A sustainable financial system – a crucial element in building a society

Responsible lending the foundation for financial stability

Simple and secure payment solutions

Secure savings converted to investments
Vision
We enable people, businesses and society to grow.

Purpose
We promote a sound and sustainable financial situation for the many households and businesses.

Values
The bank’s values express our engagement and focus on long-term value creation. It is based on openness, simplicity and caring.
Leading position in our home markets: Sweden, Estonia, Latvia and Lithuania

Our roots are firmly entrenched in Sweden’s savings bank history, the cooperative agricultural bank tradition and Hansabank’s major role in the Baltic countries. We serve everyone, from customers with basic needs to those who require advanced banking services. We work to develop close relationships with our seven million private customers and 600,000 corporate customers. To support their businesses, Swedbank also has operations in Norway, Finland, Denmark, the US, China, Luxembourg and South Africa.

Market shares and number of customers

<table>
<thead>
<tr>
<th>Private market</th>
<th>Corporate market</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sweden</strong></td>
<td></td>
</tr>
<tr>
<td>Deposits 21%</td>
<td>Deposits 19%</td>
</tr>
<tr>
<td>Mortgages 25%</td>
<td>Lending 19%</td>
</tr>
<tr>
<td>Customers 4 million</td>
<td>Customers 331,000</td>
</tr>
<tr>
<td><strong>Estonia</strong></td>
<td></td>
</tr>
<tr>
<td>Deposits 55%</td>
<td>Deposits 41%</td>
</tr>
<tr>
<td>Mortgages 46%</td>
<td>Lending 34%</td>
</tr>
<tr>
<td>Customers 0.8 million</td>
<td>Customers 135,000</td>
</tr>
<tr>
<td><strong>Latvia</strong></td>
<td></td>
</tr>
<tr>
<td>Deposits 28%</td>
<td>Deposits 12%</td>
</tr>
<tr>
<td>Mortgages 31%</td>
<td>Lending 17%</td>
</tr>
<tr>
<td>Customers 0.9 million</td>
<td>Customers 90,000</td>
</tr>
<tr>
<td><strong>Lithuania</strong></td>
<td></td>
</tr>
<tr>
<td>Deposits 37%</td>
<td>Deposits 24%</td>
</tr>
<tr>
<td>Mortgages 26%</td>
<td>Lending 23%</td>
</tr>
<tr>
<td>Customers 1.5 million</td>
<td>Customers 84,000</td>
</tr>
</tbody>
</table>

High cost efficiency and low risk profile produce a competitive return

By being attuned to the market, we stay competitive in the long term and create value. We will meet our stakeholders’ expectations and financial needs. High cost efficiency is crucial to continue developing a competitive offering. Swedbank has, and will maintain, a robust balance sheet that can withstand swings in the business cycle. Evaluating and managing risks is part of what we do every day, and our broad customer base of individuals and companies in many different sectors spreads the risk while generating stable results with little fluctuation. Taken together, this creates value for customers, society, shareholders and employees.
Our business segments satisfy a broad range of customer needs.

**Swedish Banking**
- **Sweden, our largest market**
  Around 4 million private customers and over a quarter of a million corporate customers can bank through our digital channels, 275 branches and the cooperation with savings banks and real estate franchisees. Swedbank is Sweden’s largest bank in terms of number of customers and an important part of the local community. Our social engagement focuses on areas such as education, the job market and integration.

**Facts**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total income, SEKm</td>
<td>22 551</td>
<td>22 078</td>
</tr>
<tr>
<td>Total expenses, SEKm</td>
<td>9 987</td>
<td>10 746</td>
</tr>
<tr>
<td>Profit for the year, SEKm</td>
<td>9 534</td>
<td>9 294</td>
</tr>
<tr>
<td>Return on equity, %</td>
<td>18.5</td>
<td>25.5</td>
</tr>
<tr>
<td>Cost/income ratio</td>
<td>0.44</td>
<td>0.47</td>
</tr>
<tr>
<td>Lending to the public, SEKbn</td>
<td>1 064</td>
<td>1 024</td>
</tr>
<tr>
<td>Deposits from the public, SEKbn</td>
<td>453</td>
<td>412</td>
</tr>
<tr>
<td>Credit impairment ratio, %</td>
<td>0.05</td>
<td>0.03</td>
</tr>
</tbody>
</table>

For more information, see pages 30–31 and 200.

**Baltic Banking**
- **largest bank in the Baltic region**
  Our 3 million private customers and over 300,000 corporate customers in Estonia, Latvia and Lithuania reach us through our digital channels and 36 branches in Estonia, 41 in Latvia and 67 in Lithuania. In terms of number of customers, we are the largest bank in the Baltic region. Swedbank is an important member of the local community, and as part of our social commitment we concentrate on initiatives to promote education and entrepreneurship.

**Facts**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total income, SEKm</td>
<td>6 288</td>
<td>6 107</td>
</tr>
<tr>
<td>Total expenses, SEKm</td>
<td>2 482</td>
<td>2 517</td>
</tr>
<tr>
<td>Profit for the year, SEKm</td>
<td>2 460</td>
<td>3 200</td>
</tr>
<tr>
<td>Return on equity, %</td>
<td>12.3</td>
<td>14.6</td>
</tr>
<tr>
<td>Cost/income ratio</td>
<td>0.39</td>
<td>0.41</td>
</tr>
<tr>
<td>Lending to the public, SEKbn</td>
<td>124</td>
<td>126</td>
</tr>
<tr>
<td>Deposits from the public, SEKbn</td>
<td>145</td>
<td>138</td>
</tr>
<tr>
<td>Credit impairment ratio, %</td>
<td>-0.14</td>
<td>-0.16</td>
</tr>
</tbody>
</table>

For more information, see pages 32–33 and 201.

**Large Corporates & Institutions**
- **our large corporate business**
  We provide large companies and institutions with advanced financing solutions and financial services. The business area also develops corporate and capital market products for the rest of the bank and the Swedish savings banks, which are offered a wide range of products with different levels of risk, yield requirements and sustainability.

**Facts**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total income, SEKm</td>
<td>7 487</td>
<td>7 768</td>
</tr>
<tr>
<td>Total expenses, SEKm</td>
<td>3 346</td>
<td>3 364</td>
</tr>
<tr>
<td>Profit for the year, SEKm</td>
<td>3 241</td>
<td>3 143</td>
</tr>
<tr>
<td>Return on equity, %</td>
<td>16.2</td>
<td>13.3</td>
</tr>
<tr>
<td>Cost/income ratio</td>
<td>0.45</td>
<td>0.43</td>
</tr>
<tr>
<td>Lending to the public, SEKbn</td>
<td>182</td>
<td>175</td>
</tr>
<tr>
<td>Deposits from the public, SEKbn</td>
<td>121</td>
<td>106</td>
</tr>
<tr>
<td>Credit impairment ratio, %</td>
<td>0.16</td>
<td>0.18</td>
</tr>
</tbody>
</table>

For more information, see pages 34–35 and 202.

**Group Functions & Other**
- **centralised business support units**
  Includes our product organisation, whose purpose is to increase efficiency in the development and maintenance of Swedbank’s products and services, and not least ensure that our offerings are relevant, competitive and of high quality. The centralised units provide strategic and administrative support in the bank and comprise Accounting & Finance, Communication, Risk, IT, Compliance, Public Affairs, HR and Legal. Group Treasury is responsible for the bank’s funding, liquidity and capital planning.

**Facts**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total income, SEKm</td>
<td>1 413</td>
<td>2 961</td>
</tr>
<tr>
<td>Total expenses, SEKm</td>
<td>633</td>
<td>1 185</td>
</tr>
<tr>
<td>Profit for the year, SEKm</td>
<td>521</td>
<td>1 088</td>
</tr>
<tr>
<td>Return on equity, %</td>
<td>2.1</td>
<td>3.1</td>
</tr>
<tr>
<td>Cost/income ratio</td>
<td>0.45</td>
<td>0.4</td>
</tr>
<tr>
<td>Lending to the public, SEKbn</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Deposits from the public, SEKbn</td>
<td>25</td>
<td>5</td>
</tr>
<tr>
<td>Credit impairment ratio, %</td>
<td>0.00</td>
<td>-0.47</td>
</tr>
</tbody>
</table>

For more information, see pages 36–37.

**Number of employees**

**Share of profit before impairments**

**Swedish Banking**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees</td>
<td>4 469</td>
<td>1 329</td>
</tr>
<tr>
<td>Share of profit before impairments</td>
<td>59 %</td>
<td>8 %</td>
</tr>
</tbody>
</table>

**Baltic Banking**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees</td>
<td>1 195</td>
<td>1 102</td>
</tr>
<tr>
<td>Share of profit before impairments</td>
<td>19 %</td>
<td>5 %</td>
</tr>
</tbody>
</table>

**Large Corporates & Institutions**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees</td>
<td>4 376</td>
<td>1 228</td>
</tr>
<tr>
<td>Share of profit before impairments</td>
<td>4 %</td>
<td>5 %</td>
</tr>
</tbody>
</table>

For more information, see pages 30–31 and 200.
Stable result

- Good cost control
- Successful integration of Sparbanken Öresund
- Stronger capitalisation
- Proposed dividend of SEK 10.70 per share

Improvements in 3 of 5 target areas

<table>
<thead>
<tr>
<th>Market-leading cost efficiency</th>
<th>Solid capitalisation</th>
<th>Increased customer value</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Lower costs in 2015</td>
<td>- CET1 capital ratio is among the highest compared to European peers</td>
<td>- Improved SQI Private customers Sweden</td>
</tr>
<tr>
<td><strong>SEK -1.3 bn</strong></td>
<td><strong>24.1%</strong></td>
<td><strong>+2.2%</strong></td>
</tr>
</tbody>
</table>

- Increased employee engagement  
  - Lower recommendation index

- Return on Equity of at least 15%

  -21

  **13.5%**

Our priorities are focused on long-term competitiveness and value creation

- Improve customer value
  - Invest in our digital offering
  - Stay competitive through simpler, clearer offerings
  - Strengthen advisory services

- Increase effectiveness
  - Increase internal coordination
  - Simplify internal processes and increase automation
  - Centralise procurement and reallocate services internally

- Strengthen employee engagement
  - Strengthen corporate culture
  - Increase investment in our employees
  - Develop our leaders

Key figures

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total income, SEKm</td>
<td>37,624</td>
<td>39,304</td>
</tr>
<tr>
<td>Total expenses, SEKm</td>
<td>16,333</td>
<td>17,602</td>
</tr>
<tr>
<td>Profit for the year, SEKm</td>
<td>15,733</td>
<td>16,709</td>
</tr>
<tr>
<td>Return on equity, %</td>
<td>13.5</td>
<td>15.2</td>
</tr>
<tr>
<td>Cost/income ratio</td>
<td>0.43</td>
<td>0.45</td>
</tr>
<tr>
<td>Total assets, SEKbn</td>
<td>2,149</td>
<td>2,121</td>
</tr>
<tr>
<td>Lending to the public, SEKbn</td>
<td>1,371</td>
<td>1,325</td>
</tr>
<tr>
<td>Deposits from the public, SEKbn</td>
<td>744</td>
<td>661</td>
</tr>
<tr>
<td>Credit impairment ratio, %</td>
<td>0.04</td>
<td>0.03</td>
</tr>
<tr>
<td>Share of impaired loans, gross, %</td>
<td>0.40</td>
<td>0.41</td>
</tr>
<tr>
<td>Core Tier 1 Capital ratio, %</td>
<td>24.1</td>
<td>21.2</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>14.14</td>
<td>15.05</td>
</tr>
<tr>
<td>Full-time employees</td>
<td>13,893</td>
<td>14,583</td>
</tr>
</tbody>
</table>

1) From continuing operations attributable to the shareholders
2) Excluding the Swedish National Debt Office and repos
3) Continuing operations after dilution
4) Board of Directors’ proposal for 2015

Stable result

- Good cost control
- Successful integration of Sparbanken Öresund
- Stronger capitalisation
- Proposed dividend of SEK 10.70 per share
Sustainability and customer value are at the core of our strategy

Customer demand for financial services drives us to continuously improve our business. Through our customer relations and when developing products and services we have an opportunity to impact others and create value-added for our stakeholders. We therefore integrate sustainability into our operations. A long-term approach creates new business opportunities, reduces risks and encourages the business community to be more sustainable. For more information, see pages 17 and 22.

Part of building a sustainable society

Swedbank’s sustainability work is rooted in the bank’s purpose and values. The focus is on our offerings, sourcing and engagement in the local community. This also makes it critical to the bank’s business model. The Sustainability Report, which complies with the Global Reporting Initiative’s (GRI) G4 guidelines, consists, in addition to this annual report, of the Detailed sustainability report 2015, which is available at www.swedbank.se.
The year in brief

A selection of value-creating activities during the year

**MARCH**

**Swedbank joins mortgage lending programme for Latvian families**

The government-initiated programme grants guaranteed loans to families with children. In 2015, 470 families received SEK 260m to help them finance a home.

**12 MARCH**

**Nordic Energy Summit**

For several years Swedbank has arranged an annual Energy Summit in Oslo for energy companies and investors to discuss sector-specific challenges and opportunities. The year’s summit attracted 600 visitors.

**25 MARCH**

**Swedbank signs card acquiring agreement in Finland**

Swedbank signed a card acquiring agreement with S Group (SOK), Finland’s largest network of retail and service companies, making Swedbank the acquiring bank for a large number of Finnish retailers.

**JUNE**

**Initial release of new Internet Bank**

**1 JANUARY**

**Mobile Bank 5 years with 90% customer satisfaction**

Our customers are driving digitisation. They are who we listen to when we develop our digital services. 2.5 million customers are connected to the Mobile Bank.

**27 JANUARY**

**Economic Outlook: Sweden – An island floating in the global economic sea**

As a responsible financial player, Swedbank participates in the public debate on the economy and development. The bank’s economic reports are issued twice a year.

**28 JANUARY**

**27%**

The cost target for 2015 was reached and the profit increased by 27 per cent. Year-end report for 2014

**28 APRIL**

**Improved results under extraordinary market conditions**

Interim report for the first quarter 2015

**APRIL**

**Entrepreneurship promoted in Latvia**

Launched development programme for Latvian municipalities to encourage young entrepreneurs.

**APRIL**

**Young Lithuanians encouraged to study IT**

Swedbank is an active member of the IT initiative Tech City Lithuania, where our employees provide free lectures on IT topics to students aged 9–12.

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**APRIL**

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**Moody’s upgrades Swedbank’s rating to Aa3**

**8 July**
Swedbank decides to take extra dividend from Estonian sub-group which provides a tax injection in Estonia

**16 July**
Growth in all Baltic home markets
First time there was loan growth in all three Baltic countries since 2008. Interim report for second quarter 2015.

**23 September**
127 000 new Swedbank customers
Swedbank strengthened its presence in the Baltic countries through an agreement to acquire Danske Bank’s retail banking business in Lithuania and Latvia.

**1 September**
Swedbank Insight
Swedbank launched a new website with analyses and market comments.

**23 September**
127 000 new Swedbank customers
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**1 September**
Swedbank Insight
Swedbank launched a new website with analyses and market comments.

**September**
Award for world’s best customer service in social media
Swedbank ranks first in Social Bankers’ survey of financial companies for the second quarter in a row. The survey is based on, among other things, response rates.

**13 November**
Swedbank one of Sweden’s most sustainable brands
Swedbank came 16th when Sustainability Engagement Mapping ranked Sweden’s most influential digital opinion leaders in sustainability.

**9 December**
S&P upgrades Swedbank’s rating to AA-
A rating in line with the top-ranked Nordic banks that also compares well internationally.

**3 November**
Swedbank’s website gets new look with responsive design
After the change, pages work just as well when viewed on a mobile phone, tablet or computer.
Swedbank further strengthened its financial position in 2015, whilst at the same time undertaking measures to improve its customer offering. Now we need to focus on the next steps in the ongoing digital transformation of the bank, according to the Chair Anders Sundström.

What were the most important profit contributors in 2015?
“In a turbulent market with seesawing share prices and negative interest rates that are slowing revenue, we kept our focus on cost control and low risk in the balance sheet. As a result, we were able to maintain stable profitability at the same time that our financial position has never been stronger. This means that we can focus even more on our customers.”

What did the Board of Directors focus on in 2015?
“Mainly two areas. First, we tried to understand the marketplace even better. Much of this involved staying updated on regulatory developments and making sure we live up to the requirements set. The second is how we could build closer relations with customers and successfully transform to a more digital bank.”
What are Swedbank’s strengths?
“Our history and our customer base. We have 4 million private customers in Sweden and another 3.2 million in the Baltic countries, as well as nearly 600,000 corporate customers in both Sweden and the Baltics. Another of our strengths is that we are quick to respond to technological change. Our customers like new technology, and since the introduction of the ATM to today’s mobile bank, we have seen rapid acceptance among our customers.”

What areas will the bank be focusing on?
“We will continue to work on diversity and openness and being an inclusive bank. There is a lot of research showing that communities and organisations with this attitude are winners in the long run. Today we are one of the most inclusive banks in Sweden, and we will continue to be so. Beyond that it is obvious that technological changes are crucial for us.”

It has been a very turbulent period with volatile stock markets and extremely low interest rates. What kind of challenges does this pose for Swedbank?
“Basically, the same challenges as for society as a whole. With central banks pumping out so much liquidity, there is a big risk that we could see various types of asset price imbalances. As such, it is very important to have buffers. So that’s what we are focusing on, for ourselves and for our customers.”

Swedbank has introduced stricter amortisation principles. Isn’t the bank at risk of being exclusive with such high amortisation requirements?
“In the short term that’s true, and it concerns us. Young people and new arrivals are struggling to get over the high thresholds in the housing market. That’s why we are very clear in pushing for more housing construction. More housing is needed, as are new forms of savings that make it easier for people to put away money for a home.”

Do we have a housing bubble in Sweden?
“No, we still have considerable population growth, and what we need is to build more housing.”

There were reports in 2015 that certain managers were involved in real estate deals outside the bank. Is it appropriate that senior executives engage in such deals?
“In retrospect, we deeply regret that these outside activities were approved, since it has brought unwanted attention to the bank and raised questions from our employees. The actions complied with our guidelines, but easily drew suspicion. It is vital for us that our customers, owners and employees feel that they can trust us and that we always strive to be as transparent as possible. We take very seriously the criticism we have heard and conducted a review of our rules on employee conflicts of interest and how they are applied, which the persons concerned have adapted to. The Board of Directors commissioned an external review of the financial circumstances, business relationships and transactions related to these real estate deals. This investigation concluded that all laws and external regulations have been followed. No customers have come to financial harm. In addition, an internal audit of the bank’s regulations was conducted. Details regarding this regulation have also been conveyed to the FSA in response to their audit of the Bank’s compliance with internal and external rules on conflicts of interest. The internal investigation identified minor discrepancies regarding the scope and documentation of the regulations. These deficiencies have now been resolved. The Board has also clarified the rules and decided to implement an outside evaluation of them vis-à-vis best practices.”

The Board of Directors decided to dismiss Michael Wolf as CEO as of 9 February 2016. Why?
“Michael did a good job during the seven years he was CEO of Swedbank. He was able, in an inspiring way, to guide the bank in a challenging situation, when the entire financial system was in turmoil, to become the stable and profitable bank we are today. But now we must take the next step by improving customer satisfaction and tie our brand closer to the businesses while at the same time ensuring that our investments in our IT development take off. This means that the Group Executive Committee has to work even more cohesively and efficiently, and this requires a different type of leadership.”

The geopolitical situation has worsened with a huge wave of refugees and turmoil in our region. How is Swedbank affected?
“The worsening security situation in the region around Russia, has a direct impact on the Baltics and has been a frequent topic of discussion for the Board of Directors. The global geopolitical situation has a negative impact on economic growth, and is also a reason for the refugee streams. These refugee streams affect Sweden positively in the short term, providing an economic injection. In the medium term there will be strains on the Swedish economy, but if we play our cards right the pluses will outweigh the minuses in the long term.”

What is the bank doing right now to address the big increase in migration?
“We are an inclusive bank, and together with another bank we are administering a majority of all the compensation being paid out to refugees. In smaller communities we are also working with municipal authorities to provide refugees with information on opening a bank account and understanding the Swedish banking system. Eventually, these individuals will become our customers. We have seen that many of those who come here have an entrepreneurial background and a post-secondary education and will quickly be integrated in society. But obviously there will also be areas where challenges arise.”

Lastly, can shareholders continue to expect a dividend in the same range as before?
“Our policy is to distribute 75 per cent of profit, and we feel comfortable with that, since our capitalisation far exceeds the requirements set by the Swedish Financial Supervisory Authority. Despite some uncertainty about future regulations we are in a very good position to address any changes.

Stockholm February 2016

Anders Sundström
Chair of the Board
“We must continue to adapt to changing customer preferences”

On 9 February 2016 Birgitte Bonnesen was appointed Acting CEO of Swedbank. As someone who has been with the bank for many years, there was no doubt that she would say yes. Topping her agenda is speeding up the pace of the digital transformation.

You were recently asked to take over as Acting CEO of the bank. How does it feel?
“It feels very exciting. I didn’t hesitate to say yes. I already know everyone on the management team, the plans for 2016 are set and we have a very strong starting point with a large customer base and skilled employees.”

What’s on top of the agenda?
“Speeding up the pace of the transformation that has already begun. We have a long and important IT agenda as well as plenty of initiatives for private customers that will be implemented. This requires that we work even more closely and that all our employees feel that they are playing a part. That’s why it is also very important that everyone at the bank has a clear understanding of where we are headed.”

Employee engagement has been mentioned by the Board of Directors as an important area that needs improvement. How will this be achieved?
“When it comes to our employees, we have to first and foremost be even better at getting everyone to feel involved at a time of major changes. For me personally, it’s a question of trying to be as operationally focused as possible in my leadership and being active in important business development issues.”

Another important area emphasized by the Board is customer satisfaction. What are your thoughts?
“We must continue to adapt to changing customer preferences in every channel. But we can’t forget that we already have very high customer satisfaction in the Baltic countries. Although it is lower in Sweden, we are making progress. For example, we have a high level of satisfaction among large companies. At the same time the use of digital channels has a positive effect on customer satisfaction, since it makes it easier for them to do their day-to-day banking. So we see good potential for improvement in our current customer base, but also when it comes to attracting new customers.”

“How will digitisation affect Swedbank’s operations going forward?
“It will lead to major changes in how we do business. Customers today have access to many more choices and information than before. This leads to greater competition and means that some of the advisory services that we have offered will no longer be in demand. At the same time it opens big opportunities. We can transition more of our business to customer groups with more complex needs, especially on the corporate side, where our advice and expertise have a big impact on the end result. It also becomes more cost-effective to work with a large customer base, which benefits a bank like us.”

What are Swedbank’s biggest advantages in an increasingly digital world?
“That we can provide customers with a comprehensive overview of their finances. At a time when financial service providers are growing in number, there is a clear advantage for customers in consolidating everything in one place from both a financial and efficiency standpoint. We don’t see digital as merely a new sales channel, but understand that it also changes the way we see both product development and our customer relationships.”

There has been a great focus on costs. Are there any untapped areas where you see opportunities to be more efficient?
“There is a very big potential to improve and simplify everything we do. With customers, it’s mainly a question of offering easy-to-use and easily available products. We also place great focus on simplifying processes internally, coordinating everything from IT structure to governance, and centralising procurement.”

You have been head of Baltic Banking, which has come quite far in the digitisation process. Does it have anything to teach the rest of the Group?
“Baltic Banking has the ability to quickly make and execute decisions. We have also been successful in analysing customer data, so that we can create better offerings and be more proactive in dialoguing with customers. We have a similar potential in Sweden.”

What type of new demands does digitisation place on the bank’s employees?
“It will require greater availability, more advanced advice and more employees who work directly with customers. To facilitate this change, we are working with, among other things, competence centres, where employees with expertise in various areas work together. In this way we encourage knowledge transfers
at the same time that we ensure that customers receive prompt and professional service regardless of their need. We have fantastic employees, and we believe that everyone with the right attitude and will can develop by accepting new challenges within the bank.”

**What improvements can customers look forward to?**

“Most importantly, we will make it even easier for customers to manage their banking in our digital channels. For example, by digitising mortgage loans and providing greater transparency in terms of price and by giving them the option to sign contracts electronically. To support interactions with customers in digital channels, we will also provide improved service and support such as chat functions and identification in the Telephone Bank with Mobile BankID. Basically, it will be easier to contact the bank. From a slightly longer perspective, we know that new regulations will accelerate development even more and give customers new tools and services – from the bank but also from third parties. We have to be open to collaborating more with third parties rather than competing with them, which will also benefit customers.”

Stockholm, February 2016

Birgitte Bonnesen
Acting President and CEO,
Head of Swedish Banking
Technological change is reshaping the banking sector...

Digitisation, macroeconomic development and regulatory changes continue to challenge and create new opportunities for Swedbank and the banking sector as a whole. Of these changes, digitisation is the most revolutionary and can rightfully be called a paradigm shift. Rapid technological developments create new expectations in terms of availability. At the same time competition is growing and customer behaviour is changing. Keeping pace with and quickly adapting is critical in order to meet demand, but also because of the new opportunities that are created.

Digitisation

- Creates new customer behaviour and increased competition from new players
- Customers’ experiences with other industries are raising the demands on banks
- Leads to increased interaction with customers
- Analysis of customer data allows us to customise offerings
- Demand for availability increases when new (mobile) technology keeps people connected 24/7
- Makes it easier to compare offerings, which leads to price pressure and standardised offerings
- Transparency and increased availability are creating higher demands and changing the advice we offer
- Leads to new forms of distribution
- Facilitates the automation of processes and knowledge work as computers take over people’s jobs
- Generates economies of scale
- Creates new risks, including in security and functionality

Macroeconomic development

- Globalisation has made growth more dependent on the major economies and geopolitical developments. This in turn affects bank earnings and credit demand
- Demographic changes such as urbanisation and population growth lead to higher GDP and lending. Economic growth in Sweden is being constrained, however, by the housing shortage as major cities continue to grow. At the same time property prices are rising and debt is increasing
- Expansionary monetary policy and a low interest rate environment – caused by low inflation – increase risk taking and debt levels, which could create imbalances and increase vulnerability to unforeseen events

Regulatory changes

- Tighter requirements in certain areas increase costs for banks, as well as the barriers to entry for new players
- Less stringent requirements in other areas increase competition and transparency, giving consumers more power through greater choice. This in turn leads to lower prices for them and puts pressure on banks’ revenues
...and forcing us to adapt our offerings

Global changes are affecting everything from distribution to the pricing of our products and services. Our business areas are therefore working continuously to adapt their offerings to prevailing conditions.

**Simplicity and speed are becoming increasingly important**

Digitisation is continuing at a rapid pace and placing ever higher demands on the banking sector’s ability to adapt its products and distribution channels as well as on the stability of its IT systems. At the same time it enables our customers to compare offerings from different providers, which is affecting competition in the bank’s product areas: save, borrow and pay. Savings, for example, have become easier to transfer between institutions, at the same time that simplicity and speed have grown in importance, which is also evident in the consumer finance market. One of the areas most affected by digitisation, in terms of product development, is payments, as more retail purchases are made online and using mobile solutions. For more on how Swedbank is adapting its product offering, see page 36.

**Negative interest rates increase the willingness to take risks**

Macroeconomic development in our home markets and the rest of the world affected our customers’ actions in 2015, as well as our own. Central banks maintained highly expansionary monetary policy during the year. In Sweden the Riksbank introduced a negative repo rate, while the ECB continued to cut its deposit rate on top of extensive bond buying. For Swedbank and other banks this puts pressure on earnings, since we have to pay to invest our surplus liquidity in one of two central banks at the same time that we have chosen not to introduce negative deposit rates for our customers, with the exception of certain professional counterparties in the financial market. For more on how our results are affected, see page 26.

The low market interest rates – and the undersupply of housing and continued urbanisation – have led to a further increase in housing prices and mortgage demand in Sweden, with rising debt levels as a result. Swedbank is Sweden’s mortgage leader, with a market share of 25 per cent. For the sake of our customers’ financial stability and to help them avoid excessive debt, we tightened our amortisation guidelines in 2015.

Credit demand increased in the Baltic countries as strong domestic consumption offset the negative effects of geopolitical concerns in the region.

Macroeconomic development has also had a big effect in the area of savings, where low interest rates have increased risk appetite and have driven up the prices of many asset classes. Equity prices have been volatile, however, and been affected by concerns about Greek debt, slowing growth in China and expected rate hikes in the US, to name just a few areas. This has affected our asset management business as well as activity among corporate customers. For more on how developments have affected our operating areas, see page 30.

**Tougher requirements will eventually benefit customers**

Regulatory changes that are planned or already implemented are affecting everything from our daily operations to the pricing of our products. For Swedbank it is important to live up to these requirements to ensure that our businesses continue to function well, that we maintain confidence in the bank and that we have access to cost-effective financing, which we need in order to offer competitive products and services.

In 2015 the Swedish Financial Supervisory Authority announced an increase in the countercyclical buffer, while the Basel Committee continued to calibrate capital adequacy rules. At the same time the bank continued to adapt ahead of the implementation of the EU directive on financial instruments, Mifid II, and the Swedish prohibition of commissions.

The increased regulatory burden means higher costs for Swedbank, since the changes require system investments, modifications to existing routines and increased allocation of capital to certain areas. This in turn means price adjustments on some products and services. At the same time many of the revised and new regulations benefit our customers and other stakeholders, since they force us to be more efficient, further strengthen the financial stability of the banking system and increase transparency.
Stakeholder dialogue helps us develop our business

We can only be successful as a company if we are in accord with our stakeholders. An active and continuous dialogue is critical and distinguishes how we work. By listening and learning, we get better and can focus on the right things.

Continuous dialogue and feedback process
We maintain an extensive dialogue with our stakeholders. It happens daily in every part of the business with the millions of customers we meet each year in the bank’s branches, the over 6 million calls we get through the Telephone Bank, the hundreds of million visits to our website per year, and through over 75 000 interactions we have monthly through social media. We also dialogue internationally, e.g. on sustainability, nationally with government authorities and civil society, and locally in collaboration with companies. The feedback process is often direct, like in our large corporate business, where we work closely and continuously with customers at around 1 000 investor meetings per year, or in the performance reviews between managers and employees. In addition, we annually conduct large surveys and participate in industry forums on challenges and trends. As a whole, we see the dialogue with our stakeholders as an indication of whether we are heading in the right direction and focusing on the right things. If not, how can we improve?

Feedback affects the way we work
We annually conduct surveys to find out what our stakeholders think of the bank. This includes strategic customer surveys, brand surveys and opinion leader surveys in all our home markets. The customer complaint process is also an important forum, where feedback can be incorporated into the bank’s development and improvement work.

To find out whether we have the right priorities, we conducted a major survey of all our stakeholder groups in autumn 2015. They responded to questions on the areas we had identified as the most important to our long-term survival, including social and environmental issues. The results show a general consensus between stakeholders and Swedbank on most key issues. Our customers (consumers as well as businesses) agree with us on the importance of a high service level, availability, individualised advice, competitive prices, and high product and service quality. The survey also showed, however, that we have to do more to live up to this, which is consistent with the results of other customer surveys. Together with our employees, we also agree on the importance of being an employer people want to work for, but here as well more needs to be done, which has been confirmed by other employee surveys. For a further description of the process used in the materiality analysis and our stakeholder dialogue, see the Detailed sustainability report 2015.

Feedback from our stakeholders is valuable to strategy work and business planning. Among the adjustments that have been made as a direct response to demands from our stakeholders is the more modern approach we have taken to developing our digital offering. For instance, we established Swedbank LABS, where teams of professionals from different disciplines work together to foster creativity and innovation. The stakeholder dialogue on sustainability has affected our strategic direction as well as our human rights policy and risk assessments in our business processes.

The conclusion of our dialogue with customers is that we have to do more to increase value and be more customer-oriented, which is also a Group-wide priority.

What our stakeholders consider most important for Swedbank to live up to

<table>
<thead>
<tr>
<th>Private customers</th>
<th>Corporate customers</th>
<th>Owners and investors</th>
<th>Employees</th>
<th>Society at large</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customised advice</td>
<td>High service level</td>
<td>High quality products</td>
<td>Customised advice</td>
<td>Sustainability integrated in internal processes</td>
</tr>
<tr>
<td>High service level</td>
<td>Customised advice</td>
<td>Attractive employer</td>
<td>Responsible lending</td>
<td>Responsible owner</td>
</tr>
<tr>
<td>Responsible lending</td>
<td>Availability</td>
<td>Transparent reporting</td>
<td>High service level</td>
<td>Responsible lending</td>
</tr>
<tr>
<td>Availability</td>
<td>Competitive prices</td>
<td>Sound compensation culture</td>
<td>High quality products</td>
<td>Availability</td>
</tr>
<tr>
<td>High quality products</td>
<td>High quality products</td>
<td>Attractive employer</td>
<td>Diversity and gender equality</td>
<td></td>
</tr>
</tbody>
</table>

Common to most stakeholders
- Financial stability
- Secure IT systems
- Competent personnel
- Fight corruption and money laundering

Swedbank Annual Report 2015
Customer-oriented model creates value for many

We have to capitalise on the opportunities that open up in a market in constant change. Anticipating new needs and continuously developing our business to meet the expectations of stakeholders and the financial needs of customers are the key to value creation.
Customer value and sustainability are at the core of our strategy

Stable profitability, high cost efficiency and low risk, together with long-term decisions, enable us to meet customer demand for competitive banking services in both the short and long term. This promotes a sound and sustainable economy.

Customer demand for financial services drives our business. Through our customer relations, but also when developing products and services, we have an opportunity to influence those around us and create long-term value-added for customers, employees, shareholders and society. We therefore integrate sustainability into our business and our decisions. A more long-term approach creates new business opportunities, reduces risks and encourages businesses to act more sustainably, at the same time that we meet the need for competitive products and services.

**An available full-service bank** in four home markets is what we offer all households, small and large companies, and institutions. We cover everything from basic transaction services to the most advanced advice. A large, modern distribution network makes it easy for a broad base of customers to manage their finances. We provide efficient digital solutions for day-to-day financial needs and more comprehensive advice through contact with our employees.

**High cost efficiency** is growing in importance due to changes in the market. Understanding our customers and what affects tied-up capital leads to capital efficiency. We also strive to do things better, simpler and more efficiently – we shall be a market leader in cost efficiency. Product development at the Group level is one example. Another important factor is a corporate culture where everyone is well aware of and cautious about spending. The more cost-effective we are, the more we can invest and the more customer value we can create.

**Offerings based on customer needs** and expectations are critical to our success. Digitisation increases opportunities to meet each customer’s specific needs with the right offer. By analysing the customer data we have and drawing from our advisors’ experience and knowledge, we can create offerings that are more precisely targeted.

**Low risk** is the foundation for sustainable growth. Swedbank’s lending is financed through deposits and capital market funding. Low funding costs are achieved through stable profitability in combination with high-quality lending and solid capitalisation. This is a prerequisite for winning the trust of the capital market and benefits all our stakeholders. Maintaining stable earnings over time requires not only a low risk level, where each borrower’s solvency, solidity and collateral are the determining factors, but also the ability to quickly adapt to market factors and changing customer preferences.
Integrating sustainability into decisions supports value creation

In our work and in our business decisions we take economic, social and environmental aspects into account. We have a framework for integrating issues such as human rights, the environment and anti-corruption into decisions. It supports risk management and creates value for our stakeholders.

**Save/invest**

Our ability to assess a company’s value today and in the future is an important part of our savings offering, which largely consists of funds. In fund management, sustainability risks are seen as financial risks. Our strategy is also to be an active owner that exerts influence.

Sustainability assessments are integrated into asset management in three stages:
1. Risk assessment – Sustainability risks are analysed before an investment is approved
2. Exclusion – Areas we do not invest in include cluster bombs, mines, chemical or biological weapons, and many nuclear weapons companies
3. Impacts – We encourage companies to act more sustainably e.g. by actively participating in annual general meetings and nomination committees

Assets under management with special sustainability criteria:

**SEK 421 bn**

25 companies excluded

**Finance**

Sound, responsible lending is our core business. A customer’s payment ability, solidity and collateral are always the decisive factors in the lending process. This ensures that they can handle economic slowdowns and avoid excessive debt.

Before approving any business loan, an assessment is made of sustainability risks as follows:
1. General sustainability risks are evaluated based on a risk assessment model
2. Industry-specific risks and critical issues are analysed based on industry guidelines
3. If the company has sustainability risks, the case is forwarded to a credit committee for final decision
4. If additional support is needed, the case can be referred to Swedbank’s Sustainability and Ethics Council

**Sustainability assessments 2015:**

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>48 404</td>
</tr>
<tr>
<td>Baltics</td>
<td>1 825</td>
</tr>
</tbody>
</table>

**Procure**

The central procurement process ensures that all reported purchases exceeding EUR 50,000, aggregated on an annual basis, are managed with the support of the bank’s central procurement unit. Sustainability is integrated into the procurement process in agreements, risk assessments and monitoring.

Responsible sourcing comprises the following steps:
1. Code of conduct binding for all suppliers
2. Risk classification of every supplier with invoicing over EUR 50,000 per year done centrally based on country- and industry-specific risks
3. Self-assessments by suppliers based on our code of conduct
4. Supplier audits and monitoring

**Number of payments through the Internet Bank in our home markets:**

328 million

**Share of reported purchases that underwent sustainability assessment:**

86%
Increased customer focus...

Our goals shall contribute to long-term value creation. High customer value is essential to sustainable profitability and value creation for other stakeholders.

Customers
GOAL: Increased customer value
WHY: Customer value, together with customer satisfaction, trust and a positive brand image, explains why customers choose our products and services. Customer value is essential to sustainable profitability. We track customer value through our own and independent surveys to measure customer satisfaction, among other variables.

Employees
GOAL: Increased employee engagement
WHY: Engaged and motivated employees help our customers to be successful and are more likely to recommend Swedbank as an employer. This requires that they have the opportunity to develop, feel that they have an influence and contribute to the bank’s purpose and goals. We track employee engagement through quarterly surveys.

Return on equity
GOAL: Return on equity of at least 15 per cent
WHY: Swedbank’s shareholders demand a competitive return on the capital they invest. At the same time the bank has to be profitable to stay competitive in the long term and create investment opportunities. We also have to ensure that the bank can withstand periods of major economic stress, which is largely determined by our earning capacity, risk level and capitalisation.

Cost efficiency
GOAL: Market-leading cost efficiency
WHY: Digitisation is increasing competition and transparency in parts of the market at the same time that banking products and services are becoming more standardised. As a result, the price of our services is becoming more important. To remain competitive in the long term requires continuous improvements in cost efficiency and internal processes, which creates opportunities to invest in increased customer value.

Capitalisation
GOAL: Solid capitalisation
WHY: Swedbank’s capitalisation should ensure that it can withstand a stressed scenario while still exceeding capital requirements by a safe margin. Strong capitalisation is also necessary to guarantee access to competitive capital market funding. The majority of Swedish capital requirements have been clarified, and Swedbank meets them by a wide margin, at the same time that independent stress tests show that Swedbank is among the banks in Europe with the lowest risks.
...promotes our competitiveness

Cost control and resource efficiency give us the investment capacity needed to remain an attractive bank in the future.

RESULT: In Sweden customer satisfaction is measured by two surveys, SQI and CSI, the former comprising around 300 of the bank’s customers and the latter just over 5,000. According to SQI, Swedbank’s customer satisfaction was below the industry average at 66.2 (64.0) for private customers and 64.4 (66.1) for corporate customers. Customer satisfaction is measured in the Baltic countries by the TRIM survey. In 2015 satisfaction increased in all three of our Baltic home markets with the biggest gain in Latvia.

RESULT: The Employeeship Index, which measures engagement and was introduced in 2015, is at a high level. The recommendation index (likelihood of recommending Swedbank as an employer) fell in 2015, however, after having risen for three consecutive years.

RESULT: The return on equity for continuing operations decreased during the year to 13.5 per cent (15.2). The industry average was 12.3 per cent and includes the three other major Swedish banks: Nordea, SEB and Handelsbanken. Swedbank’s profit for the year decreased due to one-off tax expenses and lower income. Expenses decreased. Low interest rates, higher capital requirements and market factors will make it more difficult to reach the ROE target going forward. Increased efficiency therefore remains one of our priorities.

RESULT: Swedbank’s aim is to reduce total expenses to SEK 16bn for 2016. Cost control was good during the year and total expenses amounted to SEK 16.3bn (17.6). One way to compare cost efficiency is the cost/income ratio. Swedbank’s C/I ratio fell to 0.43 (0.45) in 2015. This was due to one-off expenses that arose in 2014 in connection with the acquisition of Sparbanken Öresund as well as efficiency improvements. The average for Sweden’s three other major banks – Nordea, SEB and Handelsbanken – was 0.48. Swedbank’s C/I ratio was the lowest.

RESULT: The Common Equity Tier 1 capital ratio continued to strengthen during the year to 24.1 per cent (21.2) as of 31 December. The increase is due to solid earnings generation and a lower risk exposure amount (REA). Read more on page 42.
Efficient use of resources enables investment in customer offerings

Swedbank’s priorities are focused on long-term competitiveness and are continuously adapted to a changing business environment. We prioritise the areas we feel contribute the most to sustainable value creation.

Improve customer value

- Invest in our digital offering
- Stay competitive through simpler, clearer offerings
- Strengthen advisory services

Improving customer value will always be one of our highest priorities. In an environment where transparency is increasing and where it is easy to switch banking providers, we are constantly being compared. We have to stay open to and see opportunities for improvement. We will meet the competition through the availability and stability of our systems and with products and services that are easy to understand and use. Investments in the development of digital services will increase customer value. This is true of those we serve digitally, but also those we meet in physical locations, where our employees can concentrate more on value-added advice. By integrating sustainability into more business decisions and products, we build long-term customer relationships, strengthen confidence in Swedbank and stay competitive. In Sweden we want public opinion of, and confidence in, Swedbank to be better. Greater transparency is an important parameter to enable customers to compare and understand, and most importantly to choose the right products and services based on their needs and requirements. As a whole, this will help us to be more competitive and maintain long-term profitability, but most importantly to increase customer value and satisfaction.

Increase efficiency

- Increase internal coordination
- Simplify internal processes and increase automation
- Centralise procurement and reallocate services internally

Banking products and services are becoming more standardised and similar. Our customers require continuous accessibility, easy-to-use products and services, and competitive prices. At the same time niche players and digital challengers, with no outdated infrastructure, are offering attractive, competitive products. Increased efficiency is crucial to meet the competition and maintain profitability and market share over time. Efficiency improvements also leave us more room to invest in improving our offerings and processes. Cost consciousness is an important part of our corporate culture. Efficiency work includes coordination of IT infrastructure, the product and service range, governance and monitoring, but also centralised procurement. This is in addition to nearshoring, which involves assessing each business in our four home markets in terms of expenses, competence and customer value.

Strengthen employee engagement

- Strengthen corporate culture
- Increase investment in our employees
- Develop our leaders

Our employees’ service mindedness, commitment and competence make a difference for customers and contribute to customer value. Because of the many changes happening in our business environment and the speed this requires to adapt and innovate, our employees’ commitment and willingness to change are essential if we are to reach our goals. To attract the right talents and retain and develop those we already have, we have to do more. After the turbulent time we recently experienced and the rapid changes we had gone through, the level of engagement in the bank has declined. Because of this, we are now investing more in our employees and creating a corporate culture that engages and that we can all be proud of.

An important element in our success is the ability of our managers to explain the changes we have to go through and to inspire and encourage engagement and shared goals. Our leaders have to be able to see the potential in their employees and promote their development, even outside their own department. Increased internal mobility is an important tool for redistributing resources, but also to create opportunities for skills development and the exchange of experience.
Engagement rubs off on customers and colleagues

Employee value and strong performance are created through opportunities for development, professional leaders and an inspiring work environment. The emphasis is also on creating a work-life balance, so that our employees thrive at work.

Engaged, competent employees are the key to building value-added relationships and developing services that meet our customers’ needs. To help our employees address future challenges, we have focused on three key areas:

- Skills development – lays the groundwork for competitive offerings
- High engagement – for increased customer satisfaction and new business
- Professional leaders – develop employees and our customer relations

**Skills development to meet future customer needs**

Digitisation is revolutionising our market. The rapid pace of change is creating greater expectations in terms of availability and changing the skills needed of our employees. Being able to quickly adapt to change is crucial in order to remain an attractive bank and employer with stable profitability.

We believe that the biggest potential for developing skills is through daily work. Employees who continuously develop, with skills and experience from different parts of the bank, can better understand our customers and their needs. This lays the groundwork for competitive offerings. We therefore encourage internal mobility. For our employees, it provides more career opportunities in a large, exciting job market at the same time that it makes them more marketable both internally and externally. For Swedbank, internal mobility is a resource-efficient way to utilise our employees’ competence and potential. We primarily invest in our current employees and recruit externally only for specialists we cannot find in-house. In 2015 the number of positions filled internally rose, while the number of external firings fell by over 75 per cent. This enabled us to reduce the number of employees in Sweden by 600–800 during the year, a goal originally set for 2017.

Diversity and gender equality are important to skills development, work environments and the corporate culture. By embracing differences, we create a dynamic workplace with greater opportunity for skills transfer and understanding others, while encouraging a creative dialogue between employees and with customers. The long-term goal is that staffing will reflect our home markets in terms of gender, age and ethnic background. We are convinced this will generate more business through a bigger network and a better understanding of each individual’s specific needs.

**Engaged, proud employees increase customer value**

Engagement and pride among our employees makes us more competitive. It has a positive effect on the business and contributes to an inspiring work environment. Strong employee engagement is therefore one of the Group’s overarching goals.

To support this, the bank has introduced Engagement Pulse, a brief, quarterly questionnaire to identify any underlying causes that may be preventing a high level of engagement and a positive work environment. As part of the survey we monitor the likelihood that employees would recommend the bank as a place to work. Questionnaires during the year showed that we have a high level of engagement, but that the likelihood of recommending the bank has declined. We see this as an early indicator, which if left unchecked could affect employee engagement. Every team, at every level of the bank, is therefore working actively through an open, continuous dialogue on what we can do better to make everyone feel engaged and proud of the bank.

**Professional leaders develop employees**

Our goal is to have the industry’s best managers, who strengthen the business by developing and helping their employees to meet our challenges and aligning the role each of them plays with the bank’s overall purpose and goals. Our leaders foster a culture based on the values of openness, simplicity and caring, where feedback is a key to spur on higher performance and long-term profitability. Other important tasks are to ensure that employees are able to balance work with their private lives and to encourage and create opportunities for internal mobility. The bank has clearly defined leadership criteria, like being visible and working to benefit the bank as a whole. On an annual basis we track how well our leaders meet these criteria. In general, they perform well, but could be clearer and more visible.

**Focus areas for 2016**

To meet future customer needs, we will continue to emphasise skills development, create opportunities for internal mobility and promote diversity and gender equality. We will invest in employee development, simplify internal communication and conduct quarterly follow-ups with the goal of strengthening employee engagement. Our managers will adopt a values-based approach to leadership, where coaching is critical to successfully and effectively lead employees through change and development.
Sustainable business creates social value

As a major player in the financial market, we can play a part in financing future sustainable innovations. At the same time, by factoring sustainability risks into our decisions, we can reduce social and ecological risks and contribute to a more sustainable business community.

In a world with population growth, finite resources and climate change, the business community is under growing pressure to contribute to responsible growth.

Sustainability integrated in our business

As a financial player, we have the opportunity to promote and support long-term development by helping to finance sustainable innovations and services. We also have an important role to play by factoring sustainability risks into our financing and investment decisions. We therefore integrate key sustainability aspects into our daily work. For more information, see also page 17.

To us, responsible lending means promoting a sound financial situation and taking responsibility for reducing indirect impact on people and the environment that can arise through our customers’ businesses. Sustainability risks can rarely be separated from financial risks, so we conduct a sustainability analysis in connection with all business loan applications over SEK 5m. In the analysis we discuss general sustainability risks with the customer based on a risk assessment model with questions on human rights, the environment and climate change, taxes and corruption.

If the company is considered to have significant sustainability risks, and/or the amount applied for is too high for the employee in charge to grant, the case is forwarded to a credit committee for final decision.

Swedbank’s Sustainability and Ethics Council handles cases from the entire Group and gives recommendations on issues involving sustainability and ethics. In this way, every business area, by escalating cases to the Council, can receive support on issues involving the environment, business ethics, human rights and taxes.

As Sweden’s largest fund manager, we are in a position to influence the companies we invest in. We have chosen to advocate for sustainability and corporate governance on behalf of our investors. We invest in a large number of companies in Sweden and abroad. As part of our financial analysis, we identify their sustainability risks and opportunities for improvement. Certain companies are excluded for sustainability reasons, but our main principle is to remain an owner and try to have an influence.

Climate change affects our product and service development. Our Ethica sustainability funds do not invest in companies that produce coal, oil and gas. Moreover, we have signed the Montreal Carbon Pledge and committed to disclose the carbon footprint of our equity funds. This provides a level of carbon footprint transparency on the companies that our funds invest in. Green bonds, which are earmarked for sustainable development, have grown strongly in Sweden and internationally in recent years. We work with several independent institutions specialised in analysing and classifying green bonds. Through green bonds we have been issuing institute for financing international environmental projects with an aggregate value of nearly SEK 3.2bn in 2015.

Swedbank has zero tolerance for financial services that support nuclear weapons. Swedbank has adopted a Group-level policy on defence materiel that prohibits investment in and financing of nuclear weapons and applies to all markets where we operate. In addition, Swedbank never finances or facilitates exports of materiel or services to any country subject to the EU’s or UN’s sanctions.

Anti-corruption work is an important part of our commitment to financial stability and a sound financial market. Given the nature of our business, we face a number of corruption risks, for which we maintain a Group-wide anti-corruption programme. All employees receive mandatory training to learn to recognise transaction patterns, behaviours and situations that constitute or are associated with money laundering. Suspicions of bribes or corruption are reported directly to the compliance department through a whistleblower system that guarantees anonymity. Further more, Swedbank has signed the UN Global Compact, which includes a commitment to participate in the fight against corruption.

The financial industry plays a central role in stopping payments for child pornography. To prevent financial systems from being exploited for such purposes, Swedbank has been collaborating with other banks since 2009 in the Financial Coalition Against Child Pornography.

Internal sustainability work

Our goal, based on the 2010 emissions level, is to reduce our greenhouse gas emissions with 60 per cent by 2018. The main ways we are trying to achieve this are to increase the amount of renewable energy we purchase, reduce our air travel, cash handling and security transports, and promote digitisation through projects that focus on electronic storage and digital distribution of information.

Our new head office is built with the very latest environmental technology and has received the Sweden Green Building Council’s highest certification. Sedum has been planted on the roof to soak up rainwater and clean the air of pollutants. By using geothermal heating and cooling, the building is extremely energy efficient. Some of the surplus heat generated by our computers is also utilised for heating purposes. To further reduce energy consumption, automatic lighting and ventilation, which turn on when movement is detected, are used in the building.

As far back as 2003 Swedbank in Sweden became the first publicly listed bank in the Nordic region to receive international environmental management certification according to the ISO 14001:2004 standard.
Local commitment to integration and growth
Swedbank has a tradition of educating the public. We have 200 employees who lecture high school students on personal finances. In Estonia we were a partner in starting the portal “Back to School”, which encourages Estonians to donate their time and knowledge as guest lecturers in schools for a period of one year. Over 1,200 lectures have been held for 39,000 students throughout the country. Swedbank also actively participates in similar projects to promote education in Latvia and Lithuania.

Together with the Swedish Public Employment Service and the savings banks, we are working on a project called Young Jobs to help the unemployed break into the job market. In collaboration with our business network in Sweden we have created over 10,000 trainee positions for young people aged 18–24, which have given them valuable experience, references and internal training. Around 40 per cent of the over 1,000 young people who have completed a three-month traineeship within Swedbank and the savings banks have been offered some form of employment.

The “A Job at Last” initiative together with the Swedish Public Employment Service and the savings banks has provided over 150 people with a six-month traineeship at the bank, including validating their qualifications to match them with the right positions. The collaboration was expanded last autumn when several leading industrial companies adopted the “A Job at Last” model.

During the year Swedbank committed to helping those who have fled to Sweden. An important aspect for those persons is access to a bank account and banking services. Today a majority of those who receive introduction benefits are in our customer base. We therefore worked during the year with industry colleagues and authorities to make it easier for new arrivals to obtain information. Among the challenges are a lack of ID papers and laws that require us to know our customers. Collaboration is therefore in place between the authorities and local branches to resolve these issues. We provide information on banking services in 20 languages at swedbank.se and at our branches. Many of those who come to Sweden have experience running businesses, and we as a bank can play a crucial role in financing good business ideas.

Focus areas for 2016–2018
For us, sustainability is about building a sustainable banking business by factoring economic, environmental and social concerns into our business decisions. Our focus areas going forward are to reduce our direct CO2 emissions by 60 per cent compared with the emissions level in 2010, reduce our indirect climate impacts, support our customers in making sustainable choices, and continue to integrate sustainability in our business decisions.

Distribution of financial value creation 2015

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (SEK)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-deductible VAT</td>
<td>1,197m</td>
</tr>
<tr>
<td>Tax for the year</td>
<td>4,616m</td>
</tr>
<tr>
<td>Interest paid for other funding/financing</td>
<td>15,735m</td>
</tr>
<tr>
<td>Proposed dividend to shareholders</td>
<td>11,880m</td>
</tr>
<tr>
<td>Profits for the year reinvested in the bank</td>
<td>3,899m</td>
</tr>
<tr>
<td>Social insurance costs and pensions</td>
<td>2,827m</td>
</tr>
<tr>
<td>Deposit guarantee and stability fees, SEK 1,244m</td>
<td>7,093m</td>
</tr>
<tr>
<td>Payments to suppliers, home markets</td>
<td></td>
</tr>
<tr>
<td>Salaries and fees incl. shares in Swedbank, SEK 6,171m</td>
<td></td>
</tr>
<tr>
<td>Interest paid to the public (deposits), SEK 1,256m</td>
<td></td>
</tr>
</tbody>
</table>

See also the table on page 186.

1) Refers to non-deductible VAT expensed by Swedbank.
Customers and employees generate earnings

Together with other banks, Swedbank plays an important role in society to create growth and prosperity by ensuring an efficient flow of capital, goods and services. Through value-creating banking services, companies can grow, jobs are created and housing is financed.

- The banks have over 3.8 million Swish users among private customers and around 49,000 among corporate customers
- SEK 559bn in acquired transactions
- 85 per cent of retail payments in Sweden and up to 50 per cent of those in the Baltic countries are made conveniently by card.

1,450 million card purchases were made by Swedbank card in 2015

- 18% higher premium income in Baltic insurance business
- SEK 738bn in fund and insurance assets under management
- Private and corporate deposits of SEK 744bn

Finance

Efficient funding and competitive lending to businesses and private customers lay the groundwork for attractive investment opportunities and secure housing. Lending to private customers and companies is Swedbank’s core business.

- Mortgage lending of SEK 733bn
- Bond issues in SEK, NOK and EUR totalling SEK 147bn
- Corporate lending of SEK 502bn

Save/invest

Savings are converted to investments and provide an opportunity to spread risks between companies, sectors and time horizons. Savings are used to finance part of the bank’s lending and are therefore an important part of Swedbank’s core business.

Pay

Effective, technologically advanced payment solutions with a high level of security make day-to-day banking easier for many.
Stability creates value for owners and society

Low lending risk thanks to a broad and diversified customer base, together with market leading cost efficiency, generate stable profitability and a competitive return on our owners’ capital. Moreover, Swedbank is one of the best capitalised banks in Europe.

### Simplified income statement

<table>
<thead>
<tr>
<th>+ Our income</th>
<th>SEKm</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net interest income (interest income - interest expenses)</strong></td>
<td>22 993</td>
</tr>
<tr>
<td>Lending generates interest income. Interest expenses are incurred for deposits (savings) and the bank’s capital market funding.</td>
<td></td>
</tr>
<tr>
<td><strong>Net commission income</strong></td>
<td>11 199</td>
</tr>
<tr>
<td>Fees charged for services such as cards and payments, asset management, loan commissions, equity trading, insurance and corporate finance.</td>
<td></td>
</tr>
<tr>
<td><strong>Net gains and losses on financial transactions</strong></td>
<td>571</td>
</tr>
<tr>
<td>Result of the market valuation of lending, funding, currencies and securities held by the bank. Arises through trading in financial instruments by customers and the bank itself and as a result of valuation effects in the accounts, primarily from interest and exchange rate movements.</td>
<td></td>
</tr>
<tr>
<td><strong>Other income</strong></td>
<td>2 861</td>
</tr>
<tr>
<td>Share of result from associated companies, services sold to cooperating savings banks, net insurance, capital gains.</td>
<td></td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td>37 624</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>– Our expenses</th>
<th>SEKm</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Staff costs</strong></td>
<td>9 395</td>
</tr>
<tr>
<td>To develop the best services and give professional advice, we have to be a relatively personnel-intensive business dependent on attracting and developing people with the right skills as customer needs change.</td>
<td></td>
</tr>
<tr>
<td><strong>Other expenses</strong></td>
<td>6 938</td>
</tr>
<tr>
<td>An effective customer offering generates development, production and distribution expenses. IT expenses are incurred for development, systems and licences. Production expenses are to develop new and existing products and maintain product platforms. Distribution expenses through the retail network are significantly higher than when transactions are executed through digital channels.</td>
<td></td>
</tr>
<tr>
<td><strong>Credit impairments</strong></td>
<td>594</td>
</tr>
<tr>
<td>Credit impairments are natural for a bank and arise, for example, when a borrower cannot pay the interest or principal on their loan. All lending carries a risk. Assessing, monitoring and working proactively with credit risks are critical to minimise impairments.</td>
<td></td>
</tr>
<tr>
<td><strong>Tax</strong></td>
<td>4 625</td>
</tr>
<tr>
<td>Swedbank is one of the biggest corporate taxpayers in Sweden. Together with the country’s other banks, we account for about 10 per cent of total corporate income tax collected.</td>
<td></td>
</tr>
<tr>
<td><strong>Total expenses including impairments</strong></td>
<td>21 878</td>
</tr>
</tbody>
</table>

| = Our profit attributable to shareholders | 15 727 |

### Simplified balance sheet

<table>
<thead>
<tr>
<th>Our assets</th>
<th>SEKbn</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash and bonds</strong></td>
<td>351</td>
</tr>
<tr>
<td>Swedbank maintains a liquidity buffer in the form of cash and liquid securities to meet its commitments even if access to financing is closed for an extended period.</td>
<td></td>
</tr>
<tr>
<td><strong>Loans to the public</strong></td>
<td>1 414</td>
</tr>
<tr>
<td>About half of Swedbank’s lending to the public consists of mortgages in Sweden. Swedbank is one of the biggest lenders to private and corporate customers in its four home markets.</td>
<td></td>
</tr>
<tr>
<td><strong>Loans to credit institutions</strong></td>
<td>86</td>
</tr>
<tr>
<td>As part of the financial system, Swedbank also offers lending and deposits to other banks and credit institutions.</td>
<td></td>
</tr>
<tr>
<td><strong>Derivatives</strong></td>
<td>86</td>
</tr>
<tr>
<td>To protect the bank and its customers against unwanted movements in interest or exchange rates, for example, the bank uses and offers various types of derivatives, mainly swaps, which are reported on both the asset and liability sides of the balance sheet.</td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>2 149</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Our liabilities and equity</th>
<th>SEKbn</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Deposits</strong></td>
<td>748</td>
</tr>
<tr>
<td>Customer deposits finance a significant share of lending. Swedbank has a large, stable base of deposits in its home markets.</td>
<td></td>
</tr>
<tr>
<td><strong>Capital market funding</strong></td>
<td>827</td>
</tr>
<tr>
<td>Lending not financed with deposits is funded through the capital markets. Swedbank’s market financing is almost exclusively long-term and mainly consists of covered bonds.</td>
<td></td>
</tr>
<tr>
<td><strong>Derivatives</strong></td>
<td>69</td>
</tr>
<tr>
<td>See comment under assets above.</td>
<td></td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>123</td>
</tr>
<tr>
<td>The rules on how much capital a bank must maintain have been tightened to ensure that it can continue to operate even under unfavourable conditions.</td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities &amp; equity</strong></td>
<td>2 149</td>
</tr>
</tbody>
</table>

### Earnings distribution

- **75 per cent of profit is distributed as a dividend to shareholders, who demand a competitive return on the capital they invest.** The remaining 25 per cent is allocated to an equity buffer in the balance sheet to handle economic slowdowns and to finance future investments to increase customer value and create opportunities for growth.
- **Dividend**
- **Equity**
Stable result in volatile market

Our focus on improving customer value, increasing efficiency and integrating Sparbanken Öresund produced results during the year. Despite a challenging operating environment, we exhibited stability in our earnings, while continuing to build capital, positioning us well to take on a world in change.

The result for the year decreased by 4 per cent to SEK 15 727m (16 447), mainly due to lower net gains and losses on financial items at fair value and a one-off tax expense in the second quarter 2015. Income and expenses both decreased. Changes in exchange rates raised profit by SEK 16m, mainly because the Swedish krona depreciated on average against the euro during the year. The return on equity fell to 13.5 per cent (15.0), affected equally by a lower result and a larger capital base. The cost/income ratio improved to 0.43 (0.45). Profit before impairments decreased by 2 per cent to SEK 21 291m (21 702). Profit rose in Swedish Banking and Baltic Banking. Profit in LC&I and Group Treasury within Group Functions & Other fell.

Income decreased by 4 per cent to SEK 37 624m (39 304), mainly in Group Treasury within Group Functions & Other due to lower net gains and losses on financial items at fair value. Income increased in Baltic Banking and was stable in Swedish Banking. In 2014 Swedish Banking had one-off income mainly related to the acquisition of Sparbanken Öresund. Income decreased in LC&I. Net interest income and commission income were stable. Net gains and losses on financial items at fair value and other income fell. Changes in exchange rates increased income by SEK 135m.

Profit before impairments by business segment excl. FX effects

<table>
<thead>
<tr>
<th>SEKm</th>
<th>2015 Full-year</th>
<th>2014 Full-year</th>
<th>∆ SEKm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swedish Banking</td>
<td>12 564</td>
<td>11 933</td>
<td>631</td>
</tr>
<tr>
<td>Baltic Banking</td>
<td>3 806</td>
<td>3 693</td>
<td>113</td>
</tr>
<tr>
<td>Large Corporates &amp; Institutions</td>
<td>4 141</td>
<td>4 337</td>
<td>-196</td>
</tr>
<tr>
<td>Group Functions &amp; Other</td>
<td>780</td>
<td>1 780</td>
<td>-1 000</td>
</tr>
<tr>
<td>Total excl. FX effects</td>
<td>21 291</td>
<td>21 743</td>
<td>-452</td>
</tr>
<tr>
<td>FX effects</td>
<td>-41</td>
<td>41</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>21 291</td>
<td>21 702</td>
<td>-411</td>
</tr>
</tbody>
</table>

Net interest income positively affected by higher lending volumes

Net interest income rose by 2 per cent to SEK 22 993m (22 642). Group Treasury’s net interest income improved, benefiting from falling market interest rates. Net interest income increased somewhat within Swedish Banking. Lower market interest rates adversely affected deposit margins, while increased lending volumes and higher mortgage margins contributed positively. Net interest income increased within Baltic Banking. Net interest income decreased within LC&I due to lower deposit margins. Higher stability fund fees reduced net interest income by SEK 64m. Changes in exchange rates raised net interest income by SEK 81m.

Before

After

Profit before impairments decreased by 2 per cent to SEK 21.3bn. The decrease was mainly due to lower net gains and losses on financial items at fair value.

Swedbanks’ profit from continuing operations amounted to SEK 15.7bn, a decrease of 6 per cent.

Net interest income increased by 2 per cent. Increased volumes and improved margins on mortgage lending contributed positively, while deposit margins were pressured by falling market interest rates.
Increased income from cards and insurance

Net commission income was stable at SEK 11 199m (11 204). Insurance related income and card and lending commissions contributed positively, while income from corporate finance and payment commissions fell, the latter due to Lithuania’s euro transition and a positive one-off item of SEK 35m in 2014. Asset management commissions were stable. Higher average assets under management due to higher share prices during the year contributed positively, while price cuts on fund fees had a negative effect.

Negative revaluations effects due to repurchases

Net gains and losses on financial items at fair value fell to SEK 571m (1 986). The decrease is mainly due to a lower result in Group Treasury within Group Functions & Other caused by negative valuation effects from covered bond repurchases and increased credit spreads. Net gains and losses on financial items within LC&I were stable.

The sale of the property portfolio continues

Other income decreased by 18 per cent to SEK 2 861m (3 472). Income decreased in Swedish Banking and Group Functions & Other, but increased in other business segments. Swedish Banking recognised one-off income of SEK 461m in 2014 related to the acquisition of Sparbanken Öresund. Within Group Functions & Other income from repossessed assets decreased as the property portfolio was sold off.

Lower costs on the back of increased efficiency

Expenses decreased by 7 per cent to SEK 16 333m (17 602). The biggest decrease was in Swedish Banking. The decrease was due to one-off expenses of SEK 615m that were recognised in connection with the acquisition of Sparbanken Öresund in 2014, but also due to efficiencies. Expenses decreased in Group Functions & Other mainly as a result of efficiency improvements, but also because of one-off expenses in 2014 related to the move of the head office. Expenses decreased within Baltic Banking and LC&I. Changes in exchange rates increased expenses by SEK 94m. The number of full-time employees decreased. The biggest decrease was in Swedish Banking due to increased efficiencies and digitised processes, as well as the integration of Sparbanken Öresund. The number of employees also decreased within Baltic Banking and Group Products within Group Functions & Other. The number of full-time employees rose somewhat in LC&I.

Impairments for IT weighed on yearly result

Impairment of intangible assets increased to SEK 254m (1) and consisted of an IT system writedown within Group Products and the writedown of a previously acquired asset management assignment. Impairment of tangible assets decreased to SEK 72m (256) as a result of a smaller property portfolio.

Net commission income, SEKm

<table>
<thead>
<tr>
<th>Year</th>
<th>Payment processing</th>
<th>Asset management</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>8 000</td>
<td>4 500</td>
<td>2 500</td>
</tr>
<tr>
<td>12</td>
<td>8 500</td>
<td>4 700</td>
<td>2 800</td>
</tr>
<tr>
<td>13</td>
<td>9 000</td>
<td>5 000</td>
<td>3 000</td>
</tr>
<tr>
<td>14</td>
<td>9 500</td>
<td>5 300</td>
<td>3 300</td>
</tr>
<tr>
<td>15</td>
<td>10 000</td>
<td>5 600</td>
<td>3 600</td>
</tr>
</tbody>
</table>

Net commission income was stable during the year. Higher average assets under management due to higher share prices during the year contributed positively, while price cuts on fund fees had a negative effect.

Expenses, SEKm

<table>
<thead>
<tr>
<th>Year</th>
<th>Staff costs</th>
<th>IT expenses</th>
<th>Other expenses</th>
<th>Cost/income ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>20 000</td>
<td>5 000</td>
<td>7 000</td>
<td>0.75</td>
</tr>
<tr>
<td>12</td>
<td>20 500</td>
<td>5 500</td>
<td>7 500</td>
<td>0.70</td>
</tr>
<tr>
<td>13</td>
<td>21 000</td>
<td>6 000</td>
<td>8 000</td>
<td>0.65</td>
</tr>
<tr>
<td>14</td>
<td>21 500</td>
<td>6 500</td>
<td>8 500</td>
<td>0.60</td>
</tr>
<tr>
<td>15</td>
<td>22 000</td>
<td>7 000</td>
<td>9 000</td>
<td>0.55</td>
</tr>
</tbody>
</table>

Total expenses fell by 7 per cent to SEK 16.3bn due to efficiency improvements and one-off expenses related to the acquisition of Sparbanken Öresund in 2014.

Loans to the public, SEKbn

<table>
<thead>
<tr>
<th>Year</th>
<th>Corporate</th>
<th>Private</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>1 100</td>
<td>400</td>
</tr>
<tr>
<td>12</td>
<td>1 200</td>
<td>500</td>
</tr>
<tr>
<td>13</td>
<td>1 300</td>
<td>600</td>
</tr>
<tr>
<td>14</td>
<td>1 400</td>
<td>700</td>
</tr>
<tr>
<td>15</td>
<td>1 500</td>
<td>800</td>
</tr>
</tbody>
</table>

Lending increased by 3 per cent to SEK 1 371bn. Lending to mortgage customers in Sweden contributed the most.
**Asset quality remained good**
Credit impairments increased to SEK 594m (419) mainly as a result of a large provision for a single commitment within Swedish Banking in the fourth quarter. LC&I reported lower credit impairments, while Baltic Banking reported additional recoveries.

**Higher tax due to one-offs**
The tax expense amounted to SEK 4 625m (4 301), corresponding to an effective tax rate of 22.7 per cent (20.5). During the second quarter the effective tax rate was affected by one-off items in the Estonian and US operations. During the fourth quarter the effective tax rate was affected by a pending reduction in the corporate tax rate in Norway. Excluding these items, the effective tax rate would have been 20.6 per cent. As previously estimated, the effective tax rate is expected to be 19–21 per cent in the medium term. The result from discontinued operations amounted to SEK –6m (–262). A reclassification of SEK –223m was recognised in 2014 to wind down the Russian operations.

**Increased capital**
The Common Equity Tier 1 capital ratio strengthened during the year to 24.1 per cent (21.2). The increase was the result of solid earnings generation and a reduced risk exposure amount (REA).

**The dividend proposed is SEK 10.70**
The dividend proposed by the Board of Directors is SEK 10.70 (11.35) per share for the financial year 2015. This corresponds to a dividend ratio of 75 per cent.

**Other events**
Swedbank Franchise’s previous acquisition of Svensk Fastighetsförmedling from DnB Bank was unwound in March, after which most of the franchisees in Svensk Fastighetsförmedling acquired the company. At the same time Swedbank AB signed a cooperation agreement with Svensk Fastighetsförmedling. The agreement broadens Swedbank’s network of real estate brokers. During the first quarter Swedbank divested the subsidiary Juristbyrån AB to Familjens jurist AB. Through a cooperation agreement with Familjens jurist, Swedbank will continue to offer advisory services in private and family law, now with a wider offering and a broader geographic reach. The acquisition is approved by the Swedish Competition Authority (Konkurrensverket).

In December 2014 the Swedish Shareholders’ Association (Aktiespararna) submitted a claim to the National Board for Consumer Disputes (ARN) against Swedbank Robur. Aktiespararna claimed that two funds, Allemansfond Komplett and Kapitalinvest, were not actively managed for an extended period and that Swedbank Robur therefore should repay a portion of the management fee. Swedbank countered that it has been an active manager and has been clear in explaining its management approach and the fees it charged. On 1 July ARN rejected the...
result in a capital gain of about SEK 500m in 2016, after the shares. For Fastighetsbyrån’s owner, Swedbank, the sale will be extra ordinary 8 per cent of the shares. Fastighetsbyrån will sell all these shares in Hemnet and through an option will acquire an additional 15 per cent of the shares in Hemnet.

On 14 December the head of the LC&I business segment, Magnus Gagner Geeber, left Swedbank. Björn Meltzer was appointed acting head of LC&I. Recruitment of a new head of the business segment has begun.

On 2 November Visa Inc. announced its intention to acquire Visa Europe Limited, conditional on regulatory approval, which is expected at the earliest in the second quarter of 2016. Swedbank is a member of Visa Europe and part-owner of Visa Sweden Ekonomisk Förening, Visa Sweden Ekonomisk Förening in turn is a group member of Visa Europe. Through its membership, Swedbank would receive a portion of the proceeds from the anticipated acquisition, consisting of cash and preference shares in Visa Inc. In addition, Swedbank could receive an additional purchase price consideration. Swedbank currently estimates its income at EUR 140m – EUR 180m, based on a preliminary calculation of the cash proceeds and preference shares. There is still uncertainty how high the amount could eventually be depending on, among other factors, allocation calculations and the value of the preference shares. Moreover, Swedbank’s shares in Visa Sweden Ekonomisk Förening are not transferable. Due to the many uncertainties surrounding the transaction, the limits associated with the holding and the amount it could receive, Swedbank’s right to a portion of the proceeds from the transaction was not recognised as a receivable or an increase in the value of the shares in Visa Sweden Ekonomisk Förening in 2015. Provided that regulatory approval is received, Swedbank will post a positive one-off effect in 2016 as a result of the acquisition.

On 21 December the Norwegian media group Schibsted announced that it was acquiring the housing site Hemnet. An agreement was signed by all the owners, whereby Schibsted will buy 80 per cent of Hemnet, based on a company value of SEK 1.5bn. Fastighetsbyråns currently owns 34 per cent of the shares in Hemnet and through an option will acquire an additional 8 per cent of the shares. Fastighetsbyråns will sell all these shares. For Fastighetsbyråns owner, Swedbank, the sale will result in a capital gain of about SEK 500m in 2016, after the acquisition has been approved by the Swedish Competition Authority.

**Events after December 31 2015**

On February 9 2016, the Board of Directors of Swedbank and Michael Wolf have reached an agreement that Mr Wolf will step down as President and CEO. The change was made on the Board’s initiative. Swedbank’s Board has appointed Birgitte Bonnesen as Acting CEO. She will also remain in her position as Head of Swedish Banking. A recruitment process has been initiated and a new CEO will be presented as soon as possible. Under the terms of his contract Michael Wolf will receive 75 per cent of his salary during the 12-month notice period and a severance payment of an additional 75 per cent of his salary for 12 months. Michael Wolf’s current annual salary is SEK 13m. A deduction against salary and severance pay is made for income earned from new employment.

On February 12 2016, Swedbank confirmed that the bank has submitted a report to the Swedish Financial Supervisory Authority under the reporting obligation rules in the Swedish Market Abuse Act. The reason for this is that the bank has identified transactions which “may be assumed” to constitute a criminal offence. The person who has carried out the transactions is the bank’s former CEO Michael Wolf. The report has been forwarded by the Financial Supervisory Authority to the Swedish Economic Crime Authority, which is the authority that has decided to initiate a preliminary investigation. The bank will fully cooperate with the authorities concerned. The reporting obligation rules include a prohibition on disclosure, meaning that the bank cannot disclose to the individual in question or any third party that reporting has taken place. The bank has concluded, however, that the confirmation now made by the bank, due to statements in media, does not harm the investigation and the confirmation has been preceded by contact with the authorities concerned.

On February 15 2016, Swedbank has closed an agreement with Pembroke Real Estate on a lease of 800 workplaces on Sveavägen 14 in central Stockholm for LC&I. The move is planned for Q1 2017 and means that the planned move of employees from Essingen to the headquarters in Sundbyberg takes a step forward. The signing follows the decision taken by the General Executive Committee (GEC) to move employees within IT currently working from offices on Stora Essingen to the headquarters in Sundbyberg as their current lease expires.

To create room at the headquarters and moving IT closer to the business operations, the larger part of Large Corporates & Institutions (LC&I) will move in to new premises in the centre of Stockholm.
Well-positioned for the future

Many new customers gained access during the year to Swedbank’s broad product range and popular Mobile and Internet Bank. By investing more in interactions with customers, we are shaping the bank of the future.

Digitisation increases the need for availability

Low interest rates and demographic changes were critical factors in 2015. Swedish Banking was mainly affected, however, by rapid digitisation, which has led to changing customer needs, greater demands on availability and cost pressure.

At the same time this development offers economies of scale and the possibility of better targeted offerings through the analysis of customer data. Digitisation also allows us to interact with customers more often. Considerably fewer customers – individuals and businesses – visit a branch today, instead preferring to bank digitally. The further digitisation progresses in various industries, the higher the demands will be on digital banking. This is positive for us, since it means that we are constantly move forward. Our goal is to make it easy to be a Swedbank customer. This is why we are modifying processes, making sure that we have the right competencies in place and working the right way when meeting customers in various channels. Branches will continue to play an important role, including as a branding vehicle in the local community, but also to provide customers with advice. This is especially true of our corporate business, where the requirements are usually more complex.

“Being a bank for everyone has never been more right than now. Our large, broad customer base uniquely positions us in the paradigm shift we are in and makes it easier to meet the needs of many customers at the same time.”

Birgitte Bonnesen, Acting CEO and Head of Swedish Banking

Stronger offering for private and corporate customers

To strengthen our offering for private and corporate customers, we have established customer committees. Their purpose is to draw attention to changes in customers’ financial needs and ensure that development potential is being tapped. Expectations from customers are driving continuous development and improvements to our digital offering. For example, we have improved the Mobile Bank for corporate customers, who can now obtain information on incoming bank giro payments and access IBAN and BIC (international identification code) numbers, making it easier to manage foreign payments. For private customers, we have released a beta version of our new digital bank, to which we will be adding new functions in 2016. Digitisation at the same time gives us new opportunities to analyse customer preferences and needs, which makes it easier to create relevant and individualised offerings.

The number of Mobile Bank users increased to 2.5 million, or by 24 per cent, in 2015. Customer satisfaction with our digital channels remains high, and Swedbank was ranked as the world’s best bank in terms of customer service in social media in 2015, according to Social Bankers.

The growing debt burden among Swedish households was again an issue in 2015. To help our customers stay financially sound, we introduced stricter lending requirements and tightened amortisation guidelines during the year. Pricing was reviewed as well to make sure it is risk adjusted and based on each customer’s personal situation. In consumer finance we try to help customers reduce interest expenses by consolidating their loans in one place, which also gives them greater control over their finances. A key reason for the increased indebtedness is the housing shortage in many growing areas. In these locations we have brought together municipal leaders, construction and real estate companies, academia and other local businesses to roundtable discussions on what can be done together to increase the housing stock and expand infrastructure.

During the year Swedbank reduced its fund fees to create a more attractive offering, partly in reaction to the low interest rate environment. Customers’ risk appetite dropped during the year, and our advice under the circumstances was more focused on savings with lower risk. One result has been increased sales of structured products, where we are the market leader in SPAX equity-linked bonds in Sweden.
Targeted measures to automate processes
A challenge for our retail business is that customers often have more than one bank. This is currently true of nearly half of all Swedes. Major resources are therefore being devoted to further improving our offering. More functions and services are being launched digitally, and we offer attractive pricing that is among the best in every area.

Increased competition from new digital players also requires a greater focus on cost efficiency in order to maintain competitive offerings.

We are automating processes and creating economies of scale as well. One example is the work we have begun to digitalise the mortgage lending process, which will initially reduce the manual labour involved in mortgage conversions, at the same time that customers will notice that it is easier and more convenient to lock in mortgages using our mobile app or by computer.

Successful integration of Sparbanken Öresund
After its acquisition in 2014, the integration of Sparbanken Öresund with our other operations has been a key to building a stronger position in southern Sweden, an important growth region. Last autumn 100,000 customers were transferred from Sparbanken Öresund to Swedbank’s system and another 100,000 to partly owned Sparbanken Skåne. Our new customers now have access to a broader product range, a better Mobile and Internet Bank, and increased availability thanks to added customer support and more generous opening hours.

Financial overview
The result improved to SEK 9,521m, compared with SEK 9,280m in 2014. Income was pressured by lower deposit margins and because 2014 included one-off income related to the acquisition of Sparbanken Öresund. Expenses fell due to lower staff costs and because 2014 included large one-off items.

Net interest income increased by 1 per cent compared with 2014. Higher lending volumes and increased mortgage margins on both new lending and the portfolio as a whole increased net interest income. This was offset by lower market interest rates, which adversely affected deposit margins. In total, household mortgage volumes increased by 6 per cent, from SEK 640bn to SEK 675bn during the year. Corporate lending rose by 1 per cent or SEK 3bn during the year. Household deposit volumes increased by SEK 24bn from the beginning of the year. Corporate deposits within Swedish Banking increased by SEK 17bn.

Net commission income rose by 3 per cent in 2015 compared with the same period in 2014. The increase was mainly due to higher income from equity trading and structured products as well as card and payment commissions resulting from higher volumes. Asset management commissions decreased, mainly affected by price cuts on fund fees.

The share of associates’ profit decreased compared with the previous year, mainly due to one-off income in 2014 of SEK 230m related to Entercard.

Other income was lower than in the previous year due to one-off income in connection with the acquisition of Sparbanken Öresund.

Expenses decreased in 2015 mainly due to lower staff costs and one-off items related to the acquisition of Sparbanken Öresund, which contributed to higher expenses in 2014. The increased focus on cost efficiencies also reduced expenses, mainly related to staff.

Credit impairments remained low but increased compared with 2014 and amounted to SEK 482m, corresponding to a credit impairment ratio of 0.05 per cent. The share of impaired loans was 0.17 per cent (0.15) as of 31 December.

Focus areas 2016
Efforts to increase customer value, employee engagement and efficiency will continue in 2016. The focus will mainly be on improvements in customer meetings and services for both private and corporate customers. We will continue to incorporate the same range of services in all our channels, so that customers can choose wherever they want to bank digitally, by phone or at a branch. To support this, we are improving access to the Telephone Bank through extended hours. The goal to be a full-service bank for private customers and companies remains unchanged. In 2016 we will further increase transparency in our pricing and improve our offerings in insurance, consumer finance, savings and pensions.
Our Baltic customers demand availability and modern banking services

Led by a comprehensive digital offering, Swedbank has built a strong position in the Baltic countries. To be even more competitive, we are now improving our customer analysis capabilities through smart, efficient data management.

Positive economic trends
The Baltic economies continued to grow in 2015 at the same time that customers strengthened their financial situation. Exporters have successfully found new markets in Europe and their economic ties to Russia have loosened.

Demand for retail banking services grew in 2015 thanks to an improved job market and low inflation. Despite this, income levels are still lower in the region than the rest of Europe and the market for banking products has a lower level of maturity.

Among other things, most savings today are in savings accounts, while card usage and demand for insurance products are on the rise. This creates good opportunities to further develop our business and our offering of modern banking services.

The negative interest rate environment creates challenges for our business model, however, putting pressure on earnings. In addition, new regulations require further IT investments and create greater complexity. Increased regulatory requirements also raise the costs of traditional banking services, while companies from outside financial services are becoming more active in some of our product areas.

“In the Baltic region we have been successful in analysing customer data, so that we can create better offerings and be more proactive in the dialogue with customers.”

Birgitte Bonnesen, Acting CEO and Head of Swedish Banking

Increased customer value
As a result of digitisation, branches are being used more for advanced advice, and basic banking transactions are being handled more conveniently through digital solutions in the Mobile and Internet Bank. In 2015, for example, the number of Mobile Bank logins rose by 54 per cent and around 40 per cent of new sales to private customers were digital.

We are therefore transforming our retail network and moving to locations with higher customer traffic, at the same time that a new type of advisory office is being developed. To meet customers' needs, we have strengthened our presence in rural areas. We also offer easily accessible, modern solutions for the Mobile Bank, Internet Bank and our advisory centres, including advice by phone and chat. Customers now can get small loans with preset limits directly through the Mobile Bank, and corporate customers are able to use digital signatures. We have begun developing a solution for mobile identification and signatures as well.

We are applying a structured approach to analysing and utilising customer data in order to provide each customer with the best relevant offer. In addition, customer records are analysed to see when and why they contact the bank during various periods and stages of life.

A new service model for small businesses, with advisory centres instead of physical meetings as the primary means of contact, allows us to reach more customers than before while also improving availability. We can therefore proactively assist twice as many customers at the same time that product sales have increased. Moreover, access to financing for small companies has improved through more efficient decision-making processes.

Because customers increasingly use our digital services, they require a different skill set from the bank’s employees. Many, for example, need support when they begin using the digital self-service tools at our branches. We are therefore broadening employees’ digital and teaching skills and learning them how to provide advice in channels other than the traditional branch. Advice is often more complex when customers expect both their personal and business banking needs to be met at the same time.

In an annual survey of “Most Loved Brands”, Swedbank ranked fourth in the Baltic countries. We received the highest score among financial institutions and maintained the same strong position as last year.

Increased efficiency
We work continuously to improve efficiency. The priority during the year was to increase sales with the same amount of resources. Sales of our core products such as mortgages, credit cards, insurance and consumer loans rose by 24 per cent at the same time that teller transactions in branches fell by 32 per cent.

Interaction with customers increased despite a decrease in branch visits of 21 per cent, as customers transitioned to a greater degree to our digital solutions. To increase efficiency, we are also replacing our ATMs with new, more efficient models that accept both deposits and withdrawals.

Swedbank ranked 4th in a survey of “Most Loved Brands”
In 2015 we implemented an organisational change to further improve coordination and cooperation between the three Baltic countries. The aim is to strengthen oversight and monitoring by creating two distinct segments for private and corporate customers as well as a separate organisation to manage our various meeting places (digital solutions, branches and advisory centres), which serve both private customers and businesses.

“The acquisition further strengthens Swedbank’s position as the largest universal bank in the Baltic countries.”

Priit Perens, Head of Baltic Banking

Stronger market position through acquisition of Danske Bank’s retail banking business

During the year Swedbank agreed to acquire Danske Bank’s retail banking business in Lithuania and Latvia. The acquisition comprises around 120 000 private customers in Lithuania and 7 000 in Latvia, who will have access to Swedbank’s broad-based offering. The deal requires the approval of regulatory authorities in Lithuania and Latvia.

Financial overview

Profit amounted to SEK 2 460m, a decrease of 23 per cent compared with 2014. The decline is due to a higher tax expense caused by an extra dividend from the Estonian sub-group in the second quarter.

Net interest income in local currency decreased by 1 per cent during the year. Lower market interest rates put pressure on deposit margins. Margins were stable in the mortgage portfolio, but slightly higher on new lending. Higher consumer finance volumes contributed positively at the same time that tight competition and better credit quality squeezed margins in corporate lending. Resolution fees for 2015 reduced net interest income by SEK 64m. Lending volumes increased by 2 per cent in local currency compared with 31 December 2014, driven by higher consumer confidence. Deposit volumes increased by 8 per cent in local currency during the year.

Net commission income in local currency increased by 2 per cent during the year. Higher customer activity strengthened card-related commissions, and the number of card transactions rose by 12 per cent. At the same time net commission income was negatively affected by the new regulation on interchange fees that took effect in December. Payment commissions were negatively affected during the year by Lithuania’s transition to the euro and the reversal of a previous fine (SEK 35m) in 2014.

Net gains and losses on financial items at fair value decreased by 18 per cent in local currency during the year. The decrease was mainly due to lower income from the Lithuanian FX trading business as a result of the euro adoption.

Other income increased by 11 per cent in local currency compared with 2014. Income increased due to higher insurance-related income.

Total expenses decreased by 4 per cent in local currency during the year, mainly as a result of lower expenses for premises, consultancy and IT. Staff costs rose due to wage inflation, as it has become more difficult to find qualified staff.

Credit quality remained stable despite market uncertainty. Swedbank continued to focus on stable customers with low risk. Baltic banking reported net recoveries of SEK 172m during the year. The situation in Russia has not had a financial impact. The sectors most affected by the Russian recession are agriculture and transport. Swedbank’s direct or indirect exposures to these sectors are limited. Swedbank continues to take preventive measures to help customers who could be affected by the situation in Russia.

The tax expense increased during the year to SEK 1 510m (565), mainly due to an extra dividend from the Estonian sub-group in the second quarter, which resulted in an extra tax expense of SEK 929m.

Focus areas for 2016

In order to offer better targeted, value-added services to private customers, we will improve our analysis and use of customer data in 2016. At the same time we are developing new offerings and solutions. For small and medium-sized corporate customers, the focus is on digitising our offerings, while improving service and advice is the priority for larger customers. We will also continue to work with local authorities to increase financial transparency among small and medium-sized businesses to better support their investment needs and help both companies and the national economies to grow.
A sustainable large corporate business

Despite a challenging macroeconomic environment, LC&I strengthened its position in 2015. By combining a customer-centric strategy with improvements to our IT infrastructure, we are growing as a modern commercial bank.

A market in change
Volatility in the financial markets was again high in 2015. Commodity prices fell during the year, affecting Norway’s oil-dependent sectors in particular. In Sweden the Riksbank maintained its expansionary monetary policy with record-low interest rates affecting customer behaviour and market movements. Digitisation is also changing how customers behave, at the same time that new regulations are speeding up the banking market’s transformation. One example is the directive on markets in financial instruments (MiFid II), which includes new reporting requirements on customer trading and financial advice.

For LC&I, macroeconomic conditions and digitisation create a number of opportunities, but also introduce higher demands in terms of efficiency and innovation. We are working to ensure that we remain competitive in both the short and long term.

Improved customer value
Deposit volumes increased during the year despite low market interest rates, which reflects relatively good liquidity and low investor appetite in several sectors. Deposit demand was stable with the highest growth in the retail and energy sectors.

“In a highly competitive market we continue to grow our corporate business. The strategy to specialise in prioritised sectors has produced results, and we are continuing to develop the strategy to further build our business.”

Björn Meltzer, Acting Head of Large Corporates & Institutions

Closer customer relationships were a priority during the year and much of the work was focused on proactively dialoguing with customers. In a low interest rate environment customers and investors tend to chase higher returns and new investment alternatives, which has benefitted the stock market. Business with the bank’s retail customers grew significantly, especially the share through digital channels. We continue to develop our digital offering, an example of which is the bank’s online platform for equity trading, which has been expanded with more product information and new functionality. The number of transactions through this service reached a record high, up 39 per cent from the previous year. To meet growing demand for digital services from corporate customers, several popular services are being adapted from the private customer business, such as Swish. A key component in our corporate business is cash management. In the Swedish market Swedbank is the leader in payments, and we are currently expanding our offering to include standardised cash management for customers with multinational operations.

Concerns about weaker macroeconomic performance led during the second half-year to a lower risk appetite, higher interest rate differentials and lower liquidity in the bond market. The increasing volatility contributed to higher customer activity in the fixed income and FX markets. The negative repo rate also contributed to a high level of customer activity in fixed income trading, where many investors chose to hedge rates.

Swedbank remains a leader in capital issuance in Sweden and the third largest player in Norway. To meet demand for diversified financing, the bank has also tapped the euro market, where growth has been rapid and Swedbank today is one of the leading issuers in Finland. One result is an increase in customer satisfaction, as reflected by Swedbank’s stronger position in Prospera’s customer survey on bond issues and FX trading.

The Norwegian economy was marked by uncertainty about commodity prices, which contributed to lower issuance volumes. M&A and corporate restructuring activity was higher.
“We can transition more of our business to customer groups with more complex needs, especially on the corporate side, where our advice and expertise have a big impact on the end result.”

Birgitte Bonnesen, Acting CEO and Head of Swedish Banking

By offering a broad range of services to meet customer needs and demand for diversified financing and financial products, Swedbank reduces its exposure to individual sectors. The real estate sector represents the biggest commitment, but the business is well diversified and includes advice on funding and M&A as well as transaction services and traditional financing.

**Increased efficiency**

LC&I’s business is built on advice, where the strategy to grow with existing customers and only selectively expand the customer base has reduced sensitivity to competition. At the same time the trend towards greater complexity, along with rapid IT transformation and new regulations, has created more cost pressure. During the year we improved efficiency in part by transferring processes and units that do not have customer contact from Sweden to the Baltic countries.

**Financial overview 2015**

Profit amounted to SEK 3,227m for the full-year, an increase of 3 per cent compared with 2014. The improved result is mainly due to lower credit impairments compared with the previous year as well as a positive tax effect.

Net interest income decreased by 2 per cent in 2015 to SEK 3,428m. Lower deposit margins were partly offset by higher average lending volumes and origination fees. Margins in the lending portfolio were stable. Lending volumes increased by 4 per cent in 2015 to SEK 182bn (175). Credit demand was low during the second half-year due to continued good liquidity among large corporate customers, coupled with relatively low investments. Deposit volumes increased by 14 per cent during the year to SEK 121bn as a result of higher on-demand deposits in the fourth quarter. Due to the negative interest rates, Swedbank charges financial institutions for deposits in a few currencies.

