



Debt Investor Presentation Jan- Sep 2014 Financials

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SEB

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SEB in Brief

Strong Macro-Economic Operating Environment

- ❑ Operates principally in economically robust AAA European countries

Long-term Ownership Structure

- ❑ SEB's founder in 1856, the Wallenberg family, remains the main shareholder

Diversified Business Model

- ❑ A diversified and more balanced business and income mix than Nordic peers

Increasing Earnings and Capital Generation

- ❑ Growing franchise in Swedish retail banking and in Nordic corporate banking
- ❑ Improved efficiency, C/I ratio is 48% 9m 2014 vs. 54% FY 2013

High Asset Quality

- ❑ Low level of non-performing loans, 0.6% 9m 2014
- ❑ Low level of net credit losses, 0.10% 9m 2014

Robust Liquidity and Funding Position

- ❑ Lower dependency than peers on wholesale funding
- ❑ LCR at 122%, at September 30, 2014

One of Europe's Best Capitalized Banks

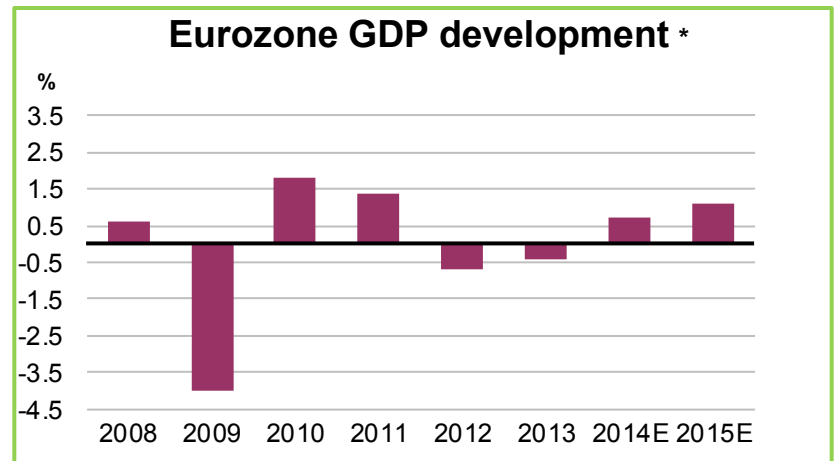
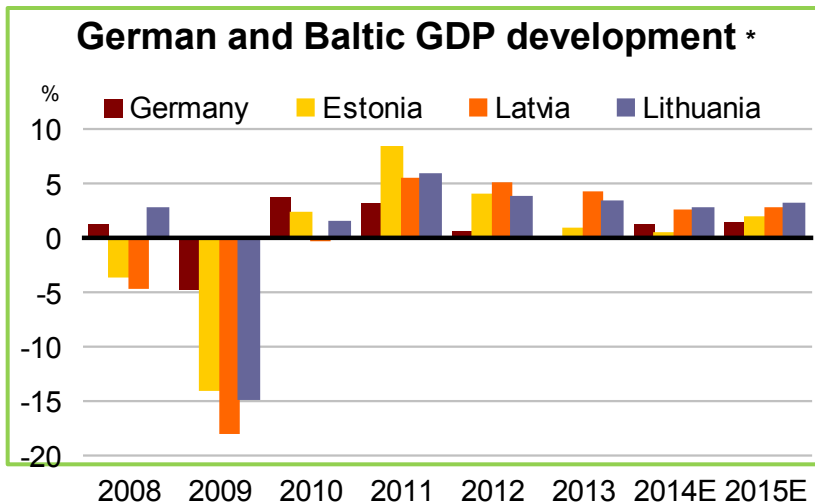
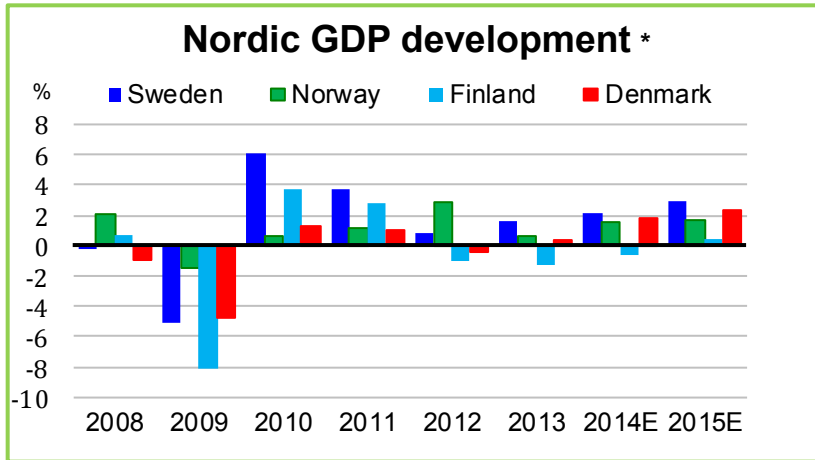
- ❑ CET 1 ratio of 16.2% 9m 2014

Solid Rating Position

- ❑ Fitch A+ (positive) / Moody's A1 (negative) / S&P A+ (negative)
 - Moody's and S&P's negative outlook due to the introduction of BRRD in EU
 - Positive outlook from Fitch due to improved stand-alone credit worthiness

SEB's Core Markets, Strategy, Franchise and Financial Results

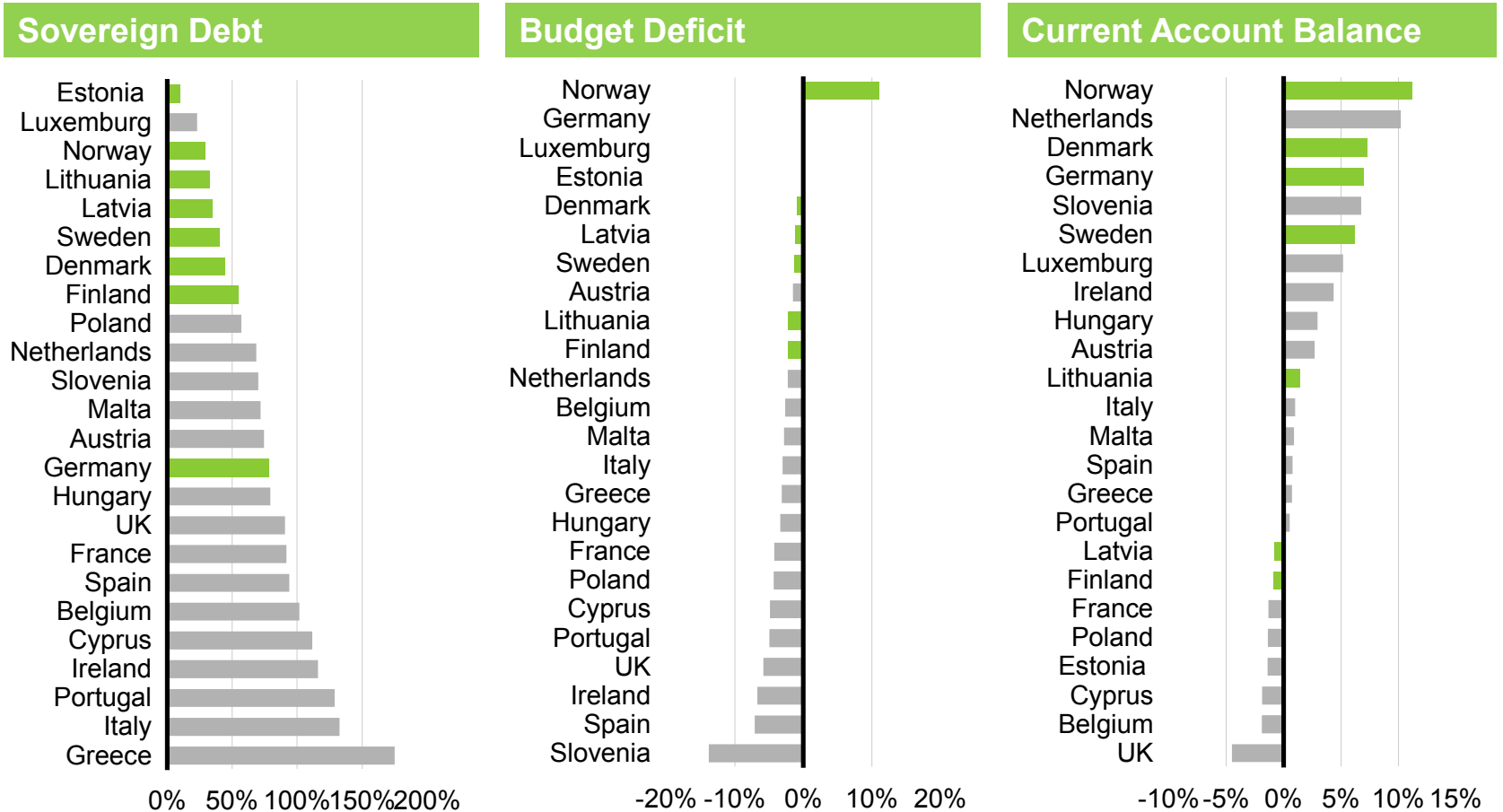
Economic fundamentals remain relatively robust



* Source: SEB Nordic Outlook, August 2014

Strong sovereign finances

% of GDP



Source: IMF WEO 14/10 2014

Strategy 2013-2015: Financial Targets

			2014
Profitability	<ul style="list-style-type: none"> Return on Equity 	<ul style="list-style-type: none"> Competitive with peers - long-term aspiration of 15% 	✓
Capital	<ul style="list-style-type: none"> Common Equity Tier 1 ratio Total capital ratio 	<ul style="list-style-type: none"> Subject to finalization of the CRD IV requirements and implementation in Sweden 	<i>Pending clarification around full Pillar II requirements</i>
Dividend	<ul style="list-style-type: none"> Pay-out ratio 	<ul style="list-style-type: none"> 40% or above of EPS 	✓
Ratings	<ul style="list-style-type: none"> Funding access and credibility as counterpart 	<ul style="list-style-type: none"> Maintain credit ratings in support of competitive funding access and costs and as a viable counterpart in financial markets 	✓
Liquidity	<ul style="list-style-type: none"> Liquidity Coverage Ratio 	<ul style="list-style-type: none"> > 100% according to Swedish requirements 	✓
Efficiency	<ul style="list-style-type: none"> Nominal cost cap 	<ul style="list-style-type: none"> < SEK 22.5bn in 2013, 2014 and 2015 C/I ratio 9m 2014 = 48%* 	✓ <i>As per 9m 2014</i>

Note: * excl. one-time gain in Q3 the C/I ratio is 50%

All issuer's financial figures are based on 3Q 2014 and historical financials

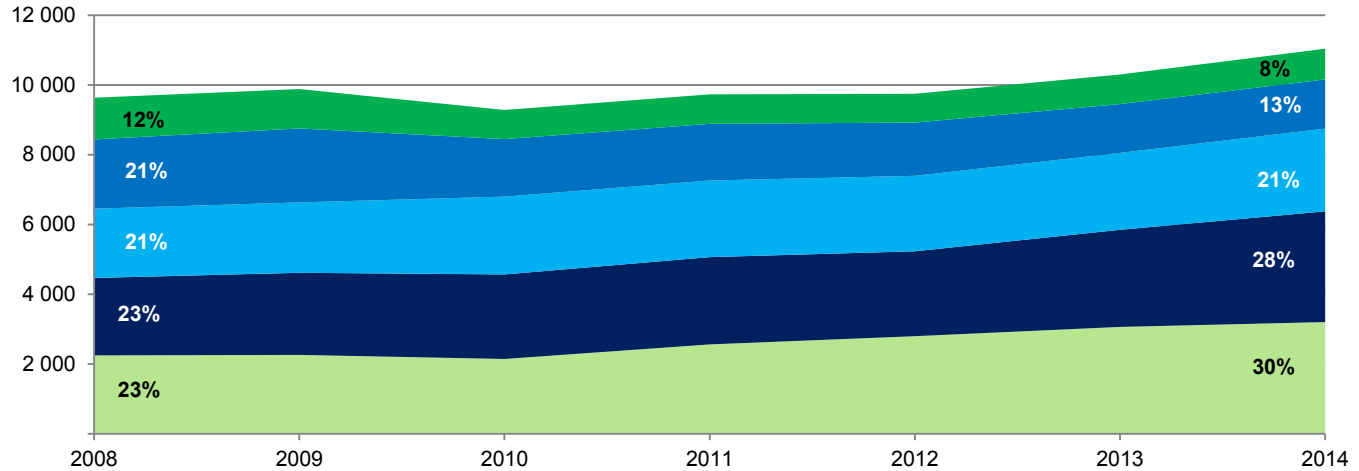
SEB's Business Profile Development

Increasingly more stable operating income flows through growing number of clients and more of their business

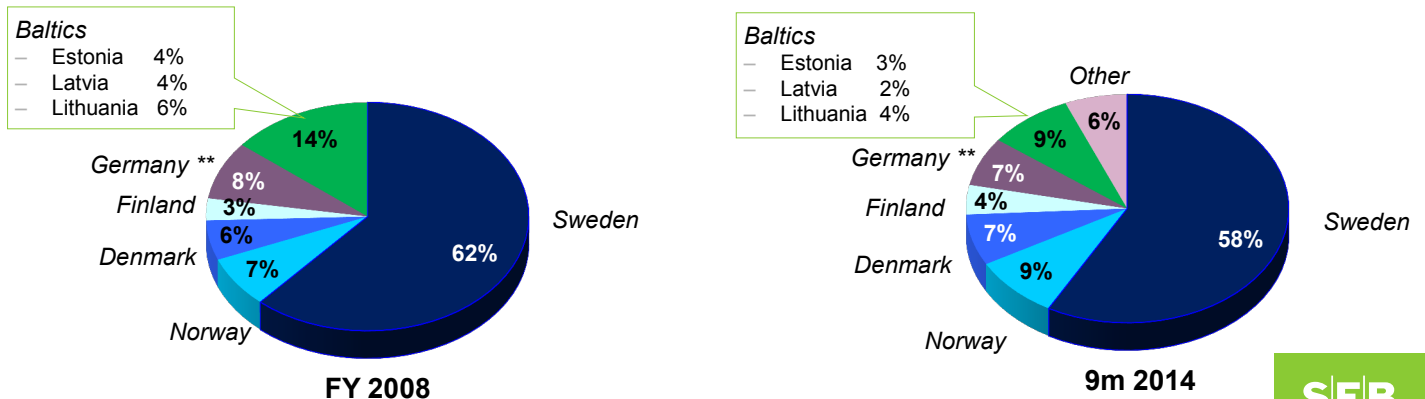
Profitable growth of Swedish retail and Nordic large corporate business

Swedish Retail Banking ■ Large Corporate and Transaction Banking ■ Life and Wealth ■ Markets Business ■ Baltics

Average quarterly
total operating income in SEK m
*/ 2008-2013 and Jan-Sep 2014



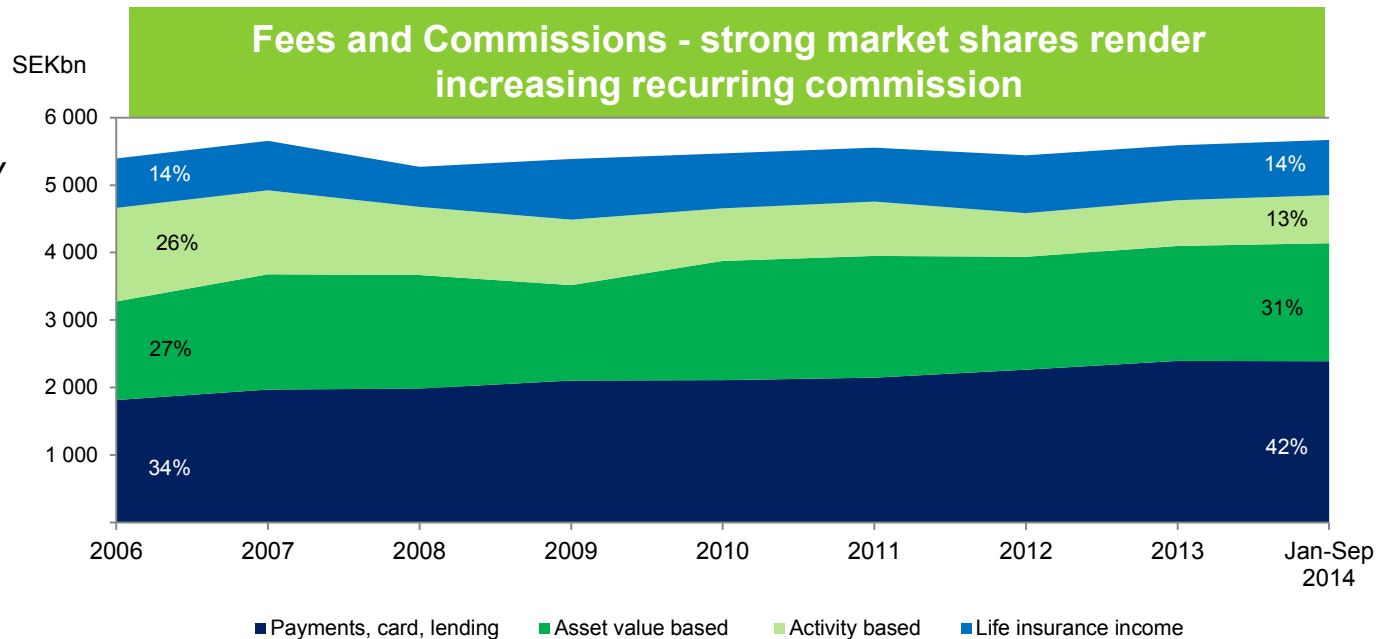
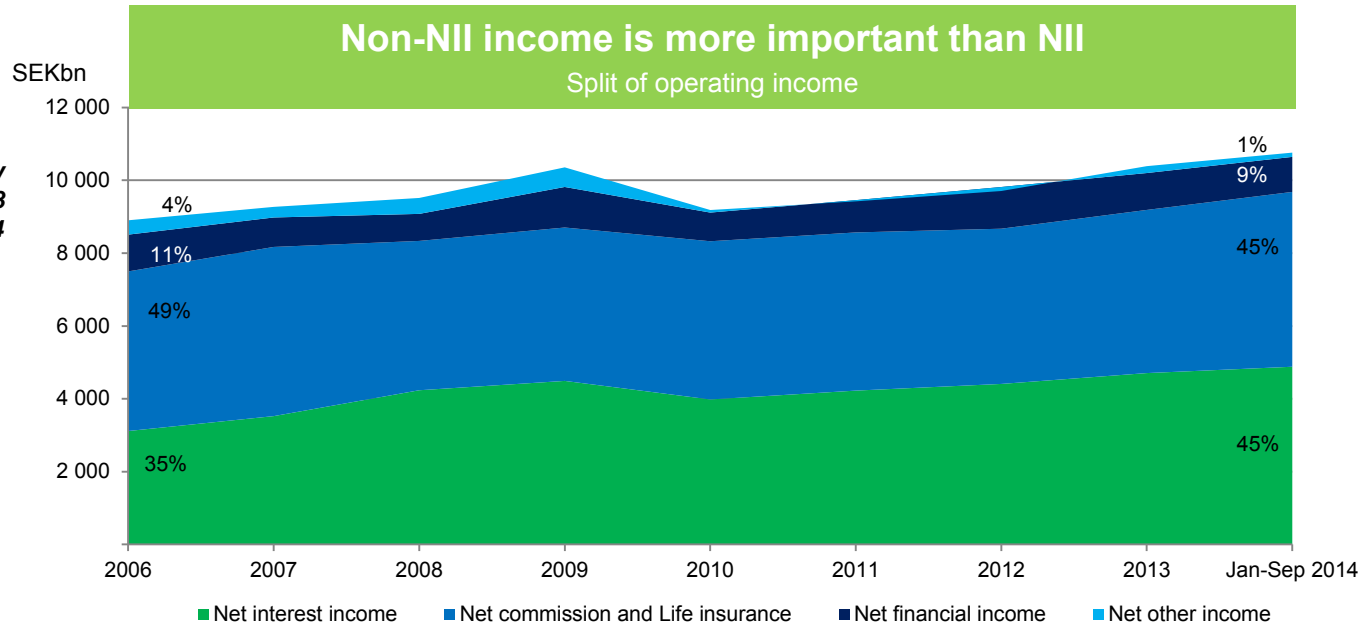
Growing Non-Swedish Nordic importance and deleveraging in the Baltics



