



**UBS Global Financial Services
Conference, 9 May 2012**

**Annika Falkengren
President & CEO**

In the new world, what are SEB's priorities?

Relationship banking as
the key franchise driver

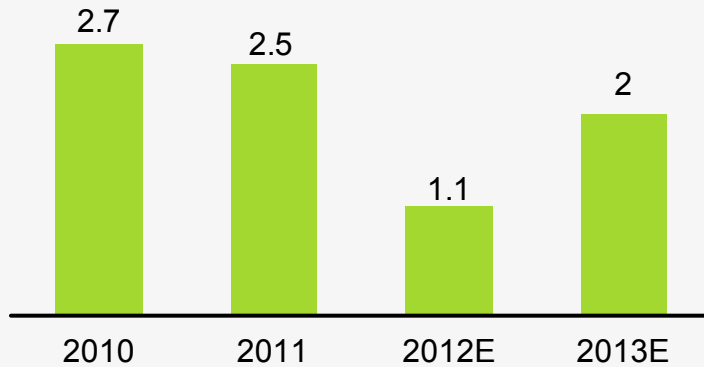
Maintain strong balance
sheet and asset quality



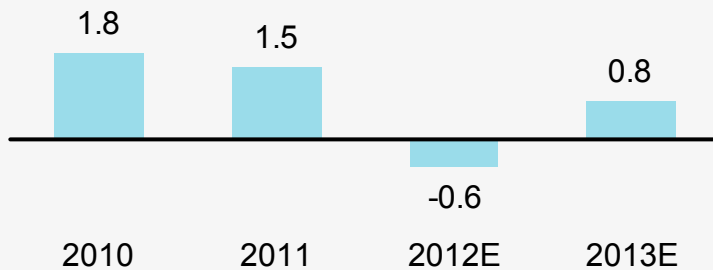
Relationship banking as key franchise driver

Fundamentals remain robust in Northern Europe

Nordic GDP growth (per cent)

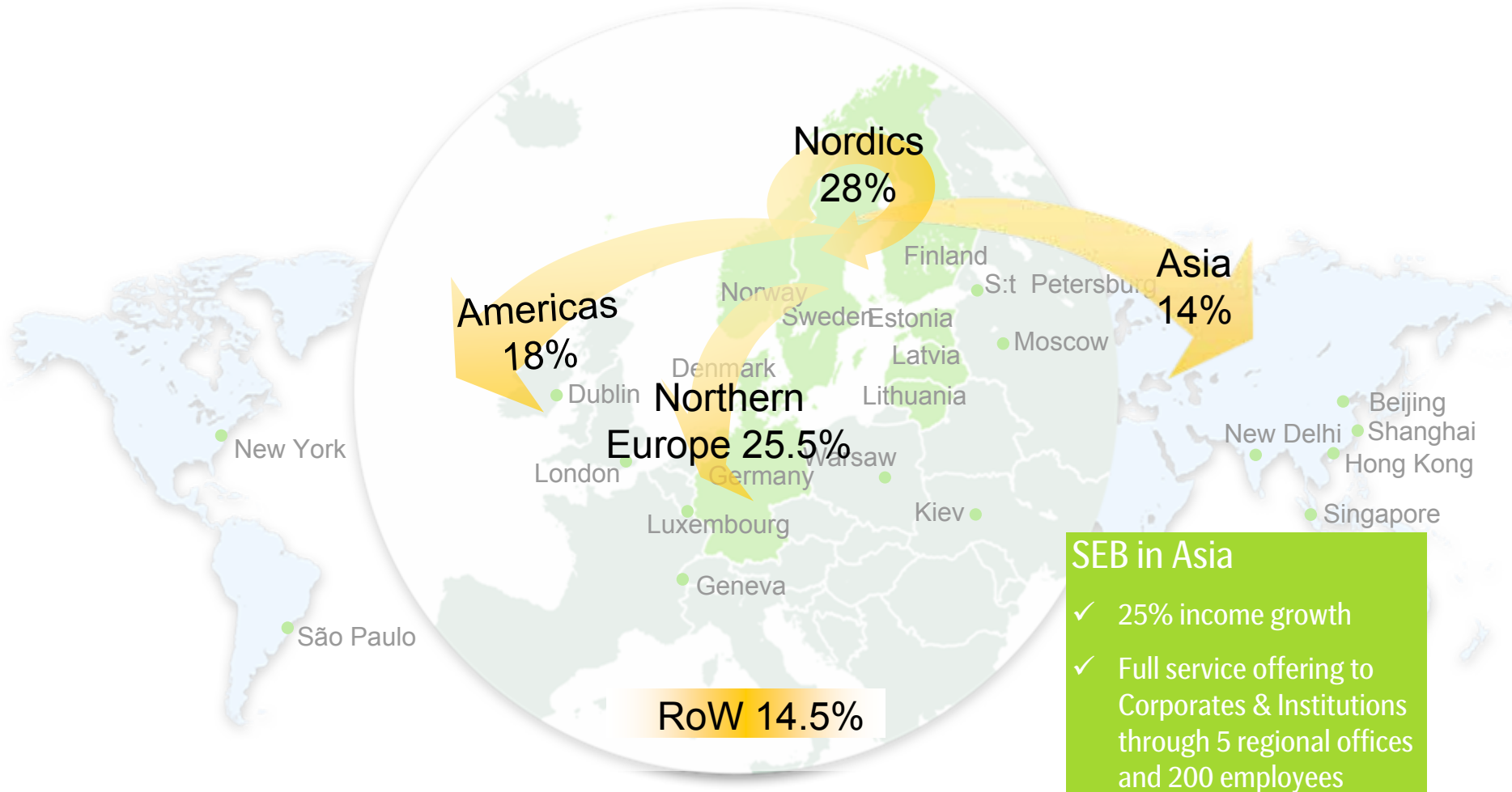


Eurozone GDP growth (per cent)



