

# Investor presentation

Full year & fourth quarter 2021

27 January 2022

# Disclaimer

## IMPORTANT NOTICE

THE FOLLOWING APPLIES TO THIS PRESENTATION, ANY ORAL PRESENTATIONS OF THE INFORMATION IN THIS PRESENTATION BY SEB OR ANY PERSON ON ITS BEHALF, AND ANY QUESTION AND ANSWER SESSION THAT FOLLOWS ANY SUCH ORAL PRESENTATIONS.

THIS PRESENTATION IS NOT AN OFFER OR SOLICITATION OF AN OFFER TO BUY OR SELL SECURITIES. IT IS SOLELY FOR USE AT AN INVESTOR PRESENTATION AND IS PROVIDED AS INFORMATION ONLY. THIS PRESENTATION DOES NOT CONTAIN ALL OF THE INFORMATION THAT IS MATERIAL TO AN INVESTOR. THIS PRESENTATION IN AND OF ITSELF SHOULD NOT FORM THE BASIS OF ANY INVESTMENT DECISION. BY ATTENDING THE PRESENTATION OR BY READING THE PRESENTATION SLIDES YOU AGREE TO BE BOUND AS FOLLOWS:

This presentation is not an offer for sale of securities in the United States, Canada or any other jurisdiction.

This presentation may not be all-inclusive and may not contain all of the information that you may consider material. Neither SEB nor any third party nor any of their respective affiliates, shareholders, directors, officers, employees, agents and advisers makes any expressed or implied representation or warranty as to the completeness, fairness or reasonableness of the information contained herein and none of them accepts any responsibility or liability (including any third party liability) for any loss or damage, whether or not arising from any error or omission in compiling such information or as a result of any party's reliance on or use of such information.

Certain data in this presentation was obtained from various external data sources and SEB has not verified such data with independent sources. Accordingly, SEB makes no representations as to the accuracy or completeness of that data. Such data involves these risks and uncertainties and is subject to change based on various factors.

By accessing this presentation, the recipient will be deemed to represent that they possess, either individually or through their advisers, sufficient investment expertise to understand the information contained herein. The recipient of this presentation must make its own independent investigation and appraisal of the business and financial condition of SEB. Each recipient is strongly advised to seek its own independent financial, legal, tax, accounting and regulatory advice in relation to any investment.

This presentation does not constitute a prospectus or other offering document or an offer or invitation to subscribe for or purchase any securities and nothing contained herein shall form the basis of any contract or commitment to subscribe for or purchase any securities. This presentation is being furnished to you solely for your information and may not be reproduced, copied, shared, disseminated or redistributed, in whole or in part, in any manner whatsoever to any other person. The distribution of this presentation in certain jurisdictions may be restricted by law and persons into whose possession this presentation comes should inform themselves about, and observe, any such restrictions.

No securities have been or will be registered under the U.S. Securities Act of 1933, as amended (the Securities Act) or with any securities regulatory authority of any state or other jurisdiction of the United States and securities may not be offered, sold or transferred within the United States or to U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. This presentation is not a public offer of securities for sale in the United States.

In the United Kingdom, this presentation is being made only to and is directed only at (a) persons who have professional experience in matters relating to investments who fall within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order), (b) high net worth companies and other entities falling within Article 49(2)(a) to (d) of the Order, and (c) other persons to whom it may otherwise lawfully be communicated in accordance with the Order (all such persons together being referred to as relevant persons). Any investment activity to which this communication may relate is only available to, and any invitation, offer, or agreement to engage in such investment activity will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

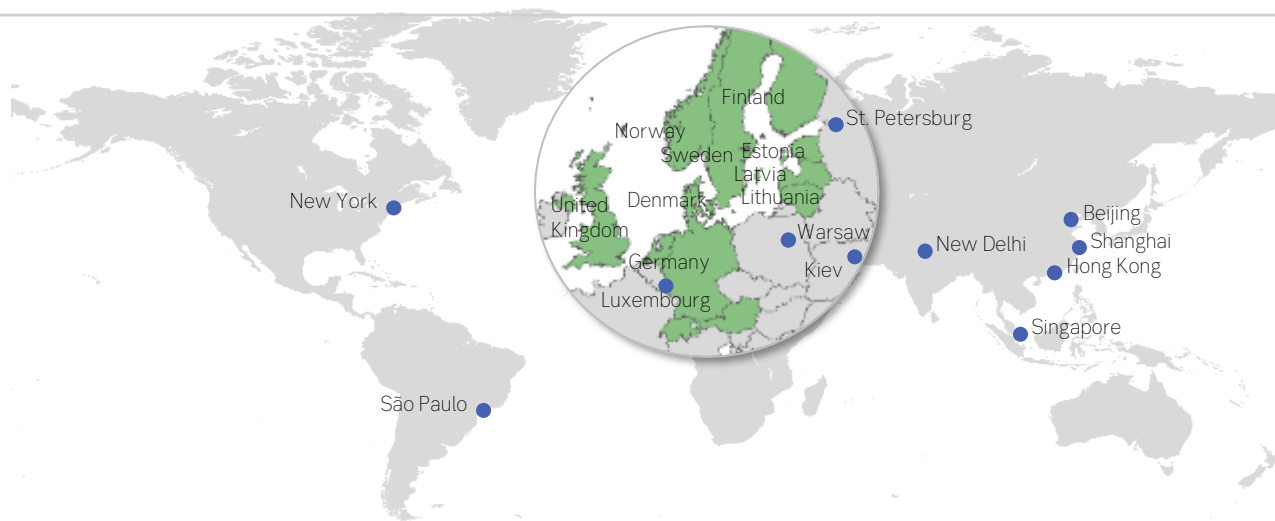
Certain statements contained in this presentation reflect SEB's current views with respect to future events and financial and operational performance. Except for the historical information contained herein, statements in this presentation which contain words or phrases such as "will", "aim", "will likely result", "would", "believe", "may", "result", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "strategy", "philosophy", "project", "should", "will pursue" and similar expressions or variations of such expressions may constitute "forward-looking statements". These forward-looking statements involve a number of risks, uncertainties and other factors that could cause SEB's actual development and results to differ materially from any development or result expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to, SEB's ability to successfully implement its strategy, future levels of non-performing loans, its growth and expansion, the adequacy of its allowance for credit losses, its provisioning policies, technological changes, investment income, cash flow projections, exposure to market risks as well as other risks. SEB undertakes no obligation to publicly update or revise forward-looking statements contained herein, whether as a result of new information, future events or otherwise. In addition, forward-looking statements contained in this presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this presentation.



- 01 **SEB in brief**
- 02 Financial update
- 03 Credit portfolio and asset quality
- 04 Capital
- 05 Liquidity and funding
- 06 Approach to sustainability
- 07 Macro
- 08 Appendix

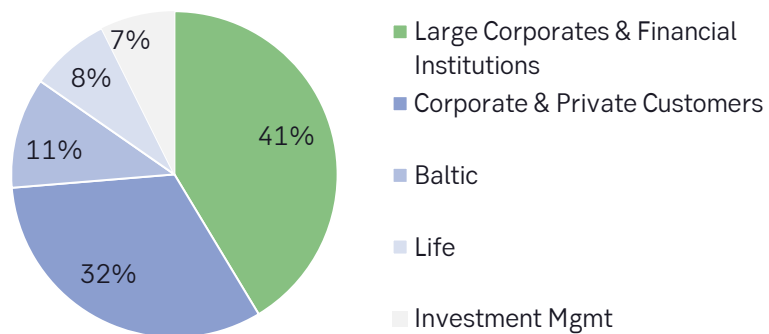


# SEB – a leading northern European financial services group

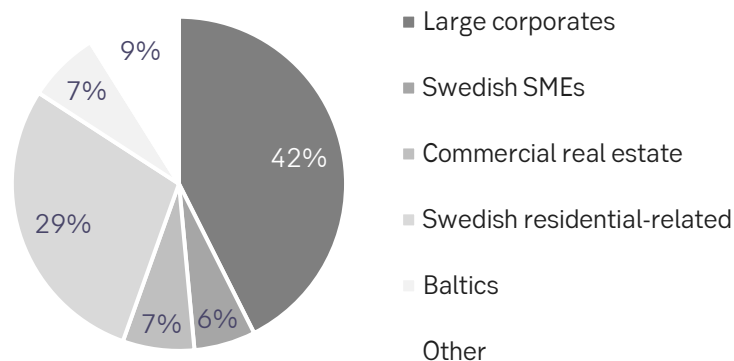


- Unique customer base and **leading market positions**
- Engaged and **long-term focused shareholder** base
- **Diversified business model** delivering **strong, profitable growth over time**
- **Strong capital and liquidity** position
- **Solid credit rating** : AA- / Aa3 / A+ with stable outlook (Fitch/Moody's/S&P)

Operating profit by division<sup>1</sup>  
2021



Credit portfolio breakdown<sup>2</sup>  
31 Dec 2021



Key financials  
2021 (2020)

Net ECL level	C/I
<b>2bps (26)</b>	<b>0.43 (0.46)</b>
CET1-ratio	Return on equity
<b>19.7% (21.0)</b>	<b>13.9% (10.3<sup>3</sup>)</b>

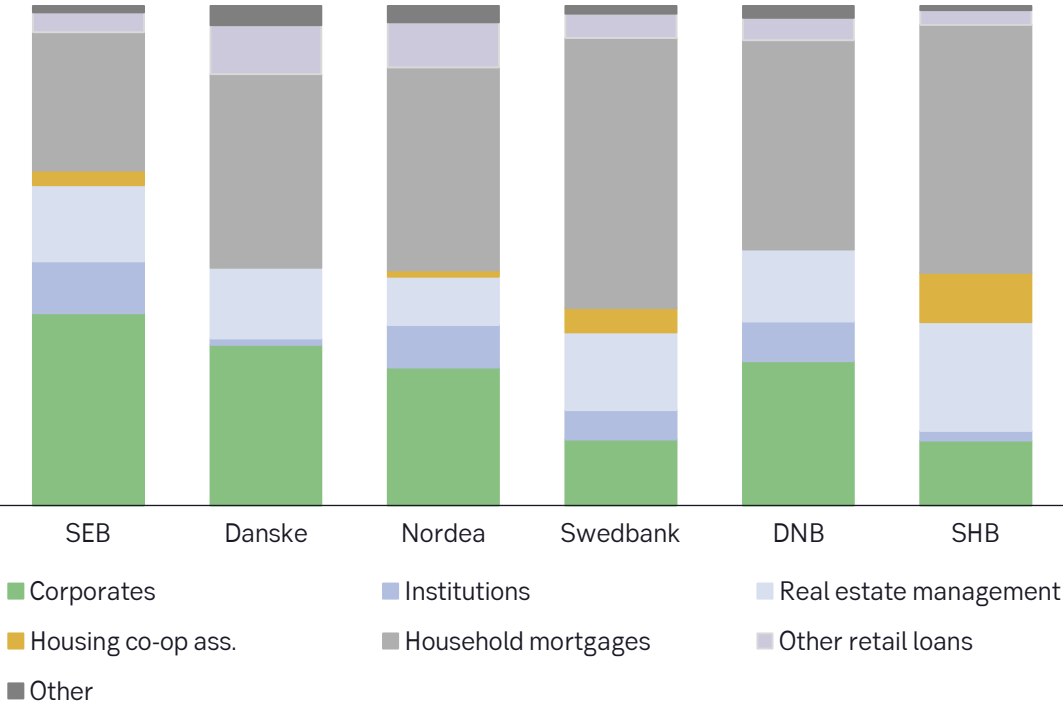
<sup>1</sup> Business divisions excluding Group functions and eliminations

<sup>2</sup> Swedish residential-related includes household mortgages, residential real estate and housing co-ops

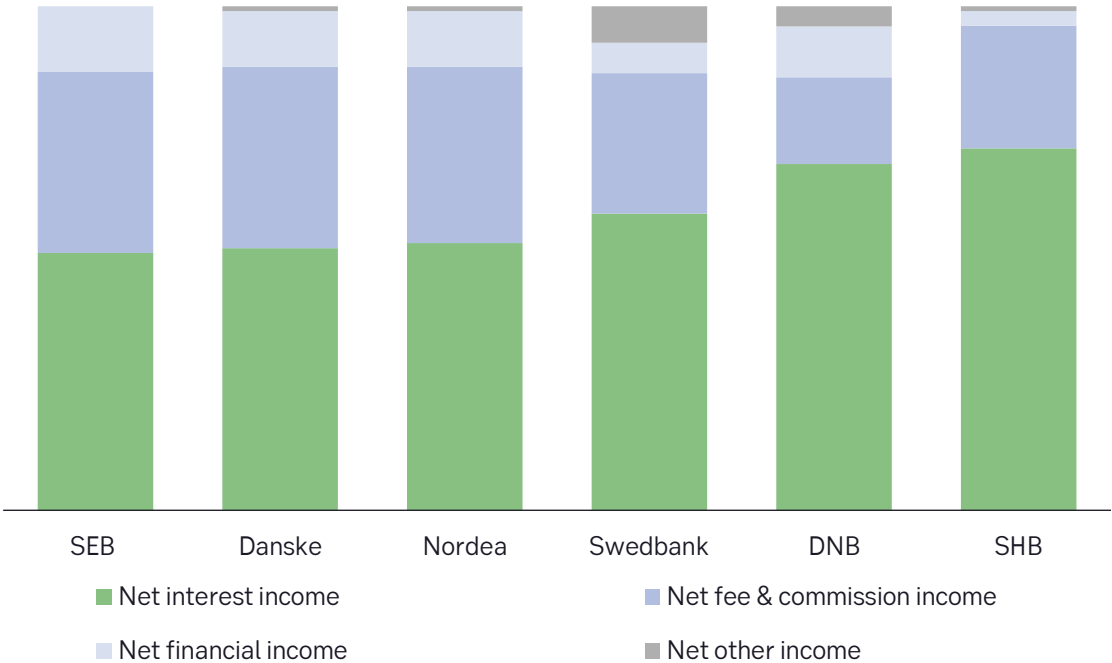
<sup>3</sup> Excluding items affecting comparability

# More diversified than peers

Well balanced credit portfolio  
Credit exposure (EAD) by sector, 31 Dec 2020



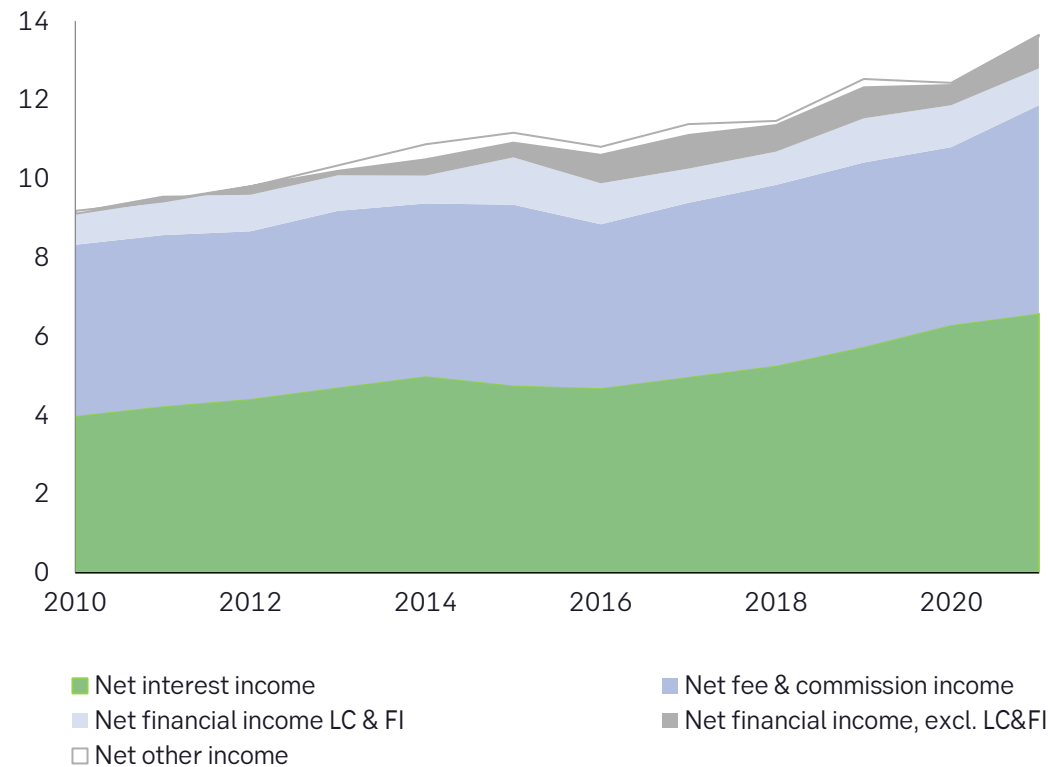
Diversified income stream  
Operating income by type, 31 Dec 2020



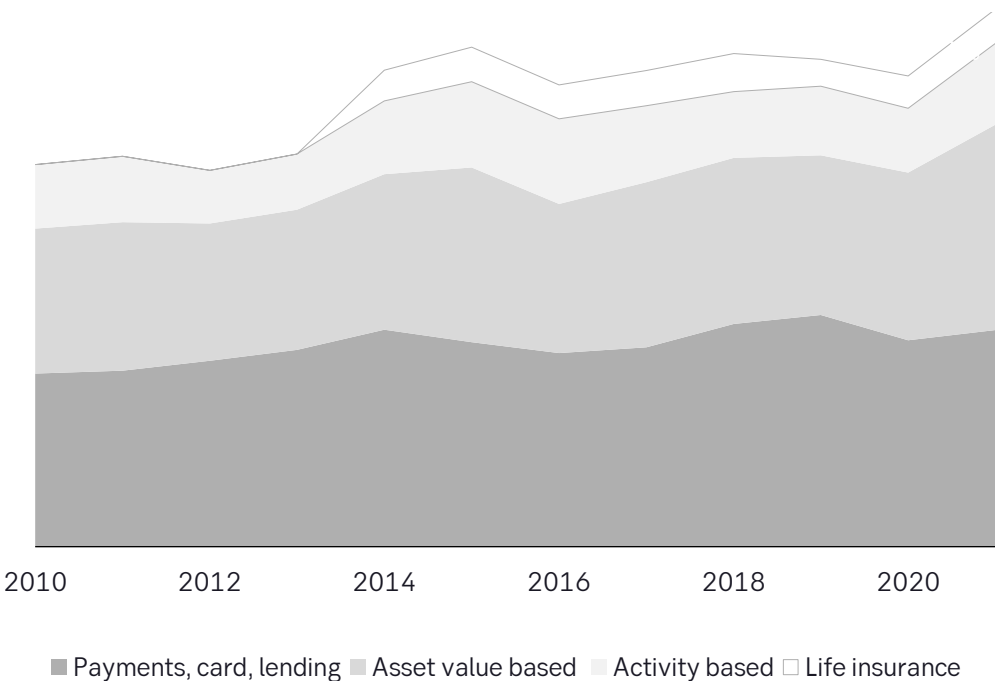
Source: Annual reports 2020

# Business model generates stable income based on diversified income sources

Balanced mix of net interest income and other income  
Average quarterly income, SEK bn

