

2017

Annual Review



S|E|B

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The global economy improved despite geopolitical uncertainty. New technology, new customer behaviours and new regulatory requirements affect the bank's operations in a tangible way.

8 Strategy and business plan

SEB's strategy focuses on creating a leading customer experience, maintaining resilience and flexibility as well as growing within areas of strength – all in order to create value for all stakeholders. The bank's business plan therefore contains a clear growth and transformation agenda.



14 Customers

Given the positive economic development in SEB's home markets, customers were generally more active. The bank's new offers, including sustainable products, and service offering were appreciated and utilised to a high degree.

22 SEB in society

SEB is an integrated part of society and supports innovation, entrepreneurship and social inclusion. The bank is working with its customers to contribute to the UN global sustainable development goals.



31 The year in figures

Operating profit before items affecting comparability increased by 12 per cent. Operating profit including items affecting comparability increased by 40 per cent. The Board proposes a dividend of SEK 5.75 per share.

2017 in brief

Important events

Large corporate customers refinanced their debt in the attractive markets and were less inclined to demand traditional financing.

Financial institutions searched for high-yielding and more risky investments in the low interest market environment.

Private customers increasingly took advantage of SEB's mobile offerings and new functionality was added throughout the year.

Johan Torgeby assumed the role of SEB's President and CEO.

SEB's offices in Arenastaden were inaugurated – new premises for more than 4,500 employees at around 20 per cent lower cost.

For the second year in a row, SEB qualified for inclusion in the Dow Jones Sustainability Index.

SEB signed an agreement to sell SEB Pension to Danske Bank for a total of DKK 6.5bn.

Key figures

	2017	2016
Operating income, SEK m	45,609	43,251
Operating profit before items affecting comparability, SEK m	22,702	20,296
Operating profit, SEK m	20,806	14,867
Return on equity excluding items affecting profitability, per cent	12.7	11.3
Return on equity, per cent	11.5	7.8
Cost/income ratio	0.48	0.50
Earnings per share, SEK	7.49	4.88
Proposed dividend, SEK	5.75	5.50
Common Equity Tier 1 capital ratio, per cent	19.4	18.8
Leverage ratio, per cent	5.2	5.1
Liquidity Coverage Ratio (LCR), per cent	145	168

With our vision and strategy...

Our purpose 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.	Our vision Deliver world-class service to our customers.	Our strategic priorities <ul style="list-style-type: none">• Leading customer experience• Maintaining resilience and flexibility• Growing in areas of strength.	Our sustainability aim Be a role model in sustainability within the financial industry.
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...via our business model...

A circular diagram with six segments, each with an arrow pointing clockwise to the next segment. The segments are labeled: Strategy (top), Resilience (top-right), Governance (right), Risk (bottom-right), IT (bottom-left), and Service (left).

Requirements and expectations from customers, shareholders, employees and society at large are met via various channels.

196	branch offices in Sweden and the Baltic countries
37	Swish payments per private customer per year
206	Swish payments per corporate customer per year
20	international sites
20/7	personal service by phone
200	client executives for large corporates and financial institutions

...we serve our customers.

Large corporations SEB's corporate customers in the Nordic region are among the largest in their respective industries. In Germany and the UK they range from large mid-corporates to large multinationals.	Financial institutions SEB's institutional clients operate both in the Nordic countries and internationally.	Small and medium-sized companies In all, SEB serves approximately 400,000 small and medium-sized companies in Sweden and the Baltic countries. Of these, some 274,000 are home bank customers.	Private individuals SEB has approximately 4 million private individuals among its customers in Sweden and the Baltic countries. Of these some 1.4 million are home bank customers.
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Creating value for our stakeholders

Our financial targets

	Outcome 2017 ¹⁾	Outcome 2016 ¹⁾
Dividend payout ratio at 40 per cent or more of earnings per share	70% ²⁾	75%
Common Equity Tier 1 capital ratio of around 150 basis points over requirement	19.4% ³⁾	18.8%
Return on equity competitive with peers	12.7% ⁴⁾	11.3%

1) Outcome excludes items affecting comparability. See p. 31.

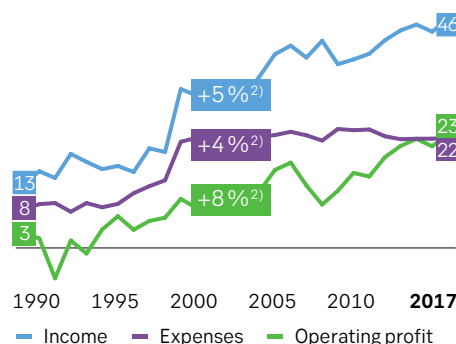
2) Outcome incl. items affecting comparability: 77%.

3) Regulatory requirement at year-end 2017: 17.2%.

4) Outcome incl. items affecting comparability: 11.5%.

Our profit development 1990–2017¹⁾

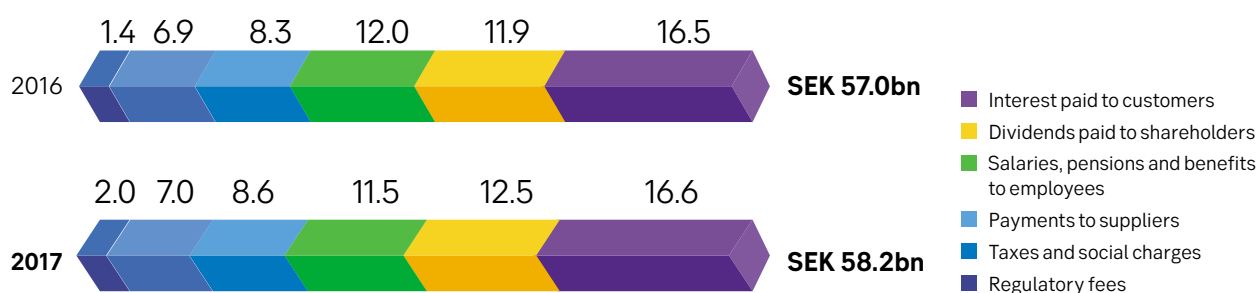
SEK bn



1) Excluding items affecting comparability.

2) Compound Annual Growth Rate (CAGR).

Total financial value created by SEB



Our customers

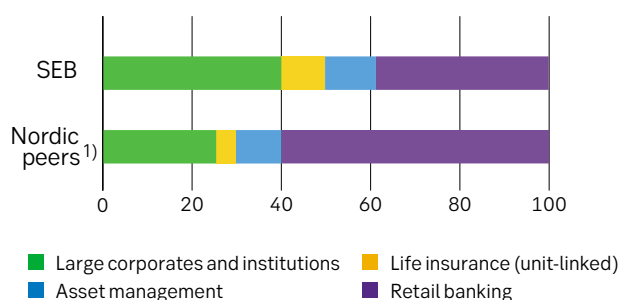
2,300 large corporations

700 financial institutions

400,000 small- and medium-sized companies

4 million private individuals

SEB – the leading Nordic corporate bank Share of income 2017, %



1) Income breakdown for Swedbank, SHB, Nordea, Danske Bank and DNB. Business units only (indicative).

Who we are

Our commitment to create value for our customers is based on a tradition of entrepreneurship, international outlook and long-term perspective. As a bank we have an important role to play in the shift to a more sustainable world.

What we do

SEB plays an active part in the development of the societies in which the bank is operating, primarily by building strong customer relationships. In Sweden and the Baltic countries we offer financial advice and a wide range of financial services. In Denmark, Finland, Norway, Germany and the United Kingdom, our operations have a strong focus on a full-service offering to corporate and institutional clients.

Whom we serve

Customers always come first. Our 15,000 committed and experienced employees work as a team to serve our customers in all the markets where we are operating.

Step by step we are delivering on our long-term strategy

In SEB, we take great pride in knowing our customers well and creating long-term value based on a tradition of entrepreneurship and long-term perspective. To us this goes hand in hand with our target to be a role model in sustainability within the financial industry. We aspire to be the leading Nordic bank for corporations and institutions and the top universal bank in Sweden and the Baltic countries.

More positive business sentiment


In 2017, we could see that business sentiment gradually grew more positive. Spurred by more jobs, higher asset prices and higher investment levels as well as increased trade, the world economy geared up despite heightened geopolitical uncertainty. However, large global imbalances remain and central banks have a difficult balancing act to return to a more conventional monetary policy going forward.

High customer activity

Most SEB customer segments increased their activity levels. Large corporate clients benefited from favourable financing conditions. IPO and M&A activity picked up and debt capital markets saw high activity, albeit demand for traditional bank financing was low. Financial institution customers face an increasingly complex regulatory environment and we were able to support them through our broad custody offering including also administrative and back-office services. SME customers in Sweden and the Baltic countries increased their demand for lending. The Swedish housing market saw some healthy signs of stabilisation. Private customers continued to increase their interaction with us – in the branch offices, through remote advisory and mobile services and in our 24/7 contact centre.

We are delivering on the business plan and the long-term strategy

SEB's long-term priorities – delivering a leading customer experience, maintaining resilience and flexibility and growing in areas of strength – form the basis for our three-year business plan. Two years into the plan we are speeding up the transformation. We have increasingly focused on areas where we have scale as well as on simplifying processes and building



In SEB we know our customers well and we are creating long-term value.”

data analytics capabilities so that we can increase customer convenience. This also involves changing ways of working with more collaboration across SEB with a holistic advisory approach towards our customers. We strive for agile development, teaming up product, IT, user experience and other specialists to deploy many small launches that are continuously calibrated with customers.

As we are during 2018 closing the first phase of our long-term vision of world class service, we are now focusing on setting the roadmap for the next phase. We maintain our financial targets and the bank has a solid capital position as well as capital generation which, in the light of the proposed new Basel III standards for credit risk, continue to be of prime focus.

The prerequisites for banks are quite different today compared with ten years ago. However, the importance of having deeply committed employees working together, eager to learn and develop, never changes.

I would like to take this opportunity to thank all our clients that choose to work with us and our employees. The whole team is deeply committed to delivering world-class service in everything we do so that we can be the preferred choice over the long term in the eyes of our customers.

Stockholm, February 2018



Johan Torgeby
President and Chief Executive Officer



Macro environment

New technologies, new customer behaviours and new regulations are macro trends that affect banks' operations in a tangible way. The global economy continues its strong development, despite growing geopolitical uncertainty.



S

trong economic development but geopolitical uncertainty

The global economy continued its strong development in 2017, while interest rates remained low. Geopolitical uncertainty increased whereas the financial markets continued to develop positively. From a global perspective, the eurozone is getting back on its feet and a general recovery has also been noted in China, Japan, the USA and emerging markets. The Nordic economies are showing a broad upswing. In Sweden growth was strong while at the same time the risks in the real estate market increasingly came into focus.

As for the more long-term development trends, extreme weather events put the issue of climate change into greater focus. The target of limiting

the global temperature rise to 2 degrees Celsius appears to be increasingly more difficult to reach.

Geopolitical tensions, global imbalances and the large migration tides in recent years are factors that significantly affect the macro environment. Since 2007 global indebtedness has increased by more than 40 percentage points to around 260 per cent of global GDP. In parallel, most Western countries are struggling with a growing demographic challenge posed by disproportionate population pyramids. This is resulting in a greater dependency burden for the actively working and in straining social security systems.



Digitalisation redrawing the map

For the past few years, new technology, new actors as well as changing regulations and customer behaviours are redrawing the map regarding who can offer bank services as well as what services banks can offer and how.

Owing to the rapid development, mature universal banks are encountering competition from fintech companies, which often develop solutions for specific financial services. They are agile at putting together user-friendly services, but their disadvantage is that they cannot offer the trust, convenience and comprehensive solutions provided by full-service banks.

The development is shifting so that banks, with their large customer bases, cooperate or enter into partnerships with new actors in an effort

to jointly create services, develop the offerings and improve the customer experience.

By understanding and monitoring customer behaviour banks are providing personalised offers at an increasing rate.

Blockchain technology and Artificial intelligence (AI) are developing rapidly and are expected to have a major impact also on banks. Blockchain technology enables transactions to be verified and processed in real-time. AI, as virtual agents, is already being used by banks for customer service. Digitalisation is also creating opportunities to enhance productivity in the banking sector by automating internal processes and reducing administrative work.

New rules for consumer protection and transparency

New regulations continue to be implemented for the financial sector, requiring extensive adaptation of processes, routines and system support. The volume of new regulations is beginning to subside but much work remains in implementing current regulation changes.

The Markets in Financial Instruments Directive (MiFID II) took effect at the beginning of 2018, aiming at increasing consumer protection and transparency in all types of investment products. The Payment Services Directive (PSD2) comes into force in 2018, and requires banks to open up their transaction information, thereby creating the opportunity for third-party actors to for instance initiate payments. This is commonly referred to as Open Banking. In addition, the EU's new General Data Protection Regulation (GDPR) takes effect in May 2018, laying out new rules for how companies in all sectors are to process personal data.

Two important accounting standards, took effect on 1 January 2018 – IFRS 9 Financial Instruments, and IFRS 15 Revenue from Contracts with Customers. Both set standards for better information about companies' income and profitability.

In 2017 the European Commission began work on a project aimed at ensuring that financial regulators incorporate sustainability aspects into their supervision.

SEB creates value

Customer centricity, long-term perspectives and financial strength form the foundation for meeting the expectations of customers, employees and society at large. Ultimately, this creates value for the shareholders.

