



Annual Accounts 2013

Investor presentation

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Our way of doing business

 Large Corporate	2,200 customers
 Financial Institutions	700 customers
 Corporate	400k customers
 Private	4m customers

Since 1856 focus on...



Full-service customers



Holistic coverage



Investments in core services

Market franchise

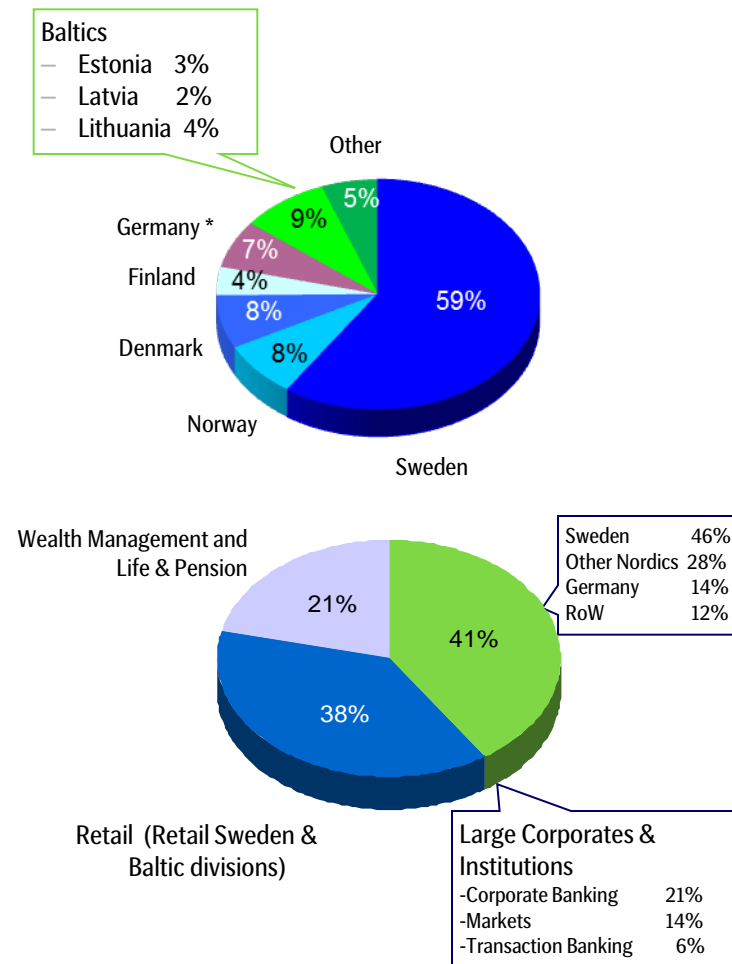
Dec 2013

- **Corporate and Institutional business ***
 - The leading Nordic franchise in Trading, Capital Markets and Fx activities, Equities, Corporate and Investment banking
 - Second largest Nordic asset manager with SEK 1,475bn under management
 - Largest Nordic custodian with SEK 5,958bn under custody
- **Private Individuals ***
 - The largest Swedish Private Bank in terms of Assets Under Management
 - Total Swedish household savings market: No. 2 with approx. 12% market share
 - Life insurance & Pensions: Leading unit-linked life business with approx. 17% of the Swedish market and approx 9% of the total unit-linked and traditional life & pension business in Sweden
 - Swedish household mortgage lending: Approx. 16%
 - Second largest bank in the Baltic countries

* latest available data

Total operating income

12m rolling Dec 2013

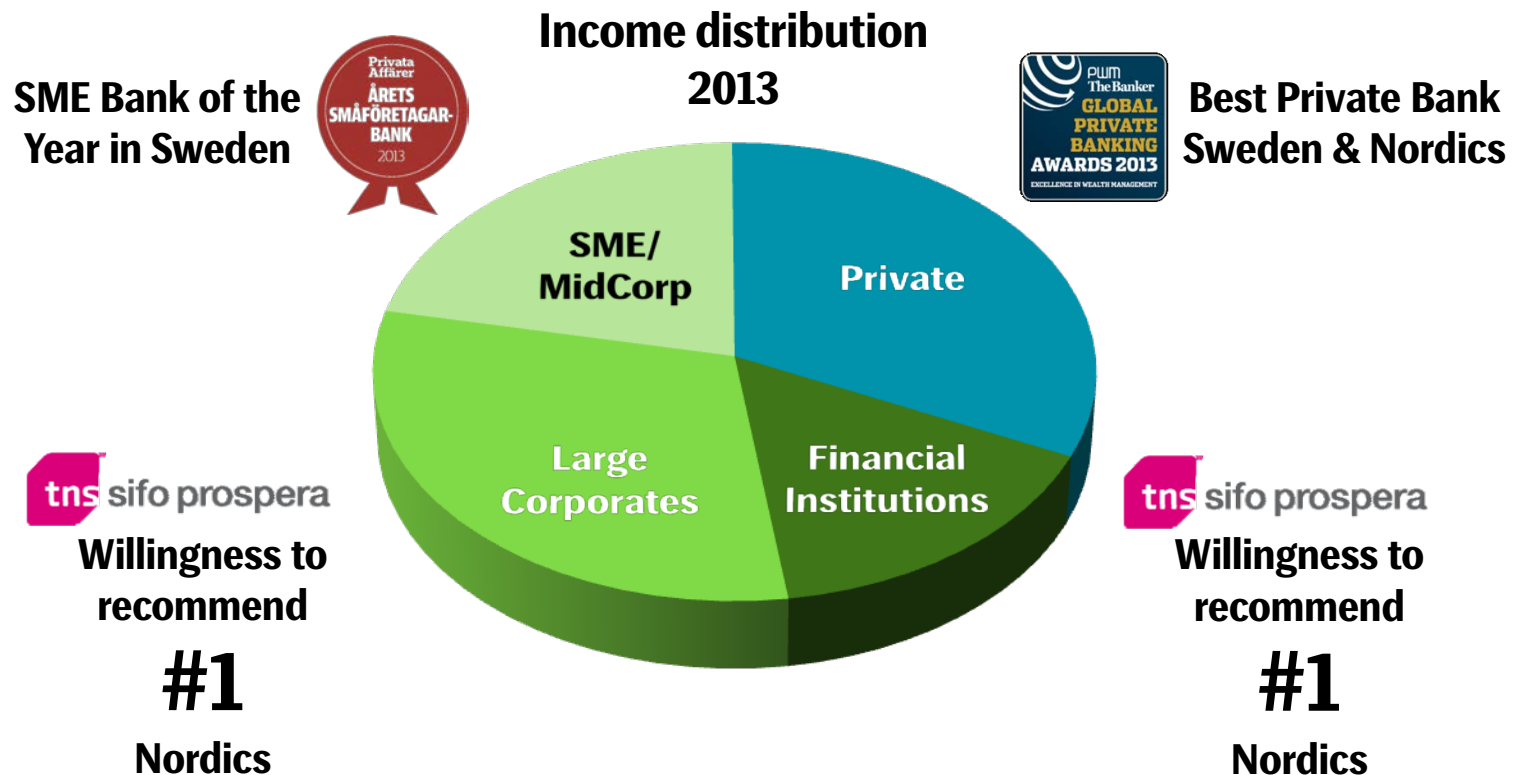


*excluding Treasury

Ambition going forward as *The* relationship bank

Leading Nordic bank for corporates & institutions

Top universal bank in Sweden and the Baltics



Note: SME Bank of the Year – Privata Affärer (December 2013), Best Private Bank Sweden & Nordics – PWM/The Banker (November 2013), Willingness to Recommend Corporates – TNS/SIFO Prospera (January 2014), Willingness to Recommend Financial Institutions – TNS/SIFO Prospera (December 2013)

Relationship banking remains the growth driver



Human touch

- Culture & people
- Advisory-driven
- Service-oriented

...the **most committed employees**

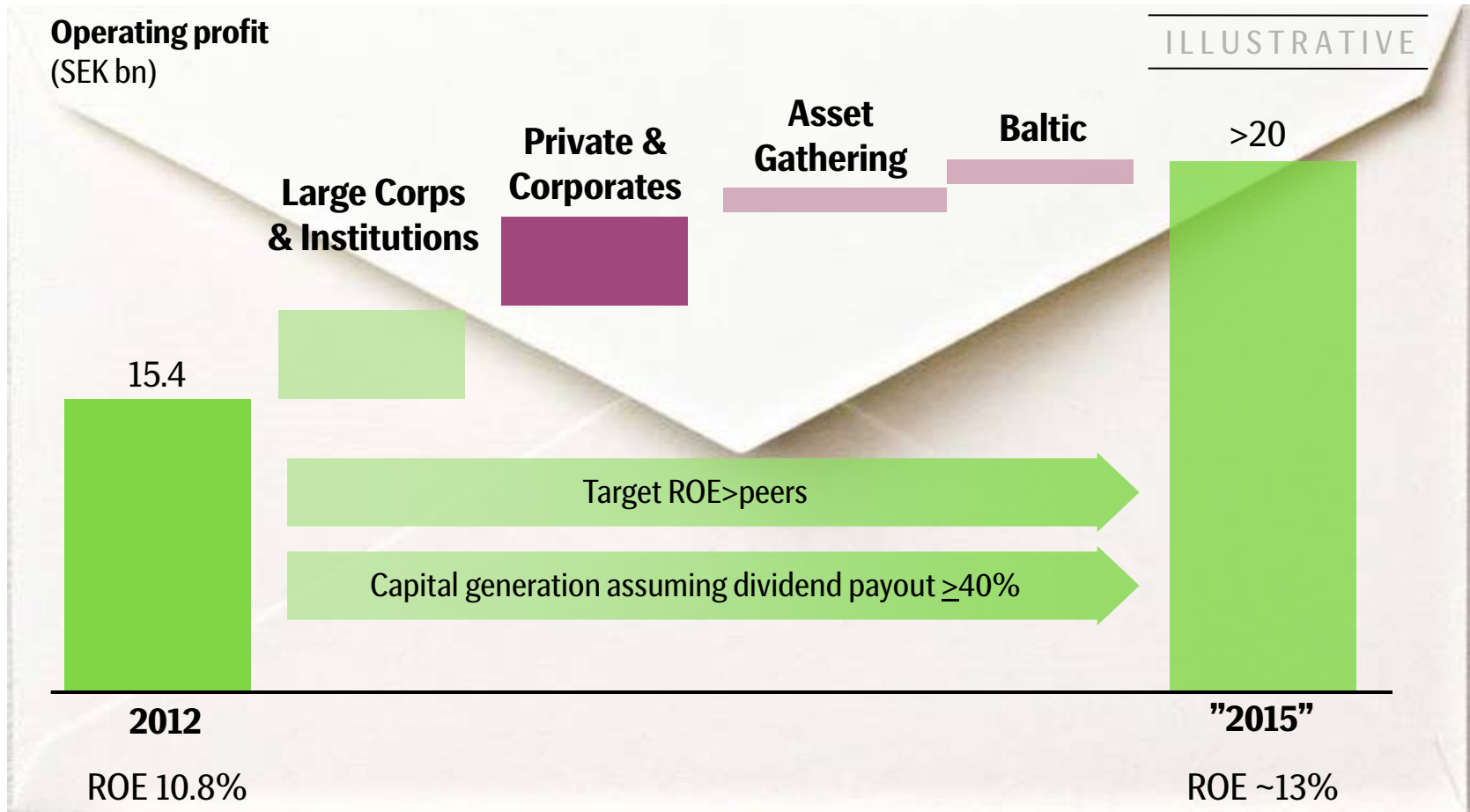
Capability

- Accessibility
- Balance sheet strength
- Full-service bank

...developing the **most loyal customers**

...doing **more business** with existing customers

Back-of-the-envelope calculation for competitive ROE

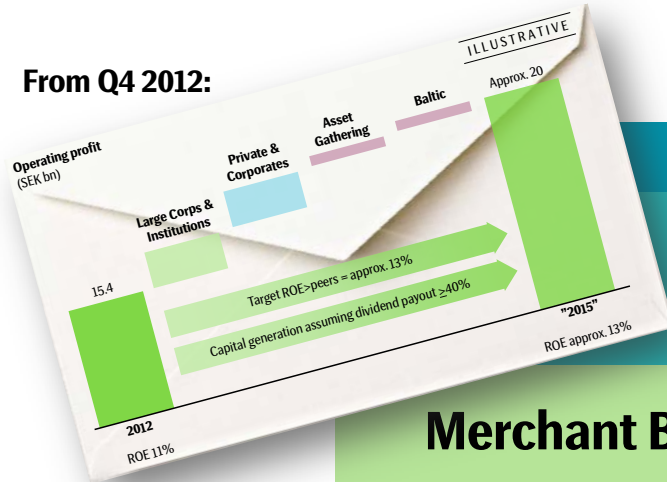


Actions to raise divisional performance



Income growth in line with communicated target

From Q4 2012:



	Growth target 2012-15			Actual growth 2013
	3 years	Each year	vs.	
Merchant Banking	~15%	~5%	vs.	+6%
Retail Banking	~20%	~6%	vs.	+10%
Life & Wealth	~5%	~1.5%	vs.	+2%
Baltic	~15%	~5%	vs.	+3%
Group	~15%	~5%	vs.	+7%

