



Annual Accounts 2014
Telephone conference presentation

Annika Falkengren
President & CEO

Highlights 2014

1 High activity among large corporate clients

2 Diversified business mix underpins growth

3 Continued strong balance sheet and asset quality

Financial summary – 2014

Profit and loss (SEK m)

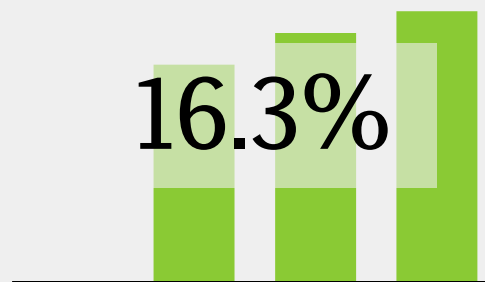
| | Jan-Dec '14 | Jan-Dec '13 | % | Jan-Dec '14 | |
|------------------------------------|---------------|---------------|-----|----------------|-----|
| | | | | excl. one-offs | % |
| Total operating income | 46,936 | 41,553 | +13 | 43,954 | +6 |
| Total operating expenses | -22,143 | -22,287 | -1 | -22,143 | -1 |
| Profit before credit losses | 24,793 | 19,266 | +29 | 21,811 | +13 |
| Net credit losses etc. | -1,445 | -1,139 | +27 | -1,445 | +27 |
| Operating profit | 23,348 | 18,127 | +29 | 20,366 | +12 |

Key financials

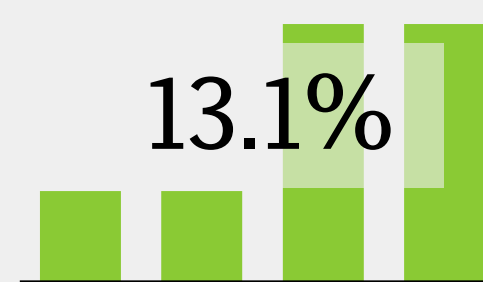
Dividend per share



Common Equity Tier 1



Return on Equity (excl. one-offs)

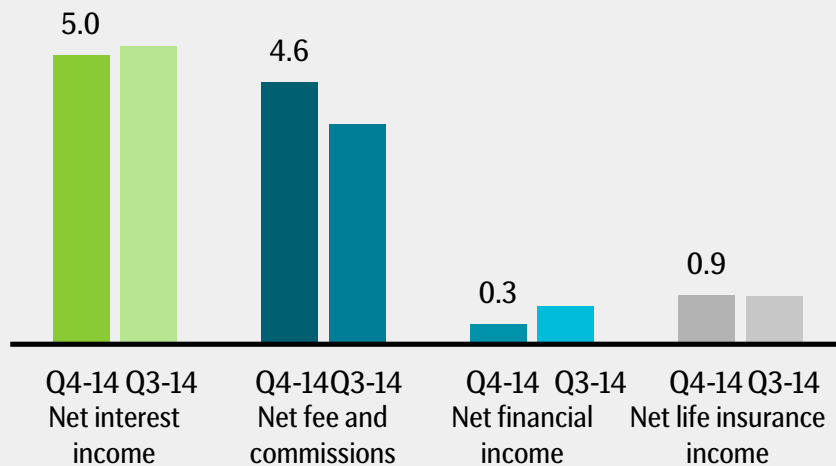


Financial summary Q4 – excluding one-offs

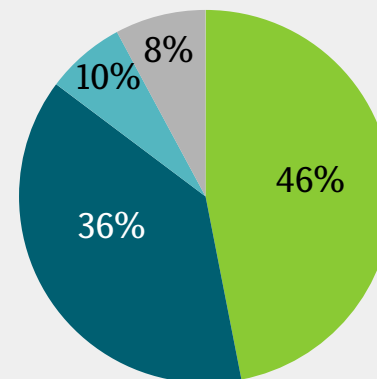
Profit and loss (SEK m)

| | Q4-14 | Q3-14 | % | Q4-13 | % |
|------------------------------------|---------------|---------------|-----|---------------|-----|
| Total operating income | 11,102 | 11,332 | -2 | 11,030 | +1 |
| Total operating expenses | -5,791 | -5,495 | +5 | -5,661 | +2 |
| Profit before credit losses | 5,311 | 5,837 | -9 | 5,369 | -1 |
| Net credit losses etc. | -395 | -493 | +35 | -360 | +10 |
| Operating profit | 4,916 | 5,344 | -8 | 5,009 | -2 |

Operating income by type, Q4 2014 vs. Q3 2014 (SEK bn)