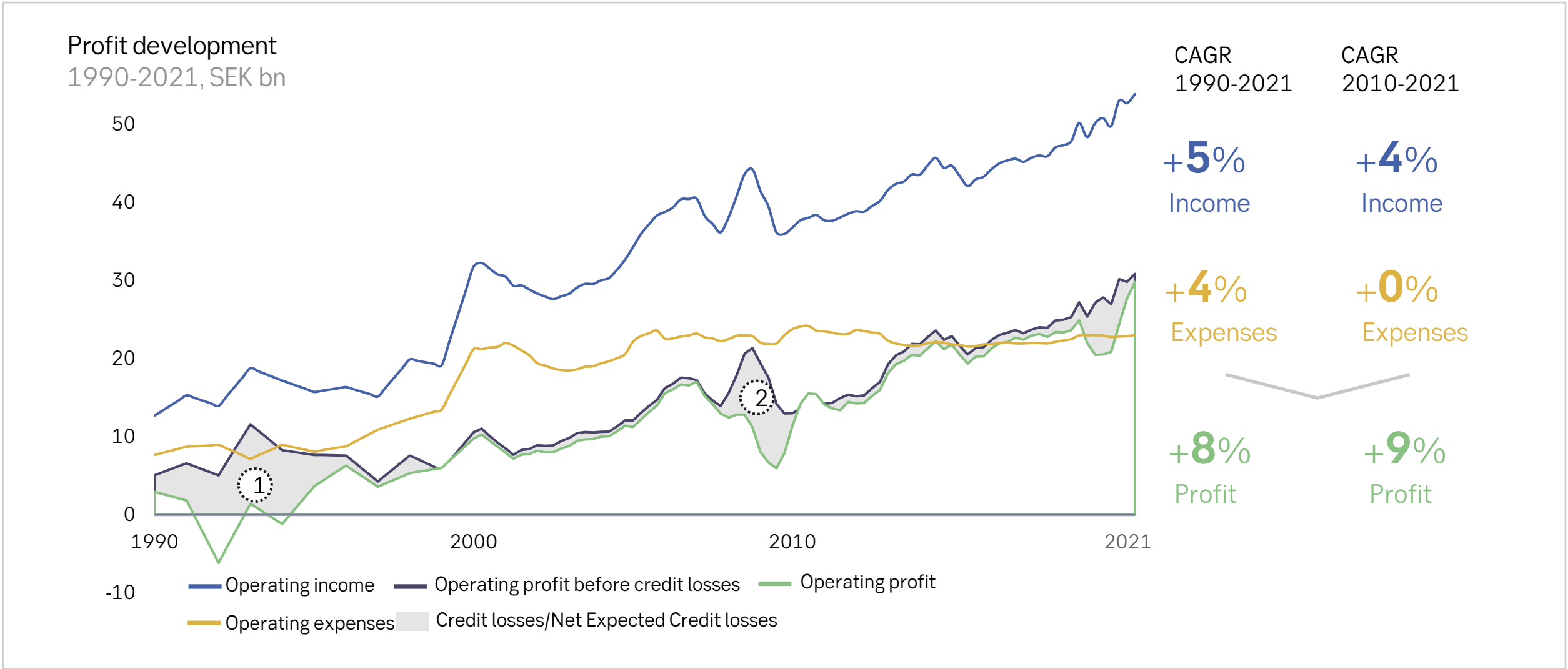


Growing net fee & commission income generated through strong market franchise and recurring income  
Average quarterly net fee & commission income, SEK bn



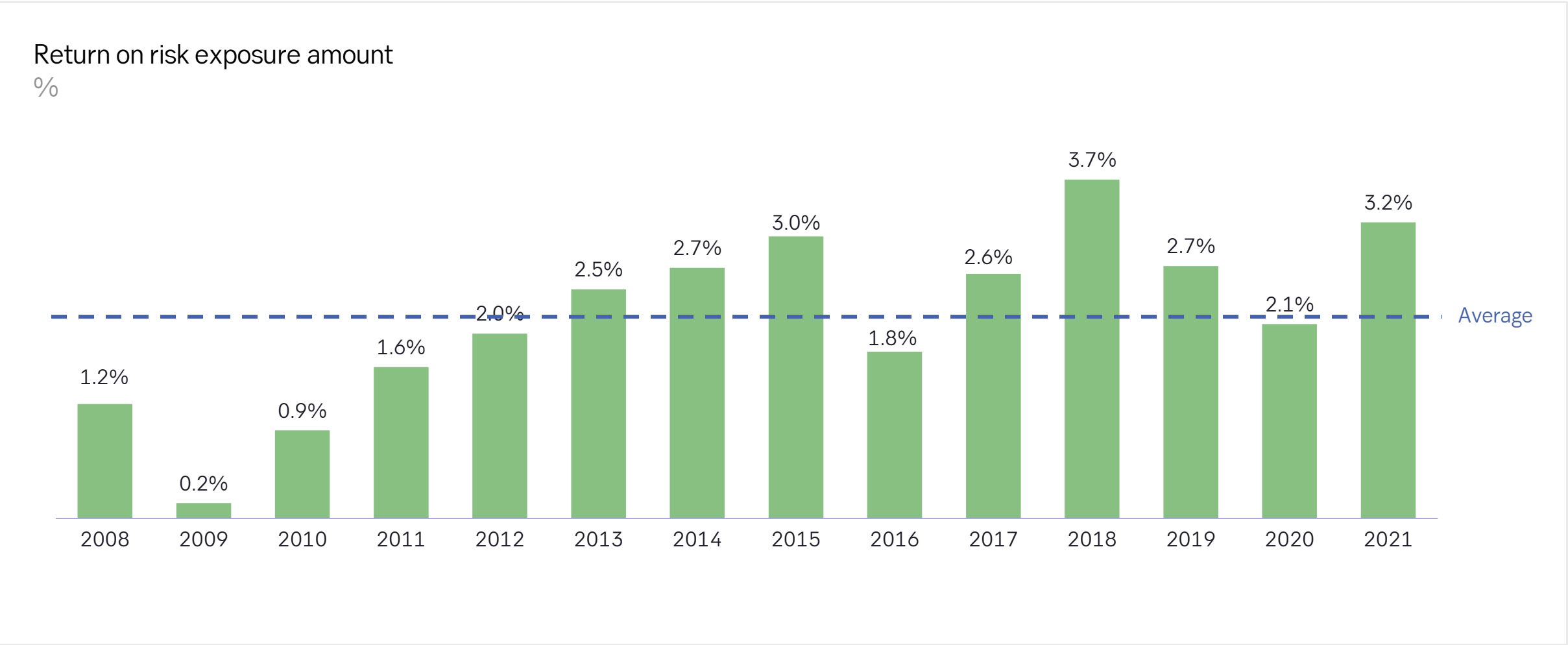
Note: Traditional life income booked as net financial income as of January 2014.

# Long-term focus on positive operating jaws



<sup>1</sup> Consequences of Swedish economic paradigm shift and the ensuing financial crisis. SEB was one of two major banks that was not taken over or directly guaranteed by the State.  
<sup>2</sup> Credit losses driven by the Baltics during the financial crisis – important to note the strong revenue generation and overall profitability during this period notwithstanding the financial crisis.  
Note: 2014-2020 adjusted for items affecting comparability.

# Strong capital generation



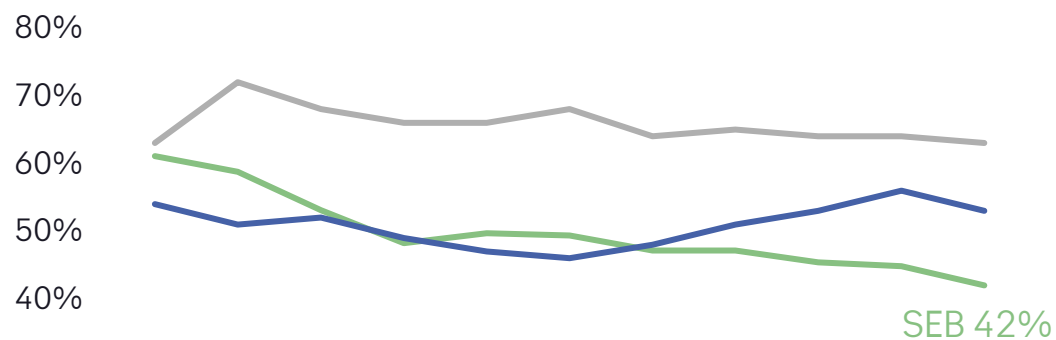


# Relative financial strength

SEB  
Nordic peer average  
European peer average

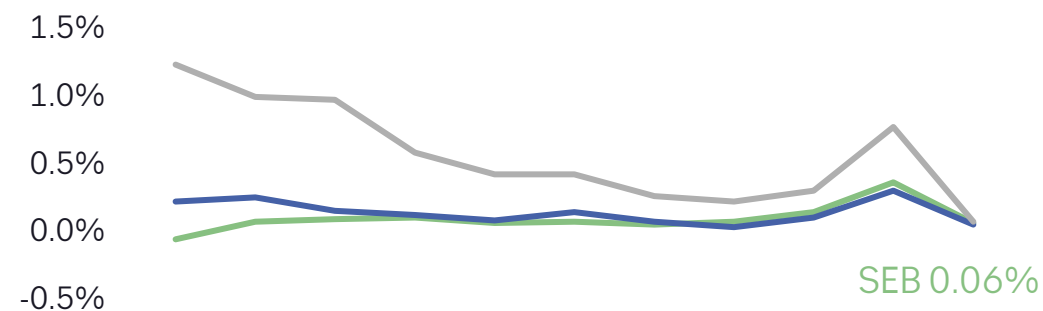
## Cost / income ratio

2011-Q3 2021, rolling LTM



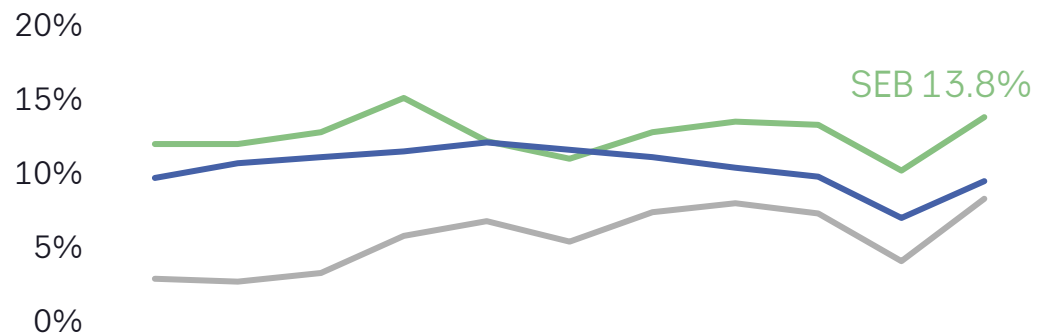
## Cost of risk

2011-Q3 2021, rolling LTM



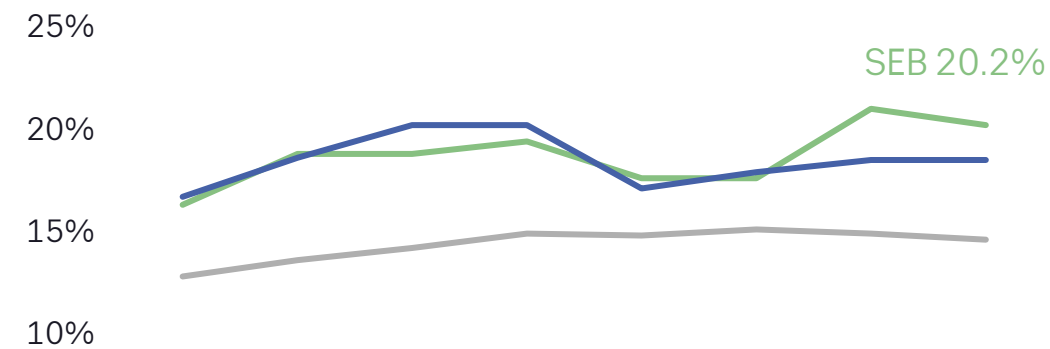
## Return on equity

2011-Q3 2021, excluding IAC, rolling LTM



## CET1 capital ratio

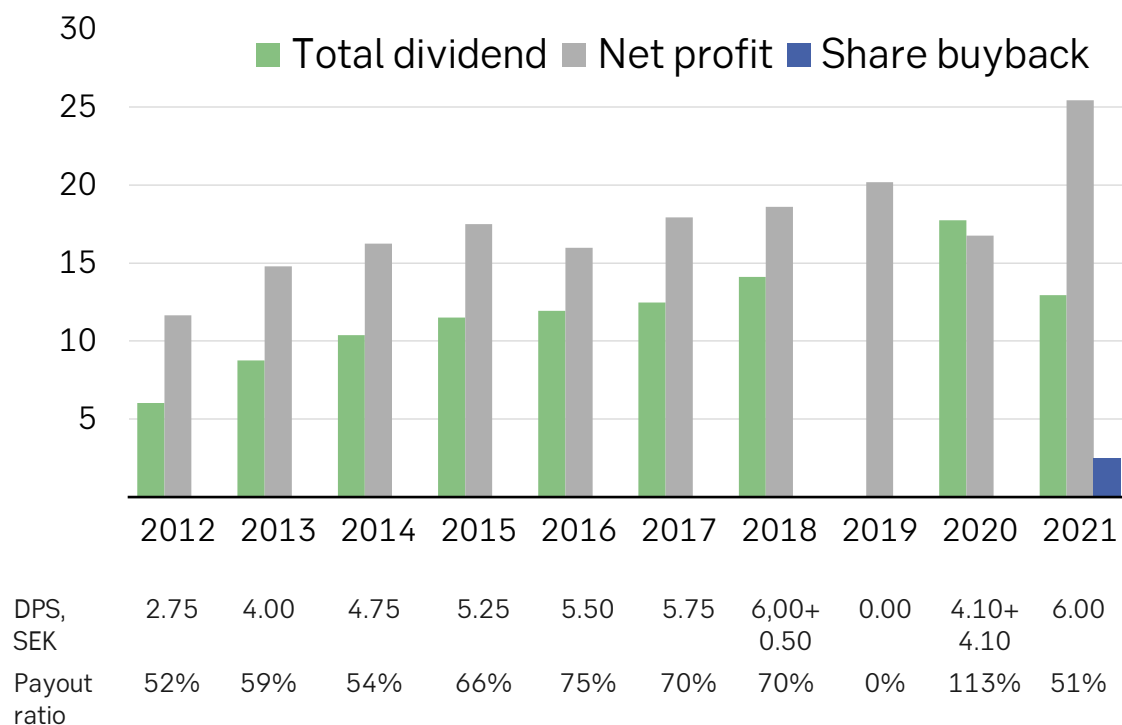
2014-Q3 2021



# Creating long-term shareholder value

Dividends paid. New dividend policy as of 2021:  
~50% of net profit

SEK bn



SEK 2.5bn share buy back program launched in Q4 2021..

During 2022 we plan to distribute between SEK 5-10bn through share buybacks, subject to market conditions.

SEB's main shareholders  
31 Dec 2021

31 Dec 2021	Share of capital, per cent
Investor AB	20.8
Alecta Pension Insurance	5.7
Trygg Foundation	5.2
AMF Insurance & Funds	4.1
Swedbank Robur Funds	4.0
BlackRock	2.6
SEB Funds	2.0
Vanguard	2.0
Handelsbanken Funds	1.6
Own shareholding	1.7
<b>Total share of foreign shareholders</b>	<b>27.8</b>

Source: Euroclear Sweden/Modular Finance

Note: Net profit and pay-out ratio 2014-2021 excluding items affecting comparability. Pay-out ratio 2018 excluding extra ordinary DPS, including the latter pay-out 76%. The ordinary and further ordinary dividend payed in 2021 of SEK 4:10 respectively SEK 4:10 was applicable to years 2019-2020 when pandemic dividend restrictions was in place leading to a proforma pay-out ratio for these years of around 50 per cent. Proposed DPS for 2021, and the pay-out ratio excludes share buyback program.

# SEB Group financial targets

~50%

Dividend payout ratio of EPS <sup>1</sup>

100-300<sub>bps</sub>

CET1 ratio above requirement

Return on Equity  
competitive with peers  
(Long-term aspiration 15%)



**Share repurchases** will be the main form of capital distribution when SEB's capital buffer exceeds, and is projected to remain above, the targeted range of 100-300 basis points.

<sup>1</sup> Excluding items affecting comparability.

- 01 SEB in brief
- 02 **Financial update**
- 03 Credit portfolio and asset quality
- 04 Capital
- 05 Liquidity and funding
- 06 Approach to sustainability
- 07 Macro
- 08 Appendix



# Highlights in Q4 and 2021

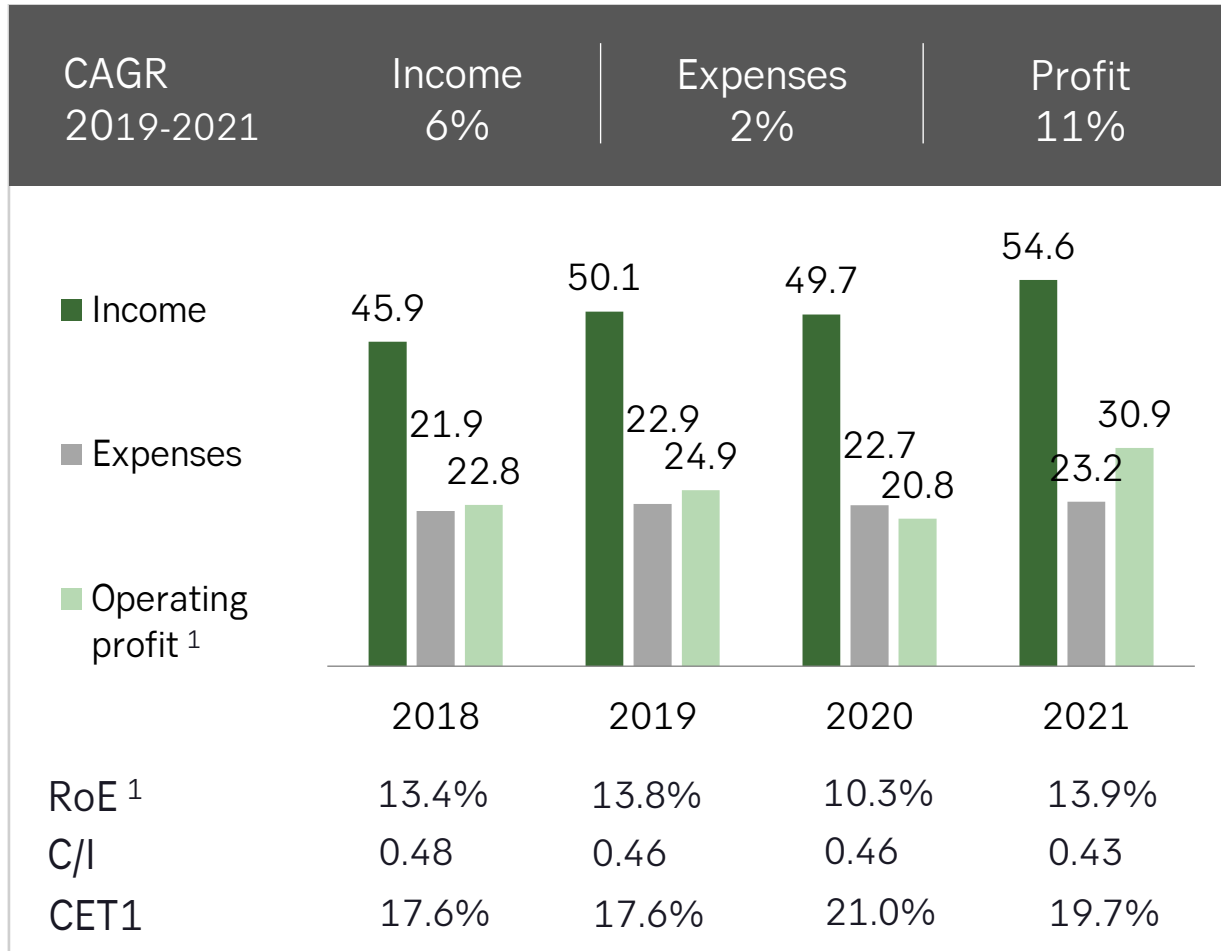
- Return on Equity of 13.9 per cent in 2021, on a management buffer above the regulatory requirement of 590 basis points
- High customer activity in the LC&FI division, mainly in Investment Banking and event-driven financing in Q4
- Assets under management and assets under custody increased significantly in Q4
- The Board of Directors proposes to the AGM an ordinary dividend of SEK 6.00 per share.
- During 2022 we plan to distribute between SEK 5-10bn through share buybacks, subject to market conditions.





# Closing the Business plan 2019-2021

## Financials



<sup>1</sup> Excluding items affecting comparability.

