Outline

- Road to excellence
- Comments on
  - The Baltic countries – a growth area
  - The status of SEB Germany
  - The current market situation
- Sum up and Q&A
What we said last year

- ✔ Strategic direction
- ✔ Improve customer focus
- ✔ Integrate acquired businesses
- ✔ Roll-out operational excellence
Building a platform for growth

PHASE I
Operational Excellence

PHASE II
Focused growth in areas of strength

Operating profit

- Primarily productivity focus
- Increasingly shifting towards growth

- SEB
- Peer average

Graph showing operating profit from Q4 05 to Q2 07.
Road to Excellence
The Best Bank in Northern Europe

- Highest customer satisfaction
- Highest RoE
The customer centric organisation

Per cent of operating income

- Retail Banking: 40%
- Wealth Management: 35%
- Merchant Banking: 25%
- Life: 25%

- 5 million private individuals
- 2,500 large corporates & institutions
- 400,000 SME’s
Promote activity – prioritised areas

**Product innovation**
Example: SEB Dynamic Manager Alpha

**Quality improvements**
Example: Asset Management Performance
- No. of portfolios exceeding benchmark
- AuM exceeding benchmark

**Customer acquisition**
Example: Swedish cash management customers in the SME segment (thousands)

**Volume growth**
Example: SEB Group RWA (SEKbn)
## Continued profitable growth

Comparison to Nordic peers

<table>
<thead>
<tr>
<th>Return on Equity (%)</th>
<th>Core capital ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1-05: 16.5</td>
<td>H1-05: 7.9</td>
</tr>
<tr>
<td>H1-06: 19.8</td>
<td>H1-06: 7.5</td>
</tr>
<tr>
<td>H1-07: 19.8</td>
<td>H1-07: 8.5*</td>
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</tbody>
</table>

*Basel II transitional rules applied

<table>
<thead>
<tr>
<th>Operating profit (SEKbn)</th>
<th>Cost/Income ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1-05: 5.7</td>
<td>H1-05: 0.63</td>
</tr>
<tr>
<td>H1-06: 7.6</td>
<td>H1-06: 0.59</td>
</tr>
<tr>
<td>H1-07: 8.7</td>
<td>H1-07: 0.56</td>
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</tbody>
</table>

**Competitive return**

**Strongest capitalisation**

**Leading profit growth**

**Improved scalability**
Quality and productivity management

- Streamline processes
- Integration of support functions
- Enable investments in growth and quality
- Capture efficiency gains
### Cost-management program

2007 – 2009


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<tbody>
<tr>
<td>Costs Jan – Jun 2006</td>
<td>11,407</td>
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<td>11,686</td>
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<tr>
<td>Inflation and growth</td>
<td></td>
<td>484</td>
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<td>Efficiency gains</td>
<td></td>
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<td>Redundancy cost</td>
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<tr>
<td>Costs Jan – Jun 2007</td>
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</table>

**Total savings SEK 1.5 – 2.0bn**

- **SEK 313m**
Growth strategy

Organic growth
- Exploit synergies and ‘best practice’
- Expand and accelerate growth in areas of strength

Acquisition criteria:
- Leverage core competence
- Cultural fit
- Low-to-moderate execution risk

Structural growth

Maintain multiple growth engines and efficient support functions
Growth strategy

**Merchant Banking, +6%***
- Scalability
- Baltic integration
- Nordic and German growth

**Retail Banking, +36%***
- Increased customer activity
- Increase product penetration
- Capture Baltic growth

**Wealth Management, +14%***
- Performance
- Product innovation

**Life, +40%***
- Export unit-linked business in Denmark, Baltic and Ukraine
- Capture care market

Road to excellence

Comments on
- The Baltic countries – a growth area
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- The current market situation

Sum up and Q&A
**Baltics – Long-term growth story intact**

**GDP per Capita 2006, Thousand EUR, current prices**

- Estonia
- Latvia
- Lithuania
- EU 25 countries
- Sweden

*Source: AMECO*

**Underlying development**

- Wave 1: Savings, payment transfers, loans
- Wave 2: Current accounts, debit cards, mortgages, wholesale
- Wave 3: Credit cards, consumer finance
- Wave 4: Wealth management – asset management, pensions, insurance

**Profit +44% CAGR***

*Compounded Annual Growth Rate 1999-6M 2007*
The delicate balance

**Growth**

...exploit the long-term growth potential of credit growth and new sources of income...