Meeting stakeholders' expectations

via SEB's management of its business



Customers

1.7 million corporate and private customers

The customers' needs are at the core of the bank's business. Customers' high expectations on service and quality advice as well as sustainable solutions drive the bank's business development and offerings.



Shareholders

269,000 shareholders

The capital provided by SEB's shareholders is a prerequisite for conducting the bank's business. The shareholders expect a competitive and sustainable return on their capital. Many of the major owners have a long-term perspective on their engagement in the bank.



Employees

15,000 employees

SEB's employees build and deepen customer relationships. Their commitment, skills and continuous learning are key success factors for the bank's business and future development.



Society

Society at large

Banks play an integral role in society and are vital for creating economic growth and social value. With this comes an expectation that the bank takes great responsibility for how it acts, to enable society to continue to develop in a sustainable way.



Strategy

Long-term strategy

SEB's strategy is built on developing deep customer relationships with a long-term perspective.

» See p. 9.

Service

Customer-oriented offering

Proactive quality advice and a holistic offering are provided at the customers' convenience, based on customer insights.

» See p. 16–21.

IT

Secure and functional IT

The IT structure promotes stability in the daily operation and agile development of products and services. » See p. 35 and p. 7 in the Sustainability Overview.

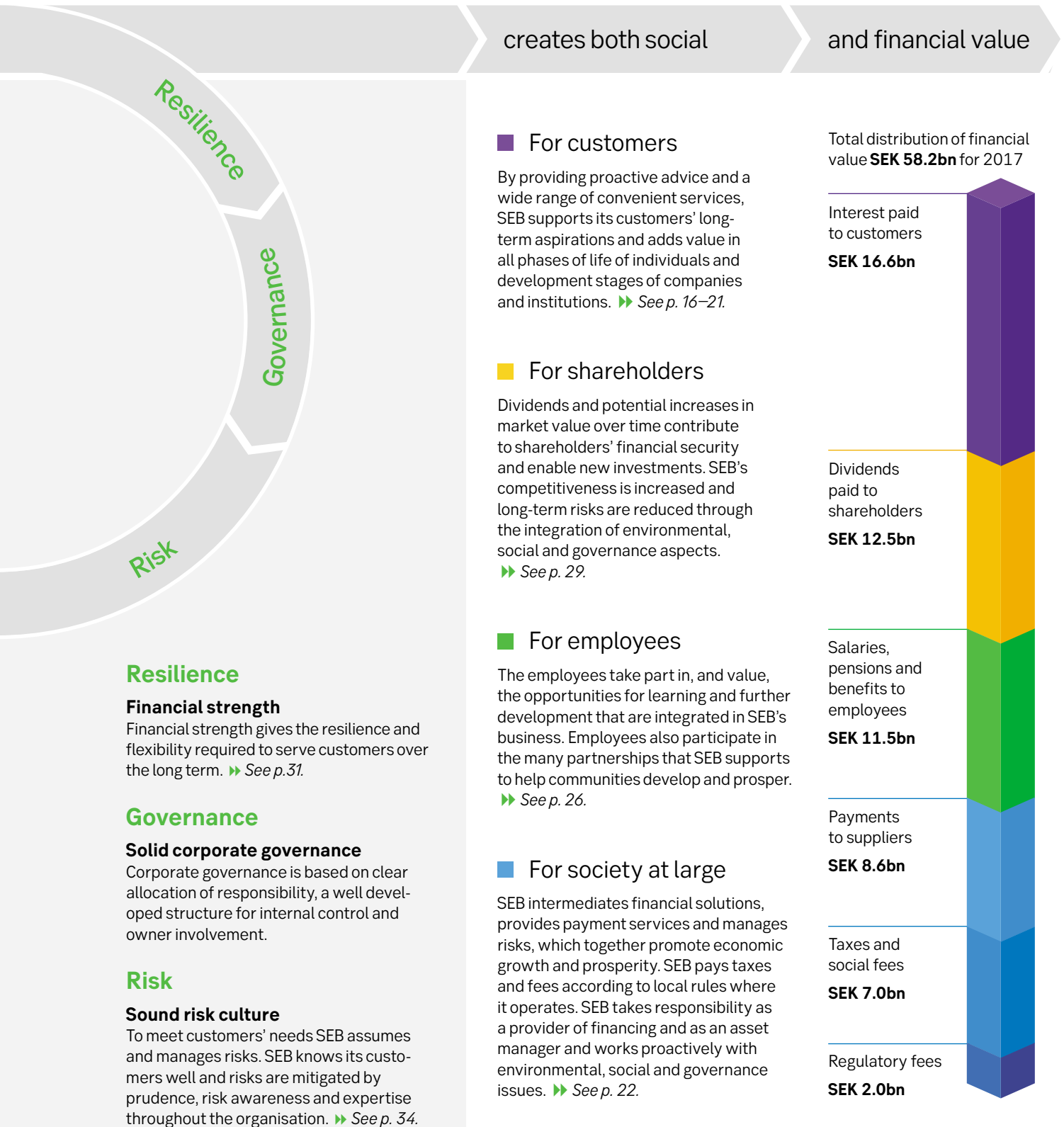
Value creation based on trust

Banks play a fundamental role in society by acting as an intermediary providing, and advising on, a wide range of financing and savings solutions, risk management and payment services for all types of customers. SEB's operations impact – and is impacted by – customers, shareholders, employees and society. Without their trust, the bank cannot function. This is why the bank adapts to a changing environment, acts in accordance with regulations and

expectations, and strives to provide services that are insightful, transparent and accessible on customers' terms.

In addition, high ethical standards are being upheld internally in order to maintain the stakeholders' trust. SEB's Code of Conduct, internal rules and procedures are in place, supported by a culture based on openness, business acumen and SEB's core values.

►► *Read more about the Code of Conduct on p. 28 and on sebgroupp.com*



World-class service

SEB's long-term vision, to deliver world-class service to our customers, reflects a future in which customer orientation, simplicity and accessibility increase in importance.



Long-term strategic priorities

Founded in the service of enterprise more than 160 years ago, SEB has through the years played an active part in societal development in the markets in which it operates. Building on this entrepreneurial heritage, it is the bank's ambition to be the undisputed leading Nordic corporate and institutional bank, as well as the top

universal bank in Sweden and the Baltic countries. It is also the bank's ambition to be a role model in sustainability within the financial industry. The long-term strategic priorities and the three-year business plan, outlined on the next page, define the way forward.

SEB's strategic priorities

Select indicators

1

Leading customer experience

Develop long-term relations in which customers have confidence in SEB and feel that the services and advice offered are insightful about their needs, are accessible on their terms and that SEB shares knowledge and acts proactively in their best interest.

Customers' willingness to recommend SEB

▶▶ See p. 12

Swedish Quality Index

▶▶ See p. 12

2

Resilience and flexibility

Maintain resilience and flexibility in order to adapt operations to the prevailing market conditions. Resilience is based upon capital and liquidity strength. Cost efficiency promotes profitability and provides room for new investments.

Board's financial targets

▶▶ See p. 12

Liquidity coverage ratio

▶▶ See p. 35

3

Growth in areas of strength

Focus on profitable organic growth in areas of strength: universal banking in Sweden and the Baltic countries and corporate banking in home markets outside Sweden.

Business plan

▶▶ See p. 10

A strategy for all stakeholders

The strategic priorities and the business plan, which includes the sustainability success factors, reflect the bank's material matters. These material matters are in line with the expectations of SEB's stakeholders. The operations are carried out based on a foundation of sound risk management, financial strength, business ethics and conduct, data protection and people management. Each year, the mate-

rial matters are assessed to ensure that the priorities remain relevant and to identify potential emerging issues. The evaluation is based on internal and external stakeholder perspectives from economic, environmental and social viewpoints. From the stakeholder dialogues, the bank draws conclusions on how to prioritise and integrate the material matters into the business plan.

▶▶ Read more about the materiality process and stakeholder engagement in the Sustainability Overview.

Current business plan

SEB's long-term strategic priorities form the basis for the three-year business plan for 2016–2018. The plan focuses on two main areas, growth and transformation, supplemented by three sustainability success factors. The validity of the three-year plan is ensured by rolling updates to align with changing business conditions.

Growth

►► [Read more on p. 16–21](#)

Since 1 January 2016:

Assets under management (net inflow and value) increased by SEK

162 billion

Growth in corporate credits, SEK

93 billion

New large corporate customers

130

Accelerated growth in Sweden

Further strengthen the bank's position across all customer segments in Sweden. Provide a wider range of services and increasingly use customer data to proactively offer new services.

Nordic and German large corporations and institutions

Expand the corporate and institutional customer business in the Nordic countries and Germany with focus on the full-service offering and digital portals while selectively attracting targeted UK corporate customers.

Savings offering to private individuals and corporate customers

Create growth by offering private and corporate customers convenient and advisory-based solutions including bancassurance to cater for customers' need for long-term savings.

Sustainability success factors

Since 1 January 2016:

Increase in loans reclassified in accordance with SEB's green framework, SEK

13 billion

SEB's green bonds, underwritten globally, increased by SEK

10 billion

In order to reach the ambition to be a role model in sustainability within the financial industry, the bank focuses on three sustainability success factors. The prerequisite is engaged and knowledgeable employees who provide responsible and proactive advice, with a special focus on environmental impact and transparency.

►► [Read more the Sustainability Overview](#)

Sustainable financing

Increase the share of positive impact financing. Strengthen sustainable advising and expand the sustainable offering.

Transformation

►► Read more on p. 16–21

World-class service

Focus on customer journeys and use customer data in order to create a leading customer experience based on a personalised and convenient full-service offering where customers can choose where and in what manner they want to be served.

Digitalisation

Develop customised advisory tools and interfaces based on individual customer needs and behaviour in various channels. This includes transforming the first line of service to digital solutions and portals. Automate internal processes in order to improve efficiency.

Continuous learning

Continue to invest in attracting talents with the right values and providing continuous learning and development opportunities to existing employees. Ensure a gradual competence shift broadening the role for client executives and also developing capabilities in service design and data analytics.

Since 1 January 2016:

Increase in customer usage of mobile services

40%

Remote advisory meetings in the Baltic countries

1,500

Employees in leadership/talent management programmes

1,543

►► Read more on p. 22–25

Sustainable investments

Be the leading Nordic supplier of sustainable investments with a comprehensive and competitive offering where environmental, social and governance factors are fully integrated into the investment process in all asset types. Strengthen sustainable investment advising.

Innovation and entrepreneurship

Support innovation and entrepreneurship to drive sustainable economic development and contribute to creating new jobs.

Since 1 January 2016:

Contribution to entrepreneurial and innovation partnerships, SEK

25 million

2017: Funds managed with sustainability criteria; share of SEB Funds' total assets under management

25%

Overall targets and outcome

The progress of the strategy and three-year business plan is monitored and measured at many levels. These selected metrics provide a progress overview.

Customers



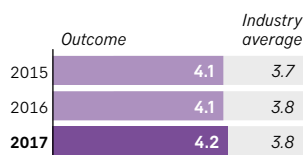
Customer experience and satisfaction

Various internal and external metrics are used to measure customer satisfaction.

Customers' willingness to recommend SEB is one of the key measures of the bank's progress.

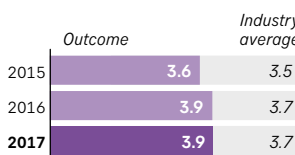
Nordic large corporations

Customers' willingness to recommend ¹⁾



Nordic financial institutions

Customers' willingness to recommend ¹⁾



Target

Leading position in selected customer segments where an important measure is whether customers are willing to recommend SEB.

Other customer surveys

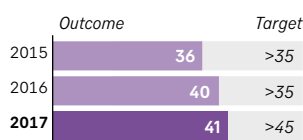
According to *Prospera's overall performance* evaluation SEB maintained its no. 1 place in the ranking from Nordic tier 1 corporations, but the ranking from all Nordic large corporations decreased from 2nd in 2016 to 3rd place in 2017.

The ranking of SEB by Nordic financial institutions moved to no. 2, from no. 1. Swedish institutions, however, ranked SEB as no. 1 in all ten possible categories.

In the *Swedish Quality Index* measurement of customer satisfaction, SEB ranked second among the larger banks, both among private and corporate customers. Compared with last year, however, SEB's score from both segments decreased. This was an industry-wide trend.

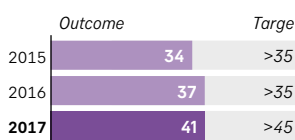
Small companies in Sweden

SEB internal NPS ²⁾



Private individuals in Sweden

SEB internal NPS ²⁾



1) According to Prospera

2) Net Promoter Score method

Shareholders



Financial targets

Through the resilience and flexibility that come from a strong capital base, good access to funding, high credit ratings and cost efficiency, SEB can create shareholder value in varying market conditions. The Board of Directors sets three financial targets that contribute to financial strength.

Common equity

Tier 1 capital ratio, Per cent

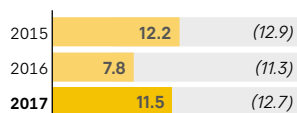


Target

SEB shall maintain a Common Equity Tier 1 (CET1) capital ratio that is around 150 basis points higher than the regulatory requirement. Per 31 dec 2017 SEB's buffer was 2.2 per cent.

SEB's estimate of the current CET1 requirement from the Swedish Financial Supervisory Authority was 17.2 per cent at year-end 2017.