* Percent depicts Business Area income in percent of total business income

** excluding Treasury

Business model creates stable and diversified revenues



SEB's Financial Results

Strong Financial Development

Key Figures

	9m-14	2013	2012	2011 ²⁾	2010
Return on Equity, % ¹⁾	14.6	13.1	11.5	12.3	8.9
Cost /income ratio, % ¹⁾	48	54	61	62	65
Common Equity Tier 1 capital ratio, % ³⁾	16.2	15.0	13.1	NA	NA
Tier I capital ratio, % ³⁾	18.1	17.1	15.3	NA	NA
Total capital ratio, % ³⁾	20.8	18.1	16.7	NA	NA
Net credit loss level, % ⁴⁾	0.10	0.09	0.08	-0.08	0.15
Reserve ratio, % ⁵⁾	79	87	74	71	69
NPL coverage ratio, % ⁶⁾	66	72	66	64	66
NPL / Lending, % ⁶⁾	0.6	0.7	1	1.4	1.8

1) Continuing operations

2) Restated for introduction of IAS 19 (pension accounting)

3) 2014 is according to CRR and known parts of CRDIV. 2013 and 2012 are estimates based on SEB's interpretation of future regulation

4) Net aggregate of write-offs, write-backs and provisioning

5) Total reserve ratio for individually assessed impaired loans

6) NPLs = Non Performing Loans [individually and portfolio assessed impaired loans (loans >60 days past due)]

Key Features

□ Operating profit

- 9m 2014: +28% both before and after net credit losses vs. 9m 2013 (if excl one-time effect in 2014 +19% and 18% respectively)
- FY 2013: +27% both before and after net credit losses 2013, respectively, vs 2012 (if excl. one-time effects in 2012 +18%)

□ Efficiency clearly improved

□ Basel III capital ratios

- CRD IV implemented. During the course of 2015 systemic risk buffer under Pillar I, counter cyclical buffer and Pillar II are implemented and will apply

□ Key asset quality indicators

- Stronger asset quality shown by falling non-performing loans ratio but maintaining high reserve and coverage ratios

Profitability is picking up despite uncertain times

Relatively good economic environment

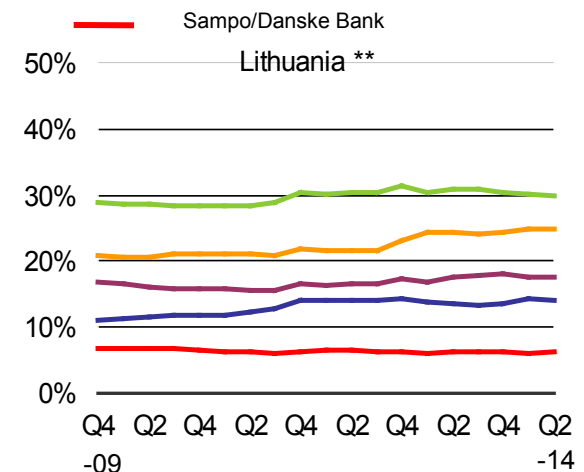
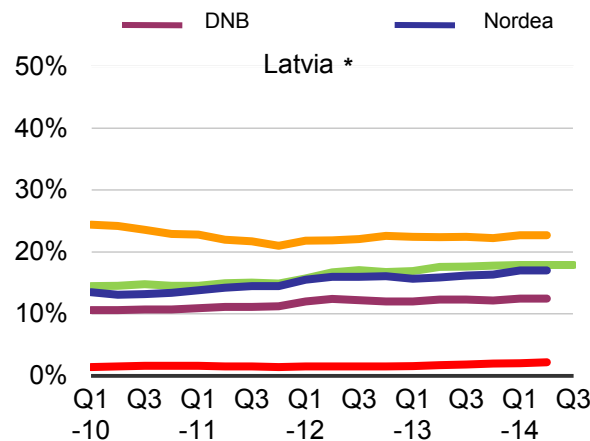
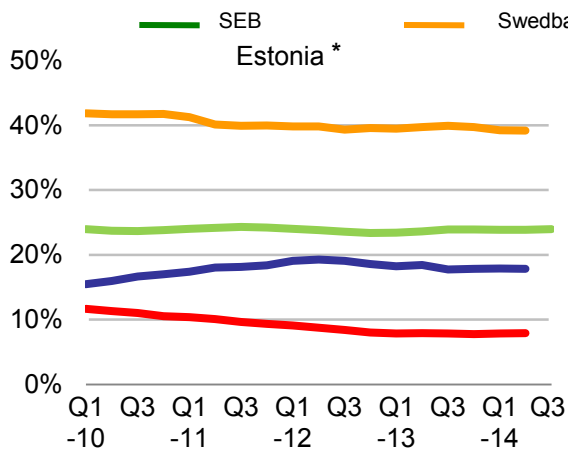
- ❑ Domestic markets cushion export challenges
- ❑ Economic health remains above Eurozone average
 - Deleveraged corporates and private individuals
 - Competitive industry
 - New markets
 - No devaluation risks
- ❑ SEB's business and exposures are of a different nature than prior to the financial crisis

Strong development of key ratios

	<u>C/I</u>	<u>Business Equity</u>	<u>RoBE</u>
9m 2014	48%	SEK 9.1bn	16.0%
2013	52%	SEK 8.8bn	12.9%
2012	62%	SEK 8.8bn	9.7%
2011	58%	SEK 8.8bn	29.6% ^{1/}
2010	66%	SEK 11.8bn	2.2%

^{1/} Write-backs of provisions of SEK 1.5bn

Maintaining leading market shares in lending



* Competitors' Q3 2014 volumes are not available at time of publication and SEB Q3 2014 figures are August 2014

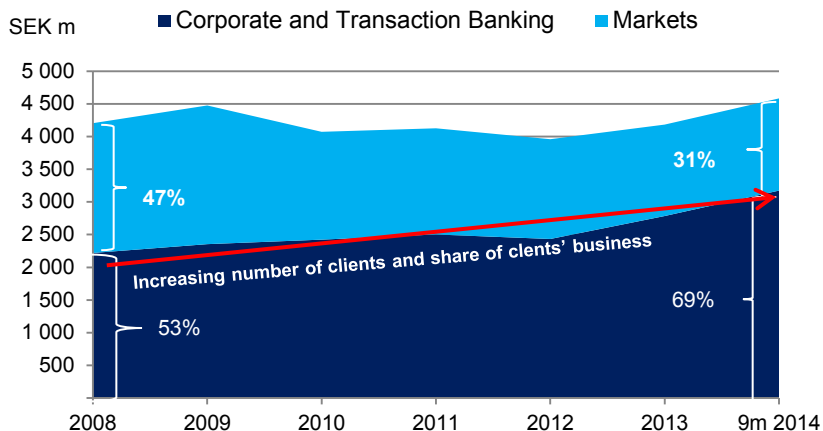
** Lithuania Q3 2014 not available at time of publication



Entrenched Business Franchise and Low Risk Trading

Growing customer base and broad product offerings create stability of income

Average quarterly income 2008-2013 and 9m 2014



Efficient large corporate business but New regulatory capital regime targets corporate business

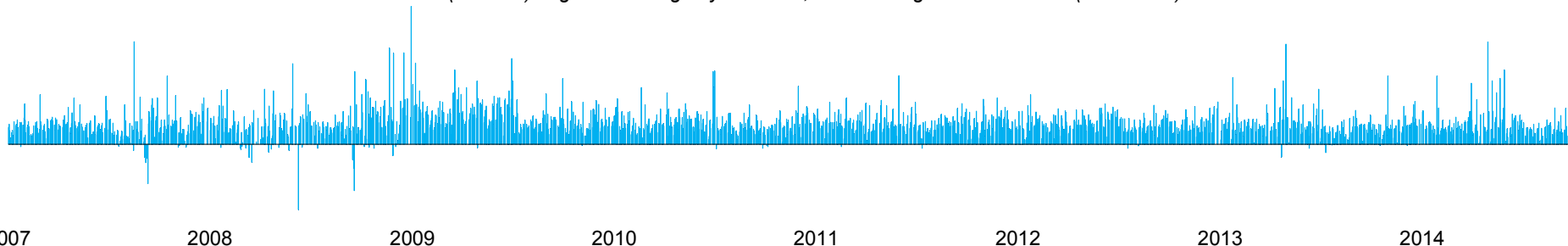
☐ A doubling of allocated capital to SEB's Large Corporates and Institutions business over the period

	<u>C/I</u>	<u>Business Equity</u>	<u>RoBE</u>
9m 2014	46%	SEK 52.3bn	13.6%
2013	50%	SEK 48.8bn	12.9%
2012	54%	SEK 36.7bn	14.3%
2011	54%	SEK 26.1bn	20.6%
2010	54%	SEK 25.8bn	20.5%

Next to no losses and low VAR in the markets operations

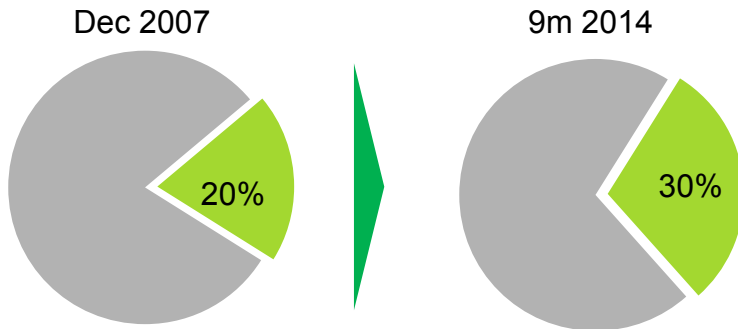
Daily trading income January 1, 2007 – Sep 30, 2014.

☐ 50 (or 2.6%) negative trading days out of 1,943. Average loss SEK 12m (USD 1.7m)



Increasingly more important Swedish Retail business

Increased relative importance of SEB's total income

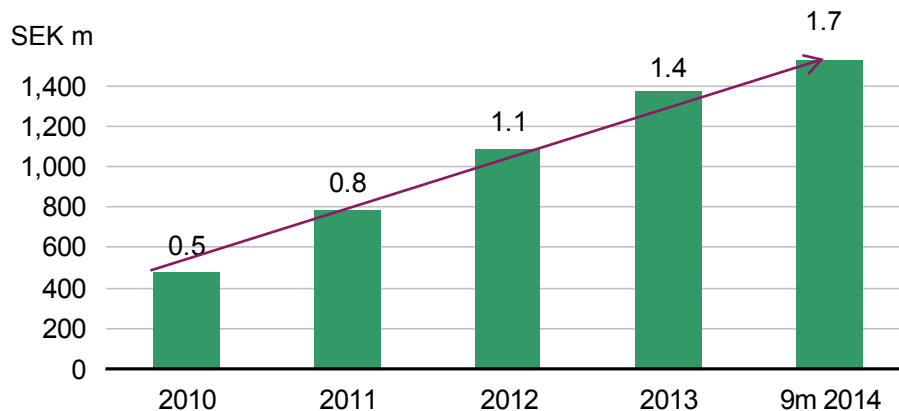


Focused and successful client acquisition strategy

- ❑ Strategic move in 2008 resulted in a more efficient, professional, advisory-driven organization and customer centric distribution capacity
- ❑ Successful re-organization, product offerings, accessibility 24/7 and focus on long-term customer relationships increased the number of clients, business volume and operating profit
- ❑ A cultural change – focus on business acumen and local ownership
- ❑ Success of strategy confirmed by EPSI * ratings on customer satisfaction where SEB is in a lead position

Substantially increased operating profit

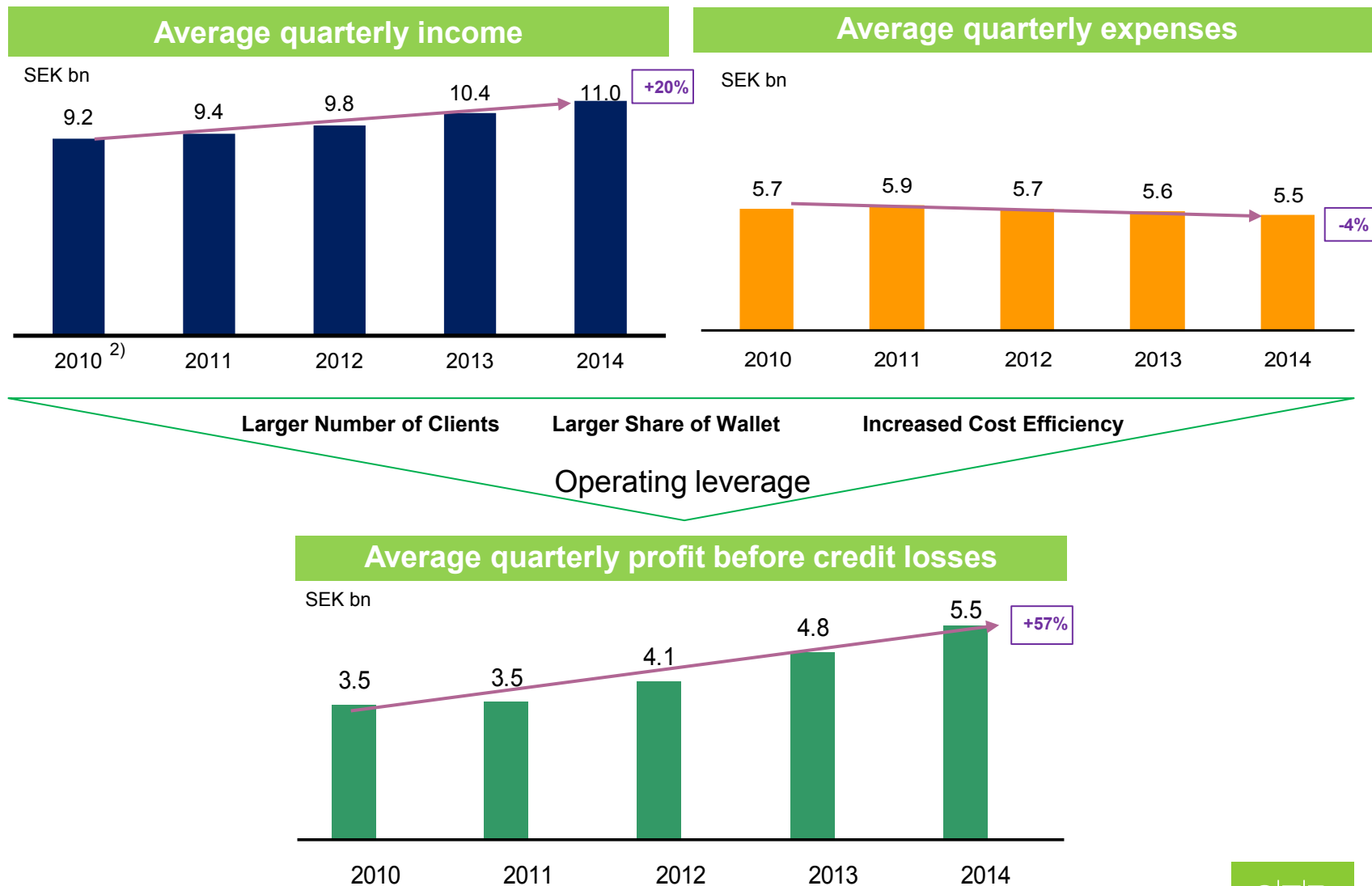
Average quarterly operating profit 2010-2013 and H1 2014



Strong development of efficiency and profitability

	<u>C/I</u>	<u>Business Equity</u>	<u>RoBE</u>
9m 2014	44%	SEK 24.4bn	21.0%
2013	49%	SEK 20.2bn	21.9%
2012	57%	SEK 14.4bn	22.3%
2011	65%	SEK 10.8bn	21.4%
2010	71%	SEK 9.7bn	14.5%

Clearly improving profitability¹ through enlarged customer franchise and cost efficiency measures



1) Excluding one-offs (restructuring in 2010, bond buy-back and IT impairment in 2012, sale of MasterCard shares in 2014)

