

Investor Presentation

January – December 2018

S|E|B



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Agenda



- **SEB in brief**

- Business plan 2019-2021
- Financials & quarterly update
- Credit portfolio & asset quality
- Capital
- Balance sheet, funding & liquidity
- Covered bonds & Cover pool
- Contacts, calendar and ADR
- Appendix
 - Macroeconomic development
 - Swedish housing market
 - Organisation & governance

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Executive summary

Relatively strong macroeconomic operating environment

- Operates principally in economically robust AAA rated, northern European countries

Stable, long-term ownership structure

- The Wallenberg family founded SEB in 1856, and remains the main shareholder through Investor AB (20.8%)

Diversified and balanced business model built on long-term relationship banking renders sustainable value creation

- Leading market positions in core business areas and markets
- Diversified income mix in terms of customer base, product mix and geography
- Stringent cost management consistently delivering on cost targets in last 10 years

High asset quality

- Strong risk culture and with conservative credit policies
- 10-year average annual credit loss level of 0.16%, including the Baltic crisis

One of Europe's best capitalised banks

- CET1 ratio of 17.6% and buffer of 270bps above SFSA's requirement

Solid funding structure and low asset encumbrance

Solid rating position

- Moody's Aa2/Stable, Fitch AA-/Stable, S&P A+/Stable

2018 FY Net ECL level

6bps

C/I

0.48

CET 1

17.6 %

RoE¹

13.4%

DPS

Ordinary

Extraordinary

6:00 SEK



0:50 SEK

¹ Excluding items affecting comparability

Balanced business model with leading market positions in core areas

Leading market positions

Corporate and Institutional business¹

#1 Nordic franchise in Trading, Capital Markets and FX activities, Equities, Corporate and Investment banking

#1 Nordic custodian

#3 in AUM in Nordic region



- **Universal banking Sweden and Baltics**
- **Principally corporate banking in other Nordic countries, Germany and UK**

Private Individuals¹

#1 Swedish Private Bank in terms of AUM

#2 with ~10% of total Swedish household savings market

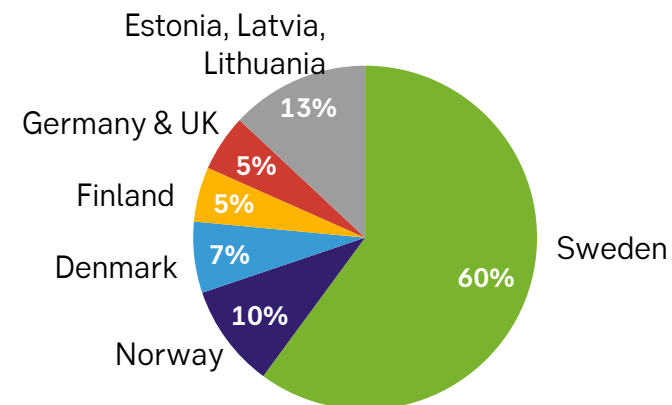
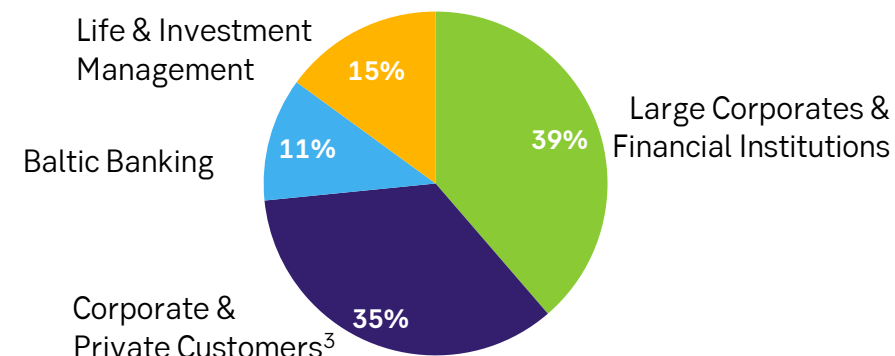
#1 bank with ~9% of total life & pension business in Sweden

Swedish household mortgage lending market share of ~14%

#2 bank in the Baltic countries by lending

Diversified business mix

Operating profit 2018²

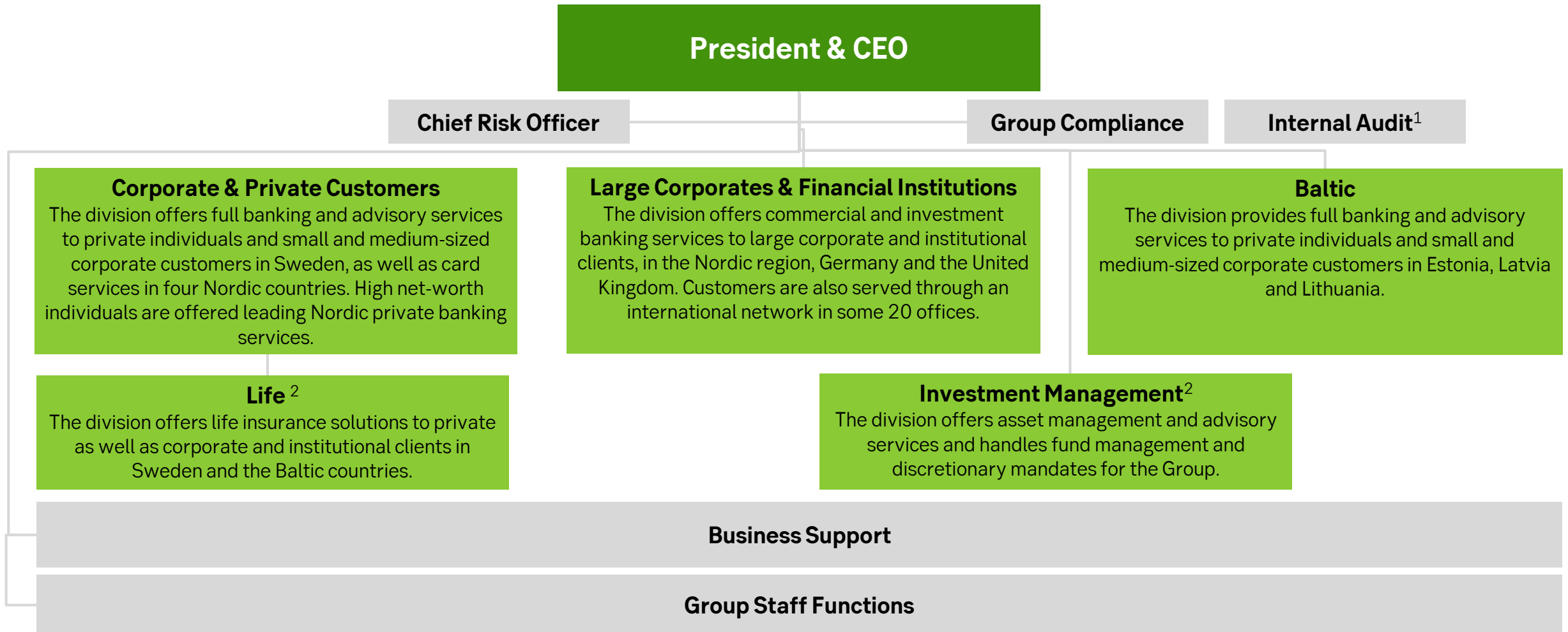


¹ Latest available information at 31 December 2018

² Before items affecting comparability. Excluding International network and eliminations.

³ Swedish SMEs and private individuals

SEB is organised in five customer-focused divisions



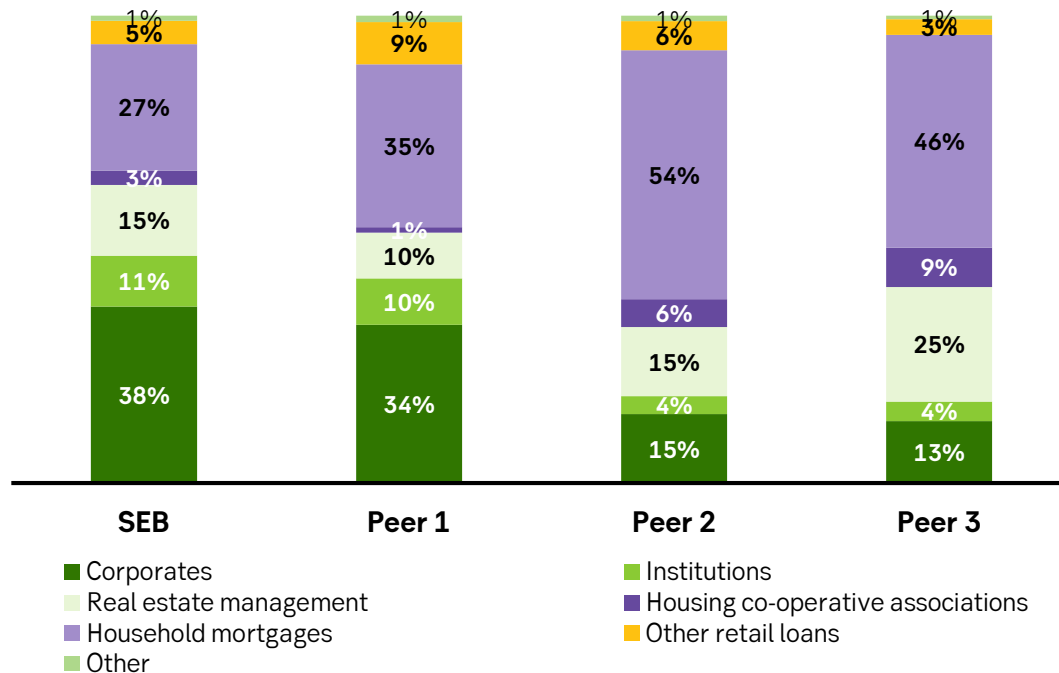
¹ Reports directly to SEB's Board of Directors.

² Life and Investment Management are two separate divisions since 1 January 2019.

SEB is more corporate focused and has a more diversified income stream compared to peers

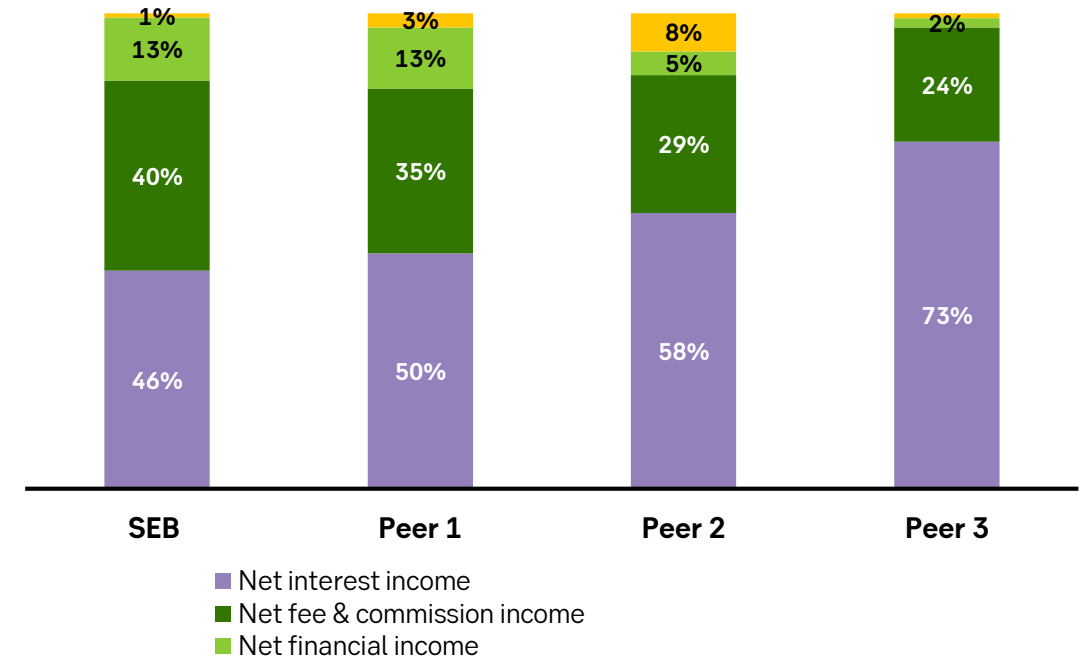
Highest corporate & institutional exposure and low real estate & mortgage exposure

Sector credit exposure composition, EAD¹, Dec 2018



Diversified income stream

Operating income by revenue stream, Dec 2018



- The **relatively low real estate and mortgage exposure** is due to SEB's roots in servicing large corporates, institutions and high net worth individuals. This is reflected in **the broad income generation base** where SEB is the least dependent on net interest income (NII)

¹ EAD = Risk Exposure Amount/Risk Weight

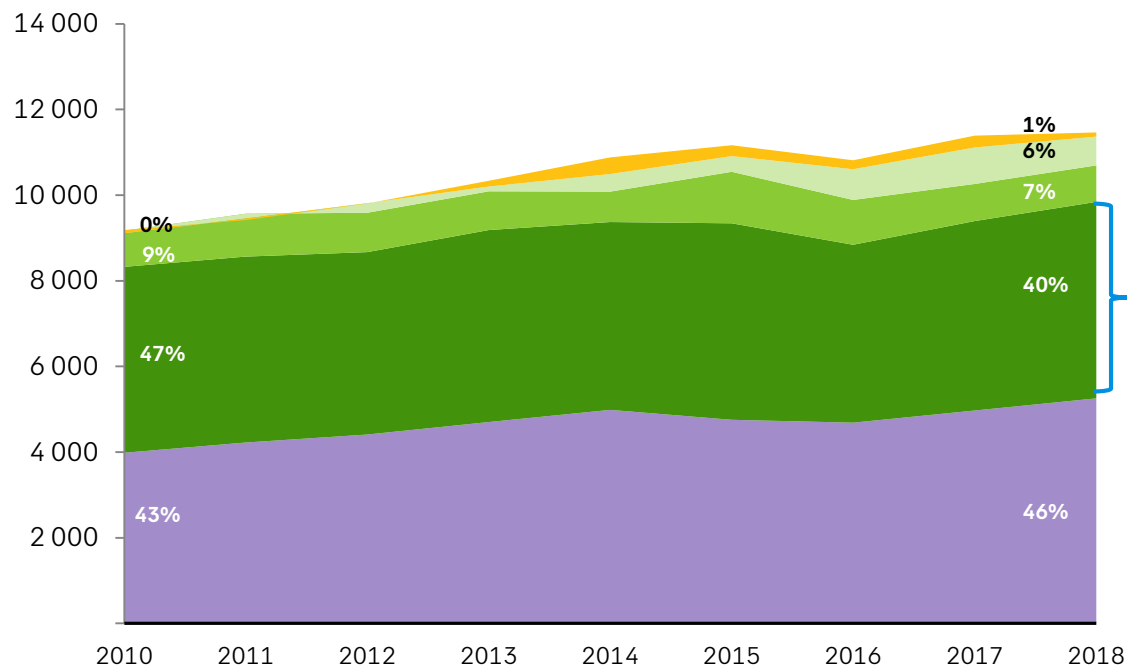
Source: SEB + Swedish peers Q4 2018 reports

Business mix creates diversified and stable income

Balanced mix of NII (net interest income) and non-NII

Average quarterly income

SEK m



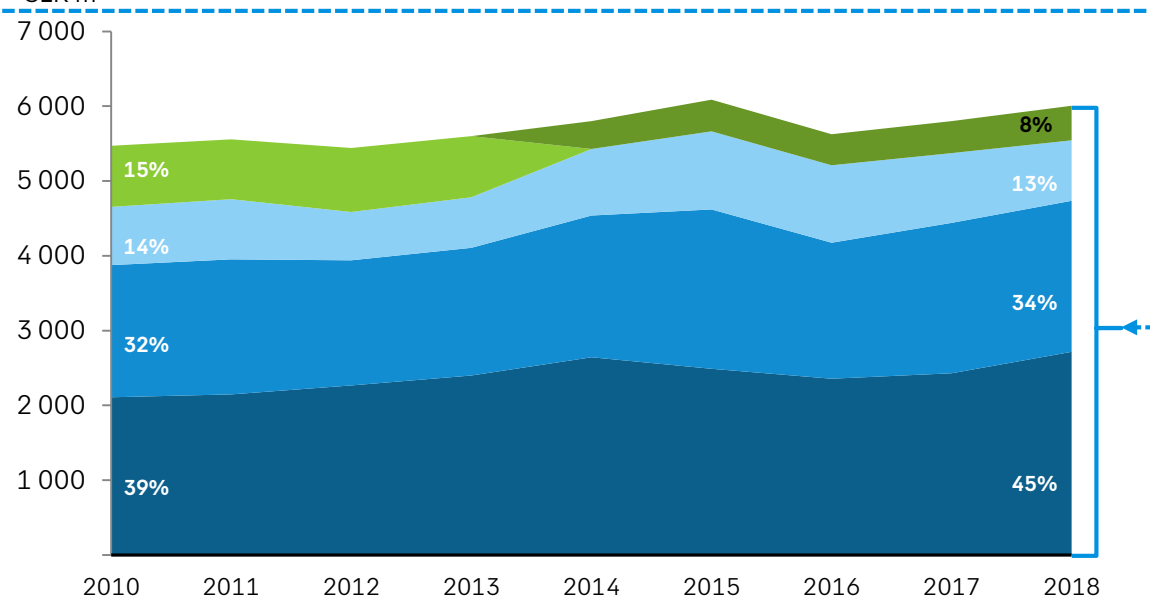
- Net interest income
- Net financial income LC & FI
- Net other income
- Net commission
- Net financial income, excl. LC&FI

LC&FI is the division Large Corporates and Financial Institutions. Traditional Life income booked under NFI from Jan 2014

Strong market franchise and high recurring income generation render stable fees and commissions

Average quarterly fees and commissions income

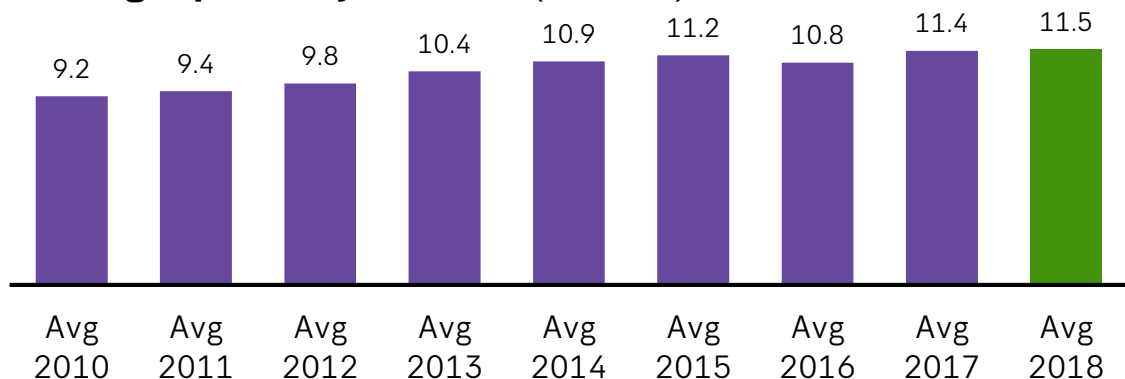
SEK m



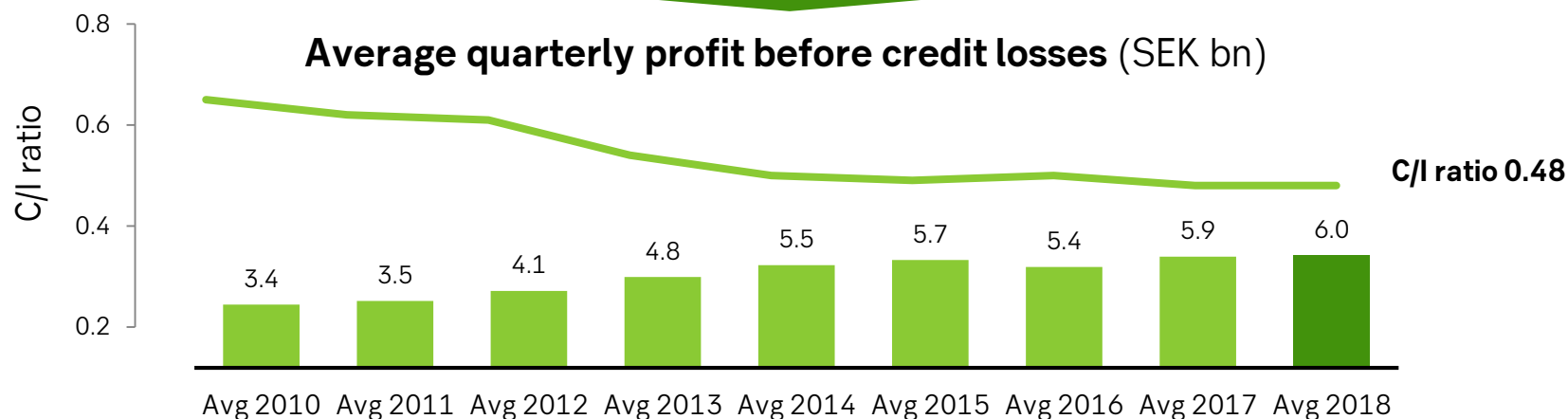
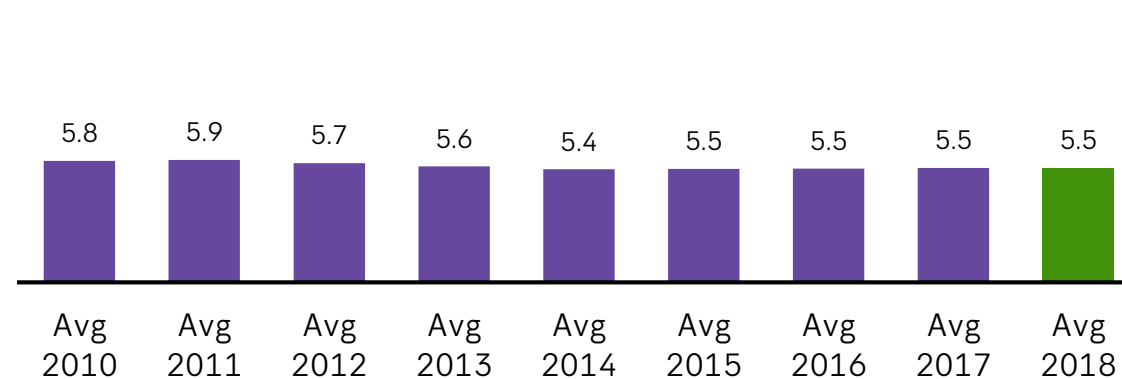
- Life insurance income, Unit-linked
- Total Life (Trad Life & Unit-linked) insurance income (up to and incl. 2013)
- Activity based
- Asset value based
- Payments, card, lending

Continued improvement of operating leverage through diligent efficiency savings

Average quarterly income¹ (SEK bn)



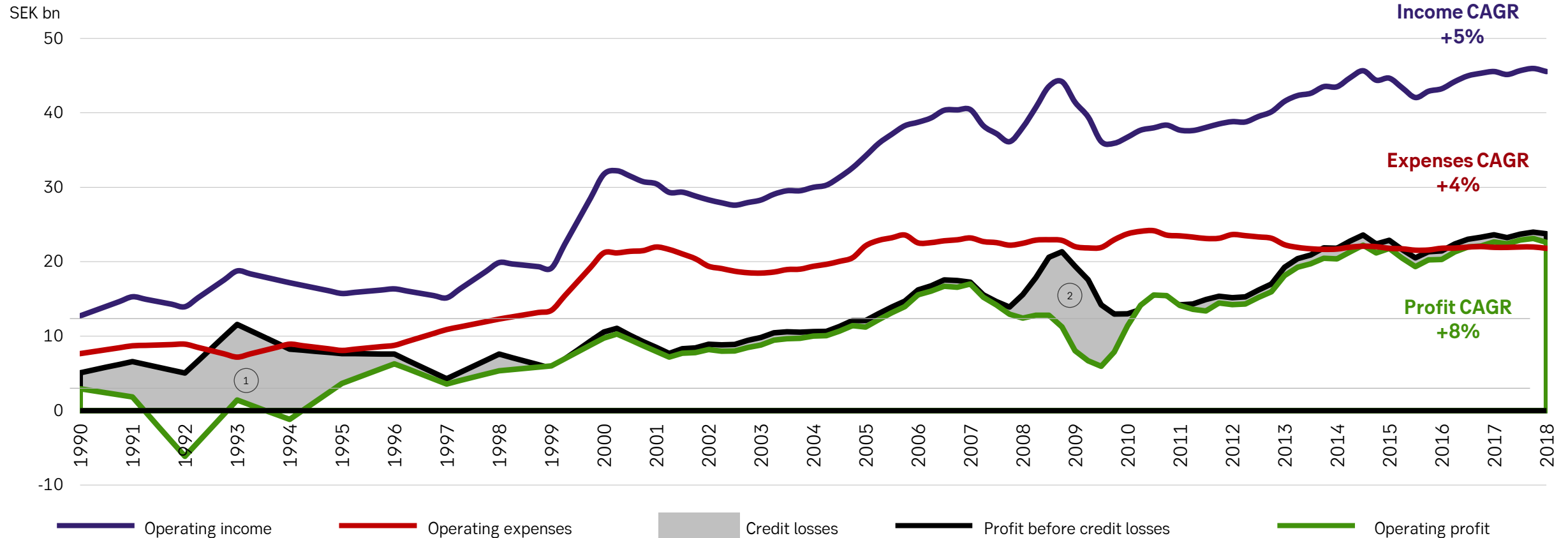
Average quarterly expenses¹ (SEK bn)



¹ Excluding items affecting comparability.