Return on equity, Per cent

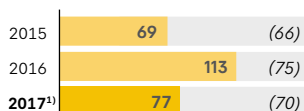


Outcome excluding items affecting comparability are shown within parenthesis.

Target

SEB shall generate a competitive return on equity. This means that the bank in the long term aspires to achieve a 15 per cent return on equity.

Dividend payout ratio, Per cent



Outcome excluding items affecting comparability are shown within parenthesis.

1) Based on the proposed dividend for 2017

Target

40 per cent or more of earnings per share. SEB strives for long-term dividend growth. The size of the dividend takes into account SEB's financial position, the prevailing economic situation, earnings, regulatory requirements and opportunities for growth.

■ Employees



Motivation and engagement

The annual employee survey, Insight, measures employee engagement, efficiency and trust. It also measures employees' willingness to recommend SEB as a place to work.

Employee engagement, Index

	Outcome	Financial sector average
2015	79	71
2016	77	73
2017	77	73

Employees, Index

	Outcome	Financial sector average
2015	80	71
2016	78	73
2017	78	74

Performance excellence, Index

	Outcome	Financial sector average
2015	80	75
2016	81	76
2017	81	77

Target

SEB's target is to be the most attractive employer in the financial sector. Progress is measured through the employee survey Insight.

Comment

SEB continues to outperform the financial sector on employee engagement, performance excellence as well as willingness to recommend the working place.

■ Society



Reputation

SEB monitors the results of the TNS Reputation Index, which measures the bank's reputation among consumers and business owners.

Sustainability

SEB wants to be a role model in sustainability within the financial industry. One indicator is whether the bank meets the criteria for inclusion in sustainability indexes. SEB also has the ambition to lower its CO₂ impact.

Reputation¹⁾, Index

	Outcome	Average ²⁾
2015	42	42
2016	45	40
2017	42	38

1) Corporate reputation among the general public, according to TNS Reputation Index (weighted in the Baltic countries).

Baltic countries

	Outcome	Average ²⁾
2015	57	56
2016	54	51
2017	57	55

2) SEB, SHB, Swedbank, Nordea, Danske Bank.

Target

Reduce the gap to the no. 1 in the industry and in the long term have the strongest reputation among industry peers.

Comment

The long-term trend in Sweden is stable. SEB was ranked as no. 2, which was above market average. In Estonia, SEB was ranked as shared no. 1. In Latvia and Lithuania there has been a negative trend and SEB ranked as no. 3.

Inclusion in sustainability index

SEB meets the criteria

STOXX	✓
Ethibel	✓
FTSE4Good	✓
ECPI	✓
Dow Jones	✓

Target

To be included in at least five selected sustainability indexes.

Comment

SEB has been included in STOXX, Ethibel, FTSE4Good and ECPI for several years. 2017 was the second year that SEB was included in the Dow Jones sustainability index.

CO₂ emissions

	Outcome	Target for 2020
2015	21,315	17,000
2016	20,437	17,000
2017	20,537	17,000

Target

Reduce CO₂ emissions by 20 per cent between 2016 and 2020, reaching 17,000 tonnes CO₂.

Comment

The CO₂ emissions were almost flat compared with the previous year. Increased business travel counteracted reductions related to company cars and paper use.

Customers

With the customers' needs in focus and based on the bank's vision to provide world-class service, SEB is taking a number of initiatives in its business plan in order to improve the customer experience with respect to advisory services, simplicity and sustainability.



Customer segments

Large corporations

SEB serves some 2,300 large corporations in a wide range of industries and in most cases with an international focus. In the Nordic countries these companies are among the largest in their respective industries, while in Germany and the United Kingdom customers range from the large mid-corp segment up to multinational corporations.

Financial institutions

SEB serves some 700 financial institutions, consisting of pension and asset managers, hedge funds, insurance companies and other banks, active in the Nordic countries and internationally.

Small and medium-sized companies

SEB serves some 400,000 small and medium-sized companies in Sweden and the Baltic countries. Of these 175,000 are home bank customers in Sweden and 99,000 in the Baltic countries. The segment includes approximately 650 mid-corp and public sector customers in Sweden, many with international operations. In the public sector, the bank serves government agencies, state-owned companies and municipalities.

Private individuals

SEB has approximately four million private customers in Sweden and the Baltic countries. Of these 488,000 are home bank customers in Sweden and 920,000 in the Baltic countries. For private customers with sizeable capital and a need for more qualified advice, SEB offers a comprehensive range of private banking services. This offering was broadened in 2017, and SEB now provides private banking services to some 39,000 customers.

Customer activity 2017

The world economy developed positively in 2017. Strong balance sheets, less dependence of inventory cycles and increased financial sector regulation dampened business cycle volatility. In the prevailing low interest-rate environment, capital market volatility was low despite heightened geopolitical uncertainty.

Demand for traditional bank financing was low during the year among Nordic and German large corporates. In the markets with low volatility, institutional customers' demand for risk management services decreased while they searched



for higher-yielding assets. Equity capital market and IPO activities were strong.

In the Baltic countries, small and medium-sized companies and private customers were more positive and sought financing to an increasing degree. Baltic customers are showing a growing appreciation for new mobile banking services and increasingly use them.

In Sweden, customer interaction was high in all channels – including branches, the 24-hour contact centre and digital channels. Towards the end of the year, the Swedish housing market saw some healthy signs of stabilisation.

Large corporations and financial institutions

SEB's in-depth knowledge of its corporate and institutional customers enables the bank to create services that add value. The bank is exploring the opportunities of new technologies and was the first Nordic bank to use blockchain technology to execute payments.

Growth and transformation, three-year plan 2016–2018

SEB continued to grow in the Nordic countries and gained some 100 new large corporate customers since the business plan was launched. In the first two years of the plan, customer relations have broadened and earnings per customer increased among large corporate customers. SEB fortified its leading position regarding major corporate transactions. In addition, according to Prospera's annual customer satisfaction survey, SEB was ranked highest among peers in Sweden.

Looking ahead, the work focuses on continuing the deepening of the customer relations and increasing the number of products that are used.

The three-year plan includes a broadening of the UK operations, where SEB now directly targets selected UK large corporates. The bank brought in more than ten UK corporate customers during 2017.

Growth ▶

Improved custody services

During 2017 a number of large financial institutions chose to transfer their custody account business to Investor World, SEB's new global custody account services platform, giving them access to improvements in areas such as managing customers' mutual funds, collateral, corporate events, cash management and currency trading.

The platform has been developed in partnership with Brown Brothers Harriman, who provides the infrastructure, with SEB maintaining responsibility for the customer interface and of the relationship with customers.

Transformation ▶

Visual support for cash management

In 2017 SEB launched a new advanced analysis and planning function which is integrated in C&I Online, the internet bank for large corporates and financial institutions. The function, called Analytics, helps customers gain an overview, analyse and streamline their liquidity position.

Analytics is directed primarily at treasury and cash managers. Customers can include all of their banks world-wide in the system and thereby gain an aggregate overview of their liquidity.

First blockchain payment

In 2017 SEB was the first bank in the Nordic countries to use blockchain technology to execute real payments in production. One of the bank's large corporate customers is now using this technology in executing payments between its SEB accounts in Sweden and New York. This pilot project is promising and shows that it is possible to execute a payment in a few seconds, compared

SEB's position statements and sector policies



▶▶ The policies are available on sebgroup.com/about-seb/sustainability

with up to 2 days previously, with maintained security.

Another blockchain initiative relates to customers' international trade which requires manual and time-consuming document handling. To simplify this process, the bank has joined together with more than ten international banks to develop a prototype, allowing the entire process to be more efficient.

Another area is fund trading. SEB has initiated cooperation with Nasdaq to test a new fund trading platform based on blockchain technology.

The bank has also become a part-owner in the R3 blockchain consortium and has invested in the Danish company Coinify, which works with blockchain payments.

Sustainability ▶

Sustainable financing

Keeping pace with the growing climate challenge requires large infrastructure investments. At the same time, borrowers

Meet one of our customers:

“What’s most important is a long-term perspective, partnership and an interest to join us on our growth journey”

Pia Aaltonen-Forsell

CFO at Ahlstrom-Munksjö



Ahlstrom-Munksjö is an industrial group that develops fibre-based materials with advanced functions that are used in industrial applications as well as in consumer products. The company has 41 production plants in 14 countries.

The company has a long-standing relationship with SEB, which is one of its core banks. This relationship covers most product areas, from financing and cash man-

agement to trade finance and trading solutions for managing currency risks.

“This long and broad relationship is proof that we are satisfied with the cooperation. What’s most important in a banking relationship is a long-term perspective that can be applied in both good and tough times. There must also be a sense of engagement and interest in helping develop the company.”



Meet one of our customers:

“SEB offers good and globally diversified service across regions as well as asset classes”

Mikko Mursula

CFO at Ilmarinen



The mutual insurance company Ilmarinen is responsible for pensions for some 1.1 million people in Finland. Assets under management amount to slightly more than EUR 45bn.

“When I talk with our key people and their cooperation with SEB, I always see a few recurring common denominators. Among these are the good

personal relationships and strong local presence here in Finland and the rest of the Nordic countries”, says Mikko Mursula. SEB receives high marks for its experienced and competent equities analysis team. The bank is also regarded as a leader in sustainability. “SEB was one of the first to include sustainability aspects in its equity management”.

and investors are becoming more aware of the advantages of integrating sustainability aspects in investment decisions.

SEB is contributing to this development by helping customers raise capital for green investments in areas such as infrastructure and renewable energy. In 2007, SEB pioneered the world’s first green bond together with the World Bank, and has now become the world’s third-largest underwriter of green bonds. In 2017 SEB issued its first own green bond for EUR 500 million

— money that is earmarked for financing green initiatives and solutions.

SEB adheres to a number of policies that set the framework for the bank’s lending and business in certain sectors with environmental impacts, such as fossil fuels, and the mining and metals industries. These and other sector policies and position statements form a valuable base for the customer dialogues and help incorporate sustainability aspects into various decisions. Since 2015 SEB does not pro-

vide new financing for coal mining and coal-fired power plants.

SEB is one of the largest microfinance fund managers in Europe. By investing in microfinance institutions, SEB’s microfinance funds offers loans to people with lower income in developing countries, who are often outside of the financial system. SEB manages six microfinance funds at a total value of around SEK 6 billion, reaching more than 19 million entrepreneurs in 38 developing countries.

Small and medium-sized companies

SEB facilitates for customers through accessible services and is further developing its offering with new solutions, often in partnership with fintech companies and service providers. SEB works to promote entrepreneurship and innovation.

Growth and transformation, three-year plan 2016–2018

Corporate business is developing favourably with higher revenue, new customers and a larger share of customers' business. The bank's focus on advisory services and cross-selling is contributing to growth in revenue. In Sweden, the increase in lending volumes since the start of 2016 was driven primarily by lending in the real estate sector while demand for other corporate lending was relatively low. Corporate deposits were stable. Corporate credits have increased in the Baltic countries two years into the business plan.

Focus in 2018 will be on continuing growth efforts in the corporate segment, in Sweden with the target of increasing the market share by one percentage point per year. The opportunity for companies to become customers digitally, the Greenhouse concept (see article to the right) and external partnerships are contributing factors expected to lead to higher business volumes and a growing share of customers' business.

Growth ►

Partner for growth companies

In 2017 SEB launched Greenhouse, an undertaking designed to strengthen the bank's partnerships with growth companies. The idea is to serve as a discussion partner that companies can turn to for all types of business and growth matters and not only direct banking matters. Toward this end SEB has built up a network of external partners for matters that companies need assistance with, such as raising venture capital, tax issues, legal affairs and recruiting.

Greenhouse involves providing inspiration and sharing knowledge through seminars, workshops and networking get-togethers. In addition, SEB invites selected companies to Growth Lab, a ten-week programme in which they receive help in concretising their growth plans.

At the innovation centre in Tallinn, SEB started a similar growth programme during 2017 in which a number of selected companies receive support over a period of three to six months in concretising their development plans, strengthening their innovative ability and formulating their business models. Similar programmes are planned for Latvia and Lithuania in 2018.

Basic security for small business owners

Having adequate insurance protection is a common area of concern for small business owners. SEB is one of few actors in the market to offer competitive insurance cover for all small business owners.

Since 2017 the Trygg Start ("Secure Start") and Trygg Grund ("Secure Basic") insurance solutions are included as default

options in the bank's basic package for small business owners, giving them greater opportunities to complement their basic cover. Through Trygg Start, newly started companies can obtain health insurance, while Trygg Grund provides more established small businesses comprehensive insurance cover comparable to that provided through employment.