2) Estimated IAS 19 costs in 2010

Credit Portfolio and Asset Quality

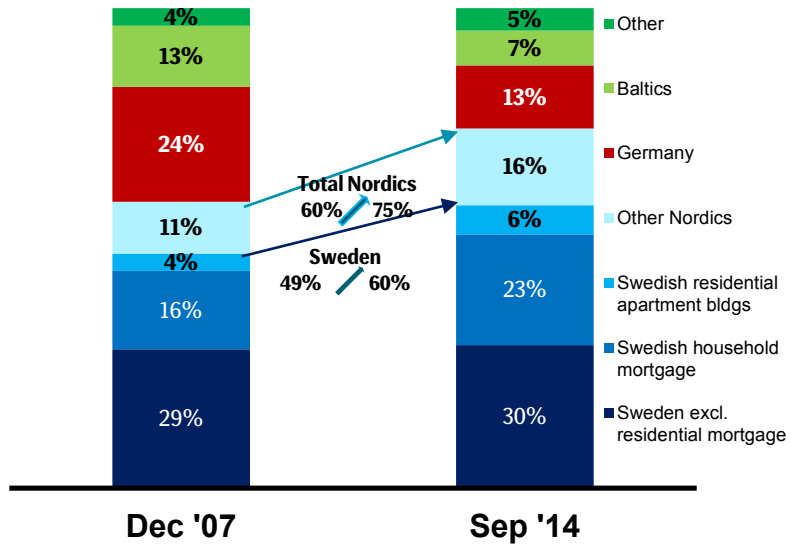
SEB's total Credit Portfolio (on and off balance sheet), excluding banks

Increasingly more Nordic and low-risk exposure

Geographic split development

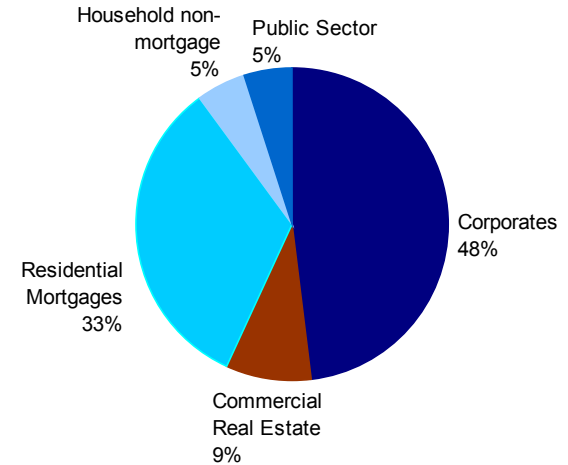
SEK 1,304bn (USD 180bn)

SEK 1,884bn (USD 261bn)

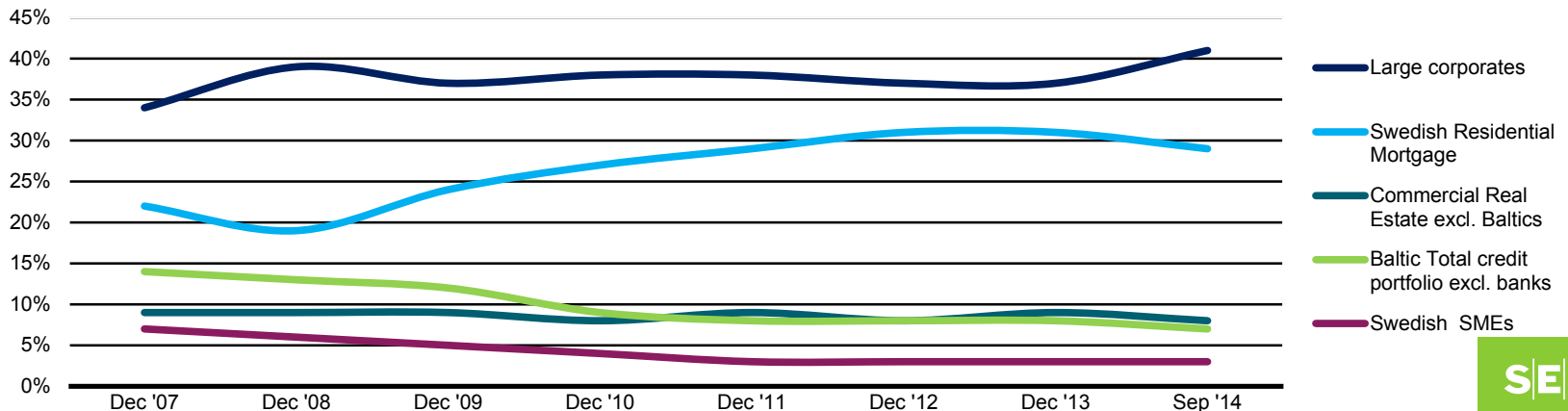


Business split Sep 2014

SEK 1,884bn (USD 261bn)

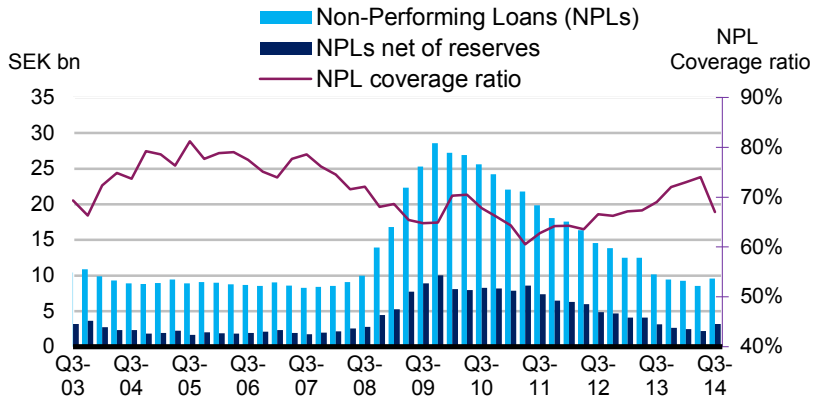


Development of certain business areas' relative importance of the Credit Portfolio, excluding banks



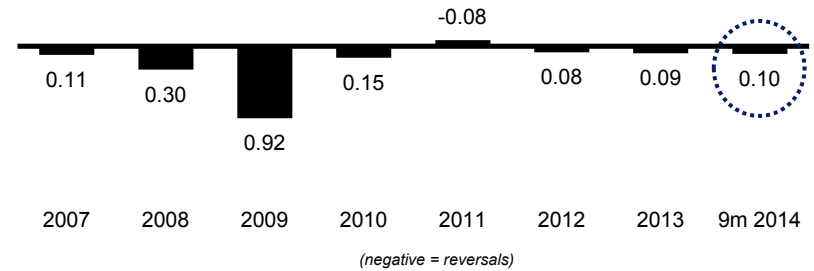
Continuously improving non-Nordic asset quality supports overall high Nordic asset quality

SEB Group Non-Performing Loans and Reserves

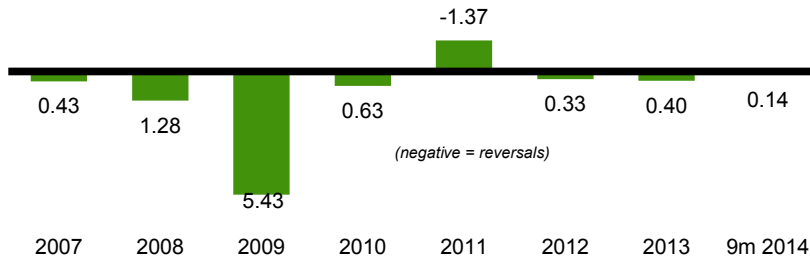


SEB Group net credit losses, in %

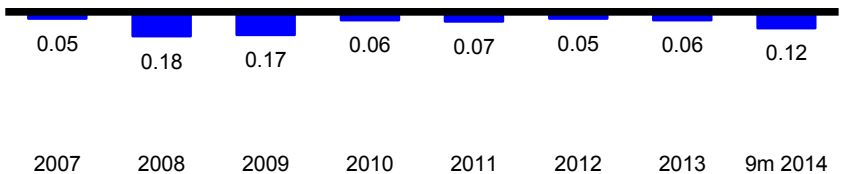
SEB Group



Baltic countries net credit losses, in %



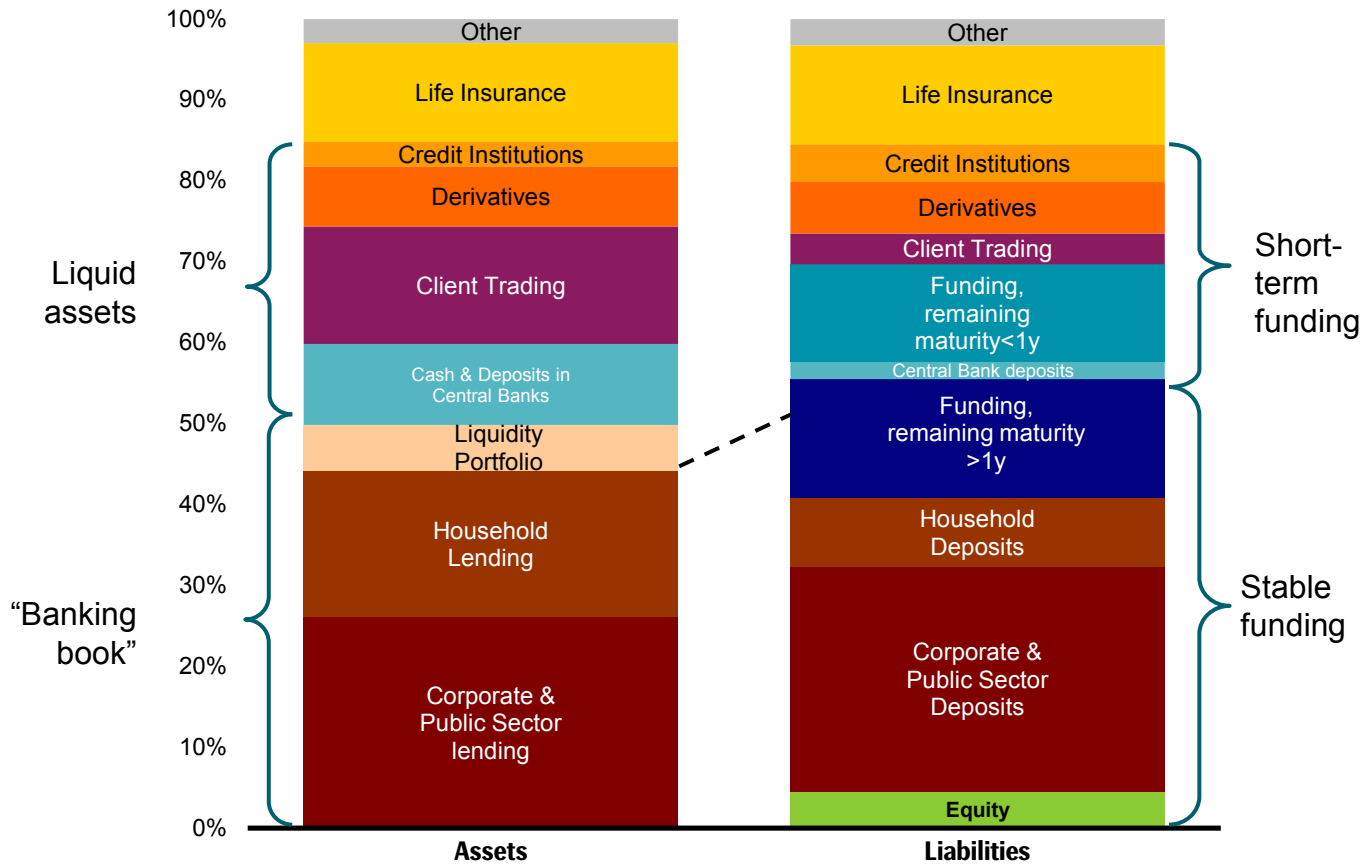
Nordic countries, net credit losses in %



Balance sheet, liquidity and funding

Diversified and Liquid Balance Sheet

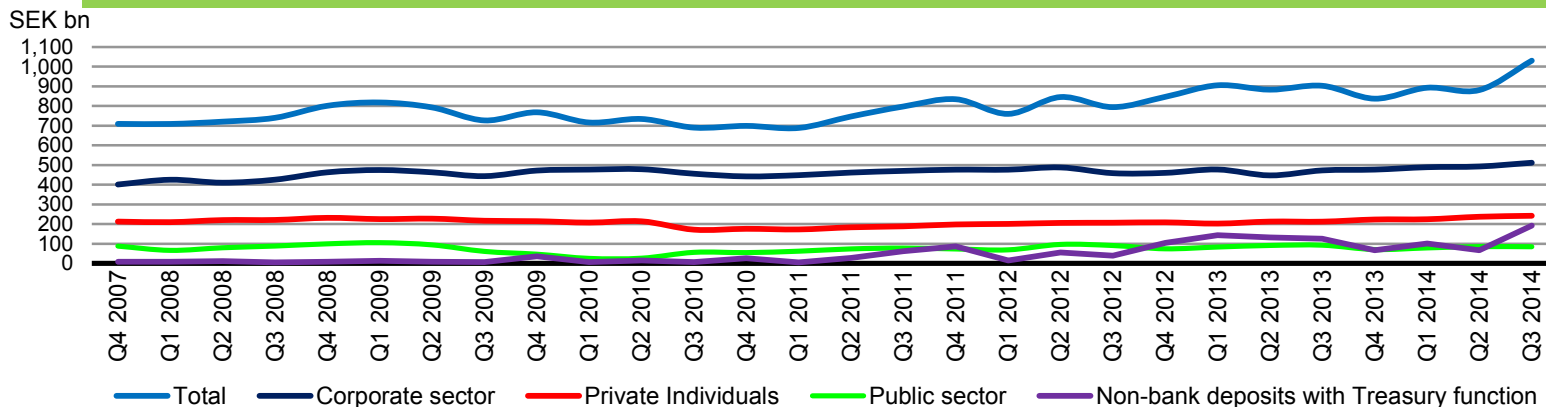
Total Assets SEK 2,840bn (USD 393bn) Sep 30, 2014



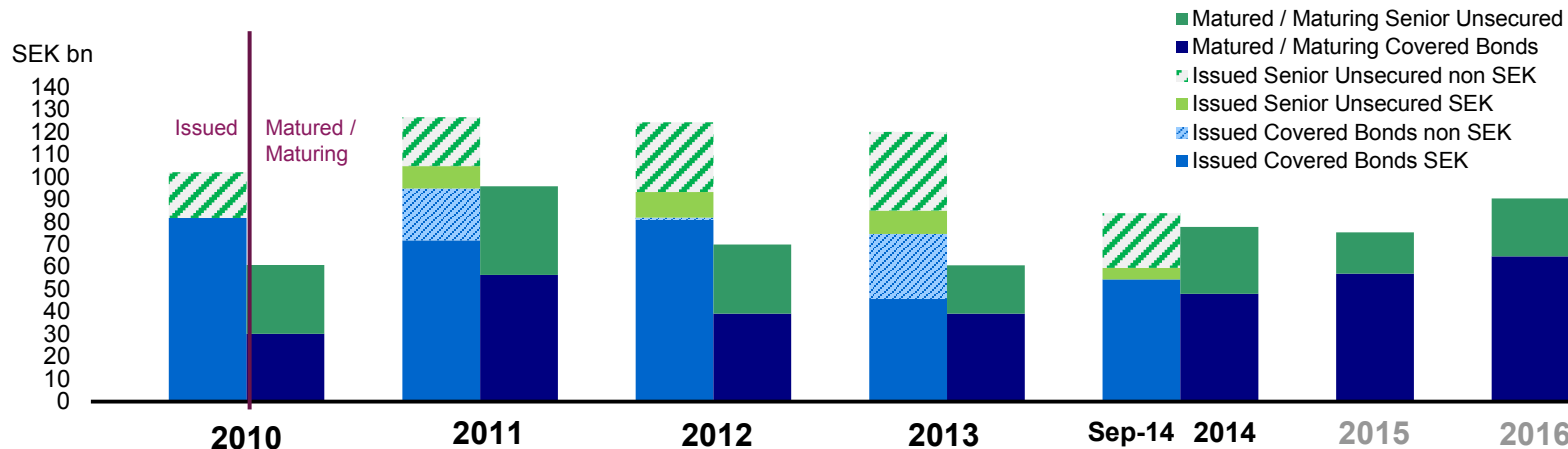
1. A relatively large share of lending is contractually short which allows for swift re-pricing to adjust for e.g. changed funding costs.
2. Central bank deposits refer to long-term relationship-based deposits from central banks and do not refer to borrowings from central banks

Low wholesale funding dependence relative to peers

Stable development of deposits from corporate sector and private individuals



Increasing long-term funding despite modest re-financing needs



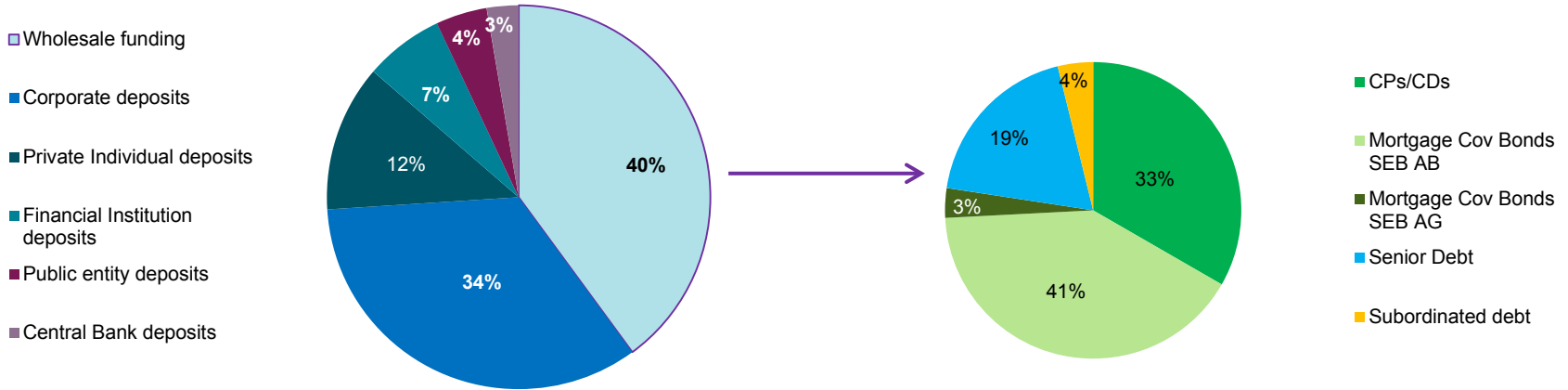
Diversified funding and strong structural funding position

