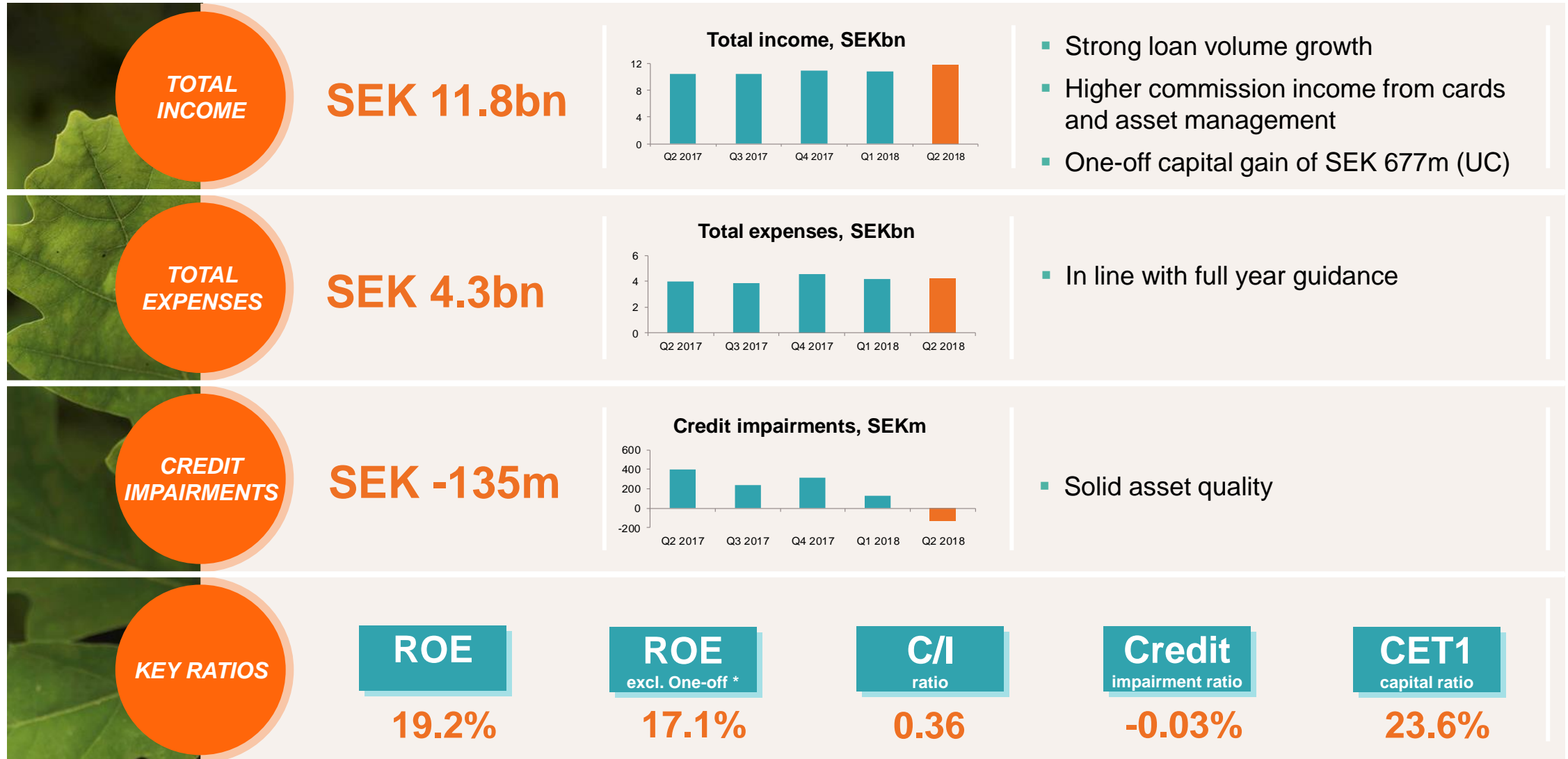


Swedbank's second quarter 2018 results

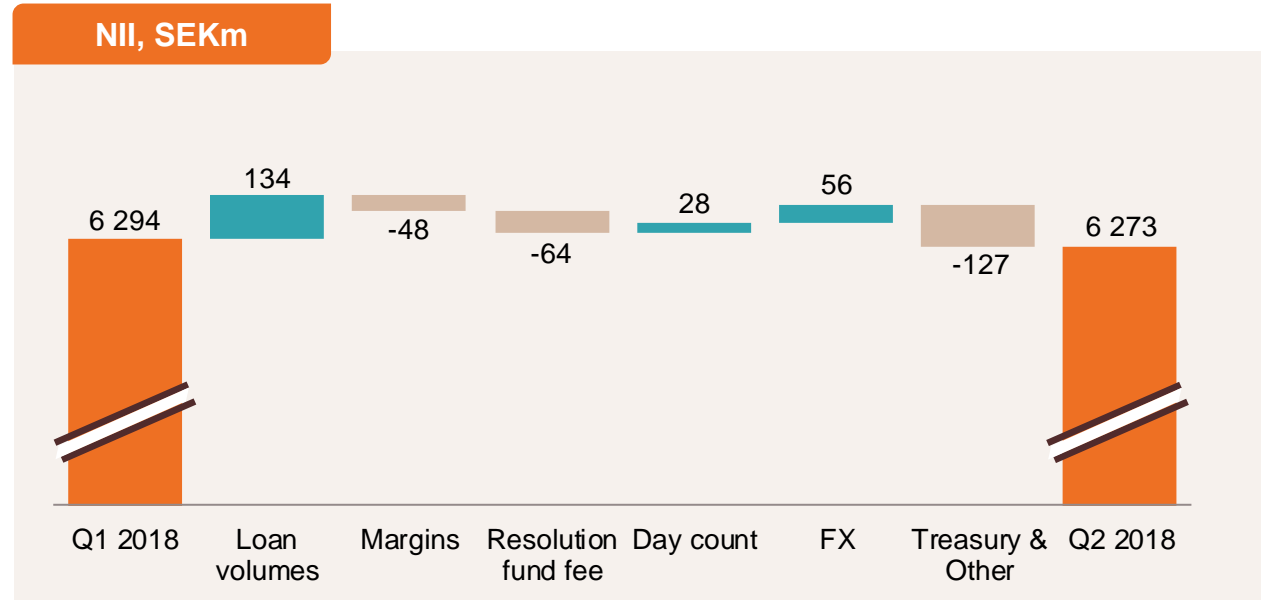
Anders Karlsson (CFO), Helo Meigas (CRO)

