

The image shows a close-up of the SEB logo on the upper part of a modern building's facade. The building has a distinctive white geometric pattern of triangles and diamonds. The sky is blue with some white clouds.

SEB

The image shows the SEB logo in white text on a solid green rectangular background.

SEB

Press Conference Q2-17

Johan Torgeby

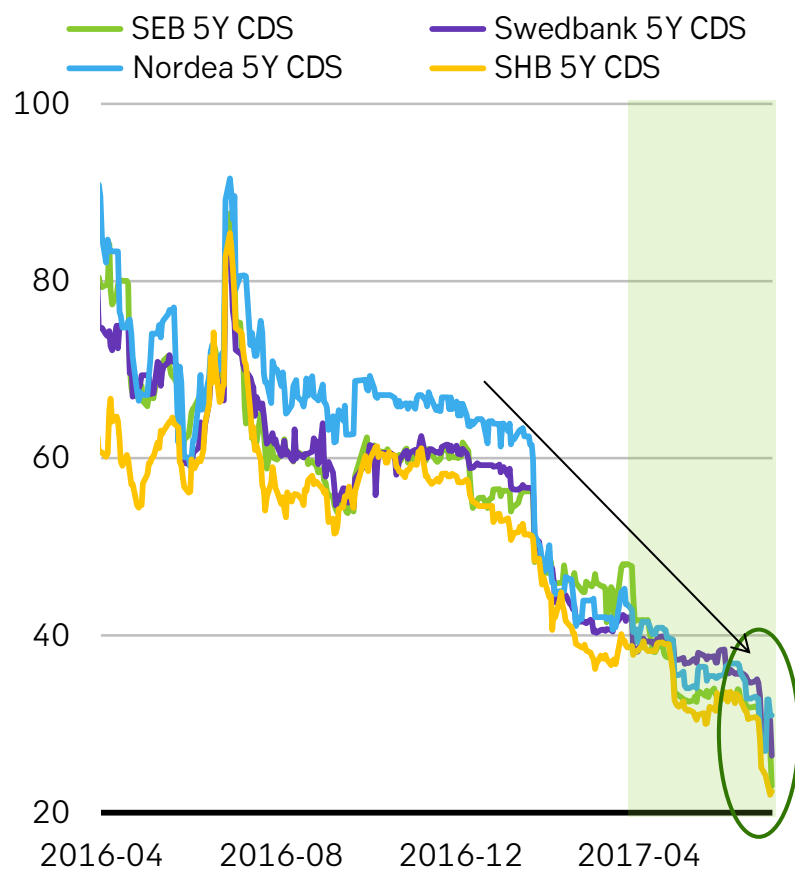
President & CEO

14 July, 2017

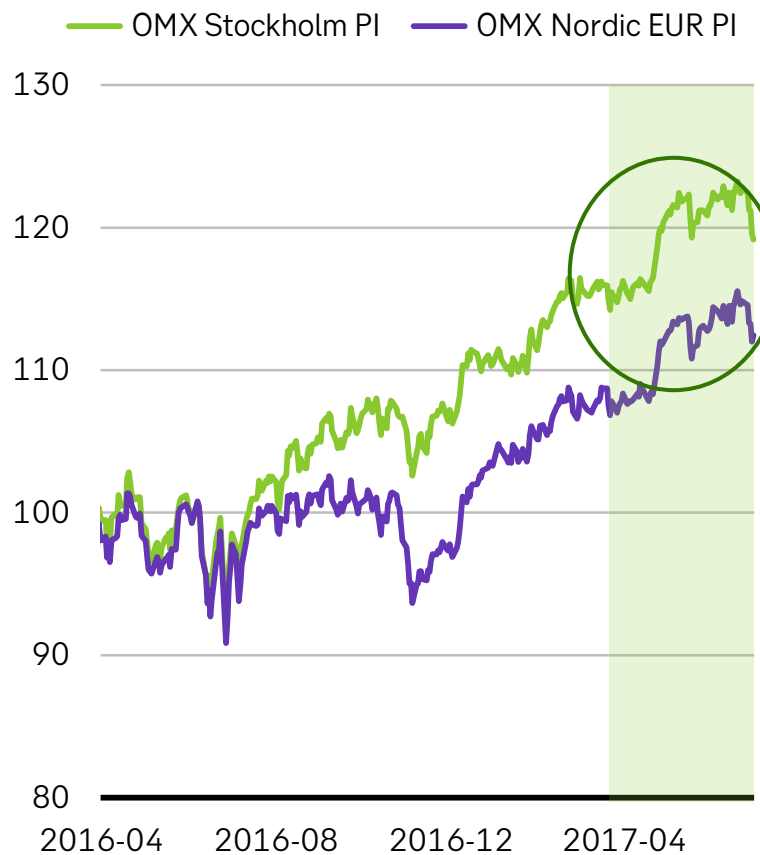


Strong equity markets and improved market sentiment combined with low volatility and tightening of credit spreads

