

# Q1 2015

## Interim report January-March 2015

Compared with fourth quarter 2014

- Improved result in exceptional market conditions
- Good cost control
- Continued lending growth in Sweden
- Stable net interest income but pressure from lower interest rates
- Lower net commission income due to seasonally lower customer activity, less capital raising activity and lowered fund fees
- Net gains and losses on financial items at fair value benefited from high activity in fixed income and FX trading
- Continued low credit impairments
- Continued strong capitalisation. Higher valuation of pension liabilities and loan volume growth had a negative effect on the Common Equity Tier 1 capital ratio
- Swedbank completed its first issuance of Additional Tier 1 Capital instruments according to new European capital regulations to optimise its capital structure
- International expansion in card acquiring through agreement with Finnish customer

”I am pleased with how we handled the challenges in the first quarter. Our strong financial starting point gives us the strength to continue to shape the bank of the future.”

Michael Wolf,  
President and CEO

Financial information	Q1	Q4		Q1	
SEKm	2015	2014	%	2014	%
Total income	9 618	9 379	3	9 320	3
of which net interest income	5 719	5 809	-2	5 483	4
Total expenses	4 168	4 293	-3	4 226	-1
Profit before impairments	5 450	5 086	7	5 094	7
Credit impairments	59	254	-77	-100	
Profit for the period attributable to the shareholders of Swedbank AB	4 320	3 795	14	3 953	8
Earnings per share total operations, SEK, after dilution	3.88	3.41		3.57	
Return on equity, total operations, %	14.9	13.3		14.5	
C/I-ratio	0.43	0.46		0.45	
Common Equity Tier 1 capital ratio, %	20.5	21.2		18.3	
Credit impairment ratio, %	0.02	0.07		-0.03	

## CEO Comment

### Exceptional market conditions

Market movements during the first quarter were extraordinary after actions by the world's central banks. The Riksbank's rate cut changed market conditions for us and our customers. Negative rates place new demands on the bank as a financial advisor, at the same time that our income is being squeezed. The rate cuts are also affecting the prices of several asset classes, which is reason for caution. We believe the negative rate overshoots the target – and may even jeopardise growth and productivity. What Sweden needs is measures that will increase housing construction and infrastructure investment. At the same time, additional measures are needed to mitigate structural risks. It is unfortunate that the Swedish Financial Supervisory Authority's amortisation requirements are being withdrawn. Swedbank will however continue to recommend that our customers amortise their mortgages down to a 50% loan-to-value ratio.

### Improved customer value – continued high activity among our customers

The quarter saw continued high activity among our customers. Lending growth in the Swedish operations, especially in the real estate sector, was stable and our mortgage business remains competitive. The growth rate slowed towards the end of the quarter, however, as we had intended.

In card acquiring we signed an agreement with a large, important Finnish customer whose stores account for 25 per cent of card payments in Finland. This creates opportunities for more international business and is an important step in the expansion of one of our core products.

We have cut the fees further in several of our funds in order to create a more attractive offering and adjust to the low interest rates.

Digitisation is continuing at a brisk pace. For most customers the digital channel is The bank. Within a couple of years practically all daily transactions will be executed digitally, as will most services and sales. In our Baltic operations we have already made significant progress in this area; 48 per cent of all new sales were made digitally in the first quarter. We are in close dialogue with many of our customers to better understand what is most important to them and what we can do to be even better. So far this has resulted in customer satisfaction of 91 per cent for our digital services.

### Increased opportunity to offer our customers more

I am extremely proud of our current efficiency level, with a cost/income ratio of 0.43. This makes Swedbank one of the world's most cost-effective banks. It has become much harder to do business profitably in the current interest rate environment and in light of increasing regulatory requirements.

When profitability comes under pressure, cost efficiency becomes that much more important. As we have stated earlier, our ambition is to cut total costs in 2016 towards SEK 16bn. A high level of efficiency and stable profitability are a pre-condition for being able to strengthen our customer offering through increased investments in better products, distribution forms and service. It is also why we can bear the costs of the negative rates and have not been forced to pass them onto our customers, other than in a few cases involving financial institutions.

Our employees are the bank's most important asset. We have to continuously challenge ourselves and the ways we perform our work. We have to think in new ways. I will spend a lot of time this year making sure that my employees continue to have the tools and resources they need to successfully achieve this. One initiative we have already taken to capitalise on and develop our employees' potential is the decision made last autumn to increase internal mobility within the bank and minimise external recruiting. Since then we have launched an internal career portal and improved our internal recruiting advertisements. We are already seeing results. External recruitment has decreased significantly at the same time as more positions are being filled by internal candidates. This means more opportunities for our employees to broaden their expertise and at the same time foster cooperation between units.

### Stable result in a turbulent world

Despite the negative rates, we posted a stable result for the first quarter of the year.

Our Swedish operations are feeling the impact of lower fund management fees and negative interest rates at the same time as greater market volatility has increased customer activity in fixed income and FX trading.

Our Baltic operations show good resilience in terms of profitability and credit quality. Our customers remain strong and we are even seeing a small increase in the lending portfolio in local currency. As of this year Lithuania also joined the European Monetary Union, which further improves the risk picture for our operations now that all three Baltic countries are members.

Our capitalisation remains strong with a Common Equity Tier 1 capital ratio of 20.5 per cent.

I am pleased with how we handled the challenges in the first quarter. Our strong financial starting point gives us the strength to continue to shape the bank of the future.



Michael Wolf  
President and CEO

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More detailed information can be found in Swedbank's fact book, [www.swedbank.com/ir](http://www.swedbank.com/ir), under Financial information and publications.

## Financial summary

Income statement SEKm	Q1 2015	Q4 2014	%	Q1 2014	%
Net interest income	5 719	5 809	-2	5 483	4
Net commission income	2 744	2 882	-5	2 693	2
Net gains and losses on financial items at fair value	320	69		345	-7
Other income	835	619	35	799	5
<b>Total income</b>	<b>9 618</b>	<b>9 379</b>	<b>3</b>	<b>9 320</b>	<b>3</b>
Staff costs	2 472	2 452	1	2 437	1
Other expenses	1 696	1 841	-8	1 789	-5
<b>Total expenses</b>	<b>4 168</b>	<b>4 293</b>	<b>-3</b>	<b>4 226</b>	<b>-1</b>
<b>Profit before impairments</b>	<b>5 450</b>	<b>5 086</b>	<b>7</b>	<b>5 094</b>	<b>7</b>
Impairment of tangible assets	15	33	-55	135	-89
Credit impairments	59	254	-77	-100	
<b>Operating profit</b>	<b>5 376</b>	<b>4 799</b>	<b>12</b>	<b>5 059</b>	<b>6</b>
Tax expense	1 101	1 000	10	1 074	3
<b>Profit for the period from continuing operations</b>	<b>4 275</b>	<b>3 799</b>	<b>13</b>	<b>3 985</b>	<b>7</b>
Profit for the period from discontinued operations, after tax	49	-3		-27	
Profit for the period	4 324	3 796	14	3 958	9
<b>Profit for the period attributable to the shareholders of Swedbank AB</b>	<b>4 320</b>	<b>3 795</b>	<b>14</b>	<b>3 953</b>	<b>9</b>

Key ratios and data per share	Q1 2015	Q4 2014	Q1 2014
Return on equity, continuing operations, %	14.8	13.3	14.6
Return on equity, total operations, %	14.9	13.3	14.5
Earnings per share before dilution, continuing operations, SEK <sup>1)</sup>	3.87	3.45	3.62
Earnings per share after dilution, continuing operations, SEK <sup>1)</sup>	3.84	3.42	3.59
Cost/income ratio	0.43	0.46	0.45
Equity per share, SEK <sup>1)</sup>	96.7	106.3	93.0
Loan/deposit ratio, %	182	201	195
Common Equity Tier 1 capital ratio, %	20.5	21.2	18.3
Tier 1 capital ratio, %	23.1	22.4	19.4
Total capital ratio, %	26.2	25.5	22.0
Credit impairment ratio, %	0.02	0.07	-0.03
Share of impaired loans, gross, %	0.39	0.41	0.45
Total provision ratio for impaired loans, %	54	53	60
Liquidity coverage ratio (LCR), %	140	120	144
Net stable funding ratio (NSFR), % <sup>2)</sup>	101	98	102

Balance sheet data SEKbn	31 Mar 2015	31 Dec 2014	%	31 Mar 2014	%
Loans to the public, excluding the Swedish National Debt Office and repurchase agreements	1 342	1 325	1	1 219	10
Deposits and borrowings from the public, excluding the Swedish National Debt Office	737	661	11	625	18
Shareholders' equity	107	117	-9	102	4
Total assets	2 275	2 121	7	1 922	18
Risk exposure amount	422	414	2	449	-6

<sup>1)</sup> The number of shares and calculation of earnings per share are specified on page 51.

<sup>2)</sup> NSFR according to Swedbank's best understanding of the Basel Committee's new recommendation (BCBS295).

The key ratios are based on profit and shareholders' equity attributable to shareholders of Swedbank.  
Key ratios and text comments regarding lending and deposits relate to volumes excluding Swedish National Debt Office and repos.

## Overview

### Market

The European economy continued to grow at a modest pace. GDP in the eurozone rose by 0.9 per cent on an annualised basis in the fourth quarter 2014 after a temporary slowdown. The weakening euro and big drop in oil prices had a positive effect during the first quarter. At the same time the purchasing managers' index rose and household optimism improved. The recovery is getting support from the ECB's expansive monetary policy, which in March launched a comprehensive bond buying programme worth EUR 60bn a month up until September 2016. Long-term interest rates in the euro countries, with the exception of Greece, fell broadly. US economic growth slowed to 2.2 per cent on an annualised basis in the fourth quarter 2014. Although the slowdown continued in the first quarter, 200 000 new jobs were created and unemployment further declined. A US rate hike later this year is getting closer, which has strengthened the dollar against the euro and the krona. The timing of a rate hike remains uncertain, however, after slightly weaker macro data.

The Swedish economy grew more than expected during the fourth quarter, with GDP climbing 2.7 per cent on an annualised basis. Private consumption increased and investments rose significantly, especially housing investments. The recovery was clearest in service sectors, while manufacturing remained sluggish. While the number of people in jobs rose during the first months of the year, unemployment remained high at around 8 per cent. In February the Riksbank cut the repo rate to negative territory (-0.10 per cent) for the first time, at the same time as government bond buying was introduced. Another rate cut to -0.25 per cent and expanded bond buying was announced in March to stimulate inflation. The inflation target is 2 per cent and more monetary measures are expected in the short term. Expansive monetary policies tend to push high asset prices even higher, for example equities and real estate.

The Baltic economies proved resilient in 2014 despite external uncertainties. Reduced dependence on Russia and an ability to adapt production and steer exports to other markets were contributing factors. Solid real household income increases produced robust private consumption at the same time that unemployment fell. Growth accelerated in Estonia, but slowed in Latvia and Lithuania. On an annualised basis the Estonian economy grew by 3 per cent in the fourth quarter, compared with 2.4 per cent in Lithuania and 2.1 per cent in Latvia. Brighter export prospects to Germany will also provide support going forward. However, growth will moderate in the year ahead, as the Russian economy shrinks and business investments are put on hold given the economic uncertainty in Europe.

The Stockholm stock exchange (OMXSPI) gained 15 per cent during the first quarter. The Tallinn stock exchange (OMXTGI) rose by 14 per cent and the Riga stock exchange (OMXRGI) by 3 per cent, while the Vilnius stock exchange (OMXVGI) gained 9 per cent.

### Important to note

Lithuania adopted the euro as its currency on 1 January 2015.

## First quarter 2015

Compared with fourth quarter 2014

### Result

The quarterly result increased by 14 per cent to SEK 4 320m (3 795). Income increased while expenses and credit impairments decreased. Profit before impairments increased by 7 per cent to SEK 5 450m (5 086). The result was stable in Swedish Banking and Baltic Banking and rose in LC&I and Group Functions & Other, where Group Treasury's result strengthened. The return on equity rose to 14.9 per cent (13.3). The cost/income ratio improved to 0.43 (0.46).

<b>Profit before impairments by business segment excl FX effects</b>	<b>Q1</b>	<b>Q4</b>	<b>Q1</b>
<b>SEKm</b>	<b>2015</b>	<b>2014</b>	<b>2014</b>
Swedish Banking	2 970	2 888	2 986
Baltic Banking	887	870	905
Large Corporates & Institutions	1 103	1 026	1 264
Group Functions & Other	490	312	-7
<b>Total excl FX effects</b>	<b>5 450</b>	<b>5 096</b>	<b>5 148</b>
FX effects		-10	-54
<b>Total</b>	<b>5 450</b>	<b>5 086</b>	<b>5 094</b>

Income increased by 3 per cent to SEK 9 618m (9 379). Net interest income and net commission income decreased slightly, while other income and net gains and losses on financial items at fair value improved.

Net interest income decreased by 2 per cent to SEK 5 719m (5 809). A fewer number of days during the quarter negatively affected net interest income by about SEK 80m. Net interest income decreased slightly in every business segment but increased in Group Treasury within Group Functions & Other. Group Treasury's net interest income benefited from falling market interest rates, whilst adversely affecting deposit margins within all business areas. Higher lending volumes mainly in Swedish Banking contributed positively. Lending margins for Swedish mortgages increased.

Net commission income decreased by 5 per cent to SEK 2 744m (2 882). All business areas contributed to the decrease. Net commission income from cards and payments was seasonally lower. Adoption of the euro in Lithuania also contributed to the decrease in payment commissions. Lower activity in capital raising reduced net commission income within LC&I. Asset management income was stable, a net of higher equity prices and lower fund management fees. Lending related commissions were higher. A fewer number of days during the quarter had a negative effect.

Net gains and losses on financial items at fair value increased to SEK 320m (69). The result in LC&I improved mainly thanks to high activity and volatility in fixed income and FX trading. The result for Group Treasury within Group Functions & Other improved but was still negative. Like the previous quarter, covered bond repurchases affected the result negatively while falling market interest rates had a positive effect. Increased credit spreads had a negative effect but to a lesser extent than in the fourth quarter.

Other income increased by 35 per cent to SEK 835m (619). The improvement was mainly in Swedish Banking, where the share of profit or loss of associates increased due to higher results in the credit card company Entercard and Sparbanken Skåne. Other income was also positively affected by capital gains of about SEK 90m from the sales of Svensk Fastighetsförmedling and from a property sale in Sparbanken Öresund.

Expenses decreased by 3 per cent to SEK 4 168m (4 293) mainly in Swedish Banking and Baltic Banking. The biggest decreases were in other expenses and IT. Staff costs were stable. The number of full-time employees decreased by 249, mainly in Baltic Banking and Swedish Banking.

Credit impairments decreased to SEK 59m (254). Credit impairments were lower in LC&I and Swedish Banking, while Baltic Banking continued to report small net recoveries.

The tax expense amounted to SEK 1 101m (1 000), corresponding to an effective tax rate of 20.5 per cent (20.8).

The result from discontinued operations was SEK 49m (-3), the net of a positive tax effect and small credit impairments.

## First quarter 2015

Compared with first quarter 2014

### Result

The result for the period increased by 9 per cent to SEK 4 320m (3 953). Income rose and expenses were stable; and credit impairments were posted compared with recoveries in 2014. Currency fluctuations, primarily the depreciation of the Swedish krona against the euro, raised profit by SEK 47m. Profit before impairments increased by 7 per cent to SEK 5 450m (5 094). The result within Group Functions & Other increased while remaining stable in Swedish Banking and Baltic Banking. Within LC&I profit decreased. The return on equity improved to 14.9 per cent (14.5). The cost/income ratio improved to 0.43 (0.45).

<b>Profit before impairments by business segment excl FX effects SEKm</b>	<b>Jan-Mar 2015</b>	<b>Jan-Mar 2014</b>	<b>Δ SEKm</b>
Swedish Banking	2 970	2 986	-16
Baltic Banking	887	905	-18
Large Corporates & Institutions	1 103	1 264	-161
Group Functions & Other	490	-7	497
<b>Total excl FX effects</b>	<b>5 450</b>	<b>5 148</b>	<b>302</b>
FX effects		-54	54
<b>Total</b>	<b>5 450</b>	<b>5 094</b>	<b>356</b>

Income rose by 3 per cent to SEK 9 618m (9 320). The acquisition of Sparbanken Öresund increased income within Swedish Banking. Group Functions & Other also contributed to higher income, while income within LC&I decreased. Stronger net interest income contributed the most to the Group's income improvement. Other income

sources developed positively. Changes in exchange rates increased income by SEK 94m.

Net interest income rose by 4 per cent to SEK 5 719m (5 483). Group Treasury's net interest income improved thanks to falling market interest rates. Net interest income decreased the most within Swedish Banking. Lower market interest rates had an adverse effect, while increased lending volumes and higher mortgage margins contributed positively. Net interest income within Baltic Banking was pressured by lower deposit volumes. Lower market interest rates had a negative effect within LC&I as well, but were offset by higher lending volumes. Fluctuations in exchange rates increased net interest income by SEK 57m.

Net commission income was stable at SEK 2 744m (2 693). Commission income from asset management increased, mainly due to a bullish stock market, but also to net inflows. Card commissions rose as well, while income from corporate finance decreased.

Net gains and losses on financial items at fair value were stable at SEK 320m (345). The result increased slightly within LC&I but was lower within Group Functions & Other. The result decreased in Group Treasury within Group Functions & Other mainly due to the negative effects of a higher volume of covered bond repurchases and rising credit spreads. Falling market interest rates had a positive effect.

Other income increased by 5 per cent to SEK 835m (799). Income increased due to capital gains on the sales of Svensk Fastighetsförmedling and a property from Sparbanken Öresund. Income in Ektornet decreased.

Expenses decreased by 1 per cent to SEK 4 168m (4 226). Expenses increased within Swedish Banking, where acquisition expenses for Sparbanken Öresund were reported in the second quarter 2014. Expenses decreased within Group Functions & Other as a result of further efficiency improvements and a one-off expense of SEK 79m in connection with the move of the head office in 2014. Expenses decreased within Baltic Banking in local currency. Changes in exchange rates increased expenses by SEK 40m.

Staff costs were stable despite added expenses for Sparbanken Öresund. The number of full-time employees increased slightly, mainly within Swedish Banking as a result of the acquisition of Sparbanken Öresund. Within Group Functions & Other the number of employees decreased as a result of a lower number of employees within Group Products due to efficiencies and digitised processes. Baltic Banking also reduced its staff. The number of full-time employees rose within LC&I, mainly due to additional IT staff.

Credit impairments increased to SEK 59m (net recoveries of 100), mainly because Baltic Banking reported lower net recoveries. Tangible asset writedowns decreased to SEK 15m (135), attributable to Ektornet.

The tax expense amounted to SEK 1 101m (1 074), corresponding to an effective tax rate of 20.5 per cent (21.2). The lower tax rate is mainly because 2014 was affected by non-deductible writedowns in Ektornet.

## Volume trends

Swedbank's lending increased by SEK 17bn or 1 per cent during the first quarter to SEK 1 342bn, of which SEK 1bn is due to exchange rate effects.

Lending to mortgage customers in Sweden increased by SEK 8bn to SEK 647bn during the quarter. Swedbank's market share of net growth was in line with the total market share of 25 per cent (25 as of 31 December).

Corporate lending within Swedish Banking and LC&I rose by SEK 8bn to SEK 441bn. The growth rate decreased compared with the second half of 2014. Of the increase, SEK 4bn was due to exchange rate effects. Market shares improved to a total of 18.9 per cent (18.7) as of 28 February. In Baltic Banking the lending portfolio increased slightly in local currency to a total of SEK 125m. Corporate lending grew by 2 per cent in local currency, with the biggest gain in Lithuania. It also grew in Estonia, but continued to decrease in Latvia. The mortgage portfolios were stable.

Swedbank's deposits grew during the quarter by SEK 76bn to a total of SEK 737bn. The increase was due to higher deposit volumes in Group Treasury from US money market funds. LC&I increased its volumes by SEK 11bn, while they decreased by SEK 12bn in Swedish Banking, where the biggest decrease was in corporate deposits. The decrease was mainly because municipalities and county councils paid their premiums for occupational pensions and made large tax payments during the quarter. Deposit volumes in Baltic Banking were stable in local currency. Market shares in Sweden improved as of 28 February to 21.2 per cent (21.1) for household deposits and 19.2 per cent (18.7) for corporate deposits.

Fund assets under management amounted to SEK 786bn (715), of which SEK 755bn is attributable to the Swedish operations. Discretionary assets under management amounted to SEK 360bn (337). The increase in assets under management was mainly due to positive market performance. The net flow for the period was SEK 2bn, with an inflow to mixed funds and an outflow from fixed income and equity funds.

Discretionary management saw an inflow of SEK 4bn. Swedbank Robur's market share regarding net inflow was 4 per cent (13 per cent for 2014). During the first quarter Robur had an increased inflow from Swedbank and the savings banks, but a larger outflow from PPM and from institutional investors, where volatility tends to be higher. Swedbank is also a distributor of other funds, and its share of total net sales in the Swedish fund market was 9 per cent during the quarter (22 per cent for 2014).

For more information on the product areas, see page 19.

## Credit and asset quality

The first quarter was distinguished by continued geopolitical instability and an uncertain international macro environment, combined with monetary stimulus. The bank's four home markets are affected mainly by the conflict between Russia and Ukraine, falling prices for certain agricultural products due to low demand, and low energy and oil prices. Despite the uncertainty this creates, there has been no deterioration in credit quality in the form of increased credit impairments or a higher volume of non-performing loans. There been no

increase in payment problems among Swedish agricultural customers either, thanks in large degree to diversified businesses and low loan-to-value ratios. The lower energy prices are positive for the vast majority of the bank's customers, but have a negative impact on customers in the offshore sector. The bank's exposures to companies in this sector mainly relate, however, to listed companies with high credit ratings and long-term customer contracts. As a result, they are expected to be able to handle an extended period of lower oil prices even if it causes economic strains. Swedbank is in continuous dialogue with vulnerable customers to jointly identify measures at an early stage that reduce the risk for both parties. This was done during the quarter with a few Baltic agricultural and export companies as well as a few companies in the offshore sector.

