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Agenda

- **SEB in brief**
  - Financials
  - Balance sheet, Credit portfolio & Asset quality
  - Capital
  - Funding and Liquidity
  - Covered bonds and Cover pool
  - Business plan
  - Contacts, calendar and ADR
- **Appendix**
  - Swedish housing market
  - Macroeconomics
Growth & strong credit rating in diversified business

Diversified Business mix
Operating profit full year 2017

- Life & Investment Management: 16%
- Baltic Banking: 10%
- Large Corporates & Financial Institutions: 39%
- Corporate & Private Customers: 36%

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)

- Self financing growth with increased leverage on existing cost cap
- Full focus on Swedish businesses
- Continue to grow in the Nordics, Germany and the UK
- Savings & pension growth

Average profit growth: CAGR 9%

Strong credit rating

<table>
<thead>
<tr>
<th>Rating Institute</th>
<th>Short term</th>
<th>“Stand-alone rating”</th>
<th>Long term</th>
<th>Uplift</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P</td>
<td>A-1</td>
<td>a</td>
<td>A+</td>
<td>1</td>
<td>Stable</td>
</tr>
<tr>
<td>Moody’s</td>
<td>P-1</td>
<td>a3</td>
<td>Aa3</td>
<td>3*</td>
<td>Stable</td>
</tr>
<tr>
<td>Fitch</td>
<td>F1+</td>
<td>aa-</td>
<td>AA-</td>
<td>0</td>
<td>Stable</td>
</tr>
</tbody>
</table>

* 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

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

Walking the talk

Advised in the world’s largest social bond issue

Best financial company by SSE/Misum
SEB’s competitive advantages generate sustainable value creation

**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

**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 and institutional exposure and low real estate & mortgage exposure
Sector credit exposure composition, EAD \(^1\), Sep 2017

Diversified income stream with least dependence on NII
Operating income by revenue stream, Sep 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: Companies’ Pillar 3 and Q3 17 reports
Leading market positions in core business areas

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 1,830bn under management

Largest Nordic custodian with SEK 8,046bn under custody

Private Individuals

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. 9% of the total life and pension business in Sweden

Swedish household mortgage lending: approx. 14%

Second largest bank in the Baltic countries

Operates principally in economically robust AAA rated European countries

Share of operating profit - full year 2017

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

Cost cap: 22

SEK bn

2008: 25.4
2016: 21.8
2017: 21.9
2018: < 22

13 % Cost decrease

Cost cap: 22
SEB has a strong funding structure and the lowest asset encumbrance

Benchmarking Swedish bank’s total funding sources incl. equity

Average quarterly balances in 2017

Source: Companies’ Q3 17 result reports
Strong asset quality and robust capital ratios with comfortable buffers

Net credit losses, %

CET1 ratio, %

Total Capital ratio, %

Leverage ratio, %

Requirements
Buffer
Potential future requirements
Buffer

Source: SEB and Revisions to the Basel III leverage ratio framework dated: 2016-07-06
Generating sustainable value creation

Dividends paid

<table>
<thead>
<tr>
<th>Year</th>
<th>Total dividend</th>
<th>Net profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>1.75</td>
<td>5.00</td>
</tr>
<tr>
<td>2012</td>
<td>2.75</td>
<td>10.00</td>
</tr>
<tr>
<td>2013</td>
<td>4.00</td>
<td>15.00</td>
</tr>
<tr>
<td>2014</td>
<td>4.75</td>
<td>20.00</td>
</tr>
<tr>
<td>2015</td>
<td>5.25</td>
<td>25.00</td>
</tr>
<tr>
<td>2016</td>
<td>5.50</td>
<td>30.00</td>
</tr>
<tr>
<td>2017</td>
<td>5.75</td>
<td>35.00</td>
</tr>
</tbody>
</table>

SEB’s main shareholders

<table>
<thead>
<tr>
<th>Share of capital, per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 Dec 2017</td>
</tr>
<tr>
<td>Investor AB</td>
</tr>
<tr>
<td>Alecta</td>
</tr>
<tr>
<td>Trygg Foundation</td>
</tr>
<tr>
<td>Swedbank/Robur Funds</td>
</tr>
<tr>
<td>AMF Insurance &amp; Funds</td>
</tr>
<tr>
<td>Blackrock</td>
</tr>
<tr>
<td>SEB Funds</td>
</tr>
<tr>
<td>Own share holding</td>
</tr>
<tr>
<td>Vanguard</td>
</tr>
<tr>
<td>Nordea Funds</td>
</tr>
<tr>
<td>Total share of foreign owners</td>
</tr>
</tbody>
</table>

Source: Euroclear Sweden/Modular Finance

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

1. Excluding items affecting comparability.
2. Proposal to AGM
Sustainable value creation through focused business strategy and cost control

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.


Long-term profit development 1990 – 2017, rolling 12m

- Operating income
- Operating expenses
- Credit losses
- Profit before credit losses
- Operating profit

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.


Expenses CAGR +4%
Profit CAGR +8%
*Agenda*

- SEB in brief p.3
- **Financials** p.15
  - Balance sheet, Credit portfolio & Asset quality p.34
  - Capital p.45
  - Funding and Liquidity p.52
  - Covered bonds and Cover pool p.58
  - Business plan p.62
  - Contacts, calendar and ADR p.67
  - Appendix p.70
    - Swedish housing market
    - Macroeconomics
Further improved market sentiment combined with low volatility and supportive equity markets

**Equity market – Swedish and Nordic**

- OMX Stockholm PI
- OMX Nordic EUR PI

**Economic Tendency Survey (KI barometern)**

- KI Index
- Neutral
- Very Positive
- Very Negative

**VIX volatility index**

- VIX Index
- Historical Avg.
- Very Low Vol.
- Very High Vol.

Equity market – Swedish and Nordic:
- OMX Stockholm PI
- OMX Nordic EUR PI

Economic Tendency Survey (KI barometern):
- KI Index
- Neutral
- Very Positive
- Very Negative

VIX volatility index:
- VIX Index
- Historical Avg.
- Very Low Vol.
- Very High Vol.
**Operating leverage**

### Average quarterly income* (SEK bn)

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>9.2</td>
<td>9.4</td>
<td>9.8</td>
<td>10.4</td>
<td>10.9</td>
<td>11.2</td>
<td>10.8</td>
<td>11.4</td>
</tr>
</tbody>
</table>

### Average quarterly expenses* (SEK bn)

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>5.8</td>
<td>5.9</td>
<td>5.7</td>
<td>5.6</td>
<td>5.4</td>
<td>5.5</td>
<td>5.5</td>
<td>5.5</td>
</tr>
</tbody>
</table>

### Average quarterly profit before credit losses* (SEK bn)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>3.4</td>
<td>3.5</td>
<td>4.1</td>
<td>4.8</td>
<td>5.5</td>
<td>5.7</td>
<td>5.4</td>
<td>5.9</td>
</tr>
</tbody>
</table>