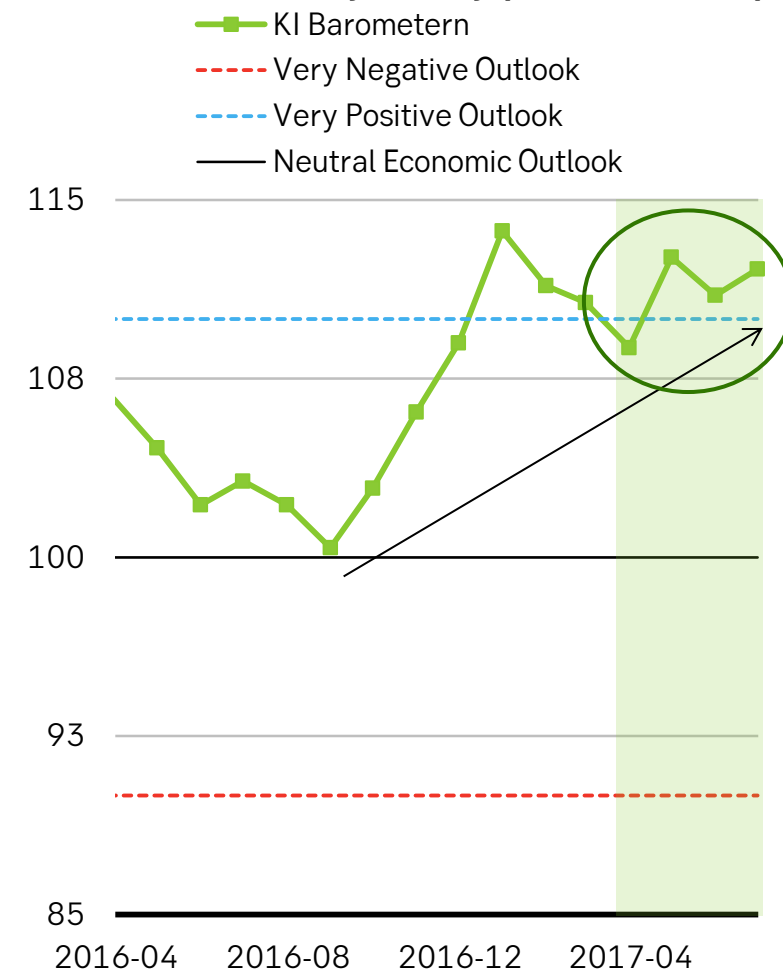
CDS Spreads – Swedish Financial Entities



Equity market – Swedish and Nordic



Economic Tendency Survey (KI barometer)



Solid financial performance in the first half-year

	Underlying			Reported		
Profit & Loss, (SEK m)	H1 2017	H1 2016*	%	H1 2017	H1 2016	%
Total Operating income	22,609	20,838	8	22,609	21,358	6
Total Operating expenses	-10,909	-10,748	1	-10,909	-16,697	-35
Net credit losses etc.	-490	-581	-16	-490	-581	-16
Operating profit	11,210	9,509	18	11,210	4,080	175

Credit loss level

6bps

Cost/income ratio

0.48

Common Equity Tier 1

18.9 %

Return on Equity

12.6%

* Note: Excluding items affecting comparability: SEB Baltic Visa transaction of SEK +0.5bn and goodwill impairments and restructuring activities of SEK -5.9bn in 2016

Similar customer activity as in the first quarter

				Underlying		Reported	
Profit & Loss, (SEK m)	Q2 2017	Q1 2017	%	Q2 2016*	%	Q2 2016	%
Total Operating income	11,405	11,204	2	10,616	7	11,136	2
Total Operating expenses	-5,473	-5,436	1	-5,332	3	-5,332	3
Net credit losses etc.	-252	-238	6	-268	-6	-268	-6
Operating profit	5,681	5,529	3	5,016	13	5,536	3

