

Investor presentation

First quarter 2020

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SEB – a leading Nordic financial services group



- Unique customer base and market position in economically robust home markets with international reach
- Stable, long-term ownership structure
- Diversified business model has delivered strong, profitable growth over time
- Financial strength with high asset quality, one of Europe's best capitalisation levels, and a robust funding and liquidity structure
- Solid credit rating

No. 1

Large corporate and financial institutions Sweden ranking

Business bank of the year 2019

Finansbarometern

No. 1

Bank in life & pension

No. 2

Baltic bank

6.0% (13.8)

Return on equity

0.56 (0.46)

Cost / Income

16.8% (17.6)

CET1 ratio

25bps (10)

Net ECL level

A unique customer base and diversified business model



2,000

Large corporations

1,100

Financial institutions

272k

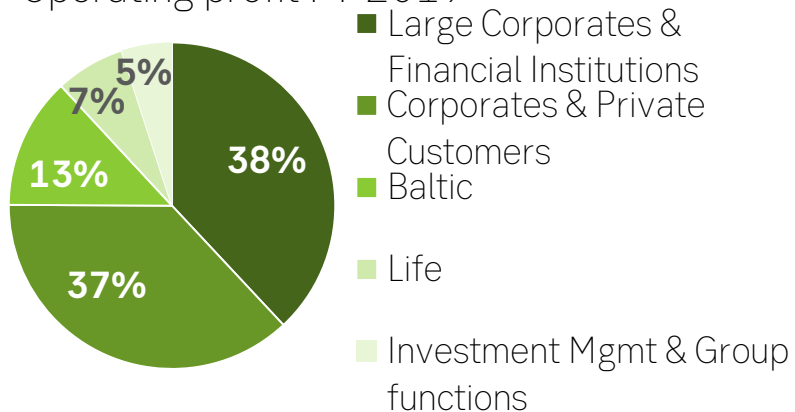
Small- & medium-sized companies

1.4m

Private individuals

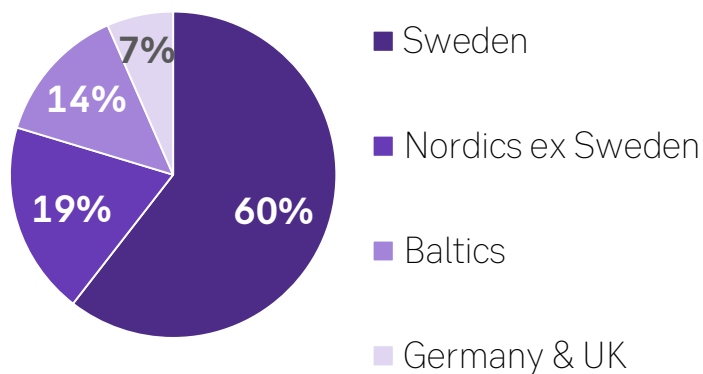
Divisional breakdown

Operating profit FY 2019¹



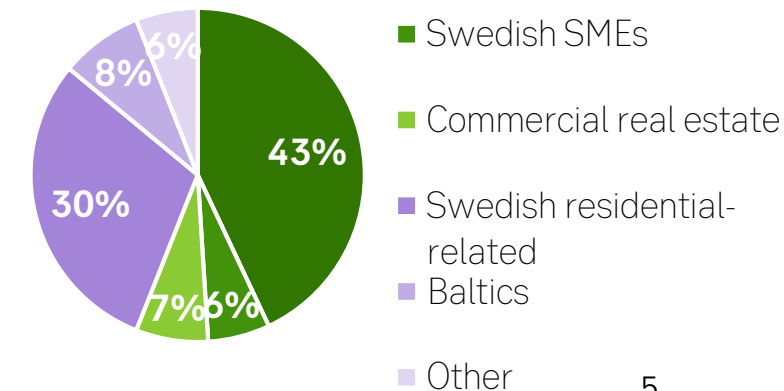
Geographical breakdown

Operating profit FY 2019¹



Credit portfolio breakdown

31 Dec 2019²



¹ Business divisions excluding Other and eliminations, Geography excluding International network and eliminations

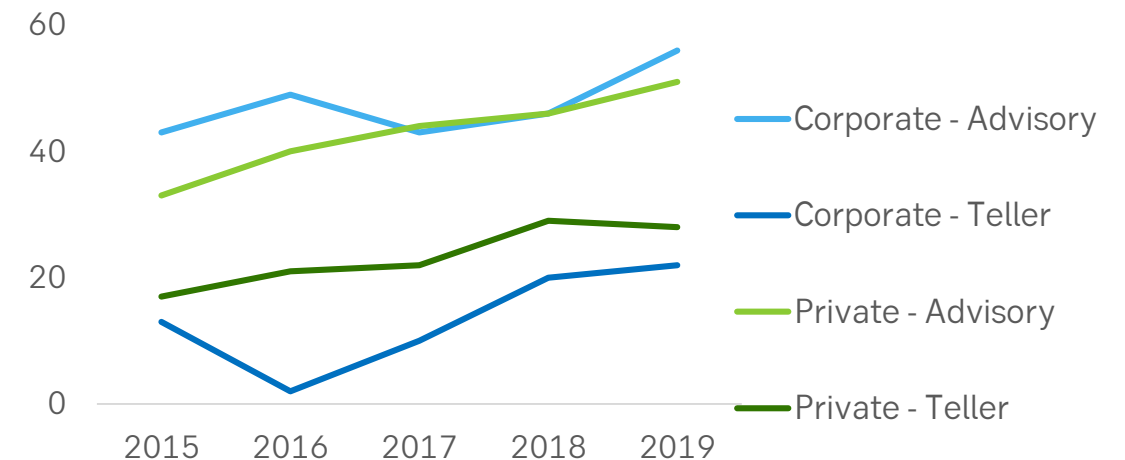
² Swedish residential related includes household mortgages, residential real estate and housing co-ops

Customer satisfaction

Large Corporates & Financial Institutions Customer satisfaction (Prospera, ranking)

		2015	2016	2017	2018	2019
Large Corporates	Sweden	1	1	1	1	1
	Nordics	2	2	3	2	2
Financial Institutions	Sweden	2	1	1	1	1
	Nordics	4	1	2	1	1

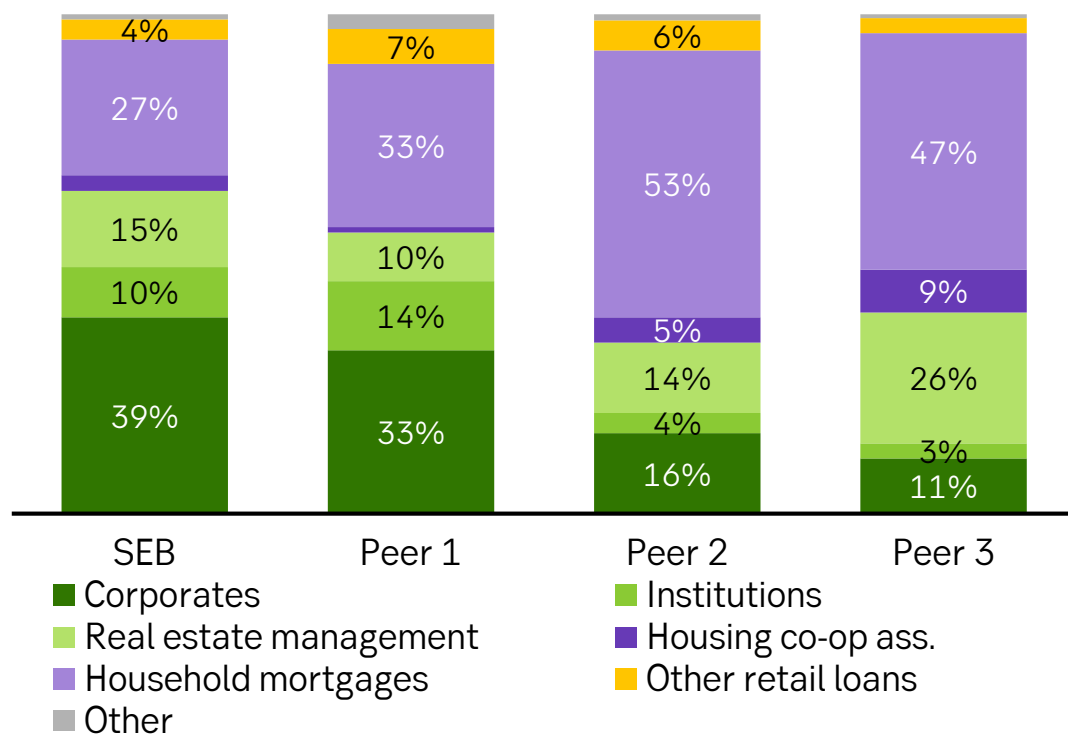
Corporate & Private Customers Customer satisfaction (Net Promoter Score)



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

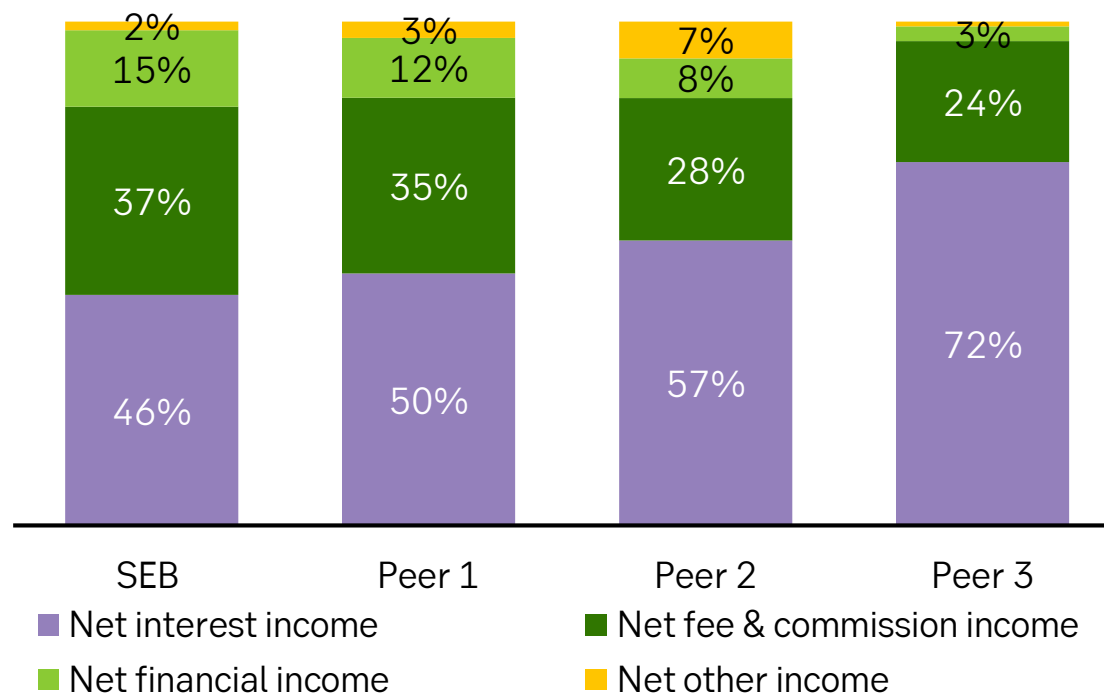
Highest corporate & institutional exposure and low real estate & mortgage exposure

Sector credit exposure composition, EAD¹, 31 Dec 2019



Diversified income stream

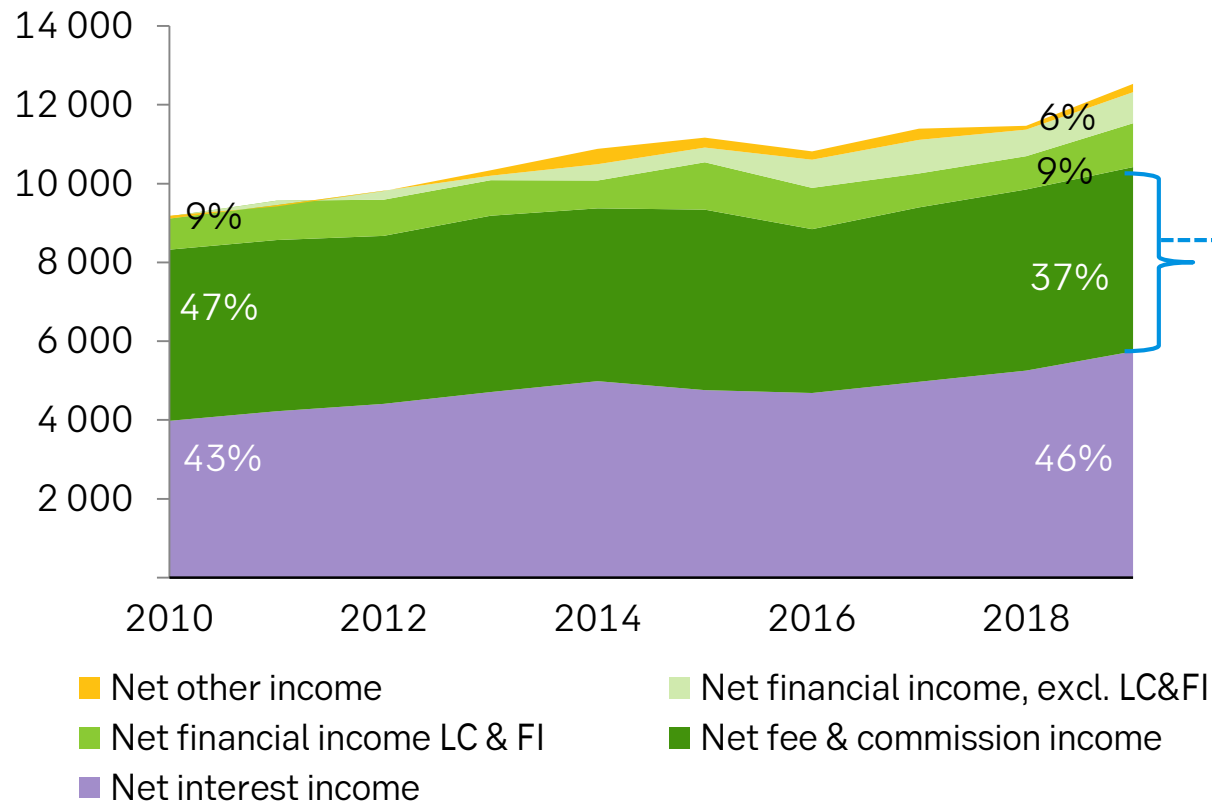
Operating income by revenue stream, FY 2019



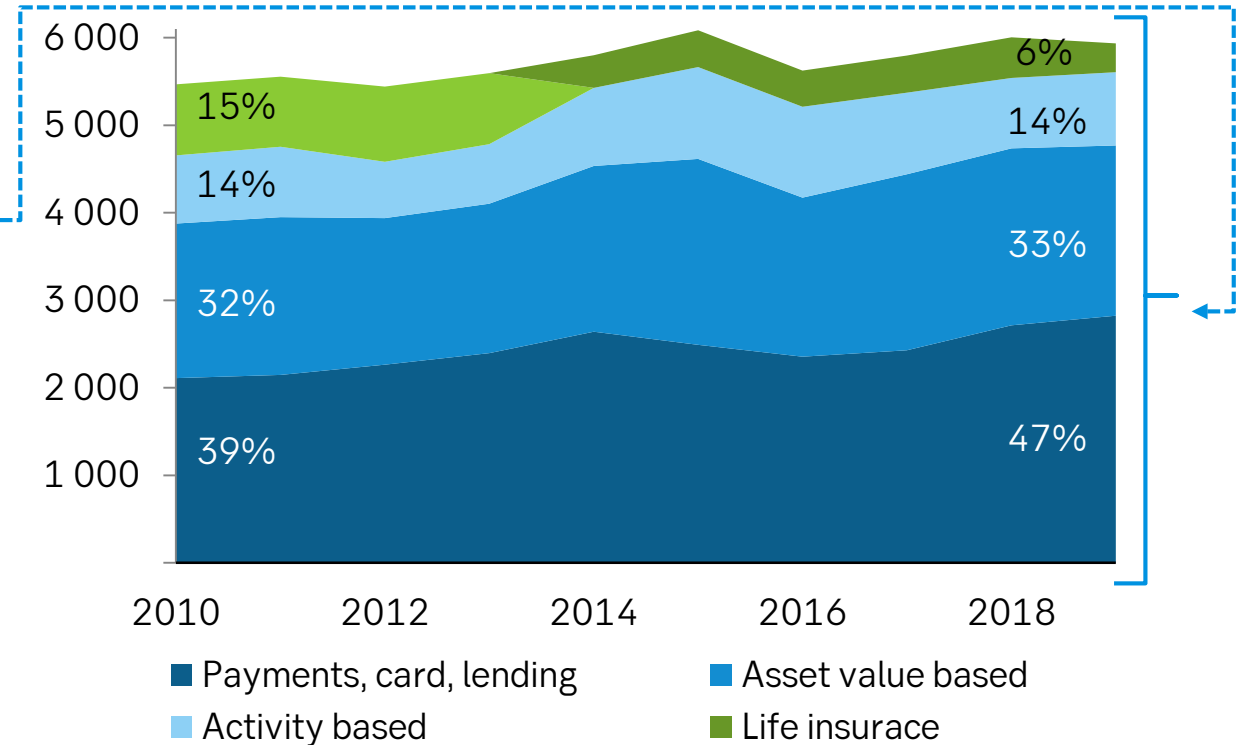
¹ EAD = Risk Exposure Amount/Risk Weight. Source: SEB + Swedish peers Q4 2019 reports

Business model generates stable and diversified income

Balanced mix of NII (net interest income) and non-NII
2010-2019 Average quarterly income, SEK m



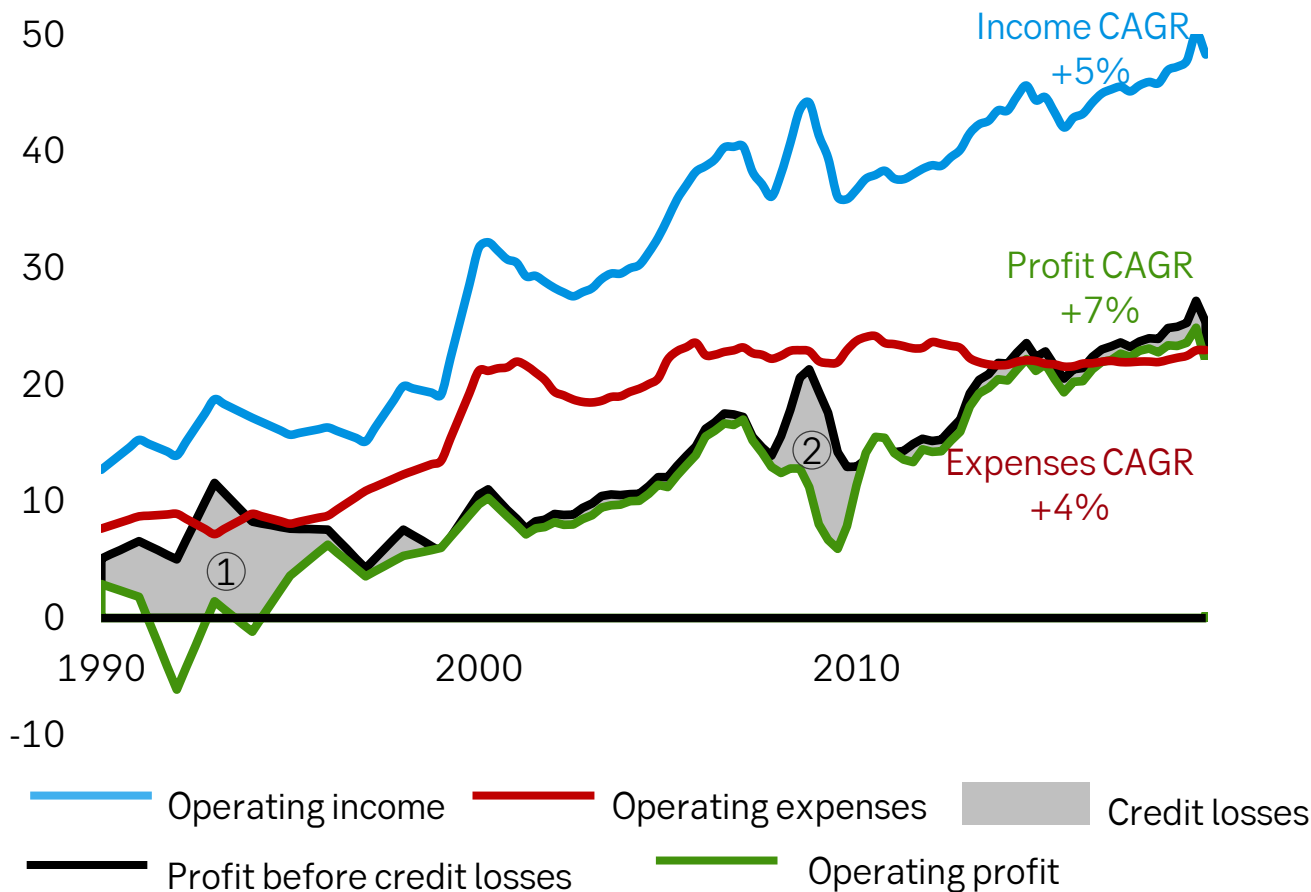
Stable fees & commissions generated through strong market franchise and recurring income
2010-2019 Average quarterly fees & commissions income, SEK m



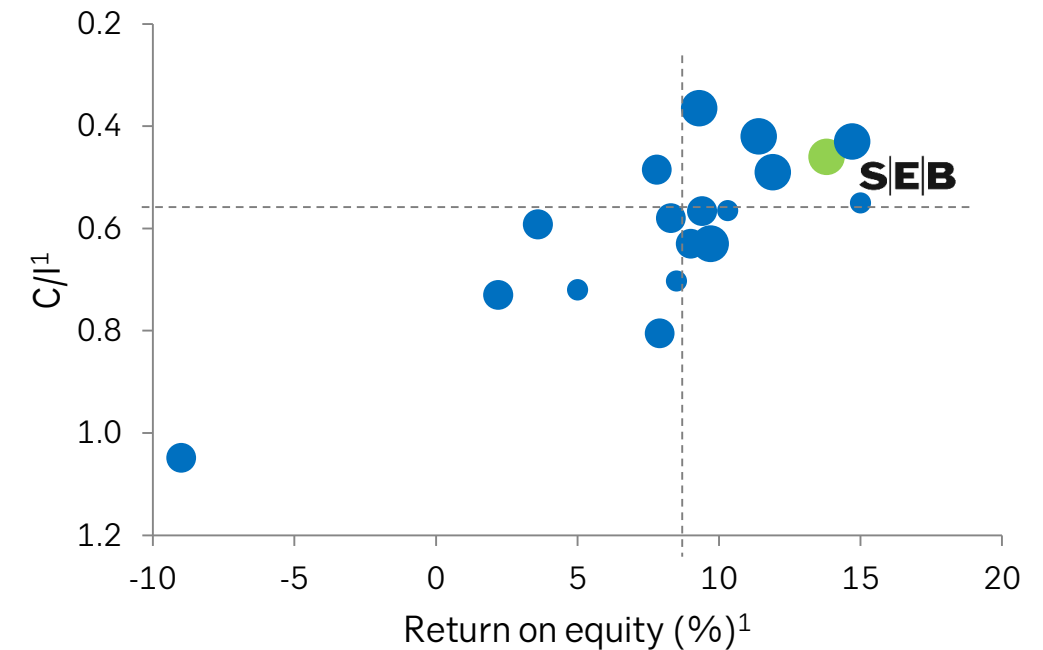
Note: LC&FI is the division Large Corporates and Financial Institutions. Traditional Life income booked under net financial income from Jan 2014

Sustainable value creation over time

Long-term profit development 1990-Q1 2020, rolling 12m (SEK bn)



Peer comparison – selected European and Nordic banks, 2019



Size of Bubble = CET 1 Ratio (<13%, 13-17%, >17%)

---- Median

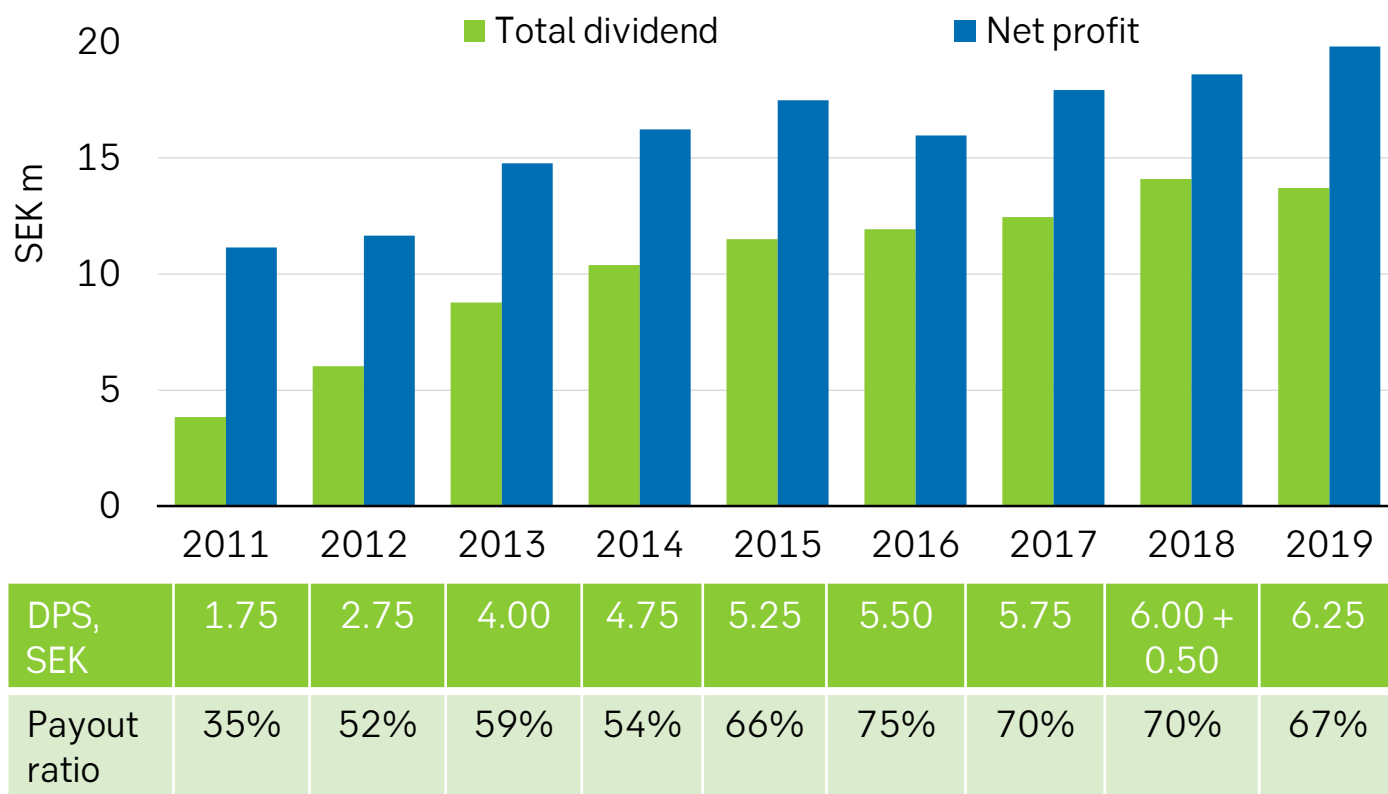
1. Consequences of Swedish economic paradigm shift and the ensuing financial crisis. SEB was one of two of major banks that was not taken over or directly guaranteed by the State 9

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
Adjusted for items affecting comparability in 2014-2018

Generating sustainable shareholder value

Dividends paid

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



SEB's main shareholders

31 March 2020	Share of capital, per cent
Investor AB	20.8
Alecta Pension Insurance	6.5
Trygg Foundation	5.2
Swedbank Robur Funds	4.0
AMF Insurance & Funds	3.8
BlackRock	2.7
Vanguard	2.0
SEB Funds	1.6
Own shareholding	1.3
Fourth Swedish National Pension Fund	1.3
Total share of foreign shareholders	26.5
Source: Euroclear Sweden/Modular Finance	

Note: 2014-2018 excluding items affecting comparability. Payout ratio 2018 excluding items affecting comparability and extraordinary dividend per share (DPS). Payout ratio 2018 was 76% if including extraordinary DPS. 2019: To ensure sufficient room for SEB to act in the interest of customers and shareholders, SEB's Board is analysing the situation before re-evaluating the dividend proposal for 2019.

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Q1 highlights

Underlying business remained robust, the result mainly impacted by negative market valuation effects following the Covid-19 outbreak.

Asset quality remained strong, but the uncertain macroeconomic outlook and lower oil prices required additional provisioning.

Strong capitalisation and comfortable liquidity position to continue supporting our customers.



