

# Annual Accounts 2016

STOCKHOLM 1 FEBRUARY 2017

“We have supported our customers all through a year marked by uncertainty. Business sentiment and customer activity grew more positive in the fourth quarter. One year into our business plan, SEB has a robust financial position, a growing customer base and a clear strategy set on delivering world-class service.”

Annika Falkengren



**SEB**

# Annual Accounts 2016

## Result excluding items affecting comparability\*

### Full year 2016

(Compared with full year 2015)

- Operating income SEK 43.3bn (44.7), operating expenses SEK 21.8bn (21.8) and operating profit SEK 20.3bn (21.8).
- Net credit losses SEK 993m (883). Credit loss level 0.07 per cent (0.06).
- Return on equity 11.3 per cent (12.9).

\* See box on page 5 for information on items affecting comparability (no such items in the fourth quarter).

## Reported result

### Full year 2016

(Compared with full year 2015)

- Operating income SEK 43.8bn (43.8), operating expenses SEK 27.8bn (21.8), operating profit SEK 14.9bn (20.9) and net profit SEK 10.6bn (16.6).
- Net credit losses SEK 993m (883). Credit loss level 0.07 per cent (0.06).
- Return on equity 7.8 per cent (12.2) and earnings per share SEK 4.88 (7.57).

### Fourth quarter 2016

(Compared with the third quarter 2016)

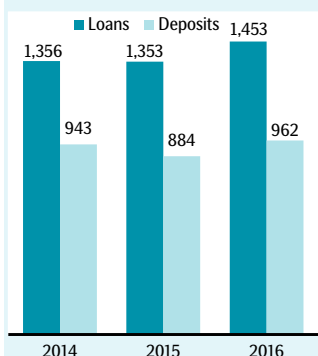
- Operating income SEK 11.6bn (10.8), operating expenses SEK 5.7bn (5.4), operating profit SEK 5.6bn (5.2) and net profit SEK 4.2bn (4.1).
- Net credit losses SEK 284m (197). Credit loss level 0.08 per cent (0.05).
- Return on equity 12.3 per cent (12.3) and earnings per share SEK 1.96 (1.91).

## Dividend

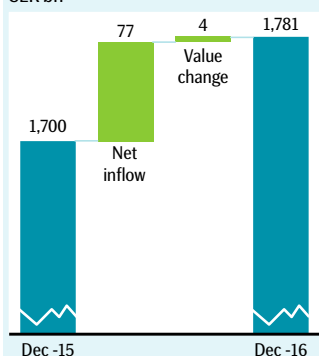
- The Board of Directors propose a dividend to the shareholders of SEK 5.50 per share (5.25).

## Volumes and key ratios

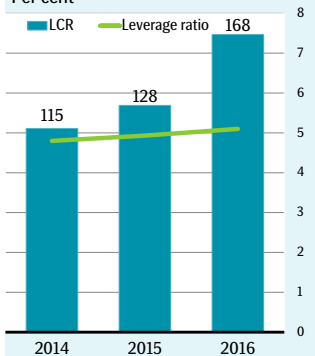
Loans to and deposits from the public  
SEK bn



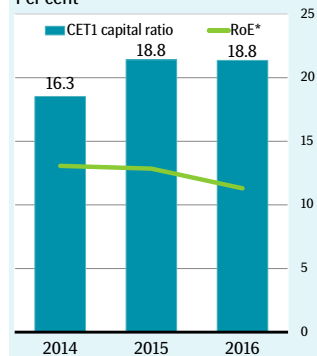
Assets under management  
SEK bn



Liquidity coverage & Leverage ratios  
Per cent



CET 1 capital ratio/Return on equity  
Per cent



\* Excluding items affecting comparability

## President's comment

In many ways, 2016 will be remembered as the year of the unexpected events. The unconventional monetary policy with negative interest rates turned even more negative and the quantitative easing programmes - already massive - were extended. In Europe, subdued real growth also caused bond yields to turn negative at the start of the year. On a global scale, there were summons for increased protectionism as a response to growing social imbalances. Geopolitical tension increased and major political events had unexpected outcomes. In the UK, the EU referendum resulted in a Brexit and in the US, Donald Trump won the presidential election.

Despite a cautious start, business sentiment started to improve during the second half of the year driven by expectations of increased infrastructure investments. Bond yields as well as equity markets rose. 2017 has also started off on a more positive note.

### **We support customers also in times of uncertainty**

The shifting market environment impacted customer behaviour. All through the year, customers' demand for advisory and risk management services remained high. As business sentiment grew more positive towards the end of the year, event-driven transactions picked up in the fourth quarter. Large corporate credit demand rose and SEB participated in a number of large public equity listings in the Nordic region. The low interest rate environment pushed many financial institutions to move further out on the risk curve and into less liquid investments. Both in Sweden and in the Baltic countries we saw that domestically focused SMEs continued to show a growing willingness to invest. Just over the past year, SEB has increased its SME lending in Sweden by SEK 26bn. The shifting demographic trends increase the needs for long-term savings. Customers appreciated our holistic savings offering, which also includes traditional life insurance. Both private individuals and institutional clients have higher demands for sustainability focused investments. SEB has taken an industry leading approach and our four microfinance funds rendered the largest net inflows in Europe last year.

All in all, volatile markets and higher customer activity in the fourth quarter, led to an increase in operating income by 8 per cent and in operating profit by 6 per cent compared to the third quarter. Year on year, negative interest rates and the cautious start of the year contributed to lower net interest income and lower net fee and commission, while the demand for risk management services led to higher net financial income. Asset quality remained high with a credit loss level of 0.07 per cent. SEB's underlying operating profit, excluding both negative and positive items affecting comparability, was SEK 20.3bn and return on equity of 11.3 per cent. Short and long-term funding positions were further strengthened and the Common Equity Tier 1 capital ratio reached 18.8 per cent.

### **One year into our new business plan**

2016 marked the beginning of a new long-term strategy and three-year business plan. We believe that going forward customer orientation and digitisation will continue to increase in importance. This is reflected in our vision to deliver world-class service. Thus, we have reorganised the bank into customer segments and are changing our ways of working. We continue to invest and grow in all our businesses in Sweden, our Nordic and German franchises and in the savings area. We have invested in and launched new customer interfaces in all segments as well as a number of new services including remote advice. We are automating internal end-to-end processes and increasing efficiency. In terms of customer experience we can conclude that we are on the right track. In 2016, SEB was ranked the no.1 bank by both Nordic tier 1 large corporations as well as tier 1 financial institutions (Prospera). We have improved our relative performance in the broad customer survey in Sweden, SKI (Svenskt Kvalitetsindex). However, the macroeconomic and political development took unexpected turns during the year which so far has affected the financial outcome. We maintain our financial targets and extend our cost cap of SEK 22bn into 2018.

Having been at the helm of SEB for more than 11 years, I have taken the decision that this summer is the right moment to step down. I would like to take this opportunity to thank all employees and customers for their commitment to and trust in SEB. Today SEB has a robust financial position, a growing customer base and a clear strategy. I know that the whole SEB team will continue, step by step, to deliver on our vision of world-class service to our customers.



A handwritten signature in black ink, appearing to read 'Elin Fax'. The signature is fluid and cursive.

## Fourth quarter

The operating profit amounted to SEK 5,558m (5,229) and net profit (after tax) amounted to SEK 4,244m (4,149).

## Operating income

Total operating income amounted to SEK 11,618m (10,795).

Net interest income, which amounted to SEK 4,798m, increased by 3 per cent compared with both the previous quarter (4,657) and year-on-year. Both the Swedish repo rate and the ECB Euro refinancing interest rate were unchanged in the quarter, at -0.5 and zero per cent, respectively.

	Q4	Q3	Q4
SEK m	2016	2016	2015
Customer-driven NII	5 424	5 051	4 810
NII from other activities	-626	-394	-133
<b>Total</b>	<b>4 798</b>	<b>4 657</b>	<b>4 677</b>

Customer-driven net interest income increased by SEK 373m compared to the third quarter. Lending margins and volumes contributed with SEK 433m. This was counteracted by a mainly margin-related decrease in net interest income from deposits of SEK 60m.

Net interest income from other activities decreased by SEK 232m compared to the third quarter. In addition to the effect from the negative interest rates, the costs increased due to increased volumes of long-term funding. Regulatory fees, including resolution and deposit guarantee fees, amounted to SEK 331m (349).

Net fee and commission income increased by 14 per cent to SEK 4,609m (4,048) and by 5 per cent compared with the fourth quarter 2015. Corporate lending continued to grow, primarily driven by a few large corporate deals, and gross lending related fees increased by SEK 160m. The stock markets improved during the quarter, leading to an increase of SEK 139m in gross fee income from assets under management and custody. Performance and transaction fees amounted to SEK 212m (21). Net commissions relating to the life insurance business were unchanged at SEK 276m (268). Net card and payment fees increased somewhat compared to the third quarter.

Net financial income increased by 6 per cent to SEK 2,038m from the third quarter (1,915) and by 26 per cent compared to the fourth quarter 2015. Customer demand for risk management services increased. The net unrealised valuation adjustment from counterparty risk (CVA) and own credit in derivatives (DVA) as well as issued structured bonds (OCA), was SEK 223m (-84). The market value of the bond portfolio held in the liquidity management operations decreased during the quarter. The increase in net financial income relating to the traditional life insurance operations in Sweden and Denmark amounted to SEK 37m.

Net other income was virtually unchanged from the third quarter and amounted to SEK 173m (175). Realised capital gains and unrealised valuation and hedge accounting effects were included in this line item.

## Operating expenses

Total operating expenses increased by 7 per cent and amounted to SEK 5,709m (5,355). Operating expenses are well within the cost cap of SEK 22bn for the full year 2016, excluding items affecting comparability (see box on page 5). In the fourth quarter, there were costs relating to the on-going transformation of the bank. There was also a seasonal increase in costs.

## Credit losses and provisions

Net credit losses amounted to SEK 284m (197). The credit loss level was 8 basis points (5).

## Income tax expense

Total income tax expense was SEK 1,314m (1,080). The effective tax rate for the fourth quarter was 23.6 per cent (20.7). The increase is mainly due to a revaluation of losses carried forward in Germany.

## Other comprehensive income

The other comprehensive income amounted to SEK 1,225m (-714).

The value of the pension plan assets exceeded the defined benefit obligations. The discount rate for the total pension obligation in Sweden was changed to 2.4 per cent (1.9) and in Germany to 1.7 per cent (1.2). This decreased the total defined benefit obligation while the pension asset market value was slightly positive. The net change in other comprehensive income was therefore SEK 1,883m (-781).

The net effect from the valuation of balance sheet items that may subsequently be reclassified to the income statement, i.e. cash-flow hedges, available-for-sale financial assets and translation of foreign operations, was negative in the amount of SEK -658m (67).

### Comparative numbers (in parenthesis):

The quarterly result is compared to the previous quarter.

The full-year 2016 result is compared to 2015.

Business volumes are compared to year-end 2015, unless otherwise stated.

### The full year 2016 – excluding items affecting comparability

The table below shows the operating profit for the full years 2016 and 2015, excluding the following items affecting comparability:

1. Second quarter 2016: The settlement of the transaction of SEB's Baltic holdings in Visa Europe resulted in a gain of SEK 520m accounted for as net other income. The gain generated a tax expense of SEK 24m. See page 8.
2. First quarter 2016: SEB implemented a new customer-oriented organisation. The reorganisation resulted in an impairment of goodwill in the amount of SEK 5,334m accounted for as operating expenses. This expense was not tax deductible.
3. First quarter 2016: Financial effects from restructuring activities in the Baltic and German businesses and a write-down (derecognition) of intangible IT-assets no longer in use were booked. In total, these items affected operating expenses by SEK 615m and there was a positive tax effect amounting to SEK 101m.
4. Second quarter 2015: The Swiss Supreme Court denied SEB's application for a refund of withholding tax dating back to the years 2006 through 2008. This led to a decrease of net financial income in the amount of SEK 820m and an additional interest expense of SEK 82m. There was no tax effect.

SEK m	Jan-Dec		Change %
	2016	2015	
Total operating income	43 251	44 665	-3
Total operating expenses	-21 812	-21 802	0
<b>Profit before credit losses</b>	<b>21 439</b>	<b>22 863</b>	<b>-6</b>
Net credit losses etc	-1 143	-1 096	4
<b>Operating profit</b>	<b>20 296</b>	<b>21 767</b>	<b>-7</b>

### The full year 2016 – reported result

The operating profit amounted to SEK 14,867m (20,865) and net profit (after tax) amounted to SEK 10,618m (16,581).

### Operating income

Total operating income amounted to SEK 43,771m (43,763).

Net interest income amounted to SEK 18,738m (18,938).

The Swedish repo rate has been -0.50 per cent and ECB's Euro refinancing interest rate has been zero since the first quarter 2016.

SEK m	Jan-Dec		Change %
	2016	2015	
Customer-driven NII	20 464	18 609	10
NII from other activities	-1 726	329	
<b>Total</b>	<b>18 738</b>	<b>18 938</b>	<b>-1</b>

Customer-driven net interest income increased by SEK 1,855m compared to 2015. Lending related net interest income increased by SEK 1,586m, where SEK 717m was due to higher volumes and SEK 869m was a margin effect. In the prevailing negative interest rate environment, the bank has

supported the divisions' intake of customer deposits. Hence, customer deposit-related net interest income increased by SEK 267m, mainly in the form of deposit margins.

Net interest income from other activities decreased by SEK 2,055m compared to 2015. An item affecting comparability occurred in 2015 (see item 4 in the box). Year-on-year, the lower interest rate levels led to a reduction of net interest income by approximately SEK 900m. Regulatory fees, including resolution and deposit guarantee fees, amounted to SEK 1,362m (1,201).

Net fee and commission income decreased by 9 per cent to SEK 16,628m (18,345). The 2016 stock market was slow although there was a pick-up towards the end of the year. The gross custody and mutual funds fee income decreased by SEK 1,243m compared to 2015, of which performance and transaction fees decreased by SEK 436m to SEK 275m (711). As communicated during the year, there has been a need to reduce seasonality in balance sheet usage, in line with the new regulatory liquidity framework. This led to reduced stock lending activities which significantly lowered related secondary market fee income. Card fees decreased by an estimated SEK 480m due to the regulatory cap on interchange fees. Net commissions relating to the life insurance business amounted to SEK 1,039m (1,154).

Net financial income increased by 29 per cent to SEK 7,056m (5,478). Excluding an item affecting comparability in 2015 (see item 4 in the box) the increase was 12 per cent. Customers were active, seeking risk management services throughout the turbulent year, primarily in foreign exchange but also in fixed income and equities. Net financial income relating to the traditional life insurance operations in Sweden and Denmark increased, by SEK 425m year-on-year to SEK 1,919m. There was however a net negative valuation adjustment from counterparty risk (CVA) and own credit risk in derivatives (DVA) as well as issued structured bonds (OCA), amounting to SEK -219m in total. In 2015 this item was SEK 603m, resulting in a negative change of SEK 822m year-on-year. Valuation of the liquidity management portfolios had a positive effect.