Credit loss level

6bps

Cost/income ratio

0.48

Common Equity Tier 1

18.9 %

Return on Equity

13.2%

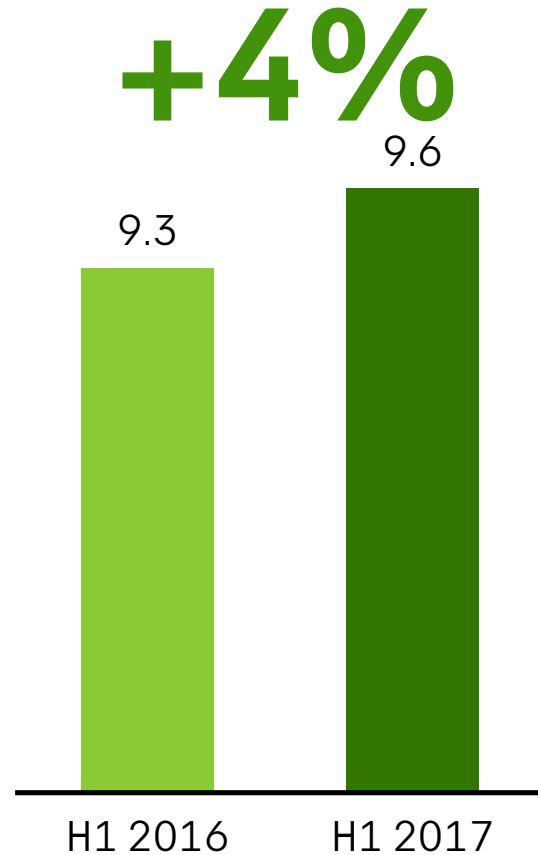
* Note: Excluding items affecting comparability: SEB Baltic Visa transaction of SEK +0.5bn in Q2 2016

Robust net interest income development

SEK bn, excl. item affecting comparability

Net interest income

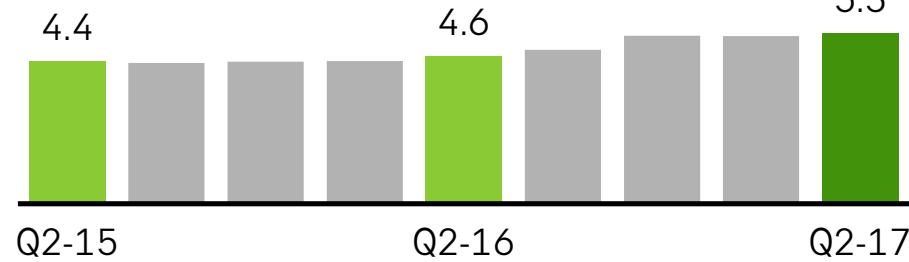
Jan-Jun 2017 vs. Jan – Jun 2016



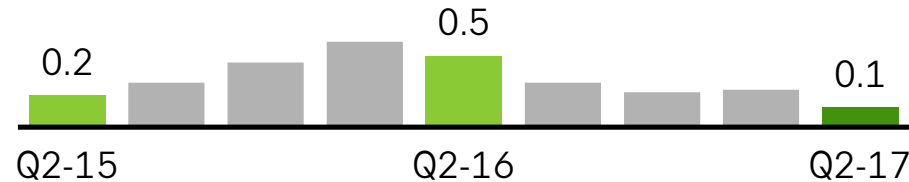
Net interest income type

Q2 2015 – Q2 2017

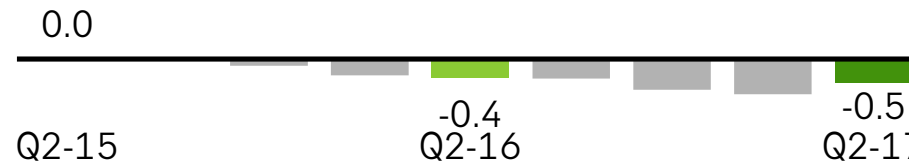
Lending



Deposits



Funding & other



Highlights

- Stable margins on lending, increase driven by credit volume increases
- Digital improvements spurred growth in household mortgage market
- Deposit trend continues, impact from negative rates
- Resolution fund fee adjusted to reflect lower risk factor