Sustainable value creation through focused business strategy and cost control

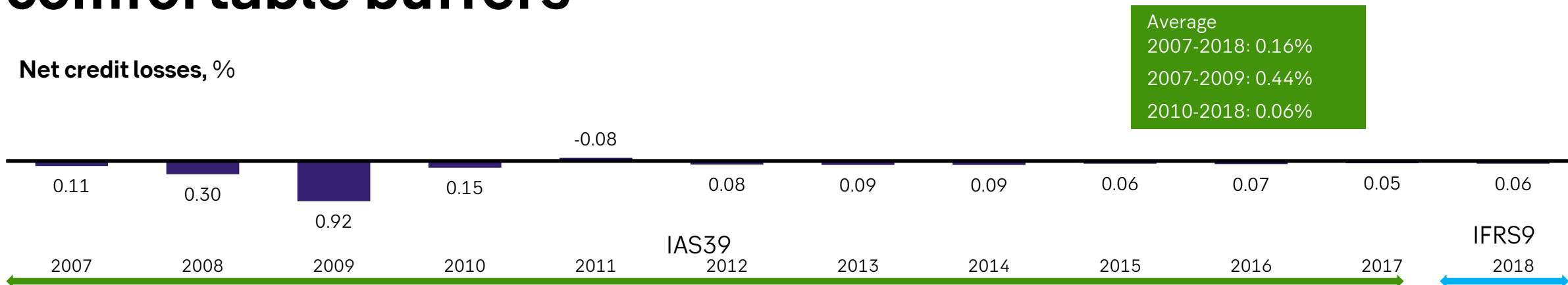
Long-term profit development 1990-2018, rolling 12m



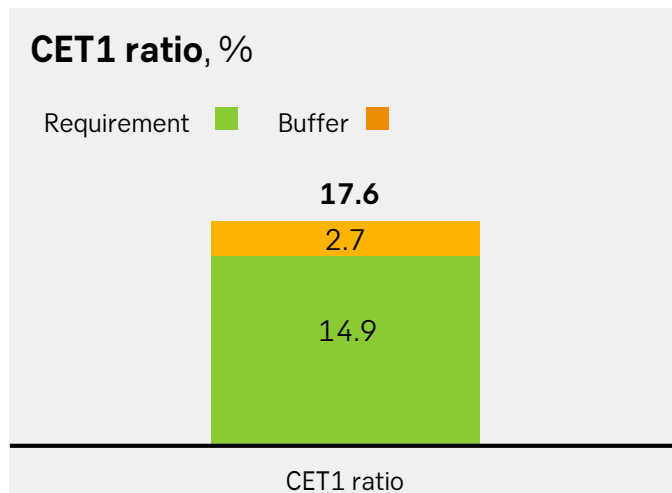
1. Consequences of the Swedish economic paradigm shift and the ensuing financial crisis. SEB is one of two of major banks that was not taken over or directly guaranteed by the state
2. Credit losses driven by the Baltics during the Financial Crisis – important to note the strong revenue generation and overall profitability during this period notwithstanding the Financial Crisis
3. Adjusted for items affecting comparability in 2014-2018

Strong asset quality and robust capital ratios with comfortable buffers

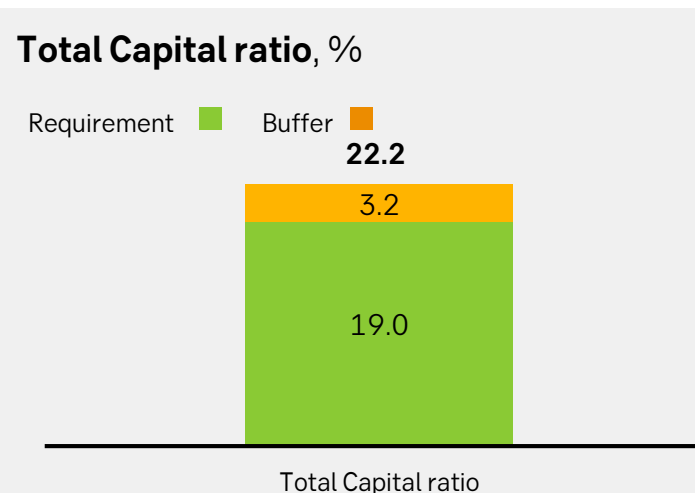
Net credit losses, %



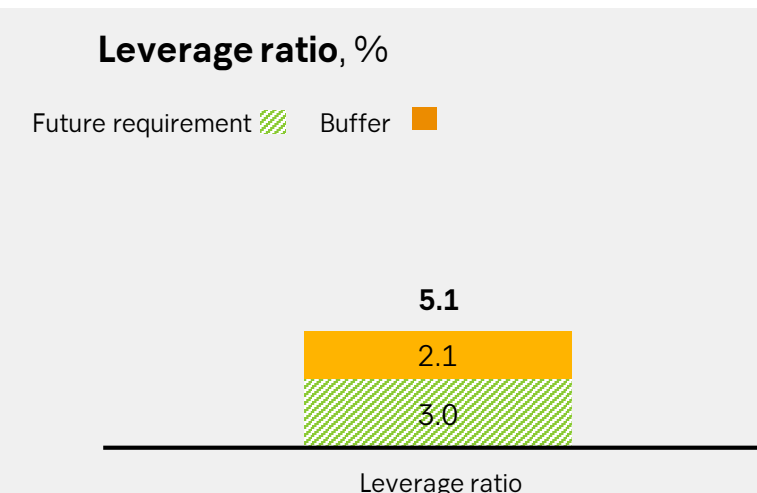
CET1 ratio, %



Total Capital ratio, %



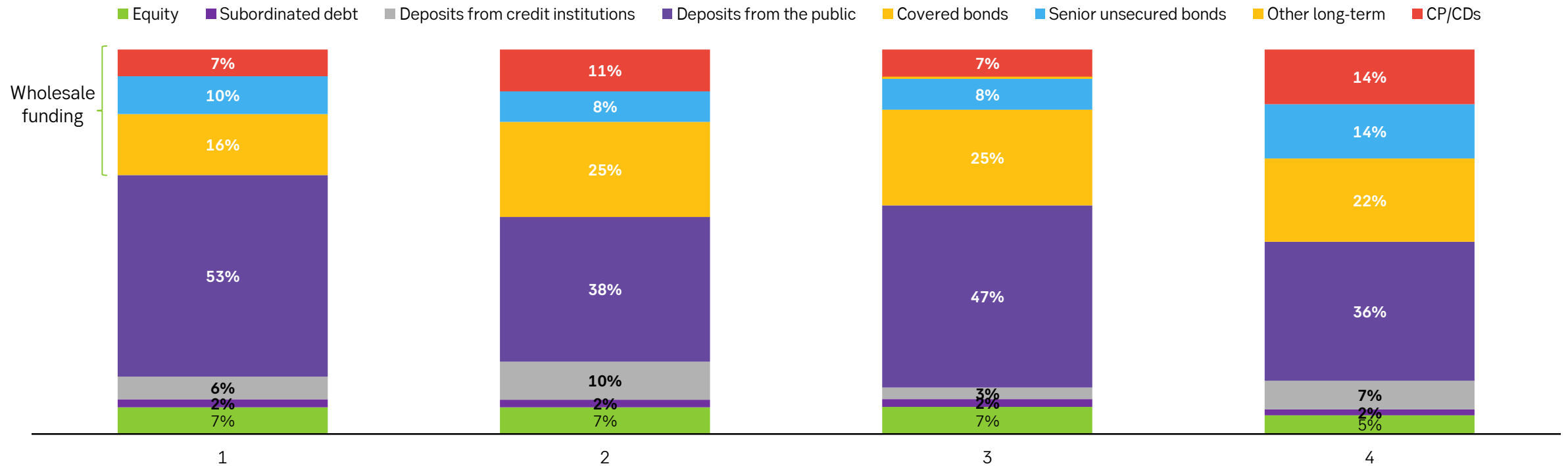
Leverage ratio, %



Source SEB and Revisions to the Basel III leverage ratio framework dated: 2016-07-06

Strong funding structure with least wholesale funding dependence among Swedish banks

Benchmarking Swedish banks' total funding sources incl. equity, balances as of December 2018



Source: SEB + Swedish peers' Q4 2018 result reports. Swedish banks defined as largest banks with operations in Sweden.

SEB aims to be a role model in sustainability within the financial industry

Our focus

- **Sustainable banking:** gradually transform lending portfolio and increase ESG share of AuM
- **Sustainable financial services:** enhance advisory capabilities and create new investment opportunities and lending and capital market products
- **Corporate culture & ways of working:** fully integrate sustainability risk and impact in core processes and performance management, and enable transparent reporting

MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM

SEB

Green Loan
portfolio increased

Global leader in
Green Bond
advisory – 10 year
anniversary

First bank to offer
Green Mortgages

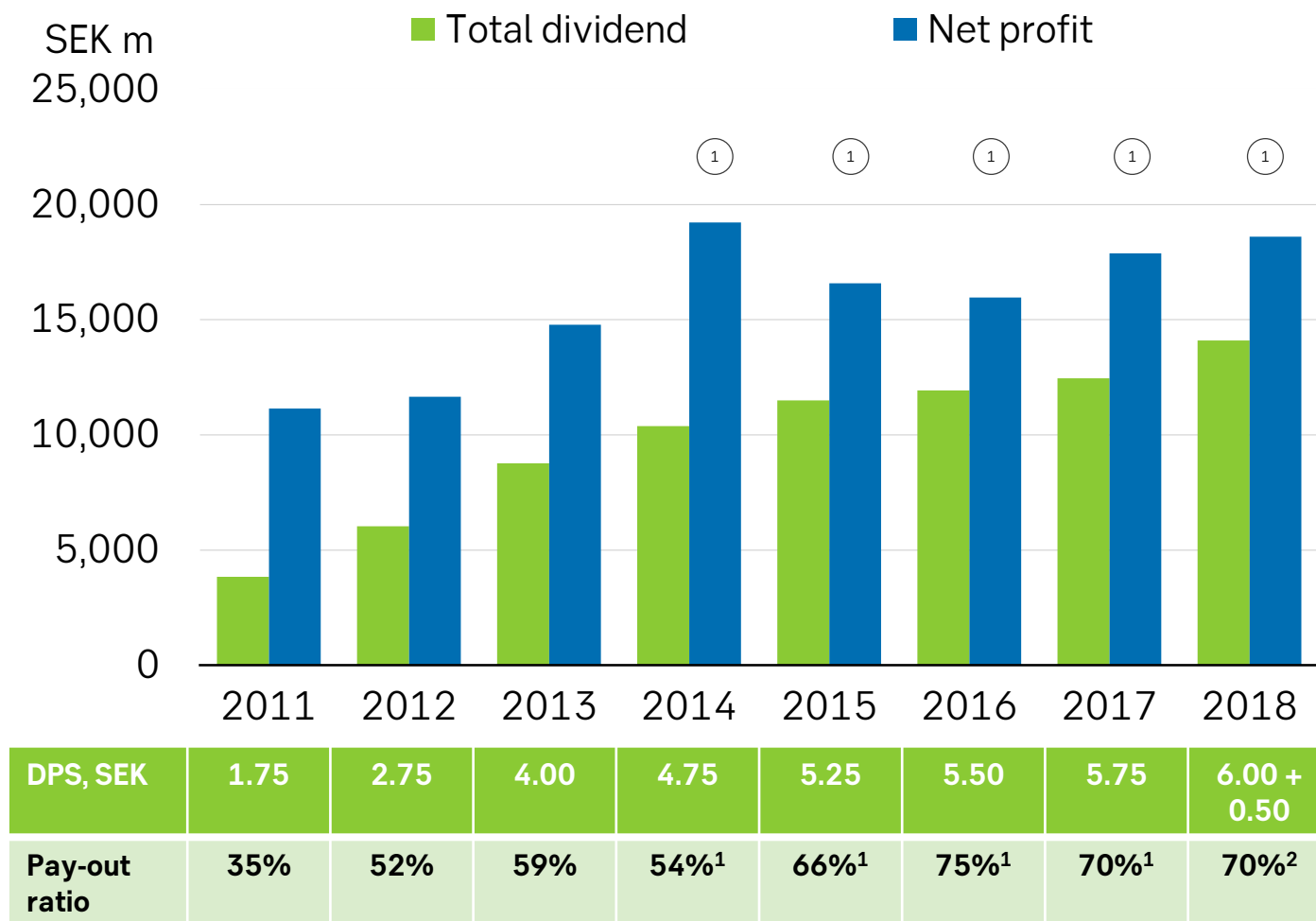


Endorsed TCFD
recommendations

Microfinance
funds reaching
~23m
borrowers
world-wide

Generating sustainable shareholder value

Dividends paid



Dividend policy: 40% or above of net profit (Earnings per share)

1. Excluding items affecting comparability

2. Excl. IAC and extra ordinary DPS, incl. the latter pay-out 76%

SEB's main shareholders

31 December 2018	Share of capital, per cent
Investor AB	20.8
Alecta Pension Insurance	7.0
Trygg Foundation	5.2
Swedbank Robur Funds	4.2
AMF Insurance & Funds	4.0
BlackRock	2.4
SEB Funds	1.6
Own shareholding	1.4
Nordea Funds	1.2
Vanguard	1.2
Total share of foreign shareholders	25.7
Source: Euroclear Sweden/Modular Finance	

SEB's competitive advantages generate sustainable value creation

Advantages

Profit generation

- Diversified business mix and income distribution
- Operates in a strong economic environment
- Leading in SEB's core business areas
- Stringent cost discipline delivering on targets for last 10 years

Advantages

Balance sheet

- Stable long-term ownership structure
- Strong asset quality
- Comfortable capital buffers high above SFSA requirements
- Strong funding structure

Sustainable value creation

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An industry in transformation



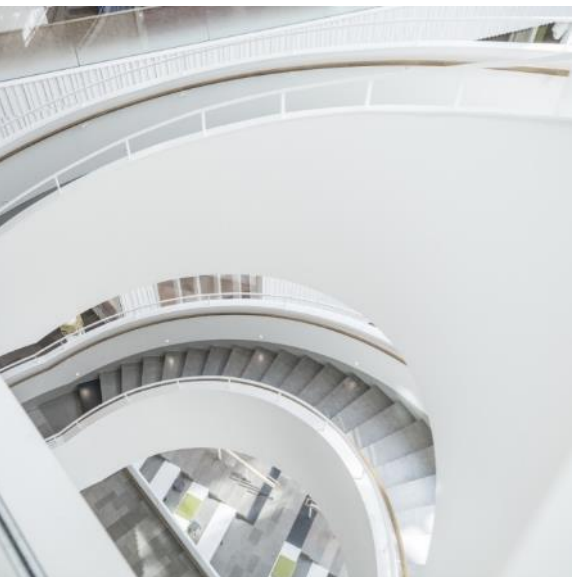
Customers

Proactive, tailored advice

Data driven & real-time

Sustainability

Seamless & unbundled services



Regulations

AML & KYC

MiFID II & PSD II

Basel IV

Less new regulatory regimes, more supervision



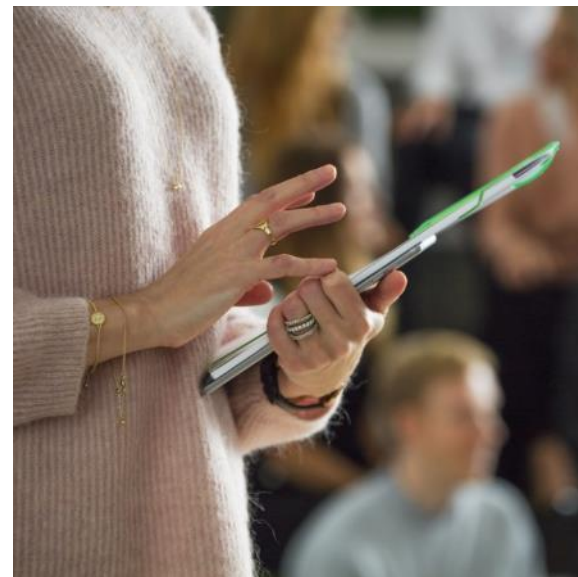
Competition

Fintechs, challengers & big techs

Payment service providers

Lending

Markets & Investment Banking



Technology

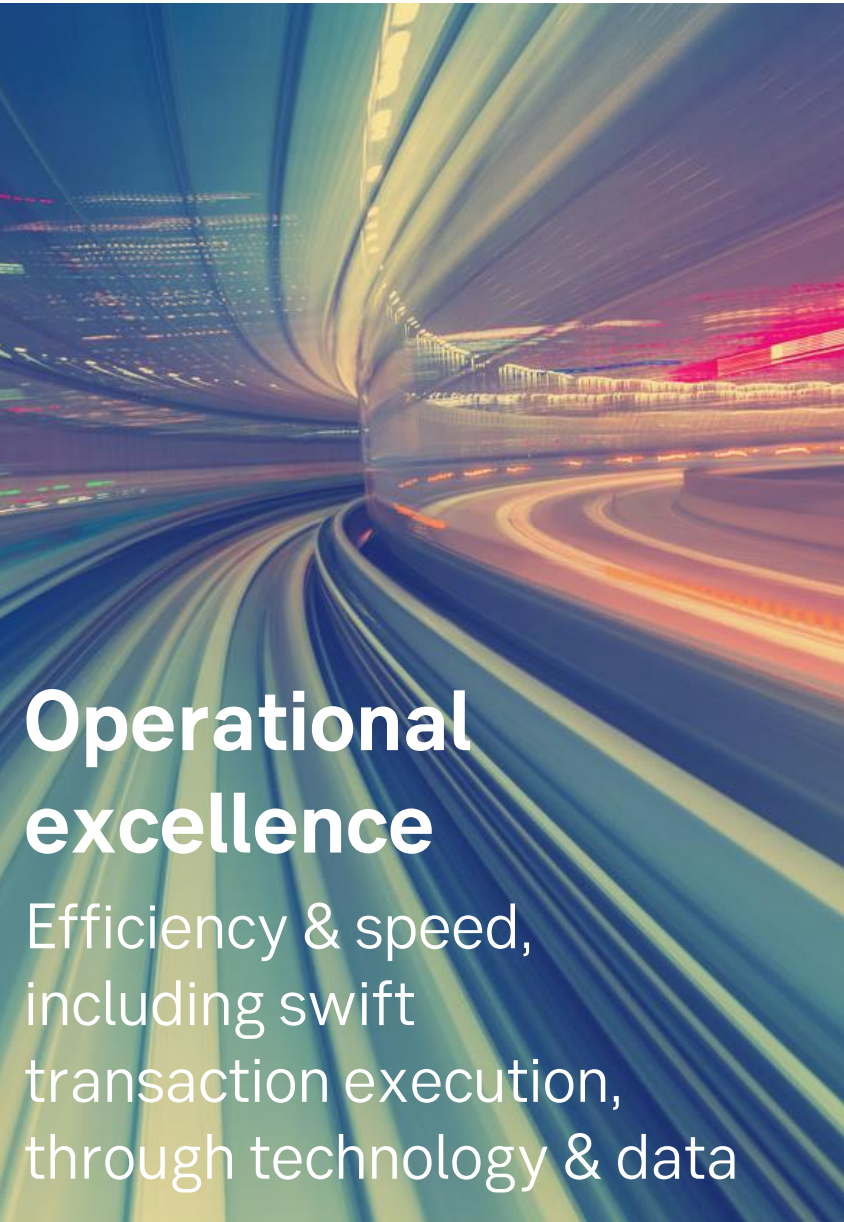
Artificial intelligence & data

Open Banking

Cloud, blockchain & robotics

Cyber risk tech

Our strategic focus areas



Operational excellence

Efficiency & speed, including swift transaction execution, through technology & data



Advisory leadership

Value-enhancing advisory based on human & digital interaction



Extended presence

Part of digital ecosystems & sharpened offering through integration of external products & data

Our ambition by division



The undisputed leading
Nordic Corporate & Institutional bank

Large Corporates & Financial Institutions

- Nordic, German & UK corporates
- Leverage Markets' business
- Advisory within Corporate & Investment Banking

Corporate & Private Customers

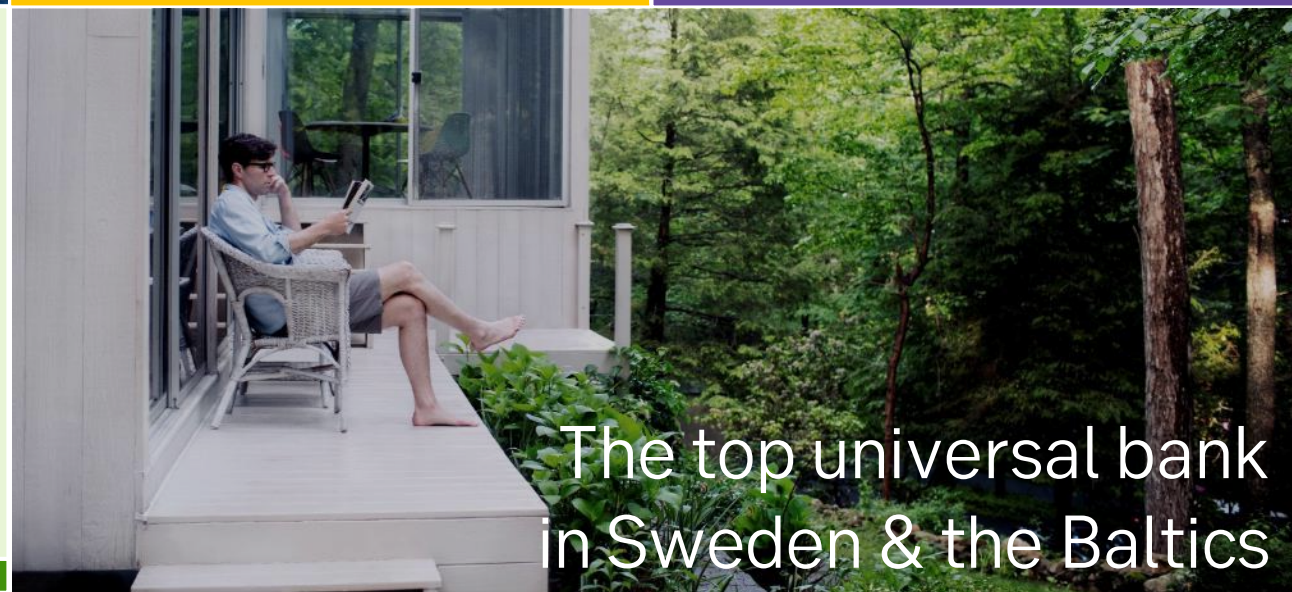
- Attract SME customers
- Expand Private Banking
- Improve mortgages & savings

Life & Investment Management

- Strengthen Investment Management capabilities
- Accelerate Bancassurance
- Re-model Life

Baltic

- Balanced growth in private & corporate segment
- Digital sales
- Completion of core IT program



The top universal bank
in Sweden & the Baltics

New strategic initiatives to meet future client needs

STRATEGIC INITIATIVES

Critical enablers

- Data, automation, sustainability and competences

Advisory

- The undisputed Nordic advisory bank within Corporate & Investment Banking and Private Banking

Assets entrusted to us

- Assets under management, assets under custody and deposits

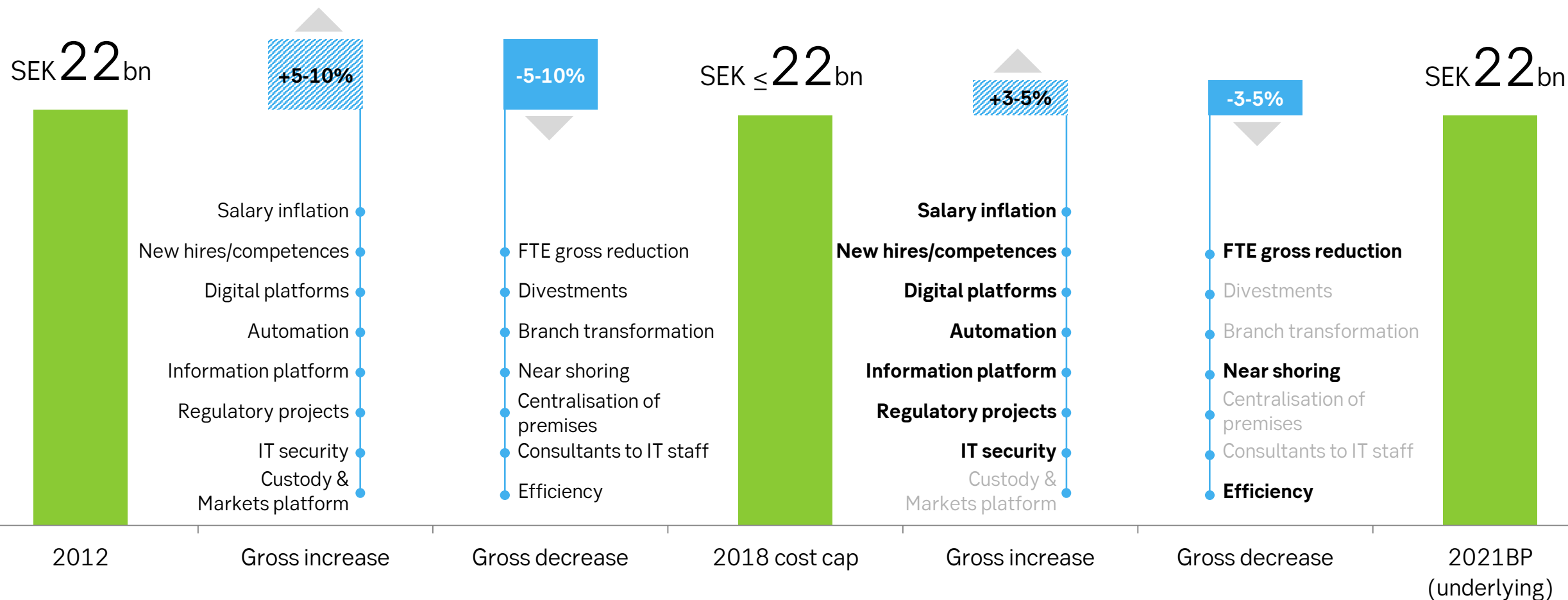
Ecosystem

- Open Banking and customer ecosystems

Digital explorer (SEBx)

- Exploration of new technology to respond to customer needs

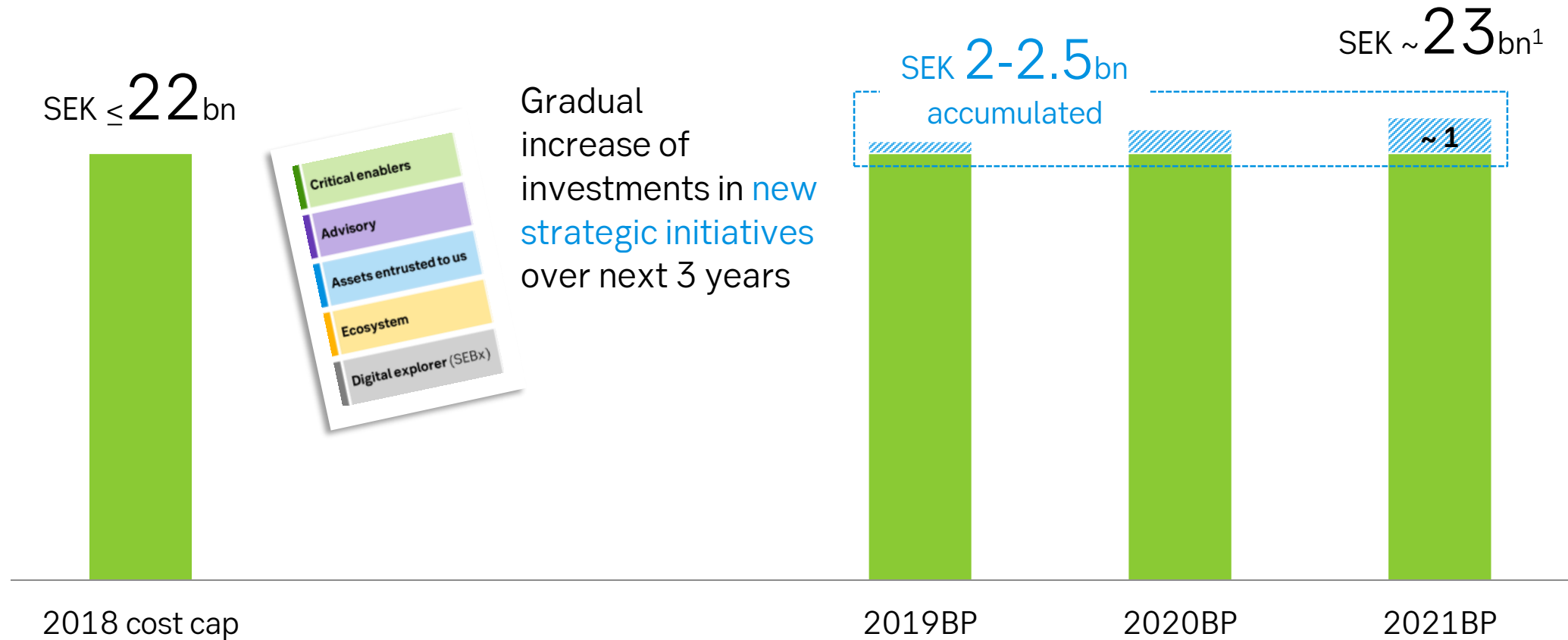
Disciplined cost and investment strategy



Additional investments of SEK 2-2.5bn until 2021

STRATEGIC INITIATIVES		INVESTMENTS 2019-2021
Critical enablers	<ul style="list-style-type: none">Data, automation, sustainability and competences	SEK 600-900m
Advisory	<ul style="list-style-type: none">The undisputed Nordic advisory bank within Corporate & Investment Banking and Private Banking	SEK 400-600m
Assets entrusted to us	<ul style="list-style-type: none">Assets under management, assets under custody and deposits	SEK 200-400m
Ecosystem	<ul style="list-style-type: none">Open Banking and customer ecosystems	SEK 300-500m
Digital explorer (SEBx)	<ul style="list-style-type: none">Exploration of new technology to respond to customer needs	SEK 200-300m
		SEK 2,000-2,500m <i>(accumulated over 3 yrs)</i>

Additional investments and total costs



¹ Based on 2018 average FX rates.