Net other income amounted to SEK 1,349m (1,002) reflecting a combination of realised capital gains and unrealised valuation and hedge accounting effects. There was an item affecting comparability in 2016 (see item 1 in the box). Additionally, in the third quarter 2015, SEB Asset Management AG was divested and goodwill related to that transaction decreased net other income by SEK 187m.

### Operating expenses

Total operating expenses amounted to SEK 27,761m (21,802). Two items in 2016 affected the comparison (see item 2 and 3 in the box). Excluding these items, operating expenses amounted to SEK 21,812m in line with 2015 and below the cost cap of SEK 22bn. The number of employees (full time equivalents) decreased by approximately 300 to around 15,100 at the end of the period.

### Credit losses and provisions

Net credit losses amounted to SEK 993m (883). The credit loss level was 7 basis points (6).

### Income tax expense

Total income tax expense was SEK 4,249m (4,284). The effective tax rate for the year was 28.5 per cent. Excluding the items that affect comparability, the effective tax rate was 21 per cent. This was in line with SEB's expected tax rate.

### Other comprehensive income

The other comprehensive income amounted to SEK -946m (2,219).

The net revaluation of the defined benefit pension plans had a negative effect of SEK -1,875m during the year versus a positive effect 2015 of SEK 4,178m. The value of the pension plan assets exceeded the pension obligations even though the pension obligation increased more than the value of the pension plan assets due to lower discount rates. At year-end 2016, the discount rate in Sweden was 2.4 per cent (down from 3.1 per cent at year-end 2015) and the discount rate in Germany was 1.7 per cent (from 2.4 per cent at year-end).

The net effect from the valuation of balance sheet items that may subsequently be reclassified to the income statement, i.e. cash-flow hedges, available-for-sale financial assets and translation of foreign operations, was positive in the amount of SEK 929m (-1,959). The valuation of available-for-sale financial assets included the revaluation of the holdings in Visa Sweden. The weaker krona resulted in an increase from translation of foreign operations.

### Business volumes

Total assets at the end of the period were SEK 2,621bn, an increase by SEK 125bn year-on-year (2,496).

Loans to the public amounted to SEK 1,453bn, an increase of SEK 100bn for the full year. Excluding repos and debt instruments, loans to the public increased by SEK 99bn. There was growth in all main segments in the Nordic and Baltic regions.

	Dec	Dec
SEK bn	2016	2015
General governments	28	38
Households	549	530
Corporates	798	708
Repos	63	59
Debt securities	15	18
<b>Loans to the public</b>	<b>1 453</b>	<b>1 353</b>

SEB's total credit portfolio (in which both on- and off-balance sheet volumes are included) amounted to SEK 2,143bn (2,065). During the year total household loans and commitments increased by SEK 21bn. The combined corporate and property management loans and commitments increased by SEK 134bn.

Deposits from the public amounted to SEK 962bn, which was an increase of SEK 78bn year-on-year. Household deposits increased by SEK 15bn while corporate deposits increased by SEK 63bn.

	Dec	Dec
SEK bn	2016	2015
General governments	35	29
Households	277	262
Corporates	649	586
Repos	1	7
<b>Deposits and borrowings from the public</b>	<b>962</b>	<b>884</b>

Total assets under management amounted to SEK 1,781bn (1,700). The net inflow of assets during the year was SEK 77bn and the total market value increased by SEK 4bn.

Assets under custody decreased partly reflecting the drop in stock market values during the year and amounted to SEK 6,859bn (7,196).

### Market risk

SEB's business model is driven by customer flows. Value-at-Risk (VaR) in the trading operations averaged SEK 107m in the fourth quarter 2016 and the 2016 average was SEK 112m (117). On average, the Group is not expected to lose more than this amount during a period of ten trading days, with 99 per cent probability.

The main factors that affected VaR development for the year were the significant decline of the Swedish and Euro interest rates during the first three quarters and the volatility of credit spreads.

## Liquidity and long-term funding

In 2016, SEK 87bn of long-term funding matured (of which SEK 62.7bn covered bonds and SEK 24.3bn senior debt). At the same time, new issues amounted to SEK 144.6bn (of which SEK 62.3bn constituted covered bonds, SEK 73.9bn senior debt and SEK 8.4bn tier 2 subordinated debt). Commercial papers and certificates of deposit decreased by SEK 18.1bn year-on-year.

The core liquidity reserve at year-end amounted to SEK 427bn (352).

The Liquidity Coverage Ratio (LCR), according to the rules adapted for Sweden by the Swedish Financial Supervisory Authority (SFS), must be at least 100 per cent in total and in EUR and USD, respectively. At the end of the period, the LCR was 168 per cent (128). The USD and EUR LCRs were 305 and 272 per cent, respectively.

The Bank is committed to a stable funding base. SEB's internal structural liquidity measure, which measures the proportion of stable funding in relation to illiquid assets, Core Gap, was 114 per cent. The leverage ratio was 5.1 per cent (4.9).

## Rating

Moody's rates SEB's long-term senior unsecured debt at Aa3 with a stable outlook due to SEB's asset quality, earnings stability and diversification as well as increased efficiency.

Fitch rates SEB's long-term senior unsecured debt at AA- with a stable outlook. The outlook is based on SEB's long-term strategy, earnings stability and diversification.

S&P rates SEB's long-term senior unsecured debt at A+ with a stable outlook. The outlook is based on the bank's strong capital and earnings development which may off-set the effect of heightened economic risks in Sweden as perceived by S&P.

## Capital position

SEB's Common Equity Tier 1 (CET1) capital ratio was 18.8 per cent. SEB's estimate of the full pillar 1 and 2 CET1 capital requirements – where the pillar 2 requirements were calculated according to the methods set by the SFS – was 16.9 per cent at the end of 2016. The bank aims to have a buffer of around 150 basis points above the capital requirement and the year-end CET 1 ratio was 190 basis points above the requirement.

SEB's application to use an internal model for corporate exposure risk-weights is under consideration by the SFS. The following table shows the risk exposure amount (REA) and capital ratios according to Basel III.

	Dec	Dec
Own funds requirement, Basel III	2016	2015
Risk exposure amount, SEK bn	610	571
Common Equity Tier 1 capital ratio, %	18.8	18.8
Tier 1 capital ratio, %	21.2	21.3
Total capital ratio, %	24.8	23.8
Leverage ratio, %	5.1	4.9

REA increased by SEK 39bn during 2016. The increase was largely driven by credit volumes and currency effects contributed further to the growth. Market risk REA declined by SEK 8bn in the first quarter but has been stable since.

The REA increase was matched by an increase in CET1 capital giving a CET 1 capital ratio that was in line with the year-end 2015 level. The deductions from CET1 related to the defined benefit pension plans decreased after the discount rate change.

## Dividend

The Board proposes to the Annual General Meeting a dividend of SEK 5.50 per Class A and Class C share, which corresponds to a pay-out ratio of 113 per cent. The pay-out ratio excluding items affecting comparability is 75 per cent. The total dividend amounts to SEK 11.9bn (11.5), calculated on the total number of issued shares as per 31 December 2016, excluding own shares held. The proposal shall be seen with reference to the dividend policy, the outlook for the economic environment, the Group's earnings generation and capital situation.

The SEB share will be traded ex-dividend on 29 March 2017. The proposed record date for the dividend is 30 March 2017 and dividend payments will be disbursed on 4 April 2017.

## Long-term financial targets

SEB's long-term financial targets are:

- to pay a yearly dividend that is 40 per cent or above of the earnings per share,
- to maintain a Common Equity Tier 1 capital ratio of around 150 bps above the current requirement from the SFS, and
- to generate a return on equity that is competitive with peers.

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

## Upcoming changes in regulatory requirements

New legislation in Sweden implies that interest on subordinated debt that qualifies as tier 1 capital and tier 2 capital will not be deductible for income tax purposes. The estimated effect from the change is an increase in tax expenses by approximately SEK 360m in 2017 and SEK 300m in 2018 and onwards, all else equal. SEB has no plans to call any of the outstanding subordinated tier 1 capital transactions due to this tax reason and cannot contractually call the outstanding subordinated tier 2 capital transactions for the same reason.

Furthermore, a tax based on salary expense in the financial sector was implemented in Norway as of the start of 2017 and is being proposed for implementation in Sweden 2018. The total estimated effect on SEB would be around SEK 700m per year.

Total regulatory fees are expected to exceed SEK 2bn in 2017, versus SEK 1.4bn in 2016. The main reason is that the single resolution fund fee in Sweden increases to 9 basis

points, applied to calculated risk-weighted volumes, starting from 2017.

There are also a number of future changes to the accounting principles one of which is the new accounting standard IFRS 9 - Financial Instruments. Among other things, it introduces a new impairment model based on expected loss instead of the incurred loss model applicable today. SEB's assessment is that the expected credit loss model is likely to increase loan loss provisions and decrease equity at transition and that volatility in the credit loss line item in the income statement will increase with the new rules. To date it is unclear how regulators will treat the interaction of the accounting loan loss provisions and the regulatory capital concept of expected loss. The European Commission has proposed that incremental provisions under IFRS 9 should be phased in over a five year period.

### **Risks and uncertainties**

SEB assumes credit, market, liquidity, IT and operational as well as life insurance risks. The risk composition of the Group, as well as the related risk, liquidity and capital management, are described in SEB's Annual Report for 2015 (see page 40-46 and notes 18-20) and in the Capital Adequacy and Risk Management report for 2015. Further information is presented in the Fact Book on a quarterly basis.

The macroeconomic development remains uncertain even though the outlook for the world economy is somewhat more positive. Deflation risks are less prominent. However, large global economic imbalances remain and the potential reduction of liquidity support to financial markets from central banks world-wide may create direct and indirect effects that are difficult to assess. There are signs that the Swedish central bank may not further cut interest rates and may even introduce a raise in late 2017. The unexpected outcome of the British EU-referendum, Brexit, and the US presidential election were factors that added to the uncertainty.

### **Visa transaction**

In 2015, Visa Inc. announced its planned acquisition of Visa Europe (a membership-owned organisation) with the purpose of creating a single global Visa company. The transaction was approved by the European Commission on 3 June 2016. It consists of a combination of consideration in cash and shares. SEB is member of Visa Europe through several direct and indirect memberships.

The closing of the transaction of SEB's Visa memberships in the Baltic countries resulted in a realisation of the fair value recognised in other comprehensive income in the first quarter to a gain of SEK 520m recognised in net other income in the second quarter.

In Sweden, where SEB is an indirect member via Visa Sweden, the holdings are classified as available-for-sale financial assets. The fair value changes are booked in *other comprehensive income*. Once the distribution between the Swedish indirect members is finalised it will be reclassified to *net other income*.

### **Subsequent events**

On 16 January 2017, Annika Falkengren's resignation from SEB after 11 years as President and CEO was announced. The resignation will be effective at the latest July 2017. The Board of Directors is in the process of recruiting a new President and CEO.

Peter Dahlgren, head of division Life & Investment Management will leave SEB to pursue a new position outside SEB as of July 2017. Nils Liljeberg, head of sales Life & Pension (Sweden), has been appointed acting new head of business area Life. Peter Branner continues in his position as head of business area Investment Management.



## Stockholm 1 February 2017

*The President declares that the Annual Accounts for 2016 provide a fair overview of the Parent Company's and the Group's operations, their financial position and results and describe material risks and uncertainties facing the Parent Company and the Group.*

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

### Press conference and webcasts

The press conference at 9.30 am on 1 February 2017, at Kungsträdgårdsgatan 8 with the President and CEO Annika Falkengren can be followed live in Swedish on [www.sebgroup.com/sv/ir](http://www.sebgroup.com/sv/ir). A simultaneous translation into English will be available on [www.sebgroup.com/ir](http://www.sebgroup.com/ir). A replay will be available afterwards.

### Access to telephone conference

The telephone conference at 1pm, 1 February 2017 with the President and CEO, Annika Falkengren, the CFO, Jan Erik Back, and the Head of Investor Relations, Jonas Söderberg, can be accessed by telephone, +44(0)20 7162 0077 or +46(0)8 5052 0110. Please quote conference id: 961223 and call at least 10 minutes in advance. A replay of the conference call will be available on [www.sebgroup.com/ir](http://www.sebgroup.com/ir).

### Further information is available from:

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

### Financial information calendar 2017

7 March	Annual Report 2016 published on <a href="http://sebgroup.com">sebgroup.com</a>
28 March	Annual General Meeting
27 April	Interim Report January-March
14 July	Interim Report January-June
25 October	Interim Report January-September

The silent period starts 10 April  
The silent period starts 7 July  
The silent period starts 9 October

## Accounting policies

This Interim Report is presented in accordance with IAS 34 *Interim Financial Reporting*. The Group's consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations of these standards as adopted by the European Commission. The accounting also follows the Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) and the regulation and general guidelines issued by the Swedish Financial Supervisory Authority: Annual Reports in Credit Institutions and Securities Companies (FFFS 2008:25). In addition, the *Supplementary Accounting Rules for Groups (RFR 1)* from the Swedish Financial Reporting Board have been applied. The Parent Company has prepared its accounts in accordance with Swedish Annual Act for Credit Institutions and Securities Companies, the Swedish Financial Supervisory Authority's regulations and general guidelines (FFFS 2008:25) on annual reports in Credit Institutions and Securities Companies and the *Supplementary Accounting Rules for Legal Entities (RFR 2)* issued by the Swedish Financial Reporting Board.

As of 1 January 2016 amendments and clarifications of several IFRS standards came into force. IAS 27 Separate Financial Statements has been amended regarding the equity method in separate financial statements. IFRS 11 Joint Arrangements has been amended regarding accounting for acquisitions of interests in joint operations. IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets have been clarified regarding acceptable methods of depreciation and amortisation. IAS 1 Presentation of Financial Statements has

been amended with clarifications of, for example, materiality and disclosure requirements. Annual Improvements 2012–2014 Cycle has narrowly amended several IFRS standards. These changes have not had a material impact on the financial statements of the Group or on capital adequacy and large exposures.

IFRS 4 *Insurance Contracts* allows non-uniform accounting policies for insurance contracts. A change in accounting policies for calculating insurance liabilities in Denmark was made as of 1 January 2016 to be aligned with Solvency II principles.

The reorganisation as of 1 January 2016 amended the reportable segments of the Group and goodwill was reallocated to business unit and geographical level rather than the divisional level in accordance with IFRS 8 *Operating Segments* and IAS 36 *Impairment of Assets*.