House prices in Sweden continued to rise as supply failed to keep up with demand. The measures that the Riksbank has taken to achieve its inflation target, including negative interest rates, have also affected the prices of residential and commercial properties. The price increase, which has outpaced economic growth for several years, is not considered sustainable. As a result, Swedbank's credit terms for mortgages and property companies have been revised to ensure continued high credit quality. Among other things, higher amortisation requirements have been introduced. In addition, customers are required to be able to handle significantly higher interest rate levels. Their payment ability and low loan-to-value ratios keep the bank's direct credit risk low, as confirmed by stress tests.

During the first quarter 94 per cent of new mortgages granted in Sweden with a loan-to-value ratio over 70 per cent were being amortised, as were 51 per cent of those with a loan-to-value ratio between 50 and 70 per cent. Amortisations in the Swedish mortgage portfolio during the last 12-month period amounted to about SEK 10.4bn. The average loan-to-value ratio for Swedbank's mortgages in Sweden was 59.7 per cent (60.1 as of 31 December 2014). In Estonia it was 53.0 per cent (53.9), in Latvia 96.7 per cent (108.2) and in Lithuania 81.5 per cent (84.8), based on property level. For more information, see page 19 and pages 56-57 of the fact book.

Impaired loans decreased during the quarter by SEK 0.4bn to SEK 5.9bn and correspond to 0.39 per cent (0.41) of total lending. The provision ratio for impaired loans was 35 per cent (35) and including portfolio provisions was 54 per cent (53). Impaired loans continued to fall in Baltic Banking and now amount to SEK 3.6bn. The share of Swedish mortgages past due by more than 60 days remained low at 0.07 per cent of

the portfolio (0.07). For more information on credit risk, see pages 48-55 of the fact book.

Impaired loans, by business segment SEKm	Mar 31 2015	Dec 31 2014	Mar 31 2014
Swedish Banking	1 661	1 642	1 389
Baltic Banking	3 646	3 991	4 700
Estonia	1 241	1 312	1 322
Latvia	1 368	1 465	1 929
Lithuania	1 037	1 214	1 449
Large Corporates & Institutions	583	648	159
<b>Total</b>	<b>5 890</b>	<b>6 281</b>	<b>6 248</b>

Credit impairments amounted to SEK 59m during the quarter (254 for the fourth quarter 2014), corresponding to a credit impairment ratio of 0.02 per cent. The credit impairments mainly related to new provisions for anticipated credit impairments in Sweden. The provisions relate to a few exposures. Baltic Banking reported further net recoveries, but at a lower level. Repossessed assets continued to decrease to SEK 788m. For more information on repossessed assets, see page 35 of the fact book.

Credit impairments, net by business segment SEKm	Q1 2015	Q4 2014	Q1 2014
Swedish Banking	52	147	31
Baltic Banking	-9	-10	-101
Estonia	14	6	-9
Latvia	-10	-12	-64
Lithuania	-13	-4	-27
Other			-1
Large Corporates & Institutions	16	120	-30
Group Functions & Other		-3	
<b>Total</b>	<b>59</b>	<b>254</b>	<b>-100</b>

## Operational risks

The bank's direct losses attributable to operational risks remained low during the first quarter. The trend from the previous year is continuing and the number of IT incidents is on the decline.

In the last two years work has been done to improve Swedbank's operational risk management. In March the Board of Directors resolved to apply to the Swedish Financial Supervisory Authority to use the Advanced Measurement Method (AMA) to calculate operational risks.

## Funding and liquidity

Demand for Swedbank's bonds remained high during the first quarter. Credit spreads for covered and unsecured bonds were stable. Swedbank completed four international public benchmark transactions, including EUR 1bn in covered bonds at historically low levels.

Swedbank issued SEK 65bn in long-term debt during the quarter. Covered bonds were the most important source of financing for the bank, accounting for SEK 47bn. At the end of the first quarter the total volume of short-term funding was SEK 213bn (195) at the same time that SEK 224bn was placed with central banks. In 2015 Swedbank plans to increase its long-term funding to match higher lending volumes. Consideration will be given to lending growth and maturing long-term bonds, which had a nominal value of SEK 110bn at the beginning of the year.

Swedbank's most important liquidity measure is the survival horizon, which showed that the bank as of 31 March would survive more than 12 months with the capital markets completely shut down. This applies to total liquidity as well as liquidity in US dollars and euro. For more information on the bank's funding and liquidity, see page 68 of the fact book.

## Ratings

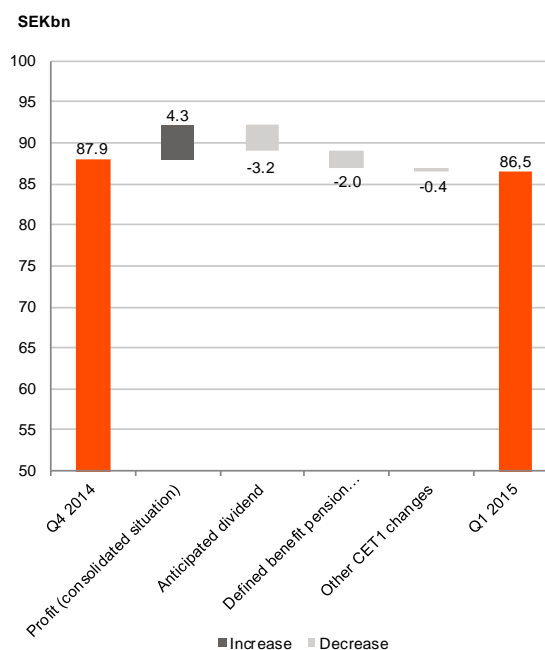
In March Moody's announced that it was reviewing the credit ratings of all banks due to a change in methodology. In connection with this announcement Moody's assessed that this, together with Swedbank's strong risk profile and capitalisation, will compensate for the negative effect of the EU's credit management directive. The result of Moody's review of Swedbank is expected during the second quarter.

## Capital and capital adequacy

The Common Equity Tier 1 capital ratio was 20.5 per cent on 31 March 2015 (21.2 per cent on 31 December 2014).

Common Equity Tier 1 capital decreased by SEK 1.4bn during the quarter to SEK 86.5bn. The change was mainly due to the remeasurement of the estimated pension liability according to IAS 19, which reduced Common Equity Tier 1 capital by about SEK 2.0bn, mainly due to a lower discount rate and increased inflation expectations. The bank's profit after deducting the anticipated dividend positively affected Common Equity Tier 1 capital by SEK 1.0bn. During the first quarter Swedbank implemented what is expected to be the final version of the technical standard from the European Banking Authority (EBA) on prudent valuation. This aims to adjust the capital base for valuation uncertainty with regard to positions measured and recognised at fair value in the balance sheet. This adversely affected Common Equity Tier 1 capital by about SEK 0.4bn as of 31 March.

### Change in Common Equity Tier 1 capital, 2015, Swedbank consolidated situation





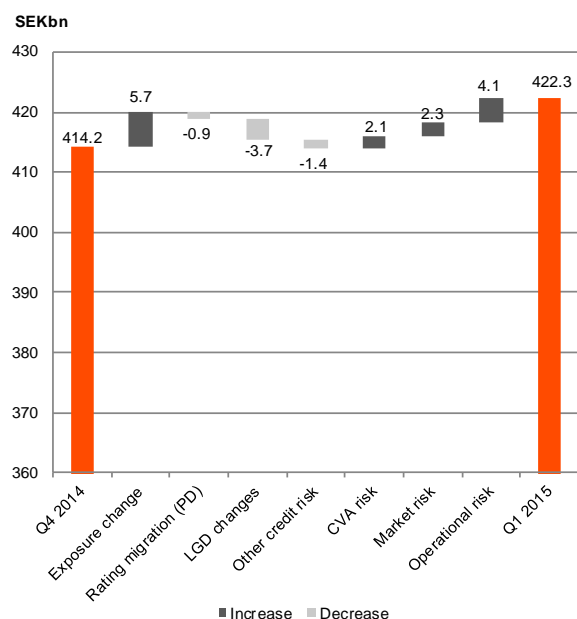
In February Swedbank issued USD 750m in Additional Tier 1 capital to optimise its capital structure. The issuance was in the form of debt instruments that convert to ordinary shares if the bank's regulatory capital falls below a certain level. The instrument fulfils the new European capital requirements that aim to avoid taxpayers having to support the banks in stressed situations. The issuance strengthened Swedbank's Tier 1 capital ratio by 1.5 percentage points. Following the issuance, Swedbank expects to have met its need for subordinated loans for the next few years.

The risk exposure amount (REA) increased by just over SEK 8bn during the first quarter to SEK 422.3bn (414.2 as of 31 December). REA for credit risks was largely unchanged. Exposures to mortgages and corporate customers in Swedish Banking and LC&I increased at the same time that exposures that are calculated according to the standard method reduced REA. Positive rating migrations (for PD and LGD) reduced REA by SEK 4.6bn. Of this amount, Lithuania's adoption of the euro accounted for SEK 0.8bn since the supplement for loans in currencies other than those in the pledged collateral was eliminated. Fluctuations in exchange rates attributable to the Baltic credit portfolio reduced REA for credit risks, mainly due to the appreciation of the Swedish krona against the euro, while the depreciation against the US dollar had the opposite effect.

REA for credit valuation adjustment (CVA risk) increased by SEK 2.1bn, mainly as a result of rising market values caused by low Swedish interest rates and a stronger dollar. REA for market risks increased by SEK 2.3bn; a net result of a decrease of about SEK 2bn in REA for exchange rate risks due to Lithuania's euro adoption and an increase of SEK 4.4bn for risks calculated with the VaR model.

REA for operational risks increased by SEK 4.1bn. This was because Swedbank's income was higher in 2014 than 2011, which affects the capital requirement for operational risks, which is based on a rolling three-year average income.

#### Change in REA, 2015, Swedbank consolidated situation



#### Uncertainty about capital regulations remains

At the end of 2014 the SFSA presented a proposal for standardised models for Pillar 2 risks, which will be implemented in 2015. The capital requirement for them is likely to be clarified as well, including the total capital requirement for Swedish banks. Swedbank's capital requirement is equivalent to a Common Equity Tier 1 capital ratio of 19.2 per cent as of 31 March, including a risk weight floor of 25 per cent for the Swedish mortgage portfolio and assuming that Swedbank's capital requirement for Pillar 2 risks is in line with the SFSA's standard value for Swedish banks (1.5 per cent). Consideration is also given to the pending introduction of a countercyclical buffer (September 2015). Swedbank's Common Equity Tier 1 capital ratio was 20.5 per cent as of 31 March. The SFSA announced in April that it is considering raising the countercyclical buffer value in June. Normally an increase is applied one year after a decision.

At the same time that the Swedish capital requirements have been clarified, international work is underway regarding future capital requirements for banks. Among other things, the Basel Committee is conducting an extensive analysis to improve the comparability of banks' capital ratios. The review covers future standard methods for calculating capital requirements for credit, market and operational risks. The committee may also propose a capital floor based on the standard methods for banks that use internal models. Due to uncertainty about the specifics of the new regulations, as well as how and when they will be implemented, it is still too early to draw any conclusions on the potential impact on Swedbank.

An evaluation of the leverage ratio is also underway ahead of the possible introduction of a minimum requirement in 2018. Swedbank's leverage ratio as of 31 March was 4.4 per cent (4.5 per cent on 31 December 2014).

#### 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 Juristbyrå 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).

#### Resolutions by the Annual General Meeting on 26 March

Anders Sundström was re-elected as Chair of the Board. Board members Ulrika Francke, Göran Hedman, Lars Idermark, Anders Igel, Pia Rudengren, Karl-Henrik Sundström, Siv Svensson and Maj-Charlotte Wallin were re-elected as well.

It was resolved that a dividend of SEK 11.35 per share should be paid to the shareholders for the financial year 2014. The record date for the dividend was set at 30 March 2015. The Board's authorisation to resolve to repurchase the bank's shares was renewed. The total holding of the bank's own shares (including shares acquired for the bank's trading stock) may not exceed one tenth of all the shares in the bank.

The Board was granted authorisation to issue convertible debentures in the form of subordinated loans that convert to shares. Not more than 100 million new ordinary shares can be issued through conversions or a corresponding number due to a bonus issue, share issue, conversion of convertibles, share split, reversed split or similar.

A general as well as an individual performance and share-based remuneration programme were approved for 2015. In addition, it was decided to transfer shares in accordance with these programmes and programmes approved by previous AGMs.

## Events after 31 March 2015

In December 2014 the Swedish Shareholders' Association (Aktiespararna) submitted a claim to the National Board for Consumer Disputes (ARN) against Swedbank Robur. Aktiespararna claims that two funds, Allemansfond Komplet 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 charges. Swedbank Robur submitted a detailed response to ARN on 13 April 2015 with a request that the claim be dismissed, since the ARN was not the right forum for the dispute due to its simplified proceedings, which are conducted strictly in writing. In addition, it requested a dismissal for several reasons, including that the two funds in question have been actively managed. The issue of active versus passive management is complex and affects not only Swedbank Robur but in principle the entire industry in Sweden and abroad.

In April 2015 the SFSA announced that it would not pursue its previously proposed amortisation requirement, whereby new mortgages would have to be amortised down to a 50 per cent loan-to-value ratio. The SFSA has not changed its view that an amortisation requirement is needed, but has determined that its mandate to introduce such a requirement needs clarification. Therefore, an amortisation requirement will not be introduced in August 2015.

## Swedish Banking

- Lower market interest rates adversely affected net interest income
- Improved lending margins
- Credit impairments remained at low levels

### Income statement

SEKm	Q1 2015	Q4 2014	%	Q1 2014	%
Net interest income	3 190	3 301	-3	3 316	-4
Net commission income	1 781	1 790	-1	1 633	9
Net gains and losses on financial items at fair value	54	80	-33	51	6
Share of profit or loss of associates	278	94		256	9
Other income	226	243	-7	150	51
<b>Total income</b>	<b>5 529</b>	<b>5 508</b>	<b>0</b>	<b>5 406</b>	<b>2</b>
Staff costs	919	917	0	874	5
Variable staff costs	54	59	-8	49	10
Other expenses	1 558	1 614	-3	1 481	5
Depreciation/amortisation	28	30	-7	16	75
<b>Total expenses</b>	<b>2 559</b>	<b>2 620</b>	<b>-2</b>	<b>2 420</b>	<b>6</b>
<b>Profit before impairments</b>	<b>2 970</b>	<b>2 888</b>	<b>3</b>	<b>2 986</b>	<b>-1</b>
Credit impairments	52	147	-65	31	68
<b>Operating profit</b>	<b>2 918</b>	<b>2 741</b>	<b>6</b>	<b>2 955</b>	<b>-1</b>
Tax expense	611	565	8	635	-4
Profit for the period	2 307	2 176	6	2 320	-1
<b>Profit for the period attributable to the shareholders of Swedbank AB</b>	<b>2 303</b>	<b>2 176</b>	<b>6</b>	<b>2 316</b>	<b>-1</b>
Non-controlling interests	4			4	0
Return on allocated equity, %	17.9	20.0		28.5	
Loan/deposit ratio, %	260	249		250	
Credit impairment ratio, %	0.02	0.06		0.01	
Cost/income ratio	0.46	0.48		0.45	
Loans, SEKbn	1 039	1 024	1	948	10
Deposits, SEKbn	400	412	-3	379	6
Full-time employees	4 898	5 008	-2	4 591	7

### Development January - March

The result for the period was stable compared with the same period in 2014 and amounted to SEK 2 303m. Income increased mainly due to higher net commission income and Sparbanken Öresund. Expenses increased mainly as a result of the acquisition of Sparbanken Öresund. The return was lower due to higher capital requirements on mortgages.

Net interest income decreased by 4 per cent compared with the first quarter 2014 as a result of lower deposit margins due to lower market interest rates. This was partly offset by higher lending volumes and higher mortgage margins on both new lending and the mortgage portfolio. Margins have gradually risen since mid-year 2014 to compensate for higher capital adequacy requirements in the form of higher risk weights for mortgages. As of the fourth quarter 2014 capital equivalent to a 25 per cent risk weight floor for Swedish mortgages is allocated to the business area, which increases capital and reduces profitability within the business area. During the first quarter market interest rates fell below zero as a result of the Riksbank's repo rate cuts in February and March. Swedbank has no plans to introduce negative interest rates on deposit accounts of private customers or the broad corporate segment within Swedish Banking. Compared with the fourth quarter 2014 net interest income decreased by 3 per cent. Increased lending

volumes and improved mortgage margins did not fully compensate for the lower deposit margins. A fewer number of days in the quarter negatively affected net interest income by about SEK 30m.

Household deposit volumes decreased by SEK 2bn from the beginning of the year. Swedbank's share of household deposits was 21 per cent as of 28 February (21 per cent as of 31 December 2014). Corporate deposits within Swedish Banking decreased by SEK 10bn from the beginning of the year partly because municipalities and county councils paid their premiums for occupational pensions and made large tax payments. Swedbank's market share, including corporate deposits within LC&I, was 19 per cent as of 28 February (19 per cent as of 31 December 2014).

Swedbank's household mortgage lending volume increased by SEK 8bn from the beginning of the year. Swedbank's market share of net growth was in line with the total market share of 25 per cent (25 as of 31 December 2014). Corporate lending volume increased by SEK 5bn from the beginning of the year, mainly in the property management sector but at a lower growth rate than in the second half of 2014. The market share, including corporate lending within LC&I, was stable at 19 per cent as of 28 February (19 per cent as of 31 December 2014).

Net commission income rose by 9 per cent year-on-year. The increase was mainly due to increased income from structured products, lending, and the insurance business. Higher fund volumes in the wake of a bullish stock market and net inflows also contributed positively. Swedbank's market share in terms of total assets under management was 22 per cent (23 as of 31 December 2014). Compared with the fourth quarter net commission income was stable. Income from asset management decreased slightly. Fund management fees were cut during the fourth quarter 2014 and first quarter 2015 to create a competitive offering and due to the low interest rates. Assets under management increased due to positive market performance. Outflows from fixed income funds and inflows to mixed funds gathered pace during the quarter. Index-linked funds saw inflows while actively managed equity funds reported outflows. Inflows to investment savings accounts increased during the quarter driven by low interest rates. The reduced deductibility of individual pension savings also contributed to the inflow. Because of the changes in deductibility, broad-based information activities were conducted to encourage investors to switch to investment savings accounts and avoid double taxation.

The share of associates' profit increased. During the first quarter income increased as a result of the sale of written-off debt by Entercard and a capital gain reported by Sparbanken Skåne in connection with branch sales.

Other income was positively affected by one-off income totalling about SEK 90m related to a capital gain on a property sold by Sparbanken Öresund and the sale of Svensk Fastighetsförmedling.

Expenses increased compared with the first quarter 2014 due to the acquisition of Sparbanken Öresund during the second quarter 2014, which was why staff costs and expenses for IT development and IT operations increased. Compared with the fourth quarter 2014 expenses decreased slightly, mainly due to lower expenses for premises and IT development. Expenses to integrate Sparbanken Öresund were lower. Staff costs were stable.

Credit quality remained good. Credit impairments increased slightly compared with the previous year, but decreased compared with the previous quarter. During the first quarter credit impairments amounted to SEK 52m, mainly consisting of lower provisions for anticipated credit impairments within various corporate sectors. The share of impaired loans was 0.15 per cent (0.15 as of 31 December).

Use of Swedbank's digital channels continues to grow. The Internet Bank had 3.8 million users as of 31 March, an increase of 35 000 during the year. The Mobile Bank had 2.1 million (+107 000) and the iPad Bank had 0.6 million (+38 000). Increasing digitisation strongly contributed to a year-on-year decrease of 16 per cent in the number of teller transactions in branches against the equivalent period in 2014.

Swedish Banking has a new organisation as of 1 January 2015. Birgitte Bonnesen, former head of Baltic Banking, was named head of the business segment at year-end.

**Sweden is Swedbank's largest market**, with around 4 million private customers and more than 250 000 corporate customers. This makes it Sweden's largest bank by number of customers. Through our digital channels (Telephone Bank, Internet Bank, Mobile Bank and iPad Bank) and branches, and with the support of savings banks and franchisees, we are always available. Swedbank is part of the local community. The bank's branch managers have a strong mandate to act in their local communities. The bank's presence and engagement are expressed in various ways. A project called "Young Jobs", which has created several thousand trainee positions for young people, has played an important part in recent years. Swedbank has 304 branches in Sweden. The various product areas are described on page 19.

