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SEB

The background features a composite image. On the left, a man in a light blue shirt is looking at a laptop screen. Behind him is a large, multi-story building with a green roof and many windows. The scene is set against a blue sky with white clouds. The entire image is overlaid with a green wavy graphic that flows across the top and bottom of the slide.

Cheuvreux Bank Capital Seminar

March 30, 2009

Capital Strategy

Capital Sensitivity

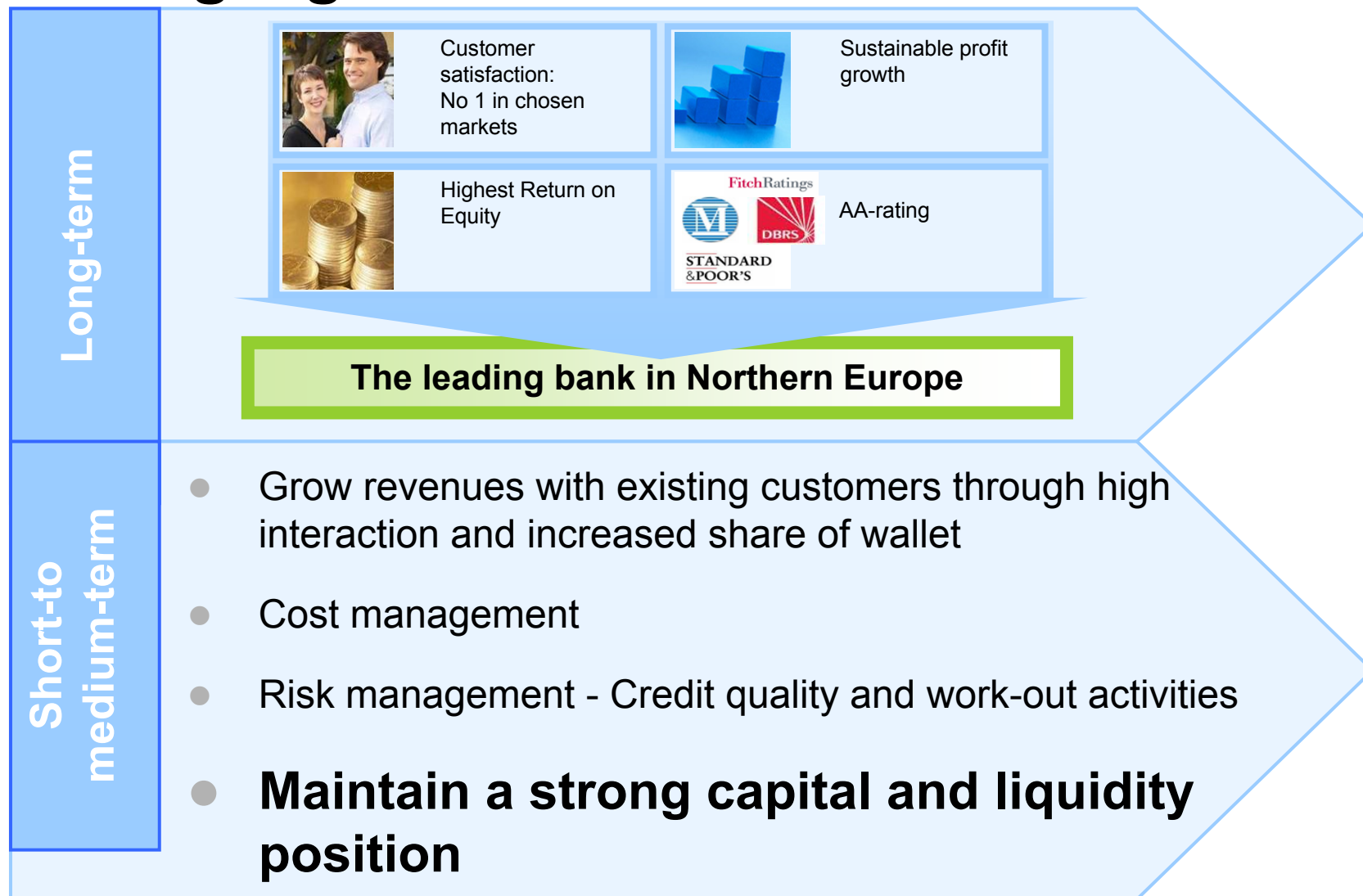
Quality of capital

Capital Strategy

Capital Sensitivity

Quality of capital

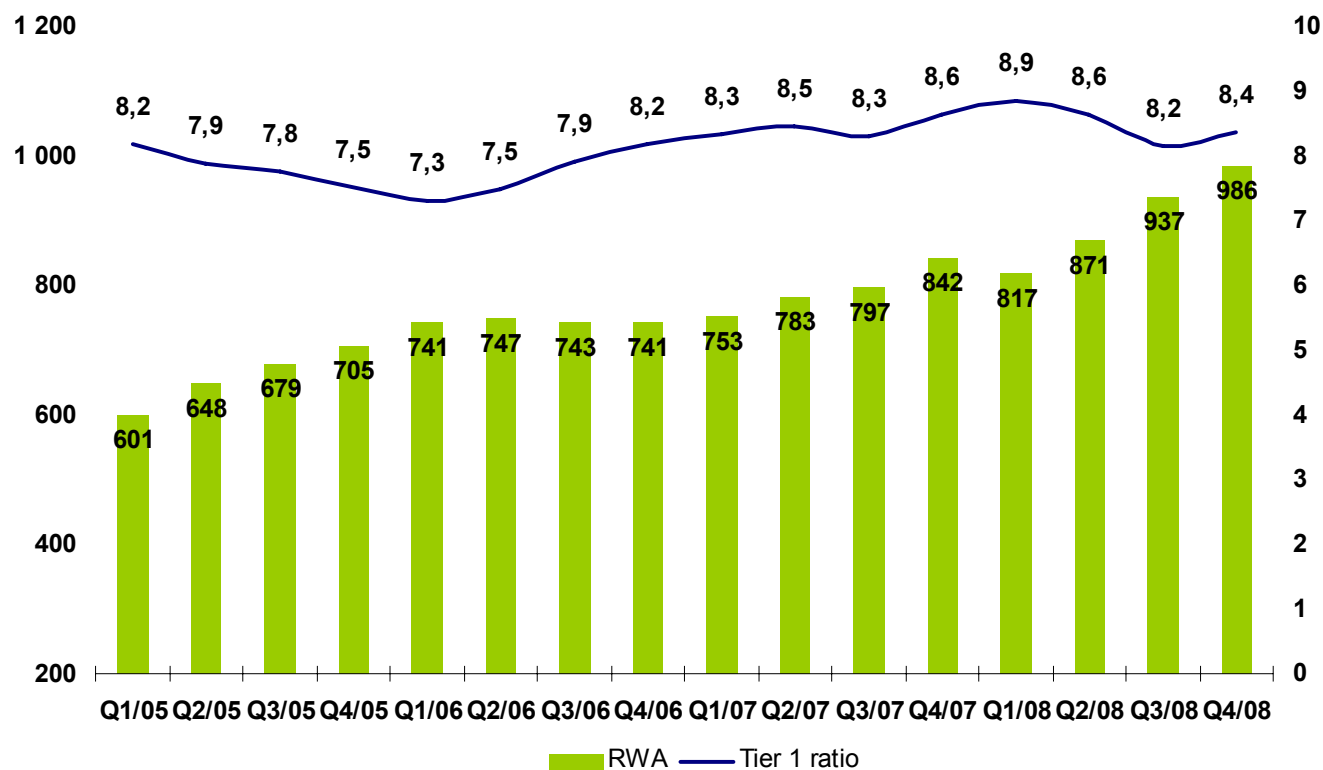
Strategic goals



SEB's Capital Strategy

- Already in 2005, SEB established a strategy to strengthen the Group's capital adequacy in order to:
