

Investor Presentation

January – September
2018



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Agenda

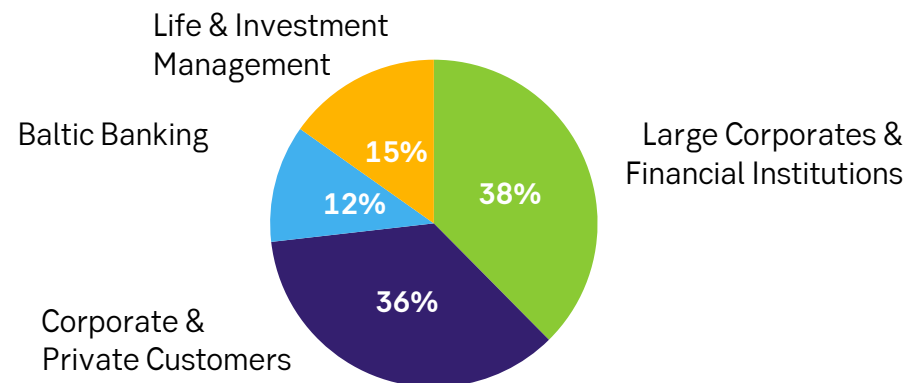


- **SEB in brief** **p.3**
- Financials p.15
- Balance sheet, Credit portfolio & Asset quality p.33
- Capital p.44
- Funding and Liquidity p.51
- Covered bonds and Cover pool p.57
- Business plan 2016 - 2018 p.61
- Contacts, calendar and ADR p.66
- Appendix p.69
 - Swedish housing market
 - Macroeconomics

Growth & strong credit rating in diversified business

Diversified business mix

Operating profit Jan-Sep 2018



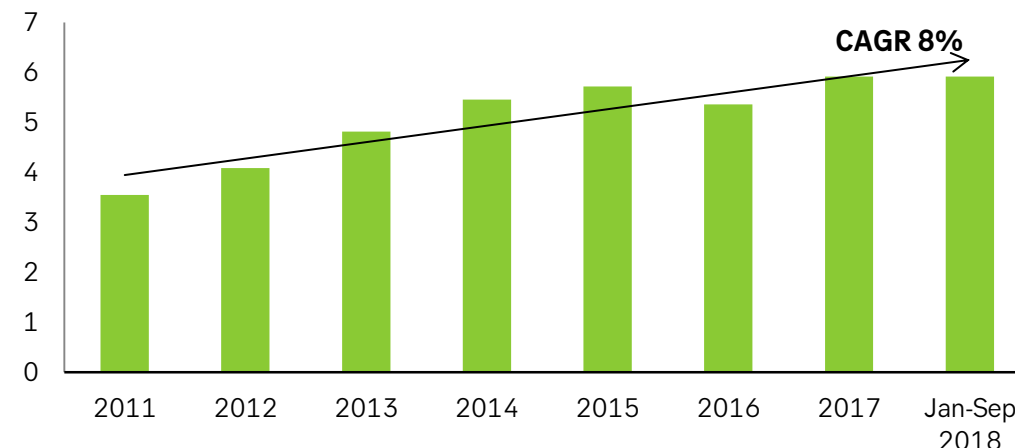
Operates principally in economically robust AAA rated European countries



- Universal banking in Sweden and the Baltics
- Principally corporate banking in the other Nordic countries, UK and Germany

Stable growth trend

Average quarterly profit before credit losses (SEK bn)



- Full focus on Swedish businesses
- Continue to grow in the Nordics, Germany and the UK
- Savings & pension growth

Strong 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

* of which one notch is due to the implicit state support

Our way of doing business

Focus since 1856

Full-service customers
Holistic coverage
Investments in core services

Vision 2025

To deliver **world-class service** to our customers

Large corporations

2,300
customers

Financial institutions

700
customers

SME companies

274k
Full-service customers

Private individuals

1.4m
Full-service customers

Since the Wallenberg family founded SEB in 1856, we have been working in the service of enterprise. The journey continues with the vision to deliver world-class service to our customers. The Wallenberg family is still the main shareholder via Investor AB.

SEB aims to be a role model in sustainability within the financial industry

Market leader in green bonds

Active ownership/Board diversity

Microfinance funds reaching ~20 m customers

MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM

Advised in the
world's largest
social bond issue

Walking the talk


Best financial
company by
SSE/Misum

SEB

SEB Sustainability
fund Sweden



SEB's competitive advantages generate sustainable value creation

Advantages

Profit generation

1. Diversified business mix and income distribution
2. Operates in a strong economic environment
3. Leading in core business areas
4. Cost cap keeping expenses down for eight years

Advantages

Balance sheet

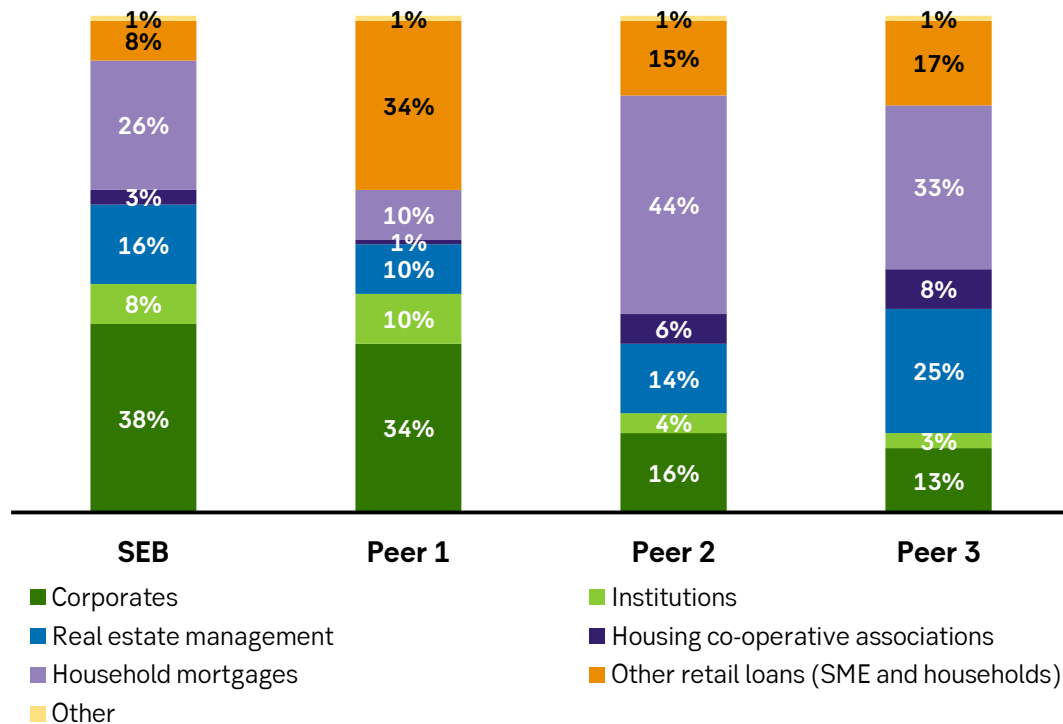
1. Strong funding structure
2. Low asset encumbrance
3. Stable long-term ownership structure
4. Strong asset quality and comfortable capital buffers high above SFSA requirements

Sustainable value creation

SEB's diversified business mix sustains earnings

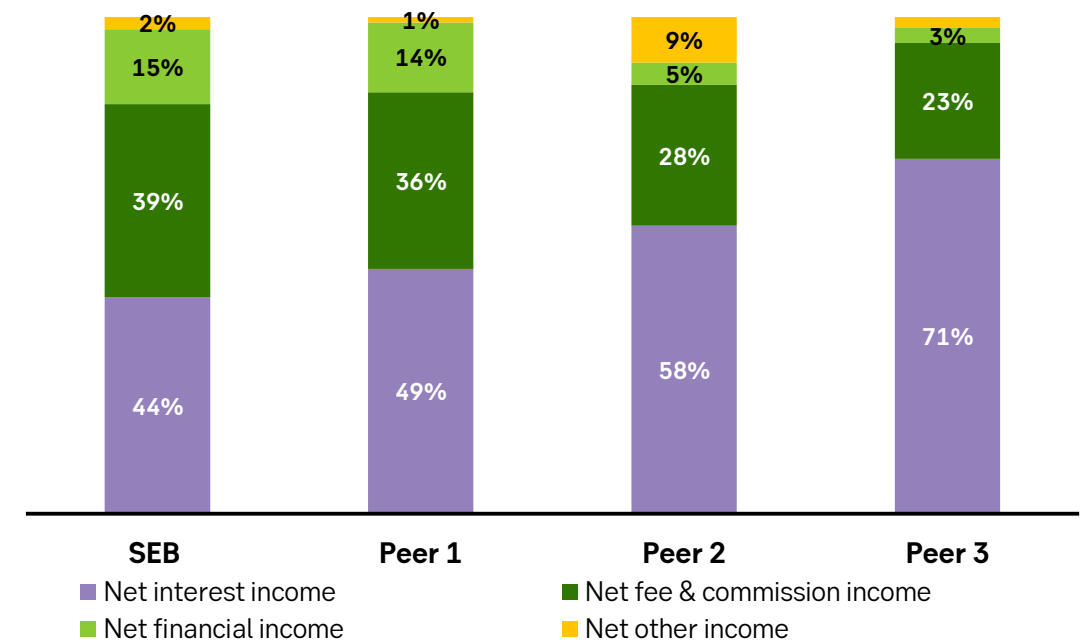
Highest corporate & institutional exposure and low real estate & mortgage exposure

Sector credit exposure composition, EAD¹⁾, Dec 2017



Diversified income stream with least dependence on NII

Operating income by revenue stream, Dec 2017 rolling 12m



The low real estate and mortgage exposure is due to SEB's roots in servicing large corporates, institutions and high net worth individuals. This is reflected in **the broad income generation base** where SEB is the least dependent on NII.

1) EAD = Risk Exposure Amount / Risk Weight

Source: SEB + Swedish peers' Pillar 3 and Q4 '17 reports

Leading market positions in core business areas

September 30, 2018

Corporate and Institutional business¹⁾

The leading Nordic franchise in Trading, Capital Markets and FX activities, Equities, Corporate and Investment banking

Second largest Nordic asset manager with SEK 1,871bn under management

Largest Nordic custodian with SEK 8,335bn under custody

Operates principally in economically robust AAA-rated European countries



Private Individuals¹⁾

The largest Swedish Private Banking in terms of Assets Under Management

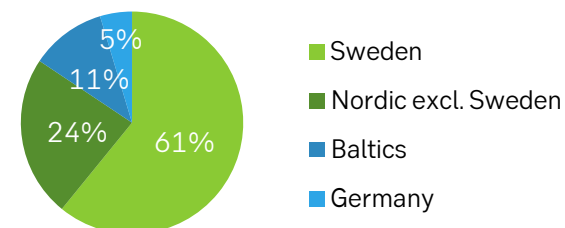
No. 2 with approx. 10% market share in total Swedish household savings market

Largest bank with approx. 8% of the total life and pension business in Sweden

Swedish household mortgage lending: approx. 14%

Second largest bank in the Baltic countries by lending

Share of operating profit - full year 2017 ²⁾



1) Latest available information

2) Excluding items affecting comparability, Germany excl. Treasury operations

Operating expenses kept down by cost cap

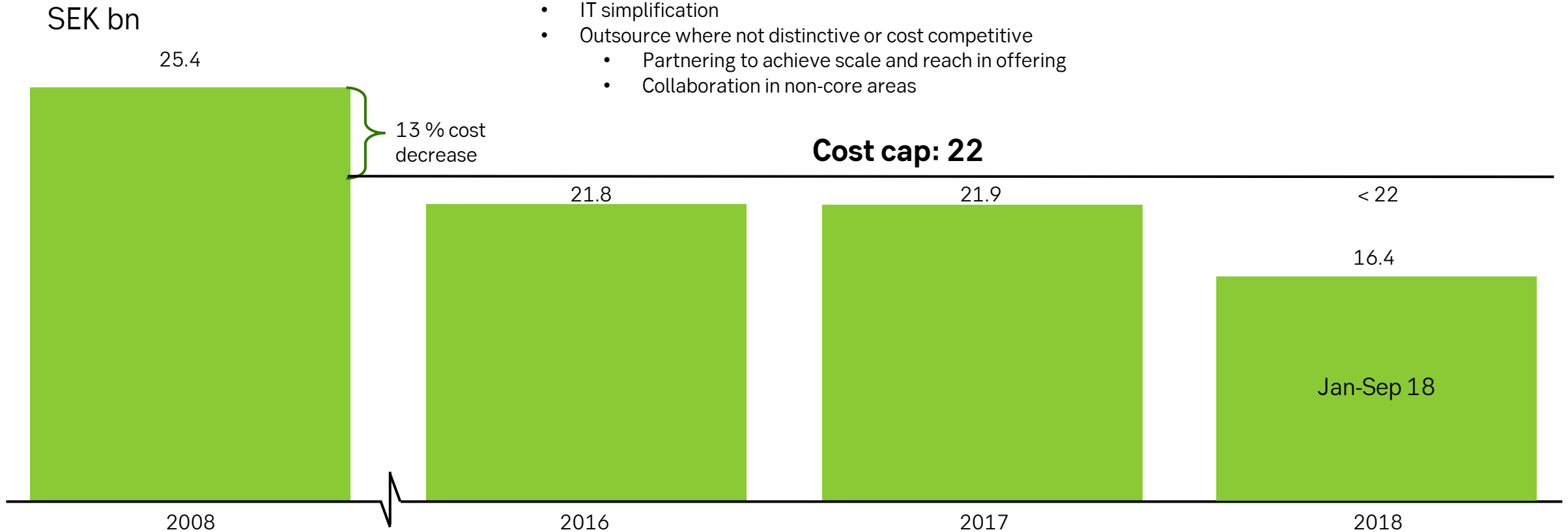
Self-financing growth through efficiency savings

Decreasing cost

- Reducing FTEs
- Transfer of business operations to Riga and Vilnius
- Cost synergies
- IT simplification
- Outsource where not distinctive or cost competitive
 - Partnering to achieve scale and reach in offering
 - Collaboration in non-core areas

Increasing cost

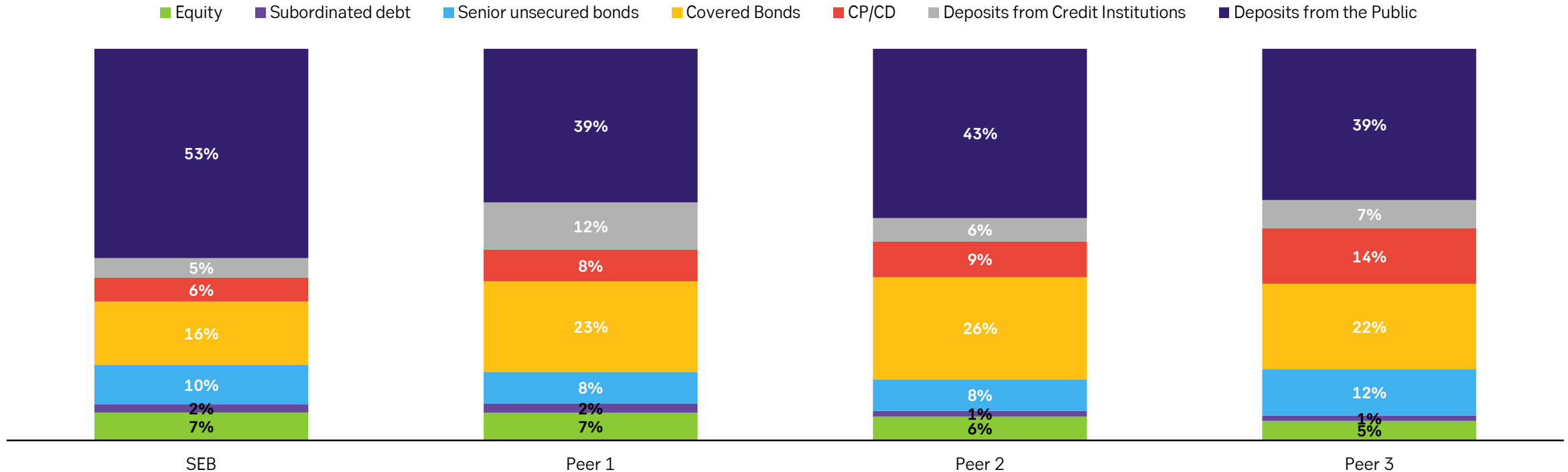
- Investments in growth and customer interface
- Salary inflation
- IT development



SEB has a strong funding structure and the lowest asset encumbrance, among Swedish banks

Benchmarking Swedish bank's total funding sources incl. equity

Average quarterly balances in 2017



Strong asset quality and robust capital ratios with comfortable buffers

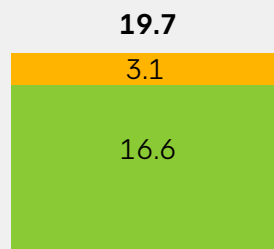
Net credit losses, %



Average
 2007-2017: 0.17%
 2007-2009: 0.44%
 2010-2017: 0.06%

CET1 ratio, %

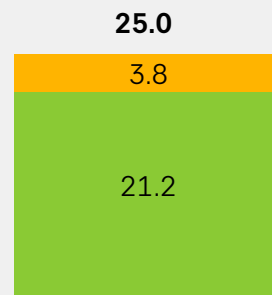
Requirements ■ Buffer ■



CET1 ratio

Total Capital ratio, %

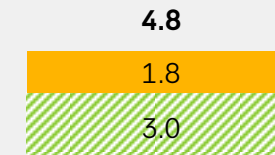
Requirements ■ Buffer ■



Total Capital ratio

Leverage ratio, %

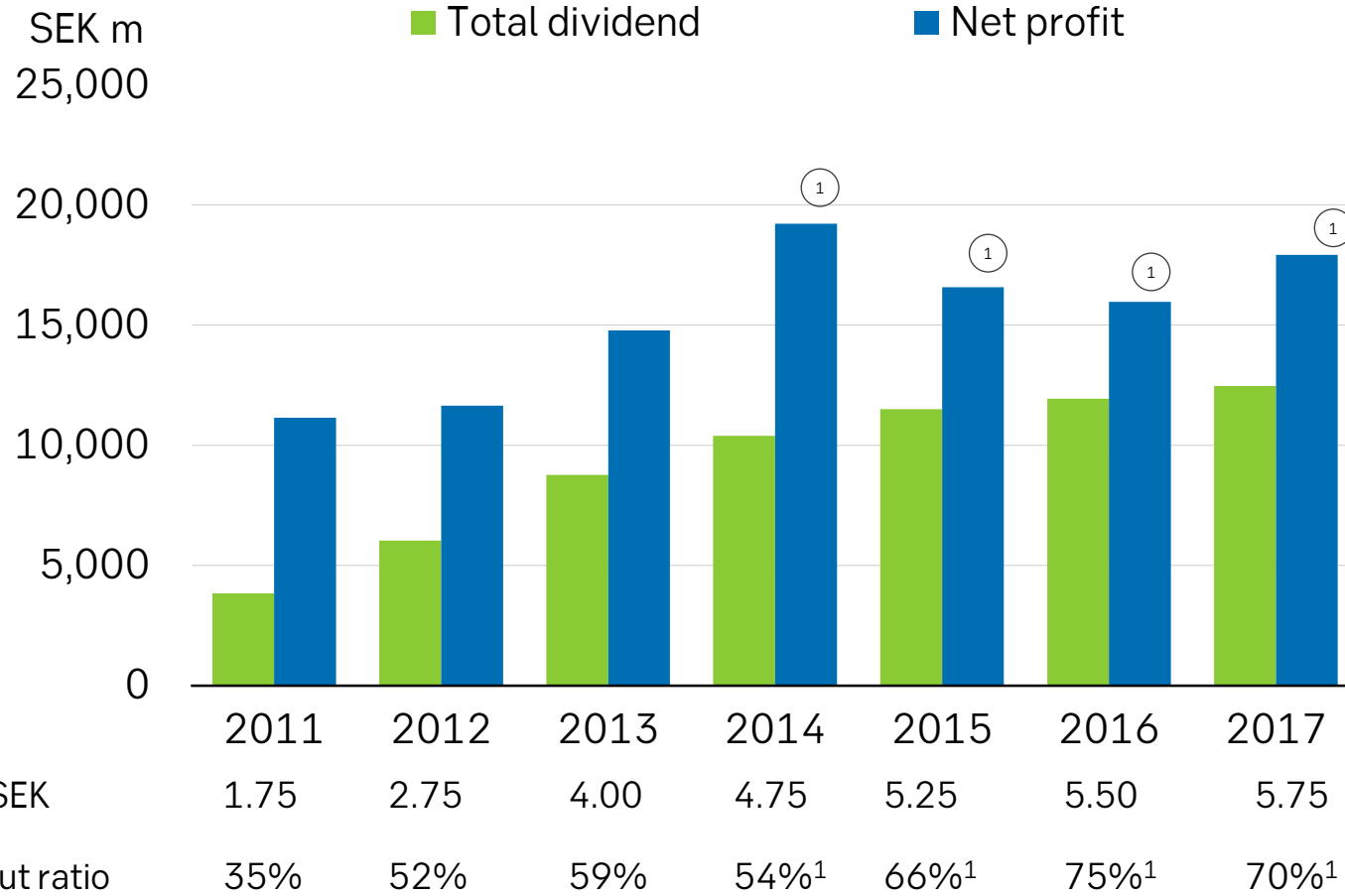
Potential future requirements ▨ Buffer ■



Leverage ratio

Generating sustainable value creation

Dividends paid



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

1. Excluding items affecting comparability

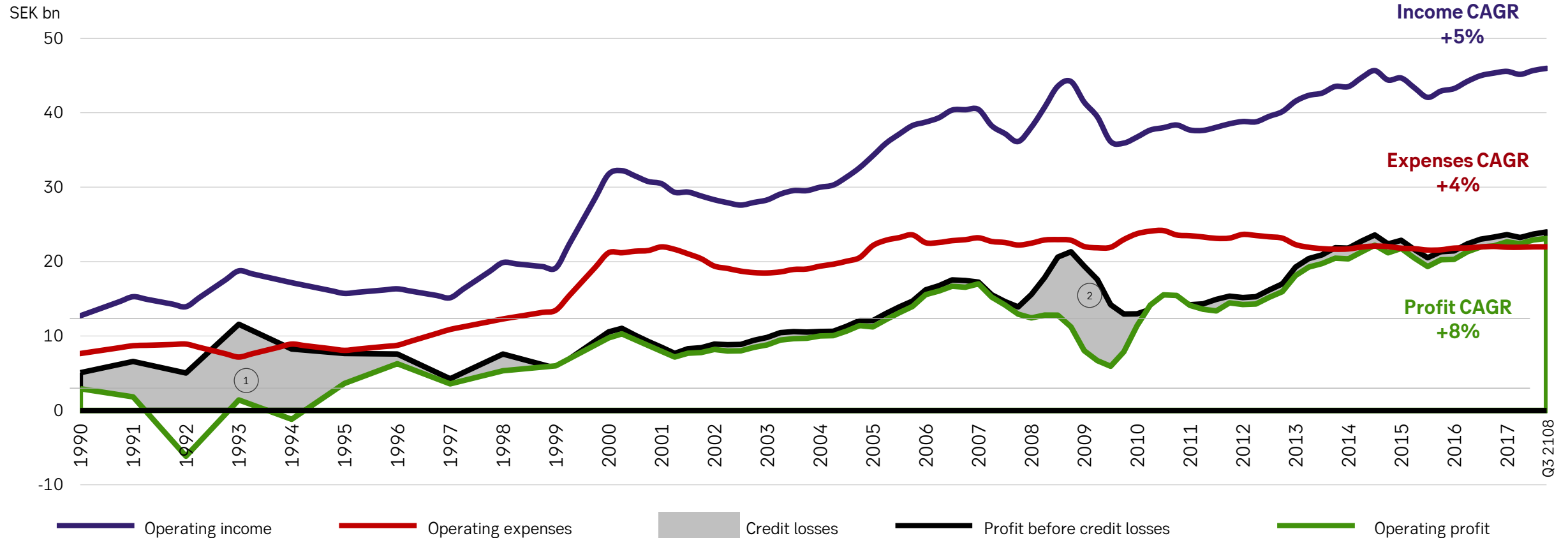
SEB's main shareholders

30 September 2018	Share of capital, per cent
Investor AB	20.8
Alecta	7.0
Trygg Foundation	5.2
Swedbank/Robur Funds	4.4
AMF Insurande & Funds	4.1
Blackrock	2.2
SEB Funds	1.7
Own shareholding	1.4
Nordea Funds	1.2
Vanguard	1.1
Total share of foreign shareholders	25.0

Source: Euroclear Sweden/Modular Finance

Sustainable value creation through focused business strategy and cost control

Long-term profit development 1990 – Q3 2018, rolling 12m



1. Consequences of the Swedish economic paradigm shift and the ensuing financial crisis. SEB is 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-Q3 2018

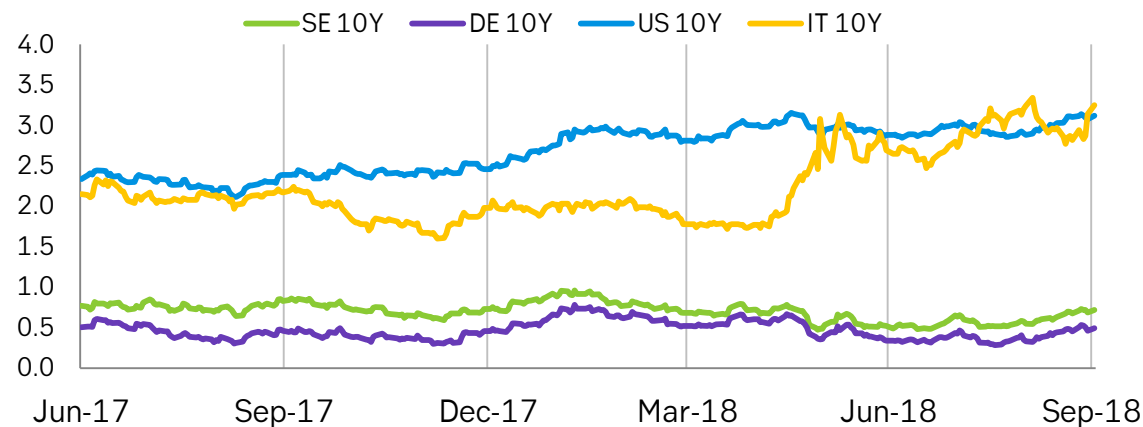
Agenda



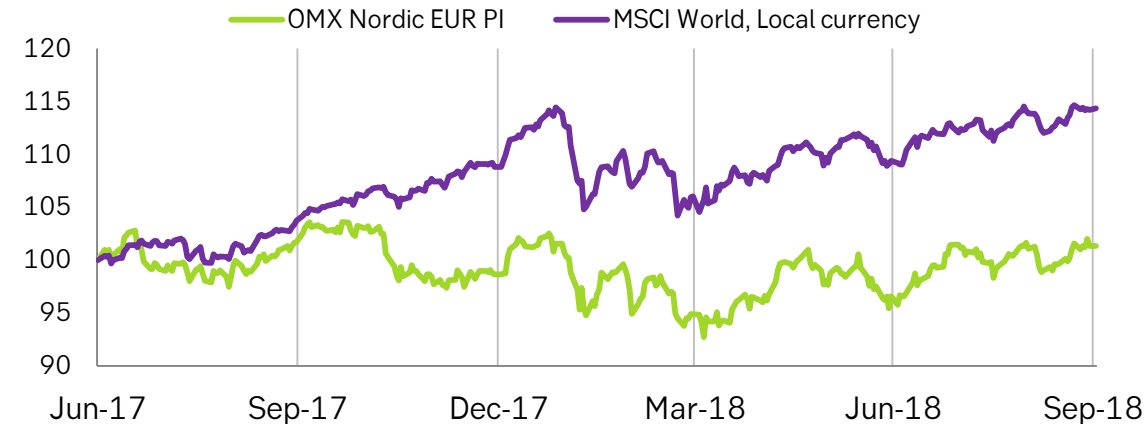
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Financial markets development