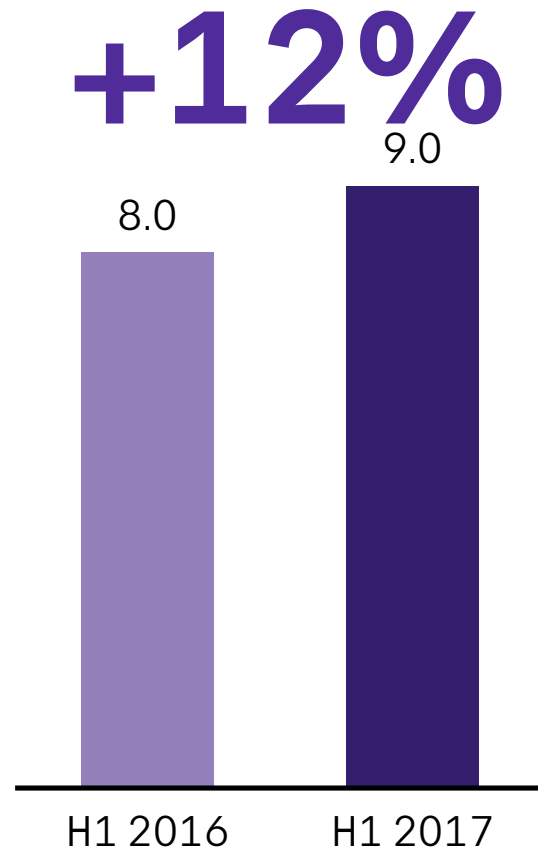
Excluding SEK -82m Swiss withholding tax in Q2 2015.

