

# Interim Report

## January – March 2015

STOCKHOLM 23 APRIL 2015

“We operate in exceptional times, where negative interest rates have turned economic relationships upside down, impacting customer behaviour. Also in these times our well diversified business mix led to increased operating profit.”

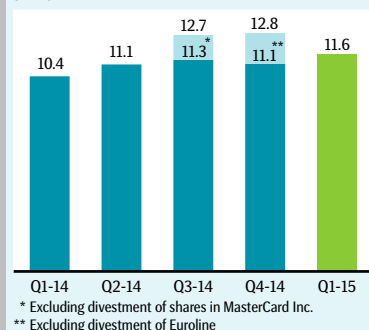
Annika Falkengren



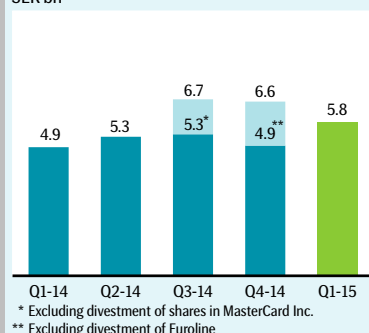
**S|E|B**

# Interim Accounts – the first quarter 2015

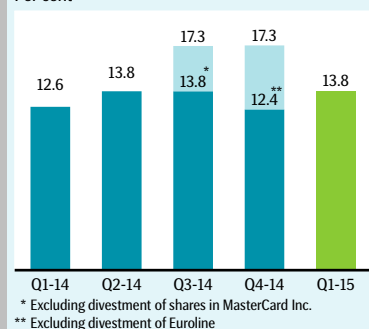
## Operating income SEK bn



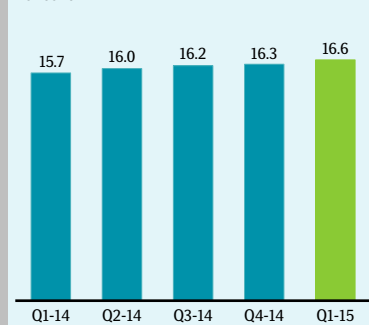
## Operating profit SEK bn



## Return on Equity Per cent



## Common Equity Tier 1 capital ratio (Basel III) Per cent



## Result

(Numbers compared with the first quarter 2014)

- Operating profit SEK 5.8bn (4.9). Net profit SEK 4.7bn (3.9).
- Operating income SEK 11.6bn (10.4) and operating expenses SEK 5.6bn (5.3).
- Net credit losses SEK 0.2bn (0.3). Credit loss level 0.05 per cent (0.07).
- Return on equity 13.8 per cent (12.6) and earnings per share SEK 2.12 (1.77).

## Volumes

(Numbers compared with 31 March 2014)

- Lending to the public amounted to SEK 1,417bn (1,330).
- Deposits from the public amounted to SEK 1,020bn (904).
- Assets under management amounted to SEK 1,832bn (1,504).

## Capital and liquidity

(Numbers compared with 31 March 2014)

- The Common Equity Tier 1 capital ratio was 16.6 per cent (15.7).
- The leverage ratio was 4.1 per cent (4.1).
- The Liquidity Coverage Ratio (LCR) was 124 per cent (137).
- The core liquidity reserve amounted to SEK 569bn and the total liquid resources amounted to SEK 773bn.

## President's comment

It has indeed been a special first quarter with several countries in Europe experiencing negative interest rates. In Sweden, Riksbanken became the first central bank in the world to set its formal policy rate below zero. Global growth is still not in sync and the present interest rate environment has spurred higher volatility in asset prices and FX rates. In addition, tension has increased following increased fears of Greece exiting the euro. We operate in exceptional times, where negative interest rates have turned economic relationships upside down. A development that calls for caution; there is no history book to turn to.

### Taking a long-term perspective key to sustainable profitability

SEB's operating profit increased to SEK 5.8bn reflecting that we deliver step by step on our long-term business plan. We are confident that our customers appreciate our way of building broad and deep relationships taking a long-term perspective in how we offer our services and financial advice. In the first quarter, all income lines increased with total operating income up by 11 per cent compared to a year ago and up 5 per cent compared to the previous quarter (excluding a one-off gain in the fourth quarter). Operating expenses amounted to SEK 5.6bn; in line with our annual cost-cap of below SEK 22.5bn for 2015 and 2016. With the Common Equity Tier 1 capital ratio at 16.6 per cent, return on equity reached 13.8 per cent.

### Market sentiment impact customer behaviour

In the prevailing environment with negative interest rates in a number of SEB's home markets, business sentiment remained subdued. As in recent quarters, with the exception for property management there was a lack of broad-based demand for corporate credit – among small as well as large corporate customers. Even though large corporates continued to tap the bond market for financing, the high level of event driven corporate activities seen last year was seasonally lower. However, corporate customers' demand for hedging and risk management products increased on the back of the heightened volatility levels.

Institutional and private customers showed a sustained interest in equity markets and were also more inclined to demand more advisory services. In Sweden, the housing market is still impacted by the strong urbanisation trend. Housing prices have continued to increase and the mortgage market grew by 6 per cent in the quarter. Over the past year we have grown in line with or just below the market. We have been in the forefront to induce a stronger amortisation culture and as of the first quarter more than 90 per cent of all new loans with a loan-to-value of above 70 per cent amortised.

Customer behaviour is increasingly more digital. This quarter our customers in Sweden made more than 30 million visits and interactions through our mobile services. In the long-term savings area we can now offer digital signatures and screen sharing in terms of pension and life insurance advisory services.

The Baltic countries showed continued resilience to the Russia-Ukraine conflict as well as import sanctions. While private consumption has remained robust, overall loan demand is low.

### High asset quality

SEB is a corporate bank with a unique two thirds of our credit exposure on corporate customers. Customers who we know well. Asset quality remained stable and strong with a credit loss level of 5 basis points and a coverage ratio of 55 per cent.

### The relationship bank in our part of the world

We are investing and spending more time with our customers and we continuously strive to develop and invest in better offerings to meet customers' long-term needs in cost and capital efficient ways. This was recently evidenced when Moody's announced rating actions on a number of banks, where SEB's senior unsecured rating is on review for upgrade to Aa3. To us in SEB, banking is all about having a long-term perspective. We continue to build resistance in capital and liquidity to be able to serve our customers and meet their needs at all times. Our direction to be *the* relationship bank in our part of the world remains firm, all for the benefit of our customers and shareholders.



**Income +11 %**

**Expenses +4 %**

Q1 2015

**ROE 13.8 %**

**CET1 16.6 %**

Q1 2015

# The Group

## Operating and net profit

Operating profit amounted to SEK 5,790m (4,855) and net profit (after tax) amounted to SEK 4,651m (3,884).

## Operating income

Total operating income amounted to SEK 11,612m (10,443).

Net interest income increased by 3 per cent to SEK 4,946m (4,818).

|                           | Q1           | Q4           | Q1           |
|---------------------------|--------------|--------------|--------------|
| SEK m                     | 2015         | 2014         | 2014         |
| Customer-driven NII       | 4 559        | 4 703        | 4 638        |
| NII from other activities | 387          | 307          | 180          |
| <b>Total</b>              | <b>4 946</b> | <b>5 010</b> | <b>4 818</b> |

The Swedish central bank introduced a negative repo rate which was -0.25 per cent at the end of the quarter. The impact of the repo rate cuts on the customer-driven net interest income on deposits was partly offset by increased loan and deposit volumes and lending margins. The customer-driven net interest income decreased by 2 per cent compared with the first quarter 2014 and decreased by SEK 144m compared with the previous quarter.

Net interest income from other activities increased by SEK 207m compared with the first quarter 2014 and by SEK 80m from the previous quarter.

Net fee and commission income amounted to SEK 4,274m (3,728), an increase of SEK 546m, of which performance fees increased by SEK 360m to SEK 377m. The appreciation of the equity markets and the net inflow of asset under management led to increased fee income. The level of event-driven corporate activities (mergers, acquisitions, new issues, initial public offerings, etc.) decreased somewhat compared to the exceptional fourth quarter 2014.

Net financial income increased by SEK 176m to SEK 1,255m (1,079). Client demand for hedging and risk management products within fixed income and currency trading operations grew. Market volatility levels reflected central banks' interventions in general, the Swedish and Danish central banks' implementation of negative interest rates and that the Swiss central bank ceased locking the franc to the euro. Net financial income increased by SEK 912m compared to the fourth quarter 2014 which was a quarter with exceptionally low volatility and activity.

Net life insurance income increased by 15 per cent to SEK 940m year-on-year (818). The increase was primarily a result of higher fund values, but also of higher premium volumes, especially in Sweden. Income in traditional insurance products in Sweden and Denmark also improved compared to last year, due to favourable financial markets.

Net other income amounted to SEK 197m (0) and consisted of hedge accounting effects and other items. Compared to the fourth quarter 2014, net other income decreased by 90 per cent, since there was a capital gain from the divestment of Euroline AB before year-end.

## Operating expenses

Total operating expenses amounted to SEK 5,558m (5,338), an increase of 4 per cent compared to the corresponding quarter 2014. Pension costs increased when lower discount rates (due to the falling interest rates) for the pension obligations were applied.

The operating expenses are in line with the cost cap of SEK 22.5bn annually, which is applicable for 2015 and 2016.

## Credit losses and provisions

Net credit losses amounted to SEK 188m (258). The credit loss level was 5 basis points (7).

Non-performing loans (NPL) amounted to SEK 11,004m (9,243). Non-performing loans consist of individually assessed impaired loans which amounted to SEK 7,264m, portfolio assessed loans past due >60 days which amounted to SEK 3,523m and restructured loans which amounted to SEK 217m.

The total reserve ratio for individually assessed impaired loans and the NPL coverage ratio was 57 (90) per cent and 55 (73) per cent, respectively. Reserves for recent non-performing loans are lower since the risk in these exposures is mitigated by high-quality collateral.

## Income tax expense

Total income tax expense was SEK 1,139m (971).

SEB's income tax expense reflects that the business is conducted in various geographies. In Sweden, which constitutes 53 per cent of operating profit, the statutory tax rate is 22 per cent. Based on the current geographical earnings mix, including deferred tax accounting and tax exempt income, the effective tax rate for the first quarter was 20 per cent. The tax rate is in line with SEB's expected tax rate for the year.

## Other comprehensive income

The other comprehensive income amounted to SEK -401m (1,175).

The net revaluation of the defined benefit pension plans had a negative effect of SEK -767m compared to a positive effect of SEK 143m in the first quarter 2014. The revaluation change was a net of the effect from decreased discount rates in Sweden and Germany and a positive effect from the revaluation of the plan assets. In the first quarter, the discount rate in Sweden was lowered to 1.6 per cent (3.8) and the German discount rate to 1.4 per cent (3.1).

The net effect from the valuation of balance sheet items that may subsequently be reclassified to the income statement, e.g. cash-flow hedges and available-for-sale financial assets, was positive in the amount of SEK 366m (1,032), primarily due to temporary positive cash-flow hedge effects.

Comparative numbers - in parenthesis - for the income statement refer to the first quarter 2014. Business volumes are compared with the 31 March 2014, unless otherwise stated.

## Business volumes

Total assets at the end of the period were SEK 2,979bn (2,651). Loans to the public amounted to SEK 1,417bn, an increase of SEK 87bn compared to one year ago.

|                            | Mar          | Dec          | Mar          |
|----------------------------|--------------|--------------|--------------|
| SEK bn                     | 2015         | 2014         | 2014         |
| Public administration      | 56           | 50           | 53           |
| Private individuals        | 519          | 519          | 499          |
| Corporate                  | 712          | 689          | 660          |
| Repos                      | 108          | 76           | 96           |
| Debt instruments           | 22           | 22           | 22           |
| <b>Loans to the public</b> | <b>1 417</b> | <b>1 356</b> | <b>1 330</b> |

SEB's total credit portfolio (which includes both on- and off-balance sheet volumes) amounted to SEK 2,190bn (1,916). There was a year-on-year growth in total household volumes of SEK 25bn. The combined corporate and property management credit portfolio increased by SEK 154bn year-on-year. The increase in the same segment of SEK 19bn since year-end was mainly due to the weakening krona.

Deposits from the public amounted to SEK 1,020bn, an increase of SEK 116bn compared to one year ago.

|  | Mar          | Dec        | Mar        |
|--|--------------|------------|------------|
| SEK bn   | 2015         | 2014       | 2014       |
| Public administration                          | 79           | 62         | 79         |
| Private individuals                            | 246          | 246        | 224        |
| Corporate                                      | 690          | 629        | 591        |
| Repos  | 5            | 6          | 10         |
| <b>Deposits and borrowings from the public</b> | <b>1 020</b> | <b>943</b> | <b>904</b> |

Year-on-year, deposits from households increased by SEK 22bn and were unchanged compared to year-end 2014. Year-on-year, deposits from corporations increased by SEK 99bn, partly due to FX effects.

At the end of the first quarter, assets under management amounted to SEK 1,832bn (1,504). At year-end 2014 assets under management were 1,708. The net inflow of assets during the first quarter was SEK 25bn and the market value increased by SEK 99bn.

Assets under custody amounted to SEK 7,603bn (6,003).

## Market risk

The trading business is customer flow-driven with low risk.

Value-at-Risk (VaR) in the trading operations averaged SEK 114m in 2015 (108 average first quarter 2014). On average, the Group is not expected to lose more than this amount during a period of ten trading days, with 99 per cent probability. Market volatilities relating to the central bank interventions, the negative interest rates and the defense of the Danish krona peg to the euro led to the increase in VaR during the first quarter.

## Liquidity and long-term funding

SEB's loan-to-deposit ratio was 127 per cent (136), excluding repos and debt instruments. During the quarter, SEK 13bn of long-term funding matured (of which SEK 8bn was hybrid tier 1 capital) and SEK 14bn was issued. 85 per cent of the new

issuance constituted covered bonds and 15 per cent senior unsecured securities.

The core liquidity reserve at the end of the period amounted to SEK 569bn. The total liquid resources, including net trading assets and unutilised collateral in the cover pool, amounted to SEK 773bn.

The Liquidity Coverage Ratio (LCR), according to the rules adapted for Sweden by the Swedish Financial Supervisory Authority, must be at least 100 per cent in total and in EUR and USD, separately. At the end of the first quarter, the LCR was 124 per cent (137). The USD and EUR LCRs were 254 and 135 per cent, respectively.

The Bank is committed to a stable funding base. SEB's internal structural liquidity measure, which measures the proportion of stable funding in relation to illiquid assets, Core Gap, was 109 per cent.

## Rating

In March 2015, Moody's announced rating actions on a number of banks, including SEB. SEB's senior unsecured rating is now A1 with a positive outlook. Moody's indicated that the rating is on review for upgrade to Aa3, based on the improved intrinsic credit strength of SEB.

Fitch rates SEB's long-term senior unsecured bonds as A+ with a positive outlook. It is Fitch's opinion that SEB's profitability and risk profile is increasingly in line with banks rated AA-.

SEB's long-term senior unsecured ratings of A+ by Standard & Poor's is on negative outlook. The reason for the negative outlook is Standard and Poor's view on the effects from the Bank Recovery and Resolution Directive and the Single Resolution Mechanism regulation on financial institutions in the EU.

## Capital position

The Swedish Financial Supervisory Authority publishes its future expected capital requirements on banks on a quarterly basis. In January 2015 the requirements on SEB were a Common Equity Tier 1 capital ratio of 15.6 per cent and a total capital ratio of 20.1 per cent.

The following table shows the risk exposure amount and capital ratios according to Basel III.

|                                       | Mar  | Dec  | Mar  |
|---------------------------------------|------|------|------|
| Own funds requirement, Basel III      | 2015 | 2014 | 2014 |
| Risk exposure amount, SEK bn          | 623  | 617  | 588  |
| Common Equity Tier 1 capital ratio, % | 16.6 | 16.3 | 15.7 |
| Tier 1 capital ratio, %               | 18.8 | 19.5 | 17.6 |
| Total capital ratio, %                | 21.1 | 22.2 | 18.7 |
| Leverage ratio, %                     | 4.1  | 4.8  | 4.1  |

The risk exposure amount grew by SEK 35bn year-on-year and by SEK 6bn since year-end. During the first quarter the FX effects increased the risk exposure amount by SEK 5bn.

The Common Equity Tier 1 capital ratio improved by 0.9 percentage points year-on-year and by 0.3 percentage points since year-end, primarily driven by the net profit.

The total capital ratio decreased compared to year-end due to redemptions of two hybrid Tier 1 capital issues in March. The redemptions were pre-financed by a CRR/CRD IV compliant additional Tier 1 capital issue of USD 1.1bn in November 2014.

#### **Long-term financial targets**

SEB's long-term financial targets are to:

- pay a yearly dividend that is 40 per cent or above of the earnings per share,
- maintain a Common Equity Tier 1 capital ratio of around 150 bps above the requirement from the Swedish Financial Supervisory Authority (FSA), and
- generate a return on equity that is competitive with peers.

In the long term, SEB aspires to reach a sustainable return on equity of 15 per cent.

The currently expected regulatory Common Equity Tier 1 requirement is 15.6 per cent. The capital requirements from the FSA will come fully in to force late 2015. At that point in time and based on the current understanding of the requirements and SEB's balance sheet as per 31 December 2014, it is estimated that SEB's capital target would be a pro forma Common Equity Tier 1 capital ratio of around 17 per cent to achieve the targeted 150 bps margin over the regulatory requirement.

#### **Risks and uncertainties**

SEB assumes credit, market, liquidity, IT and operational as well as life insurance risks. The risk composition of the Group, as well as the related risk, liquidity and capital management, are described in SEB's Annual Report for 2014 (see pp 28-33) and in the Capital Adequacy and Risk Management report for 2014. Further information is presented in the Fact Book on a quarterly basis.