Group financial highlights



Group result

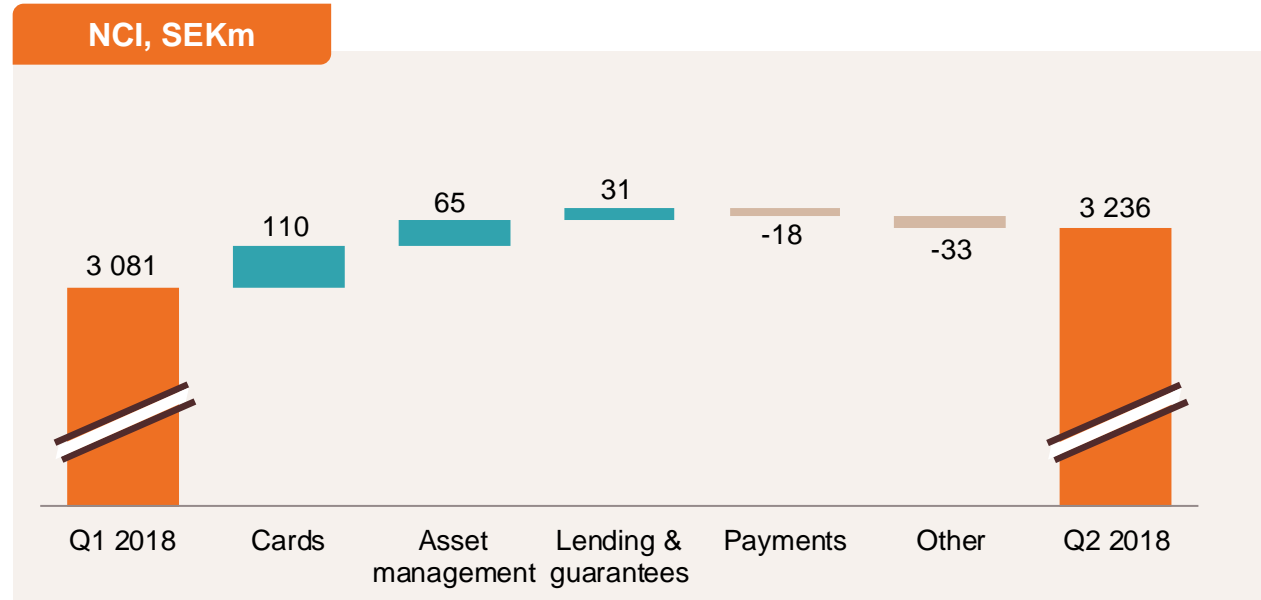
Stable net interest income



- Strong loan volume growth
- Slightly lower margins
- Higher resolution fund fee
- One more day in the quarter
- Positive FX effect
- Less favorable USD funding market

Group result

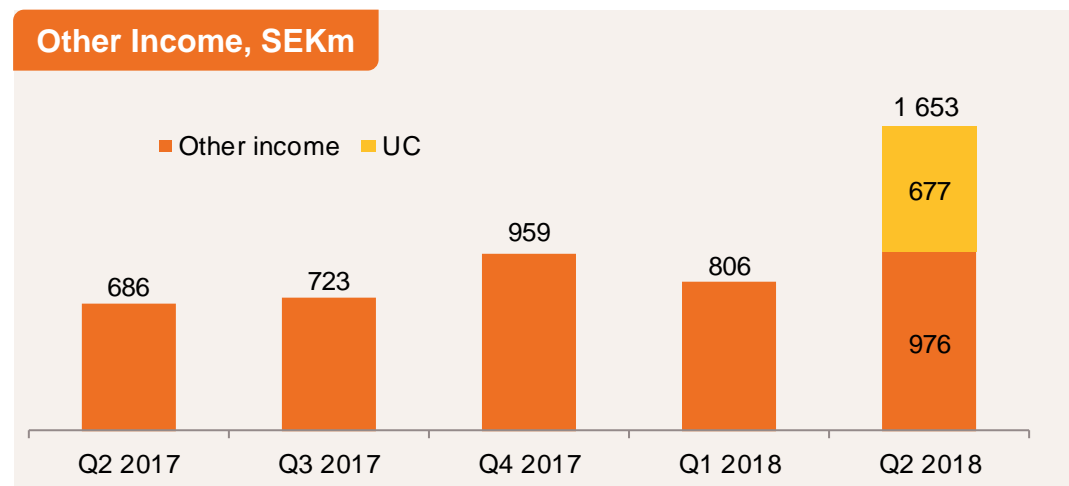
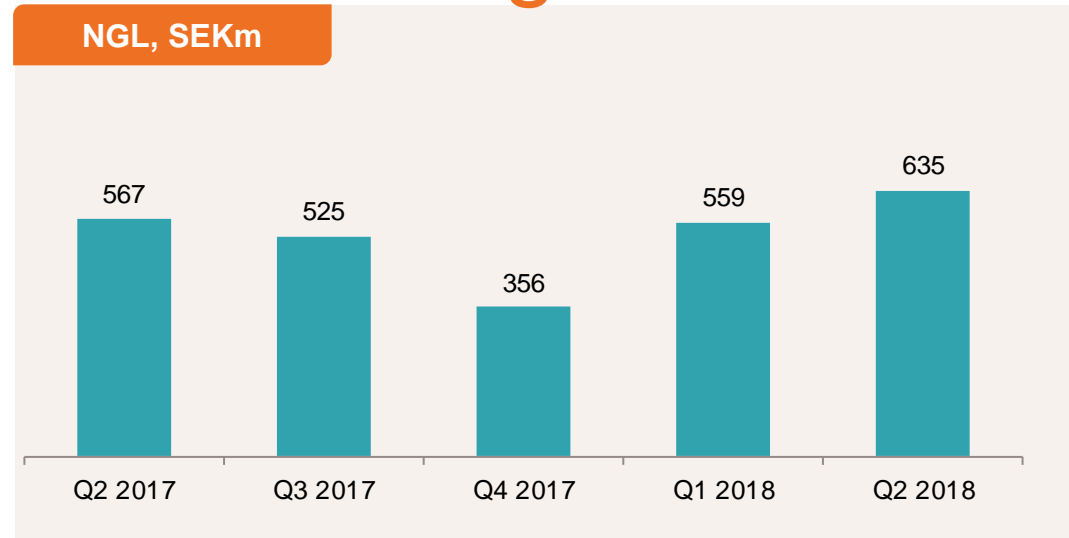
Strong net commission income



- Seasonally higher cards income
- Asset management income supported by strong mutual fund inflows and positive asset value development

Group results

Sale of UC generated one-off capital gain



- Overall lower trading activity due to political uncertainty
- Continued good client FX and interest rate swap activity
- Improved result in Group Treasury due to FX swap valuation effects in Q1
- One-off tax free capital gain of SEK 677m (UC)
- Positive arbitration result of SEK 85m related to Visa
- Lower claims in insurance business

