



SEB January–June 2016

**Annika Falkengren
President & CEO**

Highlights Q2 2016

1 Increased market uncertainty put further pressure on interest rates and equity markets

2 Higher customer demand for risk management services in a volatile environment

3 Robust capital position and strong asset quality

Financial summary

Profit & Loss, (SEK m)	Underlying*			Reported		
	H1 2016	H1 2015	%	H1 2016	H1 2015	%
Total Operating income	20,838	23,436	-11	21,358	22,534	-5
Total Operating expenses	-10,748	-11,002	-2	-16,697	-11,002	52
Profit before credit losses	10,090	12,434	-19	4,661	11,532	-60
Net credit losses etc.	-581	-490	19	-581	-490	19
Operating profit	9,509	11,944	-20	4,080	11,042	-63

Key figures	Underlying *H1 2016	H1 2015	Reported H1 2016	H1 2015
Return on Equity, %	10.9	14.2	3.3	12.9
Cost/income ratio	0.52	0.47	0.78	0.49
Earnings per share, SEK	3.46	4.33	1.02	3.92
CET1 ratio B3, %			18.7	17.2
Leverage ratio B3, %			4.7	4.4
Credit loss level, %			0.07	0.06

* Note: Excluding one-off items: income of SEK -0.9bn in H1 2015, income of SEK +0.5bn and costs of SEK -5.9bn in H1 2016

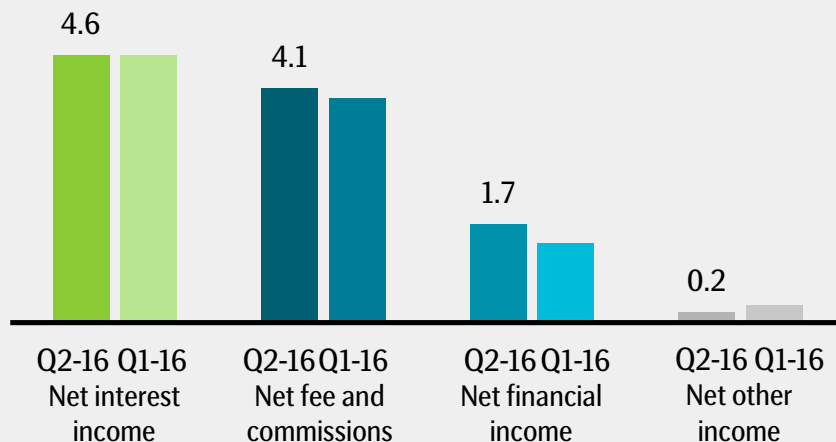
Financial summary

Excl. one-off items*

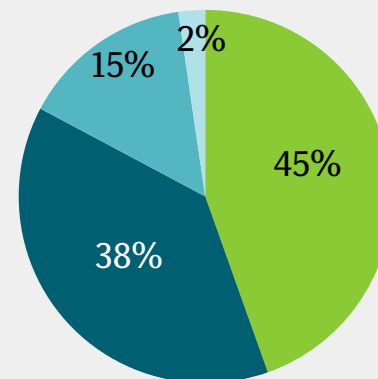
Profit and loss (SEK m)

	Q2-16	Q1-16	%	Q2-15	%
Total Operating income	10,616	10,222	4	11,898	-11
Total Operating expenses	-5,332	-5,416	-2	-5,518	-3
Profit before credit losses	5,284	4,806	10	6,380	-17
Net credit losses etc.	-268	-313	-14	-226	19
Operating profit	5,016	4,493	12	6,154	-18

Operating income by type, Q2 2016 vs. Q1 2016 (SEK bn)