## A selection of deliveries

### *Advisory leadership*

- Functionality to enhance savings and investment offering launched
- Private Wealth Management & Family Office division established
- Energy Coverage team set up












### *Operational excellence*

- Financial Crime Prevention (FCP) unit established
- Productivity increased through automation
- Automated, digital registry and admin platform launched for alternative assets within custody business

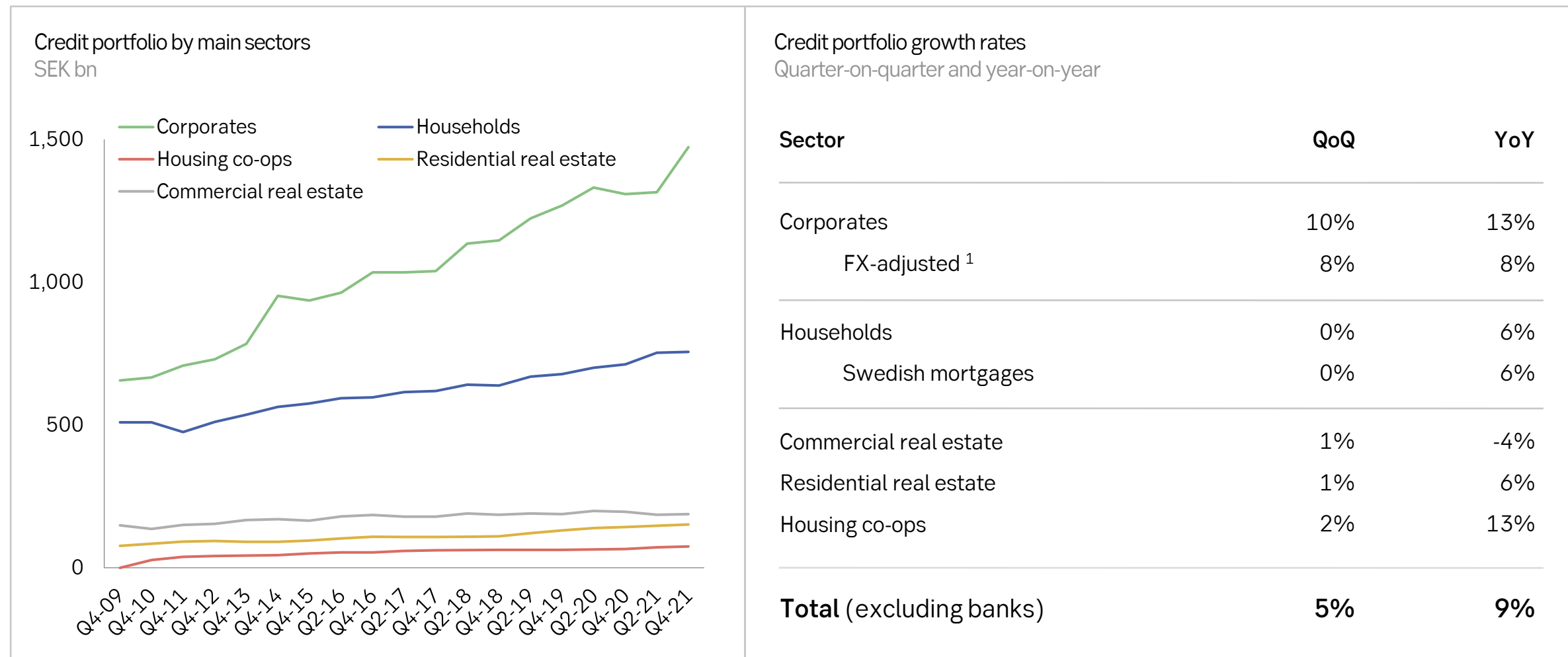
### *Extended presence*

- Further integration with customers' digital ecosystems (e.g. Enterprise Resource Planning System)
- New Application Programming Interfaces (APIs) launched
- Partnership established with Google Cloud leveraging insights from SEBx

# Highlights and recent events

<p><b>A selection of notable transactions</b></p> <div>    </div> <div>   </div>	<p><b>Introduction of risk tax in Sweden from 2022</b></p>  <ul style="list-style-type: none"> <li>• Distorts competition and reduces financial stability</li> <li>• Will raise SEK 5bn in 2022 and SEK 6bn annually from 2023</li> <li>• For SEB, the tax results in an extra levy of SEK 1.0bn in 2022 and about SEK 1.2bn every year from 2023 onwards</li> <li>• Following the tax, SEB has raised prices for certain products</li> </ul>
<p><b>Positive feedback from our customers</b></p> <div>    </div> <div> <p>Corporate Banking Prospera</p> <p>Institutional Banking Prospera</p> <p>Bank of the Year 2021</p> </div>	<p><b>Ongoing tax audit, DSK Hyp AG</b></p>  <ul style="list-style-type: none"> <li>• Tax authorities' review of withholding tax 2008-2015</li> <li>• Reclaimed EUR 936m out of EUR 1.5bn, excluding interest</li> <li>• A successful final outcome of the appeal is supported by an external legal opinion</li> </ul> <p><b>Ongoing legal investigation</b></p>  <ul style="list-style-type: none"> <li>• Public prosecutor's investigation</li> <li>• Search of Frankfurt premises 14-16 December</li> <li>• To our knowledge, no indictments filed against employees</li> <li>• SEB is cooperating with the public prosecutor</li> </ul>

# Development of credit portfolio



Note: data include on- and off-balance sheet exposures. <sup>1</sup> Corporate FX-adjusted excluding trading products.

# Financial summary 2021

SEK m	Jan-Dec 2021	Jan-Dec 2020		
<b>Total operating income</b>	<b>54,614</b>	<b>49,717</b>	<b>+10%</b>	Net ECL level 2 bps
Total operating expenses	-23,245	-22,747	+2%	C/I 0.43
<b>Profit before credit losses</b>	<b>31,368</b>	<b>26,970</b>	<b>+16%</b>	CET1 19.7%
Net expected credit losses etc.	-504	-6,124		RoE 13.9%
<b>Operating profit before IAC</b>	<b>30,864</b>	<b>20,846</b>	<b>+48%</b>	Proposed DPS <sup>1</sup> SEK 6.00
Items affecting comparability		-1,000		
<b>Operating profit</b>	<b>30,864</b>	<b>19,846</b>	<b>+56%</b>	

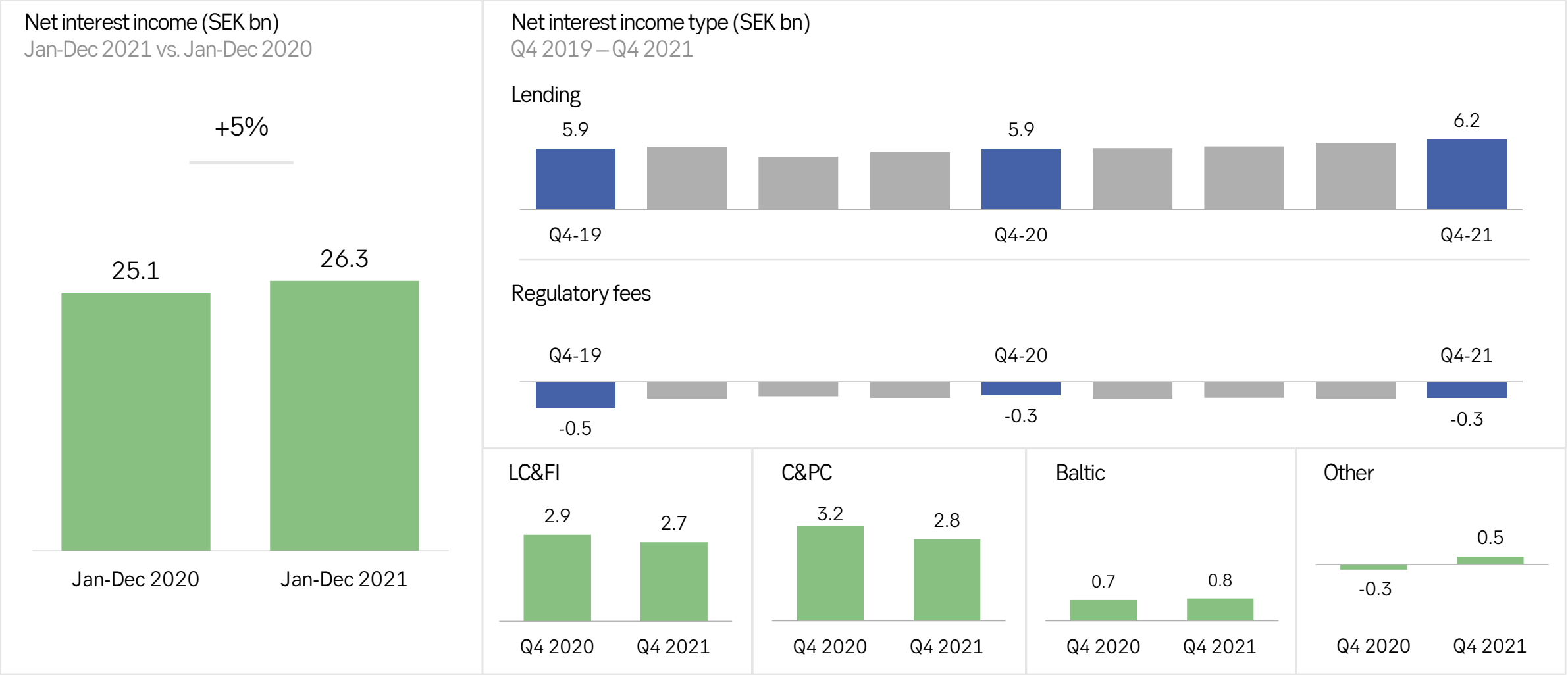
<sup>1</sup> As proposed by SEB's Board of Directors to the Annual General Meeting.

# Financial summary Q4 2021

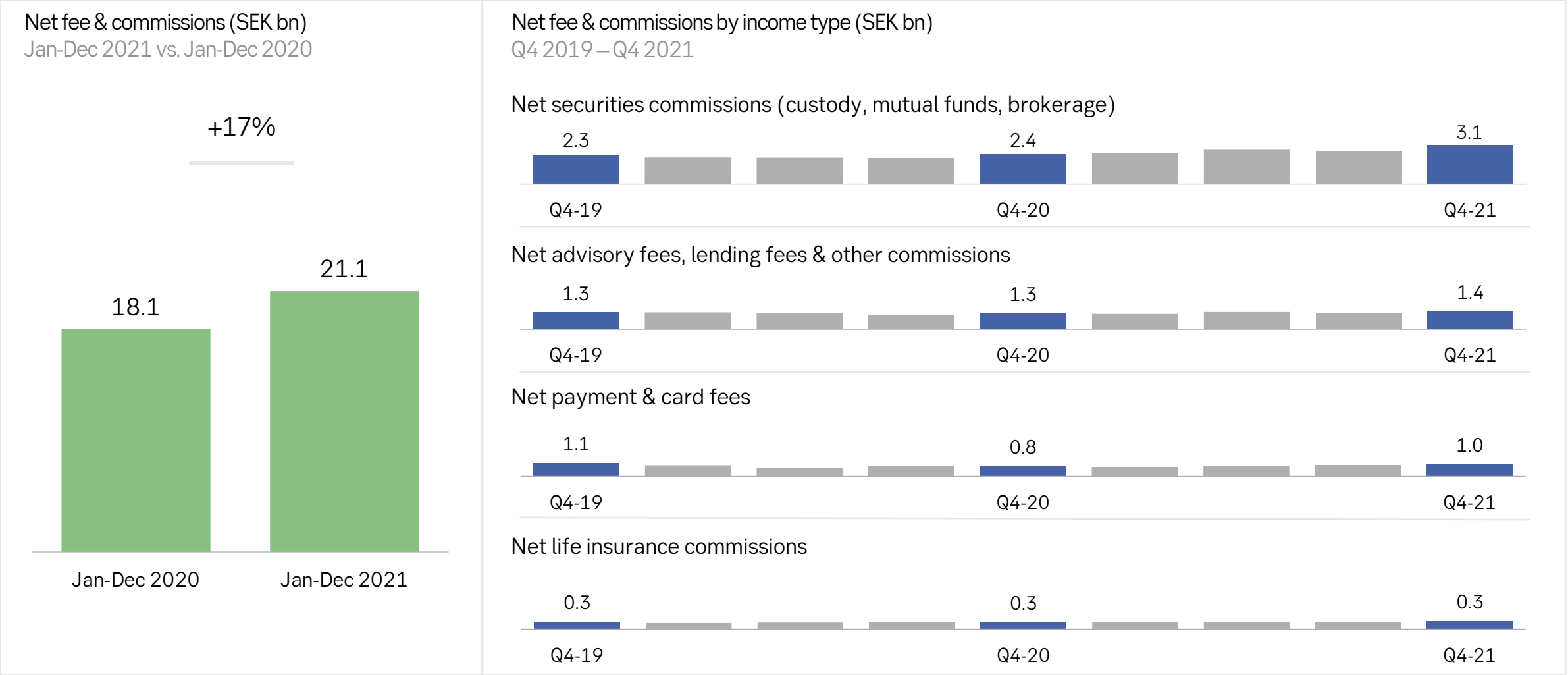
SEK m	Q4 2021	Q3 2021		Q4 2020		
<b>Total operating income</b>	<b>13,870</b>	<b>13,716</b>	<b>+1%</b>	<b>13,066</b>	<b>+6%</b>	Net ECL level 5 bps
Total operating expenses	-6,097	-5,671	+8%	-5,842	+4%	C/I 0.44
<b>Profit before credit losses</b>	<b>7,773</b>	<b>8,045</b>	<b>-3%</b>	<b>7,224</b>	<b>+8%</b>	CET1 19.7%
Net expected credit losses etc.	-297	-48		-841		RoE 12.9%
<b>Operating profit</b>	<b>7,476</b>	<b>7,997</b>	<b>-7%</b>	<b>6,382</b>	<b>+17%</b>	



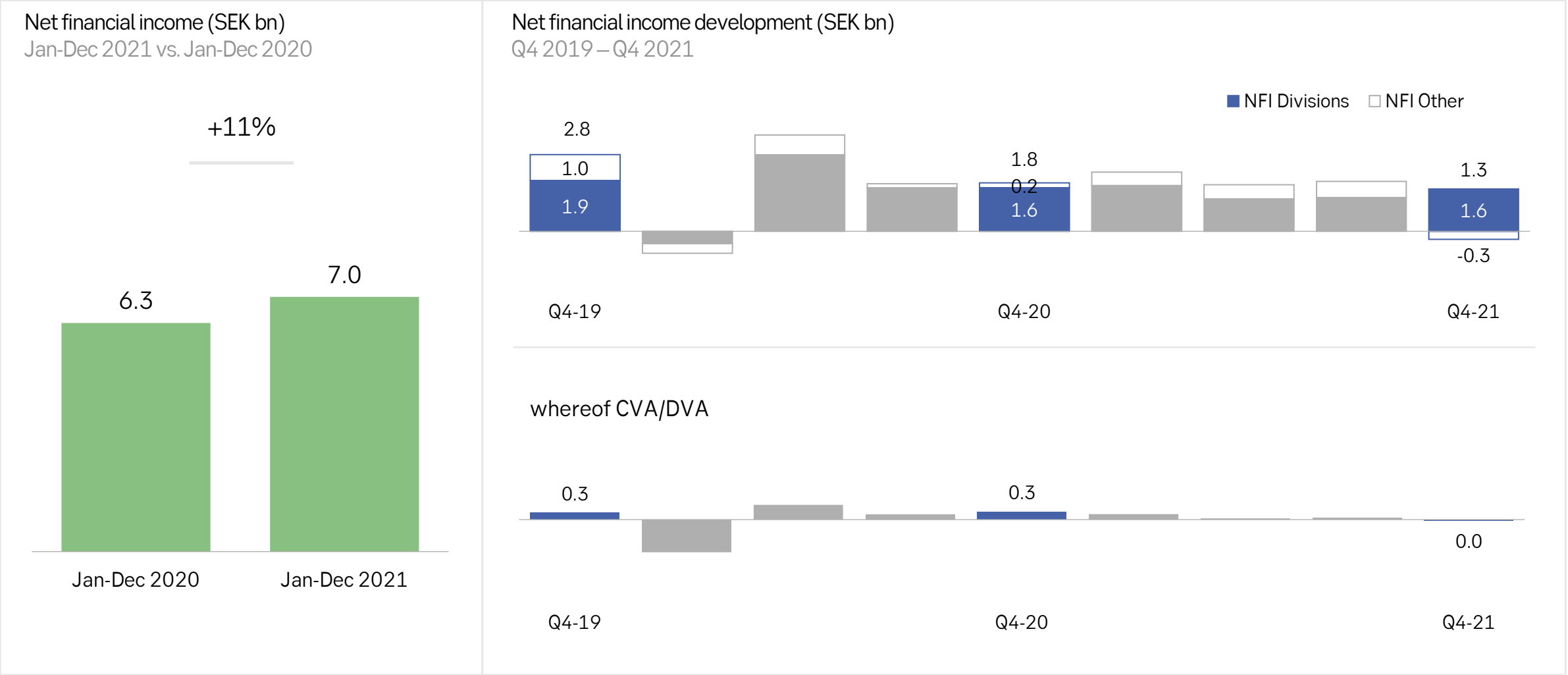
# Net interest income development



# Net fee & commission income development

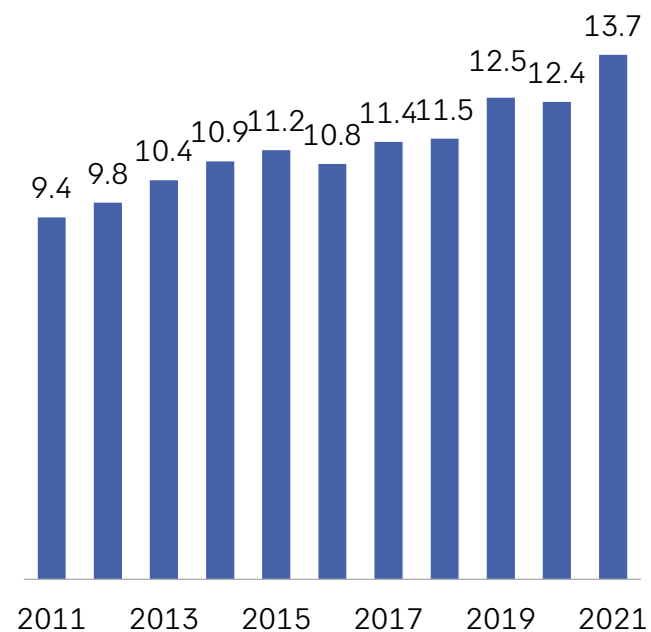


# Net financial income development

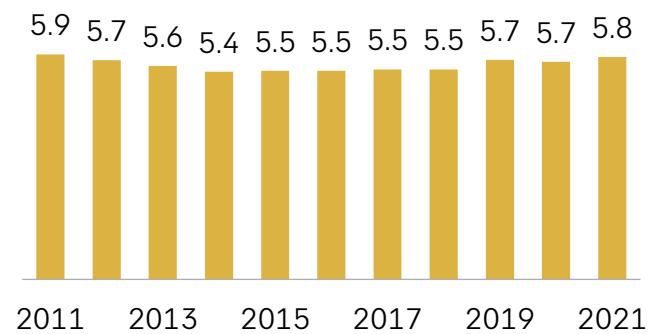


# Operating leverage

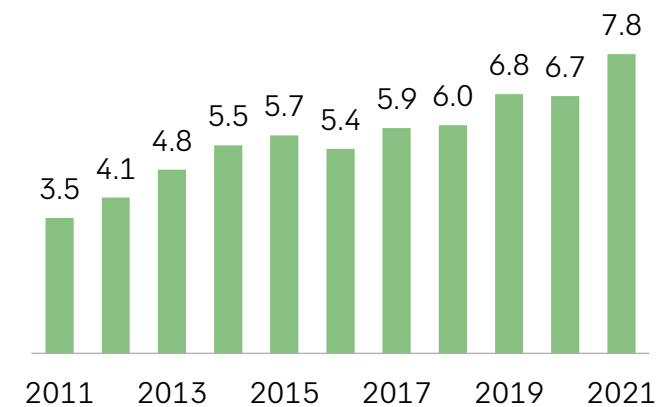
Average quarterly income (SEK bn)



Average quarterly expenses (SEK bn)