$\geq 40\%$
dividend **payout**
ratio of EPS

$\sim 150\text{bps}$
CET1 ratio
above requirement

RoE
competitive
with peers

15% RoE long-term aspiration

SEB



Our
financial targets
remain

In summary

To meet future client needs



Operating excellence,
advisory leadership and
extended presence



Accelerate
transformation
and growth



Additional
investments of
SEK 2-2.5bn until 2021;
SEK ~23bn¹ in
cost target by 2021



Operating leverage,
capital efficiency and
resilient balance sheet

¹ Based on 2018 average FX rates.

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Key financials - summary

SEB's key figures 2011–2018	2018	2017	2016	2015	2014	2013	2012	2011 ¹⁾
Return on Equity, % ⁶⁾	13.4	12.9	11.3	12.9	13.1	13.1	11.5	12.3
Cost/Income ratio, %	48	48	50	49	50	54	61	62
Common Equity Tier 1 capital ratio, % ²⁾	17.6	19.4	18.8	18.8	16.3	15.0	NA	NA
Total capital ratio, % ²⁾	22.2	24.2	24.8	23.8	22.2	18.1	NA	NA
Leverage ratio, % ²⁾	5.1	5.2	5.1	4.9	4.8	4.2	NA	NA
Net ECL level / CLL, % ³⁾	0.06	0.05	0.07	0.06	0.09	0.09	0.08	-0.08
Stage 3 ECL coverage ratio / NPL coverage ratio, % ⁴⁾	40	55	63	62	59	72	66	64
NPL/lending, % ⁴⁾	NA	0.5	0.5	0.6	0.8	0.7	1.0	1.4
Liquidity Coverage Ratio, % ⁵⁾	147	145	168	128	115	129	NA	NA
Assets under Management, SEK bn	1,699	1,830	1,781	1,700	1,708	1,475	1,328	1,261
Assets under Custody, SEK bn	7,734	8,046	6,859	7,196	6,763	5,958	5,191	4,490

Notes:

1) Restated for introduction of IAS 19 (pension accounting)

2) 2016 - 2014 is according to CRD IV/CRR and 2013 was estimated based on SEB's interpretation of future regulation.

3) Net aggregate of write-offs, write-backs and provisioning. Net Expected credit losses (2018) are based on IFRS 9 expected loss model, net credit losses (2011-2017) are based on IAS39 incurred loss model.

4) NPLs = Non Performing Loans [individually and portfolio assessed impaired loans (loans >60 days past due)]. ECL coverage ratio and Stage 3/total loan ratio(2018) are based on IFRS 9 expected loss model, NPL coverage ratio and NPL/lending ratios (2011-2017) are based on IAS39 incurred loss model

5) LCR based on EU definition as of 2018 and on SFSA definition 2013-2017.

6) **Excl. Items affecting comparability incl. technical impairment (write-down) of goodwill**

a. 2014: Excluding capital gains of SEK 2,982m (sale of non-core business and shares)

b. 2015: Excluding a cost of SEK 902m relating to the Swiss Supreme Court's not unanimous ruling against SEB in the long running tax litigation relating to SEB's refund claim of withholding tax dating back to the years 2006 through 2008

c. 2016: Excluding the effects of the technical impairment of goodwill to the amount of SEK 5,334m and SEK 615m of one-off costs and derecognition of intangible IT assets no longer in use and the positive tax effect SEK 101m. Excluding a capital gain of SEK 520m from the sale of VISA Europe shares by the Baltic subsidiaries and the generated tax expense SEK 24m

d. 2017: Excluding a dividend from VISA of SEK 494m, costs related to the transformation to a German branch of SEK 521m, transfer of pension obligation to BVV of SEK 891m, impairment and derecognition of IT intangibles of SEK 978m.

e. 2018: Excluding the sale of SEB Pension SEK 3.6bn and settlement of UC AB's merger SEK 0.9bn

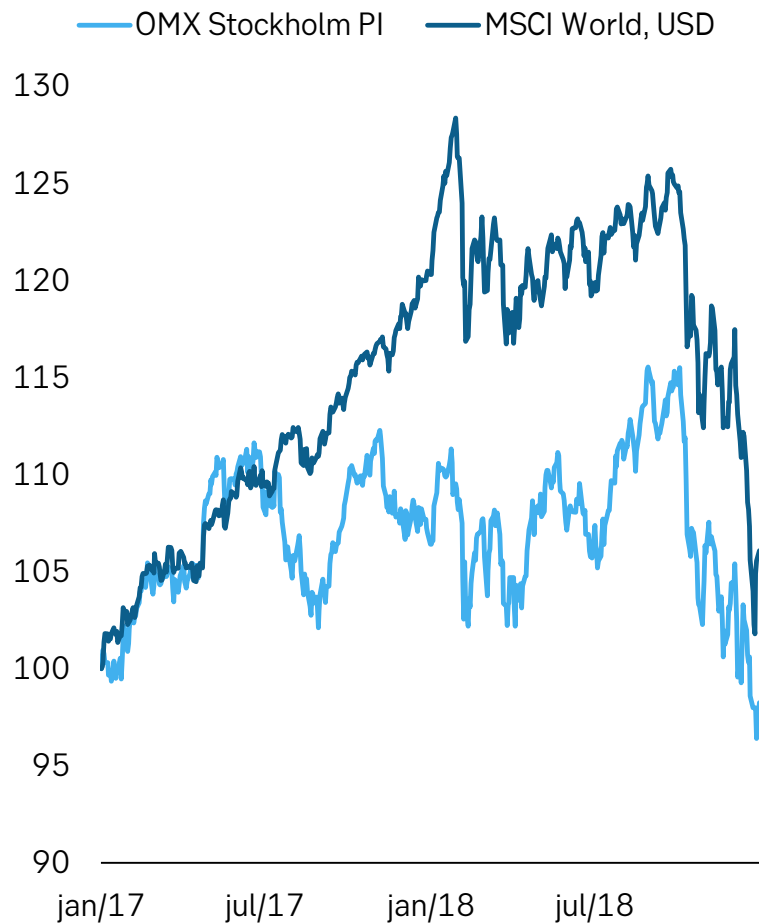
To show the underlying operating momentum in this presentation:

a. and b. The FY 2014 and FY 2015 results' presentations, profitability, capital generation and efficiency ratios exclude the effects of the above-mentioned items affecting comparability

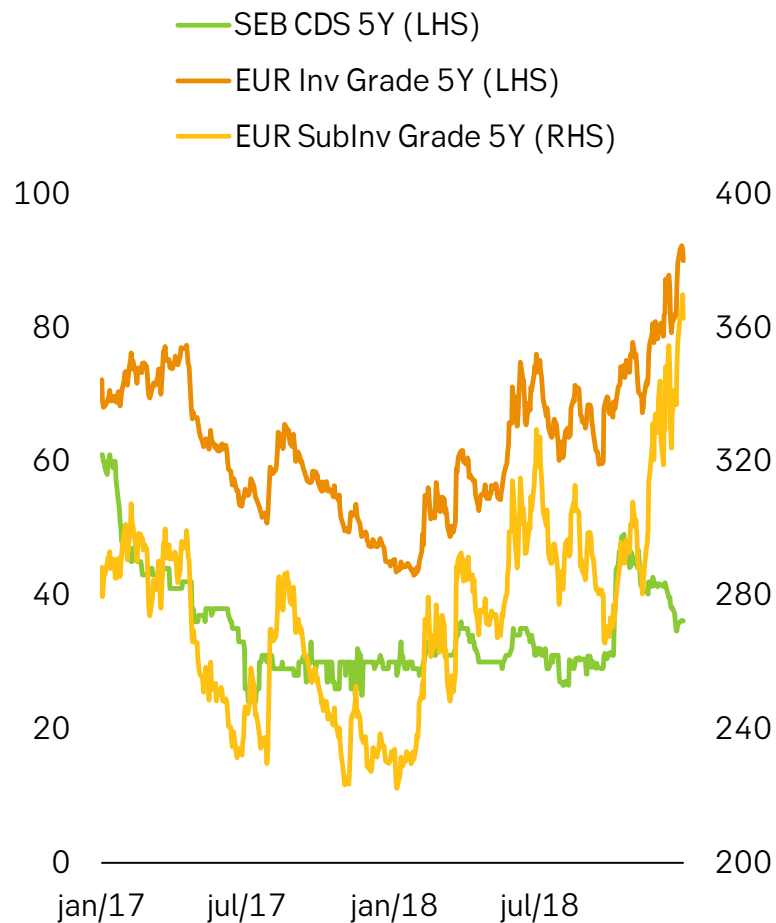
c. and d. The FY 2016 results, profitability and efficiency ratios exclude the effects of the above mentioned items affecting comparability.

Financial markets development

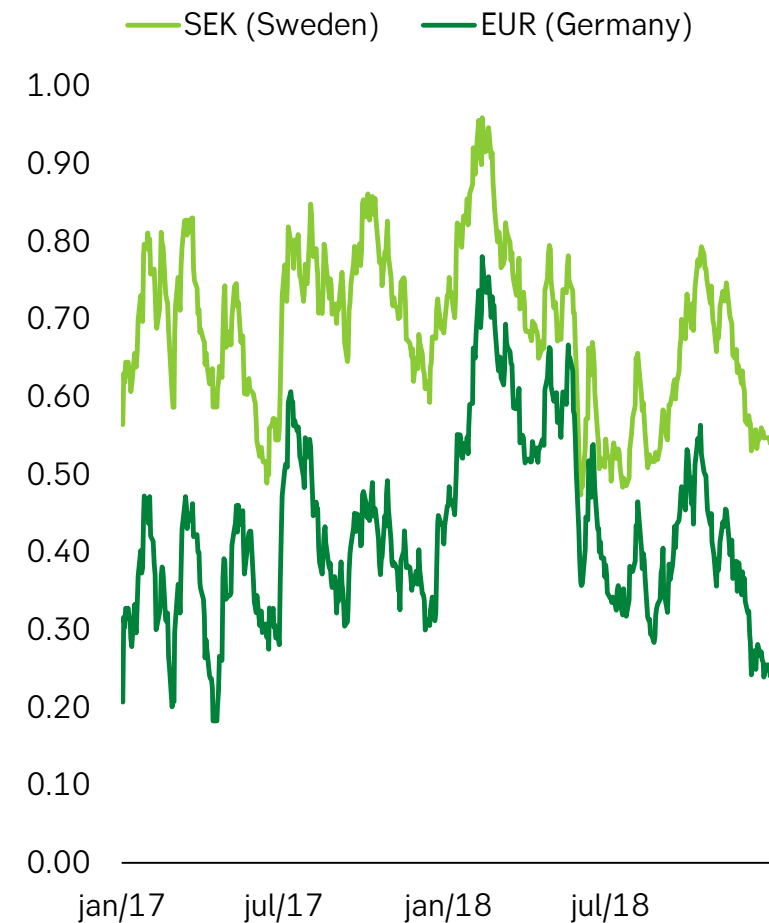
Equity markets Sweden & Global



Credit spreads SEB vs. corporate



Interest rates Annual yield of 10-year gvt bonds



Note: equity market data series are indexed assuming that 2017-01-02 = 100.

Highlights Q4 2018

- **Solid result** with good activity, primarily driven by corporates
- SEB's **Markets business** benefitted from higher volatility & active customers
- Strong **capital** position, robust **asset quality** & good **cost control**

Financial summary Q4 2018

SEK m	Q4 2018	Q3 2018	%	Q4 2017	%
Total operating income	11,744	11,433	3	11,847	-1
Total operating expenses	-5,561	-5,421	3	-5,605	-1
Profit before credit losses	6,183	6,012	3	6,242	-1
Expected credit losses etc.	-415	-425	-2	-141	
Operating profit before IAC	5,768	5,587	3	6,101	-5
IAC				-1,896	
Operating profit	5,768	5,587	3	4,204	37

Net ECL level

8bps

C/I

0.47

CET 1

17.6 %

RoE ¹

12.8%

¹ Before IAC; RoE after IAC at 12.4 per cent.

Financial summary 2018

SEK m	2018	2017	%
Total operating income	45,868	45,561	1
Total operating expenses	-21,940	-21,936	0
Profit before credit losses	23,928	23,625	1
Expected credit losses etc.	-1,148	-970	18
Operating profit before IAC	22,779	22,655	1
IAC	4,506	-1,896	
Operating profit	27,285	20,759	31

Net ECL level

6bps

C/I

0.48

CET 1

17.6 %

RoE ¹

13.4%

DPS

6.00 SEK

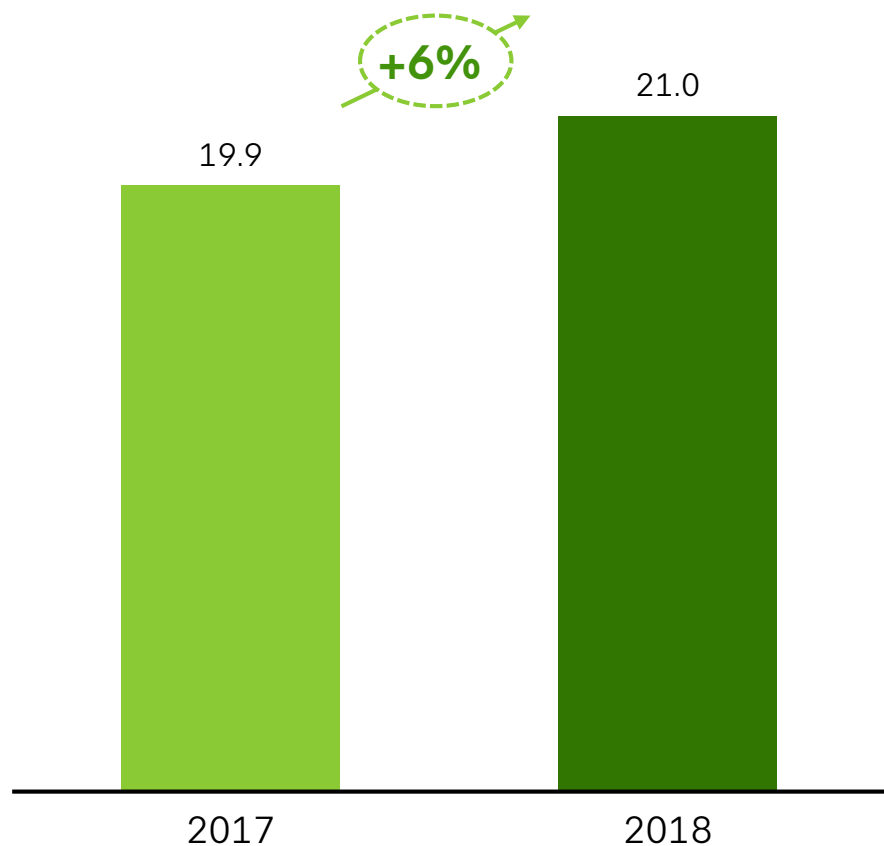
0.50 SEK



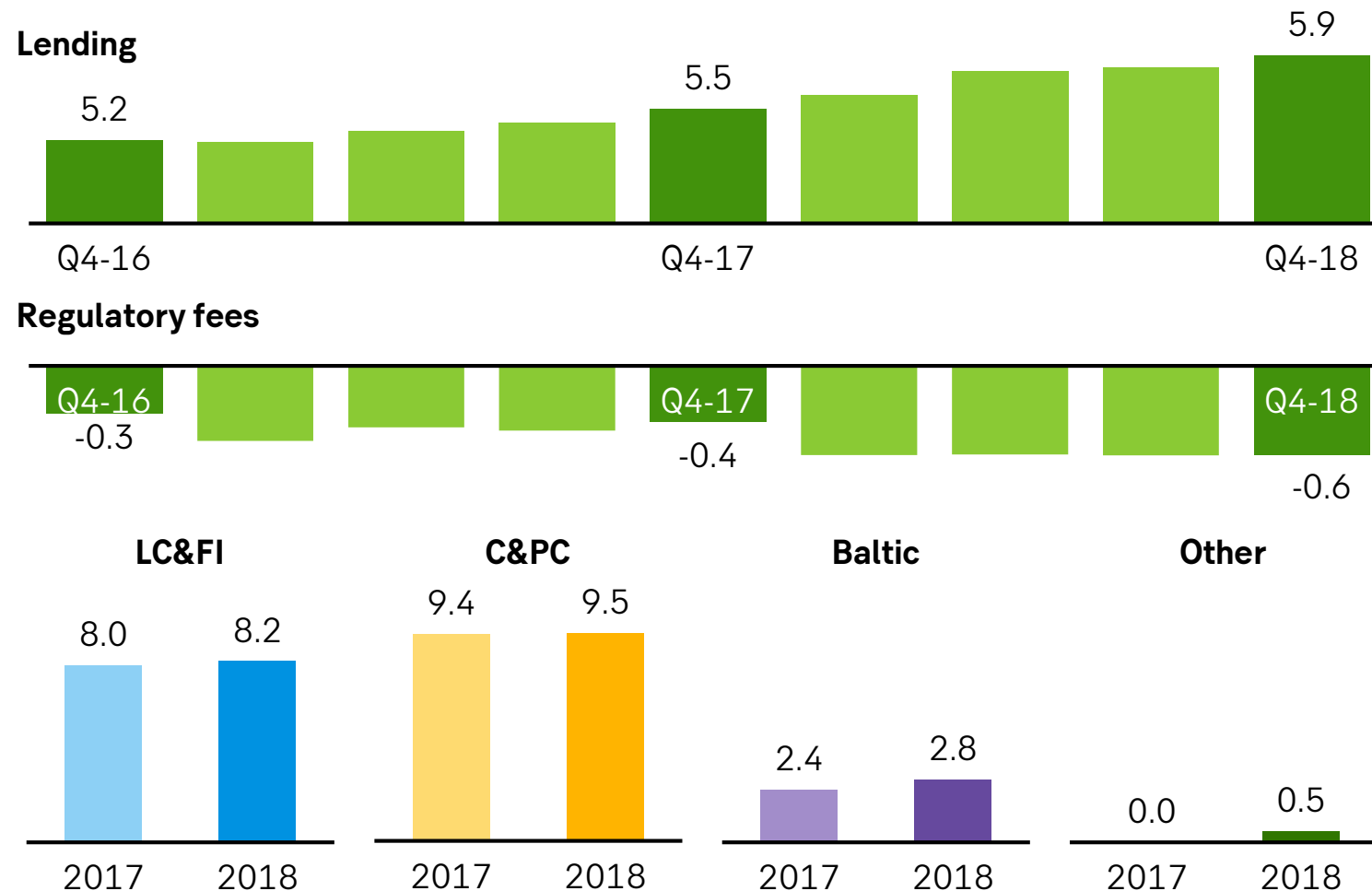
¹ Before IAC; RoE after IAC at 16.3 per cent.

Net interest income development

Net interest income (SEK bn)
2018 vs. 2017

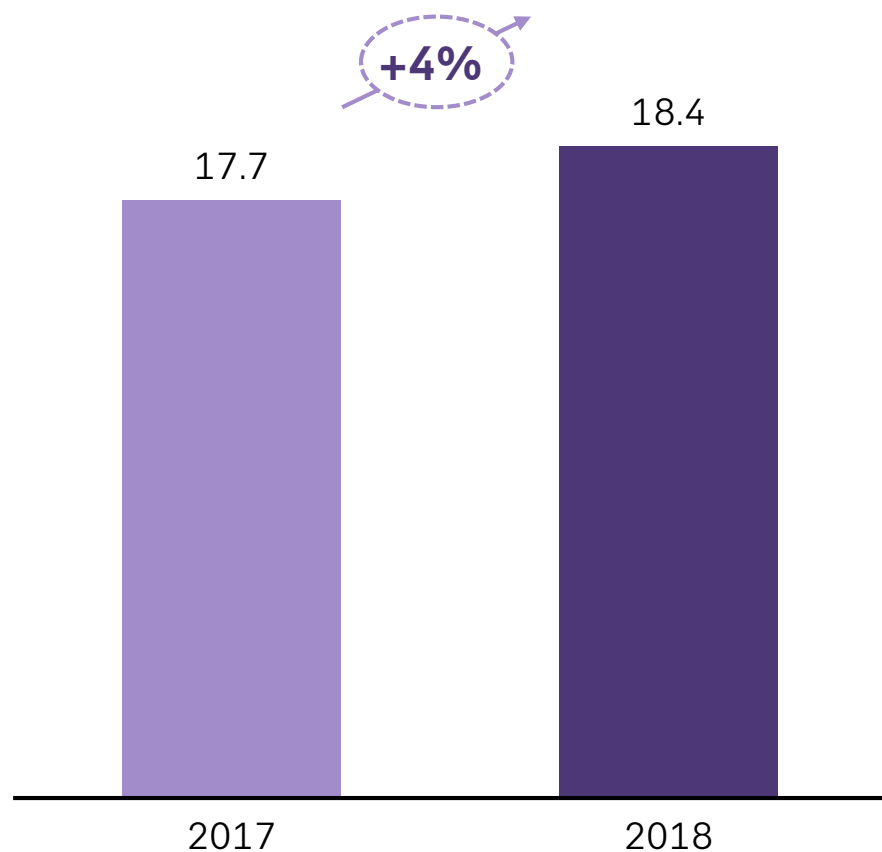


Net interest income type (SEK bn)
Q4 2016 – Q4 2018



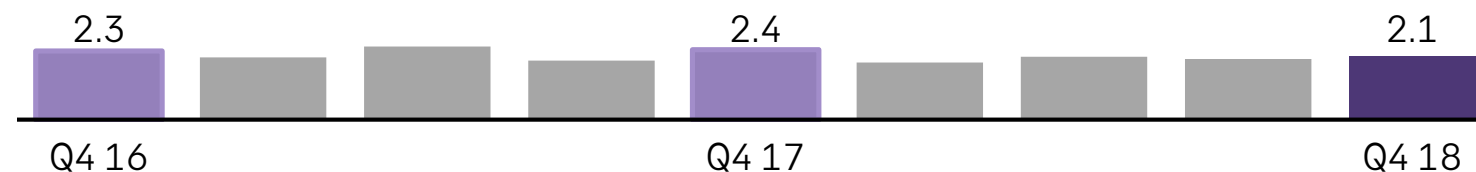
Net fee & commission income development

Net fee & commissions (SEK bn)
2018 vs. 2017

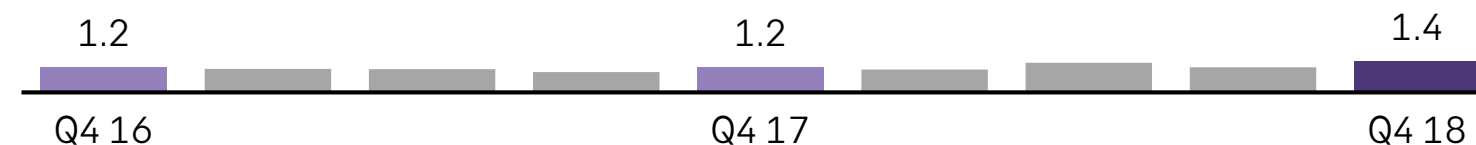


Net fee & commissions by income type (SEK bn)
Q4 2016 – Q4 2018

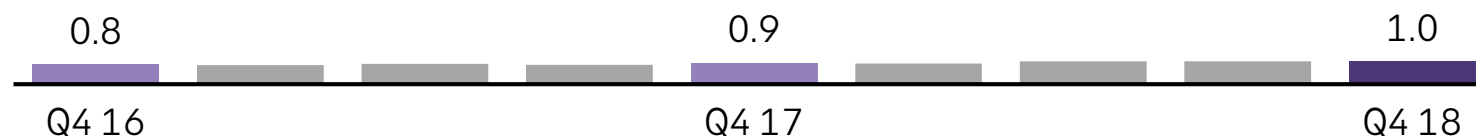
Net securities commissions



Net advisory fees, lending fees & other commissions



Net payment & card fees



Net life insurance commissions



Net fee & commission income development

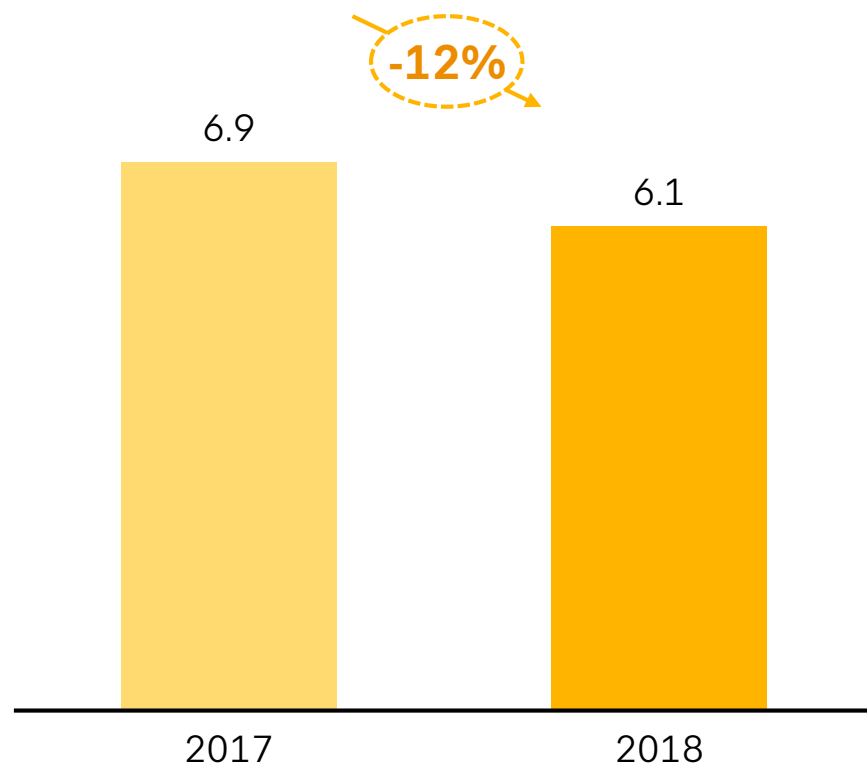
The SEB Group

Net fee and commission income

SEK m	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Full Year 2018	Full Year 2017
Issue of securities and advisory	231	282	430	137	317	136	298	168	448	1 050	1 167
Secondary market and derivatives	842	692	765	547	561	514	594	496	575	2 179	2 565
Custody and mutual funds	1 950	1 825	2 063	1 942	2 210	1 923	2 049	2 036	2 075	8 082	8 040
<i>Whereof performance fees</i>	212	38	55	39	225	24	5	12	187	227	357
Payments, cards, lending, deposits, guarantees and other	2 586	2 353	2 444	2 350	2 570	2 628	2 847	2 628	2 756	10 858	9 717
<i>Whereof payments and card fees</i>	1 356	1 288	1 377	1 366	1 429	1 410	1 509	1 498	1 537	5 955	5 460
<i>Whereof lending</i>	723	553	581	519	602	501	784	577	665	2 527	2 254
Life insurance	438	422	432	424	429	485	487	449	427	1 848	1 707
Fee and commission income	6 047	5 574	6 135	5 400	6 087	5 687	6 274	5 777	6 281	24 018	23 196
Fee and commission expense	-1 438	-1 326	-1 463	-1 371	-1 359	-1 496	-1 460	-1 265	-1 433	-5 654	-5 519
Net fee and commission income	4 609	4 249	4 671	4 029	4 728	4 190	4 814	4 512	4 848	18 364	17 677
<i>Whereof Net securities commissions</i>	2 308	2 094	2 454	1 986	2 356	1 920	2 116	2 035	2 149	8 220	8 889
<i>Whereof Net payments and card fees</i>	847	821	885	840	908	895	988	996	971	3 851	3 454
<i>Whereof Net life insurance commissions</i>	276	248	263	266	285	317	349	330	288	1 283	1 061

