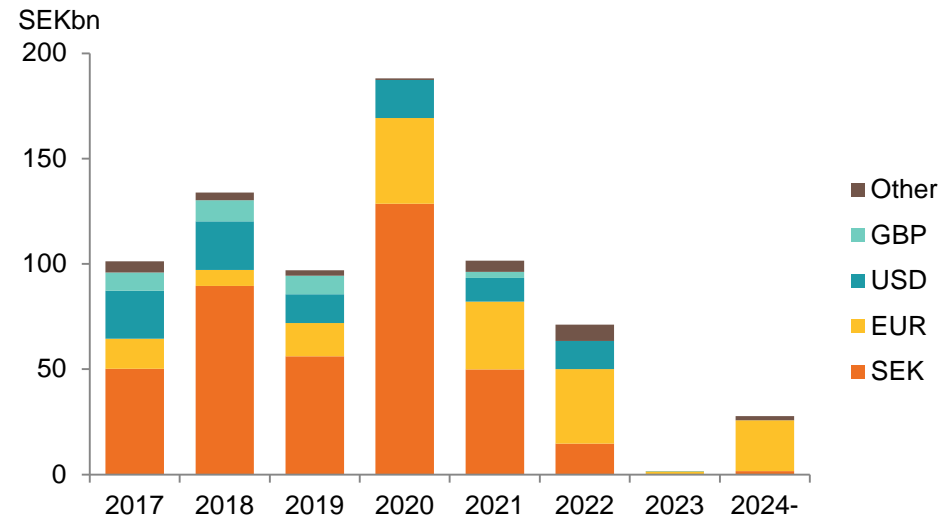
Long-term funding maturity profile



Long-term funding maturity profile, by funding source



Long-term funding maturity profile, by currency



Funding sources



Swedbank AB

100% owned

Swedbank Mortgage AB*

Program	Limit
Long Term	
Global MTN	USD 40bn
Domestic MTN	SEK 60bn
USD Senior (144a / Reg.S)	USD 15bn
AUD Senior**	AUD 10bn

NSV (stand alone doc.)	
Short Term	
Domestic CP	SEK 80bn
European CP/CD	EUR 6bn
US CP	USD 20bn
Yankee CD	USD 20bn
Finnish CD	EUR 4bn

Program	Limit
Long Term	
Domestic Benchmark CB	Unlimited***
EMTN CB	EUR 25bn
USD Covered bonds (144a / Reg.S)	USD 15bn
Domestic MTN CB	SEK 150bn
Norwegian Benchmark CB	Unlimited***
AUD Covered bonds**	AUD 10bn

Registered CB (stand alone doc.)	
Short Term	
Domestic CP	SEK 50bn

- * 100% guaranteed by parent company
 - Irrevocable
 - Unconditional
 - Timely

** Combined limit for unsecured- and covered bonds

*** Limited by cover pool size

Asset encumbrance



- Total balance sheet, SEK 2 489bn
- Asset encumbrance ratio of around 23%

Type of assets (Balance Sheet items) SEKm	Encumbered assets		additional assets available for secured	
	Carry Amount	Fair Value	Carry Amount	Fair Value
Assets of the reporting institution	564 948		1 755 025	
Loans on demand			407 431	
Equity instruments			45 935	45 935
Debt securities	20 628	20 796	154 210	155 136
Loans and advances other than loans on demand	544 320		1 039 126	
of which mortgage loans	532 354		611 742	
Other assets			108 323	

Type of assets (Off-balance sheet items) SEKm	Encumbered received collateral	Unencumbered received collateral available for secured funding
	Fair value	Fair value
Collateral received by the reporting institution	9 608	44 412
Loans on demand		
Equity instruments		2 721
Debt securities	9 608	29 989
Loans and advances other than loans on demand		10 361
Other collateral received		1 341
Own debt securities issued other than own covered bonds or ABSs		

Purpose for encumbrance (On- and off-balance sheet items) SEKm	Encumbered Assets 31 Mar 2017
Carrying amount of selected financial liabilities	552 721
of which Derivatives	13 983
of which Deposits	23 850
of which Debt securities issued	514 888
Other sources of encumbrance	21 835
Total	574 556