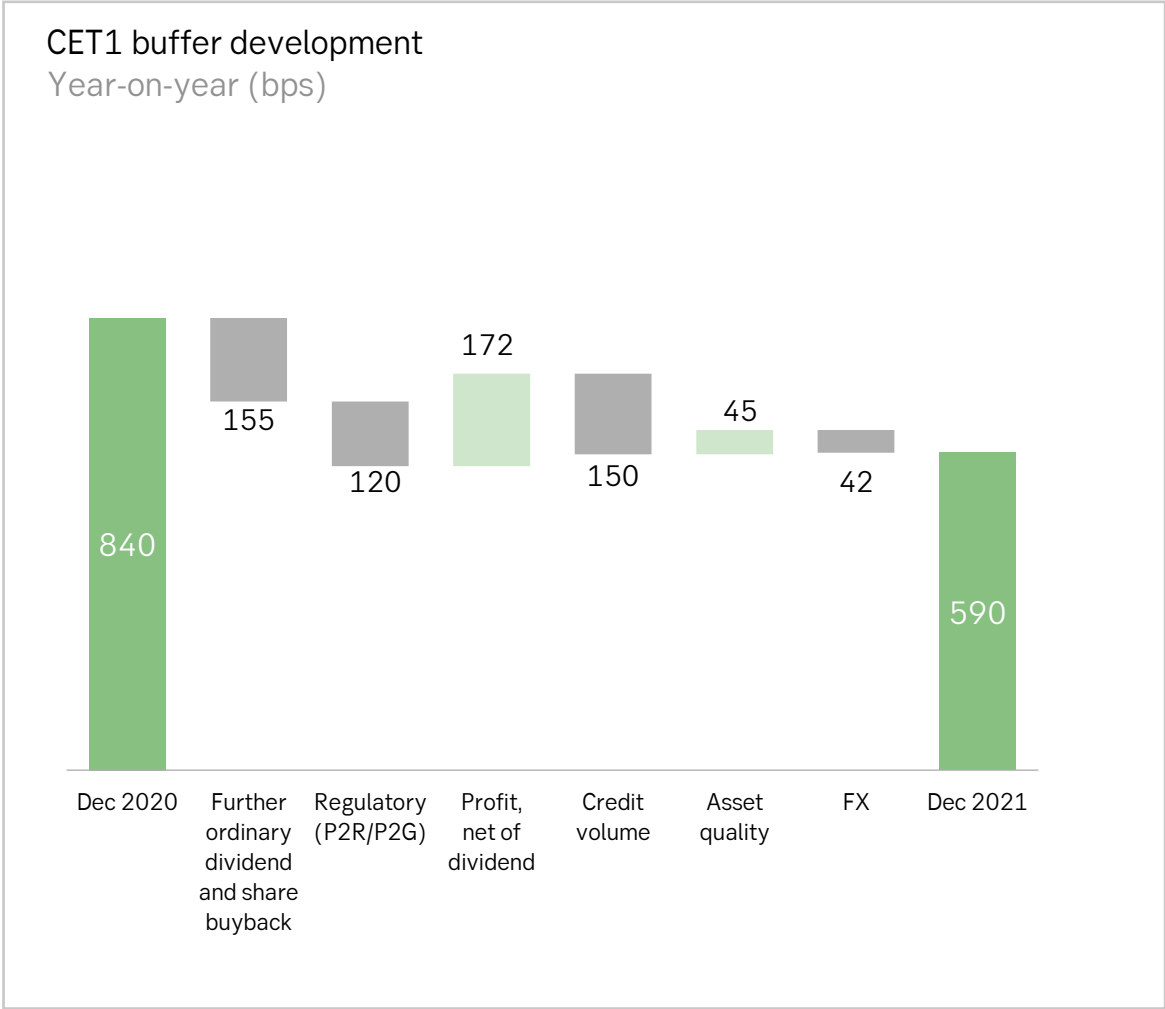
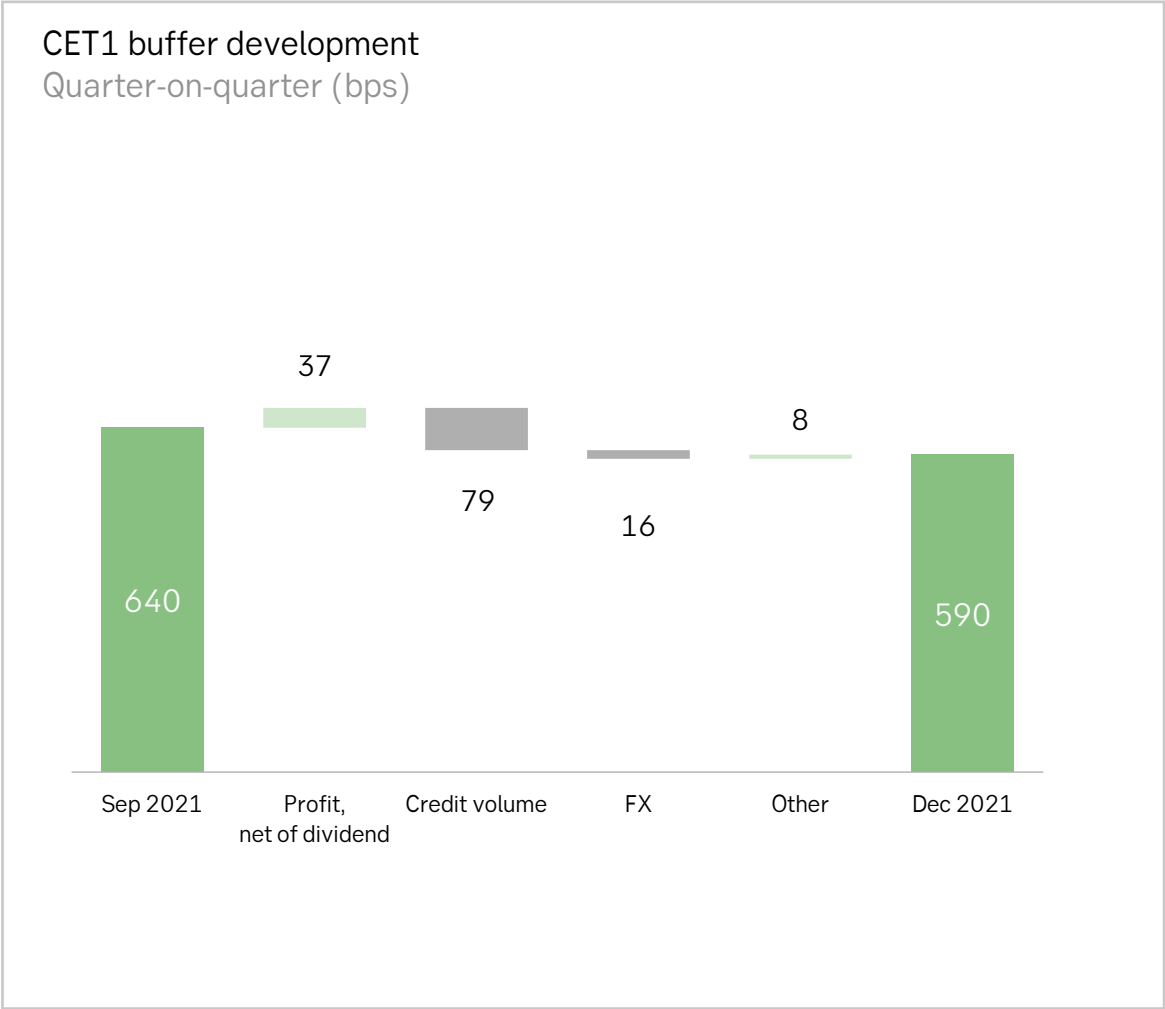


Average quarterly profit before credit losses (SEK bn)



Note: data exclude items affecting comparability.

# Capital development





# Strong asset quality and balance sheet

2020

## Asset quality

Net expected credit loss level	26 bps
--------------------------------	--------

## Funding & liquidity

Customer deposits (SEK)	1,371bn
-------------------------	---------

Liquidity coverage ratio	163%
--------------------------	------

## Capital

CET1 ratio (Basel 3)	21.0%
----------------------	-------

CET1 buffer above requirement	840 bps
-------------------------------	---------

Total capital ratio (Basel 3)	25.1%
-------------------------------	-------

Leverage ratio (Basel 3)	5.1%
--------------------------	------

2021

## Asset quality

Net expected credit loss level	2 bps
--------------------------------	-------

## Funding & liquidity

Customer deposits (SEK)	1,597bn
-------------------------	---------

Liquidity coverage ratio	145%
--------------------------	------

Net Stable Funding Ratio (NSFR)	111%
---------------------------------	------

## Capital

CET1 ratio (Basel 3)	19.7%
----------------------	-------

CET1 buffer above requirement	590 bps
-------------------------------	---------

Total capital ratio (Basel 3)	23.1%
-------------------------------	-------

Leverage ratio (Basel 3)	5.0%
--------------------------	------

# Financial aspirations for divisions evaluated annually

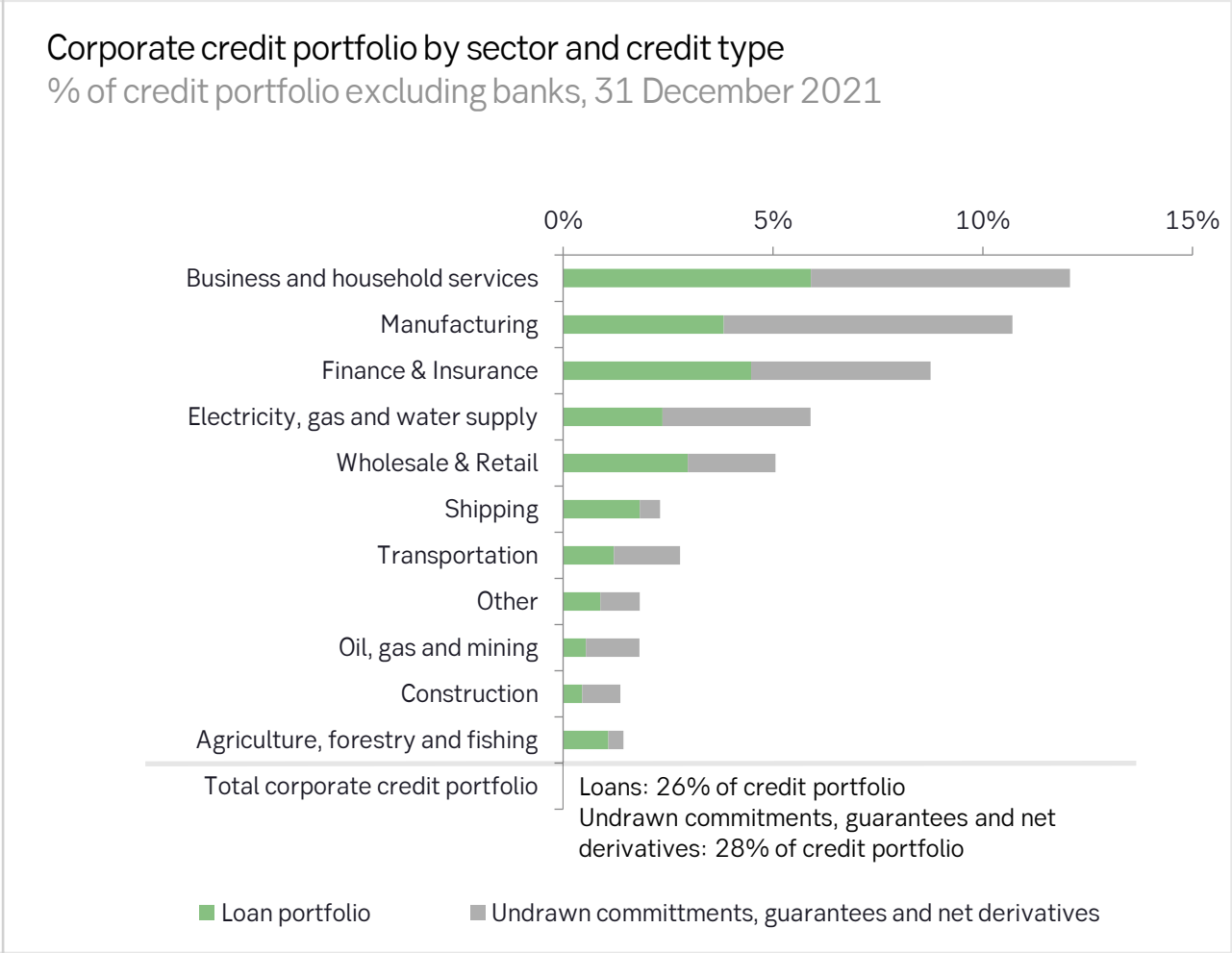
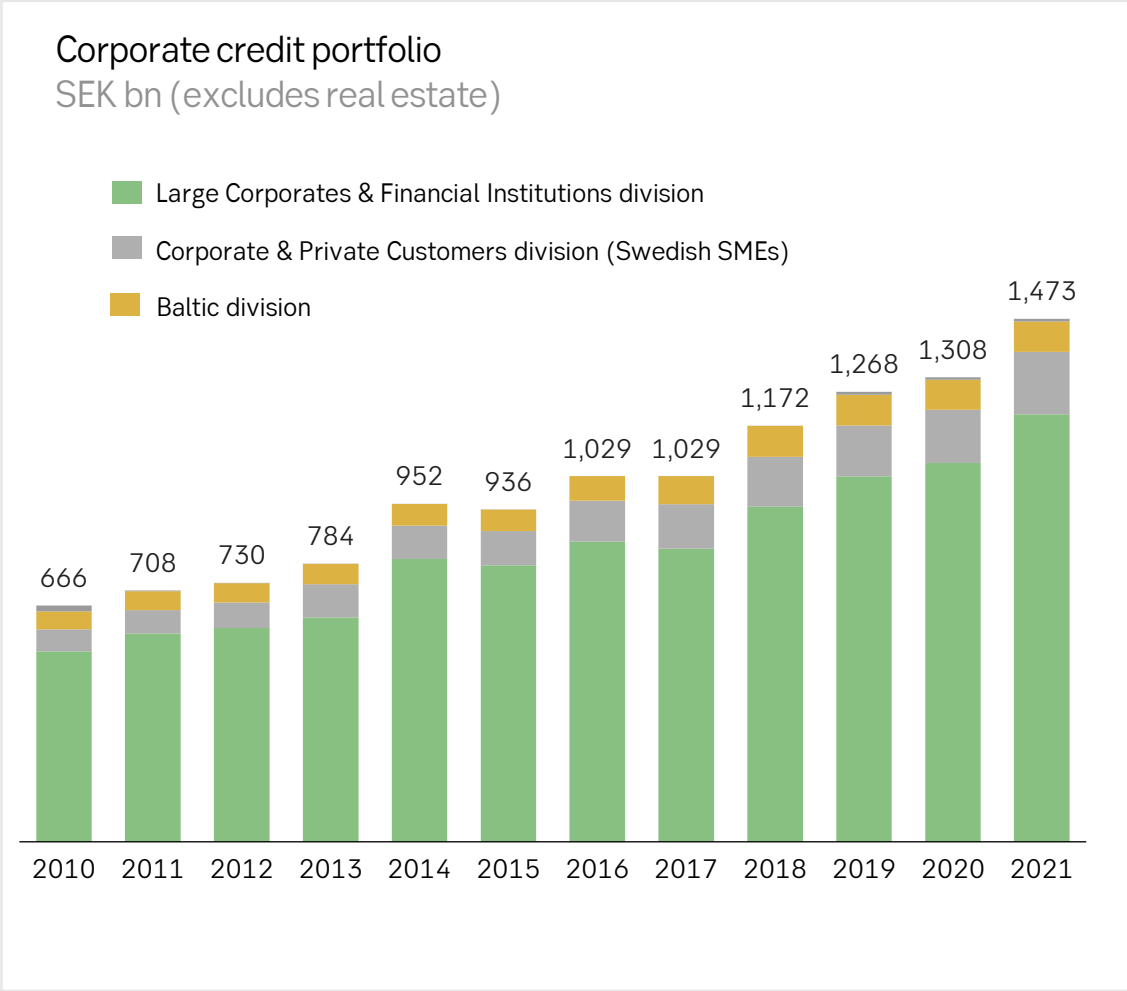
	Return on Business Equity		Cost/Income	
	Aspiration <sup>1</sup>	<i>Actual 2021</i>	Aspiration <sup>1</sup>	<i>Actual 2021</i>
Large Corporates & Financial Institutions	>13%	14.5%	<0.50	0.43
Corporate & Private Customers	>17%	15.6%	<0.40	0.46
Baltic	>20%	22.3%	<0.40 (<0.35)	0.40
Life	>30%	41.4%	<0.45	0.40
Investment Management	>40%	76.1%	<0.40	0.30
<b>SEB Group</b>	<b>~15%</b>	<b>13.9%</b>	<b>~0.45 (&lt;0.45)</b>	<b>0.43</b>
Pro forma targets following organisational changes				
Corporate & Private Customers – new org.	>16%		<0.40	
Private Wealth Management & Family Offices	>25%		<0.50	

<sup>1</sup> To be viewed as long-term (5 year perspective) and will be updated based on other Nordic banks' performance.

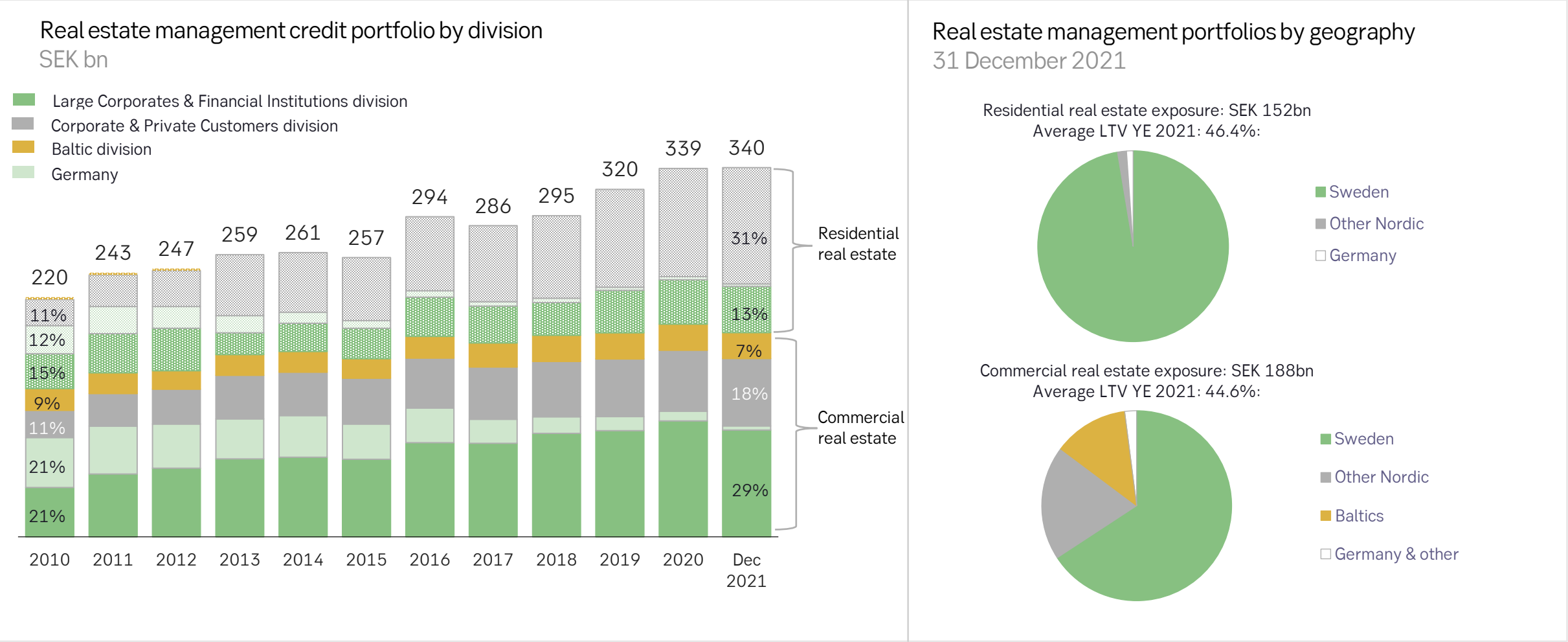
- 01 SEB in brief
- 02 Financial update
- 03 Credit portfolio and asset quality**
- 04 Capital
- 05 Liquidity and funding
- 06 Approach to sustainability
- 07 Macro
- 08 Appendix



