

Investor Presentation

Q1 2019

S|E|B



Disclaimer

IMPORTANT NOTICE

THE FOLLOWING APPLIES TO THIS PRESENTATION, ANY ORAL PRESENTATIONS OF THE INFORMATION IN THIS PRESENTATION BY SEB OR ANY PERSON ON ITS BEHALF, AND ANY QUESTION AND ANSWER SESSION THAT FOLLOWS ANY SUCH ORAL PRESENTATIONS.

THIS PRESENTATION IS NOT AN OFFER OR SOLICITATION OF AN OFFER TO BUY OR SELL SECURITIES. IT IS SOLELY FOR USE AT AN INVESTOR PRESENTATION AND IS PROVIDED AS INFORMATION ONLY. THIS PRESENTATION DOES NOT CONTAIN ALL OF THE INFORMATION THAT IS MATERIAL TO AN INVESTOR. THIS PRESENTATION IN AND OF ITSELF SHOULD NOT FORM THE BASIS OF ANY INVESTMENT DECISION. BY ATTENDING THE PRESENTATION OR BY READING THE PRESENTATION SLIDES YOU AGREE TO BE BOUND AS FOLLOWS:

This presentation is not an offer for sale of securities in the United States, Canada or any other jurisdiction.

This presentation may not be all-inclusive and may not contain all of the information that you may consider material. Neither SEB nor any third party nor any of their respective affiliates, shareholders, directors, officers, employees, agents and advisers makes any expressed or implied representation or warranty as to the completeness, fairness or reasonableness of the information contained herein and none of them accepts any responsibility or liability (including any third party liability) for any loss or damage, whether or not arising from any error or omission in compiling such information or as a result of any party's reliance on or use of such information.

Certain data in this presentation was obtained from various external data sources and SEB has not verified such data with independent sources. Accordingly, SEB makes no representations as to the accuracy or completeness of that data. Such data involves these risks and uncertainties and is subject to change based on various factors.

By accessing this presentation the recipient will be deemed to represent that they possess, either individually or through their advisers, sufficient investment expertise to understand the information contained herein. The recipient of this presentation must make its own independent investigation and appraisal of the business and financial condition of SEB. Each recipient is strongly advised to seek its own independent financial, legal, tax, accounting and regulatory advice in relation to any investment.

This presentation does not constitute a prospectus or other offering document or an offer or invitation to subscribe for or purchase any securities and nothing contained herein shall form the basis of any contract or commitment to subscribe for or purchase any securities. This presentation is being furnished to you solely for your information and may not be reproduced, copied, shared, disseminated or redistributed, in whole or in part, in any manner whatsoever to any other person. The distribution of this presentation in certain jurisdictions may be restricted by law and persons into whose possession this presentation comes should inform themselves about, and observe, any such restrictions.

No securities have been or will be registered under the U.S. Securities Act of 1933, as amended (the Securities Act) or with any securities regulatory authority of any state or other jurisdiction of the United States and securities may not be offered, sold or transferred within the United States or to U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

This presentation is not a public offer of securities for sale in the United States.

In the United Kingdom this presentation is being made only to and is directed only at (a) persons who have professional experience in matters relating to investments who fall within Article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) and (b) other persons to whom it may otherwise lawfully be communicated in accordance with the Order (all such persons together being referred to as relevant persons). Any investment activity to which this communication may relate is only available to, and any invitation, offer, or agreement to engage in such investment activity will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Certain statements contained in this presentation reflect SEB's current views with respect to future events and financial and operational performance. Except for the historical information contained herein, statements in this presentation which contain words or phrases such as "will", "aim", "will likely result", "would", "believe", "may", "result", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "strategy", "philosophy", "project", "should", "will pursue" and similar expressions or variations of such expressions may constitute "forward-looking statements". These forward-looking statements involve a number of risks, uncertainties and other factors that could cause SEB's actual development and results to differ materially from any development or result expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to, SEB's ability to successfully implement its strategy, future levels of non-performing loans, its growth and expansion, the adequacy of its allowance for credit losses, its provisioning policies, technological changes, investment income, cash flow projections, exposure to market risks as well as other risks. SEB undertakes no obligation to publicly update or revise forward-looking statements contained herein, whether as a result of new information, future events or otherwise. In addition, forward-looking statements contained in this presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this presentation.

Agenda



- **SEB in brief**

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

p.3

p.16

p.31

p.38

p.44

p.51

p.55

p.65

p.67

Executive summary

Relatively strong macroeconomic operating environment

- SEB operates principally in economically robust AAA rated, northern European countries

Stable, long-term ownership structure

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

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

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

High asset quality

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

One of Europe's best capitalised banks

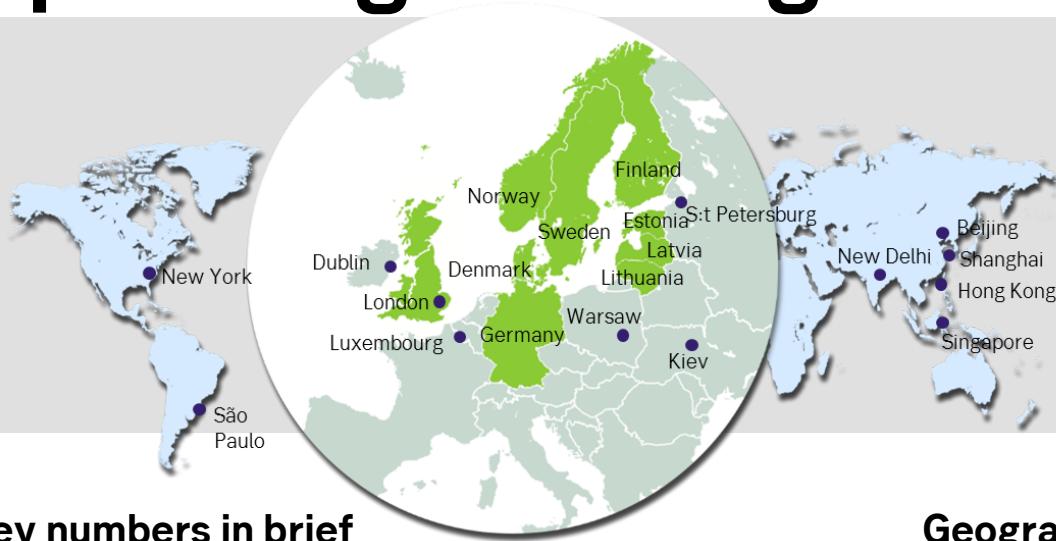
- CET1 ratio of 17.1% and buffer of 250bps above the SFSA's requirement

Solid funding structure and low asset encumbrance

Solid rating position

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

A leading Nordic financial services group operating in strong macroeconomic economies



2,300

Large corporations

700

Financial institutions

400k

Small & medium-sized companies

4m

Private individuals

Key numbers in brief

Q1 2019

12.8%

Return on Equity

0.47

Cost / Income

17.1%

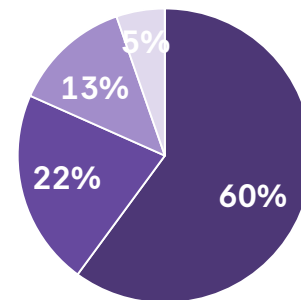
CET1 ratio

8bps

Net ECL level

Geographical breakdown

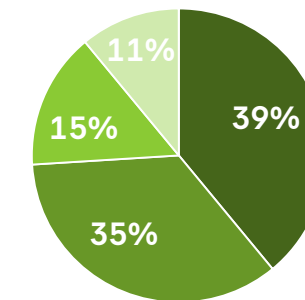
Operating profit 2018¹



■ Sweden
■ Nordics ex Sweden
■ Baltics
■ Germany & UK

Divisional breakdown

Operating profit 2018¹



■ Large Corporates & Financial Institutions
■ Corporates & Private Customers
■ Life & Investment Management
■ Baltic Banking

¹ Operating profit before items affecting comparability. Excl. International network and eliminations

Customer satisfaction

Large Corporates & Financial Institutions

Customer satisfaction (Prospera, ranking)

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

Corporate & Private Customers

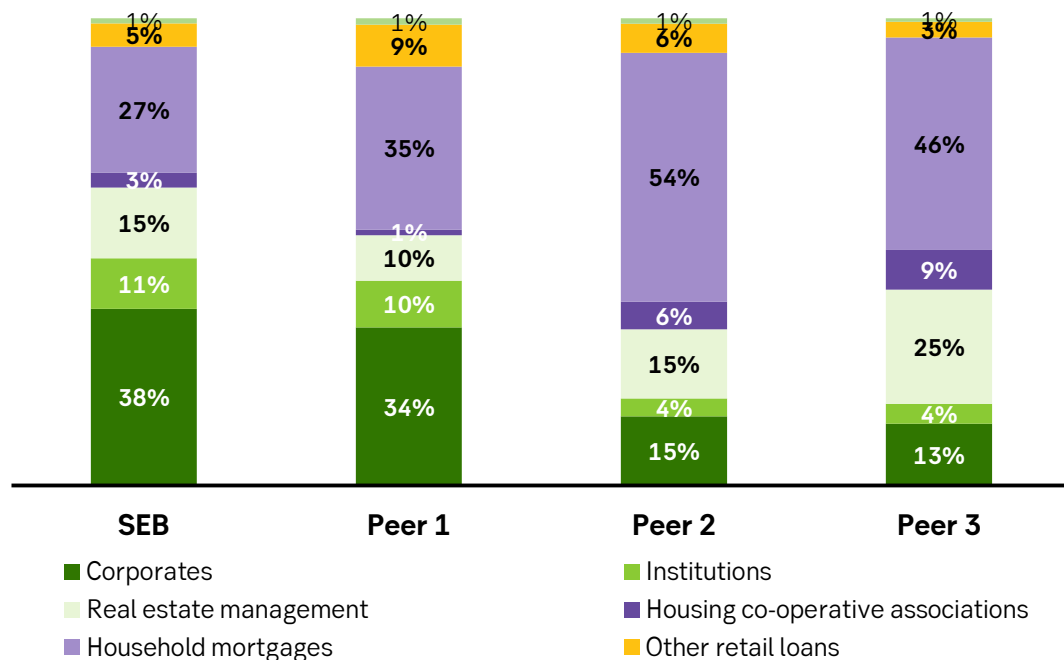
Customer satisfaction (Net Promoter Score)

		2015	2016	2017	2018
Corporate Customers	Advisory	43	49	43	46
	Teller	13	2	10	20
Private Customers	Advisory	33	40	44	46
	Teller	17	21	22	29

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

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

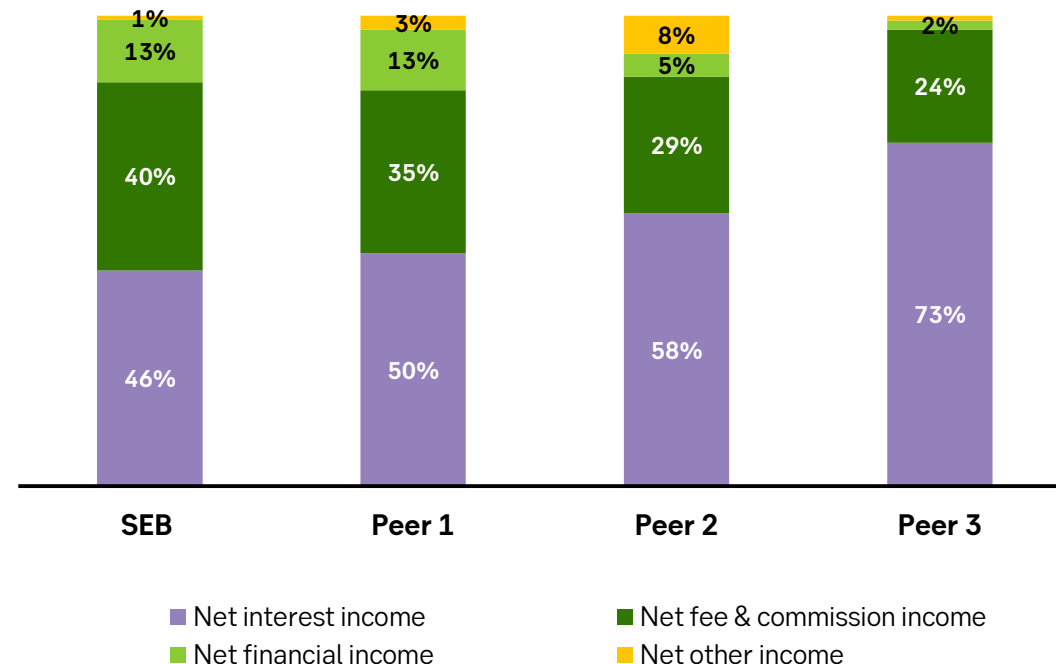
Sector credit exposure composition, EAD¹, 31 Dec 2018



¹ EAD = Risk Exposure Amount/Risk Weight
Source: SEB + Swedish peers Q4 2018 reports

Diversified income stream

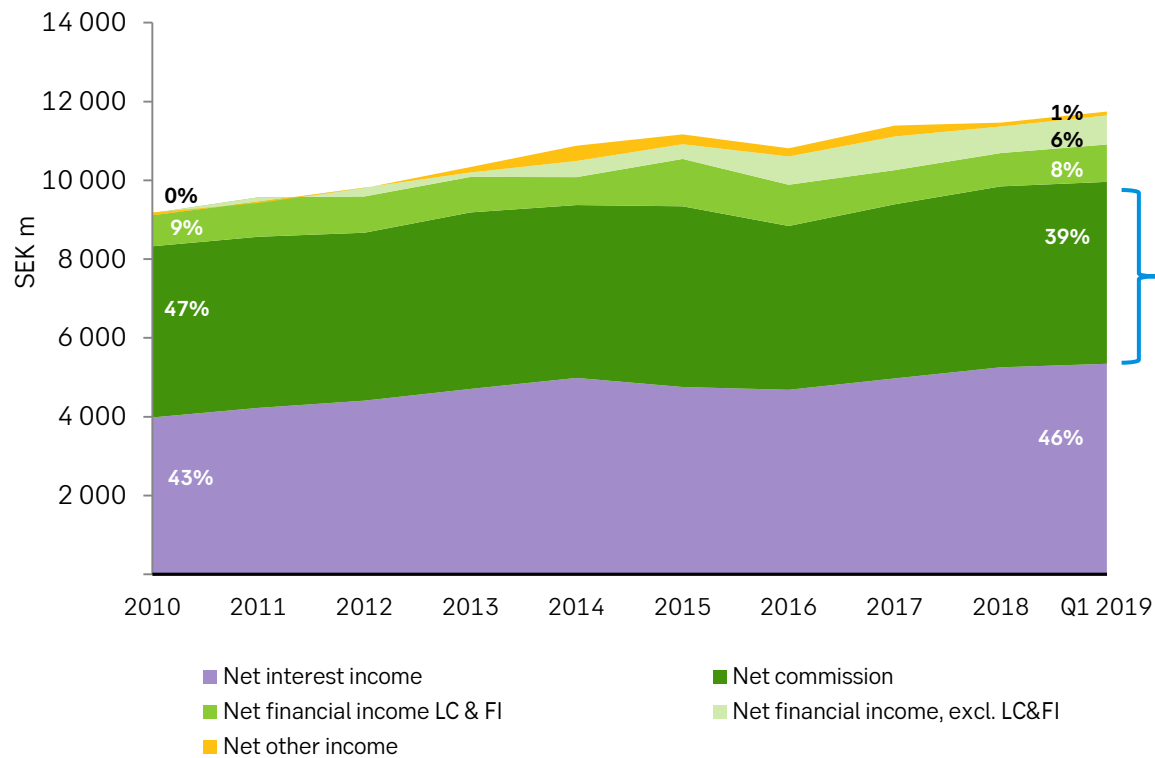
Operating income by revenue stream, FY 2018



Business mix generates diversified and stable income

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

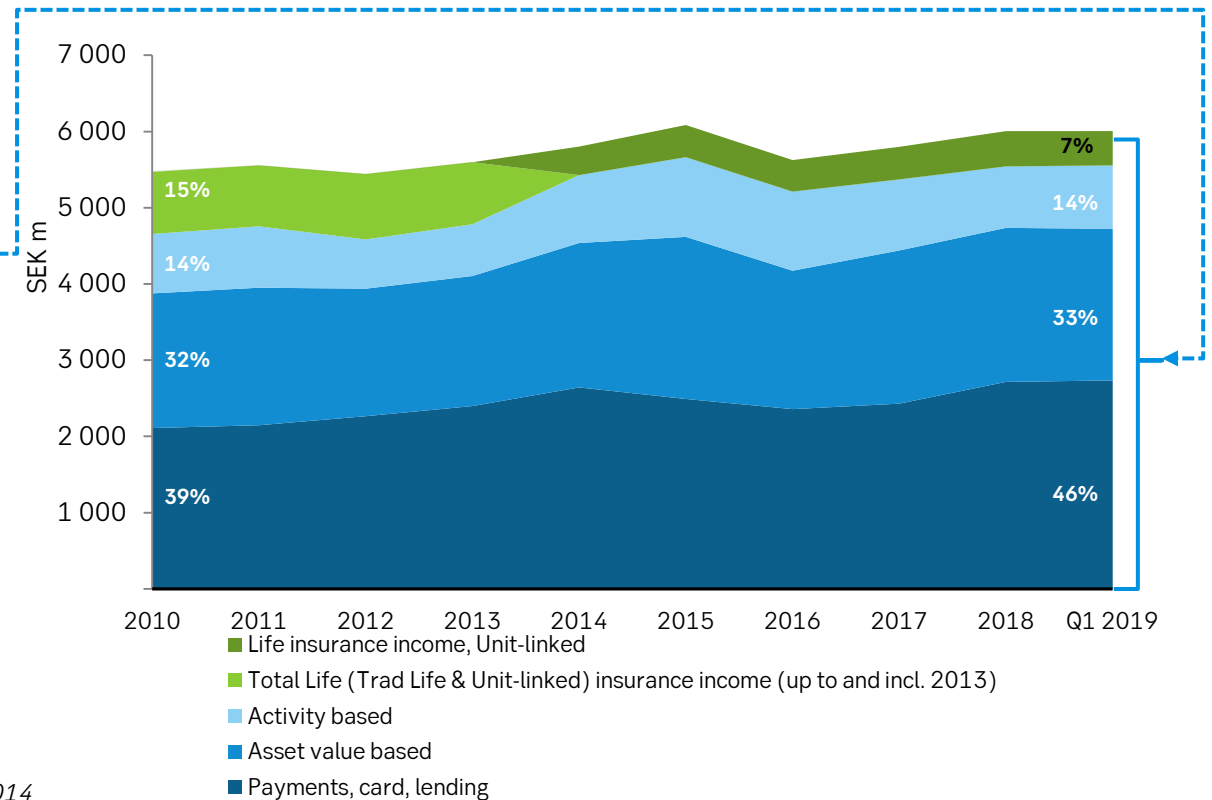
Average quarterly income



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

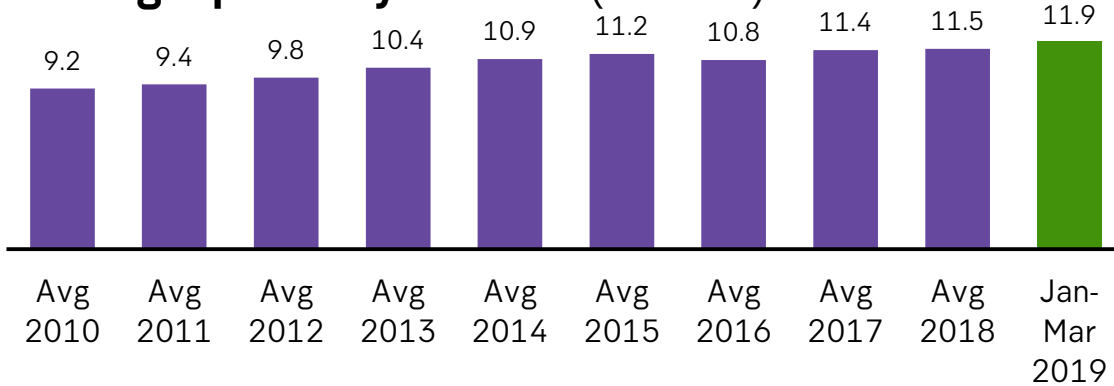
Stable fees & commissions generated through strong market franchise and recurring income

Average quarterly fees & commissions income

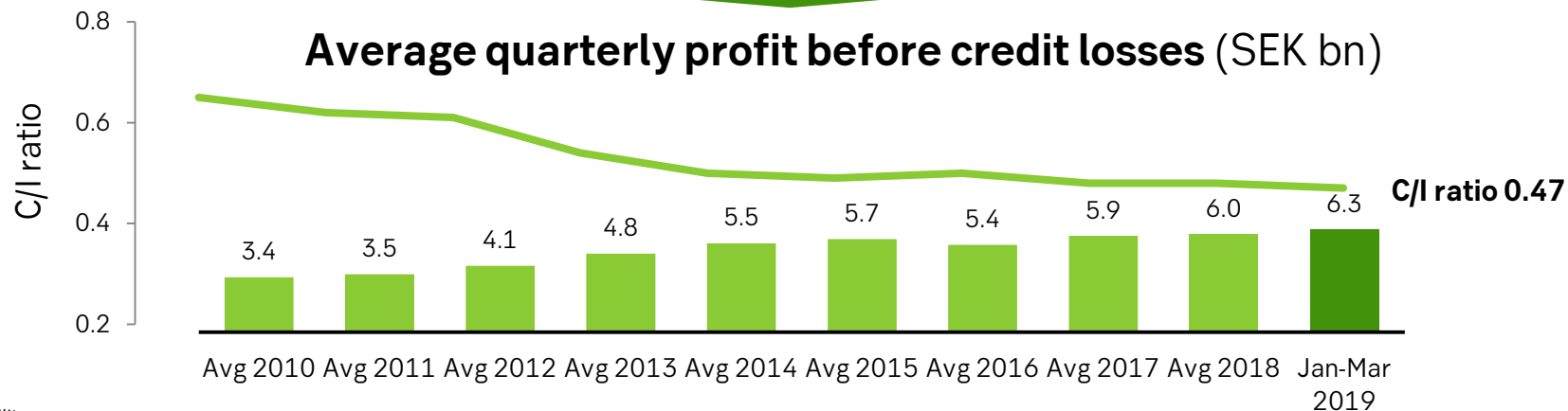
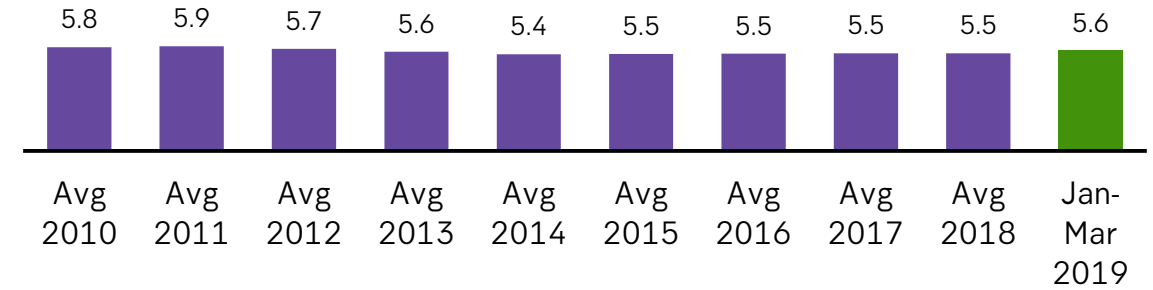


Continued improvement of operating leverage through diligent efficiency savings

Average quarterly income¹ (SEK bn)



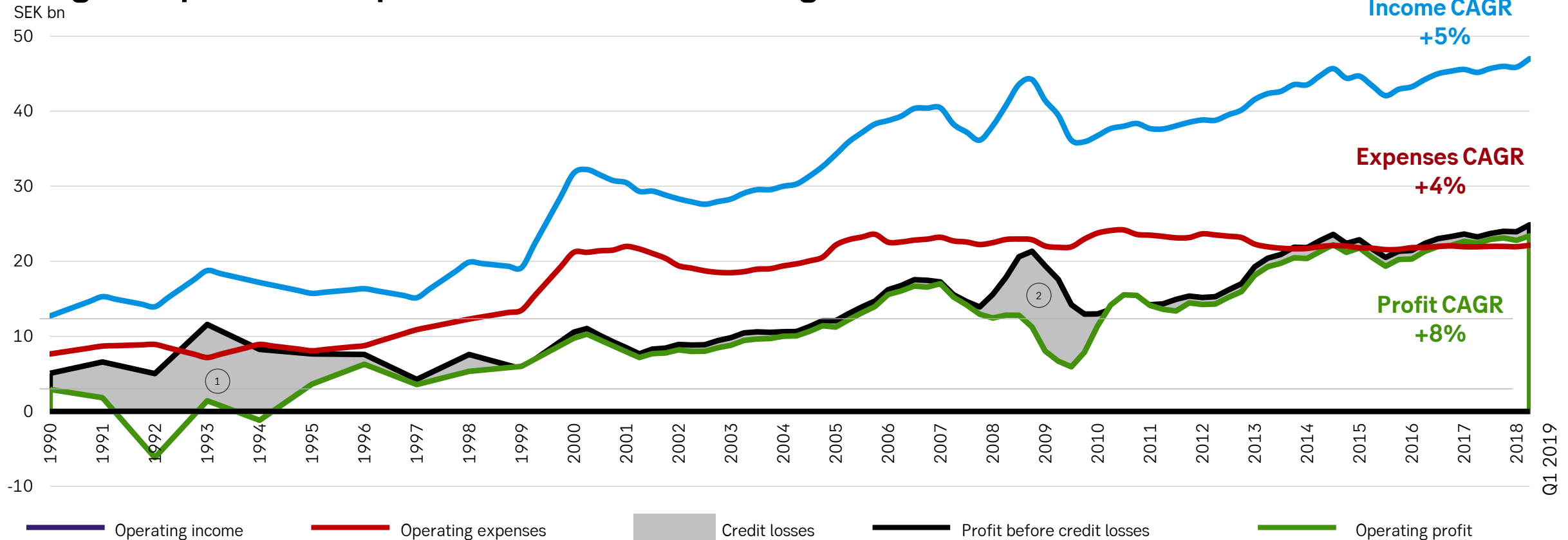
Average quarterly expenses¹ (SEK bn)



¹ Excluding items affecting comparability.