Financial summary Q1 2020

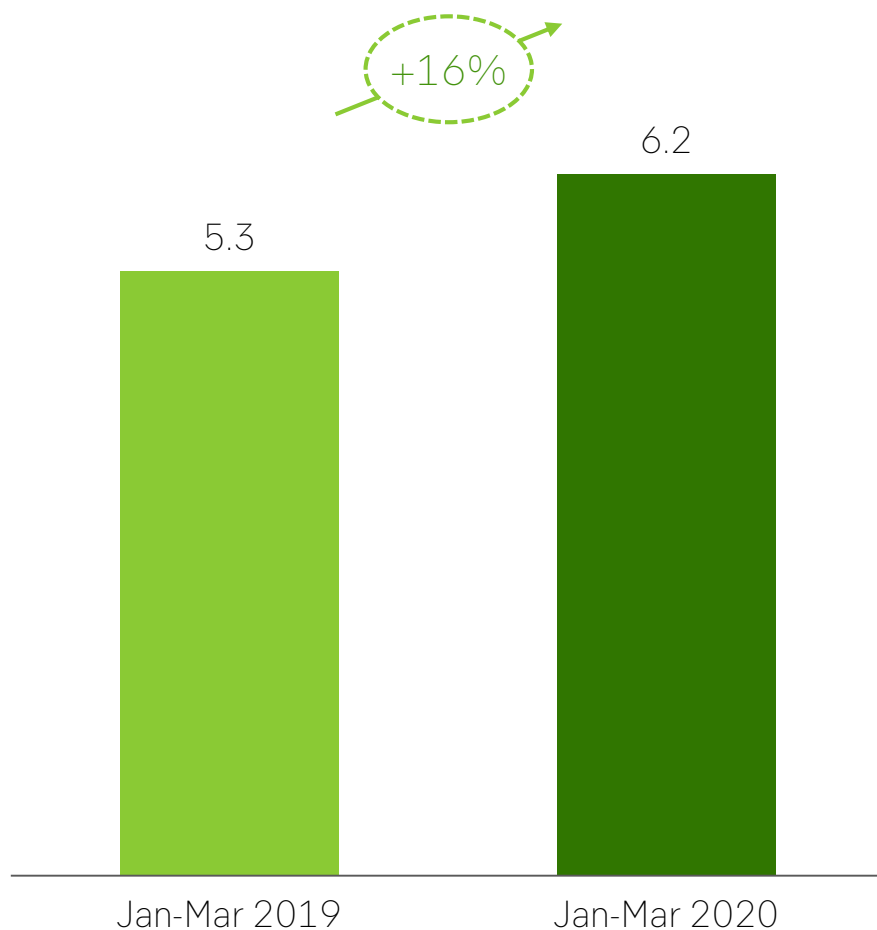
SEK m	Q1 2020	Q4 2019	%	Q1 2019	%
Total operating income	10,089	14,089	-28	11,907	-15
Total operating expenses	-5,646	-6,026	-6	-5,622	0
Profit before credit losses	4,443	8,063	-45	6,285	-29
Net expected credit losses etc.	-1,494	-1,000	49	-422	
Operating profit	2,950	7,063	-58	5,864	-50

	Net ECL level	C/I	CET 1	RoE
<i>Reported</i>	25bps	0.56	16.8 %	6.0 %
<i>Ex CVA/DVA</i>		0.50		9.3 %

Net interest income development

Net interest income

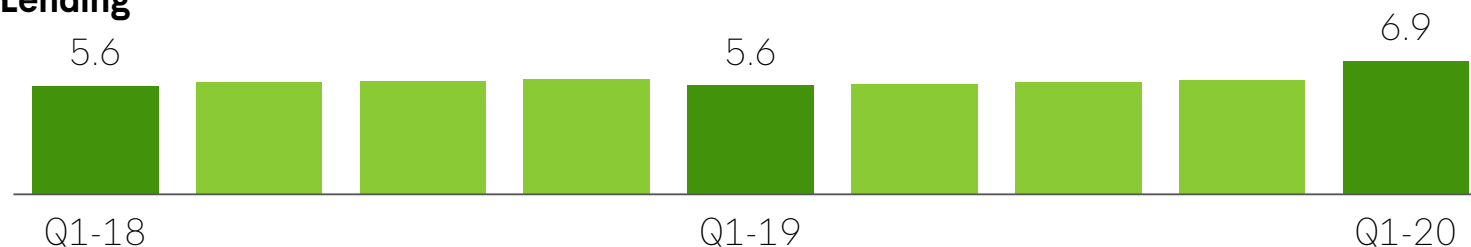
Jan-Mar 2020 vs. Jan-Mar 2019 (SEK bn)



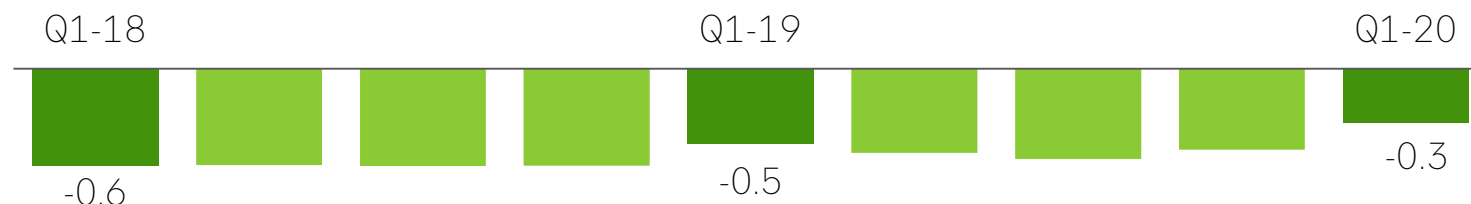
Net interest income type

Q1 2018 – Q1 2020 (SEK bn)

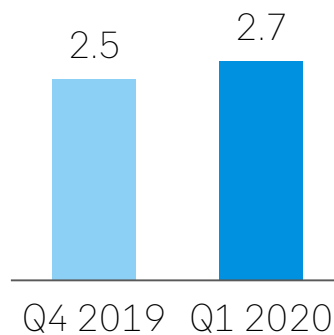
Lending



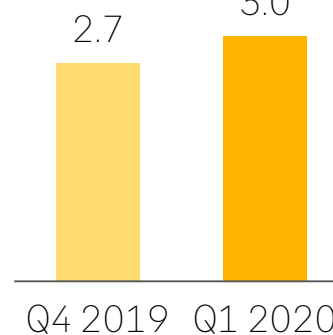
Regulatory fees



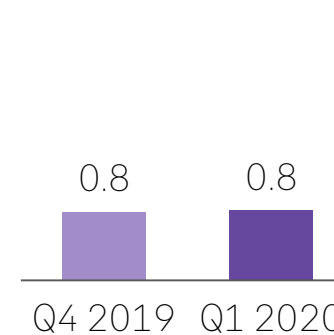
LC&FI



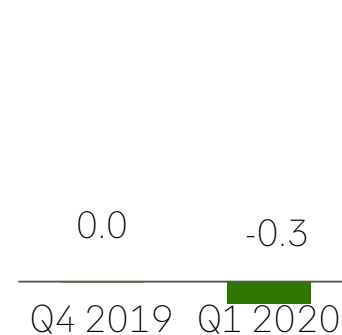
C&PC



Baltic



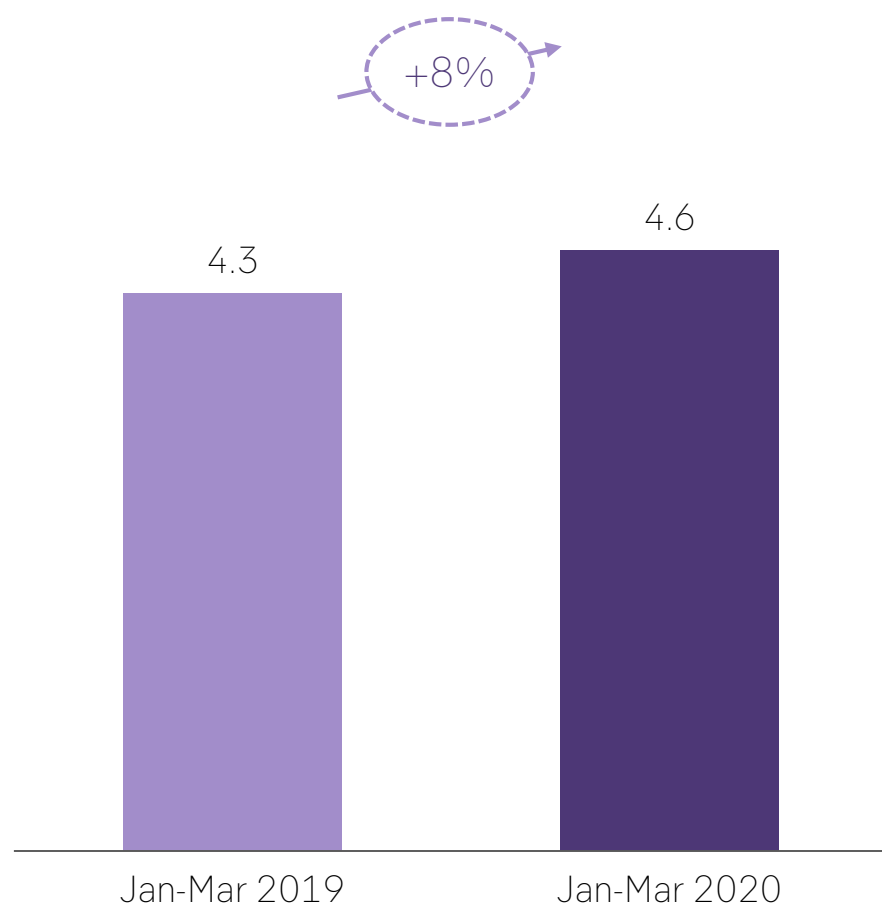
Other



Net fee & commission income development

Net fee & commissions

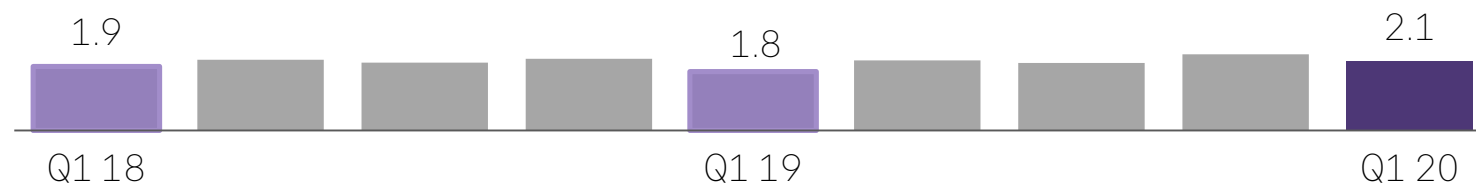
Jan-Mar 2020 vs. Jan-Mar 2019 (SEK bn)



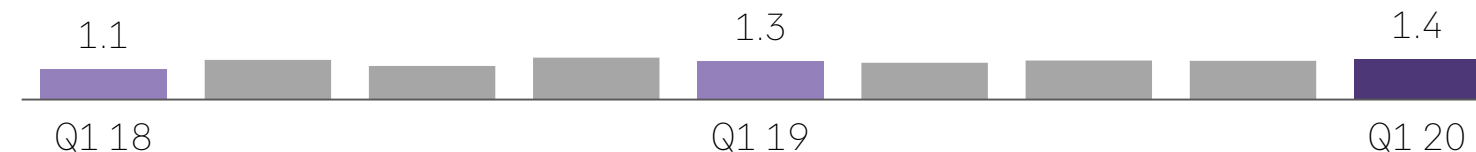
Net fee & commissions by income type

Q1 2018 – Q1 2020 (SEK bn)

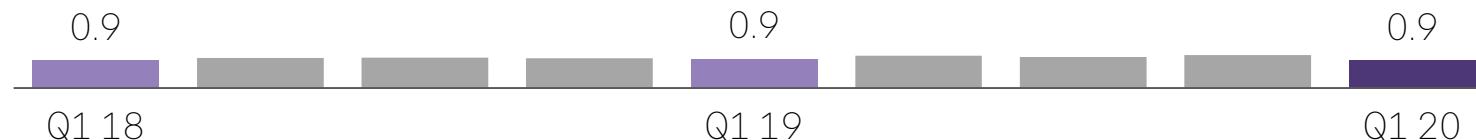
Net securities commissions (custody, mutual funds, brokerage)



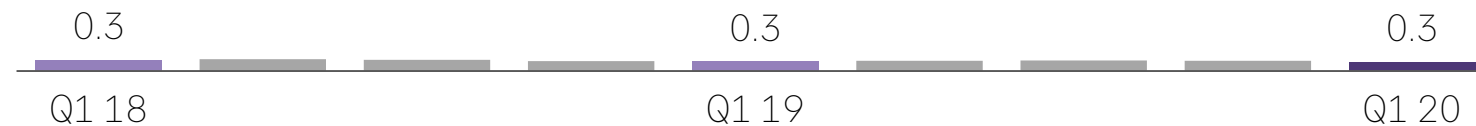
Net advisory fees, lending fees & other commissions



Net payment & card fees



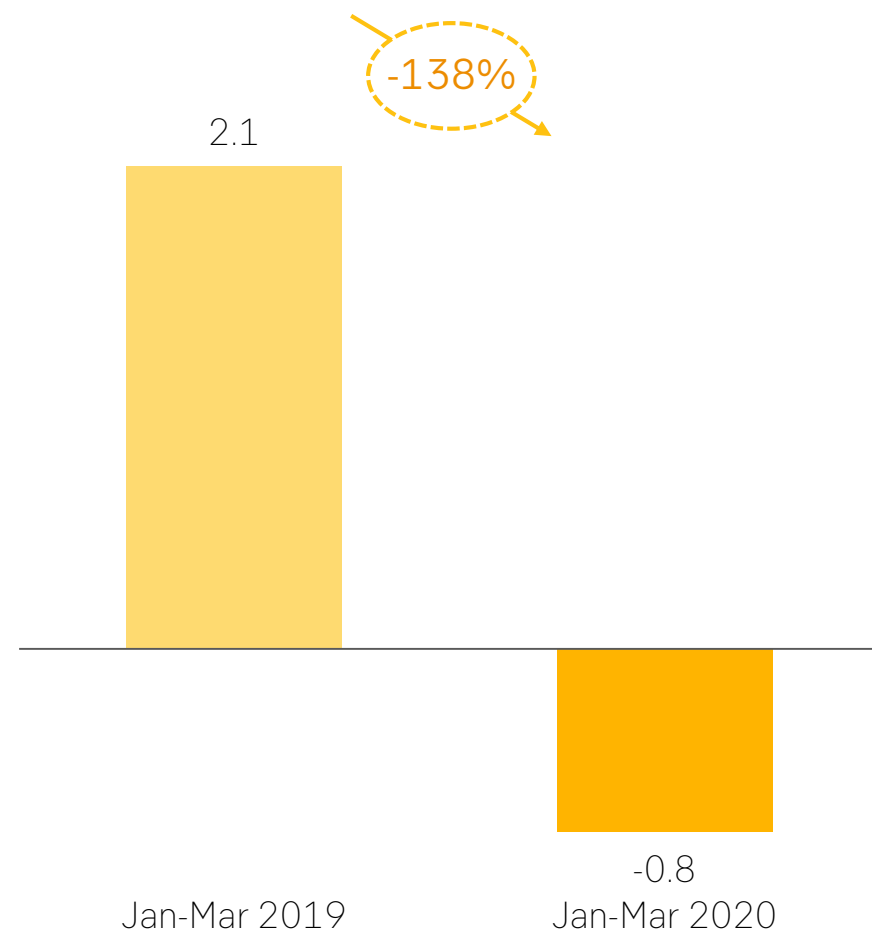
Net life insurance commissions



Net financial income development

Net financial income

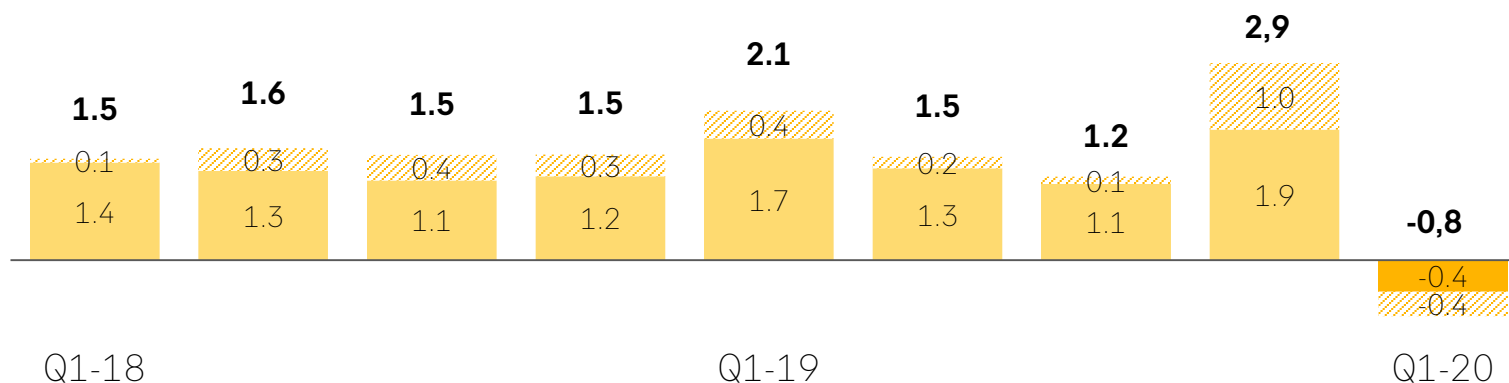
Jan-Mar 2020 vs. Jan-Mar 2019 (SEK bn)



Net financial income development

Q1 2018 – Q1 2020 (SEK bn)

■ NFI Divisions
▨ NFI Treasury & Other



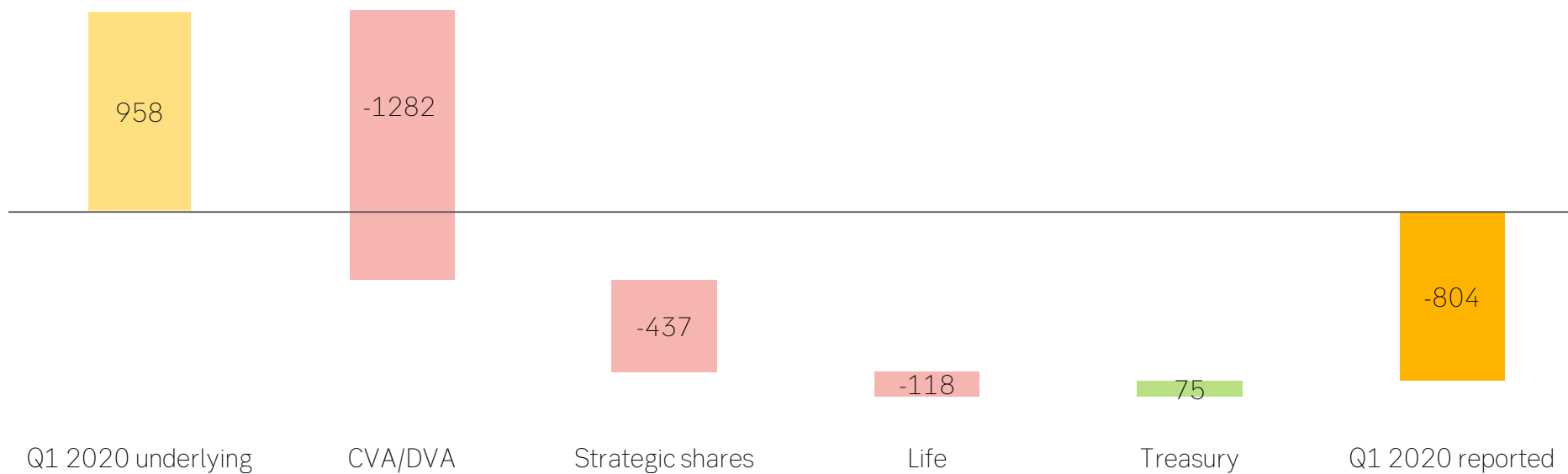
VIX index (VIX S&P 500 volatility)



Net financial income development (contd.)

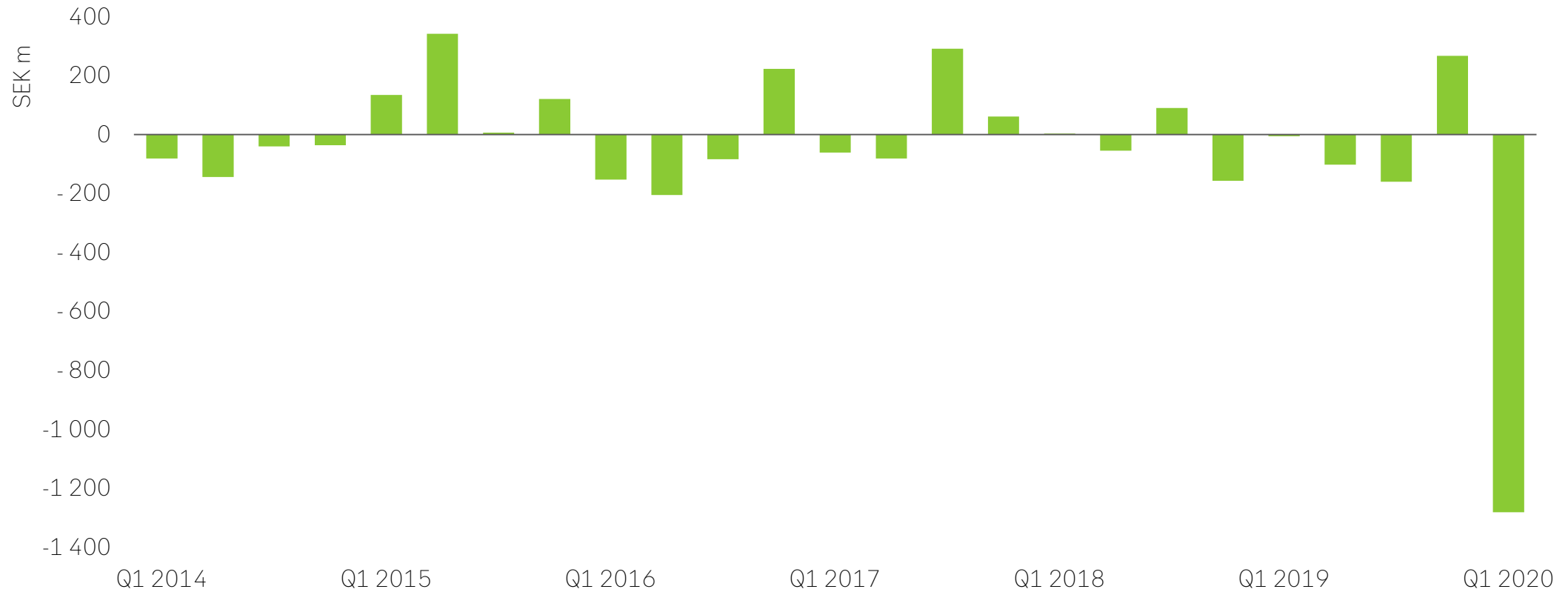
Net financial income in Q1 2020

SEK m



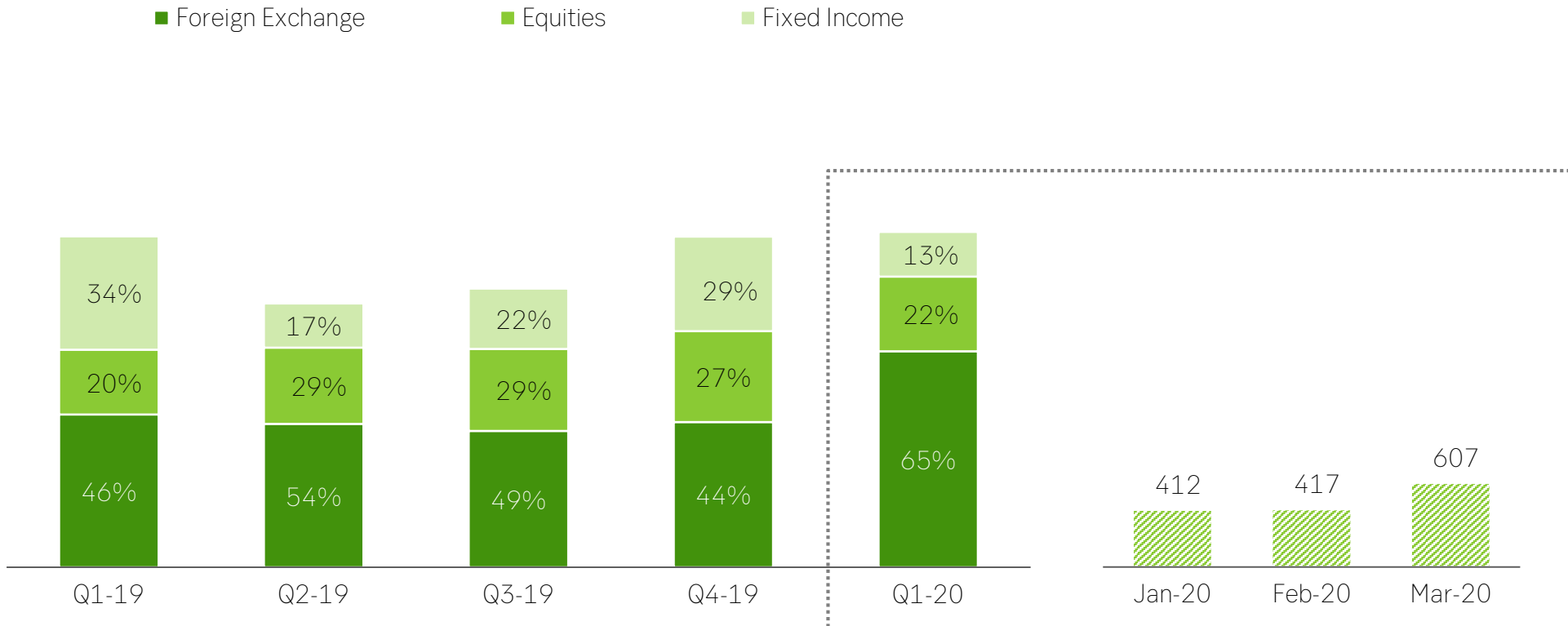
Development of XVA (CVA and DVA)

