

Telephone Conference - Annual Accounts 2017

Johan Torgeby

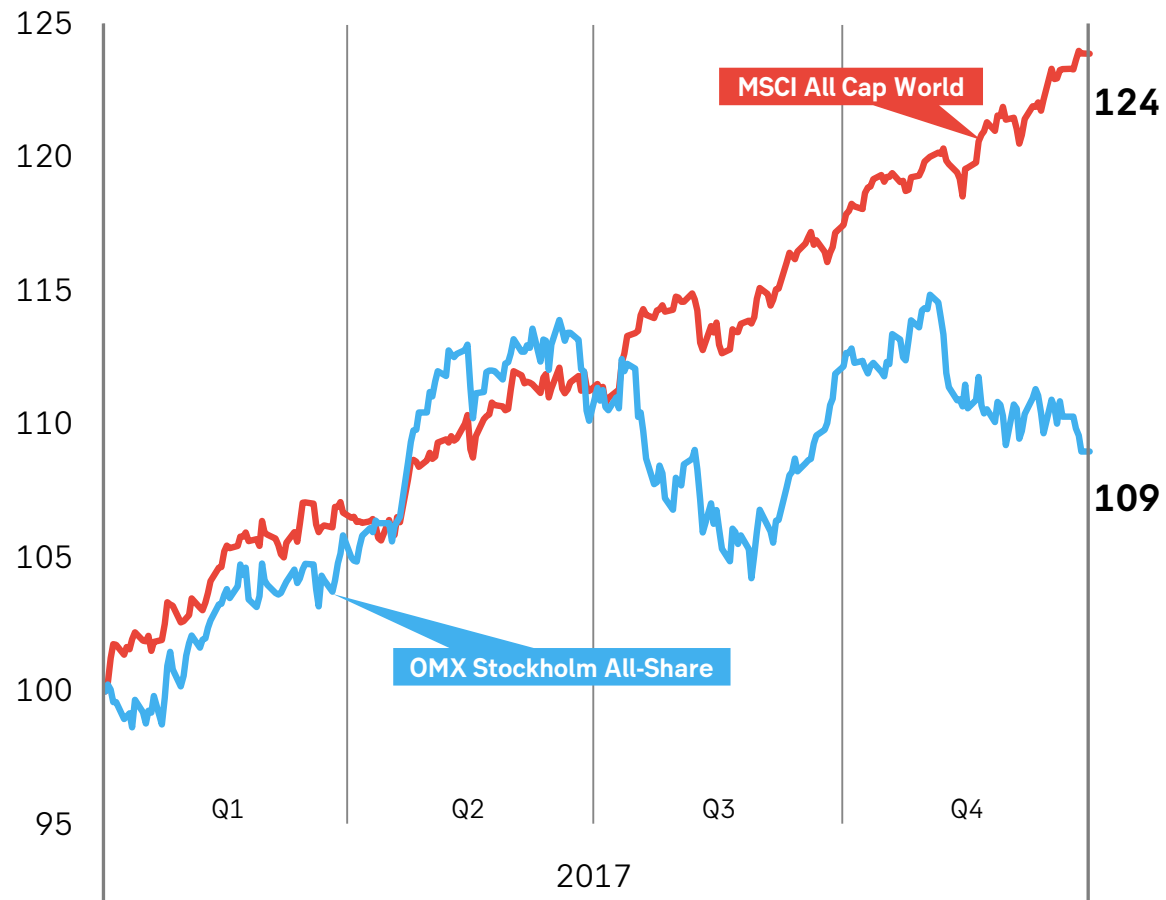
President & CEO

31 January, 2018

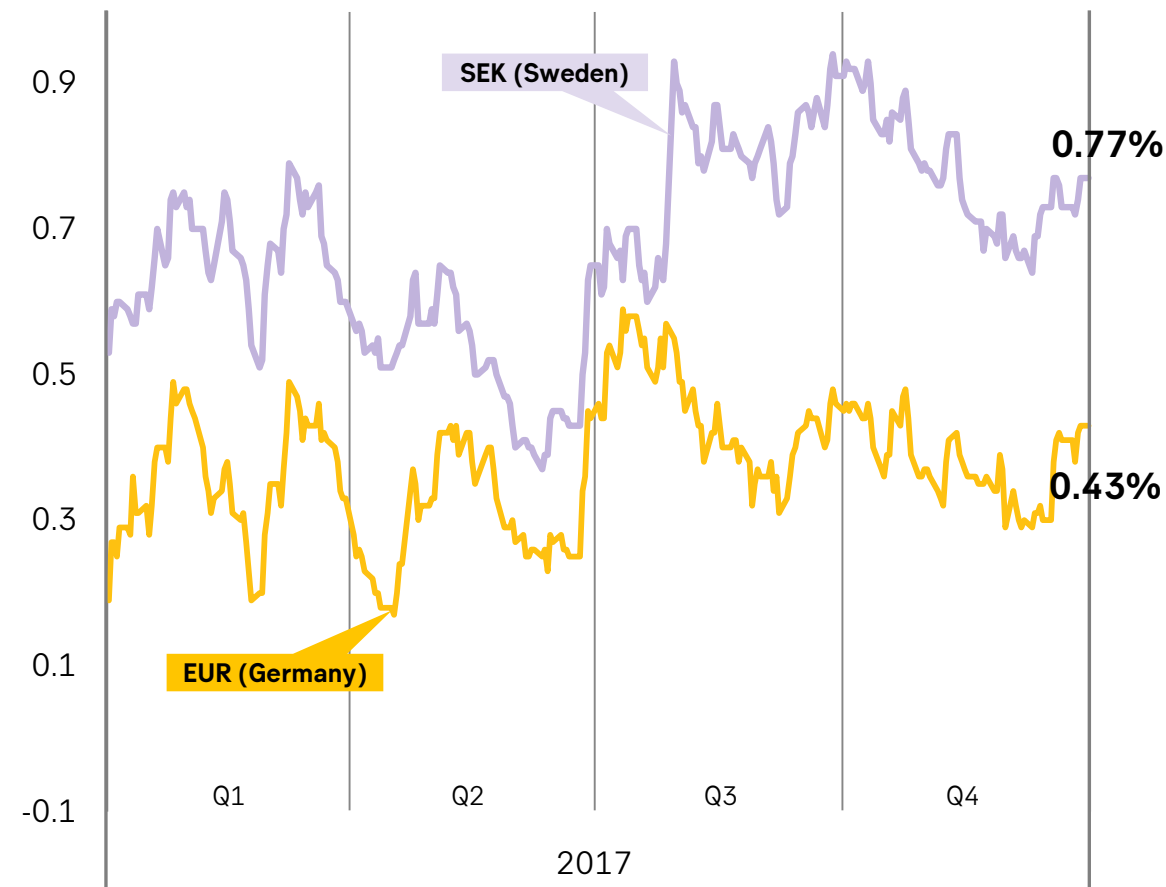


Financial markets development

Equity market



Debt market (Annual yield of 10-year Gvt Bonds)



Equity market data series are indexed assuming that 2017-01-02 = 100.

Growing franchise drives enhanced profitability

Profit & Loss (SEK m)	FY 2017	FY 2016	%
Total Operating income	45,609	43,251	5
Total Operating expenses	-21,936	-21,812	1
Profit before credit losses	23,672	21,439	10
Net credit losses etc.	-970	-1,143	-15
Operating profit before IAC	22,702	20,296	12
IAC	-1,896	-5,429	
Operating profit	20,806	14,867	40

Credit loss level	Cost/income ratio	CET 1 ratio	ROE*	DPS
5bps	0.48	19.4%	12.7%	SEK 5.75

* Based on operating profit before items affecting comparability

Increased activity in the fourth quarter

Profit & Loss, (SEK m)	Q4 2017	Q3 2017	%	Q4 2016	%
Total Operating income	11,858	11,141	6	11,618	2
Total Operating expenses	-5,605	-5,423	3	-5,709	-2
Profit before credit losses	6,253	5,719	9	5,909	6
Net credit losses etc.	-142	-338	-58	-351	-60
Operating profit before IAC	6,112	5,380	14	5,558	10
Items affecting comparability	-1,896				
Operating profit	4,216	5,380	-22	5,558	-24