* Excluding items affecting comparability
## Strong financial development

### SEB’s Key Figures 2011 – 2017

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on Equity, %</td>
<td>12.7</td>
<td>11.3</td>
<td>12.9</td>
<td>13.1</td>
<td>13.1</td>
<td>11.5</td>
<td>12.3</td>
</tr>
<tr>
<td>Cost /Income ratio, %</td>
<td>48</td>
<td>50</td>
<td>49</td>
<td>50</td>
<td>54</td>
<td>61</td>
<td>62</td>
</tr>
<tr>
<td>Common Equity Tier 1 capital ratio, %</td>
<td>19.4</td>
<td>18.8</td>
<td>18.8</td>
<td>16.3</td>
<td>15.0</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Total capital ratio, %</td>
<td>24.2</td>
<td>24.8</td>
<td>23.8</td>
<td>22.2</td>
<td>18.1</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Leverage Ratio, %</td>
<td>5.2</td>
<td>5.1</td>
<td>4.9</td>
<td>4.8</td>
<td>4.2</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Net credit loss level, %</td>
<td>0.05</td>
<td>0.07</td>
<td>0.06</td>
<td>0.09</td>
<td>0.09</td>
<td>0.08</td>
<td>-0.08</td>
</tr>
<tr>
<td>NPL coverage ratio, %</td>
<td>55</td>
<td>63</td>
<td>62</td>
<td>59</td>
<td>72</td>
<td>66</td>
<td>64</td>
</tr>
<tr>
<td>NPL /Lending, %</td>
<td>0.5</td>
<td>0.5</td>
<td>0.6</td>
<td>0.8</td>
<td>0.7</td>
<td>1.0</td>
<td>1.4</td>
</tr>
<tr>
<td>Assets under Management, SEKbn</td>
<td>1,830</td>
<td>1,781</td>
<td>1,700</td>
<td>1,708</td>
<td>1,475</td>
<td>1,328</td>
<td>1,261</td>
</tr>
<tr>
<td>Assets under Custody, SEKbn</td>
<td>8,046</td>
<td>6,859</td>
<td>7,196</td>
<td>6,763</td>
<td>5,958</td>
<td>5,191</td>
<td>4,490</td>
</tr>
</tbody>
</table>

### 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.
4) NPLs = Non Performing Loans (individually and portfolio assessed impaired loans (loans >60 days past due))
5) 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.

### To show the underlying operating momentum in this presentation:
- **a.** The FY 2014 and FY 2015 results’ presentations, profitability, capital generation and efficiency ratios exclude the effects of the above-mentioned one-off gains and costs
- **b.** The FY 2016 results, profitability and efficiency ratios exclude the effects of the above-mentioned items affecting comparability.

---

**18**
Growing franchise drives enhanced profitability

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

<table>
<thead>
<tr>
<th>Credit loss level</th>
<th>Cost/income ratio</th>
<th>CET 1 ratio</th>
<th>ROE*</th>
<th>DPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>5bps</td>
<td>0.48</td>
<td>19.4%</td>
<td>12.7%</td>
<td>SEK 5.75</td>
</tr>
</tbody>
</table>

* Based on operating profit before items affecting comparability
### Increased activity in the fourth quarter

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

### 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
Net interest income – higher lending volumes and improved funding costs

Net interest income in SEK bn
2017 vs. 2016

+6%

<table>
<thead>
<tr>
<th>Year</th>
<th>Deposits</th>
<th>Lending</th>
<th>Funding &amp; other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4-15</td>
<td>0.4</td>
<td>4.4</td>
<td>-0.1</td>
</tr>
<tr>
<td>Q4-16</td>
<td>0.2</td>
<td>5.2</td>
<td>-0.6</td>
</tr>
<tr>
<td>Q4-17</td>
<td>0.0</td>
<td>5.5</td>
<td>-0.3</td>
</tr>
</tbody>
</table>

Net interest income type
Q4 2015 – Q4 2017

2016

<table>
<thead>
<tr>
<th>Year</th>
<th>Deposits</th>
<th>Lending</th>
<th>Funding &amp; other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>18.7</td>
<td>4.4</td>
<td>-0.1</td>
</tr>
<tr>
<td>2017</td>
<td>19.9</td>
<td>5.2</td>
<td>-0.6</td>
</tr>
</tbody>
</table>

+6%
Net fee and commission income – higher customer activity

Net fee and commissions in SEK bn
2017 vs. 2016

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>16.6</td>
<td>17.7</td>
<td>+7%</td>
</tr>
</tbody>
</table>

Gross fee and commissions by income type
Q4 2015 – Q4 2017

Advisory, secondary markets and derivatives

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4-15</td>
<td>0.7</td>
<td>1.1</td>
<td>0.9</td>
</tr>
<tr>
<td>Q4-16</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4-17</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Custody and mutual funds

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4-15</td>
<td>2.0</td>
<td>2.0</td>
<td>2.2</td>
</tr>
<tr>
<td>Q4-16</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4-17</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Payments, cards, lending, deposits & guarantees

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4-15</td>
<td>2.6</td>
<td>2.6</td>
<td>2.6</td>
</tr>
<tr>
<td>Q4-16</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4-17</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Life insurance fees

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4-15</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
</tr>
<tr>
<td>Q4-16</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4-17</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Net Fee and Commission Income Development

<table>
<thead>
<tr>
<th>SEK m</th>
<th>Q4 2015</th>
<th>Q1 2016</th>
<th>Q2 2016</th>
<th>Q3 2016</th>
<th>Q4 2016</th>
<th>Q1 2017</th>
<th>Q2 2017</th>
<th>Q3 2017</th>
<th>Q4 2017</th>
<th>Full Year 2016</th>
<th>Full Year 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issue of securities and advisory</td>
<td>258</td>
<td>150</td>
<td>211</td>
<td>208</td>
<td>231</td>
<td>282</td>
<td>430</td>
<td>137</td>
<td>317</td>
<td>800</td>
<td>1,167</td>
</tr>
<tr>
<td>Secondary market and derivatives</td>
<td>450</td>
<td>754</td>
<td>1,012</td>
<td>745</td>
<td>842</td>
<td>692</td>
<td>765</td>
<td>547</td>
<td>561</td>
<td>3,353</td>
<td>2,565</td>
</tr>
<tr>
<td>Custody and mutual funds</td>
<td>2,030</td>
<td>1,744</td>
<td>1,759</td>
<td>1,811</td>
<td>1,950</td>
<td>1,825</td>
<td>2,063</td>
<td>1,942</td>
<td>2,210</td>
<td>7,264</td>
<td>8,040</td>
</tr>
<tr>
<td>Whereof performance and transaction fees</td>
<td>183</td>
<td>22</td>
<td>20</td>
<td>21</td>
<td>212</td>
<td>38</td>
<td>55</td>
<td>39</td>
<td>224</td>
<td>275</td>
<td>356</td>
</tr>
<tr>
<td>Payments, cards, lending, deposits, guarantees and other</td>
<td>2,598</td>
<td>2,252</td>
<td>2,341</td>
<td>2,251</td>
<td>2,586</td>
<td>2,353</td>
<td>2,444</td>
<td>2,350</td>
<td>2,570</td>
<td>9,430</td>
<td>9,717</td>
</tr>
<tr>
<td>Whereof payments and card fees</td>
<td>1,386</td>
<td>1,247</td>
<td>1,290</td>
<td>1,310</td>
<td>1,356</td>
<td>1,288</td>
<td>1,377</td>
<td>1,366</td>
<td>1,429</td>
<td>5,203</td>
<td>5,460</td>
</tr>
<tr>
<td>Whereof lending</td>
<td>648</td>
<td>575</td>
<td>666</td>
<td>563</td>
<td>723</td>
<td>553</td>
<td>581</td>
<td>519</td>
<td>602</td>
<td>2,527</td>
<td>2,254</td>
</tr>
<tr>
<td>Life insurance</td>
<td>438</td>
<td>402</td>
<td>395</td>
<td>418</td>
<td>438</td>
<td>422</td>
<td>432</td>
<td>424</td>
<td>429</td>
<td>1,653</td>
<td>1,707</td>
</tr>
</tbody>
</table>