Net commission income decreased by 9 per cent in 2015 to SEK 2,025m. The decrease mainly related to lower income from bond issues in Norway and from fewer IPOs and preference share issues in Sweden. Net gains and losses on financial items at fair value decreased by 2 per cent compared with the previous year. Total expenses decreased by 1 per cent compared with 2014. Staff costs increased as a result of additional hirings.

The tax expense amounted to SEK 630m for 2015. The second quarter was positively affected by a one-off item of SEK 230m related to the US operations.

Credit impairments amounted to SEK 284m in 2015 (381). The year’s credit impairments were primarily attributable to increased provisions during the second half-year for a small number commitments. The share of impaired loans was 0.37 per cent (0.22). Credit quality in the loan portfolio is good. At the end of the fourth quarter oil prices fell to historically low levels, and the investment level in the sector is expected to remain low for some time. Since Swedbank expects weakness in the market to continue in 2016, it is likely to lead to the need for provisions. Companies in oil-related sectors continue to take measures to adjust to the low prices and lower investment level in the oil sector. Swedbank is closely dialoguing with customers in these sectors, which mainly consist of listed companies with high credit ratings and long-term customer contracts.

**Focus areas 2016**

To ensure the sustainability of the business, we will focus on the large corporate segment and on supporting the bank’s offering for private customers and small businesses. At the same time we will continue to apply a customer-centric approach, including through better process control. When operations are tracked based on processes rather than organisational units, more attention is given to what we deliver to the customer, which often involves multiple product and service areas. This makes it easier to deliver the highest possible quality to each customer. We will also modify our systems to more extensive regulatory requirements and at the same time build a modern IT infrastructure that facilitates even better product delivery in the future.

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**Total income 2015 by source of income**

- **Net interest income**: 45.8%
- **Net gains and losses on financial items**: 25.3%
- **Net commission income**: 27.0%
- **Other income**: 1.9%

Swedbank Annual Report 2015
Digitisation and regulation require new product solutions

Group Functions & Other consists of the product organisation Group Products and business support units.

Group Products

Group Products was established to increase efficiency in the development and maintenance of Swedbank’s products and to ensure that the customer offering is relevant, competitive and of high quality. The focus is on harmonising and digitising the processes for every product and making them more efficient. Among other things, the number of products is being reduced to make it easier for customers as well as to increase cost efficiency.

Wider fund selection and increased availability

Increased digitisation and regulatory changes have contributed to greater transparency and competition in the areas of lending, savings and payments. As a result, savings, for example, have become easier to transfer between providers, and customers are now reacting faster to market changes than ever before. Many savings products are becoming more standardised as well, which is causing price pressure.

To strengthen the savings offering, management fees were reduced on 23 actively managed equity funds and 11 mixed funds in 2015. Management performance improved as well. In addition, a new policy on responsible investments was adopted, which began to be implemented by the funds last autumn. First and foremost it encourages companies to act sustainably, but also excludes those that do not meet sustainability criteria.

In 2015 Swedbank continued to make its payment products available digitally. The aim is to give companies and private customers more ways to benefit from the mobility that digitisation offers.

To simplify for retailers, we launched an e-trading portal in 2015 that allows them to accept various payment methods through a single administrative process. We have also begun to launch Masterpass, which allows consumers to shop online in a simple, secure way by mobile phone.

The development of Swish, whose success is largely due to its simplicity, is also part of the work.

During the year a card acquiring agreement was signed with S Group, Finland’s largest network of retail and service companies, making Swedbank the acquiring bank for a large number of Finnish stores and giving us a platform for further expansion in the Finnish market.

Increased efficiency

To increase cost efficiency between our four home markets, we launched a process during the year to transfer services from Sweden to the Baltic countries, so-called nearshoring, in our asset management operations. We also reduced the number of available funds, making it easier for customers while improving administrative efficiency.

In payments and cards we continued to make our products more widely available digitally. We also improved efficiency in our data processing routines, which led to a reduction in IT costs of more than 10 per cent per card payment at the same time that our system handles a much higher volume of transactions than in 2014. A new computer system was installed as well to automatically add new stores that want to accept our cards. This reduces administrative time for new customers and relieves staff of routine tasks.

In lending a central unit took over a majority of administration in the loan approval process. Through improved system support, specialisation and systematic improvements, the cost per transaction has gone down. In addition, quality has improved significantly.
We have also established a team with overarching responsibility for creating simple, consistent product and process descriptions for all of the bank’s products. The aim is to make it easier for employees to add new customers to the bank’s services. During the year we published new product and process documentation for our e-invoicing services.

Focus areas 2016

We will continue to improve efficiencies and simplify our product portfolio. Reducing the number of products makes it easier for customers to understand our offering. At the same time it reduces the number of IT systems needed by the bank, facilitating further digitisation of our product range.

In 2016 the focus will also be on improving efficiencies and digitising lending processes. These activities are necessary to increase cost efficiency and create more satisfied customers through a more attractive offering. A digital loan offering also reduces the need for paper and postage.

Centralised business support units

The Group Functions comprise Group Finance (including Group Treasury and Investor Relations) Communication, Risk, IT, Compliance, Public Affairs, HR and Legal. The Group Functions operate across business areas to provide strategic and administrative support.

HR is responsible for encouraging excellence and providing employees with opportunities for development. Its responsibility also includes developing strong leaders and creating a values-driven corporate culture where diversity and gender equality are embraced as well as maintaining effective remuneration systems based on employee performance.

Group Treasury is responsible for the bank’s funding, liquidity and capital planning, as well as for pricing all funding and liquidity through internal rates of interest, where the most important parameters are maturity, fixed interest period, currency and need for liquidity reserves.

Changing needs and preferences, together with regulatory requirements, are increasing the need for competence support and reporting. This places greater demands on the Group Functions in their work assisting the business operations.

All internal services are open to competitive bidding, so that units that directly interact with customers decide whether the services from the bank’s support functions are worth the price. This is driving efficiency improvements at the staff level. The Group Functions play a critical role in improving the bank’s productivity by reducing complexity, shortening lead times and better utilising available competence. To increase efficiency, work has also begun to optimise the bank’s procurement processes. This will be intensified in 2016.

Financial overview

The result for continuing operations fell to SEK 525m during the year (1 088), mainly due to a lower result within Group Treasury. The result for Group Treasury decreased to SEK 778m (1 620).

Net interest income rose to SEK 2 572m (2 302). This is mainly due to Group Treasury, where net interest income rose to SEK 2 637m (2 431) as a result of falling market interest rates in the first half-year.

Net gains and losses on financial items at fair value decreased to SEK –1 785m (–413). Net gains and losses on financial items within Group Treasury decreased to SEK –1 799m (–341). The reasons were negative valuation effects from covered bond repurchases and increased credit spreads.

Other income fell year-on-year due to lower income from repossessed assets as a result of a significantly reduced property portfolio.

Expenses decreased as a result of efficiency improvements as well as one-off expenses of SEK 1 36m in the previous year in connection with the move to a new head office. Expenses for repossessed assets have decreased as the property portfolio is sold off.

Impairment of intangible assets increased to SEK 254m (0) and consisted of a writedown of IT systems within Group Products and a writedown of a previously acquired asset management assignment in the third quarter.

Impairment of tangible assets decreased to SEK 64m (246). Ektornet’s property holdings were written down by SEK 243m in 2014.

The result for discontinued operations amounted to SEK –6m (–262). In 2014 expenses of SEK 223m to wind down the Russian operations were reclassified.

Share of Group’s total income

4%
Sustainability is important to us and for some time we have discussed the opportunities that green bonds offer with Swedbank.

Hans Wallenstam, CEO of Wallenstam

Growing demand for green bonds

Since the first green bond was issued in 2008, the market has grown significantly. In 2015 green bonds were issued in Sweden worth SEK 11.9bn, with especially strong growth in the corporate business. To be considered green, bonds must meet a number of criteria according to a special industry standard.

Swedbank was the issuer in 2015 when the real estate company Wallenstam AB, a customer for many years, floated its first green bonds for a nominal value of SEK 500m and a four-year maturity.

“The bond loan broadens our funding base and optimises our capital structure. The proceeds of the green bonds are being used exclusively to refinance loans in the subsidiary Svensk NaturEnergi, where we today are currently self-sufficient in CO₂-free wind power,” says Hans Wallenstam, CEO of Wallenstam.

Green bonds help companies and organisations to finance their operations through the credit market. Unlike conventional bonds, they are earmarked for environmental investments and projects.

Marika Dimming, a green bond specialist at Swedbank and advisor to Wallenstam, explains, “Green bonds create value for the company, for investors and for society as a whole. For the company, the earmarked financing raises awareness of its sustainability work, strengthens the brand and diversifies its funding base. Since many large asset managers and investors place high demands on sustainable investments, green bonds can also open opportunities for the company to broaden its investor base.”
Low risk and strong capitalisation in a challenging market

All financial operations entail risks. Finding the right level and price of risk is crucial for Swedbank and benefits all our stakeholders.

Stable home markets in a turbulent Europe

Managing risk is central to Swedbank operations. 2015 was another strong year, with exceptionally low credit impairments and continued high quality in the bank’s lending portfolio. All four home markets demonstrated resilience despite a challenging global environment.

Household debt in Sweden continued to concern politicians, the authorities and banks in 2015. There is a systemic risk in this debt, since consumer sensitivity to higher rates or sudden price declines could adversely affect consumption and growth. To slow this trend, Swedbank tightened lending requirements in 2015 and introduced stricter amortisation principles that require mortgages to be amortised down to a 50 per cent loan-to-value ratio. The stricter requirements relate to, among other things, the loan’s size in relation to income and a higher interest rate that a mortgage borrower must be able to meet according to our lending calculations. Stress tests of the credit portfolio show that Swedbank’s customers have good resilience should economic conditions worsen significantly.

Prices of commodities and agricultural products remained under pressure during the year. Milk prices were especially low. The bank therefore worked with vulnerable farmers to address the consequences of weak pricing.

Oil prices fell during the year due to oversupply and uncertainty about future demand. Major oil producers significantly revised their investment plans downwards for the coming year. Swedbank’s customers in oil-related sectors managed the situation well in 2015, mainly thanks to long-term contracts, which mitigate the effect of falling contract rates and lower investor appetite in the market. The bank did not suffer any credit impairments in the sector in 2015. In our analysis, however, market weakness will continue in 2016. Swedbank maintains a close dialogue with customers in the sector, who are actively taking measures to adapt their operations to prevailing conditions.

Climate change is one of the world’s greatest challenges and is therefore part of our risk analysis. If global greenhouse gas emissions are to be reduced and if the global temperature increase is to be limited to 2 degrees Celsius a large share of known fossil fuel reserves will need to remain in the ground. The global reserves that will still be available for consumption are called the carbon budget. The financial sector faces an inherent risk in the financing of and investment in companies that derive a significant proportion of their revenue from coal extraction or production. To manage both the climate risk and the financial risk, Swedbank conducted an audit and impact assessment of these exposures in 2015 to gradually reduce our carbon exposure in both asset management and financing.

Political turmoil related to the crisis in Greece and sanctions against Russia affected growth in Europe and dampered the bank’s home markets. The sanctions against Russia have not had a marked impact on the bank or on the credit quality.

Increasing digitisation is driving a structural change that requires business models to be re-evaluated and adapted in order to stay competitive and profitable. Online shopping, for example, has changed the pre-conditions for brick-and-mortar stores. Swedbank reassesses all its large corporate commitments at least once a year. This includes an analysis of the customer’s business model, positioning and competitive strength. Significant emphasis is placed on the company’s executive management and its ability to handle new conditions. Here, tools and support for future development are discussed. Digitisation also entails an increased need for information security. In recent years daily procedures and controls have been developed and implemented, and both employees and customers have received training aimed at raising awareness of IT and information security.

Swedbank has been one of Europe’s best capitalised banks for several years. This strong capital position was confirmed by the annual Internal Capital Adequacy Assessment Process (ICAAP), the most comprehensive of the bank’s internal stress tests, and by stress tests conducted by the Riksbank and the Swedish Financial Supervisory Authority (SFSA) during the year. Liquidity is also strong given proactive and conservative funding activities.

Credit portfolio growing and strong resilience confirmed

Growth was relatively strong in our home markets despite weak demand from major export markets. Baltic exports to Russia fell, but the effects of the Russian embargo were limited to a few sectors. To date the lost exports have been offset by lower production, but mainly through increased exports to other markets.

“The bank’s total lending to the public increased by SEK 45bn or 3.4 per cent to SEK 1 371bn. Growth in the Swedish corporate portfolio was good while maintaining low risk. Corporate lending in Swedish Banking and LC&I increased by a total of SEK 10bn. The bank’s Swedish private mortgages increased by SEK 36bn or 5.7 per cent. In the Baltic region the mortgage portfolio...”

Anders Karlsson, Chief Risk Officer
increased somewhat in local currency in Estonia and Lithuania, but was unchanged in Latvia.

The stress tests of major Swedish banks conducted annually by the Riksbank and SFSA reaffirmed Swedbank’s resilience. Stress tests are done at a European level by the European Banking Authority (EBA) and the European Central Bank (ECB); since November 2014 the ECB has been responsible for the oversight of banks in the eurozone. In 2015, the EBA did not conduct a pan-European stress test, and instead continued to work with banks that did not meet the requirements in 2014. The next major European stress test will be conducted in 2016. The 2014 results reaffirmed Swedbank’s strong resilience and capital base, even in highly stressed economic conditions.

Impaired loans continued to decrease and at year-end amounted to SEK 6.0bn (7.5), corresponding to 0.40 per cent (0.41) of total lending. The total provision ratio was 56 per cent (53). Repossessed assets were cut by more than half to SEK 441m. The share of Swedish mortgages that were past due more than 60 days was stable at 0.05 per cent of the portfolio (0.07). In Baltic Banking the share decreased, mainly in Latvia.

The credit impairment ratio remained historically low at 0.04 per cent (0.03), with credit impairments of SEK 594m (419). The Baltic countries again reported recoveries, although at a lower level.

Low market risks despite an uncertain global economy

Increased geopolitical risks and rate cuts created greater volatility in several asset classes. Market risks were still relatively stable and remained at low levels.

Growing importance of managing operational risks in an increasingly digital world

Swedbank is exposed to operational risks in all its businesses. Managing these risks is becoming more complex in pace with increased regulation and digitisation, not least because the number of places and ways in which the bank interacts with customers is growing. The aim is to minimise operational risks to the largest extent possible.

Operational risks are managed through self-assessments, incident management, and continuity and crisis management. When new products, services and IT systems are introduced or significant changes are made, risk assessments are conducted. During the year Swedbank also continued to analyse and document the bank’s processes.

Consistent daily work with operational risks is critical to maintaining low credit impairment levels. Losses related to operational risk events remain low in relation to anticipated losses and in comparison with other European banks.

“In today’s digital society, where much of the bank’s business and interactions are handled online, protecting information has grown in importance.”

Anders Karlsson, Chief Risk Officer

Digital developments, together with Swedbank’s size and market share, make it an attractive target for cyber crime. The cost of cyber crime has risen substantially in Europe, although the pace of increase has been lower in the Nordic region, and in recent years Swedbank has been relatively spared from Trojan – and distributed denial-of-service attacks and has had comparatively low card losses.

Swedbank works with security in a structured fashion to protect the bank and its customers against cyber crime and other information risks. We take preventive measures in terms of risk management, business intelligence and threat analysis to put the appropriate security mechanisms in place. We also maintain an active dialogue with customers and employees to increase their awareness of the importance of protecting their own information as well as the bank’s. Internally, the emphasis is on integrating information security as a natural part of internal processes and incorporating security into new products from the start. The incidents that nevertheless occur are managed within the bank’s security process, which includes investigators and technical competence.

Growing digitalisation has also facilitated a faster and more extensive spread of information. This can in turn increase the risk of income loss and value depreciation if customers, investors or other stakeholders lose confidence in the bank or the industry due to negative publicity or rumours. Brand and reputational risks differ from other risks in terms of how they arise and their consequences. Moreover, they are difficult to quantify. The management of these risks is largely based on continuing to create confidence in the bank and industry by acting clearly and transparently, in accordance with the bank’s values and internal guidelines, by consistently managing other types of risks and by strengthening our customer relations.

Low risks in insurance operations

The risk entailed in the majority of Swedbank’s life insurance operations is borne by the customer. Few products offer guarantees.

For more information on insurance risk, see note G3.
Increased funding pace reduced liquidity risk
Low interest rates and shrinking credit spreads distinguished the first half of 2015, and the introduction of new capital adequacy rules led to increased issues of additional Tier 1 (AT1) capital by European banks. Swedbank issued USD 750m in AT1 instruments at the beginning of the year to optimise the capital structure. During the second half-year uncertainty grew in the capital market due to the crisis in Greece and China’s devaluation, among other factors. This contributed to higher credit spreads and volatility. In 2015 Swedbank issued larger volumes of long-term bonds than previously to capitalise on favourable market conditions and prefinance upcoming maturities, as well as to match mortgage growth. Swedbank’s improved rating contributed to high demand for our debt instruments and further reduced funding costs. In total, Swedbank issued SEK 229bn (115) in long-term debt instruments, the majority of which (SEK 158bn) was covered bonds. In 2016 we plan to issue around SEK 179bn to meet maturing funding and increased credit demand, mainly in Swedish mortgages.

Swedbank - simplified balance sheet, SEKbn

<table>
<thead>
<tr>
<th>Total assets</th>
<th>Total liabilities</th>
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<tbody>
<tr>
<td>2,500</td>
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<tr>
<td>2,000</td>
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Financing strategy
In addition to borrowings from the public, Swedbank’s covered bonds, which are secured by low-risk Swedish mortgage loans, are its most important financing source. The bank’s financing strategy is strongly linked to the credit quality of the assets, since a perceived decline in credit quality, all else being equal, increases investor risk and hence investors’ yield requirements. Consequently, the key element in the bank’s financing strategy to limit and control liquidity risk is the survival horizon, which shows how long the bank can manage long periods of stress with limited access to financing. One of Swedbank’s focus areas is to manage liquidity risk and ensure that lending quality is very high.
improvement, stable profitability and high efficiency. The outlook for Swedbank’s rating, like that of most Swedish banks, is negative. This is due to S&P’s view of house prices and household debt in Sweden, which it feels increases economic risk for the banks.

The bank’s high credit quality, stable earnings and strong capitalisation were also why Fitch affirmed a positive outlook for Swedbank’s rating in June.

Capital planning
To ensure that it can function well even under unfavourable conditions, Swedbank maintains an extra capital buffer in addition to the capital required by law. Stress tests are conducted to ensure that the buffer is satisfactory in the possible though unlikely event of negative scenarios. Solid capitalisation is crucial to maintain the market’s confidence in Swedbank and ensure access to cost-effective capital market funding.

Swedbank’s capital situation was further strengthened in 2015 as a result of solid earnings and a reduced risk exposure amount (REA). As of September 2015 a contracyclical buffer value of 1 per cent is applied to Swedish credit exposures, which also affects Swedbank’s capital requirement through the risk weight floor of 25 per cent within Pillar 2 for the Swedish mortgage portfolio. In September the SFSA completed its Supervisory Review and Evaluation Process (SREP) for Swedbank. Its requirement for Swedbank is 19.0 per cent. In our own calculations, however, we have taken into account the upcoming increase in the contracyclical buffer value to 1.5 per cent (June 2016). This makes the total Common Equity Tier 1 capital requirement 19.9 per cent, which compares with Swedbank’s Common Equity Tier 1 capital ratio of 24.1 per cent as of 31 December. In its SREP decision, the SFSA used the new methods announced in May to assess capital requirements within Pillar 2 for credit related concentration risk, interest rate risk in the banking book and pension risk. Based on this and REA at year-end, Swedbank’s Common Equity Tier 1 capital requirement for individual Pillar 2 risks is estimated at 0.9 per cent.

Continued uncertainty about capital rules – Swedbank well-positioned
The SFSA has announced a further review of Swedish banks’ internal risk-based models, especially with regard to corporate risk weights, in order to improve the models. The SFSA expects that its work will be completed in 2016 and will lead to an increase in the capital requirement for corporate exposures.

International work on capital requirements includes the Basel Committee’s work to improve the comparability of banks’ capital ratios. This covers, among other things, revised standard methods to calculate capital requirements for credit, market and operational risks, where the possibility of a capital floor is being discussed for banks that use internal models. Due to uncertainty surrounding the new rules and how and when they will be implemented, it is still too early to draw any conclusions about their potential impact on Swedbank. However, Swedbank’s robust profitability and strong capitalisation position it well to meet future changes in capital requirements.

Internationally, an evaluation is also being done of leverage ratios ahead of the possible introduction of a minimum requirement in 2018. The purpose of the minimum requirement is to ensure a minimum level of capital in relation to the size of the balance sheet. Swedbank’s leverage ratio was 5.0 per cent as of 31 December 2015 (4.5 per cent as of 31 December 2014).

The Bank Recovery and Resolution Directive, which enables authorities to manage failing banks, was adopted by the EU in 2014. Implementation into Swedish law had been scheduled no later than 1 January 2015, but was delayed until February 2016. The directive will prevent crisis situations and improve the ability to manage any crisis that arises, while reducing the risk that taxpayers will be left to cover the costs. This will be achieved partly through bail-ins, whereby shareholders and lenders bear more of the costs. As a result, banks will have to maintain a minimum requirement for own funds and eligible liabilities (MREL). A similar international requirement called Total loss-absorbing Capacity (TLAC) will be introduced for global systemically important banks. While there is still uncertainty about the wording and level of the MREL requirements, Swedbank is confident that it will meet them.
Swedbank’s risk profile

Swedbank defines risk as a potentially negative impact on the Group’s value which can arise due to internal processes or future internal or external events. The concept of risk includes the probability that an event will occur and the impact it could have on the bank’s results, equity or value.

<table>
<thead>
<tr>
<th>Description</th>
<th>Risk profile</th>
<th>Risk management</th>
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<tbody>
<tr>
<td><strong>Credit risk</strong></td>
<td>Swedbank’s customer base, dominated by private individuals and small and medium-sized companies in Sweden, is designed such that credit risk is low. Swedbank’s lending to the public is well diversified and in Sweden consists largely of mortgages and loans to small and medium-sized companies with a low risk level. The risk in lending to the Baltic countries is slightly higher than in the Swedish portfolio and accounts for about 12 per cent of the total portfolio.</td>
<td>Responsible lending is essential to a well-functioning bank. This means taking into consideration each customer’s long-term finances, ability to repay and resilience. We work proactively with customers who are facing financial difficulties. Corporate customers undergo a special assessment of sustainability risks, including risks related to corruption and the environment.</td>
</tr>
<tr>
<td><strong>Market risk</strong></td>
<td>Swedbank’s market risks are low. The main market risks are of a structural or strategic nature and relate to the interest rate risk that arises as a natural part of the Group’s operations e.g. when customers demand different fixed interest terms on deposits and loans. In addition, market risks arise when the bank offers its customers various types of financial products.</td>
<td>Swedbank centralises all interest rate risk to a few risk-taking units with risk mandates from the CEO and Board of Directors. Effective risk management is achieved by matching maturities and with the help of derivatives.</td>
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<tr>
<td><strong>Liquidity risk</strong></td>
<td>Swedbank’s liquidity risk is low. The bank maintains a liquidity reserve to ensure its resilience in the event of disruptions in the capital markets. The reserve consists of securities with a high level of creditworthiness which can be pledged to central banks or divested at short notice. Swedbank tries to match the maturities in its funding with the corresponding maturities in its assets.</td>
<td>Access to long-term financing is imperative in order to adequately manage liquidity risk. Swedbank has therefore diversified its funding through short- and long-term programmes in various capital markets and in various currencies. Liquidity risk is limited in terms of survival horizon.</td>
</tr>
<tr>
<td><strong>Operational risk</strong></td>
<td>Operational risks occur in all businesses. It is not possible or cost effective to try to eliminate all of them. However, Swedbank’s goal is to minimise operational risks given the nature of its operations, strategy, risk appetite and market. Minor losses are a normal part of the bank’s operations. Because the bank works actively to avoid larger losses and incidents that affect many of its customers, such events are rare. To minimise information risk, it is critical that the bank’s employees are aware and prepared. Measures involving IT, processes and routines are also important complements to reduce intentional or unintentional access to or changes in information. Security policies are updated as threat scenarios change.</td>
<td>Swedbank has internal regulations to manage operational risks and works diligently to prevent incidents and losses from occurring. Risk analysis and risk-reducing measures are used continuously and in connection with significant changes in operations and offerings. Through continuity planning the bank is prepared to minimise the effects of incidents as quickly as possible if they do occur. Swedbank also has internal rules to describe how information is protected. To strengthen work in the risk area, processes and procedures are under review with the aim of improving and complementing the bank’s information security management system. The system is a tool to manage and coordinate the Group’s long-term efforts in a structured and methodical manner.</td>
</tr>
<tr>
<td><strong>Insurance risk</strong></td>
<td>Swedbank conducts insurance operations in Sweden, Estonia, Latvia and Lithuania. Swedbank offers risk insurance and savings products, including endowment insurance, variable universal life insurance and pension products. The largest risks in these operations are market risk and insurance risk. Market risk is limited since the large part of the portfolio consists of products where the risk is borne by customers.</td>
<td>Insurance risk is managed by basing premiums on statistical assumptions and close monitoring e.g. to identify new trends. To further limit risk exposure, some insurance risks are reinsured.</td>
</tr>
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</table>
Shareholder value through sustainability

Many people are dependent on Swedbank’s success. Pension savers, insurance policyholders and hundreds of thousands of shareholders have entrusted us to manage valuable assets. We earn their trust through responsibility.

Macroeconomic conditions, regulatory changes, technological developments and increased competition from new players are challenging the banking sector while also creating opportunities. The ability to quickly adapt and embrace these changes is critical to our continued profitability. Increased competition and margin pressure in parts of the business place high demands on cost efficiency, not only in order to set the right prices but to leave room for investments that increase customer value and pave the way for new business. Market-leading cost efficiency, high-quality lending, a broad, diversified customer base and solid capitalisation will produce a profitable, stable bank with a competitive return.

One of Swedbank’s goals is a return on equity of at least 15 per cent. This goal is adapted to Swedbank’s market position, risk profile and conditions in our home markets. For 2015 the return on continuing operations was 13.5 per cent (15.2). Against the backdrop of a robust earning capacity and low risk, coupled with limited credit demand for the foreseeable future, Swedbank’s dividend policy is to distribute 75 per cent of profit for the year to shareholders. This policy allows Swedbank to grow long-term while at the same time promoting efficient use of capital. The proposed dividend for 2015 is SEK 10.70 (11.35) per share, corresponding to a dividend ratio of 75 per cent of profit. All dividends are contingent on the approval of the Annual General Meeting and require that distributable funds are available.

Share performance during the year

In 2015 the OMX Stockholm 30 Index fell by 1.2 per cent and OMX Stockholm Banks Index by 3.7 per cent. Swedbank’s A share fell by 4.3 per cent during the year, producing a total return including the dividend of 1.5 per cent (13.6). At year-end 2015 Swedbank’s market capitalisation had decreased to SEK 212bn (221). Swedbank’s shares are traded on several marketplaces. In 2015 NASDAQ OMX Stockholm, Boat, BATS ChiX and Turquoise were among those with the highest turnover. Total turnover in the Swedbank share was SEK 313bn (310) and the share capital amounted to SEK 24 904bn as of 31 December 2015. Swedbank has one class of share, ordinary shares (A shares), which have been listed on NASDAQ OMX Stockholm’s Large Cap list since 1995. The bank also has an American Depositary Receipt (ADR) programme, which enables US investors to invest in Swedbank’s share on the US OTC market via depository receipts without having to register with Euroclear, the Swedish central securities depository, or buy SEK.

Together with other banks, Swedbank is an engine in the financial system. Many people are dependent on an efficient flow of capital, goods and services in society. With the help of banks, businesses can grow, jobs can be created and housing can be financed. This is a great responsibility. We therefore integrate sustainability work into our day-to-day operations. Today there are a number of mutual funds and stock indices for companies that meet sustainability criteria. Two such indices where Swed-
bank is included are STOXX ESG Leaders and FTSE 4Good. The latter was created to facilitate investments in companies that demonstrate globally recognised levels of responsibility. Other examples can be found on the website under Investor Relations/Swedbank shares.

Holding of own shares
Swedbank held 26601972 of its own shares as of 31 December 2015 to secure the commitments in its performance and share-based remuneration programmes. Remuneration is paid in the form of deferred shares with the purpose of building long-term commitment among employees through share ownership. The first transfer of deferred shares related to Swedbank’s remuneration programmes was in 2014, when 3249423 shares were transferred to employees. The second transfer of deferred shares began in February 2015, when shares for programme were transferred to employees. In total, 3148605 shares were transferred in 2015, resulting in a dilution effect of about 0.3 per cent based on the number of shares outstanding and votes as of 31 December 2014. The 2015 AGM resolved to adopt new performance and share-based remuneration programmes for 2015 and to transfer shares under these and previously approved programmes. The programmes call for the transfer of up to 33 million shares (including the shares transferred in 2014 and 2015), corresponding to a total dilution effect of about 3 per cent based on the number of shares outstanding and votes as 31 December 2014.

To continuously adapt the bank’s capital structure to prevailing capital requirements, the Board was authorised by the 2015 AGM to resolve to repurchase up to 10 per cent of the total number of shares (including shares repurchased by the securities operations – see below). The Board was also authorised to issue promissory notes that can be converted to shares. In early 2015 the bank utilised the Board’s mandate and issued promissory notes that can be converted to shares in the event that the bank’s Tier 1 capital falls below a certain level. The issue was part of the capital requirements set by the Swedish Financial Supervisory Authority.

In its capacity as a securities institution, Swedbank engages in securities operations, including trading in financial instruments on its own account. As such, it needs to acquire its own shares. Accordingly, the 2015 AGM resolved that the bank, until the 2016 AGM, may acquire its own shares on an ongoing basis such that the total holding does not exceed 1 per cent of shares outstanding, and that this is done at the prevailing market price.

Ownership and information
As of 31 December 2015 Swedbank had 300607 shareholders (307974), 93 per cent of whom had holdings of 1000 shares or less. Nearly 0.4 per cent together owned over 90 per cent of the company. Swedbank’s largest shareholder as of 31 December 2015 was an ownership group consisting of Folksam, KPA and Förenade Liv. International ownership in Swedbank increased during the year to 42.1 per cent (39.6), of which the US and the UK represent the largest holdings at 15.2 and 12.1 per cent, respectively.

Swedbank provides shareholders, analysts and other stakeholders with prompt, clear, consistent and simultaneous information on the bank’s operations and financial position. Transparency and openness produce a better understanding of the financial reporting and decisions made as well as of the sector as a whole. Swedbank’s annual report is distributed to shareholders upon request. The interim reports are not printed, but are available at www.swedbank.com/ir together with other information released in connection with the quarterly reporting. The annual report can also be ordered from this site.

Important events 2015

<table>
<thead>
<tr>
<th>DATE</th>
<th>EVENT</th>
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<tbody>
<tr>
<td>3 Feb 2015</td>
<td>2014 year-end report</td>
</tr>
<tr>
<td>13 Feb 2015</td>
<td>Swedbank issues Additional Tier 1 Capital</td>
</tr>
<tr>
<td>20 Feb 2015</td>
<td>Annual report for 2014 published</td>
</tr>
<tr>
<td>25 Mar 2015</td>
<td>Swedbank signs acquiring agreement in Finland</td>
</tr>
<tr>
<td>26 Mar 2015</td>
<td>Swedbank’s 2015 AGM. Anders Sundström re-elected as Chair</td>
</tr>
<tr>
<td>1 Apr 2015</td>
<td>Swedbank sells Juristbyrån</td>
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<td>28 Apr 2015</td>
<td>Interim report January–March</td>
</tr>
<tr>
<td>8 Jul 2015</td>
<td>Swedbank decides to take extra dividend from Estonian sub-group</td>
</tr>
<tr>
<td>16 Jul 2015</td>
<td>Interim report January–June</td>
</tr>
<tr>
<td>15 Sep 2015</td>
<td>Nomination committee for 2016 AGM announced</td>
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<tr>
<td>23 Sep 2015</td>
<td>Swedbank acquires Danske Bank’s retail business in Lithuania and Latvia</td>
</tr>
<tr>
<td>1 Oct 2015</td>
<td>Sparbanken Öresund AB merged with Swedbank AB</td>
</tr>
<tr>
<td>20 Oct 2015</td>
<td>Interim report January–September</td>
</tr>
<tr>
<td>9 Dec 2015</td>
<td>Swedbank publishes indicative financial effects from Visa’s intended acquisition of Visa Europe</td>
</tr>
<tr>
<td>21 Dec 2015</td>
<td>Fastighetsbyrånsells its holding in Hemnet</td>
</tr>
</tbody>
</table>
Value creation and trust through sound corporate governance

Our corporate governance is designed to create a sound and effective corporate culture that fosters trust as well as customer and shareholder value. Our governance is based on employees being familiar with and working together to achieve Swedbank’s common goals.

Foundation for corporate governance at Swedbank

Swedbank’s governance model and operational structure are designed to ensure that all employees work towards common goals and support the bank’s purpose: a sound and sustainable financial situation for the many households and businesses. Strategies, goals, policies, instructions and guidelines clarify how the bank and its employees should respond to various issues and in various situations. Transparency and openness are key aspects in this respect.

Swedbank plays a significant part in the financial systems of Sweden and the Baltic countries. Our main role is to convert savings into financing, to contribute to a functioning payment system and to manage risks. As one of Sweden’s largest banks, we contribute to society’s growth and development. Meeting our stakeholders’ expectations and our customers’ financial needs is the key to creating value and thereby contributing to well-functioning local communities. Sustainability aspects are integrated in our operations, allowing us to also contribute outside our own markets to a sound and sustainable financial situation for the bank and its customers and for society as a whole. We are and will remain a secure bank with controlled risk taking that does not compromise the stability of the financial market or society’s sustainable development. Sustainability issues are driven from a business perspective and are seen as a way to attract customers, employees and investors.

Good corporate governance, risk management and internal control are key elements in a successful business and a prerequisite to maintain the trust of customers, owners, authorities and other stakeholders. Swedbank defines corporate governance as the relationship between shareholders, executive management, other employees, Group companies and other stakeholders. In a broader sense, it also encompasses:

- how the vision, purpose and strategy are designed and communicated
- how the values are complied with
- how goals are set and followed up
- how remuneration systems are designed
- how risks are managed
- how future leaders are encouraged and developed
- how a corporate culture that supports the bank’s commitment to customers and builds shareholder value is created
- how transparency is promoted
- how we manage operations in a sustainable way

The principles of Swedbank’s corporate governance are described in internal rules at the board and CEO level. The principles are based on external regulations and recommendations published by international bodies as well as on Swedbank’s internal view of governance and control.

The internal and external rules regulate the delegation of responsibility for governance, control and monitoring of operations between the shareholders, the Board of Directors and the CEO. No deviations from the Swedish Code of Corporate Governance (the Code) or the rules of the stock exchange (NASDAQ OMX Stockholm) were reported in 2015.

The governance model describes the delegation of responsibilities within the Group, where role descriptions create the conditions for strong and efficient processes. In accordance with the model, authority and responsibilities are delegated based on Group-wide principles. Business decisions are made close to customers, which places high demands on risk control and monitoring. Abiding by the bank’s vision, purpose and values is also a requirement for employees to qualify for the Group-level remuneration programme.

The Group structure provides a framework for roles, functions and reporting channels. Swedbank is organised in three business areas supported by Group Functions and Group Products. The Group Functions serve as strategic and administrative support, with responsibility for maintaining effective standards and routines. Group Products is responsible for providing competitive products and services as well as business support for employees who interact with customers. The diagram on the next page shows the formal corporate governance structure. The number in each box refers to the corresponding section in the corporate governance report.

Governance of the bank’s subsidiaries is exercised operationally through the business areas. Board members of major subsidiaries are appointed through a process where nominees are approved by the bank’s Board.
**Swedbank’s corporate governance structure**

**SHAREHOLDERS**
The shareholders exercise their influence through participation in the general meeting, the bank’s highest decision-making body. Normally, the general meeting is held once a year – Annual General Meeting (AGM).

**Nomination Committee**
The shareholders’ governing body that nominates Board members and the Auditor and proposes their fees.

**Board of Directors**
The shareholders elect the Board of Directors at each AGM. The Board has overarching responsibility for managing Swedbank’s affairs in the interests of the bank and shareholders.

- **Risk and Capital Committee**
  - Supports the Board in its risk management work
- **Remuneration Committee**
  - Monitors, evaluates and prepares remuneration issues
- **Audit Committee**
  - Identifies any deficiencies in routines and the organisation in terms of governance, risk management and control

**CEO**
Responsible for managing Swedbank’s day-to-day operations in accordance with external regulations and within the framework set by the Board of Directors.

- **CEO’s committees**
  - Group Executive Committee
  - Group Asset Allocation Committee
  - Group Risk and Compliance Committee
  - Group Investment Committee
  - Credit Committees
  - GEC Remuneration Committee

**Information to capital markets**

**Corporate culture**

**Business areas**
The head of each business area is responsible to the CEO for the business area’s operations and reports continuously to the CEO.

- **Swedish Banking**
  - Responsible for offerings to private customers and companies in the Swedish market
- **Baltic Banking**
  - Responsible for offerings to private customers and companies in Estonia, Latvia and Lithuania
- **Large Corporates & Institutions**
  - Responsible for offerings to large companies and financial institutions as well as to customers with complex needs e.g. sophisticated financing solutions
- **Group Products**
  - Responsible for products and product development

**Internal Audit**
Reviews and evaluates effectiveness, governance, risk management and control in the Group and is directly subordinate to the Board of Directors.

**Group Functions**
Support the CEO and the Group’s business operations, create uniform routines, ensure governance and monitoring in the Group, and clarify Swedbank’s vision and strategies. Include the Group Functions for Compliance and Risk.

**External auditors**
The AGM elects the external Auditor, who is nominated by the Nomination Committee.
The shareholders in corporate governance

The shareholders exercise their influence through active participation in the resolutions of the general meeting. This includes resolutions that set the direction for the bank’s operations. The shareholders also appoint the bank’s Board of Directors and Auditors.

According to the Articles of Association, the AGM must be held before the end of April, or under special circumstances not later than 30 June. The date and location are published in Swedbank’s year-end report and on the website. The notice of the AGM is usually published five weeks in advance in Post and Inrikes Tidningar (official gazette of Sweden) and on the bank’s website. An announcement that the notice has been posted is also placed in several large Swedish dailies.

Swedbank is a Euroclear registered company and its shares are recorded by Euroclear Sweden AB. All shareholders directly recorded in the register five working days prior to the AGM and who have notified Swedbank in time of their intention to participate are entitled to attend the AGM. They may attend in person or by proxy and may be accompanied. Registration is permitted by telephone, letter or email. We encourage shareholders to attend the AGM.

Shareholders wishing to have an item brought before the AGM must submit a written request to the Board not later than seven weeks prior to the AGM for the item to be included in the notice. Shareholders with a total of at least one tenth of the votes in the bank may request an extraordinary general meeting. The Board or the bank’s Auditor can, on their own initiative, initiate a general meeting. The shareholders in corporate governance

AGM resolutions are normally decided by vote and require a special majority. Swedbank has one class of share, ordinary shares (also called A shares). The shares carry one vote each. All material for the meetings, as well as the minutes, is made available on the website in both Swedish and English. The general meetings are held in Swedish and interpreted to English.

Information on Swedbank’s shareholders can be found on the bank’s website under the heading “Investor relations/Swedbank’s shareholders.”

2015 Annual General Meeting

The 2015 AGM was held in Stockholm on Thursday, 26 March. A total of 1,337 shareholders attended personally or by proxy. They represented about 57 per cent of the votes in the bank.

All Board members who were nominated for re-election except for one attended the AGM, as did the majority of the Group Executive Committee and the Chief Auditor.

Among the 2015 AGM resolutions were the following:
- adoption of the annual report
- dividend for the 2014 financial year of SEK 11.35 per share
- decision to elect nine Board members, all of whom were re-elected. Anders Sundström was elected as Chair
- remuneration to the Board members and the Auditor
- repurchase of shares by the securities operations and authorisation of the Board to resolve to repurchase additional shares to adjust the bank’s capital structure to prevailing capital needs
- mandate to issue convertibles that can be converted to shares, so-called cocos
- remuneration guidelines for senior executives
- Group-level performance- and share-based remuneration programme for 2015. As a result of this and previously approved programmes, it was resolved to transfer ordinary shares (or other financial instruments in the bank) to employees covered by the programmes
- principles for appointing the Nomination Committee

Nomination Committee

The basic assumption in the Nomination Committee’s work is that the Board should be composed of members with a diversity and range of competencies, experience and backgrounds. An even gender distribution is desirable. The bank’s operations, stage of development and future direction are also taken into account. While it is important that the Board has the support of shareholders, it also has to be independent in relation to the bank and its executive management as well as the bank’s major shareholders.

The 2015 AGM decided on the principles for the appointment of the Nomination Committee prior to the 2016 AGM. They include that the committee comprise five members: the Chair of the Board and representatives of the four largest shareholders (based on known data on the last business day in August 2015), on the condition that they wish to appoint a member. Under certain circumstances a member may also represent a group of shareholders. Swedbank’s Nomination Committee represents the shareholders, and normally only one person from the Board participates in the committee. If a member leaves the Nomination Committee before its work is completed, the committee may decide to replace them with another person representing the same shareholder or with a person representing the next largest shareholder that has not already appointed a member to the committee. If a new shareholder becomes one of the bank’s four largest after the Nomination Committee has been constituted, the committee has the right to co-opt a member appointed by that shareholder. A co-opted member cannot participate in the Nomination Committee’s decisions. The Nomination Committee appoints a Chair from among its members.
though not including the Chair of the Board. The committee’s mandate extends until a new Nomination Committee has been constituted. Members of the Nomination Committee are not remunerated for their work or costs incurred. However, the Nomination Committee has the right, at the bank’s expense, to engage a recruitment consultant or other external consultants as deemed necessary to fulfil its assignment.

The duties of the Nomination Committee, where applicable, are to submit proposals prior to the next AGM on the following:
- election of a Chair of the AGM
- number of Board members
- remuneration to Board members elected by the AGM, including for committee work
- remuneration to the Auditor
- election of the Board members and Chair
- election of the Auditor
- principles for appointing the Nomination Committee

The Nomination Committee’s other work during its term:
- continued to create a resource bank of potential Board candidates
- evaluated the Board’s work (see section 4 below) and members’ views of the bank’s operations (which was done on an individual basis without the Chair)
- noted the Chair’s and the CEO’s views of the bank’s operations and the challenges it faces in the next few years
- noted the Chief Auditor’s view of the bank, the Board and the executive management
- reviewed competence needs and discussed the Board’s composition in view of Swedbank’s strategies, future challenges and the requirements of the Companies Act
- considered the rules limiting the number of directorships a member of a bank board may hold
- verified the candidates’ independence
- conducted a suitability assessment of the candidates based on the European Banking Authority’s guidelines, including an evaluation of their experience, reputation, conflicts of interest and suitability in other respects. The Nomination Committee also evaluated whether the candidates were able to devote sufficient time to board work
- evaluated the collective knowledge and expertise of the Board

Current composition of Nomination Committee prior to 2016 AGM (announced on 15 September 2015)

<table>
<thead>
<tr>
<th>Member</th>
<th>Representing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lennart Anderberg, Chair</td>
<td>ownership group Föreningen</td>
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<tr>
<td>of Nomination Committee</td>
<td>Sparbanksintressenter</td>
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<tr>
<td>Ramsay Bruder</td>
<td>Alecta</td>
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<tr>
<td>Jens Henriksson</td>
<td>ownership group Folksam</td>
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<tr>
<td>Peter Karlström</td>
<td>ownership group Sparbanksstiftelserna</td>
</tr>
<tr>
<td>Anders Sundström,</td>
<td>Swedbank AB</td>
</tr>
<tr>
<td>Chair of the Board</td>
<td></td>
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</tbody>
</table>

3 External Auditor

The external Auditor is an independent reviewer of the bank’s financial accounts who determines whether they are essentially accurate and complete and provide a fair portrayal of the bank and its financial position and results. The Auditor also ensures that they conform to current laws and recommendations. Moreover, the Auditor reviews the administration of the Board of Directors and the CEO.

At the AGM the Auditor presents the Auditors’ report and describes the audit work. The Auditor presented its review and comments to the Board five times in 2015. On one of these occasions no one from the executive management was present. The Auditor regularly meets the Chair of the Board, the Chair of the Audit Committee, the executive management and other operating managers. The Auditor normally also meets representatives of the Swedish Financial Supervisory Authority (SFSA) during the financial year.

Swedbank’s interim reports are reviewed by the Auditor. Sustainability information in this annual report was reviewed as well, together with the report pursuant to the GRI G4 Sustainability Reporting Guidelines, which is included as an appendix to the integrated annual report on the bank’s website. In accordance with the Articles of Association, the bank shall have no less than one and no more than two authorised public accountants. Deloitte AB is the only accounting firm. The Chief Auditor is Authorised Public Accountant Svante Forsberg, who has been in charge of auditing duties for Swedbank since 2010. Aside from Swedbank, he has significant auditing assignments with the following companies: Anticimex, Cinober, Düüs, Lannebo Fonder and Skandia liv. Svante Forsberg has no assignments with other companies that affect his independence as an auditor of Swedbank. The Auditor’s term is normally four years, and at the 2014 AGM Deloitte AB was re-elected with Svante Forsberg as Chief Auditor. A decision to replace the Auditor can be made before the four-year period expires. Remuneration for the Group’s Auditor is reported in note G14. The SFSA is entitled to appoint an auditor of the bank, but has not exercised this right in several years and did not do so in 2015. Aside from its assignment as elected auditor, Deloitte has also performed audit-related services involving acquisition and accounting issues. Assignments closely associated with the audit normally do not pose a risk to the Auditor’s independence. In accordance with the bank’s policy, other consulting services by the Auditor are generally restricted. To minimise the risk of situations that could compromise the Auditor’s independence, consulting services must be approved by the Audit Committee and may not commence until approval has been received. The Audit Committee annually evaluates the Auditor to ensure its objectivity and independence.
Board of Directors

The Board of Directors has overarching responsibility for managing Swedbank’s affairs in the interests of the bank and the shareholders. This shall be done in a sustainable way with a focus on the customer and sound risk taking to ensure the bank’s long-term survival and instil confidence.

The Board consists of nine members elected by the AGM for one year. It also includes two employee representatives and two deputies in accordance with special agreements with the Financial Sector Union of Sweden and Akademikerföreningen. The Board meets the requirements of the Code with respect to its members’ independence. All members except Göran Hedman are considered independent in relation to the bank, its executive management and its major shareholders.

An even gender distribution on the Board is desirable. The current distribution is 44 per cent women and 56 per cent men.

The Board’s overarching responsibility cannot be delegated. The Board has appointed committees to monitor, prepare and evaluate issues within their respective areas for resolution by the Board. Members of the committees can be changed at any time during the year. The Board also has the opportunity, at the bank’s expense, to engage outside experts if deemed necessary to fulfil their assignment or to obtain information on market practices.

The division of work between the Board, the Chair of the Board and the CEO is determined annually through the Board’s rules of procedure, corporate governance policy and instruction for the CEO, among other things. Instructions are also in place for the Board’s committees. Each year the Chair of the Board initiates an evaluation of the Board’s work. This was done in 2015 through a written questionnaire and in-depth interview with each Board member without hiring an outside consultant. A summary of the results was presented to and discussed with the Board and reported to the Nomination Committee. In addition, the Nomination Committee normally meets with two individual Board members without the Chair present to obtain input on how the Board and the Chair are performing.

The Board’s work

In 2015 the Board held 16 meetings. 3 of which were per capsulam. All face-to-face meetings were held in Sundbyberg. The Board was unanimous in its decisions, and no dissenting opinions were noted on any issue during the year. Each year the Board establishes a plan for its work, where it decides which issues to treat in depth. This is based on the processes used in the bank as shown in the diagram on page 51.

Other major issues in 2015 included the following:

• greater focus on customers and digital channels
• macroeconomic developments and their impact on the bank and its limits and exposures
• capital and liquidity issues
• implementation of sustainability issues such as anti-corruption and human rights in the bank’s main processes: fund management, payments, lending and sourcing
• liquidity strategies and funding issues
• current risk and capital situation, including the Internal Capital Adequacy Assessment Process (ICAAP) and other stress tests
• information risk (secure systems and accessibility)
• credit decisions where the total Group credit limit exceeds 10 per cent of the capital base (SEK 118bn as of 31 December 2015) for the Swedbank financial companies group as well as limits for credit risk concentrations
• evaluation of the CEO
• major projects ongoing within the bank
• competition and business intelligence
• succession planning for senior executives
• regulatory issues
• anti-money laundering

The Board’s responsibilities and their delegation

The Board sets financial goals and strategies; appoints, dismisses and evaluates the CEO; ensures that effective systems are in place to monitor and control operations and that laws and regulations are followed; and ensures that the information released is transparent and accurate.

The Board appoints/dismisses the head of Internal Audit and makes the final decision on the appointment/dismissal of the CFO and the CRO. Internal Audit is directly subordinate to the Board.

The Chair of the Board has specific responsibilities, that include the following:

• lead Board meetings and work and encourage an open and constructive debate
• monitor and evaluate the competence, work and contributions to the Board of individual members
• oversee the CEO’s work, serve as a discussion partner and support, and monitor that the Board’s decisions and instructions are implemented
• represent the bank on ownership and other important issues
Prior to each Board meeting the documents are distributed to the members through an electronic data room. The Chief Auditor also has access to the system, which has mail, chat, and voting functions, if needed. In addition, the system shows when the documents were accessed on an individual basis. The material from each meeting is saved electronically, including documents not enclosed with the minutes. The minutes from committee meetings are distributed to all Board members, the CEO, the head of Internal Audit and the external auditor.

The following points are usually brought up at every Board meeting:

- minutes from previous meeting
- conflicts of interest disclosure
- information on issues dealt with by the Board’s committees
- report from the Chief Executive Officer
- report from the Chief Financial Officer
- report from the Chief Risk Officer
- report from the Chief Compliance Officer (quarterly)
- report on Internal Audit’s review and any action plans (quarterly)
- strategic issues
- decisions on special cases
- training needs

**Board’s competence development**

The Board made a study trip in autumn 2015 to gain better insight into innovation, digitisation, new players in the market and related issues. In accordance with the 2015 training plan, the Board also conducted training in corporate governance, ethics, conflicts of interest and information security, among other areas. In addition, individual Board members undertake study trips on their own initiative within various parts of the bank to stay informed on specific areas of operations. On a number of occasions during the year the Chair accompanied investor trips in Europe and Asia and met shareholders and debt investors. This gives the Board deeper insight into topical issues being discussed by the bank’s owners and investors at the same time that the Board, through a direct dialogue, gets feedback on the bank’s operations and the direction it is taking.

New Board members attend the bank’s introductory training, which is designed to quickly familiarise them with the organisation and operations and help them better understand Swedbank’s values and culture. Members are also informed of their legal responsibility as directors and their roles on the various committees. Each year the Board establishes a training plan, and at every Board meeting any need for further training is also discussed.

**Board work 2015**
4.3 Risk and Capital Committee

The Board’s Risk and Capital Committee supports the Board in ensuring that routines are in place to identify and define risks relating to business activities as well as to measure and control risk-taking.

Each month the committee receives a special risk report from Group Risk. A more detailed description of the Group’s risk areas can be found in the risk section on pages 39–43 and in note G3.

The CEO is not a member of the committee but normally attends its meetings, as do the CFO and CRO. The members of the committee have special competence and experience working with risks.

The work of the Risk and Capital committee also includes:
- Internal Capital Adequacy Assessment Process (ICAAP) and the bank’s capitalisation
- The bank’s limits and exposures, including its largest exposures and provisions
- Stress tests of various credit portfolios and other analyses of the credit portfolio, especially the Swedish mortgage portfolio’s composition and its importance to the bank’s funding
- The size of the bank’s liquidity portfolio and other liquidity issues
- Funding-related issues and strategies, especially with respect to covered bonds

4.2 Remuneration Committee

The Board’s Remuneration Committee verifies that remuneration systems in the bank conform to effective risk management and are designed to reduce the risk of excessive risk-taking.

Remuneration systems must comply with all applicable rules, such as those of the Code and the SFSA.

The committee’s chair and members must have the knowledge and experience in risk analysis necessary to make an independent evaluation of the suitability of the bank’s remuneration policy. The members must be independent in relation to the bank and its executive management. Since the bank launched its new remuneration programme in 2011, the Remuneration Committee’s work has focused on ongoing issues. For information on remuneration at Swedbank, see the corporate governance report and note G13.

The work of the Remuneration Committee also includes:
- salary, pension, variable remuneration and other benefits for the Group Executive Committee (in accordance with the guidelines adopted by the AGM) and the head of Internal Audit
- the Board’s proposal to the AGM regarding remuneration guidelines for senior executives
- allocation and evaluation of the bank’s performance and share-based remuneration programmes and other issues associated with the programmes
- Swedbank’s remuneration policy

- decisions pursuant to or deviations from policies in the remuneration area
- annual review and evaluation of the effectiveness of the remuneration instructions
- preparation and recommendation to the Board on remuneration to consultants where total remuneration exceeds SEK 20m
- review of wage differences to ensure they are not arbitrary
- succession planning

4.3 Audit Committee

The Audit Committee, through its work and in consultation with the external Auditor, the head of Internal Audit and the Group Executive Committee, provides the Board with access to information on business activities. Its purpose is to identify any deficiencies in routines and the organisation in terms of governance, risk management and control.

The purpose of the Audit Committee’s work is to ensure that the bank’s executive management establishes and maintains effective routines for internal governance, risk management and control. They should be designed to provide reasonable assurance with respect to reporting (financial reporting, operational risk) and compliance (laws, regulations and internal rules) and ensure appropriateness and efficiency in administrative processes and protection of the bank’s assets. The Audit Committee also reviews the work of the internal and external auditors to ensure that it has been conducted effectively, impartially and satisfactorily. The committee proposes measures that are decided on by the Board as needed.

The head of Internal Audit is a co-opted member of the committee. The majority of the members must be independent in relation to the bank and its executive management. At least one member must also be independent in relation to the bank’s major shareholders. At least one member must have special competence in accounting or auditing.

The work of the Audit Committee also includes:
- reviewing and evaluating the Group’s financial reporting process
- responsibility for the quality of the company’s reporting
- responsibility for ensuring that interim and year-end reports are audited or reviewed by the external Auditor
- meeting the external Auditor on each reporting date
- approving consulting services by the external Auditor that exceed a certain amount
- staying informed of accounting standards
- evaluating the head of Internal Audit
- reviewing and approving Internal Audit’s budget, instruction and annual plan
- reviewing Internal Audit’s quarterly reports and suggested improvements
- following up Internal Audit’s annual plan and strategic priorities
- following up External Audit’s plan and risks in financial reporting
5 Internal control and risk management

The Board is responsible for ensuring that routines are in place to identify and define operational risks and that risk-taking is measured and monitored. The basis for well-functioning risk work is a strong, shared risk culture.

5.1 First line of defence – risk management by business operations

Swedbank’s business units bear full responsibility for risks that arise in their operations. Their employees have the best understanding of the customer and specific insight into the local market. The bank’s risk classification tools serve as support for all business processes.

5.2 Second line of defence – independent control functions

The Bank has established central, independent control functions for risk and compliance that conduct activities on behalf of business units. The control functions identify, monitor and report on risk management, including operational risks and compliance-related risks.

Compliance

Swedbank has an overarching Compliance Function led by the Chief Compliance Officer who reports directly to the CEO. The Compliance Function’s responsibilities include advising and supporting management and operating units, reviewing compliance and informing employees of regulatory requirements.

The Compliance Function focuses on risk and prioritises the riskiest compliance areas in terms of resources. The Compliance Function’s work is governed by the Policy for the Compliance Function adopted by the Board.

5.3 Third line of defence – Internal Audit

The purpose of Internal Audit’s work is to create improvements in operations by evaluating risk management, governance and internal control.

Internal Audit is directly subordinate to the Board and thus serves as a review function independent of the executive management.

All of the bank’s activities and Group companies are the purview of Internal Audit, which evaluates whether the executive management, through the internal controls and governance structures it has implemented, has ensured that (1) the controls in business operations are effective, (2) risk management processes are effective, and (3) governance processes and the organisation are appropriate, functional and support the purpose of the business. It also works proactively to suggest improvements in internal control.

In its work, Internal Audit follows professional guidelines on internal audits and the Institute of Internal Auditors’ Code of Ethics as established in the International Professional Practices Framework.

Swedbank’s risk management

Swedbank’s risk management is built on a well developed risk process with three lines of defence.

Board of Directors

CEO

Risk management (operational)
First line of defence
Owns and manages risks
• Business and operations (line)
• Support function

Control (operational)
Second line of defence
Establishes infrastructure and monitors risks
• Risk
• Compliance

Evaluation (not operational)
Third line of defence
Evaluates and validates the effect of the first and second lines of defence
• Internal Audit
CEO

The President and CEO is the officer ultimately responsible for ensuring that the Board’s strategic direction and other decisions are implemented and adhered to by the business areas and subsidiaries, and that risk management, governance, IT systems, the organisation and processes are satisfactory. The CEO represents the bank externally on various matters, leads the work of the Group Executive Committee and makes decisions after consulting its members.

The CEO is permitted to delegate duties to subordinates or Group committees, although ultimate responsibility is retained by the CEO. The committees do not constitute a quorum among their own members; instead, decisions are always made by the CEO. The Board’s view of the CEO’s special areas of responsibility is set out in, among other places, its corporate governance policy and instruction for the CEO. The CEO is responsible for ensuring that the Board’s decisions, policies and instructions are followed by the businesses and that they are reviewed and evaluated annually.

The CEO establishes Group-wide rules on internal control. To support internal control, the CEO has a number of monitoring units within the Group, primarily Group Finance, Group Risk, and Group Compliance. Follow-ups are done regularly through written reports and in-depth reviews with the heads of the various Group Functions and with the business areas. For more information, see the Board of Directors’ report on internal control over financial reporting on page 57. The CEO is also responsible for ensuring that the Group has a strategy for competence management.

Group Executive Committee, other committees and forums

The Group Executive Committee (GEC) is the CEO’s decision management forum and consists of 19 members: the Chief Executive Officer, the Chief Financial Officer, the Chief Risk Officer, the Chief Legal Officer, the Chief Compliance Officer, and the heads of Human Resources, the business areas Swedish Banking, Baltic Banking and LC&I, the six regions in Sweden, Group Products, Group IT, Group Treasury, Strategic Analysis and M&A. A majority of the members have direct business responsibility, and the GEC plays an important role as a forum for exchanging information and ideas. The GEC normally meets every three weeks.

In addition to the GEC, the CEO has established the following committees: the Group Asset Allocation Committee (GAAC), the Group Risk and Compliance Committee (GRCC), GEC Remuneration Committee (GEC Remco) and the Group Investment Committee (GIC).

GAAC and GRCC are led by the CFO and CRO, respectively, who report directly to the CEO. One of GAAC’s goals is to consolidate financial control of capital, liquidity, financing and tax issues as well as management and governance issues. Corresponding operational committees can be found in every business area. Their dialogue with GAAC provides an understanding of the bank’s performance and contributes to consistent and harmonious governance. After consulting GRCC’s members, the CRO and the CCO submit their recommendations to the Board and the CEO and support senior-level managers on central risk and compliance issues. Their evaluations are based on information and reports from risk and compliance managers as well as from operational managers and Internal Audit. GRCC contributes to the strategic planning of the Group’s risk appetite to ensure harmonisation from a risk perspective. GEC Remco drafts proposals for remuneration systems and recommends variable remuneration for employees to the Board’s Remuneration Committee. Swedbank’s view is that remuneration should be individually based as far as possible to inspire employees to live up to its goals, strategy and vision. It must also contribute to sound risk-taking. GIC plans and prioritises the Group’s IT investments in keeping with the bank’s strategy. All IT investments exceeding SEK 6m must be approved by the CEO after consulting the members of GIC.

The CEO has also established a Senior Management Forum (SMF), an information and discussion forum of senior executives in the bank. This ensures implementation and coordination of strategically important issues. The CEO evaluates SMF’s composition to ensure it has the right combination of competence and experience.

Focus areas in 2015:
• Improved customer value through increased availability, quality and user friendliness
• Improved customer offering through development of digital channels and improved advisory skills
• Review of product offerings in Sweden in view of increasing digitisation
• Channel strategy
• Savings product strategy
• IT development and security in view of increased digitisation
• Integration of Sparbanken Öresund
• More efficient processes, including synergies from the acquisition of Sparbanken Öresund, modified distribution forms and personnel reductions
• Internal mobility as well as professional development and succession planning
• Gender equality
• Simplified performance assessment
• Anti-money laundering
• Implementation of strategic decisions and projects
• Purchasing process
Business areas

An effective operating structure is important to the governance of the bank. The Group structure provides a framework for various roles, functions and reporting channels within the bank.

The bank’s operations are conducted in three business areas: Swedish Banking, Baltic Banking and Large Corporates & Institutions.

Every business area manager is directly subordinate to the CEO. They have overarching responsibility for their operations and report continuously to the CEO. The business area managers’ responsibilities include:

- developing the business area’s strategy and business plans and ensuring that they are implemented and reported to the CEO
- creating and maintaining reporting and communication channels as a means to raise issues of material importance that must be addressed at the CEO or Board level. All these issues are set out in a written report with recommended actions
- ensuring that policies and instructions are followed within the business area
- customer offering and product development
- integrating sustainability aspects in business decisions and procedures
- profitability and financial stability in the business area
- monitoring, supervising and managing the business area’s assets, liabilities and profitability
- maintaining a sound internal control system to mitigate, detect and quickly respond to risks and ensure compliance with laws and regulations
- effective implementation of the bank’s governance model within the business area

Group Functions and Group Products

The Group Functions support the CEO and the Group’s business operations while creating consistent routines, ensuring governance and monitoring within the Group, and clarifying Swedbank’s vision and strategy.

The Group Functions, which are mainly staffs operating across business areas, consist of Group Finance (including Group Treasury and Investor Relations), Communication, Risk, IT, Compliance, Public Affairs, HR and Legal. Responsibility for products and product development is consolidated in a single unit, Group Products.

Among the roles of the functions is to develop Group-wide policies and instructions for the Board and CEO to adopt. They also propose other Group-wide internal rules, which are approved by the manager of each Group Function. The Group Functions are also responsible for monitoring implementation of internal rules and governance in the Group. The purpose of these Group-wide rules and processes is to support the CEO and the Group’s business operations and to clarify Swedbank’s vision, purpose, values and strategy. Additionally, the Group Functions create and monitor Group-wide procedures, which support business operations and facilitate an exchange of experience between the bank’s various markets. They are responsible for compiling and analysing reports for the CEO and the Board as well as proposing solutions to issues that require immediate action within each area and thereby creating an effective solution to the problem. The head of each Group Function is entitled to unrestricted insight into business operations in order to fulfil their obligations.
Corporate culture based on simplicity, openness and caring

A critical element for success and satisfied customers is employees who have clear goals and an understanding of the bank’s purpose, values and overarching goals.

Swedbank’s operations and values-based culture are founded on motivated and engaged employees who are attentive to customers’ needs and wishes. We strive to develop close, long-term customer relationships built on trust. To contribute to greater customer value and meet our customers’ expectations, it is critical that the bank quickly adapts to market conditions. Other important prerequisites for increased customer value are competent employees who meet the demands and diversity of our customer base. Diversity and gender equality are important to the bank’s work environment and corporate culture. The work is based on a central diversity and gender equality plan, and every manager is graded based on diversity and equality goals as part of their performance. Our managers are responsible for guiding their businesses toward the bank’s shared goals, supporting our employees in their development, monitoring performance and fostering a positive work environment.

The bank’s code of conduct describes how we shall work and act towards customers, suppliers, competitors and authorities as well as society at large. The Sustainability and Ethics Council provides guidance for the organisation on complex issues regarding business ethics and sustainability. The aim is to reduce risks and support implementation in business decisions and processes.

An important gauge to monitor performance and give our employees the skills they need to achieve the bank’s overarching goals, purpose and vision is the Performance Development (PD) process. To reach these targets, it is crucial that managers and employees make continuous monitoring a natural part of their day.

Information to capital markets

Swedbank provides shareholders, analysts, debt investors and other stakeholders prompt, accurate, consistent and simultaneous information on the Group’s operations and financial position.

Transparency fosters an understanding of the financial reporting and the decisions that are made, as well as of the sector as a whole.

Swedbank’s external reports should reflect the progress in achieving the bank’s goals and priorities as well as other important changes required to monitor and evaluate the bank’s financial position. The financial information should also create good insight into the bank’s track record and current and future development, and be in line with the executive management’s and Board’s perception of the bank.

The Group’s information policy, which is included in the internal control environment, is designed to ensure that Swedbank meets the requirements for publicly listed companies. Swedbank’s annual report is distributed in printed form to those who request it. The annual report, interim reports, year-end reports, press releases and other relevant information on the bank are available on the website, which is updated continuously.

Further information on Swedbank’s corporate governance

On Swedbank’s website, www.swedbank.com, under the tab “About Swedbank”, is a special section on corporate governance issues, which contains, among other things:

- Swedbank’s Articles of Association
- the Nomination Committee’s principles and work
- information on Swedbank’s Annual General Meetings since 2002
- information on remuneration in Swedbank and an evaluation of the remuneration guidelines for Swedbank’s senior executives
- the bank’s code of conduct
The Board of Directors’ report on internal control over financial reporting

The Board of Directors is ultimately responsible for ensuring that financial reporting complies with external regulations, and is also responsible for internal control over financial reporting (ICFR) being monitored. Swedbank’s ICFR is based on the COSO model 2013 (The Committee of Sponsoring Organisations of the Treadway Commission), and consists of the following five internal control components.

Control environment: The Board of Directors and executive management establish the foundation for internal control

To support reliable reporting, internal control is based on Swedbank’s organisational structure and the policies and instructions established by the Board. Furthermore, a directive has been prepared for ICFR by the CFO.

A Group-wide ICFR framework was implemented in the bank in 2015. The framework is based on the bank’s vision, purpose and values (see the first spread of the annual report), and identifies risks and key controls. The framework creates a transparent control environment with clearly defined roles and responsibilities.

Risk analysis: Risk assessment based on essentiality and complexity

Risk management is an integral part of business activities. Every unit manager has primary responsibility for risk management and risk assessment in their operations and in the financial reporting process. Self-assessments of risks and controls are conducted annually, as are risk and vulnerability analyses in the event of changes.

Risk analysis within the ICFR framework is conducted at the Group level to identify and create an understanding of the risks in financial reporting with regard to both essentiality and complexity. The risk analysis is then used as a basis for deciding which areas should be covered by the framework.

Control activities: Controls at different levels

Controls are performed at various levels in the bank to ensure reliable financial reporting. The ICFR framework’s controls are structured as follows: Group-level controls, controls at the process/transaction level, and general IT controls.

To ensure the application of control activities, internal rules are in place with accounting policies, planning and monitoring processes, and reporting routines. Swedbank also has a central valuation group to ensure the accurate valuation of assets and liabilities. Analyses of financial results are presented monthly to Swedbank’s executive management. The Board’s Audit Committee monitors the financial reporting and the effectiveness of the internal control and internal audit.

Information and communication

Group Finance ensures that accounting instructions are updated, communicated and available to the reporting units. Policies, instructions, directives and manuals on financial reporting are published on Swedbank’s intranet. Moreover, national intranets are updated with national reporting routines to ensure uniform application of the principles for financial reporting and internal controls.

Monitoring

Group Finance monitors the financial reporting, which internal audit then reviews on behalf of the Board with regard to how governance, risk management and internal control are organised, and complied with.

All business areas and the largest business support units undergo performance reviews, in which the CEO, CFO, CRO and respective manager participate. The meetings cover financial performance as well as strategic and operational considerations in operating plans.

Annual monitoring and reviews of significant controls are also performed on businesses that serve the savings banks. This results in an annual third party verification, where the internal control of the services provided to the savings banks is evaluated and tested by an independent party.

Monitoring of whether or not there are any errors in the financial reporting is performed regularly through the ICFR framework. This is done by evaluating controls that are considered significant to ensure the reliability of the reporting. Executive management is kept informed of the evaluation through periodic reporting sessions.
Board of Directors

Anders Sundström
Born 1952
Chair since 2013, Board member since 2009
Shareholdings in Swedbank
Own and closely related parties: 30,000
In Swedbank as
Board of Directors, Chair
Remuneration Committee, Chair
Risk and Capital Committee, member
Audit Committee, member
Attendance: 16/16 5/5 11/12 5/5
Total annual fees: £390,000 £105,000 £205,000 £205,000
Anders Sundström brings to the Board extensive experience and a wide-ranging network of contacts in political and business circles through his previous positions as municipal commissioner, several ministerial posts, CEO of a savings bank and insurance company.

Lars Idermark
Born 1957
Deputy Chair since 2013, Chair 2010–2013
Shareholdings in Swedbank
Own and closely related parties: 143
In Swedbank as
Board of Directors, Deputy Chair
Remuneration Committee, member
Risk and Capital Committee, member
Audit Committee, member
Attendance: 16/16 5/5 10/12
Total annual fees: £105,000 £100,000 £205,000
In addition to banking expertise, including from his time at FöreningsSparbanken, Lars Idermark has experience from a number of other industries at both an operational and strategic level. As former chair, he also provides continuity and support to others who participate in the Board’s work.

Ulrika Francke
Born 1956
Board member since 2002
Shareholdings in Swedbank
Own and closely related parties: 14,350
In Swedbank as
Board of Directors, member
Risk and Capital Committee, member
Audit Committee, Chair
Attendance: 16/16 11/12 5/5
Total annual fees: £510,000 £205,000 £255,000
Ulrika Francke provides expertise in real estate and development as well as considerable experience from the bank’s board. In her current role as president and CEO of one of Sweden’s leading consulting firms, she also adds knowledge in urban planning.

Board member’s independence
Independent in relation to the bank and executive management and independent in relation to the bank’s major shareholders.

Education
Studies in social sciences
Master of Business Administration
University studies

Bank specific experience
Operational: 4 years. Board: 13 years
Operational: 9 years. Board: 15 years
Board: 21 years

Work experience
President and CEO, Folksam
President and CEO, PostNord AB
President and CEO, Södra Skogsägarna
President and CEO, KF/Coop
President and CEO, Second Swedish National Pension Fund
Deputy President and CEO, KF/Coop
President and CEO, FöreningsSparbanken/Swedbank
CFO and Executive Vice President, Föreningsbanken AB
President and CEO, LRF Holding AB

Other significant assignments
European Savings Banks Group, Deputy Chair • ICMI, Chair • Kooperativa Förbundet, KF, Chair • NMI Group AB, Chair
Almega trade organisation, Board member • Hexagon AB, Board member • ID Samhällsbyggnad, Board member • BIM Alliance, Chair
Göran Hedman
Born 1954
Board member since 2010
Own and closely related parties: 1 109
■ Board of Directors, member
■ Risk and Capital Committee, Chair
Attendance: 16/16 12/12
Total annual fees: 510 000 255 000
Göran Hedman has held a number of executive positions at FöreningsSparbanken and brings to the Board a wealth of experience and know-how in the areas of credit and risk, as well as extensive knowledge of, and contacts in, the savings bank movement through his current position as CEO of Sparbanken in Enköping.

Anders Igel
Born 1951
Board member since 2009
Own and closely related parties: 7 500
■ Board of Directors, member
■ Remuneration Committee, member
Attendance: 15/15 7/8
Total annual fees: 510 000 100 000
Anders Igel brings to the Board industrial, technological and financial experience after having held senior positions at TeliaSonera, Esselte and Ericsson. He provides expertise in strategic issues, restructurings and online services.

Camilla Linder
Born 1968
Employee representative since 2015 and deputy since 2013
Own and closely related parties: 437
■ Board of Directors, member, employee representative
Total annual fees: No fees
Camilla Linder is employee representative with long experience from banking from retail operations among other.

Göran Hedman is CEO of Sparbanken in Enköping. All aspects considered, Göran Hedman is not independent in relation to Swedbank when taking into account the cooperation agreement between Swedbank and Sparbanken in Enköping. Göran Hedman is considered independent in relation to the bank’s executive management and major shareholders.

Independent in relation to the bank and executive management and independent in relation to the bank’s major shareholders.

Year of birth
Göran Hedman: 1954
Anders Igel: 1951
Camilla Linder: 1968

Shareholdings in Swedbank
Göran Hedman: 1
Anders Igel: 7
Camilla Linder: 437

Board member’s independence
Göran Hedman: Not applicable.
Anders Igel: Independent in relation to the bank and executive management and independent in relation to the bank’s major shareholders.
Camilla Linder: Not applicable.

Education
Göran Hedman: Upper secondary school
Anders Igel: Upper secondary school

Operational experience
Göran Hedman: 41 years
Anders Igel: 21 years
Camilla Linder: 21 years

President, Sparbanken in Enköping
Full-time board member
Uppsala Chamber of Commerce, Board member • Sparbanken i Enköping, Board member

Finewineandtable Sweden • Igel Insight AB, Chair • Industrial advisor to EQT

Other significant assignments
Finansförbundets koncernklubb Swedbank, Chair • SPK, Board member

1) Holdings as of 31 December 2015.
## Board of Directors

<table>
<thead>
<tr>
<th>Name</th>
<th>Year of birth</th>
<th>Employee representative since</th>
<th>Shareholdings in Swedbank 1</th>
<th>In Swedbank as</th>
<th>Board member’s independence</th>
<th>Education</th>
<th>Work experience</th>
<th>Other significant assignments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roger Ljung</td>
<td>1967</td>
<td>2015</td>
<td>Own and closely related parties: 0</td>
<td>Board of Directors, member, employee representative</td>
<td>1000</td>
<td>Uppersecondary school</td>
<td>Business advisor, Swedbank AB • Retail advisor, branch manager, business advisor in Swedish Banking, Swedbank</td>
<td>Finansförbundets förbundsstyrelse, Board member • Finansförbundets koncernklubb Swedbank, deputy chair • Finans och försäkringstranschens A-kassa, Board member • SPK, deputy chair</td>
</tr>
<tr>
<td>Pia Rudengren</td>
<td>1965</td>
<td>since 2009</td>
<td>Own and closely related parties: 0</td>
<td>Board of Directors, member</td>
<td>15/16</td>
<td>B. Sc. Business and Economics</td>
<td>Board: 7 years</td>
<td>Duni AB, Board member • Kappahl AB, Board member • SocialInitiative AB, Chair • Tikkurila Oyj, Board member</td>
</tr>
<tr>
<td>Karl-Henrik Sundström</td>
<td>1960</td>
<td>since 2009</td>
<td>Own and closely related parties: 9 750 through Alma Patria AB</td>
<td>Board of Directors, member</td>
<td>5/5</td>
<td>B. Sc. Business Administration</td>
<td>Board: 7 years</td>
<td>CEO, Stora Enso AB • CFO and EVP, Stora Enso • CFO and EVP, NXP Semiconductors • CFO and deputy CEO, Telefonaktiebolaget LM Ericsson • Head of Global Services, Telefonaktiebolaget LM Ericsson • Head of Australia and New Zealand, Telefonaktiebolaget LM Ericsson</td>
</tr>
</tbody>
</table>

1) Holdings as of 31 December 2015.
Siv Svensson

Born 1957
Board member since 2010

Own and closely related parties: 1,500

- Board of Directors, member
- Audit Committee, member

Attendance: 15/16
5/5
Total annual fees: 510,000
205,000

Siv Svensson has broad experience in the banking and financial sector, both strategic and operational, and provides insight into customer relationship management and HR issues as well as experience from Nordic business.

Independent in relation to the bank and executive management and independent in relation to the bank’s major shareholders.

B. Sc. International Economics

Operational: 27 years, Board: 6 years

Full-time board member
CEO, Sefina Finance AB • CEO, Sefina Svensk Pantbelåning AB • Executive Vice President and Regional Head, Nordea AB • Group Controller and Nordic Head of Global Operation Services, Nordea AB • Group Controller, Merita Norbanken AB • Administrative Head, PK Fondkommission AB

Sj AB, Board member • Alba Holding AB, Board member • InlandsInnovation AB, Board member • Karolinska University Hospital, Board member • Forum Syd, Board member

Maj-Charlotte Wallin

Born 1953
Board member since 2014

Own and closely related parties: 750

- Board of Directors, member
- Audit Committee, member

Attendance: 15/16
5/5
Total annual fees: 510,000
205,000

Maj-Charlotte Wallin has extensive experience with a financial background from Swedish business, including the insurance and real estate sectors.

Independent in relation to the bank and executive management and independent in relation to the bank’s major shareholders.

B. Sc. Business and Economics

Operational: 20 years, Board: 1 year

Full-time board member
CEO, AFA Försäkring • CFO and EVP, Alecta pensionsförsäkring • CEO, Jones Lang LaSalle Asset Management Services AB • Head of Business Area Management, Skandia Fastighet • CEO, CFO and EVP, Nordbanken Fastigheter AB • Executive positions at Nordbanken Finans AB

Kammarkollegiets fonddelegation, Board member • Swedish Heart-Lung Foundation, Board member • Fourth Swedish National Pension Fund (AP4), Board member
Group Executive Committee

Michael Wolf
President and CEO until 9 February 2016
Born 1963. Employed since 2008
Shareholdings in Swedbank: 1
83,500. Does not otherwise own any shares and is not a partner in any companies with significant business relationships with the bank
Education: M. Sc. Business and Economics
Work experience: CEO of Intrum Justitia • Vice President, CFO and various positions within Skandia • various positions within SEB
Major assignments outside Swedbank: Stockholm Chamber of Commerce, Chair • Anna Lindh Academy, Chair

Mikael Björknert
Head of Strategic Analysis and M&A
Born 1966. Employed since 2010
Shareholdings in Swedbank: 4,392
Education: M. Sc. Business and Economics

Göran Bronner
Group Chief Financial Officer (CFO)
Born 1962. Employed since 2009
Shareholdings in Swedbank: 25,000 through companies
Education: M. Sc. Business and Economics
Major assignments outside Swedbank: CTT Systems AB, Board member

Anders Ekedahl
Group Chief Information Officer (CIO)
Born 1960. Employed since 1987
Shareholdings in Swedbank: 3,564
Education: M. Sc. Business and Economics

Björn Elfstrand
Head of Stockholm Region
Born 1964. Employed since 1989
Shareholdings in Swedbank: 26,300
Education: M. Sc. Business and Economics.

Jonas Erikson
Head of Group Products
Born 1974. Employed since 2009
Shareholdings in Swedbank: 1
7,060
Education: Studies in economics

Birgitte Bonnesen
Acting President and CEO since 9 February 2016
• Head of Swedish Banking
Born 1956. Employed since 1987
Shareholdings in Swedbank: 3,702
Education: MA Economics and Modern Languages

Ulf Ejelöv
Head of Northern Region
Born 1959. Employed since 2009
Shareholdings in Swedbank: 7,060
Education: LL.M.

Göran Bronner
Group Chief Financial Officer (CFO)
Born 1962. Employed since 2009
Shareholdings in Swedbank: 25,000 through companies
Education: M. Sc. Business and Economics
Major assignments outside Swedbank: CTT Systems AB, Board member

Anders Ekedahl
Group Chief Information Officer (CIO)
Born 1960. Employed since 1987
Shareholdings in Swedbank: 3,564
Education: M. Sc. Business and Economics

Björn Elfstrand
Head of Stockholm Region
Born 1964. Employed since 1989
Shareholdings in Swedbank: 26,300
Education: M. Sc. Business and Economics.

Jonas Erikson
Head of Group Products
Born 1974. Employed since 2009
Shareholdings in Swedbank: 1
7,060
Education: Studies in economics

1) Holdings as of 31 December 2015.
Priit Perens  
Head of Baltic Banking  
Born 1964. Employed since 2003  
Shareholdings in Swedbank: 1 808  
Education: M. Sc. Business and Economics

Viveka Strangert  
Head of Compliance  
Born 1961. Employed since 2010  
Shareholdings in Swedbank: 1 000  
Education: L.L.M.

Björn Meltzer  
Head of Large Corporates & Institutions (acting)  
Born 1961. Employed since 2010  
Shareholdings in Swedbank: 0  
Education: Studies in economics  
Major assignments outside Swedbank: Middlepoint AB, Board member

Lars Ljungåiv  
Head of Southern Region  
Born 1963. Employed since 2014  
Shareholdings in Swedbank: 5 500  
Education: M. Sc. Business and Economics  
Major assignments outside Swedbank: Intersport AB, Chair, Bergendahl & Son, Board member, Lund University, Deputy Chair, Malmö FF, Board member

Rolf Lundqvist  
Head of Large Corporates & Institutions  
Born 1963. Employed since 2013  
Shareholdings in Swedbank: 1 340  
Education: M. Sc. Business and Economics  
Major assignments outside Swedbank: None

Annika Hellström  
Head of Central Region  
Born 1965. Employed since 1991  
Shareholdings in Swedbank: 2 000  
Education: Upper secondary school

Lars Friberg  
Head of Group Human Resources  
Born 1962. Employed since 2009  
Shareholdings in Swedbank: 1 808  
Education: M. Sc. Business and Economics

Anders Karlsson  
Group Chief Risk Officer (CRO)  
Born 1966. Employed since 2010  
Shareholdings in Swedbank: 500  
Education: M. Sc. Business and Economics

Cecilia Hernqvist  
General Counsel and Head of Communications  
Born 1960. Employed since 1990  
Shareholdings in Swedbank: 7 795  
Education: L.L.M.

Helo Meigas  
Head of Group Treasury  
Born 1965. Employed since 2004  
Shareholdings in Swedbank: 5 114  
Education: M.A.L.D. with an emphasis on International Business Law and Finance

Lena Smeby-Udesen  
Head of Western Region  
Born 1961. Employed since 2012  
Shareholdings in Swedbank: 0  
Education: M. Sc. Business and Economics, Executive MBA  
Major assignments outside Swedbank: IVA, Board member, Connect Väst, Board member, West Sweden Chamber of Commerce, Board member

Christer Trägårdh  
Head of Eastern Region  
Born 1963. Employed since 2014  
Shareholdings in Swedbank: 6 000  
Education: M. Sc. Business and Economics, Executive MBA  
Major assignments outside Swedbank: Wizens Förvaltnings AB, Chair, Svensk Handel Försäkring, Board member, Sebabo Invest AB, Board member

1) Holdings as of 31 December 2015. Own and closely related parties.  
2) Björn Meltzer is acting Head of LC&I since 14 December 2015.  
He succeeded Magnus Gagner Geeber, who left his position at Swedbank.
Proposed disposition of earnings and statement of the Board of Directors

In accordance with the balance sheet of Swedbank AB, SEK 46 510m is at the disposal of the Annual General Meeting:

The Board of Directors recommends that the earnings be disposed as follows (SEKm):

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>A cash dividend of SEK 10.70 per ordinary share</td>
<td>11 880</td>
</tr>
<tr>
<td>To be carried forward to next year</td>
<td>34 630</td>
</tr>
<tr>
<td>Total disposed</td>
<td>46 510</td>
</tr>
</tbody>
</table>

The proposed total amounts to be distributed and carried forward to next year have been calculated on all 1 105 403 750 outstanding ordinary shares at 31 December of 2015, plus 4 916 619 outstanding ordinary shares entitled to dividends that have been exercised by employees between 1 January and 25 February 2016 relating to remuneration programs. The proposed total amounts to be distributed and carried forward to next year are ultimately calculated on the number shares entitled to dividends on the record day. The amounts could change in the event of additional share repurchases or sales of treasury shares before the record day.

Unrealised changes in the value of assets and liabilities at fair value have had a net effect on equity of SEK 1 010m.

The proposed record day for the dividend is 7 April 2016. The last day for trading in Swedbank’s shares including the right to the dividend is 5 April 2016. If the Annual General Meeting adopts the Board’s proposal, the dividend is expected to be paid by Euroclear on 12 April 2016. The financial companies group’s capital base surpassed the statutory capital requirement as of year-end by SEK 50 331m. Surplus capital in Swedbank AB amounted to SEK 66 517m.

The business conducted in the parent company and the Group involves no risks beyond what occur and can be assumed will occur in the industry or the risks associated with conducting business activities. The Board of Directors has considered the parent company’s and the Group’s consolidation needs through a comprehensive assessment of the parent company’s and the Group’s financial position and the parent company’s and the Group’s ability to meet their obligations. The assessment has also been done based on currently expected regulatory changes. Given the financial position of the parent company and the Group, there can be no assessment other than that the parent company and the Group can continue their business and that the parent company and the Group can be expected to meet their liabilities in both the short and long term and have the ability to make the necessary investments. It is the assessment of the Board of Directors that the size of the equity, even after the proposed dividend, is reasonable in proportion to the scope of the parent company’s and the Group’s business and the risks associated with conducting the business.