Sustainable value creation through focused business strategy and cost control

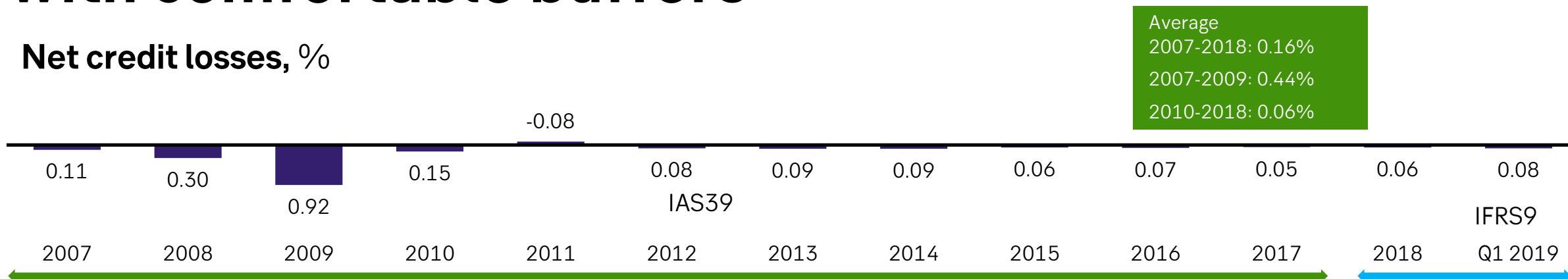
Long-term profit development 1990-Q1 2019, rolling 12m



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

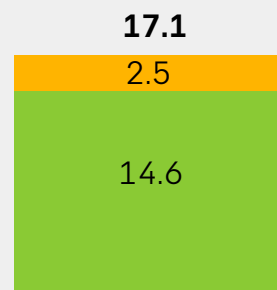
Strong asset quality and robust capital ratios with comfortable buffers

Net credit losses, %



CET1 ratio, %

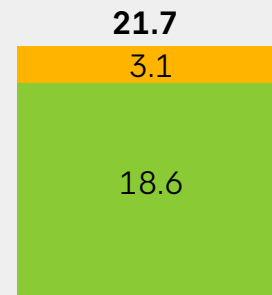
Requirement ■ Buffer ■



CET1 ratio

Total Capital ratio, %

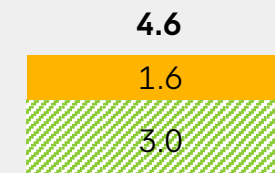
Requirement ■ Buffer ■



Total Capital ratio

Leverage ratio, %

Future requirement ▨ Buffer ■

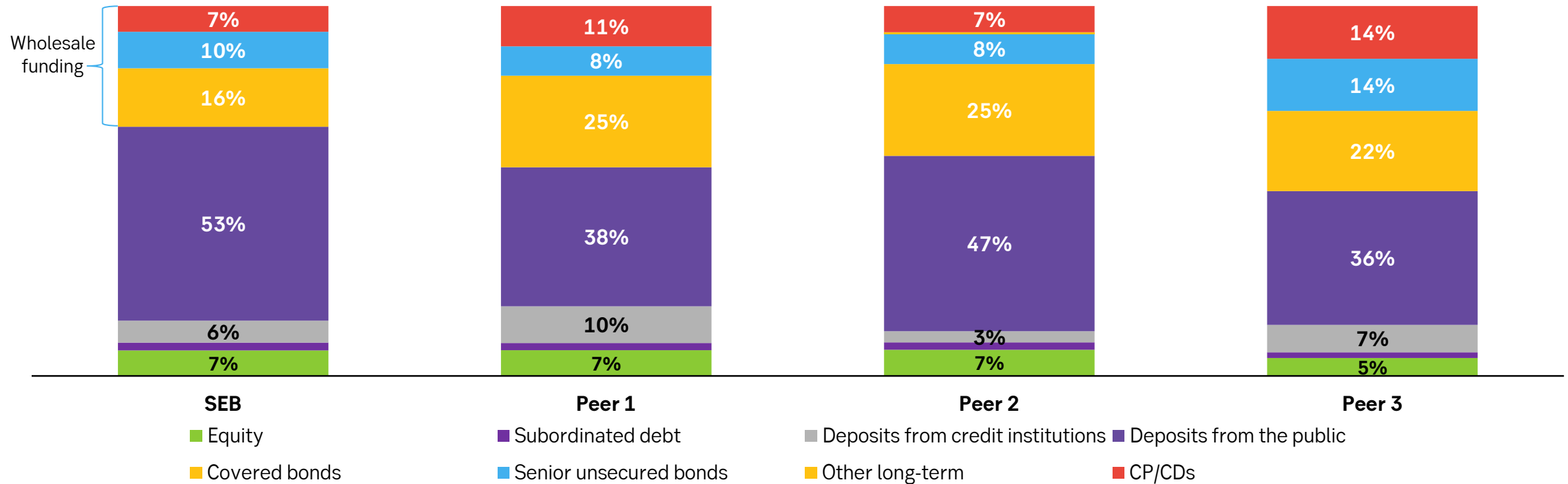


Leverage ratio

Strong funding structure with low wholesale funding dependence compared to peers

Benchmarking Swedish banks' total funding sources incl. equity

Balances as of 31 December 2018



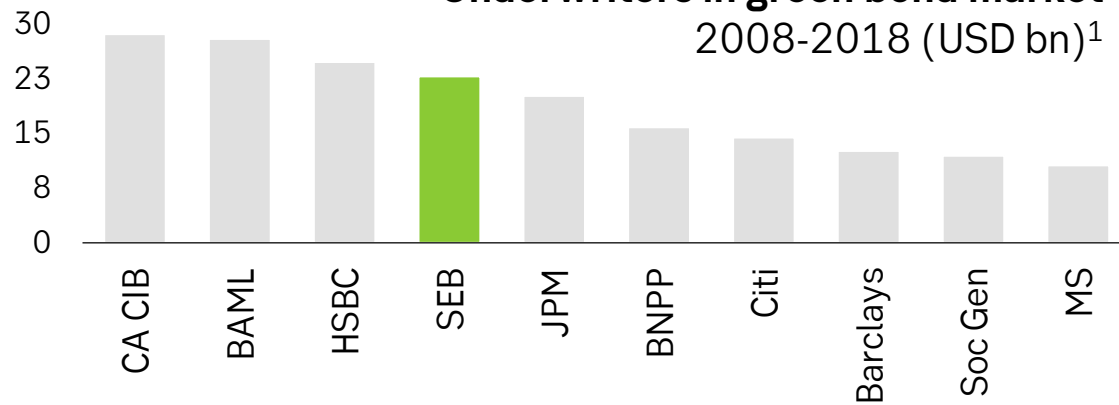
Source: SEB + Swedish peers' Q4 2018 results reports. Swedish banks defined as largest banks with operations in Sweden.

Financial solutions with positive climate impact

Financing and investments

Innovative products to stay in the forefront

Underwriters in green bond market
2008-2018 (USD bn)¹



First blue bond issued
SEB acted as sole lead



Market place for CO₂ removals
through European joint initiative

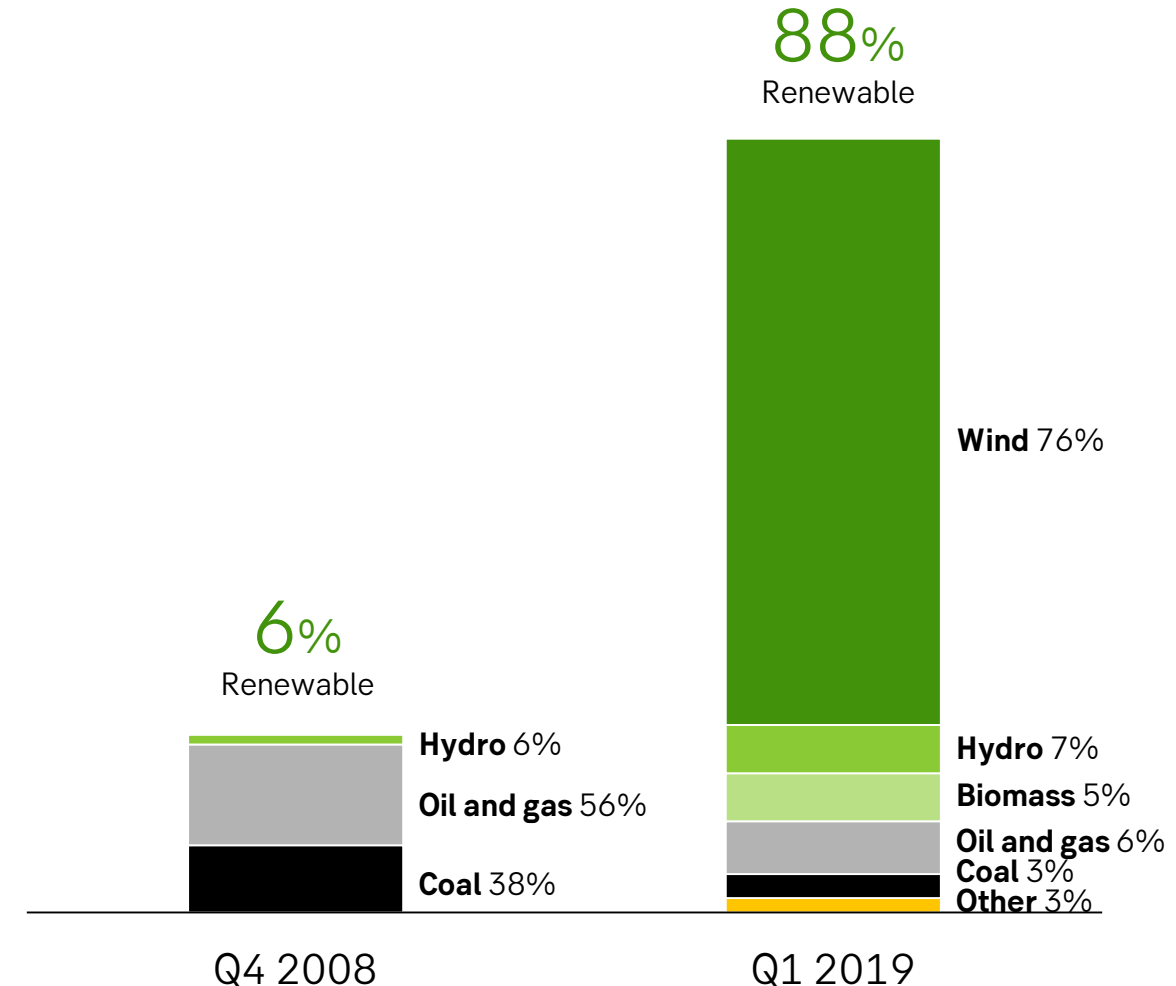
New sustainable credit fund

focusing on Nordic floating rate notes

¹ Bloomberg

Project finance in electricity generation

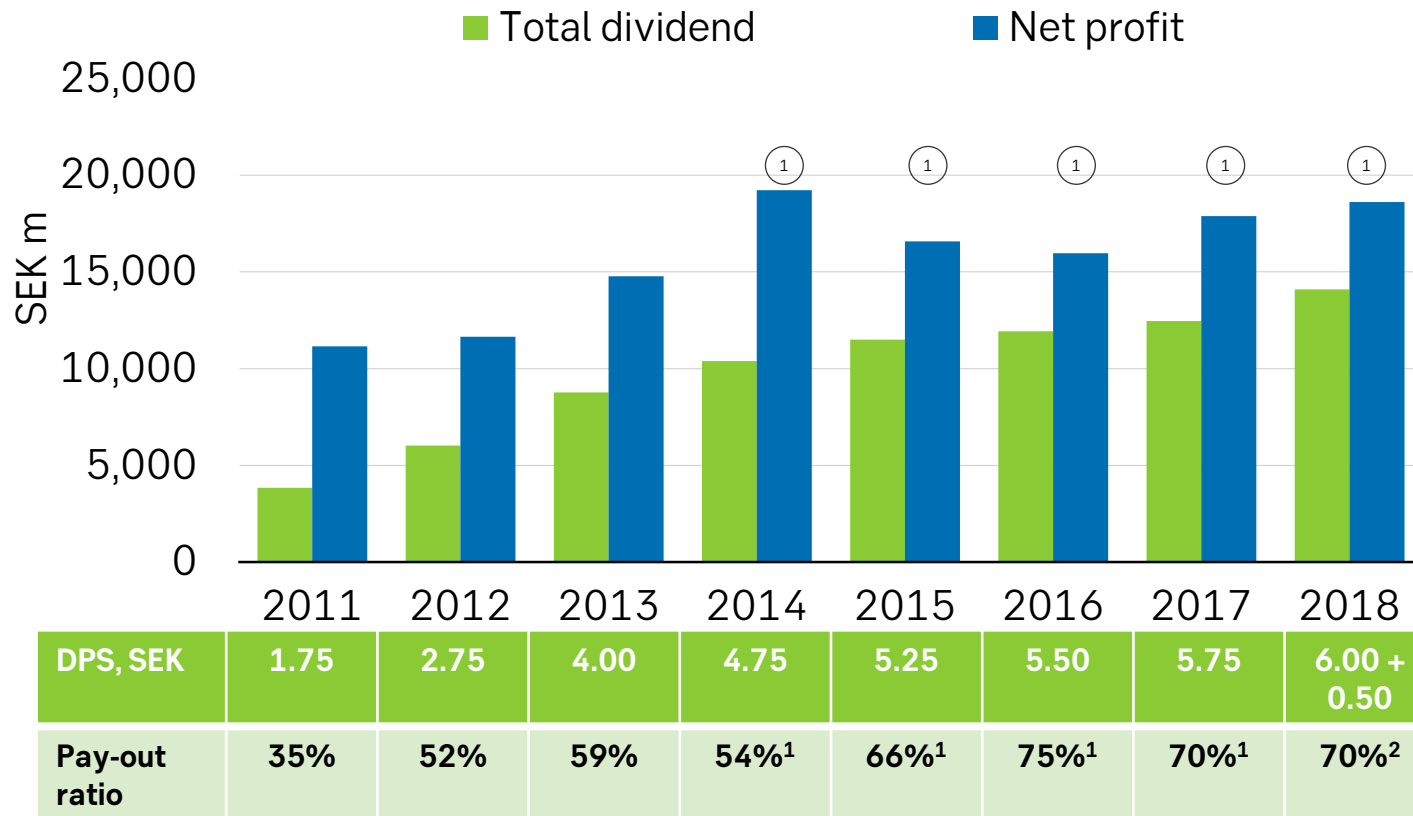
From fossil to renewable energy



Generating sustainable shareholder value

Dividends paid

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



1. Excluding items affecting comparability

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

SEB's main shareholders

31 March 2019	Share of capital, per cent
Investor AB	20.8
Alecta Pension Insurance	6.8
Trygg Foundation	5.2
Swedbank Robur Funds	4.2
AMF Insurance & Funds	3.7
BlackRock	2.5
Vanguard	1.9
SEB Funds	1.6
Own shareholding	1.4
Nordea Funds	1.2
Total share of foreign shareholders	26.2
Source: Euroclear Sweden/Modular Finance	

SEB's competitive advantages generate sustainable value creation

Advantages

Profit generation

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

Advantages

Balance sheet

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

Sustainable value creation

Agenda



- SEB in brief p.3
- **Financials & quarterly update** **p.16**
- Credit portfolio & asset quality p.31
- Capital p.38
- Balance sheet, funding & liquidity p.44
- Covered bonds & Cover pool p.51
- Business plan 2019-2021 p. 55
- Contacts and calendar p.65
- Appendix p.67
 - Macroeconomic development
 - Swedish housing market
 - Organisation & governance

Key financials - summary

SEB's key figures	<u>Q1 2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011 ¹⁾</u>
Return on Equity, % ⁶⁾	12.8	13.4	12.9	11.3	12.9	13.1	13.1	11.5	12.3
Cost/Income ratio, %	47	48	48	50	49	50	54	61	62
Common Equity Tier 1 capital ratio, % ²⁾	17.1%	17.6	19.4	18.8	18.8	16.3	15.0	NA	NA
Total capital ratio, % ²⁾	21.7%	22.2	24.2	24.8	23.8	22.2	18.1	NA	NA
Leverage ratio, % ²⁾	4.6%	5.1	5.2	5.1	4.9	4.8	4.2	NA	NA
Net ECL level / Credit loss level, % ³⁾	0.08	0.06	0.05	0.07	0.06	0.09	0.09	0.08	-0.08
ECL coverage ratio Stage 3/NPL coverage ratio, % ⁴⁾	38	40	55	63	62	59	72	66	64
Stage 3 loans/total loans, gross/NPL/lending, % ⁴⁾	0.56	0.50	0.5	0.5	0.6	0.8	0.7	1.0	1.4
Liquidity Coverage Ratio, % ⁵⁾	160	147	145	168	128	115	129	NA	NA
Assets under Management, SEK bn	1,790	1,699	1,830	1,781	1,700	1,708	1,475	1,328	1,261
Assets under Custody, SEK bn	8,475	7,734	8,046	6,859	7,196	6,763	5,958	5,191	4,490

Notes:

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

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

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

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

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

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

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

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

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

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

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

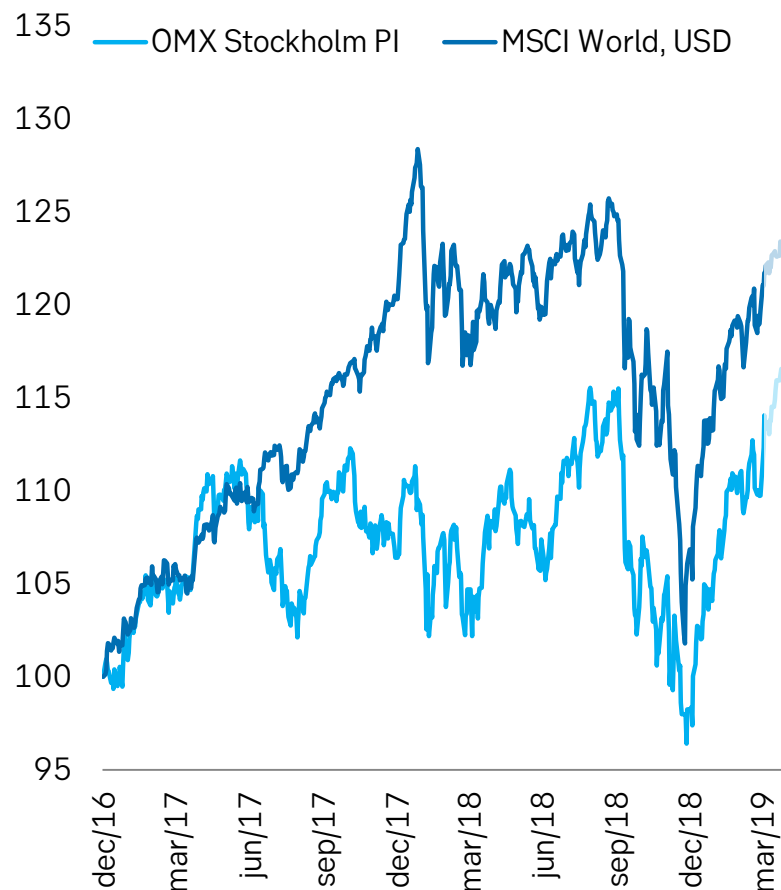
To show the underlying operating momentum in this presentation:

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

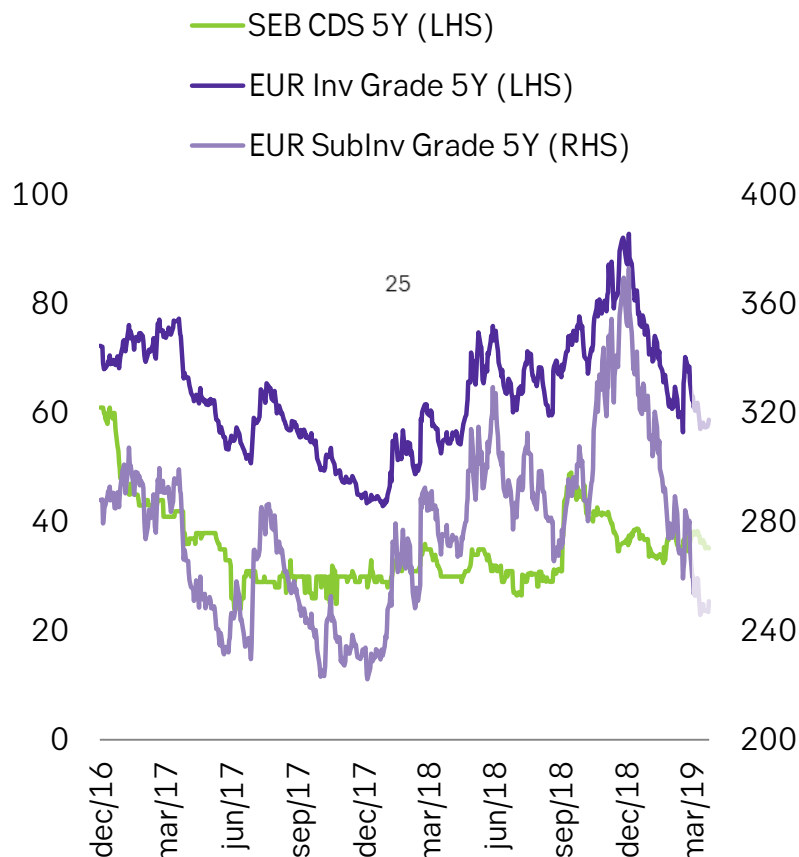
c. and d. The FY 2016 results, profitability and efficiency ratios exclude the effects of the above mentioned items affecting comparability.

Financial markets development

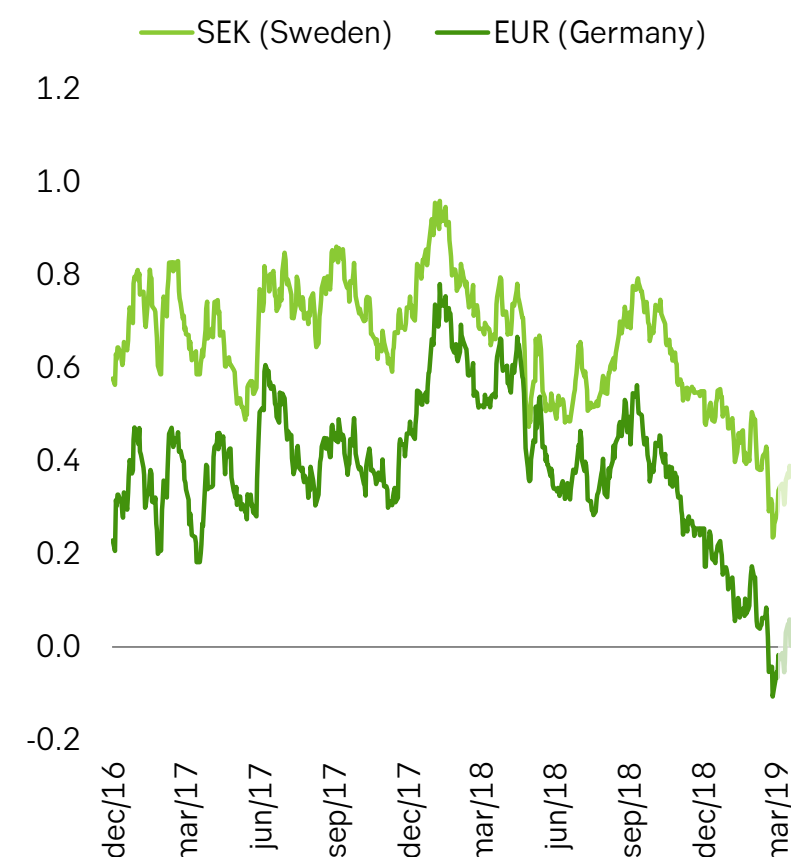
Equity markets Sweden & Global



Credit spreads SEB vs. corporate



Interest rates Annual yield of 10-year gvt bonds



Note: equity market data series are indexed assuming 2016-12-30 = 100. Data until April 24, 2019.