Credit loss level

3bps

Cost/income ratio

0.47

CET 1 ratio

19.4 %

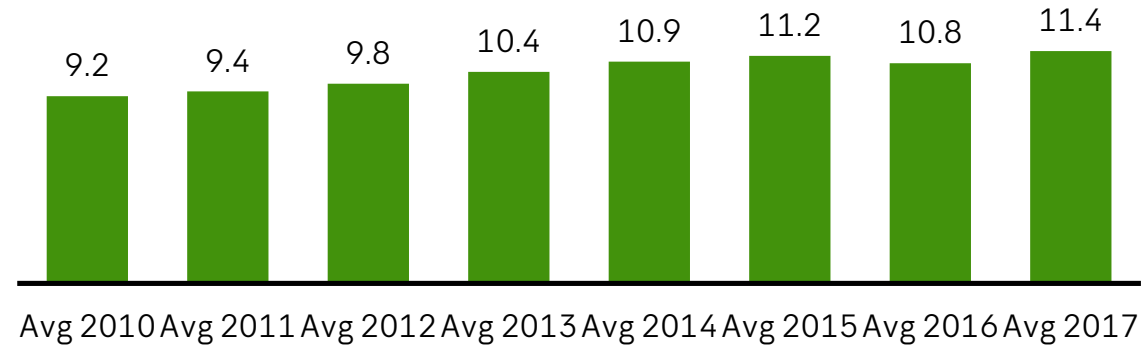
ROE*

13.5%

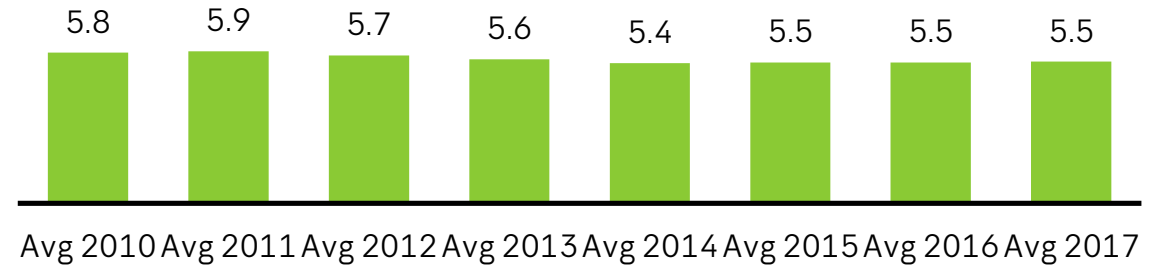
* Based on operating profit before items affecting comparability

Operating leverage

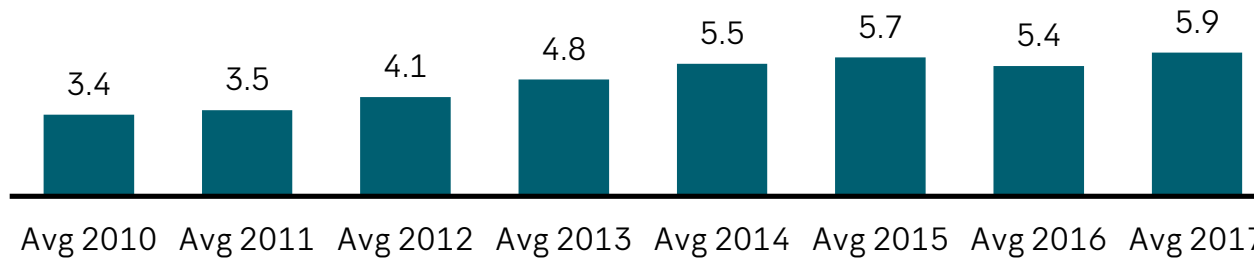
Average quarterly income* (SEK bn)



Average quarterly expenses* (SEK bn)



Average quarterly profit before credit losses* (SEK bn)

