Speaker's notes Q3 press conference

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Welcome to the presentation of our results for the third quarter of 2016. Today we present an operating profit of 5.2 billion Swedish kronor.

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Even though market conditions continued to be challenging both for our customers and for us, we saw a small increase in activity at the end of the quarter.

1. Market uncertainty after the Brexit vote continued into the third quarter, and Swedish short-term interest rates fell further.
2. Activity increased towards the end of the quarter when we saw stronger demand for loans and a better stock market climate.
3. We continue to have a strong balance sheet, and credit quality even in this quarter is very good.

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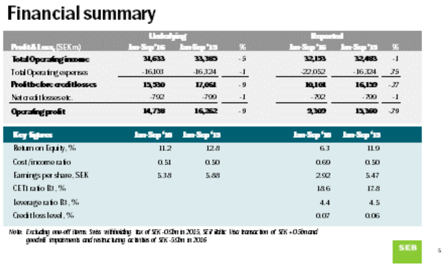
Financial summary

Profit&Loss, (SEK m)	Underlying Jan-Sep '16	Underlying Jan-Sep '15	%	Reported Jan-Sep '16	Reported Jan-Sep '15	%
Total Operating income	**34,633**	**33,385**	-5	**32,153**	**32,483**	-1
Total Operating expenses	-16,103	-16,324	-1	-22,052	-16,324	35
Profit before credit losses	**15,530**	**17,061**	-9	**10,101**	**16,159**	-37
Net credit losses etc.	-792	-799	-1	-792	-799	-1
Operating profit	**14,738**	**16,262**	-9	**9,309**	**15,360**	-39

Key figures	Jan-Sep '16	Jan-Sep '15	Jan-Sep '16	Jan-Sep '15
Return on Equity, %	11.2	12.8	6.3	11.9
Cost/income ratio	0.51	0.50	0.69	0.50
Earnings per share, SEK	5.38	5.88	2.92	5.47
CET1 ratio B3, %			18.6	17.8
leverage ratio B3, %			4.4	4.5
Credit loss level, %			0.07	0.06

Note: Excluding one-off items: Swiss withholding tax of SEK -0.9bn in 2015, SEB Baltic Visa transaction of SEK +0.5bn and goodwill impairments and restructuring activities of SEK -5.9bn in 2016

In this quarter, we had no one-off effects. To make it easier to follow our underlying results, I would like to briefly address the non-recurring effects that we have had in recent quarters.

In the second quarter of this year, we realised the **Baltic** part of Visa, 520 million, in Other income.

In the first quarter of this year, we had the write-down of goodwill after our reorganisation on the basis of customer segments and restructuring effects totalling 5.9 billion.

During the second quarter of 2015, we had the negative effect from being denied the right to deduct withholding tax of 900 million in Switzerland.

For simplicity, I will now continue presenting the results of the underlying operational result, i.e. excluding these one-off items.

In a challenging business environment, revenues declined by 9 percent compared to the first nine months of 2015. Operating expenses dropped by 1 percent and operating profit fell 9 percent compared to last year to 14.7 billion kronor.

Return on equity came to 11.2 percent and our Common Equity Tier I capital ratio was 18.6 percent (17.8 percent a year ago).

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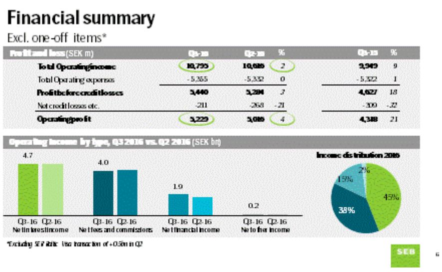

If we look at the third quarter alone, revenues increased by 2 percent versus the second quarter of this year, costs were unchanged and operating profit increased by 4 percent. Return on equity was 12.3 percent for the quarter alone. In other words, a good summer quarter.

I will now briefly comment on the different lines items...