Highlights Q1 2019

- Healthy **customer activity** with equity and fixed income markets sending mixed signals
- Strong quarter in **Large Corporates & Financial Institutions**, driven by corporate activity and SEB Markets
- **Strategic initiatives** progressing according to plan

Financial summary Q1 2019

SEK m	Q1 2019	Q4 2018	%	Q1 2018	%
Total operating income	11,907	11,744	<i>1</i>	10,787	<i>10</i>
Total operating expenses	-5,622	-5,561	<i>1</i>	-5,430	<i>4</i>
Profit before credit losses	6,285	6,183	<i>2</i>	5,357	<i>17</i>
Expected credit losses etc.	-422	-415		-101	
Operating profit before IAC	5,864	5,768	<i>2</i>	5,256	<i>12</i>
IAC					
Operating profit	5,864	5,768	<i>2</i>	5,256	<i>12</i>

Net ECL level

8bps

C/I

0.47

CET 1

17.1 %

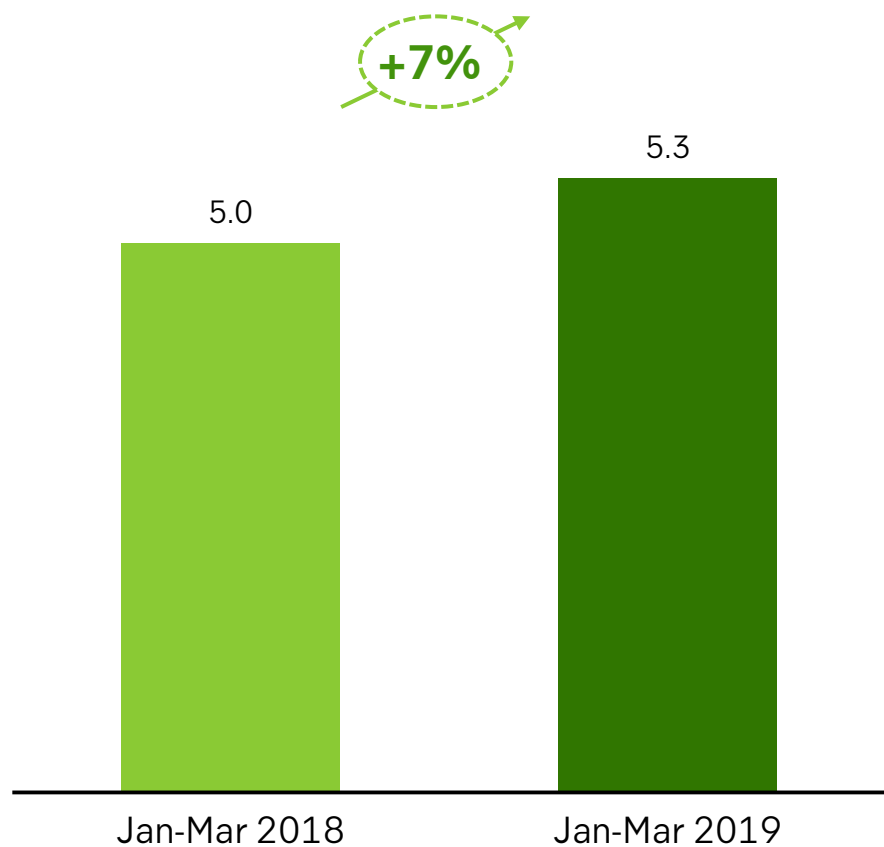
RoE ¹

12.8%

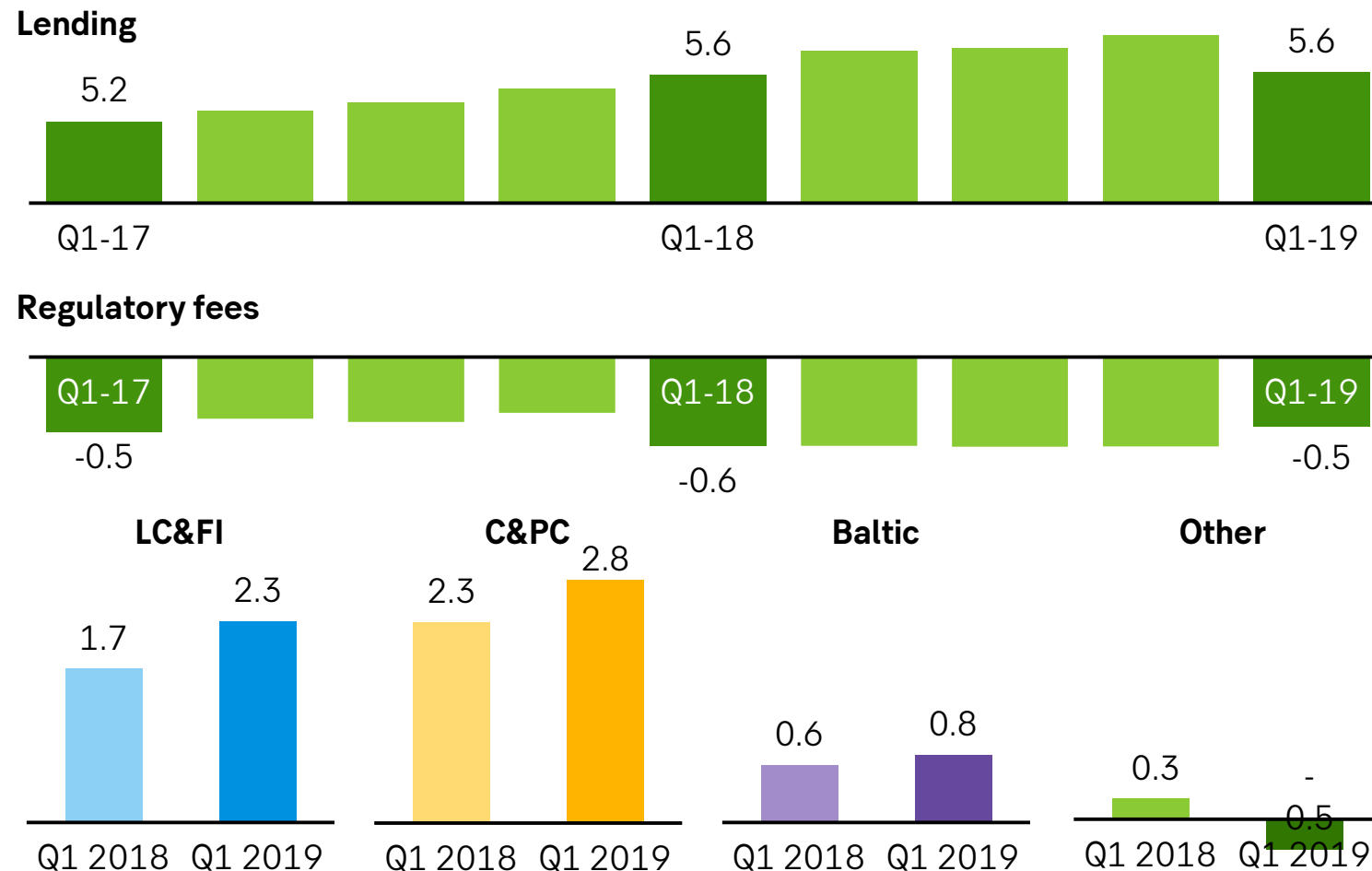
¹ Before IAC; RoE after IAC at 12.7 per cent.

Net interest income development

Net interest income (SEK bn)
Jan-Mar 2019 vs. Jan-Mar 2018

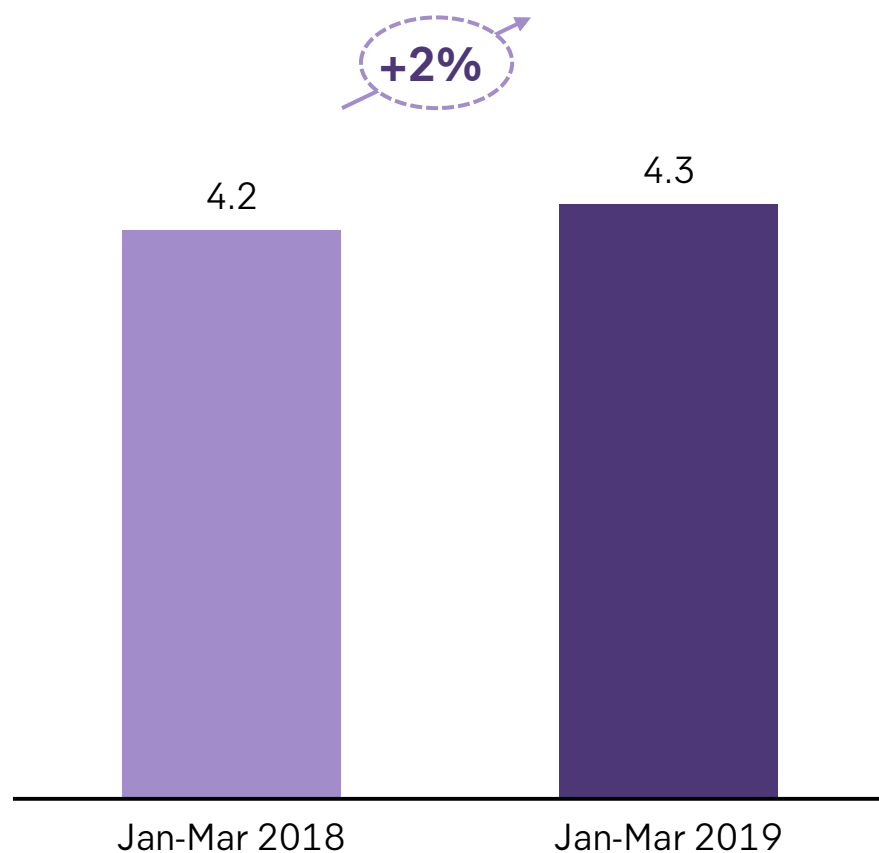


Net interest income type (SEK bn)
Q4 2016 – Q4 2018



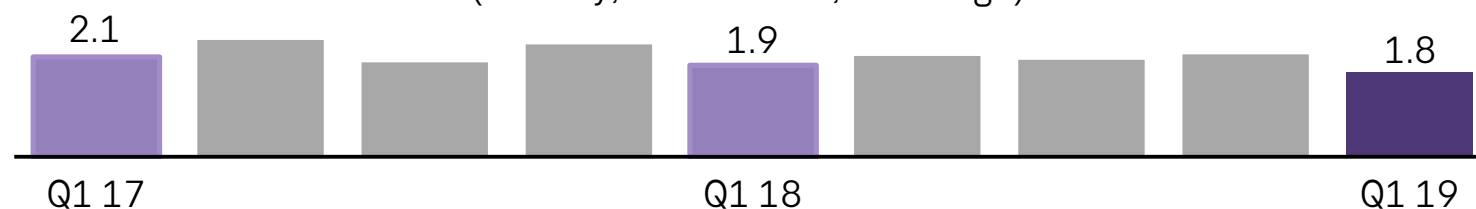
Net fee & commission income development

Net fee & commissions (SEK bn)
Jan-Mar 2019 vs. Jan-Mar 2018

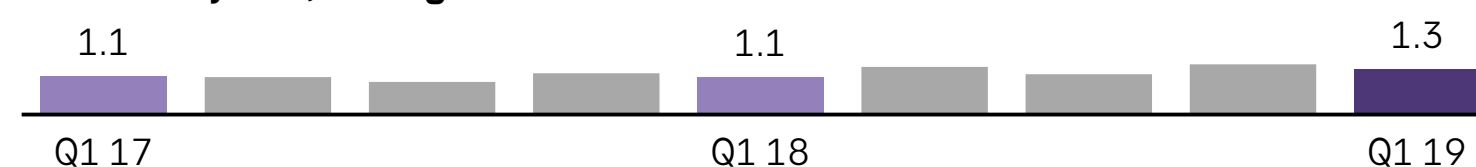


Net fee & commissions by income type (SEK bn)
Q1 2017 – Q1 2019

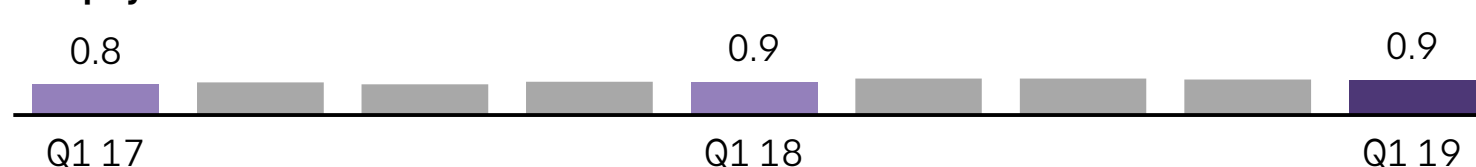
Net securities commissions (custody, mutual funds, brokerage)



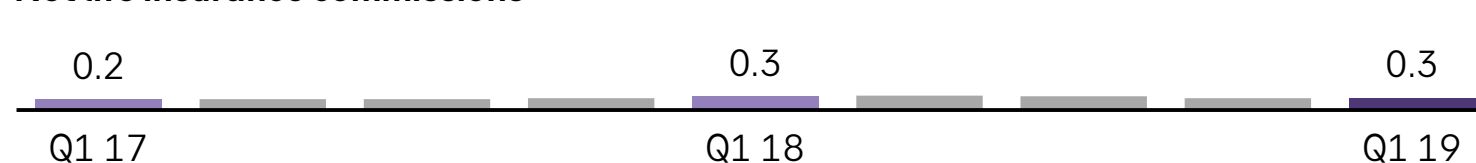
Net advisory fees, lending fees & other commissions



Net payment & card fees



Net life insurance commissions

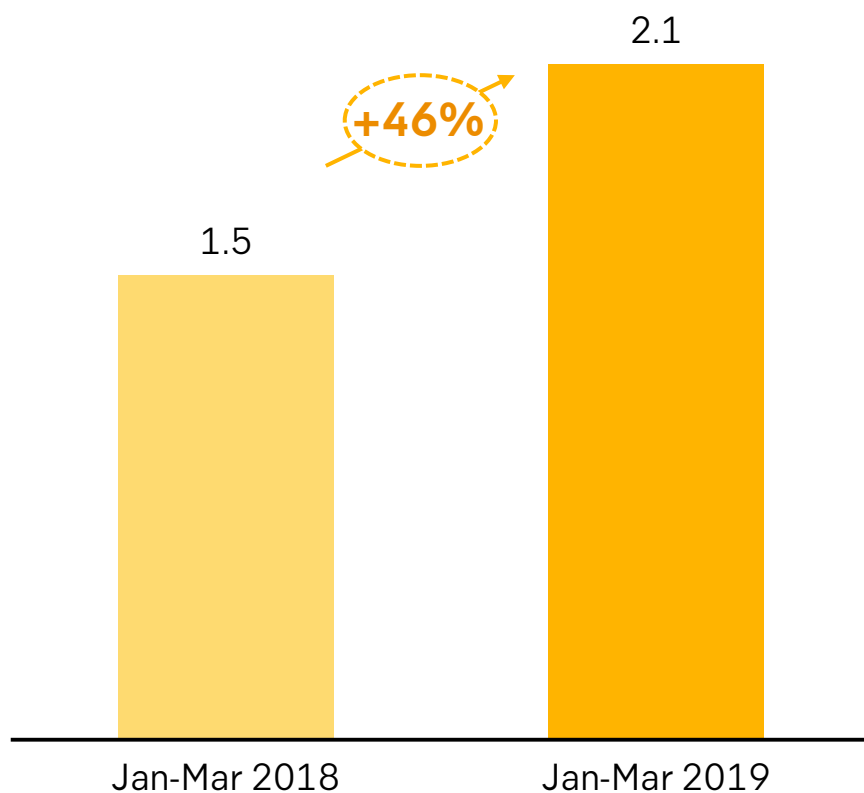


Net fee & commission income development

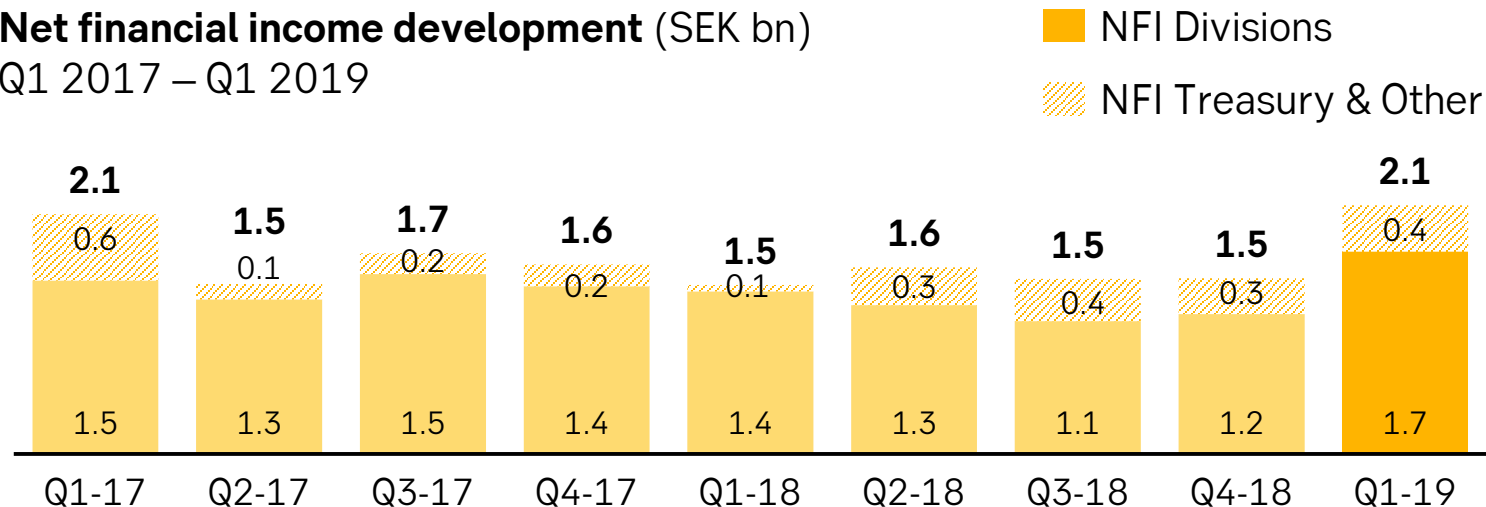
SEK m	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
Issue of securities and advisory	282	430	137	317	136	298	168	448	232
Secondary market and derivatives	692	765	547	561	514	594	496	575	523
Custody and mutual funds	1,825	2,063	1,942	2,210	1,923	2,049	2,036	2,075	1,794
<i>Whereof performance fees</i>	38	55	39	225	24	5	12	187	12
Payments, cards, lending, deposits, guarantees and other	2,353	2,444	2,350	2,570	2,628	2,847	2,628	2,756	2,705
<i>Whereof payments and card fees</i>	1,288	1,377	1,366	1,429	1,410	1,509	1,498	1,537	1,483
<i>Whereof lending</i>	553	581	519	602	501	784	577	665	683
Life insurance	422	432	424	429	485	487	449	427	435
Fee and commission income	5,574	6,135	5,400	6,087	5,687	6,274	5,777	6,281	5,690
Fee and commission expense	-1,326	-1,463	-1,371	-1,359	-1,496	-1,460	-1,265	-1,433	-1,398
Net fee and commission income	4,249	4,671	4,029	4,728	4,190	4,814	4,512	4,848	4,292
<i>Whereof Net securities commissions</i>	2,094	2,454	1,986	2,356	1,920	2,116	2,035	2,149	1,764
<i>Whereof Net payments and card fees</i>	821	885	840	908	895	988	996	971	939
<i>Whereof Net life insurance commissions</i>	248	263	266	285	317	349	330	288	282

Net financial income development

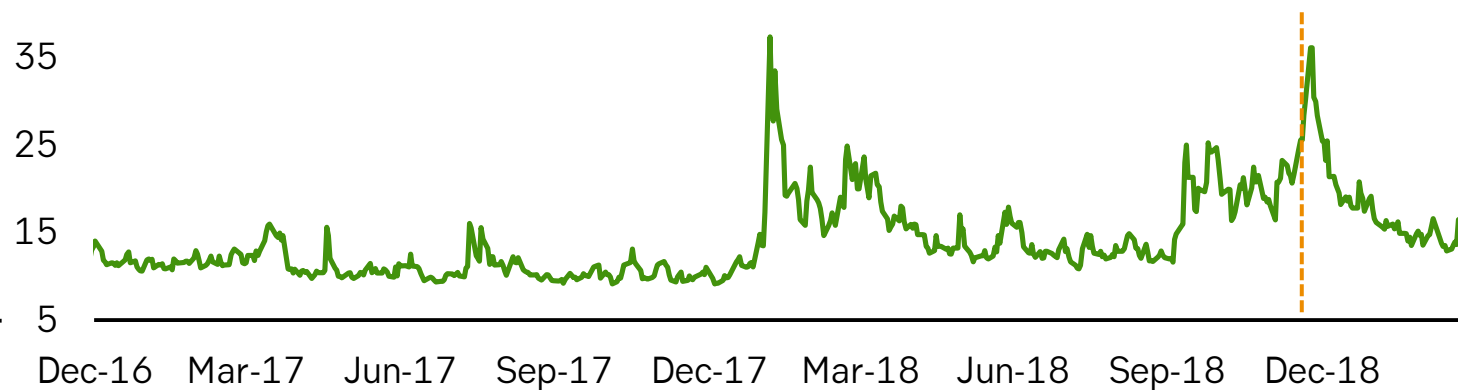
Net financial income (SEK bn)
Jan-Mar 2019 vs. Jan-Mar 2018



Net financial income development (SEK bn)
Q1 2017 – Q1 2019



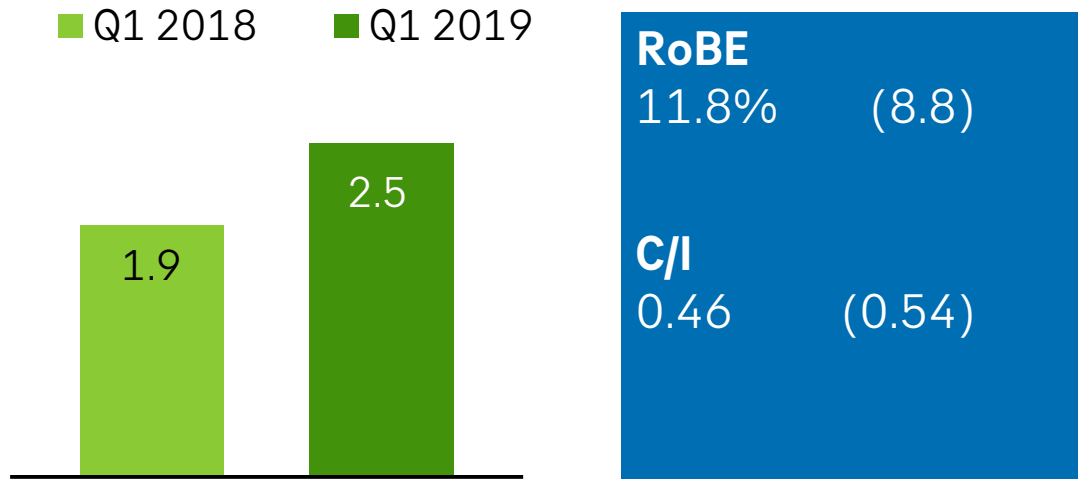
VIX index (VIX S&P 500 volatility)



Large Corporates & Financial Institutions

Operating profit & key figures

SEK bn

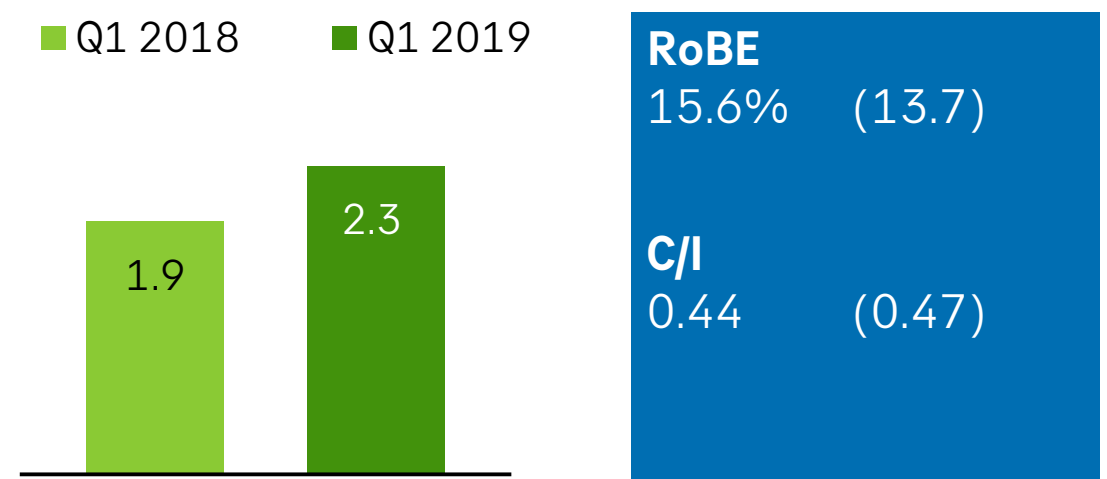


- Stable activity level among large corporate customers with high income from M&A
- Both corporate customers and financial institutions were active managing their risks and portfolios

Corporate & Private Customers

Operating profit & key figures

SEK bn

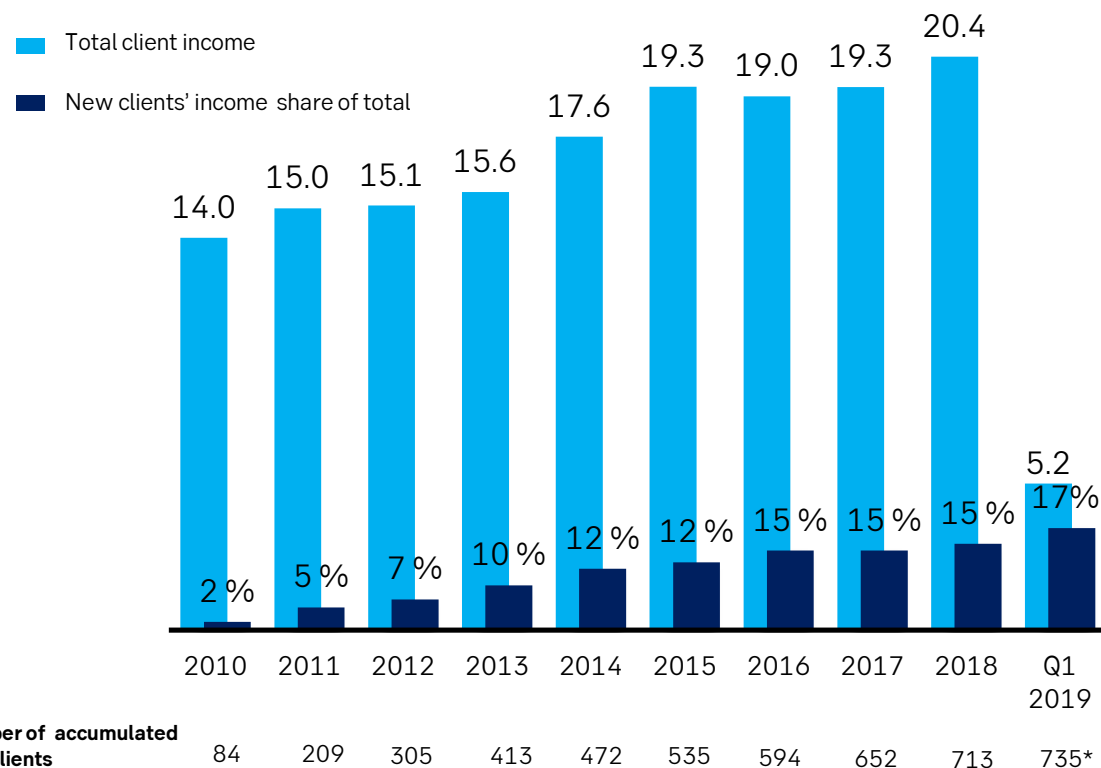


- Continued strong corporate lending growth
- All time high customer satisfaction scores

Strong franchise and successful client acquisition strategy

Large cross-selling potential

Total client income in SEK bn



*For 2019, including also Swedish clients.