| Fee and commission income | 5,774   | 5,302   | 5,718   | 5,433   | 6,047   | 5,574   | 6,135   | 5,400   | 6,087   | 22,500        | 23,196        |
| Fee and commission expense | -1,379  | -1,405  | -1,644  | -1,385  | -1,438  | -1,306  | -1,444  | -1,373  | -1,348  | -5,872        | -5,472        |

| Net fee and commission income | 4,395   | 3,897   | 4,074   | 4,048   | 4,609   | 4,268   | 4,691   | 4,026   | 4,739   | 16,628        | 17,725        |
| Whereof Net securities commissions | 2,077   | 1,989   | 2,009   | 2,072   | 2,308   | 2,094   | 2,454   | 1,986   | 2,356   | 8,378         | 8,889         |
| Whereof Net payments and card fees | 850     | 756     | 839     | 821     | 847     | 821     | 885     | 840     | 908     | 3,263         | 3,454         |
| Whereof Net life insurance commissions | 281     | 245     | 250     | 268     | 276     | 267     | 282     | 264     | 296     | 1,039         | 1,109         |
Net financial income – stable in low volatility market

Net financial income in SEK bn
2017 vs. 2016

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Financial Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>7.1</td>
</tr>
<tr>
<td>2017</td>
<td>6.9</td>
</tr>
</tbody>
</table>

Net financial income development
Q4 2015 – Q4 2017

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Customer driven</th>
<th>XVA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4-15</td>
<td>1.5</td>
<td>-0.2</td>
</tr>
<tr>
<td>Q1-16</td>
<td>1.5</td>
<td>-0.2</td>
</tr>
<tr>
<td>Q2-16</td>
<td>1.9</td>
<td>-0.1</td>
</tr>
<tr>
<td>Q3-16</td>
<td>2.0</td>
<td>-0.1</td>
</tr>
<tr>
<td>Q4-16</td>
<td>1.8</td>
<td>-0.1</td>
</tr>
<tr>
<td>Q1-17</td>
<td>2.1</td>
<td>0.2</td>
</tr>
<tr>
<td>Q2-17</td>
<td>1.5</td>
<td>-0.1</td>
</tr>
<tr>
<td>Q3-17</td>
<td>1.4</td>
<td>-0.1</td>
</tr>
<tr>
<td>Q4-17</td>
<td>1.6</td>
<td>0.3</td>
</tr>
</tbody>
</table>

Low volatility

VIX S&P 500 volatility

-3%
Business mix create 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
# Business volumes

## SEB Group

### Assets under Management*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>AUM</td>
<td>1,749</td>
<td>1,800</td>
<td>1,835</td>
<td>1,850</td>
<td>1,830</td>
</tr>
<tr>
<td>Inflow</td>
<td></td>
<td>+491</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outflow</td>
<td></td>
<td>-477</td>
<td></td>
<td>+45</td>
<td></td>
</tr>
<tr>
<td>Value change</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,830</td>
</tr>
</tbody>
</table>

* AUM – Adjusted definition implemented in Q1 2017, historical periods adjusted according to Proforma.

### Condensed SEK bn

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; cash balances w. central bank</td>
<td>151</td>
<td>319</td>
<td>225</td>
<td>414</td>
<td>177</td>
</tr>
<tr>
<td>Other lending to central banks</td>
<td>67</td>
<td>6</td>
<td>22</td>
<td>22</td>
<td>14</td>
</tr>
<tr>
<td>Loans to credit institutions</td>
<td>51</td>
<td>84</td>
<td>74</td>
<td>65</td>
<td>35</td>
</tr>
<tr>
<td>Loans to the public</td>
<td>1,453</td>
<td>1,517</td>
<td>1,521</td>
<td>1,537</td>
<td>1,485</td>
</tr>
<tr>
<td>Financial assets at fair value</td>
<td>785</td>
<td>869</td>
<td>817</td>
<td>775</td>
<td>576</td>
</tr>
<tr>
<td>Available-for-sale financial assets</td>
<td>36</td>
<td>33</td>
<td>33</td>
<td>31</td>
<td>28</td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>184</td>
</tr>
<tr>
<td>Tangible &amp; intangible assets</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>12</td>
</tr>
<tr>
<td>Other assets</td>
<td>58</td>
<td>78</td>
<td>69</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>2,621</strong></td>
<td><strong>2,927</strong></td>
<td><strong>2,777</strong></td>
<td><strong>2,933</strong></td>
<td><strong>2,560</strong></td>
</tr>
<tr>
<td>Deposits by central banks</td>
<td>54</td>
<td>59</td>
<td>55</td>
<td>62</td>
<td>44</td>
</tr>
<tr>
<td>Deposits by credit institutions</td>
<td>65</td>
<td>106</td>
<td>79</td>
<td>99</td>
<td>45</td>
</tr>
<tr>
<td><strong>Deposits &amp; borrowing from the public</strong></td>
<td><strong>962</strong></td>
<td><strong>1,120</strong></td>
<td><strong>1,084</strong></td>
<td><strong>1,226</strong></td>
<td><strong>1,005</strong></td>
</tr>
<tr>
<td>Liabilities to policyholders</td>
<td>404</td>
<td>415</td>
<td>420</td>
<td>424</td>
<td>303</td>
</tr>
<tr>
<td>Debt securities</td>
<td>669</td>
<td>731</td>
<td>649</td>
<td>659</td>
<td>614</td>
</tr>
<tr>
<td>Financial liabilities at fair value</td>
<td>213</td>
<td>201</td>
<td>217</td>
<td>191</td>
<td>114</td>
</tr>
<tr>
<td>Liabilities held for sale</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td>179</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>71</td>
<td>114</td>
<td>90</td>
<td>90</td>
<td>79</td>
</tr>
<tr>
<td>Subordinated liabilities</td>
<td>41</td>
<td>46</td>
<td>45</td>
<td>37</td>
<td>32</td>
</tr>
<tr>
<td>Total equity</td>
<td>141</td>
<td>135</td>
<td>138</td>
<td>143</td>
<td>144</td>
</tr>
<tr>
<td><strong>Total liabilities &amp; equity</strong></td>
<td><strong>2,621</strong></td>
<td><strong>2,927</strong></td>
<td><strong>2,777</strong></td>
<td><strong>2,933</strong></td>
<td><strong>2,560</strong></td>
</tr>
</tbody>
</table>
Large Corporates & Financial Institutions
Operating profit & key figures*

SEK bn

- FY 2016: 9.5
- FY 2017: 8.8

RoBE 10.1% (11.7)
Business Equity
SEK bn
65.8 (62.4)

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

Corporate & Private Customers
Operating profit & key figures

SEK bn

- FY 2016: 7.3
- FY 2017: 8.1

RoBE 15.0% (15.2)
Business Equity
SEK bn
40.6 (37.3)

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

* Excluding items affecting comparability in 2016
**Baltic Banking**

Operating profit & key figures*

<table>
<thead>
<tr>
<th></th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total AuM</td>
<td>1.7</td>
<td>2.2</td>
</tr>
<tr>
<td>RoBE</td>
<td>24.4%</td>
<td>(20.1)</td>
</tr>
<tr>
<td>Business Equity</td>
<td>7.8</td>
<td>(7.6)</td>
</tr>
</tbody>
</table>