The macroeconomic development remains uncertain, the large global economic imbalances remain and the potential reduction of liquidity support to financial markets from central banks may create direct and indirect effects that are difficult to assess. The market uncertainty has been impacted by the unfolding geopolitical development in Ukraine and the Middle East as well as by the uncertainty around the development of oil prices. In addition, there is uncertainty around the effects in the case that the current low or negative interest rates are prolonged and in particular around the financial and practical ramifications of the negative interest rates.

#### **Realignment of management accounting**

In order to ensure that the Basel III requirements are fully integrated throughout the organisation, SEB has since 2012 gradually adjusted the management accounting. In 2012, 2013 and 2014, SEK 16bn, 23bn and 10bn of additional capital, respectively, was allocated to the divisions from the central function – in total SEK 49bn. In 2015, another SEK 17bn was allocated.

#### **Divestment of SEB Asset Management AG**

In March, SEB signed an agreement to divest its German real estate investment management business, SEB Asset Management AG, to Savills plc., a British real estate services provider, for a consideration of up to EUR 21.5m in cash. SEB Asset Management AG manages assets of approximately EUR 10bn on behalf of investors. The completion of the sale is conditional upon regulatory approvals and is expected to close around the middle of 2015. The transaction will have a limited effect on profit and capital adequacy, before any goodwill allocation.

#### **Acquisition and sale of own shares**

At the Annual General Meeting on 25 March 2015, it was decided to authorise the Board to decide on the acquisition and sale of own shares for SEB's long-term equity-based programmes. The Board subsequently decided that a maximum of 40.5 million shares of Class A may be acquired and sold. The transactions may take place at one or several occasions during the period up until the Annual General Meeting in 2016.

Further information is available on [www.sebgroup.com](http://www.sebgroup.com).

## **Stockholm, 23 April 2015**

*The President declares that the Interim Accounts for the first quarter 2015 provide a fair overview of the Parent Company's and the Group's operations, their financial positions and results and describe material risks and uncertainties facing the Parent Company and the Group.*

**Annika Falkengren**  
*President and Chief Executive Officer*

### **Press conference and webcasts**

The press conference at 9.30 am (local time) on 23 April 2015, at Kungsträdgårdsgatan 8 with President and CEO Annika Falkengren can be followed live in Swedish on [www.sebgroup.com/sv/ir](http://www.sebgroup.com/sv/ir). A simultaneous translation into English will be available on [www.sebgroup.com/ir](http://www.sebgroup.com/ir). A replay will be available afterwards.

### **Access to telephone conference**

The telephone conference at 1 pm (CEST) on 23 April 2015 with the President and CEO Annika Falkengren, the CFO Jan Erik Back and the Head of Investor Relations Jonas Söderberg, can be accessed by telephone, +44(0)20 7162 0177 or +46(0)8 5052 0114. Please quote conference id: 952623, and call at least 10 minutes in advance. A replay of the conference call will be available on [www.sebgroup.com/ir](http://www.sebgroup.com/ir).

### **Financial information calendar**

14 July 2015      Interim report January-June 2015  
21 October 2015      Interim report January-September 2015

### **Further information is available from:**

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Corporate organisation number: 502032-9081

**Additional financial information is available in SEB's Fact Book which is published quarterly on [www.sebgroup.com/ir](http://www.sebgroup.com/ir).**

### **Accounting policies**

This Interim Report is presented in accordance with IAS 34 *Interim Financial Reporting*. The Group's consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations of these standards as adopted by the European Commission. The accounting follows the Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) and the regulation and general guidelines issued by the Swedish Financial Supervisory Authority: Annual Reports in Credit institutions and Securities Companies (FFFS 2008:25). In addition, the *Supplementary Accounting Rules for Groups (RFR 1)* from the Swedish Financial Reporting Board have been applied. The Parent company has prepared its accounts in accordance with Swedish Annual Act for Credit Institutions and Securities Companies, the Swedish Financial Supervisory Authority's regulations and general guidelines (FFFS 2008:25) on annual reports in credit institutions and securities companies and the *Supplementary accounting rules*

*for legal entities (RFR 2)* issued by the Swedish Financial Reporting Board.

From the financial year 2015 clarifications of several standards come into force. IAS 19 *Employee Benefits* has been amended regarding employee contributions in defined benefit plans, and an interpretation from IFRIC clarifies when to recognise a liability to pay a levy accounted for according to IAS 37 *Provisions, contingent liabilities and contingent assets*. Several standards have also been clarified within the Annual Improvements 2010-2012 and 2011-2013 Cycles. These changes have not had a material impact on the financial statements of the Group or on capital adequacy and large exposures.

In all other material aspects, the Group's and the Parent company's accounting policies, basis for calculations and presentations are unchanged in comparison with the 2014 Annual Report.

### **Review report**

We have reviewed this report for the period 1 January 2015 to 31 March 2015 for Skandinaviska Enskilda Banken AB (publ.). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act for Credit institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our review.

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act for Credit institutions and Securities Companies regarding the Group, and with the Swedish Annual Accounts Act for Credit institutions and Securities Companies, regarding the Parent Company.

**Stockholm, 23 April 2015**

PricewaterhouseCoopers AB

Peter Nyllinge  
Authorised Public Accountant  
Partner in charge

Magnus Svensson Henryson  
Authorised Public Accountant



# The SEB Group

## Income statement – SEB Group

| SEK m   | Q1            |               |            | Q4            |               |           | Jan - Mar     |               |           | Full year      |
|---|---------------|---------------|------------|---------------|---------------|-----------|---------------|---------------|-----------|----------------|
|   | 2015          | 2014          | %          | 2015          | 2014          | %         | 2015          | 2014          | %         | 2014           |
| Net interest income   | 4 946         | 5 010         | -1         | 4 946         | 4 818         | 3         | 4 946         | 4 818         | 3         | 19 943         |
| Net fee and commission income   | 4 274         | 4 553         | -6         | 4 274         | 3 728         | 15        | 4 274         | 3 728         | 15        | 16 306         |
| Net financial income  | 1 255         | 343           |            | 1 255         | 1 079         | 16        | 1 255         | 1 079         | 16        | 2 921          |
| Net life insurance income   | 940           | 854           | 10         | 940           | 818           | 15        | 940           | 818           | 15        | 3 345          |
| Net other income  | 197           | 2 003         | -90        | 197           | 0             |           | 197           | 0             |           | 4 421          |
| <b>Total operating income</b>   | <b>11 612</b> | <b>12 763</b> | <b>-9</b>  | <b>11 612</b> | <b>10 443</b> | <b>11</b> | <b>11 612</b> | <b>10 443</b> | <b>11</b> | <b>46 936</b>  |
| Staff costs   | -3 556        | -3 414        | 4          | -3 556        | -3 461        | 3         | -3 556        | -3 461        | 3         | -13 760        |
| Other expenses  | -1 523        | -1 781        | -14        | -1 523        | -1 431        | 6         | -1 523        | -1 431        | 6         | -6 310         |
| Depreciation, amortisation and impairment of tangible and intangible assets | - 479         | - 596         | -20        | - 479         | - 446         | 7         | - 479         | - 446         | 7         | -2 073         |
| <b>Total operating expenses</b>   | <b>-5 558</b> | <b>-5 791</b> | <b>-4</b>  | <b>-5 558</b> | <b>-5 338</b> | <b>4</b>  | <b>-5 558</b> | <b>-5 338</b> | <b>4</b>  | <b>-22 143</b> |
| <b>Profit before credit losses</b>  | <b>6 054</b>  | <b>6 972</b>  | <b>-13</b> | <b>6 054</b>  | <b>5 105</b>  | <b>19</b> | <b>6 054</b>  | <b>5 105</b>  | <b>19</b> | <b>24 793</b>  |
| Gains less losses from tangible and intangible assets                       | - 76          | - 85          | -11        | - 76          | 8             |           | - 76          | 8             |           | - 121          |
| Net credit losses   | -188          | -310          | -39        | -188          | -258          | -27       | -188          | -258          | -27       | -1 324         |
| <b>Operating profit</b>   | <b>5 790</b>  | <b>6 577</b>  | <b>-12</b> | <b>5 790</b>  | <b>4 855</b>  | <b>19</b> | <b>5 790</b>  | <b>4 855</b>  | <b>19</b> | <b>23 348</b>  |
| Income tax expense  | -1 139        | - 889         | 28         | -1 139        | - 971         | 17        | -1 139        | - 971         | 17        | -4 129         |
| <b>Net profit</b>   | <b>4 651</b>  | <b>5 688</b>  | <b>-18</b> | <b>4 651</b>  | <b>3 884</b>  | <b>20</b> | <b>4 651</b>  | <b>3 884</b>  | <b>20</b> | <b>19 219</b>  |
| Attributable to minority interests  |               |               |            |               |               |           |               |               |           | 1              |
| Attributable to shareholders  | 4 651         | 5 688         | -18        | 4 651         | 3 884         | 20        | 4 651         | 3 884         | 20        | 19 218         |
| Basic earnings per share, SEK   | 2.12          | 2.60          |            | 2.12          | 1.77          |           | 2.12          | 1.77          |           | 8.79           |
| Diluted earnings per share, SEK   | 2.11          | 2.58          |            | 2.11          | 1.76          |           | 2.11          | 1.76          |           | 8.73           |

## Statement of comprehensive income – SEB Group

| SEK m   | Q1           |              |             | Q4           |              |             | Jan - Mar    |              |             | Full year     |
|---|--------------|--------------|-------------|--------------|--------------|-------------|--------------|--------------|-------------|---------------|
|   | 2015         | 2014         | %           | 2015         | 2014         | %           | 2015         | 2014         | %           | 2014          |
| <b>Net profit</b>   | <b>4 651</b> | <b>5 688</b> | <b>-18</b>  | <b>4 651</b> | <b>3 884</b> | <b>20</b>   | <b>4 651</b> | <b>3 884</b> | <b>20</b>   | <b>19 219</b> |
| <i>Items that may subsequently be reclassified to the income statement:</i> |              |              |             |              |              |             |              |              |             |               |
| Available-for-sale financial assets   | 95           | 132          | -28         | 95           | 407          | -77         | 95           | 407          | -77         | - 11          |
| Cash flow hedges  | 498          | 945          | -47         | 498          | 646          | -23         | 498          | 646          | -23         | 3 094         |
| Translation of foreign operations   | - 227        | 398          | -157        | - 227        | - 21         |             | - 227        | - 21         |             | 647           |
| <i>Items that will not be reclassified to the income statement:</i>         |              |              |             |              |              |             |              |              |             |               |
| Defined benefit plans   | - 767        | - 990        | -23         | - 767        | 143          |             | - 767        | 143          |             | -2 700        |
| <b>Other comprehensive income (net of tax)</b>                              | <b>- 401</b> | <b>485</b>   | <b>-183</b> | <b>- 401</b> | <b>1 175</b> | <b>-134</b> | <b>- 401</b> | <b>1 175</b> | <b>-134</b> | <b>1 030</b>  |
| <b>Total comprehensive income</b>   | <b>4 250</b> | <b>6 173</b> | <b>-31</b>  | <b>4 250</b> | <b>5 059</b> | <b>-16</b>  | <b>4 250</b> | <b>5 059</b> | <b>-16</b>  | <b>20 249</b> |
| Attributable to minority interests  |              | - 2          | -100        |              | 1            | -100        |              | 1            | -100        |               |
| Attributable to shareholders  | 4 250        | 6 175        | -31         | 4 250        | 5 058        | -16         | 4 250        | 5 058        | -16         | 20 249        |

## Balance sheet – SEB Group

| SEK m   | 31 Mar<br>2015   | 31 Dec<br>2014   | 31 Mar<br>2014   |
|---|------------------|------------------|------------------|
| Cash and cash balances with central banks           | 202 537          | 103 098          | 244 830          |
| Other lending to central banks                      | 1 714            | 16 817           | 8 078            |
| Loans to other credit institutions <sup>1)</sup>    | 117 977          | 90 945           | 114 412          |
| Loans to the public                                 | 1 417 342        | 1 355 680        | 1 329 801        |
| Financial assets at fair value <sup>2)</sup>        | 1 104 539        | 936 844          | 824 998          |
| Available-for-sale financial assets <sup>2)</sup>   | 43 892           | 46 014           | 48 776           |
| Held-to-maturity investments <sup>2)</sup>          | 90               | 91               | 87               |
| Assets held for sale                                | 1 400            | 841              |                  |
| Investments in associates                           | 1 155            | 1 251            | 1 320            |
| Tangible and intangible assets                      | 26 890           | 27 524           | 29 102           |
| Other assets  | 61 680           | 62 141           | 49 921           |
| <b>Total assets</b>                                 | <b>2 979 216</b> | <b>2 641 246</b> | <b>2 651 325</b> |
| Deposits from central banks and credit institutions | 211 439          | 115 186          | 210 060          |
| Deposits and borrowing from the public              | 1 020 177        | 943 114          | 903 706          |
| Liabilities to policyholders                        | 389 547          | 364 354          | 322 769          |
| Debt securities                                     | 736 605          | 689 863          | 767 194          |
| Other financial liabilities at fair value           | 360 673          | 280 763          | 227 113          |
| Liabilities held for sale                           | 240              |                  |                  |
| Other liabilities                                   | 95 571           | 70 257           | 78 706           |
| Provisions  | 3 167            | 2 868            | 2 196            |
| Subordinated liabilities                            | 33 113           | 40 265           | 20 497           |
| Total equity  | 128 684          | 134 576          | 119 084          |
| <b>Total liabilities and equity</b>                 | <b>2 979 216</b> | <b>2 641 246</b> | <b>2 651 325</b> |

1) Loans to credit institutions and liquidity placements with other direct participants in interbank fund transfer systems.

2) Whereof bonds and other interest bearing securities: SEK 406,244m (343,964/471,398).

A more detailed balance sheet is included in the Fact Book.

## Pledged assets, contingent liabilities and commitments – SEB Group

| SEK m   | 31 Mar<br>2015 | 31 Dec<br>2014 | 31 Mar<br>2014 |
|---|----------------|----------------|----------------|
| Collateral pledged for own liabilities <sup>1)</sup>                  | 591 323        | 437 991        | 401 523        |
| Assets pledged for liabilities to insurance policyholders             | 389 547        | 364 354        | 322 768        |
| <b>Collateral and comparable security pledged for own liabilities</b> | <b>980 870</b> | <b>802 345</b> | <b>724 291</b> |
| Other pledged assets and comparable collateral <sup>2)</sup>          | 173 880        | 127 792        | 137 206        |
| Contingent liabilities  | 115 290        | 116 566        | 100 331        |
| Commitments   | 710 597        | 559 575        | 531 109        |

1) Of which collateralised for covered bonds SEK 366,370m (359,276/348,147).

2) Securities lending SEK 85,151m (51,722/74,198) and pledged but unencumbered bonds SEK 79,435m (73,496/63,008).

## Key figures – SEB Group

|   | Q1      | Q4      | Jan - Mar |         | Full year |
|---|---------|---------|-----------|---------|-----------|
|   | 2015    | 2014    | 2015      | 2014    | 2014      |
| Return on equity, %   | 13.81   | 17.26   | 13.81     | 12.62   | 15.25     |
| Return on total assets, %   | 0.64    | 0.81    | 0.64      | 0.60    | 0.71      |
| Return on risk exposure amount, %                                 | 2.99    | 3.79    | 2.99      | 2.64    | 3.23      |
| Cost/income ratio   | 0.48    | 0.45    | 0.48      | 0.51    | 0.47      |
| Basic earnings per share, SEK                                     | 2.12    | 2.60    | 2.12      | 1.77    | 8.79      |
| Weighted average number of shares, millions <sup>1)</sup>         | 2 189   | 2 191   | 2 189     | 2 190   | 2 187     |
| Diluted earnings per share, SEK                                   | 2.11    | 2.58    | 2.11      | 1.76    | 8.73      |
| Weighted average number of diluted shares, millions <sup>2)</sup> | 2 202   | 2 204   | 2 202     | 2 207   | 2 202     |
| Net worth per share, SEK  | 66.22   | 68.13   | 66.22     | 60.45   | 68.13     |
| Equity per share, SEK   | 58.76   | 61.47   | 58.76     | 54.60   | 61.47     |
| Average shareholders' equity, SEK, billion                        | 134.7   | 131.8   | 134.7     | 123.1   | 126.1     |
| Credit loss level, %  | 0.05    | 0.09    | 0.05      | 0.07    | 0.09      |
| Liquidity Coverage Ratio (LCR) <sup>3)</sup> , %                  | 124     | 115     | 124       | 137     | 115       |
| <u>Own funds requirement, Basel III</u>                           |         |         |           |         |           |
| Risk exposure amount, SEK m                                       | 623 454 | 616 531 | 623 454   | 587 503 | 616 531   |
| Expressed as own funds requirement, SEK m                         | 49 874  | 49 322  | 49 874    | 47 000  | 49 322    |
| Common Equity Tier 1 capital ratio, %                             | 16.6    | 16.3    | 16.6      | 15.7    | 16.3      |
| Tier 1 capital ratio, %   | 18.8    | 19.5    | 18.8      | 17.6    | 19.5      |
| Total capital ratio, %  | 21.1    | 22.2    | 21.1      | 18.7    | 22.2      |
| Number of full time equivalents <sup>4)</sup>                     | 15 695  | 15 910  | 15 732    | 15 620  | 15 714    |
| Assets under custody, SEK bn                                      | 7 603   | 6 763   | 7 603     | 6 003   | 6 763     |
| Assets under management, SEK bn                                   | 1 832   | 1 708   | 1 832     | 1 504   | 1 708     |

1) The number of issued shares was 2,194,171,802. SEB owned 5,495,862 Class A shares for the equity based programmes at year end 2014. During 2015 842,112 shares have been sold. Thus, as at March 31 2015 SEB owned 4,653,750 Class A-shares with a market value of SEK 470m.