The assessment of the Board of Directors is that the proposed dividend is justifiable given the demands that are imposed due to the nature, scope and risks associated with the business and the Group’s business on the size of the parent company’s and the Group’s equity as well as on the parent company’s and the Group’s balance sheets, liquidity and financial positions.
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95 Currency risk
96 Share price risk
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143 Note G57 Sensitivity analysis
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# Income statement, Group

<table>
<thead>
<tr>
<th>SEKm</th>
<th>Note</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td></td>
<td>34 983</td>
<td>41 052</td>
</tr>
<tr>
<td>Interest expenses</td>
<td></td>
<td>-11 990</td>
<td>-18 410</td>
</tr>
<tr>
<td><strong>Net interest income</strong></td>
<td>G8</td>
<td>22 993</td>
<td>22 642</td>
</tr>
<tr>
<td>Commission income</td>
<td></td>
<td>16 583</td>
<td>16 252</td>
</tr>
<tr>
<td>Commission expenses</td>
<td></td>
<td>-5 384</td>
<td>-5 048</td>
</tr>
<tr>
<td><strong>Net commission income</strong></td>
<td>G9</td>
<td>11 199</td>
<td>11 204</td>
</tr>
<tr>
<td>Net gains and losses on financial items at fair value</td>
<td>G10</td>
<td>571</td>
<td>1 986</td>
</tr>
<tr>
<td>Insurance premiums</td>
<td></td>
<td>2 001</td>
<td>1 889</td>
</tr>
<tr>
<td>Insurance provisions</td>
<td></td>
<td>-1 293</td>
<td>-1 308</td>
</tr>
<tr>
<td><strong>Net insurance</strong></td>
<td>G11</td>
<td>708</td>
<td>581</td>
</tr>
<tr>
<td>Share of profit or loss of associates</td>
<td>G27</td>
<td>863</td>
<td>980</td>
</tr>
<tr>
<td>Other income</td>
<td>G12</td>
<td>1 290</td>
<td>1 911</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td></td>
<td>37 624</td>
<td>39 304</td>
</tr>
<tr>
<td>Staff costs</td>
<td>G13</td>
<td>9 395</td>
<td>10 259</td>
</tr>
<tr>
<td>Other general administrative expenses</td>
<td>G14</td>
<td>6 266</td>
<td>6 625</td>
</tr>
<tr>
<td><strong>Total general administrative expenses</strong></td>
<td></td>
<td>15 661</td>
<td>16 884</td>
</tr>
<tr>
<td>Depreciation/amortisation of tangible and intangible fixed assets</td>
<td>G15</td>
<td>672</td>
<td>718</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td></td>
<td>16 333</td>
<td>17 602</td>
</tr>
<tr>
<td><strong>Profit before impairments</strong></td>
<td></td>
<td>21 291</td>
<td>21 702</td>
</tr>
<tr>
<td>Impairments of intangible assets</td>
<td>G29</td>
<td>254</td>
<td>1</td>
</tr>
<tr>
<td>Impairments of tangible assets</td>
<td>G16</td>
<td>72</td>
<td>256</td>
</tr>
<tr>
<td>Credit impairments</td>
<td>G17</td>
<td>594</td>
<td>419</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td></td>
<td>20 371</td>
<td>21 026</td>
</tr>
<tr>
<td>Tax expense</td>
<td>G18</td>
<td>4 625</td>
<td>4 301</td>
</tr>
<tr>
<td>Profit for the year from continuing operations</td>
<td>G54</td>
<td>-6</td>
<td>-262</td>
</tr>
<tr>
<td>Profit for the year</td>
<td></td>
<td>15 740</td>
<td>18 763</td>
</tr>
<tr>
<td><strong>Profit for the year attributable to:</strong></td>
<td></td>
<td>15 727</td>
<td>16 447</td>
</tr>
<tr>
<td>Shareholders of Swedbank AB</td>
<td></td>
<td>15 733</td>
<td>16 709</td>
</tr>
<tr>
<td>Loss for the year from discontinued operations, after tax</td>
<td>G54</td>
<td>-6</td>
<td>-262</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td></td>
<td>13</td>
<td>16</td>
</tr>
<tr>
<td><strong>Profit for the year from continuing operations</strong></td>
<td></td>
<td>13</td>
<td>16</td>
</tr>
<tr>
<td><strong>SEK</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earnings per share, total operations</td>
<td>G19</td>
<td>14.23</td>
<td>14.93</td>
</tr>
<tr>
<td>after dilution</td>
<td>G19</td>
<td>14.13</td>
<td>14.81</td>
</tr>
<tr>
<td>Earnings per share, continuing operations</td>
<td>G19</td>
<td>14.24</td>
<td>15.17</td>
</tr>
<tr>
<td>after dilution</td>
<td>G19</td>
<td>14.14</td>
<td>15.05</td>
</tr>
<tr>
<td>Earnings per share, discontinued operations</td>
<td>G19</td>
<td>-0.01</td>
<td>-0.24</td>
</tr>
<tr>
<td>after dilution</td>
<td>G19</td>
<td>-0.01</td>
<td>-0.24</td>
</tr>
</tbody>
</table>
### Statement of comprehensive income, Group

<table>
<thead>
<tr>
<th>SEKm</th>
<th>Note</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the year reported via income statement</td>
<td></td>
<td>15 740</td>
<td>16 463</td>
</tr>
<tr>
<td>Items that will not be reclassified to the income statement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Remeasurements of defined benefit pension plans</td>
<td>G39</td>
<td>3 539</td>
<td>463</td>
</tr>
<tr>
<td>Share related to associates</td>
<td></td>
<td>88</td>
<td>-9</td>
</tr>
<tr>
<td>Income tax</td>
<td>G20</td>
<td>-798</td>
<td>-101</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>2 829</td>
<td>353</td>
</tr>
<tr>
<td>Items that may be reclassified to the income statement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exchange differences, foreign operations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gains/losses arising during the year</td>
<td></td>
<td>-1 678</td>
<td>2 917</td>
</tr>
<tr>
<td>Reclassification adjustments to income statement, profit for the year from discontinued operation</td>
<td>G54</td>
<td>87</td>
<td>508</td>
</tr>
<tr>
<td>Hedging of net investments in foreign operations:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gains/losses arising during the year</td>
<td></td>
<td>1 489</td>
<td>-2 320</td>
</tr>
<tr>
<td>Reclassification adjustments to income statement, profit for the year from discontinued operation</td>
<td>G54</td>
<td>-91</td>
<td>-365</td>
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<tr>
<td>Cash flow hedges:</td>
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<td>Gains/losses arising during the year</td>
<td></td>
<td>145</td>
<td>26</td>
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<tr>
<td>Reclassification adjustments to income statement, net interest income</td>
<td></td>
<td>7</td>
<td>17</td>
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<tr>
<td>Share of other comprehensive income of associates:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exchange differences, foreign operations</td>
<td></td>
<td>-136</td>
<td>-30</td>
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<tr>
<td>Cash flow hedges</td>
<td></td>
<td>1</td>
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<td>Income tax:</td>
<td>G20</td>
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<tr>
<td>Income tax</td>
<td></td>
<td>-358</td>
<td>505</td>
</tr>
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<td>Reclassification adjustments to income statement, income tax</td>
<td></td>
<td>-2</td>
<td>-4</td>
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<tr>
<td>Reclassification adjustments to income statement, profit for the year from discontinued operation, income tax</td>
<td>G54</td>
<td>28</td>
<td>80</td>
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<tr>
<td>Total</td>
<td></td>
<td>-508</td>
<td>1 335</td>
</tr>
<tr>
<td>Other comprehensive income for the year net of tax</td>
<td></td>
<td>2 321</td>
<td>1 688</td>
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<td>Total comprehensive income for the year</td>
<td></td>
<td>18 061</td>
<td>18 151</td>
</tr>
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<td>Total comprehensive income for the year attributable to:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shareholders of Swedbank AB</td>
<td></td>
<td>18 047</td>
<td>18 137</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td></td>
<td>14</td>
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</table>
Balance sheet, Group

<table>
<thead>
<tr>
<th>SEKm</th>
<th>Note</th>
<th>2015</th>
<th>2014</th>
<th>1/1/2014</th>
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<tbody>
<tr>
<td>Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and balances with central banks</td>
<td></td>
<td>186,312</td>
<td>113,768</td>
<td>59,382</td>
</tr>
<tr>
<td>Treasury bills and other bills eligible for refinancing with central banks, etc.</td>
<td>G21</td>
<td>76,552</td>
<td>46,225</td>
<td>56,814</td>
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<tr>
<td>Loans to credit institutions</td>
<td>G22</td>
<td>86,418</td>
<td>113,820</td>
<td>82,278</td>
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<td>Loans to the public</td>
<td>G23</td>
<td>1,413,955</td>
<td>1,404,507</td>
<td>1,264,910</td>
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<td>Value change of interest hedged item in portfolio hedge</td>
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<td>1,291</td>
<td>62</td>
</tr>
<tr>
<td>Bonds and other interest-bearing securities</td>
<td>G24</td>
<td>88,610</td>
<td>124,455</td>
<td>125,595</td>
</tr>
<tr>
<td>Financial assets for which the customers bear the investment risk</td>
<td>G25</td>
<td>153,442</td>
<td>143,319</td>
<td>122,743</td>
</tr>
<tr>
<td>Shares and participating interests</td>
<td>G26</td>
<td>11,074</td>
<td>9,931</td>
<td>7,109</td>
</tr>
<tr>
<td>Investments in associates</td>
<td>G27</td>
<td>5,382</td>
<td>4,924</td>
<td>3,640</td>
</tr>
<tr>
<td>Derivatives</td>
<td>G28</td>
<td>86,107</td>
<td>123,202</td>
<td>64,352</td>
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<tr>
<td>Intangible fixed assets</td>
<td>G29</td>
<td>13,690</td>
<td>14,319</td>
<td>13,658</td>
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<tr>
<td>Investment properties</td>
<td>G30</td>
<td>8</td>
<td>97</td>
<td>685</td>
</tr>
<tr>
<td>Tangible assets</td>
<td>G31</td>
<td>1,981</td>
<td>2,653</td>
<td>3,140</td>
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<tr>
<td>Current tax assets</td>
<td></td>
<td>1,662</td>
<td>1,304</td>
<td>895</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>G18</td>
<td>192</td>
<td>638</td>
<td>417</td>
</tr>
<tr>
<td>Pension assets</td>
<td>G39</td>
<td>1,274</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other assets</td>
<td>G32</td>
<td>14,677</td>
<td>10,103</td>
<td>9,578</td>
</tr>
<tr>
<td>Prepaid expenses and accrued income</td>
<td>G33</td>
<td>6,362</td>
<td>6,126</td>
<td>6,992</td>
</tr>
<tr>
<td>Group of assets classified as held for sale</td>
<td></td>
<td>148</td>
<td>615</td>
<td>1,862</td>
</tr>
<tr>
<td>Total assets</td>
<td></td>
<td>2,148,855</td>
<td>2,121,297</td>
<td>1,824,102</td>
</tr>
<tr>
<td>Liabilities and equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts owed to credit institutions</td>
<td>G34</td>
<td>150,493</td>
<td>171,453</td>
<td>121,621</td>
</tr>
<tr>
<td>Deposits and borrowings from the public</td>
<td>G35</td>
<td>748,271</td>
<td>676,879</td>
<td>620,508</td>
</tr>
<tr>
<td>Financial liabilities for which the customers bear the investment risk</td>
<td>G36</td>
<td>157,836</td>
<td>146,177</td>
<td>125,548</td>
</tr>
<tr>
<td>Debt securities in issue</td>
<td>G37</td>
<td>826,353</td>
<td>835,012</td>
<td>726,275</td>
</tr>
<tr>
<td>Short positions securities</td>
<td>G38</td>
<td>8,191</td>
<td>27,058</td>
<td>17,519</td>
</tr>
<tr>
<td>Derivatives</td>
<td>G28</td>
<td>68,681</td>
<td>85,694</td>
<td>55,011</td>
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<tr>
<td>Current tax liabilities</td>
<td></td>
<td>105</td>
<td>1,477</td>
<td>1,893</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>G18</td>
<td>3,071</td>
<td>1,694</td>
<td>2,383</td>
</tr>
<tr>
<td>Pension provisions</td>
<td>G39</td>
<td>17</td>
<td>2,548</td>
<td>2,925</td>
</tr>
<tr>
<td>Insurance provisions</td>
<td>G40</td>
<td>1,728</td>
<td>1,745</td>
<td>1,645</td>
</tr>
<tr>
<td>Other liabilities and provisions</td>
<td>G41</td>
<td>22,715</td>
<td>22,330</td>
<td>14,397</td>
</tr>
<tr>
<td>Accrued expenses and prepaid income</td>
<td>G42</td>
<td>13,243</td>
<td>13,071</td>
<td>14,194</td>
</tr>
<tr>
<td>Subordinated liabilities</td>
<td>G43</td>
<td>24,613</td>
<td>18,957</td>
<td>10,159</td>
</tr>
<tr>
<td>Liabilities directly associated with group of assets classified as held for sale</td>
<td></td>
<td>14</td>
<td>39</td>
<td>219</td>
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<tr>
<td>Total liabilities</td>
<td></td>
<td>2,025,513</td>
<td>2,003,924</td>
<td>1,714,397</td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td></td>
<td>179</td>
<td>170</td>
<td>165</td>
</tr>
<tr>
<td>Equity attributable to shareholders of the parent company</td>
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<td>123,163</td>
<td>117,203</td>
<td>109,540</td>
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<tr>
<td>Total equity</td>
<td></td>
<td>123,342</td>
<td>117,373</td>
<td>109,705</td>
</tr>
<tr>
<td>Total liabilities and equity</td>
<td></td>
<td>2,148,855</td>
<td>2,121,297</td>
<td>1,824,102</td>
</tr>
</tbody>
</table>

Total assets increased by SEK 28bn from 1 January 2015. Assets increased mainly due to higher cash and balances with central banks, which rose by SEK 73bn. The increase is mainly attributable to higher deposits in the US Federal Reserve and the Central Banks within the Eurosystem. Deposits and borrowings from the public rose by a total of SEK 72bn, mainly corporate deposits. Lending to credit institutions decreased by SEK 27bn at the same time that amounts owed to them decreased by SEK 21bn. The increase in subordinated liabilities was due to an issuance of USD 750m in Additional Tier 1 capital to optimise the capital structure in accordance with the new European capital requirements. The change in equity was the net of the profit for the year and a dividend of SEK 12.5bn for 2014.
## Statement of changes in equity, Group

<table>
<thead>
<tr>
<th>SEKm</th>
<th>Equity attributable to shareholders of Swedbank AB</th>
<th>Non-controlling interests</th>
<th>Total equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Share capital</td>
<td>Other contributed equity(^1)</td>
<td>Exchange differences, subsidiaries and associates</td>
</tr>
<tr>
<td>Opening balance 1 January 2014</td>
<td>24 904</td>
<td>17 275</td>
<td>-833</td>
</tr>
<tr>
<td>Dividends</td>
<td>-11 133</td>
<td>-11 133</td>
<td>-9</td>
</tr>
<tr>
<td>Share-based payments to employees</td>
<td>459</td>
<td>459</td>
<td>459</td>
</tr>
<tr>
<td>Deferred tax related to share based payments to employees</td>
<td>16</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Current tax related to share based payments to employees</td>
<td>50</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Repurchase of own shares for trading purposes</td>
<td>-32</td>
<td>-32</td>
<td>-32</td>
</tr>
<tr>
<td>Associates’ disposal of shares in Swedbank AB</td>
<td>166</td>
<td>166</td>
<td>166</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>3 397</td>
<td>-2 094</td>
<td>34</td>
</tr>
<tr>
<td>of which reported through profit or loss</td>
<td>16 447</td>
<td>16 447</td>
<td>16</td>
</tr>
<tr>
<td>of which income tax reported through other comprehensive income</td>
<td>591</td>
<td>-10</td>
<td>-101</td>
</tr>
<tr>
<td>Closing balance 31 December 2014</td>
<td>24 904</td>
<td>17 275</td>
<td>2 564</td>
</tr>
<tr>
<td>Opening balance 1 January 2015</td>
<td>24 904</td>
<td>17 275</td>
<td>2 564</td>
</tr>
<tr>
<td>Dividends</td>
<td>-12 539</td>
<td>-12 539</td>
<td>-5</td>
</tr>
<tr>
<td>Share-based payments to employees</td>
<td>413</td>
<td>413</td>
<td>413</td>
</tr>
<tr>
<td>Deferred tax related to share based payments to employees</td>
<td>-42</td>
<td>-42</td>
<td>-42</td>
</tr>
<tr>
<td>Current tax related to share based payments to employees</td>
<td>63</td>
<td>63</td>
<td>63</td>
</tr>
<tr>
<td>Disposal of own shares for trading purposes</td>
<td>33</td>
<td>33</td>
<td>33</td>
</tr>
<tr>
<td>Acquired non-controlling interest</td>
<td>-8</td>
<td>-8</td>
<td>-8</td>
</tr>
<tr>
<td>Associates’ disposal of shares in Swedbank AB</td>
<td>-7</td>
<td>-7</td>
<td>-7</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>-1 728</td>
<td>1 097</td>
<td>122</td>
</tr>
<tr>
<td>of which reported through profit or loss</td>
<td>15 727</td>
<td>15 727</td>
<td>13</td>
</tr>
<tr>
<td>of which income tax reported through other comprehensive income</td>
<td>-1 728</td>
<td>1 398</td>
<td>153</td>
</tr>
<tr>
<td>Closing balance 31 December 2015</td>
<td>24 904</td>
<td>17 275</td>
<td>836</td>
</tr>
</tbody>
</table>

1) Other contributed equity consists mainly of share premiums.
### Statement of cash flow, Group

<table>
<thead>
<tr>
<th>SEKm</th>
<th>Note</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td></td>
<td>20,371</td>
<td>21,026</td>
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<tr>
<td>Loss for the period from discontinuing operations</td>
<td></td>
<td>-6</td>
<td>-262</td>
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<tr>
<td>Adjustments for non-cash items in operating activities</td>
<td>G4B</td>
<td>74</td>
<td>-555</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td></td>
<td>-4,660</td>
<td>-5,494</td>
</tr>
<tr>
<td>Increase/decrease in loans to credit institution</td>
<td></td>
<td>27,173</td>
<td>-26,662</td>
</tr>
<tr>
<td>Increase/decrease in loans to the public</td>
<td></td>
<td>-17,976</td>
<td>-115,813</td>
</tr>
<tr>
<td>Increase/decrease in holdings of securities for trading</td>
<td></td>
<td>4,820</td>
<td>12,925</td>
</tr>
<tr>
<td>Increase/decrease in deposits and borrowings from the public including retail bonds</td>
<td></td>
<td>34,957</td>
<td>76,381</td>
</tr>
<tr>
<td>Increase/decrease in amounts owed to credit institutions</td>
<td></td>
<td>-19,342</td>
<td>45,468</td>
</tr>
<tr>
<td>Increase/decrease in other assets</td>
<td></td>
<td>30,492</td>
<td>-41,353</td>
</tr>
<tr>
<td>Increase/decrease in other liabilities</td>
<td></td>
<td>-46,395</td>
<td>84,693</td>
</tr>
<tr>
<td><strong>Cash flow from operating activities</strong></td>
<td></td>
<td>70,932</td>
<td>8,930</td>
</tr>
<tr>
<td><strong>Investing activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business combinations</td>
<td></td>
<td>-2,918</td>
<td></td>
</tr>
<tr>
<td>Business disposals</td>
<td></td>
<td>245</td>
<td>-590</td>
</tr>
<tr>
<td>Acquisitions of and contributions to associates</td>
<td></td>
<td>-10</td>
<td>-814</td>
</tr>
<tr>
<td>Acquisition of other fixed assets and strategic financial assets</td>
<td></td>
<td>-4,075</td>
<td>-1,111</td>
</tr>
<tr>
<td>Disposals of/matured other fixed assets and strategic financial assets</td>
<td></td>
<td>1,570</td>
<td>362</td>
</tr>
<tr>
<td><strong>Cash flow from investing activities</strong></td>
<td></td>
<td>-2,270</td>
<td>-5,071</td>
</tr>
<tr>
<td><strong>Financing activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issuance of interest-bearing securities</td>
<td></td>
<td>229,220</td>
<td>114,936</td>
</tr>
<tr>
<td>Redemption of interest-bearing securities</td>
<td></td>
<td>-132,963</td>
<td>-139,976</td>
</tr>
<tr>
<td>Issuance of commercial paper</td>
<td></td>
<td>941,257</td>
<td>730,879</td>
</tr>
<tr>
<td>Redemption of commercial paper</td>
<td></td>
<td>-1,019,742</td>
<td>-646,040</td>
</tr>
<tr>
<td>Dividends paid</td>
<td></td>
<td>-12,544</td>
<td>-11,138</td>
</tr>
<tr>
<td><strong>Cash flow from financing activities</strong></td>
<td></td>
<td>5,228</td>
<td>48,661</td>
</tr>
<tr>
<td><strong>Cash flow for the year</strong></td>
<td></td>
<td>73,890</td>
<td>52,520</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the beginning of the year</strong></td>
<td></td>
<td>113,768</td>
<td>59,382</td>
</tr>
<tr>
<td><strong>Cash flow for the year</strong></td>
<td></td>
<td>73,890</td>
<td>52,520</td>
</tr>
<tr>
<td><strong>Exchange rate differences on cash and cash equivalents</strong></td>
<td></td>
<td>-1,346</td>
<td>1,866</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of the year</strong></td>
<td></td>
<td>186,312</td>
<td>113,768</td>
</tr>
</tbody>
</table>

### Comments on the consolidated cash flow statement

The cash flow statement shows receipts and payments during the year as well as cash and cash equivalents at the beginning and end of the year. The cash flow statement is reported using the indirect method and is divided into payments from operating activities, investing activities and financing activities.

### Operating activities

Cash flow from operating activities is based on operating profit for the year. Adjustments are made for items not included in cash flow from operating activities. Changes in assets and liabilities from operating activities consist of items which are part of normal business activities, such as loans to and deposits and borrowings from the public and credit institutions, and which are not attributable to investing and financing activities. Cash flow includes interest receipts of SEK 35,870 m (42,445) and interest payments of SEK 11,964 m (16,773). Capitalised interest is included.

### Investing activities

Cash flow from investing activities is based on the acquisition and disposal of non-current assets. Purchases and sales of businesses and other fixed assets such as owner-occupied properties, investment properties and equipment, and strategic financial assets are recorded. The latter refers to holdings of interest-bearing securities held to maturity and strategic shareholdings in companies other than subsidiaries and associates.

In 2015 Svensk Fastighetsförmedling AB was divested for SEK 245m and Swedbank Juristbyrå AB for SEK 1. Capital contributions of SEK 10m were paid to Getswish AB. In addition, bonds were acquired in 2015 for SEK 3,629m (500) and bonds holdings matured for SEK 1,054m (169). During the year other tangible assets were acquired for SEK 446m (611) and other tangible assets were divested for SEK 1,062m (913). In 2014 Sparbanken Öresund AB was acquired for SEK 2,918m, including acquired cash and cash equivalents of SEK 20m. Moreover, Färs och Frosta Sparbank AB was converted during the year to Sparbanken Skåne AB. The new Sparbanken Skåne includes the former Sparbanken 1826 and branches acquired from Sparbanken Öresund AB. In connection with the conversion, Swedbank AB invested SEK 2,65m in a new share issue and acquired shares for SEK 549m. Swedbank AB’s ownership interest in the new Sparbanken Skåne AB is 22 per cent. In 2014 SIA Ektornet Kr Valdemara 27/29 was sold for SEK 140m, Imoniy grupé ALITA for SEK 184m, Inedahl HB and condominium certificates of title for SEK 13m and branches from Sparbanken Öresund AB to Sparbanken Skåne AB for SEK -913m.

### Cash and cash equivalents

Cash and cash equivalents consist of cash and balances with central banks, which correspond to the balance sheet item Cash and balances with central banks. Cash and cash equivalents in the statement of cash flow are defined according to IAS 7 and do not correspond to what the Group considers liquidity.
Notes

All amounts in the notes are in millions of Swedish kronor (SEKm) and represent carrying amounts unless indicated otherwise. Figures in parentheses refer to the previous year.

G1 Corporate information

The consolidated financial statements and the annual report for Swedbank AB (publ) for the financial year 2015 were approved by the Board of Directors and the CEO for publication on 25 February 2016. The parent company, Swedbank AB, maintains its registered office in Stockholm at the following address: Landsvägen 40, 172 63 Stockholm, Sweden. The company’s shares are traded on the NASDAQ OMX Nordic Exchange in Stockholm in the Nordic Large Cap segment. The Group offers financial services and products in its home markets of Sweden, Estonia, Latvia and Lithuania. The operations are described more extensively in the Board of Directors’ report.

The consolidated financial statements and the annual report will ultimately be adopted by the parent company’s Annual General Meeting on 5 April 2016.

G2 Accounting policies

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1 BASIS OF ACCOUNTING

The financial reports and the consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and interpretations of them. The standards are issued by the International Accounting Standards Board (IASB) and the interpretations by the IFRS Interpretations Committee. The standards and interpretations become mandatory for Swedbank’s consolidated financial statements concurrently with their approval by the EU. Complete financial reports refer to:

• balance sheet as at the end of the period,
• statement of comprehensive income for the period,
• statement of changes in equity for the period,
• cash flow statement for the period, and
• notes, comprising a summary of significant accounting policies and other explanatory information.

The consolidated financial statements are also prepared according to the Swedish Financial Reporting Board’s recommendation RFR 1 Complementary accounting rules for groups and pronouncements, certain complementary rules in the Annual Accounts Act for Credit Institutions and Securities Companies and the regulations and general advice of the Swedish Financial Supervisory Authority, FFPS 2008:25.

The financial statements are based on the historical cost basis. Subsequent measurements of financial instruments are to a large extent at fair value. The carrying amounts of financial assets and liabilities subject to hedge accounting at fair value may be adjusted for changes in fair value attributable to the hedged risk. The financial statements are presented in Swedish kronor and all figures are rounded to millions of kronor (SEKm) unless indicated otherwise.

2 CHANGES IN ACCOUNTING POLICIES

The following adoption of accounting pronouncements and changes are applied in the 2015 financial reports.

Annual Improvements 2011–2013

On 1 January 2015, the Group adopted amendments to several IFRS standards, resulting from the 2011–2013 Annual Improvements. This comprises amendments to a number of current IFRS standards for changes in presentation, recognition or measurement and terminology or editorial. The amendments did not have a material impact on the Group’s financial position, results or cash flows.

Other IFRS changes

Other than those above, no new or amended standards or interpretations have been applied or have had an impact on the Group’s financial position, results, cash flows or disclosures.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Presentation of financial statements (IAS 1)

Financial statements provide a structured representation of a company’s financial position and financial results. The purpose is to provide information on the company’s financial position, financial results and cash flows useful in connection with financial decisions. The financial statements also indicate the results of the executive management’s administration of the resources entrusted to them. Complete financial statements consist of a balance sheet, statement of comprehensive income, statement of changes in equity, cash flow statement and notes. Swedbank presents the statement of comprehensive income in the form of two statements. A separate income statement contains all revenue and expense items, provided that a special IFRS does not require or allow otherwise. Other revenue and expense items are recognised in other comprehensive income. The statement of comprehensive income contains the profit or loss recognised in the income statement as well as the components included in other comprehensive income.

3.2 Consolidated financial statements (IFRS 3, IFRS 10)

The consolidated financial statements comprise the parent company and those entities (including special purpose vehicles) over which the parent company has control. The parent company has control when it has power and is capable of managing the relevant activities of another entity, is exposed to a variable return and is able to use its power to affect that return. These entities, subsidiaries, are included in the consolidated financial statements in accordance with the acquisition method from the day that control is
obtained and are excluded from the day that control ceases. According to the acquisition method, the acquired unit’s identifiable assets, liabilities and contingent liabilities that satisfy the recognition criteria are recognised and measured at fair value upon acquisition. The surplus between the cost of the business combination, transferred consideration measured at fair value on the acquisition date and the fair value of the acquired share of identifiable assets, liabilities and reported contingent liabilities is recognised as goodwill. If the amount is less than the fair value of the acquired company’s net assets, the difference is recognised directly in the income statement as a bargain purchase within Other income. The transferred consideration (purchase price) includes the fair value of transferred assets, liabilities and shares which, in applicable cases, have been issued by the Group as well as the fair value of all assets or liabilities that are the result of an agreement on contingent consideration. Acquisition-related costs are recognised when they arise. For each acquisition, the Group determines whether all non-controlling holdings in the acquired company should be recognised at fair value or at the holding’s proportionate share of the acquired subsidiary’s net assets. A subsidiary’s contribution to equity includes only the equity that arises between acquisition and disposal. All intra-Group transactions and intra-Group gains are eliminated.

Transactions with non-controlling owners are recognised as equity transactions with the Group’s shareholders in their capacity as owners. In the case of acquisitions of interests from non-controlling owners, the difference between the price paid for the interests and the acquired share of the carrying amount of the subsidiary’s net assets is recognised in equity attributable to the parent company’s shareholders as retained earnings. The carrying amount of the interest is attributed to the parent company’s shareholders as retained earnings. Gains and losses on the sale of interests to non-controlling owners are also recognised in equity, if, following a sale of its interests, the Group no longer has control. The remaining holding is remeasured at fair value and the change is recognised in its entirety in the income statement. This fair value subsequently serves as the cost of the remaining holding in the former subsidiary for reporting purposes. All amounts related to the divested unit that were previously recognised in other comprehensive income are recognised as if the Group directly divested the related assets or liabilities, due to which amounts previously recognised in other comprehensive income may be reclassified as profit or loss. If the interest in an associate is reduced but a significant influence is retained, the proportionate share of the amount previously recognised in other comprehensive income is reclassified to profit or loss.

3.3 Assets and liabilities in foreign currency (IAS 21)
The consolidated financial statements are presented in SEK, which is also the parent company’s functional currency and presentation currency. Functional currency refers to the main currency used in an entity’s cash flows. Each entity within the Group determines its own functional currency according to its primary economic environment. Transactions in a currency other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing at the transaction date. Monetary assets and liabilities in foreign currency and non-monetary assets in foreign currency measured at fair value are translated at the rates prevailing at the closing day. Outstanding forward exchange contracts are translated at closing day forward rates. Holdings of foreign bank notes are translated at the buying rates for the notes as of the closing day. All gains and losses on the translation of monetary items, including the currency component in forward exchange contracts, and non-monetary items measured at fair value are recognised in the income statement in net gains and losses on financial items at fair value, as changes in exchange rates. Assets and liabilities in subsidiaries and associates with a functional currency other than SEK are translated to the presentation currency at the closing day exchange rate. The income statement is translated at the exchange rate for each transaction. For practical purposes, the average rate for the period is generally used. Exchange rate differences that arise are recognised in other comprehensive income. As a result, exchange rate differences attributable to currency hedges of investments in foreign operations are also recognised in other comprehensive income, taking into account deferred tax. This is applied when the requirements for hedge accounting are met. Incorrectness in hedges is recognised directly in the income statement in net gains and losses on financial items at fair value. When subsidiaries and associates are divested, cumulative translation differences and exchange rate differences are recognised in the income statement.

3.4 Financial instruments (IAS 32, IAS 39)
A large part of the Group’s balance sheet items represents financial instruments. A financial instrument is any form of agreement which gives rise to a financial asset in one company and a financial liability or equity instrument in another. Cash is an example of a financial asset, while financial liabilities might include an agreement to pay or receive cash or other financial assets. Financial instruments are classified on relevant lines of the balance sheet depending on the nature of the instrument and the counterparty. If a financial instrument does not have a specific counterparty or it is listed on the market, the instrument is classified on the balance sheet among various types of securities. Financial liabilities where the creditor has a lower priority than others are classified on the balance sheet as Subordinated liabilities. A derivative is a financial instrument that is distinguished by the fact that its value changes, for example, due to exchange rates, interest rates or share prices, it requires little or no initial net investment and it is settled on a future date. Derivatives are reported on separate lines of the balance sheet as assets or liabilities depending on whether the contract has a positive or negative fair value. Contractually accrued interest is recognised upon prepayment or accrued income or expenses in the balance sheet. Financial assets are recognised on the balance sheet on the trade date when an acquisition agreement has been entered into, with the exception of loans and receivables, which are recognised on the settlement day. Financial assets are derecognised when the right to obtain the cash flows from a financial instrument has expired or has been transferred to another party. Financial liabilities are removed from the balance sheet when the obligation in the agreement has been discharged, cancelled or expired.

Embedded derivatives
An embedded derivative is a component of a hybrid instrument that includes a non-derivative host contract, with the effect that some of the cash flows vary in a manner similar to a stand-alone derivative. An embedded derivative is separated from the host contract and recognised separately within derivatives on the balance sheet when its financial features are not closely related to the host contract’s, provided that the combined financial instrument is not recognised at fair value in the income statement.

Repos
A genuine repurchase transaction (repo) is defined as a contract where the parties have agreed on the sale of securities and the subsequent repurchase of corresponding assets at a predetermined price. In a repo, the sold security remains on the balance sheet, since the Group is exposed to the risk that the security will fluctuate in value before the repo expires. The payment received is recognised as a financial liability on the balance sheet based on the respective counterparty. The securities sold are also recognised as a pledged asset. The proceeds received for acquired securities, so-called reverse repos, are recognised on the balance sheet as a loan to the selling party.

Securities loans
Securities that have been lent remain on the balance sheet, since the Group remains exposed to the risk that they will fluctuate in value. Securities that have been lent out are recognised on the trade day as assets pledged, while borrowed securities are not reported as assets. Securites that are lent out are carried in the same way as other security holdings of the same type. In cases where borrowed securities are sold, so-called short-selling, an amount corresponding to the fair value of the securities is recognised in Other liabilities on the balance sheet.

Offsetting
Financial assets and financial liabilities are offset and recognised net in the balance sheet if there is a legal right of set-off both in the normal course of business and in the event of bankruptcy, and if the intent is to settle the items with a net amount or simultaneously realise the asset and settle the liability.

3.5 Financial instruments, measurement (IAS 39)
The Group’s financial instruments are divided into the following valuation categories:
• financial instruments at fair value through profit or loss,
• loans and receivables,
• held-to-maturity investments, and
• other financial liabilities.

Certain individual holdings of insignificant value have been classified in the valuation category available-for-sale. All financial instruments are initially recognised at fair value. The best evidence of fair value at initial recognition is the transaction price. For financial instruments that are not subsequently measured at fair value through profit or loss, supplementary entries are also made for additions or deductions of direct transaction expenses to acquire or issue the financial instrument. Subsequent measurement of financial instruments depends on the valuation category to which the financial instrument is attributed. Notes to items in the balance sheet with financial instruments indicate how the carrying amount is disclosed between valuation categories. The categorisation is shown in the table below.
Valuation category, fair value through profit or loss

Financial instruments at fair value through profit or loss comprise instruments held for trading and all derivatives, excluding those designated for hedge accounting. Financial instruments held for trading are acquired for the purpose of selling or repurchasing in the near term or are part of a portfolio for which there is evidence of a pattern of short-term profit-taking. In the notes to the balance sheet, these financial instruments are classified at fair value through profit or loss, trading. This category also includes other financial instruments that upon initial recognition have irrevocably been designated as at fair value, the so-called fair value option. The option to irrevocably measure financial instruments at fair value is used in the Group for individual portfolios of loans, securities in issue and deposits, when the instruments, together with derivatives, essentially eliminate the portfolio’s aggregate interest rate-risk.

Typically, these financial instruments have a fixed contractual interest rate. The fair value option is used to eliminate the accounting volatility that would otherwise arise because of the different measurement principles that are normally used for derivatives compared with other financial instruments. Financial liabilities in insurance operations, where the customer bears the investment risk, are categorised in the same way when corresponding assets are also measured at fair value. The Group has chosen to categorise holdings of shares and participating interests that are not associates or intended for trading at fair value through profit or loss, since they are managed and evaluated based on fair value. In the notes to the balance sheet, these financial instruments are classified at fair value through profit or loss, other.

The fair value of financial instruments is determined based on quoted prices on active markets. When such market prices are not available, generally accepted valuation models such as discounted future cash flows are used. The valuation models are based on observable market data, such as quoted prices on active markets for similar instruments or quoted prices for identical instruments on inactive markets. Differences that arise at initial recognition between the transaction price and the fair value according to a valuation model, so-called day 1-profits or losses, are recognised in the income statement only when the valuation model entirely has been based on observable market data. In all other cases the difference is amortised during the financial instrument’s remaining maturity. For loans measured at fair value where observable market data on the credit margin are not available at the time of measurement, the credit margin for the most recent transaction with the same counterparty is used. Changes in value are recognised through profit or loss in net gains and losses on financial items at fair value. For financial instruments in trading operations, the Group’s profit or loss item also includes share dividends. Changes in value owing to changes in exchange rates are recognised as changes in exchange rates in the same profit or loss item. Changes in the value of financial liabilities owing to changes in the Group’s credit worthiness are also recognised separately when they arise. Decreases in value attributable to debtor insolvency are attributed to credit impairments.

Valuation category, loans and receivables

Loans to credit institutions and the public, categorised as loans and receivables, are recognised on the balance sheet on the settlement day. These loans are measured at amortised cost as long as there is no objective evidence indicating that a loan or group of loans is impaired. Loans are initially recognised at cost, which consists of the loan amount paid out less fees received and any costs that constitute an integral part of the return. The interest rate that produces the loan’s cost as a result of the calculation of the present value of future payments is considered the effective interest rate. The loan’s amortised cost is calculated by discounting the remaining future payments by the effective interest rate. Interest income includes interest payments received and the change in the loan’s amortised cost during the period, which produces a consistent return. On the closing day, it is determined whether there is objective evidence to indicate an impairment need for a loan or group of loans. If, after the loan is initially recognised, one or more events have occurred that negatively impact the estimated future cash flows, and the impact can be estimated reliably, impairment is made. The impairment is calculated as the difference between the loan’s carrying amount and the present value of estimated future cash flows, discounted by the loan’s original effective interest rate. The Group determines first whether there is objective evidence for impairment of each individual loan. Loans for which such evidence is lacking are included in portfolios with similar credit risk characteristics. These portfolios are subsequently measured for impairment on a collective basis, in the event that objective evidence of impairment exists. Any impairment is calculated for the portfolio as a whole. Homogenous groups of loans with limited value and similar credit risk that have been individually identified as having objective evidence of impairment are meas-

Financial assets

<table>
<thead>
<tr>
<th>Valuation categories</th>
<th>Hedging instruments</th>
<th>Fair value through profit or loss</th>
<th>Loans and receivables</th>
<th>Held to maturity</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and balances with central banks</td>
<td>186</td>
<td>114</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Treasury bills and other bills eligible for refinancing with central banks</td>
<td>76</td>
<td>46</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans to credit institutions</td>
<td>2</td>
<td>18</td>
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<tr>
<td>Loans to the public</td>
<td>35</td>
<td>63</td>
<td>196</td>
<td>278</td>
<td>1,183</td>
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<td>Bonds and other interest-bearing securities</td>
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<td>123</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets for which customers bear the investment risk</td>
<td>153</td>
<td>143</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shares and participating interests</td>
<td>11</td>
<td>9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivatives</td>
<td>18</td>
<td>23</td>
<td>68</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Other financial assets</td>
<td>18</td>
<td>15</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>18</td>
<td>23</td>
<td>473</td>
<td>359</td>
<td>153</td>
</tr>
</tbody>
</table>

Financial liabilities

<table>
<thead>
<tr>
<th>Valuation categories</th>
<th>Hedging instruments</th>
<th>Fair value through profit or loss</th>
<th>Other financial liabilities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts owed to credit institutions</td>
<td>1</td>
<td>6</td>
<td></td>
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<tr>
<td>Deposits and borrowings from the public</td>
<td>4</td>
<td>16</td>
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<td>0</td>
</tr>
<tr>
<td>Financial liabilities for which customers bear the investment risk</td>
<td>158</td>
<td>146</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt securities in issue</td>
<td>14</td>
<td>13</td>
<td>6</td>
<td>37</td>
</tr>
<tr>
<td>Short position securities</td>
<td>8</td>
<td>27</td>
<td></td>
<td></td>
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<tr>
<td>Derivatives</td>
<td>4</td>
<td>4</td>
<td>65</td>
<td>82</td>
</tr>
<tr>
<td>Subordinated liabilities</td>
<td>25</td>
<td>19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>32</td>
<td>30</td>
<td></td>
<td></td>
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<tr>
<td>Total</td>
<td>4</td>
<td>4</td>
<td>98</td>
<td>144</td>
</tr>
</tbody>
</table>
used individually based on the loss risk in the portfolio as a whole. If the impairment decreases in subsequent periods, previously recognised impairment losses are reversed. However, loans are never recognised at a value higher than what the amortised cost would have been if the write-down had not occurred. Loan impairments are recognised in profit or loss as credit impairments. Credit impairments include provisions for individually impaired loans, portfolio provisions and write-offs of impaired loans. Write-offs are recognised as credit impairments when the amount of loss is ultimately determined and represent the amount before the utilisation of any previous provisions. Provisions utilised in connection with write-offs are recognised on a separate line within credit impairments. Repayments of write-offs and recovery of provisions are recognised within credit impairments. The carrying amount of loans is the amortised cost less write-offs and provisions. Individual provisions and portfolio provisions are recognised in a separate provision account in the balance sheet, while write-offs reduce the amount of outstanding loans. Provisions for assumed losses on guarantees and other contingent liabilities are recognised on the liability side. Impaired loans are those for which it is likely that payment will not be received in accordance with the contract terms. A loan is not impaired if there is collateral that covers the principal, unpaid interest and any late fees by a satisfactory margin.

Valuation category, held-to-maturity
Certain financial assets are categorised as held-to-maturity investments where the intention is to hold them until the maturity date. Such instruments have fixed maturities, are not derivatives and are quoted on an active market. These investments are initially recognised on their trade day at cost and subsequently at amortised cost less any impairment, in the same way as for loans and receivables.

Reclassification of financial assets
Financial assets, excluding derivatives, which no longer meet the criteria for trading, may be reclassified from the valuation category financial instruments at fair value, provided that rare circumstances exist. A reclassification to the valuation category Held-to-maturity investments also requires an intention and ability to hold the investment until maturity. The fair value of the assets at the time of reclassification is considered to be their acquisition cost.

Valuation category, other financial liabilities
Financial liabilities that are not recognised as financial instruments at fair value through profit or loss are initially recognised on the trade day at cost and subsequently at amortised cost. Amortised cost is calculated in the same way as for loans and receivables.

Hedge accounting at fair value
Hedge accounting at fair value is applied in certain cases when the interest rate exposure in a recognised financial asset or financial liability or loan portfolios is hedged with derivatives. Where hedge accounting is applied, the hedged risk in the hedging instrument is recognised directly in a separate line in the balance sheet. This value change includes the value of the change in the hedge's effectiveness. The hedge's effectiveness is considered to be the hedge's effectiveness. Hedge accounting is measured in a reliable way and must prove to remain very effective, both prospectively and retrospectively, in offsetting changes in value of the hedged risk.

Cash flow hedges
Derivative transactions are sometimes entered into to hedge the exposure to variations in future cash flows resulting from changes in interest rates and currency. These hedges can be recognised as cash flow hedges, whereby the effective portion of the change in the value of the derivative, the hedging instrument, is recognised directly in other comprehensive income. Any ineffective portion is recognised through profit or loss in net gains and losses on financial items at fair value. When future cash flows lead to the recognition of a financial asset or a financial liability, any gains or losses on the hedging instrument are eliminated from other comprehensive income and recognised in profit or loss in the same periods that the hedged item affects profit or loss. In order to apply hedge accounting, the hedge must be formally identified and documented. The hedge’s effectiveness must be measurable in a reliable way and must prove to remain very effective, both prospectively and retrospectively, in offsetting changes in value of the hedged risk.

Hedging of net investments in foreign operations
Hedges of net investments in foreign operations are applied to protect the Group from translation differences that arise from the translation of operations in a functional currency other than the presentation currency. Financial liabilities reported in the foreign operation’s functional currency are translated at the closing-day exchange rate. The portion of the exchange rate result from hedging instruments that are effective is recognised in other comprehensive income. Any ineffective portion is recognised in profit or loss in net gains and losses on financial items at fair value. When a foreign operation is divested, the gain or loss from the hedging instrument is reclassified from other comprehensive income and recognised in profit or loss. In order to apply hedge accounting, the hedge has been formally identified and documented. The hedge’s effectiveness must be measurable in a reliable way and must prove to remain very effective, both prospectively and retrospectively, in offsetting changes in value of the hedged risk.

3.6 Leases (IAS 17)
The Group’s leasing operations consist of finance leases and are therefore recognised as loans and receivables. The carrying amount corresponds to the present value of future leasing payments. The difference between all future leasing payments, the gross receivable, and the present value of future leasing payments constitutes unearned income. Consequently, lease payments received are recognised in profit or loss as interest income and in part in the balance sheet as instalments, such that the financial income corresponds to an even return on the net investment. In a finance lease, the economic risks and benefits associated with ownership of an asset are essentially transferred from the lessor to the lessee. The Group acts both as the lessor and the lessee for operating leases, which are those leases where the lessor bears the economic risks and benefits. Lease payments where the Group acts as lessee are expensed linearly over the lease term.

3.7 Associates and joint ventures (IAS 28, IFRS 11)
Associates and joint ventures are entities where the Group has significant influence or joint control, but not sole control, of another entity and are accounted for according to the equity method. The equity method means that the participating interests in an entity are recognised at cost at the time of acquisition and subsequently adjusted for the owned share of the change in the associate’s net assets. Goodwill attributable to the associate or the joint venture is included in the carrying amount of the participating interests and is not amortised. The carrying amount of the participating interests is subsequently compared with the recoverable amount of the net investment in the associate or the joint venture to determine whether an impairment need exists. The owned share of the associate’s or joint venture’s profit according to the associate’s or joint venture’s income statement, together with any impairment, is recognised on a separate line. The share of the associate’s or the joint venture’s tax is recognised in the income statement as Tax. The associates’ and joint venture’s reporting dates and accounting policies conform to the Group’s.

3.8 Intangible assets (IAS 38)
Goodwill
Goodwill acquired through a business combination is initially measured at cost and subsequently at cost less accumulated impairment. Goodwill is tested annually for impairment or more frequently if events or circumstances indicate a decrease in value. In order to test goodwill from business combinations for impairment, it is allocated upon acquisition to the cash generating unit or units that are expected to benefit from the acquisition. Identified cash generating units correspond to the lowest level in the entity for which the goodwill is monitored in the internal control of the entity. A cash generating unit is not larger than a business segment in the segment reporting. Impairment is determined and recognised when the recoverable amount of the cash generating unit to which the goodwill is allocated is lower than the carrying amount. Recognised impairment is not reversed.

Other intangible assets
Intangible assets are initially measured at cost and subsequently at cost less accumulated amortisation and accumulated impairment. The cost of intangible assets in a business combination corresponds to fair value upon acquisition. The useful life of an intangible asset is considered either finite or indefinite. Intangible assets with a finite useful life are amortised over their useful life and tested for impairment when impairment needs are indicated. Useful lives and amortisation methods are reassessed and adapted when needed in connection with each closing day. Development expenses are capitalised and recognised in the balance sheet when such costs can be calculated in a reliable way and for which it is likely that future economic benefits attributable to the assets will accrue to the Group. In other cases, development is expensed when it arises.
3.9 Investment properties (IAS 40)
Investment properties are properties held to generate rental income or appreciation in value, or a combination of the two, rather than being held for the Group’s own use or for sale in day-to-day operations. The investment properties have been taken over to protect claims. Investment properties are initially recognised at cost and are subsequently measured at cost less accumulated depreciation and impairment. The cost consists of the purchase price, or the fair value if a purchase price is unavailable, as well as expenses directly attributable to the purchase. Depreciation begins when an asset is ready for use and is reported systematically over each component’s useful life down to its estimated residual value. The depreciation method reflects how the asset’s value is gradually consumed. Useful lives, residual values and depreciation methods are reassessed and changed when necessary in connection with each closing day. The carrying amount is tested for impairment when events or circumstances indicate a lower recoverable amount. The recoverable amount represents the higher of the asset’s sales value less selling expenses and its value in use. If the carrying amount exceeds the recoverable amount, the asset is reduced to its recoverable amount. See also section 3.17 Impairment of assets (IAS 36).

3.10 Tangible assets (IAS 2, 16)
For protection of claims Tangible assets acquired or recovered to protect claims are recognised as inventory, provided they do not relate to investment properties. Inventories are measured at the lower of cost and net realisable value. The cost includes all costs of purchase, manufacturing and to otherwise bring the goods to their current location and condition. The net realisable value represents the amount that is expected to be realised from a sale.

For own use Tangible fixed assets, such as equipment and owner-occupied properties, are initially recognised at cost and subsequently measured at cost less accumulated depreciation and impairments. Such recognition is consistent with that used for investment properties, see section 3.9 Investment properties (IAS 40).

3.11 Borrowing costs (IAS 23)
Borrowing costs are capitalised when they are directly attributable to the purchase, construction or production of a qualified asset. Borrowing costs refer to interest and other costs that arise in obtaining a loan. A qualified asset is one that takes considerable time to finish and is intended for use or sale, such as intangible assets or investment properties. Other borrowing costs are expensed in the period in which they arise.

3.12 Provisions (IAS 37)
A provision is recognised in the balance sheet when the Group has a legal or constructive obligation arising from past events and it is likely that an outflow of resources will be required to settle the obligation. Additionally, a reliable estimate of the amount must be made. Estimated outflows are calculated at present value. Provisions are tested on each closing day and adjusted when needed, so that they correspond to the current estimate of the value of the obligations.

Provisions are recognised for restructuring. Restructurings are extensive organisational changes which may require the payment of employee severance for early termination of employment or a company to be shut down. For a provision to be recognised, a restructuring plan must be in place and announced, so that it has created a valid expectation among those affected that the company will implement a restructuring.

A provision for restructuring includes only direct expenses related to the restructuring and not to future operations, such as of the cost of severance.

3.13 Pensions (IAS 19)
The Group’s post-employment benefits, which consist of pension obligations, are classified as either defined contribution plans or defined benefit plans. In defined contribution plans, the Group pays contributions to separate legal entities, and the risk of a change in value until the funds are paid out rests with the employee. Thus, the Group has no further obligations once the fees are paid. Other pension obligations are classified as defined benefit plans. Premiums for defined contribution plans are expensed when an employee has rendered his/her services. In defined benefit plans, the present value of pension obligations is calculated and recognised as a provision. Both legal and constructive obligations that arise as a result of informal practices are taken into account. The calculation is made according to the Projected Unit Credit Method and also comprises payroll tax. As such, future benefits are attributed to periods of service. The fair value of the assets (plan assets) that are allocated to cover obligations is deducted from the provision. The income statement, staff costs, is charged with the net of service costs, interest on obligations and the anticipated return on plan assets. The calculations are based on the Group’s actuarial assumptions, i.e. the Group’s best estimate of future developments. The same interest rate is used to calculate both interest expense and interest income. If the actual outcome deviates or assumptions change, so-called actuarial gains and losses arise. The net of actuarial gains and losses is recognised as Revaluations of defined benefit pension plans in other comprehensive income, where the difference between the actual return and estimated interest income on plan assets is recognised as well.

3.14 Insurance contracts (IFRS 4)
In the financial statements, insurance policies refer to policies where significant insurance risk is transferred from insurer to insurer. The majority of the Group’s insurance policies do not transfer significant insurance risk; therefore, they are recognised as financial instruments in the balance sheet line Financial liabilities where the customers bear the investment risk. For insurance policies with significant insurance risk, actuarial provisions are allocated corresponding to pledged obligations. In the income statement, premiums received and provisions are reported on separate lines.

3.15 Revenues (IAS 18)
The principles of revenue recognition for financial instruments are described in section 3.5 Financial instruments, recognition (IAS 39). Interest income and interest expense on financial instruments calculated according to the effective interest method are recognised as Net interest income, with the exception of interest income and interest expense on financial instruments and related interests that are classified as held for trading within the Large Corporates & Institutions (“LC&I”) segment which are reported as Net gains and losses on financial items at fair value. Changes in fair value and dividends on shares in the valuation category financial instruments at fair value through profit or loss, as well as changes in the exchange rates between functional and other currencies are recognised in Net gains and losses on financial items at fair value. Service fees are recognised as income when the services are rendered as Commission income or Other income. Commission income includes payment processing, asset management and brokerage commissions. Commission expenses are transaction-dependent and are directly related to the transactions for which income is recognised in Commission income. Other income includes capital gains and losses on the sale of ownership interests in subsidiaries and associates, to the extent they do not represent an independent service line or a significant business conducted within a geographical area. Other income also includes capital gains and losses on the sale of tangible assets.

3.16 Share-based payment (IFRS 2)
Since the Group receives services from its employees and assumes an obligation to settle the transactions with equity instruments, this is recognised as share-based payment. The fair value of the services that entitle the employees to an allotment of equity instruments is expensed at the time the services are rendered and, at the same time, a corresponding increase in equity is recognised as Retained earnings.

For share-based payment to employees settled with equity instruments, the services rendered are measured with reference to the fair value of the granted equity instruments. The fair value of the equity instruments is calculated as per the grant date for accounting purposes i.e. the measurement date. The measurement date refers to the date when a contract was entered into and the parties agreed on the terms of the share-based payment. On the grant date, the employees are granted rights to share-based payment. Since the granted equity instruments are not vested until the employees have fulfilled a period of service, it is assumed that the services are rendered during the vesting period. This means that the cost and corresponding increase in equity are recognised over the entire vesting period. Non market based vesting terms, such as a requirement that a person remain employed, are taken into account in the assumption of how many equity instruments are expected to be vested. At the end of each report period the Group reassesses its judgments of how many shares it expects to be vested based on the non market based vesting terms. Any deviation from the original judgment is recognised in profit or loss and a corresponding adjustment is recognised in Retained earnings within equity. Related social insurance charges are recognised as cash-settled share-based payment i.e. as a cost during the corresponding period, but based on the fair value that at any given time serves as the basis for a payment of social insurance charges.
3.17 Impairment (IAS 36)
For assets that are not tested for impairment according to other standards, the Group periodically determines whether there are indications of diminished value. If such indications exist, the asset is tested for impairment by estimating its recoverable amount. An asset’s recoverable amount is the higher of its selling price less costs to sell and its value in use. If the carrying amount exceeds the recoverable amount, the asset is reduced to its recoverable amount. When estimating value in use, estimated future cash flows are discounted using a discount rate before tax that includes the market’s estimate of the time value of money and other risks associated with the specific asset. An assessment is also made on each reporting date whether there are indications that the need for previous impairments has decreased or no longer exists. If such indications exist, the recoverable amount is determined. Previous impairment losses are reversed only if there were changes in the estimates made when the impairment was recognised. Goodwill impairment is not reversed. Impairments are recognised separately in the income statement for tangible or intangible assets.

3.18 Tax (IAS 12)
Current tax assets and tax liabilities for current and previous periods are measured at the amount expected to be obtained from or paid to tax authorities. Deferred taxes refer to tax on differences between the carrying amount and the tax base, which in the future serves as the basis for current tax. Deferred tax liabilities are the tax attributable to taxable temporary differences and are expected to be paid in the future. Deferred tax liabilities are recognised on all taxable temporary differences, with the exception of the portion of tax liabilities attributable to the initial recognition of goodwill or to certain taxable differences owing to holdings in subsidiaries. Deferred tax assets represent a reduction in the future tax attributable to deductible temporary differences, tax loss carry-forwards or other future tax deductible deductions. Deferred tax assets are tested on each closing day and recognised to the extent it is likely on each closing day that they can be utilised. As a result, a previously unrecongnised deferred tax asset is recognised when it is considered likely that a sufficient surplus will be available in the future. Tax rates which have been enacted or substantively enacted as of the reporting date are used in the calculations. The Group’s deferred tax assets and tax liabilities are estimated at nominal value using each country’s tax rate in effect in subsequent years. Deferred tax assets are netted against deferred tax liabilities for Group entities that have offsetting rights. All current and deferred taxes are recognised in profit or loss as Tax, with the exception of tax attributable to items that are recognised directly in other comprehensive income or equity.

3.19 Non-current assets held for sale and discontinued operations (IFRS 5)
A non-current asset (or a disposal group) is classified as held for sale if its carrying amount will be recovered primarily through a sale. The asset (or disposal group) must be available for immediate sale in its current condition. It must be highly probable that a sale will take place and a finalised sale should be expected within one year. Subsidiaries acquired exclusively for resale are recognised as discontinued operations. Non-current assets held for sale are reported on a separate line in the balance sheet and measured at the lower of the carrying amount and fair value less costs to sell. Liabilities related to non-current assets are also recognised on a separate line in the balance sheet. The profit or loss from discontinued operations is recognised on a separate line in the income statement after the result for continuing operations.

3.20 Cash and cash equivalents (IAS 7)
Cash and cash equivalents consist of cash and balances with central banks, when the central bank is domiciled in a country where Swedbank has a valid banking licence. Balances refer to funds that are available at any time. This means that all cash and cash equivalents are immediately available.

3.21 Operating segments (IFRS 8)
Segment reporting is presented on the basis of the executive management’s perspective and relates to the parts of the Group that are defined as operating segments. Operating segments are identified on the basis of internal reports to the company’s chief operating decision maker. The Group has identified the Chief Executive Officer as its chief operating decision maker and the internal reports used by the CEO to oversee operations and make decisions on allocating resources serve as the basis of the information presented.

The accounting policies for an operating segment consist of the above accounting policies and policies that specifically refer to segment reporting. Market-based compensations are applied between operating segments, while all costs for IT, other shared services and Group Staffs are transferred at full cost-based internal prices to the operating segments. Group Executive Management expenses are not distributed. Crossborder services are invoiced according to the OECD’s guidelines on internal pricing. The Group’s equity attributable to the shareholders is allocated to each operating segment based on the capital adequacy rules according to Basel 2 and estimated utilised capital. The return on equity for the business segments is based on operating profit less estimated tax and non-controlling interests in relation to average allocated equity.

4 NEW STANDARDS AND INTERPRETATIONS
The International Accounting Standards Board (IASB) and IFRS Interpretations Committee (IFRIC) have issued the following standards, amendments to standards and interpretations that apply in or after 2015. The IASB permits earlier application. For Swedbank to apply them also requires that they have been approved by the EU if the amendments are not consistent with previous IFRS rules. Consequently, Swedbank has not applied the following amendments in the 2015 annual report.

The annual improvements amend the current standards for presentation, recognition or measurement and other editorial corrections. The EU has approved the 2010–2012 and 2012–2014 improvements for application to the financial year beginning on 1 January 2016. Adoption is not expected to have a significant effect on the Group’s financial position, results or cash flows.

Revenue from Contracts with Customers (IFRS 15)
IFRS 15 was issued in May 2014 and establishes the principles for reporting useful information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. The standard introduces a five-step model to determine how and when to recognise revenue, but it does not impact the recognition of income from financial instruments in the scope of IAS 39. The standard also establishes new disclosures to provide more relevant information. The standard is applicable from 1 January 2018 and has not yet been approved by the EU. The impacts on the Group’s financial reports are still being assessed by the Group.

Financial instruments (IFRS 9)
IFRS 9 is the replacement of IAS 39 Financial Instruments: Recognition and Measurement and was issued on 24 July 2014. The standard includes requirements for recognition, classification and measurement, impairment, derecognition and general hedge accounting. The major changes from IAS 39 relate to classification and measurement, impairment and general hedge accounting. IFRS 9 is applicable from 1 January 2018 and has not yet been approved by the EU. The impacts on the Group’s financial reports are still being assessed by the Group but are expected to be significant, particularly from adopting the new impairment requirements.

Classification and measurement
At initial recognition, financial assets will be classified as fair value through profit or loss, amortised cost or fair value through other comprehensive income. The classification assessment for debt instruments will be based on two criteria: (a) an entity’s business model for managing a financial asset and (b) whether the contractual cash flows of the instrument represent solely payments of principal and interest. The introduction of the contractual cash flow assessment in IFRS 9 also resulted in removal of the embedded derivative separation requirements where the instrument is a financial asset. The classification of equity instruments is fair value through profit or loss, except where an entity elects to present such instruments as fair value through other comprehensive income. Such an election results in only dividends from such investments recognised in profit or loss and no recycling of fair value gains or losses to profit or loss. The classification and measurement requirements for financial liabilities remain largely unchanged from IAS 39. The primary change permits the presentation of fair value changes due to own credit risk on financial liabilities designated as at fair value through profit or loss in other comprehensive income, rather than in profit or loss.
Impairment
IFRS 9 introduces an expected credit loss model for the measurement of impairment on financial assets measured at amortised cost and fair value through other comprehensive income. IFRS 9 removes the requirement is IAS 39 to identify an incurred loss event. The new impairment model establishes a three-stage approach based on whether there have been significant increases in credit risk from initial recognition of the instrument. For financial assets with no significant increase in credit risk since initial recognition, impairment provisions reflect a 12-month expected credit loss. For financial assets with a significant increase in credit risk and those which are credit impaired, impairment provisions reflect a lifetime expected credit loss.

Hedge accounting
The IFRS 9 hedge accounting requirements allow entities to better reflect their risk management activities in the financial statements and introduce a less rules-based approach to assessing hedge effectiveness.

Amendments to IAS 1: Disclosure Initiative
The amendments to IAS 1 Presentation of Financial Statements were issued in December 2014 as part of an initiative to improve the presentation and disclosures in financial reports. The amendments clarify that materiality is applicable to the entire financial statements and that the inclusion of immaterial information reduces the effectiveness of disclosures. The amendments will be applicable for annual periods beginning on or after 1 January 2015 and were endorsed by the EU on 19 December 2015. The amendments will only have a disclosure impact on the Group.

5.2 Estimates
Investment funds
Entities in the Group have established investment funds for their customers’ savings needs. The Group manages the assets of these funds on behalf of customers in accordance with predetermined provisions approved by the Swedish Financial Supervisory Authority. The return generated by these assets, as well as the risk of a change in value, accrues to customers. Within the framework of the approved fund provisions, the Group receives management fees as well as, in certain cases, application and withdrawal fees for the management duties it performs. The decisions regarding the management of an investment fund are governed by the fund’s provisions; however the Group has power over the decision making of the relevant activities of the investment funds. The Group’s exposure to variable returns from its involvement with those funds is primarily related to the fees charged and therefore the Group is considered to act as agent on behalf of the investment funds’ investors. In certain cases, Group entities also invest in the investment funds to fulfill their obligations to customers. The Group’s holdings in the investment funds represent an additional variable exposure in the investment funds. The Group’s interests in total are seen as principal activity for the Group’s own benefit where such interests exceed 35 per cent and, consequently, the investment fund would be controlled and consolidated. The Group considers that holdings in investment funds through unit-linked mutual insurance contracts do not result in a variable exposure and therefore are excluded from the assessment of control over such investment funds. Holdings in investment funds through unit-linked mutual insurance contracts of SEK 102bn (121) are recognised as Financial assets for which the customer bears the investment risk and the corresponding liabilities of SEK 102bn (121) are recognised as Financial liabilities for which the customer bears the investment risk. If the Group had considered such holdings to be a variable exposure and that it had control over such investment funds, additional financial assets and financial liabilities corresponding to SEK 62bn (121) would have previously been recognised in the Group’s balance sheet.

Financial instruments
When determining the fair values of financial instruments, the Group uses various methods depending on the degree of available observable market data and the level of activity in the market. Quoted prices on active markets are primarily used. Where financial assets and financial liabilities in active markets have offsetting market risks, the average of bid and sell prices is used as a basis for determining the fair value of the offsetting risk positions. For any open net positions, bid or sell prices are applied as appropriate, i.e. bid prices for long positions and sell prices for short positions. The Group’s executive management has determined the method for which market risks offset each other and how the net positions are calculated. When quoted prices on active markets are not available, the Group instead uses valuation models. The Group’s executive management determines when the markets are considered inactive and when quoted prices no longer correspond to fair value, therefore requiring that valuation models are used. An active market is considered a regulated marketplace where quoted prices are easily accessible and which demonstrates regularity. Activity is evaluated continuously by analysing factors such as trading volumes and differences between bid and sell prices. When certain criteria are not met, the market or markets are considered inactive. The Group’s executive management determines which valuation model and which pricing parameters are most appropriate for the individual instrument. Swedbank uses valuation models that are generally accepted and are subject to independent risk control.

The executive management has determined that the option to measure financial instruments at fair value provides the fairest view for certain portions of the Group’s loan portfolios with fixed interest rates, since the interest rate risk is hedged with the help of securities in issue and derivatives. A determination is also made for the financial instruments to which hedge accounting will be applied. In both cases the determination is made to reduce accounting volatility as far as possible. Accounting volatility lacks economic relevance and arises when financial instruments are measured with different measurement principles despite that they financially hedge each other.

Tax
For the parent company’s Estonian subsidiary, Swedbank AS, income taxation is triggered only if dividends are paid. The parent company determines the dividend payment and has established a specific dividend policy that a portion of the profit will be distributed; therefore a deferred tax liability is recognised based on this dividend policy. To the extent dividends are not expected to the paid in the foreseeable future, the Group continues to not recognise a deferred tax liability. If the largest possible dividend were to be distributed, the Group would face an estimated tax charge of SEK 2bn (268).
Impairment testing of goodwill

Goodwill is tested at least annually for impairment. Testing is conducted by calculating the recoverable amount i.e. the highest of value in use or the selling price less costs to sell. If the recoverable amount is lower than the carrying amount, the asset is reduced to its recoverable amount. Goodwill impairment does not affect either cash flow or the capital adequacy ratio, since goodwill is a deduction in the calculation of the capital base. The executive management’s tests are done by calculating value in use. The calculation is based on estimated future cash flows from the cash generating unit that the goodwill relates to and has been allocated to as well as when the cash flows are received. The first three years’ cash flows are determined on the basis of the financial plans the executive management has established. Subsequent determinations of the size of future cash flows require more subjective estimates of future growth, margins and profitability levels. The Group estimates perpetual cash flows, since all cash generating units are part of the Group’s home markets, which it has no intention of leaving. In addition, a discount rate is determined that in addition to reflecting the time value of money also reflects the risk that the asset is associated with. Different discounting factors are used for different time periods. As far as possible, the discount rate and assumptions, or portions of the assumptions, are based on external sources. Nevertheless, a large part of the calculation is dependent on the executive management’s own assumptions. The executive management considers the assumptions to be significant to the Group’s results and financial position. The Group’s goodwill amounted to SEK 3 381m (3 330) at year-end. An overall decrease in borrowers’ payment ability of an additional 10 per cent would have increased provisions by SEK 338m (333).

Financial instruments at fair value

When financial instruments are measured at fair value according to valuation models, a determination is made on which observable market data should be used in those models. The assumption is that quoted prices for financial instruments with similar activity will be used. When such prices or components of prices cannot be identified, the executive management must make its own assumptions. Note G45 shows financial instruments at fair value divided into three valuation levels: quoted prices, valuation models with observable market inputs and valuation models with significant assumptions. As of year-end the value of financial instruments measured with significant assumptions amounted to SEK 187m (158). An estimate of valuation parameters has to be made, for example, for volatilities for certain illiquid options.

Defined benefit pensions

For pension provisions for defined benefit obligations, the executive management uses a number of actuarial assumptions to estimate future cash flows. The assumptions are assessed and updated, if necessary, at each reporting date. Changes in assumptions are described in Note G39. Important estimates are made with regard to the final salary the employee has at the time of retirement, the size of the benefit when it relates to the income base amount and the payment period and economic life. Estimated future cash flows are projected at present value using an assumed discount rate. When actual outcomes deviate from the assumptions made, an experience-based actuarial gain or loss arises. Actuarial gains or losses also arise when assumptions change. In total, the Group’s actuarial gains and losses for 2015 amounted to a gain of SEK 2 947m (186).

The result is recognised as Remeasurements of defined benefit pension plans within other comprehensive income. The gain was mainly due to the fact that the discount rate was raised during the year, from 2.29 per cent to 3.53 per cent. The fair value of the assets managed by the Swedish defined benefit pension plans exceeded the pension liability by SEK 1 274m. The net asset is recognised as an asset in the balance sheet. The Group has determined that the entire amount is available in the form of a repayment or reduction in future fees to secure pensions.

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Swedbank defines risk as a potentially negative impact on a company that can arise due to current internal processes or future internal or external events. The concept of risk comprises the probability that an event will occur and the impact it would have on the Group’s earnings, equity or value. The Board of Directors has adopted an Enterprise Risk Management (ERM) policy detailing the risk framework, risk management process, and roles and responsibilities in risk management. Swedbank continuously identifies the risks its operations generate and has designed a process to manage them.

The risk management process includes eight steps: prevent risks, identify risks, quantify risks, analyse risks, suggest measures, control and monitor, report risks, and, lastly, follow-up risk management. The process encompasses all types of risk and results in a description of Swedbank’s risk profile, which in turn serves as the basis of the internal capital adequacy assessment process.

To ensure that Swedbank retains a low long-term risk profile, the Board has set an overall risk appetite. In line with this appetite, individual CEO limits have been established for the types of risks the bank is exposed to. The CEO limits restrict exposures and performance in the portfolio. Additionally, the Board has decided on a system of signals whose purpose is to give early warning if conditions change.

The capital adequacy assessment process evaluates capital needs based on Swedbank’s overall risk level and business strategy. The aim is to ensure efficient use of capital and at the same time that Swedbank meets the minimum legal capital requirement and maintains access to domestic and international capital markets even under adverse market conditions.

### Risk Description

#### Credit risk
The risk that a counterparty or borrower fails to meet contractual obligations to Swedbank and the risk that collateral will not cover the claim. Credit risk also includes counterparty risk, concentration risk and settlement risk.

#### Market risk
The risk that the Group’s results, equity or value will decrease due to changes in risk factors in financial markets. Market risk includes interest rate risk, currency risk, share price risk, commodity risk and risks from changes in volatilities or correlations.

#### Liquidity risk
The risk that Swedbank cannot fulfil its payment commitments at maturity or when they fall due.

#### Operational risk
The risk of losses resulting from inadequate or failed internal processes, human and system errors or from external events. The definition includes legal risk, compliance risk and information risk.

#### Insurance risk
The risk of a change in value due to a deviation between actual insurance costs and anticipated insurance costs.

#### Other risks
Include business risk, pension risk, strategic risk, and reputational risk.

### Credit risks

**DEFINITION**

Credit risk refers to the risk that a counterparty or borrower will fail to meet their contractual obligations towards Swedbank and the risk that pledged collateral will not cover the claim. Credit risk also includes counterparty risk, concentration risk and settlement risk.

Counterparty risk is the risk that a counterparty in a trading transaction will fail to meet its financial obligations towards Swedbank and that the collateral which has been received is insufficient to cover the claim against the counterparty. Trading transactions refer here to repos, derivatives, security financing transactions and money market transactions.

Concentration risk comprises, among other things, large exposures or concentrations in the credit portfolio to specific counterparties, sectors or geographies.

Settlement risk is the risk that a counterparty will fail to meet their obligations before Swedbank fulfills its when a transaction is executed (delivery/payment).

### Risk management

A central principle in Swedbank’s lending is that each business unit within the Group has full responsibility for its credit risks and that credit decisions adhere to the credit process, are made in accordance with applicable rules, and are in line with the bank’s business and credit strategies. Depending on the size and nature of each credit, a lending decision can be made. For example, an officer with help from system support or by a credit committee. The business unit has full commercial responsibility regardless of who makes the ultimate decision, including responsibility for internal credit control. The duality principle provides guidance for all credit and credit risk management within the Group. The principle is reflected in the independent credit organisation, decision-making bodies and credit processes. Each business unit is responsible for ensuring that internal control is integrated in the relevant parts of the credit process.

The risk classification system is a key part of the credit process; it comprises work and decision-making processes for lending, credit monitoring, and quantification of credit risk. The decision to grant credit requires that there are good grounds to expect that the borrower can fulfill his or her commitment to the Group. In addition, adequate and sufficient collateral must be pledged for the credit.

Lending that is sound, robust and balanced in terms of risks requires that each credit transaction is viewed in relation to relevant factors in the marketplace and takes into account what the Group and the market know about anticipated local, regional and global changes and developments that could impact the business and its risks. Credit exposures are systematically analysed by continuously monitoring individual commitments. Moreover, exposures to corporate customers, financial institutions and sovereign states are assessed at least once a year.

### Risk measurement

Swedbank’s internal risk classification system is the basis for: • Risk assessment and credit decisions • Calculating risk-adjusted returns (including RAROC) • Calculating portfolio provisions • Monitoring and managing credit risks (including migrations) • Reporting credit risks to the Board, CEO and Group Executive Management • Developing credit strategies and associated risk management activities • Calculating capital requirements and capital allocation

Risk class is assessed and decided on as part of credit decisions. The class also affects requirements on the scope of the analysis and documentation and governs how customers are monitored. In this way, low-risk transactions can be approved through a simpler and faster credit process.

Swedbank has received approval from the Swedish Financial Supervisory Authority to apply the IRB approach, which is used to calculate the majority of the capital requirement for credit risks. The bank applies the IRB approach to most of its lending to the public, with the exception of lending to sovereign states. For exposures where the IRB approach is not applied, the SFSA’s standard method is used instead.

The goal of the risk classification is to predict defaults within one year. It is expressed on a scale of 23 classes, where 0 represents the greatest risk and 21 represents the lowest risk of default, with one class for defaulted loans. The table below describes the Group’s risk classification and how it relates to the probability of default for credit risks. The table below describes the Group’s risk classification and how it relates to the probability of default for credit risks. The table below describes the Group’s risk classification and how it relates to the probability of default for credit risks.
### Maximum credit risk exposure distributed by rating 2015

<table>
<thead>
<tr>
<th>EAD</th>
<th>Swedish Banking %</th>
<th>Large corporates &amp; Institutions %</th>
<th>Baltic Banking %</th>
<th>Other %</th>
<th>Total %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low risk</td>
<td>894 432</td>
<td>45.2</td>
<td>229 533</td>
<td>11.5</td>
<td>62 092</td>
</tr>
<tr>
<td>Normal risk</td>
<td>130 239</td>
<td>6.5</td>
<td>31 530</td>
<td>1.6</td>
<td>38 735</td>
</tr>
<tr>
<td>Augmented risk</td>
<td>38 947</td>
<td>2.0</td>
<td>5 399</td>
<td>0.3</td>
<td>12 895</td>
</tr>
<tr>
<td>High risk</td>
<td>12 135</td>
<td>0.6</td>
<td>1 241</td>
<td>0.1</td>
<td>10 195</td>
</tr>
<tr>
<td>Defaults</td>
<td>2 213</td>
<td>0.1</td>
<td>905</td>
<td>0.0</td>
<td>2 896</td>
</tr>
<tr>
<td>Non-rated exposures</td>
<td>4 094</td>
<td>0.2</td>
<td>4 135</td>
<td>0.2</td>
<td></td>
</tr>
<tr>
<td>Standardised method</td>
<td>55 674</td>
<td>2.8</td>
<td>32 632</td>
<td>1.6</td>
<td>64 950</td>
</tr>
<tr>
<td>Total</td>
<td>1 141 674</td>
<td>57.4</td>
<td>305 365</td>
<td>15.4</td>
<td>196 594</td>
</tr>
</tbody>
</table>

### Risk grade according to the IRB methodology

#### Maximum credit risk exposure distributed by rating 2014

<table>
<thead>
<tr>
<th>EAD</th>
<th>Swedish Banking %</th>
<th>Large corporates &amp; Institutions %</th>
<th>Baltic Banking %</th>
<th>Other %</th>
<th>Total %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low risk</td>
<td>832 867</td>
<td>41.9</td>
<td>324 161</td>
<td>16.3</td>
<td>107 510</td>
</tr>
<tr>
<td>Normal risk</td>
<td>92 451</td>
<td>4.6</td>
<td>108 021</td>
<td>5.4</td>
<td>361</td>
</tr>
<tr>
<td>Augmented risk</td>
<td>31 624</td>
<td>1.6</td>
<td>25 548</td>
<td>1.3</td>
<td>147</td>
</tr>
<tr>
<td>High risk</td>
<td>14 734</td>
<td>0.7</td>
<td>8 870</td>
<td>0.4</td>
<td>1</td>
</tr>
<tr>
<td>Defaults</td>
<td>3 232</td>
<td>0.2</td>
<td>2 782</td>
<td>0.1</td>
<td></td>
</tr>
<tr>
<td>Non-rated exposures</td>
<td>1 781</td>
<td>0.1</td>
<td>1 241</td>
<td>0.1</td>
<td></td>
</tr>
<tr>
<td>Standardised method</td>
<td>23 213</td>
<td>1.2</td>
<td>9 580</td>
<td>0.5</td>
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<td>480 743</td>
<td>24.2</td>
<td>113 068</td>
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</table>

The above table refers to Swedbank’s consolidated situation.
Maximum credit risk exposure, geographical distribution 2015

<table>
<thead>
<tr>
<th>Assets</th>
<th>Sweden</th>
<th>Estonia</th>
<th>Latvia</th>
<th>Lithuania</th>
<th>Norway</th>
<th>Denmark</th>
<th>Finland</th>
<th>USA</th>
<th>Other</th>
<th>Total</th>
</tr>
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<td>873</td>
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<td>18</td>
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<td>6 284</td>
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<td>675</td>
<td>5 622</td>
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<td>63</td>
<td>103</td>
<td>6 452</td>
<td>1 509</td>
<td>6 677</td>
<td>45 631</td>
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<td>698</td>
<td>261</td>
<td>489</td>
<td>470</td>
<td>34</td>
<td>256</td>
<td>18 424</td>
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</table>

Contingent liabilities and commitments

| Guarantees                                  | 25 652 | 1 977   | 1 110  | 1 014     | 3 119  | 121     | 122     | 2 629  | 214    | 35 958 |
| Commitments                                 | 180 196 | 10 115  | 4 513  | 7 014     | 16 083 | 15 452  | 1 629   | 310    | 235 312 |
| Total                                       | 1 681 464 | 94 826  | 53 826 | 64 261    | 83 320 | 5 235   | 51 163  | 123 536 | 70 017  | 2 227 648 |
| % of total                                  | 75      | 4       | 2      | 3        | 4      | 0       | 2       | 6      | 3      | 100    |

¹) Fair value of received securities in repurchase agreements covers the carrying amount of the repurchase agreements.

Derivatives, netting gains and collateral held 2015

<table>
<thead>
<tr>
<th>Assets</th>
<th>Sweden</th>
<th>Estonia</th>
<th>Latvia</th>
<th>Lithuania</th>
<th>Norway</th>
<th>Denmark</th>
<th>Finland</th>
<th>USA</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive fair value of contracts, balance sheet</td>
<td>24 669</td>
<td>313</td>
<td>63</td>
<td>103</td>
<td>6 452</td>
<td>1 509</td>
<td>6 677</td>
<td>45 631</td>
<td>86 107</td>
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<td>Netting agreements, related amount not offset in the balance sheet</td>
<td>9 486</td>
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<td>534</td>
<td>21 726</td>
<td>39 613</td>
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<td>Credit exposure, after offset of netting agreements</td>
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<td>313</td>
<td>63</td>
<td>103</td>
<td>4 214</td>
<td>749</td>
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<td>157</td>
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<td>1 457</td>
<td>17 945</td>
<td>21 135</td>
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<td>103</td>
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<td>395</td>
<td>350</td>
<td>157</td>
<td>6 560</td>
<td>25 359</td>
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</table>

¹) Collateral consists of cash 94.2 per cent and AAA rated bonds by Standard & Poor’s 5.8 per cent.

Credit derivatives

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<tr>
<th>Credit derivatives</th>
<th>2015</th>
<th>2014</th>
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<tbody>
<tr>
<td>Credit derivatives, nominal amounts</td>
<td>5 263</td>
<td>12 362</td>
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Credit derivatives are used in customer trading but also to optimise the credit risk in trading portfolios with interest-bearing securities.
### Maximum credit risk exposure, geographical distribution 2014

<table>
<thead>
<tr>
<th></th>
<th>Sweden</th>
<th>Estonia</th>
<th>Latvia</th>
<th>Lithuania</th>
<th>Norway</th>
<th>Denmark</th>
<th>Finland</th>
<th>USA</th>
<th>Other</th>
<th>Total</th>
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<td>513</td>
<td>1,888</td>
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<td>3</td>
<td>3</td>
<td>2</td>
<td>4</td>
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1) Fair value of received securities in repurchase agreements covers the carrying amount of the repurchase agreements.

### Contingent liabilities and commitments

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<td>9,879</td>
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<td>22</td>
<td>237,007</td>
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<td>11,651</td>
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<td>14,725</td>
<td>7,715</td>
<td>27,477</td>
<td>264,726</td>
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<tr>
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<td>4</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>4</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

### Derivatives, netting gains and collateral held 2014

<table>
<thead>
<tr>
<th></th>
<th>Sweden</th>
<th>Estonia</th>
<th>Latvia</th>
<th>Lithuania</th>
<th>Norway</th>
<th>Denmark</th>
<th>Finland</th>
<th>USA</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive fair value of contracts, balance sheet</td>
<td>91,104</td>
<td>275</td>
<td>104</td>
<td>145</td>
<td>7,937</td>
<td>2,120</td>
<td>10,540</td>
<td>954</td>
<td>62,023</td>
<td>123,202</td>
</tr>
<tr>
<td>Netting agreements, related amount not offset in the balance sheet</td>
<td>14,678</td>
<td>3,344</td>
<td>1,227</td>
<td>7,094</td>
<td>822</td>
<td>36,240</td>
<td>63,394</td>
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<td>Credit exposure, after offset of netting agreements</td>
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<td>104</td>
<td>145</td>
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<td>184</td>
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<td>23,295</td>
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<td>512</td>
<td>100</td>
<td>2,488</td>
<td>27,914</td>
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</tbody>
</table>

1) Collateral consists of cash 93.2 per cent and AAA rated bonds by Standard & Poor’s 6.8 per cent.

### GIIPS exposure, carrying amount

<table>
<thead>
<tr>
<th></th>
<th>Greece</th>
<th>Ireland</th>
<th>Italy</th>
<th>Portugal</th>
<th>Spain</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Loans (money market and certificates)</td>
<td>18</td>
<td></td>
<td>10</td>
<td>1</td>
<td>62</td>
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<tr>
<td>Loans (committed credit facilities)</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Derivatives net</td>
<td>10</td>
<td>1</td>
<td>14</td>
<td>86</td>
<td>111</td>
<td>226</td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
<td>11</td>
<td>16</td>
<td>17</td>
<td>49</td>
<td>118</td>
</tr>
<tr>
<td>Total</td>
<td>15</td>
<td>30</td>
<td>30</td>
<td>103</td>
<td>178</td>
<td>497</td>
</tr>
</tbody>
</table>

1) Derivatives at market value taking into account netting and collateral agreements. Considering the bank’s internal risk add-ons for counterparty risk at potential future change in prices, the derivative exposures amount to: Ireland SEK 15m (18), Italy SEK 431m (437), Portugal 40 (0), and Spain SEK 238m (228). Total SEK 724m (683).
2) Includes trade finance and mortgage loans.
## Loans to the public and credit institutions, carrying amount 2015

<table>
<thead>
<tr>
<th>Loans individually assessed as not impaired</th>
<th>Loans individually assessed as impaired</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before portfolio provisions</td>
<td>After portfolio provisions</td>
<td></td>
</tr>
<tr>
<td>Performing</td>
<td>Past due</td>
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</table>

### Geographical distribution

<table>
<thead>
<tr>
<th>Country</th>
<th>Loans to the public (SEK million)</th>
<th>Loans to credit institutions (SEK million)</th>
<th>Loans to credit institutions excluding the Swedish National Debt Office (SEK million)</th>
<th>Loans to the public excluding the Swedish National Debt Office and repurchase agreements (SEK million)</th>
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<tbody>
<tr>
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<td>1,186,460</td>
<td>1,296</td>
<td>1,187,285</td>
<td>1,188,680</td>
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<td>687</td>
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<td>827</td>
<td>27,864</td>
<td>28,508</td>
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<tr>
<td>Lithuania</td>
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<td>35,915</td>
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<tr>
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<td>39,969</td>
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<tr>
<td>Denmark</td>
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<td>3</td>
<td>1,708</td>
<td>1,710</td>
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<tr>
<td>Finland</td>
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<td>5</td>
<td>10,913</td>
<td>10,913</td>
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<tr>
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<td>2,186</td>
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<tr>
<td>Other</td>
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<td>39</td>
<td>2,568</td>
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</table>

### Sector/industry

<table>
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<tr>
<th>Sector/industry</th>
<th>Loans to the public (SEK million)</th>
<th>Loans to credit institutions (SEK million)</th>
<th>Loans to credit institutions excluding the Swedish National Debt Office (SEK million)</th>
<th>Loans to the public excluding the Swedish National Debt Office and repurchase agreements (SEK million)</th>
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<td>687,491</td>
<td>686,871</td>
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<td>101,240</td>
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<td>499,463</td>
<td>501,693</td>
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<tr>
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<td>40,894</td>
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<td>6,847</td>
<td>6,915</td>
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<tr>
<td>Information and communications</td>
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<td>5,591</td>
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<td>263</td>
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<td>Professional services</td>
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<td>17,580</td>
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</table>

### Footnotes
- Loans to the public excluding the Swedish National Debt Office and repurchase agreements: 1,364,330 3,581 957 1,366,954 6,020 2,410 3,610 1,370,564
- Loans to credit institutions excluding the Swedish National Debt Office and repurchase agreements: 129,008 15 1,129,023
- Loans to the public and credit institutions: 1,494,138 3,581 957 1,496,762 6,035 2,424 3,611 1,500,373

Swedbank Annual Report 2015
### Loans to the public and credit institutions, carrying amount 2014

<table>
<thead>
<tr>
<th>Geographical distribution</th>
<th>Loans individually assessed as not impaired</th>
<th>Loans individually assessed as impaired</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Before portfolio provisions</td>
<td>Portfolio provisions</td>
<td>After portfolio provisions</td>
</tr>
<tr>
<td></td>
<td>Performing</td>
<td>Past due</td>
<td></td>
</tr>
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<td>Sweden</td>
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<td>511</td>
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<td>Finland</td>
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<td>USA</td>
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<tr>
<td><strong>Loans to the public excluding the Swedish National Debt Office and repurchase agreements</strong></td>
<td><strong>1,318,026</strong></td>
<td><strong>4,362</strong></td>
<td><strong>1,133</strong></td>
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<td><strong>Sector/industry</strong></td>
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<td>Private customers</td>
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<tr>
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<td>Shipping and offshore</td>
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<td>41</td>
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<td><strong>64</strong></td>
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<td><strong>Loans to the public and credit institutions</strong></td>
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<td><strong>1,133</strong></td>
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</tbody>
</table>

**Notes, Group**
## Impaired, past due and forborne loans 2015

<table>
<thead>
<tr>
<th></th>
<th>Sweden</th>
<th>Estonia</th>
<th>Latvia</th>
<th>Lithuania</th>
<th>Norway</th>
<th>Denmark</th>
<th>USA</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impaired loans</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
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<td>191</td>
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<td>1.32</td>
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<td>0.81</td>
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<td>Valuation category, loans and receivables</td>
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<tr>
<td>Loans with past due amount, 5–30 days</td>
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<td>687</td>
<td>827</td>
<td>705</td>
<td>11</td>
<td>3</td>
<td>52</td>
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<tr>
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<td>70</td>
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<td>46</td>
<td>2</td>
<td>3</td>
<td>52</td>
<td></td>
<td>213</td>
</tr>
</tbody>
</table>

## Impaired, past due and forborne loans 2014

<table>
<thead>
<tr>
<th></th>
<th>Sweden</th>
<th>Estonia</th>
<th>Latvia</th>
<th>Lithuania</th>
<th>Norway</th>
<th>Denmark</th>
<th>USA</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impaired loans</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carrying amount before provisions</td>
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<td>1,465</td>
<td>1,214</td>
<td>207</td>
<td>8</td>
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<td>6,281</td>
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<tr>
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<td>740</td>
<td>367</td>
<td>682</td>
<td>347</td>
<td>55</td>
<td>6</td>
<td></td>
<td>2,197</td>
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<tr>
<td>Carrying amount after provisions</td>
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<td>783</td>
<td>867</td>
<td>152</td>
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<td>Share of impaired loans, net, %</td>
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<td>2.28</td>
<td>0.38</td>
<td>0.14</td>
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<td>0.27</td>
</tr>
<tr>
<td>Share of impaired loans, gross, %</td>
<td>0.16</td>
<td>2.20</td>
<td>4.82</td>
<td>3.15</td>
<td>0.52</td>
<td>0.48</td>
<td></td>
<td>0.41</td>
</tr>
<tr>
<td>Past due loans that are not impaired</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Valuation category, loans and receivables</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans with past due amount, 5–30 days</td>
<td>860</td>
<td>925</td>
<td>650</td>
<td>997</td>
<td>43</td>
<td>139</td>
<td></td>
<td>3,614</td>
</tr>
<tr>
<td>31–60 days</td>
<td>294</td>
<td>739</td>
<td>401</td>
<td>558</td>
<td>19</td>
<td>139</td>
<td></td>
<td>2,101</td>
</tr>
<tr>
<td>61–90 days</td>
<td>301</td>
<td>143</td>
<td>124</td>
<td>251</td>
<td></td>
<td></td>
<td></td>
<td>819</td>
</tr>
<tr>
<td>more than 90 days</td>
<td>265</td>
<td>43</td>
<td>35</td>
<td>188</td>
<td>24</td>
<td>139</td>
<td></td>
<td>694</td>
</tr>
<tr>
<td>Valuation category, fair value through profit or loss</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans with past due amount, 5–30 days</td>
<td>748</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>748</td>
</tr>
<tr>
<td>31–60 days</td>
<td>308</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>308</td>
</tr>
<tr>
<td>61–90 days</td>
<td>281</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>281</td>
</tr>
<tr>
<td>more than 90 days</td>
<td>159</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>159</td>
</tr>
<tr>
<td>Total</td>
<td>1,608</td>
<td>925</td>
<td>650</td>
<td>997</td>
<td>43</td>
<td>139</td>
<td></td>
<td>4,362</td>
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<tr>
<td>Fully collateralized loans with incurred loss event</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carrying amount</td>
<td>428</td>
<td>13</td>
<td>61</td>
<td>19</td>
<td>139</td>
<td>660</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Impaired loans**

Impaired loans are those for which it is likely that payment will not be received in accordance with the contractual terms. A loan is considered impaired when there is objective proof that a loss event has occurred at an individual level after the loan’s first reporting date and a loss arises when the loan’s anticipated future cash flows differ from the contractual cash flows (both discounted by the loan’s original effective interest rate). Loss events on an individual level include when a borrower incurs significant financial difficulties, when it is likely that the borrower will file for bankruptcy or liquidation, when the borrower is facing a financial reconstruction, a breach of contract such as late or non-payment of interest or principal, or various concessions due to the borrower’s financial difficulties. Exposures overdue by more than 90 days or those for which the terms have changed in a significant manner due to the borrower’s financial difficulties are automatically considered impaired loans. A loan is not impaired if there is collateral that covers the principal, unpaid interest and any late fees by a satisfactory margin. Specified above are the reserves allocated for impaired loans as well as for other lending where loss events have occurred but where individual loans have not yet been identified.

**Forborne loans**

Forborne loans refer to loans whose contractual terms have been amended due to the customer’s financial difficulties. The purpose of the forbearance measure is to get the borrower current on their payments again, or when this is not considered possible to maximise the repayment of outstanding loans. Changes in contractual terms include various forms of concessions such as amortisation suspensions, reductions in interest rates to below market rate, forgiveness of all or part of the loan, or issuance of new loans to pay overdue amounts or avoid default. Changes in contractual terms may be so significant that the loan is also considered impaired, which is the case if the forbearance measure reduces the original loan’s carrying amount regardless of concessions. The forborne loan’s carrying amount is determined by discounting future anticipated cash flows by the original loan’s effective interest rate. Before a forborne loan ceases being reported as forborne all the criteria set by the European Banking Authority must be met.

**Loan write-offs**

Loans are written off when the loss amount is ultimately determined. Write-offs are not included in impaired loans or forborne loans. Remaining loans that are partially written off are still included after the write-off in impaired loans or forborne loans. The loss amount is ultimately determined when a receiver has presented a bankruptcy distribution, when a bankruptcy composition has been adopted, when a concession has been granted or when the Swedish Enforcement Agency or a collection agency which the Group works with has reported that an individual has no distrainable assets. When a loan is written off, the claim against the borrower normally is not forgiven. In general, a proof of claim is filed against the borrower or guarantor after the write-off. A proof of claim is not filed when a legal entity has ceased to exist due to a bankruptcy. when a bankruptcy composition has been adopted or when receivables have been completely forgiven. Loans are also written off after the disposal of impaired loans. Previous provisions are utilised in connection with the write-off.

**Loans provisions 2015**

<table>
<thead>
<tr>
<th></th>
<th>Sweden</th>
<th>Estonia</th>
<th>Latvia</th>
<th>Lithuania</th>
<th>Norway</th>
<th>Denmark</th>
<th>Finland</th>
<th>USA</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>1 251</td>
<td>537</td>
<td>922</td>
<td>471</td>
<td>97</td>
<td>6</td>
<td>4</td>
<td>4</td>
<td>38</td>
<td>3 330</td>
</tr>
<tr>
<td>New provisions</td>
<td>734</td>
<td>52</td>
<td>23</td>
<td>89</td>
<td>7</td>
<td>1</td>
<td>6</td>
<td>1</td>
<td>7</td>
<td>905</td>
</tr>
<tr>
<td>Utilisation of previous provisions</td>
<td>-171</td>
<td>-25</td>
<td>-218</td>
<td>-76</td>
<td>-10</td>
<td>-1</td>
<td>-501</td>
<td></td>
<td></td>
<td>-2</td>
</tr>
<tr>
<td>Reversal of previous provisions</td>
<td>-99</td>
<td>-37</td>
<td>5</td>
<td>-49</td>
<td>-24</td>
<td>204</td>
<td></td>
<td></td>
<td></td>
<td>-204</td>
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<tr>
<td>Portfolio provisions for loans that are not impaired</td>
<td>-30</td>
<td>59</td>
<td>-115</td>
<td>-44</td>
<td>1</td>
<td>-4</td>
<td>1-132</td>
<td></td>
<td></td>
<td>-17</td>
</tr>
<tr>
<td>Change in exchange rates</td>
<td>21</td>
<td>-13</td>
<td>-23</td>
<td>-5</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-17</td>
</tr>
<tr>
<td>Closing balance</td>
<td>1 706</td>
<td>573</td>
<td>594</td>
<td>386</td>
<td>66</td>
<td>12</td>
<td>5</td>
<td>0</td>
<td>39</td>
<td>3 381</td>
</tr>
</tbody>
</table>

**Total provision ratio for impaired loans, % (including portfolio provision in relation to loans that individually are assessed as impaired)**

<table>
<thead>
<tr>
<th></th>
<th>Sweden</th>
<th>Estonia</th>
<th>Latvia</th>
<th>Lithuania</th>
<th>Norway</th>
<th>Denmark</th>
<th>Finland</th>
<th>USA</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision ratio for individually assessed impaired loans, %</td>
<td>47</td>
<td>35</td>
<td>43</td>
<td>31</td>
<td>7</td>
<td>83</td>
<td></td>
<td></td>
<td></td>
<td>40</td>
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</table>

**Loans provisions 2014**

<table>
<thead>
<tr>
<th></th>
<th>Sweden</th>
<th>Estonia</th>
<th>Latvia</th>
<th>Lithuania</th>
<th>Norway</th>
<th>Denmark</th>
<th>Finland</th>
<th>USA</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>1 412</td>
<td>581</td>
<td>1 326</td>
<td>657</td>
<td>54</td>
<td>3</td>
<td>2</td>
<td>9</td>
<td>30</td>
<td>4 074</td>
</tr>
<tr>
<td>New provisions</td>
<td>253</td>
<td>-30</td>
<td>-77</td>
<td>28</td>
<td>73</td>
<td>2</td>
<td>249</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utilisation of previous provisions</td>
<td>-166</td>
<td>-96</td>
<td>-20</td>
<td>-72</td>
<td>-344</td>
<td>-125</td>
<td>-821</td>
<td></td>
<td></td>
<td>-821</td>
</tr>
<tr>
<td>Reversal of previous provisions</td>
<td>-312</td>
<td>-29</td>
<td>-355</td>
<td>-125</td>
<td>2</td>
<td>77</td>
<td>249</td>
<td></td>
<td></td>
<td>-249</td>
</tr>
<tr>
<td>Portfolio provisions for loans that are not impaired</td>
<td>-58</td>
<td>60</td>
<td>-30</td>
<td>-57</td>
<td>8</td>
<td>-77</td>
<td></td>
<td></td>
<td></td>
<td>-77</td>
</tr>
<tr>
<td>Change in exchange rates</td>
<td>122</td>
<td>41</td>
<td>78</td>
<td>40</td>
<td>-30</td>
<td>2</td>
<td>249</td>
<td></td>
<td></td>
<td>-77</td>
</tr>
<tr>
<td>Closing balance</td>
<td>1 251</td>
<td>537</td>
<td>922</td>
<td>471</td>
<td>97</td>
<td>6</td>
<td>4</td>
<td>4</td>
<td>38</td>
<td>3 330</td>
</tr>
</tbody>
</table>

**Total provision ratio for impaired loans, % (including portfolio provision in relation to loans that individually are assessed as impaired)**

<table>
<thead>
<tr>
<th></th>
<th>Sweden</th>
<th>Estonia</th>
<th>Latvia</th>
<th>Lithuania</th>
<th>Norway</th>
<th>Denmark</th>
<th>Finland</th>
<th>USA</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision ratio for individually assessed impaired loans, %</td>
<td>62</td>
<td>41</td>
<td>63</td>
<td>39</td>
<td>47</td>
<td>72</td>
<td>53</td>
<td></td>
<td></td>
<td>53</td>
</tr>
</tbody>
</table>

**Concentration risk, customer exposure**

At end of 2015 the Group did not have any exposures against single counterparties that exceeded 10 per cent of the capital base.

**Collateral that can be sold or pledged even if the counterparty fulfills its contractual obligations**

When it grants repos, the Group receives securities that can be sold or pledged. The fair value of these securities covers the carrying amount of the repos. The Group also receives collateral in the form of securities that can be sold or pledged for derivatives and other exposures. The fair value of such collateral as of year-end amounted to SEK 1 989m (1 BSE). None of this collateral had been sold or repledged as of year-end.
The Group takes over properties to recover as much lost cash flow as possible from defaulted loans, thereby minimising credit impairments. This is expected to be done through active asset management and other value-creation measures. Another aim is to minimise the cost of ownership while the repossessed property is held. The Group’s holding of investment properties, which have been acquired to protect receivables, are reported in note G31 Investment properties. The majority of other repossessed property is immediately divested.

