

2016

Annual Review



2016 in brief

Contents



4 Macro environment and strategy

SEB's strategy focuses on providing a leading customer experience, investing in digital interfaces and automated processes and on being the most attractive employer – all in order to create value for all stakeholders.

16 Customer activities

In an uncertain macro environment, large corporate and institutional customers were active in risk management. The sentiment among small and medium-sized companies was more positive. Savings and home mortgage volumes increased among private individuals.



18 New customer services

With the customers' needs and the bank's vision to provide world-class service in mind, SEB is taking a number of initiatives to improve customer experience.

21 Responsible services

SEB wants to be a role model within sustainability and within financing and investments that promote long-term sustainable development.



28 Risk

Risk management is indispensable for SEB's long-term profitability. Managing IT risks and climate-related risks is increasing in importance.

30 The year in figures

Operating profit decreased by 7 per cent, excluding items affecting comparability. Operating profit decreased by 29 per cent including items affecting comparability. The Board of Directors proposes a dividend of SEK 5.50 per share.

Income statement and balance sheet

The net profit for the year is presented in the Income Statement on this page. The business volume is reported below as part of the Income Statement.

The income statement describes the operating income and operating profit for the year. It also shows the operating expenses and the operating profit. The operating profit is the result of the operating income minus the operating expenses. The operating profit is the result of the operating income minus the operating expenses. The operating profit is the result of the operating income minus the operating expenses.

	2016	2015
Operating income	43,771	43,763
Operating profit	14,867	20,865
Return on equity, per cent	7.8	12.2
Cost/income ratio	0.63	0.50
Earnings per share, SEK	4.88	7.57
Proposed dividend, SEK	5.50	5.25
Common Equity Tier 1 capital ratio, per cent	18.8	18.8
Leverage ratio, per cent	5.1	4.9
Liquidity Coverage Ratio (LCR), per cent	168	128

Important events

Customers demanded hedging and risk management services throughout the year.

SEB increased corporate and property management lending and commitments by SEK 134bn.

Prospera's survey ranked SEB as number 1 in customer satisfaction among Nordic tier 1 large corporations and Nordic tier 1 financial institutions.

As the only Nordic bank, SEB was included in the Dow Jones Sustainability Index.

Operating expenses increased due to a goodwill impairment of SEK 5,334m.

Subsequent to year-end 2016, Annika Falkengren, SEB's president and CEO, announced her decision to leave the bank. Her successor will be Johan Torgeby, currently division head in SEB.

SEB paid SEK 1,362m in regulatory fees for financial stability purposes.

Key figures

	2016	2015
Operating income, SEK m	43,771	43,763
Operating profit, SEK m	14,867	20,865
Return on equity, per cent	7.8	12.2
Cost/income ratio	0.63	0.50
Earnings per share, SEK	4.88	7.57
Proposed dividend, SEK	5.50	5.25
Common Equity Tier 1 capital ratio, per cent	18.8	18.8
Leverage ratio, per cent	5.1	4.9
Liquidity Coverage Ratio (LCR), per cent	168	128

Who we are

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

Our purpose

We believe that entrepreneurial minds and innovative companies are key to creating a better world. We are here to enable them to achieve their aspirations and succeed through good times and bad.

Our vision

To deliver world-class service to our customers.

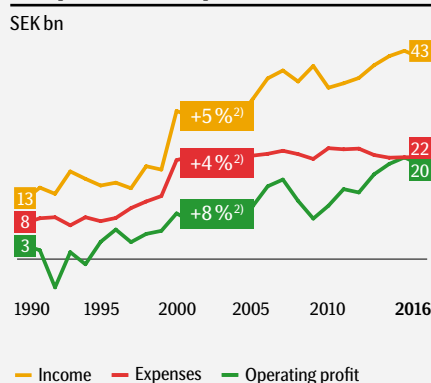
160

years in the service
of enterprise

Our strategic priorities

- Leading customer experience
- Maintaining resilience and flexibility
- Growing in areas of strength

Our profit development 1990–2016¹⁾



- 1) Excluding items affecting comparability.
2) Compound Annual Growth Rate (CAGR).

Our financial targets

	Outcome 2016 ¹⁾	Outcome 2015 ¹⁾
Dividend payout ratio at 40 per cent or more of earnings per share	75% ²⁾	66%
Common Equity Tier 1 capital ratio of around 150 basis points over requirement	18.8% ³⁾	18.8%
Return on equity competitive with peers	11.3% ⁴⁾	12.9%

- 1) Outcome excludes items affecting comparability. See p. 30.
2) Outcome incl. items affecting comparability is 113%.
Dividend proposal: SEK 5.50 per share (5.25).
3) Regulatory requirement at year-end 2016: 16.9%.
4) Outcome incl. items affecting comparability is 7.8%.

What we do

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

In meeting the requirements and expectations from customers, shareholders, employees and society at large...

...via SEB's management of its business...



...comprehensive services...

In areas like:

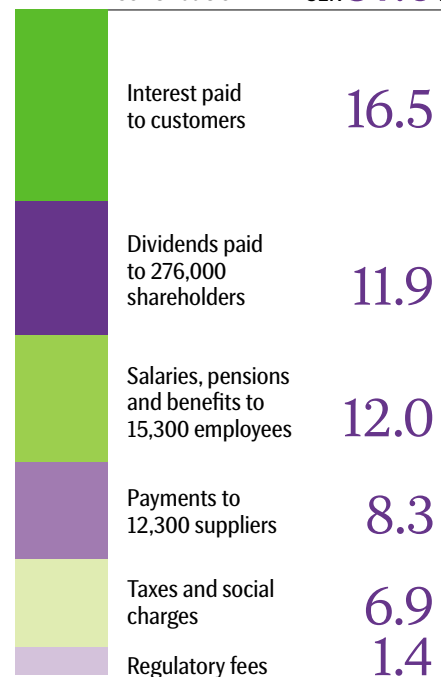
- Commercial banking
- Investment banking
- Advisory services
- Long-term savings
- Life insurance
- Payments
- Financing

...and various channels...

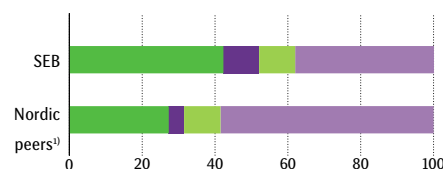
- 219** branch offices in Sweden and the Baltic countries
- 2.4** transactions online per home bank customer per week
- 3.0** mobile bank transactions per home bank customer per week
- 20** international sites
- 24/7** telephone bank services
- 200** client executives for large corporates and institutions

...value is created

SEB:s total contribution SEK 57.0 bn



SEB – the leading Nordic corporate bank



Share of income 2016, %	SEB	Nordic peers
Large corporates and institutions	42	27
Life insurance (unit-linked)	10	4
Asset management	10	10
Retail banking	38	59

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

Whom we serve

Customers always come first. Our committed and experienced 15,300 employees work as a team to serve our customers.

Large corporations

SEB's corporate customers in the Nordic region are among the largest in their respective industries. In Germany they range from large mid-corporates to large multinationals.

2,300
large corporations

Financial institutions

SEB's institutional clients operate both in the Nordic countries and internationally.

700
financial institutions

Small and medium-sized companies

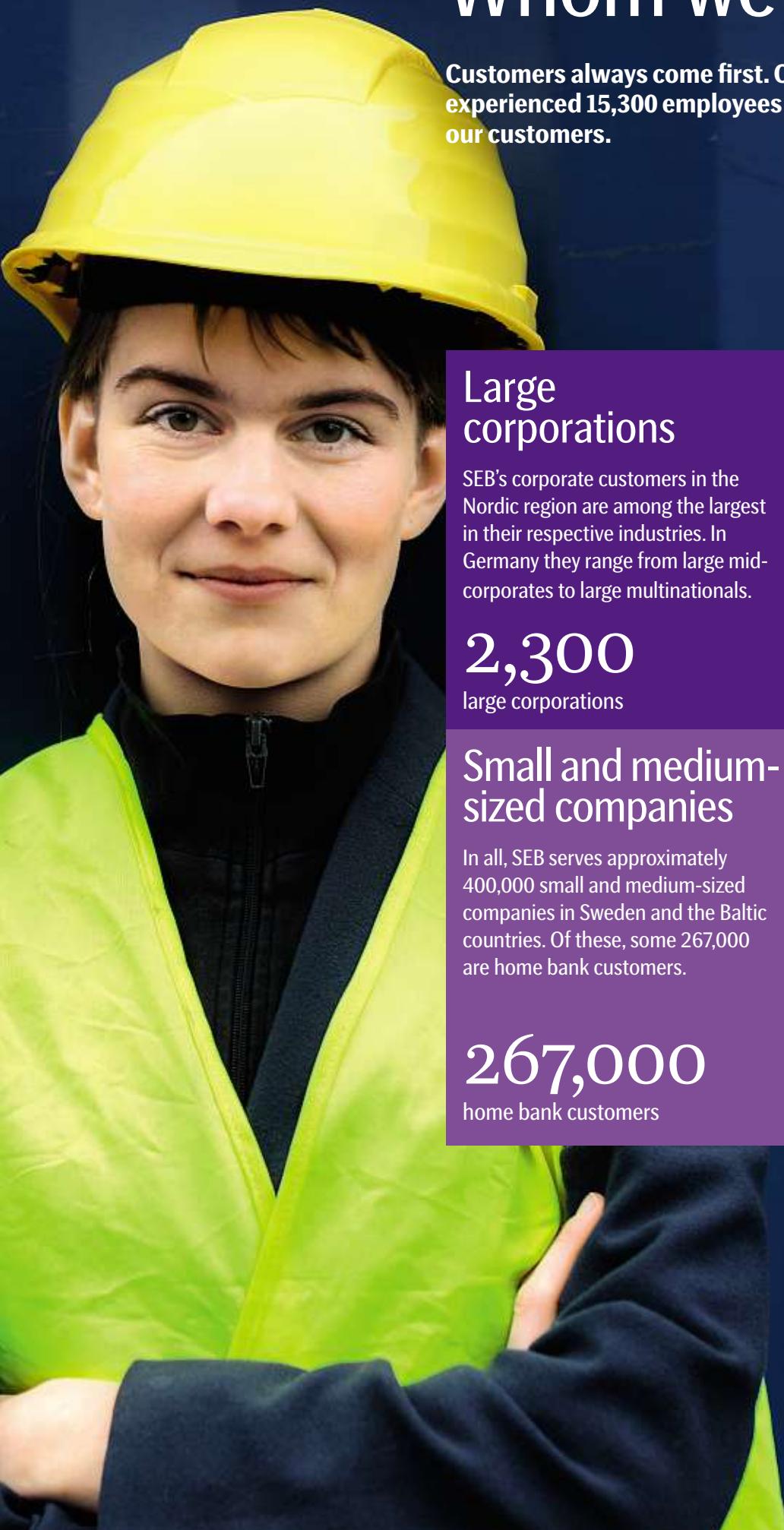
In all, SEB serves approximately 400,000 small and medium-sized companies in Sweden and the Baltic countries. Of these, some 267,000 are home bank customers.

267,000
home bank customers

Private individuals

SEB has approximately 4 million private individuals among its customers in Sweden and the Baltic countries. Of these some 1.4 million are home bank customers.

1.4
million home bank customers





World-class service

» The whole SEB team will, step by step, continue to deliver on our vision. «

The year 2016 marked the start of a new business plan focused on growth and transformation.

Looking back at my tenure as the chief executive of this fantastic bank, I must say it has been an era of so many different – and all of them exceptional – economic phases. The first years were characterised by abundant liquidity, rapid credit growth and distorted risk-return rewards. By now we all know how it ended. The deep global financial crisis with the acute phase following the crash of Lehman Brothers in 2008, had immense effects not only for the financial system, but also for the real economy. Still today, real global growth is not firing on all cylinders, despite years of unconventional monetary policy with massive quantitative easing programmes and even negative interest rates.

In SEB, we have always been guided by two principles: maintaining resilience and flexibility, and staying close to our customers. Through a strong balance sheet and sufficient liquidity reserves, we can support our customers in good times and bad, while continuously developing services to make the customer experience even more convenient.

In the past year, the shifting market environment continued to impact customer behaviour. Customers' demand for advisory and risk management services remained. As business sentiment grew more positive towards the end of the year, event-driven large corporate credit demand rose and SEB participated in a number of public equity listings in the Nordic region. However, the low interest rate environment pushed many financial institutions to move further out on the risk curve and into less liquid investments. Both in Sweden and in the Baltic countries we supported domestically focused SMEs as they showed a growing willingness to invest.

