Debt investor presentation first quarter 2010
April 2010

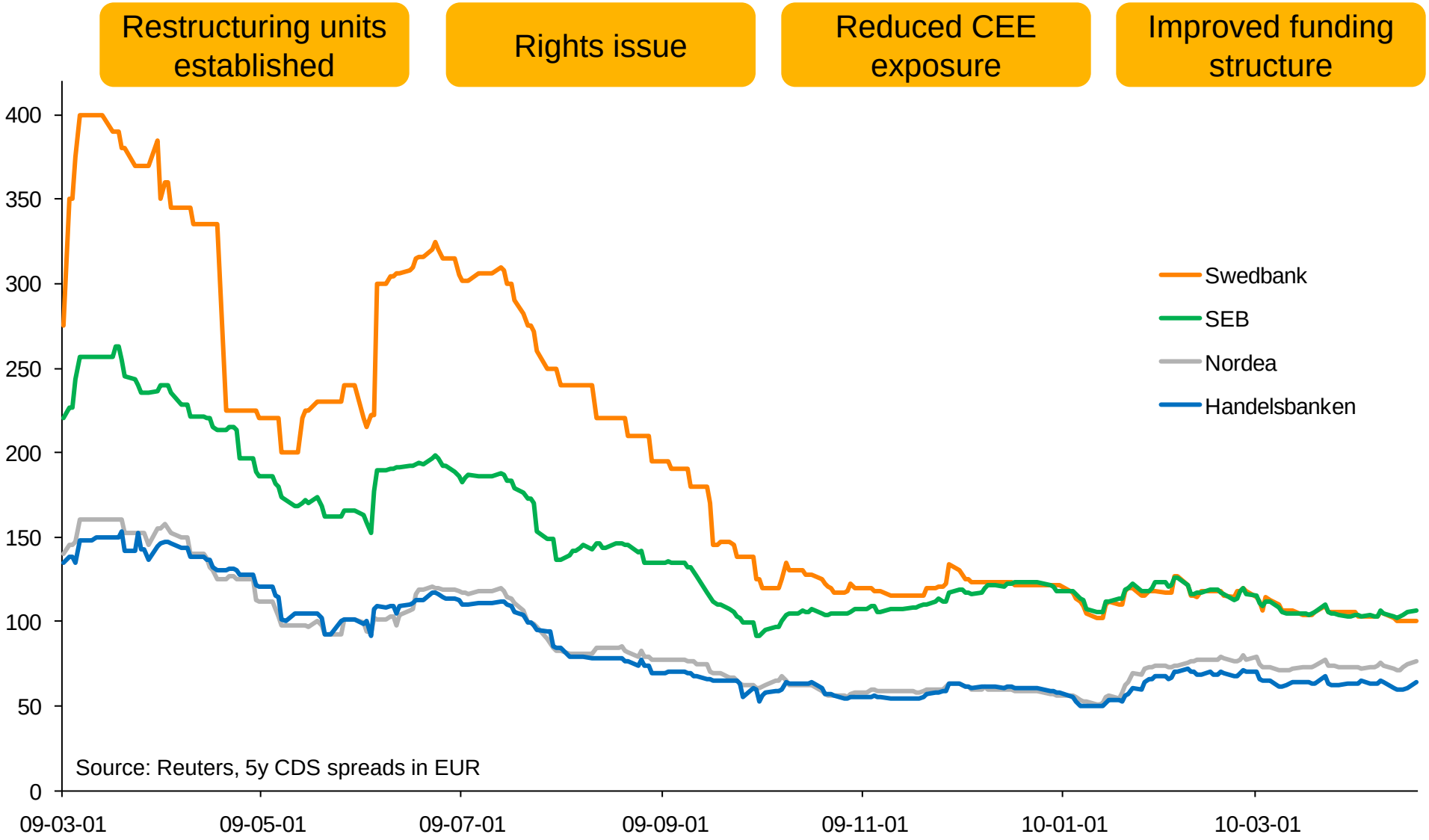
Jonas Erikson, Head of Group Treasury
Peter Stenborn, Head of Debt Investor Relations

Improved risk profile

- Long-term competitiveness – traditional banking model
- Tangible results from actions taken and improved macro
  - Full access to debt capital markets
  - Exiting state guarantee programme
- CEE lending now 15% of total lending or 191% of equity
  - Trend will continue

CDS spread development

Improved risk profile



Strategic priorities 2010

Customer focus	• Achieve operational excellence, enhance earnings and improve customer satisfaction
Risk reduction	• Secure long-term competitive funding terms
Earnings capacity	• Close sub par profitability gaps • Continuous cost focus
Liquidity & Capital management	• Be prepared for new regulations and long-term funding structure

Result by business area

Q1 update

Retail
Lower NII, good credit quality, new customer-oriented organisational structure

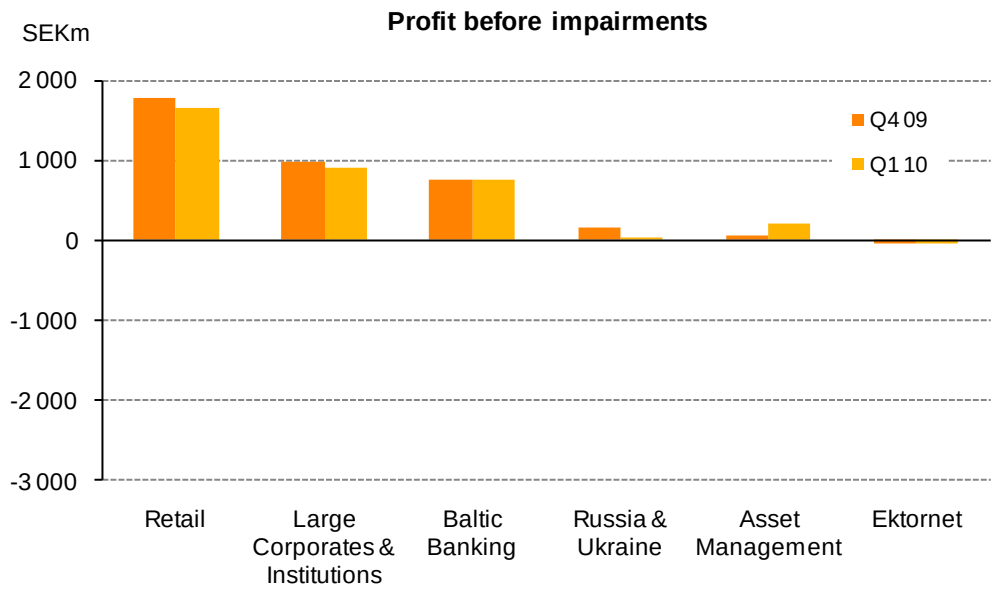
Large Corporates & Institutions
Stronger quarter, increased deposits

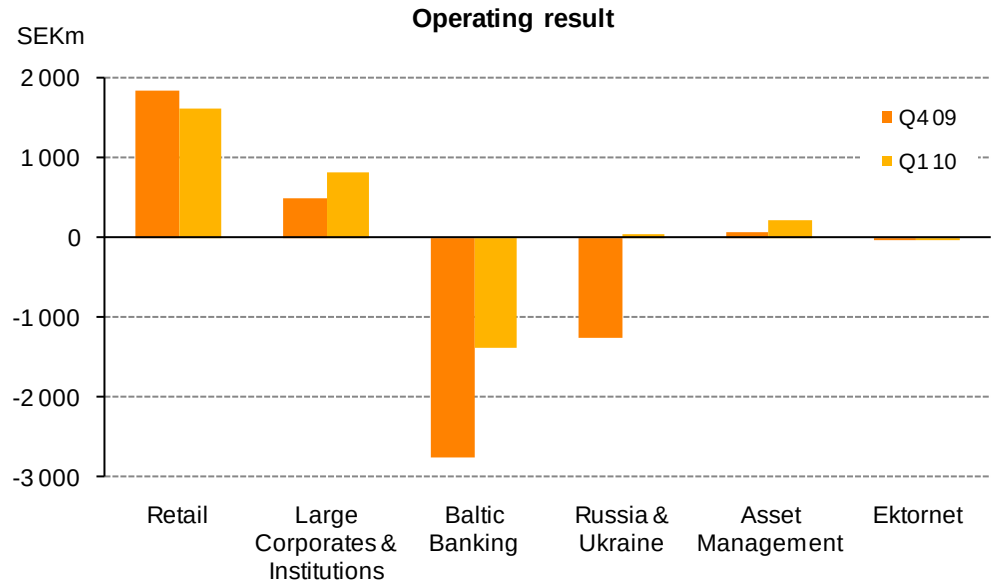
Baltic Banking
Stabilising, decreasing overdues

Russia & Ukraine
Credit quality in Ukrainian Banking stabilising, re-sizing Russian Banking operations