The fair values of the investment properties have been determined mainly by a cash flow analysis of each asset. Each property is measured individually. Fair values are primarily determined by internal appraisers with extensive knowledge of the properties and the relevant market. The internal assumptions in the appraisal are considered so significant that the appraisal is attributed to level 3 in the fair value hierarchy. Impaired properties are measured at value in use. Certain individual properties whose sale is imminent have been measured at their anticipated sales price, however. In those cases the appraisal is attributed to level 2 in the fair value hierarchy.

### Assets taken over for protection of claims and cancelled leases

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Operating income</td>
<td>Operating expenses</td>
</tr>
<tr>
<td>Properties recognised as inventory</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>Investment properties, with rent income</td>
<td>9</td>
<td>15</td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>16</strong></td>
<td><strong>21</strong></td>
</tr>
</tbody>
</table>

### 2015 and 2014 operating results

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Operating income</td>
<td>Operating expenses</td>
</tr>
<tr>
<td>Properties recognised as inventory</td>
<td>206</td>
<td>102</td>
</tr>
<tr>
<td>Investment properties, with rent income</td>
<td>30</td>
<td>35</td>
</tr>
<tr>
<td>Other</td>
<td>45</td>
<td>50</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>75</strong></td>
<td><strong>84</strong></td>
</tr>
</tbody>
</table>

### Carrying amount, fair value

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Carrying amount, overtaken during 2015</td>
<td>Carrying amount</td>
</tr>
<tr>
<td>Properties recognised as inventory</td>
<td>102</td>
<td>110</td>
</tr>
<tr>
<td>Investment properties</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Vehicles</td>
<td>17</td>
<td>4</td>
</tr>
<tr>
<td>Shares and other participating interests</td>
<td>2</td>
<td>17</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>125</strong></td>
<td><strong>114</strong></td>
</tr>
</tbody>
</table>

### Capital requirement for credit risks

The capital requirement for credit risks for Swedbank (consolidated situation) on 31 December 2015 totalled SEK 20,801m (21,988). For more information, see note G4 Capital.
**Liquidity risk**

**DEFINITION**
Liquidity risk refers to the risk that the Group will not be able to meet its payment obligations at maturity.

The Board of Directors decides the Group’s overarching risk appetite for liquidity and has therefore set limits for the survival horizon and the minimum unused room in the cover pool for issuance of covered bonds (Over Collateralisation, OC). The CEO is responsible for ensuring that operations stay within the risk appetite, due to which more granular CEO limits have been defined and established. To ensure that operations can be monitored on a daily basis in terms of the risk appetite and CEO limits, the limits are complemented with limits set by the Chief Risk Officer.

Responsibility for managing and controlling the Group’s liquidity rests with Group Treasury. Group Risk works independently to identify all relevant aspects of liquidity risk and is responsible for independent control, measurement and monitoring.

**Financing and liquidity strategy**
Swedbank’s funding strategy is primarily based on asset composition. More than half of lending consists of Swedish mortgages, which are primarily funded with covered bonds. Swedbank is the savings leader in its home markets. Deposit volumes, together with covered bonds and shareholders’ equity, cover nearly all its funding requirements. As a result, Swedbank has limited structural need for senior unsecured funding. The financing strategy is also closely linked to the credit quality of the assets in the balance sheet. Swedbank tries to match unsecured funding against assets with corresponding amounts and maturities.

The percentage of senior funding is determined mainly by the bank’s liquidity needs and the buffer it wants to keep in its collateral pool in the form of surplus values (so-called over collateralisation) to withstand fluctuations in housing prices.

Swedbank uses a number of different funding programmes to meet its short- and long-term needs e.g. commercial paper, certificates of deposit, covered bonds and unsecured funding.

For information about Swedbank’s distribution of liabilities and encumbered assets, see the Pillar 3 report or Factbook.

**Liquidity reserve**
The reason why Swedbank has established and maintains a liquidity reserve is to reduce the Group’s liquidity risk. When future refinancing needs are high, the liquidity reserve must be adjusted to meet maturities in various types of stressed scenarios where, for instance, markets are fully or partly closed for new issues over an extended time period. This also means that when Swedbank’s maturities are lower, the liquidity reserve can be reduced, since liquidity risk decreases.

**Liquidity reserve³**

According to the template defined by the Swedish Bankers association

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and balances with central banks</td>
<td>186,313</td>
</tr>
<tr>
<td>Deposits in other banks, available over night</td>
<td>249</td>
</tr>
<tr>
<td>Securities issued or guaranteed by sovereigns, central banks or multinational development banks</td>
<td>77,731</td>
</tr>
<tr>
<td>Securities issued or guaranteed by municipalities och Public sector entities</td>
<td>4,146</td>
</tr>
<tr>
<td>Covered bonds</td>
<td>44,830</td>
</tr>
<tr>
<td>Issued by other institutions</td>
<td>44,830</td>
</tr>
<tr>
<td>Securities issued by financial corporates (excl. Covered bonds)</td>
<td>735</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>314,004</strong></td>
</tr>
</tbody>
</table>

1) 95 per cent of the securities in the liquidity reserve per December 31 2015 are rated AAA

**Additional liquid assets, Group²**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Securities issued or guaranteed by sovereigns, central banks or multinational development banks</td>
<td>13,967</td>
</tr>
<tr>
<td>Securities issued or guaranteed by municipalities och Public sector entities</td>
<td>5</td>
</tr>
<tr>
<td>Covered bonds</td>
<td>31,598</td>
</tr>
<tr>
<td>Issued by other institutions</td>
<td>27,460</td>
</tr>
<tr>
<td>Own issued</td>
<td>4,137</td>
</tr>
<tr>
<td>Securities issued by non-financial corporates</td>
<td>970</td>
</tr>
<tr>
<td>Securities issued by financial corporates (excl. Covered bonds)</td>
<td>3,959</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>50,499</strong></td>
</tr>
</tbody>
</table>

2) 89 per cent of the additionally liquid assets fulfill the requirements of the Swedish Banking Association’s template, except that they are held outside Treasury.
Summary of maturities
In the summary of maturities, undiscounted contractual cash flows are distributed on the basis of remaining maturities until the agreed time of maturity. For lending to the public, amortising loans are distributed based on amortisation schedule. Liabilities whose contracts contain a prepayment option have been distributed based on the earliest date on which repayment can be demanded. The difference between the nominal amount and carrying amount, the discount effect, is reported in the column No maturity date/discount effect. This column also includes items without an agreed maturity date and where the anticipated repayment date has not been determined.

<table>
<thead>
<tr>
<th>Remaining maturity 2015</th>
<th>Payable on demand</th>
<th>Undiscounted contractual cash flows</th>
<th>No maturity/discount effect</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Payable on demand</td>
<td>&lt; 3 mths.</td>
<td>3 mths.–1 yr</td>
</tr>
<tr>
<td>Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and balances with central banks</td>
<td>186 312</td>
<td>186 312</td>
<td></td>
</tr>
<tr>
<td>Treasury bills and other bills eligible for refinancing with central banks</td>
<td>48 118</td>
<td>8 489</td>
<td>14 317</td>
</tr>
<tr>
<td>Loans to credit institutions</td>
<td>5 979</td>
<td>70 947</td>
<td>3 043</td>
</tr>
<tr>
<td>Loans to the public</td>
<td>74 777</td>
<td>118 593</td>
<td>308 624</td>
</tr>
<tr>
<td>Bonds and other interest-bearing securities</td>
<td>6 467</td>
<td>36 893</td>
<td>42 259</td>
</tr>
<tr>
<td>Financial assets for which the customers bear the investment risk</td>
<td>33 704</td>
<td>2 153</td>
<td>13 033</td>
</tr>
<tr>
<td>Shares and participating interests</td>
<td>16 456</td>
<td>16 456</td>
<td></td>
</tr>
<tr>
<td>Derivatives</td>
<td>18 820</td>
<td>23 634</td>
<td>31 332</td>
</tr>
<tr>
<td>Intangible fixed assets</td>
<td>1 989</td>
<td>1 989</td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>20 427</td>
<td>2 607</td>
<td>6</td>
</tr>
<tr>
<td>Other assets</td>
<td>748 271</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>192 291</td>
<td>273 260</td>
<td>195 412</td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts owed to credit institutions</td>
<td>29 041</td>
<td>110 972</td>
<td>9 573</td>
</tr>
<tr>
<td>Deposits and borrowings from the public</td>
<td>648 521</td>
<td>67 081</td>
<td>29 560</td>
</tr>
<tr>
<td>Debt securities in issue</td>
<td>124 435</td>
<td>90 351</td>
<td>506 695</td>
</tr>
<tr>
<td>Financial liabilities where customers bear the investment risk</td>
<td>56 919</td>
<td>2 312</td>
<td>13 652</td>
</tr>
<tr>
<td>Derivatives</td>
<td>13 915</td>
<td>10 845</td>
<td>20 321</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>36 823</td>
<td>7 381</td>
<td>3 564</td>
</tr>
<tr>
<td>Subordinated liabilities</td>
<td>12 411</td>
<td>11 653</td>
<td>549</td>
</tr>
<tr>
<td>Equity</td>
<td>123 342</td>
<td>123 342</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>677 562</td>
<td>410 145</td>
<td>150 022</td>
</tr>
</tbody>
</table>

The large part of deposits from the public is contractually payable on demand. Despite the contractual terms, the deposits are essentially a stable and a long-term source of funding.

<table>
<thead>
<tr>
<th>Remaining maturity 2014</th>
<th>Payable on demand</th>
<th>Undiscounted contractual cash flows</th>
<th>No maturity/discount effect</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Payable on demand</td>
<td>&lt; 3 mths.</td>
<td>3 mths.–1 yr</td>
</tr>
<tr>
<td>Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and balances with central banks</td>
<td>113 768</td>
<td>113 768</td>
<td></td>
</tr>
<tr>
<td>Treasury bills and other bills eligible for refinancing with central banks</td>
<td>15 245</td>
<td>5 308</td>
<td>14 376</td>
</tr>
<tr>
<td>Loans to credit institutions</td>
<td>5 203</td>
<td>100 084</td>
<td>550</td>
</tr>
<tr>
<td>Loans to the public</td>
<td>146 895</td>
<td>111 488</td>
<td>254 822</td>
</tr>
<tr>
<td>Bonds and other interest-bearing securities</td>
<td>14 634</td>
<td>34 391</td>
<td>67 951</td>
</tr>
<tr>
<td>Financial assets for which the customers bear the investment risk</td>
<td>32 924</td>
<td>2 001</td>
<td>11 822</td>
</tr>
<tr>
<td>Shares and participating interests</td>
<td>14 855</td>
<td>14 855</td>
<td></td>
</tr>
<tr>
<td>Derivatives</td>
<td>30 449</td>
<td>27 517</td>
<td>56 200</td>
</tr>
<tr>
<td>Intangible fixed assets</td>
<td>14 319</td>
<td>14 319</td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>2 750</td>
<td>2 750</td>
<td></td>
</tr>
<tr>
<td>Other assets</td>
<td>13 900</td>
<td>2 873</td>
<td>14</td>
</tr>
<tr>
<td>Total</td>
<td>118 971</td>
<td>356 131</td>
<td>184 128</td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts owed to credit institutions</td>
<td>41 824</td>
<td>123 200</td>
<td>5 604</td>
</tr>
<tr>
<td>Deposits and borrowings from the public</td>
<td>563 049</td>
<td>79 929</td>
<td>29 739</td>
</tr>
<tr>
<td>Debt securities in issue</td>
<td>160 365</td>
<td>141 576</td>
<td>439 970</td>
</tr>
<tr>
<td>Financial liabilities where customers bear the investment risk</td>
<td>61 994</td>
<td>1 961</td>
<td>11 563</td>
</tr>
<tr>
<td>Derivatives</td>
<td>17 149</td>
<td>20 152</td>
<td>46 197</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>13 901</td>
<td>10 063</td>
<td>2 470</td>
</tr>
<tr>
<td>Subordinated liabilities</td>
<td>12 314</td>
<td>5 257</td>
<td>746</td>
</tr>
<tr>
<td>Equity</td>
<td>117 373</td>
<td>117 373</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>604 873</td>
<td>496 598</td>
<td>209 095</td>
</tr>
</tbody>
</table>
Risk measurement

Group Risk is responsible for defining independent methods to measure the Group’s liquidity risk as well as for reviewing and approving methods defined by Group Treasury. All liquidity risk is identified and measured. The calculation of Swedbank’s liquidity risk is based on the Group’s future contracted net cash flows, which are accumulated over time and generate a survival horizon. Moreover, Group Treasury calculates and monitors the Group’s liquidity risks with a number of different risk measures such as Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).

A survival horizon limit is set as part of the Group’s ERM policy. The limit represents the number of days with a positive cumulative net cash flow, taking into account future contracted cash flows. Cash flows from liquid assets are modelled based on conservative estimates of when, at the earliest, they could occur. In addition to the survival horizon, Swedbank analyses liquidity risk based on the effect of non-contracted flows through simulations and various stress tests. The model is conservative in that it assumes there is no access to credit markets or support from other outside parties such as credit facilities from central banks.

A number of methods and systems are used to ensure that Swedbank can meet its payment obligations and commitments every day, under normal as well as stressed conditions. Managing intra-day payments includes monitoring and verifying that payment obligations are executed punctually and that any financing needs are identified.

The purpose of LCR is to ensure that Swedbank has unpledged assets of high quality (a liquidity reserve) to meet its liquidity needs in stressed situations in the next 30 days. As of 1 January 2013 Sweden mandates a minimum level of 100 per cent in total and for USD and EUR individually. Besides the Swedish regulation, Swedbank reports LCR according to current EU regulations.

NSFR indicates a bank’s ability to manage stressed situations over a one-year horizon. NSFR ensures that a bank’s illiquid long-term assets are financed with a minimum level of stable long-term funding. A ratio of over 100 per cent means that long-term illiquid assets are financed to a satisfactory degree by stable long-term funding. Moreover, Swedbank publishes a ratio of the size of its liquid assets to maturing funding given various maturities as a complement to regulatory measures. A ratio of over 100% indicates that the liquid assets exceed the coming maturities during a given time period.

Stress tests

Stress tests are conducted regularly to increase readiness for possible disruptions in the market. The stress tests focus on Swedbank-specific as well as market-related disruptions; these analyses also take into account the combined effects that would occur if both kinds of issues arise simultaneously.

In the scenarios a number of the risk drivers underlying the Survival Horizon are stressed to levels that are unlikely, but not inconceivable. Examples include large-scale withdrawals from deposit accounts, high utilisation of credit facilities and increased collateral requirements for various purposes. In addition, the scenario assumes that Swedbank’s liquidity reserve will fall in value, as will the properties that serve as collateral for the loans in the mortgage operations. The latter risk driver impacts Swedbank’s ability to issue covered bonds, which are of strategic importance to its funding. Finally, it assumes that access to capital markets dries up, but that Swedbank’s liquid assets can still generate liquidity.

The table on the next page provides a snapshot of the cover pool as of 31 December 2015 (“Current”) and illustrates the effects on Swedbank mortgage’s OC given various price declines for the mortgages in the pool which could occur over a time period. The more prices fall, the more difficult it becomes to issue bonds. Swedbank’s ERM policy stipulates that the cover pool must have an OC level which ensures that the highest rating from at least one ratings agency is maintained in a scenario where house prices fall by 20 per cent. The purpose of the level is to ensure that there is sufficient cover to protect investors even if house prices should fall substantially.
Cover pool sensitivity analysis, house price decline
31 December 2015

<table>
<thead>
<tr>
<th>House price decline</th>
<th>Current</th>
<th>-5%</th>
<th>-10%</th>
<th>-15%</th>
<th>-20%</th>
<th>-25%</th>
<th>-30%</th>
<th>-35%</th>
<th>-40%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets in the cover pool, SEKbn</td>
<td>817.9</td>
<td>815.1</td>
<td>809.5</td>
<td>799.6</td>
<td>785.1</td>
<td>765.6</td>
<td>740.9</td>
<td>711.5</td>
<td>678.0</td>
</tr>
<tr>
<td>Total outstanding covered bonds, SEKbn</td>
<td>517.9</td>
<td>517.9</td>
<td>517.9</td>
<td>517.9</td>
<td>517.9</td>
<td>517.9</td>
<td>517.9</td>
<td>517.9</td>
<td>517.9</td>
</tr>
<tr>
<td>Over collateralisation level, %</td>
<td>57.9</td>
<td>57.4</td>
<td>56.3</td>
<td>54.4</td>
<td>51.6</td>
<td>47.8</td>
<td>43.1</td>
<td>37.4</td>
<td>30.9</td>
</tr>
</tbody>
</table>

LCR, new regulation FFFS 2012:6 from 2013-01-01

<table>
<thead>
<tr>
<th>%</th>
<th>31 Dec 2015</th>
<th>31 Dec 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquidity coverage ratio (LCR), Total</td>
<td>159</td>
<td>120</td>
</tr>
<tr>
<td>Liquidity coverage ratio (LCR), EUR</td>
<td>638</td>
<td>332</td>
</tr>
<tr>
<td>Liquidity coverage ratio (LCR), USD</td>
<td>363</td>
<td>217</td>
</tr>
<tr>
<td>Liquidity coverage ratio (LCR), SEK</td>
<td>71</td>
<td>45</td>
</tr>
</tbody>
</table>

1) For LCR in SEK there is no explicit regulation to fulfill 100%, which is the case for total LCR and in USD and EUR

LCR, according Regulation (EU) 575/2013 (CRR) issued 26 June 2013

<table>
<thead>
<tr>
<th>%</th>
<th>31 Dec 2015</th>
<th>31 Dec 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>LCR, total</td>
<td>142</td>
<td></td>
</tr>
</tbody>
</table>

Liquidity and funding ratios

<table>
<thead>
<tr>
<th>%</th>
<th>31 Dec 2015</th>
<th>31 Dec 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net stable funding ratio (NSFR)</td>
<td>107</td>
<td>98</td>
</tr>
<tr>
<td>Available stable funding (ASF), SEKbn</td>
<td>1 350</td>
<td>1 217</td>
</tr>
<tr>
<td>Required stable funding (RSF), SEKbn</td>
<td>1 263</td>
<td>1 247</td>
</tr>
</tbody>
</table>

Liquid assets in relation to maturing funding during next 3, 6 and 12 month

<table>
<thead>
<tr>
<th>%</th>
<th>31 Dec 2015</th>
<th>31 Dec 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquidity reserve months</td>
<td>167</td>
<td>102</td>
</tr>
<tr>
<td>Liquidity reserve 6months</td>
<td>127</td>
<td>72</td>
</tr>
<tr>
<td>Liquidity reserve 12months</td>
<td>110</td>
<td>61</td>
</tr>
<tr>
<td>Liquidity reserve + additional liquid assets 3months</td>
<td>194</td>
<td>136</td>
</tr>
<tr>
<td>Liquidity reserve + additional liquid assets 6months</td>
<td>148</td>
<td>96</td>
</tr>
<tr>
<td>Liquidity reserve + additional liquid assets 12months</td>
<td>128</td>
<td>82</td>
</tr>
</tbody>
</table>

1) Liquidity reserve according to FFFS 2012:6 definition
2) NSFR – calculated in accordance with Swedbank’s interpretation of the current proposal for regulation
3) Liquidity reserve according to definition by the Swedish Bankers' Association.

Additional liquid assets:
- Assets, pledgeable in central banks, held by the group outside of Group Treasury.
- Maturing funding: maturing short-term CP/CD’s, and net of lending and borrowing to/ from credit institutions (net Interbank)
Debt securities issuance

In 2015 Swedbank issued a total of SEK 229bn (115) in long-term debt instruments. Swedbank has remained active in several capital markets to diversify its funding. The majority of the issues were covered bonds, though also in the form of uncovered bonds, where a new funding programme was introduced primarily for US investors (under rule 144a of the US Securities Act).

Debt securities in issue

<table>
<thead>
<tr>
<th>Turnover during the year</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial papers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td>195 191</td>
<td>100 170</td>
</tr>
<tr>
<td>Issued</td>
<td>934 962</td>
<td>724 042</td>
</tr>
<tr>
<td>Repurchased</td>
<td>-200</td>
<td>-22</td>
</tr>
<tr>
<td>Repaid</td>
<td>-1 019 540</td>
<td>-646 017</td>
</tr>
<tr>
<td>Change in market values</td>
<td>26</td>
<td>-3</td>
</tr>
<tr>
<td>Change in exchange rates</td>
<td>-3 393</td>
<td>17 021</td>
</tr>
<tr>
<td>Closing balance</td>
<td>107 046</td>
<td>195 191</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Turnover during the year</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Covered bond loans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td>511 666</td>
<td>510 930</td>
</tr>
<tr>
<td>Issued</td>
<td>157 728</td>
<td>91 600</td>
</tr>
<tr>
<td>Repurchased</td>
<td>-38 820</td>
<td>-43 599</td>
</tr>
<tr>
<td>Repaid</td>
<td>-65 591</td>
<td>-75 470</td>
</tr>
<tr>
<td>Change in market values or hedged item in hedge accounting at fair value</td>
<td>-13 625</td>
<td>23 756</td>
</tr>
<tr>
<td>Change in exchange rates</td>
<td>-689</td>
<td></td>
</tr>
<tr>
<td>Closing balance</td>
<td>550 669</td>
<td>511 666</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Turnover during the year</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond loans with state guarantee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td>8 578</td>
<td></td>
</tr>
<tr>
<td>Repaid</td>
<td>-8 089</td>
<td></td>
</tr>
<tr>
<td>Change in market values</td>
<td>-617</td>
<td></td>
</tr>
<tr>
<td>Change in exchange rates</td>
<td>128</td>
<td></td>
</tr>
<tr>
<td>Closing balance</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

Turnover during the year

<table>
<thead>
<tr>
<th>Turnover during the year</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other interest-bearing bond loans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td>114 840</td>
<td>92 098</td>
</tr>
<tr>
<td>Issued</td>
<td>64 804</td>
<td>18 535</td>
</tr>
<tr>
<td>Repurchased</td>
<td>-837</td>
<td>-1 303</td>
</tr>
<tr>
<td>Repaid</td>
<td>-23 861</td>
<td>-6 398</td>
</tr>
<tr>
<td>Change in market values</td>
<td>1 821</td>
<td>-837</td>
</tr>
<tr>
<td>Change in exchange rates</td>
<td>-2 523</td>
<td>9 917</td>
</tr>
<tr>
<td>Closing balance</td>
<td>154 244</td>
<td>114 840</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Turnover during the year</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structured products</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td>13 315</td>
<td>13 699</td>
</tr>
<tr>
<td>Issued</td>
<td>6 687</td>
<td>4 804</td>
</tr>
<tr>
<td>Repaid</td>
<td>-3 855</td>
<td>-5 114</td>
</tr>
<tr>
<td>Change in market values</td>
<td>-1 571</td>
<td>-75</td>
</tr>
<tr>
<td>Change in exchange rates</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Closing balance</td>
<td>14 576</td>
<td>13 315</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Turnover during the year</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total debt securities in issue</td>
<td>826 535</td>
<td>835 012</td>
</tr>
</tbody>
</table>

Capital requirement for liquidity risk

Banks and financial institutions currently are not subject to capital requirements for liquidity risk. Disruptions to liquidity can arise, however, due to an imbalance between risk and capital. The purpose of the internal capital adequacy assessment process is to prevent this type of imbalance.
Market risk

Definition
Market risk refers to the risk that the Group’s results, equity or value will decrease due to changes in risk factors in financial markets. Market risk includes interest rate risk, currency risk, share price risk and commodity risk, as well as risks from changes in volatilities and correlations.

Risk management
The Group’s total risk-taking is governed by the risk appetites decided by the Board, which limit the nature and size of financial risk-taking. Only so-called risk-taking units, i.e. units assigned a risk mandate by the CEO, are permitted to take market risks. To monitor the limits allocated by the CEO, the Group’s Chief Risk Officer has established limits as well as other indicators that indicate an elevated risk in particular activities, when they reach certain levels. In addition to the Chief Risk Officer’s limits and selected indicators, local business area limits serve as important tools in the risk-taking units’ daily activities. The Group’s market risk analysis department is responsible, on a daily basis, for measuring, monitoring and reporting market risks within Swedbank.

The majority of the Group’s market risks are of a structural or strategic nature and are managed primarily by Group Treasury. Structural interest rate risks are natural in a bank that handles deposits and loans. Interest rate risk arises primarily when there is a difference in maturity between the Group’s assets and liabilities. This risk is managed by Group Treasury, within given mandates. Interest rate risk is managed primarily by matching maturities, either directly or through the use of various derivatives such as interest rate swaps. Strategic interest rate risks usually arise through risks tied to holdings in foreign operations as well as when deposits and lending are in different currencies. These risks are managed, within given mandates, with for example forward contracts, among other things.

Risk measurement
Swedbank uses a number of different risk measures, both statistical and non-statistical, to guide the Group’s risk-taking units and ensure strict compliance. Statistical measures such as Value-at-Risk (VaR) and Stressed Value-at-Risk (SVaR) are important tools in Swedbank’s risk management processes and are used to, among other things, calculate the Group’s capital requirement.

VaR uses a model to estimate a probability distribution for the change in value of Swedbank’s portfolios. This is based on the last year’s movements in various market risk factors such as interest rates and equity prices. The estimation is based on the hypothetical assumption that the portfolios will remain unchanged over a specific time horizon. The Group uses a VaR model with a confidence interval of 99 per cent and a time horizon of one trading day. Statistically, this means that the potential loss of a portfolio will exceed the VaR amount one day out of 100. VaR is a useful tool not only to determine the risk level for an individual security or asset class, but mainly to compare levels between various risk factors.

Since VaR is a model based on a number of assumptions, Swedbank evaluates the VaR model’s reliability on a daily basis with backtesting. Ordinary VaR and Stressed VaR (SVaR) differ slightly in that the stressed model applies market data from a one-year period of considerable stress. The period selected by Swedbank covers from spring 2008 and one year forward.

Non-statistical measures such as sensitivity analyses are an important complement to VaR and SVaR, in some cases they provide a deeper understanding of the market risk factors being measured.

In addition to VaR and various types of sensitivity analyses, Swedbank conducts an extensive array of stress tests. These tests can be divided into three groups: historical, forward-looking and method and model stress scenarios. The purpose of these stress tests, and the scenarios that serve as a basis for them, is to further identify significant movements in risk factors or losses that could arise due to exceptional market disruptions.

Risk exposure
Swedbank’s market risks primarily arise in trading operations, which are conducted in the Large Corporates & Institutions (LC&I) business area or within the Group’s banking operations (managed by Group Treasury).

Value-at-Risk (VaR)
During the year Swedbank was well-positioned for volatility in the financial markets and the Group’s VaR was maintained at stable, low level. The Group’s total VaR does not include strategic currency risks, since a VaR measure based on one trading day is irrelevant for positions the Group intends to hold for longer periods.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Max</td>
<td>Min</td>
<td>Average</td>
</tr>
<tr>
<td>Interest rate risk</td>
<td>112 (129)</td>
<td>53 (65)</td>
<td>81 (101)</td>
</tr>
<tr>
<td>Currency risk</td>
<td>15 (16)</td>
<td>3 (3)</td>
<td>7 (7)</td>
</tr>
<tr>
<td>Share price risk</td>
<td>24 (12)</td>
<td>4 (1)</td>
<td>7 (4)</td>
</tr>
<tr>
<td>Diversification</td>
<td>–15 (–12)</td>
<td>–14</td>
<td>–13</td>
</tr>
</tbody>
</table>

Total | 113 (126) | 56 (65) | 80 (100) | 80 | 75 |
Interest rate risk

Interest rate risk refers to the risk that the value of the Group’s assets, liabilities and interest-related derivatives will be negatively affected by changes in interest rates or other relevant risk factors.

The majority of the Group’s interest rate risks are structural and arise within the banking operations when there is a mismatch between the interest fixing periods of assets and liabilities, including derivatives. The interest rate risk in fixed rate assets, primarily customer loans, accounts for the large part of this risk and is hedged through fixed-rate funding or by entering into various types of swap agreements. Interest rate risk also arises within trading operations through customer-related activities.

An increase in all market interest rates of one percentage point (including real interest rates) would have reduced the value of the Group’s assets and liabilities, including derivatives, by SEK –25m (–1 574) as of 31 December 2015. The effect on positions in SEK would have been a reduction of SEK –1 103m (–1 502), while positions in foreign currency would have been an increase by SEK 1 078m (–72).

Credit spread risk

Credit spread risk refers to the risk that the value of the Group’s assets and liabilities, including derivatives, may fluctuate due to changes in the issuer-specific interest markup (the credit spread). The Group’s credit spread risks are concentrated in customer-related businesses and other types of mandates (managed by the trading operations) as well as in the liquidity portfolio consisting of interest-bearing assets.

An increase in all issuer-specific spreads of 1bp as of 31 December 2015 would have reduced the value of the Group’s interest-bearing assets, including derivatives, by SEK 12m (20).

Change in value if the market interest rate rises by one percentage point

The impact on the net value of assets and liabilities, including derivatives, (SEKm) when market interest rates rise by one percentage point.

### 2015

<table>
<thead>
<tr>
<th></th>
<th>&lt; 3 mths.</th>
<th>3–6 mths.</th>
<th>6–12 mths.</th>
<th>1–2 yrs</th>
<th>2–3 yrs</th>
<th>3–4 yrs</th>
<th>4–5 yrs</th>
<th>5–10 yrs</th>
<th>&gt; 10 yrs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEK</td>
<td>–499</td>
<td>–221</td>
<td>197</td>
<td>–343</td>
<td>–177</td>
<td>35</td>
<td>4</td>
<td>–119</td>
<td>21</td>
<td>–1 103</td>
</tr>
<tr>
<td>Foreign currency</td>
<td>765</td>
<td>238</td>
<td>70</td>
<td>–85</td>
<td>0</td>
<td>–42</td>
<td>171</td>
<td>–80</td>
<td>42</td>
<td>1 078</td>
</tr>
</tbody>
</table>

of which financial instruments measured at fair value through profit or loss.

### 2014

<table>
<thead>
<tr>
<th></th>
<th>&lt; 3 mths.</th>
<th>3–6 mths.</th>
<th>6–12 mths.</th>
<th>1–2 yrs</th>
<th>2–3 yrs</th>
<th>3–4 yrs</th>
<th>4–5 yrs</th>
<th>5–10 yrs</th>
<th>&gt; 10 yrs</th>
<th>Total</th>
</tr>
</thead>
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<tr>
<td>Foreign currency</td>
<td>–11</td>
<td>–4</td>
<td>25</td>
<td>–45</td>
<td>–38</td>
<td>16</td>
<td>2</td>
<td>8</td>
<td>–25</td>
<td>–72</td>
</tr>
</tbody>
</table>

of which financial instruments measured at fair value through profit or loss.

### 2015

<table>
<thead>
<tr>
<th></th>
<th>&lt; 3 mths.</th>
<th>3–6 mths.</th>
<th>6–12 mths.</th>
<th>1–2 yrs</th>
<th>2–3 yrs</th>
<th>3–4 yrs</th>
<th>4–5 yrs</th>
<th>5–10 yrs</th>
<th>&gt; 10 yrs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEK</td>
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<td>914</td>
<td>–1 274</td>
<td>68</td>
<td>796</td>
<td>1 039</td>
<td>–44</td>
<td>–1 545</td>
<td>967</td>
<td>–603</td>
</tr>
<tr>
<td>Foreign currency</td>
<td>–5</td>
<td>22</td>
<td>23</td>
<td>–9</td>
<td>–2</td>
<td>19</td>
<td>7</td>
<td>27</td>
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<td>80</td>
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<tr>
<td>Total</td>
<td>–1 529</td>
<td>936</td>
<td>–1 251</td>
<td>59</td>
<td>794</td>
<td>1 058</td>
<td>–37</td>
<td>–1 518</td>
<td>965</td>
<td>–523</td>
</tr>
</tbody>
</table>
Currency risk

Currency risk refers to the risk that the value of the Group's assets and liabilities, including derivatives, may fluctuate due to changes in exchange rates or other relevant risk factors. The predominant share of Swedbank’s currency risk is of a structural or strategic nature. Strategic currency risk mainly arises in connection with investments in foreign operations. These exposures are currency hedged, with the exception of goodwill and other intangible assets. The currency risks arising in other parts of the Group, e.g. in trading, are low compared with the risks arising in connection with investments in foreign operations. Currency risks arising in the banking operations or that are strategic in nature are managed by Group Treasury by limiting the total value of assets and liabilities, including derivatives, in the same currency to the desired level using derivatives, such as cross currency swaps and forward exchange agreements.

The Group’s exposure to currency risks with the potential to affect earnings, i.e. excluding exposures related to investments in foreign operations and related hedges, is limited. A shift in exchange rates between foreign currencies and the Swedish krona of +5 per cent at year-end would have a direct effect on the Group’s reported profit of SEK 17m (–54). Moreover, a shift in exchange rates between foreign currencies and the Swedish krona of -5 per cent at year-end would have a direct effect on the Group’s reported profit of SEK 77m (12).

A shift in exchange rates between the Swedish krona and foreign currencies of +/-5 per cent with respect to net investments in foreign operations and related hedges would have a direct effect on other comprehensive income of SEK +/- 876m after tax (+/- 921).

The Group recognises certain currency derivatives as cash flow hedges. An increase in the basis spread, the price to swap cash flows in one currency for another, of one basis point would have had a positive effect on certain derivatives in other comprehensive income of SEK 8m (10) after tax as of 31 December 2015.

Currency distribution

<table>
<thead>
<tr>
<th>2015</th>
<th>SEK</th>
<th>EUR</th>
<th>USD</th>
<th>GBP</th>
<th>DKK</th>
<th>NOK</th>
<th>Other</th>
<th>Total</th>
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</thead>
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<tr>
<td>Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and balances with central banks</td>
<td>262</td>
<td>68 085</td>
<td>112 814</td>
<td>35</td>
<td>315</td>
<td>4 717</td>
<td>84</td>
<td>186 312</td>
</tr>
<tr>
<td>Loans to credit institutions</td>
<td>51 067</td>
<td>18 925</td>
<td>5 418</td>
<td>250</td>
<td>489</td>
<td>2 991</td>
<td>7 278</td>
<td>86 418</td>
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<tr>
<td>Loans to the public</td>
<td>1 190 620</td>
<td>148 518</td>
<td>36 850</td>
<td>1 572</td>
<td>4 771</td>
<td>27 089</td>
<td>4 555</td>
<td>1 413 955</td>
</tr>
<tr>
<td>Interest-bearing securities</td>
<td>124 376</td>
<td>18 066</td>
<td>13 639</td>
<td>427</td>
<td>8 654</td>
<td></td>
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<td>165 162</td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>12</td>
<td>119</td>
<td></td>
<td></td>
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<td>17</td>
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<tr>
<td>Other assets, not distributed</td>
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<td>296 860</td>
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<tr>
<td>Total</td>
<td>1 663 197</td>
<td>253 594</td>
<td>168 840</td>
<td>2 284</td>
<td>5 575</td>
<td>43 431</td>
<td>11 934</td>
<td>2 148 855</td>
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<tr>
<td>Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts owed to credit institutions</td>
<td>86 052</td>
<td>14 857</td>
<td>34 293</td>
<td>2 175</td>
<td>1 236</td>
<td>9 227</td>
<td>2 653</td>
<td>150 493</td>
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<tr>
<td>Deposits and borrowings from the public</td>
<td>539 798</td>
<td>143 806</td>
<td>55 763</td>
<td>1 837</td>
<td>1 375</td>
<td>3 684</td>
<td>2 008</td>
<td>748 271</td>
</tr>
<tr>
<td>Debt securities in issue etc.</td>
<td>398 232</td>
<td>204 210</td>
<td>194 578</td>
<td>27 717</td>
<td></td>
<td>10 615</td>
<td>15 796</td>
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<td></td>
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<td></td>
<td></td>
<td>275 587</td>
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<td>Equity</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>123 342</td>
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<tr>
<td>Total</td>
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<td>362 873</td>
<td>284 634</td>
<td>31 729</td>
<td>2 611</td>
<td>23 526</td>
<td>20 457</td>
<td>2 148 855</td>
</tr>
<tr>
<td>Other assets and liabilities, including positions in derivatives</td>
<td>118 611</td>
<td>115 752</td>
<td>29 421</td>
<td>-2 956</td>
<td>-19 719</td>
<td>8 588</td>
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<td></td>
</tr>
<tr>
<td>Net position in currency</td>
<td>9 332</td>
<td>-42</td>
<td>-24</td>
<td>9</td>
<td>186</td>
<td>65</td>
<td>9 526</td>
<td></td>
</tr>
</tbody>
</table>

Net funding in foreign currency with a corresponding recognised amount of SEK 36 590m (38 912) is used as a hedging instrument to hedge the net investment in foreign operations. The above net position in currencies pertains mainly to parts of net investments in foreign operations that are not hedged. Exchange rate changes on this position are recognised in other comprehensive income as translation difference.

Currency distribution

<table>
<thead>
<tr>
<th>2014</th>
<th>SEK</th>
<th>EUR</th>
<th>USD</th>
<th>GBP</th>
<th>LTL</th>
<th>RUB</th>
<th>NOK</th>
<th>Other</th>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and balances with central banks</td>
<td>379</td>
<td>26 282</td>
<td>68 546</td>
<td>43</td>
<td>13 366</td>
<td>320</td>
<td>4 126</td>
<td>706</td>
<td>113 768</td>
</tr>
<tr>
<td>Loans to credit institutions</td>
<td>79 860</td>
<td>25 056</td>
<td>5 936</td>
<td>607</td>
<td>93</td>
<td>118</td>
<td>1 998</td>
<td>152</td>
<td>113 820</td>
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<tr>
<td>Loans to the public</td>
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<td>41 831</td>
<td>1 504</td>
<td>14 381</td>
<td>4 628</td>
<td>24 412</td>
<td>5 687</td>
<td>1 404 507</td>
</tr>
<tr>
<td>Interest-bearing securities</td>
<td>111 478</td>
<td>29 262</td>
<td>18 274</td>
<td>158</td>
<td>912</td>
<td></td>
<td>10 594</td>
<td></td>
<td>170 680</td>
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<tr>
<td>Other assets, not distributed</td>
<td>317 907</td>
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<td></td>
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<td></td>
<td></td>
<td>317 907</td>
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<tr>
<td>Total</td>
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<td>215 539</td>
<td>135 056</td>
<td>2 312</td>
<td>28 752</td>
<td>5 066</td>
<td>41 130</td>
<td>6 562</td>
<td>2 121 297</td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts owed to credit institutions</td>
<td>109 193</td>
<td>19 651</td>
<td>34 610</td>
<td>3 853</td>
<td>79</td>
<td>1 245</td>
<td>2 789</td>
<td>33</td>
<td>171 453</td>
</tr>
<tr>
<td>Deposits and borrowings from the public</td>
<td>496 416</td>
<td>101 613</td>
<td>32 607</td>
<td>935</td>
<td>37 534</td>
<td>1 037</td>
<td>3 922</td>
<td>2 615</td>
<td>676 679</td>
</tr>
<tr>
<td>Debt securities in issue etc.</td>
<td>379 629</td>
<td>200 449</td>
<td>232 941</td>
<td>17 029</td>
<td>221</td>
<td></td>
<td>10 216</td>
<td>12 484</td>
<td>853 969</td>
</tr>
<tr>
<td>Liabilities held for sale</td>
<td>39</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Other liabilities, not distributed</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>301 784</td>
</tr>
<tr>
<td>Equity</td>
<td>117 373</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>117 373</td>
</tr>
<tr>
<td>Total</td>
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<td>321 713</td>
<td>300 158</td>
<td>21 017</td>
<td>37 834</td>
<td>2 262</td>
<td>17 927</td>
<td>15 132</td>
<td>2 121 297</td>
</tr>
<tr>
<td>Other assets and liabilities, including positions in derivatives</td>
<td>121 432</td>
<td>165 107</td>
<td>19 482</td>
<td>3 691</td>
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<td>-22 754</td>
<td>8 629</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net position in currency</td>
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<td>5</td>
<td>-23</td>
<td>-5 391</td>
<td>-5</td>
<td>449</td>
<td>59</td>
<td>10 352</td>
<td></td>
</tr>
</tbody>
</table>
Share price risk

Share price risk refers to the risk that the value of the Group's holdings of shares and share-related derivatives may be negatively affected by changes in share prices or other relevant risk factors.

Share price risks arise in the trading operations due to holdings in equities and equity-related derivatives. The main purpose of Swedbank's equity trading is to create liquidity for the Group's customers. Share price risk is measured and limited in the Group e.g. for the worst possible outcomes in 80 different scenarios where share prices and implicit volatility change. In these scenarios share prices change by a maximum of +/- 20 per cent and the implicit volatility by a maximum of +/- 30 per cent. The outcomes for the various combinations form a risk matrix for share price risk, and the worst-case scenario is limited.

As of year-end the worst-case scenario conceivably would have affected the value of the trading operations' positions by SEK 11m (-83).

Commodity risk

Commodity risk refers to the risk that the value of the Group’s holdings of commodity-related derivatives will be negatively affected by a change in asset prices. The exposure to commodity risks arises in the Group only in exceptional cases as part of customer-related products. All positions with a commodity exposure must always be hedged with another party so that no open exposure remains. As of 31 December 2015 Swedbank had no open commodity exposures.

Market risks in trading operations

Trading operations at Swedbank are conducted in the Large Corporates & Institutions (LC&I) business area for the primary purpose of assisting customers to execute transactions in the financial market. Positioning occurs only to a limited extent, and the risk level (measured in VaR) in this operation is low.

Swedbank evaluates the VaR model's reliability on a daily basis with actual and hypothetical backtesting. Actual backtesting uses the trading operations' actual daily results to determine the accuracy of the VaR model, while hypothetical backtesting compares the portfolio's value at the end of the day with its value at the end of the subsequent day. The comparison takes into account any market movements during the day on which the test is conducted, but with the assumption that the positions in the portfolio remain unchanged during this time period. By indicating only three days of loss, the hypothetical backtesting conducted by the Group in 2015 shows that the model serves its purpose well.

In addition to the VaR model applied in the calculation of Swedbank’s capital requirement, the Group uses a VaR model in its internal risk management that also captures specific interest rate risk.

The trading operations’ total VaR averaged SEK 20m in 2015, which compares with total VaR of SEK 22m for 2014. The risk (measured in VaR) remained well-balanced during the year between different asset classes, and were, on an aggregate level is well-diversified.

Data in the table are compiled using the VaR model that the Group applies to internal risk management and therefore differs from the values generated using the VaR model for capital requirements.

Capital requirement for market risks

The capital requirement for market risks in Swedbank totalled SEK 858 m (1 525) and is presented by risk type in note G4 under Capital adequacy.
Operational risks

DEFINITION
Operational risk refers to the risk of losses resulting from inadequate or failed internal processes or procedures, human error, faulty systems or external events. The definition includes legal risk, compliance risk and information risk.

Risk management
Group Risk Control is responsible for uniform, Group-wide operational risk measurement and reporting. An analysis of the risk level in all large business units is performed at least quarterly and reported to each local management as well as to the Board of Directors, the CEO and the Group Executive Committee.

Self assessments
All business areas apply common methods to self-assess operational risks e.g. Risk and Control Self Assessments (RCSA) and Risk Vulnerability Assessments (RVA). These methods, which are used on an ongoing basis to cover all key processes in the Group, include risk identification, action planning and monitoring to manage any risks that arise.

Incident management
Swedbank has established procedures and systems support to facilitate reporting and following up incidents. Group Risk supports the business areas in reporting, analysing and drafting action plans to ensure that the underlying causes are identified and suitable actions are taken. Incidents and related operational risk losses are reported in a central database for further analysis.

New Product Approval Processes (NPAP)
Swedbank has a Group-wide process for New Product Approval (NPAP) covering all new and/or revised products, services, activities, processes and/or systems as well as major operational and/or organisational changes. The purpose is to ensure that the Group does not enter into activities which entail unintended risks or risks that are not immediately managed and controlled as part of the process. In addition, the Group is able to assure quality when launching new and revised products and services.

Continuity, crisis management and security
Swedbank works proactively to prevent and/or strengthen its ability to manage serious incidents, such as IT disruptions, natural disasters, financial market disturbances and pandemics, which may affect Swedbank’s ability to maintain services and offerings.

The principles for security, continuity, incident and crisis management are defined in a Group-level framework. A Group-level crisis management team is responsible for management, coordination and communication in collaboration with local crisis management teams. Continuity plans are in place for business-critical operations and services that are critical for the nation and society. The plans describe how Swedbank will operate in the event of a serious disruption. Swedbank’s models for continuity and crisis management are based on the international standard ISO/IEC 22301:2012 – Societal security – Business continuity management systems. Swedbank also has insurance protection, with an emphasis on catastrophe protection, for significant parts of its operations.

Process and control management
Swedbank is developing a Group-wide framework and approach to managing processes and controls as well as monitoring. Swedbank has established a process universe and governance model for the bank’s business processes. They are designed to define responsibilities for the Group’s key processes as well as for controls in the processes and for ensuring that they are effective and adequate. To create a process-based method for risk management, the process universe will be used as a basis for all risk management within the Group. Documentation of processes and controls is underway in parts of the Group.

Special frameworks for internal control over financial reporting (ICFR) and credit process control (CPC) are currently applied for affected processes.

Information risk
Swedbank has internal rules describing how it protects information. To strengthen these efforts, a review is being conducted of processes and approaches to improve and complement the bank’s management system for information security.

Capital requirements for operational risks
Swedbank applies the standardised approach to calculate the capital requirement for operational risks. Swedbank’s capital requirement for operational risk amounted to SEK 5 871m (4 745).

Insurance risks

DEFINITION
Insurance risk refers to the risk of a change in value due to a deviation between actual and anticipated insurance costs. In other words, the risk that an actual outcome will deviate from projections e.g. in terms of longevity, mortality, morbidity or claim frequency. This includes cost risk i.e. the risk that administrative costs and sales commissions will exceed the cost estimates that served as the basis for the premiums.

The life insurance operations incur mortality risk, morbidity risk, longevity risk, cost risk and cancellation risk i.e. the risk that contracts will be terminated in advance to a higher degree than anticipated.

Property and casualty insurance risk comprises the risk that the insurance result will be unusually unfavourable in the year ahead and that the final payment for past claims will be more expensive than anticipated.

Risk management
Before a life insurance policy is approved, the insured must pass a risk assessment. The purpose is to determine whether the insured can be approved for insurance based on his or her health. The desired insurance must also meet the policyholder’s insurance needs. To further limit risk exposure, the company reinsurance parts of its insurance risks.

Swedbank’s insurance operations offer a broad range of product and are active in the core Swedish market as well as in the three Baltic countries, which diversifies insurance risk by market, product, age and gender.

Insurance contracts are designed so that the premium and assumptions can be changed annually, which means that the company can quickly balance its premiums and terms to rapid changes in morbidity, for example.

The pricing of premiums is based on assumptions about longevity, mortality, morbidity and claim frequency as well as on the estimated cost of insurance events. Experience in the form of statistical material and expectations about future developments are critical factors in the choice of assumptions.

Risk exposure and risk measurement
Actual outcomes compared with the above-mentioned assumptions give rise to a risk result in the life insurance operations. Insurance risks in the life insurance operations are measured by stressing the insurance company’s balance sheet, income statement and shareholders’ equity over a one-year horizon with a given level of confidence.

According to the latest risk assessment, the most important risks are cancellation, cost and catastrophic risk i.e. the risk of major damage due to a single event.

Swedbank works proactively to prevent and/or strengthen its ability to manage serious incidents, such as IT disruptions, natural disasters, financial market disturbances and pandemics, which may affect Swedbank’s ability to maintain services and offerings.

The principles for security, continuity, incident and crisis management are defined in a Group-level framework. A Group-level crisis management team is responsible for management, coordination and communication in collaboration with local crisis management teams. Continuity plans are in place for business-critical operations and services that are critical for the nation and society. The plans describe how Swedbank will operate in the event of a serious disruption. Swedbank’s models for continuity and crisis management are based on the international standard ISO/IEC 22301:2012 – Societal security – Business continuity management systems. Swedbank also has insurance protection, with an emphasis on catastrophe protection, for significant parts of its operations.

Process and control management
Swedbank is developing a Group-wide framework and approach to managing processes and controls as well as monitoring. Swedbank has established a process universe and governance model for the bank’s business processes. They are designed to define responsibilities for the Group’s key processes as well as for controls in the processes and for ensuring that they are effective and adequate. To create a process-based method for risk management, the process universe will be used as a basis for all risk management within the Group. Documentation of processes and controls is underway in parts of the Group.

Special frameworks for internal control over financial reporting (ICFR) and credit process control (CPC) are currently applied for affected processes.

Information risk
Swedbank has internal rules describing how it protects information. To strengthen these efforts, a review is being conducted of processes and approaches to improve and complement the bank’s management system for information security.

Capital requirements for operational risks
Swedbank applies the standardised approach to calculate the capital requirement for operational risks. Swedbank’s capital requirement for operational risk amounted to SEK 5 871m (4 745).
Internal capital assessment

Purpose
The Internal Capital Adequacy Assessment Process (ICAAP) aims to ensure that the Group is adequately capitalised to cover its risks, current and future, and to operate and develop the business.

Measurement
Swedbank prepares and documents its own methods and processes to evaluate its capital requirement. The internal capital adequacy assessment takes into account all relevant risks that arise within the Group. In addition to Pillar 1 risks, risks for which no capital is allocated are monitored as well, such as business risk, liquidity risk and strategic risk. Significant risks that have been identified within the Group include:

- Credit risk
- Concentration risk
- Market risk
- Operational risk
- Insurance risk
- Risk in post-employment benefits
- Strategic risk: Business plans
- Strategic risk: Project and acquisitions
- Strategic risk: Decision risk
- Reputational risk
- Liquidity risk
- Strategic risk: Business plans

No specific capital is allocated

- Identified and mitigated?
  - Yes
  - No

Risk types according to the ICAAP process

<table>
<thead>
<tr>
<th>Risk type</th>
<th>Pillar 1</th>
<th>Pillar 2</th>
<th>Capital is allocated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit risk</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Concentration risk</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Market risk</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Market risk: Interest risk in banking book</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Operational risk</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Insurance risk</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Risk in post-employment benefits</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Strategic risk: Business plans</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Strategic risk: Project and acquisitions</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

ICAAP 2015
Since 2009 Swedbank has worked actively to reduce risk in the balance sheet in all its home markets. The Baltic countries today have a much better macroeconomic balance and resilience than a few years ago at the same time that good growth prospects pave the way for even higher credit quality. The work done in 2009–2013 to improve credit quality in the loan portfolios and strengthen own funds in the Baltic subsidiaries made them more resilient, as indicated in the 2015 ICAAP. This is one of the reasons why Swedbank’s 2015 ICAAP shows that the bank is exposed to limited risks and is expected to remain well capitalised even in the event of unfavourable macroeconomic development.

Description of 2015 adverse scenario
The 2015 ICAAP, which starts with actual outcomes for 31 December 2014, evaluated the impact on Swedbank’s balance sheet of a major recession in its home markets and globally. In the three-year scenario all of Swedbank’s home markets see substantially slower growth, a decline in housing prices and higher unemployment. The high unemployment, coupled with lower property prices, reinforces the economic slowdown as households reduce their spending. This in turn impacts domestically oriented, consumer sensitive sectors at the same time that the Swedish krona weakens against the euro. Further, the global slowdown in demand leaves the export sector especially exposed.

Stress test ICAAP-scenario - parameters

<table>
<thead>
<tr>
<th>Country</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>GDP-growth, %</td>
<td>1.6</td>
<td>-4.6</td>
<td>0.8</td>
</tr>
<tr>
<td></td>
<td>Unemployment, %</td>
<td>7.9</td>
<td>9.6</td>
<td>11.3</td>
</tr>
<tr>
<td></td>
<td>Inflation %</td>
<td>-0.2</td>
<td>-1.0</td>
<td>0.2</td>
</tr>
<tr>
<td></td>
<td>Residential real estate price</td>
<td>9.3</td>
<td>-18.7</td>
<td>0.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Country</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estonia</td>
<td>GDP-growth, %</td>
<td>2.1</td>
<td>-9.0</td>
<td>-1.0</td>
</tr>
<tr>
<td></td>
<td>Unemployment, %</td>
<td>8.2</td>
<td>11.0</td>
<td>16.5</td>
</tr>
<tr>
<td></td>
<td>Inflation %</td>
<td>-0.6</td>
<td>-0.5</td>
<td>-0.3</td>
</tr>
<tr>
<td></td>
<td>Residential real estate price</td>
<td>10.0</td>
<td>-18.7</td>
<td>0.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Country</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latvia</td>
<td>GDP-growth, %</td>
<td>1.5</td>
<td>-8.7</td>
<td>-0.8</td>
</tr>
<tr>
<td></td>
<td>Unemployment, %</td>
<td>10.3</td>
<td>12.5</td>
<td>17.5</td>
</tr>
<tr>
<td></td>
<td>Inflation %</td>
<td>0.5</td>
<td>0.0</td>
<td>-0.5</td>
</tr>
<tr>
<td></td>
<td>Residential real estate price</td>
<td>9.0</td>
<td>-18.7</td>
<td>0.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Country</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lithuania</td>
<td>GDP-growth, %</td>
<td>2.2</td>
<td>-8.5</td>
<td>-0.6</td>
</tr>
<tr>
<td></td>
<td>Unemployment, %</td>
<td>10.1</td>
<td>12.4</td>
<td>17.3</td>
</tr>
<tr>
<td></td>
<td>Inflation %</td>
<td>0.0</td>
<td>0.2</td>
<td>-0.3</td>
</tr>
<tr>
<td></td>
<td>Residential real estate price</td>
<td>10.0</td>
<td>-18.7</td>
<td>0.0</td>
</tr>
</tbody>
</table>

Stress test ICAAP scenario

**Triggers**
A greatly weakened European banking system causes problems in the form of credit contraction and credibility problems for banks and financial institutions. Debts and austerity continue to weigh on European economies. Negative consequences for the entire global economy. Strong EUR weak SEK.
The Baltic economies see a significant decline in external demand and the export sector suffers.

**Outcome in Swedbank’s home markets**
In Sweden GDP falls by a maximum of 4.6 per cent, unemployment increases to a maximum of 11.3 per cent and house prices fall by a maximum of 18.7 per cent.
In Estonia GDP falls by a maximum of 9.0 per cent, unemployment increases to a maximum of 16.5 per cent and house prices fall by a maximum of 18.7 per cent.
In Latvia GDP falls by a maximum of 8.7 per cent, unemployment increases to a maximum of 17.5 per cent and house prices fall by a maximum of 18.7 per cent.
In Lithuania GDP falls by a maximum of 8.5 per cent, unemployment increases to a maximum of 17.3 per cent and house prices fall by a maximum of 18.7 per cent.
Income statement under ICAAP-Scenario

<table>
<thead>
<tr>
<th>SEKbn</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest income</td>
<td>24.1</td>
<td>21.8</td>
<td>22.7</td>
<td>24.5</td>
</tr>
<tr>
<td>Total income</td>
<td>41.7</td>
<td>35.0</td>
<td>35.8</td>
<td>37.9</td>
</tr>
<tr>
<td>Total expenses</td>
<td>18.8</td>
<td>19.1</td>
<td>19.1</td>
<td>19.5</td>
</tr>
<tr>
<td>Profit before impairments</td>
<td>23.0</td>
<td>16.0</td>
<td>16.6</td>
<td>18.4</td>
</tr>
<tr>
<td>Credit impairments</td>
<td>0.6</td>
<td>5.2</td>
<td>7.9</td>
<td>3.6</td>
</tr>
<tr>
<td>Operating profit</td>
<td>22.4</td>
<td>10.8</td>
<td>8.7</td>
<td>14.8</td>
</tr>
<tr>
<td>Tax expense</td>
<td>4.9</td>
<td>2.4</td>
<td>1.9</td>
<td>3.3</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>17.1</td>
<td>8.3</td>
<td>6.7</td>
<td>11.3</td>
</tr>
</tbody>
</table>

Profit for the period attributable to:
Shareholders of Swedbank AB | 12.8 | 6.2 | 5.0 | 8.5 |
Non-controlling interests | 0.4 | 0.2 | 0.1 | 0.2 |

1) ICAAP calculations are based on the consolidated situation, which in several respects differs from the Swedbank Group. For example, insurance operations are not included in the consolidated situation.

Swedbank in the scenario

In the scenario net interest income falls by 9.4 per cent in 2015, mainly reflecting the low interest rate environment that the scenario plays out in. In the following years net interest income rises and in 2015 surpasses the 2014 base level. Credit impairments total SEK 16.6bn, of which the LC&I and Swedish Banking business areas account for 78 per cent.

Credit Impairments per Business area

<table>
<thead>
<tr>
<th>EAD</th>
<th>SEKbn</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swedish Banking</td>
<td>1 054.3</td>
<td>2.4</td>
<td>4.5</td>
<td>2.0</td>
<td></td>
</tr>
<tr>
<td>Large Corporates &amp; Institutions</td>
<td>269.5</td>
<td>1.3</td>
<td>1.7</td>
<td>0.9</td>
<td></td>
</tr>
<tr>
<td>Estonia</td>
<td>61.2</td>
<td>0.6</td>
<td>0.6</td>
<td>0.2</td>
<td></td>
</tr>
<tr>
<td>Latvia</td>
<td>32.8</td>
<td>0.5</td>
<td>0.7</td>
<td>0.2</td>
<td></td>
</tr>
<tr>
<td>Lithuania</td>
<td>40.3</td>
<td>0.4</td>
<td>0.4</td>
<td>0.2</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>91.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1 529.3</td>
<td>5.2</td>
<td>7.9</td>
<td>3.6</td>
<td></td>
</tr>
</tbody>
</table>

1) ICAAP calculations are based on the consolidated situation, which in several respects differs from the Swedbank Group. For example, insurance operations are not included in the consolidated situation.

Internal capital requirement

In its ICAAP, Swedbank takes into account the regulatory changes it knows with certainty will enter into force during the simulation period. Consequently, Basel 3/CRD IV, in which regulatory changes include CVA adjustments of SEK 11.3bn, has been discounted to the start, so that the result fully reflects the scenario effects.

RWA and Capital

<table>
<thead>
<tr>
<th>SEKbn</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>RWA</td>
<td>414.2</td>
<td>457.6</td>
<td>437.4</td>
<td>410.7</td>
</tr>
<tr>
<td>Common Equity Tier 1</td>
<td>87.1</td>
<td>88.9</td>
<td>89.4</td>
<td>91.7</td>
</tr>
</tbody>
</table>

In the stress test Swedbank’s Common Equity Tier 1 capital improves throughout the scenario horizon. The scenario result ignores possible interventions Swedbank’s executive management might reasonably make under negative circumstances. If possible interventions are included in the stressed scenario, the Common Equity Tier 1 capital ratio would improve slightly. The effect is limited, however, since the scenario outcome produces an annual profit, from which tax and dividends are deducted in order to maintain a conservative approach.

Risk weighted assets (RWA) increase by a maximum of 11.2 per cent over the scenario horizon, driven by migration effects in the credit portfolio. This is offset at the same time by credit impairments, which reduce the credit portfolio. The scenario-based simulations and stress tests are complemented by a calculation of the capital requirement using internal methods. The models that serve as the basis of the internal capital assessment measure the need for economic capital over a one year horizon with a 99.9 per cent confidence interval for each risk type. Diversification effects between risk types are not taken into consideration in the calculation of economic capital.

As of 31 December 2015 the internally measured internal capital requirement for Swedbank’s consolidated situation amounted to SEK 30.8bn. The capital that meets the internal capital requirement, i.e. the capital base, amounted to SEK 117.8bn.
Capital adequacy analysis

The capital adequacy regulation is the legislator’s requirement of how much capital, designated as the capital base, a bank must have in relation to the size of the risks it faces. The rules strengthen the connection between risk taking and required capital in the Group’s operations. Swedbank’s legal requirement is based on CRR, but more specifically limited by the Basel 1 floor within CRR. The SFSA has clarified that the Basel 1 floor, i.e. 80 per cent of the capital requirement according to the Basel 1 rules, will remain for Swedish banks. The consolidated situation on 31 December 2015 included the Swedbank Group with the exception of insurance companies. In addition, Entercard Group was included through the proportional consolidation method.

The table below contains the information that must be published according to the SFSA’s regulations (FFFS 2014:12), chapter 8. Additional periodic information according to the European Parliament’s and the Council’s regulation (EU) No 575/2013 on prudential requirements for credit institutions and the Commission’s implementing regulation EU No 1423/2013 can be found on Swedbank’s website at http://www.swedbank.com/investor-relations/risk-and-capital-adequacy/risk-report/index.htm.

### Capital adequacy

<table>
<thead>
<tr>
<th>Capital adequacy</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Equity Tier 1 capital</td>
<td>93,926</td>
<td>87,916</td>
</tr>
<tr>
<td>Additional Tier 1 capital</td>
<td>10,624</td>
<td>4,998</td>
</tr>
<tr>
<td>Tier 1 capital</td>
<td>104,550</td>
<td>92,914</td>
</tr>
<tr>
<td>Tier 2 capital</td>
<td>13,269</td>
<td>12,674</td>
</tr>
<tr>
<td>Total capital base</td>
<td>117,819</td>
<td>105,588</td>
</tr>
<tr>
<td>Risk exposure amount</td>
<td>389,098</td>
<td>414,214</td>
</tr>
<tr>
<td>Common Equity Tier 1, capital ratio, %</td>
<td>24.1</td>
<td>21.2</td>
</tr>
<tr>
<td>Tier 1 capital ratio, %</td>
<td>26.9</td>
<td>22.4</td>
</tr>
<tr>
<td>Total capital ratio, %</td>
<td>30.3</td>
<td>25.5</td>
</tr>
</tbody>
</table>

### Consolidated situation

<table>
<thead>
<tr>
<th>Capital adequacy</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders' equity according to the Group’s balance sheet</td>
<td>123,163</td>
<td>117,203</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>54</td>
<td>46</td>
</tr>
<tr>
<td>Anticipated dividend</td>
<td>−11,828</td>
<td>−12,511</td>
</tr>
<tr>
<td>Deconsolidation of insurance companies</td>
<td>−1,249</td>
<td>−692</td>
</tr>
<tr>
<td>Value changes in own financial liabilities including derivatives</td>
<td>31</td>
<td>74</td>
</tr>
<tr>
<td>Cash flow hedges</td>
<td>−17</td>
<td>103</td>
</tr>
<tr>
<td>Additional value adjustments</td>
<td>−474</td>
<td></td>
</tr>
<tr>
<td>Goodwill</td>
<td>−11,387</td>
<td>−11,724</td>
</tr>
<tr>
<td>Goodwill in significant investments</td>
<td>−710</td>
<td>−710</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>−95</td>
<td>−166</td>
</tr>
<tr>
<td>Intangible assets after deferred tax liabilities</td>
<td>−1,438</td>
<td>−1,698</td>
</tr>
<tr>
<td>Net provisions for reported IRB credit exposures</td>
<td>−1,089</td>
<td>−1,599</td>
</tr>
<tr>
<td>Shares deducted from CET1 capital</td>
<td>−42</td>
<td>−410</td>
</tr>
<tr>
<td>Defined benefit pension fund assets</td>
<td>−993</td>
<td></td>
</tr>
<tr>
<td>Common Equity Tier 1 capital</td>
<td>93,926</td>
<td>87,916</td>
</tr>
<tr>
<td>Additional Tier 1 capital</td>
<td>10,624</td>
<td>4,998</td>
</tr>
<tr>
<td>Total Tier 1 capital</td>
<td>104,550</td>
<td>92,914</td>
</tr>
<tr>
<td>Tier 2 capital</td>
<td>13,269</td>
<td>12,674</td>
</tr>
<tr>
<td>Total capital base</td>
<td>117,819</td>
<td>105,588</td>
</tr>
</tbody>
</table>

### Capital adequacy Basel 1 floor

<table>
<thead>
<tr>
<th>Capital adequacy</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital buffer requirement</td>
<td>2015</td>
<td>2014</td>
</tr>
<tr>
<td>CET1 capital requirement including buffer requirements</td>
<td>10.7</td>
<td>7.0</td>
</tr>
<tr>
<td>of which minimum CET1 requirement</td>
<td>4.5</td>
<td>4.5</td>
</tr>
<tr>
<td>of which capital conservation buffer</td>
<td>2.5</td>
<td>2.5</td>
</tr>
<tr>
<td>of which countercyclical capital buffer</td>
<td>0.7</td>
<td></td>
</tr>
<tr>
<td>of which systemic risk buffer</td>
<td>3.0</td>
<td></td>
</tr>
<tr>
<td>CET1 capital available to meet buffer requirement</td>
<td>19.6</td>
<td>16.4</td>
</tr>
</tbody>
</table>

### Leverage ratio

<table>
<thead>
<tr>
<th>Leverage ratio</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1 Capital, SEKm</td>
<td>104,550</td>
<td>92,914</td>
</tr>
<tr>
<td>Leverage ratio exposure, SEKm</td>
<td>2,102,284</td>
<td>2,066,385</td>
</tr>
<tr>
<td>Leverage ratio, %</td>
<td>5.0</td>
<td>4.5</td>
</tr>
</tbody>
</table>

1. Adjustment due to the implementation of EBA’s technical standards on prudent valuation. The objective of these standards is to determine prudent values of fair value positions.
2. Net pension assets.
3. Total minimum capital requirement under Pillar 1 i.e. 8 per cent of total risk weighted exposure amount.
4. Buffer requirement according to Swedish implementation of CRD IV.
5. CET1 capital ratio as reported less minimum requirement of 4.5 per cent (excluding buffer requirements) and less any CET1 items used to meet the Tier 1 and total capital requirements.
6. Calculated according to applicable regulation at each reporting date.
### Minimum capital requirement for credit risks, IRB¹

<table>
<thead>
<tr>
<th></th>
<th>Exposure value</th>
<th>Average risk weight, %</th>
<th>Minimum capital requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutional exposures</td>
<td>108 019</td>
<td>15</td>
<td>1 305</td>
</tr>
<tr>
<td>Corporate exposures</td>
<td>471 163</td>
<td>35</td>
<td>13 213</td>
</tr>
<tr>
<td>Retail exposures</td>
<td>974 908</td>
<td>7</td>
<td>5 739</td>
</tr>
<tr>
<td>of which mortgage lending</td>
<td>882 979</td>
<td>5</td>
<td>3 673</td>
</tr>
<tr>
<td>of which other lending</td>
<td>91 929</td>
<td>28</td>
<td>2 066</td>
</tr>
<tr>
<td>Securitisation</td>
<td>160</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>Non credit obligation</td>
<td>62 686</td>
<td>11</td>
<td>543</td>
</tr>
<tr>
<td><strong>Total credit risks, IRB</strong></td>
<td><strong>1 616 936</strong></td>
<td><strong>16</strong></td>
<td><strong>20 801</strong></td>
</tr>
</tbody>
</table>

### Minimum capital requirements for credit risks, IRB¹

<table>
<thead>
<tr>
<th></th>
<th>Exposure value</th>
<th>Average risk weight, %</th>
<th>Minimum capital requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutional exposures</td>
<td>136 263</td>
<td>15</td>
<td>1 666</td>
</tr>
<tr>
<td>Corporate exposures</td>
<td>461 567</td>
<td>37</td>
<td>13 616</td>
</tr>
<tr>
<td>Retail exposures</td>
<td>931 884</td>
<td>8</td>
<td>6 110</td>
</tr>
<tr>
<td>of which mortgage lending</td>
<td>839 420</td>
<td>6</td>
<td>4 001</td>
</tr>
<tr>
<td>of which other lending</td>
<td>92 464</td>
<td>29</td>
<td>2 109</td>
</tr>
<tr>
<td>Securitisation</td>
<td>763</td>
<td>11</td>
<td>7</td>
</tr>
<tr>
<td>Non credit obligation</td>
<td>75 078</td>
<td>10</td>
<td>589</td>
</tr>
<tr>
<td><strong>Total credit risks, IRB</strong></td>
<td><strong>1 605 555</strong></td>
<td><strong>17</strong></td>
<td><strong>21 988</strong></td>
</tr>
</tbody>
</table>

1) Total minimum capital requirement under Pillar 1 i.e. 8 per cent of total risk weighted exposure amount.

### Minimum capital requirements for market risks²

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest rate risk</td>
<td>811</td>
<td>1 282</td>
</tr>
<tr>
<td>of which for specific risk</td>
<td>286</td>
<td>571</td>
</tr>
<tr>
<td>of which for general risk</td>
<td>525</td>
<td>711</td>
</tr>
<tr>
<td>Equity risk</td>
<td>204</td>
<td>132</td>
</tr>
<tr>
<td>of which for specific risk</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>of which for general risk</td>
<td>200</td>
<td>127</td>
</tr>
<tr>
<td>of which positions in CIUs</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Currency risk in trading book</td>
<td>199</td>
<td>171</td>
</tr>
<tr>
<td>Commodity risk</td>
<td>33</td>
<td>46</td>
</tr>
<tr>
<td><strong>Total minimum capital requirement for risks in trading book ²)</strong></td>
<td><strong>848</strong></td>
<td><strong>1 335</strong></td>
</tr>
<tr>
<td>of which stressed VaR</td>
<td>350</td>
<td>506</td>
</tr>
<tr>
<td>Currency risk outside trading book</td>
<td>10</td>
<td>30</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>858</strong></td>
<td><strong>1 525</strong></td>
</tr>
</tbody>
</table>

1) Total minimum capital requirement under Pillar 1 i.e. 8 per cent of total risk weighted exposure amount.
2) The parent company’s capital requirement for general interest rate risk, share price risk and currency risk in the trading book as well as Swedbank Estonia AS’, Swedbank Latvia AS’ and Swedbank Lithuania AB’s capital requirements for general interest rate risk and currency risk in the trading book are calculated according to the VaR model.
<table>
<thead>
<tr>
<th>Risk exposure amount and minimum capital requirement</th>
<th>Consolidated situation 2015</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Credit risks, STD</strong></td>
<td>Risk exposure amount</td>
<td>Minimum capital requirement</td>
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<tr>
<td>Central government or central banks exposures</td>
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<td>30</td>
</tr>
<tr>
<td>Regional governments or local authorities exposures</td>
<td>274</td>
<td>22</td>
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<tr>
<td>Public sector entities exposures</td>
<td>56</td>
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<tr>
<td>Institutional exposures</td>
<td>803</td>
<td>64</td>
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<tr>
<td>Corporate exposures</td>
<td>9 041</td>
<td>723</td>
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<tr>
<td>Retail exposures</td>
<td>16 854</td>
<td>1 348</td>
</tr>
<tr>
<td>Exposures secured by mortgages on immovable property</td>
<td>834</td>
<td>67</td>
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<td>Exposures in default</td>
<td>420</td>
<td>34</td>
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<tr>
<td>Exposures in the form of covered bonds</td>
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<tr>
<td>Equity exposures</td>
<td>14 808</td>
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<td>Other items</td>
<td>4 310</td>
<td>345</td>
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<tr>
<td><strong>Credit risks, IRB</strong></td>
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<td>20 801</td>
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<td>Institutional exposures</td>
<td>16 312</td>
<td>1 305</td>
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<td>Corporate exposures</td>
<td>165 160</td>
<td>13 213</td>
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<tr>
<td>of which specialized lending in category 1</td>
<td>18</td>
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</tr>
<tr>
<td>of which specialized lending in category 2</td>
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<tr>
<td>of which specialized lending in category 3</td>
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<td>60</td>
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<tr>
<td>of which specialized lending in category 4</td>
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<td>55</td>
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<tr>
<td>Retail exposures</td>
<td>71 735</td>
<td>5 739</td>
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<tr>
<td>of which mortgage lending</td>
<td>45 912</td>
<td>3 673</td>
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<tr>
<td>of which other lending</td>
<td>25 824</td>
<td>2 086</td>
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<tr>
<td>Securitisation</td>
<td>12</td>
<td>1</td>
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<tr>
<td>Non-credit obligation</td>
<td>6 799</td>
<td>543</td>
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<tr>
<td><strong>Credit risks, Default fund contribution</strong></td>
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<td>4</td>
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<tr>
<td><strong>Settlement risks</strong></td>
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<tr>
<td><strong>Market risks</strong></td>
<td>10 730</td>
<td>858</td>
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<tr>
<td>Trading book</td>
<td>10 608</td>
<td>848</td>
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<tr>
<td>of which VaR and SVaR</td>
<td>6 566</td>
<td>525</td>
</tr>
<tr>
<td>of which risks outside VaR and SVaR</td>
<td>4 042</td>
<td>323</td>
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<td>FX risk other operations</td>
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<td>10</td>
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<td><strong>Credit value adjustment</strong></td>
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<td>594</td>
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<tr>
<td><strong>Operational risks</strong></td>
<td>63 083</td>
<td>5 047</td>
</tr>
<tr>
<td>of which Standardised approach</td>
<td>63 083</td>
<td>5 047</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>389 098</td>
<td>31 128</td>
</tr>
</tbody>
</table>

1) Total minimum capital requirement under Pillar 1 i.e. 8 per cent of total risk weighted exposure amount.
Swedbank Annual Report 2015

### G5 Operating segments

<table>
<thead>
<tr>
<th>2015</th>
<th>Swedish Banking</th>
<th>Baltic Banking</th>
<th>Large corporates &amp; Institutions</th>
<th>Group Functions &amp; Other</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income statement</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net interest income</td>
<td>13,435</td>
<td>3,558</td>
<td>3,428</td>
<td>2,572</td>
<td>22,993</td>
<td></td>
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<tr>
<td>Net commissions</td>
<td>7,176</td>
<td>2,052</td>
<td>2,025</td>
<td>-134</td>
<td>80</td>
<td>11,199</td>
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<tr>
<td>Net gains and losses on financial items at fair value</td>
<td>264</td>
<td>202</td>
<td>1,891</td>
<td>-1,785</td>
<td>-1</td>
<td>571</td>
</tr>
<tr>
<td>Share of the profit or loss of associates</td>
<td>862</td>
<td></td>
<td></td>
<td>1</td>
<td>863</td>
<td></td>
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<tr>
<td>Other income</td>
<td>814</td>
<td>476</td>
<td>143</td>
<td>759</td>
<td>-194</td>
<td>1,998</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td>22,551</td>
<td>6,288</td>
<td>7,487</td>
<td>1,413</td>
<td>-115</td>
<td>37,624</td>
</tr>
<tr>
<td>of which internal income</td>
<td>175</td>
<td></td>
<td>116</td>
<td>358</td>
<td>-649</td>
<td></td>
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<tr>
<td>Staff costs</td>
<td>3,487</td>
<td>845</td>
<td>1,425</td>
<td>2,964</td>
<td>8,721</td>
<td></td>
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<tr>
<td>Variable staff costs</td>
<td>157</td>
<td>75</td>
<td>228</td>
<td>214</td>
<td>674</td>
<td></td>
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<tr>
<td>Other expenses</td>
<td>6,237</td>
<td>1,426</td>
<td>1,629</td>
<td>-2,911</td>
<td>-115</td>
<td>6,266</td>
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<tr>
<td>Depreciation/amortisation</td>
<td>106</td>
<td>136</td>
<td>64</td>
<td>386</td>
<td>672</td>
<td></td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>9,987</td>
<td>2,482</td>
<td>3,346</td>
<td>633</td>
<td>-115</td>
<td>16,333</td>
</tr>
<tr>
<td>Profit before impairments</td>
<td>12,564</td>
<td>3,806</td>
<td>4,141</td>
<td>780</td>
<td>21,291</td>
<td></td>
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<tr>
<td>Impairment of intangible assets</td>
<td>254</td>
<td></td>
<td></td>
<td></td>
<td>254</td>
<td></td>
</tr>
<tr>
<td>Impairment of tangible assets</td>
<td>8</td>
<td></td>
<td></td>
<td>64</td>
<td>72</td>
<td></td>
</tr>
<tr>
<td>Credit impairments</td>
<td>482</td>
<td>-172</td>
<td>284</td>
<td></td>
<td>594</td>
<td></td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>12,082</td>
<td>3,970</td>
<td>3,857</td>
<td>462</td>
<td>20,371</td>
<td></td>
</tr>
<tr>
<td>Tax expense</td>
<td>2,548</td>
<td>1,510</td>
<td>630</td>
<td>-63</td>
<td>4,625</td>
<td></td>
</tr>
<tr>
<td>Profit for the year from continuing operations</td>
<td>9,534</td>
<td>2,460</td>
<td>3,227</td>
<td>525</td>
<td>15,746</td>
<td></td>
</tr>
<tr>
<td>Profit for the year from discontinued operations, after tax</td>
<td>-6</td>
<td></td>
<td></td>
<td>-6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit for the year</td>
<td>9,534</td>
<td>2,460</td>
<td>3,227</td>
<td>519</td>
<td>15,740</td>
<td></td>
</tr>
<tr>
<td><strong>Profit for the year attributable to the shareholders of Swedbank AB</strong></td>
<td>9,521</td>
<td>2,460</td>
<td>3,227</td>
<td>519</td>
<td>15,727</td>
<td></td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>13</td>
<td></td>
<td></td>
<td></td>
<td>13</td>
<td></td>
</tr>
</tbody>
</table>

#### Balance sheet

| Cash and balances with central banks | 2,422 | 4,968 | 178,922 | 186,312 |
| Loans to credit institutions | 41,996 | 32 | 277,037 | 10,480 | -243,127 | 86,418 |
| Loans to the public | 1,064,046 | 124,562 | 218,441 | 6,906 | 1,413,955 |
| Bonds and other interest-bearing securities | 241 | 1,243 | 33,743 | 132,808 | -2,873 | 165,162 |
| Financial assets for which customers bear inv. risk | 153,374 | 2,952 | 2,884 | 153,442 |
| Investments in associates | 3,353 | 2,029 | 5,382 |
| Derivatives | 91,991 | 44,578 | -50,462 | 86,107 |
| Total tangible and intangible assets | 2,458 | 10,500 | 452 | 2,269 | 15,679 |
| Other assets | 4,371 | 26,704 | 26,054 | 687,370 | -708,101 | 36,398 |
| **Total assets** | 1,269,839 | 168,415 | 652,686 | 1,065,362 | -1,007,447 | 2,148,855 |
| Amounts owed to credit institutions | 87,316 | 199,515 | 100,302 | -236,640 | 150,493 |
| Deposits and borrowings from the public | 457,846 | 145,106 | 121,618 | -9,670 | 748,271 |
| Debt securities in issue | 16,570 | 819,388 | -9,423 | 826,535 |
| Financial liabilities for which customers bear inv. risk | 154,576 | 3,260 | 157,836 |
| Derivatives | 89,230 | 30,913 | -50,462 | 68,681 |
| Other liabilities | 519,443 | 70 | 207,538 | 26,786 | -704,753 | 49,084 |
| Subordinated liabilities | 24,613 | 24,613 |       |
| **Total liabilities** | 1,219,181 | 148,436 | 633,471 | 1,031,872 | -1,007,447 | 2,025,513 |
| Allocated equity | 50,658 | 19,979 | 19,215 | 33,490 | 123,342 |
| **Total liabilities and equity** | 1,269,839 | 168,415 | 652,686 | 1,065,362 | -1,007,447 | 2,148,855 |

#### Key figures

- Return on allocated equity, continuing operations, %: 18.5, 12.3, 16.2, 2.1, 13.5
- Return on allocated equity, total operations, %: 18.5, 12.3, 16.2, 2.1, 13.5
- Cost/income ratio: 0.44, 0.39, 0.45, 0.45, 0.43
- Credit impairment ratio, %: 0.05, -0.14, 0.16, 0.00, 0.04
- Loans/deposits: 18.5, 13.2, 16.2, 2.1, 13.5
- Loans, SEKbn: 1,064,086, 124,362, 182,076, 197,979, 1,370,564
- Deposits, SEKbn: 452,810, 145,119, 121,467, 24,590, 743,986
- Risk exposure amount: 182,662, 73,954, 112,508, 19,974, 389,098
- Full-time employees: 4,469, 3,853, 1,195, 4,376, 13,893

The operating segment report is based on Swedbank’s accounting policies, organisation and management accounts. Market-based transfer prices are applied between operating segments, while all expenses for IT, other Group functions and Group staffs are transfer priced at cost to the operating segments. Executive management expenses are not distributed. Cross-border transfer pricing is applied according to OECD transfer pricing guidelines. The Group’s equity attributable to shareholders is allocated to each operating segment based on capital adequacy rules and estimated capital requirements based on the bank’s internal Capital Adequacy Assessment Process (ICAAP).

Swedbank Banking, Swedbank’s dominant operating segment, is responsible for all Swedish customers except for large corporates and financial institutions. The operating segment’s services are sold through Swedbank’s own branch network, the Telephone Bank, the Internet Bank and the distribution network of the independent savings banks. The operating segment also includes a number of subsidiaries as well as the retail operations in branch offices in Denmark and Luxembourg.
Notes, Group

Large Corporates & Institutions is responsible for large corporates, financial institutions and banks as well as for trading and capital market products. Operations are carried out by the parent bank in Sweden, branch offices in Norway, Finland, the US and China, and through the trading and capital market operations in subsidiary banks in Estonia, Latvia and Lithuania. Baltic Banking operates in Estonia, Latvia and Lithuania. Its services are sold through its own branch network, the Telephone Bank and the Internet Bank. The effects of Swedbank’s ownership interests in the Baltic companies Swedbank AS (Estonia), Swedbank AS (Latvia) and Swedbank AB (Lithuania) are also reported in Baltic Banking in the form of financing costs, Group goodwill and Group amortisation on surplus values in the lending and deposit portfolios identified at the time of acquisition in 2005. Group Functions & Other comprise, in addition to the Group Functions, Russia, Ukraine and Ektornet. The Group Functions operate across the business areas and serve as strategic and administrative support for them. The Group Functions are Group Products, Group IT, Accounting & Finance (including Group Treasury), Risk, Compliance, Corporate Affairs, HR and Legal. The Group Executive Committee and Internal Audit are also included in Group Functions.

During 2015 Swedbank’s operating segments were changed slightly to coincide with the organisational changes made in Swedbank’s business area organisation. Comparative figures have been restated.

### Income Statement

<table>
<thead>
<tr>
<th></th>
<th>Swedish Banking</th>
<th>Baltic Banking</th>
<th>Large Corporates &amp; Institutions</th>
<th>Group Functions &amp; Other</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income statement</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net interest income</td>
<td>13,350</td>
<td>3,496</td>
<td>3,485</td>
<td>2,302</td>
<td>9</td>
<td>22,642</td>
</tr>
<tr>
<td>Net commissions</td>
<td>8,939</td>
<td>1,556</td>
<td>2,233</td>
<td></td>
<td>76</td>
<td>11,204</td>
</tr>
<tr>
<td>Net gains and losses on financial items at fair value</td>
<td>230</td>
<td>239</td>
<td>1,929</td>
<td>–413</td>
<td>1</td>
<td>1,986</td>
</tr>
<tr>
<td>Share of the profit or loss of associates</td>
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<td></td>
<td></td>
<td></td>
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<td>980</td>
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<td>Other income</td>
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<td>416</td>
<td>121</td>
<td>1,072</td>
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<td>2,492</td>
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<td><strong>Total income</strong></td>
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<tr>
<td>of which internal income</td>
<td>188</td>
<td></td>
<td>113</td>
<td>–510</td>
<td>209</td>
<td>945</td>
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<tr>
<td>Staff costs</td>
<td>4,034</td>
<td>783</td>
<td>3,364</td>
<td>3,272</td>
<td>–1</td>
<td>9,452</td>
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<tr>
<td>Variable staff costs</td>
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<td>78</td>
<td>288</td>
<td>230</td>
<td></td>
<td>807</td>
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<tr>
<td>Other expenses</td>
<td>6,410</td>
<td>1,512</td>
<td>1,644</td>
<td>–2,727</td>
<td>–214</td>
<td>6,625</td>
</tr>
<tr>
<td>Depreciation/amortisation</td>
<td>91</td>
<td>144</td>
<td>68</td>
<td>410</td>
<td>5</td>
<td>718</td>
</tr>
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<td><strong>Total expenses</strong></td>
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<td>3,364</td>
<td>1,105</td>
<td>–210</td>
<td>17,602</td>
</tr>
<tr>
<td>Profit before impairments</td>
<td>11,932</td>
<td>3,590</td>
<td>4,404</td>
<td>1,776</td>
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<td>21,702</td>
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<td></td>
<td></td>
<td></td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Impairment of intangible assets</td>
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<td>–186</td>
<td>381</td>
<td>–22</td>
<td></td>
<td>419</td>
</tr>
<tr>
<td>Operating profit</td>
<td>11,686</td>
<td>3,765</td>
<td>4,023</td>
<td>1,552</td>
<td></td>
<td>21,026</td>
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<tr>
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<td>2,392</td>
<td>565</td>
<td>880</td>
<td>464</td>
<td></td>
<td>4,301</td>
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<tr>
<td>Profit for the year from continuing operations</td>
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<td>3,200</td>
<td>3,143</td>
<td>1,088</td>
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<td>16,725</td>
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<tr>
<td>Profit for the year from discontinued operations, after tax</td>
<td>–262</td>
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<td></td>
<td></td>
<td></td>
<td>–262</td>
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<tr>
<td>Profit for the year</td>
<td>9,294</td>
<td>3,200</td>
<td>3,143</td>
<td>826</td>
<td></td>
<td>16,463</td>
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<td>Profit for the year attributable to the shareholders of Swedbank AB</td>
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<td>3,200</td>
<td>3,143</td>
<td>824</td>
<td></td>
<td>16,447</td>
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<tr>
<td>Non-controlling interests</td>
<td>14</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>16</td>
</tr>
</tbody>
</table>

### Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>Swedish Banking</th>
<th>Baltic Banking</th>
<th>Large Corporates &amp; Institutions</th>
<th>Group Functions &amp; Other</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and balances with central banks</td>
<td>2,786</td>
<td>5,052</td>
<td>5,052</td>
<td>105,930</td>
<td></td>
<td>113,78</td>
</tr>
<tr>
<td>Loans to credit institutions</td>
<td>57,920</td>
<td>129</td>
<td>300,956</td>
<td>161,775</td>
<td>–408,060</td>
<td>113,820</td>
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<td>Loans to the public</td>
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<td>143,319</td>
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<td>4,924</td>
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<td>67,792</td>
<td>–67,831</td>
<td>123,202</td>
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<td>10,998</td>
<td>277</td>
<td>2,946</td>
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<td>17,069</td>
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<td>19,280</td>
<td>19,178</td>
<td>672,615</td>
<td>–886,896</td>
<td>30,008</td>
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<td>1,235,469</td>
<td>163,590</td>
<td>747,283</td>
<td>1,142,935</td>
<td>–1,167,980</td>
<td>2,121,297</td>
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<tr>
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<td>234,040</td>
<td>215,394</td>
<td>–371,049</td>
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<td>171,453</td>
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<td>–10,741</td>
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<td>15,165</td>
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<td>146,177</td>
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<td>18,957</td>
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<td>727,702</td>
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<td>163,590</td>
<td>747,283</td>
<td>1,142,935</td>
<td>–1,167,980</td>
<td>2,121,297</td>
</tr>
</tbody>
</table>

### Key figures

- Return on allocated equity, continuing operations, %: 25.5
- Return on allocated equity, total operations, %: 25.5
- Cost/income ratio: 0.47
- Credit impairment ratio, %: 0.03
- Loans/Deposits: 1,023,344/324,040
- Deposits, SEKbn: 411,450
- Risk exposure amount: 184,700
- Full-time employees: 5,008
### G6 Products

<table>
<thead>
<tr>
<th></th>
<th>Financing</th>
<th>Savings &amp; Investments</th>
<th>Payments &amp; Cards</th>
<th>Trading &amp; Capital markets</th>
<th>Other</th>
<th>Total</th>
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<tr>
<td><strong>2015</strong></td>
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<tr>
<td>Net interest income</td>
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<td>517</td>
<td>1 794</td>
<td>27</td>
<td>2 948</td>
<td>22 993</td>
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<td>4 088</td>
<td>701</td>
<td>654</td>
<td>11 199</td>
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<td>Net gains and losses on financial items at fair value</td>
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<td>3</td>
<td>21</td>
<td>2 269</td>
<td>-1 724</td>
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<td>614</td>
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<td></td>
<td>249</td>
<td>863</td>
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<tr>
<td>Other income</td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Total income</td>
<td>18 533</td>
<td>6 265</td>
<td>6 786</td>
<td>3 026</td>
<td>3 014</td>
<td>37 624</td>
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<table>
<thead>
<tr>
<th></th>
<th>Financing</th>
<th>Savings &amp; Investments</th>
<th>Payments &amp; Cards</th>
<th>Trading &amp; Capital markets</th>
<th>Other</th>
<th>Total</th>
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<td>2 660</td>
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<td>3 911</td>
<td>1 017</td>
<td>557</td>
<td>11 204</td>
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<td>28</td>
<td>25</td>
<td>2 279</td>
<td>-299</td>
<td>1 986</td>
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<tr>
<td>Share of the profit or loss of associates</td>
<td>724</td>
<td></td>
<td></td>
<td></td>
<td>256</td>
<td>980</td>
</tr>
<tr>
<td>Other income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Total income</td>
<td>16 312</td>
<td>7 135</td>
<td>7 610</td>
<td>3 361</td>
<td>4 886</td>
<td>39 304</td>
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</table>

In the product area report income has been distributed among five principal product areas. The Group does not have a single customer which accounts for more than 10 per cent of its total income.

(1) Financing:
- private residential lending
- consumer financing
- corporate lending
- leasing
- other financing products

(2) Savings & Investments
- savings accounts
- mutual funds and insurance savings
- pension savings
- institutional asset management
- other savings and investment products

(3) Payments & Cards
- current accounts (incl. cash management)
- cash handling
- domestic payments
- international payments
- mobile payments
- document payments
- debit cards
- credit cards (incl. EnterCard)
- card acquiring
- other payment products

(4) Trading & Capital Market Products
- equity trading
- structured products
- corporate finance
- custody services
- fixed income trading
- currency trading
- other capital market products

(5) Other
- administrative services
- treasury operations
- Ektornet
- real estate brokerage
- real estate management
- legal services
- safe deposit boxes
- other

(5) Other also includes income from all countries apart from Sweden, Baltics and Norway
The geographical distribution is primarily based on where the business is carried out and is not comparable to the operating segment reporting. In the geographical distribution intangible assets, mainly goodwill related to acquisitions, has been allocated to the country where the operations were acquired. The column Other includes operations in Russia, Ukraine, Finland, Denmark, Luxembourg and China.