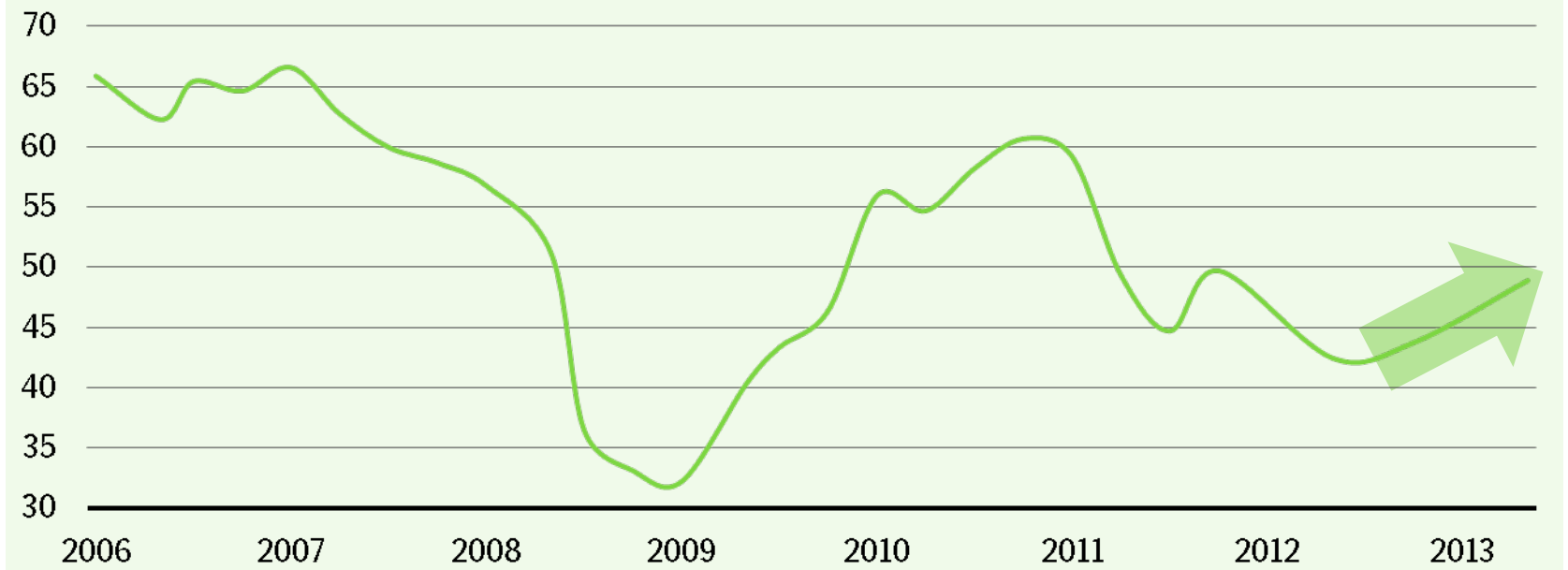
Financial targets

		2013	2014
Profitability	Return on Equity	Competitive with peers - long-term aspiration of 15%	✓
Capital	Common Equity Tier 1 ratio Total capital ratio	13% 16%	<i>TBD, always compliant with regulation</i>
Dividend	Pay-out ratio	40% or above of EPS	✓
Ratings	Funding access and credibility as counterpart	Maintain credit ratings in support of competitive funding access and costs and as a viable counterpart in financial markets	✓
Liquidity	Liquidity Coverage Ratio	> 100% according to Swedish requirements	✓
Efficiency	Nominal cost cap	< SEK 22.5bn 2013 and 2014	...and 2015

Business conditions



Deloitte/SEB Swedish CFO Survey



Highlights 2013

1 Customer-driven growth

2 Broadened earnings base

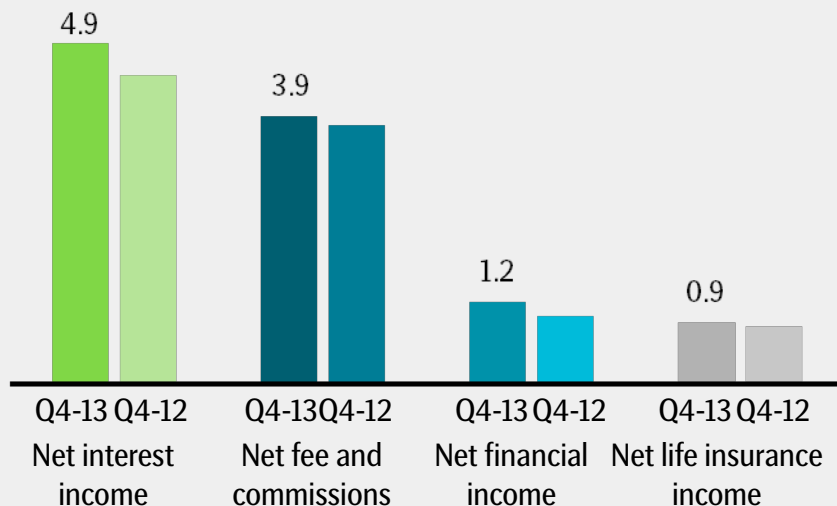
3 Cost and capital efficiency

Financial summary

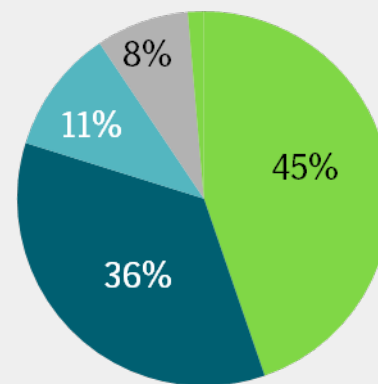
Profit and loss (SEK m)

	Q4-13	% Q3-13	% Q4-12	FY 2013	FY 2012	%
Total Operating income	11,030	+7	+14	41,553	38,823	+7
Total Operating expenses	-5,661	+4	-13	-22,287	-23,652	-6
Profit before credit losses	5,369	+10	+72	19,266	15,171	+27
Net credit losses etc.	-360			-1139	-936	
Operating profit	5,009	+8	+76	18,127	14,235	+27

Operating income by type, Q4 2013 vs. Q4 2012 (SEK bn)

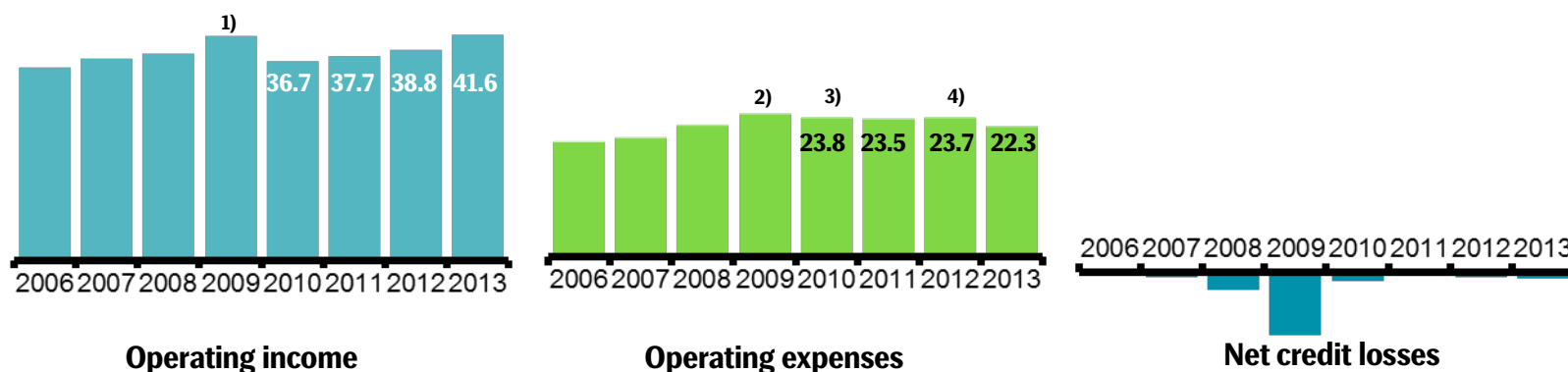


Income distribution Q4 2013

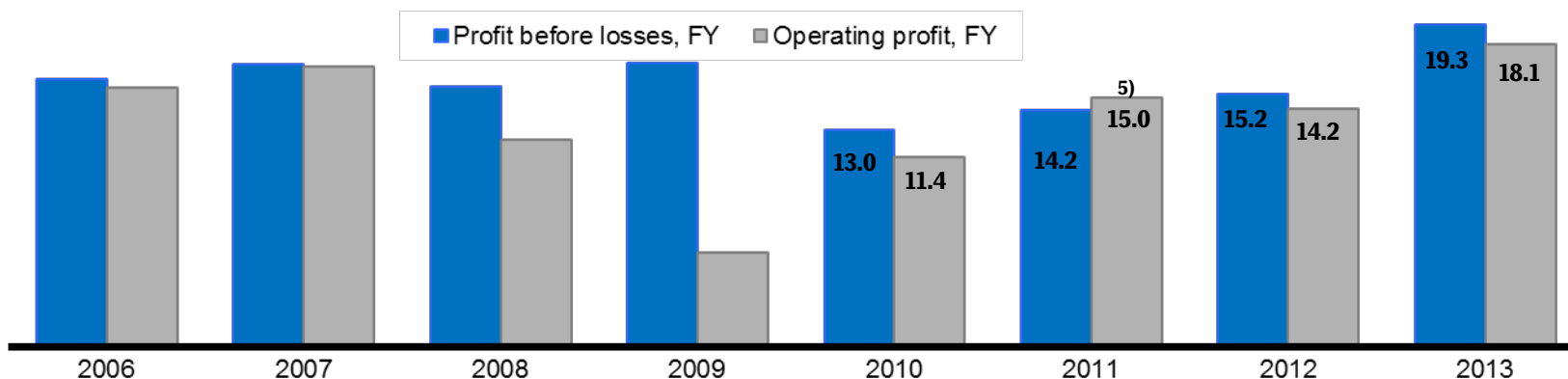


Profit generating throughout the financial and sovereign debt “crises”

Income, expenses and net credit losses (SEK bn)



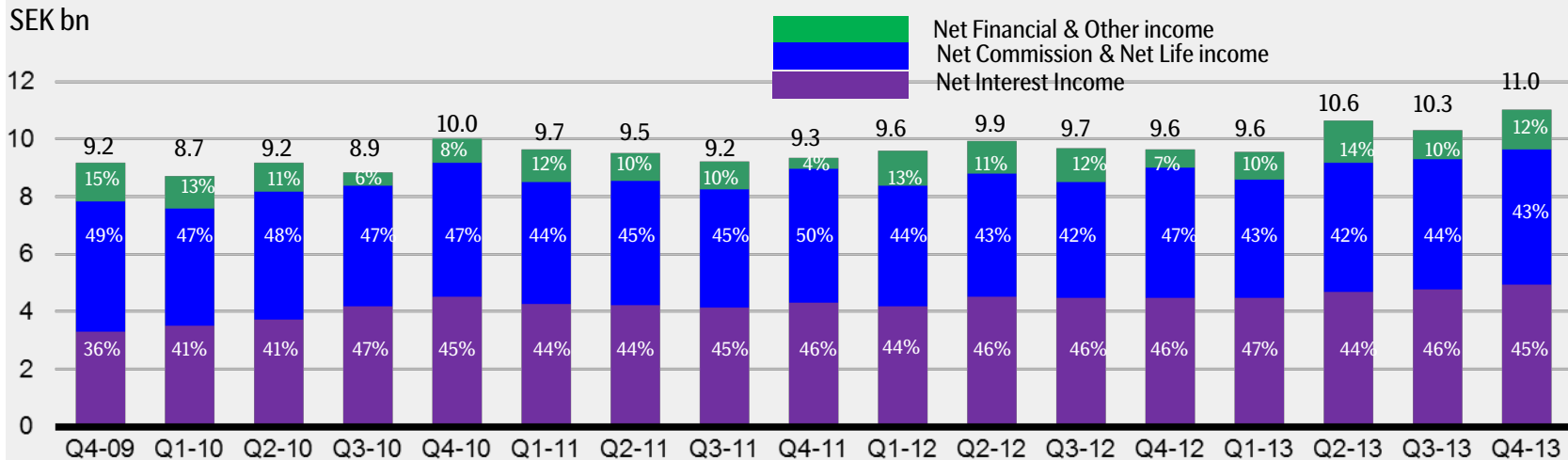
Highest operating profit to date (SEK bn)