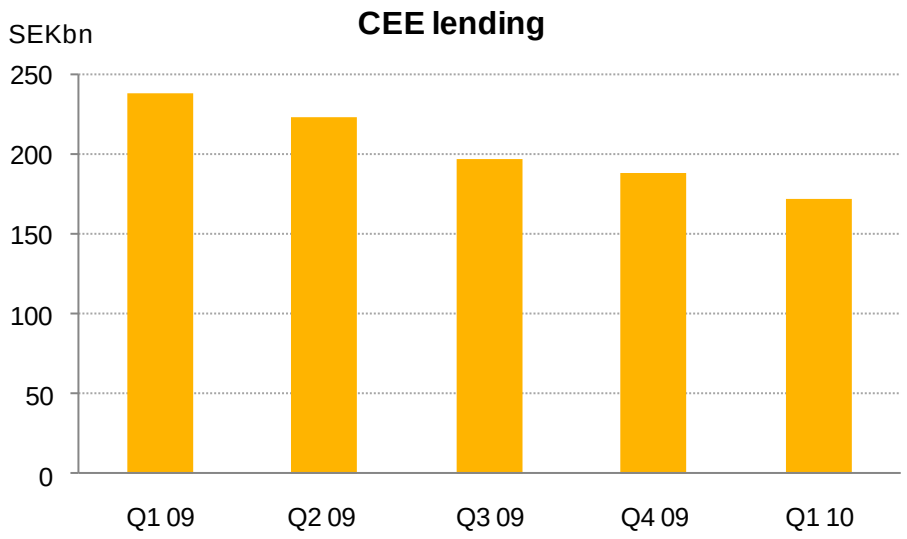
Asset Management
Stable earnings

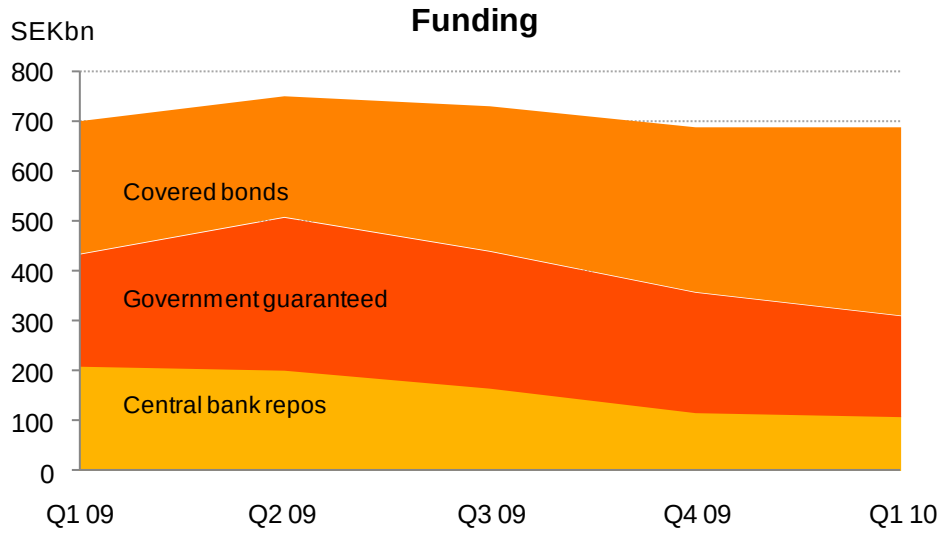
Ektornet
Ektornet managed repossessed properties valued at SEK 784m

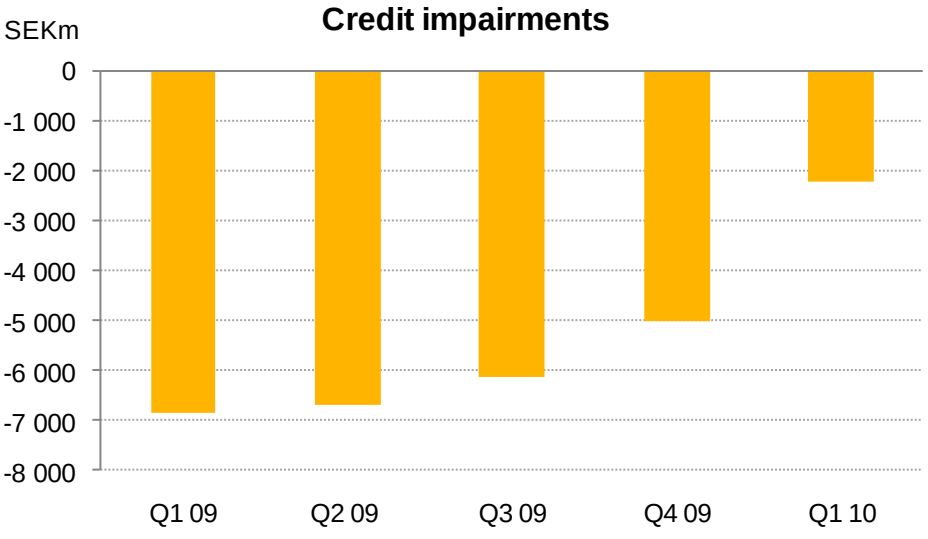


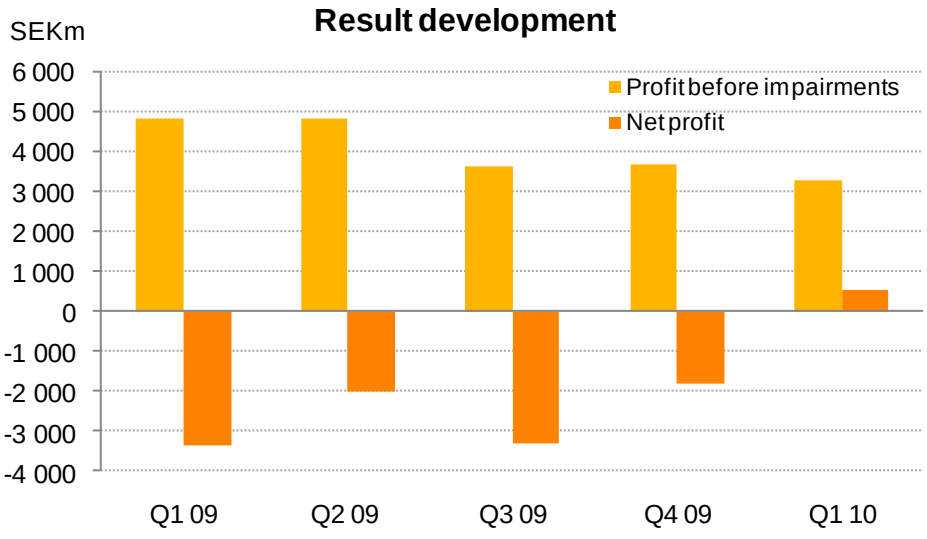


Decreased risk and pre-provision earnings









Continued headwinds and temporary effects

Q4 2009	**4 702**
Funding maturity mismatch	-208
Trading strategy	-145
Wholesale funding cost	-121
Baltic Banking, Russia & Ukraine	-118
NII and equity hedges	-37
Other	-50
Q1 2010	**4 023**

Stronger net gains

- Trading strategy pressed NII and boosted net gains and losses
- Stable currency rates in Ukraine
- Lower P&L impact from wholesale funding valuation

SEKm	Q1 10	Q4 09*	Q1 09
Retail	32	45	43
Large Corporates & Institutions	441	55	1 332
Baltic Banking	72	88	183
Russia & Ukraine	27	149	10
Group Treasury and Other	75	-114	143
Swedbank Group	647	223	1 711

* Excluding capital gain of SEK 39m (sale of Aktia shares SEK 24m and of Tallinn Stock Exchange shares SEK 15m)

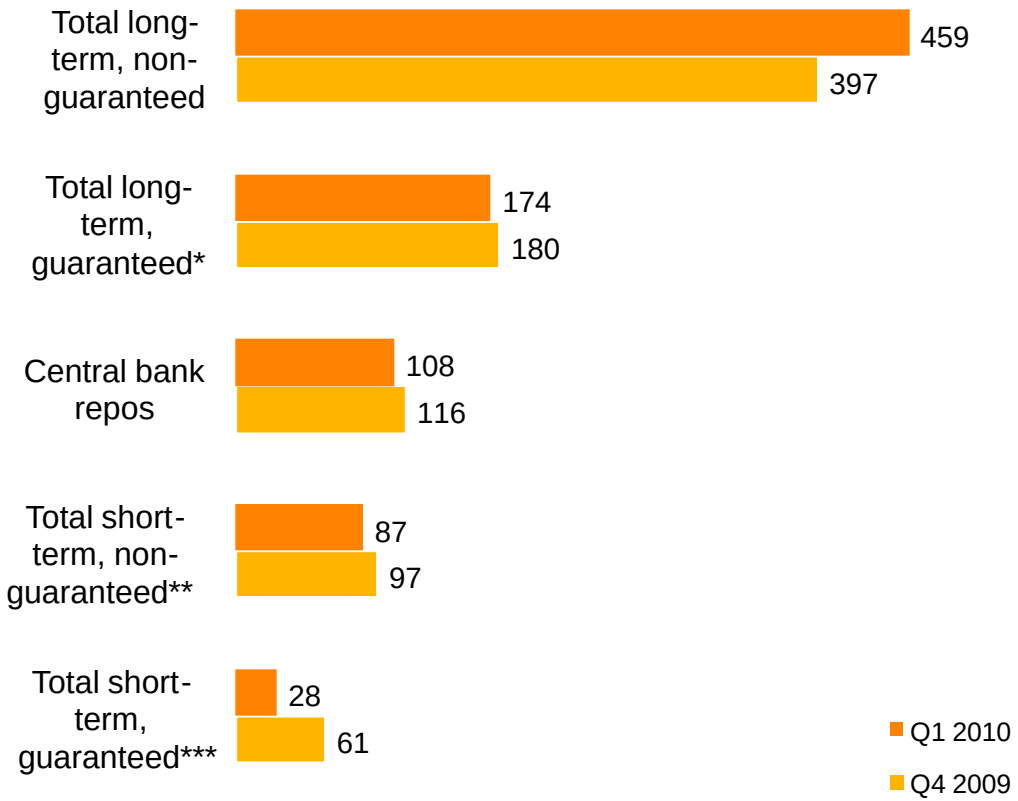
Income statement

SEKm	Q1 2010	Q4 2009	Change
Net interest income	4 023	4 702	-679
Net commission income	2 282	2 361	-79
Net gains/losses on financial items, fair value	647	223	424
Other income	715	751	19
Non recurring items		-55	-55
Total income	**7 667**	**7 982**	**-315**
Staff costs	2 296	2 319	-23
Variable staff costs	79	23	56
Other expenses	2 016	2 370	-354
Non recurring items		-412	412
Total expenses	**4 391**	**4 300**	**91**
Profit before impairments	3 276	3 682	-406
Impairment of intangible assets	14	0	
Impairment of tangible assets	36	352	-316
Credit impairments	2 210	5 003	-2 793
Operating profit	**1 016**	**-1 673**	**2 689**
Tax expense	469	115	354
Result for the period	547	-1 788	2 335
Profit for the period attributable to: Shareholders of Swedbank AB	**536**	**-1 804**	**2 340**