**Risk**

...while maintaining strong short- and long-term asset quality.
Still capturing profit growth in the Baltics

**Products per customer**
Average of SEB’s Baltic customers

- Private: Q2 2005 - 1.5, Q2 2007 - 1.7
- Corporate: Q2 2005 - 1.8, Q2 2007 - 2.0

**Number of private customers, thousands**

- SEB Estonia
- SEB Latvia
- SEB Lithuania

**Net interest margins**

- Mar 05 to Jun 07
Germany – well positioned for future growth

- Sweden’s largest trade partner
- Attractive corporate growth segment for SEB
- Retail still in a turn-around mode

Operating profit (SEKm)
Treasury  Customer Business

Distribution of Operating profit Jan – Jun 2007*

RoE ~55%
RoE ~20%
RoE ~5%
RoE ~10%
* Excluding treasury result
Global risk reward correction – can benefit SEB

Better risk differentiation going forward and more business opportunities from ‘house bank’ relationships
SEB in the market turmoil

☑ SEB has a sound financial situation with a strong capital base (Tier 1 ratio 8.45%)

☑ SEB’s asset quality has remained stable and strong

☑ SEB has ample liquidity and has not experienced any funding problems

☑ SEB’s revenues are negatively affected by the spread widening and lower trading activity

Communicated by SEB

- SEB has limited direct and indirect exposure to the US sub-prime market
- SEB has USD 1.2bn in liquidity facilities to its own customers’ trade receivables conduits
Road to excellence

Comments on
- The Baltic countries – a growth area
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Sum up and Q&A
Exploit strong franchise in an attractive region

Deliver Operational Excellence and Profitable growth

Exceed customers’ expectations!
Our long-term strategy remains intact despite recent turbulence in the credit markets.
Additional Financial Information
# Key figures

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<tbody>
<tr>
<td>Operating income</td>
<td>10,719</td>
<td>20,912</td>
<td>5%</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td>Operating expenses</td>
<td>5,884</td>
<td>11,686</td>
<td>1%</td>
<td>2%</td>
<td></td>
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<tr>
<td>Operating profit</td>
<td>4,554</td>
<td>8,711</td>
<td>10%</td>
<td>15%</td>
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<tr>
<td>Net profit</td>
<td>3,522</td>
<td>6,784</td>
<td>8%</td>
<td>17%</td>
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<tr>
<td>Return on Equity, %</td>
<td>20.7</td>
<td>19.8</td>
<td>19.0</td>
<td>19.8</td>
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<tr>
<td>Cost / income ratio</td>
<td>0.55</td>
<td>0.56</td>
<td>0.57</td>
<td>0.59</td>
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<td>Credit loss level, %</td>
<td>0.12</td>
<td>0.11</td>
<td>0.10</td>
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<td>Core capital ratio, Basel II, %*</td>
<td>8.45</td>
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<td>Core capital ratio, Basel I, %</td>
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<td>RWA, Basel I, SEKbn</td>
<td>821</td>
<td>821</td>
<td>796</td>
<td>747</td>
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* Basel II including transitional rules
# Profit and loss account


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</thead>
<tbody>
<tr>
<td>Net interest income</td>
<td>7,706</td>
<td>7,174</td>
<td>7</td>
<td>14,281</td>
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<td>Net fee and commissions</td>
<td>8,821</td>
<td>8,100</td>
<td>9</td>
<td>16,146</td>
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<tr>
<td>Net financial income</td>
<td>2,656</td>
<td>2,026</td>
<td>31</td>
<td>4,036</td>
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<tr>
<td>Net life insurance income</td>
<td>1,385</td>
<td>1,190</td>
<td>16</td>
<td>2,661</td>
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<tr>
<td>Net other income</td>
<td>344</td>
<td>811</td>
<td>-58</td>
<td>1,623</td>
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<tr>
<td><strong>Total operating income</strong></td>
<td><strong>20,912</strong></td>
<td><strong>19,301</strong></td>
<td><strong>8</strong></td>
<td><strong>38,747</strong></td>
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<tr>
<td>Staff costs</td>
<td>-7,570</td>
<td>-7,185</td>
<td>5</td>
<td>-14,363</td>
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<td>Other expenses</td>
<td>-3,446</td>
<td>-3,589</td>
<td>-4</td>
<td>-6,887</td>
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<td>Depreciation of assets</td>
<td>-670</td>
<td>-633</td>
<td>6</td>
<td>-1,287</td>
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<tr>
<td><strong>Total operating expenses</strong></td>
<td><strong>-11,686</strong></td>
<td><strong>-11,407</strong></td>
<td><strong>2</strong></td>
<td><strong>-22,537</strong></td>
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<tr>
<td>Gain/loss tangible/intangible assets</td>
<td>-1</td>
<td>42</td>
<td>-102</td>
<td>70</td>
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<td>Net credit losses etc</td>
<td>-514</td>
<td>-360</td>
<td>43</td>
<td>-718</td>
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<tr>
<td><strong>Operating profit</strong></td>
<td><strong>8,711</strong></td>
<td><strong>7,576</strong></td>
<td><strong>15</strong></td>
<td><strong>15,562</strong></td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td><strong>6,784</strong></td>
<td><strong>5,774</strong></td>
<td><strong>17</strong></td>
<td><strong>12,623</strong></td>
</tr>
</tbody>
</table>
RoE and Cost/Income ratio per division

Return on Equity per division, per cent

Cost/income ratio per division

* Based on operating result
SEB’s market franchise

**Merchant Banking**
- #1 Nordic stock broker
- #1 Nordic and Baltic investment bank
- #1 Nordic and Baltic cash manager
- #1 Custody Nordic and Baltic markets
- #1 Scandinavian currencies

**Wealth Management**
- #1 Nordic and Baltic private bank
- #2 Nordic asset manager

**Life and pension**
- #1 Nordic unit-linked business
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