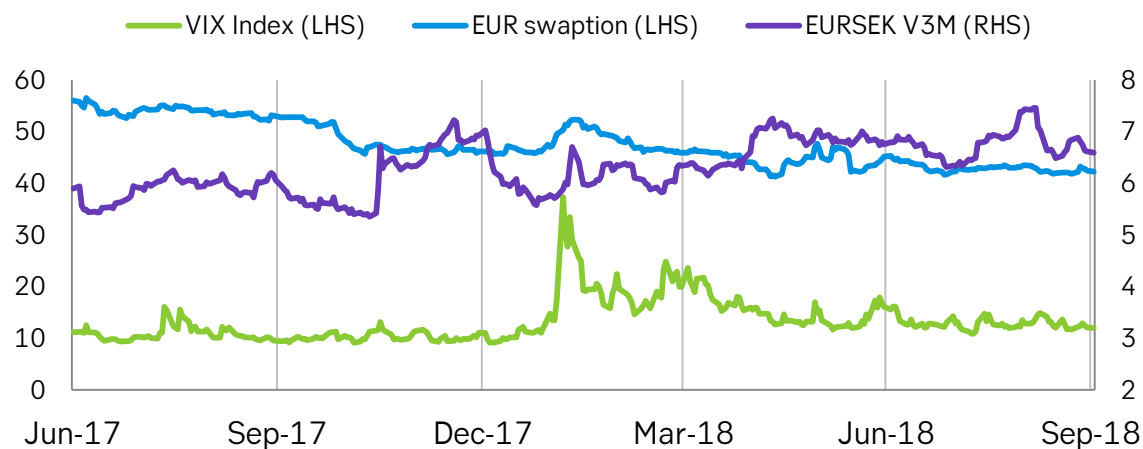
Interest rates (10Y Gov bonds)



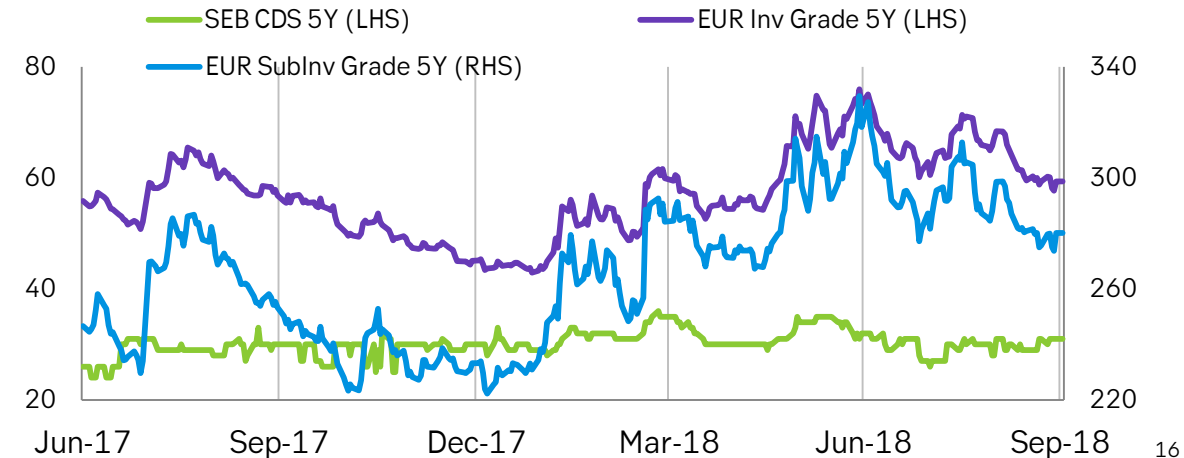
Equity markets



Volatility (VIX index)



CDS spreads



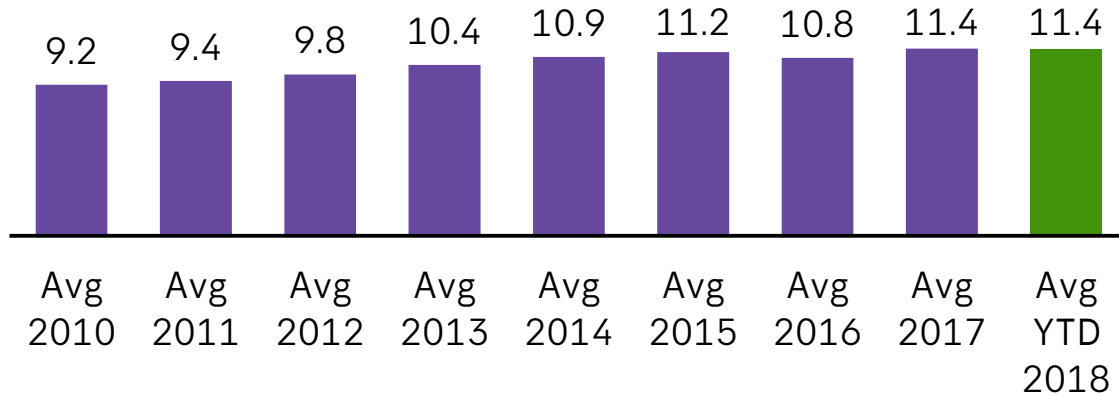
Highlights

January-September 2018

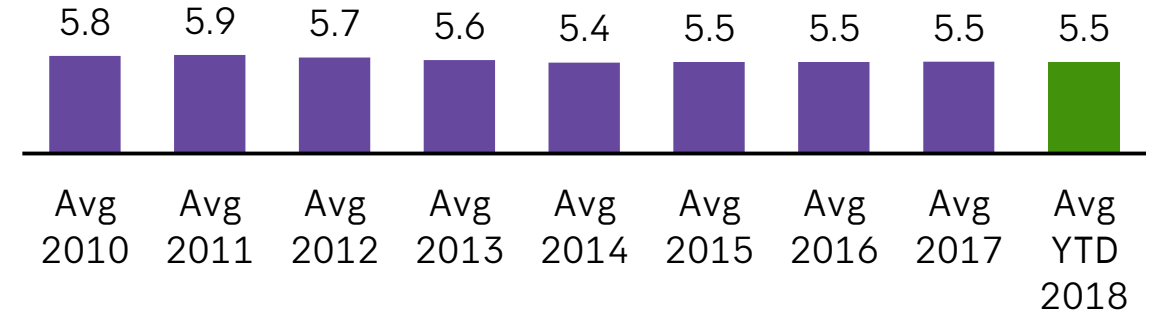
- **Solid result** despite seasonal slowdown
- Healthy **corporate activity** continued in Q3
- Strong **capital** position, robust **asset quality** & good **cost control**

Operating leverage, excl. IAC

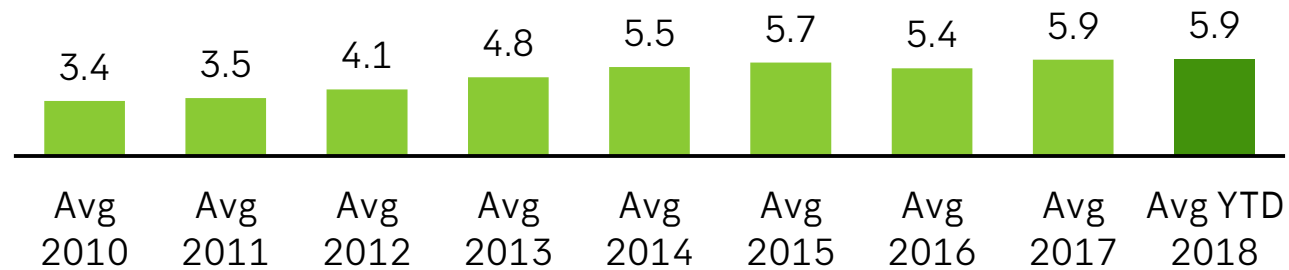
Average quarterly income (SEK bn)



Average quarterly expenses (SEK bn)



Average quarterly profit before credit losses (SEK bn)



Strong financial development

SEB's Key Figures 2011 – Sep 2018

	<u>Jan-Sep 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, % ⁵⁾	13.6	12.9	11.3	12.9	13.1	13.1	11.5	12.3
Cost /Income ratio, %	48	48	50	49	50	54	61	62
Common Equity Tier 1 capital ratio, % ²⁾	19.7	19.4	18.8	18.8	16.3	15.0	NA	NA
Total capital ratio, % ²⁾	25.0	24.2	24.8	23.8	22.2	18.1	NA	NA
Leverage ratio, % ²⁾	4.8	5.2	5.1	4.9	4.8	4.2	NA	NA
Net expected credit loss level, % ³⁾	0.05							
Net credit loss level, % ³⁾		0.05	0.07	0.06	0.09	0.09	0.08	-0.08
NPL coverage ratio, % ⁴⁾		55	63	62	59	72	66	64
NPL / Lending, % ⁴⁾		0.5	0.5	0.6	0.8	0.7	1.0	1.4
Assets under Management, SEK bn	1,871	1,830	1,781	1,700	1,708	1,475	1,328	1,261
Assets under Custody, SEK bn	8,335	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 Expected credit losses are based on IFRS 9 expected loss model, net credit losses are based on IAS39 incurred loss model.

4) NPLs = Non Performing Loans [individually and portfolio assessed impaired loans (loans >60 days past due)]

5) **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 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 %

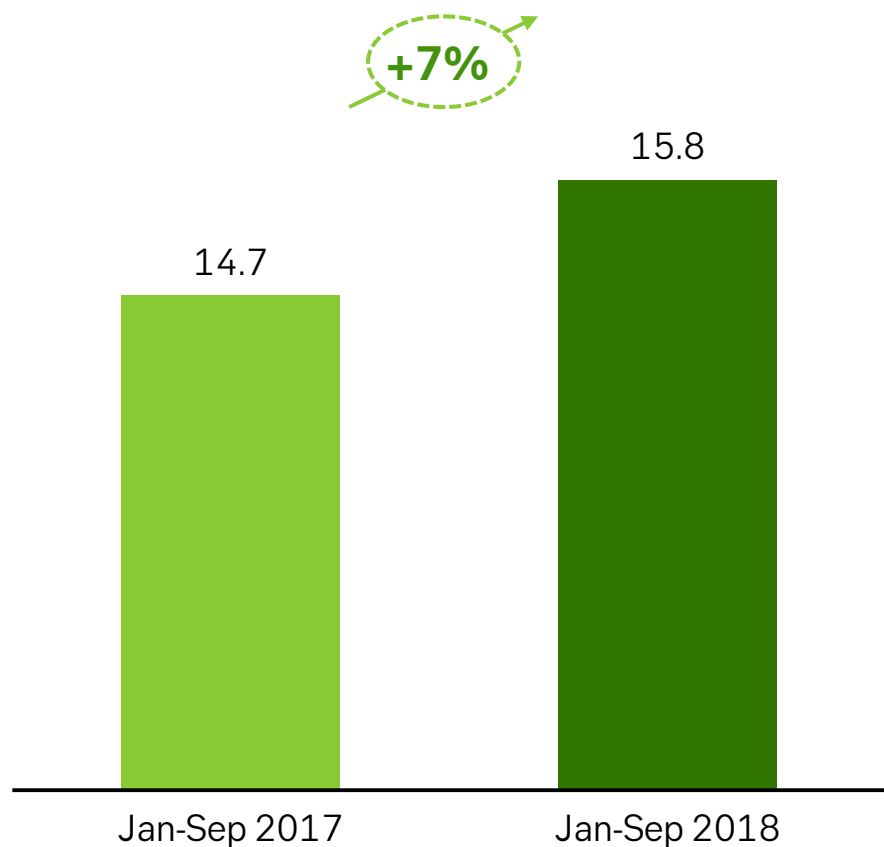
RoE ¹

13.6%

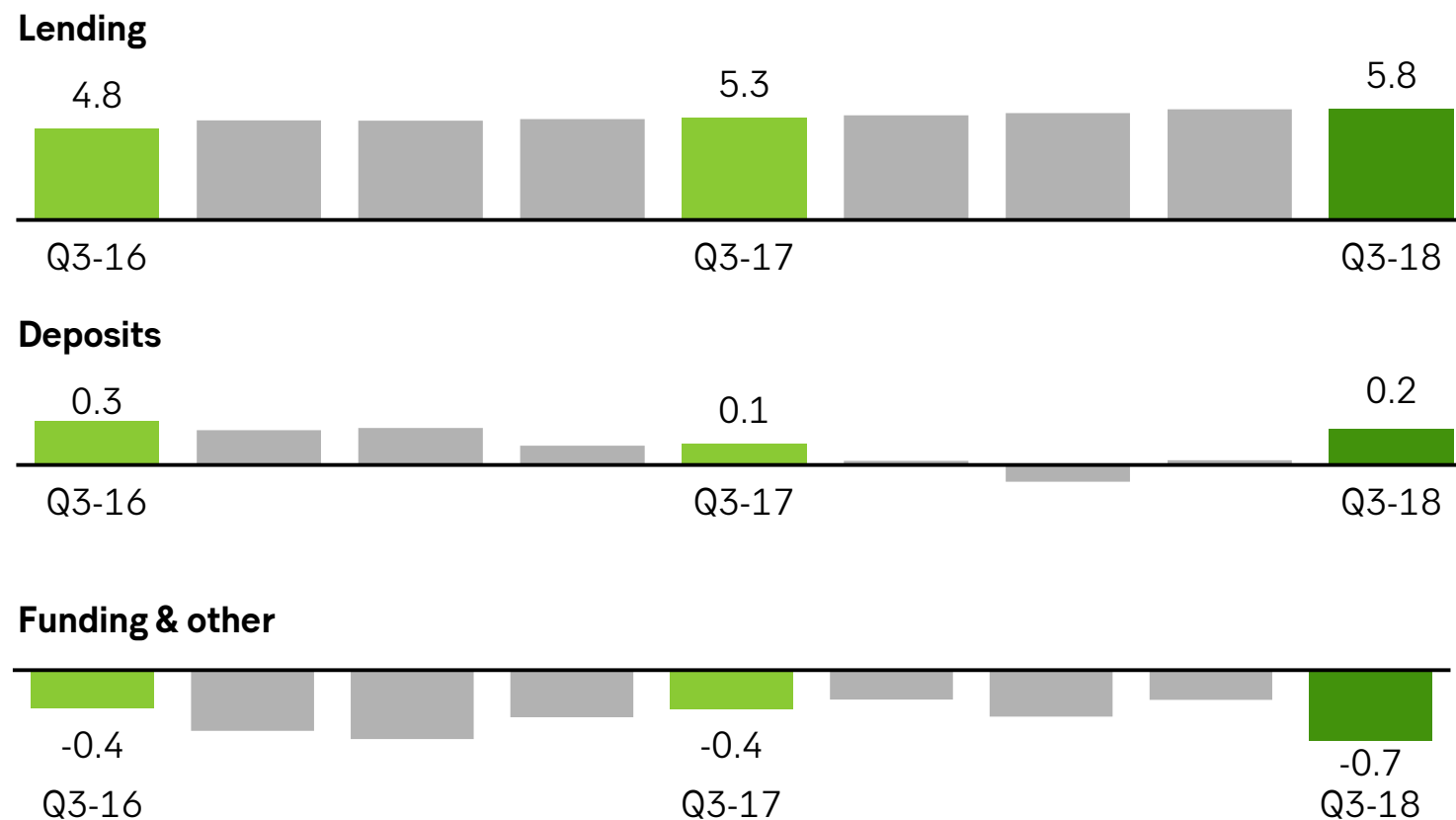
¹ Before IAC; RoE after IAC at 17.8 per cent.

Net interest income development

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

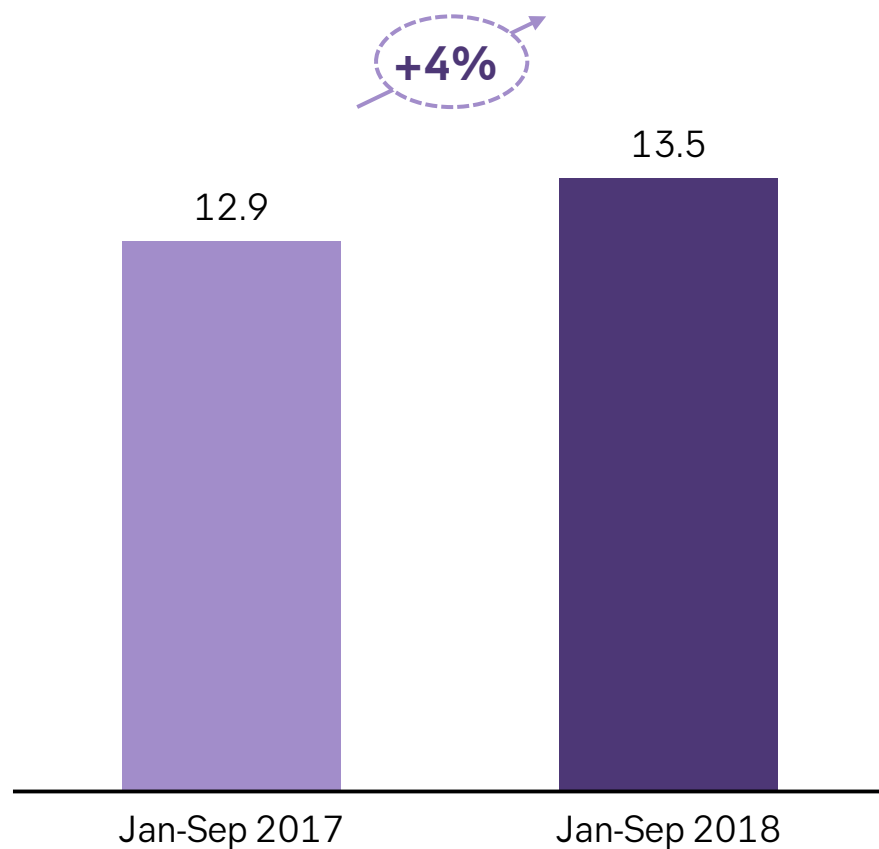


Net interest income type (SEK bn)
Q3 2016 – Q3 2018



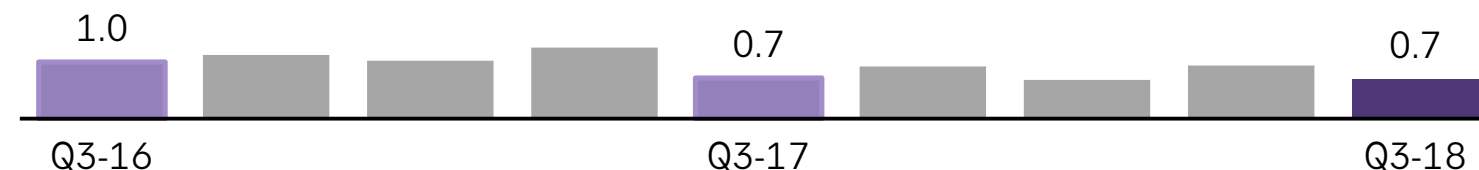
Net fee & commission income development

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

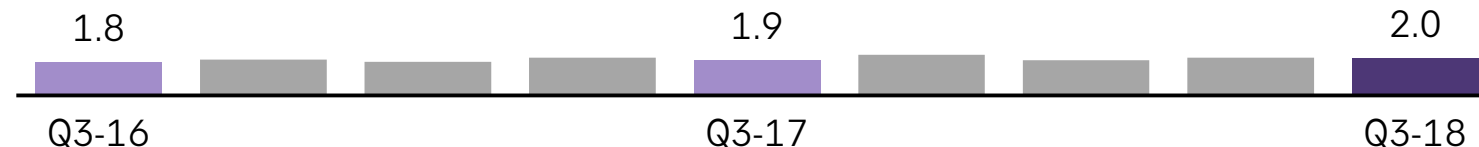


Gross fee & commissions by income type (SEK bn)
Q3 2016 – Q3 2018

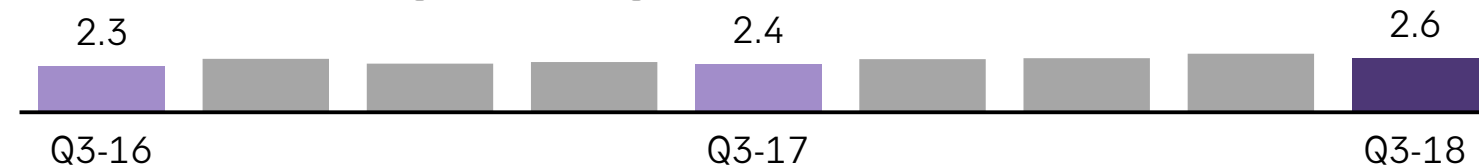
Advisory, secondary markets & derivatives



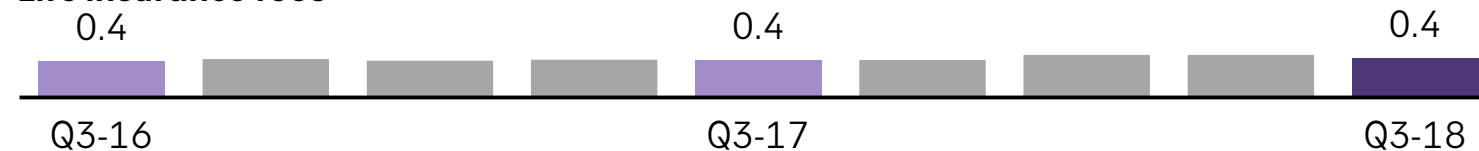
Custody & mutual funds



Payments, cards, lending, deposits & guarantees



Life insurance fees

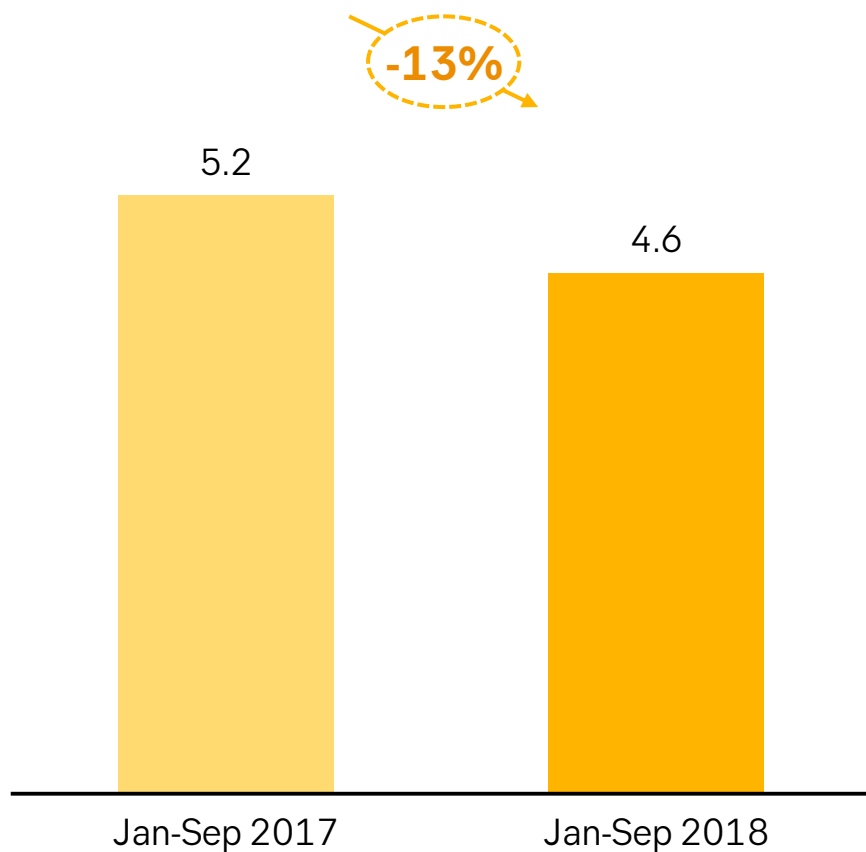


Net fee and commission income development

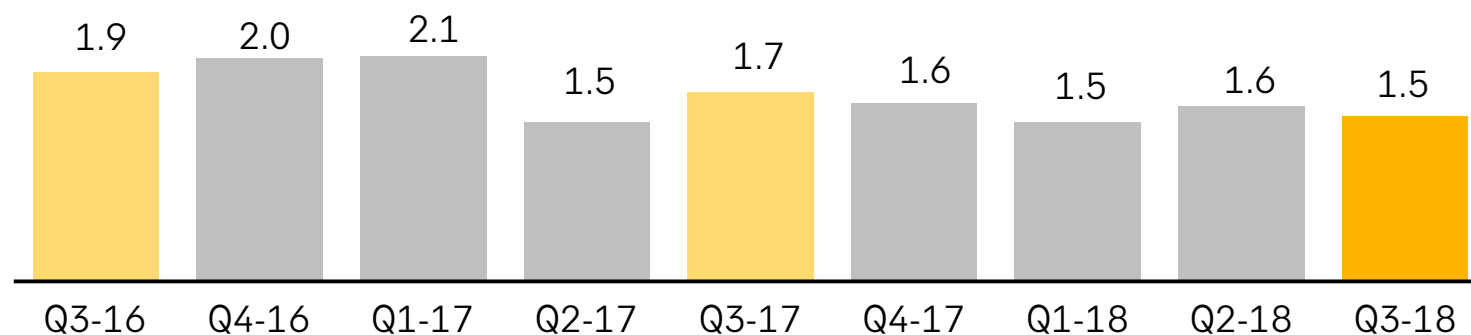
SEK m	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018
Issue of securities and advisory	208	231	282	430	137	317	136	298	168
Secondary market and derivatives	745	842	692	765	547	561	514	594	496
Custody and mutual funds	1,811	1,950	1,825	2,063	1,942	2,210	1,923	2,049	2,036
<i>Whereof performance fees</i>	21	212	38	55	39	225	24	5	12
Payments, cards, lending, deposits, guarantees and other	2,251	2,586	2,353	2,444	2,350	2,570	2,628	2,847	2,628
<i>Whereof payments and card fees</i>	1,310	1,356	1,288	1,377	1,366	1,429	1,410	1,509	1,498
<i>Whereof lending</i>	563	723	553	581	519	602	501	784	577
Life insurance	418	438	422	432	424	429	485	487	449
Fee and commission income	5,433	6,047	5,574	6,135	5,400	6,087	5,687	6,274	5,777
Fee and commission expense	-1,385	-1,438	-1,326	-1,463	-1,371	-1,359	-1,496	-1,460	-1,265
Net fee and commission income	4,048	4,609	4,249	4,671	4,029	4,728	4,190	4,814	4,512
<i>Whereof Net securities commissions</i>	2,072	2,308	2,094	2,454	1,986	2,356	1,920	2,116	2,035
<i>Whereof Net payments and card fees</i>	821	847	821	885	840	908	895	988	996
<i>Whereof Net life insurance commissions</i>	268	276	248	263	266	285	317	349	330

Net financial income development

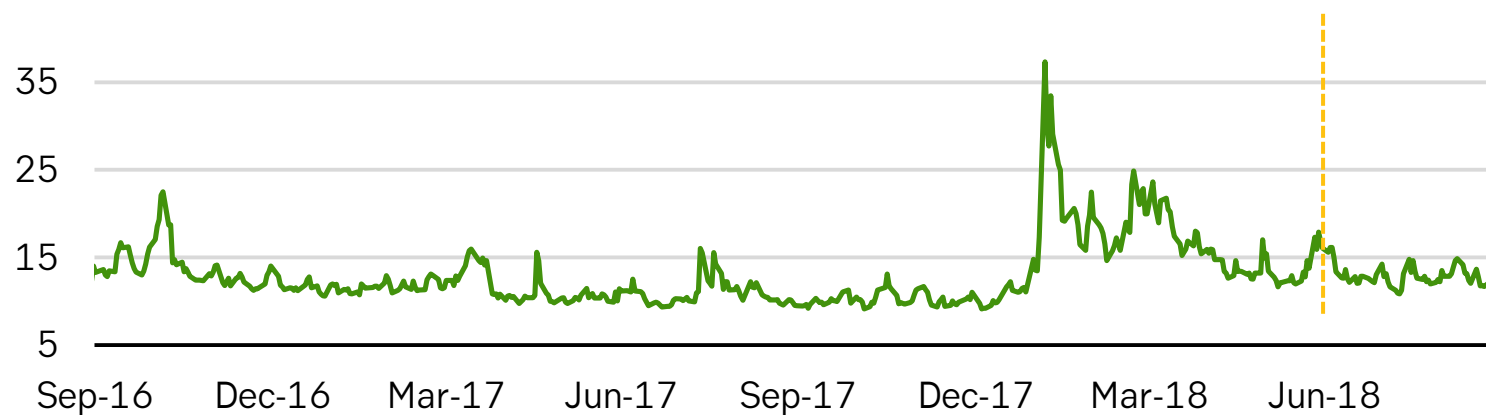
Net financial income (SEK bn)
Jan-Sep 2018 vs. Jan-Sep 2017