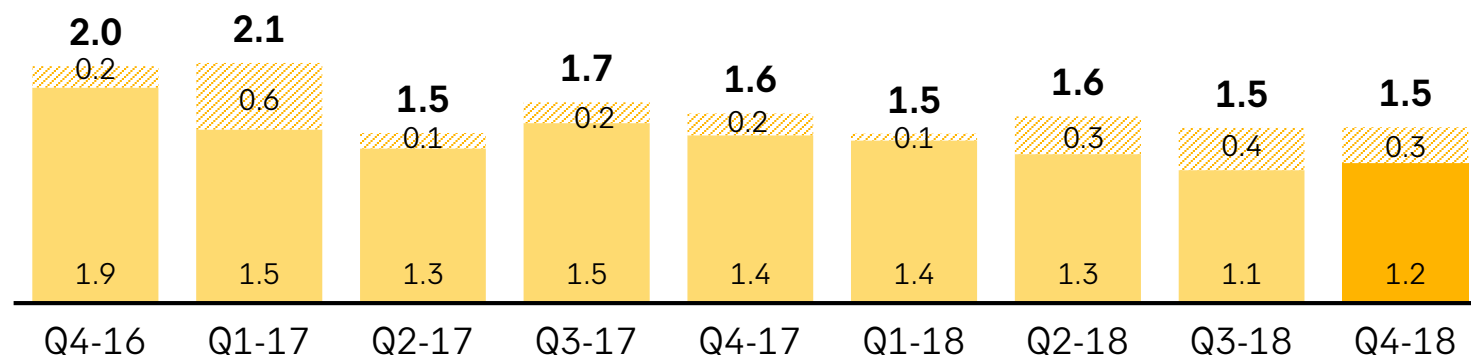
Net financial income development

Net financial income (SEK bn)
2018 vs. 2017

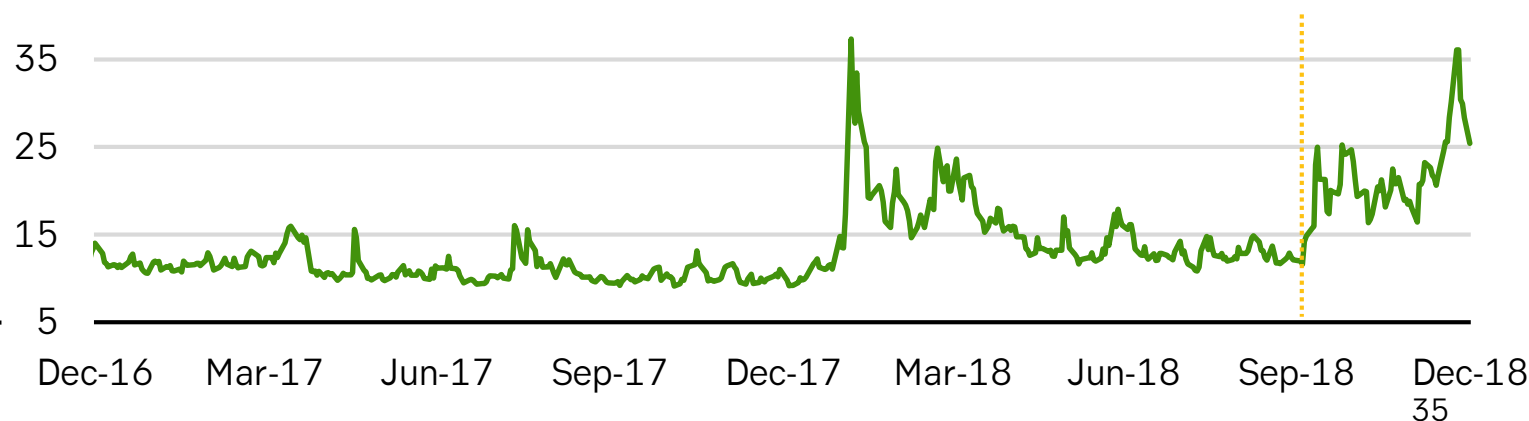


Net financial income development (SEK bn)
Q4 2016 – Q4 2018

■ NFI Divisions
▨ NFI Treasury & Other



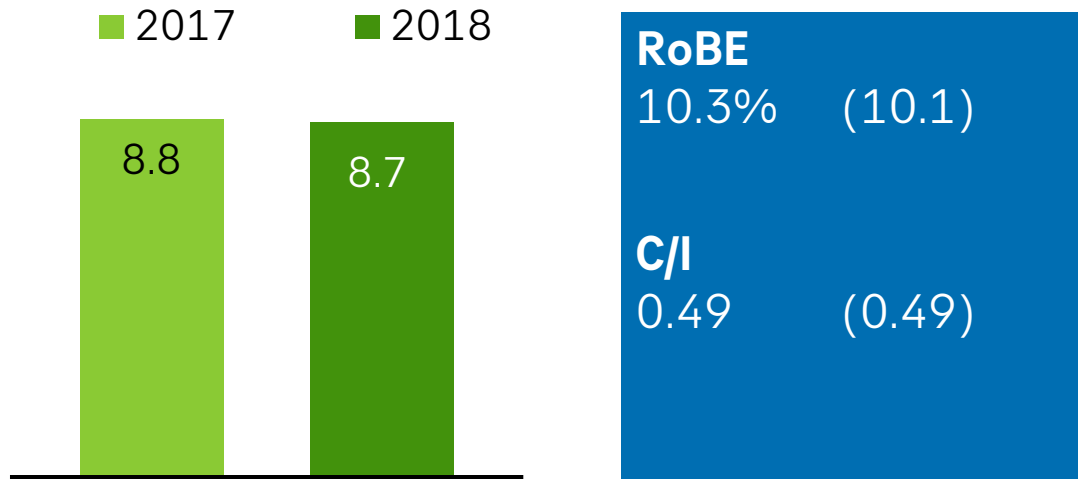
VIX index (VIX S&P 500 volatility)



Large Corporates & Financial Institutions

Operating profit & key figures

SEK bn

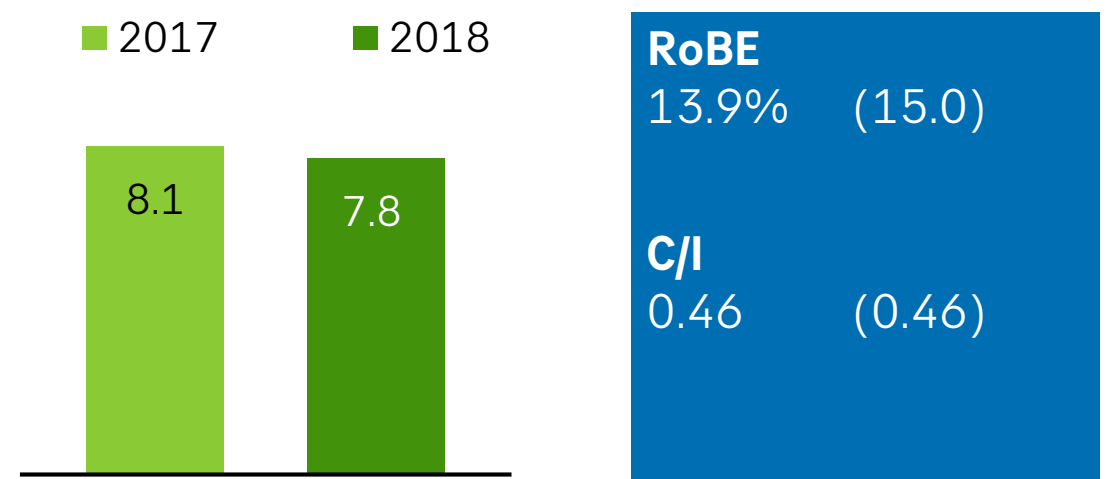


- Significant increase in investment banking activity
- Strong results in Markets business in Q4-18
- 9% FX-adjusted growth (YoY) in corporate credit portfolio

Corporate & Private Customers

Operating profit & key figures

SEK bn

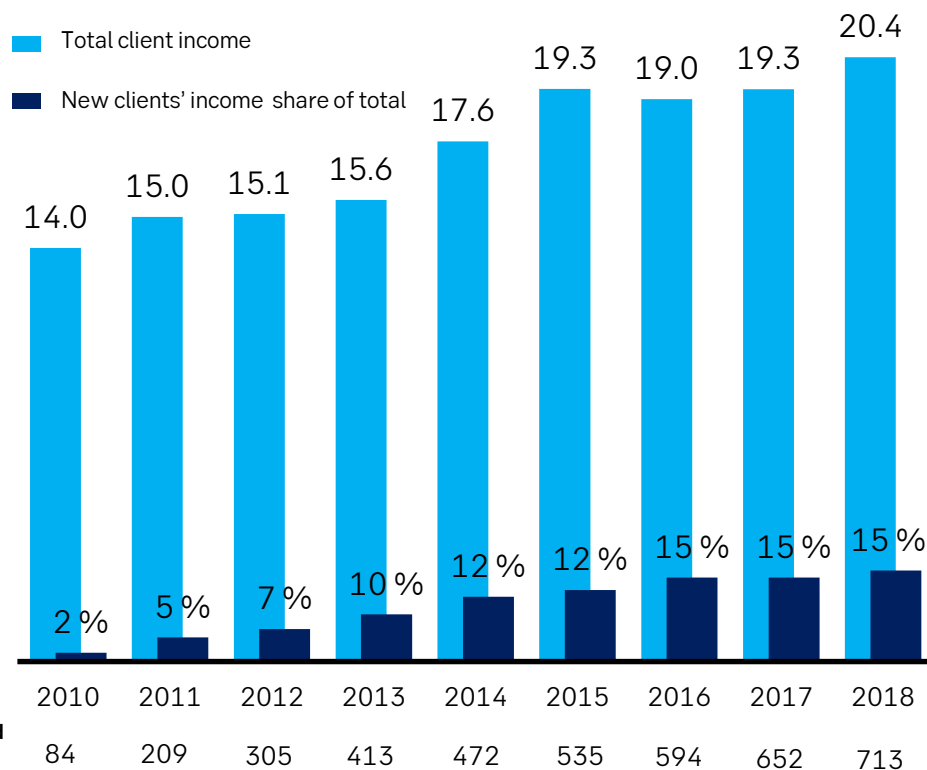


- Above market growth rate in SME lending
- Modest increase in household mortgage lending
- Strong net new inflow in AuM, driven by Private Banking

Strong franchise and successful client acquisition strategy

Large cross-selling potential

Total client income in SEK bn



Diversified business and solid efficiency render healthy profitability despite considerably higher regulatory requirements

	C/I ratio (%)	Business Equity (SEK bn)	RoBE ¹ (%)
2018	49	63.8	10.3
2017	49	65.8	10.1
2016	47 ²⁾	62.4	11.7
2015	45 ³⁾	66.4	12.5
2014	46	57.7	13.3
2013 ⁴	50	48.8	12.9
2012 ⁴	54	36.7	14.3
2011 ⁴	54	26.1	20.6
2010 ⁴	52	25.0	22.8

¹ Return on Business Equity

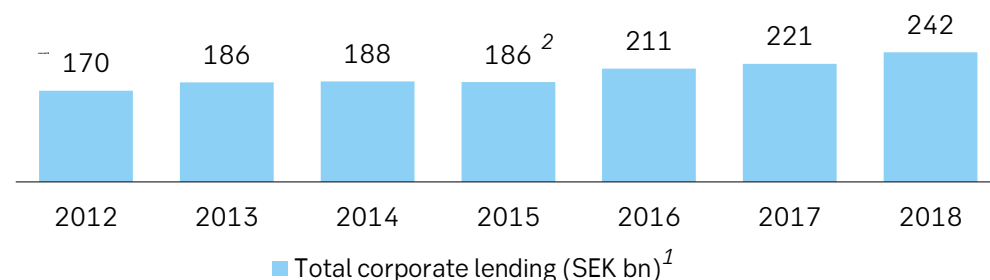
² Excl. one-off costs of SEK 354m

³ Excl. one-off costs of SEK 902m

⁴ Restated figures following the new organizational structure as of Jan 1, 2016. As a result 2010-2013 figures not quite comparable

Successful client acquisition strategy

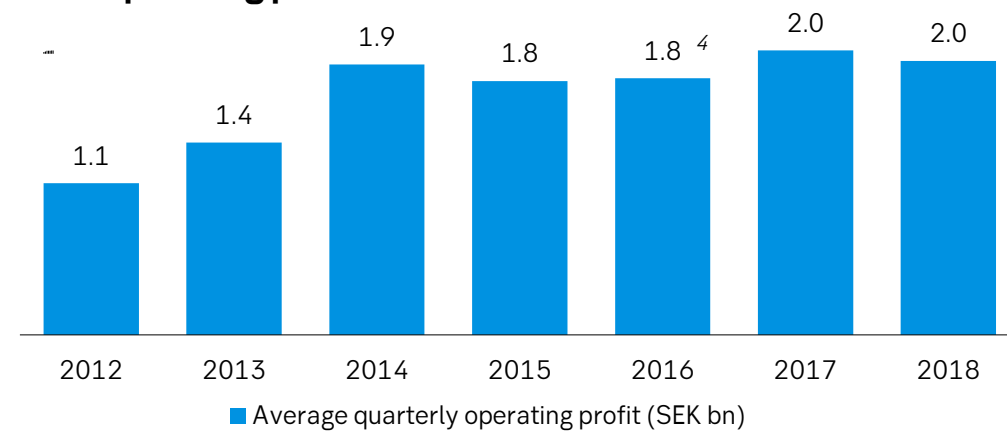
Stable increase in lending to SMEs



¹ Volumes by customer segment

² Adjusted for transfer of sole traders SEK 15.8bn

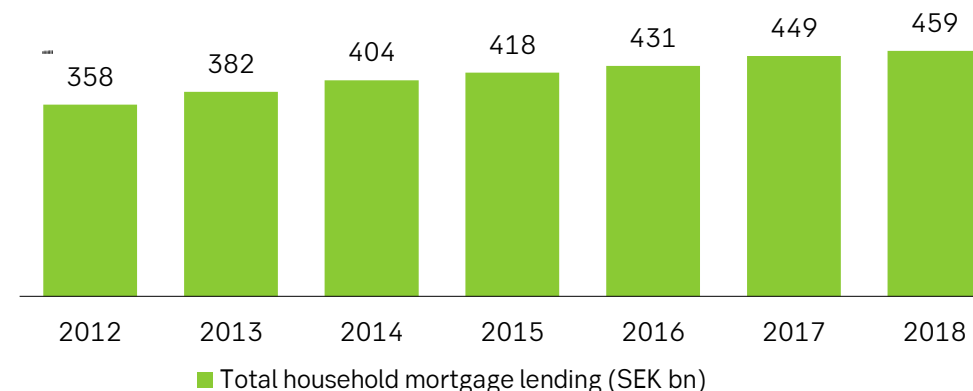
Solid operating profit



⁴ Restated figures following the new organisational structure as of Jan 1, 2016.

As a result, 2012-2013 figures are not quite comparable.

Stable growth in Swedish household mortgage lending



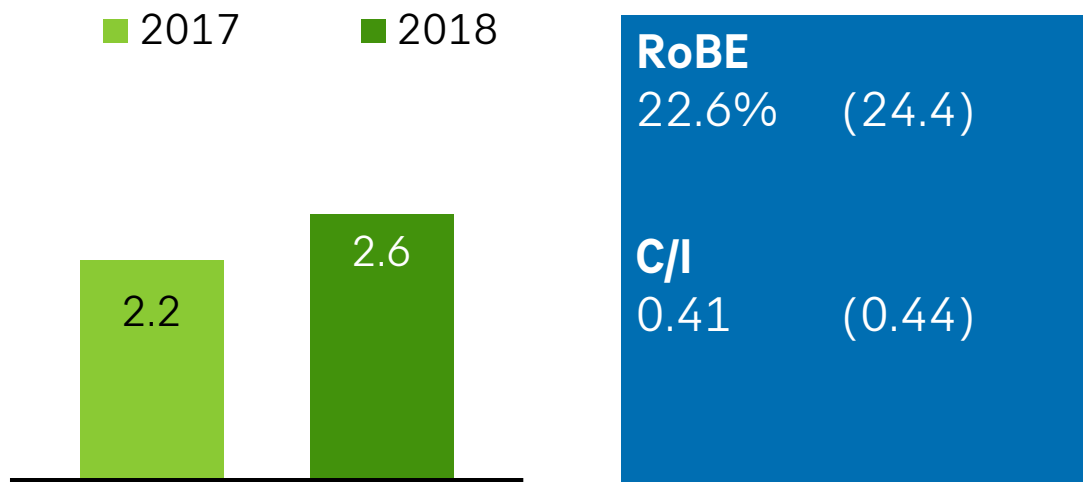
Steady improvement in efficiency

	C/I ratio (%)	Business Equity (SEK bn)	RoBE (%)
2018	46	42.4	13.9
2017	46	40.6	15.0
2016	48	37.3	15.2
2015	48	38.1	14.7
2014	46	27.8	21.4
2013	49	20.2	21.9
2012	57	14.4	22.3

Baltic Banking

Operating profit & key figures

SEK bn

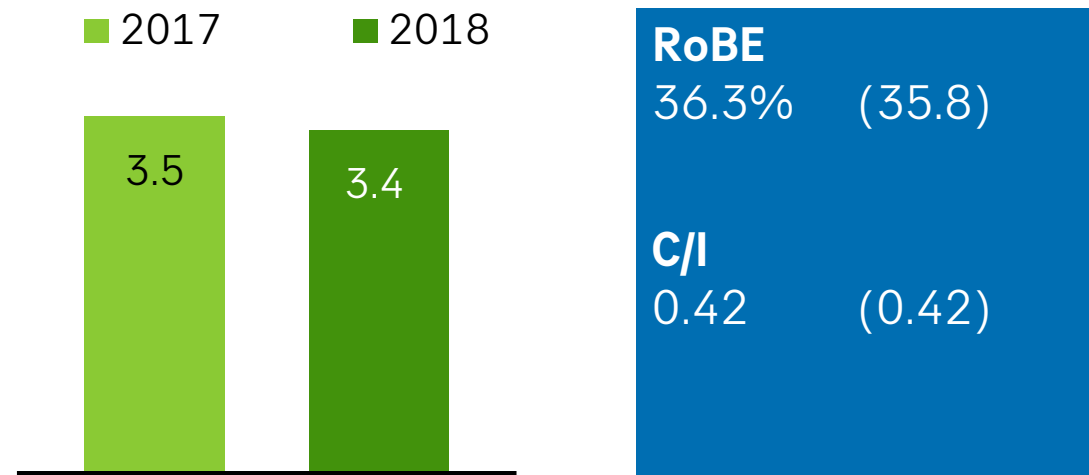


- Continued growth in corporate & household lending in all countries
- 9% growth (YoY) in total lending portfolio in local currency
- Deposit increase exceeding lending growth

Life & Investment Management

Operating profit & key figures

SEK bn



- AuM decrease driven by divestment of SEB Pension in Denmark (SEK -116bn) & weak equity markets
- Net new inflows of SEK 45bn compensated
- Stable market share of life & pension

Strong profitability in Baltic Banking division

Relatively strong operating environment

- GDP growth above Eurozone average
- Unemployment rates dropped and salary growth high in all three countries
- Consumption prime driver, higher investments and growing exports

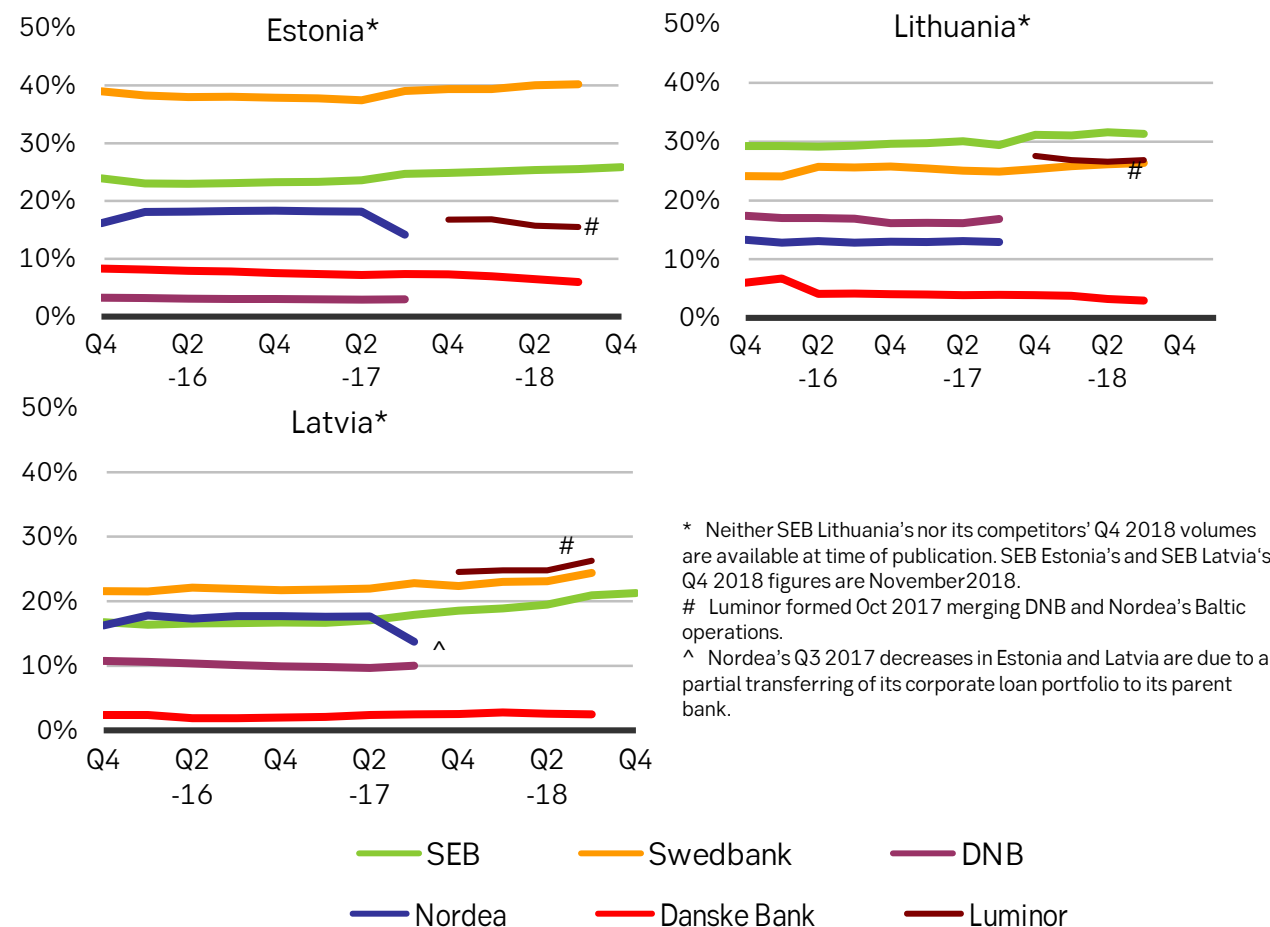
Strong development of key ratios

	C/I ratio (%)	Business Equity (SEK bn)	RoBE ¹ (%)
2018	41	9.6	22.6
2017	44	7.8	24.4
2016	51	7.6	19.3
2015	50	7.5	18.6
2014	50	8.9	14.5
2013	52	8.8	12.9
2012	62	8.8	9.7
2011	58	8.8	29.6 ²

¹ Return on Business Equity

² Write-backs of provisions of SEK 1.5bn

Maintaining leading market shares in lending

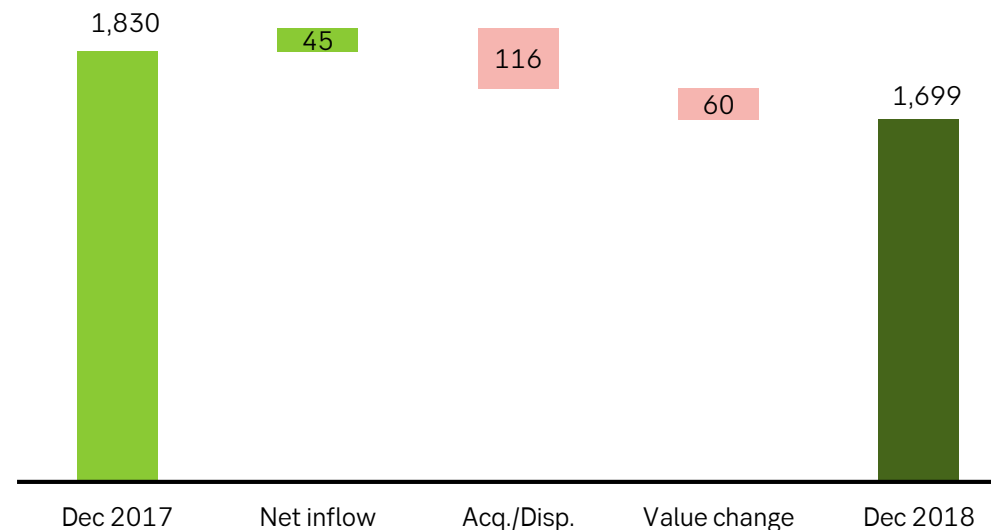
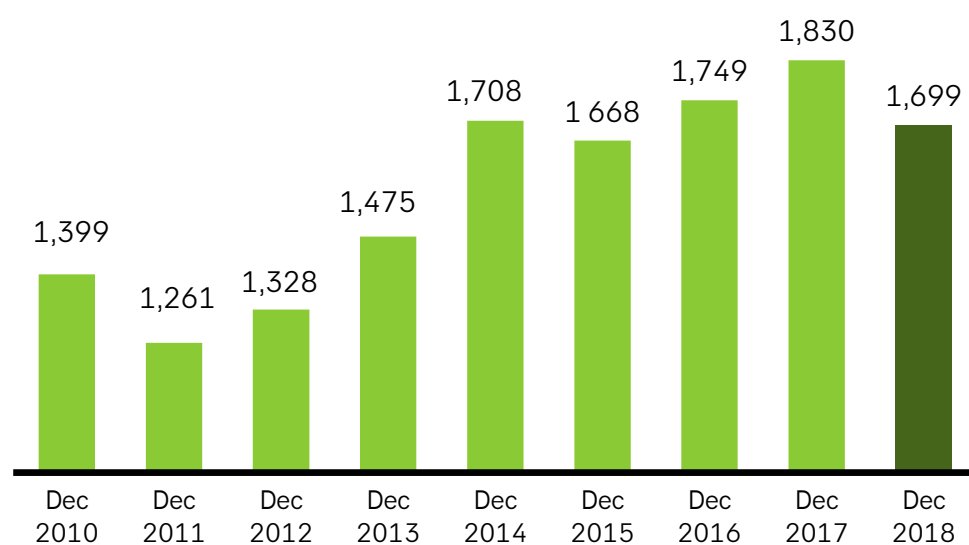


Source: Estonian Financial Supervision Authority, Association of Latvian Commercial Banks, Association of Lithuanian Banks, SEB Group

Assets under management affected by weaker equity markets and sale of SEB Pension in 2018

Assets under Management¹

SEK bn



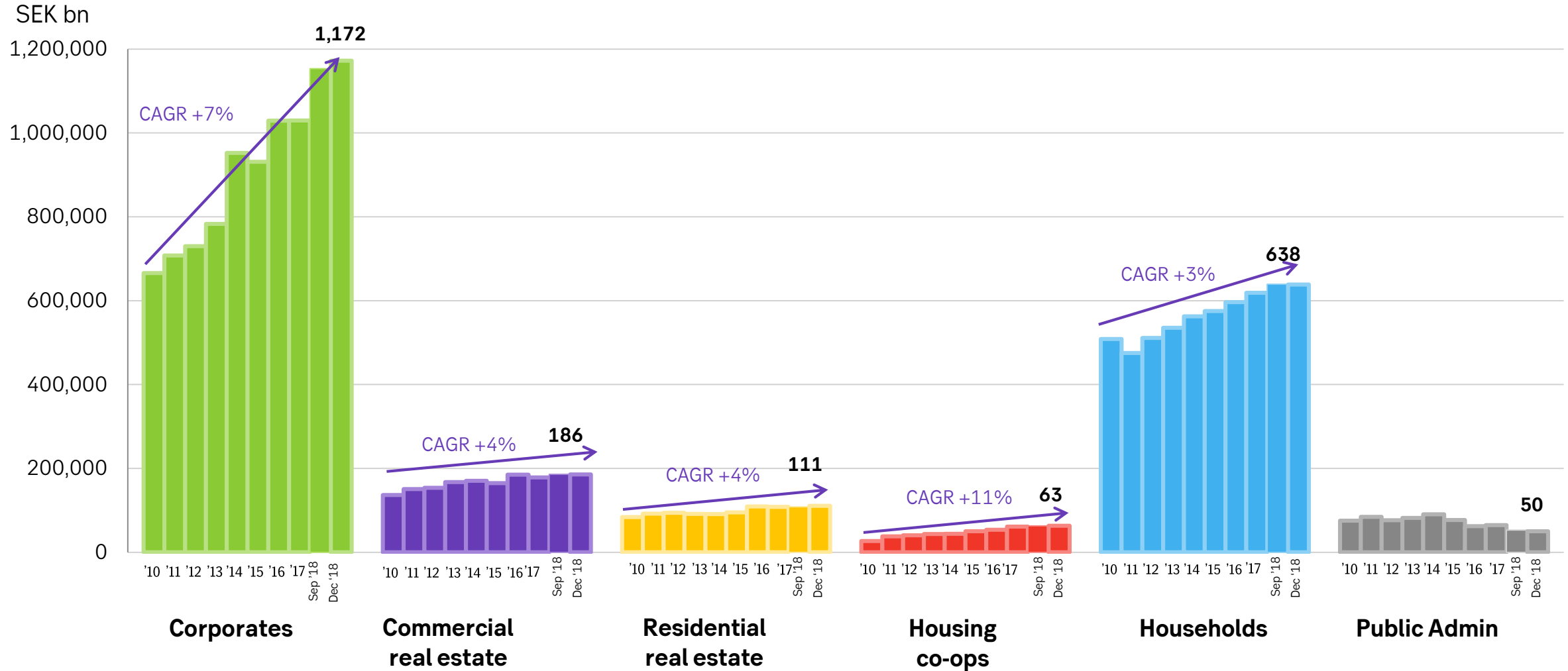
¹ Definition of assets under management changed from 2015.