Strong net fee and commission income

SEK bn

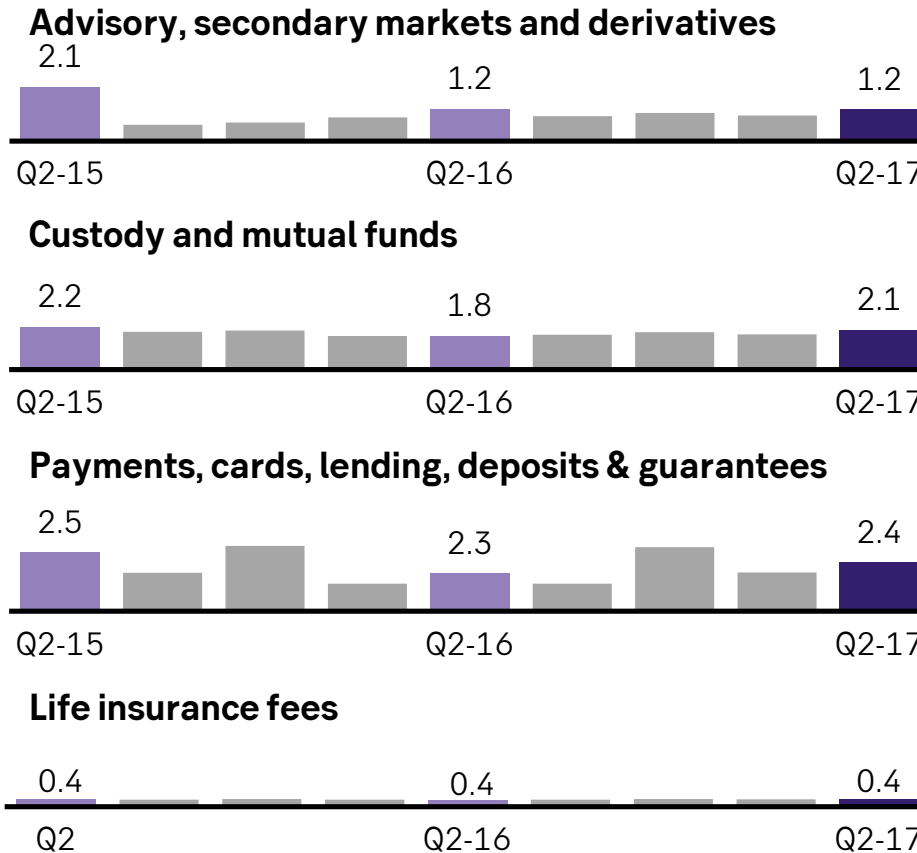
Net fee and commissions

Jan-Jun 2017 vs. Jan – Jun 2016



Gross fee and commissions by income type

Q2 2015 – Q2 2017



Highlights

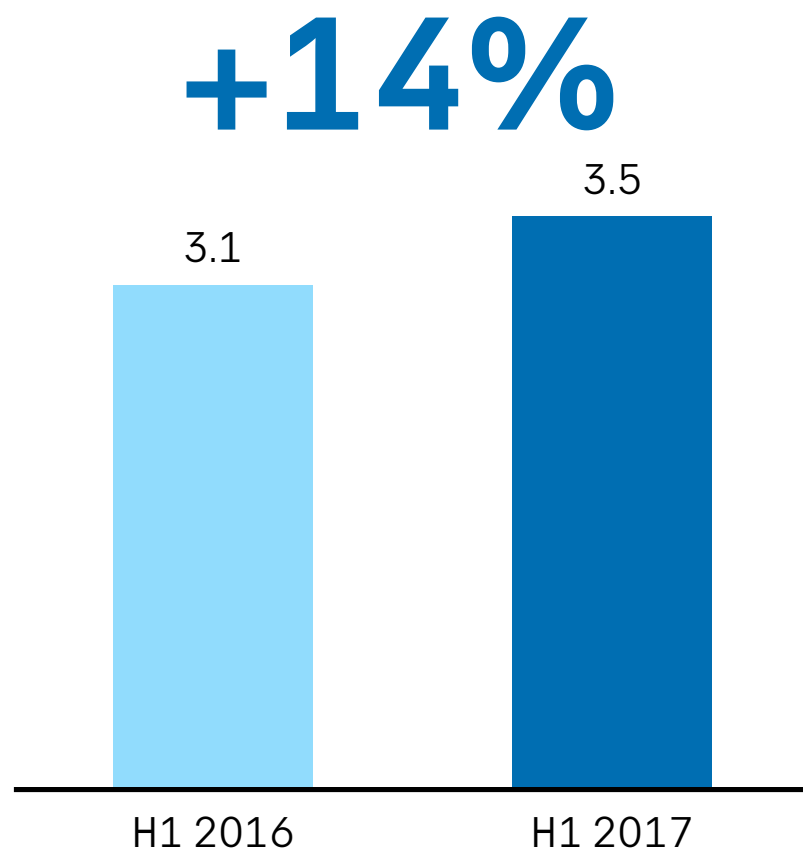
- Strong momentum driven by primary markets in DCM, ECM, and M&A, but somewhat lower lending activity
- Higher asset values in AuC and AuM
- SEK 41bn of net inflows in the first six months
- Seasonal uptick in payments and cards QoQ