2) Calculated dilution based on the estimated economic value of the long-term incentive programmes.

3) According to Swedish FSA regulations for respective period.

4) Quarterly numbers are for last month of quarter. Accumulated numbers are average for the period.

In SEB's Fact Book, this table is available with nine quarters of history.

## Income statement on quarterly basis - SEB Group

| SEK m   | Q1            | Q4            | Q3            | Q2            | Q1            |
|---|---------------|---------------|---------------|---------------|---------------|
|   | 2015          | 2014          | 2014          | 2014          | 2014          |
| Net interest income   | 4 946         | 5 010         | 5 172         | 4 943         | 4 818         |
| Net fee and commission income   | 4 274         | 4 553         | 3 814         | 4 211         | 3 728         |
| Net financial income  | 1 255         | 343           | 654           | 845           | 1 079         |
| Net life insurance income   | 940           | 854           | 829           | 844           | 818           |
| Net other income  | 197           | 2 003         | 2 184         | 234           | 0             |
| <b>Total operating income</b>   | <b>11 612</b> | <b>12 763</b> | <b>12 653</b> | <b>11 077</b> | <b>10 443</b> |
| Staff costs   | -3 556        | -3 414        | -3 392        | -3 493        | -3 461        |
| Other expenses  | -1 523        | -1 781        | -1 549        | -1 549        | -1 431        |
| Depreciation, amortisation and impairment of tangible and intangible assets | - 479         | - 596         | - 554         | - 477         | - 446         |
| <b>Total operating expenses</b>   | <b>-5 558</b> | <b>-5 791</b> | <b>-5 495</b> | <b>-5 519</b> | <b>-5 338</b> |
| <b>Profit before credit losses</b>  | <b>6 054</b>  | <b>6 972</b>  | <b>7 158</b>  | <b>5 558</b>  | <b>5 105</b>  |
| Gains less losses from tangible and intangible assets                       | - 76          | - 85          | - 20          | - 24          | 8             |
| Net credit losses   | -188          | - 310         | - 473         | - 283         | - 258         |
| <b>Operating profit</b>   | <b>5 790</b>  | <b>6 577</b>  | <b>6 665</b>  | <b>5 251</b>  | <b>4 855</b>  |
| Income tax expense  | -1 139        | - 889         | -1 192        | -1 077        | - 971         |
| <b>Net profit</b>   | <b>4 651</b>  | <b>5 688</b>  | <b>5 473</b>  | <b>4 174</b>  | <b>3 884</b>  |
| Attributable to minority interests  |               |               | 1             |               |               |
| Attributable to shareholders  | 4 651         | 5 688         | 5 472         | 4 174         | 3 884         |
| Basic earnings per share, SEK   | 2.12          | 2.60          | 2.50          | 1.90          | 1.77          |
| Diluted earnings per share, SEK   | 2.11          | 2.58          | 2.48          | 1.89          | 1.76          |

## Income statement by Division – SEB Group

| Jan-Mar 2015, SEK m   | Merchant Banking | Retail Banking | Wealth Management | Life         | Baltic       | Other        | Eliminations | SEB Group     |
|---|------------------|----------------|-------------------|--------------|--------------|--------------|--------------|---------------|
| Net interest income   | 2 070            | 1 898          | 148               | - 10         | 515          | 334          | - 9          | 4 946         |
| Net fee and commission income   | 1 286            | 1 143          | 1 289             |              | 264          | 5            | 287          | 4 274         |
| Net financial income  | 1 227            | 89             | 52                |              | 86           | -199         |              | 1 255         |
| Net life insurance income   |                  |                |                   | 1 377        |              |              | - 437        | 940           |
| Net other income  | 63               | 4              | 9                 |              | - 7          | 130          | - 2          | 197           |
| <b>Total operating income</b>   | <b>4 646</b>     | <b>3 134</b>   | <b>1 498</b>      | <b>1 367</b> | <b>858</b>   | <b>270</b>   | <b>- 161</b> | <b>11 612</b> |
| Staff costs   | - 932            | - 705          | - 340             | - 317        | - 179        | -1 093       | 10           | -3 556        |
| Other expenses  | -1 195           | - 723          | - 333             | - 103        | - 242        | 923          | 150          | -1 523        |
| Depreciation, amortisation and impairment of tangible and intangible assets | - 23             | - 18           | - 9               | - 245        | - 19         | - 166        | 1            | - 479         |
| <b>Total operating expenses</b>   | <b>-2 150</b>    | <b>-1 446</b>  | <b>- 682</b>      | <b>- 665</b> | <b>- 440</b> | <b>- 336</b> | <b>161</b>   | <b>-5 558</b> |
| <b>Profit before credit losses</b>  | <b>2 496</b>     | <b>1 688</b>   | <b>816</b>        | <b>702</b>   | <b>418</b>   | <b>- 66</b>  |              | <b>6 054</b>  |
| Gains less losses from tangible and intangible assets                       |                  |                |                   |              | - 76         |              |              | - 76          |
| Net credit losses   | - 93             | - 105          | 1                 |              | 9            |              |              | - 188         |
| <b>Operating profit</b>   | <b>2 403</b>     | <b>1 583</b>   | <b>817</b>        | <b>702</b>   | <b>351</b>   | <b>- 66</b>  |              | <b>5 790</b>  |

## SEB's markets

SEB offers universal financial advice and services in Sweden and the Baltic countries. In Denmark, Finland, Norway and Germany, the bank's operations have a strong focus on corporate and investment banking based on a full-service offering to corporate and institutional clients. In addition, SEB serves its corporate and institutional customers through its international network.

### Profit per country

| Distribution by country Jan - Mar |                        |               |           |                          |               |          |                  |              |           |       | Operating profit in local currency |      |  |
|-----------------------------------|------------------------|---------------|-----------|--------------------------|---------------|----------|------------------|--------------|-----------|-------|------------------------------------|------|--|
| SEK m                             | Total operating income |               |           | Total operating expenses |               |          | Operating profit |              |           | 2015  | 2014                               | %    |  |
|                                   | 2015                   | 2014          | %         | 2015                     | 2014          | %        | 2015             | 2014         | %         |       |                                    |      |  |
| Sweden                            | 6 815                  | 6 040         | 13        | -3 607                   | -3 552        | 2        | 3 067            | 2 331        | 32        | 3 067 | 2 331                              | 32   |  |
| Norway                            | 821                    | 788           | 4         | - 219                    | - 222         | - 1      | 586              | 554          | 6         | 545   | 522                                | 4    |  |
| Denmark                           | 1 054                  | 829           | 27        | - 311                    | - 256         | 21       | 732              | 563          | 30        | 581   | 475                                | 22   |  |
| Finland                           | 465                    | 411           | 13        | - 191                    | - 169         | 13       | 274              | 240          | 14        | 29    | 27                                 | 7    |  |
| Germany <sup>1)</sup>             | 668                    | 737           | - 9       | - 401                    | - 396         | 1        | 267              | 338          | - 21      | 28    | 38                                 | - 26 |  |
| Estonia                           | 328                    | 299           | 10        | - 144                    | - 127         | 13       | 211              | 187          | 13        | 22    | 21                                 | 5    |  |
| Latvia                            | 236                    | 243           | - 3       | - 129                    | - 123         | 5        | 96               | 78           | 23        | 10    | 9                                  | 11   |  |
| Lithuania                         | 398                    | 388           | 3         | - 190                    | - 186         | 2        | 126              | 167          | - 25      | 13    | 19                                 | - 32 |  |
| Other countries and eliminations  | 827                    | 708           | 17        | - 366                    | - 307         | 19       | 431              | 397          | 9         |       |                                    |      |  |
| <b>Total</b>                      | <b>11 612</b>          | <b>10 443</b> | <b>11</b> | <b>-5 558</b>            | <b>-5 338</b> | <b>4</b> | <b>5 790</b>     | <b>4 855</b> | <b>19</b> |       |                                    |      |  |

<sup>1)</sup> Excluding Treasury operations.

- Targeted expansion in the Nordic countries and Germany continued
- Positive effects from recent card acquisitions in Norway and Finland
- Profitability for the Baltic segment as a whole improved

### Comments on the first quarter

In *Sweden*, operating profit represented 53 per cent of the group total and increased by SEK 736m to SEK 3,067m year-on-year. Lending and deposit volumes increased year-on-year from continuous growth both in the private and corporate segment and net interest income generation was strong. Performance fees were also strong in the first quarter. The operating expenses increased by 2 per cent.

In *Norway*, operating profit increased by 6 per cent year-on-year. The beginning of the year was seasonally slow, but a number of activities and closed deals contributed to lifting operating income by 4 per cent year-on-year. Investment banking improved. There was a positive effect from the acquisition of DNB's corporate card portfolio. Operating income was supported by a stable level of net interest income from volume expansion and increased fee income.

In *Denmark*, business volumes with both existing and new customers in the Markets, Corporate Banking and Asset Management areas increased. The investment returns in the life insurance operations were strong. Operating expenses 2014 were affected by positive one-off items while the

underlying expense level was unchanged leading to an increase in operating profit of 30 per cent year-on-year.

In *Finland*, focus was on expanding the business with existing customers. Operating profit is supported by stable underlying income with one-off income from closing some larger deals in the first quarter. There was a positive effect from the acquisition of card portfolios from Nets. Operating profit increased by 14 per cent compared to 2014.

In *Germany*, operating profit was SEK 71m lower year-on-year. There was a one-off item related to interest liabilities on historic VAT payments. Underlying business improved and Markets was more active while corporate activity was lower than the last quarter 2014. SEB signed an agreement to divest its real estate investment management business, SEB Asset Management AG, to Savills plc. (see p6).

The *Baltic* operations were resilient to the development in Russia. In *Lithuania* operations following the year-end conversion to euro were smooth. See also the information on the Baltic division.

## Merchant Banking

The Merchant Banking division offers commercial and investment banking services to large corporate and institutional clients, mainly in the Nordic region and Germany. Customers are also served through an extensive international presence.

### Income statement

| SEK m   | Q1            |               |           | Q4            |               |           | Jan- Mar      |               |           | Full year     |
|---|---------------|---------------|-----------|---------------|---------------|-----------|---------------|---------------|-----------|---------------|
|   | 2015          | 2014          | %         | 2015          | 2014          | %         | 2015          | 2014          | %         | 2014          |
| Net interest income   | 2 070         | 2 005         | 3         | 2 070         | 2 019         | 3         | 2 070         | 2 019         | 3         | 8 315         |
| Net fee and commission income   | 1 286         | 1 811         | -29       | 1 286         | 1 405         | -8        | 1 286         | 1 405         | -8        | 6 169         |
| Net financial income  | 1 227         | 441           | 178       | 1 227         | 968           | 27        | 1 227         | 968           | 27        | 2 817         |
| Net other income  | 63            | 102           | -38       | 63            | -37           |           | 63            | -37           |           | 808           |
| <b>Total operating income</b>   | <b>4 646</b>  | <b>4 359</b>  | <b>7</b>  | <b>4 646</b>  | <b>4 355</b>  | <b>7</b>  | <b>4 646</b>  | <b>4 355</b>  | <b>7</b>  | <b>18 109</b> |
| Staff costs   | - 932         | - 922         | 1         | - 932         | - 892         | 4         | - 932         | - 892         | 4         | -3 654        |
| Other expenses  | -1 195        | -1 149        | 4         | -1 195        | -1 154        | 4         | -1 195        | -1 154        | 4         | -4 624        |
| Depreciation, amortisation and impairment of tangible and intangible assets | - 23          | - 33          | -30       | - 23          | - 32          | -28       | - 23          | - 32          | -28       | - 126         |
| <b>Total operating expenses</b>   | <b>-2 150</b> | <b>-2 104</b> | <b>2</b>  | <b>-2 150</b> | <b>-2 078</b> | <b>3</b>  | <b>-2 150</b> | <b>-2 078</b> | <b>3</b>  | <b>-8 404</b> |
| <b>Profit before credit losses</b>  | <b>2 496</b>  | <b>2 255</b>  | <b>11</b> | <b>2 496</b>  | <b>2 277</b>  | <b>10</b> | <b>2 496</b>  | <b>2 277</b>  | <b>10</b> | <b>9 705</b>  |
| Gains less losses from tangible and intangible assets                       |               | - 1           | -100      |               |               |           |               |               |           | - 13          |
| Net credit losses   | - 93          | - 86          | 8         | - 93          | - 52          | 79        | - 93          | - 52          | 79        | - 604         |
| <b>Operating profit</b>   | <b>2 403</b>  | <b>2 168</b>  | <b>11</b> | <b>2 403</b>  | <b>2 225</b>  | <b>8</b>  | <b>2 403</b>  | <b>2 225</b>  | <b>8</b>  | <b>9 088</b>  |
| Cost/Income ratio   | 0.46          | 0.48          |           | 0.46          | 0.48          |           | 0.46          | 0.48          |           | 0.46          |
| Business equity, SEK bn   | 61.6          | 52.4          |           | 61.6          | 50.7          |           | 61.6          | 50.7          |           | 52.3          |
| Return on business equity, %  | 12.0          | 12.7          |           | 12.0          | 13.5          |           | 12.0          | 13.5          |           | 13.4          |
| Number of full time equivalents <sup>1)</sup>                               | 2 208         | 2 224         |           | 2 219         | 2 199         |           | 2 219         | 2 199         |           | 2 212         |

<sup>1)</sup> Quarterly numbers are for last month of quarter. Accumulated numbers are average for the period.

- Operating profit improved by 8 per cent
- Customers sought hedging and risk management products in the volatile market
- Negative interest rates in Sweden

### Comments on the first quarter

ECB's stimulatory actions increased optimism in the eurozone. The US was somewhat less optimistic, but still on track to recovery. The Nordic economies benefited from the improved outlook in the eurozone but continued to face country specific challenges. The financial markets faced ground-breaking central bank measures in terms of negative interest rates in Sweden, and earlier in Denmark and Switzerland.

The central bank interventions continued to change the financial markets and tilted client demand towards risk management products. However, SEB's model of being a full-service financial advisor proved viable. The effects of negative interest rates started to be incorporated into the business model.

Operating income for the first quarter amounted to SEK 4,646m, which was an increase of 7 per cent year-on-year. This was primarily driven by increased demand for currency and interest rate products. Operating expenses increased by 3 per cent to SEK 2,150m (2,078), mainly related to currency effects. Net credit losses were SEK 93m (52) reflecting a continued high asset quality with a credit loss level of 6 basis points. Operating profit amounted to SEK 2,403m, an increase of 8 per cent versus last year.

Markets increased operating income compared to the first quarter last year. Client demand for hedging and risk management products increased following the heightened volatility levels in light of central bank actions covering negative interest rates and currency pegs. This affected both fixed income operations and FX. The equities business continued to capitalise on the equity capital market activities but showed a somewhat lower level of income. *Transaction Banking* performed in line with the first quarter last year despite the challenging environment where volume growth compensated for lower and in some cases negative interest rates. Assets under custody amounted to SEK 7,603bn (6,003). *Corporate & Investment Banking* started the year seasonally slower with a marginal improvement compared to the first quarter last year. The earnings composition changed somewhat with a lower level of completed advisory-driven activities and a higher level of lending related activities.

SEB continued to focus on improving efficiency in order to enable investments to meet client demand, leverage on the current digitisation trend as well as advising customers in managing the new regulatory framework.

## Retail Banking

The Retail Banking division offers full banking and advisory services to private individuals and small and medium-sized corporate customers in Sweden, as well as card services in four Nordic countries.

### Income statement

| SEK m   | Q1            |               | Q4        | Jan- Mar      |               |           | Full year     |
|---|---------------|---------------|-----------|---------------|---------------|-----------|---------------|
|   | 2015          | 2014          | %         | 2015          | 2014          | %         | 2014          |
| Net interest income   | 1 898         | 1 976         | -4        | 1 898         | 2 062         | -8        | 8 141         |
| Net fee and commission income   | 1 143         | 1 125         | 2         | 1 143         | 982           | 16        | 4 232         |
| Net financial income  | 89            | 81            | 10        | 89            | 80            | 11        | 318           |
| Net other income  | 4             | 31            | -87       | 4             | 48            | -92       | 121           |
| <b>Total operating income</b>   | <b>3 134</b>  | <b>3 213</b>  | <b>-2</b> | <b>3 134</b>  | <b>3 172</b>  | <b>-1</b> | <b>12 812</b> |
| Staff costs   | - 705         | - 680         | 4         | - 705         | - 674         | 5         | -2 701        |
| Other expenses  | - 723         | - 774         | -7        | - 723         | - 723         | 0         | -2 943        |
| Depreciation, amortisation and impairment of tangible and intangible assets | - 18          | - 17          | 6         | - 18          | - 13          | 38        | - 63          |
| <b>Total operating expenses</b>   | <b>-1 446</b> | <b>-1 471</b> | <b>-2</b> | <b>-1 446</b> | <b>-1 410</b> | <b>3</b>  | <b>-5 707</b> |
| <b>Profit before credit losses</b>  | <b>1 688</b>  | <b>1 742</b>  | <b>-3</b> | <b>1 688</b>  | <b>1 762</b>  | <b>-4</b> | <b>7 105</b>  |
| Gains less losses from tangible and intangible assets                       |               |               |           |               |               |           |               |
| Net credit losses   | - 105         | - 118         | -11       | - 105         | - 135         | -22       | - 483         |
| <b>Operating profit</b>   | <b>1 583</b>  | <b>1 624</b>  | <b>-3</b> | <b>1 583</b>  | <b>1 627</b>  | <b>-3</b> | <b>6 622</b>  |
| Cost/Income ratio   | 0.46          | 0.46          |           | 0.46          | 0.44          |           | 0.45          |
| Business equity, SEK bn   | 34.0          | 25.2          |           | 34.0          | 24.4          |           | 24.6          |
| Return on business equity, %  | 14.3          | 19.9          |           | 14.3          | 20.6          |           | 20.7          |
| Number of full time equivalents <sup>1)</sup>                               | 3 305         | 3 417         |           | 3 297         | 3 334         |           | 3 370         |

<sup>1)</sup> Quarterly numbers are for last month of quarter. Accumulated numbers are average for the period.