SEK 173m net contribution to NFI during 2014-2019



Markets income by main product cluster and by month

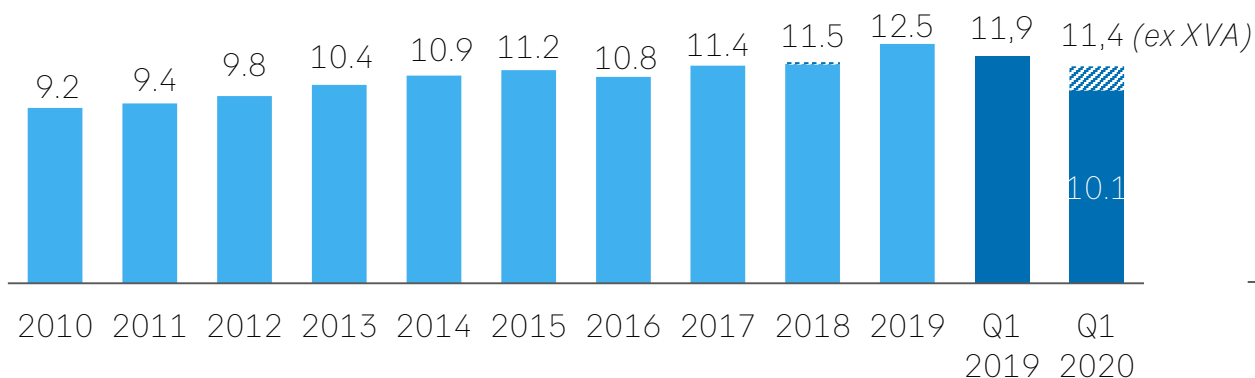
Excluding XVA, SEK m



Operating leverage

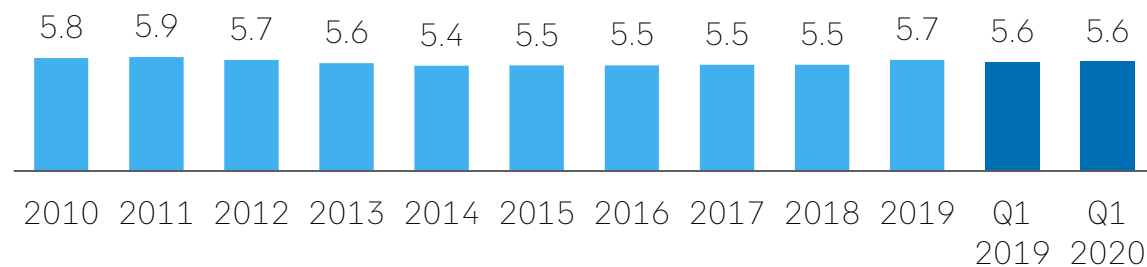
Average quarterly income

SEK bn



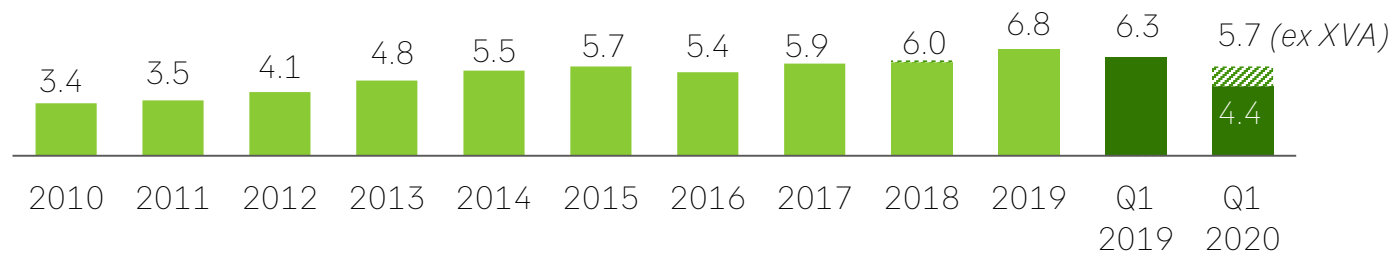
Average quarterly expenses

SEK bn

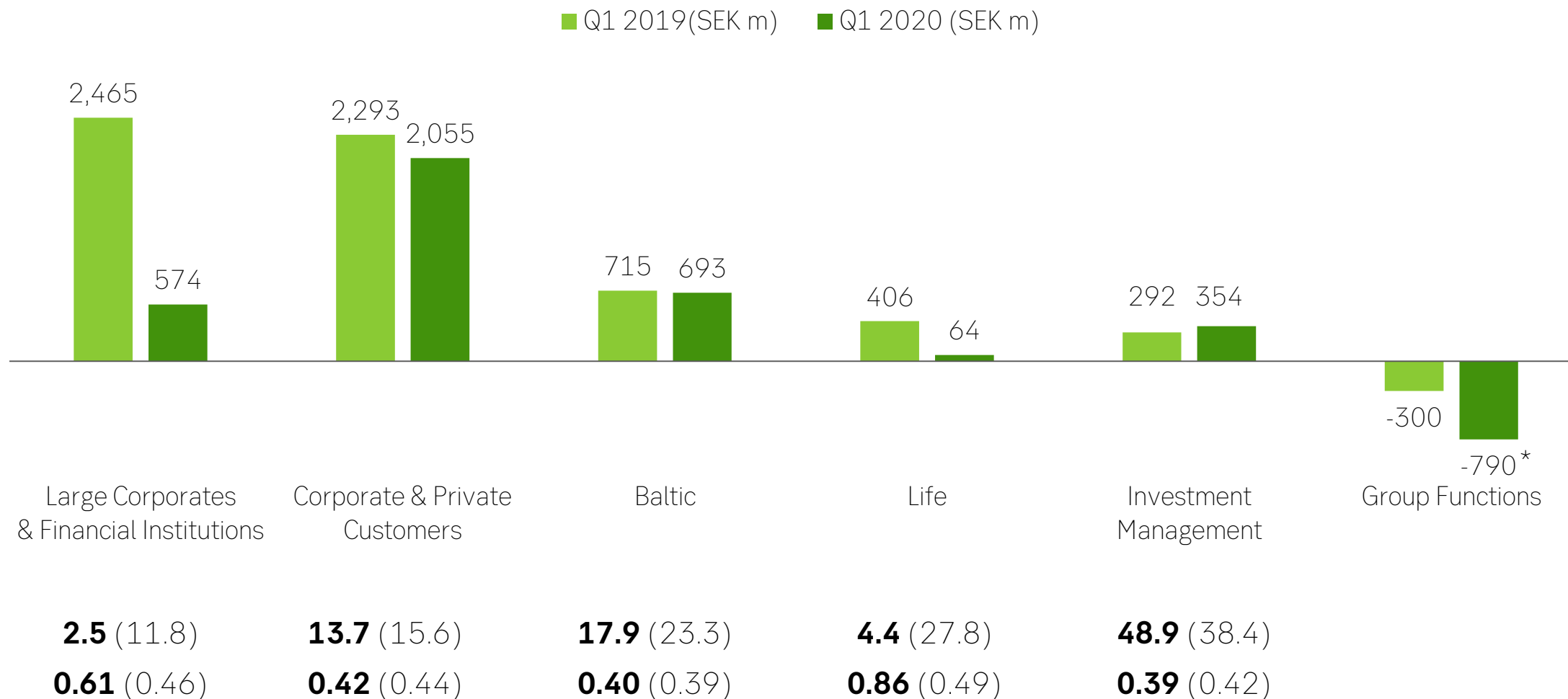


Average quarterly profit before credit losses

SEK bn



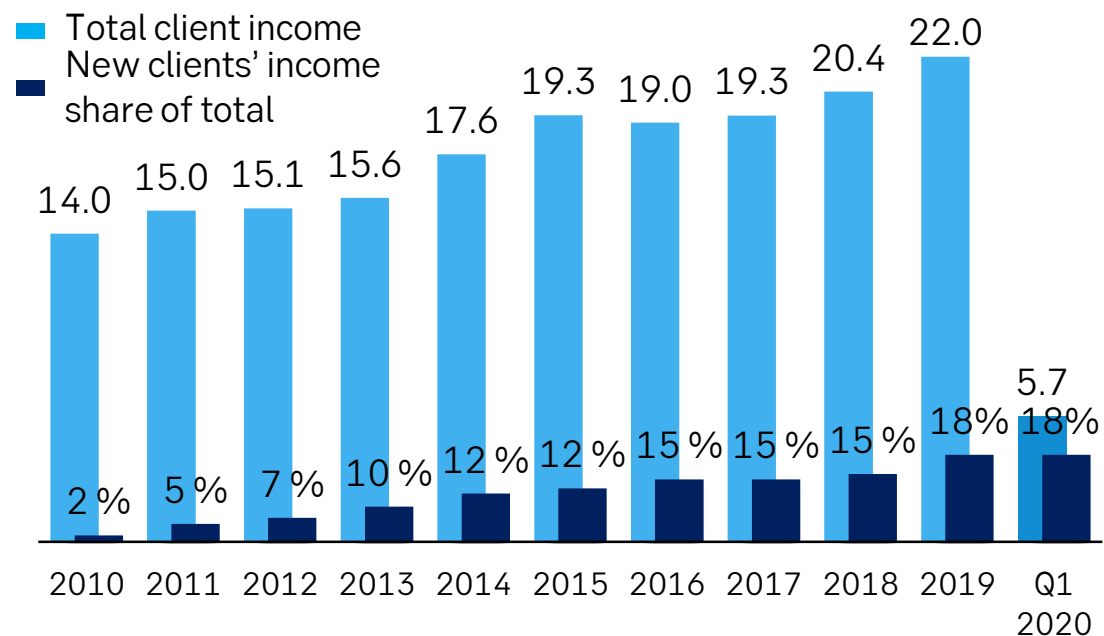
Operating profit by division



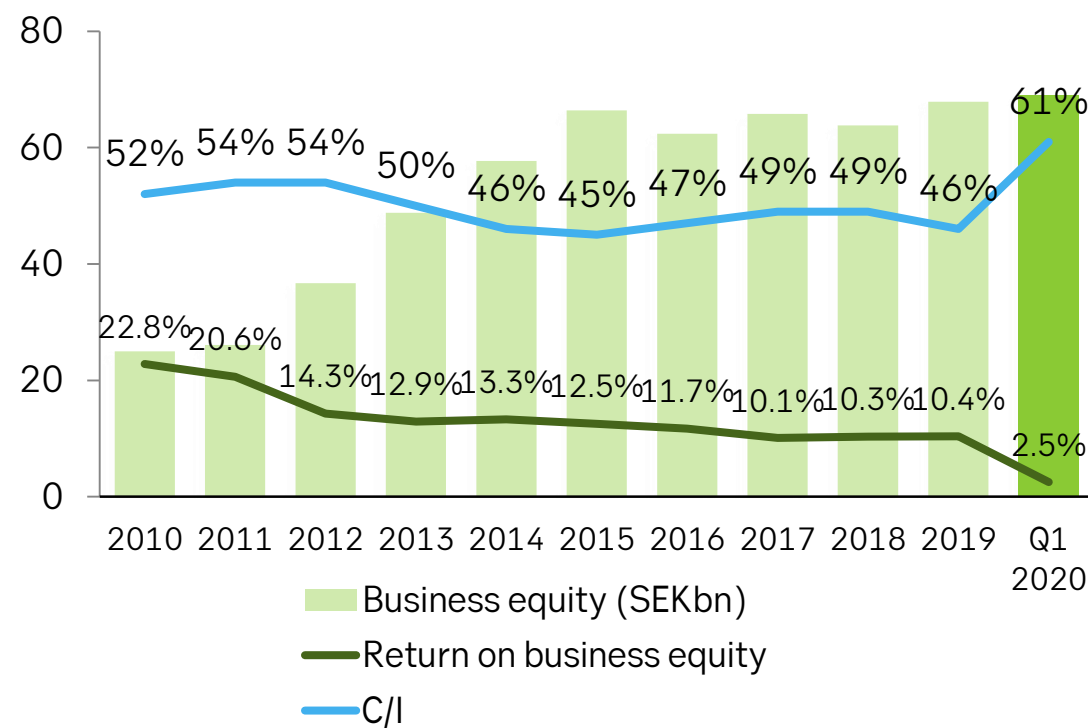
* Group Functions consist of Business Support, Technology, Treasury, Staff units and the German run-off operations.

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



2020 Q1: ROE negatively impacted by market valuation effects

2016 C/I: Excl. one-off costs of SEK 354m

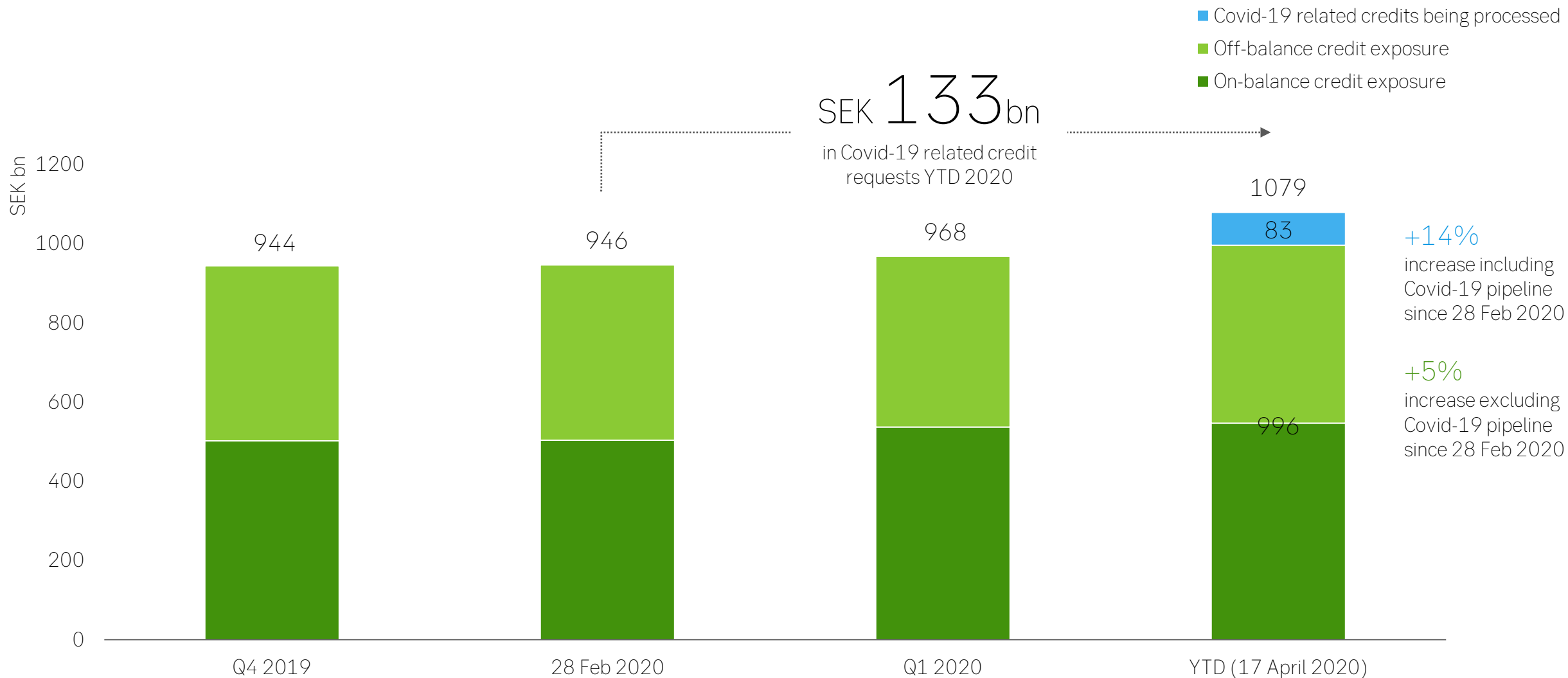
2015 C/I: Excl. one-off costs of SEK 902m

2010-13: Restated figures following the new organisational structure as of Jan 1, 2016. As a result 2010-2013 figures not comparable

*Including also Swedish clients.

Covid-19 related credit requests

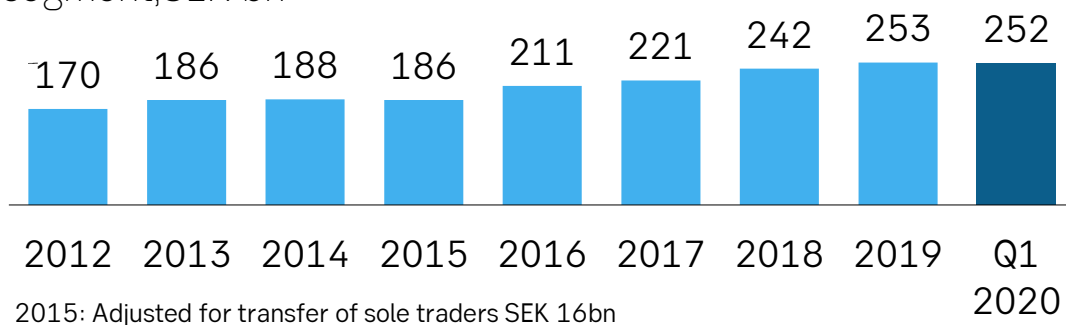
Large Corporates & Financial Institutions



Steady growth and efficiency improvement

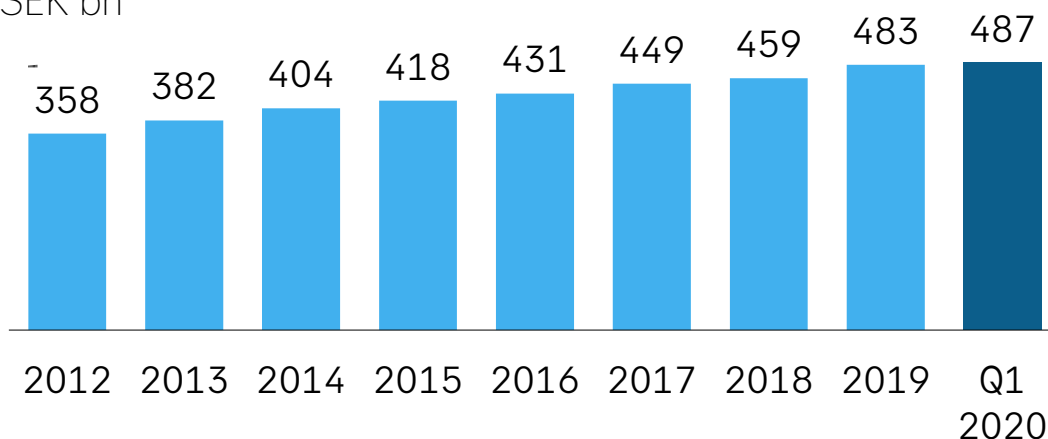
Stable lending growth in corporate segment

Loans to corporates and real estate management in SME segment, SEK bn



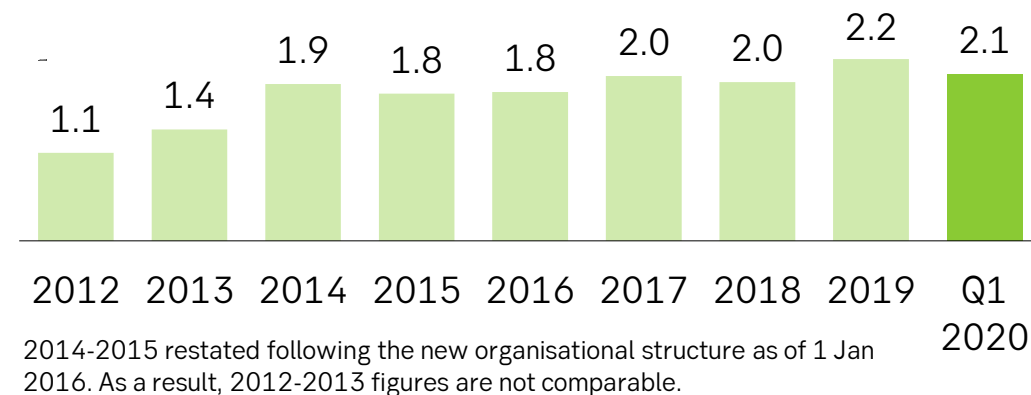
Stable growth in household mortgage lending

SEK bn

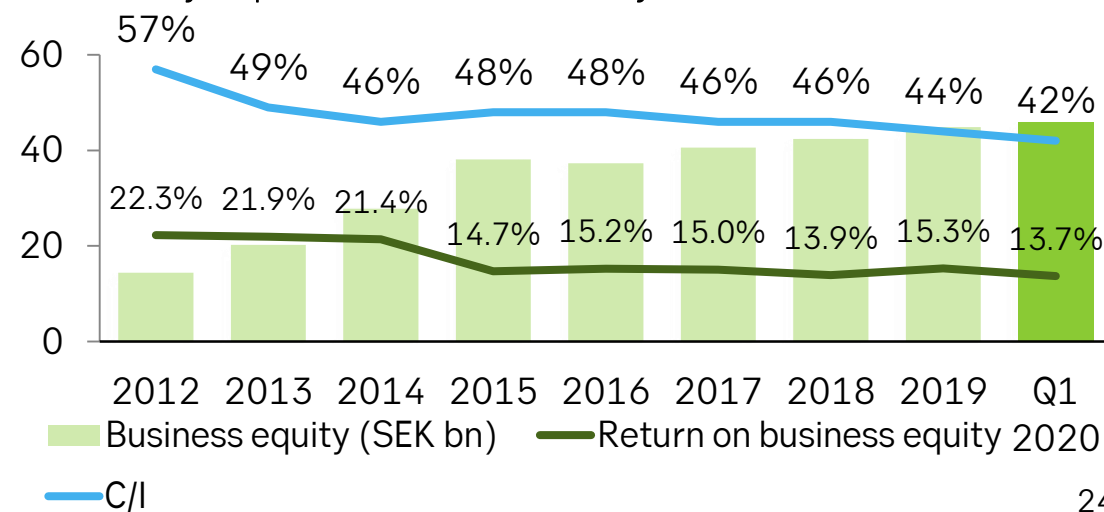


Solid operating profit

Average quarterly operating profit, SEK bn



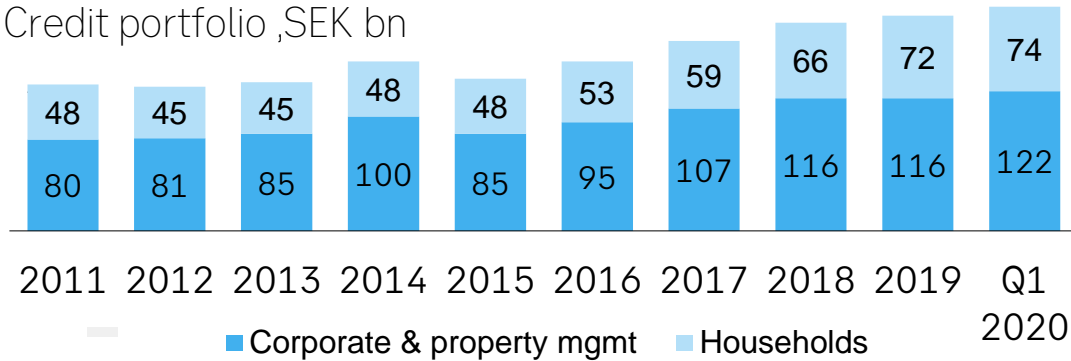
Steady improvement in efficiency



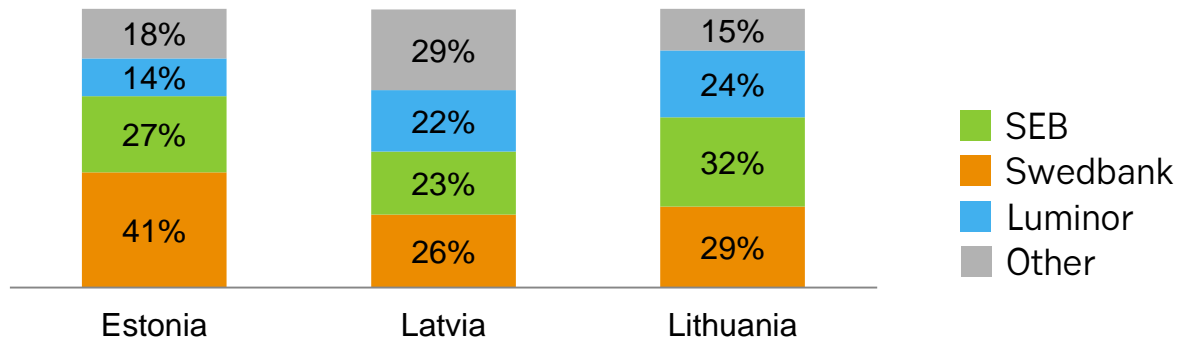
Strong profitability in the Baltic division

Stable credit growth driven by healthy economic development last five years

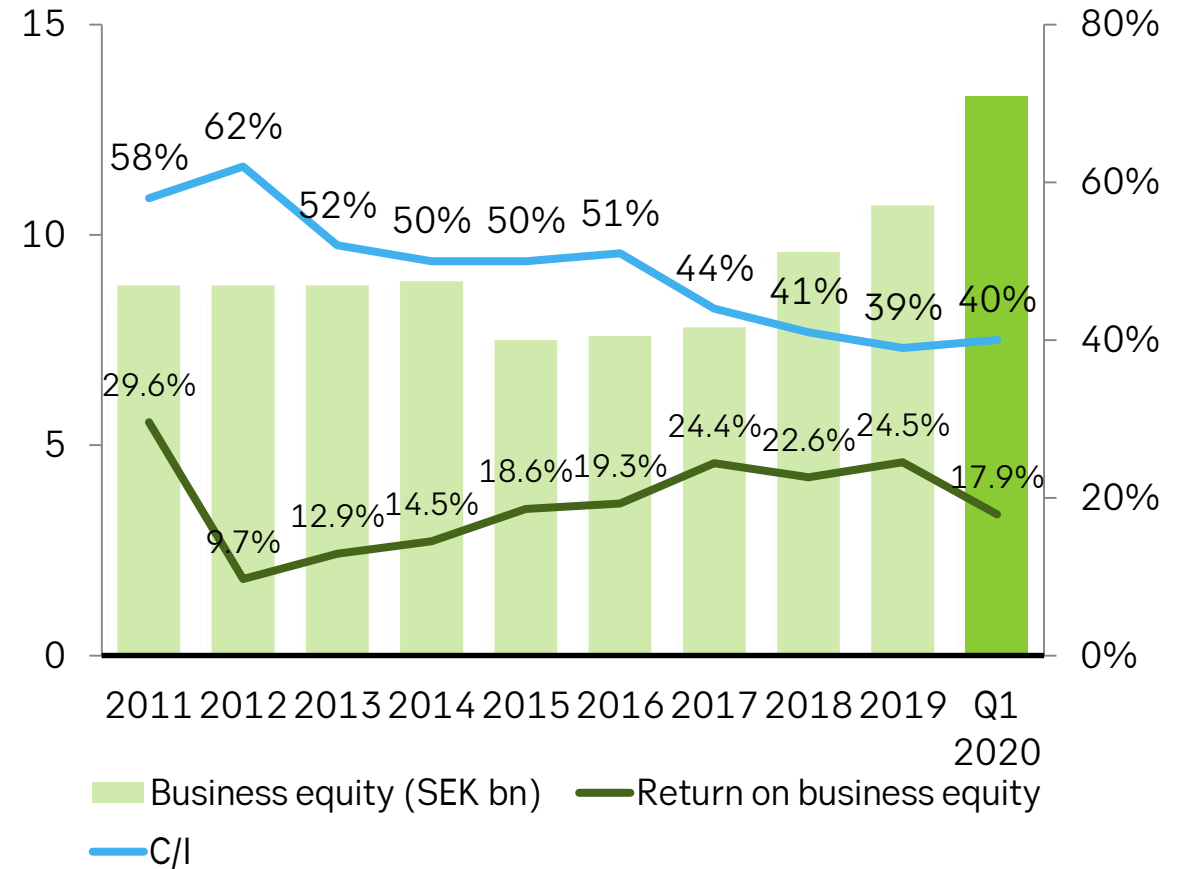
Credit portfolio ,SEK bn



Leading position in terms of lending market share

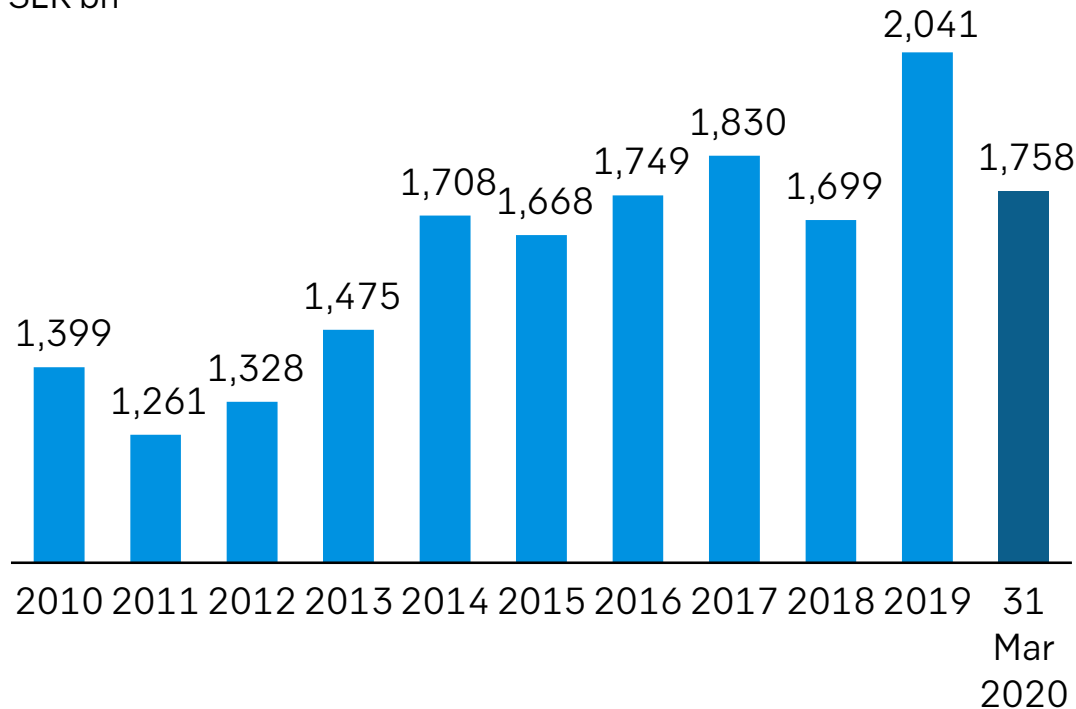


Strong development of key ratios

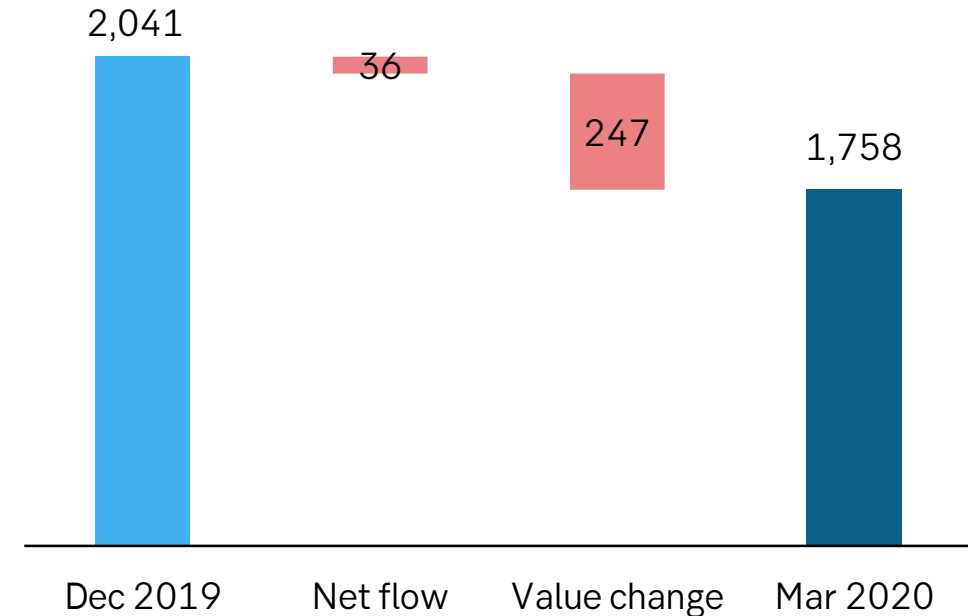


AUM impacted by dramatic negative market reaction following Covid-19 pandemic

Assets under management¹
SEK bn



Assets under management development in Q1 2020
SEK bn



¹ Definition of assets under management changed from 2015. Divestment of SEB Pension DK in 2018 reduced AUM by approx. SEK 116m.

Summary key financials

	Q1 2020	2019	2018	2017	2016	2015	2014	2013	2012	2011 ¹⁾
Return on equity, % ⁶⁾	6.0	13.8	13.4	12.9	11.3	12.9	13.1	13.1	11.5	12.3
Cost/income ratio, %	56	46	48	48	50	49	50	54	61	62
Net ECL level / Credit loss level, % ³⁾	0.25	0.10	0.06	0.05	0.07	0.06	0.09	0.09	0.08	-0.08
Stage 3 loans/total loans, gross / NPL/lending, % ⁴⁾	0.71	0.67	0.50	0.5	0.5	0.6	0.8	0.7	1.0	1.4
Liquidity Coverage Ratio (LCR), % ⁵⁾	176	218	147	145	168	128	115	129	NA	NA
CET1 ratio, % ²⁾	16.8	17.6	17.6	19.4	18.8	18.8	16.3	15.0	NA	NA
Total capital ratio, % ²⁾	21.2	23.3	22.2	24.2	24.8	23.8	22.2	18.1	NA	NA
Leverage ratio, % ²⁾	4.3	5.1	5.1	5.2	5.1	4.9	4.8	4.2	NA	NA
Assets under custody, SEK bn	8,992	10,428	7,734	8,046	6,859	7,196	6,763	5,958	5,191	4,490
Assets under management, SEK bn	1,758	2,041	1,699	1,830	1,749	1,668	1,708	1,475	1,328	1,261

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 ECL (expected credit loss) level (2018) is based on IFRS 9 expected loss model, net credit loss level (2011-2017) is based on IAS39 incurred loss model.

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

5) LCR based on EU definition as from 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

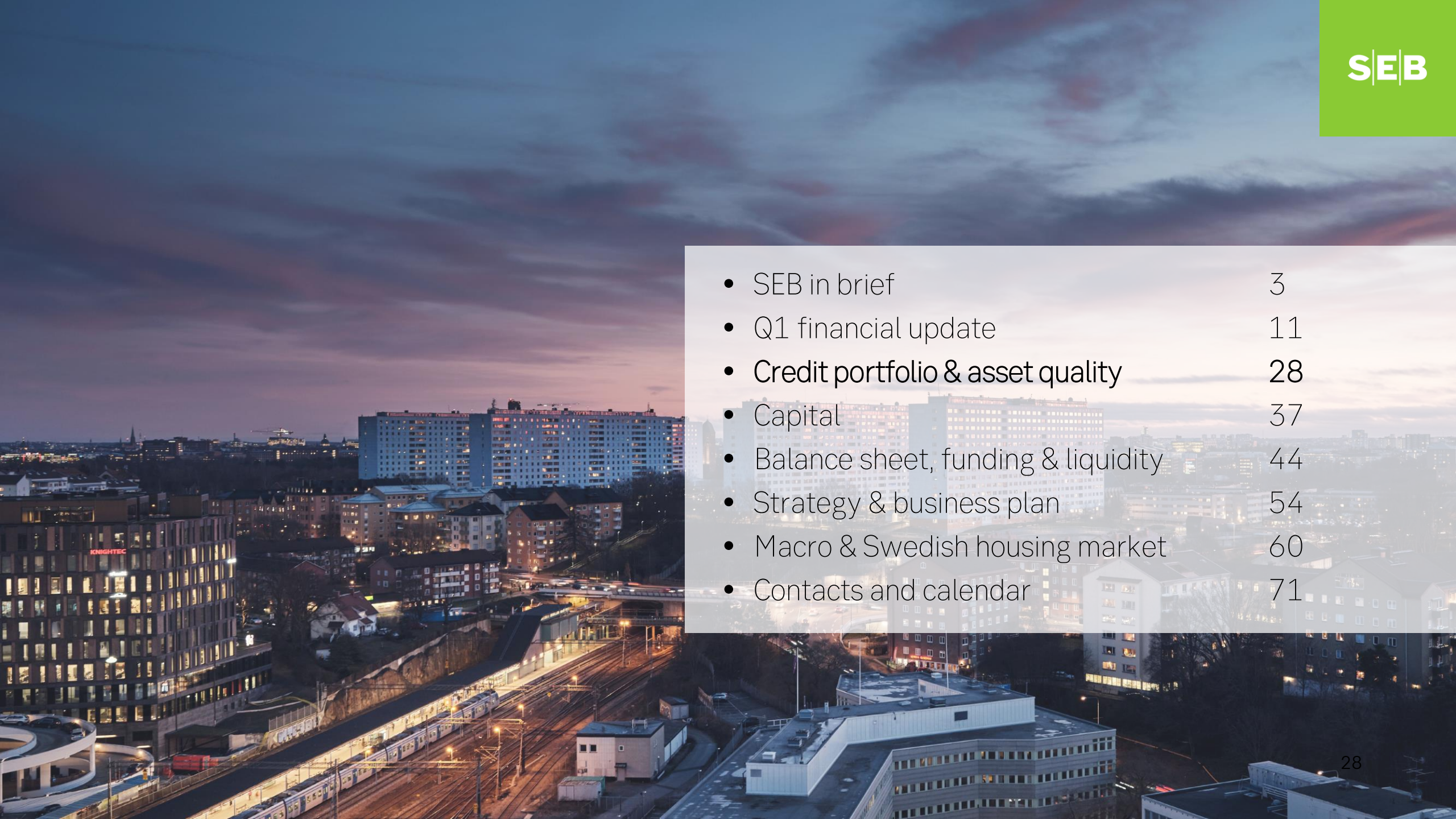
d. 2017: Excluding a dividend from VISA of SEK 494m, costs related to the transformation to a German branch of SEK 521m, transfer of pension obligation to BVV of SEK 891m, impairment and derecognition of IT intangibles of SEK 978m.