*Excluding items affecting comparability in 2016*

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

**Life & Investment Management**

Operating profit & key figures

<table>
<thead>
<tr>
<th></th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>RoBE</td>
<td>27.8%</td>
<td>(23.5)</td>
</tr>
<tr>
<td>Business Equity</td>
<td>11.0</td>
<td>(11.6)</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>C/I ratio</th>
<th>Business Equity</th>
<th>RoBE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>49%</td>
<td>SEK 65.8bn</td>
<td>10.1%</td>
</tr>
<tr>
<td>2016</td>
<td>47%</td>
<td>SEK 62.4bn</td>
<td>11.3%</td>
</tr>
<tr>
<td>2015</td>
<td>47%</td>
<td>SEK 66.4bn</td>
<td>11.6%</td>
</tr>
<tr>
<td>2014</td>
<td>46%</td>
<td>SEK 57.7bn</td>
<td>13.3%</td>
</tr>
<tr>
<td>2013</td>
<td>50%</td>
<td>SEK 48.8bn</td>
<td>12.9%</td>
</tr>
<tr>
<td>2012</td>
<td>54%</td>
<td>SEK 36.7bn</td>
<td>14.3%</td>
</tr>
<tr>
<td>2011</td>
<td>54%</td>
<td>SEK 26.1bn</td>
<td>20.6%</td>
</tr>
<tr>
<td>2010</td>
<td>52%</td>
<td>SEK 25.0bn</td>
<td>22.8%</td>
</tr>
</tbody>
</table>

1) Return on Business Equity
2) Restated figures following the new organizational structure as of Jan 1, 2016. As a result 2010-2013 figures not quite comparable1
Entrenched franchise and low risk client facilitation business
SEB’s Large Corporates & Financial Institutions Business

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 – December 31, 2017. 83 negative out of 2,760 trading days. Average loss SEK 11m

1) Restated figures following the new organizational structure as of Jan 1, 2016.
As a result 2006-2013 figures are not quite comparable
Successful client acquisition strategy
SEB’s Swedish SME and Private Customers Business

Substantially increased operating profit since 2011

Increasing market shares in the SME market

Growing franchise among SMEs in Sweden

Strong development of efficiency and profitability despite 4x more allocated capital and higher resolution fund fees

Average quarterly operating profit 2011 – 2017

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEK m</td>
<td>0.8</td>
<td>1.1</td>
<td>1.4</td>
<td>1.9</td>
<td>1.8</td>
<td>1.8</td>
<td>2.0</td>
</tr>
</tbody>
</table>

1) Market share measured as SEB customers compared to total number of registered corporates in Sweden.

2) Restated figures following the new organizational structure as of Jan 1, 2016. As a result 2011-2013 figures not quite comparable.

3) Return on Business Equity
Strong profitability
SEB Baltic Banking

Relatively strong operating environment

- 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

<table>
<thead>
<tr>
<th></th>
<th>Q1-14</th>
<th>Q3</th>
<th>Q1-15</th>
<th>Q3</th>
<th>Q1-16</th>
<th>Q3</th>
<th>Q1-17</th>
<th>Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estonia*</td>
<td>SEB</td>
<td>Swedbank</td>
<td>DNB</td>
<td>Nordea</td>
<td>Danske Bank</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Latvia*</td>
<td>SEB</td>
<td>Swedbank</td>
<td>DNB</td>
<td>Nordea</td>
<td>Danske Bank</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lithuania**</td>
<td>SEB</td>
<td>Swedbank</td>
<td>DNB</td>
<td>Nordea</td>
<td>Danske Bank</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Strong development of key ratios

<table>
<thead>
<tr>
<th>Year</th>
<th>C/I</th>
<th>Business Equity</th>
<th>RoBE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>44%</td>
<td>SEK 7.8bn</td>
<td>24.4%</td>
</tr>
<tr>
<td>2016</td>
<td>51%</td>
<td>SEK 7.6bn</td>
<td>19.3%</td>
</tr>
<tr>
<td>2015</td>
<td>50%</td>
<td>SEK 7.5bn</td>
<td>18.6%</td>
</tr>
<tr>
<td>2014</td>
<td>50%</td>
<td>SEK 8.9bn</td>
<td>14.5%</td>
</tr>
<tr>
<td>2013</td>
<td>52%</td>
<td>SEK 8.8bn</td>
<td>12.9%</td>
</tr>
<tr>
<td>2012</td>
<td>62%</td>
<td>SEK 8.8bn</td>
<td>9.7%</td>
</tr>
<tr>
<td>2011</td>
<td>58%</td>
<td>SEK 8.8bn</td>
<td>29.6%</td>
</tr>
</tbody>
</table>

* Competitors Q4 2017 volumes are not available at time of publication and Q4 2017 Figures are November 2017
** Lithuania Q4 2017 not available at time of publication
*** Merger of DNB and Nordea – transfer of part of corporate loan portfolio to the parent bank
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
Agenda

- SEB in brief p.3
- Financials p.15
- **Balance sheet, Credit portfolio** p.34 & **Asset quality**
  - Capital p.45
  - Funding and Liquidity p.52
  - Covered bonds and Cover pool p.58
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    - Swedish housing market
    - Macroeconomics
## Strong asset quality and balance sheet

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

December 2017

Balance sheet structure

Assets

- Corporate & Public Sector Lending
- Household Lending
- Liquidity Portfolio
- Cash & Deposits in CB

Liabilities

- Corporate & Public Sector Deposits
- Household Deposits
- Funding, remaining maturity >1y
- Funding, remaining maturity <1y
- Central Bank Deposits
- Derivatives
- Client Trading

Liquid assets

"Banking book"

- SEK 2,560bn

Short-term funding

Stable funding

Other

Life Insurance
Credit Institutions
Derivatives
Client Trading
Cash & Deposits in CB
Liquidity Portfolio

Corporate & Public Sector Lending
Household Lending
Equity

Other

Life Insurance
Credit Institutions
Derivatives
Client Trading
Cash & Deposits in CB
Liquidity Portfolio

Corporate & Public Sector Deposits
Household Deposits
Equity

SEK 2,560bn
Segments with low-risk dominate and grow in the Credit Portfolio

Diversified Corporate and low-risk Swedish Residential Mortgage exposure dominate

Growth in lower risk sectors

Note: SEB’s Total Credit Portfolio excl. Banks (on and off balance sheet)
Stable credit portfolio development
Credit portfolio by sector (SEK bn)

- Corporates
  - SEK 1030bn (2%, QoQ)

- Commercial real estate
  - SEK 179bn (0%, QoQ)

- Residential real estate
  - SEK 108bn (1%, QoQ)

- Housing co-ops
  - SEK 61bn (1%, QoQ)

- Households
  - SEK 619bn (-1%, QoQ)

- Public Admin
  - SEK 65bn (18%, QoQ)

Credit portfolio by sector (SEK bn)
Low actual on-balance sheet and diversified Large Corporate exposure render lower Credit Risk

Total Corporate Credit Portfolio split by Business

Total Corporate Credit Portfolio by sector split into loans and other types of exposure
% of Total Credit Portfolio SEK 2,151bn

Total Corporate Credit Portfolio

Loan portfolio
Undrawn Committments, guarantees and net derivatives

Manufacturing
Business and Household Services
Finance & Insurance
Wholesale and Retail
Electricity, water and gas supply
Shipping
Transportation
Mining, oil and gas extraction
Other
Agriculture, forestry and fishing