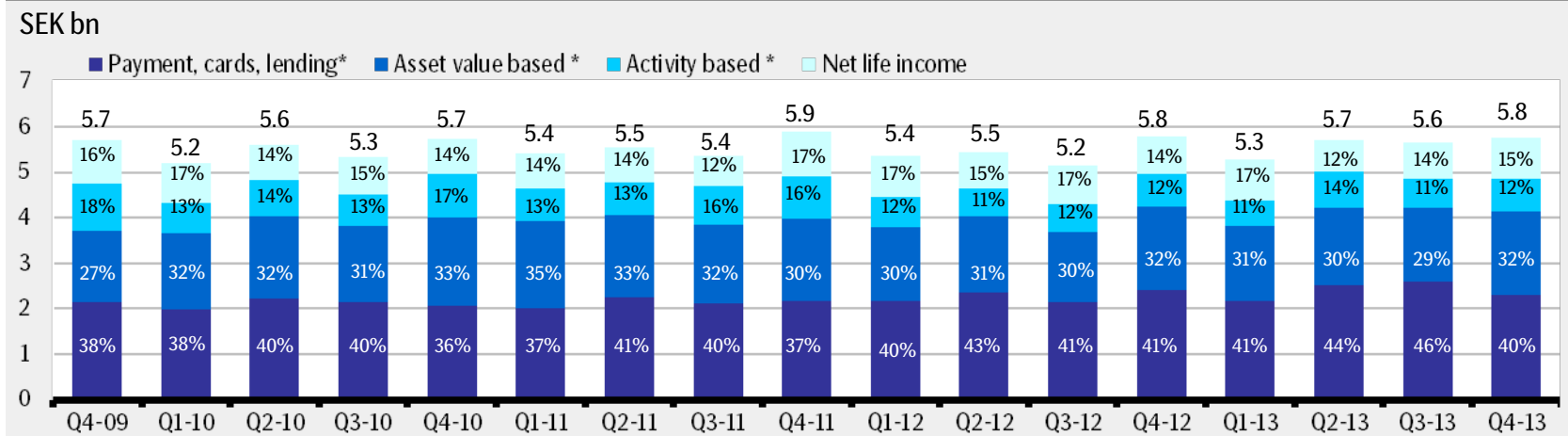
1) of which SEK 1.3bn buy back of sub debt 2) of which SEK 3.0bn goodwill write-offs 3) of which SEK 0.8bn restructuring costs in our German subsidiary, SEB AG 4) write-down of IT infrastructure SEK 0.8bn 5) of which SEK 1.0bn in write-backs of credit loss provisions

Business mix creates stable and diversified revenues

Non-NII more important - Total operating income split between income categories



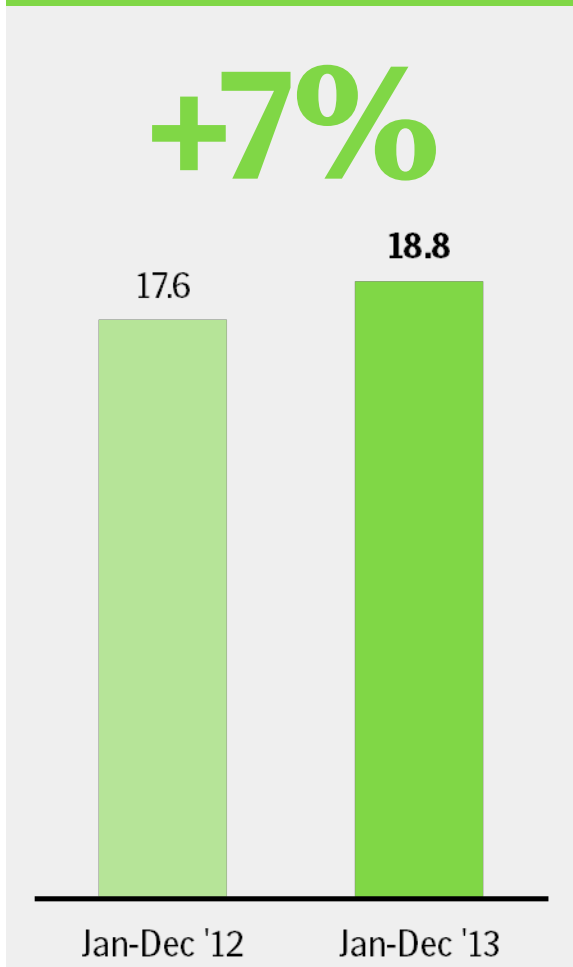
Strong market shares render stable commission* and life income



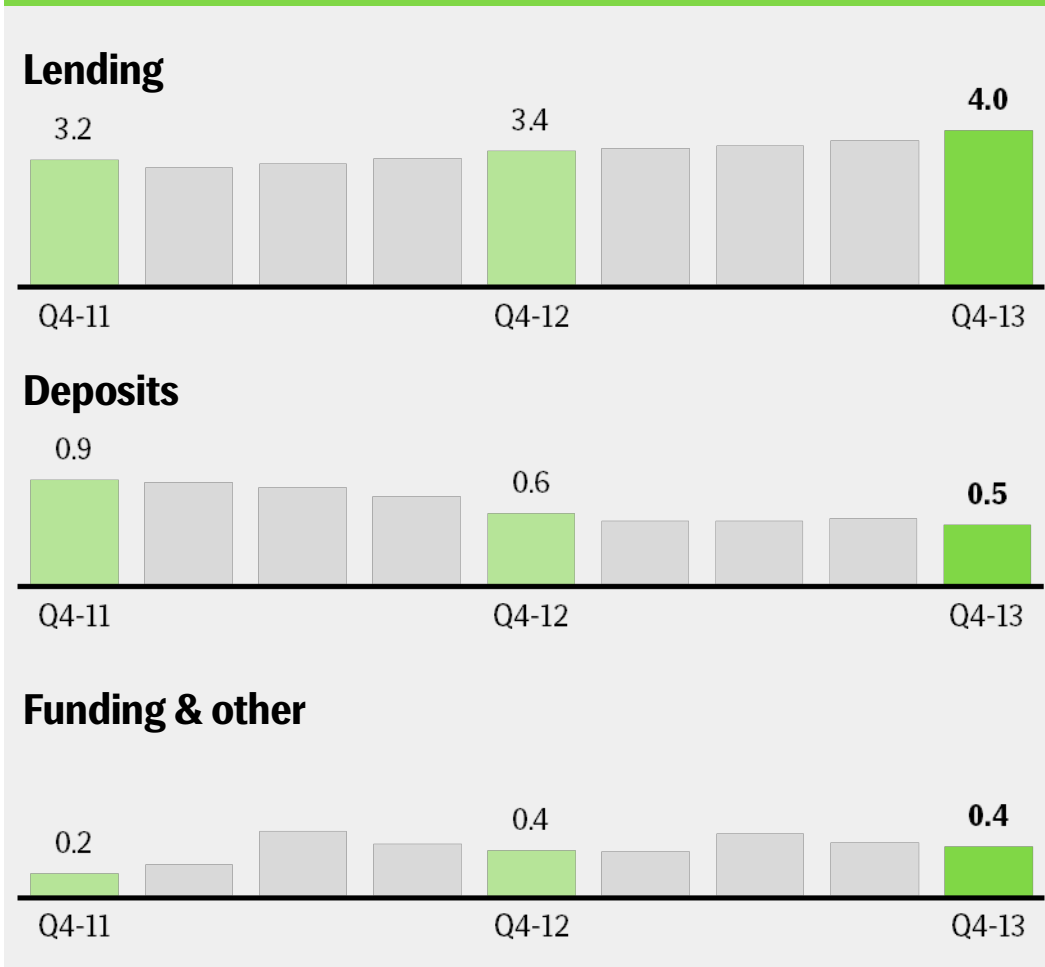
*Gross commission development

Net interest income development

**Net interest income
2012 vs. 2013 (SEK bn)**

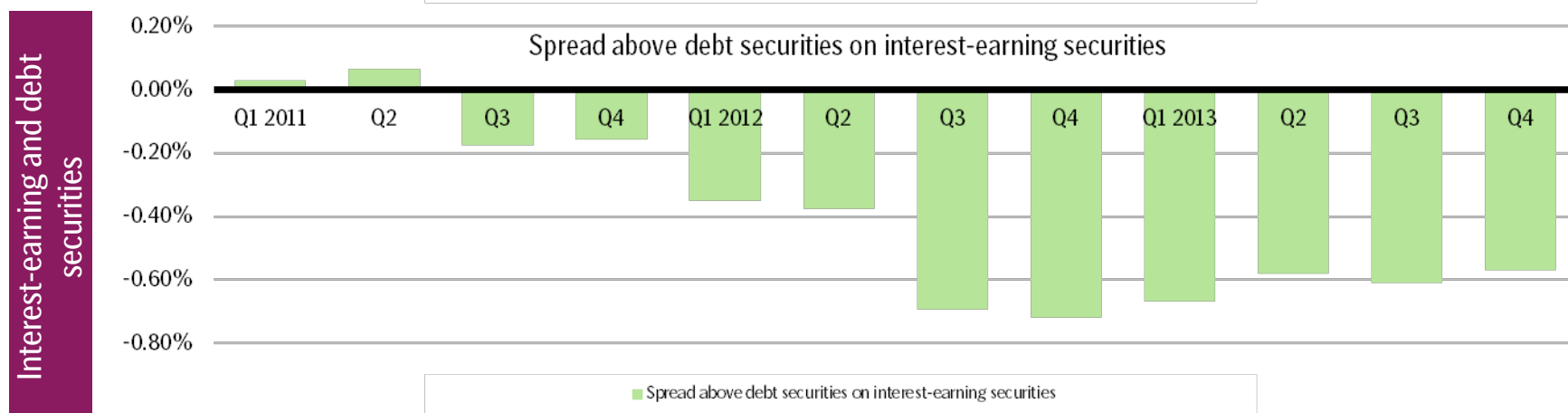
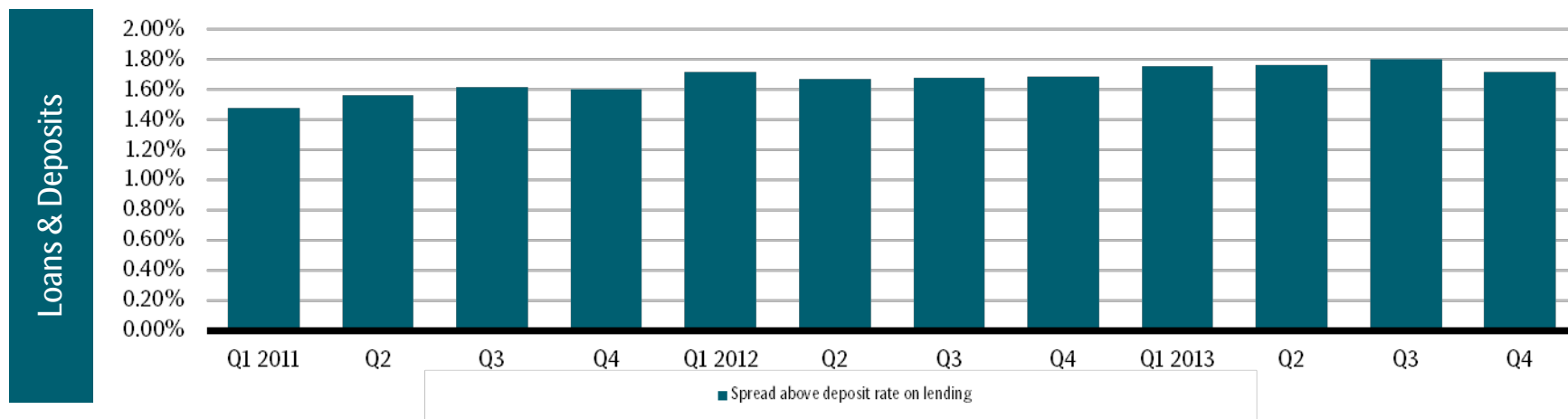


**Net interest income type
Q4 2011 – Q4 2013 (SEK bn)**



NIM development

Spread above deposit rate on lending



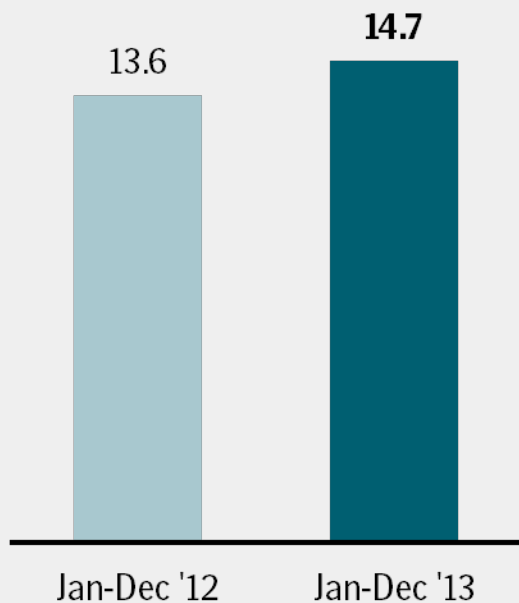
Group NIM Q1 2011 ~1%

Q4 2013 ~1%

Net fee and commission income development

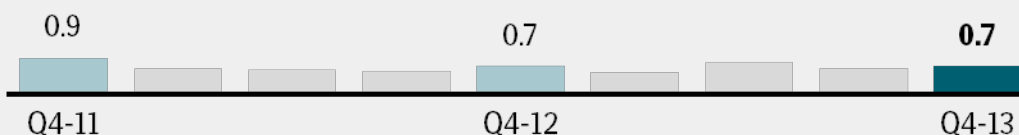
Net fee and commissions 2012 vs. 2013 (SEK bn)