 - Manage expected growth in business volumes
 - Create a capital buffer against a possible future economic down-turn with lower internal capital generation and effects from pro-cyclicality under Basel II
- Conservative view on the general effects from Basel II - no anticipated major capital relief from the lower reported RWA under Basel II.
- Commitment to maintain a strong capital position with conservative dividend policy
- In addition, SEB consistently works to improve the quality of its capital base

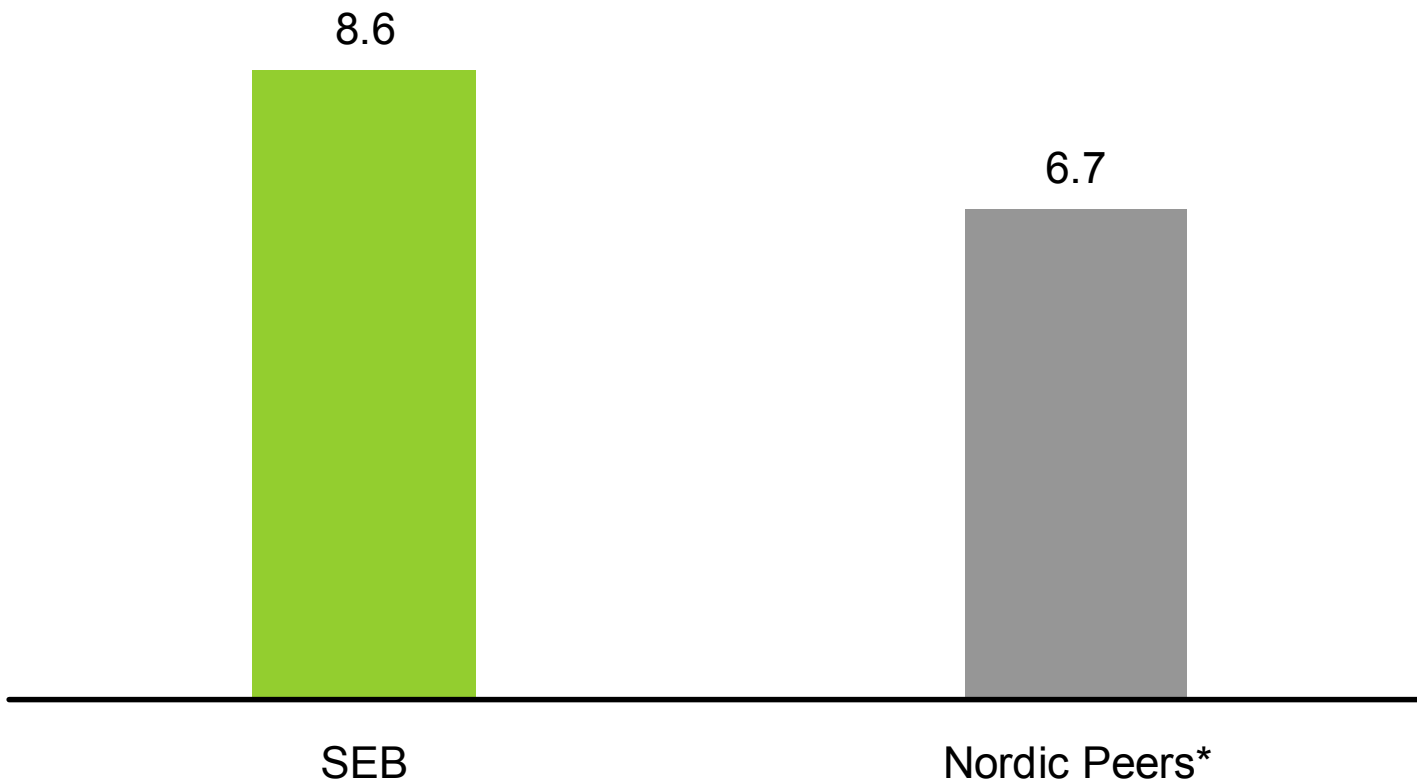
Capital adequacy development



- The growth in business volumes and risk weighted assets has been supported by the growth in the capital base which has lead to that the tier 1 ratio has continuously improved since 2005

