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Q1 Results 2011  
Debt Investor  
Presentation

May 2011



Franchise p.3

Financial Development p. 5

Credit Portfolio and Asset Quality p.13

Development of the Baltic Division p.21

Liquidity, Funding and Capital p.27

Going forward p.34

# SEB's franchise

- SEB founded in 1856
- Total assets of approx. SEK 2,118 bn (EUR 238bn) as at March 2011 and a market capitalisation of approx. SEK 129.2bn (EUR 16.2bn) on March 31, 2011
- Retail business
  - The leading Swedish Private Bank in terms of assets under management
  - No 2 in the Swedish total household savings market with approx. 12.2%
  - No 1 in unit-linked life and pension business with approx. 26.1% of the Swedish market and approx 14% of the total life and pension business in Sweden
  - No 4 in residential household mortgage lending with approx 14% market share
- Corporate and Institutional business
  - The leading Nordic franchise in trading and capital markets activities, equities, corporate and investment banking
  - No 2 Nordic asset manager with approx. SEK 1,372bn (EUR 154bn) under management
  - No 1 Nordic custodian with approx. SEK 4,948bn (EUR 556bn) under custody
- Stable unsecured ratings: A1 by Moody's, A by S&P and A+ by Fitch
- Stable Covered Bond rating: Aaa by Moody's
- Publicly traded and listed on NASDAQ OMX. Largest owners: Investor AB 21%; Trygg foundation 8%; Alecta 7%; SHB 4%; Robur Funds 3%. Non-Swedish owners 19%

*Fx SEK/EUR = 8.90*

# Highlights

Resilient and well diversified income base

Strong macro-economic development in SEB's core markets

Asset quality in the Nordic and German business is excellent and further improved in the Baltic business

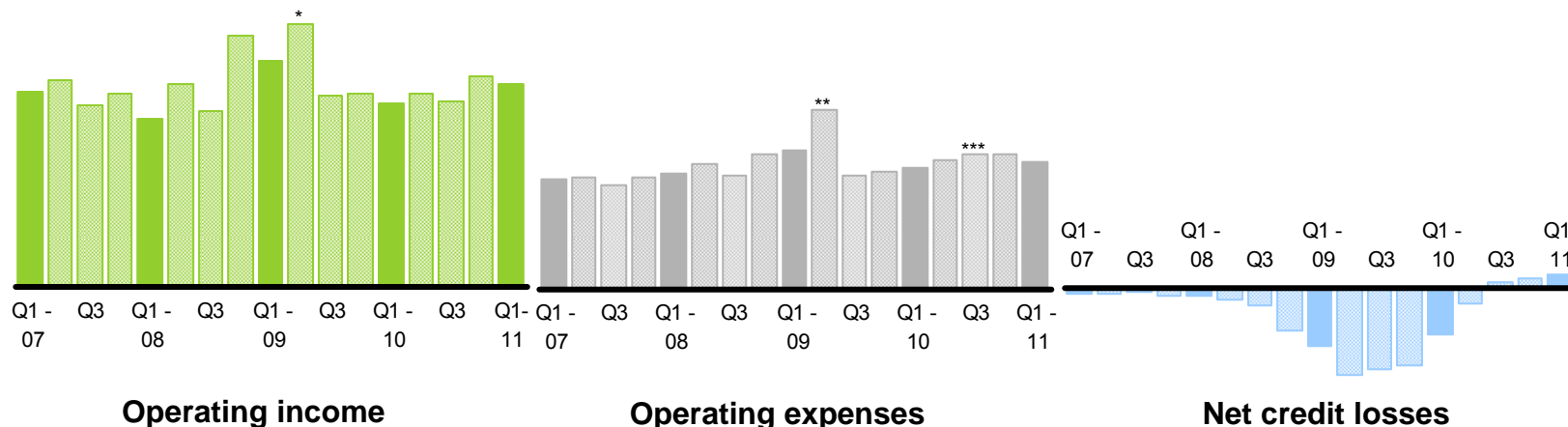
Amongst the best capitalized banks in Europe

Focused growth in areas of strength and sale of German Retail operations completed

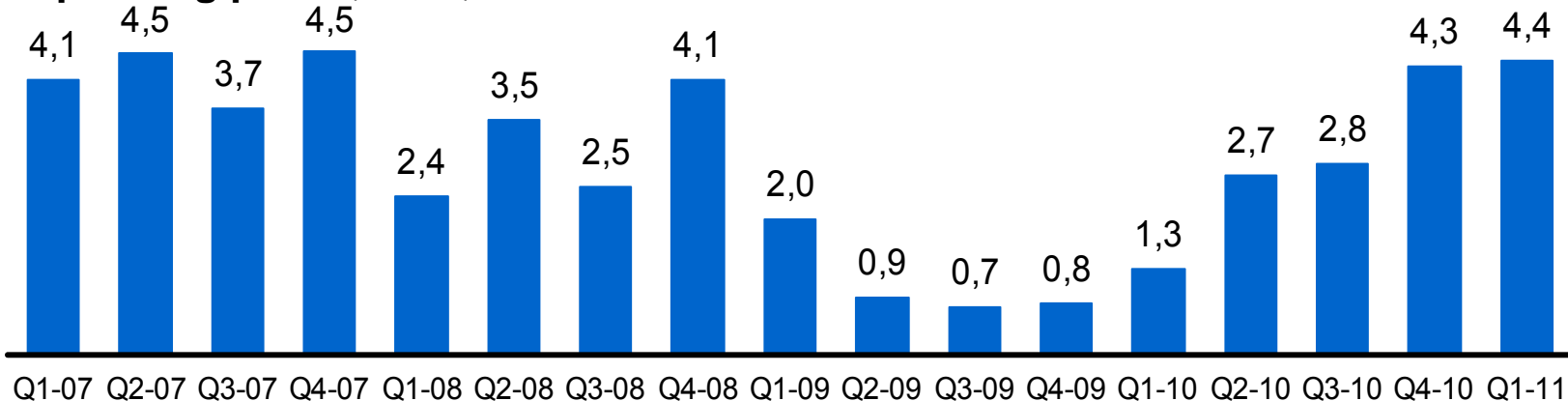
# Financial Development

# SEB was profitable throughout the financial crisis - now returning to pre-crisis levels

Q1-07 – Q1-11 (SEK bn)



Operating profit (SEK bn)



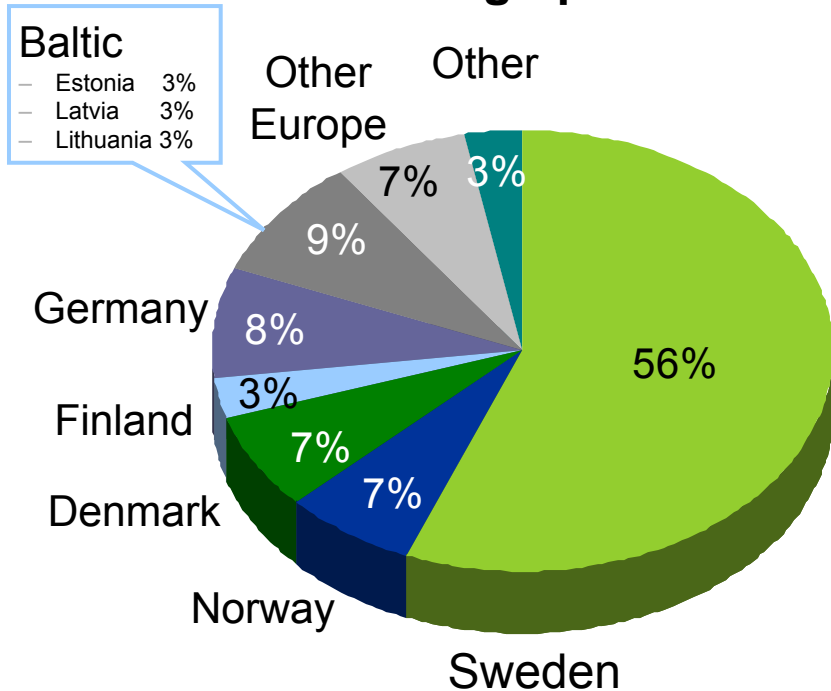
2007 excl. Retail Germany Proforma

\*Of which 1.3bn buy back of sub debt. \*\* of which 3.0bn goodwill write-offs  
 \*\*\* of which 0.8bn restructuring costs in SEB AG

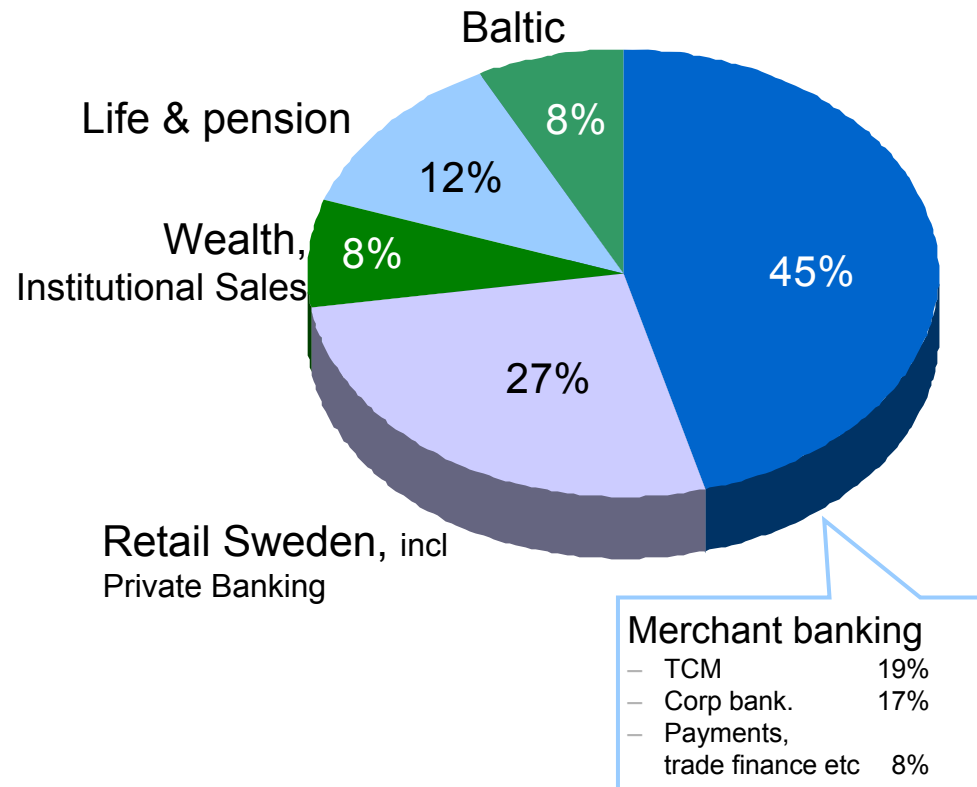
# SEB has a well-diversified income base

Total operating income: SEK 9.7 bn (EUR 1.1 bn) March 31, 2011

### Geographic



### Divisional\*



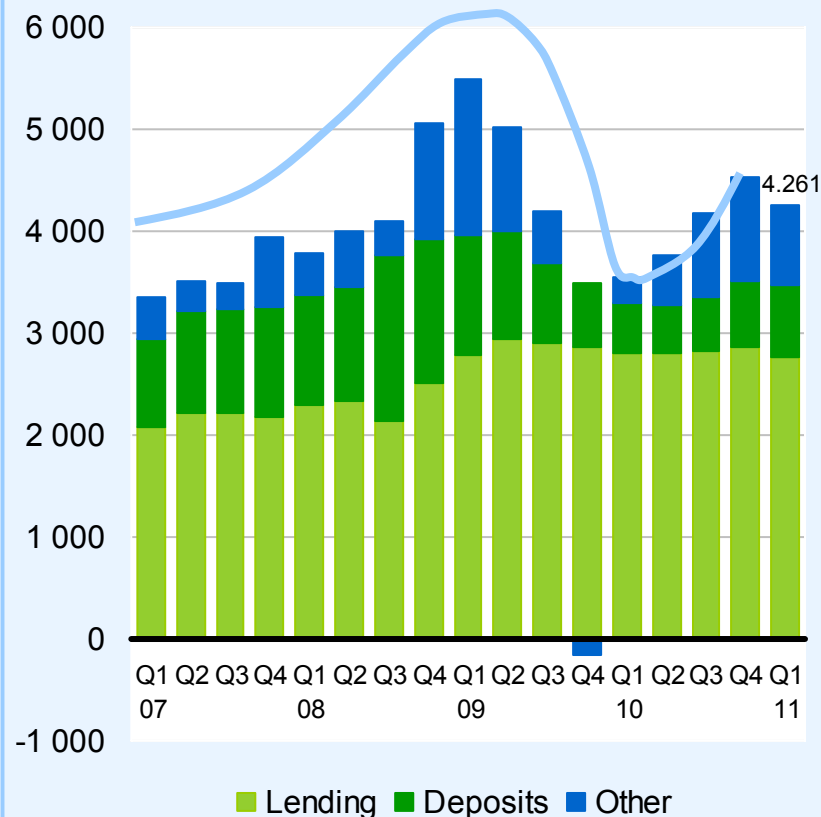
\*excl. Treasury

# NII growth driven by improved deposit margins and funding costs and enhanced liquidity management

## Key dynamics in Q1 2011

- ✓ Higher interest rates
- ✓ Increased fee to the State Bank Stability Fund
- ✓ Negative NII effect due to the sale of the German Retail operations
- ✓ Strengthening of the Swedish currency