+8%

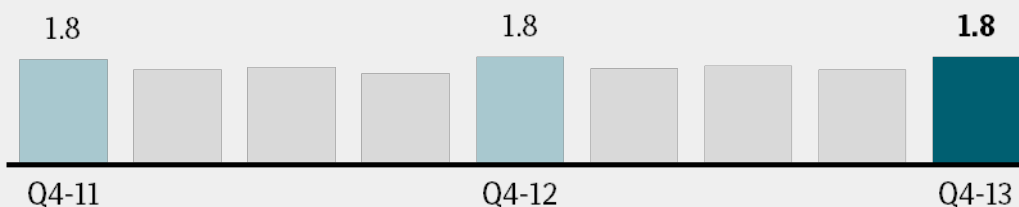


Gross fee and commissions by income type Q4 2011 – Q4 2013 (SEK bn)

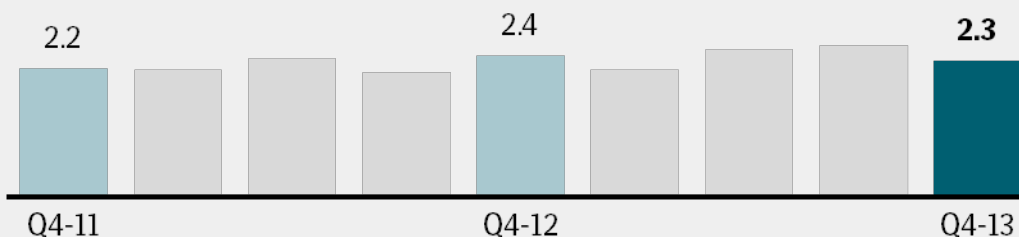
Advisory, secondary markets and derivatives



Custody and mutual funds



Payments, cards, lending, deposits & guarantees



Net fee and commission income development

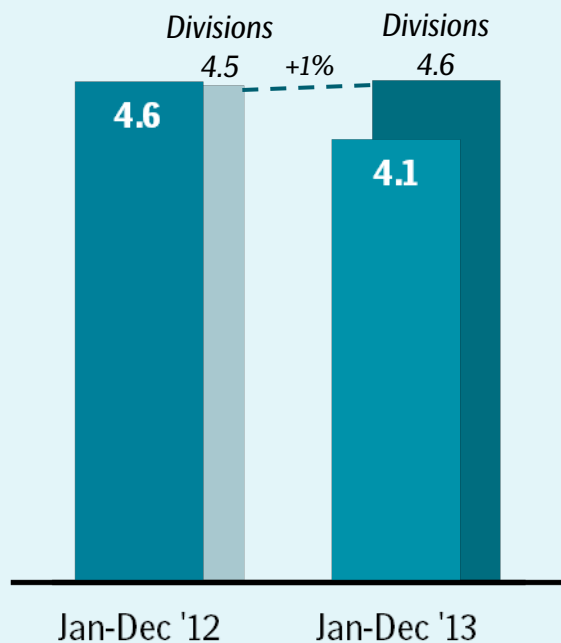
SEB Group

SEK m	Q4 2013	Q3 2013	Δ QoQ	Q4 2012	Δ YoY	2013	2012	Δ
Issue of securities and advisory	336	154	182	241	95	716	646	70
Secondary market and derivatives	377	482	-105	480	-103	2 001	1 940	61
Custody and mutual funds	1 835	1 631	204	1 838	-3	6 825	6 691	134
<i>Whereof performance and transaction</i>	145	2	143	177	-32	267	264	3
Payments, cards, lending, deposits, guarantees and other	2 315	2 587	-272	2 401	-86	9 591	9 059	532
<i>Whereof payments and card fees</i>	1 494	1 463	31	1 492	2	5 894	5 952	-58
<i>Whereof lending</i>	574	828	-254	608	-34	2 531	2 047	484
Fee and commission income	4 863	4 854	9	4 960	-97	19 133	18 336	797
Fee and commission expense	- 992	-1 119	127	-1 245	253	-4 469	-4 716	247
Net fee and commission income	3 871	3 735	136	3 715	156	14 664	13 620	1 044

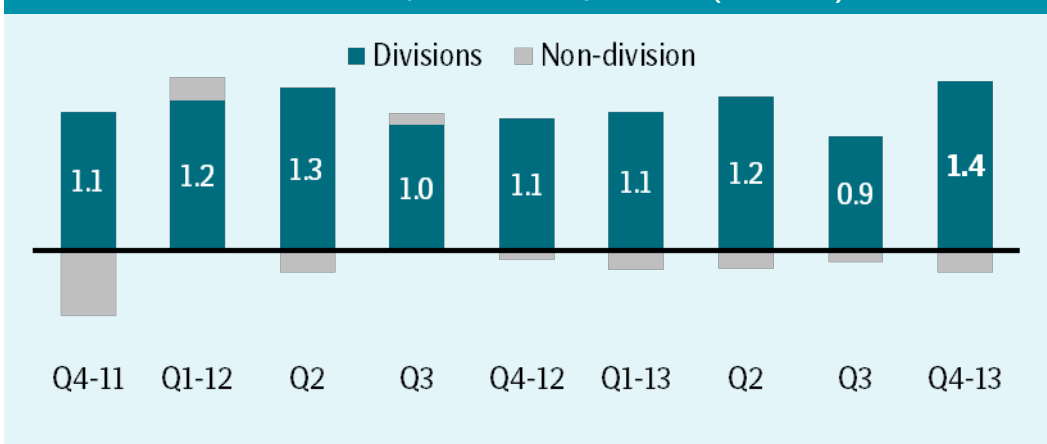
Net financial income development

Net financial income 2012 vs. 2013 (SEK bn)

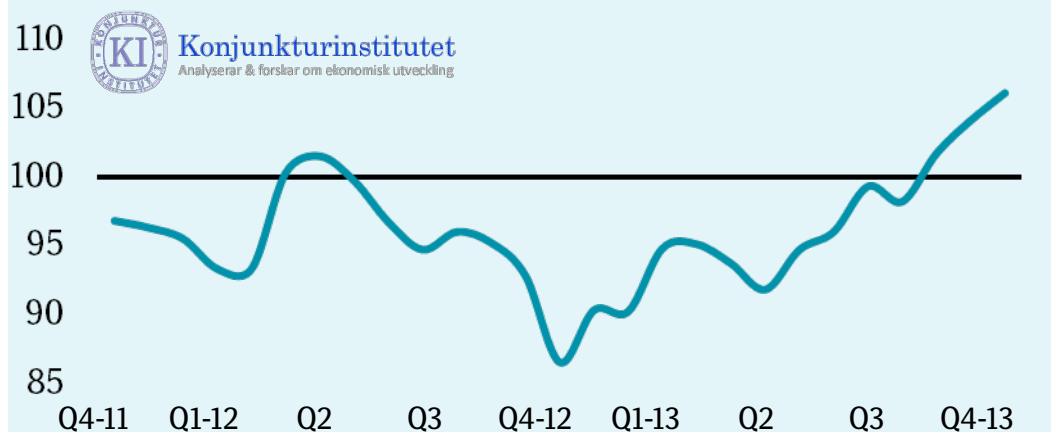
-12%



Net financial income Q4 2011 – Q4 2013 (SEK bn)



Economic cycle indicator



Increased operating leverage

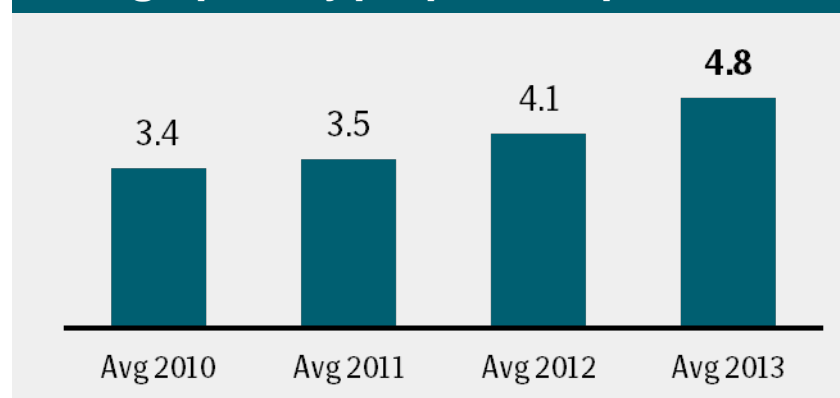
Average quarterly income (SEK bn)



Average quarterly expenses (SEK bn)



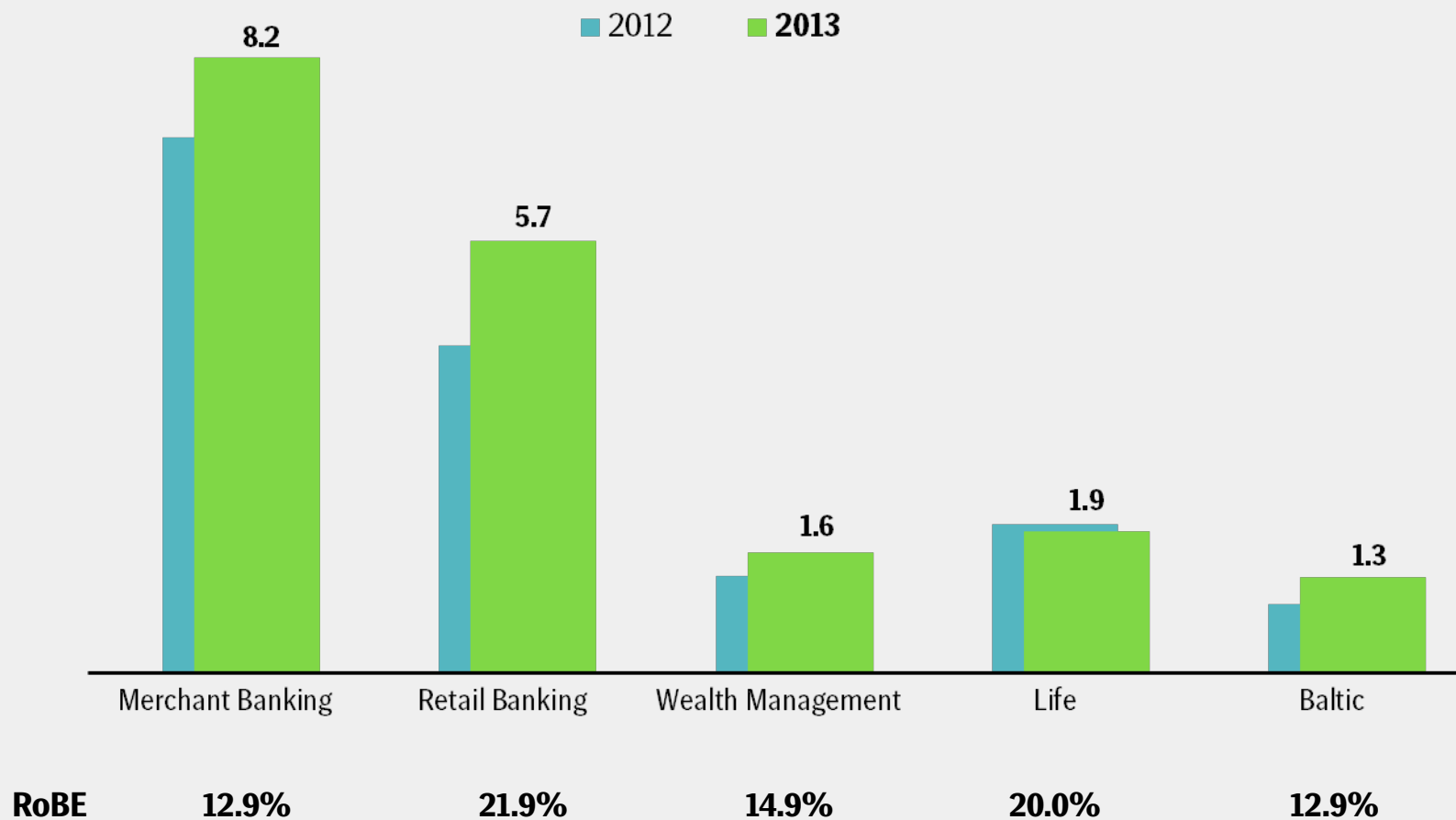
Average quarterly pre-provision profit (SEK bn)



Notes: Excluding one-offs (restructuring in 2010, and bond buy-back and IT impairment in 2012)
Estimated IAS 19 costs in 2010