Improved funding situation

- Swedbank exits guarantee programme as per 30 April 2010
- SEK 100bn of long-term debt issued during Q1
- SEK 110bn in remaining term funding maturities to roll or replace in 2010
- Average maturity of wholesale funding further extended to 24 months (37 months for covered bonds)

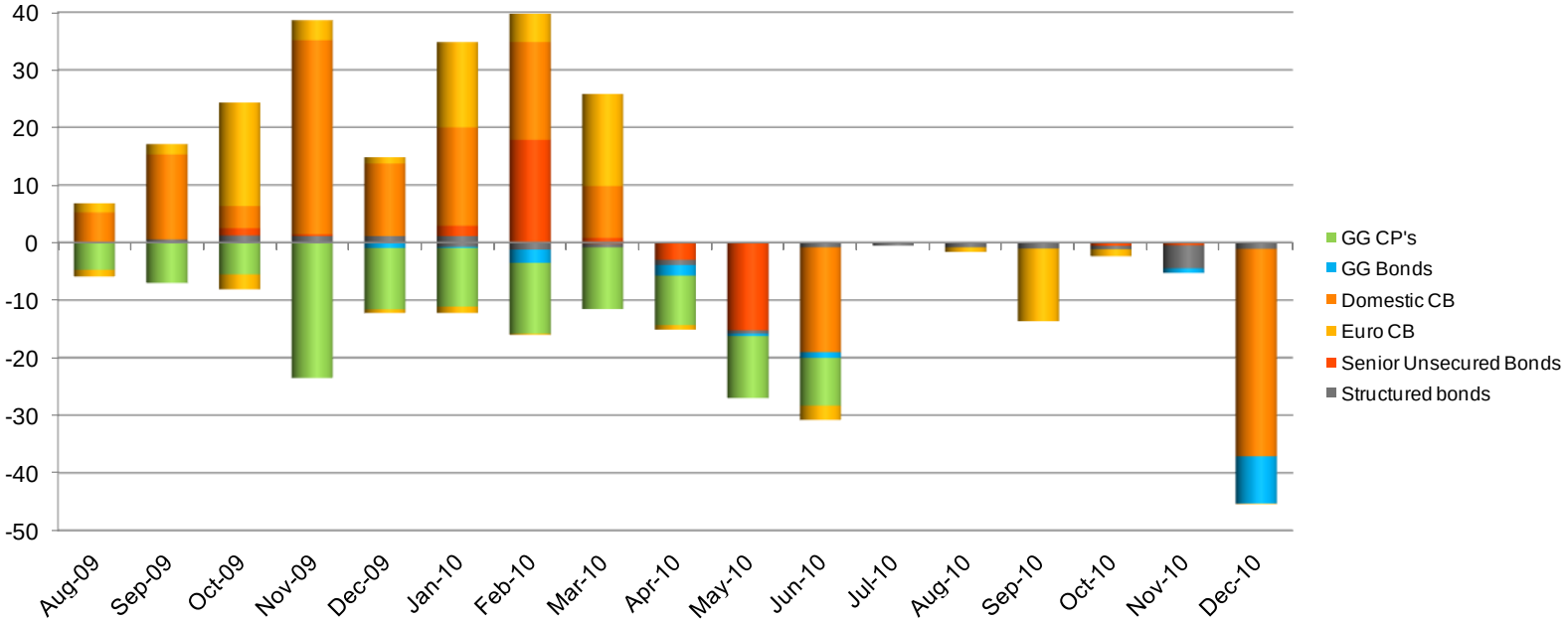
Outstanding wholesale funding



* Issued with more than 12 months maturity, government fee of 83bp
** Including interbank deposits
*** Issued with less than 12 months maturity, government fee of 50bp

2010 Funding plan

Issued & redeemed Aug 09 – Mar 10, SEKbn

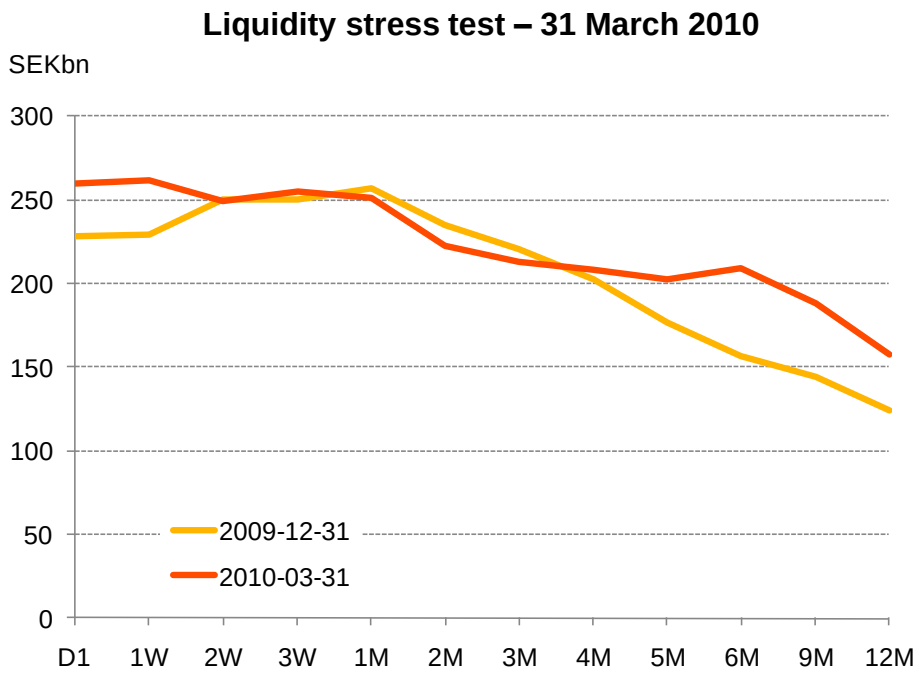


Plans for remainder of 2010

- 2 further covered benchmark deals in Euro market this year
- 1-2 further senior unsecured issues
- Further covered bond issuance on tap (domestic), registered covered bonds and private placements
- Short-term funding outstandings to increase

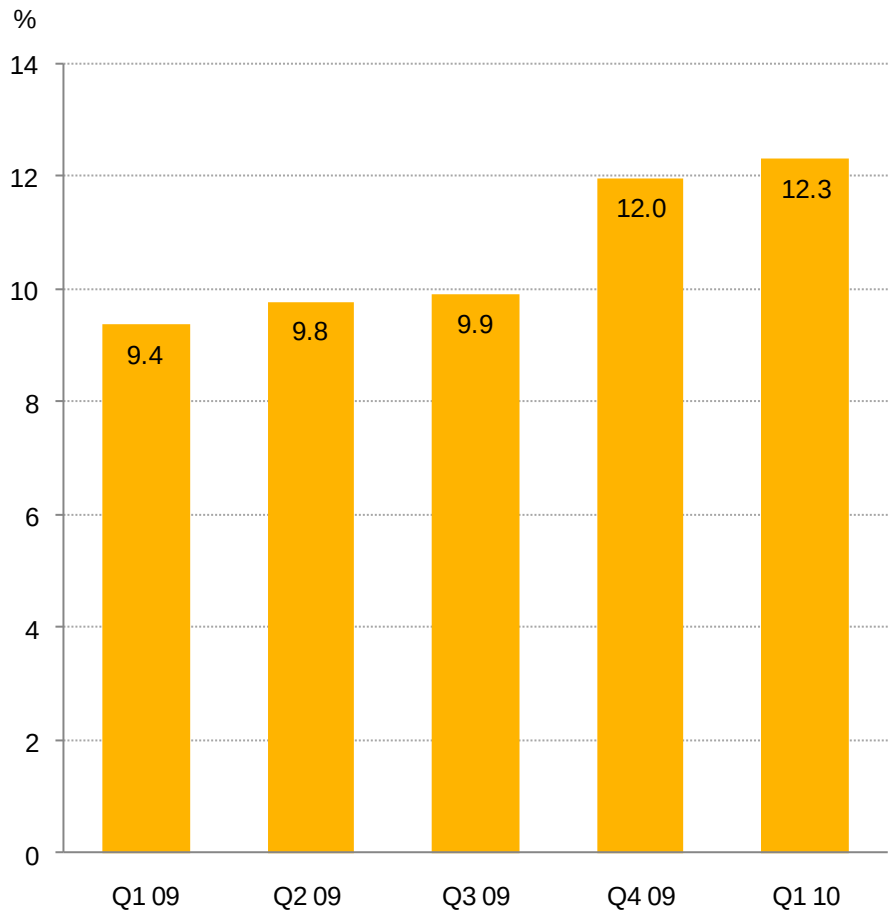
High liquidity maintained

- Funding ahead of needs to further reduce liquidity risk and prepare for regulatory changes
- Changing funding structure to replace guaranteed funding, prolong average maturity and build up liquidity portfolios