A Nordic bank with global reach

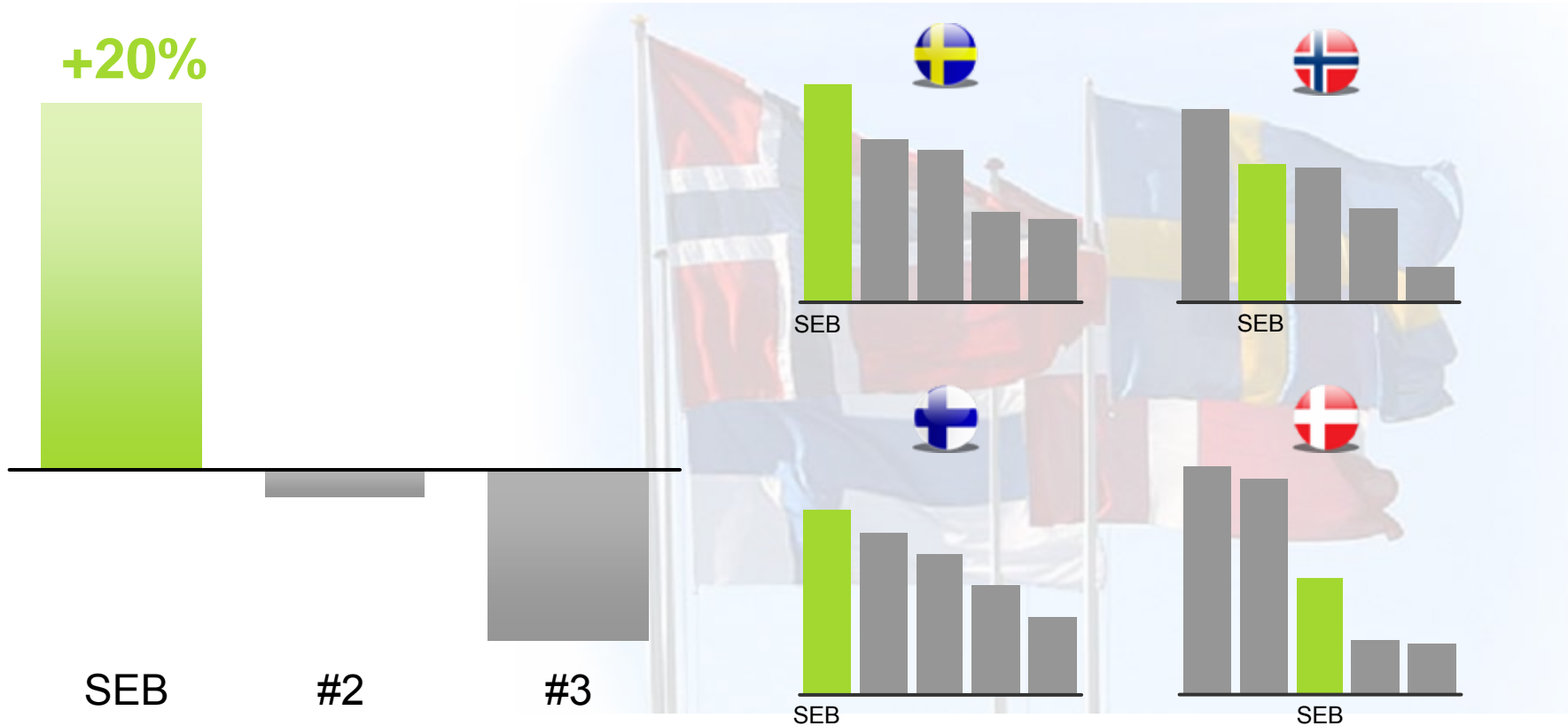
Following in our customers' footprint



Note: Sales of 120 largest listed Swedish corporates
Source: Annual reports

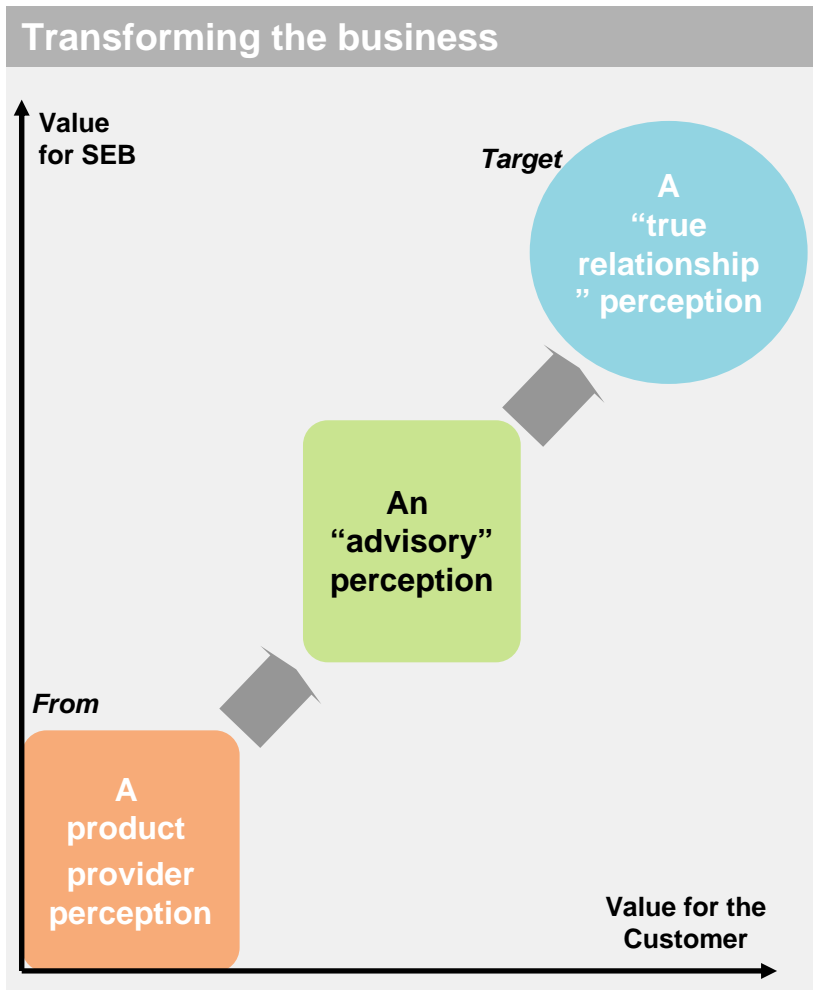
For the first time SEB named Best Bank for Large Corporates and Institutions in the Nordics 2011

Voice of the customer: SEB is the **#1 wholesale bank** in the Nordics

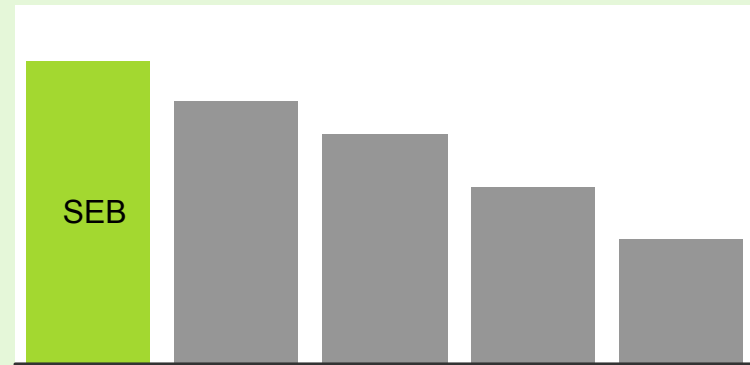


Note: Net change between 2010 and 2011 (left-hand graph). Country scores 2011 (right-hand graph)
 The result is based on 62 surveys across the Nordics. Source: Prospera Large Corporates & Institutions Surveys 2011

Example: SEB in Finland

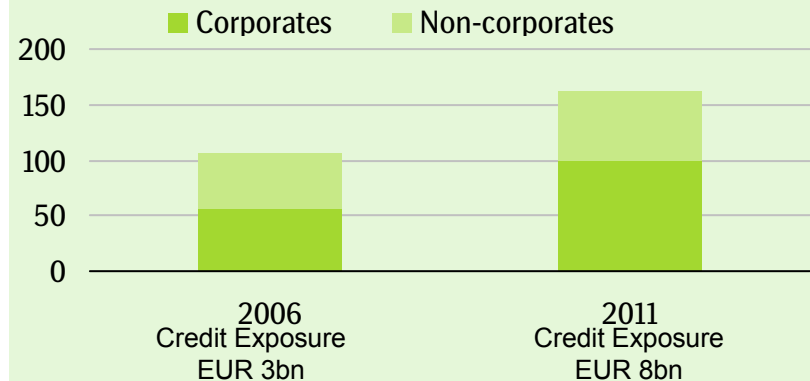


Increased customer satisfaction (Prospera)



Source: Prospera Large Corporates & Institutions Surveys 2011

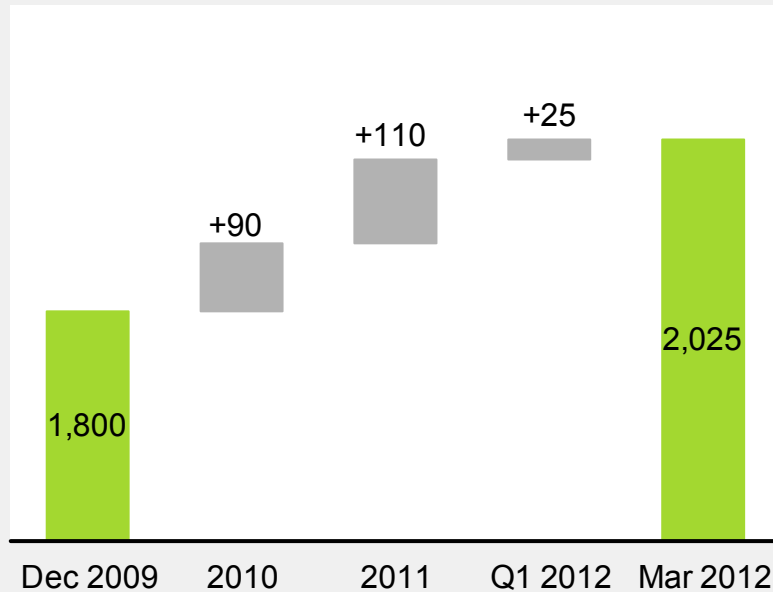
Increased income and credit exposure (EUR m)



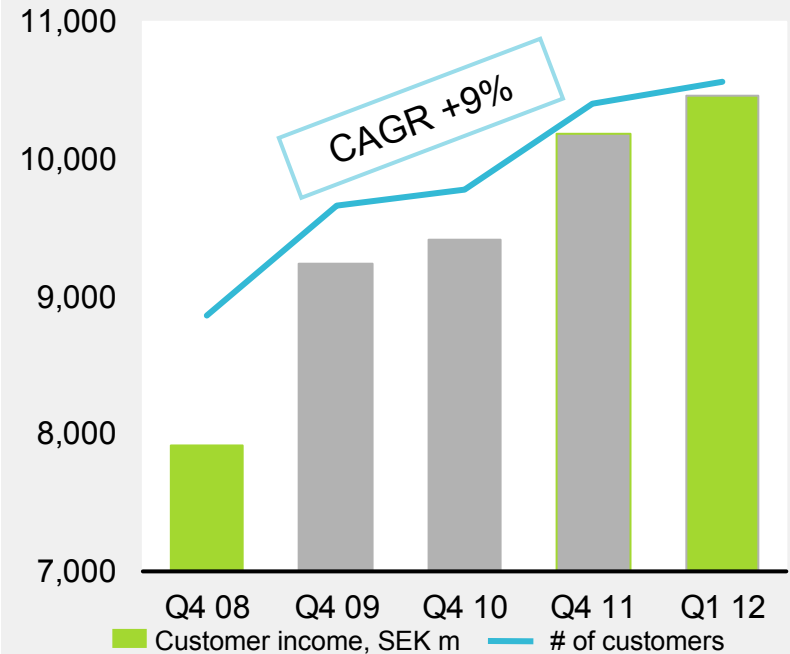
Growing customer base and enhanced relationships

Nordic and German expansion

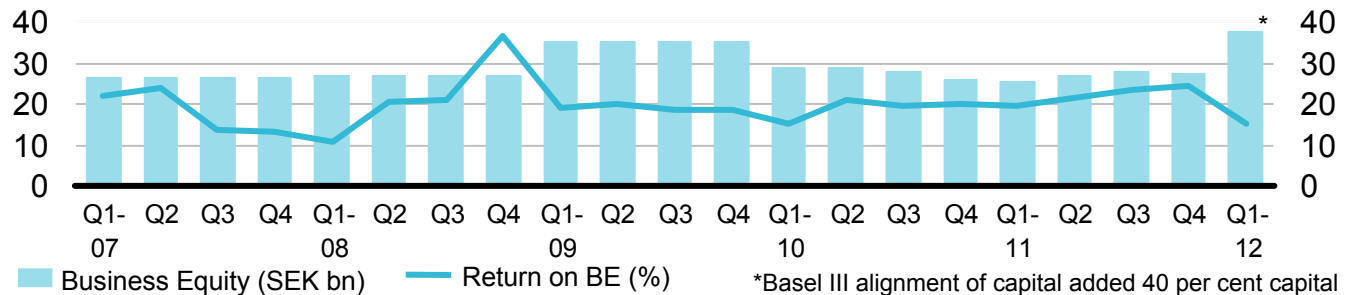
Number of corporate clients in Merchant Banking



Tier 1 clients in Merchant Banking



Profitability



*Basel III alignment of capital added 40 per cent capital allocation

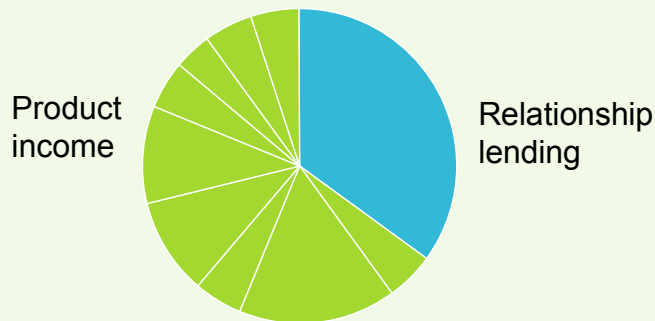
Customer segments in Merchant Banking

Large Corporates



~65% of total revenues
~ 2,000 customers
~ 5 home markets &
17 supporting sites

Income distribution

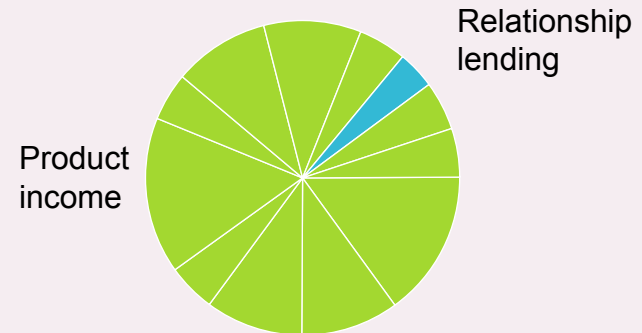


Financial Institutions



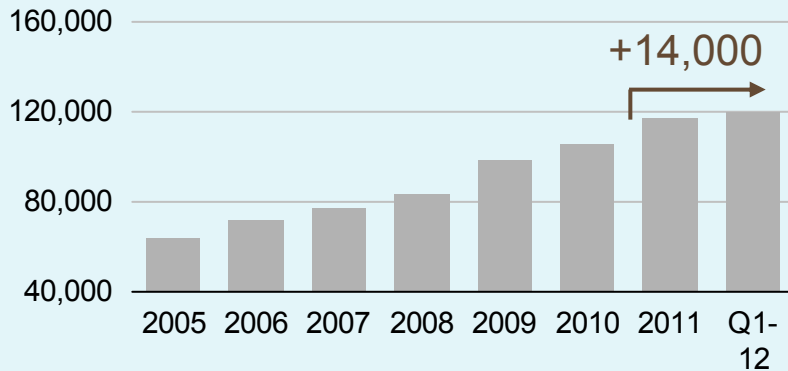
~35% of total revenues
~ 700 customers
~ 5 home markets &
4 financial centres

Income distribution



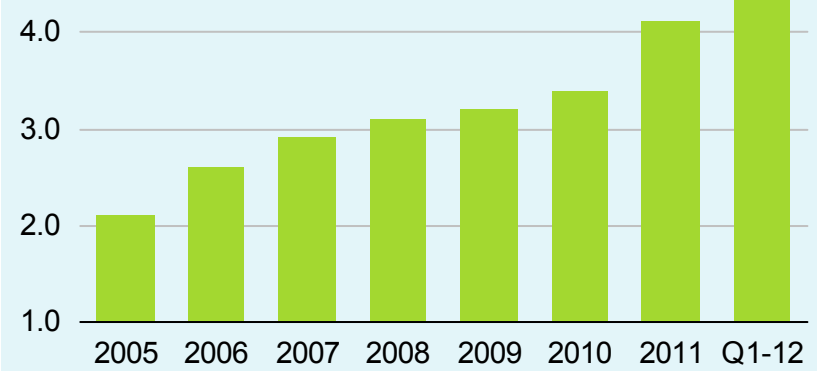
Successful repositioning in the Swedish SME market

Growing number of clients



Note: Active cash management customers

Operating income (SEK bn)

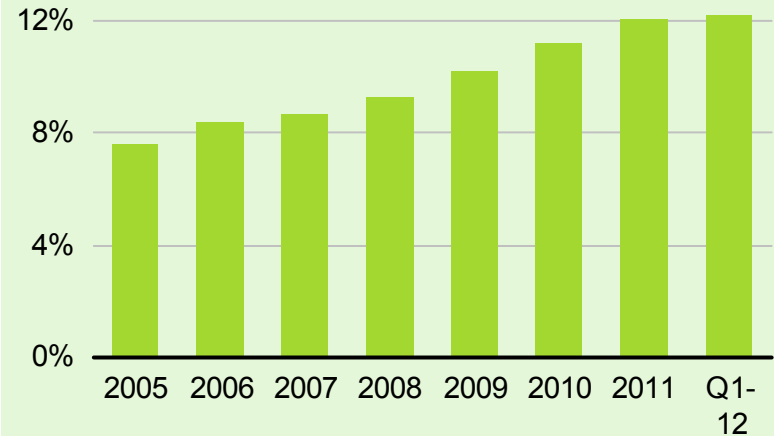


Note: Q1-12 annualised

Availability and offerings



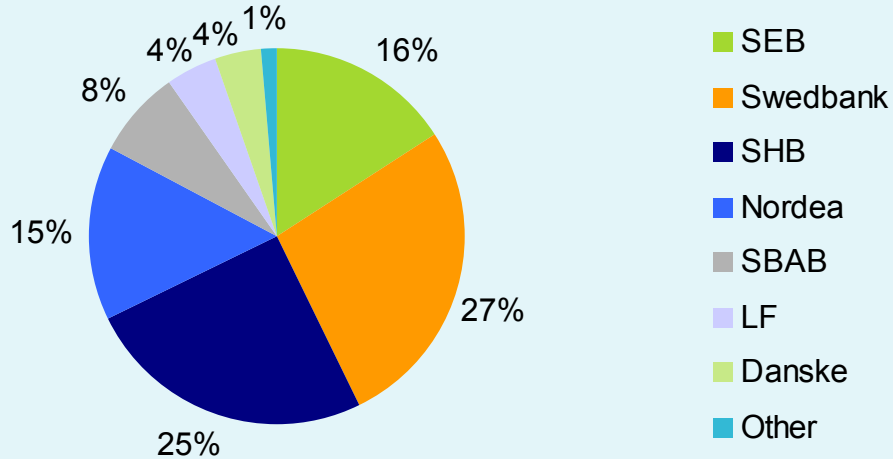
Market share



Note: Active cash management customers

Increased presence in the Swedish household mortgage market reflects SEB's customer base

Swedish mortgages, market shares, 31 Dec 2011



Source: SCB

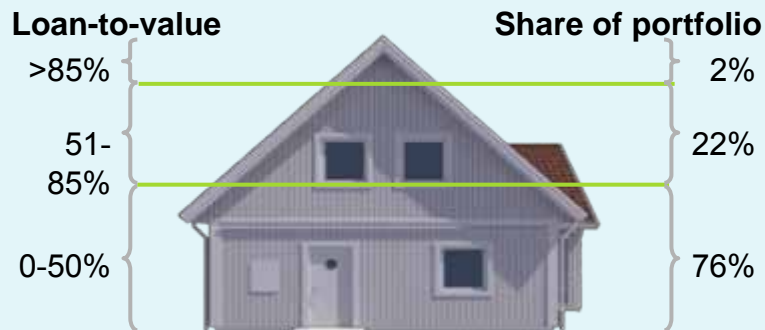


~14% of credit portfolio



~6% of total revenues

Low LTVs by regional and global standards



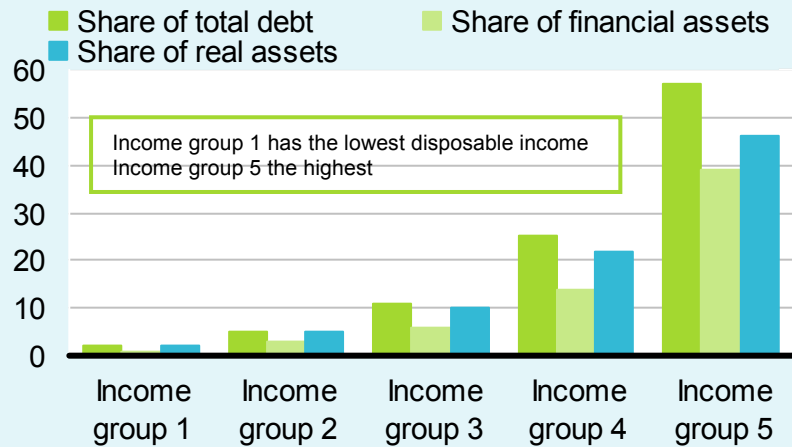
Strict credit policy

- Affordability
- LTV and leverage caps
- Amortisation
- Stress tests

* Source: Swedish Credit Bureau ("UC AB")

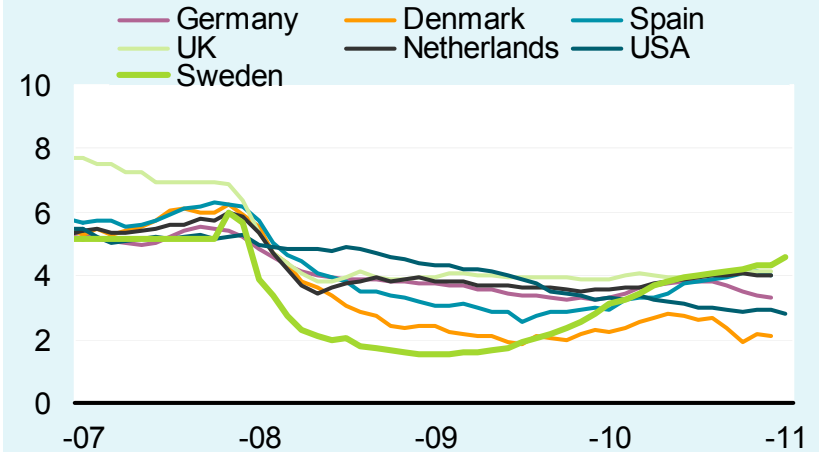
Resilient mortgage market with repricing features

Majority of Assets and Debt held by households with higher income



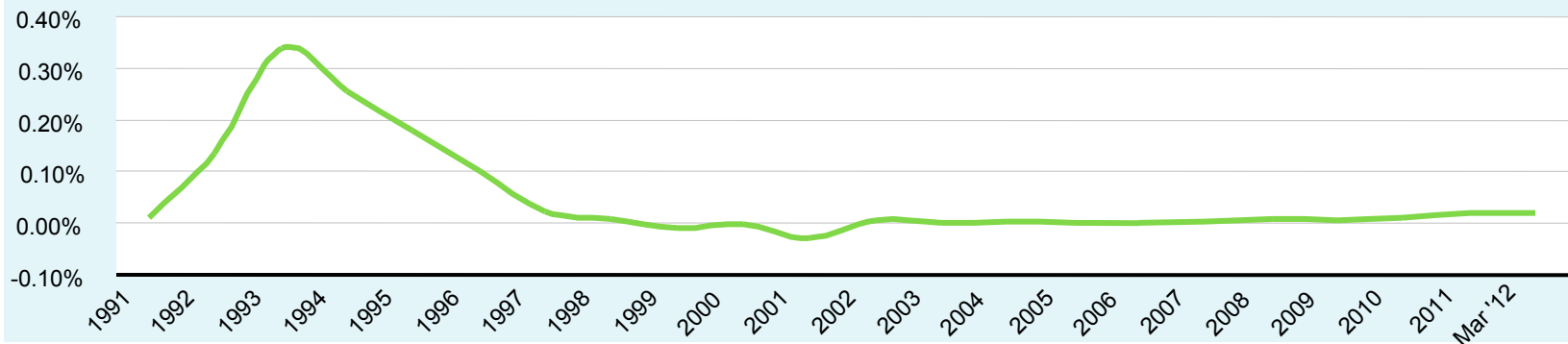
Source: Sveriges Riksbank Nov 2009

Mortgage lending rates are going up due to stricter regulatory framework



Source: Reuters EcoWin

Credit loss level for SEB's Swedish household mortgage portfolio



**Maintain strong balance sheet and
asset quality**

Resilience

Strong capital position

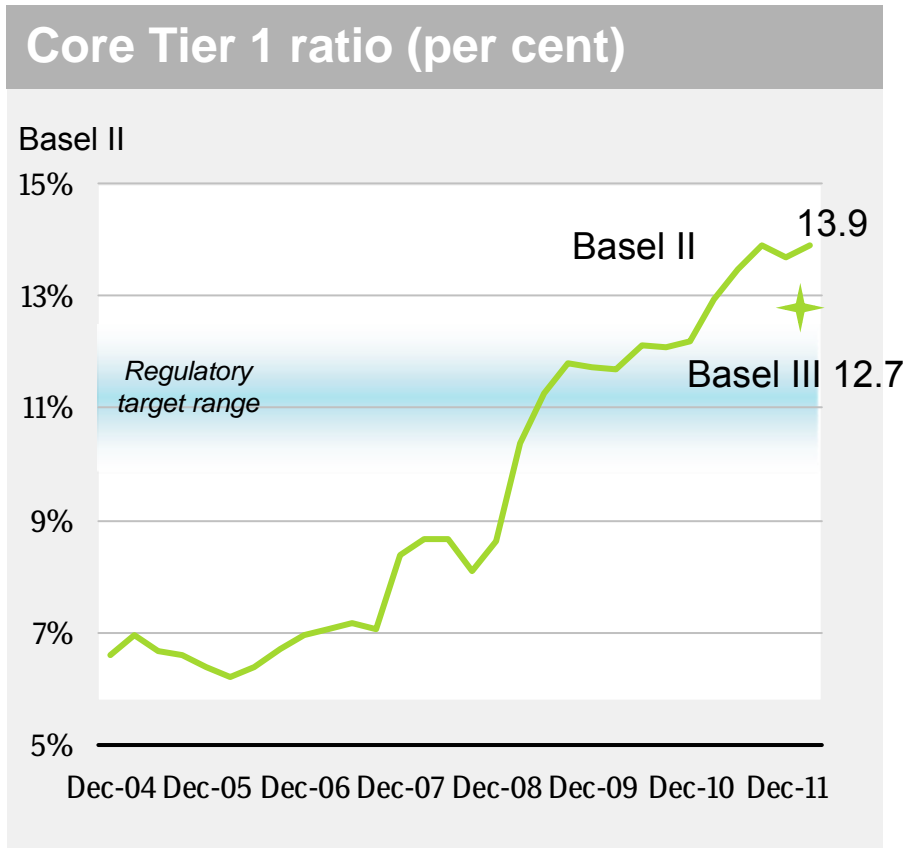
High liquidity reserves

Good market access

Solid asset quality



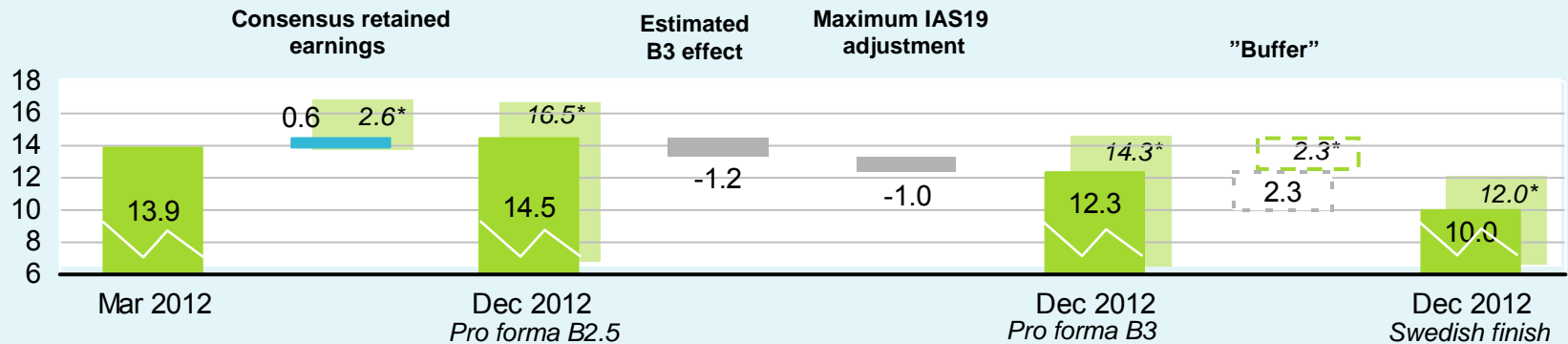
Strong capital situation



- ✓ Maintain buffer to minimum regulatory levels
- ✓ RWA stable in continuing operations. Lending to high-quality customers and increased use of collateral for RWA purposes offset Basel 2.5 effects and volume growth.
- ✓ Regulatory treatment of IAS 19 still not clarified

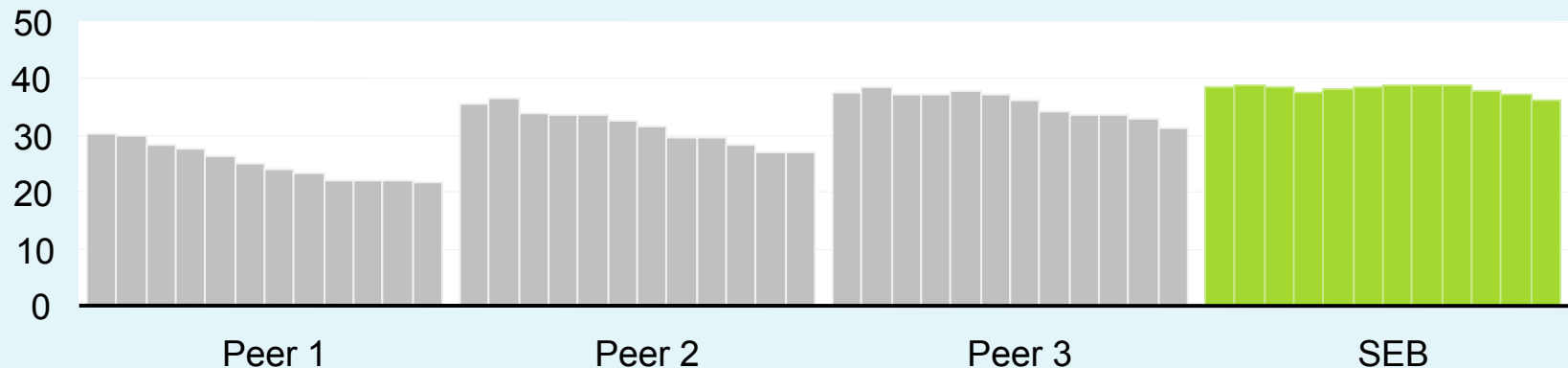
SEB's road to Basel III, and conservatism across all customer segments in terms of risk modelling RWA

Basel II to Basel III Core Tier 1 Pro forma (per cent)

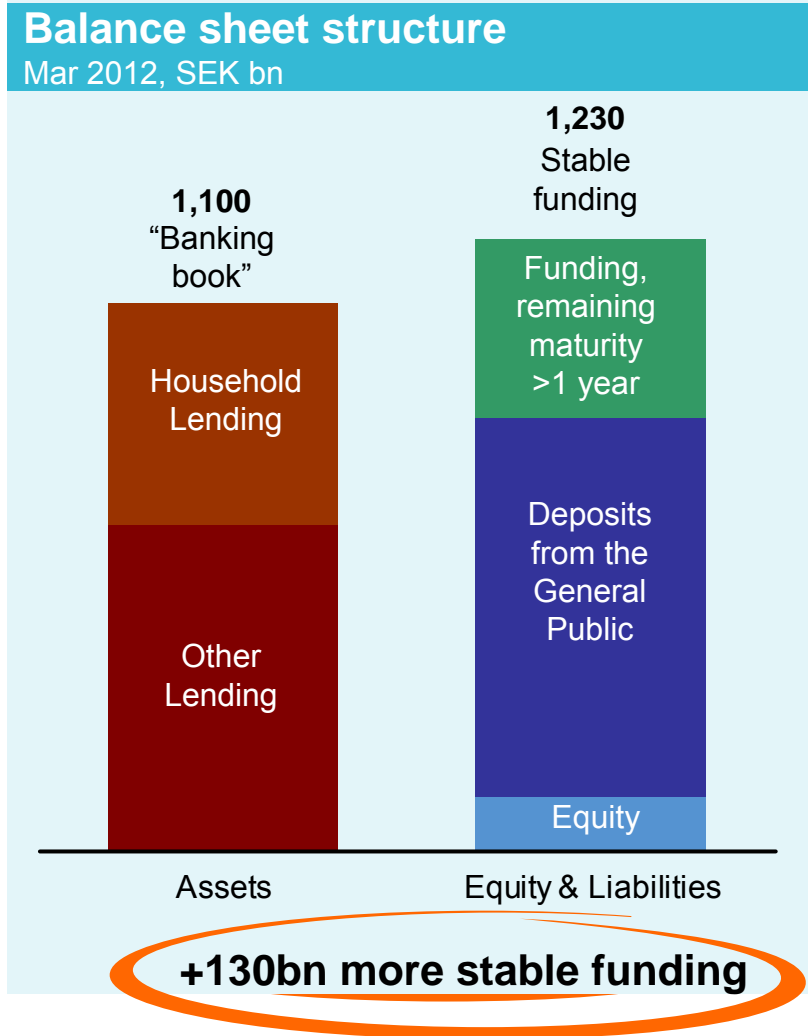


*Start 2015

Basel II total IRB risk weight, Swedish banks, per cent, Q1 2009 – Q4 2011



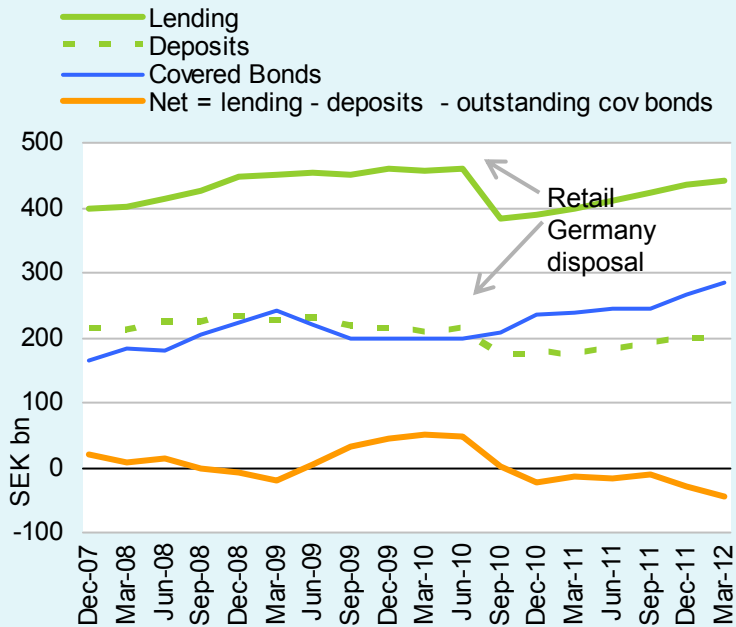
Solid funding and deposit situation



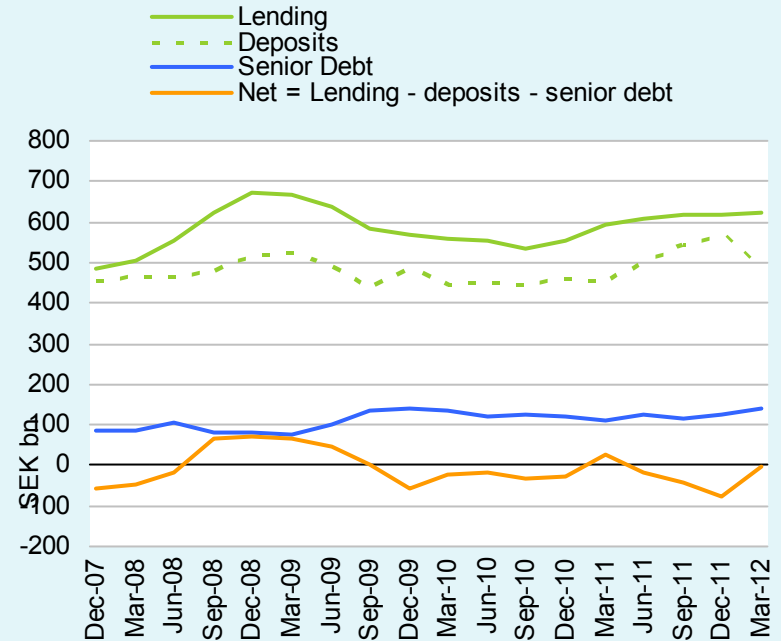
- ✓ Structurally sound balance sheet
- ✓ Loan-to-deposit ratio excluding household mortgage lending ~100%
- ✓ Unutilised capacity for covered bonds SEK 94bn

Loan growth funded through deposit growth and issued long-term covered and senior bonds

Household lending, deposits and covered bond funding



Corporate & public lending, deposits and senior bonds

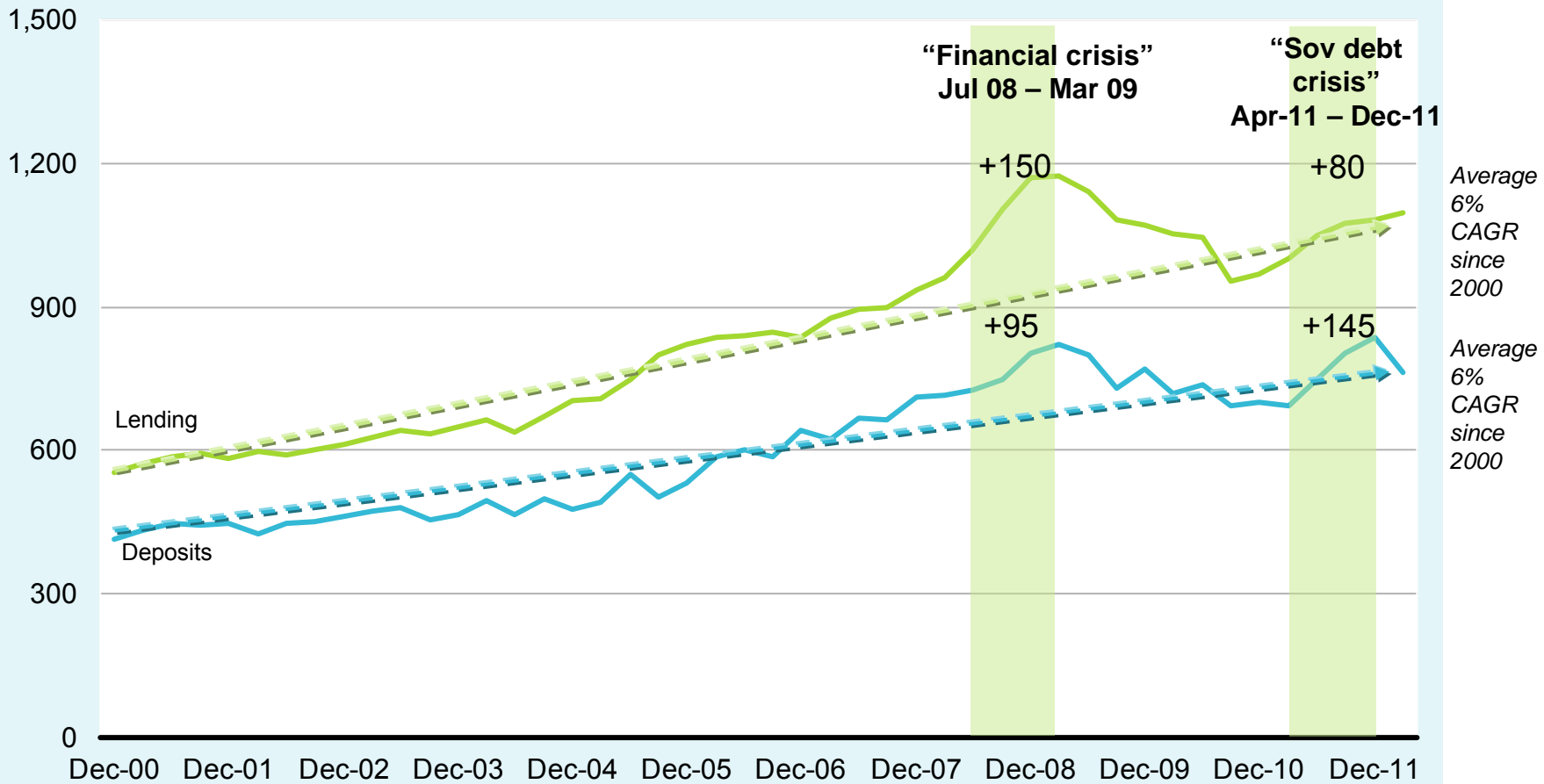


Stable net funding base

Lending and deposit volumes

SEK bn

Lending to and deposits from corporates and households

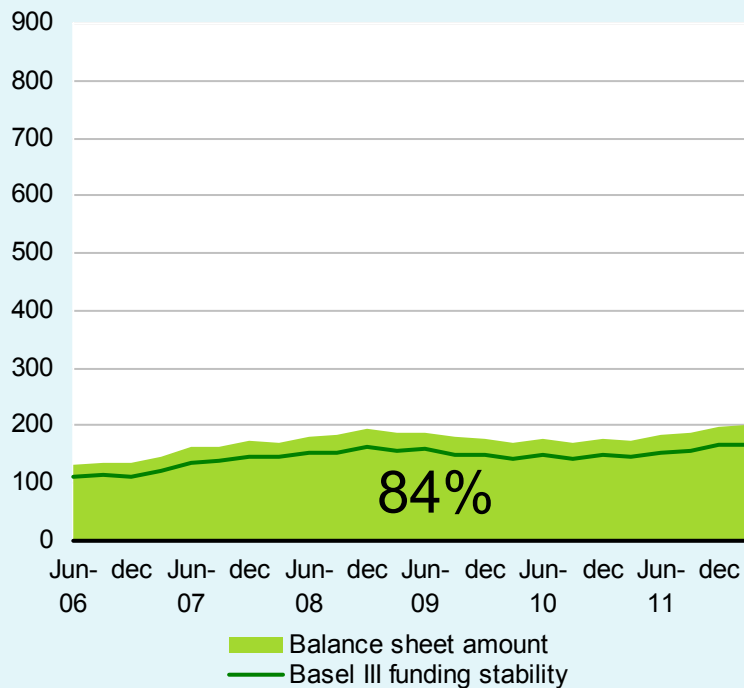


Excluding divested businesses

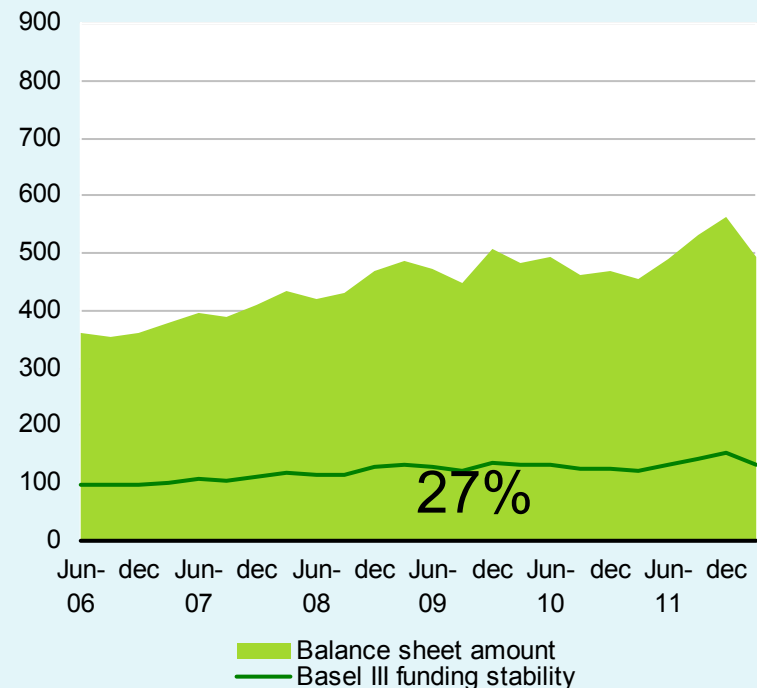
SEB's stable corporate business is not captured in Basel III

Example: accredited stability in structural liquidity ratio ("NSFR")