## Baltic Banking

- Low interest rates put pressure on net interest income
- No financial impact from situation in Russia
- Growth in lending portfolio in local currency

### Income statement

SEKm	Q1 2015	Q4 2014	%	Q1 2014	%
Net interest income	831	863	-4	874	-5
Net commission income	469	505	-7	429	9
Net gains and losses on financial items at fair value	50	64	-22	53	-6
Other income	149	102	46	109	37
<b>Total income</b>	<b>1 499</b>	<b>1 534</b>	<b>-2</b>	<b>1 465</b>	<b>2</b>
Staff costs	210	216	-3	187	12
Variable staff costs	19	20	-5	20	-5
Other expenses	345	400	-14	364	-5
Depreciation/amortisation	38	37	3	36	6
<b>Total expenses</b>	<b>612</b>	<b>673</b>	<b>-9</b>	<b>607</b>	<b>1</b>
<b>Profit before impairments</b>	<b>887</b>	<b>861</b>	<b>3</b>	<b>858</b>	<b>3</b>
Impairment of tangible assets	-2	10		-5	-60
Credit impairments	-9	-10	-10	-101	-91
<b>Operating profit</b>	<b>898</b>	<b>861</b>	<b>4</b>	<b>964</b>	<b>-7</b>
Tax expense	131	128	2	137	-4
Profit for the period	767	733	5	827	-7
<b>Profit for the period attributable to the shareholders of Swedbank AB</b>	<b>767</b>	<b>733</b>	<b>5</b>	<b>827</b>	<b>-7</b>
Return on allocated equity, %	15.0	13.9		15.2	
Loan/deposit ratio, %	92	91		101	
Credit impairment ratio, %	-0.03	-0.04		-0.34	
Cost/income ratio	0.41	0.44		0.41	
Loans, SEKbn	125	126	-1	118	6
Deposits, SEKbn	135	138	-2	117	15
Full-time employees	3 811	3 920	-3	3 858	-1

### Development January - March

Profit for the first quarter 2015 amounted to SEK 767m, a decrease of 12 per cent in local currency compared with the same period in 2014. Income in local currency decreased mainly as a result of lower market interest rates. Costs decreased thanks to further efficiency improvements. The business area reported further recoveries, but at a lower level. Changes in exchange rates raised profit by SEK 41m.

Net interest income in local currency decreased by 10 per cent compared with the same period in 2014. Low market interest rates pressured deposit margins. Changes in exchange rates improved net interest income by SEK 44m. Compared with the previous quarter net interest income fell by 5 per cent in local currency. Net interest income was adversely affected by lower interest rates, allocations to resolution funds according to the EU Bank Recovery and Resolution Directive (BRRD) and fewer days in the quarter.

Lending volumes increased by 1 per cent in local currency compared with 31 December 2014 despite external uncertainties. The corporate lending and leasing portfolios increased, while consumer finance and private mortgages were stable. The lending portfolios grew in Estonia and Lithuania, but continued to decrease in Latvia. Swedbank's market share for lending was 29 per cent as of 31 December 2014.

Deposit volumes in local currency were unchanged from the previous quarter. Deposits increased in Estonia and decreased somewhat in Latvia and Lithuania. Swedbank's market share in deposits was 28 per cent as of 31 December 2014. The loan-to-deposit ratio was 92 per cent (91 per cent as of 31 December 2014).

Net commission income rose by 4 per cent in local currency year-on-year as a result of increased card income. The number of card purchases rose by 14 per cent. Compared with the fourth quarter 2014, net commission income in local currency decreased by 8 per cent mainly due to fewer international payments after the euro adoption in Lithuania as well as seasonally lower activity.

Net gains and losses on financial items at fair value decreased by 11 per cent in local currency compared with the first quarter 2014. 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 30 per cent in local currency compared with the first quarter 2014. Other income increased due to higher insurance-related income, which rose mainly due to a change in the methodology for calculating provisions for guaranteed return products in traditional fund management. Life insurance premium

income increased by 8 per cent and by 14 per cent for non-life products. Other income was negatively affected by a reversal of previously recognised VAT refund of SEK 16m for intra-Group invoicing in Latvia.

Total expenses decreased by 4 per cent in local currency compared with the first quarter 2014 mainly as a result of lower expenses for premises and IT. Staff costs rose due to wage increases, mainly among branch employees. With customers increasingly choosing the bank's digital services, the number of branches has been reduced by 24 to 154 in the last year, of which 47 are cash-smart branches that focus on advisory services. In addition, digital sales have increased and customer service has improved significantly through automated and specifically targeted offers to selected customer groups. IT expenses decreased after work related to the euro transition in Lithuania was largely completed. In 2015 Baltic Banking will continue working on efficiency improvements to compensate for increased regulatory costs and to adapt the organisation to changing customer needs. Compared with the fourth quarter, expenses fell by 10 per cent in local currency mainly due to seasonally higher expenses in the fourth quarter. The cost-income ratio was stable at 0.41 (0.41).

Net recoveries amounted to SEK 9m (101 in the first quarter 2014). Latvia and Lithuania reported net recoveries, while Estonia reported credit impairments. The sectors most affected by the Russian recession are agriculture and transportation, but Swedbank's exposure to them directly or indirectly is limited. Swedbank continues to work with, and take preventive measures, to help customers that could be affected by the situation in Russia. No major spillover effects have been observed on customers' finances or business activity.

Impaired loans amounted to SEK 3.6bn (4.0 as of 31 December 2014). Credit quality has improved to such a level that impaired loans are now decreasing at a more moderate pace.

Priit Perens, former head of Estonian banking operations, was appointed head of Baltic Banking as of 1 January 2015. He succeeded Birgitte Bonnesen, who was appointed head of Swedish Banking.

**Swedbank is the largest bank** by number of customers in Estonia, Latvia and Lithuania, with around 4 million private customers and more than 250 000 corporate customers. According to surveys, Swedbank is also the most respected company in the financial sector. Through its digital channels (Telephone Bank, Internet Bank and Mobile Bank) and branches, the bank is always available. Swedbank is part of the local community. Its local social engagement is expressed in many ways, with initiatives to promote education, entrepreneurship and social welfare. Swedbank has 40 branches in Estonia, 46 in Latvia and 68 in Lithuania. The various product areas are described on page 19.

## Large Corporates & Institutions

- High customer activity and volatility in fixed income and FX markets led to higher income
- Lower market interest rates put pressure on net interest income
- Lower activity in capital raising reduced commission income

### Income statement

SEKm	Q1 2015	Q4 2014	%	Q1 2014	%
Net interest income	862	890	-3	868	-1
Net commission income	496	534	-7	628	-21
Net gains and losses on financial items at fair value	587	434	35	564	4
Other income	35	20	75	37	-5
<b>Total income</b>	<b>1 980</b>	<b>1 878</b>	<b>5</b>	<b>2 097</b>	<b>-6</b>
Staff costs	359	363	-1	326	10
Variable staff costs	82	67	22	75	9
Other expenses	420	411	2	419	0
Depreciation/amortisation	16	16	0	22	-27
<b>Total expenses</b>	<b>877</b>	<b>857</b>	<b>2</b>	<b>842</b>	<b>4</b>
<b>Profit before impairments</b>	<b>1 103</b>	<b>1 021</b>	<b>8</b>	<b>1 255</b>	<b>-12</b>
Credit impairments	16	120	-87	-30	
<b>Operating profit</b>	<b>1 087</b>	<b>901</b>	<b>21</b>	<b>1 285</b>	<b>-15</b>
Tax expense	251	217	16	290	-13
Profit for the period	836	684	22	995	-16
<b>Profit for the period attributable to the shareholders of Swedbank AB</b>	<b>836</b>	<b>684</b>	<b>22</b>	<b>995</b>	<b>-16</b>
Return on allocated equity, %	16.9	15.1		26.5	
Loan/deposit ratio, %	152	165		154	
Credit impairment ratio, %	0.02	0.21		-0.06	
Cost/income ratio	0.44	0.46		0.40	
Loans, SEKbn	178	175	2	153	16
Deposits, SEKbn	117	106	10	99	18
Full-time employees	1 209	1 193	1	1 111	9

### Development January - March

The result amounted to SEK 836m for the quarter, a decrease of 16 per cent compared with the first quarter 2014, which was an unusually strong quarter. The result decreased mainly due to lower net commission income resulting from lower corporate finance activity. Expenses rose slightly.

Net interest income was stable compared with the same period in 2014. Lower deposit margins were offset by increased volumes and stable lending margins. Lending volumes increased mainly in the property management sector. Fluctuations in exchange rates positively affected the volume by SEK 8bn. The deposit volume increased for both large corporates and financial institutions. At present there are no plans to introduce negative deposit rates for the bank's large corporate customers and financial institutions due to Sweden's negative benchmark rates other than in a few cases. Compared with the previous quarter net interest income decreased by 3 per cent to SEK 862m – a result of fewer interest days and lower deposit margins due to lower market interest rates. Deposit volumes increased at the end of the quarter due to deposits from individual customers. Credit demand remained low due to good liquidity and relatively low investments among large corporate customers. Lending volumes increased slightly due to exchange rate effects. Excluding these effects lending volumes decreased slightly. The lending margin was stable.

Net commission income decreased by 21 per cent year-on-year to SEK 496m. The decrease is mainly related to lower income from bond issues in Norway and IPOs in Sweden. Income related to custody services increased. Compared with the previous quarter net commission income decreased by 7 per cent due to lower activity in capital raising. Uncertainty about oil prices has had a major impact on the oil-dependent Norwegian economy and contributed to a lower number of issued high-yield corporate bonds in Norway. M&A activity remained high, which is expected to positively affect income in the second half-year. The bank's market share for Swedish bond issues (SEK) was 24.4 per cent in 2015 (20 per cent as of 31 December) and in Norway (NOK) was 17.3 per cent (18 per cent as of 31 December). This made Swedbank the largest player in Sweden and the third largest in Norway.

Net gains and losses on financial items at fair value increased slightly compared with the first quarter 2014 and totalled SEK 587m. Compared with the previous quarter net gains and losses on financial items at fair value increased by 35 per cent. The Riksbank's decision to introduce a negative repo rate contributed to volatility and high customer activity in FX and fixed income trading. The low interest rates encouraged many customers to hedge rates. This led to higher income in FX and fixed income trading. Income from corporate bond issues in Norway fell during the quarter, while the secondary market was stable.

Total expenses for the first quarter rose by 4 per cent to SEK 877m compared with the same period in 2014, mainly due to increased staff costs. This is a result of additional IT staff following investments in customer solutions and driven by regulatory changes. Compared with the previous quarter expenses rose by 2 per cent due to an increase in other expenses.

Credit impairments amounted to SEK 16m (recoveries of SEK 30m for the first quarter 2014). The share of impaired loans was 0.20 per cent (0.22 as of 31 December).

Credit quality in the loan portfolio is good. Persistently low oil prices could have an adverse effect on the risk profile of large corporate customers whose income is directly dependent on oil prices. However, the bank's exposures to the offshore sector mainly involve listed companies with high credit ratings and long-term customer contracts. These customers are expected to be able to handle an extended period of low oil prices despite the financial constraints.

**Large Corporates & Institutions** is responsible for Swedbank's offering to customers with revenues above SEK 2 billion and those whose needs are considered complex due to multinational operations or a need for sophisticated financing solutions. They are also responsible for developing corporate and capital market products for other parts of the bank and the Swedish savings banks. LC&I works closely with customers, who receive advice on decisions that create sustainable profits and growth. LC&I is represented in Sweden, Norway, Estonia, Latvia, Lithuania, Finland, Luxembourg, China, the US and South Africa.



# Group Functions & Other

## Income statement

SEKm	Q1 2015	Q4 2014	%	Q1 2014	%
Net interest income	836	750	11	421	99
Net commission income	-20	31		-12	67
Net gains and losses on financial items at fair value	-372	-510	-27	-323	15
Share of profit or loss of associates	1	-1			
Other income	189	242	-22	325	-42
<b>Total income</b>	<b>634</b>	<b>512</b>	<b>24</b>	<b>411</b>	<b>54</b>
Staff costs	746	757	-1	851	-12
Variable staff costs	83	54	54	55	51
Other expenses	-782	-707	11	-595	31
Depreciation/amortisation	97	92	5	105	-8
<b>Total expenses</b>	<b>144</b>	<b>196</b>	<b>-27</b>	<b>416</b>	<b>-65</b>
<b>Profit before impairments</b>	<b>490</b>	<b>316</b>	<b>55</b>	<b>-5</b>	
Impairment of intangible assets					
Impairment of tangible assets	17	23	-26	140	-88
Credit impairments		-3			
<b>Operating profit</b>	<b>473</b>	<b>296</b>	<b>60</b>	<b>-145</b>	
Tax expense	108	90	20	12	
<b>Profit for the period from continuing operations</b>	<b>365</b>	<b>206</b>	<b>77</b>	<b>-157</b>	
Profit for the period from discontinued operations, after tax	49	-3		-27	
Profit for the period	414	203		-184	
<b>Profit for the period attributable to the shareholders of Swedbank AB</b>	<b>414</b>	<b>202</b>		<b>-185</b>	
Non-controlling interests		1		1	
Full-time employees	4 416	4 462	-1	4 710	-6

Income for Group Functions & Other consists of net interest income and net gains and losses on financial items, mainly from Group Treasury, as well as other income mainly in the form of income from the savings banks, but also from Ektornet. Expenses mainly relate to Group Products and Group staffs. The expenses are allocated to a large extent to the business segments. The product areas are described in more detail starting on page 19.

### Development January - March

The result for continuing operations amounted to SEK 365m in the quarter (-157 for the first quarter 2014). The result for Group Treasury was SEK 332m (150).

Net interest income increased to SEK 836m (421) compared with the first quarter 2014. This is mainly due to Group Treasury, where net interest income rose to SEK 848m (447). Compared with the fourth quarter as well there was a net interest income increase of 8 per cent attributable to Group Treasury. The improvement was a result of falling interest rates, which led to, among other things, lower funding costs.

Net gains and losses on financial items at fair value for the first quarter decreased to SEK -372m (-323). Net gains and losses on financial items within Group Treasury decreased to SEK -386m (-247), mainly due to negative effects from a higher volume of covered bond repurchases as well as increased credit spreads. Falling market interest rates had a positive effect. Compared with the fourth quarter 2014 the result improved slightly. Like the previous quarter, covered bond repurchases within Group Treasury had a negative effect on the result, while falling market interest rates had a positive effect. Increased credit spreads had a continued negative impact, but less so than in the fourth quarter.

Other income decreased year-on-year due to lower income in Ektornet. Also, a one-off income of SEK 82m was recognised during the first quarter 2014 for a property sale.

Expenses decreased year-on-year to SEK 144m (416). Excluding the net of services purchased and sold internally, expenses fell by 12 per cent to SEK 1 593m (1 819). Expenses were reduced within Group Products as a result of efficiency improvements. Ektornet also reported lower expenses, with property management costs declining as the portfolio is sold off. During the first quarter 2014 one-off expenses of SEK 79m were recognised in connection with the move of the head office.

Ektornet's property values were written down by SEK 17m (140).

### Discontinued operations

The result for discontinued operations amounted to SEK 49m (-3). The result was a net of a positive tax effect and small credit impairments. Swedbank's net lending in Russia continued to decrease and amounted to SEK 0.5bn.

**Group Functions & Other** consists of centralised business support units and the product organisation Group Products. The centralised units serve as strategic and administrative support and comprise Accounting & Finance, Communication, Risk, IT, Compliance, Public Affairs, HR and Legal. Group Products' purpose is to improve efficiency in the development and maintenance of Swedbank's products. Group Treasury is responsible for the bank's funding, liquidity and capital planning. Group Treasury sets the prices on all internal deposit and loan flows in the Group through internal interest rates, where the most important parameters are maturity, interest fixing period, currency and need for liquidity reserves.

# Eliminations

## Income statement

SEKm	Q1 2015	Q4 2014	%	Q1 2014	%
Net interest income		5		4	
Net commission income	18	22		15	
Net gains and losses on financial items at fair value	1	1			
Other income	-43	-81		-78	
<b>Total income</b>	<b>-24</b>	<b>-53</b>		<b>-59</b>	
Staff costs		-1			
Variable staff costs					
Other expenses	-24	-57		-59	
Depreciation/amortisation		5			
<b>Total expenses</b>	<b>-24</b>	<b>-53</b>		<b>-59</b>	

Group eliminations mainly consist of eliminations of internal transactions between Group Functions and the other business segments.

## Product areas

Responsibility for the product areas rests with Group Products (GP) within Group Functions & Other. GP's assignment is to increase efficiency in the development and maintenance of Swedbank's products and to ensure that the customer offering is relevant when it comes to content, competitive pricing and high quality. This means a priority on harmonising, improving efficiencies and digitising the processes for every product. The number of products will be reduced to make it easier for customers while also increasing cost efficiencies. The number of funds is being reduced and efficiencies are being achieved in the mortgage lending process at the same time that digital availability is improved. In mobile e-commerce, new card payment solutions are being introduced to meet increased demand for e-commerce solutions. The product areas' results are reported in several legal units and in the three business segments. For more information, see below and the three business segment descriptions

Swedbank is a leader in a number of product areas: asset management, cards and payments, mortgage lending and deposits to name a few. Demand for digital banking services is rising. Most customers want digital self-service solutions and the increased availability they provide. Digitisation is therefore an important area for Swedbank. The number of customers connected to the bank's digital channels as well as the bank's digital channel usage continues to increase.

Trend number of customers	31 Mar 2015	31 Dec 2014	31 Mar 2014
Internet Bank	7.5	7.5	7.3
of which Sweden	3.8	3.7	3.6
of which Baltic countries	3.8	3.7	3.7
Mobile Bank	2.9	2.8	2.3
of which Sweden	2.1	2.0	1.7
of which Baltic countries	0.9	0.8	0.6
Mobile Bank ID, Sweden	1.6	1.4	0.9
Teller transactions in branches	1.7	2.0	2.3
of which Sweden	0.8	1.0	0.9
of which Baltic countries	0.9	1.0	1.4

## Lend and finance

### Market factors

Mortgage demand remains high partly because the persistent housing shortage continues to drive up housing prices, but also as a result of the low interest rates. This has increased credit demand within the property sector, which has accounted for the most of the growth in corporate lending since 2014. To slow the pace of price increases and the build-up of household debt higher amortisation requirements on mortgages were introduced. However, the housing market's fundamental problem is too little supply relative to demand.

Higher capital requirements for mortgages, coupled with growing demands for transparency from customers and authorities, are creating new opportunities for Swedish mortgage lenders. Increasing digitisation makes it easier for customers to compare offers from different providers. Digitisation also increases their expectations of easily being able to obtain a loan digitally. The market for consumer credit is a clear example where simplicity and speed have taken precedence in recent years and where Swedbank has to be better at showcasing its offerings to customers whenever they make a purchase.

### Operations and market position

Swedbank's lending operations are concentrated in its home markets as well as in Norway. Lending products account for the majority of the assets on the balance sheet, and lending amounted to SEK 1 341bn as of 31 March (1 325 as of 31 December 2013). The largest share was lending to households, mainly mortgages to private customers and tenant owner associations in

Sweden. The market share for mortgages was 25 per cent as of 28 February. Swedbank is also a major player in corporate lending in Sweden, with a market share of 19 per cent. The bank has a strong position in property management, services and retail as well as in forestry and agriculture. In consumer credit in the Swedish market Swedbank has a market share of about 10 per cent, corresponding to a volume of SEK 25bn. In the Baltic countries Swedbank is the largest lender, with market shares of 20-45 per cent. The Baltic countries account for 9 per cent of Swedbank's total lending, about half of which is lending to private individuals and half is corporate lending. Estonia accounts for nearly half of the Baltic loan portfolio.

Loans SEKbn	31 Mar 2015	31 Dec 2014	31 Mar 2014
Loans, private mortgage	704	696	661
of which Sweden	647	639	607
of which Baltic countries	53	54	51
Loans, private other incl tenant owner associations	136	134	121
of which Sweden	124	122	110
of which Baltic countries	10	10	10
Loans, corporate	502	495	436
of which Sweden	389	381	335
of which Baltic countries	61	61	58
of which Norway	35	37	31
<b>Total</b>	<b>1 342</b>	<b>1 325</b>	<b>1 219</b>

### 📌 Lending to private individuals – development

Lending to private individuals amounted to SEK 839bn, an increase of SEK 9bn during the first quarter. The largest share of the volume consists of Swedish mortgages, totalling SEK 647bn. Growth in the Swedish mortgage market remained high, with a growth rate of about 6.5 per cent in the last 12-month period. Swedbank's market share of net growth was in line with its total market share of 25 per cent as of 28 February (25 as of 31 December 2014). Margins increased slightly during the quarter. The mortgage portfolio in the Baltic countries was stable.

The higher capital requirements for mortgages mean that each customer's individual risk profile will have a greater impact on mortgage pricing. Swedbank is therefore trying to be clearer in explaining which factors determine its pricing, so that customers can more easily see how they can influence their mortgage costs. As of 1 June banks will begin reporting the average rates their mortgage customers actually pay. This creates greater transparency and makes a clear and predictable pricing model even more important.

During the quarter Swedbank changed the method it uses to calculate 3-month mortgage rates for private customers and agricultural loans. The introduction will be gradual as mortgages come up for renewal.

During the first quarter 94 per cent of new mortgages in Sweden with a loan-to-value ratio over 70 per cent were being amortised, as were 51 per cent of those with a loan-to-value ratio between 50 and 70 per cent. Annual amortisation in the Swedish mortgage portfolio is estimated at SEK 10.4bn. Swedbank currently recommends that its customers amortise down to a 50 per cent loan-to-value ratio.

In April the SFSA announced that it would not pursue its previously proposed amortisation requirement, whereby new mortgages would have been amortised down to a 50 per cent loan-to-value ratio. The SFSA has not changed its view that an amortisation requirement is needed, but has determined that its mandate to introduce such a requirement needs clarification. Therefore, an amortisation requirement will not be introduced in August 2015.

The process of converting loans from Sparbanken Öresund to Swedbank is continuing. A large share of customers from Sparbanken Öresund have obtained their mortgages from another lender based on a previous broker contract. Activities are now under way for these customers to switch to Swedbank.

Work was begun in 2014 to improve Swedbank's market position in consumer finance in Sweden, including through collaborations with the major loan brokers. Its application process and product terms are currently being reviewed with a goal of making it even easier for customers. In late 2014 Swedbank was able to reverse a downward volume trend in this area. Slightly higher volumes continued in the first quarter. In the Baltic countries volumes were stable.