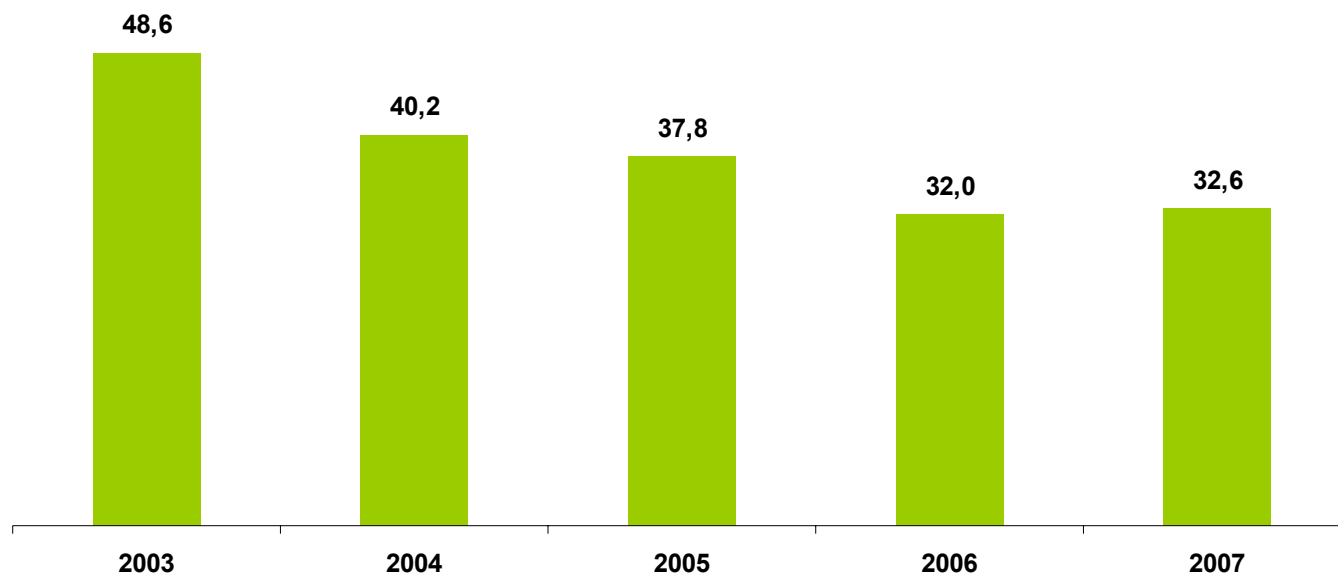
Capital position coming into the financial crisis

Reported Tier 1 ratio Q4 2007



* Average Reported tier 1 ratio for the 5 largest Nordic banks

Dividend - % of earnings



- Earnings has been retained in the capital base to support business growth and improve capital ratios to manage a down turn

Dividend policy

- No dividend for the 2008 financial year
 - Enhances SEB's capital position by SEK 4.5 bn, compared to maintaining the 2007 dividend
- SEB maintains its existing long-term dividend policy of 40% of earnings per share over a business cycle
 - Future dividends will be assessed in the light of prevailing economic conditions, SEB's earnings, capital position and growth potential
- Short-term focus on capital preservation

Recent measures taken to maintain a strong capital position

Announced capital measures of SEK 19.5 bn

The capital increase will be achieved through:

1. A fully committed and underwritten rights issue of SEK 15 bn of A-shares
2. No dividend payments for 2008

- 2008 YE pro forma Tier 1 Capital Ratio of 12.1% (Basel II without transition floor)
- New long-term Tier 1 Capital Ratio target of 10%

Background and rationale for capital measures

1

Further enhances capital ratios in response to the changing environment
- provides a substantial capital buffer

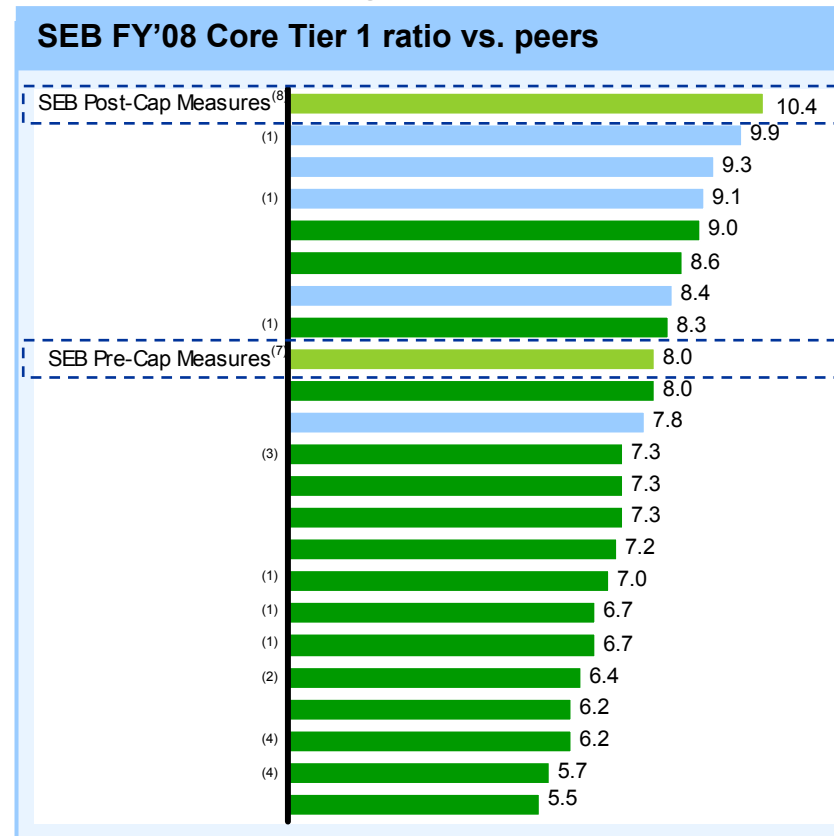
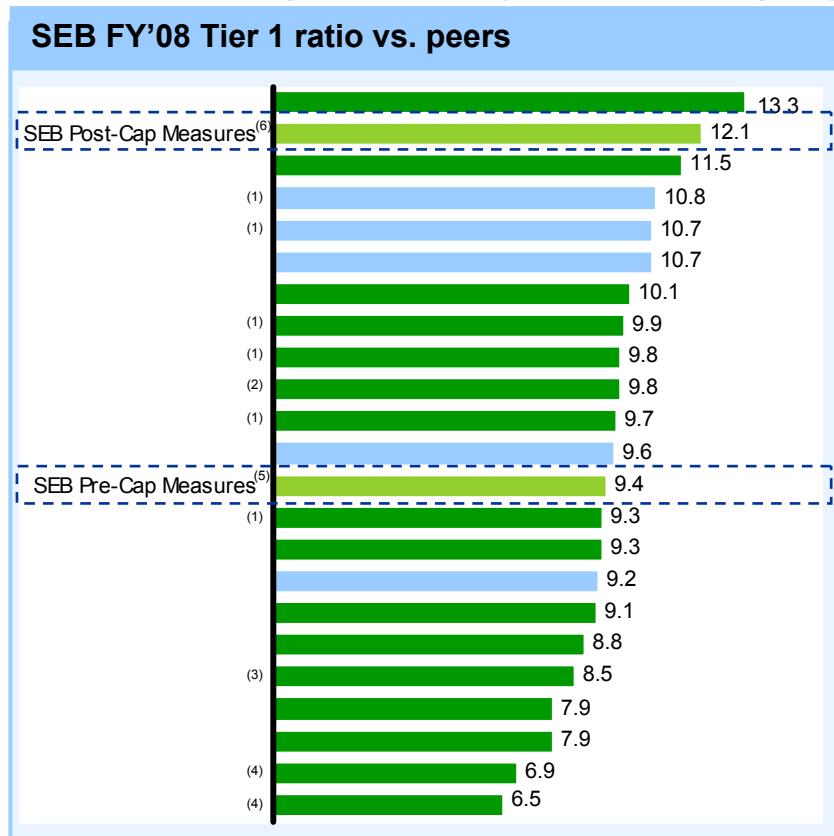
2