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



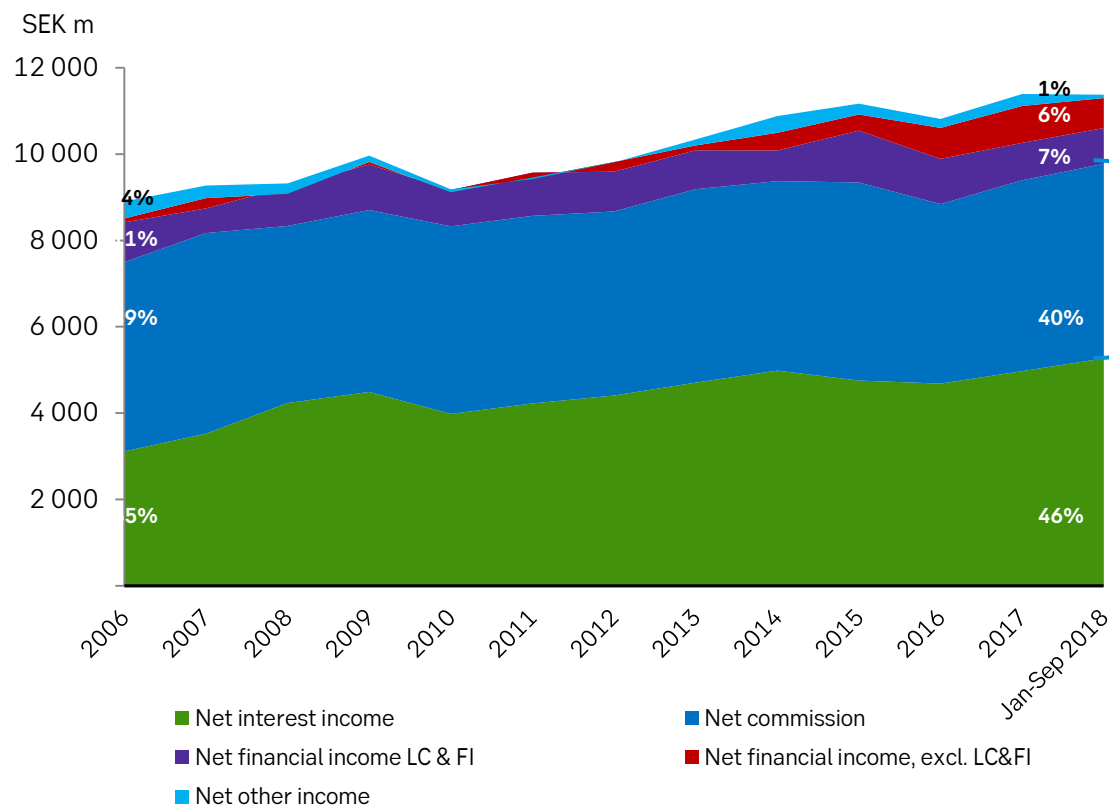
VIX index (VIX S&P 500 volatility)



Business mix creates diversified and stable income

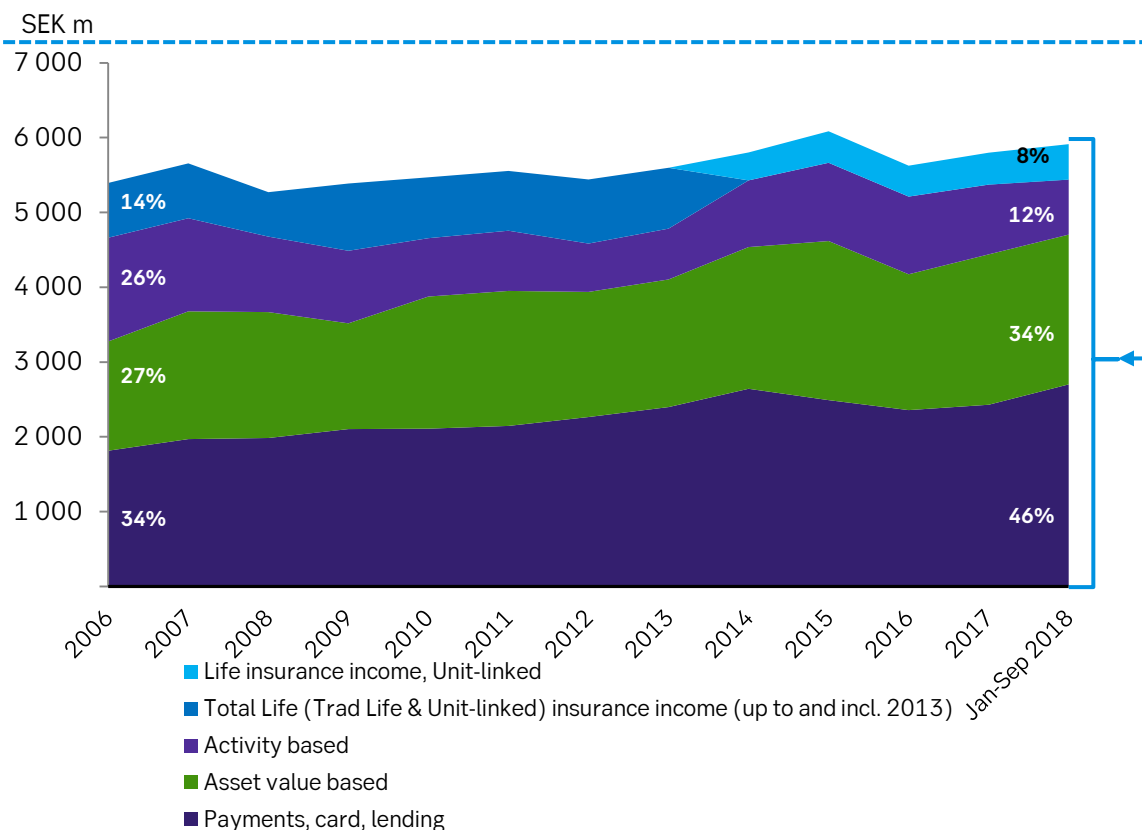
Non-NII is more important than NII

Average quarterly income



Strong market franchise and high recurring income generation render stable fees and commissions

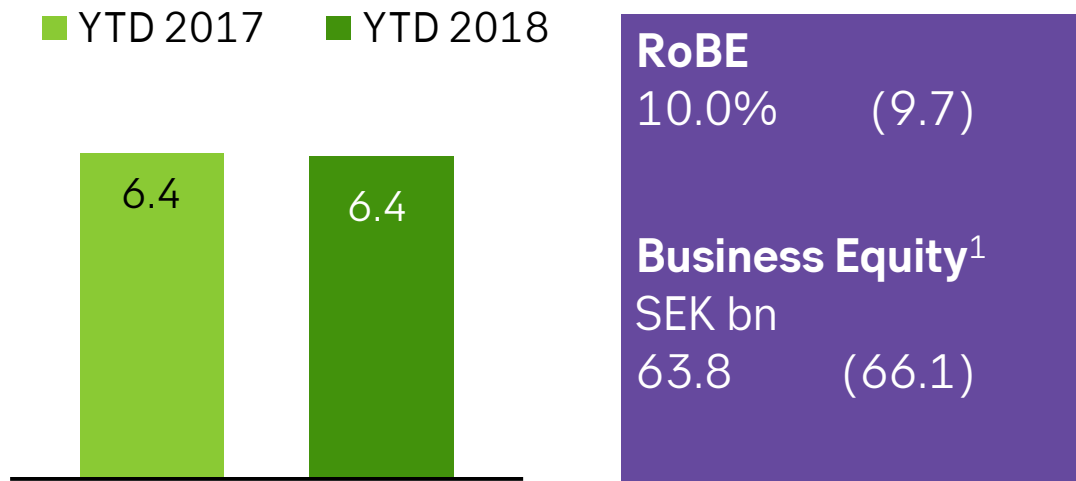
Average quarterly fees and commissions income



Large Corporates & Financial Institutions

Operating profit & key figures

SEK bn

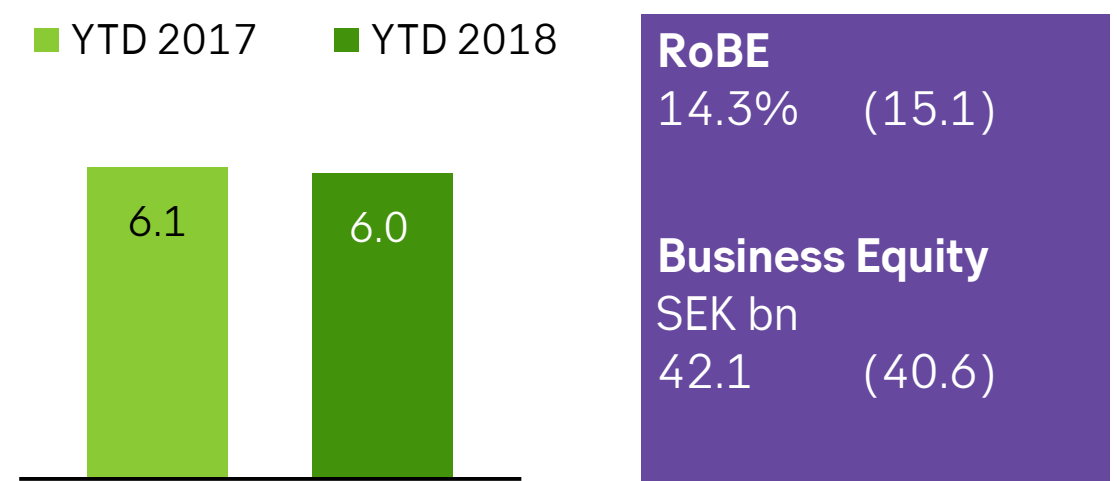


- Solid activity in the Large Corporate segment
- Strong performance in payments area
- Continued soft performance in Markets business

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

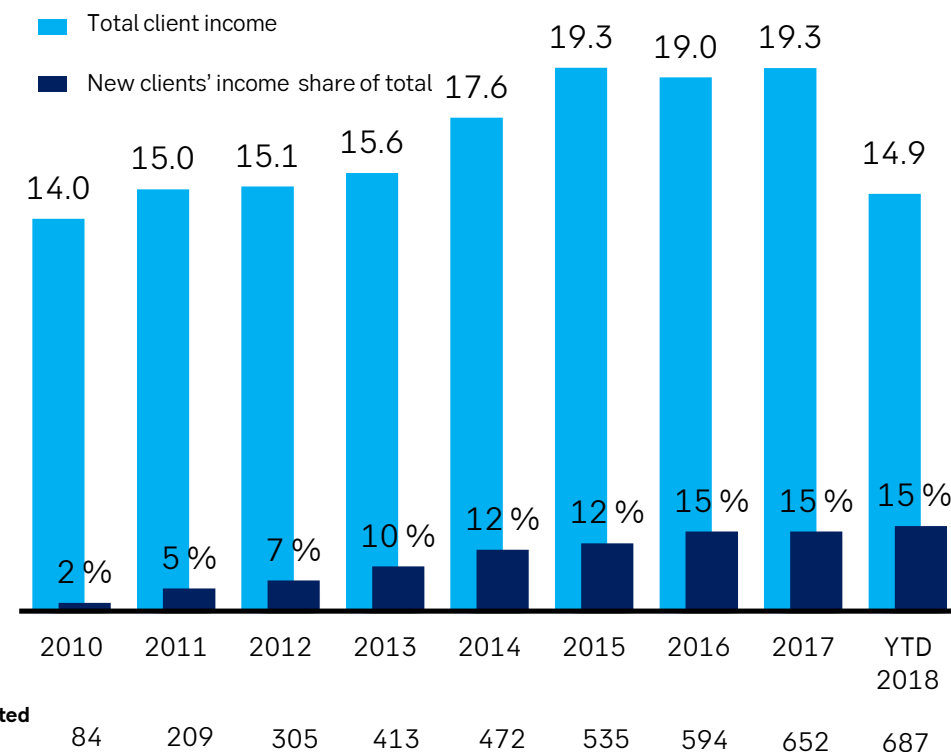
¹ SAM portfolio & pension risk moved from LC&FI to Other in Q1 2018, BE 1.8bn & 1.4bn respectively.

Strong franchise and successful client acquisition strategy

SEB's Large Corporate & Financial Institutions Business

Large cross-selling potential

Total Client income in SEK bn



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

	<u>C/I ratio</u>	<u>Business Equity</u>	<u>RoBE¹⁾</u>
Jan-Sep 2018	49%	SEK 63.8bn	10.0%
2017	49%	SEK 65.8bn	10.1%
2016	47% ²⁾	SEK 62.4bn	11.7%
2015	45% ³⁾	SEK 66.4bn	12.5%
2014	46%	SEK 57.7bn	13.3%
2013 ⁴⁾	50%	SEK 48.8bn	12.9%
2012 ⁴⁾	54%	SEK 36.7bn	14.3%
2011 ⁴⁾	54%	SEK 26.1bn	20.6%
2010 ⁴⁾	52%	SEK 25.0bn	22.8%

1) Return on Business Equity

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

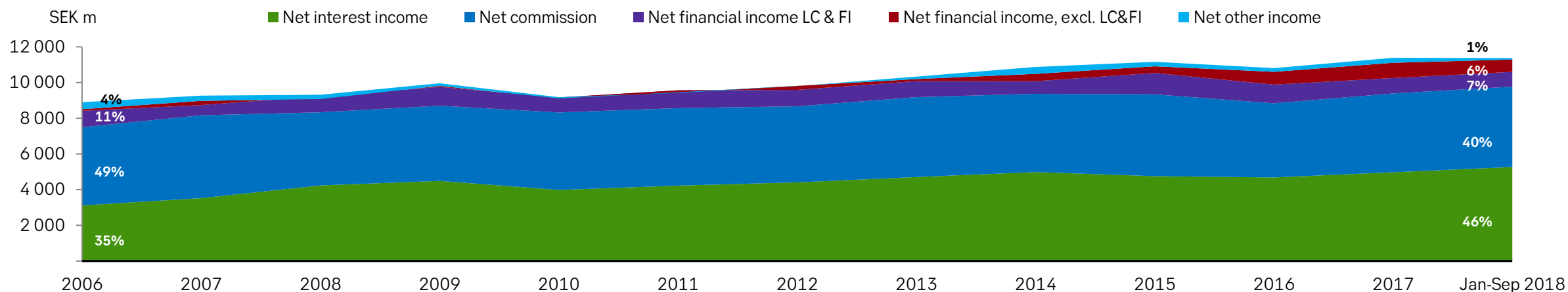
3) Excl. One-off costs of SEK 902m

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

Entrenched franchise and low risk client facilitation business

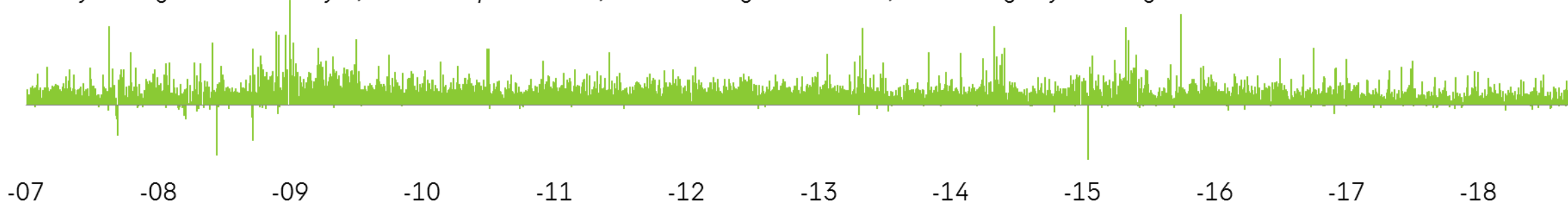
Average quarterly income

Larger number of clients and a relevant business offering create strong and diversified income streams



Low-risk in client facilitation operations render minimal losses in the markets operations

Daily trading income January 1, 2007 – September 30, 2018. 95 negative out of 2,948 trading days. Average loss SEK 10m

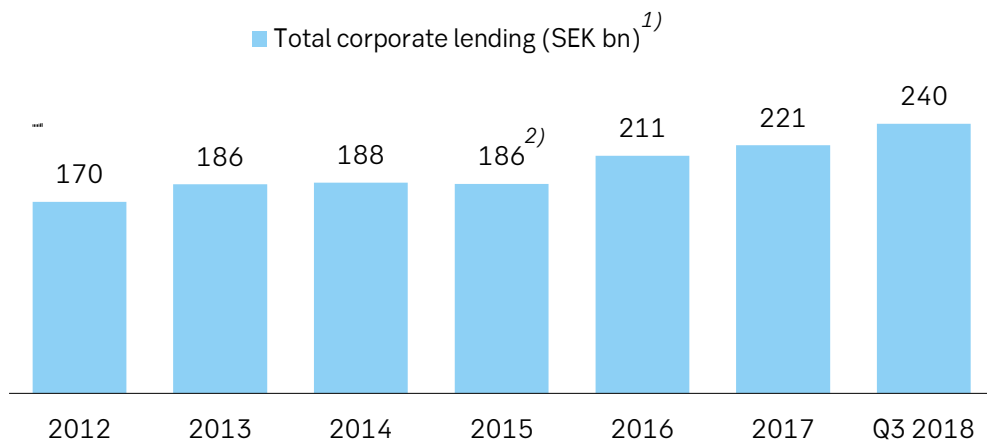


1) Restated figures following the new organizational structure as of Jan 1, 2016.
As a results 2006-2013 figures are not quite comparable

Successful client acquisition strategy

Corporate & Private Customers

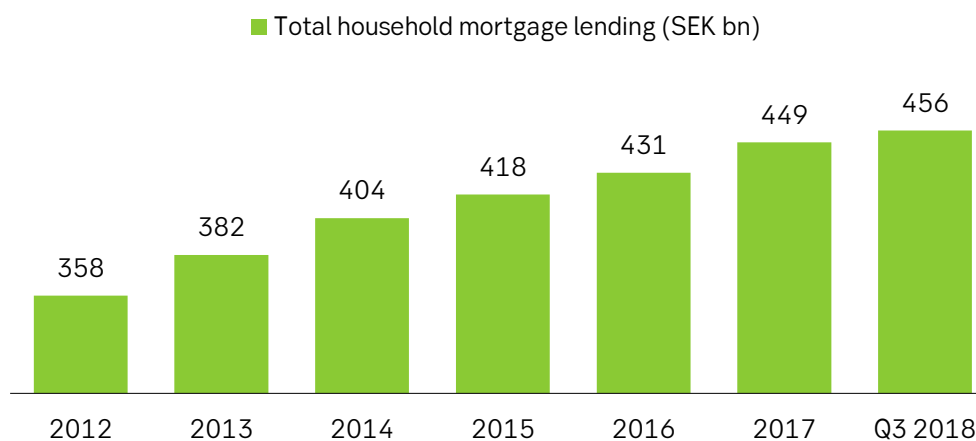
Stable increase in corporate lending



1) Volumes by customer segment

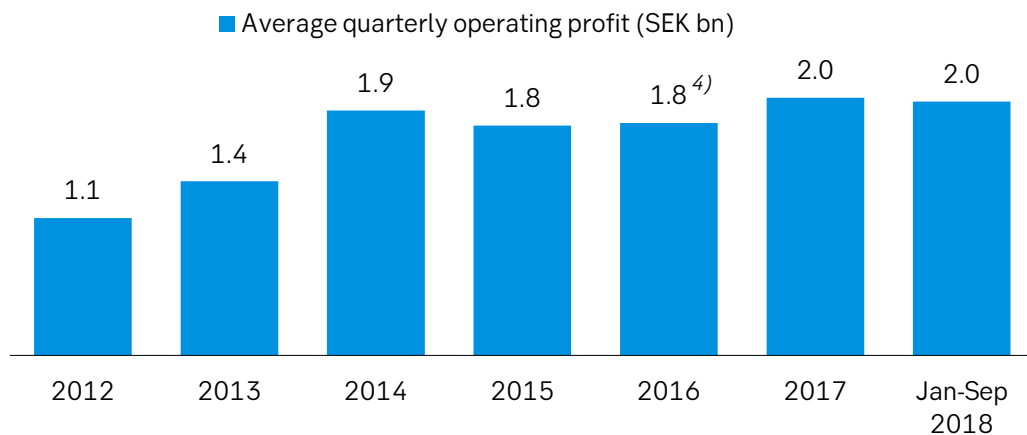
2) Adjusted for transfer of sole traders SEK 15.8bn

Modest growth in household mortgage lending³⁾



3) Volumes by asset class

Solid operating profit



4) Restated figures following the new organisational structure as of Jan 1, 2016.

As a result, 2012-2013 figures are not quite comparable.

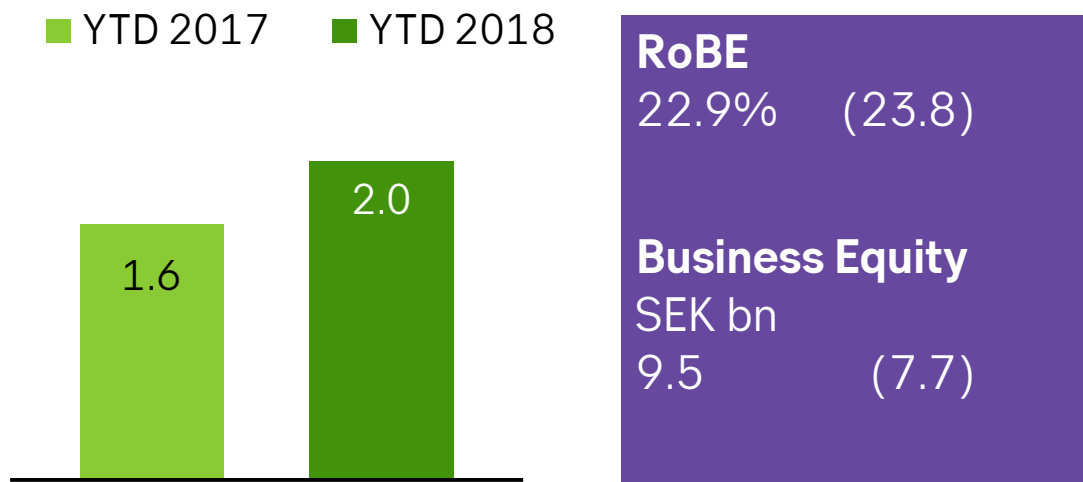
Steady improvement in efficiency

	C/I ratio (%)	Business Equity (SEK bn)	RoBE (%)
Jan-Sep 2018	45	42.1	14.3
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 Banking

Operating profit & key figures

SEK bn

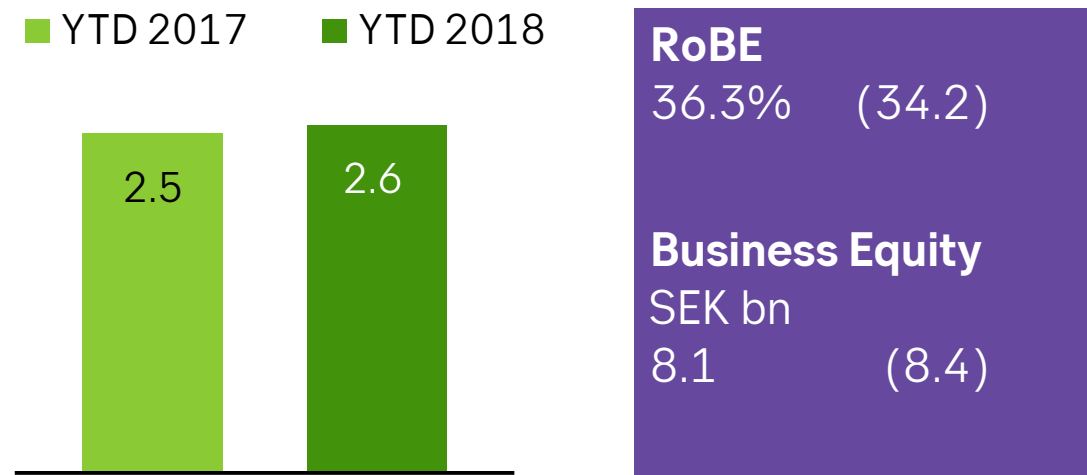


- Continued corporate and household lending growth in all countries
- Increased focus on Baltic venture capital investments

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

Strong profitability

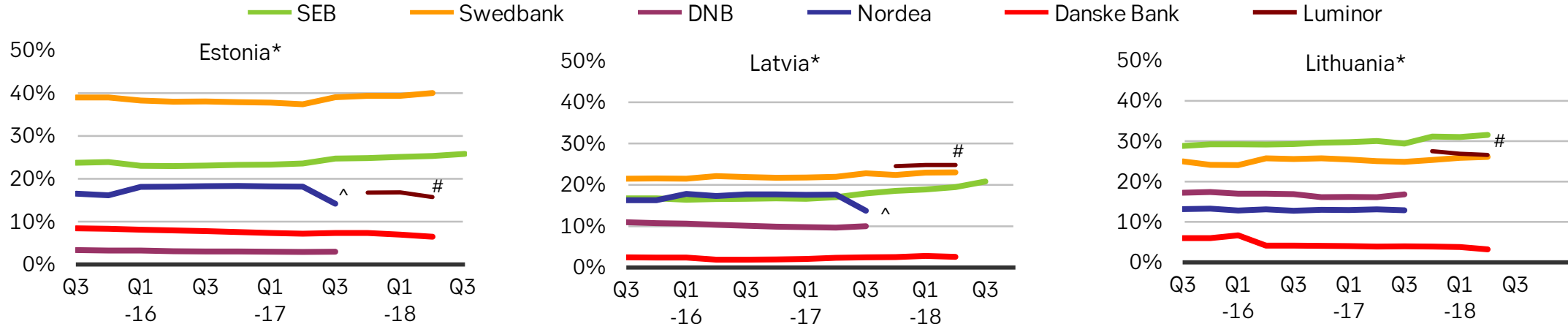
SEB Baltic Banking

Relatively strong operating environment in Jan-Sep 2018

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

Continued strategic focus on service digitalisation and process automation

Maintaining leading market shares in lending



* Neither SEB Lithuania's nor its competitors' Q3 2018 volumes are available at time of publication. SEB Estonia's and SEB Latvia's Q3 2018 figures are August 2018.

Luminor formed Oct 2017 merging DNB and Nordea's Baltic operations.

^ Nordea's Q3 2017 decreases in Estonia and Latvia are due to a partial transferring of its corporate loan portfolio to its parent bank.

Source: Estonian Financial Supervision Authority, Association of Latvian Commercial Banks, Association of Lithuanian Banks, SEB Group

Strong development of key ratios

	<u>C/I</u>	<u>Business Equity</u>	<u>RoBE</u> ¹⁾
Jan-Sep 2018	41%	SEK 9.5bn	22.9%
2017	44%	SEK 7.8bn	24.4%
2016	51%	SEK 7.6bn	19.3%
2015	50%	SEK 7.5bn	18.6%
2014	50%	SEK 8.9bn	14.5%
2013	52%	SEK 8.8bn	12.9%
2012	62%	SEK 8.8bn	9.7%
2011	58%	SEK 8.8bn	29.6% ²⁾

1) Return on Business Equity
2) Write-backs of provisions of SEK 1.5bn

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- **Balance sheet, Credit portfolio p.33 & Asset quality**
- Capital p.44
- Funding and Liquidity p.51
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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%

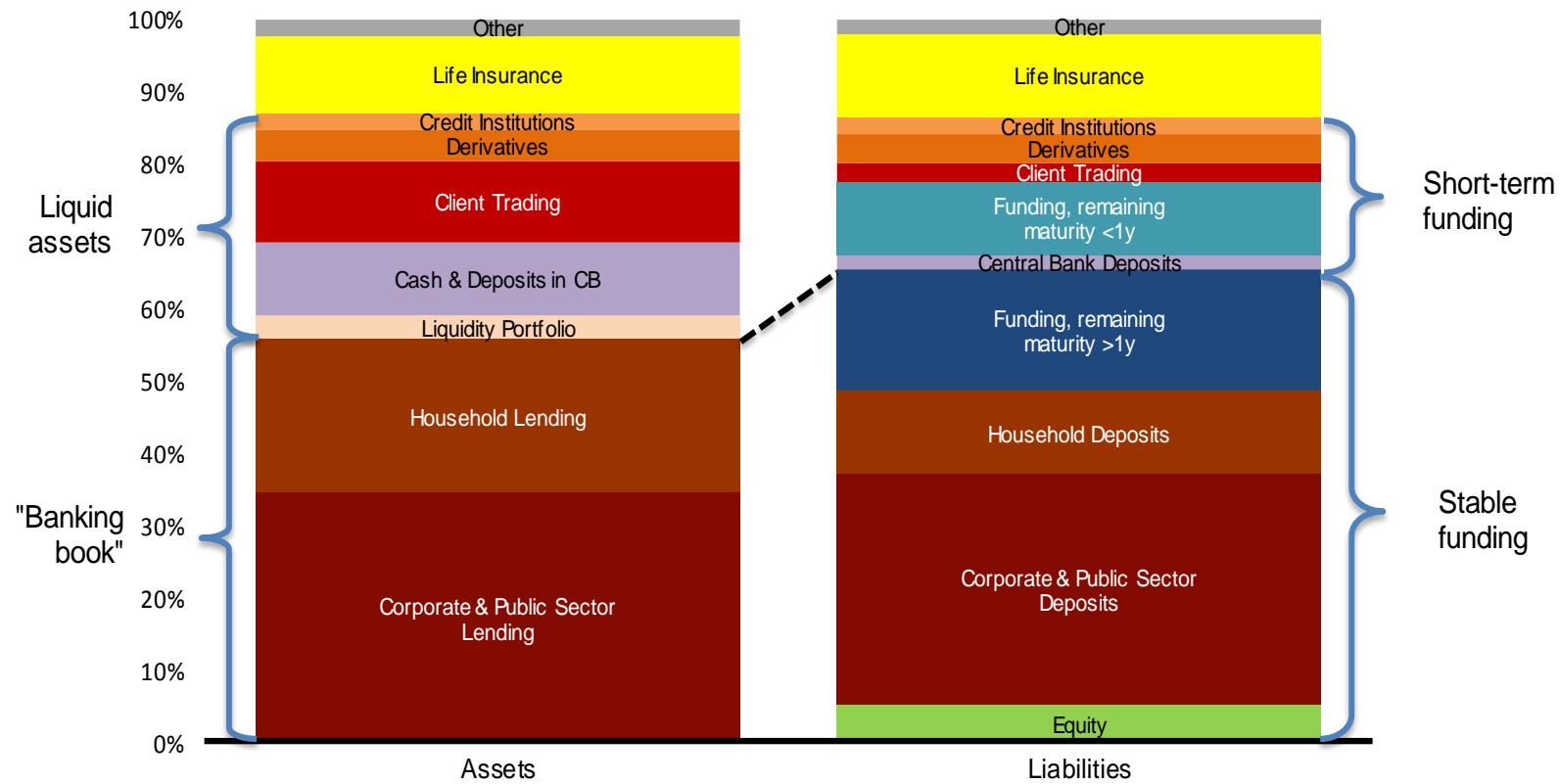
¹ According to valid regulations for respective period; ² Basel 2.5.