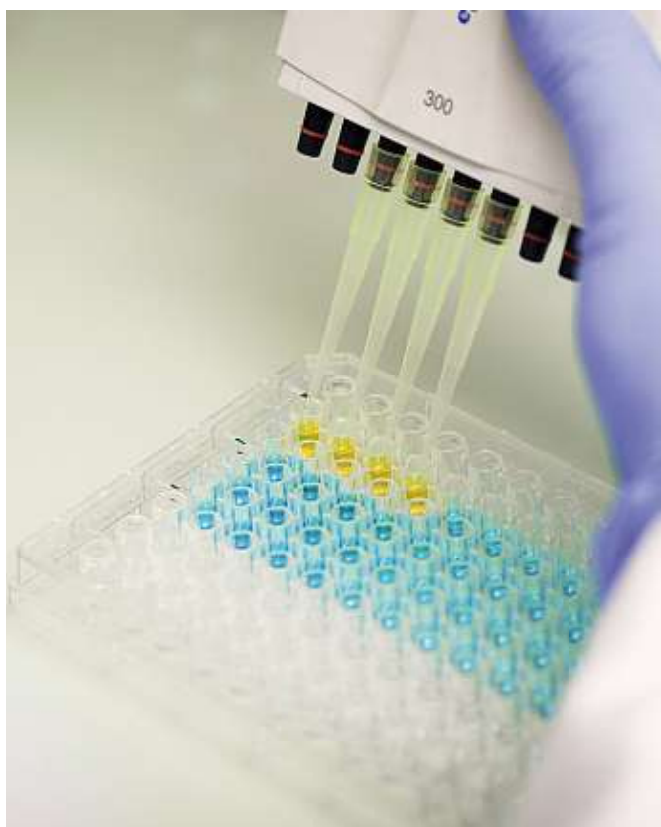
Transformation ►

Integration with service providers

SEB has for a long time built integrated solutions that allow large corporations to manage and automate payments directly in their business systems. The same development is now rapidly unfolding for smaller companies, but here it is a matter of enabling technical integration with providers of cloud-based business systems as well as with bookkeeping and payroll services companies.

The first integration was created back in 2014 with the Visma business system. Since then, additional service providers have been added.

In 2017 SEB acquired a part-ownership stake in the fintech company Capcito. The company offers an online service through which companies can link their business systems to Capcito and thereby gain access to financing based on cash flow and underlying accounts receivable.



Meet one of our customers:

“For us the customer comes first, and SEB treats me the same way.”

Vladas A. Bumelis

Founder and Chairman of the Board of Biotechpharma



Biotechpharma is a Lithuanian company that develops and manufactures biopharmaceutical products for the pharmaceutical industry. The company has 150 employees and serves some 150 customers, primarily in the USA, Europe and Asia.

As an entrepreneur, Vladas has a long-standing relationship with SEB, which has supported him with financing and other services through his journey of growth.

“I feel that banks should be a little conservative. They are

welcome to double-check the business plans and say no the first time. You can then go home and fine-tune your plans – not just once, but several times. This improves the results”, he says.

When SEB launched a private banking offering in Lithuania a few years ago, Vladas left his previous Swiss bank and also moved his private banking business to SEB.

“I appreciate SEB’s corporate culture. It is based on relationships and commitment to the customers.”

Sustainability ►

Customer dialogue on sustainability

The commitment to sustainability is growing among the bank’s small and medium-sized corporate customers. SEB supports them by giving and sponsoring lectures and arranging workshops on environmental, social and governance aspects in business activities, and how to integrate these in their day-to-day operations.

SEB is working continuously to integrate sustainability in its own operations. In 2017 the tool for business and credit analysis for small and medium-sized companies was updated. Client executives now take sustainability aspects into account in their analyses of companies

and in credit decisions. Coupled to the tool are support questions related to environmental, social and governance aspects, which client executives reflect over and discuss with customers where needed. The aim is to analyse a company’s entire value chain and gain a better understanding of the customer’s opportunities and challenges. Such discussions are appreciated by customers.

In the three Baltic countries SEB is working for positive social development by promoting entrepreneurship and including sustainability as a natural part of customer advice.

Private individuals

SEB makes everyday life easier by simplifying processes and providing easy-to-use solutions for the bank's services and advice. Advanced data analysis and artificial intelligence are adding value through greater proactivity.

Growth and transformation, three-year plan 2016–2018

Greater proactivity and improved services contributed to increased growth in home mortgage volumes as well as deposits. In the Baltic countries, deposits grew and lending volumes have increased since the beginning of 2016 on the back of improved household finances. In Sweden, the growth in home mortgages can be credited partly to more proactive advice and simplified processes for new home mortgages and for customer onboarding. Focus in 2018 will be on achieving a growth rate that is more in line with the total market.

Personal Banking customers have been cautious about increasing savings in mutual funds and a potential for greater growth remains. Even so, savings volumes have increased since the start of 2016.

New services, automated functions and the introduction of robot advice will free up time for more proactive and personalised service for those who need it. In 2018, focus will be on further increasing proactivity, such as through the remote advisory services functionality.

Growth ▶

Savings

The shifting demographic trends increase the need for long-term savings. In Sweden SEB is the only major bank with a bancassurance savings offer; including traditional life insurance. A similar offer is provided in the Baltic countries. SEB managed assets, for both private and institutional customers, increased by SEK 14bn net in 2017.

Improved customer experience

Customers appreciate and increasingly use SEB's convenient services. In 2017 it became easier for private individuals to obtain a home mortgage commitment or become a new customer of the bank entirely digitally.

With respect to home mortgages, the first step was a simplified home mortgage calculation, which gives customers an indication of how much they have the possibility to borrow. The second step was a simplified process for obtaining a mortgage commitment, which takes a few minutes to complete.

In the same way, it is possible to become a new customer without having to visit a branch office to identify oneself, fill in a know-your-customer form and sign various agreements. The only requirement is that the customer is of age and has a mobile BankID.

Transformation ▶

Remote advisory services

In the area of pensions SEB has for some time offered remote advisory services, enabling customers to get qualified pensions advice directly at their workplaces or at home. This increases accessibility and convenience, and has resulted in a high level of customer satisfaction according to surveys.



A similar function for remote advisory services was introduced in 2017 in the Baltic countries, where private customers can book a video conference with an advisor and perform certain services such as opening a new bank account.

In the Swedish operations, screen sharing technology and remote advice are being tested for all types of services in a pilot project.

Data analysis and artificial intelligence

Access to data is becoming an increasingly important resource for understanding customers' needs, boosting customer loyalty, improving service and attracting more customers.

In 2017 SEB established a data lake, a technical platform for gathering, quality assuring and providing easy access to all data at SEB's disposal. This includes structured and unstructured data, internal as well as external data, and everything from real-time data to static data. With the help

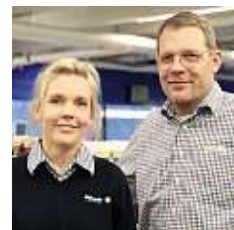


Meet two of our customers:

“It is a major advantage to be a customer both as a private person and business owner.”

Lotta and Anders Svensson

Private and corporate customers



Lotta and her brother Anders Svensson run the building supply firm Woody Bygghandel Stockholm Syd. As entrepreneurs they have a long and deep relation with SEB.

“The bank is engaged in what we do. We trust each other and try to find solutions that are good for both parties. This is the exact same standpoint we have in our relationships with our own customers”, says Anders.

Both Anders and Lotta also do their personal banking with SEB.

“It is a major advantage to be a customer both as a private person and business owner. Of course, most things can be handled digitally. But it means a lot knowing we can rely on a personal engagement from the bank”, says Lotta.

“What’s most important is that things run smoothly on a day-to-day basis. Time is the one thing there is too little of!”

of artificial intelligence and advanced data analysis, the bank can increase its level of service and proactively meet customers’ needs. SEB’s digital assistant, Aida, developed further knowledge on serving customers. Maintaining good control and structure of the bank’s data increases internal efficiency.

Robotics technology is another new area. Manual tasks performed in many steps, such as monthly reports compiled from a variety of sources, can easily be programmed and performed by virtual (software) robots giving SEB employees time for more advanced tasks.

The private customer offering was enhanced with the launch of digital card payments through collaboration with Samsung Pay. In addition, Fitbit launched the payment service Fitbit Pay in Sweden, Norway, Denmark and Finland. SEB joined from start enabling many of its card holders to pay with their smart watches in stores providing contactless payments.

Sustainability ►

Sustainable products

Interest in sustainable products is growing among private customers, especially in the savings area where more and more customers want assurances that their savings contribute to more sustainable societies.

During 2017 changes were made in fund management to strengthen SEB’s basic offering from a sustainability perspective. Today the bank’s allocation funds, strategy funds, invest directly in stocks and bonds to a higher degree. This is giving fund managers greater opportunities to influence the individual holdings from a sustainability perspective. Approximately two-thirds of the strategy funds’ assets will thereby adhere to the fund company’s most stringent sustainability standards, which are the same as for SEB’s sustainability funds.

SEB also offers several mutual funds with a distinct sustainability profile, such as the SEB Green Bond Fund, which invests in green bonds, and the SEB Hållbarhetsfond Global and SEB Hållbarhetsfond Sverige equity funds, whose managers choose companies that actively contribute to sustainable development.

During 2017 SEB Hållbarhetsfond Sverige obtained the Nordic “Swan” ecolabel, thereby certifying that the fund meets enhanced sustainability requirements which affect the choice of shares in the fund. The requirements also mean that the fund’s managers should clearly report how the fund and its investments contribute to sustainable development.

►► *Read more in the Sustainability Overview.*

SEB in society

As a bank, SEB is an integrated part of society and the communities where it operates. By engaging in innovation and entrepreneurship, financial literacy and social inclusion, the bank contributes to empowering future generations. The bank also works continuously to reduce its direct and indirect carbon dioxide impact.



An environment where entrepreneurship is promoted and companies can thrive and invest leads to prospering societies as this creates growth and new jobs. SEB therefore supports and collaborates with a number of organisations and meeting points to support companies; from start-ups through Young Entrepreneurs (Ung Företagsamhet) and Venture Cup, to the entrepreneurial elite, via Entrepreneur of the Year. In the Baltic countries SEB runs the web-based eAka-deemia, with educational videos, training and test modules for start-up businesses and entrepreneurs.

SEB's support to partnerships for future generations, SEK

52.7 million

Supporting social entrepreneurs

Social entrepreneurs play an increasingly important role in societies where social and economic gaps as well as inequalities increase. SEB has a partnership with Inkludera, an umbrella organisation for social entrepreneurs that support groups in society that risk exclusion. In 2017 SEB participated at the Social Innovation Summit in Malmö, one of the largest meeting places for social innovation in the Nordic countries. The overall goal was to explore new solutions to societal challenges. Together with Inkludera, SEB focused on how municipalities can become more successful in purchasing services for a better world among social entrepreneurs and thereby create value for society.



Pegah Afsharian and Natassia Fry founded Kompis Sverige, a non-profit organisation supported by Inkludera. The organisation matches and creates meetings between Swedes and immigrants. SEB employees participate in the program.

Financial inclusion

SEB shares its knowledge about personal finances and can thus empower people to make more informed financial decisions and contribute to better functioning societies. For many years, SEB has organised a Financial Literacy Road Show across the Baltic countries with the aim to educate youths to manage their private finances and to inspire them for the future. SEB sessions have been run by 367 employees who have met with a total of 13,700 youths during the last two years.

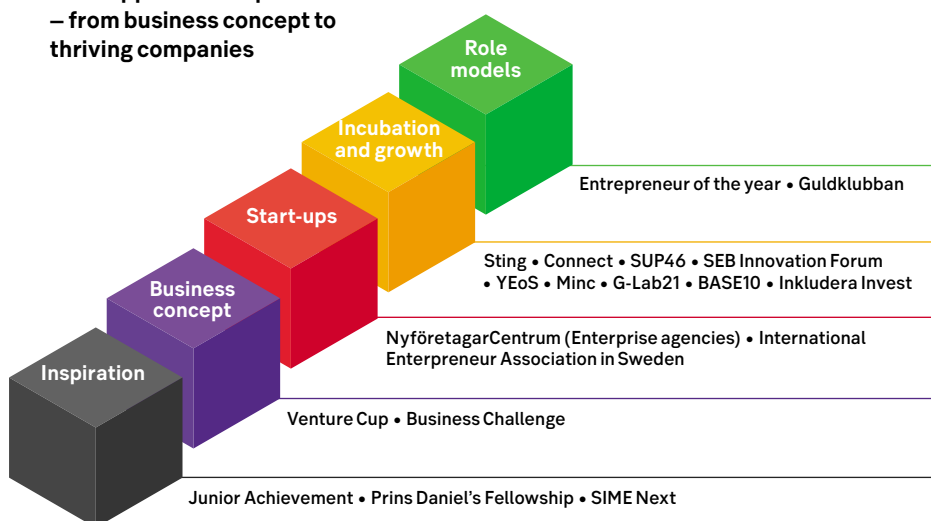
Mentor

Since 1997, SEB has partnered with Mentor, a foundation aiming to create relationships and build trust between young people and adults, to motivate and inspire as well as prevent drug abuse. Through Mentor, SEB's employees can support young teenagers and contribute to society, and at the same time improve their leadership skills and personal development. In 2017, the Mentor engagement included, in total, close to 6,000 relationships. In Sweden, employees invested about 4,300 volunteering hours.

Reducing the bank's environmental footprint in society

Climate change is one of today's most serious challenges. SEB recognises the importance of actively working to reduce the direct environmental impact. SEB works to optimise the bank's energy consumption, reduce paper consumption and improve the company car fleet. Special focus is put on air travel in order to further reduce emissions related to business travel. This area accounts for the major part of SEB's carbon footprint.

SEB supports entrepreneurs – from business concept to thriving companies



The Global Goals – a business plan for the world



THE GLOBAL GOALS
For Sustainable Development

Agenda 2030 and the UN's sustainable development goals

In 2017, the UN's Sustainable Development Goals (SDGs – also known as the Global Goals) have become a common “business plan” for nations, organisations and the business sector. The SDGs, which were adopted by the UN in 2015, are focused on ending poverty, protecting the planet and ensuring equality for all. They are integrated and they harmonise the three core elements of sustainable development: economic growth, social inclusion and environmental protection.