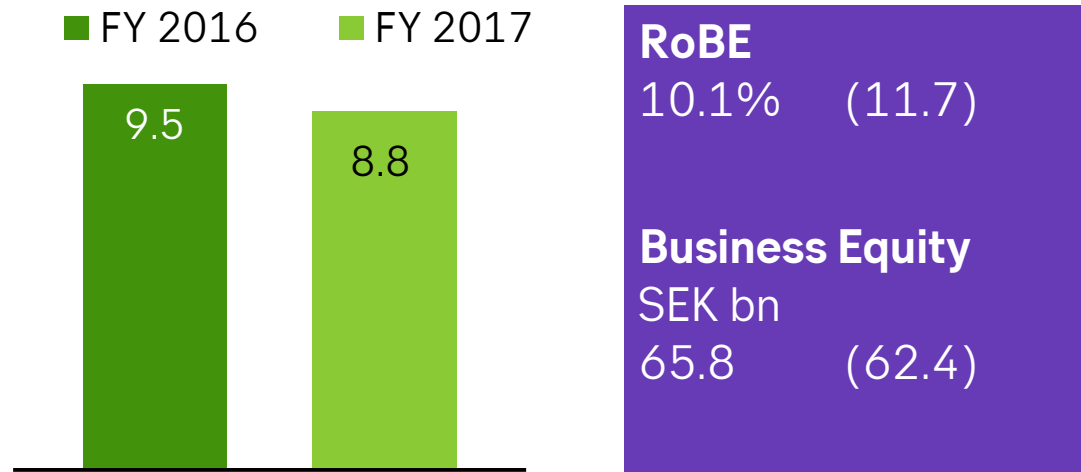


* Excluding items affecting comparability

Large Corporates & Financial Institutions

Operating profit & key figures*

SEK bn



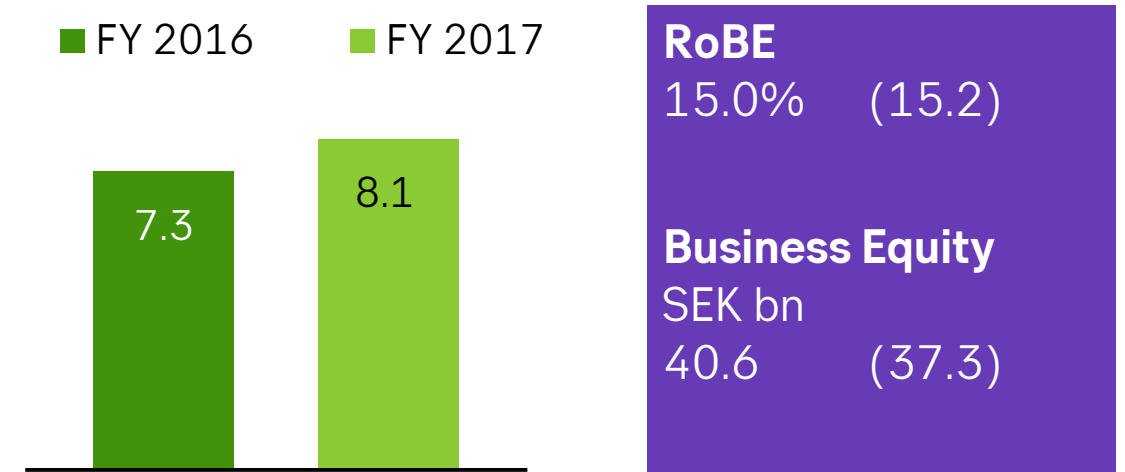
- Higher customer activity, especially in the primary markets for bonds, equity and M&A
- Low volatility decreased markets related income and activity

* Excluding items affecting comparability in 2016

Corporate & Private Customers

Operating profit & key figures

SEK bn

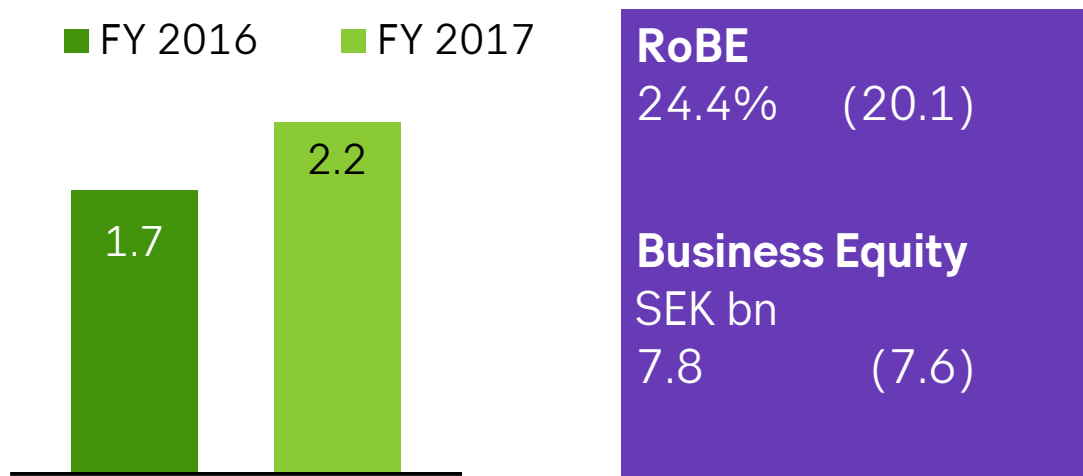


- Modest lending growth with a positive net inflow of corporate customers
- Inflow of private customers combined with pick up in household lending growth continued