# Industry diversification and low on-balance sheet exposure in the corporate portfolio

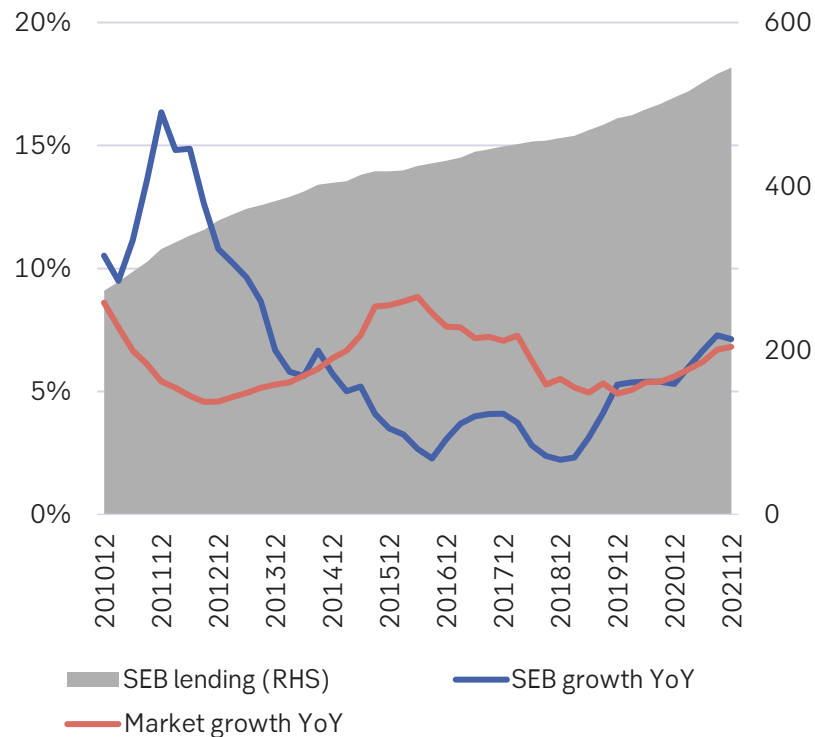


Real estate exposure is c. 12% of non-bank credit portfolio and is focused on Nordic commercial real estate and Swedish residential real estate

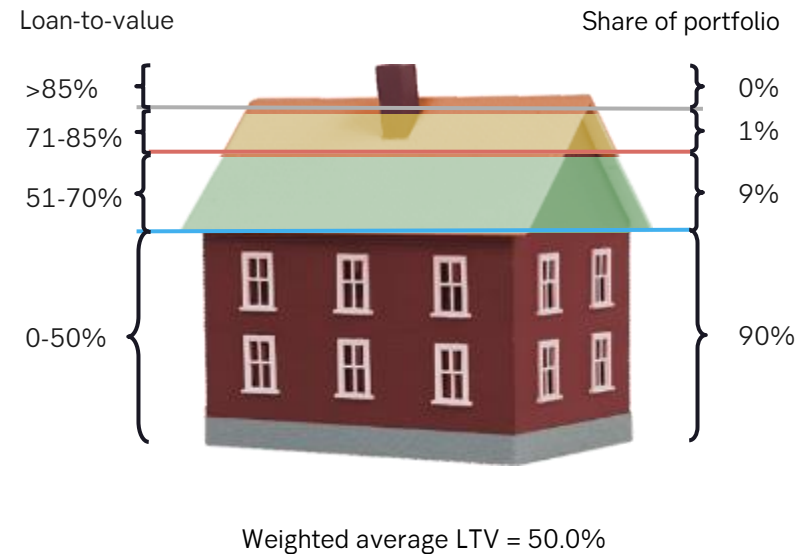


# Robust household mortgage portfolio

SEB's household mortgage lending growth vs total market  
SEK bn



Low LTVs by global and regional standards  
31 December 2021

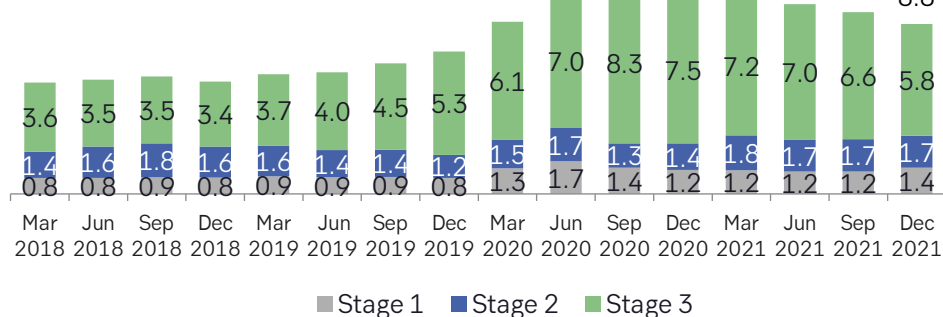


Selective origination - mortgage lending based on affordability

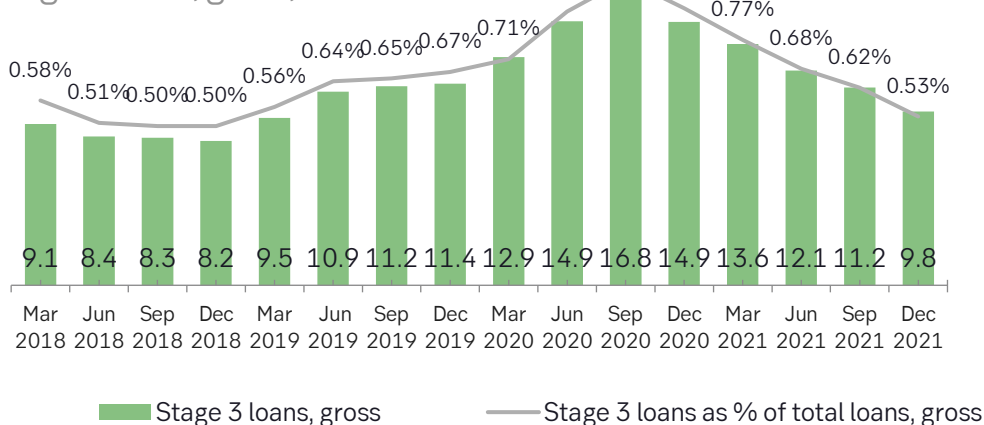
- **Strong customer base:** According to UC AB (national credit information agency), SEB's customers have higher credit quality than market average and are over-proportionally represented in higher income segments. Customers are also concentrated to larger cities
- **High asset quality** – negligible past dues and losses
- **Strict credit scoring and assessment**
- **Strengthened advisory services** - "sell first and buy later"
- **Affordability assessment** (funds left to live on post all fixed costs and taxes) includes stressed interest rate scenario of 6% on personal debt and 3% on a housing co-op's debt which indirectly affects the private individual ("double leverage")
- **Amortisation requirement:** LTV 70-85% loans amortise min. 2%/year and between 50-70% at least 1%/year. As of 2018, loans with DTI>4.5x amortise an additional percentage point –regulatory requirement. Amortisation exemption due to Covid-19 lifted per August 2021
- **Max loan amount:** 85% LTV cap since 2011. In general 5x total gross household income irrespective of LTV and no more than one payment remark on any kind of debt

# Robust credit quality over time – credit-impaired loans declining from Covid-peak

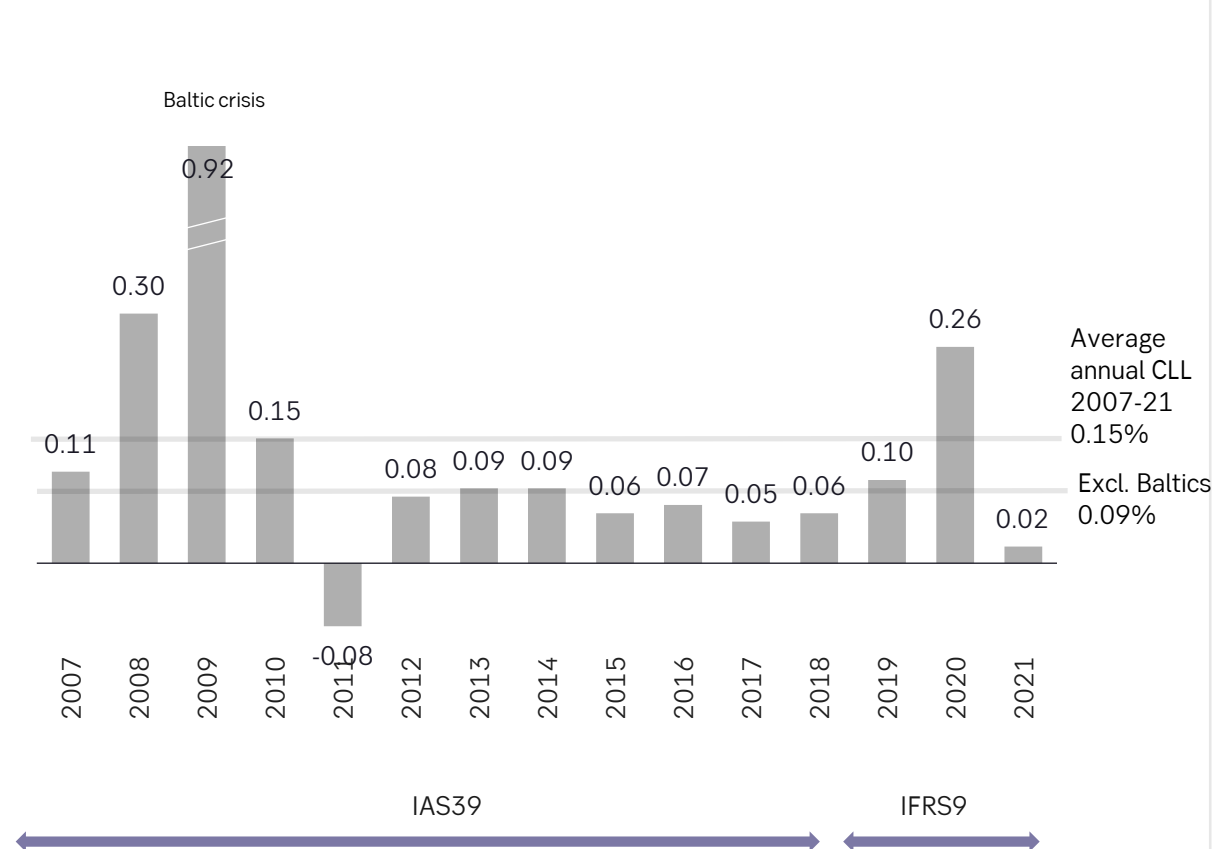
Total ECL allowances by stage  
SEK bn



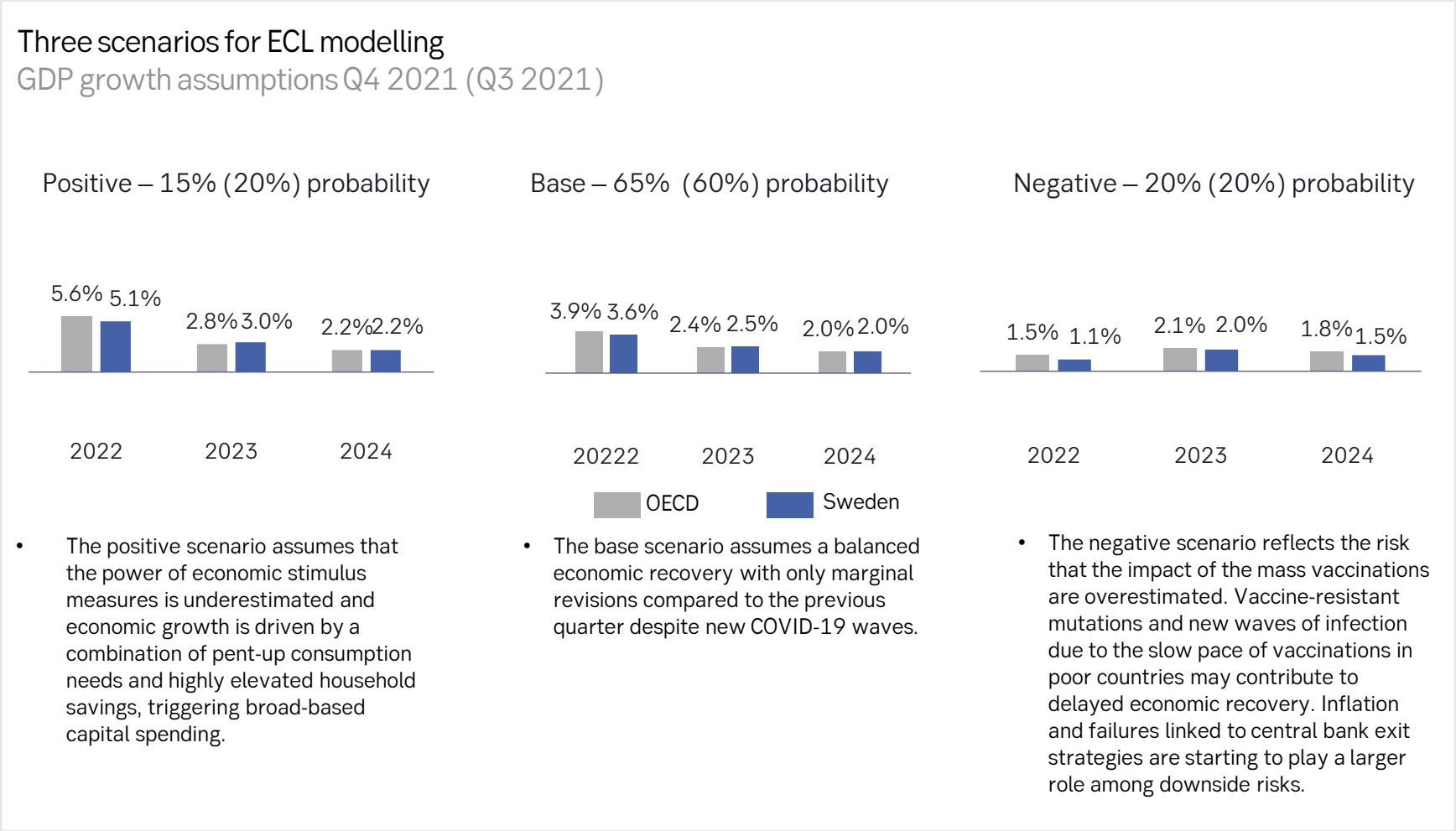
Credit-impaired loans  
Stage 3 loans, gross, SEK bn



Credit loss level  
%



# Updated macro scenarios and scenario probability weightings led to a marginal increase of ECL allowances in Q4



Probability-weighted ECL allowances:  
SEK 8.8bn

100% probability of positive scenario:  
-3% ECL allowances

100% probability of negative scenario:  
+4% ECL allowances

Source: SEB Economic Research, Nordic Outlook August 2021.

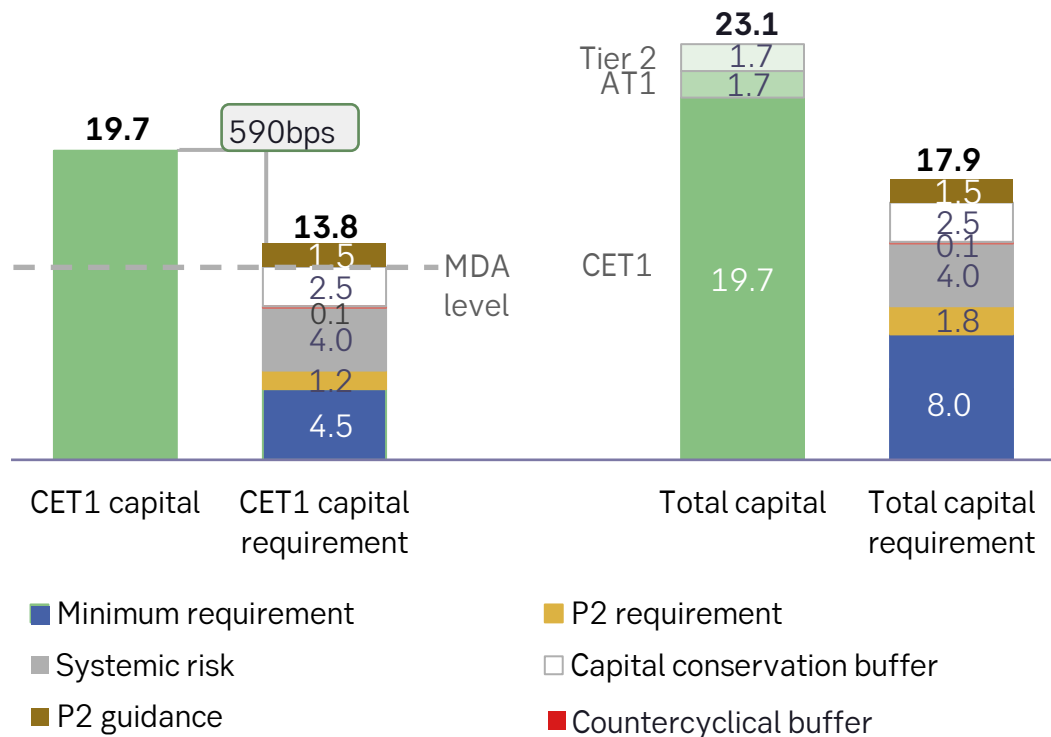


- 01 SEB in brief
- 02 Financial update
- 03 Credit portfolio and asset quality
- 04 Capital**
- 05 Liquidity and funding
- 06 Approach to sustainability
- 07 Macro
- 08 Appendix



# Strong capital position vs. requirements

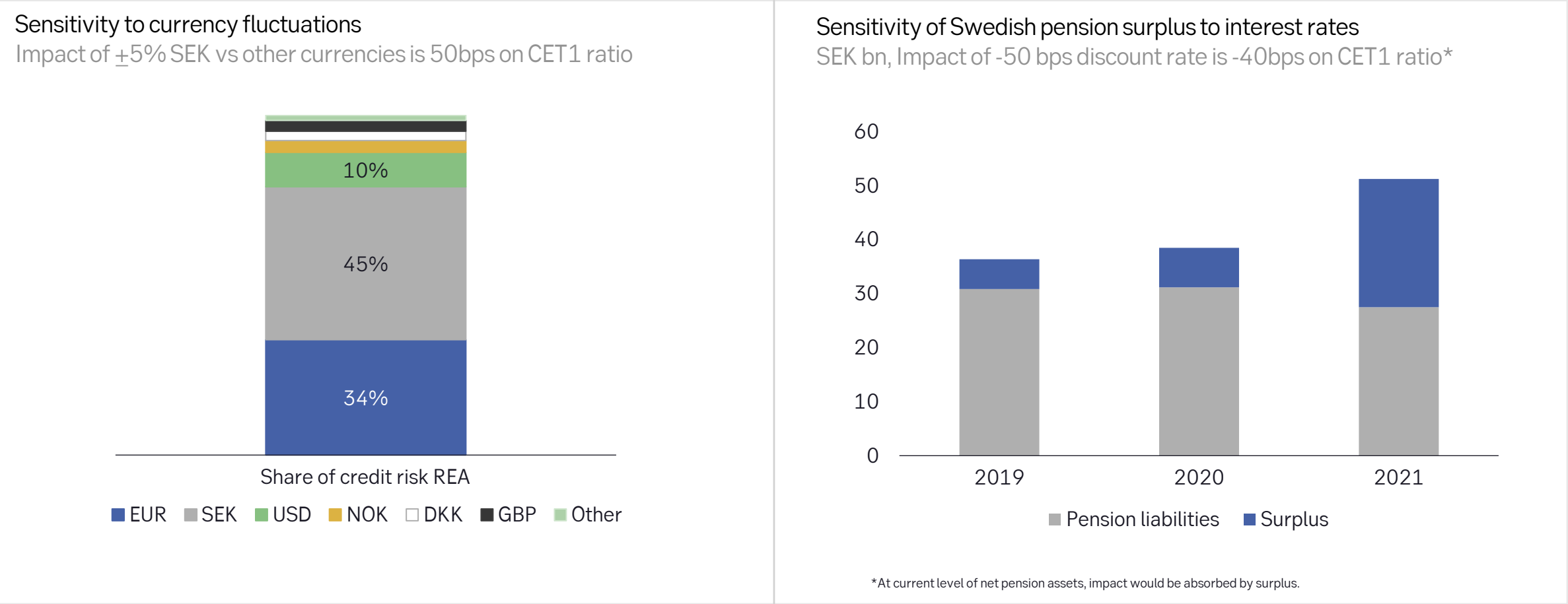
SEB's CET1 and total capital position vs requirements  
%, 31 Dec 2021