Income distribution 2016

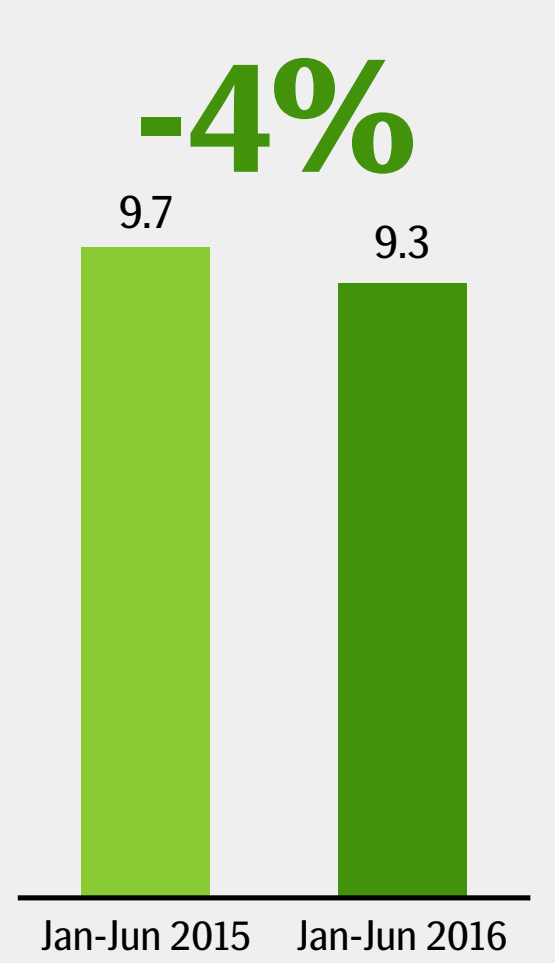


* Note: Excluding one-offs of SEK -5.9bn in Q1 and +0.5bn in Q2

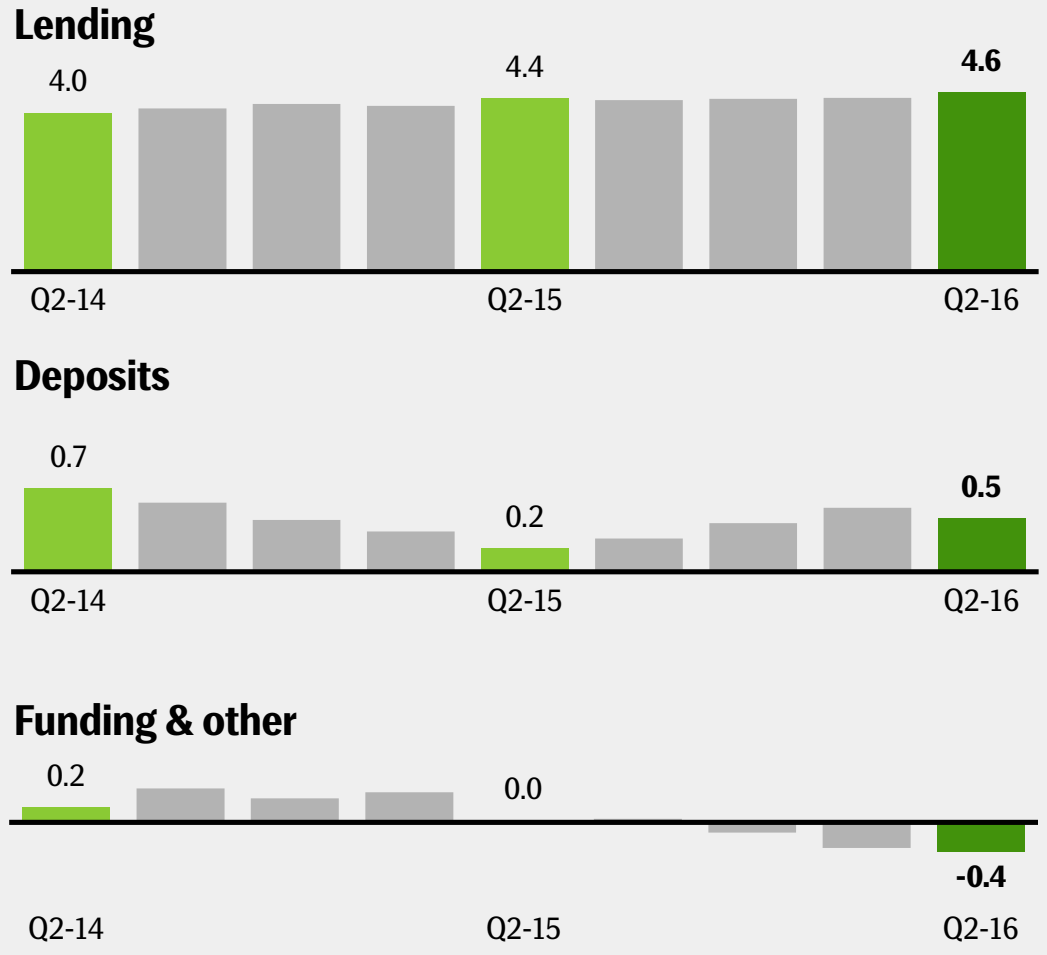
Net interest income development

SEK bn, excl. one-off*

Net interest income Jan-Jun 2016 vs. Jan-Jun 2015



Net interest income type Q2 2014 – Q2 2016



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

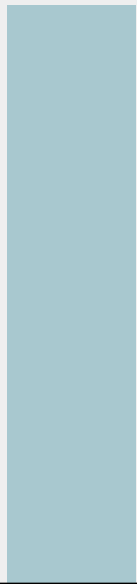
Net fee and commission income development