Low volatility muted activity in the second quarter

SEK bn, excl. item affecting comparability

Net financial income

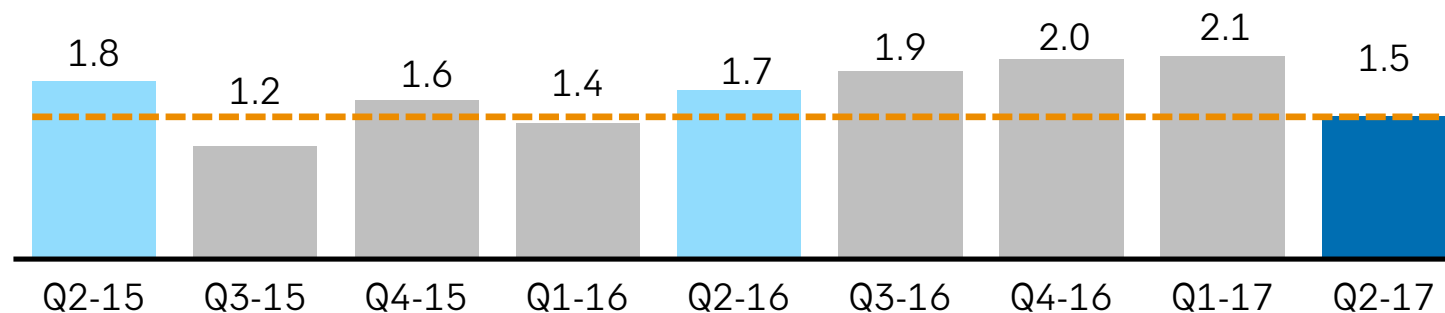
Jan-Jun 2017 vs. Jan-Jun 2016



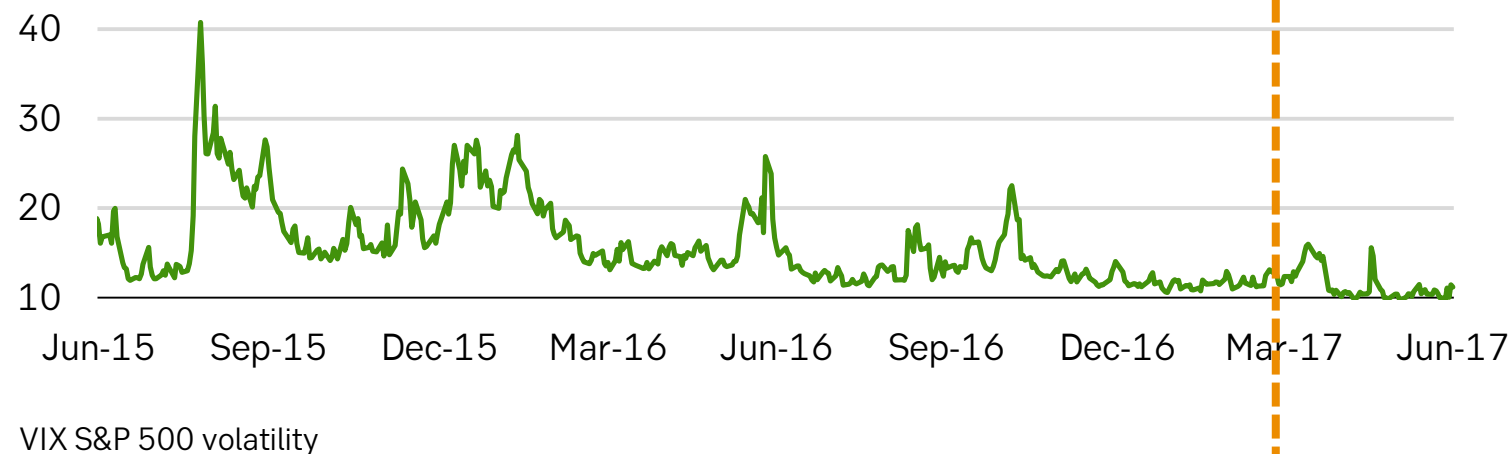
Excluding SEK -820m Swiss withholding tax in Q2 2015.