Dec '10 Dec '11 Dec '12 Dec '13 Dec '14 Dec '15 Jun '17 Sep '17 Dec '17
Household mortgage dominates the real estate exposure

Commercial real estate
Total Credit portfolio (SEKbn)

Swedish Residential and mortgage credit portfolio
Total SEK 642bn (USD 78bn)

Residential apartment buildings
SEK 165bn (USD 20bn)

- Private companies: 55%
- Housing co-op associations: 37%
- State/Community owned: 8%

Strong asset quality
- 0.8 bps (USD 1.3m) gross level of impaired loans
- No major problem loans since the 1990’s
- No net credit losses
- Low and conservative LTVs

Conservative lending policy
- Cash-flow generation
- Legal structure: Counterparty has to have direct and immediate access to the cash-flow and the assets taken in as collateral.
- Tenor max 10 years
- LTV <75% but depending on geographic location. Rural areas LTV<65%.
- Amortization structure required depending on geographic location

Household mortgage
SEK 478bn (USD 58bn)

- Single family houses: 62%
- Tenant owned apartments: 33%
- Second homes: 4%
SEB’s Swedish household mortgage lending

SEB portfolio development vs. total market until Dec-17

- Market, YoY (LHS)
- SEB, YoY (LHS)
- Mortgage lending volumes (RHS)

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
- Net credit loss level 0bps
- Loan book continues to perform – loans past due >60 days 4bps

Low LTVs by regional and global standards

Loan-to-value
- >85% 0%
- 71-85% 2%
- 51-70% 10%
- 0-50% 88%

Share of portfolio

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 5.5% on a housing co-op’s debt which indirectly affects the private individual – “double leverage”
- LTVs between 70% and 85% amortized 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”

Weigthed average LTV 54%
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 excl. banks (on and off balance sheet)
Continuously improving asset quality and credit losses remain low

Non-performing loans

Credit losses, SEK m

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Corporates &amp;</td>
<td>-201</td>
<td>-144</td>
<td>-155</td>
<td>-210</td>
<td>-19</td>
<td>-528</td>
<td>0,08%</td>
<td>-563</td>
<td>0,09%</td>
</tr>
<tr>
<td>Financial Institutions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate &amp; Private</td>
<td>-63</td>
<td>-81</td>
<td>-48</td>
<td>-86</td>
<td>-60</td>
<td>-276</td>
<td>0,04%</td>
<td>-376</td>
<td>0,06%</td>
</tr>
<tr>
<td>Customers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Baltics</td>
<td>-21</td>
<td>19</td>
<td>-11</td>
<td>11</td>
<td>-26</td>
<td>-7</td>
<td>0,01%</td>
<td>-57</td>
<td>0,05%</td>
</tr>
<tr>
<td>Net credit losses</td>
<td>-284</td>
<td>-204</td>
<td>-214</td>
<td>-284</td>
<td>-105</td>
<td>-808</td>
<td>0,05%</td>
<td>-993</td>
<td>0,07%</td>
</tr>
</tbody>
</table>
Low credit loss level in all geographic areas
Annualised Accumulated, in %

**Nordics**

- Yearly credit loss levels from 2007 to 2017 for the Nordic region.

**Baltics**

- Yearly credit loss levels from 2007 to 2017 for the Baltic region.

**Germany** *

- Yearly credit loss levels from 2007 to 2017 for Germany.

**SEB Group** **

- Yearly credit loss levels from 2007 to 2017 for the SEB Group.

Negative credit loss level = reversal

*Continuing operations  **Total operations
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Sustained strong earnings and capital generation

Profitable throughout the Financial Crisis

Sustained underlying profit

Strong underlying capital generation, Net Profit /REA

Note: REA= RWA 2008 – 2012 Basel II without transitional floor
REA 2013 – 2017 Basel III fully implemented, excluding items affecting comparability
Strong capital base composition

Basel III - Own Funds and Total capital ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>Tier 2</th>
<th>Legacy Hybrid Tier 1</th>
<th>Additional Tier 1</th>
<th>Common Equity Tier 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>22.2%</td>
<td>16.3%</td>
<td>1.4%</td>
<td>1.8%</td>
</tr>
<tr>
<td>2015</td>
<td>23.8%</td>
<td>18.8%</td>
<td>1.6%</td>
<td>0.8%</td>
</tr>
<tr>
<td>2016</td>
<td>24.8%</td>
<td>18.8%</td>
<td>1.6%</td>
<td>0.8%</td>
</tr>
<tr>
<td>2017</td>
<td>24.2%</td>
<td>19.4%</td>
<td>2.3%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Common Equity Tier 1 ratio: 16.3%, 18.8%, 18.8%, 19.4%
Additional Tier 1 ratio: 1.4%, 1.6%, 1.6%, 2.3%
Legacy Tier 1 ratio: 1.8%, 0.8%, 0.8%, 0%
Tier 2 ratio: 2.7%, 2.6%, 3.6%, 2.6%
Leverage ratio: 4.8%, 4.9%, 5.1%, 5.2%
Risk Exposure Amount, SEKbn: 617, 571, 610, 611

CET1 2017: 19.4%
Requirement: 17.2%
Excess vs. requirement: ~2.2%
Mgmt buffer: ~1.5%

REA increase 2017 vs. 2016 of SEK 1bn net was mainly due to:
- Credit volume increase but partly offset by FX movements and better asset quality
- An advanced model applied to sovereign risks, in agreement with the SFSA, adding 9 bn of REA
SFSA’s capital requirements and SEB’s reported ratios
SEB’s ratios exceed SFSA’s risk-sensitive and high requirements, Dec 31 2017

- SEB’s CET1 ratio is 2.2% above the SFSA CET1 requirement as at December 2017 and 0.7% 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 countries

Low credit-related concentration risk (as percentage of total REA)

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

SEB has the lowest Pillar 2 capital requirements of Swedish banks

1) As by 31 Dec 2017
2) Including single name, geographical and industry concentration
3) SFSA, Capital requirements for the Swedish banks, Q3 2017
4) EAD = Risk Exposure Amount / Risk Weight
Source: Companies’ Pillar 3 reports, Finansinspektionen
Risk exposure amount yearly development
SEB Group – Basel III, Dec 2016 – Dec 2017

31 Dec 2016
- 610
  - Asset size: 10
  - Model updates, methodology & policy, other: 6
  - Underlying market and operational risk changes: 5
  - Foreign exchange movements: 3
  - Asset quality: 6

31 Dec 2017
- 611
  - Asset size: 10
  - Model updates, methodology & policy, other: 6
  - Underlying market and operational risk changes: 5
  - Foreign exchange movements: 3
  - Asset quality: 6
Reasons for 150bps management buffer

Sensitivity to currency fluctuations

- 37% Share of REA per currency
- 34% Share of REA per currency
- 13% Share of REA per currency
- 0% Share of REA per currency

±5% SEK impact 50bps CET1 ratio

Sensitivity to surplus of Swedish pensions

- 2015: Surplus 10, Pension liabilities 25
- 2016: Surplus 10, Pension liabilities 25
- 2017: Surplus 10, Pension liabilities 25

-50 bps discount rate impact -50bps CET1 ratio

& general macro...
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Stable deposit base and structural funding position

Wholesale funding represents 38% of the funding base

SEK 1,724bn (USD 211bn)

- Corporate deposits
- Household deposits
- Credit institution deposits
- General government deposits
- Central bank deposits
- Long-term funding
- Subordinated debt
- CPs/CDs

38%
32%
17%
2%
5%
1%
2%
3%

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

Stable development of deposits from corporate sector and private individuals

SEK bn

- Total
- Corporate sector
- Private sector
- Public sector
- Non-bank deposit with Treasury function

Stable and strong structural funding position, Core Gap Ratio

Core Gap ratio averaged 116% over the period 2012-14
A more conservative model introduced in 2015 renders an average of 112% over 2015 – 2016. Average levels in 2017 at 112%.