SEK bn

Net fee and commissions Jan-Jun 2016 vs. Jan-Jun 2015

-19%

9.9

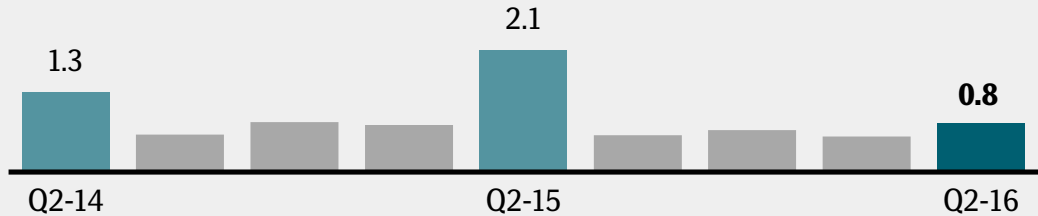


8.0

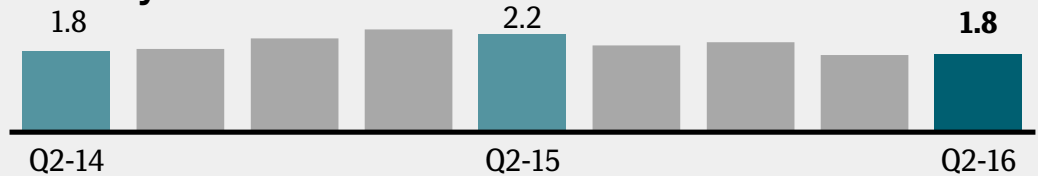
Jan-Jun 2015 Jan-Jun 2016

Gross fee and commissions by income type Q2 2014 – Q2 2016

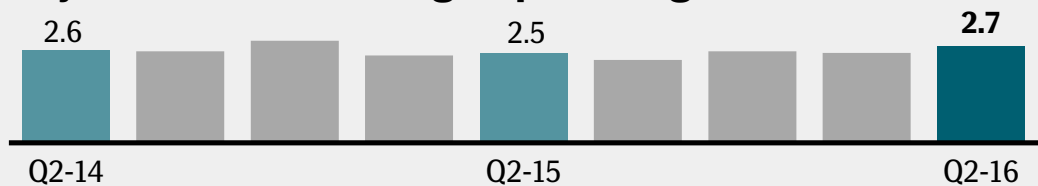
Advisory, secondary markets and derivatives