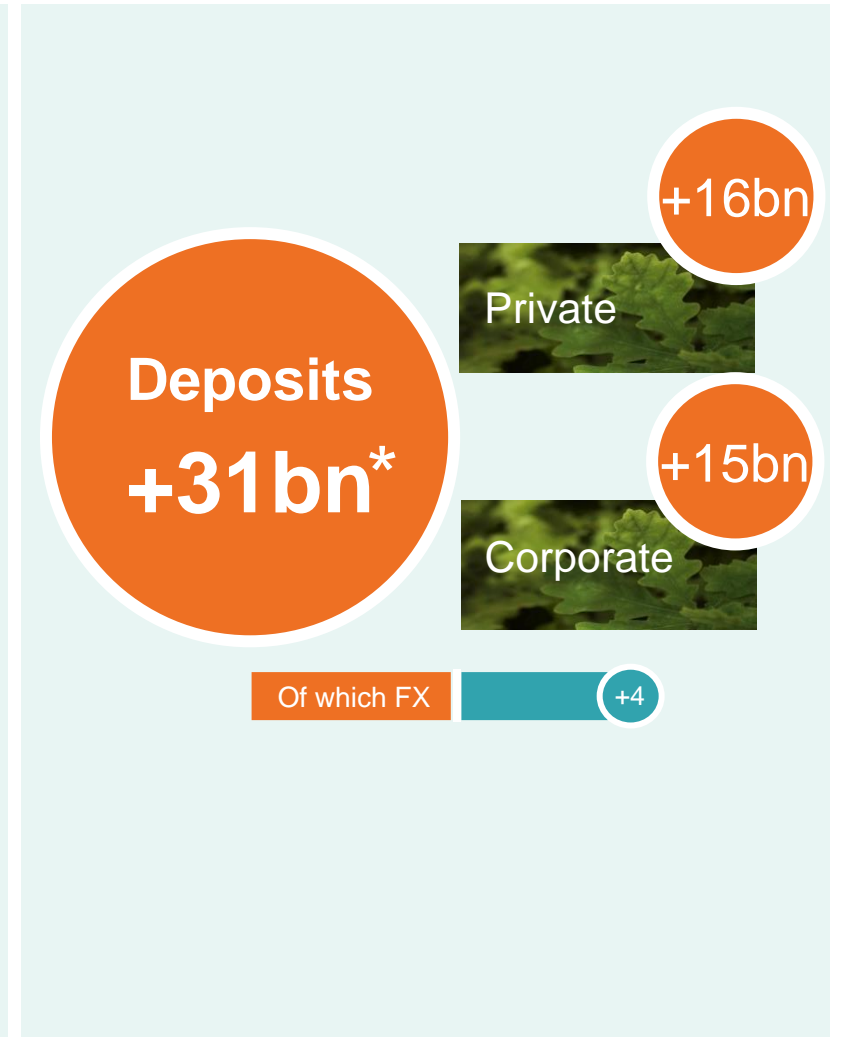
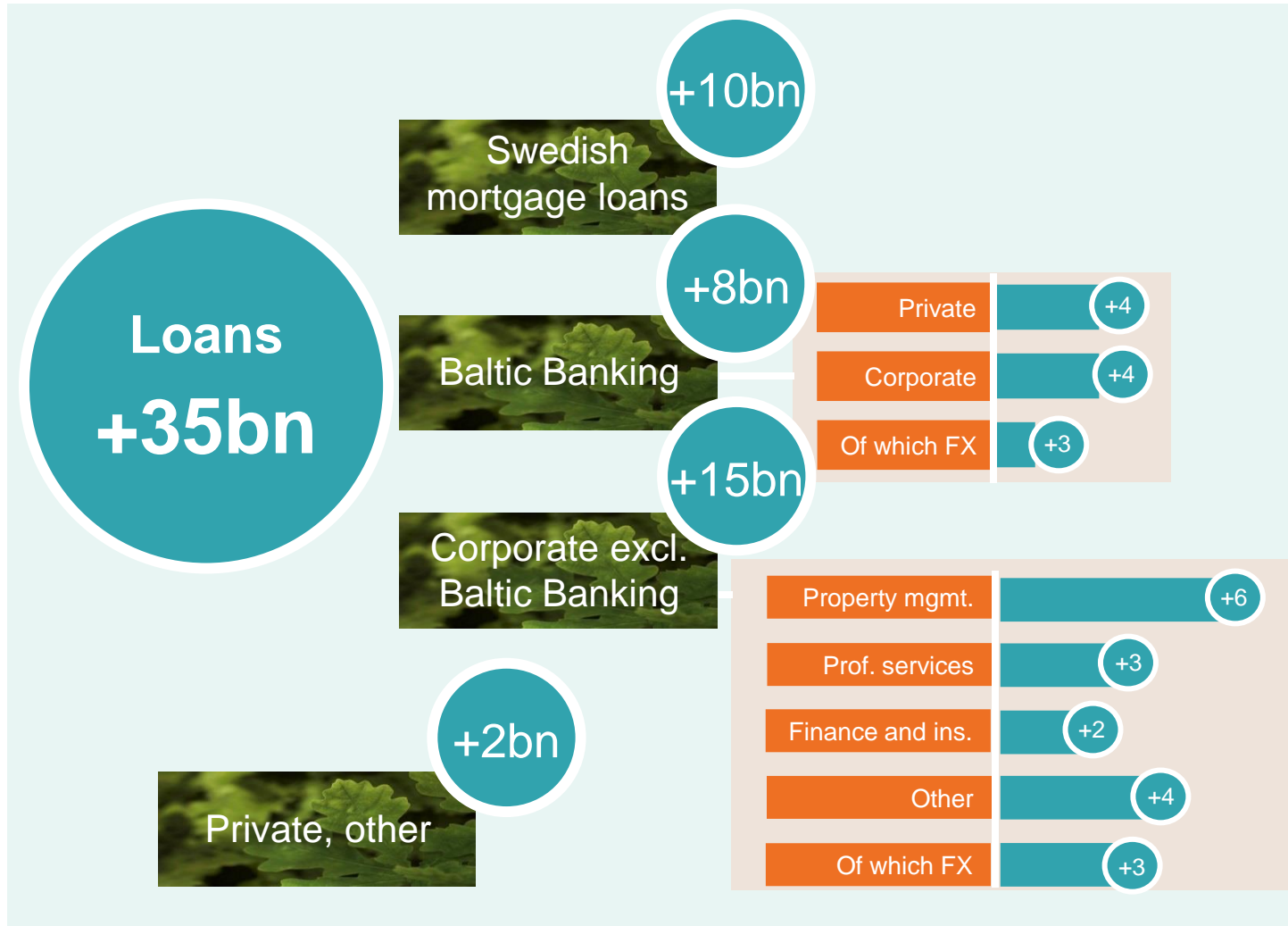
Group results