The shifting demographic trends with increasingly ageing populations increase the needs for long-term savings. Customers appreciated our holistic savings offering, which now also includes traditional life insurance. SEB has taken an industry-leading approach as both private individuals and institutional clients have higher demands for sustainability-focused investments.

The banking industry, just like all industries, has had to revisit business models following digitalisation and the rapidly changing customer behaviours. Thus, 2016

marked the beginning of a three-year business plan for SEB reflecting our belief that going forward customer orientation and digitalisation will increase in importance. We are changing our ways of working and have invested in and launched new customer interfaces in all segments, as well as a number of new services including remote advice.

I would like to take this opportunity to thank all employees and customers for their commitment to and trust in SEB all through these years. It has been lots of hard work, but most of all it has been more than eleven years of passion for SEB. I know that the whole great SEB team will – step by step – continue to deliver on our vision of world-class service.

Stockholm, February 2017



Annika Falkengren
President and Chief Executive Officer

Macro environment

Three major global trends are impacting banks' operating environment. Customer behaviour and expectations are changing with the digital transformation. Global growth, with low or negative interest rates and new regulatory requirements, remains uncertain. Demands on banks to take responsibility for a more sustainable world are higher.



Complexity in the macro environment



The global economy remained uncertain following a number of unexpected economic and political events during 2016. However, there were clear signs of economic turnaround. Initiatives for infrastructure investments were taken. The increase in US interest rates may have been a starting point for a shift away from the very low or negative interest rates, eventually leading to discontinuing the central banks' massive quantitative easing programmes. The

record-high global debt remains to be managed for a long time, however.

The referendum in the United Kingdom resulting in the favour of Brexit as well as the presidential election in the United States contributed to increased uncertainty around international trade and political stability. A rapid increase in populist, nationalist and protectionist forces was also seen in 2016 in a number of countries.

Conflicts and uncertainty in many parts of the world have resulted in major waves of migration that are creating tension.

» The Swedish repo rate was negative throughout the year and was -0,5 per cent at year-end.«

Rapid digital transformation

The rapid technical development is a new industrial revolution

Digitalisation is leading to new customer behaviours and new business models are rewriting the map for society, many industries and for private individuals – so too for the financial sector.

Customers expect accessible and convenient services. Digitalisation provides ample opportunity to create new and easy-to-use niche services for payments, savings and lending. One example is the highly successful mobile payment service, Swish, which is owned by the Swedish bank sector. The transformation is putting demands on faster development, simplified processes and increased automation in the banking sector and will, over time, result in substantial efficiency measures.

Flexible and agile companies which lack heavy infrastructure and are not burdened by the same rules and regulations as banks are entering the financial markets. These fintech companies also represent an opportunity for the financial sector and there are many examples of partnerships building on traditional banks' infrastructure that lead to innovative and effective solutions for the customers.

There is substantial underlying public trust in traditional universal banks and they offer customers comprehensive solutions and a total view of their financial situation. Building on this trust, SEB is striving to meet the increasing expectations of the customers.



New regulations create uncertainty



The Basel Committee

The new financial regulations that continue to be developed are creating uncertainty about economic development, since no one today has assessed the total effect of all rules and regulations.

Standardised risk-weights may increase lending rates

The new, standardised risk-weight floor that is currently being discussed by the Basel Committee poses a challenge to the Nordic banking system, which is successfully using individual risk classifications to assess its capital needs.

A standardised risk-weight floor according to the Basel Committee's recommendation removes the incentive to use sound risk principles, where low risk means lower interest rates for the customer and high risk means higher interest rates for the customer. This would lead to a dramatic rise in capital needs in Nordic banks. This, in turn, would lead to higher rates for corporate lending, which in turn would have a direct impact on growth in the real economy.

In January 2017 the Basel Committee announced that it is postponing the publication of the risk-weight floor rules until further notice. In a longer perspective the uncertainty remains.

Proposed new financial tax

In the opinion of the Swedish government banks are insufficiently taxed because financial services are VAT-exempt. Therefore, a 15 per cent tax on wages and benefits that relate to the VAT-exempt financial services is proposed. In addition, the tax is proposed to be non-tax deductible.

If implemented, the tax would affect not only the financial sector but also companies that run treasury departments and the fintech sector.

According to calculations provided by the Swedish Bankers' Association as many as 16,000 jobs in Sweden would be threatened if these plans were in fact carried out, since jobs may be moved abroad in order to lower staff costs.

The total estimated effect from the proposal under discussion on SEB is around SEK 700m per year in additional costs.

Stabilising the financial sector

Regulatory requirements on banks in Sweden are among the strictest in the world. Recent Swedish regulations are designed to further stabilise the Swedish financial sector and further ensure banks' contribution to society.

Based on experiences from previous financial crises, national governments have established so-called resolution funds with the purpose to finance potential future support from the government to credit institutions.

Similarly, deposit guarantees provide protection for retail depositors in case of bank default.

Financial contributions

In Sweden, banks contribute to the resolution fund for stability purposes and to the national deposit guarantee scheme.

In 2016, SEB's total regulatory fees were SEK 1.4bn. In 2017, when the full resolution fee is charged, the bank expects the fees to amount to SEK 2.1bn, the absolute main part of which are paid in Sweden.

Risk of unfair competition

Interest on subordinated debt that qualifies as additional tier 1 capital and tier 2 capital is no longer deductible for income tax purposes. The reason is that such debt is considered to be part of banks' capital base and therefore should be treated as capital for tax purposes.

Since this would be a tax on Swedish banks only there is a risk of unfair competition in relation to international financial institutions.

The additional tax on SEB is estimated to around SEK 360m in 2017 and SEK 300m in 2018 and thereafter.

Shift to a more sustainable world

The role of business in the shift to a more sustainable world was manifested for the first time in 2015 when the UN 17 global sustainable development goals were signed and the global and legally binding climate agreement was adopted at the COP21 meeting in Paris.

The business sector contributes to the work with the 17 global sustainable development goals that have been set by the UN. The goals span a wide range, from poverty eradication to promotion of health, prosperity and economic growth. For each goal there are specific targets to be achieved over the next 15 years. To reach these targets, all parties must do their part, governments, business and industry as well as civil society. SEB was one of the 400 companies which signed a global petition in support of the climate agreement and the bank has revised its position on climate change with a

clear ambition to be involved and contribute to limiting global warming to well below 2 degrees Celsius.

The financial sector has a key role to play in channelling investment capital to infrastructure and fossil-free energy systems. In doing so companies are not only helping to address the climate threat – they also have better prospects for sustainable growth and thus better returns.

▶ See also SEB's Sustainability Report 2016.

Sustainable development goals



Demographic challenges



Most countries are facing significant demographic challenges posed by ageing populations.

The dependency burden for the actively working portion of the population is growing, which strains social security systems. There is a growing realisation that individuals themselves need to take greater responsibility for their financial security through savings and insurance solutions. In this area the financial sector can make a contribution by providing easily accessible advice and long-term investment services.

Stakeholder dialogue

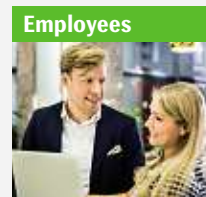
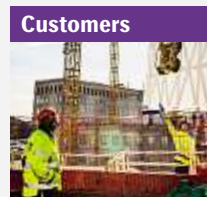
Financial markets are at the core of creating economic and social value in a modern society. Here banks play a key role.

SEB maintains an active dialogue not only with customers and employees but also with other stakeholders such as shareholders, suppliers, government agencies, legislators and representatives of the local communities in places where SEB operates. In this dialogue, SEB has identified the issues that are most important for stakeholders as well as for the bank. They

are in agreement and are in line with the bank's strategic direction on the base of risk management, financial strength and resilience.

Mutual issues are:

- providing fulfilling customer experience and good service
- maintaining high standards of business ethics and IT security
- contributing to a society characterised by innovation and resource efficiency.



SEB creates value

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

Meeting stakeholders' expectations

via SEB's management of its business

Customers



1.6 million corporate and private customers

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

Shareholders



276,000 shareholders

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

Employees



15,300 employees

SEB's employees build and deepen customer relationships. Their commitment, skills and quality of their daily work are key success factors for the bank's business and future development.

Society



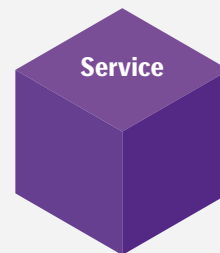
Society at large

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



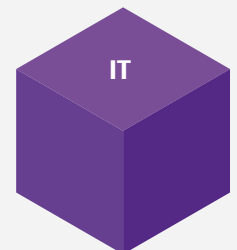
Long-term strategy

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



Customer-oriented offering

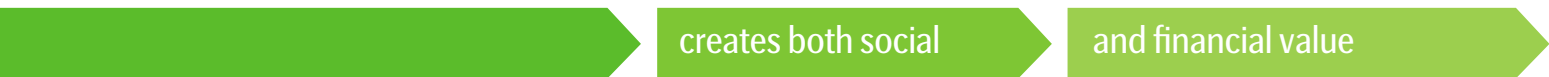
Proactive quality advice and a holistic offering are provided at the customers' convenience, based on customer insights.



Secure and functional IT

The IT structure promotes stability in the daily operation and agile development of digital products and services.

▶ See p. 16 in SEB's Sustainability Report 2016



Financial strength
Financial strength gives the resilience and flexibility required to serve customers over the long term.



Solid corporate governance
Corporate governance is based on clear allocation of responsibility, a well developed structure for internal control and ownership involvement.



Sound risk culture
To meet customers' needs SEB assumes and manages risks. These are mitigated by prudence, risk awareness and expertise throughout the organisation.

For customers

By providing proactive advice and a wide range of financial services, SEB supports its customers' long-term aspirations and adds value in all phases of life of individuals and development stages of companies and institutions.
▶▶ See p. 14.

For shareholders

Dividends and potential increases in market value over time contribute to shareholders' financial security and enable new investments. SEB's competitiveness is increased and long-term risks are reduced through the integration of environmental, social and governance aspects.
▶▶ See p. 26.

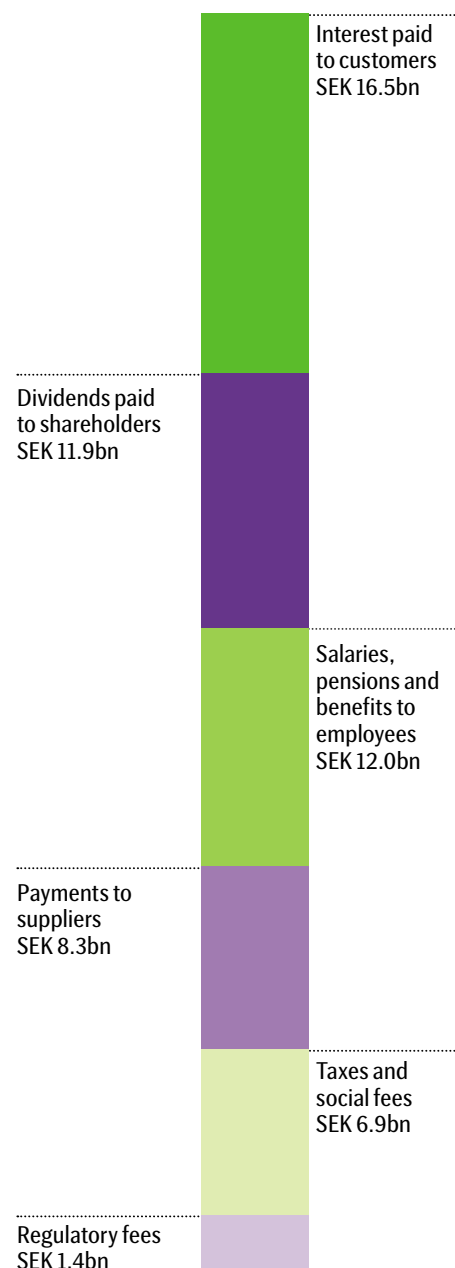
For employees

The employees take part in, and value, the opportunities for learning and further development that are integrated in SEB's business. Employees also participate in the many partnerships that SEB supports to help communities develop and prosper. ▶▶ See p. 22.

For society at large

SEB intermediates financial solutions, provides payment services and manages risks which promote economic growth and prosperity. SEB pays taxes and fees according to local rules where it operates. SEB takes responsibility as a provider of financing and as an asset manager and works proactively with environmental, social and governance issues. ▶▶ See p. 21 and 25.

Distribution of financial value
SEK 57bn for 2016



World-class service

SEB's long-term vision reflects a future in which customer orientation and digitalisation increase in importance. In this environment, the bank's ambition is to be the undisputed leading Nordic corporate and institutional bank and the top universal bank in Sweden and the Baltic countries.