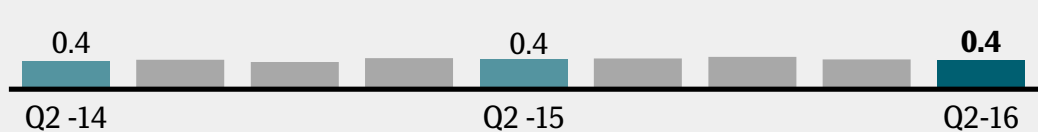
Custody and mutual funds



Payments, cards, lending, deposits & guarantees



Life insurance fees

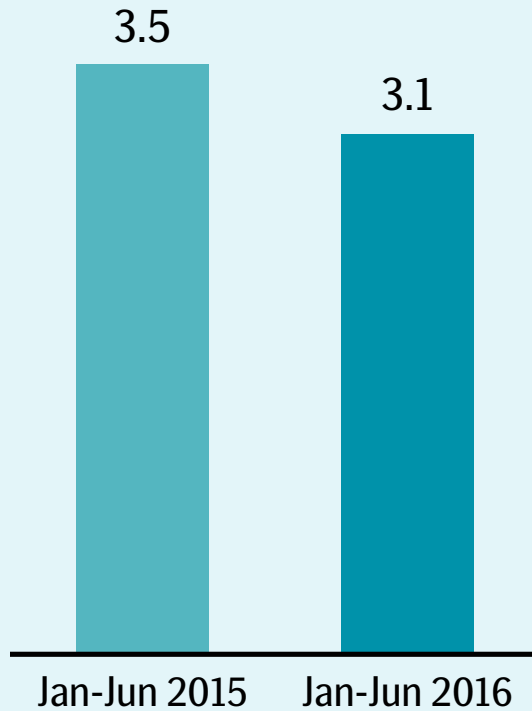


Net financial income development

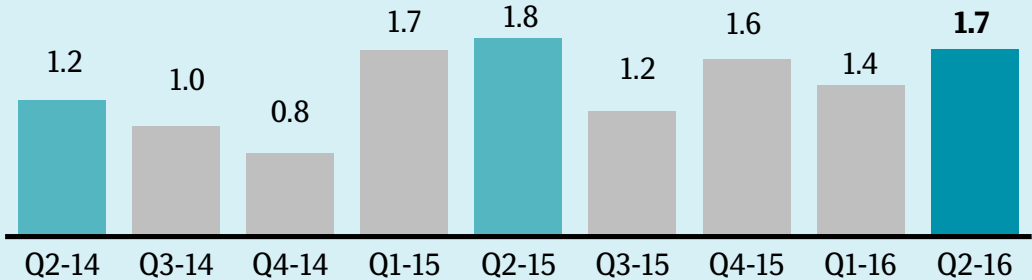
SEK bn, excl. one-off*

Net financial income Jan-Jun 2016 vs. Jan-Jun 2015

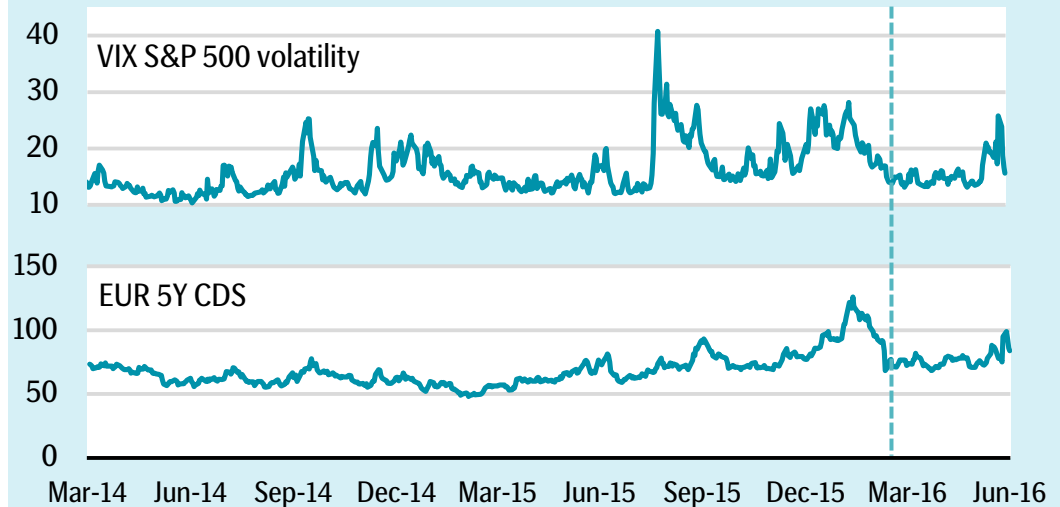
-12%



Net financial income development Q2 2014 – Q2 2016



Reduced volatility

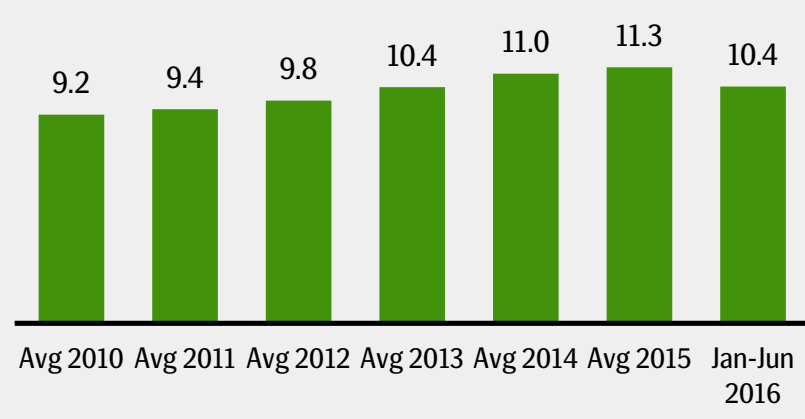


* Excluding SEK -820m Swiss withholding tax in Q2 2015.