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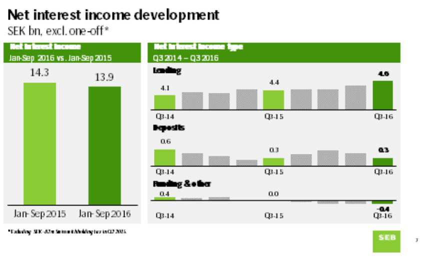

Net interest income decreased 2 percent compared with the first nine months of last year but was unchanged from the second quarter of this year.

Even customer-driven net interest income was unchanged from the previous quarter. Currency-adjusted lending volume increased in all our customer segments by a total of 28 billion in the third quarter, despite large corporate investment-driven loan demand remaining low. In addition, we had support from slightly better lending margins.

The positive effects within lending were offset by the negative repo rate and that STIBOR dropped further in the quarter (down 8bps in Q3), which puts pressure on deposit margins and Treasury's net interest income. Non-customer driven net interest income weakened slightly further quarter-on-quarter (-394m vs. -375m).

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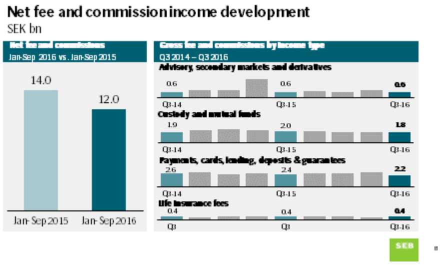

Net fee and commission income fell by 14 percent for the first nine months and 1 percent against the previous quarter.

The reason is primarily that both stock prices and business activity are lower this year compared to the first nine months of 2015. In addition, our revenue from so-called stock lending operations has declined, as we have adapted to the new liquidity and capital regulations.

The positive stock market climate in the third quarter increased managed asset volumes in the quarter. Commissions from payments and cards also increased compared with the second quarter.

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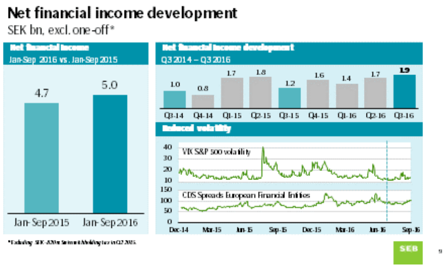

The underlying net result of financial transactions increased by 6 percent compared with the first nine months of last year. The increase would have been greater when adjusted for market valuations that we had working against us this year. In the first nine months of last year, we had positive market valuation effects of 482 million kronor, and the corresponding period this year was negative by 442 million. The difference is just over 900 million. Compared with the previous quarter, the effects were more than 100 million better, even if they remained negative in the quarter.

The result rose 11 percent against the second quarter of 2016. The quarter was characterised by higher activity in the aftermath of Brexit, which meant that customers were active on the fixed-income and foreign-exchange side.

As we said in the last two quarters, our strong net financial income is proof that our customer-driven business model shows good results in shaky markets, even when those shaky markets often lead to lower corporate activity (investment and M&A) which affects commissions negatively.

This is a clear example of the importance of our well-diversified business mix.

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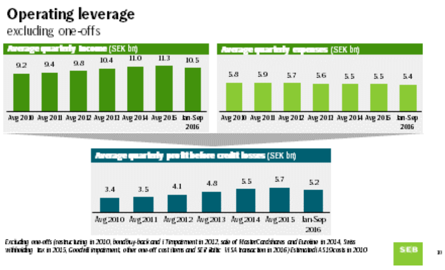

The first nine months of our new three-year plan has been challenging, as market conditions have changed. We are closely following international developments and how our customers are acting.

We have for many years worked to reduce underlying costs. And we do this while also investing around 2 billion per year in pure IT development. And as I said earlier, this has been held under our cost ceiling. I will show some examples of this a little later on.

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I will now briefly comment on the divisions.

If we look at **Large Corporate & Financial Institutions**, the result is down by 18 percent excluding one-off effects compared with the first nine months of last year. A major reason for this is the negative market valuations I mentioned earlier.