Enhances SEB's ability to be a strong business partner for its customers

3

Addresses market expectations of higher levels of capital in the banking sector

- Rights issue positions SEB in the top quartile of capital ratios among European and Nordic peers
- SEB is acting pro-actively in addressing any concerns surrounding its capital position



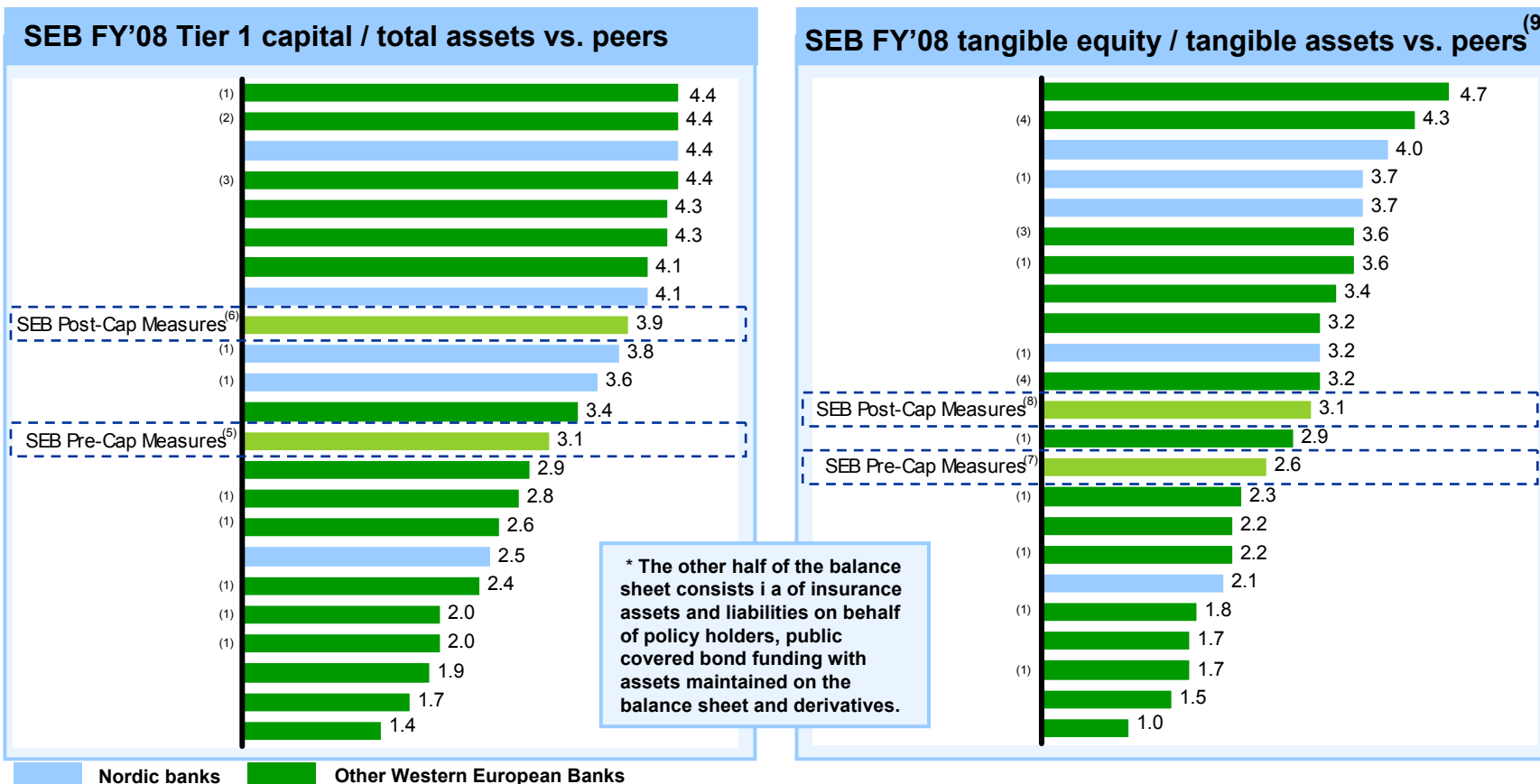
■ Nordic banks
 ■ Other Western European Banks

Ratios are based on latest available company reports (presented on Basel II basis and, where available, without transitional floors) and adjusted pro forma for announced dividend cuts, capital injections, mergers and acquisitions. Peers include the top 20 Western European banks by market cap and the six largest Nordic banks by market cap as at 03/03/2009.

Notes:

(1) Pro forma for capital injection (2) Pro forma for acquisition (3) As of 30/06/2008 (4) As of 30/09/2009 (5) Based on Tier 1 capital of SEK82,463 M as of 31/12/08, less SEK4,500 M of dividend cancelled pursuant to capital measures announced by SEB, less reduction in Tier 1 capital contribution of SEK786 M from perpetual subordinated debts as a result of the decreased share capital level, divided by total risk-weighted assets of SEK 817,788 M (6) Based on Tier 1 capital of SEK98,666 M, as adjusted for the amount of net proceeds of the rights issue, divided by total risk-weighted assets of SEK 817,788 M (7) Tier 1 capital per footnote (5) less Tier 1 capital contribution of SEK 12,371M, divided by risk-weighted assets of SEK 817,788M (8) Tier 1 capital per footnote (6) less Tier 1 capital contribution of SEK 13,974M, divided by risk-weighted assets of SEK 817,788M.

- Rights issue significantly improves leverage ratios
- SEB's lending to the public only constitutes half of the balance sheet *



Ratios are based on latest available company reports (intangible assets from most recent disclosure provided) and adjusted pro forma for announced dividend cuts, capital injections, mergers and acquisitions. Peers include the top 20 Western European banks by market cap and the six largest Nordic banks by market cap as at 03/03/2009.