Agenda



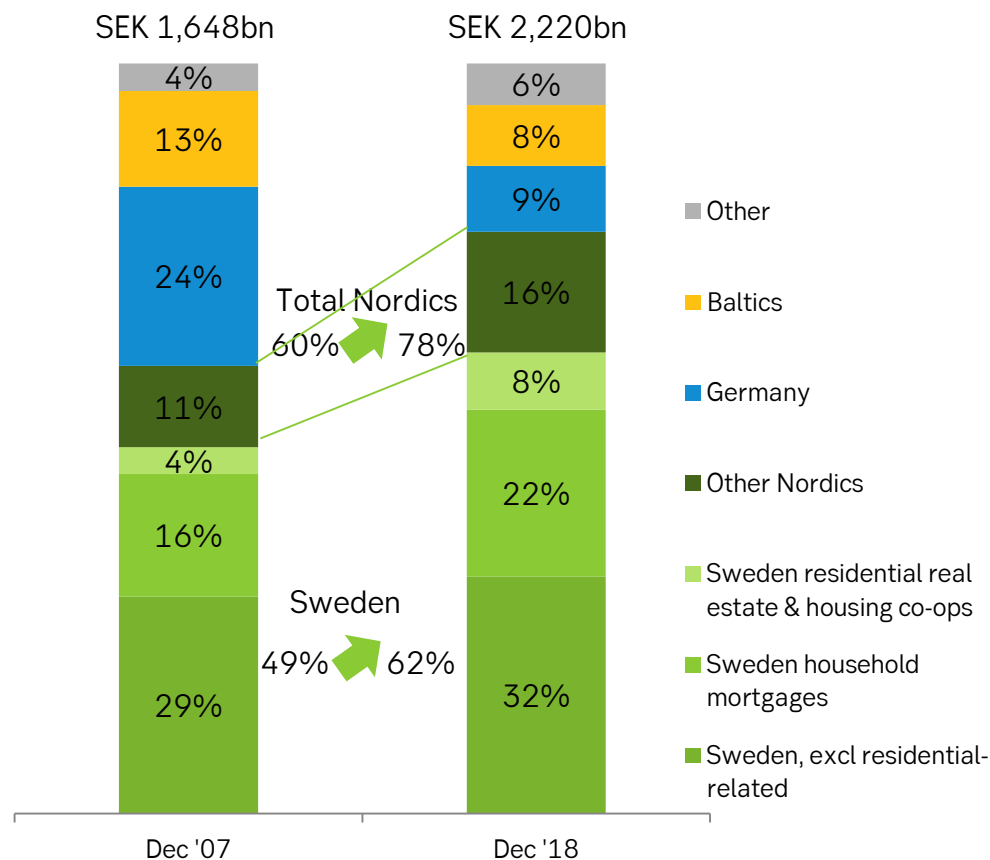
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Credit portfolio development in line with strategy



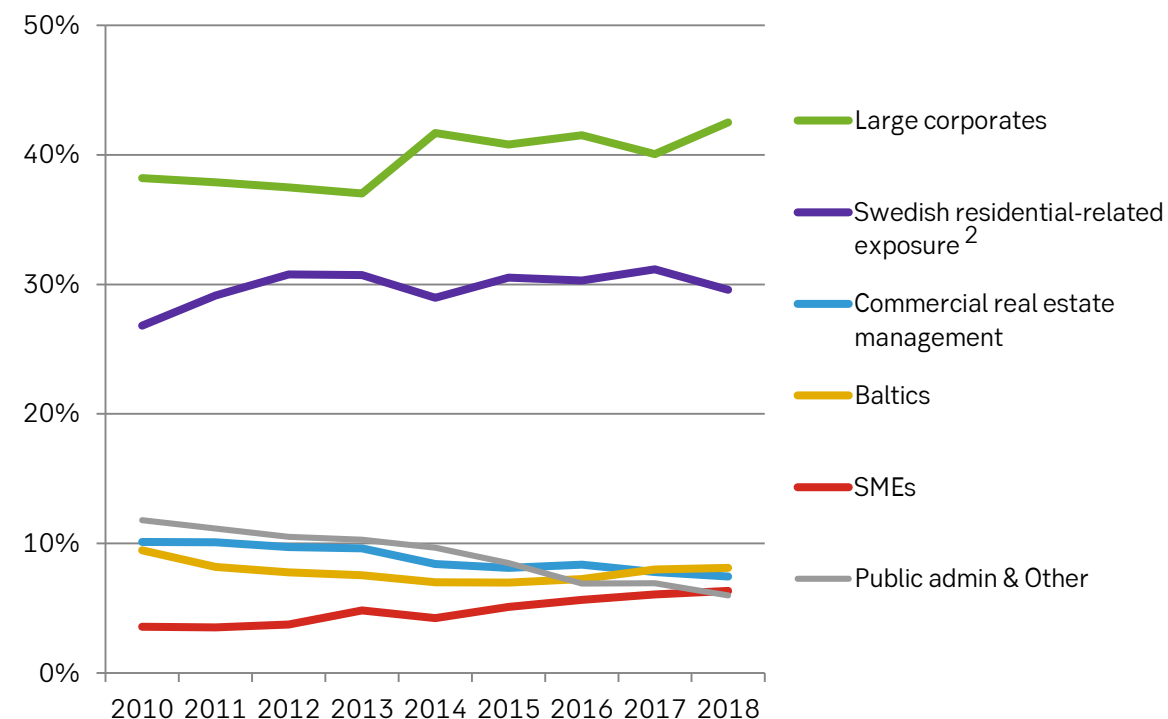
Increasing share of Nordic and low-risk exposure in credit portfolio

Credit portfolio - geographic split development¹



SEB's business further strengthened by diversified and an increased shift towards low-risk credit exposure

% of credit portfolio¹

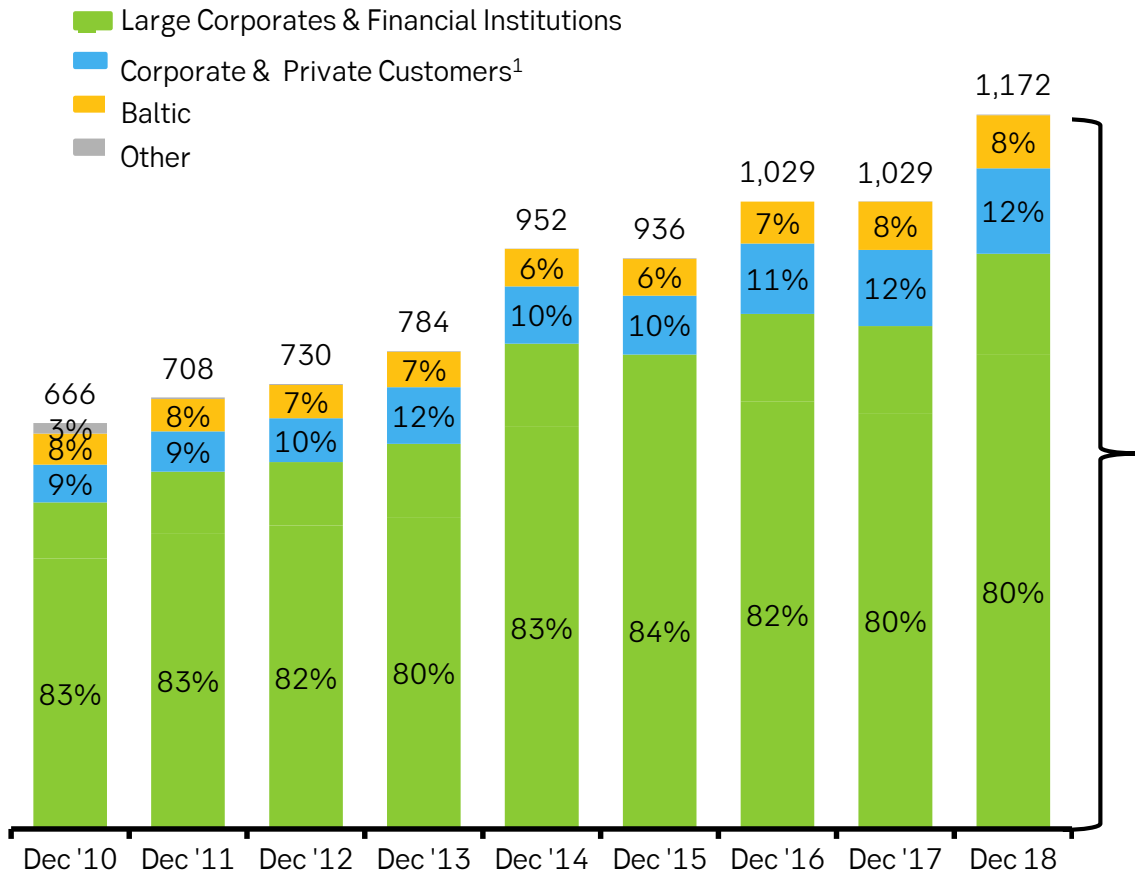


¹ Total credit portfolio (on and off balance credit exposure) excluding banks. Geography based on operations.

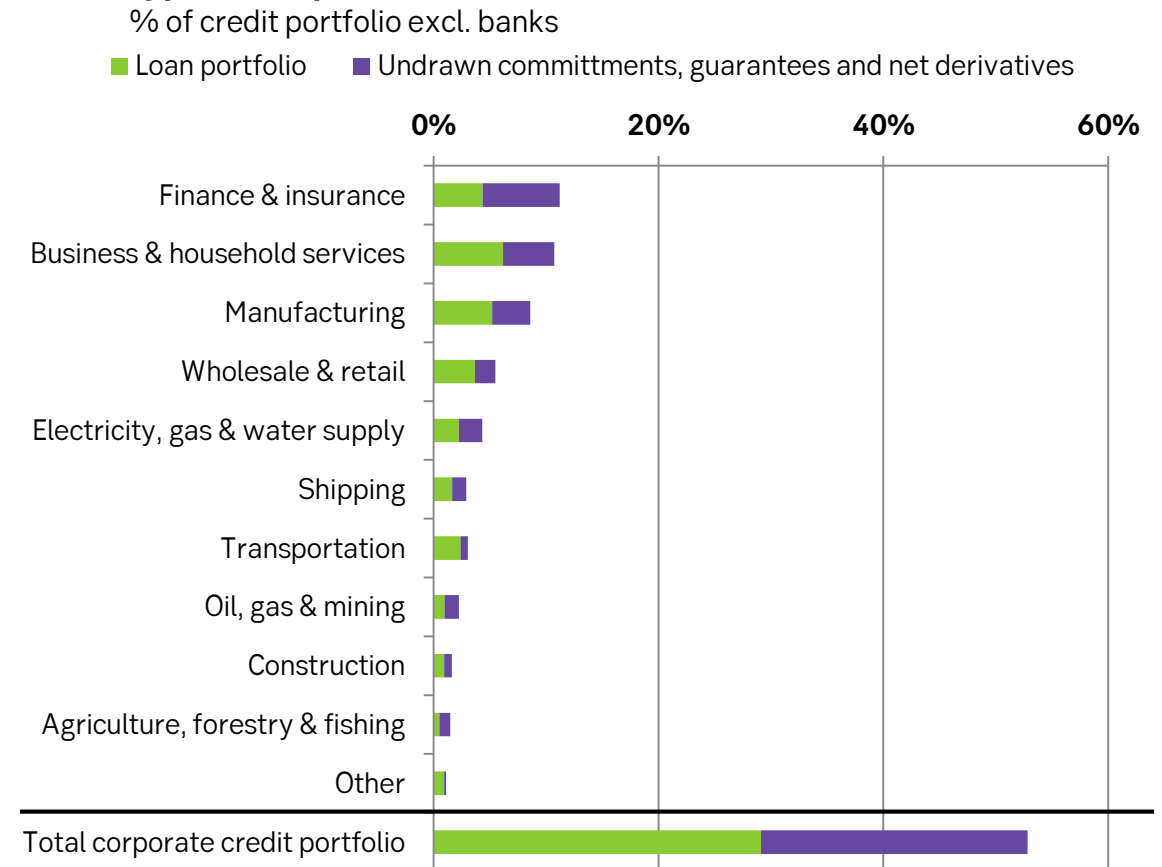
² Swedish residential-related exposure consists of Swedish household mortgages, Residential real estate management, Housing co-operative associations

Relatively low actual on-balance sheet exposure and diversification across industries render lower credit risk

Corporate credit portfolio split by division (SEK bn)



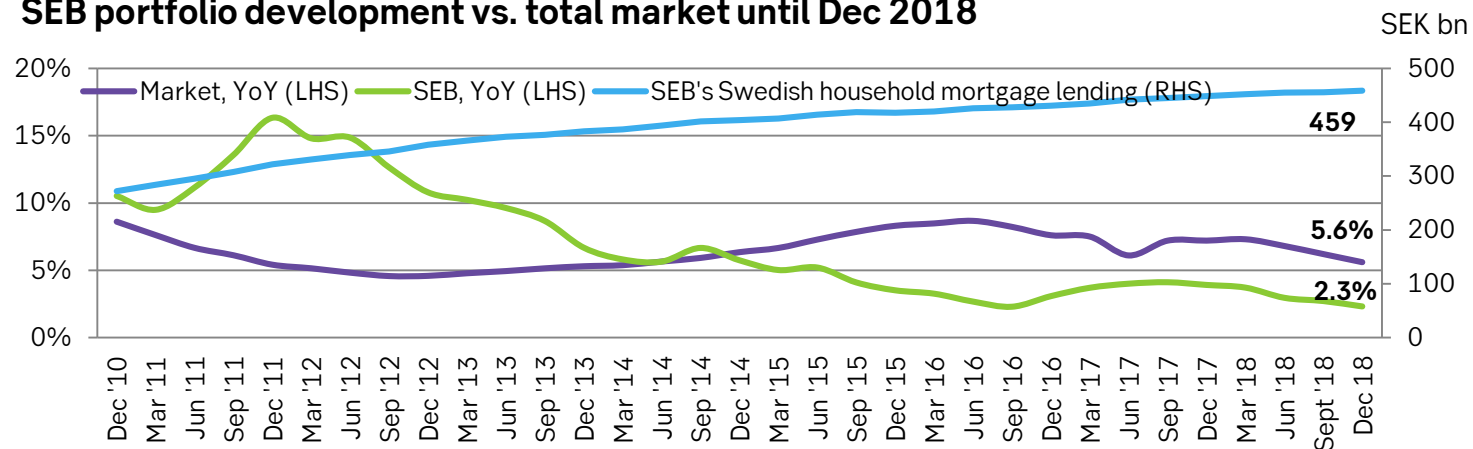
Corporate credit portfolio by sector, split into loans and other types of exposure
% of credit portfolio excl. banks



¹ Swedish SMEs

Robust Swedish household mortgage portfolio

SEB portfolio development vs. total market until Dec 2018



Selective origination

- The mortgage product is the foundation of the client relationship
- SEB's customers have higher credit quality than the market average and are over-proportionally represented in higher income segments (source: Swedish Credit Bureau ("UC AB"))
- Customers are concentrated to larger cities

High asset quality

- Negligible past dues and losses

SEB's mortgage lending based on affordability

- Strict credit scoring and assessment
- The affordability assessment (funds left to live on after all fixed costs and taxes are considered) includes among other things:
 - A stressed interest rate scenario of 7% on personal debt
 - A stressed interest rate scenario of 3% on a housing co-op's debt which indirectly affects the private individual (so called "double leverage")
- LTVs between 70-85% amortise at least 2%/year and between 50-70% at least 1%/year – a regulatory requirement
- Max loan amount 5x total gross household income irrespective of LTV and no more than one payment remark on any kind of debt (information via UC AB, national credit information agency)
- Strengthened advisory services
- "Sell first and buy later"

Low LTVs by regional and global standards

Loan-to-value

Share of portfolio



Weighted average LTV = 55.9%

Low credit loss level across portfolios

SEKm	Net credit losses IAS 39						Net ECL IFRS9					
	Q1	Q2	Q3	Q4	FY	CLL	Q1	Q2	Q3	Q4	FY	ECLL
	2017	2017	2017	2017	2017	2017	2018	2018	2018	2018	2018	Dec '18
Large Corporates & Financial Institutions	-144	-155	-210	-20	-529	0.08%	-46	-110	-287	-259	-702	0.07%
Corporate & Private Customers	-81	-48	-86	-60	-276	0.04%	-87	-128	-97	-115	-427	0.05%
Baltics	19	-11	11	-25	-7	0.01%	17	17	-44	-45	-55	0.03%
Other ¹	2	0	1	0	4	-0.02%	7	0	4	7	18	-0.01%
Net credit losses	-204	-214	-284	-105	-808	0.05%	-109	-221	-424	-413	-1166	0.06%

¹ Life & Investment Management, German run-off operations & Eliminations

Agenda



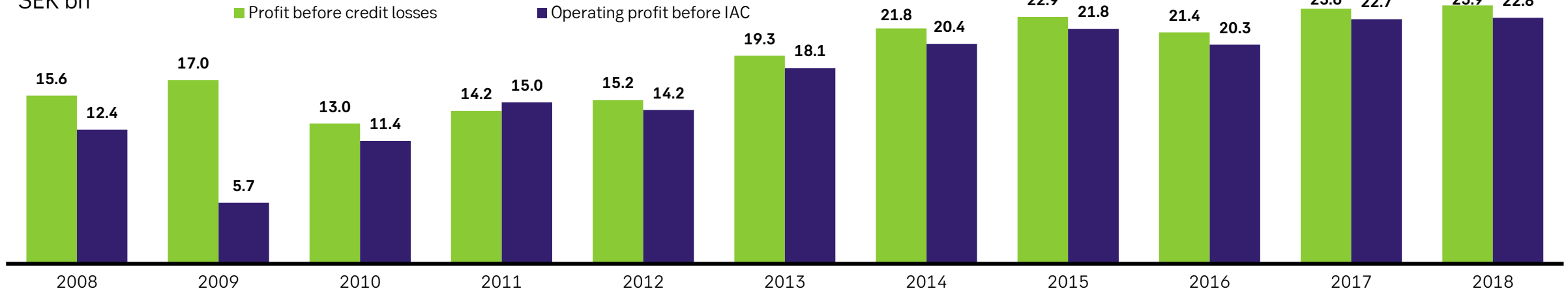
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Sustained strong earnings and capital generation

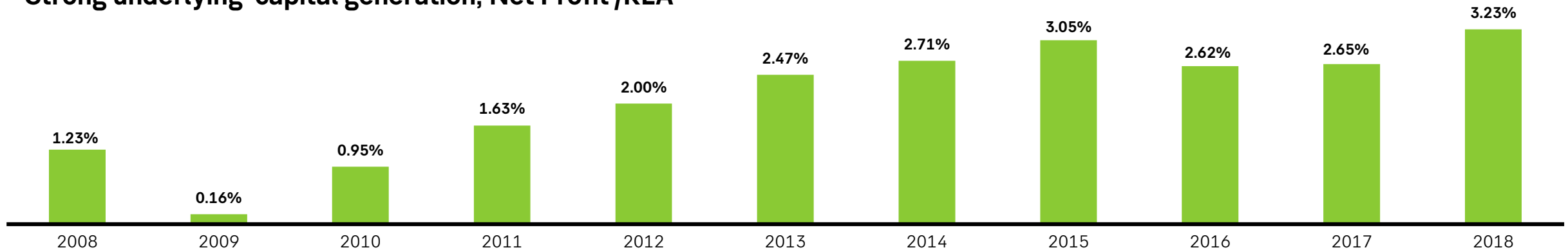
Profitable throughout the financial crisis

Sustained underlying profit

SEK bn



Strong underlying capital generation, Net Profit /REA

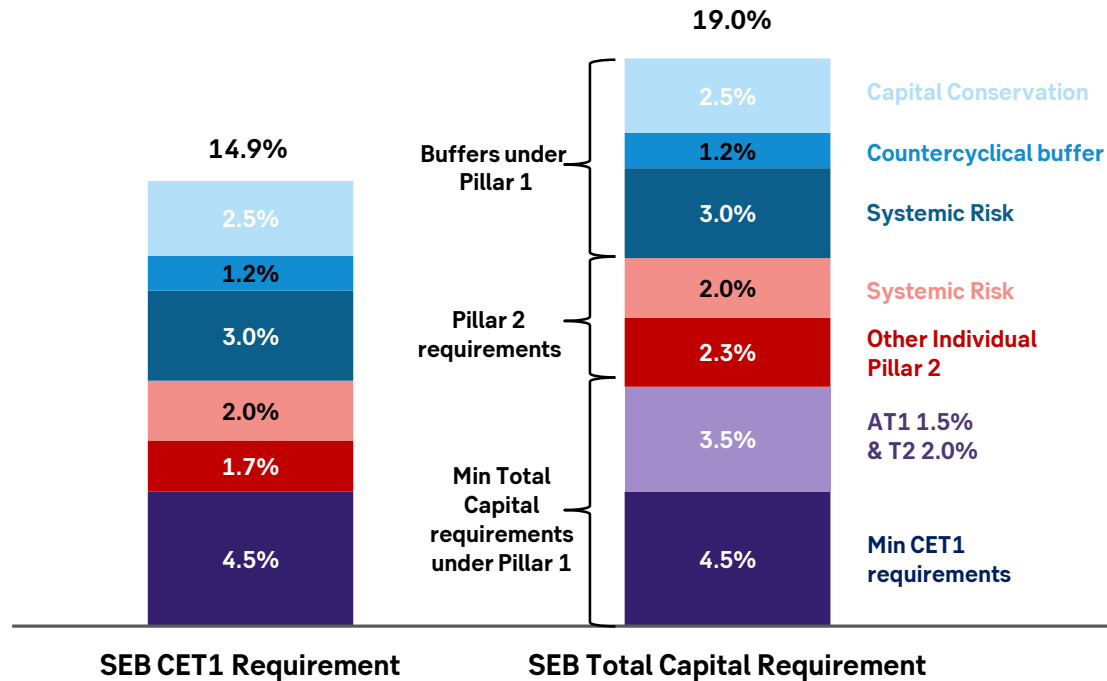


Note: REA= RWA 2008 – 2012 Basel II without transitional floor
REA 2013 – 2018 Basel III fully implemented

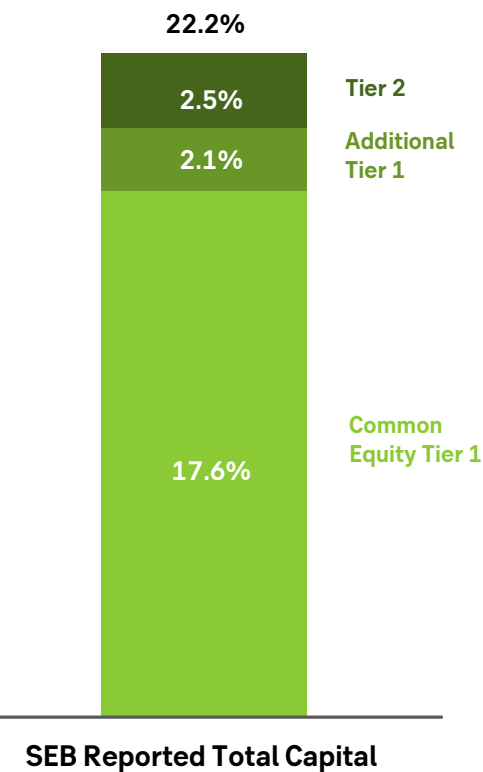
SEB's capital adequacy exceeds SFSA's risk-sensitive and high requirements