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

	C/I ratio (%)	Business Equity (SEK bn)	RoBE ¹⁾ (%)
Q1 2019	46	63.8	11.8
2018	49	63.8	10.3
2017	49	65.8	10.1
2016	47 ²⁾	62.4	11.7
2015	45 ³⁾	66.4	12.5
2014	46	57.7	13.3
2013 ⁴⁾	50	48.8	12.9
2012 ⁴⁾	54	36.7	14.3
2011 ⁴⁾	54	26.1	20.6
2010 ⁴⁾	52	25.0	22.8

1) Return on Business Equity

2) Excl. one-off costs of SEK 354m

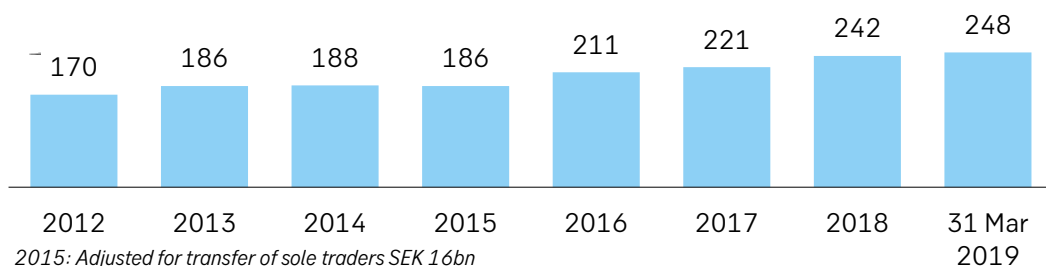
3) Excl. one-off costs of SEK 902m

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

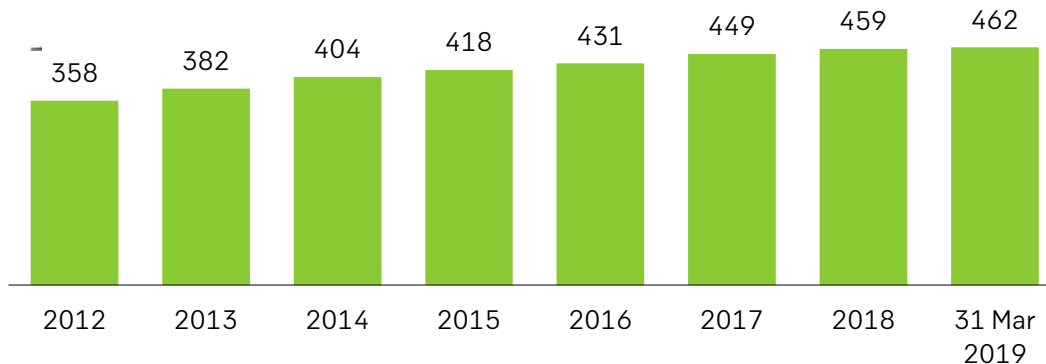
Successful client acquisition strategy

Stable lending growth in corporate segment

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

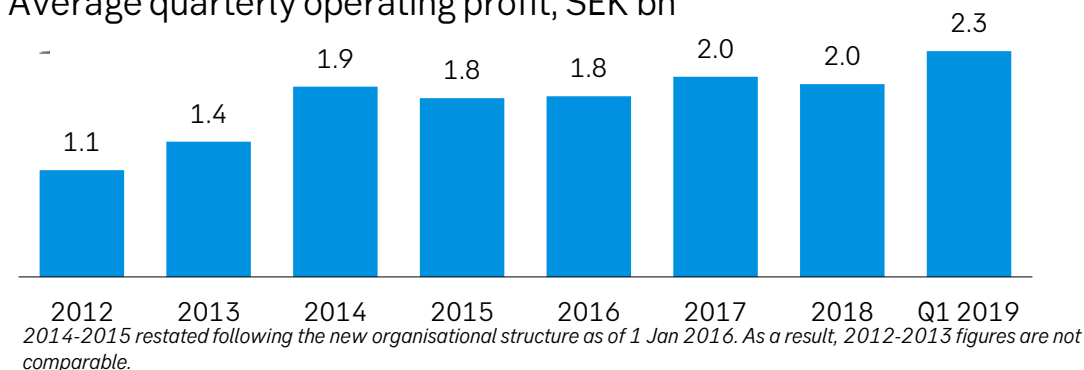


Stable growth in Swedish household mortgage lending



Solid operating profit

Average quarterly operating profit, SEK bn



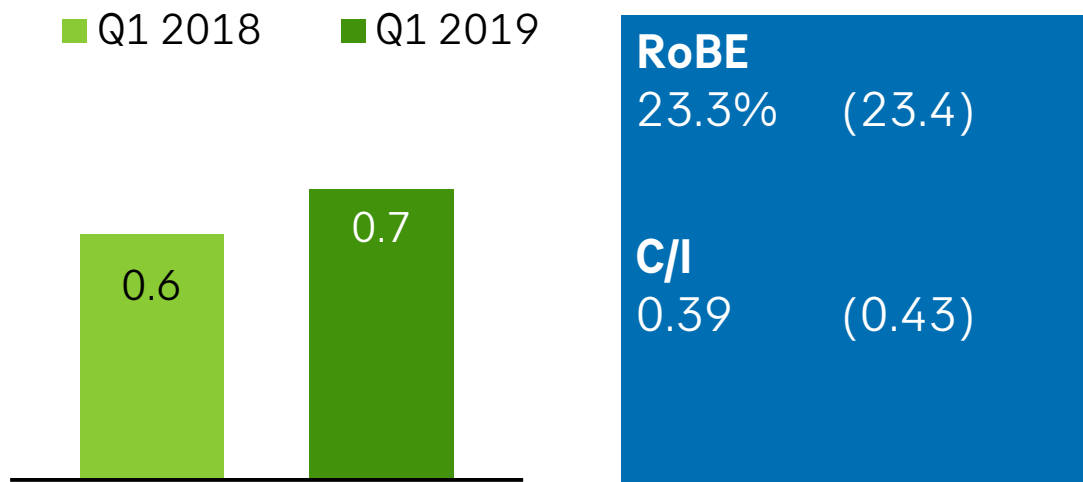
Steady improvement in efficiency

	C/I ratio (%)	Business Equity (SEK bn)	RoBE (%)
Q1 2019	44	45.0	15.6
2018	46	42.4	13.9
2017	46	40.6	15.0
2016	48	37.3	15.2
2015	48	38.1	14.7
2014	46	27.8	21.4
2013	49	20.2	21.9
2012	57	14.4	22.3

Baltic

Operating profit & key figures

SEK bn

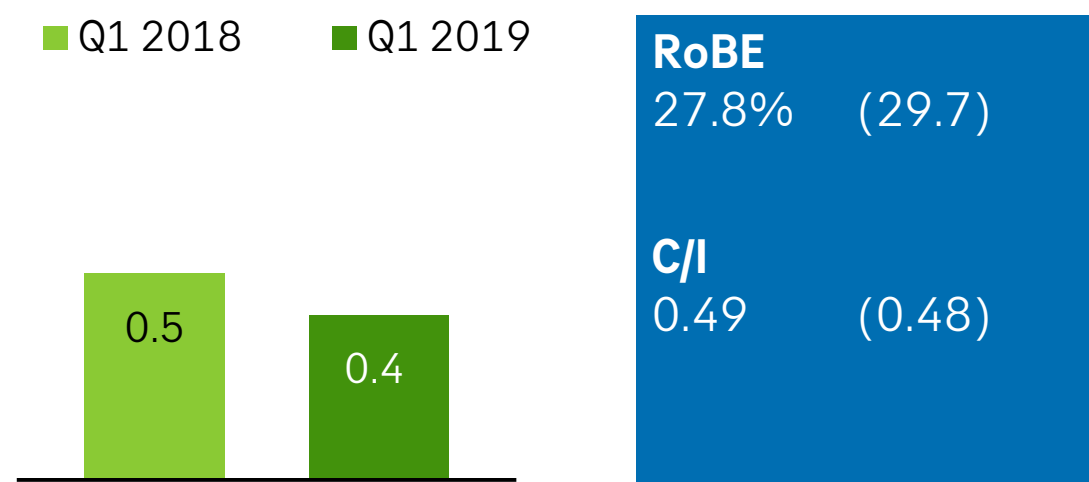


- Growth in both loan and deposit volumes
- General market themes included heightened focus on banks' historical AML and KYC conduct

Life

Operating profit & key figures

SEK bn



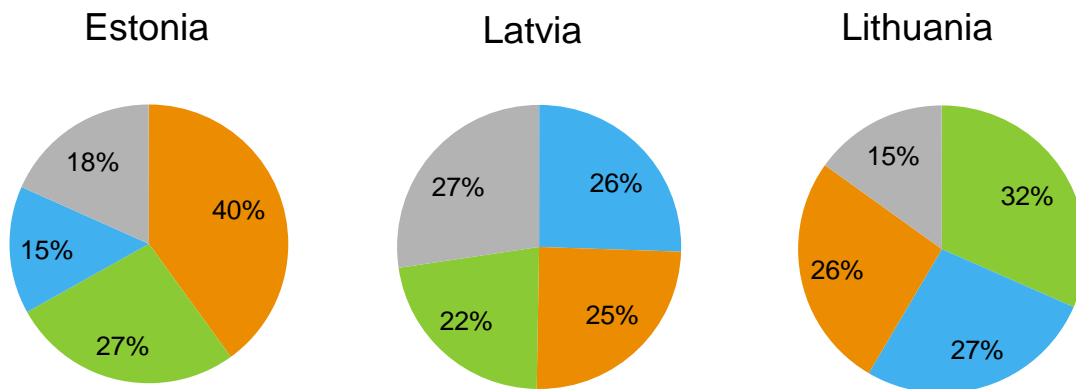
- Increased demand for SEB's traditional occupational pension
- Positive development in assets under management driven by higher asset values

Strong profitability in Baltic division

Relatively strong operating environment

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

Leading position in terms of lending market share



Source: Estonian Financial Supervision Authority (latest figures as of Feb 2019), Association of Latvian Commercial Banks (latest figures as of Feb 2019), Association of Lithuanian Banks (latest figures as of Dec 2018), SEB Group (latest figures as of Dec 2018)

Strong development of key ratios

	C/I ratio (%)	Business Equity (SEK bn)	RoBE ² (%)
Q1 2019	39	10.5	23.3
2018	41	9.6	22.6
2017	44	7.8	24.4
2016	51	7.6	19.3
2015	50	7.5	18.6
2014	50	8.9	14.5
2013	52	8.8	12.9
2012	62	8.8	9.7
2011	58	8.8	29.6

¹ Before 2019 based on Baltic Banking, i.e. excluding Real Estate Holding Companies

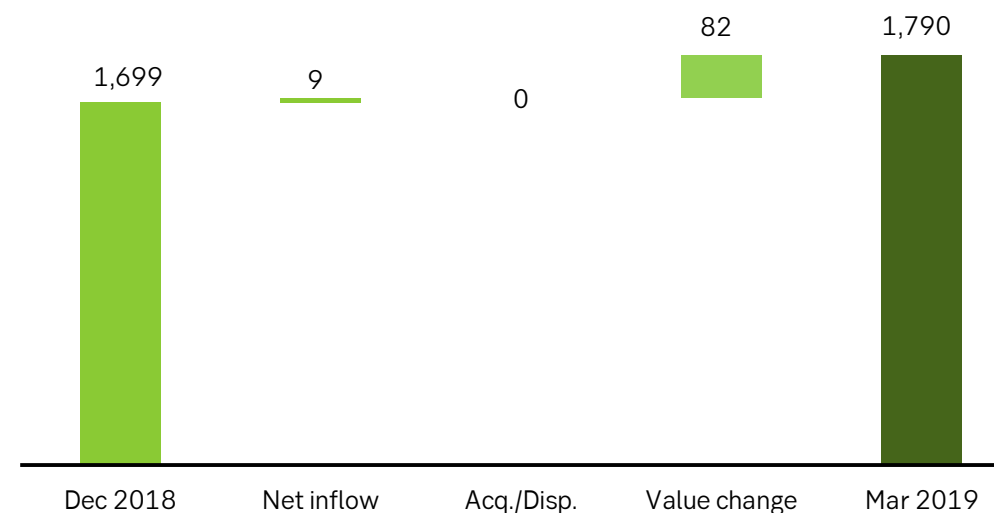
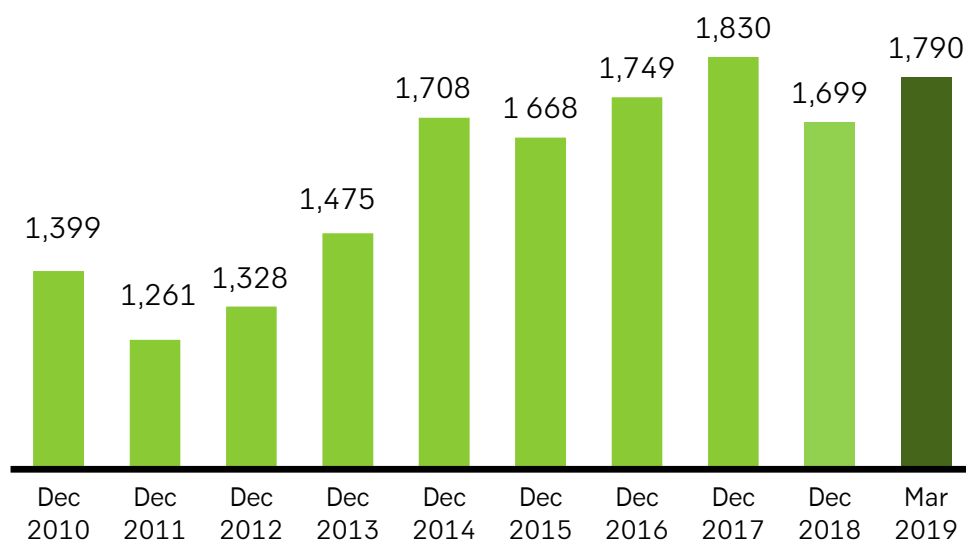
² Return on Business Equity

³ Write-backs of provisions of SEK 1.5bn

Assets under management value growth during first quarter

Assets under Management¹

SEK bn



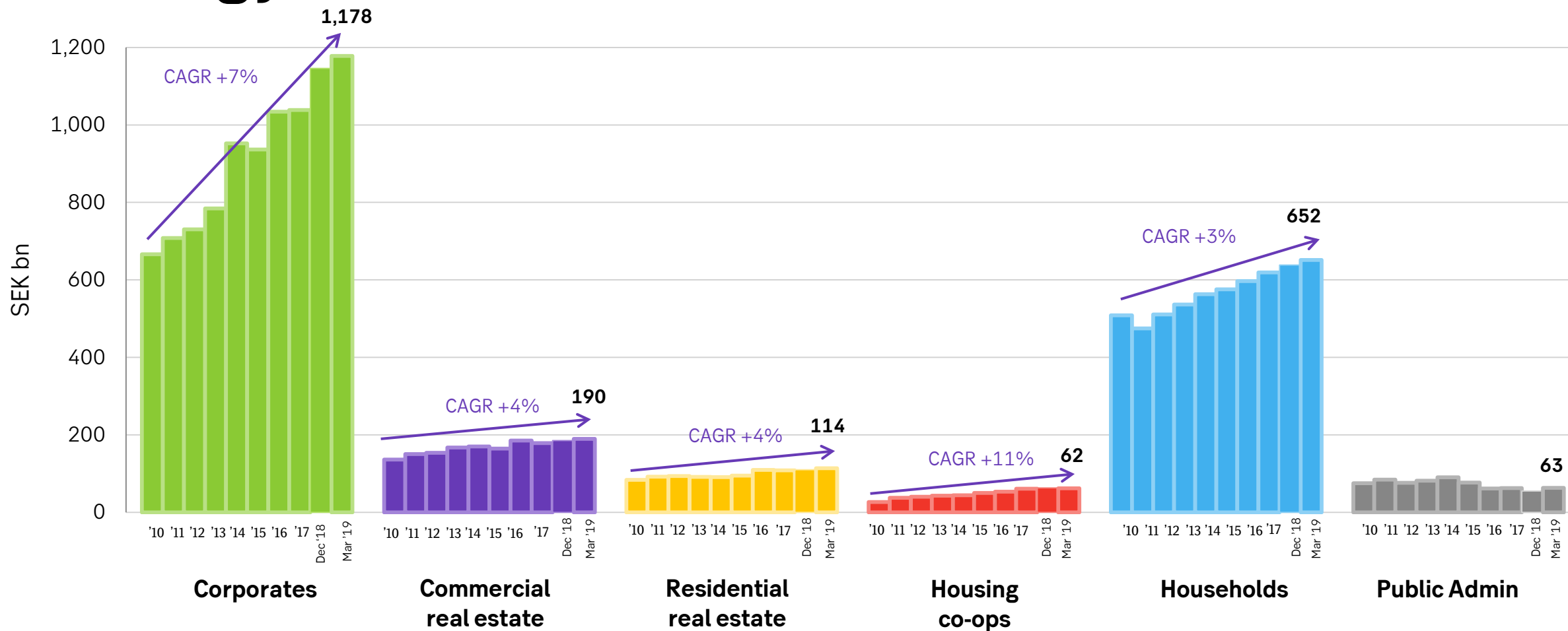
¹ Definition of assets under management changed from 2015.
SEB Pension sale in 2018, approx. 116m in AuM divestment.

Agenda



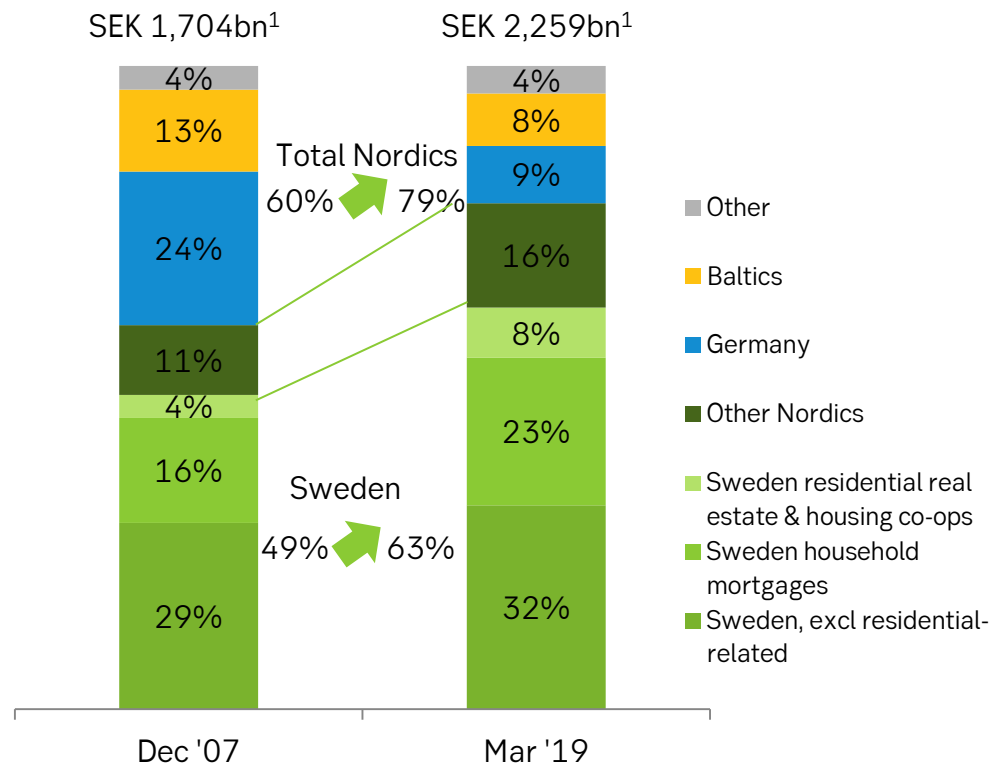
- SEB in brief p.3
- Financials & quarterly update p. 16
- **Credit portfolio & asset quality** **p.31**
- Capital p.38
- Balance sheet, funding & liquidity p.44
- Covered bonds & Cover pool p.51
- Business plan 2019-2021 p.55
- Contacts and calendar p.65
- Appendix p.67
 - Macroeconomic development
 - Swedish housing market
 - Organisation & governance

Credit portfolio development in line with strategy



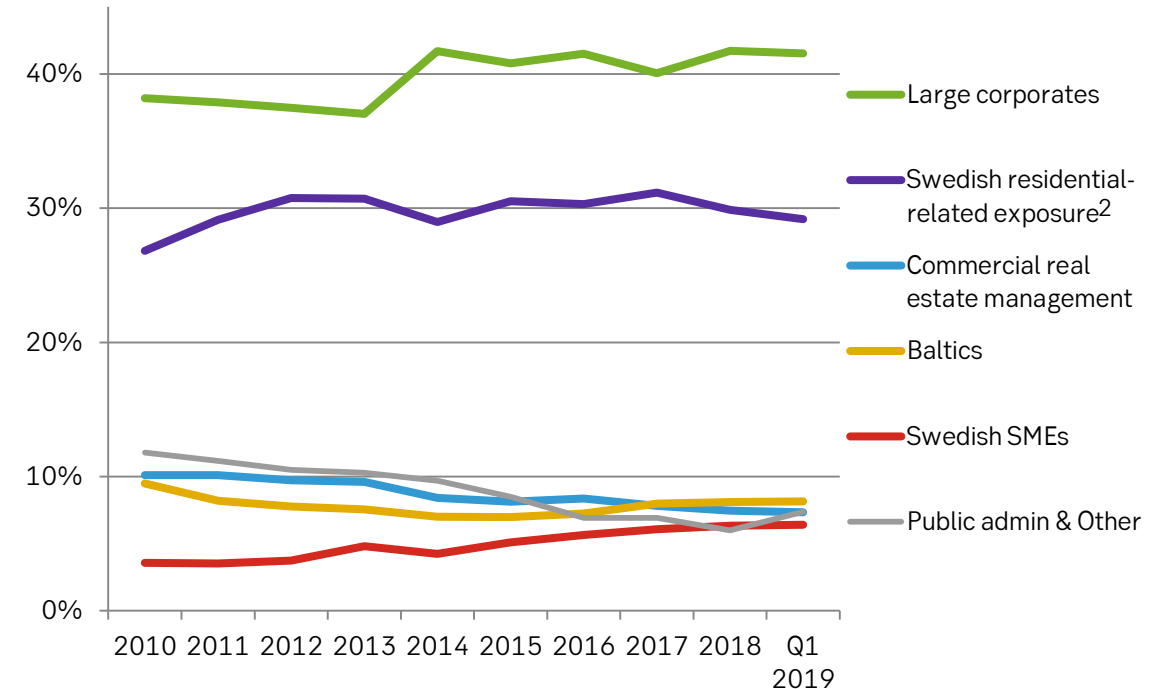
SEB's risk profile supported by diversified credit portfolio and shift towards lower risk

Credit portfolio has shifted towards Nordics with high degree of international exposure



Credit portfolio focused on large corporates and Swedish residential-related segment

% of credit portfolio¹



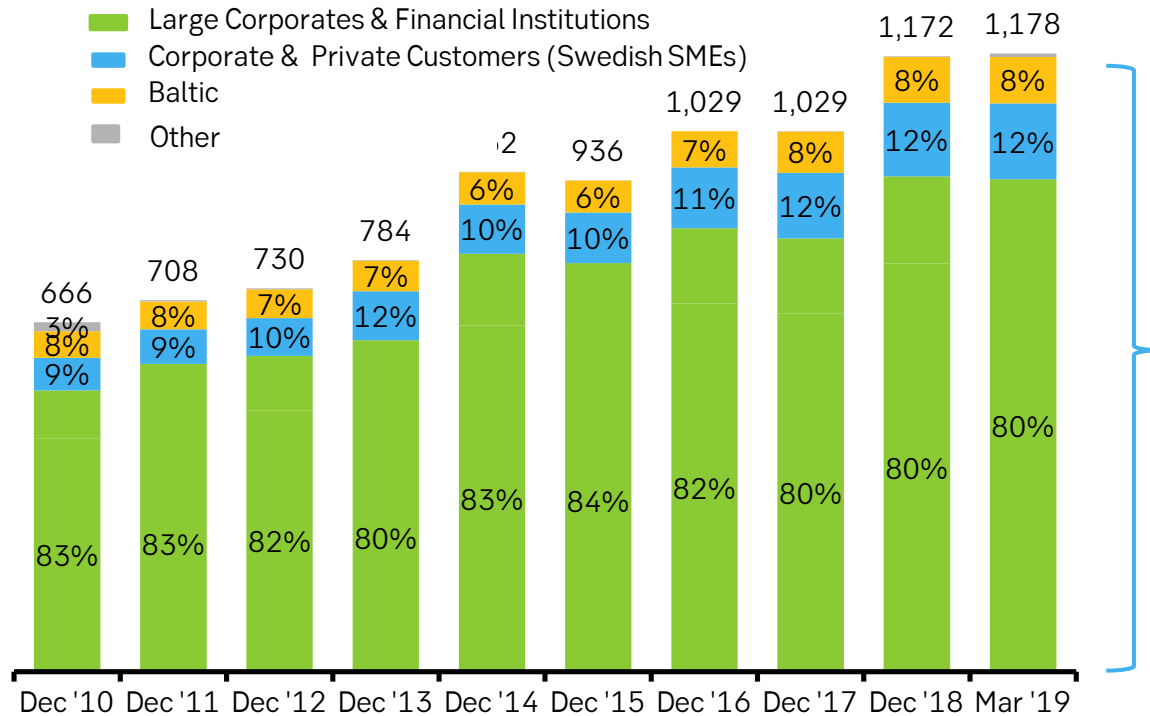
¹ Total credit portfolio (on and off balance credit exposure) excluding banks. Geography based on operations.