Net financial income development

Q2 2015 – Q2 2017



Reduced volatility

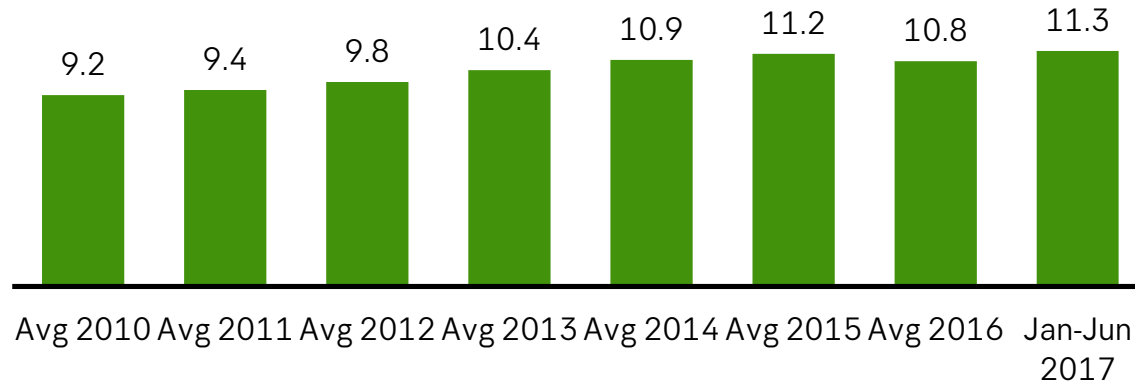


VIX S&P 500 volatility

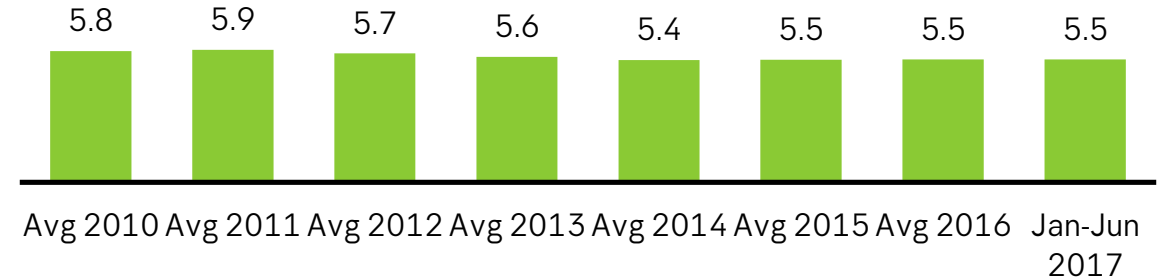
Operating leverage back on track

Excluding items affecting comparability

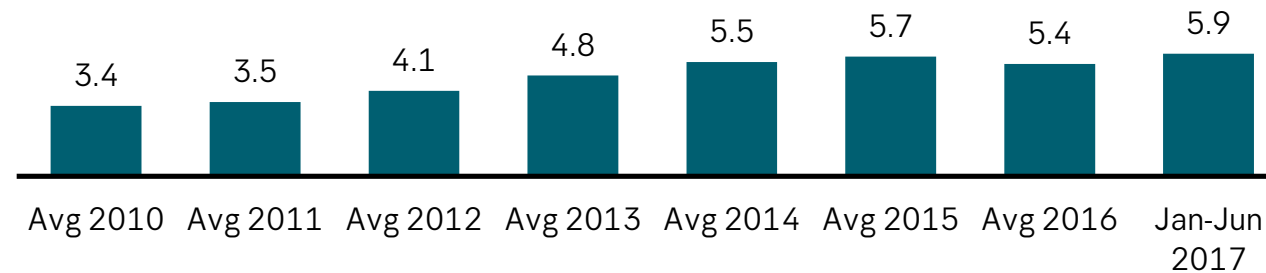
Average quarterly income (SEK bn)



Average quarterly expenses (SEK bn)



Average quarterly profit before credit losses (SEK bn)



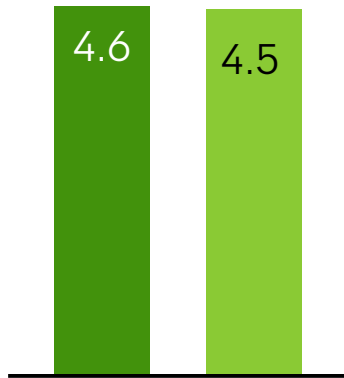
Excluding items affecting comparability (restructuring in 2010, bond buy-back and IT impairment in 2012, sale of MasterCard shares and Euroline in 2014, Swiss withholding tax in 2015, Goodwill impairment, other one-off cost items and SEB Baltic VISA transaction in 2016) Estimated IAS 19 costs in 2010

Large Corporates & Financial Institutions

Operating profit & key figures*

SEK bn

■ H1 2016 ■ H1 2017



RoBE

10.2% (11.5)

Business Equity

SEK bn

66.2 (61.0)

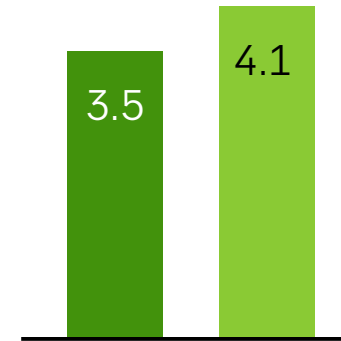
- Higher customer activity, especially in the primary equity and bond markets
- Low volatility decreased markets related income

Corporate & Private Customers

Operating profit & key figures

SEK bn

■ H1 2016 ■ H1 2017



RoBE

15.1% (14.9)

Business Equity

SEK bn

40.7 (36.5)

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

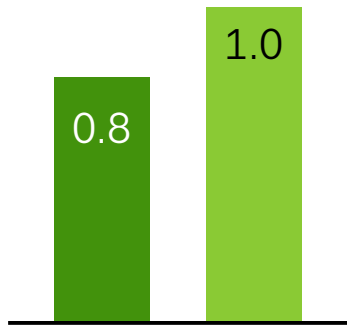
* Excluding items affecting comparability in 2016

Baltic Banking

Operating profit & key figures*

SEK bn

■ H1 2016 ■ H1 2017



RoBE

23.2% (18.3)

Business Equity

SEK bn

7.7 (7.6)