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

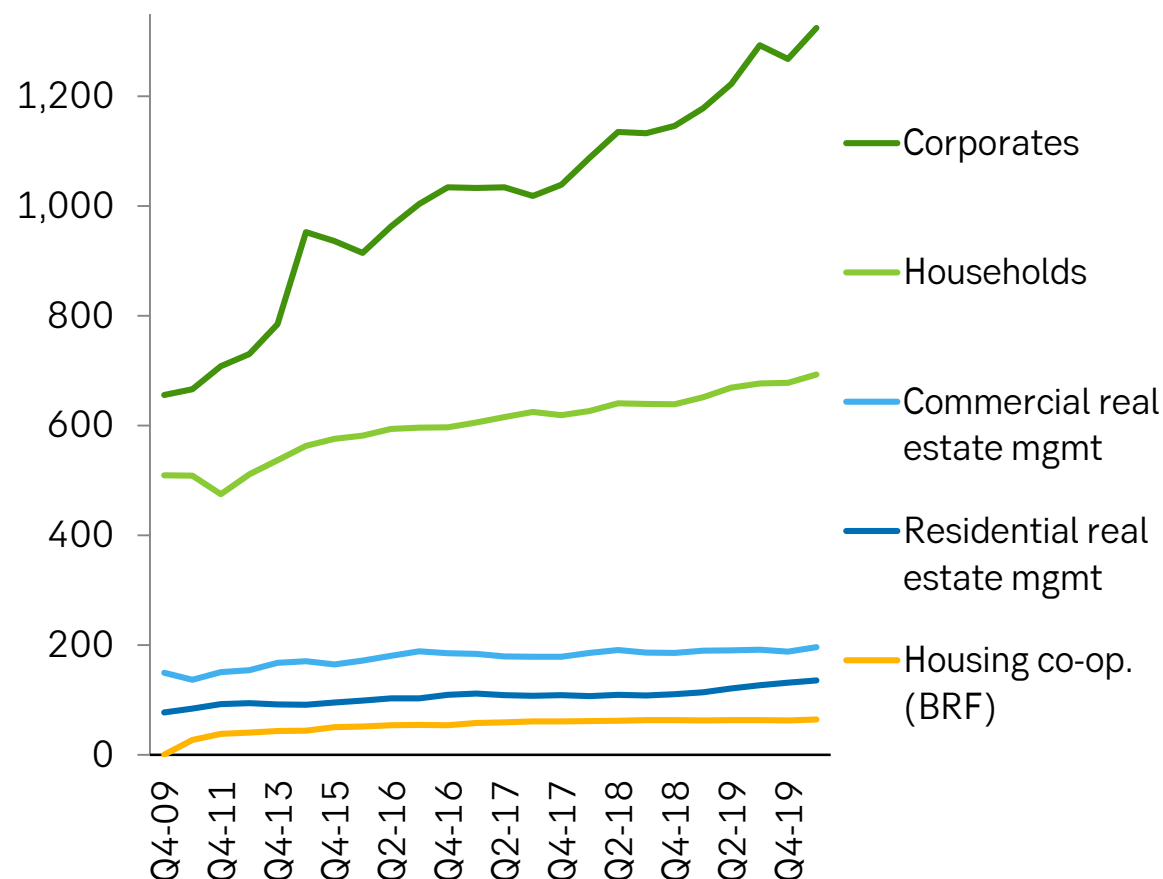
c. and d. The FY 2016 results, profitability and efficiency ratios exclude the effects of the above mentioned items affecting comparability.



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Development of credit portfolio

Credit portfolio by main sectors (SEK bn)



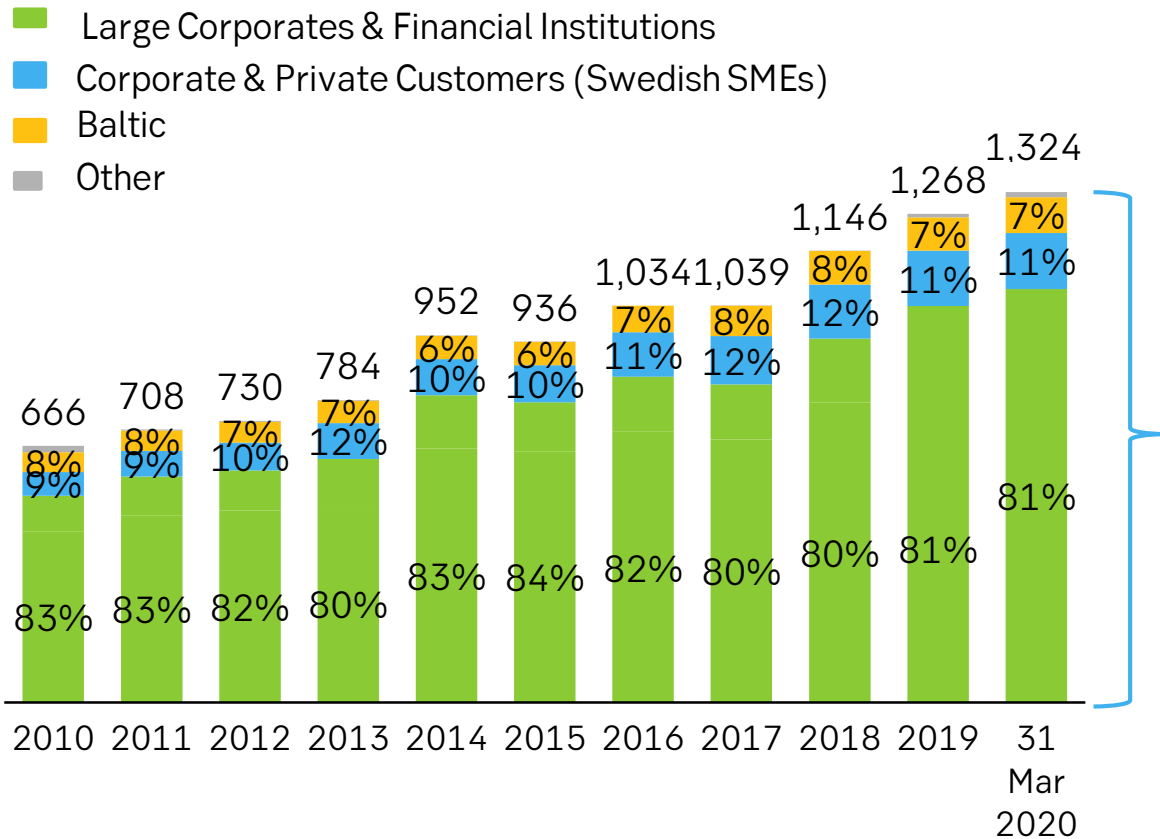
Note: data include on- & off-balance sheet exposures.

Credit portfolio growth rates

Sector	QoQ	YoY
Corporates	4%	12%
FX-adjusted	1%	9%
Households	2%	6%
Swedish mortgages	3%	7%
Commercial real estate	4%	3%
Residential real estate	3%	19%
Housing co-op associations	2%	3%
Total (excl banks)	3%	2%

Industry diversification and low on-balance sheet exposure render lower corporate credit risk

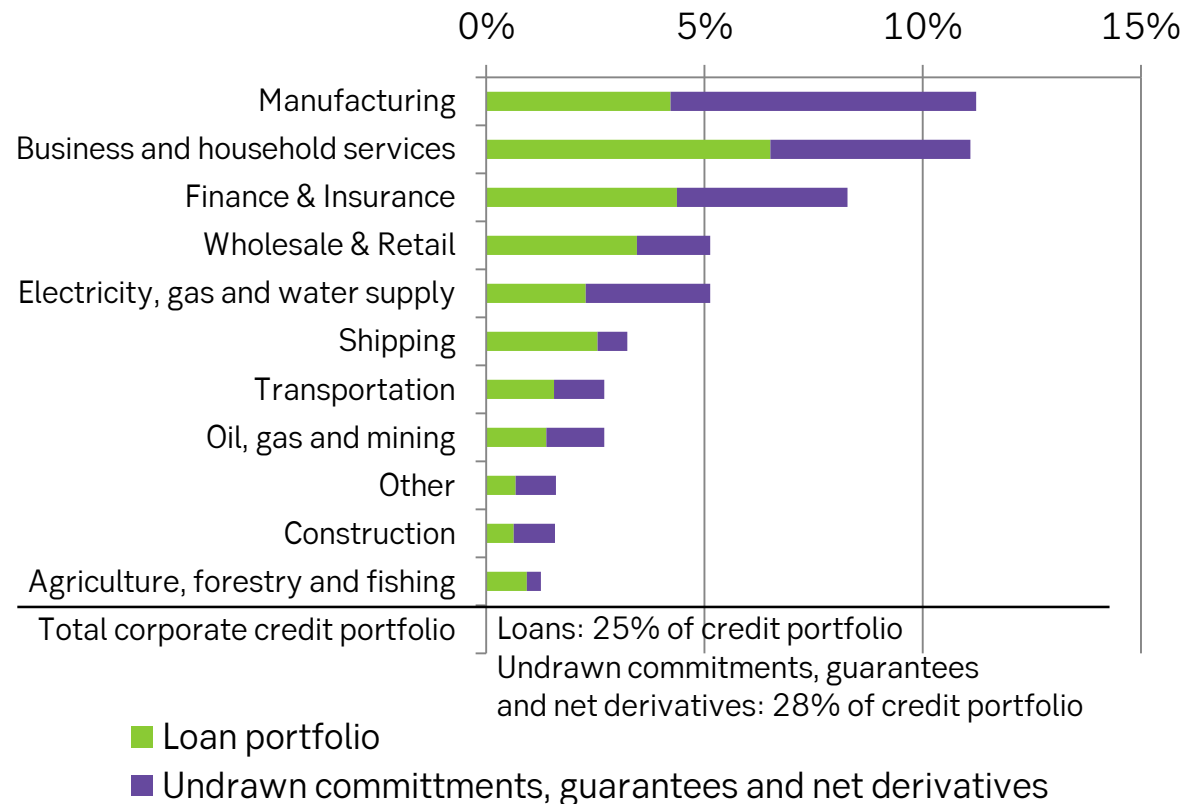
Corporate credit portfolio by division (SEK bn)



Note: Corporate credit portfolio does not include real estate management

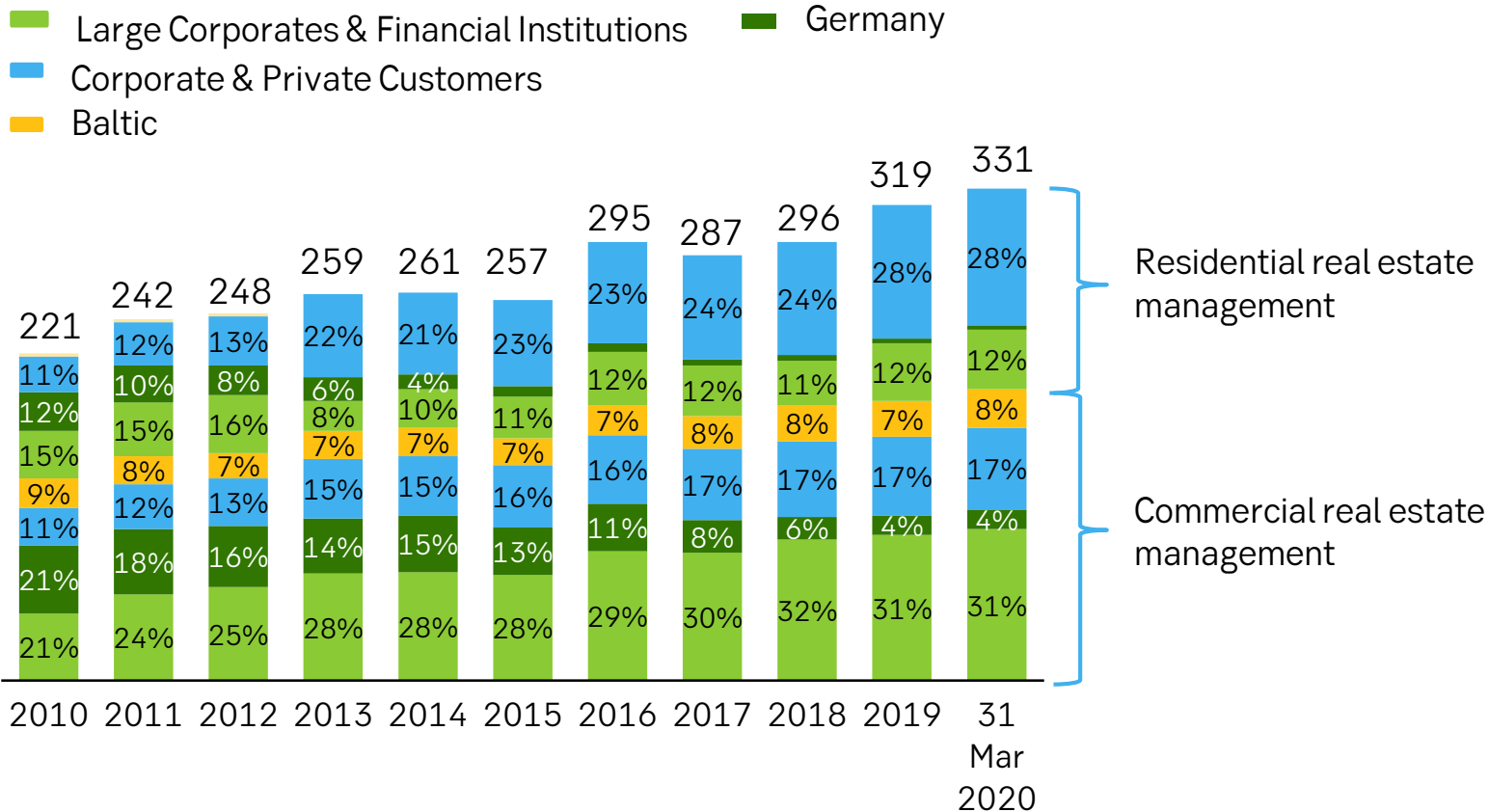
Corporate credit portfolio by sector and by loans and other exposures

% of credit portfolio excl. banks

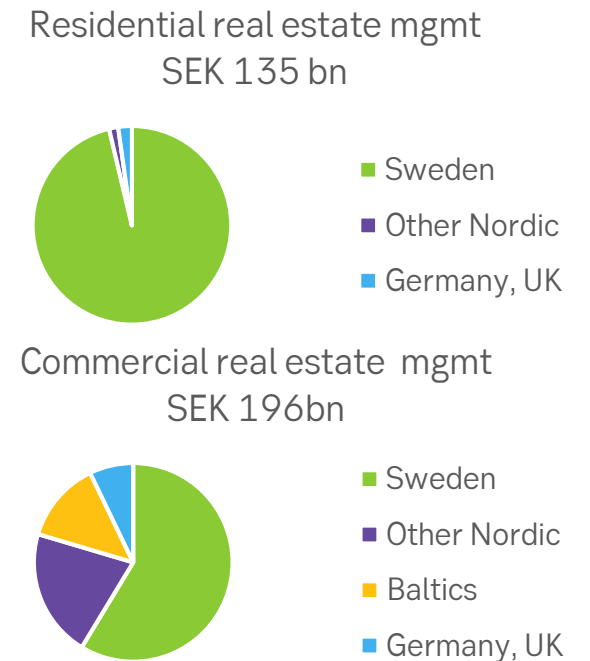


Real estate exposure focused on Nordic commercial real estate and Swedish residential sector

Real estate management credit portfolio by division (SEK bn)

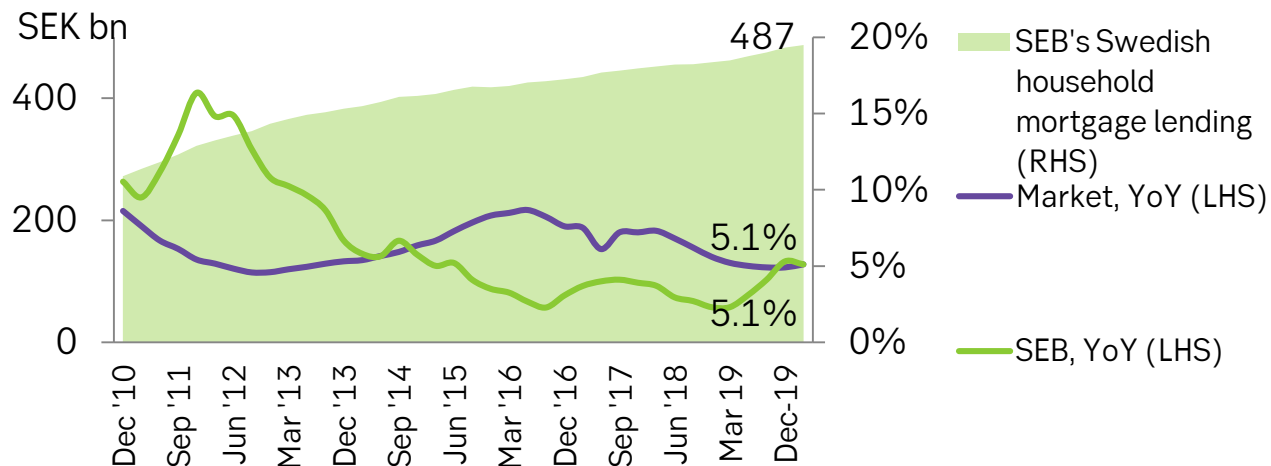


Real estate management credit portfolio by geography (31 Mar 2020)



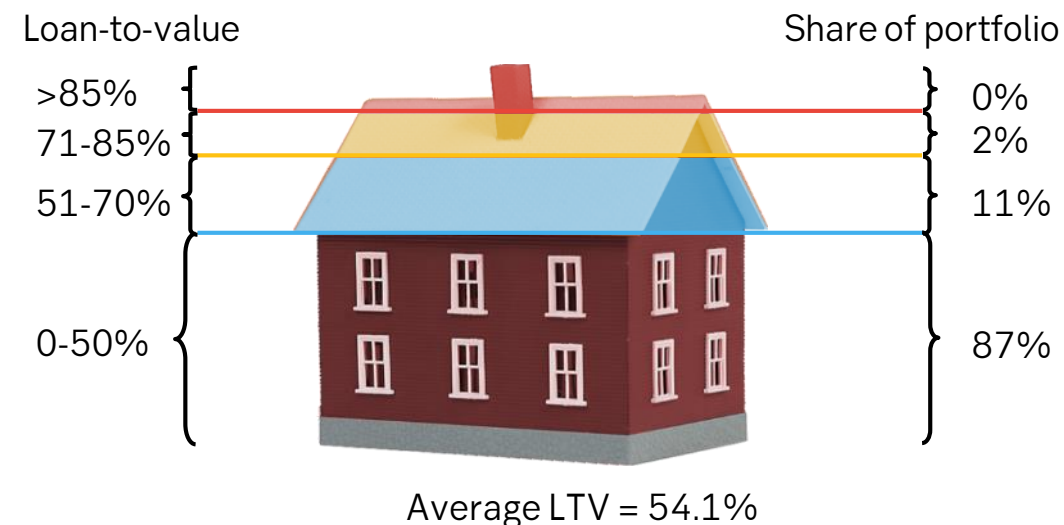
Robust Swedish household mortgage portfolio

SEB's household mortgage lending development vs. total market growth



Source: SCB's market statistics as of Feb 2020. SEB as of March 2020

Low LTVs by regional and global standards



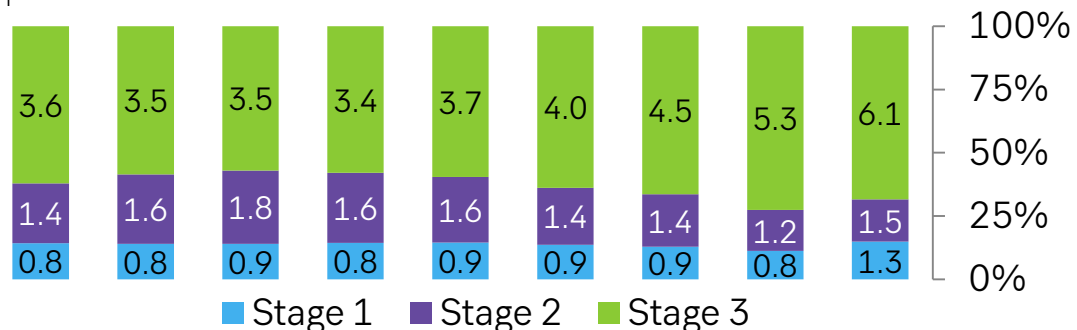
Selective origination - SEB's mortgage lending based on affordability

- **Strong customer base:** According to UC AB (national credit information agency), SEB's customers have higher credit quality than market average and are over-proportionally represented in higher income segments. Customers are also concentrated to larger cities
- **High asset quality** – negligible past dues and losses
- **Strict credit scoring and assessment**
- **Strengthened advisory services** - "sell first and buy later"
- **Affordability assessment** (funds left to live on post all fixed costs and taxes) includes stressed interest rate scenario of 6% on personal debt and 3% on a housing co-op's debt which indirectly affects the private individual ("double leverage")
- **Amortisation requirement:** LTV 70-85% loans amortise min. 2%/yr and between 50-70% at least 1%/year. As of 2018, loans with DTI>4.5x amortise an additional percentage point –regulatory requirement. Amortisation requirements temporarily removed due to COVID-19
- **Max loan amount:** In general 5x total gross household income irrespective of LTV and no more than one payment remark on any kind of debt

Robust credit portfolio with high asset quality

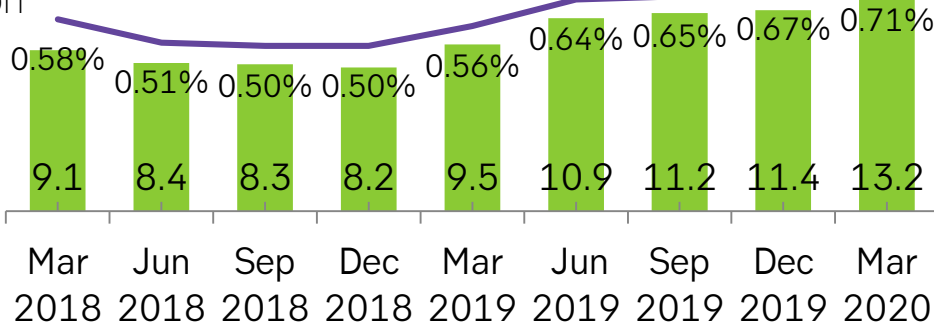
ECL allowances by stage

SEK bn



Stage 3 loans, gross

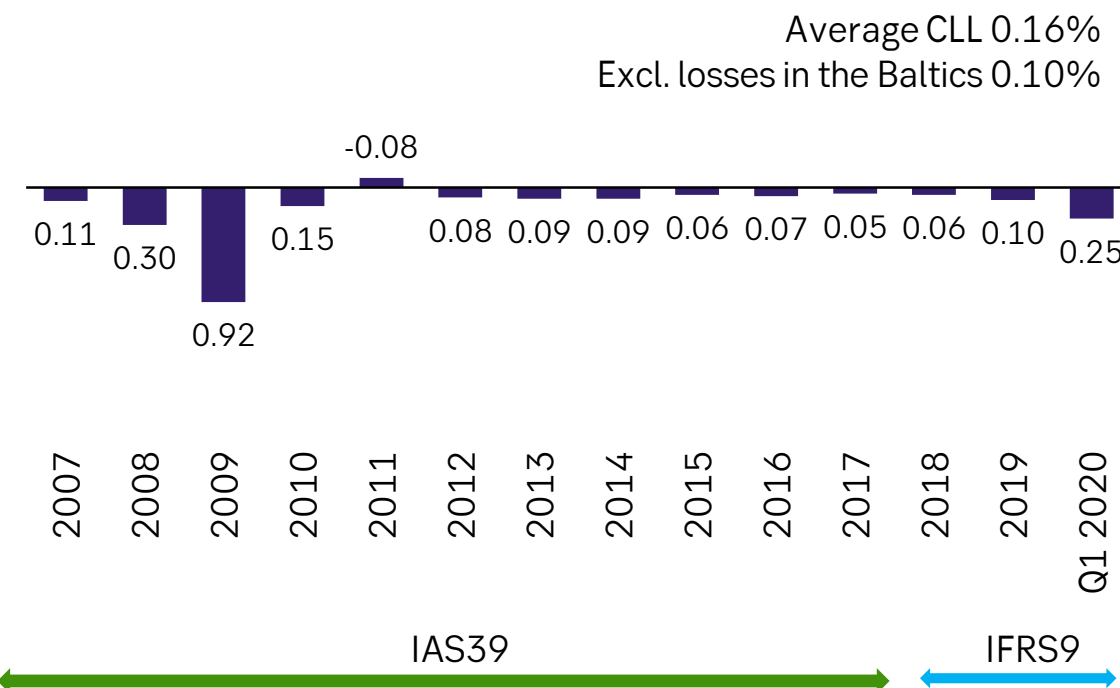
SEK bn



Stage 3 loans, gross Stage 3 loans as % of total loans, gross

High asset quality renders low credit loss level over time

Credit loss level, %

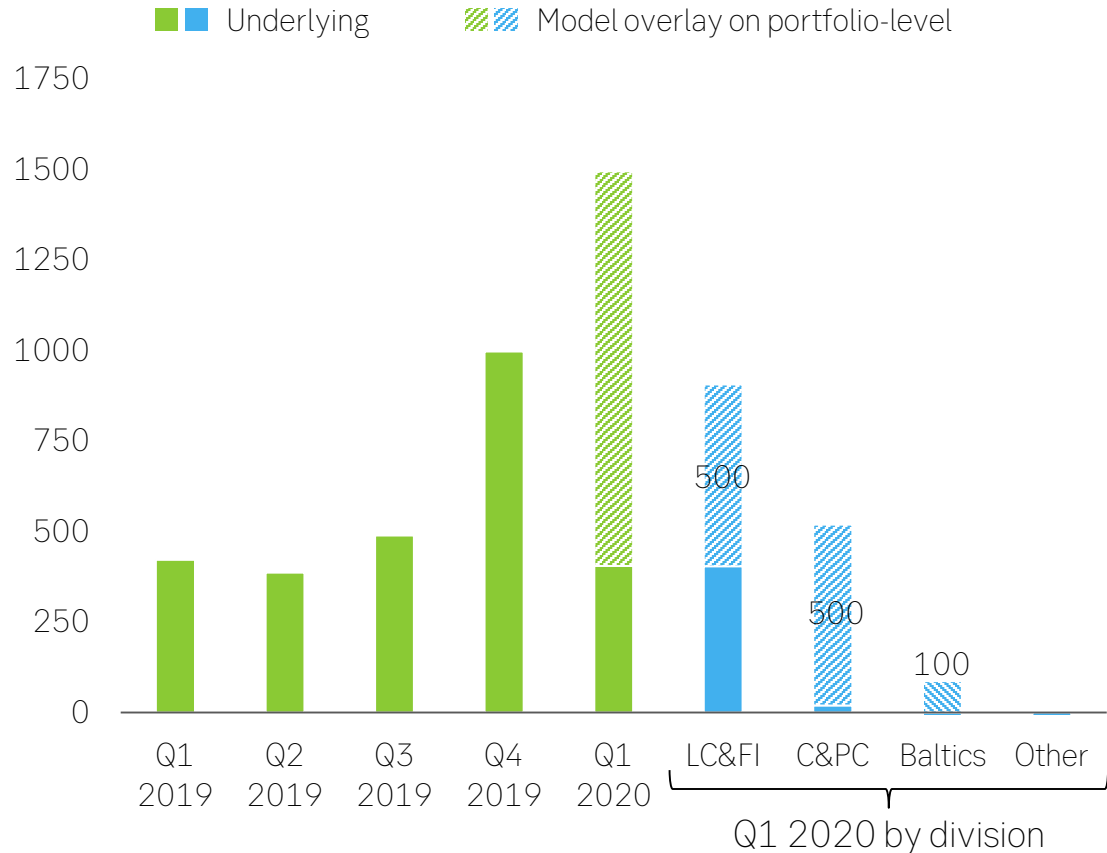


- Overall asset quality remained stable in Q1 2020
- Due to the high uncertainty on the macroeconomic development and pressured oil prices, SEB made a model overlay of SEK 1.1bn on portfolio-level, including SEK 500m for oil-related exposures, for future expected asset quality deterioration resulting in total Net ECL of SEK 1.5bn in Q1 2020

Underlying robust asset quality – provisioning for future expected deterioration

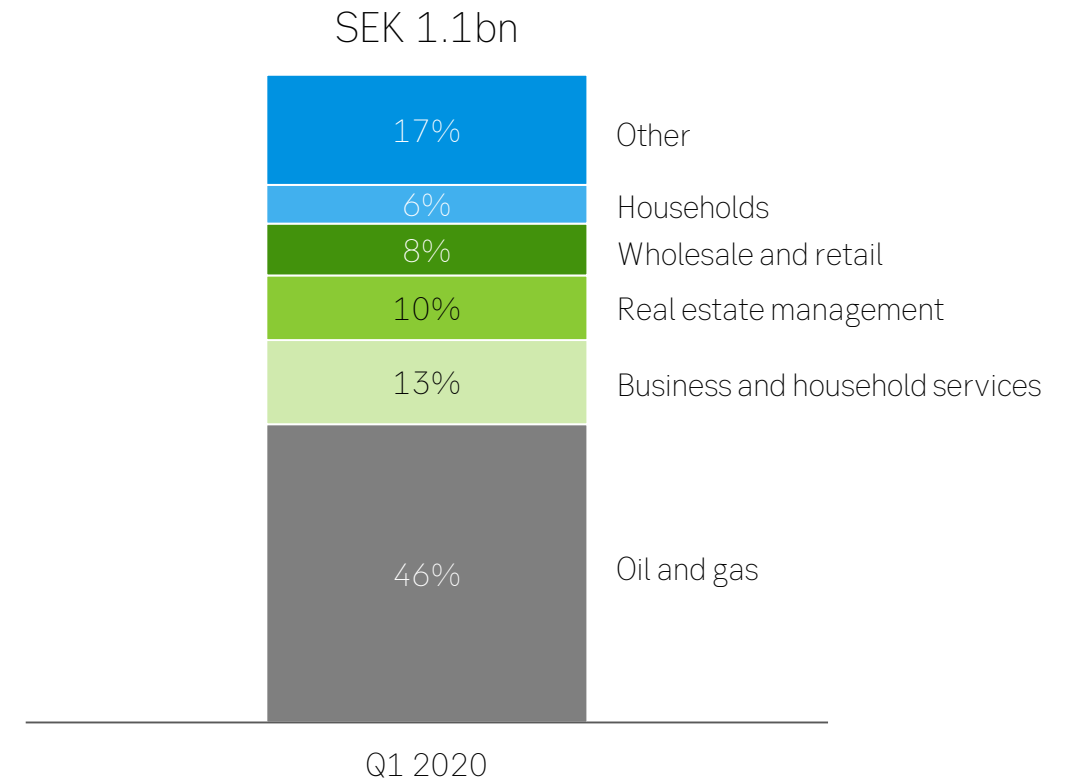
Net ECL development

SEK m



Model overlay by sector

Share of total model overlay



Estimating future expected losses in an uncertain environment

Expert credit judgement

A combined approach for model overlay

1

Top-down scenario analysis

2

Bottom-up analysis by customer

3

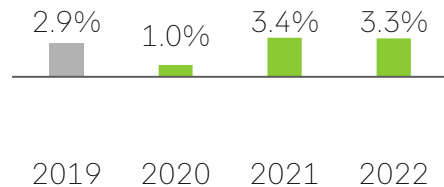
Analysis of exposed sectors

A range of macro scenarios used

Macro assumptions as of March

Mild, Covid-19

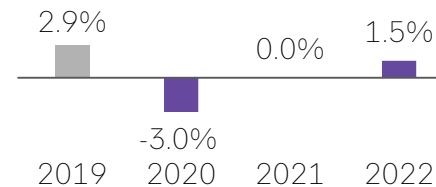
Real world GDP growth



- Two months lockdown.
- Temporary contraction, reversed during H2 and strong growth in 2021 and 2022.
- Sweden GDP -2% in 2020.