For the Parent company the Swedish Annual Accounts Act for Credit Institutions and Securities Companies and the regulations and general guidelines issued by the Swedish Financial Supervisory Authority have been updated. The main changes relate to alignment to IFRS regarding presentation and disclosures of contingent liabilities. Further a restricted reserve within equity has been implemented for intangible assets related to internally generated development expenses.

In all other material aspects, the Group's and the Parent Company's accounting policies, basis for calculations and presentations are unchanged in comparison with the 2015 Annual Report.

## Review report

We have reviewed this interim report for the period 1 January 2016 to 31 December 2016 for Skandinaviska Enskilda Banken AB (publ.). The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act for Credit institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our review.

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

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

## Stockholm 1 February 2017

PricewaterhouseCoopers AB

Peter Nyllinge  
Authorised Public Accountant  
Partner in charge

# The SEB Group

## Income statement – SEB Group

SEK m	Q4			Q3			Q4			Jan–Dec		
	2016	2016	%	2015	%	2016	2015	%	2016	2015	%	
Net interest income	4 798	4 657	3	4 677	3	18 738	18 938	-1				
Net fee and commission income	4 609	4 048	14	4 395	5	16 628	18 345	-9				
Net financial income	2 038	1 915	6	1 623	26	7 056	5 478	29				
Net other income	173	175	-1	585	-70	1 349	1 002	35				
<b>Total operating income</b>	<b>11 618</b>	<b>10 795</b>	<b>8</b>	<b>11 280</b>	<b>3</b>	<b>43 771</b>	<b>43 763</b>	<b>0</b>				
Staff costs	-3 774	-3 530	7	-3 524	7	-14 562	-14 436	1				
Other expenses	-1 727	-1 624	6	-1 731	0	-6 703	-6 355	5				
Depreciation, amortisation and impairment of tangible and intangible assets	-208	-201	3	-223	-7	-6 496	-1 011					
<b>Total operating expenses</b>	<b>-5 709</b>	<b>-5 355</b>	<b>7</b>	<b>-5 478</b>	<b>4</b>	<b>-27 761</b>	<b>-21 802</b>	<b>27</b>				
<b>Profit before credit losses</b>	<b>5 909</b>	<b>5 440</b>	<b>9</b>	<b>5 802</b>	<b>2</b>	<b>16 010</b>	<b>21 961</b>	<b>-27</b>				
Gains less losses from tangible and intangible assets	-67	-14		-78	-14	-150	-213	-30				
Net credit losses	-284	-197	44	-219	30	-993	-883	12				
<b>Operating profit</b>	<b>5 558</b>	<b>5 229</b>	<b>6</b>	<b>5 505</b>	<b>1</b>	<b>14 867</b>	<b>20 865</b>	<b>-29</b>				
Income tax expense	-1 314	-1 080	22	-904	45	-4 249	-4 284	-1				
<b>Net profit</b>	<b>4 244</b>	<b>4 149</b>	<b>2</b>	<b>4 601</b>	<b>-8</b>	<b>10 618</b>	<b>16 581</b>	<b>-36</b>				
Attributable to shareholders	4 244	4 149	2	4 601	-8	10 618	16 581					
Basic earnings per share, SEK	1.96	1.91		2.10		4.88	7.57					
Diluted earnings per share, SEK	1.95	1.90		2.09		4.85	7.53					

## Statement of comprehensive income – SEB Group

SEK m	Q4			Q3			Q4			Jan–Dec		
	2016	2016	%	2015	%	2016	2015	%	2016	2015	%	
<b>Net profit</b>	<b>4 244</b>	<b>4 149</b>	<b>2</b>	<b>4 601</b>	<b>-8</b>	<b>10 618</b>	<b>16 581</b>	<b>-36</b>				
<i>Items that may subsequently be reclassified to the income statement:</i>												
Available-for-sale financial assets	-91	-13		-387	-76	990	-719					
Cash flow hedges	-473	-312	52	-562	-16	-811	-667	22				
Translation of foreign operations	-94	392		-470	-80	750	-573					
<i>Items that will not be reclassified to the income statement:</i>												
Defined benefit plans	1 883	-781		2 736	-31	-1 875	4 178	-145				
<b>Other comprehensive income (net of tax)</b>	<b>1 225</b>	<b>-714</b>		<b>1 317</b>	<b>-7</b>	<b>-946</b>	<b>2 219</b>	<b>-143</b>				
<b>Total comprehensive income</b>	<b>5 469</b>	<b>3 435</b>	<b>59</b>	<b>5 918</b>	<b>-8</b>	<b>9 672</b>	<b>18 800</b>	<b>-49</b>				
Attributable to shareholders	5 469	3 435	59	5 918	-8	9 672	18 800	-49				

## Balance sheet – SEB Group

SEK m	31 Dec 2016	31 Dec 2015
Cash and cash balances with central banks	151 078	101 429
Other lending to central banks	66 730	32 222
Loans to credit institutions <sup>1)</sup>	50 527	58 542
Loans to the public	1 453 019	1 353 386
Financial assets at fair value through profit or loss <sup>2)</sup>	785 026	826 945
Fair value changes of hedged items in a portfolio hedge	111	104
Available-for-sale financial assets <sup>2)</sup>	35 747	37 331
Assets held for sale	587	801
Investments in subsidiaries and associates	1 238	1 218
Tangible and intangible assets	20 158	26 203
Other assets	56 425	57 783
<b>Total assets</b>	<b>2 620 646</b>	<b>2 495 964</b>
Deposits from central banks and credit institutions	119 864	118 506
Deposits and borrowing from the public	962 028	883 785
Liabilities to policyholders	403 831	370 709
Debt securities issued	668 880	639 444
Financial liabilities at fair value through profit or loss	213 496	230 785
Fair value changes of hedged items in a portfolio hedge	1 537	1 608
Other liabilities	67 082	75 084
Provisions	2 233	1 873
Subordinated liabilities	40 719	31 372
Total equity	140 976	142 798
<b>Total liabilities and equity</b>	<b>2 620 646</b>	<b>2 495 964</b>
1) Loans to credit institutions and liquidity placements with other direct participants in interbank fund transfer systems.		
2) Whereof bonds and other interest bearing securities.	252 382	295 409

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

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

SEK m	31 Dec 2016	31 Dec 2015
Pledged assets for own liabilities <sup>1)</sup>	478 998	496 825
Pledged assets for liabilities to insurance policyholders	403 831	370 709
Other pledged assets <sup>2)</sup>	154 518	146 521
<b>Pledged assets</b>	<b>1 037 347</b>	<b>1 014 055</b>
Contingent liabilities <sup>3)</sup>	120 231	109 297
Commitments	655 350	609 872
<b>Contingent liabilities and commitments</b>	<b>775 581</b>	<b>719 169</b>

1) Of which collateralised for covered bonds SEK 346,585m (354,651).

2) Of which securities lending SEK 61,498m (63,528) and pledged but unencumbered bonds SEK 80,718m (73,781).

3) Of which credit guarantees SEK 14,309m (33,855).

## Key figures – SEB Group

	Q4	Q3	Q4	Jan-Dec	
	2016	2016	2015	2016	2015
Return on equity, %	12.28	12.34	13.19	7.80	12.24
Return on equity excluding items affecting comparability <sup>1)</sup> , %	11.75	11.79	13.10	11.30	12.85
Return on total assets, %	0.60	0.58	0.65	0.37	0.57
Return on risk exposure amount, %	2.76	2.79	3.10	1,80	2.71
Cost/income ratio	0.49	0.50	0.49	0.63	0.50
Cost/income ratio excluding items affecting comparability <sup>1)</sup>	0.49	0.50	0.49	0.50	0.49
Basic earnings per share, SEK	1.96	1.91	2.10	4.88	7.57
Weighted average number of shares <sup>2)</sup> , millions	2 168	2 168	2 193	2 178	2 191
Diluted earnings per share, SEK	1.95	1.90	2.09	4.85	7.53
Weighted average number of diluted shares <sup>3)</sup> , millions	2 178	2 178	2 203	2 188	2 203
Net worth per share, SEK	73.00	70.26	72.09	73.00	72.09
Equity per share, SEK	65.00	62.47	65.11	65.00	65.11
Average shareholders' equity, SEK, billion	138.2	134.5	139.6	136.2	135.5
Credit loss level, %	0.08	0.05	0.06	0.07	0.06
Liquidity Coverage Ratio (LCR) <sup>4)</sup> , %	168	135	128	168	128
<b>Own funds requirement, Basel III</b>					
Risk exposure amount, SEK m	609 958	603 140	570 840	609 958	570 840
Expressed as own funds requirement, SEK m	48 797	48 251	45 667	48 797	45 667
Common Equity Tier 1 capital ratio, %	18.8	18.6	18.8	18.8	18.8
Tier 1 capital ratio, %	21.2	20.9	21.3	21.2	21.3
Total capital ratio, %	24.8	23.3	23.8	24.8	23.8
Leverage ratio, %	5.1	4.4	4.9	5.1	4.9
Number of full time equivalents <sup>5)</sup>	15 087	15 101	15 416	15 279	15 605
Assets under custody, SEK bn	6 859	6 637	7 196	6 859	7 196
Assets under management, SEK bn	1 781	1 758	1 700	1 781	1 700

1) Swiss withholding tax decision in Q2 2015. Impairment of goodwill and restructuring effects in Q1 2016. Sale of shares in VISA Europe in the Baltic region in Q2 2016.

2) The number of issued shares was 2,194,171,802. SEB owned 850,426 Class A shares for the equity based programmes at year-end 2015. During 2016 SEB has purchased 29,840,725 shares and 5,513,458 shares have been sold. Thus, at 31 December 2016 SEB owned 25,177,693 Class A-shares with a market value of SEK 2,406m.

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

4) According to Swedish FSA regulations for respective period.

5) Quarterly numbers are for end of quarter. Accumulated numbers are average for the period.

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

## Income statement on quarterly basis - SEB Group

	Q4	Q3	Q2	Q1	Q4
SEK m	2016	2016	2016	2016	2015
Net interest income	4 798	4 657	4 647	4 636	4 677
Net fee and commission income	4 609	4 048	4 074	3 897	4 395
Net financial income	2 038	1 915	1 718	1 385	1 623
Net other income	173	175	697	304	585
<b>Total operating income</b>	<b>11 618</b>	<b>10 795</b>	<b>11 136</b>	<b>10 222</b>	<b>11 280</b>
Staff costs	-3 774	-3 530	-3 507	-3 751	-3 524
Other expenses	-1 727	-1 624	-1 648	-1 704	-1 731
Depreciation, amortisation and impairment of tangible and intangible assets	-208	-201	-177	-5 910	-223
<b>Total operating expenses</b>	<b>-5 709</b>	<b>-5 355</b>	<b>-5 332</b>	<b>-11 365</b>	<b>-5 478</b>
<b>Profit before credit losses</b>	<b>5 909</b>	<b>5 440</b>	<b>5 804</b>	<b>-1 143</b>	<b>5 802</b>
Gains less losses from tangible and intangible assets	-67	-14	-47	-22	-78
Net credit losses	-284	-197	-221	-291	-219
<b>Operating profit</b>	<b>5 558</b>	<b>5 229</b>	<b>5 536</b>	<b>-1 456</b>	<b>5 505</b>
Income tax expense	-1 314	-1 080	-1 017	-838	-904
<b>Net profit</b>	<b>4 244</b>	<b>4 149</b>	<b>4 519</b>	<b>-2 294</b>	<b>4 601</b>
Attributable to minority interests					
Attributable to shareholders	4 244	4 149	4 519	-2 294	4 601
Basic earnings per share, SEK	1.96	1.91	2.07	-1.05	2.10
Diluted earnings per share, SEK	1.95	1.90	2.06	-1.04	2.09

## Income statement by division – SEB Group

Jan-Dec 2016, SEK m	Large Corporates & Financial Institutions	Corporate & Private Customers	Baltic	Life & Investment Management	Other <sup>3)</sup>	Eliminations	SEB Group
Net interest income	8 307	8 982	2 145	- 60	- 648	12	18 738
Net fee and commission income	6 095	5 414	1 171	4 059	35	- 146	16 628
Net financial income	4 187	394	218	1 764	332	161	7 056
Net other income <sup>1)</sup>	389	55	- 23	- 17	957	- 12	1 349
<b>Total operating income</b>	<b>18 978</b>	<b>14 845</b>	<b>3 511</b>	<b>5 746</b>	<b>676</b>	<b>15</b>	<b>43 771</b>
Staff costs	-4 062	-3 339	- 755	-1 560	-4 895	49	-14 562
Other expenses	-5 080	-3 713	-1 027	- 984	4 165	- 64	-6 703
Depreciation, amortisation and impairment of tangible and intangible assets <sup>2)</sup>	- 140	- 69	- 66	- 45	-6 176		-6 496
<b>Total operating expenses</b>	<b>-9 282</b>	<b>-7 121</b>	<b>-1 848</b>	<b>-2 589</b>	<b>-6 906</b>	<b>- 15</b>	<b>-27 761</b>
<b>Profit before credit losses</b>	<b>9 696</b>	<b>7 724</b>	<b>1 663</b>	<b>3 157</b>	<b>-6 230</b>		<b>16 010</b>
Gains less losses from tangible and intangible assets			- 156		6		- 150
Net credit losses	- 563	- 376	- 56		2		- 993
<b>Operating profit</b>	<b>9 133</b>	<b>7 348</b>	<b>1 451</b>	<b>3 157</b>	<b>-6 222</b>		<b>14 867</b>

1) The settlement of the transaction of SEB's Baltic holdings in VISA Europe is presented within Other.

2) The impairment of goodwill is presented within Other.

3) Other consists of business support units, treasury and staff units. This item reflects internal allocations to the divisions.

As communicated on 17 November 2015, the bank reorganised to be truly customer-centric, in line with its strategy, as of the beginning of the year 2016. The division Large Corporates & Financial Institutions covers the operations of the former Merchant Banking as well as institutional clients' business activities from the former Wealth Management division. The division Corporate & Private Customers serves small & medium-sized companies and private customers, including Private Banking, in Sweden. The division Life & Investment Management supports the customer-oriented divisions. It includes the Life division as well as the investment management operations which were part of the Wealth Management division. The Baltic division remains unchanged.

## Large Corporates & Financial Institutions

The division offers commercial and investment banking services to large corporate and institutional clients, mainly in the Nordic region and Germany. Customers are also served through its international network.