<table>
<thead>
<tr>
<th>Geographical Distribution</th>
<th>Sweden</th>
<th>Estonia</th>
<th>Latvia</th>
<th>Lithuania</th>
<th>Norway</th>
<th>USA</th>
<th>Other</th>
<th>Eliminations</th>
<th>Total</th>
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<td>Income statement</td>
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<tr>
<td>Net interest income</td>
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<td>1,067</td>
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<td>797</td>
<td>417</td>
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<td>695</td>
<td>504</td>
<td>5</td>
<td>165</td>
<td>19</td>
<td>11,199</td>
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<td>Net gains and losses on financial items at fair value</td>
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<td>122</td>
<td>66</td>
<td>76</td>
<td>105</td>
<td>6</td>
<td>-54</td>
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<td>571</td>
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<td>Share of the profit or loss of associates</td>
<td>553</td>
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<td></td>
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<td></td>
<td>863</td>
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<td>Other income</td>
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<td>76</td>
<td>10</td>
<td>1</td>
<td>5</td>
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<td>-299</td>
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<td>997</td>
<td>358</td>
<td>179</td>
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<td>261</td>
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<td>64</td>
<td>4,625</td>
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<td>114</td>
<td>119</td>
<td>264</td>
<td>92</td>
<td>64</td>
<td>4,616</td>
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<td>of which paid tax</td>
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<td>230</td>
<td>82</td>
<td>40</td>
<td>19</td>
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<td>11,504</td>
<td>777</td>
<td>1,108</td>
<td>779</td>
<td>736</td>
<td>727</td>
<td>115</td>
<td>15,746</td>
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<td>Profit for the year from discontinued operations, after tax</td>
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<td></td>
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<td></td>
<td></td>
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<td>-6</td>
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<tr>
<td>Profit for the period</td>
<td>11,504</td>
<td>777</td>
<td>1,108</td>
<td>779</td>
<td>736</td>
<td>727</td>
<td>109</td>
<td>15,740</td>
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<td>Profit for the period attributable to the shareholders of Swedbank AB</td>
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<td>1,108</td>
<td>779</td>
<td>736</td>
<td>727</td>
<td>109</td>
<td>15,727</td>
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<td>Non-controlling interests</td>
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<td>Balance sheet</td>
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<td>16,903</td>
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<td>112,735</td>
<td>14,232</td>
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<td>691</td>
<td>18,127</td>
<td>3,179</td>
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<td>15,331</td>
<td>-804</td>
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<td>165,162</td>
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<td>962</td>
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<td>64,614</td>
<td>84,545</td>
<td>136,548</td>
<td>35,129</td>
<td>-26,793</td>
<td>2,148,855</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>24,613</td>
<td></td>
</tr>
<tr>
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<td>-26,793</td>
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<td>8,505</td>
<td>5,520</td>
<td>6,558</td>
<td>5,683</td>
<td>493</td>
<td>1,506</td>
<td>123,163</td>
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</tr>
<tr>
<td>Total liabilities and equity</td>
<td>1,709,408</td>
<td>93,168</td>
<td>52,236</td>
<td>64,614</td>
<td>84,545</td>
<td>136,548</td>
<td>35,129</td>
<td>-26,793</td>
<td>2,148,855</td>
</tr>
</tbody>
</table>

Key figures

| Return on allocated equity, % | 13.1 | 9.2 | 19.7 | 11.5 | 13.7 | 107.5 | 7.0 | 13.5 |
| Loans/deposits                | 214 | 88  | 76  | 74  | 831 | 6 | 806 | 184 |
| Credit impairment ratio, %    | 0.06 | 0.06 | -0.79 | 0.07 | -0.01 | -0.17 | 0.05 | 0.04 |
| Share of impaired loans, %    | 0.16 | 2.20 | 4.82 | 3.15 | 0.52 | 0.07 | 0.41 |       |
| Cost/income ratio             | 0.45 | 0.38 | 0.40 | 0.46 | 0.43 | 0.16 | 0.58 | 0.43 |
| Risk exposure amount          | 270,631 | 30,890 | 23,238 | 22,068 | 28,089 | 3,670 | 10,513 | 389,098 |
| Full-time employees           | 7,789 | 2,303 | 1,570 | 1,880 | 214 | 22 | 115 | 13,893 |
## Notes, Group

### Swedbank Annual Report 2015

<table>
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<tr>
<th>2014</th>
<th>Sweden</th>
<th>Estonia</th>
<th>Latvia</th>
<th>Lithuania</th>
<th>Norway</th>
<th>USA</th>
<th>Other</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income statement</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Net interest income</td>
<td>17 456</td>
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<td>1 017</td>
<td>936</td>
<td>875</td>
<td>384</td>
<td>367</td>
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<td>620</td>
<td>719</td>
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<td>13</td>
<td>162</td>
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<td>11 204</td>
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<td>1 354</td>
<td>201</td>
<td>93</td>
<td>121</td>
<td>276</td>
<td>-3</td>
<td>-56</td>
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<td>490</td>
<td>490</td>
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<td>187</td>
<td>129</td>
<td>276</td>
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<td>2 197</td>
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<td>492</td>
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<td>796</td>
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<td>1 042</td>
<td>907</td>
<td>778</td>
<td>84</td>
<td>107</td>
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<td>16 725</td>
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<td>Profit for the period</td>
<td>12 197</td>
<td>1 524</td>
<td>1 042</td>
<td>907</td>
<td>778</td>
<td>84</td>
<td>-168</td>
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<td>16 463</td>
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<td><strong>Profit for the year attributable to the shareholders of Swedbank AB</strong></td>
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<td>1 624</td>
<td>1 038</td>
<td>910</td>
<td>778</td>
<td>84</td>
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<td>Cash and balances with central banks</td>
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<td>14 106</td>
<td>4 312</td>
<td>68 434</td>
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<td>1 404 507</td>
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<td>5 088</td>
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<td>143 319</td>
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<td>549</td>
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<td>63 328</td>
<td>85 306</td>
<td>108 693</td>
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<td></td>
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<td>147</td>
<td>24 055</td>
<td>467</td>
<td>-6 297</td>
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<td>85 694</td>
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<td>9 445</td>
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<td>18 957</td>
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<td>55 965</td>
<td>81 147</td>
<td>107 823</td>
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<td>2 004 094</td>
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<td>5 944</td>
<td>7 363</td>
<td>4 159</td>
<td>870</td>
<td>1 424</td>
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<td>117 203</td>
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<td><strong>Total liabilities and equity</strong></td>
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<td>92 908</td>
<td>51 674</td>
<td>63 328</td>
<td>85 306</td>
<td>108 693</td>
<td>20 326</td>
<td>-60 007</td>
<td>2 121 297</td>
</tr>
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<td><strong>Key figures</strong></td>
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<td>Return on allocated equity, %</td>
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<td>17.3</td>
<td>16.4</td>
<td>11.5</td>
<td>26.5</td>
<td>11.1</td>
<td>-9.8</td>
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<td>15.0</td>
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<td>Loans/deposits</td>
<td>228</td>
<td>97</td>
<td>82</td>
<td>80</td>
<td>1 032</td>
<td>37</td>
<td>717</td>
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<td>200</td>
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<td>Credit impairment ratio, %</td>
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<td>-0.35</td>
<td>-0.14</td>
<td>1.09</td>
<td>0.05</td>
<td>0.07</td>
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<td>0.03</td>
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<td>Share of impaired loans, %</td>
<td>0.16</td>
<td>2.20</td>
<td>4.82</td>
<td>3.15</td>
<td>0.52</td>
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<td>0.41</td>
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<td>Cost/income ratio</td>
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<td>0.40</td>
<td>0.41</td>
<td>0.47</td>
<td>0.36</td>
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<td>26 524</td>
<td>27 278</td>
<td>23 790</td>
<td>5 537</td>
<td>11 052</td>
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<td>414 214</td>
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<td>Full-time employees</td>
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<td>2 280</td>
<td>1 521</td>
<td>1 953</td>
<td>218</td>
<td>22</td>
<td>107</td>
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<td>14 583</td>
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</table>
Net interest income rose by approximately 2 per cent to SEK 22 993 m (22 642). Group Treasury’s net interest income improved due to falling market interest rates. Swedish Banking’s net interest income increased where lower market interest rates had an adverse effect, while increased lending volumes and higher mortgage margins contributed positively. Higher lending volumes contributed to the improvement in LC&I.

Repricing and increased deposit volumes contributed positively in Baltic Banking. The introduction of the resolution fee in the Baltics reduced net interest income by SEK 75m. Fluctuations in exchange rates increased net interest income within Baltic Banking by SEK 95m.

### G8 Net interest income

<table>
<thead>
<tr>
<th></th>
<th>2015 Average balance</th>
<th>Interest income/expense</th>
<th>2015 Average annual interest rate. %</th>
<th>2014 Average balance</th>
<th>Interest income/expense</th>
<th>2014 Average annual interest rate. %</th>
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<tbody>
<tr>
<td>Loans to credit institutions</td>
<td>105 694</td>
<td>329</td>
<td>0.31</td>
<td>96 699</td>
<td>659</td>
<td>0.68</td>
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<td>Interest-bearing securities</td>
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<td>1 237</td>
<td>0.80</td>
<td>163 632</td>
<td>2 274</td>
<td>1.39</td>
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<tr>
<td><strong>Total interest-bearing assets</strong></td>
<td><strong>1 687 482</strong></td>
<td><strong>34 710</strong></td>
<td><strong>2.06</strong></td>
<td><strong>1 574 981</strong></td>
<td><strong>41 673</strong></td>
<td><strong>2.65</strong></td>
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<td>Derivatives</td>
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<td>–27</td>
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<td>85 186</td>
<td>–199</td>
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<tr>
<td>Other assets</td>
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<td>925</td>
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<td>387 607</td>
<td>754</td>
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<td><strong>Total assets</strong></td>
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<td>35 608</td>
<td>1.53</td>
<td>2 047 774</td>
<td>42 238</td>
<td>2.06</td>
</tr>
</tbody>
</table>

**Deduction of interest income reported in net gains/losses on financial items at fair value**

|                                | 625                  |                                      | 1 186                  |                                      |

**Interest income according to income statement**

|                                | 34 983               |                                      | 41 052                 |                                      |
|                                | 161 529              | 325                                   | 0.20                  | 143 222                             | 479                     | 0.33                                 |
| Deposits and borrowings from the public | 836 646             | 1 256                                | 0.15                  | 722 339                             | 3 191                   | 0.44                                 |
| of which deposit guarantee fees | 563                  |                                      |                       | 604                                 |                         |                                      |
| Debt securities in issue       | 889 297              | 14 369                               | 1.62                  | 801 892                             | 16 901                  | 2.11                                 |
| of which commissions for funding with state guarantee |                       |                                      |                       | 31                                 |                         |                                      |
| Subordinated liabilities       | 24 191               | 1 041                                | 4.30                  | 17 175                             | 671                    | 3.91                                 |
| Interest-bearing liabilities   | 1 911 663            | 16 991                               | 0.89                  | 1 684 628                          | 21 242                 | 1.26                                 |
| Derivatives                    | 85 000               | –5 688                               | –0.66                 | 66 310                             | –2 866                  |                                      |
| Other liabilities              | 209 909              | 748                                  |                       | 186 863                            | 695                    |                                      |
| of which stability fee         | 681                  |                                      |                       | 616                                 |                         |                                      |
| **Total liabilities**          | 2 206 572            | 12 051                               | 0.55                  | 1 937 821                          | 19 071                 | 0.98                                 |

**Equity**

|                                | 116 314              |                                      | 109 953                |                                      |

**Total liabilities and equity**

|                                | 2 322 886            | 12 051                               | 0.52                  | 2 047 774                          | 19 071                 | 0.93                                 |

**Deduction of interest income reported in net gains/losses on financial items at fair value**

|                                | 61                   |                                      | 661                    |                                      |

**Interest expense according to income statement**

|                                | 11 990               |                                      | 18 410                 |                                      |

**Net interest income**

|                                | 22 993               |                                      | 22 642                 |                                      |

**Net interest margin before trading interest are deducted**

|                                | 1.01                 |                                      | 1.13                   |                                      |

**Interest income impaired loans**

|                                | 93                   |                                      | 132                    |                                      |

**Interest income on financial assets at amortised cost**

|                                | 28 085               |                                      | 29 910                 |                                      |

**Interest expenses on financial liabilities at amortised cost**

|                                | 16 846               |                                      | 22 736                 |                                      |
Net commission income was stable at SEK 11,199m (11,204). Insurance related income and card and lending commissions contributed positively. While income from corporate finance and payment commissions fell, the latter due to Lithuania’s euro transition and a positive one-off item of SEK 35m in 2014. Asset management commissions were stable. Higher average assets under management due to higher share prices during the year contributed positively, while price cuts on fund fees had a negative effect.

### G9 Net commission income

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<th>Commission income</th>
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<th>2014</th>
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<td>1,793</td>
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<td>Service concepts</td>
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<td>Asset management</td>
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<tr>
<td>Life insurance</td>
<td>661</td>
<td>503</td>
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<tr>
<td>Brokerage</td>
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<td>Corporate finance</td>
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<td>Lending</td>
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<td>Deposits</td>
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<td>Real estate brokerage</td>
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<td>Non-life insurance</td>
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<td>79</td>
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<td><strong>Total</strong></td>
<td>16,583</td>
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<table>
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<tbody>
<tr>
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<td>-998</td>
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</tr>
<tr>
<td>Service concepts</td>
<td>-16</td>
<td>-16</td>
</tr>
<tr>
<td>Asset management</td>
<td>-1,263</td>
<td>-1,202</td>
</tr>
<tr>
<td>Life insurance</td>
<td>-194</td>
<td>-218</td>
</tr>
<tr>
<td>Brokerage</td>
<td>-224</td>
<td>-235</td>
</tr>
<tr>
<td>Other securities</td>
<td>-55</td>
<td>-44</td>
</tr>
<tr>
<td>Lending and guarantees</td>
<td>-78</td>
<td>-63</td>
</tr>
<tr>
<td>Non-life insurance</td>
<td>-11</td>
<td>-7</td>
</tr>
<tr>
<td>Other commission expenses</td>
<td>-156</td>
<td>-149</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-5,384</td>
<td>-5,048</td>
</tr>
</tbody>
</table>

### G10 Net gains and losses on financial items at fair value

<table>
<thead>
<tr>
<th>Valuation category, fair value through profit or loss</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares and share related derivatives</td>
<td>340</td>
<td>289</td>
</tr>
<tr>
<td>of which dividend</td>
<td>318</td>
<td>302</td>
</tr>
<tr>
<td>Interest-bearing instruments and interest related derivatives</td>
<td>672</td>
<td>-235</td>
</tr>
<tr>
<td>Other financial instruments</td>
<td>74</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,086</td>
<td>55</td>
</tr>
</tbody>
</table>

### Other

<table>
<thead>
<tr>
<th>Shares</th>
<th>27</th>
<th>98</th>
</tr>
</thead>
<tbody>
<tr>
<td>of which dividend</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Loans to the public</td>
<td>-2,618</td>
<td>1,371</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td>977</td>
<td>-1,008</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-1,614</td>
<td>461</td>
</tr>
</tbody>
</table>

### Hedge accounting at fair value

<table>
<thead>
<tr>
<th>Hedging instruments</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hedged item</td>
<td>-4,527</td>
<td>-8,032</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-57</td>
<td>8</td>
</tr>
</tbody>
</table>

### Ineffective part in hedging of net investments in foreign operations

<table>
<thead>
<tr>
<th>Financial liabilities valued at amortised cost</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan receivables at amortised cost</td>
<td>194</td>
<td>170</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-803</td>
<td>-2</td>
</tr>
</tbody>
</table>

### Trading related interest

<table>
<thead>
<tr>
<th>Interest income</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>625</td>
<td>1,187</td>
</tr>
<tr>
<td>Interest expense</td>
<td>-60</td>
<td>-661</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>565</td>
<td>526</td>
</tr>
</tbody>
</table>

### Change in exchange rates

<table>
<thead>
<tr>
<th>Change in exchange rates</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in exchange rates</td>
<td>1,200</td>
<td>753</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>571</td>
<td>1,986</td>
</tr>
</tbody>
</table>

### Distribution by business purpose

<table>
<thead>
<tr>
<th>Financial instruments for trading related business</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial instruments intended to be held until contractual maturity</td>
<td>-1,483</td>
<td>-437</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>571</td>
<td>1,986</td>
</tr>
</tbody>
</table>

Net gains and losses on financial items at fair value fell to SEK 571m (1,986). The decrease is mainly due to lower result in Group Treasury within Group Functions & Other caused by negative valuation effects from covered bonds and repurchases of and increased credit spreads. Net gains and losses on financial items at fair value within LC&I were stable.
In 2015 the divestment of Svenska Fastighetsförmedling AB resulted in a realisation of SEK 41m. In 2014 a bargain price purchase gain of SEK 461m was recognised on the acquisition of Sparbanken Öresund. Profit from sale of properties, equipment etc. in 2014 included a capital gain of SEK 83m on the sale of the subsidiary Ektornet Kr. Valdemara with its property in Moscow, Russia. In 2014 Income from real estate operations amounted to SEK 85 m, of which SEK 75m mainly relates to properties taken over to protect claims in the US and Latvia.

Further information on compensation can be found in section 9 of the Corporate Governance Report and in the employee section on page 21. Information on compensation according to the SPSA’s regulations and general guidelines on compensation policies (FFFS 2011:1) is published on Swedbank’s website.

### G11 Net insurance

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance premiums</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Life insurance</td>
<td>1,498</td>
<td>1,466</td>
</tr>
<tr>
<td>of which loan protection</td>
<td>185</td>
<td>182</td>
</tr>
<tr>
<td>of which other</td>
<td>1,313</td>
<td>1,284</td>
</tr>
<tr>
<td>Non-life insurance</td>
<td>503</td>
<td>423</td>
</tr>
<tr>
<td>Total</td>
<td>2,001</td>
<td>1,889</td>
</tr>
</tbody>
</table>

| Insurance provisions     | 2015   | 2014   |
| Life insurance           | -972   | -1,057 |
| of which loan protection | -100   | -119   |
| of which other           | -872   | -938   |
| Non-life insurance       | -321   | -251   |
| Total                    | -1,293 | -1,308 |

| Net insurance            | 2015   | 2014   |
| Life insurance           | 526    | 409    |
| of which loan protection | 85     | 63     |
| of which other           | 441    | 346    |
| Non-life insurance       | 182    | 172    |
| Total                    | 708    | 581    |

### G12 Other income

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit from sale of subsidiaries and associates</td>
<td>41</td>
<td></td>
</tr>
<tr>
<td>Bargain purchase</td>
<td></td>
<td>461</td>
</tr>
<tr>
<td>Income from real estate operations</td>
<td>22</td>
<td>85</td>
</tr>
<tr>
<td>Profit from sale of properties, equipment etc.</td>
<td>1</td>
<td>101</td>
</tr>
<tr>
<td>Sold inventories</td>
<td>67</td>
<td>119</td>
</tr>
<tr>
<td>of which revenues</td>
<td>661</td>
<td>894</td>
</tr>
<tr>
<td>of which carrying amount</td>
<td>-594</td>
<td>-775</td>
</tr>
<tr>
<td>IT services</td>
<td>714</td>
<td>771</td>
</tr>
<tr>
<td>Other operating income</td>
<td>446</td>
<td>375</td>
</tr>
<tr>
<td>Total</td>
<td>1,290</td>
<td>1,911</td>
</tr>
</tbody>
</table>

### G13 Staff costs and other staff-related key ratios

1. **Compensation within Swedbank**
   
   The majority of employees at Swedbank have fixed and variable compensation components, which, together with a pension and other benefits, represent their total compensation. Total compensation is market based and designed to achieve a sound balance between the fixed and variable components.

   Further information on compensation can be found in section 9 of the Corporate Governance Report and in the employee section on page 21. Information on compensation according to the SPSA’s regulations and general guidelines on compensation policies (FFFS 2011:1) is published on Swedbank’s website.
1) The Group’s pension cost for the year is specified in note G39.

2 VARIABLE COMPENSATION

Swedbank currently has four share-based variable compensation programmes: Programme 2012, Programme 2013, Programme 2014 and Programme 2015. The programmes are considered to have expired when shares have been transferred to employees. In 2015 shares associated with Programme 2011 were transferred.

2.1 Programme 2015

Programme 2015 consists of two parts: a general programme, Eken, and an individual programme.

Further information on Programme 2015 as well as Programmes 2012–2014 can be found in Swedbank’s Factbook, which is published on the bank’s website in connection with its quarterly reports as well as in the detailed agenda items that serve as a basis for resolutions by the AGM.

2.2 Reporting of share-based compensation

Share-based compensation is allocated in the form of so-called performance rights (future shares in Swedbank) and accrued over the duration of each programme. Delivery of shares is conditional on continued employment.

Performance rights for each programme are valued in the accounts based on the estimated price of shares in Swedbank on the measurement date i.e. the date when the company and the counterparty agree to the contractual terms and conditions in each programme. Each performance right entitles its holder to one share in Swedbank plus compensation for any dividends distributed that the performance rights did not qualify for during the programme’s duration. The reported cost of each programme can change during the period until the delivery date if the performance amount changes or because the performance rights are forfeited. The reported cost excluding social insurance charges does not change when the market value of the performance rights has changed. Social insurance charges are calculated and recognised continuously based on market value and ultimately determined at the time of delivery.

<table>
<thead>
<tr>
<th>Total staff costs</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Board fees</td>
<td>5 757</td>
<td>5 952</td>
</tr>
<tr>
<td>Compensation through shares in Swedbank AB</td>
<td>413</td>
<td>459</td>
</tr>
<tr>
<td>Social insurance charges</td>
<td>2 190</td>
<td>2 129</td>
</tr>
<tr>
<td>Pension costs¹</td>
<td>937</td>
<td>1 046</td>
</tr>
<tr>
<td>Training costs</td>
<td>105</td>
<td>127</td>
</tr>
<tr>
<td>Other staff costs</td>
<td>293</td>
<td>546</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>9 395</strong></td>
<td><strong>10 259</strong></td>
</tr>
<tr>
<td>of which variable staff costs</td>
<td>674</td>
<td>807</td>
</tr>
<tr>
<td>of which personnel redundancy costs</td>
<td>39</td>
<td>439</td>
</tr>
</tbody>
</table>

1) VARIABLE COMPENSATION

Programme 2015 consists of two parts: a general programme, Eken, and an individual programme.

Further information on Programme 2015 as well as Programmes 2012–2014 can be found in Swedbank’s Factbook, which is published on the bank’s website in connection with its quarterly reports as well as in the detailed agenda items that serve as a basis for resolutions by the AGM.

2.2 Reporting of share-based compensation

Share-based compensation is allocated in the form of so-called performance rights (future shares in Swedbank) and accrued over the duration of each programme. Delivery of shares is conditional on continued employment.

Each programme comprises i) the initial performance year, followed by ii) allotments and a deferral period before iii) final transfer of the shares to participants in the year after the conclusion of the deferral period and publication of the year-end report. During the initial performance year the compensation is expressed and measured in the form of a monetary value corresponding to the performance amount. Thereafter, the compensation is expressed in terms of the number of performance rights until the delivery date.

Performance rights for each programme are valued in the accounts based on the estimated price of shares in Swedbank on the measurement date i.e. the date when the company and the counterparty agree to the contractual terms and conditions in each programme. Each performance right entitles its holder to one share in Swedbank plus compensation for any dividends distributed that the performance rights did not qualify for during the programme’s duration. The reported cost of each programme can change during the period until the delivery date if the performance amount changes or because the performance rights are forfeited. The reported cost excluding social insurance charges does not change when the market value of the performance rights has changed. Social insurance charges are calculated and recognised continuously based on market value and ultimately determined at the time of delivery.
3 COMPENSATION TO THE CEO

Michael Wolf was appointed CEO on 1 March 2009. His employment terms contain no variable compensation. As of 1 June 2014 his annual fixed salary is SEK 13m.

Michael Wolf’s ordinary retirement age is 65 and he receives a premium equivalent to 35% of his salary for pension insurance.

If terminated by Swedbank, Michael Wolf will receive 75 per cent of his salary during a 12-month term of notice, in addition to severance pay equivalent to 75% of his salary for 12 months. A deduction against salary and severance pay is made for income earned from new employment.

If Michael Wolf resigns, the term of notice is six months and no severance pay is paid.

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed comp., salary</td>
<td>13 000</td>
<td>10 900</td>
</tr>
<tr>
<td>Other comp./benefits</td>
<td>229</td>
<td>214</td>
</tr>
<tr>
<td>Total</td>
<td>13 229</td>
<td>11 114</td>
</tr>
<tr>
<td>Pension cost, excluding payroll tax</td>
<td>4 550</td>
<td>4 000</td>
</tr>
</tbody>
</table>

4 COMPENSATION TO OTHER SENIOR EXECUTIVES

4.1 General on other senior executives

Members of the Group Executive Committee excluding the CEO are defined in this context as other senior executives. Compensation to other senior executives includes compensation paid by all Group companies during the year, Swedish as well as foreign, and refers to the period during which these individuals were active as senior executives.

As of May 2016 all senior executives are eligible for Eken (except for the CEO and CFO).

A total of 18 individuals were employed as of year-end, 17 of whom were active as senior executives throughout the year: Mikael Björknert, Birgitte Bonnesen, Göran Bronner, Ulf Ejelöv, Anders Ekedahl, Björn Elfstrand, Jonas Erikson, Lars Friberg, Cecilia Herrqvist, Anders Karlsson, Helo Meigas, Lena Smeby-Udesen, Christer Trägårdh, Annika Hellström, Lars Ljungålv, Priit Perens and Viveka Strangert. Magnus Gagner-Geeber and Björn Melzer were included for part of the year.

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed comp., salary</td>
<td>72</td>
<td>63</td>
</tr>
<tr>
<td>Variable comp., cash</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Variable comp., share based</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>Other comp./benefits</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Compensation at terminated contract</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>103</td>
<td>72</td>
</tr>
<tr>
<td>Pension cost, excluding payroll tax</td>
<td>28</td>
<td>24</td>
</tr>
<tr>
<td>Number of performance rights regarding share based compensation</td>
<td>44 491</td>
<td>32 654</td>
</tr>
</tbody>
</table>

4.2 Pension and other contractual terms to other senior executives

4.2.1 Pension

Swedbank applies the BTP collective pension for employees in Sweden. The BTP plan is a complement to the national pension for Swedish employees and consists of BTP1, a defined contribution pension, and BTP2, primarily a defined benefit pension. BTP1 applies to all employees hired as of 1 February 2013. The ceiling for pensionable salary is 30 income base amounts (the income base amount for 2015 was SEK 58 100).

In a defined benefit pension the employer promises a future pension, often expressed as a percentage of salary. In a defined contribution pension the employer allocates a specific percentage of the employee’s salary to a premium.

Fifteen senior executives are eligible for BTP2, which limits pensionable salary to 30 income base amounts. In addition, an individual defined contribution pension is paid on fixed salaries exceeding 30 income base amounts for 15 senior executives. Three senior executives receive a wholly premium-based pension solution (individual contracts).

The maximum pensionable salary for the defined contribution portion for all senior executives is determined annually by the Board of Directors.

4.2.2 Other contractual terms to other senior executives

<table>
<thead>
<tr>
<th></th>
<th>Term of notice</th>
<th>Severance pay</th>
<th>Resignation</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 persons</td>
<td>12 months</td>
<td>12 months</td>
<td>6 months</td>
</tr>
<tr>
<td>1 person</td>
<td>6 months</td>
<td>12 months</td>
<td>6 months</td>
</tr>
<tr>
<td>1 person</td>
<td>6 months</td>
<td>6 months</td>
<td>6 months</td>
</tr>
<tr>
<td>1 person</td>
<td>4 months</td>
<td>Not regulated</td>
<td>3 months</td>
</tr>
</tbody>
</table>

Conditions within the framework of the contractual terms:
- If terminated, salary and benefits are paid during the term of notice
- If terminated by Swedbank, severance is paid
- If new work is found, a deduction is made for salary income during the term of notice and during the period when severance is paid

5 COMPENSATION TO THE BOARD OF DIRECTORS

5.1 General information on remuneration to the entire Board of Directors

Compensation to the members of the Board of Directors, as indicated in the table below, is determined by the AGM and corresponds to annual fees from the AGM 2015 to the AGM 2016. Board compensation consists of fixed compensation for Board work as well as fixed compensation for any committee work. The three committees are the Audit Committee, the Risk and Capital Committee and the Remuneration Committee.

During the year no costs were reported for previous Board members beyond what is indicated below. The Group does not have any pension entitlements for Board members.

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed comp., salary</td>
<td>72</td>
<td>63</td>
</tr>
<tr>
<td>Variable comp., cash</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Variable comp., share based</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>Other comp./benefits</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Compensation at terminated contract</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>103</td>
<td>72</td>
</tr>
<tr>
<td>Pension cost, excluding payroll tax</td>
<td>28</td>
<td>24</td>
</tr>
</tbody>
</table>

1) Includes holiday pay, employee loan interest benefit, share benefit, lunch subsidy, health insurance benefit, telephone and fund discount.

2) Includes salary during term of notice, severance, pension costs and any benefits.
5.2 Compensation to the Chair

The current Chair receives fixed compensation for Board work as well as fixed compensation for committee work i.e. no variable compensation, pension or other benefits.

The table below shows the costs reported for the years 2015 and 2014.

<table>
<thead>
<tr>
<th>Name</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anders Sundström, Chair</td>
<td>2,390</td>
<td>510</td>
</tr>
<tr>
<td>Lars Idermark, Deputy Chair</td>
<td>815</td>
<td>305</td>
</tr>
<tr>
<td>Ulrika Francke, Director</td>
<td>510</td>
<td>460</td>
</tr>
<tr>
<td>Göran Hedman, Director</td>
<td>510</td>
<td>255</td>
</tr>
<tr>
<td>Anders Igel, Director</td>
<td>510</td>
<td>100</td>
</tr>
<tr>
<td>Pia Rudengren, Director</td>
<td>510</td>
<td>205</td>
</tr>
<tr>
<td>Karl-Henrik Sundström, Director</td>
<td>510</td>
<td>205</td>
</tr>
<tr>
<td>Siv Svensson, Director</td>
<td>510</td>
<td>205</td>
</tr>
<tr>
<td>Maj-Charlotte Wallin, Director</td>
<td>510</td>
<td>205</td>
</tr>
<tr>
<td>Total</td>
<td>6,775</td>
<td>2,450</td>
</tr>
</tbody>
</table>

6 SUMMARY – COMPENSATION TO THE BOARD OF DIRECTORS, CEO AND OTHERS IN GROUP EXECUTIVE COMMITTEE (KEY MANAGEMENT)

<table>
<thead>
<tr>
<th>Category</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term employee benefits</td>
<td>100</td>
<td>87</td>
</tr>
<tr>
<td>Post employment benefits, pension costs</td>
<td>33</td>
<td>28</td>
</tr>
<tr>
<td>Termination benefits, severance pay</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>Share-based payments</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>158</td>
<td>120</td>
</tr>
</tbody>
</table>

8 SUMMARY – PENSIONS AND LOANS TO BOARDS OF DIRECTORS AND EQUIVALENT SENIOR EXECUTIVES IN THE ENTIRE GROUP

Obligations for former CEOs and Vice Presidents have been funded through insurance and pension foundations. The latter’s obligations amounted to SEK 340 m (389). The Group has not pledged any assets or other collateral or committed to contingent liabilities on behalf of any of the above-mentioned group of senior executives.

7 SUMMARY – PENSIONS AND LOANS TO BOARDS OF DIRECTORS AND EQUIVALENT SENIOR EXECUTIVES IN THE ENTIRE GROUP

Pension costs reported in the table below refer to current Directors, CEOs, Vice Presidents and equivalent senior executives in the Group. The costs exclude social insurance charges and payroll taxes.

<table>
<thead>
<tr>
<th>Category</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost for the year related to pensions and similar benefits</td>
<td>50</td>
<td>49</td>
</tr>
<tr>
<td>No. of persons</td>
<td>60</td>
<td>73</td>
</tr>
<tr>
<td>Granted loans</td>
<td>447</td>
<td>482</td>
</tr>
<tr>
<td>No. of persons</td>
<td>155</td>
<td>131</td>
</tr>
</tbody>
</table>

8 SUMMARY – COMPENSATION TO BOARDS OF DIRECTORS AND EQUIVALENT SENIOR EXECUTIVES IN THE ENTIRE GROUP

Some here are the salaries and other compensation for Boards of Directors, CEOs, Vice Presidents and equivalent senior executives in the Group. This group includes current employees. Fees to CEOs and other senior executives for internal board duties are deducted against their salaries, unless otherwise agreed to.
Swedbank strives for diversity, including an even distribution between women and men, among employees in general as well as among senior executives. We are convinced this is important to maintain a balance between women and men, not least among senior executives in the parent company and the Group and their respective management teams. Consequently, we have specifically chosen as of 2011 to show their gender distribution.

Swedbank has chosen in the table above to present Swedbank’s Board of Directors and Group Executive Committee.

The annual report contains a presentation of the gender distribution for all Boards of Directors in the Group, including subsidiaries. For all Boards, including subsidiaries, the distribution is 46 per cent women (36) and 54 per cent men (64). Among all the Group’s senior executives, including subsidiaries, the distribution is 39 per cent women (25) and 61 per cent men (75).
**G14 Other general administrative expenses**

<table>
<thead>
<tr>
<th>Expenses for premises</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rents, etc.</td>
<td>1154</td>
<td>1263</td>
</tr>
<tr>
<td>IT expenses</td>
<td>1888</td>
<td>1824</td>
</tr>
<tr>
<td>Telecommunications, postage</td>
<td>158</td>
<td>161</td>
</tr>
<tr>
<td>Consulting</td>
<td>310</td>
<td>408</td>
</tr>
<tr>
<td>Compensation to savings banks</td>
<td>762</td>
<td>735</td>
</tr>
<tr>
<td>Other purchased services</td>
<td>617</td>
<td>635</td>
</tr>
<tr>
<td>Travel</td>
<td>190</td>
<td>218</td>
</tr>
<tr>
<td>Entertainment</td>
<td>54</td>
<td>59</td>
</tr>
<tr>
<td>Office supplies</td>
<td>108</td>
<td>109</td>
</tr>
<tr>
<td>Advertising, public relations, marketing</td>
<td>340</td>
<td>361</td>
</tr>
<tr>
<td>Security transports, alarm systems</td>
<td>83</td>
<td>85</td>
</tr>
<tr>
<td>Maintenance</td>
<td>115</td>
<td>130</td>
</tr>
<tr>
<td>Other administrative expenses</td>
<td>356</td>
<td>358</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>113</td>
<td>188</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6266</td>
<td>6625</td>
</tr>
</tbody>
</table>

**Remuneration to auditors**

<table>
<thead>
<tr>
<th>Remuneration to auditors elected by Annual General Meeting, Deloitte</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statutory audit</td>
<td>29</td>
<td>34</td>
</tr>
<tr>
<td>Other audit</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Tax advisory</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>9</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>45</td>
<td>44</td>
</tr>
</tbody>
</table>

**Remuneration to other auditors elected by Annual General Meeting**

<table>
<thead>
<tr>
<th>Statutory audit</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>44</td>
</tr>
</tbody>
</table>

**Internal Audit, not Deloitte**

<table>
<thead>
<tr>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>67</td>
<td>67</td>
</tr>
</tbody>
</table>

**G15 Depreciation/amortisation of tangible and intangible fixed assets**

<table>
<thead>
<tr>
<th>Depreciation/amortisation</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment</td>
<td>313</td>
<td>336</td>
</tr>
<tr>
<td>Owner-occupied properties</td>
<td>36</td>
<td>43</td>
</tr>
<tr>
<td>Investment properties</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>Intangible fixed assets</td>
<td>320</td>
<td>329</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>672</td>
<td>718</td>
</tr>
</tbody>
</table>

**G16 Impairments of tangible assets including repossessed lease assets**

<table>
<thead>
<tr>
<th>Impairments</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment properties</td>
<td>8</td>
<td>49</td>
</tr>
<tr>
<td>Properties measured as inventory</td>
<td>62</td>
<td>206</td>
</tr>
<tr>
<td>Repossessed leasing assets</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>72</td>
<td>256</td>
</tr>
</tbody>
</table>

**G17 Credit impairments**

**Credit impairments**

<table>
<thead>
<tr>
<th>Provisions for loans that individually are assessed as impaired</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provisions</td>
<td>942</td>
<td>755</td>
</tr>
<tr>
<td>Reversal of previous provisions</td>
<td>-204</td>
<td>-344</td>
</tr>
<tr>
<td>Provision for homogenous groups of impaired loans, net</td>
<td>-36</td>
<td>-444</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>702</td>
<td>-33</td>
</tr>
</tbody>
</table>

**Portfolio provisions for loans that individually are not assessed as impaired**

<table>
<thead>
<tr>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>-132</td>
<td>-77</td>
</tr>
</tbody>
</table>

**Credit impairments for contingent liabilities and other credit risk exposures**

<table>
<thead>
<tr>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>-1</td>
<td>-62</td>
</tr>
</tbody>
</table>

**Credit impairments by valuation category**

<table>
<thead>
<tr>
<th>Loans and receivables</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>585</td>
<td>405</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fair value through profit or loss</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>14</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Held to maturity</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>685</td>
<td>-713</td>
<td></td>
</tr>
</tbody>
</table>

| **Total** | 625 | 4301 |

**Credit impairments by borrower category**

<table>
<thead>
<tr>
<th>Credit institutions</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>-6</td>
<td>-5</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>General public</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>600</td>
<td>424</td>
<td></td>
</tr>
</tbody>
</table>

| **Total** | 594 | 419 |

**G18 Tax**

<table>
<thead>
<tr>
<th>Tax expense</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax related to previous years</td>
<td>-676</td>
<td>22</td>
</tr>
<tr>
<td>Current tax</td>
<td>4 616</td>
<td>4 992</td>
</tr>
<tr>
<td>Deferred tax</td>
<td>685</td>
<td>-713</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4 625</td>
<td>4 301</td>
</tr>
</tbody>
</table>
Deferred tax related to hedging of net investments in foreign operations and cash flow hedging is recognised directly in other comprehensive income. Deferred tax related to untaxed reserves in associates is included on the balance sheet line Investments in associates.

Swedbank AS pays income tax in Estonia only upon distribution of its earnings. The tax rate for 2015 was 20 per cent (21). Retained earnings in Swedbank AS, which would be subject to income tax if distributed, amounted to SEK 12,857m (17,387). The parent company determines the dividend payment and has established a specific dividend policy that a portion of the profit will be distributed; therefore a deferred tax liability is recognised based on this policy. A one-off dividend of SEK 3,695m was resolved in 2015, resulting in tax expenses of SEK 929m. To the extent dividends are not expected to be paid in the foreseeable future, the Group does not recognise a deferred tax liability. If the largest possible dividend were distributed, a tax expense of SEK 2,589m (3,268) would arise.

Deferred tax assets

<table>
<thead>
<tr>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEKm</td>
<td>per cent</td>
</tr>
<tr>
<td>Results</td>
<td>4,625</td>
</tr>
<tr>
<td>22.0% of pre-tax profit</td>
<td>4,482</td>
</tr>
<tr>
<td>Difference</td>
<td>-143</td>
</tr>
</tbody>
</table>

The difference between the Group’s tax expense and the tax expense based on current tax rates is explained below:

<table>
<thead>
<tr>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEKm</td>
<td>per cent</td>
</tr>
<tr>
<td>Results</td>
<td>4,625</td>
</tr>
<tr>
<td>22.0% of pre-tax profit</td>
<td>4,482</td>
</tr>
<tr>
<td>Difference</td>
<td>-143</td>
</tr>
</tbody>
</table>

The difference consists of the following items:

- Tax previous years
- Tax - exempt income/non-deductible expenses
- Change in unrecognised deferred tax assets which effects the effective tax rate
- Tax-exempt capital gains and appreciation in value of shares and participating interests
- Other tax basis in insurance operations
- Deviating tax rates in other countries
- Standard income tax allocation reserve
- Other, net

Total 2015 tax expense corresponds to an effective tax rate of 22.7 per cent (20.5).
When the Group determines how much of deferred tax assets will be recognised, it forecasts future taxable profits that can be utilised against tax loss carryforwards or other future tax credits. Deferred tax assets are recognised only to the extent such profits are probable. The Group expects that about 55 per cent (75) of the taxable losses that serve as the basis for recognised deferred tax assets will be utilised before the end of 2018 i.e. within the framework of the Group’s three-year financial plan. Most of the losses for which deferred tax assets are recognised derive from the Group’s home markets.

### Unused tax losses and unused tax credits according to tax calculation

**Maturity**

<table>
<thead>
<tr>
<th>Total deduction</th>
<th>Deduction for which deferred tax is recognised</th>
<th>Deduction for which deferred tax is not recognised</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latvia</td>
<td>Lithuania</td>
<td></td>
</tr>
<tr>
<td>Without maturity</td>
<td>819</td>
<td>77</td>
</tr>
<tr>
<td>Total</td>
<td>819</td>
<td>77</td>
</tr>
</tbody>
</table>

**2014**

**Deferred tax assets**

<table>
<thead>
<tr>
<th></th>
<th>Opening balance</th>
<th>Income statement</th>
<th>Other comprehensive income</th>
<th>Equity</th>
<th>Business combinations</th>
<th>Exchange rate differences</th>
<th>Closing balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deductible temporary differences</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provision for credit impairments</td>
<td>35</td>
<td>-16</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>139</td>
<td>359</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Share-based payment</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Unused tax losses</td>
<td>375</td>
<td>61</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>14</td>
</tr>
<tr>
<td>Unrecognised deferred tax assets</td>
<td>-142</td>
<td>-206</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-348</td>
</tr>
<tr>
<td>Total</td>
<td>417</td>
<td>198</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>19</td>
</tr>
</tbody>
</table>

**Deferred tax liabilities**

<table>
<thead>
<tr>
<th>Taxable temporary differences</th>
<th>Opening balance</th>
<th>Income statement</th>
<th>Other comprehensive income</th>
<th>Equity</th>
<th>Business combinations</th>
<th>Exchange rate differences</th>
<th>Closing balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Untaxed reserves</td>
<td>2 724</td>
<td>-292</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2 453</td>
</tr>
<tr>
<td>Hedge of net investment in foreign operations</td>
<td>242</td>
<td>7</td>
<td>-532</td>
<td></td>
<td></td>
<td></td>
<td>-283</td>
</tr>
<tr>
<td>Provision for pensions</td>
<td>-713</td>
<td>14</td>
<td>104</td>
<td>-38</td>
<td></td>
<td></td>
<td>-633</td>
</tr>
<tr>
<td>Cash flow hedges</td>
<td>78</td>
<td>-196</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
<td>-108</td>
</tr>
<tr>
<td>Intangible fixed assets</td>
<td>243</td>
<td>-1</td>
<td></td>
<td>45</td>
<td></td>
<td></td>
<td>287</td>
</tr>
<tr>
<td>Share-based payment</td>
<td>-92</td>
<td></td>
<td></td>
<td>-9</td>
<td></td>
<td></td>
<td>-101</td>
</tr>
<tr>
<td>Other</td>
<td>-99</td>
<td>-40</td>
<td></td>
<td>148</td>
<td>60</td>
<td></td>
<td>69</td>
</tr>
<tr>
<td>Total</td>
<td>2 383</td>
<td>-508</td>
<td>-418</td>
<td>-9</td>
<td>176</td>
<td></td>
<td>1 684</td>
</tr>
<tr>
<td>Deferred tax in associates</td>
<td>-7</td>
<td></td>
<td></td>
<td>-2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>-515</td>
<td>-420</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Unused tax losses and unused tax credits according to tax calculation**

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Total deduction</th>
<th>Deduction for which deferred tax is recognised</th>
<th>Deduction for which deferred tax is not recognised</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Latvia</td>
<td>Lithuania</td>
<td>Sweden</td>
</tr>
<tr>
<td>2015</td>
<td>2</td>
<td>2</td>
<td>962</td>
</tr>
<tr>
<td>Without maturity</td>
<td>2 164</td>
<td>662</td>
<td>540</td>
</tr>
<tr>
<td>Total</td>
<td>2 166</td>
<td>662</td>
<td>540</td>
</tr>
</tbody>
</table>
Earnings per share are calculated by dividing profit for the year, after adjustments, attributable to holders of ordinary shares in the parent company by a weighted average number of ordinary shares outstanding. Earnings per share after dilution is calculated by dividing profit for the year, after adjustments, attributable to holders of ordinary shares in the parent company by the average of the number of ordinary shares outstanding, adjusted for the dilution effect of potential shares. Earnings per share are calculated separately for continuing operations and discontinued operations. Swedbank’s share-related compensation programmes, Programme 2012, Programme 2013, Programme 2014 and Programme 2015, give rise to potential ordinary shares from the grant date for these shares from an accounting perspective. Grant date refers here to the date when the parties agreed to the terms and conditions of the programmes. The grant dates from an accounting perspective for Programme 2012 and Programme 2013 were 27 March 2012 and 2013, respectively. For Programme 2014 the grant date was 19 March 2014 and for Programme 2015 it was 26 March 2015. The rights are treated as options in the calculation of earnings per share after dilution.

### Average number of shares

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted average number of shares before adjustments for shares acquired by associates, before dilution</td>
<td>1,104,894,828</td>
<td>1,101,274,830</td>
</tr>
<tr>
<td>Weighted average number of shares acquired by associates</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weighted average number of shares, before dilution</td>
<td>1,104,894,828</td>
<td>1,101,274,830</td>
</tr>
<tr>
<td>Weighted average number of shares for dilutive potential ordinary shares resulting from share-based compensation programme</td>
<td>8,478,982</td>
<td>9,365,732</td>
</tr>
<tr>
<td>Weighted average number of shares, after dilution</td>
<td>1,113,373,811</td>
<td>1,110,640,562</td>
</tr>
</tbody>
</table>

### Earnings per share

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the year attributable to the shareholders of Swedbank AB from total operations</td>
<td>15,727</td>
<td>16,447</td>
</tr>
<tr>
<td>Profit for the year used for calculating earnings per share from total operations</td>
<td>15,727</td>
<td>16,447</td>
</tr>
<tr>
<td>Earnings per share total operations before dilution, SEK</td>
<td>14.23</td>
<td>14.93</td>
</tr>
<tr>
<td>Earnings per share total operations after dilution, SEK</td>
<td>14.13</td>
<td>14.81</td>
</tr>
<tr>
<td>Profit for the year attributable to the shareholders of Swedbank AB from continuing operations</td>
<td>15,734</td>
<td>16,710</td>
</tr>
<tr>
<td>Profit for the year used for calculating earnings per share from continuing operations</td>
<td>15,734</td>
<td>16,710</td>
</tr>
<tr>
<td>Earnings per share continuing operations before dilution, SEK</td>
<td>14.24</td>
<td>15.17</td>
</tr>
<tr>
<td>Earnings per share continuing operations after dilution, SEK</td>
<td>14.14</td>
<td>15.05</td>
</tr>
<tr>
<td>Profit for the year attributable to the shareholders of Swedbank AB from discontinued operations</td>
<td>-6</td>
<td>-262</td>
</tr>
<tr>
<td>Profit for the year used for calculating earnings per share from discontinued operations</td>
<td>-6</td>
<td>-262</td>
</tr>
<tr>
<td>Earnings per share discontinued operations before dilution, SEK</td>
<td>-0.01</td>
<td>-0.24</td>
</tr>
<tr>
<td>Earnings per share discontinued operations after dilution, SEK</td>
<td>-0.01</td>
<td>-0.24</td>
</tr>
</tbody>
</table>
G20 Tax for each component in other comprehensive income

<table>
<thead>
<tr>
<th>Items that will not be reclassified to the income statement</th>
<th>Pre-tax amount</th>
<th>Deferred tax</th>
<th>Current tax</th>
<th>Total tax amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remeasurements of defined benefit pension plans</td>
<td>3 539</td>
<td>-777</td>
<td>-2</td>
<td>-799</td>
</tr>
<tr>
<td>Share of other comprehensive income of associates</td>
<td>88</td>
<td>-19</td>
<td>-19</td>
<td>-19</td>
</tr>
<tr>
<td>Total</td>
<td>3 627</td>
<td>-796</td>
<td>-2</td>
<td>-798</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Items that may be reclassified to the income statement</th>
<th>Pre-tax amount</th>
<th>Deferred tax</th>
<th>Current tax</th>
<th>Total tax amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchange differences, foreign operations</td>
<td>-1 591</td>
<td>3 425</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hedging of net investments in foreign operations</td>
<td>1 398</td>
<td>-334</td>
<td>33</td>
<td>-301</td>
</tr>
<tr>
<td>Cash flow hedges</td>
<td>152</td>
<td>-31</td>
<td>-31</td>
<td>-10</td>
</tr>
<tr>
<td>Share of other comprehensive income of associates</td>
<td>-135</td>
<td>-29</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>-176</td>
<td>-365</td>
<td>33</td>
<td>-332</td>
</tr>
</tbody>
</table>

Other comprehensive income                             3 451 -1 161 31 -1 130 1 208 420 60 480

G21 Treasury bills and other bills eligible for refinancing with central banks etc.

<table>
<thead>
<tr>
<th>Valuation category, fair value through profit or loss</th>
<th>Carrying amount</th>
<th>Amortised cost</th>
<th>Nominal amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swedish government</td>
<td>61 421 32 791 45 017</td>
<td>61 484 31 427 44 000</td>
<td>59 095 30 287 42 234</td>
</tr>
<tr>
<td>Swedish municipalities</td>
<td>3 644 2 904 626</td>
<td>3 656 2 901 626</td>
<td>3 634 2 872 625</td>
</tr>
<tr>
<td>Foreign governments</td>
<td>9 074 6 807 9 308</td>
<td>8 524 6 773 9 219</td>
<td>8 388 6 868 9 131</td>
</tr>
<tr>
<td>Other non-Swedish issuers</td>
<td>1 945 3 222 1 308</td>
<td>1 944 3 172 1 309</td>
<td>1 930 3 166 1 306</td>
</tr>
<tr>
<td>Total</td>
<td>76 084 45 724 56 259</td>
<td>75 608 44 273 55 154</td>
<td>73 047 43 193 53 296</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Valuation category, held to maturity</th>
<th>Carrying amount</th>
<th>Amortised cost</th>
<th>Nominal amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign governments</td>
<td>468 501 555 460 501 555 462 492 534</td>
<td>468 501 555 460 501 555 462 492 534</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>76 552 46 225 56 814 76 076 44 774 55 709 73 509 43 685 53 030</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1) The fair value of held-to-maturity investments amounted to SEK 544m (583)

G22 Loans to credit institutions

<table>
<thead>
<tr>
<th>Valuation category, loans and receivables</th>
<th>2015</th>
<th>2014</th>
<th>1/1/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swedish banks</td>
<td>59 926</td>
<td>70 063</td>
<td>58 834</td>
</tr>
<tr>
<td>Swedish credit institutions</td>
<td>5 314</td>
<td>4 620</td>
<td></td>
</tr>
<tr>
<td>Change in value due to hedge accounting at fair value</td>
<td>26</td>
<td>52</td>
<td>28</td>
</tr>
<tr>
<td>Foreign banks</td>
<td>14 099</td>
<td>17 239</td>
<td>14 296</td>
</tr>
<tr>
<td>Foreign credit institutions</td>
<td>5 304</td>
<td>4 377</td>
<td>1 402</td>
</tr>
<tr>
<td>Total</td>
<td>84 679</td>
<td>96 351</td>
<td>74 560</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Valuation category, fair value through profit or loss</th>
<th>2015</th>
<th>2014</th>
<th>1/1/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swedish banks</td>
<td>59 926</td>
<td>70 063</td>
<td>58 834</td>
</tr>
<tr>
<td>Swedish credit institutions</td>
<td>5 314</td>
<td>4 620</td>
<td></td>
</tr>
<tr>
<td>Change in value due to hedge accounting at fair value</td>
<td>26</td>
<td>52</td>
<td>28</td>
</tr>
<tr>
<td>Foreign banks</td>
<td>14 099</td>
<td>17 239</td>
<td>14 296</td>
</tr>
<tr>
<td>Foreign credit institutions</td>
<td>5 304</td>
<td>4 377</td>
<td>1 402</td>
</tr>
<tr>
<td>Total</td>
<td>84 679</td>
<td>96 351</td>
<td>74 560</td>
</tr>
</tbody>
</table>

Subordinated loans

<table>
<thead>
<tr>
<th>Notes, Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>120</td>
</tr>
<tr>
<td>Other companies</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>
### Loans to the public

#### Valuation category, loans and receivables

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
<th>1/1/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swedish public</td>
<td>984,634</td>
<td>866,350</td>
<td>710,175</td>
</tr>
<tr>
<td>Foreign public</td>
<td>198,298</td>
<td>197,320</td>
<td>183,300</td>
</tr>
<tr>
<td>Change in value due to hedge accounting at fair value</td>
<td>47</td>
<td>66</td>
<td>58</td>
</tr>
<tr>
<td>Foreign public, repurchase agreements</td>
<td>23</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,182,979</td>
<td>1,063,736</td>
<td>893,556</td>
</tr>
</tbody>
</table>

#### Valuation category, fair value through profit or loss

**Trading**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swedish public, repurchase agreements</td>
<td>4,612</td>
<td>3,876</td>
</tr>
<tr>
<td>Foreign public, repurchase agreements</td>
<td>30,053</td>
<td>23,850</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>45,237</td>
</tr>
</tbody>
</table>

**Other**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swedish public</td>
<td>196,185</td>
<td>278,160</td>
</tr>
<tr>
<td>Foreign public</td>
<td>126</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>230,976</td>
<td>340,771</td>
</tr>
</tbody>
</table>

The maximum credit risk exposure for lending measured at fair value corresponds to the carrying amount.

#### Finance lease agreements distributed by maturity

**2015**

<table>
<thead>
<tr>
<th></th>
<th>&lt; 1 yr.</th>
<th>1–5 yrs.</th>
<th>&gt; 5 yrs.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross investment</td>
<td>7,425</td>
<td>12,435</td>
<td>3,295</td>
<td>23,155</td>
</tr>
<tr>
<td>Unearned finance income</td>
<td>328</td>
<td>683</td>
<td>165</td>
<td>1,176</td>
</tr>
<tr>
<td><strong>Net investment</strong></td>
<td>7,097</td>
<td>11,752</td>
<td>3,130</td>
<td>21,979</td>
</tr>
<tr>
<td>Provisions for impaired claims related to minimum lease payments</td>
<td>23</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The residual value of the leases in all cases are guaranteed by the lessees or third party. The lease income did not include any contingent rents. Finance leasing are included in Loans to the public and relates to vehicles, machinery, boats etc.

#### Finance lease agreements distributed by maturity

**2014**

<table>
<thead>
<tr>
<th></th>
<th>&lt; 1 yr.</th>
<th>1–5 yrs.</th>
<th>&gt; 5 yrs.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross investment</td>
<td>11,918</td>
<td>18,591</td>
<td>5,630</td>
<td>36,139</td>
</tr>
<tr>
<td>Unearned finance income</td>
<td>520</td>
<td>1,139</td>
<td>363</td>
<td>2,022</td>
</tr>
<tr>
<td><strong>Net investment</strong></td>
<td>11,398</td>
<td>17,452</td>
<td>5,266</td>
<td>34,116</td>
</tr>
<tr>
<td>Provisions for impaired claims related to minimum lease payments</td>
<td>17</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### G24 Bonds and other interest-bearing securities

<table>
<thead>
<tr>
<th>Issued by other than public agencies</th>
<th>Carrying amount</th>
<th>Amortised cost</th>
<th>Nominal amount</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Valuation category, fair value through profit or loss</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trading</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Swedish mortgage institutions</td>
<td>37 412</td>
<td>46 643</td>
<td>52 023</td>
<td>37 256</td>
</tr>
<tr>
<td>Swedish financial entities</td>
<td>20 664</td>
<td>26 336</td>
<td>27 278</td>
<td>20 368</td>
</tr>
<tr>
<td>Swedish non-financial entities</td>
<td>2 051</td>
<td>4 343</td>
<td>5 793</td>
<td>1 993</td>
</tr>
<tr>
<td>Foreign financial entities</td>
<td>16 163</td>
<td>34 956</td>
<td>26 137</td>
<td>16 089</td>
</tr>
<tr>
<td>Foreign non-financial entities</td>
<td>8 402</td>
<td>10 892</td>
<td>13 401</td>
<td>8 146</td>
</tr>
<tr>
<td>Total</td>
<td>84 692</td>
<td>123 170</td>
<td>124 632</td>
<td>83 852</td>
</tr>
<tr>
<td>Valuation category, held to maturity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign mortgage institutions</td>
<td>164</td>
<td>1 219</td>
<td>888</td>
<td>164</td>
</tr>
<tr>
<td>Foreign financial entities</td>
<td>3 740</td>
<td>52</td>
<td>48</td>
<td>3 740</td>
</tr>
<tr>
<td>Foreign non-financial entities</td>
<td>14</td>
<td>14</td>
<td>17</td>
<td>14</td>
</tr>
<tr>
<td>Total</td>
<td>3 918</td>
<td>1 285</td>
<td>953</td>
<td>3 918</td>
</tr>
<tr>
<td>Total</td>
<td>88 610</td>
<td>124 455</td>
<td>125 585</td>
<td>87 770</td>
</tr>
</tbody>
</table>

1) The fair value of held-to-maturity investments amounted to SEK 3 926m (1 296). In the aggregate, the carrying amount exceeds the nominal amounts i.e. the amounts that will be redeemed on the maturity date.

### G25 Financial assets for which the customers bear the investment risk

<table>
<thead>
<tr>
<th>Valuation category, fair value through profit or loss</th>
<th>2015</th>
<th>2104</th>
<th>1/1/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund units</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest-bearing securities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shares</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### G26 Shares and participating interests

<table>
<thead>
<tr>
<th>Valuation category, fair value through profit or loss</th>
<th>Carrying amount</th>
<th>Cost</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Trading</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trading stock</td>
<td>8 659</td>
<td>6 414</td>
<td>5 312</td>
</tr>
<tr>
<td>Fund shares</td>
<td>2 232</td>
<td>2 605</td>
<td>1 121</td>
</tr>
<tr>
<td>For protection of claims</td>
<td>17</td>
<td>13</td>
<td>23</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other shares</td>
<td>97</td>
<td>848</td>
<td>601</td>
</tr>
<tr>
<td>Total</td>
<td>11 005</td>
<td>9 880</td>
<td>7 058</td>
</tr>
<tr>
<td>Valuation category, available for sale</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Condominiums</td>
<td>47</td>
<td>45</td>
<td>44</td>
</tr>
<tr>
<td>Other</td>
<td>22</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>69</td>
<td>51</td>
<td>51</td>
</tr>
<tr>
<td>Total</td>
<td>11 074</td>
<td>9 931</td>
<td>7 109</td>
</tr>
</tbody>
</table>

Unlisted holdings are valued at their latest transaction price. Holdings in the valuation category available for sale have been estimated at acquisition cost, since a more reliable fair value is not considered to be available.
The share of the voting rights in each entity corresponds to the share of its equity.

All shares are unlisted.

Swedbank does not have any individual material interests in associates. Swedbank’s cumulative share of associates’ other comprehensive income for the year amounted to SEK 54m (–10) and of the year’s total comprehensive income amounted to SEK 209m (216). As of 31 December 2015 Swedbank’s share of associates’ commitments and contingent liabilities amounted to SEK 459m (2 931) and SEK 1 971m (525), respectively.

### Fixed assets

<table>
<thead>
<tr>
<th>Category</th>
<th>2015</th>
<th>2014</th>
<th>1/1/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit institutions – Associates</td>
<td>2 530</td>
<td>2 360</td>
<td>1 524</td>
</tr>
<tr>
<td>Credit institutions – Joint Venture</td>
<td>2 451</td>
<td>2 142</td>
<td>1 697</td>
</tr>
<tr>
<td>Other associates</td>
<td>401</td>
<td>422</td>
<td>419</td>
</tr>
<tr>
<td>Total</td>
<td>5 382</td>
<td>4 924</td>
<td>3 640</td>
</tr>
</tbody>
</table>

### Opening balance

<table>
<thead>
<tr>
<th>Category</th>
<th>2015</th>
<th>2014</th>
<th>1/1/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additions during the year</td>
<td>18</td>
<td>834</td>
<td>129</td>
</tr>
<tr>
<td>Change in accumulated profit shares, total comprehensive income</td>
<td>567</td>
<td>830</td>
<td>528</td>
</tr>
<tr>
<td>Dividends received</td>
<td>–53</td>
<td>–380</td>
<td>–533</td>
</tr>
<tr>
<td>Disposals during the year</td>
<td>–74</td>
<td>–36</td>
<td></td>
</tr>
<tr>
<td>Closing balance</td>
<td>5 382</td>
<td>4 924</td>
<td>3 640</td>
</tr>
</tbody>
</table>

### Other associates

<table>
<thead>
<tr>
<th>Corporate identity, domicile</th>
<th>Corporate identity number</th>
<th>Number</th>
<th>Carrying amount</th>
<th>Cost</th>
<th>Share of capital, %</th>
<th>Year’s share of associate’s pre-tax profit</th>
</tr>
</thead>
</table>

### Credit institutions

<table>
<thead>
<tr>
<th>Corporate identity, domicile</th>
<th>Corporate identity number</th>
<th>Number</th>
<th>Carrying amount</th>
<th>Cost</th>
<th>Share of capital, %</th>
<th>Year’s share of associate’s pre-tax profit</th>
</tr>
</thead>
</table>

### Joint venture

<table>
<thead>
<tr>
<th>Corporate identity, domicile</th>
<th>Corporate identity number</th>
<th>Number</th>
<th>Carrying amount</th>
<th>Cost</th>
<th>Share of capital, %</th>
<th>Year’s share of joint venture’s pre-tax profit</th>
</tr>
</thead>
</table>

The EnterCard group comprises EnterCard Holding AB, EnterCard Sverige AB and EnterCard Norge AS. EnterCard Holding AB owns 100 per cent of both EnterCard Sverige AB and EnterCard Norge AS. Swedbank AB received dividends of SEK 0m (44) during the year. Condensed financial information for the EnterCard group is shown below:

### Loans to the public

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>17 753</td>
</tr>
<tr>
<td>2014</td>
<td>16 833</td>
</tr>
</tbody>
</table>

### Total assets

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>21 375</td>
</tr>
<tr>
<td>2014</td>
<td>18 930</td>
</tr>
</tbody>
</table>

### Amounts owed to credit institutions

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>15 886</td>
</tr>
<tr>
<td>2014</td>
<td>13 810</td>
</tr>
</tbody>
</table>

### Total liabilities

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>16 522</td>
</tr>
<tr>
<td>2014</td>
<td>14 671</td>
</tr>
</tbody>
</table>

### Net interest income

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>2 064</td>
</tr>
<tr>
<td>2014</td>
<td>2 062</td>
</tr>
</tbody>
</table>

### Total income

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>2 606</td>
</tr>
<tr>
<td>2014</td>
<td>3 070</td>
</tr>
</tbody>
</table>

### Total expenses

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1 220</td>
</tr>
<tr>
<td>2014</td>
<td>1 387</td>
</tr>
</tbody>
</table>

### Credit impairments

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>–241</td>
</tr>
<tr>
<td>2014</td>
<td>–300</td>
</tr>
</tbody>
</table>

### Operating profit

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1 145</td>
</tr>
<tr>
<td>2014</td>
<td>1 183</td>
</tr>
</tbody>
</table>

### Tax expense

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>–278</td>
</tr>
<tr>
<td>2014</td>
<td>–350</td>
</tr>
</tbody>
</table>

### Profit for the year

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>867</td>
</tr>
<tr>
<td>2014</td>
<td>1 034</td>
</tr>
</tbody>
</table>

### Total comprehensive income

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>822</td>
</tr>
<tr>
<td>2014</td>
<td>986</td>
</tr>
</tbody>
</table>

All shares are unlisted.
### G28 Derivatives

The Group trades in derivatives in the normal course of business and for the purpose of hedging certain positions that are exposed to share price, interest rate, credit and currency risks. Interest rate swaps that hedge the interest rate component in loan portfolios or in certain debt securities in issue and subordinated liabilities are sometimes recognised as hedging instruments in hedge accounting at fair value. The derivatives are recognised at fair value with changes in value through profit or loss in the same manner as for other derivatives. In note G10 Net gains and losses on financial items at fair value, any ineffectiveness of the hedges is recognised as the change in value of the derivative together with the change in value of the hedged risk component. Interest rate and currency swaps sometimes also hedge projected future interest or currency payments, so-called cash flow hedges. Future estimated cash flows hedged by the swaps are disclosed below. Since the derivatives are recognised as hedging instruments, the effective portion of the change in fair value is recognised in other comprehensive income. Changes in the value of derivatives used to hedge the net investment in foreign operations are also recognised in other comprehensive income. Any ineffectiveness in hedge accounting is recognised in net gains and losses on financial items at fair value. The carrying amount of derivatives included in hedge accounting is reported separately below. The carrying amounts of all derivatives refer to fair value including accrued interest. The amounts offset for derivative assets and derivative liabilities include cash collateral offsets of SEK 1,666m (2,056) and SEK 775m (717), respectively.

<table>
<thead>
<tr>
<th>Nominal amount 2015 Remaining contractual maturity</th>
<th>Nominal amount Positive fair value</th>
<th>Negative fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 1 yr.</td>
<td>1-5 yrs.</td>
<td>&gt; 5 yrs.</td>
</tr>
</tbody>
</table>

#### Derivatives in hedge accounting

**Fair value hedges**

**Interest-rate-related swaps**

- Nominal amount: 76,312
- Positive fair value: 418,889
- Remaining contractual maturity:
  - < 1 yr.: 364,822
  - 1-5 yrs.: 65,550
  - > 5 yrs.: 506,684
- Exposed to share price risk.

**Currency-related swaps**

- Nominal amount: 7
- Positive fair value: 418,889
- Remaining contractual maturity:
  - < 1 yr.: 364,822
  - 1-5 yrs.: 65,550
  - > 5 yrs.: 506,684

**Total**

- Nominal amount: 76,312
- Positive fair value: 418,889
- Remaining contractual maturity:
  - < 1 yr.: 364,822
  - 1-5 yrs.: 65,550
  - > 5 yrs.: 506,684

**Derivatives in portfolio fair value hedges**

**Interest-rate-related swaps**

- Nominal amount: 42,000
- Positive fair value: 129,375
- Remaining contractual maturity:
  - < 1 yr.: 76,550
  - 1-5 yrs.: 10,825
  - > 5 yrs.: 10,825
- Exposed to share price risk.

**Currency-related swaps**

- Nominal amount: 12
- Positive fair value: 8,466
- Remaining contractual maturity:
  - < 1 yr.: 8,466
  - 1-5 yrs.: 22,393
  - > 5 yrs.: 22,393

**Total**

- Nominal amount: 42,012
- Positive fair value: 137,841
- Remaining contractual maturity:
  - < 1 yr.: 85,016
  - 1-5 yrs.: 33,218
  - > 5 yrs.: 33,218

**Cash flow hedges**

**Interest-rate-related swaps**

- Nominal amount: 42,000
- Positive fair value: 129,375
- Remaining contractual maturity:
  - < 1 yr.: 76,550
  - 1-5 yrs.: 10,825
  - > 5 yrs.: 10,825

**Currency-related swaps**

- Nominal amount: 12
- Positive fair value: 8,466
- Remaining contractual maturity:
  - < 1 yr.: 8,466
  - 1-5 yrs.: 22,393
  - > 5 yrs.: 22,393

**Total**

- Nominal amount: 42,012
- Positive fair value: 137,841
- Remaining contractual maturity:
  - < 1 yr.: 85,016
  - 1-5 yrs.: 33,218
  - > 5 yrs.: 33,218

**Net investment in foreign operations**

**Currency-related contracts**

- Nominal amount: 153
- Positive fair value: 9
- Remaining contractual maturity:
  - < 1 yr.: 9
  - 1-5 yrs.: 9

**Total**

- Nominal amount: 153
- Positive fair value: 9
- Remaining contractual maturity:
  - < 1 yr.: 9
  - 1-5 yrs.: 9

**Other derivatives**

**Interest-related contracts**

- Options: 138,655
- Positive fair value: 9,077
- Remaining contractual maturity:
  - < 1 yr.: 9,077
  - 1-5 yrs.: 406,347
  - > 5 yrs.: 446,073
- Forward contracts: 2,927,556
- Positive fair value: 1,613
- Remaining contractual maturity:
  - < 1 yr.: 1,495,764
  - 1-5 yrs.: 4,423,320
  - > 5 yrs.: 7,432,637
- Swaps: 931,999
- Positive fair value: 1,601
- Remaining contractual maturity:
  - < 1 yr.: 1,705,804
  - 1-5 yrs.: 2,482,140
  - > 5 yrs.: 3,236,090

**Other**

- Nominal amount: 3,535
- Remaining contractual maturity:
  - < 1 yr.: 37
  - 1-5 yrs.: 1

**Currency-related contracts**

- Options: 52,986
- Positive fair value: 1,986
- Remaining contractual maturity:
  - < 1 yr.: 1,986
  - 1-5 yrs.: 54,882
  - > 5 yrs.: 80,452
- Forward contracts: 916,700
- Positive fair value: 1,013
- Remaining contractual maturity:
  - < 1 yr.: 19,818
  - 1-5 yrs.: 936,532
  - > 5 yrs.: 807,843
- Swaps: 148,457
- Positive fair value: 1,013
- Remaining contractual maturity:
  - < 1 yr.: 41,924
  - 1-5 yrs.: 305,183
  - > 5 yrs.: 503,885
- Other: 32
- Positive fair value: 13
- Remaining contractual maturity:
  - < 1 yr.: 22
  - 1-5 yrs.: 54

**Other**

- Nominal amount: 8
- Remaining contractual maturity:
  - < 1 yr.: 7

**Commodity-related contracts**

- Options: 458
- Positive fair value: 276
- Remaining contractual maturity:
  - < 1 yr.: 276
  - 1-5 yrs.: 5,263
  - > 5 yrs.: 12,362
- Forward contracts: 2,474
- Positive fair value: 276
- Remaining contractual maturity:
  - < 1 yr.: 874
  - 1-5 yrs.: 3,448
  - > 5 yrs.: 7,073

**Total**

- Nominal amount: 5,158,284
- Remaining contractual maturity:
  - < 1 yr.: 3,543,784
  - 1-3 yrs.: 732,325
  - 3-5 yrs.: 9,434,393
  - 5-10 yrs.: 11,833,956
  - > 10 yrs.: 81,854

**Gross amount**

- Nominal amount: 5,289,471
- Remaining contractual maturity:
  - < 1 yr.: 3,986,054
  - 1-3 yrs.: 817,166
  - 3-5 yrs.: 10,092,691
  - 5-10 yrs.: 12,349,395
  - > 10 yrs.: 100,058

**Offset amount**

- Nominal amount: -1,365,252
- Remaining contractual maturity:
  - < 1 yr.: -1,976,258
  - 1-3 yrs.: -305,866
  - 3-5 yrs.: -670,367

**Net amount presented in the balance sheet**

- Nominal amount: 3,924,219
- Remaining contractual maturity:
  - < 1 yr.: 2,009,796
  - 1-3 yrs.: 511,300
  - 3-5 yrs.: 6,445,315
  - 5-10 yrs.: 86,107
  - > 10 yrs.: 123,202

**Maturity distribution regarding future hedged cash flows in cash flow hedge accounting**

<table>
<thead>
<tr>
<th>&lt; 1 yr.</th>
<th>1-3 yrs.</th>
<th>3-5 yrs.</th>
<th>5-10 yrs.</th>
<th>&gt; 10 yrs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negative cash flows (liabilities)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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</tbody>
</table>

Future cash flows above, expressed in SEKm, are exposed to variability attributable to changed interest rates and/or changed currency rates. These future cash flows are hedged with derivatives, recognized in cash flow hedges, with cash flows that eliminate the variability.

---

*Swezbank Annual Report 2015*
### G29 Intangible fixed assets

For intangible assets with a finite useful life, the amortisable amount is allocated systematically over the useful life. Systematic amortisation relates to both straight line and increasing or decreasing amortisation. The original useful life is between 3 and 20 years.

#### 2015

<table>
<thead>
<tr>
<th></th>
<th>Indefinite useful life</th>
<th>Definite useful life</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Goodwill</td>
<td>Customer base</td>
<td>Internally developed software</td>
</tr>
<tr>
<td>Cost, opening balance</td>
<td>14 668</td>
<td>1 812</td>
<td>1 234</td>
</tr>
<tr>
<td>Additions through business combinations</td>
<td>94</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additions through internal development</td>
<td></td>
<td>313</td>
<td></td>
</tr>
<tr>
<td>Additions through separate acquisitions</td>
<td></td>
<td></td>
<td>54</td>
</tr>
<tr>
<td>Sales and disposals</td>
<td>-61</td>
<td></td>
<td>-68</td>
</tr>
<tr>
<td>Exchange rate differences</td>
<td>-687</td>
<td></td>
<td>-13</td>
</tr>
<tr>
<td>Cost, closing balance</td>
<td>13 981</td>
<td>1 789</td>
<td>1 547</td>
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</table>

#### Amortisation, holding balance

<table>
<thead>
<tr>
<th></th>
<th>Indefinite useful life</th>
<th>Definite useful life</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortisation, opening balance</td>
<td>-941</td>
<td>-524</td>
<td>-882</td>
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<tr>
<td>Amortisation for the year</td>
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<td>-111</td>
<td>-115</td>
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<tr>
<td>Sales and disposals</td>
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<td>-12</td>
</tr>
<tr>
<td>Exchange rate differences</td>
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<tr>
<td>Amortisation, closing balance</td>
<td>-1 016</td>
<td>-631</td>
<td>-1 006</td>
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</table>

#### Impairments, opening balance

<table>
<thead>
<tr>
<th></th>
<th>Indefinite useful life</th>
<th>Definite useful life</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impairments, opening balance</td>
<td>-2 324</td>
<td>-14</td>
<td>-174</td>
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<tr>
<td>Impairments for the year</td>
<td>-142</td>
<td>-112</td>
<td></td>
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<tr>
<td>Exchange rate differences</td>
<td>353</td>
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<tr>
<td>Impairments, closing balance</td>
<td>-1 971</td>
<td>-156</td>
<td>-286</td>
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#### Carrying amount

<table>
<thead>
<tr>
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<th>Definite useful life</th>
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</thead>
<tbody>
<tr>
<td>Carrying amount</td>
<td>12 010</td>
<td>617</td>
<td>630</td>
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#### 2014

<table>
<thead>
<tr>
<th></th>
<th>Indefinite useful life</th>
<th>Definite useful life</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Goodwill</td>
<td>Customer base</td>
<td>Internally developed software</td>
</tr>
<tr>
<td>Cost, opening balance</td>
<td>13 701</td>
<td>1 672</td>
<td>1 101</td>
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<tr>
<td>Additions through business combinations</td>
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<td></td>
<td>116</td>
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<tr>
<td>Additions through internal development</td>
<td></td>
<td>133</td>
<td></td>
</tr>
<tr>
<td>Additions through separate acquisitions</td>
<td></td>
<td></td>
<td>69</td>
</tr>
<tr>
<td>Sales and disposals</td>
<td>-61</td>
<td></td>
<td>-81</td>
</tr>
<tr>
<td>Exchange rate differences</td>
<td>967</td>
<td>52</td>
<td>10</td>
</tr>
<tr>
<td>Cost, closing balance</td>
<td>14 668</td>
<td>1 812</td>
<td>1 234</td>
</tr>
</tbody>
</table>

#### Amortisation, holding balance

<table>
<thead>
<tr>
<th></th>
<th>Indefinite useful life</th>
<th>Definite useful life</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortisation, opening balance</td>
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<tr>
<td>Amortisation for the year</td>
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<td>-108</td>
<td>-122</td>
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<tr>
<td>Sales and disposals</td>
<td>64</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exchange rate differences</td>
<td>-40</td>
<td></td>
<td>-5</td>
</tr>
<tr>
<td>Amortisation, closing balance</td>
<td>-941</td>
<td>-524</td>
<td>-882</td>
</tr>
</tbody>
</table>

#### Impairments, opening balance

<table>
<thead>
<tr>
<th></th>
<th>Indefinite useful life</th>
<th>Definite useful life</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impairments, opening balance</td>
<td>-1 941</td>
<td>-14</td>
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<tr>
<td>Exchange rate differences</td>
<td>-383</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impairments, closing balance</td>
<td>-2 324</td>
<td>-14</td>
<td>-174</td>
</tr>
</tbody>
</table>

#### Carrying amount

<table>
<thead>
<tr>
<th></th>
<th>Indefinite useful life</th>
<th>Definite useful life</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrying amount</td>
<td>12 344</td>
<td>857</td>
<td>536</td>
</tr>
</tbody>
</table>
Goodwill acquired in business combinations has been allocated to the lowest possible cash generating unit. Recoverable amount has been determined based on value in use. This means that the assets’ estimated future cash flows are calculated at present value using a discount rate. Estimated future cash flows are based on the Group’s established three-year financial plans. The most important assumptions in the three-year plan are the executive management’s estimate of net profit, including credit impairments; growth in each economy, both GDP and industry growth; and the trend in risk weighted assets. Financial planning is done at a lower level than the cash generating unit. The necessary assumptions in the planning are based as far as possible and appropriate on external information. Future cash flows are subsequently estimated with the help of long-term growth assumptions for risk weighted assets as well as on net profit in relation to risk weighted assets. Due to the long-term nature of the investments, cash flow is expected to continue indefinitely. Use of an indefinite cash flow is motivated by the fact that all cash generating units are part of the Group’s home markets, which it has no intention of leaving. Net cash flow refers to the amount that theoretically could be received as dividends or must be contributed as capital to comply with capital adequacy or solvency rules. The Group currently believes that a Common Equity Tier 1 capital ratio of 14 per cent (14) is reasonably the lowest level for the cash generating unit, because of which any surpluses or deficits calculated in relation to this level are theoretically considered payable as dividends or will have to be contributed as capital and therefore constitute net cash flow. The discount rate is determined based on the market’s risk-free rate of interest and yield requirements, the unit’s performance in the stock market in relation to the entire market, and the asset’s specific risks. The discount rate is adapted to various periods if needed. Any adjustments needed to the discount factor are determined based on the economic stage the cash generating unit is in and means that each year’s cumulative cash flow is discounted by a unique discounting factor. Projected growth in risk weighted assets corresponds to estimated inflation, projected real GDP growth and any additional growth expected in the banking sector, depending on the economic stage the sector is in. In accordance with IAS 36, the long-term growth estimate does not include any potential increase in market share. Long-term growth estimates are based on external projections as well as the Group’s experience and growth projections for the banking sector in relation to GDP growth and inflation. Estimated net profit in relation to risk weighted assets is based on historical experience and adjusted based on the economic stage the cash generating unit is in. The adjustment is also based on how the composition of the cash generating unit’s balance sheet is expected to change. The parameters are based as far as possible on external sources. The most important assumptions and their sensitivity are described in the table on the following page.

<table>
<thead>
<tr>
<th>Specification of intangible assets with indefinite useful life</th>
<th>Goodwill</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Swedbank Robur AB</td>
<td>1995</td>
<td>328</td>
</tr>
<tr>
<td>Föreningsbanken AB</td>
<td>1997</td>
<td>1 342</td>
</tr>
<tr>
<td>Swedbank Försäkring AB</td>
<td>1998</td>
<td>651</td>
</tr>
<tr>
<td>Kontoret i Bergsö</td>
<td>1998</td>
<td>13</td>
</tr>
<tr>
<td>Dans Bank AB</td>
<td>1998</td>
<td>9</td>
</tr>
<tr>
<td>FSB Boländirekt Bank AB</td>
<td>2002</td>
<td>159</td>
</tr>
<tr>
<td>Söderhamns Sparbank AB</td>
<td>2007</td>
<td>24</td>
</tr>
<tr>
<td>Svensk Fastighetsförmedling</td>
<td>2013</td>
<td>19</td>
</tr>
<tr>
<td><strong>Sweden</strong></td>
<td><strong>2 526</strong></td>
<td><strong>2 545</strong></td>
</tr>
<tr>
<td>of which banking operations</td>
<td><strong>1 547</strong></td>
<td><strong>1 547</strong></td>
</tr>
<tr>
<td>of which other</td>
<td>979</td>
<td>998</td>
</tr>
<tr>
<td><strong>Swedbank AS</strong></td>
<td><strong>1 111</strong></td>
<td><strong>1 148</strong></td>
</tr>
<tr>
<td><strong>Swedbank AS</strong></td>
<td><strong>11</strong></td>
<td><strong>11</strong></td>
</tr>
<tr>
<td><strong>Swedbank AB</strong></td>
<td><strong>131</strong></td>
<td><strong>135</strong></td>
</tr>
<tr>
<td><strong>Swedbank AS</strong></td>
<td><strong>8 050</strong></td>
<td><strong>8 324</strong></td>
</tr>
<tr>
<td><strong>Baltic countries</strong></td>
<td><strong>9 303</strong></td>
<td><strong>9 618</strong></td>
</tr>
<tr>
<td>of which allocated to:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Banking operations in Estonia</td>
<td>3 894</td>
<td>4 026</td>
</tr>
<tr>
<td>Banking operations in Latvia</td>
<td>2 005</td>
<td>2 073</td>
</tr>
<tr>
<td>Banking operations in Lithuania</td>
<td>3 404</td>
<td>3 519</td>
</tr>
<tr>
<td>First Securities ASA</td>
<td>2005</td>
<td>181</td>
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<tr>
<td><strong>Norway</strong></td>
<td><strong>181</strong></td>
<td><strong>181</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12 010</strong></td>
<td><strong>12 344</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Annual average REA growth</th>
<th>Annual REA growth</th>
<th>Annual average REA growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banking operations</td>
<td>Estonia</td>
<td>Latvia</td>
</tr>
<tr>
<td></td>
<td>0.9 0.3</td>
<td>0.4 0.5</td>
</tr>
</tbody>
</table>
Notes, Group

Sensitivity analysis

### Banking operations

<table>
<thead>
<tr>
<th>Cash-generating unit</th>
<th>Net asset including goodwill, carrying amount, SEKm</th>
<th>Recoverable amount, SEKm</th>
<th>Decrease in assumption of yearly growth by 1 percentage point</th>
<th>Increase in discount rate by 1 percentage point</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banking operations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estonia</td>
<td>18,380</td>
<td>23,457</td>
<td>24,920</td>
<td>27,891</td>
</tr>
<tr>
<td>Latvia</td>
<td>12,973</td>
<td>12,967</td>
<td>15,082</td>
<td>13,745</td>
</tr>
<tr>
<td>Lithuania</td>
<td>13,495</td>
<td>13,667</td>
<td>15,202</td>
<td>14,028</td>
</tr>
<tr>
<td>Sweden</td>
<td>51,424</td>
<td>38,060</td>
<td>57,561</td>
<td>57,888</td>
</tr>
</tbody>
</table>

1) The cash-generating unit is part of the segment Swedish Banking.

Sensitivity analysis

Given a reasonable change in any of the above assumptions there would be no impairment loss for any cash generating unit, with the exception of the banking operations in Lithuania. For the other cash generating units, with the exception of the banking operations in Lithuania, there is still room for a reasonable change if both assumptions were to occur simultaneously as indicated in the table i.e. both an increase in the discount rate of 1 percentage point and a decrease in the growth assumption of 1 percentage point. The Group is also confident there is room for a reasonable change in the net profit margin assumption for these units without causing an impairment loss.

### Banking operations in Baltic countries

Recognised goodwill totalled SEK 9 303m (9 618). Essentially the same assumptions were used in the impairment testing for 2015 as at the previous year-end. The three-year financial plans have been updated, as a result of which the initial growth assumptions after the planning period have been reduced. The discounting factor has been updated with new country-specific risk premiums. No impairments were identified on the balance sheet date. The three-year financial plans have been updated based on conditions in each country. Initial growth assumed in the established three-year financial plans is based on management’s best estimate of inflation, real GDP growth and growth in the banking sector in each market. The assessments are based on external sources. After the planning period a linear reduction in annual growth is assumed in principle during the period between 2019 and 2048 from 5 per cent down to 3 per cent, which is considered sustainable growth for a mature market. The initial discount rate for each period reflects a country-specific risk premium that will converge on a straight-line basis to 5 per cent, which is considered relevant for a mature market. Risk premiums are derived from external sources. The discount rate before tax for the period 2016–2018 was approximately 14 per cent (14).

### Other cash generating units, excluding banking operations

Other recognised goodwill totalled SEK 1 160m (1 179). No impairments were needed as of the closing day. Average annual growth for other cash generating units has been assumed to be 3 per cent (3) and the lowest discount rate was 7 per cent (7), or 9 per cent (9) before tax.

---

### G30 Tangible assets

<table>
<thead>
<tr>
<th></th>
<th>Current assets</th>
<th>Fixed assets</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Properties</td>
<td>Equipment</td>
<td>Owner-occupied properties</td>
</tr>
<tr>
<td>Cost, opening balance</td>
<td>1 089</td>
<td>3 306</td>
<td>1 402</td>
</tr>
<tr>
<td>Additions</td>
<td>11</td>
<td>446</td>
<td>457</td>
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<tr>
<td>Sales and disposals</td>
<td>−321</td>
<td>−637</td>
<td>−158</td>
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<tr>
<td>Exchange rate differences</td>
<td>−6</td>
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<tr>
<td>Cost, closing balance</td>
<td>773</td>
<td>3 137</td>
<td>1 252</td>
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<td>Amortisation, opening balance</td>
<td>−2 402</td>
<td>−430</td>
<td>−2 832</td>
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<tr>
<td>Amortisation for the year</td>
<td>−313</td>
<td>−36</td>
<td>−349</td>
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<td>Sales and disposals</td>
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<td>−62</td>
<td>−62</td>
</tr>
<tr>
<td>Impairments for the year</td>
<td>−6</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Sales and disposals</td>
<td>−2</td>
<td>−2</td>
<td>−2</td>
</tr>
<tr>
<td>Exchange rate differences</td>
<td>−373</td>
<td>337</td>
<td>373</td>
</tr>
<tr>
<td>Carrying amount</td>
<td>400</td>
<td>751</td>
<td>830</td>
</tr>
</tbody>
</table>
The useful life of equipment is deemed to be between three and ten years, and its residual value is deemed to be zero as in previous years. The depreciable amount is recognised linearly in profit or loss over the useful life. There was no change in useful lives in 2015. No indications of impairment were identified on the balance sheet date for equipment and owner-occupied properties. Equipment included operating leases, mainly motor vehicles, with an accumulated cost of SEK 79m (176) and accumulated depreciation of SEK 63m (85). Future minimum lease payments amount to SEK 107m (96), of which SEK 53m (41) will be received after more than one year but within five years.

Individual structural components are deemed to have useful lives of between 12 and 25 years. The residual value is deemed to be zero. The depreciable amount is recognised linearly in profit or loss over the useful life. Land has an indefinite useful life and is not depreciated. Estimated useful lives have been changed in individual cases.

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost, opening balance</strong></td>
<td>1 831</td>
<td>1 089</td>
<td>3 319</td>
<td>3 006</td>
<td>1 248</td>
<td>1 402</td>
<td>6 398</td>
<td>5 797</td>
</tr>
<tr>
<td><strong>Additions</strong></td>
<td>215</td>
<td>15</td>
<td>512</td>
<td>58</td>
<td>99</td>
<td>67</td>
<td>826</td>
<td>130</td>
</tr>
<tr>
<td><strong>Sales and disposals</strong></td>
<td>-962</td>
<td>-36</td>
<td>-583</td>
<td>-26</td>
<td>-12</td>
<td>-68</td>
<td>-1 557</td>
<td>-680</td>
</tr>
<tr>
<td><strong>Exchange rate differences</strong></td>
<td>5</td>
<td>3</td>
<td>58</td>
<td>9</td>
<td>67</td>
<td>415</td>
<td>1 30</td>
<td></td>
</tr>
<tr>
<td><strong>Cost, closing balance</strong></td>
<td>1 089</td>
<td>1 089</td>
<td>3 306</td>
<td>3 006</td>
<td>1 402</td>
<td>1 402</td>
<td>5 797</td>
<td>5 797</td>
</tr>
<tr>
<td><strong>Amortisation, opening balance</strong></td>
<td>-2 430</td>
<td>-4 430</td>
<td>-370</td>
<td>-415</td>
<td>-2 800</td>
<td>-2 832</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Amortisation for the year</strong></td>
<td>-336</td>
<td>-42</td>
<td>-43</td>
<td>-68</td>
<td>-379</td>
<td>-680</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sales and disposals</strong></td>
<td>406</td>
<td>406</td>
<td>9</td>
<td>9</td>
<td>415</td>
<td>415</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Exchange rate differences</strong></td>
<td>-42</td>
<td>-42</td>
<td>-26</td>
<td>-26</td>
<td>-68</td>
<td>-68</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Amortisation, closing balance</strong></td>
<td>-2 402</td>
<td>-2 402</td>
<td>-430</td>
<td>-430</td>
<td>-2 832</td>
<td>-2 832</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Impairments, opening balance</strong></td>
<td>-458</td>
<td>-458</td>
<td>-370</td>
<td>-370</td>
<td>-2 800</td>
<td>-2 832</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Impairments for the year</strong></td>
<td>-206</td>
<td>-206</td>
<td>-43</td>
<td>-43</td>
<td>-379</td>
<td>-379</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sales and disposals</strong></td>
<td>353</td>
<td>353</td>
<td>9</td>
<td>9</td>
<td>415</td>
<td>415</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Exchange rate differences</strong></td>
<td>-1</td>
<td>-1</td>
<td>-26</td>
<td>-26</td>
<td>-68</td>
<td>-68</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Impairments, closing balance</strong></td>
<td>-312</td>
<td>-312</td>
<td>-312</td>
<td>-312</td>
<td>-2 832</td>
<td>-2 832</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Carrying amount</strong></td>
<td>777</td>
<td>777</td>
<td>904</td>
<td>904</td>
<td>972</td>
<td>972</td>
<td>2 653</td>
<td>2 653</td>
</tr>
</tbody>
</table>

**G31 Investment properties**

Individual structural components are deemed to have useful lives of between 12 and 25 years. The residual value is deemed to be zero. The depreciable amount is recognised linearly in profit or loss during the useful life. Land is deemed to have an indefinite useful life and therefore is not depreciated.
## G32 Other assets

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
<th>1/1/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Security settlement claims</td>
<td>11,497</td>
<td>6,813</td>
<td>5,743</td>
</tr>
<tr>
<td>Other(^1)</td>
<td>3180</td>
<td>3289</td>
<td>3835</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14,677</strong></td>
<td><strong>10,103</strong></td>
<td><strong>9,578</strong></td>
</tr>
</tbody>
</table>

\(^1\) Includes credit impairment reserve of SEK 6.7m (7) in the Group primarily related to accounts receivable. Property taken over to protect claims amounted to SEK 6m (13) in the Group.

