

Telephone Conference Q3 2018

Johan Torgeby, President & CEO

Highlights YTD 2018

- **Solid result** despite seasonal slowdown
- Healthy **corporate activity** continued in Q3
- Strong **capital** position, robust **asset quality** & good **cost control**

Financial summary Q3 2018

SEK m	Q3 2018	Q2 2018	%	Q3 2017	%
Total operating income	11,433	11,903	-4	11,144	3
Total operating expenses	-5,421	-5,527	-2	-5,423	0
Profit before credit losses	6,012	6,376	-6	5,721	5
Expected credit losses etc.	-425	-208	104	-338	26
Operating profit before IAC	5,587	6,167	-9	5,383	4
IAC		4,506			
Operating profit	5,587	10,674	-48	5,383	4

Net ECL level

8bps

C/I

0.47

CET 1

19.7 %

RoE ¹

13.2%

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

Financial summary YTD 2018

SEK m	2018 January- September	2017 January-September	%
Total operating income	34,123	33,714	1
Total operating expenses	-16,379	-16,331	0
Profit before credit losses	17,745	17,383	2
Expected credit losses etc.	-734	-829	-11
Operating profit before IAC	17,011	16,554	3
IAC	4,506		
Operating profit	21,517	16,554	30

Net ECL level

5bps

C/I

0.48

CET 1

19.7 %

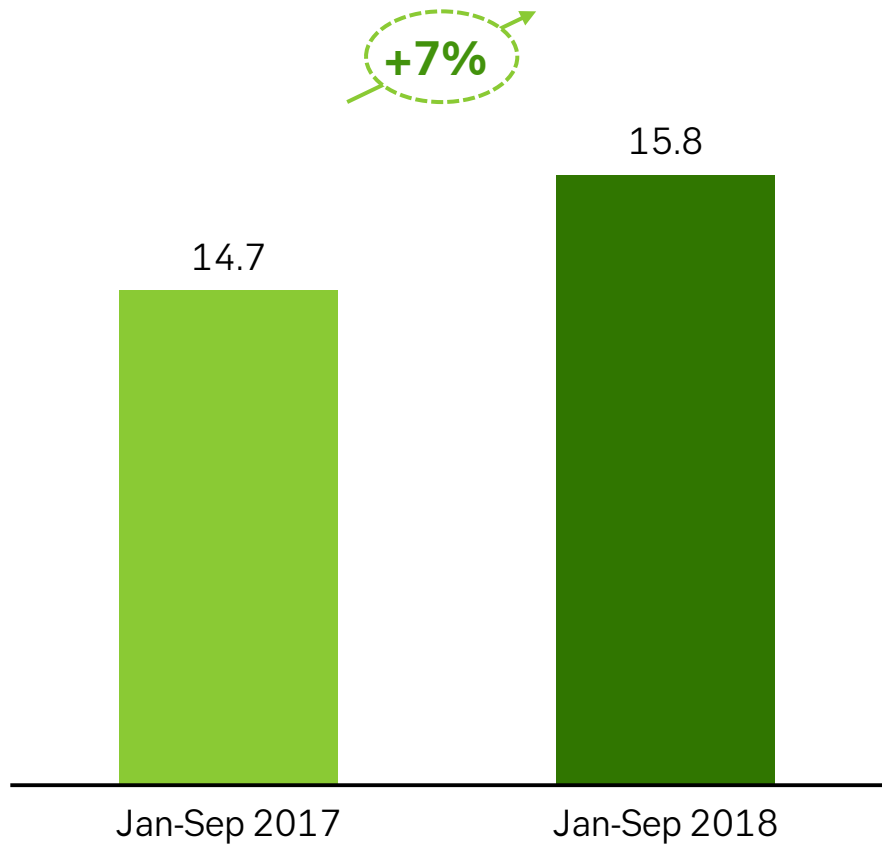
RoE ¹

13.6%

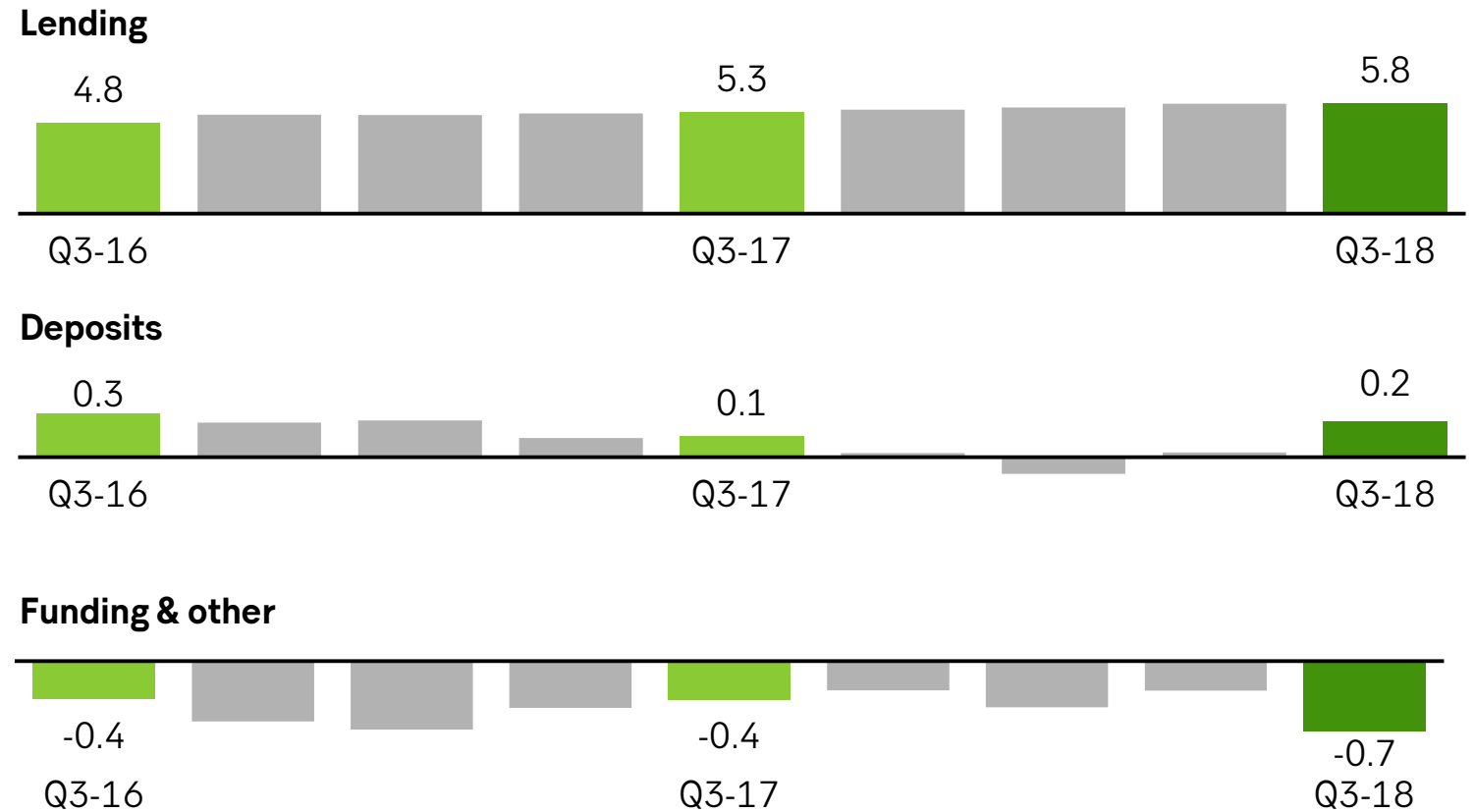
¹ Before IAC; RoE after IAC at 17.8 per cent.

Net interest income development

Net interest income (SEK bn)
Jan-Sep 2018 vs. Jan-Sep 2017

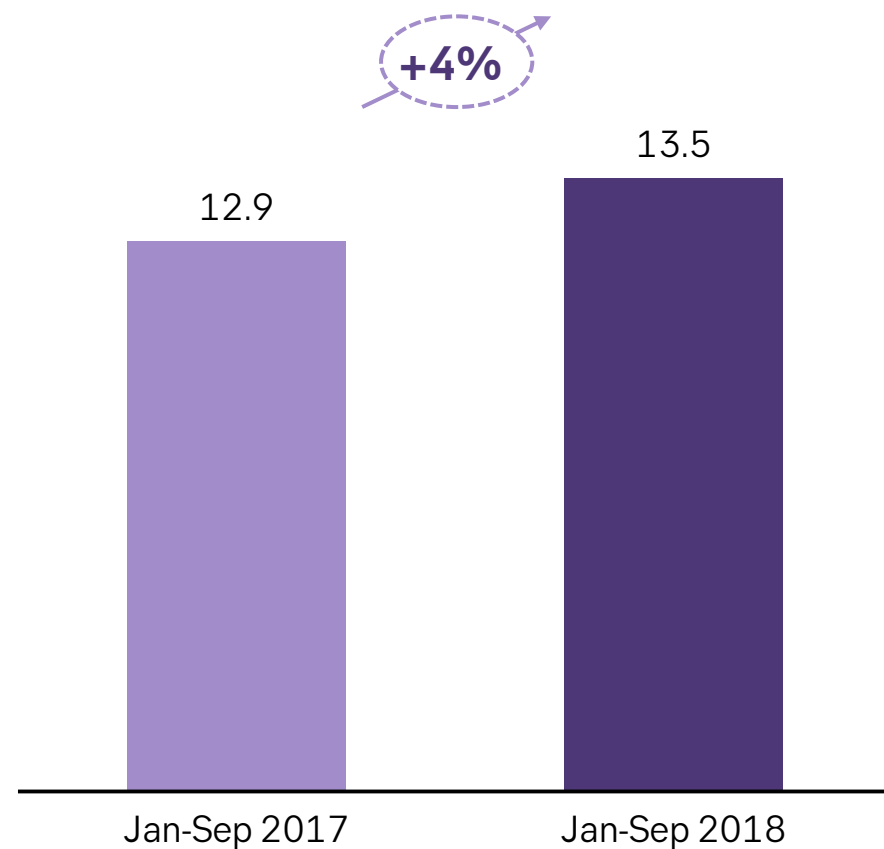


Net interest income type (SEK bn)
Q3 2016 – Q3 2018



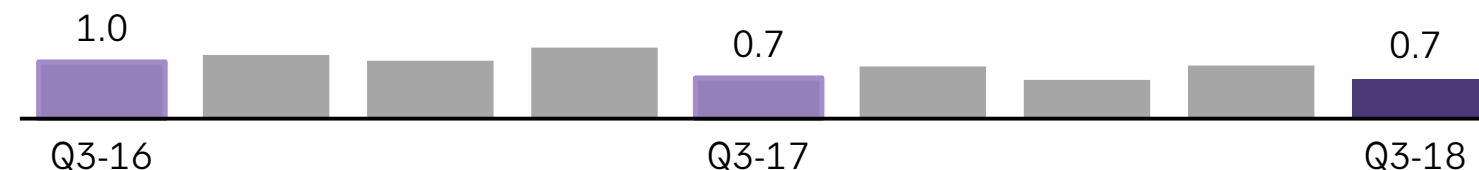
Net fee & commission income development

Net fee & commissions (SEK bn)
Jan-Sep 2018 vs. Jan-Sep 2017

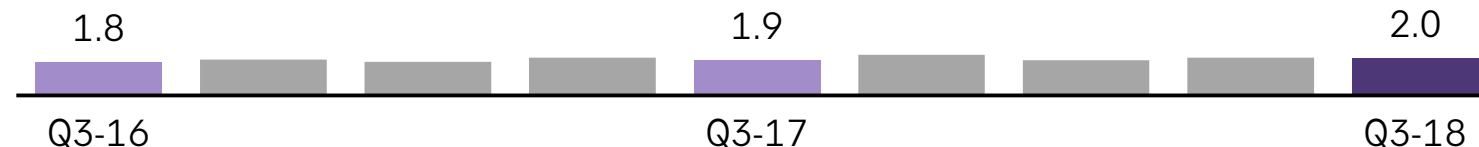


Gross fee & commissions by income type (SEK bn)
Q3 2016 – Q3 2018

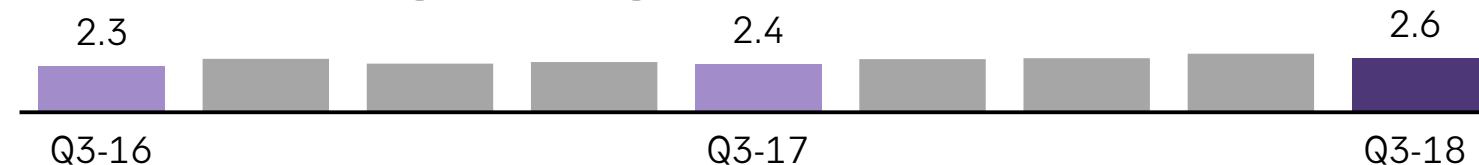
Advisory, secondary markets & derivatives



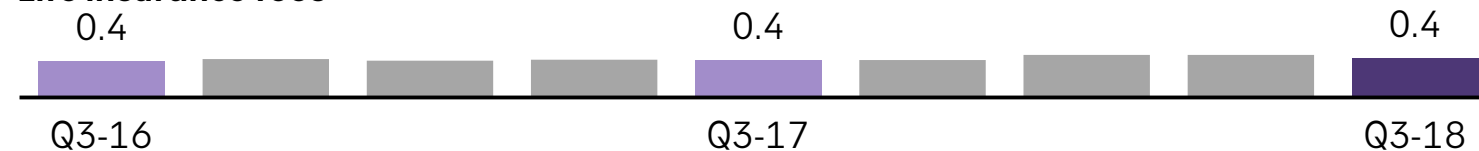
Custody & mutual funds



Payments, cards, lending, deposits & guarantees

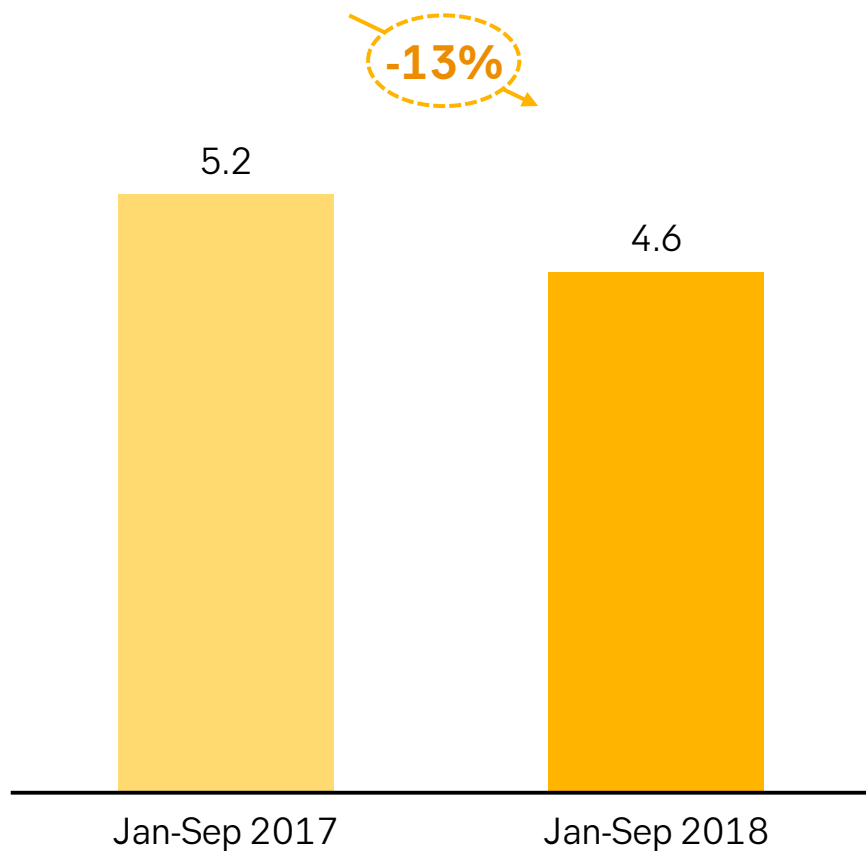


Life insurance fees

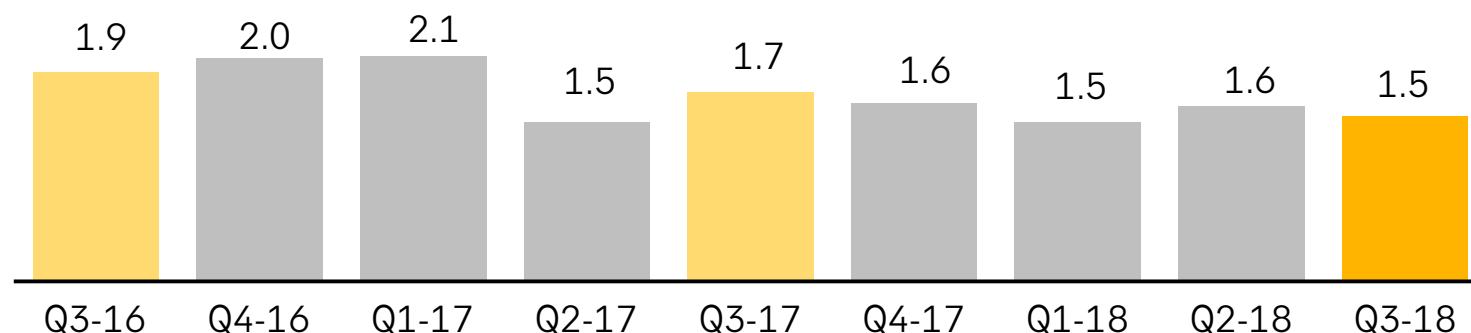


Net financial income development

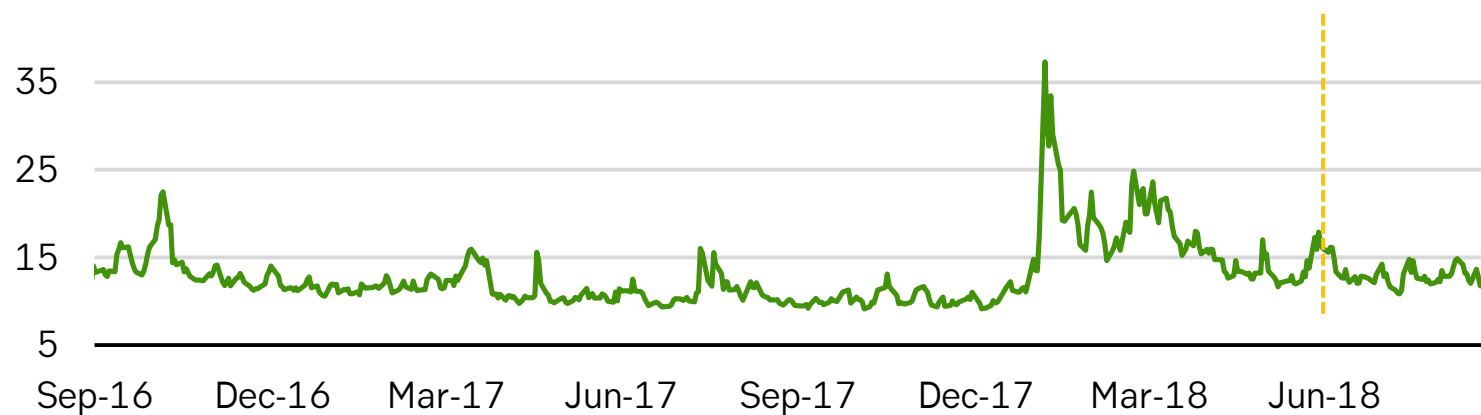
Net financial income (SEK bn)
Jan-Sep 2018 vs. Jan-Sep 2017



Net financial income development (SEK bn)
Q3 2016 – Q3 2018

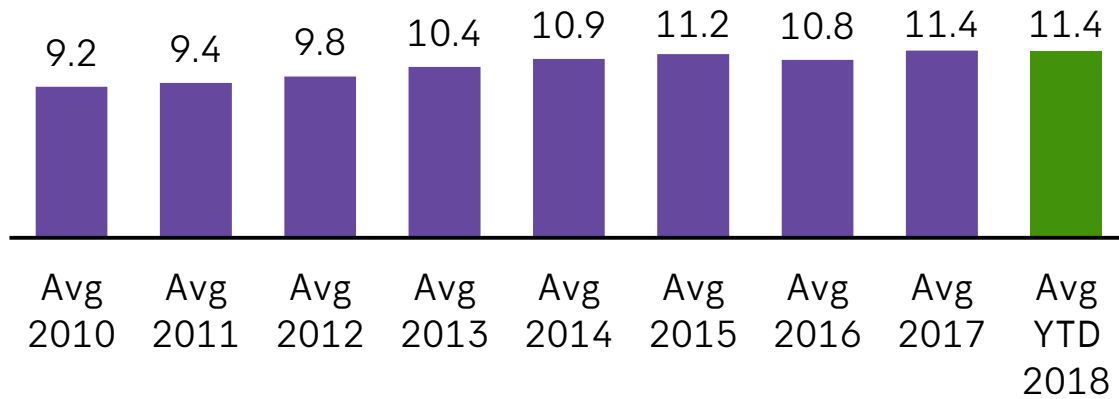


VIX index (VIX S&P 500 volatility)

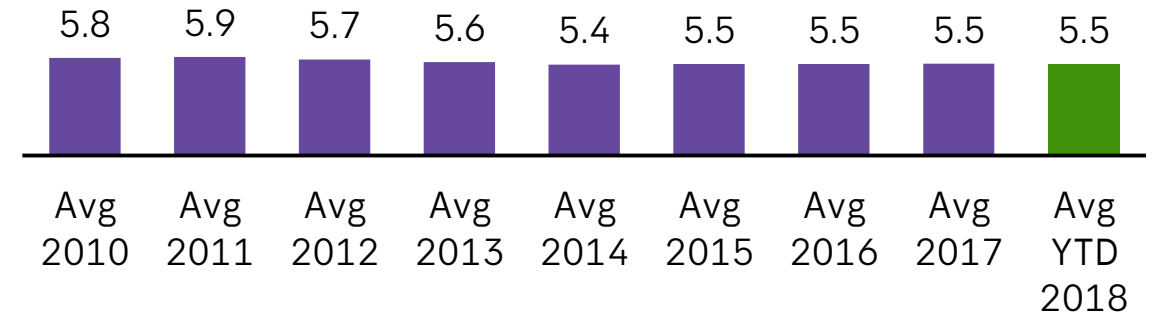


Operating leverage

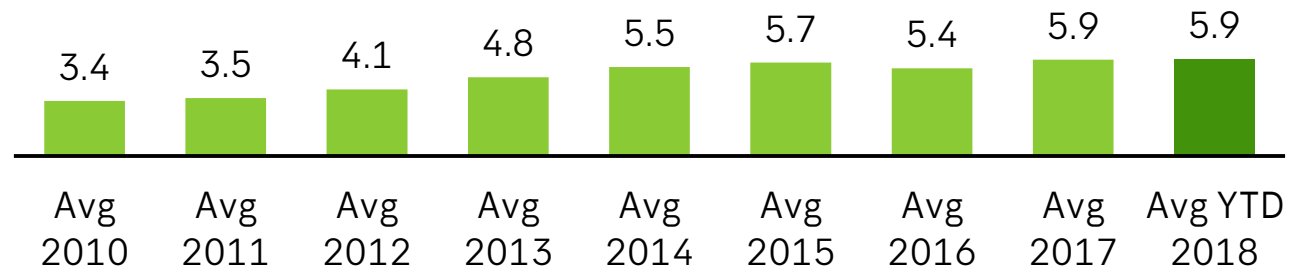
Average quarterly income (SEK bn)



Average quarterly expenses (SEK bn)



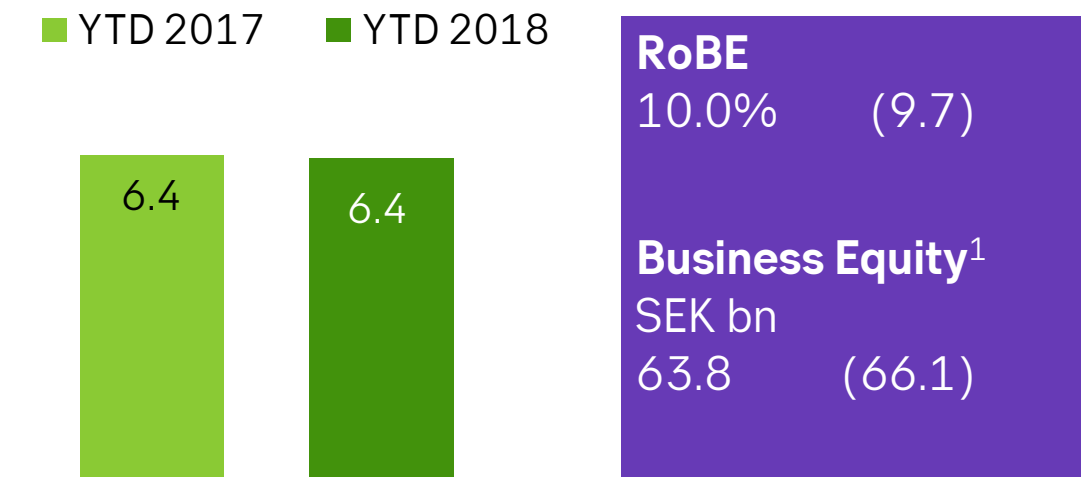
Average quarterly profit before credit losses (SEK bn)



Large Corporates & Financial Institutions

Operating profit & key figures

SEK bn

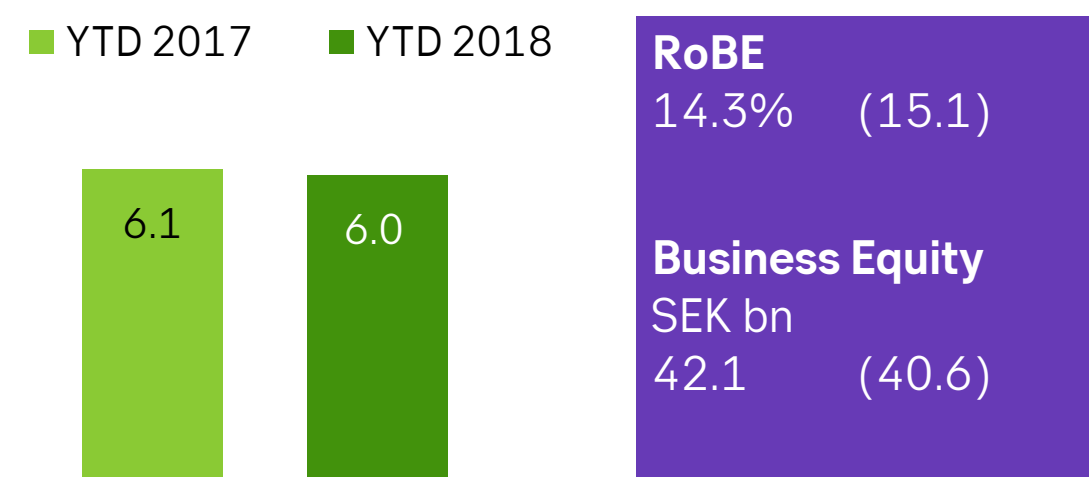


- Solid activity in the Large Corporate segment
- Strong performance in payments area
- Continued soft performance in Markets business

Corporate & Private Customers

Operating profit & key figures

SEK bn



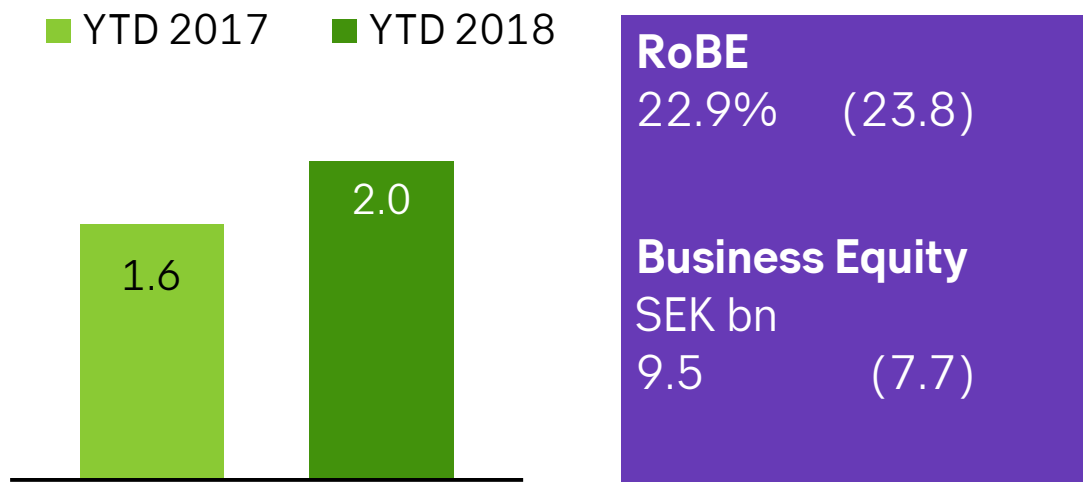
- Strong growth in corporate lending
- Modest growth in household mortgage lending
- 5,600 net new SME customers since year-end

¹ SAM portfolio & pension risk moved from LC&FI to Other in Q1 2018, BE 1.8bn & 1.4bn respectively.

Baltic Banking

Operating profit & key figures

SEK bn

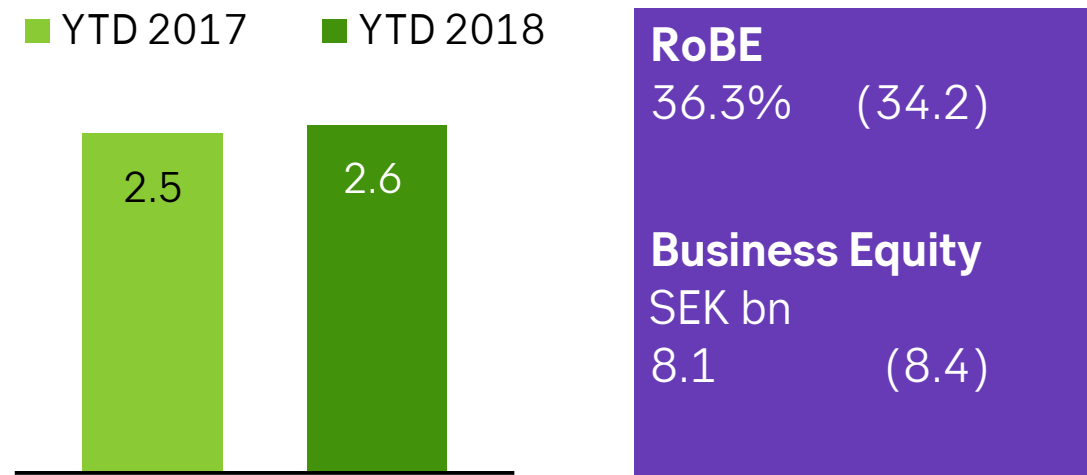


- Continued corporate and household lending growth in all countries
- Increased focus on Baltic venture capital investments

Life & Investment Management

Operating profit & key figures

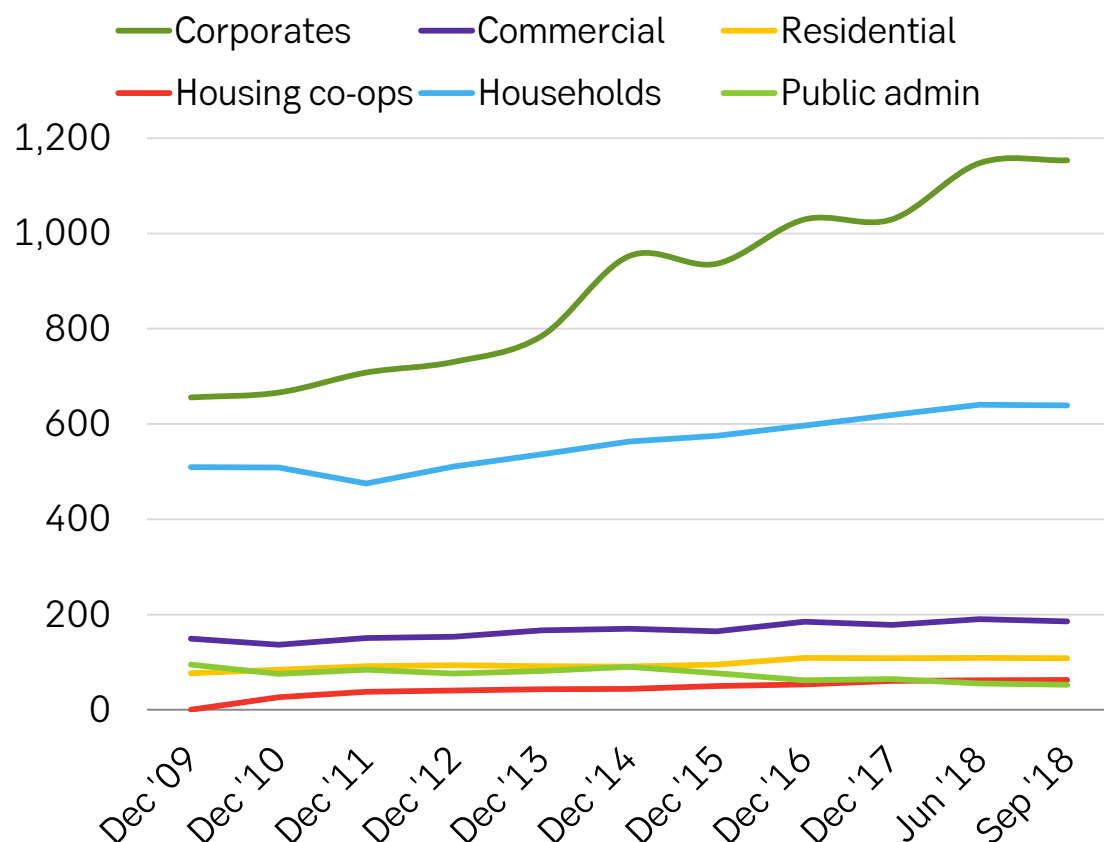
SEK bn



- Net new inflow in AuM of SEK 47bn
- Relatively strong interest from institutions and Private Banking customers
- Strong equity markets supportive

Stable development of credit portfolio

Credit portfolio by sector (SEK bn)



Credit portfolio growth rates

Sector	QoQ	YoY	YTD
Corporates	1%	14%	12%
<i>FX-adjusted</i>	2%	8%	7%
Households	0%	2%	3%
<i>Swedish mortgages</i>	0%	1%	2%
Commercial real estate	-2%	4%	4%
Residential real estate	-1%	1%	0%
Housing co-ops	2%	4%	3%
Public administration	-4%	-4%	-18%

Strong asset quality & balance sheet

	SEK bn	2009	2017	YTD 2018
Asset quality	Net expected credit loss level¹	0.92%	0.05%	0.05%
Funding & liquidity	Customer deposits (SEK)	750bn	1,026bn	1,203bn
	Liquidity coverage ratio¹	N/A	145%	129%
Capital	CET 1 ratio (Basel 3)	11.7%	19.4%	19.7%
	CET1 buffer above requirement	N/A	220bps	310bps
	Total capital ratio (Basel 3)	14.7% ²	24.2%	25.0%
	Leverage ratio (Basel 3)	N/A ²	5.2%	4.8%

¹ According to valid regulations for respective period; ² Basel 2.5.

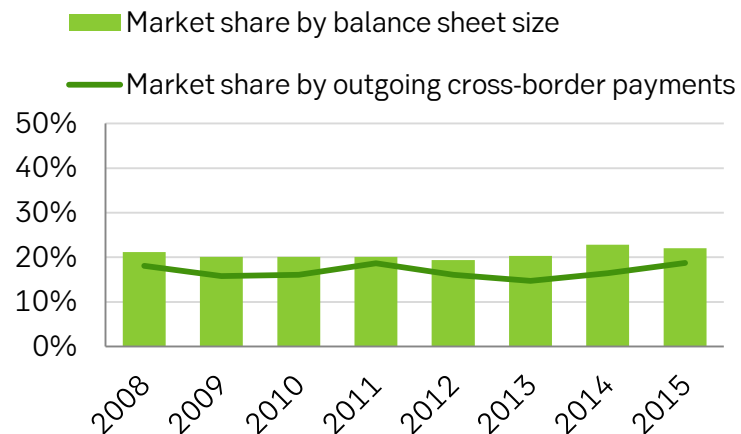
Recent events



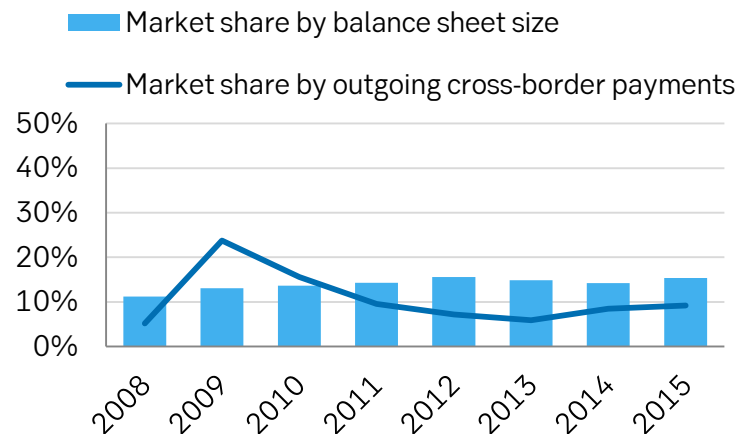
Outgoing cross-border payments in Estonia

Official data published by Estonian central bank

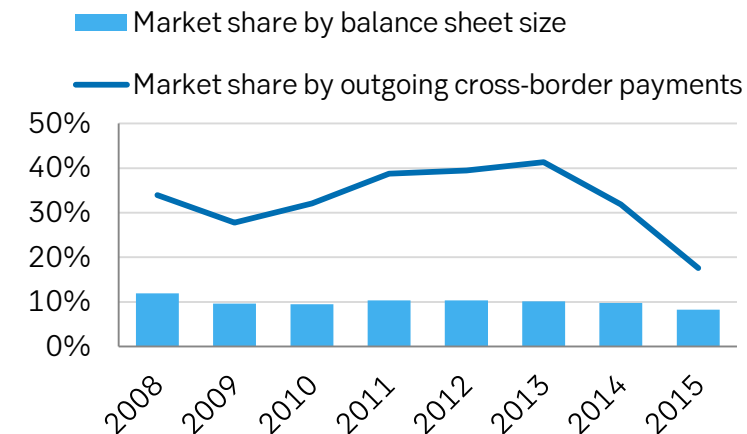
SEB



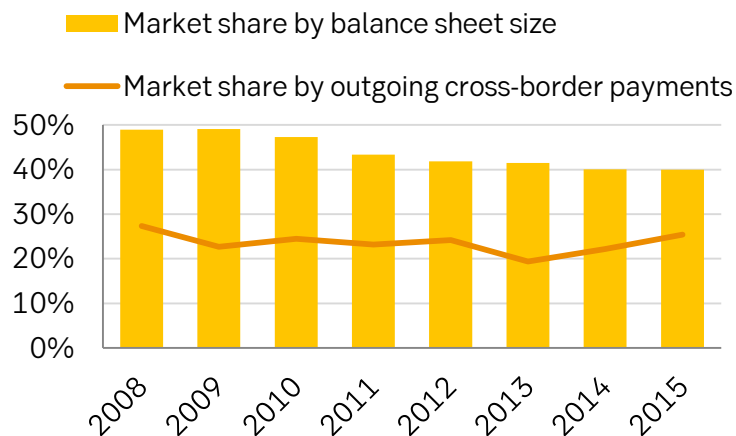
Nordea



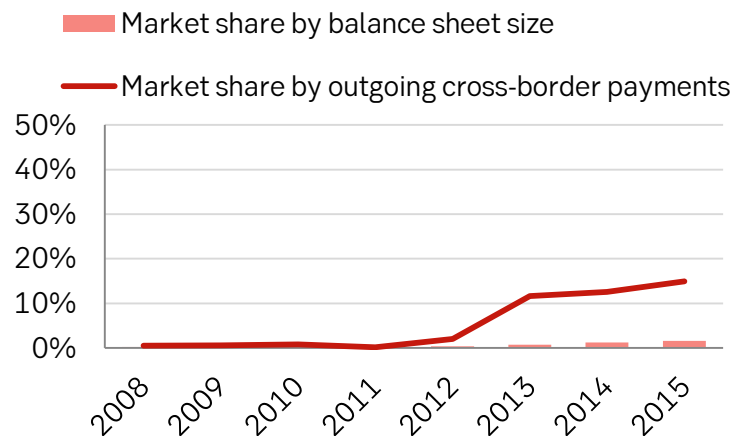
Danske



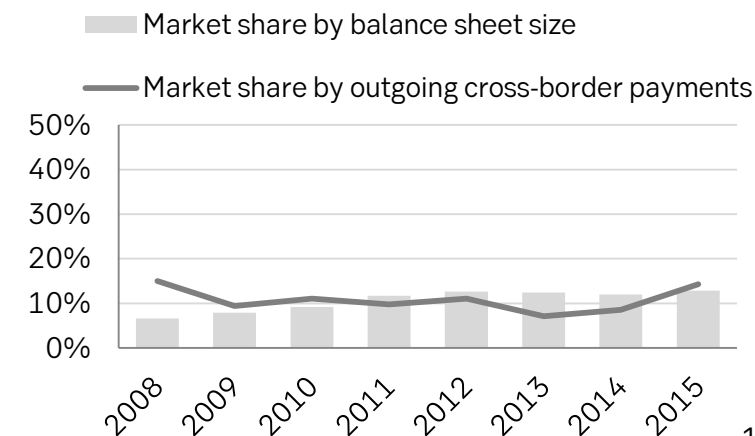
Swedbank



Versobank



Other



Fundamental & systematic approach to anti-money laundering

Business model
based on long-term
local customer relationships

Same routines, systems
& requirements
applied **across geographies**

Strives to continuously improve
ability to detect & prevent
money laundering

Culture **complements processes**
of preventing fraudulent behavior

Cross geography approach key to
manage global customer behavior


Continuous
internal & external **reviews**

Annual mandatory trainings
for all employees

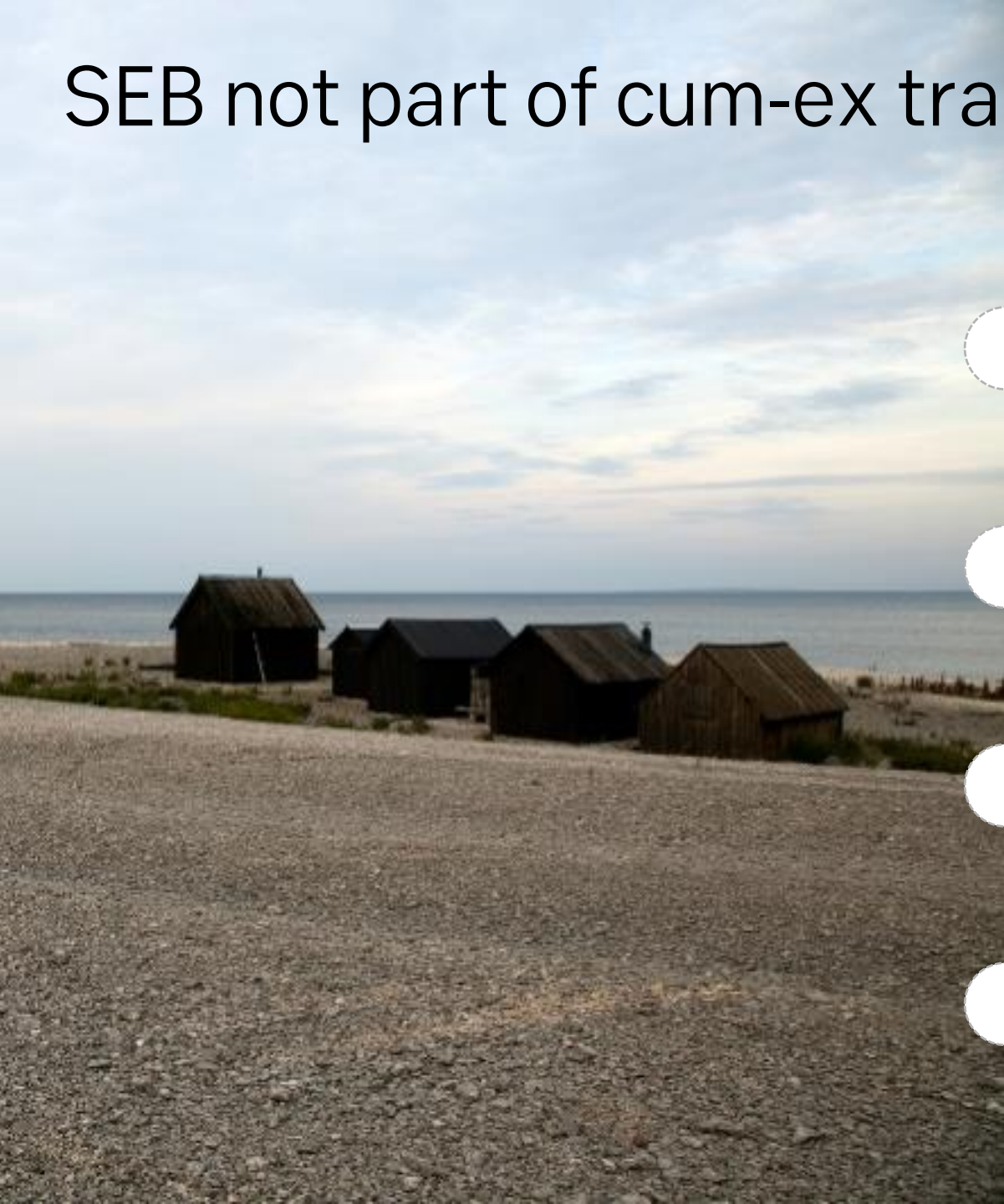
Dedicated centralized **AML & KYC**
Office with global responsibility

Leveraging **new technologies**,
e.g. data science tools

SEB's securities lending business

- 
- The left side of the slide features a vertical landscape photograph. It shows a calm body of water reflecting a large, dark rock formation in the foreground. In the distance, there are more rocks and a hazy horizon under a soft, warm sky, suggesting a sunset or sunrise. The foreground is filled with dark, jagged rocks and some dry, golden-brown grass.
- SEB provides securities loans to customers, mainly financial institutions; it is an established and necessary part of the financial market
 - Customers use securities loans for a variety of reasons, e.g. to increase returns, assume short positions or for financing
 - Securities lending conducted in line with applicable legislation, regulations, market practices and in full transparency
 - Securities lending conducted in line with internal policies; for all transactions where we as a bank may receive a dividend, there must be a genuine business purpose for the transaction unrelated to tax

SEB not part of cum-ex transactions



- SEB has not offered or financed transactions in Germany for the purpose of reclaiming unpaid taxes
- Continuous internal in-depth review of securities lending business in Germany; no indications of SEB assisting in reclaiming unpaid taxes
- Former executive of SEB in Germany currently being investigated; no criminal suspicions directed against SEB
- SEB fully collaborates with German authorities; if SEB policies have been breached, consequences will follow

Highlights YTD 2018

- **Solid result** despite seasonal slowdown
- Healthy **corporate activity** continued in Q3
- Strong **capital** position, robust **asset quality** & good **cost control**

The journey towards...

...**world-class service**
to our customers
continues