Benchmark transactions, 2015 – YTD 2017

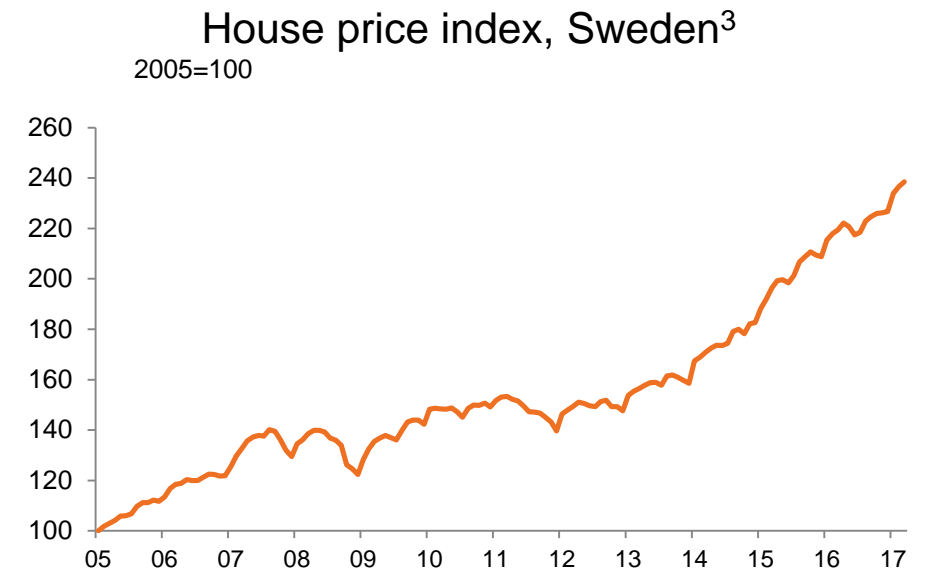


ISIN	Product	Tenor	Currency	Amount	Type	Spread	Value date	Maturity date
XS1190655776	AT1	Perpetual	USD	750	NC5	5.50%	February 19, 2015	Perpetual
XS1197350769	SU 144a	5Y	USD	1 000	Fixed	T+77	March 4, 2015	March 4, 2020
XS1197833996	SU 144a	3Y	USD	400	Fixed	T+65	March 4, 2015	March 2, 2018
XS1200837836	CB	7Y	EUR	1 000	Fixed	MS-5	March 11, 2015	March 11, 2022
XS1211586638	CB	3Y	GBP	500	FRN	3m£+20	April 2, 2015	April 2, 2018
XS1218319538	SU	4Y	GBP	300	Fixed	G+80	April 15, 2015	April 15, 2019
XS1230342955	SU	5Y	SEK	1 500	FRN	3mStib+100	May 11, 2015	May 11, 2020
XS1230340157	SU	5Y	SEK	1 500	Fixed	MS+50	May 11, 2015	May 11, 2020
XS1231116481	CB RegS	5Y	USD	1 000	Fixed	MS+37	May 12, 2015	May 12, 2020
XS1239401216	SU	7Y	EUR	750	Fixed	MS+45	June 1, 2015	June 1, 2022
XS1277337678	SU	5Y	EUR	500	FRN	3m€+50	August 18, 2015	August 18, 2020
XS1296948588	CB	5Y	EUR	1 250	Fixed	MS+7	September 29, 2015	September 29, 2020
XS1312135905	CB	3Y	GBP	350	FRN	3m£+38	October 29, 2015	October 29, 2018
AU3FN0029385	SU	3Y	AUD	325	FRN	3mBBSW+115	November 5, 2015	November 5, 2018
AU3CB0233773	SU	10Y	AUD	107	Fixed	MS+145	November 5, 2015	November 5, 2025
XS1328699878	SU	5Y1M	EUR	750	Fixed	MS+53	December 4, 2015	January 4, 2021
XS1361548693	CB	5Y	EUR	1 250	Fixed	MS+14	February 10, 2016	February 10, 2021
XS1377855363	SU 144a	5Y	USD	1 250	Fixed	T+135	March 10, 2016	March 10, 2021
XS1377258436	SU	3Y	EUR	500	FRN	3m€+45	March 11, 2016	March 11, 2019
XS1530835336	CB	5Y	GBP	250	Fixed	1.125	Dec 7, 2016	Dec 7, 2021
XS1535953134	AT1	Perpetual	USD	500	NC5	6.00%	Dec 16, 2016	Perpetual
XS1550140674	CB	5Y6M	EUR	1 000	Fixed	MS -3	January 16, 2017	July 18, 2022
AU3CB0242543	SU	5Y	AUD	100	Fixed	MS+118	February 17, 2017	February 17, 2022
AU3FN0034229	SU	5Y	AUD	350	FRN	3mBBSW+118	February 17, 2017	February 17, 2022
XS1573958409	SU	5Y6M	EUR	750	Fixed	MS+18	March 6, 2017	September 6, 2022
XS1577762583	SU 144a	5Y	USD	500	FRN	3m\$L+70	March 14, 2017	March 14, 2022
XS1577360784	SU 144a	5Y	USD	1 000	Fixed	T+80	March 14, 2017	March 14, 2022