#### Corporate lending – development

Corporate lending amounted to SEK 502bn, an increase of SEK 7bn during the quarter. Market growth in Sweden maintained the same pace as in 2014 and was 3.4 per cent on an annualised basis. Swedbank's share of new corporate lending continued to outpace underlying market growth. Corporate lending in the Baltic countries grew by 2 per cent in local currency during the first quarter to SEK 61.4bn. The lending portfolio grew the most in Lithuania but also in Estonia, while it continued to decrease in Latvia.

The negative repo rate affects a number of corporate loan products and means that loans tied to Stibor periodically had a negative reference rate (base rate), during the first quarter. Swedbank is reviewing its loan conditions so that the reference rate can be set at 0 per cent as long as it is negative.

## Save and invest

### Market factors

The savings market is undergoing change. A demographic structure with an aging population, coupled with greater individual responsibility for pensions and other long-term savings, is creating higher demand for savings and investment products and a significant need for advice. Increasing digitisation and changing regulations are contributing to greater transparency and competition as well as more standardised products, which is leading to price pressure. Upcoming regulations in Sweden that will prohibit commissions are one example and mean that commissions may no longer be payable to distributors that sell products on an advisory basis. The regulations

are scheduled to be introduced in 2017. Another trend is that customers are more willing to switch savings providers now that transfers are much easier and that they are now reacting faster to changes in the market than ever before. Swedbank is positive to the debate on free transfers of pension savings and is not averse to increased regulation to create an efficient transfer market with greater transparency for customers. A higher share of new savings is being placed in pension products and passively managed funds with lower margins. At the same time deposit margins are under pressure from the low interest rates and prices of other savings products such as equities, fixed income funds and index-linked bonds. The margin pressure mainly has to be addressed with efficiencies and cost savings.

### Operations and market position

Swedbank is the leader in deposits in its home markets. Its market share in Sweden was 21 per cent for private deposits and 19 per cent for corporate deposits. Market shares in the Baltic countries for private deposits were between 27 and 54 per cent and for corporate deposits between 12 and 38 per cent. The shares were highest in Estonia.

Asset management is provided through the Swedbank Robur group in Swedbank's four home markets as well as in Norway. Swedbank Robur is the largest player in Sweden with a market share of 22.4 per cent based on fund assets under management.

In life insurance in Sweden Swedbank is the sixth largest company with a market share of about 7 per cent in terms of premium payments. In Estonia Swedbank is the largest life insurance company and in Lithuania it is the second largest with market shares of 38 and 23 per cent, respectively. The market share in Latvia is 18 per cent. The market shares for non-life insurance operations in the Baltic countries range between 2 and 15 per cent, with the highest share in Estonia. Non-life insurance in Sweden is offered through the insurance company Tre Kronor.

#### Deposits – development

Deposits	31 Mar	31 Dec	31 Mar
SEKbn	2015	2014	2014
Deposits, private	369	372	338
<i>of which Sweden</i>	287	289	269
<i>of which Baltic countries</i>	81	82	69
Deposits, corporate	368	289	287
<i>of which Sweden</i>	215	211	202
<i>of which Baltic countries</i>	60	62	53
<i>of which other countries</i>	93	16	32
<b>Total</b>	<b>737</b>	<b>661</b>	<b>625</b>

The total deposit volume increased to SEK 737bn (661 as of 31 December), of which SEK 369bn (372) was from private customers and SEK 368bn from corporate customers (289). The increase was due to increased deposits in Group Treasury for US money market funds. LC&I raised its volumes by SEK 11bn, while they decreased within Swedish Banking by SEK 12bn, where the biggest decrease was in corporate deposits. The decrease was mainly because municipalities and county councils paid the premiums on their occupational pensions and made higher tax payments during the quarter. Swedbank improved its market shares in both private and corporate deposits. Nearly 70 per cent of Swedbank's total deposit volume is in Sweden.

The product range in deposits is being simplified by reducing the number of savings accounts. Preparations to convert volumes from Sparbanken Öresund has also been made. During the quarter work was done to ensure that the bank's IT systems can handle negative rates.

#### Asset management – development

Fund assets under management amounted to SEK 786bn (715 as of 31 December), of which SEK 755bn is attributable to the Swedish operations. Discretionary assets under management amounted to SEK 360bn (337).

Robur had a net inflow during the first quarter of SEK 2bn of the Swedish fund market. A trend with outflows from fixed income funds (SEK -4bn) and inflows to mixed funds (SEK 6bn) intensified during the quarter. Index-linked funds saw inflows, while actively managed equity funds reported outflows.

Net inflow Swedish fund market, SEKbn	Of which		Total	Of which
	Q1 2015	Robur Q1 2015		
Fixed income funds	-2	-4	1	1
Mixed funds	33	6	31	7
Equity funds	6	-1	6	-2
of which indexfunds	9	1	8	1
Other funds	4	0	3	0
<b>Total net sales</b>	<b>41</b>	<b>2</b>	<b>41</b>	<b>6</b>

Swedbank Robur's market share regarding net inflow was 4 per cent (13 for 2014). During the first quarter Robur had an increased inflow from Swedbank and the savings banks, but a larger outflow from PPM and from institutional investors, where volatility tends to be higher. Swedbank is also a distributor of other funds, and its share of total net sales in the Swedish fund market was 9 per cent during the quarter (22). Lower total sales for Swedbank are also due to lower sales of external funds.

To simplify its range of funds and improve efficiencies, the bank's funds previously based in Luxembourg are now registered in Sweden.

Asset management	Jan-Mar 2015	Jan-Mar 2014	%
<b>Key ratios, SEKbn</b>			
Total income, SEKm	27	21	28
Assets under management	4	3	29
of which Sweden	360	290	24
of which Baltic countries	358	288	24
of which Norway	2	2	0
Discretionary asset management	360	290	24
of which Sweden	358	288	24
of which Baltic countries	2	2	0

Income from asset management products increased by 6 per cent year-on-year. The improvement is mainly due to a bullish market, which led to an increase in average assets under management of 23 per cent, but also to net inflows. At the same time capital is moving to products with lower margins.

Compared with the previous quarter, income decreased by 1 per cent. This was despite a bullish market where average assets under management grew by 10 per cent. The lower income was mainly due to cuts in management fees in the last half-year. During the quarter prices were reduced on 23 actively managed mutual funds to create a more attractive offering as well as two money market funds that are tied to current

interest rates. A fewer number of days during the quarter also adversely affected income.

#### Insurance – development

Premium payments SEKm	Jan-Mar 2015	Jan-Mar 2014	%
Sweden	5 888	5 719	3
of which collective occupational pensions	2 275	2 420	-6
of which endowment insurance	2 764	2 438	13
of which occupational pensions	509	516	-1
of which risk insurance	199	184	8
of which other	142	161	-12
Baltic countries	330	283	17
of which life insurance	199	175	14
of which non-life insurance	131	108	21

During the first quarter life insurance premium payments in Sweden rose by 3 per cent year-on-year. Within savings products the improvement relates to corporate endowment insurance, where new policies contributed positively, as did higher volumes from existing contracts. Collective occupational pensions decreased, mainly within the SAF-LO collective, where expiring contracts were not renewed. At the same time capital transferred from other insurers increased by 74 per cent for collective occupational pensions year-on-year. The decrease in occupational pension transfers was 10 per cent, which was due to a lower premium volume than in the previous year. Sales of both life and health insurance are increasing.

As of 2015 the deductibility of private pension insurance in Sweden has been reduced. To help customers avoid double taxation, information has been widely distributed on switching to a different form of savings such as an investment savings account or endowment insurance. New functions added to the Mobile Bank at the end of 2014 have made it easier to open an investment savings account and to switch funds. Compared with the end of the first quarter 2014 the total number of investment savings accounts has more than quadrupled and monthly savings have increased. Swedbank does not expect the reduced deductibility to significantly affect the total inflow of private savings.

Premium payments in the Baltic life insurance business rose by 8 per cent in local currency year-on-year, with the biggest gain in risk products such as life insurance. The increase is due to a higher number of renewals of existing contracts in the previous year and a further increase in new policies in the first quarter 2015. Customer demand for life insurance products and self-service options through digital channels is on the rise. Swedbank's internet-based solution for electronic identification, which allows customers to obtain and revise insurance policies and file claims online, has resulted in around 25 per cent (0) of claims and 43 per cent (36) of all insurance transactions now being handled online.

The positive trend for premium payments in Baltic non-life insurance continued. In total, premiums increased by 14 per cent in local currency. The increase related to all products, but especially homeowner's insurance, where advertising and more active sales by bank branches led to higher volumes. Gradually increasing online sales contributed to higher premium payments primarily for travel and auto insurance.

Assets under management SEKbn	31 Mar 2015	31 Dec 2014	%
Sweden	151	123	23
of which collective occupational pensions	66	51	31
of which endowment insurance	59	50	19
of which occupational pensions	16	12	33
of which other	10	9	13
Baltic countries	4	3	35

Assets under management in the Swedish insurance operations rose, mainly due to stock market gains but also to a positive net inflow.

Insurance related income SEKm	Jan-Mar 2015	Jan-Mar 2014	%
Sweden	354	360	-2
of which life insurance	342	349	-2
of which non-life insurance	12	11	2
Baltic countries	156	103	52
of which life insurance	95	49	93
of which non-life insurance	61	54	14
<b>Total insurance related income</b>	<b>511</b>	<b>463</b>	<b>10</b>

Swedbank's total insurance related income rose by 10 per cent year-on-year. Income from the Swedish life insurance business fell due to a worsening risk result stemming from increased sick leave absences and a lower return on equity caused by lower interest rate levels. Increased assets under management have at the same time led to a higher result for savings products. Income from Baltic life insurance rose by 84 per cent in local currency compared with the same period in 2014. The increase is mainly due to a change in the method used to cover guaranteed returns in traditional asset management. Income from the Baltic non-life business increased mainly due to an improved risk result from higher premium volumes. The claims ratio for the period rose slightly to 53.4 per cent (52.7), a comparatively low level.

## Pay

### Market factors

Payments and cards are among the product areas that will be most affected by regulatory changes and digital developments in the years ahead. New payment services are being launched digitally, and deregulation will open up the payment market to new players on established platforms. Structurally, there is price pressure in cards and payments that has been offset to date by volume growth. Growth in the payment area is a function of economic growth and the fact that consumers and businesses are increasingly paying by card and electronically. This is increasing the demand for new solutions and greater cost efficiency, at the same time it poses challenges in the form of increased competition mainly from payment institutions that specialise in commerce payment services – both brick-and-mortar stores and online retailers. In Sweden about 80 per cent of all store payments are made by card, an increase of about 2 percentage points in 2014. In Estonia the corresponding figure is 50 per cent and in Latvia and Lithuania it is lower but steadily rising. Market growth in Sweden and Estonia is expected to remain good, with annual growth of about 9 per cent. In Latvia and Lithuania, where cash use is higher, future growth is estimated at between 20 and 30 per cent annually. In the retail trade, the growth rate in e-commerce greatly exceeds that of brick-and-mortar stores. Swedbank is well-equipped to meet the demand

from e-commerce providers in terms of infrastructure, economies of scale and consumer protection.

### Operations and market position

Swedbank is a leader in payment and cash management products in its four home markets. In Sweden it has a market share of 34 per cent as regards bank giro payments. In the Baltic countries its market shares for domestic payments range between 42 and 59 per cent and for international payments between 23 and 35 per cent, with the highest share in Estonia.

Swedbank issues cards to the public (card issuance) and acquires card payments from merchants via card terminals and online payments (card acquiring) in all its home markets as well as in Norway, Denmark, Finland and Poland. Acquiring of online payments are being made in a number of other EU countries. Swedbank is Europe's fifth largest acquirer based on the number of acquired card purchases. Market shares in the bank's home markets range between 33 and 64 per cent. Based on number of transactions Swedbank is the 11th largest card issuer in Europe, with market shares of between 44 and 60 per cent.

### Payments – development

Payments Key figures	Jan-Mar 2015	Jan-Mar 2014	%
International payments (million)	2.7	2.5	10
of which Sweden	1.2	1.1	7
of which Baltic countries	1.5	1.3	12
Domestic payments (million) <sup>1)</sup>	224.8	218.2	3
of which Sweden	169.8	164.6	3
of which Baltic countries	55.0	53.6	3
E-services payments (million) <sup>2)</sup>	131.9	67.4	96
of which Sweden	120.9	58.3	
of which Baltic countries	11.0	9.1	21

<sup>1)</sup> Domestic payments include salary payments, giro payments, direct debit payments, internet payments.

<sup>2)</sup> E-payments include e-invoices, bank link payments, mobile phone top-up transactions, number of signed transactions and ID transactions through E-ID/BankID.

Salary and giro payments steadily improved as more companies are offering digital solutions online and by mobile phone. E-payments are seeing a significant increase thanks to the greater use of mobile solutions by consumers.

Payments Net commission income, SEKm	Jan-Mar 2015	Jan-Mar 2014	%
Net commission income	207	232	-11
of which Nordic countries	97	110	-12
of which Baltic countries	110	122	-10

Net commissions decreased by 11 per cent year-on-year. In the Nordic region income decreased slightly mainly due to lower income from domestic payments. In the Baltic countries income decreased in Lithuania due to lower income from international payments as a result of the euro adoption. In Estonia and Latvia income was stable.

## Cards – development

Key ratios, cards	Jan-Mar 2015	Jan-Mar 2014	%
Acquired transactions, million	499	439	14
of which Nordic countries	426	371	15
of which Baltic countries	74	68	8
Acquired volumes, SEKbn	118	104	13
of which Nordic countries	107	95	14
of which Baltic countries	11	9	12
Issued cards, million	7.7	7.7	-1
of which Nordic countries	3.9	3.8	2
of which Baltic countries	3.8	3.9	-4
Number of card purchases, million	330	299	10
of which Nordic countries	240	220	9
of which Baltic countries	90	79	14

During the first quarter the value of payments with Swedbank cards in Sweden increased by 8 per cent at the same time that ATM withdrawals were down 8 per cent. The trend was similar in Estonia. In Lithuania, where Swedbank is encouraging greater card usage, card payments rose by 22 per cent at the same time that cash withdrawals declined. In Latvia the increase was no less than 27 per cent. Increased market shares and card usage are the main reasons for the transaction trend in the Nordic region, while the increase in the Baltic countries is mainly due to higher card usage.

In the area of card issuance rapid growth is continuing in corporate cards, where volume rose by 11 per cent compared with the first quarter 2014. The bank's many small corporate customers offer good potential to grow this business. The number of cards issued to private customers decreased by 1 per cent. E-payments with Swedbank's debit cards increased by 15 per cent, compared with a gain of 9 per cent for brick-and-mortar purchases. Mobile phones are also increasingly being used for e-commerce and card payments.

The EU's payment regulation, which is scheduled to be phased in as of June 2015 and be fully implemented in 2016, will require capital expenditures on the part of card accepting merchants and banks. The aim is to strengthen the position of consumers through greater competition and by accelerating the transition from cash to electronic payments. A definitive decision on the regulation's introduction and detailed requirements is expected to be published in May 2015. The regulation

generally reduces what the acquirer pays to the card issuer and increases price competition in the acquiring business. In Sweden the interchange fee that the acquirer pays the issuer is expected to drop from about 0.9 per cent to 0.3 per cent of the credit card transaction's value. The draft regulation would mean a smaller increase in income for Swedbank since we are a net acquirer. In the Baltic countries interchange fees are expected to be halved on both debit and credit cards, which will put pressure on income. The bank's pricing models and range of card products are being reassessed to compensate for the regulation's effects and capitalise on new business opportunities.

Competition from other EU countries is increasing in Sweden in payment acquiring, partly due to new regulations. At the same time this gives Swedbank an opportunity to expand its business to other countries. During the quarter Swedbank signed an card acquiring agreement with Finland's largest retailer, the cooperative SOK, whose stores account for about 25 per cent of card purchases in the country. The agreement is expected to increase the total number of transactions Swedbank acquires by 15 per cent when all of SOK's operations are transferred to Swedbank, which is scheduled to be completed in 2016.

Card related income SEKm	Jan-Mar 2015	Jan-Mar 2014	%
Total income, SEKm	830	725	14
of which Nordic countries	441	405	9
of which Baltic countries	204	174	18
of which Entercard <sup>1)</sup>	185	146	26

<sup>1)</sup> Swedbank's share of the profit or loss of Entercard.

Total card income increased by 14 per cent compared with the same period in 2014 mainly due to higher issuance income. Income in Sweden rose in line with the increase in transaction volume. The higher income in the Baltic countries is due to the issuance of more debit and credit cards and increased usage. Card acquiring income rose somewhat owing to increased card usage in all four home markets as well as higher market shares in card acquiring in the Nordic region. It was also a result of new business in Sweden and internationally. Earnings were squeezed by continued margin pressure and higher interchange fees for acquiring as well as higher expenses for Visa and MasterCard. Entercard's result improved primarily due to the sale of written-off debt.

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More detailed information can be found in Swedbank's fact book, [www.swedbank.com/ir](http://www.swedbank.com/ir), under Financial information and publications.



## Income statement, condensed

Group SEKm	Q1 2015	Q4 2014	%	Q1 2014	%
Interest income	9 416	9 709	-3	10 539	-11
Interest expenses	-3 697	-3 900	-5	-5 056	-27
<b>Net interest income (note 5)</b>	<b>5 719</b>	<b>5 809</b>	<b>-2</b>	<b>5 483</b>	<b>4</b>
Commission income	4 034	4 168	-3	3 874	4
Commission expenses	-1 290	-1 286	0	-1 181	9
<b>Net commission income (note 6)</b>	<b>2 744</b>	<b>2 882</b>	<b>-5</b>	<b>2 693</b>	<b>2</b>
Net gains and losses on financial items at fair value (note 7)	320	69		345	-7
Insurance premiums	527	503	5	493	7
Insurance provisions	-342	-329	4	-343	0
<b>Net insurance</b>	<b>185</b>	<b>174</b>	<b>6</b>	<b>150</b>	<b>23</b>
Share of profit or loss of associates	279	93		256	9
Other income	371	352	5	393	-6
<b>Total income</b>	<b>9 618</b>	<b>9 379</b>	<b>3</b>	<b>9 320</b>	<b>3</b>
Staff costs	2 472	2 452	1	2 437	1
Other expenses (note 8)	1 517	1 661	-9	1 610	-6
Depreciation/amortisation	179	180	-1	179	0
<b>Total expenses</b>	<b>4 168</b>	<b>4 293</b>	<b>-3</b>	<b>4 226</b>	<b>-1</b>
<b>Profit before impairments</b>	<b>5 450</b>	<b>5 086</b>	<b>7</b>	<b>5 094</b>	<b>7</b>
Impairment of tangible assets	15	33	-55	135	-89
Credit impairments (note 9)	59	254	-77	-100	
<b>Operating profit</b>	<b>5 376</b>	<b>4 799</b>	<b>12</b>	<b>5 059</b>	<b>6</b>
Tax expense	1 101	1 000	10	1 074	3
<b>Profit for the period from continuing operations</b>	<b>4 275</b>	<b>3 799</b>	<b>13</b>	<b>3 985</b>	<b>7</b>
Profit for the period from discontinued operations, after tax	49	-3		-27	
Profit for the period	4 324	3 796	14	3 958	9
<b>Profit for the period attributable to the shareholders of Swedbank AB</b>	<b>4 320</b>	<b>3 795</b>	<b>14</b>	<b>3 953</b>	<b>9</b>
of which profit for the period from continuing operations	4 271	3 798	12	3 980	7
of which profit for the period from discontinued operations	49	-3		-27	
Non-controlling interests	4	1		5	-20
of which profit for the period from continuing operations	4	1		5	-20
of which profit for the period from discontinued operations					

## Statement of comprehensive income, condensed

Group SEKm	Q1 2015	Q4 2014	%	Q1 2014	%
<b>Profit for the period reported via income statement</b>	<b>4 324</b>	<b>3 796</b>	<b>14</b>	<b>3 958</b>	<b>9</b>
<b>Items that will not be reclassified to the income statement</b>					
Remeasurements of defined benefit pension plans	-2 450	1 437		-221	
Share related to associates	-73	32		-7	
Income tax	555	-325		50	
<b>Total</b>	<b>-1 968</b>	<b>1 144</b>		<b>-178</b>	
<b>Items that may be reclassified to the income statement</b>					
Exchange differences, foreign operations					
Gains/losses arising during the period	-1 070	1 920		157	
Hedging of net investments in foreign operations:					
Gains/losses arising during the period	839	-1 459		-148	
Cash flow hedges:					
Gains/losses arising during the period	112	33		-79	
Reclassification adjustments to income statement, net interest income	3	31	-90	5	-40
Share of other comprehensive income of associates	24	-103		28	-14
Income tax					
Income tax	-208	315		55	
Reclassification adjustments to income statement, tax	-1	-7	-90	-1	
<b>Total</b>	<b>-301</b>	<b>730</b>		<b>17</b>	
<b>Other comprehensive income for the period, net of tax</b>	<b>-2 269</b>	<b>1 874</b>		<b>-161</b>	
<b>Total comprehensive income for the period</b>	<b>2 055</b>	<b>5 670</b>	<b>-64</b>	<b>3 797</b>	<b>-46</b>
<b>Total comprehensive income attributable to the shareholders of Swedbank AB</b>	<b>2 050</b>	<b>5 671</b>	<b>-64</b>	<b>3 792</b>	<b>-46</b>
Non-controlling interests	5	-1		5	0

For 2015 an expense of SEK 1 968m (178) was recognised in other comprehensive income after tax, including remeasurements of defined benefit pension plans in associates. The 2015 expense arose primarily because market interest rates fell significantly. As a result, the discount rate, which is used to calculate the closing pension obligation, was lowered from 2.29% to 1.87%. Despite the lower interest rates, the market's future inflation expectations rose. The inflation assumption was therefore raised to 1.73% from 1.28%. The changes in both of these assumptions led to an increase in the defined benefit pension obligation. The increase was partly reduced when the actual return on assets under management was higher than expected.