SEB's long-term strategic priorities

Leading customer experience

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

Resilience and flexibility

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

Growth in areas of strength

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

The three-year business plan (2016–2018)

Growth in areas of strength

Accelerated growth in Sweden

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

Nordic and German large corporations and institutions

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

Savings offering to private individuals and corporate customers

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

Transformation focus areas

World-class service

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

Digitalisation

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

Competences

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

Aim to be a role model in sustainability



The financial sector's importance for, and indirect impact on, sustainability issues is widely recognized. SEB wants to be a role model in sustainable development in the financial industry with focus on:

- promoting climate-friendly and resource-efficient solutions,
- working with sustainable investment and financing with positive impact,
- supporting entrepreneurship which creates new jobs and supports economic development, and
- reducing the bank's own direct environmental impact.

Overall targets and outcome

Customers



Customer experience and satisfaction

Various internal and external metrics are used to measure customer satisfaction. Customers' willingness to recommend SEB is one of the key measures of the bank's progress.

Nordic large corporations			Nordic institutions		
Customers' willingness to recommend ¹⁾			Customers' willingness to recommend ¹⁾		
Year	SEB	Industry average	Year	SEB	Industry average
2014	4.1	3.6	2014	3.9	3.7
2015	4.1	3.7	2015	3.6	3.5
2016	4.1	3.8	2016	3.9	3.7

1) According to Prospera

Small companies in Sweden			Private individuals in Sweden		
SEB internal measures ²⁾			SEB internal measures ²⁾		
Year	SEB	Target	Year	SEB	Target
2014	33	>30	2014	33	>30
2015	36	>35	2015	34	>35
2016	40	>35	2016	37	>35

2) According to the Net Promoter Score method

Target
Leading position in selected customer segments.

Outcome
Customer satisfaction improved in all four segments. Nordic large corporations ranked SEB as no.2 in 2016 versus no.3 in 2015. In 2016, the ranking by Nordic financial institutions improved to no.1, from no.5 in 2015.

Going forward
SEB will work to improve overall customer satisfaction further through proactive advice and convenient customer interfaces.

Swedish Quality Index
According to the Swedish Quality Index measurement of customer satisfaction, trust in the banking industry dropped significantly among both private and business customers. SEB was relatively unaffected when it came to private customers and decreased much less than industry average regarding business customers.

Shareholders



Financial targets

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

Common equity Tier 1 capital ratio		Per cent
2014	16.3	
2015	18.8	
2016	18.8	

SEB's estimate of the current Common Equity Tier 1 capital requirement from the Swedish Financial Supervisory Authority, according to Basel III (CET1), is 16.9 per cent.

Target
SEB shall maintain a CET1 capital ratio that is around 150 basis points higher than the regulatory requirement, which currently would mean around 18.4 per cent.

Outcome
The Common Equity Tier 1 capital ratio was 18.8 per cent at year-end.

Return on equity		Per cent
2014 ¹⁾	15.3	(13.1)
2015 ²⁾	12.2	(12.9)
2016 ³⁾	7.8	(11.3)

1) Including items affecting comparability 15.3 (excluding: 13.1)
2) Including items affecting comparability 12.2 (excluding: 12.9)
3) Including items affecting comparability 7.8 (excluding: 11.3)

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

Outcome
Return on equity was 7.8 per cent. Excluding items affecting comparability, return on equity was 11.3 per cent.


Dividend payout ratio		Per cent
2014 ¹⁾	54	(63) 4.75
2015 ²⁾	69	(66) 5.25
2016 ³⁾	113	(75) 5.50

1) Including items affecting comparability 54 (excluding: 63)
2) Including items affecting comparability 69 (excluding: 66)
3) Including items affecting comparability 113 (excluding: 75)

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

Outcome
The proposed dividend corresponds to 113 per cent of earnings per share. Excluding items affecting comparability, the proposed dividend corresponds to 75 per cent of earnings per share.

Employees



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

Employee engagement		Index
Engagement		Average ¹⁾
2014	75	71
2015	79	71
2016	77	73

Performance excellence		Index
Efficiency and trust		Average ¹⁾
2014	78	74
2015	80	75
2016	81	76

Employees		Index
Willingness to recommend SEB as a place to work		Average ¹⁾
2014	76	71
2015	80	71
2016	78	73

1) Financial sector average

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

Outcome
In the 2016 survey, the results were clearly higher than the average for the financial sector. The outcome improved in terms of performance excellence, but decreased somewhat – from a high level – in terms of employee engagement and employees' willingness to recommend SEB as a place to work.

Going forward
SEB will strive for enhanced employee engagement especially in the bank's vision, values and business plan.

Society



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

Reputation ¹⁾		Index
Sweden		Average ²⁾
2014	42	40
2015	42	42
2016	45	40

Baltic		Index
Average ²⁾		
2014	57	55
2015	57	56
2016	54	51

1) Corporate reputation among the general public, according to TNS Reputation Index (weighted in the Baltic countries).
2) SHB, SEB, Swedbank, Nordea, Danske Bank.

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

Outcome
Long-term positive trend in Sweden. The gap to no. 1 is decreasing. In the Baltic countries, scores are above market average but the trend is slightly negative. SEB ranks as no. 3 in Estonia and no. 2 in Latvia and Lithuania.

Going forward
SEB will pursue its long-term commitment to business ethics and public trust.

Sustainability



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

Sustainability index
SEB meets the criteria

STOXX	✓
Ethibel	✓
FTSE4Good	✓
ECPI	✓
Dow Jones	✓

Target
To be included in at least five selected sustainability indexes.

Outcome
SEB has been included in STOXX, Ethibel, FTSE-4Good and ECPI for several years. In 2016, SEB was also included in the Dow Jones sustainability index and thereby the target was met.

Going forward
SEB targets being comfortably included in the indexes above.

CO ₂ emissions		Tonnes
		Target
2015	21,315	17,000
2016	20,437	17,000

As of 2015, a new baseline for measuring the CO₂ emissions, where additional SEB units are included, was established. As a consequence, the target expressed in tonnes was changed. For details, refer to SEB's Sustainability Report 2016.

Target
Reduce CO₂ emissions by 20 per cent between 2015 and 2020.

Outcome
The CO₂ emissions were reduced by 4 per cent one year into the target period.

Going forward
SEB will continue to focus on reducing the CO₂ emissions.

Customers and customer services

In a rapidly changing world, innovation and transformation are key for SEB – new services, solutions and meeting places are developed in close cooperation with customers in order to offer world-class service.



Customer segments

Large corporations

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

Strategy

- Aim to make SEB a preferred partner by offering a comprehensive range of financial services and advice for all aspects of a company's operations, using the bank's broad expertise and depth of industry knowledge.
- Expand business with the existing customer base in the Nordic countries and Germany, building on long-term personal relationships.
- Focus on convenient digital customer portals and process efficiency in addition to cost and capital efficiency.
- Grow the number of corporate customers in the United Kingdom.

Small and medium-sized companies

SEB serves some 400,000 small and medium-sized companies in Sweden and the Baltic countries. Of these 168,000 are home bank customers in Sweden and 99,000 in the Baltic countries. There are approximately 500 mid-corp and public sector customers in Sweden, many with international operations. The public sector includes government agencies, state-owned companies and municipalities.

Strategy

- Develop SEB's offering based on the bank's strong position among large corporations in the Nordic region. Offer small and medium-sized companies convenient services and proactive advice, based on a deep insight of their entire situation, including the needs of both the employees and the owners.
- Serve smaller businesses with the help of packaged services and increased accessibility through digital interfaces.

Financial institutions

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

Strategy

- Meet the financial institutions' needs by a specialised customer key account organisation where the bank's offerings are combined with a depth of expertise in the operations of the institutional clients.
- Focus on convenient digital client portals and process efficiency in addition to cost and capital efficiency.
- Offer a comprehensive range of services to customers in the Nordic countries and Germany and offer Nordic products globally.

Private individuals

In all, SEB has approximately four million private customers in Sweden and the Baltic countries. Of these 485,000 are home bank customers in Sweden and 904,000 in the Baltic countries. For private customers with sizeable capital and a need for more qualified advice, SEB offers a comprehensive range of private banking services. SEB has approximately 25,000 private banking customers.

Strategy

- Meet customers' full needs for financial advice and services during all phases of life.
- Strive to make it easy for customers to manage their personal finances and plan for the future. Proactivity and accessibility are key in providing convenient services.
- Provide options for long-term savings since ageing populations are putting pressure on the public welfare system which means that individuals need to take greater responsibility for their financial security.

Meet our customers



Teo Ottola
Konecranes

▶▶ Read more on p. 17.



Katre Kõvask
Südameapteek

▶▶ Read more on p. 19.



Anders Parrow

▶▶ Read more on p. 20.



Customer activities in 2016

In the uncertain environment, both large corporate customers and institutions maintained a wait-and-see approach, but the need for risk management services was high. Small and medium-sized companies were more positive. On the private side, customers increasingly used digital services for their financial needs.

Large corporations

Tentative, but more activity towards the end of the year

In the beginning of the year, characterised by macroeconomic uncertainty, large corporate customers were cautious. There was higher demand for lending towards the end of the year, driven by a number of corporate events. In addition, SEB played an instrumental role as adviser and arranger in for instance the listing of Arcus in Norway and DNA in Finland. Private equity investors were increasingly active. Customers

requested advisory and risk management services in the volatile market environment throughout the year. In the United Kingdom, new customers chose SEB for its Nordic relationship bank profile.

Customer satisfaction

SEB was ranked no. 1 among tier 1 large corporations in the Nordic region in Prospera's customer satisfaction survey.

Financial institutions

Activity driven by low interest rates and volatile markets

Uncertainty regarding the impact of banking regulations as well the direction of central bank policies characterised a good part of 2016. Activity among financial institutions was generally low but increased towards the end of the year. In times of market turbulence, especially around the Brexit referendum and the presidential election in the United States, markets were volatile and risk management activity high. The low interest rate environment prompted

many financial institutions to take on more risk by investing in less liquid assets.

Institutional investors grew increasingly interested in sustainability focused investments.

Customer satisfaction

SEB was ranked no. 1 by tier 1 financial institutions in the Nordic region in Prospera's customer satisfaction survey.

Small and medium-sized companies

Positive development in both Sweden and the Baltic countries

Swedish small and medium-sized companies were less affected by the global uncertainty. The anticipated investments in infrastructure in Sweden created a positive momentum. Around 9,000 new companies chose to become home bank customers in SEB. Their need for financing and savings services grew and SEB's digital services were increasingly utilised.

Digital services

The business banking app, the internet bank, the Swish app for payment services for companies and e-invoice are all examples of digital initiatives that were appreciated by the small and medium-sized customers.

Active Baltic customers

Development was also positive in the Baltic countries, where companies have been adept at countering the effects of the Russian sanctions. Customer were more positive and their financing needs increased in all three countries.





Meet one of our large corporate customers

» SEB acts with agility, little bureaucracy and has a proactive approach. «

Teo Ottola
CFO Konecranes

Finland's Konecranes, a world-leading manufacturer in the lifting business, serves customers in manufacturing and process industries, shipyards, ports and terminals.

In January, the company finalised the acquisition of Terex's material handling and port solutions segment, a deal which in one stroke nearly doubled revenue, complemented the product offering and expanded the installed base of cranes significantly. SEB played a key role in developing the financing solution.

"SEB has been a strategic partner since our inception in the mid-1990s. We have a long and extensive relationship characterised by mutual trust. SEB's contacts are easy to deal with, they act with agility and little bureaucracy and have a proactive approach", says Teo Ottola, Chief Financial Officer.



Private individuals

Digital services and greater need for long-term savings

With the changing demographics, private individuals' awareness of long-term savings and risk insurance solutions increased. Customers took advantage of SEB's improved offer in the long-term savings area, with unit-linked and traditional life insurance options and also appreciated the possibility to use digital pension analysis services.

The stock market's performance was reflected in customers' behaviours. Towards the end of the year customers increasingly chose to invest in equity and allocation funds.

Private individuals increased their digital presence and mobile interactions were four times as high as the internet banking interactions in Sweden.

Household mortgages

Households in Sweden continued to invest in new homes in a real estate market where the housing shortage and low interest rates significantly pushed up prices.

The new strict amortisation requirements that were implemented in Sweden in 2016 had a limited effect on SEB's customers since the bank has had similar internal rules in place for some time.

Baltic region

In the Baltic countries, there were moderately positive economic signs driven by private consumption and activity increased among private customers. Their demand for both loans and savings products increased.