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

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

Corporate credit portfolio by division

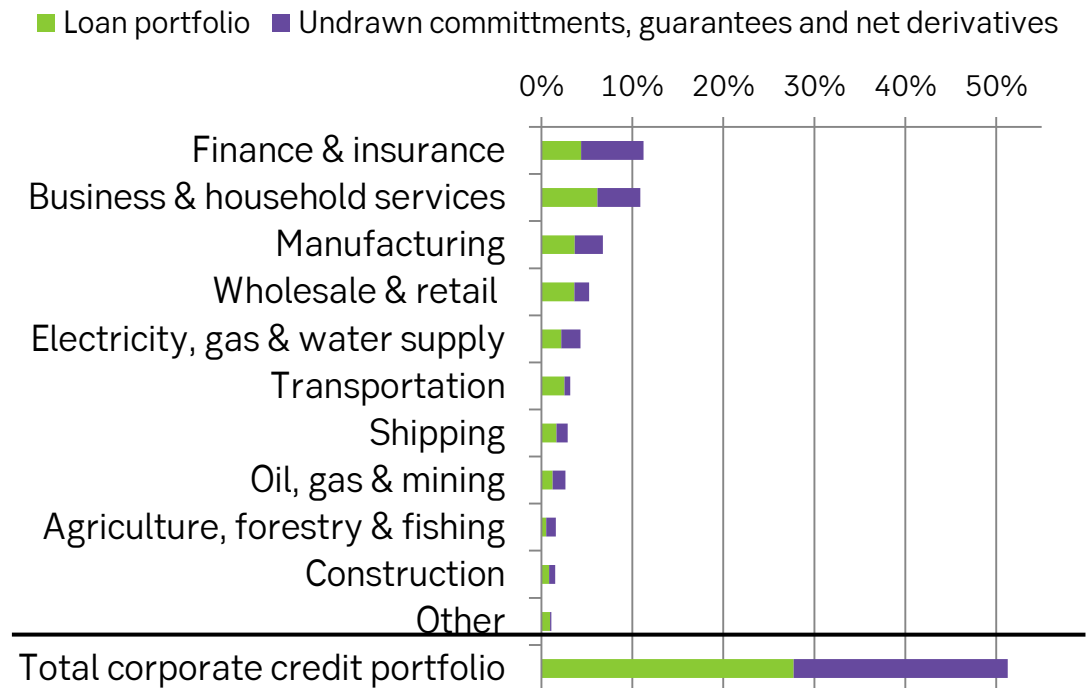
(SEK bn)



The corporate credit portfolio does not include real estate management

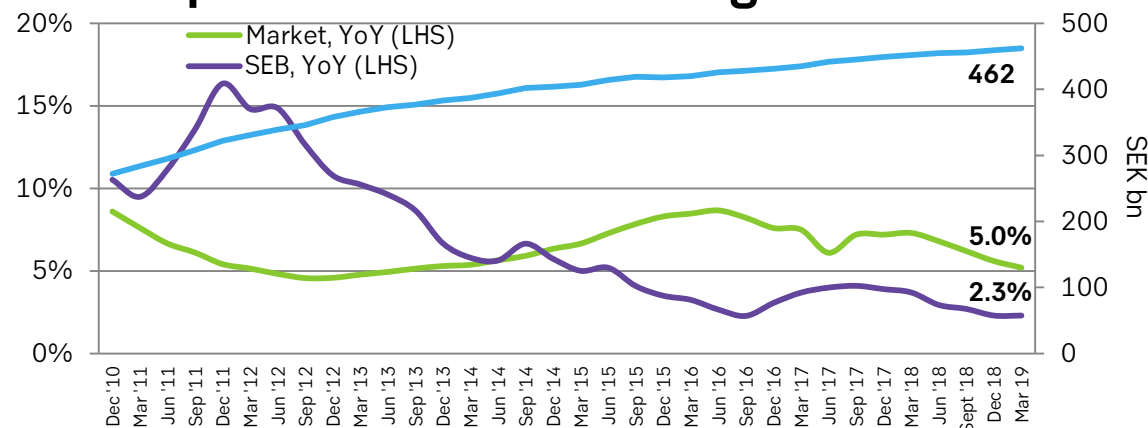
Corporate credit portfolio by sector and by loans and other types of exposure

% of credit portfolio excl. banks



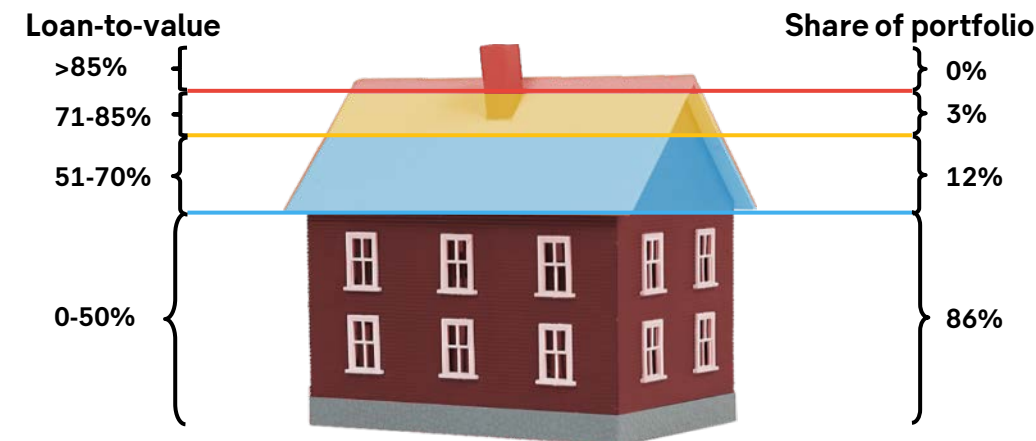
Robust Swedish household mortgage portfolio

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



Source: SEB and SCB's market statistics as of March 2019

Low LTVs by regional and global standards

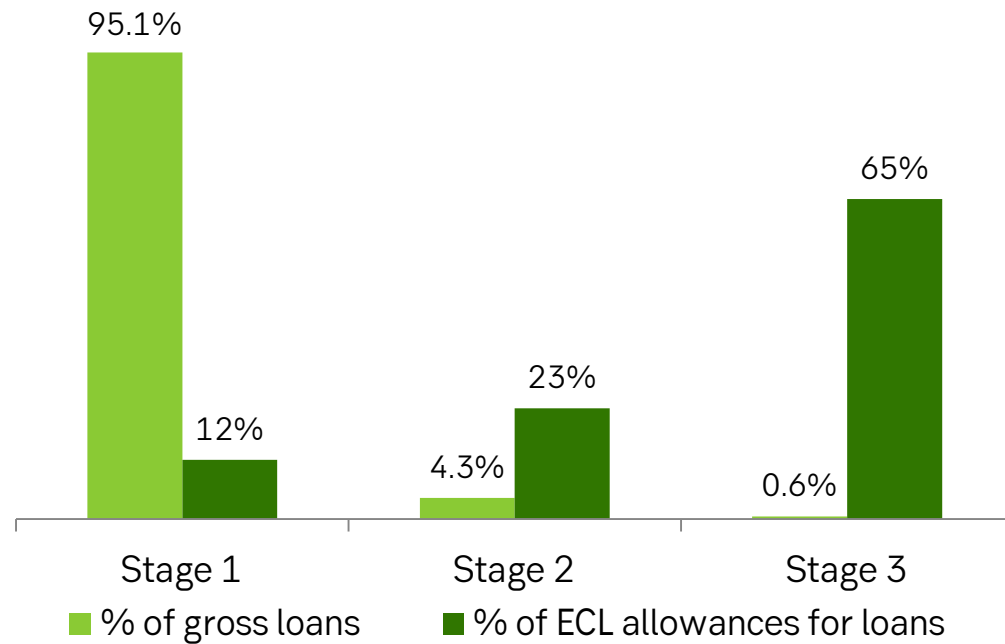


Selective origination - SEB's mortgage lending based on affordability

- The mortgage product is the foundation of the client relationship.
- According to UC AB (national credit information agency), SEB's customers have **higher credit quality** than market average and are over-proportionally represented in **higher income segments**. Customers are also **concentrated to larger cities**
- **High asset quality** – negligible past dues and losses
- **Strict credit scoring and assessment**
- **Strengthened advisory services**, "Sell first and buy later"
- **Affordability assessment** (funds left to live on after all fixed costs and taxes are considered) includes among other things:
 - Stressed interest rate scenario of 7% on personal debt and 3% on a housing co-op's debt which indirectly affects the private individual (so called "double leverage")
- **Amortisation requirement**: First introduced loans with LTVs 70-85% amortise min. 2%/year and between 50-70% at least 1%/year. As of 2018, loans with DTI>4.5 amortise an additional percentage point – a regulatory requirement
- **Max loan amount**: In general 5x total gross household income irrespective of LTV and no more than one payment remark on any kind of debt (information via UC AB)

Robust credit portfolio with focus on corporate and high asset quality

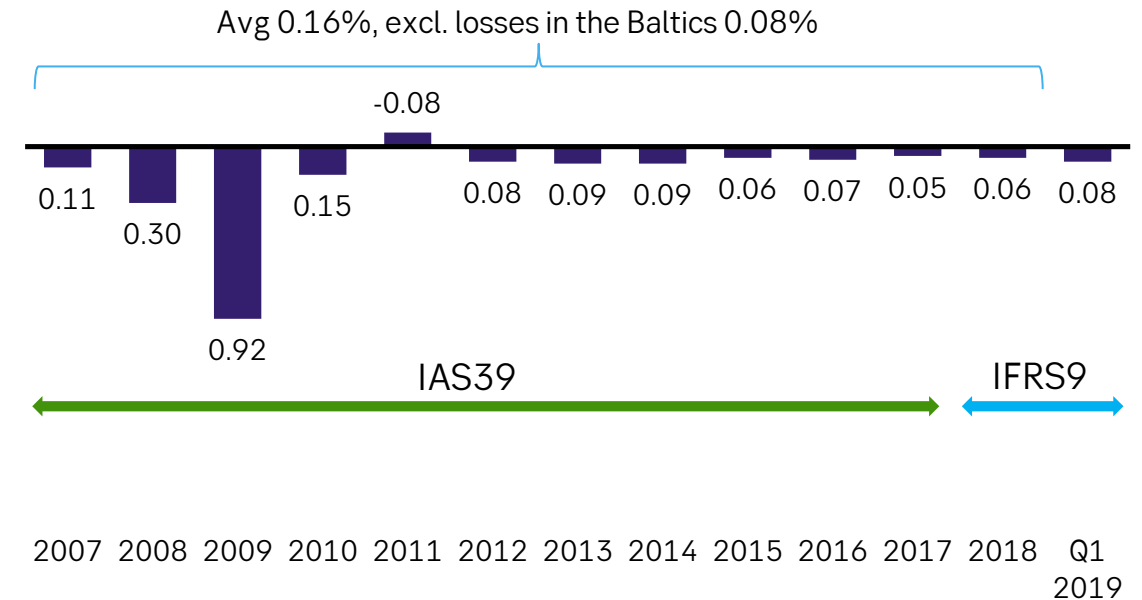
Loans and expected credit loss allowances by stage (IFRS9)



	<u>31 Mar '18</u>	<u>31 Dec '18</u>	<u>31 Mar '19</u>
Stage 3 loans/total loans, gross	0.58%	0.50%	0.56%
Stage 3 ECL coverage ratio	36.1%	40.1%	37.8%

High asset quality renders low credit loss level over time

Credit loss level, %



Low credit losses across portfolios

SEKm	Net ECL							
	Q1 2018	Q2 2018	Q3 2018	Q4 2018	YTD 2018	ECLL Dec '18	Q1 2019	ECLL Mar '19
Large Corporates & Financial Institutions	-46	-110	-287	-259	-702	0.07%	-322	0.11%
Corporate & Private Customers	-87	-128	-97	-115	-427	0.05%	-71	0.03%
Baltics	17	17	-44	-45	-55	0.03%	-20	0.04%
Other ¹	7	0	4	7	18		-9	
Net credit losses	-109	-221	-424	-413	-1166	0.06%	-422	0.08%

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

Agenda



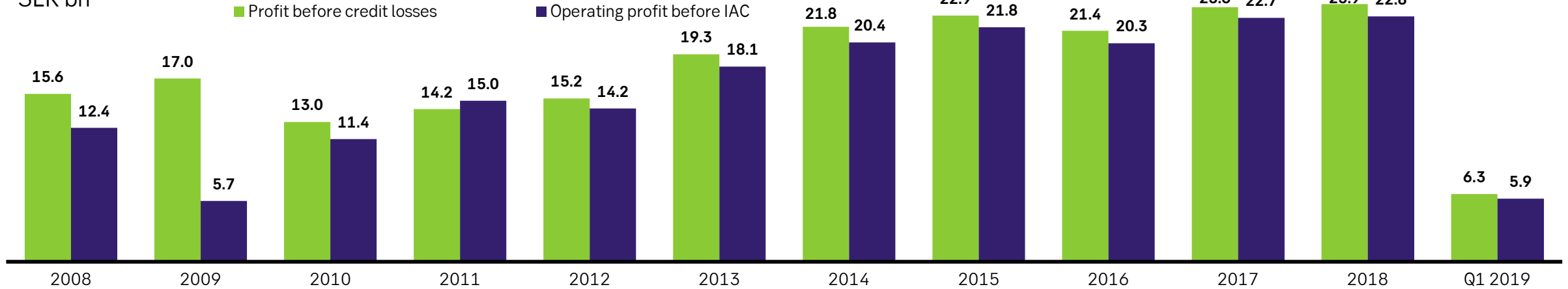
- SEB in brief p.3
- Financials & quarterly update p. 16
- Credit portfolio & asset quality p.31
- **Capital** **p.38**
- Balance sheet, funding & liquidity p.44
- Covered bonds & Cover pool p.51
- Business plan 2019-2021 p.55
- Contacts and calendar p.65
- Appendix p.67
 - Macroeconomic development
 - Swedish housing market
 - Organisation & governance

Sustained strong earnings and capital generation

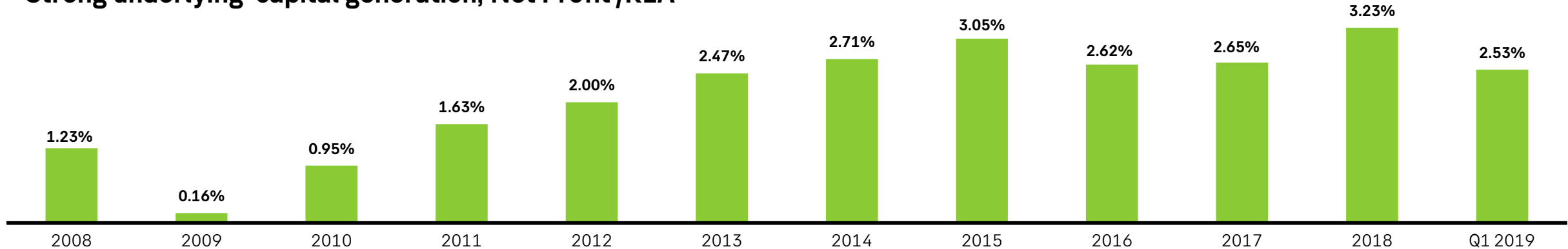
Profitable throughout the financial crisis

Sustained underlying profit

SEK bn



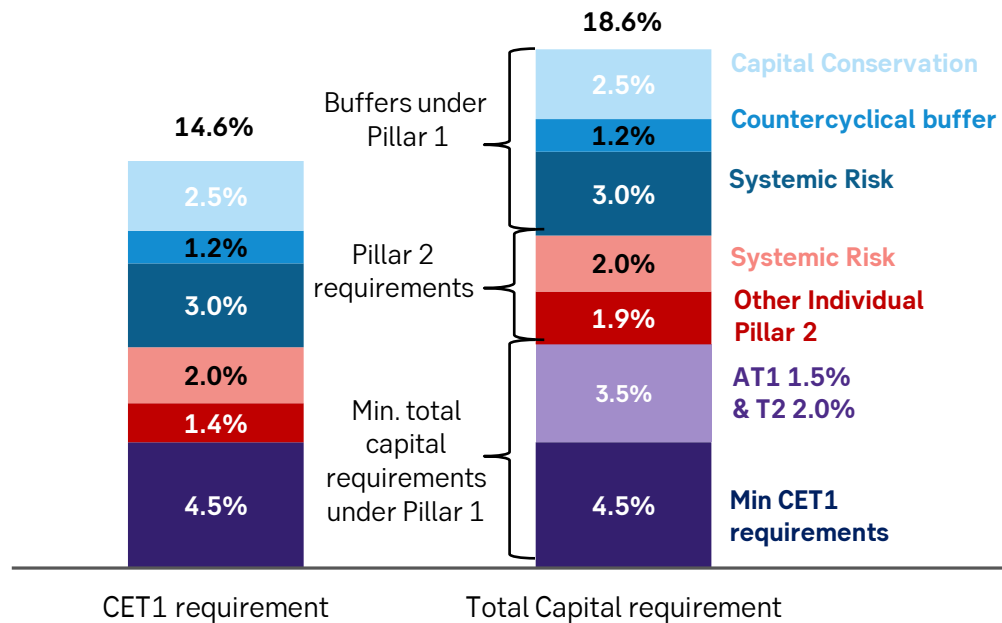
Strong underlying capital generation, Net Profit /REA



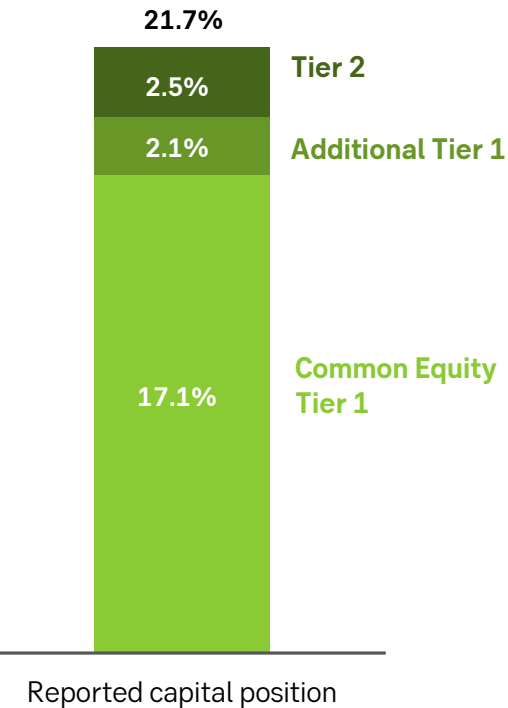
Note: REA= RWA 2008 – 2012 Basel II without transitional floor
 REA 2013 – 2019 Basel III fully implemented

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

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



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



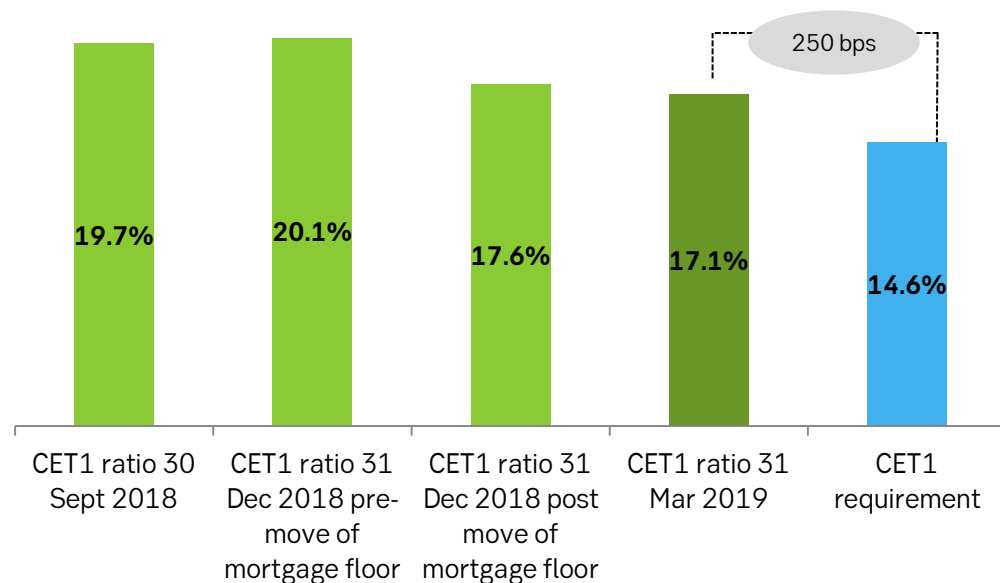
SEB's CET1 ratio at 31 March 2019:

- 250bps above the SFSA's CET1 requirement
- 100bps above management buffer

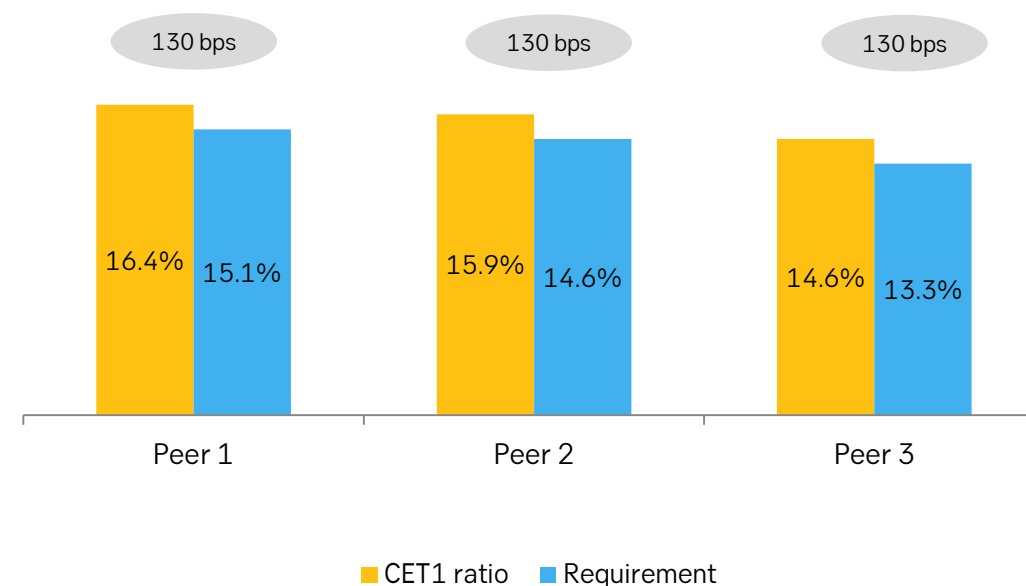
Estimated regulatory requirement as of 31 March 2019

Strong capital position compared to Nordic peers

SEB's CET1 ratio vs. requirement



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



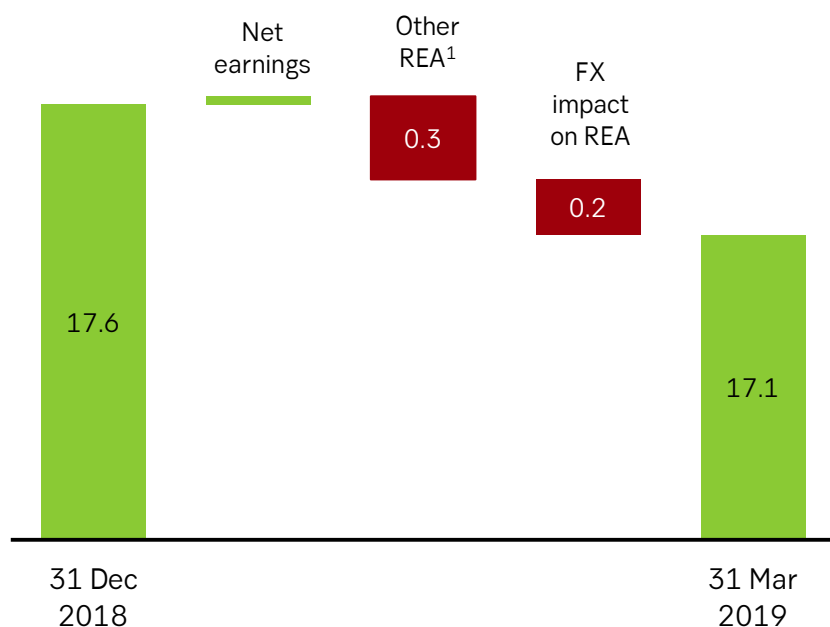
¹ Largest peers operating in Sweden. Reported as of 31 March 2019. For Nordea, the requirement is the committed nominal capital requirement.

Development of CET1 ratio and REA

SEB Group – Basel III

CET1 ratio development Q-o-Q

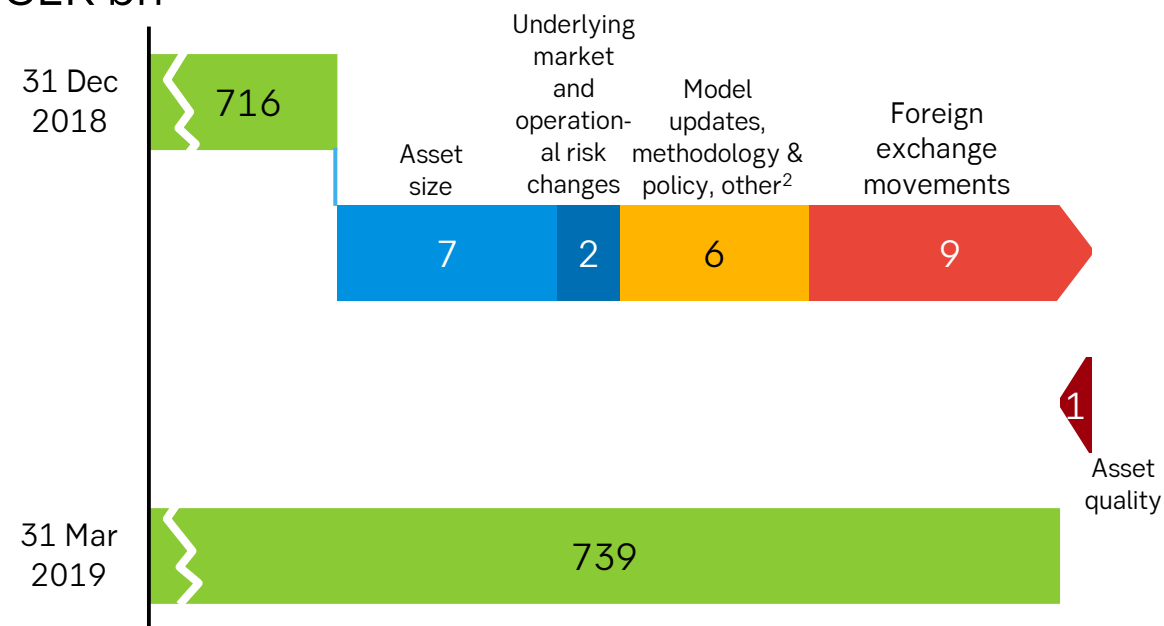
%



¹ Impact of REA change due to volume growth, model & methodology updates (incl. IFRS16), asset quality.

Risk exposure amount development

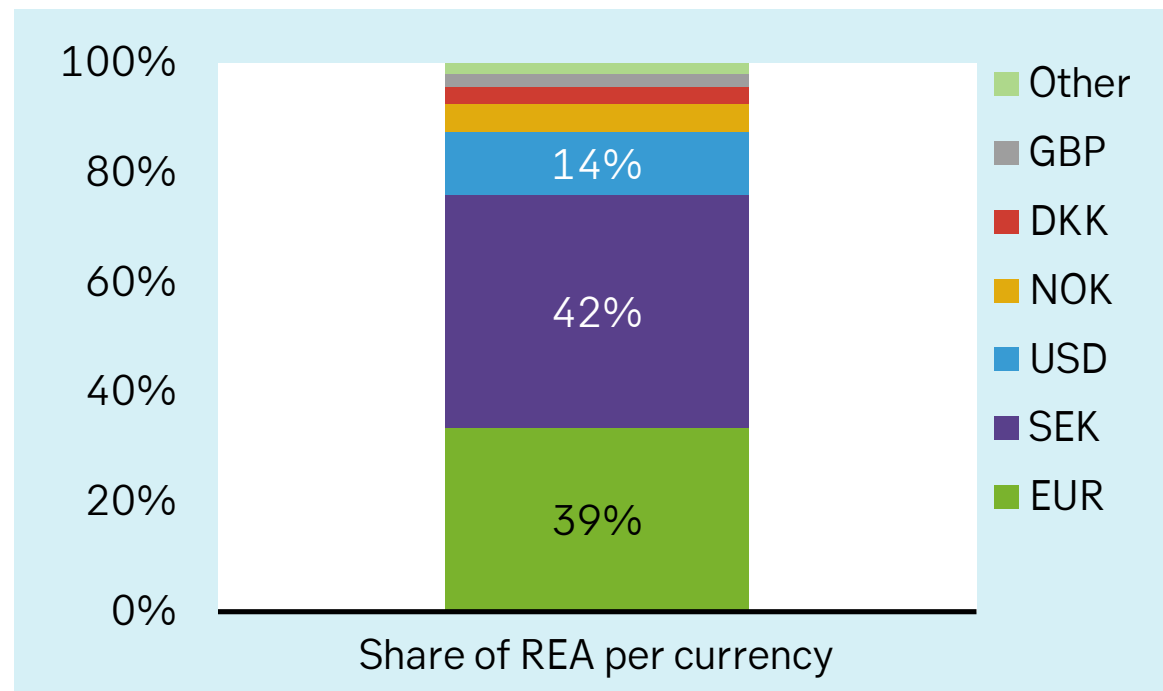
SEK bn



² Implementation of IFRS16 increased REA by SEK 6bn, reflected in Model, methodology and policy updates.