Total Funding Base SEK 1,959bn ^{*/**}

(USD 271bn)

Wholesale funding SEK 780bn ^{*/**}

(USD 108bn)

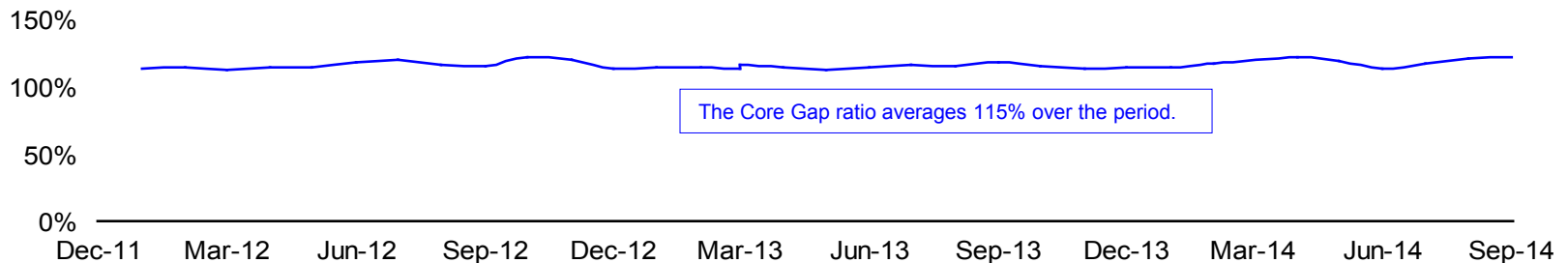


* Excluding repos

** Excluding public covered bonds issued by SEB AG which are in a run-off mode

Strong structural funding position

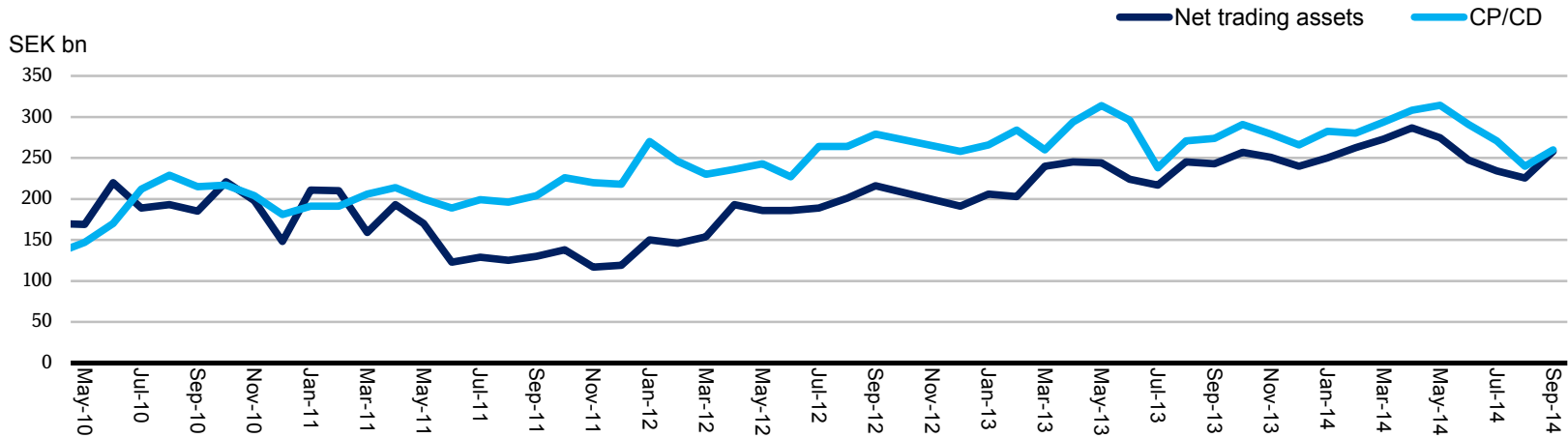
The amount of funding in excess of one year in relation to assets with a modelled maturity of more than one year 1/



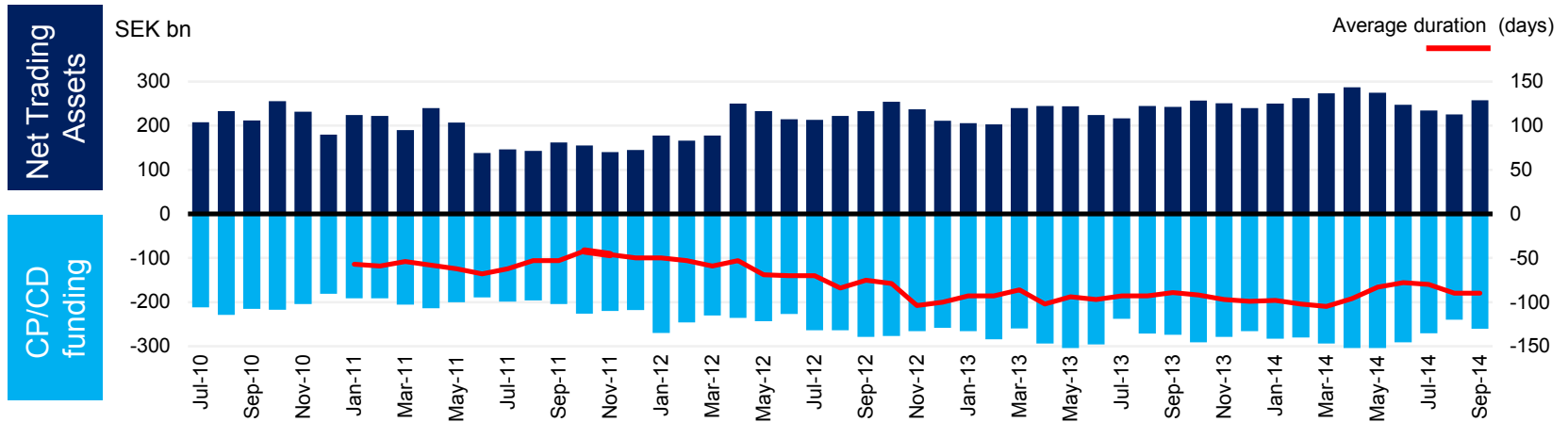
1) The Core Gap Ratio is an SEB defined internal measure similar to the proposed NSFR under Basel III and measures the amount of funding in excess of one year in relation to assets with a maturity of more than one year based on internal behavioral modelling

CP/CD funding supports Markets' business

Volumes - Net trading assets¹ adaptable to CP/CD funding access



Duration - CP/CD fund net trading assets¹ with considerably shorter duration

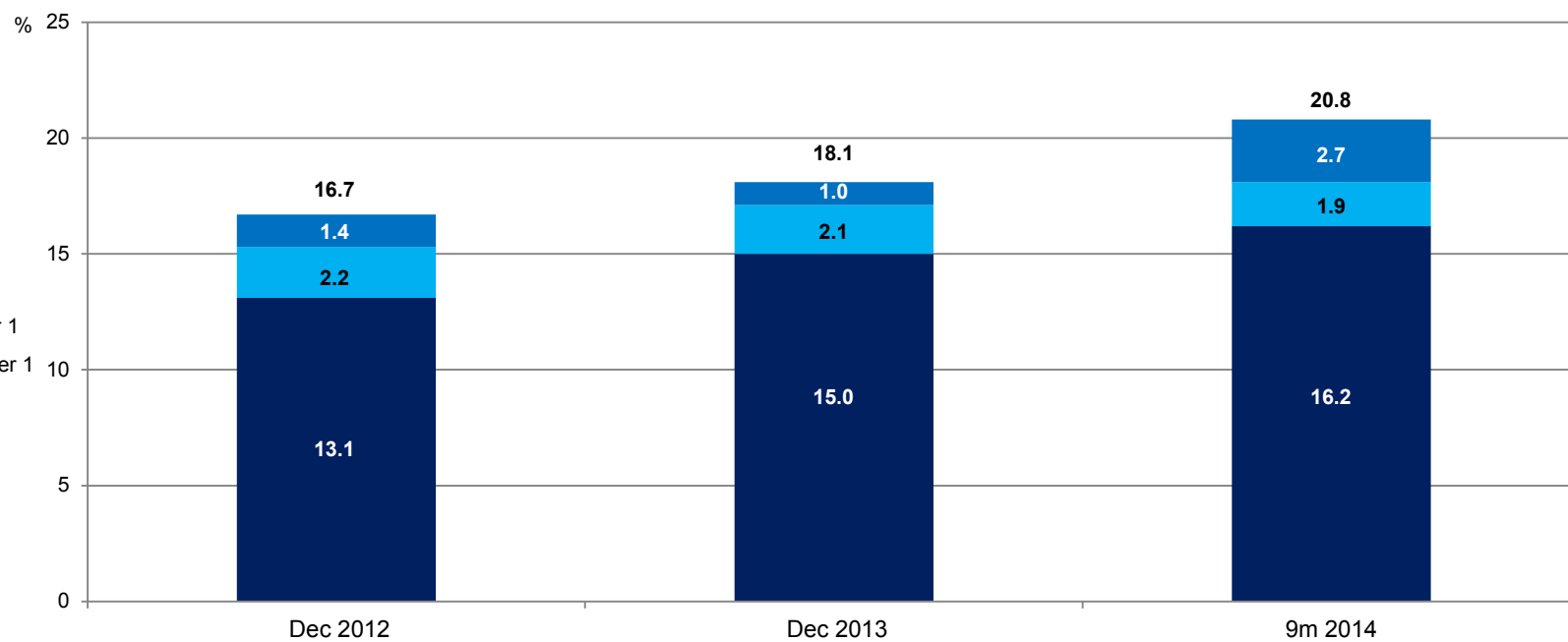


1. Net Trading Assets = Net of repoable bonds, equities and repos for client facilitation purposes

Capital

Strong CET1 ratio via profit generation and efficient risk management despite volume growth and stricter regulations

Basel III - estimated Own Funds and Basel III ratios, fully implemented



Common Equity Tier 1 capital, SEK bn	83	90	97
Total Own Funds, SEK bn	106	108	124
Own funds Basel I / 80% of Capital requirement under Basel I	143%	147%	158%
REA / RWA, SEK bn	632	598	598
Leverage ratio (Basel III)	na	4.2%**	4.1%**

* Transitional rules in place in Sweden until 2017

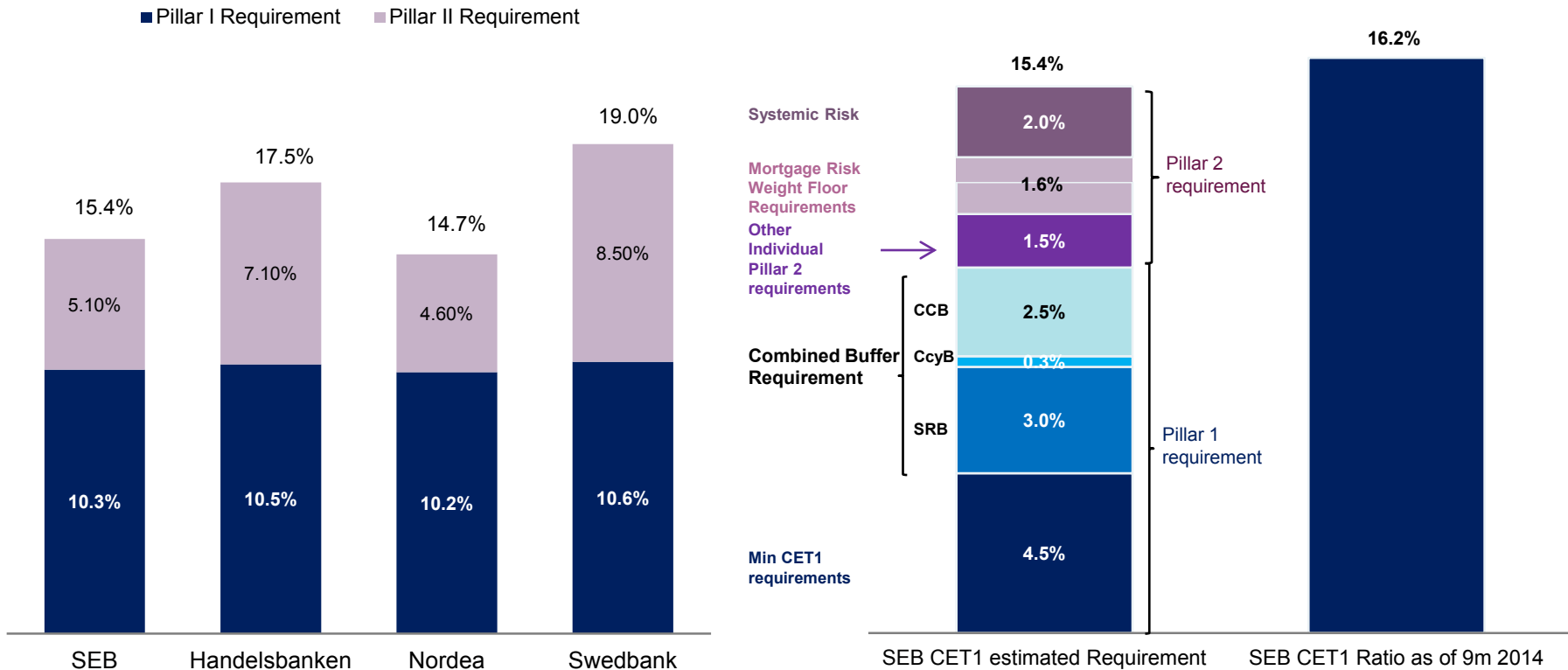
** Calculated as the simple arithmetic mean of monthly leverage ratios during the relevant last quarter

SFSA's estimated CET 1 capital requirements as at Dec-14

SEB's current CET 1 capital ratio surpasses estimated required ratio by the SFSA

SFSA estimated CET 1 Requirements Across Major Swedish Banks

Composition of SEB's SFSA estimated CET1 Requirements and Actual 9m 2014 CET 1



Note: Estimated capital requirements are based on the SFSA's memorandum published on 8th September 2014

Higher profitability via an enlarged customer base and a focused and cost efficient organic growth

Resilient and diversified income base

Conservative underwriting standards and strong asset quality

Well-aligned balance sheet structure, strong liquidity and high quality capital structure

Additional Information

Swedish Macro

Swedish Economy 2013 and forecasts for 2014 to 2016



- ❑ Decent **GDP-growth** is expected during 2014 and 2015 with a stabilization in 2016
 - GDP growth of 1.5% in 2013 and expected to be 2.3% in 2014, 2.9% in 2015 and 2.7% in 2016
 - The main drivers are private consumption spurred by rising real income and asset prices and fixed investments
- ❑ **Current account** as a % of GDP was around 6.5% in 2013 and is expected to remain approx. 6% in 2014 to 2016
- ❑ **Exports** constitute approx 45% of GDP (GDP 2013 was SEK 3,800bn or USD 588bn)
 - Goods constitute approx. 30%. Services constitute approx. 15% and is increasing in importance
 - 35% of all exports are to Norway, Germany, the UK and the US
 - Countries: Norway 10%, Germany 10%, UK 8%, Finland 6%, Denmark 6%, USA 6%
 - Geographic areas: Europe almost 75%, of which Eurozone almost 40%
 - Increased diversification of trading partners over the past decade improves export stability
 - Weakening of the Swedish Krona typically helps exports – 5% weakening is 2% increased exports (SEB estimate)
- ❑ **Central government debt** increased to approx. 35% of GDP in 2013 due to strengthening of the currency reserve and expansionary fiscal policy.
 - The debt ratio is expected to stay around 35% in 2014, 2015 and 2016.
 - Excluding the relending to the currency reserve the deficit was around 30% and is expected to remain so in 2014 and 2015.
- ❑ **Healthy new job creation** but with only marginally falling unemployment due to rising labor force participation
 - GDP will exceed its long-term trend throughout the forecast period 2014-16 leading to a gradual decline in unemployment
 - A growing percentage of the unemployed are people with little formal education and/or poor language skills
- ❑ **Inflation** (“CPI”) in 2014 is expected to be zero or somewhat negative, well below the target of 2%
 - Is expected to pick up to close to 0.5% in 2015 and above 1.5% in 2016
 - Central bank’s repo rate lowered to 0% in October 2014 from 0.25%

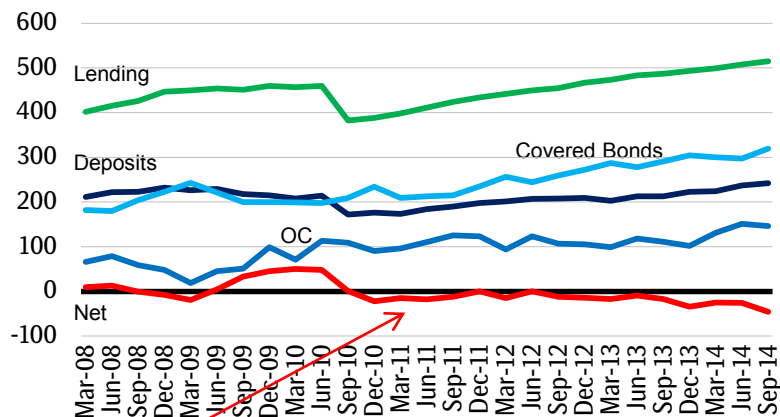
Balance sheet, Liquidity, Funding, and Asset Quality

Balance Sheet

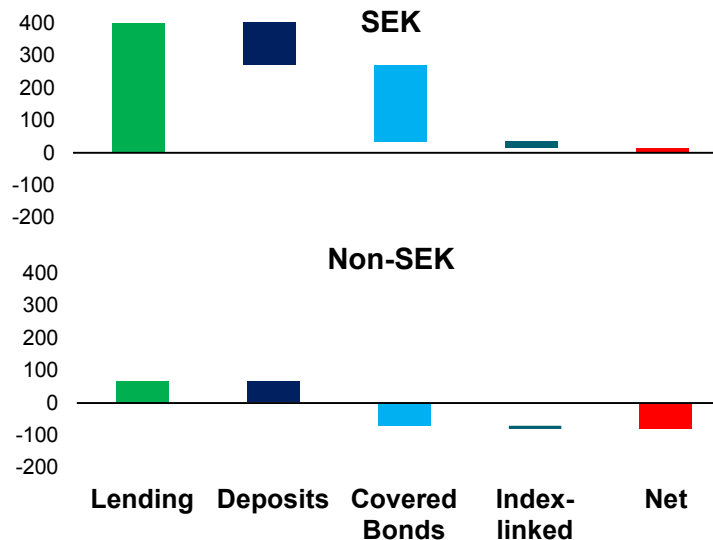
Asset growth funded through deposits and long-term debt