For 2015 an exchange difference of SEK -1 070m (157) was recognised for the Group's foreign net investments in subsidiaries. In addition, an exchange rate difference of SEK 24m for the Group's foreign net investments in associates is included in Share related to associates. The losses related to subsidiaries arose because the Swedish krona appreciated against the euro. The net loss of SEK 1 046m is not taxable. The large part of the Group's foreign net assets is hedged against currency risk, a gain of SEK 839m (-148) before tax arose related to the hedging instruments.

The revaluation of defined benefit pension plans and translation of net investments in foreign operations can be volatile in certain periods due to movements in the discount rate, inflation and exchange rates.

## Key ratios

Group	Q1 2015	Q4 2014	Q1 2014
Equity per share, SEK	96.75	106.35	92.97
Return on equity, continuing operations, %	14.8	13.3	14.6
Return on equity, total operations, %	14.9	13.3	14.5
Credit impairment ratio, %	0.02	0.07	-0.03

## Balance sheet, condensed

Group SEKm	31 Mar 2015	31 Dec 2014	Δ SEKm	%	31 Mar 2014
<b>Assets</b>					
Cash and balance with central banks	225 474	113 768	111 706	98	126 465
Loans to credit institutions (note 10)	93 352	113 820	-20 468	-18	91 121
Loans to the public (note 10)	1 403 137	1 404 507	-1 370	0	1 278 780
Value change of interest hedged item in portfolio hedge	1 653	1 291	362	28	404
Interest-bearing securities	200 065	170 680	29 385	17	172 577
Financial assets for which customers bear the investment risk	157 389	143 319	14 070	10	126 264
Shares and participating interests	10 946	9 931	1 015	10	10 235
Investments in associates	5 008	4 924	84	2	3 829
Derivatives (note 18)	138 691	123 202	15 489	13	67 855
Intangible fixed assets (note 14)	14 046	14 319	-273	-2	13 669
Investment properties	81	97	-16	-16	446
Tangible assets	2 358	2 653	-295	-11	2 935
Current tax assets	1 175	1 304	-129	-10	1 066
Deferred tax assets	245	638	-393	-62	369
Other assets	13 313	10 103	3 210	32	17 202
Prepaid expenses and accrued income	6 982	6 126	856	14	7 029
Group of assets classified as held for sale (note 26)	614	615	-1	0	1 937
<b>Total assets</b>	<b>2 274 529</b>	<b>2 121 297</b>	<b>153 232</b>	<b>7</b>	<b>1 922 183</b>
<b>Liabilities and equity</b>					
Amounts owed to credit institutions (note 15)	142 428	171 453	-29 025	-17	119 118
Deposits and borrowings from the public (note 16)	762 536	676 679	85 857	13	654 674
Debt securities in issue (note 17)	884 746	835 012	49 734	6	779 042
Financial liabilities for which customers bear the investment risk	161 483	146 177	15 306	10	130 082
Derivatives (note 18)	102 172	85 694	16 478	19	56 845
Current tax liabilities	964	1 477	-513	-35	1 056
Deferred tax liabilities	970	1 684	-714	-42	2 369
Short positions, securities	19 447	27 058	-7 611	-28	14 943
Other liabilities	46 172	20 768	25 404		25 831
Accrued expenses and prepaid income	13 111	13 071	40	0	13 734
Provisions	8 082	5 855	2 227	38	4 923
Subordinated liabilities	25 310	18 957	6 353	34	16 920
Liabilities directly associated with group of assets classified as held for sale (note 26)	50	39	11	28	153
Equity	107 058	117 373	-10 315	-9	102 493
of which non-controlling interests	175	170	5	3	170
of which attributable to shareholders of Swedbank AB	106 883	117 203	-10 320	-9	102 323
<b>Total liabilities and equity</b>	<b>2 274 529</b>	<b>2 121 297</b>	<b>153 232</b>	<b>7</b>	<b>1 922 183</b>

### Balance sheet analysis

Total assets increased by SEK 153bn from 1 January 2015. Assets increased mainly due to higher cash and balances with central banks, which rose by SEK 112bn. The increase is mainly attributable to higher deposits with the US Federal Reserve after deposits from US money market funds rose by SEK 78bn. This also increased deposits and borrowings from the public, which rose by a total of SEK 86bn. Debt securities in issue increased by SEK 50bn. The increase was made mainly to match increased lending volumes to the public in the last half-year. Interest-bearing securities increased by SEK 29bn, mainly due to increased liquidity reserves within Group Treasury. Amounts owed to credit institutions decreased by SEK 20bn at the same time that lending to credit institutions decreased by SEK 29bn. Balance sheet items related to credit institutions fluctuate over time depending on repos, among other things. The market value of derivatives increased by SEK 15bn on the asset side and by SEK 16bn on the liability side, mainly due to large movements in interest rates and currencies. The increase in financial assets and liabilities for which customers bear the investment risk was SEK 14bn, mainly due to positive stock market development. Excluding the National Debt Office and repos, lending volumes increased by SEK 16bn during the quarter due to higher mortgage and corporate lending in Sweden. Subordinated liabilities rose by SEK 6bn 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. Equity decreased by SEK 10bn, mainly due to the approved dividend of SEK 12.5bn for 2014. Since the dividend had not yet been paid out at the end of the quarter, other liabilities increased by a corresponding amount.

# Statement of changes in equity, condensed

Group SEKm	Shareholders' equity					Non-controlling interests		Total equity	
	Share capital	Other contributed equity <sup>1)</sup>	Exchange differences, subsidiaries and associates	Hedging of net investments in foreign operations	Cash flow hedges	Retained earnings	Total		
<b>January-March 2014</b>									
<b>Opening balance 1 January 2014</b>	<b>24 904</b>	<b>17 275</b>	<b>-833</b>	<b>293</b>	<b>-139</b>	<b>68 040</b>	<b>109 540</b>	<b>165</b>	<b>109 705</b>
Dividends						-11 133	-11 133		-11 133
Share based payments to employees						125	125		125
Deferred tax related to share based payments to employees						-1	-1		-1
Total comprehensive income for the period			185	-110	-58	3 775	3 792	5	3 797
of which reported through profit or loss						3 953	3 953		3 953
of which reported through other comprehensive income			185	-110	-58	-178	-161		-161
<b>Closing balance 31 March 2014</b>	<b>24 904</b>	<b>17 275</b>	<b>-648</b>	<b>183</b>	<b>-197</b>	<b>60 806</b>	<b>102 323</b>	<b>170</b>	<b>102 493</b>
<b>January-December 2014</b>									
<b>Opening balance 1 January 2014</b>	<b>24 904</b>	<b>17 275</b>	<b>-833</b>	<b>293</b>	<b>-139</b>	<b>68 040</b>	<b>109 540</b>	<b>165</b>	<b>109 705</b>
Dividends						-11 133	-11 133	-9	-11 142
Share based payments to employees						459	459		459
Deferred tax related to share based payments to employees						16	16		16
Current tax related to share based payments						50	50		50
Repurchase of own shares for trading purposes						-32	-32		-32
Associates' disposal of shares in Swedbank AB						166	166		166
Total comprehensive income for the period			3 397	-2 094	34	16 800	18 137	14	18 151
of which reported through profit or loss						16 447	16 447	16	16 463
of which reported through other comprehensive income			3 397	-2 094	34	353	1 690	-2	1 688
<b>Closing balance 31 December 2014</b>	<b>24 904</b>	<b>17 275</b>	<b>2 564</b>	<b>-1 801</b>	<b>-105</b>	<b>74 366</b>	<b>117 203</b>	<b>170</b>	<b>117 373</b>
<b>January-March 2015</b>									
<b>Opening balance 1 January 2015</b>	<b>24 904</b>	<b>17 275</b>	<b>2 564</b>	<b>-1 801</b>	<b>-105</b>	<b>74 366</b>	<b>117 203</b>	<b>170</b>	<b>117 373</b>
Dividends						-12 539	-12 539		-12 539
Share based payments to employees						115	115		115
Deferred tax related to share based payments to employees						-25	-25		-25
Current tax related to share based payments to employees						54	54		54
Disposal of own shares for trading purposes						33	33		33
Acquired non-controlling interest						-8	-8		-8
Total comprehensive income for the period			-1 047	655	90	2 352	2 050	5	2 055
of which reported through profit or loss						4 320	4 320	4	4 324
of which reported through other comprehensive income			-1 047	655	90	-1 968	-2 270	1	-2 269
<b>Closing balance 31 March 2015</b>	<b>24 904</b>	<b>17 275</b>	<b>1 517</b>	<b>-1 146</b>	<b>-15</b>	<b>64 348</b>	<b>106 883</b>	<b>175</b>	<b>107 058</b>

<sup>1)</sup> Other contributed equity consists mainly of share premiums.

## Cash flow statement, condensed

Group SEKm	Jan-Mar 2015	Full-year 2013	Jan-Mar 2014
<b>Operating activities</b>			
Operating profit	5 376	21 026	5 059
Profit for the period from discontinued operations	49	-262	-27
Adjustments for non-cash items in operating activities	757	-555	-494
Taxes paid	-1 855	-5 494	-1 990
Increase/decrease in loans to credit institutions	20 187	-26 662	-8 674
Increase/decrease in loans to the public	-1 470	-115 813	-12 602
Increase/decrease in holdings of securities for trading	-30 057	12 925	6 779
Increase/decrease in deposits and borrowings from the public including retail bonds	88 908	34 957	33 429
Increase/decrease in amounts owed to credit institutions	-28 082	45 468	-2 781
Increase/decrease in other assets	-23 510	-41 353	-9 223
Increase/decrease in other liabilities	41 295	84 693	10 704
<b>Cash flow from operating activities</b>	<b>71 598</b>	<b>8 930</b>	<b>20 180</b>
<b>Investing activities</b>			
Business combinations		-2 918	
Business disposals	245	-590	
Acquisitions of and contributions to associates	-10	-814	
Acquisitions of other fixed assets and strategic financial assets	-79	-1 111	-252
Disposals/maturity of other fixed assets and strategic financial assets	131	362	356
<b>Cash flow from investing activities</b>	<b>287</b>	<b>-5 071</b>	<b>104</b>
<b>Financing activities</b>			
Issuance of interest-bearing securities	64 755	114 936	34 915
Redemption of interest-bearing securities	-38 114	-139 976	-35 782
Issuance of commercial paper etc.	219 307	730 879	168 504
Redemption of commercial paper etc.	-192 866	-646 040	-109 781
Dividends paid	-12 539	-11 138	-11 133
<b>Cash flow from financing activities</b>	<b>40 543</b>	<b>48 661</b>	<b>46 723</b>
<b>Cash flow for the period</b>	<b>112 428</b>	<b>52 520</b>	<b>67 007</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>113 768</b>	<b>59 382</b>	<b>59 382</b>
Cash flow for the period	112 428	52 520	67 007
Exchange rate differences on cash and cash equivalents	-722	1 866	76

During the first half-year 2014 Sparbanken Öresund AB was acquired for SEK 2 938m. Acquired cash and cash equivalents amounted to SEK 20m. In connection with the acquisition a number of bank branches were sold to Sparbanken Skåne AB. The proceeds, together with payment of the net debt assumed by the acquirer, amounted to a cash disbursement of SEK 913m.

### Note 1 Accounting policies

The interim report has been prepared in accordance with IAS 34, Interim Financial Reporting. The condensed consolidated financial statements have also been prepared in accordance with the recommendations and statements of the Financial Reporting Council, the Annual Accounts Act for Credit Institutions and Securities Companies and the directives of the SFSA.

The Parent Company report has been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies, the directives of the SFSA and recommendation RFR 2 of the Financial Reporting Council.

The accounting policies applied in the interim report conform to those applied in the Annual Report for 2014, which was prepared in accordance with International Financial Reporting Standards as adopted by the European Union and interpretations thereof. There have been no significant changes to the Group's Accounting policies set out in the Annual Report for 2014, except for the adoption of new standards as set out below.

#### Other IFRS changes

Other new or amended standards or interpretations which have been adopted have not had a significant effect on the financial position, results or disclosures of the Group or the parent company. For more information, refer to page 72 of the Annual Report for 2014.

## Note 2 Critical accounting estimates

Presentation of consolidated financial statements in conformity with IFRS requires the executive management to make judgments and estimates that affect the recognised amounts for assets, liabilities and disclosures of contingent assets and liabilities as of the closing day as well as the recognised income and expenses during the report period. The executive management continuously evaluates these judgments and estimates, including: assessing control over investment funds; fair value of financial instruments, provisions for credit impairments; impairment testing of goodwill, investment properties and owner-occupied

properties, net realisable value of properties recognised as inventory, deferred taxes, defined benefit pension provisions and shared-based payment costs. There have been no significant changes to the basis upon which the critical accounting policies and judgments have been determined compared to 31 December 2014.

## Note 3 Changes in the Group structure

### **External**

During the first quarter 2015 the wholly owned subsidiary Svensk Fastighetsförmedling AB was sold.

The proceeds from the sale amounted to SEK 245m and a capital gain of SEK 51m was recognised.

## Note 4 Operating segments (business areas)

Jan-Mar 2015 SEKm	Swedish Banking	Baltic Banking	Large Corporates & Institutions	Group Functions & Other	Eliminations	Group
<b>Income statement</b>						
Net interest income	3 190	831	862	836		5 719
Net commission income	1 781	469	496	-20	18	2 744
Net gains and losses on financial items at fair value	54	50	587	-372	1	320
Share of profit or loss of associates	278			1		279
Other income	226	149	35	189	-43	556
<b>Total income</b>	<b>5 529</b>	<b>1 499</b>	<b>1 980</b>	<b>634</b>	<b>-24</b>	<b>9 618</b>
of which internal income	44		31	-141	66	
Staff costs	919	210	359	746		2 234
Variable staff costs	54	19	82	83		238
Other expenses	1 558	345	420	-782	-24	1 517
Depreciation/amortisation	28	38	16	97		179
<b>Total expenses</b>	<b>2 559</b>	<b>612</b>	<b>877</b>	<b>144</b>	<b>-24</b>	<b>4 168</b>
<b>Profit before impairments</b>	<b>2 970</b>	<b>887</b>	<b>1 103</b>	<b>490</b>		<b>5 450</b>
Impairment of intangible assets						
Impairment of tangible assets		-2		17		15
Credit impairments	52	-9	16			59
<b>Operating profit</b>	<b>2 918</b>	<b>898</b>	<b>1 087</b>	<b>473</b>		<b>5 376</b>
Tax expense	611	131	251	108		1 101
Profit for the period from continuing operations	2 307	767	836	365		4 275
Profit for the period from discontinued operations, after tax				49		49
Profit for the period	2 307	767	836	414		4 324
<b>Profit for the period attributable to the shareholders of Swedbank AB</b>	<b>2 303</b>	<b>767</b>	<b>836</b>	<b>414</b>		<b>4 320</b>
Non-controlling interests	4					4
<b>Balance sheet, SEKbn</b>						
Cash and balances with central banks		2	1	222		225
Loans to credit institutions	22		309	180	-418	93
Loans to the public	1 037	125	240	1		1 403
Bonds and other interest-bearing securities		1	64	139	-4	200
Financial assets for which customers bear inv. risk	156	3			-2	157
Investments in associates	3			2		5
Derivatives			139	70	-70	139
Total tangible and intangible assets	3	11		2		16
Other assets	5	17	22	728	-735	37
<b>Total assets</b>	<b>1 226</b>	<b>159</b>	<b>775</b>	<b>1 344</b>	<b>-1 229</b>	<b>2 275</b>
Amounts owed to credit institutions	76		223	250	-407	142
Deposits and borrowings from the public	405	136	139	94	-11	763
Debt securities in issue	2		12	877	-6	885
Financial liabilities for which customers bear inv. risk	158	3				161
Derivatives			134	38	-70	102
Other liabilities	533		246	46	-735	90
Subordinated liabilities				25		25
<b>Total liabilities</b>	<b>1 174</b>	<b>139</b>	<b>754</b>	<b>1 330</b>	<b>-1 229</b>	<b>2 168</b>
Allocated equity	52	20	21	14		107
<b>Total liabilities and equity</b>	<b>1 226</b>	<b>159</b>	<b>775</b>	<b>1 344</b>	<b>-1 229</b>	<b>2 275</b>
<b>Key figures</b>						
Return on allocated equity, continuing operations, %	17.9	15.0	16.9	6.0		14.8
Return on allocated equity, total operations, %	17.9	15.0	16.9	6.9		14.9
Cost/income ratio	0.46	0.41	0.44	0.23		0.43
Credit impairment ratio, %	0.02	-0.03	0.02	0.00		0.02
Loan/deposit ratio, %	260	92	152			182
Loans, SEKbn	1 039	125	178			1 342
Deposits, SEKbn	400	135	117	85		737
Risk exposure amount, Basel 3, SEKbn	188	78	133	23		422
Full-time employees	4 898	3 811	1 209	4 416		14 334

Jan-Mar 2014 SEKm	Swedish Banking	Baltic Banking	Large Corporates & Institutions	Group Functions & Other	Eliminations	Group
<b>Income statement</b>						
Net interest income	3 316	874	868	421	4	5 483
Net commission income	1 633	429	628	-12	15	2 693
Net gains and losses on financial items at fair value	51	53	564	-323		345
Share of profit or loss of associates	256					256
Other income	150	109	37	325	-78	543
<b>Total income</b>	<b>5 406</b>	<b>1 465</b>	<b>2 097</b>	<b>411</b>	<b>-59</b>	<b>9 320</b>
of which internal income	46	2		-108	60	
Staff costs	874	187	326	851		2 238
Variable staff costs	49	20	75	55		199
Other expenses	1 481	364	419	-595	-59	1 610
Depreciation/amortisation	16	36	22	105		179
<b>Total expenses</b>	<b>2 420</b>	<b>607</b>	<b>842</b>	<b>416</b>	<b>-59</b>	<b>4 226</b>
<b>Profit before impairments</b>	<b>2 986</b>	<b>858</b>	<b>1 255</b>	<b>-5</b>		<b>5 094</b>
Impairment of intangible assets						
Impairment of tangible assets		-5		140		135
Credit impairments	31	-101	-30			-100
<b>Operating profit</b>	<b>2 955</b>	<b>964</b>	<b>1 285</b>	<b>-145</b>		<b>5 059</b>
Tax expense	635	137	290	12		1 074
Profit for the period from continuing operations	2 320	827	995	-157		3 985
Profit for the period from discontinued operations, after tax				-27		-27
Profit for the period	2 320	827	995	-184		3 958
<b>Profit for the period attributable to the shareholders of Swedbank AB</b>	<b>2 316</b>	<b>827</b>	<b>995</b>	<b>-185</b>		<b>3 953</b>
Non-controlling interests	4			1		5
<b>Balance sheet, SEKbn</b>						
Cash and balances with central banks		2	1	123		126
Loans to credit institutions	41	0	307	105	-362	91
Loans to the public	948	118	213			1 279
Bonds and other interest-bearing securities		1	57	122	-7	173
Financial assets for which customers bear inv. risk	125	2			-1	126
Investments in associates	3			1		4
Derivatives			88	29	-49	68
Total tangible and intangible assets	3	10	0	4		17
Other assets	6	9	22	699	-698	38
<b>Total assets</b>	<b>1 126</b>	<b>142</b>	<b>688</b>	<b>1 083</b>	<b>-1 117</b>	<b>1 922</b>
Amounts owed to credit institutions	77		203	191	-352	119
Deposits and borrowings from the public	383	117	126	36	-7	655
Debt securities in issue		1	16	777	-15	779
Financial liabilities for which customers bear inv. risk	128	2				130
Derivatives			82	23	-48	57
Other liabilities	506		246	6	-695	63
Subordinated liabilities				17		17
<b>Total liabilities</b>	<b>1 094</b>	<b>120</b>	<b>673</b>	<b>1 050</b>	<b>-1 117</b>	<b>1 820</b>
Allocated equity	32	22	15	33		102
<b>Total liabilities and equity</b>	<b>1 126</b>	<b>142</b>	<b>688</b>	<b>1 083</b>	<b>-1 117</b>	<b>1 922</b>
<b>Key figures</b>						
Return on allocated equity, continuing operations, %	28.5	15.2	26.5	-1.6		14.6
Return on allocated equity, total operations, %	28.5	15.2	26.5	-1.9		14.5
Cost/income ratio	0.45	0.41	0.40	1.01		0.45
Credit impairment ratio, %	0.01	-0.34	-0.06			-0.03
Loan/deposit ratio, %	250	101	154	1		195
Loans, SEKbn	949	119	151			1 219
Deposits, SEKbn	379	117	99	30		625
Risk exposure amount, Basel 3, SEKbn	187	81	151	30		449
Full-time employees	4 591	3 858	1 111	4 710		14 270



## Operating segments' accounting policies

The operating segment reporting is based on Swedbank's accounting policies, organisation and management accounting. Market-based transfer prices are applied between operating segments, while all expenses within Group Functions are transfer priced at cost to the operating segments. The net of services purchased and sold internally is recognised as other expenses in the income statements of the operating segments. 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 taking into account capital adequacy rules and estimated capital requirements based on the bank's Internal Capital Adequacy Assessment Process (ICAAP).

The return on equity for the operating segments is based on operating profit less estimated tax and non-controlling interests in relation to average allocated equity.