Through an active partnership with SEB's customers, the bank supports and contributes to many of the 17 Global Goals. However, SEB has chosen to prioritise four of these where the bank's operations have a fundamental impact:

- 8 Decent work and economic growth**
- 9 Industry, innovation and infrastructure**
- 13 Climate action**
- 16 Peace, justice and strong institutions**

Many of SEB's customers have set their own priorities among the global goals, and the map of the goals facilitates the discussions that are being held with the bank on customers' challenges and opportunities.

For more than a decade SEB has developed a wide range of sustainable products, as well as policies and processes, which

are aligned with the global goals. SEB has been a pioneer in offering green bonds and microfinance funds, and conducts systematic sustainability work in its investment operations. The bank's support to entrepreneurs and strong focus on combating financial crime are other areas in which SEB is actively contributing to the goals.

In 2017, several initiatives were taken within SEB with respect to development of products and services related to the global goals. The ambition is to present the results of this work in 2018.

► Read more about how SEB is coupling the Sustainable Development Goals to its operations in the Sustainability Overview.





Stakeholder dialogue

The bank collaborates with a wide variety of actors in its operations and is engaged in an ongoing dialogue with them to ensure that their expectations are taken into account in the bank's strategy and plans. This applies not only for employees, customers and shareholders, but also for other stakeholders, such as vendors, authorities, lawmakers and representatives in the local communities in which SEB operates.

There is a close correlation between the stakeholders' priority issues and those that are material for the bank.

► Read more about SEB's materiality analysis and stakeholder dialogues in the Sustainability Overview.



■ Customers



■ Shareholders



■ Employees



■ Society

Sustainability – a business issue

Sustainability is today an increasingly integrated part of the bank's business activities. This is rooted in the insight that sustainability contributes to the bank's long-term profitability. SEB's ambition is to create long-term value from an economic, ethical, social and environmental perspective. The bank takes responsibility for how the business affects customers, employees, shareholders and society at large.

Climate crisis, social unrest and the risk of stranded assets are some examples of undesirable development that affect people, companies and societies, the effects of which also SEB must manage in its business. However, sustainable development also means great opportunities. Rapid technological progress and new ways of thinking lead to innovative solutions that contribute to meeting new needs in societies and reshaping industries.

On an international and national level, governments, authorities and the business sectors are taking strong measures to secure a more sustainable world including combatting climate change. For SEB, this means that the bank develops its advisory services further to also include how its customers can navigate in a more complex world. SEB is also upgrading its analysis and tools for how to better manage sustainability risks in its credit analyses and decisions.

Banks and the financial system play a central role in this development through their actions. One example of SEB's contribution to this shift is the funnelling of capital to green infrastructure investments. Another example is that the bank offers sustainable saving solutions for customers who wish to direct the investments into companies that are best in class in terms of environmental, social and governance criteria.

Private customers' priorities

SEB strives to provide customers with services that are transparent and accessible on their terms and often invites customers to test beta versions of new services. An example of this is a dialogue conducted by SEB's fund company with private customers with holdings in the fund SEB Hållbarhetsfond Sverige in 2017. Based on the UN's 17 Global Goals, customers were invited to select what sustainability issues they considered to be the most important to address in the companies where customers had made investments. The answers show that customers prioritise three of the goals, 13, Climate action, 6, Clean water and sanitation and 4, Quality education.

As a result of the survey, SEB's fund company will intensify efforts to combat climate change. Therefore, the fund company has joined the Institutional Investors Group on Climate Change. Here, investors gather globally in order to influence the hundred companies that account for the largest share of emissions in the world. The companies are primarily in the gas and oil industry.

SEB's employees

SEB's employees share a strong belief in the bank's purpose and vision. They feel that they can make a difference and are eager to develop. Looking ahead, the bank needs to further strengthen its competences in data analysis and continue promoting new ways of working, collaboration, and an innovative and inclusive culture that is built upon the bank's values.



SEB is an attractive employer with committed and motivated employees. The annual employee survey, Insight, shows that the bank's vision inspires and motivates employees, that employees like their jobs, and that they feel involved in decisions that affect them. Employee engagement and performance excellence (efficiency and trust) scores are high compared with the bank's peer companies in the international financial sector.

New ways of working and an innovative work environment


SEB's business plan is focused on profitable growth and transformation. Achieving this requires employees who take responsibility for their own development as well as an innovative and inclusive work environment.

The method for driving development projects has been revised and is based to a growing extent on an agile work approach with cross-functional teams that develop new services in close interaction with customers, based on their needs. Simplicity and user experience are central components in all development work.

Hackathons and knowledge sharing

The establishment of the bank's new offices in Arenastaden in Stockholm has opened new opportunities to foster highly dynamic ways of working and cross-functional collaboration. To promote a learning culture SEB has established numerous, diverse meeting forums in which employees can share their knowledge and inspiring stories. These meetings are video-recorded and shared with all parts of the bank.

SEB has established an innovation lab in which employees have an opportunity, during a limited period of time, to develop ideas up to creation of a finished prototype. In 2017 SEB conducted its first internal hackathon at which some 70 employees spent one intensive day and night developing prototypes that offered improvements for customers and the bank.



Data is the heart of the bank, and that heart beats for the customers."

Salla Franzén
Chief Data Scientist at SEB

Continuous learning and new competences

The financial sector is undergoing a rapid transformation, and to continue to be successful SEB needs to develop new competences. Toward this end SEB has developed a group-wide method for strategic planning of future needs. With the help of this, every department can identify future key competences, determine the development needs for existing professional roles and carry out succession planning.

SEB needs to strengthen its expertise in areas such as data analysis, service design and the digital customer experience, on top of other areas such as risk and security. This can be achieved in part through external recruitment, however, competence development of existing employees is at least as important.

SEB's philosophy is that competence development is achieved primarily through continuous learning in the daily work. This is complemented by different types of training that SEB carries out for a large portion of the employees.

#MeToo

During 2017, the #MeToo campaign highlighted the problem of sexual harassment and discrimination in many workplaces. #MeToo was discussed several times within the Group Executive Committee and in the Board of Directors. SEB increased the internal communication on SEB's stance and how to report improprieties. The campaign speeded up the switch from an internal to a third-party whistle-blowing function which is now completed.



Meet Salla

With a background as a mathematician, Salla takes special interest in machine learning and algorithms. She leads an analysis team that is tasked with inspiring and supporting all parts of the bank in basing their work on data – that is, using all of the knowledge at SEB's disposal to create value for customers.

Name: Salla Franzén

Age: 39

Position: Chief data scientist

With SEB since: 2011

Key experience: The power in working with highly motivated colleagues who are passionate about new customer and business insights.

Inspiration: Numerous podcasts, articles, open source communities as well as interaction with scientists in my field of work.

Employee statistics ¹⁾

	2017	2016	2015
Number of employees, average	15,946	16,260	16,599
Sweden	8,053	8,222	8,320
Other Nordic countries	1,304	1,369	1,404
Baltic countries	5,213	5,125	5,118
Other countries	1,376	1,544	1,757
Number of employees at year-end	15,804	16,087	16,432
Average number of full-time equivalents	14,946	15,279	15,605
Employee turnover, %	12.8	10.7	9.0
Sick leave, % (in Sweden)	2.9	3.0	2.8
Female managers, %	47	46	44
Insight			
Employee engagement	77	77	79
Performance excellence	81	81	80

1) ► See also the Sustainability Overview



Meet Yasser

Yasser arrived in Sweden three years ago from Syria. Via an internship at SEB's branch in Vellinge, he has now gained a permanent position as customer adviser at the Norrmalm branch office in Stockholm.

Name: Yasser Kaddour


Age: 29

Position: Customer adviser

With SEB since: 2015

Key experience: Everything is possible in life as long as you keep fighting to reach your goal.

Main inspiration: My family and my first manager at SEB, Madeleine Stjernrup Öberg.

 I try to give something extra in every meeting."

Yasser Kaddour – Customer adviser

Equipping managers

SEB's leadership philosophy has evolved in an effort to equip managers to lead in a complex and rapidly changing world. An important role for leaders involves building secure teams, which requires an ability for empathetic listening. Focus is on driving change, promoting innovation and ensuring that the corporate culture reflects the bank's values, purpose and vision.

To better understand each other and to meet customers' needs, SEB fosters diversity and an inclusive culture at all levels of the bank and across all dimensions, regardless of gender, age, or geographic or professional background. A large number of activities have been initiated within the bank to raise awareness about these issues, implement measures and follow up on progress. SEB's Board of Directors and the Group Executive Committee adopted a governance document which states that inclusion and diversity are critical for the bank's long-term success and that SEB can and should do better in these areas.

Every year SEB conducts a Global Talent Review to identify individuals with potential for a future key role or management position.

More than ten per cent of employees are included in this talent pool, in which they are monitored and given opportunities to broaden their networks by participating in various development projects outside of their regular units.

Health and work environment

SEB works long term and preventively to offer a safe and sound workplace in an effort to ensure employee well-being and a healthy work/life balance.

In Sweden, SEB's level of sick leave remains low, at 2.9 per cent, compared with other industries and the financial sector. In the global employee survey (Insight), SEB's index for health and work environment was nearly 10 percentage points higher than the industry average.

Labour law and unions

SEB employees are covered by collective or local agreements. SEB has a European working council with representatives from all EU and EES countries in which SEB is represented.

Recruitment in new arenas

SEB has a strong employer brand according to annual rankings conducted among students and young professionals. This applies especially for finance and business administration students. In pace with the ongoing competence shift and growing recruitment need in new competence areas, the bank needs to strengthen its attractiveness among individuals that are attracted by IT companies and start-ups. Accordingly, SEB has widened its recruiting activities. The bank not only participates in traditional recruitment fairs for finance students but also uses interactivity and new formats such as invitations to hackathons and open workshops on artificial intelligence, blockchain technology and other cutting-edge technologies.

SEB's core values

Customers first

We put our customers' needs first, always seeking to understand how to deliver real value.

Commitment

We are personally dedicated to the success of our customers and are accountable for our actions.

Collaboration

We achieve more working together.

Simplicity

We strive to simplify what is complex.

SEB's core values serve as the foundation for the bank's ways of working and culture, and in combination with the bank's vision – to deliver world-class service to our customers – they serve to motivate and inspire employees, managers and the organisation as a whole. These values are described in SEB's Code of Conduct, which provides guidance on ethical matters for all employees.

► Read the Code of Conduct on sebgroup.com

SEB share and shareholders

In 2017 the value of the SEB Class A share increased by 1 per cent to SEK 96.30, while the OMX Stockholm 30 Index (OMXS30) increased by 4 per cent. Earnings per share amounted to SEK 7.49 (4.88). The Board proposes a dividend of SEK 5.75 per share for 2017 (5.50).

Share capital

SEB's share capital amounts to SEK 21,942m distributed on 2,194.2 million shares. Each Class A share entitles the holder to one vote and each Class C share to 1/10 of a vote.

Stock exchange trading

The SEB share is listed on Nasdaq Stockholm, but is also traded on other exchanges, such as Chicago Board of Exchange, Boast and Turquoise. In 2017 the value of the SEB Class A share increased by 1 per cent while the OMXS30 index was up by 4 per cent and the MSCI European Banks Index increased by 10 per cent. Total turnover in SEB shares in 2017 amounted to SEK 312bn (307) of which 124bn (134) on Nasdaq Stockholm. Market capitalisation by year-end was SEK 211bn (210). The share is included in the Dow Jones Sustainability Index and the FTSE4Good Index, which facilitate investments in companies which are globally recognised for their corporate responsibility.

Dividend policy

SEB strives to achieve long-term dividend growth without negatively impacting the group's targeted capital ratios. The annual dividend per share shall correspond to 40 per cent or more of earnings per share. Each year's dividend is assessed in the light of prevailing economic conditions and the group's earnings, growth possibilities, regulatory requirements and capital position.

Dividend

The Board of Directors proposes to the Annual General Meeting a dividend of SEK 5.75 (5.50) per Class A and Class C share respectively for 2017, which corresponds to a 77 per cent (113) dividend payout ratio. Excluding items affecting comparability, the dividend payout ratio was 70 per cent (75). The proposed record date for the dividend is 28 March 2018. If the Annual General Meeting resolves in accordance with the proposal, the share

Data per share

	2017	2016	2015	2014	2013
Basic earnings, SEK	7.49	4.88	7.57	8.79	6.74
Diluted earnings, SEK	7.46	4.85	7.53	8.73	6.69
Shareholders' equity, SEK	66.42	65.00	65.11	61.47	56.33
Net worth, SEK	74.84	73.00	72.09	68.13	62.10
Cash flow, SEK	13.59	19.02	1.28	-61.98	-19.66
Dividend per A and C share, SEK	5.75 ¹⁾	5.50	5.25	4.75	4.00
Year-end share price ²⁾ , SEK					
per Class A share	96.30	95.55	89.40	99.55	84.80
per Class C share	96.05	95.20	88.85	97.65	79.90
Highest price paid ²⁾ , SEK					
per Class A share	109.00	99.75	111.50	100.60	85.10
per Class C share	109.90	101.10	112.50	99.10	80.30
Lowest price paid ²⁾ , SEK					
per Class A share	94.05	67.75	83.45	82.25	55.70
per Class C share	95.15	70.35	83.75	77.45	53.20
Dividend as a percentage of earnings (payout ratio), %	76.7	112.8	69.4	54.0	59.3
Dividend yield, %	6.0	5.8	5.9	4.8	4.7
P/E (share price at year-end/earnings)	12.8	19.6	11.8	11.3	12.6
Number of outstanding shares, million					
average	2,167.6	2,177.6	2,191.2	2,186.8	2,190.8
at year-end	2,167.0	2,169.0	2,193.3	2,188.7	2,179.8

1) As proposed by the Board of Directors. 2) Source: Nasdaq Stockholm.