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

Wholesale funding represents 38% of the funding base

Stable development of deposits from corporate sector and private individuals
Well-balanced long-term funding structure

Long-term wholesale funding mix

- Mortgage Covered Bonds: 59%
- Senior Unsecured Debt: 36%
- Subordinated Debt: 5%

Strong Credit Ratings

<table>
<thead>
<tr>
<th>Rating Institute</th>
<th>Short term</th>
<th>“Stand-alone rating”</th>
<th>Long term</th>
<th>Uplift</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P</td>
<td>A-1</td>
<td>a</td>
<td>A+</td>
<td>1</td>
<td>Stable</td>
</tr>
<tr>
<td>Moody’s</td>
<td>P-1</td>
<td>a3</td>
<td>Aa3</td>
<td>3*</td>
<td>Stable</td>
</tr>
<tr>
<td>Fitch</td>
<td>F1+</td>
<td>aa-</td>
<td>AA-</td>
<td>0</td>
<td>Stable</td>
</tr>
</tbody>
</table>

Issuance of bonds SEKbn

<table>
<thead>
<tr>
<th>Instrument</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Covered bonds</td>
<td>60</td>
<td>55</td>
<td>62</td>
<td>55</td>
</tr>
<tr>
<td>Senior unsecured</td>
<td>32</td>
<td>40</td>
<td>74</td>
<td>20</td>
</tr>
<tr>
<td>Subordinated debt</td>
<td>17</td>
<td>0</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>109</td>
<td>95</td>
<td>145</td>
<td>80</td>
</tr>
</tbody>
</table>

Maturity profile

* of which one notch is due to the implicit state support
CP/CD funding supports client facilitation business

Volumes - Net Trading Assets\(^1\) adaptable to CP/CD funding access

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

---

1) Net Trading Assets = Net of repodible bonds, equities and repos for client facilitation purposes
Modest need for non-preferred senior debt

Current introduction of Swedish MREL

Estimated phasing-in period of non-preferred senior debt

<table>
<thead>
<tr>
<th>Q4 2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>Jan 1st 2022 fully subordinated MREL requirement needs to be fulfilled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank specific MREL requirement announced</td>
<td>Late 2018 possible earliest introduction of new insolvency law.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SEB Total capital and non-preferred senior debt requirement

SEB Total capital and non-preferred senior debt requirement

"Preferred" senior debt maturities clearly exceed Non-preferred senior debt issuance needs

1) Recap amount based on capital requirements at December 31, 2017.
2) Issuance volume recap amount phased in over a 3 year period
Strong liquidity and maturing funding position

SEB’s Liquidity Reserve* 2017 Q4 is 192% of wholesale funding maturities within 1 year**

Maturing Funding ratio 3m and 12m, Peer benchmarking

* Definition of Core Liquidity Reserve according to Swedish Bankers’ Association
** excluding sub debt with call date within a year

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.
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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 – currently at 62%

Covered Bonds

<table>
<thead>
<tr>
<th></th>
<th>Q4 2017</th>
<th>Q4 2016</th>
<th>Q4 2015</th>
<th>Q4 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rating of the covered bond programme</td>
<td>Aaa Moody’s</td>
<td>Aaa Moody’s</td>
<td>Aaa Moody’s</td>
<td>Aaa Moody’s</td>
</tr>
<tr>
<td>FX distribution</td>
<td>SEK</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>69%</td>
<td>71%</td>
<td>72%</td>
<td>76%</td>
</tr>
<tr>
<td></td>
<td>non-SEK</td>
<td>31%</td>
<td>29%</td>
<td>28%</td>
</tr>
</tbody>
</table>

Cover Pool

<table>
<thead>
<tr>
<th></th>
<th>Q4 2017</th>
<th>Q4 2016</th>
<th>Q4 2015</th>
<th>Q4 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total residential mortgage assets (SEK bn)</td>
<td>525</td>
<td>510</td>
<td>483</td>
<td>465</td>
</tr>
<tr>
<td>Weighted average LTV (property level)</td>
<td>51%</td>
<td>50%</td>
<td>57%</td>
<td>57%</td>
</tr>
<tr>
<td>Number of loans (thousand)</td>
<td>717</td>
<td>711</td>
<td>697</td>
<td>683</td>
</tr>
<tr>
<td>Number of borrowers (thousand)</td>
<td>423</td>
<td>424</td>
<td>427</td>
<td>427</td>
</tr>
<tr>
<td>Weighted average loan balance (SEK thousand)</td>
<td>732</td>
<td>718</td>
<td>693</td>
<td>680</td>
</tr>
<tr>
<td>Substitute assets (SEK thousand)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Loans past due 60 days (basis points)</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Net credit losses (basis points)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Over-Collateralization level</td>
<td>62%</td>
<td>63%</td>
<td>55%</td>
<td>50%</td>
</tr>
</tbody>
</table>
SEBs mortgage lending is predominantly in the three largest and fastest growing cities with an interest rate reset date within two years

Cover Pool

Type of loans

- Residential apt bldgs 14%
- Single family 59%
- Tenant owned apartments 28%

Interest rate type

- Fixed rate reset >=5y 1%
- Fixed rate reset 2y<5y 10%
- Fixed reset <2y 15%
- Floating (3m) 70%

Geographical distribution

- Stockholm region 41%
- Larger regional cities 35%
- Gothenburg region 16%
- Malmoe region 8%

LTV distribution by volume in % of the Cover Pool

- 0-10% 24%
- 10-20% 21%
- 20-30% 18%
- 30-40% 15%
- 40-50% 11%
- 50-60% 7%
- 60-70% 4%
- 70-75% 1%

Prior ranking loans

- No prior ranks 96%
- <25% of property value 3.4%
- >25-75% of property value 0.3%

Interest payment frequency

- Monthly 85%
- Quarterly 15%
Profile of outstanding covered bonds
Covered Bonds

SEB Swedish Mortgage Covered Bonds

- **Moody’s Rating**: Aaa
- **Total outstanding**: SEK 324bn
- **FX distribution**:
  - SEK 69%
  - non-SEK 31%
- **Benchmark**:
  - Benchmark 91%
  - Non Benchmark 9%

**Currency mix**

- Covered Bond SEK
- Covered Bond Non-SEK

**Outstanding covered bonds (SEK bn)**

**Maturity profile (SEK bn)**

- Non Benchmark
- NonSEK Benchmark
- SEK Benchmark
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Focus on growth and transformation continues

GROW

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

TRANSFORM

- World-class service
- Digitisation and automation
- Next generation competences
Growth and efficiency even in a flat interest rate environment and the known headwinds...
Financial targets

- Dividend pay-out ratio 40% or above
- Common Equity Tier 1 with ~150bps buffer
- RoE competitive with peers
The journey to world-class service continues