Customer demand for risk management services has been strong in all asset classes. The number of business transactions has been few, and credit demand has been held back by uncertainty. However, we now see an increase in lending demand in the third quarter, driven by a number of major transactions. Currency-adjusted lending increased by 19 billion in the quarter.

Apart from the higher activity after Brexit, activities within financial institutions have been rather low.

The result for the third quarter amounted to 2.1 billion kronor, which was 9 percent lower than the second quarter of this year. Credit quality remains very good.

The division **Corporate & Private Customers** in Sweden is adversely affected by the negative interest rates as well as the new regulation on interchange fees on the credit card side. Operating profit drops by 2 percent versus the first nine months of last year but is up 1 percent from the previous quarter. Even here, credit quality is good.

On the corporate side, we continue to see that both the number of customers and loan volumes increase. I will come back to this in a moment.

Since last summer, we have grown more slowly in mortgages. Currently, we are growing by a bit more than 2 percent annually versus 8 percent for the market as a whole.

Looking at the savings area, we see that customers selected more strategy and equity funds again. In Private Banking, we continue to attract net new inflows of capital, 25 billion so far this year.

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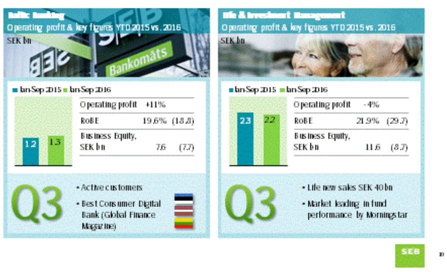

Baltics show a better result versus last year, increasing by 11 percent, and we are seeing a continued increase in customer activity and loan demand – now in all three countries and for both businesses and individuals. Baltic companies have been able to mitigate the impact of Russian sanctions. Credit quality remained strong.

Life & Investment Management reports slightly lower earnings, down 4 percent against the first nine months of 2015. Here, the stock market downturn during the year hits asset values, and both base commissions and performance-based revenues decreased (*amounting to only 21 million kronor in the quarter, or 63m vs. 568m Jan- Sept*). Stockholm's stock exchange turned upwards again during this quarter, which helped the assets under management.

During the quarter, we won a couple of major institutional mandates. Our fund rating from Morningstar has continued to improve, and we maintain our leading position among the major players.

Life business performance increases. We are the only bank with a complete savings offering, which is appreciated by customers. For us, it was a therefore significant to now even be a selectable option within traditional insurance in the SAF/LO agreement on the occupational pension side. In total, weighted new sales in Life amounted to 40 billion in 2016 - here we are building future value.

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When we presented the new business plan, two important elements were "Growth" and "Transformation".

We are clear about our ambitions in Sweden. We want to grow here. We continue to strengthen our position as *the* corporate bank in Sweden. The Large Corporates side retains its leading position and our market share in the small and medium-sized enterprises now amounts to 15 percent, or an increase of 0.4 percentage points during 2016. We also see that lending among small and medium-sized enterprises is now taking off. We have increased corporate lending by 11 percent during the year and for properties by 10 percent, while the market has grown around 4 percent in both these segments. In other words - we are active and funding major infrastructure investments in Sweden, just as we said we would.

The Savings area is another important growth area. If we look at the entire insurance market, we continue to improve our position. We are now the fourth largest in Sweden with our total market share of over 9 percent, up around 1.5

percentage points in one year. We are the only bank in the top layer in that we also offer traditional insurance. The pension market, or the need for long-term savings, is important not least in light of demographic trends in society.

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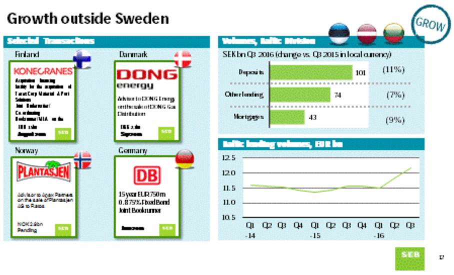

If we look then at another growth area - growth outside of Sweden - we are growing in all other Nordic countries. We have participated in a number of major transactions. You can see some of these in the slide.

