


Fredrik Boheman

Executive Vice President

Head of Wealth Management

The background features a light gray surface with a white wavy line running across it. Below the line, there are four reflective spheres: a blue one on the left, a gold one in the center, a dark green one to the right, and a multi-colored one on the far right. The bottom of the slide is a solid green color with a white wavy line separating it from the gray area above.

Trends in Asset Management

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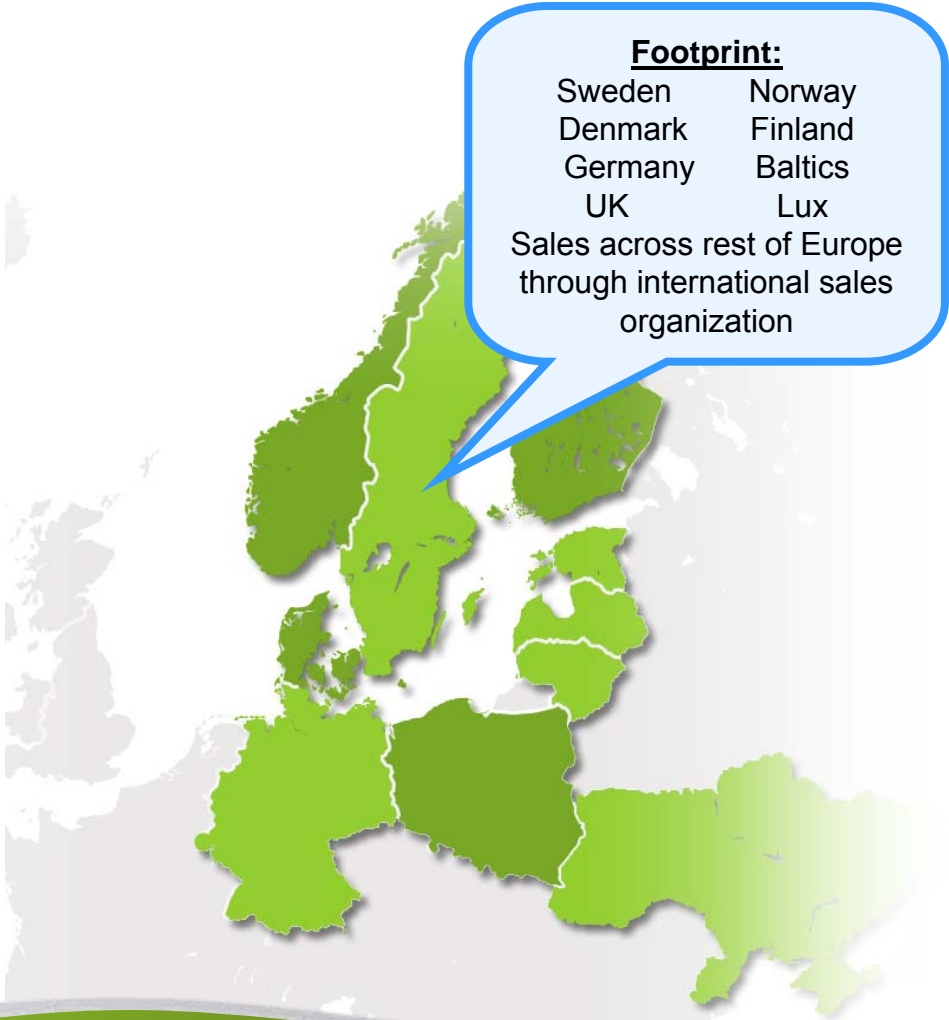
- SEB Wealth Management
- Trends on the Nordic asset management market
- Our beliefs

SEB Wealth Management



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SEK m	Q1 2010 Δ 2009	
Total income	997	15%
Total expenses	- 636	- 3%
Operating profit	360	75%
RoBE, %	20.1	10.8
C/I	0.64	0.75
Total AuM	1,300	2%



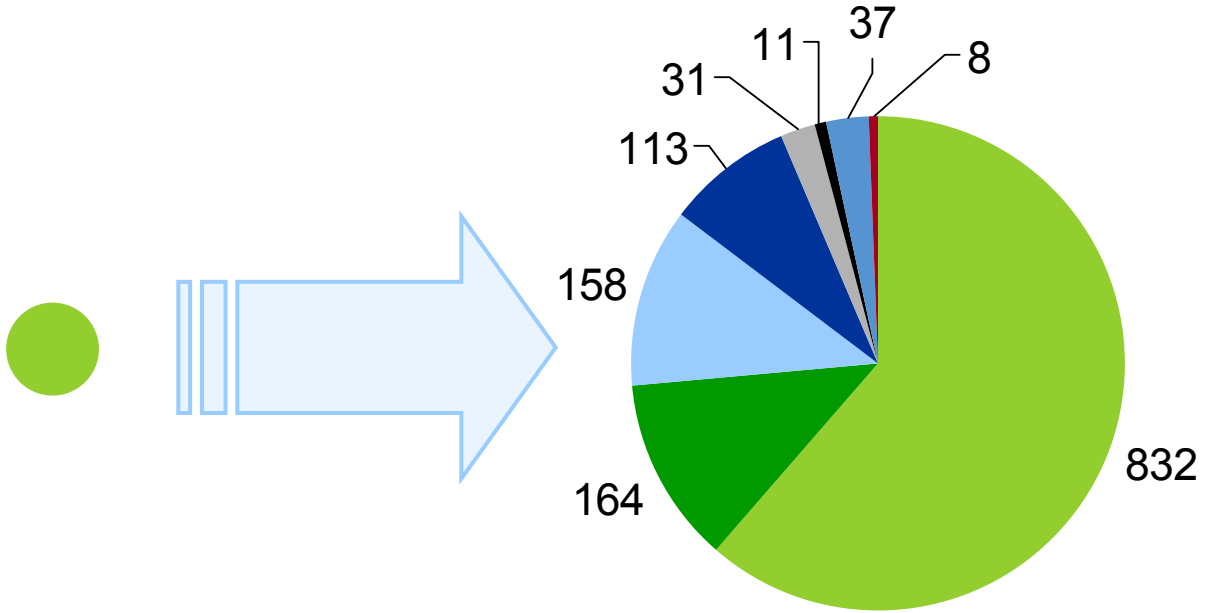
Financial development

SEKm	FY 2006	FY 2007	FY 2008	FY 2009	YTD Q1 2010
Income	4 595	5 085	4 688	3 646	997
Expenses	-2 292	-2 440	-2 659	-2 569	-636
Profit	2 357	2 637	2 011	1 079	360
C/I	0,50	0,48	0,57	0,70	0,64
FTE:s (period-end)	1 300	1 073	1 088	1 000	972
AuM (period-end), SEKbn	1 192 *	1 285	1 142	1 275	1 300

From a Swedish mutual fund company to a North-European Asset Manager

1996¹⁾
AuM SEK 100 bn

2010²⁾
AuM SEK 1 300 bn



- Sweden
- Denmark
- Germany
- Finland
- Baltics
- Key
- Luxembourg
- Other³⁾

1) Asset Management only
2) 2010-03-31 AuM
3) Other; Norway and International Sales

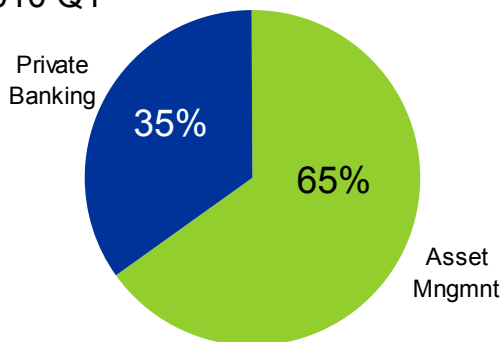
Strong growth helped by the market and our set-up