• Focus on meeting changing customer behaviour
• Continued disciplined execution
• Increased emphasis on resilience and long-term perspective in challenging economic climate
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- Balance sheet, Credit portfolio & Asset quality p.34
- Capital p.45
- Funding and Liquidity p.52
- Covered bonds and Cover pool p.58
- Business plan p.62
- **Contacts, calendar and ADR** p.67
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  - Swedish housing market
  - Macroeconomics
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

<table>
<thead>
<tr>
<th>Symbol</th>
<th>SKVKY</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADR : Ordinary Share Ratio</td>
<td>1:1</td>
</tr>
<tr>
<td>ADR ISIN</td>
<td>US8305053014</td>
</tr>
<tr>
<td>Sedol</td>
<td>4813345</td>
</tr>
<tr>
<td>Depositary Bank</td>
<td>Citibank N.A.</td>
</tr>
<tr>
<td>Trading Platform</td>
<td>OTC</td>
</tr>
<tr>
<td>Country</td>
<td>Sweden</td>
</tr>
</tbody>
</table>

**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](http://www.citi.com/dr)
IR contacts and calendar

Jonas Söderberg
Head of Investor Relations
Phone: +468763 8319
Mobile: +46735 210 266
E-mail: jonas.soderberg@seb.se

Per Andersson
Investor Relations Officer
Meeting requests and road shows etc.
Phone: +46 8 763 8171
Mobile: +46 70 667 7481
E-mail: per.andersson@seb.se

Julia Ehrhardt
Head of Debt Investor Relations
Phone: +46 8 763 8560
Mobile: +46 70 591 7311
E-mail: julia.ehrhardt@seb.se

Financial calendar 2018
5 March Annual Report 2017
– published on sebgroup.com
26 March Annual General Meeting
30 April Interim Report January-March
– The silent period starts 10 April
17 July Interim Report January-June
– The silent period starts 7 July
25 October Interim Report January-September
– The silent period starts 8 October
Agenda

- SEB in brief  p.3
- Financials  p.15
- Balance sheet, Credit portfolio & Asset quality  p.34
- Capital  p.45
- Funding and Liquidity  p.52
- Covered bonds and Cover pool  p.58
- Business plan  p.62
- Contacts, calendar and ADR  p.67
- **Appendix**  p.70
  - Swedish housing market
  - Macroeconomics
# Global GDP growth forecasts as of Nov 2017

<table>
<thead>
<tr>
<th>GDP, YoY % change</th>
<th>2016</th>
<th>2017</th>
<th>2018E</th>
<th>2019E</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>1.5</td>
<td>2.3</td>
<td>2.8</td>
<td>2.5</td>
</tr>
<tr>
<td>China</td>
<td>6.7</td>
<td>6.9</td>
<td>6.6</td>
<td>6.2</td>
</tr>
<tr>
<td>Japan</td>
<td>0.9</td>
<td>1.5</td>
<td>1.2</td>
<td>1.0</td>
</tr>
<tr>
<td>Euro zone</td>
<td>1.8</td>
<td>2.3</td>
<td>2.5</td>
<td>2.2</td>
</tr>
<tr>
<td>Germany</td>
<td>1.9</td>
<td>2.2</td>
<td>2.5</td>
<td>2.2</td>
</tr>
<tr>
<td>UK</td>
<td>1.9</td>
<td>1.8</td>
<td>1.4</td>
<td>1.1</td>
</tr>
<tr>
<td>OECD</td>
<td>1.8</td>
<td>2.4</td>
<td>2.5</td>
<td>2.2</td>
</tr>
<tr>
<td>World</td>
<td>3.2</td>
<td>3.9</td>
<td>4.0</td>
<td>3.9</td>
</tr>
<tr>
<td>Sweden</td>
<td>3.2</td>
<td>2.6</td>
<td>2.6</td>
<td>2.4</td>
</tr>
<tr>
<td>Norway</td>
<td>1.1</td>
<td>2.0</td>
<td>2.0</td>
<td>2.1</td>
</tr>
<tr>
<td>Denmark</td>
<td>2.0</td>
<td>2.1</td>
<td>2.4</td>
<td>2.3</td>
</tr>
<tr>
<td>Finland</td>
<td>2.1</td>
<td>3.1</td>
<td>2.5</td>
<td>2.4</td>
</tr>
<tr>
<td>Baltics</td>
<td>2.0</td>
<td>4.2</td>
<td>3.5</td>
<td>3.2</td>
</tr>
</tbody>
</table>

Source: Nordic Outlook  February 2018
Broad upturn in the Nordic economies

<table>
<thead>
<tr>
<th>GDP, YoY % change</th>
<th>2016</th>
<th>2017</th>
<th>2018E</th>
<th>2019E</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEN</td>
<td>2.0</td>
<td>2.1</td>
<td>2.4</td>
<td>2.3</td>
</tr>
<tr>
<td>FIN</td>
<td>2.1</td>
<td>3.1</td>
<td>2.5</td>
<td>2.4</td>
</tr>
<tr>
<td>NOR</td>
<td>1.1</td>
<td>2.0</td>
<td>2.0</td>
<td>2.1</td>
</tr>
<tr>
<td>SWE</td>
<td>3.2</td>
<td>2.6</td>
<td>2.6</td>
<td>2.4</td>
</tr>
</tbody>
</table>

**Denmark:** Healthy economic recovery
- **Tailwinds:** Strongest GDP growth momentum since the financial crisis, strong global demand, unemployment historically low, consumer confidence and rising home prices.
- **Headwinds:** Household savings, weak retail sales and drop in passenger cars sales.

**Finland:** Growth is surging after a long stagnation
- **Tailwinds:** Record high household optimism, accelerating exports and capital spending. It is a broad-based upturn.
- **Headwinds:** Weak pay hikes and disappointing unemployment development

**Norway:** Broad-based economic recovery
- **Tailwinds:** Expansionary fiscal and monetary policies, unemployment historically low, private consumption and improvements in household real disposable income.
- **Headwinds:** Fragile initial oil and gas recovery and sluggish activity in manufacturing

**Sweden:** Industry driving growth as home construction declines
- **Tailwinds:** Rapid job growth, loose monetary policy and high industrial activity
- **Headwinds:** Uncertainty in housing market, cautious households keeping private consumption down and low pay hikes.

Source: Nordic Outlook February 2018
Strong Swedish economy

Note: The further out towards the rim the more economic strength each indicator signals. A reading on the outer edge represents the strongest value seen in the last 10 years, while a reading in the center would represent the weakest reading in 10 years. The grey dotted line is the average reading over the past 5 years. Updated October 2017
Business conditions improving in Sweden

Deloitte/SEB Swedish CFO Survey
– The survey was carried out in September and October 2017

Swedish Business Confidence, KI index, Dec-17

Source: Konjunkturinstitutet (National Institute of Economic Research, NIER) and Swedbank
Swedish housing market
– Characteristics and prices

### Svensk Mäklarstatistik – Dec 2017, per cent

<table>
<thead>
<tr>
<th>Area</th>
<th>Single family homes</th>
<th>Apartments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3m</td>
<td>12m</td>
</tr>
<tr>
<td>Sweden</td>
<td>-3</td>
<td>+5</td>
</tr>
<tr>
<td>Greater Stockholm</td>
<td>-6</td>
<td>-1</td>
</tr>
<tr>
<td>Central Stockholm</td>
<td></td>
<td>-8</td>
</tr>
<tr>
<td>Greater Gothenburg</td>
<td>-3</td>
<td>+4</td>
</tr>
<tr>
<td>Greater Malmoë</td>
<td>-3</td>
<td>+7</td>
</tr>
</tbody>
</table>