## G33 Prepaid expenses and accrued income

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
<th>1/1/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued interest income</td>
<td>3,764</td>
<td>4,657</td>
<td>5,907</td>
</tr>
<tr>
<td>Other</td>
<td>2,598</td>
<td>1,469</td>
<td>1,085</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,362</strong></td>
<td><strong>6,126</strong></td>
<td><strong>6,992</strong></td>
</tr>
</tbody>
</table>

## G34 Amounts owed to credit institutions

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
<th>1/1/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valuation category, loans and receivables</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Swedish banks</td>
<td>85,574</td>
<td>96,673</td>
<td>78,644</td>
</tr>
<tr>
<td>Swedish credit institutions</td>
<td>1,131</td>
<td>1,370</td>
<td>1,356</td>
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<tr>
<td>Foreign banks</td>
<td>62,749</td>
<td>64,923</td>
<td>30,592</td>
</tr>
<tr>
<td>Foreign credit institutions</td>
<td>223</td>
<td>2,741</td>
<td>2,906</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>149,677</strong></td>
<td><strong>165,707</strong></td>
<td><strong>113,498</strong></td>
</tr>
<tr>
<td>Valuation category, fair value through profit or loss</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trading</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Swedish banks, repurchase agreements</td>
<td>1,991</td>
<td>4,182</td>
<td></td>
</tr>
<tr>
<td>Swedish credit institutions, repurchased agreements</td>
<td>816</td>
<td>1,807</td>
<td>250</td>
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<tr>
<td>Foreign banks, repurchase agreements</td>
<td>1,848</td>
<td>3,691</td>
<td></td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>816</strong></td>
<td><strong>5,746</strong></td>
<td><strong>8,123</strong></td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>150,493</strong></td>
<td><strong>171,453</strong></td>
<td><strong>121,621</strong></td>
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</tbody>
</table>

## G35 Deposits and borrowings from the public

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
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<th>1/1/2014</th>
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</thead>
<tbody>
<tr>
<td>Valuation category, other financial liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits from Swedish public</td>
<td>548,634</td>
<td>494,420</td>
<td>455,626</td>
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<tr>
<td>Deposits from foreign public</td>
<td>194,721</td>
<td>165,576</td>
<td>139,922</td>
</tr>
<tr>
<td>Funding</td>
<td>468</td>
<td>535</td>
<td>653</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>743,823</strong></td>
<td><strong>660,531</strong></td>
<td><strong>596,201</strong></td>
</tr>
<tr>
<td>Valuation category, fair value through profit or loss</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trading</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits from Swedish public, repurchase agreements</td>
<td>2,798</td>
<td>15,768</td>
<td>18,852</td>
</tr>
<tr>
<td>Deposits from foreign public, repurchase agreements</td>
<td>1,485</td>
<td>3,089</td>
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<tr>
<td>Other(^1)</td>
<td>164</td>
<td>381</td>
<td>2,466</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>4,447</strong></td>
<td><strong>16,149</strong></td>
<td><strong>24,407</strong></td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>748,271</strong></td>
<td><strong>676,679</strong></td>
<td><strong>620,608</strong></td>
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</tbody>
</table>

\(^1\) nominal amount

## G36 Financial liabilities for which customers bear the investment risk

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
<th>1/1/2014</th>
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</thead>
<tbody>
<tr>
<td>Valuation category, fair value through profit or loss</td>
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<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment contracts, unit-link</td>
<td>130,403</td>
<td>121,377</td>
<td>105,603</td>
</tr>
<tr>
<td>Investment contracts, life</td>
<td>17,718</td>
<td>17,672</td>
<td>14,974</td>
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<tr>
<td>Fund savings</td>
<td>9,715</td>
<td>7,128</td>
<td>4,971</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>157,836</strong></td>
<td><strong>146,177</strong></td>
<td><strong>125,548</strong></td>
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</table>

## G37 Debt securities in issue

<table>
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<tr>
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<tbody>
<tr>
<td>Valuation category, other financial liabilities</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Commercial paper</td>
<td>107,047</td>
<td>195,194</td>
<td>100,170</td>
</tr>
<tr>
<td>Covered bonds</td>
<td>531,978</td>
<td>453,655</td>
<td>470,697</td>
</tr>
<tr>
<td>Change in value due to hedge accounting at fair value</td>
<td>12,830</td>
<td>23,808</td>
<td>49</td>
</tr>
<tr>
<td>Other interest-bearing bond loans</td>
<td>154,076</td>
<td>110,999</td>
<td>101,292</td>
</tr>
<tr>
<td>Change in value due to hedge accounting at fair value</td>
<td>168</td>
<td>1,811</td>
<td>185</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>806,112</strong></td>
<td><strong>785,481</strong></td>
<td><strong>672,409</strong></td>
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<tr>
<td>Valuation category, fair value through profit or loss</td>
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<tr>
<td>Trading</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Covered bonds</td>
<td>5,862</td>
<td>34,205</td>
<td>40,184</td>
</tr>
<tr>
<td>Other interest-bearing bond loans</td>
<td>2,029</td>
<td>1,811</td>
<td>185</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>20,423</strong></td>
<td><strong>49,531</strong></td>
<td><strong>53,866</strong></td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>826,535</strong></td>
<td><strong>835,012</strong></td>
<td><strong>726,275</strong></td>
</tr>
</tbody>
</table>

\(^1\) of which state-guaranteed 8,578

## G38 Short positions in securities

<table>
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<tr>
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<th>2015</th>
<th>2014</th>
<th>1/1/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valuation category, fair value through profit or loss</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Trading</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shares</td>
<td>246</td>
<td>74</td>
<td>121</td>
</tr>
<tr>
<td>Interest-bearing securities</td>
<td>7,945</td>
<td>26,984</td>
<td>17,398</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,191</strong></td>
<td><strong>27,058</strong></td>
<td><strong>17,519</strong></td>
</tr>
</tbody>
</table>

\(^1\) of which own issued shares 77
G39 Pensions

Defined benefit pension plans are recognised in the balance sheet as a provision and in the income statement in their entirety as a pension cost in staff costs. Revaluations of defined benefit pension plans are recognised in other comprehensive income. The provision in the balance sheet is a net of the pension obligations and the fair value of the assets allocated to fund the obligations, so-called plan assets. The Group calculates provisions and costs for defined benefit pension obligations based on the obligations’ significance and assumptions related to future development. The pension obligations as well as the cost of services rendered and interest expense for the pension obligations include payroll tax, which is calculated according to an actuarial method.

Nearly all employees hired in the Swedish part of the Group before 2013 are covered by the BTP2 defined benefit pension plan (a multi-employer occupational pension for Swedish banks). According to this plan, employees are guaranteed a lifetime pension corresponding to a specific percentage of their salary and mainly comprising retirement pension, disability pension and survivor’s pension. Remuneration levels differ for salaries with different income base amounts. For salaries over 30 income base amounts, there is no pension according to BTP2. Consequently, the Group’s provision and pension cost are affected by each employee’s anticipated longevity, final salary and income base amounts. The pension plan also contains a complementary retirement pension which has been defined contribution since 2001 rather than defined benefit. In 2012 BTP was renegotiated as entirely a defined contribution pension plan for all new employees as of 2013. The defined benefit pension plan therefore covers only those employed before 2013 and hence is being dissolved. The defined benefit portion of the BTP2 pension plan is funded by purchasing pension insurance from the insurance company SPK (Sparinstitutionens Pensionsfassa Forsäkringsforening). SPK administers pensions and manages pension assets for Swedbank and other employers. The Group has to determine its share of the plan assets held by SPK. The share amounted to slightly over 70 per cent. This is done using the metric SPK is likely to have used on the closing day to distribute assets if the plan were immediately dissolved or if a situation arose that required an additional payment from employers due to insufficient assets. The employers are responsible for ensuring that SPK has sufficient assets to meet the pension plan’s obligations measured on the basis of SPK’s legal obligations. There is no such deficit. SPK’s asset management is mainly based on the regulations it faces. The Group’s provision and other comprehensive income are therefore affected by SPK’s return on assets.

For individuals who have been in executive positions, there are complementary individual defined benefit pension obligations. They are funded through provisions to pension funds. The provisions comply with the Act on Safeguarding Pension Benefits. In addition, there is a small defined benefit pension plan for employees of Swedbank AB’s Norwegian branch. The plan’s closing pension liability at the end of the year was SEK B5m (66). Plan assets amounted to SEK 41m (43). The amounts are reported below together with the Swedish pension plan. The Group has no other defined benefit plans.
Expected contributions by the employer 798
Plan assets 2 269
Funded pension obligations, including payroll tax 974

Actuarial assumptions, per cent 2015 2014
Financial
Discount rate, 1 January 2.29 3.44
Discount rate, 31 December 3.53 2.29
Future annual salary increases, 1 January 2.54 4.00
Future annual salary increases, 31 December 2.84 2.54
Future annual pension indexations/inflation, 1 January 1.28 2.00
Future annual pension indexations/inflation, 31 December 1.63 1.28
Future annual changes in income base amount, 1 January 3.28 3.00
Future annual changes in income base amount, 31 December 3.63 3.28
Demographic
Entitled employees who choose early retirement option 50.00 50.00
Future annual employee turnover 3.50 3.50
Expected remaining life for a 65 years old man 22 22
Expected remaining life for a 65 years old woman 24 24

Sensitivity analysis, pension obligations 2015 2014
Financial
Change in discount rate - 25 bps 743 926
Change in salary assumption +25 bps 317 412
Change in pension indexation/inflation assumption +25 bps 738 902
Change in income base amount assumption -25 bps 129 175
Demographic
All entitled employees choose early retirement at maximum 927 1 486
Change in employee turnover assumption -25 bps 13 5
Expected remaining life for a 65 years old man and woman +2 year 1 077 1 350

When the cost of defined benefit pension plans is calculated, financial and demographic assumptions have to be made for factors that affect the size of future pension payments. The discount rate is the interest rate used to discount the value of future payments. The interest rate is based on a market rate of interest for first-class corporate bonds traded on a functioning market with remaining maturities and currencies matching those of the pension obligations. The Group considers Swedish covered mortgage bonds as such bonds, because of which the discount rate is based on their quoted prices. The Group’s own issues are excluded. Quoted prices are adjusted for remaining maturities with the help of prices for interest rate swaps. The weighted average maturity of the defined benefit obligation is nearly 20 years. A reduction in the discount rate of 0.25 bp would increase the pension provision by approximately SEK 743m (926) and the pension cost by SEK 37m (53). Future annual salary increases reflect projected future salary increases as an aggregate effect of both contractual wage increases and wage drift. Because the defined benefit pension plan no longer covers new employees, only those employed before 2013, the salary increase assumption has been adapted to assume that the plan is closed. As of 2014 an age-based salary increase assumption is therefore used instead. This means that a unique salary increase assumption is set for each age group of employees. As of 2014 the inflation assumption is based on quoted prices for nominal and index-linked government bonds. For longer maturities that lack quoted prices, the inflation assumption is gradually adapted to the Riksbank’s target of 2.00 percentage points. The final benefits under BTP are determined on the basis of the income base amount. Therefore, future changes in the income base amount have to be estimated. The assumption is based on historical outcomes. Annual pension indexation has to be determined as well, since indexation historically has always been necessary. The indexation is assumed to correspond to the inflation assumption. BTP2 gives employees born in 1966 or earlier the option to choose a slightly earlier retirement age than normal in exchange for a slightly lower benefit level. Since this option is totally voluntary on the part of those employees, an estimate is made of the future outcome. Early retirements jointly agreed to by the employer and employee are recognised as they arise rather than estimated among actuarial assumptions. The assumed remaining lifetime of beneficiaries is updated annually.
G40 Insurance provisions

<table>
<thead>
<tr>
<th></th>
<th>Life insurance</th>
<th>Non-life insurance</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>1 584</td>
<td>1 513</td>
<td>1 537</td>
</tr>
<tr>
<td>Provisions</td>
<td>972</td>
<td>1 057</td>
<td>843</td>
</tr>
<tr>
<td>Payments</td>
<td>-981</td>
<td>-1 059</td>
<td>-908</td>
</tr>
<tr>
<td>Exchange rate differences</td>
<td>-38</td>
<td>73</td>
<td>41</td>
</tr>
<tr>
<td>Closing balance</td>
<td>1 537</td>
<td>1 584</td>
<td>1 513</td>
</tr>
</tbody>
</table>

Provisions for insurance contracts

The Group allocates provisions for the insurance contracts or parts of contracts where significant insurance risks are transferred from the policyholder to the Group. Insurance risks differ from financial risks and mean that the Group compensates the policyholder if a specified uncertain future event adversely impacts the policyholder. The Group is compensated through premiums received from policyholders. Provisions are allocated for established claims and correspond to the amount that will be paid out. Provisions are also made for damages incurred but not reported. A statistical assessment of anticipated claims based on previous years’ experience with each type of insurance contract is used as a basis for the provision. Assumptions are made with regard to interest rates, morbidity, mortality and expenses.

G41 Other liabilities and provisions

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
<th>1/1/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Security settlement liabilities</td>
<td>11 978</td>
<td>8 624</td>
<td>2 507</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>10 380</td>
<td>12 144</td>
<td>11 762</td>
</tr>
<tr>
<td>Provisions for guarantees</td>
<td>45</td>
<td>50</td>
<td>53</td>
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<tr>
<td>Restructuring provision</td>
<td>265</td>
<td>524</td>
<td>321</td>
</tr>
<tr>
<td>Other provisions</td>
<td>46</td>
<td>988</td>
<td>132</td>
</tr>
<tr>
<td>Total</td>
<td>22 715</td>
<td>22 330</td>
<td>14 397</td>
</tr>
</tbody>
</table>

When it acquired Sparbanken Öresund AB in 2014, Swedbank AB recognised a restructuring reserve of SEK 591m. The acquisition analysis included additional provisions of SEK 1 025m, which largely related to onerous contracts, of which SEK 1 134m (181) were utilised, and SEK 43m were reversed due to lower staff costs.

G42 Accrued expenses and prepaid income

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
<th>1/1/2014</th>
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<tbody>
<tr>
<td>Accrued interest expenses</td>
<td>9 238</td>
<td>9 329</td>
<td>10 718</td>
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<tr>
<td>Other</td>
<td>4 005</td>
<td>3 742</td>
<td>3 476</td>
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<tr>
<td>Total</td>
<td>13 243</td>
<td>13 071</td>
<td>14 194</td>
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</table>

G43 Subordinated liabilities

<table>
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<tr>
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<th>1/1/2014</th>
</tr>
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<tbody>
<tr>
<td>Valuation category, other financial liabilities</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Subordinated loans</td>
<td>12 382</td>
<td>12 874</td>
<td>4 631</td>
</tr>
<tr>
<td>Change in the value due to hedge accounting at fair value</td>
<td>265</td>
<td>268</td>
<td>-12</td>
</tr>
<tr>
<td>Total subordinated loans</td>
<td>12 647</td>
<td>13 142</td>
<td>4 619</td>
</tr>
<tr>
<td>of which Tier 1 capital contribution</td>
<td>11 565</td>
<td>5 290</td>
<td>5 037</td>
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<tr>
<td>Change in the value due to hedge accounting at fair value</td>
<td>381</td>
<td>525</td>
<td>503</td>
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<tr>
<td>Total undated subordinated loans</td>
<td>11 965</td>
<td>5 815</td>
<td>5 540</td>
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<tr>
<td>Total</td>
<td>24 613</td>
<td>18 957</td>
<td>10 159</td>
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</table>
Notes, Group

G44 Equity

<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>Restricted equity</strong></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Share capital, ordinary shares</td>
<td>24,904</td>
<td>24,904</td>
<td>24,904</td>
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<tr>
<td>Statutory reserve</td>
<td>9,648</td>
<td>9,050</td>
<td>8,741</td>
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<tr>
<td>Other reserve</td>
<td>19,953</td>
<td>16,981</td>
<td>18,788</td>
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<td><strong>Total</strong></td>
<td><strong>54,115</strong></td>
<td><strong>50,935</strong></td>
<td><strong>52,433</strong></td>
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<tr>
<td><strong>Non-restricted equity</strong></td>
<td></td>
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</tr>
<tr>
<td>Currency translation from foreign operations</td>
<td>132</td>
<td>763</td>
<td>-540</td>
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<td>Cash flow hedges</td>
<td>17</td>
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<td>-139</td>
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<tr>
<td>Share premium reserve</td>
<td>13,206</td>
<td>13,206</td>
<td>13,206</td>
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<tr>
<td>Retained earnings</td>
<td>55,693</td>
<td>52,404</td>
<td>44,580</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>69,048</strong></td>
<td><strong>66,268</strong></td>
<td><strong>57,107</strong></td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>179</td>
<td>170</td>
<td>165</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td><strong>123,342</strong></td>
<td><strong>117,373</strong></td>
<td><strong>109,705</strong></td>
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</table>

The quote value per share is SEK 22.

Ordinary shares

<table>
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<th>2014</th>
<th>1/1/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of shares authorized, issued and fully paid</td>
<td>1,132,005,722</td>
<td>1,132,005,722</td>
<td>1,132,005,722</td>
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<tr>
<td>Own shares</td>
<td>-26,601,972</td>
<td>-29,750,577</td>
<td>-33,000,000</td>
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<tr>
<td>Own shares for trading purposes</td>
<td>-166,211</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Associate’s holdings in shares</td>
<td>-1,599,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Number of outstanding shares</strong></td>
<td>1,105,403,750</td>
<td>1,102,088,934</td>
<td>1,097,406,722</td>
</tr>
<tr>
<td>Opening balance</td>
<td>1,102,088,934</td>
<td>1,097,406,722</td>
<td></td>
</tr>
<tr>
<td>Share delivery due to Equity-settled share based programmes</td>
<td>3,148,605</td>
<td>3,249,423</td>
<td></td>
</tr>
<tr>
<td>Repurchase of own shares for trading purposes</td>
<td>-166,211</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disposal of own shares for trading purposes</td>
<td>166,211</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Associate’s disposal of shares</td>
<td>1,599,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Closing balance</strong></td>
<td>1,105,403,750</td>
<td>1,102,088,934</td>
<td></td>
</tr>
</tbody>
</table>

The quote value per share is SEK 22.

Changes in equity for the year and the distribution according to IFRS are indicated in the statement of changes in equity. Ordinary shares each carry one vote and a share in profits. Treasury shares are not eligible for dividends.

G45 Fair value of financial instruments

Carrying amounts and fair values of financial instruments

A comparison between the carrying amount and fair value of the Group’s financial assets and financial liabilities according to the definition in IAS 39 is presented below.

Determination of fair values of financial instruments

The Group uses various methods to determine the fair value of financial instruments depending on the degree of observable market data in the valuation and activity in the market. An active market is considered a regulated or reliable marketplace where quoted prices are easily accessible and which demonstrates regularity. Activity is continuously evaluated by analysing factors such as differences in bid and ask prices.

The methods are divided in three different levels:

- Level 1: Unadjusted, quoted price on an active market
- Level 2: Adjusted, quoted price or valuation model with valuation parameters derived from an active market
- Level 3: Valuation model where a majority of valuation parameters are non-observable and based on internal assumptions.

When financial assets and financial liabilities in active markets have market risks that offset each other, an average of bid and ask prices is used as a basis to determine the fair values. For any open net positions, bid and ask rates are applied based on what is applicable i.e. bid rates for long positions and ask rates for short positions.

In cases that lack an active market, fair value is determined with the help of established valuation methods and models. In these cases assumptions that cannot be directly attributed to a market may be applied. These assumptions are based on experience and knowledge of the valuation of financial markets. The goal, however, is to always maximise the use of data from an active market. All valuation methods and models and internal assumptions are validated continuously by the independent risk control unit. In cases where it is considered necessary, adjustments are made to reflect fair value, so-called fair value adjustments. This is done to correctly reflect the parameters in the financial instruments and which will be reflected in their valuations. For OTC derivatives, for example, where the counterparty risk is not settled with cash collateral, the fair value adjustment is based on the current counterparty risk (CVA and DVA).

The Group has a continuous process that identifies financial instruments which indicate a high level of internal assumptions or low level of observable market data. The process determines how to make the calculation based on how the internal assumptions are expected to affect the valuation. In cases where internal assumptions have a significant impact on fair value, the financial instrument is reported in level 3. The process also includes an analysis based on the quality of valuation data and whether any types of financial instruments will be transferred between the various levels.

For floating rate lending and deposits, the carrying amount equals the fair value.
## Assets

### Financial assets covered by IAS 39

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and balances with central banks</td>
<td>186,312</td>
<td>113,768</td>
<td>59,382</td>
<td>59,382</td>
<td>186,312</td>
<td>113,768</td>
<td>59,382</td>
<td>59,382</td>
</tr>
<tr>
<td>Treasury bills etc.</td>
<td>76,628</td>
<td>76,552</td>
<td>76</td>
<td>76</td>
<td>46,307</td>
<td>46,225</td>
<td>56,852</td>
<td>56,814</td>
</tr>
<tr>
<td>- of which fair value through profit or loss</td>
<td>76,084</td>
<td>45,724</td>
<td>56,259</td>
<td>56,259</td>
<td>76,084</td>
<td>45,724</td>
<td>56,259</td>
<td>56,259</td>
</tr>
<tr>
<td>- of which held to maturity</td>
<td>544</td>
<td>501</td>
<td>593</td>
<td>593</td>
<td>468</td>
<td>501</td>
<td>555</td>
<td>555</td>
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<tr>
<td>Loans to credit institutions</td>
<td>86,418</td>
<td>113,820</td>
<td>82,231</td>
<td>82,278</td>
<td>86,418</td>
<td>113,820</td>
<td>82,231</td>
<td>82,278</td>
</tr>
<tr>
<td>- of which loans receivables</td>
<td>84,679</td>
<td>96,351</td>
<td>74,513</td>
<td>74,560</td>
<td>84,679</td>
<td>96,351</td>
<td>74,513</td>
<td>74,560</td>
</tr>
<tr>
<td>- of which fair value through profit or loss</td>
<td>1,739</td>
<td>1,739</td>
<td>7,718</td>
<td>7,718</td>
<td>1,739</td>
<td>1,739</td>
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<td></td>
</tr>
<tr>
<td>Loans to the public</td>
<td>1,419,486</td>
<td>1,412,718</td>
<td>1,270,138</td>
<td>1,264,910</td>
<td>1,419,486</td>
<td>1,412,718</td>
<td>1,270,138</td>
<td>1,264,910</td>
</tr>
<tr>
<td>- of which loan receivables</td>
<td>1,388,510</td>
<td>1,412,718</td>
<td>1,071,947</td>
<td>1,063,736</td>
<td>1,388,510</td>
<td>1,412,718</td>
<td>1,071,947</td>
<td>1,063,736</td>
</tr>
<tr>
<td>- of which fair value through profit or loss</td>
<td>230,976</td>
<td>124,665</td>
<td>124,326</td>
<td>124,326</td>
<td>230,976</td>
<td>124,665</td>
<td>124,326</td>
<td>124,326</td>
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<tr>
<td>Value change of interest hedged items in portfolio hedge</td>
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<td>1,009</td>
<td>62</td>
<td>62</td>
<td>1,009</td>
<td>1,009</td>
<td>62</td>
<td>62</td>
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<tr>
<td>Bonds and interest-bearing securities</td>
<td>88,618</td>
<td>124,465</td>
<td>125,579</td>
<td>125,579</td>
<td>88,618</td>
<td>124,465</td>
<td>125,579</td>
<td>125,579</td>
</tr>
<tr>
<td>- of which fair value through profit or loss</td>
<td>84,692</td>
<td>123,170</td>
<td>124,632</td>
<td>124,632</td>
<td>84,692</td>
<td>123,170</td>
<td>124,632</td>
<td>124,632</td>
</tr>
<tr>
<td>- of which investments held to maturity</td>
<td>3,926</td>
<td>51</td>
<td>947</td>
<td>947</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Financial assets for which the customers bear the investment risk</td>
<td>153,442</td>
<td>143,319</td>
<td>122,743</td>
<td>122,743</td>
<td>153,442</td>
<td>143,319</td>
<td>122,743</td>
<td>122,743</td>
</tr>
<tr>
<td>Shares and participating interest</td>
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<td>9,880</td>
<td>7,058</td>
<td>7,058</td>
<td>11,074</td>
<td>9,880</td>
<td>7,058</td>
<td>7,058</td>
</tr>
<tr>
<td>- of which available for sale</td>
<td>69</td>
<td>51</td>
<td>51</td>
<td>51</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivatives</td>
<td>86,107</td>
<td>123,202</td>
<td>125,579</td>
<td>125,579</td>
<td>86,107</td>
<td>123,202</td>
<td>125,579</td>
<td>125,579</td>
</tr>
<tr>
<td>- of which fair value through profit or loss</td>
<td>20,423</td>
<td>16,149</td>
<td>24,407</td>
<td>24,407</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2,127,519</td>
<td>2,121,904</td>
<td>2,095,230</td>
<td>2,095,230</td>
<td>2,127,519</td>
<td>2,121,904</td>
<td>2,095,230</td>
<td>2,095,230</td>
</tr>
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<td>Investment in associates</td>
<td>5,382</td>
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<td>3,640</td>
<td>3,640</td>
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<tr>
<td>Financial assets held for sale</td>
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<td>615</td>
<td>1,862</td>
<td>1,862</td>
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<tr>
<td>Non-financial assets</td>
<td>21,421</td>
<td>20,528</td>
<td>19,962</td>
<td>19,962</td>
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<td>Total</td>
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<td>2,121,297</td>
<td>1,824,102</td>
<td>1,824,102</td>
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</tbody>
</table>

## Liabilities

### Financial liabilities covered by IAS 39

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Amounts owed to credit institutions</td>
<td>150,302</td>
<td>150,493</td>
<td>121,621</td>
<td>121,621</td>
<td>150,302</td>
<td>150,493</td>
<td>121,621</td>
<td>121,621</td>
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<tr>
<td>- of which other financial liabilities</td>
<td>149,486</td>
<td>149,677</td>
<td>165,711</td>
<td>165,711</td>
<td>149,486</td>
<td>149,677</td>
<td>165,711</td>
<td>165,711</td>
</tr>
<tr>
<td>- of which fair value through profit or loss</td>
<td>816</td>
<td>5,746</td>
<td>816</td>
<td>816</td>
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<td></td>
<td></td>
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<tr>
<td>Deposits and borrowings from the public</td>
<td>748,254</td>
<td>746,535</td>
<td>620,571</td>
<td>620,571</td>
<td>748,254</td>
<td>746,535</td>
<td>620,571</td>
<td>620,571</td>
</tr>
<tr>
<td>- of which other financial liabilities</td>
<td>743,806</td>
<td>660,514</td>
<td>596,164</td>
<td>596,164</td>
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<td></td>
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</tr>
<tr>
<td>- of which fair value through profit or loss</td>
<td>4,447</td>
<td>14,149</td>
<td>24,407</td>
<td>24,407</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Debt securities in issue</td>
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<td>826,535</td>
<td>732,125</td>
<td>732,125</td>
<td>832,196</td>
<td>826,535</td>
<td>732,125</td>
<td>732,125</td>
</tr>
<tr>
<td>- of which other financial liabilities</td>
<td>811,773</td>
<td>792,707</td>
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<td>678,259</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- of which fair value through profit or loss</td>
<td>20,423</td>
<td>49,531</td>
<td>53,866</td>
<td>53,866</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Financial liabilities for which the customers bear the investment risk</td>
<td>157,836</td>
<td>146,177</td>
<td>125,548</td>
<td>125,548</td>
<td>157,836</td>
<td>146,177</td>
<td>125,548</td>
<td>125,548</td>
</tr>
<tr>
<td>Subordinated liabilities</td>
<td>24,627</td>
<td>18,932</td>
<td>10,072</td>
<td>10,072</td>
<td>24,627</td>
<td>18,932</td>
<td>10,072</td>
<td>10,072</td>
</tr>
<tr>
<td>- of which other financial liabilities</td>
<td>24,627</td>
<td>18,932</td>
<td>10,072</td>
<td>10,072</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivatives</td>
<td>68,681</td>
<td>85,694</td>
<td>55,011</td>
<td>55,011</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short positions securities</td>
<td>8,191</td>
<td>27,058</td>
<td>17,519</td>
<td>17,519</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- of which other financial liabilities</td>
<td>8,191</td>
<td>27,058</td>
<td>17,519</td>
<td>17,519</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>31,596</td>
<td>30,096</td>
<td>24,987</td>
<td>24,987</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2,021,683</td>
<td>2,016,216</td>
<td>1,707,454</td>
<td>1,707,454</td>
<td>2,021,683</td>
<td>2,016,216</td>
<td>1,707,454</td>
<td>1,707,454</td>
</tr>
<tr>
<td>Financial liabilities held for sale</td>
<td>14</td>
<td>39</td>
<td>219</td>
<td>219</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-financial liabilities</td>
<td>9,283</td>
<td>12,759</td>
<td>12,450</td>
<td>12,450</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Total</td>
<td>2,025,513</td>
<td>2,003,924</td>
<td>1,714,397</td>
<td>1,714,397</td>
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<td></td>
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</tr>
</tbody>
</table>
Financial instruments recognised at fair value

The following tables present fair values of financial instruments recognised at fair value split between the three valuation hierarchy levels.

Level 1 primarily contains equities, fund shares, bonds, treasury bills, commercial paper and standardised derivatives, where the quoted price is used in the valuation. Securities in issue traded on an active market are included in this category as well.

Level 2 primarily contains less liquid bonds that are valued on a curve, lending, funding, liabilities in the insurance operations whose value is directly linked to a specific asset value, and derivatives measured on the basis of observable inputs. For less liquid bond holdings, an adjustment is made for the credit spread based on observable market inputs such as the market for credit derivatives. For loans to the public where there are no observable market inputs for credit margins at the time of measurement, the credit margin of the last transaction executed with the same counterparty is used. This includes the majority of mortgage lending and certain other fixed-rate lending in Swedish Banking at fair value. Securities in issue that are not quoted but measured according to quoted prices for similar quoted bonds are also included in level 2.

Level 3 contains other financial instruments where internal assumptions have a significant effect on the calculation of fair value. Level 3 primarily contains unlisted equity instruments and illiquid options. Level 3 includes shares in Visa Europe Limited, which have been fair valued at zero. The zero value is due to restrictions on transfer of the shares and the uncertainties in the transaction. More detail about these shares can be found in Note G58. The options hedge changes in the market values of combined debt instruments, so-called structured products. Structured products consist of a corresponding option element and a host contract, which in principle is an ordinary interest-bearing bond. When the Group evaluates the level on which the financial instruments are reported, the entire instrument is assessed on an individual basis. Since the bond portion of structured products represents the majority of the financial instrument’s fair value, the internal assumptions used to value the illiquid option element normally do not have a significant effect on the valuation and the financial instrument is typically reported in level 2. However, the Group typically hedges the market risks that arise in structured products by holding individual options. The internal assumptions in the individual options are of greater significance to the individual instrument and these are reported as derivatives in level 3. To estimate the sensitivity of the volatility of the illiquid options, two types of shifts have been made. The shifts are based on each product type and are considered reasonable changes. Based on the historical volatility of the underlying prices of options in level 3, it is unlikely that the fair value would be affected more than +/- SEK 36m.

When valuation models are used to determine the fair value of financial instruments in level 3, the consideration that has been paid or received is assessed as the best evidence of fair value at initial recognition. Because of the possibility that a difference could arise between this fair value and the fair value calculated at that time using the valuation model, so called day 1 profit or loss, the Group adjusts the valuation models to avoid such differences. As of year-end there were no cumulative differences that were not recognised through profit or loss.

Transfers between fair value hierarchy levels are reflected as taking place at the end of each quarter. During the years ended 2015 and 2014, there were no transfers of financial instruments between valuation levels 1 and 2. Financial instruments are transferred to or from level 3 depending on whether the internal assumptions have changed in significance for the valuation. Changes in the value of loans to the public, measured according to the fair value option and attributable to changes in credit risk, amounted to SEK –9m (–14) during the period and are recognised as credit impairments. Cumulative value changes of that kind amounted to SEK –49m (–40). The amount is determined as the difference between current estimated creditworthiness and estimated creditworthiness of the borrower on the lending date. Other changes in fair value are considered attributable to changes in market risks. The change in the value of securities in issue in level 2, which are measured according to the fair value option and attributable to changes in Swedbank’s own creditworthiness, amounted to SEK 81m (10) during the period. The value change is recognised in net gains and losses on financial items at fair value. Cumulative value changes amounted to SEK –41m (–122). The change due to Swedbank’s own credit risk has been determined by calculating the difference in value based on current prices from external dealers for Swedbank’s own credit risk in its own unquoted issues and the value based on prices of its own credit risk for its own unquoted issues on the origination date. The following table shows financial instruments measured at fair value as per 31 December distributed by valuation level.

<table>
<thead>
<tr>
<th>Assets</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury bills and other bills eligible for refinancing with central banks, etc</td>
<td>24 650</td>
<td>51 434</td>
<td>76 084</td>
<td></td>
</tr>
<tr>
<td>Loans to credit institutions</td>
<td>1 739</td>
<td>1 739</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans to the public</td>
<td>230 796</td>
<td>230 796</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonds and interest-bearing securities</td>
<td>59 213</td>
<td>25 479</td>
<td>84 692</td>
<td></td>
</tr>
<tr>
<td>Shares and participating interests</td>
<td>10 908</td>
<td>93</td>
<td>73</td>
<td>11 074</td>
</tr>
<tr>
<td>Financial assets for which the customers bear the investment risk</td>
<td>153 442</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivatives</td>
<td>166</td>
<td>85 827</td>
<td>114</td>
<td>86 107</td>
</tr>
<tr>
<td>Total</td>
<td>248 379</td>
<td>395 548</td>
<td>187</td>
<td>644 114</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts owed to credit institutions</td>
<td>816</td>
<td>816</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits and borrowings from the public</td>
<td>4 447</td>
<td>4 447</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt securities in issue</td>
<td>1 509</td>
<td>18 914</td>
<td>20 423</td>
<td></td>
</tr>
<tr>
<td>Financial liabilities for which the customers bear the investment risk</td>
<td>157 836</td>
<td>157 836</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivatives</td>
<td>28</td>
<td>68 653</td>
<td>68 681</td>
<td></td>
</tr>
<tr>
<td>Short positions securities</td>
<td>8 191</td>
<td>8 191</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>9 728</td>
<td>250 666</td>
<td>260 394</td>
<td></td>
</tr>
</tbody>
</table>
### Changes in Level 3

#### 2015

<table>
<thead>
<tr>
<th></th>
<th>Equity instruments</th>
<th>Derivatives</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>77</td>
<td>81</td>
<td>158</td>
</tr>
<tr>
<td>Purchases</td>
<td>16</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Sales of assets</td>
<td>-15</td>
<td>-15</td>
<td></td>
</tr>
<tr>
<td>Transferred from Level 2 to Level 3</td>
<td>148</td>
<td>148</td>
<td></td>
</tr>
<tr>
<td>Transferred from Level 3 to Level 2</td>
<td>-83</td>
<td>-83</td>
<td></td>
</tr>
<tr>
<td>Transferred from Level 3 to Level 1</td>
<td>-2</td>
<td>-2</td>
<td></td>
</tr>
<tr>
<td>Gains or losses</td>
<td>-3</td>
<td>-6</td>
<td>-9</td>
</tr>
<tr>
<td>of which in the income statement, net gains and losses on financial items at fair value</td>
<td>-3</td>
<td>-6</td>
<td>-9</td>
</tr>
<tr>
<td>of which changes in unrealised gains or losses for items held at closing day</td>
<td>-47</td>
<td>-47</td>
<td></td>
</tr>
<tr>
<td>Closing balance</td>
<td>73</td>
<td>114</td>
<td>187</td>
</tr>
</tbody>
</table>

#### 2014

<table>
<thead>
<tr>
<th></th>
<th>Equity instruments</th>
<th>Derivatives</th>
<th>Total</th>
<th>Derivatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>57</td>
<td>133</td>
<td>190</td>
<td>19</td>
</tr>
<tr>
<td>Purchases</td>
<td>21</td>
<td>21</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales of assets</td>
<td>-2</td>
<td>-2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transferred from Level 2 to Level 3</td>
<td>3</td>
<td>54</td>
<td>57</td>
<td></td>
</tr>
<tr>
<td>Transferred from Level 3 to Level 2</td>
<td>-128</td>
<td>-128</td>
<td>-25</td>
<td></td>
</tr>
<tr>
<td>Gains or losses</td>
<td>-2</td>
<td>22</td>
<td>20</td>
<td>6</td>
</tr>
<tr>
<td>of which in the income statement, net gains and losses on financial items at fair value</td>
<td>-2</td>
<td>22</td>
<td>20</td>
<td>6</td>
</tr>
<tr>
<td>of which changes in unrealised gains or losses for items held at closing day</td>
<td>-2</td>
<td>3</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Closing balance</td>
<td>77</td>
<td>81</td>
<td>158</td>
<td>0</td>
</tr>
</tbody>
</table>
Swedbank chose as of 1 July 2008 to reclassify certain interest-bearing securities which, owing to extraordinary market conditions, had become illiquid. Market conditions at the time were distinguished by extreme turbulence, a shortage of liquidity and a lack of quoted prices on active markets. The holdings, as listed in the table below, were reclassified from trading to held to maturity, since the instruments are no longer held for trading purposes. Instead, executive management intends and has the capacity to hold them to maturity. Financial instruments in the category held for trading are recognised at fair value with changes in value recognised in profit or loss. Financial instruments in the category held to maturity are recognised at amortised cost less impairments. No impairments were needed as of 31 December 2015, which means that all contractual cash flows are expected to be received. All the holdings are Residential Mortgage Backed Securities (RMBS).

<table>
<thead>
<tr>
<th>Carrying amount</th>
<th>Fair value</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1</td>
<td>Level 2</td>
<td>Total</td>
<td>Level 1</td>
</tr>
<tr>
<td>Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Treasury bills and other bills eligible for refinancing with central banks, etc.</td>
<td>468</td>
<td>544</td>
<td>544</td>
</tr>
<tr>
<td>Loans to credit institutions</td>
<td>84 679</td>
<td>84 679</td>
<td>84 679</td>
</tr>
<tr>
<td>Loans to the public</td>
<td>1 182 979</td>
<td>1 188 510</td>
<td>1 188 510</td>
</tr>
<tr>
<td>Bonds and other interest-bearing securities</td>
<td>3 918</td>
<td>69</td>
<td>3 693</td>
</tr>
<tr>
<td>Total</td>
<td>1 272 044</td>
<td>613</td>
<td>1 276 882</td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts owed to credit institutions</td>
<td>149 676</td>
<td>149 485</td>
<td>149 485</td>
</tr>
<tr>
<td>Deposits and borrowing from the public</td>
<td>743 823</td>
<td>743 806</td>
<td>743 806</td>
</tr>
<tr>
<td>Debts securities in issue</td>
<td>806 112</td>
<td>339 153</td>
<td>472 620</td>
</tr>
<tr>
<td>Subordinated liabilities</td>
<td>24 613</td>
<td>24 626</td>
<td>24 626</td>
</tr>
<tr>
<td>Total</td>
<td>1 724 224</td>
<td>339 153</td>
<td>1 390 537</td>
</tr>
</tbody>
</table>

G46 Reclassification of financial assets

Nominal amounts and carrying amounts are affected by changes in exchange rates. Carrying amounts are also affected by the allocations of discounts in accordance with the effective interest method. The effective interest rate on the date of reclassification was 5.62 per cent.
### Financial assets and liabilities which have been offset or are subject to netting or similar agreements

The tables below present recognised financial instruments that have been offset in the balance sheet under IAS 32 and those that are subject to legally enforceable master netting or similar agreements but do not qualify for offset. Such financial instruments relate to derivatives, repurchase and reverse repurchase agreements, securities borrowing and lending transactions. Collateral amounts represent financial instruments or cash collateral received or pledged for transactions that are subject to a legally enforceable master netting or similar agreements and which allow for the netting of obligations against the counterparty in the event of a default. Collateral amounts are limited to the amount of the related instruments presented in the balance sheet; therefore any over-collateralisation is not included. Amounts that are not offset in the balance sheet are presented as a reduction to the Net financial assets or liabilities in order to derive net asset and net liability exposures. The amounts offset for derivative assets and derivative liabilities include cash collateral offsets of SEK 1 666m (2 056) and SEK 775m (717), respectively.

#### Assets

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Derivatives</td>
<td>Reverse repurchase agreements</td>
</tr>
<tr>
<td>Financial assets, which have not been offset or are subject to netting or similar agreements</td>
<td>4,731</td>
<td>4,731</td>
</tr>
<tr>
<td>Financial assets, which have been offset or are subject to netting or similar agreements</td>
<td>81,376</td>
<td>36,405</td>
</tr>
<tr>
<td>Net amount presented in the balance sheet</td>
<td>86,107</td>
<td>36,405</td>
</tr>
</tbody>
</table>

#### Financial assets, which have been offset or are subject to netting or similar agreements

<table>
<thead>
<tr>
<th></th>
<th>Gross amount</th>
<th>Offset amount</th>
<th>Net amount presented in the balance sheet</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>95,327</td>
<td>39,404</td>
<td>74</td>
</tr>
<tr>
<td></td>
<td>-13,951</td>
<td>-2,999</td>
<td>-16,950</td>
</tr>
<tr>
<td>Net amount presented in the balance sheet</td>
<td>81,376</td>
<td>36,405</td>
<td>74</td>
</tr>
</tbody>
</table>

#### Related amount not offset in the balance sheet

<table>
<thead>
<tr>
<th></th>
<th>Financial instruments, netting agreements</th>
<th>Financial instruments, collateral</th>
<th>Cash, collateral</th>
<th>Total amount not offset in the balance sheet</th>
<th>Net amount</th>
<th>Financial instruments, netting agreements</th>
<th>Financial instruments, collateral</th>
<th>Cash, collateral</th>
<th>Total amount not offset in the balance sheet</th>
<th>Net amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>39,613</td>
<td>5,085</td>
<td>44,698</td>
<td>63,394</td>
<td>15,131</td>
<td>78,707</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,220</td>
<td>31,320</td>
<td>32,541</td>
<td>2,177</td>
<td>64,726</td>
<td>74</td>
<td>66,997</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>19,915</td>
<td>19,915</td>
<td>39,830</td>
<td>29,717</td>
<td>29,717</td>
<td>79,434</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total amount not offset in the balance sheet</td>
<td>60,748</td>
<td>36,405</td>
<td>74</td>
<td>97,227</td>
<td>95,288</td>
<td>80,059</td>
<td>74</td>
<td>175,421</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net amount</td>
<td>20,628</td>
<td>20,628</td>
<td>23,258</td>
<td>23,258</td>
<td>23,258</td>
<td>23,258</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Liabilities

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Derivatives</td>
<td>Repurchase agreements</td>
</tr>
<tr>
<td>Financial liabilities, which have not been offset or are subject to netting or similar agreements</td>
<td>2,885</td>
<td>2,885</td>
</tr>
<tr>
<td>Financial liabilities, which have been offset or are subject to netting or similar agreements</td>
<td>65,796</td>
<td>5,102</td>
</tr>
<tr>
<td>Net amount presented in the balance sheet</td>
<td>68,681</td>
<td>5,102</td>
</tr>
</tbody>
</table>

#### Financial liabilities, which have been offset or are subject to netting or similar agreements

<table>
<thead>
<tr>
<th></th>
<th>Gross amount</th>
<th>Offset amount</th>
<th>Net amount presented in the balance sheet</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>80,638</td>
<td>8,101</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>-14,842</td>
<td>-2,999</td>
<td>-17,841</td>
</tr>
<tr>
<td>Net amount presented in the balance sheet</td>
<td>65,796</td>
<td>5,102</td>
<td>13</td>
</tr>
</tbody>
</table>

#### Related amount not offset in the balance sheet

<table>
<thead>
<tr>
<th></th>
<th>Financial instruments, netting agreements</th>
<th>Financial instruments, collateral</th>
<th>Cash, collateral</th>
<th>Total amount not offset in the balance sheet</th>
<th>Net amount</th>
<th>Financial instruments, netting agreements</th>
<th>Financial instruments, collateral</th>
<th>Cash, collateral</th>
<th>Total amount not offset in the balance sheet</th>
<th>Net amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>39,613</td>
<td>5,085</td>
<td>44,698</td>
<td>63,394</td>
<td>15,131</td>
<td>78,707</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3,021</td>
<td>7</td>
<td>13</td>
<td>3,041</td>
<td>3,636</td>
<td>6,197</td>
<td>1011</td>
<td>10,844</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>15,651</td>
<td>2</td>
<td>15,653</td>
<td>11,903</td>
<td>4</td>
<td>11,907</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total amount not offset in the balance sheet</td>
<td>58,285</td>
<td>5,094</td>
<td>13</td>
<td>63,392</td>
<td>78,933</td>
<td>21,514</td>
<td>1,011</td>
<td>101,458</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net amount</td>
<td>7,511</td>
<td>8</td>
<td>7,519</td>
<td>3,092</td>
<td>3,092</td>
<td>3,092</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The Board of Directors recommends that shareholders receive a dividend of SEK 10.70 per ordinary share (11.35) in 2016 for the financial year 2015, corresponding to SEK 11,880m (12,537).

The carrying amount of liabilities for which assets are pledged amounted to SEK 748,437 m (704,115) for the Group in 2015.

Companies in the Group regularly pledge financial assets as collateral for their obligations to central banks, stock exchanges, central securities depositories, clearing organisations and other institutions with similar or closely related functions, as well as to insurance policyholders. The transactions can be made by one or more companies in the Group depending on the operations of each company. These financial assets are recognised as assets pledged. Companies in the Group also participate in arrangements that are not pledges but where financial assets are used for similar purposes. Such financial assets are also recognised as assets pledged. One example of assets pledged is when financial assets of a certain value are transferred to derivative counterparties to offset their credit risk vis-à-vis the Group. Another example involves certain transfers of financial assets that the Group is obligated to repurchase, so-called repos. A third example is that certain types of credit can be included in the cover pool for covered bonds and thereby give preferential rights to the assets to investors who hold such bonds. Because of the pledges and other arrangements mentioned above, the value of the financial assets in question cannot be utilised in any other way as long as the pledge or arrangement remains in effect. The transactions are made on commercial terms.

The pledge is defined as the borrower’s nominal debt including accrued interest.
G51 Transferred financial assets

The Group transfers ownership of financial assets in connection with repos and security loans. Although ownership has been transferred in these transactions, the asset remains on the balance sheet since the Group is still exposed to the asset’s risk of fluctuating in value. This is because the agreement stipulates at the time of transfer that the asset will be restored. The sales proceeds received in connection with repos are recognised as liabilities. All assets and related liabilities are recognised at fair value and included in the valuation category fair value through profit and loss, trading.

<table>
<thead>
<tr>
<th>Valuation category, fair value through profit or loss</th>
<th>Transferred assets</th>
<th></th>
<th>Associated liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Carrying amount</td>
<td>Of which repurchase agreements</td>
<td>Of which securities lending</td>
</tr>
<tr>
<td>Trading</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity instruments</td>
<td>426</td>
<td>426</td>
<td>74</td>
</tr>
<tr>
<td>Debt securities</td>
<td>3 553</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3 979</td>
<td>4 26</td>
<td>74</td>
</tr>
</tbody>
</table>

G52 Operational leasing

The agreements mainly relate to premises in which the Group is the lessee. The terms of the agreements comply with customary practices and include clauses on inflation and property tax. The combined amount of future minimum lease payments that relate to non-cancellable agreements is allocated on the due dates as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Expenses</th>
<th>Income subleasing</th>
<th>Total</th>
<th>Year</th>
<th>Expenses</th>
<th>Income subleasing</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>694</td>
<td>6</td>
<td>698</td>
<td>2015</td>
<td>667</td>
<td>6</td>
<td>661</td>
</tr>
<tr>
<td>2016</td>
<td>606</td>
<td>6</td>
<td>606</td>
<td>2016</td>
<td>552</td>
<td>5</td>
<td>547</td>
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<tr>
<td>2017</td>
<td>467</td>
<td>4</td>
<td>463</td>
<td>2017</td>
<td>415</td>
<td>4</td>
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<tr>
<td>2018</td>
<td>411</td>
<td>4</td>
<td>407</td>
<td>2018</td>
<td>371</td>
<td>4</td>
<td>367</td>
</tr>
<tr>
<td>2019</td>
<td>286</td>
<td>286</td>
<td>286</td>
<td>2019</td>
<td>271</td>
<td>271</td>
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<tr>
<td>2020</td>
<td>193</td>
<td>193</td>
<td>193</td>
<td>2020</td>
<td>195</td>
<td>195</td>
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<tr>
<td>2021</td>
<td>178</td>
<td>178</td>
<td>178</td>
<td>2021</td>
<td>165</td>
<td>165</td>
<td></td>
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<tr>
<td>2022</td>
<td>166</td>
<td>166</td>
<td>166</td>
<td>2022</td>
<td>164</td>
<td>164</td>
<td></td>
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<tr>
<td>2023</td>
<td>1 249</td>
<td>1 249</td>
<td></td>
<td>2023</td>
<td>155</td>
<td>155</td>
<td></td>
</tr>
<tr>
<td>2024 or later</td>
<td>1 435</td>
<td>1 435</td>
<td></td>
<td>2024 or later</td>
<td>1 435</td>
<td>1 435</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4 441</td>
<td>20</td>
<td>4 421</td>
<td>Total</td>
<td>4 390</td>
<td>19</td>
<td>4 371</td>
</tr>
</tbody>
</table>
G53 Business combinations

Business combinations refer to acquisitions of businesses in which the parent company directly or indirectly obtains control of the acquired business.

Business combinations in 2014

On 20 May 2014 Swedbank AB acquired 100 per cent of the shares in Sparbanken Öresund AB. Sparbanken Öresund AB owned 100 per cent of the shares in the subsidiaries Sparbanken Öresund Fastighetsbyra AB and FriSparbar Företagskredit AB as well as 80 per cent of the subsidiary Cerdo Bankpartner AB. On the same date, directly after the acquisition, Sparbanken Öresund AB sold a number of bank branches to Sparbanken Skåne AB. Because certain assets and liabilities were acquired with the intent of being immediately resold, they have been classified as of the acquisition date as held for sale. The recognised gain from the acquisition was due to the fact that Swedbank has to make extensive changes to the acquired operations, including the elimination of offices and related systems. Consequently, a restructuring reserve of SEK 591m was recognised in the income statement for this purpose directly after the acquisition.

Excluding the bargain purchase gain on the acquisition, the acquired company contributed SEK 489m to income and SEK 75m profit after tax from the acquisition date. If the company had been acquired at the beginning of the financial year 2014, the Group’s income for 2014 would have been SEK 39 633m instead of SEK 39 304m. The Group’s profit after tax would have been SEK 16 457m instead of SEK 16 463m.

### Carried in the Group on acquisition date

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and balances with central banks</td>
<td>20</td>
</tr>
<tr>
<td>Loans to credit institutions</td>
<td>4461</td>
</tr>
<tr>
<td>Loans to the public</td>
<td>16 331</td>
</tr>
<tr>
<td>Interest-bearing securities</td>
<td>1975</td>
</tr>
<tr>
<td>Shares and participating interests</td>
<td>33</td>
</tr>
<tr>
<td>Investments in associates</td>
<td>50</td>
</tr>
<tr>
<td>Derivatives</td>
<td>26</td>
</tr>
<tr>
<td>Intangible fixed assets</td>
<td>205</td>
</tr>
<tr>
<td>Tangible assets</td>
<td>113</td>
</tr>
<tr>
<td>Other assets</td>
<td>219</td>
</tr>
<tr>
<td>Prepaid expenses and accrued income</td>
<td>134</td>
</tr>
<tr>
<td>Group of assets classified as held for sale</td>
<td>10 503</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>34 078</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts owed to credit institutions</td>
<td>2 841</td>
</tr>
<tr>
<td>Deposits and borrowings from the public</td>
<td>11 596</td>
</tr>
<tr>
<td>Debt securities in issue</td>
<td>2 028</td>
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<tr>
<td>Derivatives</td>
<td>49</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>176</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>1 625</td>
</tr>
<tr>
<td>Subordinated liabilities</td>
<td>947</td>
</tr>
<tr>
<td>Liabilities directly associated with group of assets classified as held for sale</td>
<td>11 417</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>30 679</strong></td>
</tr>
<tr>
<td>Subsidiary’s net assets</td>
<td>3 399</td>
</tr>
<tr>
<td>Acquisition cost. Cash</td>
<td>2 938</td>
</tr>
<tr>
<td><strong>Bargain purchase, reported as other income</strong></td>
<td><strong>461</strong></td>
</tr>
<tr>
<td><strong>Cash flow</strong></td>
<td></td>
</tr>
<tr>
<td>Acquired cash and cash equivalents in subsidiary</td>
<td>20</td>
</tr>
<tr>
<td>Cash paid</td>
<td>-2 938</td>
</tr>
<tr>
<td><strong>Net</strong></td>
<td><strong>-2 918</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquired loans, fair value</td>
<td>16 331</td>
</tr>
<tr>
<td>Acquired loans, gross contractual amounts</td>
<td>16 654</td>
</tr>
<tr>
<td>Acquired loans, best estimate of the contractual cash</td>
<td>258</td>
</tr>
</tbody>
</table>
### G54 Discontinued operations

#### 2015 2014
<table>
<thead>
<tr>
<th></th>
<th>Russia</th>
<th>Total</th>
<th>Russia</th>
<th>Lithuania</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit from discontinued operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td>1</td>
<td>1</td>
<td>161</td>
<td>252</td>
<td>413</td>
</tr>
<tr>
<td>Expenses</td>
<td>21</td>
<td>21</td>
<td>64</td>
<td>239</td>
<td>303</td>
</tr>
<tr>
<td>Profit before impairments</td>
<td>-20</td>
<td>-20</td>
<td>97</td>
<td>13</td>
<td>110</td>
</tr>
<tr>
<td>Credit impairments/impairments</td>
<td>-66</td>
<td>-66</td>
<td>-349</td>
<td>-349</td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td>-86</td>
<td>-86</td>
<td>-252</td>
<td>13</td>
<td>-239</td>
</tr>
<tr>
<td>Tax expense</td>
<td>104</td>
<td>104</td>
<td>36</td>
<td>36</td>
<td></td>
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<tr>
<td><strong>Post-tax profit for the year from discontinued operations</strong></td>
<td>18</td>
<td>18</td>
<td>-216</td>
<td>13</td>
<td>-203</td>
</tr>
<tr>
<td><strong>Disposal result</strong></td>
<td></td>
<td></td>
<td>163</td>
<td></td>
<td>163</td>
</tr>
<tr>
<td><strong>Reclassification to the income statement</strong></td>
<td>-24</td>
<td>-24</td>
<td>-223</td>
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<td>-223</td>
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<tr>
<td>of which exchange differences foreign operations</td>
<td>-87</td>
<td>-87</td>
<td>-508</td>
<td></td>
<td>-508</td>
</tr>
<tr>
<td>of which hedging of net investments in foreign operations</td>
<td>91</td>
<td>91</td>
<td>365</td>
<td></td>
<td>365</td>
</tr>
<tr>
<td>of which income tax</td>
<td>-28</td>
<td>-28</td>
<td>-80</td>
<td></td>
<td>-80</td>
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<tr>
<td><strong>Profit for the year from discontinued operations, after tax</strong></td>
<td>-6</td>
<td>-6</td>
<td>-439</td>
<td>176</td>
<td>-262</td>
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</table>

#### Assets classified as held for sale

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Russia</td>
<td>Total</td>
</tr>
<tr>
<td>Loans to the public</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>of which impaired loans, gross</td>
<td>108</td>
<td>108</td>
</tr>
<tr>
<td>of which individual provisions</td>
<td>-90</td>
<td>-90</td>
</tr>
<tr>
<td>of which impaired loans, net</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>of which portfolio provisions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other assets</td>
<td>130</td>
<td>130</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>148</td>
<td>148</td>
</tr>
</tbody>
</table>

#### Liabilities classified as held for sale

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Russia</td>
<td>Lithuania</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>14</td>
<td>14</td>
</tr>
</tbody>
</table>

In 2013 the Group’s Russian operations were reclassified as discontinued operations. The assets and related liabilities of these companies are recognised as assets and liabilities attributable to the sale on separate lines in the balance sheet. As of year-end 2015 the operations comprised the companies OOO Leasing and FRiR RUS OOO, with around 15 employees (15). The assets in these operations were gradually divested in 2014 and 2015. In 2014 OAO Swedbank was liquidated and Ektornet Kr. Valdemara, whose principal asset was a property in Moscow, was sold. In 2014 the large part of the Group’s foreign net asset in roubles was repaid to Swedbank AB. In connection with the repayment, related exchange differences, effects of currency hedges and taxes were reclassified from other consolidated income to profit or loss. In 2014 Lithuanian-based Alita group was sold to MG Baltics for SEK 184m. The sale produced a capital gain of SEK 163m. Alita group was acquired exclusively for the purpose of resale.
G55 Related parties and other significant relationships

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans to credit institutions</td>
<td>7,941</td>
<td>6,903</td>
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<tr>
<td>Loans to the public</td>
<td>1,000</td>
<td>691</td>
<td>26</td>
<td></td>
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<tr>
<td>Other assets</td>
<td>5</td>
<td>11</td>
<td>38</td>
<td>31</td>
</tr>
<tr>
<td>Prepaid expenses and accrued income</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>8,946</strong></td>
<td><strong>7,607</strong></td>
<td><strong>38</strong></td>
<td><strong>57</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount owed to credit institutions</td>
<td>2,201</td>
<td>2,360</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits and borrowing from the public</td>
<td>3</td>
<td>30</td>
<td>246</td>
<td>2,594</td>
</tr>
<tr>
<td>Debt securities in issue, etc.</td>
<td>694</td>
<td>1,448</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other liabilities</td>
<td>5</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>2,904</strong></td>
<td><strong>3,845</strong></td>
<td><strong>246</strong></td>
<td><strong>2,594</strong></td>
</tr>
</tbody>
</table>

**Contingent liabilities**

| Derivatives, nominal amount | 1,883           | 1,792           |

**Income and expenses**

<table>
<thead>
<tr>
<th>Interest income</th>
<th>106</th>
<th>202</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest expenses</td>
<td>7</td>
<td>93</td>
</tr>
<tr>
<td>Dividends received</td>
<td>53</td>
<td>380</td>
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<tr>
<td>Commission income</td>
<td>97</td>
<td>6</td>
</tr>
<tr>
<td>Commission expenses</td>
<td>67</td>
<td>48</td>
</tr>
<tr>
<td>Other income</td>
<td>12</td>
<td>13</td>
</tr>
<tr>
<td>Other general administrative expenses</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

**Associates**

Investments in associates are specified in note G27.

During the year the Group provided capital injections of SEK 10m (0). As of 31 December, associates have issued guarantees and pledged assets of SEK 43B (1 057) on behalf of Swedbank.

The Group has sold services to associates that are not credit institutions primarily in the form of products and systems development as well as marketing. The Group’s expenses to, and purchases of services from, associates that are not credit institutions mainly consist of payment services and cash management.

The partly owned banks that are associates sell products that are provided by the Group and receive commissions for servicing the products. The cooperation between the partly owned banks and Swedbank is governed by the agreement described in the section. Other significant relationships. In 2014 Sparbanken Skåne AB, formerly Färs & Frosta Sparbank, sold all 5 330 000 shares in Swedbank AB.

**Joint ventures**

The Group’s holding in EnterCard is a joint venture. EnterCard issues debit and credit cards in Sweden and Norway to Swedbank’s customers. Swedbank AB finances EnterCard’s corresponding holding.

**Key persons**

Disclosures regarding Board members and the Group Executive Committee can be found in note G13. Staff costs.

**Other related parties**

Swedbank’s pension funds and Sparinstiutens Pensionskassa secure employees’ postemployment benefits. They rely on Swedbank for traditional banking services.

Other significant relationships

Swedbank has close cooperation with the savings banks in Sweden. The cooperation between Swedbank and the 58 savings banks, including five of Swedbank’s partly owned banks, is governed by a master agreement to which a number of other agreements are attached regarding specific activities. On 1 July 2011 a new six-year agreement entered into force. Like the previous agreement, it presumes that the savings banks have a certain basic range of services and products as well as access to competency in certain areas. One saving bank currently do not fulfill the requirements and instead has signed a clearing agreement with Swedbank.

Through the cooperation Swedbank’s Swedish customers gain access to a nationwide network. At the same time the savings banks and partly owned banks are able to offer the products and services of Swedbank and its subsidiaries to their customers. Together, the savings banks and partly owned banks account for about 30 per cent of the Group’s product sales in the Swedish market. In addition to marketing and product issues, close cooperation exists in a number of administrative areas. Swedbank is the clearing bank for the savings banks and partly owned banks and provides a wide range of IT services. The cooperation also offers the possibility to distribute development costs over a larger business volume.

The savings banks, savings bank foundations and partly owned banks together represent one of the largest shareholder groups in Swedbank, with a total of 12.9 per cent (11.6) of the voting rights.

Swedbank has 1.4 per cent of the voting rights in a non-profit association, the Swedish Savings Banks Academy. The Group does not have loans, guarantees or assets pledged to this association.

G56 Interests in unconsolidated structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when all voting rights relate to administrative tasks and the relevant activities are directed by means of contractual arrangements. In 2014 Swedbank owned interests in structured entities that were not consolidated since Swedbank did not control the entities. Information on the Group’s interests in unconsolidated structured entities is provided below.

**Sponsor definition**

Swedbank is a sponsor of structured entities when the Group sets up and determines the design of a structured entity and when the structured entity’s products are associated with Swedbank’s brand.

**Investment funds**

Swedbank is a primary sponsor of investment funds where the Group serves as a manager. Swedbank’s interests in such funds mainly refer to capital investments by the Group’s insurance operations, starting capital and fees received to manage the funds’ investments. Asset management fees are based on the fair value of the funds’ net assets. Consequently, these fees expose Swedbank to a variable return based on the funds’ performance. Swedbank has provided unused loan guarantees to these investment funds, which entails a financial claim against the investment funds.

**Securitisation**

Securitisation means that assets are transferred to a structured entity which issues securities to third-party investors. The securities have varying levels of priority and are secured by the assets. The securities are entitled to interest from the assets’ return, with the most subordinate investor receiving the residual return. Swedbank holds senior debt in the form of investment-grade Residential Mortgage Backed Securities issued by structured entities. They were not set up by Swedbank.

Swedbank’s interests in unconsolidated structured entities are shown below. The interests do not include ordinary derivatives such as interest rate and currency swaps and transactions where Swedbank creates rather than receives variable returns from the structured entity.
G57 Sensitivity analysis

<table>
<thead>
<tr>
<th>Change</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest income, 12 months 2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increased interest rates, scenario 1</td>
<td>+ 1 % point</td>
<td>4 887</td>
</tr>
<tr>
<td>Decreased interest rates, scenario 1</td>
<td>- 1 % point</td>
<td>- 7 471</td>
</tr>
<tr>
<td>Increased interest rates, scenario 2</td>
<td>+ 1 % point</td>
<td>4 887</td>
</tr>
<tr>
<td>Decreased interest rates, scenario 2</td>
<td>- 1 % point</td>
<td>- 4 573</td>
</tr>
<tr>
<td>Change in value, 2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market interest rate</td>
<td>+ 1 % point</td>
<td>954</td>
</tr>
<tr>
<td>Stock prices</td>
<td>- 1 % point</td>
<td>- 1 139</td>
</tr>
<tr>
<td>Exchange rates</td>
<td>+5%</td>
<td>17</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock market performance 3)</td>
<td>+/- 10%</td>
<td>+/- 327</td>
</tr>
<tr>
<td>Staff changes</td>
<td>+/- 100 persons</td>
<td>+/- 66</td>
</tr>
<tr>
<td>Payroll changes</td>
<td>+/- 1 % point</td>
<td>+/- 82</td>
</tr>
<tr>
<td>Impaired loans 4)</td>
<td>+/- 1.5 SEK bn</td>
<td>+/- 20</td>
</tr>
<tr>
<td>Credit impairment ratio</td>
<td>+/- 0.1 % point</td>
<td>+/- 1 500</td>
</tr>
</tbody>
</table>

1) The NII sensitivity calculation covers all interest bearing assets and liabilities, on- and off-balance, on a contractual level in the banking book. It is a static analysis with parallel shifts across the interest rate curve that takes place over-night, and illustrates the effect on NII for a 12 month period. Maturities and assets or liabilities during the 12 month period are assumed to be repriced to the existing contractual interest rate +/- the shift. The assets that are re-priced are assumed to have the same interest rate throughout the remaining part of the 12-month period. In the positive shift transaction accounts are assumed to have 0% elasticity (i.e. there is no adjustment made to the paid interest) while all other deposits have a 100% elasticity to changes in the market rate (i.e. adjustments are made to the interest paid). In the negative shift all deposits are assumed to have 100% elasticity to the respective floors. In the negative shift scenarios a floor on contractual rates for deposits is applied: Scenario 1: For deposits from the public a floor of 0% is applied on the contractual rate. All other deposits have a 100% elasticity to changes in the market rate. Scenario 2: For deposits from the public a floor of 0% is applied on the contractual rate. All other deposits have a 100% elasticity to changes in the market rate. Scenario 2: For deposits from the public a floor of 0% is applied on the contractual rate. All other deposits have a 100% elasticity to changes in the market rate.

2) The calculation refers to the immediate effect on profit of each scenario for the Group’s interest rate positions at fair value and its equity and currency positions.

3) Refers to the effect on net commission income from a change in value of Swedbank Robur’s equity funds.

4) The interest rate for the 2015 calculation is 2.00 per cent (2.50).

G58 Other information

On 2 November Visa Inc. announced its intention to acquire Visa Europe Limited, conditional on regulatory approval, which is expected at the earliest in the second quarter of 2016. Swedbank is a member of Visa Europe and part-owner of Visa Sweden Ekonomisk Förening. Visa Sweden in turn is a group member of Visa Europe. Through its membership, Swedbank would receive a portion of the proceeds from the anticipated acquisition, consisting of cash and preference shares in Visa Inc. In addition, Swedbank could receive an additional purchase price consideration. Swedbank currently estimates its income at EUR 140m – EUR 180m, based on a preliminary calculation of the cash proceeds and preference shares. There is still uncertainty how high the amount could eventually be depending on, among other factors, allocation calculations and the value of the preference shares. Moreover, Swedbank’s shares in Visa Sweden are not transferable. Due to the many uncertainties surrounding the transaction, the limits associated with the holding and the amount it could receive, Swedbank’s right to a portion of the proceeds from the transaction was not recognised as a receivable or an increase in the value of the shares in Visa Europe Limited or Visa Sweden in 2015. Provided that regulatory approval is received, Swedbank will post a positive one-off effect in 2016 as a result of the acquisition.

G59 Events after 31 December 2015

Michael Wolf stepped down as President and CEO as of 9 February 2016. Birgitta Bonnesen has been appointed as Acting President and CEO.

Swedbank signed an agreement in February 2016, with Pembroke Real Estate to lease office space in Stockholm for approximately 800 employees from the first quarter of 2017.
Financial statements and notes – Parent company

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<table>
<thead>
<tr>
<th>Page</th>
<th>Financial statements and notes (Parent company)</th>
</tr>
</thead>
<tbody>
<tr>
<td>145</td>
<td>Income statement</td>
</tr>
<tr>
<td>146</td>
<td>Statement of comprehensive income</td>
</tr>
<tr>
<td>147</td>
<td>Balance sheet</td>
</tr>
<tr>
<td>148</td>
<td>Statement of changes in equity</td>
</tr>
<tr>
<td>149</td>
<td>Statement of cash flow</td>
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</tbody>
</table>

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- **152** Note P2 Liquidity risks
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- **158** Note P9 Other income
- **159** Note P10 Staff costs
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### Income statement, Parent company

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<td>–3 242</td>
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<td>6 097</td>
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<td>Net gains and losses on financial items at fair value</td>
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<td></td>
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<tr>
<td>Other income</td>
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<td>Staff costs</td>
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<td>Other general administrative expenses</td>
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<td>12 236</td>
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<td>Depreciation/amortisation and impairments of tangible and intangible fixed assets</td>
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<td>4 481</td>
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<td>16 717</td>
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<td>Profit before impairments</td>
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<td>Credit impairments, net</td>
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<td>539</td>
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<td>Impairments of financial fixed assets</td>
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<td>2 193</td>
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<td><strong>Operating profit</strong></td>
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<td>25 318</td>
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<td>Appropriations</td>
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<td>–698</td>
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<td><strong>Profit for the year</strong></td>
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<td>13 461</td>
<td>22 255</td>
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Statement of comprehensive income, Parent company

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<th>SEKm</th>
<th>Note</th>
<th>2015</th>
<th>2014</th>
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</thead>
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<tr>
<td>Profit for the period reported via income statement</td>
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<td>13 461</td>
<td>22 255</td>
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<td>Remeasurements of defined benefit pension plans</td>
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<td>1</td>
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<td>Items that may be reclassified to the income statement</td>
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<td>Cash flow hedges</td>
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<tr>
<td>Gains/losses arising during the year</td>
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<td>18</td>
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<tr>
<td>Income tax</td>
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<td>-1</td>
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<tr>
<td>Other comprehensive income for the period, net of tax</td>
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<td>22 252</td>
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## Balance sheet, Parent company

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<th>Note</th>
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<th>2014</th>
<th>1/1/2014</th>
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<tr>
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<td>Cash and balances with central banks</td>
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<td>346,320</td>
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<td>118,948</td>
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<td>Shares and participating interests</td>
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<td>53</td>
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<td>Other assets</td>
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<td>20,134</td>
<td>16,801</td>
<td>12,312</td>
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<td>2,253</td>
<td>7,528</td>
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<td><strong>Total assets</strong></td>
<td></td>
<td>1,339,068</td>
<td>1,346,504</td>
<td>1,100,180</td>
</tr>
</tbody>
</table>

| **Liabilities and equity** |      |          |          |          |
| **Liabilities** |      |          |          |          |
| Amounts owed to credit institutions | P31 | 220,983  | 222,569  | 195,096  |
| Deposits and borrowings from the public | P32 | 599,476  | 532,118  | 501,294  |
| Debt securities in issue | P33 | 275,845  | 318,041  | 214,605  |
| Derivatives | P34 | 27,686   | 44,484   | 28,396   |
| Current tax liabilities |  | 2,246    | 2,246    | 1,766    |
| Deferred tax liabilities | P35 | 197      | 349      | 53       |
| Other liabilities | P36 | 4,070    | 4,252    | 3,746    |
| Accrued expenses and prepaid income | P37 | 4,245    | 43       | 98       |
| Provisions |  | 24,613   | 18,010   | 10,083   |
| Subordinated liabilities | P38 | 10,021   | 10,043   | 6,305    |
| **Total liabilities** |      | 1,251,665 | 1,260,479 | 1,029,492 |
| Untaxed reserves |  | 10,021   | 10,043   | 6,305    |
| **Equity** |      |          |          |          |
| Share capital |  | 24,904   | 24,904   | 24,904   |
| Other funds |  | 5,968    | 5,968    | 5,968    |
| Retained earnings |  | 46,510   | 45,110   | 33,511   |
| **Total equity** |      | 77,382   | 75,982   | 64,383   |
| **Total liabilities and equity** |      | 1,339,068 | 1,346,504 | 1,100,180 |

The balance sheet and income statement will be adopted at the Annual General Meeting on 5 April 2016.
### Statement of changes in equity, Parent company

<table>
<thead>
<tr>
<th>SEKm</th>
<th>Share capital</th>
<th>Share premium reserve</th>
<th>Statutory reserve</th>
<th>Cash flow hedges</th>
<th>Retained earnings</th>
<th>Total</th>
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<tr>
<td><strong>Opening balance 1 January 2014</strong></td>
<td>24 904</td>
<td>13 206</td>
<td>5 968</td>
<td>-7</td>
<td>20 312</td>
<td>64 383</td>
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<tr>
<td>Dividend</td>
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<td></td>
<td>-11 133</td>
<td>-11 133</td>
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<tr>
<td>Repurchase of own shares for trading purposes</td>
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<td>-33</td>
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<td>Share based payments to employees</td>
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<td>459</td>
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<tr>
<td>Deferred tax related to share based payments to employees</td>
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<td>12</td>
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<td>22 252</td>
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<td>22 255</td>
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<td><strong>Closing balance 31 December 2014</strong></td>
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<td>13 206</td>
<td>5 968</td>
<td>33</td>
<td>31 907</td>
<td>75 982</td>
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<tr>
<td><strong>Opening balance 1 January 2015</strong></td>
<td>24 904</td>
<td>13 206</td>
<td>5 968</td>
<td>-3</td>
<td>31 907</td>
<td>75 982</td>
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<tr>
<td>Dividend</td>
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<td></td>
<td>-12 539</td>
<td>-12 539</td>
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<td>Disposal of own shares for trading purposes</td>
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<td>-34</td>
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<td>33 304</td>
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## Statement of cash flow, Parent company

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<tr>
<th>SEKm</th>
<th>Note</th>
<th>2015</th>
<th>2014</th>
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<tr>
<td><strong>Operating activities</strong></td>
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<td>Operating profit</td>
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<td>25 318</td>
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<td>Adjustments for non-cash items in operating activities</td>
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<td>Taxes paid</td>
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<td>Increase/decrease in other liabilities</td>
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<td><strong>Investing activities</strong></td>
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<td>Disposal of/repayment from Group entities and associates</td>
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<td>718 129</td>
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<td>Cash and cash equivalents at the beginning of the year</td>
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<td>41 363</td>
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<tr>
<td>Cash and cash equivalents at end of the year</td>
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<td>131 859</td>
<td>73 802</td>
</tr>
</tbody>
</table>

### Comments on the cash flow statement

The cash flow statement shows receipts and payments during the year as well as cash and cash equivalents at the beginning and end of the year. The cash flow statement is reported using the indirect method and is divided into payments from operating activities, investing activities and financing activities.

### Operating activities

Cash flow from operating activities is based on operating profit for the year. Adjustments are made for items not included in cash flow from operating activities. Changes in assets and liabilities from operating activities consist of items which are part of normal business activities such as loans to and deposits from the public and credit institutions, and which are not attributable to investing and financing activities. Cash flow includes interest receipts of SEK 17 903m (19 608) and interest payments of SEK 3 487m (7 069). Capitalised interest is included.

### Investing activities

Investing activities consist of the purchase and sale of strategic financial assets, contributions to and repayments from subsidiaries and associated companies, and other fixed assets. Shareholders’ contributions were paid to the subsidiaries Swedbank Hypotek AB of SEK 695m, Sparia Group Försäkring AB of SEK 76m, Swedbank Management Company S.A. of SEK 5m and Sparfrämjandet AB of SEK 4m, and the associated company Getswish AB of SEK 9m. During the year all the shares in Visa Inc were sold for SEK 678m and all the shares in MasterCard Inc for SEK 91m. Moreover, the subsidiary Sparia AB was liquidated, which resulted in income of SEK 40m, and condominium rights were sold for SEK 1m.

### Cash and cash equivalents

Cash and cash equivalents consist of cash and balances with central banks, which correspond to the balance sheet item Cash and balances with central banks. Cash and cash equivalents in the statement of cash flow are defined according to IAS 7 and do not correspond to what the Group considers liquidity.
Swedbank Annual Report 2015

NOTES, PARENT COMPANY

P1 Accounting policies

BASIS OF ACCOUNTING
As a rule, the parent company follows IFRS and the accounting principles applied in the consolidated financial statements, as reported on pages 67–74. In addition, the parent company is required to consider and prepare its annual report in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies, the regulations and general advice of the Swedish Financial Supervisory Authority FFFS 2008:25 and recommendation RFR 2 Reporting for Legal Entities issued by the Swedish Financial Reporting Board. The parent company’s annual report is therefore prepared in accordance with IFRS to the extent the standards are compatible with the Annual Accounts Act for Credit Institutions and Securities Companies, RFR 2 and the Swedish Financial Supervisory Authority regulations. The most significant differences in principle between the parent company’s accounting and the Group’s accounting policies relate to the recognition of:

• the currency component in currency hedges of investments in foreign subsidiaries and associates
• goodwill and internally generated intangible assets
• finance leases
• untaxed reserves and Group contributions, and
• operating segments

The headings in the financial statements follow the Annual Accounts Act for Credit Institutions and Securities Companies and the Swedish Financial Supervisory Authority’s regulations, due to which they differ in certain cases from the headings in the Group’s accounts.

CHANGES IN ACCOUNTING POLICIES
No new or amended IFRS, interpretations or other regulatory changes have been applied or had a significant effect on the parent company’s financial position, results or disclosures.

SIGNIFICANT DIFFERENCES IN THE PARENT COMPANY’S ACCOUNTING POLICIES COMPARED WITH THE GROUP’S ACCOUNTING POLICIES

Hedging of net investment in foreign operations
The currency component of liabilities that constitute currency hedges of net investments in foreign subsidiaries and associates is valued in the parent company at cost.

Subsidiaries
Investments in subsidiaries are recognised according to the acquisition cost method. The investments’ value is tested for impairment if there is any indication of diminished value. In cases where the value has decreased, it is written down to its value at the Group level. All dividends received are recognised through profit and loss.

Intangible assets
The parent company amortises goodwill systematically based on estimated useful life. All expenditures, including for development, which are attributable to internally generated intangible assets are expensed through profit and loss.

Leasing equipment
The parent company recognises finance leases as operating leases. This means that the assets are recognised as equipment with depreciation within depreciation/amortisation of tangible and intangible assets. Rent income is recognised as leasing income within net interest income.

Pensions
The parent company recognises pension costs for Swedish defined benefit pension plans according to the Act on Safeguarding Pension Benefits, which means that they are recognised as defined contribution plans. Premiums paid to defined contribution plans are expensed when an employee has rendered his/her services.

Untaxed reserves and Group contributions
Due to the connection between reporting and taxation, the deferred tax liability attributable to untaxed reserves is not recognised separately in the parent company. The reserves are instead recognised, gross, in the balance sheet and income statement. Group contributions received are recognised through profit and loss.

Operating segments
The parent company does not provide segment information, which is provided in the Group. A geographical distribution of revenue is reported, however.

Notes
All amounts in the notes are in millions of Swedish kronor (SEKm) and represent carrying amounts unless indicated otherwise. Figures in parentheses refer to the previous year.
P2 Risks

Swedbank’s risk management is described in note G3. Specific information on the parent company’s risks is presented in the following tables.

Credit risks

<table>
<thead>
<tr>
<th>Impaired, past due and foreborne loans</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impaired loans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carrying amount before provisions</td>
<td>2 473</td>
<td>1 455</td>
</tr>
<tr>
<td>Provisions</td>
<td>1 210</td>
<td>679</td>
</tr>
<tr>
<td>Carrying amount after provisions</td>
<td>1 263</td>
<td>776</td>
</tr>
<tr>
<td>Share of impaired loans, net %</td>
<td>0.33</td>
<td>0.24</td>
</tr>
<tr>
<td>Share of impaired loans, gross %</td>
<td>0.64</td>
<td>0.44</td>
</tr>
<tr>
<td>Carrying amount of impaired loans that returned to a status as normal during the period</td>
<td></td>
<td>504</td>
</tr>
<tr>
<td>Fully collateralized loans with incurred loss event</td>
<td></td>
<td>67</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Past due loans that are not impaired Valuation category, loans and receivables</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans with past due amount, 5–30 days</td>
<td>203</td>
<td>45</td>
</tr>
<tr>
<td>31–60 days</td>
<td>242</td>
<td>204</td>
</tr>
<tr>
<td>61–90 days</td>
<td>234</td>
<td>421</td>
</tr>
<tr>
<td>more than 90 days</td>
<td>69</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>748</td>
<td>670</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Foreborne loans</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performing</td>
<td>4 675</td>
<td></td>
</tr>
<tr>
<td>Non-performing</td>
<td>1 143</td>
<td></td>
</tr>
</tbody>
</table>

Impaired loans are loans for which it is likely that payments will not be fulfilled in accordance with the terms of the contract. A loan is not impaired if there is collateral which covers capital, interest and fees for any delays by a satisfactory margin. Provisions for impaired loans as well as other elements of lending where losses have occurred but individual claims have not yet been identified are specified above. Loss events include non-payments or delayed payments where it is likely the borrower will become bankrupt and domestic or local economic conditions that are tied to non-payments, such as declines in asset values. The carrying amount of impaired loans largely corresponds to the value of collateral in cases where collateral exists. Forborne loans refer to loans where a change has been made to the terms of the contract as a result of the customer’s reduced ability to pay.

Provisions

<table>
<thead>
<tr>
<th>Provisions</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>New provisions</td>
<td>699</td>
<td>364</td>
</tr>
<tr>
<td>Recoveries of provisions</td>
<td>-119</td>
<td>-124</td>
</tr>
<tr>
<td>Utilisation of previous provisions</td>
<td>-178</td>
<td>-237</td>
</tr>
<tr>
<td>Portfolio provisions for loans that are not impaired</td>
<td>-35</td>
<td>-74</td>
</tr>
<tr>
<td>Change in exchange rates and other adjustments</td>
<td>246</td>
<td>-105</td>
</tr>
<tr>
<td>Total provision ratio for impaired loans, % (Including portfolio provision in relation to loans that individually are assessed as impaired)</td>
<td>68</td>
<td>76</td>
</tr>
<tr>
<td>Provision ratio for individually assessed impaired loans, %</td>
<td>49</td>
<td>47</td>
</tr>
</tbody>
</table>

Concentration risk, customer exposure

At end of 2015 the Group did not have any exposures against single counterparties that exceeded 10 per cent of the capital base.

Collateral that can be sold or pledged even if the counterparty fulfills its contractual obligations

When it grants repos, the parent company receives securities that can be sold or pledged. The fair value of these securities covers the carrying amount of the repos. The parent company also receives collateral in the form of securities that can be sold or pledged for derivatives and other exposures. The fair value of such collateral as of year-end amounted to SEK 1 989m (1 829). None of this collateral has been sold or pledged.
Liquidity risks

In the summary of maturities, undiscounted contractual cash flows are distributed on the basis of remaining maturities until the agreed time of maturity. For lending to the public, amortising loans are distributed based on the amortisation schedule. Liabilities whose repayment date may depend on various options have been distributed based on the earliest date on which repayment could be demanded. Differences between nominal amount and carrying amount, discounted cash flows, are reported together with items without an agreed maturity date where the anticipated realisation date has not been determined in the column No maturity/discount effect.

### Swedbank Annual Report 2015

#### Undiscounted contractual cash flows

<table>
<thead>
<tr>
<th>Remaining maturity 2015</th>
<th>Payable on demand</th>
<th>No maturity/discount effect</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt; 3 mths.</td>
<td>3 mths.–1 yr.</td>
<td>1–5 yrs.</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and balances with central banks</td>
<td>131 859</td>
<td>131 859</td>
<td></td>
</tr>
<tr>
<td>Treasury bills and other bills eligible for refinancing with central banks</td>
<td>45 744</td>
<td>8 005</td>
<td>11 492</td>
</tr>
<tr>
<td>Loans to credit institutions</td>
<td>5 010</td>
<td>73 161</td>
<td>326 432</td>
</tr>
<tr>
<td>Loans to the public</td>
<td>63 006</td>
<td>88 834</td>
<td>214 207</td>
</tr>
<tr>
<td>Bonds and other interest-bearing securities</td>
<td>5 938</td>
<td>36 415</td>
<td>41 406</td>
</tr>
<tr>
<td>Shares and participating interests</td>
<td>70 325</td>
<td>70 325</td>
<td></td>
</tr>
<tr>
<td>Derivatives</td>
<td>22 313</td>
<td>27 568</td>
<td>37 967</td>
</tr>
<tr>
<td>Intangible fixed assets</td>
<td>900</td>
<td>900</td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>13 482</td>
<td>13 482</td>
<td></td>
</tr>
<tr>
<td>Other assets</td>
<td>15 347</td>
<td>2 241</td>
<td>7 625</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>136 069</td>
<td>225 509</td>
<td>499 495</td>
</tr>
</tbody>
</table>

#### Undiscounted contractual cash flows

<table>
<thead>
<tr>
<th>Remaining maturity 2014</th>
<th>Payable on demand</th>
<th>No maturity/discount effect</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt; 3 mths.</td>
<td>3 mths.–1 yr.</td>
<td>1–5 yrs.</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and balances with central banks</td>
<td>73 802</td>
<td>73 802</td>
<td></td>
</tr>
<tr>
<td>Treasury bills and other bills eligible for refinancing with central banks</td>
<td>12 659</td>
<td>4 336</td>
<td>13 184</td>
</tr>
<tr>
<td>Loans to credit institutions</td>
<td>1 488</td>
<td>134 535</td>
<td>277 558</td>
</tr>
<tr>
<td>Loans to the public</td>
<td>126 182</td>
<td>85 818</td>
<td>166 262</td>
</tr>
<tr>
<td>Bonds and other interest-bearing securities</td>
<td>13 433</td>
<td>31 043</td>
<td>66 949</td>
</tr>
<tr>
<td>Shares and participating interests</td>
<td>69 971</td>
<td>69 971</td>
<td></td>
</tr>
<tr>
<td>Derivatives</td>
<td>34 689</td>
<td>31 674</td>
<td>64 120</td>
</tr>
<tr>
<td>Intangible fixed assets</td>
<td>1 285</td>
<td>1 285</td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>12 900</td>
<td>12 900</td>
<td></td>
</tr>
<tr>
<td>Other assets</td>
<td>14 209</td>
<td>2 133</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>75 290</td>
<td>335 707</td>
<td>432 562</td>
</tr>
</tbody>
</table>

The large part of deposits from the public is contractually payable on demand. Despite the contractual terms, the deposits are essentially a stable and a long-term source of funding.
## Debt securities in issue

<table>
<thead>
<tr>
<th>Turnover during the year</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial paper</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td>193,215</td>
<td>100,130</td>
</tr>
<tr>
<td>Issued</td>
<td>934,511</td>
<td>718,031</td>
</tr>
<tr>
<td>Repaid</td>
<td>-1,017,532</td>
<td>-641,526</td>
</tr>
<tr>
<td>Change in exchange rates</td>
<td>-3,383</td>
<td>16,980</td>
</tr>
<tr>
<td>Closing balance</td>
<td>106,811</td>
<td>193,215</td>
</tr>
<tr>
<td>Bond loans with state guarantee</td>
<td>8,581</td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repaid</td>
<td>-8,089</td>
<td></td>
</tr>
<tr>
<td>Change in market values</td>
<td>-618</td>
<td></td>
</tr>
<tr>
<td>Change in exchange rates</td>
<td>126</td>
<td></td>
</tr>
<tr>
<td>Closing balance</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

### Other interest-bearing bond loans

<table>
<thead>
<tr>
<th>Turnover during the year</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>113,557</td>
<td>92,213</td>
</tr>
<tr>
<td>Issued</td>
<td>64,805</td>
<td>17,356</td>
</tr>
<tr>
<td>Repurchased</td>
<td>-837</td>
<td>-995</td>
</tr>
<tr>
<td>Repaid</td>
<td>-23,861</td>
<td>-4,847</td>
</tr>
<tr>
<td>Change in market values</td>
<td>1,821</td>
<td>-835</td>
</tr>
<tr>
<td>Change in exchange rates</td>
<td>-1,012</td>
<td>8,657</td>
</tr>
<tr>
<td>Closing balance</td>
<td>154,473</td>
<td>111,529</td>
</tr>
</tbody>
</table>

### Structured products

<table>
<thead>
<tr>
<th>Turnover during the year</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>13,297</td>
<td>13,681</td>
</tr>
<tr>
<td>Issued</td>
<td>6,687</td>
<td>4,803</td>
</tr>
<tr>
<td>Repaid</td>
<td>-3,854</td>
<td>-5,110</td>
</tr>
<tr>
<td>Change in market values</td>
<td>-3,854</td>
<td>-5,110</td>
</tr>
<tr>
<td>Closing balance</td>
<td>14,561</td>
<td>13,297</td>
</tr>
<tr>
<td>Total debt securities in issue</td>
<td>275,845</td>
<td>318,041</td>
</tr>
</tbody>
</table>

## Market risks

### Interest rate risks

#### Change in value if the market interest rate rises by one percentage point

The impact on the value of assets and liabilities, including derivatives, when market interest rates rise by one percentage point.

<table>
<thead>
<tr>
<th>2015</th>
<th>&lt; 3 mths.</th>
<th>3–6 mths.</th>
<th>6–12 mths.</th>
<th>1–2 yrs.</th>
<th>2–3 yrs.</th>
<th>3–4 yrs.</th>
<th>4–5 yrs.</th>
<th>5–10 yrs.</th>
<th>&gt; 10 yrs.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEK</td>
<td>-563</td>
<td>-184</td>
<td>333</td>
<td>-176</td>
<td>68</td>
<td>10</td>
<td>-51</td>
<td>-25</td>
<td>-35</td>
<td>-623</td>
</tr>
<tr>
<td>Foreign currency</td>
<td>900</td>
<td>295</td>
<td>54</td>
<td>-52</td>
<td>6</td>
<td>-23</td>
<td>208</td>
<td>-29</td>
<td>70</td>
<td>1,429</td>
</tr>
<tr>
<td>Total</td>
<td>337</td>
<td>111</td>
<td>387</td>
<td>-228</td>
<td>74</td>
<td>-13</td>
<td>157</td>
<td>-54</td>
<td>35</td>
<td>806</td>
</tr>
</tbody>
</table>

of which financial instruments measured at fair value through profit or loss

<table>
<thead>
<tr>
<th>2015</th>
<th>&lt; 3 mths.</th>
<th>3–6 mths.</th>
<th>6–12 mths.</th>
<th>1–2 yrs.</th>
<th>2–3 yrs.</th>
<th>3–4 yrs.</th>
<th>4–5 yrs. s</th>
<th>5–10 yrs.</th>
<th>&gt; 10 yrs.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEK</td>
<td>-90</td>
<td>-147</td>
<td>127</td>
<td>-103</td>
<td>8</td>
<td>3</td>
<td>-9</td>
<td>50</td>
<td>-49</td>
<td>-210</td>
</tr>
<tr>
<td>Foreign currency</td>
<td>605</td>
<td>280</td>
<td>66</td>
<td>-43</td>
<td>16</td>
<td>7</td>
<td>227</td>
<td>-12</td>
<td>72</td>
<td>1,218</td>
</tr>
<tr>
<td>Total</td>
<td>615</td>
<td>133</td>
<td>193</td>
<td>-146</td>
<td>24</td>
<td>10</td>
<td>218</td>
<td>38</td>
<td>23</td>
<td>1,008</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2014</th>
<th>&lt; 3 mths.</th>
<th>3–6 mths.</th>
<th>6–12 mths.</th>
<th>1–2 yrs.</th>
<th>2–3 yrs.</th>
<th>3–4 yrs.</th>
<th>4–5 yrs.</th>
<th>5–10 yrs.</th>
<th>&gt; 10 yrs.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEK</td>
<td>-448</td>
<td>212</td>
<td>-320</td>
<td>-63</td>
<td>83</td>
<td>212</td>
<td>-353</td>
<td>106</td>
<td>-112</td>
<td>-683</td>
</tr>
<tr>
<td>Foreign currency</td>
<td>128</td>
<td>60</td>
<td>21</td>
<td>-10</td>
<td>2</td>
<td>8</td>
<td>26</td>
<td>-5</td>
<td>257</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>-320</td>
<td>272</td>
<td>-299</td>
<td>-73</td>
<td>85</td>
<td>239</td>
<td>-345</td>
<td>132</td>
<td>-117</td>
<td>-426</td>
</tr>
</tbody>
</table>

of which financial instruments measured at fair value through profit or loss

<table>
<thead>
<tr>
<th>2014</th>
<th>&lt; 3 mths.</th>
<th>3–6 mths.</th>
<th>6–12 mths.</th>
<th>1–2 yrs.</th>
<th>2–3 yrs.</th>
<th>3–4 yrs.</th>
<th>4–5 yrs.</th>
<th>5–10 yrs.</th>
<th>&gt; 10 yrs.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEK</td>
<td>-1,312</td>
<td>892</td>
<td>-1,157</td>
<td>65</td>
<td>719</td>
<td>1,005</td>
<td>-67</td>
<td>-1,414</td>
<td>877</td>
<td>-392</td>
</tr>
<tr>
<td>Foreign currency</td>
<td>6</td>
<td>27</td>
<td>32</td>
<td>-6</td>
<td>5</td>
<td>19</td>
<td>7</td>
<td>27</td>
<td>-2</td>
<td>115</td>
</tr>
<tr>
<td>Total</td>
<td>-1,306</td>
<td>919</td>
<td>-1,125</td>
<td>59</td>
<td>724</td>
<td>1,024</td>
<td>-60</td>
<td>-1,387</td>
<td>875</td>
<td>-277</td>
</tr>
</tbody>
</table>
Currency risks

<table>
<thead>
<tr>
<th>Currency distribution</th>
<th>2015</th>
<th>SEK</th>
<th>EUR</th>
<th>USD</th>
<th>GBP</th>
<th>DKK</th>
<th>NOK</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and balances with central banks</td>
<td>244</td>
<td>13 874</td>
<td>112 678</td>
<td>307</td>
<td>4 704</td>
<td>52</td>
<td>131 859</td>
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<td>410</td>
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<td>27 065</td>
<td>4 554</td>
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<td>9 512</td>
<td>12 136</td>
<td>113</td>
<td>8 736</td>
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<td></td>
<td>157 411</td>
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<tr>
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<td></td>
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<td></td>
<td>208 220</td>
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<td><strong>Total</strong></td>
<td></td>
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<td>69 202</td>
<td>165 181</td>
<td>1 749</td>
<td>5 453</td>
<td>43 491</td>
<td>11 257</td>
<td>1 339 068</td>
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<td><strong>Liabilities</strong></td>
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<td>Amounts owed to credit institutions</td>
<td>156 547</td>
<td>14 825</td>
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<td>1 230</td>
<td>9 227</td>
<td>2 902</td>
<td>220 983</td>
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<td>Deposits and borrowings from the public</td>
<td>544 371</td>
<td>8 387</td>
<td>40 345</td>
<td>600</td>
<td>1 295</td>
<td>3 275</td>
<td>1 203</td>
<td>599 476</td>
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<td>Debt securities in issue and subordinated liabilities</td>
<td>39 441</td>
<td>87 787</td>
<td>148 107</td>
<td>16 544</td>
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<td>6 714</td>
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<td>Other liabilities, not distributed</td>
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<td><strong>Total</strong></td>
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<td>958 511</td>
<td>110 999</td>
<td>222 537</td>
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<td>2 525</td>
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<td>Other assets and liabilities, including positions in derivatives</td>
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<td>-57 376</td>
<td>-17 586</td>
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<td><strong>Net position in currency</strong></td>
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<td>16</td>
<td>194</td>
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<th>EUR</th>
<th>USD</th>
<th>GBP</th>
<th>LTL</th>
<th>DKK</th>
<th>NOK</th>
<th>Other</th>
<th>Total</th>
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<tr>
<td>Cash and balances with central banks</td>
<td>332</td>
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<td>311</td>
<td>4 105</td>
<td>675</td>
<td>73 802</td>
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<tr>
<td>Loans to credit institutions</td>
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<td>25 824</td>
<td>4 211</td>
<td>321</td>
<td>62</td>
<td>1 944</td>
<td>192</td>
<td>435 979</td>
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<tr>
<td>Loans to the public</td>
<td>330 803</td>
<td>24 839</td>
<td>40 636</td>
<td>1 489</td>
<td>4 606</td>
<td>24 814</td>
<td>5 692</td>
<td>432 879</td>
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<td></td>
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<tr>
<td>Interest-bearing securities</td>
<td>115 569</td>
<td>16 616</td>
<td>16 788</td>
<td>75</td>
<td>10 973</td>
<td></td>
<td></td>
<td>160 021</td>
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<tr>
<td>Other assets, not distributed</td>
<td>243 823</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>243 823</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td>1 093 941</td>
<td>67 280</td>
<td>130 013</td>
<td>1 885</td>
<td>4 979</td>
<td>41 836</td>
<td>6 559</td>
<td>1 346 504</td>
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<tr>
<td><strong>Liabilities</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Amounts owed to credit institutions</td>
<td>157 657</td>
<td>21 845</td>
<td>35 165</td>
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<td>2 786</td>
<td>25</td>
<td>222 569</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits and borrowings from the public</td>
<td>495 687</td>
<td>8 111</td>
<td>21 421</td>
<td>419</td>
<td>977</td>
<td>3 495</td>
<td>2 008</td>
<td>532 118</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt securities in issue and subordinated liabilities</td>
<td>41 017</td>
<td>77 500</td>
<td>196 800</td>
<td>17 029</td>
<td>2 436</td>
<td>1 269</td>
<td>336 051</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Other liabilities, not distributed</td>
<td>179 784</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>179 784</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>950 127</td>
<td>107 456</td>
<td>253 386</td>
<td>21 295</td>
<td>2 221</td>
<td>8 717</td>
<td>3 302</td>
<td>1 346 504</td>
<td></td>
</tr>
<tr>
<td>Other assets and liabilities, including positions in derivatives</td>
<td>36 236</td>
<td>123 227</td>
<td>19 387</td>
<td>13 570</td>
<td>-2 752</td>
<td>-32 894</td>
<td>-3 257</td>
<td>9 703</td>
<td></td>
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</tbody>
</table>
P3 Capital adequacy analysis

Swedbank’s legal capital requirement is based on CRR, but is more specifically limited by the Basel 1 floor within CRR. The SFSA has clarified that the Basel 1 floor, i.e. 80% of the capital requirement according to Basel 1, will remain in effect for Swedish banks. The capital requirement for the parent company calculated according to CRR exceeds the capital requirement according to the Basel 1 floor. For the parent company, the Basel 1 floor therefore does not represent a minimum requirement. The parent company calculates an internally estimated capital requirement. As of 31 December 2015 the internal capital requirement amounted to SEK 27.1bn. The capital base amounted to SEK 92.1bn.