A strong balance sheet structure

September 30, 2018

Balance sheet structure

SEK 2,777bn



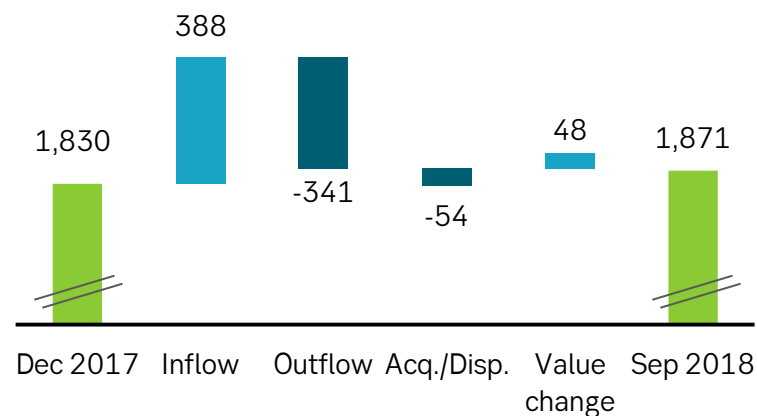
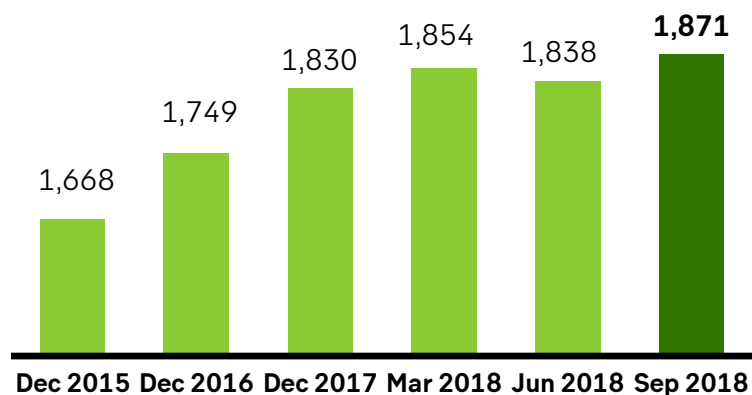
Business volumes

SEB Group

Condensed SEK bn	Dec 2017	Mar 2018	Jun 2018	Sep 2018
Cash and balances with central banks	177	244	302	263
Loans Central banks	13	8	13	17
Loans Credit institutions	39	90	59	73
Loans to the public	1,487	1,607	1,654	1,664
Debt securities	169	231	234	217
Equity instruments	59	64	59	57
Financial assets for which the customer bear the investment risk	283	284	296	300
Derivatives	105	130	143	123
Other assets	225	245	58	62
Total assets	2,557	2,903	2,818	2,777
Deposits from central banks and credit institutions	95	130	146	125
Deposits and borrowings from the public	1,032	1,191	1,202	1,216
Financial liabilities for which the customer bear the investment risk	284	286	297	301
Liabilities to policyholders	19	20	21	22
Debt securities issued	614	690	745	715
Short positions in securities	25	44	42	54
Liabilities held for sale	85	110	119	104
Derivatives	4	4	4	4
Other financial liabilities	257	299	102	91
Total equity	141	130	140	145
Total liabilities and equity	2,557	2,903	2,818	2,777

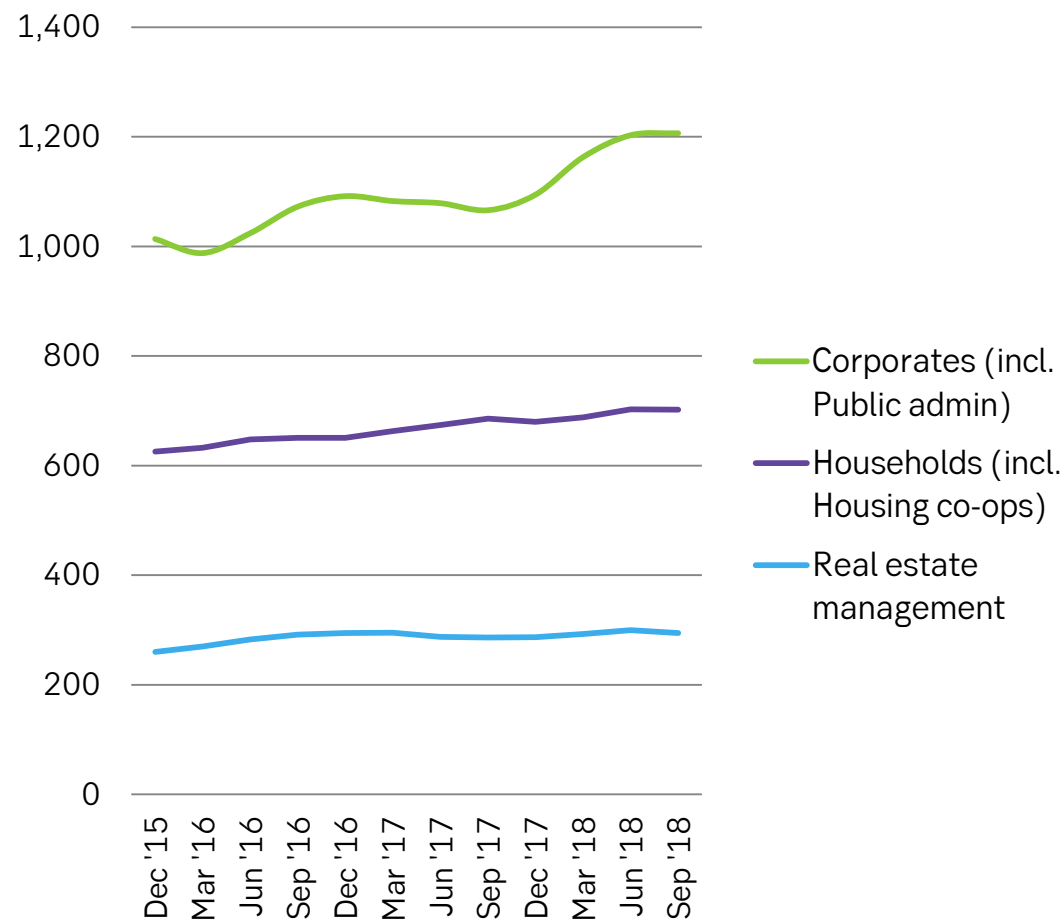
Assets under Management

SEK bn



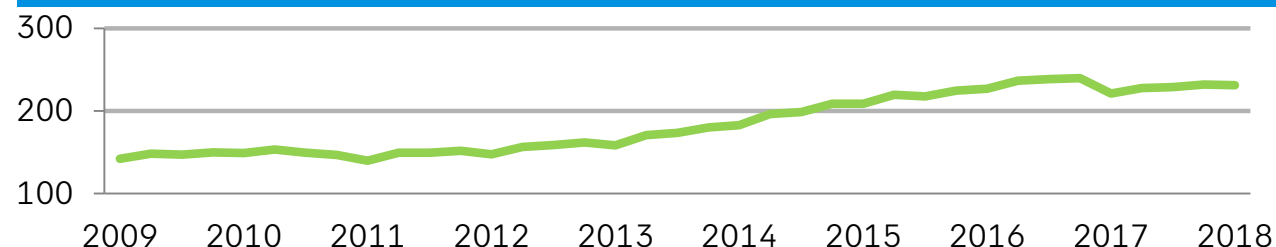
Balanced growth across sectors

Credit portfolio by sector (Corporates fx-adjusted) (SEK bn)



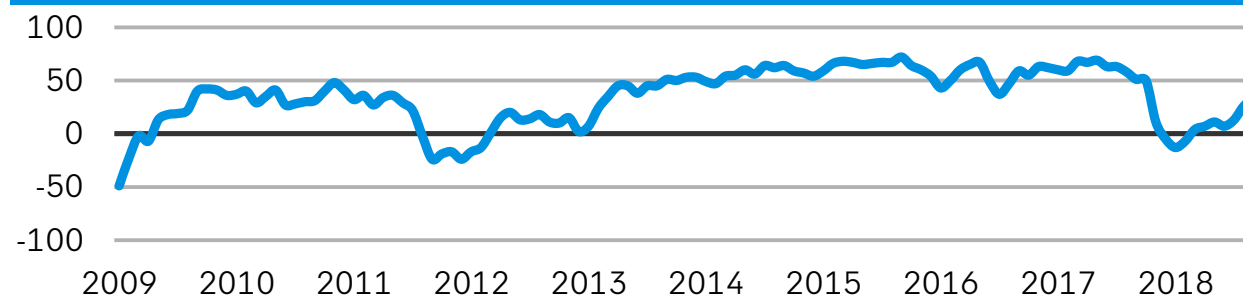
Growth rates in per cent	QoQ	YTD	Dec '15 – Sept '18
Corporates fx-adj (incl. Public admin)	1%	6%	13%
Households (incl. Housing co-ops)	0%	3%	12%
Real estate management	-2%	3%	13%

Swedish house price development*

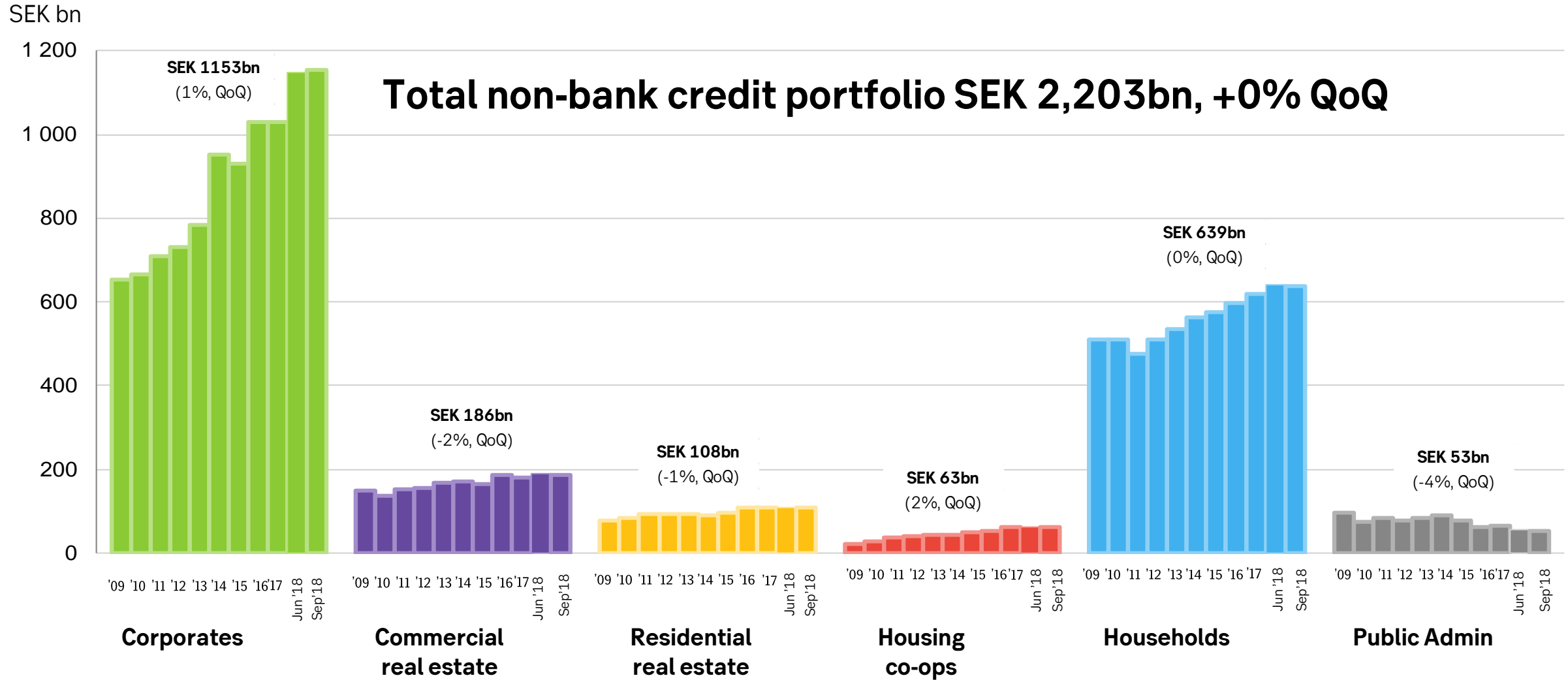


*Valueguard, HOX index, Sweden

SEB's "boprisindikator"



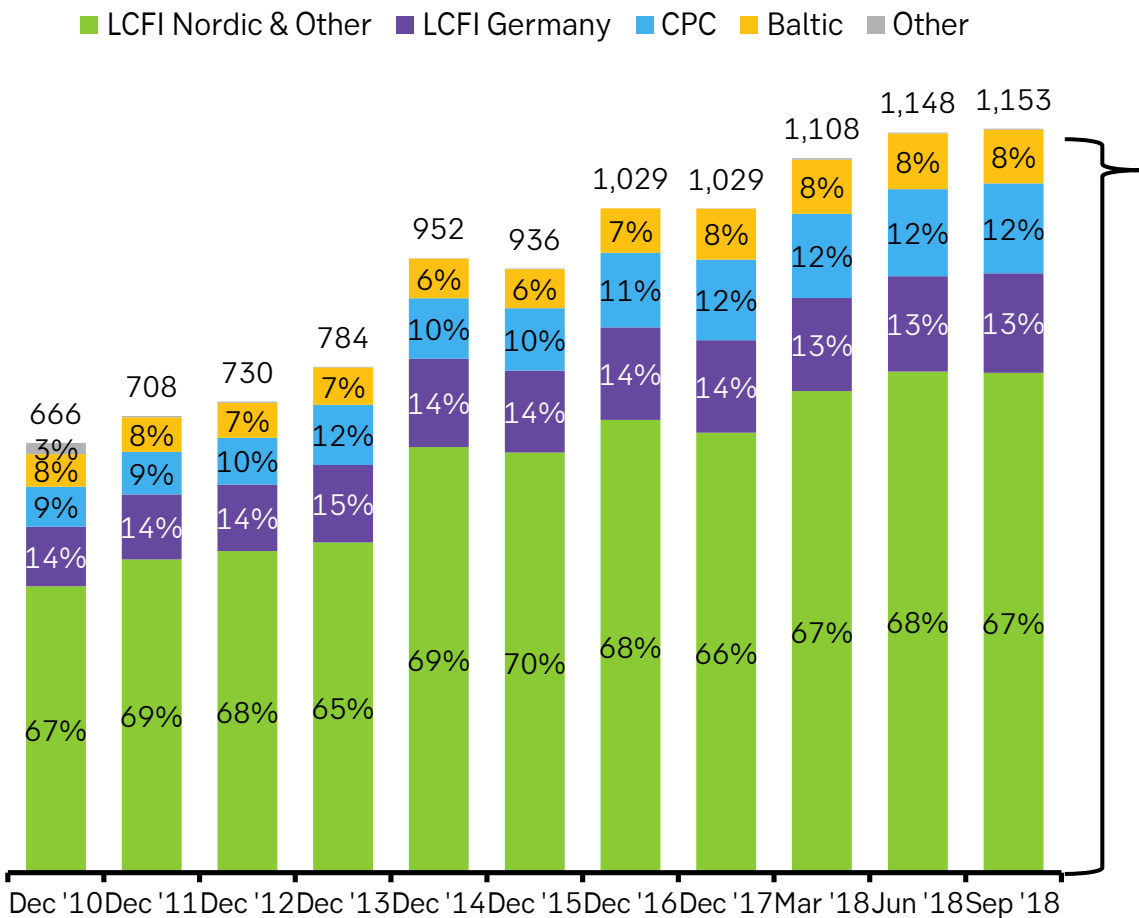
Stable credit portfolio development



Relatively low actual on-balance sheet exposure and diversification across industries render lower credit risk

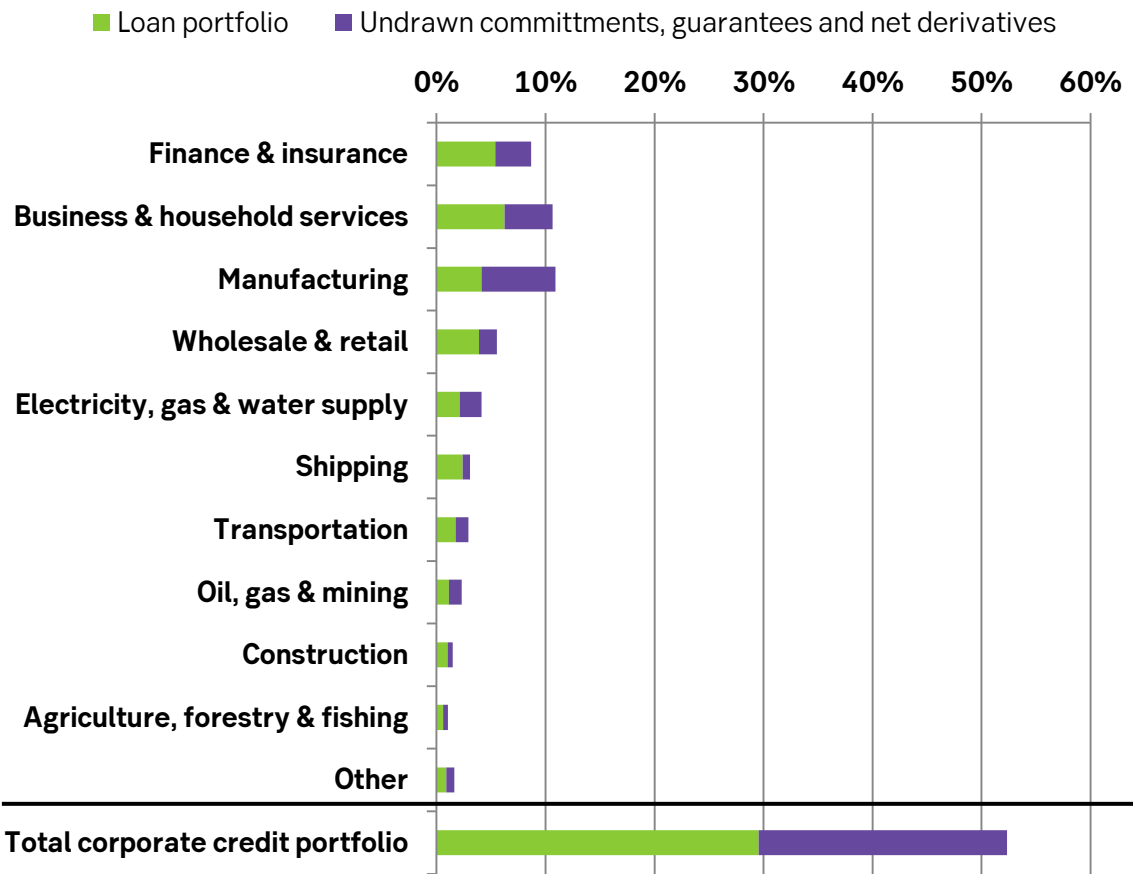


Corporate credit portfolio split by division (SEK bn)



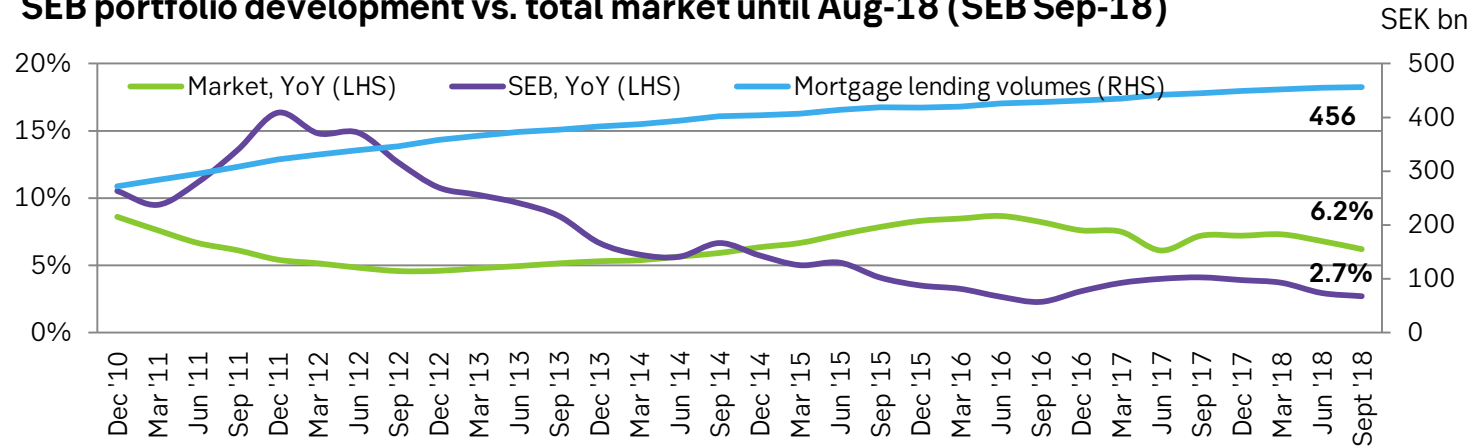
Corporate credit portfolio by sector, split into loans and other types of exposure

% of non-bank credit portfolio



SEB's Swedish household mortgage lending

SEB portfolio development vs. total market until Aug-18 (SEB Sep-18)



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"))
- Customers are concentrated to larger cities

High asset performance

- Asset quality of loan book remains robust – negligible past dues

Mortgage lending based on affordability

- Strict credit scoring and assessment
- The affordability assessment, funds left to live on after all fixed costs and taxes are considered, includes among other things:
 - A stressed interest rate scenario of 7% on personal debt
 - A stressed interest rate scenario of 3% on a housing co-op's debt which indirectly affects the private individual (so called "double leverage")
- LTVs between 70% and 85% amortize at least 2% a year and between 50% and 70% at least 1 % a year – a regulatory requirement
- Max loan amount 5x total gross household income irrespective of LTV and no more than one payment remark on any kind of debt (information via national credit information agency ("UC"))
- Strengthened advisory services
- "Sell first and buy later"

Low LTVs by regional and global standards

Loan-to-value

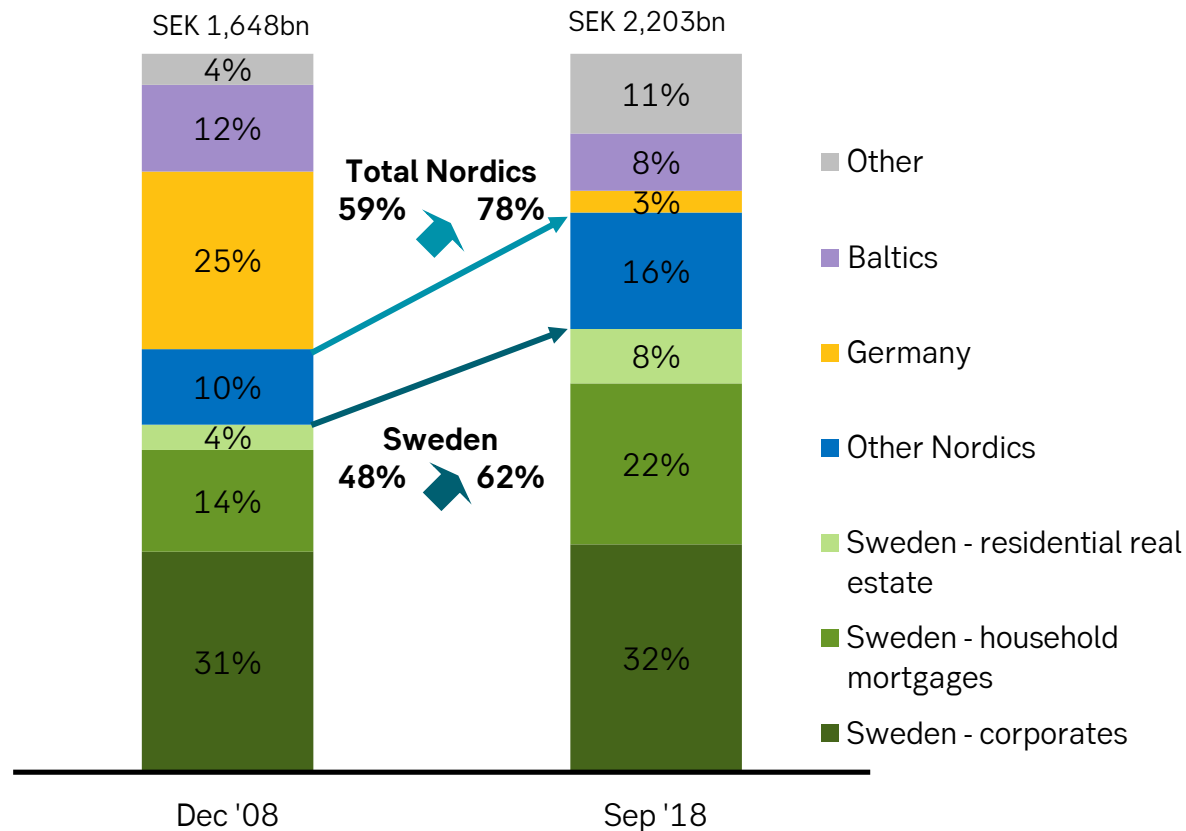
Share of portfolio



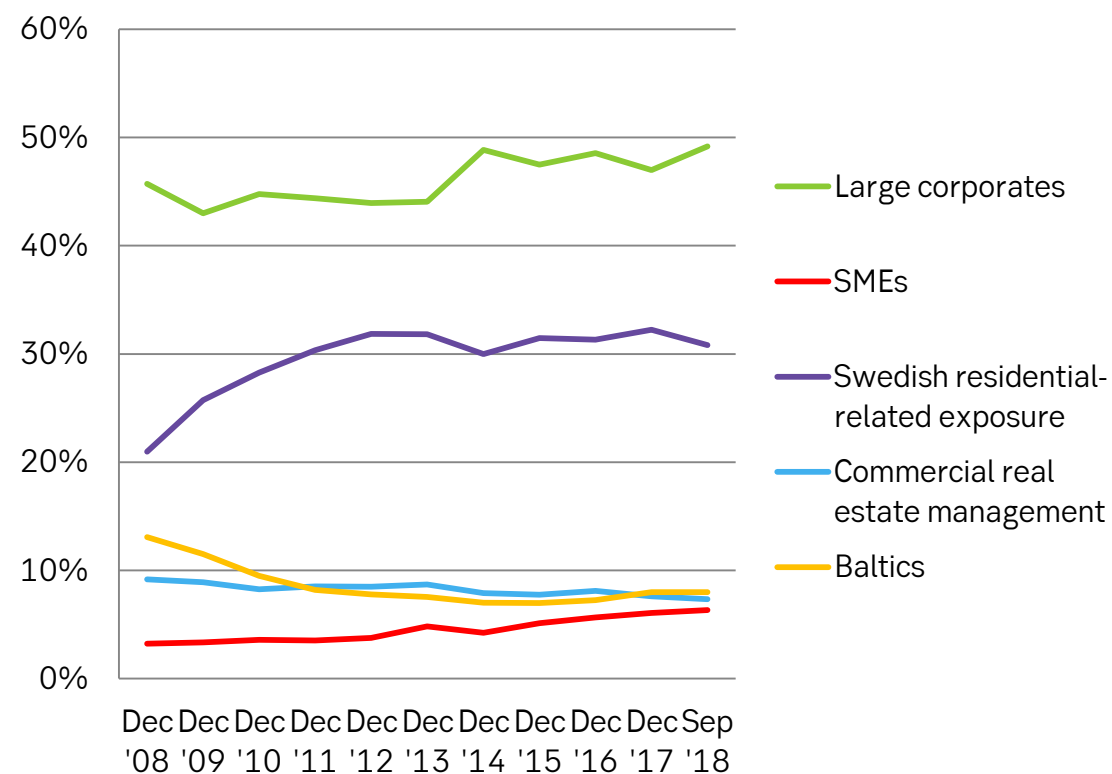
Weighted average LTV = 56.3%

Increasing Nordic and low-risk exposure in credit portfolio

Credit portfolio* - geographic split development



Development of business mix further strengthened by SEB's diversified and low-risk exposure