Divisional performance

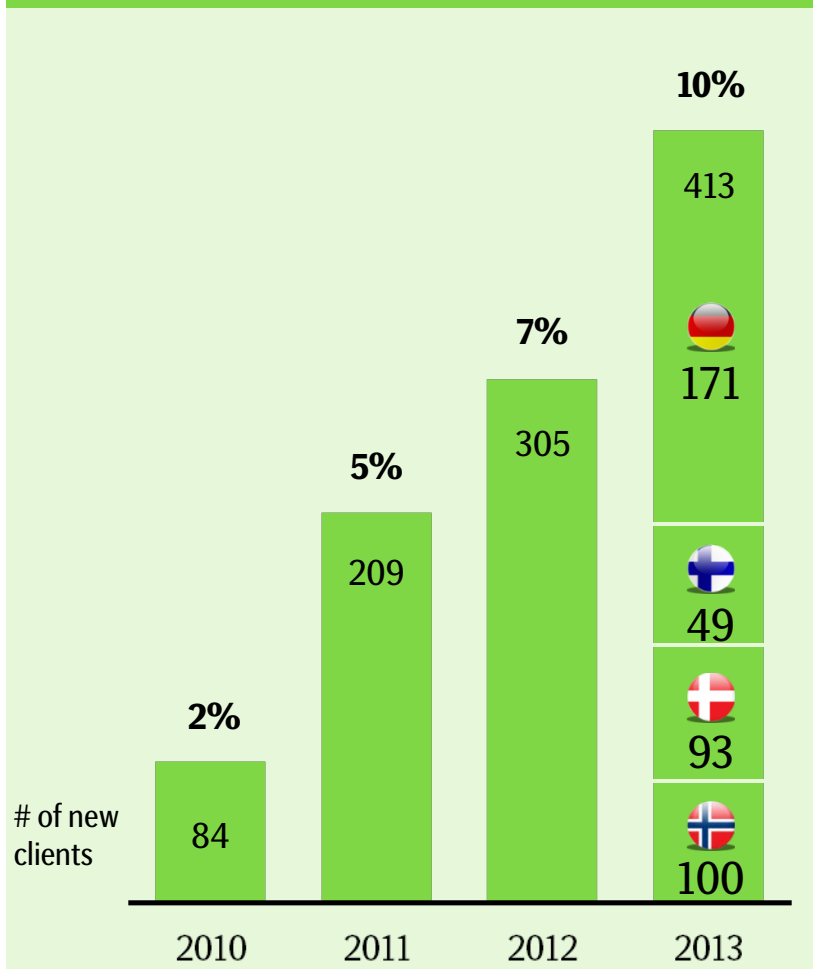
Operating profit 2013 vs. 2012 (SEK bn)



Customer-driven growth

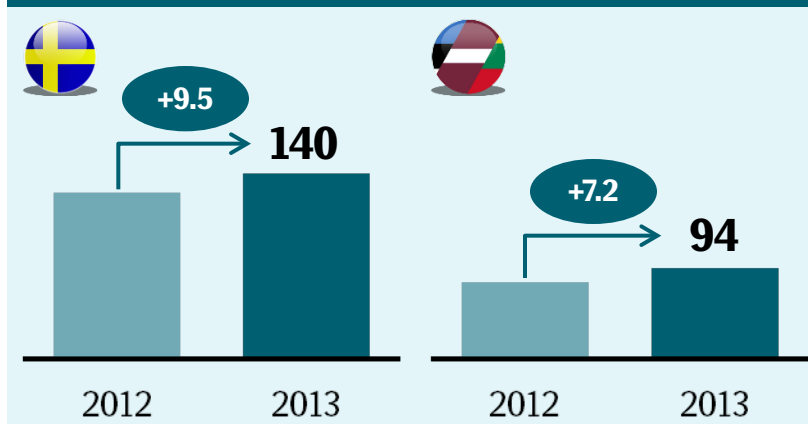
Large Corporates and Financial Institutions

New client income contribution (%)



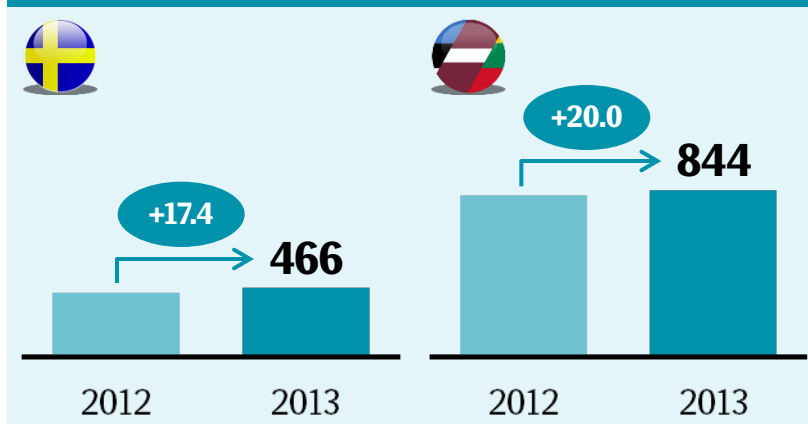
SME/MidCorp

Full-service customers (thousands)



Private

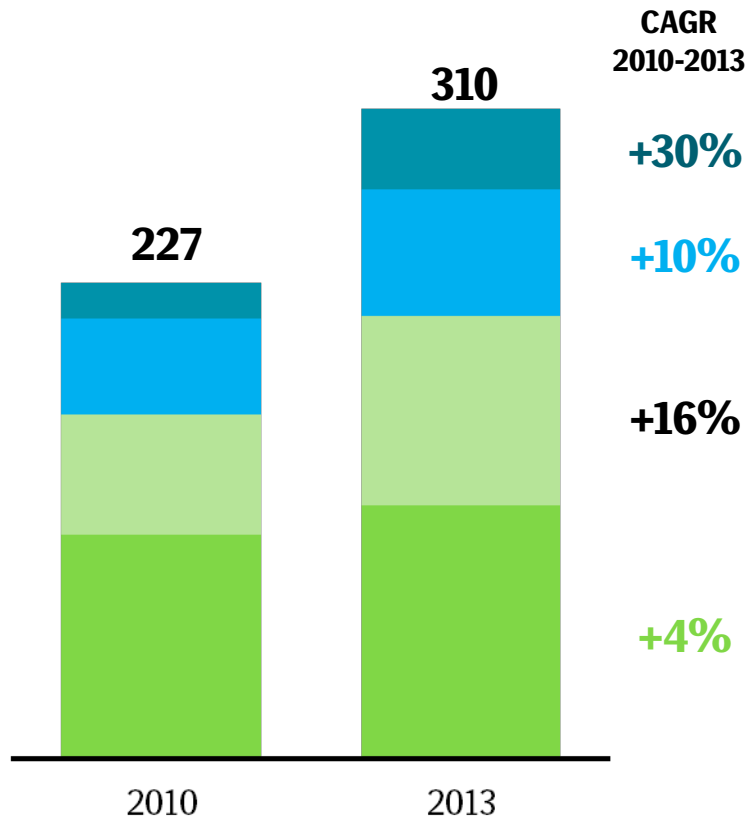
Home-banking customers (thousands)



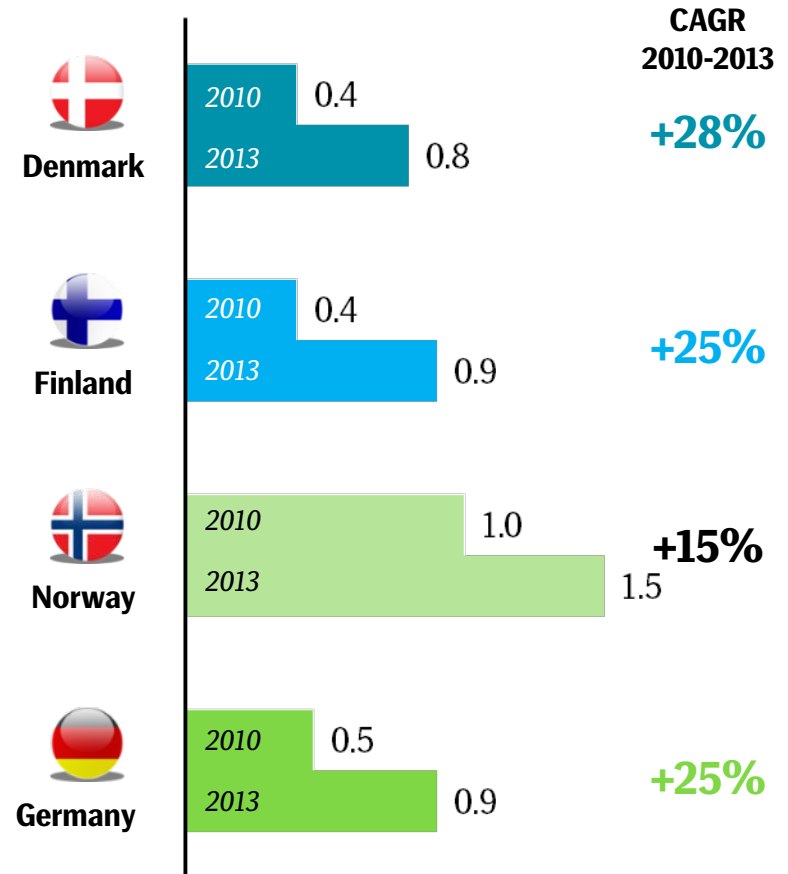
Broadened corporate platform outside Sweden

Credit portfolio (SEK bn, FX-adj)

Denmark Finland Norway Germany



Operating profit (SEK bn, FX-adj)



Germany – transition continues according to plan



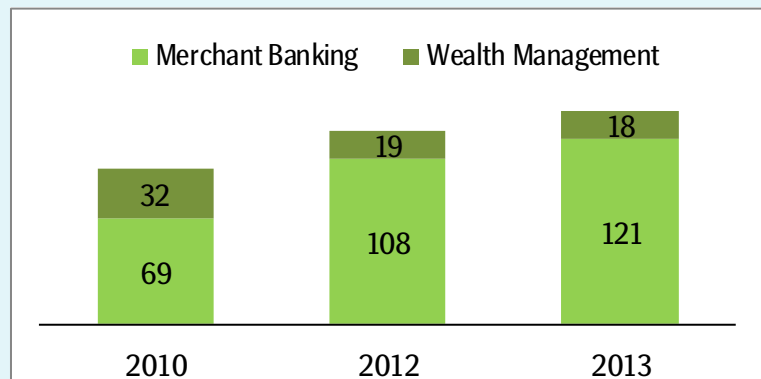
Starting point in 2010

- Retail Banking divestment to Santander
- Decision to grow the Merchant Banking franchise in Germany
- Efficiency initiatives launched to bring the bank to a competitive level post divestment

Ambition

	Then	Today	Goal
C/I	0.90	▶ 0.57	0.50
RoBE	0%	▶ 9%	15%

Pre-provision result* (EUR m)



Competitive position/awards

- Needscope: “relationship driven”; “trusted discussion partner”; “SEB delivers”
- Preferred employer (for 6th time in a row); FKI – award for gender diversity etc.
- Competitive landscape in need of further restructuring and consolidation
- SEB still a small player, growth opportunity remains

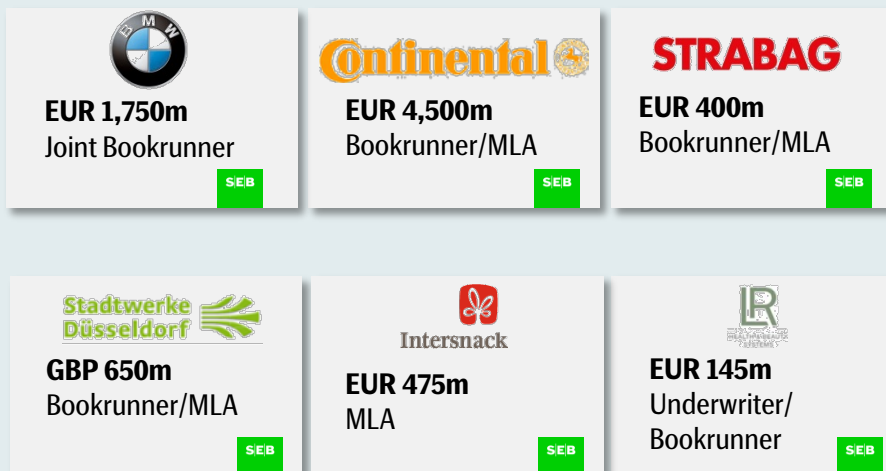
* On-going business in Merchant Banking and excl. Treasury operations