Real estate price performance – Sweden, 12 month

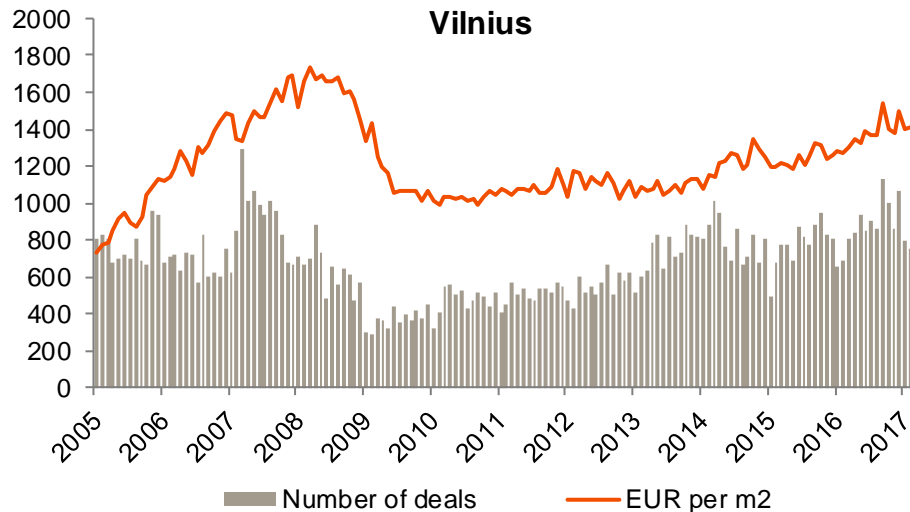
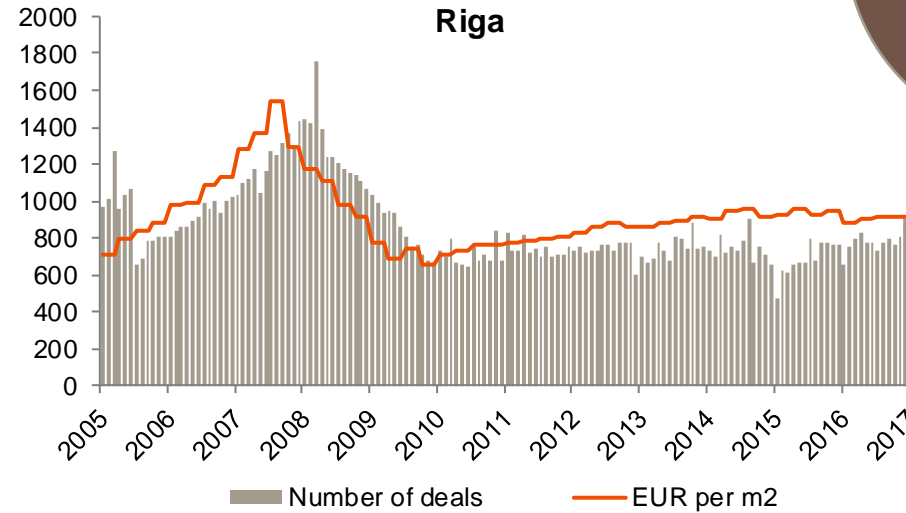
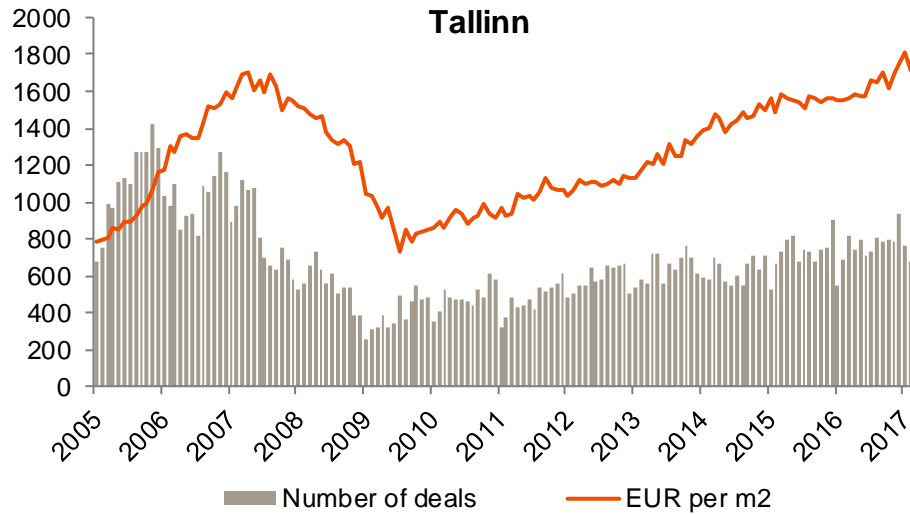