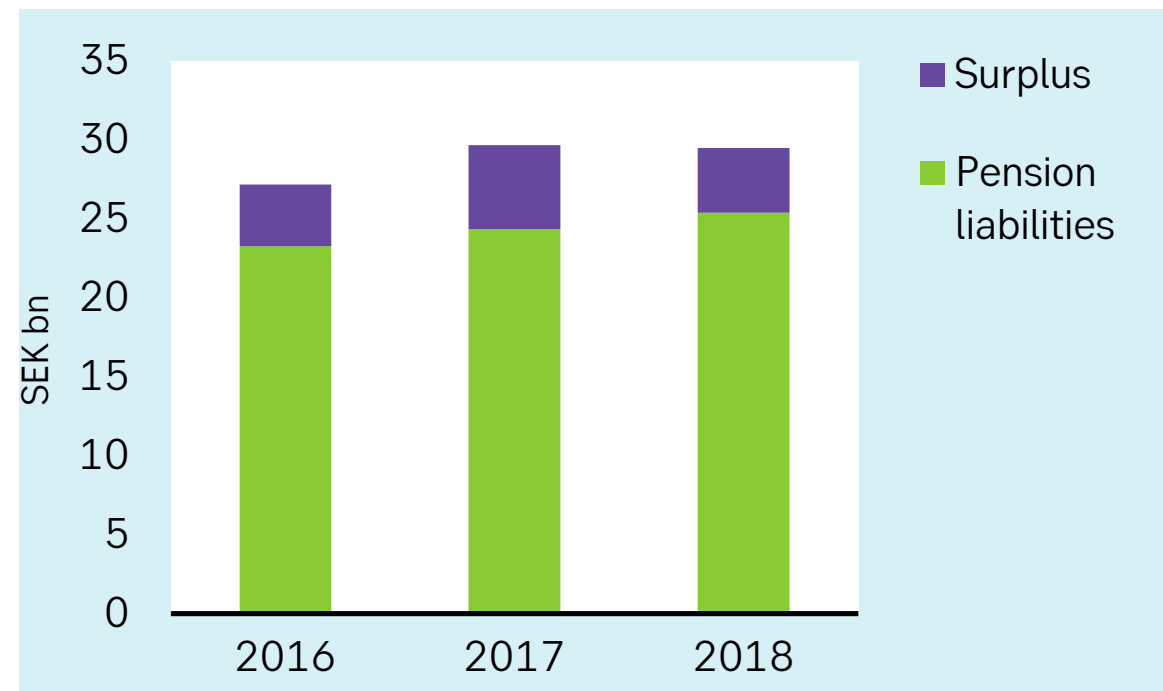
Reasons for management buffer of c. 150bps

Sensitivity to currency fluctuations



±5% SEK
impact 40bps CET1 ratio

Sensitivity to surplus of Swedish pensions



-50 bps discount rate
impact -50bps CET1 ratio

...& general macroeconomic uncertainties

Agenda

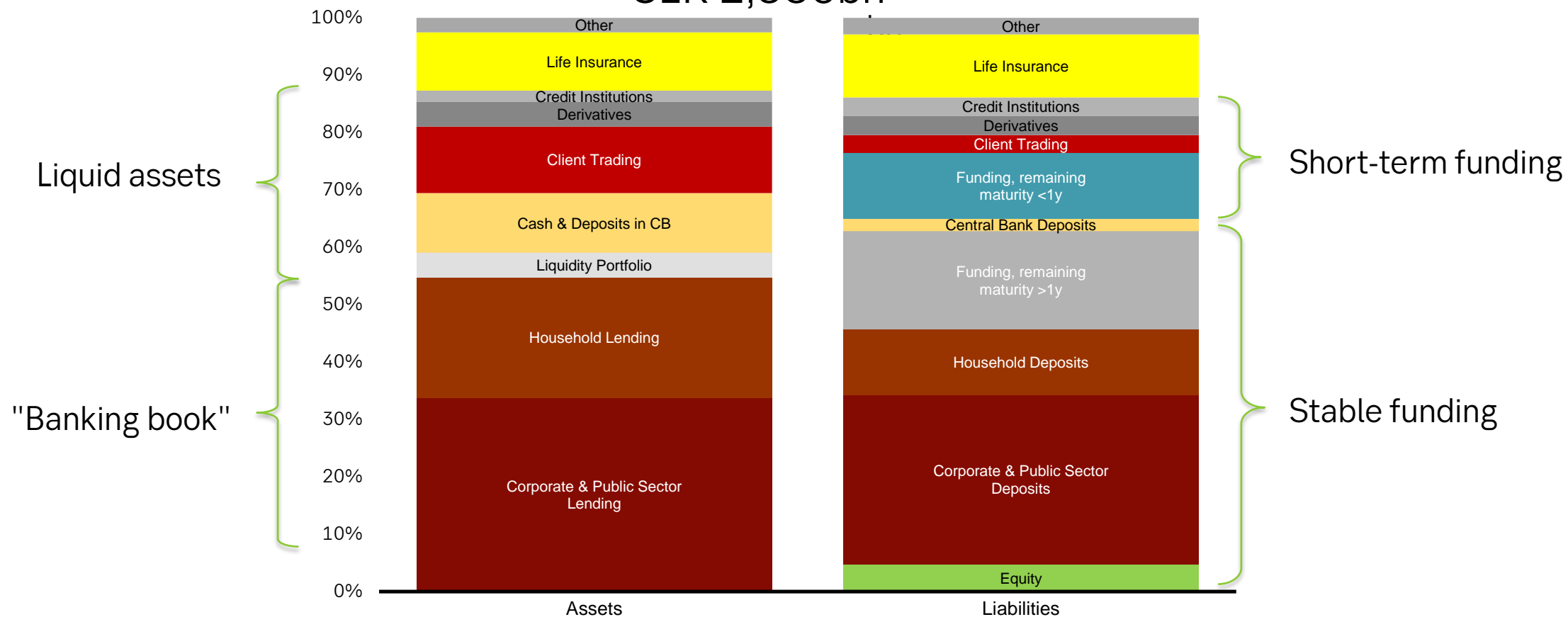


- SEB in brief p.3
- Financials & quarterly update p. 16
- Credit portfolio & asset quality p.31
- Capital p.38
- **Balance sheet, funding & liquidity** **p.44**
- Covered bonds & Cover pool p.26
- Business plan 2019-2021 p.62
- Contacts and calendar p.66
- Appendix p.68
 - Macroeconomic development
 - Swedish housing market
 - Organisation & governance

Strong balance sheet structure

Simplified balance sheet

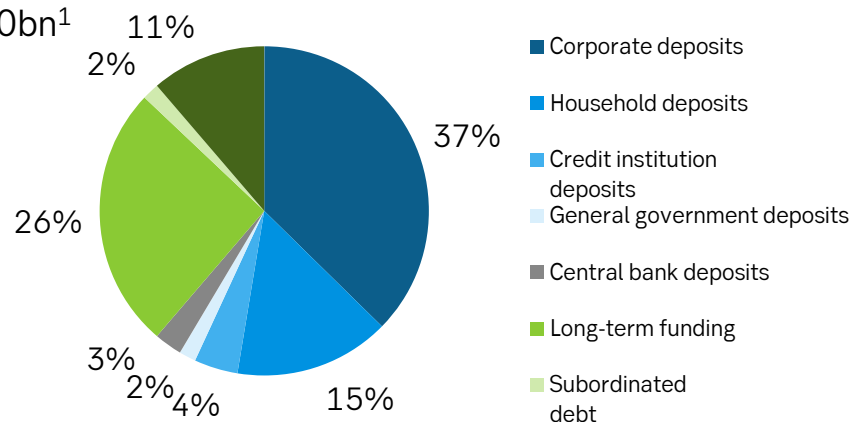
SEK 2,886bn



Stable deposit base and structural funding position

Diversified funding – 37% wholesale funding

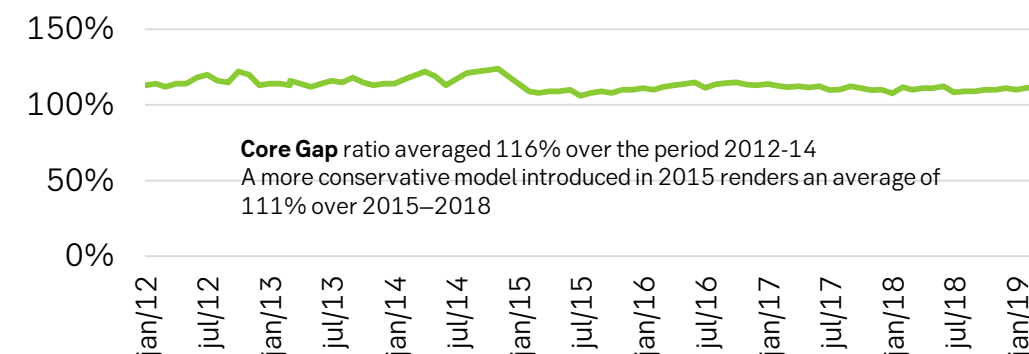
SEK 2,150bn¹



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

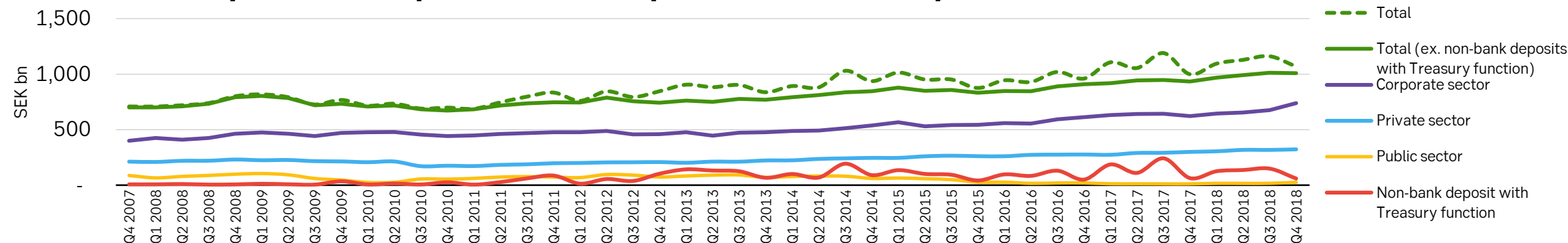
Stable structural funding position

Core Gap Ratio



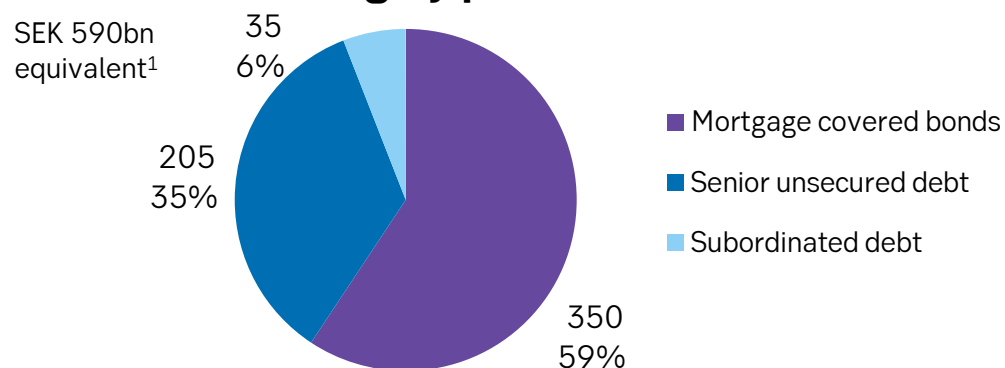
Core Gap ratio = relation between total liabilities deemed to mature beyond one year and total assets deemed to mature beyond one year, based on internal behavioural modelling.

Stable development of deposits from corporate sector and private individuals



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

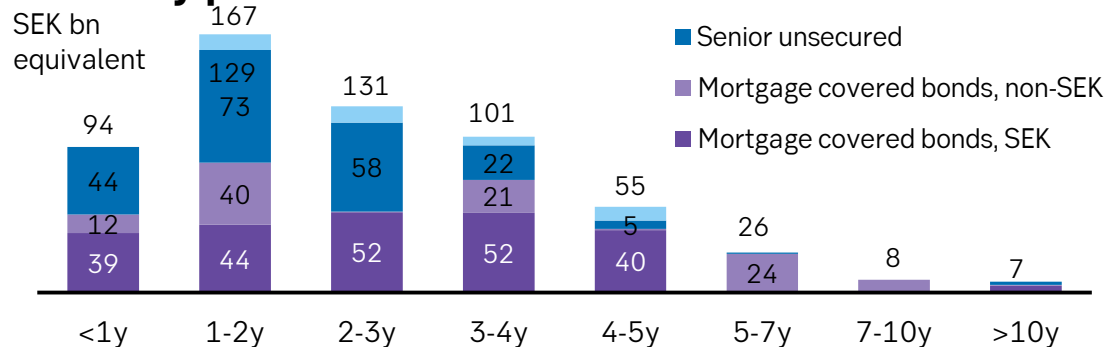
Wholesale funding by product



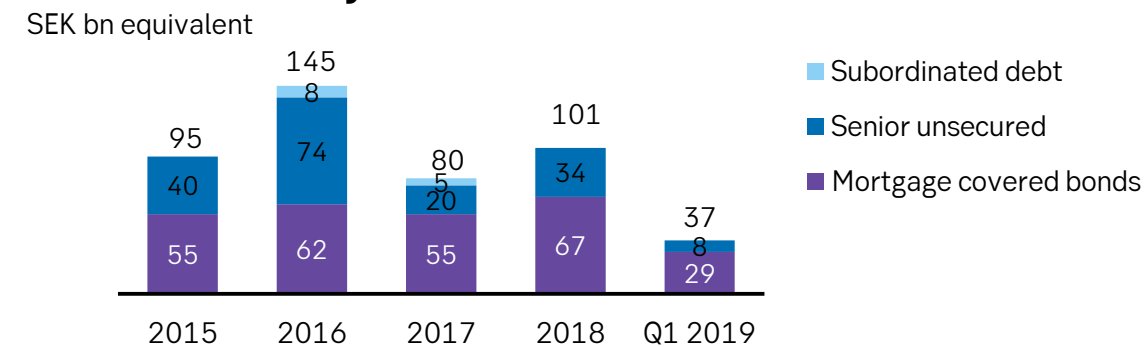
SEB's credit rating

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

Maturity profile



Issuance history

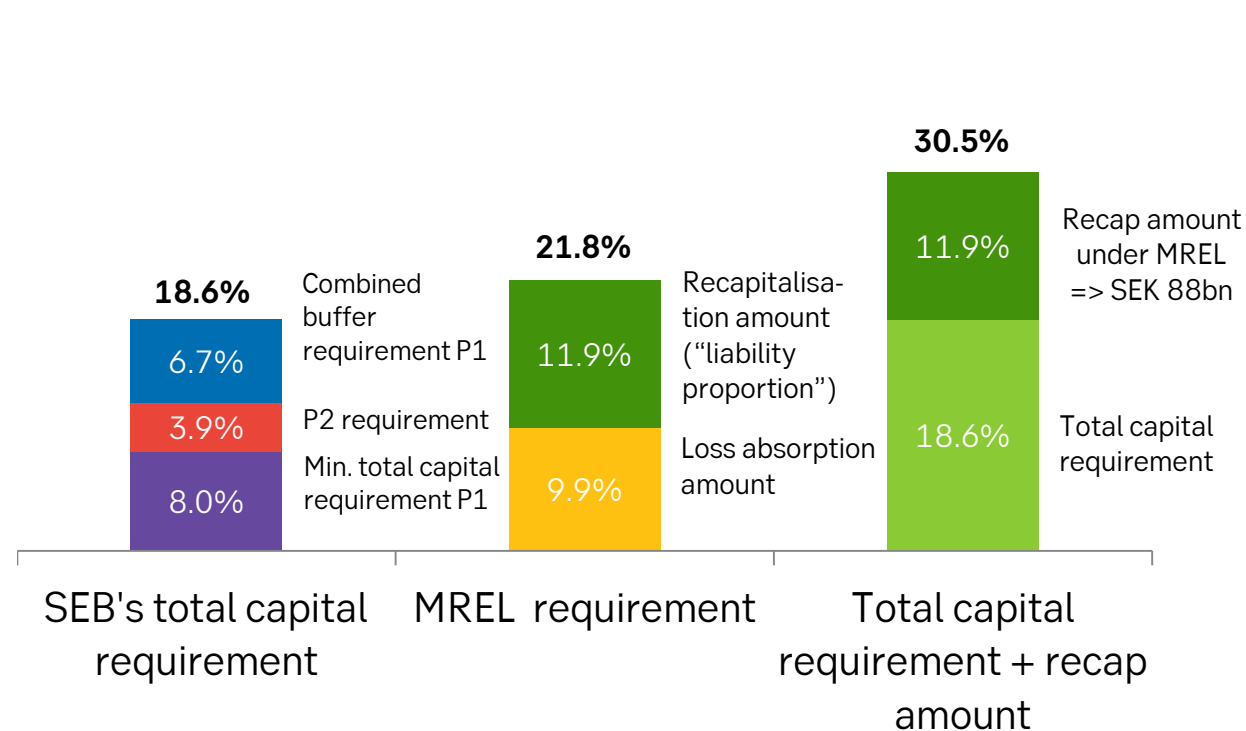


¹ Excluding public covered bonds.

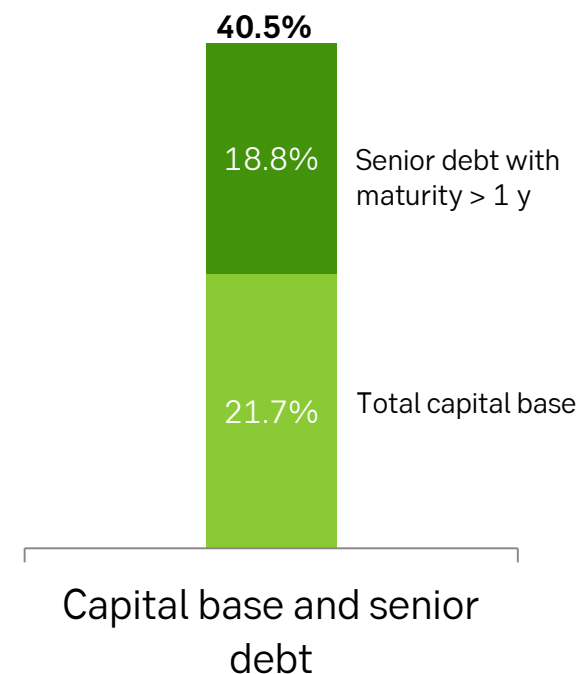
² Tier 2 and Additional Tier 1 issues assumed to be called at first call date.

MREL requirement and SNP funding needs

Total capital and MREL requirements



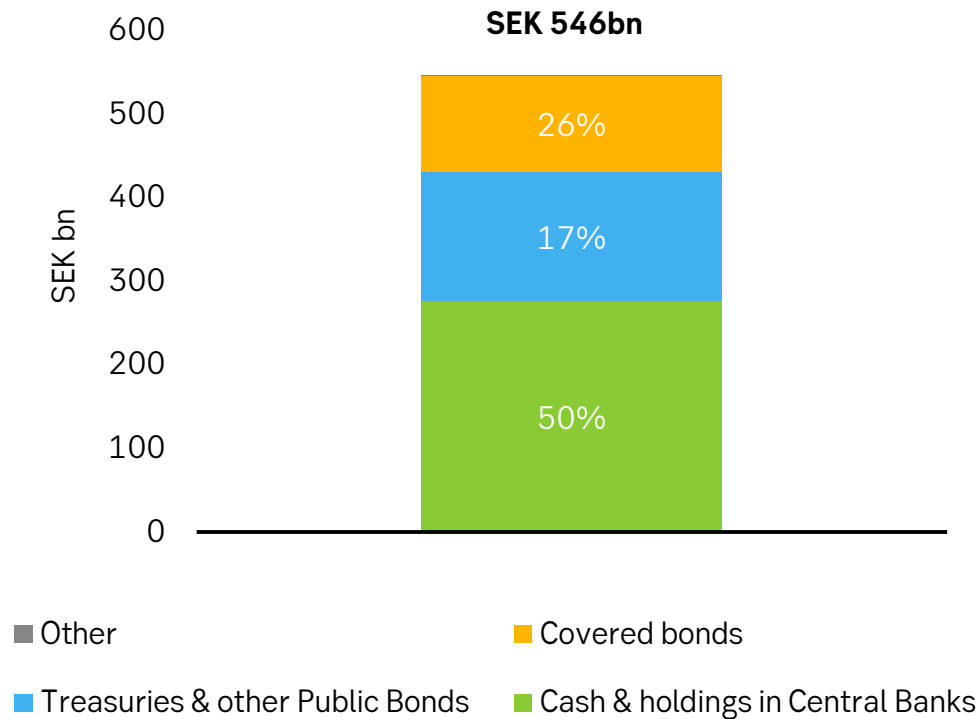
SEB's capital base and eligible liabilities



- The Swedish National Debt Office's liability proportion principle implies an issuance need of SEK 88bn in senior non-preferred debt, based on capital requirements at 31 March 2019

Strong liquidity and maturing funding position

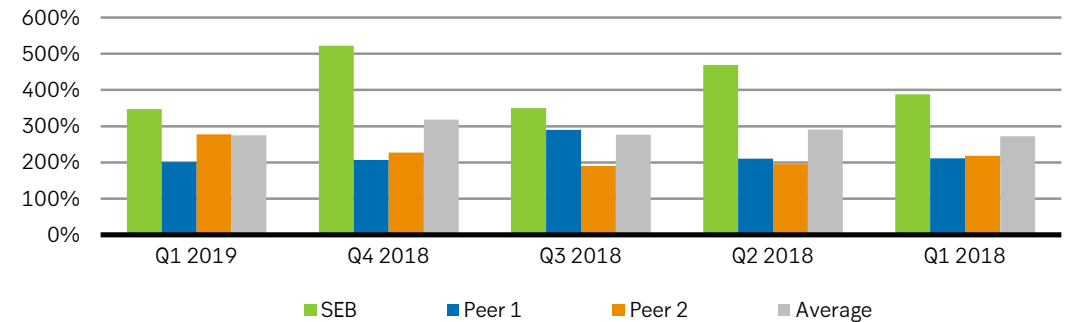
SEB's liquidity reserve (Liquid Assets)¹ Q1 2019



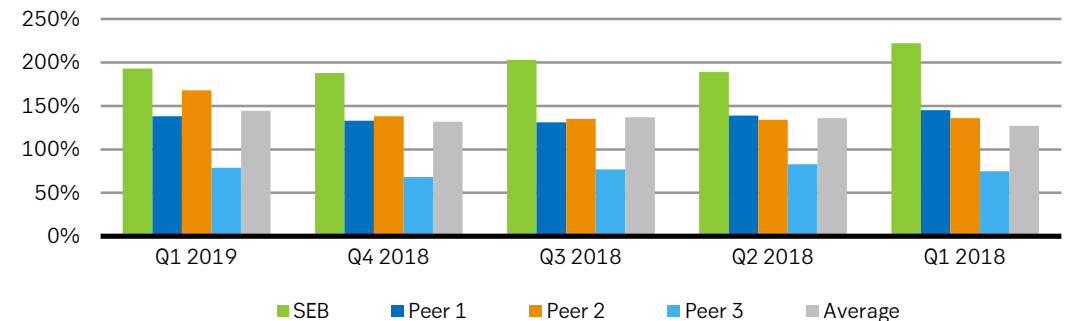
¹ The liquidity reserve is presented in accordance with the template defined by the Swedish Bankers' Association. All definitions are in accordance with Liquidity Coverage Ratio in CRR

Maturing Funding ratio 3m and 12m, Peer benchmarking

Development 3m funding ratio



Development 12m funding ratio



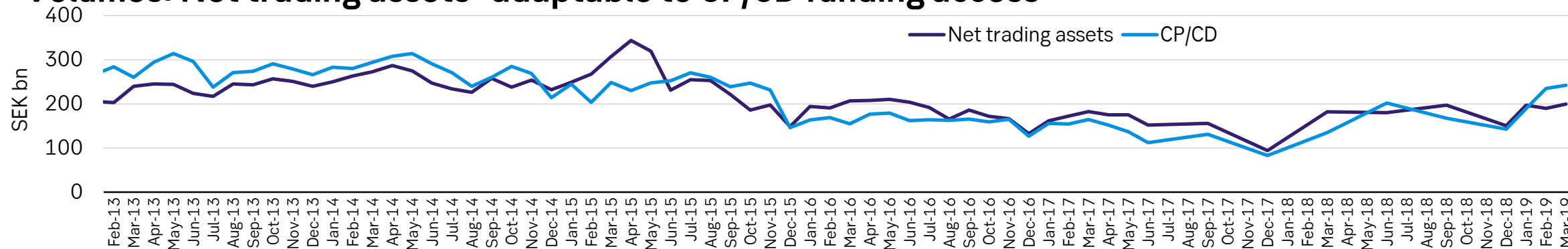
Definition: Liquid Assets ¹⁾ / (Maturing Wholesale Funding within 3/12m + Net interbank borrowing within 3/12m)

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

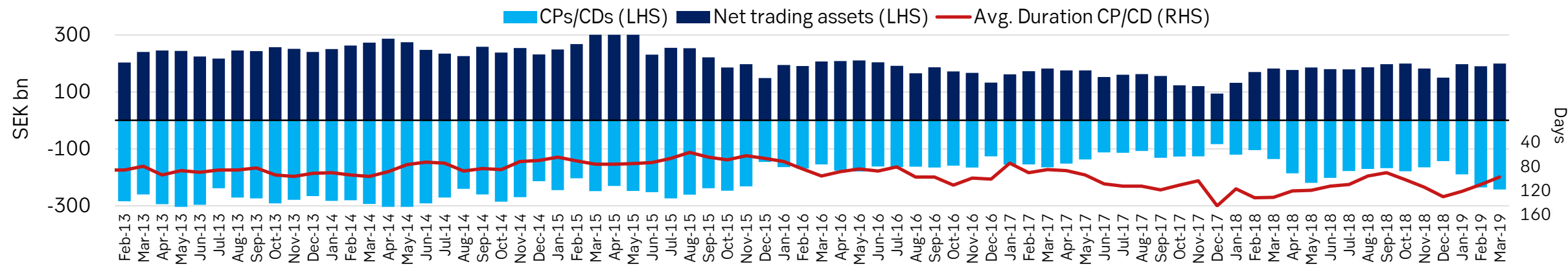
Source: Fact Book of SEB and the three other major Swedish banks. One peer does not disclose the 3m ratio