### Income statement

SEK m	Q4		Q3		Q4		Jan – Dec	
	2016	2016	%	2015	%	2016	2015	%
Net interest income	2 202	1 935	14	2 026	9	8 307	7 953	4
Net fee and commission income	1 690	1 444	17	1 643	3	6 095	6 789	-10
Net financial income	1 219	1 050	16	1 119	9	4 187	3 987	5
Net other income	137	58	136	236	-42	389	528	-26
<b>Total operating income</b>	<b>5 248</b>	<b>4 487</b>	<b>17</b>	<b>5 024</b>	<b>4</b>	<b>18 978</b>	<b>19 257</b>	<b>-1</b>
Staff costs	-1 032	-1 000	3	- 961	7	-4 062	-3 860	5
Other expenses	-1 208	-1 242	-3	-1 212	0	-5 080	-5 008	1
Depreciation, amortisation and impairment of tangible and intangible assets	- 11	- 8	38	- 25	-56	- 140	- 109	28
<b>Total operating expenses</b>	<b>-2 251</b>	<b>-2 250</b>	<b>0</b>	<b>-2 198</b>	<b>2</b>	<b>-9 282</b>	<b>-8 977</b>	<b>3</b>
<b>Profit before credit losses</b>	<b>2 997</b>	<b>2 237</b>	<b>34</b>	<b>2 826</b>	<b>6</b>	<b>9 696</b>	<b>10 280</b>	<b>-6</b>
Gains less losses from tangible and intangible assets	- 1						1	-100
Net credit losses	- 200	- 103	94	-90	122	- 563	- 299	88
<b>Operating profit</b>	<b>2 796</b>	<b>2 134</b>	<b>31</b>	<b>2 736</b>	<b>2</b>	<b>9 133</b>	<b>9 982</b>	<b>-9</b>
Cost/Income ratio	0.43	0.50		0.44		0.49	0.47	
Business equity, SEK bn	64.9	62.8		64.2		62.4	66.4	
Return on business equity, %	13.3	10.5		13.1		11.3	11.6	
Number of full time equivalents <sup>1)</sup>	2 063	2 073		2 250		2 134	2 293	

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

- Positive market sentiment and increased customer activity towards the end of the year
- No. 1 rank in customer satisfaction in the Nordic region
- Positive operating profit trend with 31 per cent increase in the fourth quarter

### Comments on 2016

Market activity during the year was affected by political events such as the EU referendum in the UK and the US election. Uncertainty regarding the impact of banking regulations as well as the direction of central bank policies also impacted sentiment leading to increased volatility.

Customer activity increased towards the end of the year. The low interest rate environment led to further asset price appreciation prompting many *Financial Institutions* to move further out on the risk curve, often into less liquid investments. The seasonally strong fourth quarter was in addition affected by the volatility and market rally that followed the unexpected outcome of the US election. Assets under custody amounted to SEK 6,859bn (7,196). During the fourth quarter SEB's new custody platform, Investor World, was launched.

Activity in the *Large Corporate* segment was somewhat subdued particularly before summer. Transaction levels picked up during the autumn driven by private equity investors. In the fourth quarter, several initial public offerings

were made, for instance Arcus in Norway and DNA in Finland, each representing the largest transaction in their respective country during 2016. SEB played an instrumental role in advising on and executing both transactions.

SEB was ranked no. 1 by tier 1 Nordic financial institutions and by tier 1 Nordic large corporations in Prospera's annual customer satisfaction surveys on overall performance.

Operating profit decreased to SEK 9,133bn (9,982). Net interest income was higher reflecting measures to adapt to the negative interest environment. Net fee and commission income was lower mainly as a consequence of reduced stock lending volumes for liquidity management purposes and fewer large event-driven transactions. Net financial income increased reflecting higher demand for risk management products. Operating expenses, excluding items affecting comparability (page 5, items 3 and 4), decreased as a result of efficiency measures. The credit portfolio was stable. Net credit losses amounted to SEK 563m (299), equivalent to a credit loss level of 9 basis points.



## Corporate & Private Customers

The division offers full banking and advisory services to private individuals and small and medium-sized corporate customers in Sweden, as well as card services in four Nordic countries. High net-worth individuals are offered leading Nordic private banking services.

### Income statement

SEK m	Q4		Q3		Q4		Jan – Dec		
	2016	2016	%	2015	%	2016	2015	%	
Net interest income	2 331	2 222	5	2 127	10	8 982	8 353	8	
Net fee and commission income	1 425	1 348	6	1 394	2	5 414	5 800	-7	
Net financial income	111	95	17	117	-5	394	522	-25	
Net other income	19	9	111	18	6	55	67	-18	
<b>Total operating income</b>	<b>3 886</b>	<b>3 674</b>	<b>6</b>	<b>3 656</b>	<b>6</b>	<b>14 845</b>	<b>14 742</b>	<b>1</b>	
Staff costs	- 850	- 817	4	- 865	-2	-3 339	-3 418	-2	
Other expenses	-1 009	- 892	13	- 932	8	-3 713	-3 463	7	
Depreciation, amortisation and impairment of tangible and intangible assets	- 18	- 18	0	- 19	-5	- 69	- 134	-49	
<b>Total operating expenses</b>	<b>-1 877</b>	<b>-1 727</b>	<b>9</b>	<b>-1 816</b>	<b>3</b>	<b>-7 121</b>	<b>-7 015</b>	<b>2</b>	
<b>Profit before credit losses</b>	<b>2 009</b>	<b>1 947</b>	<b>3</b>	<b>1 840</b>	<b>9</b>	<b>7 724</b>	<b>7 727</b>	<b>0</b>	
Gains less losses from tangible and intangible assets	0								
Net credit losses	- 63	- 84	-25	- 91	-31	- 376	- 459	-18	
<b>Operating profit</b>	<b>1 946</b>	<b>1 863</b>	<b>4</b>	<b>1 749</b>	<b>11</b>	<b>7 348</b>	<b>7 268</b>	<b>1</b>	
Cost/Income ratio	0.48	0.47		0.50		0.48	0.48		
Business equity, SEK bn	38.7	37.7		37.8		37.3	38.1		
Return on business equity, %	15.5	15.2		14.2		15.2	14.7		
Number of full time equivalents <sup>1)</sup>	3 551	3 608		3 773		3 667	3 796		

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

- SEB continued to attract small and medium-sized corporate full-service customers, reaching 168,000 in total
- The digital offering to private customers was enhanced through a number of initiatives
- RoE above 15 per cent, despite challenging markets, negative interest rates and lower interchange fees

### Comments on 2016

Despite a cautious start customer activity increased throughout the year. *In the private segment*, household mortgages continued to grow and amounted to SEK 433bn (419). Private customers continued to increase their digital presence as mobile interactions reached another all-time high and were close to four times as high as customers' internet bank interactions. SEB continued to invest in and enhance its digital offering, launching a digital mortgage calculator and a step-by-step guide for customers buying a home. During the year, SEB was awarded as the best Private Banking provider in Sweden, the Nordics and the Baltics by Professional Wealth Management/The Banker. Net new inflows of assets under management in the private segment accelerated towards the end of the year and customers reallocated to higher risk products when market volatilities decreased. Total deposit volumes from private and corporate customers increased to SEK 372bn (346).

*In the corporate segment*, the willingness to invest remained firm throughout the year despite the broader market

turbulence. SEB supports infrastructure investments by e.g. financing of residential properties. This was a contributing factor to the increase in corporate lending which amounted to SEK 224bn (198). The number of full-service customers reached 168,000 (159,000), resulting in a market share of 15.1 per cent (14.5). SEB launched a new loan product in order to support young entrepreneurs.

Operating profit increased marginally to SEK 7,348m (7,268) despite the challenging market environment. Net interest income increased to SEK 8,982m (8,353). Net fee and commission income decreased to SEK 5,414m due to the regulatory cap on interchange fees (5,800) and net financial income amounted to SEK 394m (522). Operating expenses increased marginally to SEK 7,121m (7,015) while credit losses decreased to SEK 376m (459), corresponding to a credit loss level of 6 basis points.

## Baltic

The division provides full banking and advisory services to private individuals and small and medium-sized corporate customers in Estonia, Latvia and Lithuania. The Baltic real estate holding companies (RHC) are part of the division.

### Income statement (excl. RHC)

SEK m	Q4			Q3			Q4			Jan – Dec		
	2016	2016	%	2015	%	2016	2015	%	2016	2015	%	
Net interest income	588	545	8	474	24	2150	2019	6				
Net fee and commission income	325	298	9	293	11	1171	1115	5				
Net financial income	38	75	-49	55	-31	218	241	-10				
Net other income	-5	3		5	-200	-1	59	-102				
<b>Total operating income</b>	<b>946</b>	<b>921</b>	<b>3</b>	<b>827</b>	<b>14</b>	<b>3538</b>	<b>3434</b>	<b>3</b>				
Staff costs	-197	-177	11	-182	8	-734	-713	3				
Other expenses	-231	-237	-3	-233	-1	-1016	-959	6				
Depreciation, amortisation and impairment of tangible and intangible assets	-23	-13	77	-14	64	-62	-62	0				
<b>Total operating expenses</b>	<b>-451</b>	<b>-427</b>	<b>6</b>	<b>-429</b>	<b>5</b>	<b>-1812</b>	<b>-1734</b>	<b>4</b>				
<b>Profit before credit losses</b>	<b>495</b>	<b>494</b>	<b>0</b>	<b>398</b>	<b>24</b>	<b>1726</b>	<b>1700</b>	<b>2</b>				
Gains less losses from tangible and intangible assets	1	4	-75			9	1					
Net credit losses	-22	-13		-39		-57	-128	-55				
<b>Operating profit</b>	<b>474</b>	<b>485</b>	<b>-2</b>	<b>359</b>	<b>32</b>	<b>1678</b>	<b>1573</b>	<b>7</b>				
Cost/Income ratio	0.48	0.46		0.52		0.51	0.50					
Business equity, SEK bn	7.7	7.7		7.2		7.6	7.5					
Return on business equity, %	21.6	22.1		17.8		19.3	18.6					
Number of full time equivalents <sup>1)</sup>	2456	2520		2581		2534	2643					

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

### Baltic Division (incl. RHC)

<b>Operating profit</b>	<b>386</b>	<b>449</b>	<b>-14</b>	<b>263</b>	<b>47</b>	<b>1451</b>	<b>1281</b>	<b>13</b>
Cost/Income ratio	0.49	0.48		0.54		0.53	0.52	
Business equity, SEK bn	7.9	8.0		7.5		7.9	7.9	
Return on business equity, %	17.1	19.9		12.4		16.2	14.4	
Number of full time equivalents <sup>1)</sup>	2484	2552		2612		2565	2678	

- Higher lending growth in all three countries
- Continued development of digital solutions and offerings
- Return on business equity for 2016 was 20 per cent, excluding an item affecting comparability

### Comments on 2016

The Baltic countries experienced moderate economic growth during the year, driven by continuing domestic demand due to strong real incomes, lower unemployment and low interest rates. Exports are slowly increasing and the region managed to mitigate the effects from the Russian sanctions well.

SEB continued to improve customer offerings and advisory services. A remote advisory function which offers a face-to-face video meeting with full functionality was launched, as were a new payment option for credit cards in Estonia, contactless cards in Latvia and Lithuania and mobile point of sales in Lithuania. Baltic home banking customers increased by 24,000 year-on-year to 1,003,000.

Loan volumes amounted to SEK 118bn (106) and there was growth across all Baltic countries, especially in Lithuania. Volumes increased in both the household and corporate segments. Lending margins remained relatively stable across the portfolio. However, margins on new private loans were

slightly higher. Deposits increased in all Baltic countries and the total deposit volume was SEK 106bn (94). Despite the very low deposit margins prevailing in the Baltics, net interest income increased by 6 per cent year-on-year. Net fee and commission income was 5 per cent higher year-on-year as a result of increased customer activity. Operating profit was 11 per cent higher excluding an operating expense item that affected profitability in the first quarter (see item 3 on page 5).

The Banker Magazine awarded SEB as the best bank in Estonia and Latvia for 2016 and the best private bank in the Baltic countries. The Baltic financial literacy program continued and SEB volunteers hosted 275 classes and met 7,400 students with lectures on budgeting, loans and pensions.

At year-end, the real estate holding companies (RHC) held assets with a total book value of SEK 837m (1,739).

## Life & Investment Management

The division offers life insurance and asset management solutions to private as well as corporate and institutional clients mainly in the Nordic and Baltic countries.

### Income statement

SEK m	Q4			Q3			Q4			Jan – Dec		
	2016	2016	%	2015	%	2016	2015 <sup>1)</sup>	%	2016	2015 <sup>1)</sup>	%	
Net interest income	- 17	- 14	21	- 12	42	- 60	- 43	40				
Net fee and commission income <sup>2)</sup>	1 229	982	25	1 058	16	4 059	4 600	- 12				
Net financial income	484	441	10	449	8	1 764	1 339	32				
Net other income <sup>2)</sup>	- 82	11		23		- 17	85	- 120				
<b>Total operating income</b>	<b>1 614</b>	<b>1 420</b>	<b>14</b>	<b>1 518</b>	<b>6</b>	<b>5 746</b>	<b>5 981</b>	<b>- 4</b>				
Staff costs	- 415	- 367	13	- 372	12	- 1 560	- 1 669	- 7				
Other expenses	- 243	- 251	- 3	- 318	- 24	- 984	- 1 144	- 14				
Depreciation, amortisation and impairment of tangible and intangible assets	- 10	- 11	- 9	- 13	- 23	- 45	- 58	- 22				
<b>Total operating expenses</b>	<b>- 668</b>	<b>- 629</b>	<b>6</b>	<b>- 703</b>	<b>- 5</b>	<b>- 2 589</b>	<b>- 2 871</b>	<b>- 10</b>				
<b>Profit before credit losses</b>	<b>946</b>	<b>791</b>	<b>20</b>	<b>815</b>	<b>16</b>	<b>3 157</b>	<b>3 110</b>	<b>2</b>				
Gains less losses from tangible and intangible assets												
Net credit losses												
<b>Operating profit</b>	<b>946</b>	<b>791</b>	<b>20</b>	<b>815</b>	<b>16</b>	<b>3 157</b>	<b>3 110</b>	<b>2</b>				
Cost/Income ratio	0.41	0.44		0.46		0.45	0.48					
Business equity, SEK bn	11.7	11.7		8.7		11.6	8.7					
Return on business equity, %	27.9	23.3		31.7		23.5	30.3					
Number of full time equivalents <sup>3)</sup>	1 491	1 465		1 445		1 468	1 554					

<sup>1)</sup> Comparative numbers include SEB Asset Management AG which was divested in August 2015. No business equity allocated to Investment Management in 2015.

<sup>2)</sup> In Q4 2016, SEK 46m was reclassified to commission income from other income.

<sup>3)</sup> Quarterly numbers are for end of quarter. Accumulated numbers are average for the period.

- Increasing market shares in Sweden
- Continued integration of sustainability criteria in the investment process
- Improved result in the second half of the year due to favourable markets

### Comments on 2016

Demand for long-term savings and risk insurance solutions for private individuals in the Swedish market increased. SEB's new traditional life insurance product was well received and the demand for alternative solutions such as salary exchange products increased. SEB's total weighted sales market share increased to 9.6 per cent measured on September levels (8.1).