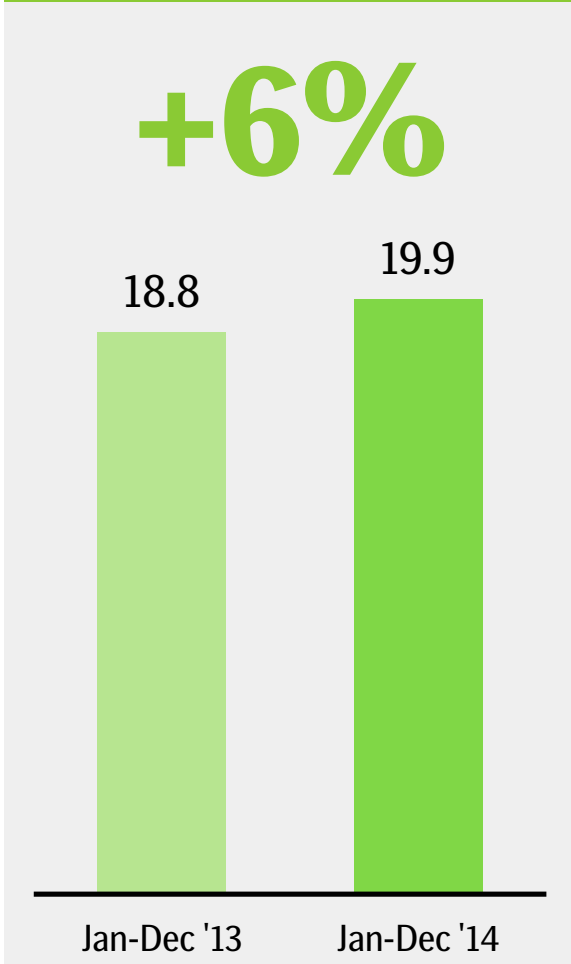
Income distribution FY 2014



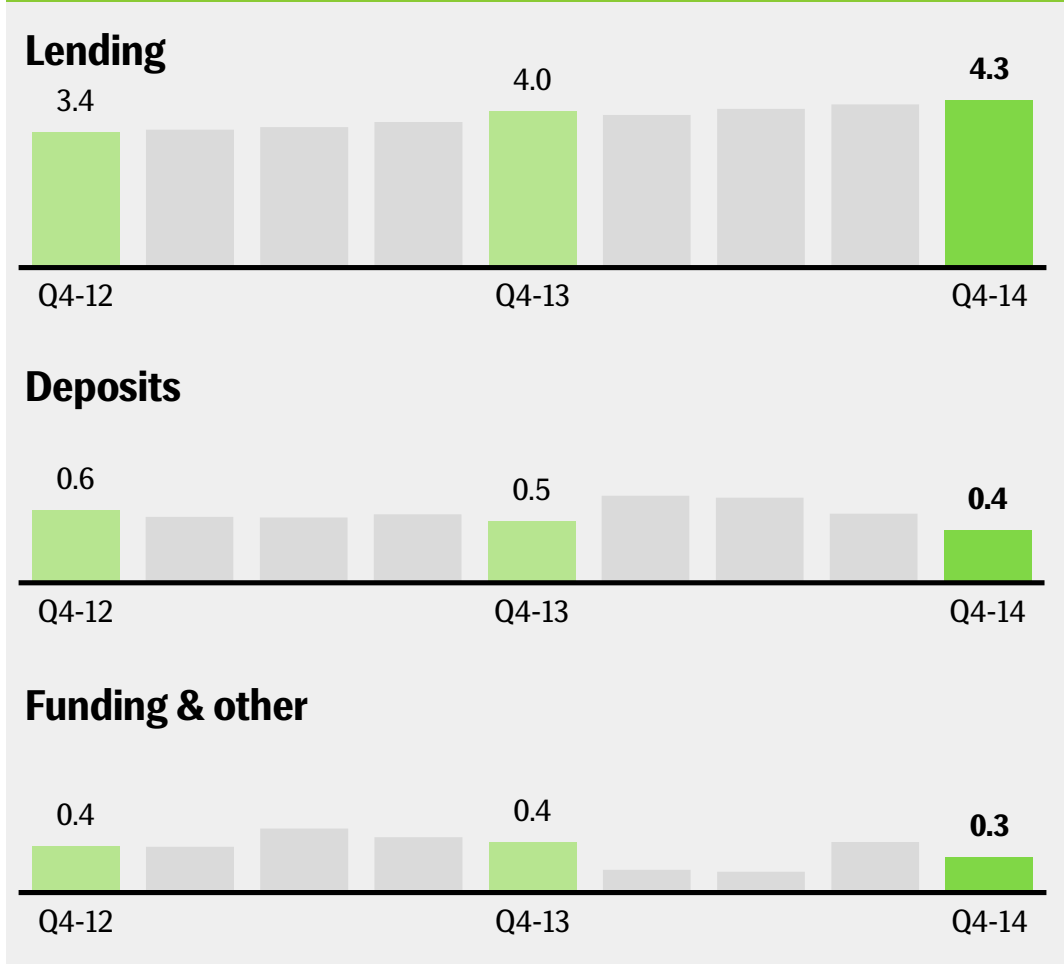
Net interest income development

SEK bn

Net interest income 2013 vs. 2014



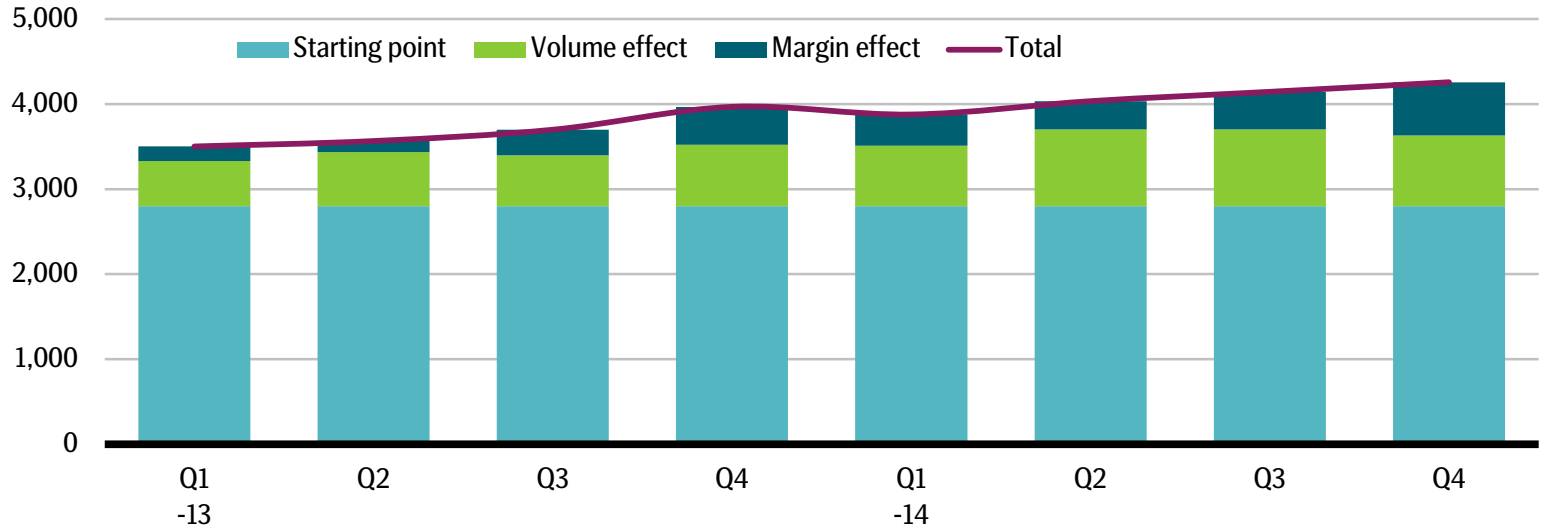
Net interest income type Q4 2012 – Q4 2014