CP/CD funding to support client facilitation business

Volumes: Net trading assets¹ adaptable to CP/CD funding access



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



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

Agenda



- SEB in brief p.3
- Financials & quarterly update p.16
- Credit portfolio & asset quality p.31
- Capital p.38
- Balance sheet, funding & liquidity p.44
- **Covered bonds & Cover pool** **p.51**
- Business plan 2019-2021 p. 55
- Contacts and calendar p.65
- Appendix p.67
 - Macroeconomic development
 - Swedish housing market
 - Organisation & governance

Only Swedish residential mortgages in SEB's cover pool

Covered bonds

		31 Mar 2019	31 Dec 2018	31 Dec 2017	31 Dec 2016
Total outstanding covered bonds (SEK bn)		344	324	324	314
Rating of the covered bond program		Aaa Moody's	Aaa Moody's	Aaa Moody's	Aaa Moody's
Currency distribution	SEK	70%	73%	69%	71%
	non-SEK	30%	27%	31%	29%

Cover pool

	31 Mar 2019	31 Dec 2018	31 Dec 2017	31 Dec 2016
Total residential mortgage assets (SEK bn)	554	501	525	510
Weighted average LTV (property level)	51%	53%	51%	50%
Number of loans (thousand)	723	713	717	711
Number of borrowers (thousand)	421	418	423	424
Weighted average loan balance (SEK thousand)	767	702	732	718
Substitute assets (SEK thousand)	0	0	0	0
Loans past due 60 days (basis points)	2	1	5	4
Net Expected Credit Losses /Credit losses (bps)	0	0	0	0
Overcollateralisation level	61%	55%	62%	63%

Highlights of SEB's cover pool

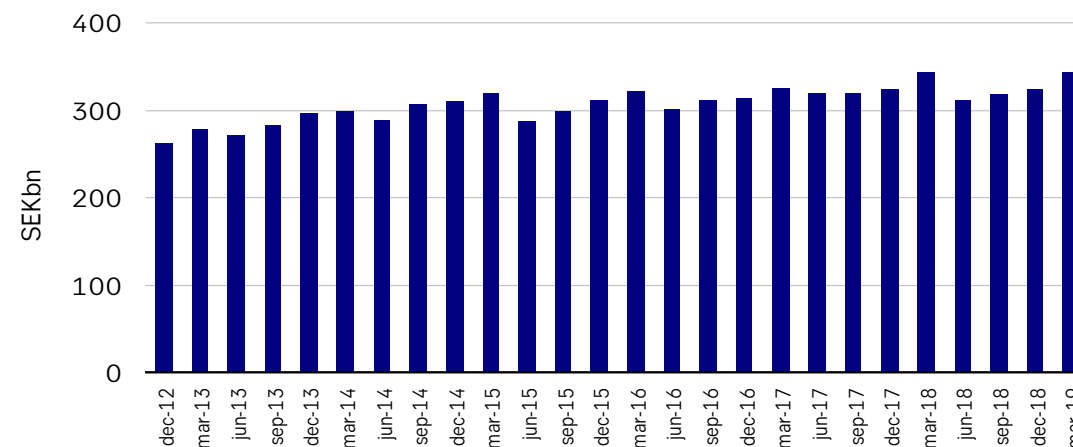
- Only Swedish residential mortgages, which historically have had very low credit losses
- More concentrated towards single family homes and tenant owned apartments, which generally have somewhat higher LTVs
- On parent bank's balance sheet contrary to SEB's major Swedish peers
 - All eligible Swedish residential mortgages are directly booked in the Cover Pool on origination, i.e., no cherry picking of mortgages from balance sheet to Cover Pool
 - Covered Bonds are issued out of the parent bank and investors have full and dual recourse to the parent bank's assets as well as secured exposure to the Cover Pool
- High overcollateralisation level of 61%

Profile of outstanding covered bonds

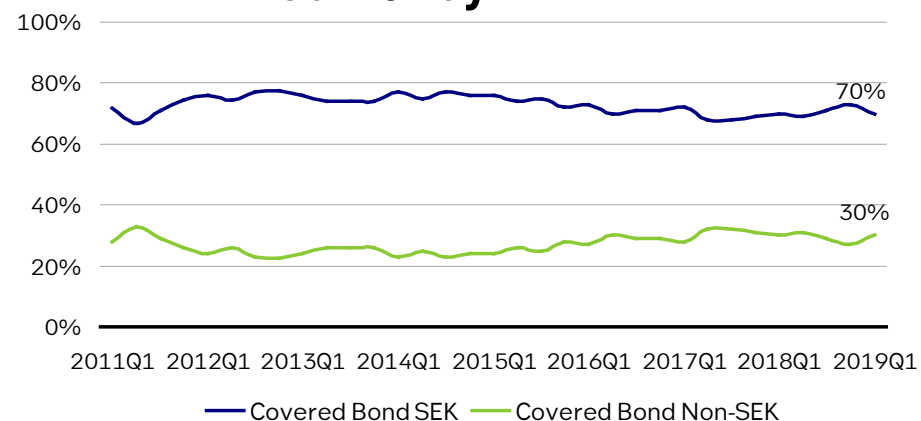
Overview

Moody's Rating	Aaa
Total outstanding	SEK 344bn
FX distribution	SEK 70% Non-SEK 30%
Benchmark	Benchmark 96% Non Benchmark 4%

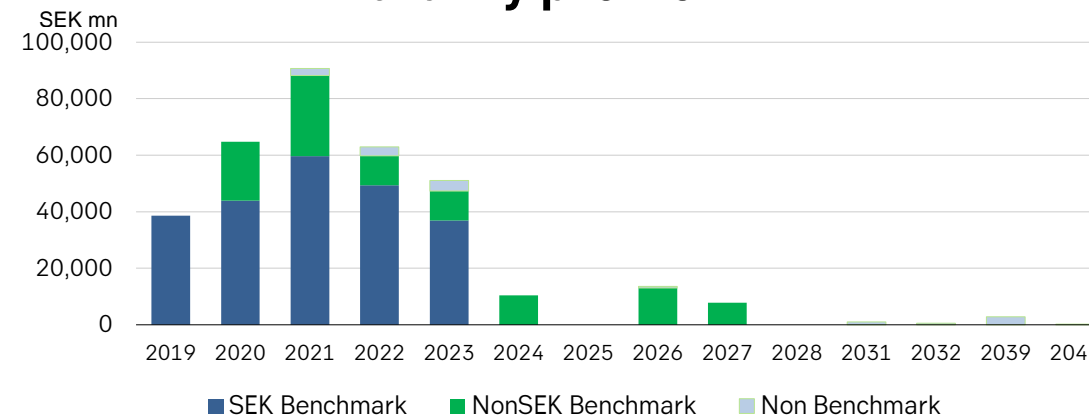
Outstanding covered bonds



Currency mix

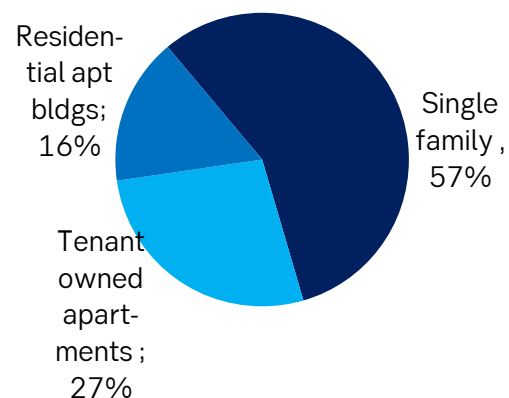


Maturity profile

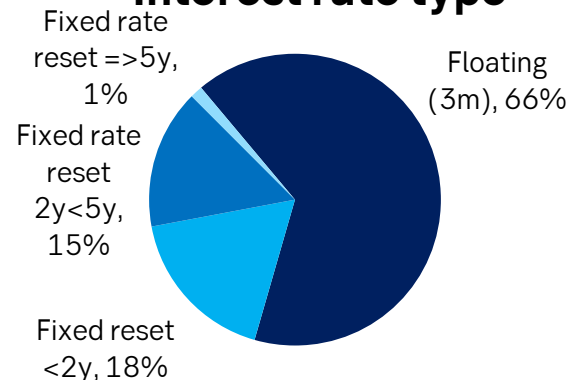


SEB's mortgage lending is predominantly in the three largest and fastest growing city areas

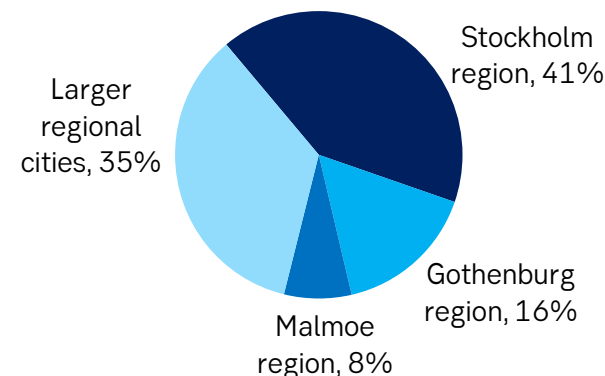
Type of loans



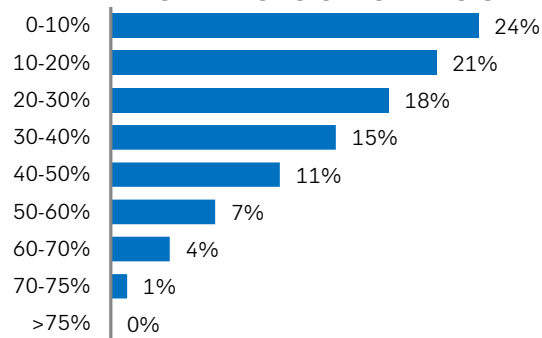
Interest rate type



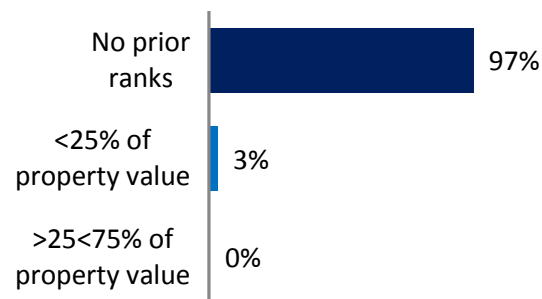
Geographical distribution



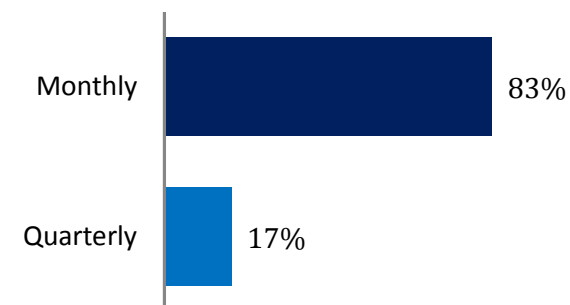
LTV distribution by volume in % of the Cover Pool



Prior ranking loans



Interest payment frequency



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

Agenda



- SEB in brief p.3
- Financials & quarterly update p.16
- Credit portfolio & asset quality p.31
- Capital p.38
- Balance sheet, funding & liquidity p.44
- Covered bonds & Cover pool p.51
- **Business plan 2019-2021** **p. 55**
- Contacts and calendar p.65
- Appendix p.67
 - Macroeconomic development
 - Swedish housing market
 - Organisation & governance

An industry in transformation



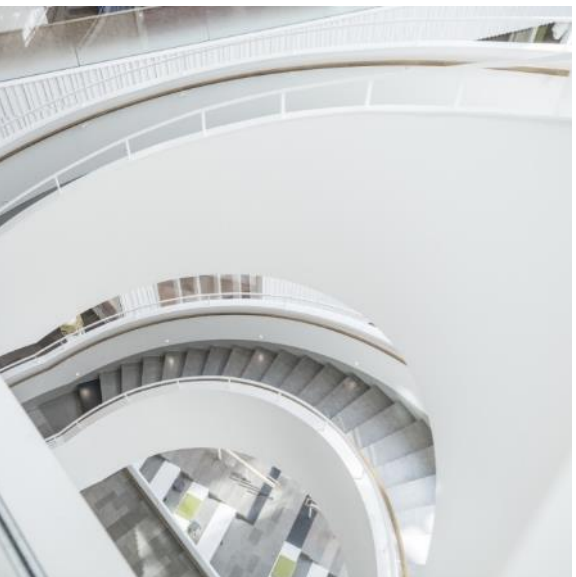
Customers

Proactive, tailored advice

Data driven & real-time

Sustainability

Seamless & unbundled services



Regulations

AML & KYC

MiFID II & PSD II

Basel IV

Less new regulatory regimes, more supervision



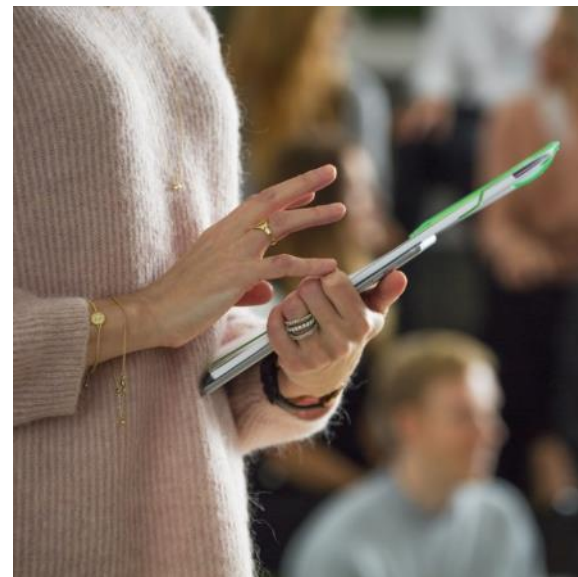
Competition

Fintechs, challengers & big techs

Payment service providers

Lending

Markets & Investment Banking



Technology

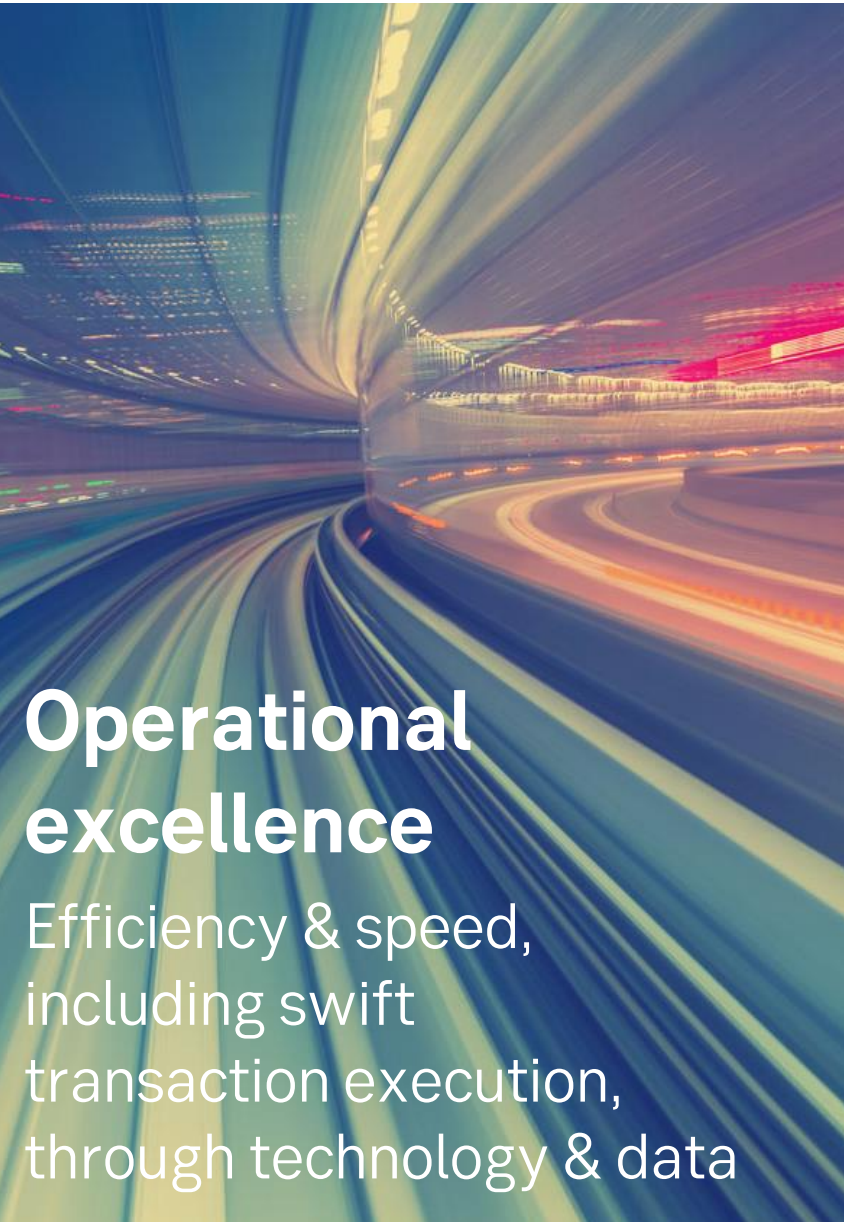
Artificial intelligence & data

Open Banking

Cloud, blockchain & robotics

Cyber risk tech

Our strategic focus areas



Operational excellence

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



Advisory leadership

Value-enhancing advisory based on human & digital interaction



Extended presence

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

Our ambition by division



The undisputed leading
Nordic Corporate & Institutional bank

Large Corporates & Financial Institutions

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

Corporate & Private Customers

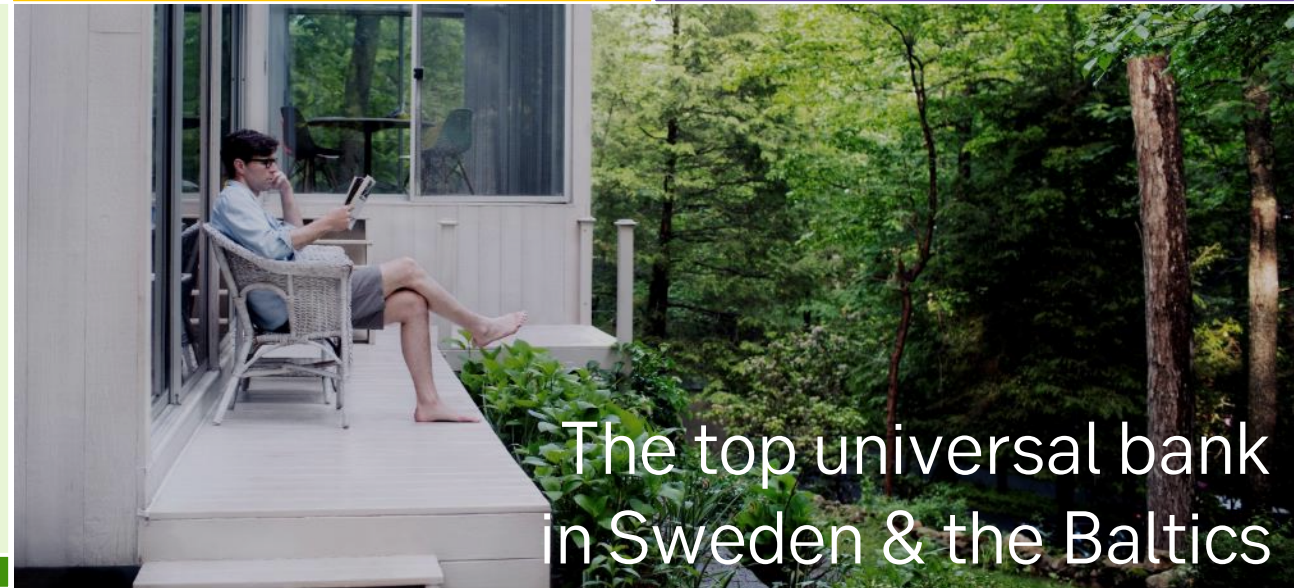
- Attract SME customers
- Expand Private Banking
- Improve mortgages & savings

Life & Investment Management

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

Baltic

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



The top universal bank
in Sweden & the Baltics

New strategic initiatives to meet future client needs

STRATEGIC INITIATIVES

Critical enablers

- Data, automation, sustainability and competences

Advisory

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

Assets entrusted to us

- Assets under management, assets under custody and deposits

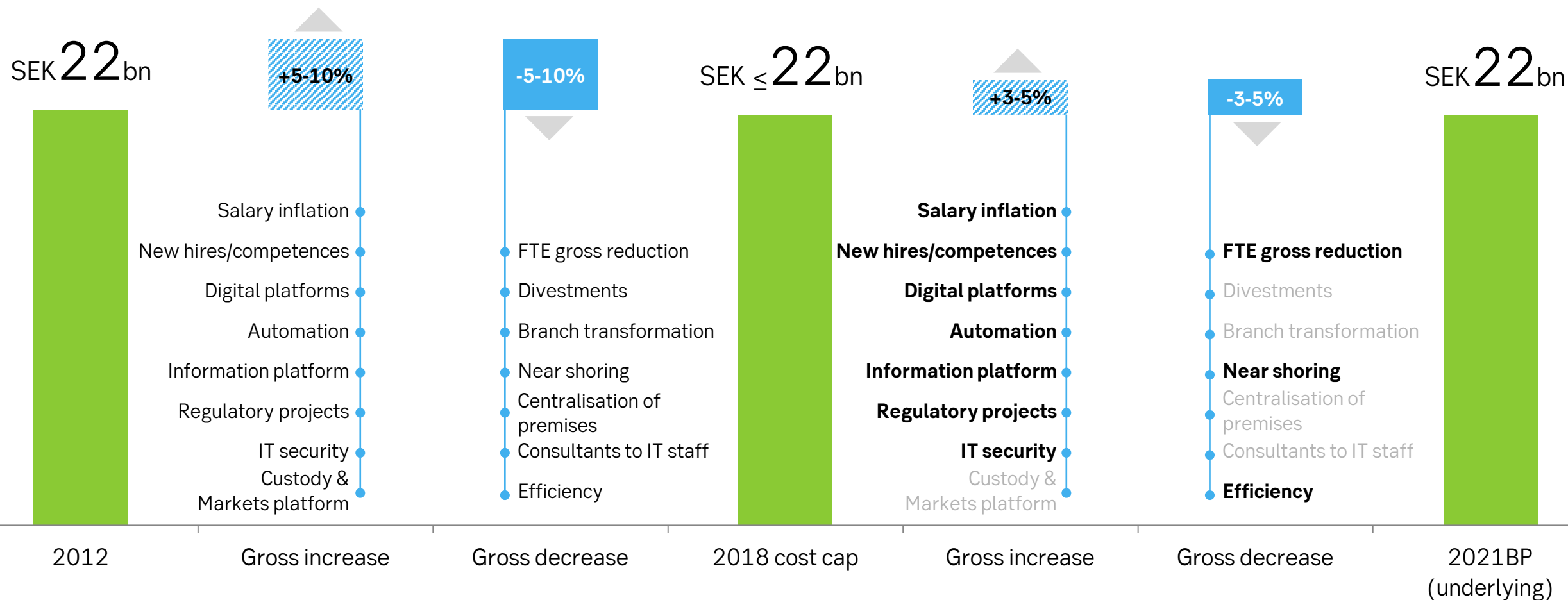
Ecosystem

- Open Banking and customer ecosystems

Digital explorer (SEBx)

- Exploration of new technology to respond to customer needs

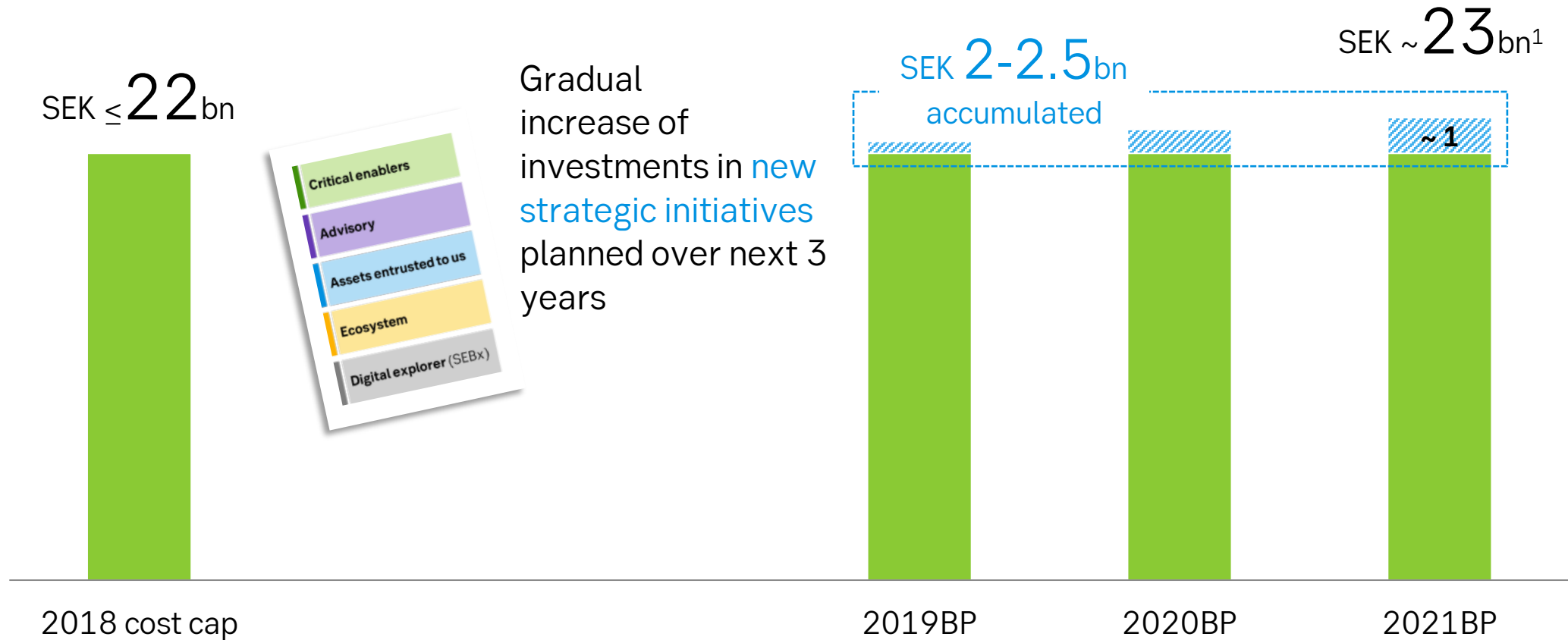
Disciplined cost and investment strategy



Additional investments of SEK 2-2.5bn planned until 2021

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

Additional investments and total costs



¹ Based on 2018 average FX rates.