Youngsters appreciated SEB's educational seminars on personal finance.

Support to entrepreneurs in all phases from start-up to growth

In SEB, supporting entrepreneurship and new business start-ups goes without saying. In Sweden, SEB has established collaborations along the entire entrepreneur spectrum, from new to established companies ► See p. 25.

SEB operates the Innovation Forum – a meeting place where promising cutting-edge companies with ties to educational and research institutions have an opportunity to gain access to potential investors among SEB's customers. The event is highly appreciated and has led to concrete investments for about half of the participants.

In the Baltic countries, SEB arranges seminars where corporate customers get information and an opportunity to interact, with the aim to help each other realise their growth ambitions through the power of innovation.

New customer services

With customer needs in focus and with the bank's vision to provide world-class service, SEB is taking a number of initiatives to improve customer experience.

During 2016, SEB capitalised on the potential of digital technology and developed and launched new services aimed at all customer segments.

This work is being conducted at a fast pace, with many small deliveries that are developed in close collaboration with customers. Some solutions are developed by SEB, while others rely on partnerships with other service providers.

Customer satisfaction pilot

To put the customer experience front and centre, SEB is having seven branch offices test what happens if the operations are solely evaluated on customer satisfaction without monitoring financial key ratios. The pilot is showing promising results and the staff is finding new ways to provide the best possible customer service.



The bank for entrepreneurs

Through the 2017 launch of Greenhouse, a broader service offering, SEB will take the next step toward being a stronger business partner for growth companies.

The new offering is based on in-depth interviews with high-growth enterprises about challenges and problems in their day-to-day operations. To meet their needs, SEB offers its entire pallet of expertise – from mergers and acquisitions (M&A) to investment banking and corporate and family law. In cooperation with external partners SEB also offers services relating to staffing and contractual matters as well as auditing, legal counsel, consulting and advisers.

In the Baltic countries SEB is conducting joint innovation initiatives with customers. This strengthens the partnerships with entrepreneurs.

World-class custody functionality

In 2016, SEB's first customers gained access to the bank's new global custody account services platform that has been developed in partnership with the investor services company Brown Brothers Harriman (BBH). The new platform offers improved solutions for managing customers' mutual funds, collateral, corporate events, cash management, currency trading and more.

SEB handles the customer relationship and interface, while BBH provides the technical platform and takes responsibility for certain administrative processes. Through this partnership SEB gains access to cutting-edge technology while retaining responsibility for the customer relationship.

Virtual trainee in customer service

The virtual trainee Aida has begun working at SEB's customer service. For a while now she has been answering questions, assisting customers with simple banking matters and she has learnt to speak Swedish. Her "recruitment" is one of many tests SEB is doing to develop the customer experience and offer more efficient banking services with the help of artificial intelligence.

Aida is at the cutting edge of technology. In contrast to so-called chatbots, Aida can learn to understand, conduct a dialogue and perform tasks just like a human.

SEB is the first bank in Europe to use this type of artificial intelligence in its customer service operations.



Meet one of our medium-sized corporate customers

» I appreciate SEB’ openness to entrepreneurship and innovation. «

Katre Kõvask
CEO Südameapteek

With seven new pharmacies, sales growing nearly three times faster than the market and almost doubled earnings (EBITDA), Katre Kõvask, CEO of the Estonian pharmacy chain Südameapteek, can look back on a good year.

An open, flexible and close relationship with the company’s financial partner SEB is an important part of the continued expansion.

“Bank relations is about building a partnership, working together and pulling in the same direction. It is based on both parties being open and transparent. I appreciate the openness to promote entrepreneurship and innovation that the bank stands for”, she says.



The branch office evolves

The personal relation with customers is important and SEB will always have branch offices. However, in a world where banking transactions are increasingly digital, what will the future branch office look like and what services will be provided? Part of the answer can be found at a new type of branch office located in Stockholm, as well as at the innovation centres for small and medium-sized companies that SEB has established in the Baltic countries.

Initiatives like these are a way of developing meeting places in close cooperation with customers. With the help of customer feedback, SEB strives to design new types of open and inviting meeting places.

First in pensions market with digital advisory meetings

SEB was the first player in the Swedish occupational pensions market to offer customers a fully digital advisory meeting. The process is initiated with customers completing a web-based form with the information needed to conduct an analysis of their current status. During the web-based advisory meeting, where the two parties share screens, customers can see how the outcome would be affected by various decisions and can set goals for their financial security. The customers can then sign their choices digitally.

This digitalised process allows SEB to offer personal advice remotely no matter where the customer is located. This has increased the bank’s accessibility while streamlining its advisory work.



New convenient interface for large corporate customers

SEB has upgraded its cash management functionality so that customers get a better view of not only their total cash balances – in SEB and other banks – but also of their most advanced global liquidity solutions. Accessibility has been improved so that customers can monitor and act on their accounts also via mobile devices.

Innovation benefits customers

Promoting internal innovation

SEB encourages a culture for change and innovation. One such initiative is SEB's Innovation Lab, where employees present their ideas live to a jury consisting of senior managers. If approved, the employee can develop and prototype the idea during a set period of time.

Several ideas have already come to fruition, such as SEB's virtual open houses, which are offered in collaboration with the realtor Husman & Hagberg. Another example is a significantly streamlined process for welcoming new customers using digital tools.

Digital processes improve customer experience and free up resources

To gain the full potential of the technological development and, based on a customer perspective, create new, automated flows, it is often necessary to rethink processes from scratch. SEB has identified a number of key processes in which the entire chain from customer transaction to IT system is being redesigned.

Customers buying a home is one example. SEB has launched its first, concrete step in this area in the form of a new digital function that helps customers determine which home they can afford. Another example is the annual credit reviews of corporate business in which the potential savings may be as high as three to four man-weeks of work per year per customer.

Investing in innovative solutions

SEB invests in high-tech companies with innovative solutions that could be relevant for the bank and its customers.

In 2016 SEB invested in the fintech company Tink, which has developed an app

that helps users get a better overview of their income and expenses. Its functionality is being integrated into SEB's mobile app. SEB also invested in Coinify, a company with a platform for blockchain payments, and in the company Now Interact, which uses artificial intelligence and machine learning to predict customer behaviour. Another example is Leasify, a company with a digital solution for leasing arrangements aimed at companies.

The potential of blockchain

Blockchain technology, which was originally developed for the Bitcoin cryptocurrency, is believed to have major potential in streamlining payment flows by removing the need for intermediaries. SEB is participating in several blockchain initiatives. In addition to its investment in Coinify, the bank is working with the fintech company Ripple to use its blockchain solution for payments.



Meet one of our private customers

» A bank that I can trust is a great asset. «

Anders Parrow

The love of boats and birds has been a theme throughout his life. A few years ago his decision – at 89 years of age – to buy a new sailboat, specially designed for solo trips, caught media attention. 54 years ago, the same boat interest made Anders Parrow a customer of SEB and he has been faithful to the bank ever since.

Anders likes to visit the bank and meet with his adviser, but also appreciates the internet bank and the mobile bank app. "I can't imagine banking without them", he says. Anders regularly takes part of SEB's market analysis as input to his portfolio management.



Customers expect responsible services

The financial sector has a large indirect influence on the long-term sustainable development. Stakeholders have high expectations in this area and SEB has raised its ambition and aims to be a role model within sustainability.

Green financing

The climate challenge requires major investments in energy supply, the transport sector and sustainable urban development. SEB contributes by assisting customers with financing of green investments in infrastructure and renewable energy, including hydro power, wind power and solar energy.

SEB participated in the creation of the world's first green bond, which was issued by the World Bank in 2008. Since then, the global market for green bonds has gained momentum and grown sharply. In 2016, green bonds were issued to a value of almost USD 95 billion – capital that has thus been channelled to quality assured green projects. SEB was the fourth largest arranger/underwriter globally, with a market share of 4.4 per cent of this volume.

SEB applies policies that limit lending to companies in sectors such as fossil fuels,

Microfinancing

SEB was the first bank in Sweden to launch microfinance funds directed at institutional investors. The aim is to offer an attractive investment opportunity with a distinct social character. The fund assets create a ripple effect when borrowers invest or use other business services. This way jobs are created leading to growth in developing countries.

The bank's four microfinance funds have a combined value of more than SEK 4 billion, which reaches more than 17 million entrepreneurs in developing countries via microfinance institutions.



mining and metals. SEB does not provide new financing of coal mining and coal powerplants. The bank's sector policies and position statements form a valuable base in dialogues with corporate customers and help increase awareness about sustainability aspects in various decisions.

Responsible investments

Customers increasingly expect that SEB will manage their assets in a responsible manner. For a number of years the bank has made a concerted effort to take sustainability into account in all investment processes, based on the conviction that this leads to better investments and higher returns for customers. At year-end SEB managed assets at a total of SEK 584 billion (517) in accordance with the Principles of Responsible Investments (PRI).

SEB excludes investments in particular sectors and areas, such as controversial weapons and nuclear arms, as well as in companies that derive more than 20 per cent

of their sales from coal production. On the other hand, SEB is also working to a greater extent with positive selection where portfolio managers prioritise companies that work according to sustainable principles.

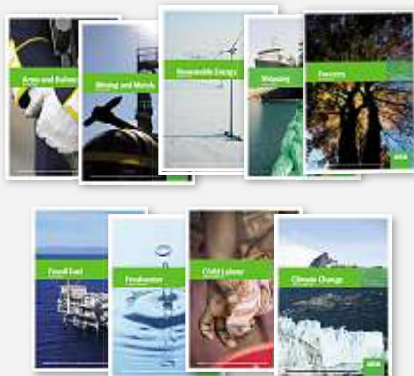
In 2016 SEB entered into a new partnership with Hermes Investment Management, creating an opportunity to increase the number of sustainability dialogues with companies outside the Nordic region.

Measurement of the carbon footprint of funds has been expanded and now includes most of the bank's equity funds.

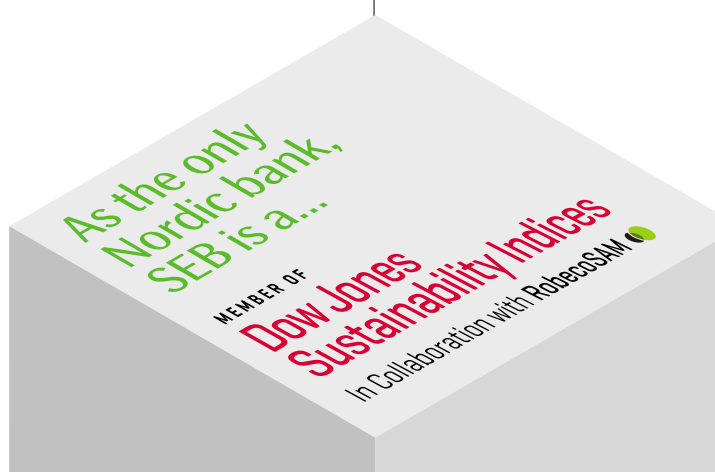
Dow Jones sustainability index

SEB has high ambitions in its sustainability work and aims to be a role model in the financial industry in this area. A sign that the efforts are paying off was that in 2016 SEB met the strict criteria for inclusion and was – as the only bank in the Nordic countries – accepted as part of the Dow Jones sustainability index.

SEB's position statements and sector policies



- ▶▶ Read more about SEB's policies at sebgroupp.com/about-seb/who-we-are
- ▶▶ SEB reports its sustainability work in accordance with GRI G4. For further information, see sebgroupp.com





2025

SEB's employees

In a changing world, SEB is impacted by the rapid pace of technological development, evolving customer behaviours, and expectations on future employees. The bank's role in society is becoming increasingly important for SEB's attraction as an employer.

For the second year in a row, 3,000 employees gathered in Stockholm to be involved and inspired by the initiatives taken to reach SEB's long-term vision. The meeting was broadcast to local events in 20 countries.

Committed employees with a service mindset, who collaborate and who want to develop new competences, is a key success factor.

SEB's Insight employee survey for 2016 confirms that there is strong support for the bank's vision and strong commitment among employees to participate and change. Employee engagement scores remained high in 2016 – clearly higher than for peer companies – as did the scores for performance excellence, which increased for the fourth consecutive year.

Focus of improvement measures is to more clearly take the customer-first perspective, further improve internal collaboration, and to simplify processes.

Activities in order to develop these areas have included workshops focusing on clarifying the connection between employees' own values and the bank's. Employees have gained opportunities to reflect on, and formulate, their own values, and thereafter align them to the bank's joint values.

Managing change and new ways of working

The employees' and the organisation's ability to collaborate and manage change are crucial for the future. In SEB this is done in an environment characterised by involvement and innovation.