We also continue to grow in the Baltic countries. We attract more and more deposits in the Baltics – an increase of 11 percent in local currencies in one year. We have strong and controlled loan growth in both mortgages and other lending of 9 and 7 percent, respectively, in all three countries, albeit slightly lower in Latvia.

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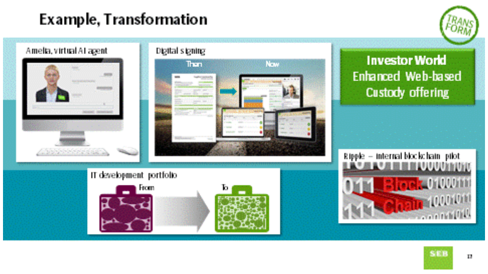

In addition to growth, the new business plan focuses on transformation for three main components: customer experience and service, skills development, as well as digitisation and automation, even for our internal processes.

This year, we have completed a number of major IT investments worth about 2.5 billion kronor over the past four years to further lift our customer delivery. As I have said earlier, we try to go away from making very large IT projects which create complexity, and instead work agile and make smaller launches more frequently and faster. This will now be able to accelerate further when these large projects are finally implemented.

This applies, for example, to an entirely new custody platform, Investor World, in collaboration with BBH. I have previously likened this to whether we should be the rails or the train. Here, we will be the trains, i.e. we purchase BBH's leading technical platform but SEB provides the interface to the customer. In this way, we can offer world-leading functionality – an investment that no Nordic bank could recoup on its own.

Other examples are a completely new fund management system, a brand new FX risk management system, and a brand new Private Banking platform in Norway. We also have several examples of this transformation within pension and insurance. Previously, we have launched digital information gathering, a current-status analysis with "Trygghetsplaneren" (a financial security planner), and web-based advisory services with screen-sharing. Also coming soon is digital signatures, which means that we will be first to market with a fully digitised advisory process on the pension side.

We also tested blockchain technology on internal transfers via a service called Ripple, and just the other week we launched our first employee, Amelia, that is based on Artificial Intelligence.

Digitisation is really starting to take shape, and it opens up new ways to enhance the customer experience.

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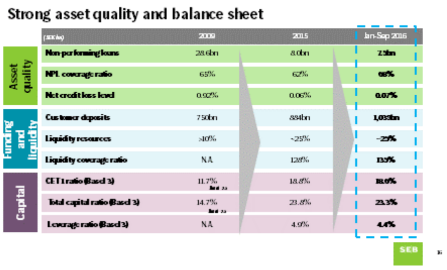

If we go over to the balance sheet, it has been further strengthened during the quarter.

Credit quality remains very good and the loan loss ratio is 7 basis points for the first nine months.

We still have around a quarter of our balance sheet in cash reserves.

Our Common Equity Tier I capital ratio was 18.6 percent compared with 17.8 percent a year ago and 18.7 percent last quarter. The ratio decreases slightly between quarters due mainly to risk-weighted assets having gone up in the quarter – credit volumes grew partly because the Swedish krona has weakened against the euro and the US dollar.

If we calculate in the same way as the Swedish FSA calculates, our capital requirement totalled 16.1 percent in Q3. On top of this, we can add 0.8 percentage points for changes in the maturity limit (0.4 points) and business risk weights (0.4 points), which means that we end up at 16.9 percent at the end of Q3. In addition, we have our management buffer of around 1.5 percentage points, which brings us to 18.4%. One strength we want to have to be able to support our customers in the best way.

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So, to round up before taking questions:

Customer expectations and behaviour is changing rapidly. Our starting point is to always have relevant products and services for our customers. We want satisfied customers who believe we are creating value for them.

In the current operating environment, the need for resilience and for a well-diversified business mix increase. We have that resilience and are well-positioned to support our customers.

With this, I now open the floor for questions...