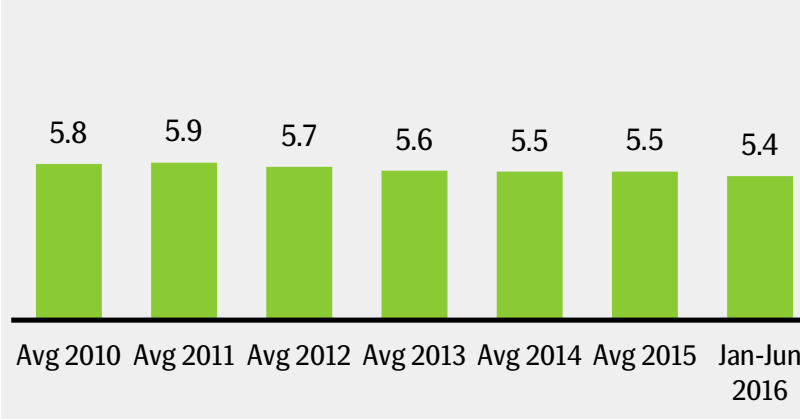
Operating leverage

excluding one-offs

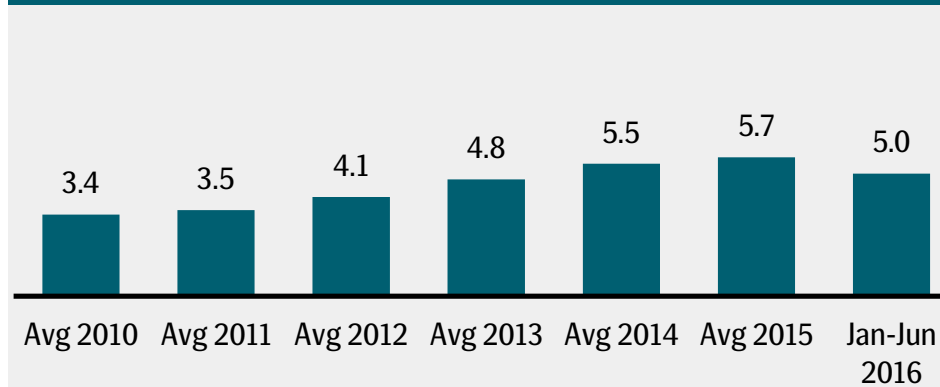
Average quarterly income (SEK bn)



Average quarterly expenses (SEK bn)



Average quarterly profit before credit losses (SEK bn)