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

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

RoE
competitive
with peers

15% RoE long-term aspiration



Our
financial targets
remain

In summary

To meet future client needs



Operating excellence,
advisory leadership and
extended presence



Accelerate
transformation
and growth



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



Operating leverage,
capital efficiency and
resilient balance sheet

¹ Based on 2018 average FX rates.

Agenda



- SEB in brief p.3
- Financials & quarterly update p.16
- Credit portfolio & asset quality p.31
- Capital p.38
- Balance sheet, funding & liquidity p.44
- Covered bonds & Cover pool p.51
- Business plan 2019-2021 p. 55
- **Contacts and calendar** **p.65**
- Appendix p.67
 - Macroeconomic development
 - Swedish housing market
 - Organisation & governance

IR contacts and calendar



Christoffer Geijer

Head of Investor
Relations

Phone: +46 8 763 83 19
Mobile: +46 70 762 10 06
E-mail:
christoffer.geijer@seb.se



Philippa Allard

Head of Debt Investor
Relations

Phone: +46 8 763 85 44
Mobile: +46 70 618 83 35
E-mail:
philippa.allard@seb.se



Per Andersson

Senior Investor Relations
Officer

Phone: +46 8 763 81 71
Mobile: +46 70 667 74 81
E-mail:
per.andersson@seb.se

Financial calendar 2019

12 July Interim Report January-June 2019
The silent period starts 5 July

23 October Interim Report January-September 2019
The silent period starts 8 October

Agenda



- SEB in brief p.3
- Business plan 2019-2021 p. 16
- Financials & quarterly update p.31
- Credit portfolio & asset quality p.38
- Capital p.44
- Balance sheet, funding & liquidity p.51
- Covered bonds & Cover pool p.55
- Contacts and calendar p.65
- **Appendix p.67**
 - Macroeconomic outlook
 - Swedish housing market
 - Organisation & governance

Sweden and other key markets

Selected economic indicators in key markets

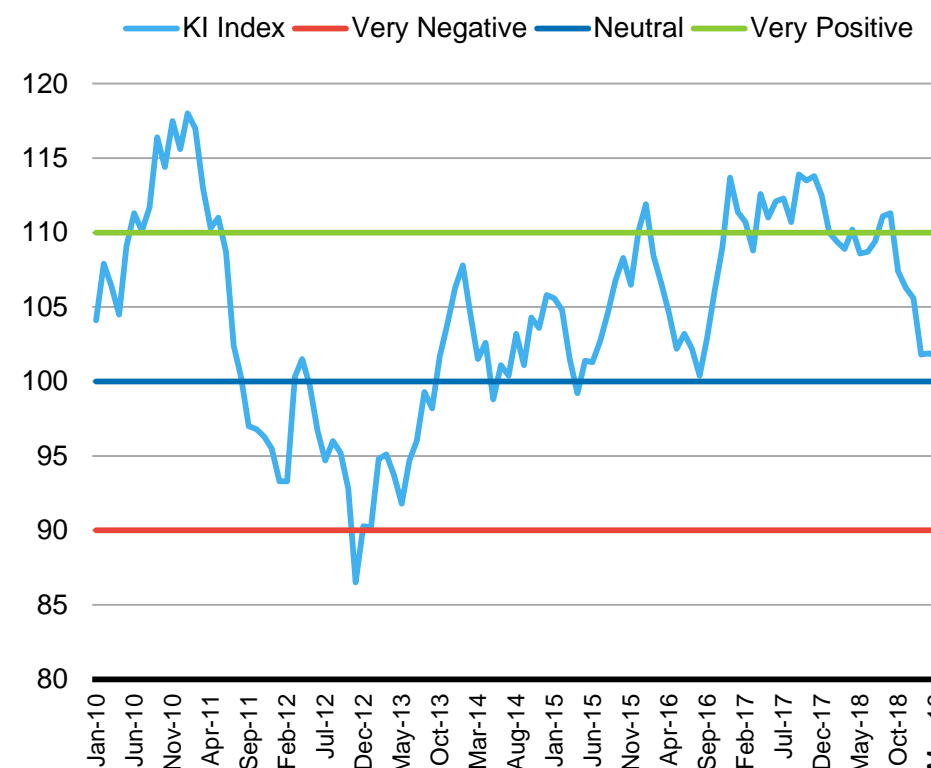
SEK m	GDP (%)				Inflation (%)			
	2017	2018F	2019F	2020F	2017	2018F	2019F	2020F
Sweden	2.1	2.2	1.6	1.9	2.0	2.1	1.9	1.4
Norway	2.0	0.9	2.8	2.5	1.9	2.8	2.3	1.5
Finland*	2.8	2.3	1.9	2.0	0.8	1.2	1.3	1.5
Denmark*	2.3	1.1	2.0	1.7	1.1	0.7	1.2	2.0
Germany*	2.2	1.5	1.2	1.4	1.6	1.7	1.7	1.7
Estonia*	4.9	3.6	2.8	2.5	3.7	3.4	2.6	2.4
Latvia*	4.5	4.5	3.5	3.2	2.9	2.5	2.9	2.5
Lithuania*	4.1	3.4	2.9	2.4	3.7	2.5	2.5	2.5
Euro zone*	2.4	1.9	1.6	1.7	1.5	1.7	1.1	1.5

Sources: SEB Economic Research, Nordic Outlook January 2019

*Harmonised consumer index

Swedish Economic Tendency survey

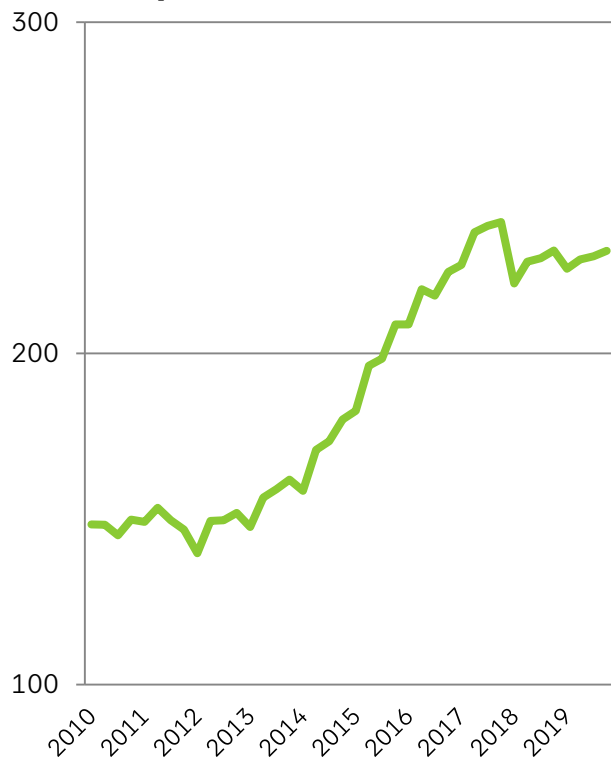
Economic Tendency Indicator (KI index), April 2019



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

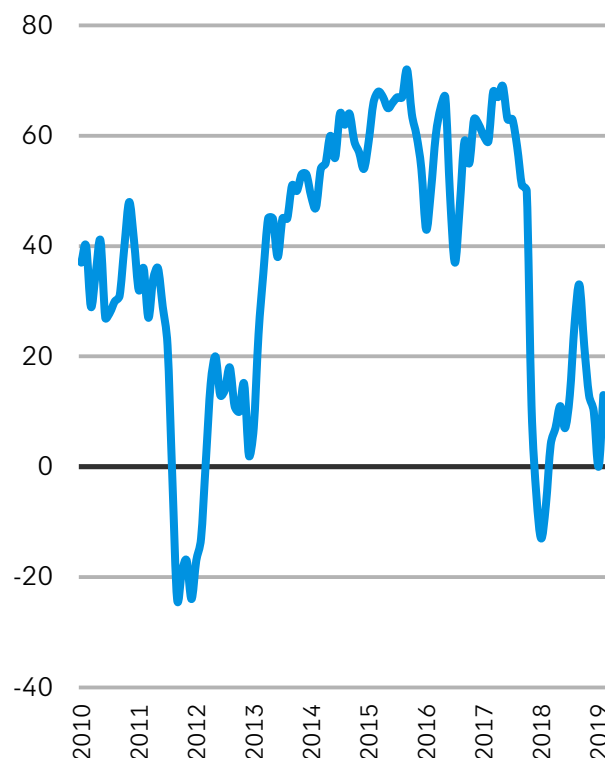
Continued stable housing prices and slight improvement in market sentiment

Swedish housing price development



Source: Valueguard, HOX index, 18 April 2019

Swedish housing market sentiment



Source: SEB's Housing Price Indicator, April 2019

Valueguard – 30 March 2019, %

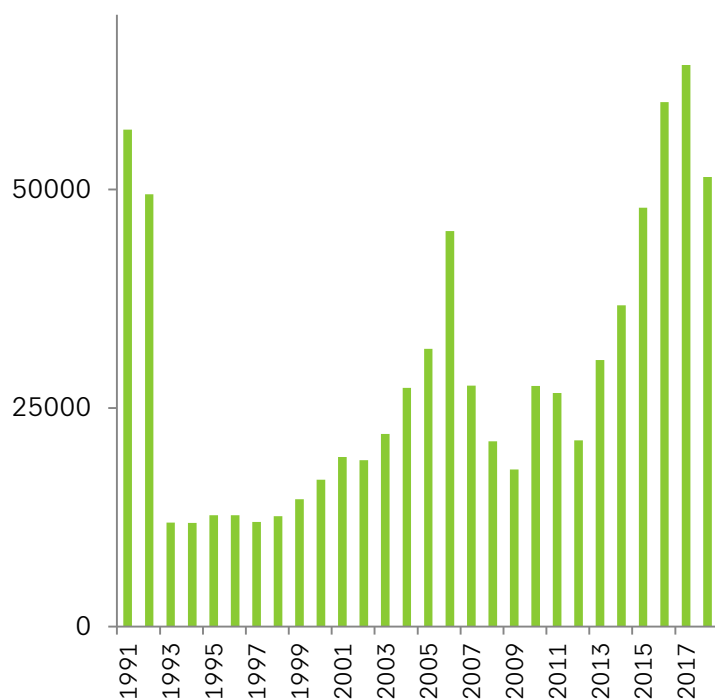
	Single family homes		Apartments	
Area	3m	12m	3m	12m
Sweden	+3.1	+1.5	+1.2	+1.3
Stockholm	+2.3	-0.1	+0.7	+1.2
Gothenburg	+4.6	+2.4	+1.9	+1.5
Malmö	+2.3	+4.5	+2.9	+4.3
HOX Sweden: +2.4% 3m, +1.4% 12m				

Svensk Mäklarstatistik – 30 March 2019, %

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

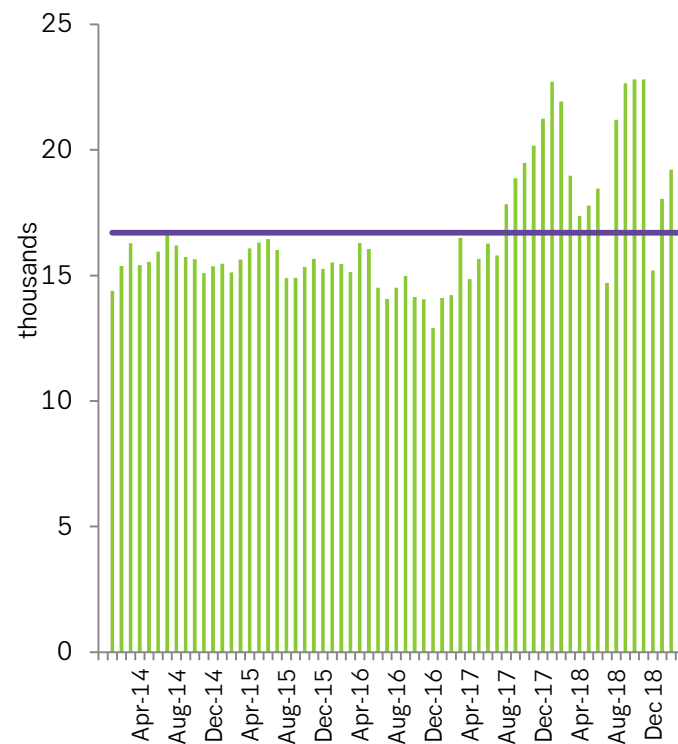
Following period of high building starts, supply is higher than normal and prices still high compared to income

Housing starts high in historic perspective



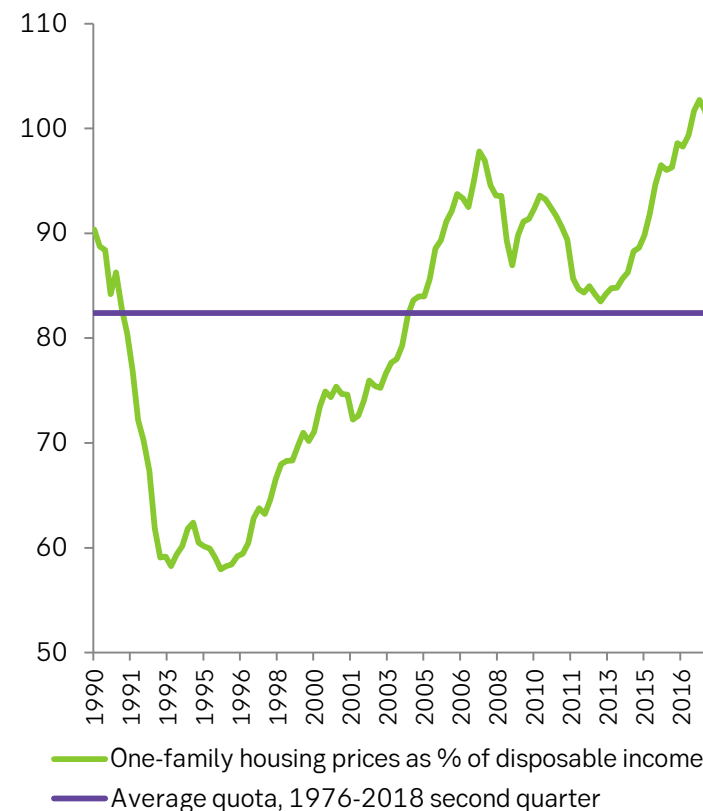
Source: SCB, Riksbanken

Higher than normal supply
Apartments for sale on Hemnet



Source: Hemnet, FI

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

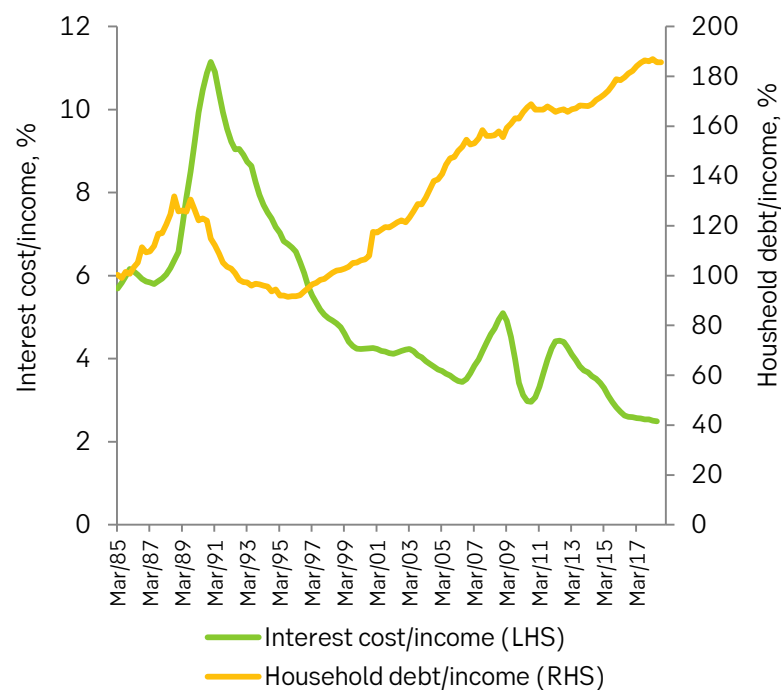


Source: FI and SCB

Sound resilience of households support housing market

Interest payments low in relation to household debt

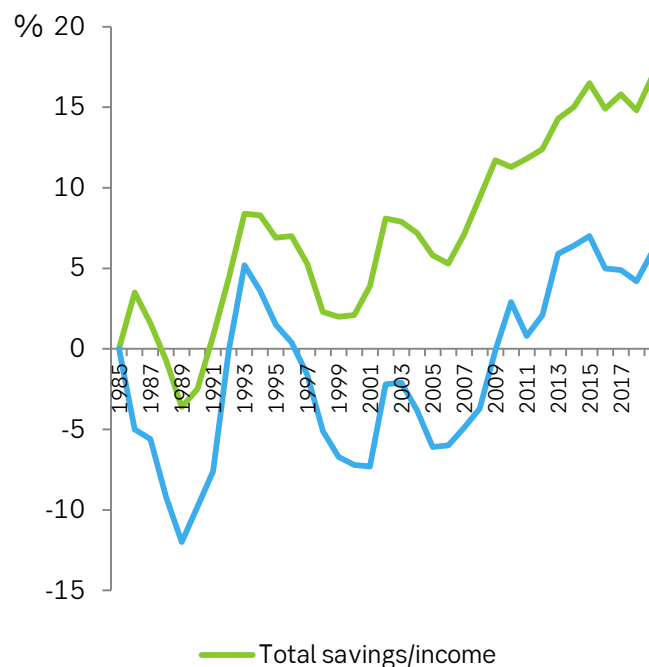
Households' interest costs and debt as % of disposable income



Source: SCB, Riksbanken

Household savings remain at high levels

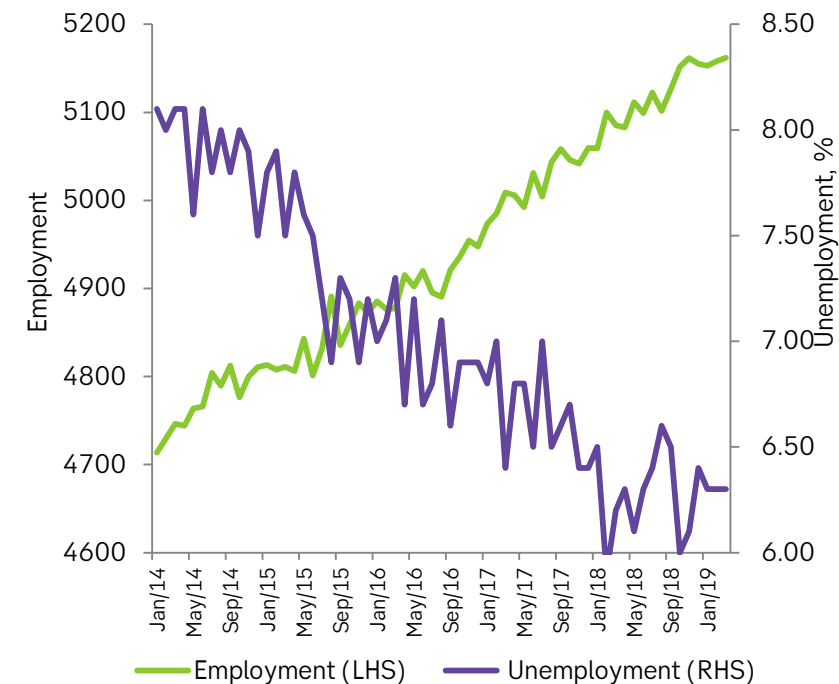
Household savings as % of disposable income



Source: SCB

Strong labour market

Employment ('000) and unemployment %



Source: SCB

Characteristics of the Swedish mortgage market

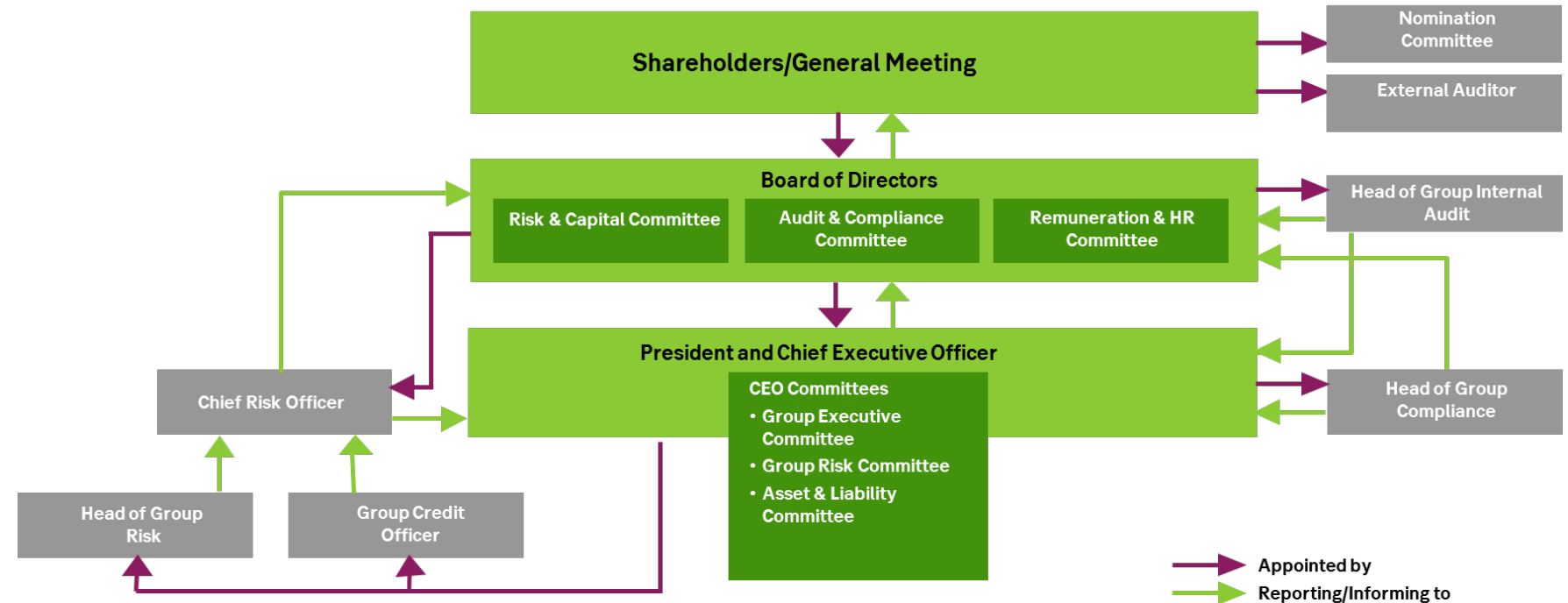
- Very restricted buy-to-let market
- No third party loan origination
- All mortgages on balance sheet (no securitisation)
- Strictly regulated rental market
- State of the art credit information (UC)
- Very limited debt forgiveness
- Strong social security and unemployment scheme
- Strong household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

Extended regulatory requirements:

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

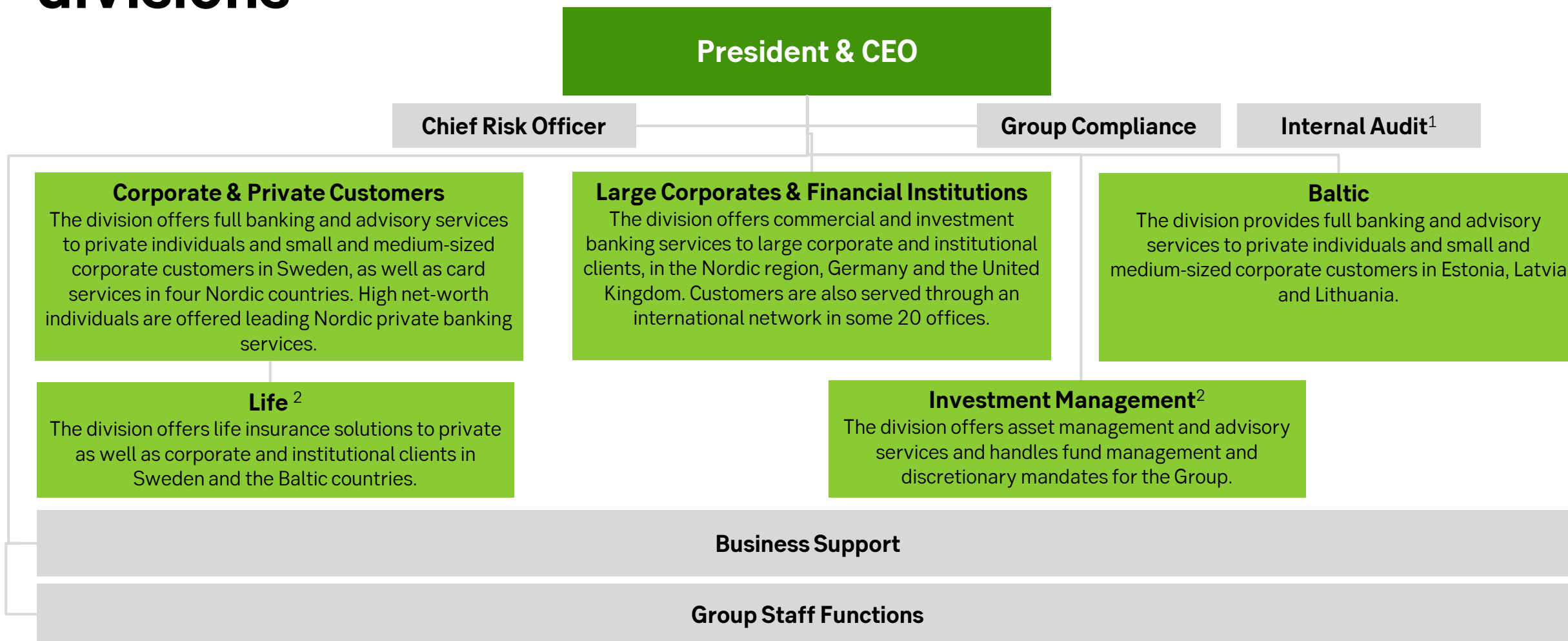
Corporate governance structure

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



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

SEB is organised in five customer-focused divisions



¹ Reports directly to SEB's Board of Directors.

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