31 December 2018

Composition of SEB's CET 1 and Total Capital ratio requirements



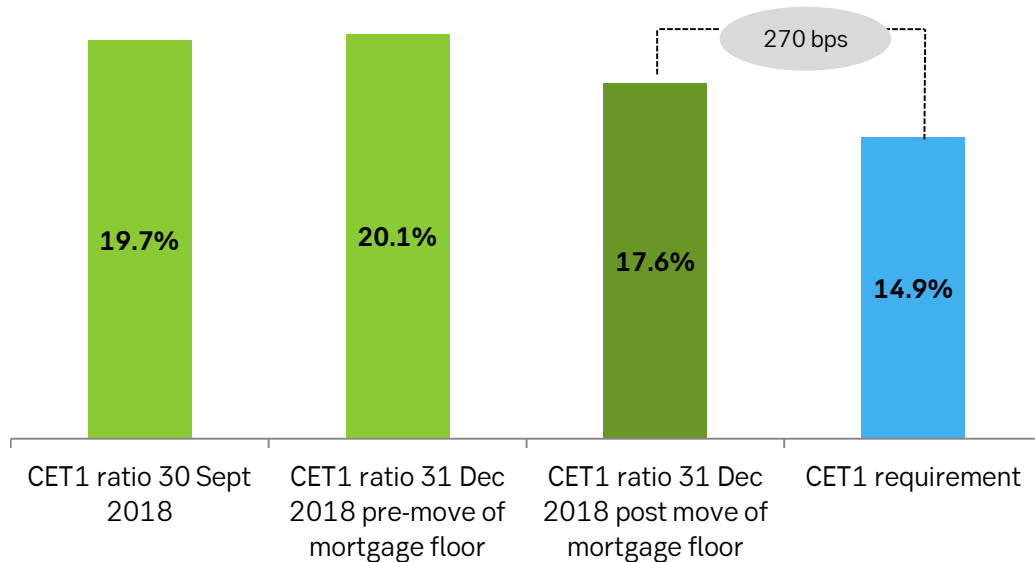
SEB's reported CET 1 ratio and Total Capital ratio composition



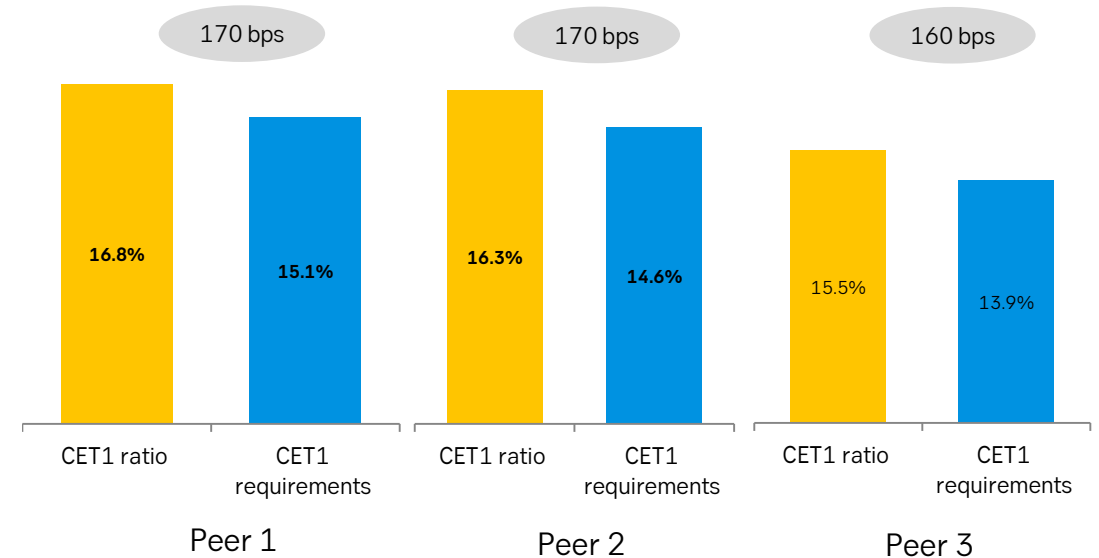
- SEB's CET1 ratio is 270bps above the SFSA CET1 requirement as at December 2018 and 120bps above targeted management buffer

Strong capitalisation compared to Nordic peers post transfer of risk weight floor on mortgages

SEB's CET1 ratio vs. requirement and effect of mortgage risk weight floor transfer from Pillar 2 to Pillar 1



SEB has the strongest CET1 ratio as well as the largest distance to requirements and MDA restrictions among Swedish peers¹



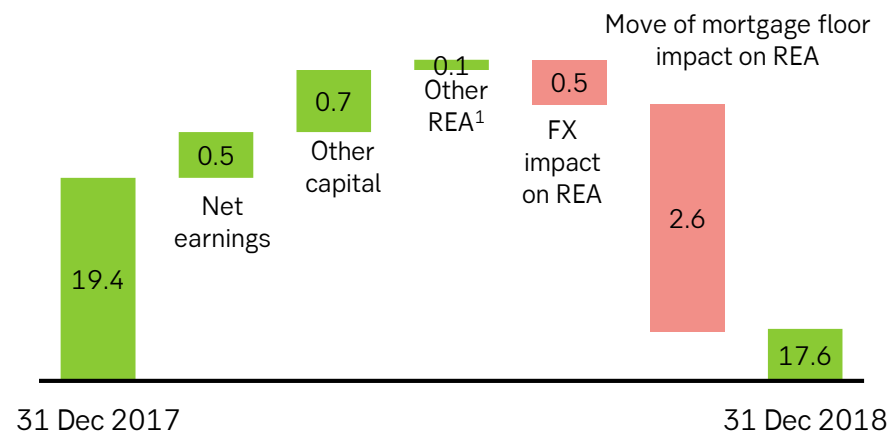
¹ Based on capital position as of Q4 2018

Development of CET1 ratio and REA

SEB Group – Basel III, Dec 2017 – Dec 2018

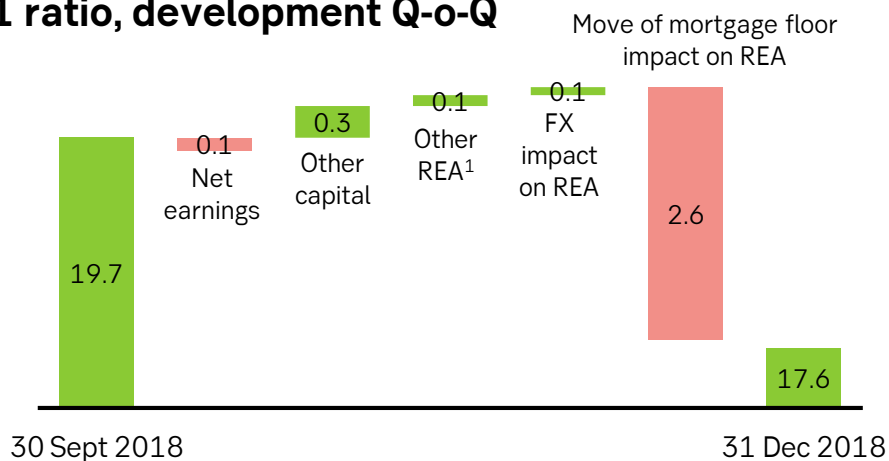
CET1 ratio, development Y-o-Y

%



CET1 ratio, development Q-o-Q

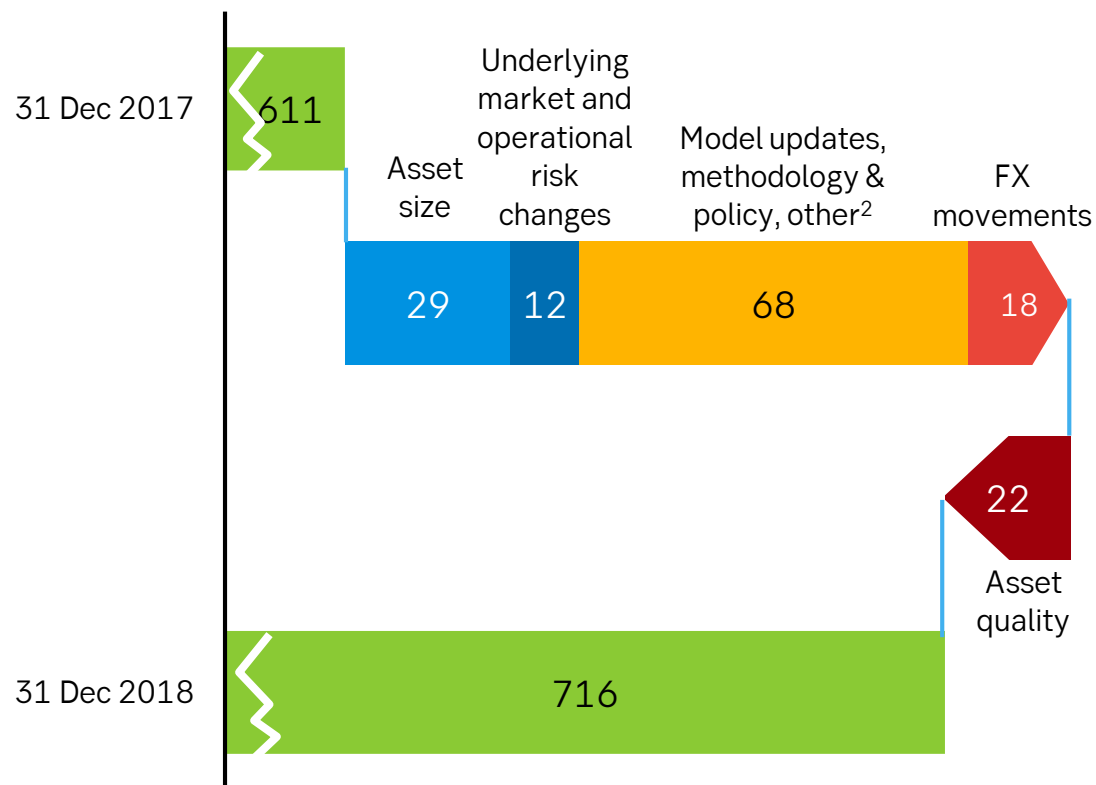
%



¹ Impact of REA development other than FX and transfer of mortgage floor.

Risk exposure amount, development Y-o-Y

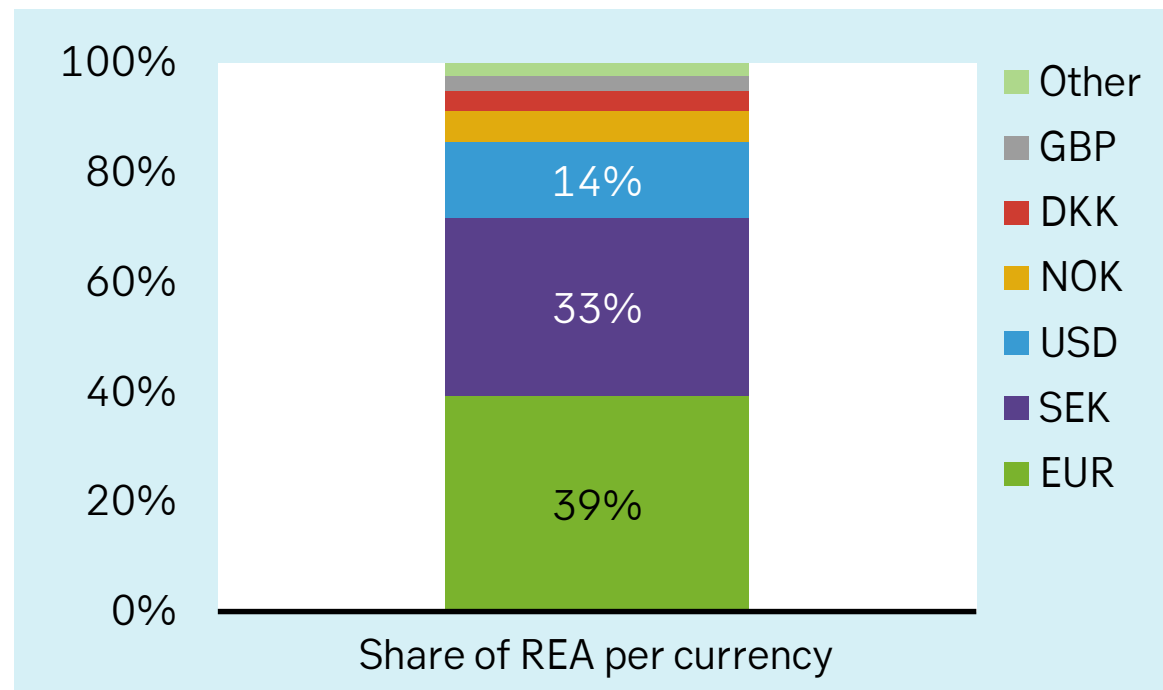
SEK bn



² Transfer of risk weight floor for residential mortgages from Pillar 2 to Pillar 1 increased REA by SEK 92bn. Other model, methodology and policy updates reduced REA by a total of SEK 24bn.

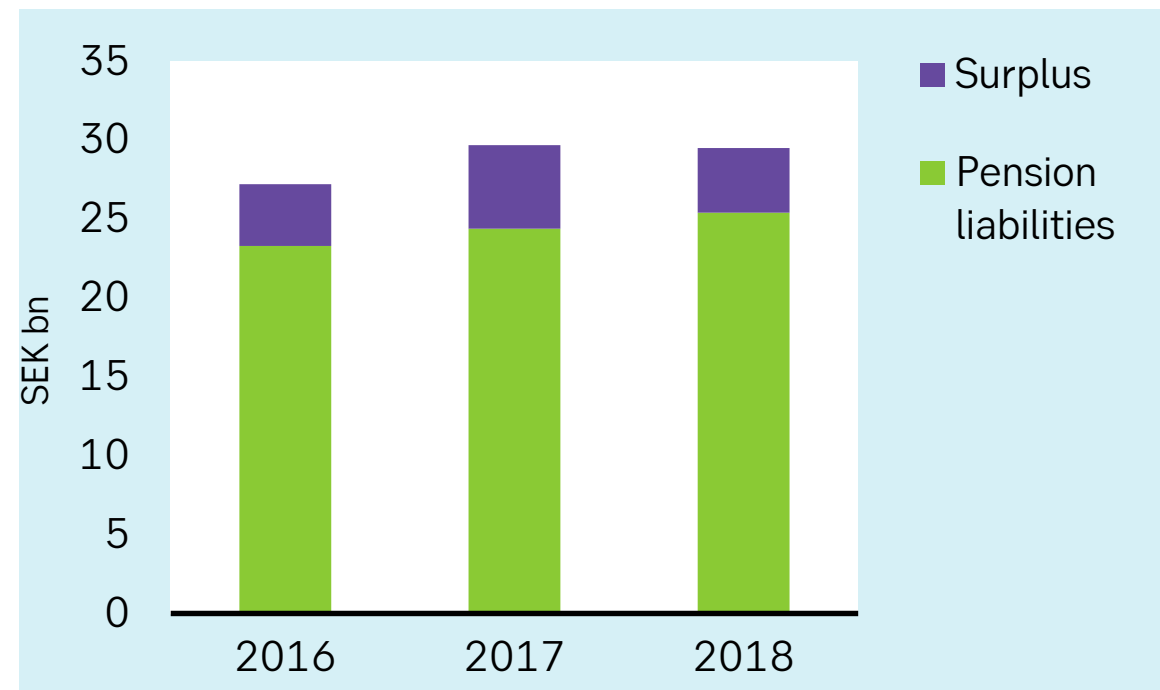
Reasons for management buffer of c. 150bps

Sensitivity to currency fluctuations



±5% SEK
impact 50bps CET1 ratio

Sensitivity to surplus of Swedish pensions



-50 bps discount rate
impact -50bps CET1 ratio

...& general macroeconomic uncertainties

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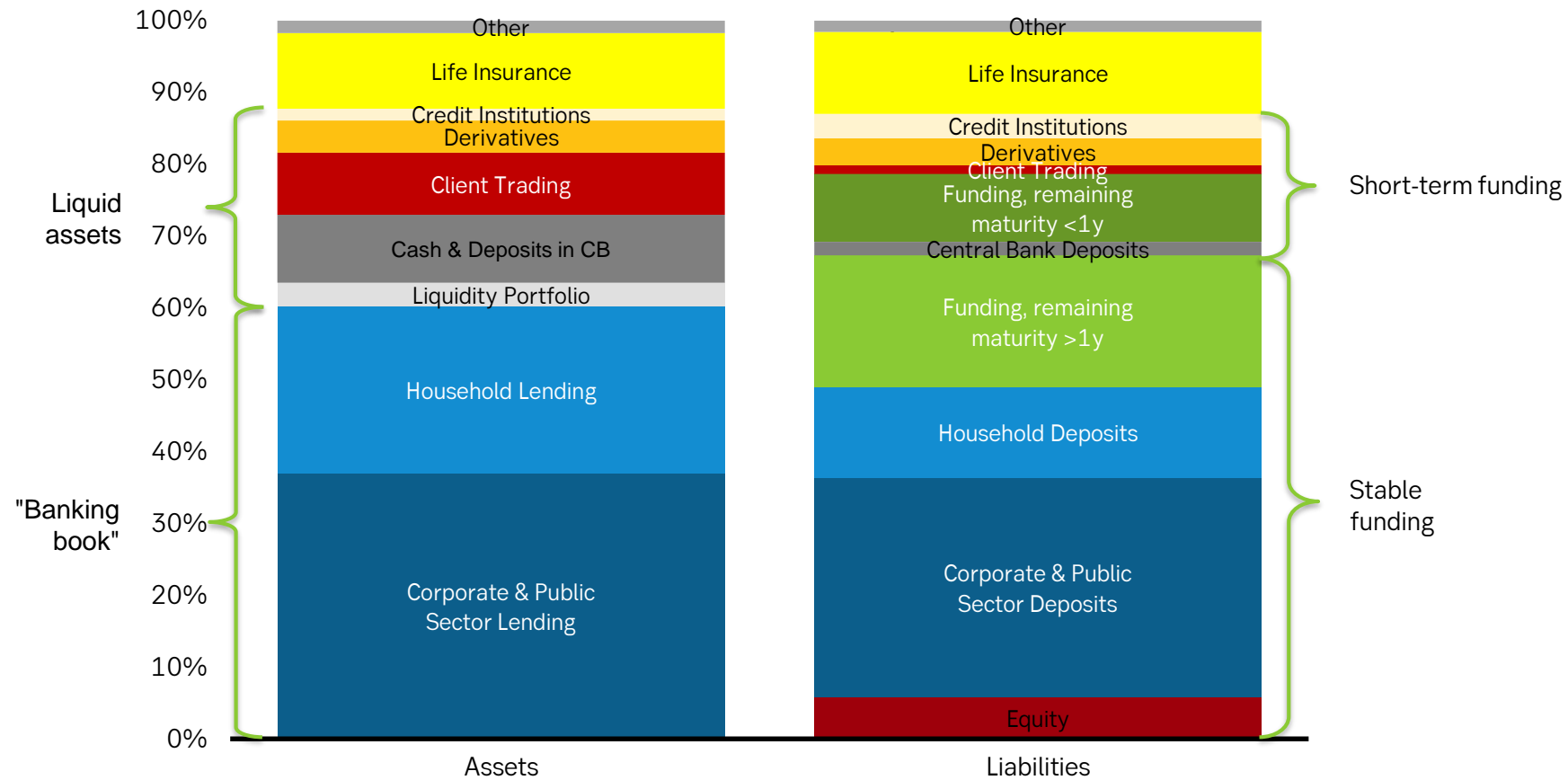


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Strong balance sheet structure

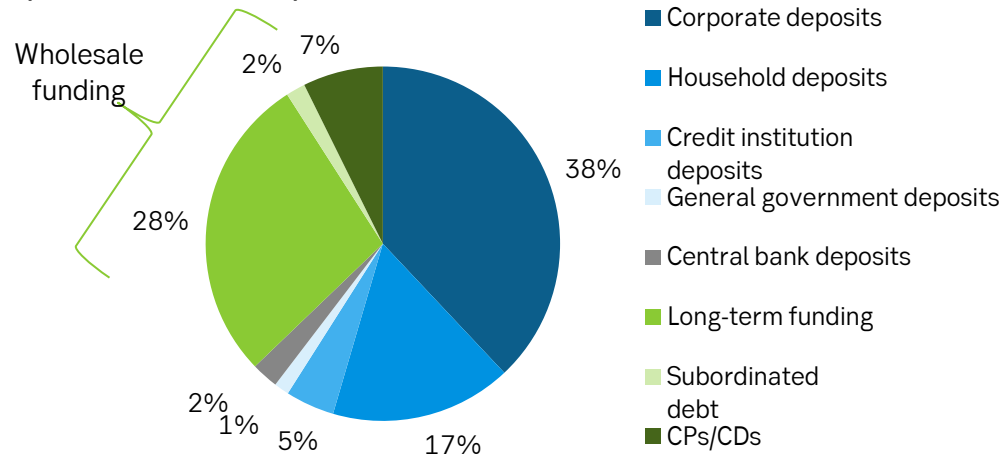
31 December 2018

Balance sheet structure (SEK 2,568bn)



Stable deposit base and structural funding position

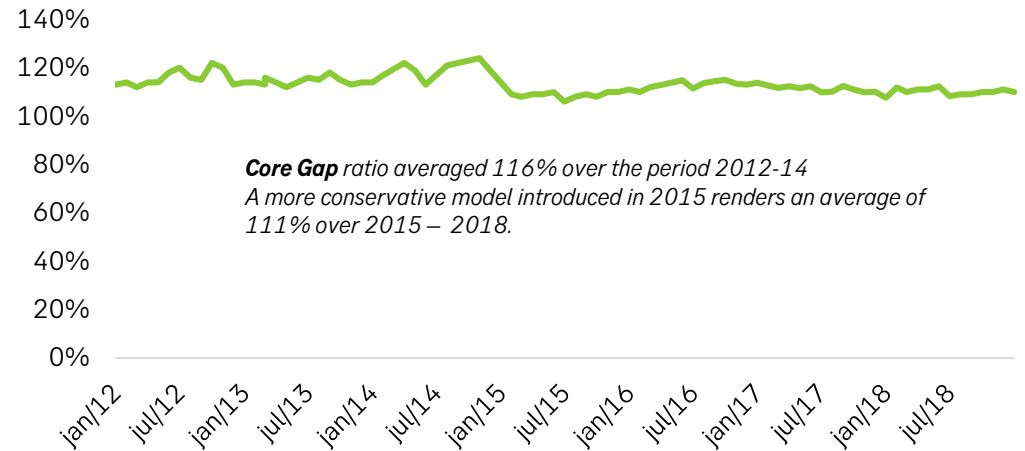
Wholesale funding represents 37% of the funding base (SEK 1,952bn¹)



¹ Excluding repos and public covered bonds issued by DSK Hyp AG (former SEB AG) which are in a run-off.

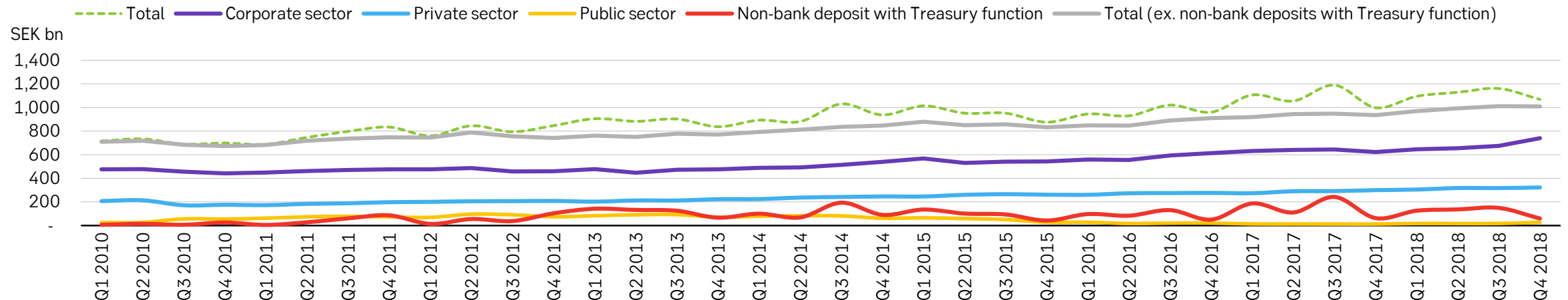
Stable and strong structural funding position

Core Gap Ratio



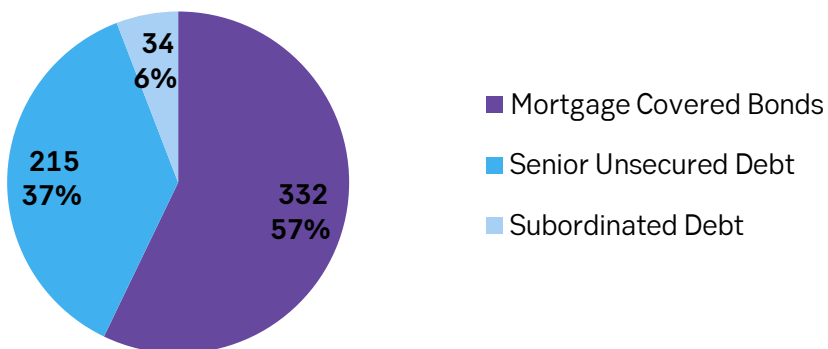
Core Gap ratio is the relation between total liabilities deemed to mature beyond one year and total assets deemed to mature beyond one year, based on internal behavioural modelling

Stable development of deposits from corporate sector and private individuals



Well-balanced, long-term funding structure

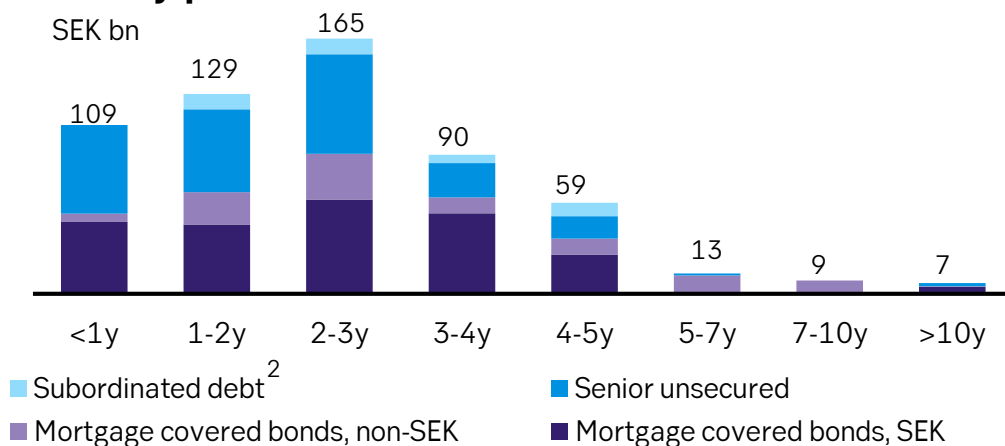
Long-term wholesale funding mix¹ (SEK 582bn)



Strong credit ratings

Rating Institute	Short term	"Stand-alone rating"	Long term	Uplift	Outlook
S&P	A-1	a	A+	1	Stable
Moody's	P-1	a3	Aa2	4	Stable
Fitch	F1+	aa-	AA-	0	Stable

Maturity profile¹



¹ Excluding public covered bonds.

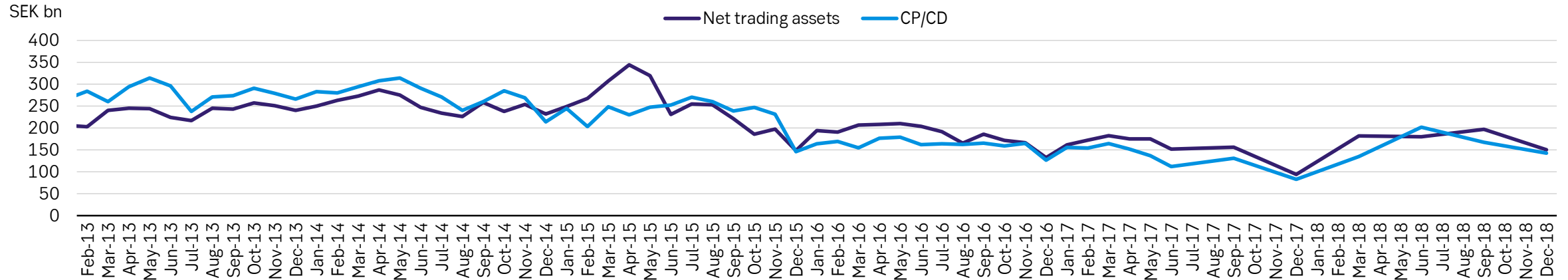
² Tier 2 and Additional Tier 1 issues assumed to be called at first call date.