Germany – Executing on growth plan



Preferred bank for targeted German Corporates

+171
New
customers
Since 2010



SEB coverage model



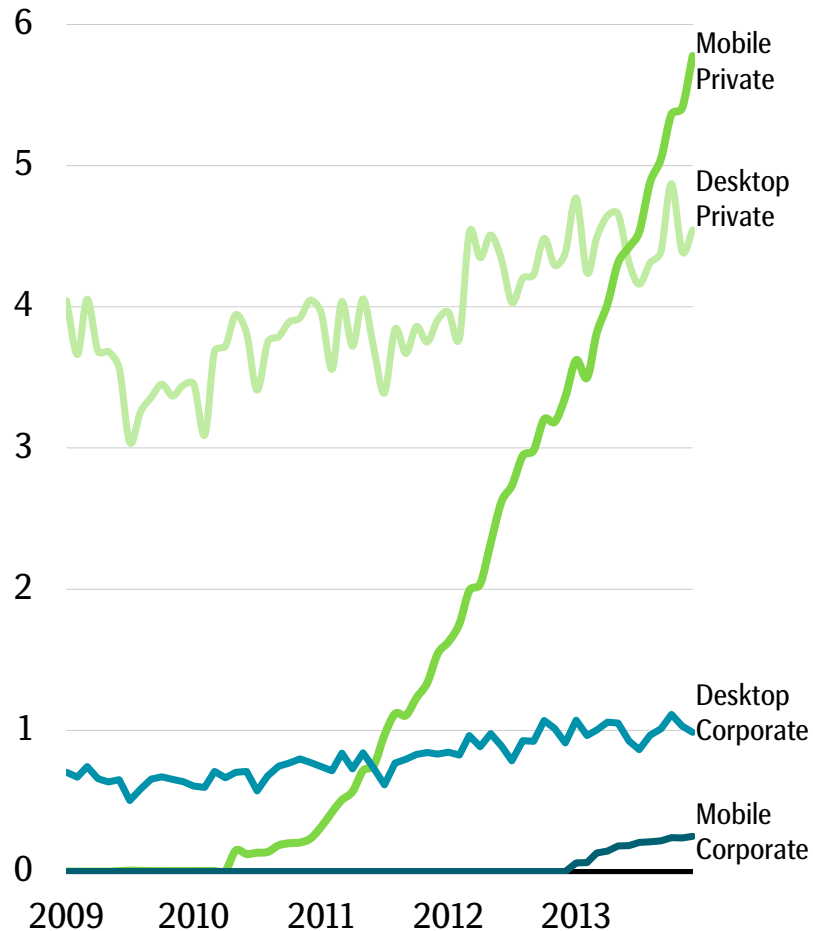
Key activities going forward

- Continued customer acquisition and up-tiering of existing customers
- Strengthened capital markets competence and offering
- Leverage international capabilities through SEB's international network

Mobile banking and payment services

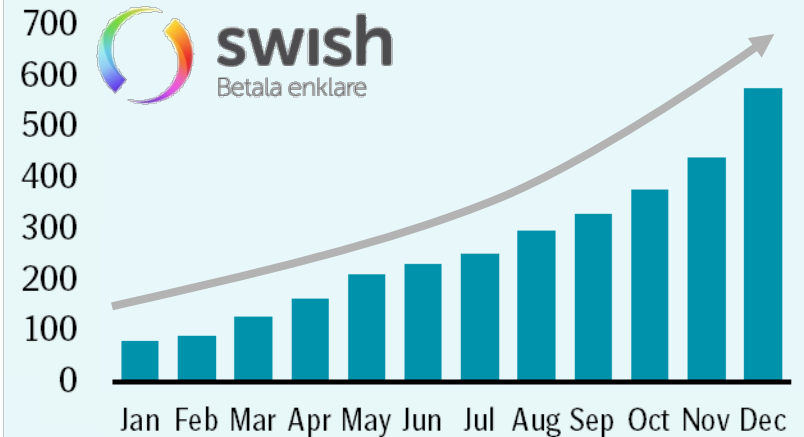
Increasing contact points from customers

of visits (millions)



Mobile money transfers 2013

Total # of Swish transactions (thousands)

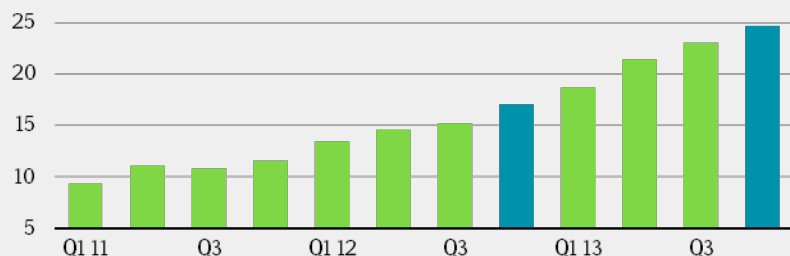


SEB

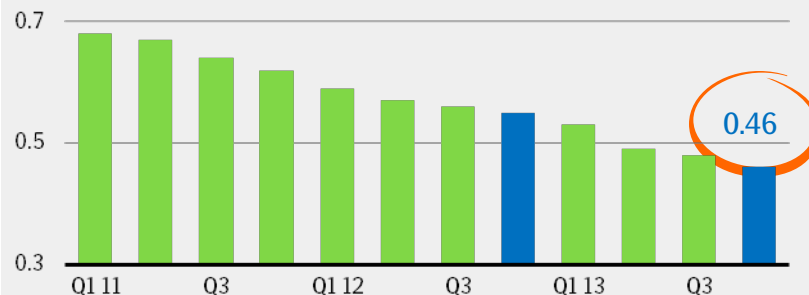
Continued positive trend for Retail Banking

Change Q4 2013 vs. Q4 2012

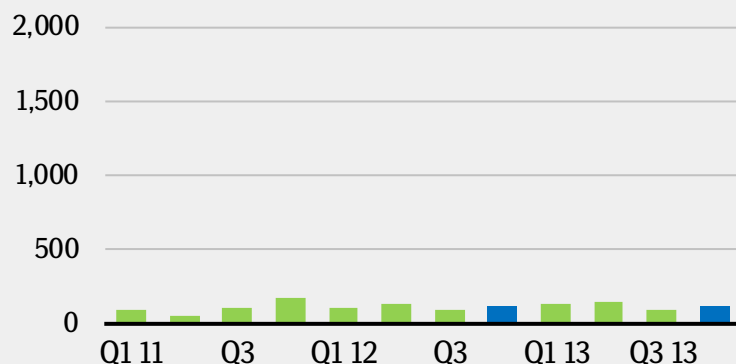
RoBE, per cent, +7.6 percentage points*



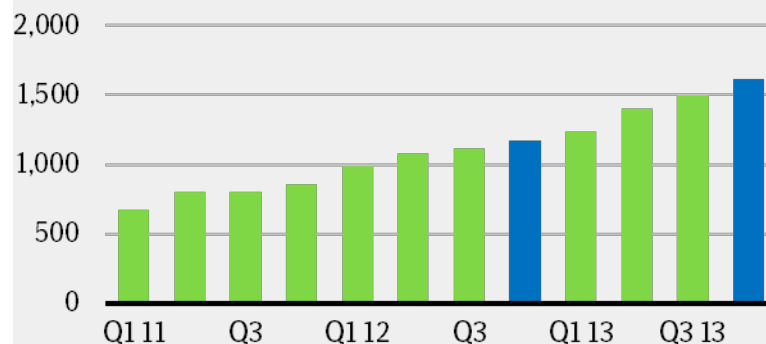
C/I ratio, -0,09



Credit losses, SEK m, 0 per cent

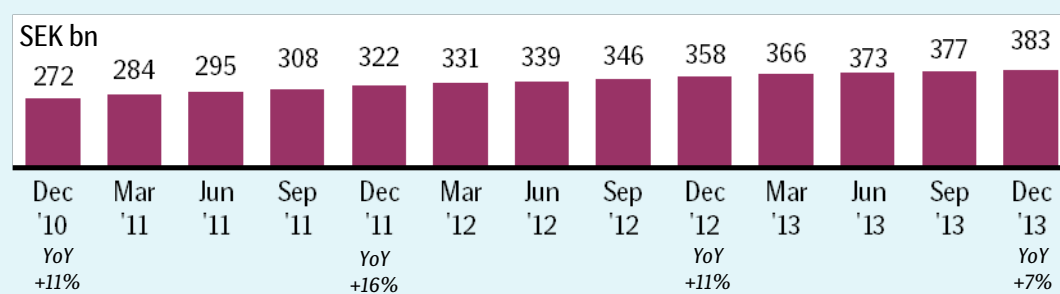


Operating profit, SEK m, +38 per cent



*proforma, adjusted to allow improved comparison (altered tax and business equity allocation models)

SEB's Swedish household mortgage lending



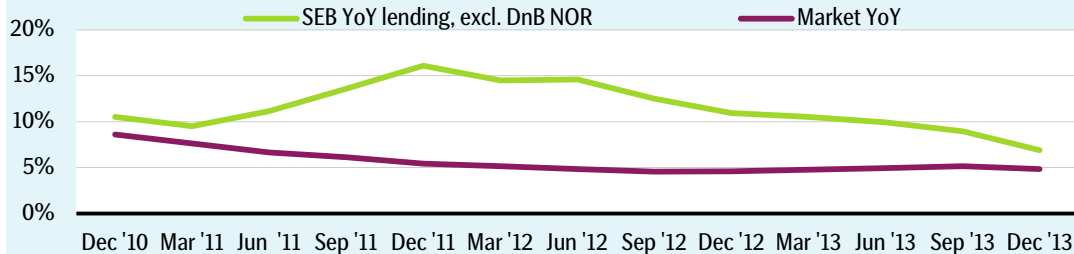
Selective origination

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

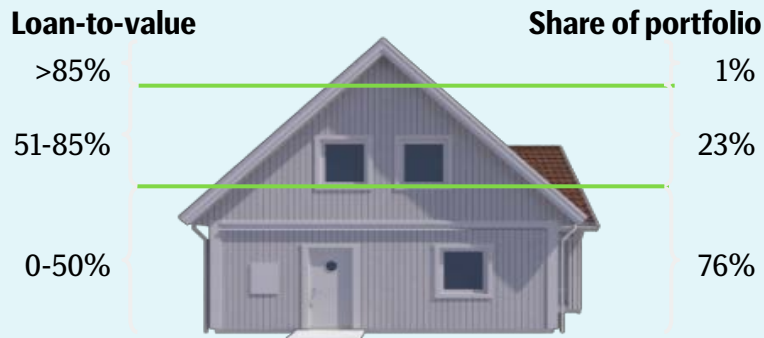
High asset performance

- Net credit losses consistently low, now 1bps
- Loan book continues to perform – loans past due >60 days 9bps

SEB portfolio development vs. total market (QoQ)



Low LTVs by regional and global standards



Mortgage lending based on affordability

- Credit scoring and assessment
- 7% interest rate test
- 85% regulatory first lien mortgage cap & minimum 15% of own equity required
- If LTV >70% requirement to amortise on all new loans
- Max loan amount 5x total gross household income irrespective of LTV
- 'Sell first and buy later' recommendation

Swedish housing market – Characteristics and prices

Mäklarstatistik – January 2013, per cent

	Single family homes		Apartments	
Area	3m	12m	3m	12m
Sweden	-1	+4	-3	+8
Greater Stockholm	0	+7	+1	+10
Central Stockholm			+2	+11
Greater Göteborg	-1	+8	0	+6
Greater Malmö	-1	+9	0	+3

Valueguard – January 2013, per cent

	Single family homes		Apartments	
Area	3m	12m	3m	12m
Sweden	+3.9	+7.1	+4.2	+12.6
Stockholm	+3.7	+7.9	+4.3	+13.4
Göteborg	+1.6	+7.4	+1.3	+10.3
Malmö	+1.5	+1.3	+3.3	+3.2

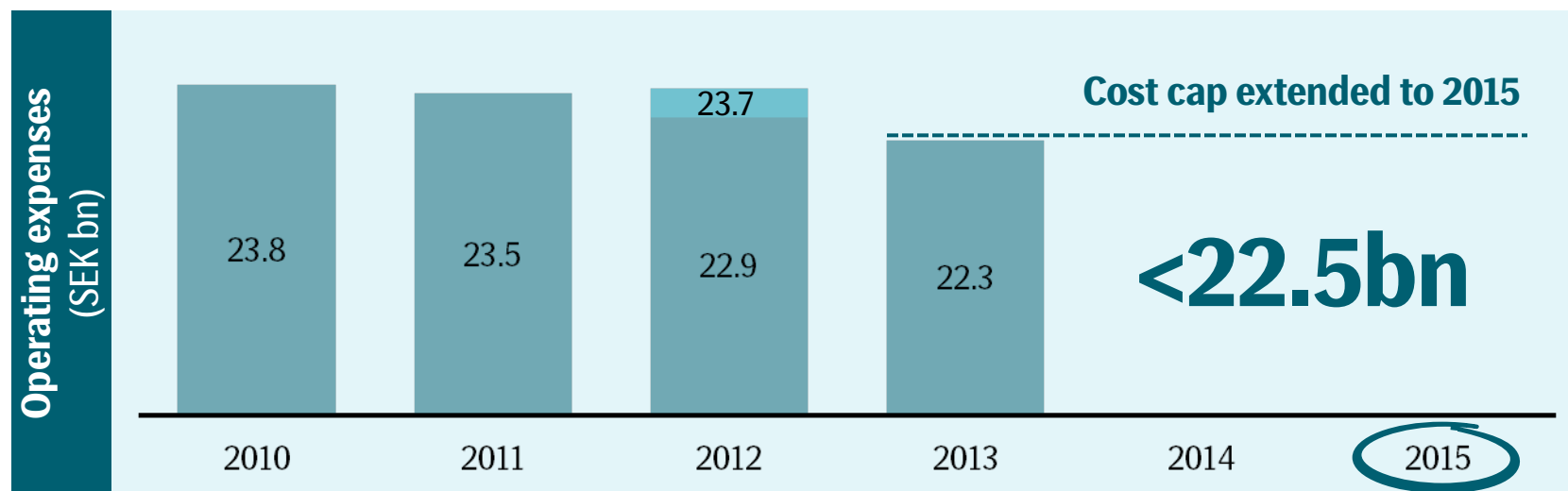
HOX Sweden +4.0% 3m, +8.9% 12m

Characteristics of Swedish mortgage market

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

Continued resilience and flexibility

Balance sheet ratios	Capital	Liquidity	Funding	Asset quality
	15.0% Common Equity Tier 1	129% LCR	114% Core Gap ratio	0.09% Credit Loss Level