## Note 5 Net interest income

Group SEKm	Q1 2015	Q4 2014	%	Q1 2014	%
<b>Interest income</b>					
Loans to credit institutions	83	62	34	200	-59
Loans to the public	8 813	9 298	-5	9 821	-10
Interest-bearing securities	418	431	-3	566	-26
Derivatives	144	109	32	-141	
Other	256	220	16	171	50
<b>Total interest income</b>	<b>9 714</b>	<b>10 120</b>	<b>-4</b>	<b>10 617</b>	<b>-9</b>
of which interest income reported in net gains and losses on financial items at fair value	298	411	-27	78	
<b>Interest income according to income statement</b>	<b>9 416</b>	<b>9 709</b>	<b>-3</b>	<b>10 539</b>	<b>-11</b>
<b>Interest expenses</b>					
Amounts owed to credit institutions	-65	-79	-18	-130	-50
Deposits and borrowings from the public	-460	-559	-18	-984	-53
of which deposit guarantee fees	-155	-175	-11	-144	8
Debt securities in issue	-3 874	-3 982	-3	-4 480	-14
of which commissions for government guaranteed funding				-19	
Subordinated liabilities	-221	-124	78	-141	57
Derivatives	1 060	902	18	630	68
Other	-188	-244	-23	-143	31
of which government stabilisation fund fee	-175	-211	-17	-132	33
<b>Total interest expenses</b>	<b>-3 748</b>	<b>-4 086</b>	<b>-8</b>	<b>-5 248</b>	<b>-29</b>
of which interest income reported in net gains and losses on financial items at fair value	-51	-186	-73	-192	-73
<b>Interest expense according to income statement</b>	<b>-3 697</b>	<b>-3 900</b>	<b>-5</b>	<b>-5 056</b>	<b>-27</b>
<b>Net interest income</b>	<b>5 719</b>	<b>5 809</b>	<b>-2</b>	<b>5 483</b>	<b>4</b>
<b>Net interest margin</b>	<b>1.05</b>	<b>1.13</b>		<b>1.12</b>	

## Note 6 Net commission income

Group SEKm	Q1 2015	Q4 2014	%	Q1 2014	%
<b>Commission income</b>					
Payment processing	417	476	-12	440	-5
Card commissions	1 060	1 157	-8	984	8
Service concepts	134	123	9	125	7
Asset management and custody fees	1 461	1 443	1	1 336	9
Life insurance	155	120	29	124	25
Brokerage and other securities	198	154	29	188	5
Corporate finance	50	160	-69	126	-60
Lending	269	200	35	255	5
Guarantees	60	58	3	46	30
Deposits	44	55	-20	47	-6
Real estate brokerage	71	73	-3	66	8
Non-life insurance	17	21	-19	17	0
Other commission income	98	128	-23	120	-18
<b>Total commission income</b>	<b>4 034</b>	<b>4 168</b>	<b>-3</b>	<b>3 874</b>	<b>4</b>
<b>Commission expenses</b>					
Payment processing	-260	-252	3	-253	3
Card commissions	-493	-548	-10	-478	3
Service concepts	-4	-4	0	-4	0
Asset management and custody fees	-326	-309	6	-264	23
Life insurance	-49	-47	4	-54	-9
Brokerage and other securities	-71	-61	16	-75	-5
Lending and guarantees	-19	-19	0	-14	36
Other commission expenses	-68	-46	48	-39	74
<b>Total commission expenses</b>	<b>-1 290</b>	<b>-1 286</b>	<b>0</b>	<b>-1 181</b>	<b>9</b>
<b>Total Net commission income</b>	<b>2 744</b>	<b>2 882</b>	<b>-5</b>	<b>2 693</b>	<b>2</b>

## Note 7 Net gains and losses on financial items at fair value

Group SEKm	Q1 2015	Q4 2014	%	Q1 2014	%
<b>Valuation category, fair value through profit or loss</b>					
Shares and share related derivatives	-73	183		-36	
of which dividend	84	3		109	-23
Interest-bearing securities and interest related derivatives	218	46		-13	
Loans	-151	-148	2	455	
Financial liabilities	-173	-508	-66	-154	12
Other financial instruments	6	5	20	-1	
<b>Total fair value through profit or loss</b>	<b>-173</b>	<b>-422</b>	<b>-59</b>	<b>251</b>	
<b>Hedge accounting</b>					
Ineffective part in hedge accounting at fair value	-22	13		9	
of which hedging instruments	1 445	2 130	-32	1 571	-8
of which hedged items	-1 467	-2 117	-31	-1 562	-6
Ineffective part in hedging of net investments in foreign operations	13	5		2	
<b>Total hedge accounting</b>	<b>-9</b>	<b>18</b>		<b>11</b>	
<b>Loan receivables at amortised cost</b>	<b>46</b>	<b>57</b>	<b>-19</b>	<b>0</b>	
<b>Financial liabilities valued at amortised cost</b>				<b>28</b>	
<b>Trading related interest</b>					
Interest income	298	412	-28	78	
Interest expense	-51	-185	-72	-192	-73
<b>Total trading related interest</b>	<b>247</b>	<b>227</b>	<b>9</b>	<b>-114</b>	
<b>Change in exchange rates</b>	<b>209</b>	<b>189</b>	<b>11</b>	<b>169</b>	<b>24</b>
<b>Total net gains and losses on financial items at fair value</b>	<b>320</b>	<b>69</b>		<b>345</b>	<b>-7</b>
<b>Distribution by business purpose</b>					
<b>Financial instruments for trading related business</b>	<b>768</b>	<b>483</b>	<b>59</b>	<b>518</b>	<b>48</b>
<b>Financial instruments intended to be held to contractual maturity</b>	<b>-448</b>	<b>-414</b>	<b>8</b>	<b>-173</b>	
<b>Total</b>	<b>320</b>	<b>69</b>		<b>345</b>	<b>-7</b>

## Note 8 Other expenses

Group SEKm	Q1 2015	Q4 2014	%	Q1 2014	%
Premises and rents	280	296	-5	364	-23
IT expenses	449	478	-6	439	2
Telecommunications and postage	44	43	2	42	5
Advertising, PR and marketing	85	91	-7	73	16
Consultants	74	85	-13	64	16
Compensation to savings banks	179	194	-8	169	6
Other purchased services	154	165	-7	168	-8
Security transport and alarm systems	18	22	-18	21	-14
Supplies	27	25	8	38	-29
Travel	41	66	-38	53	-23
Entertainment	10	24	-58	11	-9
Repair/maintenance of inventories	24	35	-31	29	-17
Other expenses	132	137	-4	139	-5
<b>Total other expenses</b>	<b>1 517</b>	<b>1 661</b>	<b>-9</b>	<b>1 610</b>	<b>-6</b>

## Note 9 Credit impairments

Group SEKm	Q1 2015	Q4 2014	%	Q1 2014	%
<b>Provision for loans individually assessed as impaired</b>					
Provisions	151	-12		47	
Reversal of previous provisions	-84	-85	-1	-103	-18
Provision for homogenous groups of impaired loans, net	-10	-109	-91	-90	-89
<b>Total</b>	<b>57</b>	<b>-206</b>		<b>-146</b>	
<b>Portfolio provisions for loans individually assessed as not impaired</b>	<b>-19</b>	<b>-19</b>	<b>0</b>	<b>-1</b>	
<b>Write-offs</b>					
Established losses	241	847	-72	312	-23
Utilisation of previous provisions	-149	-276	-46	-188	-21
Recoveries	-71	-61	16	-76	-7
<b>Total</b>	<b>21</b>	<b>510</b>	<b>-96</b>	<b>48</b>	<b>-56</b>
<b>Credit impairments for contingent liabilities and other credit risk exposures</b>		<b>-31</b>		<b>-1</b>	
<b>Credit impairments</b>	<b>59</b>	<b>254</b>	<b>-77</b>	<b>-100</b>	
Credit impairment ratio, %	0.02	0.07		-0.03	

## Note 10 Loans

Group SEKm	31 Mar 2015			31 Dec 2014	31 Mar 2014		
	Loans before provisions	Provisions	Loans after provisions Carrying amount	Loans after provisions Carrying amount	%	Loans after provisions Carrying amount	%
<b>Loans to credit institutions</b>							
Banks	71 239	59	71 180	87 302	-18	67 070	6
Repurchase agreements, banks	9 093		9 093	12 473	-27	7 747	17
Other credit institutions	8 490		8 490	9 049	-6	10 224	-17
Repurchase agreements, other credit institutions	4 590		4 590	4 996	-8	6 080	-25
<b>Loans to credit institutions</b>	<b>93 412</b>	<b>59</b>	<b>93 353</b>	<b>113 820</b>	<b>-18</b>	<b>91 121</b>	<b>2</b>
<b>Loans to the public</b>							
Private customers	840 443	1 218	839 225	830 158	1	782 756	7
Private, mortgage	704 356	851	703 505	696 398	1	661 310	6
Housing cooperatives	100 212	40	100 172	98 258	2	88 947	13
Private, other	35 875	327	35 548	35 502	0	32 499	9
Corporate customers	504 343	1 920	502 423	495 181	1	436 091	15
Agriculture, forestry, fishing	73 296	128	73 168	72 623	1	68 359	7
Manufacturing	42 923	453	42 470	42 335	0	38 654	10
Public sector and utilities	23 419	26	23 393	21 951	7	21 301	10
Construction	16 625	77	16 548	16 325	1	13 898	19
Retail	31 761	273	31 488	30 759	2	29 548	7
Transportation	12 077	54	12 023	11 926	1	12 016	0
Shipping and offshore	30 377	90	30 287	30 302	0	23 144	31
Hotels and restaurants	6 785	42	6 743	6 739	0	5 840	15
Information and communications	5 255	12	5 243	5 562	-6	4 282	22
Finance and insurance	12 979	24	12 955	10 264	26	12 414	4
Property management	208 075	397	207 678	205 295	1	169 466	23
Residential properties	54 717	81	54 636	53 003	3	48 310	13
Commercial	91 171	73	91 098	89 144	2	73 296	24
Industrial and Warehouse	40 418	28	40 390	40 919	-1	29 793	36
Other	21 769	215	21 554	22 229	-3	18 067	19
Professional services	17 161	201	16 960	16 867	1	14 645	16
Other corporate lending	23 610	143	23 467	24 233	-3	22 524	4
<b>Loans to the public excluding the Swedish National Debt Office and repurchase agreements</b>	<b>1 344 786</b>	<b>3 138</b>	<b>1 341 648</b>	<b>1 325 339</b>	<b>1</b>	<b>1 218 847</b>	<b>10</b>
Swedish National Debt Office	2 101		2 101	16 556	-87	2 445	-14
Repurchase agreements, Swedish National Debt Office	58		58	3 449	-98	99	-41
Repurchase agreements, public	59 329		59 329	59 163	0	57 389	3
<b>Loans to the public</b>	<b>1 406 274</b>	<b>3 138</b>	<b>1 403 136</b>	<b>1 404 507</b>	<b>0</b>	<b>1 278 780</b>	<b>10</b>
<b>Loans to the public and credit institutions</b>	<b>1 499 686</b>	<b>3 197</b>	<b>1 496 489</b>	<b>1 518 327</b>	<b>-1</b>	<b>1 369 901</b>	<b>9</b>

## Note 11 Impaired loans etc.

Group SEKm	31 Mar 2015	31 Dec 2014	%	31 Mar 2014	%
Impaired loans, gross	5 890	6 281	-6	6 248	-6
Provisions for individually assessed impaired loans	1 389	1 306	6	1 305	6
Provision for homogenous groups of impaired loans	701	891	-21	1 209	-42
<b>Impaired loans, net</b>	<b>3 800</b>	<b>4 084</b>	<b>-7</b>	<b>3 734</b>	<b>2</b>
of which private customers	1 695	1 833	-8	1 908	-11
of which corporate customers	2 105	2 251	-6	1 826	15
Portfolio provisions for loans individually assessed as not impaired	1 107	1 133	-2	1 238	-11
Share of impaired loans, gross, %	0.39	0.41	0.00	0.45	0.00
Share of impaired loans, net, %	0.25	0.27	0.00	0.27	0.00
Provision ratio for impaired loans, %	35	35	0	40	0
Total provision ratio for impaired loans, % <sup>1)</sup>	54	53	0	60	0
<b>Past due loans that are not impaired</b>	<b>4 718</b>	<b>4 362</b>	<b>8</b>	<b>5 243</b>	<b>-10</b>
of which past due 5-30 days	2 395	2 409	-1	3 001	-20
of which past due 31-60 days	1 393	1 100	27	1 301	7
of which past due 61-90 days <sup>2)</sup>	310	n.a		n.a	
of which past due more than 90 days <sup>2)</sup>	620	853		941	

<sup>1)</sup> Total provision i.e. all provisions for claims in relation to impaired loans, gross.

<sup>2)</sup> New intervals from Q1 2015. The split between the new intervals for previous periods are not available. For periods prior to 31 March 2015, the row of which past due more than 90 days also includes the interval 61-90 days.

## Note 12 Assets taken over for protection of claims and cancelled leases

Group SEKm	31 Mar 2015	31 Dec 2014	%	31 Mar 2014	%
Buildings and land	708	874	-19	1 632	-57
Shares and participating interests	21	13	62	20	5
Other property taken over	15	13	15	15	0
<b>Total assets taken over for protection of claims</b>	<b>744</b>	<b>900</b>	<b>-17</b>	<b>1 667</b>	<b>-55</b>
Cancelled leases	44	33	33	63	-30
<b>Total assets taken over for protection of claims and cancelled leases</b>	<b>788</b>	<b>933</b>	<b>-16</b>	<b>1 730</b>	<b>-54</b>
of which acquired by Ektornet	624	778	-20	1 552	-60

## Note 13 Credit exposures

Group SEKm	31 Mar 2015	31 Dec 2014	%	31 Mar 2014	%
<b>Assets</b>					
Cash and balances with central banks	225 474	113 768	98	126 465	78
Interest-bearing securities	200 065	170 680	17	172 577	16
Loans to credit institutions	93 352	113 820	-18	91 121	2
Loans to the public	1 403 137	1 404 507	0	1 278 780	10
Derivatives	138 691	123 202	13	67 855	
Other financial assets	18 369	14 712	25	22 965	-20
<b>Total assets</b>	<b>2 079 088</b>	<b>1 940 689</b>	<b>7</b>	<b>1 759 763</b>	<b>18</b>
<b>Contingent liabilities and commitments</b>					
Loan guarantees	27 588	27 259	1	23 062	20
Loan commitments	241 873	237 007	2	202 046	20
<b>Total contingent liabilities and commitments</b>	<b>269 461</b>	<b>264 266</b>	<b>2</b>	<b>225 108</b>	<b>20</b>
<b>Total credit exposures</b>	<b>2 348 549</b>	<b>2 204 955</b>	<b>7</b>	<b>1 984 871</b>	<b>18</b>

## Note 14 Intangible assets

Group SEKm	31 Mar 2015	31 Dec 2014	%	31 Mar 2014	%
<b>With indefinite useful life</b>					
Goodwill	12 124	12 344	-2	11 807	3
<b>Total</b>	<b>12 124</b>	<b>12 344</b>	<b>-2</b>	<b>11 807</b>	<b>3</b>
<b>With finite useful life</b>					
Customer base	829	857	-3	833	0
Internally developed software	583	536	9	359	62
Other	510	582	-12	670	-24
<b>Total</b>	<b>1 922</b>	<b>1 975</b>	<b>-3</b>	<b>1 862</b>	<b>3</b>
<b>Total intangible assets</b>	<b>14 046</b>	<b>14 319</b>	<b>-2</b>	<b>13 669</b>	<b>3</b>

Goodwill	Jan-Mar 2015	Full year 2014	%	Jan-Mar 2014	%
<b>Cost</b>					
<b>Opening balance</b>	<b>14 668</b>	<b>13 701</b>	<b>7</b>	<b>13 701</b>	<b>7</b>
Additions through business combinations					
Disposals					
Exchange rate differences	-213	967		62	
<b>Closing balance</b>	<b>14 455</b>	<b>14 668</b>	<b>-1</b>	<b>13 763</b>	<b>5</b>
<b>Accumulated amortisation and impairments</b>					
<b>Opening balance</b>	<b>-2 324</b>	<b>-1 941</b>	<b>20</b>	<b>-1 941</b>	<b>20</b>
Impairments					
Disposals					
Exchange rate differences	-7	-383	-98	-15	-53
<b>Closing balance</b>	<b>-2 331</b>	<b>-2 324</b>	<b>0</b>	<b>-1 956</b>	<b>19</b>
<b>Carrying amount</b>	<b>12 124</b>	<b>12 344</b>	<b>-2</b>	<b>11 807</b>	<b>3</b>

## Impairment testing of intangible assets

Goodwill and other intangible assets are tested for impairment annually or when there are indications that the recoverable amount of the assets is lower than their carrying amount. The recoverable amount is the highest of either value to sell or value in use. Swedbank calculates value in use by estimating an asset's future cash flows and calculating them at present value with a discount rate. Estimated cash flows and discount rates are derived from external sources whenever possible and appropriate, but must in large part be determined based on executive management's own assumptions. Executive management also determines whether there is any need for a new test during the year.

The annual test in 2014 did not lead to any impairment.

## Note 15 Amounts owed to credit institutions

Group SEKm	31 Mar 2015	31 Dec 2014	%	31 Mar 2014	%
<b>Amounts owed to credit institutions</b>					
Central banks	10 642	11 159	-5	7 951	34
Banks	126 779	150 435	-16	104 055	22
Other credit institutions	2 224	4 112	-46	1 281	74
Repurchase agreements - banks	1 700	3 839	-56	5 592	-70
Repurchase agreements - other credit institutions	1 083	1 908	-43	239	
<b>Amounts owed to credit institutions</b>	<b>142 428</b>	<b>171 453</b>	<b>-17</b>	<b>119 118</b>	<b>20</b>

## Note 16 Deposits and borrowings from the public

Group SEKm	31 Mar 2015	31 Dec 2014	%	31 Mar 2014	%
<b>Deposits from the public</b>					
Private customers	369 220	371 877	-1	337 909	9
Corporate customers	367 497	289 034	27	286 840	28
<b>Deposits from the public excluding the Swedish National Debt Office and repurchase agreements</b>	<b>736 717</b>	<b>660 911</b>	<b>11</b>	<b>624 749</b>	<b>18</b>
Swedish National Debt Office		1		1	
Repurchase agreements - Swedish National Debt Office		2 965			
Repurchase agreements - public	25 819	12 802		29 924	-14
<b>Deposits and borrowings from the public</b>	<b>762 536</b>	<b>676 679</b>	<b>13</b>	<b>654 674</b>	<b>16</b>

## Note 17 Debt securities in issue

Group SEKm	31 Mar 2015	31 Dec 2014	%	31 Mar 2014	%
Commercial paper	213 436	195 191	9	152 985	40
Covered bonds	525 601	511 666	3	496 839	6
Government guaranteed bonds				8 436	23
Senior unsecured bonds	131 838	114 840	15	107 271	3
Structured retail bonds	13 871	13 315	4	13 511	14
<b>Total debt securities in issue</b>	<b>884 746</b>	<b>835 012</b>	<b>6</b>	<b>779 042</b>	<b>0</b>

Turnover during the period	Jan-Mar 2015	Full year 2014	%	Jan-Mar 2014	%
<b>Opening balance</b>	<b>835 012</b>	<b>726 275</b>	<b>15</b>	<b>726 275</b>	<b>15</b>
Issued	277 225	838 981	-67	198 512	40
Business combination		2 028			
Repurchased	-8 400	-44 924	-81	-16 311	-49
Repaid	-222 580	-741 088	-70	-129 252	72
Change in market value or in hedged item in fair value hedge accounting	1 582	22 224		-1 968	
Changes in exchange rates	1 907	31 516		1 786	7
<b>Closing balance</b>	<b>884 746</b>	<b>835 012</b>		<b>779 042</b>	<b>14</b>



## Note 18 Derivatives

The Group trades derivatives in the normal course of business and to hedge certain positions with regard to the value of equities, interests and currencies.

Group SEKm	Nominal amount 31 Mar 2015			Nominal amount		Positive fair value		Negative fair value	
	Remaining contractual maturity			2015	2014	2015	2014	2015	2014
	< 1 yr.	1-5 yrs.	> 5 yrs.	31 Mar	31 Dec	31 Mar	31 Dec	31 Mar	31 Dec
Derivatives in fair value hedges	68 511	315 505	66 267	450 283	418 889	23 926	23 235	337	340
Derivatives in portfolio fair value hedges	39 000	73 050	7 900	119 950	73 700	2	1	2 111	1 752
Derivatives in cash flow hedges	27	13 613	9 044	22 684	22 697		10	2 107	1 793
Derivatives in hedges of net investment in foreign operations					153				9
Other derivatives	8 186 466	3 329 233	669 972	12 185 671	11 833 956	130 883	110 915	115 445	94 097
Offset amount						-16 120	-10 959	-17 828	-12 297
<b>Total</b>	<b>8 294 004</b>	<b>3 731 401</b>	<b>753 183</b>	<b>12 778 588</b>	<b>12 349 395</b>	<b>138 691</b>	<b>123 202</b>	<b>102 172</b>	<b>85 694</b>

The amounts offset for derivative assets and derivative liabilities include cash collateral offsets of SEK 2 435m and SEK 727m respectively.