Net interest income, SEK m

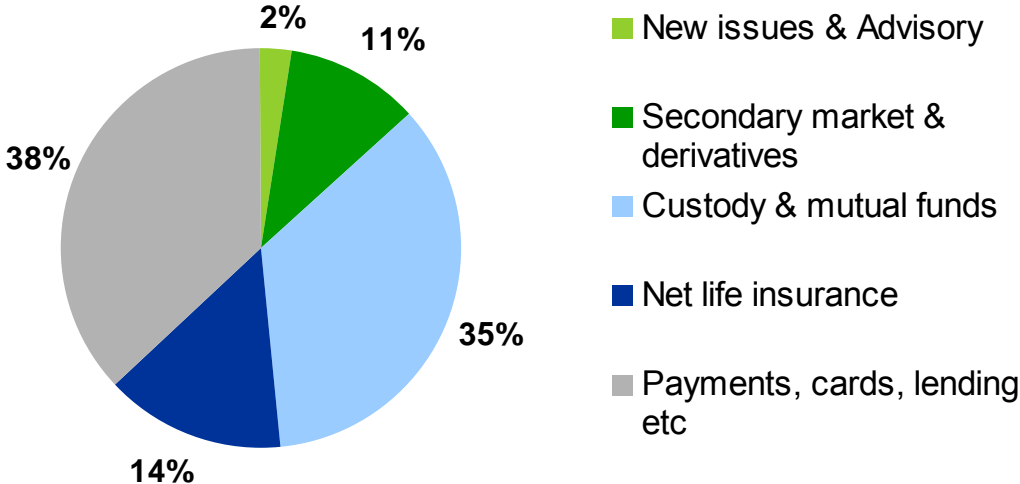




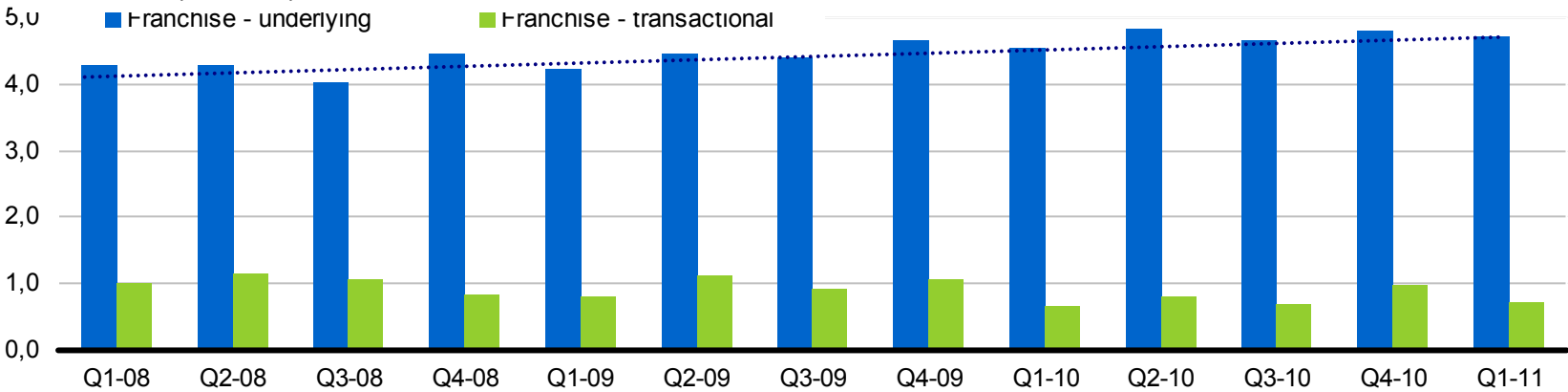
# Stable commission and net life income and underlying franchise continues to strengthen

Diversified mix (SEK bn)

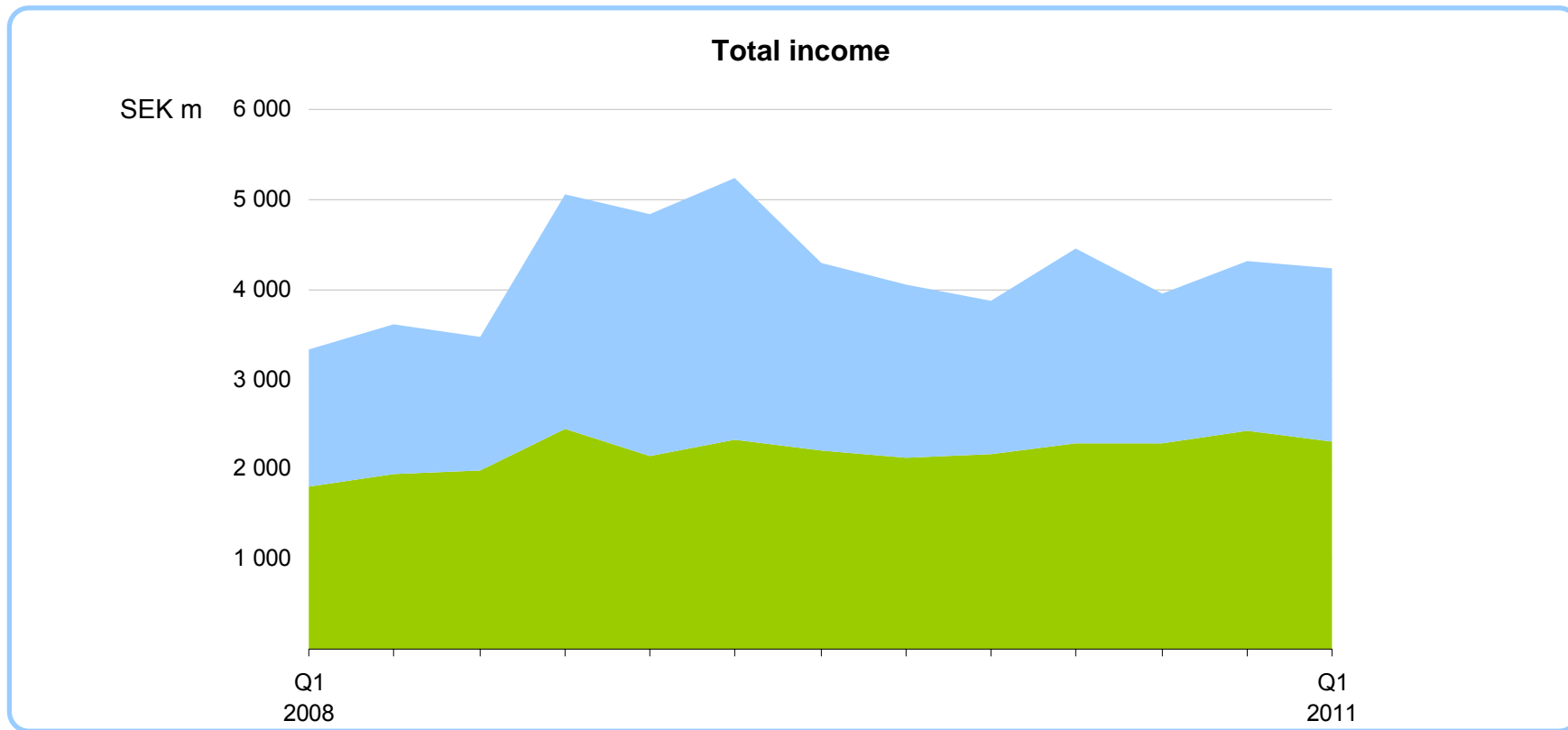
Total SEK 4.3bn  
(EUR 0.5bn)



## Underlying and Transactional - Commission & life insurance income (SEK bn)



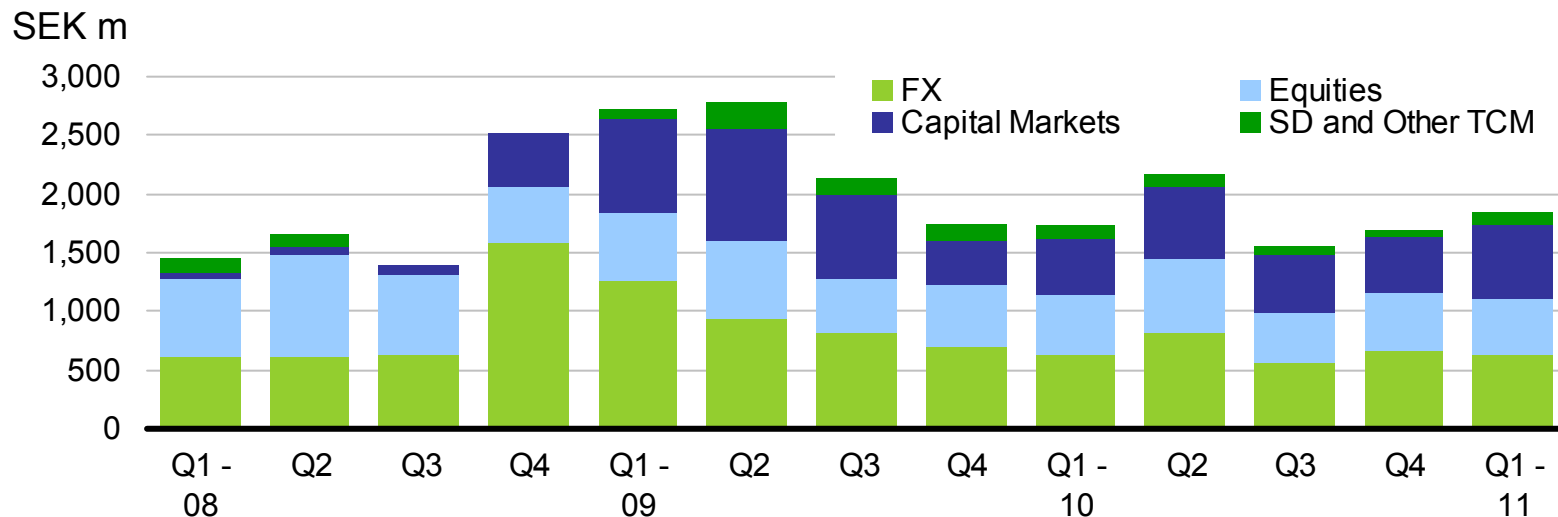
# Corporate and institutional businesses - Strong and entrenched franchise



■ Corp banking (excl Corp Fin incl GTS) ■ TCM & Corp Fin

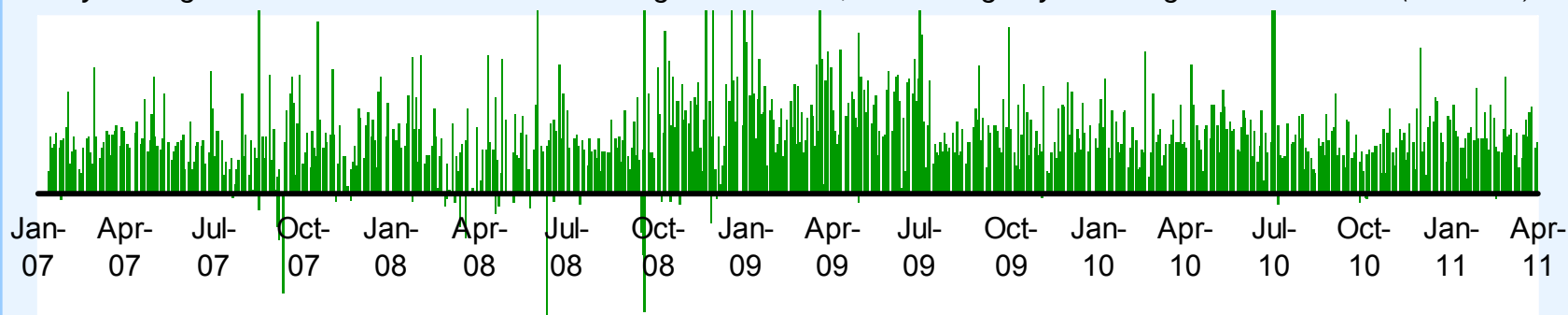
	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011
Corp banking (excl Corp Fin incl GTS)	54%	54%	57%	48%	44%	44%	51%	53%	56%	51%	58%	56%	55%
TCM & Corp Fin	46%	46%	43%	52%	56%	56%	49%	47%	44%	49%	42%	44%	45%