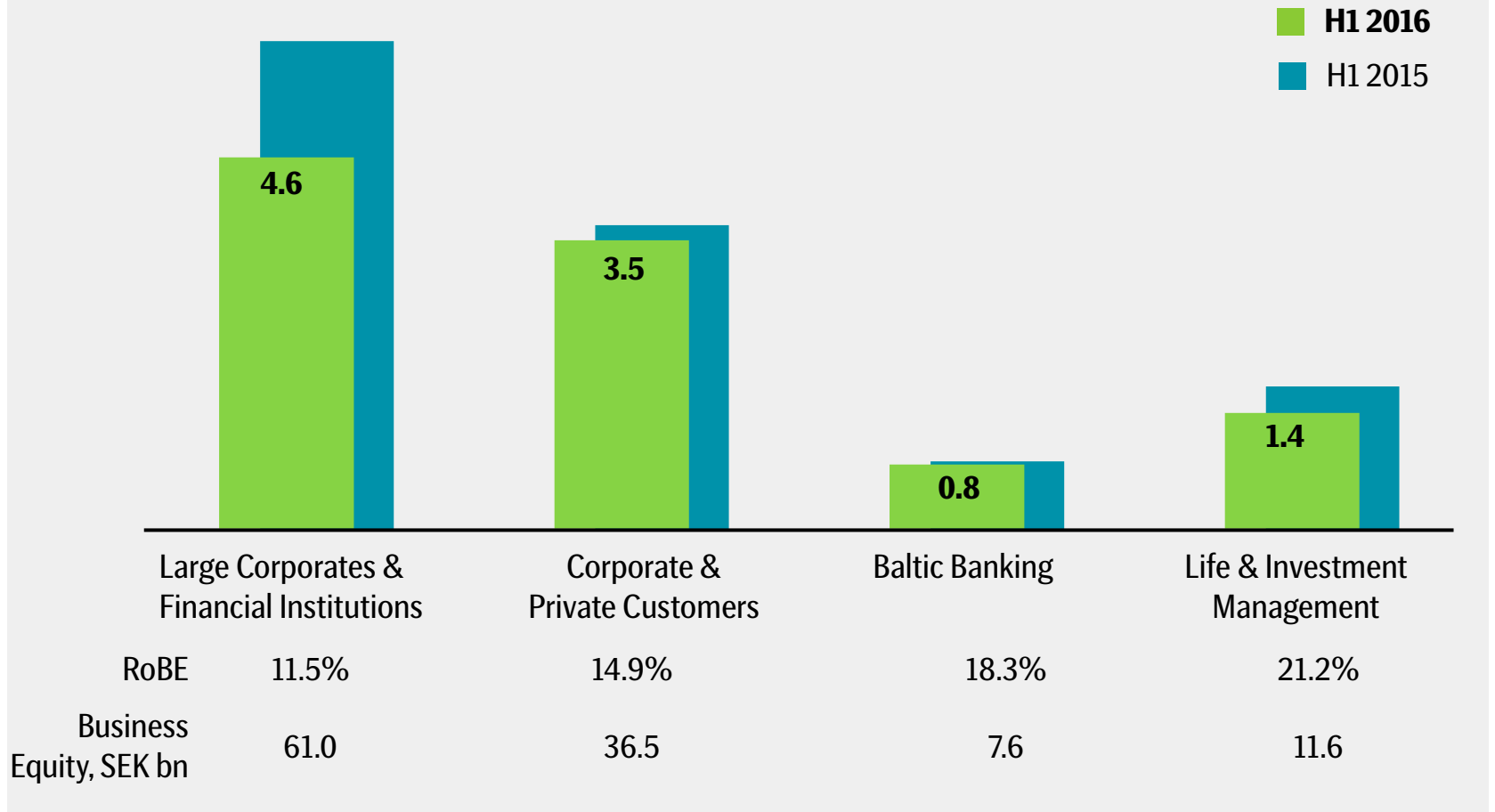


Notes: Excluding one-offs (restructuring in 2010, bond buy-back and IT impairment in 2012, sale of MasterCard shares and Euroline in 2014, Swiss withholding tax in 2015, Goodwill impairment, other one-off cost items and SEB Baltic VISA transaction in 2016). Estimated IAS 19 costs in 2010.

Divisional performance

Excluding one-offs

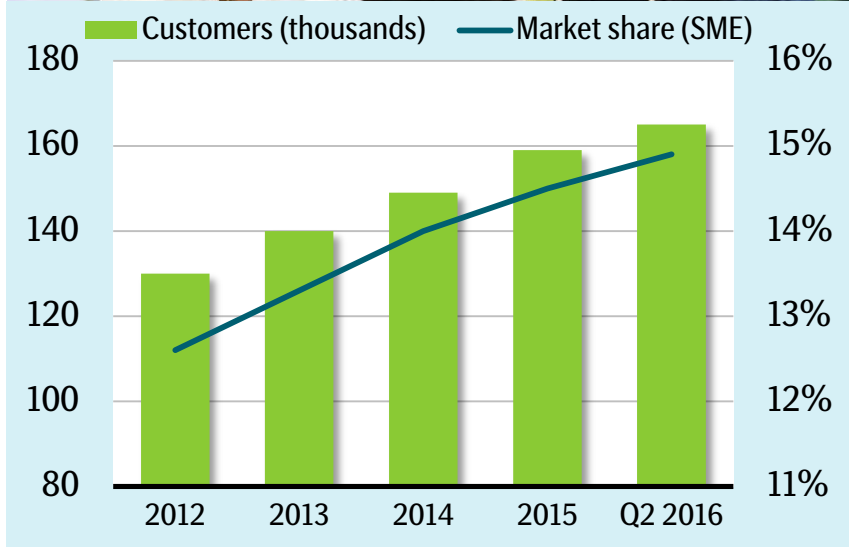
Operating profit H1 2016 vs. H1 2015 (SEK bn)