The largest shareholders

31 December 2017

	No. of shares	Of which Class C shares	Share of capital %	Share of votes %	
				2017	2016
Investor	456,198,927	4,000,372	20.8	20.8	20.8
Alecta	141,937,500		6.5	6.5	7.1
Trygg Foundation	114,673,802		5.2	5.3	6.0
Swedbank Robur Funds	102,838,285		4.7	4.7	4.3
AMF	78,212,406		3.6	3.6	3.9
BlackRock	46,151,913	231	2.1	2.1	1.7
SEB Funds	33,380,243		1.5	1.5	1.8
SEB's own shareholding	27,125,923		1.2	1.2	1.2
Vanguard	27,114,487	60,152	1.2	1.2	1.2
Nordea Funds	26,494,921		1.2	1.2	1.0
Fourth Swedish National Pension Fund	25,008,002		1.1	1.2	1.2
XACT Funds	23,298,529		1.1	1.1	1.0
First Swedish National Pension Fund	22,773,696		1.0	1.0	0.8
Didner & Gerge Funds	20,428,514		0.9	0.9	0.9
AFA Insurance	14,620,930		0.7	0.7	0.8

Source: Euroclear and Holdings

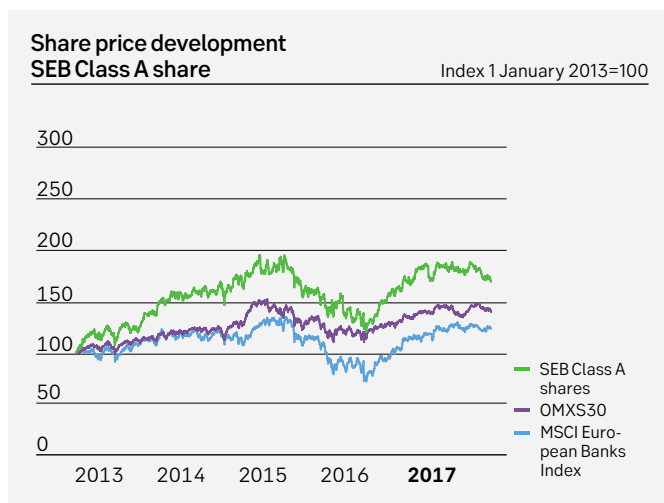
Different voting power of Class A shares (voting power 1) compared to C shares (voting power 0.1) gives differences in share of votes vs. share of capital.

will be traded ex-dividend on 27 March 2018 and dividend payments will be disbursed on 4 April 2018.

Dividend yield and total shareholder return in 2017

The dividend yield, i.e. the dividend in relation to the share price for 2017, was 6.0 per cent (5.8) based on the proposed dividend.

Total shareholder return (TSR) – i.e. share price development and reinvested dividends per share – was 6 per cent for 2017 (14).



SEB's Annual General Meeting

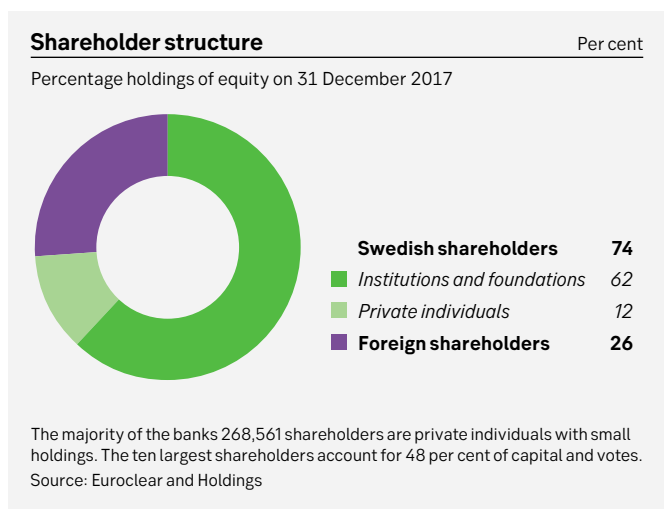
SEB has approximately 269,000 shareholders. Around 172,000 of them own less than 500 shares, while 112 hold more than 1,000,000 shares, accounting for 82 per cent of the capital and votes. The shareholders' influence is exercised at General Meetings of Shareholders, the bank's highest decision-making body.

1,364 persons were in attendance at the AGM 2017

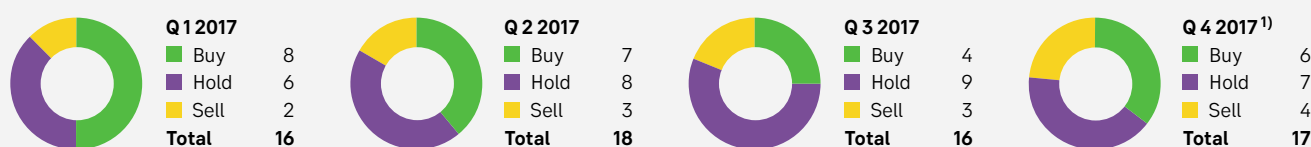
The main resolutions made at the AGM were:

- approval of the dividend of SEK 5.50 per share
- decrease of the number of directors to eleven
- re-election of ten directors and election of one new director
- re-election of Marcus Wallenberg as Chairman of the Board
- re-election of PricewaterhouseCoopers as auditor
- adoption of guidelines for remuneration of the President and the other members of the GEC
- approval of two long-term equity programmes
- issuance of a mandate to the Board concerning the acquisition and sale of own shares for SEB's securities business, for the long-term equity programmes and for capital management purposes
- issuance of a mandate to the Board to resolve on the issuance of convertibles.

► The minutes from the AGM are available on sebgroupp.com



Analysts' recommendations 2017



Around 30 equity analysts are covering SEB's development. Apart from the quarterly press conferences, SEB each year arranges a number of meetings with analysts and investors in order to clarify the bank's development and answer questions. A summary of some of the analysts' recommendations is published via news agencies every quarter.

1) The recommendations were given before the presentation of SEB's Annual Accounts for 2017.

Source: SME Direkt

Income statement and balance sheet

The net profit for the year is presented in the income statement as the net of income and expenses and after credit losses and tax. The business volumes are reported both on- and off the balance sheet.

INCOME STATEMENT		SEK m	
	2017	2016	Change, %
Net interest income	19,893	18,738	6
Net fee and commission income	17,725	16,628	7
Net financial income	6,880	7,056	-3
Net other income	1,112	829	34
Total operating income	45,609	43,251	5
Staff costs	-14,025	-14,422	-3
Other expenses	-6,947	-6,619	5
Depreciation, amortisation and impairments of assets	-964	-771	25
Total operating expenses	-21,936	-21,812	1
Profit before credit losses	23,672	21,439	10
Gains less losses from tangible and intangible assets	-162	-150	8
Net credit losses	-808	-993	-19
Operating profit before items affecting comparability	22,702	20,296	12
Items affecting comparability	-1,896 ¹⁾	-5,429 ²⁾	-65
Operating profit	20,806	14,867	40
Income tax expense	-4,562	-4,249	7
Net profit	16,244	10,618	53

1) A dividend from Visa Sweden amounted to SEK 494m, with no tax effect. A transformation of the German operations caused redundancy, excess premises and pension related costs that amounted to SEK 1,412m in total. Certain IT-assets were written off at a cost of SEK 978m, with a positive tax effect of SEK 215m.

2) SEB's holdings in Visa Europe in the Baltic countries were sold at a gain of SEK 520m, with a tax cost of SEK 24m. Restructuring activities and a write-down of intangible IT-assets resulted in an expense of SEK 615m, with a positive tax effect of SEK 101m. A reorganisation led to an impairment of goodwill amounting to SEK 5,334m.

The income statement described

Operating income

Net interest income consists mainly of the difference between income from lending and expenses associated with deposits and borrowings. Banks' interest margins differ in various markets, mainly due to varying maturities and risks. Changes in the margins as well as in the volumes of customer deposits and lending have a major bearing on net interest income. In addition, net interest income is affected by the return on holdings of interest-bearing securities and interest expense on the bank's issued securities used to fund the operations. Regulatory fees for financial stability purposes are also reported as net interest income.

Net fee and commission income, which includes commissions from various services such as lending, advisory services, payments, cards and equity trading has long been a larger source of revenue for SEB than for other Swedish banks. This is because SEB works to a greater extent with services for large corporations and wealth management. This line item includes fees from assets under management and custody.

Net financial income includes both realised gains and losses associated with sales of equities, bonds and other financial instruments, and unrealised changes in the market value of securities. The trend in the financial markets plays a great role in this context. This item also includes earnings from foreign exchange trading.

Other income, net, includes certain capital gains, dividends, hedges and other items.

Operating expenses

The largest operating expense consists of *staff costs* for the Bank's some 15,000 employees. *Other operating expenses* consist primarily of IT costs, consulting costs and costs for premises. *Depreciation and impairments of assets* pertain to IT costs, for example, which are spread over several years. To ensure a competitive and efficient cost base the bank operates under a cost cap of SEK 22bn.

Items affecting profitability

Items in the income statement that are unlikely to reoccur are summarised in order to make comparisons of the underlying result easier ^{1,2)}.

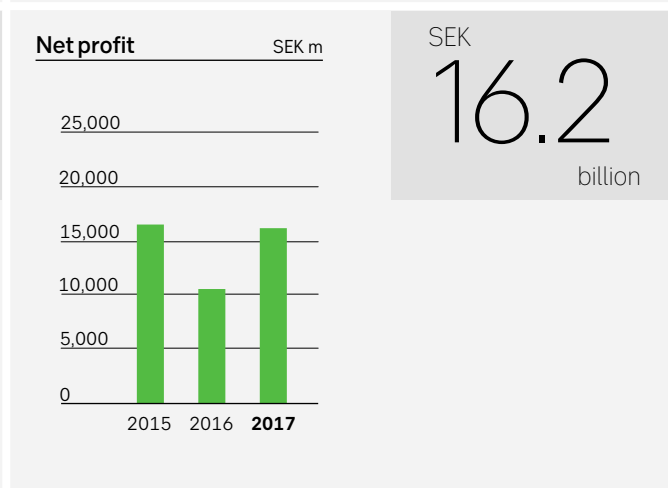
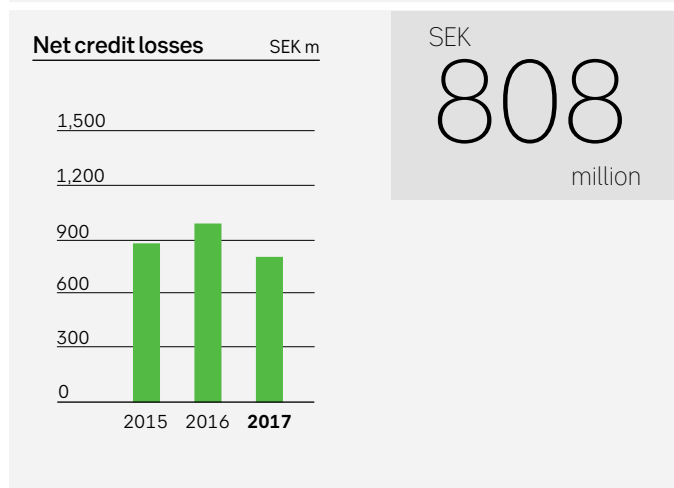
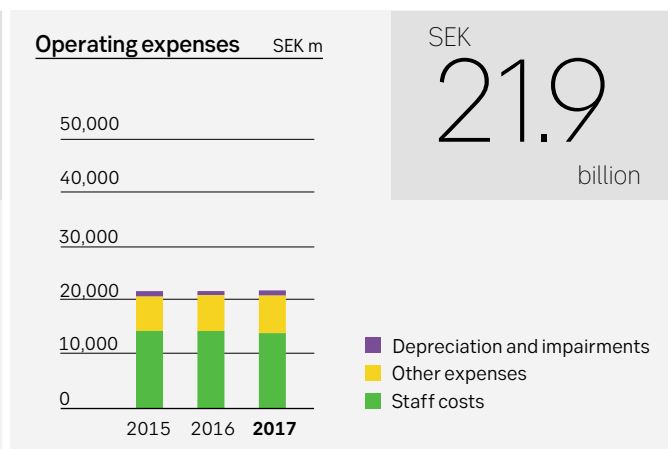
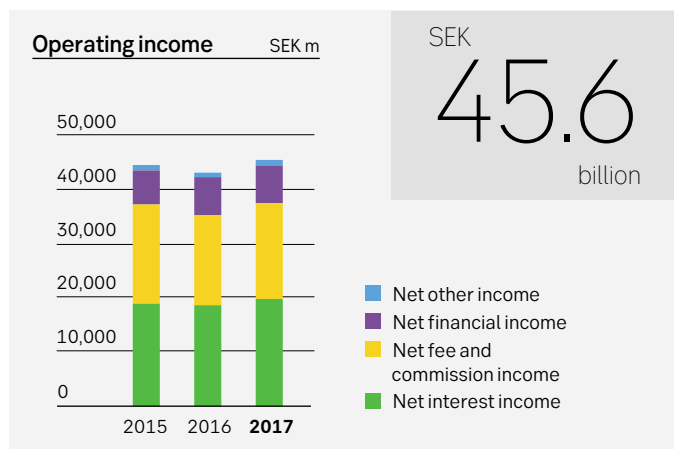
Net credit losses

Credit losses consist of incurred losses as well as provisions for probable losses, where SEB has determined that the customer likely will be unable to fulfil the payment obligations. Any recoveries have a positive impact on net credit losses.