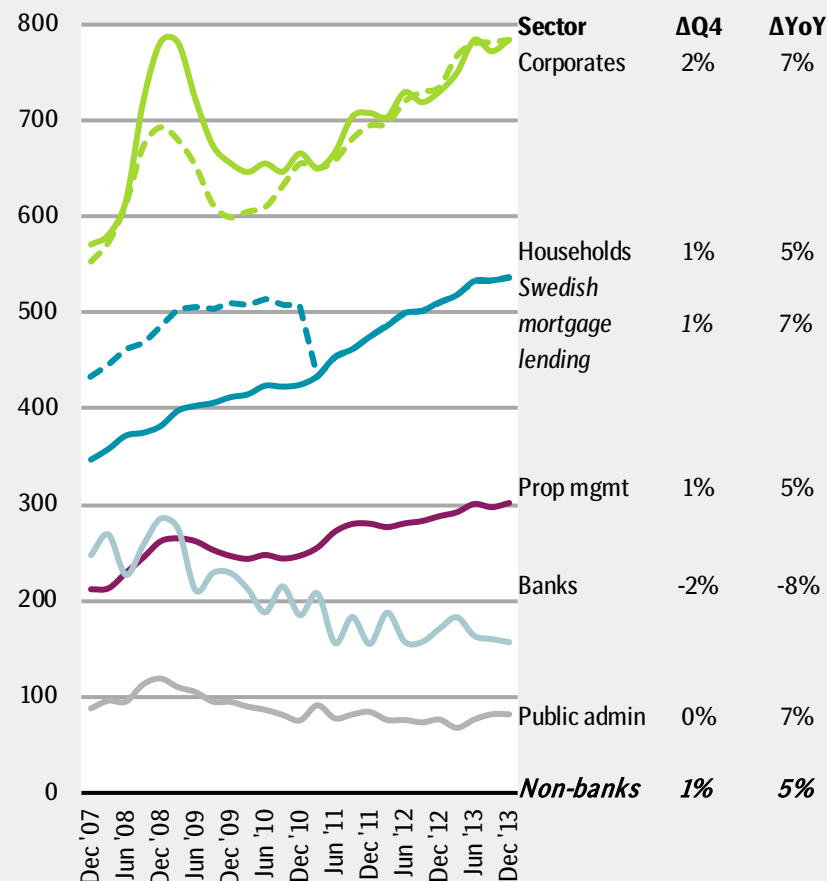
Balance sheet

Strong asset quality and balance sheet

	(SEK)	2009	2012	2013
Asset quality	Non-performing loans	28.6bn	13.8bn	9.5bn
	NPL coverage ratio	65%	66%	72%
	Net credit loss level	0.92%	0.08%	0.09%
Funding and liquidity	Customer deposits	750bn	862bn	849bn
	Liquidity resources	>10%	~25%	~25%
	Liquidity coverage ratio	N.A.	113%	129%
Capital	CT 1 (Basel 2.5)	11.7%	15.1%	17.8%
	CET 1 ratio (Basel 3)	N.A.	13.1%	15.0%
	Leverage ratio (Basel 3)			4.2

Credit portfolio growth in line with business plan

Credit portfolio by sector (SEK bn)



NOTE: Green dotted line is FX-adjusted, blue dotted line is including German retail

Credit portfolio by sector (SEK bn)

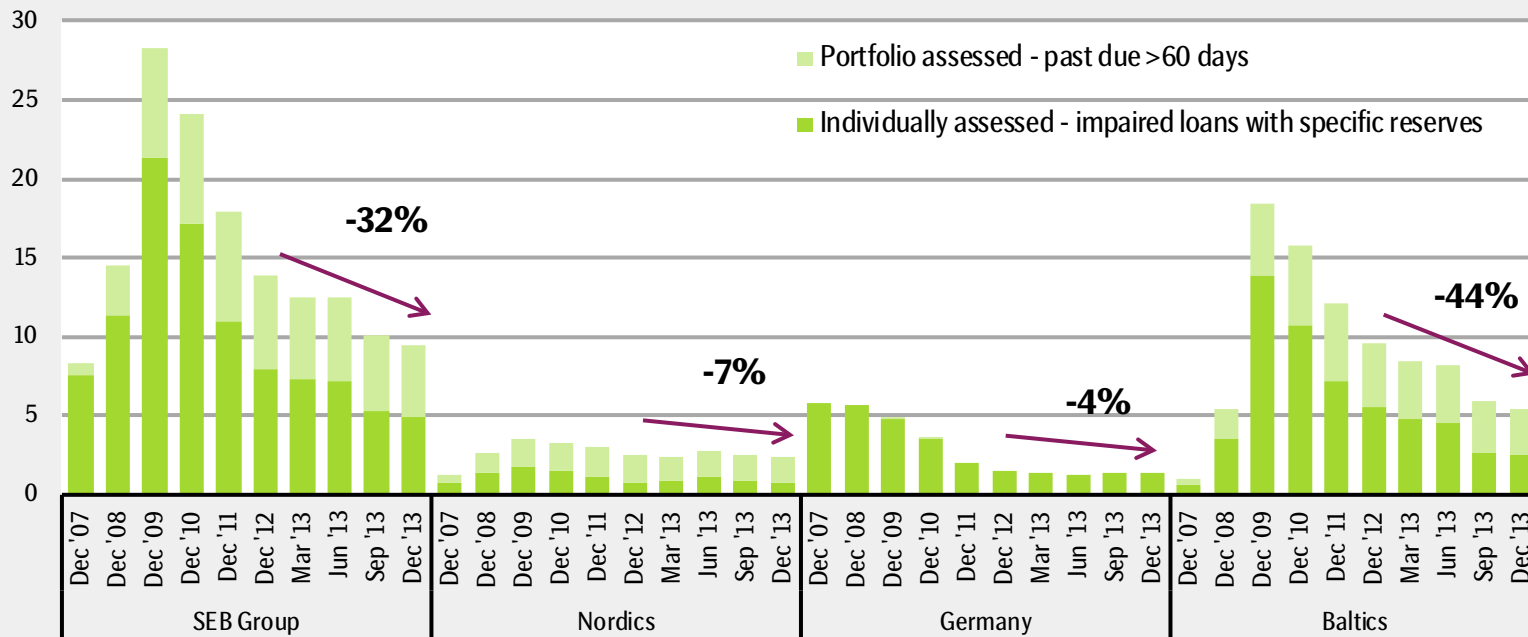
	Dec '12	Sep '13	Dec '13	ΔQ4	ΔYoY
Corporates	730	772	784	12	54
Property management	288	297	302	4	14
Households	511	534	536	3	25
Public administration	76	82	82	0	6
Total non-banks	1,606	1,685	1,704	19	99
Banks	171	160	158	-2	-13
Total	1,777	1,845	1,862	17	86

2013 summary

- **Corporate** volumes driven by Merchant Banking outside of Sweden
- **Property management** volumes driven by Nordics
- **Swedish household mortgage** growth pace continues to slow down
 - Volume increase in 2013 half compared to 2011

NPLs decrease mainly due to write-offs in Baltics

YTD: Non-performing loans development (SEK bn)



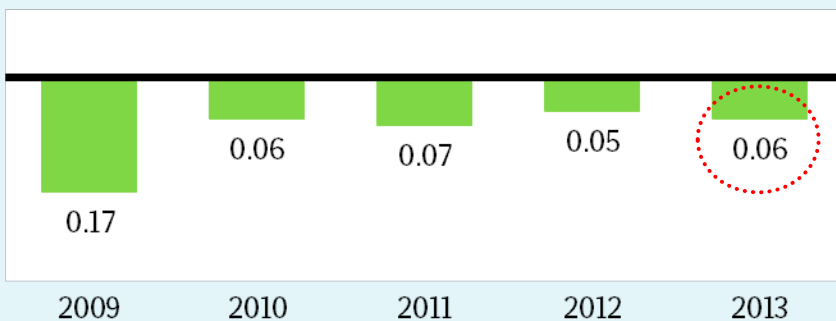
NPLs / lending:	0.7%	0.2%	0.8%	5.0%
NPL coverage ratio:	72.0%	75.8%	86.9%	66.6%

NOTE: Sale of the German retail operations reduced German NPLs by SEK 817m in Mar '11

Credit loss levels per geography

Annualised accumulated

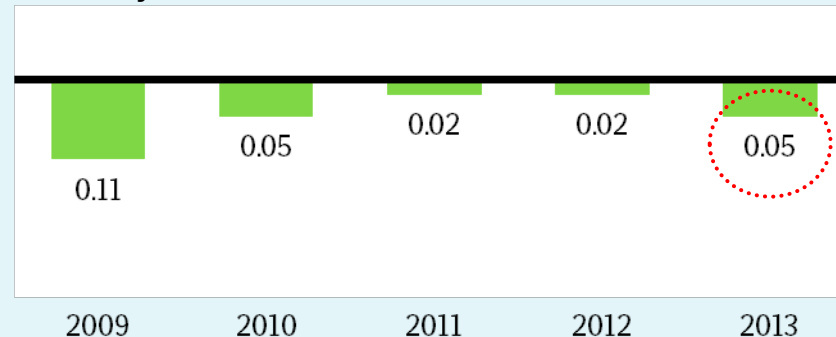
Nordic countries, net credit losses in %



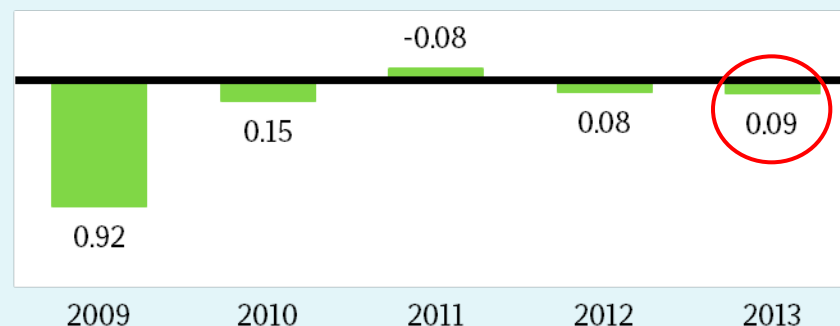
Baltic countries, net credit losses in %