Strong profitability supported by high customer activity

SEKm	Q2 18	Q1 18	▲ QoQ
Net interest income	6 273	6 294	-21
Net commission income	3 236	3 081	155
Net gains and losses	635	559	76
Other income	1 653	806	847
Total income	11 797	10 740	1 057
Total expenses	4 262	4 169	93
Profit before impairments	7 535	6 571	964
Credit impairments	-135	127	-262
Other impairments	282	0	282
Tax	1 369	1 410	-41
Net profit	6 014	5 033	981
Ratios	Q2 18	Q1 18	
ROE, %	19.2	15.4	
C/l ratio	0.36	0.39	
CET1 capital ratio, %	23.6	24.8	

- Continued solid mortgage loan volume growth
- Corporate loan growth
- Resolution fund fee higher in 2018 and lower in 2019-2020
- Net commission income supported by solid macroeconomic fundamentals
- One-off tax free capital gain of SEK 677m (UC)
- Expenses in line with guidance
- Solid asset quality
- Impairments of intangible assets
- Lower corporate tax rate from 2019

Solid volume growth



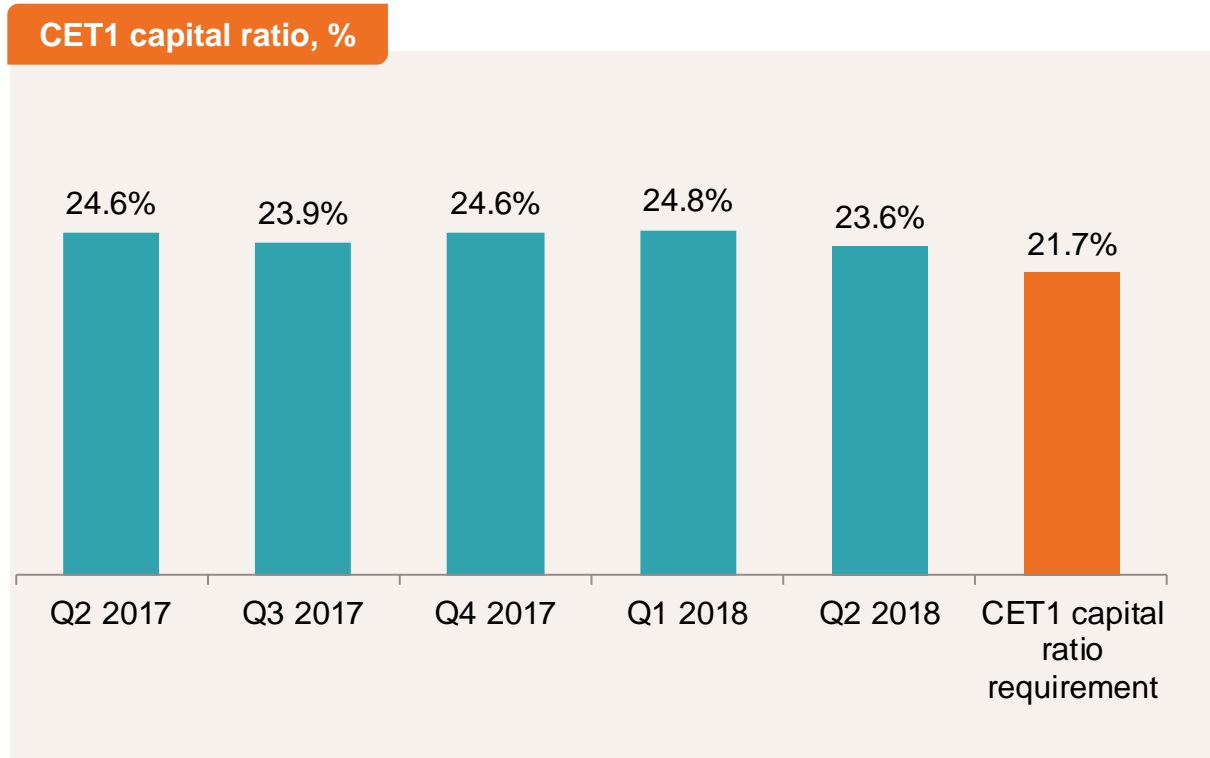
Group results

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Strong capitalisation – no excess capital



- CET1 capital increased by SEK 0.5bn
 - Positive effect from net profit of SEK 1.2bn excl. dividend
 - Negative effect from IAS19 of SEK 0.8bn
- REA increased by SEK 23.7bn
- Buffer above minimum requirements of around 190bps

Capital

Increased Risk Exposure Amount (REA)



- REA increased by SEK 23.7bn
 - Loan volumes increased REA by 17.4bn
 - FX SEK 2.9bn

Group

Solid asset quality

Credit impairments, SEKm	Q2 18	Q1 18	▲ QoQ
Swedish Banking	84	253	-169
Baltic Banking	-87	-26	-61
Large Corporates & Institutions	-126	-100	-26
Swedbank Group	-135	127	-262

Ratios	Q1 18	Q1 18
Credit impairment ratio, %	-0.03	0.03
Share of Stage 3 loans, gross %	0.67	0.70
Total credit impairment provision ratio, %	0.33	0.35

- Resilient asset quality in all business segments
- Recoveries in Baltic Banking and LC&I

Appendix

Group results

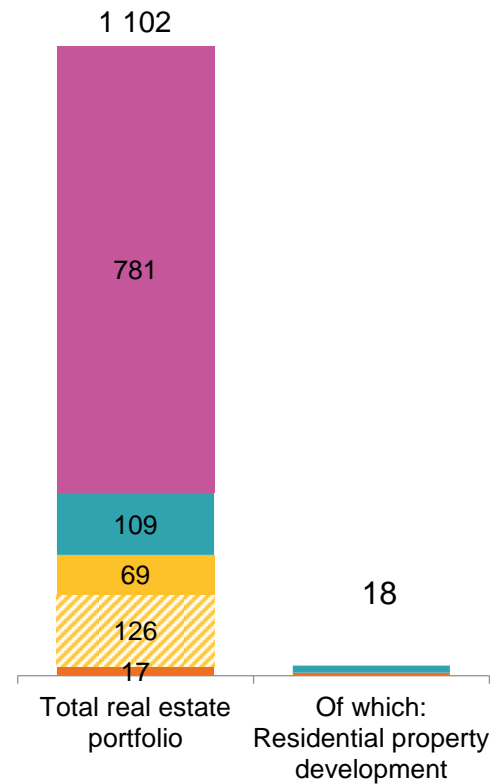
Strong profitability supported by high customer activity