- The interest rate environment impacted operating profit
- The number of SMEs that chose SEB as home bank exceeded 150,000 for the first time
- Customers made more than 30 million visits and interactions through mobile services

### Comments on the first quarter

For the first time, the Swedish central bank set the repo rate below zero. Meanwhile, the rules regarding amortisation of mortgages were clarified by the Swedish Financial Supervisory Authority. This is a situation where both private and corporate customers require plentiful advice around both savings and financing.

The number of customers in the segment small and medium-sized companies that chose SEB as their home bank exceeded for the first time 150,000. However, the corporate customers' demand for financing was low during the quarter. Year-on-year corporate lending remained stable at SEK 169bn.

Operating income decreased by 1 per cent compared with the first quarter of 2014, driven primarily by the challenging interest rate environment. Net interest income decreased by 8 per cent. Net fee and commission income increased by 16 per cent, primarily due to increased fund commissions, but also from the insurance and card operations. Operating expenses amounted to SEK 1,446m (1,410). Credit losses decreased and amounted to SEK 105m in the quarter (135).

The effect on the result from the sale of Euroline was counteracted by the acquired card portfolios from Nets in Finland and DNB in Norway. With an increase in transaction turnover, the card-related operating profit increased by 11 per cent.

In the low interest rate environment in Sweden, customers continued to increase their savings. Private savings in mutual funds increased by SEK 2.5bn and total deposits from companies and private customers increased by SEK 16bn compared to the first quarter 2014. Retail mortgage lending growth continued but amortisation requirements lowered the growth rate.

Customers continue to use apps as their main point of entry to SEB. During the first quarter there were approximately 30 million visits through this channel (private individuals and small and medium-sized companies), which is the highest number of visitors so far during a single quarter. In March, SEB was named best online bank among the major Swedish banks by Internetworld.

## Wealth Management

The Wealth Management division offers a full spectrum of asset management and advisory services to institutions and high net-worth individuals, including the leading Nordic private banking offering.

### Income statement

| SEK m   | Q1           |              |            | Q4           |              |           | Jan- Mar     |              |           | Full year     |
|---|--------------|--------------|------------|--------------|--------------|-----------|--------------|--------------|-----------|---------------|
|   | 2015         | 2014         | %          | 2015         | 2014         | %         | 2015         | 2014         | %         | 2014          |
| Net interest income   | 148          | 146          | 1          | 148          | 183          | -19       | 148          | 183          | -19       | 685           |
| Net fee and commission income   | 1 289        | 1 197        | 8          | 1 289        | 849          | 52        | 1 289        | 849          | 52        | 3 884         |
| Net financial income  | 52           | 29           | 79         | 52           | 51           | 2         | 52           | 51           | 2         | 152           |
| Net other income  | 9            | 3            | 200        | 9            | 7            | 29        | 9            | 7            | 29        | 193           |
| <b>Total operating income</b>   | <b>1 498</b> | <b>1 375</b> | <b>9</b>   | <b>1 498</b> | <b>1 090</b> | <b>37</b> | <b>1 498</b> | <b>1 090</b> | <b>37</b> | <b>4 914</b>  |
| Staff costs   | - 340        | - 330        | 3          | - 340        | - 307        | 11        | - 340        | - 307        | 11        | -1 216        |
| Other expenses  | - 333        | - 388        | -14        | - 333        | - 332        | 0         | - 333        | - 332        | 0         | -1 382        |
| Depreciation, amortisation and impairment of tangible and intangible assets | - 9          | - 8          | 13         | - 9          | - 10         | -10       | - 9          | - 10         | -10       | - 39          |
| <b>Total operating expenses</b>   | <b>- 682</b> | <b>- 726</b> | <b>- 6</b> | <b>- 682</b> | <b>- 649</b> | <b>5</b>  | <b>- 682</b> | <b>- 649</b> | <b>5</b>  | <b>-2 637</b> |
| <b>Profit before credit losses</b>  | <b>816</b>   | <b>649</b>   | <b>26</b>  | <b>816</b>   | <b>441</b>   | <b>85</b> | <b>816</b>   | <b>441</b>   | <b>85</b> | <b>2 277</b>  |
| Gains less losses from tangible and intangible assets                       |              |              |            |              |              |           |              |              |           |               |
| Net credit losses   | 1            | - 2          | -150       | 1            |              |           | 1            |              |           | - 19          |
| <b>Operating profit</b>   | <b>817</b>   | <b>647</b>   | <b>26</b>  | <b>817</b>   | <b>441</b>   | <b>85</b> | <b>817</b>   | <b>441</b>   | <b>85</b> | <b>2 258</b>  |
| Cost/Income ratio   | 0.46         | 0.53         |            | 0.46         | 0.60         |           | 0.46         | 0.60         |           | 0.54          |
| Business equity, SEK bn   | 9.9          | 8.5          |            | 9.9          | 9.0          |           | 9.9          | 9.0          |           | 8.6           |
| Return on business equity, %  | 25.5         | 23.5         |            | 25.5         | 15.1         |           | 25.5         | 15.1         |           | 20.3          |
| Number of full time equivalents <sup>1)</sup>                               | 906          | 884          |            | 904          | 877          |           | 904          | 877          |           | 882           |

<sup>1)</sup> Quarterly numbers are for last month of quarter. Accumulated numbers are average for the period.

- Higher asset values and strong net inflows of assets under management contributed to increased operating profit
- SEB Private Banking was awarded as the best Private Bank in Sweden by Euromoney
- Agreement to divest the German real estate investment management business was signed

### Comments on the first quarter

The market conditions from 2014 continued during the first quarter characterised by a sustained interest in the equity markets in combination with a continuous search for yield and returns in a historically low interest rate environment.

In this environment customers were increasingly interested in fund savings in general and, in particular, asset allocation products. They offer continuous active allocation, which provides security in a changeable environment. The strong equity market added to the already high customer activity in Private Banking while institutional investors continued, in the challenging interest rate environment, to search for yield outside the traditional asset classes; an area in which SEB continues to develop new products.

Total assets under management increased by 22 per cent compared to one year ago and amounted to SEK 1,756bn (1,436), as a result of higher net inflows in combination with the positive equity market development.

The operating profit of SEK 817m increased by 85 per cent compared with last year. Base commissions increased to SEK 845m as a result of the higher average asset values (723). Performance and transaction fees amounted to SEK 335m (21). Net interest income decreased as an effect of the low

interest rate environment. Brokerage fees remained stable at a high level. Operating expenses were 5 per cent higher compared to the first quarter last year.

There was a continued inflow of new customers within *Private Banking* in all markets and SEK 3bn in net new volumes were received during the first quarter (9). SEB was awarded by Euromoney as the best Private Bank in Sweden and for best services to Ultra High Net-Worth Clients in the Nordic and Baltics in 2015.

For *Institutional Clients*, the focus was on client activities regarding Tier 1 product launches for the second quarter, i.e. Private Equity III and Micro Loan. The year started positively with high client activity and several mandates were won. Net new volumes amounted to SEK 22bn.

The SEB Global fund was rewarded by Morningstar as the #1 equity fund for instance in Finland, Denmark and Germany.

SEB signed an agreement to divest its German real estate investment management business, SEB Asset Management AG.



## Life

The Life division offers life insurance products with a focus on unit-linked and also traditional insurance for private individuals and corporate customers, mainly in Sweden, Denmark and the Baltic countries.

### Income statement

| SEK m   | Q1           |              |            | Q4           |              |           | Jan- Mar     |              |           | Full year      |
|---|--------------|--------------|------------|--------------|--------------|-----------|--------------|--------------|-----------|----------------|
|   | 2015         | 2014         | %          | 2015         | 2014         | %         | 2015         | 2014         | %         | 2014           |
| Net interest income   | - 10         | - 11         | - 9        | - 10         | - 12         | - 17      | - 10         | - 12         | - 17      | - 46           |
| Net life insurance income   | 1 377        | 1 218        | 13         | 1 377        | 1 187        | 16        | 1 377        | 1 187        | 16        | 4 833          |
| <b>Total operating income</b>   | <b>1 367</b> | <b>1 207</b> | <b>13</b>  | <b>1 367</b> | <b>1 175</b> | <b>16</b> | <b>1 367</b> | <b>1 175</b> | <b>16</b> | <b>4 787</b>   |
| Staff costs   | - 317        | - 312        | 2          | - 317        | - 300        | 6         | - 317        | - 300        | 6         | - 1 225        |
| Other expenses  | - 103        | - 141        | - 27       | - 103        | - 96         | 7         | - 103        | - 96         | 7         | - 508          |
| Depreciation, amortisation and impairment of tangible and intangible assets | - 245        | - 265        | - 8        | - 245        | - 228        | 7         | - 245        | - 228        | 7         | - 988          |
| <b>Total operating expenses</b>   | <b>- 665</b> | <b>- 718</b> | <b>- 7</b> | <b>- 665</b> | <b>- 624</b> | <b>7</b>  | <b>- 665</b> | <b>- 624</b> | <b>7</b>  | <b>- 2 721</b> |
| <b>Profit before credit losses</b>  | <b>702</b>   | <b>489</b>   | <b>44</b>  | <b>702</b>   | <b>551</b>   | <b>27</b> | <b>702</b>   | <b>551</b>   | <b>27</b> | <b>2 066</b>   |
| <b>Operating profit</b>   | <b>702</b>   | <b>489</b>   | <b>44</b>  | <b>702</b>   | <b>551</b>   | <b>27</b> | <b>702</b>   | <b>551</b>   | <b>27</b> | <b>2 066</b>   |
| Cost/Income ratio   | 0.49         | 0.59         |            | 0.49         | 0.53         |           | 0.49         | 0.53         |           | 0.57           |
| Business equity, SEK bn   | 8.4          | 8.2          |            | 8.4          | 8.2          |           | 8.4          | 8.2          |           | 8.2            |
| Return on business equity, %  | 29.0         | 20.7         |            | 29.0         | 23.3         |           | 29.0         | 23.3         |           | 21.9           |
| Number of full time equivalents <sup>1)</sup>                               | 1 304        | 1 301        |            | 1 302        | 1 324        |           | 1 302        | 1 324        |           | 1 309          |

<sup>1)</sup> Quarterly numbers are for last month of quarter. Accumulated numbers are average for the period.

- Operating profit increased by 27 per cent
- Sales increasing in Sweden supported by enhanced product offering
- Enhanced digital customer services

### Comments on the first quarter

Continued strong development in equity markets and decreased interest rates during the quarter improved asset values in both the unit-linked and traditional portfolios.

SEB will re-open traditional insurance in Sweden in June 2015, thereby providing a complete range of solutions for long-term savings.

The tax deduction for individual private pension savings in Sweden is being phased out. A majority of the around 270,000 customers who are affected were informed about savings alternatives during the first quarter. Most of those who have taken action chose other forms of savings, primarily a new product called Pensionsspar Fond, an endowment insurance, and also ISK ("investeringssparkonto").

In March SEB as the first Swedish bank launched a new offering to the Swedish SME-market with sickness insurance and other insurance solutions for a full range employment coverage. Today approximately 85 per cent of the SME customers lack satisfactory protection in this area.

The Danish life operation is a forerunner when it comes to digital solutions. Using this experience, several initiatives were taken with the ambition to develop digitised customer meetings for the full division, for example screen sharing solutions.

Operating profit for the quarter increased by 27 per cent year-on-year to SEK 702m (551). Income in unit-linked related business grew by 19 per cent and continued to represent a major part of total income. The increase was primarily a result of higher fund values, but also of higher premium volumes, especially in Sweden. Income in traditional insurance products also improved compared to last year, due to favourable financial markets. In total, operating income increased by 16 per cent.

Expenses increased by 7 per cent due to increased sales and certain one-offs in the first quarter last year.

The weighted sales volume of new policies increased significantly – by 31 per cent to SEK 15bn – primarily in Sweden. The unit-linked related segment represented 83 per cent of sales (85) and the share of corporate paid policies decreased to 67 per cent (72).

Total premium income relating to both new and existing policies increased. Premium income for the year increased by 13 per cent and amounted to SEK 11bn.

The total fund value in the unit-linked related segment amounted to SEK 297bn, which was SEK 23bn higher than at the beginning of the year. The net inflow was SEK 1bn and the appreciation in value was SEK 22bn. Total assets under management amounted to SEK 602bn.

## Baltic

The Baltic division provides full banking and advisory services to private individuals and small and medium-sized corporate customers in Estonia, Latvia and Lithuania. The Baltic real estate holding companies (RHC) are part of the division. The full Baltic geographical segmentation, including other activities in the region, is reported in SEB's Fact Book.

### Income statement

| SEK m   | Q1          |             |           | Q4          |             |           | Jan- Mar    |             |           | Full year     |
|---|-------------|-------------|-----------|-------------|-------------|-----------|-------------|-------------|-----------|---------------|
|   | 2015        | 2014        | %         | 2015        | 2014        | %         | 2015        | 2014        | %         | 2014          |
| Net interest income   | 515         | 544         | -5        | 515         | 532         | -3        | 515         | 532         | -3        | 2 203         |
| Net fee and commission income   | 264         | 282         | -6        | 264         | 246         | 7         | 264         | 246         | 7         | 1 065         |
| Net financial income  | 86          | 73          | 18        | 86          | 75          | 15        | 86          | 75          | 15        | 295           |
| Net other income  | -7          | -7          | 0         | -7          | -6          | 17        | -7          | -6          | 17        | -32           |
| <b>Total operating income</b>   | <b>858</b>  | <b>892</b>  | <b>-4</b> | <b>858</b>  | <b>847</b>  | <b>1</b>  | <b>858</b>  | <b>847</b>  | <b>1</b>  | <b>3 531</b>  |
| Staff costs   | -179        | -192        | -7        | -179        | -164        | 9         | -179        | -164        | 9         | -704          |
| Other expenses  | -242        | -268        | -10       | -242        | -236        | 3         | -242        | -236        | 3         | -965          |
| Depreciation, amortisation and impairment of tangible and intangible assets | -19         | -24         | -21       | -19         | -24         | -21       | -19         | -24         | -21       | -93           |
| <b>Total operating expenses</b>   | <b>-440</b> | <b>-484</b> | <b>-9</b> | <b>-440</b> | <b>-424</b> | <b>4</b>  | <b>-440</b> | <b>-424</b> | <b>4</b>  | <b>-1 762</b> |
| <b>Profit before credit losses</b>  | <b>418</b>  | <b>408</b>  | <b>2</b>  | <b>418</b>  | <b>423</b>  | <b>-1</b> | <b>418</b>  | <b>423</b>  | <b>-1</b> | <b>1 769</b>  |
| Gains less losses from tangible and intangible assets                       | -76         | -82         | -7        | -76         | 8           |           | -76         | 8           |           | -107          |
| Net credit losses   | 9           | -103        | -109      | 9           | -71         | -113      | 9           | -71         | -113      | -217          |
| <b>Operating profit</b>   | <b>351</b>  | <b>223</b>  | <b>57</b> | <b>351</b>  | <b>360</b>  | <b>-3</b> | <b>351</b>  | <b>360</b>  | <b>-3</b> | <b>1 445</b>  |
| Cost/Income ratio   | 0.51        | 0.54        |           | 0.51        | 0.50        |           | 0.51        | 0.50        |           | 0.50          |
| Business equity, SEK bn   | 8.5         | 8.3         |           | 8.5         | 9.2         |           | 8.5         | 9.2         |           | 8.9           |
| Return on business equity, %  | 14.6        | 9.6         |           | 14.6        | 14.0        |           | 14.6        | 14.0        |           | 14.5          |
| Number of full time equivalents <sup>1)</sup>                               | 2 688       | 2 821       |           | 2 741       | 2 788       |           | 2 741       | 2 788       |           | 2 783         |

<sup>1)</sup> Quarterly numbers are for last month of quarter. Accumulated numbers are average for the period.

#### Baltic Banking (excl RHC)

|                              |            |            |           |            |            |           |            |            |           |              |
|------------------------------|------------|------------|-----------|------------|------------|-----------|------------|------------|-----------|--------------|
| <b>Operating profit</b>      | <b>446</b> | <b>336</b> | <b>33</b> | <b>446</b> | <b>379</b> | <b>18</b> | <b>446</b> | <b>379</b> | <b>18</b> | <b>1 664</b> |
| Cost/Income ratio            | 0.50       | 0.52       |           | 0.50       | 0.48       |           | 0.50       | 0.48       |           | 0.48         |
| Business equity, SEK bn      | 8.1        | 7.9        |           | 8.1        | 8.8        |           | 8.1        | 8.8        |           | 8.5          |
| Return on business equity, % | 19.6       | 15.2       |           | 19.6       | 15.3       |           | 19.6       | 15.3       |           | 17.5         |

- Return on business equity improved to 14.6 per cent
- Baltic Innovation Lab events attended by more than 750 SME customers
- Baltic countries resilient to the Russia-Ukraine conflict and import sanctions

#### Comments on the first quarter

The Baltic countries continued to show good resilience to the Russia-Ukraine conflict as well as Russia's food import sanctions and accentuated economic weakness. This was mainly because of favourable local economic conditions, including strong real household income that allowed robust private consumption. Falling energy and food prices helped to contain inflation across the region.