Severe, Covid-19

Real world GDP growth



- Up to five months lockdown, leading to negative spill-over effects.
- Contraction continues full 3 year period.
- Sweden GDP -5% in 2020.

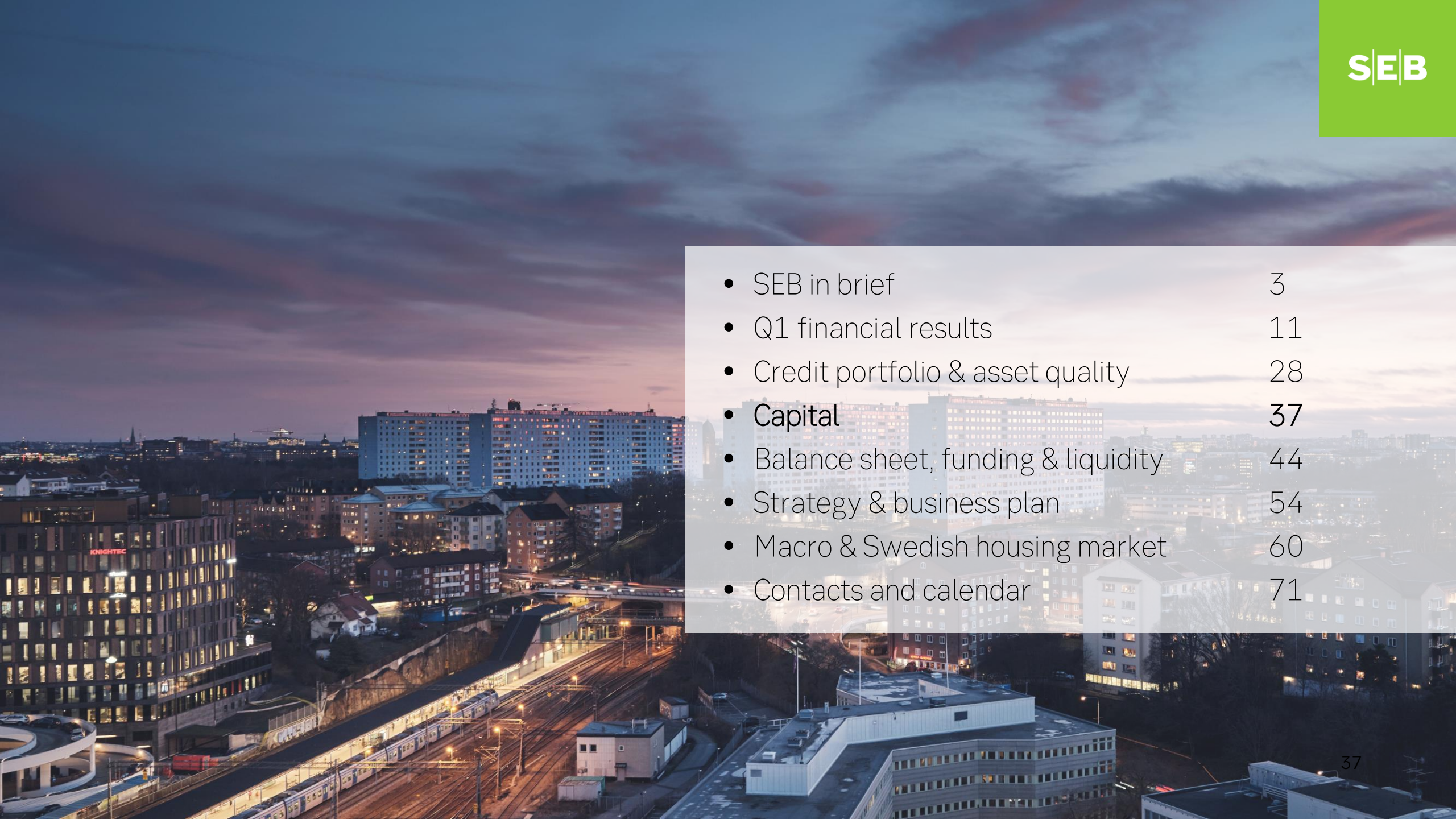
SEK 1.1 bn
in model overlay
on portfolio-level

Impact on economy and individual counterparties will depend on length of lockdown, efficiency and magnitude of political responses and recovery pace.

Net expected credit losses by division

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	<i>ECLL</i> 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	<i>ECLL</i> 2019		Q1 2020	<i>ECLL</i> Q1 20
LC&FI	-46	-110	-287	-259	-702	0.07%	-322	-261	-349	-879	-1,812	0.16%		-907	0.30%
C&PC	-87	-128	-97	-115	-427	0.05%	-71	-101	-129	-92	-393	0.04%		-519	0.21%
Baltics	17	17	-44	-45	-55	0.03%	-20	-33	11	-17	-58	0.03%		-77	0.16%
Other	7	0	4	7	18		-9	9	-22	-9	-31			9	
Net ECL	-109	-221	-424	-413	-1,166	0.06%	-422	-386	-489	-997	-2,294	0.10%		-1,494	0.25%

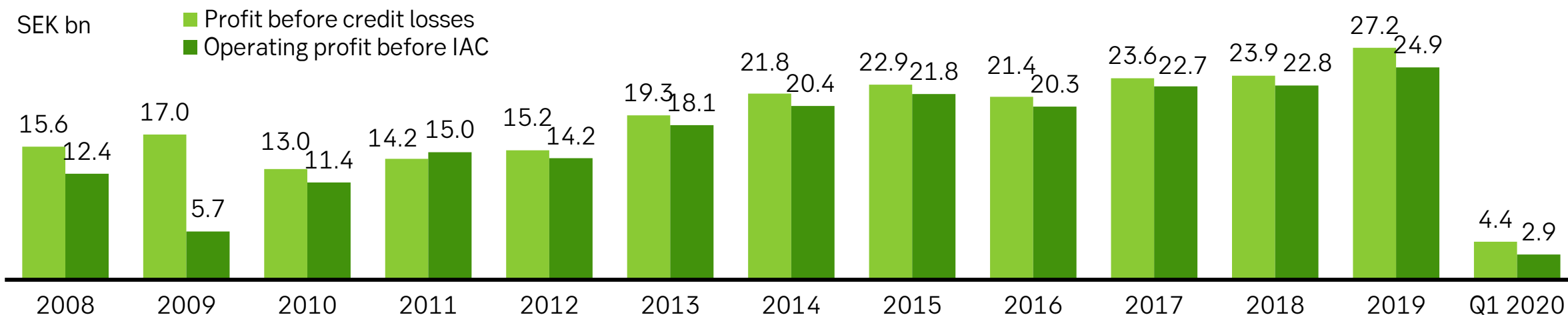
Other: Life, Investment Management, German run-off operations, Eliminations



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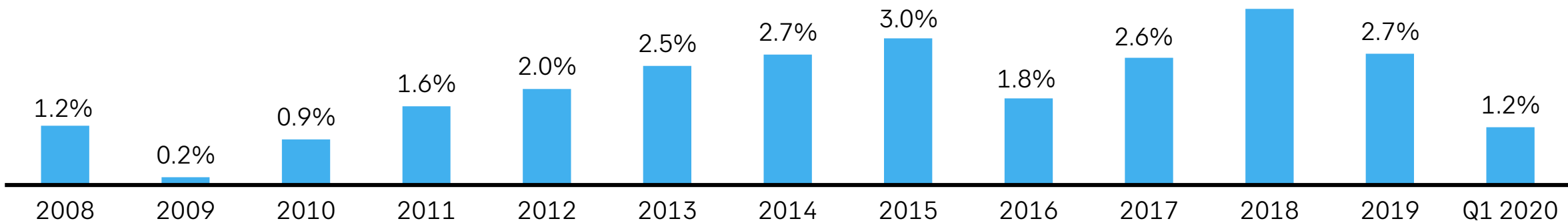
Sustainable strong earnings and capital generation

Profitable throughout the financial crisis



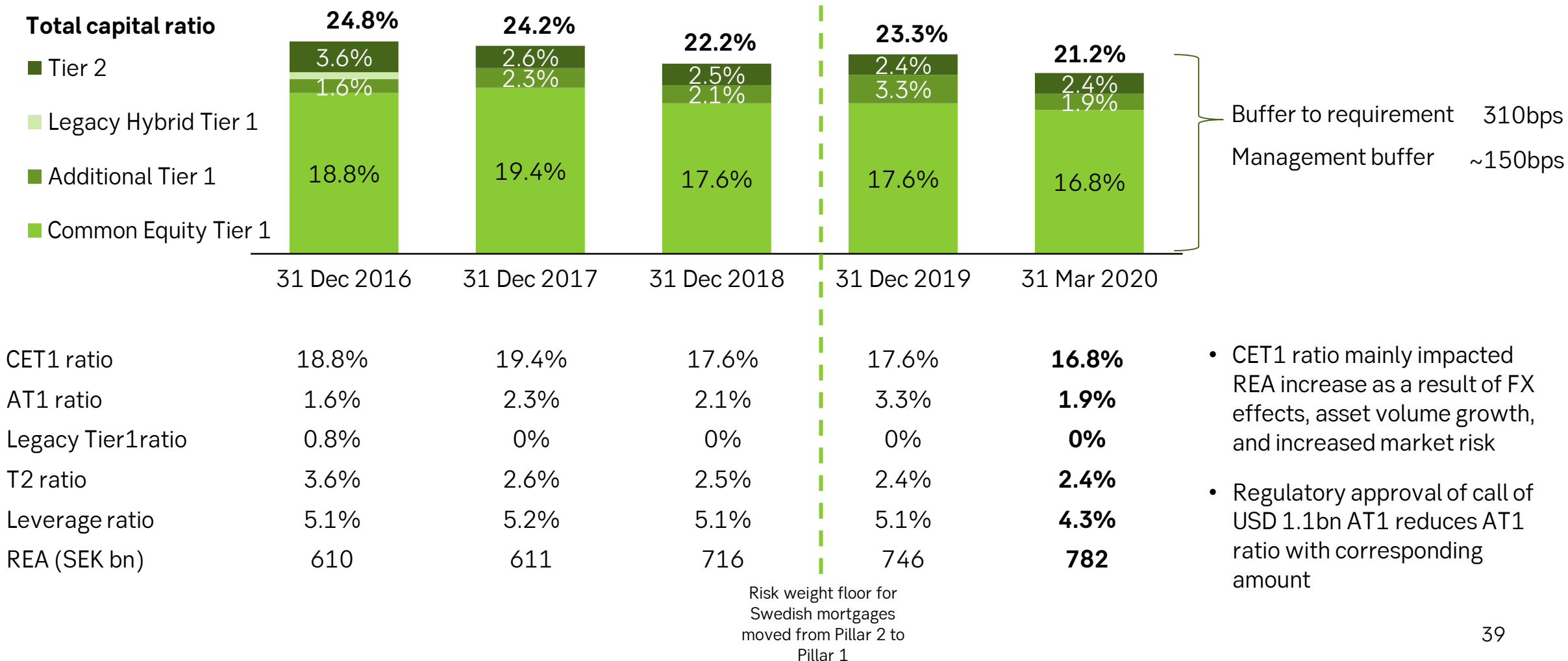
Sustained underlying profit

Strong underlying capital generation - return on risk exposure amount



Strong capital position

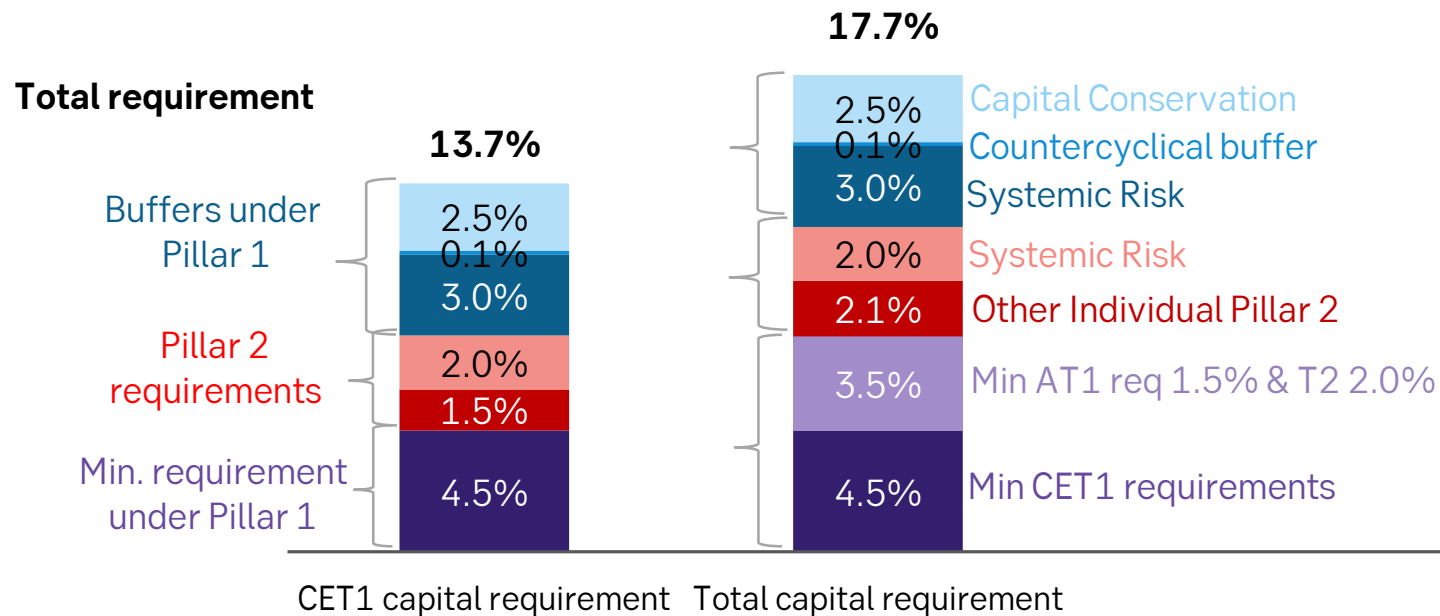
CRR/CRD IV Own Funds and Total capital ratio development



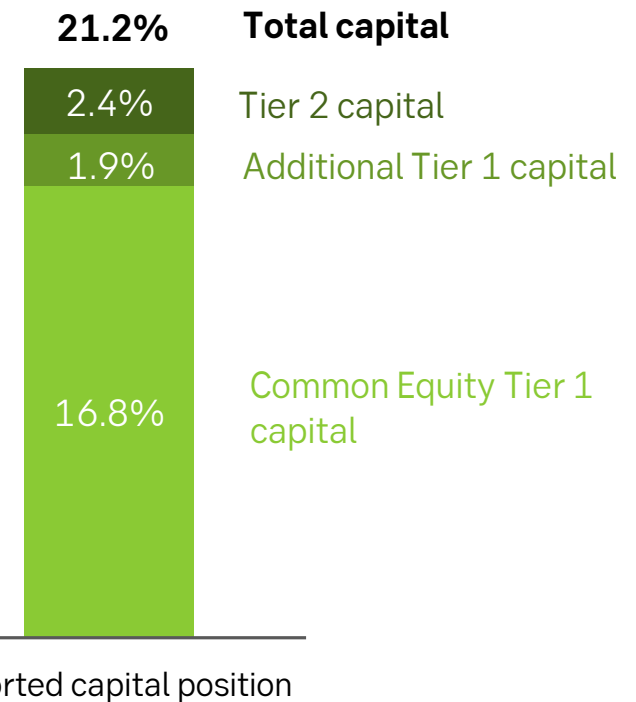
SEB's capital adequacy well above the SFSA's risk-sensitive and high requirements

Composition of SEB's CET 1 and total capital ratio requirements

31 Mar 2020



SEB's reported CET 1 ratio and total capital ratio composition



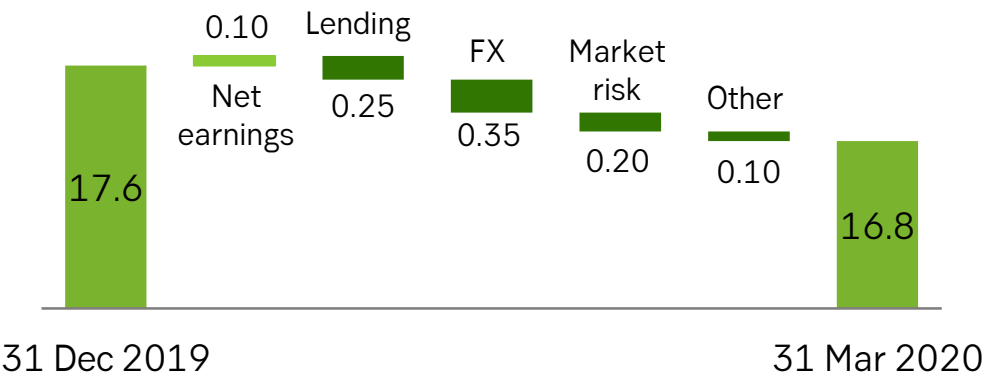
- Countercyclical buffer requirement reduced from 1.5% to 0.1% in March as a result of reduced countercyclical buffers in Sweden, Denmark, Norway and the UK following the COVID-19 outbreak in Europe

Development of CET1 ratio and REA

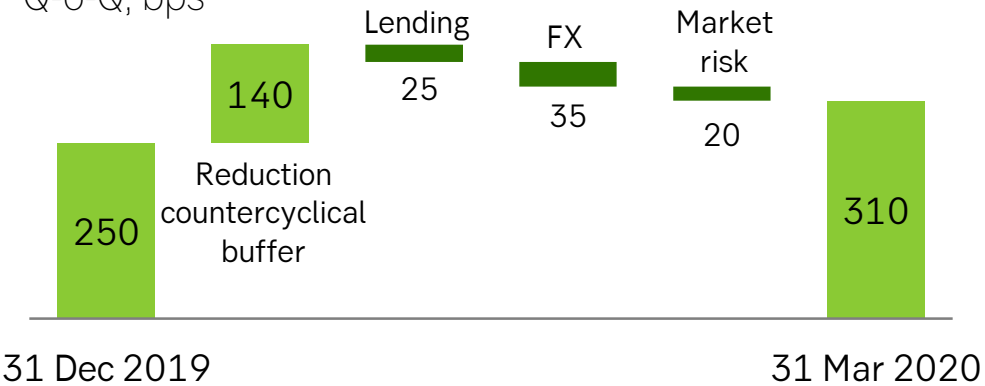
SEB Group – Basel III



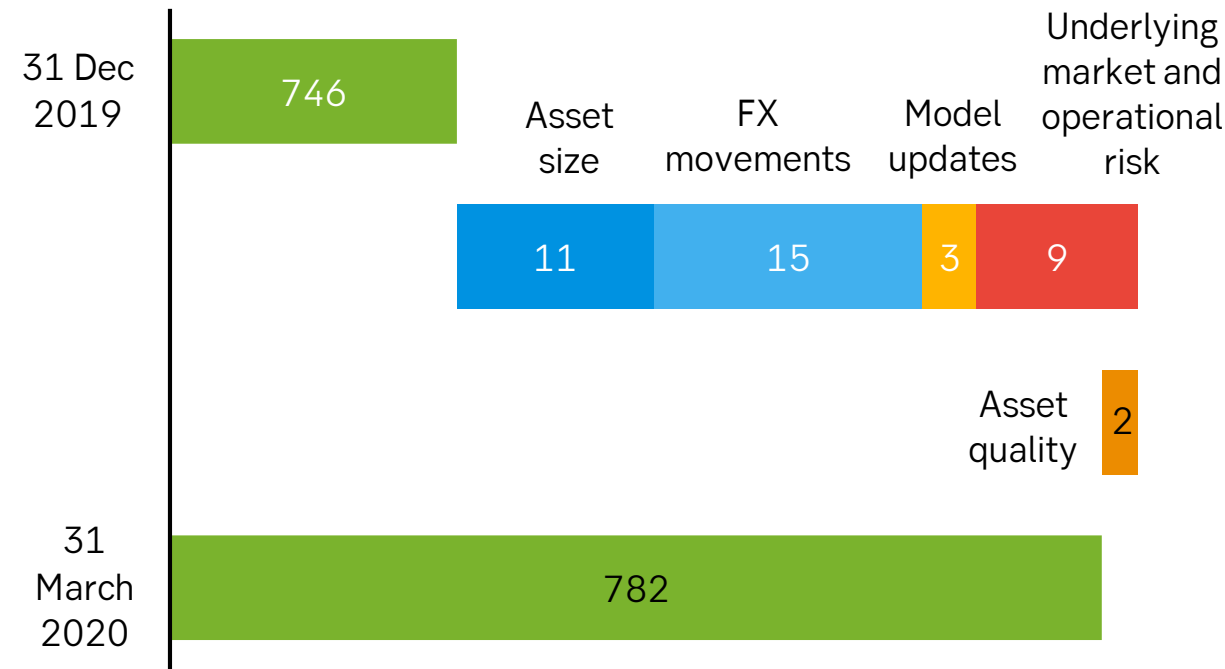
CET1 ratio development
Q-o-Q %



CET1 buffer development
Q-o-Q, bps



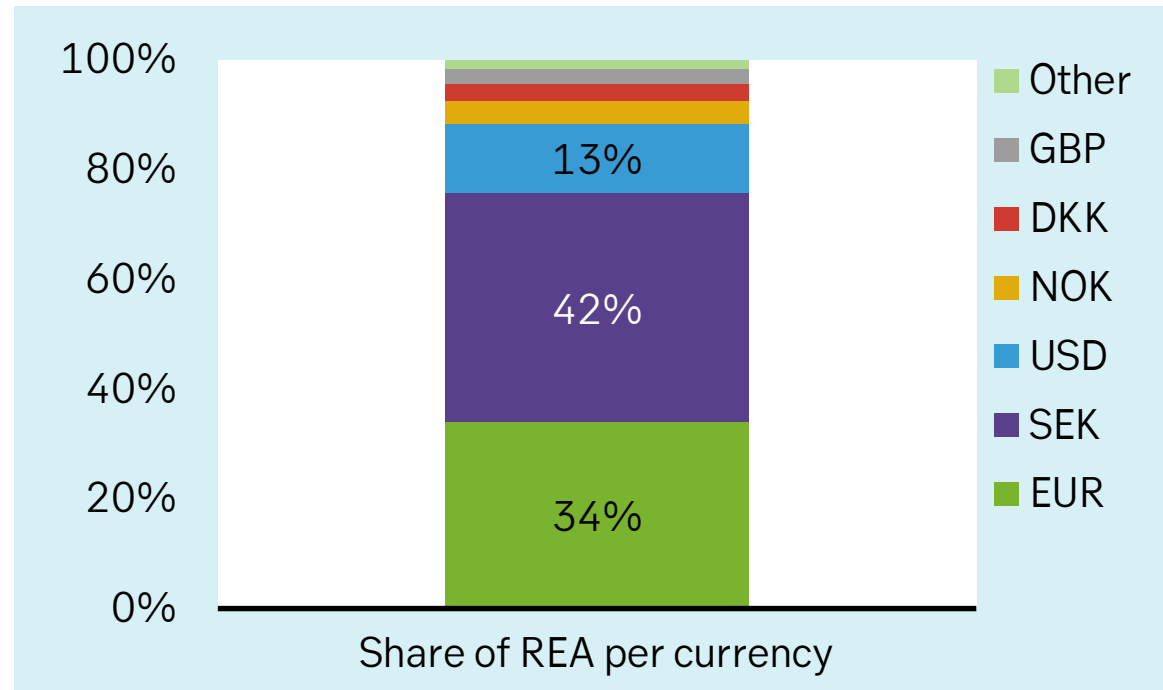
Risk exposure amount development
SEK bn



Model, methodology and policy updates increased credit risk REA by SEK 2bn (IFRS 41 16, Baltic model updates and new internal model for German purchased receivables) but was offset by model updates which reduced market risk REA by SEK 2bn.