SEKm	Q2 18	Q1 18	▲ QoQ	Q2 17	▲ YoY
Net interest income	6 273	6 294	-21	6 090	183
Net commission income	3 236	3 081	155	3 050	186
Net gains and losses	635	559	76	567	68
Other income	1 653	806	847	686	967
Total income	11 797	10 740	1 057	10 393	1 404
Total expenses	4 262	4 169	93	3 966	296
Profit before impairments	7 535	6 571	964	6 427	1 108
Credit impairments	-135	127	-262	400	-535
Other impairments	282	0	282	1	281
Tax	1 369	1 410	-41	1 276	93
Net profit	6 014	5 033	981	4 746	1 268
Ratios	Q2 18	Q1 18		Q2 17	
ROE, %	19.2	15.4		15.6	
C/l ratio	0.36	0.39		0.38	
CET1 capital ratio, %	23.6	24.8		24.6	

Swedbank has a low-risk residential property portfolio



Real estate lending, net loans in Sweden, SEKbn¹⁾



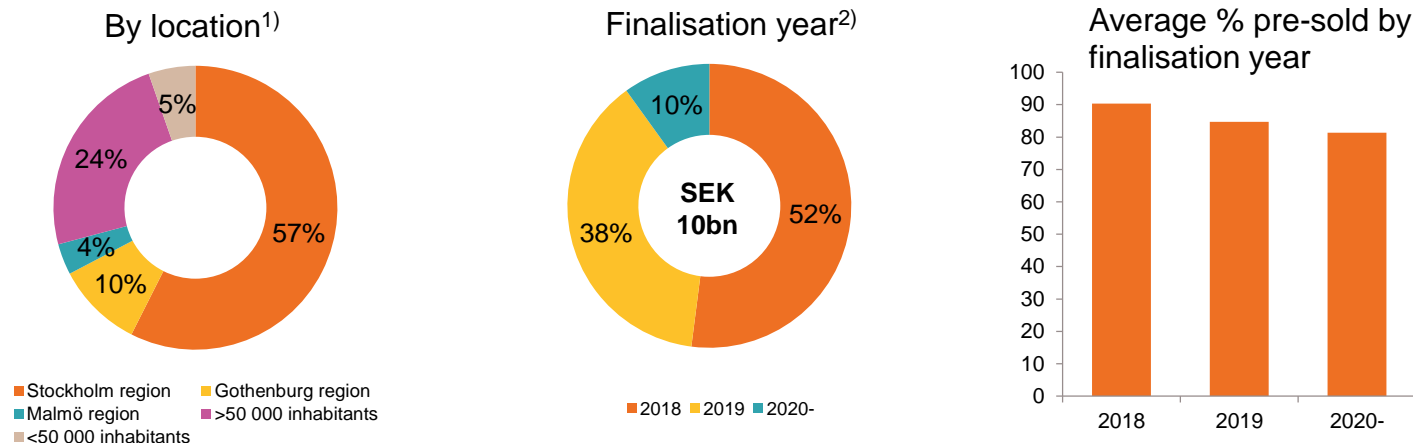
- Private mortgages: SEK 781bn, average LTV 56%
- Tenant owner associations (“TOA”): SEK 109bn
 - SEK 97bn existing TOA, average LTV 39%
 - SEK 12bn TOA under construction
- Property management: SEK 195bn
 - SEK 69bn in residential property management (rental apartment properties)
 - SEK 126bn in other property management
- Construction SEK 17bn
 - SEK 6bn residential property development
 - SEK 11bn infrastructure, groundwork, craftsmen

- Swedbank has pursued a low risk strategy by tightening origination standards, and prioritising price and risk over volume growth
- Bulk of assets in low risk segments
- Average LTVs in lower ranges
- Residential property developer exposures of SEK 18bn

Residential property developers - low exposure

- Total loan portfolio of SEK 18bn, mainly to the larger listed construction firms, with which Swedbank has long-term relations
 - SEK 12bn of the loans are related to tenant-owner rights projects
 - SEK 6bn of the loans are related to residential property construction activities
- 90% of these projects will be finalised in 2018 and 2019

Tenant-owner rights related construction loans¹⁾ – the risk is highly mitigated

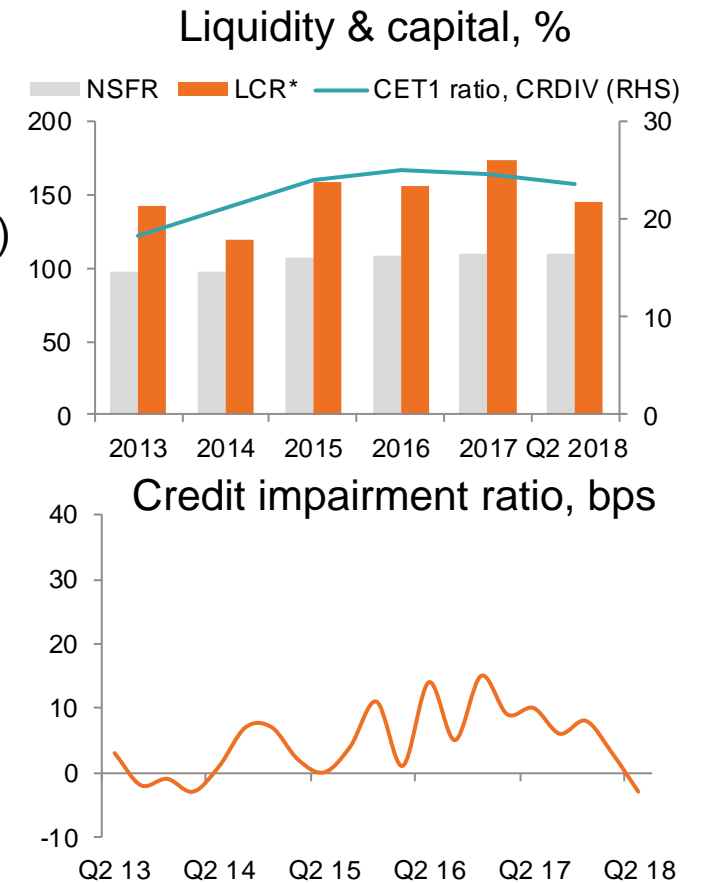


Swedbank – low-risk bank with strong capital base



- 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
 - Around 86% of total loans originated in Sweden - Swedish mortgages account for 50% of total loans
 - 90% of total loans are collateralised (77.2% real estate and 12.8% 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 190bps
- Conservative funding and liquidity position – survival horizon longer than 12 months assuming closed funding markets, NSFR 110% and LCR 145%*
- Baltic operations self-funded – loan-to-deposit ratio < 100%