Well capitalised

Core Tier 1 capital ratio*



*according to full Basel 2

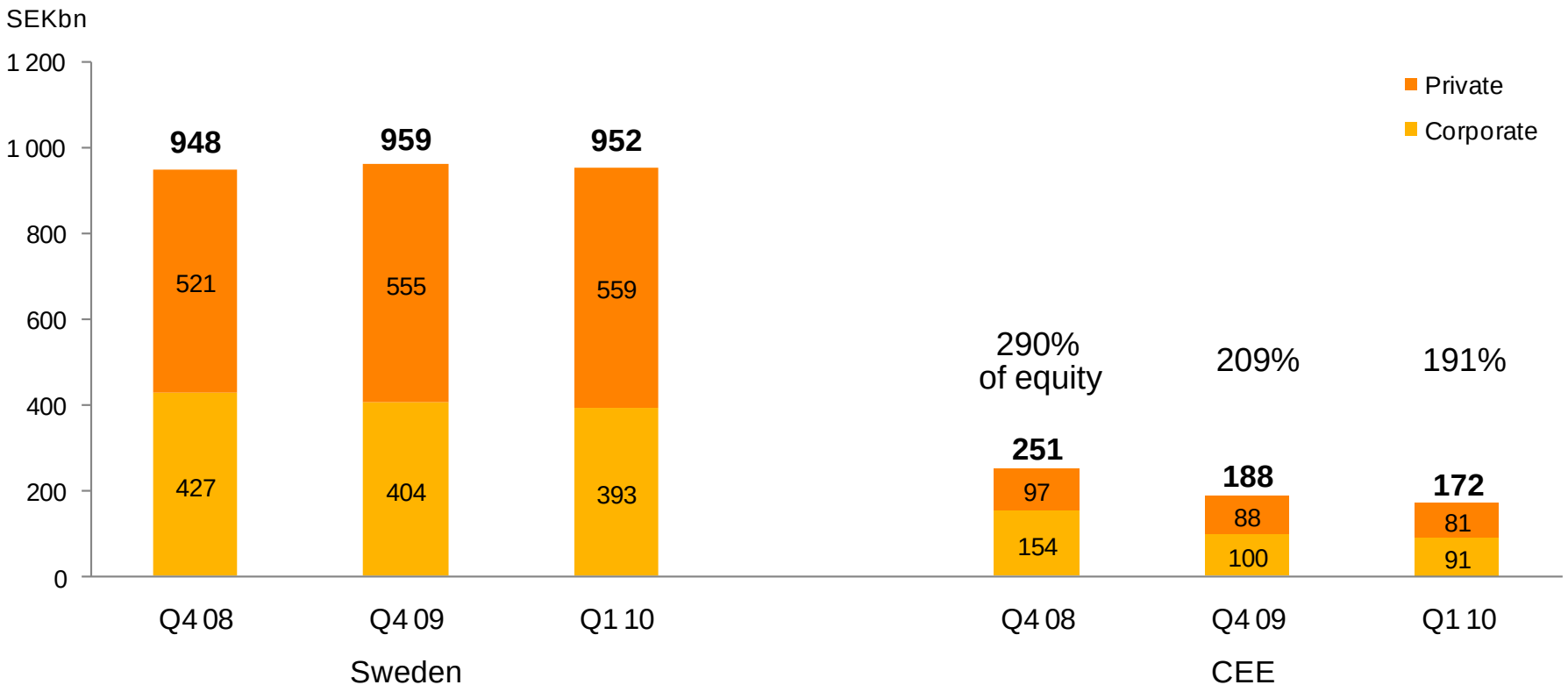
Core Tier 1 capital ratio* YE 09	12.01%
Result	+0.09%
RWA reduction	+0.16%
Other	+0.05%
Core Tier 1 capital ratio* Q1 10	**12.31%**

Q1 development

- Significantly improved macro
  - Stabilised/increasing property prices in CEE
- Swedbank risk profile continued to improve
  - Limited new problems
  - Increasingly confident in known problems
  - Anecdotal evidence positive
- Swedbank resilience has greatly improved

Volumes – continued risk reduction in CEE lending

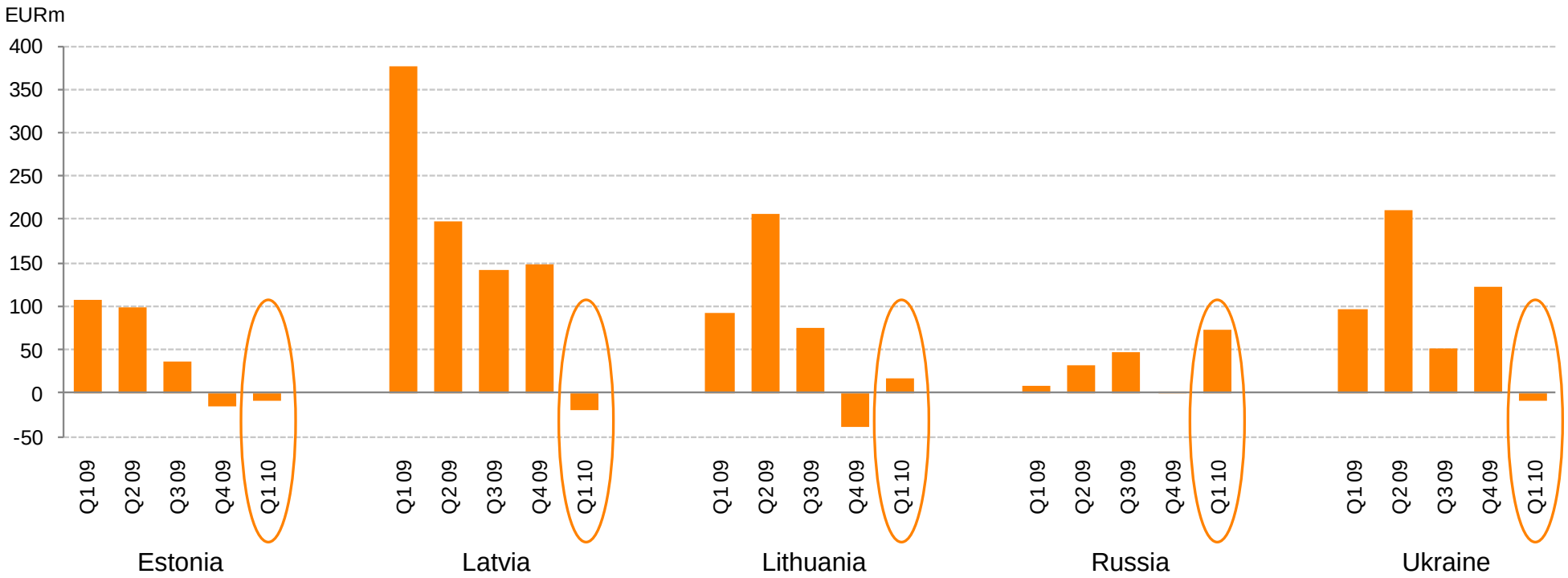
- Sweden – weak corporate credit demand
- CEE lending now 191% of equity



Note: CEE lending as % of equity calculated as net lending to the public divided by balance sheet equity

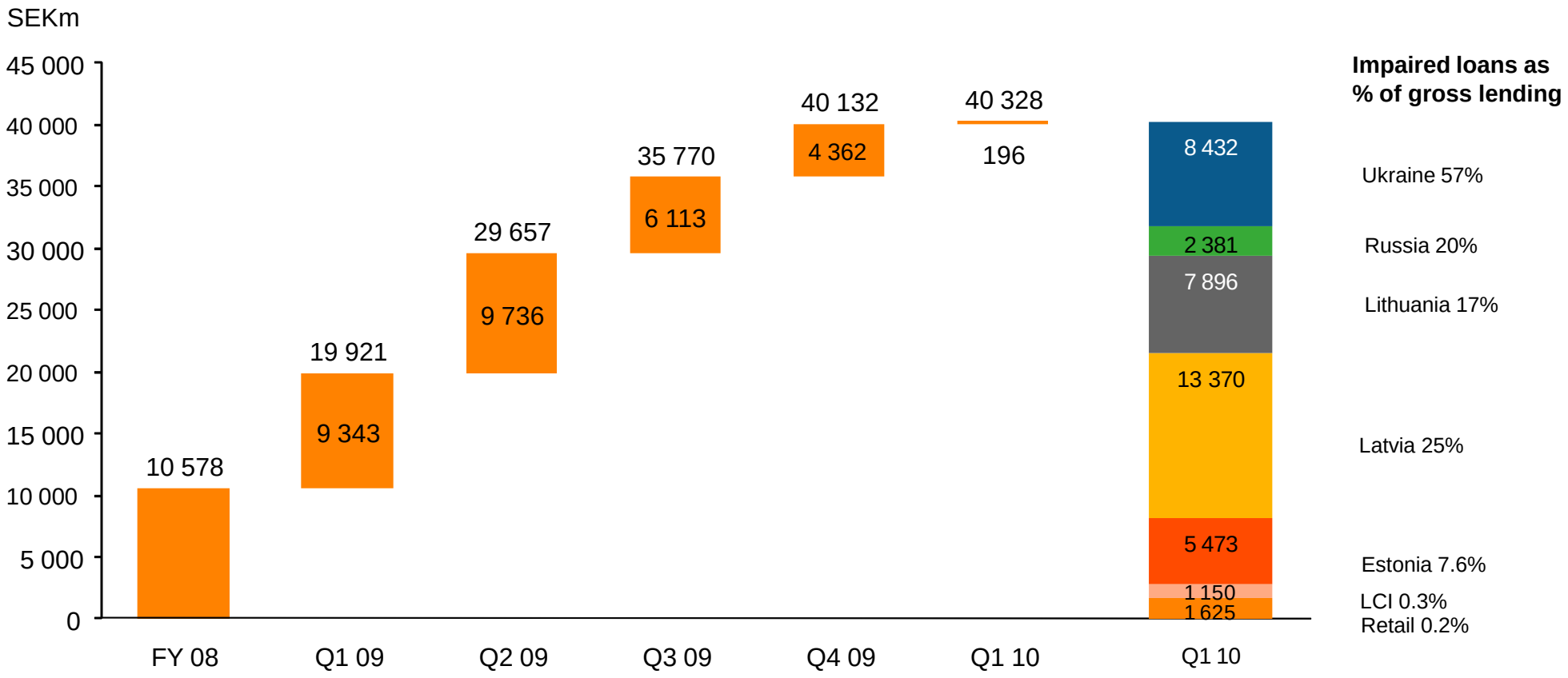
Quarterly change of 60-day past due loans