SEB Group, September 2014 (SEK bn)

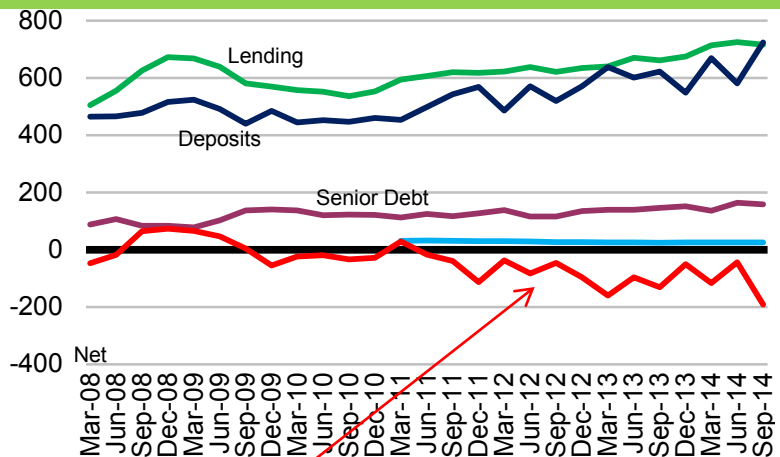
Household lending, deposits and covered bond funding



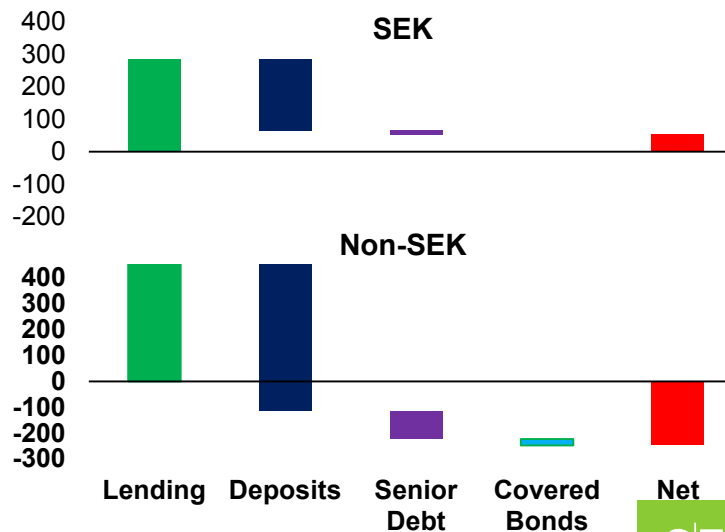
Household Net = Lending – deposits – covered bonds



Corporate & public lending, deposits and senior bonds

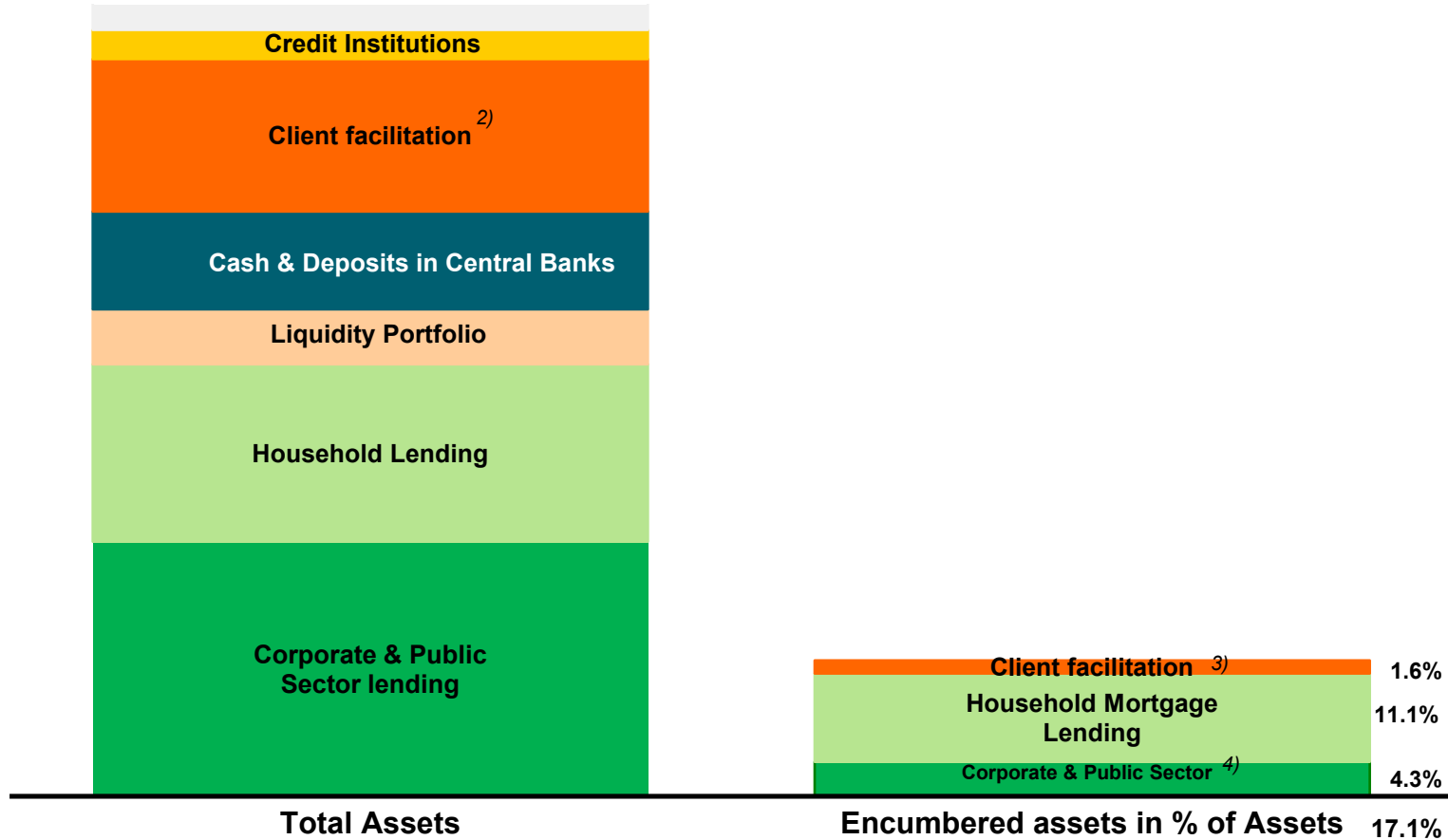


Corporate & Public Net = Lending – deposits – senior debt



Low Asset Encumbrance level

Assets,^{1/} SEK 2,312bn (USD 320bn) as at Sep 30, 2014



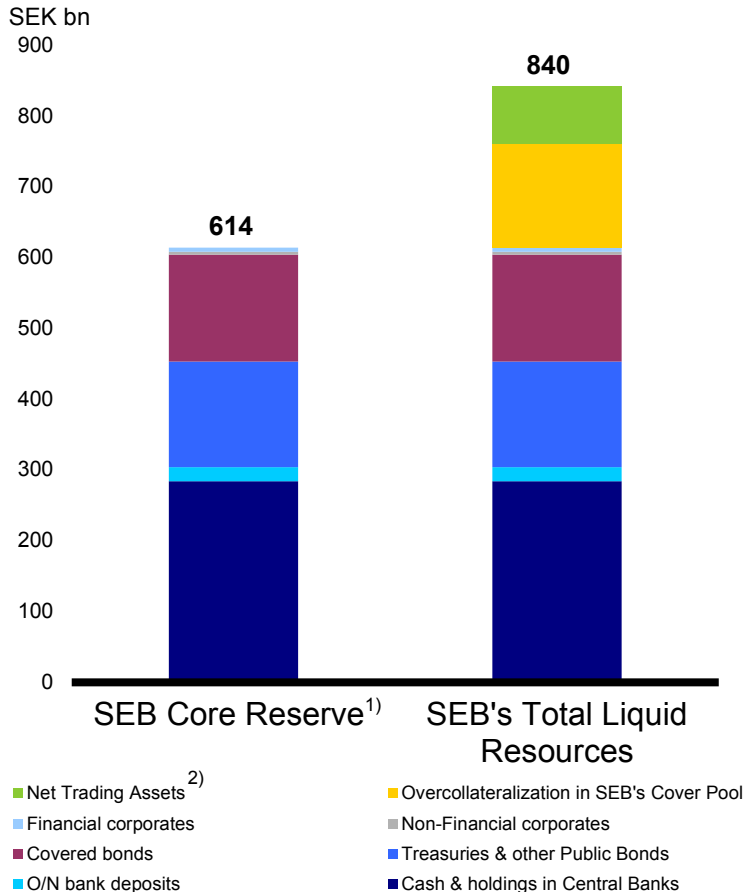
- 1) Assets excluding Insurance assets and the net balance of derivatives
- 2) Client facilitation (trading assets) includes the net of derivatives
- 3) Intraday settlement collateral and net of derivative collateral
- 4) Collateral for mortgage covered bonds in SEB AG

Sizable liquidity buffer

Sep 30, 2014

SEB's total Liquid Resources is 245% of wholesale funding maturities within 1 year

**Core liquidity reserve
Directives of Swedish Bankers' Association**



- Assets held by the Treasury function
- Not encumbered
- Eligible with Central Banks
- Maximum 20% risk weight under Basel II Standardized Model
- Lowest rating of Aa2/AA-
- Valued marked-to-market

Composition of SEB's Liquidity Portfolio

- Government or state-guaranteed securities of Nordic countries, and other selected Northern European countries, principally Germany
- Supra-nationals
- High quality triple-A rated covered bonds issued by banks in the Nordic countries and other selected Northern European countries, principally Germany

1) Assets held by the Treasury function - Definition according to Swedish Bankers' Association

2) Net Trading Assets = Net of repoable bonds, equities and repos for client facilitation purposes

SEBs wholesale funding sources

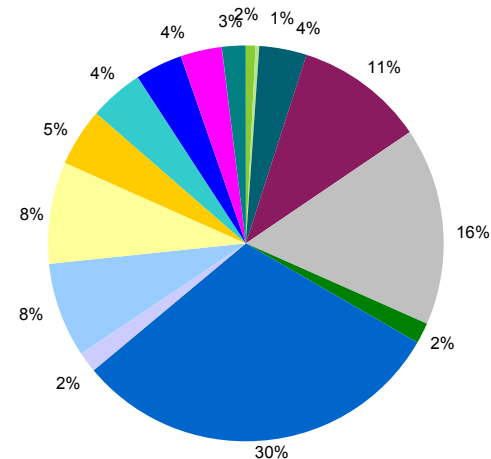
Diversified funding mix

Wholesale funding, SEK 775bn*, Q3 2014

Short-term funding sources		Q4 2013	Q1 2014	Q2 2014	Q3 2014	
Commercial paper (CP) programs		Total	154.8	124.9	131.4	120.6
	Swedish	2.8	4.0	7.2	7.0	
	French	6.6	4.9	1.2	2.1	
	Global					
	European	28.2	26.3	21.0	29.1	
	US	117.2	89.7	110.0	82.4	
Commercial deposit (CD) programs		Total	113.2	169.7	151.5	138.8
	Yankee CDs	94.8	153.8	136.6	125.4	
	Sterling CDs	18.4	15.9	14.9	13.4	

Long-term funding sources		Q4 2013	Q1 2014	Q2 2014	Q3 2014	
SEB AB		Total	452.2	473.8	462.6	474.3
	Domestic Covered bond program	219.1	230.6	215.8	235.6	
	Domestic MTN program	11.0	12.0	12.0	12.0	
	Global MTN programs					
	Covered	68.9	60.1	61.4	61.2	
	Senior	71.0	82.0	74.5	64.3	
	144a Covered and senior unsecured	24.4	34.1	35.2	37.9	
	Retail index linked bonds	35.9	36.0	35.0	34.4	
	Subordinated debt	21.7	19.1	28.7	28.9	
SEB AG		Total	43.5	42.5	42.3	41.3
	Mortgage covered bonds	25.3	25.0	25.5	25.4	
	Senior unsecured	18.2	17.5	16.7	15.9	

Wholesale funding distribution*

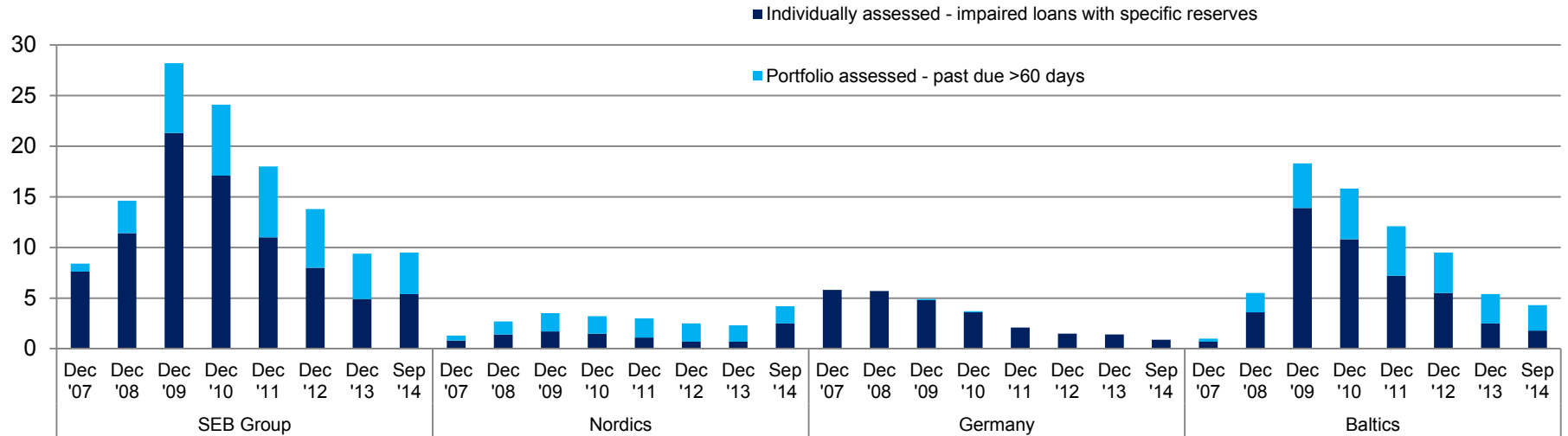


- CPs Swedish
- CPs French
- CPs European
- CPs US
- Yankee CDs
- Sterling CDs
- Domestic Covered bond program
- Domestic MTN program
- Global MTN program Covered
- Global MTN program Senior
- 144a Covered and Senior unsecured
- Retail index linked bonds
- Subordinated debt
- SEB AG Covered bonds
- SEB AG Senior unsecured

1) Nominal amounts. Excluding subordinated debt and SEB AG public covered bonds

Continuously improving non-Nordic asset quality support overall high Nordic asset quality

Non-performing loans development (SEK bn)



NPL % of lending
NPL coverage ratio

0.6%
67%

0.4%
60%

0.4%
85%

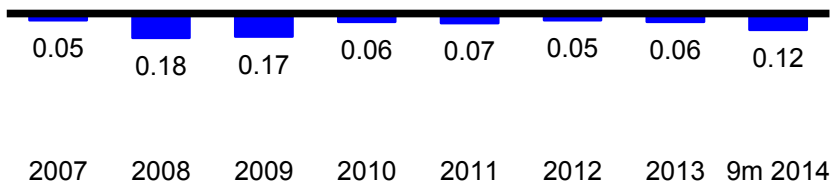
4.1%
69%

- ❑ 45% of SEB's NPLs are related to the Baltic exposure
 - Baltic reductions of NPLs driven mainly by improving macro-economic environment and thereby improved weighted average risk classes and write-offs and repayments
- ❑ German NPL reductions driven by write-offs
- ❑ German NPLs are to a very large extent related to the legacy commercial real estate portfolio under work-out

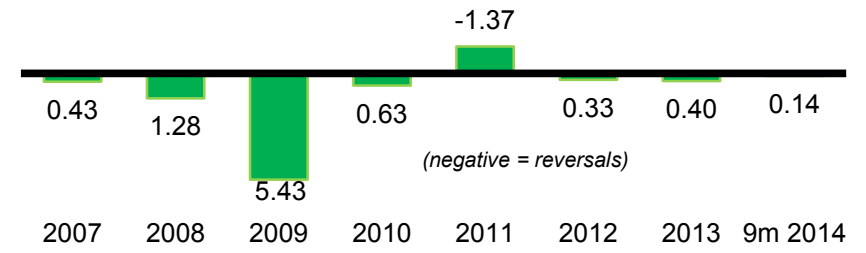
Asset Quality – the Group and Geographic regions

Low net credit losses

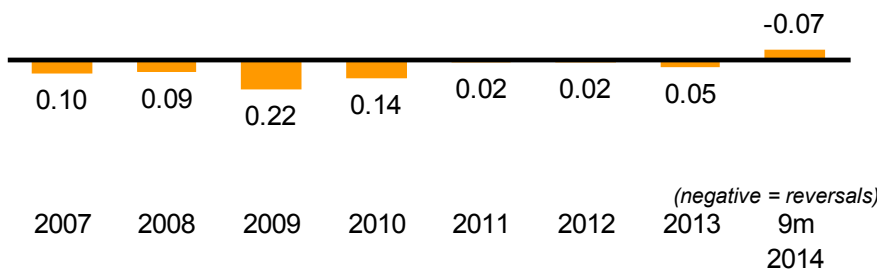
Nordic countries, net credit losses in %



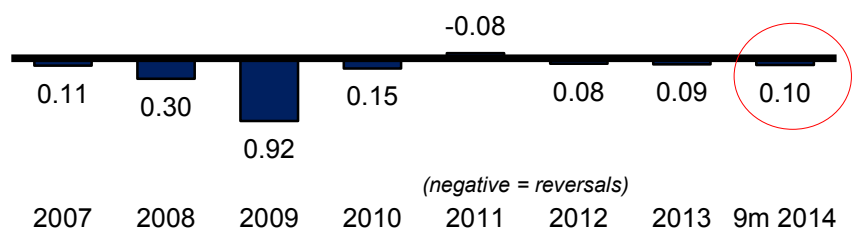
Baltic countries, net credit losses in %