* From Q1 2018 – the Liquidity Coverage Ratio (LCR) is calculated in accordance with the Commission Delegated Regulation (EU 2015/61) of 10 October 2014 (also, see Fact book, page 57)

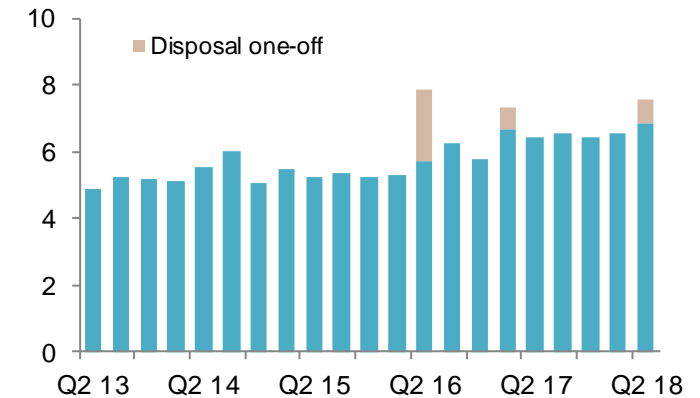


Swedbank – strong and stable earnings capacity



- 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 support a low risk profile and a strong capital position

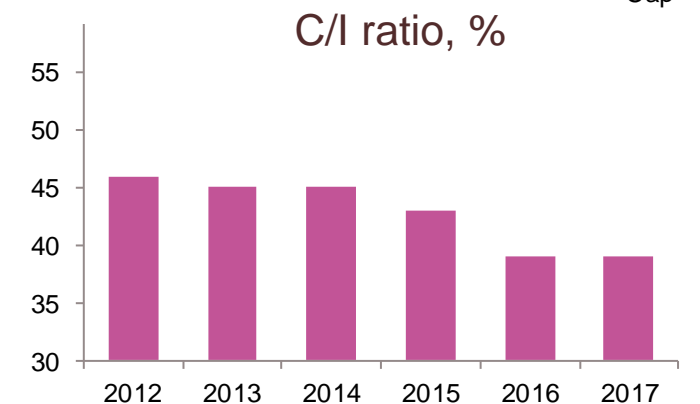
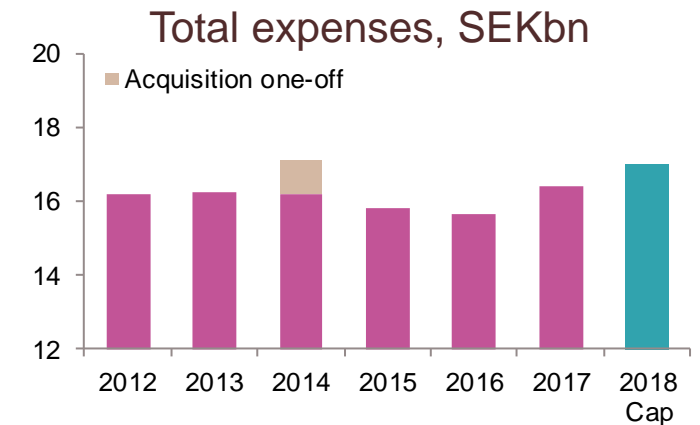
Profit before impairments, SEKbn



Swedbank – market leader in cost efficiency



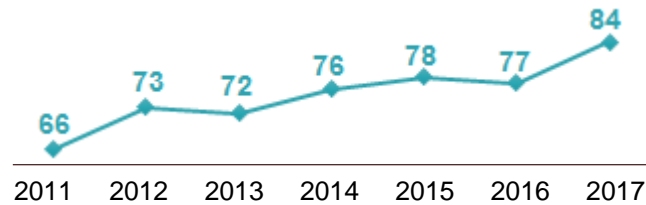
- Best-in-class cost efficiency – an executive management strategic priority
- Executive management strongly focused on cost and change management
 - Integrated in corporate culture
 - Focus on straight-through-processing
 - Evolving household banking model – digitisation trend
- Retail profile a key feature
 - Four home markets – Sweden, Estonia, Latvia and Lithuania – reduce complexity
 - Largest private and SME customer base
 - High degree of digitisation in home market
- Cost target for 2018-2019 to be below SEK 17bn per year



Focus on sustainable business

Improved sustainability scores

Dow Jones Sustainability Index



Swedbank's first Green Bond Impact Report released

Green Bond Impact Report

In accordance with Swedbank's Green Bond Framework established last year the Green Bond Impact Report for 2017 has now been released. It shows that resulting investments in eligible green assets has enabled 457 309 tonnes of CO2 emissions to be avoided (annualised).

Stronger Environmental Management System (EMS)

ISO

Swedbank's upgraded Environmental Management System was certified with the new and more rigorous standard **ISO14001:2015**.

Swedbank is included in The Sustainability Yearbook 2018

The Sustainability Yearbook

The Sustainability Yearbook lists the world's most sustainable companies in each industry as determined by their score in RobecoSAM's annual Corporate Sustainability Assessment.



Swedbank Robur launches unique SDG equity fund

Swedbank Robur's new sustainability equity fund, Global Impact, invests in companies that through their products, services and activities, contribute to reaching the UN's SDGs. The fund allows our customers to earn capital returns while contributing to a better, more sustainable world.

Eligible green assets	Sustainable Development Goal
Renewable energy	SDG7 and SDG13
Energy efficiency	SDG7, SDG11 and SDG13
Sustainable management of living natural resources	SDG15
Pollution prevention and control	SDG6 and SDG11
Clean transportation	SDG9 and SDG11, SDG13

Sustainability Indicators: towards the 2030 Agenda

Swedbank has developed a new methodology, Sustainability Indicators, to review the progress towards the UN 2030 Agenda for Sustainable Development. The aim is to support the business looking at ESG (environmental, social, governance) criteria and help to identify weaknesses and strengths in Sweden and the Baltic countries.