Capital adequacy

<table>
<thead>
<tr>
<th>Parent company</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders’ equity according to the Group’s balance sheet</td>
<td>77 382</td>
<td>75 982</td>
</tr>
<tr>
<td>Anticipated dividend</td>
<td>–11 828</td>
<td>–12 511</td>
</tr>
<tr>
<td>Share of capital of accrued reserve</td>
<td>4 273</td>
<td>4 206</td>
</tr>
<tr>
<td>Value changes in own financial liabilities</td>
<td>–56</td>
<td>–17</td>
</tr>
<tr>
<td>Cash flow hedges</td>
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<tr>
<td>Additional value adjustments</td>
<td>–452</td>
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</tr>
<tr>
<td>Goodwill</td>
<td>–42</td>
<td>–769</td>
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<tr>
<td>Intangible assets after deferred tax liabilities</td>
<td>–424</td>
<td>–463</td>
</tr>
<tr>
<td>Net provisions for reported IRB credit exposures</td>
<td>–210</td>
<td>–570</td>
</tr>
<tr>
<td>Shares deducted from CET1 capital</td>
<td>–42</td>
<td>–410</td>
</tr>
<tr>
<td>Common Equity Tier 1 capital</td>
<td>68 222</td>
<td>65 453</td>
</tr>
<tr>
<td>Total Tier 1 capital</td>
<td>78 836</td>
<td>70 442</td>
</tr>
<tr>
<td>Tier 2 capital</td>
<td>13 249</td>
<td>12 402</td>
</tr>
<tr>
<td>Total capital</td>
<td>92 085</td>
<td>82 844</td>
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</table>

Minimum capital requirement for credit risks, standardised approach

<table>
<thead>
<tr>
<th>Parent company</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum capital requirement for credit risks, standardised approach</td>
<td>7 027</td>
<td>7 176</td>
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</table>

Minimum capital requirement for credit risks, IRB

<table>
<thead>
<tr>
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<th>2014</th>
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</thead>
<tbody>
<tr>
<td>Minimum capital requirement for credit risks, IRB</td>
<td>12 900</td>
<td>13 609</td>
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</table>

Minimum capital requirement for market risks

<table>
<thead>
<tr>
<th>Parent company</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum capital requirement for market risks</td>
<td>820</td>
<td>1 480</td>
</tr>
<tr>
<td>Trading book</td>
<td>812</td>
<td>1 273</td>
</tr>
<tr>
<td>of which VaR and SVaR</td>
<td>527</td>
<td>709</td>
</tr>
<tr>
<td>of which risks outside VaR and SVaR</td>
<td>285</td>
<td>564</td>
</tr>
<tr>
<td>FX risk other operations</td>
<td>8</td>
<td>207</td>
</tr>
<tr>
<td>Minimum capital requirement for credit value adjustment</td>
<td>590</td>
<td>587</td>
</tr>
<tr>
<td>Minimum capital requirement for operational risks</td>
<td>3 053</td>
<td>2 736</td>
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Minimum capital requirement

<table>
<thead>
<tr>
<th>Parent company</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum capital requirement</td>
<td>24 395</td>
<td>25 593</td>
</tr>
<tr>
<td>Risk exposure amount credit risks</td>
<td>249 147</td>
<td>259 849</td>
</tr>
<tr>
<td>Risk exposure amount settlement risks</td>
<td>7</td>
<td>29</td>
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<tr>
<td>Risk exposure amount market risks</td>
<td>10 245</td>
<td>18 497</td>
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<tr>
<td>Risk exposure amount credit value adjustment</td>
<td>7 383</td>
<td>7 333</td>
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<tr>
<td>Risk exposure amount operational risks</td>
<td>38 161</td>
<td>34 200</td>
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</table>

Minimum capital requirement for operational risks

<table>
<thead>
<tr>
<th>Parent company</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum capital requirement for operational risks</td>
<td>304 943</td>
<td>319 908</td>
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</table>

Common Equity Tier 1 capital ratio, %

<table>
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<tr>
<th>Parent company</th>
<th>22.4</th>
<th>20.5</th>
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<tr>
<td>Tier 1 capital ratio, %</td>
<td>25.9</td>
<td>22.0</td>
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<tr>
<td>Total capital ratio, %</td>
<td>30.2</td>
<td>25.9</td>
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Capital adequacy Basel 1 floor

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<tbody>
<tr>
<td>Capital requirement Basel 1 floor</td>
<td>26 021</td>
<td>28 135</td>
</tr>
<tr>
<td>Own funds Basel 3 adjusted according to rules for Basel 1 floor</td>
<td>92 538</td>
<td>83 414</td>
</tr>
<tr>
<td>Surplus of capital according to Basel 1 floor</td>
<td>66 517</td>
<td>55 279</td>
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</table>

Capital buffer requirement

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<tr>
<th>Parent company</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>CET1 capital requirement including buffer requirements</td>
<td>7.9</td>
<td>7.0</td>
</tr>
<tr>
<td>of which minimum CET1 requirement</td>
<td>4.5</td>
<td>4.5</td>
</tr>
<tr>
<td>of which capital conservation buffer</td>
<td>2.5</td>
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<tr>
<td>of which countercyclical capital buffer</td>
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<tr>
<td>CET1 capital available to meet buffer requirement</td>
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<td>16.0</td>
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Leverage ratio

<table>
<thead>
<tr>
<th>Parent company</th>
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</thead>
<tbody>
<tr>
<td>Tier 1 Capital, SEKm</td>
<td>78 836</td>
<td>70 442</td>
</tr>
<tr>
<td>Total exposure, SEKm</td>
<td>1 986 593</td>
<td>1 960 610</td>
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<tr>
<td>Leverage ratio, %</td>
<td>4.0</td>
<td>3.6</td>
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<tr>
<td>Total exposure taking into account CRR article 429.7, SEKm²</td>
<td>1 094 371</td>
<td>1 130 494</td>
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Minimum capital requirement for credit risks

<table>
<thead>
<tr>
<th>Parent company</th>
<th>2015</th>
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<tbody>
<tr>
<td>Institutional exposures</td>
<td>113 117</td>
<td>16 1 418</td>
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<tr>
<td>Corporate exposures</td>
<td>379 982</td>
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<tr>
<td>Retail exposures</td>
<td>88 687</td>
<td>24 1 714</td>
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<tr>
<td>Securitisation</td>
<td>160</td>
<td>8 1</td>
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<tr>
<td>Non credit obligation</td>
<td>58 983</td>
<td>9 438</td>
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<tr>
<td>Total credit risks, IRB</td>
<td>640 929</td>
<td>25 12 900</td>
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<tr>
<td>Credit risks, standardised approach</td>
<td>1 227 832</td>
<td>7 1 072</td>
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<tr>
<td>Total</td>
<td>1 868 761</td>
<td>22 19 927</td>
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</table>

1) Adjustment due to the implementation of EBA’s technical standards on prudent valuation. The objective of these standards is to determine prudent values of fair valued positions.
2) Total minimum capital requirement under Pillar 1 i.e. 8% of total risk exposure amount.
3) Buffer requirement according to Swedish implementation of CRD IV.
4) CET1 capital ratio as reported less minimum requirement of 4.5% (excluding buffer requirements) and less any CET1 items used to meet the Tier 1 and total capital requirements.
5) Basel 1 floor based on the higher of the Basel 3 capital requirement and 80% of Basel 1 capital requirement. In the latter case the own funds is adjusted according to CRR article 500.4.
6) Calculated according to applicable regulation on each reporting date.
7) Taking into account potential exemption according to CRR article 429.7 excluding certain intragroup exposures.
### Minimum capital requirements for market risks

<table>
<thead>
<tr>
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<th>Parent company</th>
<th>Parent company 2015</th>
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<tbody>
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<td></td>
<td>2015</td>
<td>2014</td>
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<td>Interest rate risk</td>
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<tr>
<td>of which for specific risk</td>
<td>283</td>
<td>556</td>
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<tr>
<td>of which for general risk</td>
<td>527</td>
<td>709</td>
</tr>
<tr>
<td>Equity risk</td>
<td>195</td>
<td>126</td>
</tr>
<tr>
<td>of which for specific risk</td>
<td>195</td>
<td>126</td>
</tr>
<tr>
<td>Currency risk in trading book</td>
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<td>170</td>
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<tr>
<td>Commodity risk</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>812</strong></td>
<td><strong>1,273</strong></td>
</tr>
<tr>
<td>of which stressed VaR</td>
<td>351</td>
<td>504</td>
</tr>
<tr>
<td><strong>Currency risk outside trading book</strong></td>
<td><strong>8</strong></td>
<td><strong>207</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>820</strong></td>
<td><strong>1,480</strong></td>
</tr>
</tbody>
</table>

1) Total minimum capital requirement under Pillar 1 i.e. 8% of total risk exposure amount.

2) The parent company’s capital requirement for general interest-rate risk, equity risk and currency risk in the trading book are calculated in accordance with the VaR model.

### Minimum capital requirement for operational risks

<table>
<thead>
<tr>
<th></th>
<th>Parent company</th>
<th>Parent company 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2014</td>
</tr>
<tr>
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<td>2,736</td>
</tr>
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<td>of which trading and sales</td>
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<td>517</td>
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<tr>
<td>of which retail banking</td>
<td>1,740</td>
<td>1,501</td>
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<tr>
<td>of which commercial banking</td>
<td>565</td>
<td>503</td>
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<tr>
<td>of which payment and settlement</td>
<td>156</td>
<td>162</td>
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<tr>
<td>of which retail brokerage</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>of which agency services</td>
<td>21</td>
<td>17</td>
</tr>
<tr>
<td>of which asset management</td>
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<td>0</td>
</tr>
<tr>
<td>of which corporate finance</td>
<td>48</td>
<td>32</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,053</strong></td>
<td><strong>2,736</strong></td>
</tr>
</tbody>
</table>

1) Capital requirement for operational risks are calculated according to standardised approach.

### Risk exposure amount and minimum capital requirement

<table>
<thead>
<tr>
<th>Risk category</th>
<th>Parent company 2015</th>
<th>Parent company 2015</th>
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</thead>
<tbody>
<tr>
<td>Credit risks, STD</td>
<td>87,832</td>
<td>7,027</td>
</tr>
<tr>
<td>Central government or central banks exposures</td>
<td>96</td>
<td>8</td>
</tr>
<tr>
<td>Regional governments or local authorities exposures</td>
<td>59</td>
<td>5</td>
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<tr>
<td>Public sector entities exposures</td>
<td>44</td>
<td>4</td>
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<tr>
<td>Institutional exposures</td>
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<td>Corporate exposures</td>
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<td>Retail exposures</td>
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<td>Exposures secured by mortgages on immovable property</td>
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<td>Exposures in default</td>
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<td>Equity exposures</td>
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<td>Other items</td>
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<tr>
<td>Credit risks, IRB</td>
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<td>Institutional exposures</td>
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<td>Corporate exposures</td>
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<td>Retail exposures</td>
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<td>of which mortgage lending</td>
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<td>of which other lending</td>
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<td>Credit risks, default fund contribution</td>
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<tr>
<td>of which VaR and SVaR</td>
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<tr>
<td>of which risks outside VaR and SVaR</td>
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<td>FX risk other operations</td>
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<td>Credit value adjustment</td>
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<td>590</td>
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<td>Operational risks</td>
<td>38,161</td>
<td>3,053</td>
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<tr>
<td>of which standardised approach</td>
<td>38,161</td>
<td>3,053</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>304,943</strong></td>
<td><strong>24,395</strong></td>
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</table>

1) Total minimum capital requirement under Pillar 1 i.e. 8% of total risk exposure amount.
P4 Geographical distribution of revenue

<table>
<thead>
<tr>
<th></th>
<th>Sweden</th>
<th>Norway</th>
<th>Denmark</th>
<th>Finland</th>
<th>USA</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>8 792</td>
<td>1 891</td>
<td>56</td>
<td>204</td>
<td>884</td>
<td>173</td>
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<td>Leasing income</td>
<td>3 875</td>
<td>3 875</td>
<td>12 918</td>
<td>8 927</td>
<td>12 918</td>
<td>9 575</td>
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<tr>
<td>Dividends received</td>
<td>2 524</td>
<td>4</td>
<td>-1 691</td>
<td>97</td>
<td>38</td>
<td>38</td>
<td></td>
</tr>
<tr>
<td>Net gains and losses on financial items at fair value</td>
<td>2 524</td>
<td>4</td>
<td>-1 691</td>
<td>97</td>
<td>38</td>
<td>38</td>
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<tr>
<td>Other income</td>
<td>1 254</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>2 591</td>
<td>39 921</td>
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<tr>
<td>Total</td>
<td>30 290</td>
<td>669</td>
<td>73</td>
<td>-182</td>
<td>928</td>
<td>143</td>
<td>39 921</td>
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2014

<table>
<thead>
<tr>
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<th>USA</th>
<th>Other</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>14 079</td>
<td>1 766</td>
<td>46</td>
<td>298</td>
<td>655</td>
<td>164</td>
<td>17 008</td>
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<tr>
<td>Leasing income</td>
<td>4 222</td>
<td>4 222</td>
<td>22 131</td>
<td>8 922</td>
<td>8 922</td>
<td>9 338</td>
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<tr>
<td>Dividends received</td>
<td>350</td>
<td>760</td>
<td>4</td>
<td>-186</td>
<td>51</td>
<td>979</td>
<td></td>
</tr>
<tr>
<td>Net gains and losses on financial items at fair value</td>
<td>350</td>
<td>760</td>
<td>4</td>
<td>-186</td>
<td>51</td>
<td>979</td>
<td></td>
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<tr>
<td>Other income</td>
<td>1 283</td>
<td>3 1 1</td>
<td>1</td>
<td>1</td>
<td>2 888</td>
<td>54 966</td>
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<tr>
<td>Total</td>
<td>50 657</td>
<td>3 115</td>
<td>62</td>
<td>203</td>
<td>680</td>
<td>248</td>
<td>54 966</td>
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The geographical distribution has been allocated to the country where the business was carried out.

P5 Net interest income

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<thead>
<tr>
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<tbody>
<tr>
<td>Interest income</td>
<td>12 000</td>
<td>17 008</td>
</tr>
<tr>
<td>Leasing income</td>
<td>3 875</td>
<td>4 222</td>
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<tr>
<td>Interest expenses</td>
<td>3 702</td>
<td>6 958</td>
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Net interest income before depreciation for financial leases

<table>
<thead>
<tr>
<th></th>
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<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>12 173</td>
<td>14 272</td>
</tr>
<tr>
<td>Leasing income</td>
<td>3 627</td>
<td>3 885</td>
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Net interest income after depreciation for financial leases

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>8 546</td>
<td>10 387</td>
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Analysis

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<tr>
<td>Interest income/ expense</td>
<td>1 034 341</td>
<td>1 294 084</td>
</tr>
<tr>
<td>Average annual interest rate, %</td>
<td>12 875</td>
<td>15 875</td>
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Net interest income before depreciation for financial leases

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>1 293 076</td>
<td>21 230</td>
</tr>
<tr>
<td>Leasing income</td>
<td>275 238</td>
<td>4 375</td>
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</table>

Net interest income after depreciation for financial leases

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>1 293 076</td>
<td>21 230</td>
</tr>
</tbody>
</table>

Net interest margin

<table>
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<tr>
<td>Interest income</td>
<td>0,83</td>
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### P6 Dividends received

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</thead>
<tbody>
<tr>
<td>Shares and participating interests</td>
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<td>303</td>
</tr>
<tr>
<td>Investments in associates</td>
<td>53</td>
<td>390</td>
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<tr>
<td>Investments in Group entities</td>
<td>12 543</td>
<td>21 448</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>12 918</strong></td>
<td><strong>22 131</strong></td>
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<tr>
<td>1) of which, through Group contributions</td>
<td>7 624</td>
<td>9 608</td>
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### P7 Net commissions

#### Commission income

<table>
<thead>
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<tr>
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<td>1 112</td>
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<tr>
<td>Cards</td>
<td>3 609</td>
<td>3 207</td>
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<tr>
<td>Service concepts</td>
<td>495</td>
<td>490</td>
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<tr>
<td>Asset management</td>
<td>1 617</td>
<td>1 590</td>
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<tr>
<td>Life insurance</td>
<td>437</td>
<td>436</td>
</tr>
<tr>
<td>Brokerage</td>
<td>513</td>
<td>536</td>
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<tr>
<td>Other securities</td>
<td>69</td>
<td>60</td>
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<tr>
<td>Corporate finance</td>
<td>242</td>
<td>464</td>
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<tr>
<td>Lending</td>
<td>819</td>
<td>742</td>
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<tr>
<td>Guarantee</td>
<td>151</td>
<td>140</td>
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<tr>
<td>Deposits</td>
<td>55</td>
<td>51</td>
</tr>
<tr>
<td>Non-life insurance</td>
<td>56</td>
<td>52</td>
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<tr>
<td>Other commission income</td>
<td>398</td>
<td>396</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>9 575</strong></td>
<td><strong>9 338</strong></td>
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#### Commission expenses

<table>
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<tr>
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<tbody>
<tr>
<td>Payment processing</td>
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<td>–866</td>
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<tr>
<td>Cards</td>
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<td>–1 800</td>
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<td>Service concepts</td>
<td>–16</td>
<td>–15</td>
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<tr>
<td>Asset management</td>
<td>–76</td>
<td>–68</td>
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<tr>
<td>Life insurance</td>
<td>–30</td>
<td></td>
</tr>
<tr>
<td>Other securities</td>
<td>–241</td>
<td>–242</td>
</tr>
<tr>
<td>Lending and guarantees</td>
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<td>–68</td>
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<tr>
<td>Other commission expenses</td>
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<td>–149</td>
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<td><strong>Total</strong></td>
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#### Net commissions

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<td>Cards</td>
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<td>1 487</td>
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<td>474</td>
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<tr>
<td>Asset management</td>
<td>1 541</td>
<td>1 512</td>
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<tr>
<td>Life insurance</td>
<td>437</td>
<td>408</td>
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<tr>
<td>Brokerage</td>
<td>513</td>
<td>536</td>
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<tr>
<td>Other securities</td>
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<td>–182</td>
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<tr>
<td>Corporate finance</td>
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<td>464</td>
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<tr>
<td>Lending</td>
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<td>674</td>
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<tr>
<td>Guarantee</td>
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<td>140</td>
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<tr>
<td>Deposits</td>
<td>55</td>
<td>51</td>
</tr>
<tr>
<td>Non-life insurance</td>
<td>56</td>
<td>52</td>
</tr>
<tr>
<td>Other commission income</td>
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<tr>
<td><strong>Total</strong></td>
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### P8 Net gains and losses on financial items at fair value

#### Valuation category, fair value through profit or loss

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<td>Shares and related derivatives</td>
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<td>–111</td>
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<td>Interest-bearing instruments and related derivatives</td>
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<td><strong>Total</strong></td>
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#### Other financial instruments

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#### Hedge accounting at fair value

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#### Financial liabilities valued at amortised cost

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### P9 Other income

#### IT services

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#### Other operating income

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<tbody>
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<td><strong>1 208</strong></td>
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### P10 Staff costs

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<tbody>
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<td>7 913</td>
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<td><strong>Salaries and remuneration</strong></td>
<td>4 469</td>
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<td><strong>Compensation through shares in Swedbank AB</strong></td>
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<td><strong>Social insurance charges</strong></td>
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<td><strong>Pension costs</strong></td>
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<td><strong>Training costs</strong></td>
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<td><strong>Total</strong></td>
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<td>7 913</td>
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<tr>
<td>of which variable staff costs</td>
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### Variable Compensation Programme 2010-2015

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<tr>
<td>Recognised expense for cash settled compensation</td>
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<tr>
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</tr>
<tr>
<td>Recognised expense for compensation that is settled with shares in Swedbank AB</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td>Recognised expense for social charges related to the share settled compensation</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>Recognised expense for cash settled compensation</td>
<td>82</td>
<td></td>
</tr>
<tr>
<td>Recognised expense for payroll overhead costs related to the cash settled compensation</td>
<td>34</td>
<td></td>
</tr>
<tr>
<td><strong>Total recognised expense</strong></td>
<td>501</td>
<td>624</td>
</tr>
</tbody>
</table>

### Number of performance rights that establish the recognised share based expense, millions

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Outstanding at the beginning of the period</strong></td>
<td>9.7</td>
<td>9.5</td>
</tr>
<tr>
<td><strong>Additional outstanding at beginning of period due to mergers</strong></td>
<td>0.0</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Allotted</strong></td>
<td>0.9</td>
<td>2.1</td>
</tr>
<tr>
<td><strong>Forfeited</strong></td>
<td>0.3</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>Exercised</strong></td>
<td>1.6</td>
<td>1.8</td>
</tr>
<tr>
<td><strong>Outstanding at the end of the period</strong></td>
<td>8.7</td>
<td>9.7</td>
</tr>
<tr>
<td><strong>Exercisable at the end of the period</strong></td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

#### Notes
1) Applicable for the following groups: outstanding at the beginning of the period, granted during the period, forfeited during the period, exercised during the period, expired during the period, outstanding at the end of the period, exercisable at the end of the period.

### Distribution by gender %

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>All employees</strong></td>
<td>56</td>
<td>56</td>
</tr>
<tr>
<td><strong>Directors</strong></td>
<td>44</td>
<td>56</td>
</tr>
<tr>
<td><strong>Other senior executives, incl. President</strong></td>
<td>32</td>
<td>29</td>
</tr>
</tbody>
</table>
### P11 Other general administrative expenses

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rents etc.</td>
<td>899</td>
<td>958</td>
</tr>
<tr>
<td>IT expenses</td>
<td>1,699</td>
<td>1,554</td>
</tr>
<tr>
<td>Telecommunications, postage</td>
<td>106</td>
<td>108</td>
</tr>
<tr>
<td>Consulting and outside services</td>
<td>836</td>
<td>692</td>
</tr>
<tr>
<td>Travel</td>
<td>131</td>
<td>149</td>
</tr>
<tr>
<td>Entertainment</td>
<td>37</td>
<td>37</td>
</tr>
<tr>
<td>Office supplies</td>
<td>97</td>
<td>95</td>
</tr>
<tr>
<td>Advertising, public relations, marketing</td>
<td>224</td>
<td>219</td>
</tr>
<tr>
<td>Security transports, alarm systems</td>
<td>54</td>
<td>54</td>
</tr>
<tr>
<td>Maintenance</td>
<td>101</td>
<td>92</td>
</tr>
<tr>
<td>Other administrative expenses</td>
<td>263</td>
<td>279</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>89</td>
<td>86</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,536</td>
<td>4,323</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Remuneration to Auditors elected by Annual General Meeting, Deloitte AB</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statutory audit</td>
<td>18</td>
<td>20</td>
</tr>
<tr>
<td>Other audit</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Tax advisory</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>29</td>
<td>29</td>
</tr>
<tr>
<td>Internal Audit, not Deloitte AB</td>
<td>60</td>
<td>59</td>
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</table>

### P13 Credit impairments

#### Provisions for loans that individually are assessed as impaired

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provisions</td>
<td>699</td>
<td>364</td>
</tr>
<tr>
<td>Reversal of previous provisions</td>
<td>-119</td>
<td>-130</td>
</tr>
<tr>
<td>Provision for homogenous groups of impaired loans, net</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>580</td>
<td>240</td>
</tr>
</tbody>
</table>

#### Portfolio provisions for loans that individually are not assessed as impaired

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Write-offs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Established losses</td>
<td>360</td>
<td>739</td>
</tr>
<tr>
<td>Utilisation of previous provisions</td>
<td>-170</td>
<td>-236</td>
</tr>
<tr>
<td>Recoveries</td>
<td>-74</td>
<td>-84</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>108</td>
<td>419</td>
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</tbody>
</table>

#### Credit impairments for contingent liabilities and other credit risk exposures

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit impairments</td>
<td>658</td>
<td>539</td>
</tr>
</tbody>
</table>

#### Credit impairments by valuation category

| Loans and receivables | 656   | 537   |
| Fair value through profit or loss                                 | 2     | 2     |
| **Total**             | 658   | 539   |

#### Credit impairments by borrower category

| Credit institutions | -6    | -5    |
| General public      | 664   | 544   |
| **Total**           | 658   | 539   |

### P12 Depreciation/amortisation and impairments of tangible and intangible fixed assets

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation/amortisation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>196</td>
<td>160</td>
</tr>
<tr>
<td>Intangible fixed assets</td>
<td>451</td>
<td>436</td>
</tr>
<tr>
<td>Lease objects</td>
<td>3,627</td>
<td>3,885</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,276</td>
<td>4,481</td>
</tr>
</tbody>
</table>

| Impairments          |      |      |
| Intangible fixed assets | 112  |      |
| Lease objects        | 67    |      |
| **Total**            | 179   |      |
| **Total**            | 4,455 | 4,481 |

### P14 Impairments of financial fixed assets

#### Investments in Group entities

<table>
<thead>
<tr>
<th>Investment</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cerdo Bankpartner Aktiebolag, Helsingborg</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Ekornet AB, Stockholm</td>
<td>107</td>
<td>309</td>
</tr>
<tr>
<td>Sparbanken Öresund AB, Malmö</td>
<td>1,334</td>
<td></td>
</tr>
<tr>
<td>Sparia Försäkrings AB, Stockholm</td>
<td>518</td>
<td></td>
</tr>
<tr>
<td>Swedbank (Luxembourg) S.A., Luxembourg</td>
<td>20</td>
<td>18</td>
</tr>
<tr>
<td>Swedbank Management Company S.A., Luxembourg</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>FRiR RUS DDO, Moscow</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>149</td>
<td>2,188</td>
</tr>
</tbody>
</table>

#### Investments in associates

<table>
<thead>
<tr>
<th>Investment</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rosengård Invest AB, Malmö</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Getwish AB, Stockholm</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1</td>
<td>5</td>
</tr>
</tbody>
</table>

#### Loans comprising net investment

<table>
<thead>
<tr>
<th>Investment</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>FRiR RUS DDO, Moscow</td>
<td>86</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>86</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>236</td>
<td>2,193</td>
</tr>
</tbody>
</table>

### P15 Appropriations

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Untaxed reserves</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accelerated depreciation, equipment</td>
<td>-130</td>
<td>33</td>
</tr>
<tr>
<td>Tax allocation reserve</td>
<td>-7</td>
<td>-731</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-137</td>
<td>-698</td>
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</tbody>
</table>
## P16 Tax

### Tax expense

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax related to previous years</td>
<td>-803</td>
<td></td>
</tr>
<tr>
<td>Current tax</td>
<td>2,285</td>
<td>4,161</td>
</tr>
<tr>
<td>Deferred tax</td>
<td>435</td>
<td>-400</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,917</td>
<td>3,761</td>
</tr>
</tbody>
</table>

### Results

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax expense</td>
<td>1,917</td>
<td>3,761</td>
</tr>
<tr>
<td>22.0% of pre-tax profit</td>
<td>1,285</td>
<td>2,241</td>
</tr>
<tr>
<td><strong>Difference</strong></td>
<td>1,466</td>
<td>1,463</td>
</tr>
</tbody>
</table>

The difference consists of the following items:

<table>
<thead>
<tr>
<th>Item</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax previous years</td>
<td>803</td>
<td>52</td>
</tr>
<tr>
<td>Tax-exempt income/non-deductible expenses</td>
<td>-292</td>
<td>-19</td>
</tr>
<tr>
<td>Non-taxable dividends</td>
<td>1,094</td>
<td>71</td>
</tr>
<tr>
<td>Non-deductible goodwill impairment</td>
<td>-22</td>
<td>-0.1</td>
</tr>
<tr>
<td>Tax-exempt capital gains and appreciation in value of shares and participating interests</td>
<td>2</td>
<td>12</td>
</tr>
<tr>
<td>Standard income tax allocation reserve</td>
<td>-8</td>
<td>-0.1</td>
</tr>
<tr>
<td>Non-deductible impairment of financial fixed assets</td>
<td>-54</td>
<td>-0.4</td>
</tr>
<tr>
<td>Deviating tax rates in other countries</td>
<td>-57</td>
<td>-0.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,466</td>
<td>9.5</td>
</tr>
</tbody>
</table>

### Deferred tax assets

#### 2015

<table>
<thead>
<tr>
<th>Deductible temporary differences</th>
<th>Opening balance</th>
<th>Income statement</th>
<th>Other comprehensive income</th>
<th>Equity</th>
<th>Mergers</th>
<th>Exchange rate differences</th>
<th>Closing balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow hedges</td>
<td>2</td>
<td>-3</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions for pensions</td>
<td>93</td>
<td>3</td>
<td>9</td>
<td>105</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share related compensation</td>
<td>100</td>
<td>-33</td>
<td></td>
<td>67</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>-53</td>
<td>39</td>
<td>-41</td>
<td>-55</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td>207</td>
<td>-207</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>-267</td>
<td>315</td>
<td>32</td>
<td>80</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total deferred tax assets</strong></td>
<td>349</td>
<td>-435</td>
<td>1</td>
<td>-33</td>
<td>283</td>
<td>32</td>
<td>197</td>
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</tbody>
</table>

#### 2014

<table>
<thead>
<tr>
<th>Deductible temporary differences</th>
<th>Opening balance</th>
<th>Income statement</th>
<th>Other comprehensive income</th>
<th>Equity</th>
<th>Mergers</th>
<th>Exchange rate differences</th>
<th>Closing balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow hedges</td>
<td>3</td>
<td>-1</td>
<td></td>
<td>2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions for pensions</td>
<td>94</td>
<td>-1</td>
<td></td>
<td>93</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share related compensation</td>
<td>89</td>
<td>9</td>
<td>2</td>
<td>100</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>10</td>
<td>-63</td>
<td>-53</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td>-135</td>
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<td></td>
<td>207</td>
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<tr>
<td>Other</td>
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<td><strong>Total deferred tax assets</strong></td>
<td>53</td>
<td>400</td>
<td>-1</td>
<td>9</td>
<td>-112</td>
<td>349</td>
<td></td>
</tr>
</tbody>
</table>
### P17 Tax for each component in other comprehensive income

<table>
<thead>
<tr>
<th>Component</th>
<th>2015</th>
<th></th>
<th>2014</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pre-tax amount</td>
<td>Deferred tax</td>
<td>Current tax</td>
<td>Total tax amount</td>
</tr>
<tr>
<td>Remeasurements of defined benefit pension plans</td>
<td>8</td>
<td>-2</td>
<td>-2</td>
<td>-8</td>
</tr>
<tr>
<td>Cash flow hedges</td>
<td>5</td>
<td>-2</td>
<td>-2</td>
<td>5</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>13</td>
<td>-2</td>
<td>-2</td>
<td>-4</td>
</tr>
</tbody>
</table>

### P18 Treasury bills and other bills eligible for refinancing with central banks etc.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Trading</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Swedish government</td>
<td>61408</td>
<td>32777</td>
<td>44798</td>
<td>61471</td>
<td>31414</td>
<td>43786</td>
<td>61408</td>
<td>30274</td>
<td>42022</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Swedish municipalities</td>
<td>3644</td>
<td>2904</td>
<td>463</td>
<td>3656</td>
<td>2901</td>
<td>463</td>
<td>3644</td>
<td>2872</td>
<td>462</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign governments</td>
<td>3534</td>
<td>2170</td>
<td>3716</td>
<td>2995</td>
<td>2148</td>
<td>3648</td>
<td>3534</td>
<td>2131</td>
<td>3629</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other non-Swedish issuers</td>
<td>1945</td>
<td>3222</td>
<td>1231</td>
<td>1944</td>
<td>3172</td>
<td>1232</td>
<td>1945</td>
<td>3166</td>
<td>1229</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>70531</td>
<td>41073</td>
<td>50208</td>
<td>70066</td>
<td>49129</td>
<td>47342</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### P19 Loans to credit institutions

<table>
<thead>
<tr>
<th>Valuation category, loans and receivables</th>
<th>2015</th>
<th>2014</th>
<th>1/1/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swedish banks</td>
<td>59510</td>
<td>66793</td>
<td>57866</td>
</tr>
<tr>
<td>Swedish credit institutions</td>
<td>344668</td>
<td>330870</td>
<td>299828</td>
</tr>
<tr>
<td>Change in value due to hedge accounting at fair value</td>
<td>36</td>
<td>52</td>
<td>28</td>
</tr>
<tr>
<td>Foreign banks</td>
<td>13602</td>
<td>16418</td>
<td>17191</td>
</tr>
<tr>
<td>Foreign credit institutions</td>
<td>5304</td>
<td>4377</td>
<td>1402</td>
</tr>
<tr>
<td>Total</td>
<td>423120</td>
<td>418510</td>
<td>376315</td>
</tr>
</tbody>
</table>

### P20 Loans to the public

<table>
<thead>
<tr>
<th>Valuation category, loans and receivables</th>
<th>2015</th>
<th>2014</th>
<th>1/1/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swedish public</td>
<td>306834</td>
<td>295927</td>
<td>230832</td>
</tr>
<tr>
<td>Foreign public</td>
<td>73573</td>
<td>71560</td>
<td>64573</td>
</tr>
<tr>
<td>Total</td>
<td>380407</td>
<td>367487</td>
<td>346320</td>
</tr>
</tbody>
</table>

### P20 Loans to the public

<table>
<thead>
<tr>
<th>Valuation category, fair value through profit or loss</th>
<th>2015</th>
<th>2014</th>
<th>1/1/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swedish public, repurchase agreements</td>
<td>4612</td>
<td>38761</td>
<td>28680</td>
</tr>
<tr>
<td>Foreign public, repurchase agreements</td>
<td>30028</td>
<td>23829</td>
<td>19234</td>
</tr>
<tr>
<td>Other</td>
<td>1435</td>
<td>2802</td>
<td>3001</td>
</tr>
<tr>
<td>Total</td>
<td>36075</td>
<td>65392</td>
<td>50915</td>
</tr>
</tbody>
</table>

### P20 Loans to the public

<table>
<thead>
<tr>
<th>Valuation category, fair value through profit or loss</th>
<th>2015</th>
<th>2014</th>
<th>1/1/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subordinated loans</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subsidiaries</td>
<td>4000</td>
<td>394</td>
<td></td>
</tr>
<tr>
<td>Associates</td>
<td>120</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other companies</td>
<td>48</td>
<td>52</td>
<td>53</td>
</tr>
<tr>
<td>Total</td>
<td>48</td>
<td>4052</td>
<td>567</td>
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</table>

The maximum credit risk exposure for lending measured at fair value corresponds to the carrying amount.
P21 Bonds and other interest-bearing securities

Issued by other than public agencies

<table>
<thead>
<tr>
<th>Valuation category, fair value through profit or loss</th>
<th>Carrying amount</th>
<th>Amortised cost</th>
<th>Nominal amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trading</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Swedish mortgage institutions</td>
<td>40 044</td>
<td>51 290</td>
<td>54 724</td>
</tr>
<tr>
<td>Swedish financial entities</td>
<td>20 589</td>
<td>26 310</td>
<td>27 022</td>
</tr>
<tr>
<td>Swedish non-financial entities</td>
<td>2 022</td>
<td>4 343</td>
<td>5 583</td>
</tr>
<tr>
<td>Foreign financial entities</td>
<td>12 138</td>
<td>25 627</td>
<td>18 098</td>
</tr>
<tr>
<td>Foreign non-financial entities</td>
<td>8 231</td>
<td>10 159</td>
<td>10 212</td>
</tr>
<tr>
<td>Total</td>
<td>83 024</td>
<td>117 729</td>
<td>115 639</td>
</tr>
<tr>
<td>Valuation category, held to maturity1</td>
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<td></td>
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</tr>
<tr>
<td>Foreign mortgage institutions</td>
<td>164</td>
<td>1 219</td>
<td>888</td>
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<tr>
<td>Foreign banks</td>
<td>3 693</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3 857</td>
<td>1 219</td>
<td>888</td>
</tr>
<tr>
<td>Total of which listed</td>
<td>86 881</td>
<td>118 948</td>
<td>116 527</td>
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Unlisted holdings are valued at their last transaction price. Holdings in the valuation category available for sale have been estimated at acquisition cost, since a more reliable fair value is not considered to be available.

P22 Shares and participating interests

<table>
<thead>
<tr>
<th>Valuation category, fair value through profit or loss</th>
<th>Carrying amount</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trading</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trading stock</td>
<td>8 637</td>
<td>6 381</td>
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<tr>
<td>Fund shares</td>
<td>2 113</td>
<td>2 456</td>
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<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other shares</td>
<td>63</td>
<td>755</td>
</tr>
<tr>
<td>Total</td>
<td>10 813</td>
<td>9 592</td>
</tr>
<tr>
<td>Valuation category, available for sale</td>
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<td></td>
</tr>
<tr>
<td>Condominiums</td>
<td>45</td>
<td>44</td>
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<tr>
<td>Other</td>
<td>22</td>
<td>5</td>
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<tr>
<td>Total</td>
<td>67</td>
<td>49</td>
</tr>
<tr>
<td>Total of which unlisted</td>
<td>10 880</td>
<td>9 641</td>
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</table>

Unlisted holdings are valued at their last transaction price. Holdings in the valuation category available for sale have been estimated at acquisition cost, since a more reliable fair value is not considered to be available.
### Investments in associates

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
<th>1/1/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit institutions</td>
<td>1,944</td>
<td>1,944</td>
<td>1,130</td>
</tr>
<tr>
<td>Other associates</td>
<td>51</td>
<td>42</td>
<td>28</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,995</td>
<td>1,986</td>
<td>1,158</td>
</tr>
<tr>
<td><strong>Opening balance</strong></td>
<td>1,986</td>
<td>1,158</td>
<td>1,153</td>
</tr>
<tr>
<td>Additions during the year</td>
<td>10</td>
<td>833</td>
<td>5</td>
</tr>
<tr>
<td>Impairments during the year</td>
<td>-1</td>
<td>-5</td>
<td></td>
</tr>
<tr>
<td><strong>Closing balance</strong></td>
<td>1,995</td>
<td>1,986</td>
<td>1,158</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Corporate identity, domicile</th>
<th>Corporate identity number</th>
<th>Number</th>
<th>Carrying amount</th>
<th>Share of capital</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Credit institutions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EnterCard Holding AB, Stockholm</td>
<td>556673-0585</td>
<td>3,000</td>
<td>420</td>
<td>50.00</td>
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<tr>
<td>Sparbanken Skåne AB, Lund</td>
<td>516401-9928</td>
<td>3,670 342</td>
<td>1,070</td>
<td>22.00</td>
</tr>
<tr>
<td>Sparbanken Rekarne AB, Eskilstuna</td>
<td>516401-0091</td>
<td>865 000</td>
<td>125</td>
<td>50.00</td>
</tr>
<tr>
<td>Swedbank Sjuhärad AB, Borås</td>
<td>516401-9852</td>
<td>950 000</td>
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<td>47.50</td>
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<tr>
<td>Vimmerby Sparbank AB, Vimmerby</td>
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<td>340 000</td>
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<td>40.00</td>
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<tr>
<td><strong>Total</strong></td>
<td>1,944</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other associates</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Babs Paylink AB, Stockholm</td>
<td>556567-2200</td>
<td>4,900</td>
<td>19</td>
<td>49.00</td>
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<tr>
<td>BDB Bankernas Depå AB, Stockholm</td>
<td>556695-3567</td>
<td>13,000</td>
<td>2</td>
<td>20.00</td>
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<tr>
<td>BGC Holding AB, Stockholm</td>
<td>556607-0933</td>
<td>29,177</td>
<td>11</td>
<td>29.18</td>
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<tr>
<td>Finansiell ID-Teknik BID AB, Stockholm</td>
<td>556630-4928</td>
<td>12,735</td>
<td>4</td>
<td>28.30</td>
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<tr>
<td>Getswish AB, Stockholm</td>
<td>556913-7382</td>
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<td>20.00</td>
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<tr>
<td>Rosengård Invest AB, Malmö</td>
<td>556756-0528</td>
<td>5,625</td>
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<td>25.00</td>
</tr>
<tr>
<td>Upplysningscentralen, Stockholm</td>
<td>556137-5113</td>
<td>2,000</td>
<td></td>
<td>20.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>51</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,995</td>
<td></td>
<td></td>
<td>2,029</td>
</tr>
</tbody>
</table>

The share of the voting rights in each entity corresponds to the share of its equity. All shares and participating interests are unlisted.
## Investments in Group entities

### Fixed assets

<table>
<thead>
<tr>
<th>Category</th>
<th>2015</th>
<th>2014</th>
<th>1/1/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swedish credit institutions</td>
<td>17 806</td>
<td>18 721</td>
<td>14 987</td>
</tr>
<tr>
<td>Foreign credit institutions</td>
<td>32 345</td>
<td>32 253</td>
<td>33 126</td>
</tr>
<tr>
<td>Other entities</td>
<td>7 299</td>
<td>7 369</td>
<td>7 177</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>57 450</strong></td>
<td><strong>58 343</strong></td>
<td><strong>55 190</strong></td>
</tr>
</tbody>
</table>

### Opening balance

<table>
<thead>
<tr>
<th>Category</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td><strong>58 343</strong></td>
<td><strong>55 190</strong></td>
<td><strong>57 231</strong></td>
</tr>
</tbody>
</table>

### Additions during the year

<table>
<thead>
<tr>
<th>Category</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td><strong>920</strong></td>
<td><strong>6 801</strong></td>
<td><strong>1 377</strong></td>
</tr>
</tbody>
</table>

### Impairments during the year

<table>
<thead>
<tr>
<th>Category</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td><strong>–149</strong></td>
<td><strong>–2 188</strong></td>
<td><strong>–3 418</strong></td>
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</tbody>
</table>

### Disposals during the year

<table>
<thead>
<tr>
<th>Category</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td><strong>–1 664</strong></td>
<td><strong>–1 460</strong></td>
<td><strong>–5 157</strong></td>
</tr>
</tbody>
</table>

### Closing balance

<table>
<thead>
<tr>
<th>Category</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td><strong>57 450</strong></td>
<td><strong>58 343</strong></td>
<td><strong>55 190</strong></td>
</tr>
</tbody>
</table>

### Corporate identity, domicile

<table>
<thead>
<tr>
<th>Corporate identity number</th>
<th>Corporate identity number</th>
<th>Corporate identity number</th>
<th>Corporate identity number</th>
<th>Corporate identity number</th>
<th>Corporate identity number</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Swedish credit institutions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Swedbank Mortgage AB, Stockholm</td>
<td>556003-3283</td>
<td>23 000 000</td>
<td>17 623</td>
<td>17 623</td>
<td>100</td>
</tr>
<tr>
<td>Ölands Bank AB, Borgholm</td>
<td>516401-0034</td>
<td>780 000</td>
<td>135</td>
<td>135</td>
<td>60</td>
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<tr>
<td>Frispar Företagskredit AB, Malmö</td>
<td>556636-2728</td>
<td>4 800</td>
<td>48</td>
<td>48</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>17 806</strong></td>
<td><strong>17 806</strong></td>
<td></td>
</tr>
</tbody>
</table>

| **Foreign credit institutions** |                           |                           |                           |                           |                           |
| Swedbank AS, Tallinn           | 10060701                  | 85 000 000                | 18 287                    | 18 287                    | 100                       |
| Swedbank AS, Riga              | 40003074764               | 942 856 206              | 7 484                     | 7 484                     | 100                       |
| Swedbank AB, Villius           | 112029651                 | 164 008 000              | 6 497                     | 6 497                     | 100                       |
| Swedbank First Securities LLC, New York | 20-416-7414 | 100 | 48 | 48 | 100 |
| Swedbank (Luxembourg) S.A., Luxembourg | 302018-5066 | 300 000 | 19 | 19 | 100 |
| Swedbank Management Company S.A., Luxembourg | B149317 | 250 000 | 10 | 10 | 100 |
| **Total**                       |                           |                           | **32 345**                | **32 518**                |                           |

| **Other entities** |                           |                           |                           |                           |                           |
| ATM Holding AB, Stockholm | 556886-6692 | 350 | 32 | 39 | 70 |
| Ektornet AB, Stockholm     | 556788-7152           | 5 000 000                  | 156                       | 156                       | 100                       |
| FR & R Invest AB, Stockholm| 556815-9718           | 10 000 000                | 50                        | 50                        | 100                       |
| FRIR RUS OOO, Moskva       | 11107746962377        | 1                         | 27                       | 27                       | 100                       |
| OOO Leasing, Moskva        | 1047796412531         | 2                         | 3                        | 3                        | 100                       |
| Sparfärjandet AB, Stockholm | 556041-9995           | 45 000                     | 4                         | 4                         | 100                       |
| Sparia Group Försäkring AB, Stockholm | 516406-0963 | 70 000 | 146 | 146 | 100 |
| Swedbank Franchise AB, Stockholm | 556184-2120 | 1 000 | 277 | 277 | 100 |
| Swedbank Försäkring AB, Stockholm | 516401-8292 | 150 000 | 3347 | 3347 | 100 |
| Swedbank och Sparbankernas Mobile Solutions AB, Stockholm | 556891-5283 | 100 | 100 | 100 |
| Swedbank Robur AB, Stockholm | 556110-3895       | 10 000 000                | 3283                      | 3267                      | 100                       |
| Övriga                        | 2 305                | 1                         | 12                       |                            |                           |
| **Total**                     | **7 299**             | **9 047**                 |                           |                           |                           |

The share of the voting rights in each entity corresponds to the share of its equity. All entities are unlisted.

In 2015 the wholly owned subsidiaries Sparbanken Öresund AB and Swedbank Administration AB with the subsidiary Sparfärjandet Aktiebolag were merged in Swedbank AB. As a result of the merger, Sparfärjandet Aktiebolag became a wholly owned subsidiary of Swedbank AB. The merger resulted in Sparbanken Öresund AB amounting to SEK 14m and for Swedbank Administration AB to SEK 873m, which were recognised as dividends received. Through the merger with Sparbanken Öresund AB, Swedbank AB took over the shares in the wholly owned subsidiary Cerdo Bankpartner Aktiebolag, which was written down to SEK D.
### Derivatives

#### Nominal amount/remaining contractual maturity

<table>
<thead>
<tr>
<th></th>
<th>&lt; 1 yr.</th>
<th>1-5 yrs.</th>
<th>&gt; 5 yrs.</th>
<th>2015</th>
<th>2014</th>
<th>Positive fair value</th>
<th>Negative fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fair value hedges</strong></td>
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<td></td>
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</tr>
<tr>
<td>Interest-rate-related contracts</td>
<td></td>
<td></td>
<td></td>
<td>14,641</td>
<td>90,272</td>
<td>122,990</td>
<td>86,282</td>
</tr>
<tr>
<td>Currency-related contracts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Swaps</td>
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<td><strong>Total</strong></td>
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<td></td>
<td>14,641</td>
<td>90,272</td>
<td>122,990</td>
<td>86,282</td>
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<tr>
<td><strong>Cash flow hedges</strong></td>
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<td>Interest-rate-related contracts</td>
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<td>Swaps</td>
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<td>11</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>458</td>
<td>1,330</td>
<td></td>
<td>8</td>
<td>11</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Hedges of net investment in foreign operations</strong></td>
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<td></td>
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<tr>
<td><strong>Total</strong></td>
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<td></td>
<td></td>
<td>9</td>
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<td><strong>Other derivatives</strong></td>
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<tr>
<td>Interest-rate-related contracts</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Options held</td>
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<td>176,917</td>
<td>93,881</td>
<td>409,449</td>
<td>446,063</td>
<td>594,970</td>
<td>2,304</td>
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<tr>
<td>Forward contracts</td>
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<td>1,495,764</td>
<td>4,423,320</td>
<td>7,433,105</td>
<td>10,494,825</td>
<td>1,429</td>
<td>2,313</td>
</tr>
<tr>
<td>Swaps</td>
<td>1,090,220</td>
<td>2,305,325</td>
<td>696,649</td>
<td>4,092,194</td>
<td>3,180,529</td>
<td>3,187,627</td>
<td>66,709</td>
</tr>
<tr>
<td>Currency-related contracts</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Options held</td>
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<td>3,915</td>
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<tr>
<td>Forward contracts</td>
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<td>809,843</td>
<td>796,672</td>
<td>8,300</td>
<td>21,774</td>
</tr>
<tr>
<td>Swaps</td>
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<td>246,047</td>
<td>137,616</td>
<td>600,478</td>
<td>568,686</td>
<td>534,910</td>
<td>27,768</td>
</tr>
<tr>
<td>Equity-related contracts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Options held</td>
<td>24,270</td>
<td>22,422</td>
<td>1,051</td>
<td>47,743</td>
<td>48,106</td>
<td>41,253</td>
<td>2,406</td>
</tr>
<tr>
<td>Forward contracts</td>
<td>5,688</td>
<td>1</td>
<td>5,689</td>
<td>22,012</td>
<td>7,266</td>
<td>81</td>
<td>89</td>
</tr>
<tr>
<td>Swaps</td>
<td>8,075</td>
<td>521</td>
<td>6,597</td>
<td>4,634</td>
<td>2,992</td>
<td>132</td>
<td>38</td>
</tr>
<tr>
<td>Credit-related contracts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Swaps</td>
<td>459</td>
<td>4,529</td>
<td>275</td>
<td>5,263</td>
<td>12,362</td>
<td>12,383</td>
<td>37</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5,395,273</td>
<td>4,273,215</td>
<td>929,487</td>
<td>10,587,976</td>
<td>12,605,587</td>
<td>15,728,938</td>
<td>110,024</td>
</tr>
</tbody>
</table>

#### Total before netting agreements

| **Total**            | 4,088,752 | 2,379,710 | 647,897 | 7,116,359 | 12,692,327 | 15,790,421 | 98,300 | 133,703 | 83,323 | 98,508 | 118,696 | 74,408 |

#### of which cleared

|                      | 1,366,739 | 1,976,258 | 305,866 | 3,648,863 | 3,407,122 | 3,090,375 | 12,254 | 8,459 | 1,696 | 13,637 | 9,886 | 2,964 |
P26 Intangible fixed assets

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Goodwill</td>
<td>Customer base</td>
</tr>
<tr>
<td>Cost, opening balance</td>
<td>3 439</td>
<td>41</td>
</tr>
<tr>
<td>Additions through separate acquisitions</td>
<td></td>
<td>19</td>
</tr>
<tr>
<td>Mergers</td>
<td>89</td>
<td>116</td>
</tr>
<tr>
<td>Sales and disposals</td>
<td>–78</td>
<td>–78</td>
</tr>
<tr>
<td>Cost, closing balance</td>
<td>3 439</td>
<td>130</td>
</tr>
<tr>
<td>Mergers</td>
<td>–6</td>
<td>–11</td>
</tr>
<tr>
<td>Sales and disposals</td>
<td>51</td>
<td>51</td>
</tr>
<tr>
<td>Impairments for the year</td>
<td>–112</td>
<td>–112</td>
</tr>
<tr>
<td>Carrying amount</td>
<td>421</td>
<td>75</td>
</tr>
</tbody>
</table>

Goodwill is amortised over an estimated useful life of 5 to 20 years. For other intangible assets with a finite useful life, the amortisable amount is divided systematically over the useful life. Systematic amortisation refers to both straight-line and increasing or decreasing amortisation. The original useful life is between 3 and 20 years. No need for impairment was found on the closing day.

P27 Leasing equipment

<table>
<thead>
<tr>
<th>Fixed assets</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost, opening balance</td>
<td>21 532</td>
<td>21 240</td>
</tr>
<tr>
<td>Mergers</td>
<td>238</td>
<td>214</td>
</tr>
<tr>
<td>Additions</td>
<td>6 449</td>
<td>5 677</td>
</tr>
<tr>
<td>Sales and disposals</td>
<td>–6 569</td>
<td>–5 385</td>
</tr>
<tr>
<td>Cost, closing balance</td>
<td>21 650</td>
<td>21 532</td>
</tr>
<tr>
<td>Depreciation, opening balance</td>
<td>–9 192</td>
<td></td>
</tr>
<tr>
<td>Depreciation for the year</td>
<td>–3 627</td>
<td>–3 885</td>
</tr>
<tr>
<td>Mergers</td>
<td>–111</td>
<td>–8 694</td>
</tr>
<tr>
<td>Sales and disposals</td>
<td>4 283</td>
<td>3 387</td>
</tr>
<tr>
<td>Depreciation, closing balance</td>
<td>–8 647</td>
<td>–9 192</td>
</tr>
<tr>
<td>Impairments, opening balance</td>
<td>–75</td>
<td></td>
</tr>
<tr>
<td>Impairments for the year</td>
<td>–67</td>
<td></td>
</tr>
<tr>
<td>Impairments, closing balance</td>
<td>–47</td>
<td></td>
</tr>
<tr>
<td>Carrying amount</td>
<td>12 956</td>
<td>12 340</td>
</tr>
</tbody>
</table>

2015

<table>
<thead>
<tr>
<th>&lt; 1 yr</th>
<th>1-5 yrs</th>
<th>&gt; 5 yrs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 995</td>
<td>6 717</td>
<td>2 873</td>
<td>13 585</td>
</tr>
</tbody>
</table>

The residual value of all lease assets is guaranteed by lessees or third parties. The lease assets are depreciated over the lease term according to the annuity method. The lease assets primarily consist of vehicles and machinery. The lease payments do not contain any variable fee.
P28 Tangible assets

The useful life of equipment is deemed to be between three and ten years; its residual value is zero as in previous years. The depreciable amount is recognised linearly in profit or loss over the useful life. No indications of impairment were found on the closing day. Individual structural components of owner-occupied properties are depreciated over their useful life. The residual value is deemed to be zero. The depreciable amount is recognised linearly in profit or loss over the useful life. Land has an indefinite useful life and is not depreciated.

P29 Other assets

P30 Prepaid expenses and accrued income

P31 Amounts owed to credit institutions

P32 Deposits and borrowings from the public

P33 Debt securities in issue
### P34 Other liabilities

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
<th>1/1/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Security settlement liabilities</td>
<td>11 876</td>
<td>7 827</td>
<td>2 427</td>
</tr>
<tr>
<td>Group liabilities</td>
<td>637</td>
<td>637</td>
<td></td>
</tr>
<tr>
<td>Short position in shares</td>
<td>247</td>
<td>74</td>
<td>109</td>
</tr>
<tr>
<td>of which own issued shares</td>
<td>76</td>
<td></td>
<td>37</td>
</tr>
<tr>
<td>Short position in interest-bearing securities</td>
<td>7 945</td>
<td>26 984</td>
<td>17 410</td>
</tr>
<tr>
<td>Other</td>
<td>7 618</td>
<td>8 962</td>
<td>7 813</td>
</tr>
<tr>
<td>Total</td>
<td>27 686</td>
<td>44 484</td>
<td>28 396</td>
</tr>
</tbody>
</table>

### P35 Accrued expenses and prepaid income

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
<th>1/1/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued interest expenses</td>
<td>1 831</td>
<td>2 157</td>
<td>2 046</td>
</tr>
<tr>
<td>Other</td>
<td>2 239</td>
<td>2 095</td>
<td>1 700</td>
</tr>
<tr>
<td>Total</td>
<td>4 070</td>
<td>4 252</td>
<td>3 746</td>
</tr>
</tbody>
</table>

### P36 Provisions

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
<th>1/1/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pensions</td>
<td>17</td>
<td>23</td>
<td>15</td>
</tr>
<tr>
<td>Provisions for guarantees</td>
<td>21</td>
<td>65</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>207</td>
<td>40</td>
<td>18</td>
</tr>
<tr>
<td>Total</td>
<td>245</td>
<td>63</td>
<td>98</td>
</tr>
</tbody>
</table>

### P37 Subordinated liabilities

#### Valuation category, other financial liabilities

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
<th>1/1/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subordinated loans</td>
<td>12 382</td>
<td>11 927</td>
<td>4 554</td>
</tr>
<tr>
<td>Change in the value due to hedge accounting at fair value</td>
<td>265</td>
<td>268</td>
<td>-11</td>
</tr>
<tr>
<td>Total subordinated loans</td>
<td>12 647</td>
<td>12 195</td>
<td>4 543</td>
</tr>
<tr>
<td>Undated subordinated loans</td>
<td>11 585</td>
<td>5 290</td>
<td>5 037</td>
</tr>
<tr>
<td>of which Tier 1 capital contribution</td>
<td>11 585</td>
<td>5 290</td>
<td>5 540</td>
</tr>
<tr>
<td>Change in the value due to hedge accounting at fair value</td>
<td>381</td>
<td>525</td>
<td>503</td>
</tr>
<tr>
<td>Total undated subordinated loans</td>
<td>11 966</td>
<td>5 815</td>
<td>5 540</td>
</tr>
<tr>
<td>Total</td>
<td>24 613</td>
<td>18 010</td>
<td>10 083</td>
</tr>
</tbody>
</table>

#### Specification of subordinated liabilities

**Fixed-term subordinated loans**

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Right to prepayment for Swedbank AB</th>
<th>Currency</th>
<th>Nominal amount, million</th>
<th>Carrying amount, SEKm</th>
<th>Coupon interest, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989/2019</td>
<td>SEK</td>
<td>111</td>
<td>131</td>
<td>11.00</td>
<td></td>
</tr>
<tr>
<td>2012/2022</td>
<td>2017</td>
<td>EUR</td>
<td>500</td>
<td>4 651</td>
<td>3.00</td>
</tr>
<tr>
<td>2014/2024</td>
<td>2019</td>
<td>EUR</td>
<td>750</td>
<td>7 032</td>
<td>2.38</td>
</tr>
<tr>
<td>2012/2022</td>
<td>2017</td>
<td>SEK</td>
<td>250</td>
<td>250</td>
<td>3.11</td>
</tr>
<tr>
<td>2013/2023</td>
<td>2018</td>
<td>SEK</td>
<td>400</td>
<td>400</td>
<td>2.79</td>
</tr>
<tr>
<td>2013/2023</td>
<td>2018</td>
<td>SEK</td>
<td>148</td>
<td>148</td>
<td>2.59</td>
</tr>
<tr>
<td>2012/2022</td>
<td>2017</td>
<td>SEK</td>
<td>35</td>
<td>35</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>12 647</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Undated subordinated loans approved by the Swedish Financial Supervisory Authority as Tier 1 capital contribution**

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Right to prepayment for Swedbank AB</th>
<th>Currency</th>
<th>Nominal amount, million</th>
<th>Carrying amount, SEKm</th>
<th>Coupon interest, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004/undated</td>
<td>2016</td>
<td>GBP</td>
<td>199</td>
<td>2 494</td>
<td>5.75</td>
</tr>
<tr>
<td>2007/undated</td>
<td>2017</td>
<td>SEK</td>
<td>2 000</td>
<td>2 154</td>
<td>6.67</td>
</tr>
<tr>
<td>2008/undated</td>
<td>2018</td>
<td>SEK</td>
<td>871</td>
<td>1 053</td>
<td>8.28</td>
</tr>
<tr>
<td>2015/undated</td>
<td>2020</td>
<td>USD</td>
<td>750</td>
<td>6 265</td>
<td>5.50</td>
</tr>
<tr>
<td>Total</td>
<td>11 966</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Certain subordinated loans are used as insurance instruments to hedge the net investment in foreign operations. In the parent company the currency component of these liabilities is recognised at cost, whereas in the Group it is recognised at the closing day rate.
Carrying amounts and fair values of financial instruments

A comparison between the carrying amount and fair value of the parent company’s financial assets and financial liabilities according to the definition in IAS 39 is presented below.

Determination of fair values of financial instruments

The parent company uses various methods to determine the fair value of financial instruments depending on the degree of observable market data in the valuation and activity in the market. An active market is considered either a regulated or reliable marketplace where quoted prices are easily accessible and which demonstrates regularity. Activity is continuously evaluated by analysing factors such as differences in bid and ask prices.

The methods are divided in three different levels:
- Level 1: Unadjusted, quoted price on an active market
- Level 2: Adjusted, quoted price or valuation model with valuation parameters derived from an active market
- Level 3: Valuation model where a majority of valuation parameters are non-observable and based on internal assumptions.

When financial assets and financial liabilities in active markets have market risks that offset each other, an average of bid and ask prices is used as a basis to determine their fair values. For any open net positions, bid and ask rates are applied as applicable i.e. bid rates for long positions and ask rates for short positions. When there is no active market, fair value is determined with the help of established valuation methods and models. In these cases, assumptions that cannot be directly attributed to a market may be applied. These assumptions are based on experience and knowledge of the valuation of financial markets. The goal, however, is to always maximise the use of data from an active market. All valuation methods and models and internal assumptions are validated continuously by the independent risk control unit. In cases where it is considered necessary, adjustments are made to reflect fair value, so-called fair value adjustments. This is done to correctly reflect the parameters in the financial instruments and which will be reflected in their valuations. For OTC derivatives, for example, where the counterparty risk is not settled with cash collateral, the fair value adjustment is based on the current counterparty risk (CVA and DVA). In cases where the model risk is considered reliable, an assessment is also made whether a fair value adjustment is necessary given the model risk.

The parent company has a continuous process that identifies financial instruments which indicate a high level of internal assumptions or low level of observable market data. The process determines how to make the calculation based on how the internal assumptions are expected to affect the valuation. In cases where internal assumptions have a significant impact on fair value, the financial instrument is reported in level 3. The process also includes an analysis based on the quality of valuation data and whether any types of financial instruments will be transferred between the various levels.

For floating rate lending and deposits, which are recognised at amortised cost, the carrying amount is assessed to equal the fair value.

Carrying amounts and fair values of financial instruments

Determination of fair values of financial instruments

The parent company uses various methods to determine the fair value of financial instruments depending on the degree of observable market data in the valuation and activity in the market. An active market is considered either a regulated or reliable marketplace where quoted prices are easily accessible and which demonstrates regularity. Activity is continuously evaluated by analysing factors such as differences in bid and ask prices.

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The parent company has a continuous process that identifies financial instruments which indicate a high level of internal assumptions or low level of observable market data. The process determines how to make the calculation based on how the internal assumptions are expected to affect the valuation. In cases where internal assumptions have a significant impact on fair value, the financial instrument is reported in level 3. The process also includes an analysis based on the quality of valuation data and whether any types of financial instruments will be transferred between the various levels.

For floating rate lending and deposits, which are recognised at amortised cost, the carrying amount is assessed to equal the fair value.
Financial instruments recognised at fair value

The following tables present fair values of financial instruments recognised at fair value, split between the three valuation hierarchylevels.

Level 1 primarily contains equities, fund shares, bonds, treasury bills, commercial paper and standardised derivatives, where the quoted price is used in the valuation. Securities in issue traded on an active market are included in this category as well.

Level 2 primarily contains less liquid bonds that are valued on a curve, lending, funding instruments and derivatives measured according to quoted prices for similar quoted bonds are also included in level 2. To estimate the sensitivity of the volatility of the illiquid options, two types of shifts have been made. The shifts are based on each product type and are considered reasonable changes. Based on the historical volatility of the underlying prices of options in level 2, it is unlikely that the fair value would be affected more than +/- SEK 35m. When valuation models are used to determine fair value of financial instruments in level 2, the consideration that has been paid or received is assessed as the best evidence of fair value at initial recognition. Because of the possibility that a difference could arise between this fair value and the non-current fair value, the internal assumptions used to value the illiquid option instrument is typically reported in level 2. However, the Group typically hedges the individual option's fair value, the internal assumptions used to value the illiquid option instrument and these are reported as derivatives in level 3. To estimate the sensitivity of the volatility of the illiquid options, two types of shifts have been made. The shifts are based on each product type and are considered reasonable changes. Based on the historical volatility of the underlying prices of options in level 2, it is unlikely that the fair value would be affected more than +/- SEK 35m. When valuation models are used to determine fair value of financial instruments in level 2, the consideration that has been paid or received is assessed as the best evidence of fair value at initial recognition. Because of the possibility that a difference could arise between this fair value and the Basel guidelines, the Banks will be accounted for at fair value. The reserves on the liabilities measured according to quoted prices for similar quoted bonds are also included on level 2.

Level 3 contains other financial instruments where internal assumptions have a significant effect on the calculation of fair value. Level 3 primarily contains unlisted equity instruments and illiquid options. The options hedge changes in the market values of combined debt instruments, so-called structured products. Structured products consist of a corresponding option element and a host contract, which in principle is an ordinary interest-bearing bond. When the Group evaluates the level on which the financial instruments are reported, the entire instrument is assessed on an individual basis. Since the bond portion of structured products represents the majority of the financial instrument's fair value, the internal assumptions used to value the illiquid option element normally do not have a significant effect on the valuation and the financial instrument is typically reported in level 2. However, the Group typically hedges the market risks that arise in structured products by holding individual options. The internal assumptions in the individual options are of greater significance to the individual market and these are reported as derivatives in level 3. To estimate the sensitivity of the volatility of the illiquid options, two types of shifts have been made. The shifts are based on each product type and are considered reasonable changes. Based on the historical volatility of the underlying prices of options in level 2, it is unlikely that the fair value would be affected more than +/- SEK 35m. When valuation models are used to determine fair value of financial instruments in level 2, the consideration that has been paid or received is assessed as the best evidence of fair value at initial recognition. Because of the possibility that a difference could arise between this fair value and the
fair value calculated at that time using the valuation model, so called day 1 profit or loss, the Group adjusts the valuation models to avoid such differences. As of year-end there were no cumulative differences that were not recognised through profit or loss.

Transfers between fair value hierarchy levels are reflected as taking place at the end of each quarter. During the years ended 2015 and 2014, there were no transfers of financial instruments between valuation levels 1 and 2. Financial instruments are transferred to or from level 3 depending on whether the internal assumptions have changed in significance for the valuation.

The following table shows financial instruments measured at fair value as per year-end distributed by valuation method.

<table>
<thead>
<tr>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level 1</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Treasury bills and other bills eligible for refinancing with central banks etc.</td>
<td>19,098</td>
</tr>
<tr>
<td>Loans to credit institutions</td>
<td>1,975</td>
</tr>
<tr>
<td>Loans to the public</td>
<td>36,075</td>
</tr>
<tr>
<td>Bonds and interest-bearing securities</td>
<td>57,203</td>
</tr>
<tr>
<td>Shares and participating interest</td>
<td>10,744</td>
</tr>
<tr>
<td>Derivatives</td>
<td>150</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>87,195</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Amounts owed to credit institutions</td>
<td>816</td>
</tr>
<tr>
<td>Deposits and borrowings from the public</td>
<td>4,447</td>
</tr>
<tr>
<td>Debt securities in issue etc.</td>
<td>14,561</td>
</tr>
<tr>
<td>Derivatives</td>
<td>13</td>
</tr>
<tr>
<td>Short positions securities</td>
<td>8192</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>8,205</td>
</tr>
</tbody>
</table>

Changes in level 3

<table>
<thead>
<tr>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td></td>
</tr>
<tr>
<td>Mergers</td>
<td>20</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>16</td>
</tr>
<tr>
<td>Sales of assets</td>
<td>-13</td>
</tr>
<tr>
<td>Issued</td>
<td>9</td>
</tr>
<tr>
<td>Transferred from Level 2 to Level 3</td>
<td></td>
</tr>
<tr>
<td>Transferred from Level 3 to Level 2</td>
<td></td>
</tr>
<tr>
<td>Transferred from Level 3 to Level 1</td>
<td></td>
</tr>
<tr>
<td>Gains or loss</td>
<td></td>
</tr>
<tr>
<td>of which in the income statement, net gains and losses on financial items at fair value</td>
<td></td>
</tr>
<tr>
<td>of which are changes in unrealised gains or losses for items held at closing day</td>
<td></td>
</tr>
<tr>
<td>Closing balance</td>
<td>67</td>
</tr>
</tbody>
</table>

Changes in level 3

<table>
<thead>
<tr>
<th>2014</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td></td>
</tr>
<tr>
<td>Transferred from Level 2 to Level 3</td>
<td>54</td>
</tr>
<tr>
<td>Transferred from Level 3 to Level 2</td>
<td>-128</td>
</tr>
<tr>
<td>Gains or loss</td>
<td>-1</td>
</tr>
<tr>
<td>of which in the income statement, net gains and losses on financial items at fair value</td>
<td>-1</td>
</tr>
<tr>
<td>of which are changes in unrealised gains or losses for items held at closing day</td>
<td>-1</td>
</tr>
<tr>
<td>Closing balance</td>
<td>49</td>
</tr>
</tbody>
</table>
Swedbank chose as of 1 July 2008 to reclassify certain interest-bearing securities which, owing to extraordinary market conditions, had become illiquid. Market conditions at the time were distinguished by extreme turbulence, a shortage of liquidity and a lack of quoted prices on active markets. The holdings, as listed in the table below, were reclassified from trading to held to maturity, since the instruments are no longer held for trading purposes. Instead, management intends and has the capacity to hold them to maturity. Financial instruments in the category held for trading are recognised at fair value with changes in value recognised in profit or loss. Financial instruments in the category held to maturity are recognised at amortised cost less impairments. No impairments were needed as of 31 December, meaning that all contractual cash flows are expected to be received. All the holdings are Residential Mortgage Backed Securities (RMBS).

### Financial instruments at amortised cost

The following tables distribute fair values by the three valuation levels for financial instruments at amortised cost.

#### 2015

<table>
<thead>
<tr>
<th></th>
<th>Carrying amount</th>
<th>Fair value</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Level 2</td>
<td>Level 3</td>
<td>Total</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans to credit institutions</td>
<td>423,120</td>
<td>423,120</td>
<td>423,120</td>
<td></td>
</tr>
<tr>
<td>Loans to the public</td>
<td>380,407</td>
<td>380,407</td>
<td>380,407</td>
<td></td>
</tr>
<tr>
<td>Bonds and other interest-bearing securities</td>
<td>3,857</td>
<td>3,693</td>
<td>164</td>
<td>3,857</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>807,384</td>
<td>807,220</td>
<td>164</td>
<td>807,384</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts owed to credit institutions</td>
<td>220,167</td>
<td>220,167</td>
<td>220,167</td>
<td></td>
</tr>
<tr>
<td>Deposits and borrowing from the public</td>
<td>595,029</td>
<td>595,029</td>
<td>595,029</td>
<td></td>
</tr>
<tr>
<td>Debts securities in issue</td>
<td>261,284</td>
<td>260,391</td>
<td>260,391</td>
<td></td>
</tr>
<tr>
<td>Subordinated liabilities</td>
<td>24,613</td>
<td>24,626</td>
<td>24,626</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,101,093</td>
<td>1,100,213</td>
<td>1,100,213</td>
<td></td>
</tr>
</tbody>
</table>

#### 2014

<table>
<thead>
<tr>
<th></th>
<th>Carrying amount</th>
<th>Fair value</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Level 2</td>
<td>Level 3</td>
<td>Total</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans to credit institutions</td>
<td>418,510</td>
<td>418,510</td>
<td>418,510</td>
<td></td>
</tr>
<tr>
<td>Loans to the public</td>
<td>367,487</td>
<td>367,487</td>
<td>367,487</td>
<td></td>
</tr>
<tr>
<td>Bonds and other interest-bearing securities</td>
<td>1,219</td>
<td>1,218</td>
<td>1,218</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>787,216</td>
<td>785,997</td>
<td>1,218</td>
<td>787,216</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts owed to credit institutions</td>
<td>216,823</td>
<td>216,823</td>
<td>216,823</td>
<td></td>
</tr>
<tr>
<td>Deposits and borrowing from the public</td>
<td>515,969</td>
<td>515,969</td>
<td>515,969</td>
<td></td>
</tr>
<tr>
<td>Debts securities in issue</td>
<td>304,744</td>
<td>305,710</td>
<td>305,710</td>
<td></td>
</tr>
<tr>
<td>Subordinated liabilities</td>
<td>18,010</td>
<td>17,985</td>
<td>17,985</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,055,546</td>
<td>1,056,487</td>
<td>1,056,487</td>
<td></td>
</tr>
</tbody>
</table>

### P41 Reclassification of financial assets

Nominal amounts and carrying amounts are affected by changes in exchange rates. Carrying amounts are also affected by the allocations of discounts in accordance with the effective interest method. The effective interest rate on the date of reclassification was 5.62 per cent.

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrying amount</td>
<td>160</td>
<td>719</td>
</tr>
<tr>
<td>Nominal amount</td>
<td>160</td>
<td>721</td>
</tr>
<tr>
<td>Fair value</td>
<td>159</td>
<td>718</td>
</tr>
<tr>
<td>Recognised interest income after reclassification</td>
<td>1</td>
<td>3</td>
</tr>
</tbody>
</table>

Swedbank Annual Report 2015
The disclosures below refer to recognised financial instruments that have been offset in the balance sheet or are subject to legally binding netting agreements, even when they have not been offset in the balance sheet, as well as to related rights to financial collateral. As of the closing day these financial instruments referred to derivatives, repos (including reverse), security settlement claims and securities loans.

### Financial assets and liabilities which have been offset or are subject to netting or similar agreements

<table>
<thead>
<tr>
<th>Assets</th>
<th>2015</th>
<th></th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Derivatives</td>
<td>Reverse repurchase agreements</td>
<td>Securities borrowing</td>
</tr>
<tr>
<td>Financial assets, which not have been offset or are subject to netting or similar agreements</td>
<td>5 019</td>
<td>5 019</td>
<td>4 678</td>
</tr>
<tr>
<td>Financial assets, which have been offset or are subject to netting or similar agreements</td>
<td>93 281</td>
<td>36 615</td>
<td>74</td>
</tr>
<tr>
<td>Net amount presented in the balance sheet</td>
<td>98 300</td>
<td>36 615</td>
<td>74</td>
</tr>
<tr>
<td>Financial assets, which have been offset or are subject to netting or similar agreements</td>
<td>107 232</td>
<td>39 614</td>
<td>74</td>
</tr>
<tr>
<td>Offset amount</td>
<td>-13 951</td>
<td>-2 999</td>
<td>-16 950</td>
</tr>
<tr>
<td>Net amount presented in the balance sheet</td>
<td>93 281</td>
<td>36 615</td>
<td>74</td>
</tr>
<tr>
<td>Financial liabilities which not have been offset or are subject to netting or similar agreements</td>
<td>2 930</td>
<td>2 930</td>
<td>3 670</td>
</tr>
<tr>
<td>Financial liabilities which have been offset or are subject to netting or similar agreements</td>
<td>95 577</td>
<td>5 100</td>
<td>13</td>
</tr>
<tr>
<td>Net amount presented in the balance sheet</td>
<td>98 507</td>
<td>5 100</td>
<td>13</td>
</tr>
<tr>
<td>Financial liabilities which have been offset or are subject to netting or similar agreements</td>
<td>110 419</td>
<td>8 099</td>
<td>13</td>
</tr>
<tr>
<td>Offset amount</td>
<td>-14 842</td>
<td>-2 999</td>
<td>-17 841</td>
</tr>
<tr>
<td>Net amount presented in the balance sheet</td>
<td>95 577</td>
<td>5 100</td>
<td>13</td>
</tr>
</tbody>
</table>

### Related amount not offset in the balance sheet

<table>
<thead>
<tr>
<th>Assets</th>
<th>2015</th>
<th></th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Derivatives</td>
<td>Reverse repurchase agreements</td>
<td>Securities settlement claims</td>
</tr>
<tr>
<td>Financial instruments, netting agreements</td>
<td>49 947</td>
<td>5 085</td>
<td>55 032</td>
</tr>
<tr>
<td>Financial instruments, collateral</td>
<td>1 220</td>
<td>31 453</td>
<td>74</td>
</tr>
<tr>
<td>Cash, collateral</td>
<td>19 915</td>
<td>19 992</td>
<td>77</td>
</tr>
<tr>
<td>Total related amount not offset in the balance sheet</td>
<td>71 082</td>
<td>36 615</td>
<td>74</td>
</tr>
<tr>
<td>Net amount</td>
<td>22 199</td>
<td>22 199</td>
<td>24 540</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>2015</th>
<th></th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Derivatives</td>
<td>Reverse repurchase agreements</td>
<td>Securities settlement claims</td>
</tr>
<tr>
<td>Financial liabilities which not have been offset or are subject to netting or similar agreements</td>
<td>2 930</td>
<td>2 930</td>
<td>3 670</td>
</tr>
<tr>
<td>Financial liabilities which have been offset or are subject to netting or similar agreements</td>
<td>95 577</td>
<td>5 100</td>
<td>13</td>
</tr>
<tr>
<td>Net amount presented in the balance sheet</td>
<td>98 507</td>
<td>5 100</td>
<td>13</td>
</tr>
<tr>
<td>Financial liabilities which have been offset or are subject to netting or similar agreements</td>
<td>110 419</td>
<td>8 099</td>
<td>13</td>
</tr>
<tr>
<td>Offset amount</td>
<td>-14 842</td>
<td>-2 999</td>
<td>-17 841</td>
</tr>
<tr>
<td>Net amount presented in the balance sheet</td>
<td>95 577</td>
<td>5 100</td>
<td>13</td>
</tr>
<tr>
<td>Financial instruments, netting agreements</td>
<td>49 947</td>
<td>5 085</td>
<td>55 032</td>
</tr>
<tr>
<td>Financial instruments, collateral</td>
<td>3 021</td>
<td>7</td>
<td>13</td>
</tr>
<tr>
<td>Cash, collateral</td>
<td>15 651</td>
<td>2</td>
<td>15 653</td>
</tr>
<tr>
<td>Total related amount not offset in the balance sheet</td>
<td>68 619</td>
<td>5 094</td>
<td>13</td>
</tr>
<tr>
<td>Net amount</td>
<td>26 958</td>
<td>6</td>
<td>26 964</td>
</tr>
</tbody>
</table>

Swedbank Annual Report 2015
Specification of adjustments for non-cash items in operating activities

<table>
<thead>
<tr>
<th>Item</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortised origination fees</td>
<td>-553</td>
<td>-522</td>
</tr>
<tr>
<td>Unrealised changes in value/currency changes</td>
<td>-2 022</td>
<td>7 290</td>
</tr>
<tr>
<td>Depreciation of tangible and intangible fixed assets</td>
<td>3 823</td>
<td>4 481</td>
</tr>
<tr>
<td>Impairment of financial fixed assets</td>
<td>415</td>
<td>2 193</td>
</tr>
<tr>
<td>Credit impairment</td>
<td>732</td>
<td>622</td>
</tr>
<tr>
<td>Dividend Group entities</td>
<td>-12 385</td>
<td>-17 864</td>
</tr>
<tr>
<td>Prepaid expenses and accrued income</td>
<td>4 274</td>
<td>-2 422</td>
</tr>
<tr>
<td>Accrued expenses and prepaid income</td>
<td>-190</td>
<td>516</td>
</tr>
<tr>
<td>Share based payments to employees</td>
<td>279</td>
<td>314</td>
</tr>
<tr>
<td>Other</td>
<td>-116</td>
<td>41</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-5 743</td>
<td>-5 351</td>
</tr>
</tbody>
</table>

Specification of adjustments for non-cash items in operating activities - Table 43

Assets pledged, contingent liabilities and commitments

### Assets pledged for own liabilities

<table>
<thead>
<tr>
<th>Item</th>
<th>2015</th>
<th>2014</th>
<th>1/1/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government securities and bonds pledged with the Riksbank</td>
<td>10 648</td>
<td>10 201</td>
<td>10 869</td>
</tr>
<tr>
<td>Government securities and bonds pledged with foreign central banks</td>
<td>12 772</td>
<td>10 073</td>
<td>868</td>
</tr>
<tr>
<td>Government securities and bonds pledged for liabilities to credit institutions, repurchase agreements</td>
<td>1 244</td>
<td>6 115</td>
<td>6 898</td>
</tr>
<tr>
<td>Government securities and bonds pledged for deposits from the public, repurchase agreements</td>
<td>2 310</td>
<td>11 356</td>
<td>13 006</td>
</tr>
<tr>
<td>Cash</td>
<td>13 697</td>
<td>11 717</td>
<td>7 178</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>40 671</td>
<td>49 462</td>
<td>38 819</td>
</tr>
</tbody>
</table>

The carrying amount of liabilities for which assets are pledged amounted to SEK 40 671 m (49 462) in 2015.

<table>
<thead>
<tr>
<th>Other assets pledged</th>
<th>2015</th>
<th>2014</th>
<th>1/1/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Securities lending</td>
<td>13</td>
<td>1 002</td>
<td>177</td>
</tr>
<tr>
<td>Government securities and bonds pledged for other commitments</td>
<td>3 194</td>
<td>5 685</td>
<td>2 695</td>
</tr>
<tr>
<td>Cash</td>
<td>459</td>
<td>366</td>
<td>334</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3 666</td>
<td>7 053</td>
<td>3 206</td>
</tr>
</tbody>
</table>

Collateral is pledged in the form of government securities or bonds to central banks in order to execute transactions with the central banks. In so-called genuine repurchase transactions, where the parent company sells a security and at the same time agrees to repurchase it, the sold security remains on the balance sheet. The carrying amount of the security is also recognised as a pledged asset. In principle, the parent company cannot dispose of pledged collateral. Generally, the assets are also separated on behalf of the beneficiaries in the event of the parent company’s insolvency.

### Contingent liabilities

<table>
<thead>
<tr>
<th>Nominal amount</th>
<th>2015</th>
<th>2014</th>
<th>1/1/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan guarantees</td>
<td>547 718</td>
<td>496 603</td>
<td>522 950</td>
</tr>
<tr>
<td>Other guarantees</td>
<td>25 229</td>
<td>17 352</td>
<td>14 609</td>
</tr>
<tr>
<td>Accepted and endorsed notes</td>
<td>140</td>
<td>108</td>
<td>80</td>
</tr>
<tr>
<td>Letters of credit granted but not utilised</td>
<td>2 153</td>
<td>1 853</td>
<td>1 213</td>
</tr>
<tr>
<td>Other contingent liabilities</td>
<td>51</td>
<td>18</td>
<td>97</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>575 291</td>
<td>515 934</td>
<td>538 949</td>
</tr>
<tr>
<td>Provision for anticipated credit impairments</td>
<td>-21</td>
<td>-19</td>
<td>-65</td>
</tr>
</tbody>
</table>

### Commitments

<table>
<thead>
<tr>
<th>Nominal amount</th>
<th>2015</th>
<th>2014</th>
<th>1/1/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans granted but not paid</td>
<td>137 719</td>
<td>128 814</td>
<td>106 173</td>
</tr>
<tr>
<td>Overdraft facilities granted but not utilised</td>
<td>68 263</td>
<td>72 374</td>
<td>74 375</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>205 982</td>
<td>201 188</td>
<td>180 548</td>
</tr>
</tbody>
</table>

The nominal amount of interest, equity and currency related contracts are shown in note P25 Derivatives.
Transferred financial assets

The parent company transfers ownership of financial assets in connection with repos and security loans. Although ownership has been transferred in these transactions, the asset remains on the balance sheet since the parent company is still exposed to the asset’s risk of fluctuating in value. This is because the agreement stipulates at the time of transfer that the asset will be restored. Sales proceeds received in connection with repos are recognised as liabilities. All assets and related liabilities are recognised at fair value and included in the valuation category fair value through profit and loss, trading. Liabilities related to securities lending refer to collateral received in the form of cash. These liabilities are reported in the valuation category other financial liabilities. In addition to what is indicated in the table for securities lending, collateral is received in the form of other securities to cover the difference between the fair value of the transferred assets and the recognised liability’s fair value. At year-end the parent company had no commitments in financial assets that had been removed from the balance sheet.

<table>
<thead>
<tr>
<th>Valuation category, fair value through profit or loss</th>
<th>2015 Carrying amount</th>
<th>Of which repurchase agreements</th>
<th>Of which securities lending</th>
<th>Associated liabilities Carrying amount</th>
<th>Of which repurchase agreements</th>
<th>Of which securities lending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trading</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity instruments</td>
<td>426</td>
<td>426</td>
<td>74</td>
<td>3 554</td>
<td>3 554</td>
<td>3 554</td>
</tr>
<tr>
<td>Debt securities</td>
<td>3 554</td>
<td>426</td>
<td>74</td>
<td>3 554</td>
<td>3 554</td>
<td>3 554</td>
</tr>
<tr>
<td>Total</td>
<td>3 980</td>
<td>3 554</td>
<td>426</td>
<td>3 628</td>
<td>3 554</td>
<td>74</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Valuation category, fair value through profit or loss</th>
<th>2014 Carrying amount</th>
<th>Of which repurchase agreements</th>
<th>Of which securities lending</th>
<th>Associated liabilities Carrying amount</th>
<th>Of which repurchase agreements</th>
<th>Of which securities lending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trading</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity instruments</td>
<td>127</td>
<td>127</td>
<td>74</td>
<td>17 471</td>
<td>17 471</td>
<td>17 441</td>
</tr>
<tr>
<td>Debt securities</td>
<td>17 471</td>
<td>17 471</td>
<td>17 441</td>
<td>17 441</td>
<td>17 441</td>
<td>74</td>
</tr>
<tr>
<td>Total</td>
<td>17 598</td>
<td>17 471</td>
<td>127</td>
<td>17 515</td>
<td>17 441</td>
<td>74</td>
</tr>
</tbody>
</table>

Operational leasing

The agreements mainly relate to premises in which the parent company is the lessee. The terms of the agreements comply with customary practices and include clauses on inflation and property tax. The combined amount of future minimum lease payments that relate to non-cancellable agreements is allocated on the due dates as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Expenses</th>
<th>Income subleasing</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>607</td>
<td>36</td>
<td>571</td>
</tr>
<tr>
<td>2017</td>
<td>563</td>
<td>34</td>
<td>529</td>
</tr>
<tr>
<td>2018</td>
<td>442</td>
<td>26</td>
<td>416</td>
</tr>
<tr>
<td>2019</td>
<td>400</td>
<td>24</td>
<td>376</td>
</tr>
<tr>
<td>2020</td>
<td>284</td>
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<tr>
<td>2021</td>
<td>199</td>
<td></td>
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<tr>
<td>2022</td>
<td>183</td>
<td></td>
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<tr>
<td>2023</td>
<td>178</td>
<td></td>
<td>178</td>
</tr>
<tr>
<td>2024</td>
<td>166</td>
<td></td>
<td>166</td>
</tr>
<tr>
<td>2025 or later</td>
<td>1,248</td>
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<td>1,248</td>
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<tr>
<td>Total</td>
<td>4,270</td>
<td>120</td>
<td>4,150</td>
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<table>
<thead>
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<th>Year</th>
<th>Expenses</th>
<th>Income subleasing</th>
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<tbody>
<tr>
<td>2014</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
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<tr>
<td>2016</td>
<td>577</td>
<td>36</td>
<td>541</td>
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<tr>
<td>2017</td>
<td>506</td>
<td>32</td>
<td>476</td>
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<tr>
<td>2018</td>
<td>386</td>
<td>24</td>
<td>362</td>
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<tr>
<td>2019</td>
<td>350</td>
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<tr>
<td>2020</td>
<td>263</td>
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<td>2021</td>
<td>191</td>
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<td>2022</td>
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<tr>
<td>2023</td>
<td>155</td>
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<td>155</td>
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<tr>
<td>2024 or later</td>
<td>1,433</td>
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<tr>
<td>Total</td>
<td>4,202</td>
<td>114</td>
<td>4,088</td>
</tr>
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</table>
### P47 Related parties and other significant relationships

<table>
<thead>
<tr>
<th></th>
<th>Subsidiaries</th>
<th>Associates</th>
<th>Other related parties</th>
</tr>
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<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans to credit institutions</td>
<td>340,717</td>
<td>328,138</td>
<td>7,940</td>
</tr>
<tr>
<td>Loans to the public</td>
<td>995</td>
<td>2,935</td>
<td></td>
</tr>
<tr>
<td>Bonds and other interest-bearing securities</td>
<td>2,873</td>
<td>4,956</td>
<td></td>
</tr>
<tr>
<td>Derivatives</td>
<td>12,743</td>
<td>11,131</td>
<td></td>
</tr>
<tr>
<td>Other assets</td>
<td>7,639</td>
<td>9,037</td>
<td>6</td>
</tr>
<tr>
<td>Prepaid expenses and accrued income</td>
<td>888</td>
<td>727</td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>365,355</td>
<td>357,723</td>
<td>7,940</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount owed to credit institutions</td>
<td>71,280</td>
<td>52,138</td>
<td>1,993</td>
</tr>
<tr>
<td>Deposits and borrowing from the public</td>
<td>8,156</td>
<td>13,236</td>
<td>25</td>
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<tr>
<td>Derivatives</td>
<td>30,071</td>
<td>33,247</td>
<td></td>
</tr>
<tr>
<td>Other liabilities</td>
<td>37</td>
<td>839</td>
<td></td>
</tr>
<tr>
<td>Accrued expenses and prepaid income</td>
<td>44</td>
<td>109</td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>109,588</td>
<td>99,568</td>
<td>1,993</td>
</tr>
<tr>
<td><strong>Contingent liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Guarantees</td>
<td>493,783</td>
<td>493,783</td>
<td></td>
</tr>
<tr>
<td>Derivatives, nominal amount</td>
<td>688,443</td>
<td>724,785</td>
<td>1,883</td>
</tr>
<tr>
<td><strong>Income and expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>-2,028</td>
<td>647</td>
<td>100</td>
</tr>
<tr>
<td>Interest expenses</td>
<td>1,229</td>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td>Dividends received</td>
<td>3,873</td>
<td>10,701</td>
<td>53</td>
</tr>
<tr>
<td>Commission income</td>
<td>1,625</td>
<td>1,683</td>
<td>6</td>
</tr>
<tr>
<td>Commission expenses</td>
<td>2</td>
<td>1,651</td>
<td></td>
</tr>
<tr>
<td>Other income</td>
<td>171</td>
<td>241</td>
<td>12</td>
</tr>
<tr>
<td>Other general administrative expenses</td>
<td>41</td>
<td>74</td>
<td></td>
</tr>
</tbody>
</table>

### P48 Events after 31 December 2015

See Group note G59.
Reports and notes – Sustainability

179  Sustainability report

180  S1 – Pay

181  S2 – Finance

182  S3 – Save/Invest

183  S4 – Procure

183  S5 – Employees

185  S6 – Environmental impacts

186  S7 – Social engagement

Global Reporting Initiative - GRI

187  GRI Standard Disclosures

187  Reporting according to G4-DMA

188  GRI Specific Standard Disclosures
Sustainability report

We integrate sustainability in our operations and business decisions, so it is also covered as an integral part of our annual report. Swedbank’s sustainability report conforms to the Global Reporting Initiative’s (GRI) guidelines, version G4 level Core, and has been reviewed by the auditing firm Deloitte in accordance with the assurance report on page 192. The report consists of the Annual Report 2015 and the Detailed sustainability report 2015.