- Stabilisation continues



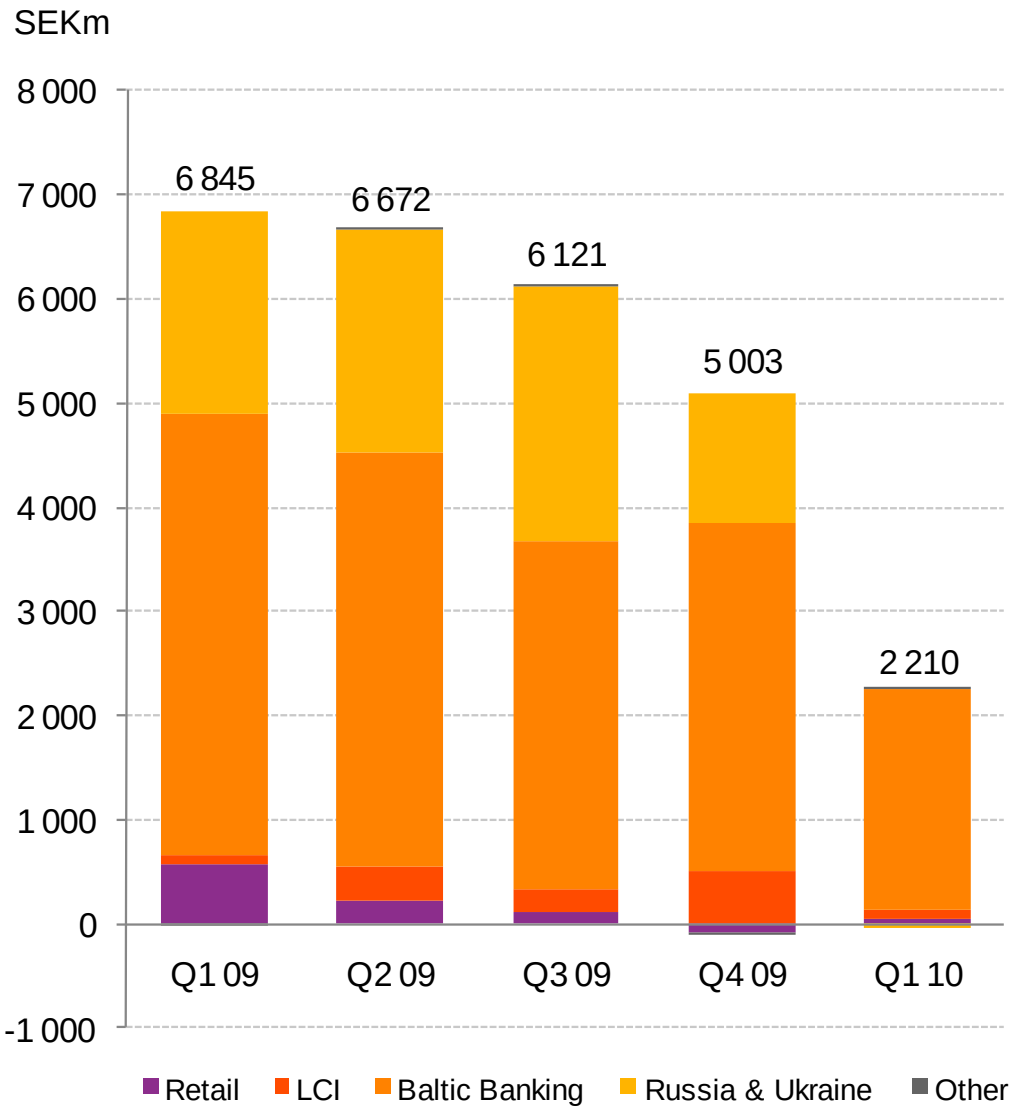
Impaired loans – almost no new problems

- Without FX effect up SEK 1.5bn



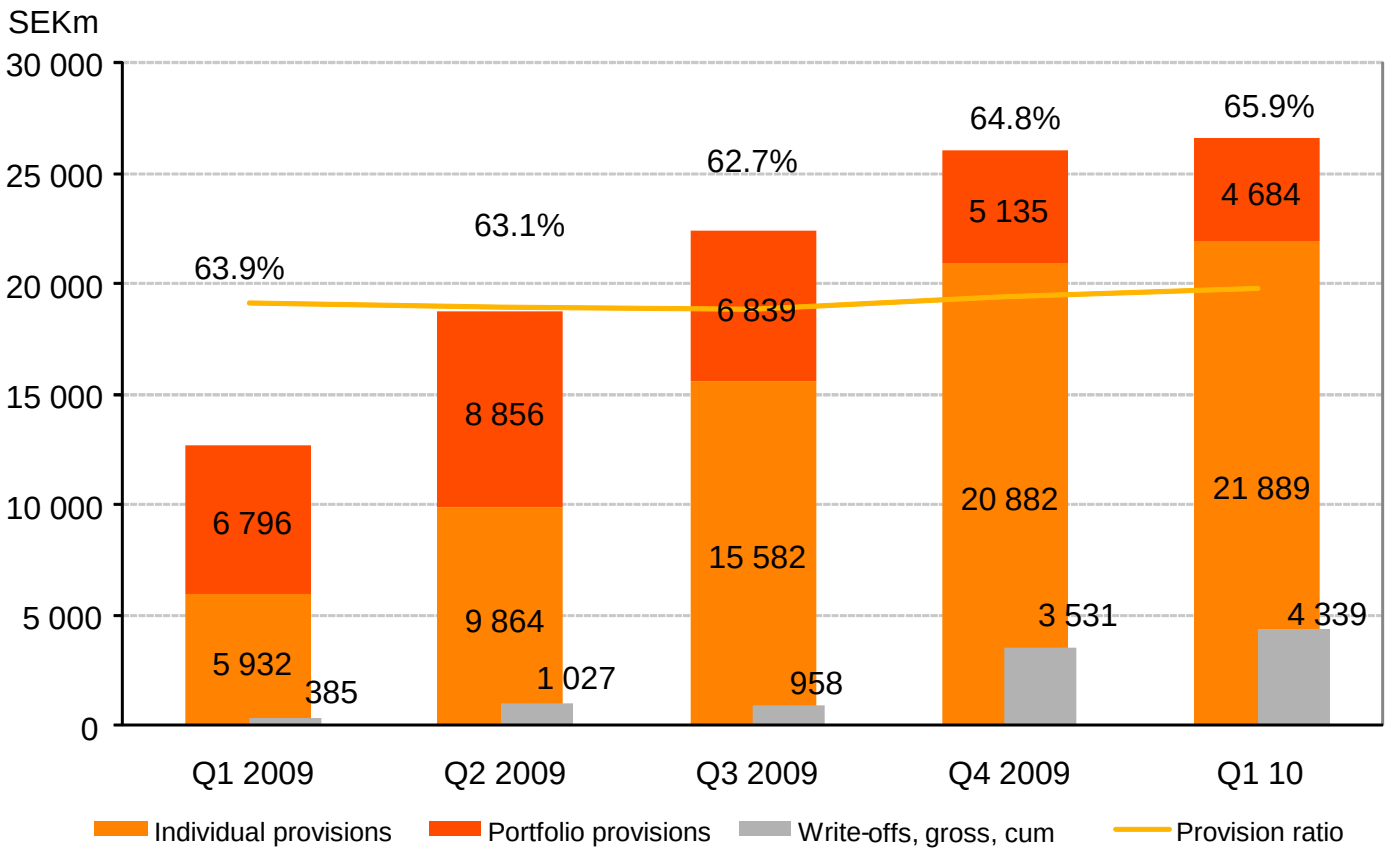
Credit impairments in Q1

- Significant improvement
- Sweden still very low levels
- Small recoveries in Russia and Ukraine
- Baltic countries
  - Few new problems
  - Property prices stabilise/increase