As an example, SEB is developing new ways of working built on an iterative approach in the design of services. This means cross-functional teams mapping customer journeys, based on customer needs and feedback loops, before prototypes of new solutions are launched to the customers. The new agile ways of working are aimed at drawing full benefit of digitalisation and providing an even better customer experience.

The agile ways of working have also been adopted in SEB's IT operations. Development and deliveries are being conducted in small steps rather than in large projects over a longer period of time.

In 2016, individually adapted agile training courses were held for more than 2,000 employees, a strategic initiative to create favourable conditions to quickly and successfully adapt ways of working to the changing needs.

Planning for future competences

The digital transformation drives the need to plan for future competences in the long term. SEB is working throughout the bank to analyse and identify needs based on selected parameters. Competence needs are included as an integral part of the business planning.

Areas in which needs are clearly rising include digital design, data analysis and IT. The bank has broadened its recruitment to search for these skills via new channels and arenas, not only among individuals with a background in finance and business administration. Employees' roles will be expanded in order to be able to meet customer needs for comprehensive service. In many cases this requires employees to work in new ways.

Leadership

SEB has a long tradition of identifying and developing leaders at an early stage. Constant changes in the business environment are putting ever-growing demands on managers, who must inspire, serve as role models and establish conditions so that employees and teams can develop the business in the best way possible.

During the year, Grow2Lead was developed, a digital portal for employees interested in a future role as a leader. The portal provides inspiration and development opportunities, and can help employees decide if a manager role is a suitable career path.

Employee statistics

	2016	2015	2014
Number of employees, average	16,260	16,599	16,742
Sweden	8,222	8,320	8,352
Other Nordic countries	1,369	1,404	1,411
Baltic countries	5,125	5,118	5,100
Number of employees at year-end	16,087	16,432	16,767
Average number of full-time equivalents	15,279	15,605	15,714
Employee turnover, %	10.7	9.0	8.9
Sick leave, % (in Sweden)	3.0	2.8	2.4
Female managers, %	46	44	43
Insight			
Employee engagement	77	79	75
Performance excellence	81	80	78

For existing managers, the bank has global programmes that offer opportunities to develop their leadership qualities both as individuals and as team members.

A controversial tax

For the financial sector in Sweden, a 15 per cent tax based on gross wages is being considered for implementation in 2018. The total estimated financial effect on SEB of the proposal under discussion is around SEK 700m per year. According to a report from the Swedish Bankers' Association, as many as 16,000 jobs would be threatened if these plans were in fact carried out.

Anders Lundström – Leader of the year 2016

» My goal is to build high-performing teams that deliver stellar results. This requires satisfied and motivated employees. There is thus no conflict between employee satisfaction and results – they are symbiotic.

I want my leadership to be characterised by simplicity, clarity and communication. At the same time, I want to be transparent and share my insights on the total picture. In doing so, most decisions will be natural for employees. «

Anders Lundström, manager within asset advisory services, was named Leader of the Year ("Årets ledartröja") by the Financial Sector Union in SEB.



Learning opportunities

At SEB, continuous learning is a vital prerequisite for the ability to adapt to new circumstances. The bank offers a wide array of training courses and, via a portal, employees can get an overview of the entire offering – including training that is specific for SEB as well as training offered by external providers – including methods and effective tools to facilitate learning. In all, more than 600 courses are offered.

Increasing diversity

SEB is convinced that diversity and inclusion among its people help the bank achieve greater success over time.

All employees are to be offered equal opportunities to develop individually, regardless of their gender, ethnicity, age, sexual orientation or faith. SEB strives to achieve an even gender balance at every level within the organisation and to increase the share of employees with an international background.

The bank is working actively, both in terms of structures and processes and in specific initiatives, to increase the number of women in higher operative positions and in senior leader roles.

In 2016, 46 per cent (44) of SEB's managers were women. Among senior executives this share was 31 per cent (27).

Health and work environment

Ensuring employee longevity is becoming increasingly important in pace with an ageing population and the possibility of a higher retirement age. SEB is working long term and preventively to offer a safe and sound workplace in an effort to ensure employee well-being and a sound work/life balance.

The focus of the bank's work environment initiatives is on stress, workloads and risk identification. In Sweden, in 2016, the bank increased its support to managers with employees on sick leave. They are offered telephone support from nurses at company health services and rehabilitation specialists who are experienced in assessing suitable paths for a rapid recovery and return to work. In Sweden, the SEB sick-leave remains low, at 3 per cent, compared with other industries and the financial sector.

During 2016, SEB introduced a global



SEB's core values

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

health index based on questions in the Insight employee survey. This is the first global tool for measuring work environment and health at both the divisional and country levels.

In 2017, SEB's new offices will be inaugurated at Arenastaden outside Stockholm, where 4,500 employees will be gathered. In designing the workplace, strong focus was put on enabling a positive work environment with modern and functional work spaces, large common areas, project rooms and quiet areas, an extensive fitness facility, and healthy food in own restaurants.



Investing in communities

SEB plays an active role in the communities in which the bank operates by promoting entrepreneurship and enterprise as well as supporting young people.

SEB shares the conviction that business and industry have a key role to play in meeting the global sustainable development goals that were adopted by the UN's 193 member states in 2015. The most important contributions come from the bank's core businesses, where green financing, sustainable investment and combating financial crime are included. But SEB is also actively involved in community matters through its many partnerships for entrepreneurship and youth initiatives.

Volunteers raising young people's knowledge of economics

SEB partners with organisations that work to include youths in social development by raising their knowledge of personal finance. In the three Baltic countries, for the past few years SEB has been participating in nationwide campaigns to increase financial literacy among young people. In 2016 volunteers from SEB visited more than 230 schools in an effort to give children fundamental skills in personal finance and economic planning.



In Sweden, too, the bank is working actively to increase understanding of economics among young people. Within the framework of SEB's partnership with Mentor Sweden, teams of employees participate in the professional mentor programme, consisting of a series of three workshops at which the bank gives young people advice on day-to-day finances, explains business norms and provides advice on how to apply for jobs. In 2016 eight such programmes were carried out at schools in Sweden's major metropolitan areas. Volunteers from SEB also serve as coaches and jury members in the Dream Challenge initiative, where young people get help on formulating a plan for their dream careers.

Summer camp for future entrepreneurs

SEB works with organisations that are dedicated to spurring interest and inspiration among youths as well as newly arrived immigrants in entrepreneurship and enterprise. These include Junior Achievement, Prince Daniel's Fellowship, SIME Next, Enterprise Agency and the International Entrepreneur Association in Sweden.

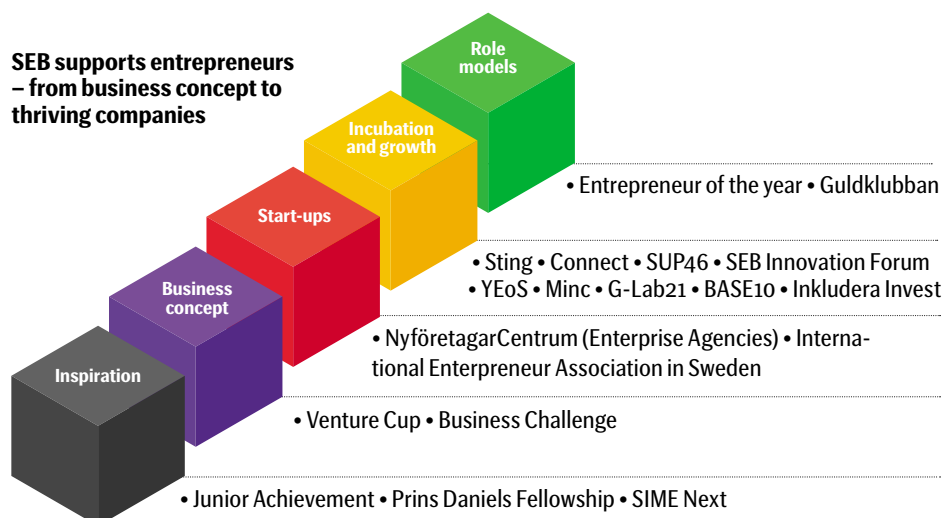
In 2016 the bank became involved in a newly started summer camp for teenaged aspiring entrepreneurs. In cooperation with SIME Next, some 20 youths were offered spots at the camp for one week of intense drilling in digital entrepreneurship.

Social entrepreneurs gain insight into doing business

In 2016, a partnership was started with Inkludera Invest, an umbrella organisation for social entrepreneurs. The common denominator for these is that they work without a profit motive to create a better world. However, they can still benefit greatly from tools such as business plans, budgets, and earnings analyses to develop their operations.

Together with Inkludera Invest, SEB arranged a basic course in business administration and invited social entrepreneurs to share insights around the conditions for doing business.

SEB supports entrepreneurs – from business concept to thriving companies



Shareholders and the SEB share

In 2016, the value of the SEB Class A share increased by 7 per cent, to SEK 95.55, while the FTSE European Banks Index dropped by 6 per cent. Earnings per share amounted to SEK 4.88 (7.57). The Board proposes a dividend of SEK 5.50 per share for 2016 (5.25).

Share capital

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

Stock exchange trading

The SEB shares are listed on Nasdaq Stockholm, but are also traded on other exchanges, such as BATS, CXE, Boat and Turquoise. The share is included in the Dow Jones Sustainability Index and the FTSE4Good Index, which facilitate investments in companies with globally recognised levels of corporate responsibility.

In 2016, the value of the SEB Class A share increased by 6.7 per cent, while the OMX Stockholm 30 Index (OMXS30) was up by 5 per cent and the FTSE European Banks Index dropped by 6 per cent. Total turnover in SEB shares in 2016 amounted to SEK 307bn (312), of which 134bn (142) on Nasdaq Stockholm. Market capitalisation by year-end was SEK 210bn (196).

Data per share

	2016	2015	2014	2013	2012
Basic earnings, SEK	4.88	7.57	8.79	6.74	5.31
Diluted earnings, SEK	4.85	7.53	8.73	6.69	5.29
Shareholders' equity, SEK	65.00	65.11	61.47	56.33	49.92
Net worth, SEK	73.00	72.09	68.13	62.10	56.33
Cash flow, SEK	19.02	1.28	-61.98	-19.66	-8.92
Dividend per A and C share, SEK	5.50 ¹⁾	5.25	4.75	4.00	2.75
Year-end share price ²⁾ , SEK					
Class A share	95.55	89.40	99.55	84.80	55.25
Class C share	95.20	88.85	97.65	79.90	53.40
Highest price paid ²⁾ , SEK					
Class A share	99.75	111.50	100.60	85.10	57.95
Class C share	101.10	112.50	99.10	80.30	54.30
Lowest price paid ²⁾ , SEK					
Class A share	67.75	83.45	82.25	55.70	38.87
Class C share	70.35	83.75	77.45	53.20	38.74
Dividend as a percentage of earnings (payout ratio), %	112.8	69.4	54.0	59.3	51.8
Dividend yield, %	5.8	5.9	4.8	4.7	5.0
P/E (share price at year-end/earnings)	19.6	11.8	11.3	12.6	10.4
Number of outstanding shares, million					
average	2,177.6	2,191.2	2,186.8	2,190.8	2,191.5
at year-end	2,169.0	2,193.3	2,188.7	2,179.8	2,192.0

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

Dividend policy

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

Dividend

The Board of Directors proposes to the Annual General Meeting a dividend of SEK 5.50 (5.25) per Class A and Class C share respectively for 2016, which corresponds to a 113 per cent (69) dividend payout ratio. Excluding items affecting comparability, the dividend payout ratio was 75 per cent. The proposed record date for the dividend is 30 March 2017. If the AGM resolves according to the proposal, the share will be traded ex-dividend on 29 March 2017 and dividend payments will be disbursed on 4 April 2017.

Dividend yield and total shareholder return in 2016

The dividend yield, i.e. the dividend in relation to the share price at year-end 2016, was 5.8 per cent (5.9) based on the proposed dividend.

Total shareholder return (TSR) – i.e. share price development and reinvested dividends per share – was 14 per cent for 2016 (-6).