## Note 19 Financial instruments carried at fair value

Group SEKm	31 Mar 2015			31 Dec 2014		
	Fair value	Carrying amount	Difference	Fair value	Carrying amount	Difference
<b>Assets</b>						
<b>Financial assets covered by IAS 39</b>						
Cash and balances with central banks	225 474	225 474	0	113 768	113 768	0
Treasury bills etc.	72 080	71 988	92	45 904	46 225	-321
Loans to credit institutions	93 352	93 352	0	113 820	113 820	0
Loans to the public	1 411 990	1 403 137	8 853	1 412 718	1 404 507	8 211
Value change of interest hedged items in portfolio hedge	1 653	1 653	0	1 291	1 291	0
Bonds and interest-bearing securities	128 086	128 077	9	121 189	124 455	-3 266
Financial assets for which the customers bear the investment risk	157 389	157 389	0	143 319	143 319	0
Shares and participating interest	10 946	10 946	0	9 931	9 931	0
Derivatives	138 691	138 691	0	123 202	123 202	0
Other financial assets	18 369	18 369	0	14 712	14 712	0
<b>Total</b>	<b>2 258 030</b>	<b>2 249 076</b>	<b>8 954</b>	<b>2 099 854</b>	<b>2 095 230</b>	<b>4 624</b>
<b>Investment in associates</b>		<b>5 008</b>			<b>4 924</b>	
<b>Non-financial assets</b>		<b>20 445</b>			<b>21 143</b>	
<b>Total</b>		<b>2 274 529</b>			<b>2 121 297</b>	
<b>Liabilities</b>						
<b>Financial liabilities covered by IAS 39</b>						
Amounts owed to credit institutions	142 471	142 428	43	171 457	171 453	4
Deposits and borrowings from the public	762 513	762 536	-23	676 662	676 679	-17
Debt securities in issue	890 913	884 746	6 167	842 238	835 012	7 226
Financial liabilities for which the customers bear the investment risk	161 483	161 483	0	146 177	146 177	0
Subordinated liabilities	25 331	25 310	21	18 932	18 957	-25
Derivatives	102 172	102 172	0	85 694	85 694	0
Short positions securities	19 447	19 447	0	27 058	27 058	0
Other financial liabilities	55 035	55 035	0	30 096	30 096	0
<b>Total</b>	<b>2 159 365</b>	<b>2 153 157</b>	<b>6 208</b>	<b>1 998 314</b>	<b>1 991 126</b>	<b>7 188</b>
<b>Non-financial liabilities</b>		<b>14 314</b>			<b>12 669</b>	
<b>Total</b>		<b>2 167 471</b>			<b>2 003 795</b>	

Group 31 Mar 2015 SEKm	Instruments with quoted market prices in active markets (Level 1)	Valuation techniques using observable market data (Level 2)	Valuation techniques using non- observable market data (Level 3)	Total
<b>Assets</b>				
Treasury bills etc.	28 074	43 413		71 487
Loans to credit institutions		13 683		13 683
Loans to the public		318 050		318 050
Bonds and other interest-bearing securities	78 845	48 007		126 852
Financial assets for which the customers bear the investment risk	157 389			157 389
Shares and participating interests	10 738	133	74	10 945
Derivatives	256	138 243	193	138 692
<b>Total</b>	<b>275 302</b>	<b>561 529</b>	<b>267</b>	<b>837 098</b>
<b>Liabilities</b>				
Amounts owed to credit institutions		2 782		2 782
Deposits and borrowings from the public		26 093		26 093
Debt securities in issue	15 142	25 902		41 044
Financial liabilities for which the customers bear the investment risk		161 483		161 483
Derivatives	60	102 111		102 171
Short positions, securities	19 432	15		19 447
<b>Total</b>	<b>34 634</b>	<b>318 386</b>		<b>353 020</b>

The table above contains financial instruments measured at fair value by valuation level. The Group uses various methods to determine the fair value for financial instruments depending on the degree of observable market data in the valuation and activity in the market. Activity is continuously evaluated by analysing factors such as trading volumes and differences in bid and ask prices.

The methods are divided into 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 of the risk positions that offset each other. For any open net positions, bid rates are applied for long positions and ask rates for short positions.

The Group has a continuous process whereby financial instruments that indicate a high level of internal estimates or low level of observable market data are captured. The process determines the way to calculate and how the internal assumptions are expected to affect the valuation. In cases where internal assumptions have a material impact on fair value, the financial instrument is reported in level 3. The process also includes an analysis and evaluation based on the quality of the valuation data as well as whether a type of financial instrument is to be transferred between levels. There were no transfers of financial instruments between valuation levels 1 and 2 during the quarter.

Group 31 Dec 2014 SEKm	Instruments with quoted market prices in an active market (Level 1)	Valuation techniques using observable market data (Level 2)	Valuation techniques using non- observable market data (Level 3)	Total
<b>Assets</b>				
Treasury bills etc.	32 587	13 137		45 724
Loans to credit institutions		17 469		17 469
Loans to the public		340 771		340 771
Bonds and other interest-bearing securities	75 188	47 982		123 170
Financial assets for which the customers bear the investment risk	143 319			143 319
Shares and participating interests	9 681	173	77	9 931
Derivatives	5 399	117 722	81	123 202
<b>Total</b>	<b>266 174</b>	<b>537 254</b>	<b>158</b>	<b>803 586</b>
<b>Liabilities</b>				
Amounts owed to credit institutions		5 746		5 746
Deposits and borrowings from the public		16 149		16 149
Debt securities in issue	17 768	31 763		49 531
Financial liabilities for which the customers bear the investment risk		146 177		146 177
Derivatives	6 925	78 769		85 694
Short positions, securities	27 024	34		27 058
<b>Total</b>	<b>51 717</b>	<b>278 638</b>		<b>330 355</b>

Changes in level 3 Group SEKm	Assets			Liabilities	
	Debt securities	Equity instruments	Derivatives	Total	Derivatives
<b>January-March 2015</b>					
<b>Opening balance 1 January 2015</b>		<b>77</b>	<b>81</b>	<b>158</b>	
Sale of assets					
Transferred from Level 2 to Level 3			153	153	
Transferred from Level 3 to Level 2			-49	-49	
Transferred from Level 3 to Level 1		-3		-3	
Gains or losses			8	8	
of which in the income statement, net gains and losses on financial items at fair value			8	8	
of which changes in unrealised gains or losses for items held at closing day			4	4	
<b>Closing balance 31 March 2015</b>		<b>74</b>	<b>193</b>	<b>267</b>	

Level 3 primarily contains unlisted equity instruments and illiquid options. The options hedge changes in the market value of hybrid debt instruments, so-called structured products. The structured products consist of a corresponding option element as well as a host contract, which in principle is an ordinary interest-bearing bond. When the Group determines the level on which the financial instruments will be reported, they are measured in their entirety on an individual basis. Since the bond part of the structured products is essentially the financial instrument's fair value, the internal assumptions normally used to value the illiquid option element do not have a material impact on the valuation. The financial instrument is thus reported on level 2. Internal assumptions are of greater importance to individual options that hedge structured products, because of which several are reported as derivatives on level 3. In general, the Group always hedges market risks that arise in structured products, because of which differences between the carrying amount of assets and liabilities on level 3 do not reflect differences in the use of internal assumptions in valuations.

Given historical movements in the underlying prices for options on level 3, it is unlikely that future price movements will affect the market value by more than SEK +/- 39m. The corresponding pair of value changes arises for financial instruments reported in level 2.

Financial instruments are transferred to or from level 3 depending on whether the internal assumptions have changed in significance to the valuation.

Changes in level 3 Group SEKm	Assets			Liabilities	
	Debt securities	Equity instruments	Derivatives	Total	Derivatives
<b>January-March 2014</b>					
<b>Opening balance 1 January 2014</b>		<b>57</b>	<b>133</b>	<b>190</b>	
Sale of assets					
Maturities					
Transferred from Level 2 to Level 3			32	32	
Transferred from Level 3 to Level 2			-103	-103	-25
Gains or losses			40	40	6
of which in the income statement, net gains and losses on financial items at fair value			40	40	6
of which changes in unrealised gains or losses for items held at closing day			22	22	
<b>Closing balance 31 March 2014</b>		<b>57</b>	<b>102</b>	<b>159</b>	<b>-19</b>

## Note 20 Pledged collateral

Group SEKm	31 Mar	31 Dec	%	31 Mar	%
	2015	2014		2014	
Loan receivables	792 760	780 213	2	742 377	7
Financial assets pledged for policyholders	151 900	136 529	11	123 120	23
Other assets pledged	61 103	53 415	14	43 337	41
<b>Pledged collateral</b>	<b>1 005 763</b>	<b>970 157</b>	<b>4</b>	<b>908 834</b>	<b>11</b>

## Note 21 Offsetting financial assets and liabilities

The disclosures below refer to reported 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 related to derivatives, repos (including reverse) and securities lending.

Group SEKm	Assets			Liabilities		
	31 Mar 2015	31 Dec 2014	%	31 Mar 2015	31 Dec 2014	%
<b>Financial assets and liabilities, which have been offset or are subject to netting or similar agreements</b>						
Gross amount	223 837	213 414	5	148 912	120 623	23
Offset amount	-17 818	-14 735	21	-19 526	-16 073	21
<b>Net amounts presented in the balance sheet</b>	<b>206 019</b>	<b>198 679</b>	<b>4</b>	<b>129 386</b>	<b>104 550</b>	<b>24</b>
<b>Related amounts not offset in the balance sheet</b>						
Financial instruments, netting arrangements	100 352	78 707	28	100 352	78 707	28
Financial Instruments, collateral	46 910	66 997	-30	10 064	10 844	-7
Cash, collateral	29 512	29 717	-1	15 439	11 907	30
<b>Total amount not offset in the balance sheet</b>	<b>176 774</b>	<b>175 421</b>	<b>1</b>	<b>125 855</b>	<b>101 458</b>	<b>24</b>
<b>Net amount</b>	<b>29 245</b>	<b>23 258</b>	<b>26</b>	<b>3 531</b>	<b>3 092</b>	<b>14</b>

The amounts offset for derivative assets and derivative liabilities include cash collateral offsets of SEK 2 435m and SEK 727m respectively.

## Note 22 Capital adequacy, consolidated situation

Capital adequacy SEKm	31 Mar 2015	31 Dec 2014	31 Mar 2014		
Shareholders' equity according to the Group's balance sheet	106 883	117 203	102 323		
Non-controlling interests	47	46	51		
Anticipated dividend	-3 240	-12 511	-2 965		
Deconsolidation of insurance companies	-716	-692	-2 202		
Value changes in own financial liabilities	7	74	82		
Cash flow hedges	14	103	195		
Additional value adjustments <sup>1)</sup>	-438				
Goodwill	-12 214	-12 434	-11 898		
Deferred tax assets	-129	-166	-43		
Intangible assets	-1 642	-1 698	-1 627		
Net provisions for reported IRB credit exposures	-1 556	-1 599	-1 804		
Shares deducted from CET1 capital	-467	-410			
<b>Common Equity Tier 1 capital</b>	<b>86 549</b>	<b>87 916</b>	<b>82 112</b>		
Additional Tier 1 capital	10 834	4 998	5 017		
<b>Total Tier 1 capital</b>	<b>97 383</b>	<b>92 914</b>	<b>87 129</b>		
Tier 2 capital	13 156	12 674	11 806		
<b>Total capital</b>	<b>110 539</b>	<b>105 588</b>	<b>98 935</b>		
Capital requirement for credit risks, standardised approach	4 067	4 295	2 646		
Capital requirement for credit risks, IRB	22 190	21 988	26 532		
Capital requirement for credit risk, default fund contribution	6	3	2		
Capital requirement for settlement risks		2	2		
Capital requirement for market risks	1 709	1 525	1 476		
Trading book	1 685	1 335	1 171		
of which VaR and SVaR	1 065	711	518		
of which risks outside VaR and SVaR	620	624	653		
FX risk other operations	24	190	305		
Capital requirement for credit value adjustment	744	579	627		
Capital requirement for operational risks	5 071	4 745	4 617		
<b>Capital requirement</b>	<b>33 787</b>	<b>33 137</b>	<b>35 902</b>		
Risk exposure amount credit risks	328 284	328 574	364 747		
Risk exposure amount settlement risks	1	30	26		
Risk exposure amount market risks	21 358	19 059	18 447		
Risk exposure amount credit value adjustment	9 307	7 241	7 834		
Risk exposure amount operational risks	63 389	59 310	57 715		
<b>Risk exposure amount</b>	<b>422 339</b>	<b>414 214</b>	<b>448 769</b>		
<b>Common Equity Tier 1 capital ratio, %</b>	<b>20.5</b>	<b>21.2</b>	<b>18.3</b>		
<b>Tier 1 capital ratio, %</b>	<b>23.1</b>	<b>22.4</b>	<b>19.4</b>		
<b>Total capital ratio, %</b>	<b>26.2</b>	<b>25.5</b>	<b>22.0</b>		
<b>Capital buffer requirement <sup>2)</sup></b>	<b>31 Mar</b>	<b>31 Dec</b>			
<b>%</b>	<b>2015</b>	<b>2014</b>			
CET1 capital requirement including buffer requirements	10.0	7.0			
of which capital conservation buffer	2.5	2.5			
of which countercyclical capital buffer					
of which systemic risk buffer	3.0				
CET 1 capital available to meet buffer requirement <sup>3)</sup>	16.0	16.4			
<b>Capital adequacy Basel 1 floor</b>	<b>31 Mar</b>	<b>31 Dec</b>	<b>% or</b>	<b>31 Mar</b>	<b>% or</b>
<b>SEKm</b>	<b>2015</b>	<b>2014</b>	<b>pp</b>	<b>2014</b>	<b>pp</b>
Capital requirement Basel 1 floor	70 477	66 092	7	63 641	11
Own funds Basel 3 adjusted according to rules for Basel 1 floor	112 095	107 187	5	100 739	11
<b>Surplus of capital according to Basel 1 floor</b>	<b>41 618</b>	<b>41 095</b>	<b>1</b>	<b>37 098</b>	<b>12</b>
<b>Leverage ratio <sup>4)</sup></b>	<b>31 Mar</b>	<b>31 Dec</b>		<b>31 Mar</b>	
	<b>2015</b>	<b>2014</b>		<b>2014</b>	
Tier 1 Capital, SEKm	97 383	92 914		87 129	
Leverage ratio exposure, SEKm	2 208 990	2 066 385		1 939 481	
Leverage ratio, %	4.4	4.5		4.5	

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) Buffer requirement according to Swedish implementation of CRD IV

3) 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

4) Calculated according to applicable regulation at each respective reporting date.

The consolidated situation for Swedbank as of 31 March 2015 comprised the Swedbank Group with the exception of insurance companies. The Entercard

Group was included as well through the proportionate consolidation method.

In February 2015 Swedbank issued USD 750m in Additional Tier 1 capital with a contractually optional annual coupon rate of 5.5 per cent. The issuance was in the form of a perpetual subordinated debt instrument, which has a call option in 5 years. The instrument also has a mandatory conversion to a variable number of ordinary shares if Swedbank's regulatory capital base falls below a certain level. Swedbank classifies the instrument as Subordinated liabilities in the consolidated balance sheet, even though it is considered part of Tier 1 capital in the capital adequacy report.

Authority Regulation FFFS 2014:12, chap. 8. Additional periodic information according to Regulation (EU) No 575/2013 of the European Parliament and of the Council on supervisory requirements for credit institutions and Implementing Regulation (EU) No 1423/2013 of the European Commission can be found on Swedbank's website: <http://www.swedbank.com/investor-relations/risk-and-capital-adequacy/risk-report/index.htm>

The note contains the information made public according to the Swedish Financial Supervisory

Swedbank Consolidated situation Credit risk, IRB SEKm	Exposure value		Average risk weighting, %		Capital requirement	
	31 Mar	31 Dec	31 Mar	31 Dec	31 Mar	31 Dec
	2015	2014	2015	2014	2015	2014
Institutional exposures	137 869	136 263	14	15	1 568	1 666
Corporate exposures	474 934	461 567	37	37	14 040	13 616
Retail exposures	941 294	931 884	8	8	5 957	6 110
of which mortgage	847 409	839 420	6	6	3 848	4 001
of which other	93 885	92 464	28	29	2 109	2 109
Securitisation	693	763	11	11	6	7
Non credit obligation	54 137	75 078	14	10	619	589
<b>Total credit risks, IRB</b>	<b>1 608 927</b>	<b>1 605 555</b>	<b>17</b>	<b>17</b>	<b>22 190</b>	<b>21 988</b>

## Risk exposure amount and Own funds requirement, consolidated situation

31 Mar 2015 SEKm	Risk exposure amount	Own funds requirement
<b>Credit risks, STD</b>	<b>50 844</b>	<b>4 067</b>
Central government or central banks exposures	374	30
Regional governments or local authorities exposures	595	48
Public sector entities exposures	13	1
Multilateral development banks exposures		
International organisation exposures		
Institutional exposures	978	78
Corporate exposures	11 767	941
Retail exposures	15 896	1 272
Exposures secured by mortgages on immovable property	1 705	136
Exposures in default	609	49
Exposures associated with particularly high risk	22	2
Exposures in the form of covered bonds	4	0
Items representing securitisation positions		
Exposures to institutions and corporates with a short-term credit assessment		
Exposures in the form of units or shares in collective investment undertakings		
Equity exposures	14 503	1 160
Other items	4 378	350
<b>Credit risks, IRB</b>	<b>277 371</b>	<b>22 190</b>
Institutional exposures	19 584	1 568
Corporate exposures	175 505	14 040
of which specialized lending in category 1	15	1
of which specialized lending in category 2	469	38
of which specialized lending in category 3	571	46
of which specialized lending in category 4	1 065	85
of which specialized lending in category 5		
Retail exposures	74 465	5 957
of which mortgage lending	48 094	3 848
of which other lending	26 371	2 109
Securitisation	74	6
Non-credit obligation	7 743	619
<b>Credit risks, Default fund contribution</b>	<b>69</b>	<b>6</b>
<b>Settlement risks</b>	<b>1</b>	<b>0</b>
<b>Market risks</b>	<b>21 358</b>	<b>1 709</b>
Trading book	21 062	1 685
of which VaR and SVaR	13 307	1 065
of which risks outside VaR and SVaR	7 755	620
FX risk other operations	296	24
<b>Credit value adjustment</b>	<b>9 307</b>	<b>744</b>
<b>Operational risks</b>	<b>63 389</b>	<b>5 071</b>
of which Basic indicator approach	1 527	122
of which Standardised approach	61 862	4 949
<b>Total</b>	<b>422 339</b>	<b>33 787</b>

### Credit risks

The Internal Ratings-Based Approach (IRB) is applied within the Swedish part of Swedbank's consolidated situation, including the branch offices in New York and Oslo but excluding EnterCard, several small subsidiaries and certain exposure classes such as exposures to national governments and municipalities. IRB is also applied for the majority of Swedbank's exposure classes in the Baltic countries.

The standardised approach is applied for exposures, excluding capital requirements for default fund contribution, which are not calculated according to IRB.

### Market risks

Under current regulations, capital adequacy for market risks can be based on either a standardised approach or an internal Value at Risk model, which requires the approval of the SFSA. The parent company has received such approval and uses its internal VaR model for general interest rate risks, general and specific share price risks and currency risks in the trading book. The approval also covers operations in the Baltic countries with respect to general interest rate risks and currency risks in the trading book. Exchange rates risks outside the trading book, i.e. in other operations, are mainly of a structural and strategic nature and are less suited to a VaR model.

These risks are instead estimated according to the standardised approach, as per the Group's internal approach to managing these risks.

Strategic currency risks mainly arise through risks associated with holdings in foreign operations.

### Credit valuation adjustment

The risk of a credit valuation adjustment is estimated according to the standardised approach and was added after the implementation of the new EU regulation (CRR).

### Operational risk

Swedbank calculates operational risk mainly using the standardised approach. SFSA has stated that Swedbank meets the qualitative requirements to apply this method.

### Basel 1 floor

The transition rules state that the minimum capital requirement must not fall below 80 per cent of the requirement according to the Basel 1 rules.

## Note 23 Internal capital requirement

This note provides information on the internal capital assessment according to chapter 8, section 5 of the SFSA's regulation on prudential requirements and capital buffers (2014:12). The internal capital assessment is published in the interim report according to chapter 8, section 4 of the SFSA's regulation and general advice on annual reports from credit institutions and investment firms (2008:25).

A bank must identify, measure and have control over the risks with which its activities are associated and have sufficient capital to cover these risks. The purpose of the Internal Capital Adequacy Assessment process (ICAAP) is to ensure that the bank is sufficiently capitalised to cover its risks and to carry on and develop its activities. Swedbank applies its own models and processes to evaluate its capital requirements for all relevant risks. The models that serve as a basis for the internal capital assessment evaluate the need for economic capital over a one year horizon at a 99.9% confidence level for each type of risk. Diversification effects between various types of risks are not taken into account in the calculation of economic capital.

As a complement to the economic capital calculation, scenario-based simulations and stress tests are conducted at least once a year. The analyses provide an overview of the most important risks Swedbank is

exposed to by quantifying their impact on the income statement and balance sheet as well as the capital base and risk-weighted assets. The purpose is to ensure efficient use of capital. The methodology serves as a basis of proactive risk and capital management.

As of 31 March 2015 the internal capital assessment for Swedbank's consolidated situation amounted to SEK 32.3bn. The capital to meet the internal capital assessment, i.e. the capital base, amounted to SEK 110.5bn (see Note 22). Swedbank's internal capital assessment with own models are not comparable with the estimated capital requirement that the SFSA will release quarterly.

The internally estimated capital requirement for the Parent Company is SEK 26.9bn and the capital base is SEK 87.8 (see Note Capital adequacy for parent company).

In addition to what is stated in this interim report, risk management and capital adequacy according to the Basel 3 framework are described in more detail in Swedbank's annual report for 2014 as well as in Swedbank's yearly Risk and Capital Adequacy Report, available at [www.swedbank.se](http://www.swedbank.se).

## Note 24 Risks and uncertainties

Swedbank's earnings are affected by changes in the global marketplace over which it has no control, including macroeconomic factors such as GDP, asset prices and unemployment as well as changes in interest rates, equity prices and exchange rates.