Provisions

- Stability in portfolio provisions – limited rating migration



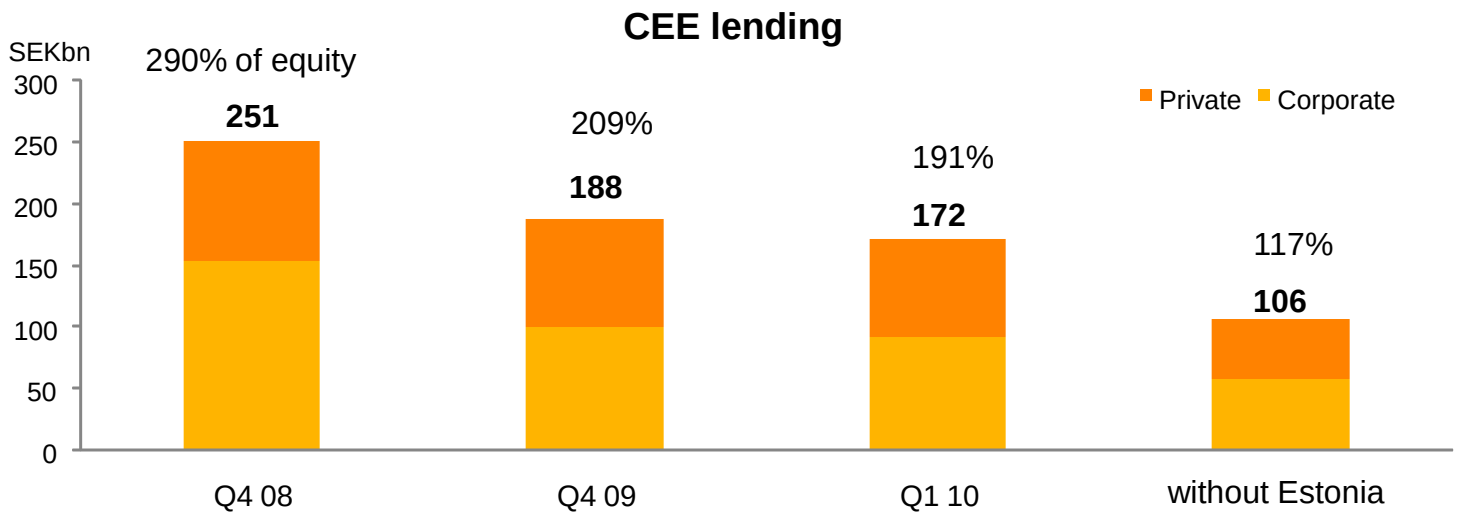
Provision ratios:	
Retail	101%
Large Corporates	106%
Baltic Banking	60%
Russia	63%
Ukraine	74%
Group	66%

Ektornet – recouping value over time

- Repossessed properties valued at SEK 784m
- Intake forecast by 2012 SEK 5-10bn
  - Forecast for 2010 is SEK 4bn
  - Three quarters of this is expected in the Baltic countries
- Large portion of real estate assets are currently non-cash flow generating
  - Negative pre-tax loss of SEK 200-300m

Conclusion

- Significant improvement of asset and liability risk profiles
- Economy gaining momentum
- Still many areas of concern
  - Exit strategy central banks
  - Fiscal consolidations
- Swedbank's resilience has vastly improved



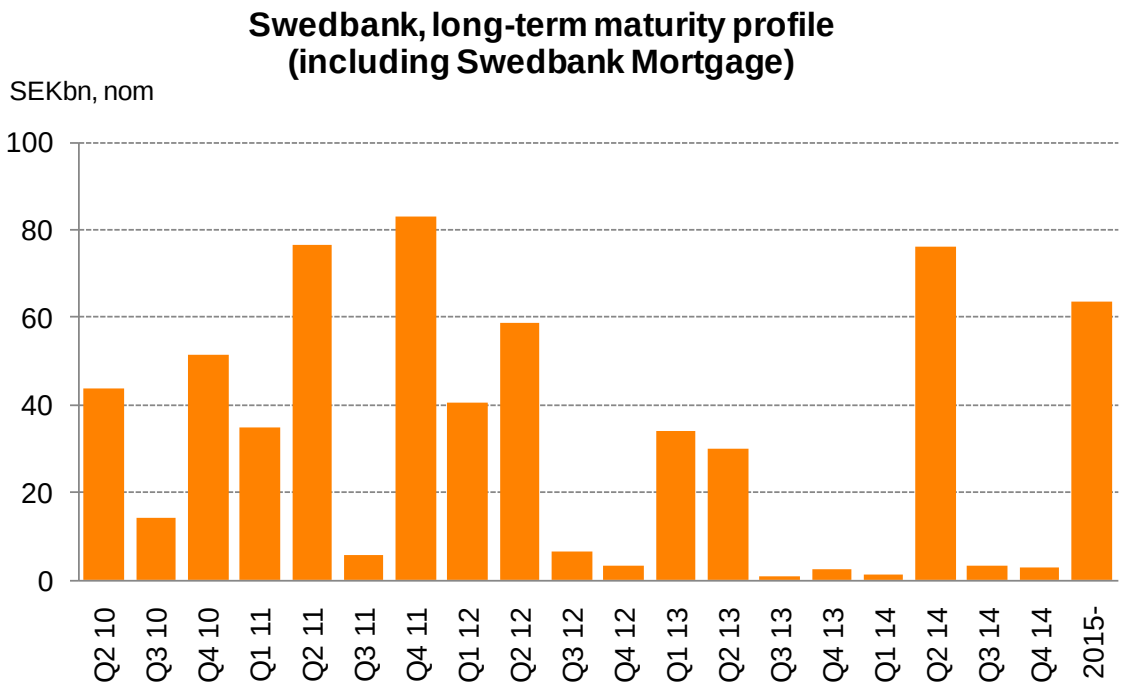
Appendix

Balance sheet

Swedbank Group SEKm	Mar 10	Dec 09	%
Loans to credit institutions	152 780	92 131	66%
Loans to the public	1 214 007	1 290 667	-6%
Interest-bearing securities	275 266	170 615	61%
Fund shares for which customers bear the investment risk	85 023	78 194	9%
Shares and participating interests	11 350	9 505	19%
Derivatives	76 524	72 969	5%
Other assets	75 104	80 606	-7%
Total assets	**1 890 054**	**1 794 687**	**5%**
Amounts owed to credit institutions	259 782	231 687	12%
Deposits and borrowings from the public	511 142	504 424	1%
Debt securities in issue	723 596	703 258	3%
Financial liabilities for which customers bear the investment risk	90 186	80 132	13%
Derivatives	73 364	72 172	2%
Other liabilities and provisions	108 482	75 057	45%
Subordinated liabilities	33 922	37 983	-11%
Equity	89 580	89 974	0%
- Non-controlling interest	240	304	-21%
- Equity attributable to shareholders	89 340	89 670	0%
Total liabilities and equity	**1 890 054**	**1 794 687**	**5%**

Long-term funding

- SEK 110bn in remaining term funding maturities to roll or replace in 2010
- Continued focus on covered bonds (YTD SEK 79bn issued)
- YTD issued SEK 21bn in senior unsecured funding
- Average maturity of wholesale funding further extended to 24 months

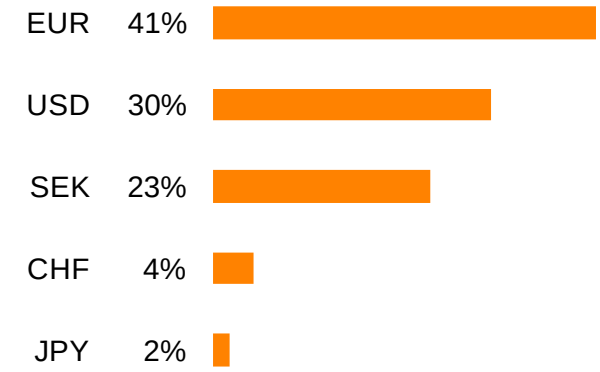


Funding under the Swedish guarantee programme

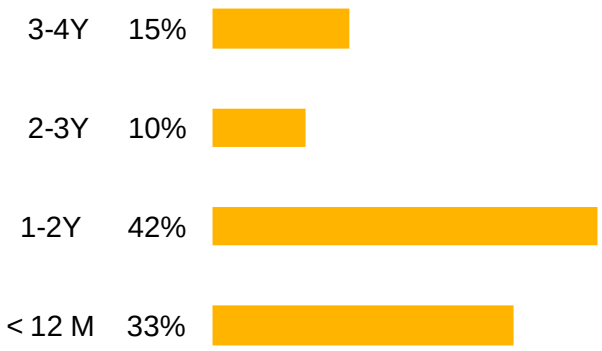
(total outstanding as per 31 March, notional SEK 202bn)

- Swedbank exits guarantee programme as per 30 April 2010
- Outstanding long-term guaranteed funding decreased by SEK 6bn to around SEK 174bn during the quarter
- Outstanding short-term guaranteed funding decreased by SEK 33bn to around SEK 28bn – fully repaid in June 2010
- Strive to buy back longest maturities of guaranteed funding when liquidity rules are clearer

Currency distribution



Maturity distribution



Cover pool and new issuance of covered bonds Q1 2010

Total pool size	SEK 613bn
Average loan size	SEK 400 821
Number of loans outstanding	1 524 546
Types of loans	
– Residential mortgages	90.5%
– Public	2.7%
– Commercial	0.1%
– Forest and Agriculture	6.7%
Fixed /Floating interest loans [1]	
– Fixed	49%
– Floating [2]	51%
Remaining fixing period	
– Fixed	32%
– Floating [2]	68%
Average LTV [4, 5]	
– WA LTV on loan level [3]	44%
– WA LTV on property level	58%
Average seasoning	55 months
Non-performing loans [6]	None
Geographic distribution	Sweden 100%
Dynamic pool	Yes

- Two euro covered bonds have been issued during Q1
  - Euro MTN CB 3Y, EUR 1bn, issued Jan 2010
  - Euro MTN CB 7Y, EUR 1bn, issued Mar 2010
- Also continued good demand for domestic covered bond issuance through tap system
- Registered CBs
- Private placements
- YTD SEK 79bn issued in domestic and international markets