Progress towards UN SDGs, % of benchmark*

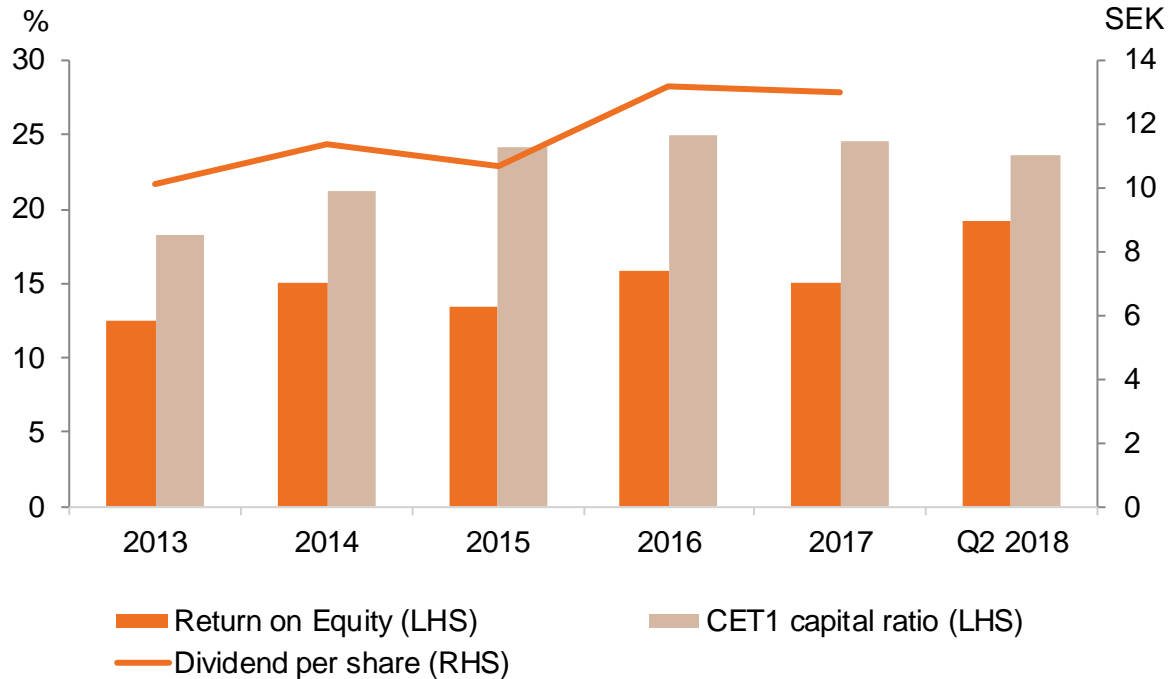
	Estonia	Latvia	Lithuania	Sweden	Denmark	Finland	Norway
E: Environmental protection (SDGs # 6, 7, 11, 12, 13)	58	73	70	83	79	68	72
S: Social inclusion (SDGs # 1, 3, 5, 10)	56	56	55	89	81	91	91
G: Governance and institutions (SDGs # 16, 17)	70	51	62	97	94	91	99
G: Sustainable medium-term growth (SDGs #4, 8, 9)	69	63	66	87	91	83	88

↓ - Downward/stable trend during last 5 years (4 years for governance)

* Benchmark is 90 or 10th percentile of EU28 in 2015. In total 41 indicators covering 14 from 17 SDGs, aggregated to four pillars.

Traffic lights for the Nordics: >90% for green, 70-90% for yellow, for the Baltics ≥80% for green, 60-80% for yellow.

Swedbank creates value



Return on Equity

>15% target

19.2% (17.2% excl. one-off)

Common Equity Tier 1 ratio

One of the highest among European banks

23.6%

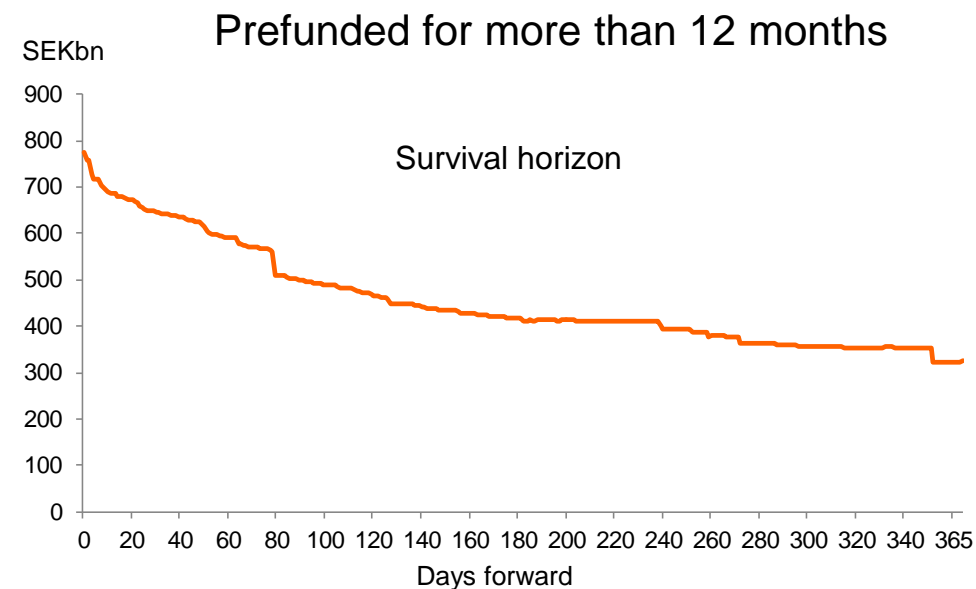
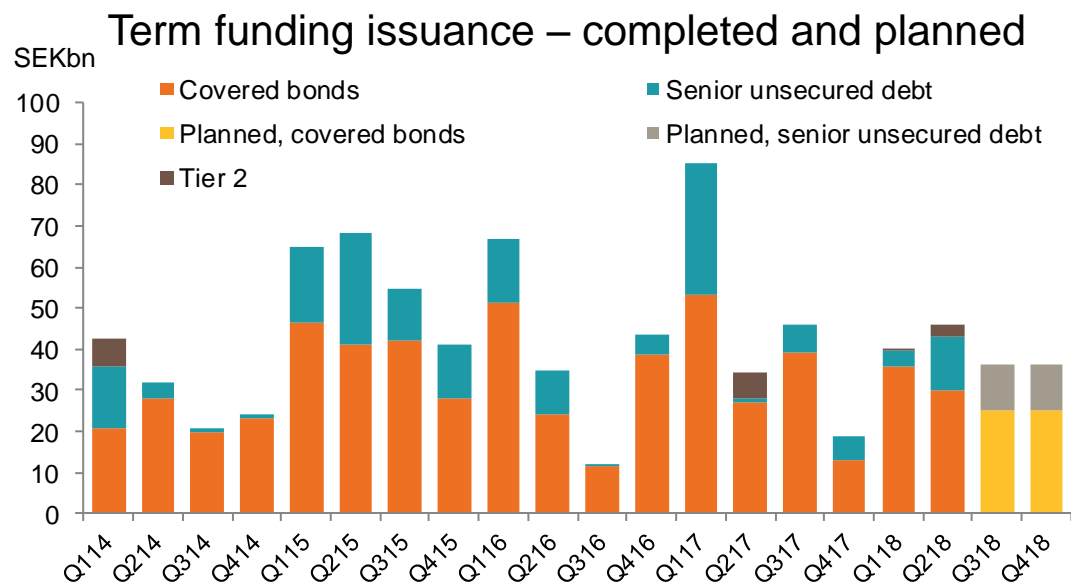
Dividend per share