### Valueguard – Dec 2017, per cent

<table>
<thead>
<tr>
<th>Area</th>
<th>Single family homes</th>
<th>Apartments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3m</td>
<td>12m</td>
</tr>
<tr>
<td>Sweden</td>
<td>-7.1</td>
<td>+0.2</td>
</tr>
<tr>
<td>Stockholm</td>
<td>-8.6</td>
<td>-3.3</td>
</tr>
<tr>
<td>Gothenburg</td>
<td>-4.8</td>
<td>-1</td>
</tr>
<tr>
<td>Malmoë</td>
<td>-6.6</td>
<td>+2.9</td>
</tr>
</tbody>
</table>

**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

Published 14-11-2017
Sweden: Industry a new driver…
… as residential construction level falls

European boom is lifting exports/investments
Home price decline is lowering construction, causing some concern
Households are optimistic
Strong labour market
Expansionary policies
Riksbank will hike rate
Our inflation forecast…

Source: Nordic Outlook February 2018
Sweden: Europe+SEK=exports up

...optimism and strong labour market

- 75% of exports to other European countries
- Krona 7% undervalued against the euro
- Capital spending due to high capacity utilisation
- Vehicle industry is running in high gear

Order bookings rising
Index

Source: Nordic Outlook February 2018
Sweden: Many new jobs
Unemployment squeezed, but not for everyone

Source: Nordic Outlook February 2018
Sweden: Strong fiscal balance despite SEK 40 bn election budget

<table>
<thead>
<tr>
<th>% of GDP, SEK bn</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance</td>
<td>1.3</td>
<td>1.1</td>
<td>1.0</td>
</tr>
<tr>
<td>Gov’t debt</td>
<td>40</td>
<td>38</td>
<td>35</td>
</tr>
<tr>
<td>Borrowing</td>
<td>-62</td>
<td>-48</td>
<td>-50</td>
</tr>
</tbody>
</table>

Conforms with new fiscal framework (0.33%, 35%)
Lowest debt in 40 years
Good for next government – expansionary again in 2019

Source: Nordic Outlook February 2018
Sweden: Pumped-up price levels
Sweden, Norway, Canada

Home price indices
Index 2015 = 100

Swedish housing market
Positive & negative factors

- Long-time low homebuilding
- High prices (speculation?)
- Population growth
- Matching problems
- Dysfunctional rental market
- Tougher borrowing rules
- Low interest, good buffers
- Similarity to other countries

Source: Nordic Outlook February 2018
Sweden: Broad-based downturn
Main housing scenario = soft landing

- Latest: some stabilisation...
  ...but seasonal effects a factor
- Sales remain brisk
- Valueguard exaggerating?
  Measures larger cities, large weighting for volatile flat prices
- Broad-based decline worrying
  -5-10% or -15-20%? By mid-2018, prices will fall by 10% compared to Aug 2017 peak

Source: Nordic Outlook February 2018
Sweden: Norwegian stabilisation promising for Swedish home prices

Optimism defies prices

Index

Many sales, despite price decline

(2015=100)

Source: Nordic Outlook February 2018
Sweden: Sluggish pay increases
Despite record-high resource utilisation

- Weak wage response in spite of recruitment problems
- Public sector shortages and pay a bit higher
- EU market squeezing German and Swedish pay

<table>
<thead>
<tr>
<th>Pay hikes</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.5%</td>
<td>3.0%</td>
<td>3.3%</td>
</tr>
</tbody>
</table>

Hourly pay hikes & resource utilisation

Source: Nordic Outlook February 2018
Sweden: Inflation below target
But service prices up nearly 3 per cent

Divergent inflation rates

CPIF will fall in 2018

Source: Nordic Outlook February 2018
Sweden: Hungry “RB crocodile”

- Extremely low key interest rate despite historically high resource utilisation
- Strong labour market => more cautious monetary policy in other countries…
- … but not here: Riksbank is completely ignoring Phillips curve

Source: Nordic Outlook February 2018
Sweden: Riksbank has convinced the market

Riksbank rate path unchanged since Apr 2017
Most ExecBoard members clearly want to follow it
Riksbank & market agree, making things easier
SEB’s inflation forecast creates a dilemma

Source: Nordic Outlook February 2018
Sweden: Do falling home prices and rising CPIF create a policy dilemma?

- Loss of confidence can lead to currency-driven inflation
- Deceleration may intensify inflation upturn
- Macroprudential measures help, but are they enough?
- Sharp deceleration would be needed to make Riksbank hold off on hike

Source: Nordic Outlook February 2018
Sweden: Yield squeeze in spring  Riksbank purchases amid smaller supply

**Riksbank: SEK +40 bn**  
**Debt Office: SEK +30 bn**  
SEB forecast

-----------------------------

**Global long-term yields**

**Riksbank rate hike**

<table>
<thead>
<tr>
<th></th>
<th>Today</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sweden</strong></td>
<td>0.90%</td>
<td>1.50%</td>
<td>2.10%</td>
</tr>
<tr>
<td><strong>Germany</strong></td>
<td>0.70%</td>
<td>1.00%</td>
<td>1.50%</td>
</tr>
<tr>
<td><strong>Spread</strong></td>
<td>+20 bps</td>
<td>+50 bps</td>
<td>+60 bps</td>
</tr>
</tbody>
</table>

**Yields & spread**  
Per cent, basis points

<table>
<thead>
<tr>
<th>Year</th>
<th>Sweden 10-yr yield</th>
<th>German 10-yr yield</th>
<th>10-yr spread Sweden-Germany</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>2.50%</td>
<td>1.50%</td>
<td>1.00%</td>
</tr>
<tr>
<td>2014</td>
<td>2.00%</td>
<td>1.00%</td>
<td>1.00%</td>
</tr>
<tr>
<td>2015</td>
<td>1.50%</td>
<td>0.50%</td>
<td>1.00%</td>
</tr>
<tr>
<td>2016</td>
<td>1.00%</td>
<td>0.00%</td>
<td>1.00%</td>
</tr>
<tr>
<td>2017</td>
<td>0.50%</td>
<td>-0.50%</td>
<td>1.00%</td>
</tr>
</tbody>
</table>

Source: Nordic Outlook  February 2018
Sweden: Slow SEK appreciation Portfolio adjustments already made?

Swedish companies with large “currency reserves”

Domestic funds close to “neutral” level

Foreign players waiting

Home prices a risk premium

<table>
<thead>
<tr>
<th>EUR/</th>
<th>Today</th>
<th>Dec-18</th>
<th>Dec-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR/SEK</td>
<td>9.78</td>
<td>9.50</td>
<td>9.30</td>
</tr>
<tr>
<td>USD/SEK</td>
<td>7.85</td>
<td>7.40</td>
<td>7.05</td>
</tr>
</tbody>
</table>
World growth is broad-based: Trump is biding time
Strong labour markets, increased capacity utilisation

Less but still great dependence on central banks
Inflation not dead, but manageable: more fruit juice in the punch

Nervous markets: Low volatility can be explained
Higher EUR/USD rate, long-term yields and equities in 2018-19

EU boom offsets weaker Swedish housing market
Riksbank will stick to hiking plan = +25 bps in September 2018
Below-target inflation challenging – SEK will climb most vs USD