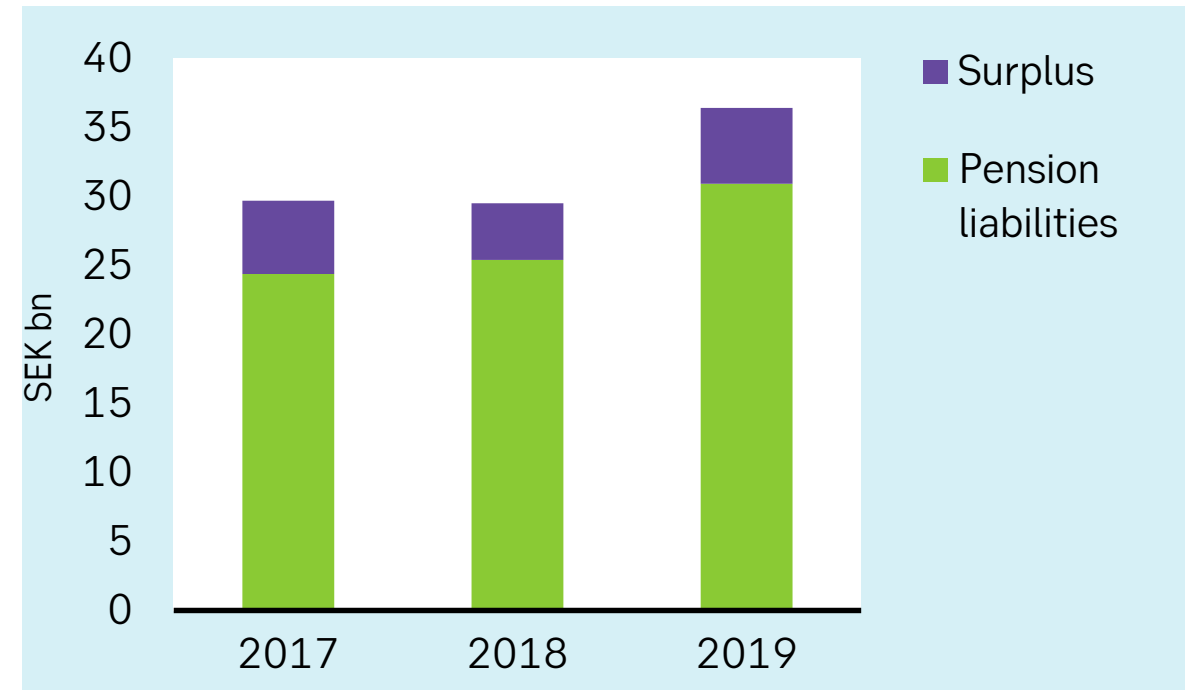
Reasons for management buffer of c. 150bps

Sensitivity to currency fluctuations



±5% SEK
impact 40bps CET1 ratio

Sensitivity to surplus of Swedish pensions

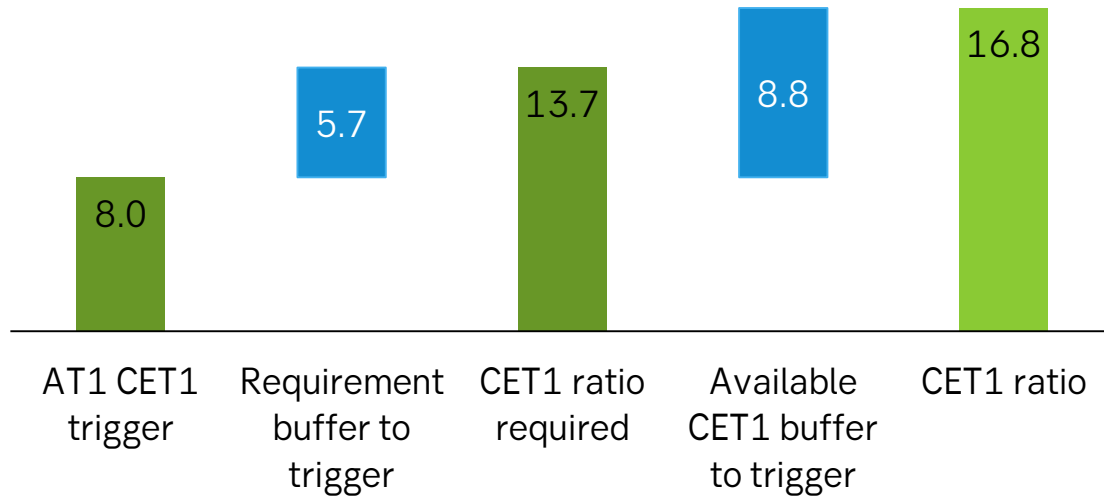


-50 bps discount rate
impact -50bps CET1 ratio

...& general macroeconomic uncertainties

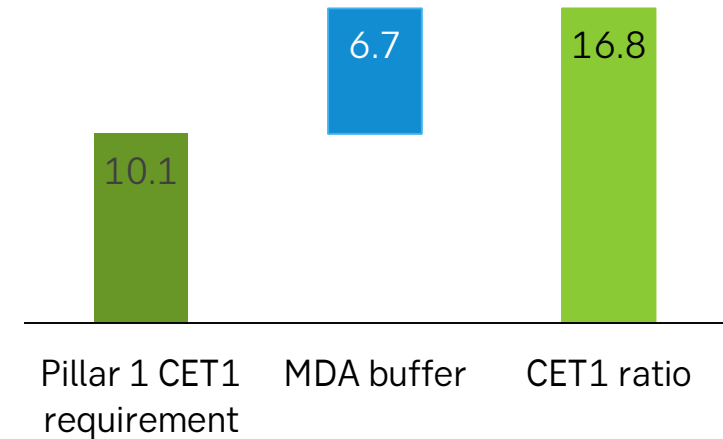
SEB retains strong buffers to trigger levels and MDA threshold

SEB Group's buffer to trigger
31 Mar 2020, %

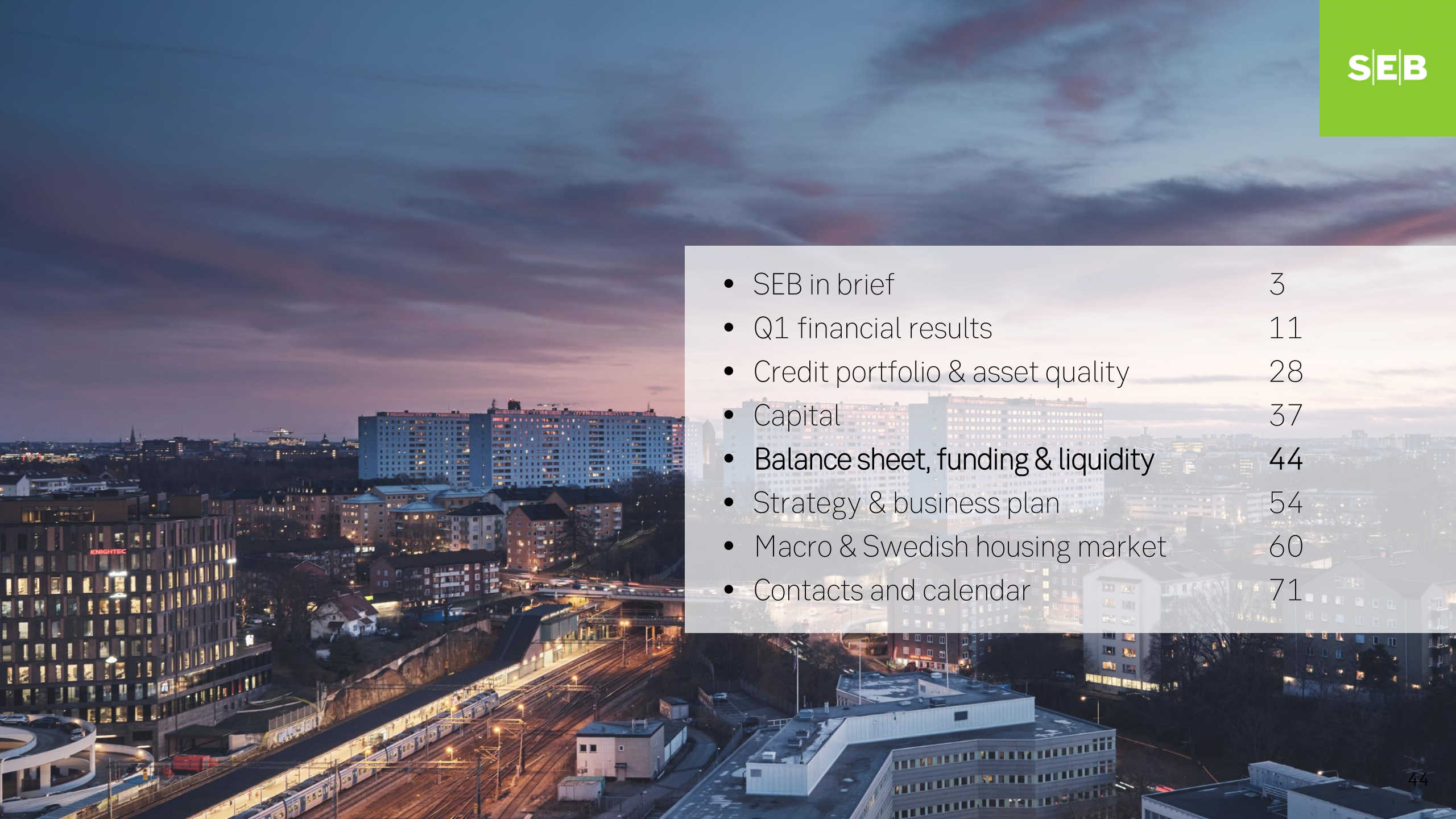


- SEB's AT1 transactions have a dual trigger structure, implying a trigger event in the case that Group CET1 ratio falls below 8.0% or Bank CET1 ratio falls below 5.125%
- As of 31 March 2020, SEB retains a strong buffer to both triggers:
 - Buffer to Group 8.0% Trigger: 8.8%
 - Buffer to Bank 5.125% Trigger: 11.1%
- SEB's capital target is to have a management buffer of around 150bps above regulatory requirements

Coupon risk: SEB's buffer to MDA
31 Mar 2020, %



- The Swedish FSA does not normally intend to make a formal decision under Pillar 2 : *"Insofar as a formal decision has not been made, the capital requirement under Pillar 2 does not affect the level at which automatic restrictions on distributions linked to the combined buffer requirement come into effect"*
- In addition, SEB has a significant amount of Available Distributable Items (SEK 86bn as of 31 March 2020) to cover coupon payments

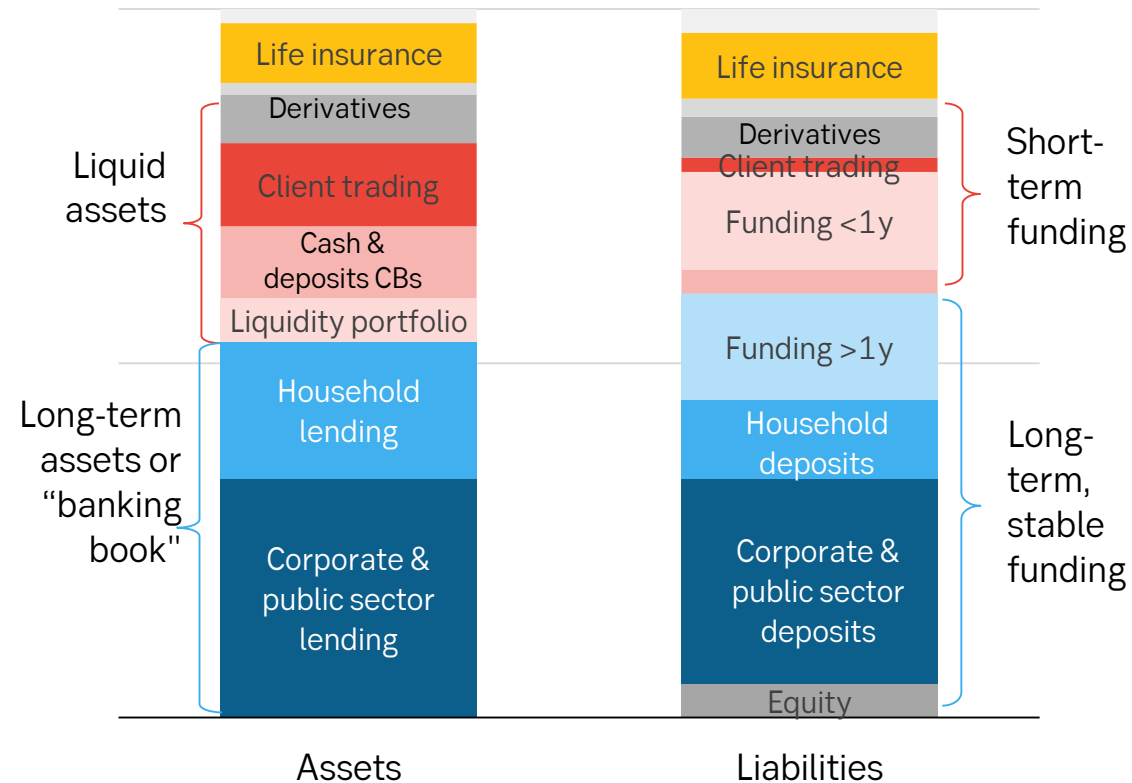


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Stable deposit base and structural funding position

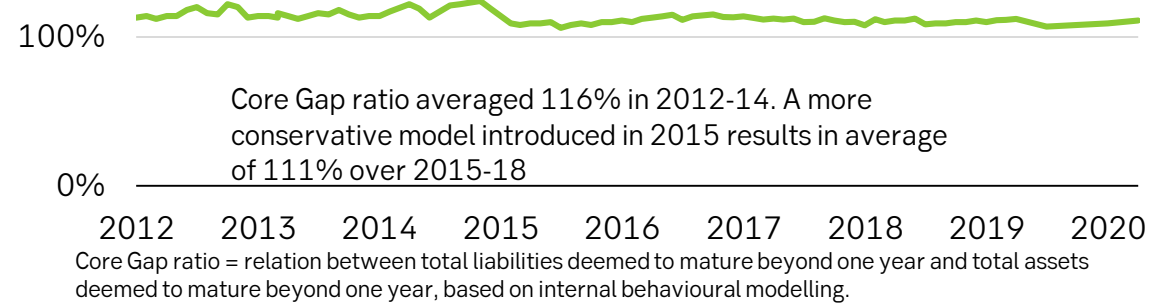
Strong balance sheet structure with deposits as primary source of funding, 31 Mar 2020

SEK 3,286bn

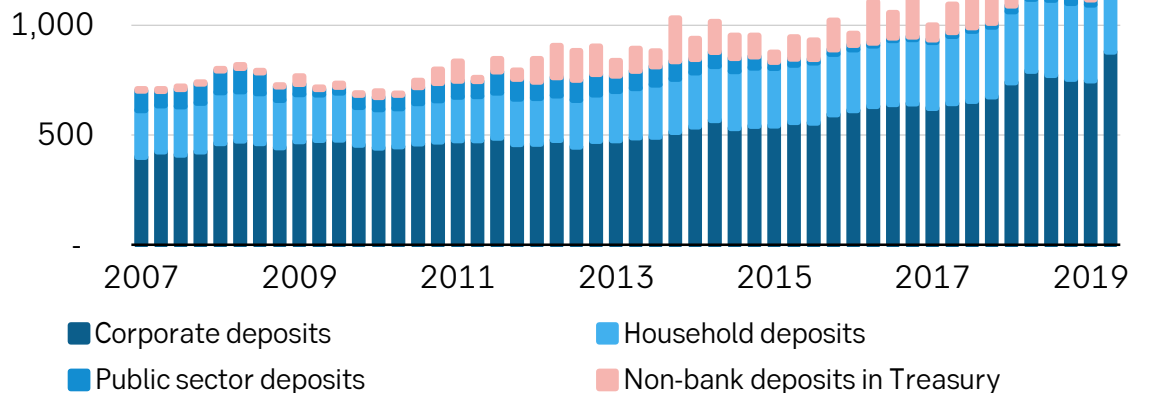


Stable structural funding position

Core Gap Ratio – SEB's internal NSFR-like measure



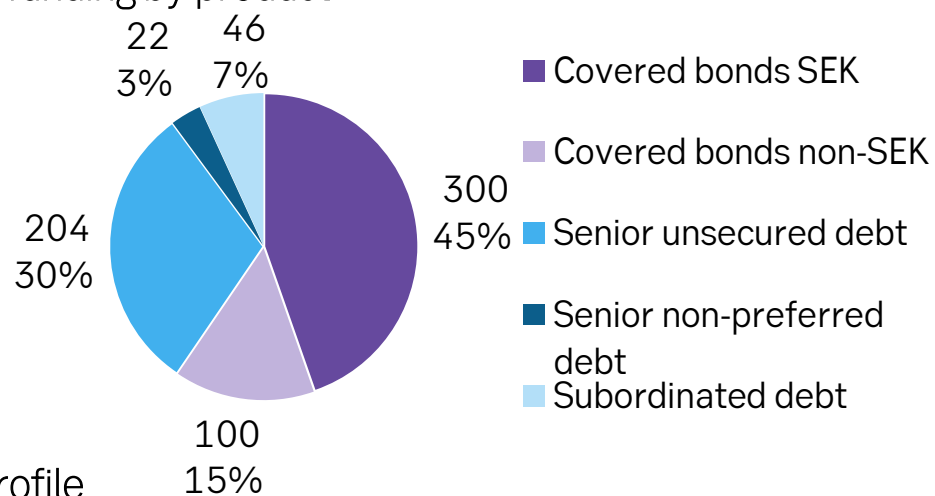
Stable development of deposits from corporates and households, SEK bn



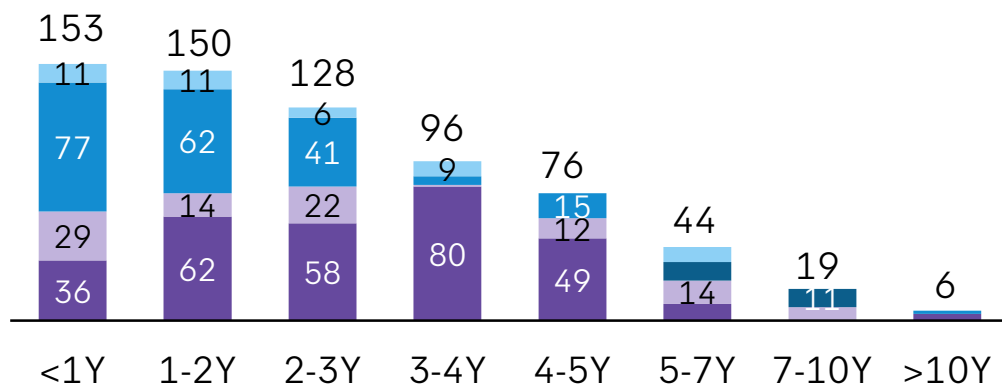
Well-balanced long-term funding profile and solid credit rating

Wholesale funding by product

SEK 672bn equivalent¹



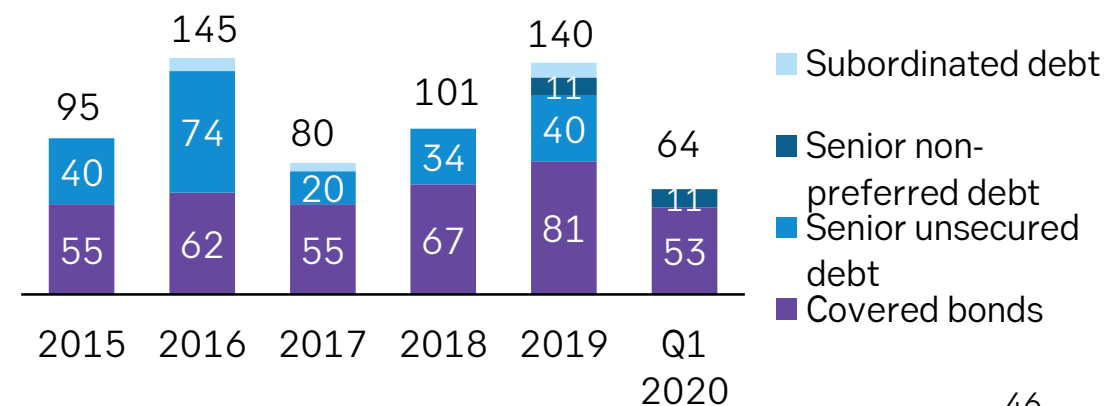
Maturity profile



SEB's credit rating

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	Watch Neg

Issuance history



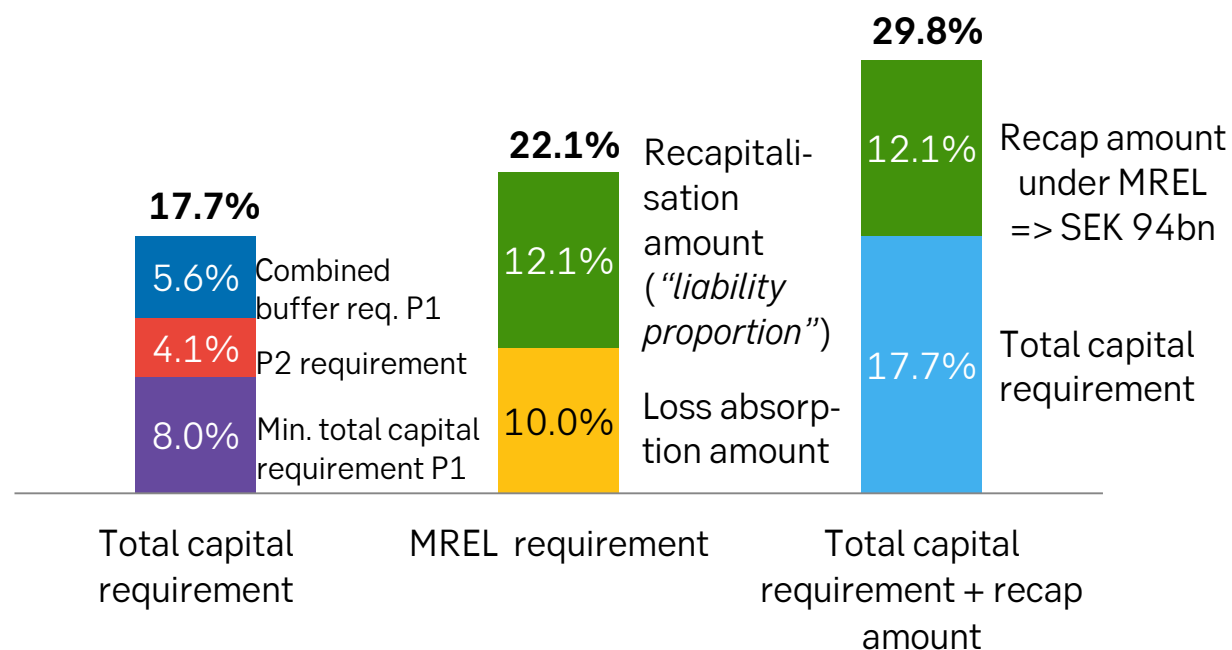
¹ Excluding participation in lending facilities from Riksbanken during Q1 2020. Excluding public covered bonds.

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

MREL requirement

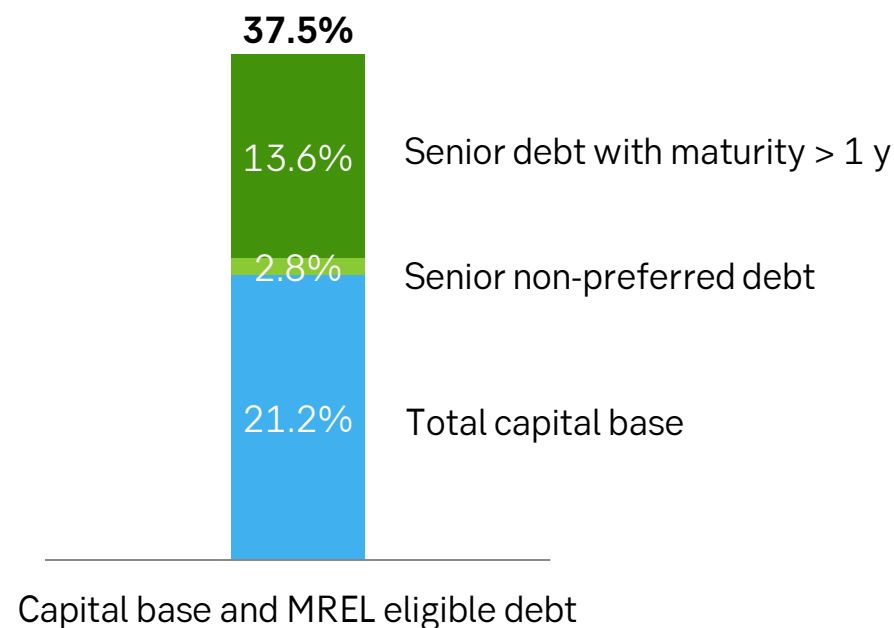
SEB's Total capital and MREL requirements

31 Mar 2020, % of REA



SEB's capital base and outstanding senior debt with maturity > 1 year

31 Mar 2020, % of REA

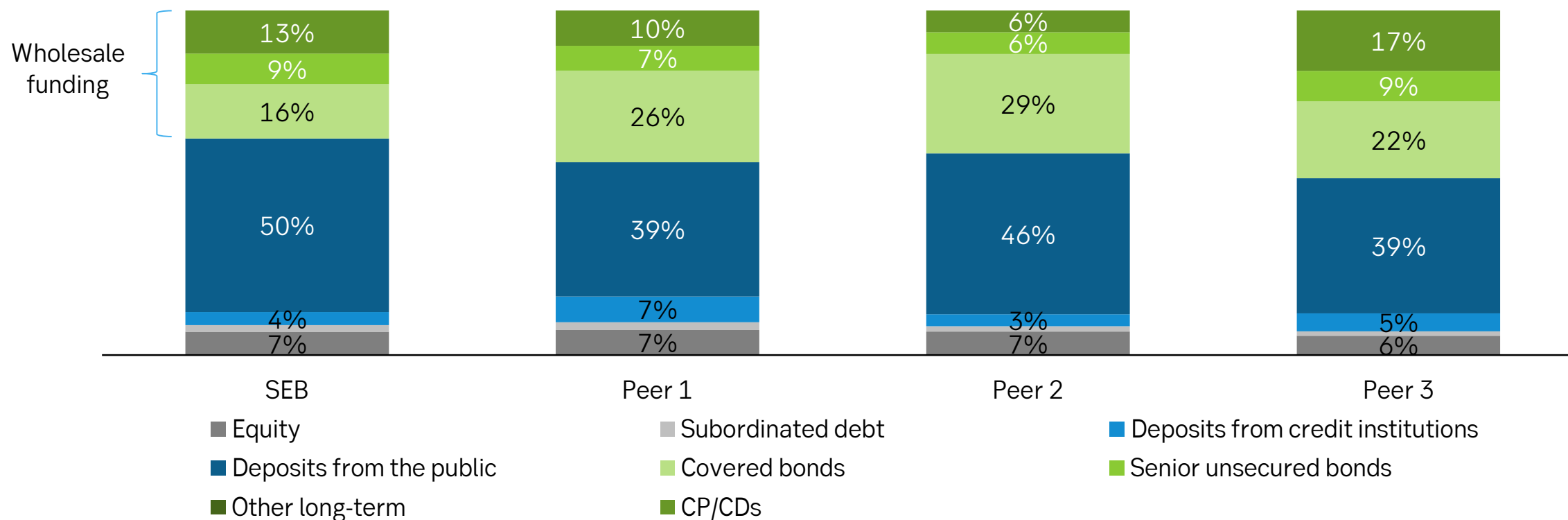


- The Swedish National Debt Office's *"liability proportion principle"* implies an issuance need of SEK 94bn, based on the applicable capital requirement at 31 March 2020
- SEB has issued SEK 22bn equivalent of senior non-preferred debt to date

Strong funding structure with low wholesale funding dependence compared to peers

Benchmarking Swedish banks' total funding sources incl. equity

Balances as of 31 Dec 2019



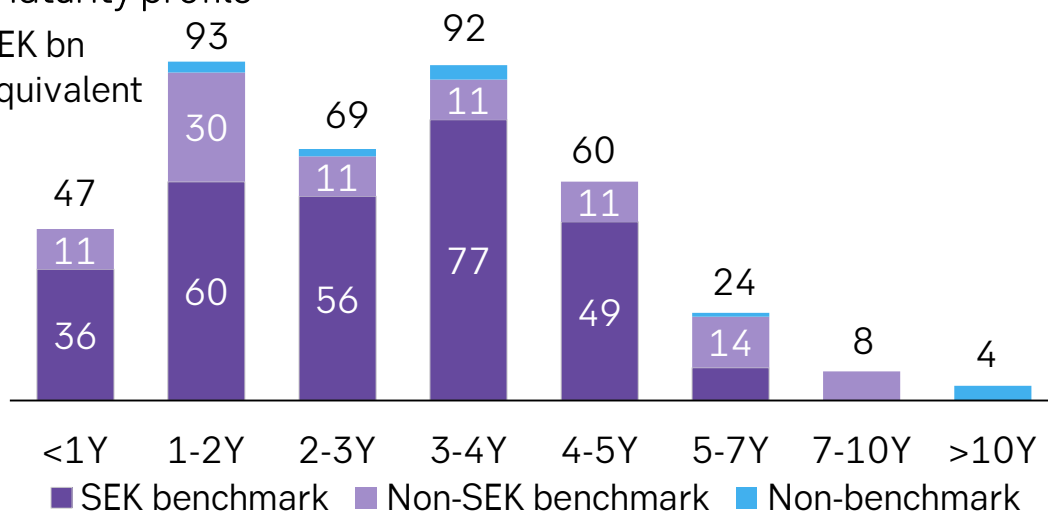
Profile of outstanding covered bonds

**31 Mar
2020**

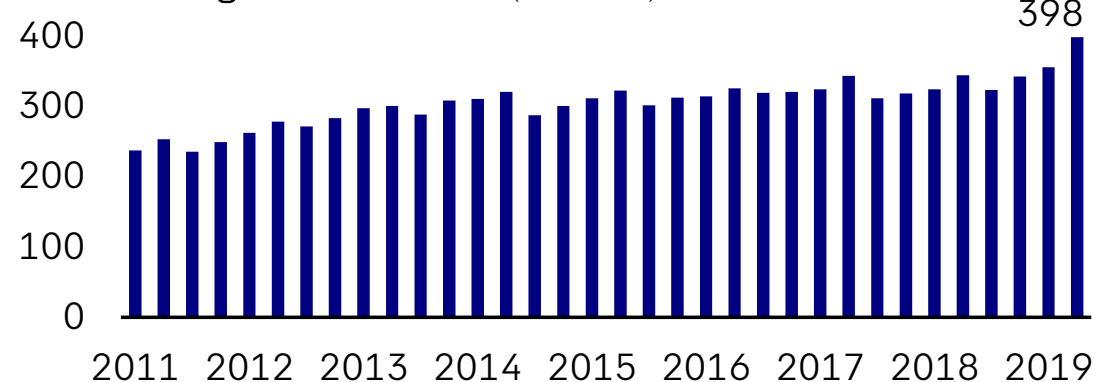
Total outstanding covered bonds (SEK bn)	398
Rating by Moody's	Aaa
Benchmark issues	96%

Maturity profile

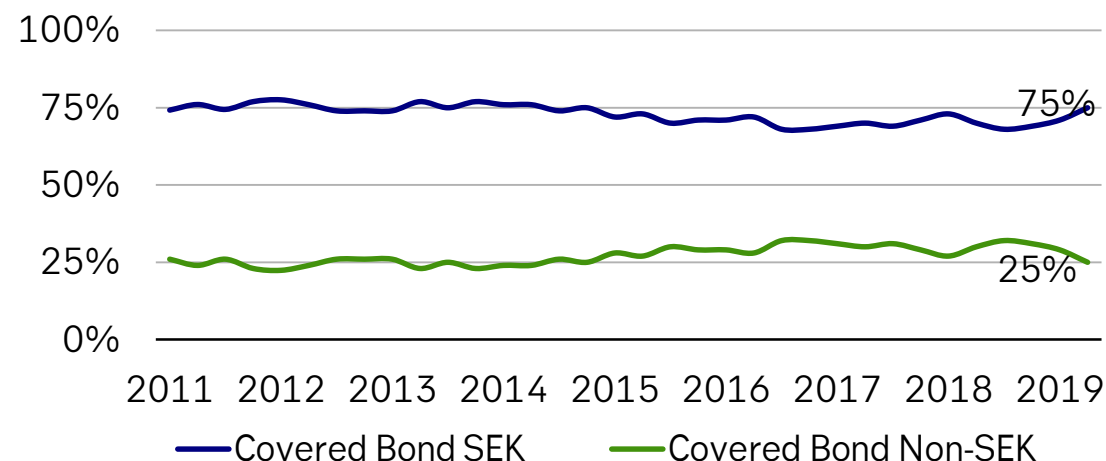
SEK bn
equivalent



Outstanding covered bonds (SEK bn)



Currency mix



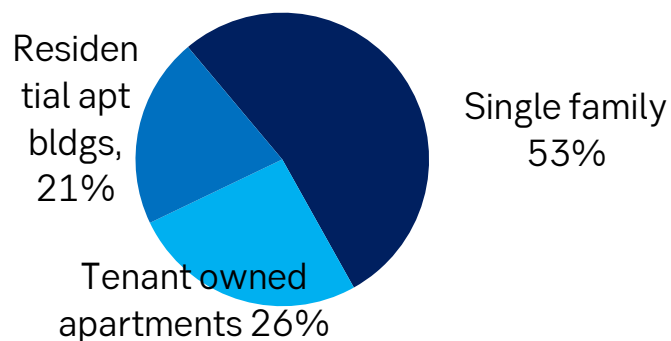
Only Swedish residential mortgages in SEB's cover pool

Cover pool	31 Mar 2020	31 Dec 2019	31 Dec 2018	31 Dec 2017	31 Dec 2016
Total residential mortgage assets (SEK bn)	621	613	501	525	510
Weighted average LTV (property level)	51%	51%	53%	51%	50%
Number of loans ('000)	738	737	713	717	711
Number of borrowers ('000)	428	428	418	423	424
Weighted average loan balance (SEK '000)	841	831	702	732	718
Substitute assets (SEK thousand)	0	0	0	0	0
Loans past due 60 days (bps)	6	5	1	5	4
Net Expected Credit Losses (bps)	0	0	0	0	0
Overcollateralisation level	56%	73%	55%	62%	63%