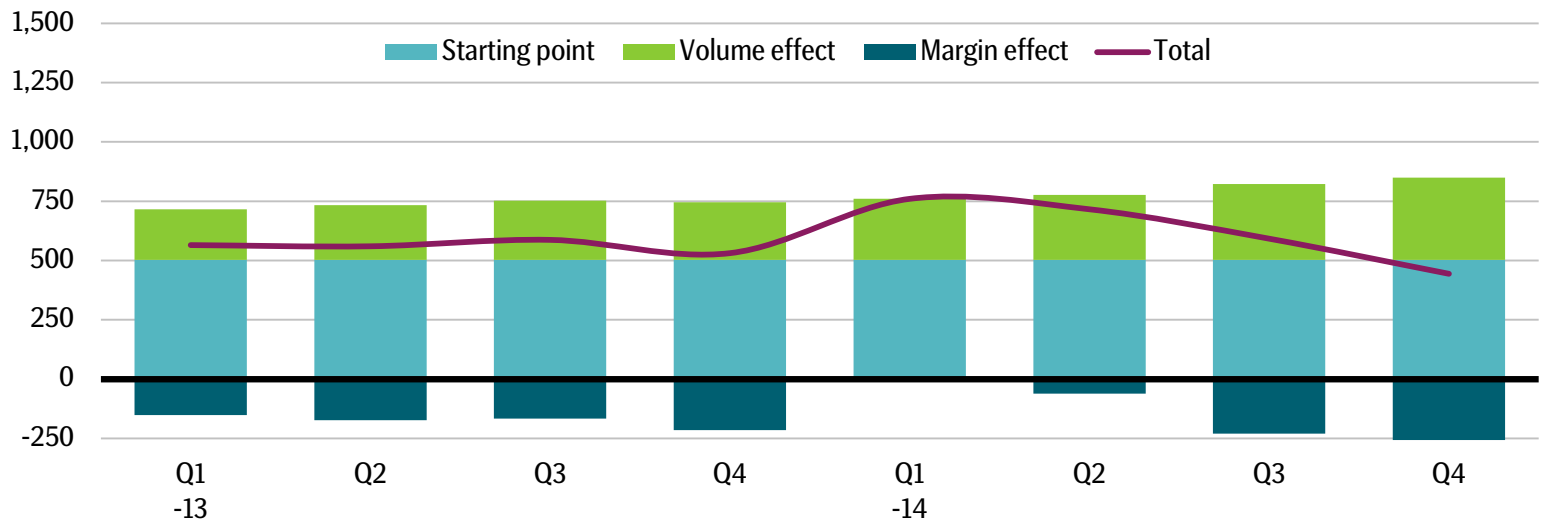
NII customer driven specification

SEB Group, cumulative changes from Q1 2010, SEK m

NII from lending



NII from deposits



Net fee and commission income development

SEK bn

Net fee and commissions 2013 vs. 2014

+11%

14.7

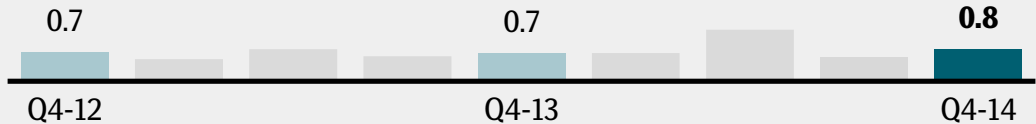
16.3

Jan-Dec '13

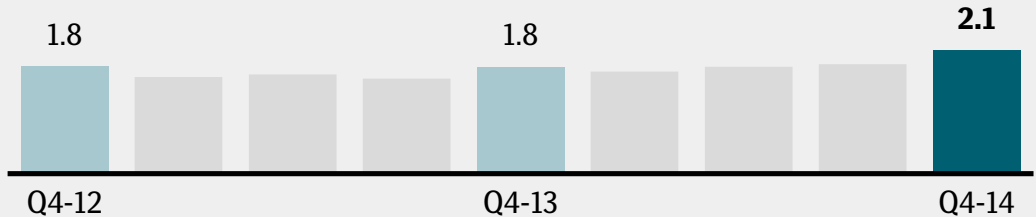
Jan-Dec '14

Gross fee and commissions by income type Q4 2012 – Q4 2014

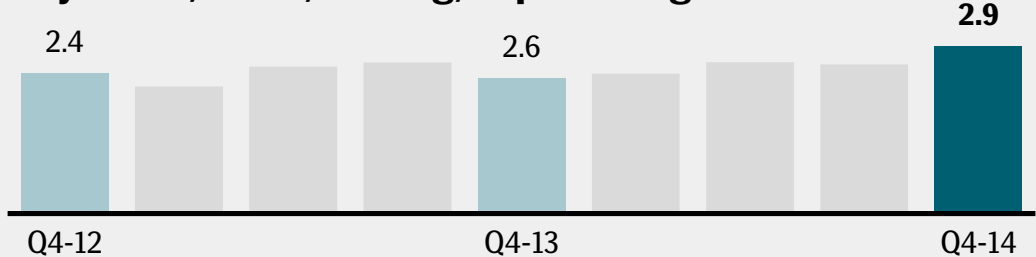
Advisory, secondary markets and derivatives