Sustainability is an important part of our business. Our work is steered by a sustainability framework and integrated in existing business processes and decisions. Beyond the Group-wide framework, we have chosen to adopt and support a number of international initiatives to guide our work and the overarching sustainability work in the bank. The UN’s Global Compact’s ten principles, the UN Principles for Responsible Investments (UNPRI) and the UN’s framework for companies and human rights are examples of the critical commitments that guide us. In 2015 we also signed the Montreal Carbon Pledge, an international initiative whose signatories commit to disclose the carbon footprint of their investment portfolios.

The following model provides an overview of our sustainability integration and examples of our commitments, governing documents and work processes. The sustainability report allows us to inform our stakeholders of the work we have done and the results we have achieved. Through our dialogue with stakeholders we have identified and prioritised the most material and strategically important areas for us to reach our goal of sustainable banking.

The results presented in the following notes are divided into four core processes: pay, finance, save/invest and procure. We also report the results of our work related to environmental issues, social engagements, gender equality and diversity, and occupational health and safety.

S1 Pay

In the Pay area sustainability risks are tied to money laundering and terrorist financing, among other things. It is important therefore that we know our customers, understand where their money comes from and why they want a relationship with the bank, to more easily detect unusual behaviour. Through system support for monitoring transactions and reconciliations of customer databases against sanction lists we reduce our business risks.

The payment and card areas in the bank’s home markets and internationally are undergoing major change in terms of regulations and customer preferences. Physical, online and mobile payments are merging and will increasingly be executed on mobile devices, regardless of whether a sale was in a brick-and-mortar store or through a traditional e-commerce website. The number of payments through our digital channels continued to increase in 2015 through a combination of economic growth and the shift from cash to card and electronic payments. For the Group in total, e-payments rose by 59 per cent in Jan-Sept 2015 compared with the same period a year earlier.

Accessibility, i.e. the ease with which customers can contact the bank and transact banking services, is also increasing as digital channels develop. All four of our home markets have a high level of Internet penetration and widespread mobile coverage to facilitate it. This is in addition to the Telephone Bank, ATMs (owned by Bankomat AB in Sweden) and a traditional retail network with 275 branches in Sweden and 144 branches in the Baltic countries.

Digitisation is changing products and services as customers demand more digital solutions and the accessibility they offer. Swedbank has therefore made it a priority. Increased digitisation and less cash handling in society also pave the way for efficient resource utilisation. In the bank resources are freed up for individual financial advice as customers increasingly turn to and rely on digital channels.

### Sweden

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (million)</td>
<td>9.6</td>
<td>9.6</td>
</tr>
<tr>
<td>Private customers (million)</td>
<td>4.0</td>
<td>4.1</td>
</tr>
<tr>
<td>Corporate customers (thousand)</td>
<td>265,000</td>
<td>270,000</td>
</tr>
<tr>
<td>Cards (million)</td>
<td>4.3</td>
<td>3.9</td>
</tr>
<tr>
<td>Branches</td>
<td>275</td>
<td>314</td>
</tr>
<tr>
<td>Internet Bank customers (million)</td>
<td>3.9</td>
<td>3.7</td>
</tr>
<tr>
<td>Internet Bank logins (million)</td>
<td>240</td>
<td>254</td>
</tr>
<tr>
<td>Internet Bank payments (million)</td>
<td>162</td>
<td>174</td>
</tr>
<tr>
<td>Mobile Bank customers (million)</td>
<td>2.5</td>
<td>2.0</td>
</tr>
<tr>
<td>Mobile Bank logins (million)</td>
<td>396</td>
<td>416</td>
</tr>
<tr>
<td>Swish payments (million)</td>
<td>80</td>
<td>20</td>
</tr>
<tr>
<td>Donations to WWF from WWF cards (SEKm)</td>
<td>1.6</td>
<td>3.6</td>
</tr>
<tr>
<td>Customers with WWF cards</td>
<td>80,212</td>
<td>136,983</td>
</tr>
</tbody>
</table>

1) The cost to the customer to access the Internet Bank is about SEK 175 per year.
2) Includes savings banks.
3) Swedbank and the savings banks no longer collaborate with WWF card products. Donations continue to be paid to WWF for outstanding cards.

### Estonia

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (million)</td>
<td>1.3</td>
<td>1.3</td>
</tr>
<tr>
<td>Private customers (million)</td>
<td>0.8</td>
<td>1.0</td>
</tr>
<tr>
<td>Corporate customers (thousand)</td>
<td>135,000</td>
<td>130,000</td>
</tr>
<tr>
<td>Cards (million)</td>
<td>1.1</td>
<td>1.1</td>
</tr>
<tr>
<td>Branches</td>
<td>36</td>
<td>50</td>
</tr>
<tr>
<td>Accessible branches</td>
<td>28</td>
<td>28</td>
</tr>
<tr>
<td>ATMs</td>
<td>423</td>
<td>457</td>
</tr>
<tr>
<td>Internet Bank customers (million)</td>
<td>0.9</td>
<td>0.9</td>
</tr>
<tr>
<td>Internet Bank logins (million)</td>
<td>46.6</td>
<td>47</td>
</tr>
<tr>
<td>Internet Bank payments (million)</td>
<td>67.0</td>
<td>64.3</td>
</tr>
<tr>
<td>Mobile Bank customers (million)</td>
<td>0.32</td>
<td>0.26</td>
</tr>
<tr>
<td>Mobile Bank logins (million)</td>
<td>5.6</td>
<td>3.9</td>
</tr>
</tbody>
</table>

1) No fees are charged to use the Internet Bank and Mobile Bank.
2) Relates to private customers.

### Latvia

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (million)</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Private customers (million)</td>
<td>0.9</td>
<td>1.0</td>
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<tr>
<td>Corporate customers (thousand)</td>
<td>90,000</td>
<td>87,000</td>
</tr>
<tr>
<td>Cards (million)</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Branches</td>
<td>41</td>
<td>54</td>
</tr>
<tr>
<td>Accessible branches</td>
<td>31</td>
<td>32</td>
</tr>
<tr>
<td>ATMs</td>
<td>413</td>
<td>409</td>
</tr>
<tr>
<td>Internet Bank customers (million)</td>
<td>0.9</td>
<td>0.9</td>
</tr>
<tr>
<td>Internet Bank logins (million)</td>
<td>43.6</td>
<td>43.4</td>
</tr>
<tr>
<td>Internet Bank payments (million)</td>
<td>55.1</td>
<td>52.2</td>
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<tr>
<td>Mobile Bank customers (million)</td>
<td>0.39</td>
<td>0.31</td>
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<tr>
<td>Mobile Bank logins (million)</td>
<td>4</td>
<td>2.9</td>
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</table>

1) No fees are charged to use the Internet Bank and Mobile Bank.
2) Relates to private customers.

### Lithuania

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (million)</td>
<td>3.0</td>
<td>3.0</td>
</tr>
<tr>
<td>Private customers (million)</td>
<td>1.5</td>
<td>2</td>
</tr>
<tr>
<td>Corporate customers (thousand)</td>
<td>84,000</td>
<td>89,000</td>
</tr>
<tr>
<td>Cards (million)</td>
<td>1.6</td>
<td>1.7</td>
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<tr>
<td>Branches</td>
<td>67</td>
<td>77</td>
</tr>
<tr>
<td>Accessible branches</td>
<td>63</td>
<td>64</td>
</tr>
<tr>
<td>ATMs</td>
<td>454</td>
<td>520</td>
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<tr>
<td>Internet Bank customers (million)</td>
<td>1.3</td>
<td>1.3</td>
</tr>
<tr>
<td>Internet Bank logins (million)</td>
<td>46.4</td>
<td>46</td>
</tr>
<tr>
<td>Internet Bank payments (million)</td>
<td>43.8</td>
<td>42.9</td>
</tr>
<tr>
<td>Mobile Bank customers (million)</td>
<td>0.35</td>
<td>0.24</td>
</tr>
<tr>
<td>Mobile Bank logins (million)</td>
<td>4.1</td>
<td>2.4</td>
</tr>
</tbody>
</table>

1) No fees are charged to use the Internet Bank and Mobile Bank.
2) Relates to private customers.
Responsible lending is critical to a well-functioning bank. In our lending to both private and corporate customers we take responsibility by explaining risks and reviewing each customer’s long-term financial situation. Based on our vision, we believe that the foundation for a sound and sustainable economy begins with loan amortisation and manageable debt levels. In recent years Swedbank has introduced more extensive amortisation requirements on mortgages in Sweden. At the same time our customers are now more willing to pay off their mortgages as they see amortisation as an important complement to savings. This is a view the bank shares, so we want to make it easier for them to pay off their loans. In 2013 Swedbank gave customers the option to amortise up to an additional 20 per cent of their mortgages each year without prepayment fees.

A sustainability risk assessment is conducted in connection with all corporate loan applications over SEK 5m in Sweden and EUR 0.8m in the Baltic countries. The previous limit in Sweden, SEK 1m, was raised in 2015 to harmonise processes and thresholds in the Group, providing a more standardised form to assess loans. For corporate loans below the limit, sustainability related factors are assessed as part of the customer analysis. In dialoguing with the customer, we are also able to identify new business opportunities, such as investment needs tied to an industry’s sustainable development.

As a complement to the sustainability risk assessment, we have established internal guidelines that describe sustainability risks within each sector as well as international standards and norms for interactions with customers.

In cases where additional guidance is needed to minimise sustainability risks, credit decisions can be escalated to Swedbank’s Ethics and Sustainability Council, which handles cases involving the environment, human rights, social responsibility, business ethics and/or corruption.

Green bonds, which are earmarked for sustainable development, have grown strongly in recent years in Sweden and internationally. We work with several independent institutions specialised in reviewing and classifying green bonds. Through this type of bond we played a role in 2015 as issuing institution for financing an array of international environmental projects valued at over SEK 3.2bn.

<table>
<thead>
<tr>
<th>Share of corporate lending by country, %</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>77</td>
<td>77</td>
</tr>
<tr>
<td>Estonia</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Latvia</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Lithuania</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Norway</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Finland</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Share of corporate lending by sector, %</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property management</td>
<td>42</td>
<td>41</td>
</tr>
<tr>
<td>Agriculture, forestry and fishing</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Retail</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Shipping</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Public sector and utilities</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Construction</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Corporate services</td>
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<td>3</td>
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<tr>
<td>Finance and insurance</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Transportation</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Hotel and restaurant</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Information and communications</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Other corporate lending</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Corporate lending 2015 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate lending (SEKm)</td>
</tr>
<tr>
<td>Renewable energy lending (SEKm)¹</td>
</tr>
<tr>
<td>Number of customers with renewable energy loans ²</td>
</tr>
<tr>
<td>Number of green bonds ²</td>
</tr>
<tr>
<td>Green bonds, total compiled from the start (SEKbn)²</td>
</tr>
<tr>
<td>Sustainability risk analysis in lending ³</td>
</tr>
<tr>
<td>– Sweden (no. of business loan applications approved)</td>
</tr>
<tr>
<td>– Estonia (no. of business loans approved)</td>
</tr>
<tr>
<td>– Latvia (no. of business loans approved)</td>
</tr>
<tr>
<td>– Lithuania (no. of business loans approved)</td>
</tr>
<tr>
<td>No. of credit cases escalated to Group’s Ethics and Sustainability Council⁴</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Private lending (Sweden) 2015 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy loans (SEKm)²</td>
</tr>
<tr>
<td>Households with loan-to-value ratios above 70% of property value (%)</td>
</tr>
<tr>
<td>Share of households with loan-to-value ratios above 70% that amortise (new lending)²</td>
</tr>
<tr>
<td>Share of households with loan-to-value ratios above 70% that amortise (total portfolio)</td>
</tr>
</tbody>
</table>

¹) Total renewable energy lending refers to wind power, biomass district heating, pellet production, biogas and hydro power.
²) Financing of solar, wind and hydroelectric power.
³) Revised limit and new measurement method do not allow comparisons with 2014.
⁴) The total number of cases escalated to the Council in 2015, including non-credit-related, was 18.

1) Energy loans are available to customers in Sweden and used to finance residential energy savings.
2) New lending refers to all mortgages paid out in the fourth quarter 2015.
S3 Save/Invest

We offer customers sustainable savings through responsible investments. An important part of savings is asset management. The main strategy employed by our fund management company, Swedbank Robur, in order to be a responsible asset manager is to encourage companies through dialogue and active ownership to work more diligently with sustainability and responsible corporate governance. We dialogue with the companies and maintain continuous contact with the boards and management of those where the funds are major shareholders. The fund management company participates in nomination committees, votes at annual meetings and collaborates with other investors. An important goal of Swedbank Robur’s ownership work is to balance the boards in terms of competence, experience and diversity, including gender, as well as to balance independent and non-independent directors.

Swedbank Robur does not invest in companies that manufacture cluster bombs, land mines, chemical and biological weapons, and nuclear weapons. Our sustainability funds are managed with special criteria on the environment, human rights, occupational health and safety, and business ethics. One of the funds, Humanfond, donates to charitable organisations and gives investors the option to donate two per cent of their investment value per year to an affiliated charity of their choice.

During the year Swedbank Robur was one of the first fund managers to report the carbon footprint of all its equity and blend funds, which it did on two occasions. This shows how much CO2 the companies in a fund emit in relation to their revenue i.e. how climate efficient they are. The fund’s carbon footprint is the sum of the footprints of all its holdings proportionate to the fund’s interest in each company. The calculations are based on company-specific climate data in accordance with GHG Protocol Scope 1+2 from the environmental benchmarking firm Trucost. We estimate CO2 impacts for the funds and their indices. We report data externally for funds that have emissions data for 2.75% of the market value of their shareholdings. On both occasions the majority of the funds whose impacts were estimated outperformed their comparative indices. Since June 2015 the Ethica fund family does not invest in companies that produce fossil fuels: coal, oil and gas.

In addition to funds, Swedbank offers savings in the form of structured investments with or without capital protection, where the return is tied to various asset classes and markets, so-called SPAX equity-linked bonds. A number of structured investments have special ethical requirements that exclude companies associated with animal testing, genetic modification, a lack of respect for human rights or unfair labour conditions, among other things. Certain products can be excluded as well e.g. nuclear weapons, weapons, or tobacco. Certain indexes are chosen specifically because they exclude coal and oil production. Moreover, their investments can be focused on companies that will benefit from future investments to resolve major global challenges.

### Asset management

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets under management (SEKm)</td>
<td>1 090</td>
<td>1 052</td>
</tr>
<tr>
<td>- of which in funds (SEKm)</td>
<td>738</td>
<td>715</td>
</tr>
</tbody>
</table>

### Advocacy funds (no.)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Companies contacted on sustainability issues (no.)</td>
<td>263¹</td>
<td>332¹</td>
</tr>
<tr>
<td>- of which companies listed in Sweden</td>
<td>71</td>
<td>132</td>
</tr>
<tr>
<td>- of which companies listed outside Sweden</td>
<td>192</td>
<td>200</td>
</tr>
<tr>
<td>Participation in nominating committees in Sweden (no.)</td>
<td>59</td>
<td>61</td>
</tr>
<tr>
<td>Participation in annual general meetings (no.)</td>
<td>269</td>
<td>243</td>
</tr>
<tr>
<td>- of which companies listed in Sweden</td>
<td>140</td>
<td>135</td>
</tr>
<tr>
<td>- of which companies listed outside Sweden</td>
<td>129</td>
<td>108</td>
</tr>
</tbody>
</table>

1) Of which 93 companies contacted through collaborations and 170 through own contacts.

### Analysis of sustainability funds

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainability analyses of listed Swedish companies (no.)</td>
<td>97</td>
<td>130</td>
</tr>
<tr>
<td>Sustainability analyses of listed foreign companies (approx. no.)²</td>
<td>1 800</td>
<td>1 800</td>
</tr>
<tr>
<td>Share of investable companies listed in Sweden (%)²</td>
<td>33</td>
<td>35</td>
</tr>
<tr>
<td>Share of investable companies listed outside Sweden (%)²</td>
<td>43</td>
<td>46</td>
</tr>
</tbody>
</table>

1) Internal analysis of external data. The figure is an estimate.
2) Share of companies in SIX Portfolio Return Index (SIXPRX) approved for investment by our Ethica sustainability funds. 64 per cent of SIXPRX was analysed as of 31 December 2015 and 51 per cent of the companies were approved for investment.
3) Share of companies in MSCI World Index approved for investment by our Ethica sustainability funds. 100 per cent of the index was analysed as of 31 December 2015.
S4 Procure

Swedbank has around 15,000 suppliers and annual procurement costs of SEK 6.3bn. The central procurement process governs all reported purchases over EUR 50,000, aggregated on an annual basis, which are managed with the support of the bank’s central procurement unit. Since Swedbank’s business areas own all supplier agreements and demand specifications locally, contracts cannot be signed in certain cases until the central procurement unit is involved. If a supplier has been selected without the support of the procurement unit, it cannot be evaluated according to our sustainability criteria. In such cases it is important that we ensure the supplier meets them e.g. by signing our code of conduct.

Sustainability in our supplier relations is distinguished by dialogue, transparency and a mutual willingness to learn and develop. We influence our suppliers by setting clear sustainability demands on the products and services we buy. In recent years the procurement unit has focused its efforts on dialogue, developing ways to introduce sustainability requirements, and monitoring how well suppliers comply with them.

In acquisitions handled by the bank’s central procurement unit, suppliers are evaluated according to criteria for human rights, labour rights, business ethics and the environment. Existing suppliers are monitored as well, mainly through continuous dialogue and audits. Suppliers that do not meet our sustainability criteria are eliminated. Because suppliers estimate their own ability to meet the obligations of our code of conduct and through our on-site visits, we are able to monitor compliance. In 2015 the procurement unit increased the number of supplier visits by 58 per cent to ensure that the suppliers remain committed to sustainability.

Swedbank launched a new interior design concept during the year for our branches. In the procurement process stringent demands were placed on sustainability in the choice of products and suppliers. Sector guidelines were used as well to identify which sustainability related challenges the industry is facing and to give advice on which aspects should be stressed in the procurement process. Certain suppliers and products were excluded because they did not meet our environmental and sustainability requirements. The new decor is designed to produce the smallest environmental impact possible. One example is the special equipment that is designed in a way that makes it possible to separate various materials for recycling, in selecting upholstery priority was given to certified materials.

S5 Employees

It is important that our employees enjoy their work and have an opportunity to develop. Motivated and engaged employees are essential in order to meet our customers’ and the market’s needs. We work continuously and in structured fashion with employee competence and set clearly defined goals for each employee to support their personal development. All employees are offered internal training, including in sustainable banking.

Swedbank has a large internal job market comprising every country where the Group operates. We encourage internal mobility, which we believe benefits the individual’s development as well as the bank’s. By increasing internal mobility we can capitalise on the competence and potential of employees.

Gender equality and diversity are important to Swedbank. Our policy, which is put into practice through a gender equality and diversity plan, comprises our efforts to increase equality in the organisation. It includes measures to encourage equal wages, working conditions and treatment as well as to discourage discrimination and harassment.

Our priorities, which apply to 2017, are to eliminate unwarranted wage differences, achieve gender equality at the highest management level and increase diversity in general, with a focus on employees with a foreign background in Sweden.

Equal pay for Swedbank means paying men and women based on the same factors and eliminating wage differences due to gender. A wage survey is conducted annually in all our home markets. Current differences are largely due to the fact that men and women have different jobs with different pay scales, with women more often working at lower scales. If a difference cannot be explained, it is considered unwarranted. We work continuously to identify and mitigate unwarranted wage differences, including by comparing the wages of employees with the same positions or degree of difficulty and tracking managers according to various gender equality goals.

Equal gender distribution at the highest management level is important to us, and several measures are being taken around the bank to achieve it. One is to train managers on gender equality, diversity and norms.

Our efforts to raise the number of employees with a foreign background in Sweden had positive results during the year. Employees with a foreign background increased in 2015 from 12 to 14 per cent. The biggest gains were in urban areas and in business areas with the most trainees as part of the “A Job at Last” initiative.

<table>
<thead>
<tr>
<th>Supplier audits</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of reported purchases over EUR 50,000</td>
<td>266</td>
<td>172</td>
</tr>
<tr>
<td>Number that have undergone sustainability analysis</td>
<td>229</td>
<td>151</td>
</tr>
<tr>
<td>Share of reported purchases that have undergone sustainability analysis (%)</td>
<td>86</td>
<td>86</td>
</tr>
<tr>
<td>Supplier visits conducted (no.)</td>
<td>30</td>
<td>19</td>
</tr>
</tbody>
</table>

1) Based on data from the internal purchasing system.

<table>
<thead>
<tr>
<th>Total number and share of new employees by gender, age group and country, %</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of new employees</td>
<td>909</td>
<td>1,346</td>
</tr>
<tr>
<td>Women</td>
<td>66</td>
<td>62</td>
</tr>
<tr>
<td>Men</td>
<td>34</td>
<td>38</td>
</tr>
<tr>
<td>0–29 years</td>
<td>72</td>
<td>61</td>
</tr>
<tr>
<td>30–44 years</td>
<td>24</td>
<td>30</td>
</tr>
<tr>
<td>45–59 years</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>60+ years</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Sweden</td>
<td>11</td>
<td>37</td>
</tr>
<tr>
<td>Estonia</td>
<td>32</td>
<td>25</td>
</tr>
<tr>
<td>Latvia</td>
<td>26</td>
<td>14</td>
</tr>
<tr>
<td>Lithuania</td>
<td>31</td>
<td>24</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Internal training</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of training hours</td>
<td>379,887</td>
<td>462,876</td>
</tr>
<tr>
<td>Training hours per full-time employee (average FTE)</td>
<td>25</td>
<td>32</td>
</tr>
<tr>
<td>- training hours men</td>
<td>13</td>
<td>18</td>
</tr>
<tr>
<td>- training hours women</td>
<td>20</td>
<td>24</td>
</tr>
<tr>
<td>- training hours managers</td>
<td>21</td>
<td>25</td>
</tr>
<tr>
<td>- training hours specialists</td>
<td>8</td>
<td>15</td>
</tr>
<tr>
<td>Training programs in environment, sustainability, code of conduct and money laundering (number)</td>
<td>27,258</td>
<td>9,352</td>
</tr>
<tr>
<td>Training programs in sustainable banking as well as money laundering and terrorist financing (number)</td>
<td>5,778</td>
<td>24,324</td>
</tr>
</tbody>
</table>

1) The table also includes the savings banks.
2) Mandatory new training in ethics and the Code of Conduct was launched in 2015.
3) The training is mandatory and was launched in 2014.
### Rate of employee turnover by gender, age group and country, %

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>8.9</td>
<td>10.2</td>
</tr>
<tr>
<td>Men</td>
<td>9.6</td>
<td>9.6</td>
</tr>
<tr>
<td>0–29 years</td>
<td>10.2</td>
<td>15.3</td>
</tr>
<tr>
<td>30–44 years</td>
<td>8.0</td>
<td>8.6</td>
</tr>
<tr>
<td>45–59 years</td>
<td>5.1</td>
<td>4.6</td>
</tr>
<tr>
<td>60+ years</td>
<td>36.4</td>
<td>30.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Country</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>8.2</td>
<td>7.6</td>
</tr>
<tr>
<td>Estonia</td>
<td>9.1</td>
<td>13.4</td>
</tr>
<tr>
<td>Latvia</td>
<td>11.4</td>
<td>16.2</td>
</tr>
<tr>
<td>Lithuania</td>
<td>13.0</td>
<td>11.2</td>
</tr>
<tr>
<td>Total</td>
<td>9.4</td>
<td>10.0</td>
</tr>
</tbody>
</table>

### Wage difference women vs. men, management positions by country, %

<table>
<thead>
<tr>
<th>Country</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>28</td>
<td>28</td>
</tr>
<tr>
<td>Estonia</td>
<td>39</td>
<td>39</td>
</tr>
<tr>
<td>Latvia</td>
<td>51</td>
<td>46</td>
</tr>
<tr>
<td>Lithuania</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>Group total</td>
<td>39</td>
<td>40</td>
</tr>
</tbody>
</table>

1) Includes management positions at every level. HR responsibility is the common denominator for this category.

### Wage difference women vs. men, management positions by business area, %

<table>
<thead>
<tr>
<th>Business Area</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swedish Banking</td>
<td>-15</td>
<td>-20</td>
</tr>
<tr>
<td>Large Corporates &amp; Institutions</td>
<td>-50</td>
<td>-46</td>
</tr>
<tr>
<td>Baltic Banking</td>
<td>-45</td>
<td>-38</td>
</tr>
<tr>
<td>Group Products</td>
<td>-38</td>
<td>-43</td>
</tr>
<tr>
<td>Group Functions</td>
<td>-28</td>
<td>-30</td>
</tr>
</tbody>
</table>

1) Includes management positions at every level. HR responsibility is the common denominator for this category.

### Wage difference women vs. men, specialists by country, %

<table>
<thead>
<tr>
<th>Country</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>-23</td>
<td>-23</td>
</tr>
<tr>
<td>Estonia</td>
<td>-37</td>
<td>-38</td>
</tr>
<tr>
<td>Latvia</td>
<td>-31</td>
<td>-34</td>
</tr>
<tr>
<td>Lithuania</td>
<td>-39</td>
<td>-41</td>
</tr>
<tr>
<td>Group total</td>
<td>-40</td>
<td>-39</td>
</tr>
</tbody>
</table>

### Wage difference female vs. male, specialists by business area, %

<table>
<thead>
<tr>
<th>Business Area</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swedish Banking</td>
<td>-17</td>
<td>-16</td>
</tr>
<tr>
<td>Large Corporates &amp; Institutions</td>
<td>-42</td>
<td>-39</td>
</tr>
<tr>
<td>Baltic Banking</td>
<td>-33</td>
<td>-36</td>
</tr>
<tr>
<td>Group Products</td>
<td>-37</td>
<td>-37</td>
</tr>
<tr>
<td>Group Functions</td>
<td>-19</td>
<td>-19</td>
</tr>
</tbody>
</table>

### Level of education, %

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td></td>
<td></td>
</tr>
<tr>
<td>University degree</td>
<td>40</td>
<td>45</td>
</tr>
<tr>
<td>Other university education</td>
<td>15</td>
<td>6</td>
</tr>
<tr>
<td>Upper secondary school</td>
<td>41</td>
<td>41</td>
</tr>
<tr>
<td>Other education</td>
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<td>8</td>
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<tr>
<td>Estonia</td>
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<tr>
<td>University degree</td>
<td>66</td>
<td>65</td>
</tr>
<tr>
<td>Other university education</td>
<td>17</td>
<td>19</td>
</tr>
<tr>
<td>Upper secondary school</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>Other education</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Latvia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>University degree</td>
<td>71</td>
<td>71</td>
</tr>
<tr>
<td>Other university education</td>
<td>23</td>
<td>22</td>
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<tr>
<td>Upper secondary school</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Other education</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Lithuania</td>
<td></td>
<td></td>
</tr>
<tr>
<td>University degree</td>
<td>83</td>
<td>80</td>
</tr>
<tr>
<td>Other university education</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td>Upper secondary school</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Other education</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

### Age distribution, %

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0–29 years</td>
<td>16</td>
<td>12</td>
</tr>
<tr>
<td>30–44 years</td>
<td>37</td>
<td>39</td>
</tr>
<tr>
<td>45–59 years</td>
<td>39</td>
<td>41</td>
</tr>
<tr>
<td>60+ years</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Estonia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0–29 years</td>
<td>23</td>
<td>24</td>
</tr>
<tr>
<td>30–44 years</td>
<td>57</td>
<td>57</td>
</tr>
<tr>
<td>45–59 years</td>
<td>18</td>
<td>17</td>
</tr>
<tr>
<td>60+ years</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Latvia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0–29 years</td>
<td>26</td>
<td>29</td>
</tr>
<tr>
<td>30–44 years</td>
<td>53</td>
<td>60</td>
</tr>
<tr>
<td>45–59 years</td>
<td>20</td>
<td>10</td>
</tr>
<tr>
<td>60+ years</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Lithuania</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0–29 years</td>
<td>26</td>
<td>27</td>
</tr>
<tr>
<td>30–44 years</td>
<td>53</td>
<td>52</td>
</tr>
<tr>
<td>45–59 years</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>60+ years</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

### Employee survey, index

<table>
<thead>
<tr>
<th>Index</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engagement index, Results/Comparison</td>
<td>83</td>
<td>-3</td>
</tr>
<tr>
<td>Recommendation index, Results/Comparison</td>
<td>-3</td>
<td>18</td>
</tr>
<tr>
<td>Leadership index, Results/Comparison</td>
<td>84</td>
<td>-1</td>
</tr>
</tbody>
</table>

1) New for 2015.
2) Likelihood of recommending Swedbank as an employer externally. Calculated on a scale of 0–10, where the share of negative responses (0–6) is subtracted from the share of positive responses (9–10).
3) New for 2015.
S6 Environmental impacts

Our biggest environmental impact is generated indirectly through our financing, investments, payments and procurement. Despite that direct impacts are fairly limited, it is our responsibility, to the best of our ability, to minimise and report our carbon footprint. Since the base year 2010 we have cut our greenhouse gas emissions in half. Consequently, the goal for 2018 has been revised and the new goal is to cut emissions by 60 per cent based on the 2010 level.

The large share of our emissions is generated through energy consumption in our properties and through business travel. It is important therefore to increasingly use renewable energy, especially in properties in the Baltic countries, where consumption is usually more CO₂ intensive than in Sweden. In 2015 we reduced our total energy consumption by nearly 21 000 MWh and increased the share of renewable energy we purchased compared with the previous year. The move of our head office in 2014 generated significant energy savings, since our energy consumption has been cut in half in our new building, which has been certified by the Swedish Green Building Council and meets the requirements for its highest rating.

In addition, we are working to reduce emissions generated from our business travel. Among the measures we are taking is to travel by train rather than air between certain destinations in Sweden where we have previously relied more on flying. We are also trying to change the way we meet by holding more meetings on digital platforms. In this way we free up more time and resources for our employees while reducing travel times and the impact of our business travel.

We also work actively to reduce internal resource consumption by increasing our electronic archiving and distribution. With e-archiving we are taking the first step in the digitalisation of our contracts. As a result, customers can obtain important documents digitally, directly through the Internet Bank, rather than on paper. E-distribution provides secure storage and easy access for the customer, leads to more effective customer communications, and waste (business-related meals and consumption of coffee and fruit are included in 2014).

We also work actively to reduce internal resource consumption by increasing our electronic archiving and distribution. With e-archiving we are taking the first step in the digitalisation of our contracts. As a result, customers can obtain important documents digitally, directly through the Internet Bank, rather than on paper. E-distribution provides secure storage and easy access for the customer, leads to more effective customer communications, and in the long run reduces the number of printouts.

Greenhouse gas emissions\(^1\), tonnes CO₂ e

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total emissions</td>
<td>35 444</td>
<td>41 715</td>
</tr>
<tr>
<td>Previous reduction target 2018.50%(^2)</td>
<td>36 139.5</td>
<td>36 139.5</td>
</tr>
<tr>
<td>New reduction target 2018.60%(^3)</td>
<td>28 912</td>
<td></td>
</tr>
</tbody>
</table>

Emissions by scope according to GHG protocol

<table>
<thead>
<tr>
<th>Emissions scope</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emissions scope 1(^4)</td>
<td>989</td>
<td>2 495</td>
</tr>
<tr>
<td>Emissions scope 2(^4)</td>
<td>19 195</td>
<td>21 985</td>
</tr>
<tr>
<td>Emissions scope 3(^4)</td>
<td>15 260</td>
<td>17 235</td>
</tr>
</tbody>
</table>

Emissions by country

<table>
<thead>
<tr>
<th>Emissions</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emissions, Sweden</td>
<td>15 873</td>
<td>19 906</td>
</tr>
<tr>
<td>Emissions, Estonia</td>
<td>12 336</td>
<td>14 216</td>
</tr>
<tr>
<td>Emissions, Latvia</td>
<td>2 600</td>
<td>2 680</td>
</tr>
<tr>
<td>Emissions, Lithuania</td>
<td>3 519</td>
<td>3 343</td>
</tr>
<tr>
<td>Emissions, other(^5)</td>
<td>1 116</td>
<td>1 570</td>
</tr>
</tbody>
</table>

1) Carbon dioxide, methane and nitrous oxide.
2) The base year is 2010, when we reported 72 279 tonnes of CO₂ emissions.
3) Our indirect emissions generated through electricity consumption and heating/cooling.
4) Our other indirect emissions from business travel, security transports, paper consumption, water consumption and waste (business-related meals and consumption of coffee and fruit are included in 2014).
5) Norway, Finland, Denmark, USA, Luxembourg, China and South Africa.
Social engagement has played a key role through Swedbank’s history. The first savings bank was founded in 1820 to help the general public save and achieve long-term financial security. The same holds true today. As a major bank, we are part of and are affected by everything that happens in society. We are engaged in social issues such as education, youth unemployment and entrepreneurship. Positive development in these areas is important for society’s development as well as for the bank’s business.

Swedbank has a tradition of educating the public. In Latvia our employees have arranged over 300 lectures on personal finance for high school students to teach them about managing money and savings. In Swedbank Swedbank and the savings banks met 38 000 students during the year through the Young Economy initiative. Teaching young people to be financially sustainable is important to us. Swedbank, the savings banks and the Swedish Public Employment Service have worked together on the Young Jobs initiative since 2009 to help the young unemployed gain a foothold in the job market. Together with the bank’s corporate network around Sweden, over 10 000 traineeships have been created for young people ages 18-24 who need work experience, references and training. Over 1 200 of them have completed a three-month traineeship at Swedbank and the savings banks, after which one third have been offered some form of employment. In autumn 2011 Swedbank expanded its collaboration with the Employment Service to focus on unemployed foreign-born academics, especially those with business degrees. The initiative was named A Job at Last, and to date the bank has offered over 160 people a six-month traineeship, where their skills are validated to help match them with the right jobs.

The large part of our social investments in 2015 involved sponsorship of social activities such as Young Jobs and A Job at Last which are described above. Customers who choose the bank’s products and services where a percentage of the funds’ value is donated to charities with a sustainability focus also contribute to the bank’s social investments.

### Social investments, total SEKmn

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social investments, total</td>
<td>107</td>
<td>144</td>
</tr>
<tr>
<td>-of which Sweden</td>
<td>87</td>
<td>104</td>
</tr>
<tr>
<td>-of which Estonia</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>-of which Latvia</td>
<td>11</td>
<td>30</td>
</tr>
<tr>
<td>-of which Lithuania</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

### Social investments per engagement, %

<table>
<thead>
<tr>
<th></th>
<th>Sweden</th>
<th>Estonia</th>
<th>Latvia</th>
<th>Lithuania</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsorship of social activities</td>
<td>43</td>
<td>79</td>
<td>46</td>
<td>70</td>
</tr>
<tr>
<td>Staff volunteering in paid time</td>
<td>7</td>
<td>19</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Management costs</td>
<td>0</td>
<td>2</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Products and services with a social benefit†</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>19</td>
</tr>
<tr>
<td>Gifts from customers via the bank’s products and services</td>
<td>50</td>
<td>0</td>
<td>49</td>
<td>2</td>
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</tbody>
</table>

1) Refers mainly to donation portals in Lithuania.
GRI Standard Disclosures

GRIR = Swedbank’s GRI Report 2015
AR = Annual Report 2015

<table>
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<th>Strategy and analysis</th>
<th>Page/reference</th>
<th>Global Compact (principle no.)</th>
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<tbody>
<tr>
<td>G4-1 Statement from the CEO and Chair</td>
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<table>
<thead>
<tr>
<th>Organisational profile</th>
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<tr>
<td>G4-3 Name of the organisation</td>
<td>Front cover</td>
</tr>
<tr>
<td>G4-4 Primary brands, products, and/or services</td>
<td>105 note G6</td>
</tr>
<tr>
<td>G4-5 Location of the organisation’s headquarters</td>
<td>71 note G1</td>
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<tr>
<td>G4-6 Number of countries where the organisation operates</td>
<td>2, 106 note G7</td>
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<tr>
<td>G4-7 Nature of ownership and legal form</td>
<td>46–57</td>
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<tr>
<td>G4-8 Markets served</td>
<td>2, 106 note G7</td>
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<td>G4-9 Scale of the organisation</td>
<td>2–3</td>
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<tr>
<td>G4-10 Employee data</td>
<td>110 note G13, 183–184 1–6</td>
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<tr>
<td>G4-11 Percentage of total employees covered by collective bargaining agreements</td>
<td>3</td>
</tr>
<tr>
<td>G4-12 The organisation’s supply chain</td>
<td>GRIR 3 1–6</td>
</tr>
<tr>
<td>G4-13 Significant changes during the reporting period</td>
<td>71 note G2 1–10</td>
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<tr>
<td>G4-14 Whether and how the precautionary approach or principle is addressed by the organisation</td>
<td>71 note G2, GRIR 4 7–9</td>
</tr>
<tr>
<td>G4-15 Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses</td>
<td>GRIR 4</td>
</tr>
<tr>
<td>G4-16 Memberships of associations and national or international advocacy organisations</td>
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</table>

<table>
<thead>
<tr>
<th>Identified Material Aspects and Boundaries</th>
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<tr>
<td>G4-17 Organisational structure including list of entities included or excluded</td>
<td>46–57</td>
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<tr>
<td>G4-18 Explanation of the process for defining the report content and the aspect boundaries and how the organisation has implemented the reporting principles for defining report content</td>
<td>GRIR 5 1–10</td>
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<tr>
<td>G4-19 Material aspects identified in the process for defining report content</td>
<td>GRIR 5</td>
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<tr>
<td>G4-20 For each material aspect, report the aspect boundary within the organisation</td>
<td>GRIR 6</td>
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<tr>
<td>G4-21 For each material aspect, report the aspect boundary outside the organisation</td>
<td>GRIR 6</td>
</tr>
<tr>
<td>G4-22 The effect of and reasons for any restatements of information provided in previous reports, and the reason for such restatements</td>
<td>GRIR 6</td>
</tr>
<tr>
<td>G4-23 Significant changes from previous reporting periods in the Scope and Aspect Boundaries</td>
<td>GRIR 7</td>
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<th>Stakeholder Engagement</th>
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<td>G4-24 List of stakeholder groups engaged by the organisation</td>
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<td>G4-25 The basis for identification and selection of stakeholders</td>
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<tr>
<td>G4-26 The organisation’s approach to stakeholder engagement</td>
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<tr>
<td>G4-27 Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics</td>
<td>GRIR 8 1–10</td>
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</table>

<table>
<thead>
<tr>
<th>Report Profile</th>
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<tr>
<td>G4-28 Reporting period</td>
<td>GRIR 2</td>
</tr>
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<td>G4-29 Date of most recent previous report</td>
<td>GRIR 9</td>
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<tr>
<td>G4-30 Reporting cycle</td>
<td>GRIR 9</td>
</tr>
<tr>
<td>G4-31 Provide the contact point for questions regarding the report or its contents</td>
<td>Cover back, GRIR 1B</td>
</tr>
<tr>
<td>G4-32 Report the ‘in accordance’ option the organisation has chosen, the GRI Content Index for the chosen option and reference to external assurance</td>
<td>179, 188</td>
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<tr>
<td>G4-33 Policy and current practice with regard to seeking external assurance for the report</td>
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<tr>
<td>G4-34 Governance structure of the organisation</td>
<td>46–63</td>
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<thead>
<tr>
<th>Ethics and Integrity</th>
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<tr>
<td>G4-56 The organisation’s values, principles, standards, and norms of behaviour such as codes of conduct and codes of ethics</td>
<td>1, GRIR 9 1–10</td>
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### Reporting according to G4-DMA

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<tr>
<th>Description</th>
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<tr>
<td>G4-DMA-a</td>
<td>Report why the identified aspects are material for Swedbank’s sustainability work</td>
</tr>
<tr>
<td>G4-DMA-b</td>
<td>Report how the organisation manages the material aspects</td>
</tr>
<tr>
<td>G4-DMA-c</td>
<td>Report the evaluation of the management approach</td>
</tr>
</tbody>
</table>
## GRI Specific Standard Disclosures

The GRI indicators tied to the material aspects as defined by the bank’s materiality analysis and how these material aspects align with GRI’s indicators and specific standard disclosures are shown below. The same table shows how our work supports the Global Compact’s ten principles.

One or more indicators are reported for each material aspect. We have used one or more of GRI’s indicators where available and reported them in the table below using GRI’s designations. For aspects that lack GRI disclosures, we have used our own disclosures. For all our material aspects, at least one disclosure/specific standard disclosure is reported in accordance with GRI G4.

---

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<thead>
<tr>
<th>Material Aspects</th>
<th>Indicator</th>
<th>Indicator name/disclosure</th>
<th>Page/reference</th>
<th>Global Compact (principle no.)</th>
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<td>Economic impacts</td>
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<tr>
<td>Economic performance</td>
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<td></td>
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<tr>
<td>Sound compensation culture</td>
<td></td>
<td>Compensation within Swedbank</td>
<td>110 note G13</td>
<td>6</td>
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<tr>
<td>Social engagement</td>
<td>G4-EC1</td>
<td>Direct economic value generated and distributed</td>
<td>23, 186</td>
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<tr>
<td>Sound lending culture</td>
<td></td>
<td>Share of households with loan-to-value ratio over 70% that amortise</td>
<td>17, 181</td>
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<tr>
<td>Financial stability</td>
<td></td>
<td>Results and ROE</td>
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<td></td>
<td></td>
<td>Capital adequacy ratio</td>
<td>9B note G4</td>
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<td>Profit for the year</td>
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<tr>
<td></td>
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<td>Dividend per share</td>
<td>11B note G19</td>
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<tr>
<td>Low risk profile</td>
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<td>Risk exposure amount</td>
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<tr>
<td>Competitive prices</td>
<td></td>
<td>Share of households with loan-to-value ratio over 70% that amortise</td>
<td>17, 181</td>
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<td>Direct economic impacts</td>
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<td>Significant indirect economic impacts, including the extent of impacts</td>
<td>1B6, GRIR 12</td>
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<tr>
<td>Sustainability integrated in internal processes</td>
<td>G4-EC8</td>
<td>Significant indirect economic impacts, including the extent of impacts</td>
<td>1B6, GRIR 12</td>
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<tr>
<td>Environmental impacts</td>
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<tr>
<td>Energy</td>
<td></td>
<td></td>
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<tr>
<td>Responsible resource management</td>
<td>G4-EN5</td>
<td>Internal energy consumption</td>
<td>1B5, GRIR 13</td>
<td>8</td>
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<tr>
<td></td>
<td></td>
<td>Greenhouse gas</td>
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<tr>
<td></td>
<td>G4-EN15</td>
<td>Direct greenhouse gas (GHG) emissions (Scope 1)</td>
<td>1B5, GRIR 13</td>
<td>8</td>
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<tr>
<td></td>
<td>G4-EN16</td>
<td>Energy indirect greenhouse gas (GHG) emissions (Scope 2)</td>
<td>1B5, GRIR 13</td>
<td>7–8</td>
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<td></td>
<td>G4-EN17</td>
<td>Other indirect greenhouse gas (GHG) emissions (Scope 3)</td>
<td>1B5, GRIR 13</td>
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<tr>
<td></td>
<td>G4-EN18</td>
<td>Greenhouse gas (GHG) emission intensity</td>
<td>1B5, GRIR 13</td>
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<tr>
<td>Supplier Environmental Assessment</td>
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<tr>
<td>G4-EN32</td>
<td></td>
<td>Percentage of new suppliers that were screened using environmental criteria</td>
<td>1B3, GRIR 3, 13</td>
<td>7–8</td>
</tr>
<tr>
<td>Social impacts - Working conditions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hiring</td>
<td></td>
<td></td>
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<tr>
<td>Attractive employer</td>
<td>G4-LA1</td>
<td>Total number and rates of new employee hires and employee turnover by age group, gender, and region.</td>
<td>1B3</td>
<td></td>
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<tr>
<td>Diversity and gender equality</td>
<td></td>
<td></td>
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<tr>
<td>Gender equality and diversity</td>
<td>G4-LA12</td>
<td>Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity</td>
<td>1B4, GRIR 14</td>
<td>6</td>
</tr>
<tr>
<td>Equal pay for men and women</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>G4-LA13</td>
<td></td>
<td>Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation</td>
<td>1B4, GRIR 14</td>
<td>6</td>
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</tbody>
</table>
## Material Aspects

### Skills development

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<tr>
<td>G4-LA9</td>
<td>Average hours of training per year per employee by gender and employee category</td>
<td>183, GRIR 14</td>
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### Social impacts - Human rights

#### Investments

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<tr>
<td>G4-HR1</td>
<td>Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening</td>
<td>181</td>
</tr>
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#### Supplier assessments for human rights

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<tr>
<td>G4-HR10</td>
<td>Percentage of new suppliers that were screened using human rights criteria</td>
<td>183</td>
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### Social impacts - Organisation's role in society

#### Local communities

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<tr>
<td>G4-FS13</td>
<td>Access points in low-populated or economically disadvantaged areas by types</td>
<td>180</td>
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</table>

#### High quality products

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<tr>
<td>G4-FS14</td>
<td>Initiatives to improve access to financial services for disadvantaged people</td>
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### Anti-corruption

#### Fight corruption and money laundering

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<tr>
<td>G4-SG3</td>
<td>Number/percentage of operations assessed for risks related to corruption and the significant risks identified</td>
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#### Share of suppliers undergoing business ethics risk assessments

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<tr>
<td>G4-HR10</td>
<td>Percentage of new suppliers that were screened using human rights criteria</td>
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### Social impacts - Product responsibility

#### Product and service labelling

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<tr>
<td>G4-PR5</td>
<td>Results of surveys measuring customer satisfaction</td>
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### Product portfolio

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<th>Indicator</th>
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<tr>
<td>G4-FS6</td>
<td>Percentage of the portfolio for business line by specific region, size and by sector</td>
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#### Active ownership

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<td>G4-FS10</td>
<td>Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues</td>
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<table>
<thead>
<tr>
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<th>Indicator name/disclosure</th>
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<tr>
<td>G4-FS11</td>
<td>Percentage of assets subject to positive and negative environmental or social screening</td>
<td>182, GRIR 18</td>
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Signatures of the Board of Directors and the CEO

The Board of Directors and the President hereby affirm that the annual report has been prepared in accordance with the Act on Annual Accounts in Credit Institutions and Securities Companies (ÄRKL), the instructions and general guidelines of the Swedish Financial Supervisory Authority (FFFS 2008:25) and the Swedish Financial Accounting Standards Council’s recommendation RFR 2 Accounting for Legal Entities, and provides an accurate portrayal of the Parent Company’s position and earnings and that the Board of Directors’ Report provides an accurate review of trends in the company’s operations, position and earnings, as well as describes significant risks and instability factors faced by the company.

The Board of Directors and the President hereby affirm that the consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and provide an accurate portrayal of the Group’s position and earnings and that the Board of Directors’ report for the Group provides an accurate review of trends in the Group’s operations, position and earnings, as well as describes significant risks and instability factors faced by the Group.

Stockholm, 25 February 2016

Anders Sundström
Chair

Lars Idermark
Vice Chair

Ulrika Francke

Göran Hedman

Anders Igel

Pia Rudengren

Karl-Henrik Sundström

Siv Svensson

Maj-Charlotte Wallin

Roger Ljung
Employee representative

Camilla Linder
Employee representative

Birgitte Bonnesen
Acting President and CEO

Our auditors’ report was submitted on 25 February 2016

Deloitte AB

Svante Forsberg
Authorised Public Accountant
Auditors’ report

To the annual meeting of the shareholders of Swedbank AB (publ), corporate identity number 502017-7753

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Swedbank AB (publ) for the financial year 1 January 2015 – 31 December 2014 except for the corporate governance statement on pages 46–57. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 26–45, 64–177.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act for Credit Institutions and Securities Companies, and for such internal controls as the Board of Directors and the Managing Director determine is necessary to enable the presentation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company’s preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and present fairly, in all material respects, the financial position of the parent company as of 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies, and the consolidated accounts have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and present fairly, in all material respects, the financial position of the group as of 31 December 2015 and of their financial performance and cash flows in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act for Credit Institutions and Securities Companies. Our opinions do not cover the corporate governance statement on pages 46–57. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the statutory statement and balance sheet for the parent company and the group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have examined the proposed appropriations of the company’s profit or loss and the administration of the Board of Directors and the Managing Director of Swedbank AB (publ) for the financial year 1 January 2015 – 31 December 2015. We have also conducted a statutory examination of the corporate governance statement.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company’s profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act and the Banking and Financing Act and that the corporate governance statement on pages 46–57 has been prepared in accordance with the Annual Accounts Act.

Auditor’s responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company’s profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden. As a basis for our opinion on the Board of Directors’ proposed appropriations of the company’s profit or loss, we examined the Board of Directors’ reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Banking and Financing Act, the Annual Accounts Act for Credit Institutions and Securities Companies or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Furthermore, we have read the corporate governance statement and based on that reading and our knowledge of the company and the group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

A corporate governance statement has been prepared, and its statutory content is consistent with the other parts of the annual accounts and consolidated accounts.
Auditor’s Limited Assurance Report on Swedbank AB’s Sustainability Report

To Swedbank AB
This is the translation of the auditor’s report in Swedish.

Introduction
We have been engaged by the Board of Directors and President of Swedbank AB to undertake a limited assurance engagement of Swedbank AB’s Sustainability Report for the year 2015. The Company has defined the scope of the Sustainability Report on page 178.

Responsibilities of the Board of Directors and the Executive Management for the Sustainability Report
The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report in accordance with the applicable criteria, as explained on page 178 in the Sustainability Report, and are the parts of the Sustainability Reporting Guidelines (published by The Global Reporting Initiative (GRI)) which are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Responsibilities of the auditor
Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed.

We conducted our limited assurance engagement in accordance with RevR 6 Assurance of Sustainability Reports issued by FAR. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement conducted in accordance with IAASB’s Standards on Auditing and Quality Control and other generally accepted auditing standards in Sweden. The audit firm applies International Standard on Quality Control (ISQC) 1 and has a comprehensive system of quality control comprising documented guidelines and routines for complying with ethical requirements, professional standards, and applicable laws and regulations.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion
Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report, is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

Stockholm 25 February 2016
Deloitte AB
Svante Forsberg
Authorised Public Accountant
Elisabeth Werneman
Authorised Public Accountant
Andreas Drugge
Expert Member of FAR
Annual General Meeting

The Annual General Meeting will be held at Dansens Hus, Barnhusgatan 14, Stockholm on Tuesday, 5 April 2016.

Notification of attendance
Shareholders who wish to attend the Annual General Meeting must:
• be recorded in the share register maintained by Euroclear Sweden AB (Euroclear) on 30 March 2016.
• notify the company of their intention to participate and the number of persons who will accompany them (max. 2) well before and preferably not later than 30 March 2016.

Notification may be submitted in writing to Swedbank, c/o Euroclear, Box 7839, SE-103 98 Stockholm, Sweden marking the envelope “Swedbank’s AGM” or by telephone +46 8 402 90 60, or online at www.swedbank.com/ir under Corporate Governance/Annual General Meeting. When notifying the company, please indicate your name, personal/company registration number (for Swedish citizens or companies), address and telephone number. Participation by proxy is permitted, provided the proxy is no more than one year old and is submitted to Swedbank well in advance of the meeting, preferably not later than 30 March 2016. If issued by a legal entity, the proxy must be accompanied by a certified registration certificate or other document attesting to the authority of the signatory.

Nominee-registered shares
To be entitled to attend the meeting, shareholders whose shares are nominee-registered must request to have them temporarily re-registered in their own names in the shareholders’ register maintained by Euroclear. The re-registration process must be completed by the nominee well in advance of the record day 7 April 2016.

Notice and agenda
A list of the items on the agenda for the Annual General Meeting is included in the notice of the meeting. The notice will be published no later than 8 March 2016 at http://www.swedbank.com/ir under the heading Annual General Meeting and in Post och Inrikes Tidningar (The Official Swedish Gazette). An announcement of notice publication was also published in Dagens Nyheter and elsewhere.

Dividend
The Board of Directors recommends that shareholders receive a dividend of SEK 10.70 per ordinary share. The proposed record day for the dividend is 7 April 2016. The last day for trading in Swedbank’s shares including the right to the dividend is 5 April 2016. If the Annual General Meeting adopts the Board of Directors’ recommendation, the dividend is expected to be paid by Euroclear on 12 April 2016.
Owner and share data

### Number of shareholders, 31 December 2015

<table>
<thead>
<tr>
<th>Size of holding</th>
<th>No. of shareholders</th>
<th>No. of shares</th>
<th>Holding, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1–100</td>
<td>146 474</td>
<td>4 765 403</td>
<td>0.42</td>
</tr>
<tr>
<td>101–500</td>
<td>112 700</td>
<td>28 960 556</td>
<td>2.56</td>
</tr>
<tr>
<td>501–1 000</td>
<td>27 127</td>
<td>19 919 309</td>
<td>1.76</td>
</tr>
<tr>
<td>1 001–2 000</td>
<td>12 733</td>
<td>17 883 281</td>
<td>1.58</td>
</tr>
<tr>
<td>2 001–5 000</td>
<td>5 722</td>
<td>17 695 454</td>
<td>1.56</td>
</tr>
<tr>
<td>5 001–10 000</td>
<td>1 932</td>
<td>10 017 514</td>
<td>0.88</td>
</tr>
<tr>
<td>10 001–100 000</td>
<td>1 252</td>
<td>36 552 284</td>
<td>3.23</td>
</tr>
<tr>
<td>100 001–500 000</td>
<td>302</td>
<td>66 449 016</td>
<td>5.87</td>
</tr>
<tr>
<td>500 001–</td>
<td>272</td>
<td>929 762 274</td>
<td>82.13</td>
</tr>
<tr>
<td>Total</td>
<td>307 974</td>
<td>1 132 005 722</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Euroclear Sweden AB

### Share statistics. A share

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>High price, SEK</td>
<td>223.90</td>
<td>199.80</td>
<td>182.80</td>
<td>128.90</td>
<td>118.90</td>
</tr>
<tr>
<td>Low price, SEK</td>
<td>177.20</td>
<td>165.70</td>
<td>127.90</td>
<td>89.15</td>
<td>68.90</td>
</tr>
<tr>
<td>Closing price, 31 Dec., SEK</td>
<td>187.10</td>
<td>195.50</td>
<td>181.00</td>
<td>127.00</td>
<td>89.15</td>
</tr>
<tr>
<td>Daily turnover, millions of shares¹</td>
<td>6.3</td>
<td>7.0</td>
<td>7.4</td>
<td>7.7</td>
<td>11.1</td>
</tr>
<tr>
<td>Daily turnover, SEKm²</td>
<td>1 246</td>
<td>1 245</td>
<td>1 145</td>
<td>858</td>
<td>1 091</td>
</tr>
<tr>
<td>Total market capitalisation, 31 Dec., SEKbn</td>
<td>207</td>
<td>221</td>
<td>205</td>
<td>139</td>
<td>98</td>
</tr>
</tbody>
</table>

ISIN code A share: SE0000242455

¹) Turnover data include turnover on all marketplaces, including OTC trading.


### Largest shareholders, 31 December 2015, by owner group¹

<table>
<thead>
<tr>
<th>Share of capital and votes, %</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Folksam</td>
<td>9.2</td>
</tr>
<tr>
<td>Sparbanks-Gruppen – Members</td>
<td>9.0</td>
</tr>
<tr>
<td>ALECTA PENSIONSFÖRSÄKRING</td>
<td>4.5</td>
</tr>
<tr>
<td>JPCHASENA¹</td>
<td>4.0</td>
</tr>
<tr>
<td>AMF – Insurance and Funds</td>
<td>4.0</td>
</tr>
<tr>
<td>Sparbanksstiftelser – not Sparbanks-Gruppen</td>
<td>3.9</td>
</tr>
<tr>
<td>Swedbank Robur Funds</td>
<td>3.2</td>
</tr>
<tr>
<td>Swedbank AB²</td>
<td>2.4</td>
</tr>
<tr>
<td>CLEARSTREAM BANKING S.A., WBMY³</td>
<td>1.8</td>
</tr>
<tr>
<td>SEB Investment Management</td>
<td>1.7</td>
</tr>
<tr>
<td>10 largest shareholders</td>
<td>43.8</td>
</tr>
<tr>
<td>Number of shareholders</td>
<td>300 607</td>
</tr>
</tbody>
</table>

¹) Shareholders in lowercase letters are grouped.

### Swedbank’s rating, 31 December 2015

<table>
<thead>
<tr>
<th></th>
<th>Swedbank AB</th>
<th>Swedbank Mortgage AB</th>
<th>Covered bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard &amp; Poor’s</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rating</td>
<td>Outlook</td>
<td>Rating</td>
<td>Outlook</td>
</tr>
<tr>
<td>Standard &amp; Poor’s</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term</td>
<td>A-1+</td>
<td>A-1+</td>
<td></td>
</tr>
<tr>
<td>Long-term</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moody’s</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term</td>
<td>P-1</td>
<td>AA-</td>
<td>N</td>
</tr>
<tr>
<td>Long-term</td>
<td></td>
<td></td>
<td>AAA</td>
</tr>
<tr>
<td>BCA¹</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Fitch</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term</td>
<td>F1 p</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Long-term</td>
<td>A-</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

¹) Rating without implicit support from other party.


1) Turnover data include turnover on all marketplaces, including OTC trading.

### Owner and share data

Swedbank’s rating, 31 December 2015

<table>
<thead>
<tr>
<th>Rating</th>
<th>Outlook</th>
<th>Rating</th>
<th>Outlook</th>
<th>Rating</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard &amp; Poor’s</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term</td>
<td>A-1+</td>
<td>AA-</td>
<td>N</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term</td>
<td></td>
<td></td>
<td>AAA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moody’s</td>
<td></td>
<td>P-1</td>
<td>AA-</td>
<td>N</td>
<td>AAA</td>
</tr>
<tr>
<td>Short-term</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹) Rating without implicit support from other party.

### Data per share

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings per share before dilution¹,²</td>
<td>14.23</td>
<td>14.93</td>
<td>11.76</td>
<td>13.03</td>
<td>9.53</td>
</tr>
<tr>
<td>Earnings per share before dilution, continuing operations¹,²</td>
<td>14.24</td>
<td>15.17</td>
<td>13.89</td>
<td>13.94</td>
<td></td>
</tr>
<tr>
<td>Earnings per share after dilution¹,²</td>
<td>14.13</td>
<td>14.81</td>
<td>11.66</td>
<td>12.98</td>
<td>9.52</td>
</tr>
<tr>
<td>Earnings per share after dilution, continuing operations¹,²</td>
<td>14.14</td>
<td>15.05</td>
<td>13.79</td>
<td>13.88</td>
<td></td>
</tr>
<tr>
<td>Equity per share</td>
<td>114.40</td>
<td>105.35</td>
<td>99.82</td>
<td>93.70</td>
<td>84.40</td>
</tr>
<tr>
<td>Cash dividend per ordinary share</td>
<td>10.70²</td>
<td>11.35</td>
<td>10.10</td>
<td>9.90</td>
<td>5.30</td>
</tr>
<tr>
<td>Cash dividend per preference share</td>
<td></td>
<td></td>
<td></td>
<td>9.90</td>
<td>5.30</td>
</tr>
<tr>
<td>P/E</td>
<td>13.15</td>
<td>13.1</td>
<td>15.4</td>
<td>9.8</td>
<td>9.4</td>
</tr>
<tr>
<td>Price/equity per share</td>
<td>1.64</td>
<td>183.83</td>
<td>181.33</td>
<td>135.54</td>
<td>105.63</td>
</tr>
</tbody>
</table>

¹) Since the terms to convert the preference shares to ordinary shares are mandatory, the preference shares are included in the calculation of key ratios.
²) Without deducting the preference share dividend. When calculating earnings per share according to IAS 33, the non-cumulative preference share dividend is deducted from profit.

### Changes in share capital

<table>
<thead>
<tr>
<th>Year</th>
<th>Transactions</th>
<th>Quota value per share, SEK</th>
<th>Added/repurchased shares</th>
<th>No. of preference shares</th>
<th>No. of A shares</th>
<th>No. of C shares</th>
<th>Share capital, SEKm</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>Bonus issue</td>
<td>20</td>
<td>175 936 281</td>
<td>527 808 843</td>
<td>405 711</td>
<td></td>
<td>10 556</td>
</tr>
<tr>
<td>2004</td>
<td>Share repurchase</td>
<td>20</td>
<td>-14 937 531</td>
<td>512 871 312</td>
<td>24 823</td>
<td></td>
<td>10 556</td>
</tr>
<tr>
<td>2005</td>
<td>New share issue</td>
<td>20</td>
<td>2 502 100</td>
<td>515 373 412</td>
<td>24 823</td>
<td></td>
<td>10 606</td>
</tr>
<tr>
<td>2006</td>
<td>Cancellation of shares</td>
<td>20</td>
<td></td>
<td>515 373 412</td>
<td>24 823</td>
<td></td>
<td>10 307</td>
</tr>
<tr>
<td>2008</td>
<td>Bonus issue</td>
<td>21</td>
<td>257 686 706</td>
<td>515 373 412</td>
<td></td>
<td>10 823</td>
<td>16 234</td>
</tr>
<tr>
<td>2009</td>
<td>Conversion of preference shares to ordinary shares</td>
<td>21</td>
<td>-38 050 112</td>
<td>219 636 594</td>
<td>939 953 583</td>
<td></td>
<td>24 351</td>
</tr>
<tr>
<td>2010</td>
<td>Conversion of preference shares to ordinary shares</td>
<td>21</td>
<td>-12 369 856</td>
<td>207 266 738</td>
<td>952 323 439</td>
<td></td>
<td>24 351</td>
</tr>
<tr>
<td>2011</td>
<td>C share issue</td>
<td>21</td>
<td>1 500 000</td>
<td>207 266 738</td>
<td>952 323 439</td>
<td></td>
<td>15 000 000</td>
</tr>
<tr>
<td>2011</td>
<td>Conversion of preference shares to ordinary shares</td>
<td>21</td>
<td>-12 866 678</td>
<td>194 400 060</td>
<td>965 190 117</td>
<td></td>
<td>24 383</td>
</tr>
<tr>
<td>2012</td>
<td>Conversion of preference shares to ordinary shares</td>
<td>21</td>
<td>-10 128 513</td>
<td>184 271 547</td>
<td>975 318 630</td>
<td></td>
<td>24 383</td>
</tr>
<tr>
<td>2012</td>
<td>Cancellation of shares</td>
<td>21</td>
<td>-29 084 455</td>
<td>180 855 906</td>
<td>951 149 816</td>
<td></td>
<td>23 772</td>
</tr>
<tr>
<td>2012</td>
<td>Bonus issue</td>
<td>22</td>
<td>180 855 906</td>
<td>951 149 816</td>
<td></td>
<td>24 904</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>Conversion of preference shares to ordinary shares</td>
<td>22</td>
<td>-6 944 758</td>
<td>173 911 148</td>
<td>958 094 574</td>
<td></td>
<td>24 904</td>
</tr>
<tr>
<td>2013</td>
<td>Mandatory conversion of preference shares to ordinary shares</td>
<td>22</td>
<td>-173 911 148</td>
<td>1 132 005 722</td>
<td></td>
<td>24 904</td>
<td></td>
</tr>
</tbody>
</table>

¹) Subscribed and paid preference shares amounted to 194 985 456 at year-end 2008.
## Market shares

<table>
<thead>
<tr>
<th></th>
<th>Market shares, per cent</th>
<th></th>
<th>Volumes, SEKbn</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sweden</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private market</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits</td>
<td>21</td>
<td>21</td>
<td>21</td>
</tr>
<tr>
<td>Lending</td>
<td>23</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>of which mortgage lending</td>
<td>25</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Bank cards (thousands)</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
</tbody>
</table>

1) Excluding savings banks’ investments in Swedbank Robur and the figures for 2015 relates to September.

<table>
<thead>
<tr>
<th></th>
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Competition in Swedbank’s home markets

In an international comparison, the banking sector is fairly concentrated in Swedbank’s home markets.

In Sweden, Swedbank, Handelsbanken, Nordea and SEB accounted for about 70 per cent of deposits and lending in 2015. Swedbank is the biggest in retail banking and has a leading market position in mortgages (25 per cent), deposits from private customers (21 per cent) and fund management (22 per cent). In the Swedish corporate market, the bank's share was 19 per cent for lending and 19 per cent for deposits at the end of 2015.

The Estonian banking sector is more concentrated than Sweden's. The market is dominated by foreign companies. Together, Swedbank, SEB, Nordea and Sampo (owned by Danske Bank) control around 90 per cent of the market. Swedbank had a market share of 55 per cent of deposits from private customers and 47 per cent of lending. In the Estonian corporate market, the bank’s share was 34 per cent for lending and 41 per cent for deposits. Latvia has a more fragmented market where local banks account for 30 to 70 per cent of the various segments. In 2015 Swedbank accounted for 28 per cent of deposits and 29 per cent of lending to private customers. In the corporate market, the bank’s share was 17 per cent for lending and 12 per cent for deposits.

Like Sweden, the banking market in Lithuania is dominated by a few major players. Among private customers, Swedbank accounted for 37 per cent of deposits and 28 per cent of lending. In the corporate market, the bank’s share was 23 per cent of lending and 24 per cent of deposits.


1) Market shares for Lithuanian deposits and lending and Latvian mortgage lending refer to 30 September 2015 and for Latvian corporate lending 31 December 2014.
## Key ratios

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<td><strong>Profit</strong></td>
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<tr>
<td>Return on equity, %</td>
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<td>15.0</td>
<td>12.5</td>
<td>14.6</td>
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<tr>
<td>Return on equity continuing operations, %</td>
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<td>15.2</td>
<td>14.7</td>
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<tr>
<td>Return on total assets, %</td>
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<td>0.80</td>
<td>0.68</td>
<td>0.76</td>
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<td>Cost/income ratio</td>
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<td>0.45</td>
<td>0.45</td>
<td>0.46</td>
<td>0.54</td>
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<tr>
<td>Net interest margin, %</td>
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<td>1.13</td>
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<td>1.12</td>
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### Capital adequacy

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<td>Common Equity Tier 1 ratio, Basel 3 incl IAS 19, %</td>
<td>24.1</td>
<td>21.2</td>
<td>18.3</td>
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<td>87 916</td>
<td>80 826</td>
<td>75 242</td>
<td>73 595</td>
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<tr>
<td>Tier 1 capital, Basel 3 incl IAS 19</td>
<td>104 550</td>
<td>92 914</td>
<td>86 371</td>
<td>81 661</td>
<td>81 286</td>
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<td>Capital base, Basel 3 incl IAS 19</td>
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<td>105 588</td>
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<td>89 917</td>
<td>93 473</td>
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<td>Risk exposure amount, Basel 3 incl IAS 19</td>
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<td>414 214</td>
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<td>515 137</td>
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### Credit quality

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<td>Credit impairment ratio, %</td>
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<td>0.03</td>
<td>0.00</td>
<td>-0.01</td>
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<td>Share of impaired loans, gross, %</td>
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<td>4.1</td>
<td>5.5</td>
<td>1.05</td>
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<td>Provision ratio for individually identified impaired loans, %</td>
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<td>35</td>
<td>38</td>
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<tr>
<td>Total provision ratio for impaired loans, %</td>
<td>56</td>
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### Other data

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<tbody>
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<td>Private customers, million²</td>
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<td>7.3</td>
<td>7.2</td>
<td>7.2</td>
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<td>Corporate customers, thousands²</td>
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<td>642</td>
<td>624</td>
<td>616</td>
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<td>Internet banking customers, million⁴</td>
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<td>Full-time employees</td>
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<td>14 583</td>
<td>14 265</td>
<td>14 861</td>
<td>16 287</td>
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<tr>
<td>Branches⁴</td>
<td>658</td>
<td>709</td>
<td>721</td>
<td>753</td>
<td>852</td>
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<td>ATMs⁴</td>
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<td>1 397</td>
<td>1 396</td>
<td>2 051</td>
<td>2 482</td>
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1) 2015 and 2014 according to current regulation Basel 3. Prior years figures are Swedbank’s estimate based on current knowledge of future regulations.

2) Number of private customers in the baltic countries are reported according to a new definition as from 2015, lowering the reported number of customers by approximately 0.8 million for 2014. Historical figures have been restated accordingly.

3) In 2011, 60 000 corporate customers with one-man businesses were reclassified as private customers, based on the Swedish Tax Authority’s review of the definition of a company.

4) Including savings banks and partly owned banks.
Comments to five-year summary

2015 – The result for the year decreased by 4 per cent, mainly due to lower net gains and losses on financial items at fair value and a one-off tax expense. Expenses decreased by 7 per cent and was due to one-off expenses of SEK 615m in connection with the acquisition of Sparbanken Öresund in 2014, but also due to efficiencies. Impairment of intangible expenses of SEK 615m in connection with the acquisition of Sparbanken Öresund in 2014, but also due to efficiencies. Impairment of intangible fixed assets contributed to higher income.

2014 – Profit before credit impairments increased by 7 per cent. All business segments, as well as the acquisition of Sparbanken Öresund, contributed to higher income. Stronger commission income and net interest income contributed the most. Net gains and losses on financial items also increased, while other income decreased excluding the one-off effect of SEK 461m from the acquisition of Sparbanken Öresund. Expenses increased by 6 per cent to SEK 17 602m, slightly below the expense target. SEK 461m from the acquisition of Sparbanken Öresund. Expenses increased, while other income decreased excluding the one-off effect of the acquisition of Sparbanken Öresund during the second quarter of 2014. Excluding Sparbanken Öresund, expenses decreased slightly.

2013 – Profit increased by 3 per cent from stronger net interest income due to repricing and lower funding costs, but also higher commission income and largely unchanged expenses. Swedish Banking was the biggest contributor to the higher profit. During the year Swedbank sold its Ukrainian subsidiary, which resulted in a cumulative negative translation difference of SEK 1 875m in profit. This and the remaining Russian operations are recognised as discontinued operations. The reclassification did not affect Swedbank’s capital, capitalisation, cash flow or the Board’s proposed dividend for 2013. During the year the phase-out of Efaktorn continued.

2012 – Profit increased due to improved net interest income and a cost reduction of 8 per cent, with every unit of the bank contributing. Net interest income rose mainly as a result of the repricing of lending and lower funding costs. The credit impairments were mainly from Ukraine, while the Baltic countries reported recoveries. Swedbank’s capital position was further strengthened and the Board of Directors amended the bank’s dividend policy to 75 per cent of net profit.

2011 – Credit quality continued to improve, and net recoveries of SEK 1.9bn were generated primarily by Baltic Banking. Net interest income was positively affected by higher interest rates. Lending began to grow again thanks to growth in Sweden, while volume continued to decrease in the Baltic countries, Russia and Ukraine. In 2011 Swedbank was now one of the most well capitalised banks in Europe, with a Common Equity Tier 1 capital ratio of 15.7 per cent according to Basel 2.

### Income statement

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<td>Net commissions</td>
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<td>11 204</td>
<td>10 132</td>
<td>9 614</td>
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<td>Net gains and losses on financial items at fair value</td>
<td>571</td>
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<td>Net insurance</td>
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<td>647</td>
<td>595</td>
<td>506</td>
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<td>Share of profit or loss of associates</td>
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<td>980</td>
<td>852</td>
<td>798</td>
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<td>Other income</td>
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<td>1 911</td>
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<td>39 304</td>
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<td>419</td>
<td>60</td>
<td>185</td>
<td>911</td>
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<td>Operating profit</td>
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<td>Profit from continuing operations</td>
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<td>168 592</td>
<td>205 606</td>
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<td>97 195</td>
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<td>3 552</td>
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<td>103 726</td>
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<tr>
<td>Others</td>
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<td>150 914</td>
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<td>168 592</td>
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### Balance sheet

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<td>24 613</td>
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<td>10 159</td>
<td>14 307</td>
<td>19 531</td>
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<tr>
<td>Equity</td>
<td>123 342</td>
<td>117 373</td>
<td>109 705</td>
<td>103 186</td>
<td>98 133</td>
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<tr>
<td>Total liabilities and equity</td>
<td>2 148 855</td>
<td>2 121 297</td>
<td>1 824 102</td>
<td>1 846 860</td>
<td>1 857 065</td>
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</tbody>
</table>
# Three-year summary

## Swedish Banking

### Income statement

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest income</td>
<td>13,435</td>
<td>13,350</td>
<td>13,633</td>
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<tr>
<td>Net commissions</td>
<td>7,176</td>
<td>6,939</td>
<td>6,335</td>
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<tr>
<td>Net gains and losses on financial items at fair value</td>
<td>264</td>
<td>230</td>
<td>126</td>
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<tr>
<td>Share of profit or loss of associates</td>
<td>862</td>
<td>980</td>
<td>850</td>
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<tr>
<td>Other income</td>
<td>814</td>
<td>1,179</td>
<td>658</td>
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<tr>
<td><strong>Total income</strong></td>
<td><strong>22,551</strong></td>
<td><strong>22,678</strong></td>
<td><strong>21,602</strong></td>
</tr>
<tr>
<td>Staff costs</td>
<td>3,487</td>
<td>4,034</td>
<td>3,285</td>
</tr>
<tr>
<td>Variable staff costs</td>
<td>157</td>
<td>211</td>
<td>215</td>
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<tr>
<td>Other expenses</td>
<td>6,237</td>
<td>6,410</td>
<td>6,035</td>
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<tr>
<td>Depreciation/amortisation</td>
<td>106</td>
<td>91</td>
<td>62</td>
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<td><strong>Total expenses</strong></td>
<td><strong>9,987</strong></td>
<td><strong>10,746</strong></td>
<td><strong>9,597</strong></td>
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<tr>
<td>Profit before impairments</td>
<td>12,564</td>
<td>11,932</td>
<td>12,005</td>
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<td>Impairment of intangible assets</td>
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<tr>
<td>Impairment of tangible assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit impairments</td>
<td>482</td>
<td>246</td>
<td>338</td>
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<tr>
<td><strong>Operating profit</strong></td>
<td><strong>12,082</strong></td>
<td><strong>11,686</strong></td>
<td><strong>11,667</strong></td>
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<td>Tax expense</td>
<td>2,548</td>
<td>2,392</td>
<td>2,501</td>
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<td><strong>Profit for the year attributable to:</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Shareholders of Swedbank AB</td>
<td>9,521</td>
<td>9,280</td>
<td>9,152</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>13</td>
<td>14</td>
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### Balance sheet, SEKbn

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
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</thead>
<tbody>
<tr>
<td>Cash and balances with central banks</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Loans to credit institutions</td>
<td>42</td>
<td>50</td>
<td>41</td>
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<td>Loans to the public</td>
<td>1,064</td>
<td>1,023</td>
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<tr>
<td>Bonds and other interest-bearing securities</td>
<td></td>
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</tr>
<tr>
<td>Financial assets for which customers bear inv. risk</td>
<td>153</td>
<td>142</td>
<td>120</td>
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<tr>
<td>Derivatives</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other assets</td>
<td>11</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>1,270</strong></td>
<td><strong>1,235</strong></td>
<td><strong>1,109</strong></td>
</tr>
<tr>
<td>Amounts owed to credit institutions</td>
<td>87</td>
<td>93</td>
<td>81</td>
</tr>
<tr>
<td>Deposits and borrowings from the public</td>
<td>458</td>
<td>416</td>
<td>385</td>
</tr>
<tr>
<td>Debt securities in issue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial liabilities for which customers bear inv. risk</td>
<td>155</td>
<td>143</td>
<td>124</td>
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<tr>
<td>Derivatives</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Other liabilities</td>
<td>519</td>
<td>529</td>
<td>486</td>
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<tr>
<td>Subordinated liabilities</td>
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<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>1,219</strong></td>
<td><strong>1,183</strong></td>
<td><strong>1,076</strong></td>
</tr>
<tr>
<td>Allocated equity</td>
<td>51</td>
<td>52</td>
<td>33</td>
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<tr>
<td><strong>Total liabilities and equity</strong></td>
<td><strong>1,270</strong></td>
<td><strong>1,235</strong></td>
<td><strong>1,109</strong></td>
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</table>

### Income items

<table>
<thead>
<tr>
<th></th>
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<th>2014</th>
<th>2013</th>
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<tbody>
<tr>
<td>Income from external customers</td>
<td>22,376</td>
<td>22,490</td>
<td>21,425</td>
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<tr>
<td>Income from transactions with other business areas</td>
<td>175</td>
<td>188</td>
<td>177</td>
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### Key ratios

<table>
<thead>
<tr>
<th></th>
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<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on allocated equity, %</td>
<td>18.5</td>
<td>25.5</td>
<td>28.1</td>
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<tr>
<td>Loans/deposits</td>
<td>235</td>
<td>249</td>
<td>243</td>
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<tr>
<td>Credit impairment ratio, %</td>
<td>0.05</td>
<td>0.03</td>
<td>0.04</td>
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<tr>
<td>Cost/income ratio</td>
<td>0.44</td>
<td>0.47</td>
<td>0.44</td>
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<tr>
<td>Risk exposure amount</td>
<td>183</td>
<td>185</td>
<td>201</td>
</tr>
<tr>
<td>Full-time employees</td>
<td>4,469</td>
<td>5,008</td>
<td>4,330</td>
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</table>
### Three-year summary

#### Baltic Banking

<table>
<thead>
<tr>
<th>SEKm</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income statement</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net interest income</td>
<td>3 558</td>
<td>3 496</td>
<td>3 156</td>
</tr>
<tr>
<td>Net commissions</td>
<td>2 052</td>
<td>1 956</td>
<td>1 733</td>
</tr>
<tr>
<td>Net gains and losses on financial items at fair value</td>
<td>202</td>
<td>239</td>
<td>316</td>
</tr>
<tr>
<td>Share of profit or loss of associates</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other income</td>
<td>476</td>
<td>416</td>
<td>419</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td>6 288</td>
<td>6 107</td>
<td>5 624</td>
</tr>
<tr>
<td>Staff costs</td>
<td>845</td>
<td>783</td>
<td>782</td>
</tr>
<tr>
<td>Variable staff costs</td>
<td>75</td>
<td>78</td>
<td>66</td>
</tr>
<tr>
<td>Other expenses</td>
<td>1 426</td>
<td>1 512</td>
<td>1 453</td>
</tr>
<tr>
<td>Depreciation/amortization</td>
<td>136</td>
<td>144</td>
<td>155</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>2 482</td>
<td>2 517</td>
<td>2 456</td>
</tr>
<tr>
<td><strong>Profit before impairments</strong></td>
<td>3 806</td>
<td>3 590</td>
<td>3 168</td>
</tr>
<tr>
<td>Impairment of intangible assets</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Impairment of tangible assets</td>
<td>8</td>
<td>10</td>
<td>23</td>
</tr>
<tr>
<td>Credit impairments</td>
<td>-172</td>
<td>-186</td>
<td>-437</td>
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<tr>
<td><strong>Operating profit</strong></td>
<td>3 970</td>
<td>3 765</td>
<td>3 581</td>
</tr>
<tr>
<td>Tax expense</td>
<td>1 510</td>
<td>565</td>
<td>393</td>
</tr>
<tr>
<td><strong>Profit for the year attributable to:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shareholders of Swedbank AB</td>
<td>2 460</td>
<td>3 200</td>
<td>3 188</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| **Balance sheet, SEKbn** | | | |
| Cash and balances with central banks | 2 | 3 | 2 |
| Loans to credit institutions | | | 1 |
| Loans to the public | 125 | 126 | 119 |
| Bonds and other interest-bearing securities | 1 | 1 | 1 |
| Financial assets for which customers bear inv. risk | 3 | 3 | 2 |
| Derivatives | | | |
| Other assets | 37 | 31 | 20 |
| **Total assets** | 168 | 164 | 145 |
| Amounts owed to credit institutions | | | |
| Deposits and borrowings from the public | 145 | 139 | 120 |
| Debt securities in issue | | 1 | 1 |
| Financial liabilities for which customers bear inv. risk | 3 | 2 | |
| Derivatives | | | |
| Other liabilities | | | |
| Subordinated liabilities | | | |
| **Total liabilities** | 145 | 143 | 123 |
| Allocated equity | 20 | 21 | 22 |
| **Total liabilities and equity** | 168 | 164 | 145 |

| **Income items** | | | |
| Income from external customers | 6 288 | 6 107 | 5 619 |
| Income from transactions with other business areas | | | 5 |

| **Key ratios** | | | |
| Return on allocated equity, % | 12.3 | 14.6 | 14.0 |
| Loans/deposits | 86 | 91 | 100 |
| Credit impairment ratio, % | -0.14 | -0.16 | -0.37 |
| Cost/income ratio | 0.39 | 0.41 | 0.44 |
| Risk exposure amount | 74 | 81 | 88 |
| Full-time employees | 3 853 | 3 920 | 3 940 |
## Three-year summary

### Large Corporates & Institutions

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income statement</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net interest income</td>
<td>3,428</td>
<td>3,485</td>
<td>3,394</td>
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<tr>
<td>Net commissions</td>
<td>2,025</td>
<td>2,233</td>
<td>1,995</td>
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<td>Net gains and losses on financial items at fair value</td>
<td>1,891</td>
<td>1,929</td>
<td>1,960</td>
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<td>Share of profit or loss of associates</td>
<td>143</td>
<td>121</td>
<td>167</td>
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<td><strong>Total income</strong></td>
<td>7,487</td>
<td>7,768</td>
<td>7,516</td>
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<tr>
<td>Staff costs</td>
<td>1,425</td>
<td>1,364</td>
<td>1,175</td>
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<tr>
<td>Variable staff costs</td>
<td>228</td>
<td>288</td>
<td>412</td>
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<td>Other expenses</td>
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<td>1,607</td>
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<tr>
<td>Depreciation/amortisation</td>
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<td>68</td>
<td>58</td>
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<tr>
<td><strong>Total expenses</strong></td>
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<td>3,364</td>
<td>3,252</td>
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<tr>
<td>Profit before impairments</td>
<td>4,141</td>
<td>4,404</td>
<td>4,264</td>
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<tr>
<td>Impairment of intangible assets</td>
<td></td>
<td></td>
<td>56</td>
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<tr>
<td>Impairment of tangible assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit impairments</td>
<td>284</td>
<td>381</td>
<td>180</td>
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<tr>
<td><strong>Operating profit</strong></td>
<td>3,857</td>
<td>4,023</td>
<td>4,028</td>
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<tr>
<td>Tax expense</td>
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<tr>
<td>Shareholders of Swedbank AB</td>
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<td>3,143</td>
<td>2,992</td>
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<td>Non-controlling interests</td>
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<td><strong>Balance sheet, SEKbn</strong></td>
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<td></td>
</tr>
<tr>
<td>Cash and balances with central banks</td>
<td>5</td>
<td>5</td>
<td>3</td>
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<tr>
<td>Loans to credit institutions</td>
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<td>300</td>
<td>371</td>
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<tr>
<td>Loans to the public</td>
<td>218</td>
<td>240</td>
<td>205</td>
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<tr>
<td>Bonds and other interest-bearing securities</td>
<td>34</td>
<td>60</td>
<td>54</td>
</tr>
<tr>
<td>Financial assets for which customers bear inv. risk</td>
<td>92</td>
<td>123</td>
<td>85</td>
</tr>
<tr>
<td>Derivatives</td>
<td>27</td>
<td>19</td>
<td>18</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>653</td>
<td>747</td>
<td>736</td>
</tr>
<tr>
<td>Amounts owed to credit institutions</td>
<td>200</td>
<td>234</td>
<td>199</td>
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<tr>
<td>Deposits and borrowings from the public</td>
<td>121</td>
<td>118</td>
<td>111</td>
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<tr>
<td>Debt securities in issue</td>
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<td>15</td>
<td>16</td>
</tr>
<tr>
<td>Financial liabilities for which customers bear inv. risk</td>
<td>88</td>
<td>119</td>
<td>80</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>208</td>
<td>241</td>
<td>315</td>
</tr>
<tr>
<td>Subordinated liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
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<td><strong>Total liabilities</strong></td>
<td>634</td>
<td>727</td>
<td>721</td>
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<tr>
<td>Allocated equity</td>
<td>19</td>
<td>20</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total liabilities and equity</strong></td>
<td>653</td>
<td>747</td>
<td>736</td>
</tr>
<tr>
<td>Income items</td>
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</tr>
<tr>
<td>Income from external customers</td>
<td>7,371</td>
<td>7,655</td>
<td>7,512</td>
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<tr>
<td>Income from transactions with other business areas</td>
<td>116</td>
<td>113</td>
<td>4</td>
</tr>
<tr>
<td><strong>Key ratios</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Return on allocated equity, %</td>
<td>16.2</td>
<td>19.3</td>
<td>17.2</td>
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<tr>
<td>Loans/deposits</td>
<td>150</td>
<td>165</td>
<td>174</td>
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<tr>
<td>Credit impairment ratio, %</td>
<td>0.16</td>
<td>0.18</td>
<td>0.08</td>
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<tr>
<td>Cost/income ratio</td>
<td>0.45</td>
<td>0.43</td>
<td>0.43</td>
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<tr>
<td>Risk exposure amount</td>
<td>112</td>
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<tr>
<td>Full-time employees</td>
<td>1,195</td>
<td>1,193</td>
<td>1,086</td>
</tr>
</tbody>
</table>
Definitions

Additional Tier 1 capital
Additional Tier 1 capital according to article 51 after the deductions in article 56 and after application of article 79 in CRR.

Capital adequacy ratio
The capital base in relation to risk exposure amount.

Capital base
The sum of Tier 1 (primary) and Tier 2 (supplementary) capital according to article 72 in CRR.

Capital requirement
Regulation on how much capital a company must hold in order to pursue business.

Cash flow per share
Cash flow for the year in relation to the weighted average number of shares outstanding during the year.

Common Equity Tier 1 capital
Common Equity Tier 1 capital according to article 26 after applicable adjustments specified in article 32-35, deductions according to article 36 and the exemptions and alternatives in articles 48, 49 and 79 in CRR.

Common Equity Tier 1 capital ratio
Common Equity Tier 1 capital in relation to the risk exposure amount.

Cost/income ratio
Expenses in relation to income.

Credit impairments
Established losses and provisions for the year less recoveries related to loans as well as the year’s net expenses for guarantees and other contingent liabilities.

Credit impairment ratio
Credit impairments on loans and other credit risk provisions, net, in relation to the opening balance of loans to credit institutions and loans to the public.

Duration
The average weighted maturity of payment flows calculated at present value and expressed in number of years.

Earnings per share after dilution
Profit for the year allocated to shareholders in relation to the weighted average number of shares outstanding during the year, adjusted for the dilution effect of potential shares.

Earnings per share before dilution
Profit for the year allocated to shareholders in relation to the weighted average number of shares outstanding during the year, rights issue adjustment factor included.

Equity per share
Shareholders’ equity in relation to the number of shares outstanding.

Impaired loans
Loans where there is, on an individual level, objective evidence of a loss event, and where this loss event has an impact on the cash flow of the exposure. Impaired loans, gross, less specific provisions for loans assessed individually constitute impaired loans, net.

Interest fixing period
Contracted period during which interest on an asset or liability is fixed.

Loan/deposit ratio
Lending to the public excluding Swedish National Debt Office and repurchase agreements in relation to deposits from the public excluding Swedish National Debt Office and repurchase agreements.

Net interest margin
Net interest income in relation to average total assets.

Net asset value per share
Shareholders’ equity according to the balance sheet and the equity portion of the difference between the book value and fair value of the assets and liabilities divided by the number of shares outstanding at year-end.

Number of employees
The number of employees at year-end, excluding long-term absences, in relation to the number of hours worked expressed in terms of full-time positions.

P/E ratio
Market capitalisation at year-end in relation to Profit for the financial year allocated to shareholders.

Price/equity
The share price at year-end in relation to the equity per share at year-end.

Provision ratio for individually identified impaired loans
Provisions for impaired loans assessed individually in relation to impaired loans, gross.

Restructured loan
A loan where the terms have been modified to more favourable for the borrower, due to the borrower’s financial difficulties.

Return on equity
Profit for the financial year allocated to shareholders in relation to average shareholders’ equity.

Return on total assets
Profit for the financial year in relation to average total assets.

Risk exposure amount
Capital requirement for credit risk, market risk, settlement risk and operational risk according to the capital adequacy rules multiplied by 12.5.

Share of impaired loans, gross
Carrying amount of impaired loans, gross, in relation to the carrying amount of loans to credit institutions and the public excluding provisions.

Share of impaired loans, net
Carrying amount of impaired loans, net, in relation to the carrying amount of loans to credit institutions and the public.

Tier 1 capital
The sum of Common Equity Tier 1 capital and additional tier 1 capital according to article 25 in CRR.

Tier 1 capital ratio
Tier 1 capital in relation to the risk exposure amount.

Tier 2 capital
Tier 2 capital according to article 62 after deductions in article 66 and after applications of article 79 in CRR.

Total provision ratio for impaired loans
All provisions for loans in relation to impaired loans, gross.

Total return
Share price development during the year including the actual dividend, in relation to the share price at the beginning of the year.

VaR
Value at Risk (VaR) is a statistical measure used to quantify market risk. VaR is defined as the expected maximum loss in value of a portfolio with a given probability over a certain time horizon.

Yield
Dividend per share in relation to the share price at year-end.
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