- A well diversified client base, catered to with different sales models
- Broad geographic presence
- Diversified solution and product portfolio

Wealth Management consists of Asset Management and Private Banking

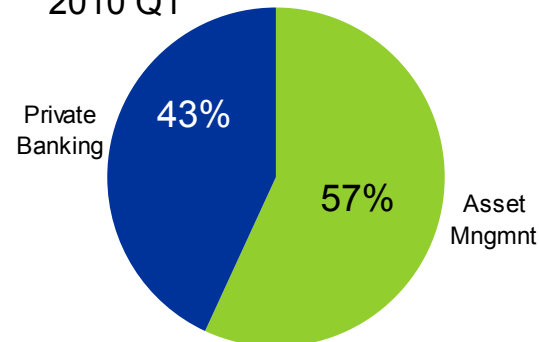
Share of total income

2010 Q1



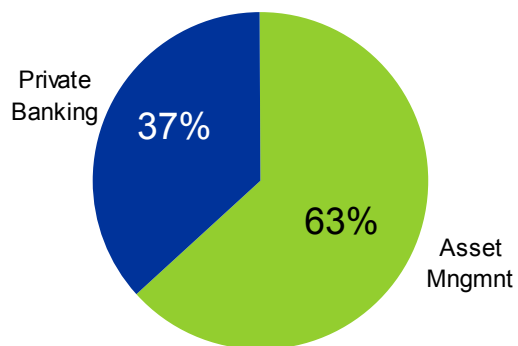
Share of total operating profit

2010 Q1



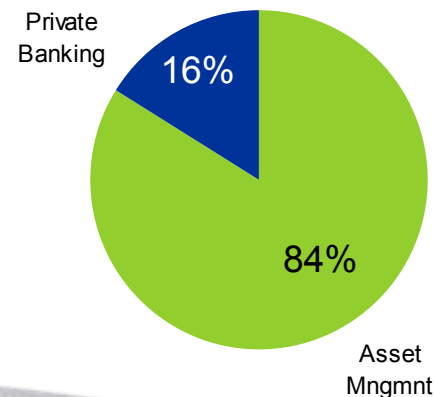
Share of FTE

2010 Q1



Share of AuM

2010 Q1



A well diversified customer base

	<u>Customers</u>	<u>End customers</u>	<u>Importance (% of AuM)</u>	<u>Revenue drivers</u>
Institutional Clients	Institutions	Institutions	29%*	<ul style="list-style-type: none"> • AuM • Product mix (e.g. 50bp vs. 130bp) • Investment performance (performance fee)
	Life mandates	Institutions	24%*	
	Retail	Retail/affluent individuals	24%	
	3rd party distributors	Retail/affluent individuals	8%	
Private Banking	Private Banking	High net worth individuals	15%	<ul style="list-style-type: none"> • As above and • Loan and deposit volumes (NII) • Transactions (brokerage)

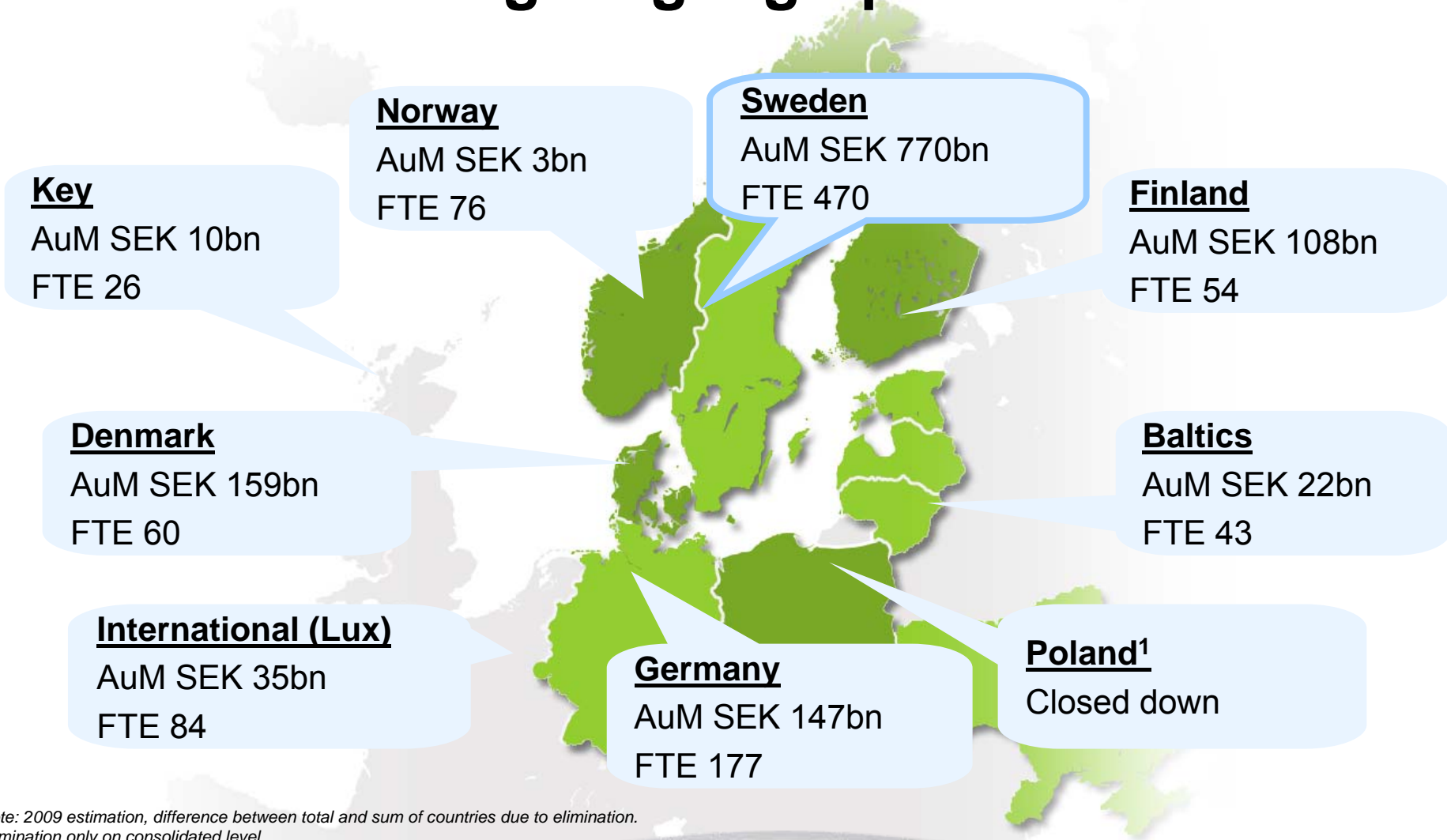
Note: Nov 2009; Trygg Liv is included in Retail and Private Banking
 * The two large institutional clients Gamla Liv and SEB Pension categorized under Life

We meet very varying client needs:

Our capabilities range from defining needs and holistic offering to supplying building blocks for solutions

	Client segments	Product needs	Demands
Institutional Clients	Large institutions (tier 1)	<ul style="list-style-type: none"> ● High quality products, alpha ● Exposures (beta) 	<ul style="list-style-type: none"> ● Growing interest in solutions and innovative products starting to show ● Due diligence process
	Small & medium institutions (tier 2-3)	<ul style="list-style-type: none"> ● Portfolio solutions ● Multi-asset management ● Holistic advice 	<ul style="list-style-type: none"> ● Strong focus on solutions ● Relationship model
	Foundations	<ul style="list-style-type: none"> ● Portfolio solutions ● Legal, finance, admin. Support ● Holistic capabilities 	<ul style="list-style-type: none"> ● Solutions and holistic offering key for sales ● Relationship model
	Retail & Trygg Liv	<ul style="list-style-type: none"> ● Full offering – guided architecture ● Sales, product and marketing support 	<ul style="list-style-type: none"> ● Growing interest in solutions starting to show
	3rd party distributors	<ul style="list-style-type: none"> ● High quality products, alpha ● Innovation ● Partnerships / broad offering 	<ul style="list-style-type: none"> ● Mainly single product demand ● Some interest in solutions starting to show
Private Banking	Private clients	<ul style="list-style-type: none"> ● Portfolio solutions ● Personal CFO ● External products 	<ul style="list-style-type: none"> ● Solutions and holistic offering key for sales

Sweden, Germany and International PB are the largest geographies



Note: 2009 estimation, difference between total and sum of countries due to elimination.

Elimination only on consolidated level

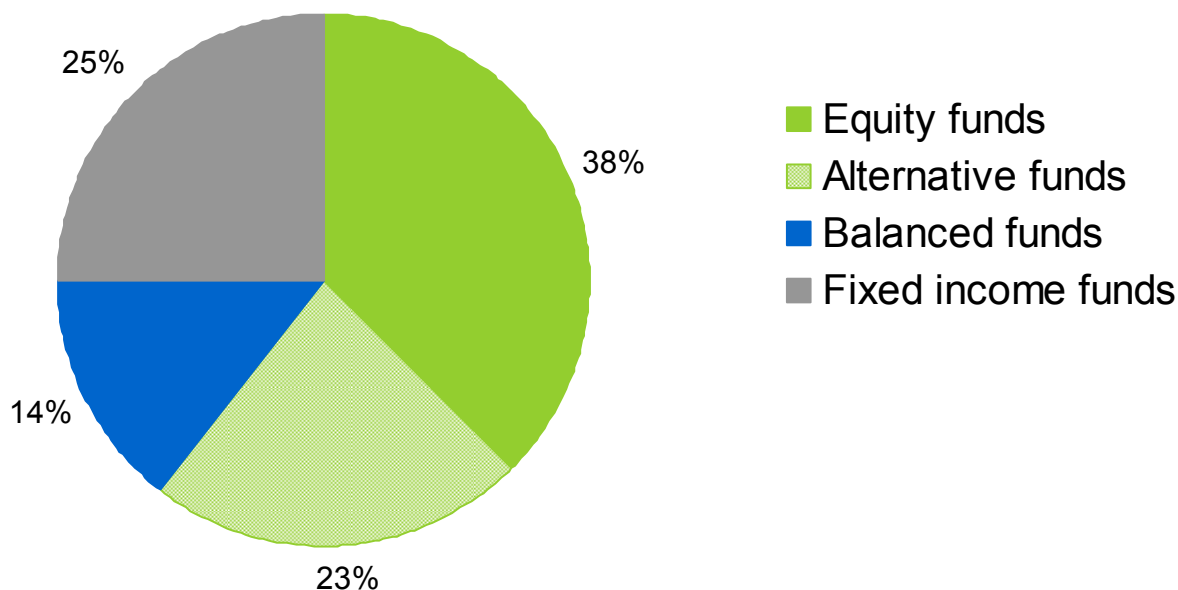
1) Poland is closed down and fund company sales commission included with 30 m SEK

SEB WM funds have well diversified assets under management

Mutual funds

2010 Q1

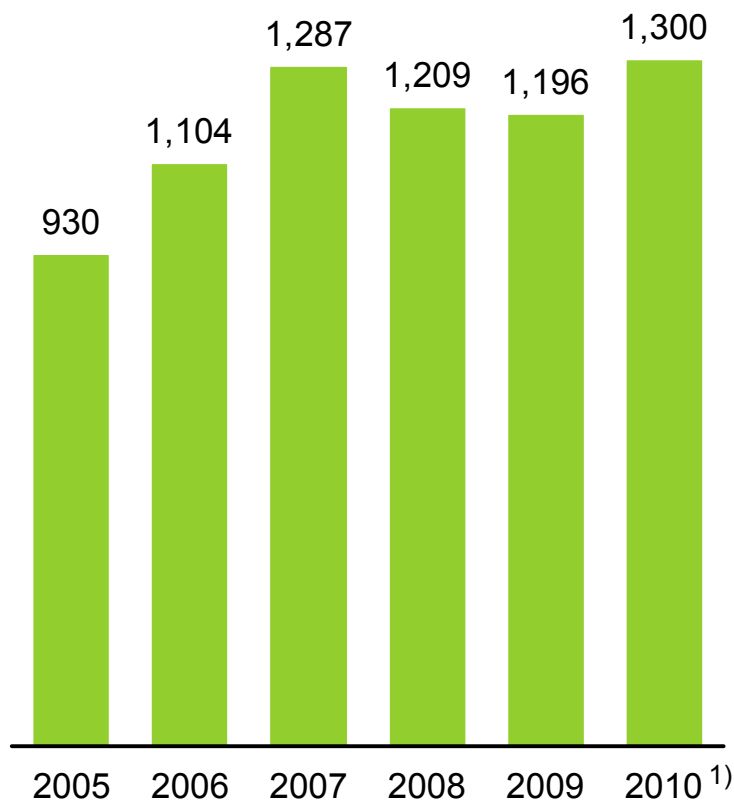
Total SEK 538 bn



Whereas AUM has been volatile, our inflows have been constantly positive

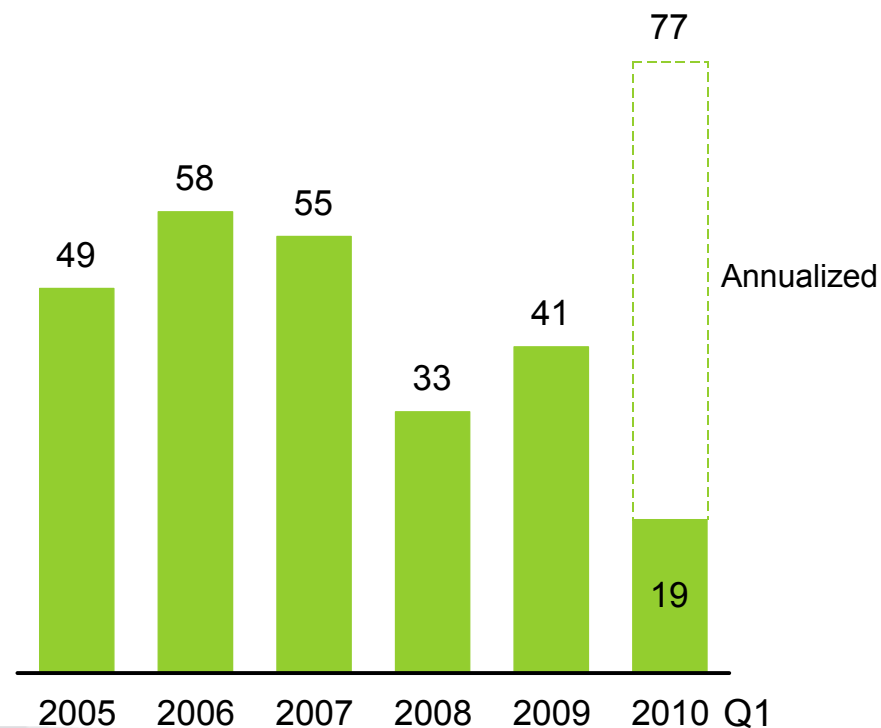
Wealth Management avg. annual AuM

SEK bn



Wealth Management Net New Money

SEK bn

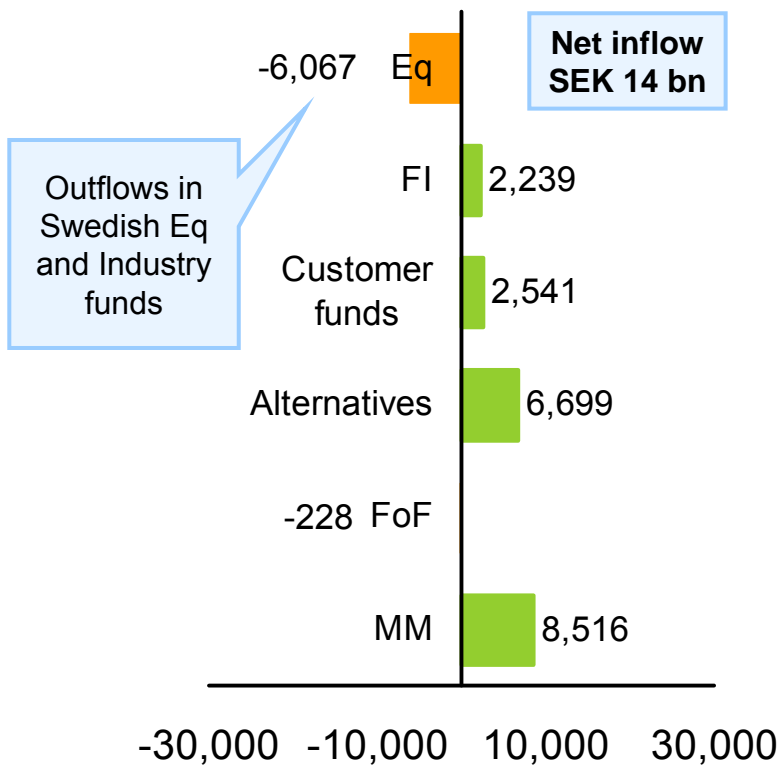


1) 2010-03-31 for AuM and 2010 Q1 Net New Money

Equity and FI mutual funds have experienced highest inflows

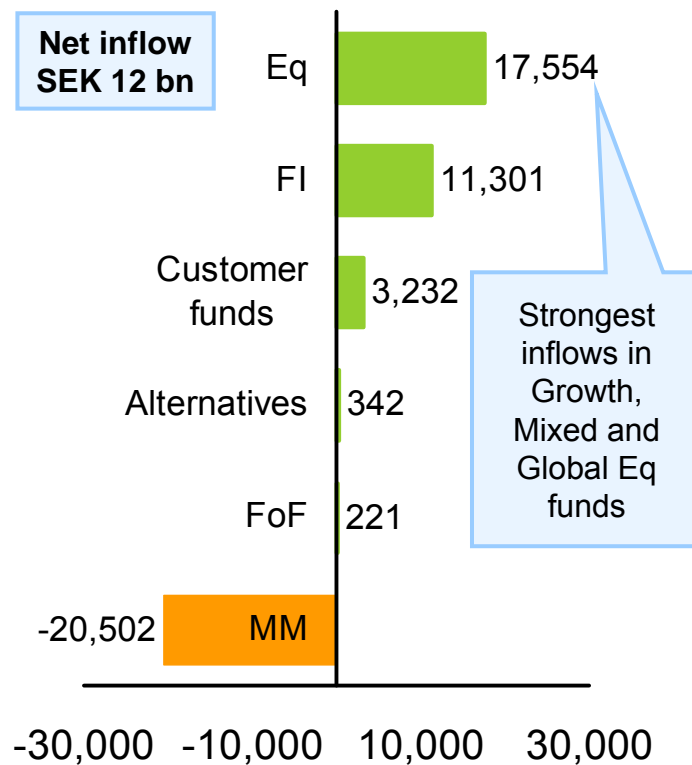
2007 SEB mutual funds net sales in Sweden

SEK million



2009 SEB mutual funds net sales in Sweden

SEK million



Performance has been above benchmark for the past years

Performance vs. benchmark

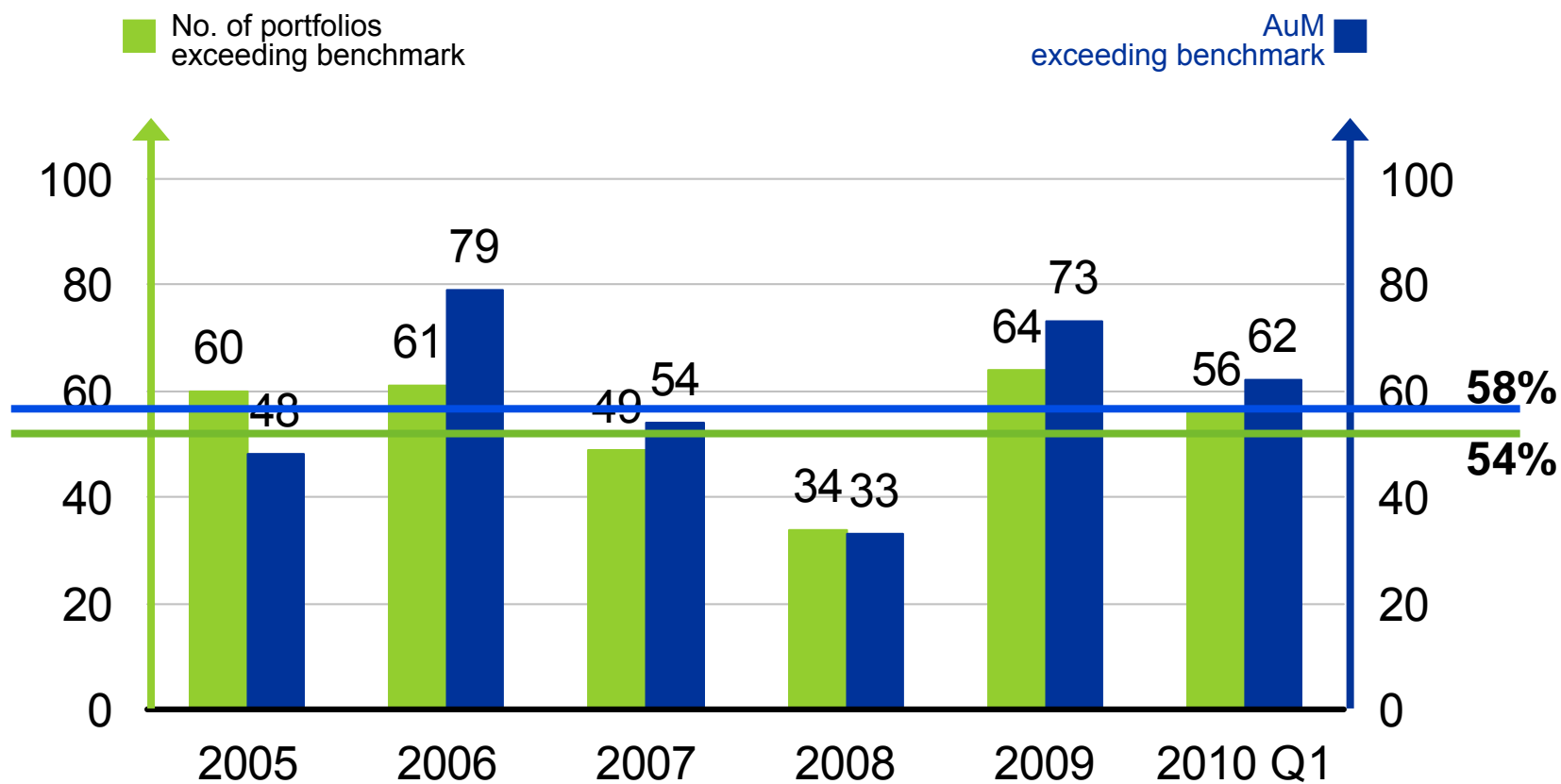


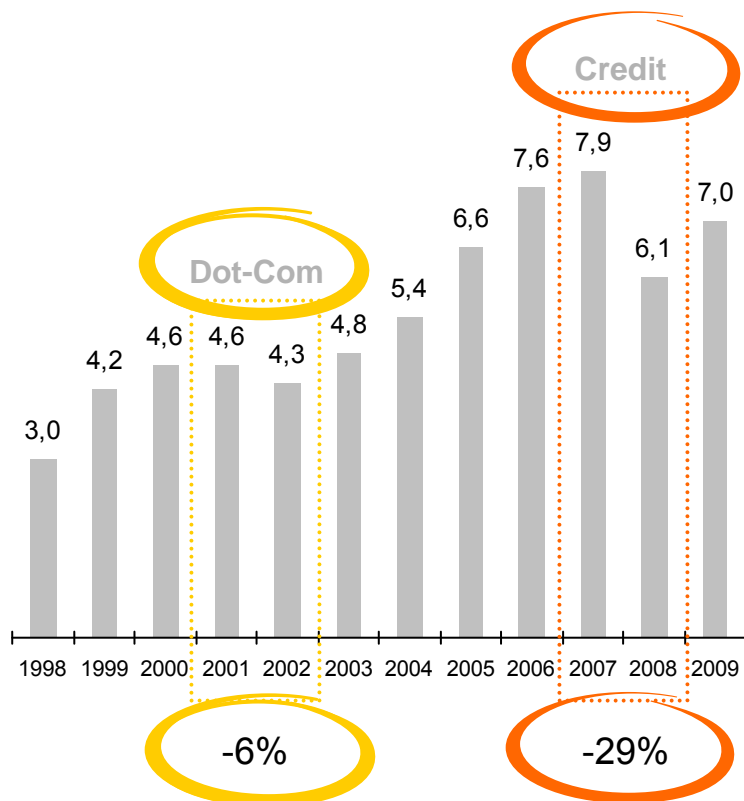
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The AM industry has learned from the crisis and recuperated

The crisis in perspective

AuM of European Investment Funds,
EUR trillion



Lessons learned

- Investors have **shorter memory** than expected
- **Fee pressure**, but asset mix and ability to create performance more important for margins
- **Local presence, strong brand, and financial stability** is a competitive advantage
- **Client satisfaction** can be maintained even during a crisis
- **Liquidity aspect** increasingly important
- **Transparency of products and solutions** is becoming hygiene factor

Long-term trend: Products to solutions

- **Products**

- Marketing of specific products / exposures

- **Customer solutions (advice)**

- Customized solutions incl. different asset types to meet risk, return
- Products used as building blocks
- SEB has developed x-asset, Modern Investment Programs and Strategy funds and strengthened 3 teams (WM/MB team, Swedish/Danish team, German team)

- Traditional investment management

- Separation and specialization

- Closed architecture

- Open guided architecture

- Product development

- Innovation

- Regulation

- Harmonization and “barrier of entry”

- Traditional pricing

- Alignment of incentives

- Everything in-house

- Outsourcing trend

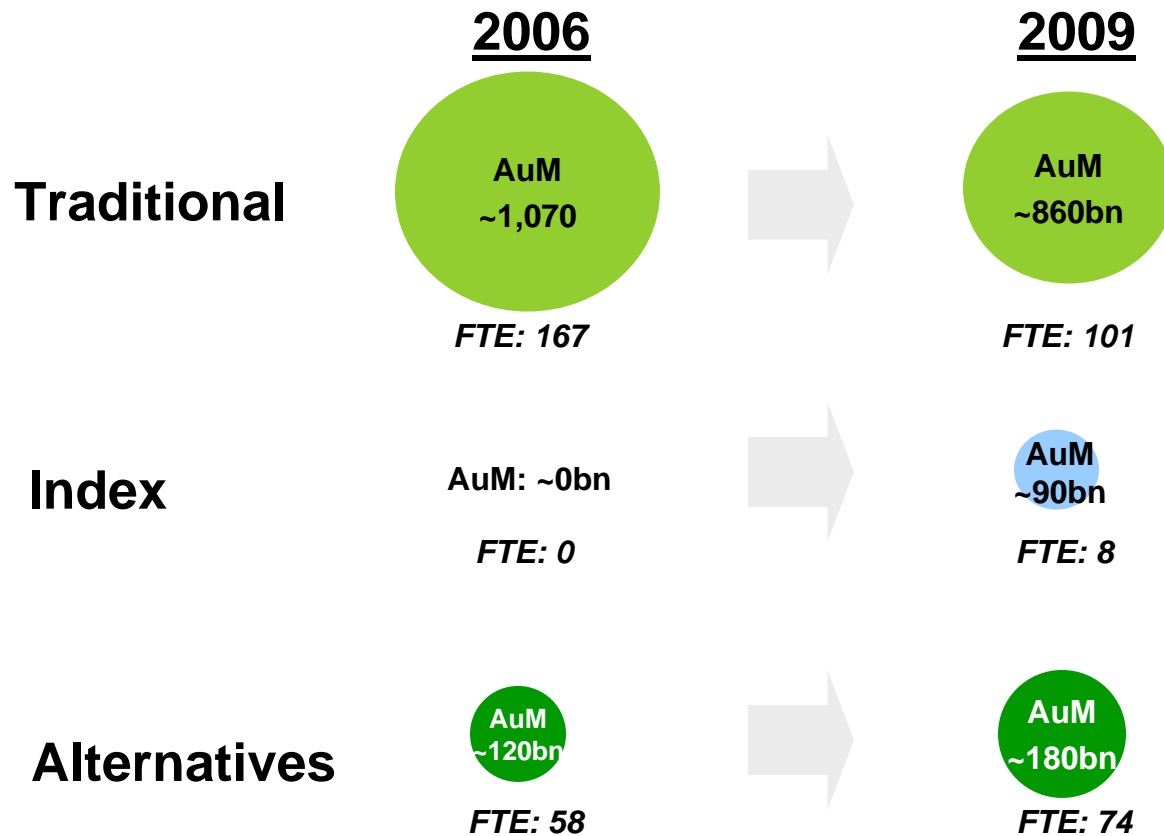
Several of the latest customer solutions invest in several asset classes

SEB customer solutions	EXAMPLES
<p>X-Asset</p>	<ul style="list-style-type: none"> ● Collaboration between Wealth Management and Merchant Banking ● SEB hub for asset allocation competence ● Established in 2009 <ul style="list-style-type: none"> ● Used across the division for asset allocation
<p>Strategy funds</p>	<ul style="list-style-type: none"> ● Family of 7 funds, investing across asset classes, differing in risk level, managed by three different teams ● X-Asset team provides input into asset allocation decision ● Launch of latest fund, Strategy Flexible May 10, 2010 <ul style="list-style-type: none"> ● AuM SEK 9 bn
<p>Modern investment programmes</p>	<ul style="list-style-type: none"> ● Aimed at wealthy private investors ● 3 levels of risk, aimed at protecting wealth, long term growth or high return / high risk <ul style="list-style-type: none"> ● AuM SEK 5 bn

Long-term trend: Separation and specialization of asset management

● Products	● Customer solutions (advice)
● Traditional investment management – “Active” management of all funds trying to generate excess returns (α)	● Separation and specialization – Separation of competencies (passive, beta+, alpha) – Increased indexation (SEB AuM SEK 94 bn and 11 staff) – Growth of Absolute return and Alternatives (SEB with 23% of AuM) – Multi boutique structures growing, rapid innovation while being part of larger set-up (safer than a small boutique)
● Closed architecture	● Open guided architecture
● Product development	● Innovation
● Regulation	● Harmonization and “barrier of entry”
● Traditional pricing	● Alignment of incentives
● Everything in-house	● Outsourcing trend

Centralization and separation of alpha from beta



Comments:

I. Separation alpha from beta

- Increase from SEK 0 to 90 bn in AuM since 2006
- Team established, capacity to take over more volume

II. Centralization

- Reduce from 31 to 21 teams
- Reduction of 41 FTE, mainly Sweden, Germany, Baltics and Finland







AuM, end	1,190	1,130
FTE, end	225	183

5.3bn
per FTE

6.2bn
per FTE

A multi boutique set-up covers several asset classes

Investment capabilities per asset class and geography

						
Equities	Swedish Large Cap Swedish Small Cap Nordic Equity Global Equity Healthcare Tech	European Small Cap Danish Equities	Finnish Equities		German and European Equity	Eastern European and Russian Equities
Fixed Income	Core Fixed Income Credits	Danish Mortgage Bonds	Euro Fixed Income		Total Return Euro Fixed income Euro Money Market	Eastern European Fixed Income
Alternatives	Credit Hedge Hedge Fixed Income Currency Alpha Private Equity Real Estate			KEY Fund of Hedge Funds Multi Manager Currency	Real Estate	
Asset Allocation/ Multi-Asset	Fund of Funds Asset Selection Manager Research	X-Asset	Balanced Fund of Funds		Fund of Funds Quantitative Asset allocation (MATR)	
Quant & Beta	Quant & Beta					

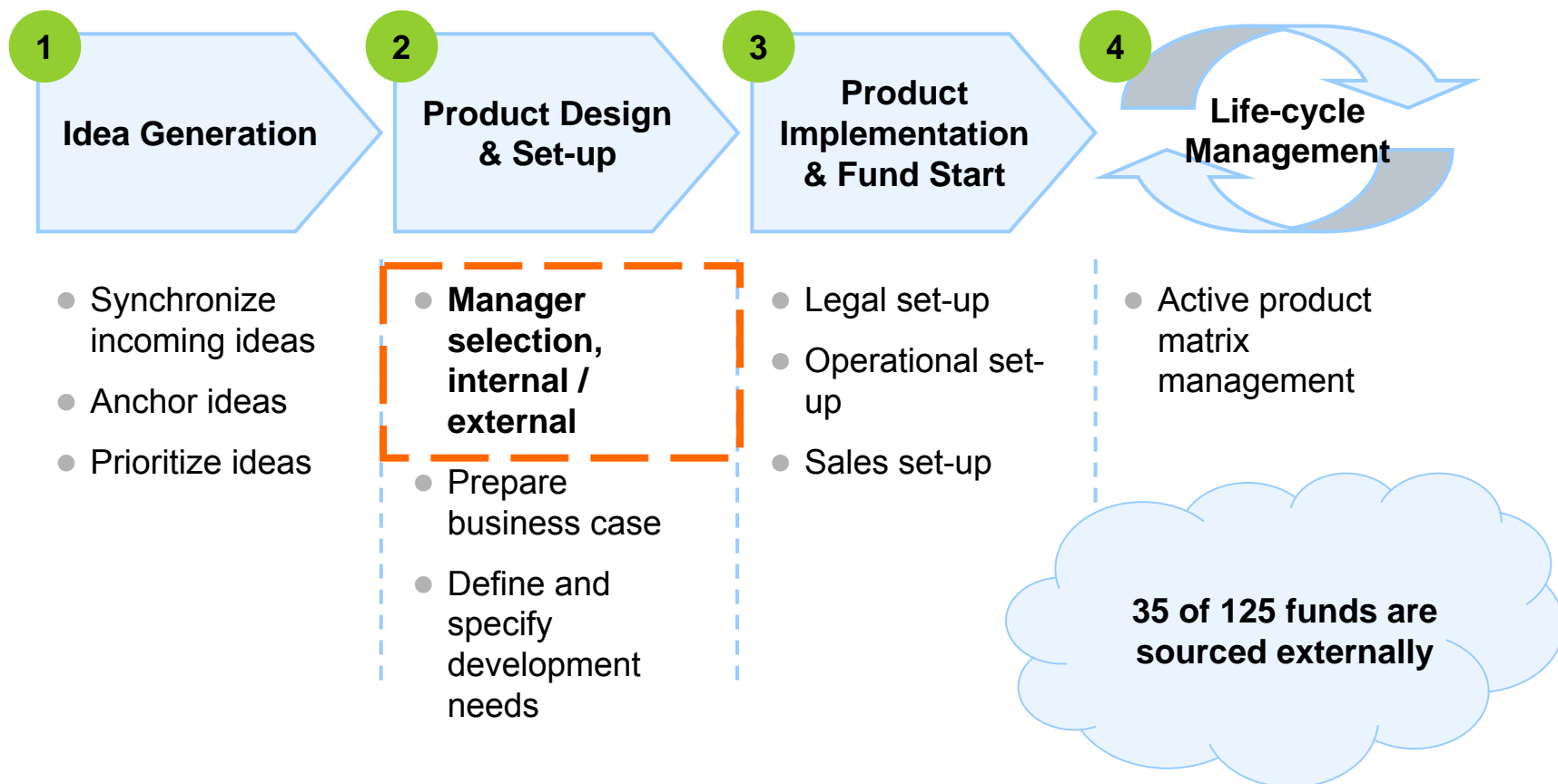
Innovations

Long-term trend: Open guided architecture

● Products	● Customer solutions (advice)
● Traditional investment management	● Separation and specialization
● Closed architecture – Mainly offering own products	● Open guided architecture – Broad product offering with a mix of internal and external products – Independence (offering external products) increasingly important for SEB and competitors, favoring strong AM's) – Distributor responsible for quality control (e.g. Madoff)
● Product development	● Innovation
● Regulation	● Harmonization and “barrier of entry”
● Traditional pricing	● Alignment of incentives
● Everything in-house	● Outsourcing trend

Deciding on internal or external IM part of the product development process

Investment capabilities per asset class and geography

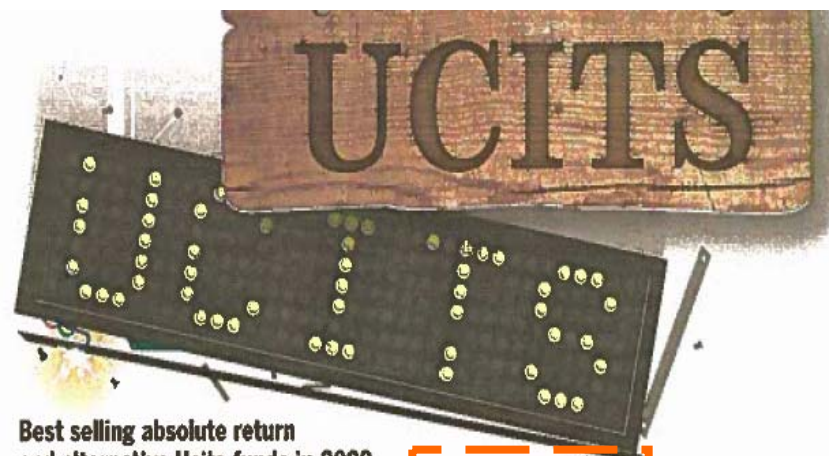


Long-term trend: New types of products / wrappings

● Products	● Customer solutions (advice)
● Traditional investment management	● Separation and specialization
● Closed architecture	● Open guided architecture
● Product development – Traditional development with fund wrapping	● More rapid innovation pace – New-CITS, SIF's, etc. – New cheaper vehicles e.g. certificates from Investment banks – Increased mobility, "spardepå / investeringskonto / allemanskonto"
● Regulation	● Harmonization and "barrier of entry"
● Traditional pricing	● Alignment of incentives
● Everything in-house	● Outsourcing trend

Innovation to meet the needs of our different client segments

- Solution oriented products – tailored to customer’s needs, e.g.
 - Modern Investment Programmes continue to attract new volumes in private banking (SIF)
 - Strategy funds family expanded to seven products (launch of SEB Strategy Flexible May 2010) to Retail (mutual funds and unit link)
 - Private equity opportunity (Institutions and HNWI)
 - Institutional real estate in Germany and solutions tailored for institutions
- Benefits from cross SEB collaboration, e.g. x-asset, ETF’s, hedge fund incubator



Best selling absolute return and alternative Ucits funds in 2009 assets and flows in (\$m)

Fund	Assets Dec 2009	Flow 2009
Schroder ISF EM Debt Abs Ret	5,949	2,886
JPM Income Opportunity	1,967	1,688
FAST – Europe	2,532	1,579
Julius Baer BF Absolute Return	5,080	1,401
Dexia Index Arbitrage	2,297	1,309
ETFS Physical Gold	3,589	1,304
Threadneedle Target Return	1,730	1,291
ETFS Natural Gas	1,191	1,187
DB Hedge Fund Index ETF	916	905
Julius Baer BF AR Defender	955	887

The most successful fund innovations

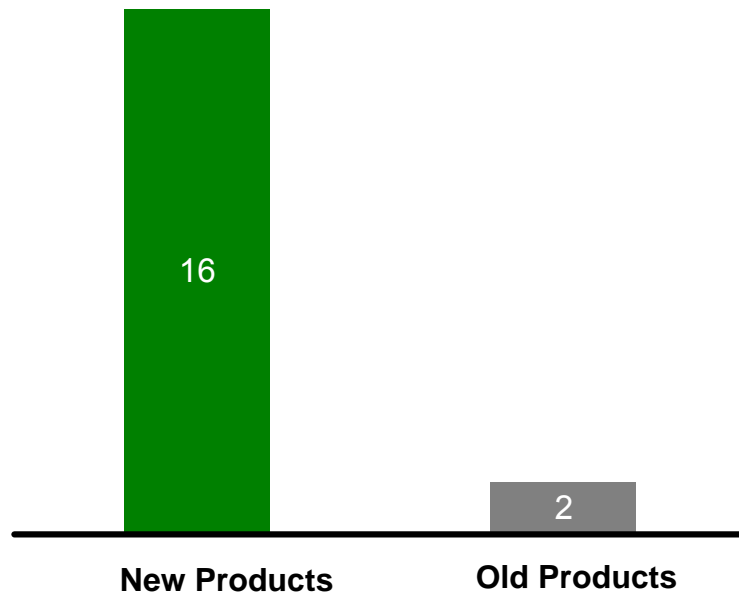
Fund	Launch	Assets under management (\$bn)
Julius Baer Absolute Return Bond	2004	5.5
Amundi Dynarbitrage Volatility	2004	3.4
JPM Highbridge Stat Mkt Neutral	2006	3.1
BlackRock UK Absolute Alpha	2005	2.9
Dexia Index Arbitrage	2003	2.5
FAST – Europe	2004	2.4
SEB Assets Selection	2006	2.0

SEB Asset Selection on top most successful fund innovation list, Financial Times, May 10 2010

Fund innovation is highly important to capture new sales

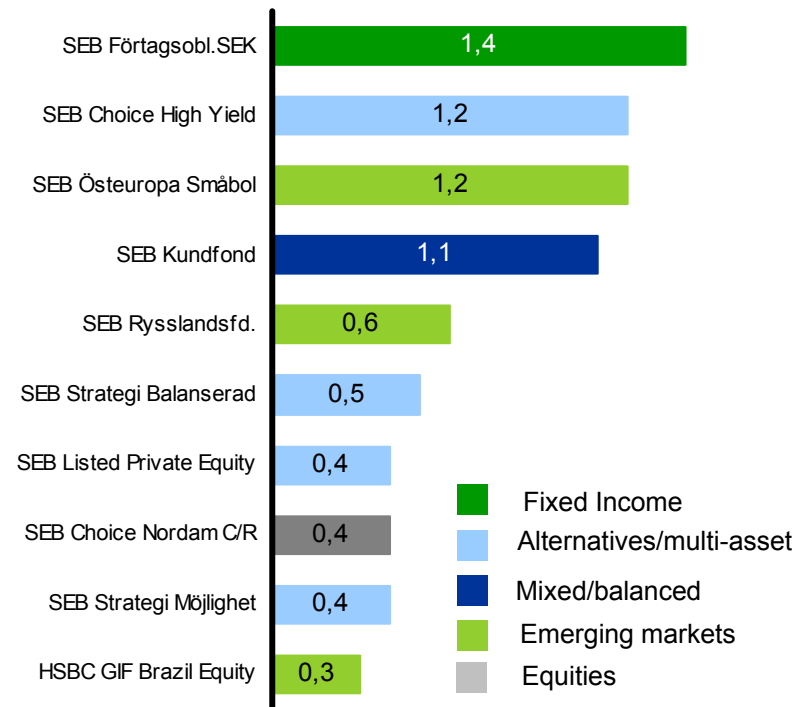
Product innovation very important

Products released during 2008/2009 vs. older products, Net Flow 2009 in SEK billion



Best Sellers in Sweden 2010

Net sales mutual funds Q1 2010, Sweden, SEK billion



Long-term trend: Harmonization of regulation

- Products

- Customer solutions (advice)

- Traditional investment management

- Separation and specialization

- Closed architecture

- Open guided architecture

- Product development

- Innovation

- **Regulation**

- Increased regulation, but still large differences between countries

- **Harmonization and “barrier of entry”**

- Global co-ordination increases harmonization (UCITS IV)
- Further increased regulations and hence barriers of entry (e.g. customer protection and responsibility for the distributor) and scale advantages