- CET1 capital buffer of 590 bps, compared to target buffer of 100-300 bps
- Leverage ratio at 5.0% (4.6). The requirement and Pillar 2 guidance is 3.45%
- Countercyclical buffer for Sweden to be raised to 1% in September 2022, and gradually to 2% thereafter

The minimum requirement for total capital can be met by max 1.5% AT1 and 2.0% Tier 2 capital. The P2 requirement of 1.8% consists of 1.2% in CET1, 0.2% in AT1 (~11% of the P2 requirement) and 0.4% in Tier 2 capital (~23% of the P2 requirement)

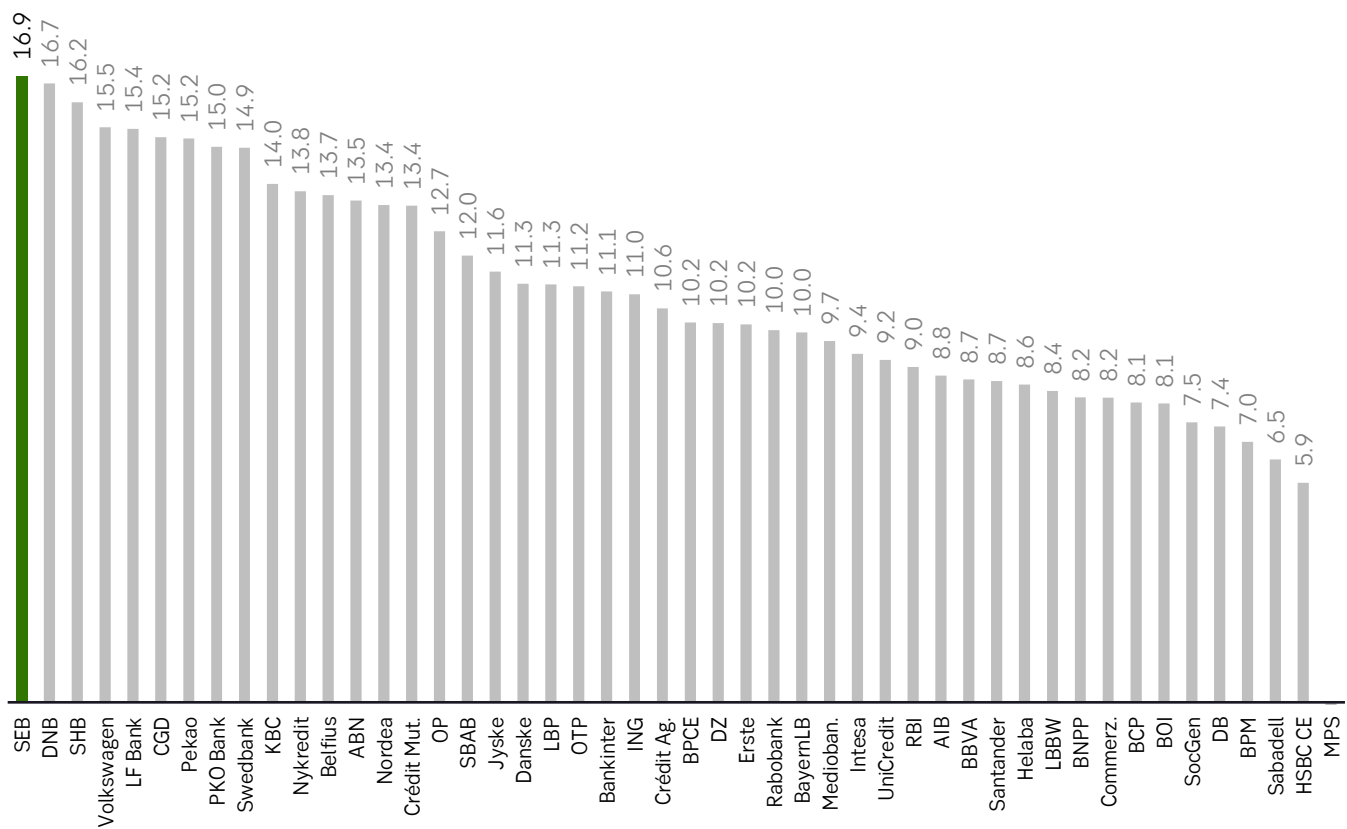
# Reasons for management capital buffer



...& general macroeconomic uncertainties

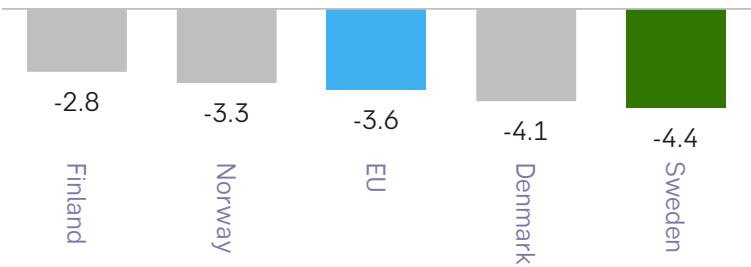
# EBA stress test 2021 confirms SEB's robust capital position

Year-end CET1 ratio under the Adverse scenario (%)

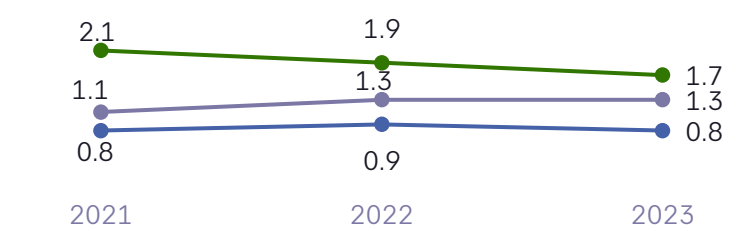


NWB and BNG excluded, as not directly comparable banking model.

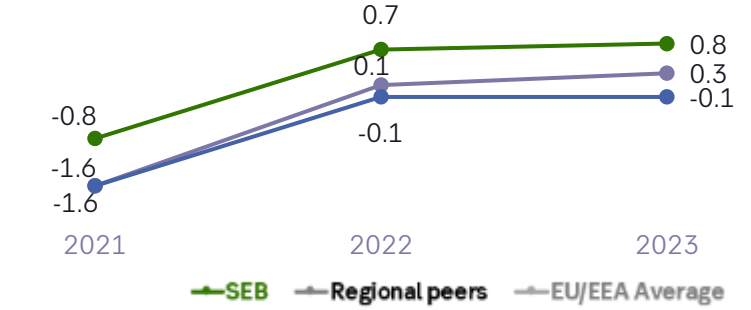
Adverse scenario assumptions -cumulative GDP change (%)



Baseline scenario CET1 generation (%)



Adverse scenario CET1 generation (%)



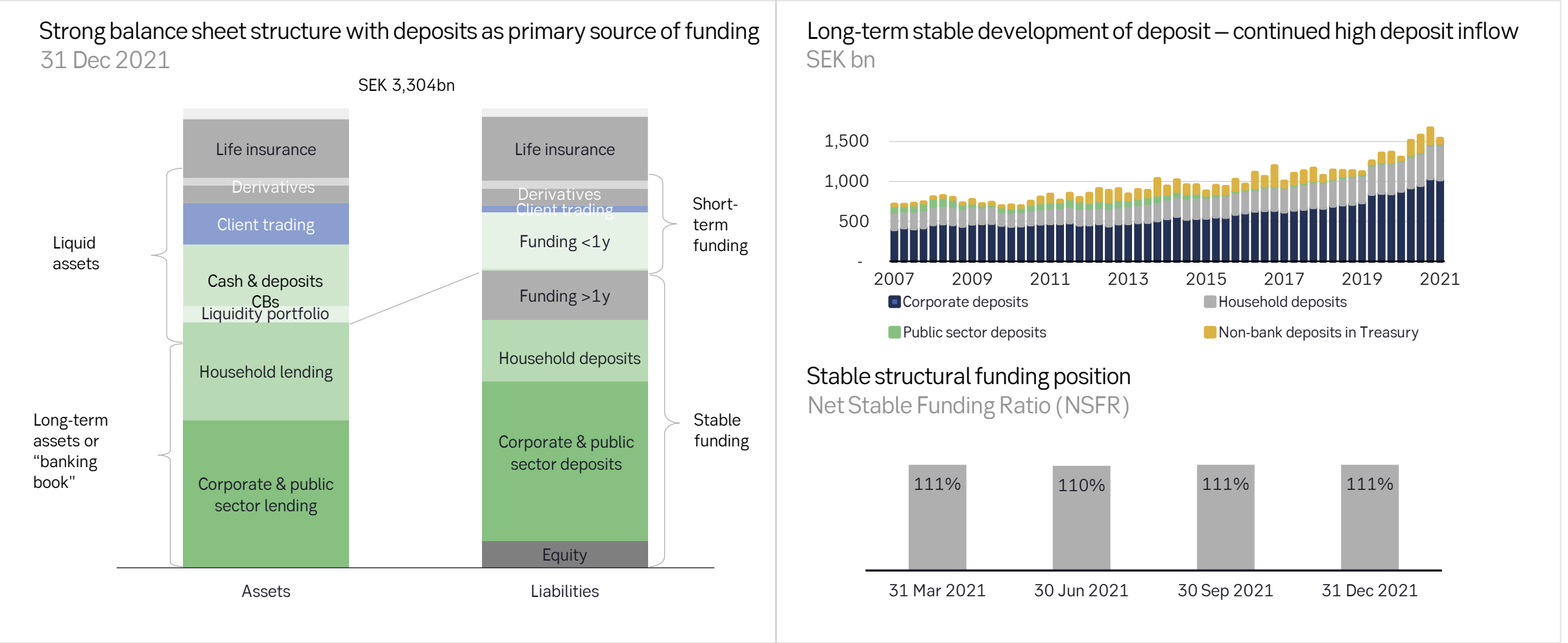
Regional peers include Danske Bank, DNB, Handelsbanken, Nordea, Nykredit, OP and Swedbank



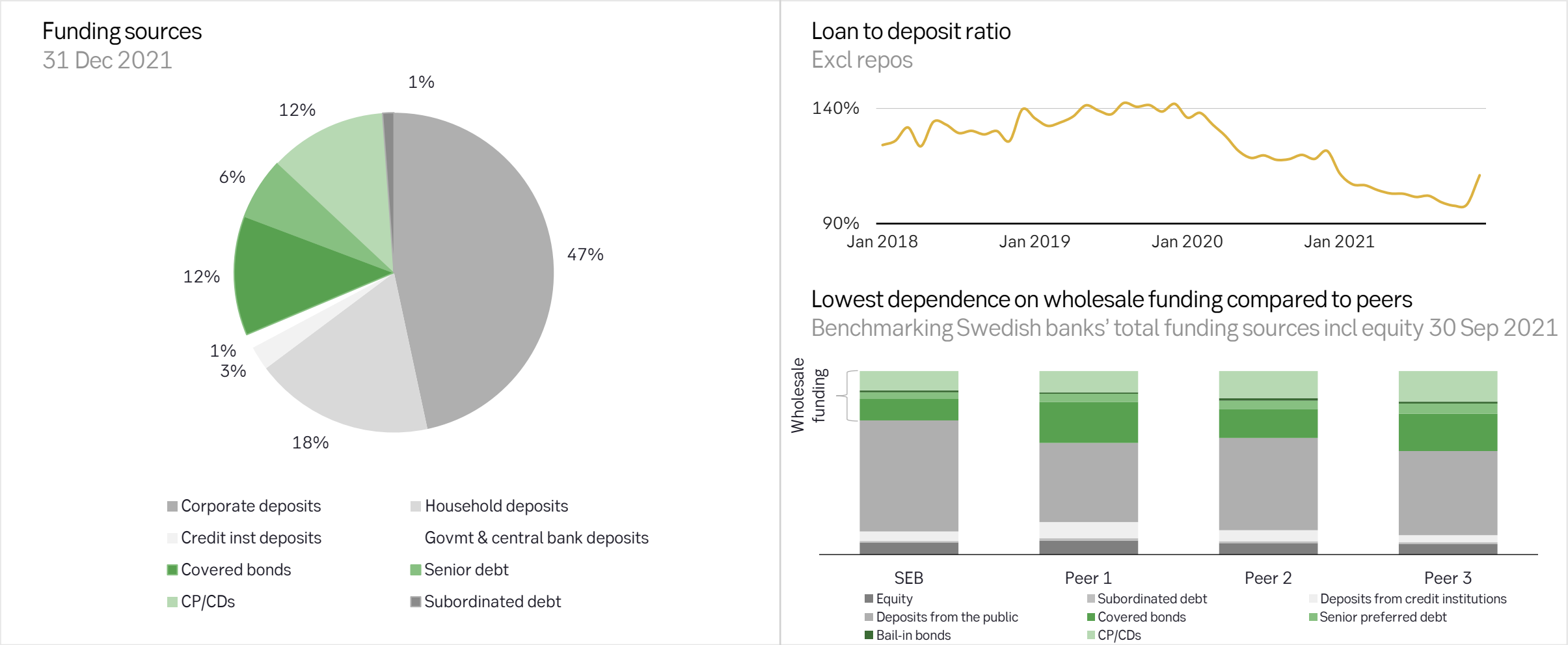
- 01 SEB in brief
- 02 Financial update
- 03 Credit portfolio and asset quality
- 04 Capital
- 05 Liquidity and funding**
- 06 Approach to sustainability
- 07 Macro
- 08 Appendix



# Strong balance sheet structure with stable deposit base



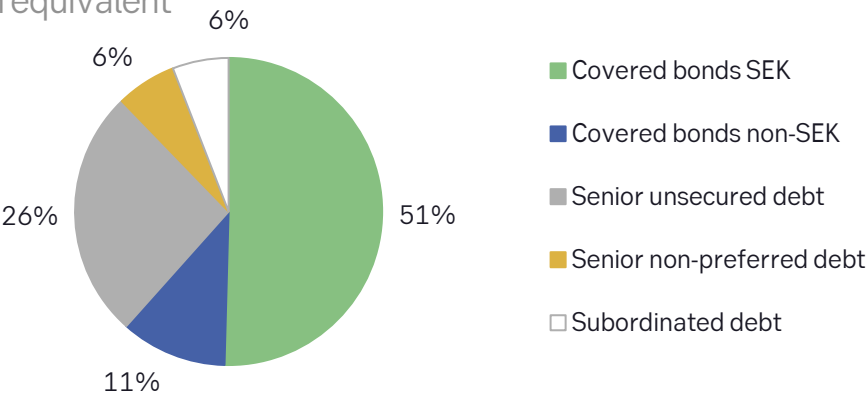
# Diversified funding structure with deposits as primary funding source



# Well-balanced long-term funding profile and solid credit rating

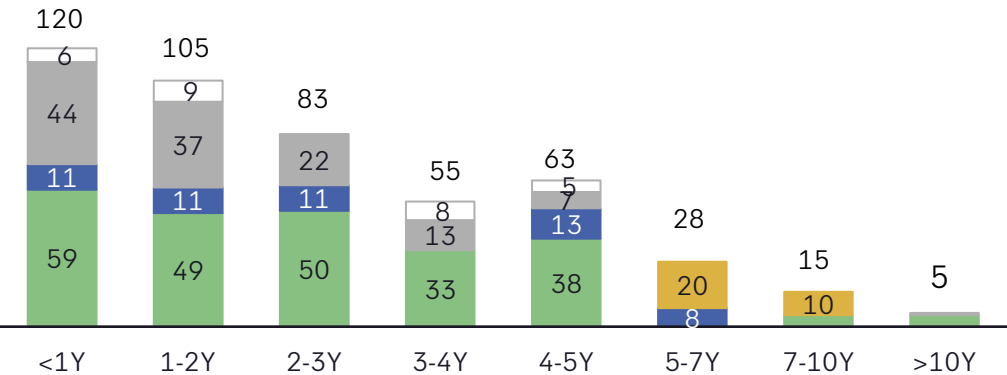
Wholesale funding by product

SEK 474bn equivalent



Maturity profile

SEK bn

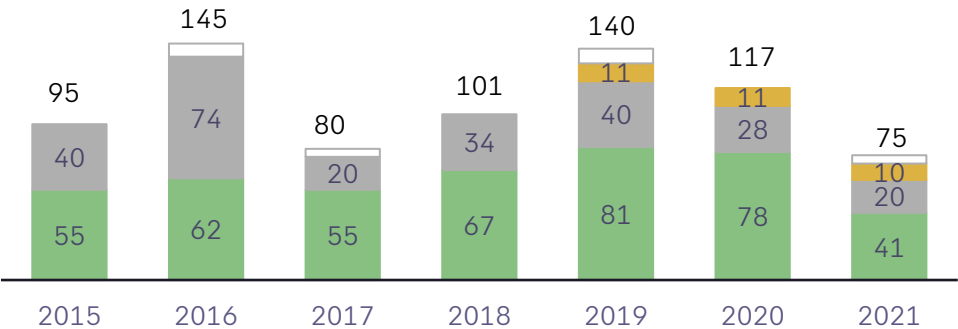


SEB's credit rating

Rating Institute	Short term	"Stand-alone rating"	Long term	Uplift	Outlook
Fitch	F1+	aa-	AA-	0	Stable
Moody's	P-1	a3	Aa3	3	Stable
S&P	A-1	a	A+	1	Stable

Issuance history

SEK bn



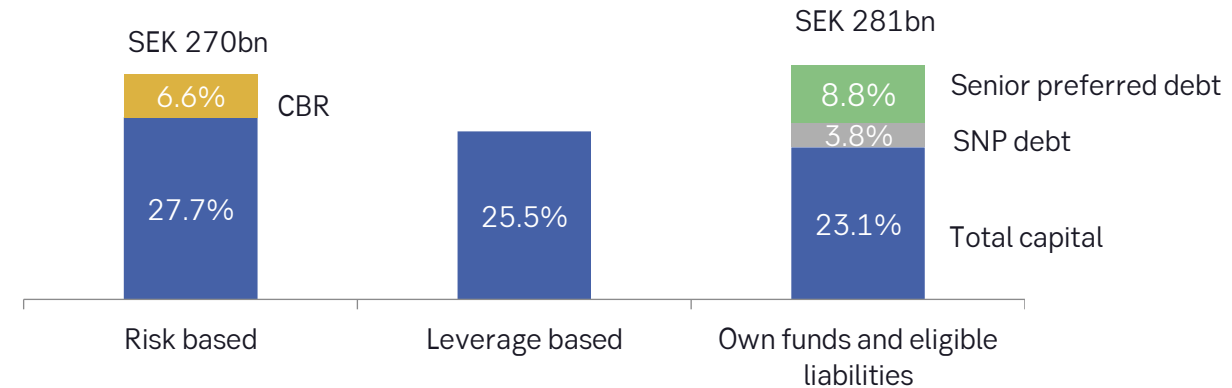
<sup>1</sup> Excluding public covered bonds.  
<sup>2</sup> Tier 2 and Additional Tier 1 issues assumed to be called at first call date.