Net profit

Net profit for the year forms the basis for calculating earnings per share and the proposed dividend to the shareholders.

The result for 2017



Operating income

Net interest income increased by 6 per cent to SEK 19,893m. Both lending volumes and margins contributed to the improvement. The unusually low interest rates affected net interest income negatively. Interest expenses included regulatory fees for financial stability purposes at an amount of SEK 1,798m.

Net fee and commission income was 7 per cent higher year-on-year and amounted to SEK 17,725m. There was a general increase across most product areas.

Net financial income decreased by 3 per cent to SEK 6,880m. The financial markets were much calmer than 2016 and customer were less active in risk management.

Net other income increased by 34 per cent to SEK 1,112m. This result consists mainly of capital gains, dividend income and hedge accounting effects.

Operating expenses

Operating expenses increased by 1 per cent to SEK 21,936m, in line with the bank's cost cap. The existing cost cap will be unchanged at SEK 22bn through 2018.

Total items affecting comparability¹⁾ amounted to SEK -1,896m. In 2016 the total was SEK -5,429m.

Net credit losses decreased by 19 per cent to SEK 808m. The asset quality continued to be high.

Income tax expense was 7 per cent higher than 2016 and amounted to SEK 4,562m. Some of the items affecting comparability had a tax impact. The corresponding tax rate was 22 per cent, in line with SEB's expected tax rate.

Profit and dividends

Operating profit before items affecting comparability increased by 12 per cent to SEK 22,702m. Including items affecting comparability, operating profit amounted to SEK 20,806m and net profit increased by 53 per cent to SEK 16,244m. The Board of Directors proposes a dividend of SEK 5.75 per share to be distributed to the shareholders.

1) See notes 1 and 2 on p. 31.

Balance sheet described

Simply put, traditional banking is a matter of helping to move capital between customers with a surplus of capital and customers in need of borrowing. Customers' needs vary widely with respect to amounts, maturities and other terms. In its role as an intermediary, SEB can use for instance household savings and short-term deposits for corporate and long-term mortgage lending. Due to the large number of accounts with varying maturities, savings and deposits serve as a stable source of funding.

Assets

Loans to the public and to credit institutions account for more than half of total assets. Another large item is debt securities. Financial assets at fair value consist of the bank's trading position in equities, debt and derivatives and are largely short-term in nature. Insurance assets are held to meet the future obligations to the policy holders.

Liabilities and equity

The main items are liabilities to credit institutions and deposits and borrowings from the public. In addition, debt securities are issued by SEB for funding purposes. Financial liabilities are part of the bank's trading position. The liabilities to policyholders are met by insurance assets. Shareholders' equity consists of the share capital, capital contributions and retained earnings.

Assets under management and custody

Both assets under management and custody are primarily booked off-balance sheet.

Development in 2017

Total assets at 31 December 2017 were SEK 2,560bn, a decrease of SEK 61bn.

Assets

Loans to households and companies increased by around SEK 46bn. Small and medium-sized companies in Sweden and the Baltic countries increasingly demanded lending services. Household loans in Sweden and the Baltic countries also increased. Demand from large corporations for traditional lending was limited. Other assets includes the assets of SEB Pension, the Danish insurance subsidiary which SEB has entered into an agreement to divest to Danske Bank.

Liabilities

Deposits from private individuals increased by SEK 23bn and corporate deposits increased by SEK 40bn. Debt securities issued and subordinated debt decreased in line with funding needs. Other liabilities contains the liabilities of SEB Pension.

Equity

The net profit for 2017 increased equity by SEK 16bn. The dividend for 2016 that was paid in 2017 decreased equity by SEK 11.9bn.

Assets under management and custody

Total assets under management amounted to SEK 1,830bn. Assets under custody amounted to SEK 8,046bn.

BALANCE SHEET

Assets			Liabilities and equity		
	SEK m			SEK m	
	2017	2016		2017	2016
Central banks	190,000	217,808	Deposits from central banks	44,243	54,393
Lending	34,660	49,231	Credit institutions	44,103	64,616
Repos	56	914	Repos	730	855
Debt instruments	0	382	Deposits from credit institutions	44,833	65,471
Loans to other credit institutions	34,715	50,527	Public administration	16,834	35,696
Public administration	34,500	27,956	Private individuals	300,318	276,724
Private individuals	576,282	549,175	Corporate	681,685	648,869
Corporate	818,760	797,640	Repos	5,883	739
Repos	42,230	63,524	Deposits and borrowings from the public	1,004,721	962,028
Debt instruments	13,030	14,724	Liabilities to policyholders	303,202	403,831
Loans to the public	1,484,803	1,453,019	Commercial paper and certificates	83,069	126,480
Debt instruments	109,513	122,192	Long term debt	530,964	542,400
Equity instruments	48,371	40,324	Debt securities issued	614,033	668,880
Derivatives	104,868	212,355	Debt securities	10,809	9,549
Insurance assets	313,203	410,155	Equity instruments	14,228	10,072
Financial assets at fair value	575,955	785,026	Derivatives	89,275	193,875
Debt instruments	25,824	32,698	Financial liabilities at fair value	114,313	213,496
Equity instruments	1,952	3,049	Other liabilities	257,935	70,852
Available-for-sale financial assets	27,776	35,747	Subordinated liabilities	32,390	40,719
Tangible and intangible assets	12,052	20,158	Total equity	143,925	140,976
Other assets	234,295	58,361	Total liabilities and equity	2,559,596	2,620,646
Total assets	2,559,596	2,620,646			

Managing risk in SEB

A bank's fundamental role from a financial perspective is to intermediate transfers of money between companies and private individuals who want to borrow, invest, save or make payments. SEB must manage the risks that arise in connection with those activities.

SEB accepts risk to create value for customers and shareholders and risk management is necessary for the bank's long-term profitability. In SEB risk management is based on the Board's view on risk tolerance and the operational responsibility lies with the President.

Banks hold capital to cover their risks. At year-end 2017, SEB's capital was 19.4 per cent of the measured risks. This is one of the highest capital ratios among European banks.

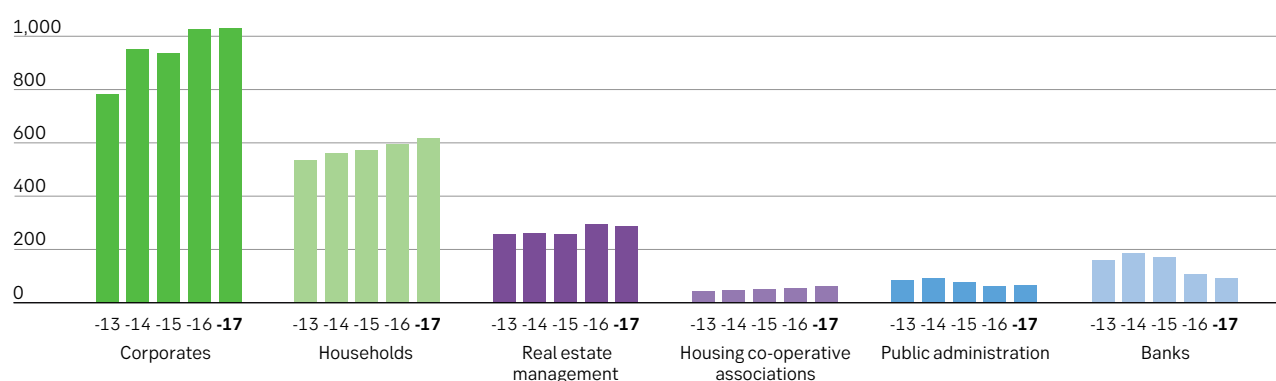
High asset quality

The credit portfolio was stable during the year and amounted to SEK 2,151bn. There was growth mainly within Swedish household mortgages and housing co-operative associations, as well as within both private and corporate lending in the Baltic countries. Asset quality in the overall credit portfolio was high and the credit loss level was 0.05 per cent of the loan volumes.

Risk profile	The Board of Directors decides on the overarching risk tolerance. The President is responsible for optimising the risk profile within to the Board's risk tolerance and capital adequacy targets and to manage SEB's risks overall.	
	Board's risk tolerance statements in brief	
	SEB shall:	Comment
Credit risk and asset quality	Have a robust credit culture based on long-term relationships, knowledge about the customers and focus on their repayment ability. This will lead to a high quality credit portfolio.	<ul style="list-style-type: none"> • SEB has a well-balanced credit portfolio with main exposure to Nordic large corporates and households in Sweden. • Asset quality remains strong with low credit losses. Over the past ten years, which includes the Baltic crisis, annual credit losses have averaged 0.17 per cent of lending.
Market risk	Achieve low earnings volatility by generating revenues based on customer-driven business.	<ul style="list-style-type: none"> • SEB takes market risk in customer-driven trading activity and in its liquidity portfolio. Generally, SEB's market risk is low. • Interest rate risk arises due to mismatches in rates and maturities in the bank's assets and liabilities, and is managed by the Treasury function.
Operational and reputational risk	Strive to mitigate operational risks in all business activities and maintain the bank's reputation.	<ul style="list-style-type: none"> • SEB has historically reported operational losses below European peer average. • Managing and mitigating IT and cyber risks is a key priority to ensure secure and available information, services and products for customers.
Liquidity and funding risk	Have a soundly structured liquidity position , a balanced wholesale funding dependence and sufficient liquid reserves to meet potential net outflows in a stressed scenario.	<ul style="list-style-type: none"> • SEB's primary funding sources are customer deposits and wholesale funding. • The funding base is diversified in terms of maturities and currencies to ensure that payment obligations are met as they fall due.
Aggregated risk and capital adequacy	Maintain satisfactory capital strength in order to sustain aggregated risks , and guarantee the bank's long-term survival and its position as a financial counterparty, while operating safely within regulatory requirements and meeting rating targets.	<ul style="list-style-type: none"> • SEB is strongly capitalised in relation to regulatory capital requirements, internal targets and peers. • The aim is to hold capital adequacy of around 150 basis points above the regulatory requirement.

Credit portfolio, development by sector

SEK bn



Cyber security

Reliable and secure services and products are a key priority for SEB. In its “always open” ambition, the bank is working on several measures to reduce and prevent the risk of downtime. Among other things, firebreaks are built in to the IT infrastructure, which

help limit a potential problem to one system only. SEB’s approach to meeting cyber and other security threats is to prioritise technical protection and to raise awareness and knowledge among both employees and customers.

SEB’s key risk development				Peer average ⁴⁾	
Measurement	5-year average ¹⁾	2017	Comment	Measurement	2017
Credit portfolio (SEK bn)	2,063	2,151	Total loans, leasing and other contingent credits.		
Net credit loss level (%)	0.07	0.05	The level of credit losses in relation to the credit exposure.	Net credit loss level (%)	0.10
Trading VaR average (SEK m)	112	91	A statistical measure for the highest loss that can be expected in a ten-day period.	Trading VaR average ⁵⁾ (SEK m)	149
Operational losses ²⁾ /income (%)	0.58	0.45	Operational risk losses in relation to operating income.	Operational losses ²⁾ /income (%)	0.72
Liquidity coverage ratio (%)	127	145	Funds should be sufficient to cover short-term payments. The requirement is above 100 per cent.	Liquidity coverage ratio ³⁾ (%)	151
Risk exposure amount (SEK bn)	605	611	Risk-weighted business volumes.		
Common equity tier 1 ratio (%)	17.7	19.4	Capital available to cover future losses – in relation to the exposure amount.	Common equity tier 1 ratio (%)	20.2

1) The number of measuring points during the period vary

2) Fourth quarter 2016–third quarter 2017, ORX

3) Calculated according to the Swedish FSA’s method (SHB, Nordea and Swedbank)

4) Danske Bank, SHB, Nordea, Swedbank and DNB

5) Danske Bank, SHB, Nordea and Swedbank. Average VaR recalculated to 10-day 99% confidence interval

Chairman's statement

Ten years after the financial crisis started to spread, a number of global trends have reshaped the banking industry. A new regulatory framework has contributed to a more transparent and resilient financial system. Unprecedented expansionary monetary policy has supported the real economy, even though negative interest rates and an abundance of liquidity have distorted risk return rewards. Digitalisation and the rapid technological development are changing customer behaviours. In addition, banks have increasingly acknowledged their role in the shift towards a more sustainable world. These trends impacted the Board's work during the past year, which was extraordinarily intense with 25 meetings.

The Board has now worked together with our new CEO, Johan Torgeby, for close to a year. Johan Torgeby and his management team have taken several initiatives to speed up the transformation of the bank, among other things to develop a more data-driven culture and broaden the set of competences in SEB.