- Continued improvement in business sentiment in all segments and loan growth in all countries
- Increased usage of mobile services. Smart-ID and Remote advisory launched

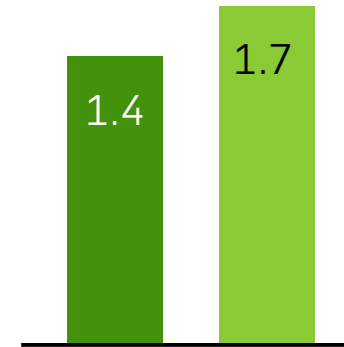
* Excluding items affecting comparability in 2016

Life & Investment Management

Operating profit & key figures

SEK bn

■ H1 2016 ■ H1 2017



RoBE

26.1% (21.2)

Business Equity

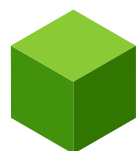
SEK bn

11.0 (11.6)

- Net inflow of AuM SEK 41bn across all customer segments
- Sustainability products see increased demand and traction across from customers

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

SEB



Market leader in green bonds



Active ownership/Board diversity



SEB has six microfinance funds

MEMBER OF

**Dow Jones
Sustainability Indices**

In Collaboration with RobecoSAM

MyFootprint

Visualize carbon footprint

Pilot - summer 2017

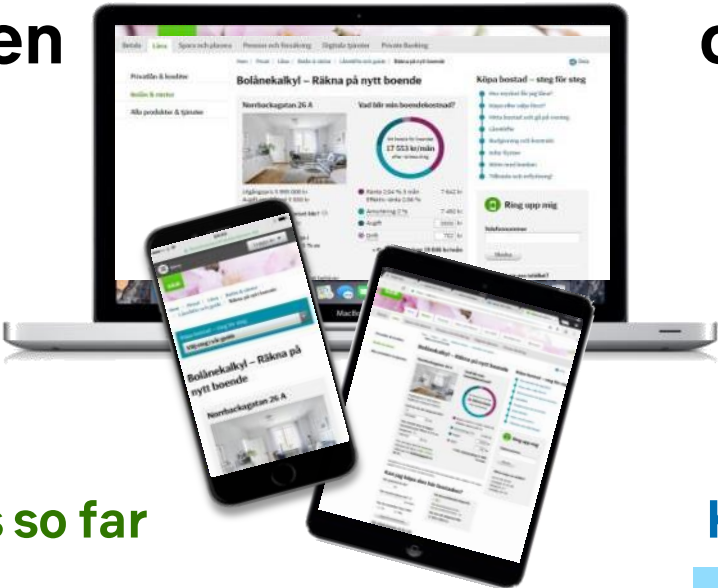


Sustainometer

Sustainability ranking for stocks

Pilot – Autumn 2017

Better customer experience when buying a home



Key business effects so far

- ▲ fields in mortgage application
- ▲ completed digital mortgage applications

-49%

2x

Becoming a customer online



Key business effects so far

- # of pages in agreement
- Time to onboard
- % of new customers are onboarded digitally

27 → 1

30 min → 2 min

20%

Piloting blockchain payments



Transaction time

From

~60 min-2days

To

~10 sec

Analytics to Large Corporate clients

Customer feedback during pilot:

“The service will simplify our internal reporting and support strategic decision making”

“...provides a good overview of our fast expanding business...”



“The tool allows for new possibilities to analyze liquidity trends over time”

Strong asset quality and balance sheet

(SEK bn)		2009	2016	June 2017
Asset quality	Non-performing loans	28.6bn	7.6bn	7.8bn
	NPL coverage ratio	65%	63%	61%
	Net credit loss level	0.92%	0.07%	0.06%
Funding and liquidity	Customer deposits	750bn	962bn	1 084bn
	Liquidity coverage ratio	N.A.	168%	120%
Capital	CET 1 ratio (Basel 3)	11.7% <small>Basel 2.5</small>	18.8%	18.9%
	Total capital ratio (Basel 3)	14.7% <small>Basel 2.5</small>	24.8%	25.7%
	Leverage ratio (Basel 3)	N.A.	5.1%	5.0%

Highlights

– First half year 2017

- Solid performance through diversified business mix, robust capital position and strong asset quality
- Improved market sentiment increased customer activity but very low volatility muted hedging activity
- Transformation initiatives continue to enhance the customer experience and operating efficiency



The journey towards...

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