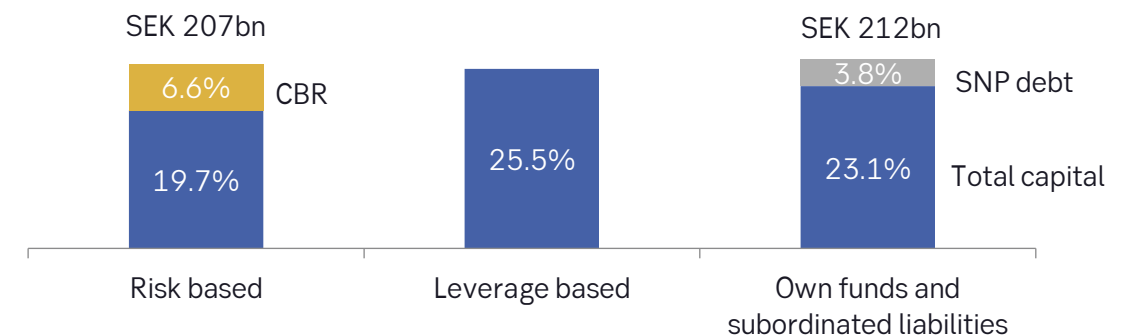
# Swedish implementation of MREL requirements according to BRRD2

- On 18 October 2021, the Swedish Resolution Authority published its new MREL policy under BRRD2
- MREL requirement will be the higher of:
  - Risk-based:  $2 \times (P1+P2R) + CBR - Ccyb + P2G$
  - Leverage-based:  $2 \times \text{Minimum Leverage ratio (3\%)}$
- Subordination requirement will be the higher of:
  - Risk-based:  $2 \times (P1+P2)$
  - Leverage-based:  $2 \times \text{Minimum Leverage ratio (3\%)}$
- Combined Buffer Requirement (CBR) is added on top of risk-based MREL and risk-based subordination requirements
- Requirements will be phased in, with full compliance no later than 1 January 2024
- SEB is compliant with the phase-in requirements as of 1 January 2022

MREL requirement applicable 1 January 2024 vs current position  
31 December 2021, % of REA



Subordination requirement applicable 1 January 2024 vs current position  
31 December 2021, % of REA



# SEB's covered bonds

Moody's rating

Aaa

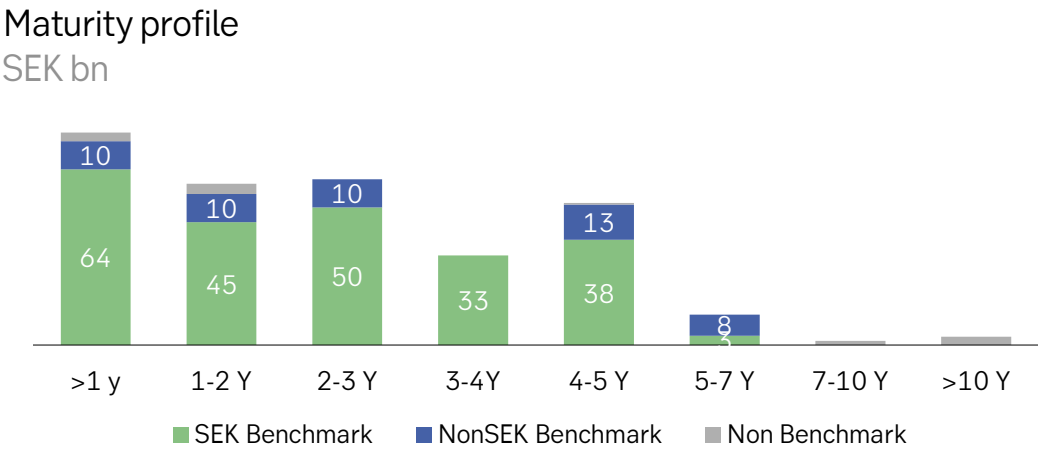
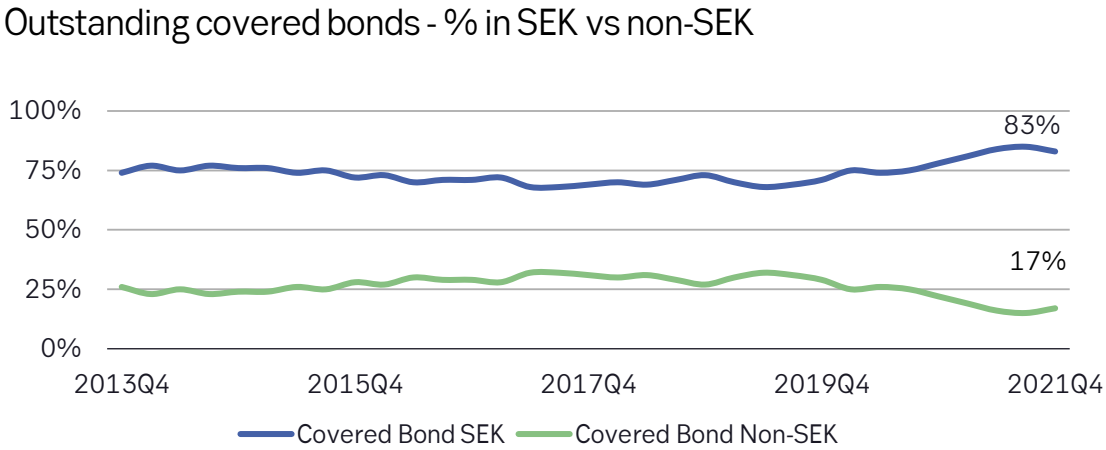
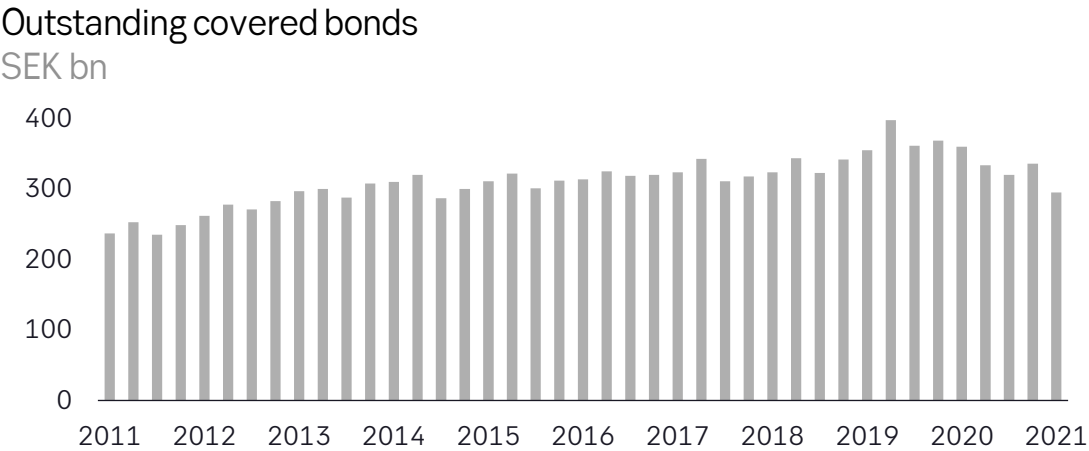
Total outstanding

SEK 295bn

Benchmark

Benchmark 96 %

Non Benchmark 4%



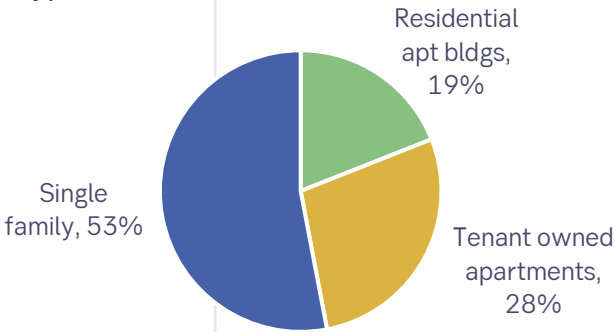
# Cover pool characteristics: only Swedish residential mortgages in SEB's cover pool

Cover pool	31 Dec 2021	31 Dec 2020	31 Dec 2019
Total residential mortgage assets (SEK bn)	689	653	613
Weighted average LTV (property level)	47%	52%	51%
Number of loans ('000)	766	759	737
Number of borrowers ('000)	437	432	428
Weighted average loan balance (SEK '000)	899	872	831
Substitute assets (SEK '000)	0	0	0
Loans past due 60 days (bps)	4	4	5
Net Expected Credit Losses (bps)	0	0	0
Overcollateralisation level	133%	81%	73%

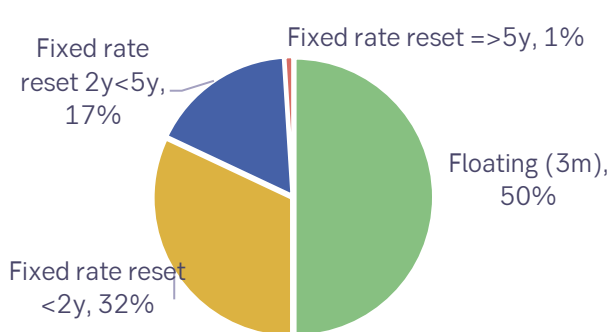
- Only Swedish residential mortgages, which historically have had very low credit losses
- More concentrated towards single family homes and tenant-owned apartments, which generally have somewhat higher LTVs
- On parent bank SEB AB's balance sheet contrary to major Swedish peers
  - All eligible Swedish residential mortgages are directly booked in the cover pool on origination, i.e. no cherry picking
  - Covered bonds are issued by SEB AB and investors have full and dual recourse to the parent bank's assets as well as secured exposure to the cover pool
- SEB runs a high overcollateralisation level

# Cover pool characteristics: mortgages mainly in three largest and fastest growing city areas in Sweden

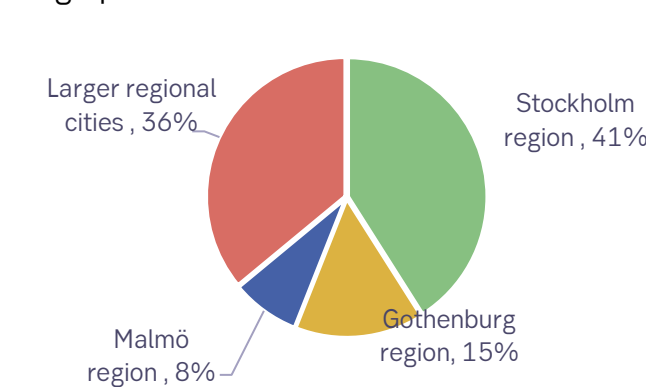
Type of loans



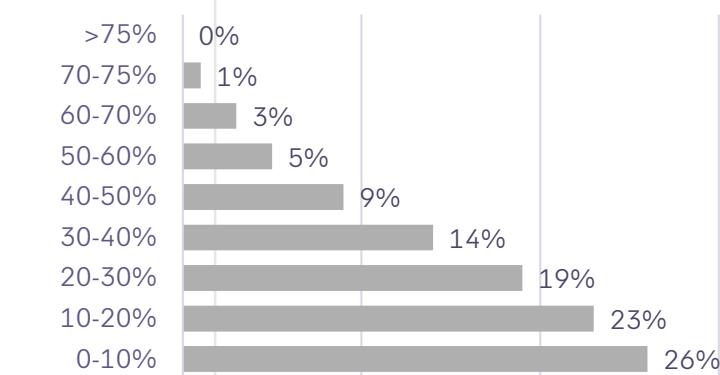
Interest rate type



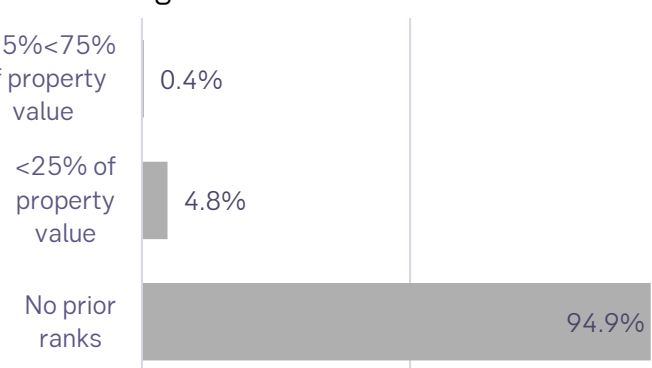
Geographical distribution



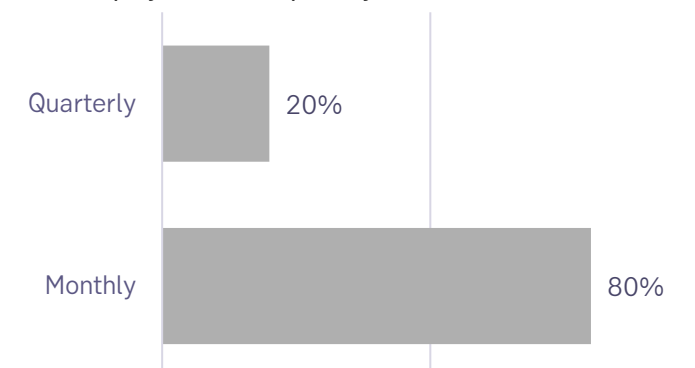
LTV distribution



Prior ranking loans

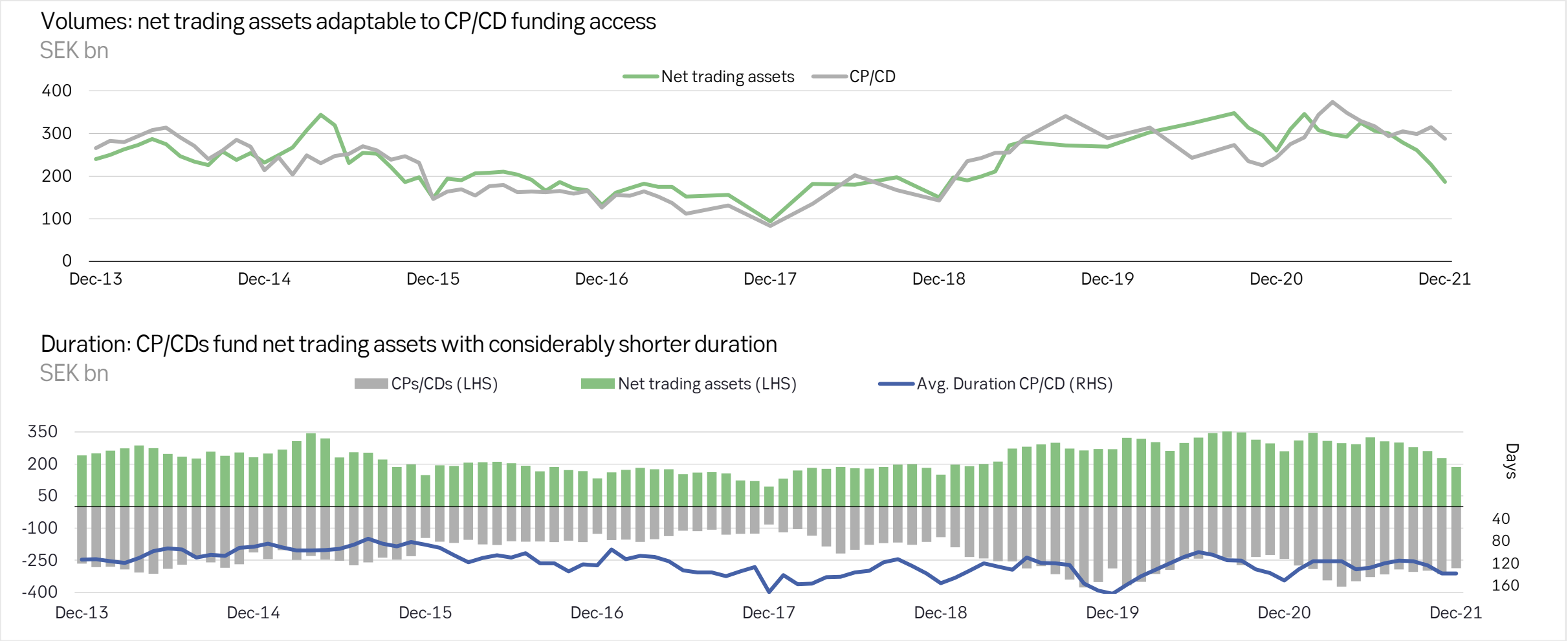


Interest payment frequency



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 ([www.asbc.se](http://www.asbc.se))

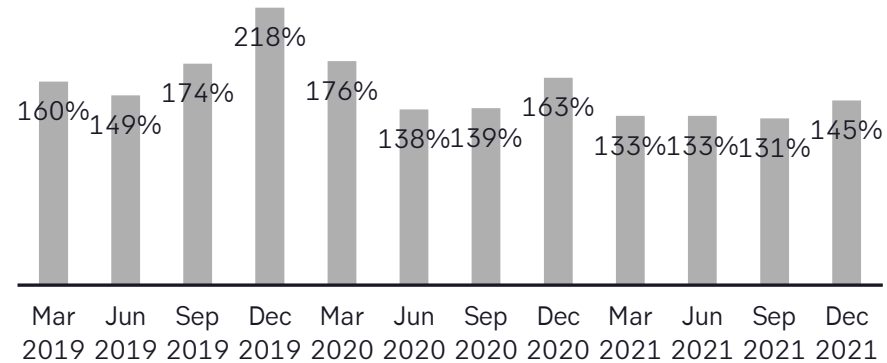
# Short-term CP/CD funding to support client facilitation business



Note: Net Trading Assets = Net of repoable bonds, equities and repos for client facilitation purposes

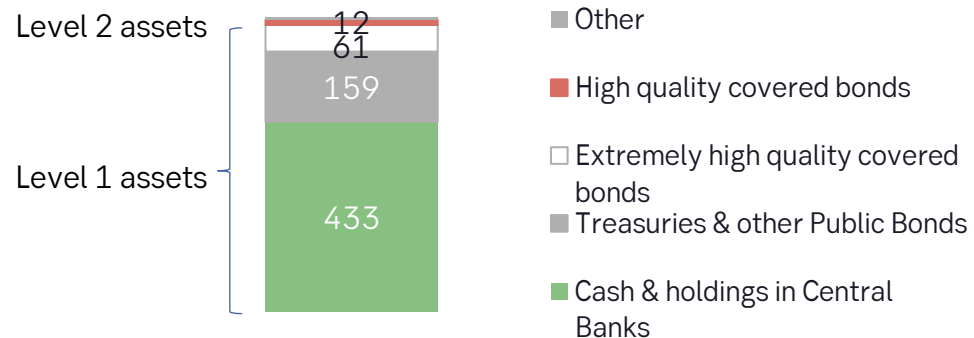
# Strong liquidity position

## Liquidity Coverage Ratio



## Liquid assets

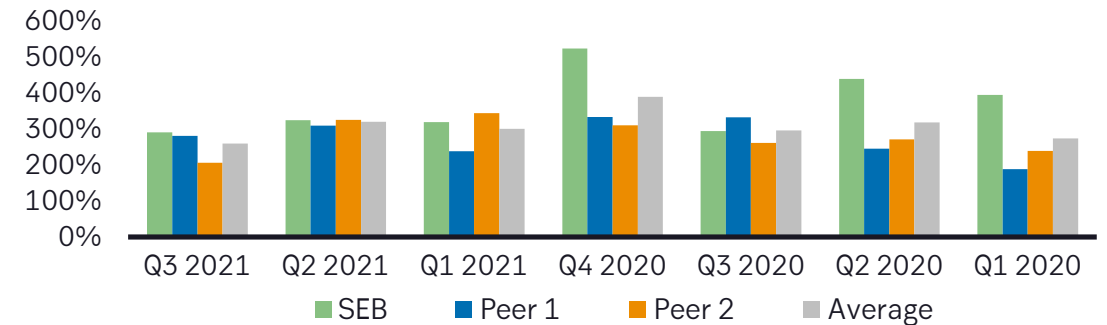
31 Dec 2021, 672 SEK bn



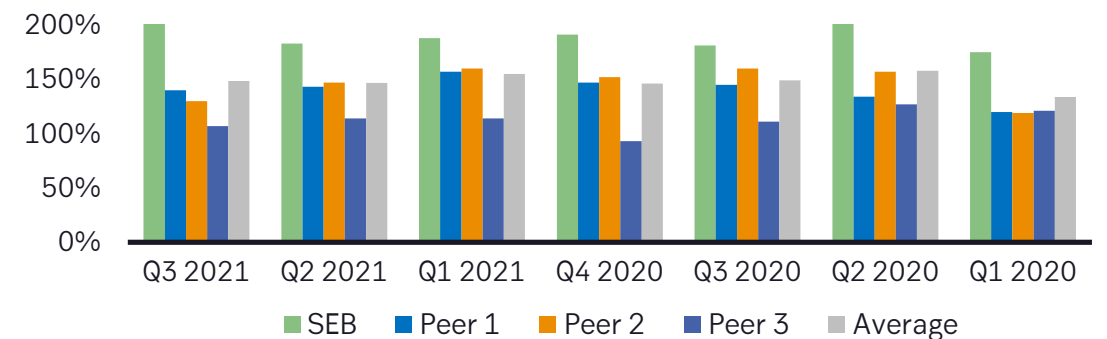
Liquid assets in accordance with Liquidity Coverage Ratio in CRR. Liquid assets defined as on balance sheet cash and balances with central banks + securities (bonds and equities) net of short positions