Baltic Banking

Operating profit & key figures*

SEK bn



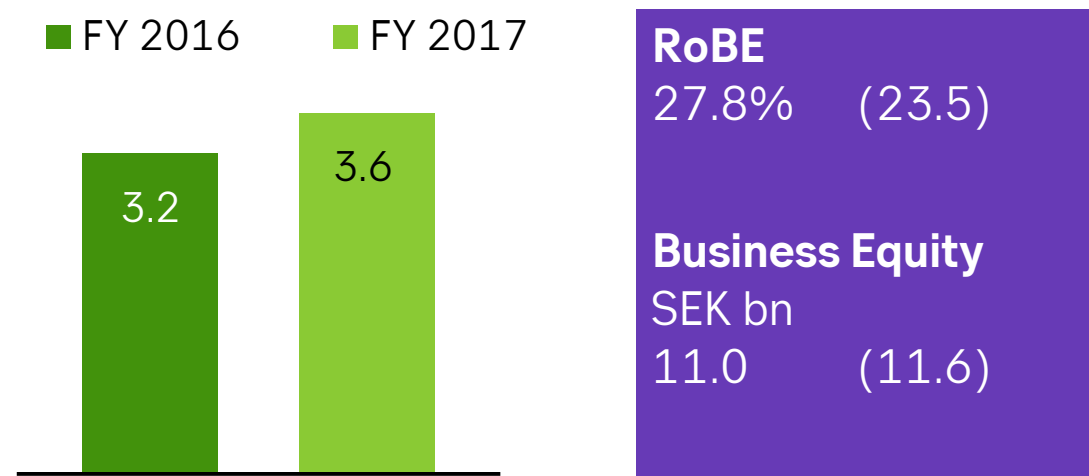
- Continued improvement in business sentiment in all segments and loan growth in all countries
- Digital solutions enhancing customer experience increasingly utilised