Custody and mutual funds



Payments, cards, lending, deposits & guarantees



Net fee and commission income development

Specification in SEKm

| SEK m | Q4 2012 | Q1 2013 | Q2 2013 | Q3 2013 | Q4 2013 | Q1 2014 | Q2 2014 | Q3 2014 | Q4 2014 |
|--|---------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|
| Issue of securities and advisory | 241 | 65 | 161 | 154 | 336 | 232 | 297 | 190 | 281 |
| Secondary market and derivatives | 480 | 495 | 647 | 482 | 377 | 482 | 1,015 | 413 | 529 |
| Custody and mutual funds | 1,838 | 1,657 | 1,702 | 1,631 | 1,835 | 1,753 | 1,831 | 1,875 | 2,114 |
| <i>Whereof performance and transaction fees Wealth</i> | 177 | 72 | 48 | 2 | 145 | 21 | 43 | 107 | 263 |
| Payments, cards, lending, deposits, guarantees and other | 2,401 | 2,174 | 2,515 | 2,587 | 2,315 | 2,396 | 2,594 | 2,555 | 2,861 |
| <i>Whereof payments and card fees</i> | 1,492 | 1,421 | 1,516 | 1,463 | 1,494 | 1,431 | 1,538 | 1,527 | 1,551 |
| <i>Whereof lending</i> | 608 | 454 | 675 | 828 | 574 | 652 | 654 | 587 | 892 |
| Fee and commission income | 4,960 | 4,391 | 5,025 | 4,854 | 4,863 | 4,863 | 5,737 | 5,033 | 5,785 |
| Fee and commission expense | -1,245 | -1,144 | -1,214 | -1,119 | -992 | -1,135 | -1,526 | -1,219 | -1,232 |
| Net fee and commission income | 3,715 | 3,247 | 3,811 | 3,735 | 3,871 | 3,728 | 4,211 | 3,814 | 4,553 |
| <i>Whereof Net securities commissions</i> | 2,032 | 1,818 | 2,037 | 1,811 | 2,057 | 2,031 | 2,279 | 1,969 | 2,267 |
| <i>Whereof Net payments and card fees</i> | 867 | 768 | 847 | 860 | 913 | 787 | 858 | 875 | 896 |