Issuance of bonds

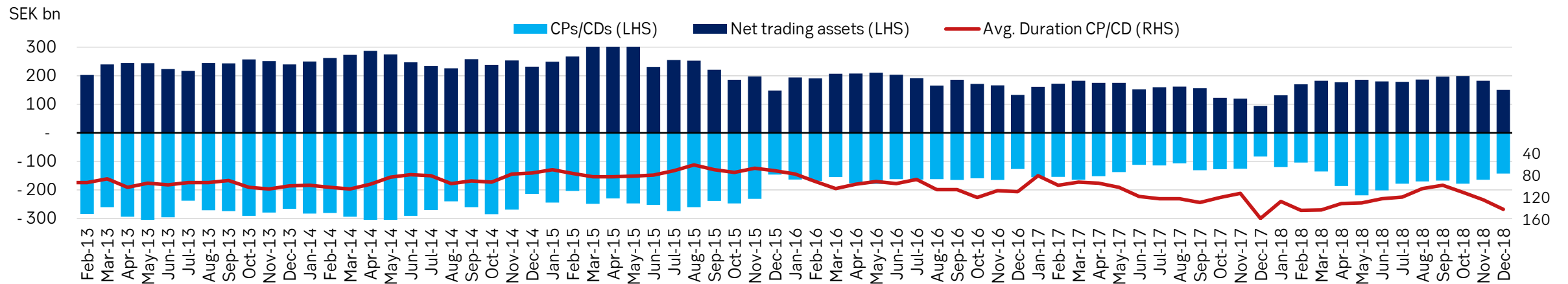
Instrument (SEK bn)	2015	2016	2017	2018
Covered bonds	55	62	55	67
Senior unsecured	40	74	20	34
Subordinated debt	0	8	5	0
Total	95	145	80	101

CP/CD funding supports client facilitation business

Volumes - Net Trading Assets¹ adaptable to CP/CD funding access



Duration - CP/CD fund net trading assets with considerably shorter duration

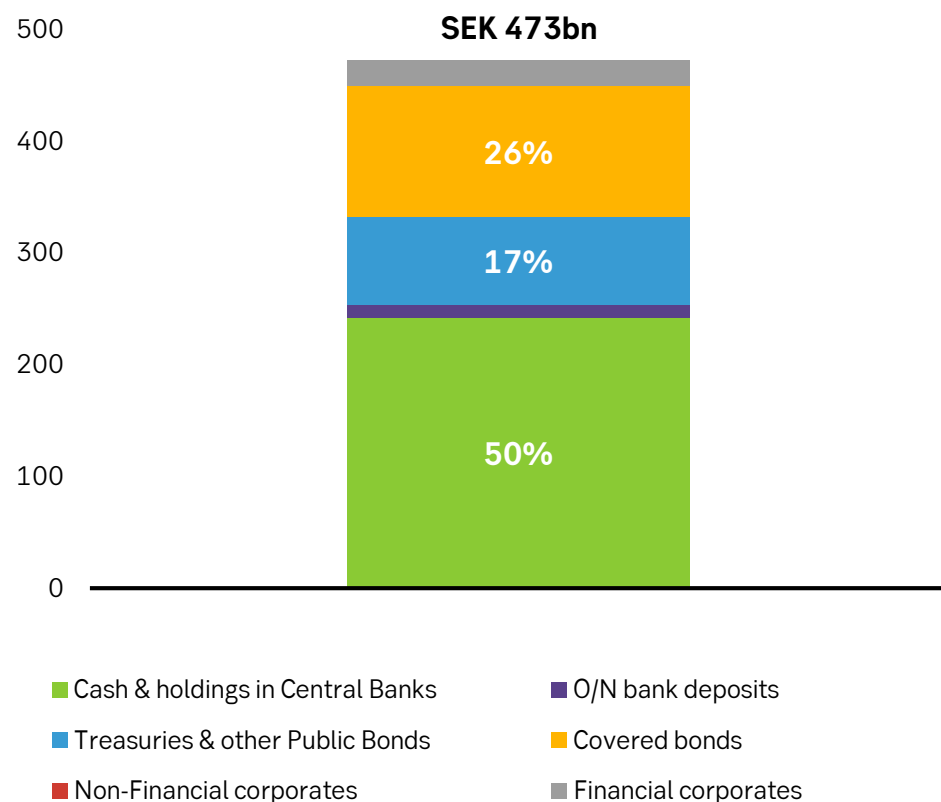


¹ Net Trading Assets = Net of repoable bonds, equities and repos for client facilitation purposes

Strong liquidity and maturing funding position

SEB's Liquidity Reserve¹ as of 31 Dec 2018 amounted to 170% of wholesale funding maturities within 1 year

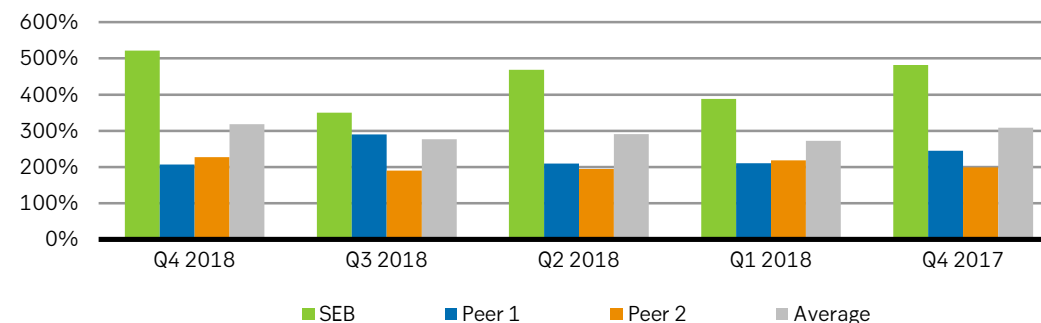
SEK bn



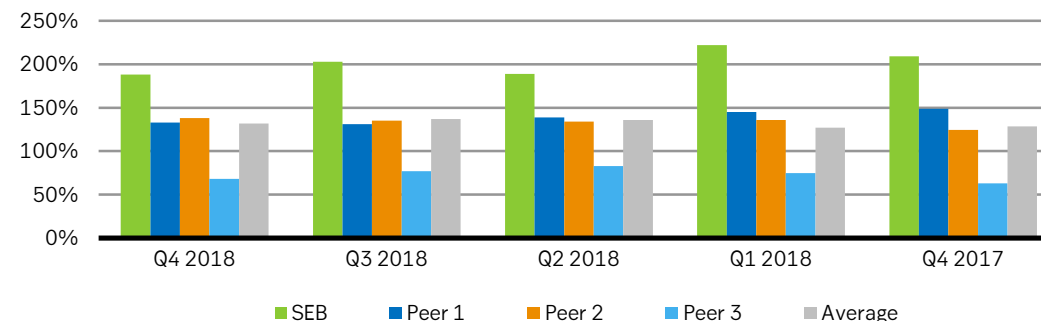
Maturing Funding ratio 3m and 12m, Peer benchmarking

Definition: Liquid Assets¹⁾ / (Maturing Wholesale Funding within 3/12m + Net interbank borrowing within 3/12m)

Development 3m funding ratio



Development 12m funding ratio



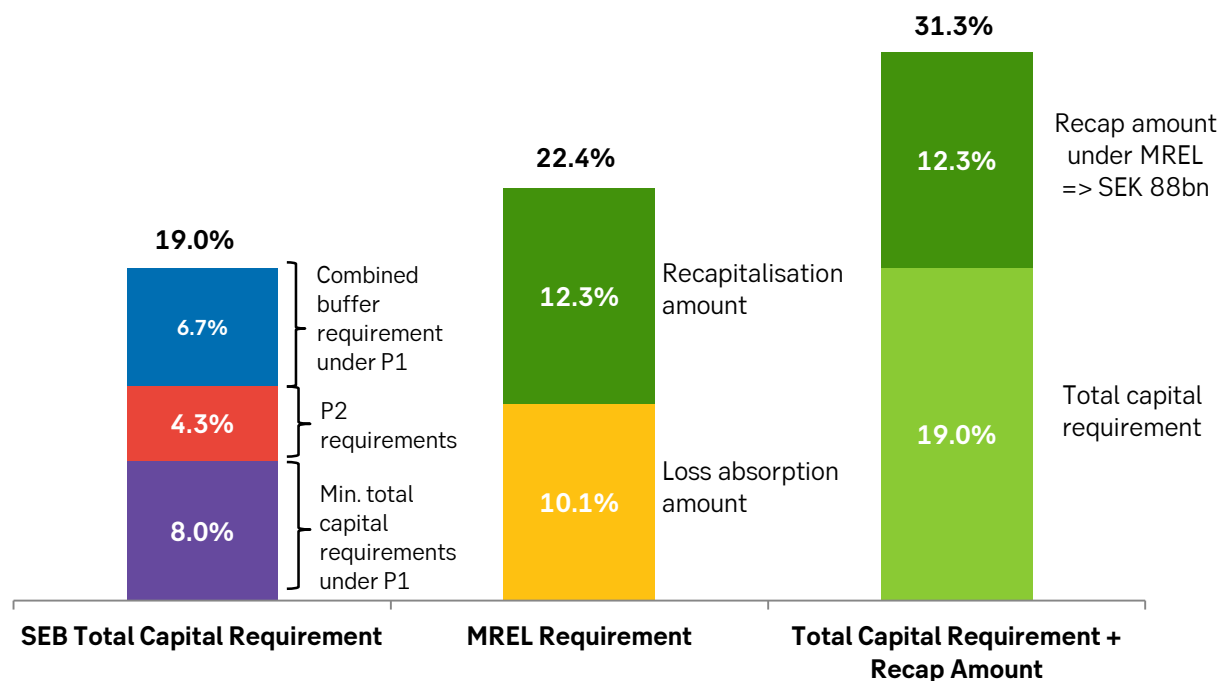
¹ Definition of Liquidity Reserve according to Swedish Bankers' Association

1) Liquid assets defined as on balance sheet cash and balances with central banks + securities (bonds and equities) net of short positions

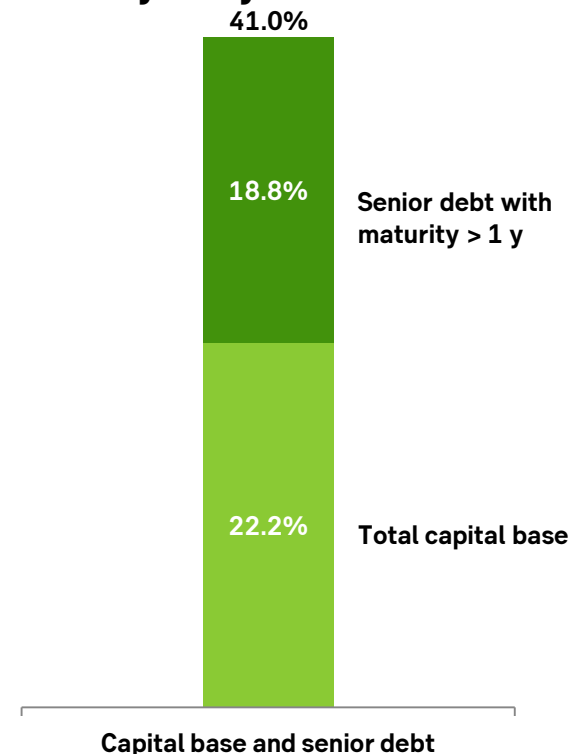
Source: Fact Book of SEB and the three other major Swedish banks. One peer does not disclose the 3m ratio

MREL requirement

SEB's total capital, MREL and liability requirements



SEB's capital base and outstanding senior debt with maturity > 1 year as of 31 Dec 2018



- SEB's recapitalisation requirement according to the National Debt Office's liability proportion principle amounts to SEK 88bn, based on capital requirements at 31 December 2018
- The recapitalisation amount is calculated as Total Capital requirement less the combined buffer requirement under Pillar 1. The loss absorption amount is calculated as Total Capital requirement less the combined buffer requirement under Pillar 1 and macro-prudential elements under Pillar 2 requirements

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Only Swedish residential mortgages in SEB's cover pool

Covered bonds

	Q4 2018	Q4 2017	Q4 2016	Q4 2015
Total outstanding covered bonds (SEK bn)	324	324	314	311
Rating of the covered bond program	Aaa Moody's	Aaa Moody's	Aaa Moody's	Aaa Moody's
Currency distribution				
SEK	73%	69%	71%	72%
non-SEK	27%	31%	29%	28%

Cover pool

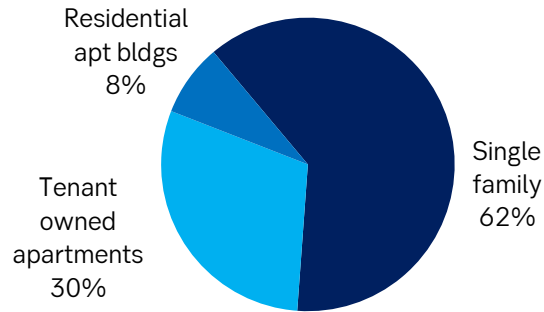
	Q4 2018	Q4 2017	Q4 2016	Q4 2015
Total residential mortgage assets (SEK bn)	501	525	510	483
Weighted average LTV (property level)	53%	51%	50%	57%
Number of loans (thousand)	713	717	711	697
Number of borrowers (thousand)	418	423	424	427
Weighted average loan balance (SEK thousand)	702	732	718	693
Substitute assets (SEK thousand)	0	0	0	0
Loans past due 60 days (basis points)	1	5	4	4
Net credit losses (bps)	0	0	0	0
Ovecollateralization level	55%	62%	63%	55%

Highlights of SEB's cover pool

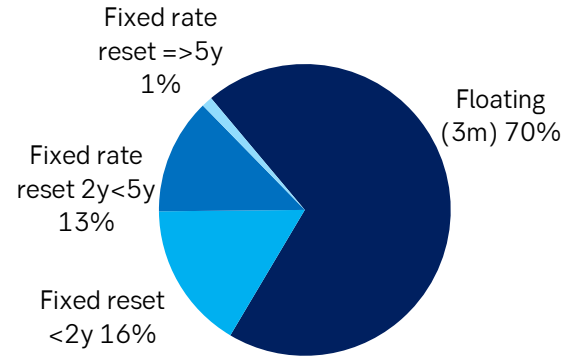
- Only Swedish residential mortgages, which historically have had very low credit losses
- More concentrated towards single family homes and tenant owned apartments, which generally have somewhat higher LTVs
- On parent bank's balance sheet contrary to SEB's major Swedish peers
 - All eligible Swedish residential mortgages are directly booked in the Cover Pool on origination, i.e., no cherry picking of mortgages from balance sheet to Cover Pool
 - Covered Bonds are issued out of the parent bank and investors have full and dual recourse to the parent bank's assets as well as secured exposure to the Cover Pool
- SEB runs a high OC – 55% as of 31 December 2018

SEB's mortgage lending is predominantly in the three largest and fastest growing city areas

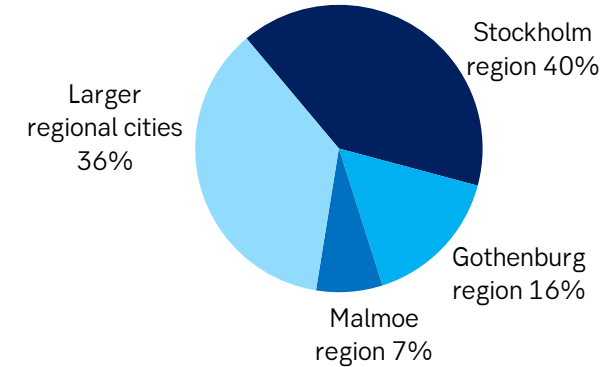
Type of loans



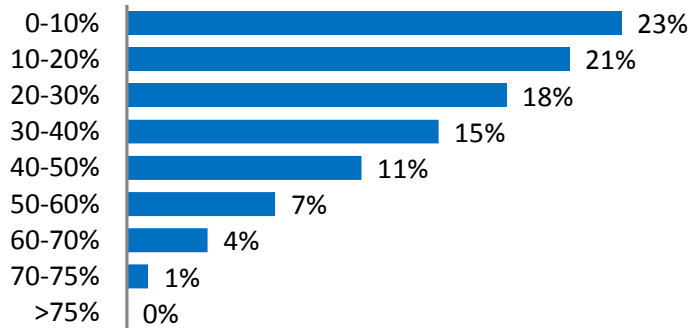
Interest rate type



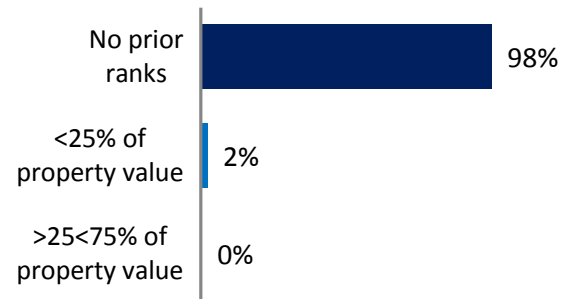
Geographical distribution



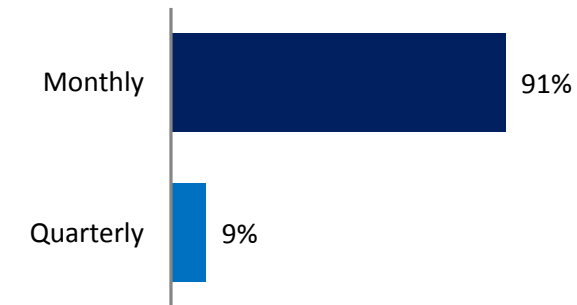
LTV distribution by volume in % of the Cover Pool



Prior ranking loans



Interest payment frequency



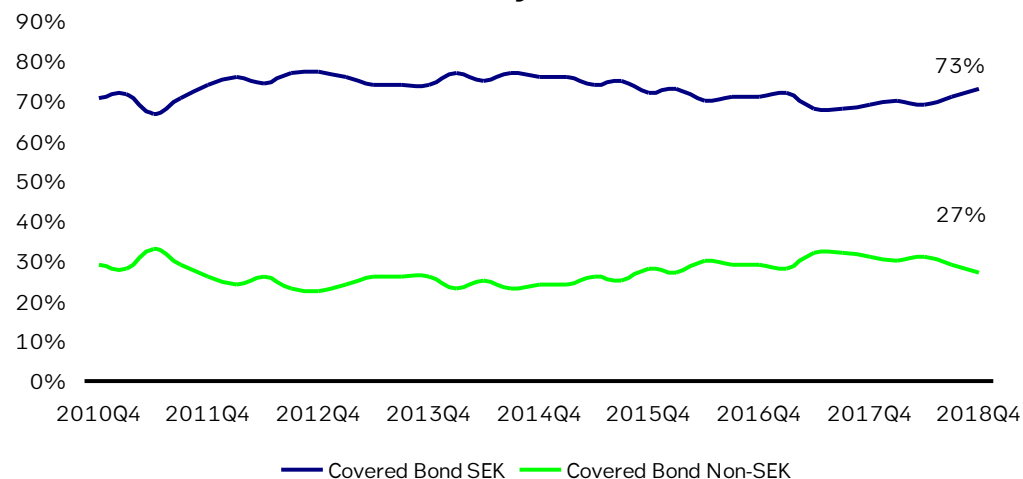
NOTE: Distribution in different LTV buckets based on exact order of priority for the individual mortgage deeds according to the Association of Swedish Covered Bond Issuers (www.asbc.se)

Profile of outstanding covered bonds

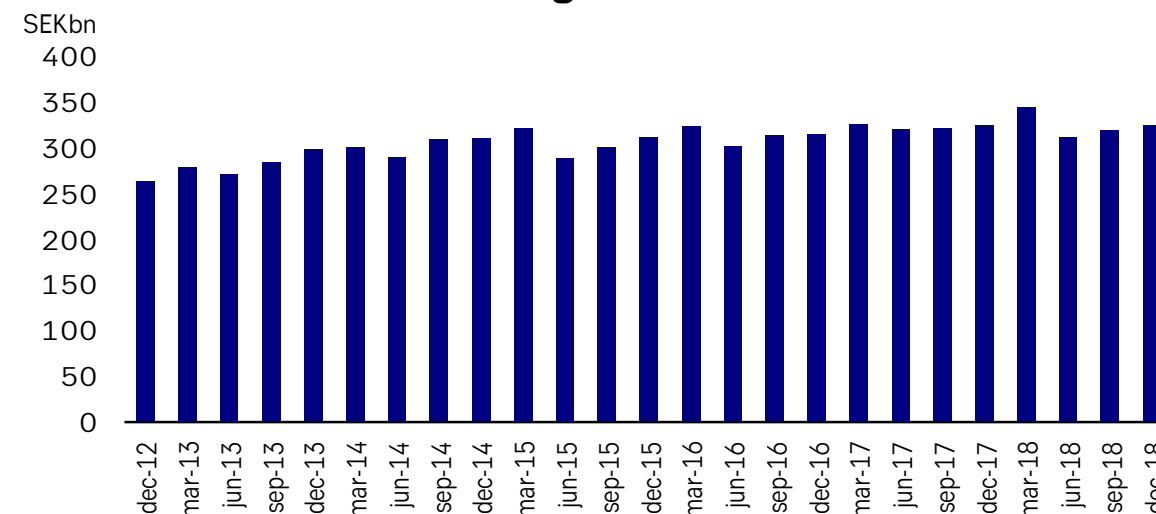
Overview of SEB's Swedish mortgage covered bonds

Moody's Rating	Aaa
Total outstanding	SEK 324bn
FX distribution	SEK 73% Non-SEK 27%
Benchmark	Benchmark 95 % Non Benchmark 5%

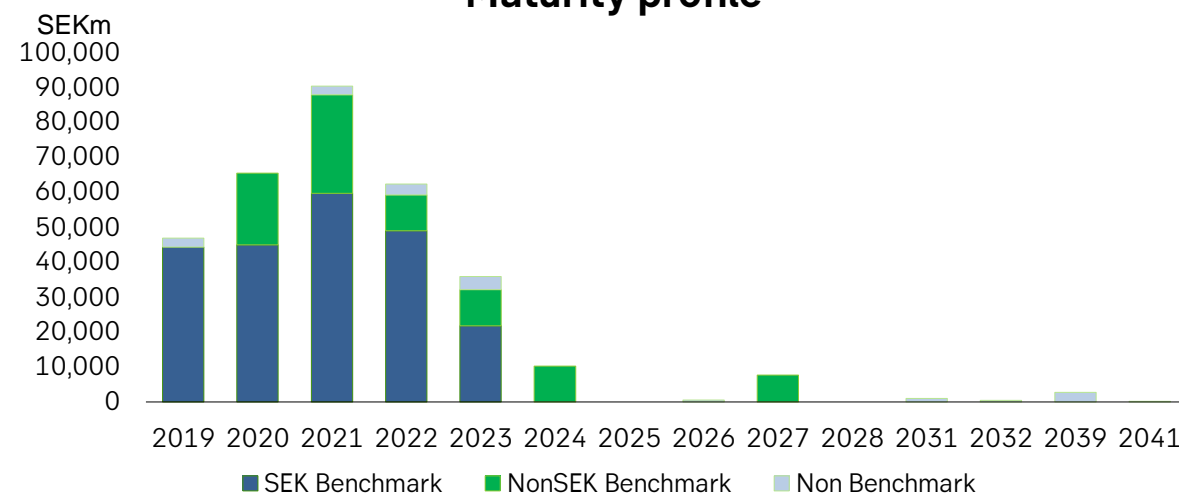
Currency mix



Outstanding covered bonds



Maturity profile



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Investing in Skandinaviska Enskilda Banken AB (Publ.)