Notes:

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Capital Strategy

Capital Sensitivity

Quality of capital

Capital sensitivity

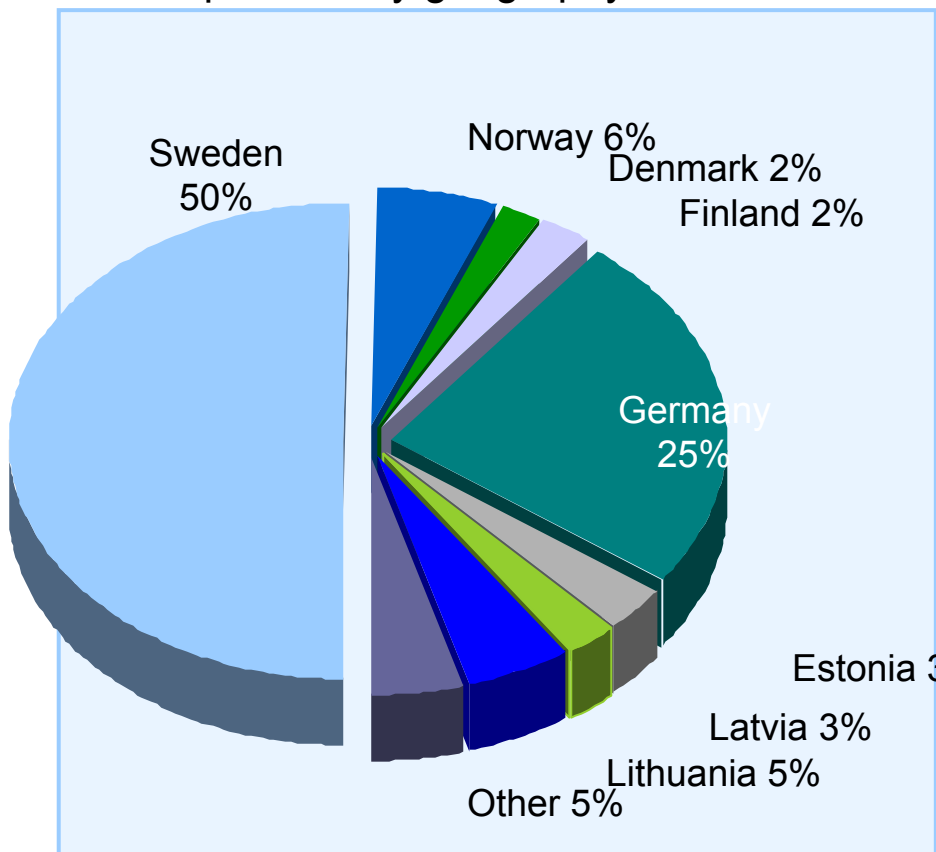
Main drivers

- Currency mis-match between risk weighted assets and capital base
- Risk class migration Risk on new exposures (“entries”) and maturing exposures (“exits”)

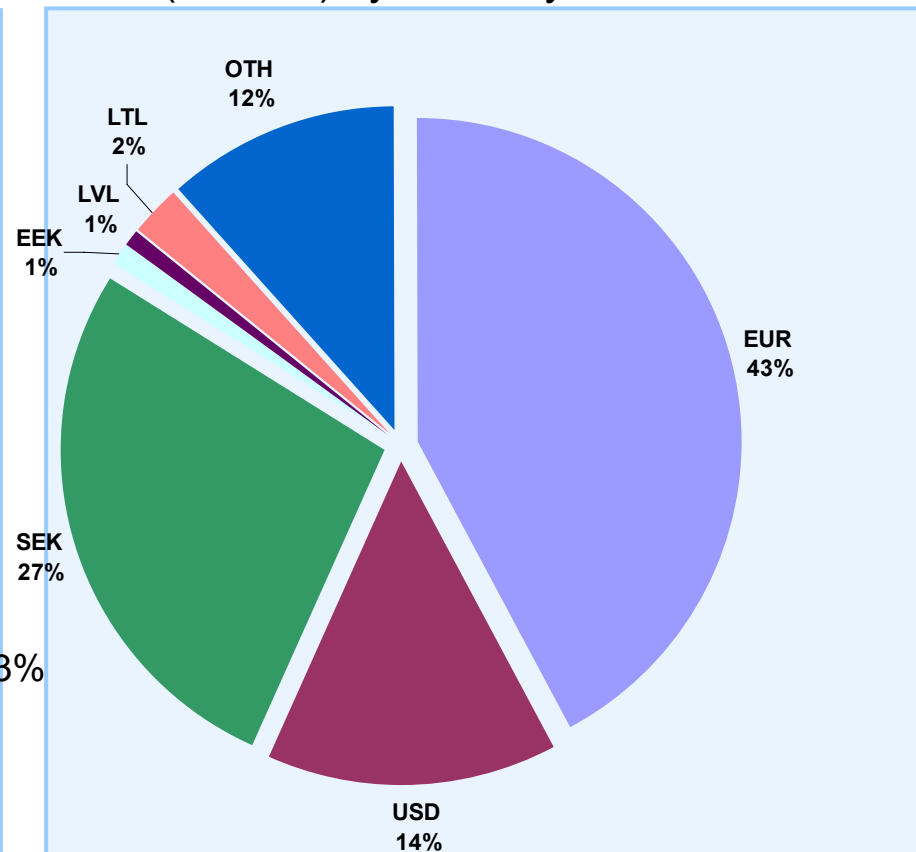
Stress test

Distribution of credit portfolio and credit risk RWA

Credit portfolio by geography



RWA (Basel II) by currency



Currency composition of the tier 1 capital

Tier 1 capital	31 Dec
SEKm	2008
Total equity according to balance sheet	83 729
./. Dividend (excl repurchased shares)	0
./. Deductions for investments outside the financial group of undertakings	-76
./. Other deductions outside the financial group of undertakings	-2 878
= Total equity in the capital adequacy	80 775
Adjustment for hedge contracts	-1 395
Net provisioning amount for IRB-reported credit exposures	-1 133
Unrealised value changes on available-for-sale financial assets	3 062
./. Goodwill	-7 305
./. Other intangible assets	-2 090
./. Deferred tax assets	-1 822
= Core Tier I capital	70 092
Tier I capital contribution (Hybrid capital)	12 371
= Tier I capital	82 463

Mainly SEK denominated due to equity hedging of non-Swedish subsidiaries

USD 1 100 M
EUR 500 M

The mis-match between the currency distribution of credit risk RWA and the currency composition of the tier 1 capital implies that capital ratios will be affected by changes in the FX rates.