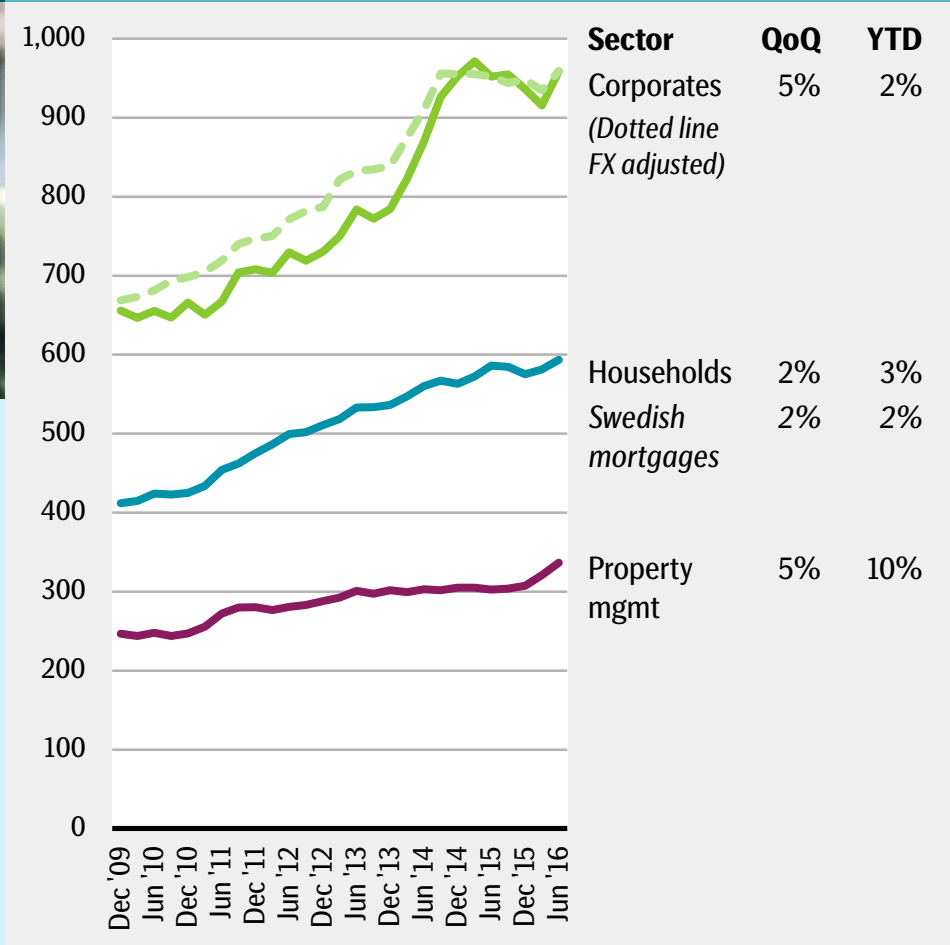
Example Growth: Corporate customers and volumes continue to increase



C&PC: Continued inflow of SMEs



Credit portfolio growth (SEK bn)



Example Transform: Delivery Highlights Q2 2016



Digitisation	Simplification	Tink	
<p>Channel Transformation</p>	<p>New Fund Account System</p>		
<p>New Private Banking Platform</p>	<p>Payment Infra Centralised</p>	<p>Youth App</p>	
<p>Annual letters digitised</p>	<p>German Customers migrated to global platform</p>		

Strong asset quality and balance sheet

	(SEK bn)	2009	2015	Jan-Jun 2016
Asset quality	Non-performing loans	28.6bn	8.0bn	8.0bn
	NPL coverage ratio	65%	62%	64%
	Net credit loss level	0.92%	0.06%	0.07%
Funding and liquidity	Customer deposits	750bn	884bn	944bn
	Liquidity resources	>10%	~25%	~25%
	Liquidity coverage ratio	N.A.	128%	129%
Capital	CET 1 ratio (Basel 3)	11.7% <small>Basel 2.5</small>	18.8%	18.7%
	Total capital ratio (Basel 3)	14.7% <small>Basel 2.5</small>	23.8%	23.5%
	Leverage ratio (Basel 3)	N.A.	4.9%	4.7%

Going forward



Focus on meeting changing customer behaviour

Continued disciplined execution

Increased emphasis on resilience and long-term perspective in challenging economic climate