* Excluding items affecting comparability in 2016

Life & Investment Management

Operating profit & key figures

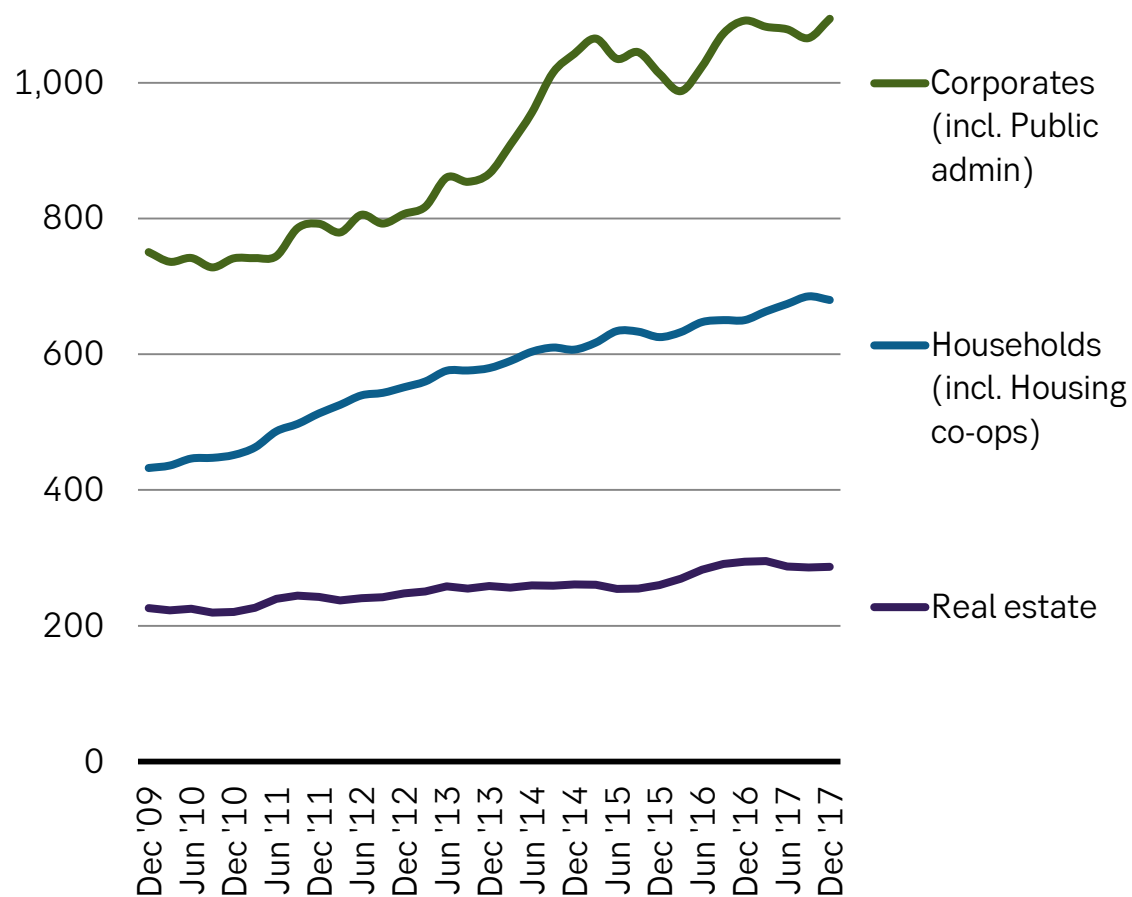
SEK bn



- Total AuM increased by 81bn to SEK 1,830bn
- Divestment of SEB Pension in Denmark announced 14 December, 2017

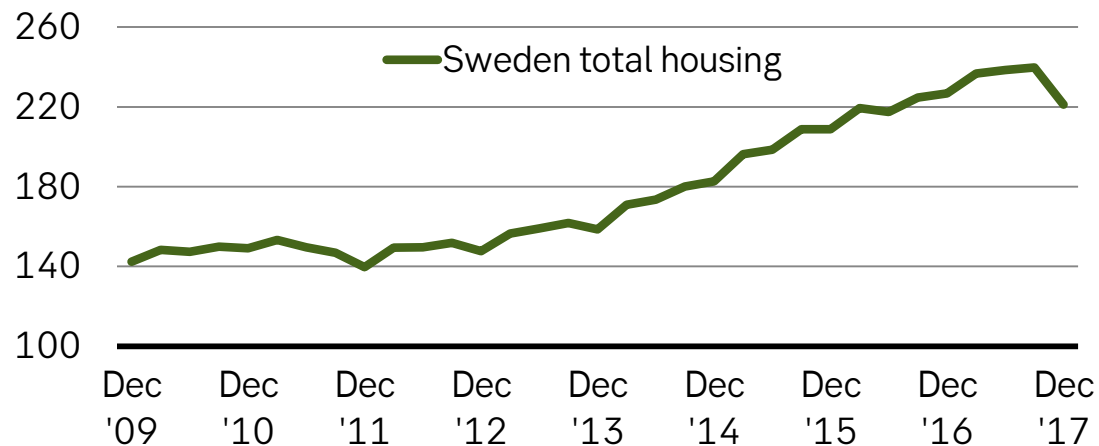
Balanced growth across sectors

Credit portfolio by sector (SEK bn)



Growth rates in per cent	QoQ	YoY	Dec '15 - Dec '17
Corporates (incl. Public admin)	3%	0%	8%
Households (incl. Housing co-ops)	-1%	5%	9%
Real estate	0%	-3%	10%

Swedish House Price development (Jan '05 index=100)



NOTE: Blue line (Households incl. Housing co-ops) is excluding German retail

Speed and quality of IT deliverables

Traditionally



Waterfall-based



2018-2020



Value delivery-based

Strong asset quality and balance sheet

(SEK bn)		2009	2016	2017
Asset quality	Non-performing loans	28.6bn	7.6bn	8.3bn
	NPL coverage ratio	65%	63%	55%
	Net credit loss level	0.92%	0.07%	0.05%
Funding and liquidity	Customer deposits	750bn	962bn	1 005bn
	Liquidity coverage ratio	N.A.	168%	145%
Capital	CET 1 ratio (Basel 3)	11.7%	18.8%	19.4%
	Total capital ratio (Basel 3)	14.7% <small>Basel 2.5</small>	24.8%	24.2%
	Leverage ratio (Basel 3)	N.A. <small>Basel 2.5</small>	5.1%	5.2%

Highlights 2017

- Interest rates and market volatility remain low
- Signs of pick up in corporate activity towards end of the year
- Strong capital position and robust asset quality

The journey to . . .

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

SEB