SEB's strategic direction remains. We maintain our financial targets and the bank has a solid capital position. In 2017 total shareholder return reached six per cent. Our ambition is higher. We are determined to work relentlessly for the best interests of our customers, so that you as shareholders can expect an attractive and sustainable return also over the long term."

Stockholm, February 2018

Marcus Wallenberg

Chairman of the Board



Main governing bodies of SEB

The President and Group Executive Committee

The President and CEO is responsible for administrating the group's business, including risk management, in accordance with the strategy and policies established by the Board. To safeguard the interests of the group, the President consults with the Group Executive Committee (GEC) on matters of major or principal importance.

▶▶ The GEC is presented on p. 37.

Board of Directors

The Board of Directors has overarching responsibility for SEB's organisation, management and operations. Important issues handled by the Board include the macroeconomic situation, the bank's financial and risk position, capital and liquidity situation, remuneration, succession planning and compliance as well as interim and annual reports.

▶▶ The Board is presented on p. 38–39.

The General Meeting

The General Meeting of Shareholders is the highest decision-making body, which among other things appoints the members of the Board and the bank's auditor. All registered shareholders have the right to participate at the Annual General Meeting and vote for their shares.

▶▶ See information on the share p. 29–30.



Group Executive Committee

Group Executive Committee

	Position	SEB employee since	Born	Own and closely related persons' shareholdings ¹⁾	
1	Johan Torgeby	President and CEO since 2017	2009	1974	5,567 Class A shares, 73,729 sr and 81,247 csr.
2	Magnus Carlsson	Deputy President & CEO since 2014	1993	1956	54,998 Class A shares , 68,297 sr and 158,801 csr.
3	Magnus Agustsson	Chief Risk Officer since 2017	2009	1973	8,744 Class A shares, 1,448 sr and 30,890 csr.
4	Jeanette Almberg	Head of Group Human Resources since 2016	2008	1965	10,343 Class A shares, 22,683 sr and 38,537 csr.
5	Joachim Alpen	Executive Vice President. Head of the Large Corporates & Financial Institutions division since 2017	2001	1967	6,112 Class A shares, 113,999 sr and 78,347 csr.
6	Jan Erik Back	Executive Vice President, Chief Financial Officer since 2008	2008	1961	60,968 Class A shares, 124,711 sr and 168,985 csr.
7	Viveka Hirdman-Ryrberg	Head of Group Communications and Group Marketing since 2009. Chairman of the Corporate Sustainability Committee.	1990	1963	62,761 Class A shares, 43,633 sr and 56,231 csr.
8	Martin Johansson	Head of Business Support since 2011	2005	1962	236 Class A shares, 46,255 sr and 139,219 csr.
9	Christoffer Malmer	Executive Vice President, Co-head of the Corporate & Private Customers division since 2016	2011	1975	59,321 Class A shares and 74,437 csr.
10	David Teare	Head of the Life & Investment Management division since 2017	2006	1963	54,675 Class A shares, 60,652 sr and 75,811 csr.
11	Mats Torstendahl	Executive Vice President, Co-head of the Corporate & Private Customers division since 2016	2009	1961	104,218 Class A shares, 56,913 sr and 168,046 csr.
12	Riho Unt	Head of the Baltic division since 2016	2001	1978	43,485 Class A shares, 7,336 sr and 32, 617 csr.
Additional members					
13	Johan Andersson	Country Manager SEB Germany since 2016	1980	1957	50,800 Class A shares, 22 Class C shares and 747 csr.
14	Peter Høltermand	Country Manager SEB Denmark since 2002	1997	1963	179 Class A shares, 17,493 sr, 32,415 csr and 53,524 cps.
15	Rasmus Järborg	Chief Strategy Officer since 2015	2008	1976	5,598 Class A shares, 28,386 sr and 60,153 csr.
16	Marcus Nystén	Country Manager SEB Finland since 2010	1998	1960	119,847 Class A shares, 22,924 csr and 37,583 cps.
17	William Paus	Country Manager SEB Norway since 2010	1992	1967	52,900 Class A shares, 30,456 csr and 32,029 cps.

1) Abbreviations in the table: sr = share rights, csr = conditional share rights, cps = conditional phantom shares

Board of Directors



Marcus Wallenberg



Sven Nyman



Jesper Ovesen



Johan H. Andresen

Position	Chairman since 2005	Vice Chairman since 2017	Vice Chairman since 2014	Director
Year elected	2002	2013	2004	2011
Born	1956	1959	1957	1961
Education	B.Sc. (Foreign Service)	B.Sc. (Business and Econ.)	B.Sc. (Econ.) and MBA	B. A. (Government and Policy Studies) and MBA
Other assignments	Chairman of Saab and FAM. Vice Chairman of Investor. Director of AstraZeneca Plc., Temasek Holdings Ltd and the Knut and Alice Wallenberg Foundation.	Chairman of RAM Rational Asset Management. Director of RAM ONE, Ferd AS (Norway), Nobel Foundation's Investment Committee, Stockholm School of Economics, Stockholm School of Economics Association and of Axel and Margaret Ax:son Johnson's Foundation.	Director of Sunrise Communication Group AG (Switzerland), Lundbeck A/S (Denmark) and ConvaTec Group Plc. (UK).	Owner and Chairman of Ferd AS (Norway). Chairman of Council on Ethics for the Government Pension Fund Global (Norway). Director of SWIX Sport AS (Norway), NMI-Nordic Micro-finance Initiative and Junior Achievement Europe.
Own and closely related persons' shareholdings	753,584 Class A shares and 720 Class C shares	10,440 Class A shares and 10,200 Class C shares	25,000 Class A shares	100,000 Class A shares



Helena Saxon



Johan Torgeby



Sara Öhrvall

Position	Director	Director (President and CEO)	Director
Year elected	2016	2017	2016
Born	1970	1974	1971
Education	M.Sc. (Business and Econ.)	B.Sc. (Econ.)	M.Sc. (Econ.)
Other assignments	CFO at Investor. Director of Swedish Orphan Biovitrum.	Director of the Swedish Bankers' Association and of the Institute of International Finance.	Director of Investor, Bonnier News, Bonnier Books and Bisnode.
Own and closely related persons' shareholdings	12,500 Class A shares	5,567 Class A shares, 73,729 share rights and 81,247 conditional share rights	1,150 Class A shares

Urban Jansson, Birgitta Kantola and Annika Falkengren left the Board in connection with the AGM 2017. Johan Torgeby was elected new member of the Board.



Signhild Arnegård Hansen

Director
2010
1960
B.Sc. (Human Resources) and journalism studies
Chairman of SnackCo of America Corp. Vice Chairman of the Swedish-American Chamber of Commerce (SACC) (USA). Director of Magnora, SACC New York, Business Sweden, ESBRI and King Carl XVI Gustaf's Foundation for Young Leadership.

5,387 Class A shares



Samir Brikho

Director
2013
1958
M.Sc. (Engineering, Thermal Technology).
UK Business Ambassador. Co-Chairman of the UK-UAE Business Council and the UK-ROK CEO Forum. Member of Advisory Boards of Stena. Chairman of the Step Change Charity.

0 shares



Winnie Fok

Director
2013
1956
Bachelor of Commerce.
Director of Volvo Car Corporation, G4S plc (UK). Member of the Investment Committee of HOPU Investments Co, Ltd. (Asia), senior advisor to FAM and WFAB.

3,000 Class A shares



Tomas Nicolin

Director
2009
1954
B.Sc. (Econ.) and M.Sc. (Management)
Chairman of Centre for Justice. Director of Nordstjernan, Nobel Foundation and Axel and Margaret Ax:son Johnson's Foundation. Member of the Investment Committee of Niam Property Fund.

66,000 Class A shares

Appointed by the employees



Anna-Karin Glimström

Director, appointed by the employees.
2016
1962
University studies in mathematics, statistics and law.
Chairman of Financial Sector Union of SEB group and Financial Sector Union Western section in SEB, Director EB-SB Fastigheter and EB-SB Holding.
0 shares and 805 conditional share rights



Håkan Westerberg

Director, appointed by the employees.
2015 ¹⁾
1968
Engineering logistics.
Chairman of the Association of University Graduates at SEB.
3,748 Class A shares and 805 conditional share rights



Annika Isenborg

Deputy Director, appointed by the employees.
2016 ²⁾
1967
University studies in working environment.
First deputy Chairman of Financial Sector Union of SEB and Financial sector union regional club Group Operations of SEB.
179 Class A shares and 1,610 conditional share rights



Charlotta Lindholm

Deputy Director, appointed by the employees.
2015
1959
LLB
Vice Chairman of the Association of University Graduates at SEB. Director of the Foundation of Alma Detthows.
5,001 Class A shares and 805 conditional share rights

1) Deputy director 2011–2014 2) Deputy director 2014

SEB's new office building in Arenastaden

In May, SEB moved to the new offices in Arenastaden, in Solna. It is Sweden's largest new offices and will be the working place for around 4,500 employees. Three offices from different locations in Stockholm are gathered here while the head office at Kungsträdgården remains. The construction was done in accordance with high environmental requirements and it is classified by the certification BREEAM-SE level Excellent, an ambitious international standard.



Calendar

2017 Annual Accounts
Annual Report
Annual General Meeting
Interim report January – March
Interim report January – June
Interim report January – September

31 January 2018
5 March 2018
26 March 2018
30 April 2018
17 July 2018
25 October 2018



Corporate website

Financial information, publications and other information regarding SEB is available at
sebgroup.com

Financial information and publications



Annual Report

Information on SEB's business, strategy, risk management and corporate governance. Detailed information on SEB's financial position and results. Includes SEB's Sustainability Report.



Annual Review

An abbreviated version of the Annual Report.



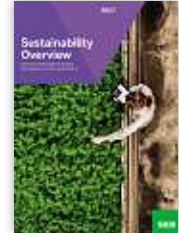
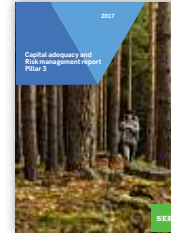
Interim reports and fact book

Quarterly reports on SEB's financial position and results with more details in the fact books.



Capital Adequacy and Risk Management Report (Pillar 3)

Disclosure on capital adequacy and risk management in accordance with regulatory requirements.



Sustainability Overview

Annual general information on SEB's sustainability approach and performance. Includes highlights for 2017, the Global Reporting Initiative (GRI) Index and Fact Book.

New shareholders are automatically offered a subscription of the Annual Report or the Annual Review. Order printed copies of the Annual Report and the Annual Review at sebgroup.com/ir

Subscribe to a digital version of the Interim Reports and the Fact Books (pdf) at sebgroup.com/press

Annual General Meeting

The Annual General Meeting will be held on Monday 26 March 2018 at 1 pm (CET) at Stockholm Concert Hall, Hötorget, Stockholm, Sweden.

A notice convening the Annual General Meeting, including an agenda, is available on sebgroup.com

Shareholders who wish to attend the Annual General Meeting shall at the latest on Tuesday 20 March 2018:

- be registered in the shareholders' register kept by Euroclear Sweden AB, and
- have notified the bank in either of the following ways:
 - ▶ by telephone 0771 23 18 18 (+46 771 23 18 18 from outside Sweden) between 9 am and 4.30 pm (CET) or
 - ▶ at sebgroup.com or
 - ▶ in writing to the following address: Skandinaviska Enskilda Banken c/o Euroclear Sweden, Box 191, 101 23 Stockholm, Sweden

Dividend

The Board proposes a dividend of SEK 5.75 per share for 2017.

Wednesday 28 March 2018, is proposed as record date for the dividend payments. If the Annual General Meeting resolves in accordance with the proposal, the share will be traded ex-dividend on Tuesday 27 March 2018 and dividend payments are expected to be distributed by Euroclear Sweden AB on Wednesday 4 April 2018.



Welcome to SEB!

Our vision is to deliver world-class service to our customers. We assist 2,300 large corporations, 700 financial institutions, 274,000 small and medium-sized companies and 1.4 million private individuals with advice and financial solutions.

In Sweden and the Baltic countries, we offer comprehensive financial advice and a widerange of financial services. In Denmark, Finland, Norway, Germany and the United Kingdom, we have a strong focus on a full-service offering to large corporate and institutional customers.

The international scope of the operations is reflected in SEB's presence in some 20 countries with 15,000 employees.

We have a long-term perspective in all of our operations and contribute to the development of markets and communities.

Head office

Postal address	SEB, SE-106 40 Stockholm, Sweden
Visiting address	Kungsträdgårdsgatan 8, Stockholm, Sweden
Telephone	+46 771 62 10 00

Contacts

Jan Erik Back¹⁾
Chief Financial Officer
Telephone: +46 8 22 19 00
E-mail: janerik.back@seb.se

Jonas Söderberg²⁾
Head of Investor Relations
Telephone: +46 8 763 83 19
E-mail: jonas.soderberg@seb.se

Viveka Hirdman-Ryrberg
Head of Group Communications
and Group Marketing
Telephone: +46 8 763 85 77
E-mail: viveka.hirdman-ryrberg@seb.se

Malin Schenkenberg
Financial Information Officer
Telephone: +46 8 763 95 31
E-mail: malin.schenkenberg@seb.se

1) As of 1 May 2018, Masih Yazdi assumes the position of Finance Director
(telephone +46 72 023 9458, e-mail: masih.yazdi@seb.se)

2) As of 1 April 2018 Christoffer Geijer assumes the position of Head of Investor Relations
(telephone + 46 8 506 23198, e-mail: christoffer.geijer@seb.se)