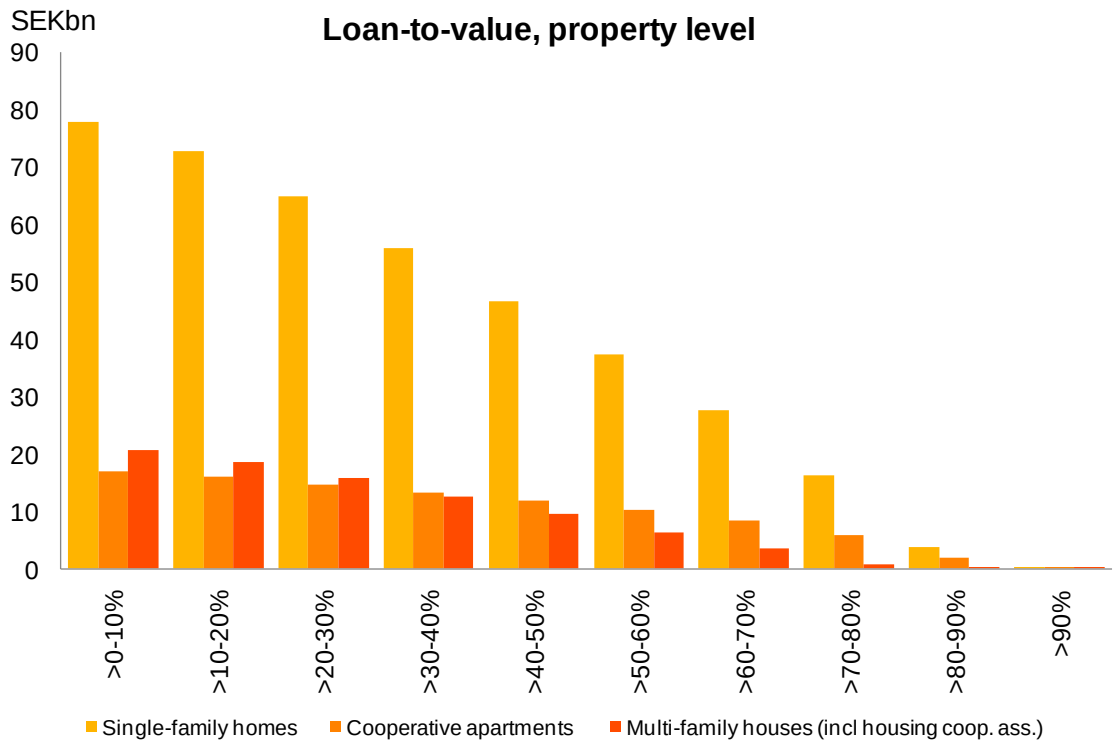
[1] Distribution by origination
[2] floating interest loans < 365 days
[3] LTV: by volume
[4] Index valuation as of 31 Dec 2008
[5] Maximum LTV: Residential 75%, Commercial 60%, Forest and Agriculture 70%
[6] Past due loans > 60 days are not eligible for the cover pool

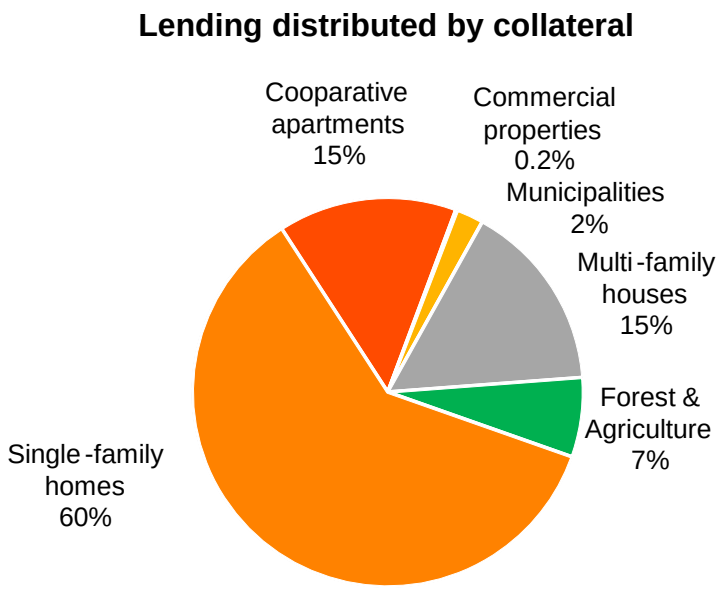
The Swedish covered bond market

- 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 –for primary as well as secondary flows

Swedbank Mortgage, 31 Mar 2010, total loan portfolio SEK 676bn

- 100% lending – Swedish properties
- 90% residential lending
- Average LTV of 45% (loan level) 60% (property level). Cover pool 44% / 58%
- 79% of the total lending book within a loan-to-value ratio below 50%

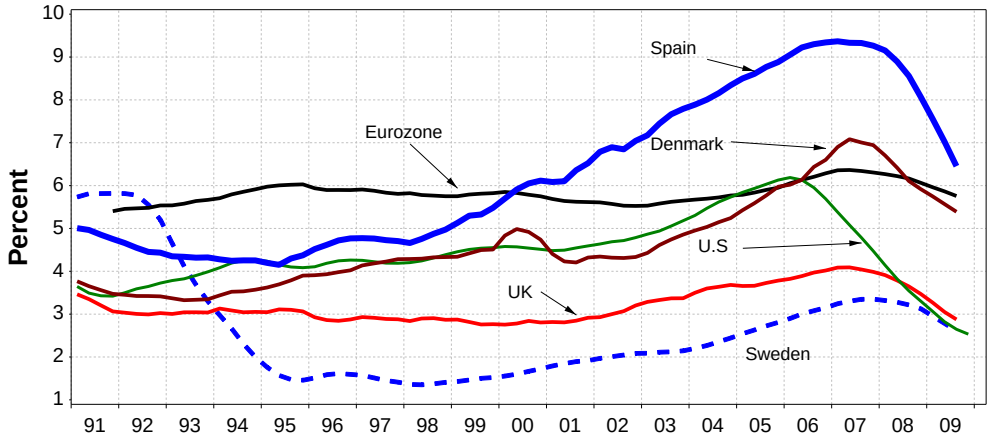




Housing Investments at a conservative level

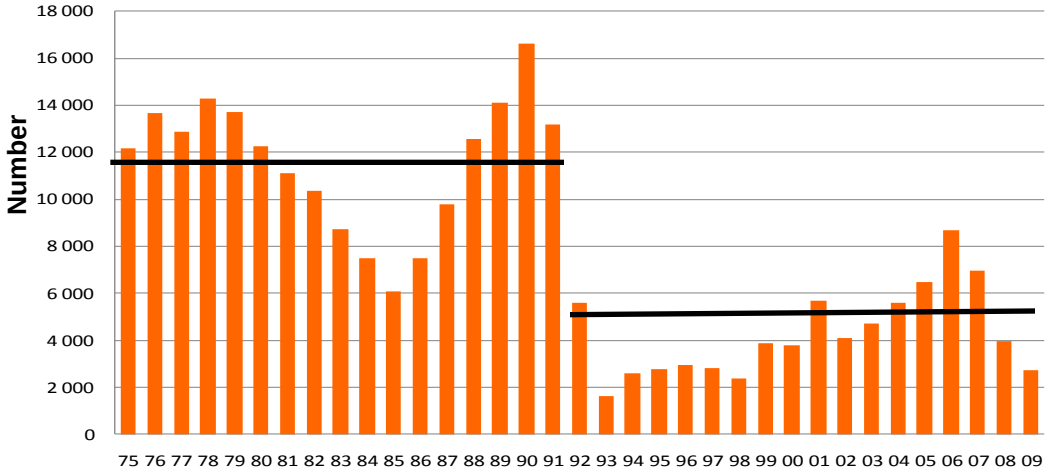
- Housing investments in Sweden, as a percentage of GDP, are at a low level compared to the Eurozone