- Traditional pricing

- Alignment of incentives

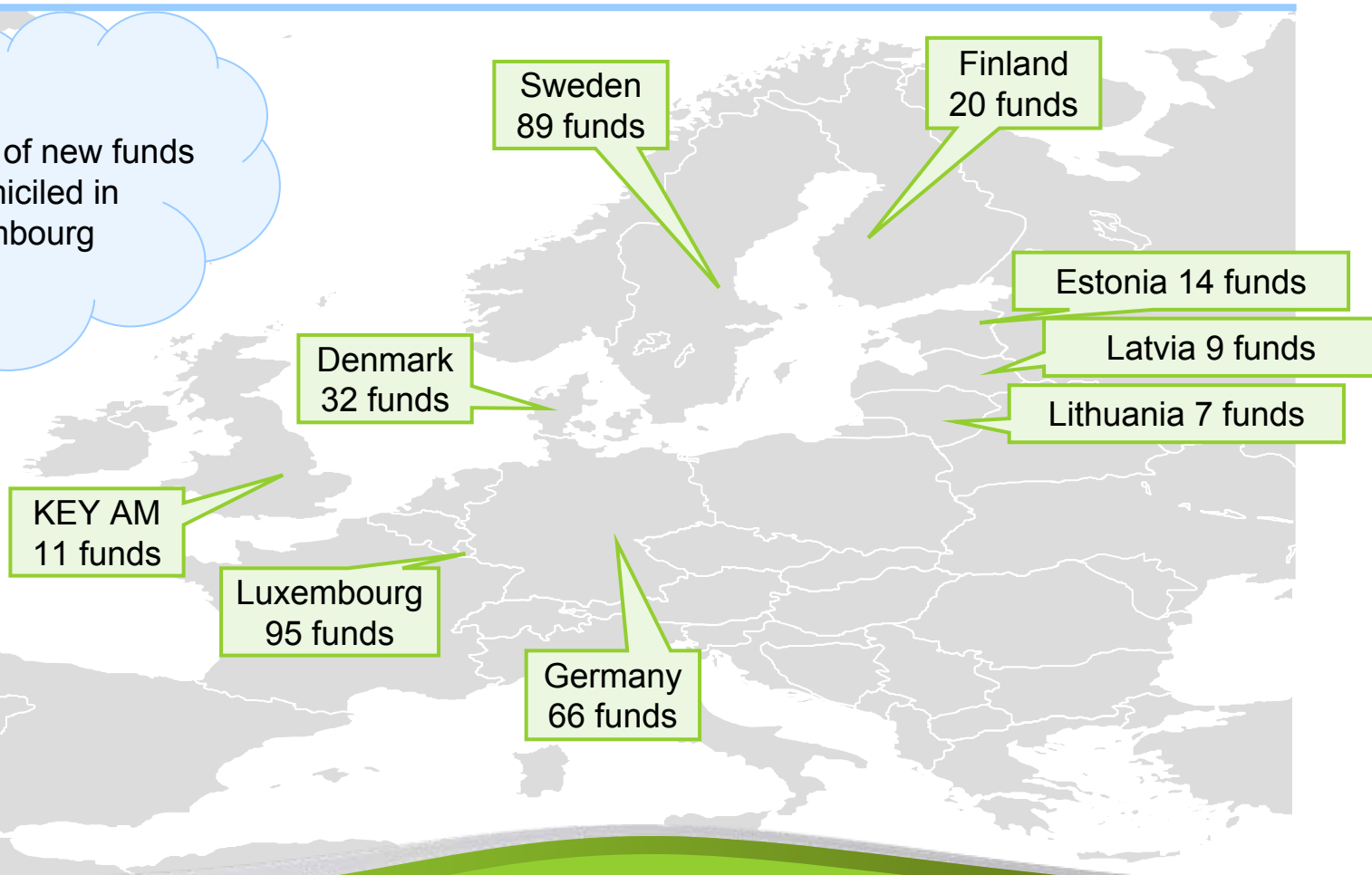
- Everything in-house

- Outsourcing trend

Long-term, a movement of the fund hub is expected

Domiciliation of SEB funds

The majority of new funds are domiciled in Luxembourg



Long-term trend: Incentive alignment of pricing

- Products

- Customer solutions (advice)

- Traditional investment management

- Separation and specialization

- Closed architecture

- Open guided architecture

- Product development

- Innovation

- Regulation

- Harmonization and “barrier of entry”

- **Traditional pricing**

- Management fee
- Irrespective of performance

- **Alignment of incentives**

- Performance fees increasingly common
- Better alignment with client
- SEB has approx. 10-15% of AuM with performance fees

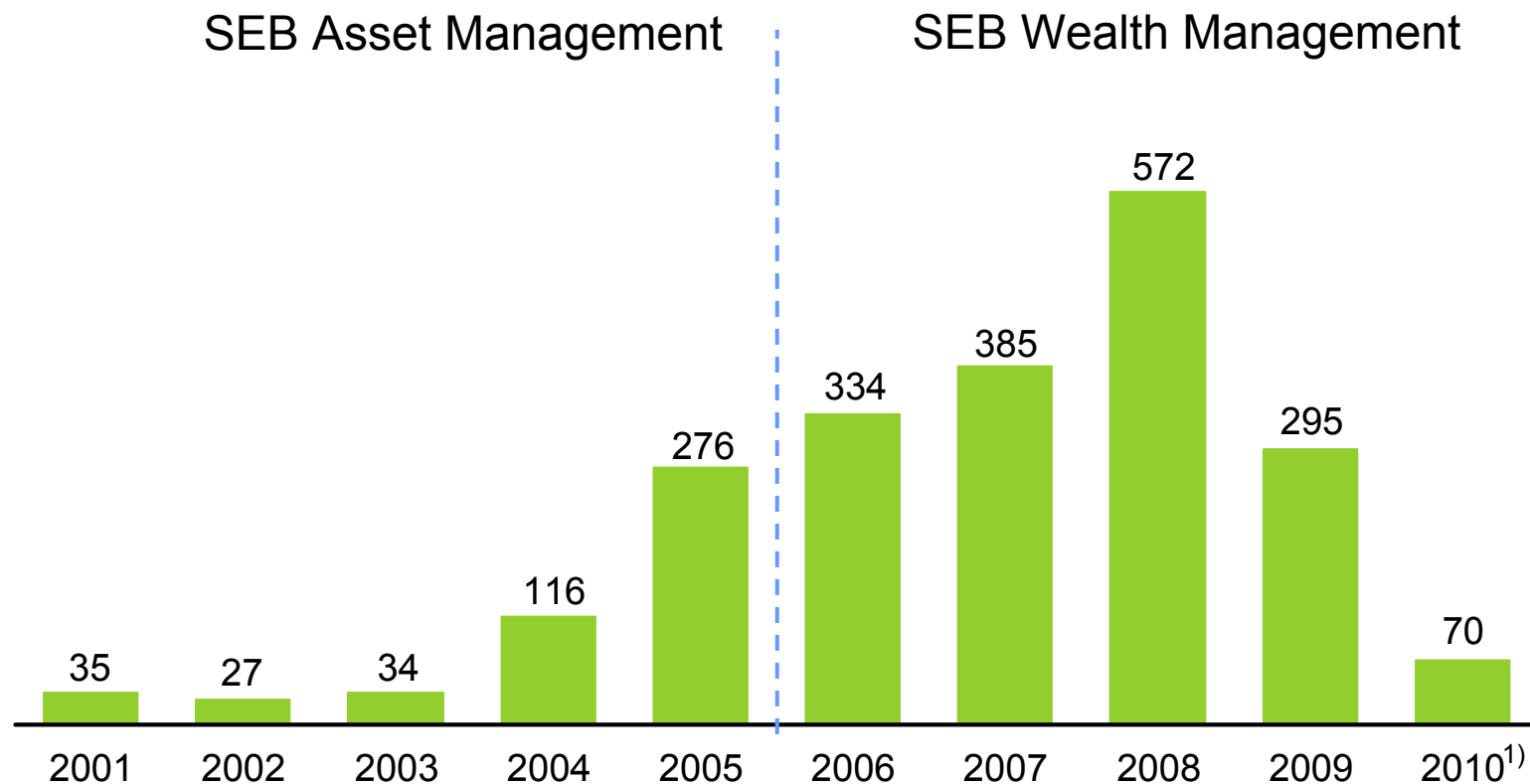
- Everything in-house

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Performance fees share of income has increased since early 2000

Performance fees

SEK Million



Long-term trend: Outsourcing

- | | | |
|---|---|---|
| ● Products | ▶ | ● Customer solutions (advice) |
| ● Traditional investment management | ▶ | ● Separation and specialization |
| ● Closed architecture | ▶ | ● Open guided architecture |
| ● Product development | ▶ | ● Innovation |
| ● Regulation | ▶ | ● Harmonization and “barrier of entry” |
| ● Traditional pricing | ▶ | ● Alignment of incentives |
| ● Everything in-house
– Fund production
– Back-office operations | ▶ | ● Outsourcing trend
– Focusing on key IM capabilities
– Allowing external funds onto platform (open guided architecture)
– Utilizing outsourcing to gain scale advantages in operations |

Universal banks not weakened by the crisis, but critical to...

- ...strengthen distribution power by targeting non-captive distribution channels
- ...ensure independence in advise, important for SEB WM which is primarily a distributor, drawing advantages from also having production in-house
- ...move up in value chain / offer solutions for more sticky sales
- ...draw on ability to attract start-up teams, provided the right incentive structures are put in place
- ...utilize advantage in scale

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Key beliefs around which we shape our asset management business

Closeness to the customer

- We are foremost a distributor
- Understanding clients needs and offering solutions instead of product push
- Alignment of incentives through performance fees
- Interaction with most demanding clients on the market drives innovation

Open guided architecture

- Ensure independence, offering the best advise
- Exposing us to external competition
- Non-captive channels increasingly important

Innovation

- Boutique style IM allows for specialized teams to drive innovation
- New products have higher inflow than older
- Basel III regulations lead to demands on lower loan to deposit ratios and hence demands for deposit type products

Outsourcing of non core capabilities

- Using external non-core competencies as building blocks in solutions
- Outsourcing of operations to gain advantages of scale, management focus and increase efficiency