The largest shareholders

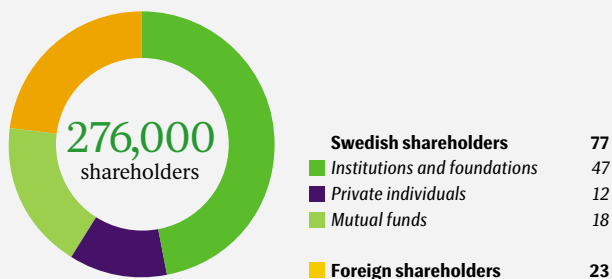
	No. of shares	Of which Class C shares	Share of capital, %	Share of votes %	
				2016	2015
Investor AB	456,198,927	4,000,372	20.8	20.8	20.8
Alecta	154,682,500		7.0	7.1	6.4
Trygg Foundation	130,673,802		6.0	6.0	6.0
Swedbank Robur Funds	92,736,980		4.2	4.3	3.6
AMF	83,905,317		3.8	3.9	3.2
SEB Funds	38,691,740		1.8	1.8	1.6
BlackRock	38,059,331	547,461	1.7	1.7	1.4
Fourth Swedish National Pension Fund	27,141,394		1.2	1.2	1.1
Vanguard	26,915,196		1.2	1.2	1.0
SEB own shareholding	25,177,693		1.1	1.2	0
Nordea Funds	22,149,174		1.0	1.0	1.2
XACT Funds	22,007,860		1.0	1.0	1.0
Didner & Gerge Funds	19,228,514		0.9	0.9	0.8
AFA Insurance	17,268,554		0.8	0.8	0.8
First Swedish National Pension Fund	16,422,705		0.7	0.8	1.0

Source: Euroclear and Holdings

Shareholder structure

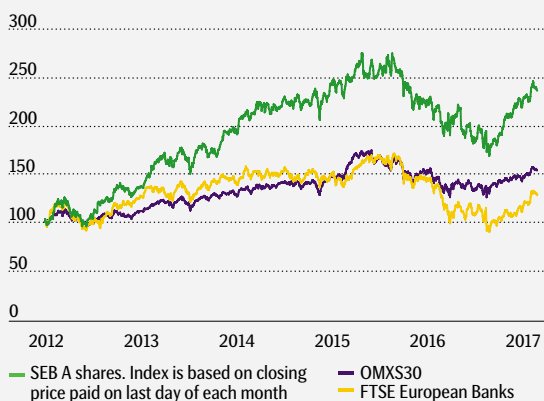
Per cent

Percentage holdings of equity on 31 Dec. 2016



The majority of the bank's approximately 276,000 shareholders are private individuals with small holdings. The ten largest shareholders account for 49 per cent of capital and votes.

Source: Euroclear and Holdings

Share price development, SEB Class A share Index 1 January 2012=100**SEB's Annual General Meeting**

SEB has approximately 276,000 shareholders. Around 175,000 of these own less than 500 shares, while 146 hold more than 1,000,000 shares, accounting for 79 per cent of capital and votes. The shareholders' influence is exercised at General Meetings of Shareholders, the bank's highest decision-making body.

**Slightly more than 1,200 shareholders were in attendance at the AGM 2016**

The main resolutions at the AGM were:

- approval of the dividend of SEK 5.25 per share
- increase of the number of directors to 13
- re-election of all current eleven directors and election of two new directors
- re-election of Marcus Wallenberg as Chairman of the Board
- re-election of PricewaterhouseCoopers as auditor
- adoption of guidelines for remuneration for the President and the other members of the GEC
- approval of two long-term equity programmes
- issuance of a mandate to the Board concerning the acquisition and sale of own shares for SEB's securities business, for the long-term equity programmes and for capital management purposes
- issuance of a mandate to the Board to resolve on the issuance of convertibles.

Analysts' recommendations 2016

More than 30 analysts are covering SEB's financial development. Apart from the quarterly press conferences, SEB annually arranges a number of meetings with analysts and investors in order to clarify the bank's development and answer questions.

A summary of some of the analysts' recommendations is published via news agencies every quarter.

1) The recommendations were given before the presentation of SEB's Annual Accounts for 2016.

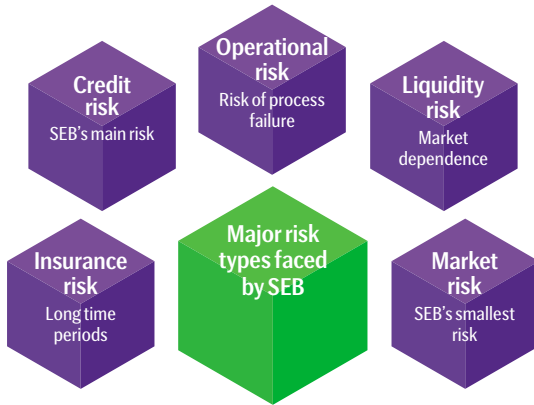
Source: SME Direkt

Managing risk in SEB

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

As a bank SEB accepts risks to create value for customers and shareholders. Risk management is indispensable for the bank's long-term profitability. SEB's risk management is based on the Board's view on risk tolerance.

Risks in SEB



Credit risk is the largest risk by far and therefore credit risk control is fundamental. Long-term relationships and a deep knowledge about the customers are at the core of SEB's risk philosophy and the foundation for a stable and well balanced credit portfolio. Every credit decision is based on an analysis of the customer's ability to repay. For smaller household loans this is done through a standardised process, while large loans to corporate and institutional customers require an individual analysis. The quality of SEB's credit

portfolio is high. The bank's corporate portfolio is dominated by financially strong Nordic and German large corporations. The household lending consists mainly of household mortgages in Sweden, which historically have had a very low risk.

The average credit loss level during the last ten years (including the latest financial crisis) amounts to 0.18 per cent of total lending. For 2016, the credit loss level was 0.07 percent.

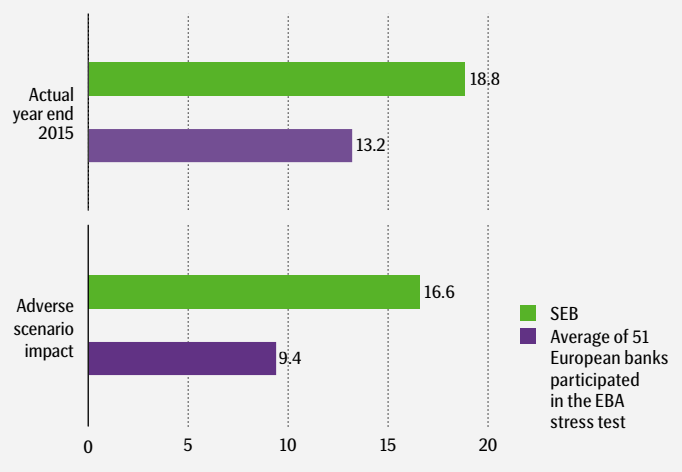
Capital provides protection

Banks hold capital to cover their risks. At year-end 2016, SEB's capital was 18,8 per cent of the measured risks. This is one of the highest capital ratios among European banks. During the year, the European Banking Authority (EBA) tested banks' capital in stressed scenarios. Also in this test, SEB was strong among its European peers. The result of the test is illustrated in the graph below.

The EBA stress test 2016

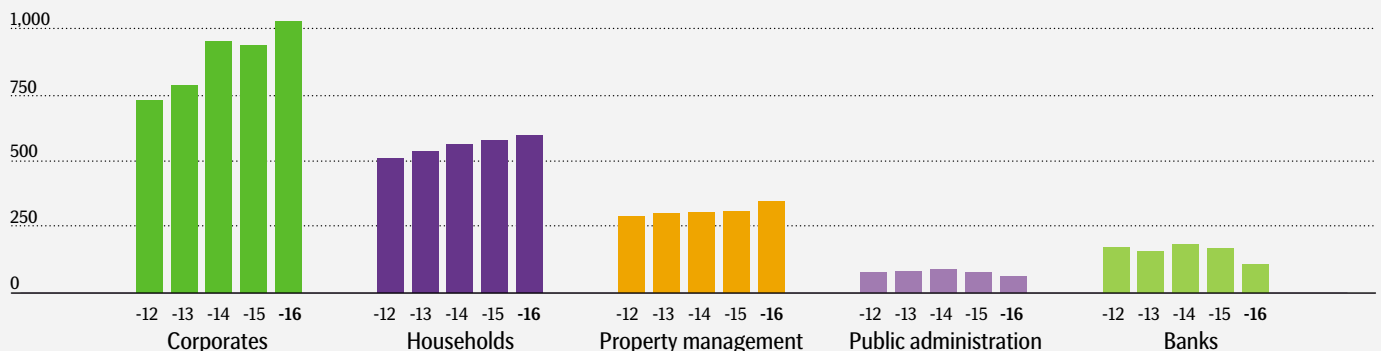
Common Equity Tier 1 capital ratio

Per cent



Credit portfolio, development by sector

SEK bn



Emerging risk matters

SEB's risk management must be responsive to change. In the last couple of years, digitalisation and sustainability are matters that have increased in importance.



IT risks

When a growing amount of banking services are conducted online, system availability and security are critical for continued customer trust. SEB provides services around the clock through its internet bank, telephone bank and mobile apps, and is committed to providing the highest possible accessibility. In recent years, systems reliability and availability have been high. However, SEB has started an initiative to further improve systems availability by reducing planned as well as unplanned downtime.

Cyber threats continue to increase and antagonists become more technically sophisticated. The potential for external attacks expands with the increasing utilisation

of digital services. SEB's approach to meeting these threats is to raise awareness among employees and customers while implementing many types of digital protection.

In 2016, the risk mitigation focus was on further improvements of the logon to mobile apps and the internet bank and on strengthening the contingency planning.

Climate-related risks

Climate changes are increasingly impacting the state of the world, and there is a growing need for better understanding and transparency of climate-related risks in the financial sector. This is not only about internal risk management, but is also required by customers and investors. Regulators are increasingly focusing on this risk as well.

One consequence when society is taking actions to reduce climate risks is the so-called carbon risk, or the risk of "stranded" assets, in the transition to net zero greenhouse gas emissions.

In 2016, SEB decided to reduce the coal exposure in its managed funds by taking a stricter approach to investing in companies involved in thermal coal extraction and by increasing the active ownership role through dialogues with energy-related companies.



When it comes to lending SEB has for several years applied a number of sector policies that limit financing of companies in certain sectors such as fossil fuels, mining and metals. SEB does not provide any new financing of coal mining and coal power plants.

Code of conduct

Banking is built on trust. To uphold the important societal function of a bank, it is imperative that all stakeholders have confidence in the bank's operations.

The bank's reputation is important for long-term customer satisfaction and the bank's profitability.

International regulators have taken extensive action to counter banks' misconduct, particularly in relation to customers' interests and consumer protection.

SEB's Code of Conduct is approved by the Board of Directors. Employees participate in mandatory training on SEB's core values and conduct topics as well as discussion workshops on ethical and value-related dilemmas, all aiming to build awareness of the importance of appropriate conduct.

Income statement and balance sheet

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

Income statement	SEK m		
	2016	2015	Change, %
Net interest income	18,738	18,938	-1
Net fee and commission income	16,628	18,345	-9
Net financial income	7,056	5,478	29
Net other income	1,349	1,002	35
Total operating income	43,771	43,763	0
Staff costs	-14,562	-14,436	1
Other expenses	-6,703	-6,355	5
Depreciation, amortisation and impairments of assets	-6,496	-1,011	
Total operating expenses	-27,761	-21,802	27
Gains less losses from tangible and intangible assets	-150	-213	-30
Net credit losses	-993	-883	12
Operating profit	14,867	20,865	-29
Income tax expense	-4,249	-4,284	-1
Net profit	10,618	16,581	-36

The income statement described

Operating income

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

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

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

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

Operating expenses

The largest operating expense consists of **staff costs** for the Bank's some 15,300 employees. **Other operating expenses** consist primarily of IT costs, consulting costs and costs for premises. **Depreciation and impairments of assets** pertain to IT costs, for example, which are spread over several years. To ensure a competitive and efficient cost base the bank operates under a cost cap of SEK 22bn.