*Total credit portfolio excluding banks (on and off balance sheet)

Credit losses remain low

SEKm	Net credit losses						Net ECL				
	IAS 39						IFRS 9				
	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	CLL 2017	Q1 2018	Q2 2018	Q3 2018	YTD	Net ECL Level
Large Corporates & Financial Institutions	-144	-155	-210	-20	-529	0.08%	-46	-110	-287	-443	0.06%
Corporate & Private Customers	-81	-48	-86	-60	-276	0.04%	-87	-128	-97	-312	0.05%
Baltics	19	-11	11	-25	-7	0.01%	17	17	-44	-10	0.01%
Other ¹	2	0	1	0	4	-0.02%	7	1	4	12	-0.01%
Net credit losses	-204	-214	-284	-105	-808	0.05%					
Net expected credit losses							-109	-221	-424	-753	0.05%

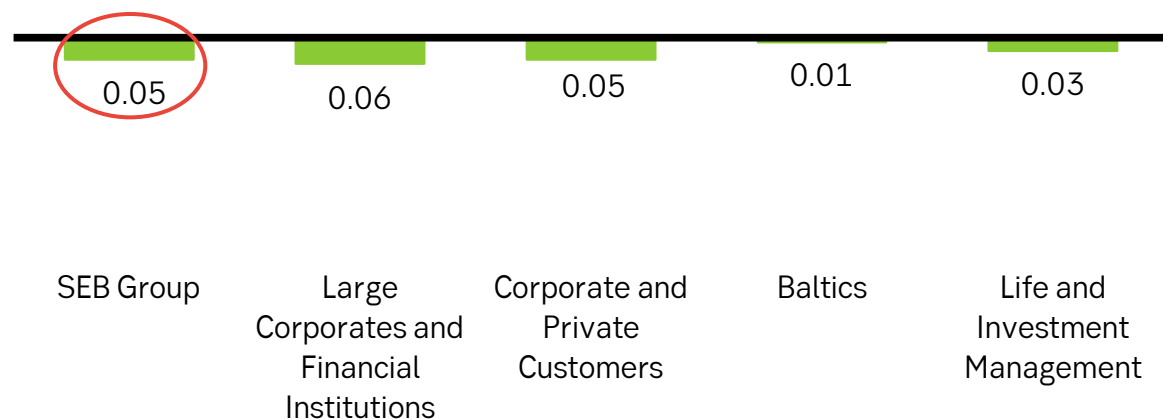
¹ Life & Investment Management, German run-off operations & Eliminations

Low credit loss level in all geographic areas

Annualised accumulated, in %

Net ECL level per division

30 September 2018

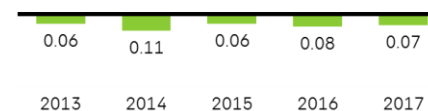


Negative credit loss level = reversal

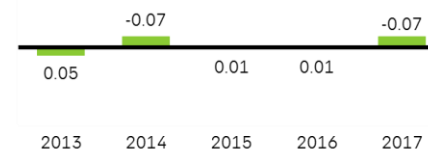
*Continuing operations **Total operations

IAS39 CLL per division Before 31 Mar 2018

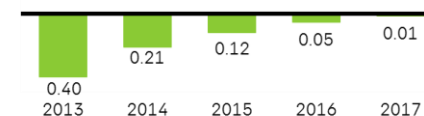
Nordic countries, net credit losses in %



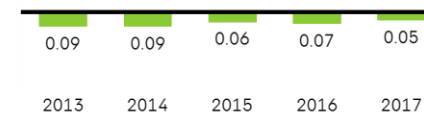
Germany, net credit losses in %



Baltic countries, net credit losses in %



SEB Group, net credit losses in %



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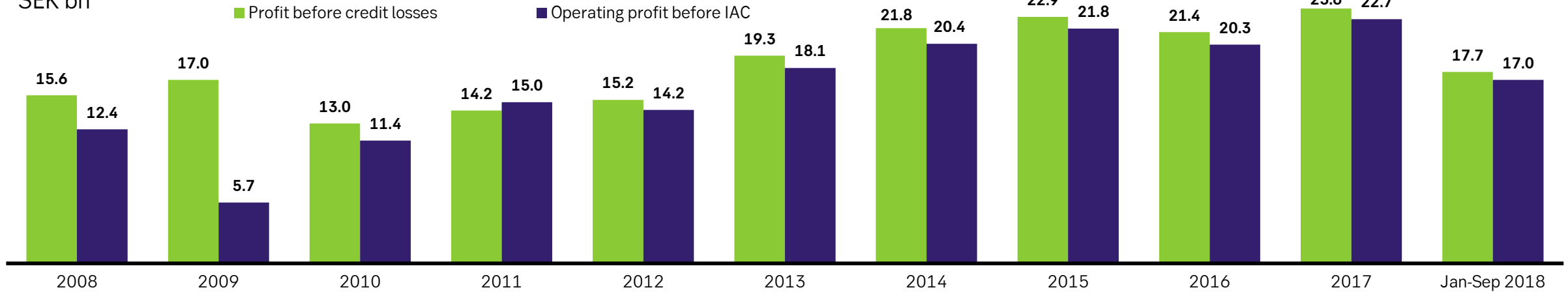
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Sustained strong earnings and capital generation

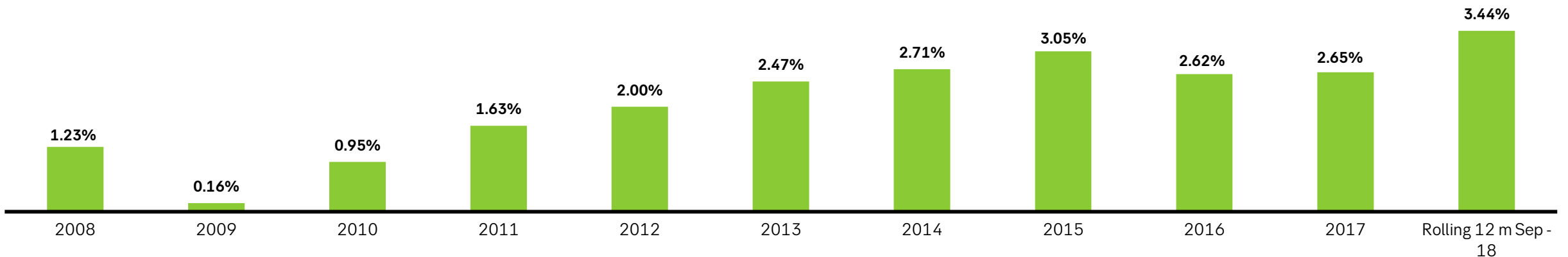
Profitable throughout the Financial Crisis

Sustained underlying profit

SEK bn



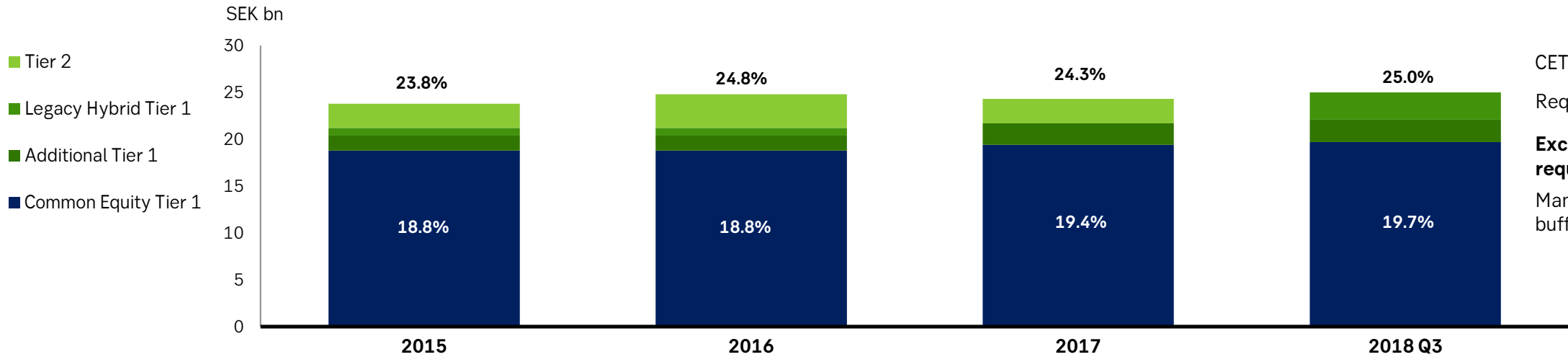
Strong underlying capital generation, Net Profit /REA



Note: REA = RWA 2008 – 2012 Basel II without transitional floor
REA 2013 – 2018 Basel III fully implemented

Strong capital base composition

CRR/CRD IV - Own Funds and Total capital ratio



CET1 Q3 2018 19.7%

Requirement 16.6%

Excess vs. requirement **3.1%**

Management buffer ~1.5%

Common Equity Tier 1 ratio	18.8%	18.8%	19.4%	19.7%
Additional Tier 1 ratio	1.6%	1.6%	2.3%	2.4%
Legacy Tier 1 ratio	0.8%	0.8%	0 %	0 %
Tier 2 ratio	2.6%	3.6%	2.6%	2.9%
Leverage ratio	4.9%	5.1%	5.2%	4.8%
Risk Exposure Amount, SEK bn	571	610	611	632

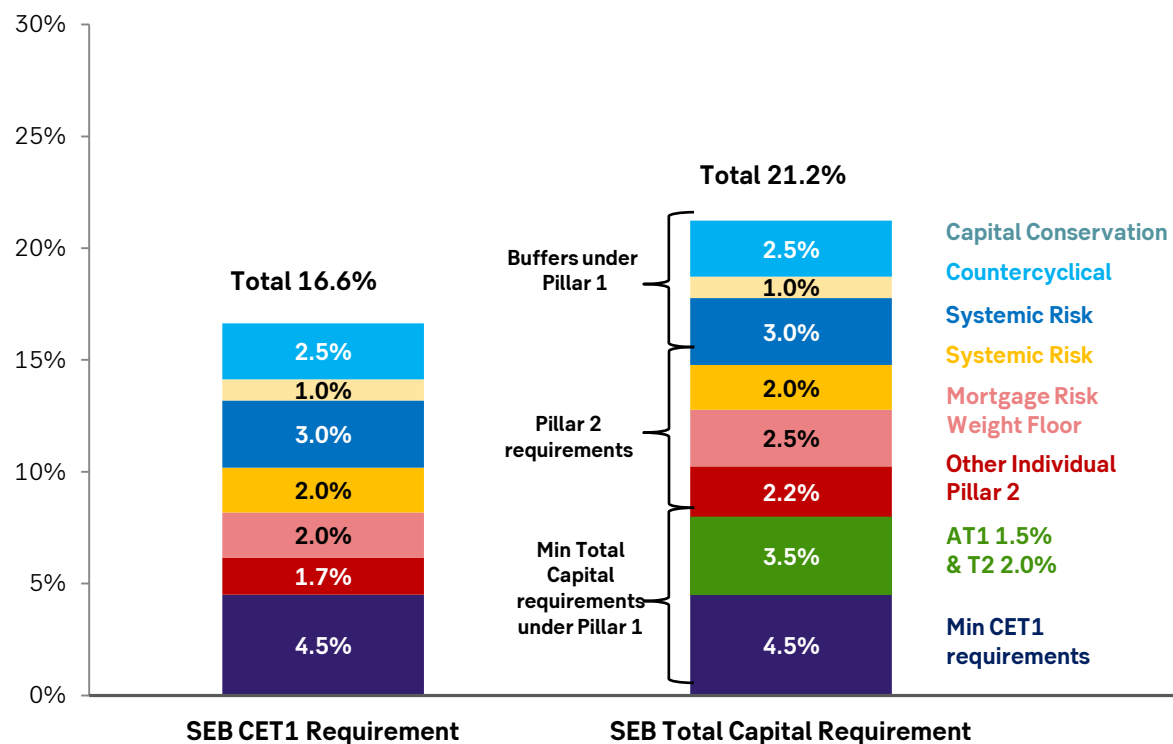
REA increase Q3 2018 vs. Q4 2017 of SEK 21bn net was mainly due to:

- Increase due to Asset growth, FX movements and market risk exposures
- Decrease due to asset quality, IFRS 9 and transfer of liquidity portfolio to banking book

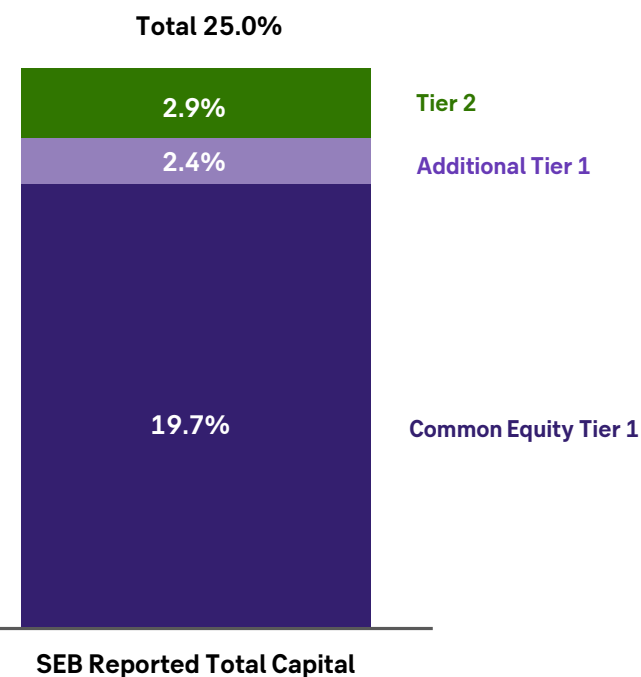
SFSA's capital requirements and SEB's reported ratios

SEB's ratios exceed SFSA's risk-sensitive and high requirements, September 30, 2018

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 is 3.1% above the SFSA CET1 requirement as at September 2018 and 1.6% above targeted management buffer

Well-managed Nordic, low-risk business and strong corporate culture render the lowest Pillar 2 capital requirements of Swedish peers

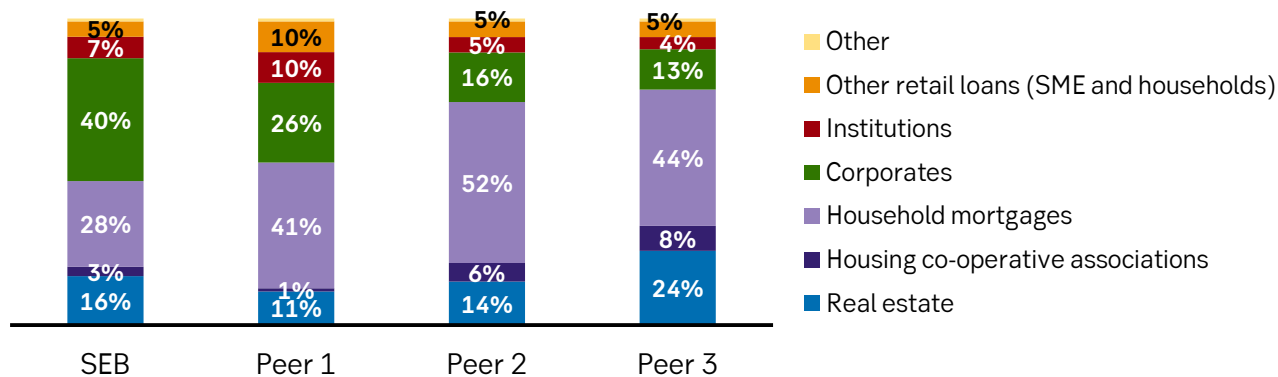
80% of SEB's credit portfolio is in Nordic countries¹⁾



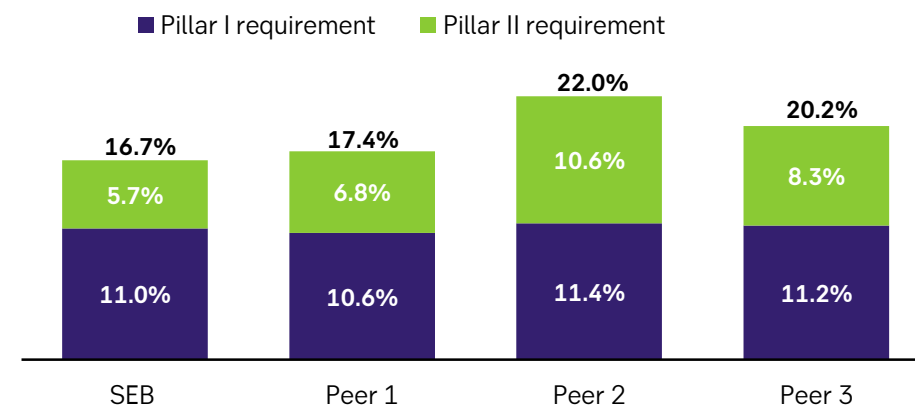
Low credit-related concentration risk ^{2,3)} (as percentage of total REA)



SEB has the lowest share of Real Estate & Mortgage Exposure (EAD)⁴⁾



SEB has the lowest Pillar 2 capital requirements³⁾ of Swedish banks



1) As by 31 Dec 2017

2) Including single name, geographical and industry concentration

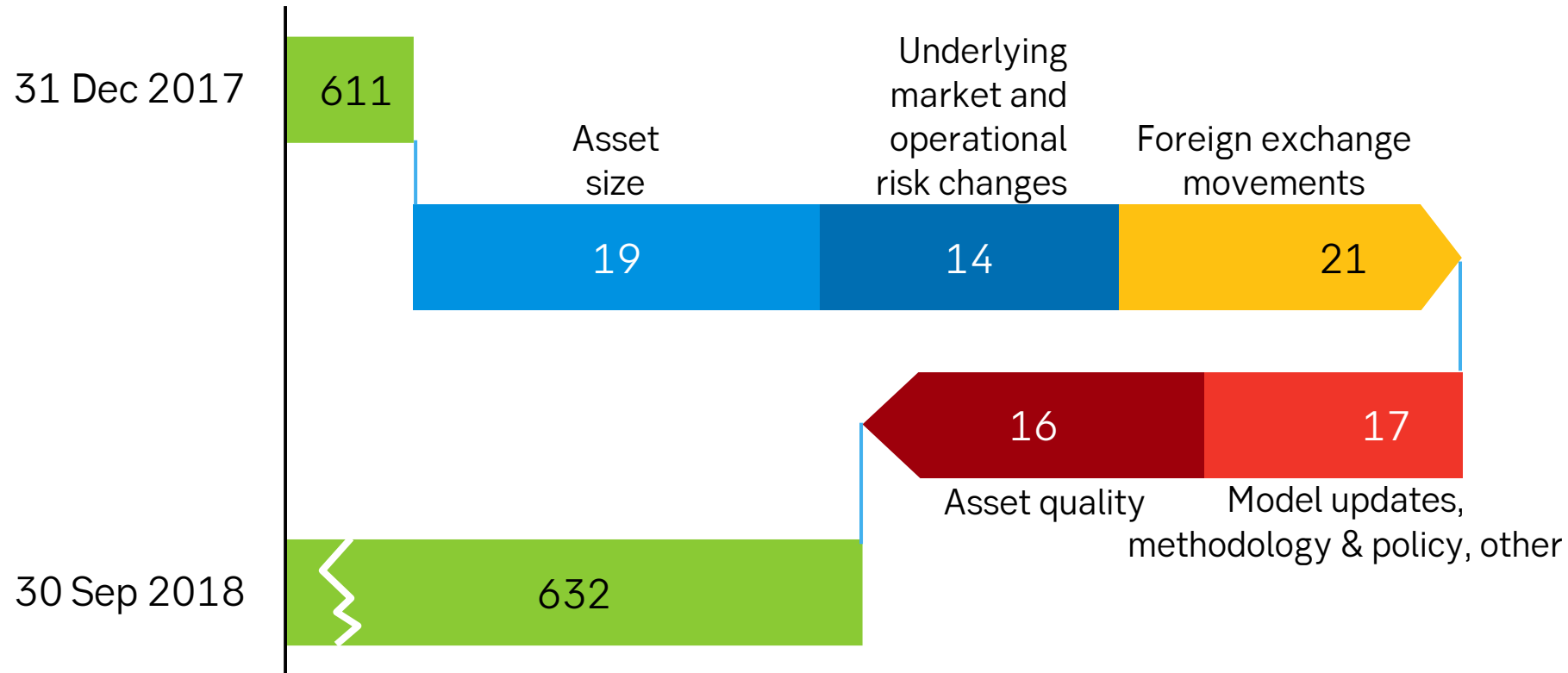
3) As communicated with Q1 2018 result

4) EAD = Risk Exposure Amount / Risk Weight
Source: Swedish peers' Pillar 3 reports, Finansinspektionen, by 31 Dec 2017

Risk exposure amount quarterly development

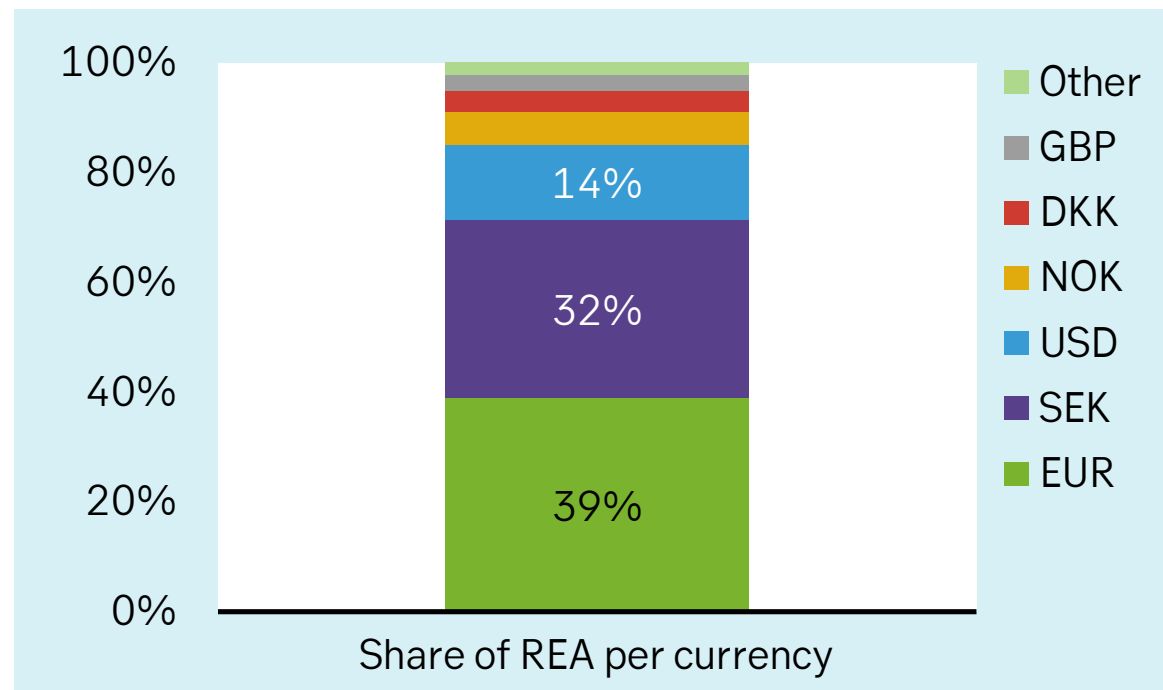
SEB Group – Basel III, Dec 2017 – Sep 2018

Risk exposure amounts SEK bn



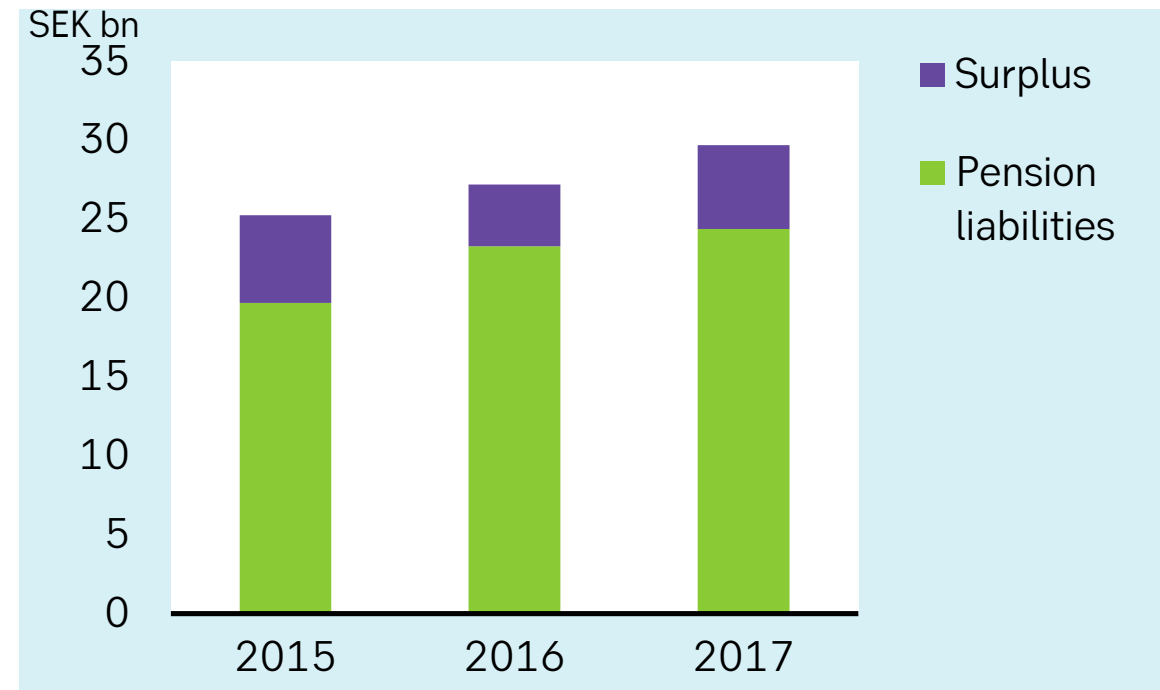
Reasons for 150bps management buffer

Sensitivity to currency fluctuations



±5% SEK
impact 50bps CET1 ratio

Sensitivity to surplus of Swedish pensions



-50 bps discount rate
impact -50bps CET1 ratio

&
general
macro...