In the Danish pension market, SEB re-launched E-Pension check, a digital pension analysis service and SEB was named the pension provider with the most satisfied customers for the 7<sup>th</sup> time by Aalund. SEB developed a tailored Baltic term life insurance solution in close cooperation with customers.

The sustainable fund offering continued to evolve with an industry leading strategy. Improved investment processes materialised as well as efforts to make it easier for customers to choose funds based on sustainability criteria, through increased transparency and labelling. During the year, SEB implemented a stricter policy on carbon emissions and

strengthened the owner dialogues outside the Nordic region. In PRI's (United Nations Principles for Responsible Investment) annual grading of sustainable investments, SEB was top rated for its equity and fixed income management.

Net fee and commission income trended upwards in the second half of the year. This was due to the increase in assets under management as a result of inflows and a positive trend in the stock markets. Net financial income increased compared to the previous year due to better investment results and improved risk result in the Swedish and Danish life insurance business. Operating profit improved by 2 percent compared with the previous year.

Total premium income from both new and existing life insurance policies increased by 2 per cent compared to last year. Weighted sales of life insurance products decreased by 1 per cent compared to last year to SEK 40bn.

## SEB's markets

In Sweden and the Baltic countries, SEB offers universal financial advice and a wide range of financial services. In Denmark, Finland, Norway and Germany, the operations focus on a full-service offering to corporate and institutional clients. SEB also serves its corporate and institutional customers through its international network.

### Profit per country

Distribution by country Jan - Dec										Operating profit <sup>2)</sup> in local currency		
SEK m	Total operating income <sup>2)</sup>			Total operating expenses <sup>2)</sup>			Operating profit <sup>2)</sup>			2016	2015	%
	2016	2015	%	2016	2015	%	2016	2015	%			
Sweden	25 397	26 064	- 3	-19 635	-13 731	43	4 917	11 682	- 58	4 917	11 682	- 58
Norway	3 659	3 378	8	-1 248	-1 195	4	2 366	2 126	11	2 319	2 030	14
Denmark	3 563	2 644	35	-1 435	-1 258	14	2 142	1 423	51	1 684	1 134	49
Finland	1 807	1 829	- 1	- 755	- 741	2	1 043	1 081	- 4	110	116	- 5
Germany <sup>1)</sup>	1 994	2 840	- 30	-1 471	-1 669	- 12	507	1 255	- 60	54	134	- 60
Estonia	1 491	1 259	18	- 614	- 567	8	916	727	26	97	78	24
Latvia	1 123	936	20	- 539	- 504	7	468	256	83	49	27	81
Lithuania	1 758	1 467	20	- 792	- 770	3	831	495	68	88	53	66
International network and elimination	2 979	3 346	- 11	-1 272	-1 367	- 7	1 677	1 820	- 8			
<b>Total</b>	<b>43 771</b>	<b>43 763</b>	<b>0</b>	<b>-27 761</b>	<b>-21 802</b>	<b>27</b>	<b>14 867</b>	<b>20 865</b>	<b>-29</b>			

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

<sup>2)</sup> Comparison between years is affected by a number of items which are outlined on page 5.

- SEB ranked as number 2 and 3 by large corporate and institutional clients in Denmark and Norway respectively
- The Baltic economies showed signs of improvement throughout the year
- UK expansion ahead of plan

### Comments on 2016

In *Sweden*, operating profit excluding items that affect comparability, represented 52 per cent of the group total. The operating profit decreased by 10 per cent year-on-year. Net interest income and fee income decreased by SEK 700m each in the continued low interest rate environment and with the lower interchange fees on card.

In *Norway*, the year was characterised by high activity levels, where cross-collaboration and many transactions led to an all-time high result. The result was mainly due to strong performance within Investment Banking and Markets, combined with continued growth in credit exposures increasing net interest and fees. According to Prospera's customer survey among large corporates and financial institutions, SEB ranked number 2 and 3 in customer satisfaction.

In *Denmark*, the increase in operating profit was due to items that affected profitability negatively in 2015. The 2016 result was mainly driven by enhanced activity within corporate and investment banking and a high result in Life. Relationships with corporate customers were further developed and there were new net inflows of assets under management in Investment Management and Private Banking. According to Prospera's customer survey among large corporates and financial institutions, SEB ranked number 2 and 3 in customer satisfaction.

In *Finland*, business showed resilience despite caution among customers in the first half of the year. Several event-

driven transactions among large corporate customers contributed to a strong second half of the year. Year-on-year operating income was stable.

In *Germany*, the business continued to deliver in a competitive market. The termination of the stock lending activities impacted the reported result while the operating profit of the remaining business increased by 9 per cent. Mainly Investment Banking contributed to the 2016 result. Markets – in particular driven by the Corporate Sales business – and Transaction Services also showed a positive development.

In *Estonia* the loan portfolio growth continued, with stable margins and low credit provisions. There were positive signs and portfolio growth in the bank in *Lithuania*, with higher income. In *Latvia*, there was portfolio growth for the first time since the financial crises. See further the information on the Baltic division.

In *the international network*, the expansion in the United Kingdom is ahead of plan. The customers, who increased in numbers by 50 per cent, appreciate SEB's services as a relationship bank, the green offering, the Nordic expertise and SEB's strong rating.

# The SEB Group

## Net interest income – SEB Group

SEK m	Q4		Q3	Q4		Jan–Dec		
	2016	2016	%	2015	%	2016	2015	%
Interest income	8 860	8 701	2	9 042	- 2	35 202	37 726	- 7
Interest expense	-4 062	-4 044	0	-4 365	- 7	-16 464	-18 788	- 12
<b>Net interest income</b>	<b>4 798</b>	<b>4 657</b>	<b>3</b>	<b>4 677</b>	<b>3</b>	<b>18 738</b>	<b>18 938</b>	<b>- 1</b>

## Net fee and commission income – SEB Group

SEK m	Q4		Q3	Q4		Jan–Dec		
	2016	2016 <sup>1)</sup>	%	2015	%	2016	2015	%
Issue of securities and advisory	231	208	11	258	- 10	800	834	- 4
Secondary market and derivatives	842	745	13	450	87	3 353	3 350	0
Custody and mutual funds	1 950	1 811	8	2 030	- 4	7 264	8 507	- 15
Payments, cards, lending, deposits, guarantees and other	2 586	2 251	15	2 598	0	9 430	9 963	- 5
<i>Whereof payments and card fees</i>	1 356	1 310	4	1 386	- 2	5 203	5 521	- 6
<i>Whereof lending</i>	723	563	28	648	12	2 527	2 445	3
Life insurance commissions	438	418	5	438		1 653	1 686	- 2
<b>Fee and commission income</b>	<b>6 047</b>	<b>5 433</b>	<b>11</b>	<b>5 774</b>	<b>5</b>	<b>22 500</b>	<b>24 340</b>	<b>- 8</b>
<b>Fee and commission expense</b>	<b>-1 438</b>	<b>-1 385</b>	<b>4</b>	<b>-1 379</b>	<b>4</b>	<b>-5 872</b>	<b>-5 995</b>	<b>- 2</b>
<b>Net fee and commission income</b>	<b>4 609</b>	<b>4 048</b>	<b>14</b>	<b>4 395</b>	<b>5</b>	<b>16 628</b>	<b>18 345</b>	<b>- 9</b>
<i>Whereof Net securities commissions</i>	2 308	2 072	11	2 077	11	8 378	9 459	- 11
<i>Whereof Net payments and card fees</i>	847	821	3	850	0	3 263	3 435	- 5
<i>Whereof Net life insurance commissions</i>	276	268	3	281	- 2	1 039	1 154	- 10

1) Securitized lending income is reported on a net basis as Secondary market and derivatives. The comparative figures have been restated from Q1 2016.

## Net financial income – SEB Group

SEK m	Q4		Q3	Q4		Jan–Dec		
	2016	2016	%	2015	%	2016	2015	%
Equity instruments and related derivatives <sup>1)</sup>	456	669	-32	677	- 33	1 173	- 141	
Debt securities and related derivatives	- 68	- 176	-61	- 678	- 90	228	266	- 14
Currency and related derivatives	1 114	892	25	1 114		3 699	3 831	- 3
Other life insurance income, net	549	512	7	454	21	1 919	1 360	41
Other	- 13	18		56		37	162	- 77
<b>Net financial income</b>	<b>2 038</b>	<b>1 915</b>	<b>6</b>	<b>1 623</b>	<b>26</b>	<b>7 056</b>	<b>5 478</b>	<b>29</b>
<i>Whereof unrealized valuation changes from counterparty risk and own credit standing in derivatives and own issued securities.</i>	223	- 84		121	84	- 219	603	- 136

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

For the fourth quarter the effect from structured products offered to the public was approximately SEK 535m (Q3 2016: 510, Q4 2015: 445) in Equity related derivatives and a corresponding effect in Debt securities and related derivatives SEK -355m (Q3 2016: -390, Q4 2015: -460).

1) During the second quarter 2015 a negative item affecting comparability of SEK 820m is included within Equity instruments and related derivatives in accordance with the Swiss Supreme Court's decision as disclosed in SEB's press release dated 5 May 2015.

## Staff costs – SEB Group

SEK m	Jan-Dec		
	2016	2015	%
Salaries*	-10 267	-10 563	-3
Short-term incentive*	- 853	- 786	9
Long-term incentive*	- 962	- 864	11
Pension costs	-1 368	-1 372	0
Redundancy costs*	- 537	- 234	129
Other staff costs	- 575	- 617	-7
<b>Staff costs</b>	<b>-14 562</b>	<b>-14 436</b>	<b>1</b>

\*including social charges

SEK m	Jan-Dec		
	2016	2015	%
Short-term incentive (STI) to staff	- 684	- 660	4
Social benefit charges on STI	- 169	- 126	34
<b>Short-term incentive remuneration</b>	<b>- 853</b>	<b>- 786</b>	<b>9</b>

SEK m	Jan-Dec		
	2016	2015	%
Long-term incentive (LTI) to staff	- 702	- 662	6
Social benefit charges on LTI	- 260	- 202	29
<b>Long-term incentive remuneration</b>	<b>- 962</b>	<b>- 864</b>	<b>11</b>

## Defined benefit pension plans – SEB Group

Balance sheet, SEK m	Jan-Dec		
	2016	2015	%
Defined benefit obligation	29 081	25 059	16
Fair value of plan assets	32 277	30 234	7
<b>Net amount recognised in the balance sheet</b>	<b>3 196</b>	<b>5 175</b>	<b>-38</b>

Income statement, SEK m	Jan-Dec		
	2016	2015	%
Service costs	- 480	- 618	-22
Interest costs	- 733	- 631	16
Calculated interest on plan assets	900	643	40
<b>Included in staff costs</b>	<b>- 313</b>	<b>- 606</b>	<b>-48</b>

Other comprehensive income, SEK m	Jan-Dec		
	2016	2015	%
Defined benefit pension plans	-1 875	4 178	

## Net credit losses – SEB Group

SEK m	Q4		Q3		Q4		Jan-Dec		
	2016	2016			2015		2016	2015	%
<i>Provisions:</i>									
Net collective provisions for individually assessed loans	45	-196			58	-22	-218	74	
Net collective provisions for portfolio assessed loans	108	45	140		163	-34	260	362	-28
Specific provisions	-169	-71	138		-222	-24	-734	-1 058	-31
Reversal of specific provisions no longer required	74	72	3		58	28	338	507	-33
Net provisions for contingent liabilities	2	59	-97		-24	-108	43	3	
<b>Net provisions</b>	<b>60</b>	<b>-91</b>	<b>-166</b>		<b>33</b>	<b>82</b>	<b>-311</b>	<b>-112</b>	<b>178</b>
<i>Write-offs:</i>									
Total write-offs	-602	-370	63		-563	7	-1 480	-2 256	-34
Reversal of specific provisions utilized for write-offs	206	186	11		247	-17	584	1 301	-55
Write-offs not previously provided for	-396	-184	115		-316	25	-896	-955	-6
Recovered from previous write-offs	52	78	-33		64	-19	214	184	16
<b>Net write-offs</b>	<b>-344</b>	<b>-106</b>			<b>-252</b>	<b>37</b>	<b>-682</b>	<b>-771</b>	<b>-12</b>
<b>Net credit losses</b>	<b>-284</b>	<b>-197</b>	<b>44</b>		<b>-219</b>	<b>30</b>	<b>-993</b>	<b>-883</b>	<b>12</b>

## Statement of changes in equity – SEB Group

SEK m	Share capital	Retained earnings	Other reserves <sup>1)</sup>				Total Shareholders' equity	Minority interests	Total Equity
			Available-for-sale financial assets	Cash flow hedges	Translation of foreign operations	Defined benefit plans			
<b>Jan-Dec 2016</b>									
Opening balance	21 942	114 471	648	3 210	-1 943	4 470	142 798		142 798
Change in valuation of insurance contracts <sup>2)</sup>		-440					-440		-440
<b>Adjusted opening balance</b>	<b>21 942</b>	<b>114 031</b>	<b>648</b>	<b>3 210</b>	<b>-1 943</b>	<b>4 470</b>	<b>142 358</b>		<b>142 358</b>
Net profit		10 618					10 618		10 618
Other comprehensive income (net of tax)			990	-811	750	-1 875	-946		-946
<b>Total comprehensive income</b>		<b>10 618</b>	<b>990</b>	<b>-811</b>	<b>750</b>	<b>-1 875</b>	<b>9 672</b>		<b>9 672</b>
Dividend to shareholders		-11 504					-11 504		-11 504
Equity-based programmes <sup>3)</sup>		433					433		433
Change in holdings of own shares		17					17		17
<b>Closing balance</b>	<b>21 942</b>	<b>113 595</b>	<b>1 638</b>	<b>2 399</b>	<b>-1 193</b>	<b>2 595</b>	<b>140 976</b>		<b>140 976</b>

### Jan-Dec 2015

Opening balance	21 942	108 435	1 367	3 877	-1 370	292	134 543	33	134 576
Net profit		16 581					16 581		16 581
Other comprehensive income (net of tax)			-719	-667	-573	4 178	2 219		2 219
<b>Total comprehensive income</b>		<b>16 581</b>	<b>-719</b>	<b>-667</b>	<b>-573</b>	<b>4 178</b>	<b>18 800</b>		<b>18 800</b>
Dissolvement of minority interest								-33	-33
Dividend to shareholders		-10 400					-10 400		-10 400
Equity-based programmes <sup>3)</sup>		-164					-164		-164
Change in holdings of own shares		19					19		19
<b>Closing balance</b>	<b>21 942</b>	<b>114 471</b>	<b>648</b>	<b>3 210</b>	<b>-1 943</b>	<b>4 470</b>	<b>142 798</b>		<b>142 798</b>

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

2) The valuation methodology of insurance contracts in Denmark has migrated towards the Solvency II principles and the effect on Group as of 1<sup>st</sup> of January 2016 is SEK -440m.