Risk class migration

Background on SEB's methodology

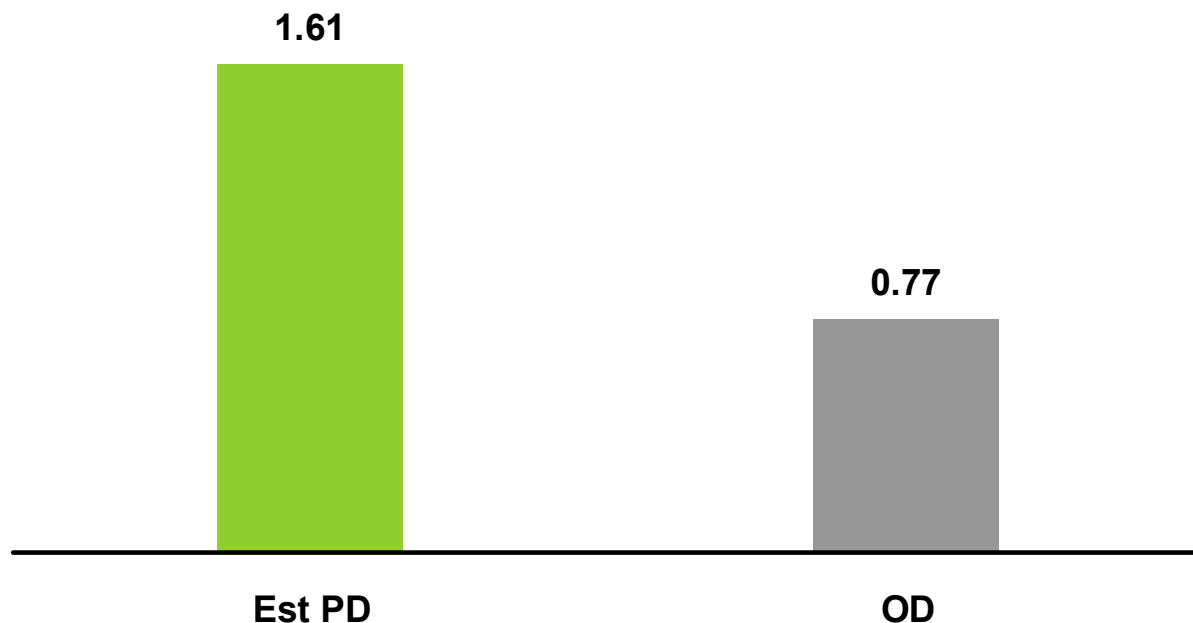
- SEB uses through-the-cycle Probability of Default (PD) estimates
- Reflects the expected long-term average default frequency over a full business cycle
- The PD values are calculated as averages of the internal* historical observed default frequencies over one or more full business cycles (data from the early 1990s).
- Similarly Loss Given Defaults (LGD)** and Credit Conversion Factors (CCF)** estimates are based on the Group's historical data together with relevant external data used e.g. for business cycle

** In those geographies where internal data has been insufficient, external data have been used*

*** For those models where own estimates are used*

Estimated Probability of Default (PD) frequency versus Observed Default (OD) frequency

Non-retail portfolio, 2008



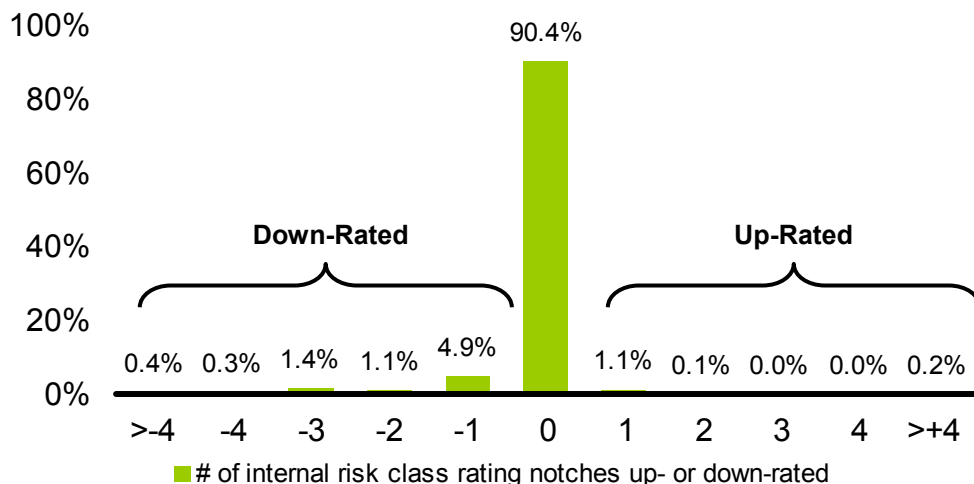
- Buffer for higher actual observed defaults compared to estimated PD
- No trigger for a general risk class migration across the portfolio

Average risk class and risk class migration 2008

Loan book quality improved despite challenging environment

- Average risk class of corporate book improved in 2008
- Limited impact of risk class migration
- New lending to high grade customers more than offset risk class migration in 2008

Corporate risk class migration during Q4 2008*



* Based on SEK 778bn of Exposure at Default (EAD) included in the IRB reported RWA calculation and where exposures existed at the end of Q3 and Q4 2008. As such, 94% of the Group's corporate EAD for IRB is included. The remainder is explained by the inclusion of additional volumes in IRB during the quarter.

SEB Group	Average risk class (Excl households and banks)
• Average year-end 2007	6.95
• Net negative risk migration	+0.15
• Effect from new volumes	-0.30
• Average year-end 2008	6.81

In 2008, ratings migration of non-retail exposure is estimated to have increased RWA net by SEK 23bn, 2.8%.

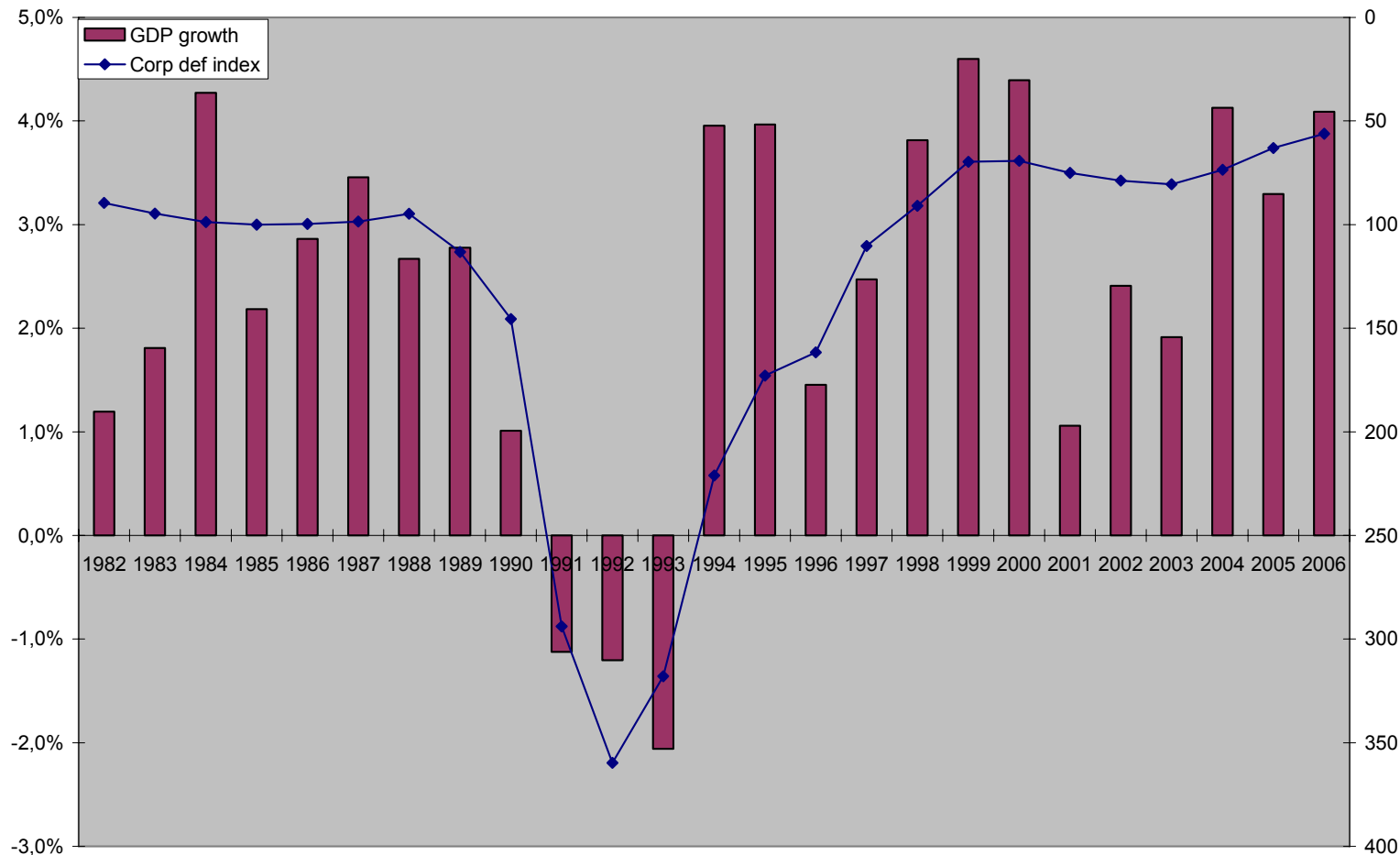
Stress tests

Integrated part of capital planning

- “Bottom-up” approach to stress testing, utilizing all SEB areas of expertise
- Estimated the impact of a range of GDP scenarios, including a severe worsening, in each of our core markets on
 - revenues and expenses
 - loan losses
 - capital and capital requirements
- Modelled scenarios, taking into account a range of GDP scenarios and drawing upon experience of the Swedish banking crisis in the early 1990’s and past crises comparable to the one in Baltics

Example

Regression of Swedish Bankruptcy index with GDP growth



Actual bankruptcy rates correlate well to GDP and form a good base for the modelling

Capital Strategy

Capital Sensitivity

Quality of capital

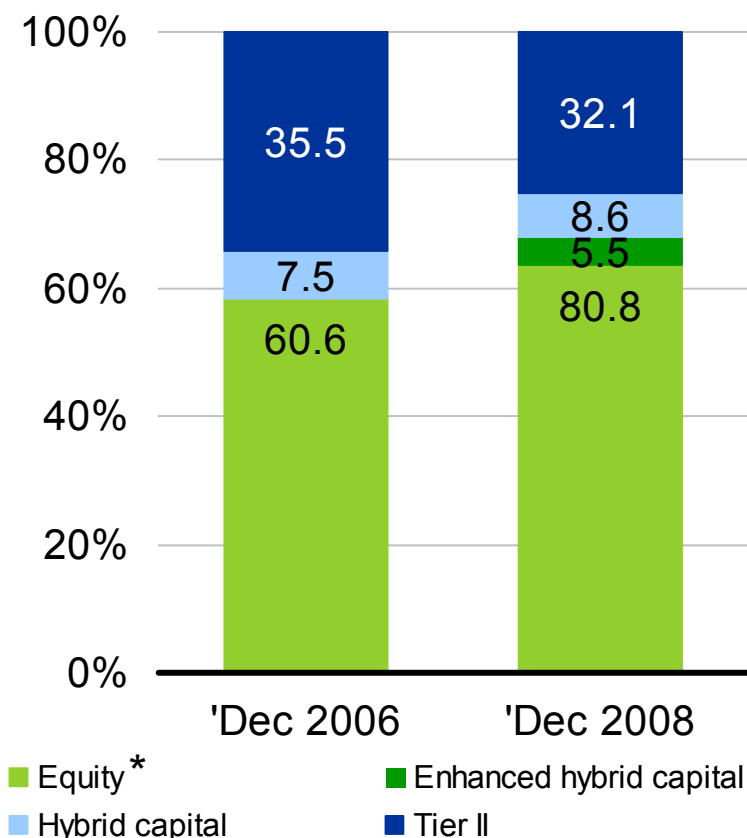
Quality of the capital base

Focus on true loss absorption

Focus on core capital but hybrid capital with true loss absorption valuable as a complement

Active strategy to improve the quality and loss absorption capacity of the capital base:

- LT2 redemption in June 2007 replaced by hybrid tier 1 capital in December 2007
- € 500 hybrid tier 1 capital issued in December 2007 - enhanced loss absorption capacity; cancellation of coupon payments and write-down of principal pre-liquidation