In addition to what is stated in this interim report, detailed descriptions are provided in Swedbank's 2014 annual report and in the annual disclosure on risk management and capital adequacy according to Basel 2 rules, available on [www.swedbank.com](http://www.swedbank.com).



**Effect on value of assets and liabilities in SEK and foreign currency, including derivatives  
if interest rates increase by 100bp, 31 Mar 2015**

<b>Group SEKm</b>	<b>&lt; 5 years</b>	<b>5-10 years</b>	<b>&gt;10 years</b>	<b>Total</b>
<b>Swedbank, the Group</b>	<b>-563</b>	<b>-29</b>	<b>0</b>	<b>-592</b>
of which SEK	-840	-39	43	-835
of which UVAL	277	10	-44	243
<b>Of which financial instruments at fair value reported through profit or loss</b>	<b>-188</b>	<b>47</b>	<b>-10</b>	<b>-151</b>
of which SEK	-657	16	12	-629
of which UVAL	469	31	-22	479

## Note 25 Business combinations 2014

On 20 May 2014 Swedbank AB acquired all the shares in Sparbanken Öresund AB. On the same date, immediately after the share purchase, Sparbanken Öresund AB sold a number of bank branches to

Sparbanken Skåne AB. Because certain assets and liabilities in the combination were acquired to be immediately divested, they were classified as held for sale on the acquisition date.

<b>Group SEKm</b>	<b>Carrying amount in the Group at acquisition date 20 May 2014</b>
Cash and balances with central banks	20
Loans to credit institutions	4 461
Loans to the public	16 331
Interest-bearing securities	1 973
Shares and participating interests	33
Investments in associates	60
Derivatives	26
Intangible fixed assets	205
Tangible assets	113
Other assets	219
Prepaid expenses and accrued income	134
Group of assets classified as held for sale	10 503
<b>Total assets</b>	<b>34 078</b>
Amounts owed to credit institutions	2 841
Deposits and borrowings from the public	11 596
Debt securities in issue	2 028
Derivatives	49
Deferred tax liabilities	176
Other liabilities	1 626
Subordinated liabilities	947
Liabilities directly associated with group of assets classified as held for sale	11 417
<b>Total liabilities</b>	<b>30 679</b>
<b>Total identifiable net assets</b>	<b>3 398</b>
<b>Acquisition cost, cash</b>	<b>2 938</b>
<b>Bargain purchase, reported as other income</b>	<b>461</b>

The gain recognised on the acquisition was a result of the fact that Swedbank had to make extensive changes in the acquired operations, including the divestment of branches and associated system solutions. For this reason, a restructuring reserve has been recognised and immediately after the acquisition amounted to SEK 591m.

Group SEKm	Carrying amount in the Group at acquisition date 20 May 2014
<b>Cash flow</b>	
Cash and cash equivalents in the acquired company	20
Acquisition cost, cash	-2 938
<b>Net</b>	<b>-2 918</b>
Acquired loans, fair value	16 331
Acquired loans, gross contractual amounts	16 654
Acquired loans, best estimate of the contractual cash	258

From the acquisition date the acquired company contributed SEK 489m to income and SEK 75m to profit after tax, excluding the bargain purchase gain. If the company had been acquired at the beginning of the 2014 financial year, consolidated income through December 2014 would have amounted to SEK 39 653m instead of SEK 39 304m. The Group's profit after tax would have amounted to SEK 16 457m instead of SEK 16 463m.

## Note 26 Discontinued operations

Group SEKm	Jan-Mar 2015		Jan-Mar 2014		
	Russia	Total	Russia	Lithuania	Total
<b>Profit from discontinued operations</b>					
Income	-13	-13	45	99	144
Expenses	3	3	47	87	134
Profit before impairments	-16	-16	-2	12	10
Impairments	-57	-57	-36		-36
Operating profit	-73	-73	-38	12	-26
Tax expense	121	121	1	-2	-1
<b>Post-tax profit for the period of discontinued operations</b>	<b>48</b>	<b>48</b>	<b>-37</b>	<b>10</b>	<b>-27</b>
Disposal result					
Reclassification adjustments to income statement					
of which exchange differences foreign operations					
of which hedging of net investments in foreign operations					
of which income tax					
<b>Profit for the period from discontinued operations, after tax</b>	<b>48</b>	<b>48</b>	<b>-37</b>	<b>10</b>	<b>-27</b>

Group of assets classified as held for sale	31 Mar 2015		31 Mar 2014		
	Russia	Total	Russia	Lithuania	Total
Loans to the public	502	502	963		963
of which impaired loans, gross	331	331	421		421
of which individual provisions	-221	-221	-244		-244
of which impaired loans, net	110	110	177		177
of which portfolio provisions	-234	-234	-21		-21
Non-current tangible assets				100	100
Other assets	112	112	740	135	875
<b>Total assets</b>	<b>614</b>	<b>614</b>	<b>1 703</b>	<b>235</b>	<b>1 937</b>
<b>Liabilities directly associated with group of assets classified as held for sale</b>					
Amounts owed to credit institutions			8		8
Other liabilities	50	50	48	97	145
<b>Total liabilities</b>	<b>50</b>	<b>50</b>	<b>56</b>	<b>97</b>	<b>153</b>

## Note 27 Related-party transactions

During the period normal business transactions were executed between companies in the Group, including other related companies such as associates. Partly-owned savings banks are major associates. During the second quarter 2014 the former Färs & Frosta Sparbank AB sold its entire holding of Swedbank shares. The Group's interest in these shares increased equity in the consolidated statements by SEK 166m. The holding generated a net gain of SEK 50m.

Other significant relations include Swedbank's pension funds and Sparinstitutens Pensionskassa SPK, which safeguard employees' post-employment benefits. These related parties use Swedbank for customary banking services.

## Note 28 Swedbank's share

	31-mar 2015	31 Dec 2014	%	31-mar 2014	%
<b>SWED A</b>					
Share price, SEK	206.10	195.50	5	173.70	19
Number of outstanding ordinary shares	1 104 779 434	1 102 088 935	0	1 102 242 094	0
<b>Market capitalisation, SEKm</b>	<b>227 695</b>	<b>215 458</b>	<b>6</b>	<b>191 459</b>	<b>19</b>

	31 Mar 2015	31 Dec 2014	31 Mar 2014
<b>Number of outstanding shares</b>			
<b>Issued shares</b>			
SWED A	1 132 005 722	1 132 005 722	1 132 005 722
<b>Repurchased shares</b>			
SWED A	-27 226 288	-29 750 577	-29 763 628
<b>Repurchase of own shares for trading purposes</b>			
SWED A		-166 210	
<b>Swedbank's share of associates' holding of shares</b>			
SWED A			-1 599 000
<b>Number of outstanding shares on the closing day</b>	<b>1 104 779 434</b>	<b>1 102 088 935</b>	<b>1 100 643 094</b>

Within Swedbank's share-based compensation programme, Swedbank AB has during Q1 2015 transferred 2 524 289 shares, at no cost to employees.

	Q1 2015	Q4 2014	Q1 2014
<b>Earnings per share</b>			
<b>Average number of shares</b>			
Average number of shares before dilution	1 103 628 010	1 102 253 338	1 099 162 387
Weighted average number of shares for potential ordinary shares that incur a dilutive effect due to share-based compensation programme	8 369 723	9 351 516	8 888 554
Average number of shares after dilution	1 111 997 733	1 111 604 854	1 108 050 941
<b>Profit, SEKm</b>			
Profit for the period attributable to shareholders of Swedbank	4 320	3 795	3 953
Earnings for the purpose of calculating earnings per share	4 320	3 795	3 953
<b>Earnings per share, SEK</b>			
Earnings per share before dilution	3.91	3.44	3.60
Earnings per share after dilution	3.88	3.41	3.57

# Swedbank AB

## Income statement, condensed

Parent company SEKm	Q1 2015	Q4 2014	%	Q1 2014	%
Interest income	4 467	8 316	-46	4 270	5
Interest expenses	-1 195	-1 429	-16	-1 917	-38
<b>Net interest income</b>	<b>3 272</b>	<b>6 887</b>	<b>-52</b>	<b>2 353</b>	<b>39</b>
Dividends received	1 652	13 367	-88	5 069	-67
Commission income	2 265	4 158	-46	1 781	27
Commission expenses	-797	-2 056	-61	-402	98
<b>Net commission income</b>	<b>1 468</b>	<b>2 102</b>	<b>-30</b>	<b>1 379</b>	<b>6</b>
Net gains and losses on financial items at fair value	-66	109		629	
Other income	254	319	-20	335	-24
<b>Total income</b>	<b>6 580</b>	<b>22 784</b>	<b>-71</b>	<b>9 765</b>	<b>-33</b>
Staff costs	2 019	2 070	-2	1 946	4
Other expenses	1 091	1 195	-9	1 068	2
Depreciation/amortisation	1 077	4 081	-74	136	
<b>Total expenses</b>	<b>4 187</b>	<b>7 346</b>	<b>-43</b>	<b>3 150</b>	<b>33</b>
<b>Profit before impairments</b>	<b>2 393</b>	<b>15 438</b>	<b>-84</b>	<b>6 615</b>	<b>-64</b>
Impairment of financial fixed assets	37	1 880	-98	200	-82
Impairment of tangible assets	17				
Credit impairments	38	241	-84	3	
<b>Operating profit</b>	<b>2 301</b>	<b>13 317</b>	<b>-83</b>	<b>6 412</b>	<b>-64</b>
Appropriations	-16	-652	-98	-15	7
Tax expense	214	2 171	-90	520	-59
<b>Profit for the period</b>	<b>2 103</b>	<b>11 798</b>	<b>-82</b>	<b>5 907</b>	<b>-64</b>

## Statement of comprehensive income, condensed

Parent company SEKm	Q1 2015	Q4 2014	%	Q1 2014	%
<b>Profit for the period reported via income statement</b>	<b>2 103</b>	<b>11 798</b>	<b>-82</b>	<b>5 907</b>	<b>-64</b>
<b>Items that will not be reclassified to the income statement</b>					
Remeasurements of defined benefit pension plans	1	-8			
Income tax					
<b>Total</b>	<b>1</b>	<b>-8</b>			
<b>Items that may be reclassified to the income statement</b>					
Cash flow hedges:					
Gains/losses arising during the period	-3			-4	-25
Reclassification adjustments to income statement, net interest income	3	5	-40	5	-40
Income tax		-1			
<b>Total</b>		<b>4</b>		<b>1</b>	
<b>Other comprehensive income for the period, net of tax</b>	<b>1</b>	<b>-4</b>		<b>1</b>	<b>0</b>
<b>Total comprehensive income for the period</b>	<b>2 104</b>	<b>11 794</b>	<b>-82</b>	<b>5 908</b>	<b>-64</b>

## Balance sheet, condensed

Parent company SEKm	31 Mar 2015	31 Dec 2014	%	31 Mar 2014	%
<b>Assets</b>					
Cash and balance with central banks	220 779	73 802		111 445	98
Loans to credit institutions	444 144	435 979	2	415 294	7
Loans to the public	423 450	432 879	-2	351 288	21
Interest-bearing securities	191 888	160 021	20	164 116	17
Shares and participating interests	71 050	69 970	2	66 043	8
Derivatives	150 193	133 703	12	84 475	78
Other assets	32 127	40 150	-20	28 298	14
<b>Total assets</b>	<b>1 533 631</b>	<b>1 346 504</b>	<b>14</b>	<b>1 220 959</b>	<b>26</b>
<b>Liabilities and equity</b>					
Amounts owed to credit institutions	246 699	222 569	11	198 990	24
Deposits and borrowings from the public	622 974	532 118	17	539 430	15
Debt securities in issue	356 020	318 041	12	280 417	27
Derivatives	140 390	118 696	18	76 087	85
Other liabilities and provisions	67 437	51 045	32	43 621	55
Subordinated liabilities	24 363	18 010	35	16 844	45
Untaxed reserves	10 027	10 043	0	6 289	59
Equity	65 721	75 982	-14	59 281	11
<b>Total liabilities and equity</b>	<b>1 533 631</b>	<b>1 346 504</b>	<b>14</b>	<b>1 220 959</b>	<b>26</b>
Pledged collateral	54 527	49 462	10	43 397	26
Other assets pledged	11 068	7 053	57	3 917	
Contingent liabilities	533 292	515 934	3	525 568	1
Commitments	207 894	201 188	3	183 520	13

## Statement of changes in equity, condensed

Parent company SEKm						
	Share capital	Share premium reserve	Statutory reserve	Cash flow hedges	Retained earnings	Total
<b>January-March 2014</b>						
<b>Opening balance 1 January 2014</b>	<b>24 904</b>	<b>13 206</b>	<b>5 968</b>	<b>-7</b>	<b>20 312</b>	<b>64 383</b>
Dividend					-11 133	-11 133
Share based payments to employees					130	130
Deferred tax related to share based payments to employees					-7	-7
Total comprehensive income for the period				1	5 907	5 908
<b>Closing balance 30 March 2014</b>	<b>24 904</b>	<b>13 206</b>	<b>5 968</b>	<b>-6</b>	<b>15 209</b>	<b>59 281</b>
<b>January-December 2014</b>						
<b>Opening balance 1 January 2014</b>	<b>24 904</b>	<b>13 206</b>	<b>5 968</b>	<b>-7</b>	<b>20 312</b>	<b>64 383</b>
Dividend					-33	-33
Repurchase of own shares for trading purposes					459	459
Share based payments to employees					12	12
Deferred tax related to share based payments to employees					42	42
Current tax related to share based payments to employees					4	4
Total comprehensive income for the period				4	22 248	22 252
<b>Closing balance 31 December 2014</b>	<b>24 904</b>	<b>13 206</b>	<b>5 968</b>	<b>-3</b>	<b>31 907</b>	<b>75 982</b>
<b>January-March 2015</b>						
<b>Opening balance 1 January 2015</b>	<b>24 904</b>	<b>13 206</b>	<b>5 968</b>	<b>-3</b>	<b>31 907</b>	<b>75 982</b>
Dividend					-12 539	-12 539
Disposal of own shares for trading purposes					33	33
Share based payments to employees					115	115
Deferred tax related to share based payments to employees					-30	-30
Current tax related to share based payments to employees					56	56
Total comprehensive income for the period					2 104	2 104
<b>Closing balance 31 March 2015</b>	<b>24 904</b>	<b>13 206</b>	<b>5 968</b>	<b>-3</b>	<b>21 646</b>	<b>65 721</b>

## Cash flow statement, condensed

Parent company SEKm			
	Jan-Mar 2015	Full-year 2014	Jan-Mar 2014
Cash flow from operating activities	97 898	-50 145	17 911
Cash flow from investing activities	7 524	-399	516
Cash flow from financing activities	41 555	91 907	60 579
<b>Cash flow for the period</b>	<b>146 977</b>	<b>41 363</b>	<b>79 006</b>
Cash and cash equivalents at beginning of period	73 802	32 439	32 439
Cash flow for the period	146 977	41 363	79 006
<b>Cash and cash equivalents at end of period</b>	<b>220 779</b>	<b>73 802</b>	<b>111 445</b>

## Capital adequacy

Capital adequacy, Parent company SEKm	31 Mar 2015	31 Dec 2014	31 Mar 2014		
<b>Common Equity Tier 1 capital</b>	<b>64 069</b>	<b>65 453</b>	<b>59 084</b>		
Additional Tier 1 capital	10 825	4 989	5 009		
<b>Tier 1 capital</b>	<b>74 894</b>	<b>70 442</b>	<b>64 093</b>		
Tier 2 capital	12 924	12 402	11 694		
<b>Total capital</b>	<b>87 818</b>	<b>82 844</b>	<b>75 787</b>		
<b>Capital requirement</b>	<b>26 259</b>	<b>25 593</b>	<b>27 897</b>		
<b>Risk exposure amount</b>	<b>328 241</b>	<b>319 908</b>	<b>348 714</b>		
<b>Common Equity Tier 1 capital ratio, %</b>	<b>19.5</b>	<b>20.5</b>	<b>16.9</b>		
<b>Tier 1 capital ratio, %</b>	<b>22.8</b>	<b>22.0</b>	<b>18.4</b>		
<b>Total capital ratio, %</b>	<b>26.8</b>	<b>25.9</b>	<b>21.7</b>		
<b>Capital buffer requirement<sup>1)</sup></b> %	<b>31 Mar 2015</b>	<b>31 Dec 2014</b>			
CET1 capital requirement including buffer requirements	7.0	7.0			
of which capital conservation buffer	2.5	2.5			
of which countercyclical capital buffer					
of which systemic risk buffer					
CET 1 capital available to meet buffer requirement <sup>2)</sup>	15.0	16.0			
<b>Capital adequacy transition rules Basel 1 floor<sup>3)</sup></b> SEKm	<b>31 Mar 2015</b>	<b>31 Dec 2014</b>	<b>% or pp</b>	<b>31 Mar 2014</b>	<b>% or pp</b>
Capital requirement Basel 1 floor	29 066	25 593	14	27 897	4
Own funds Basel 3 adjusted according to rules for Basel 1 floor	88 384	82 844	7	75 787	17
<b>Surplus of capital according to Basel 1 floor</b>	<b>59 318</b>	<b>57 251</b>	<b>4</b>	<b>47 890</b>	<b>24</b>
<b>Leverage ratio<sup>4)</sup></b> %	<b>31 Mar 2015</b>	<b>31 Dec 2014</b>	<b>31 Mar 2014</b>		
Tier 1 Capital, SEKm	74 894	70 442	64 093		
Total exposure, SEKm	2 131 978	1 960 610	1 867 185		
Leverage ratio, %	3.5	3.6	3.4		
Total exposure taking into account CRR article 429.7 <sup>5)</sup> , SEKm	1 264 697	1 130 434	1 041 746		
Leverage ratio taking into account CRR article 429.7 <sup>5)</sup> , %	5.9	6.2	6.2		

<sup>1)</sup> Buffer requirement according to Swedish implementation of CRD IV.

<sup>2)</sup> 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.

<sup>3)</sup> 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.

<sup>4)</sup> Calculated according to applicable regulation at each respective reporting date.

<sup>5)</sup> Taking into account potential exemption according to CRR article 429.7 excluding certain intragroup exposures.

**Risk exposure amount and own funds requirement, parent company**
**31 Mar 2015**
**SEKm**

	Risk exposure amount	Own funds requirement
<b>Credit risks, STD</b>	<b>88 567</b>	<b>7 085</b>
Central government or central banks exposures	221	18
Regional governments or local authorities exposures	33	3
Public sector entities exposures		
Multilateral development banks exposures		
International organisation exposures		
Institutional exposures	2 149	172
Corporate exposures	8 823	706
Retail exposures	3 697	296
Exposures secured by mortgages on immovable property	637	51
Exposures in default	50	4
Exposures associated with particularly high risk		
Exposures in the form of covered bonds		
Items representing securitisation positions		
Exposures to institutions and corporates with a short-term credit assessment		
Exposures in the form of units or shares in collective investment undertakings		
Equity exposures	72 000	5 760
Other items	957	77
<b>Credit risks, IRB</b>	<b>172 662</b>	<b>13 813</b>
Institutional exposures	20 912	1 673
Corporate exposures	123 260	9 861
of which specialized lending		
Retail exposures	22 270	1 782
of which mortgage lending	2 888	231
of which other lending	19 382	1 551
Securitisation	74	6
Non-credit obligation	6 146	492
<b>Credit risks, Default fund contribution</b>	<b>69</b>	<b>6</b>
<b>Settlement risks</b>	<b>1</b>	<b>0</b>
<b>Market risks</b>	<b>20 576</b>	<b>1 646</b>
Trading book	20 309	1 625
of which VaR and SVaR	13 307	1 065
of which risks outside VaR and SVaR	7 002	560
FX risk other operations	267	21
<b>Credit value adjustment</b>	<b>9 427</b>	<b>754</b>
<b>Operational risks</b>	<b>36 939</b>	<b>2 955</b>
Standardised approach	36 939	2 955
<b>Total</b>	<b>328 241</b>	<b>26 259</b>



## Signatures of the Board of Directors and the President

The Board of Directors and the President certify that the interim report for January-March 2015 provides a fair and accurate overview of the operations, position and results of the parent company and the Group and describes the significant risks and uncertainties faced by the parent company and the companies in the Group.

Stockholm, 27 April 2015

Anders Sundström  
Chair

Lars Idermark  
Deputy Chair

Ulrika Francke  
Board Member

Göran Hedman  
Board Member

Anders Igel  
Board Member

Pia Rudengren  
Board Member

Karl-Henrik Sundström  
Board Member

Siv Svensson  
Board Member

Maj-Charlotte Wallin  
Board Member

Camilla Linder  
Board Member  
Employee Representative

Roger Ljung  
Board Member  
Employee Representative

Michael Wolf  
President

## Review report

### Introduction

We have reviewed the year-end report for Swedbank AB (publ) for the period January-March 2015. The Board of Directors and the President are responsible for the preparation and presentation of this year-end report in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this year-end report based on our review.

### Scope of review

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410 Review of Interim Financial Information performed by the company's auditors. A review consists of making inquiries, primarily with persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the year-end report for the Group is not, in all material aspects, in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies and as regards the parent company in accordance the Annual Accounts Act for Credit Institutions and Securities Companies.

Stockholm, 27 April 2015  
Deloitte AB

Svante Forsberg  
Authorised Public Accountant

## Publication of financial information

The Group's financial reports can be found on [www.swedbank.com/ir](http://www.swedbank.com/ir)

### Financial calendar 2015

Interim report for the second quarter 2015 16 July

Interim report for the third quarter 2015 on 20 October

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Information on Swedbank's strategy, values and share is also available on [www.swedbank.com](http://www.swedbank.com)

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