75% payout ratio for 6th year in a row

SEK 13.00

Conservative funding position

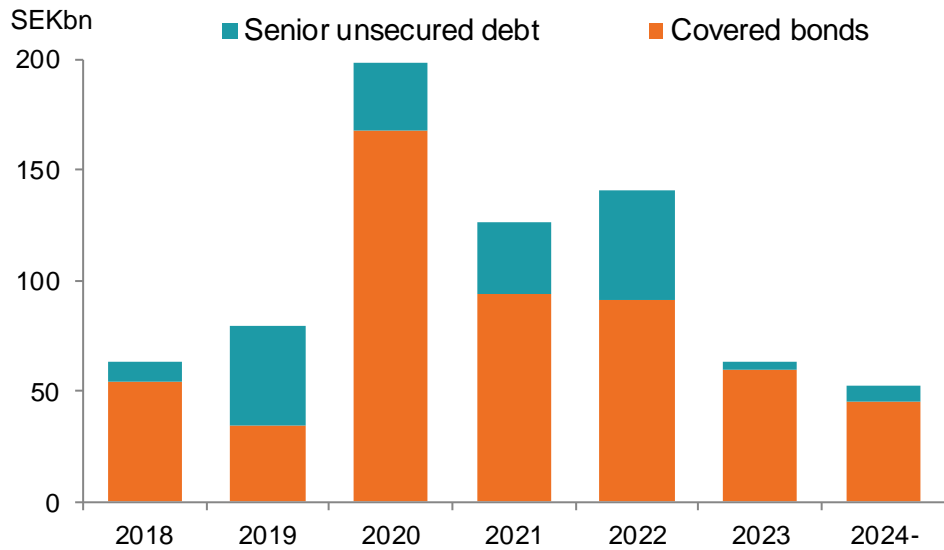
- LCR 145% (EU 2015/61)
- NSFR 110% (Basel committee)
- Issued around SEK 83bn YTD Q2 2018 (in addition, SEK 3bn in Tier 2 private placements)
- Plan to issue around SEK 145bn in 2018



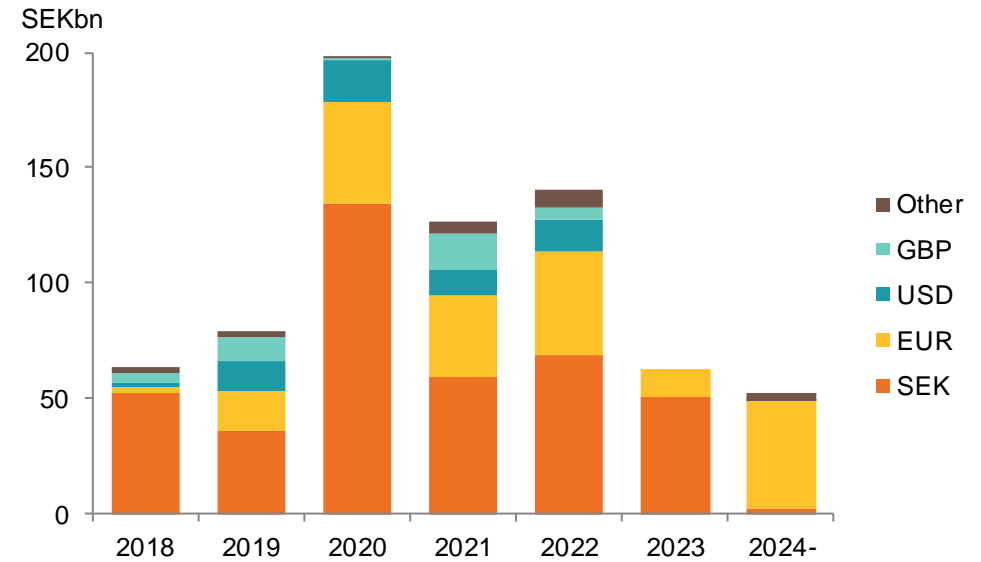
Long-term funding maturity profile



Long-term funding maturity profile, by funding source



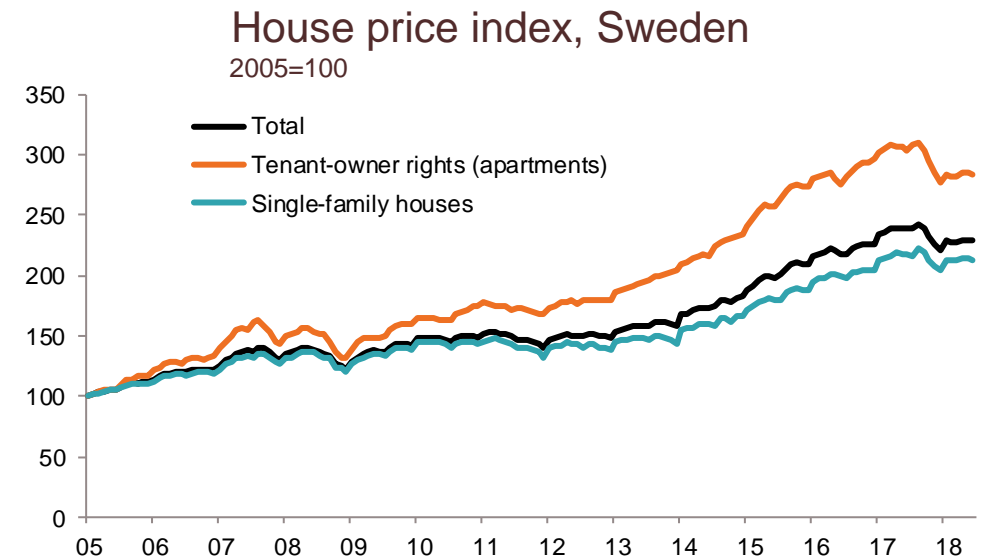
Long-term funding maturity profile, by currency



Real-estate price performance – Sweden, 12 month



	Single-family homes ¹	Tenant-owner rights ²	Combined ³
	12M Δ	12M Δ	12M Δ
Jul 17	10%	9%	9%
Aug 17	10%	8%	9%
Sep 17	8%	4%	7%
Oct 17	4%	1%	3%
Nov 17	1%	-3%	0%
Dec 17	0%	-6%	-2%
Jan 18	0%	-6%	-2%
Feb 18	-1%	-8%	-4%
Mar 18	-2%	-9%	-4%
Apr 18	-2	-7	-4
May 18	-2	-7	-4
Jun 18	-2	-7	-4



Source: Valuegard www.valuegard.se (Based on data from Mäklarstatistik), ¹ HOXHOUSEWE, ² HOXFLATSWE (apartments), ³ HOXSWE
 © Swedbank Information class Public Q2 2018