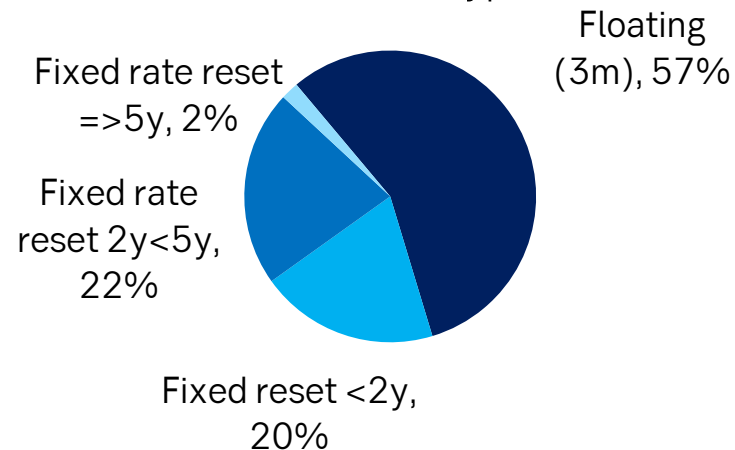
- Only Swedish residential mortgages, which historically have had very low credit losses
- More concentrated towards single family homes and tenant-owned apartments, which generally have somewhat higher LTVs
- On parent bank SEB AB's balance sheet contrary to major Swedish peers
 - All eligible Swedish residential mortgages are directly booked in the cover pool on origination, i.e. no cherry picking
 - Covered bonds are issued by SEB AB 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 over-collateralisation level

SEB's mortgages mainly in three largest and fastest growing city areas

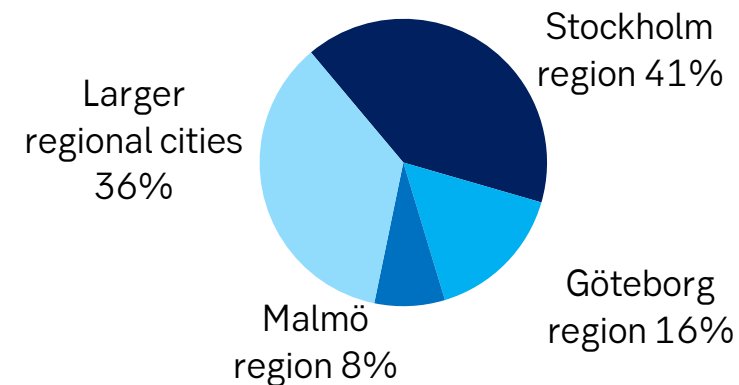
Type of loans



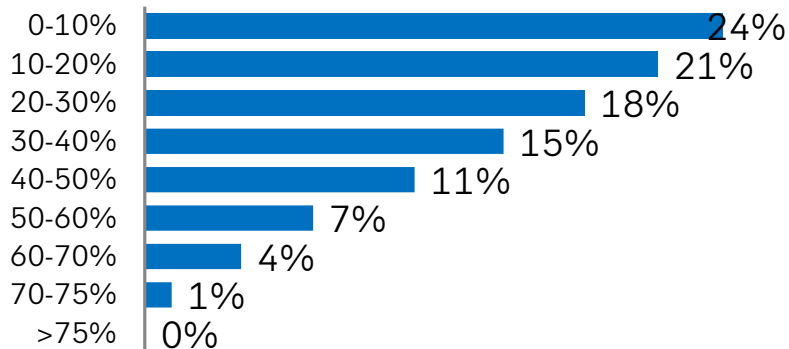
Interest rate type



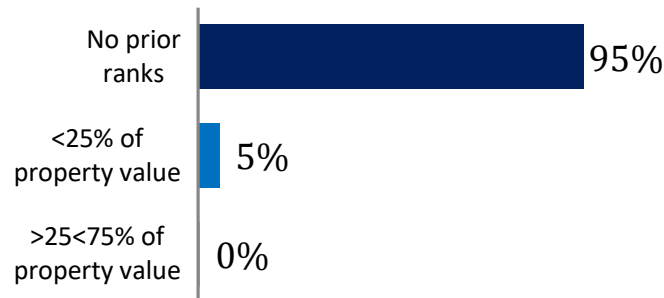
Geographical distribution



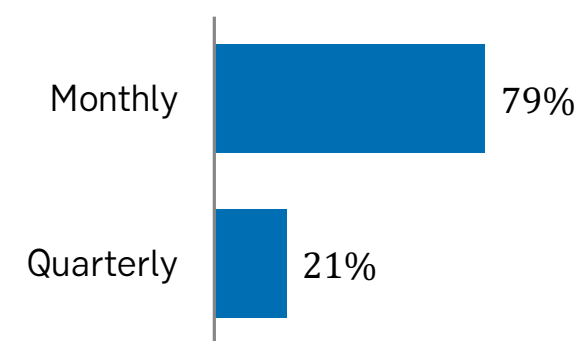
LTV distribution by volume in % of cover pool



Prior ranking loans

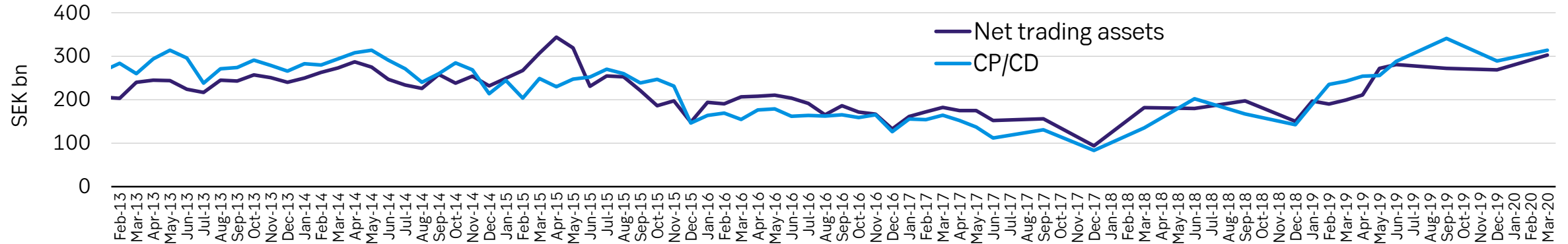


Interest payment frequency

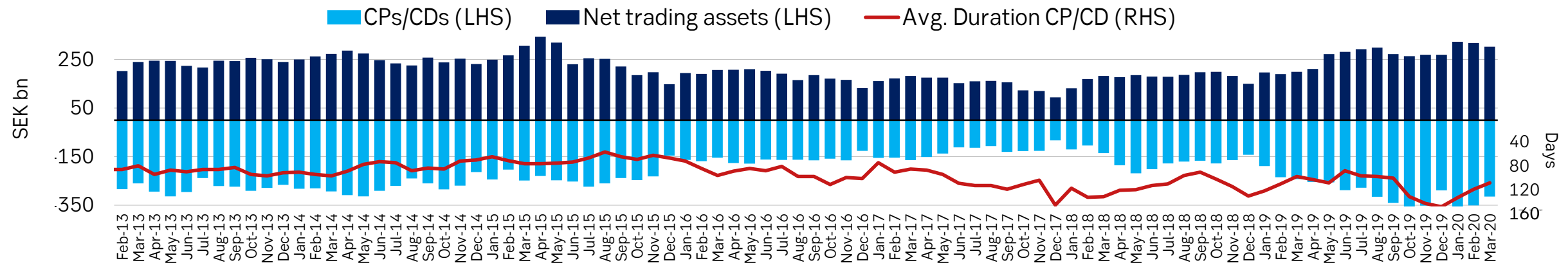


Short-term CP/CD funding to support client facilitation business

Volumes: Net trading assets adaptable to CP/CD funding access



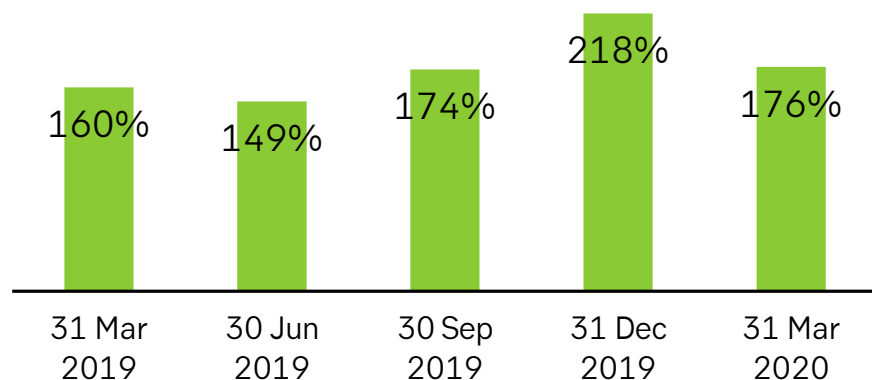
Duration: CP/CDs fund net trading assets with considerably shorter duration



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

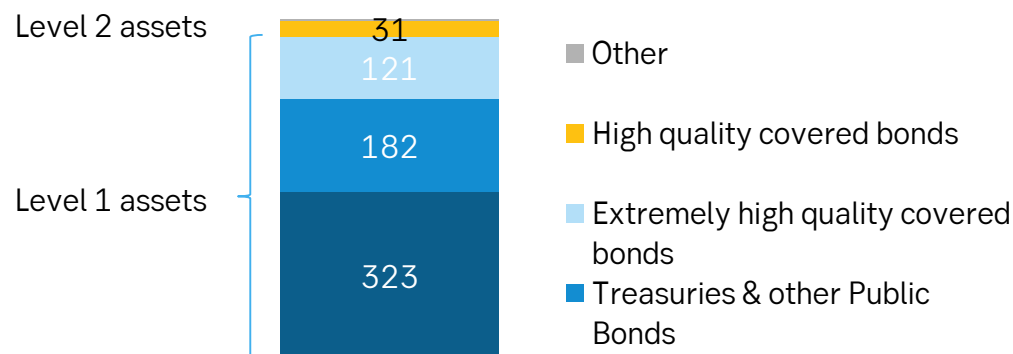
Strong liquidity and maturing funding position

Liquidity Coverage Ratio



Liquid Assets

31 Mar 2020, SEK 660bn

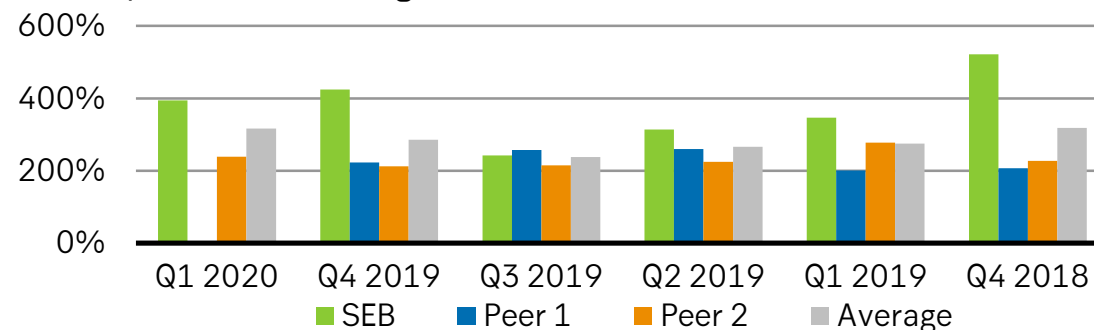


Note: Liquid Assets in accordance with Liquidity Coverage Ratio in CRR. Liquid assets defined as on balance sheet cash and balances with central banks + securities (bonds and equities) net of short positions

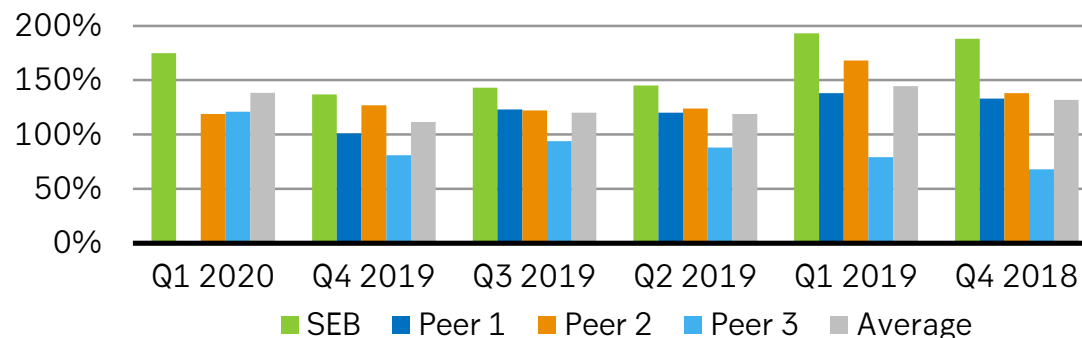
Maturing Funding ratio, 3m and 12m

Peer benchmarking

Development 3m funding ratio



Development 12m funding ratio



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

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

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Our strategic focus areas for world-class service



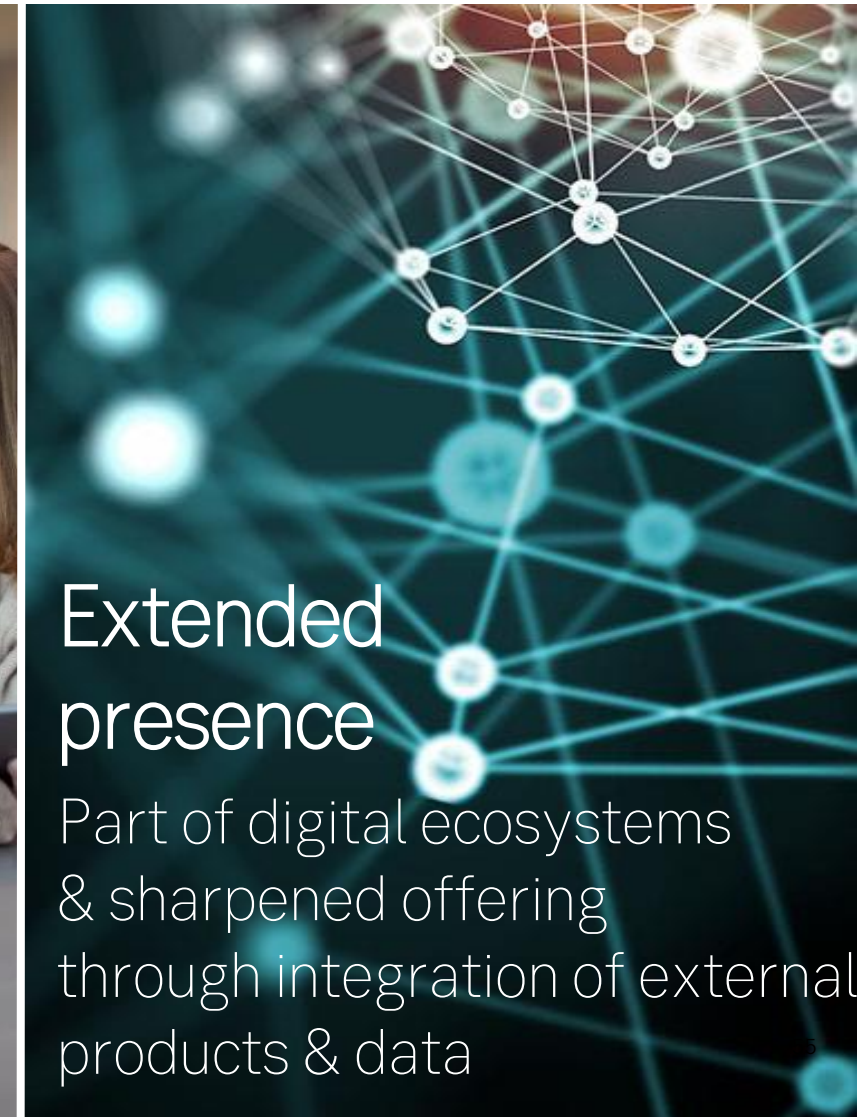
Operational excellence

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

Progress in line with business plan 2019-2021

STRATEGIC INITIATIVES	SELECTION OF DELIVERIES 2019	INVESTMENTS 2019
Critical enablers	<ul style="list-style-type: none"> Automation, agile and centres of excellence Launch of SEB Campus, digital learning platform Sustainable solutions and classification of portfolios Enhanced capabilities to combat financial crime 	SEK 121m
Advisory	<ul style="list-style-type: none"> Establishment of dedicated energy client team Launch of SEB Singular Development of Private Banking offering including digital tools 	SEK 85m
Assets entrusted to us	<ul style="list-style-type: none"> Custody business benefitting from infrastructure Strengthened institutional distribution outside Sweden Continued focus on bancassurance 	SEK 43m
Ecosystem	<ul style="list-style-type: none"> Integration with a growing number of ERP systems Development of API-driven architecture Strategic partnerships established 	SEK 122m
Digital explorer (SEBx)	<ul style="list-style-type: none"> Agreement with cloud provider Launch of closed beta Knowledge exchange with SEB Group 	SEK 79m

TOTAL INVESTMENTS
STRATEGIC INITIATIVES

450
SEK m

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

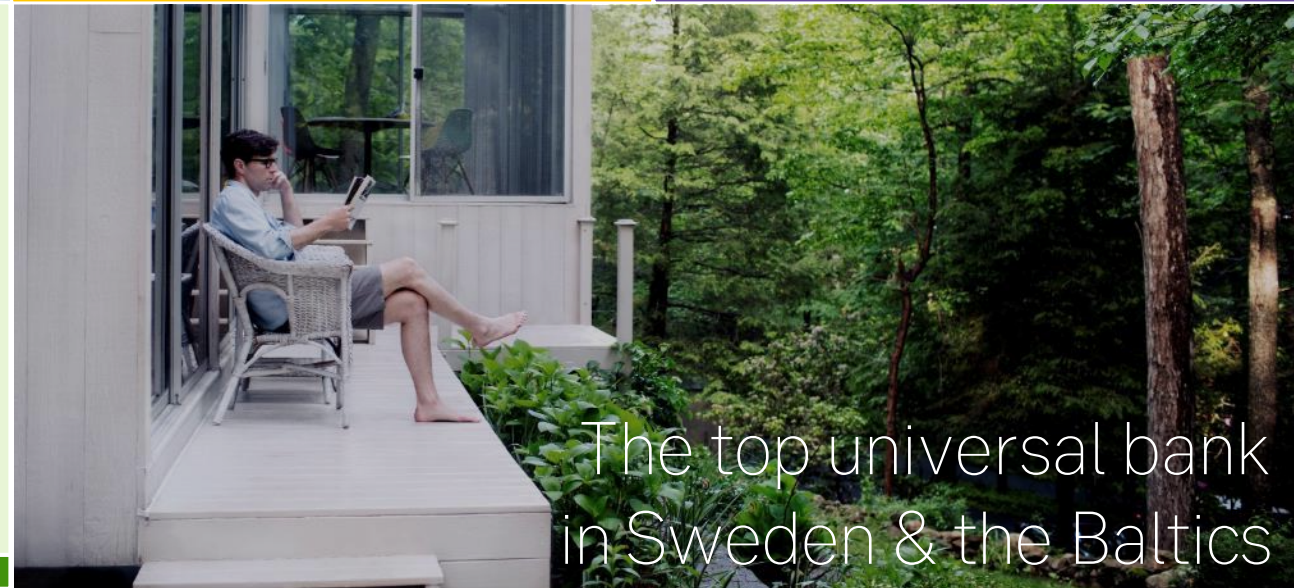
- Attract SME customers
- Expand Private Banking
- Improve mortgages & savings

Life & Investment Management

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

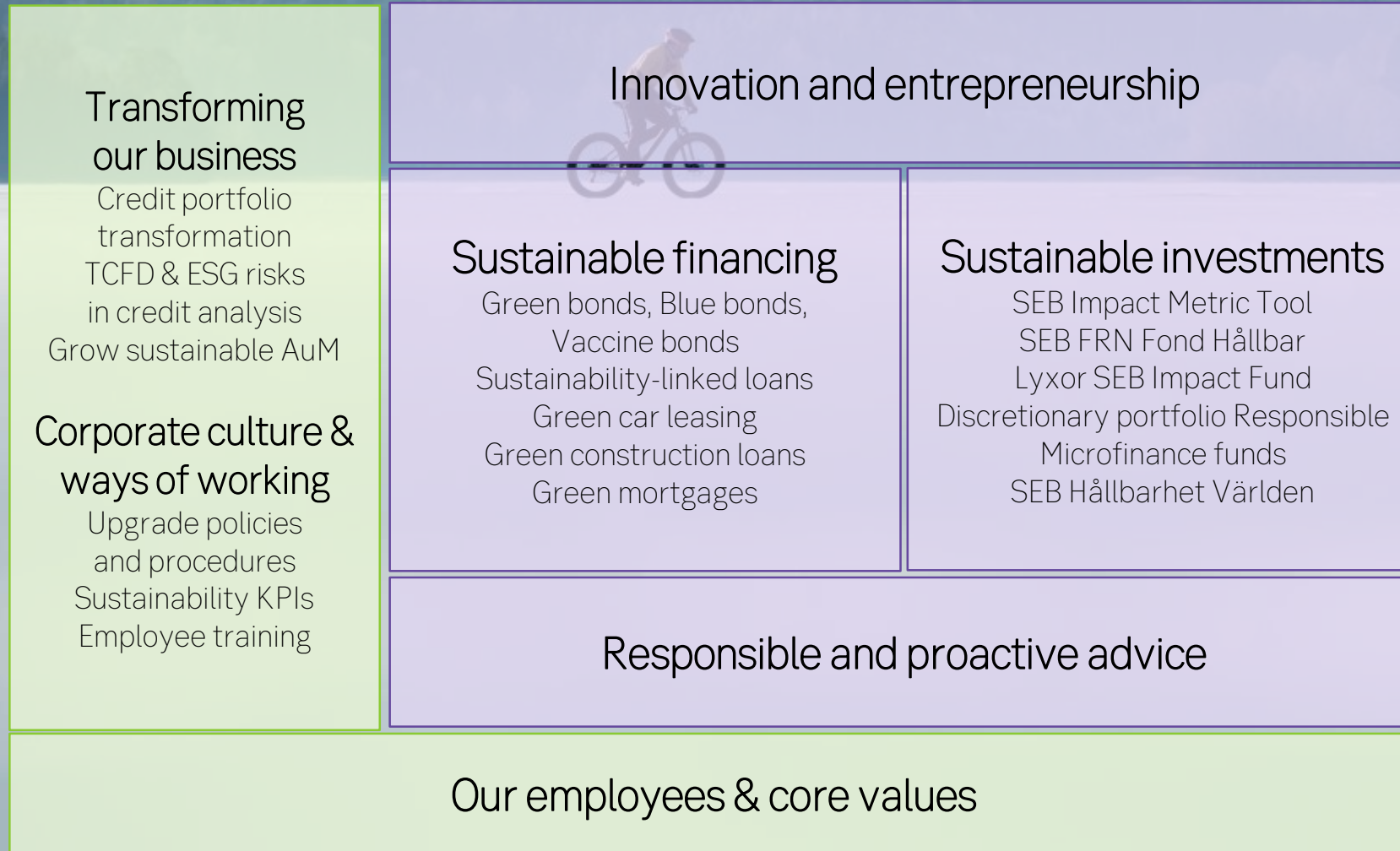
Baltic

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



The top universal bank
in Sweden & the Baltics

Contributing to a sustainable world



Prioritised UN Sustainable Development Goals:



UNEP
FINANCE
INITIATIVE

PRINCIPLES FOR
RESPONSIBLE
BANKING

$\geq 40\%$
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

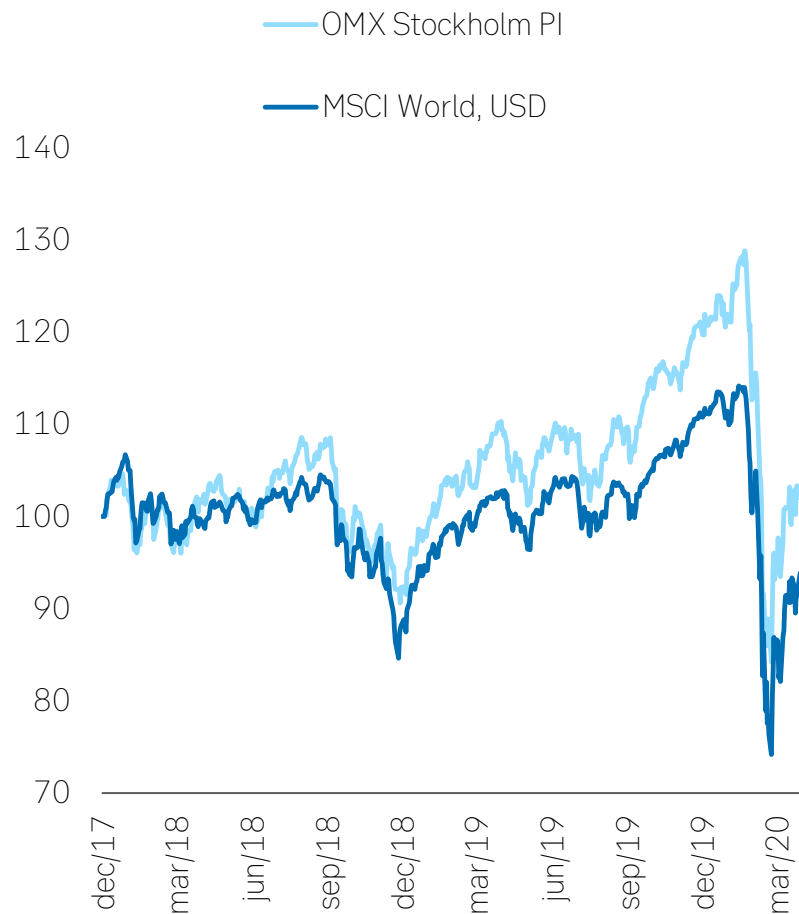
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Financial markets development



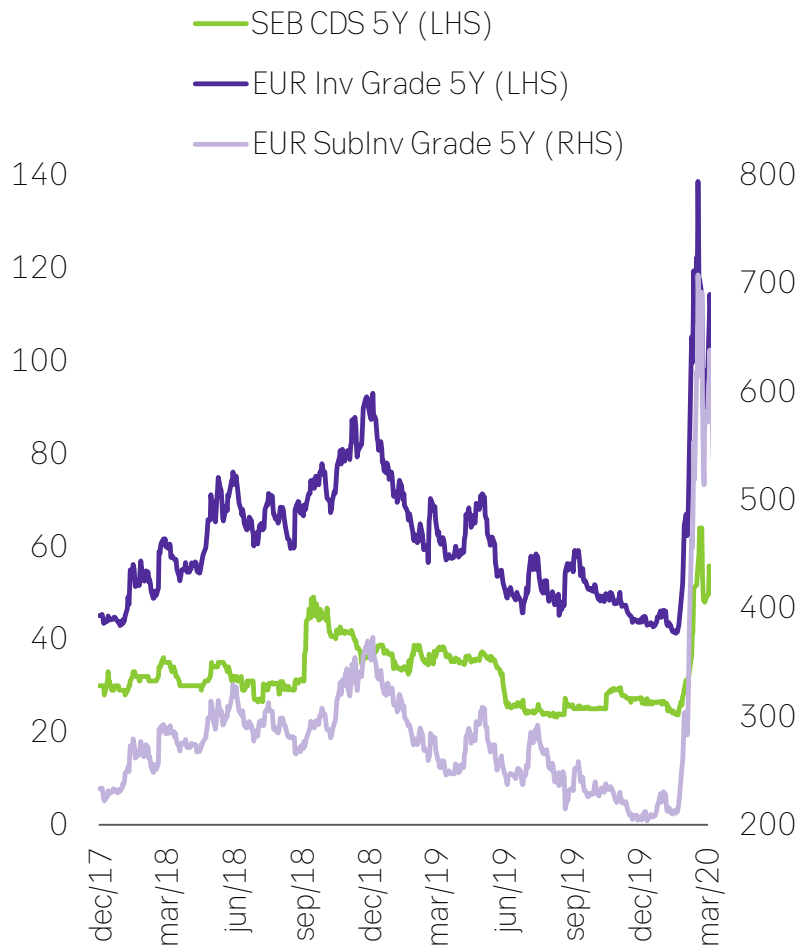
Equity markets

Sweden and Global



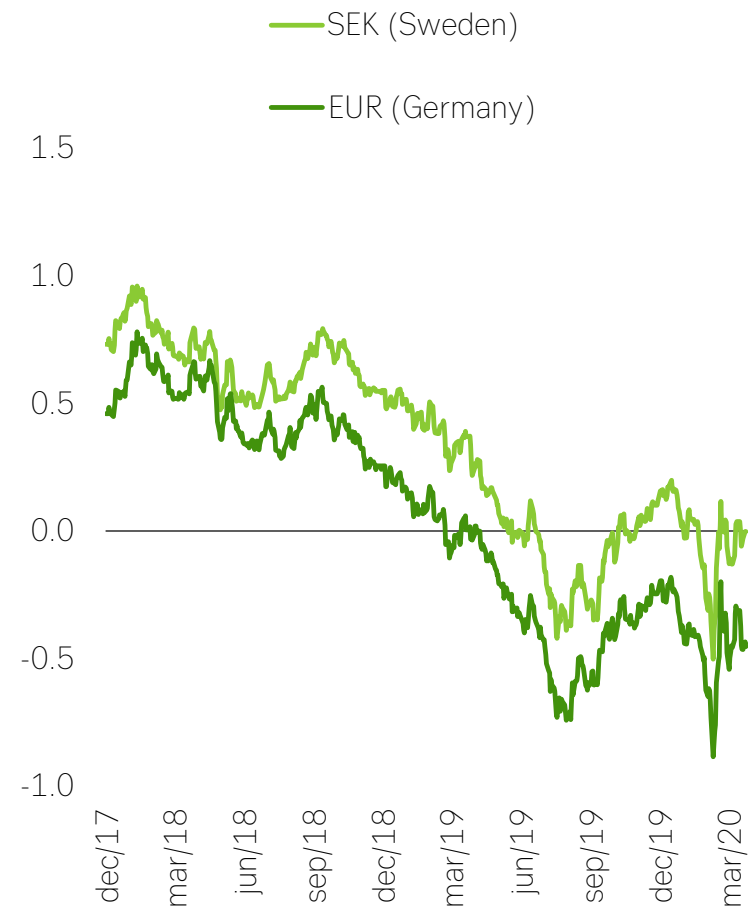
Credit spreads

SEB vs. corporate



Interest rates

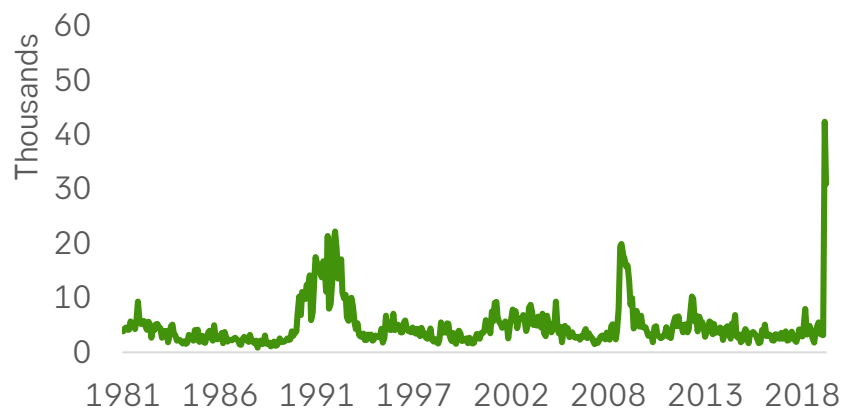
Annual yield of 10-year gvt. bonds



Impact of Covid-19 on the Swedish economy

Record-high level of redundancy notices

No. of redundancy notices per month, 1981-YTD 2020



Newly registered unemployed at previous crisis-levels

No. of newly registered per month, 1997-YTD 2020



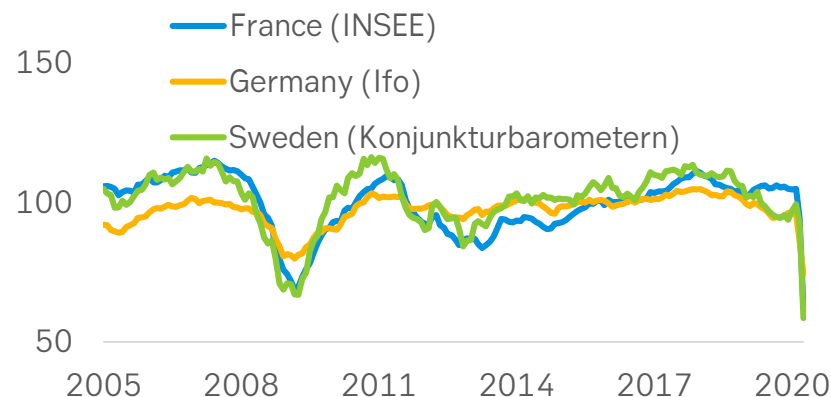
Deteriorating sentiment in housing market