# Low risk and stable Trading and Capital Markets income



## Consistently strong trading record with low VAR

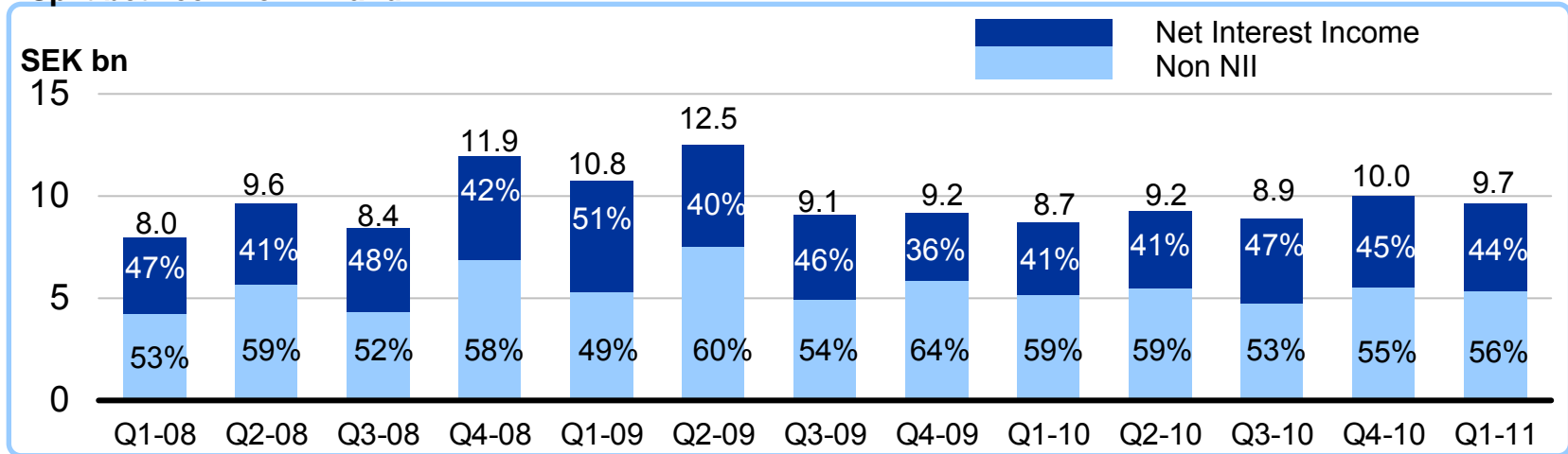
Daily trading income Q1 2007 – Q1 2011. 40 negative out of 1,060 trading days. Average loss SEK 14m (EUR 1.6m)



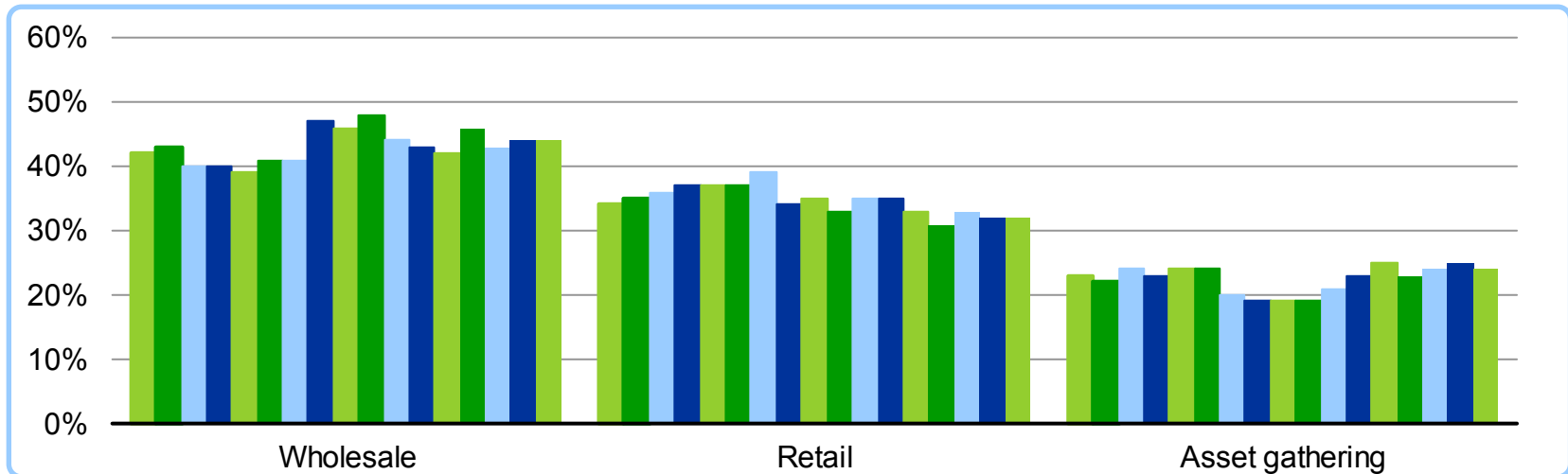
Excluding Bond Investment Portfolio

# Conclusion: SEB's businesses generate stable and diversified revenue streams

Split between Non NII and NII



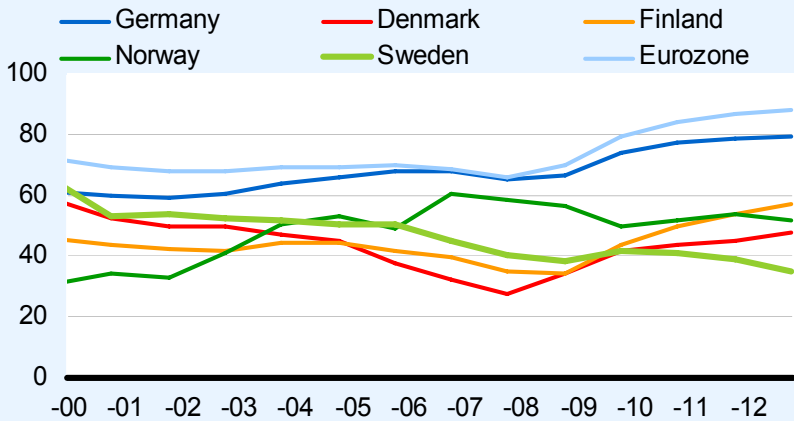
Relative importance different types of income. Income Q1 2007 – Q1 2011



# Credit Portfolio and Asset Quality

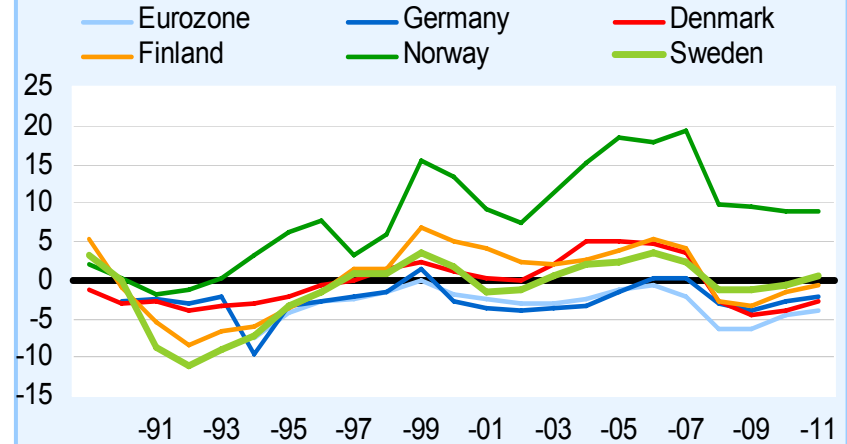
# Strong macro-economic development in core markets

## General government public debt, % of GDP



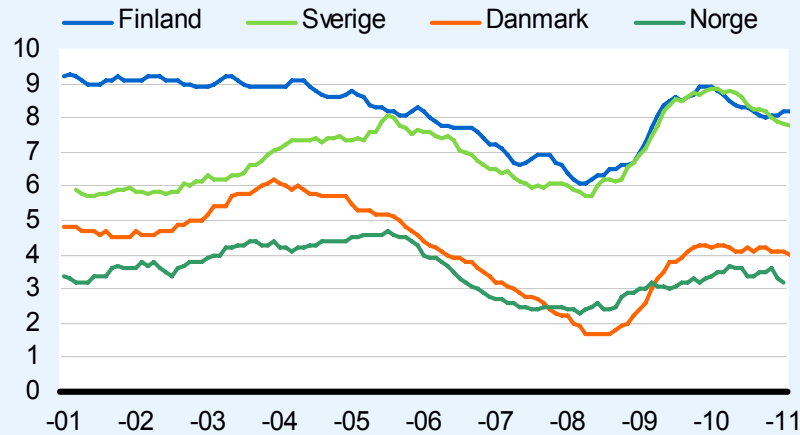
Source: OECD and DG-ECFIN

## General government deficit, % of GDP



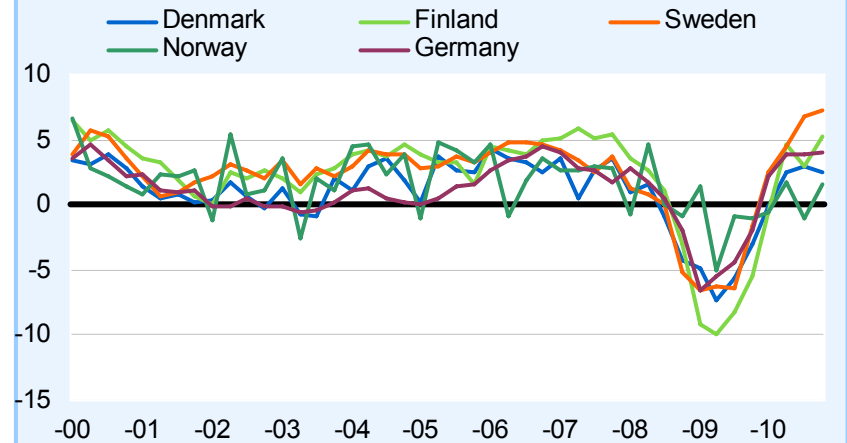
Source: OECD

## Unemployment, %



Source: Eurostat

## GDP, % y/y



Source: Eurostat

# SEB's Credit Portfolio is well diversified

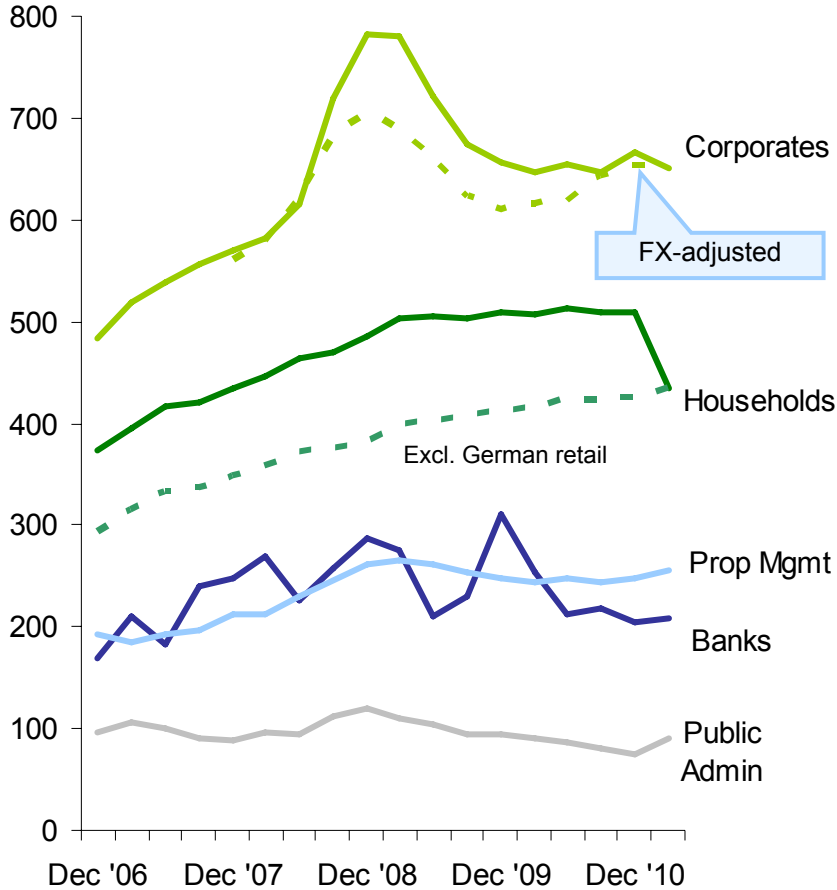
## Credit portfolio

On & Off Balance Sheet

Total SEK 1,639 bn (EUR 185 bn)

March 31, 2011	Swedish	Nordic	German	Baltic	Total
Corporates	20%	10%	6%	3%	40%
Property Management	9%	1%	4%	1%	16%
Households	21%	2%	0%	3%	26%
Public					
Administration	1%	0%	4%	0%	6%
<b>Total non-banks</b>	<b>51%</b>	<b>14%</b>	<b>15%</b>	<b>8%</b>	<b>87%</b>
Banks	7%	3%	3%	0%	13%
<b>Total</b>	<b>58%</b>	<b>17%</b>	<b>18%</b>	<b>8%</b>	<b>100%</b>

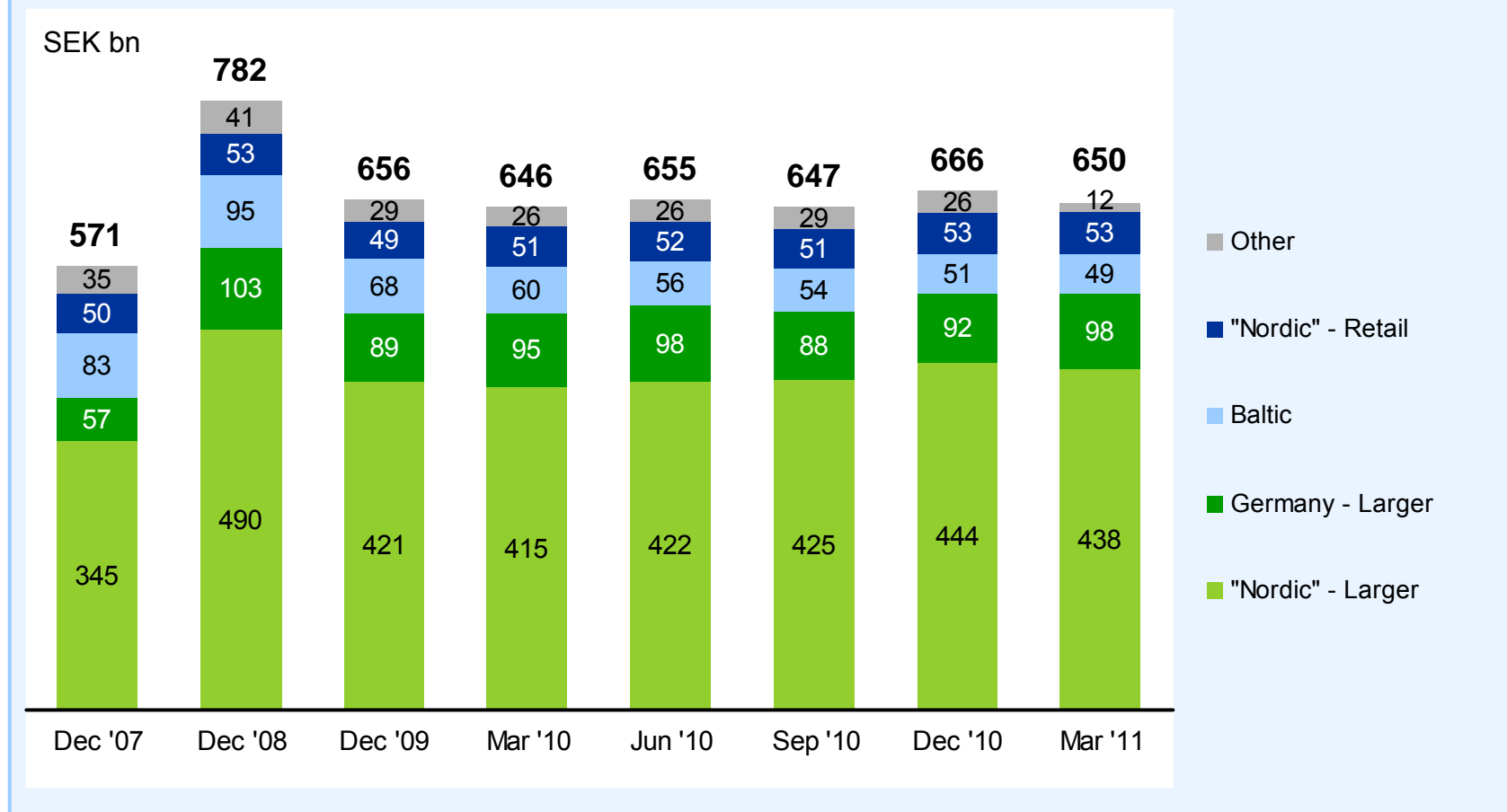
## Development of Credit portfolio



FX-adjustment calculated using end of year 2010 FX rates as base for prior periods.

# >80% of SEB's corporate credit portfolio is to large corporates with very low net credit losses

## SEB Group corporate credit portfolio





# 17% of total assets are high quality

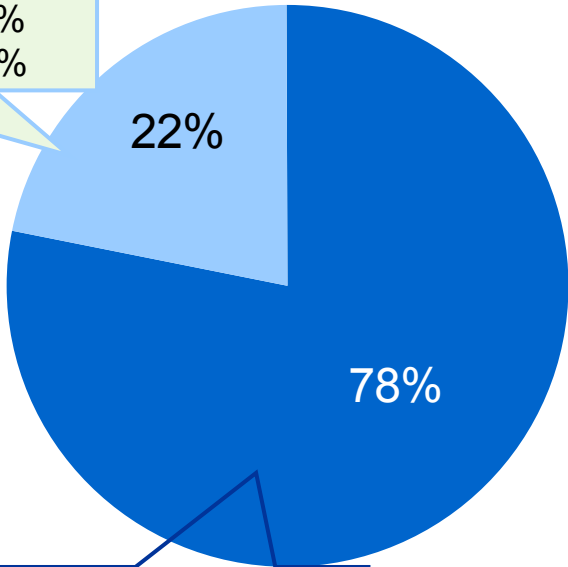
## Swedish residential mortgage lending

### Residential apartment buildings

SEK 78 bn

Private companies	9%
Tenant owners' assoc.	8%
State/Community owned	5%

**Total 362 bn**



Households SEK 284 bn

Single family homes	51%
Tenant owned apts	23%
Second homes	4%

### Residential apartment buildings

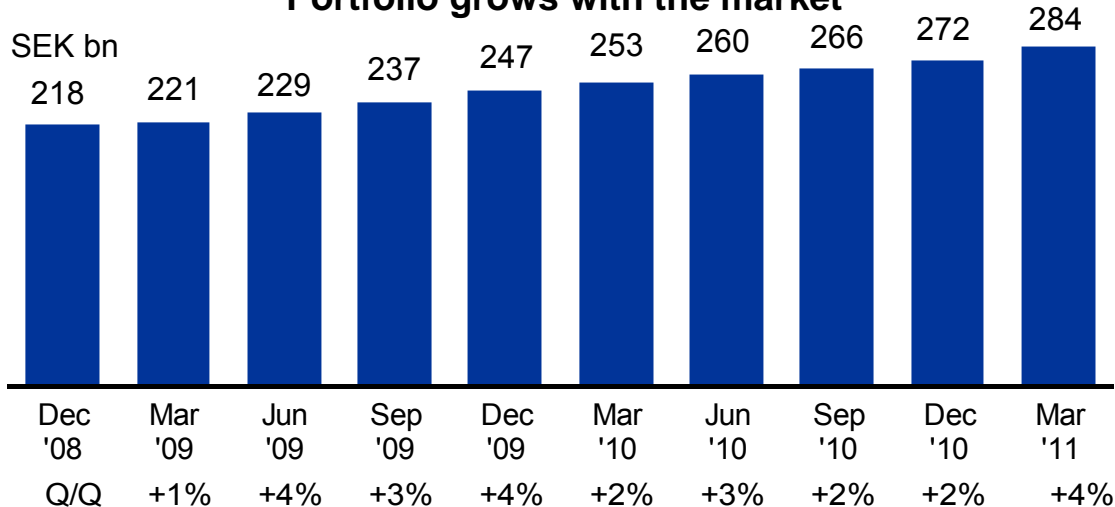
- Strong asset quality
  - No net credit losses since 2004
  - Level of NPLs 10 bps
  - No major problem loans since the 1990's
  - Low and conservative LTVs
  
- Conservative lending policy
  - Purpose
  - Cash-flow generation
  - Legal situation. Counterparty has to have clear and immediate access to the cash-flow and the assets taken in as collateral.
  - Tenor max 10 years
  - LTV <75% but depending on geographic location
  - Amortization depending on geographical location

# SEB Swedish household mortgage lending



13% of total assets

## Portfolio grows with the market



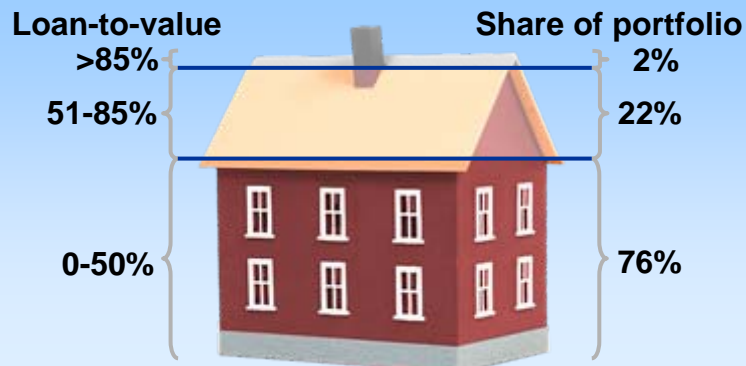
## Selective origination

- The mortgage product is the foundation of the client relationship
- SEB is not a market share seeker

## High asset performance

- Low level of loans past due more than 60 days at 14bps
- Net credit loss level remains low at 1.0bp

## Low LTVs by regional and global standards

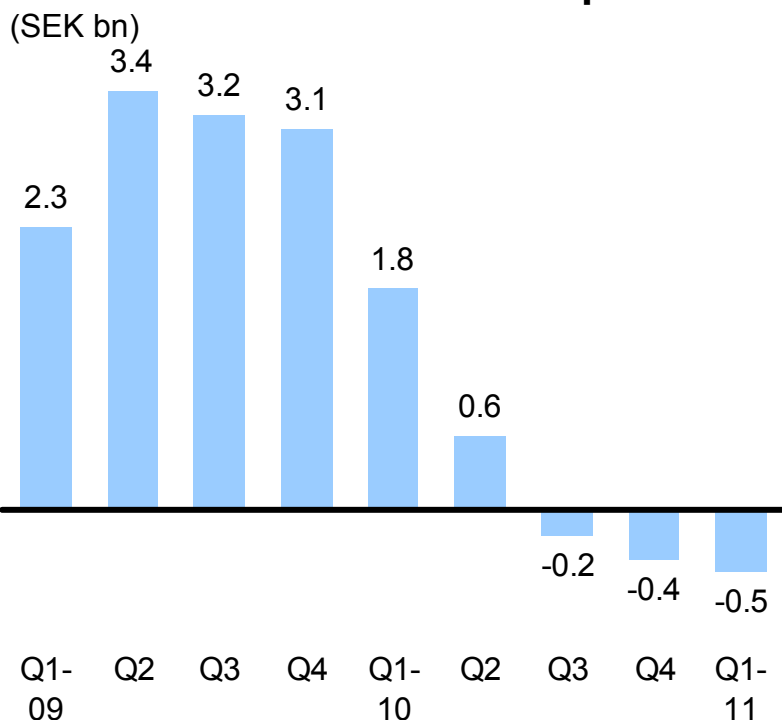


## Mortgage lending based on affordability

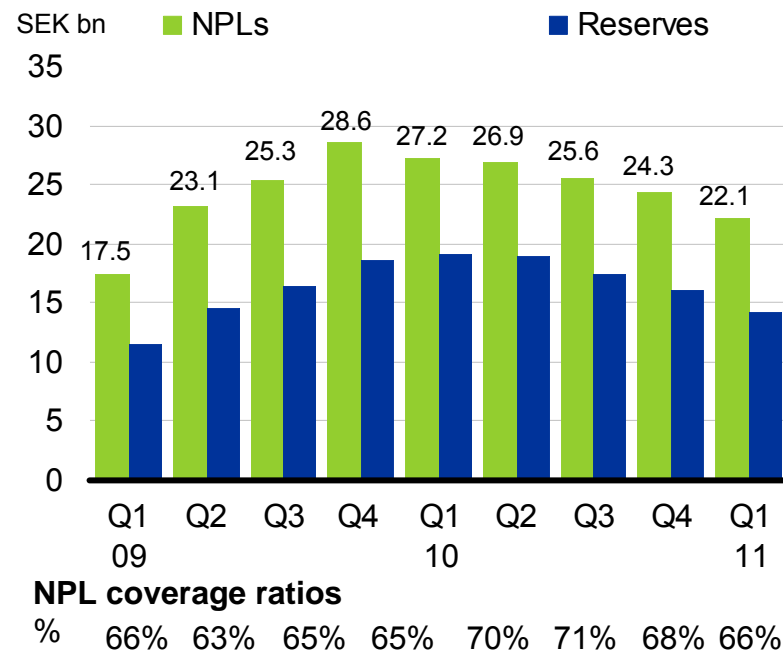
- Credit scoring and assessment
- 7% interest rate test
- 85% first lien mortgage cap
- Second mortgages abolished
- 15% of own equity required
- Max loan amount 5x total gross household income irrespective of LTV and no more than one payment claim ('UC')

# Substantial fall in SEB's net credit losses resulting in write-backs in 2H 2010 and Q1 2011

**Net credit losses\* SEB Group**



**SEB Group – Non-performing loan and reserve development**



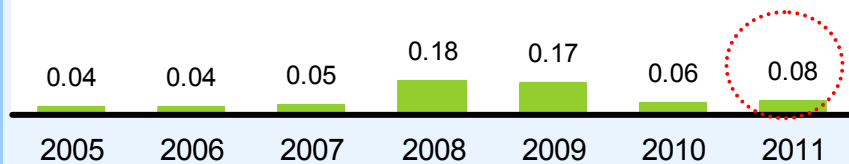
\* Net credit losses = aggregated net of write-offs, write-backs and provisions

- ✓ Level of NPLs 1.7%
- ✓ All geographies show falling NPLs
- ✓ Baltic NPLs constitute 68% of total SEB's NPLs
- ✓ Baltic Reserves constitute 64% of SEB's total Reserves

# Excellent asset quality

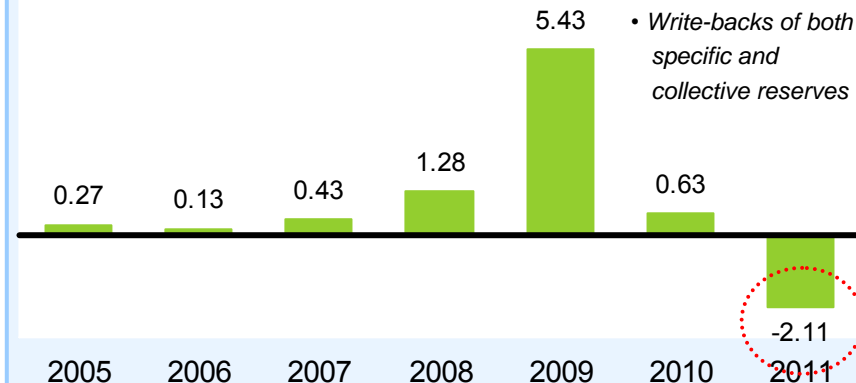
## Nordic countries – Net credit losses

- Strong credit profile
- 'No' losses in the household mortgage book
- Corporates proven resilient
- Underweight SMEs
- No net credit losses in property mgmt



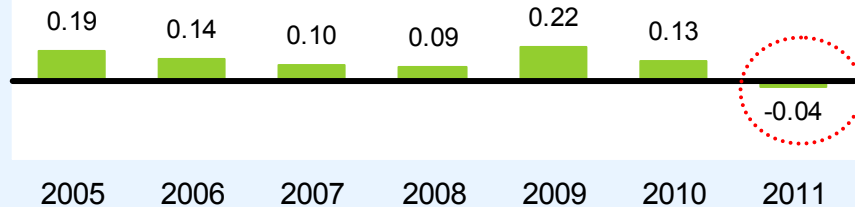
## Baltic countries – Net credit losses

- Write-backs of both specific and collective reserves

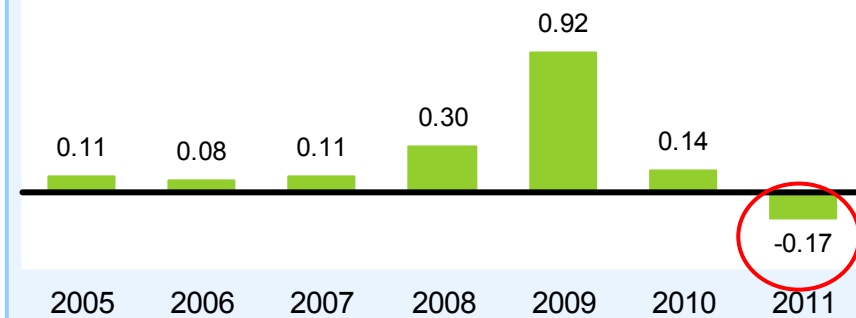


## Germany – Net credit losses

- Strong credit profile
- Corporates proven resilient
- Wind-down property mgmt portfolio halved since 2005
- Write-backs in corporate and property mgmt portfolios in Q1 2011

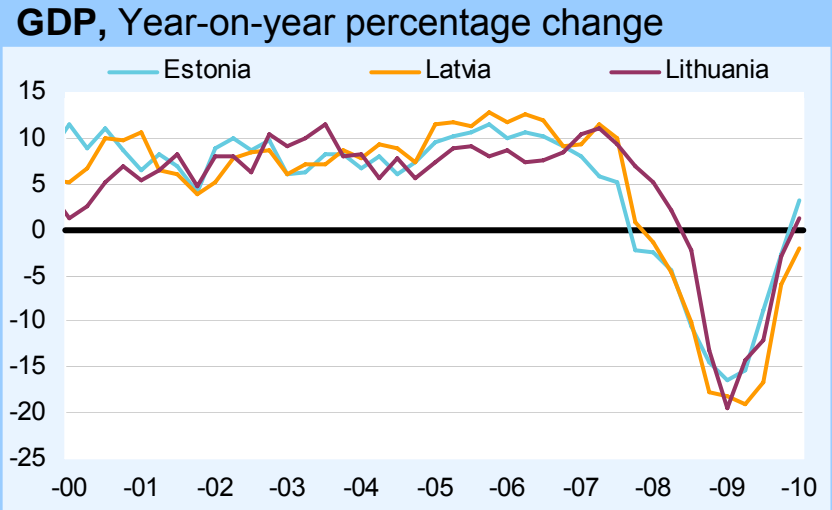


## SEB Group – Net credit losses

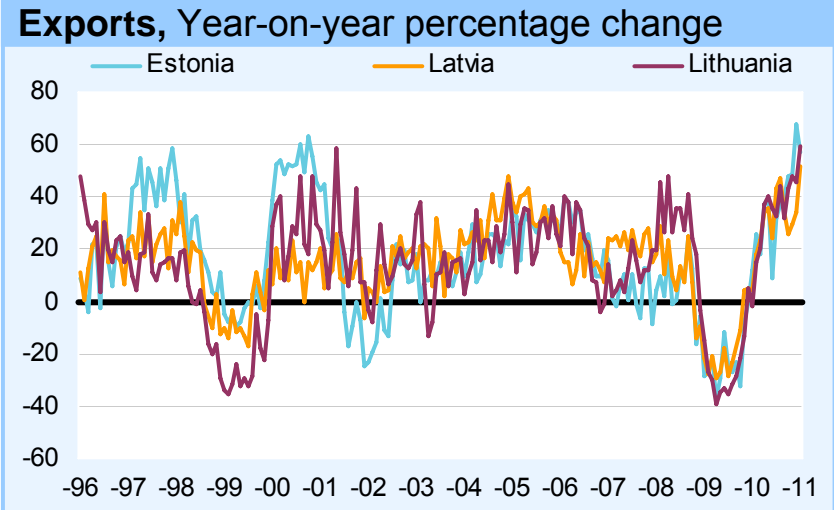


# Development of the Baltic Division

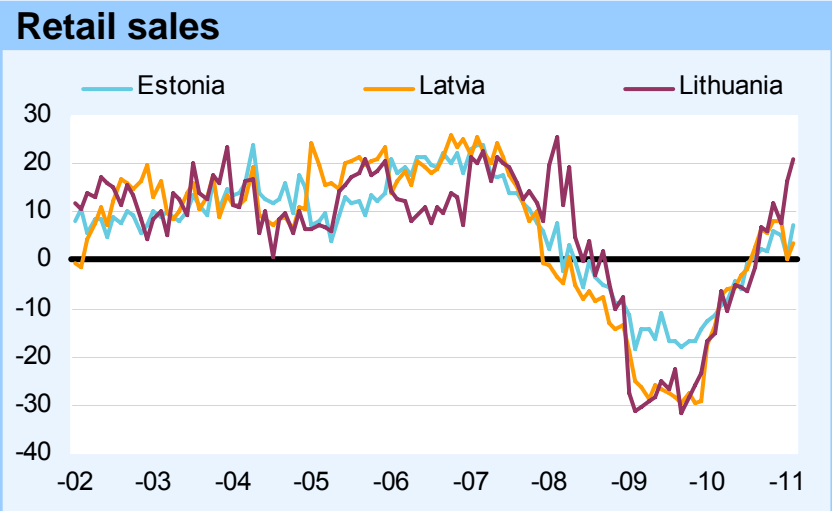
# Turnaround of Baltic macro situation



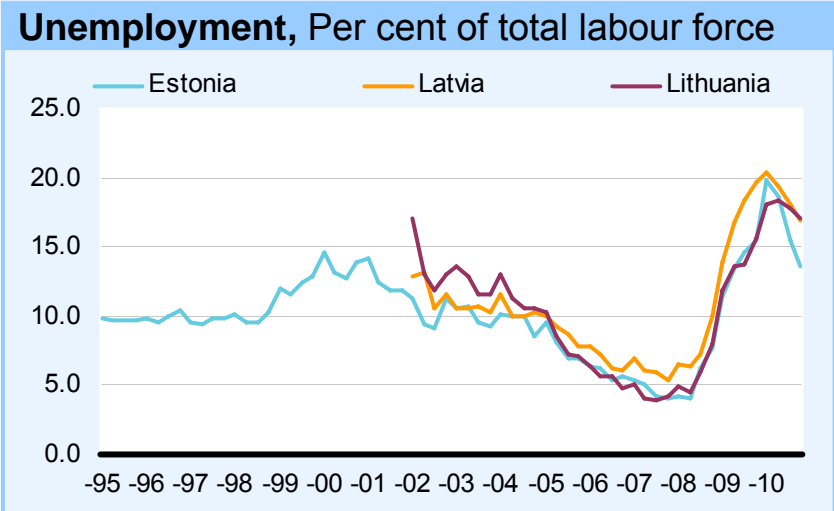
Source: Reuters EcoWin



Source: Reuters EcoWin

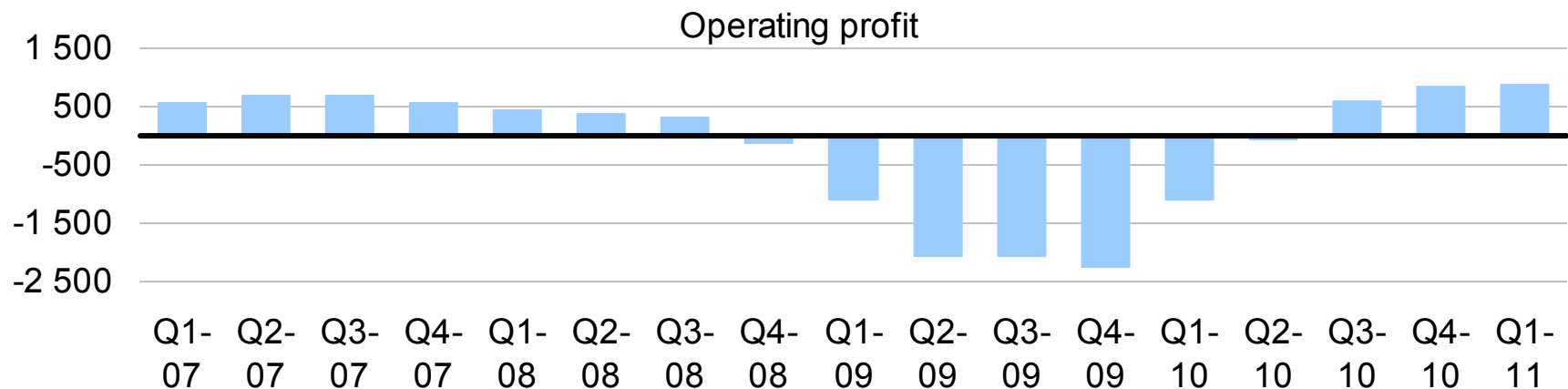
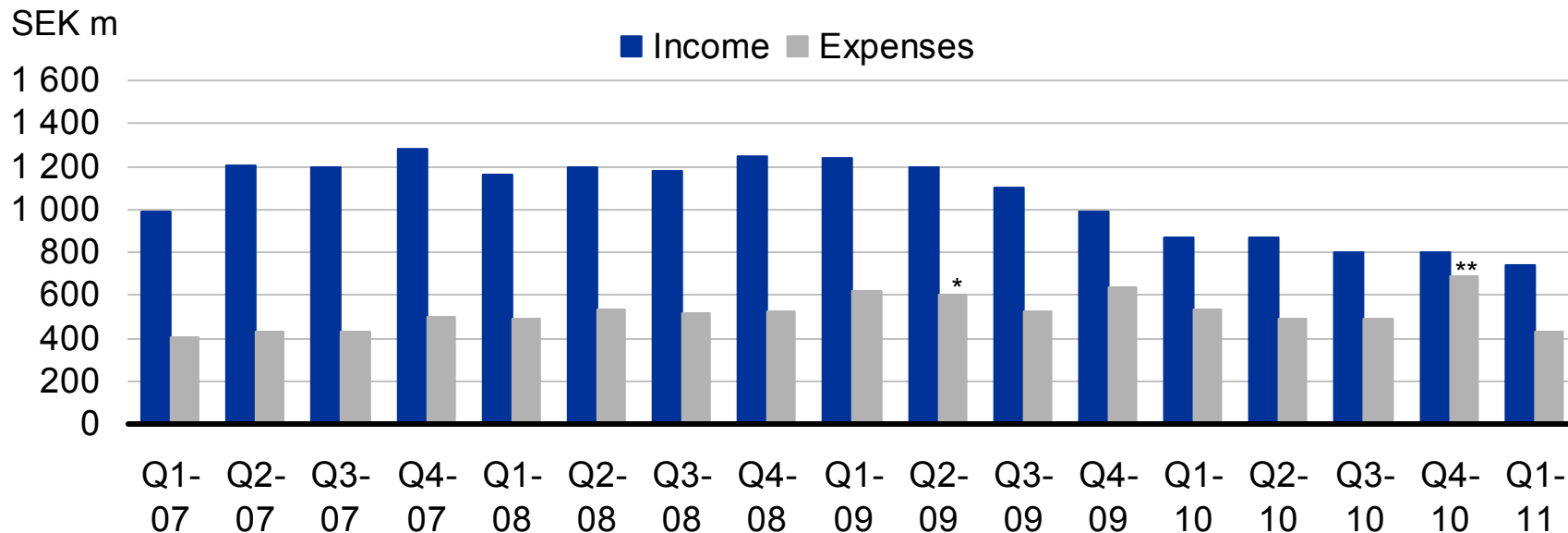


Source: Reuters EcoWin



Source: Reuters EcoWin

# Baltic Division's operating profit returning to pre-crisis levels

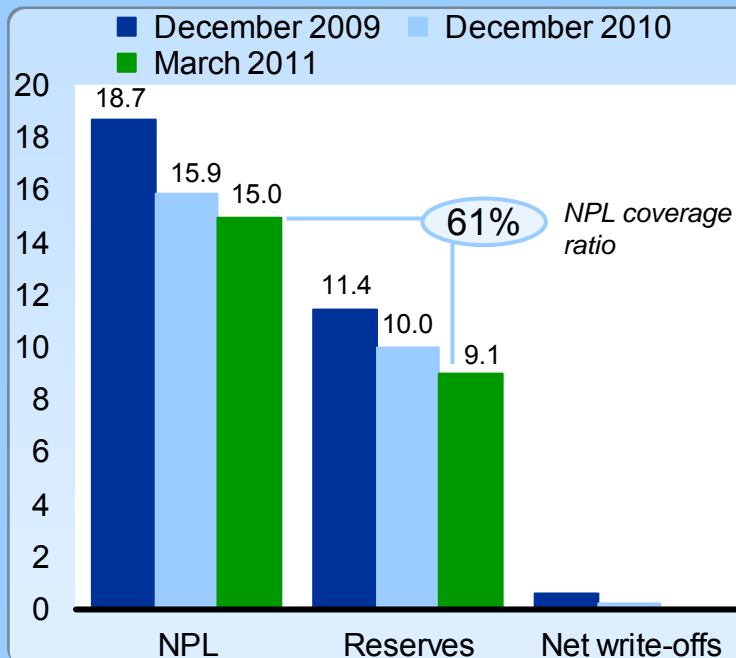


\* Excluding SEK 3bn of goodwill write-down in Q2 2009

\*\* Including SEK 0.2bn of IT system write-off

# Baltic NPLs and net credit losses have been managed by a thorough and conservative evaluation and provisioning policy

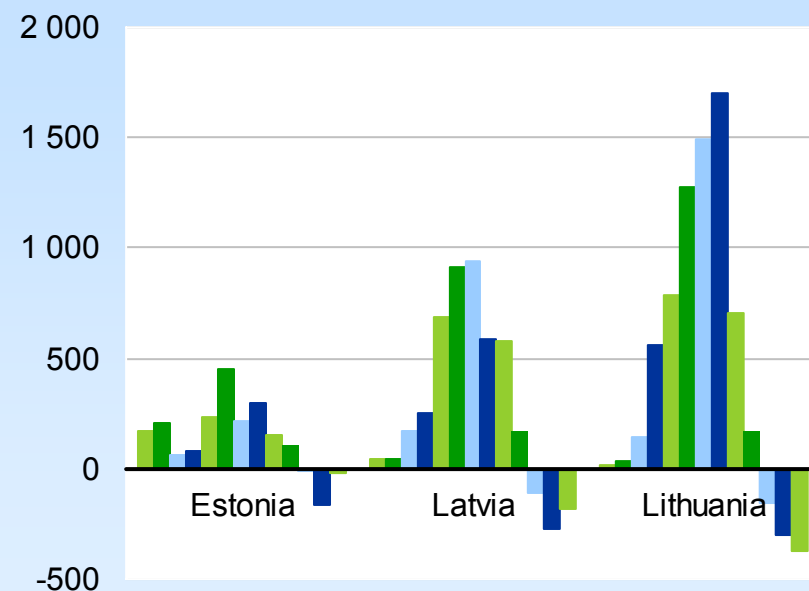
## Non-performing and Reserves, SEK bn



- ✓ Sharp reductions in impaired and watch-list volumes
- ✓ Improving weighted average risk classes
- ✓ Increased heating costs and price shocks put some pressure on households

## Net credit losses, SEK m

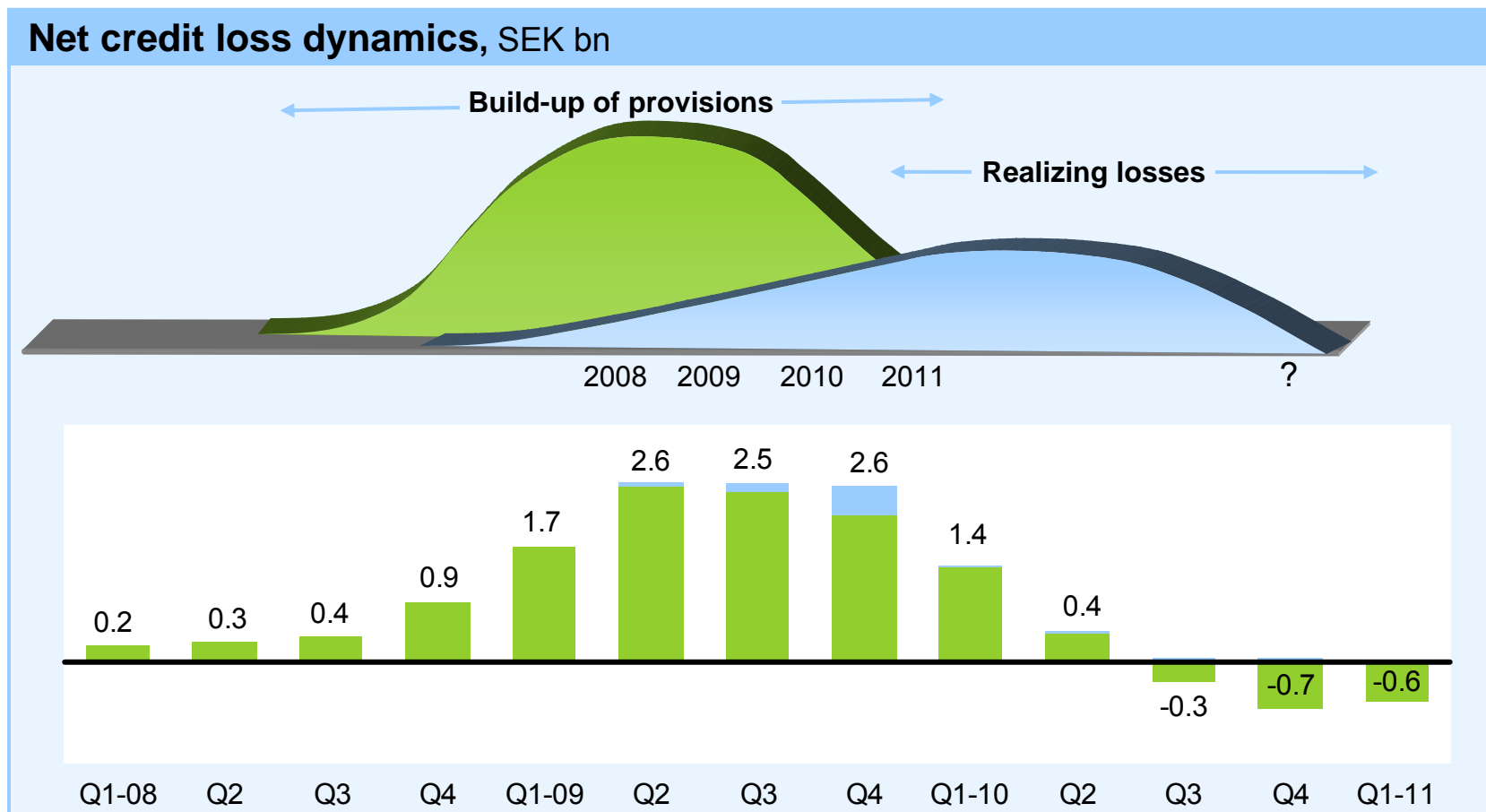
Q1 2008 – Q1 2011



- ✓ Continued net release of provisions – both specific and collective



# Solid grip on the Baltic credit portfolio – end of extraordinary provisioning cycle



# Net credit losses rapidly falling

## Reasons:

- ✓ Austerity measures
- ✓ Turnaround of macro-economic situation
- ✓ Determination, flexibility and fighting spirit
- ✓ Consumers holding up better than expected
- ✓ Export / transit business recovering fast on back of important trading partners' recovery
- ✓ Consumer confidence recovering in residential property
- ✓ First Euro accession in the Baltic area a morale booster
- ✓ SEB's proactive work-out and provisioning

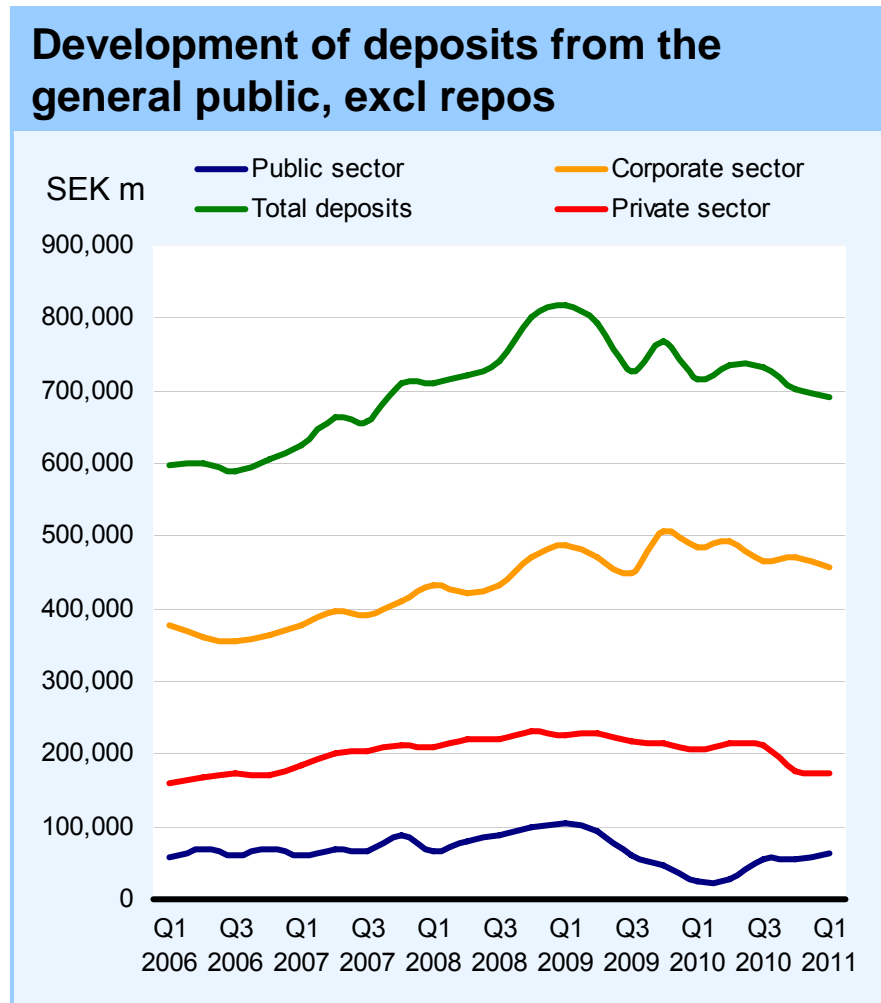
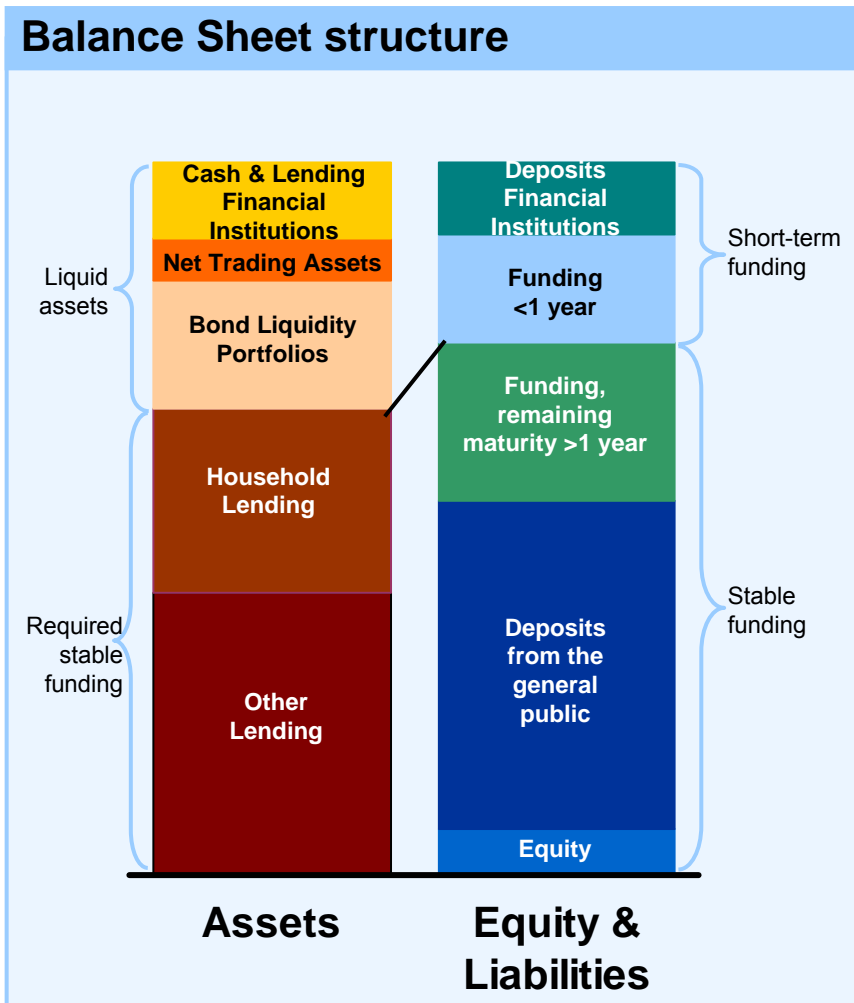


## SEB Baltic subsidiaries receiving positive market recognition

- Successful Euro transition in Estonia put SEB in the limelight
- SEB Estonia ranked #1 in customer satisfaction study (EPSI)
- SEB Estonia ranked #1 service company in Estonia (TNS Emor)
- SEB Estonia opened next-generation internet bank and homepage
- SEB Latvia ranked #1 in Corporate reputation index (TNS TRI\*M)
- SEB Latvia & SEB Lithuania ranked #1 as best FX provider (Global Finance)

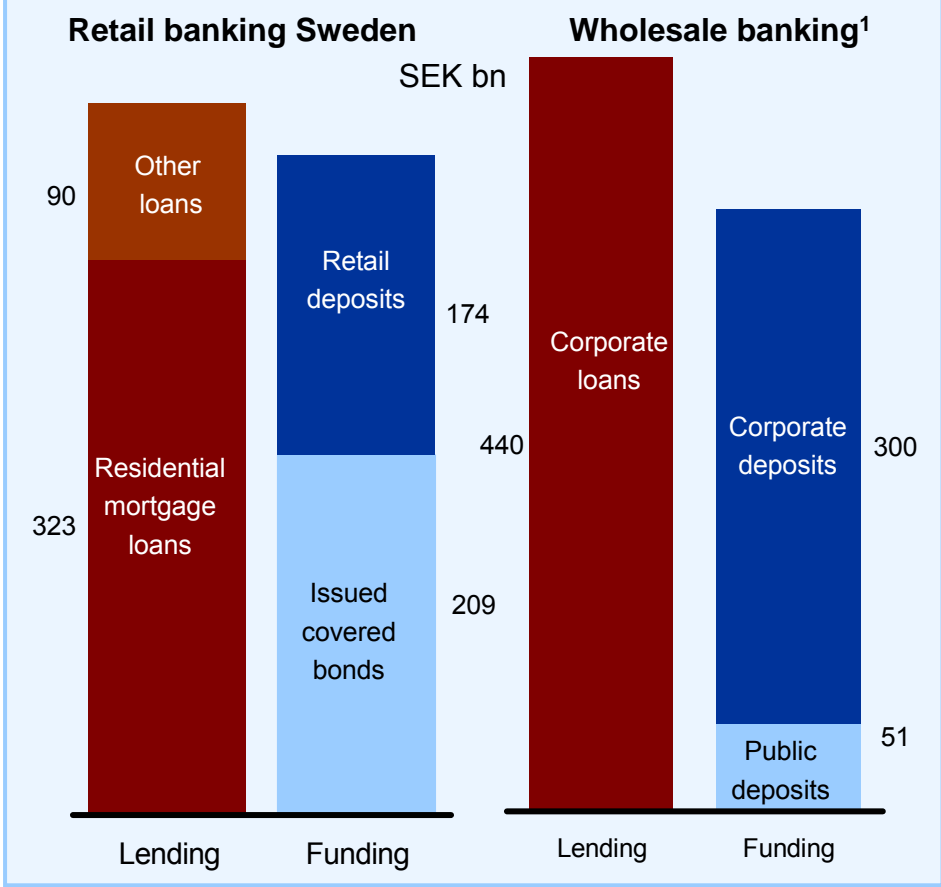
# Liquidity, Funding and Capital

# Strong and well aligned balance sheet structure

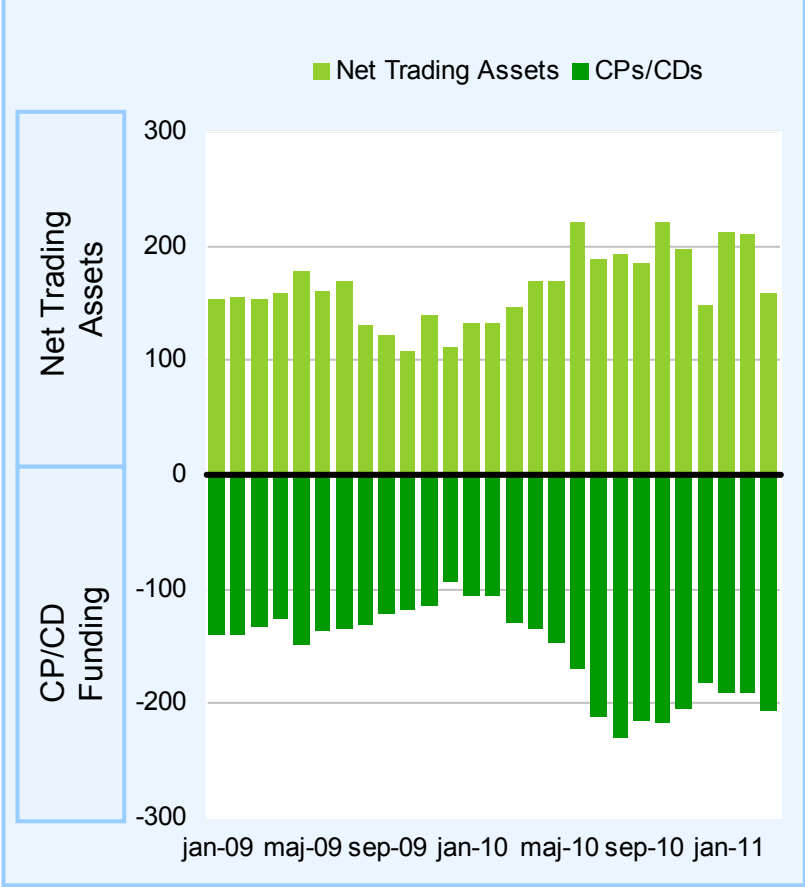


# Strong structural liquidity situation

Strong structural liquidity situation in the two most important business areas; 80% of all lending



Short-term funding<sup>1</sup> moves in line with Net Trading Assets<sup>2</sup> (SEK bn)