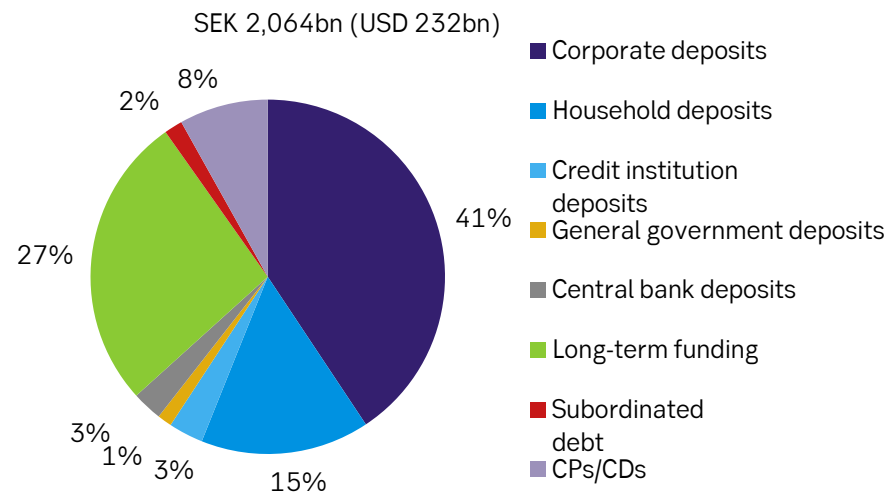
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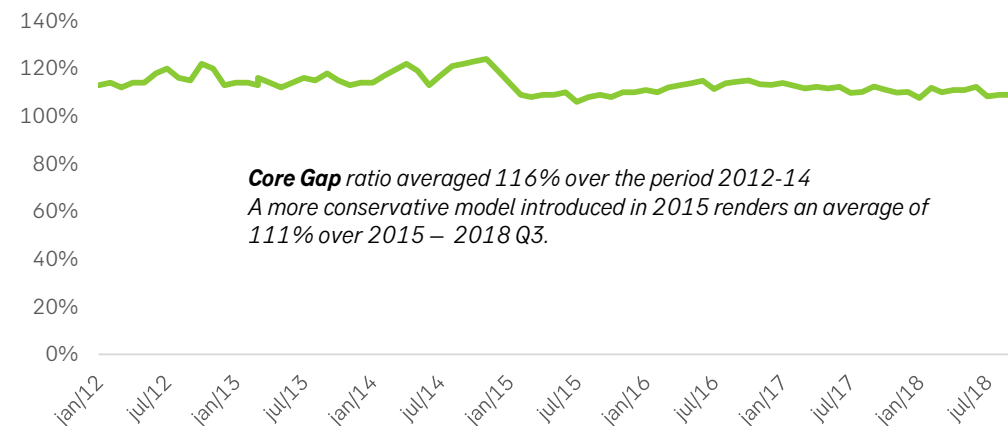
Stable deposit base and structural funding position

Wholesale funding represents 37% of the funding base



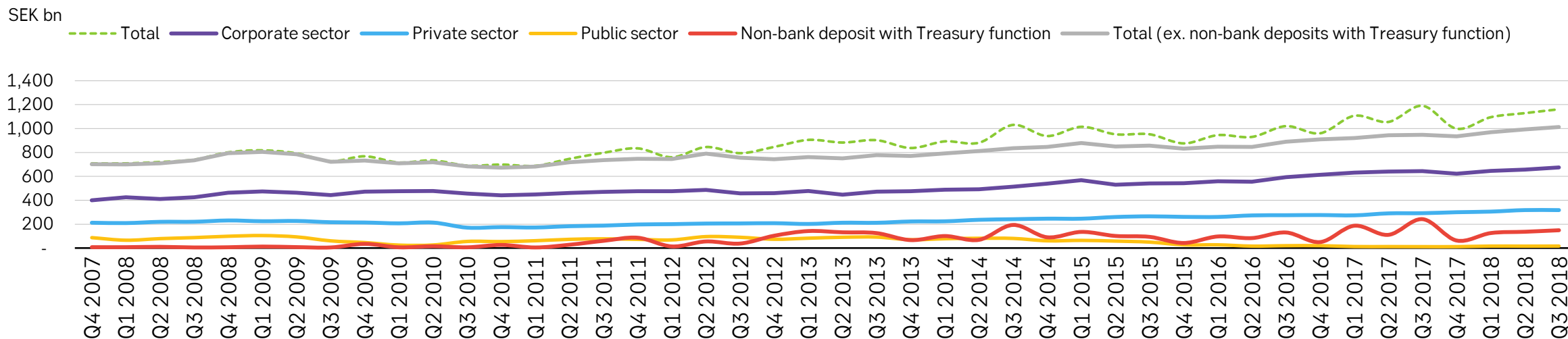
Note: Excluding repos and public covered bonds issued by the German subsidiary which are in a run-off mode

Stable and strong structural funding position, Core Gap Ratio



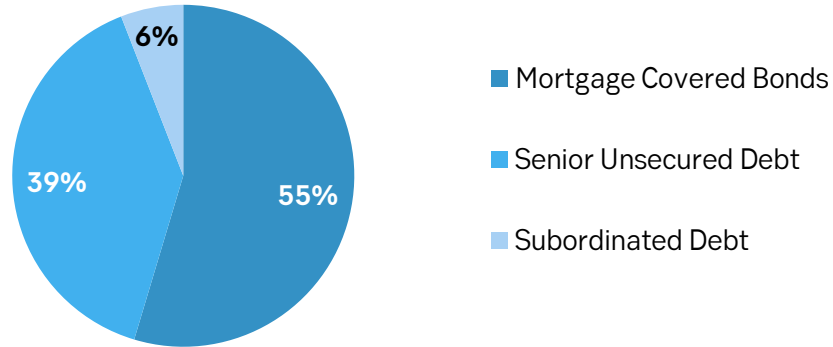
Core Gap is the amount of funding in excess of one year in relation to assets with a maturity of more than one year based on internal behavioural modelling

Stable development of deposits from corporate sector and private individuals



Well-balanced long-term funding structure

Long-term wholesale funding mix (SEK 589bn)



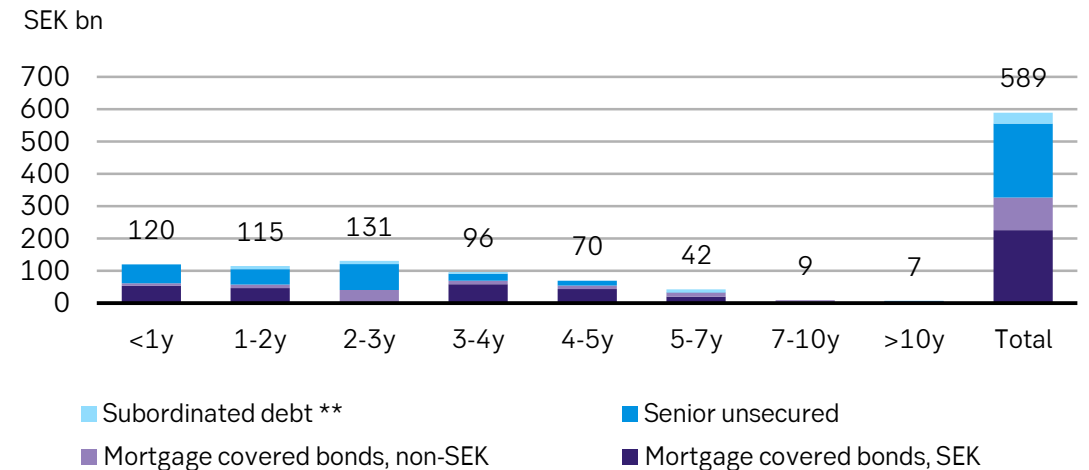
Issuance of bonds SEK bn

Instrument	2015	2016	2017	2018
Covered bonds	55	62	55	50
Senior unsecured	40	74	20	32
Subordinated debt	0	8	5	0
Total	95	145	80	83

Strong Credit Ratings

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*



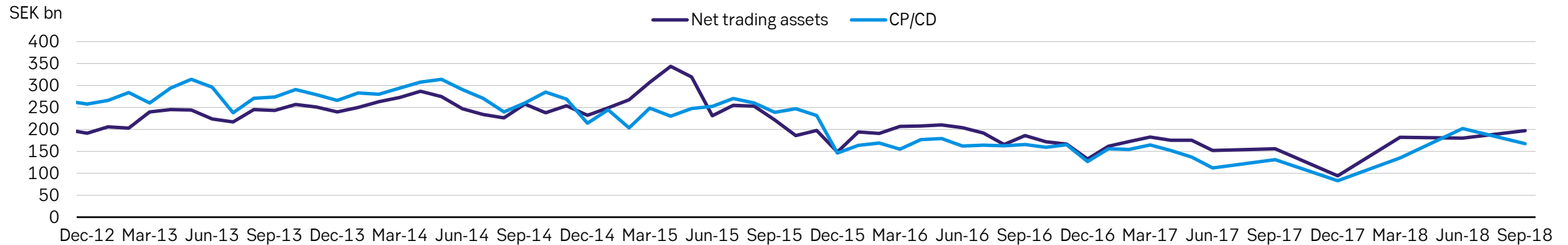
* of which one notch is due to the implicit state support

* Excluding public covered bonds.

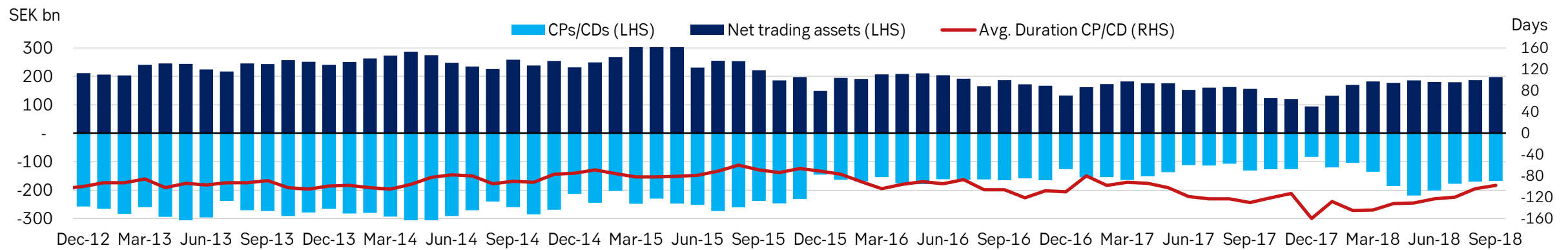
** Tier 2 and Additional Tier 1 issues assumed to be called at first call date.

CP/CD funding supports client facilitation business

Volumes - Net Trading Assets¹ adaptable to CP/CD funding access



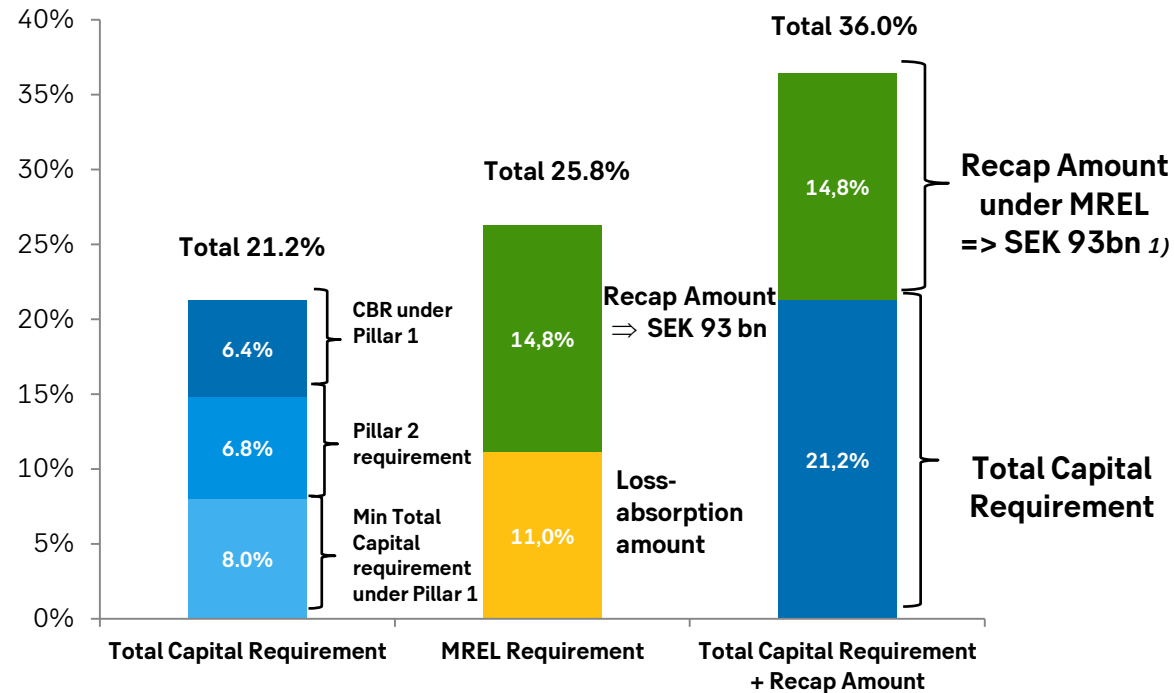
Duration - CP/CD fund net trading assets with considerably shorter duration



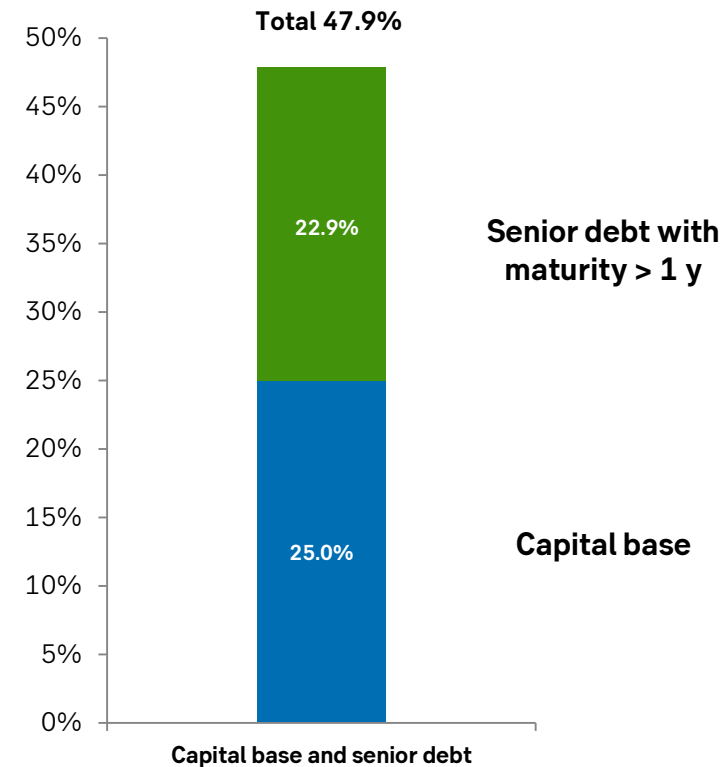
1) Net Trading Assets = Net of repoable bonds, equities and repos for client facilitation purposes

MREL requirement

SEB Total capital, MREL and liability requirement



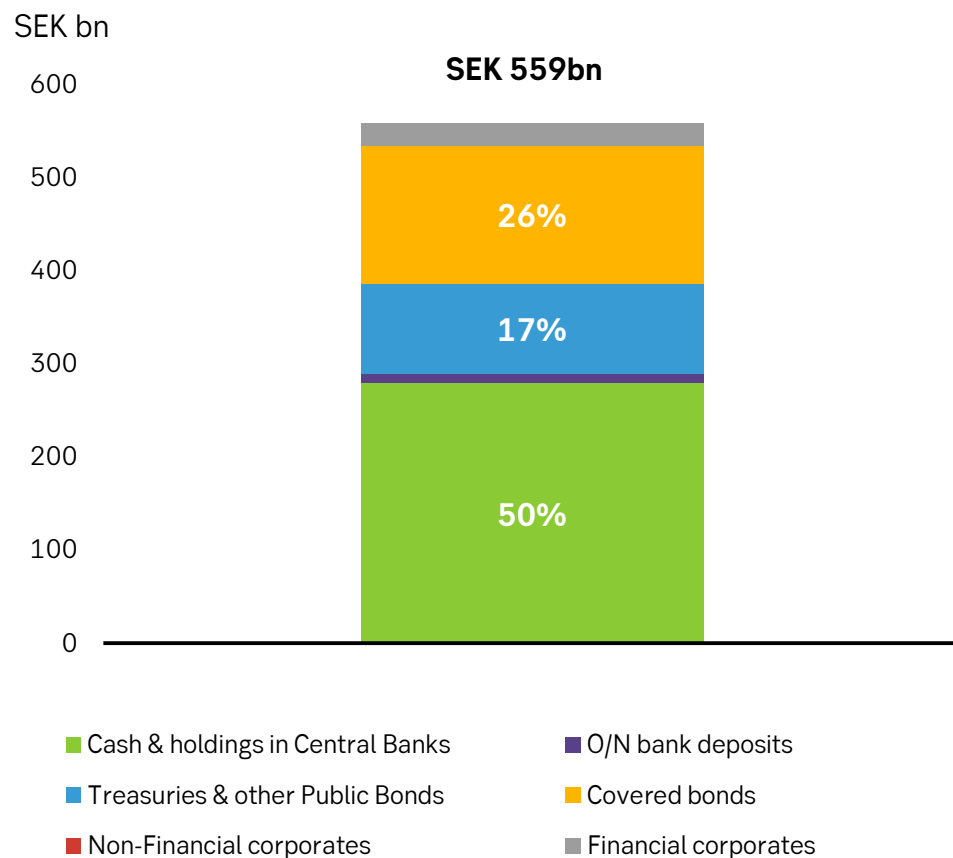
Capital base and outstanding senior debt with maturity > 1 year



1) Recap amount based on capital requirements at Sept 30, 2018.

Strong liquidity and maturing funding position

SEB's Liquidity Reserve* 2018 Q3 is 198% of wholesale funding maturities within 1 year**

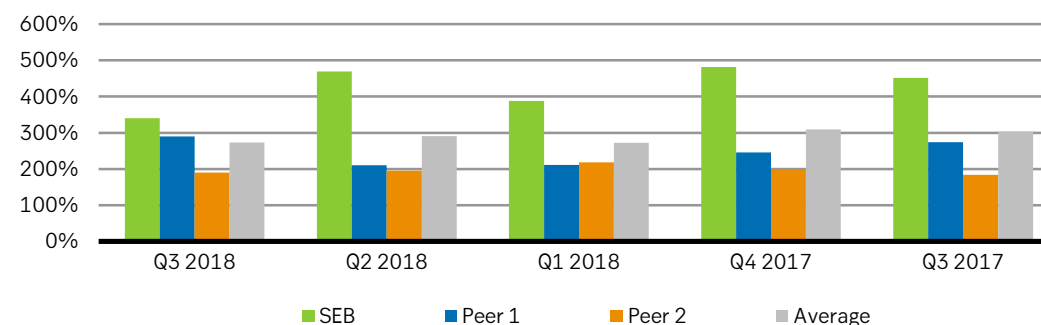


* Definition of Core Liquidity Reserve according to Swedish Bankers' Association

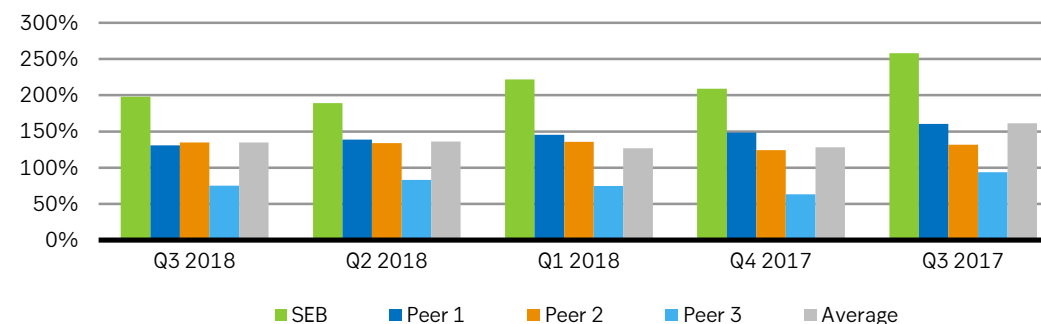
**excluding sub debt with call date within a year

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

Agenda



COVERED BOND
- L A B E L -

SEB



- SEB in brief p.3
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- Balance sheet, Credit portfolio & Asset quality p.33
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- Funding and Liquidity p.51
- **Covered bonds and Cover pool p.57**
- Business plan 2016 - 2018 p.61
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 - Swedish housing market
 - Macroeconomics

Only Swedish residential mortgages in SEB's cover pool

Cover Pool and Covered Bonds

Highlights

- ❑ Only Swedish Residential Mortgages in the Cover Pool, which historically have had very low credit losses
- ❑ SEB's Cover Pool is more concentrated towards Single family and Tenant owned apartments, which generally have somewhat higher LTVs
- ❑ The Cover Pool is on the 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
- ❑ SEB runs a high OC – as of September 30 2018 at 67%

Covered Bonds

		Q3 2018	Q4 2017	Q4 2016	Q4 2015
Total outstanding covered bonds (SEK bn)		318	324	314	311
Rating of the covered bond programme		Aaa Moody's	Aaa Moody's	Aaa Moody's	Aaa Moody's
FX distribution	SEK	71%	69%	71%	72%
	non-SEK	29%	31%	29%	28%

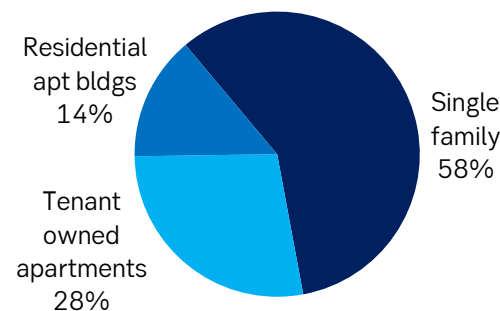
Cover Pool

	Q3 2018	Q4 2017	Q4 2016	Q4 2015
Total residential mortgage assets (SEK bn)	532	525	510	483
Weighted average LTV (property level)	52%	51%	50%	57%
Number of loans (thousand)	717	717	711	697
Number of borrowers (thousand)	420	423	424	427
Weighted average loan balance (SEK thousand)	742	732	718	693
Substitute assets (SEK thousand)	0	0	0	0
Loans past due 60 days (basis points)	1	5	4	4
Net credit losses (basis points)	0	0	0	0
Over-Collateralization level	67%	62%	63%	55%

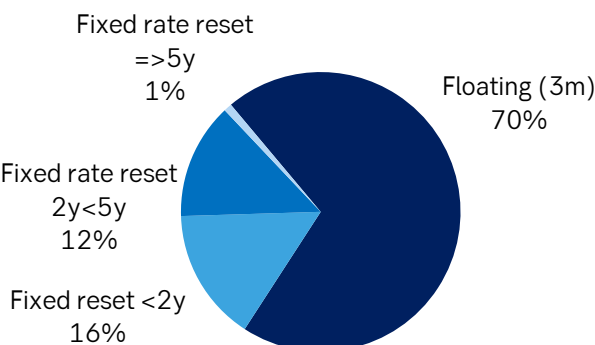
SEB's mortgage lending is predominantly in the three largest and fastest growing city areas

Cover Pool

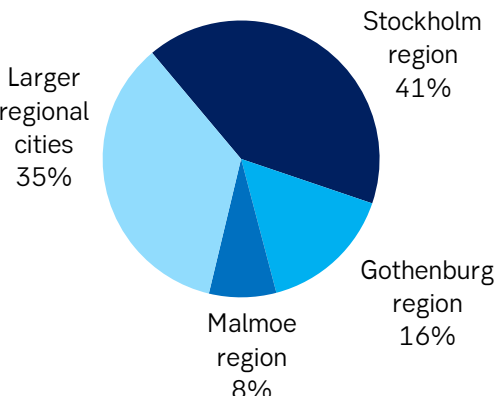
Type of loans



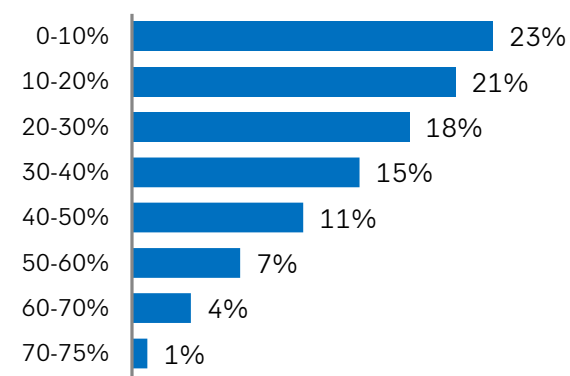
Interest rate type



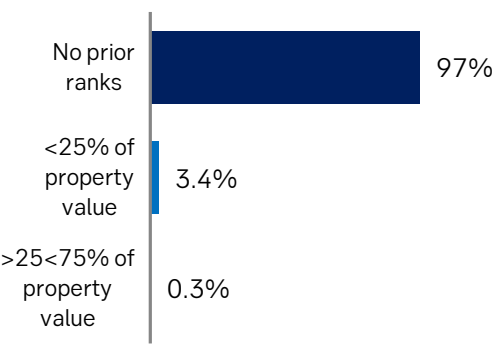
Geographical distribution



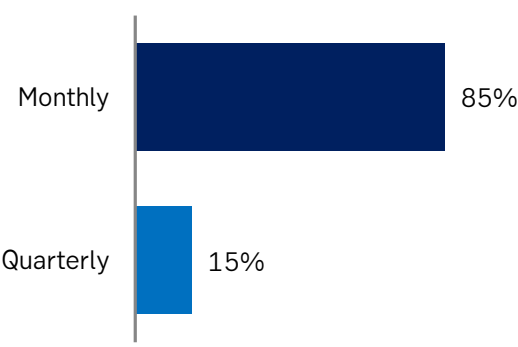
LTV distribution by volume in % of the Cover Pool



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)

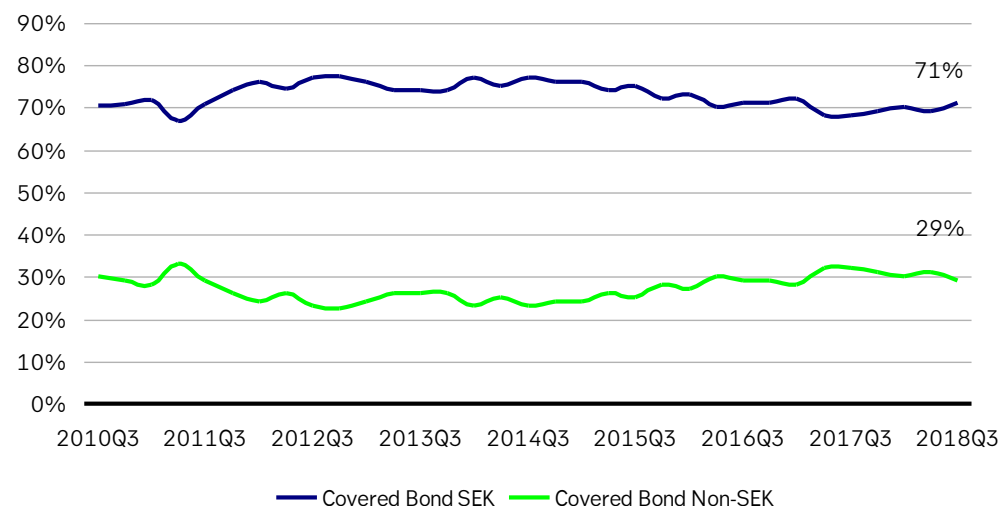
Profile of outstanding covered bonds

Covered Bonds

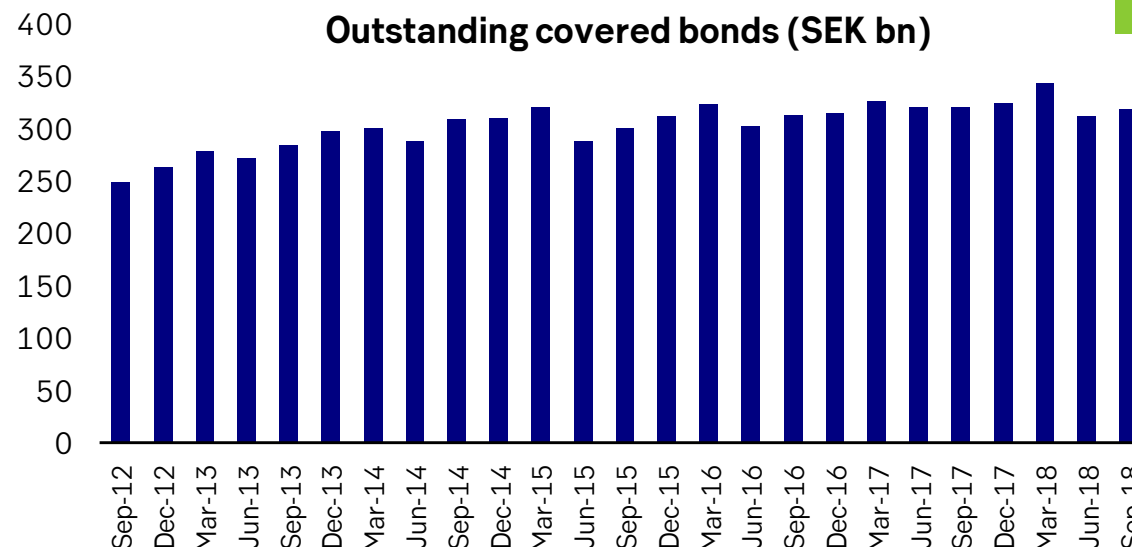
SEB Swedish Mortgage Covered Bonds

Moody's Rating	Aaa
Total outstanding	SEK 318bn
FX distribution	SEK 71%
	non-SEK 29%
Benchmark	Benchmark 93 %
	Non Benchmark 97%

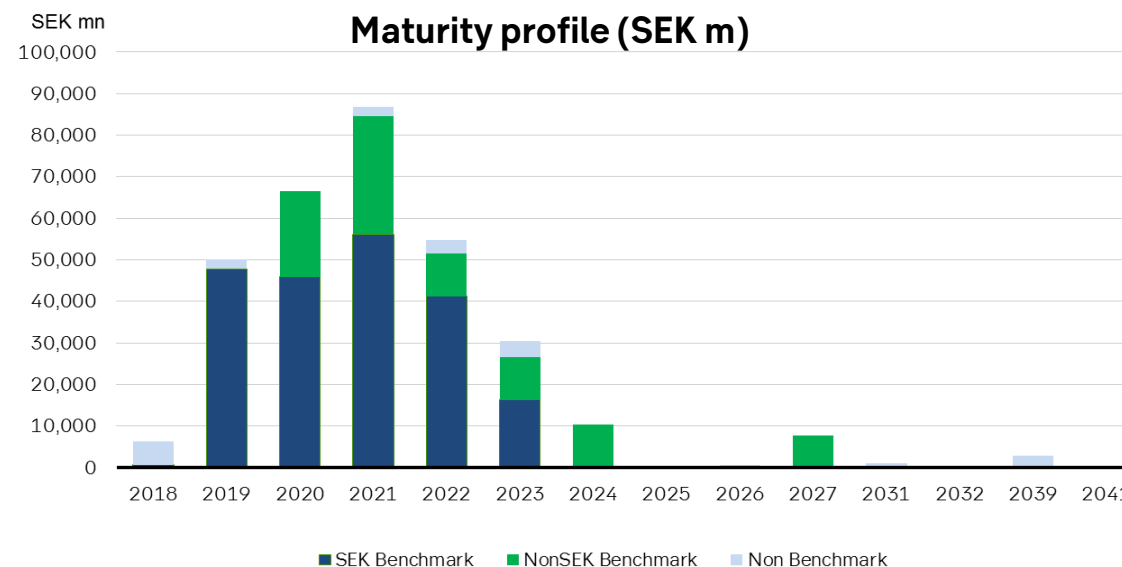
Currency mix



Outstanding covered bonds (SEK bn)



Maturity profile (SEK m)



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Business plan focus on growth & transformation



Full focus on Swedish businesses



World-class service



Continue to grow in the Nordics and Germany



Savings & pension growth



Digitalisation

Continuous learning & Competence



Some core beliefs about the future

Customers expect services to be **smarter, faster, safer** and at their terms



Anything that can be **automated** will be automated

Long term relationships are built on **trust** and **valuable** data driven **advice**



People is at the core of everything we do, and the determinant for success

Sustainability will be key for customers, employees and other stakeholders





Reinvigorate
Growth



Accelerate
Transformation



The journey towards...