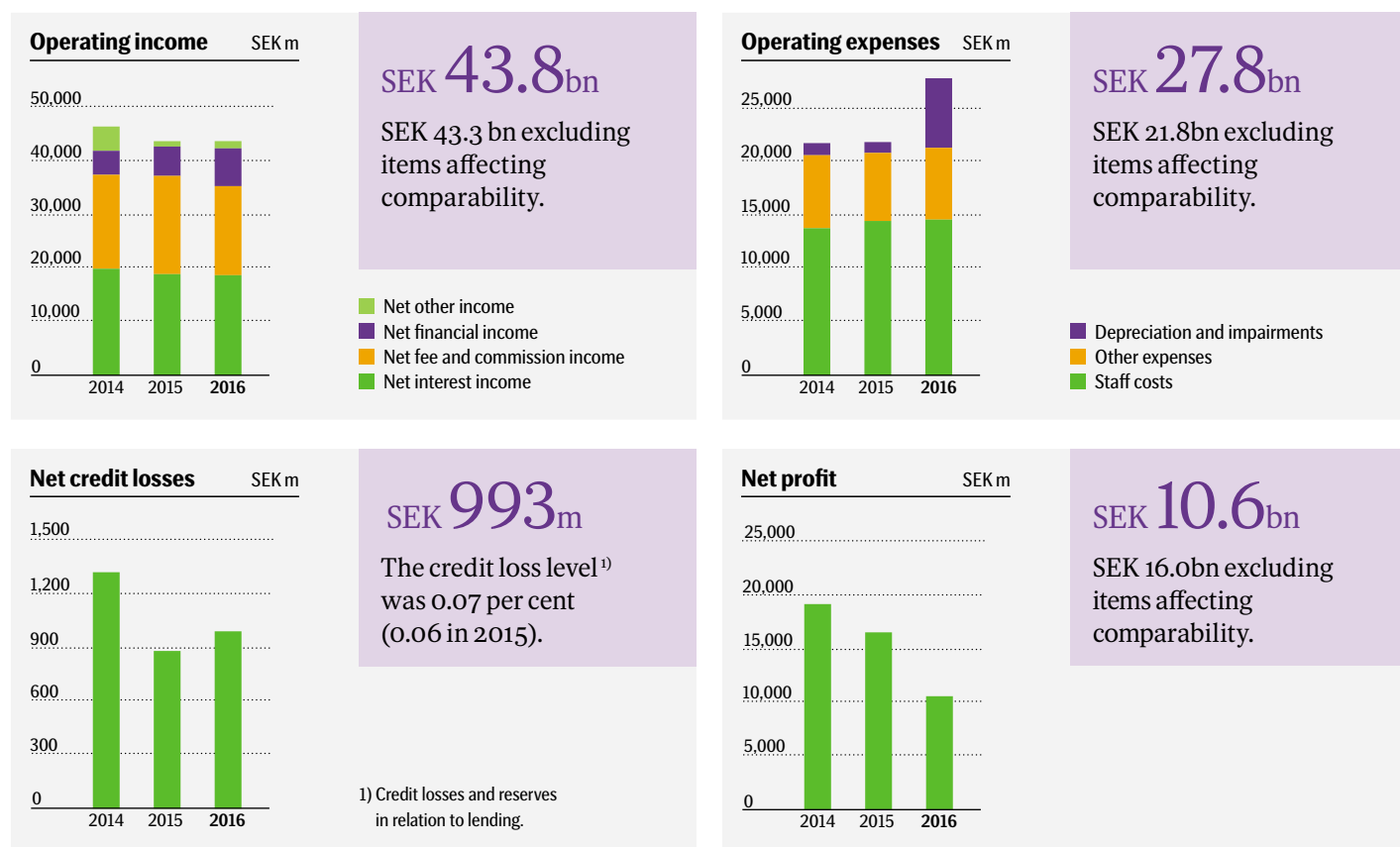
Net credit losses

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

Net profit

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

The result for 2016



Operating income

Net interest income decreased by 1 per cent to SEK 18,738m. The unusually low interest rates affected net interest income negatively. In 2015, an interest expense that affected comparability¹⁾ was incurred. Interest expenses included regulatory fees for financial stability purposes at an amount of SEK 1,362m.

Net fee and commission income were 9 per cent lower year-on-year and amounted to SEK 16,628m. Fees relating to assets under management were significantly lower than the more favourable 2015. Regulatory limitations led to lower card fee income and fees from securities lending. A number of initial public offerings contributed positively.

Net financial income grew by 29 per cent to SEK 7,056m. Excluding a 2015 item affecting comparability¹⁾, the increase was 12 per cent. The financial markets were very volatile and customers sought hedging and risk management services to a high degree.

Net other income increased by 35 per cent to SEK 1,349m primarily due to an item affecting comparability²⁾. Otherwise, the result consisted mainly of capital gains, dividend income and hedge accounting effects.

Operating expenses

Operating expenses increased by 27 per cent compared to 2015. Excluding items that affected comparability^{3) 4)}, operating expenses were SEK 21.8bn, in line with the bank's cost cap. Management decided to keep the existing cost cap unchanged at SEK 22bn through 2018.

Net credit losses increased by 12 per cent to SEK 993m. The asset quality continued to be high.

Income tax expense was 1 per cent lower than 2015 and amounted to SEK 4,249m. The corresponding tax rate was 29 per cent. Excluding items affecting comparability the rate was 21 per cent, in line with SEB's expected tax rate.

Net profit and dividends

Operating profit for the year decreased by 29 per cent to SEK 14,867m. The net profit was down 36 per cent to SEK 10,618m. Excluding the items affecting comparability net profit decreased by 9 per cent to SEK 15,970m. The Board of Directors proposes a dividend of SEK 5.50 per share to be distributed to the shareholders.

1) In 2015, a withholding tax refund application dating back to 2006–2008 was denied by the Swiss Supreme Court.

The effects were a decrease of net financial income in the amount of SEK 820m and an interest expense of SEK 82m.

2) In 2016, the sale of SEB's Baltic holdings in Visa Europe resulted in a gain of SEK 520m in net other income, with a tax expense of SEK 24m.

3) In 2016, restructuring activities and a write-down of intangible IT-assets resulted in an expense of SEK 615m with a positive tax effect of SEK 101m.

4) In 2016, SEB's reorganisation led to an impairment of goodwill in the amount of SEK 5,334m.

Balance sheet described

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

Assets

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

Liabilities and equity

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

Assets under management and custody

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

Development during 2016

Total assets at 31 December 2016 were SEK 2,621bn, an increase of SEK 125bn.

Assets

Loans to households and corporates increased by around SEK 109bn. Small and medium-sized companies in Sweden and the Baltic countries increasingly demanded lending services. Household loans in Sweden and the Baltic countries also increased. Towards the end of the year funding to large corporations was provided in connection with corporate transactions. Short-term trading positions in debt and equities decreased significantly.

Liabilities

Deposits from private individuals increased by SEK 15bn and corporate deposits increased by SEK 63bn. More long-term debt and subordinated debt was issued than what matured, which improved the bank's liquidity position.

Equity

The net profit for 2016 increased equity by SEK 11bn. The dividend for 2015 that was paid in 2016 decreased equity by SEK 11.5bn.

Assets under management and custody

Total assets under management amounted to SEK 1,781bn. The net inflow of assets under management during the year was SEK 77bn and the increase in value was SEK 4bn.

Assets under custody amounted to SEK 6,859bn.

Balance sheet

					SEK m
	2016	2015	2016	2015	
Assets			Liabilities and equity		
Cash balances with central banks	217,808	133,651	Deposits from central banks	54,393	58,273
Lending	49,231	53,954	Credit institutions	64,616	57,788
Repos	914	1,755	Repos	855	2,445
Debt instruments	382	2,833	Deposits from credit institutions	65,471	60,233
Loans to other credit institutions	50,527	58,542	Public administration	35,696	29,392
Public administration	27,956	38,447	Private individuals	276,724	261,523
Private individuals	549,175	530,337	Corporate	648,869	585,706
Corporate	797,640	707,874	Repos	739	7,164
Repos	63,524	58,560	Deposits and borrowings from the public	962,028	883,785
Debt instruments	14,724	18,168	Liabilities to policyholders	403,831	370,709
Loans to the public	1,453,019	1,353,386	Commercial paper and certificates	126,480	146,150
Debt instruments	122,192	172,368	Long term debt	542,400	493,294
Equity instruments	40,324	67,538	Debt securities issued	668,880	639,444
Derivatives	212,355	215,551	Debt securities	9,549	10,442
Insurance assets	410,155	371,488	Equity instruments	10,072	12,927
Financial assets at fair value	785,026	826,945	Derivatives	193,875	207,416
Debt instruments	32,698	34,963	Financial liabilities at fair value	213,496	230,785
Other	3,049	2,368	Other liabilities	70,852	78,565
Available-for-sale financial assets	35,747	37,331	Subordinated liabilities	40,719	31,372
Tangible and intangible assets	20,158	26,203	Total equity	140,976	142,798
Other assets	58,361	59,906	Total liabilities and equity	2,620,646	2,495,964
Total assets	2,620,646	2,495,964			

Chairman's statement

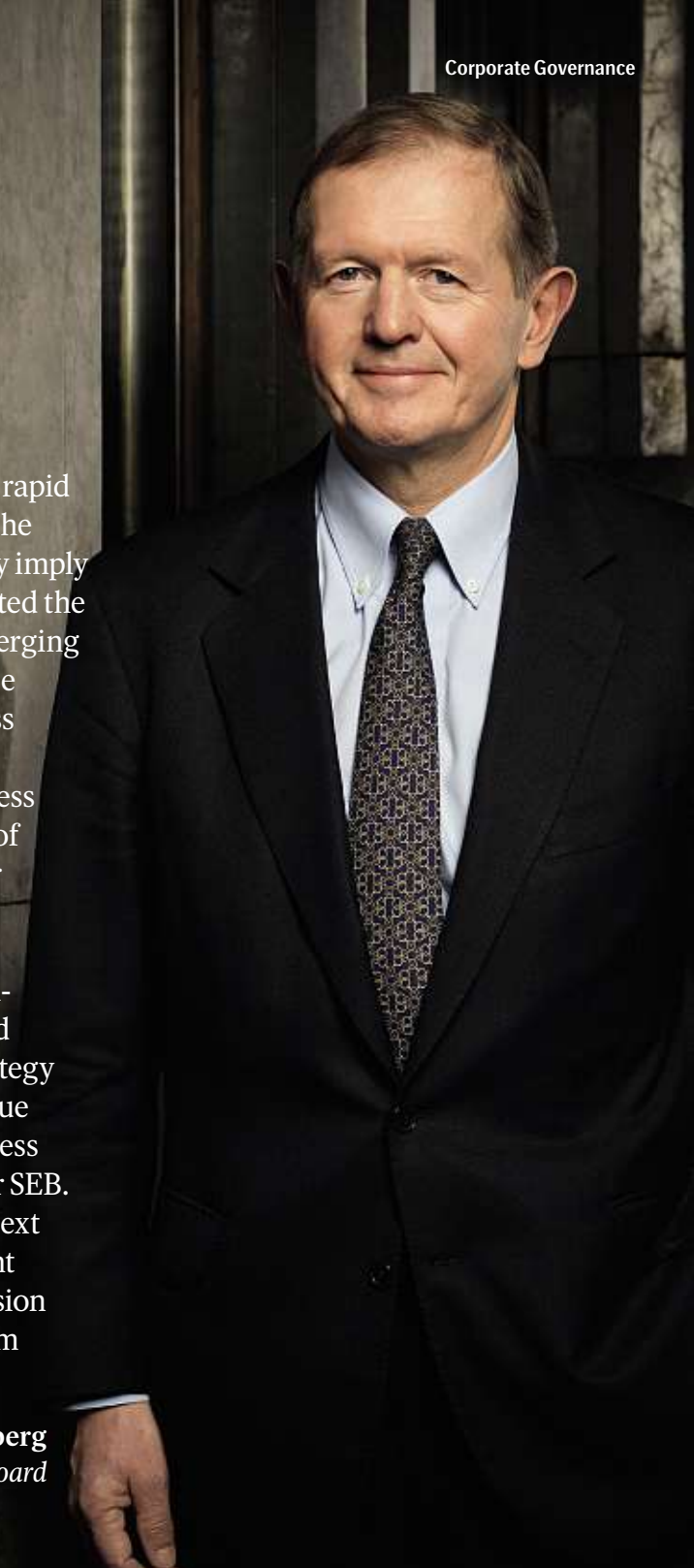
» The work of the Board during the year was shaped by the rapid digitalisation and changing regulatory requirements for the financial sector and the opportunities and challenges they imply in relation to SEB's long-term vision. We carefully evaluated the continued subdued macroeconomic situation and the emerging geopolitical risks. Taking a long-term perspective on these matters is even more critical as the world, and the business environment, are becoming more complex.

SEB's direction remains the same. Our three-year business plan includes continued investments for growth in areas of strength as well as a clear transformation agenda in order to capture the full opportunities of digitalisation.

Annika Falkengren, our departing CEO, has been at the helm of SEB for more than 11 years and has done a tremendous job together with the whole SEB team. She navigated SEB through the global financial crisis and set a clear strategy forward which she and her team delivered on with a unique commitment. On behalf of the Board, I would like to express our deep appreciation of her work for close to 30 years for SEB.

The Board has appointed Johan Torgeby as the bank's next President and CEO. Together with Johan, the management team and all employees, SEB is determined to fulfil the vision of world-class service and thus continue to build long-term shareholder value. «

Marcus Wallenberg
Chairman of the Board



Main governing bodies of SEB

The General Meeting

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

» See information on the share p. 26-27.