Germany, net credit losses in %



SEB Group, net credit losses in %



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

Swedish Housing Market

House price developments – some key features

❑ Upward pressure

- ✓ *Severe structural lack of supply particularly in the major cities to which there is a strong migration*
 - *Particularly on apartments in the major cities' center*
- ✓ *Political inability to stimulate new residential investments*
- ✓ *Low interest rates*
- ✓ *Increase of households' disposable income*

❑ Stabilizing / downward pressure / mitigating factors

- ✓ *Regulatory LTV cap of 85% (Fall 2010)*
- ✓ *Banks' stricter lending criteria*
- ✓ *New and extended regulatory requirements on banks' and other mortgage lenders*
 - *Swedish rules stricter than Basel III and EU requirements*
 - *Mortgage risk-weights - 15% under Pillar 2 (Spring 2013)*
 - *Regulatory Proposal: Increased mortgage risk-weight to 25% under Pillar 2 (Probably implemented as of Jan 1, 2015 and applicable from Aug-Sep 2015 at the latest)*
 - *Swedish Bankers' Association recommends amortizations on new loans with LTV above 50% from 2015*
- ✓ *Regulatory Body's liquidity and capital requirements - No buy-to-let market*
- ✓ *An increase of residential investments is discernible*

❑ Topics publicly discussed to lower the risk of the house price development

- ✓ *Gradual abolishment of the regulation of rents i.e. stimulate the construction of rental apartment buildings*
- ✓ *Introduce stricter loan amortization requirements – potentially making them mandatory*
- ✓ *Decrease ability to deduct interest costs (today: 30% up to about USD 15k and 21% on the amount above USD15k)*
- ✓ *A lowering of the regulatory LTV cap from the current 85%*

Households' indebtedness and affordability - key features

- **The most indebted people are the ones that can now afford it** ^{1) and 2)}
 - ✓ *80% of households' debt is mortgage loans*
 - ✓ *Households' aggregated **debt to disposable income ratio** (debt ratio) was 174% in Q4 2013*
 - This ratio is the same as it was in Q3 2010 thanks to an increase of disposable income
 - ✓ ***The most indebted people are the ones with:***
 - ✓ *the highest income and net wealth,*
 - ✓ *highest level of education and*
 - ✓ *live in the economically more prosperous and flourishing regions in Sweden*
 - ✓ *For **indebted** households, the aggregated debt ratio was 242% in Q4 2013: 2)*
 - The top three income deciles have 51% of total income and 46% of total debt
 - The lowest three income deciles have 13% of total income and 16% of total debt

- **Strong Household affordability – a mitigating factor** ³⁾
 - ✓ *Aggregated **total wealth is 6 times higher** than household disposable income*
 - ✓ *Aggregated **net wealth** (total assets minus total debt) **is 4 times higher** than disposable income*
 - ✓ *Increased affordability:*
 - Increased disposable income due to higher real salaries,
 - Income tax cuts,
 - Abolishment of wealth tax and a substantial lowering of real estate tax
 - Low interest rates
 - High savings ratio
 - ✓ *The potential risks with **Households' indebtedness is offset** by a low public sector debt and a capacity for countercyclical measures*

- **Socio-economic factors**

1) A government report from November 2013

2) The Central Bank's report "How indebted are Swedish Households?" May 2014.

The volume of loans in the data covers about 80% of all household loans and 94% of all mortgages

3) Central Bank's Stability Report of November 2013

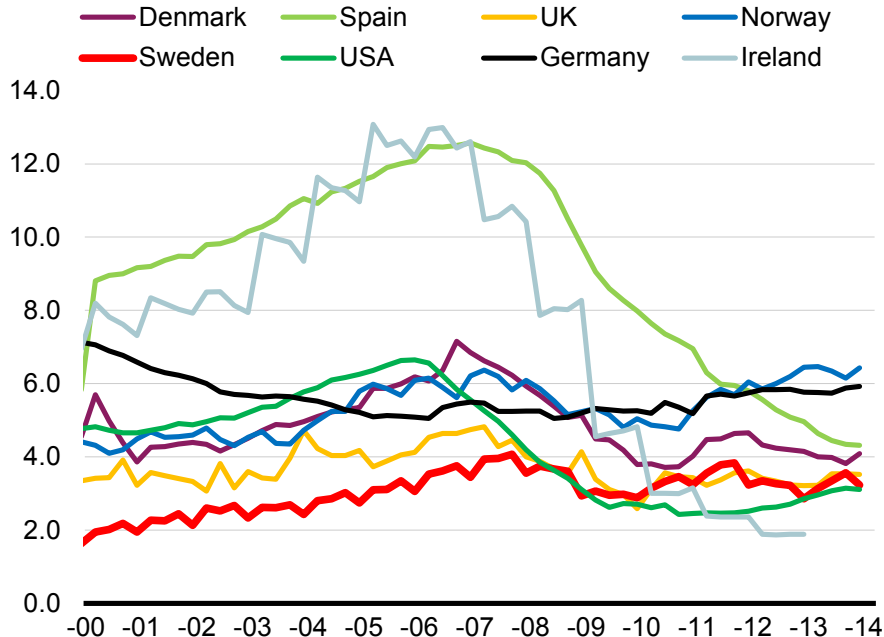
Swedish Housing Market – Long-term development

Structural lack of housing puts an upward pressure on prices

- ❑ Shift in government policy on subsidies for residential mortgage purposes and deregulation of the credit markets in the late 1980s and the beginning of the 90s had a huge negative impact on residential construction
- ❑ The lack of housing is the most pronounced in the larger cities of Stockholm, Göteborg and Malmö to which there is a strong migration
- ❑ Maintained rent regulation, high land and construction costs incl. planning and environmental legislation continue to reduce the incentive for the construction of rental apartment buildings

Relatively low residential investment

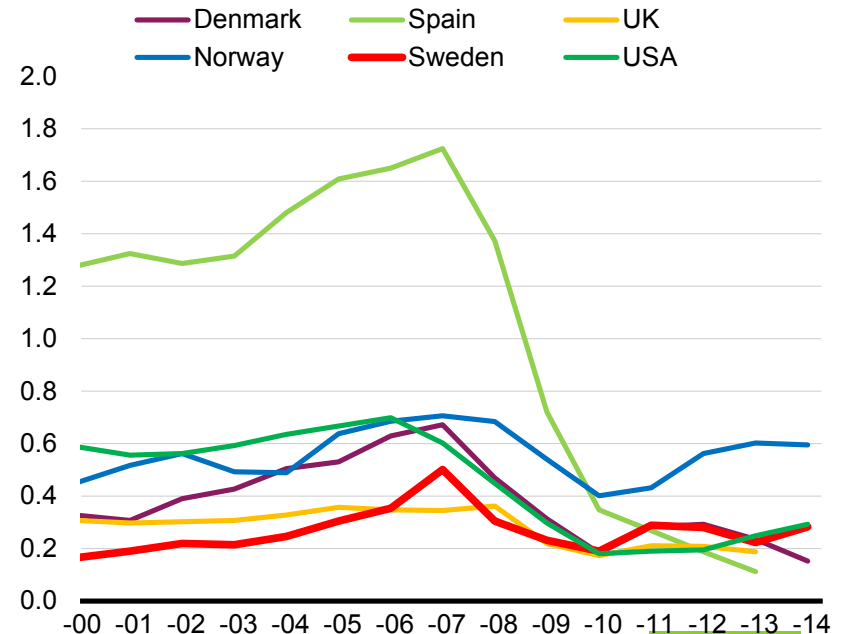
as a % of GDP



Source: Macrobond

Low number of new houses constructed

as a % of the population



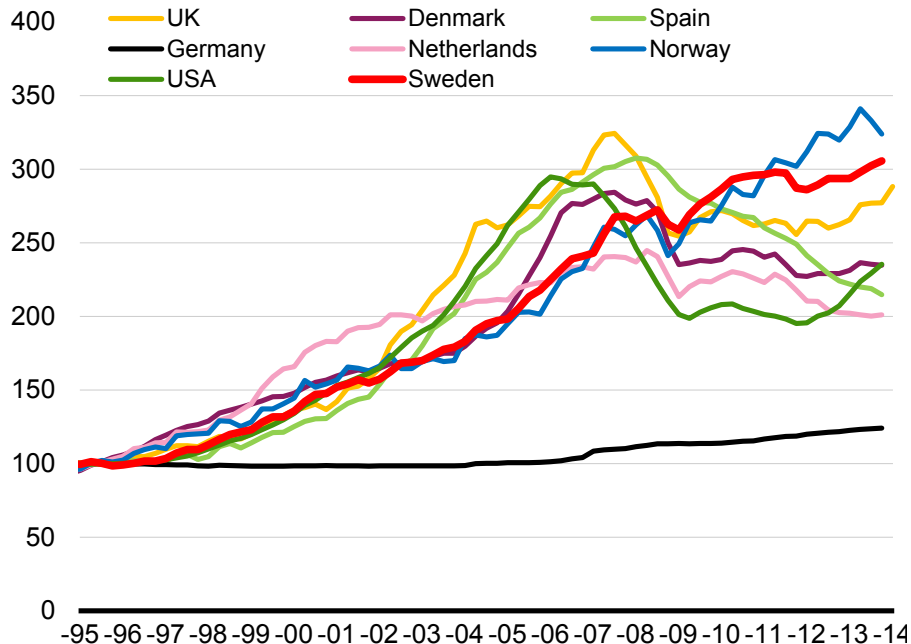
Source: Macrobond

Swedish Housing Market – Long-term development continued...**Structural lack of housing puts an upward pressure on prices**

- ❑ Structural lack of housing is the root to the sustained increase of house prices
- ❑ Considerable lowering of residential real estate tax, higher disposable income partly via lower income tax, abolition of wealth tax in the mid-2000s and a good economic development in general
- ❑ Relatively low debt servicing costs
- ❑ Low new housing construction e.g. migration to greater Stockholm has been around 35,000 a year the last five years but new construction has been between 5,000 and 13,000 annually

House prices (index 1992=100)

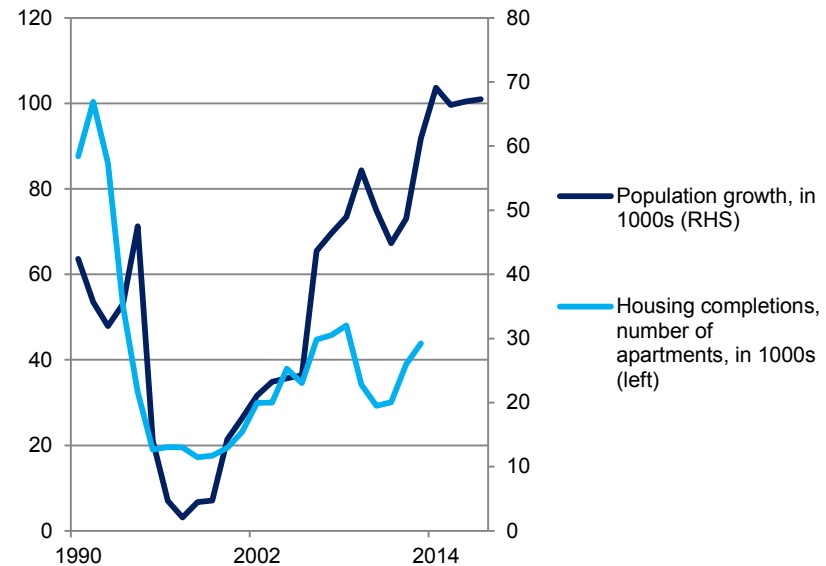
International comparison



Source: Macrobond

Population growth vs Housing completions

Sweden



Source: Statistics Sweden, SEB

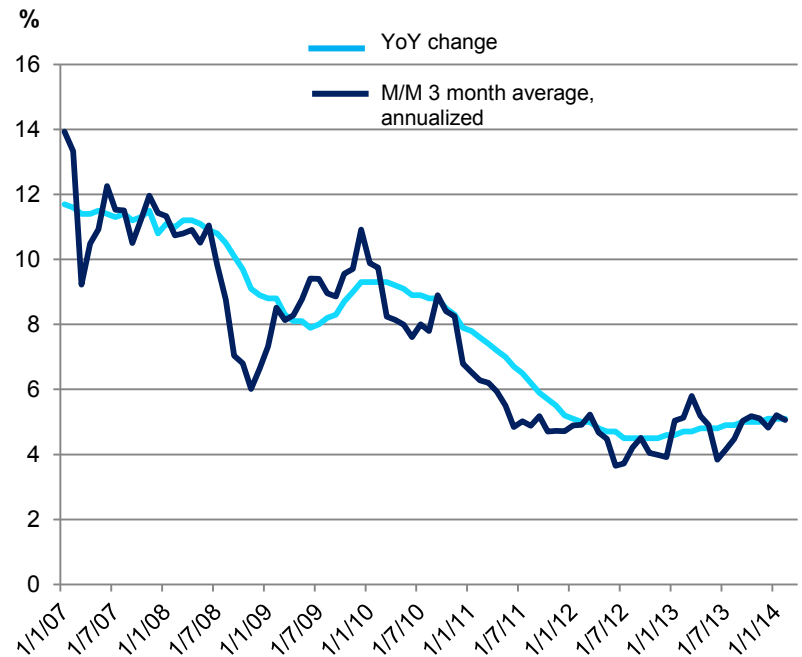
1) Latest available data from Swedish National Board of Housing

Steady increase of house prices – in particular apartments

Prices of tenant-owned apartments continue to rise but single family houses less so

Stabilizing lending growth to Swedish Households YoY 2007- 2012
Slight upward trend since 2013 on a YoY basis

Area	Single family houses		Apartments	
	3m	12m	3m	12m
Sep 2014 <i>(change as at December 2013)</i>				
Sweden	+1 <i>(0)</i>	+7 <i>(+5)</i>	0 <i>(+1)</i>	+6 <i>(+11)</i>
Greater Stockholm	+2 <i>(0)</i>	+8 <i>(+7)</i>	+6 <i>(+1)</i>	+11 <i>(+11)</i>
Central Stockholm			+4 <i>(+3)</i>	+12 <i>(+11)</i>
Greater Göteborg	+2 <i>(0)</i>	+6 <i>(+6)</i>	+4 <i>(-1)</i>	+11 <i>(+10)</i>
Greater Malmö	-1 <i>(+3)</i>	+4 <i>(+6)</i>	+6 <i>(-4)</i>	+8 <i>(+9)</i>



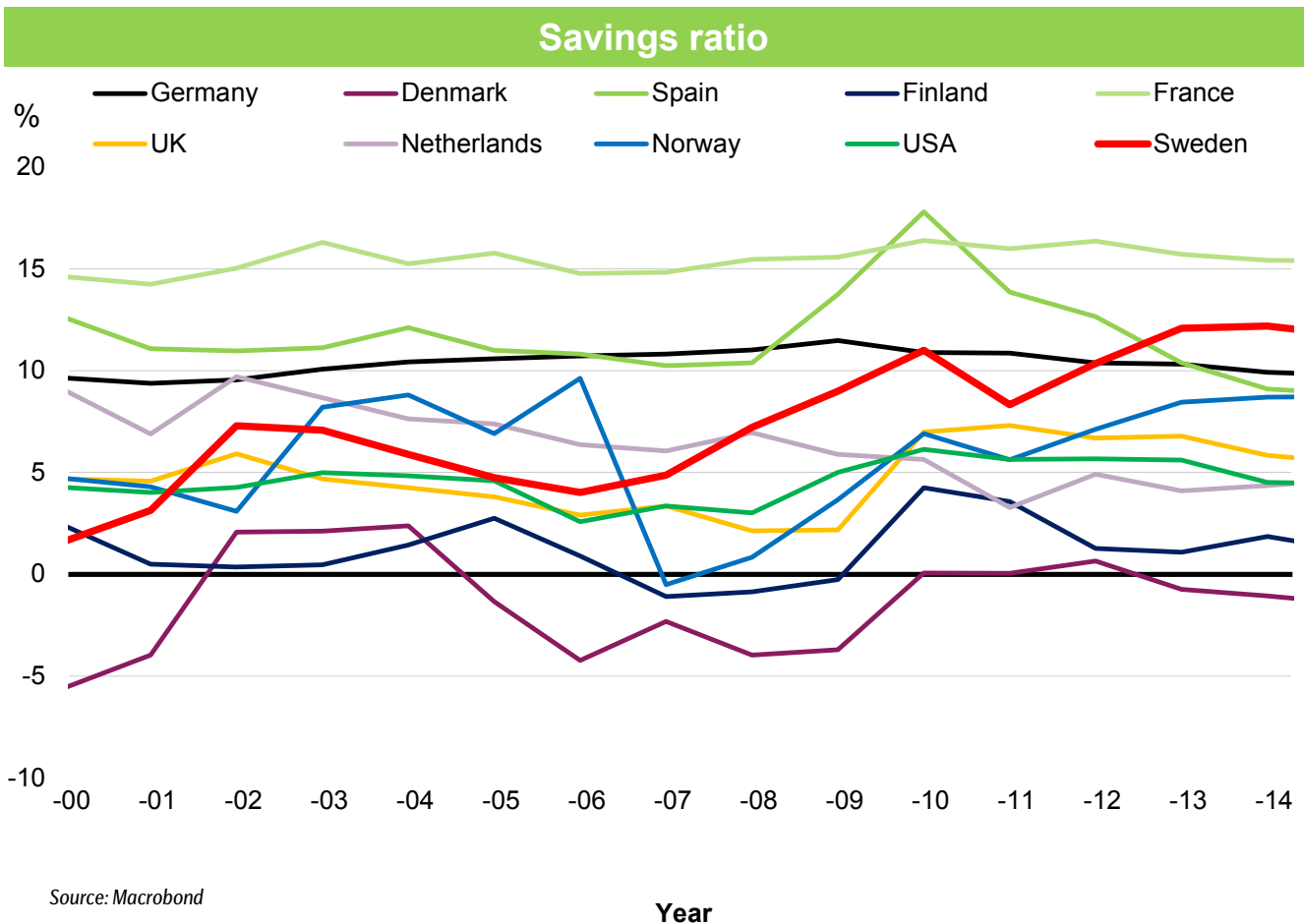
Source: Mäklarstatistik

Source: Sweden statistics

Total Households' debt-servicing ability is solid

The Central Bank's Stability Report of November 2013 states that:

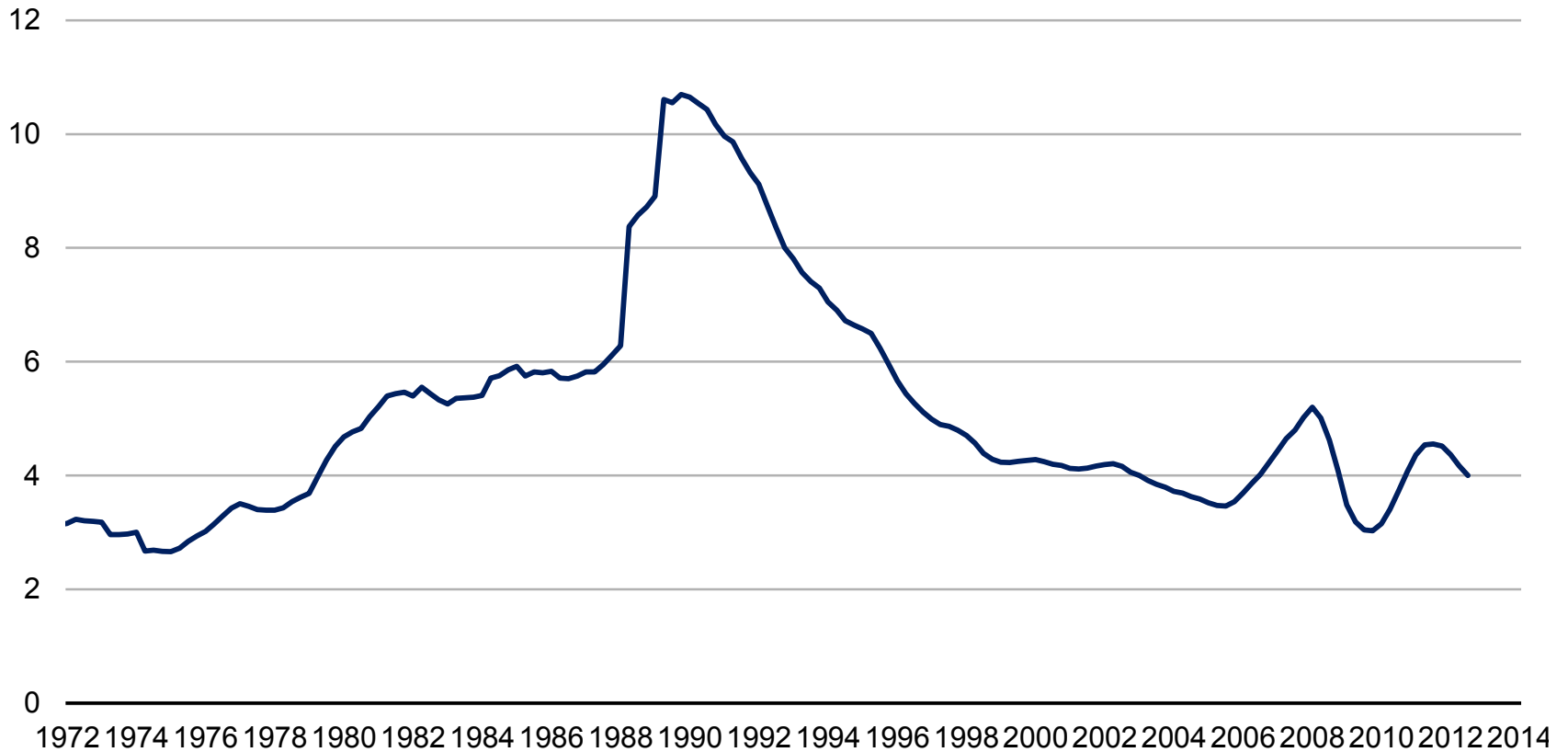
- ❑ Households' aggregated total wealth is 6 times higher than household disposable income
- ❑ Households' aggregated net wealth (total assets minus total debt) is 4 times higher than disposable income
- ❑ Strong development of disposable income – Savings ratio at historical highs



Source: Macrobond

The Swedish households' interest expenditure

Per cent of disposable income



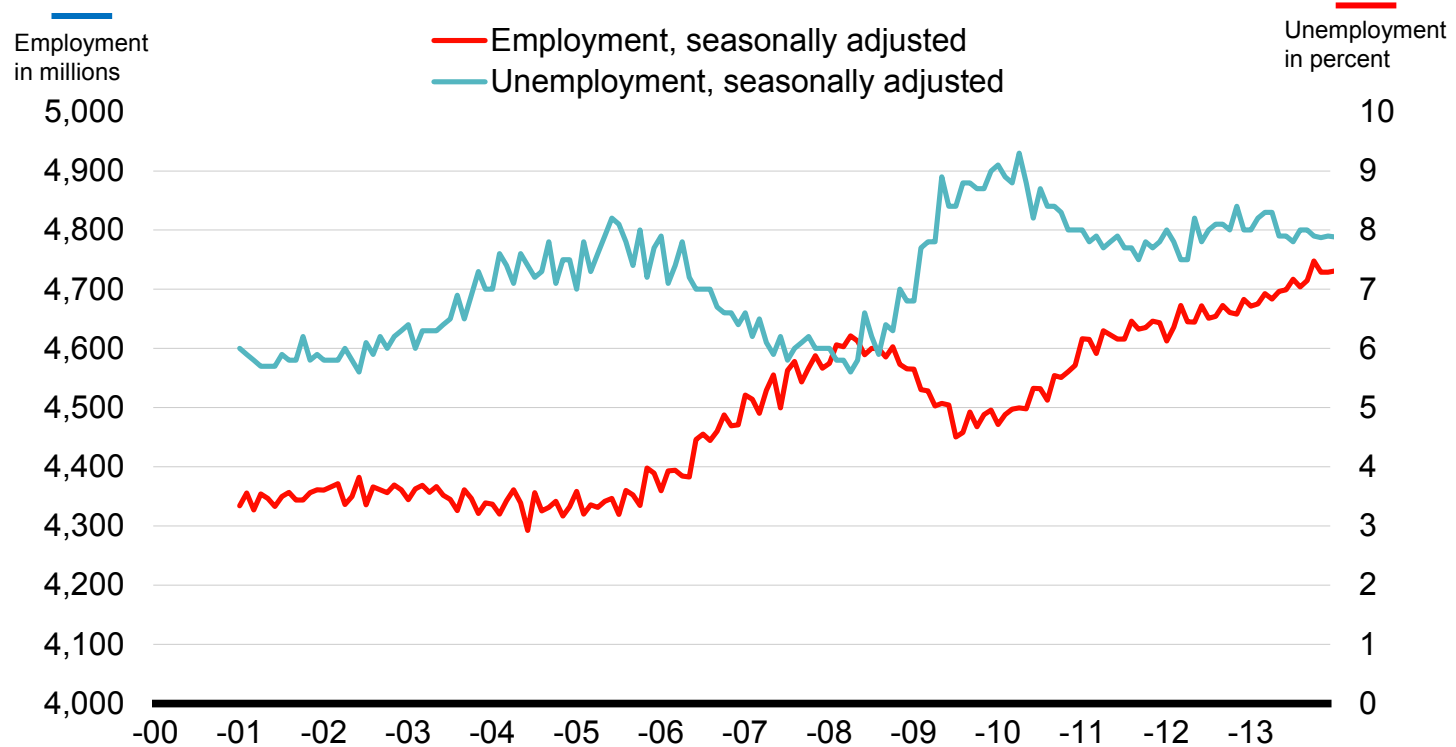
Sources: Statistics Sweden and the Riksbank

Unemployment will have minor effect on asset quality

Swedish Central Bank stress tests show that:

- ❑ Debt servicing ability is to a larger extent affected by higher mortgage rates than higher unemployment
- ❑ Although the proportion of vulnerable households increases if unemployment rises, potential loan losses only increase marginally due to *socio economic factors* (see next slide)

Healthy job creation but persistent unemployment due to rising labor force participation



Factors behind the strong asset quality

Credit information agency (“UC”)

Provides unique information regarding customers, e.g. marital and employment status, age, income, fixed assets, debt, payment record, property ownership

Practically impossible to escape claims

A borrower is personally liable, for life, even after a default and foreclosure procedure

Strong household income

A household’s income is to a very high degree based on two persons’ income. A mortgage loan is typically a joint liability

No buy-to-let market

A regulated rental market and tenant owner subletting restrictions

Direct debit

Customers make payments via authorized direct debit from their account

State enforcement office

Enforcement orders are processed in a expedient and reliable way

No intermediaries

Banks and bank owned mortgage institutions originate the loans themselves and the loans remain on their balance sheet

SEB's Swedish Residential Mortgage Lending

Household mortgage lending dominates the portfolio

Total SEK 509 bn (USD 70bn)

Sep 30, 2014

Residential Apartment Buildings

SEK 107bn
(USD 15bn)

- ❑ Private companies 47%
- ❑ Housing co-op associations 38%
- ❑ State/Community owned 15%

Residential Apartment Buildings

Strong asset quality

- ❑ Impaired loans at 1bp or SEK 14m (USD 1.9m)
- ❑ No major problem loans since the 1990's
- ❑ No net credit losses
- ❑ Low and conservative LTVs

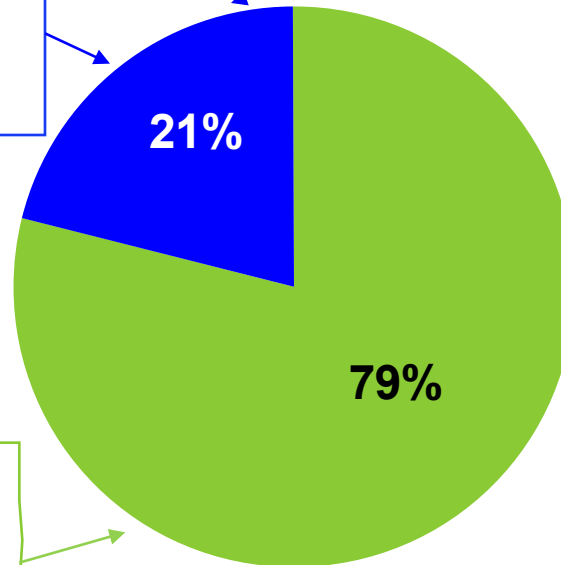
Conservative lending policy

- ❑ Cash-flow generation
- ❑ Legal structure: Counterparty has to have direct 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. Rural areas LTV<65%.
- ❑ Amortization structure required depending on geographic location

Household Mortgage lending

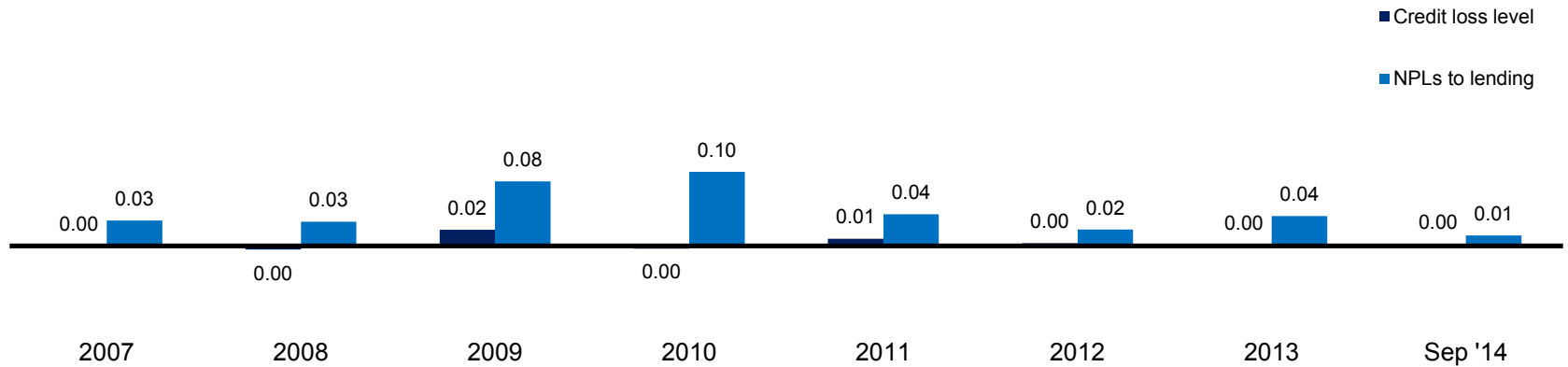
SEK 402bn
(USD 56bn)

- ❑ Single family houses 63%
- ❑ Tenant owned apartments 32%
- ❑ Second homes 5%

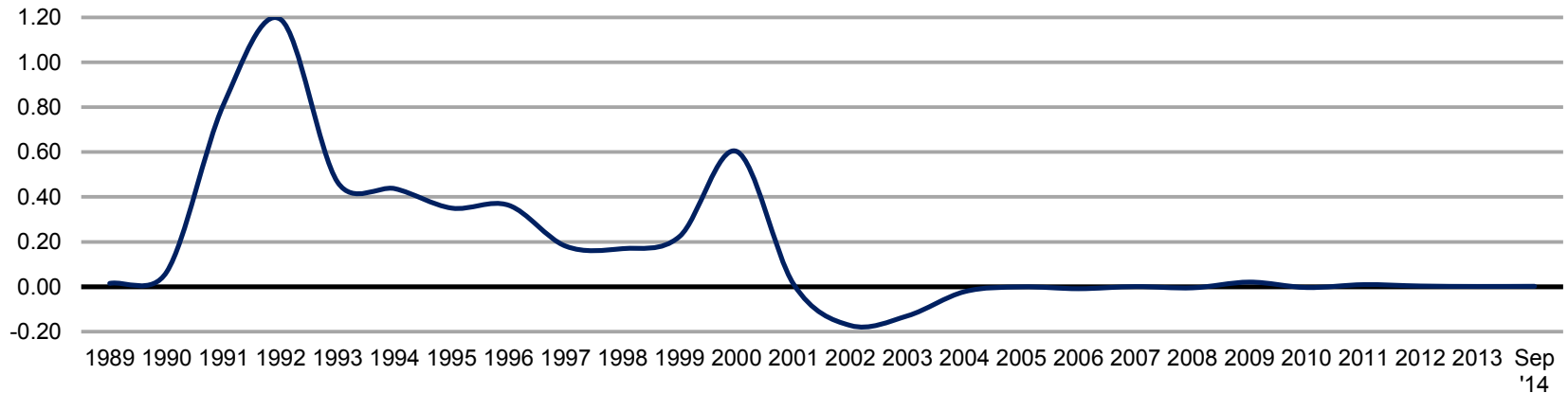


Low levels of impaired loans and negligible credit losses

Impaired loans do not typically turn into credit losses, in %



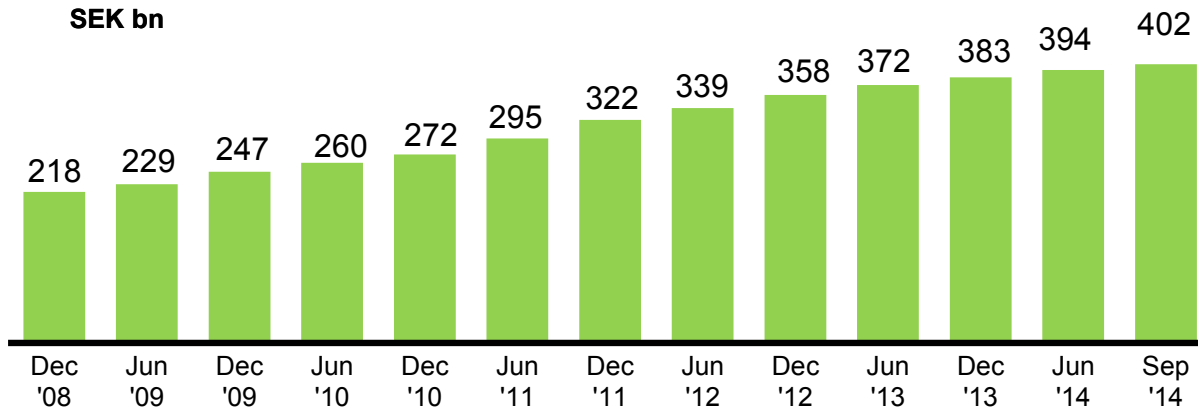
Effectively no net credit losses since the early 2000s, in %



* Net credit losses = the aggregated net of write-offs, recoveries and provisions

SEB's Swedish Household Mortgage lending

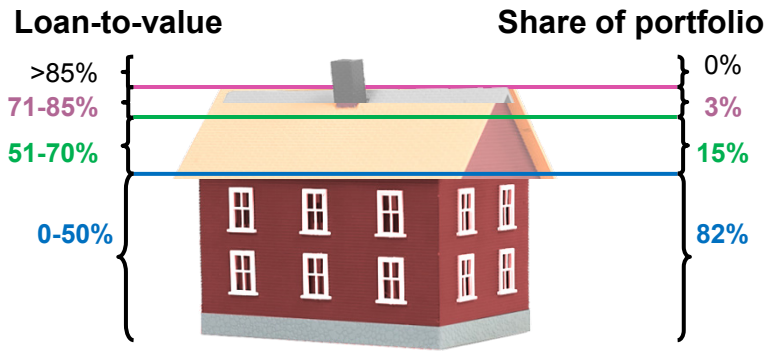
Successful Private Client Strategy produced growth despite stricter underwriting standards



Selective origination

- ❑ Concentration to urban areas
 - Stockholm area nearly 50% of volume
 - 85% of mortgage book is private individuals
- ❑ >80% of *new* mortgage loan clients have become full-service clients
- ❑ Market share increased some 3% to approx. 16% in five years
- ❑ Past-due >60days are 9bps (USD 48m)
- ❑ Net credit loss level is 1 bp (USD 1.8m)