3) Number of shares owned by SEB:

	Jan-Dec 2016	Jan-Dec 2015
<b>Number of shares owned by SEB, million</b>	<b>2016</b>	<b>2015</b>
Opening balance	0.9	5.5
Repurchased shares for equity-based programmes	29.8	3.4
Sold/distributed shares	-5.5	-8.0
<b>Closing balance</b>	<b>25.2</b>	<b>0.9</b>

Market value of shares owned by SEB, SEK m	2 406	76
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In accordance with the decision by the Annual General Meeting, SEB holds own shares of Class A for the long-term equity-based programmes. The transactions may take place at one or several occasions during the year. The acquisition cost for the purchase of own shares is deducted from shareholders' equity. The item includes changes in nominal amounts of equity swaps used for hedging of equity-based programmes.



## Cash flow statement – SEB Group

SEK m	Jan–Dec		
	2016	2015	%
Cash flow from operating activities	42 591	21 002	103
Cash flow from investment activities	852	903	- 6
Cash flow from financing activities	- 2 198	- 19 102	- 88
<b>Net increase in cash and cash equivalents</b>	<b>41 245</b>	<b>2 803</b>	
Cash and cash equivalents at the beginning of year	110 770	105 848	5
Exchange rate differences on cash and cash equivalents	6 300	2 119	197
Net increase in cash and cash equivalents	41 245	2 803	
<b>Cash and cash equivalents at the end of period<sup>1)</sup></b>	<b>158 315</b>	<b>110 770</b>	<b>43</b>

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

## Financial assets and liabilities – SEB Group

SEK m	31 Dec 2016		31 Dec 2015	
	Carrying amount	Fair value	Carrying amount	Fair value
Loans	1 704 291	1 715 801	1 522 503	1 529 152
Equity instruments	74 173	74 173	98 207	98 207
Debt instruments	253 443	253 653	299 943	300 106
Derivative instruments	212 355	212 355	215 551	215 551
Financial assets–policyholders bearing the risk	295 908	295 908	271 613	271 613
Other	38 942	38 942	37 666	37 666
<b>Financial assets</b>	<b>2 579 112</b>	<b>2 590 832</b>	<b>2 445 483</b>	<b>2 452 295</b>
Deposits	1 045 056	1 046 864	957 599	957 895
Equity instruments	10 071	10 071	12 927	12 927
Debt instruments	755 984	768 613	725 950	745 370
Derivative instruments	174 651	174 651	190 039	190 039
Liabilities to policyholders–investment contracts	296 618	296 618	271 995	271 995
Other	60 297	60 297	59 619	59 619
<b>Financial liabilities</b>	<b>2 342 677</b>	<b>2 357 114</b>	<b>2 218 129</b>	<b>2 237 845</b>

SEB has aggregated its financial instruments by class taking into account the characteristics of the instruments. The fair value of each class of financial assets and liabilities are compared with its carrying amount. A description of the characteristics of the classes can be found in note 39 in the Annual Report 2015.

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

SEK m	31 Dec 2016				31 Dec 2015			
	Quoted prices in active markets (Level 1)	Valuation technique using observable inputs (Level 2)	Valuation technique using non- observable inputs (Level 3)	Total	Quoted prices in active markets (Level 1)	Valuation technique using observable inputs (Level 2)	Valuation technique using non- observable inputs (Level 3)	Total
<b>Assets</b>								
Financial assets - policyholders bearing the risk	275 894	15 589	4 425	<b>295 908</b>	255 175	13 831	2 607	<b>271 613</b>
Equity instruments at fair value	50 331	13 215	11 101	<b>74 647</b>	75 565	11 473	11 677	<b>98 715</b>
Debt instruments at fair value	102 894	133 664	1 779	<b>238 337</b>	132 789	144 948	1 204	<b>278 941</b>
Derivative instruments at fair value	2 593	201 621	8 141	<b>212 355</b>	2 061	202 261	11 229	<b>215 551</b>
Investment properties			7 401	<b>7 401</b>			7 169	<b>7 169</b>
Assets held for sale		587		<b>587</b>		801		<b>801</b>
<b>Total</b>	<b>431 712</b>	<b>364 676</b>	<b>32 847</b>	<b>829 235</b>	<b>465 590</b>	<b>373 314</b>	<b>33 886</b>	<b>872 790</b>
<b>Liabilities</b>								
Liabilities to policyholders - investment contracts	276 666	15 542	4 410	<b>296 618</b>	255 581	13 812	2 602	<b>271 995</b>
Equity instruments at fair value	9 798	2	271	<b>10 071</b>	12 445	37	445	<b>12 927</b>
Debt instruments at fair value	7 027	33 514		<b>40 541</b>	7 025	38 191		<b>45 216</b>
Derivative instruments at fair value	2 808	168 207	3 636	<b>174 651</b>	2 534	176 103	11 401	<b>190 038</b>
Other financial liabilities		19 225		<b>19 225</b>		17 377		<b>17 377</b>
<b>Total</b>	<b>296 299</b>	<b>236 490</b>	<b>8 317</b>	<b>541 106</b>	<b>277 585</b>	<b>245 520</b>	<b>14 448</b>	<b>537 553</b>

### Fair value measurement

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

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

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

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

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

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

In order to arrive at the fair value of investment properties a market participant's ability to generate economic benefit by using the asset in its highest and best use are taken into account. The highest and best use takes into account the use of the asset that is physically possible, legally permissible and financially feasible. The current use of the investment properties in SEB is in accordance with the highest and best use. The valuation of investment properties is described in the Accounting policies in Annual Report 2015. The valuation of the investment properties is performed semi-annually, they are presented and approved by the board in each real estate company. The valuation principles used in all entities are in accordance with regulations provided by the local Financial Supervisory Authorities (FSA) which is in accordance with international valuation principles and in accordance with IFRS.

#### Level 1: Quoted market prices

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

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

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

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

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

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

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

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

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

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

### Significant transfers and reclassifications between levels

Transfers between levels may occur when there are indications that market conditions have changed, e.g. a change in liquidity. The Valuation/Pricing committee of each relevant division decides on material shifts between levels. At the end of Q2 2016 Derivative liabilities (European Swaptions), within the insurance holdings, at the amount of SEK 5.3bn have been transferred from Level 3 into Level 2. The availability of market data motivates the transfer.

Changes in level 3	Closing balance 31 Dec 2015	Gain/loss in Income statement	Gain/loss in Other comprehensiv e income	Purchases	Sales	Issues	Settlements	Transfers into Level 3	Transfers out of Level 3	Exchange rate differences	Closing balance 31 Dec 2016
<b>Assets</b>											
Financial assets - policyholders bearing the risk	2 607	-51		3 868	-2 128					129	4 425
Equity instruments at fair value	11 677	154	318	1 835	-3 204				-98	419	11 101
Debt instruments at fair value	1 204	-130		871	-199				-8	41	1 779
Derivative instruments at fair value	11 229	-3 569		232	-109		14		-74	418	8 141
Investment properties	7 169	204		3	-287					312	7 401
<b>Total</b>	<b>33 886</b>	<b>-3 392</b>	<b>318</b>	<b>6 809</b>	<b>-5 927</b>	<b>0</b>	<b>14</b>	<b>0</b>	<b>-180</b>	<b>1 319</b>	<b>32 847</b>
<b>Liabilities</b>											
Liabilities to policyholders - investment contracts	2 602	-51		3 854	-2 124					129	4 410
Equity instruments at fair value	445	90		-267	0					3	271
Debt instruments at fair value	0	0		0	0						0
Derivative instruments at fair value	11 401	-2 847		125	-65		41		-5 299	280	3 636
<b>Total</b>	<b>14 448</b>	<b>-2 808</b>	<b>0</b>	<b>3 712</b>	<b>-2 189</b>	<b>0</b>	<b>41</b>	<b>0</b>	<b>-5 299</b>	<b>412</b>	<b>8 317</b>

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

The table below illustrates the potential Profit or Loss impact of the relative uncertainty in the fair value of assets and liabilities that for their valuation are dependent on unobservable inputs. The sensitivity to unobservable inputs is assessed by altering the assumptions to the valuation techniques, illustrated below by changes in index-linked swap spreads, implied volatilities, credit spreads or comparator multiples. It is unlikely that all unobservable inputs would be simultaneously at the extremes of their ranges of reasonably possible alternatives. At the end of Q1 2016, basis for calculating sensitivities for Interest Rate Swaptions, within Insurance Holdings - Financial instruments, have changed from stressing the market value to stressing the implied volatility.

SEK m	31 Dec 2016				31 Dec 2015			
	Assets	Liabilities	Net	Sensitivity	Assets	Liabilities	Net	Sensitivity
Derivative instruments <sup>1)2)4)</sup>	780	-940	-160	49	919	-813	106	97
Equity instruments <sup>3)6)</sup>	1 441	-271	1 170	229	1 517	-445	1 072	233
Insurance holdings - Financial instruments <sup>4)5)7)</sup>	18 477	-2 695	15 782	1 807	21 415	-10 595	10 820	1 539
Insurance holdings - Investment properties <sup>6)7)</sup>	7 401		7 401	740	7 169		7 169	717

1) Sensitivity from a shift of inflation linked swap spreads by 16 basis points (5) and implied volatilities by 5 percentage points (5).

2) Sensitivity from a shift of swap spreads by 5 basis points (5).

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

4) Shift in implied volatility by 10 per cent (10).

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

6) Sensitivity from a shift of investment properties/real estate funds market values of 10 per cent (10).

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

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

SEK m	Financial assets and liabilities subject to offsetting or netting arrangements						Other instruments in balance sheet not subject to netting arrangements	Total in balance sheet
	Gross amounts	Offset	Net amounts in balance sheet	Related arrangements		Net amounts		
				Master netting arrangements	Collaterals received/pledged			
<b>31 Dec 2016</b>								
Derivatives	215 367	-4 447	210 920	-123 698	-34 841	52 381	1 435	212 355
Reversed repo receivables	99 828	-35 332	64 496	-682	-63 612	202	1	64 497
Securities borrowing	25 265		25 265	-7 616	-17 649		5 525	30 790
Client receivables	43	-42	1			1	5 861	5 862
<b>Assets</b>	<b>340 503</b>	<b>-39 821</b>	<b>300 682</b>	<b>-131 996</b>	<b>-116 102</b>	<b>52 584</b>	<b>12 822</b>	<b>313 504</b>
Derivatives	176 773	-4 447	172 326	-123 698	-31 547	17 081	2 325	174 651
Repo payables	36 926	-35 332	1 594	-682	-795	117		1 594
Securities lending	25 155		25 155	-7 616	-8 765	8 774	6	25 161
Client payables	42	-42					7 044	7 044
<b>Liabilities</b>	<b>238 896</b>	<b>-39 821</b>	<b>199 075</b>	<b>-131 996</b>	<b>-41 107</b>	<b>25 972</b>	<b>9 375</b>	<b>208 450</b>
<b>31 Dec 2015</b>								
Derivatives	219 186	-4 514	214 672	-133 854	-33 135	47 683	879	215 551
Reversed repo receivables	71 161	-10 850	60 311	-4 604	-55 468	239	5	60 316
Securities borrowing	22 582	-75	22 507	-5 976	-16 531		5 984	28 491
Client receivables	335	-333	2			2	11 752	11 754
<b>Assets</b>	<b>313 264</b>	<b>-15 772</b>	<b>297 492</b>	<b>-144 434</b>	<b>-105 134</b>	<b>47 924</b>	<b>18 620</b>	<b>316 112</b>
Derivatives	192 675	-4 514	188 161	-133 854	-49 311	4 996	1 878	190 039
Repo payables	20 459	-10 850	9 609	-4 604	-4 128	877		9 609
Securities lending	17 538	-75	17 463	-5 976	-11 260	227	6	17 469
Client payables	333	-333					9 812	9 812
<b>Liabilities</b>	<b>231 005</b>	<b>-15 772</b>	<b>215 233</b>	<b>-144 434</b>	<b>-64 699</b>	<b>6 100</b>	<b>11 696</b>	<b>226 929</b>

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

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

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

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

## Non-performing loans – SEB Group

	31 Dec	31 Dec
SEK m	2016	2015
<b>Individually assessed loans</b>		
<b>Impaired loans</b>	<b>5 037</b>	<b>4 900</b>
Specific reserves	- 1 928	- 2 044
Collective reserves	- 1 539	- 1 304
<b>Impaired loans net</b>	<b>1 570</b>	<b>1 552</b>
Specific reserve ratio for individually assessed impaired loans	38.3%	41.7%
Total reserve ratio for individually assessed impaired loans	68.8%	68.3%
Net level of impaired loans	0.21%	0.20%
Gross level of impaired loans	0.33%	0.35%
<b>Portfolio assessed loans</b>		
Loans past due > 60 days	2 597	2 922
Restructured loans	9	205
Collective reserves for portfolio assessed loans	- 1 322	- 1 530
Reserve ratio for portfolio assessed loans	50.7%	48.9%
<b>Non-performing loans<sup>1)</sup></b>		
Non-performing loans	7 643	8 027
NPL coverage ratio	63.2%	61.8%
NPL per cent of lending	0.51%	0.57%

1) Consists of impaired loans, portfolio assessed loans past due more than 60 days and restructured portfolio assessed loans.

### Reserves

Specific reserves	- 1 928	- 2 044
Collective reserves	- 2 861	- 2 834
Reserves for off-balance sheet items	- 44	- 81
<b>Total reserves</b>	<b>- 4 833</b>	<b>- 4 959</b>

## Seized assets – SEB Group

	31 Dec	31 Dec
SEK m	2016	2015
Properties, vehicles and equipment	417	1 116
Shares	46	39
<b>Total seized assets</b>	<b>463</b>	<b>1 155</b>

## Intangible assets, specification of goodwill impairment – SEB Group

Jan-Dec 2016	Group	Parent
Opening balance	10 003	1 444
Retirements and disposals/impairments	-5 334	-1 444
Exchange rate differences	91	
<b>Acquisition value</b>	<b>4 760</b>	<b>0</b>
Opening balance		-1 201
Retirements and disposals		1 201
<b>Accumulated depreciations</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>4 760</b>	<b>0</b>

### Event triggering reallocation of goodwill

In conjunction with SEB's reorganisation as of 1 January 2016 goodwill has been reallocated to appropriate Cash Generating Units (CGUs). The CGU structure for impairment testing purposes before the reorganisation was to a large extent aligned with operating segments, except for Card and Life. The new customer centric organisation will be fundamental for management in steering and measuring the business going forward. Management's focus on different customer segments will increase and therefore the change of CGU to be aligned with the business unit (BU) combined with geography to reflect the importance of steering and measuring the new customer centric organisation.