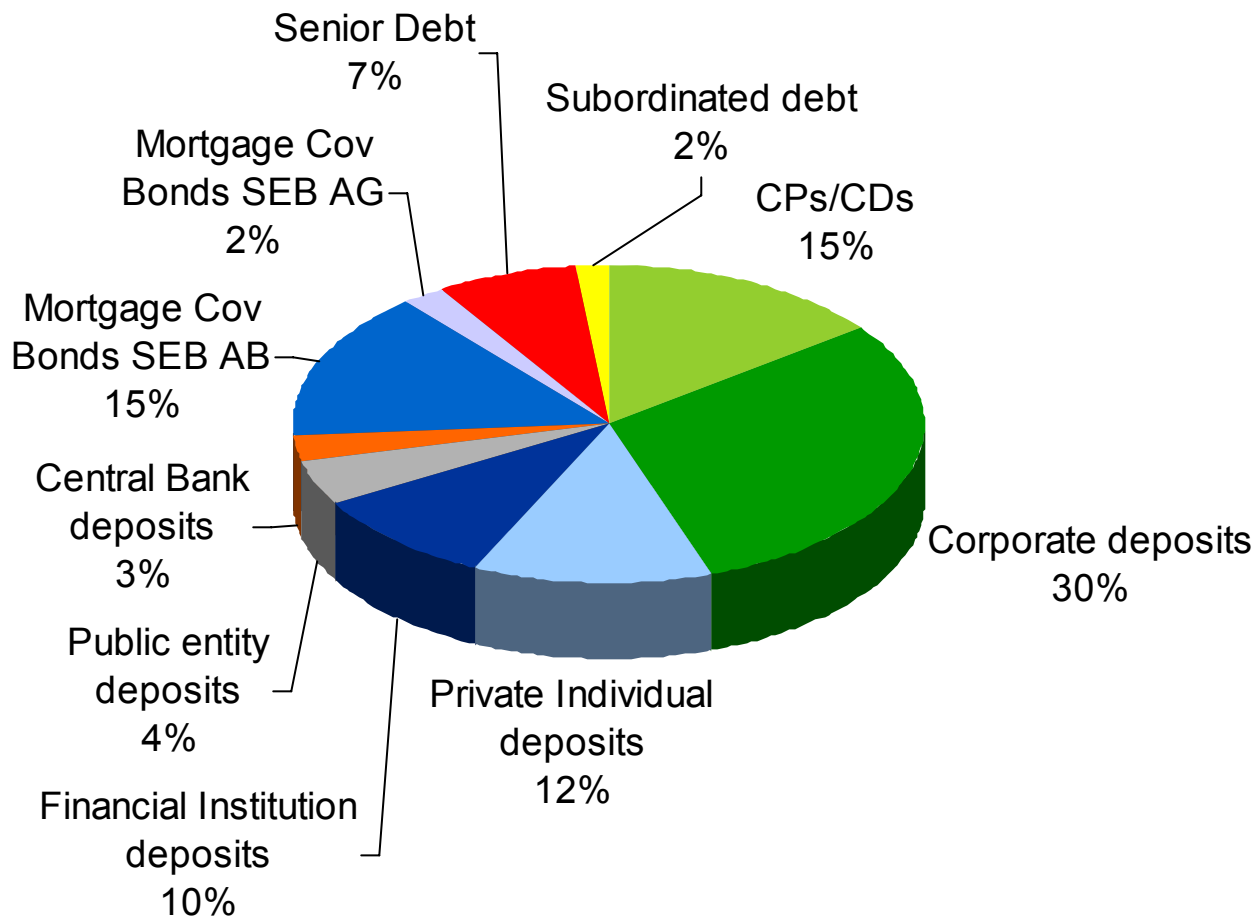
Balance mis-matches funded via long-term debt issuance

1. Excluding repos and reclassified bonds

1. CPs/CDs  
2. Net Trading Assets excluding Derivatives

# Overall funding mix

SEB Group, SEK 1,392 bn (EUR 156 bn), March 2011



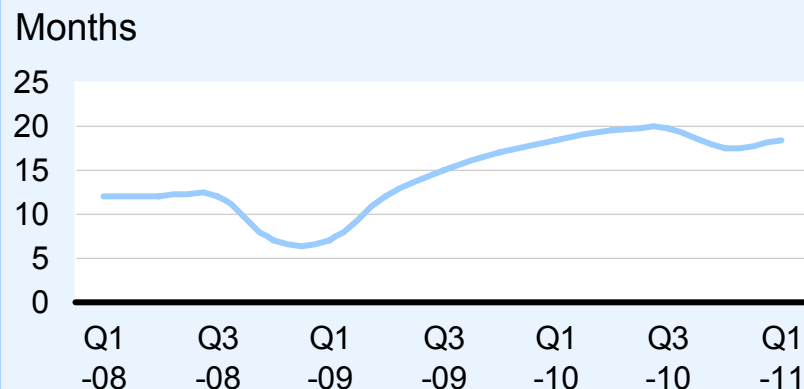
# Net liquidity position: Allows for sustained periods of no market access

## Funding raised with original maturity $\geq 1$ year SEK bn

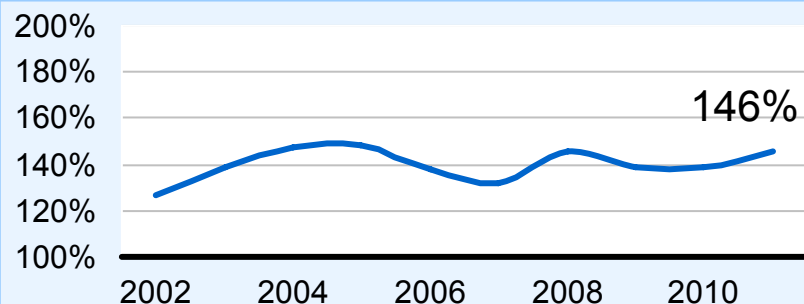
Instrument	Full year 2009	Full year 2010	Q1 *
Yankee CD	3,1	2,9	0,0
Senior unsecured SEB AG	5,2	0,4	0,2
Senior unsecured SEB AB	60,4	13,9	4,5
Structured bonds	8,3	3,2	1,5
Covered bonds SEB AG	24,4	10,7	0,0
Covered bonds SEB AB	25,7	71,0	43,9
Hybrid tier 1	3,3	0,0	0,0
<b>Total</b>	<b>130,4</b>	<b>102,1</b>	<b>50,1</b>

\* As per April 5

## SEB's matched funding horizon <sup>1)</sup>

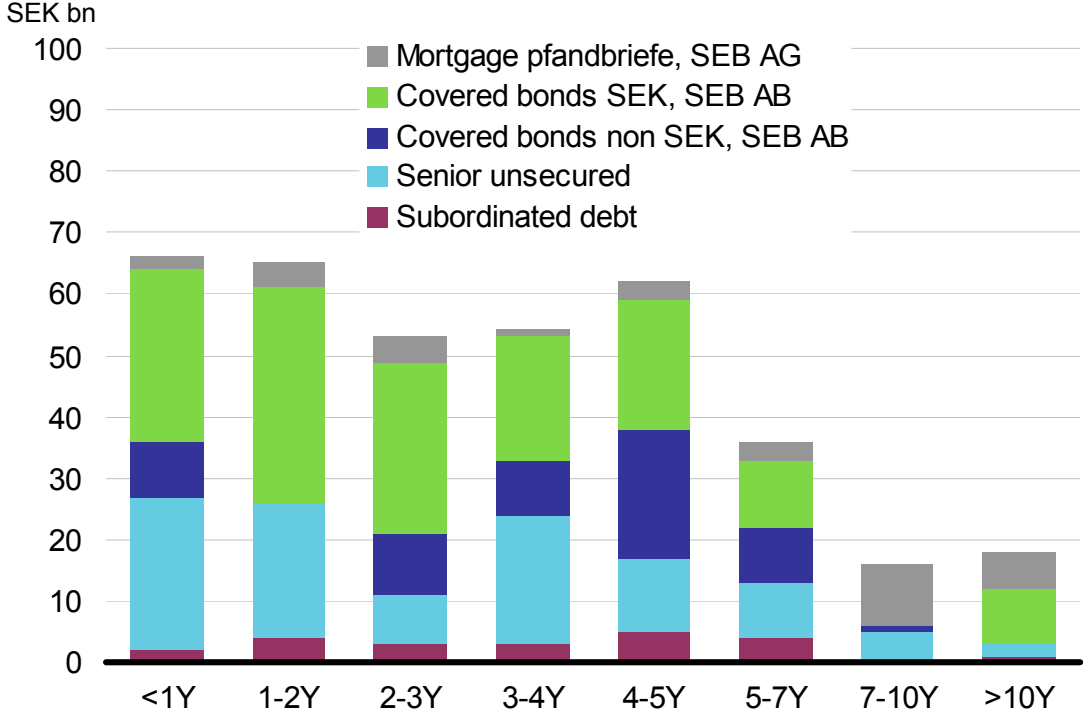


## Loan to deposit ratio excl. repos and reclassified bonds



1) Note: this is a cash flow based model where assets and liabilities are mapped to contractual maturities.  
SEB will manage more than 18 months without any new funding if the loans and liabilities mature without prolongation.

# Maturity of long-term funding: Well distributed across type and market



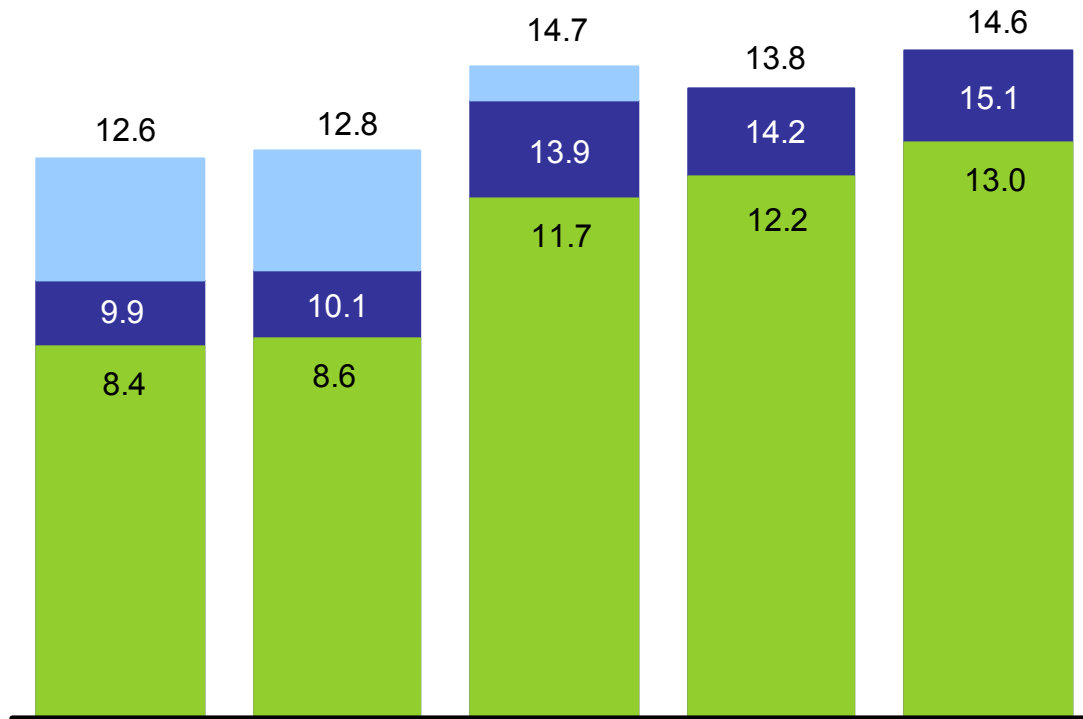
SEK bn	Product	<1Y	1-2Y	2-3Y	3-4Y	4-5Y	5-7Y	7-10Y	>10Y	Total
	Subordinated debt	-2	-4	-3	-3	-5	-4	0	-1	-23
	Senior unsecured	-25	-22	-8	-21	-12	-9	-5	-2	-104
	Covered bonds non SEK, SEB AB	-9	0	-10	-9	-21	-9	-1	0	-59
	Covered bonds SEK, SEB AB	-28	-35	-28	-20	-21	-11	0	-9	-151
	Mortgage pfandbriefe, SEB AG	-2	-4	-4	-1	-3	-3	-10	-6	-31
	<b>Total</b>	<b>-66</b>	<b>-66</b>	<b>-52</b>	<b>-54</b>	<b>-62</b>	<b>-36</b>	<b>-15</b>	<b>-18</b>	<b>-368</b>



# SEB's Core Tier 1 ratio is amongst the strongest in Europe

Basel II – without transition rules

■ Tier 1 capital ratio, %   ■ Total capital ratio, %   ■ Core Tier 1 (from 2007)



**Basel III**  
 ✓ Estimated effect  
 ~150 bps deduction  
 from Core Tier 1

	Dec 2007	Dec 2008	Dec 2009	Dec 2010	Mar 2011
Tier 1 capital SEK bn	72.7	82.5	101.6	102.0	102.1
Capital base SEK bn	93.0	104.7	107.3	99.1	98.8
RWA	737	818	730	716	678

# Going Forward

# Strategy – Focused growth in areas of strength **SEB**

## 1. Large Corporates



SEB is clearly perceived as No 1 in Sweden, making progress in the other Nordic countries and aim to leverage off its knowledge in Germany

Expansion in:

- ✓ Nordic large corporates
- ✓ Selected German Mittelstand

\* Relative to mean performance in relative market (Source: Greenwich)

# Strategy – focused growth in areas of strength

- 1. Large Corporates**
  - ✓ Nordic countries
  - ✓ Germany

- 2. Retail**
  - ✓ SMEs & Mid-Corp sectors in Sweden
  - ✓ Consumer savings

- 3. Institutional business**
  - ✓ Asset management
  - ✓ Institutional custody

- 4. Baltic banks**
  - ✓ Building an attractive business for a post-crisis world
  - ✓ Offer universal bank services
  - ✓ Become most respected bank and the No 1 home bank



**Resilient and diversified income base**

**Continued Nordic and German corporate expansion**

**Positioned for increased market activity**

**Core Tier 1 ratio 13.0%**

**Matched funding >18m**

**Leverage ratio<sup>1/</sup> 16x**

**Liquidity reserve SEK 422 bn**

1/ FDIC