Net financial income development

SEK bn

Net financial income 2013 vs. 2014

-28%

Divisions
4.6

4.1

Divisions
3.6

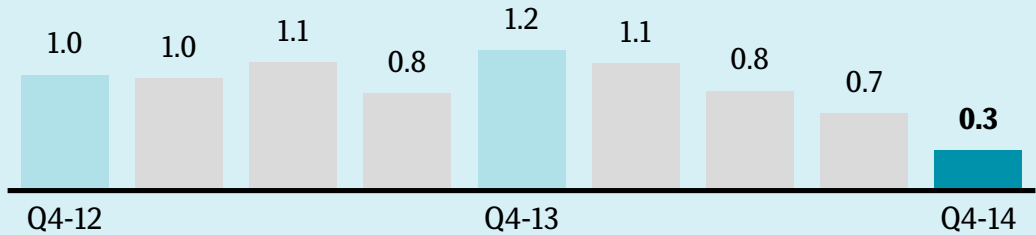
2.9

Jan-Dec '13

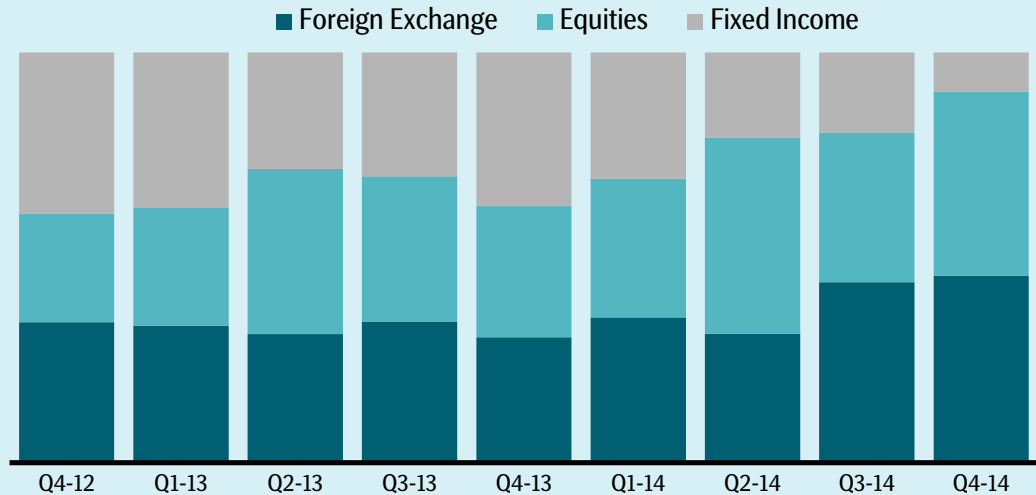
Jan-Dec '14

Net financial income development Q4 2012 – Q4 2014

SEB Group



Markets – distribution of income



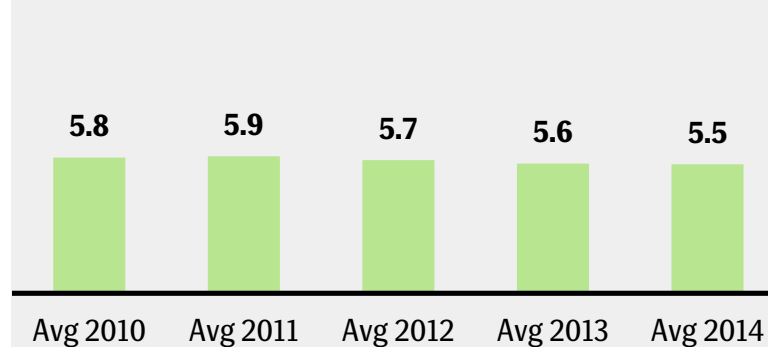
Operating leverage

Excluding one-offs

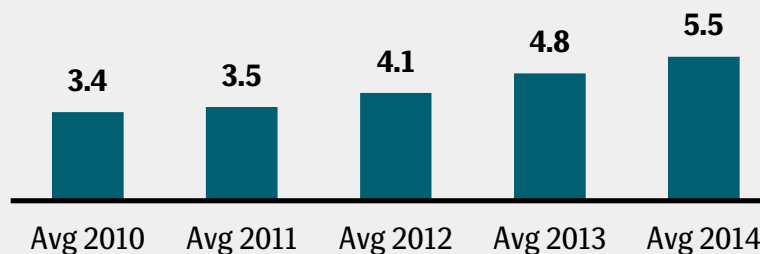
Average quarterly income (SEK bn)



Average quarterly expenses (SEK bn)



Average quarterly profit before credit losses (SEK bn)

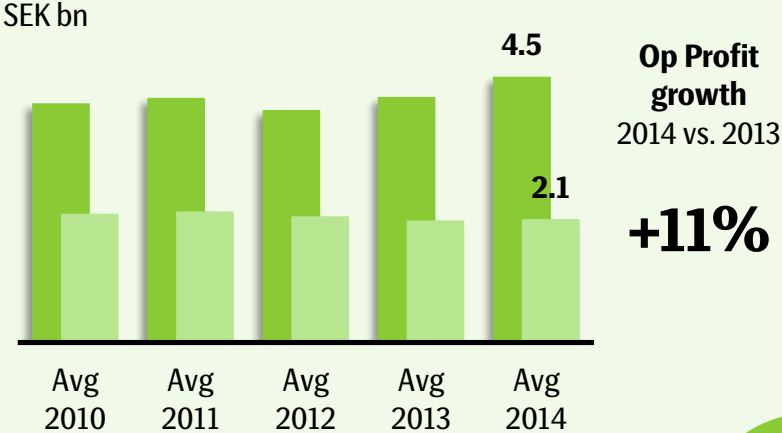


Notes: Excluding one-offs (restructuring in 2010, bond buy-back and IT impairment in 2012, sale of MasterCard shares and Euroline in 2014) Estimated IAS 19 costs in 2010

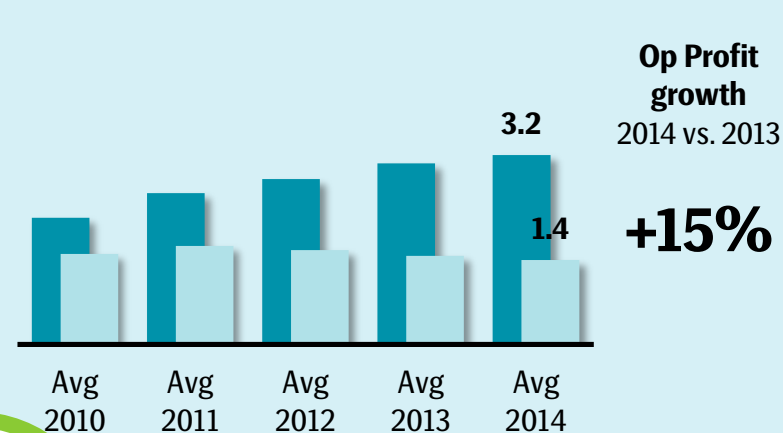
All divisions driving operating leverage