Loan volumes increased from March last year to SEK 103bn (101). Mortgage loan volumes stabilised over the last year, and corporate customers were reticent in entering into new financing. Lending margins remained relatively stable across the portfolio. Deposit volumes of SEK 89bn (77) rose compared to a year ago. In Lithuania, most of the Euro-related increase in deposits remained, and deposits were up 18 per cent year-on-year.

Operating profit reduced by 3 per cent year-on-year. There was an impairment charge in the real estate holding

companies while credit losses were impacted by a reversal in Estonia relating to collective provisions. Operating profit for Baltic Banking increased by 18 per cent year-on-year and non-performing loans declined by 19 per cent.

The number of home banking customers increased by 37,000 year-on-year. In Estonia, paperless services are now available in all SEB's branches. Innovation Lab events were held in all Baltic countries in March and more than 750 SME customers networked.

The real estate holding companies held assets at a total book value of SEK 2,399m (2,812). The first quarter operating loss was SEK 95m (18), due mainly to a SEK 90m impairment of assets that were reclassified.

EMEA Finance magazine named SEB as the Best Bank in Lithuania and the Best Bank and Best Broker in Estonia. SEB received the award for Best Sub-custodian in Lithuania from Global Investor.

# The SEB Group

## Net interest income – SEB Group

| SEK m                      | Q1           |              | %         | Jan - Mar    |              |          | Full year<br>2014 |
|----------------------------|--------------|--------------|-----------|--------------|--------------|----------|-------------------|
|                            | 2015         | 2014         |           | 2015         | 2014         | %        |                   |
| Interest income            | 10 203       | 10 479       | - 3       | 10 203       | 11 010       | - 7      | 43 557            |
| Interest expense           | -5 257       | -5 469       | - 4       | -5 257       | -6 192       | - 15     | -23 614           |
| <b>Net interest income</b> | <b>4 946</b> | <b>5 010</b> | <b>-1</b> | <b>4 946</b> | <b>4 818</b> | <b>3</b> | <b>19 943</b>     |

An adjustment has been made in the presentation of finance lease agreements within net interest income. The comparative information has been restated.

## Net fee and commission income – SEB Group

| SEK m  | Q1            |               | %         | Jan - Mar     |               |           | Full year<br>2014 |
|--|---------------|---------------|-----------|---------------|---------------|-----------|-------------------|
|  | 2015          | 2014          |           | 2015          | 2014          | %         |                   |
| Issue of securities and advisory                         | 118           | 281           | - 58      | 118           | 232           | - 49      | 1 000             |
| Secondary market and derivatives                         | 635           | 529           | 20        | 635           | 482           | 32        | 2 439             |
| Custody and mutual funds                                 | 2 315         | 2 114         | 10        | 2 315         | 1 753         | 32        | 7 573             |
| Payments, cards, lending, deposits, guarantees and other | 2 439         | 2 861         | - 15      | 2 439         | 2 396         | 2         | 10 406            |
| <i>Whereof payments and card fees</i>                    | 1 352         | 1 551         | -13       | 1 352         | 1 431         | -6        | 6 047             |
| <i>Whereof lending</i>                                   | 648           | 892           | -27       | 648           | 652           | -1        | 2 785             |
| <b>Fee and commission income</b>                         | <b>5 507</b>  | <b>5 785</b>  | <b>-5</b> | <b>5 507</b>  | <b>4 863</b>  | <b>13</b> | <b>21 418</b>     |
| <b>Fee and commission expense</b>                        | <b>-1 233</b> | <b>-1 232</b> | <b>0</b>  | <b>-1 233</b> | <b>-1 135</b> | <b>9</b>  | <b>-5 112</b>     |
| <b>Net fee and commission income</b>                     | <b>4 274</b>  | <b>4 553</b>  | <b>-6</b> | <b>4 274</b>  | <b>3 728</b>  | <b>15</b> | <b>16 306</b>     |
| <i>Whereof Net securities commissions</i>                | 2 386         | 2 267         | 5         | 2 386         | 2 031         | 17        | 8 545             |
| <i>Whereof Net payments and card fees</i>                | 845           | 896           | -6        | 845           | 787           | 7         | 3 416             |

## Net financial income – SEB Group

| SEK m  | Q1           |            | %    | Jan - Mar    |              |           | Full year<br>2014 |
|--|--------------|------------|------|--------------|--------------|-----------|-------------------|
|  | 2015         | 2014       |      | 2015         | 2014         | %         |                   |
| Equity instruments and related derivatives   | 1 551        | 201        |      | 1 551        | 842          | 84        | 1 899             |
| Debt instruments and related derivatives   | -1 290       | - 830      | 55   | -1 290       | - 442        | 192       | -1 913            |
| Currency and related derivatives   | 962          | 1 078      | -11  | 962          | 649          | 48        | 3 091             |
| Other  | 32           | -106       | -130 | 32           | 30           | 7         | - 156             |
| <b>Net financial income</b>  | <b>1 255</b> | <b>343</b> |      | <b>1 255</b> | <b>1 079</b> | <b>16</b> | <b>2 921</b>      |
| <i>Whereof unrealized valuation changes from counterparty risk and own credit standing in derivatives and own issued securities.</i> | 134          | -36        |      | 134          | -81          |           | -301              |

The result within Net financial income is presented on different rows based on type of underlying financial instrument.

For first quarter the positive effect from structured products offered to the public was approximately SEK 1,790m (Q4 2014: 165, Q1 2014: 620) in Equity related derivatives and Credit related derivatives SEK 190m (Q4 2014: 220, Q1 2014: 313) and a corresponding negative effect in Debt instruments and related derivatives SEK 1,970m (Q4 2014: 110, Q1 2014: 860).

## Net credit losses – SEB Group

| SEK m   | Q1          |             |            | Q4   |      |   | Jan - Mar   |             |            | Full year<br>2014 |
|---|-------------|-------------|------------|------|------|---|-------------|-------------|------------|-------------------|
|   | 2015        | 2014        | %          | 2015 | 2014 | % | 2015        | 2014        | %          |                   |
| <i>Provisions:</i>  |             |             |            |      |      |   |             |             |            |                   |
| Net collective provisions for individually assessed loans | 92          | 338         | -73        |      |      |   | 92          | -28         |            | 459               |
| Net collective provisions for portfolio assessed loans    | 82          | 129         | -36        |      |      |   | 82          | 75          | 9          | 414               |
| Specific provisions                                       | -384        | -524        | -27        |      |      |   | -384        | -120        |            | -1 448            |
| Reversal of specific provisions no longer required        | 148         | 52          | 185        |      |      |   | 148         | 74          | 100        | 279               |
| Net provisions for off-balance sheet items                |             | -32         | -100       |      |      |   |             | -11         | -100       | -42               |
| <b>Net provisions</b>                                     | <b>-62</b>  | <b>-37</b>  | <b>68</b>  |      |      |   | <b>-62</b>  | <b>-10</b>  |            | <b>-338</b>       |
| <i>Write-offs:</i>  |             |             |            |      |      |   |             |             |            |                   |
| Total write-offs  | -379        | -671        | -44        |      |      |   | -379        | -363        | 4          | -2 401            |
| Reversal of specific provisions utilized for write-offs   | 214         | 329         | -35        |      |      |   | 214         | 90          | 138        | 1 229             |
| Write-offs not previously provided for                    | -165        | -342        | -52        |      |      |   | -165        | -273        | -40        | -1 172            |
| Recovered from previous write-offs                        | 39          | 69          | -43        |      |      |   | 39          | 25          | 56         | 186               |
| <b>Net write-offs</b>                                     | <b>-126</b> | <b>-273</b> | <b>-54</b> |      |      |   | <b>-126</b> | <b>-248</b> | <b>-49</b> | <b>-986</b>       |
| <b>Net credit losses</b>                                  | <b>-188</b> | <b>-310</b> | <b>-39</b> |      |      |   | <b>-188</b> | <b>-258</b> | <b>-27</b> | <b>-1 324</b>     |

## Statement of changes in equity – SEB Group

| SEK m                                   | Share capital | Retained earnings | Other reserves                      |                  |                                   |                       | Total Shareholders' equity | Minority interests | Total Equity   |
|---|---------------|-------------------|-------------------------------------|------------------|-----------------------------------|-----------------------|----------------------------|--------------------|----------------|
|   |               |                   | Available-for-sale financial assets | Cash flow hedges | Translation of foreign operations | Defined benefit plans |                            |                    |                |
| <b>Jan-Mar 2015</b>                     |               |                   |                                     |                  |                                   |                       |                            |                    |                |
| Opening balance                         | 21 942        | 108 435           | 1 367                               | 3 877            | -1 370                            | 292                   | 134 543                    | 33                 | 134 576        |
| Net profit                              |               | 4 651             |                                     |                  |                                   |                       | 4 651                      |                    | 4 651          |
| Other comprehensive income (net of tax) |               |                   | 95                                  | 498              | -227                              | -767                  | -401                       |                    | -401           |
| <b>Total comprehensive income</b>       |               | <b>4 651</b>      | <b>95</b>                           | <b>498</b>       | <b>-227</b>                       | <b>-767</b>           | <b>4 250</b>               |                    | <b>4 250</b>   |
| Dividend to shareholders                |               | -10 400           |                                     |                  |                                   |                       | -10 400                    |                    | -10 400        |
| Equity-based programmes <sup>1)</sup>   |               | 170               |                                     |                  |                                   |                       | 170                        |                    | 170            |
| Change in holdings of own shares        |               | 88                |                                     |                  |                                   |                       | 88                         |                    | 88             |
| <b>Closing balance</b>                  | <b>21 942</b> | <b>102 944</b>    | <b>1 462</b>                        | <b>4 375</b>     | <b>-1 597</b>                     | <b>-475</b>           | <b>128 651</b>             | <b>33</b>          | <b>128 684</b> |
| <b>Jan-Dec 2014</b>                     |               |                   |                                     |                  |                                   |                       |                            |                    |                |
| Opening balance                         | 21 942        | 97 704            | 1 378                               | 783              | -2 018                            | 2 992                 | 122 781                    | 33                 | 122 814        |
| Net profit                              |               | 19 218            |                                     |                  |                                   |                       | 19 218                     | 1                  | 19 219         |
| Other comprehensive income (net of tax) |               |                   | -11                                 | 3 094            | 648                               | -2 700                | 1 031                      | -1                 | 1 030          |
| <b>Total comprehensive income</b>       |               | <b>19 218</b>     | <b>-11</b>                          | <b>3 094</b>     | <b>648</b>                        | <b>-2 700</b>         | <b>20 249</b>              |                    | <b>20 249</b>  |
| Dividend to shareholders                |               | -8 725            |                                     |                  |                                   |                       | -8 725                     |                    | -8 725         |
| Equity-based programmes <sup>1)</sup>   |               | 485               |                                     |                  |                                   |                       | 485                        |                    | 485            |
| Change in holdings of own shares        |               | -247              |                                     |                  |                                   |                       | -247                       |                    | -247           |
| <b>Closing balance</b>                  | <b>21 942</b> | <b>108 435</b>    | <b>1 367</b>                        | <b>3 877</b>     | <b>-1 370</b>                     | <b>292</b>            | <b>134 543</b>             | <b>33</b>          | <b>134 576</b> |
| <b>Jan-Mar 2014</b>                     |               |                   |                                     |                  |                                   |                       |                            |                    |                |
| Opening balance                         | 21 942        | 97 704            | 1 378                               | 783              | -2 018                            | 2 992                 | 122 781                    | 33                 | 122 814        |
| Net profit                              |               | 3 884             |                                     |                  |                                   |                       | 3 884                      |                    | 3 884          |
| Other comprehensive income (net of tax) |               |                   | 407                                 | 646              | -22                               | 143                   | 1 174                      | 1                  | 1 175          |
| <b>Total comprehensive income</b>       |               | <b>3 884</b>      | <b>407</b>                          | <b>646</b>       | <b>-22</b>                        | <b>143</b>            | <b>5 058</b>               | <b>1</b>           | <b>5 059</b>   |
| Dividend to shareholders                |               | -8 725            |                                     |                  |                                   |                       | -8 725                     |                    | -8 725         |
| Equity-based programmes <sup>1)</sup>   |               | 100               |                                     |                  |                                   |                       | 100                        |                    | 100            |
| Change in holdings of own shares        |               | -164              |                                     |                  |                                   |                       | -164                       |                    | -164           |
| <b>Closing balance</b>                  | <b>21 942</b> | <b>92 799</b>     | <b>1 785</b>                        | <b>1 429</b>     | <b>-2 040</b>                     | <b>3 135</b>          | <b>119 050</b>             | <b>34</b>          | <b>119 084</b> |

Amounts under Other reserves may be reclassified in the future to the income statement under certain circumstances, e.g. if they are related to the sale of Available for sale financial assets, dissolved Cash flow hedges or Translation of foreign operations when SEB ceases to consolidate a foreign operation. Amounts related to Defined benefit plans will not be reclassified to the income statement.

1) The acquisition cost for the purchase of own shares is deducted from shareholders' equity. The item includes changes in nominal amounts of equity swaps used for hedging of equity-based programmes.

|   | Jan-Mar 2015 | Jan-Dec 2014 | Jan-Mar 2014 |
|---|--------------|--------------|--------------|
| <b>Number of shares owned by SEB, million</b> | <b>2015</b>  | <b>2014</b>  | <b>2014</b>  |
| Opening balance                               | 5,5          | 14,4         | 14,4         |
| Repurchased shares                            |              | 2,3          |              |
| Sold/distributed shares                       | -0,8         | -11,2        | -1,4         |
| <b>Closing balance</b>                        | <b>4,7</b>   | <b>5,5</b>   | <b>13,0</b>  |

Market value of shares owned by SEB, SEK m

|  |     |     |       |
|--|-----|-----|-------|
|  | 470 | 547 | 1 151 |
|--|-----|-----|-------|

In accordance with the decision by the Annual General Meeting, SEB holds own shares of Class A for the long-term equity-based programmes. The transactions may take place at one or several occasions during the year.

## Cash flow statement – SEB Group

| SEK m  | Jan - Mar      |                |             | Full year        |
|--|----------------|----------------|-------------|------------------|
|  | 2015           | 2014           | %           | 2014             |
| Cash flow from operating activities                                | 107 124        | 50 788         | 111         | - 148 500        |
| Cash flow from investment activities                               | 495            | - 430          |             | 4 310            |
| Cash flow from financing activities                                | - 7 323        | - 2 494        | 194         | 8 527            |
| <b>Net increase in cash and cash equivalents</b>                   | <b>100 296</b> | <b>47 864</b>  | <b>110</b>  | <b>- 135 663</b> |
| Cash and cash equivalents at the beginning of year                 | 105 848        | 213 388        | - 50        | 213 388          |
| Exchange rate differences on cash and cash equivalents             | 5 379          | - 1 379        |             | 28 123           |
| Net increase in cash and cash equivalents                          | 100 296        | 47 864         | 110         | - 135 663        |
| <b>Cash and cash equivalents at the end of period<sup>1)</sup></b> | <b>211 523</b> | <b>259 873</b> | <b>- 19</b> | <b>105 848</b>   |

1) Cash and cash equivalents at the end of period is defined as Cash and cash balances with central banks and Loans to other credit institutions payable on demand.

## Financial assets and liabilities – SEB Group

| SEK m   | 31 Mar 2015      |                  | 31 Dec 2014      |                  | 31 Mar 2014      |                  |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
|   | Carrying amount  | Fair value       | Carrying amount  | Fair value       | Carrying amount  | Fair value       |
| Loans   | 1 707 447        | 1 727 019        | 1 533 550        | 1 549 504        | 1 662 257        | 1 665 057        |
| Equity instruments                                  | 150 954          | 150 954          | 129 074          | 129 074          | 165 071          | 165 071          |
| Debt instruments                                    | 411 795          | 411 994          | 352 369          | 352 573          | 365 683          | 365 615          |
| Derivative instruments                              | 334 931          | 334 931          | 273 511          | 273 511          | 148 335          | 148 335          |
| Financial assets - policyholders bearing the risk   | 280 940          | 280 940          | 258 945          | 258 945          | 226 902          | 226 902          |
| Other   | 45 391           | 45 391           | 43 557           | 43 557           | 31 666           | 31 666           |
| <b>Financial assets</b>                             | <b>2 931 458</b> | <b>2 951 229</b> | <b>2 591 006</b> | <b>2 607 164</b> | <b>2 599 914</b> | <b>2 602 646</b> |
| Deposits  | 1 182 966        | 1 185 876        | 1 007 257        | 1 005 514        | 1 113 767        | 1 120 442        |
| Equity instruments                                  | 12 867           | 12 867           | 15 237           | 15 237           | 45 253           | 45 253           |
| Debt instruments                                    | 847 934          | 878 301          | 806 986          | 827 052          | 833 379          | 834 765          |
| Derivative instruments                              | 295 421          | 295 421          | 237 712          | 237 712          | 134 583          | 134 583          |
| Liabilities to policyholders - investment contracts | 281 791          | 281 791          | 259 275          | 259 275          | 228 533          | 228 533          |
| Other   | 72 601           | 72 601           | 35 417           | 35 417           | 35 718           | 35 718           |
| <b>Financial liabilities</b>                        | <b>2 693 580</b> | <b>2 726 857</b> | <b>2 361 884</b> | <b>2 380 207</b> | <b>2 391 233</b> | <b>2 399 294</b> |

SEB has aggregated its financial instruments by class taking into account the characteristics of the instruments. The fair value of each class of financial assets and liabilities are compared with its carrying amount. A description of the characteristics of the classes can be found in note 39 in the Annual Report 2014.