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



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Investing in Skandinaviska Enskilda Banken AB (Publ.)

- Investors are in a position to hold SEB ordinary shares through a sponsored Level 1 ADR Program
- SEB's ADRs trade on the over-the-counter (OTC) market in the US
- One (1) SEB ADR represents one (1) SEB ordinary share
- SEB's ADRs can be issued and cancelled through Citibank N.A., SEB's Depositary Bank

Skandinaviska Enskilda Banken's ADR Program

Symbol	SKVKY
ADR : Ordinary Share Ratio	1:1
ADR ISIN	US8305053014
Sedol	4813345
Depositary Bank	Citibank N.A.
Trading Platform	OTC
Country	Sweden

Key Broker Contact Details at Citibank N.A., as Depositary Bank for SEB:

Telephone: New York: +1 212 723 5435

London: +44 (0) 207 500 2030

E-mail: citiadr@citi.com

Website: www.citi.com/dr

IR contacts and calendar



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E-mail:
per.andersson@seb.se

Financial calendar 2019

30 January Interim Report January-December 2018
The silent period starts 10 January

5 March Annual report published on sebgroupp.com

26 March Annual General Meeting

30 April Interim Report January-March 2019
The silent period starts 8 April

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

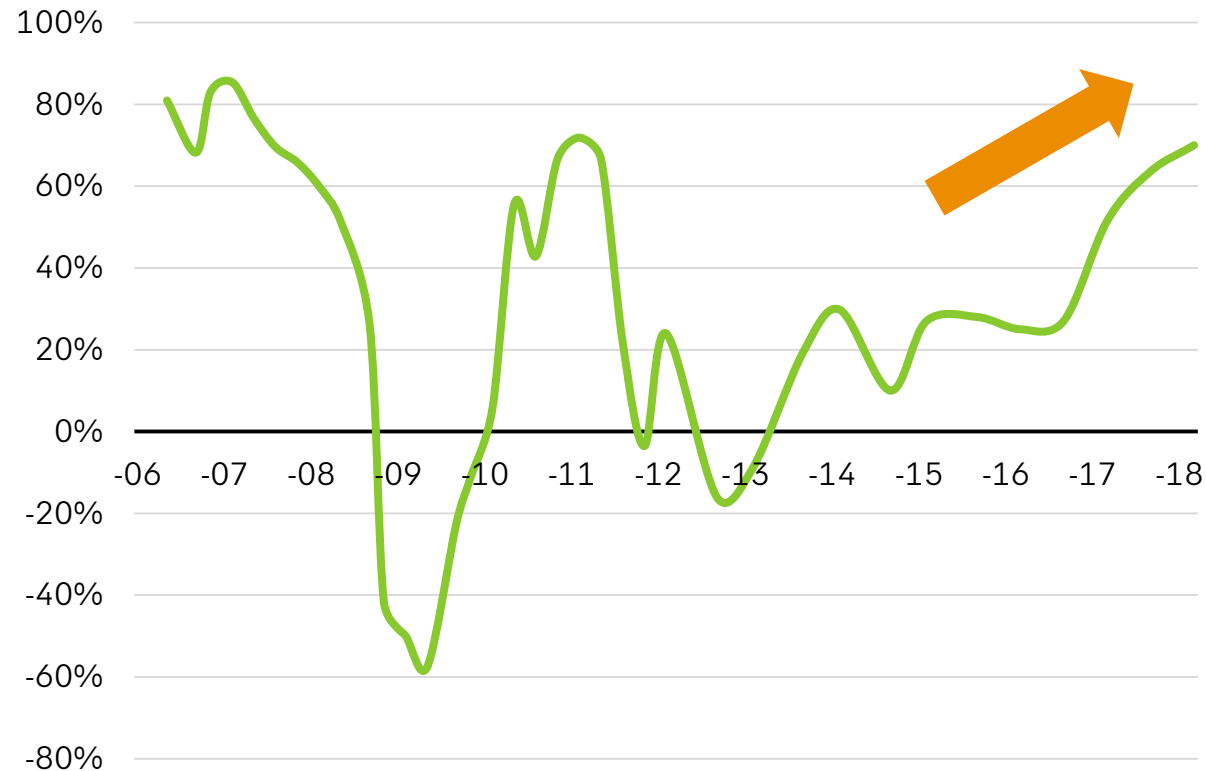


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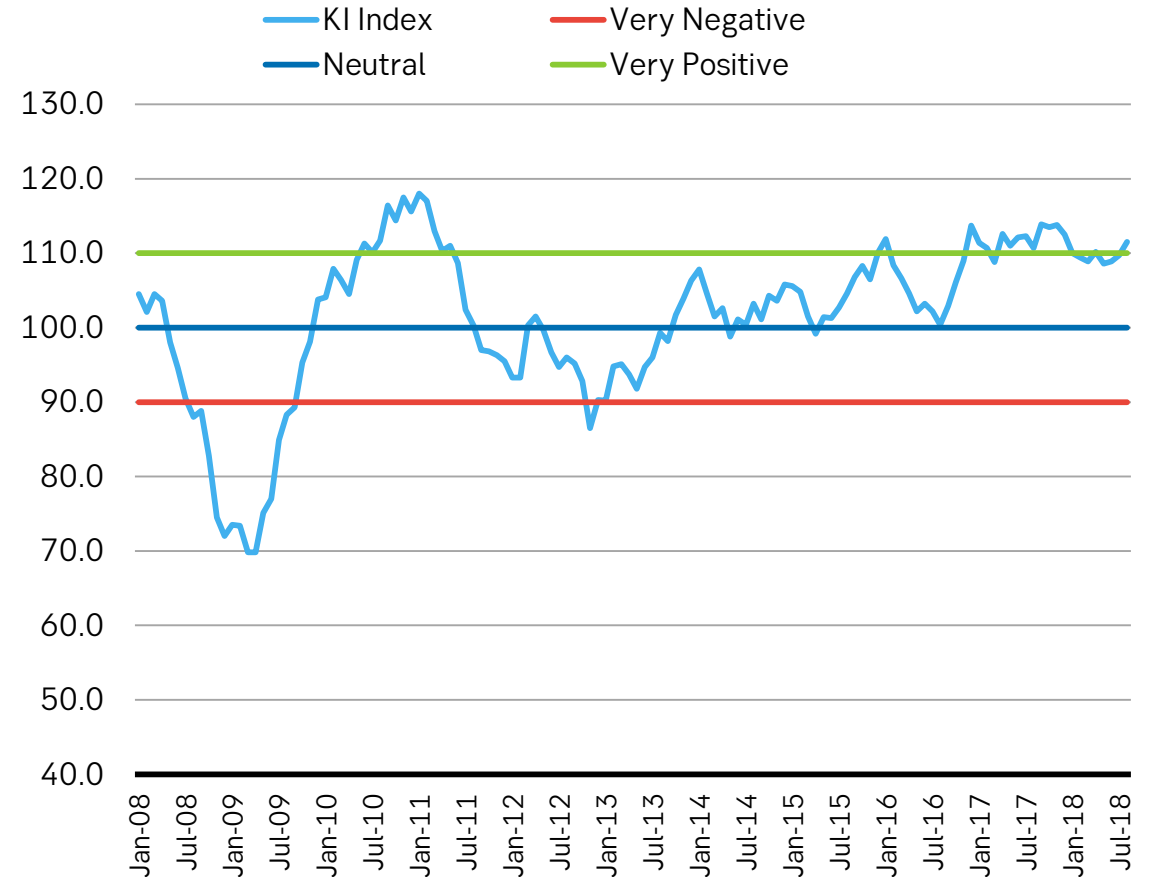
Business conditions improving in Sweden

Deloitte/SEB Swedish CFO Survey

– The latest survey was published in May 2018,
Business conditions (net balance)



Swedish Business Confidence, KI index, Aug 18



Swedish housing market

– Characteristics and prices

Svensk Mäklarstatistik – Sep 2018, per cent

Area	Single family homes		Apartments	
	3m	12m	3m	12m
Sweden	-1	-2	+3	-5
Greater Stockholm	0	-10	+2	-6
Central Stockholm			+3	-6
Greater Gothenburg	-1	-4	+3	-4
Greater Malmoe	0	-1	+6	-2

Valueguard – Sep 2018, per cent

Area	Single family homes		Apartments	
	3m	12m	3m	12m
Sweden	+0.8	-2.5	+1.4	-5.2
Stockholm	+1.2	-7.3	+1.7	-5.4
Gothenburg	-0.2	-2.1	+1.4	-4.4
Malmoe	+0.5	+1.0	+0.6	-3.6

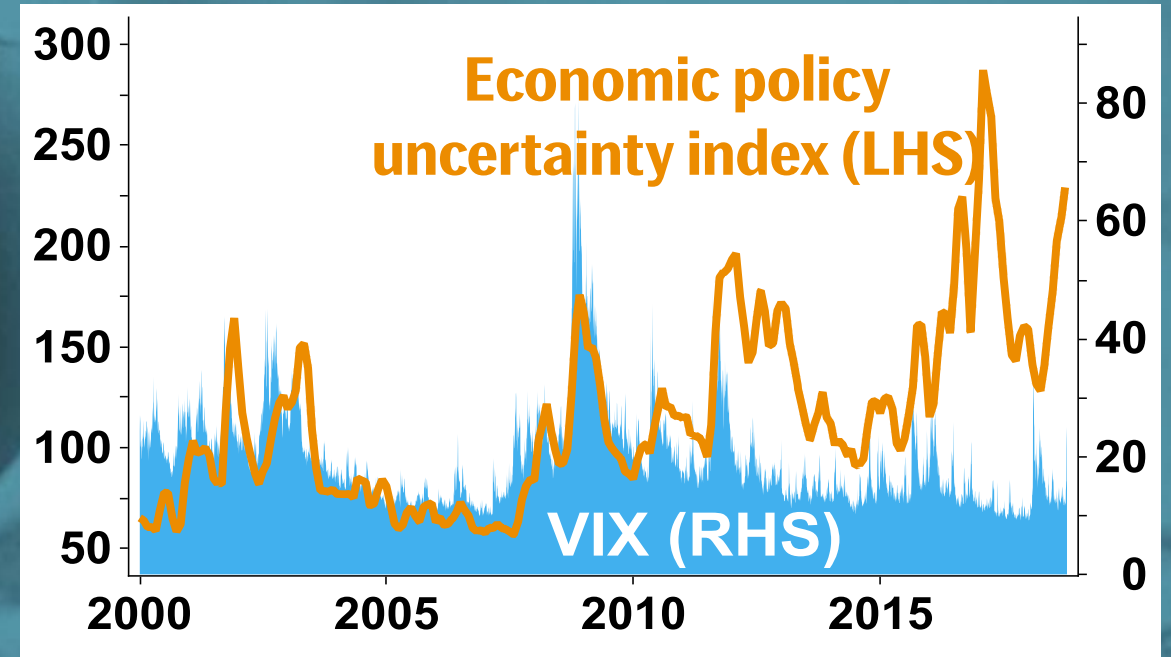
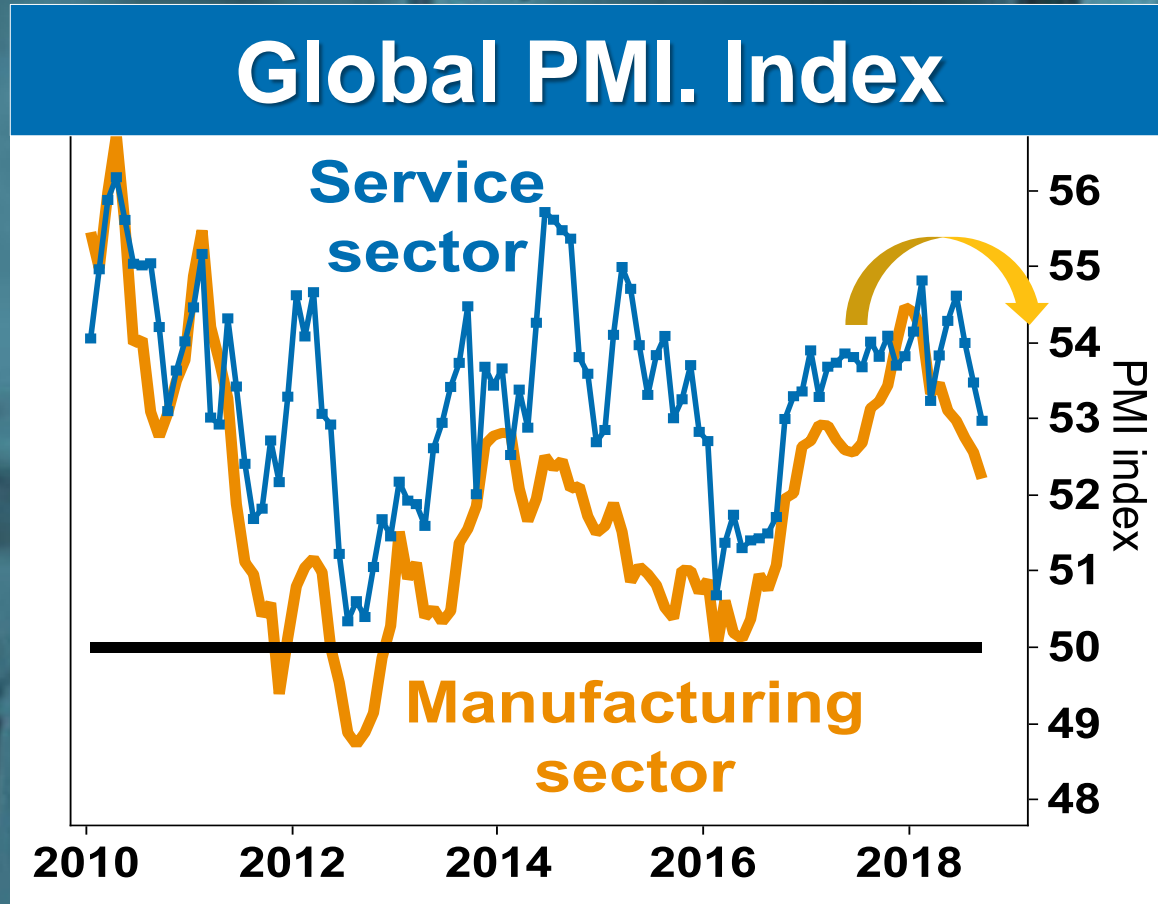
HOX Sweden +1.0% 3m, -3.6% 12m

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
- Strong household income

Globally: Economic cycle has passed its peak

But growth will remain above trend levels



GDP	2017	2018	2019	2020
%	3.8	4.0	3.9	3.8

Emerging markets: Good times – rising risk

Trade war, Chinese deceleration and stronger USD

GDP, %	2017	2018	2019	2020
Brazil	1.0	1.5	2.9	3.0
Russia	1.5	1.7	1.7	2.0
India	6.4	7.5	7.8	7.8
China	6.9	6.6	6.3	6.0
EM total	4.8	5.1	5.1	5.1

Oil prices	2017	2018	2019	2020
Brent, \$	55	73	85	85

- **Brazil**: Hoping for reforms after October election
- **Russia**: Weak recovery & sanction threats depress RUB
- **India**: Accelerating growth, but weakened rupee
- **China**: Growth prioritised over deleveraging & environment

US: Fiscal stimulus and jobs boosting growth

Record-high, but headwinds from trade war, capacity shortage

- **Pro-cyclical fiscal policy**

Long-term question marks...

- **Strong labour market**

215,000 new jobs/month (2018: > 90,000)

Number of jobs > Number of unemployed

- **Household finances doing well**

Net wealth ↗, savings ratio ↗ (7%)

GDP	2017	2018	2019	2020
%	2.2	3.0	2.5	1.9



Majority	Today	2018 forecast	Seats in play
Senate	R (51-47)	R	33
House	R (236-193)	D	435

Euro zone: Good outlook despite sluggish start in 2018

- **Employment ↗**

Pay growth: from 2.0% to 2.5% rate

But: cautious consumption

- **Economic policy support**

Expansionary fiscal & monetary policies

- **Many risks/challenges**

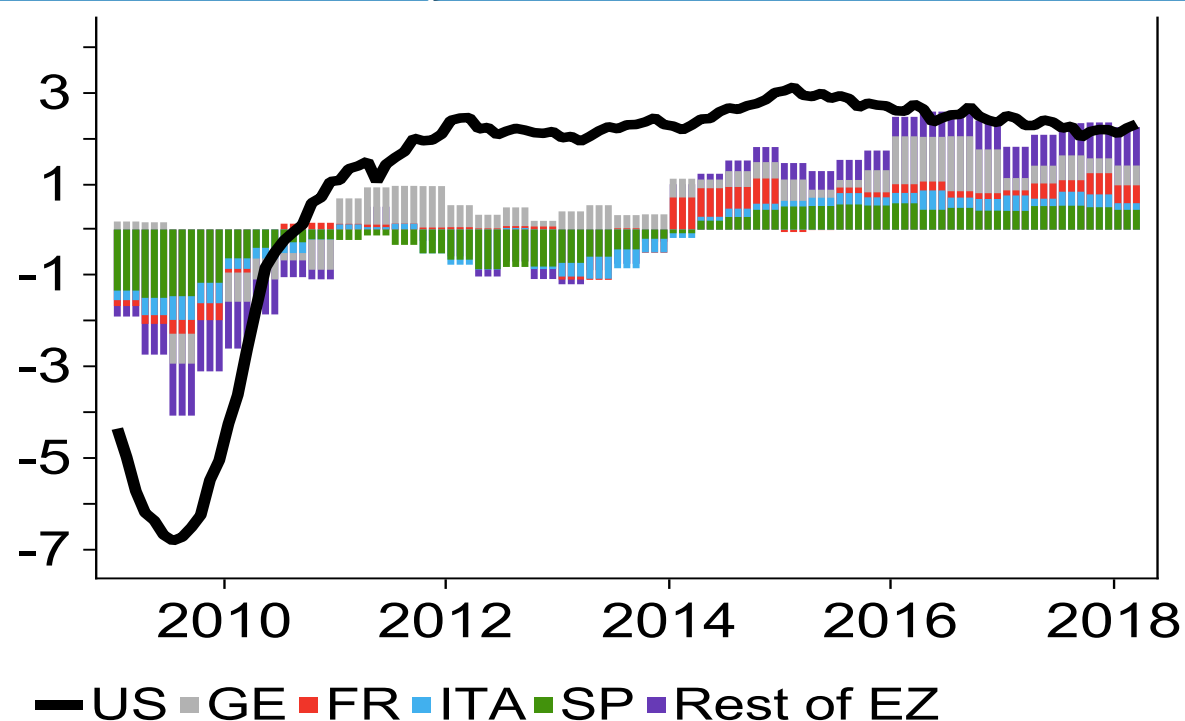
US? Brexit? EU budget? Italy? Turkey?

“EU of the future”? EU election in 2019?

GDP	2017	2018	2019	2020
%	2.4	2.1	2.1	1.9

EZ/US: Higher employment

Yearly increase. Millions



Globally: Three main scenarios

Scenarios, financial market effects and probabilities

1

Strong late-cyclical demand

Weak inflation response – CB flexibility

Yields



Equities



65%

2

Supply side-driven recession

Inflation surprises + CB stress

Yields



Equities



20%

3

Positive supply-side shock

Labour supply & productivity –
CB flexibility

Yields



Equities



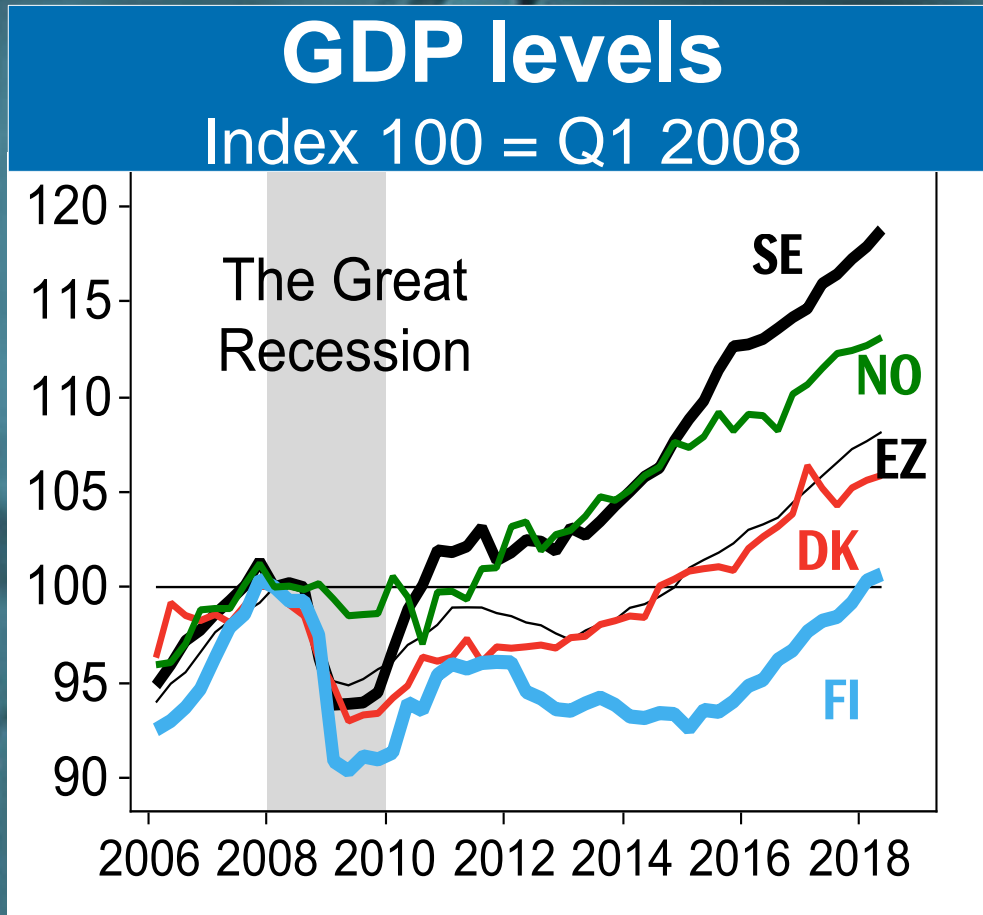
15%







Globally: More central banks are now acting

But monetary policies will remain highly expansionary

%		Today	Dec 2018	Dec 2019	Dec 2020	△Bps 2018-20	QE
US		2.25	2.50	3.00	3.25	+100	↘
EZ		0.00	0.00	0.25	0.75	+75	↗→
UK		0.75	0.75	1.25	1.75	+100	→
JPN		-0.10	-0.10	-0.10	-0.10	±0	↗
China		4.35	4.35	4.35	4.35	±0	--
SE		-0.50	-0.25	0.00	0.75	+125	→
NO		0.75	0.75	1.25	1.75	+100	--

Nordics: Above-trend growth despite global uncertainty

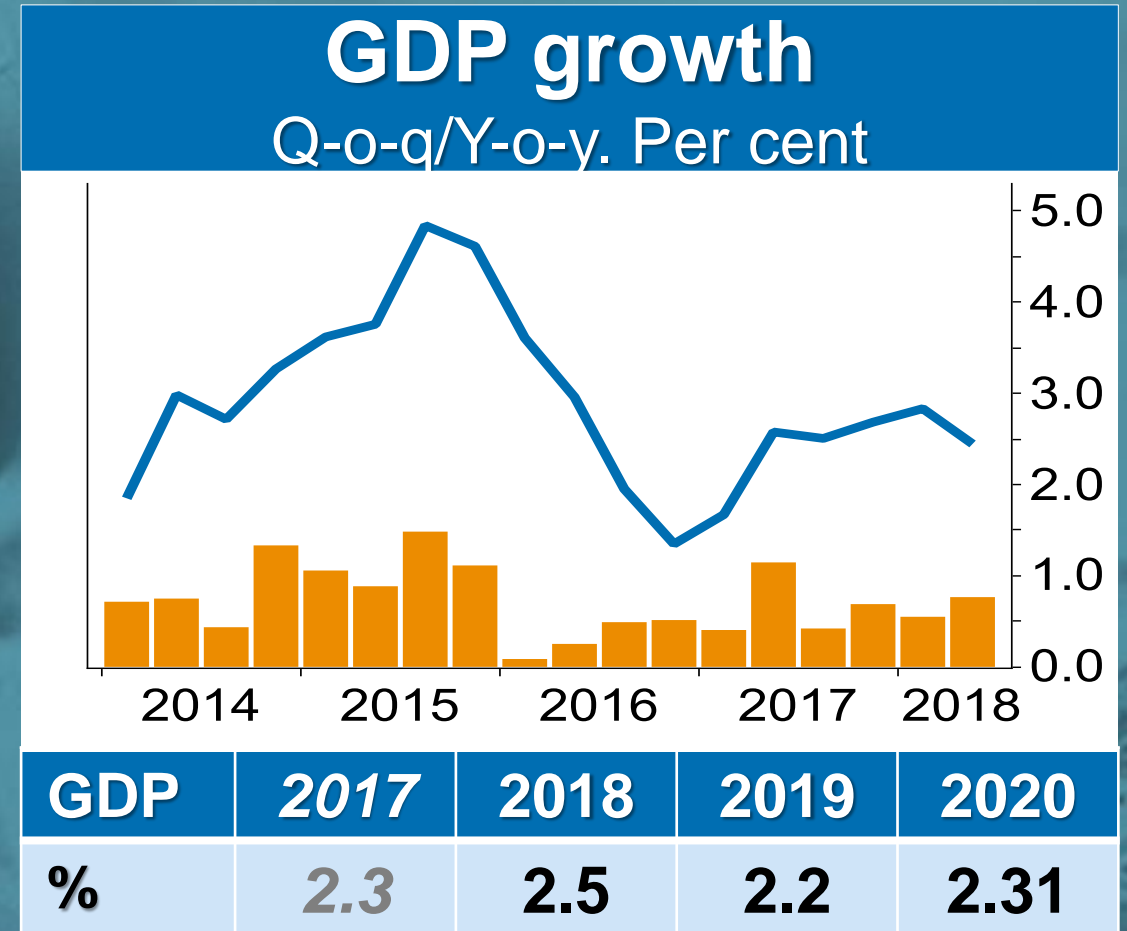


	GDP %	2017	2018	2019	2020
 World		3.8	4.0	3.9	3.8
 EZ		2.4	2.1	2.1	1.9
 DK		2.3	1.5	2.5	2.0
 FI		2.8	3.1	2.3	2.3
 NO		2.0	1.4	2.4	2.4
 SE		2.3	2.5	2.2	2.1

Sweden: Above-trend growth...