### Principle for allocation of goodwill

The new and more customer centric organisation leads to that the former Wealth division is integrated into the current customer-oriented divisions and the supporting division Life & Investment Management. The reorganisation triggers the reallocation of goodwill. The guiding principle for the allocation of goodwill has been to identify the original acquisition from where the goodwill derives and match that with the new CGU (BU and geography). The appropriate CGUs have been deemed to be the CGUs at the time of the acquisitions made between 1996 and 2008. In total 104 CGUs have been identified and goodwill has been allocated to 14 as presented in the table below. Until year-end 2015 there were six CGUs presented in the table below. The CGUs equalled the operating segments with the exception of Card and Life.

Group business segment	CGUs	Old allocation 2015
Merchant Banking	Merchant Banking	1 020
Retail Sweden	Retail Sweden	929
	Card	826
Wealth Management	Wealth Management	4 595
Life	Life Sweden	2 334
	Life Denmark	299
<b>Total</b>		<b>10 003</b>

Group business segment	CGUs	Acquisition year	New allocation 2016	Exchange rate differences	Impairment	Balance 31 Dec 2016	Remaining book value <sup>2)</sup>
Large Corporates & Financial Institutions	Equities & Corp, Sweden & Norway <sup>1)</sup>	2000	879		-879	0	645
	Transaction Services Poland	2008	141		-141	0	373
Corporate & Private Customers	Internet/Telephone Sweden	1997	929		-929	0	0
	Retail Norway	2005	406		-406	0	0
	Card, Norway & Denmark <sup>1)</sup>	2002/2004	826	87		913	
Life & Investment Management	Life Sweden	1996/1997	2 334	9		2 343	
	Life Denmark	2004	299	-5	-294	0	3 056
	Investment Management Sweden	1997/1998	3 117		-1 613	1 504	1 919
	Investment Management, Finland & Denmark <sup>1)</sup>	1997/2002	340		-340	0	9
	Investment Management, UK & BVI <sup>1)</sup>	2008	732		-732	0	0
<b>Total</b>			<b>10 003</b>	<b>91</b>	<b>-5 334</b>	<b>4 760</b>	

1) In the table some of the 14 CGUs are presented together due to that the acquisitions are related. The Equities and Corporate business in Sweden and Norway were acquired in a linked transaction and the Investment Management activities in UK and BVI as well. Card in Norway and Sweden is related to the Eurocard business and Investment Management in Finland and Denmark represents the same type of business and the amounts are minor.

2) Internally assessed.

## Intangible assets, specification of goodwill impairment – continued – SEB Group

### Impairment test in the first quarter

#### CGUs with no future cash flow

For four of the new CGUs that had an original goodwill allocated there is no future cash flow due to changes in strategy for Internet/Telephone bank in Sweden, Retail Norway and Investment Management based in UK and British Virgin Islands and therefore the goodwill is impaired.

#### Result of impairment test

Impairment test results in six units where the goodwill is fully impaired and one unit where it is partially impaired. Three units have goodwill with no need of impairment. The impairment is reported as Depreciation, amortisation and impairment of tangible and intangible assets within Other in the income statement.

#### Estimates and assumptions used: future cash flows

The impairment test on goodwill is based on value in use and builds on the business plan for 2016-2018 and projected cash flows for 2019-2020. The long term growth in all geographies is based on expectations on inflation 1.5 per cent. The allocated capital is derived from the Group's internal capital allocation model that has been aligned with the regulatory capital requirements including the management buffer. The cash flows in the business plan starts with the assumptions from the most recent Nordic outlook published at the commencement of this business plan process. In addition to the assumptions financial effects from specific actions according to SEB's long term strategy are added. Projections for 2019-2020 includes regulatory uncertainties like assumed increase in capital needs derived from the Basel III regulation.

#### Estimates and assumptions used: Cost of Equity (CoE) - discount rate

The associated risk in each specific business unit and geography has been reflected in the respective CoE for each CGU. Investment Management's discount rate is higher, 11.5 per cent than the SEB Group's average due to regulatory uncertainty related to limitations to retrocessions, possible further margin squeeze and the current negative interest environment that can create squeezed asset prices and volatility. For Life Denmark discount rate is higher, 11.5 per cent, than the SEB Group's average due to the distribution model might be more dependent on own channels and uncertainty related to limitations in retrocessions. The base discount rate used in the impairment test at the end of 2015 is unchanged at 9.5 per cent post-tax for SEB Group and is determined based on information from external sources.

### Yearly impairment test in the fourth quarter

#### Result of impairment test

The yearly impairment test for 2016 was performed in the fourth quarter covering the four remaining CGUs with allocated goodwill. The test did not result in any indication of impairment.

#### Estimates and assumptions used: future cash flows

This test is based on the business plan for 2017-2019, including changed assumptions compared to the preceding business plan for the concerned CGUs, and projected cash flows for 2020-2021. The long term growth is based on expectations on inflation 1.5 per cent. The allocated capital is derived from the Group's internal capital allocation model that has been aligned with the regulatory capital requirements including the management buffer. Certain regulatory uncertainties included in previous impairment test has been eliminated since potential impact from these will not occur within the projection period. The cash flows in the business plan starts with the assumptions from the most recent Nordic outlook published at the commencement of this business plan process. The main assumptions are; GDP growth in Sweden from 2.8 per cent to 2.2 per cent over three years and other Nordic countries excluding Sweden from 1.5 per cent to 2.0 per cent; inflation in Sweden from 1.2 per cent to 2.2 per cent and in Other Nordic countries from 1.6 per cent to 1.7 per cent. The repo rate in Sweden is assumed to be 0.25 per cent end of 2018.

#### Estimates and assumptions used: Cost of Equity (CoE) - discount rate

The discount rate used is 9.0 per cent post-tax for SEB Group and is determined based on information from external sources and applied on all CGUs except Investment Management. The higher discount rate for Investment Management, 11.0 per cent, is applied due to remaining uncertainty as described for in the impairment test in the first quarter.

#### Sensitivities

An increase of one percentage of the discount rate (CoE), a decrease of the average growth rates by one percentage point for earnings before amortisations during the projection period and a decrease of one percentage point of the long term growth was applied in the sensitivity analysis. The sensitivity analysis carried out did not result in any indication of impairment.

## Assets and liabilities held for sale – SEB Group

SEK m	31 Dec 2016	31 Dec 2015
Other assets	587	801
<b>Total assets held for sale</b>	<b>587</b>	<b>801</b>
Other liabilities		
<b>Total liabilities held for sale</b>	<b>0</b>	<b>0</b>

The Baltic division has a divestment plan for investment properties. Through the continuation of the plan, additional properties were reclassified as assets held for sale until the derecognition at concluded sales agreement. The net amount of these activities during the fourth quarter was SEK +136m.

# SEB consolidated situation

## Capital adequacy analysis for SEB consolidated situation

SEK m	31 Dec 2016	31 Dec 2015
<b>Own funds</b>		
Common Equity Tier 1 capital	114 419	107 535
Tier 1 capital	129 157	121 391
Total own funds	151 491	135 782
<b>Own funds requirement</b>		
Risk exposure amount	609 959	570 840
Expressed as own funds requirement	48 797	45 667
Common Equity Tier 1 capital ratio	18.8%	18.8%
Tier 1 capital ratio	21.2%	21.3%
Total capital ratio	24.8%	23.8%
Own funds in relation to own funds requirement	3.10	2.97
Regulatory Common Equity Tier 1 capital requirement including buffer	10.7%	10.5%
of which capital conservation buffer requirement	2.5%	2.5%
of which systemic risk buffer requirement	3.0%	3.0%
of which countercyclical capital buffer requirement	0.7%	0.5%
Common Equity Tier 1 capital available to meet buffer <sup>1)</sup>	14.3%	14.3%
<b>Transitional floor 80% of capital requirement according to Basel I</b>		
Minimum floor own funds requirement according to Basel I	86 884	79 123
Own funds according to Basel I	151 814	135 478
Own funds in relation to own funds requirement Basel I	1.75	1.71
<b>Leverage ratio</b>		
Exposure measure for leverage ratio calculation	2 549 149	2 463 479
of which on balance sheet items	2 120 587	2 094 445
of which off balance sheet items	428 562	369 034
Leverage ratio	5.1%	4.9%

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

### Internally assessed capital requirement

As per 31 December 2016, the internally assessed capital requirement including insurance risk amounted to SEK 63bn (59). The internal capital requirement is assessed using SEB's internal models for economic capital and is not fully comparable to the estimated capital requirement published by the Swedish Financial Supervisory Authority due to differences in assumptions and methodologies.



## Own funds for SEB consolidated situation

SEK m	31 Dec 2016	31 Dec 2015
Shareholders equity	21 942	21 942
Retained earnings	65 190	53 458
Accumulated other comprehensive income and other reserves	43 226	50 817
Independently reviewed result <sup>1)</sup>	10 618	16 581
<b>Total equity according to balance sheet</b>	<b>140 976</b>	<b>142 798</b>
Deductions related to the consolidated situation and other foreseeable charges	-14 303	-14 808
<b>Common Equity Tier 1 capital before regulatory adjustments <sup>2)</sup></b>	<b>126 673</b>	<b>127 990</b>
Additional value adjustments	-1 169	-937
Intangible assets	-6 835	-11 942
Deferred tax assets that rely on future profitability	-208	-501
Fair value reserves related to gains or losses on cash flow hedges	-2 400	-3 210
Negative amounts resulting from the calculation of expected loss amounts	-381	-571
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-115	-145
Defined-benefit pension fund assets	-920	-2 927
Direct and indirect holdings of own CET1 instruments	-191	-179
Securitisation positions with 1,250% risk weight	-35	-43
<b>Total regulatory adjustments to Common Equity Tier 1</b>	<b>-12 254</b>	<b>-20 455</b>
<b>Common Equity Tier 1 capital</b>	<b>114 419</b>	<b>107 535</b>
Additional Tier 1 instruments	9 959	9 258
Grandfathered additional Tier 1 instruments	4 779	4 598
<b>Tier 1 capital</b>	<b>129 157</b>	<b>121 391</b>
Tier 2 instruments	24 851	16 091
Grandfathered Tier 2 instruments		
Net provisioning amount for IRB-reported exposures	58	875
Holdings of Tier 2 instruments in financial sector entities	-2 575	-2 575
<b>Tier 2 capital</b>	<b>22 334</b>	<b>14 391</b>
<b>Total own funds</b>	<b>151 491</b>	<b>135 782</b>

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

<sup>2)</sup> The Common Equity Tier 1 capital is presented on a consolidated basis, and differs from total equity according to IFRS. The insurance business contribution to equity is excluded and there is a dividend deduction calculated according to Regulation (EU) No 575/2013 (CRR).

## Risk exposure amount for SEB consolidated situation

SEK m	31 Dec 2016		31 Dec 2015	
	Risk exposure amount	Own funds requirement <sup>1)</sup>	Risk exposure amount	Own funds requirement <sup>1)</sup>
<b>Credit risk IRB approach</b>				
Exposures to institutions	26 254	2 100	22 701	1 816
Exposures to corporates	335 413	26 833	307 618	24 609
Retail exposures	55 617	4 449	53 163	4 253
of which secured by immovable property	34 079	2 726	32 784	2 623
of which qualifying revolving retail exposures <sup>2)</sup>			248	20
of which retail SME	4 723	378	3 255	260
of which other retail exposures	16 815	1 345	16 876	1 350
Securitisation positions	3 066	246	4 114	329
<b>Total IRB approach</b>	<b>420 350</b>	<b>33 628</b>	<b>387 596</b>	<b>31 007</b>
<b>Credit risk standardised approach</b>				
Exposures to central governments or central banks	1 801	144	1 425	114
Exposures to regional governments or local authorities	51	4	51	4
Exposures to public sector entities	29	2	5	0
Exposures to institutions	1 316	105	1 062	85
Exposures to corporates	16 422	1 314	15 568	1 245
Retail exposures	16 186	1 295	14 821	1 186
Exposures secured by mortgages on immovable property	3 803	304	4 159	333
Exposures in default	384	31	520	42
Exposures associated with particularly high risk	1 477	118	1 823	146
Securitisation positions	216	17	208	17
Exposures in the form of collective investment undertakings (CIU)	66	5	56	4
Equity exposures	2 119	170	2 182	175
Other items	8 880	711	6 364	509
<b>Total standardised approach</b>	<b>52 750</b>	<b>4 220</b>	<b>48 244</b>	<b>3 860</b>
<b>Market risk</b>				
Trading book exposures where internal models are applied	30 042	2 403	34 233	2 739
Trading book exposures applying standardised approaches	9 398	752	11 608	929
Foreign exchange rate risk	3 773	302	4 778	382
<b>Total market risk</b>	<b>43 213</b>	<b>3 457</b>	<b>50 619</b>	<b>4 050</b>
<b>Other own funds requirements</b>				
Operational risk advanced measurement approach	47 901	3 832	47 804	3 824
Settlement risk	0	0	1	0
Credit value adjustment	7 818	625	6 910	553
Investment in insurance business	16 633	1 331	15 525	1 242
Other exposures	6 547	524	5 243	419
Additional risk exposure amount <sup>3)</sup>	14 747	1 180	8 898	712
<b>Total other own funds requirements</b>	<b>93 646</b>	<b>7 492</b>	<b>84 381</b>	<b>6 750</b>
<b>Total</b>	<b>609 959</b>	<b>48 797</b>	<b>570 840</b>	<b>45 667</b>

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

<sup>2)</sup> Reported as other retail exposures from 1 January 2016.

<sup>3)</sup> Regulation (EU) No 575/2013 (CRR) Article 3.

### Change in risk exposure amount (REA)

REA increased by SEK 39bn since year-end 2015. The increase was largely driven by credit volumes and currency effects contributed further to the growth. Market risk REA declined by SEK 8bn in the first quarter but has been stable since. The Additional REA that was established in the fourth quarter of 2015 in agreement with the SFSA as a measure of prudence, increased by SEK 6bn to SEK 15bn.

<b>Risk exposure amount</b>	<b>SEK bn</b>
<b>Balance 31 December 2015</b>	<b>571</b>
Volume and mix changes	30
Currency effect	16
Risk class migration	-1
Process and regulatory changes	0
Underlying market and operational risk changes	-6
<b>Balance 31 December 2016</b>	<b>610</b>

### Average risk-weight

The following table summarises average risk-weights (risk exposure amount divided by exposure at default, EAD) for exposures where the risk exposure amount is calculated according to the internal ratings based (IRB) approach. Repos and securities lending transactions are excluded from the analysis since they carry low risk-weight and can vary considerably in volume, thus making numbers less comparable.