SEB's household deposits, SEK bn



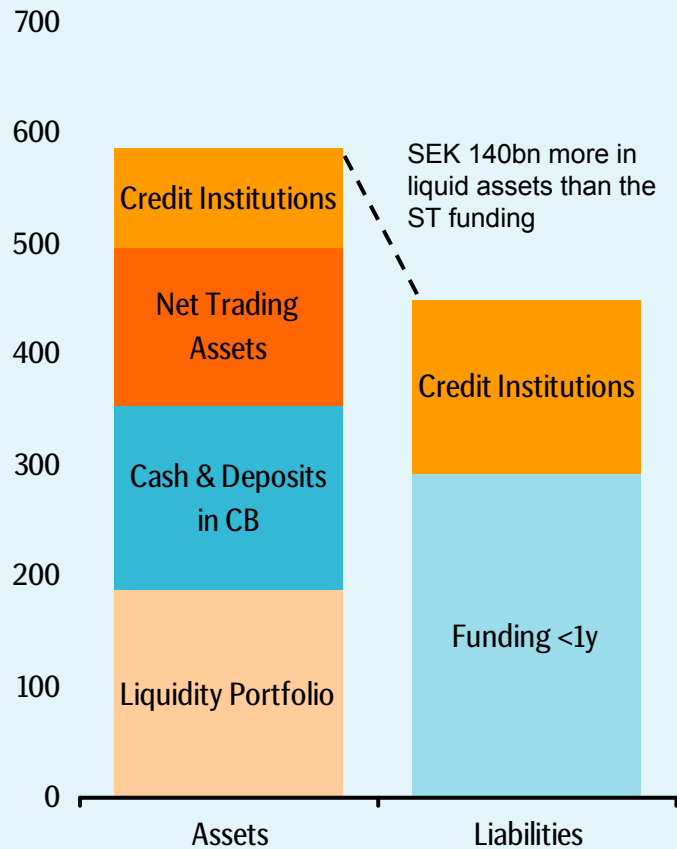
SEB's corporate deposits, SEK bn



SEB is already LCR compliant

Liquid resources / Short-term funding

March 31, 2012, SEK bn

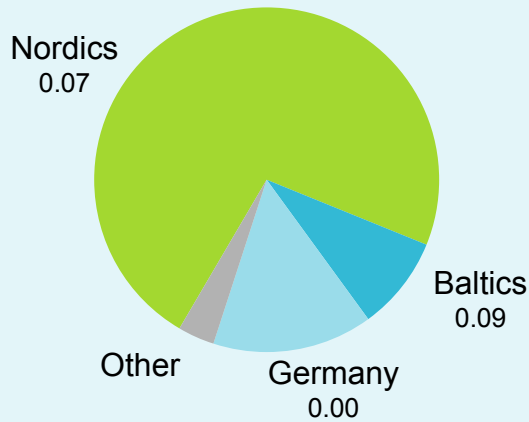


- ✓ SEB has a very liquid balance sheet
- ✓ LCR at 109 per cent vs. 95 per cent end of 2011
- ✓ 50 per cent of core liquidity reserve invested in central banks due to limited availability of AAA-rated papers in local markets
- ✓ LCR varying heavily due to its short-term nature
 - deposit base development
 - excess liquidity investments

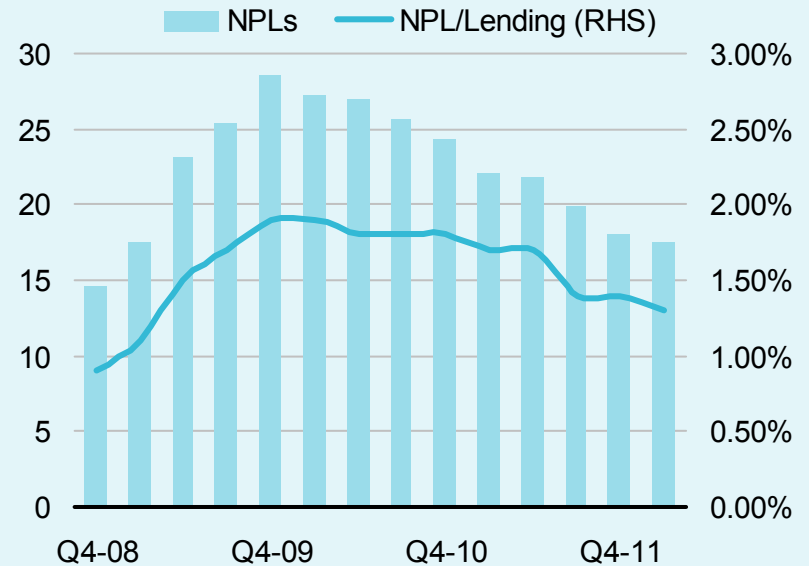
Continued strong asset quality

Distribution of lending portfolio and credit loss levels by geography (per cent)

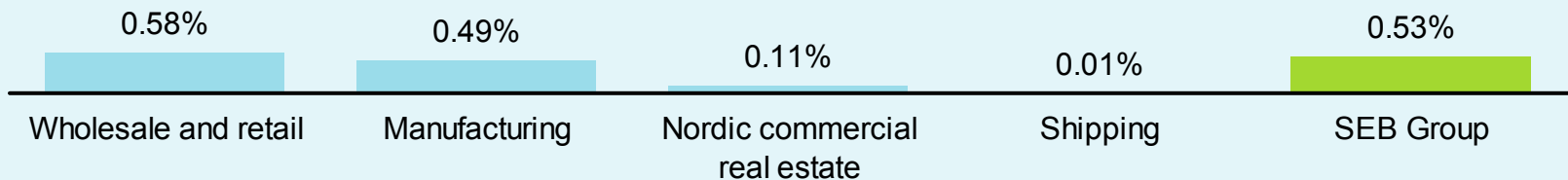
SEB Group 0.06



Non-performing loans/lending and non-performing loans (SEK bn)

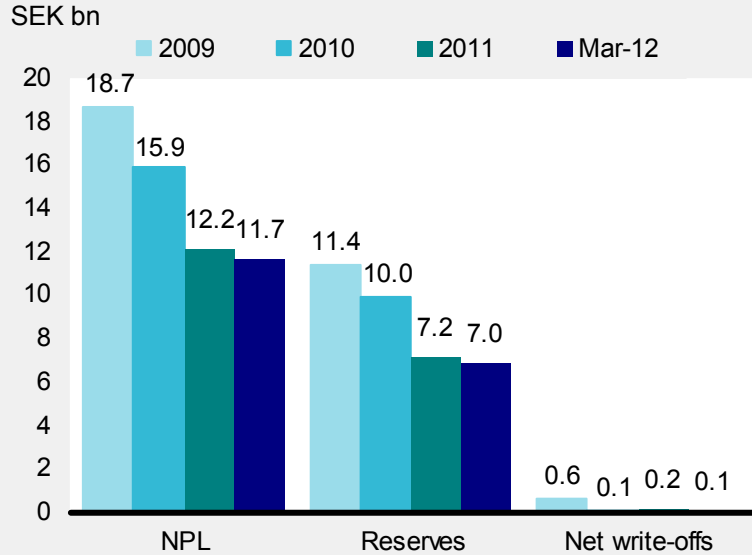


Non-performing loans in relations to the loan portfolio outside the Baltic countries

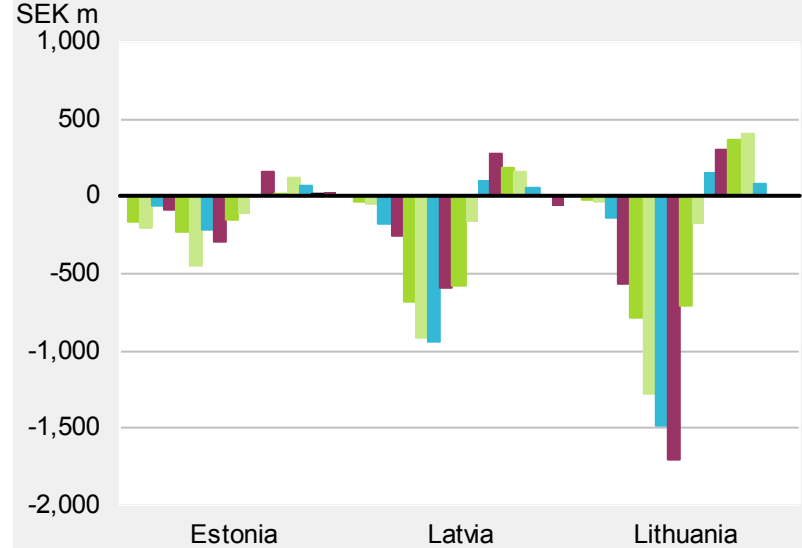


Continued recovery of Baltic asset quality

Non-performing loans and Reserves



Net credit losses, Q1 08 – Q1 12



Cumulative credit loss expectations Baltic crisis at the end of 2009 (SEK bn)



Sum-up



Robust region



The Relationship bank



Balanced growth



High asset quality

S|E|B



The leading
relationship bank
in our part
of the world