... but low inflation dilemma for the Riksbank

- **Industry showing strength**
Investing, hiring, exporting
- **Next government & Riksbank will stimulate more**
- **Housing market: Soft landing**
Resilient, but risks will persist
- **Election: Weak government or fresh thinking? Risk premium?**



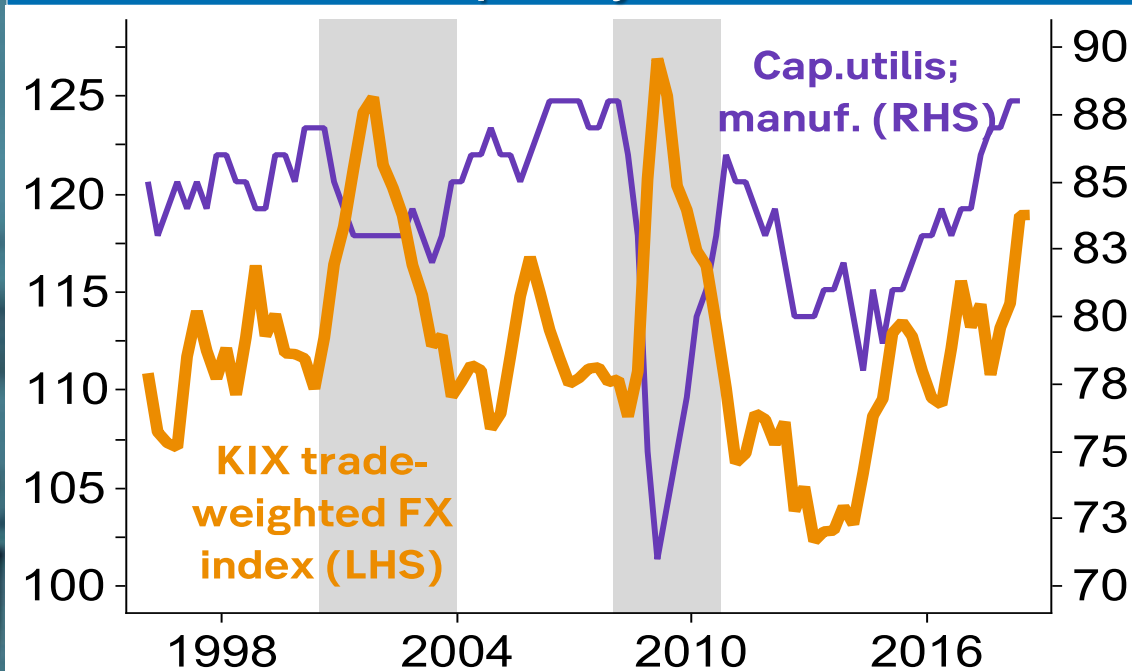
Sweden: Strong exports but limited SEK effect

SEB

Bad timing for weak krona – wrong cyclical situation

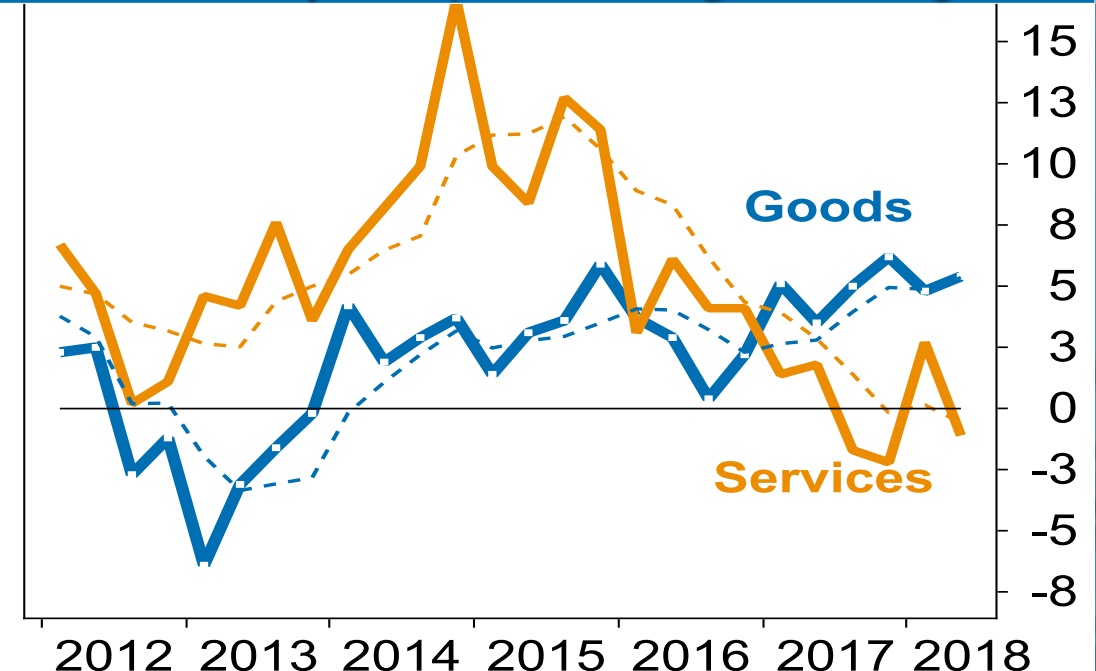
Little impact from krona

KIX & capacity utilisation



Exports: goods & services

Year-on-year percentage change



Sweden: Slowdown for tenant-owned flats

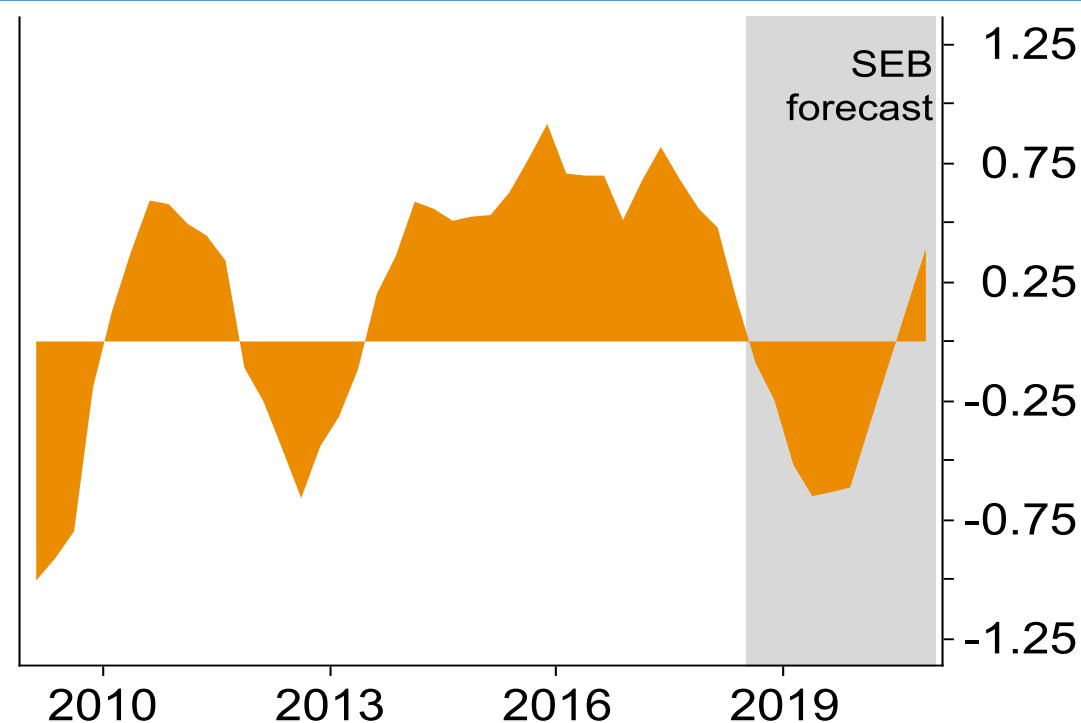
Can rental housing units surprise on the upside?

- Price drop → tenant-owned ↓
- The need exists: population growth outpaces construction

SEB forecast	2017	2019
Single-family homes	15,000	14,000
Rental units	25,000	21,000
Tenant-owned flats	25,000	10,000
Total	65,000	45,000

Shifts in home construction

Contribution to GDP growth, % points

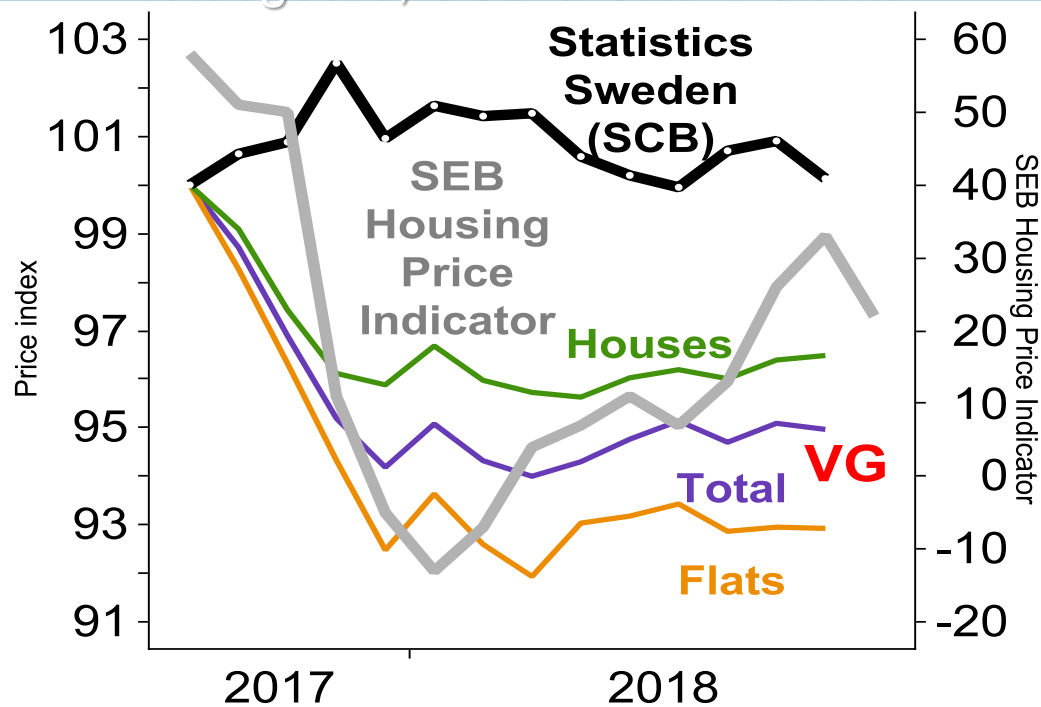


Sweden: Hesitation after autumn 2017 decline

Households have been more optimistic in recent months

Home price movements

Valueguard, SCB & SEB indicator



- **Divergent, levelling out**

Large vs small municipalities

Flats vs single-family homes

New vs old

- **Decline in sales**

Flats: ~ -5% compared to one year ago
sedan

Houses: Weak increase

Recovering after tighter payment rules

- **Households are prepared**

82% expect more macroprudential rules

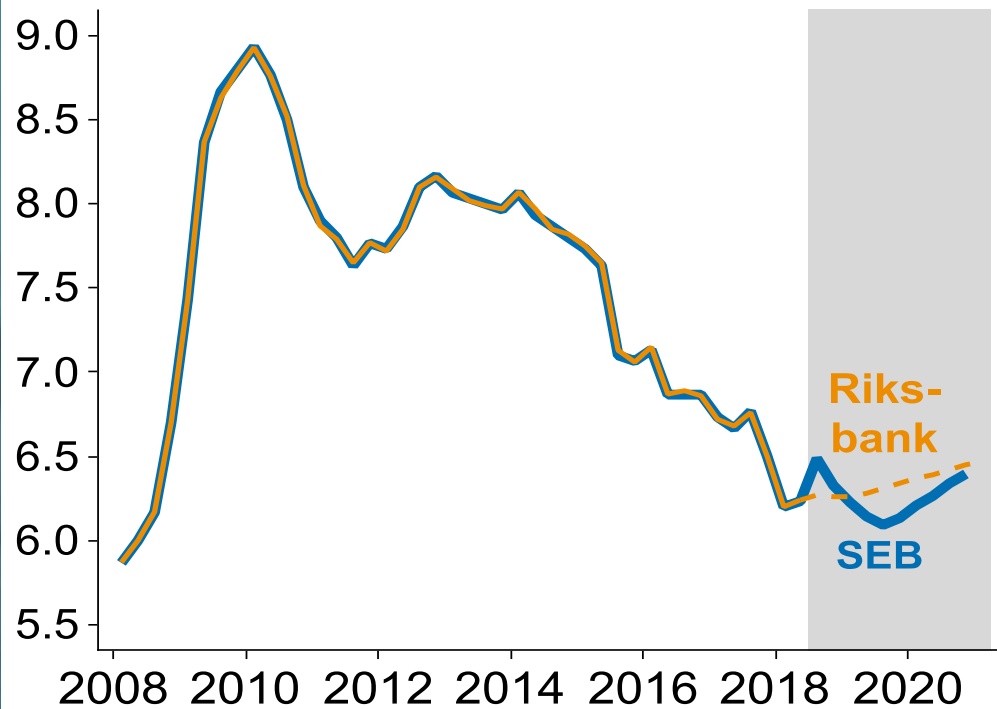
- **Home prices: -10%, now -5/6%**

Sweden: Unemployment soon below 6 per cent

Rising labour market participation will slow the downturn

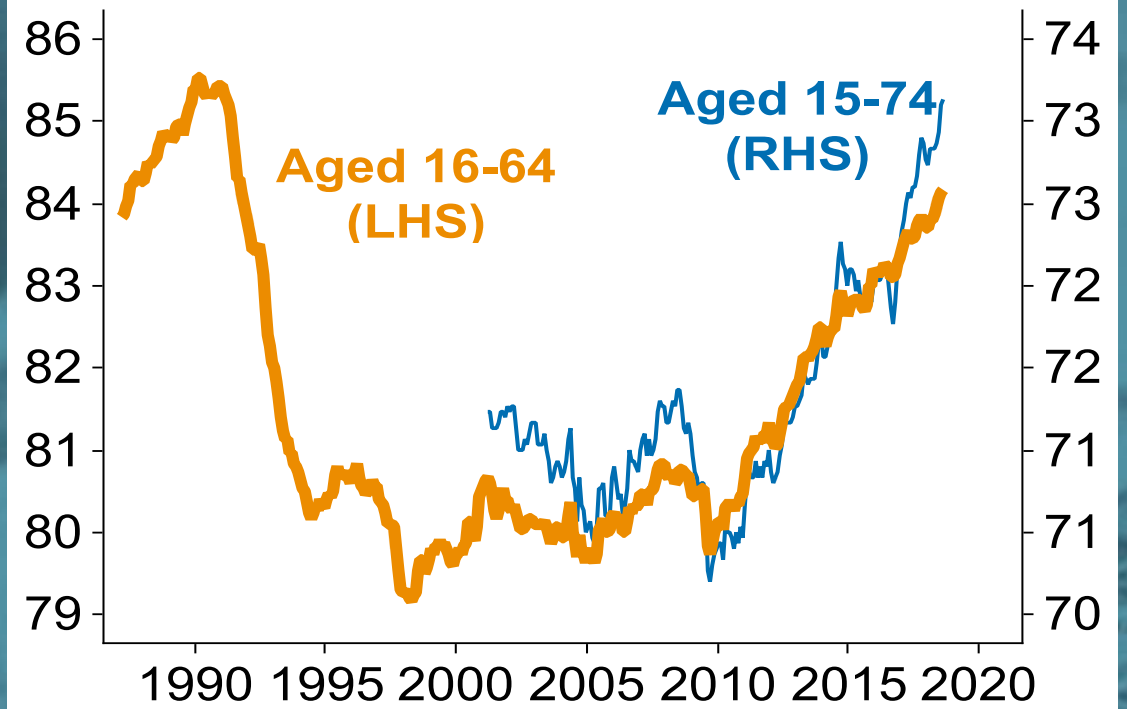
Unemployment

Per cent



Participation rate

Per cent

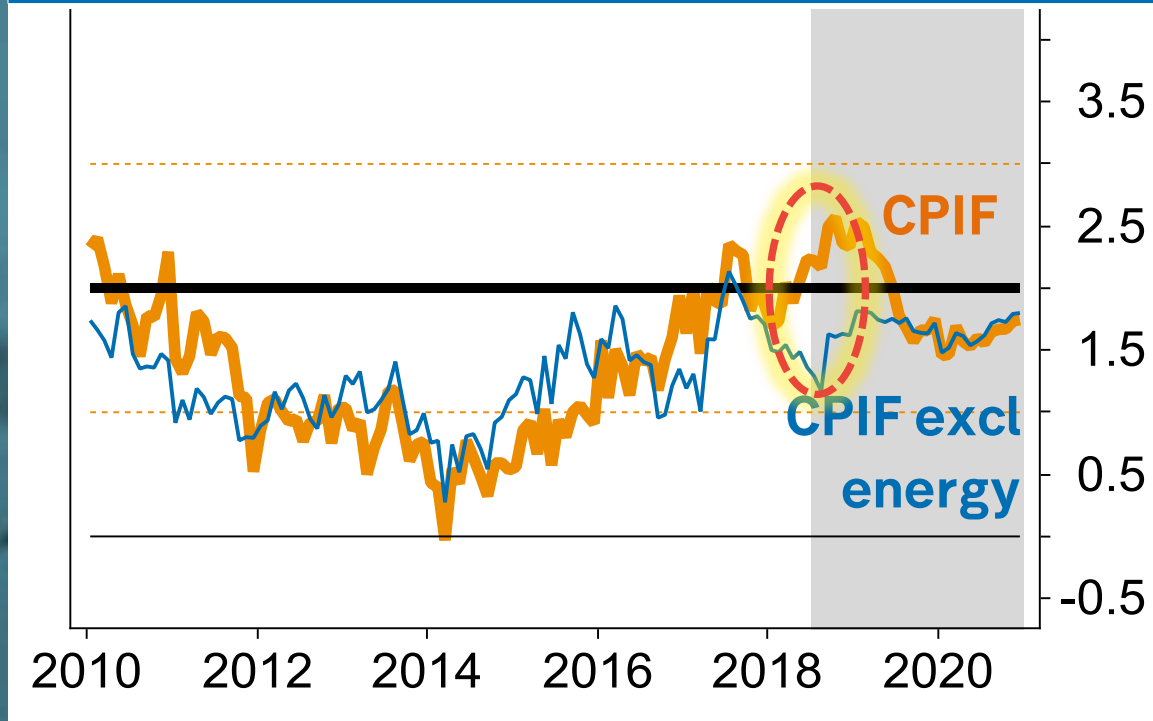


Sweden: CPIF at target, but not excl. energy

Growing gap between CPIF & CPIF excl. energy a dilemma

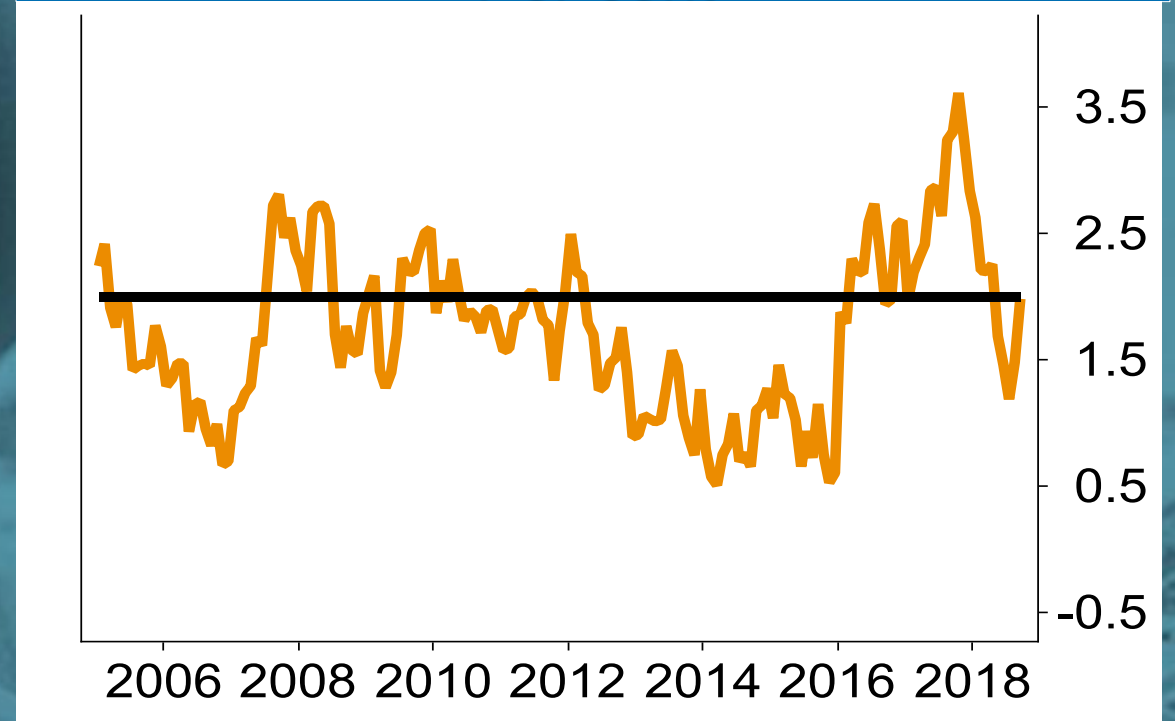
Riksbank's CPIF dilemma

SEB forecast. Per cent



Service inflation

Per cent



Sweden: Riksbank analysed to death...

More forward-looking – paving the way for the rate hike



Hike key rate now!



Hike in October



Hike in Dec or Feb

VS



Hike in Dec or Feb



Hike in Dec or Feb



Hike in Dec or Feb

**Riksbank at a cross-roads
Message is clear...**

**“Invests” its credibility in a
Dec/Feb 25bps rate hike**

Sweden: Riksbank analysed to death...

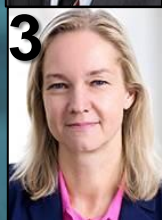
More forward-looking – paving the way for the rate hike



Hike key rate now!



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**Riksbank at a cross-roads
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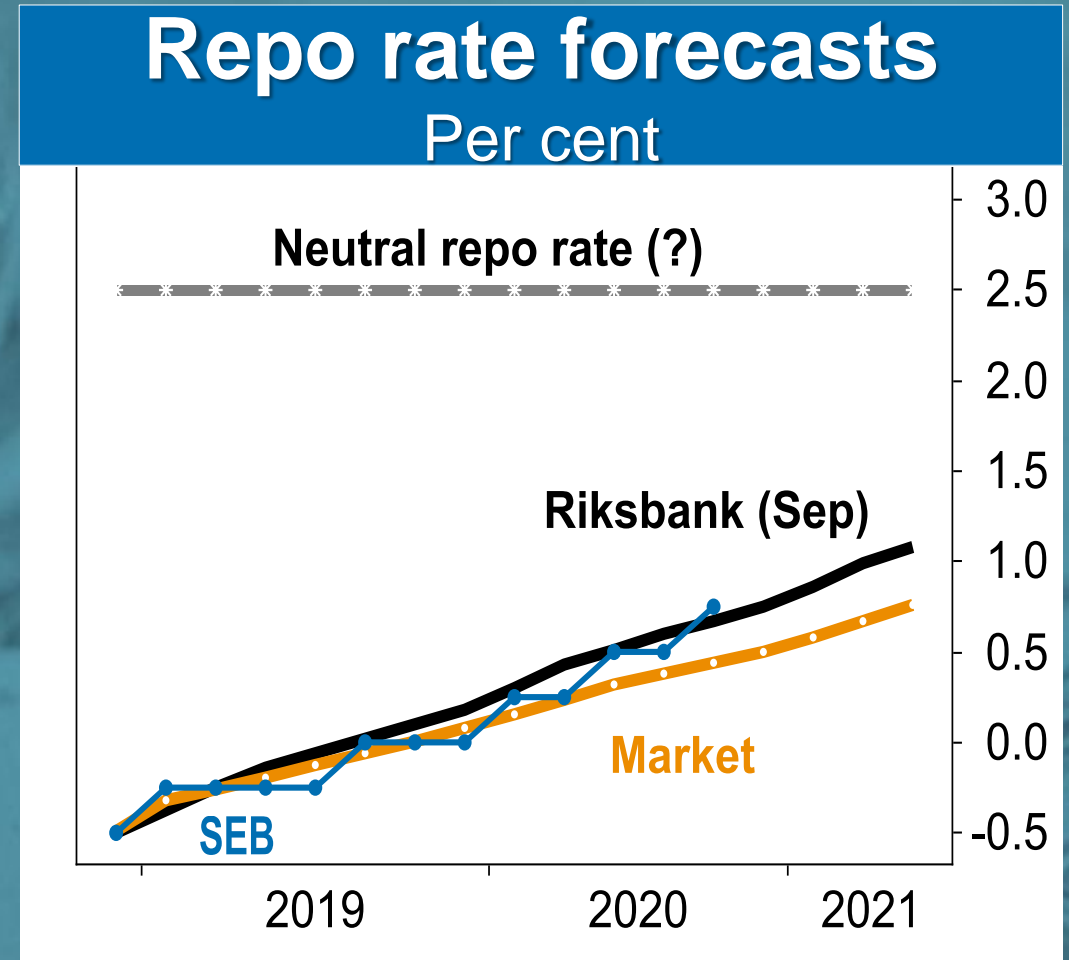
**“Invests” its credibility in a
Dec/Feb 25bps rate hike**

Sweden: Low inflation → Hesitant Riksbank

First key rate hike in December 2018

SEB

- Our inflation forecast challenges early key rate hike
- Main forecast: First hike Dec 2018 and repo rate at 0.75% end-2020
- Will the Riksbank ever reach the neutral level? Maybe in 2024...?!



Sweden: Riksbank hikes will finally help SEK

But negative forces will keep SEK undervalued

SEB



Negative
interest

Trade
war

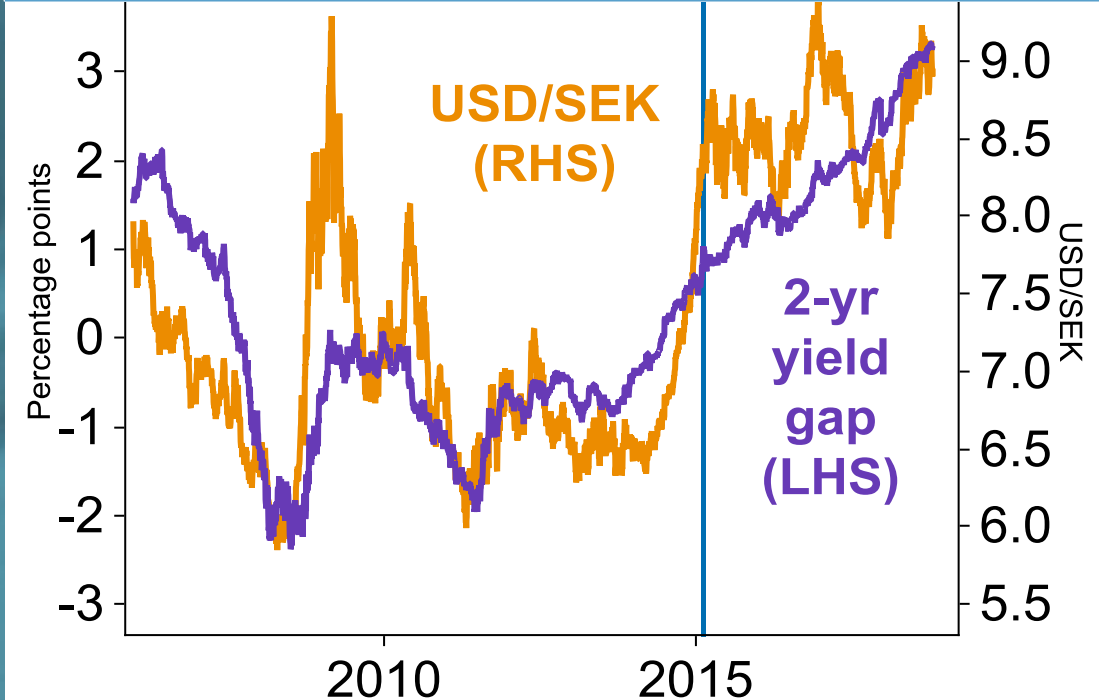
Swedish
politics

- **Riksbank controls rebound**
>25 bps required to change playing field

SEK	Today	Dec -18	Dec-19	Dec-20	★
EUR	10.34	10.15	9.80	9.70	9.50
USD	9.00	9.05	8.20	7.60	8.05

USD/SEK & yield gap

Per cent



Summary, *Nordic Outlook*, September 2018

- **Growth optimism despite political uncertainty in 2018-2020**
 - ↳ Late-cyclical fuel: consumption, capital spending, economic policies
 - ↳ Downside risks predominate – unusually complicated
- **Controlled inflation is giving central banks manoeuvring room**
 - ↳ Fed is aiming for 3.25% key rate – its peers will follow slowly behind
 - ↳ Dollar will eventually lose value – equities will climb for another while
- **Above-trend Swedish growth, strong finances, slow inflation**
 - ↳ Political question marks will persist – but no political risk premium
 - ↳ Riksbank will deliver a rate hike in Dec 2018. At year-end 2020, repo rate will be 0.75%. Krona will appreciate slowly