Housing investments as a percentage of GDP



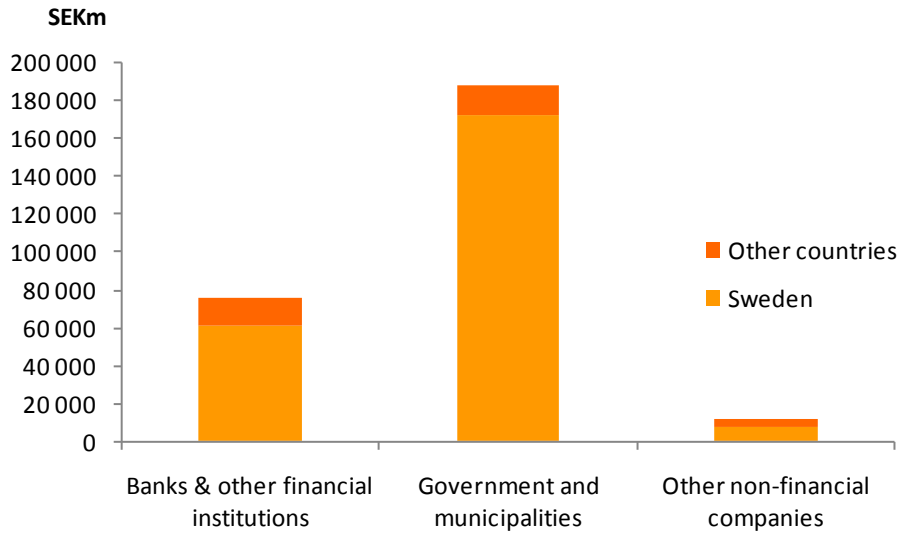
Source: Reuters EcoWin

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



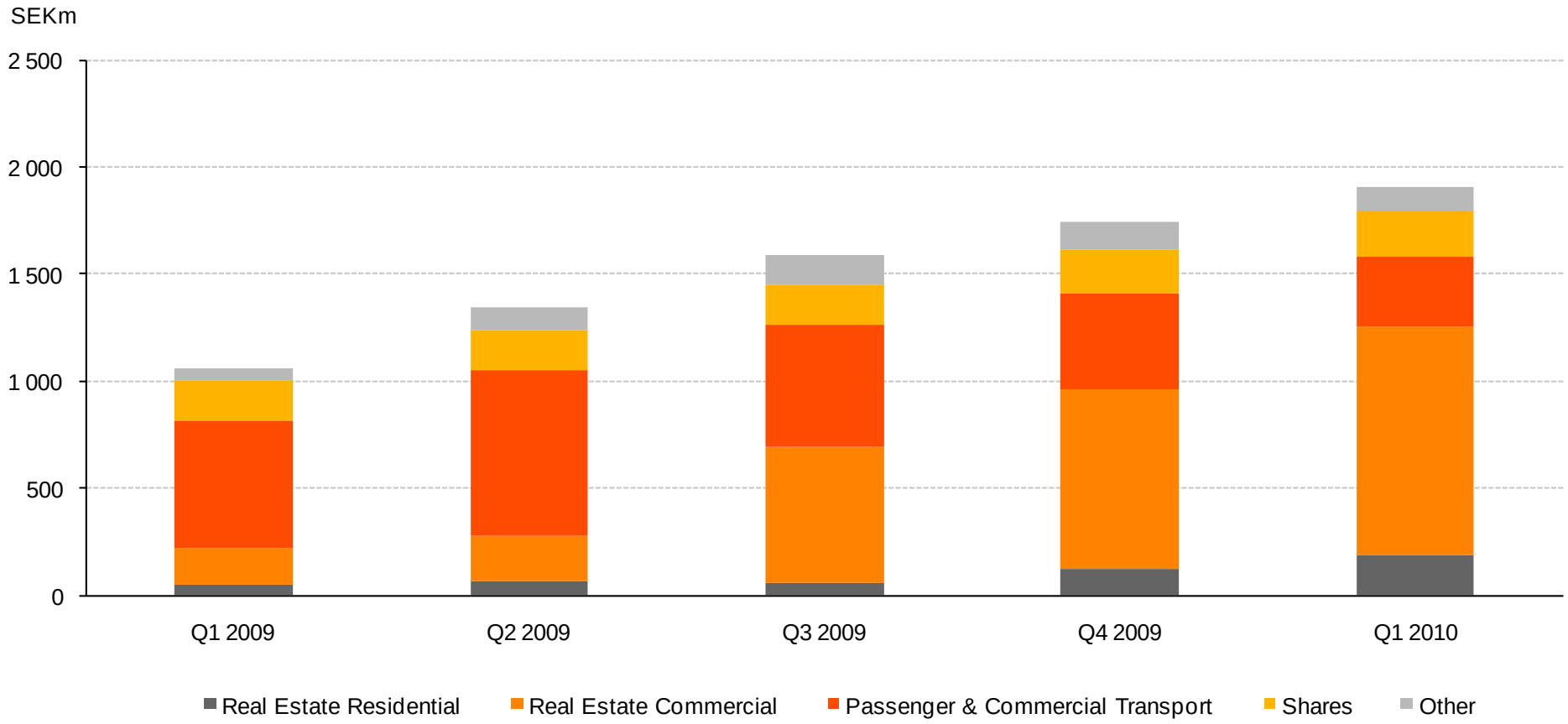
Interest bearing securities

- Sweden stands for 88 per cent of total SEK 275bn
- All together Portugal, Ireland, Italy, Greece and Spain stands for less than 0.5 percent
- Other exposure to these countries are very small and almost entirely short-term counterparty risk (Greece, total SEK 146m ~ $20m)



Source: Swedbank fact book, Q1 2010

Repossessed assets – as expected

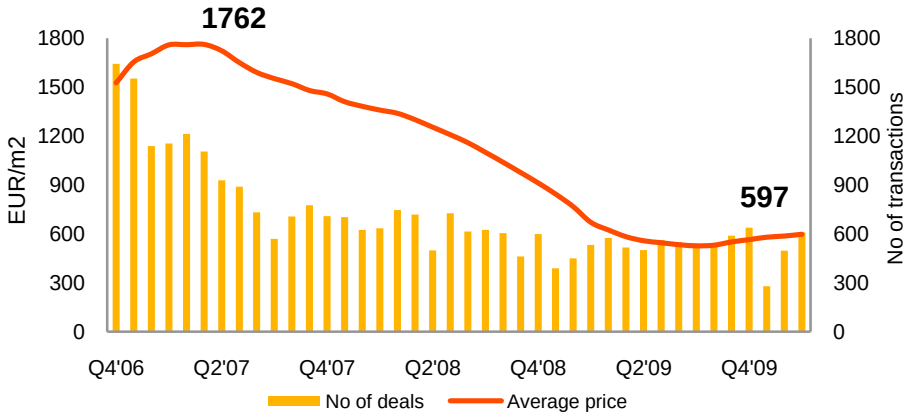


Real estate prices stabilised

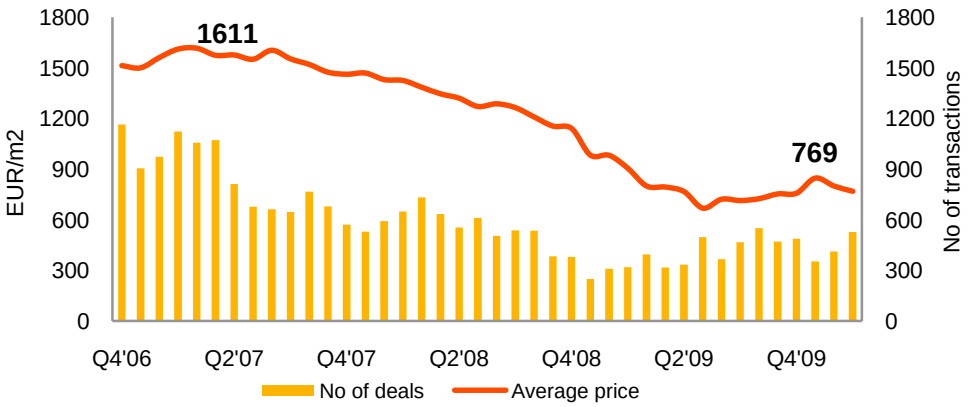
Market situation

- Slight fluctuations in average price up or down influenced by the small transaction volumes

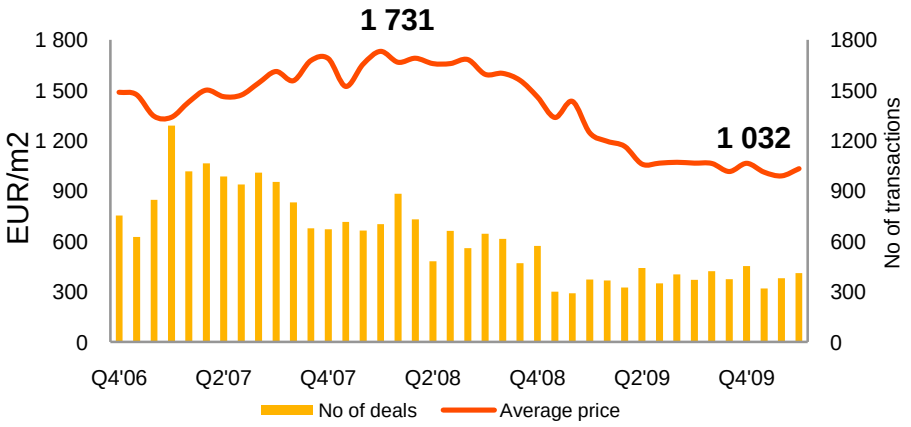
Riga



Tallinn



Vilnius*



* Based on preliminary data for March

Swedbank – Contacts and Financial Calendar

For further information, please contact:

Jonas Erikson, Head of Group Treasury

jonas.erikson@swedbank.com +46 767 6550 88

Martin Rydin, Head of Long-Term Funding

martin.rydin@swedbank.com +46 8 585 935 27

Peter Stenborn, Head of Debt Investor Relations

peter.stenborn@swedbank.com +46 8 585 911 04

Johannes Rudbeck, Head of Investor Relations (Equity)

johannes.rudbeck@swedbank.com +46 8 585 933 22

Ingela Saarinen-Kindbom, Head of Money Markets and Short-Term Funding

Ingela.saarinen-kindbom@swedbank.com +46 8 700 98 10

Financial calendar

Q2 Interim report,	22 July 2010
Q3 Interim report,	21 October 2010

Investor relations on the Internet:

www.swedbank.com/investor-relations

Postal address:

Swedbank Group Treasury

SE-106 11 Stockholm, Sweden

Visitors:

Regeringsgatan 13

Disclaimer

- Certain statements made in this presentation are forward looking statements. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual results and performance to differ materially from any expected future results or performance, express or implied, by the forward looking statements. Factors that might cause forward looking statements to differ materially from actual results include, among other things, regulatory and economic factors. Swedbank AB assumes no responsibility to update any of the forward looking statements contained herein.

- No representation or warranty, express or implied, is made or given by or on behalf of Swedbank AB or its directors, officers or employees or any other person as to the accuracy, completeness or fairness of the information or opinions contained in this presentation. None of Swedbank AB or any of its directors, officers or employees nor any other person accepts any liability whatsoever for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection therewith.

- This presentation does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of Swedbank AB, nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision.