



January – June 2014

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

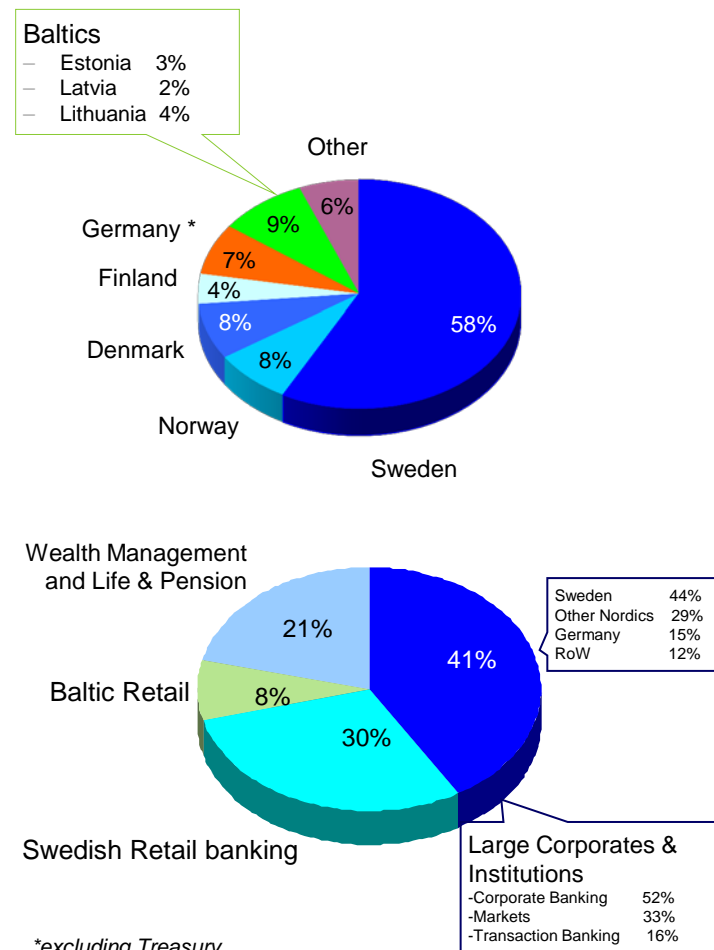
Jun 2014

- **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 1,605bn under management
 - Largest Nordic custodian with SEK 6,161bn 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: The leading unit-linked life business with approx. 17% of the Swedish market (premium income) and approx. 8% 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 Jun 2014

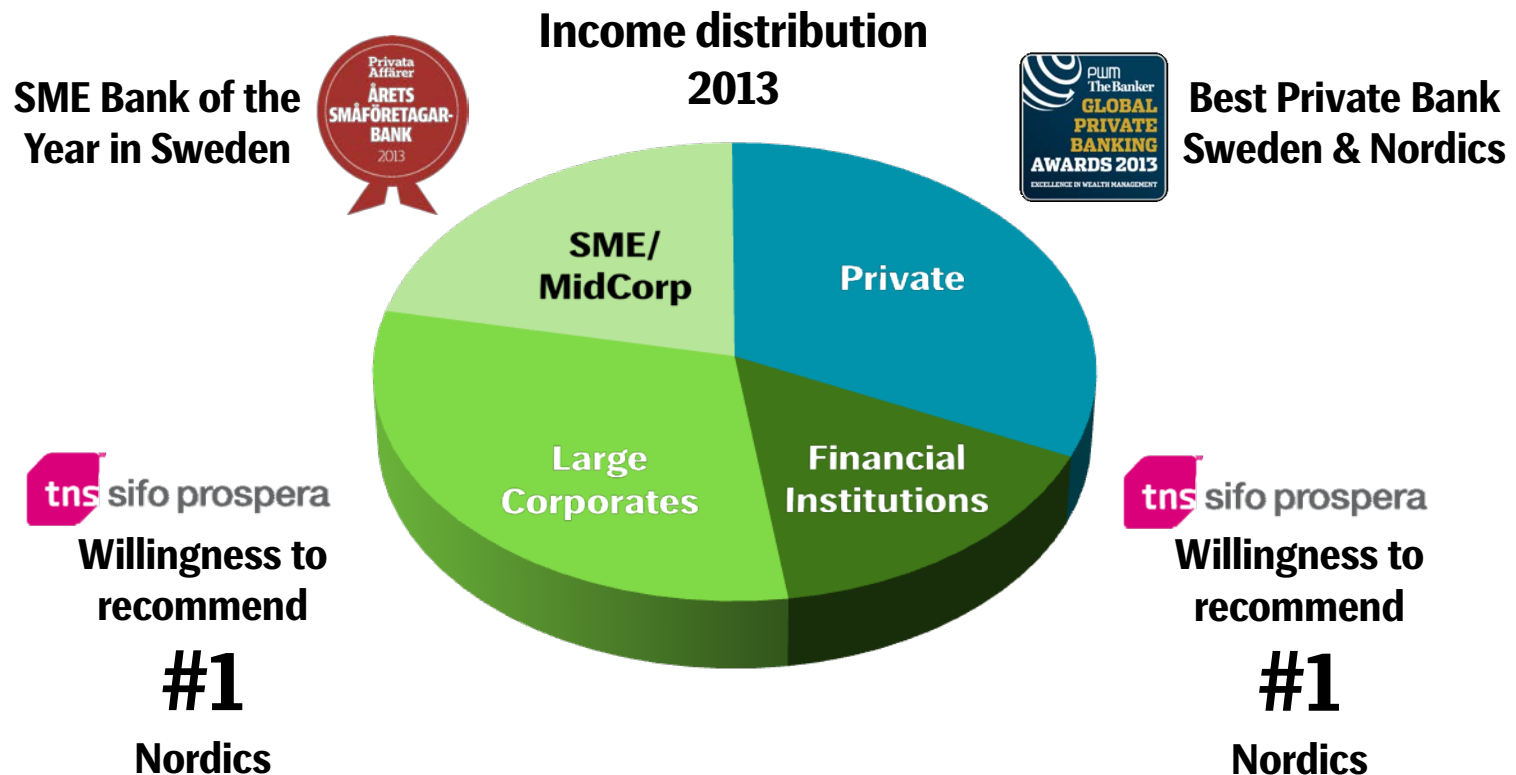


*excluding Treasury

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

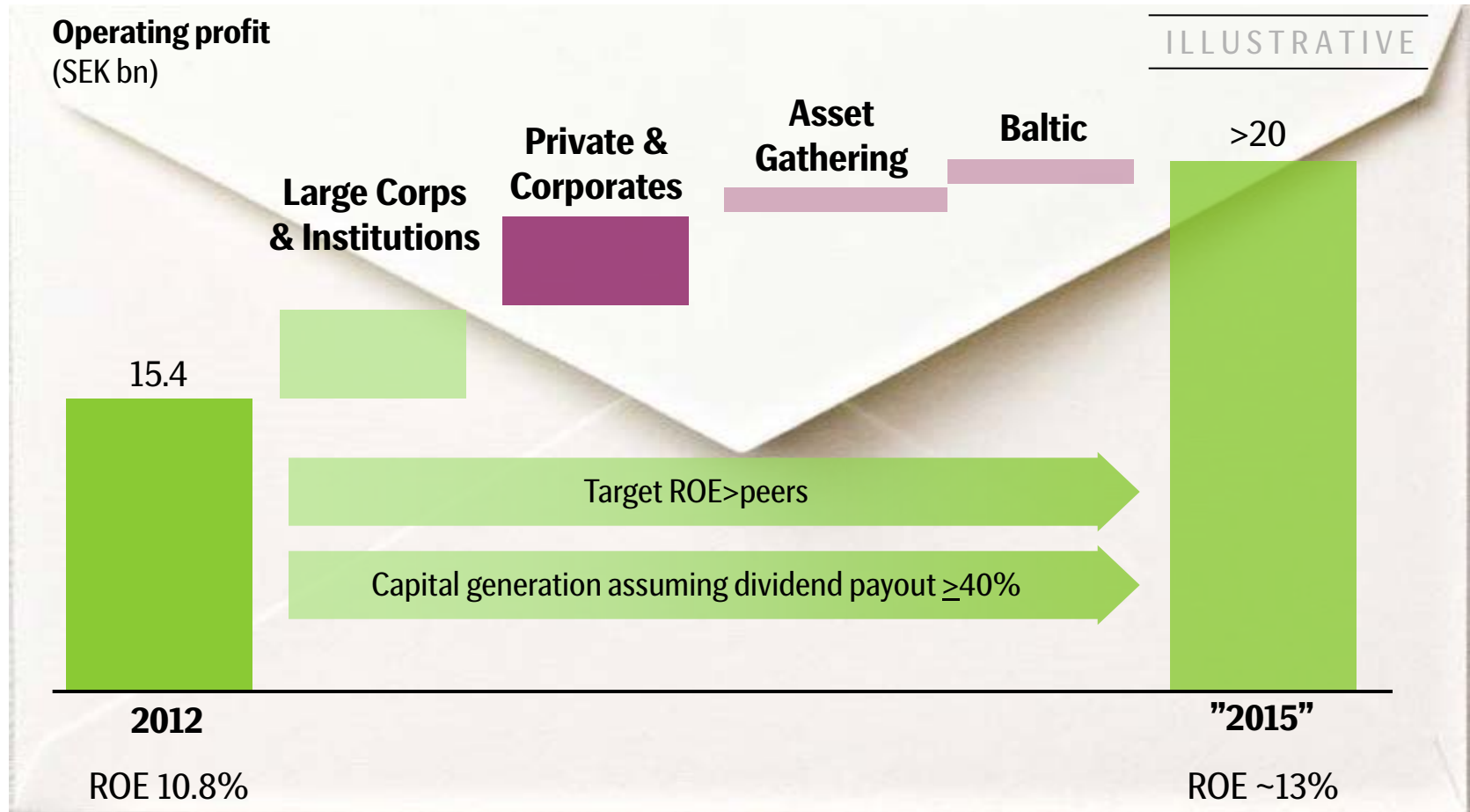
- Accessibility
- Balance sheet strength
- Full-service bank

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

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

Back-of-the-envelope calculation for competitive ROE

presented in connection with the annual accounts 2012

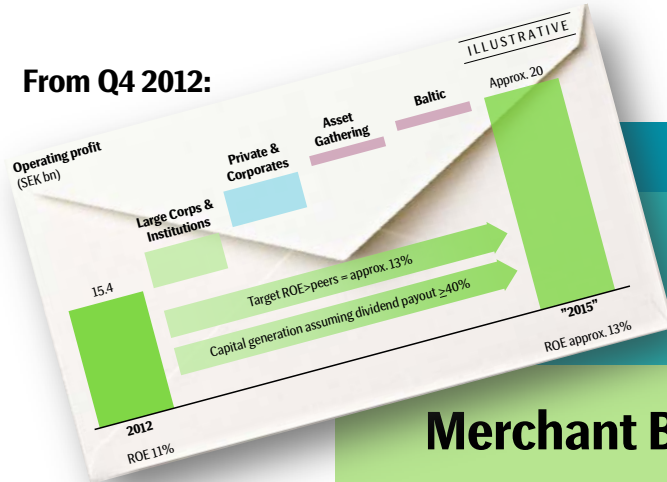


Actions to raise divisional performance



Income growth in line with communicated target

From Q4 2012:



	Growth target 2012-15			Actual growth 2013
	3 years	Each year		
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%

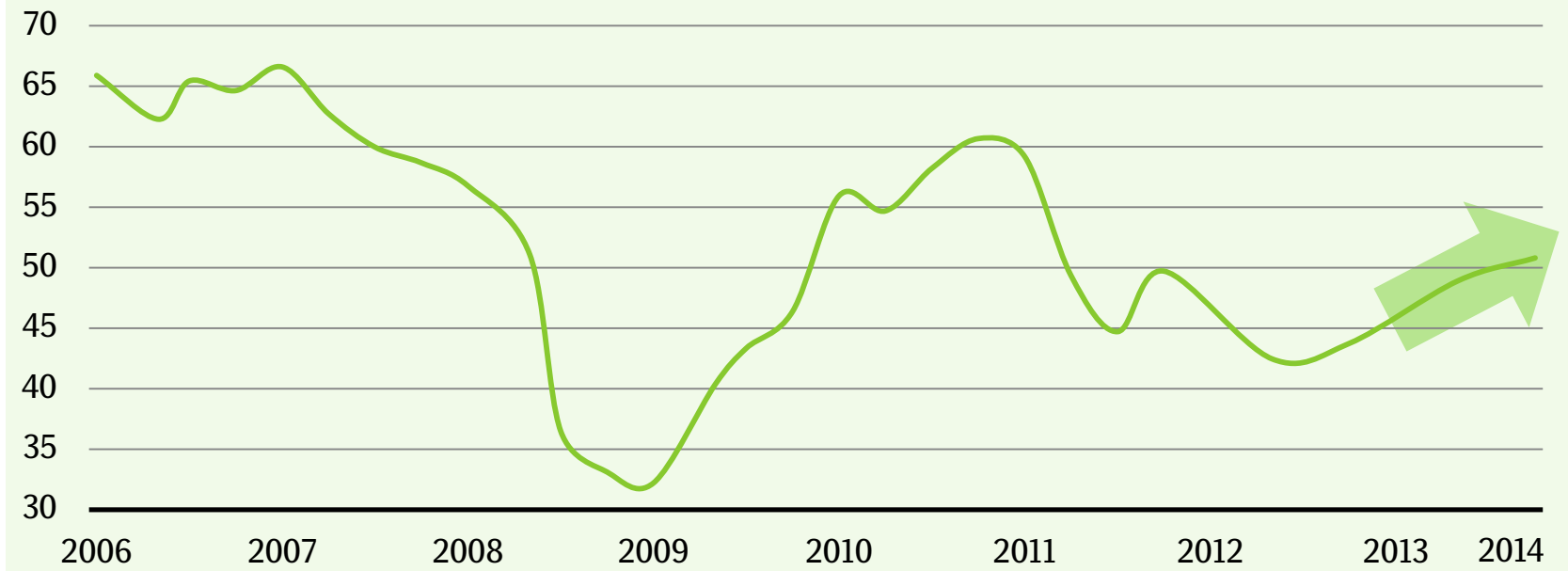
Financial targets

		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 Q2 2014

1 High activity in Nordic capital markets

2 Continued customer-driven growth

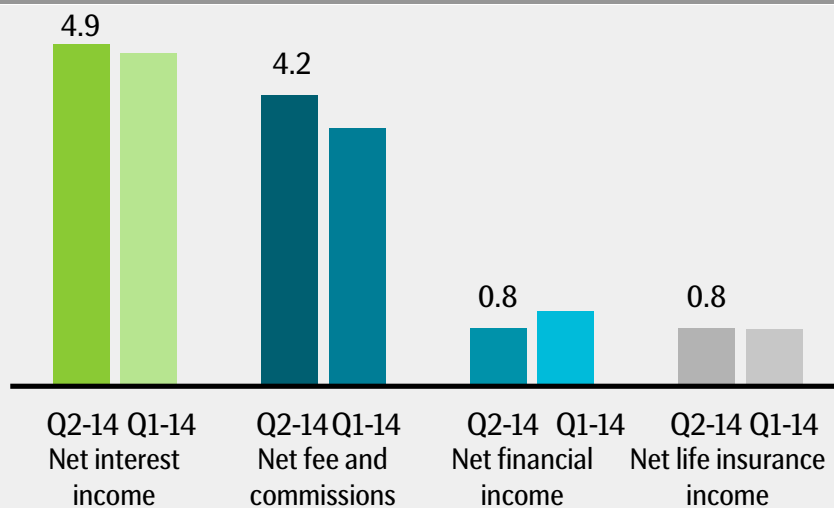
3 Cost and capital efficiency

Financial summary

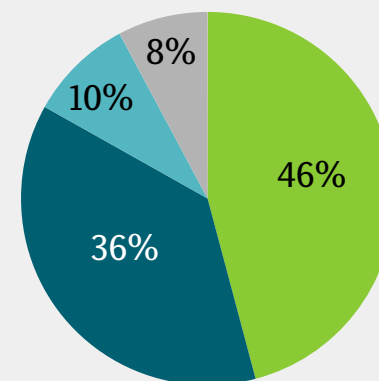
Profit and loss (SEK m)

	Q2-14	Q1-14	%	H1-14	H1-13	%
Total Operating income	11,077	10,443	6	21,520	20,199	7
Total Operating expenses	-5,519	-5,338	3	-10,857	-11,173	-3
Profit before credit losses	5,558	5,105	9	10,663	9,026	18
Net credit losses etc.	-307	-250		-557	-526	
Operating profit	5,251	4,855	8	10,106	8,500	19

Operating income by type, Q2 2014 vs. Q1 2014 (SEK bn)

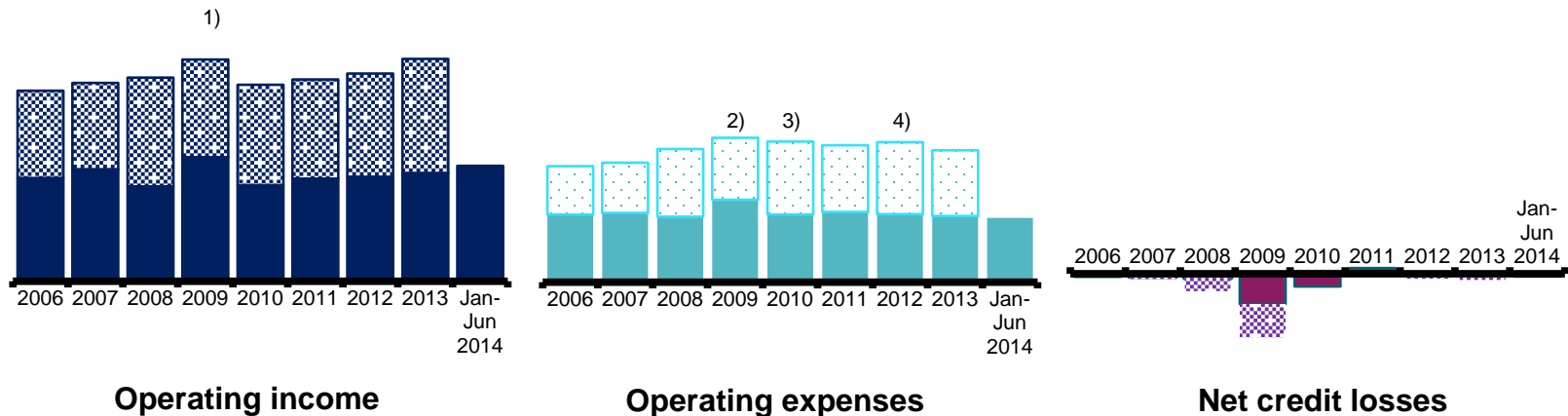


Income distribution H1 2014

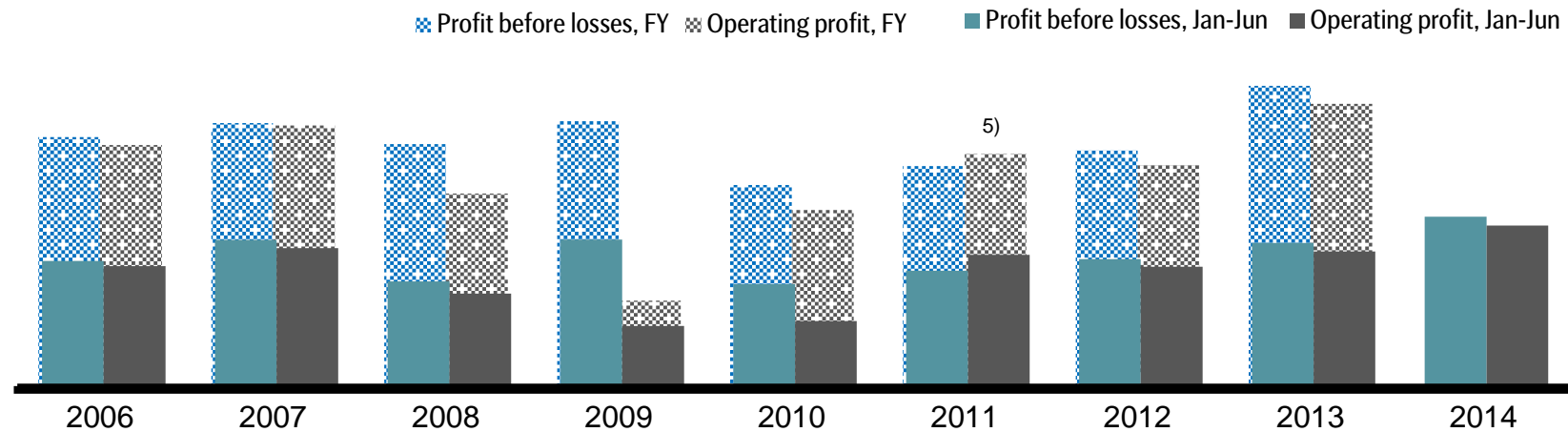


Strategic growth initiatives and efficient operations increase profitability

Income, expenses and net credit losses (SEK bn)



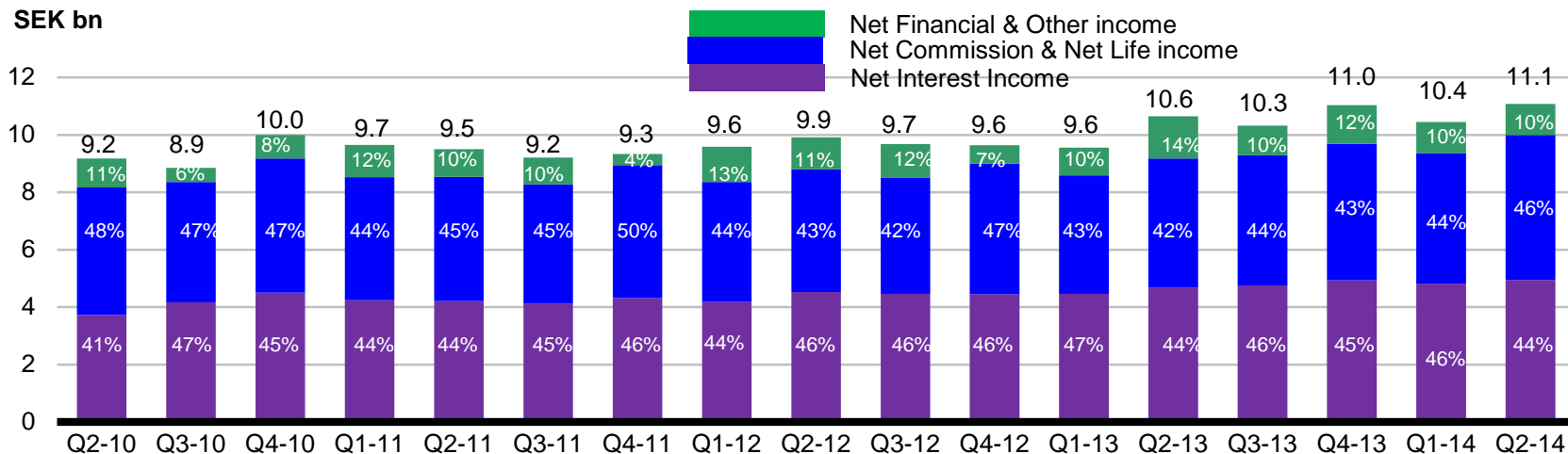
Operating profit (SEK bn)



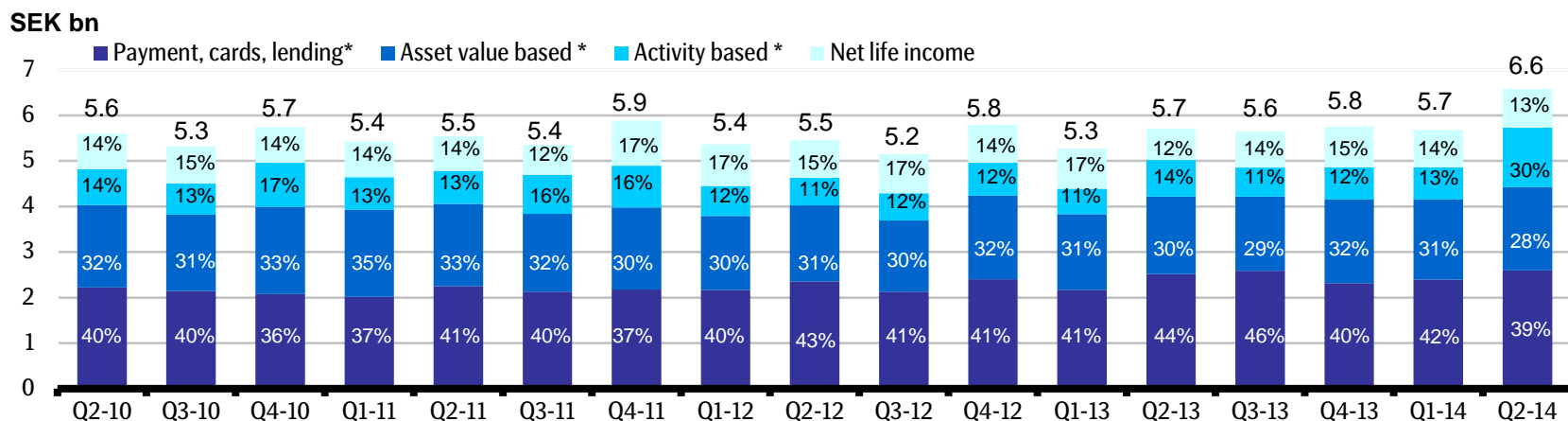
1) of which 1.3bn buy back of sub debt 2) of which 3.0bn goodwill write-offs 3) of which 0.8bn restructuring costs in our German subsidiary, SEB AG 4) write-down of IT infrastructure 0.8bn 5) of which 1.0bn in write-backs of credit loss provisions

Business mix creates stable and diversified revenues

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



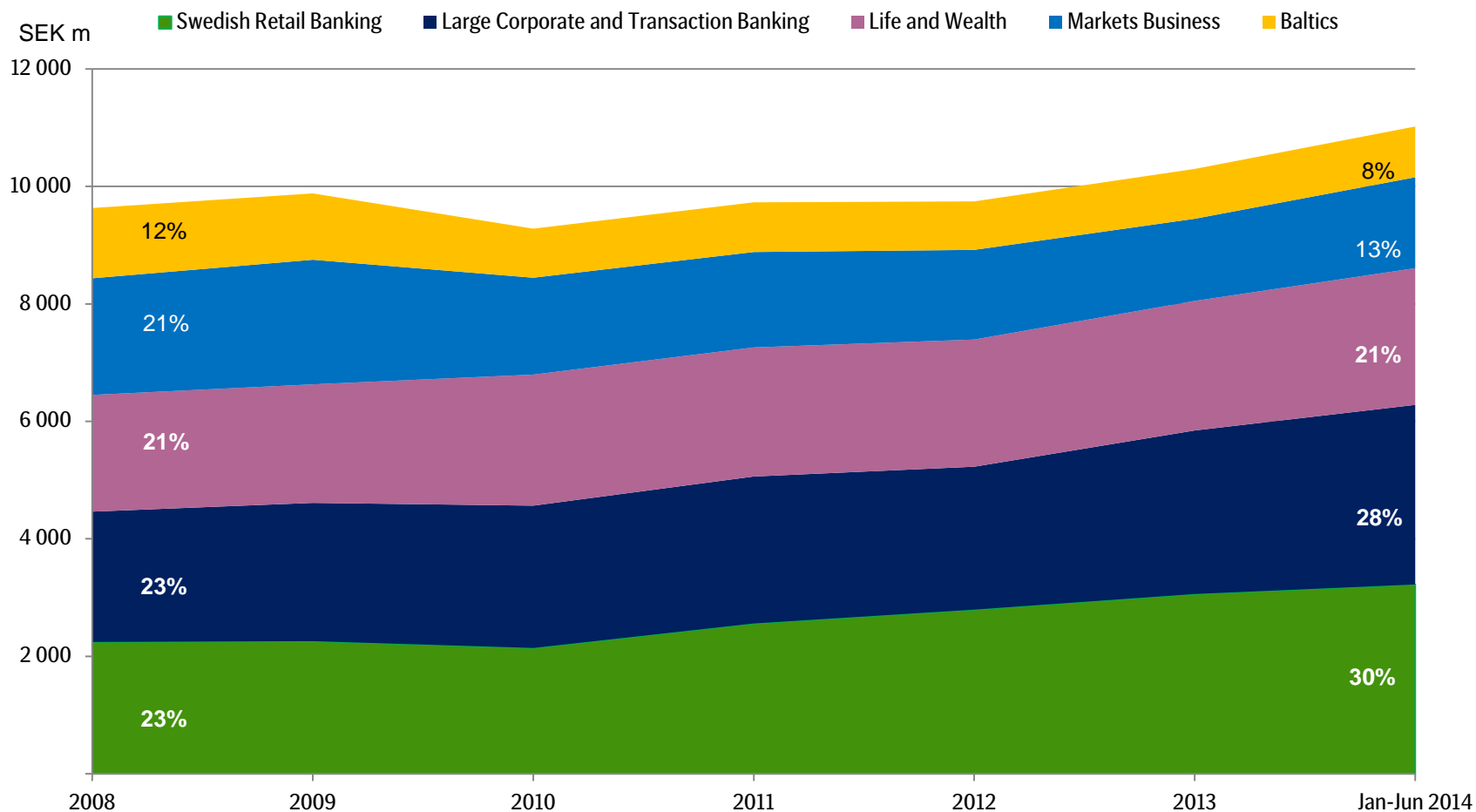
Strong market shares render stable commission* and life income



*Gross commission development

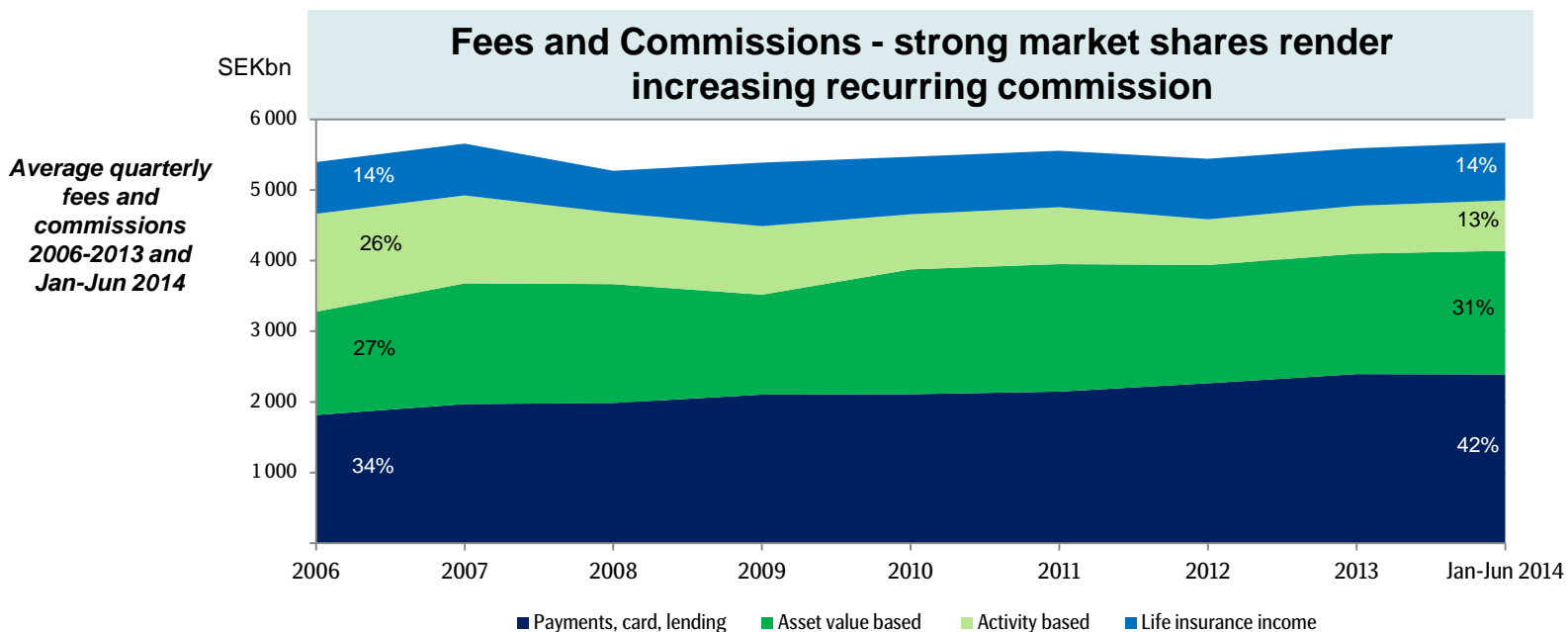
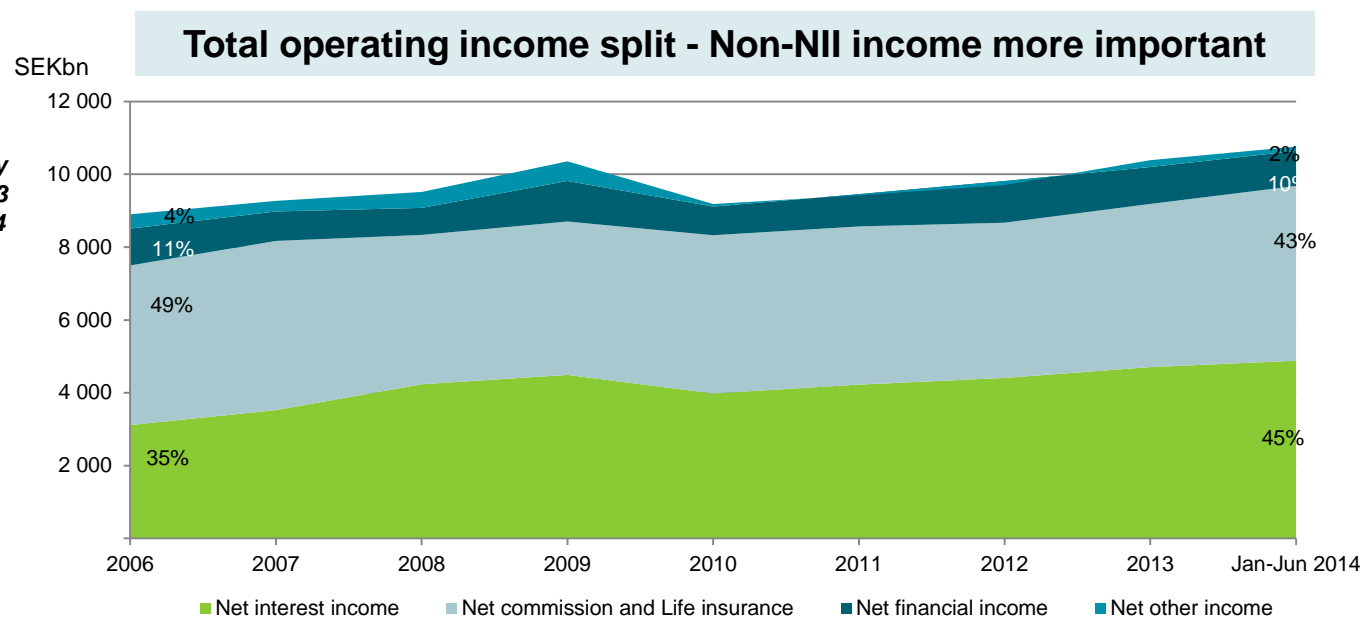
Growing Swedish Retail and Nordic Corporate franchise render more stable income generation

Average quarterly income 2008-2013 to Jan-Jun 2014



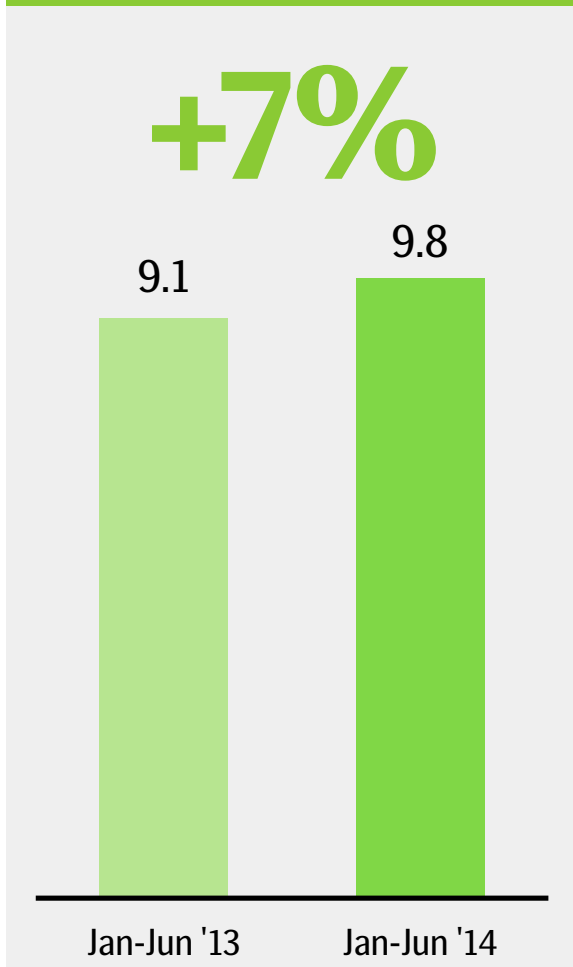
Per cent depicts Business Area in per cent of total business income

SEB's Business model creates stable and diversified revenues

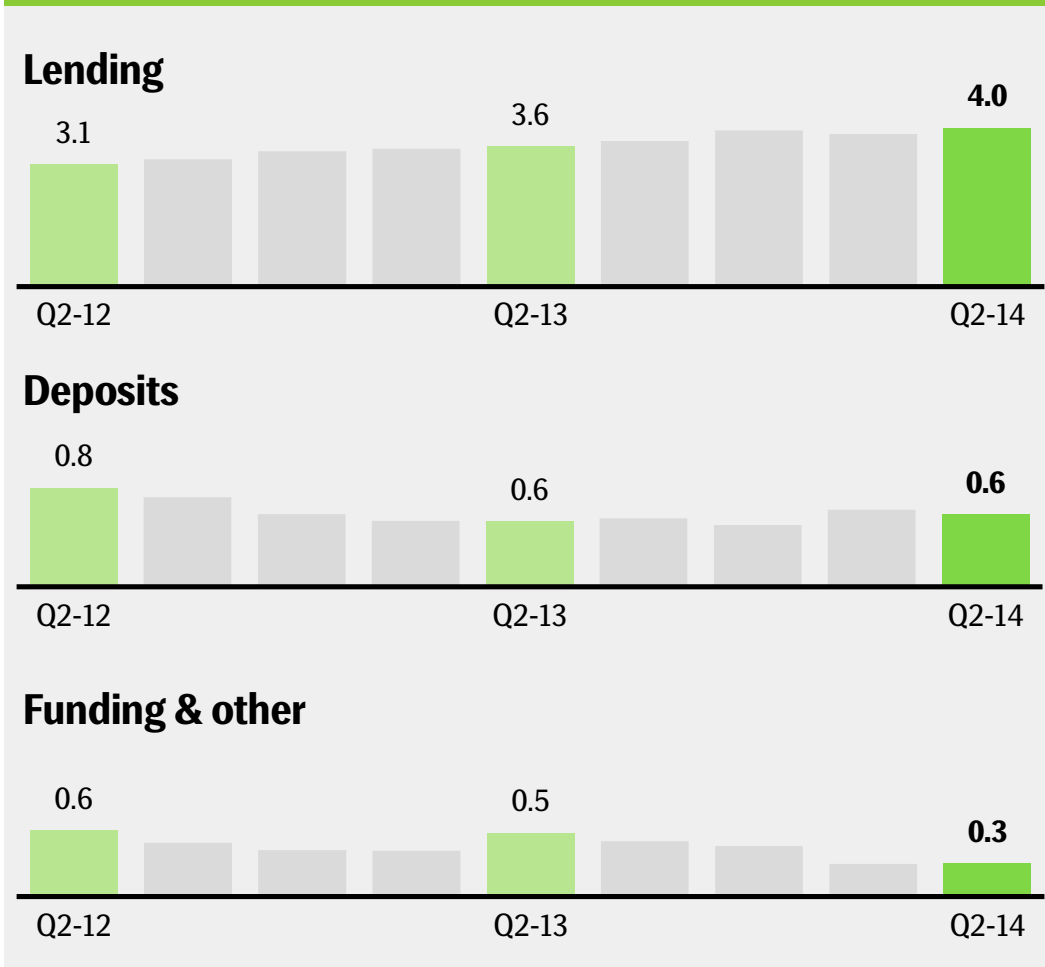


Net interest income development

Net interest income
H1 2013 vs. H1 2014 (SEK bn)



Net interest income type
Q2 2012 – Q2 2014 (SEK bn)



Net fee and commission income development

Net fee and commissions H1 2013 vs. H1 2014 (SEK bn)

+12%

7.1

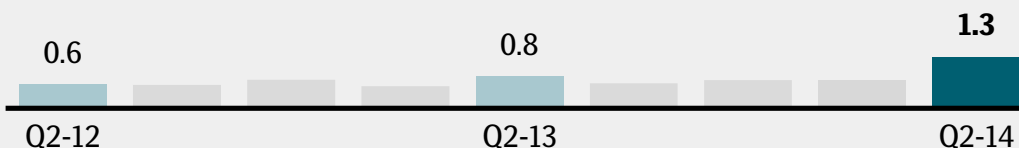
7.9

Jan-Jun '13

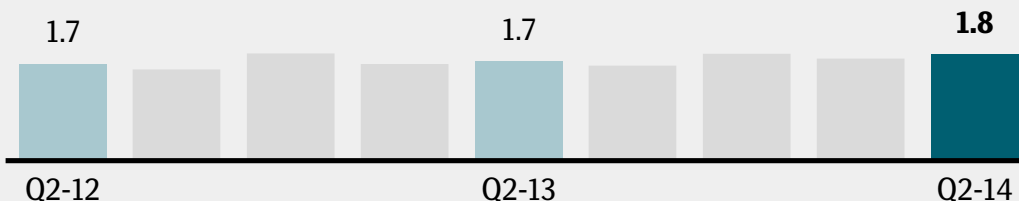
Jan-Jun '14

Gross fee and commissions by income type Q2 2012 – Q2 2014 (SEK bn)

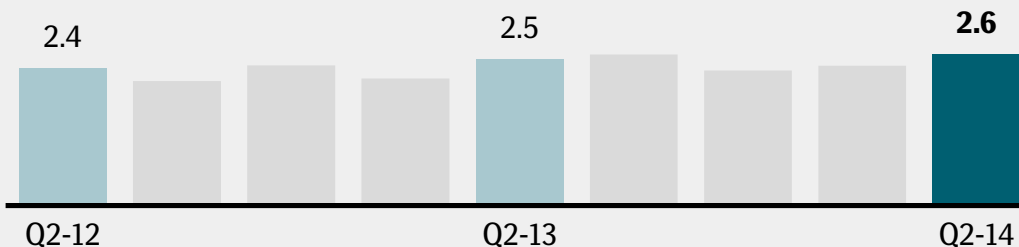
Advisory, secondary markets and derivatives



Custody and mutual funds



Payments, cards, lending, deposits & guarantees

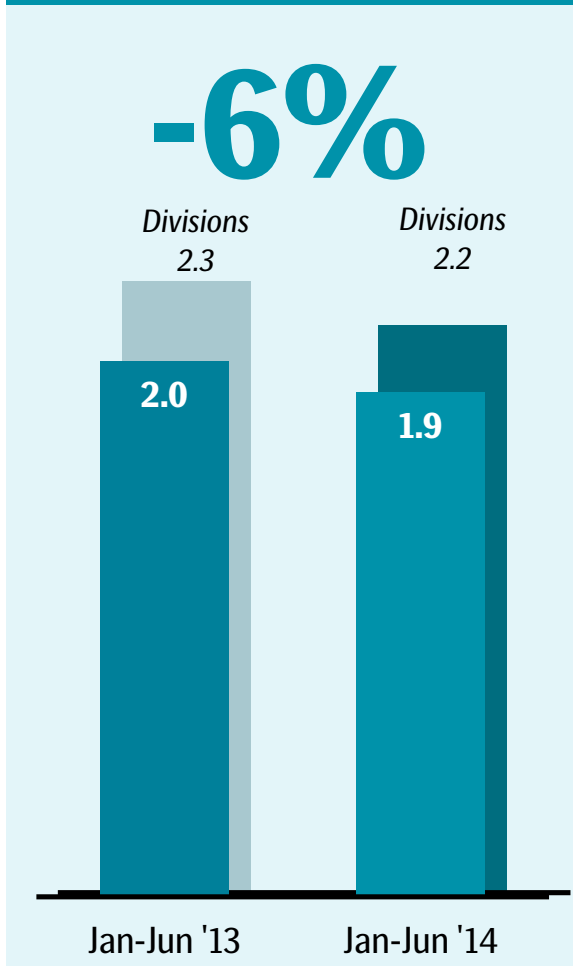


Net fee and commission income development

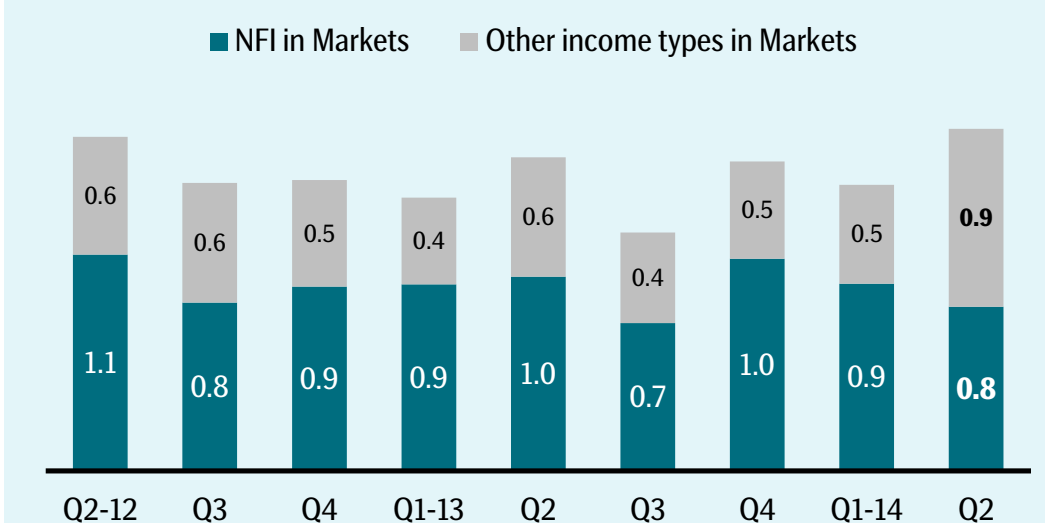
SEK m	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014
Issue of securities and advisory	142	92	241	65	161	154	336	232	297
Secondary market and derivatives	467	501	480	495	647	482	377	482	1,015
Custody and mutual funds	1,664	1,564	1,838	1,657	1,702	1,631	1,835	1,753	1,831
<i>Whereof performance and transaction</i>	47	30	177	72	48	2	145	21	43
Payments, cards, lending, deposits, guarantees and other	2,359	2,133	2,401	2,174	2,515	2,587	2,315	2,396	2,594
<i>Whereof payments and card fees</i>	1,545	1,479	1,492	1,421	1,516	1,463	1,494	1,431	1,538
<i>Whereof lending</i>	521	442	608	454	675	828	574	652	654
Fee and commission income	4,632	4,290	4,960	4,391	5,025	4,854	4,863	4,863	5,737
Fee and commission expense	-1,183	-1,098	-1,245	-1,144	-1,214	-1,119	-992	-1,135	-1,526
Net fee and commission income	3,449	3,192	3,715	3,247	3,811	3,735	3,871	3,728	4,211
<i>Whereof Net securities commissions</i>	1,830	1,777	2,032	1,818	2,037	1,811	2,057	2,031	2,279
<i>Whereof Net payments and card fees</i>	875	838	867	768	847	860	913	787	858

Net financial income development

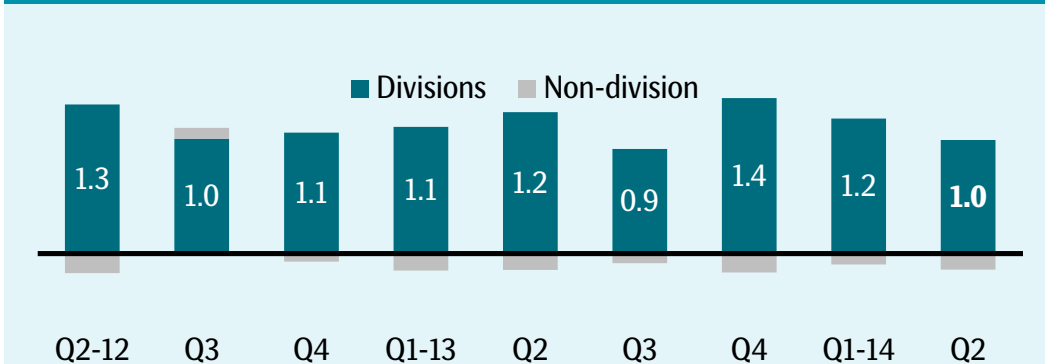
Net financial income H1 2013 vs. H1 2014 (SEK bn)



Markets and NFI Q2 2012 – Q2 2014 (SEK bn)

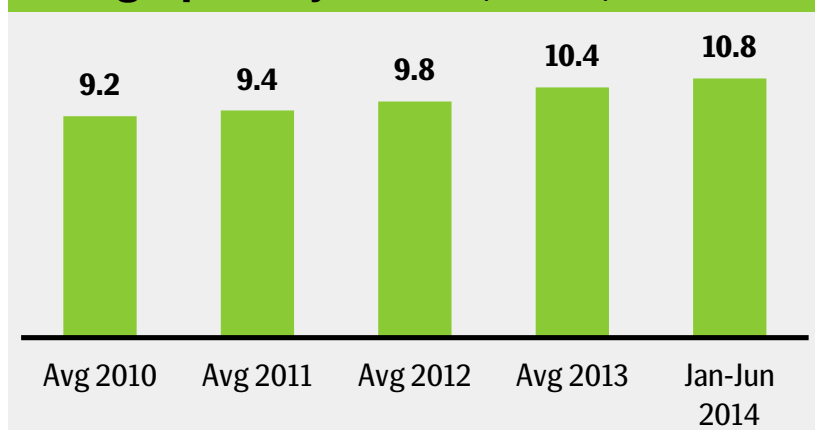


Net financial income Q2 2012 – Q2 2014 (SEK bn)

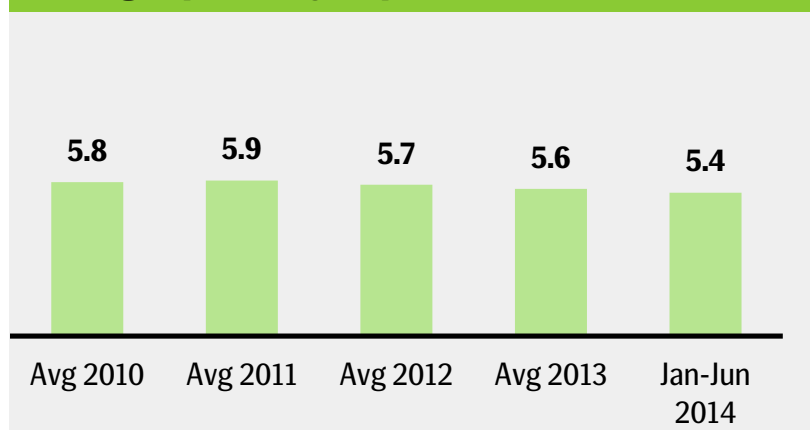


Operating leverage

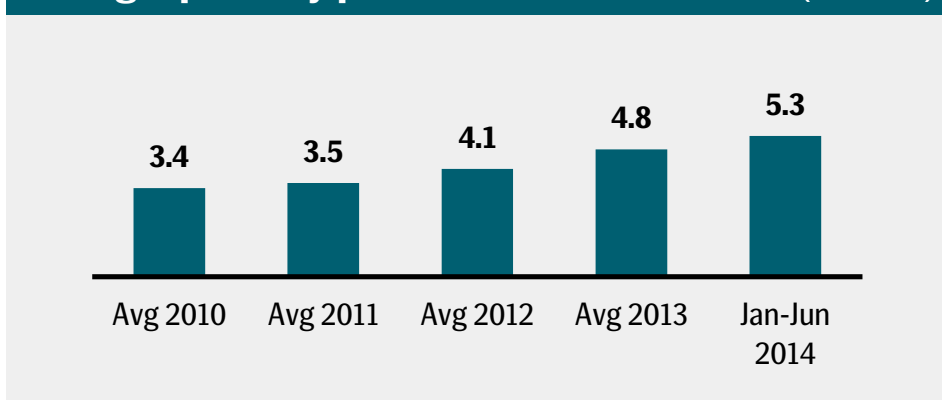
Average quarterly income (SEK bn)



Average quarterly expenses (SEK bn)



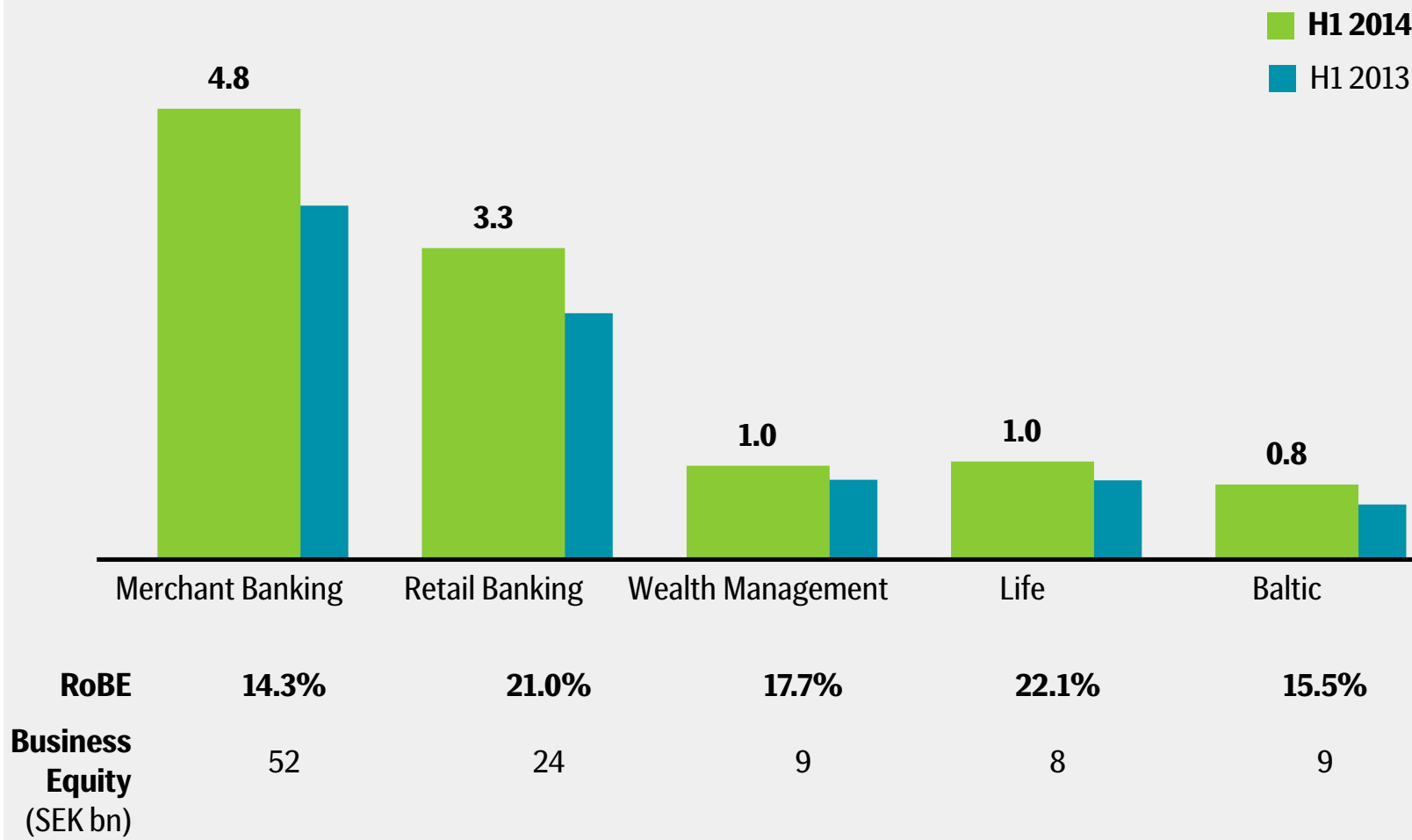
Average quarterly profit before credit losses (SEK bn)



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 Jan – Jun 2014 vs. Jan – Jun 2013 (SEK bn)



Solid business activity in Sweden

Large Corporates

Tier 1 and 2 clients

297 318

+7%

Q2-13

Q2-14

SME

Full service customers (000s)

136 146

+7%

Q2-13

Q2-14

Private

Full service customers (000s)

448 472

+5%

Q2-13

Q2-14

Private Banking

AuM (SEK bn)

352 437

+24%

Q2-13

Q2-14

Customer-driven
operating profit

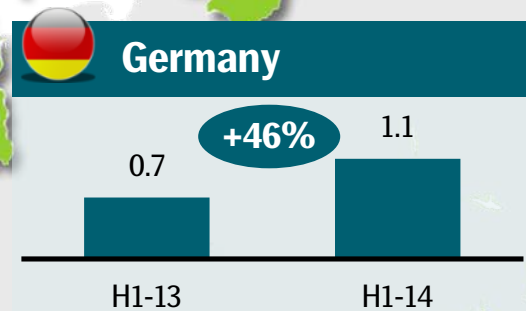
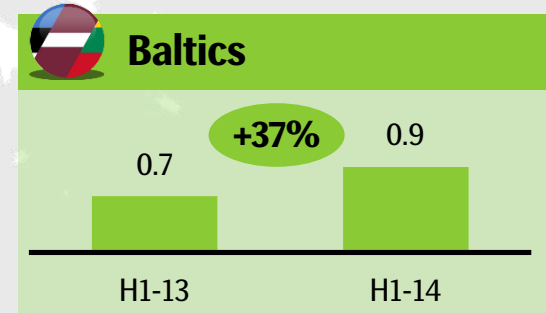
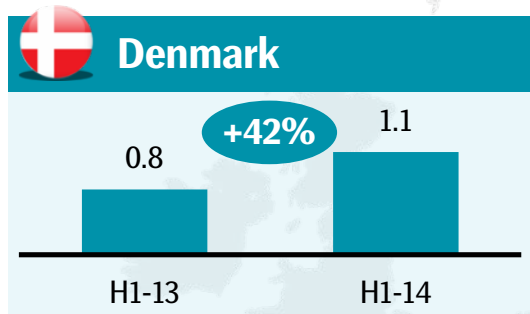
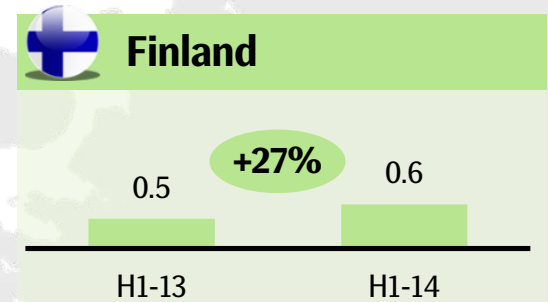
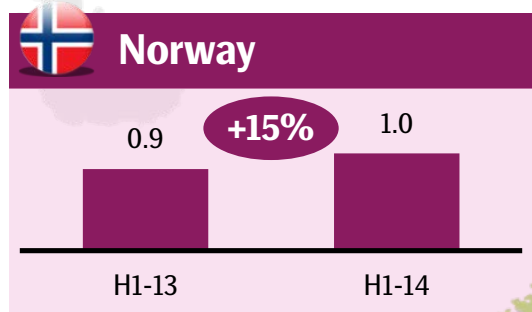
+19%



SEB's branch presence in picture

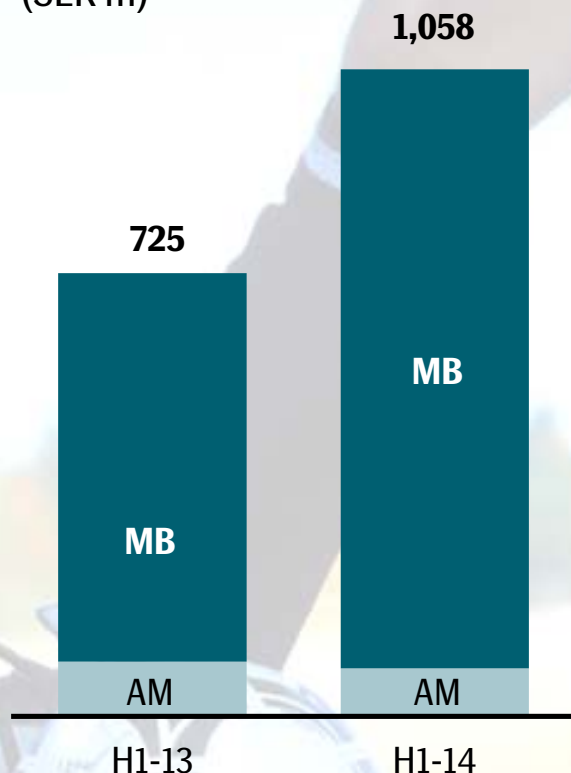
Continued growth in home markets outside Sweden

Operating profit (SEK bn)



Growth of German corporate bank

SEB Germany operating profit (SEK m)



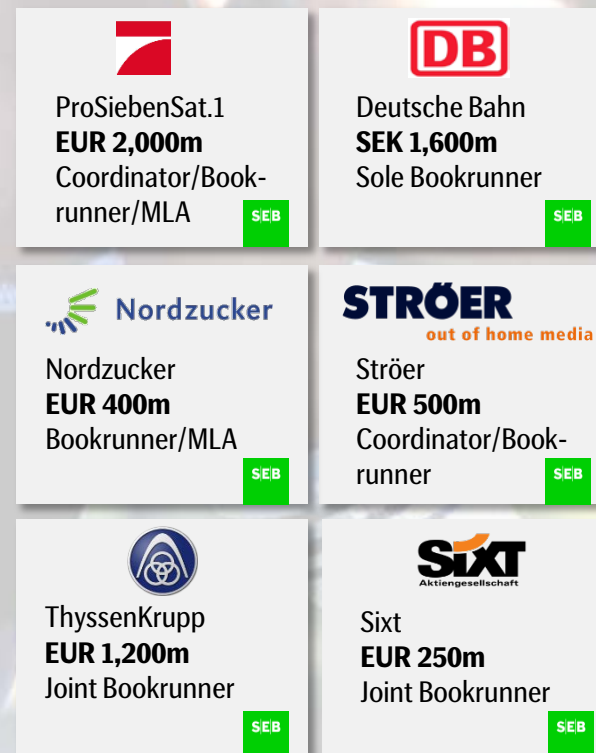
~85% Corp & Inst

- CAGR 2002-2014 +8%
- Focus on corporates acquisition and cross-selling

~15% Real Estate

- CAGR 2002-2014 -12%
- Continuous capital re-allocation to corporates

Select SEB transactions H1 2014

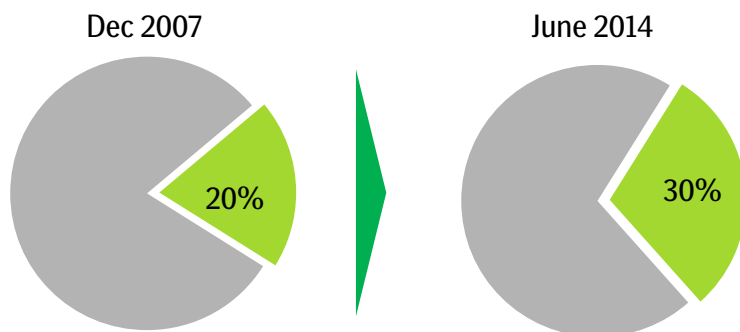


Key activities going forward

- Increase client penetration while maintaining new prospecting
- Strengthen capital markets competence and offering
- Leverage international capabilities through SEB's network

Increasingly more important Swedish retail business

Increased relative importance of SEB's total income

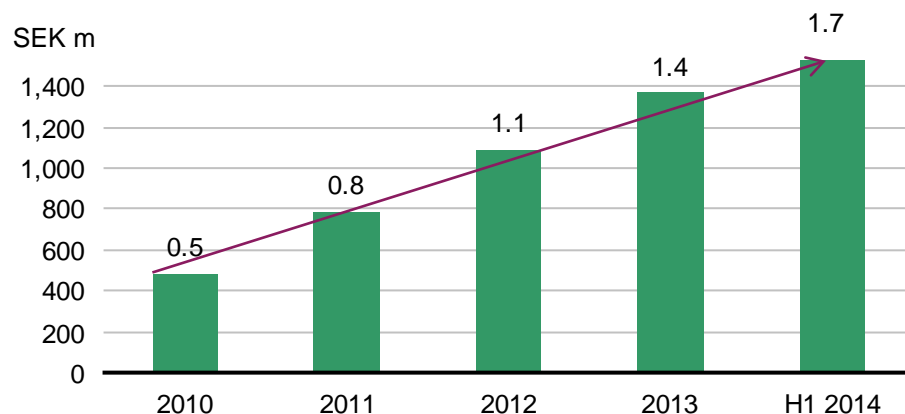


Focused and successful client acquisition strategy

- ❑ Strategic move in 2008 resulted in a more efficient, professional, advisory-driven organization and customer centric distribution capacity
- ❑ Successful re-organization, product offerings, accessibility 24/7 and focus on long-term customer relationships increased the number of clients, business volume and operating profit
- ❑ A cultural change – focus on business acumen and local ownership

Substantially increased operating profit

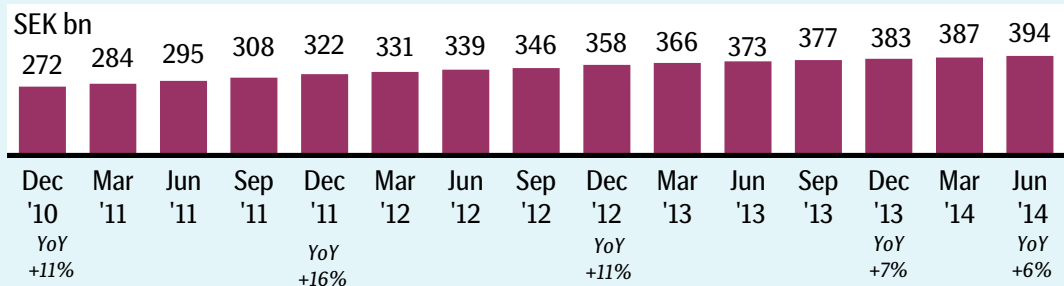
Average quarterly operating profit 2010-2013 and for H1 2014



Strong development of efficiency and profitability

	<u>C/I</u>	<u>Business Equity</u>	<u>RoBE</u>
Jan - Jun 2014	44%	SEK 24.4bn	21.0%
2013	49%	SEK 20.2bn	21.9%
2012	57%	SEK 14.4bn	22.3%
2011	65%	SEK 10.8bn	21.4%
2010	71%	SEK 9.7bn	14.5%

SEB's Swedish household mortgage lending



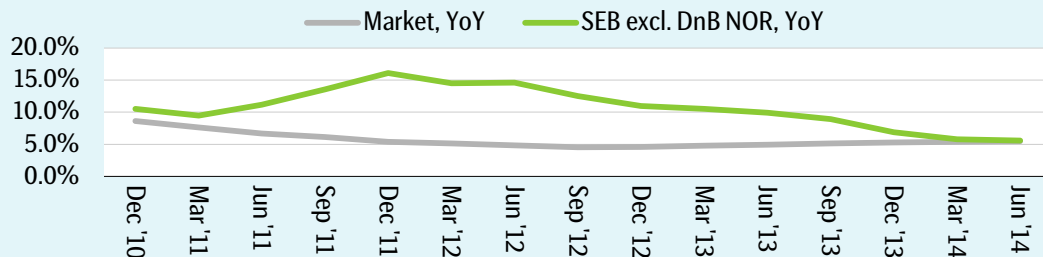
Selective origination

- 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"))

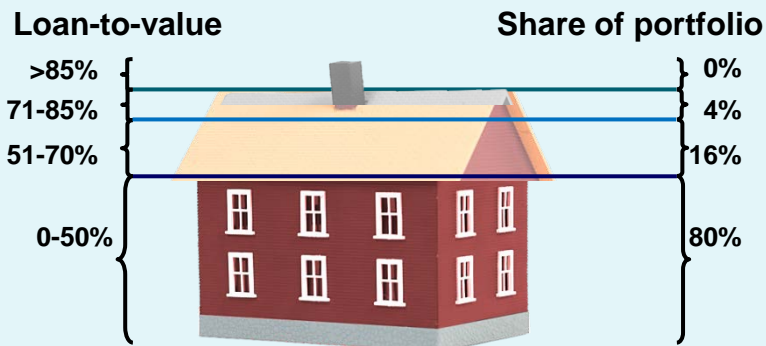
High asset performance

- Net credit losses consistently low, now 1bps
- Loan book continues to perform – loans past due >60 days 8bps

SEB portfolio development vs. total market



Low LTVs by regional and global standards



Mortgage lending based on affordability

- Credit scoring and assessment
- 7% interest rate test in the cash flow analysis
- 85% regulatory first lien mortgage cap & minimum 15% of own equity required
- If LTV >70% requirement to amortise on all new loans
- Amortisation (50 years) in the cash flow analysis
- Max loan amount 5x total gross household income irrespective of LTV
- 'Sell first and buy later' recommendation

Swedish housing market – Characteristics and prices

Mäklarstatistik – May 2014, per cent

	Single family homes		Apartments	
Area	3m	12m	3m	12m
Sweden	+4	+7	+4	+9
Greater Stockholm	+5	+10	+1	+9
Central Stockholm			+3	+11
Greater Gothenburg	+4	+7	+5	+11
Greater Malmoe	+3	+2	+2	+7

Valueguard – May 2014, per cent

	Single family homes		Apartments	
Area	3m	12m	3m	12m
Sweden	+2.9	+7.7	+2.6	+12.6
Stockholm	+3.7	+10.0	+2.5	+13.4
Gothenburg	+1.6	+5.6	+3.9	+10.0
Malmoe	+4.2	+4.5	+1.4	+5.0

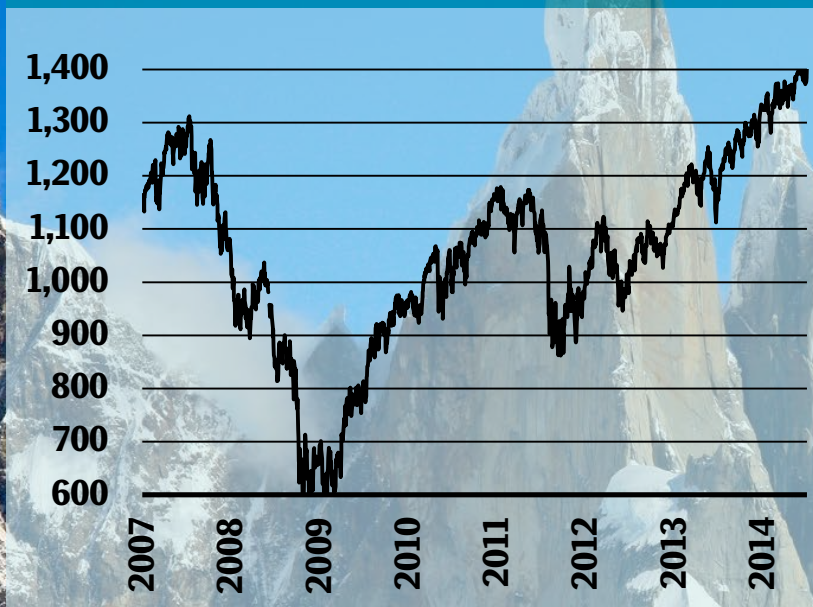
HOX Sweden +2.8% 3m, +9.3% 12m

Characteristics of Swedish mortgage market

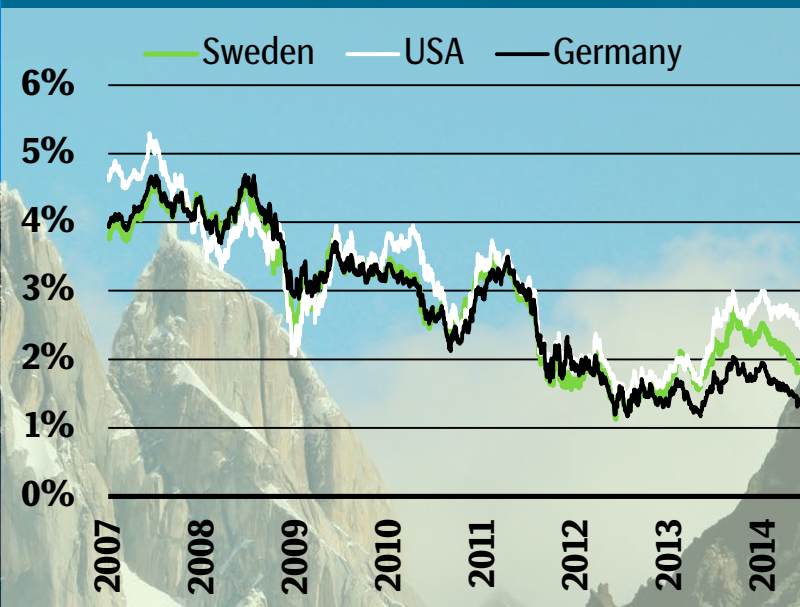
- ✓ No buy-to-let market
- ✓ No third party loan origination
- ✓ All mortgages on balance sheet (no securitisation)
- ✓ Strictly regulated rental market
- ✓ State of the art credit information (UC)
- ✓ Very limited debt forgiveness
- ✓ Strong social security and unemployment scheme

Uncharted market environment

Stock exchange valuations at record levels
(OMX30 index, 2007-2014)



...and yields in bond markets trending down
(10-yr government bonds, 2007-2014)



**Political
risks**

**QE to
continue?**

**Record
asset values**

**Zero
interest
rates**

**Low risk
differentiation**

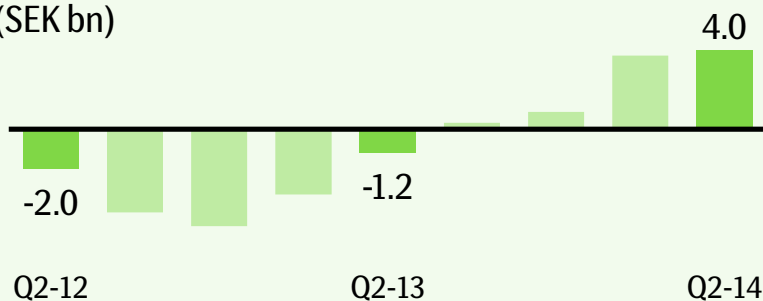
Promoting savings and amortisation in Sweden

Savings approach

Client segments



Net new money fund products Sweden
(SEK bn)



Amortisation of new mortgage lending

Loan-to-value > 70%

"Before"

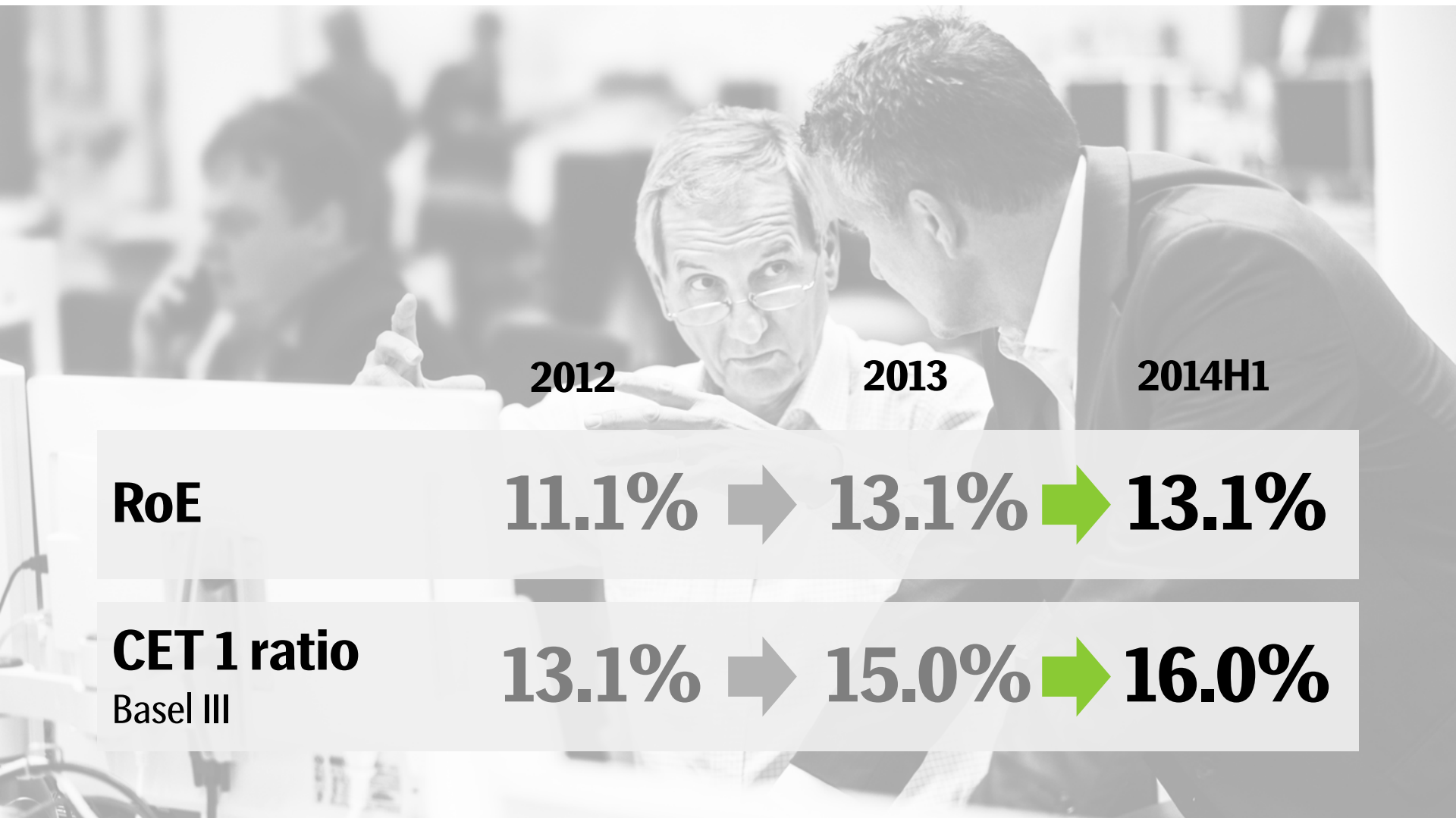
"Today"

60%

90%



Financial strength



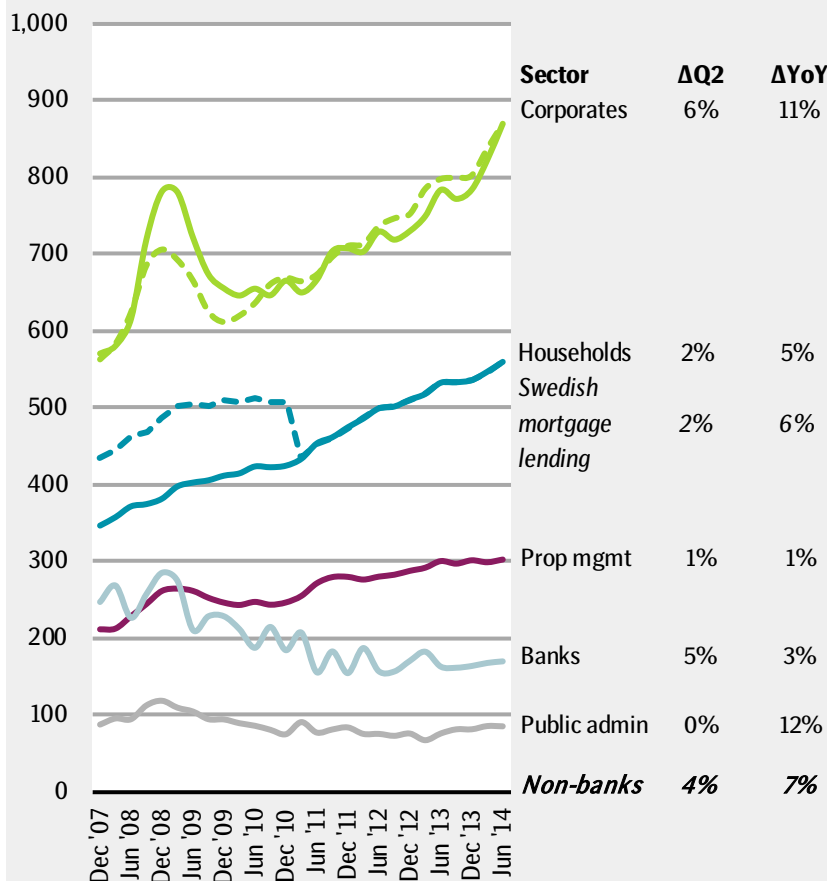
Balance sheet

Strong asset quality and balance sheet

	(SEK bn)	2013	Jun 2014
Asset quality	Non-performing loans	9.5bn	8.6bn
	NPL coverage ratio	72%	74%
	Net credit loss level	0.09%	0.08%
Funding and liquidity	Customer deposits	849bn	890bn
	Liquidity resources	~25%	~25%
	Liquidity coverage ratio	129%	127%
Capital	CET 1 ratio (Basel 3)	15.0%	16.0%
	Total capital ratio (Basel 3)	18.1%	20.5%
	Leverage ratio (Basel 3)	4.2%	4.0%

Credit portfolio development

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)

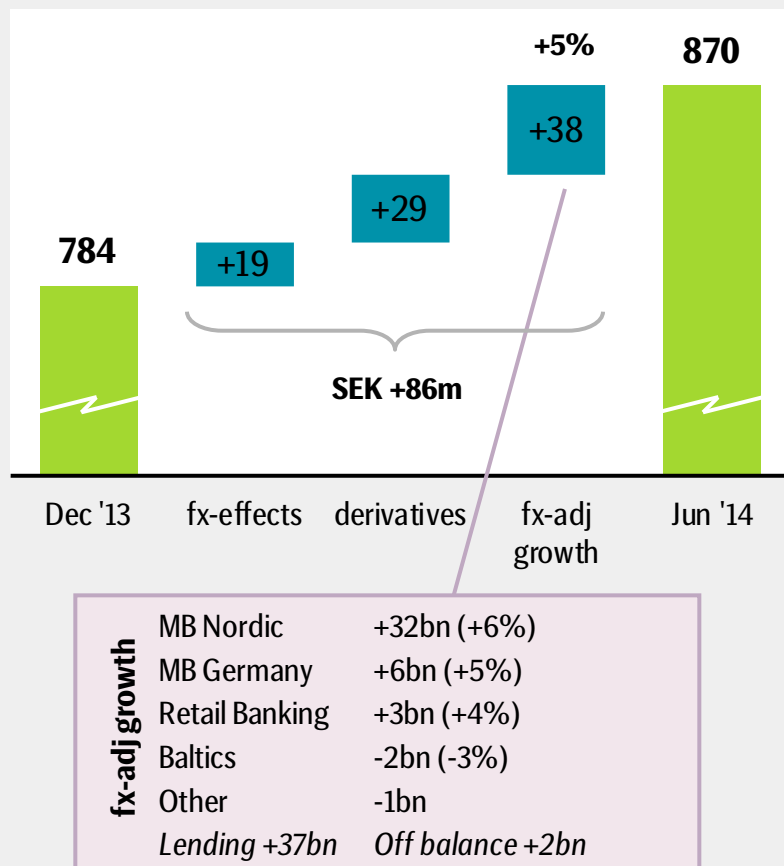
	Jun '13	Mar '14	Jun '14	ΔQ2	ΔYoY
Corporates	784	823	870	47	86
Property management	301	299	303	4	2
Households	533	547	560	13	27
Public administration	76	86	86	0	9
Total non-banks	1,694	1,756	1,819	63	125
Banks	163	161	168	8	5
Total	1,858	1,916	1,987	71	129

Q2 summary

- **Corporate** volumes driven by MB – apart from bridge financing peaks, there is some underlying momentum
- **Property management** volumes largely flat
- **Swedish household mortgage** growth pace continues to slow down
 - Growth rate now in line with market

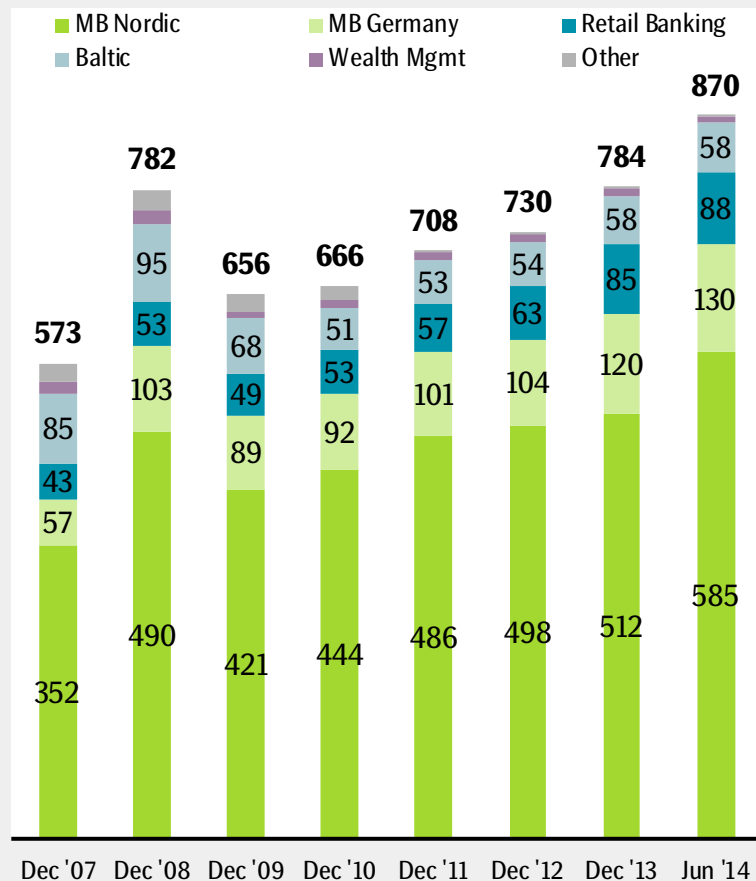
Corporate credit portfolio

Corporate volumes (SEK bn)



NOTE: fx-adjusted on- and off-balance, excluding derivatives

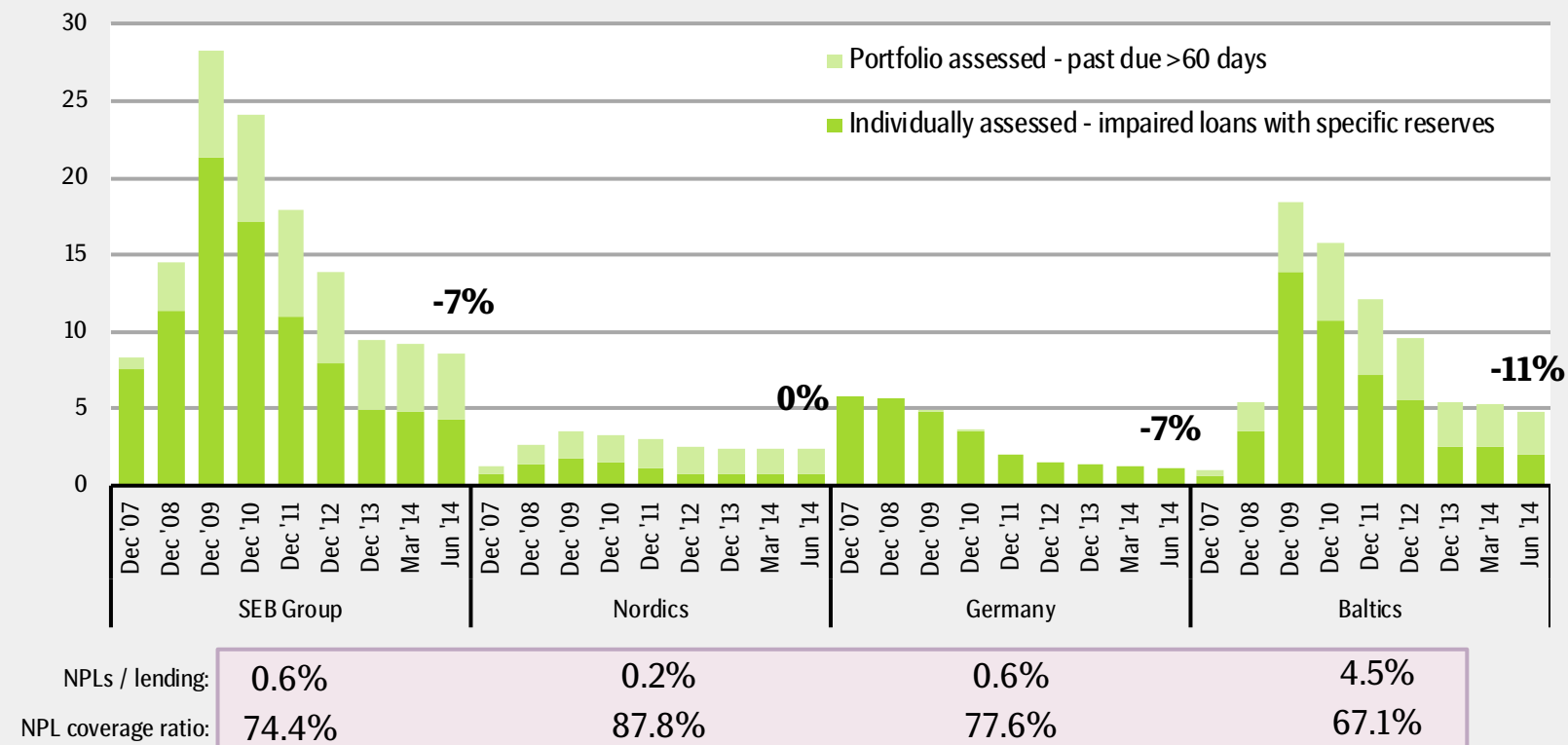
Corporate credit portfolio (SEK bn)



NOTE: Not historically adjusted for move of Mid corp

Decrease in NPL volumes

QoQ: Non-performing loans development (SEK bn)

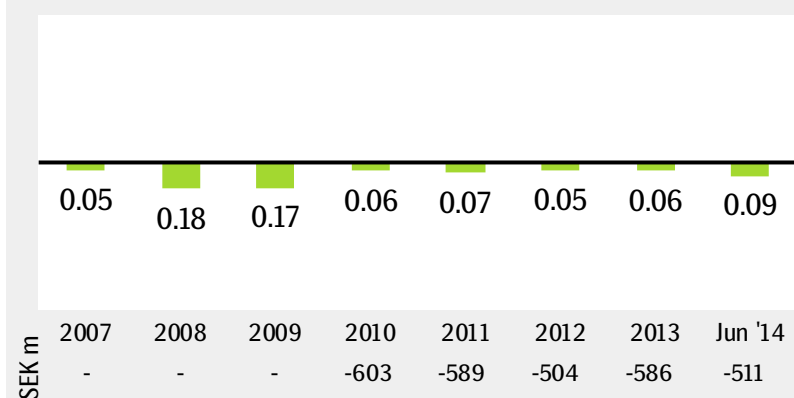


NOTE: Sale of the German retail operations reduced German NPLs by SEK 817m in Mar '11

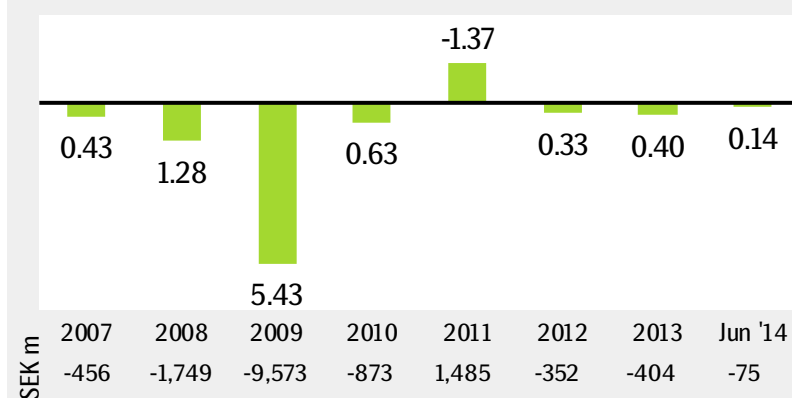
Credit loss levels per geography

Annualised accumulated

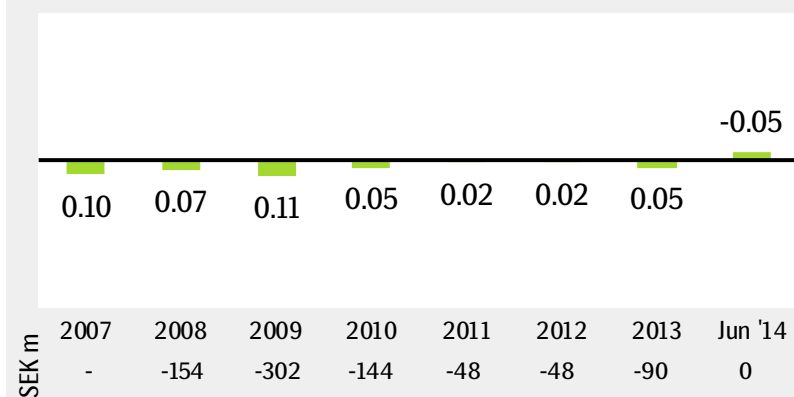
Nordics



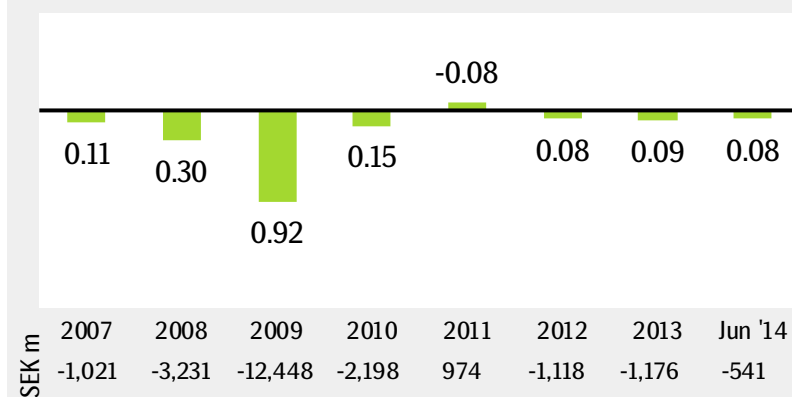
Baltics



Germany *



SEB Group **

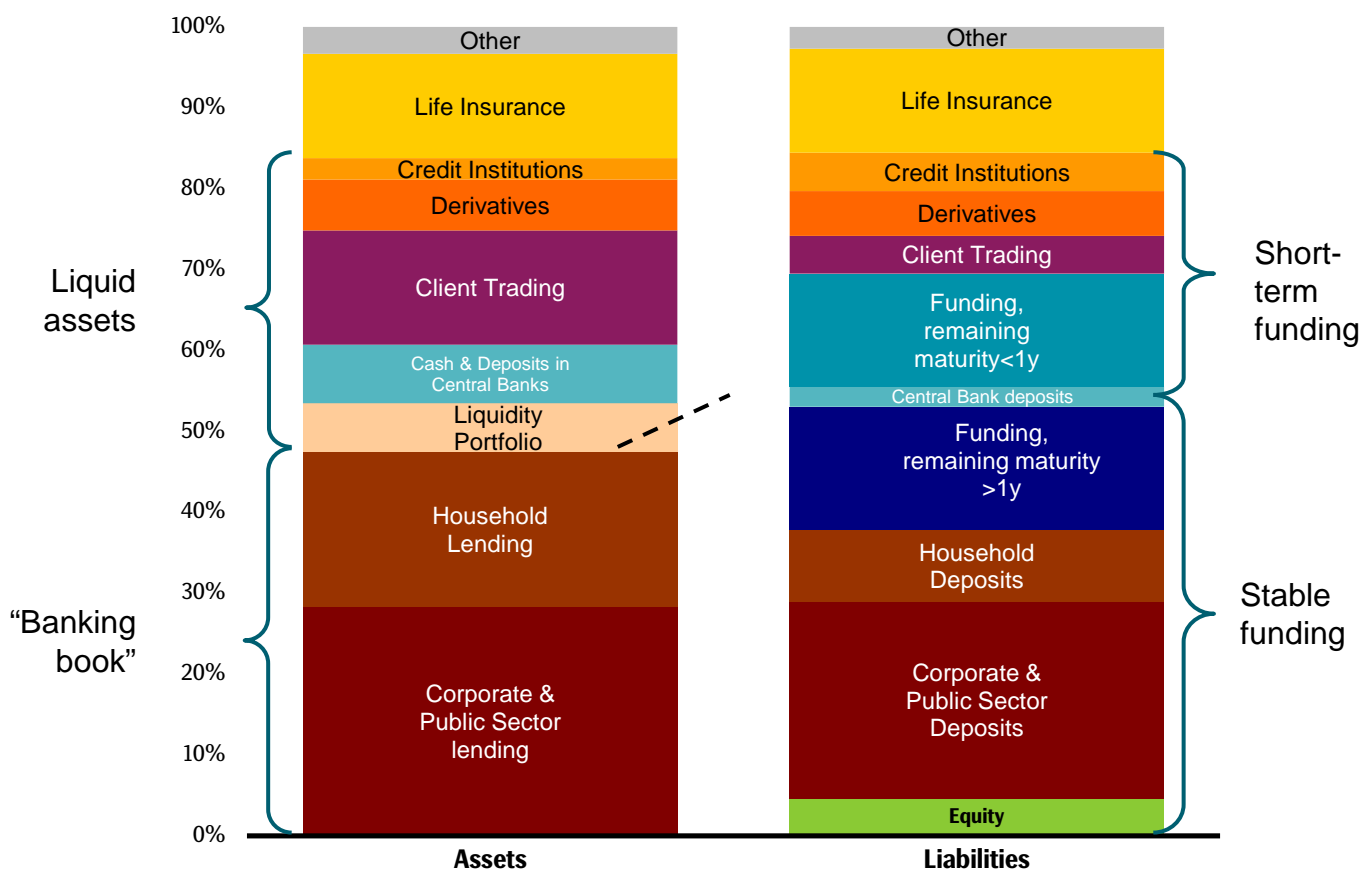


Negative credit loss level = reversal

* Continuing operations ** Total operations

Diversified and Liquid Balance Sheet

Total Assets SEK 2,654bn June 30, 2014



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

Diversified funding and strong structural funding position

Total Funding Base SEK 1,827bn ^{*/**}

Wholesale funding SEK 794bn ^{*/**}

■ Wholesale funding

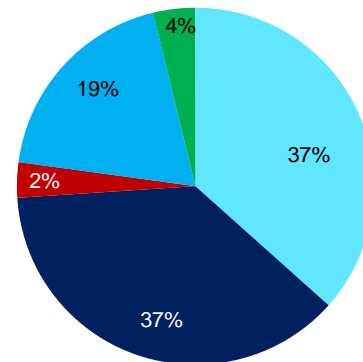
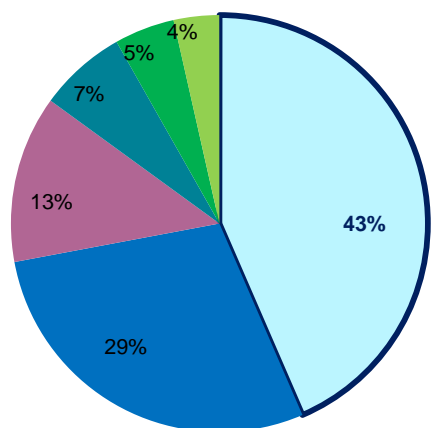
■ Corporate deposits

■ Private Individual deposits

■ Financial Institution deposits

■ Public entity deposits

■ Central Bank deposits



■ CPs/CDs

■ Mortgage Cov Bonds SEB AB

■ Mortgage Cov Bonds SEB AG

■ Senior Debt

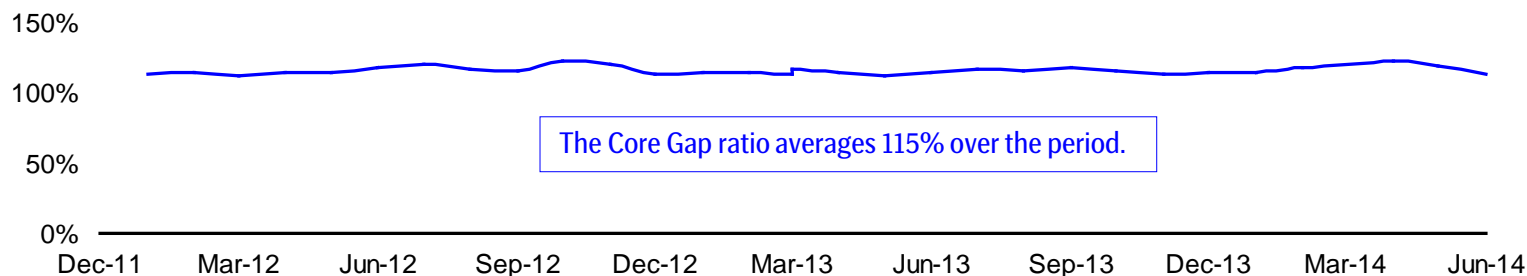
■ Subordinated debt

* Excluding repos

** Excluding public covered bonds issued by SEB AG which are in a run-off mode

Strong structural funding position

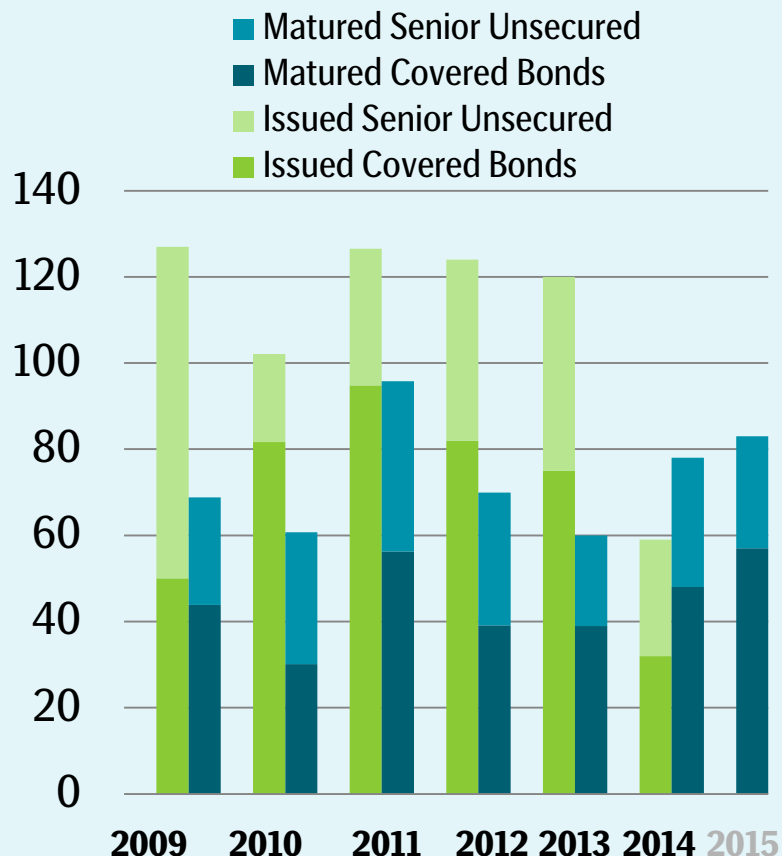
The amount of funding in excess of one year in relation to assets with a modelled maturity of more than one year ^{1/}



1) The Core Gap Ratio is an SEB defined internal measure similar to the proposed NSFR under Basel III and measures the amount of funding in excess of one year in relation to assets with a maturity of more than one year based on internal behavioral modelling

Conservative funding strategy

Long-term funding activities (SEK bn)



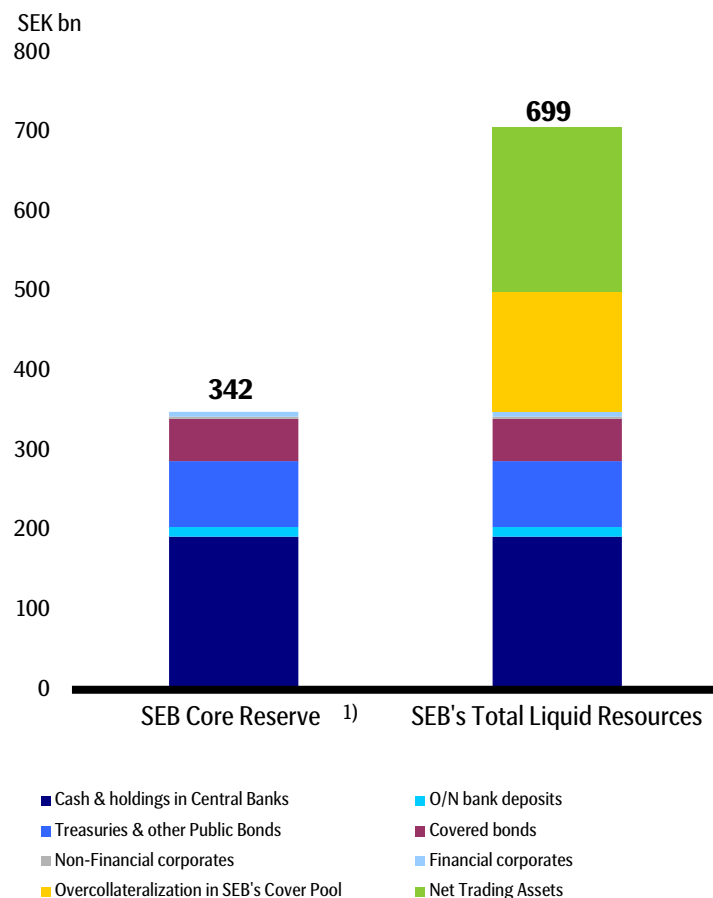
Issuance of bonds (SEK bn)

Instrument	2011	2012	2013	Q1 2014	Q2 2014
Senior unsecured SEB AB	32	42	45	25	3
Covered bonds SEB AB	95	81	73	15	17
Covered bonds SEB AG	0	1	2	0	0
Subordinated debt	0	6	0	0	9
Total	126	131	120	40	29

Sizable liquidity buffer

Jun 2014

SEB's total Liquid Resources 188% of wholesale funding maturities within 1 year



Core liquidity reserve
Directives of Swedish Bankers' Association

- ☐ Assets held by the Treasury function
- ☐ Not encumbered
- ☐ Eligible with Central Banks
- ☐ Maximum 20% risk weight under Basel II Standardized Model
- ☐ Lowest rating of Aa2/AA-
- ☐ Valued marked-to-market

Composition of SEB's Liquidity Portfolio

- ☐ Government or state-guaranteed securities of Nordic countries, and other selected Northern European countries, principally Germany
- ☐ Supra-nationals
- ☐ High quality triple-A rated covered bonds issued by banks in the Nordic countries and other selected Northern European countries, principally Germany

Diversified funding mix

Wholesale funding, SEK 788bn ¹⁾, Q2 2014

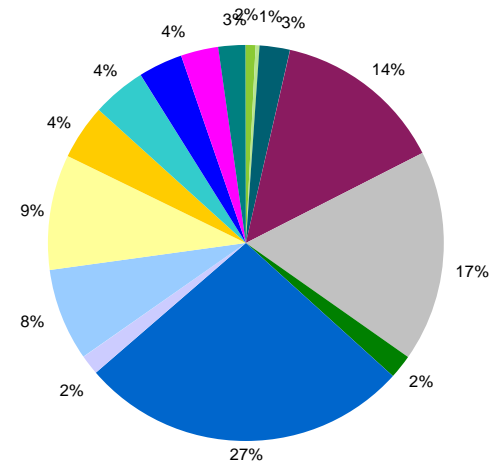
Short-term funding sources

		Q3 2013	Q4 2013	Q1 2014	Q2 2014
<u>Commercial paper (CP) programs</u>	Total	130.7	154.8	124.9	131.4
	Swedish	3.5	2.8	4.0	7.2
	French	12.8	6.6	4.9	1.2
	Global				
	European	26.9	28.2	26.3	21.0
	US	87.5	117.2	89.7	110.0
<u>Commercial deposit (CD) programs</u>	Total	142.5	113.2	169.7	151.5
	Yankee CDs	121.8	94.8	153.8	136.6
	Sterling CDs	20.7	18.4	15.9	14.9

Long-term funding sources

		Q3 2013	Q4 2013	Q1 2014	Q2 2014
<u>SEB AB</u>	Total	431.5	452.2	473.8	462.6
	Domestic Covered bond program	215.4	219.1	230.6	215.8
	Domestic MTN program	10.3	11.0	12.0	12.0
	Global MTN programs				
	Covered	58.2	68.9	60.1	61.4
	Senior	76.0	71.0	82.0	74.5
	144a Covered and senior unsecured	17.2	24.4	34.1	35.2
	Retail index linked bonds	33.2	35.9	36.0	35.0
	Subordinated debt	21.2	21.7	19.1	28.7
	Total	42.6	43.5	42.5	42.3
<u>SEB AG</u>	Mortgage covered bonds	24.2	25.3	25.0	25.5
	Senior unsecured	18.3	18.2	17.5	16.7

Wholesale funding distribution*



- CPs Swedish
- CPs French
- CPs European
- CPs US
- Yankee CDs
- Sterling CDs
- Domestic Covered bond program
- Domestic MTN program
- Global MTN program Covered
- Global MTN program Senior
- 144a Covered and Senior unsecured
- Retail index linked bonds
- Subordinated debt
- SEB AG Covered bonds
- SEB AG Senior unsecured

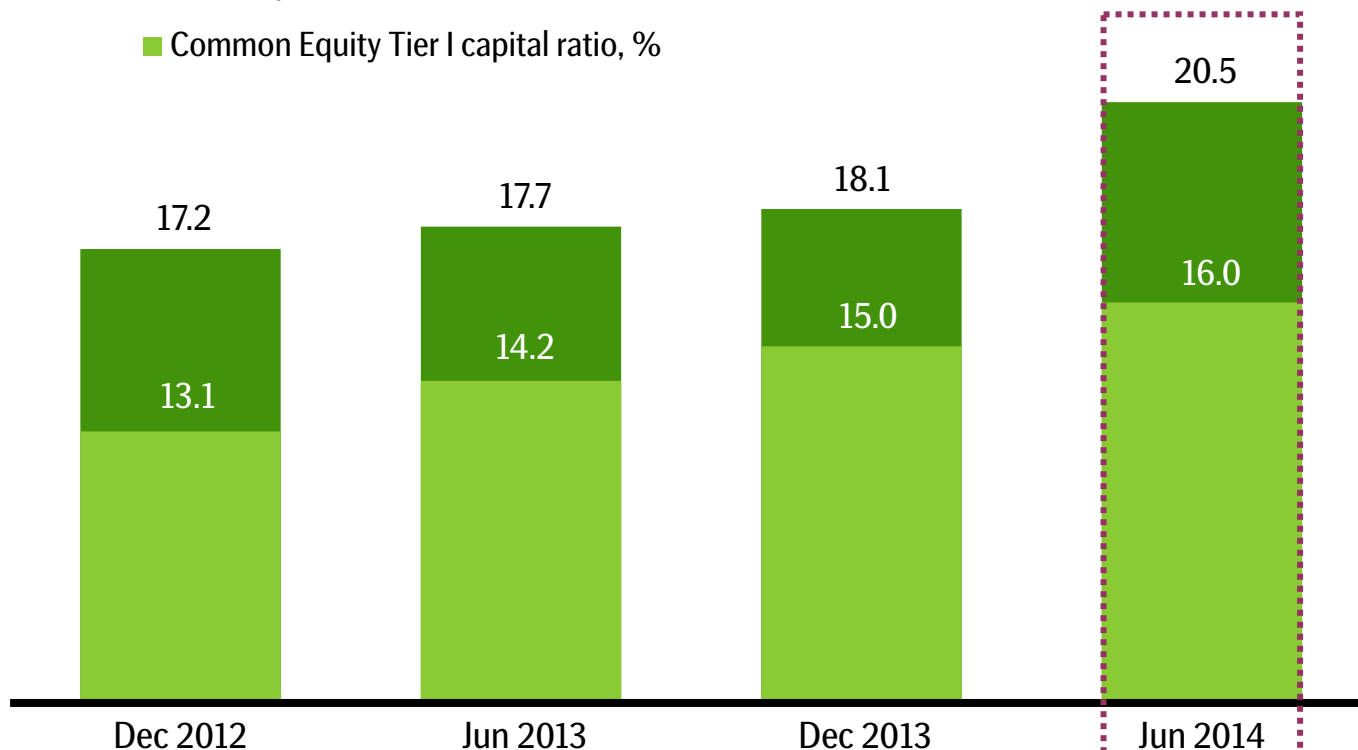
1)

- Nominal amounts
- Excluding subordinated debt

Basel III fully implemented

SEB Group

- Total capital ratio, %
- Common Equity Tier I capital ratio, %

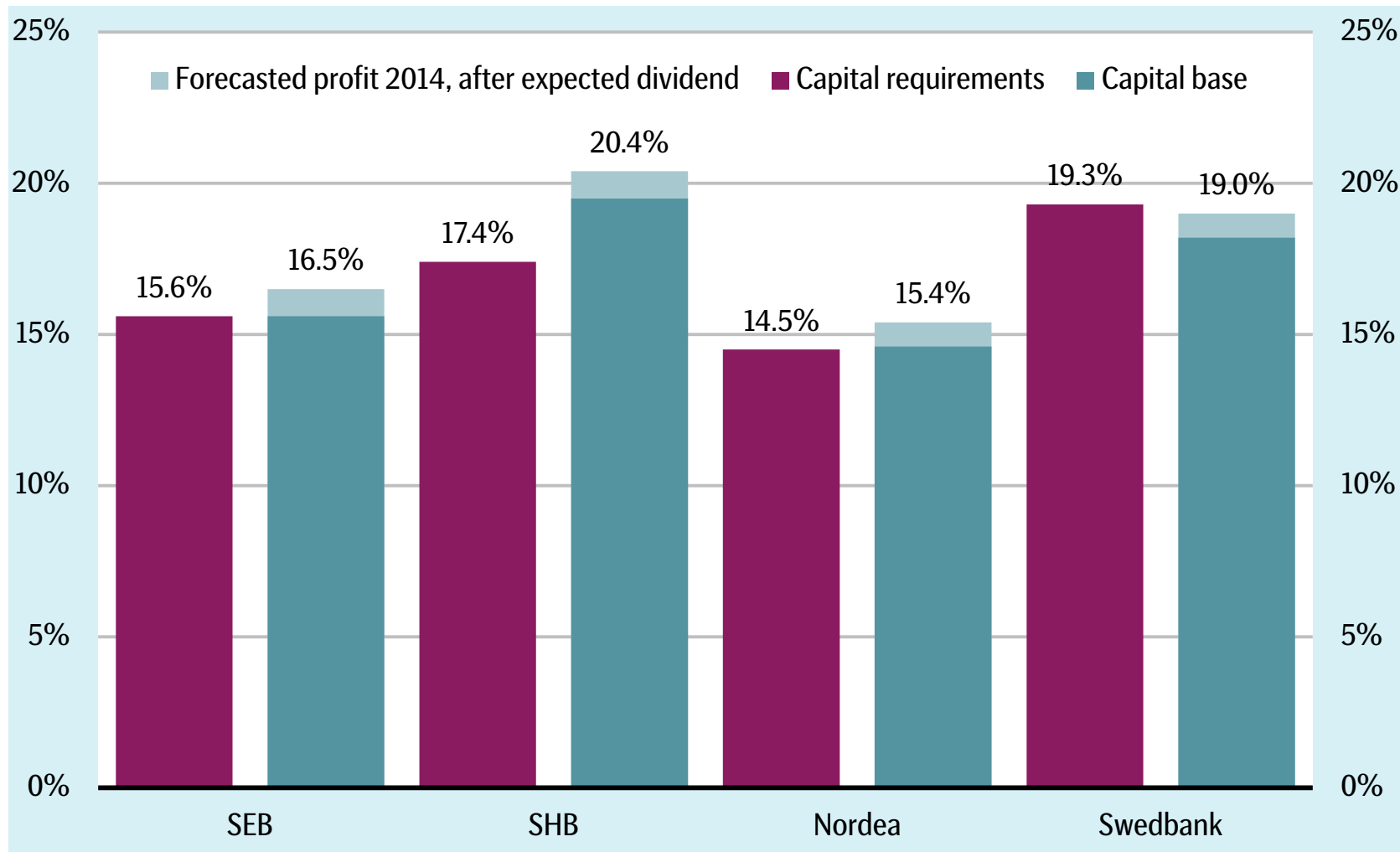


SEK bn

Common Equity T1 capital	82.8	89.0	89.8	95.6
Total own funds	105.7	108.6	108.3	122.7
REA	632	628	598	598

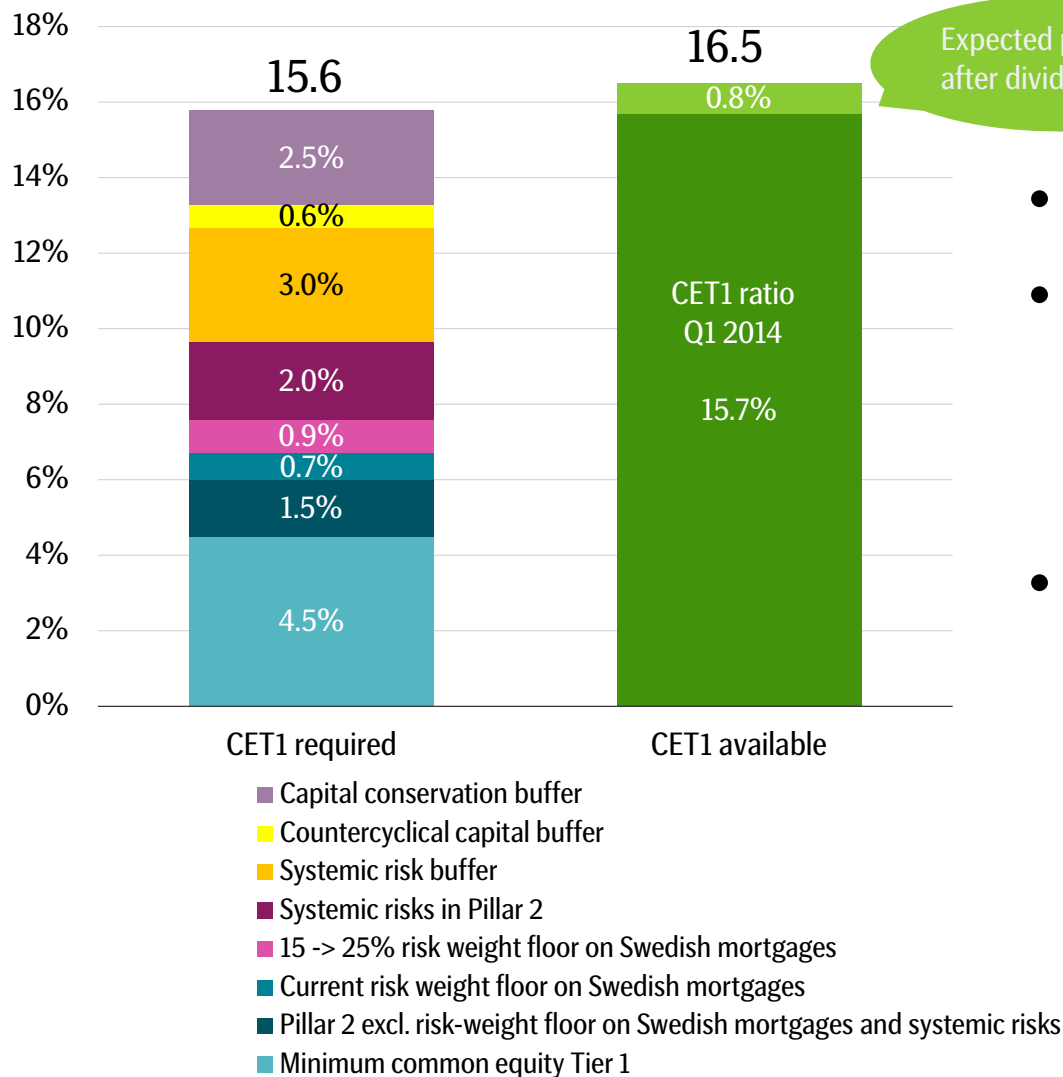
New capital requirements published 8 May

Major Swedish banks Basel III capital requirements according to the SFSA



SEB's capital requirement

According to SFSA



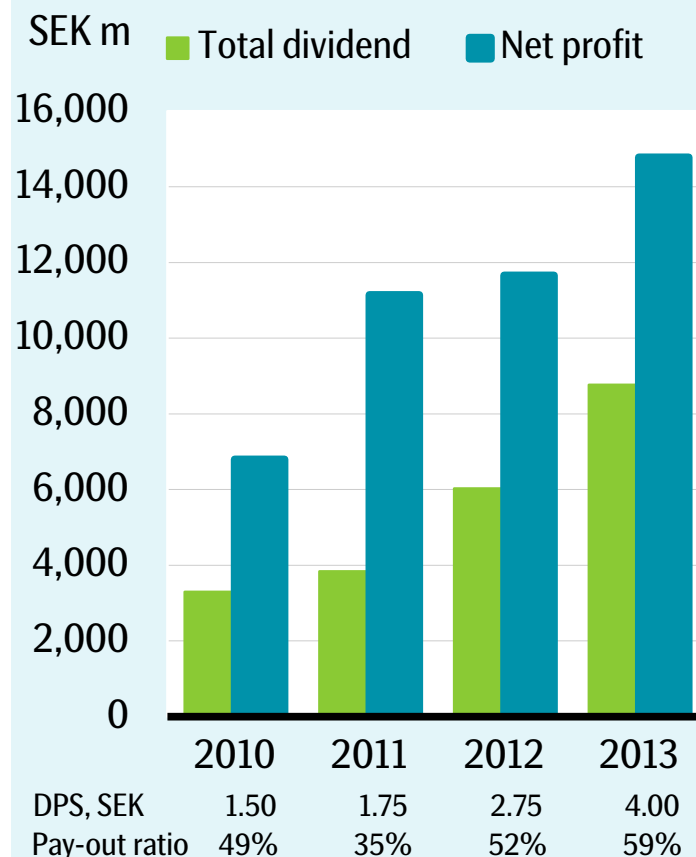
- Strong capital formation
- Significantly more capital attributed to divisions to support capital rationalisation and pricing dynamics
- Revised capital target to be communicated when details clarified

Ownership and Dividend policy and development

SEB's main shareholders

June 2014	Share of capital, per cent
Investor AB	20.8
Trygg Foundation	6.6
Alecta	5.4
Swedbank/Robur Funds	4.6
AMF Insurance & Funds	3.0
Wallenberg Foundations	1.5
SEB funds	1.2
SHB funds	1.2
Fourth National Swedish Pension Fund	1.0
First National Swedish Pension Fund	1.0
Foreign owners	31.0
Source: Euroclear Sweden/SIS Ägarservice	

Dividends paid



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

Sum-up

A green flag with the SEB logo is flying from a tall pole on the roof of a building. The building has a green-tiled roof and a large arched window. The background is a clear blue sky with some green foliage visible in the foreground.

Going forward

**Long-term customer
relationships**

**Disciplined execution of
business plan**

**Finalisation of regulatory
Swedish finish**

Additional information: Swedish Housing Market

Some key features

❑ House price development

- Upward pressure:
 - ✓ Severe structural lack of supply particularly in the major cities to which there is a strong migration
 - ✓ Particularly on apartments in the major cities' center
 - ✓ Political inability to stimulate new residential investments
- Stabilizing / downward pressure – mitigating factors:
 - ✓ *Strong domestic economy with ample possibilities to stimulate the economy*
 - Next to no budget deficit, relatively very low sovereign debt just below 30%* and continued current account surplus of approx. 6%
 - ✓ *Banks' stricter lending criteria*
 - ✓ *New and extended regulatory requirements on banks' and other mortgage lenders:*
 - Regulatory LTV cap of 85% (Fall 2010)
 - Mortgage risk-weights - 15% under Pillar II (Spring 2013)
 - Regulatory Body's liquidity and capital requirements - stricter than Basel III and EU requirements
 - ✓ *Topics publicly discussed - Increased household indebtedness may cause regulatory bodies to:*
 - Introduce mandatory amortization requirements
 - Decrease ability to deduct interest costs (today: 30% up to about USD 15k / EUR 11k and 20% on the amount above USD 15k / EUR 11k)
 - Increase mortgage risk-weight to 25% under Pillar II (most likely)

❑ Increased indebtedness of private people

- Mitigating factors:
 - ✓ *80% of households' debt is mortgage loans*
 - ✓ *A recent (Nov 2013) government report showed that the most indebted people are the ones with the highest income and net wealth, highest level of education and live in the economically more prosperous and flourishing regions in Sweden*
 - ✓ *Increased affordability of households*
 - Households' have increased disposable income and affordability due to higher real salaries, income tax cuts, abolishment of wealth tax, a substantial lowering of real estate tax and low interest rates
 - ✓ *The increase in debt to income amongst households is offset by a low public sector debt and a capacity for countercyclical measures*

❑ Home ownership about 70%** and going up

❑ No buy-to-let market

* Excluding relending to the Debt Office due to buffering of the currency reserve. Approx 35% including the relending

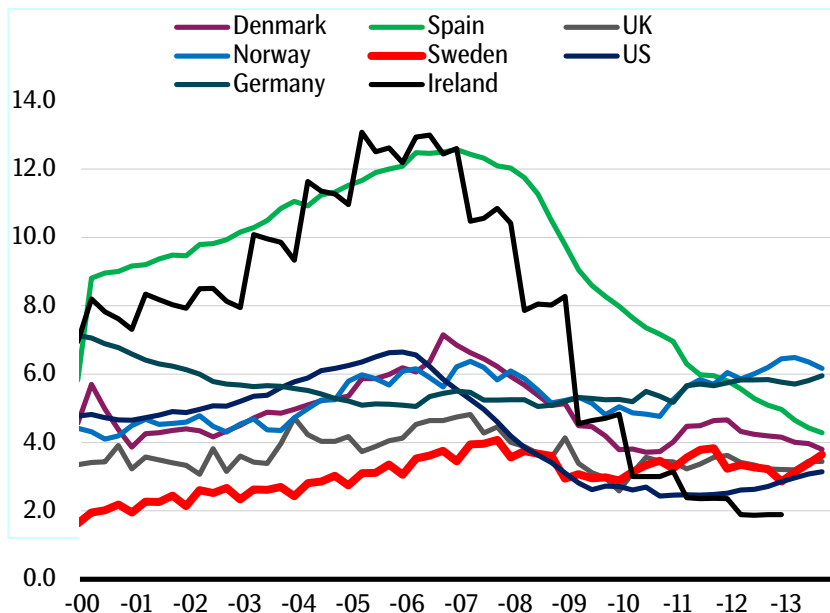
**Swedish National Board of Housing 2011 (Boverkets)

Structural lack of housing

- ❑ Shift in government policy on subsidies in the beginning of the 90s had a huge negative impact on residential construction
- ❑ Strict rent regulation; high land and construction costs; planning, construction and environmental legislation continue to reduce the incentive for the construction of rental apartment buildings
- ❑ Construction needs to be between 30,000 and 60,000/ year to keep pace with population growth ¹⁾
- ❑ Apartment buildings constructed in 2012 numbered approximately 28,000 ¹⁾
- ❑ Lack of housing the most pronounced in the larger cities like Stockholm, Göteborg and Malmö

Relatively low residential investment

as a % of GDP

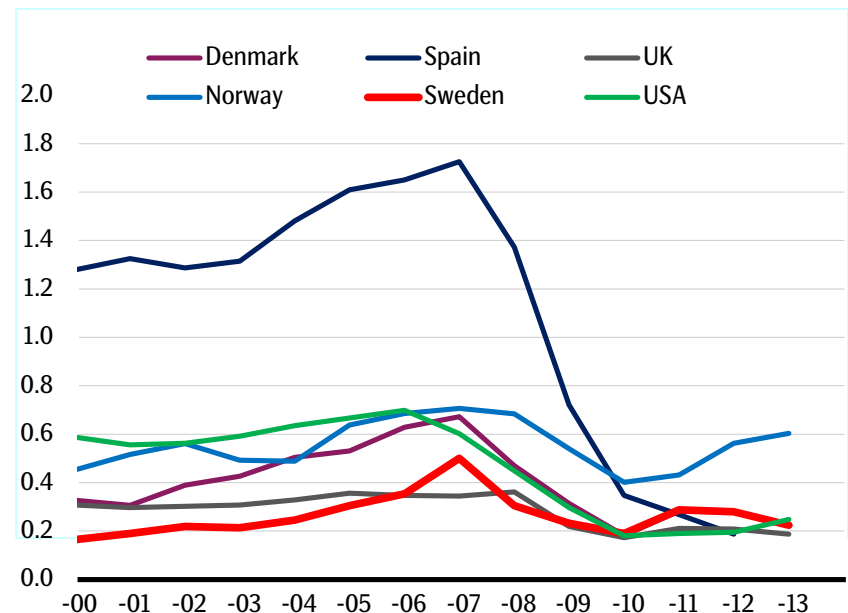


Source: Macrobond June 2013 except Ireland December 2012d

1) Latest available data from the Swedish National Board of Housing

Low number of new houses constructed

as a % of the population

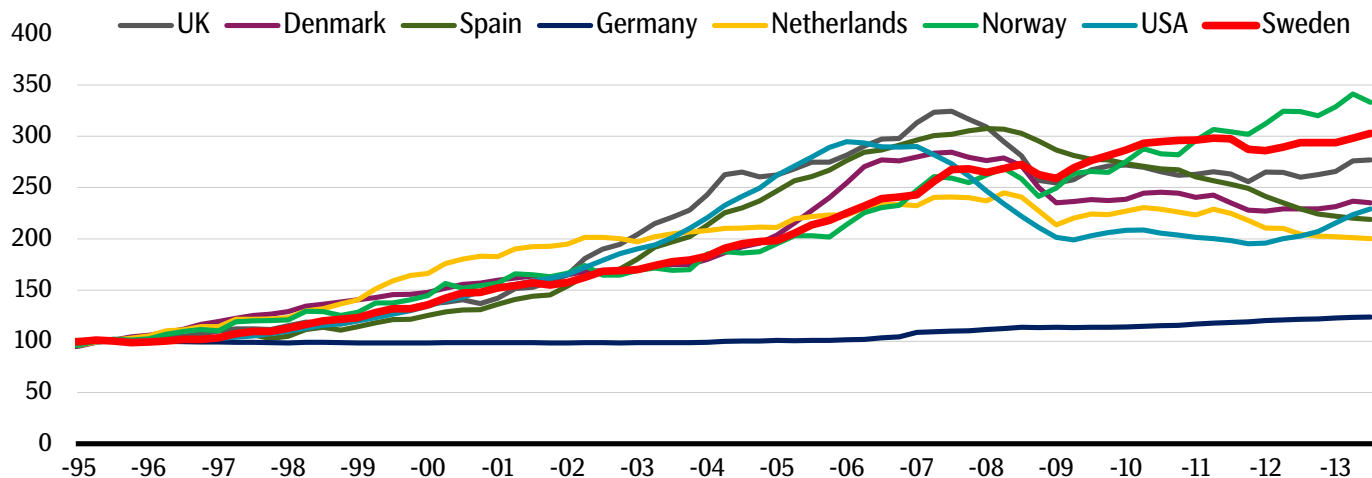


Source: Macrobond Dec 2012

The sustained increase in house prices have slowed down

- ❑ Structural lack of housing is the root to the sustained increase. However,...
- ❑ The effect of new regulatory requirements, debate on overall household indebtedness and stricter bank lending criteria have had a certain price dampening effect the last few years
- ❑ Low residential real estate construction led to an upward pressure on equilibrium price levels
- ❑ Considerable lowering of residential real estate tax and abolition of wealth tax in the mid-2000s
- ❑ Relatively low debt servicing costs

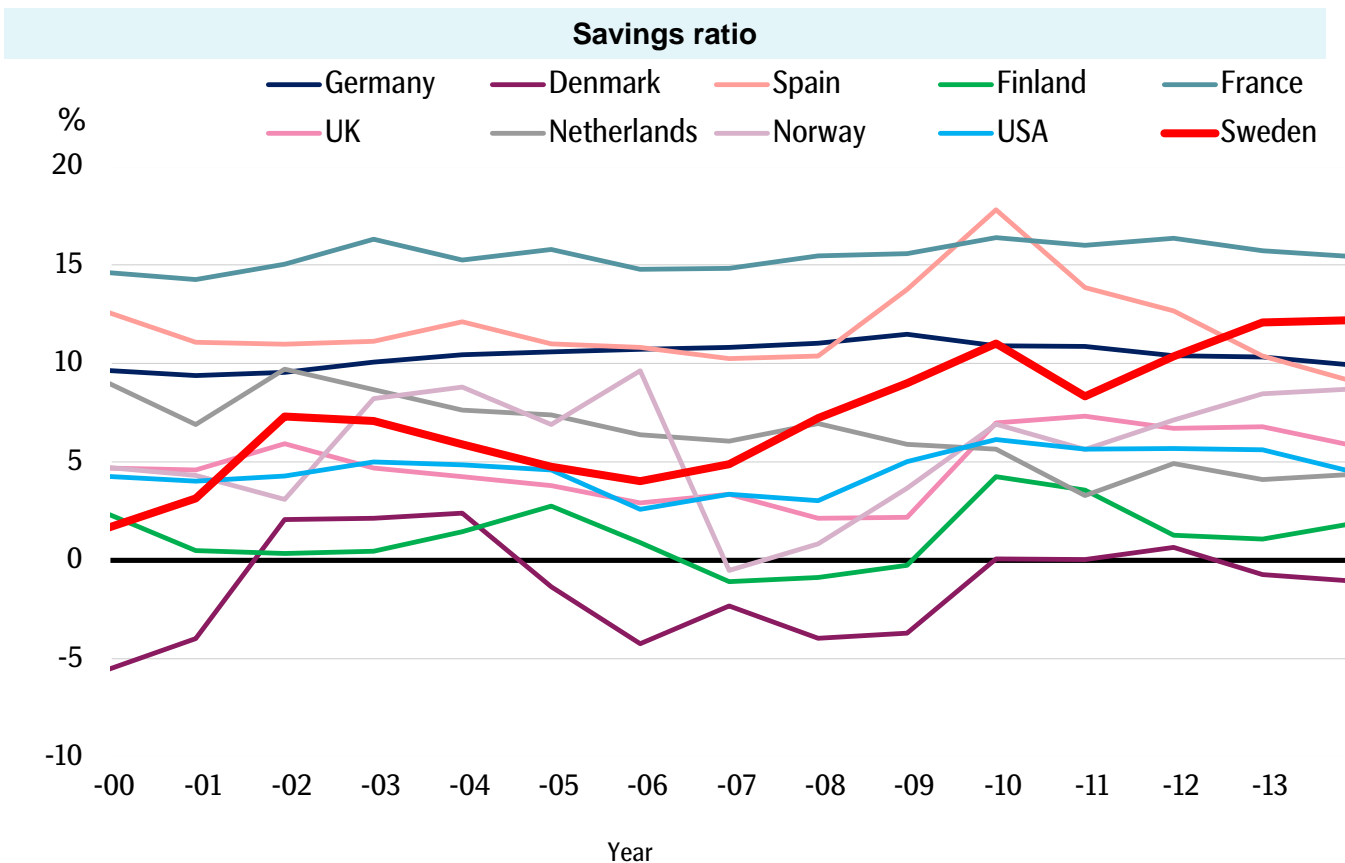
House prices (index 1992=100) International comparison



Households' debt-servicing ability is solid

Swedish Central Bank's Stability Report November 2013 states that:

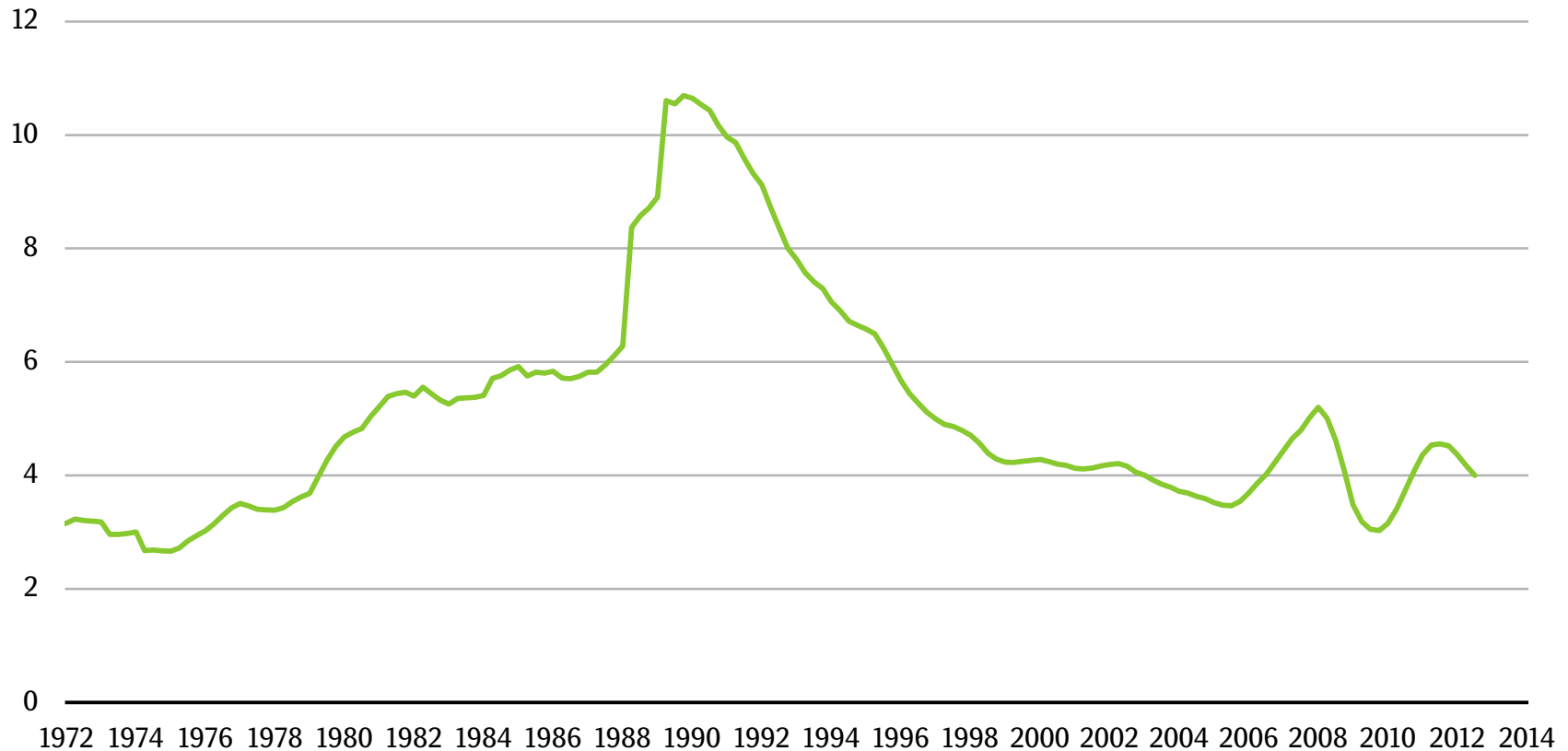
- ❑ Household total wealth is 6 times higher than household disposable income
- ❑ Households' net wealth (total assets minus total debt) is 4 times higher than disposable income
- ❑ Higher income groups have both larger assets and larger debt



Source: Macrobond

The Swedish households' interest expenditure

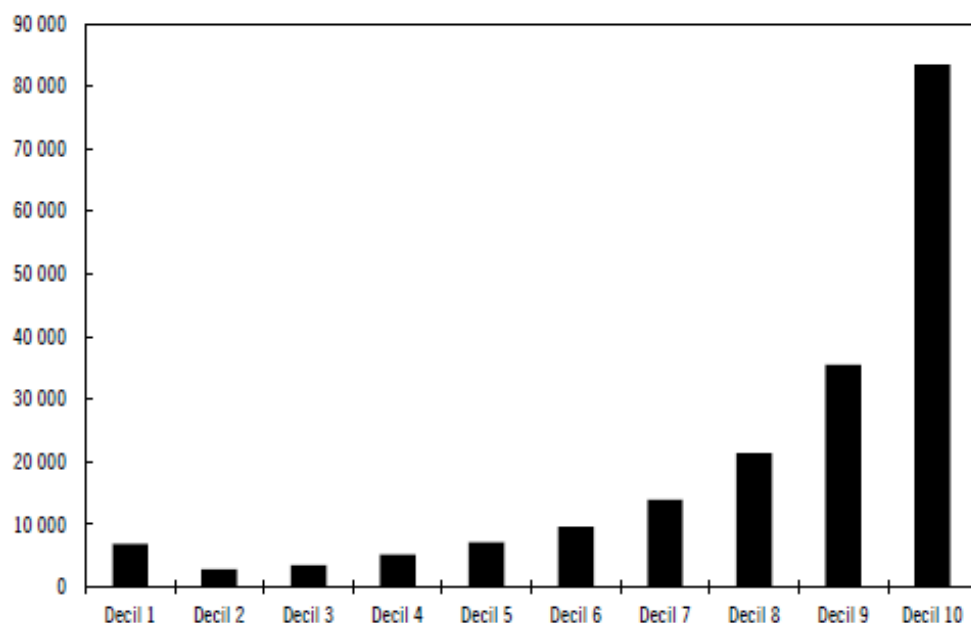
Per cent of disposable income



Sources: Statistics Sweden and the Riksbank

The vast majority of debt with the highest income bracket

Number of people with total loans above SEK 1.8m, which constitutes 2.5% of the adult population with the largest loans



Since the mid-nineties the household debt to disposable income ratio has increased in Sweden from 90 to 170 per cent and is today about 1.5 times higher than the Eurozone average. But also the assets has increased, from almost 300 per cent to slightly below 600 per cent of the disposable income. Aggregated numbers show that the households have a large net wealth.

The investigation, presented in the Governments special report SOU 2013:78, concludes that the large loans in general are taken by groups that have the prerequisites to manage them, such as high income earners and people with higher education.

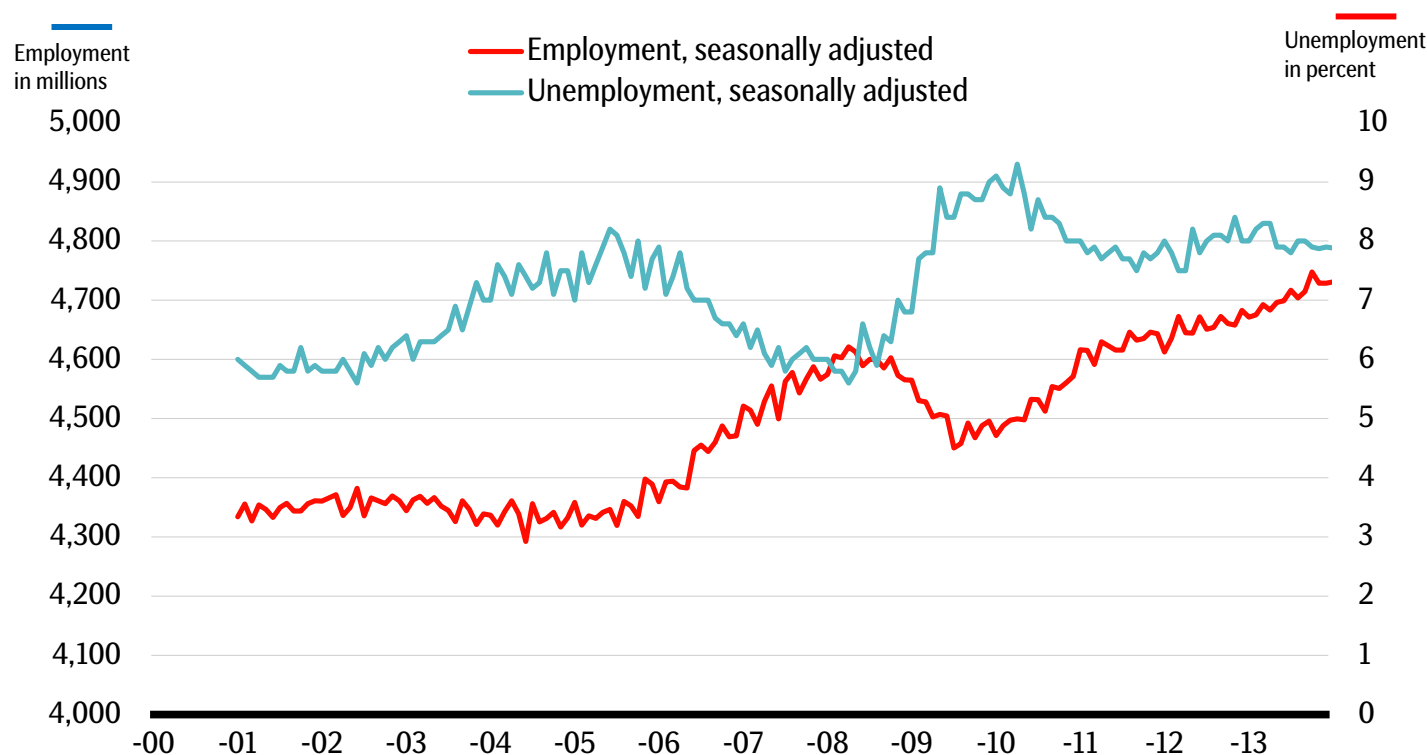
Three quarters of all households with loans have loans less than SEK 708,895 and the larger the loan, the more concentrated to the households with the highest income they are. The distribution of the 2.5 per cent of all households that have the largest loans, i.e. loans in excess of SEK 1,807,387, by income decile are displayed in the graph above.

Unemployment will have minor effect on asset quality

Swedish Central Bank stress tests show that:

- ❑ Debt servicing ability is to a larger extent affected by higher mortgage rates than higher unemployment
- ❑ Although the proportion of vulnerable households increases if unemployment rises, potential loan losses only increase marginally due to socio economic factors (see next slide)

Healthy job creation but persistent unemployment due to rising labor force participation



Factors behind the strong asset quality

Credit information agency (“UC”)

Provides unique information regarding customers, e.g. marital and employment status, age, income, fixed assets, debt, payment record, property ownership

Practically impossible to escape claims

A borrower is personally liable, for life, even after a default and foreclosure procedure

Strong household income

A household's income is to a very high degree based on two persons' income. A mortgage loan is typically a joint liability

No buy-to-let market

A regulated rental market and tenant owner subletting restrictions

Direct debit

Customers make payments via authorized direct debit from their account

State enforcement office

Enforcement orders are processed in a expedient and reliable way

No intermediaries

Banks and bank owned mortgage institutions originate the loans themselves and the loans remain on their balance sheet

Contacts, calendar and ADR

IR contacts and Calendar

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Financial calendar 2014

Date

7 October 2014
23 October 2014
29 January 2015

Event

Silent period begins
Interim report January – September 2014
Annual Accounts 2014

SEB's sponsored level 1 ADR program

Symbol:	SKVKY
ADR ordinary share ratio	1:1
ADR ISIN	US8305053014
Sedol	4813345
Depository bank	Citibank N.A.
Trading platform	OTC
Country	Sweden