SEB Housing Price Indicator, 2003-YTD 2020



Falling economic sentiment

Business surveys, 2005-YTD 2020



GDP %	2019	2020	2021
Global	2.9	-3.0	5.8
USA	2.3	-5.9	4.5
Euro	1.2	-7.5	4.7
Germany	0.6	-7.0	5.2
UK	1.4	-6.5	4.0
Sweden	1.2	-6.8	5.2
Norway	1.2	-6.3	2.9

Source: IMF, April 2020

SEB card turnover (SEB Kort)

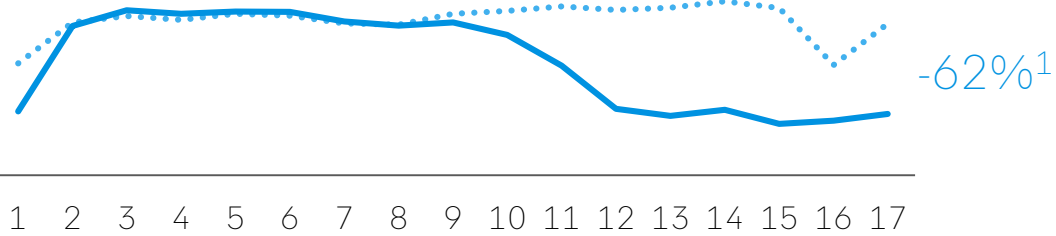
Corporate
Private

SEB

Corporate customers

Card turnover per week, YTD 2020, Nordic total

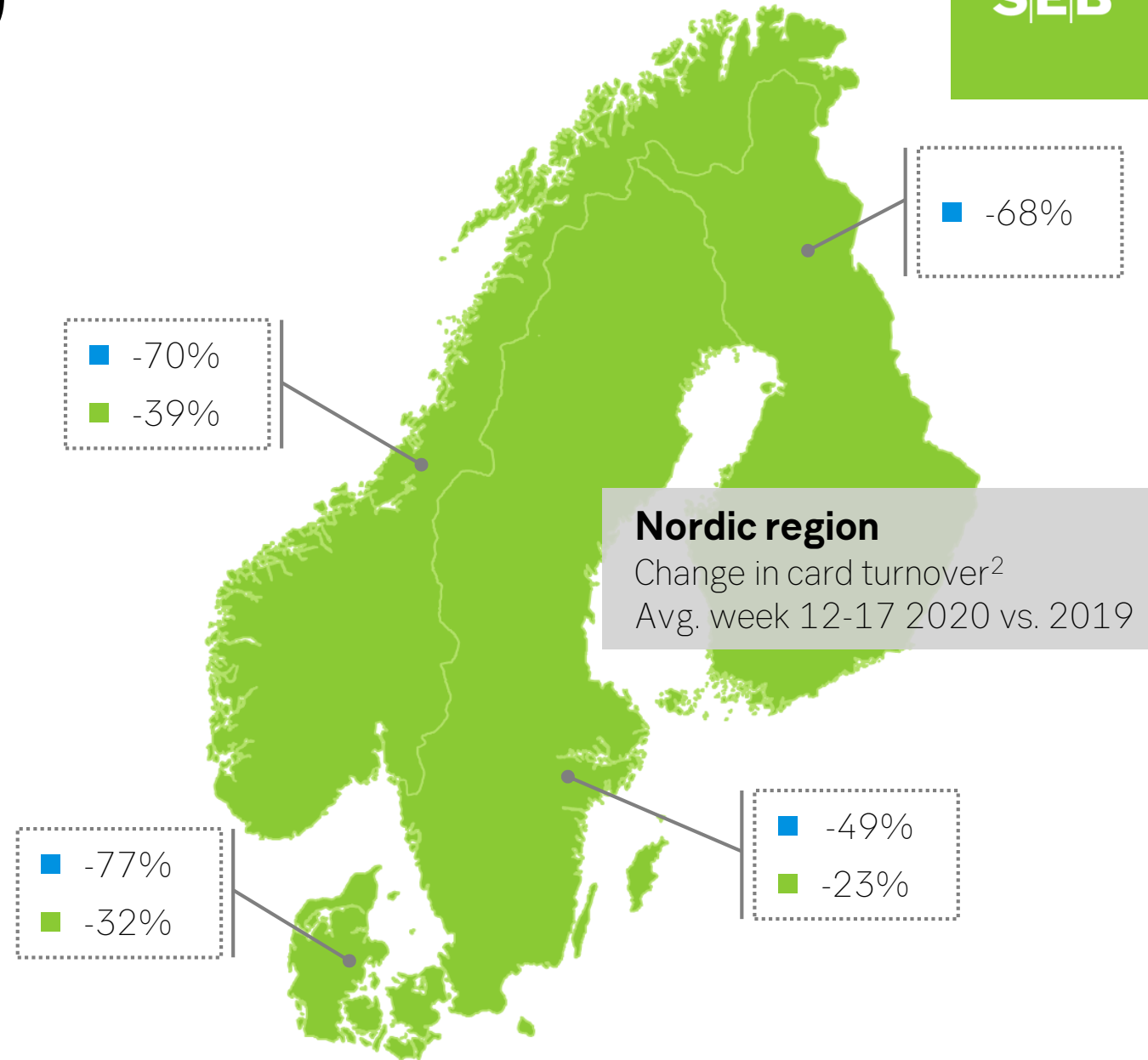
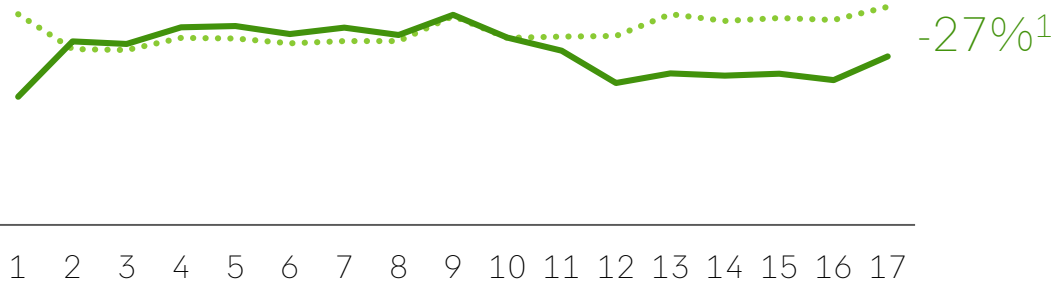
..... 2019 — 2020



Private customers

Card turnover per week, YTD 2020, Nordic total

..... 2019 — 2020



Nordic region

Change in card turnover²
Avg. week 12-17 2020 vs. 2019

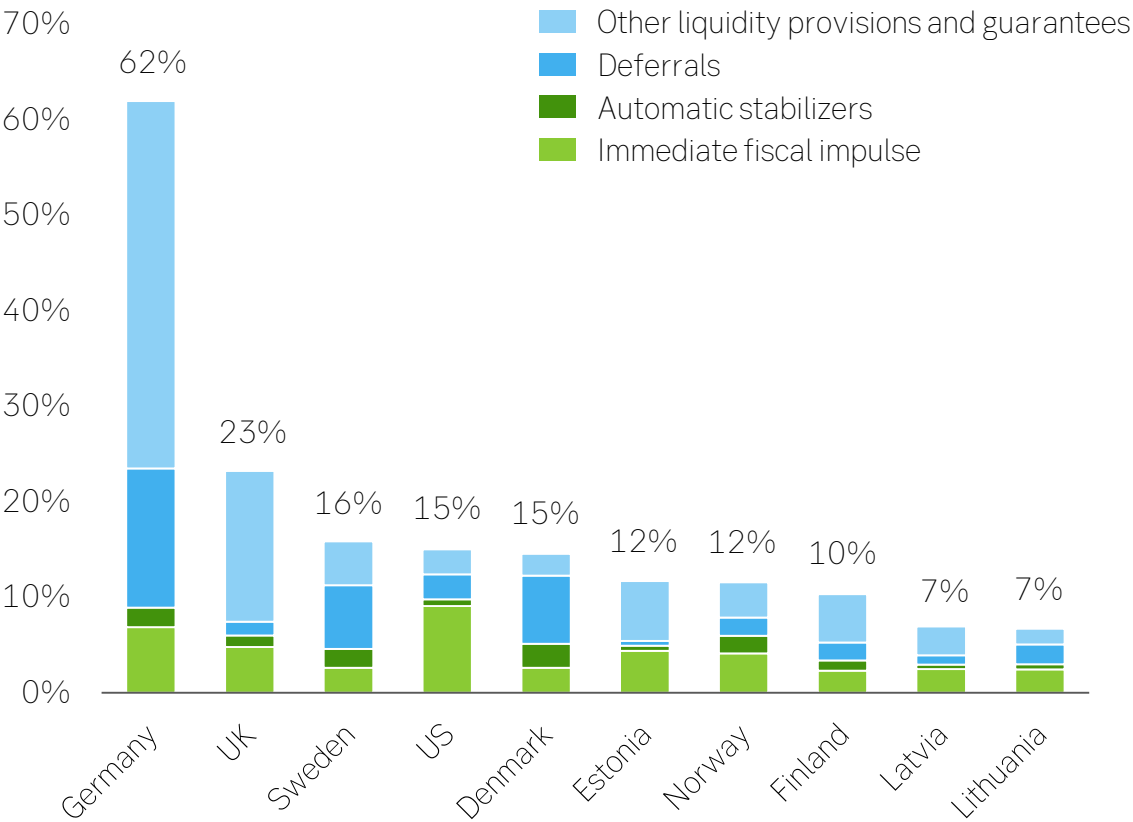
¹ Change measured as weekly average (week 12-17) 2020 vs. same period 2019; ² Development of card turnover partly dependent on product mix.

Swedish public finances in a relative position of strength



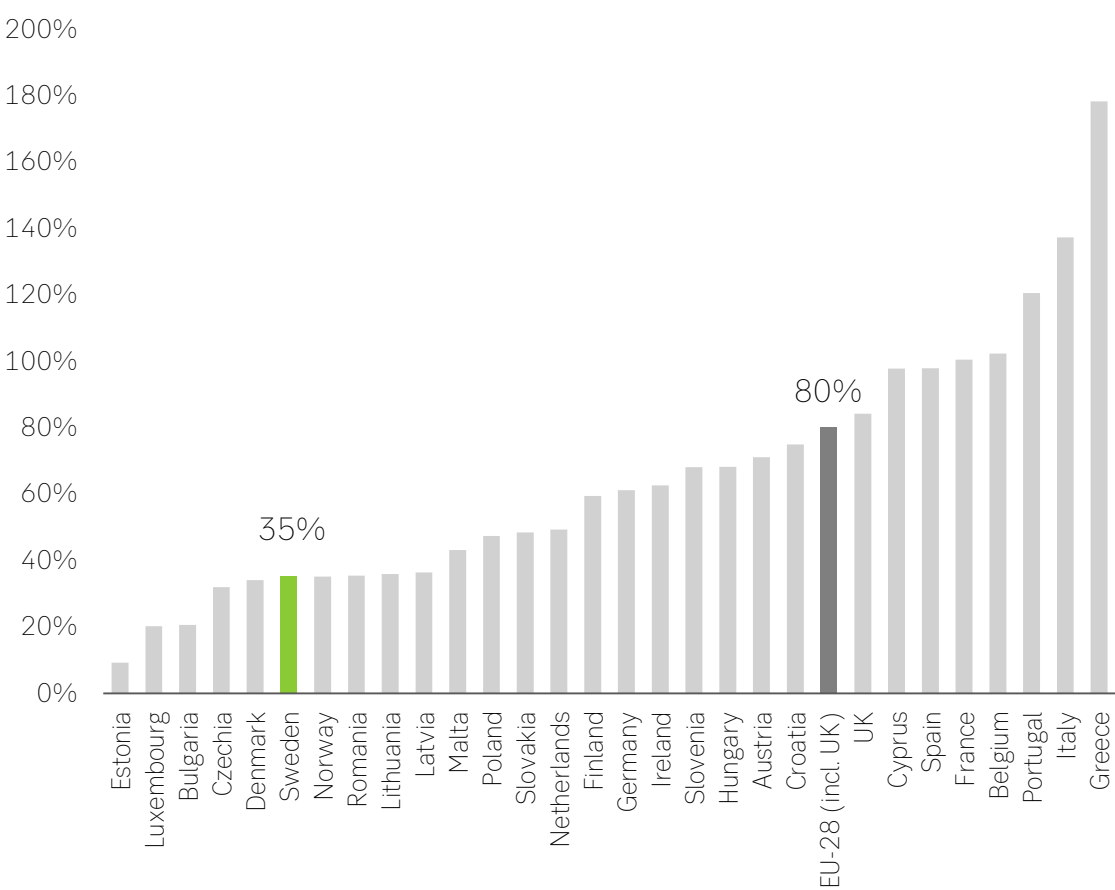
Government relief measures

Share of GDP, 2019 (YTD estimates as of 28 April 2020)¹



Government debt

Share of GDP, Q3 2019²



¹ IMF, Bruegel, National Governments and SEB estimates as of 28 April 2020; ² Eurostat.

Our response to Covid-19



Customers

Significant increase in Covid-19 related credit requests.

Grace period on lending and pension solutions granted for ca 18,600 customers.

Arranger of several Covid-19 related transactions in private and public sector.

All branch offices open in Sweden and by appointment in the Baltics.

Ca 30% increase in incoming calls to our customer service centre.

Ca 70% increase in transactions in Private Banking Active Trading.

3-5x normal levels of processed transactions in Trading and Fund Operations.



Communities

Constructively engaged in dialogue with government and authorities.

Participation in central bank lending facility in Sweden, Norway and Denmark.

Issuance of state-guaranteed loans and close collaboration with EKN in Sweden.

Partner to Hack the crisis Sweden; a virtual hackathon by the Swedish government.

Covid-19 related communication with 0.5m visitors on seb.se and 1.2m on Facebook.



Employees

Business contingency plan and crisis management structures, including split teams.

Health measures limiting physical interaction, adjusting food service routines etc.

Ca 35% of employees working from home.

2-3x more use of digital collaboration tools, such as audio and video conference.

Covid-19 related transactions



Sustainable development bond

Sole lead arranger
SEK 11.5bn



Social bond

Sole lead arranger
SEK 3.0bn



Response bond

Joint lead arranger
SEK 4.0bn



Commercial paper

Sole lead arranger
SEK 1.0bn

Announced regulatory, monetary & fiscal measures in Sweden following Covid-19

The Riksbank – monetary measures

- **SEK 500bn targeting loans** to non-financial corporations via the banks. 2y loans where the rate on the loans to the bank is the repo rate (now 0%) provided that banks increase lending to non-financial corporations by 1/5 of the borrowed amounts.
- **SEK 300bn in asset purchases** (6% of GDP) including government, covered, municipal and corporate bonds. Distribution between bonds has so far not been announced.
- **Reduced lending rate** for overnight loans to banks from 0.75ppt to 0.20ppt above the repo rate.
- **Weekly unlimited 3mth loans** to banks against collateral at a rate of 0.2ppt above the repo rate.
- **Loans in US dollars** against collateral through swap facility agreement with the Fed of USD 60 billion.
- **Relaxed rules for lending from the Riksbank**—100% collateral in covered bonds (initially raised from 60% to 80% on 16 March), 100% from an individual issuer (earlier 50%) which can be issued by the counterparty or an institution with close links to the counterparty.

Government

- **Shorter working hours/temporary lay-offs.** Gvmt subsidy that reduces wage cost for companies by approx. 70% while the employer keeps roughly 90% of the wage. Est. cost SEK 33bn for 180k users (127bn for 700k users).
- **Increased general government grants to municipalities and regions.** SEK 20bn
- **Increased funds to compensate municipalities and regions** for extraordinary costs (SEK 3bn).
- **Paying for employees on sick leave.** Gvmt takes over cost for first 2 weeks sick leave (that companies usually pay for) and temporarily remove 1st sick-day deduction (employees in the standard system get no remuneration for the 1st sick-day). Apply until 31 May. Cost is SEK 2bn per month in normal times, but will probably be larger.
- **Temporary lower employer contributions** between 1 March-30 June. Cost SEK 33bn.
- **Temporary rent reduction** for companies in sectors hard hit by the crises. Landlord will be reimbursed by the government for up to 50% of the rent reduction. April 1- June 30. Cost SEK 5bn.
- **SEK 1bn to the culture and sport.**
- **Delayed tax-payments for companies.** Companies can delay 3m worth of tax payments to the government (regular taxes, preliminary taxes on wages, employer contributions). Gvmt estimated amount up to SEK 300bn
- **Credit guarantees to airlines** (SEK 5bn)

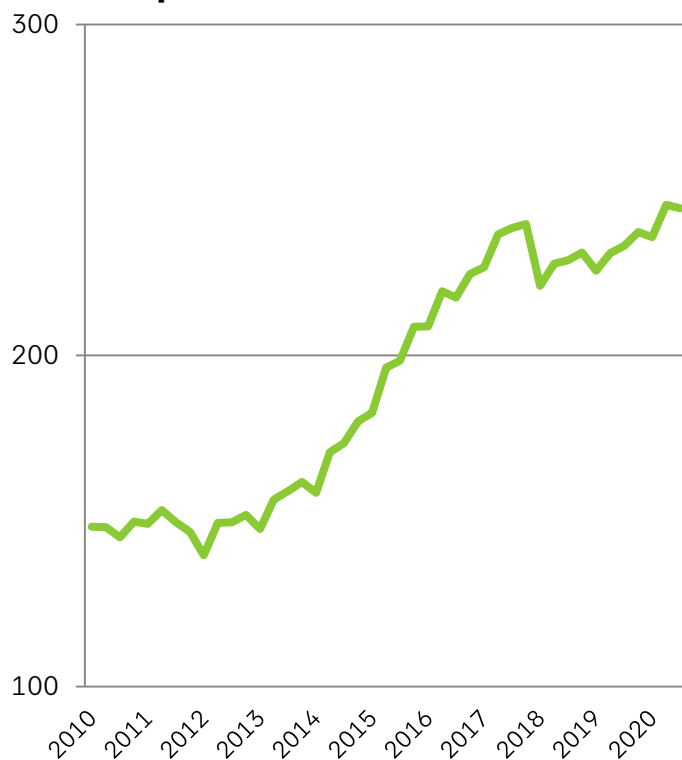
- **Postponed profit tax from 2019.** (SEK 13bn)
- **Additional possibilities to postpone tax payments (VAT)** to improve companies' liquidity. (Total amount SEK 7bn)
- **Loan guarantees.** A government support fund will be set up to guarantee 70% of new bank loans (the banks takes on 30% of the risk) up to SEK 75mn for companies under pressure from the corona crises (exemptions can be made to the ceiling amount). A risk-based fee will be added. No interest payments in year 1. Total loans: Up to SEK 100bn.
- **Temporarily increased unemployment benefits in 2020 (SEK 5bn).** Required employment time to get access to unemployment benefits is lowered to 3 months from 12 months. The levels in the unemployment benefits are raised by approximately 30-35%.
- **Education measures for unemployed in 2020 and 2021 (SEK 6bn)**

FSA – regulatory measures

- **Banks' countercyclical capital buffer lowered to 0% from 2.5%.**
- **Temporary relief from LCR requirements** for individual currencies and total currencies
- Recommendation to banks to **temporarily waive amortisation requirements** on household mortgages

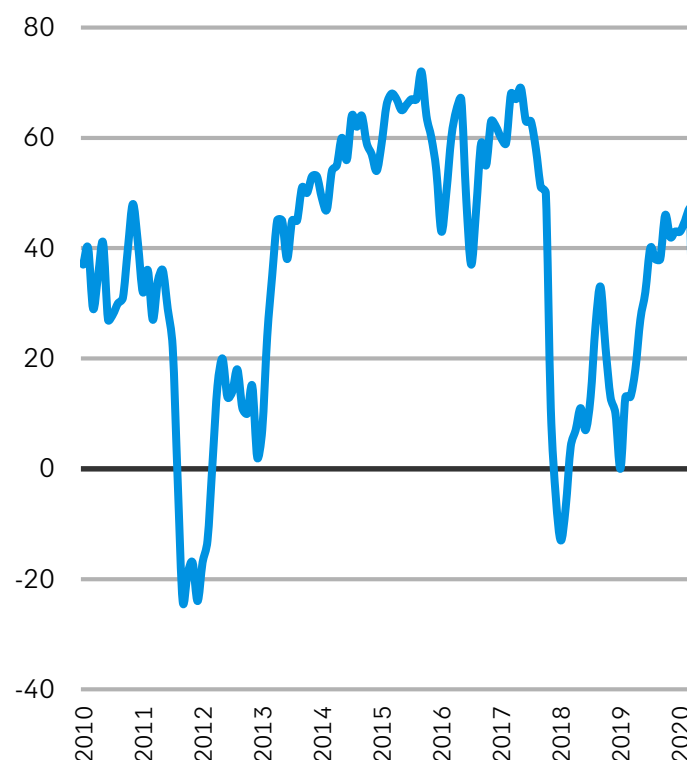
Market sentiment turned sharply negative in April – expected to impact prices

Swedish housing price development



Source: Valueguard, HOX index, 17 April 2020

Swedish housing market sentiment



Source: SEB's Housing Price Indicator, April 2020

Valueguard – housing prices

31 March 2020, %	Single family homes		Apartments	
Area	3m	12m	3m	12m
Sweden	+4.7	+6.0	+2.2	+5.6
Stockholm	+4.6	+6.5	+1.9	+6.5
Gothenburg	+2.0	+3.6	+1.6	+4.1
Malmö	+4.2	+7.4	+2.1	+5.6
HOX Sweden: 3m +3.7%, 12m +5.8%				

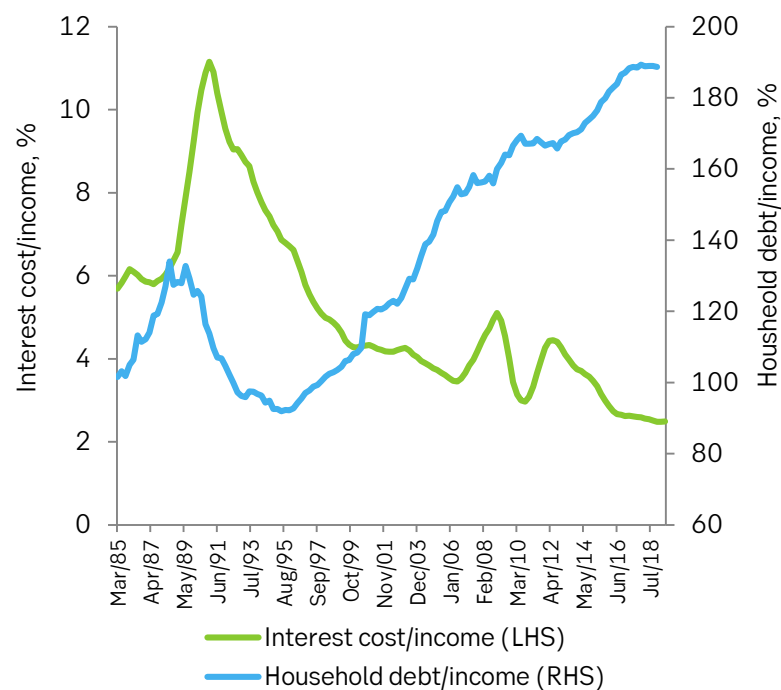
Svensk Mäklarstatistik – housing prices

31 March 2020, %	Single family homes		Apartments	
Area	3m	12m	3m	12m
Sweden	+2	+6	+2	+7
Central Stockholm			+3	+9
Greater Stockholm	+3	+6	+2	+8
Greater Gothenburg	-1	+3	+1	+7
Greater Malmö	+1	+3	+2	+7

Households financially sound going into the crisis

Interest payments low in relation to household debt

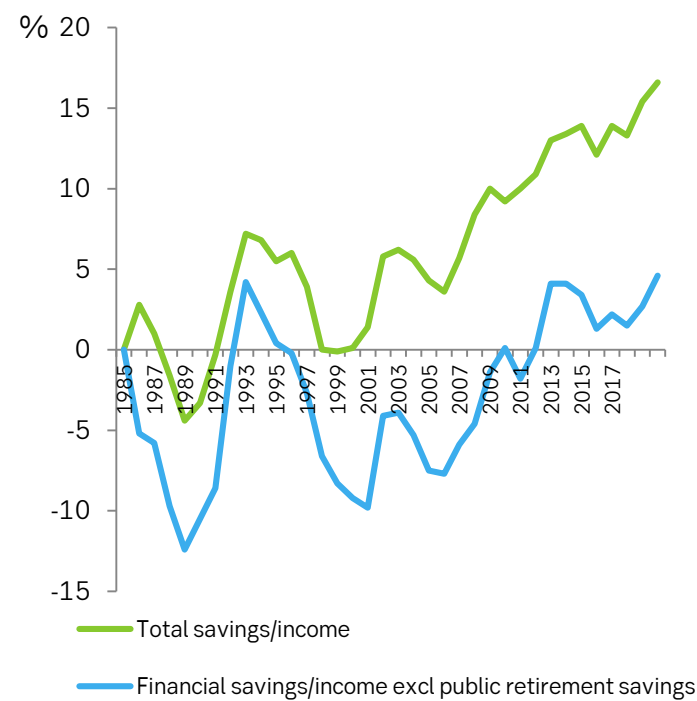
Households' interest costs and debt as % of disposable income



Source: SCB, Riksbanken

Strong household balance sheets with high savings

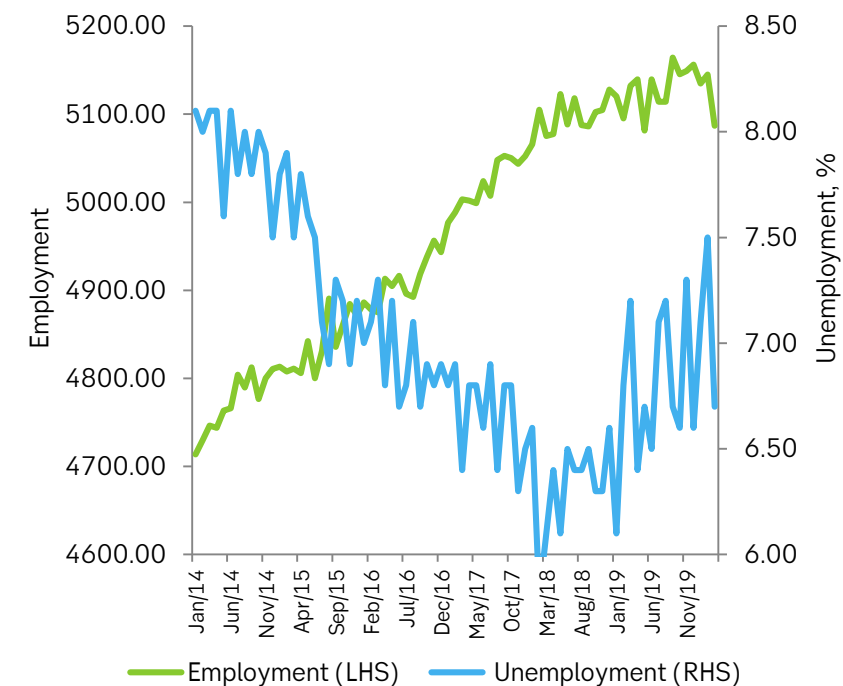
Household savings as % of disposable income



Source: SCB

Strong labour market before Covid-19

Employment ('000) and unemployment %



Source: SCB

Special features of 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

Macroprudential measures :

- LTV ceiling of 85%. Amortisation requirement: loans with LTVs 70-85% amortise min. 2%/year and between 50-70% at least 1%/year. As of 2018, loans to households with debt/income >4.5x amortise an additional percentage point
- Mortgage risk weight floor and higher countercyclical buffers (raised to 2.5% as of Sept 2019 for Sweden)



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IR contacts and calendar



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Financial calendar

2020

29 June	Annual General Meeting
1 July	Silent period
15 July	Interim Report January-June
1 October	Silent period
22 October	Interim Report January-September

The journey towards...

SEB

...world-class service
to our customers continues