<b>IRB reported credit exposures (less repos and securities lending)</b>	<b>31 Dec</b>	<b>31 Dec</b>
<b>Average risk-weight</b>	<b>2016</b>	<b>2015</b>
Exposures to institutions	25.1%	24.4%
Exposures to corporates	31.4%	32.3%
Retail exposures	9.9%	9.8%
of which secured by immovable property	6.9%	6.9%
of which qualifying revolving retail exposures		42.4%
of which retail SME	73.4%	62.9%
of which other retail exposures	28.0%	28.4%
Securitisation positions	50.6%	46.5%

## Skandinaviska Enskilda Banken AB (publ.)

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

In accordance with FSA regulations SEK m	Q4			Q3		Q4		Jan-Dec		
	2016	2016 <sup>2)</sup>	%	2015	%	2016	2015	%		
Interest income	7 493	7 197	4	7 258	3	29 022	30 092	-4		
Leasing income	1 377	1 350	2	1 372	0	5 443	5 439	0		
Interest expense	-4 140	-3 682	12	-3 722	11	-15 223	-16 043	-5		
Dividends	1 252	269		1 462	-14	6 581	8 028	-18		
Fee and commission income	3 350	2 646	27	3 065	9	11 648	12 258	-5		
Fee and commission expense	-1 005	- 500	101	- 732	37	-2 805	-3 058	-8		
Net financial income	1 459	1 239	18	1 153	27	4 642	3 428	35		
Other income	261	167	56	486	-46	817	1 137	-28		
<b>Total operating income</b>	<b>10 047</b>	<b>8 686</b>	<b>16</b>	<b>10 342</b>	<b>-3</b>	<b>40 125</b>	<b>41 281</b>	<b>-3</b>		
Administrative expenses	-3 909	-3 661	7	-3 361	16	-15 039	-13 458	12		
Depreciation, amortisation and impairment of tangible and intangible assets	-1 319	-1 305	1	-1 346	-2	-5 775	-5 447	6		
<b>Total operating expenses</b>	<b>-5 228</b>	<b>-4 966</b>	<b>5</b>	<b>-4 707</b>	<b>11</b>	<b>-20 814</b>	<b>-18 905</b>	<b>10</b>		
<b>Profit before credit losses</b>	<b>4 819</b>	<b>3 720</b>	<b>30</b>	<b>5 635</b>	<b>-14</b>	<b>19 311</b>	<b>22 376</b>	<b>-14</b>		
Net credit losses	- 248	- 187	33	- 64		- 789	- 520	52		
Impairment of financial assets <sup>1)</sup>	- 144	- 120	20	- 113	27	-3 841	- 775			
<b>Operating profit</b>	<b>4 427</b>	<b>3 413</b>	<b>30</b>	<b>5 458</b>	<b>-19</b>	<b>14 681</b>	<b>21 081</b>	<b>-30</b>		
Appropriations	1 882	212		262		2 437	781			
Income tax expense	-1 202	- 562	114	-1 159	4	-2 877	-3 679	-22		
Other taxes	128			- 148		137	- 138			
<b>Net profit</b>	<b>5 235</b>	<b>3 063</b>	<b>71</b>	<b>4 413</b>	<b>19</b>	<b>14 378</b>	<b>18 045</b>	<b>-20</b>		

1) As a result of impairment of goodwill in SEB Group, impairment of shares in subsidiaries has affected the parent company in Q1 2016 with an amount of SEK 2,687m.

2) Securitites lending income is reported on a net basis as Securitites commission within Commission income. The comparative figures have been restated from Q1 2016.

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

SEK m	Q4			Q3		Q4		Jan-Dec		
	2016	2016	%	2015	%	2016	2015	%		
<b>Net profit</b>	<b>5 235</b>	<b>3 063</b>	<b>71</b>	<b>4 413</b>	<b>19</b>	<b>14 378</b>	<b>18 045</b>	<b>-20</b>		
<i>Items that may subsequently be reclassified to the income statement:</i>										
Available-for-sale financial assets	16			- 362		1 130	- 423			
Cash flow hedges	- 473	- 312	52	- 561	-16	- 811	- 665	22		
Translation of foreign operations	- 36	36		- 34	6	25	- 41			
<b>Other comprehensive income (net of tax)</b>	<b>- 493</b>	<b>- 276</b>	<b>79</b>	<b>- 957</b>	<b>-48</b>	<b>344</b>	<b>-1 129</b>	<b>-130</b>		
<b>Total comprehensive income</b>	<b>4 742</b>	<b>2 787</b>	<b>70</b>	<b>3 456</b>	<b>37</b>	<b>14 722</b>	<b>16 916</b>	<b>-13</b>		

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

<b>Condensed SEK m</b>	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>
Cash and cash balances with central banks	70 671	55 712
Loans to credit institutions	287 059	166 267
Loans to the public	1 172 095	1 080 438
Financial assets at fair value	322 195	415 321
Available-for-sale financial assets	12 063	12 985
Investments in associates	1 025	1 001
Shares in subsidiaries	50 611	52 398
Tangible and intangible assets	37 186	40 577
Other assets	46 939	41 906
<b>Total assets</b>	<b>1 999 844</b>	<b>1 866 605</b>
Deposits from credit institutions	168 852	134 816
Deposits and borrowing from the public <sup>1)</sup>	782 584	690 301
Debt securities	664 186	632 403
Financial liabilities at fair value	172 678	202 791
Other liabilities	47 610	53 532
Provisions	80	144
Subordinated liabilities	40 719	31 372
Untaxed reserves	21 761	23 466
Total equity	101 374	97 780
<b>Total liabilities, untaxed reserves and shareholders' equity</b>	<b>1 999 844</b>	<b>1 866 605</b>
1) Private and SME deposits covered by deposit guarantee	114 591	111 990
Private and SME deposits not covered by deposit guarantee	144 815	124 753
All other deposits	523 178	453 558
Total deposits from the public	<b>782 584</b>	<b>690 301</b>

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

<b>SEK m</b>	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>
Pledged assets for own liabilities	392 227	399 047
Other pledged assets	152 317	135 864
<b>Pledged assets</b>	<b>544 544</b>	<b>534 911</b>
Contingent liabilities	97 642	87 798
Commitments	468 953	434 656
<b>Contingent liabilities and commitments</b>	<b>566 595</b>	<b>522 454</b>

## Statement of changes in equity - Skandinaviska Enskilda Banken AB (publ.)

SEK m	31 Dec 2016	31 Dec 2015
Share capital	21 942	21 942
Other restricted reserves	12 701	12 260
<b>Equity, restricted</b>	<b>34 643</b>	<b>34 202</b>
Change in holdings of own shares	-2 269	-2 568
Other reserves	3 571	3 225
Other non-restricted equity	51 051	44 876
Net profit for the year	14 378	18 045
<b>Equity, non-restricted<sup>1)</sup></b>	<b>66 731</b>	<b>63 578</b>
<b>TOTAL</b>	<b>101 374</b>	<b>97 780</b>

1) The opening balance is equivalent to Distributable items according to Regulation (EU) No 575/2013 (CRR).

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

SEK m	31 Dec 2016	31 Dec 2015
<b>Own funds</b>		
Common Equity Tier 1 capital	97 144	91 951
Tier 1 capital	111 882	105 806
Total own funds	134 384	119 472
<b>Own funds requirement</b>		
Risk exposure amount	515 826	478 376
Expressed as own funds requirement	41 266	38 270
Common Equity Tier 1 capital ratio	18.8%	19.2%
Tier 1 capital ratio	21.7%	22.1%
Total capital ratio	26.1%	25.0%
Own funds in relation to capital requirement	3.26	3.12
Regulatory Common Equity Tier 1 capital requirement including buffers	7.9%	7.6%
of which capital conservation buffer requirement	2.5%	2.5%
of which countercyclical capital buffer requirement	0.9%	0.6%
Common Equity Tier 1 capital available to meet buffers <sup>1)</sup>	14.3%	14.7%

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

The internally assessed capital requirement for the parent company amounted to SEK 60bn (44). A methodology change in the calculation during the year increased the amount.

## Definitions

### Alternative Performance Measures

#### Return on equity

Net profit attributable to shareholders in relation to average<sup>1)</sup> shareholders' equity.

#### Return on equity excluding items affecting comparability

Net profit attributable to shareholders, excluding items effecting comparability and their related tax effect, in relation to average<sup>1)</sup> shareholders' equity.

#### Return on business equity

Operating profit by division, reduced by a standard tax rate, in relation to the divisions' average<sup>1)</sup> business equity.

#### Return on total assets

Net profit attributable to shareholders, in relation to average<sup>1)</sup> total assets.

#### Return on risk exposure amount

Net profit attributable to shareholders in relation to average<sup>1)</sup> risk exposure amount.

#### Cost/income ratio

Total operating expenses in relation to total operating income.

#### Cost/income ratio excluding items affecting comparability

Total operating expenses excluding items affecting comparability in relation to total operating income excluding items affecting comparability.

#### Basic earnings per share

Net profit attributable to shareholders in relation to the weighted average<sup>2)</sup> number of shares outstanding.

#### Diluted earnings per share

Net profit attributable to shareholders in relation to the weighted average<sup>2)</sup> diluted number of shares. The calculated dilution is based on the estimated economic value of the long-term incentive programmes.

#### Net worth per share

Shareholders' equity plus the equity portion of any surplus values in the holdings of interest-bearing securities and the surplus value in life insurance operations in relation to the number of shares outstanding.

#### Equity per share

Shareholders' equity in relation to the number of shares outstanding.

#### Credit loss level

Net credit losses as a percentage of the opening balance of loans to the public, loans to credit institutions and loan guarantees less specific, collective and off balance sheet reserves.

#### Gross level of impaired loans

Individually assessed impaired loans, gross, as a percentage of loans to the public and loans to credit institutions before reduction of reserves.

#### Net level of impaired loans

Individually assessed impaired loans, net (less specific reserves), as a percentage of net loans to the public and loans to credit institutions less specific reserves and collective reserves.

#### Specific reserve ratio for individually assessed impaired loans

Specific reserves as a percentage of individually assessed impaired loans.

#### Total reserve ratio for individually assessed impaired loans

Total reserves (specific reserves and collective reserves for individually assessed loans) as a percentage of individually assessed impaired loans.

#### Reserve ratio for portfolio assessed loans

Collective reserves for portfolio assessed loans as a percentage of portfolio assessed loans past due more than 60 days or restructured.

#### Non-performing loans (NPL)

SEB's term for loans that are either impaired or not performing according to the loan contract. Includes individually assessed impaired loans, portfolio assessed loans, past due > 60 days and restructured portfolio assessed loans (based on IFRS concessions).

#### NPL coverage ratio

Total reserves (specific, collective and off balance sheet reserves) as a percentage of non-performing loans.

#### NPL per cent of lending

Non-performing loans as a percentage of loans to the public and loans to credit institutions before reduction of reserves.

#### Items affecting comparability

To facilitate the comparison of SEB's operating profit; items that management considers reduce comparability, are identified and separately described, e.g. impairment of goodwill and restructuring.

*Alternative Performance Measures, APMs, are financial measures of historical or future financial performance, financial position, or cash flows, other than those defined in the applicable financial reporting framework (IFRS) or in the EU Capital Requirements Regulation and Directive CRR/CRD IV. APMs are used by SEB when relevant to assess and describe the performance of SEB and provide additional relevant information and tools to enable a view on SEB's performance. APMs on basic earnings per share, diluted earnings per share, net worth per share, equity per share, return on equity, return on total assets and return on risk exposure amount provide relevant information on the performance in relation to different investment measurements. The cost/income ratio provides information on SEB's cost efficiency. APMs related to lending provide information on provisions in relation to credit risk. All these measures may not be comparable to similarly titled measures used by other companies.*

<sup>1)</sup> Average year to date, calculated on month-end figures.

<sup>2)</sup> Average, calculated on a daily basis.

## Definitions

### According to the EU Capital Requirements Regulation no 575/2013 (CRR)

#### Risk exposure amount

Total assets and off balance sheet items, weighted in accordance with capital adequacy regulations for credit risk and market risk. The operational risks are measured and added as risk exposure amount. Risk exposure amounts are only defined for the consolidated situation, excluding insurance entities and items deducted from own funds.

#### Common Equity Tier 1 capital

Shareholders' equity excluding proposed dividend, deferred tax assets, intangible assets and certain other regulatory adjustments defined in EU Regulation no 575/2013 (CRR).

#### Tier 1 capital

Common Equity Tier 1 capital plus qualifying forms of subordinated loans.

#### Tier 2 capital

Mainly subordinated loans not qualifying as Tier 1 capital contribution.

#### Own funds

The sum of Tier 1 and Tier 2 capital.

#### Common Equity Tier 1 capital ratio

Common Equity Tier 1 capital as a percentage of risk exposure amount.

#### Tier 1 capital ratio

Tier 1 capital as a percentage of risk exposure amount.

#### Total capital ratio

Total own funds as a percentage of risk exposure amount.

#### Leverage ratio

Tier 1 capital as a percentage of total assets including off balance sheet items with conversion factors according to the standardised approach.

#### Liquidity Coverage Ratio (LCR)

High-quality liquid assets in relation to the estimated net cash outflows over the next 30 calendar days.



# This is SEB

<b>Our vision</b>	To deliver world-class service to our customers.
<b>Our purpose</b>	We believe that entrepreneurial minds and innovative companies are key to creating a better world. We are here to enable them to achieve their aspirations and succeed through good times and bad.
<b>Our overall ambition</b>	To be the undisputed leading Nordic bank for corporations and institutions and the top universal bank in Sweden and the Baltic countries.
<b>Whom we serve</b>	2,300 large corporations, 700 financial institutions, 267,000 SME and 1,4 million private full-service customers bank with SEB.
<b>Our strategic priorities</b>	<p>Leading customer experience – develop long-term relationships based on trust so that customers feel that the services and advice offered are insightful about their needs, are convenient and accessible on their terms and that SEB shares knowledge and acts proactively in their best interest.</p> <p>Growth in areas of strength – pursue growth in three selected core areas – offering to all customer segments in Sweden, large corporations and financial institutions in the Nordic countries and Germany and savings offering to private individuals and corporate customers.</p> <p>Resilience and flexibility – maintain resilience and flexibility in order to adapt operations to the prevailing market conditions. Resilience is based upon cost and capital efficiency.</p>
<b>Values</b>	Guided by our Code of Business Conduct and our core values: customers first, commitment, collaboration and simplicity.
<b>People</b>	Around 15,300 highly skilled employees serving customers from locations in some 20 countries; covering different time zones, securing reach and local market knowledge.
<b>History</b>	160 years of business, trust and sharing knowledge. The Bank has always acted responsibly in society promoting entrepreneurship, international outlook and long-term relationships.

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