## Assets and liabilities measured at fair value – SEB Group

| SEK m   | 31 Mar 2015  |  |   |                  | 31 Dec 2014  |   |  |                |
|---|--|--|---|------------------|--|---|--|----------------|
|   | Quoted prices<br>in active<br>markets<br>(Level 1) | Valuation<br>technique<br>using<br>observable<br>inputs<br>(Level 2) | Valuation<br>technique<br>using non-<br>observable<br>inputs<br>(Level 3) | Total            | Quoted prices<br>in active<br>markets<br>(Level 1) | Valuation<br>technique using<br>observable<br>inputs<br>(Level 2) | Valuation<br>technique using non-<br>observable<br>inputs<br>(Level 3) | Total          |
| <b>Assets</b>                                       |  |  |   |                  |  |   |  |                |
| Financial assets – policyholders bearing the risk   | 270 670  | 8 034  | 2 236   | <b>280 940</b>   | 249 543  | 7 335   | 2 067  | <b>258 945</b> |
| Equity instruments at fair value                    | 120 809  | 17 333   | 13 179  | <b>151 321</b>   | 101 814  | 15 139  | 12 635   | <b>129 588</b> |
| Debt instruments at fair value                      | 185 467  | 194 827  | 1 173   | <b>381 467</b>   | 145 703  | 174 255   | 1 198  | <b>321 156</b> |
| Derivative instruments at fair value                | 6 903  | 311 496  | 16 533  | <b>334 932</b>   | 5 020  | 258 520   | 9 971  | <b>273 511</b> |
| Investment properties                               |  |  | 7 317   | <b>7 317</b>     |  |   | 7 497  | <b>7 497</b>   |
| <b>Total</b>  | <b>583 849</b>                                     | <b>531 690</b>   | <b>40 438</b>   | <b>1 155 977</b> | <b>502 080</b>                                     | <b>455 249</b>  | <b>33 368</b>  | <b>990 697</b> |
| <b>Liabilities</b>                                  |  |  |   |                  |  |   |  |                |
| Liabilities to policyholders - investment contracts | 271 545  | 8 016  | 2 229   | <b>281 790</b>   | 249 914  | 7 305   | 2 056  | <b>259 275</b> |
| Equity instruments at fair value                    | 12 386   | 38   | 443   | <b>12 867</b>    | 14 714   | 48  | 475  | <b>15 237</b>  |
| Debt instruments at fair value                      | 16 233   | 45 263   |   | <b>61 496</b>    | 16 657   | 40 705  |  | <b>57 362</b>  |
| Derivative instruments at fair value                | 8 503  | 270 888  | 16 030  | <b>295 421</b>   | 6 826  | 221 226   | 9 660  | <b>237 712</b> |
| Other financial liabilities                         |  | 20 772   |   | <b>20 772</b>    |  |   |  | <b>0</b>       |
| <b>Total</b>  | <b>308 667</b>                                     | <b>344 977</b>   | <b>18 702</b>   | <b>672 346</b>   | <b>288 111</b>                                     | <b>269 284</b>  | <b>12 191</b>  | <b>569 586</b> |

### Fair value measurement

The objective of fair value measurement is to arrive at the price at which an orderly transaction would take place between market participants at the measurement date under current market conditions.

The Group has an established valuation process and control environment for the determination of fair values of financial instruments that includes a review, independent from the business, of valuation models and prices. If the validation principles are not adhered to, the Head of Group Finance shall be informed. Exceptions of material and principal importance require approval from the GRMC (Group Risk Measurement Committee) and the ASC (Accounting Standards Committee).

In order to arrive at the fair value of a financial instrument SEB uses different methods; quoted prices in active markets, valuation techniques incorporating observable data and valuation techniques based on internal models. For disclosure purposes, financial instruments carried at fair value are classified in a fair value hierarchy according to the level of market observability of the inputs. Risk Control classifies and continuously reviews the classification of financial instruments in the fair value hierarchy. The valuation process is the same for financial instruments in all levels.

An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis. The objective is to arrive at a price at which a transaction without modification or repackaging would occur in the principal market for the instrument.

Fair value is generally measured for individual financial instruments, in addition portfolio adjustments are made to cover the credit risk. To reflect counterparty risk and own credit risk in OTC derivatives, adjustments are made based on the net exposure towards each counterpart. These adjustments are calculated on a counterparty level based on estimates of exposure at default, probability of default and recovery rates. Probability of default and recovery rate information is generally sourced from the CDS markets. For counterparties where this information is not available, or considered unreliable due to the nature of the exposure, alternative approaches are taken where the probability of default is based on generic credit indices for specific industry and/or rating.

When valuing financial liabilities at fair value own credit standing is reflected.

In order to arrive at the fair value of investment properties a market participant's ability to generate economic benefit by using the asset in its highest and best use are taken into account. The highest and best use takes into account the use of the asset that is physically possible, legally permissible and financially feasible. The current use of the investment properties in SEB is in accordance with the highest and best use. The valuation of investment properties is described in the Accounting policies in Annual Report 2013. The valuation of the investment properties is performed semi-annually, they are presented and approved by the board in each real estate company. The valuation principles used in all entities are in accordance with regulations provided by the local Financial Supervisory Authorities (FSA) which is in accordance with international valuation principles and in accordance with IFRS.

#### Level 1: Quoted market prices

Valuations in Level 1 are determined by reference to unadjusted quoted market prices for identical instruments in active markets where the quoted prices are readily available and the prices represent actual and regularly occurring market transactions on an arm's length basis.

Examples of Level 1 financial instruments are listed equity securities, debt securities, and exchange-traded derivatives. Instruments traded in an active market for which one or more market participants provide a binding price quotation on the balance sheet date are also examples of Level 1 financial instruments.

#### Level 2: Valuation techniques with observable inputs

In Level 2 valuation techniques, all significant inputs to the valuation models are observable either directly or indirectly. Level 2 valuation techniques include using discounted cash flows, option pricing models, recent transactions and the price of another instrument that is substantially the same.

Examples of observable inputs are foreign currency exchange rates, binding securities price quotations, market interest rates (Stibor, Libor, etc.), volatilities implied from observable option prices for the same term and actual transactions with one or more external counterparts executed by SEB. An input can transfer from being observable to being unobservable during the holding period due to e.g. illiquidity of the instrument.

Examples of Level 2 financial instruments are most OTC derivatives such as options and interest rate swaps based on the Libor swap rate or a foreign-denominated yield curve. Other examples are instruments for which SEB recently entered into transactions with third parties and instruments for which SEB interpolates between observable variables.

#### Level 3: Valuation techniques with significant unobservable inputs

Level 3 valuation techniques incorporate significant inputs that are unobservable. These techniques are generally based on extrapolating from observable inputs for similar instruments, analysing historical data or other analytical techniques. Examples of Level 3 financial instruments are more complex OTC derivatives, long dated options for which the volatility is extrapolated or derivatives that depend on an unobservable correlation. Other examples are instruments for which there is currently no active market or binding quotes, such as unlisted equity instruments and private equity holdings and investment properties.

If the fair value of financial instruments includes more than one unobservable input, the unobservable inputs are aggregated in order to determine the classification of the entire instrument. The level in the fair value hierarchy within which a financial instrument is classified is determined on the basis of the lowest level of input that is significant to the fair value in its entirety.

## Assets and liabilities measured at fair value – continued - SEB Group

### Significant transfers and reclassifications between levels

Transfers between levels may occur when there are indications that market conditions have changed, e.g. a change in liquidity. The Valuation/Pricing committee of each relevant division decides on material shifts between levels.

| Changes in level 3                                  | Closing balance<br>31 Dec 2014 | Gain/loss in<br>Income<br>statement | Gain/loss in<br>Other<br>comprehensive<br>income | Purchases    | Sales         | Issues   | Settlements | Transfers into<br>Level 3 | Transfers out<br>of Level 3 | Reclassifi-<br>cation | Exchange rate<br>differences | Closing<br>balance<br>31 Mar 2015 |
|---|--------------------------------|-------------------------------------|--|--------------|---------------|----------|-------------|---------------------------|-----------------------------|-----------------------|------------------------------|-----------------------------------|
| <b>Assets</b>                                       |                                |                                     |  |              |               |          |             |                           |                             |                       |                              |                                   |
| Financial assets - policyholders bearing the risk   | 2 067                          | 24                                  |  | 1 804        | -1 613        |          |             |                           |                             |                       | -46                          | 2 236                             |
| Equity instruments at fair value                    | 12 635                         | 836                                 |  | 495          | -577          |          |             | 12                        | -4                          |                       | -218                         | 13 179                            |
| Debt instruments at fair value                      | 1 198                          | 211                                 |  | 247          | -461          |          |             |                           |                             |                       | -22                          | 1 173                             |
| Derivative instruments at fair value                | 9 971                          | 7 047                               |  | 272          | -415          |          | -47         |                           |                             |                       | -295                         | 16 533                            |
| Investment properties                               | 7 497                          | 4                                   |  | 3            | -24           |          |             |                           |                             |                       | -163                         | 7 317                             |
| <b>Total</b>  | <b>33 368</b>                  | <b>8 122</b>                        | <b>0</b>   | <b>2 821</b> | <b>-3 090</b> | <b>0</b> | <b>-47</b>  | <b>12</b>                 | <b>-4</b>                   | <b>0</b>              | <b>-744</b>                  | <b>40 438</b>                     |
| <b>Liabilities</b>                                  |                                |                                     |  |              |               |          |             |                           |                             |                       |                              |                                   |
| Liabilities to policyholders - investment contracts | 2 056                          | 24                                  | 0  | 1 798        | -1 602        |          |             |                           |                             |                       | -47                          | 2 229                             |
| Equity instruments at fair value                    | 475                            | 33                                  | -61  | 0            | 0             |          |             |                           |                             |                       | -4                           | 443                               |
| Debt instruments at fair value                      | 0                              | 0                                   | 0  | 0            | 0             |          |             |                           |                             |                       | 0                            | 0                                 |
| Derivative instruments at fair value                | 9 660                          | 5 886                               | -38  | 799          | -74           |          | 80          |                           |                             |                       | -283                         | 16 030                            |
| <b>Total</b>  | <b>12 191</b>                  | <b>5 943</b>                        | <b>-99</b>                                       | <b>2 597</b> | <b>-1 676</b> | <b>0</b> | <b>80</b>   | <b>0</b>                  | <b>0</b>                    | <b>0</b>              | <b>-334</b>                  | <b>18 702</b>                     |

### Sensitivity of Level 3 assets and liabilities to unobservable inputs

The table below illustrates the potential Profit or Loss impact of the relative uncertainty in the fair value of assets and liabilities that for their valuation are dependent on unobservable inputs. The sensitivity to unobservable inputs is assessed by altering the assumptions to the valuation techniques, illustrated below by changes in index-linked swap spreads, implied volatilities, credit spreads or comparator multiples. It is unlikely that all unobservable inputs would be simultaneously at the extremes of their ranges of reasonably possible alternatives. There have been no significant changes during 2015.

| SEK m   | 31 Mar 2015 |             |        |             | 31 Dec 2014 |             |        |             |
|---|-------------|-------------|--------|-------------|-------------|-------------|--------|-------------|
|   | Assets      | Liabilities | Net    | Sensitivity | Assets      | Liabilities | Net    | Sensitivity |
| FID - swaps <sup>1)</sup>                                   | 847         | -1 263      | -416   | 35          | 1 041       | -976        | 65     | 33          |
| FID - swaptions <sup>2)</sup>                               | 64          | -8          | 56     | 15          | 102         | -7          | 95     | 18          |
| WM Portfolio COP <sup>3)</sup>                              | 147         |             | 147    | 29          |             |             | 0      |             |
| Venture Capital holding and similar holdings <sup>3)</sup>  | 1 840       | -443        | 1 397  | 277         | 1 864       | -475        | 1 389  | 279         |
| Insurance holdings - Financial instruments <sup>4, 6)</sup> | 11 487      | -288        | 11 199 | 1 593       | 10 989      | -128        | 10 861 | 1 524       |
| Insurance holdings - Investment properties <sup>5, 6)</sup> | 7 317       |             | 7 317  | 732         | 7 497       |             | 7 497  | 750         |

1) Sensitivity from a shift of index-linked swap spreads by 5 basis points.

2) Implied volatilities up by 5 percentage points.

3) Valuation is estimated in a range of reasonable outcomes. Sensitivity analysis is based on 20 per cent shift in market values.

4) Sensitivity analysis is based on a shift in private equity of 20 per cent (20), structured credits 10 per cent (10) and derivative market values of 10 per cent (10).

5) Sensitivity from a shift of investment properties fair values of 10 per cent (10).

6) The sensitivity show changes in the value of the insurance holdings which do not at all times affect the P/L of the Group since any surplus in the traditional life portfolios are consumed first.



## Financial assets and liabilities subject to offsetting or netting arrangements – SEB Group

| SEK m                     | Financial assets and liabilities subject to offsetting or netting arrangements |                |                              |                             |                              |                | Other instruments in balance sheet not subject to netting arrangements | Total in balance sheet |
|---------------------------|--|----------------|------------------------------|-----------------------------|------------------------------|----------------|--|------------------------|
|                           | Gross amounts  | Offset         | Net amounts in balance sheet | Related arrangements        |                              | Net amounts    |  |                        |
|                           |  |                |                              | Master netting arrangements | Collaterals received/pledged |                |  |                        |
| <b>31 Mar 2015</b>        |  |                |                              |                             |                              |                |  |                        |
| Derivatives               | 330 141  | -4 570         | 325 571                      | -214 884                    | -51 194                      | 59 493         | 9 360  | 334 931                |
| Reversed repo receivables | 129 168  | -9 907         | 119 261                      | -17 901                     | -11 862                      | 89 498         | 7 206  | 126 467                |
| Securities borrowing      | 53 905   |                | 53 905                       | -8 644                      | -45 261                      |                | 12 854   | 66 759                 |
| Client receivables        | 48 836   | -48 834        | 2                            |                             |                              | 2              | 8 287  | 8 289                  |
| <b>Assets</b>             | <b>562 050</b>   | <b>-63 311</b> | <b>498 739</b>               | <b>-241 429</b>             | <b>-108 317</b>              | <b>148 993</b> | <b>37 707</b>  | <b>536 446</b>         |
| Derivatives               | 298 029  | -4 570         | 293 459                      | -125 908                    | -62 609                      | 104 942        | 1 961  | 295 420                |
| Repo payables             | 28 405   | -9 907         | 18 498                       | -17 371                     | -67                          | 1 060          | 1 391  | 19 889                 |
| Securities lending        | 41 475   |                | 41 475                       | -8 644                      | -30 326                      | 2 505          | 11 235   | 52 710                 |
| Client payables           | 48 834   | -48 834        |                              |                             |                              |                | 21 135   | 21 135                 |
| <b>Liabilities</b>        | <b>416 743</b>   | <b>-63 311</b> | <b>353 432</b>               | <b>-151 923</b>             | <b>-93 002</b>               | <b>108 507</b> | <b>35 722</b>  | <b>389 154</b>         |
| <b>31 Dec 2014</b>        |  |                |                              |                             |                              |                |  |                        |
| Derivatives               | 278 687  | -6 916         | 271 771                      | -194 316                    | -46 678                      | 30 777         | 1 740  | 273 511                |
| Reversed repo receivables | 93 230   | -9 412         | 83 818                       | -7 130                      | -73 562                      | 3 126          | 6 961  | 90 779                 |
| Securities borrowing      | 24 599   |                | 24 599                       | -10 979                     | -10 719                      | 2 901          | 5 835  | 30 434                 |
| Client receivables        | 5 915  | -5 915         |                              |                             |                              |                | 9 398  | 9 398                  |
| <b>Assets</b>             | <b>402 431</b>   | <b>-22 243</b> | <b>380 188</b>               | <b>-212 425</b>             | <b>-130 959</b>              | <b>36 804</b>  | <b>23 934</b>  | <b>404 122</b>         |
| Derivatives               | 243 719  | -6 916         | 236 803                      | -194 316                    | -35 519                      | 6 968          | 909  | 237 712                |
| Repo payables             | 16 623   | -9 412         | 7 211                        | -7 130                      | -82                          | -1             | 4 211  | 11 422                 |
| Securities lending        | 23 417   |                | 23 417                       | -10 979                     | -9 318                       | 3 120          | 11 045   | 34 462                 |
| Client payables           | 5 915  | -5 915         |                              |                             |                              |                | 7 402  | 7 402                  |
| <b>Liabilities</b>        | <b>289 674</b>   | <b>-22 243</b> | <b>267 431</b>               | <b>-212 425</b>             | <b>-44 919</b>               | <b>10 087</b>  | <b>23 567</b>  | <b>290 998</b>         |
| <b>31 Mar 2014</b>        |  |                |                              |                             |                              |                |  |                        |
| Derivatives               | 138 326  | -6 404         | 131 922                      | -100 552                    | -40 279                      | -8 909         | 16 412   | 148 334                |
| Reversed repo receivables | 126 911  | -7 396         | 119 515                      | -30 959                     | -83 552                      | 5 004          | 6 640  | 126 155                |
| Securities borrowing      | 50 696   | -6 177         | 44 519                       | -23 140                     | -20 771                      | 608            | 5 875  | 50 394                 |
| Client receivables        | 14 928   | -14 928        |                              |                             |                              |                | 15 529   | 15 529                 |
| <b>Assets</b>             | <b>330 861</b>   | <b>-34 905</b> | <b>295 956</b>               | <b>-154 651</b>             | <b>-144 602</b>              | <b>-3 297</b>  | <b>44 456</b>  | <b>340 412</b>         |
| Derivatives               | 127 095  | -6 404         | 120 691                      | -100 552                    | -29 732                      | -9 593         | 13 892   | 134 583                |
| Repo payables             | 26 956   | -7 396         | 19 560                       | -30 959                     | -4 503                       | -15 902        | 8 991  | 28 551                 |
| Securities lending        | 26 666   | -6 177         | 20 489                       | -23 140                     | -3 526                       | -6 177         | 9 859  | 30 348                 |
| Client payables           | 14 928   | -14 928        |                              |                             |                              |                | 13 386   | 13 386                 |
| <b>Liabilities</b>        | <b>195 645</b>   | <b>-34 905</b> | <b>160 740</b>               | <b>-154 651</b>             | <b>-37 761</b>               | <b>-31 672</b> | <b>46 128</b>  | <b>206 868</b>         |

The table shows financial assets and liabilities that are presented net in the balance sheet or with potential rights to off-set associated with enforceable master netting arrangements or similar arrangements, together with related collateral.