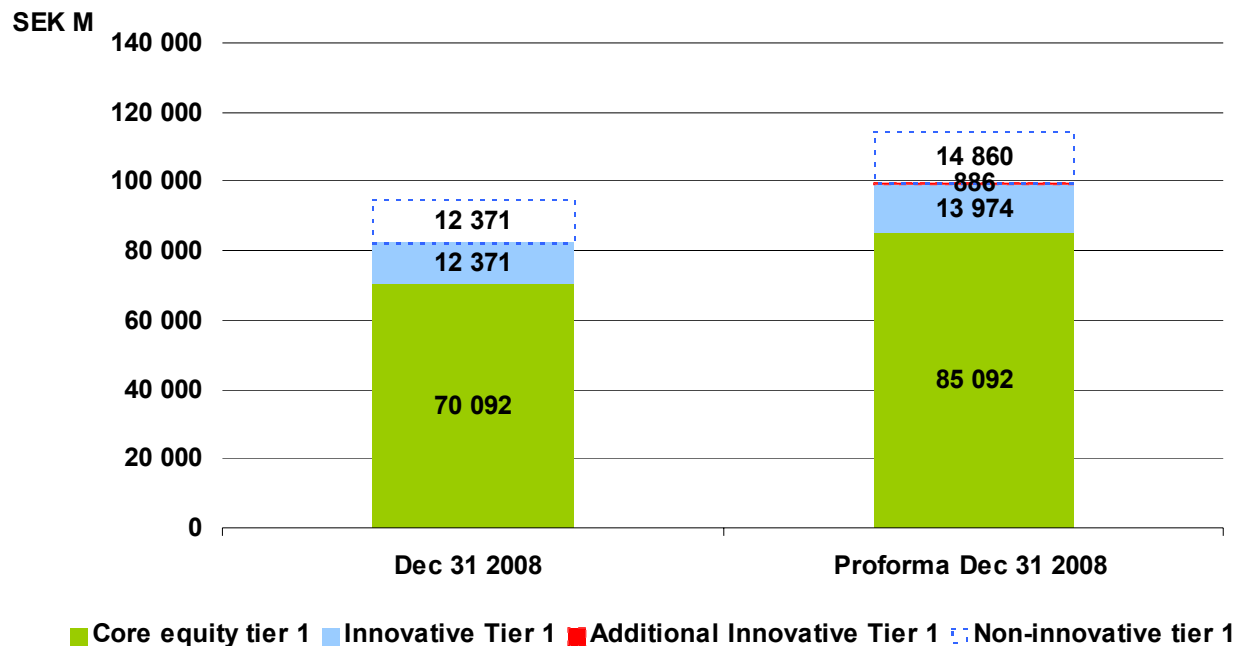
* Total equity in the capital adequacy

Capital base

Capital base SEKm	December 31, 2008	PF December 31, 2008 (Rights issue of SEK 15 bn)
Total equity according to balance sheet	83 729	98 729
./. Proposed dividend (excl repurchased shares)	0	0
./. Deductions for investments outside the financial group o	-76	-76
./. Other deductions outside the financial group of undertak	-2 878	-2 878
Total equity in the capital adequacy	80 775	95 775
Adjustment for hedge contracts	-1 395	-1 395
Net provisioning amount for IRB-reported credit exposures	-1 133	-1 133
Unrealised value changes on available-for-sale financial as	3 062	3 062
./. Goodwill	-7 305	-7 305
./. Other intangible assets	-2 090	-2 090
./. Deferred tax assets	-1 822	-1 822
Core equity Tier 1	70 092	85 092
Hybrid tier 1 capital	12 371	13 974
Tier 1 capital	82 463	99 066
Dated subordinated debt	21 552	21 552
./. Deduction for remaining maturity	-2 242	-2 242
Perpetual subordinated debt	14 421	12 892
Net provisioning amount for IRB-reported credit exposures	-1 133	-1 133
Unrealised gains on available-for-sale financial assets	1 221	1 221
./. Deductions for investments outside the financial group o	-76	-76
Supplementary capital (tier 2)	33 743	32 214
./. Deductions for investments in insurance companies	-10 620	-10 620
./. Deduction for pension assets in excess of related liabiliti	-863	-863
Capital base	104 723	119 797

Capital base incl rights issue

Hybrid capital capacity



- The rights issue will increase the space for innovative hybrid capital by c. SEK 2,5 bn. The c. SEK 1,6 bn of SEB's existing non-innovative hybrid capital that currently falls outside the 15 % limit will be included as tier 1 when the rights issue is finalized. This leaves an unutilized amount of c. SEK 0,9 bn of innovative hybrid space.
- The current unutilized space for non-innovative hybrid capital will increase from SEK 12,7 bn to SEK 14,9 bn

Issued subordinated debt

Issue date	Ratings	Format	Maturity date	First call date	Step-up	Currency	Size (mn)
Lower Tier II Issues							
6-Oct-04	Aa3/A/A	10NC5	6-Oct-14	6-Oct-09	3-mth € + 175 bps	EUR	750
20-May-03	Aa3/A/A	12NC7	28-May-15	28-May-10	3-mth € + 213 bps	EUR	500
15-Sep-05	Aa3/A/A	12NC7	28-Sep-17	28-Sep-12	3-mth €+ 175bps	EUR	500
Upper Tier II Issues							
25-okt-00	Aa3/A-/A	PerpNCIO	Perpetual	30-okt-10	3-mth \$L + 280 bps	USD	2
9-Dec-05	Aa3/A-/A	PerpNCS	Perpetual	09-dec-10	3-mth £L+ 183bps	GBP	500
28-Nov-06	Aa3/A-/A	PerpNCS	Perpetual	28-nov-11	3-mth £L+ 184bps	GBP	375
29-Dec-97	Aa3/A-/A	Perpetual	Perpetual	28-jan-28	6-mth JPY L + 150 bps	JPY	15 000
26-Jun-95	Aa3/A-/A	Perpetual	Perpetual	24-nov-15	6-mth JPY L + 200 bps	JPY	10 000
Tier I Issues - Hybrid capital							
19-Mar-04	A1/A-/A	PerpNCIO	Perpetual	25-mar-14	3-mth \$L+ 182bps	USD	500
23-Mar-05	A1/A-/A	PerpNCIO	Perpetual	23-mar-15	3-mth \$L+ 154bps	USD	600
17-Dec-07	A1/A-/A	PerpNCIO	Perpetual	21-dec-17	3-mth € + 340 bps	EUR	500