>80% of the mortgage portfolio has LTV below 50%
3% exceeds an LTV of 70%



SEB's Mortgage lending based on affordability

- ❑ Strict credit scoring and assessment
- ❑ Nearly 100% of all customers authorize SEB to direct-debit their account on payment due dates – typically monthly due dates
- ❑ Strict "Left-to-live-on" sensitivity analysis including, a 7% interest rate test and a 50-year straight amortization period
- ❑ 85% regulatory LTV cap when granting a loan
- ❑ Loans >70% of market value must be amortized over 10 years
 - More than 80% of all new loans with LTV >50% is amortizing
- ❑ Max loan amount 5x total gross household income irrespective of LTV and no more than one payment remark on any kind of debt (*information via national credit information agency ("UC")*)
- ❑ Strengthened advisory services and individual amortizing plans
- ❑ "Sell first and buy later"

SEB's Swedish Household Mortgage Lending

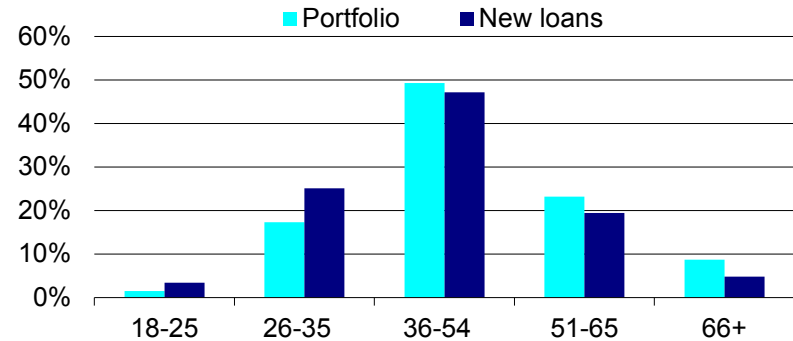
Strong economic profile of customers

SEB's typical mortgage customer

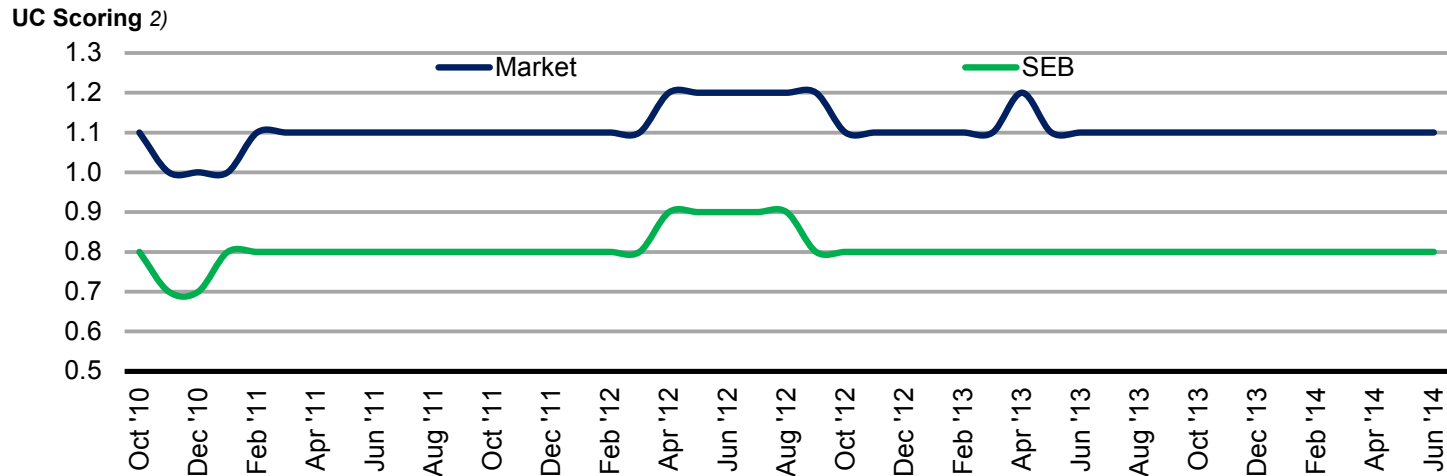
- ❑ Dual income households in the major cities
- ❑ High income households
- ❑ Personal savings above average
- ❑ Stronger credit rating vs. market average
- ❑ SFSA states in a report from April, 2014:
 - SEB has the lowest LTV in all age spans
 - Larger share of households with amortizing plans in new loans than market average

Age distribution of SEB's customers

Based on volumes December 31, 2013



SEB's mortgage customers have a relatively stronger credit quality than market average ¹⁾

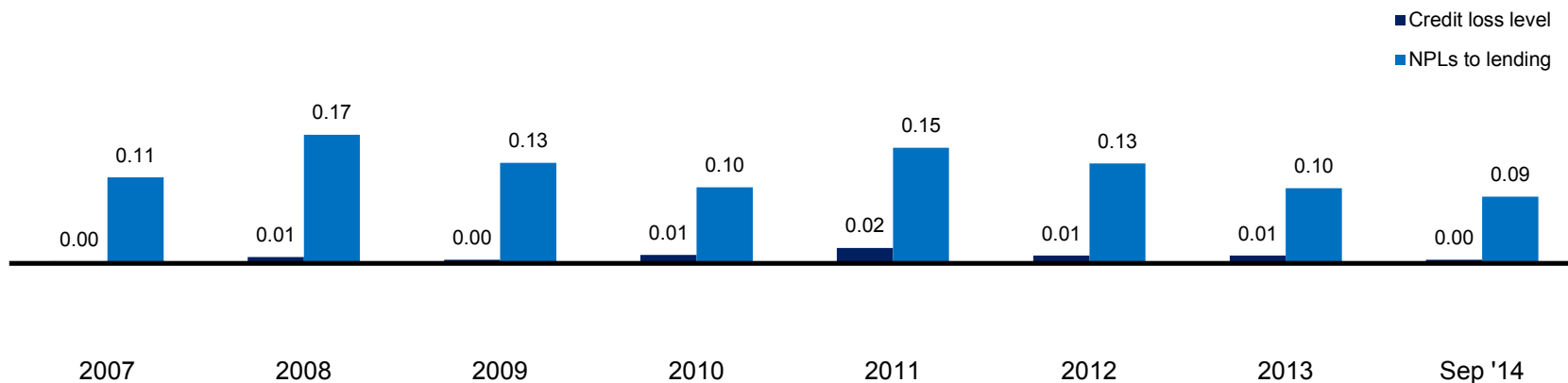


1) Source: Swedish Credit Bureau ("UC AB") "Kreditbarometern" June 2014

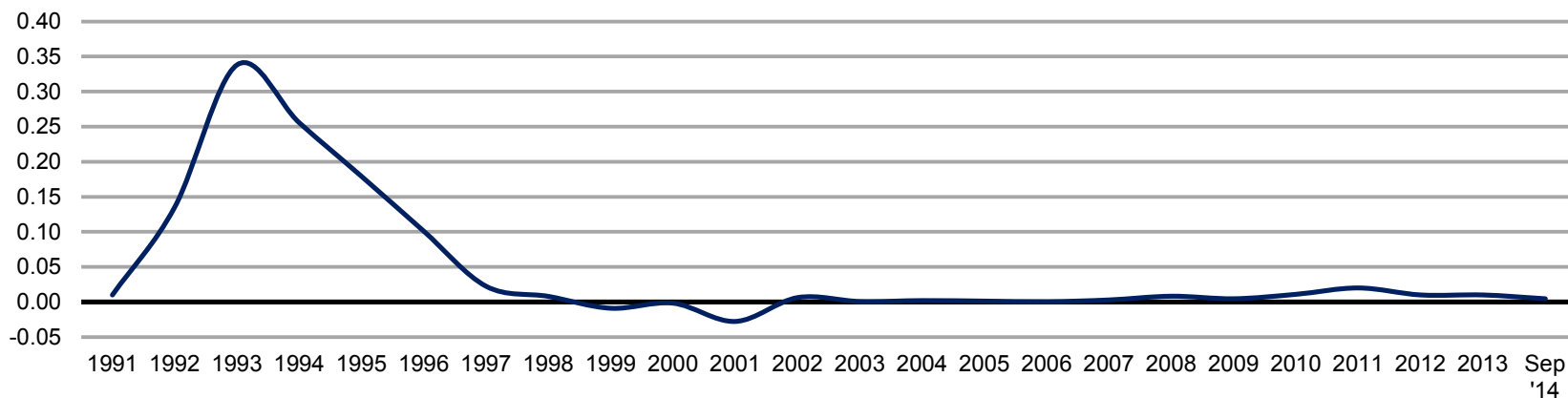
2) UC scoring is defined as the probability of getting a payment remark within one year

Low levels of impaired loans and negligible credit losses

Loans past due 60 days do not typically turn into credit losses, in %



Effectively no net credit losses since the late 1990s, in %



Net credit losses = the aggregated net of write-offs, recoveries and provisions

Stress testing indicates that losses in an extreme environment would be manageable

Highlights

- ❑ The stress test emulates the crisis experienced in the early '90s
- ❑ On top of that, unlikely correlated behaviour is assumed
 - Interest rates increasing at the same time as unemployment is rising,
- ❑ Highly indebted customers are the first to default
- ❑ Price drop that is constant across all region
- ❑ In this extreme environment, in-house stress tests show that net credit losses will be manageable
 - The accumulated net credit loss level over a 3-year period is estimated to approximately 0.80% – which is largely in line with what was experienced during the early 90s crisis

SEB's Swedish Cover Pool and Covered Bonds

Only Swedish Residential Mortgages in SEBs Cover Pool

Highlights

- ❑ Only **Swedish Residential Mortgages in the Cover Pool**, which historically have had very low credit losses
- ❑ SEB's Cover Pool is more concentrated towards **Single family houses and Tenant owned apartments**, which generally have somewhat higher LTVs
- ❑ The **Cover Pool is on the parent bank's balance sheet** contrary to SEB's major Swedish peers
 - All eligible Swedish residential mortgages are directly booked in the Cover Pool on origination , i.e. no cherry picking of mortgages from balance sheet to Cover Pool
 - Covered Bonds are issued out of the parent bank and investors have full and dual recourse to the parent bank's assets as well as the secured exposure to the Cover Pool
- ❑ SEB runs a high nominal OC – currently, September 30, 2014, at 50%

Covered Bonds

		Q3 2014	Q4 2013	Q4 2012
Total outstanding covered bonds (SEK bn)		308	297	262
Rating of the covered bond program		Aaa Moody's	Aaa Moody's	Aaa Moody's
FX distribution	SEK	77%	74%	78%
	non-SEK	23%	26%	22%

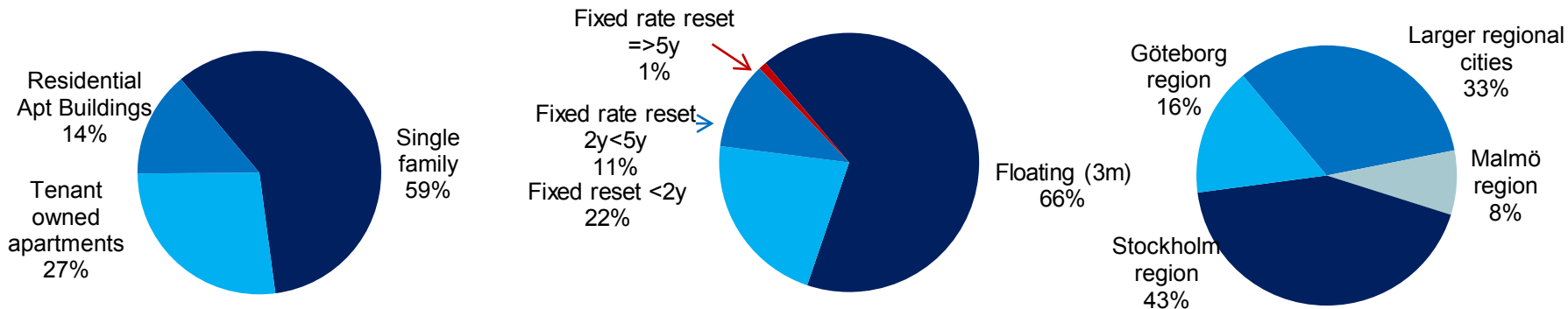
Cover Pool

	Q3 2014	Q4 2013	Q4 2012
Total residential mortgage assets (SEK bn)	461	434	401
Weighted average LTV (property level)	56%	60%	59%
Number of loans (thousand)	682	655	625
Number of borrowers (thousand)	411	404	391
Weighted average loan balance (SEK thousand)	676	662	642
Substitute assets (SEK thousand)	0	0	0
Loans past due 60 days (basis points)	7	9	11
Net credit losses (basis points)	0	0.8	0.7
Over-collateralization level	50%	46%	53%

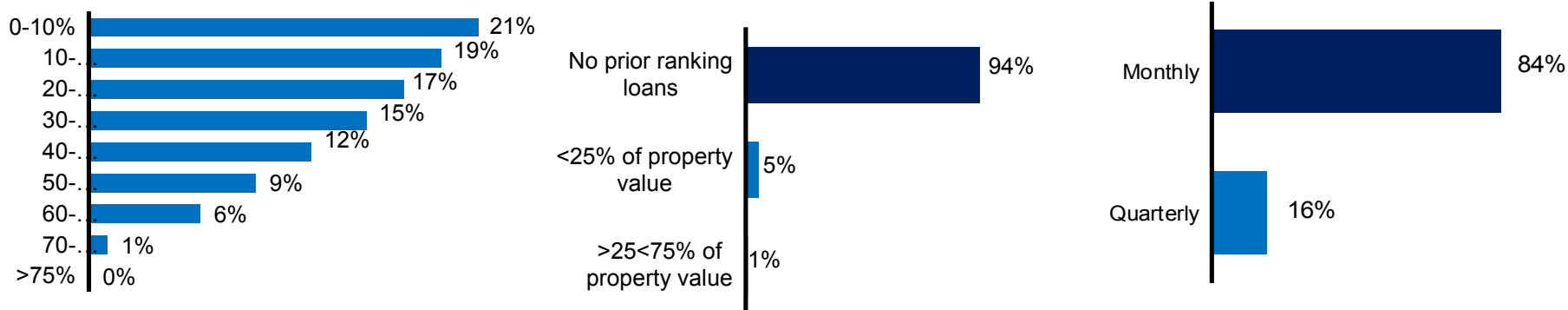
Cover Pool as at September 30, 2014

SEBs mortgage lending is predominantly in the three largest and fastest growing cities with an interest rate reset date within two years

Type of loans Interest rate type Geographical distribution



LTV distribution by volume in % of the Cover Pool Prior ranking loans Interest payment frequency



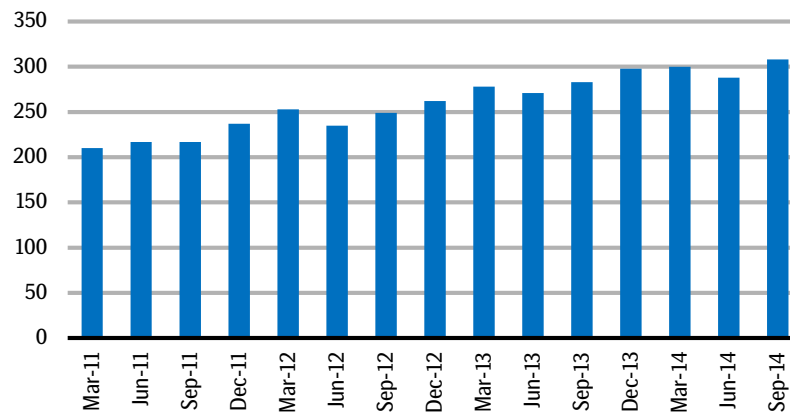
NOTE: Distribution in different LTV buckets based on exact order of priority for the individual mortgage deeds according to the Association of Swedish Covered Bond Issuers

Profile of outstanding Covered Bonds as at Sep 30, 2014

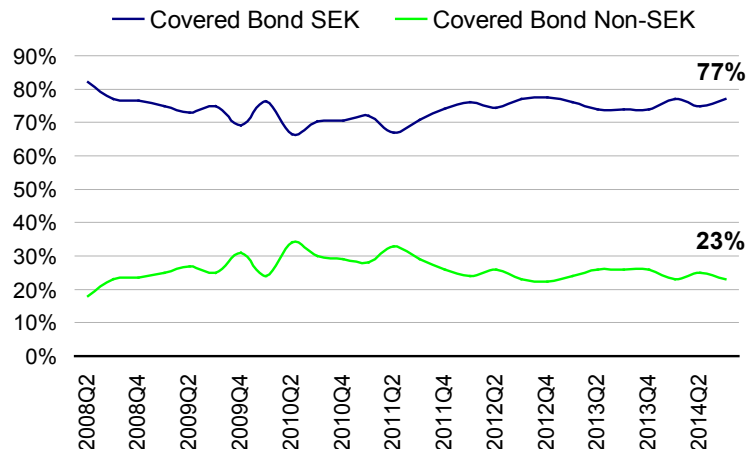
SEB Swedish Mortgage Covered Bonds

Moody's Rating	Aaa
Total outstanding	SEK 308bn
FX distribution	SEK 77%
	non-SEK 23%
Benchmark	Benchmark 92%
	Non Benchmark 8%

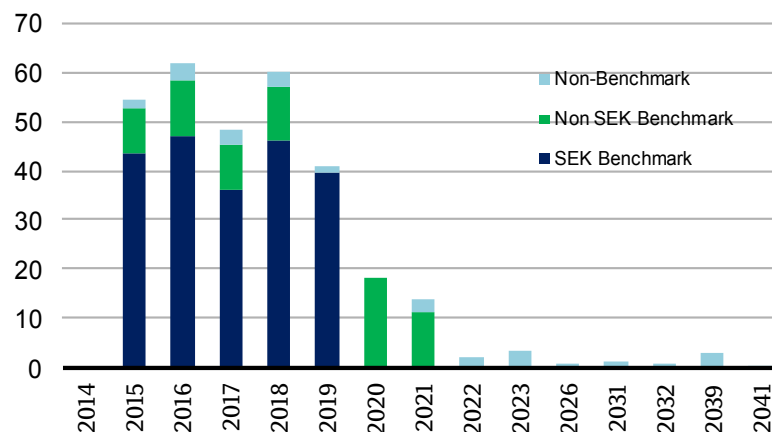
Outstanding covered bonds (SEK bn)



Currency mix



Maturity profile (SEK bn)



SEB contacts and information

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More information

Available on www.sebgroup.com

You will find it under Investor Relations