Financial assets and liabilities are presented net in the balance sheet when SEB has legally enforceable rights to set-off, in the ordinary course of business and in the case of bankruptcy, and intends to settle on a net basis or to realize the assets and settle the liabilities simultaneously. Repos with central counterparty clearing houses that SEB has agreements with and client receivables and client payables are examples of instruments that are presented net in the balance sheet.

Financial assets and liabilities subject to enforceable master netting arrangements or similar arrangements that are not presented net in the statement of financial position are arrangements that are usually enforceable in the case of bankruptcy or default but not in the ordinary course of business or arrangements where SEB does not have the intention to settle the instruments simultaneously.

Assets and liabilities that are not subject to offsetting or netting arrangements, i.e. those that are only subject to collateral agreements, are presented as Other instruments in balance sheet not subject to netting arrangements.

## Reclassified portfolios – SEB Group

| SEK m  | Q1            |               | Q4         |               | Jan - Mar     |            | Full year     |
|--|---------------|---------------|------------|---------------|---------------|------------|---------------|
|  | 2015          | 2014          | 2014       | 2015          | 2014          | 2014       |               |
| <b>Reclassified</b>                            |               |               |            |               |               |            |               |
| Opening balance                                | 13 428        | 13 485        | 0          | 13 428        | 18 845        | -29        | 18 845        |
| Amortisations                                  | -1 251        | - 615         | 103        | -1 251        | -1 688        | -26        | -4 340        |
| Securities sold                                | - 16          | - 14          | 14         | - 16          | -1 038        | -98        | -2 294        |
| Accrued coupon                                 | - 2           | - 2           |            | - 2           | 5             | -140       | - 7           |
| Exchange rate differences                      | 668           | 574           | 16         | 668           | 143           |            | 1 224         |
| <b>Closing balance*</b>                        | <b>12 827</b> | <b>13 428</b> | <b>- 4</b> | <b>12 827</b> | <b>16 267</b> | <b>-21</b> | <b>13 428</b> |
| * Market value                                 | 12 422        | 13 537        | -8         | 12 422        | 16 211        | -23        | 13 537        |
| <b>Fair value impact - if not reclassified</b> |               |               |            |               |               |            |               |
| In Other Comprehensive Income (AFS origin)     | - 45          | 3             |            | - 45          | 10            |            | 168           |
| In Income Statement (HFT origin)               |               | -2            | -100       |               | -23           | -100       | -25           |
| <b>Total</b>                                   | <b>- 45</b>   | <b>1</b>      |            | <b>- 45</b>   | <b>- 13</b>   |            | <b>143</b>    |
| <b>Effect in Income Statements**</b>           |               |               |            |               |               |            |               |
| Net interest income                            | 37            | 34            | 9          | 37            | 62            | -40        | 199           |
| Net financial income                           | 257           | 342           | -25        | 257           | 134           | 92         | 814           |
| Other income                                   | -7            | -2            |            | -7            | 3             |            | -1            |
| <b>Total</b>                                   | <b>287</b>    | <b>374</b>    | <b>-23</b> | <b>287</b>    | <b>199</b>    | <b>44</b>  | <b>1 012</b>  |

\*\* The effect in the Income Statement is the profit or loss transactions from the reclassified portfolio reported gross. Net interest income is the interest income from the portfolio without taking into account the funding costs. Net financial income is the foreign currency effect related to the reclassified portfolio but does not include the off-setting foreign currency effects from financing activities. Other income is the realised gains or losses from sales in the portfolio.

## Non-performing loans – SEB Group

|   | 31 Mar         | 31 Dec         | 31 Mar         |
|---|----------------|----------------|----------------|
| SEK m   | 2015           | 2014           | 2014           |
| <b>Individually assessed impaired loans</b>                     |                |                |                |
| Impaired loans, past due > 60 days                              | 6 730          | 6 541          | 4 463          |
| Impaired loans, performing or past due < 60 days                | 534            | 250            | 287            |
| <b>Total individually assessed impaired loans</b>               | <b>7 264</b>   | <b>6 791</b>   | <b>4 750</b>   |
| Specific reserves   | - 2 865        | - 2 834        | - 2 483        |
| <i>for impaired loans, past due &gt; 60 days</i>                | - 2 623        | - 2 708        | - 2 307        |
| <i>for impaired loans, performing or past due &lt; 60 days</i>  | - 242          | - 126          | - 176          |
| Collective reserves   | - 1 290        | - 1 387        | - 1 799        |
| <b>Impaired loans net</b>                                       | <b>3 109</b>   | <b>2 570</b>   | <b>468</b>     |
| Specific reserve ratio for individually assessed impaired loans | 39.4%          | 41.7%          | 52.3%          |
| Total reserve ratio for individually assessed impaired loans    | 57.2%          | 62.2%          | 90.1%          |
| Net level of impaired loans                                     | 0.29%          | 0.29%          | 0.16%          |
| Gross level of impaired loans                                   | 0.47%          | 0.49%          | 0.33%          |
| <b>Portfolio assessed loans</b>                                 |                |                |                |
| Portfolio assessed loans past due > 60 days                     | 3 523          | 3 534          | 4 139          |
| Restructured loans  | 217            | 274            | 354            |
| Collective reserves for portfolio assessed loans                | - 1 828        | - 1 936        | - 2 190        |
| Reserve ratio for portfolio assessed loans                      | 48.9%          | 50.8%          | 48.7%          |
| <b>Reserves</b>   |                |                |                |
| Specific reserves   | - 2 865        | - 2 834        | - 2 483        |
| Collective reserves   | - 3 118        | - 3 323        | - 3 989        |
| Reserves for off-balance sheet items                            | - 88           | - 87           | - 297          |
| <b>Total reserves</b>   | <b>- 6 071</b> | <b>- 6 244</b> | <b>- 6 769</b> |
| <b>Non-performing loans</b>                                     |                |                |                |
| Non-performing loans*   | 11 004         | 10 599         | 9 243          |
| NPL coverage ratio  | 55.2%          | 58.9%          | 73.2%          |
| NPL % of lending  | 0.72%          | 0.76%          | 0.64%          |

\* Impaired loans + portfolio assessed loans past due > 60 days + restructured portfolio assessed loans

## Seized assets – SEB Group

|                                    | 31 Mar       | 31 Dec       | 31 Mar       |
|------------------------------------|--------------|--------------|--------------|
| SEK m                              | 2015         | 2014         | 2014         |
| Properties, vehicles and equipment | 1 459        | 1 945        | 2 996        |
| Shares                             | 46           | 48           | 46           |
| <b>Total seized assets</b>         | <b>1 505</b> | <b>1 993</b> | <b>3 042</b> |

## Assets and liabilities held for sale – SEB Group

| SEK m                                  | 31 Mar<br>2015 | 31 Dec<br>2014 | 31 Mar<br>2014 |
|--|----------------|----------------|----------------|
| Other assets                           | 1 400          | 841            |                |
| <b>Total assets held for sale</b>      | <b>1 400</b>   | <b>841</b>     | <b>0</b>       |
| Other liabilities                      | 240            |                |                |
| <b>Total liabilities held for sale</b> | <b>240</b>     | <b>0</b>       | <b>0</b>       |

SEB has signed an agreement to sell the German real estate investment management business within Wealth Management division. The SEB Group external assets of SEK 272m and liabilities of SEK 240m in SEB Asset Management AG are reclassified as assets and liabilities held for sale in accordance with IFRS 5. Furthermore, through the continuation of the divestment plan for investment properties within Baltic Division introduced during 2014, additional properties are reclassified as assets held for sale until the derecognition at concluded sales agreement. The net amount of these activities reclassified during first quarter was SEK 287m. The impairment loss recognised in association with the reclassifications of assets amounted to SEK 57m.

# SEB consolidated situation

## Capital adequacy analysis for SEB consolidated situation

| SEK m   | 31 Mar<br>2015 | 31 Dec<br>2014 | 31 Mar<br>2014 |
|---|----------------|----------------|----------------|
| <b>Own funds</b>  |                |                |                |
| Common Equity Tier 1 capital  | 103 300        | 100 569        | 92 051         |
| Tier 1 capital  | 117 452        | 120 317        | 103 254        |
| Total own funds   | 131 840        | 136 899        | 109 716        |
| <b>Own funds requirement</b>  |                |                |                |
| Risk exposure amount  | 623 454        | 616 531        | 587 503        |
| Expressed as own funds requirement  | 49 874         | 49 322         | 47 000         |
| Common Equity Tier 1 capital ratio  | 16.6%          | 16.3%          | 15.7%          |
| Tier 1 capital ratio  | 18.8%          | 19.5%          | 17.6%          |
| Total capital ratio   | 21.1%          | 22.2%          | 18.7%          |
| Own funds in relation to own funds requirement                            | 2.64           | 2.78           | 2.33           |
| Regulatory Common Equity Tier 1 capital requirement including buffer      | 10.0%          | 7.0%           | 7.0%           |
| of which capital conservation buffer requirement                          | 2.5%           | 2.5%           | 2.5%           |
| of which systemic risk buffer requirement                                 | 3.0%           |                |                |
| Common Equity Tier 1 capital available to meet buffer <sup>1)</sup>       | 12.1%          | 11.8%          | 11.2%          |
| <b>Transitional floor 80% of capital requirement according to Basel I</b> |                |                |                |
| Minimum floor own funds requirement according to Basel I                  | 81 615         | 79 581         | 75 105         |
| Own funds according to Basel I  | 131 975        | 136 015        | 109 091        |
| Own funds in relation to own funds requirement Basel I                    | 1.62           | 1.71           | 1.45           |
| <b>Leverage ratio</b>   |                |                |                |
| Exposure measure for leverage ratio calculation                           | 2 866 392      | 2 505 146      | 2 557 449      |
| of which on balance sheet items   | 2 463 488      | 2 165 651      | 2 275 149      |
| of which off balance sheet items  | 402 904        | 339 495        | 282 299        |
| Leverage ratio  | 4.1%           | 4.8%           | 4.1%           |

<sup>1)</sup> CET1 ratio less minimum capital requirement of 4.5% excluding buffers. In addition to the CET1 requirements there is a total capital requirement of additional 3.5%.

### Internally assessed capital requirement

As per 31 March 2015, the internally assessed capital requirement amounted to SEK 63bn (61 at year-end). The internal capital requirement is assessed using SEB's internal models for economic capital and is not fully comparable to the estimated capital requirement published by the Swedish Financial Supervisory Authority due to differences in assumptions and methodologies.

## Own funds for SEB consolidated situation

| SEK m   | 31 Mar<br>2015 | 31 Dec<br>2014 | 31 Mar<br>2014 |
|---|----------------|----------------|----------------|
| Shareholders equity   | 21 942         | 21 942         | 21 942         |
| Retained earnings   | 53 370         | 45 167         | 44 922         |
| Accumulated other comprehensive income and other reserves   | 48 688         | 48 215         | 48 269         |
| Independently reviewed interim profits <sup>1)</sup>  | 4 651          | 19 219         | 3 884          |
| Minority interests  | 33             | 33             | 33             |
| <b>Total equity according to balance sheet</b>  | <b>128 684</b> | <b>134 576</b> | <b>119 050</b> |
| Deductions related to the consolidated situation and other foreseeable charges                    | -5 209         | -12 743        | -5 679         |
| <b>Common Equity Tier 1 capital before regulatory adjustments <sup>2)</sup></b>                   | <b>123 475</b> | <b>121 833</b> | <b>113 371</b> |
| Additional value adjustments  | -1 199         | -1 314         | -667           |
| Intangible assets   | -12 170        | -12 168        | -12 273        |
| Deferred tax assets that rely on future profitability   | -558           | -603           | -606           |
| Fair value reserves related to gains or losses on cash flow hedges                                | -4 375         | -3 877         | -1 429         |
| Negative amounts resulting from the calculation of expected loss amounts                          | -134           | -188           | -570           |
| Gains or losses on liabilities valued at fair value resulting from changes in own credit standing | 263            | 400            |                |
| Defined-benefit pension fund assets   |                |                | -2 375         |
| Direct and indirect holdings of own CET1 instruments  | -1 341         | -1 294         | -955           |
| Securitisation positions with 1,250% risk weight  | -661           | -594           | -1 007         |
| Adjustments relating to unrealised gains (AFS)  |                | -1 626         | -1 438         |
| <b>Total regulatory adjustments to Common Equity Tier 1</b>                                       | <b>-20 175</b> | <b>-21 264</b> | <b>-21 320</b> |
| <b>Common Equity Tier 1 capital</b>   | <b>103 300</b> | <b>100 569</b> | <b>92 051</b>  |
| Additional Tier 1 instruments   | 9 511          | 8 545          |                |
| Grandfathered additional Tier 1 instruments   | 4 641          | 11 203         | 11 203         |
| <b>Tier 1 capital</b>   | <b>117 452</b> | <b>120 317</b> | <b>103 254</b> |
| Tier 2 instruments  | 16 243         | 16 552         |                |
| Grandfathered Tier 2 instruments  | 720            | 1 533          | 7 842          |
| Net provisioning amount for IRB-reported exposures  |                | 1 072          | 1 195          |
| Holdings of Tier 2 instruments in financial sector entities                                       | -2 575         | -2 575         | -2 575         |
| <b>Tier 2 capital</b>   | <b>14 388</b>  | <b>16 582</b>  | <b>6 462</b>   |
| <b>Total own funds</b>  | <b>131 840</b> | <b>136 899</b> | <b>109 716</b> |

<sup>1)</sup> On 11 March 2014 the Swedish Financial Supervisory Authority approved SEB's application to use the net profit in measuring own funds on condition that the responsible auditors (PwC) can confirm the surplus, that the surplus is calculated in accordance with applicable accounting frameworks, that predictable costs and dividends have been deducted in accordance with EU regulation No 575/2013 and that the calculation was made in accordance with EU regulation No 241/2014.

<sup>2)</sup> New Swedish capital reporting regulations (FFFS 2014:12) apply from August 2014. Own funds requirements shall be reported according to a given format. The Common Equity Tier 1 capital is presented on a consolidated basis, and differs from total equity according to IFRS. The insurance business contribution to equity is excluded and there is a dividend deduction calculated according to Regulation (EU) No 575/2013 (CRR).

Total own funds decreased due to the redemptions of two Tier 1 capital issues (EUR 500m and USD 423m) in 2015. The redemptions were pre-financed by a CRR/CRD IV compliant additional Tier 1 capital issue of USD 1.1bn in 2014.