Board of Directors

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

» The Board is presented on p. 34-35.

The President and Group Executive Committee

The President and CEO is responsible for administrating the group's business, including risk management, in accordance with the strategy and policies established by the Board. To safeguard the interests of the group as a whole, the President consults with the Group Executive Committee (GEC) on matters of major or principal importance. » The GEC is presented on p. 36.

Board of Directors



Marcus Wallenberg

Position	Chairman since 2005
Year elected	2002
Born	1956
Education	B.Sc. (Foreign Service)
Other assignments	Chairman of Saab and FAM. Vice Chairman of Investor. Director of AstraZeneca Plc., Temasek Holdings Ltd and the Knut and Alice Wallenberg Foundation.
Own and closely related persons' shareholdings	753,584 Class A shares and 720 Class C shares



Urban Jansson

Position	Deputy Chairman since 2013
Year elected	1996
Born	1945
Education	Higher bank degree (SEB)
Other assignments	Chairman of EAB and 365 id. Director of Lindénguppen.
Own and closely related persons' shareholdings	56,840 Class A shares



Jesper Ovesen

Position	Deputy Chairman since 2014
Year elected	2004
Born	1957
Education	B.Sc. (Econ.) and MBA
Other assignments	Director of Sunrise Communication Group AG (Switzerland), Lundbeck A/S (Denmark) and ConvaTec Group Plc. (UK).
Own and closely related persons' shareholdings	25,000 Class A shares



Johan H. Andresen

Position	Director
Year elected	2011
Born	1961
Education	B.A. (Government and Policy Studies) and MBA
Other assignments	Owner and Chairman of Ferd AS. Chairman of Council on Ethics for the Government Pension Fund Global (Norway). Director of SWIX Sport AS (Norway), NMI–Norwegian Microfinance Initiative and Junior Achievement Europe.
Own and closely related persons' shareholdings	100,000 Class A shares



Birgitta Kantola

Position	Director
Year elected	2010
Born	1948
Education	LLM and Econ. Dr. H.C.
Other assignments	Director of Nobina.
Own and closely related persons' shareholdings	33,000 Class A shares



Tomas Nicolin

Position	Director
Year elected	2009
Born	1954
Education	B.Sc. (Econ.) and M.Sc. (Management)
Other assignments	Chairman of Centre for Justice. Director of Nordstjernan, Nobel Foundation, Axel and Margaret Ax:son Johnson's Foundation, Research Institute of Industrial Economics and Sällskapet Vänner till Pauvres Hontoux. Member of the Investment Committee of Niam Property Fund.
Own and closely related persons' shareholdings	66,000 Class A shares





Sven Nyman

Position	Director
Year elected	2013
Born	1959
Education	B.Sc. (Business and Econ.)
Other assignments	Chairman of RAM Rational Asset Management. Director of RAM ONE, Consilio International, Nobel Foundation's Investment Committee, Stockholm School of Economics, Stockholm School of Economics Association and of Axel and Margaret Ax:son Johnson's Foundation.
Own and closely related persons' shareholdings	10,440 Class A shares and 10,200 Class C shares



Helena Saxon

Position	Director
Year elected	2016
Born	1970
Education	M.Sc. (Business and Econ.)
Other assignments	CFO at Investor. Director of Swedish Orphan Biovitrum.
Own and closely related persons' shareholdings	5,000 Class A shares

			
Signhild Arnegård Hansen	Samir Brikho	Annika Falkengren	Winnie Fok
Director	Director	Director (President and CEO) ¹⁾	Director
2010	2013	2005	2013
1960	1958	1962	1956
B.Sc. (Human Resources) and journalism studies	M.Sc. (Engineering, Thermal Technology)	B.Sc. (Econ.)	Bachelor of Commerce
Chairman of SnackCo of America Corp. Vice Chairman of the Swedish-American Chamber of Commerce (SACC) (USA). Director of Magnora, SACC New York, Business Sweden, ESBRI and King Carl XVI Gustaf's Foundation for Young Leadership.	UK Business Ambassador. Co-Chairman of the UK-UAE Business Council and the UK-ROK CEO Forum. Member of Advisory Boards of Stena. Chairman of the World Economic Forum Disaster Resource Partnership and of the Step Change Charity.	Chairman of the Swedish Bankers' Association. Director of Scania CV (subsidiary to Volkswagen) and FAM. Member of the Supervisory Board of Volkswagen AG.	Director of Volvo Car Corporation, G4S plc (UK) and Kemira Oyj (Finland). Member of the Investment Committee of HOPU Investments Co, Ltd. (Asia), Senior Advisor to the Wallenberg Foundations.
5,387 Class A shares	0 shares	358,895 Class A shares, 121,884 share rights, 359,620 conditional share rights	3,000 Class A shares

Appointed by the employees:

				
Sara Öhrvall	Anna-Karin Glimström	Håkan Westerberg	Annika Isenborg	Charlotta Lindholm
Director	Director, appointed by the employees.	Director, appointed by the employees.	Deputy Director, appointed by the employees.	Deputy Director, appointed by the employees.
2016	2016	2015 ²⁾	2016 ³⁾	2015
1971	1962	1968	1967	1959
M.Sc. (Econ.)	University studies in mathematics, statistics and law.	Engineering logistics.	University studies in working environment.	LLB
Director of Investor, Bonnier News, Bonnier Books and Bisnode.	Chairman of Financial Sector Union of SEB group and Financial Sector Union Western section in SEB, Director EB-SB Fastigheter and EB-SB Holding.	Chairman of the Association of University Graduates at SEB.	First deputy Chairman of Financial Sector Union of SEB group and Financial Sector Union Regional Club group operations of SEB.	Vice Chairman of the Association of University Graduates at SEB. Director of the Foundation of Alma Detthows.
0 shares	0 shares	3,569 Class A shares	0 shares	5,001 Class A shares

1) In 2017 Annika Falkengren resigned from SEB 2) Deputy Director 2011–2014 3) Deputy Director 2014

Group Executive Committee



Annika Falkengren

Position President and CEO since 2005¹⁾

SEB employee since

1987

Born

1962

Own and closely related persons' shareholdings 358,895 Class A shares, 121,884 share rights and 359,620 conditional share rights.



Magnus Carlsson

Deputy President & CEO since 2014

1993

1956

54,998 Class A shares, 31,415 share rights and 198,181 conditional share rights.



Jeanette Almberg

Head of Group Human Resources since 2016

2008

1965

19,664 Class A shares, 11,451 share rights and 34,105 conditional share rights.



Joachim Alpen

Co-head of the Large Corporates & Financial Institutions division since 2016

2001

1967

5,933 Class A shares, 109,712 share rights and 6,325 deferral rights.



Viveka Hirdman-Ryrberg

Position Head of Group Communications since 2009. Chairman of the Corporate Sustainability Committee

SEB employee since

1990

Born

1963

Own and closely related persons' shareholdings 62,761 Class A shares, 21,937 share rights and 60,219 conditional share rights.



Martin Johansson

Head of Business Support since 2011

2005

1962

44,237 Class A shares, 50,686 share rights and 147,389 conditional share rights.



Christoffer Malmer

Co-head of the Corporate & Private Customers division since 2016

2011

1975

59,142 Class A shares, 48,021 conditional share rights and 4,497 deferral rights.



David Teare

Chief Risk Officer since 2016

2006

1963

54,675 Class A shares, 30,217 share rights and 99,103 conditional share rights.



Jan Erik Back

Position Executive Vice President, Chief Financial Officer since 2008

SEB employee since

2008

Born

1961

Own and closely related persons' shareholdings 60,968 Class A shares, 62,873 share rights and 181,391 conditional share rights.



Peter Dahlgren

Head of the Life & Investment Management division since 2016.²⁾

2008

1972

58,751 Class A shares, 25,156 share rights and 77,622 conditional share rights.



Johan Torgeby

Co-head of the Large Corporates & Financial Institutions division since 2016³⁾

2009

1974

5,390 Class A shares, 53,292 share rights, 48,799 conditional share rights and 4,497 deferral rights.



Mats Torstendahl

Executive Vice President, Co-head of the Corporate & Private Customers division since 2016

2009

1961

104,218 Class A shares, 63,357 share rights and 179,127 conditional share rights.

Additional members



Johan Andersson

Position Country Manager SEB Germany since 2016

SEB employee since

1980

Born

1957

Own and closely related persons' shareholding 49,824 Class A shares, 22 Class C shares and 725 conditional share rights.



Peter Høltermand

Country Manager SEB Denmark since 2002

1997

1963

25,239 Class A shares, 725 conditional share rights, 4,497 deferral rights and 51,246 conditional phantom shares.



Rasmus Järborg

Chief Strategy Officer since 2015

2008

1976

5,419 Class A shares, 22,095 share rights and 44,966 conditional share rights.



Marcus Nystén

Country Manager SEB Finland since 2010

1998

1960

102,354 Class A shares, 4,497 deferral rights and 35,784 conditional phantom shares.



William Paus

Country Manager SEB Norway since 2010

1992

1967

33,310 Class A shares, 4,779 deferral rights and 30,545 conditional phantom shares.



Riho Unt

Head of the Baltic division since 2016

2001

1978

43,485 Class A shares, 3,866 share rights and 21,519 conditional share rights.

1) In 2017 Annika Falkengren resigned from SEB 2) In 2017 Peter Dahlgren resigned from SEB 3) Johan Torgeby will become President and CEO of SEB starting 29 March 2017

Calendar

2016 Annual Accounts Publication	1 February 2017
Annual Report Publication on SEB's homepage	7 March 2017
Annual General Meeting	28 March 2017
Interim report January – March	27 April 2017
Interim report January – June	14 July 2017
Interim report January – September	25 October 2017
2017 Annual Accounts Publication	31 January 2018



CORPORATE WEBSITE

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

Financial information and publications



ANNUAL REPORT
Information on SEB's business, strategy, risk management and corporate governance. Detailed information on SEB's financial position and results.



ANNUAL REVIEW
An abbreviated version of the Annual Report.



INTERIM REPORTS AND FACT BOOKS
Quarterly reports on SEB's financial performance. Detailed information on SEB's financial position and results in fact books.



CAPITAL ADEQUACY AND RISK MANAGEMENT REPORT (PILLAR 3)
Disclosure on capital adequacy and risk management in accordance with regulatory requirements.



SUSTAINABILITY REPORT
Annual report on SEB's performance and future ambitions within Responsible Business, People and Community as well as Environment.



SUSTAINABILITY FACT BOOK AND GRI INDEX
The Global Reporting Initiative (GRI) Index and key non-financial data for the same areas as in the Sustainability Report.

New shareholders are automatically offered a subscription of the Annual Report or the Annual Review.

Order printed copies of the Annual Report and the Annual Review at www.sebgroup.com/ir

Subscribe to a digital version of the interim reports and the fact book (pdf) at www.sebgroup.com/press

Annual General Meeting

The Annual General Meeting will be held on Tuesday 28 March 2017 at 1 pm (CET) at Stockholm Concert Hall, Hötorget.

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

Shareholders who wish to attend the Annual General Meeting shall at the latest on Wednesday 22 March 2017:

- be registered in the shareholders' register kept by Euroclear Sweden AB, and
- notify the bank in either of the following ways:
 - ▶▶ by telephone 0771 23 18 18 (+46 771 23 18 18 from outside Sweden) between 9 am and 4.30 pm (CET) or
 - ▶▶ via the internet on www.sebgroup.com or
 - ▶▶ in writing to the following address: Skandinaviska Enskilda Banken AB, AGM, Box 7832, SE-103 98 Stockholm, Sweden.

Dividend

The Board proposes a dividend of SEK 5.50 per share for 2016.

Thursday 30 March 2017, is proposed as record date for the dividend payments. If the Annual General Meeting resolves in accordance with the proposal, the share will be traded ex-dividend on Wednesday 29 March 2017 and dividend payments are expected to be distributed by Euroclear Sweden AB on Tuesday 4 April 2017.



Welcome to SEB

Our vision is to deliver world-class service to our customers. We assist 2,300 large corporations, 700 financial institutions, 267,000 small and medium-sized companies and 1.4 million private individuals with advice and financial solutions.

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

The international scope of the operations is reflected in SEB's presence in some 20 countries with 15,300 employees.

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

Head office

Postal address: SEB, SE-106 40 Stockholm
Visiting address: Kungsträdgårdsgatan 8, Stockholm
Telephone: +46 771 62 10 00
+46 8 22 19 00 (management)

Contacts

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

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

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

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

Skandinaviska Enskilda Banken AB's corporate registration number: 502032-9081