Germany*, net credit losses in %



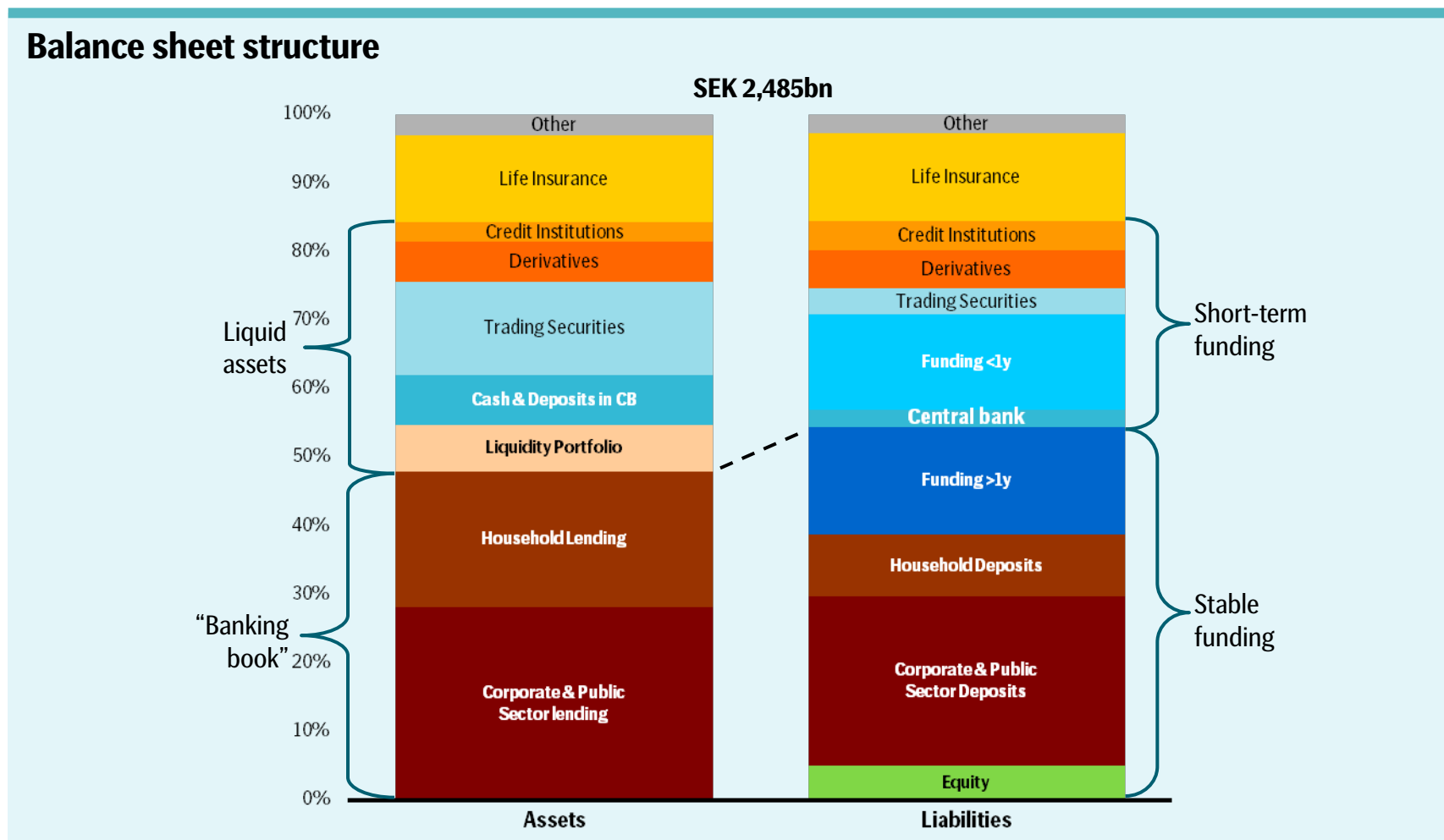
SEB Group, net credit losses in %



* Continuing operations

A strong balance sheet structure

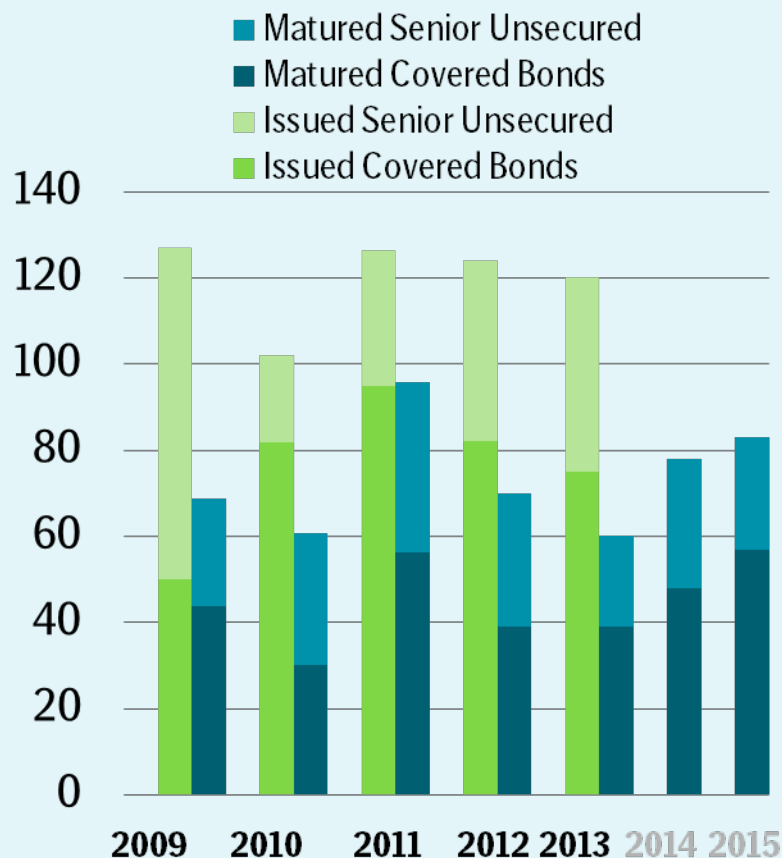
Dec 2013



1. A relatively large share of lending is contractually short which allows for swift re-pricing to adjust for e.g. changed funding costs.
2. Central bank deposits refer to long-term relationship-based deposits from central banks and do not refer to borrowings from central banks

Conservative funding strategy

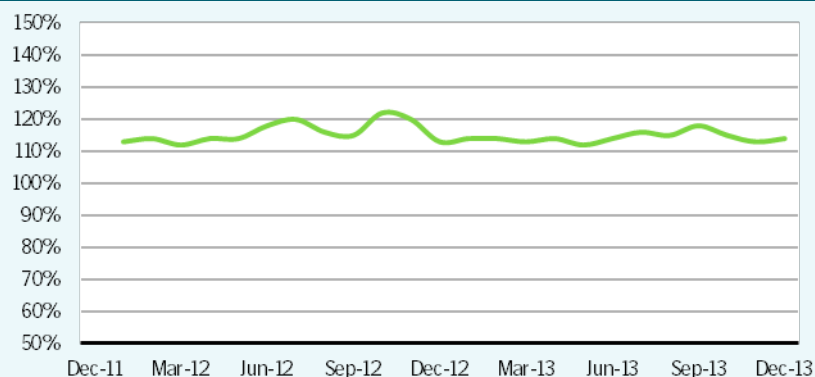
Long-term funding activities (SEK bn)



Issuance of bonds (SEK bn)

Instrument	2011	2012	2013
Senior unsecured SEB AB	32	42	45
Covered bonds SEB AB	95	81	73
Covered bonds SEB AG	0	1	2
Subordinated debt	0	6	0
Total	126	124	120

Stable structural liquidity position – SEBs Core Gap ratio*



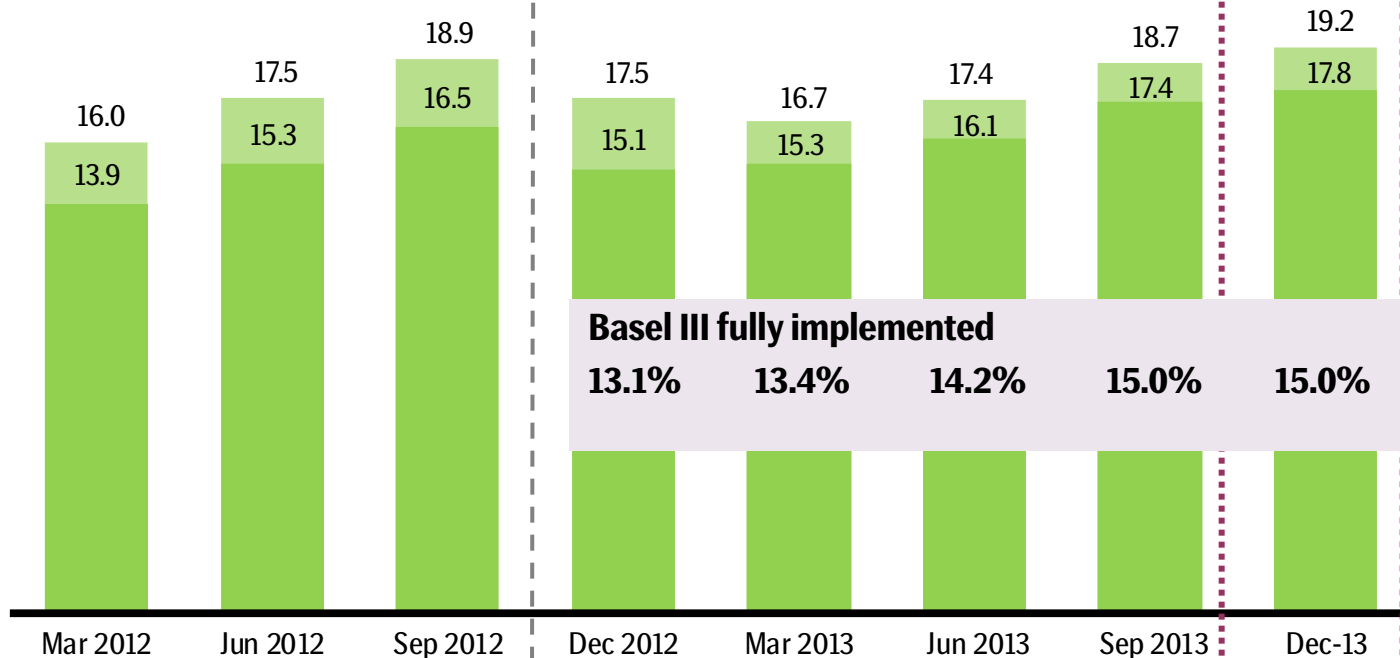
* Core Gap Ratio is an SEB defined internal measure similar to the regulatory-defined NSFR but based on internal behavioural modelling. It measures the amount of more than 1 year funding in relation to more than 1 year assets.

Basel II without transitional rules

SEB Group

■ Tier I capital ratio, %
■ Core Tier I capital ratio, %

Note: Pre Dec 2012 not restated for accounting principle changes



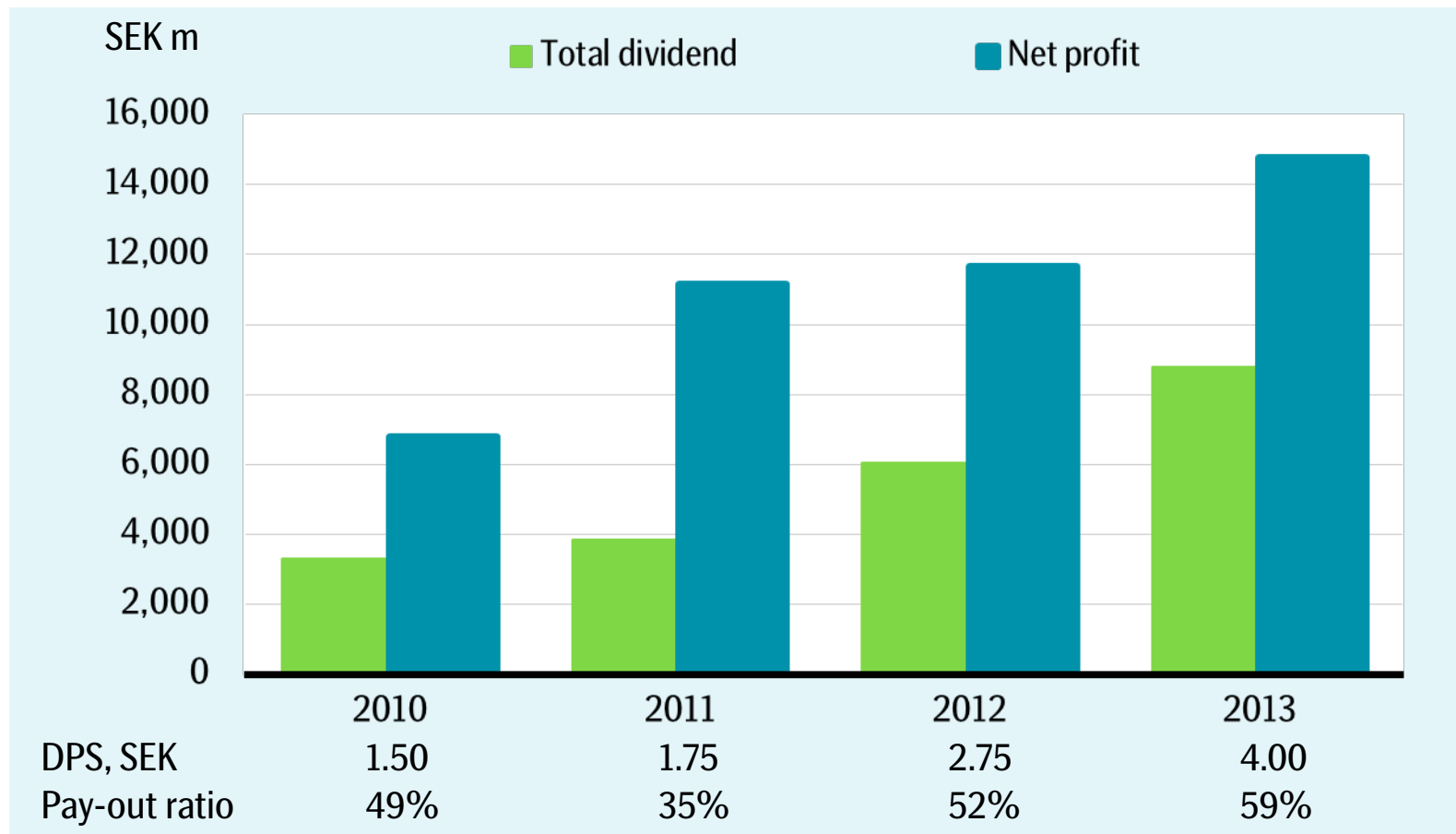
Basel III fully implemented

13.1% 13.4% 14.2% 15.0% 15.0%

SEK bn

Core Tier I	93.8	96.4	97.5	88.4	89.0	95.5	99.7	100.4
Capital base	103.1	106.7	109.6	100.9	100.9	105.0	106.9	107.1
RWA Basel 2.5	675	632	591	586	583	593	574	564

Dividend policy and development



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

Sum-up

Financial performance

	2012	2013
RoE	11.1%	13.1%
CET 1 ratio Basel III	13.1%	15.0%
EPS SEK per share	5.31	6.74
Proposed dividend SEK per share	2.75	4.00

Going forward



Long-term customer relationships

Disciplined execution

Competitive and sustainable returns