## Risk exposure amount for SEB consolidated situation

| SEK m   | 31 Mar<br>2015          |  | 31 Dec<br>2014          |  | 31 Mar<br>2014          |  |
|---|-------------------------|--|-------------------------|--|-------------------------|--|
|   | Risk exposure<br>amount | Own funds<br>requirement <sup>1)</sup> | Risk exposure<br>amount | Own funds<br>requirement <sup>1)</sup> | Risk exposure<br>amount | Own funds<br>requirement <sup>1)</sup> |
| <b>Credit risk IRB approach</b>                                   |                         |  |                         |  |                         |  |
| Exposures to institutions   | 36 741                  | 2 939                                  | 34 013                  | 2 721                                  | 27 367                  | 2 189                                  |
| Exposures to corporates   | 340 119                 | 27 210                                 | 344 576                 | 27 566                                 | 328 514                 | 26 281                                 |
| Retail exposures  | 53 266                  | 4 261                                  | 51 826                  | 4 146                                  | 52 091                  | 4 167                                  |
| of which secured by immovable property                            | 30 608                  | 2 449                                  | 31 905                  | 2 552                                  | 40 363                  | 3 229                                  |
| of which qualifying revolving retail exposures                    | 326                     | 26                                     | 1 498                   | 120                                    | 1 320                   | 106                                    |
| of which retail SME   | 3 944                   | 316                                    | 3 099                   | 248                                    | 1 258                   | 101                                    |
| of which other retail exposures                                   | 18 388                  | 1 471                                  | 15 324                  | 1 226                                  | 9 150                   | 731                                    |
| Securitisation positions  | 3 490                   | 279                                    | 5 035                   | 403                                    | 5 017                   | 401                                    |
| <b>Total IRB approach</b>   | <b>433 616</b>          | <b>34 689</b>                          | <b>435 450</b>          | <b>34 836</b>                          | <b>412 989</b>          | <b>33 038</b>                          |
| <b>Credit risk standardised approach</b>                          |                         |  |                         |  |                         |  |
| Exposures to central governments or central banks                 | 577                     | 46                                     | 743                     | 59                                     | 280                     | 22                                     |
| Exposures to regional governments or local authorities            | 38                      | 3                                      | 40                      | 3                                      | 116                     | 9                                      |
| Exposures to public sector entities                               | 6                       |  | 7                       | 1                                      | 7                       | 1                                      |
| Exposures to institutions   | 2 309                   | 185                                    | 1 222                   | 98                                     | 705                     | 56                                     |
| Exposures to corporates   | 14 605                  | 1 168                                  | 16 743                  | 1 339                                  | 14 320                  | 1 146                                  |
| Retail exposures  | 17 021                  | 1 362                                  | 16 593                  | 1 327                                  | 21 971                  | 1 758                                  |
| Exposures secured by mortgages on immovable property              | 4 186                   | 335                                    | 4 161                   | 333                                    | 3 939                   | 315                                    |
| Exposures in default  | 616                     | 49                                     | 634                     | 51                                     | 1 613                   | 129                                    |
| Exposures associated with particularly high risk                  | 1 892                   | 151                                    | 1 791                   | 143                                    | 2 083                   | 167                                    |
| Securitisation positions  |                         |  | 40                      | 3                                      | 18                      | 1                                      |
| Exposures in the form of collective investment undertakings (CIU) | 50                      | 4                                      | 48                      | 4                                      | 41                      | 3                                      |
| Equity exposures  | 2 339                   | 187                                    | 2 371                   | 190                                    | 2 084                   | 167                                    |
| Other items   | 9 321                   | 746                                    | 10 216                  | 817                                    | 8 478                   | 678                                    |
| <b>Total standardised approach</b>                                | <b>52 960</b>           | <b>4 236</b>                           | <b>54 609</b>           | <b>4 368</b>                           | <b>55 655</b>           | <b>4 452</b>                           |
| <b>Market risk</b>  |                         |  |                         |  |                         |  |
| Trading book exposures where internal models are applied          | 34 114                  | 2 729                                  | 25 144                  | 2 012                                  | 23 587                  | 1 887                                  |
| Trading book exposures applying standardised approaches           | 21 055                  | 1 684                                  | 18 813                  | 1 505                                  | 26 498                  | 2 120                                  |
| Foreign exchange rate risk  | 4 155                   | 332                                    | 5 010                   | 401                                    | 4 827                   | 386                                    |
| <b>Total market risk</b>  | <b>59 324</b>           | <b>4 745</b>                           | <b>48 967</b>           | <b>3 918</b>                           | <b>54 913</b>           | <b>4 393</b>                           |
| <b>Other own funds requirements</b>                               |                         |  |                         |  |                         |  |
| Operational risk advanced measurement approach                    | 48 394                  | 3 872                                  | 48 126                  | 3 850                                  | 39 542                  | 3 163                                  |
| Settlement risk   |                         |  | 42                      | 3                                      | 5                       | 0                                      |
| Credit value adjustment   | 9 605                   | 768                                    | 9 286                   | 743                                    | 10 069                  | 806                                    |
| Investment in insurance business                                  | 15 525                  | 1 242                                  | 15 525                  | 1 242                                  | 11 949                  | 956                                    |
| Other exposures   | 4 030                   | 322                                    | 4 526                   | 362                                    | 2 382                   | 191                                    |
| <b>Total other own funds requirements</b>                         | <b>77 554</b>           | <b>6 204</b>                           | <b>77 505</b>           | <b>6 200</b>                           | <b>63 946</b>           | <b>5 116</b>                           |
| <b>Total</b>  | <b>623 454</b>          | <b>49 874</b>                          | <b>616 531</b>          | <b>49 322</b>                          | <b>587 503</b>          | <b>46 999</b>                          |

<sup>1)</sup> Own funds requirement 8% of risk exposure amount according to Regulation (EU) No 575/2013 (CRR).

| Risk exposure amount                           | SEK bn     |
|--|------------|
| Balance 31 December 2014                       | 617        |
| Volume and mix changes                         | -11        |
| Currency effect                                | 6          |
| Process and regulatory changes                 | 2          |
| Risk class migration                           | -1         |
| Market and underlying operational risk changes | 10         |
| <b>Balance 31 March 2015</b>                   | <b>623</b> |

During the first quarter total risk exposure increased partly as a consequence of the weakening Swedish krona. A continued improvement of the quality of existing exposures through migration and volume and mix changes limited the increase. Volatility in the currency market acted in the opposite direction by increasing the measure of market risk. More conservative processes for measuring credit risk added somewhat to the increase in the risk exposure amount.

### Average risk-weight

The following table summarises average risk-weights (risk exposure amount divided by exposure at default, EAD) for exposures where the risk exposure amount is calculated according to the internal ratings based (IRB) approach. Repos

and securities lending transactions are excluded from the analysis since they carry low risk-weight and can vary considerably in volume, thus making numbers less comparable.

| <b>IRB reported credit exposures (less repos and securities lending)</b> | <b>31 Mar</b> | <b>31 Dec</b> | <b>31 Mar</b> |
|--|---------------|---------------|---------------|
| <b>Average risk-weight</b>   | <b>2015</b>   | <b>2014</b>   | <b>2014</b>   |
| Exposures to institutions  | 22.1%         | 23.5%         | 22.2%         |
| Exposures to corporates  | 34.9%         | 36.2%         | 37.7%         |
| Retail exposures   | 9.9%          | 9.7%          | 10.6%         |
| of which secured by immovable property                                   | 6.5%          | 6.9%          | 9.1%          |
| of which qualifying revolving retail exposures                           | 42.0%         | 7.5%          | 7.0%          |
| of which retail SME  | 69.3%         | 54.6%         | 43.4%         |
| of which other retail exposures  | 29.2%         | 35.0%         | 38.8%         |
| Securitisation positions   | 30.0%         | 43.5%         | 38.4%         |

In the first quarter, Swedish card related exposures were moved from qualifying revolving retail exposures to other retail. The remaining qualifying revolving retail exposures relate to Estonia and Latvia with a risk-weight of 42 per cent.



## Skandinaviska Enskilda Banken AB (publ.)

### Income statement – Skandinaviska Enskilda Banken AB (publ.)

| In accordance with FSA regulations  | Q1            |               |            | Q4            |               |           | Jan - Mar     |               |           | Full year      |
|---|---------------|---------------|------------|---------------|---------------|-----------|---------------|---------------|-----------|----------------|
| SEK m   | 2015          | 2014          | %          | 2015          | 2014          | %         | 2015          | 2014          | %         | 2014           |
| Interest income   | 8 118         | 8 213         | -1         | 8 118         | 8 889         | -9        | 8 118         | 8 889         | -9        | 34 788         |
| Leasing income  | 1 335         | 1 334         | 0          | 1 335         | 1 355         | -1        | 1 335         | 1 355         | -1        | 5 442          |
| Interest expense  | -4 458        | -4 553        | -2         | -4 458        | -5 526        | -19       | -4 458        | -5 526        | -19       | -20 447        |
| Dividends   | 1 345         | 1 217         | 11         | 1 345         | 272           |           | 1 345         | 272           |           | 3 375          |
| Fee and commission income   | 2 945         | 3 347         | -12        | 2 945         | 2 629         | 12        | 2 945         | 2 629         | 12        | 11 090         |
| Fee and commission expense  | - 636         | - 556         | 14         | - 636         | - 424         | 50        | - 636         | - 424         | 50        | -1 855         |
| Net financial income  | 1 031         | 36            |            | 1 031         | 902           | 14        | 1 031         | 902           | 14        | 2 121          |
| Other income  | 257           | 455           | -44        | 257           | 210           | 22        | 257           | 210           | 22        | 1 714          |
| <b>Total operating income</b>   | <b>9 937</b>  | <b>9 493</b>  | <b>5</b>   | <b>9 937</b>  | <b>8 307</b>  | <b>20</b> | <b>9 937</b>  | <b>8 307</b>  | <b>20</b> | <b>36 228</b>  |
| Administrative expenses   | -3 343        | -3 664        | -9         | -3 343        | -3 450        | -3        | -3 343        | -3 450        | -3        | -13 909        |
| Depreciation, amortisation and impairment of tangible and intangible assets | -1 361        | -1 340        | 2          | -1 361        | -1 250        | 9         | -1 361        | -1 250        | 9         | -5 157         |
| <b>Total operating expenses</b>   | <b>-4 704</b> | <b>-5 004</b> | <b>-6</b>  | <b>-4 704</b> | <b>-4 700</b> | <b>0</b>  | <b>-4 704</b> | <b>-4 700</b> | <b>0</b>  | <b>-19 066</b> |
| <b>Profit before credit losses</b>  | <b>5 233</b>  | <b>4 489</b>  | <b>17</b>  | <b>5 233</b>  | <b>3 607</b>  | <b>45</b> | <b>5 233</b>  | <b>3 607</b>  | <b>45</b> | <b>17 162</b>  |
| Net credit losses   | - 139         | - 193         | -28        | - 139         | - 141         | -1        | - 139         | - 141         | -1        | -1 065         |
| Impairment of financial assets  |               | -1 770        | -100       |               | - 49          | -100      |               | - 49          | -100      | -2 721         |
| <b>Operating profit</b>   | <b>5 094</b>  | <b>2 526</b>  | <b>102</b> | <b>5 094</b>  | <b>3 417</b>  | <b>49</b> | <b>5 094</b>  | <b>3 417</b>  | <b>49</b> | <b>13 376</b>  |
| Appropriations  | 514           | 274           | 88         | 514           | 201           | 156       | 514           | 201           | 156       | 966            |
| Income tax expense  | -1 101        | - 45          |            | -1 101        | - 700         | 57        | -1 101        | - 700         | 57        | -2 072         |
| Other taxes   | 12            | - 16          | -175       | 12            | 3             |           | 12            | 3             |           | 19             |
| <b>Net profit</b>   | <b>4 519</b>  | <b>2 739</b>  | <b>65</b>  | <b>4 519</b>  | <b>2 921</b>  | <b>55</b> | <b>4 519</b>  | <b>2 921</b>  | <b>55</b> | <b>12 289</b>  |

### Statement of comprehensive income – Skandinaviska Enskilda Banken AB (publ.)

|   | Q1           |              |            | Q4           |              |            | Jan - Mar    |              |            | Full year     |
|---|--------------|--------------|------------|--------------|--------------|------------|--------------|--------------|------------|---------------|
| SEK m   | 2015         | 2014         | %          | 2015         | 2014         | %          | 2015         | 2014         | %          | 2014          |
| <b>Net profit</b>   | <b>4 519</b> | <b>2 739</b> | <b>65</b>  | <b>4 519</b> | <b>2 921</b> | <b>55</b>  | <b>4 519</b> | <b>2 921</b> | <b>55</b>  | <b>12 289</b> |
| <i>Items that may subsequently be reclassified to the income statement:</i> |              |              |            |              |              |            |              |              |            |               |
| Available-for-sale financial assets   | 84           | 118          | -29        | 84           | 430          | -80        | 84           | 430          | -80        | 863           |
| Cash flow hedges  | 499          | 945          | -47        | 499          | 646          | -23        | 499          | 646          | -23        | 3 095         |
| Translation of foreign operations   | 34           | - 25         |            | 34           | 4            |            | 34           | 4            |            | - 3           |
| <b>Other comprehensive income (net of tax)</b>                              | <b>617</b>   | <b>1 038</b> | <b>-41</b> | <b>617</b>   | <b>1 080</b> | <b>-43</b> | <b>617</b>   | <b>1 080</b> | <b>-43</b> | <b>3 955</b>  |
| <b>Total comprehensive income</b>   | <b>5 136</b> | <b>3 777</b> | <b>36</b>  | <b>5 136</b> | <b>4 001</b> | <b>28</b>  | <b>5 136</b> | <b>4 001</b> | <b>28</b>  | <b>16 244</b> |

## Balance sheet - Skandinaviska Enskilda Banken AB (publ.)

| <b>Condensed</b>  | <b>31 Mar</b>    | <b>31 Dec</b>    | <b>31 Mar</b>    |
|---|------------------|------------------|------------------|
| <b>SEK m</b>  | <b>2015</b>      | <b>2014</b>      | <b>2014</b>      |
| Cash and cash balances with central banks                           | 166 113          | 59 170           | 231 008          |
| Loans to credit institutions  | 218 326          | 194 285          | 184 339          |
| Loans to the public   | 1 116 365        | 1 056 807        | 1 034 772        |
| Financial assets at fair value                                      | 642 633          | 511 738          | 475 810          |
| Available-for-sale financial assets                                 | 15 270           | 16 042           | 19 239           |
| Held-to-maturity investments  | 90               | 91               | 87               |
| Investments in associates   | 987              | 921              | 1 088            |
| Shares in subsidiaries  | 53 467           | 54 294           | 52 816           |
| Tangible and intangible assets                                      | 42 107           | 41 471           | 40 594           |
| Other assets  | 53 996           | 51 323           | 34 706           |
| <b>Total assets</b>   | <b>2 309 354</b> | <b>1 986 142</b> | <b>2 074 459</b> |
| Deposits from credit institutions                                   | 268 290          | 144 776          | 264 387          |
| Deposits and borrowing from the public                              | 779 156          | 706 452          | 660 957          |
| Debt securities   | 730 361          | 682 519          | 758 163          |
| Financial liabilities at fair value                                 | 312 642          | 247 510          | 211 578          |
| Other liabilities   | 76 087           | 49 956           | 56 221           |
| Provisions  | 163              | 173              | 75               |
| Subordinated liabilities  | 33 113           | 40 191           | 20 429           |
| Untaxed reserves  | 23 103           | 23 102           | 23 694           |
| Total equity  | 86 439           | 91 463           | 78 955           |
| <b>Total liabilities, untaxed reserves and shareholders' equity</b> | <b>2 309 354</b> | <b>1 986 142</b> | <b>2 074 459</b> |

## Pledged assets, contingent liabilities and commitments - Skandinaviska Enskilda Banken AB (publ.)

| <b>SEK m</b>   | <b>31 Mar</b> | <b>31 Dec</b> | <b>31 Mar</b> |
|--|---------------|---------------|---------------|
| <b>SEK m</b>   | <b>2015</b>   | <b>2014</b>   | <b>2014</b>   |
| Collateral and comparable security pledged for own liabilities | 438 567       | 366 518       | 338 323       |
| Other pledged assets and comparable collateral                 | 161 400       | 116 228       | 124 988       |
| Contingent liabilities   | 115 705       | 98 966        | 81 907        |
| Commitments  | 472 038       | 382 324       | 363 960       |

## Capital adequacy - Skandinaviska Enskilda Banken AB (publ.)

| SEK m   | 31 Mar<br>2015 | 31 Dec<br>2014 | 31 Mar<br>2014 |
|---|----------------|----------------|----------------|
| <b>Own funds</b>  |                |                |                |
| Common Equity Tier 1 capital  | 86 517         | 83 027         | 95 803         |
| Tier 1 capital  | 100 669        | 102 775        | 107 006        |
| Total own funds   | 115 057        | 118 480        | 114 902        |
| <b>Own funds requirement</b>  |                |                |                |
| Risk exposure amount  | 534 485        | 513 426        | 494 802        |
| Expressed as own funds requirement                                    | 42 759         | 41 074         | 39 584         |
| Common Equity Tier 1 capital ratio                                    | 16.2%          | 16.2%          | 19.4%          |
| Tier 1 capital ratio  | 18.8%          | 20.0%          | 21.6%          |
| Total capital ratio   | 21.5%          | 23.1%          | 23.2%          |
| Own funds in relation to capital requirement                          | 2.69           | 2.88           | 2.90           |
| Regulatory Common Equity Tier 1 capital requirement including buffers | 7.0%           | 7.0%           | 7.0%           |
| of which capital conservation buffer requirement                      | 2.5%           | 2.5%           | 2.5%           |
| Common Equity Tier 1 capital available to meet buffers <sup>1)</sup>  | 11.7%          | 11.7%          | 14.9%          |

<sup>1)</sup> CET1 ratio less minimum capital requirement of 4.5% excluding buffers. In addition to the CET1 requirements there is a total capital requirement of additional 3.5%.

The internally assessed capital requirement for the parent company amounted to SEK 56bn (52 at year-end).

# This is SEB

|   |   |
|---|---|
| <b>Mission</b>                            | To help people and businesses thrive by providing quality advice and financial resources.   |
| <b>Vision</b>                             | To be <i>the</i> trusted partner for customers with aspirations.  |
| <b>Values</b>                             | Guided by our Code of Business Conduct and our core values: professionalism, commitment, mutual respect and continuity.   |
| <b>Customers and markets</b>              | 3,000 large corporations and institutions, 400,000 SMEs and 4 million private customers bank with SEB. They are mainly located in eight markets around the Baltic Sea.  |
| <b>Brand promise</b>                      | Rewarding relationships.  |
| <b>Corporate objectives</b>               | The leading Nordic bank for corporates and institutions.<br><br>The top universal bank in Sweden and the Baltic countries.  |
| <b>Strategic value-driving priorities</b> | Long-term customer relationships – build and develop relationships based on the customers' long-term needs with a holistic perspective.<br><br>Growth in areas of strength – pursue growth in three selected core areas – large corporations and financial institutions in the Nordic countries and Germany, small and medium-sized companies in Sweden, and a holistic savings offering.<br><br>Resilience and flexibility – ensure the financial strength needed to demonstrate stability and resilience as well as the flexibility to adapt operations in a cost-efficient manner to the prevailing market conditions. |
| <b>People</b>                             | Around 16,000 highly skilled people serving customers from locations in some 20 countries; covering different time zones, securing reach and local market knowledge.  |
| <b>History</b>                            | Over 150 years of business, building trust and sharing knowledge. The Bank has always acted responsibly in society promoting entrepreneurship, international outlook and long-term relationships.   |

Additional financial information is available in SEB's Fact Book which is published quarterly on [www.sebgroup.com/ir](http://www.sebgroup.com/ir)