- Investors are in a position to hold SEB ordinary shares through a sponsored Level 1 ADR Program
- SEB's ADRs trade on the over-the-counter (OTC) market in the US
- One (1) SEB ADR represents one (1) SEB ordinary share
- SEB's ADRs can be issued and cancelled through Citibank N.A., SEB's Depositary Bank

Skandinaviska Enskilda Banken's ADR Program

Symbol	SKVKY
ADR : Ordinary Share Ratio	1:1
ADR ISIN	US8305053014
Sedol	4813345
Depositary Bank	Citibank N.A.
Trading Platform	OTC
Country	Sweden

Key Broker Contact Details at Citibank N.A., as Depositary Bank for SEB:

Telephone: New York: +1 212 723 5435

London: +44 (0) 207 500 2030

E-mail: citiadr@citi.com

Website: www.citi.com/dr

IR contacts and calendar



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Financial calendar 2019

30 January Interim Report January-December 2018

The silent period starts 10 January

5 March Annual report published on sebgroup.com

26 March Annual General Meeting

27 March, The SEB share trades ex-dividend

28 March, Record date for the dividend

2 April, dividend disbursement

30 April Interim Report January-March 2019

The silent period starts 8 April

12 July Interim Report January-June 2019

The silent period starts 5 July

23 October Interim Report January-September 2019

The silent period starts 8 October

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SEB's forecasts of GDP growth

BNP, %		2017	2018	2019	2020
US	Deceleration from high level	2.2	3.0	2.4	1.7
Japan	Consumption tax hike = uncertainty	1.9	1.1	1.0	0.8
Germany	Auto industry a source of uncertainty	2.2	1.5	1.2	1.4
China	Deceleration, with downside risks	6.9	6.6	6.3	6.1
UK	Brexit solutions, but great uncertainty	1.7	1.3	1.4	1.6
EZ	Growth will stabilise at lower levels	2.4	1.9	1.6	1.7
Nordics	Domestic strengths provide immunity	2.2	1.6	2.0	2.0
Baltics	Continued good growth, external risks	4.4	3.7	3.2	2.7
OECD	Slowdown under way, low joblessness	2.5	2.5	2.0	1.8
EM	Stable growth, but great divergence	5.0	4.9	4.7	4.8
World	Growth losing momentum, near trend	3.7	3.7	3.5	3.5

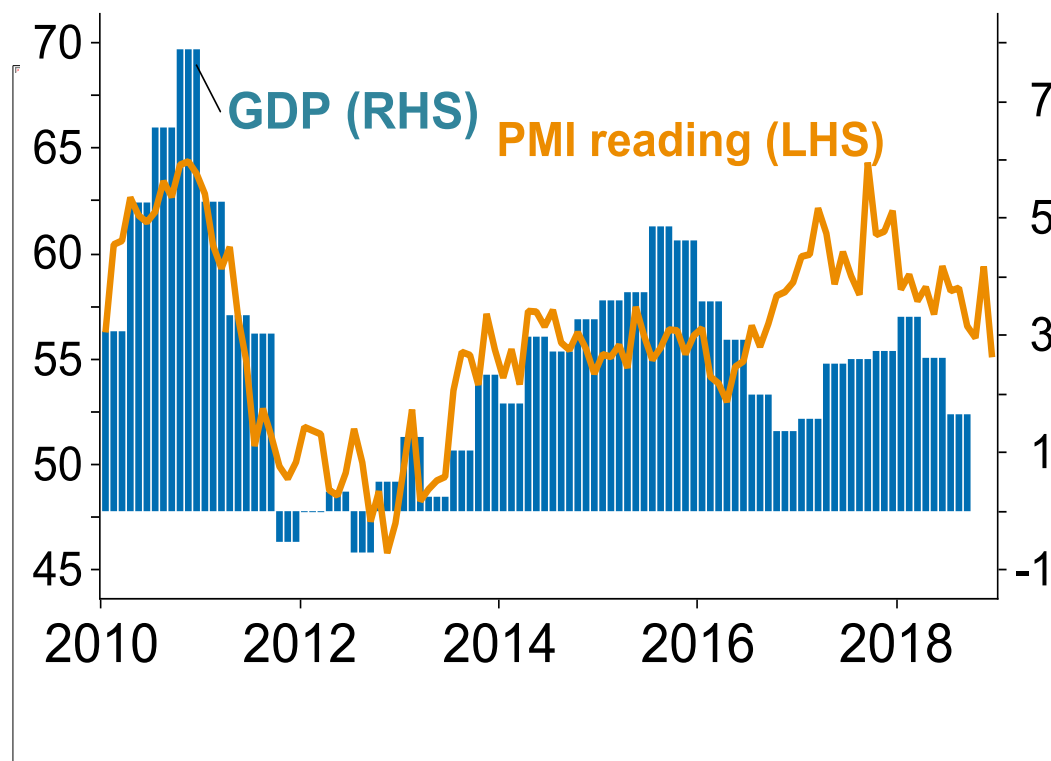
Source: Nordic Outlook January 2019

Sweden: Expectations of deceleration, but recovery in 2020

Expansionary policy to offset lower construction

GDP growth

PMI reading. Y-o-y % change



Construction & households



Loose fiscal policy, low interest rates, weak SEK

GDP	2017	2018	2019	2020
%	2.1	2.1	1.6	1.9

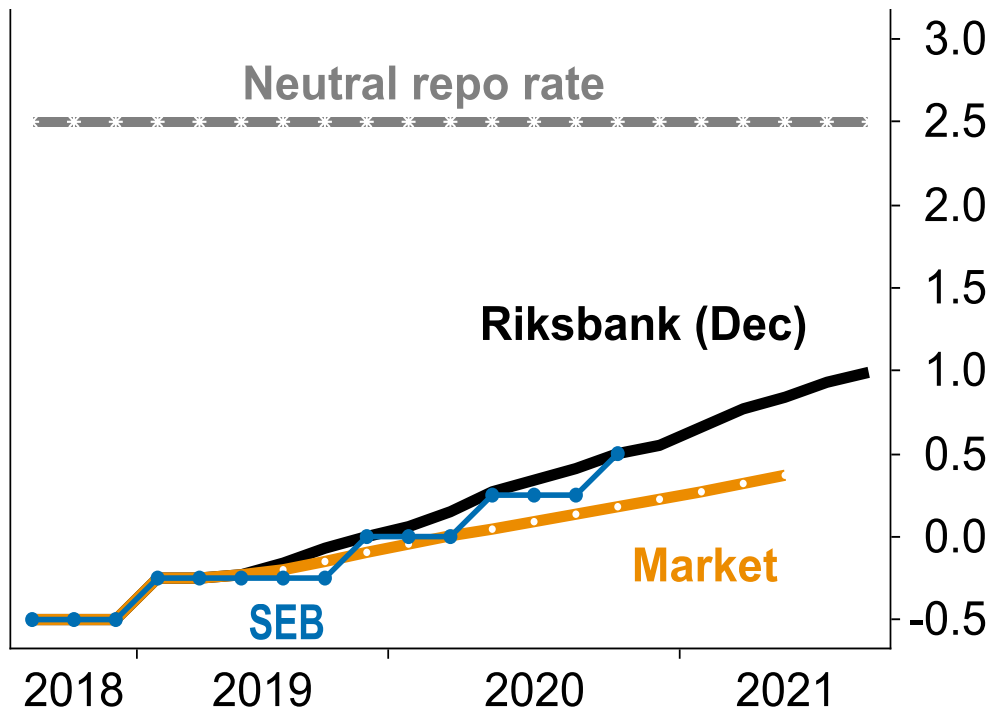
Source: Nordic Outlook January 2019

Sweden: The Riksbank and the krona

Small steps by the Riksbank: +25 bps in 2019, +25 in 2020

Rate path, %

Forecasts: SEB, Riksbank, market



- Inflation will slow Riksbank
- Krona needs positive key rate
 - initial hike is not enough
- Weak USD to lower USD/SEK

SEK	Jan 16	Dec-19	Dec-20	★
EUR	10.26	9.95	9.70	9.50
USD	9.00	8.45	7.70	8.05

Source: Nordic Outlook January 2019

Sweden: Continued favourable business sentiment although signs of softening

Deloitte/SEB Swedish CFO Survey

– The latest survey was published in September 2018

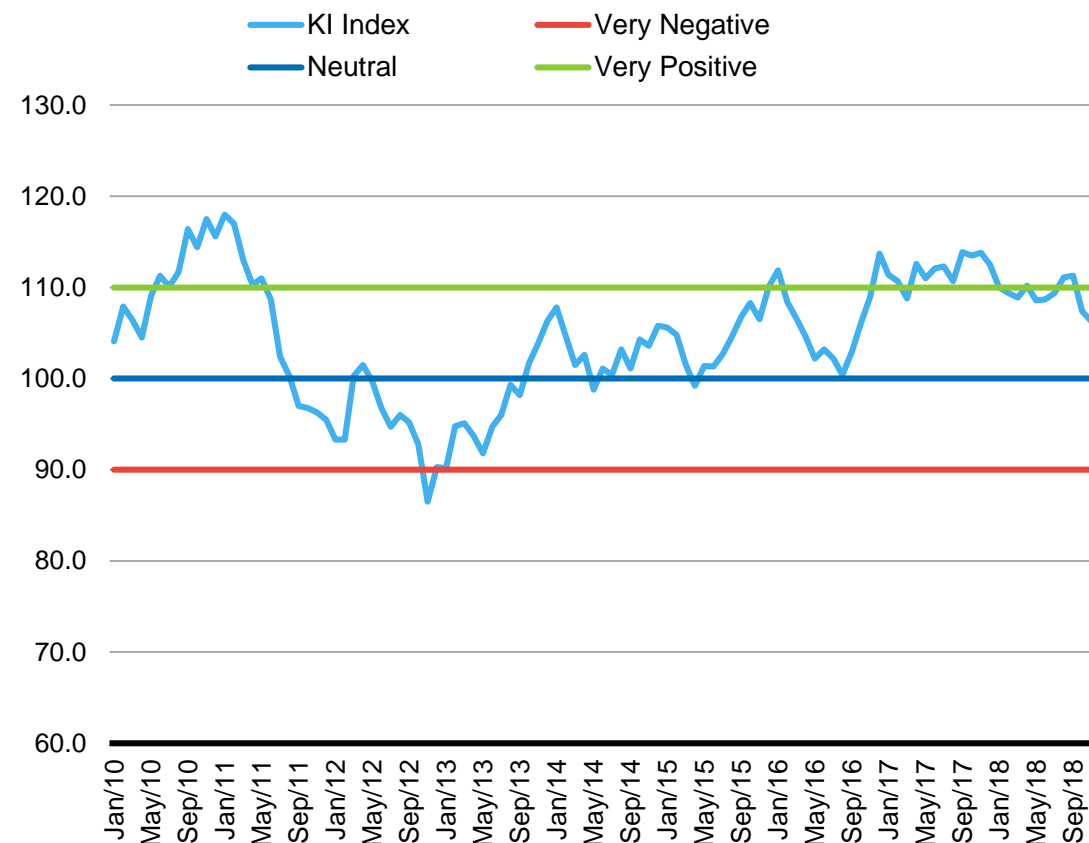
Business conditions (net balance)



Source: Deloitte/SEB

Swedish Economic Tendency survey

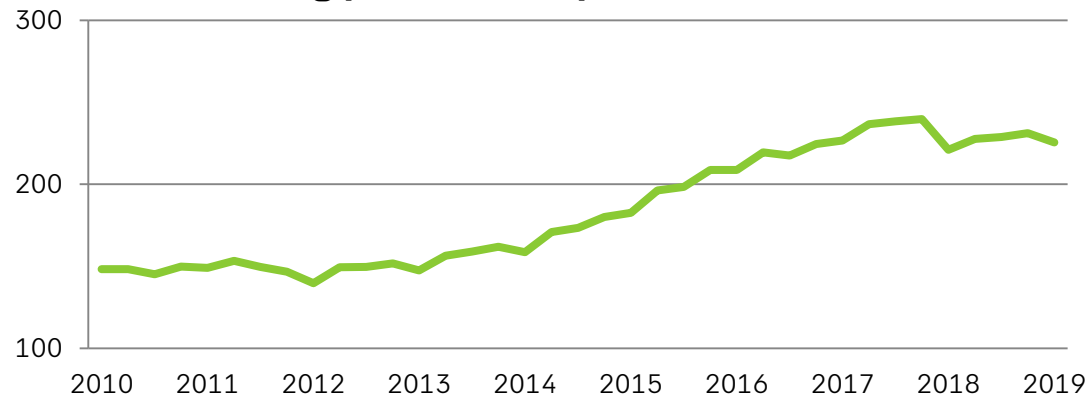
Economic Tendency Indicator (KI index), December 2018



Source: Konjunkturinstitutet (National Institute of Economic Research, NIER) and Swedbank

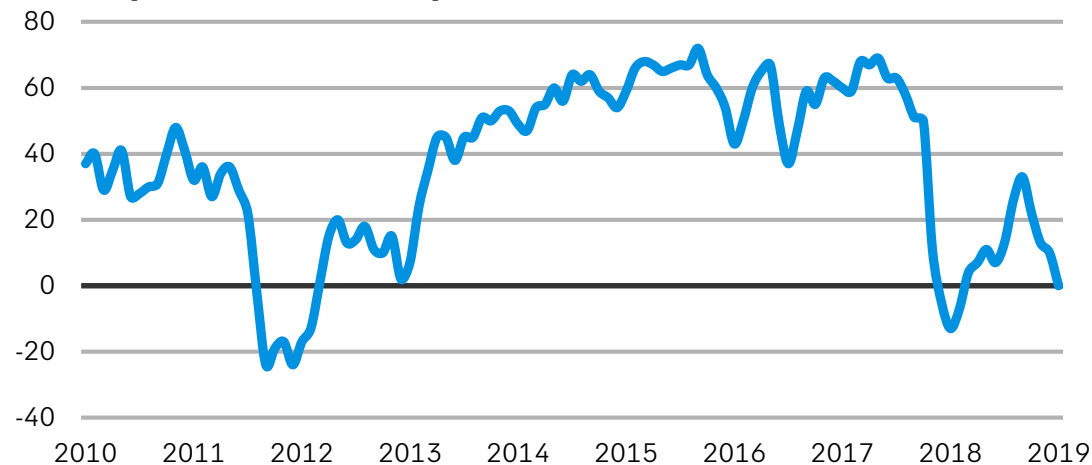
Housing prices stabilised in 2018 and expectations of a rise are low

Swedish housing price development



Source: Valueguard, HOX index 18 January 2019

Development of house price market sentiment



Source: SEB Housing price indicator January 2019

Valueguard – December 2018, %

Area	Single family homes		Apartments	
	3m	12m	3m	12m
Sweden	-2.6	+2.2	-2.0	+1.7
Stockholm	-1.8	-0.5	-2.3	+2.3
Gothenburg	-3.4	-0.7	-3.3	+0.1
Malmö	-0.1	+8.0	-0.5	+2.8

HOX Sweden: -2.4% 3m, +2.0% 12m

Svensk Mäklarstatistik – December 2018, %

Area	Single family homes		Apartments	
	3m	12m	3m	12m
Sweden	-3	+0	-2	+/-0
Greater Stockholm	-4	-5	-1	+/-0
Central Stockholm			-1	+1
Greater Gothenburg	-1	-1	-3	-1
Greater Malmö	-1	+2	-4	+1

Characteristics of the Swedish mortgage market

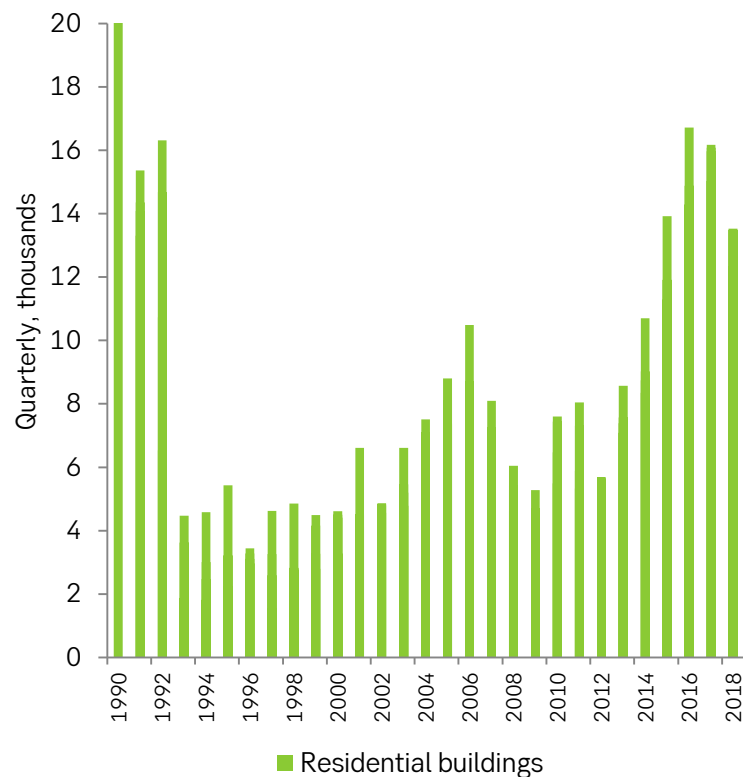
- Very restricted buy-to-let market
- No third party loan origination
- All mortgages on balance sheet (no securitisation)
- Strictly regulated rental market
- State of the art credit information (UC)
- Very limited debt forgiveness
- Strong social security and unemployment scheme
- Strong household income

Extended regulatory requirements:

- Mortgage risk weight floor and higher countercyclical buffers (currently 2%, 2.5% as of Sept 2019)

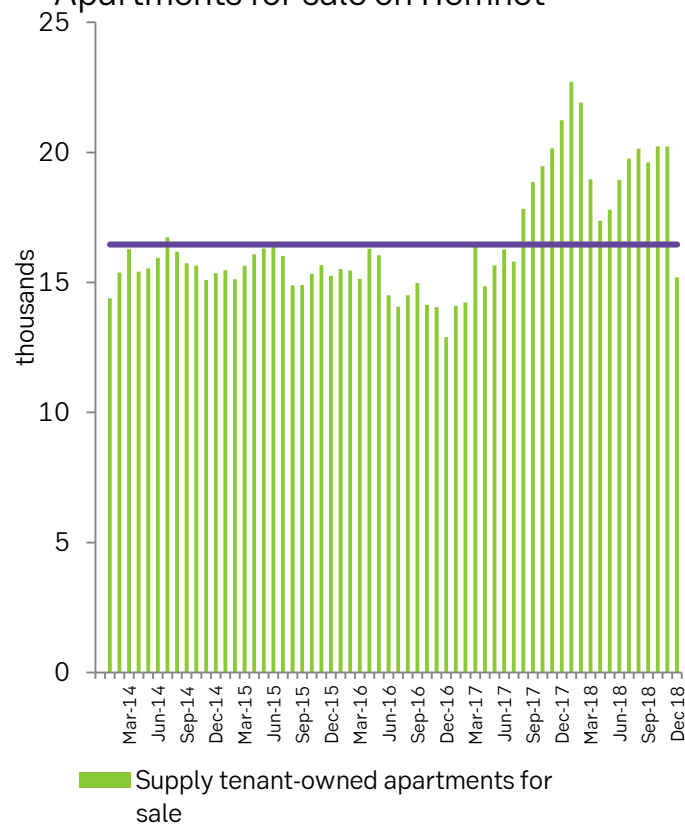
Following two years of high # of building starts, supply is higher than normal and prices still high compared to income

Housing starts high in historic perspective



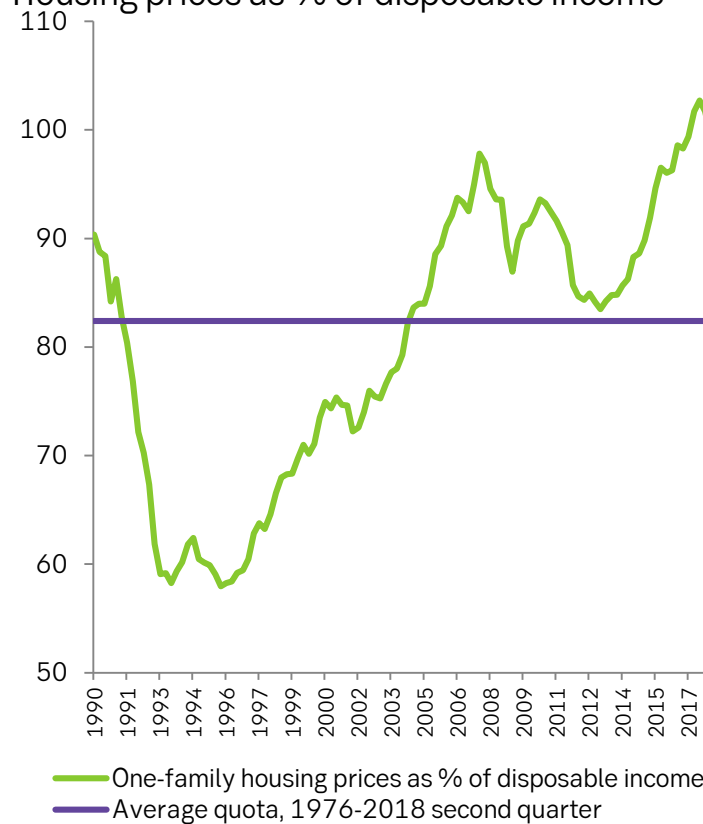
Source: SCB

Higher than normal supply
Apartments for sale on Hemnet



Source: Hemnet, FI

Continued high prices compared to income levels
Housing prices as % of disposable income



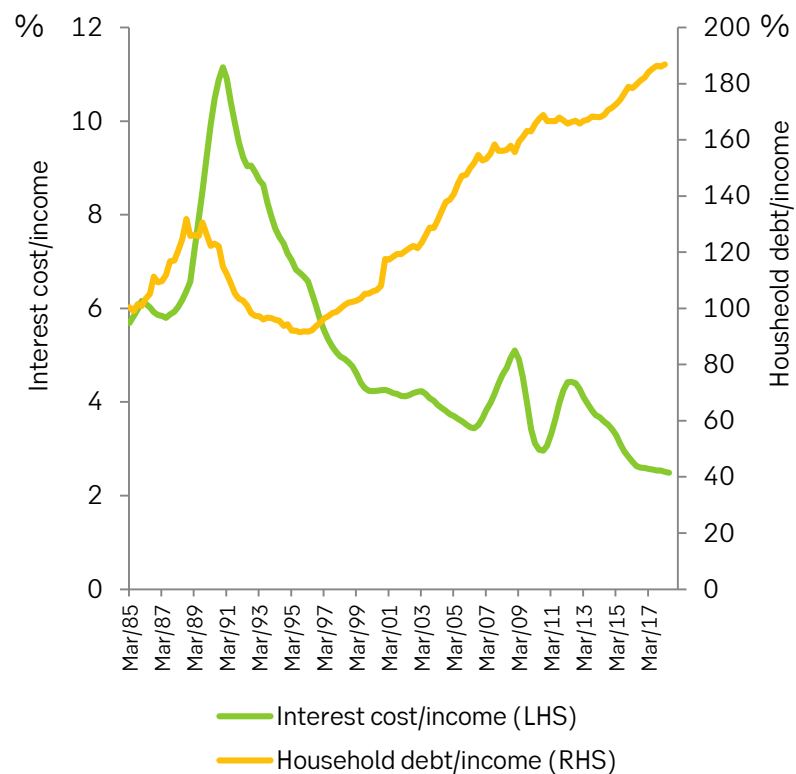
Source: FI and SCB

- Time to close transactions takes longer, leading to higher supply. This is mainly applicable to apartments under production
- New housing creates moving chains, leading to further increase in supply

Sound resilience of households despite higher indebtedness

Interest payments low in relation to household debt

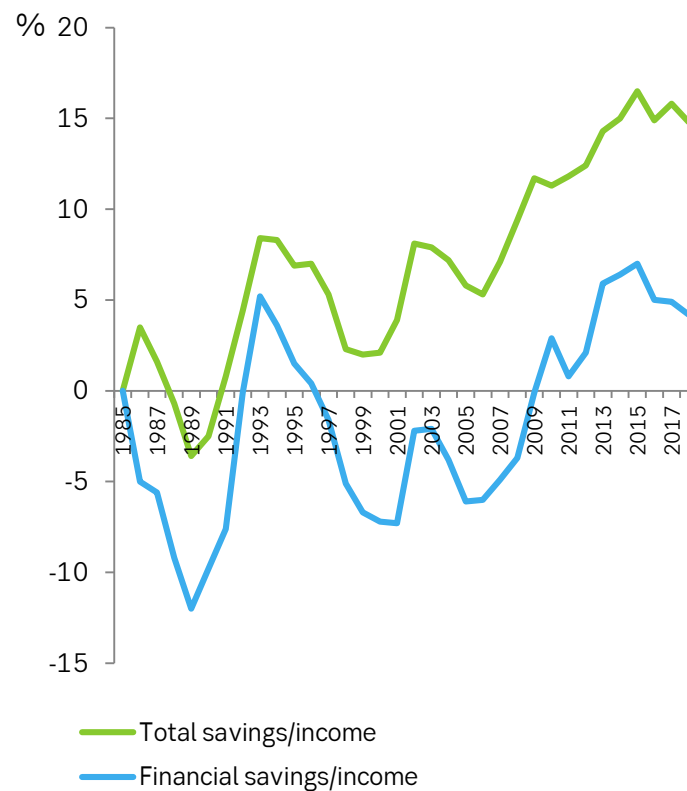
Households' interest costs and debt as % of disposable income



Source: SCB, Riksbanken

Household savings remain at high levels

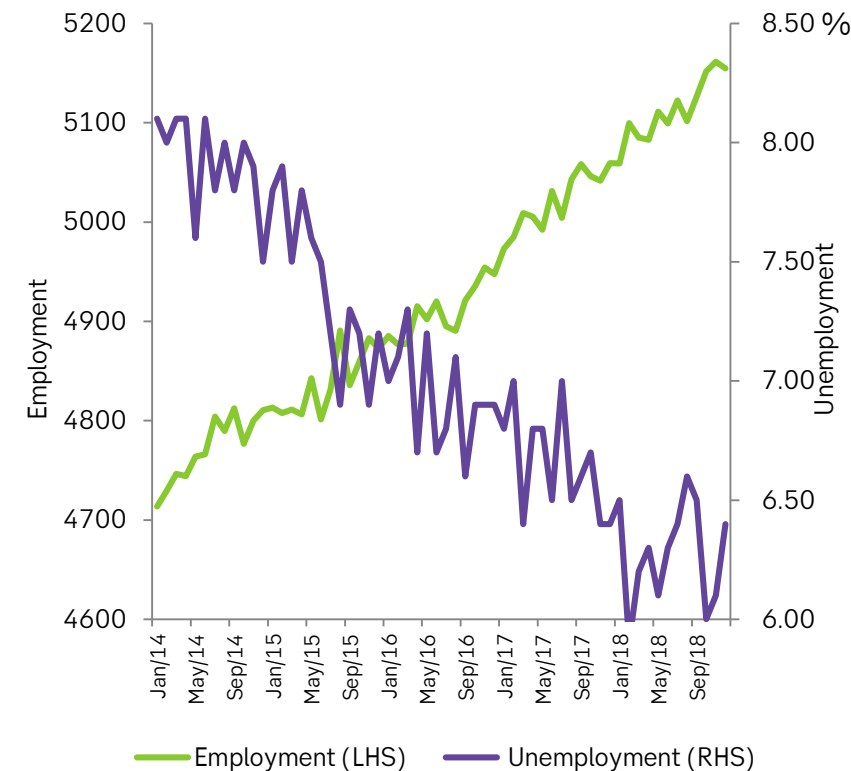
Household savings as % of disposable income



Source: SCB, Riksbanken

Strong labour market

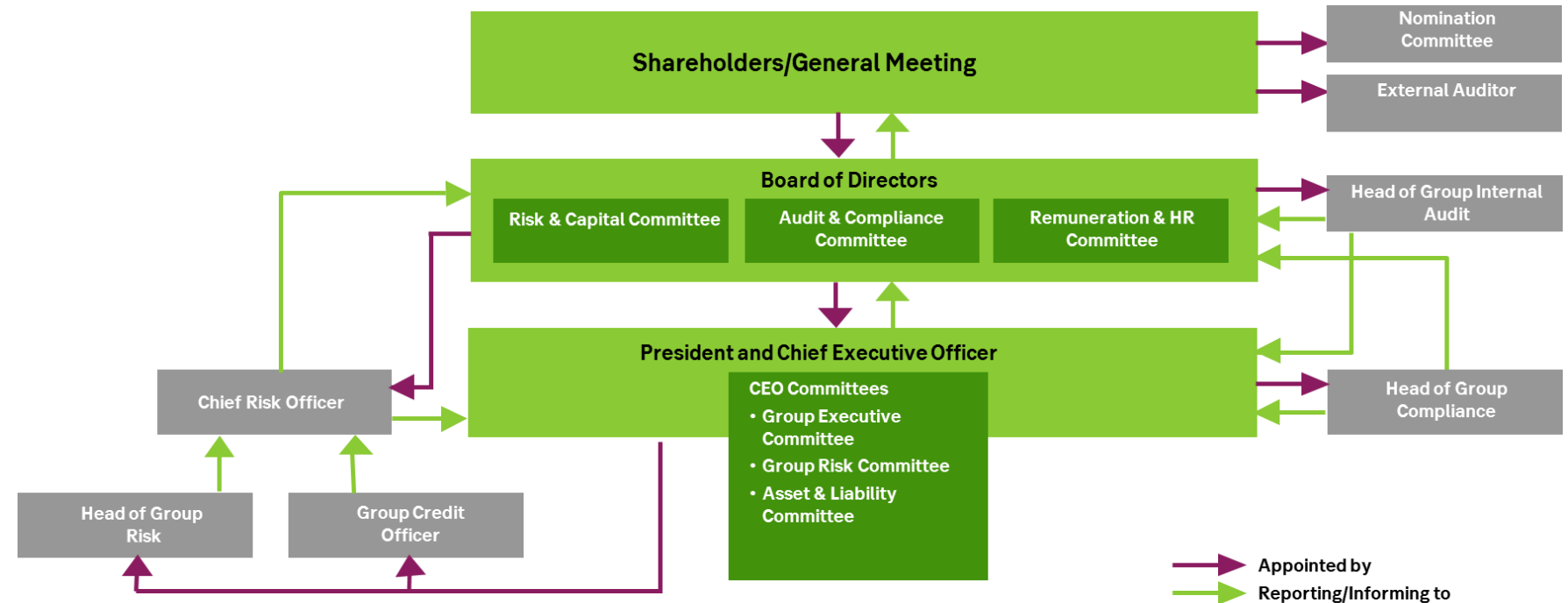
Employment ('000) and unemployment %



Source: SCB

Corporate governance structure

- **Long-term major shareholders**
- **Strong corporate culture**
 - Tone from the top
 - Code of Conduct
 - Responsibility of first line of defence
- **Strong governance and internal control**
 - Clear implementation of three lines of defence and independent control functions
 - Group-wide Compliance function
- **Compliance integrated in performance management**



SEB's activities are managed, controlled and followed up in accordance with policies and instructions established by the Board and the President and CEO.