	Single-family homes ¹	Tenant-owner rights ²	Combined ³
	12M Δ	12M Δ	12M Δ
Apr 16	12%	10%	11%
May 16	11%	9%	11%
Jun 16	11%	7%	10%
Jul 16	10%	7%	8%
Aug 16	9%	6%	8%
Sep 16	9%	6%	8%
Oct 16	8%	7%	7%
Nov 16	9%	7%	8%
Dec 16	9%	8%	9%
Jan 17	9%	8%	9%
Feb 17	9%	8%	9%
Mar 17	9%	8%	9%



Source: Valuegard www.valuegard.se (Based on data from Mäklarstatistik), ¹ HOXHOUSESWE, ² HOXFLATSWE (apartments), ³ HOXSWE
 © Swedbank Information class Public Mar 2017

Real estate price performance – Baltics



- Housing affordability remains strong: 186 in Riga, 152 in Tallinn and 129 in Vilnius in 4Q 2016
 - The housing affordability index (HAI) is calculated for a family whose income is equal to 1.5 of average net wages with an average-sized apartment of 55 square meters. The HAI is 100 when households use 30% of their net wages for mortgage costs. When the HAI is at least 100, households can afford their housing, according to the established norm. The higher the number, the greater the affordability.

Swedbank – contacts and financial calendar

For further information, please contact:

Tomas Hedberg, Head of Group Treasury

tomas.hedberg@swedbank.se +46 706 43 97 11

Gregori Karamouzis, Head of Investor Relations

gregori.karamouzis@swedbank.com +46 727 40 63 38

DEBT INVESTORS

Peter Stenborn, Debt Investor Relations officer

peter.stenborn@swedbank.com +46 8 585 909 30

Ulf Jakobsson, Head of Funding

ulf.jakobsson@swedbank.se +46 8 700 90 61

Joakim Henriks, Money Markets and Short-Term Funding

joakim.henriks@swedbank.se +46 8 700 90 62

EQUITY INVESTORS

Mattias Mauritzon, Investor Relations (parental leave until Aug 2017)

Mattias.mauritzon@swedbank.com

Annie Ho, Investor Relations +46 8 585 922 69

annie.ho@swedbank.com

Financial calendar

Q2 Interim report	19 Jul 2017
Q3 Interim report	24 Oct 2017

Contact Debt Investor Relations:

debt.ir@swedbank.com

www.swedbank.com/investor-relations/debt-investor

Postal address:

Swedbank AB (publ)
SE-105 34 Stockholm, Sweden

Visitors:

Landsvägen 40,
Sundbyberg