Operating income
Operating expenses

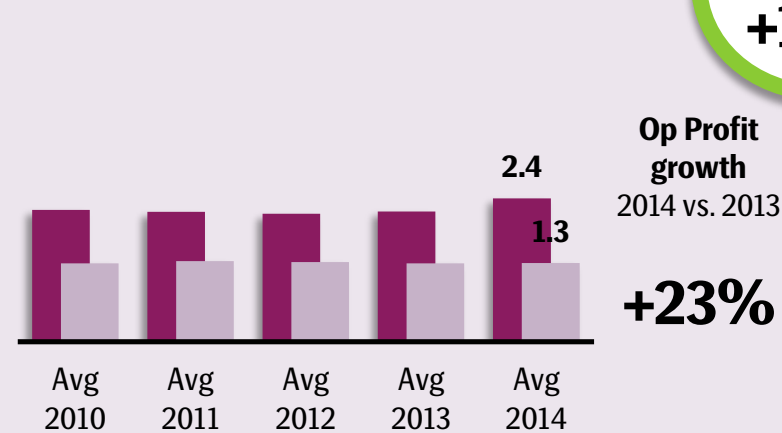
Merchant Banking



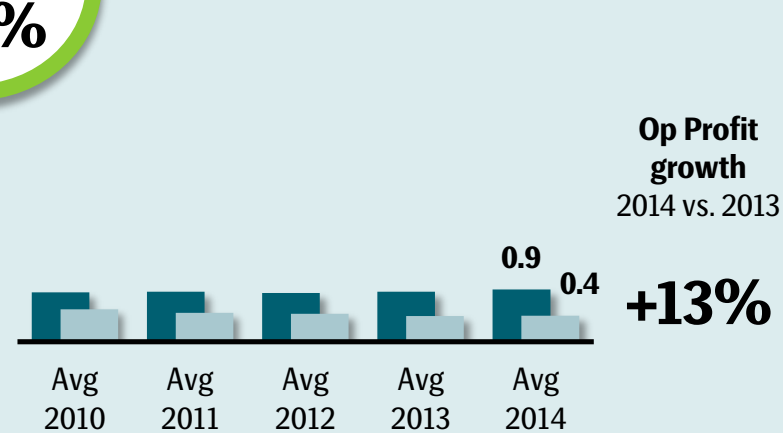
Retail Banking



Life & Wealth



Baltic

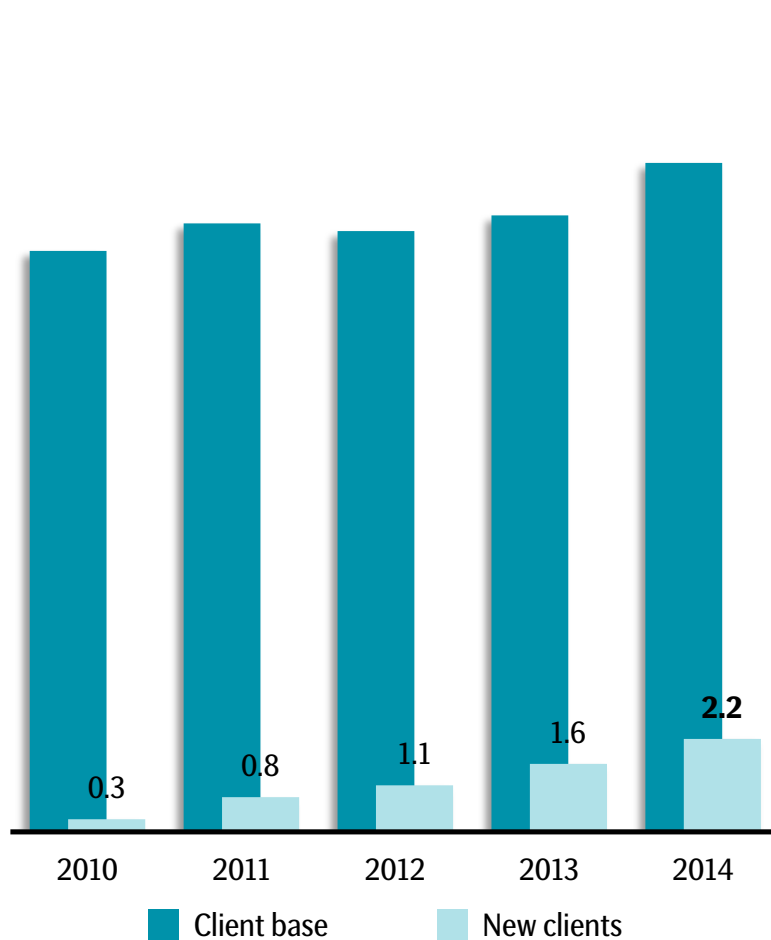


**SEB Group
Op profit*
+12%**

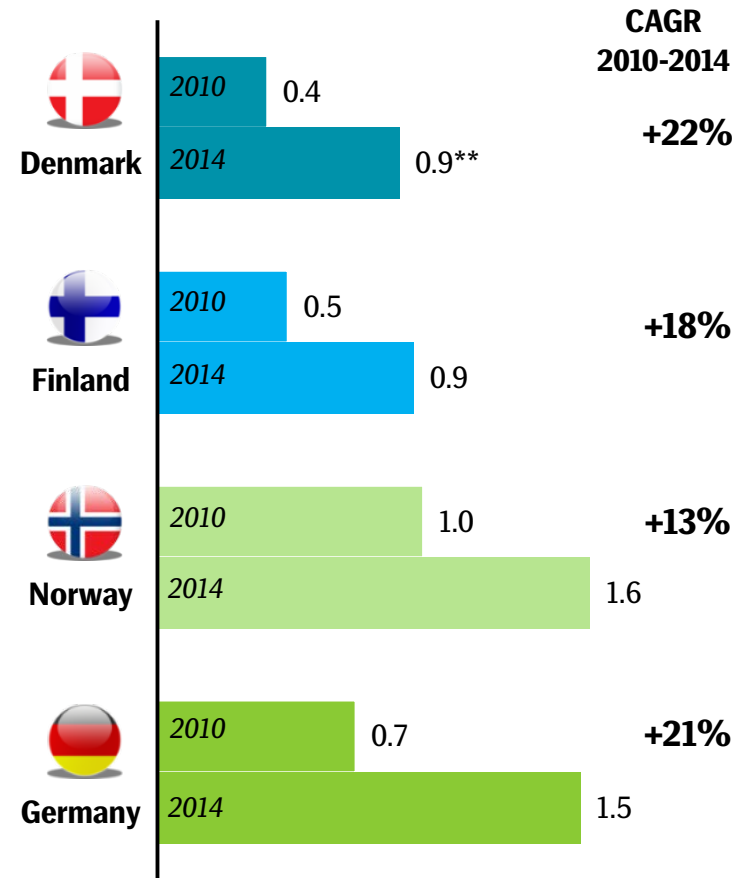
* Excluding one-off gains

Growth initiatives fuelling geographical diversification

Large Corporate & FI - Total Client Income



MB operating result per geography*

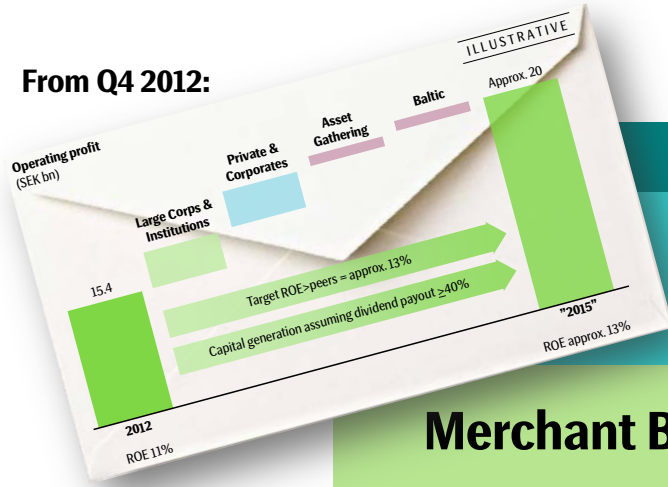


*FX adjusted

**Excluding one extraordinary item

Income growth in line with communicated target

From Q4 2012:



| | Growth target | |
|------------------|---------------|-----------------------|
| | Plan 2013-15 | Actual growth 2013-14 |
| Merchant Banking | ~15% | +14% |
| Retail Banking | ~20% | +14% |
| Life & Wealth | ~5% | +10% |
| Baltic | ~15% | +7% |
| Group | ~15% | +12% |

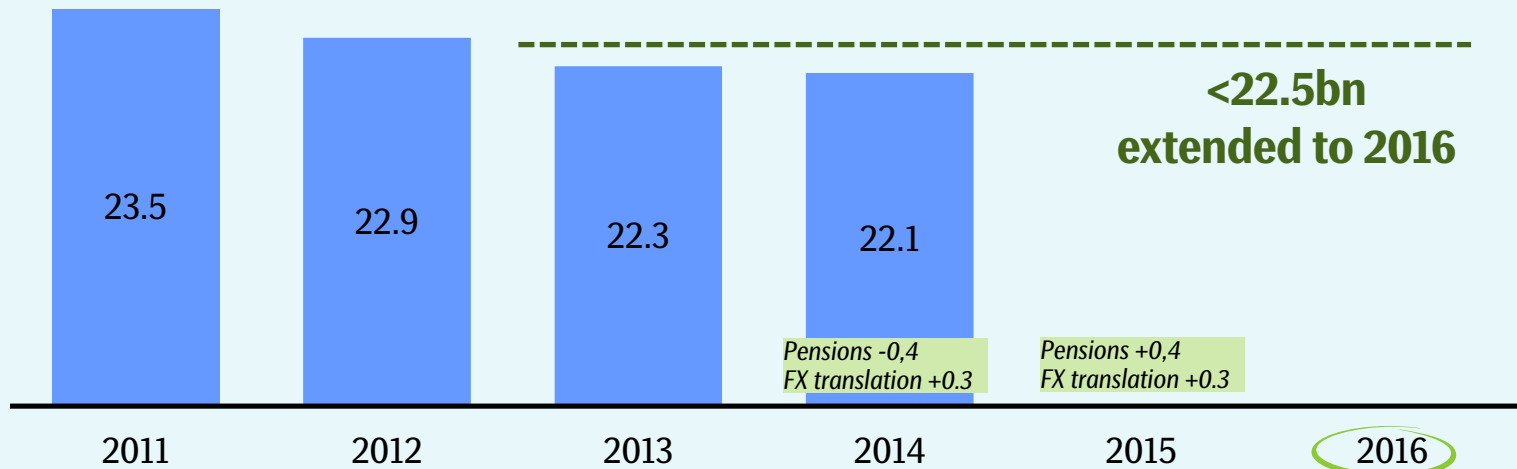
Increased leverage on existing cost caps

Activities

- Decentralisation
- Synergies and streamlining
- Investments in growth and customer interface
- Agile IT development
- Off-shoring

Self-financing growth

Operating expenses (SEK bn)



Strong asset quality and balance sheet

| | (SEK bn) | 2009 | 2013 | 2014 |
|-----------------------|-------------------------------|-----------------------------------|-------|--------|
| Asset quality | Non-performing loans | 28.6bn | 9.5bn | 10.6bn |
| | NPL coverage ratio | 65% | 72% | 59% |
| | Net credit loss level | 0.92% | 0.09% | 0.09% |
| Funding and liquidity | Customer deposits | 750bn | 849bn | 943bn |
| | Liquidity resources | >10% | ~25% | ~25% |
| | Liquidity coverage ratio | N.A. | 129% | 115% |
| Capital | CET 1 ratio (Basel 3) | 11.7% <small>Basel 2.5</small> | 15.0% | 16.3% |
| | Total capital ratio (Basel 3) | 14.7% <small>Basel 2.5</small> | 18.1% | 22.2% |
| | Leverage ratio (Basel 3) | N.A. | 4.2% | 4.8% |

Financial targets

Return on Equity

Competitive with peers
– long-term aspiration of 15%

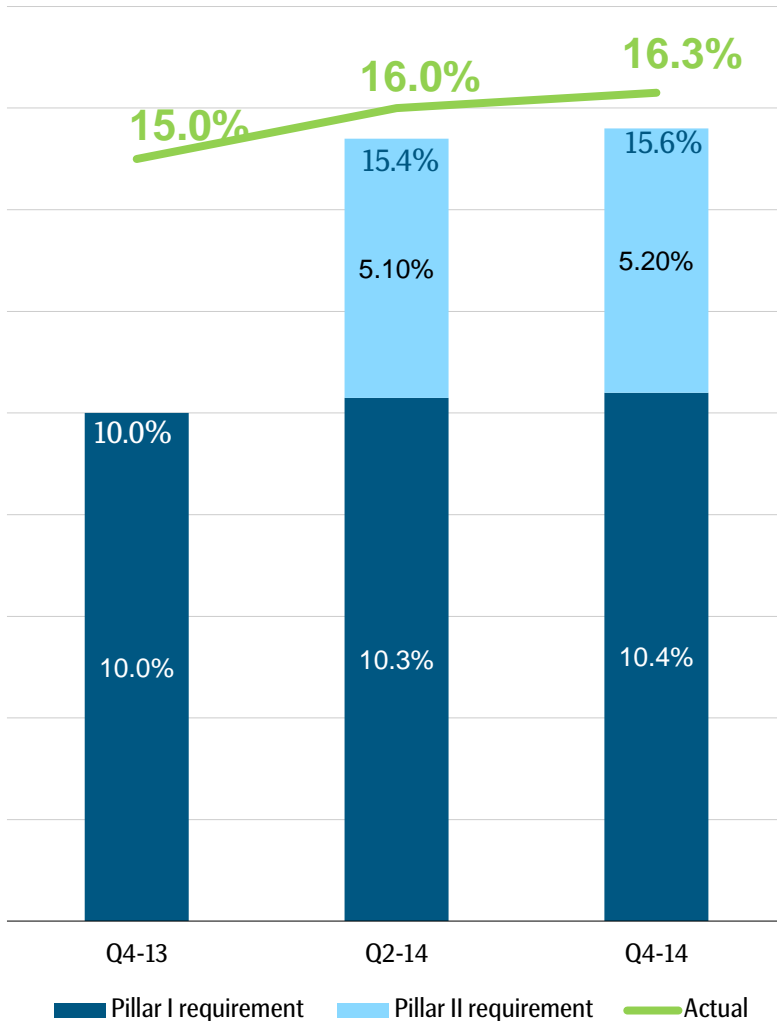
Common Equity
Tier 1 ratio

150bps buffer over regulatory
requirement

Pay-out ratio

40% or above of EPS

Capital target reflects dynamic capital requirements



Target: Management buffer ~150 bps

- Currency volatility
- Pension risk
- Macro development

~17% (proforma)

- Current understanding
- Current balance sheet

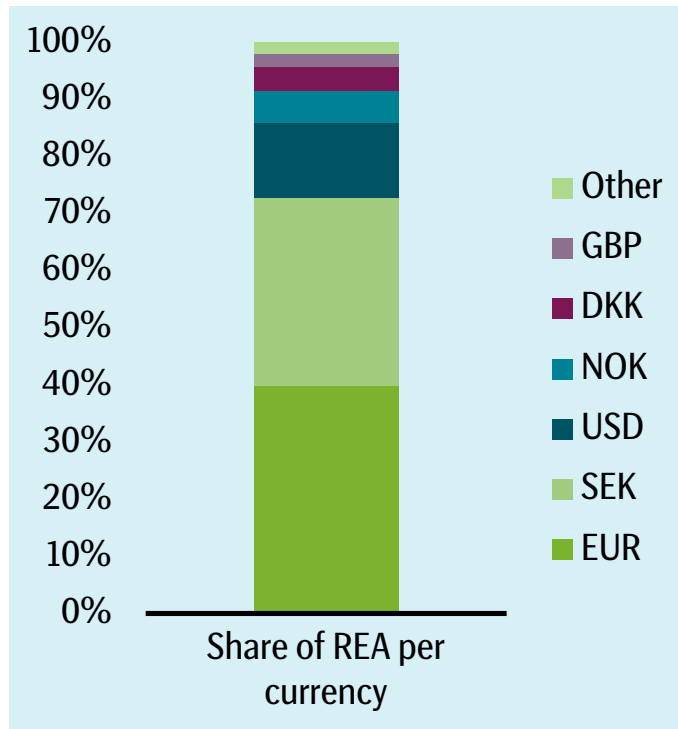
Strong internal capital generation

300bps p.a. CET1 ratio
(Net profit/REA before dividend)

Note: Estimated capital requirements are based on the SFSA's memorandum published in May and November 2014

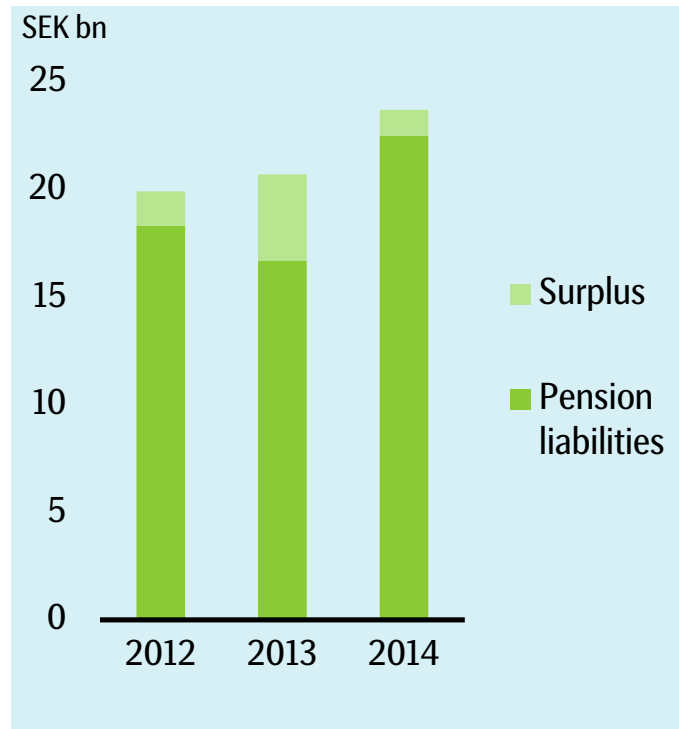
Reasons for 150 bps management buffer

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...

Going forward



Focus on customer relationships

Continued disciplined execution

**Resilience and long-term perspective
in challenging economic climate**