## Peer benchmarking: 3- and 12-months maturing funding ratio

### 3 months funding ratio



### 12 months funding ratio



Funding ratio = liquid assets / (maturing wholesale funding within 3/12m + net interbank borrowing within 3/12m)

Source: Fact Books of SEB and three other major Swedish banks. One peer does not disclose 3m ratio

- 01 SEB in brief
- 02 Financial update
- 03 Credit portfolio and asset quality
- 04 Capital
- 05 Liquidity and funding
- 06 Approach to sustainability**
- 07 Macro
- 08 Appendix





## Our responsibility

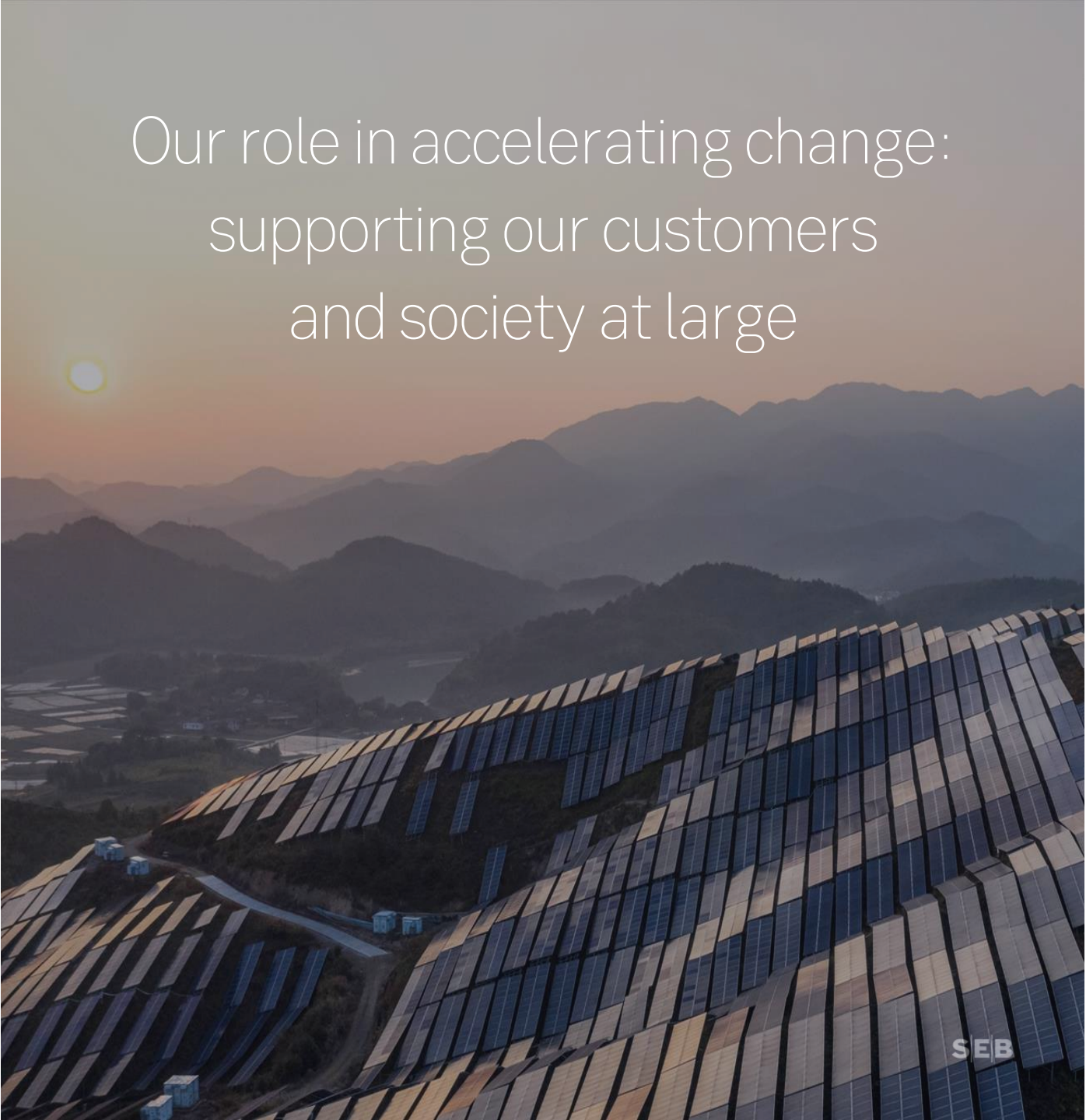
As a bank, SEB has an important role in financing the transition, advising and supporting our customers' transformation journeys.

## Our approach

We believe we can make the greatest positive impact by engaging with our customers. However, we orderly phase out engagements where convictions do not align.

## Our commitment

SEB has a strong ambition to accelerate the pace towards a sustainable future for people, businesses and society, reflected in our policies and goals.

A large-scale solar farm is installed on a hillside, with rows of solar panels stretching across the slope. The scene is captured at sunset or sunrise, with a warm orange glow in the sky and a low sun visible on the left. In the background, a range of mountains is visible under a hazy sky. The SEB logo is visible in the bottom right corner of the image.

Our role in accelerating change:  
supporting our customers  
and society at large



# Climate ambitions and goals to ensure our progress

## The Brown Carbon Exposure Index

What: Volume-based metric capturing our fossil fuel credit exposure

How: Measuring the fossil fuel credit exposure in our energy portfolio

Goal: To reduce exposure by 45-60% by 2030, compared to a 2019 baseline

## The Green Sustainability Activity Index

What: Volume-based metric capturing our sustainability activity

How: Measuring our activities supporting the sustainable development

Ambition: To increase average activity 6x-8x by 2030, compared to a 2021 baseline

## The Future Transition Ratio

What: Volume-based ratio based on our internal Climate Classification Model <sup>1</sup>

How: Measuring our corporate and real estate credit portfolio's anatomy from a climate perspective

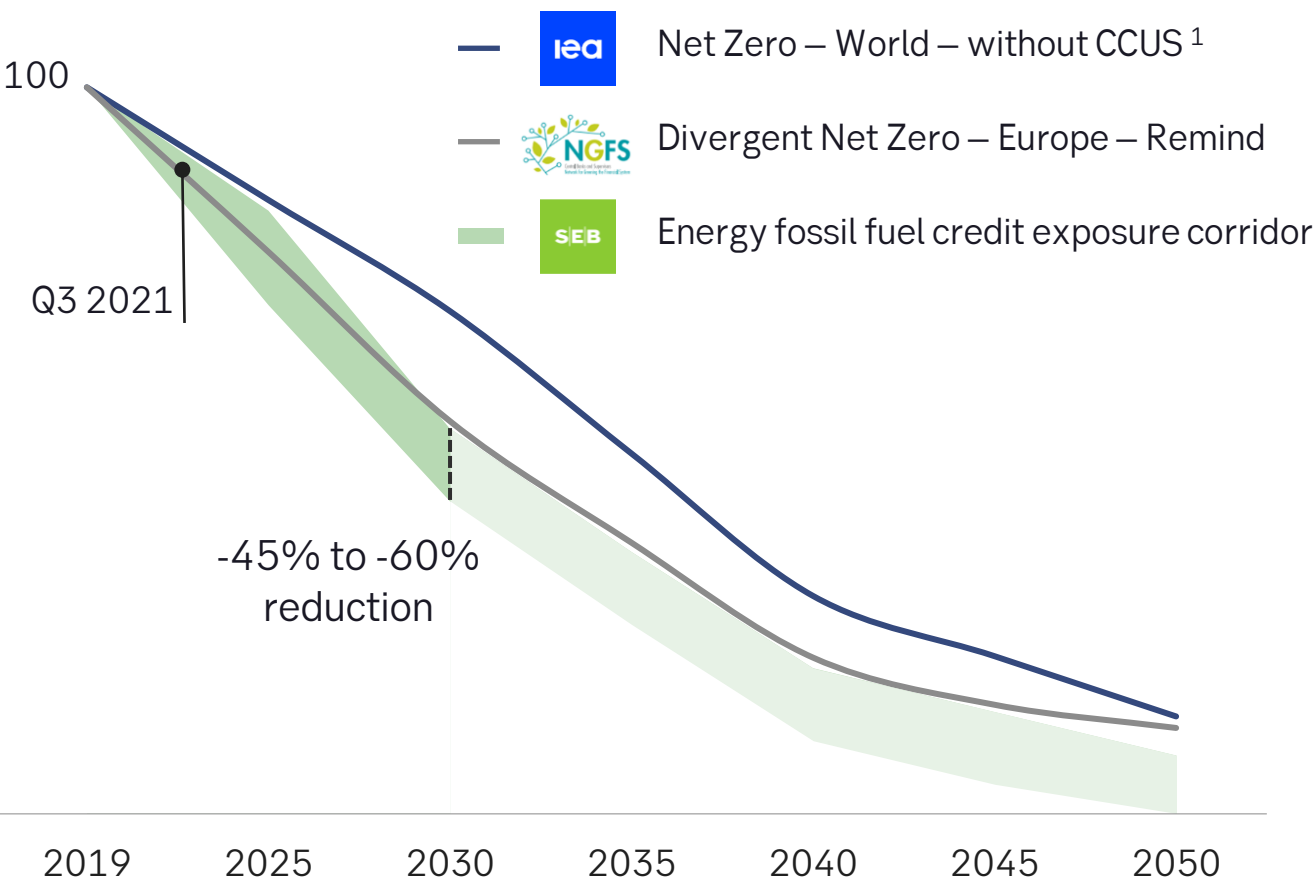
Ambition: To provide a reflection of how our customers, over time, transition in line with the Paris Agreement <sup>2</sup>

<sup>1</sup> Model assessing our customers' and our own climate impact and alignment with the goals set out in the Paris Agreement.

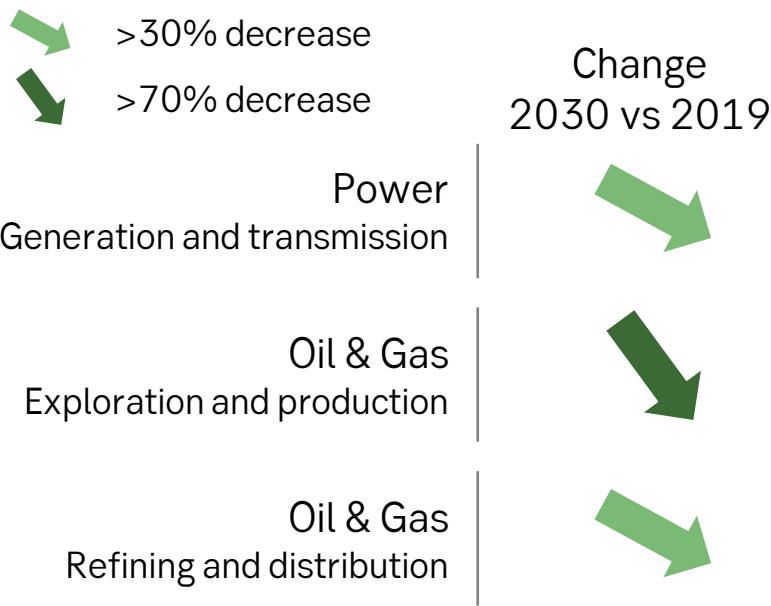
<sup>2</sup> Work ongoing to classify credit portfolio. Transition ratio to be communicated in 2022.

# The Brown: Carbon Exposure Index to reduce our fossil fuel credit exposure

Goal to reduce our fossil fuel credit exposure in energy portfolio by 45-60% by 2030



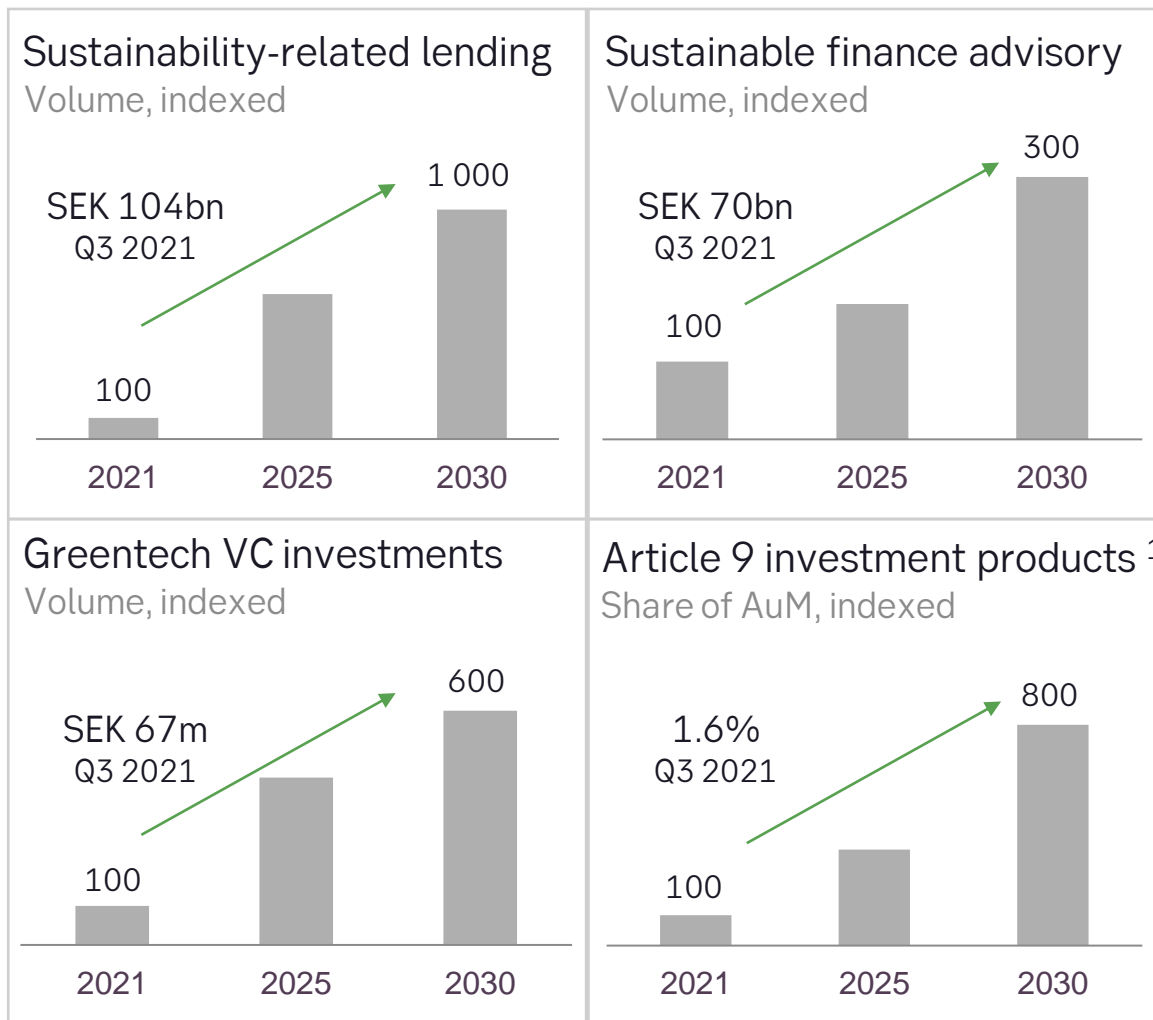
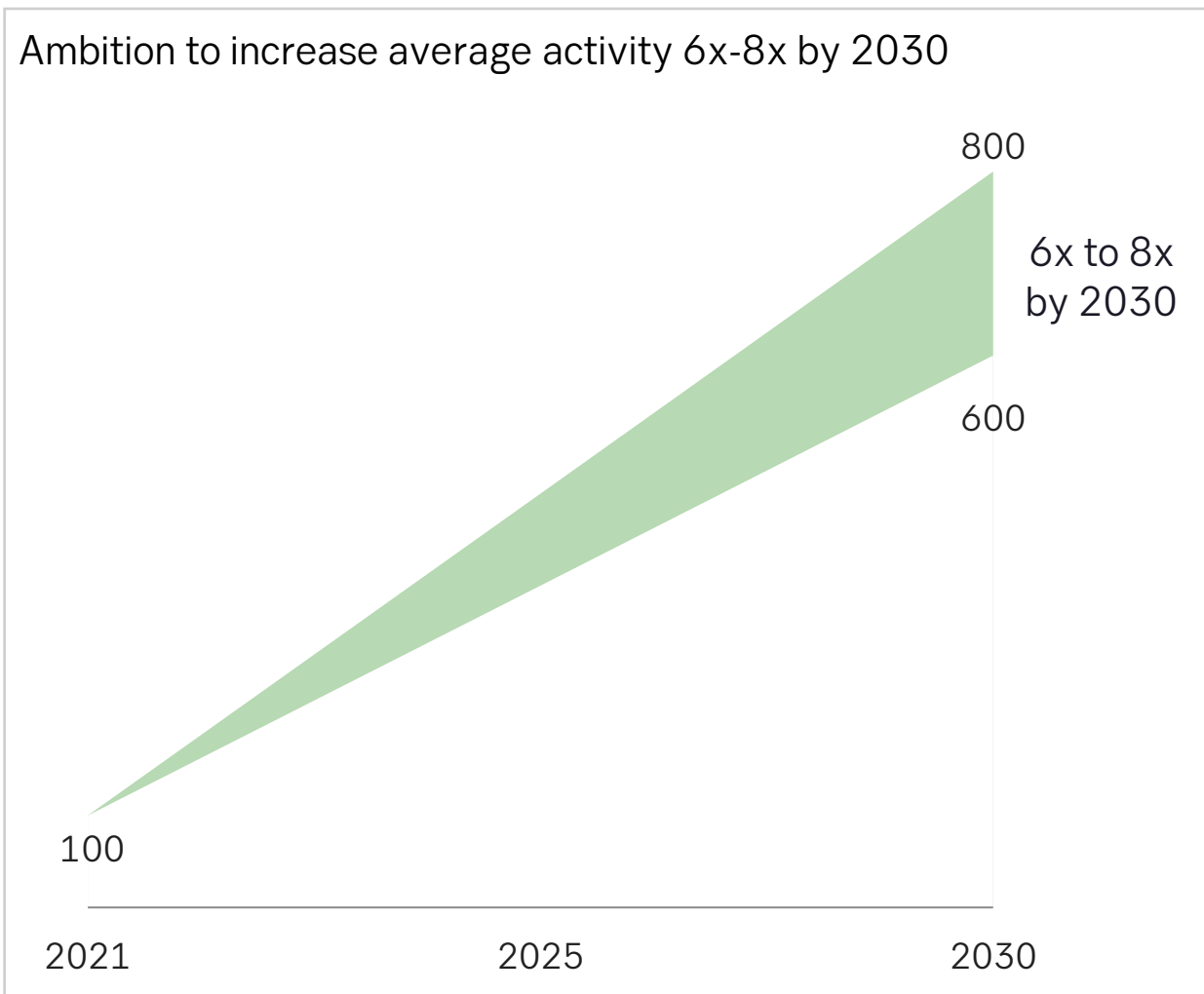
SEB fossil fuel credit exposure



	2019	2030 vs 2019
Credit exposure	SEK 120bn	45-60% decrease
Share of credit portfolio	4.8%	

1.5-degree scenarios applied developed by the International Energy Agency as well as the Network of Central Banks and Supervisors for Greening the Financial System.  
<sup>1</sup> CCUS abbreviation for "Carbon Capture Usage and Storage".

# The Green: Sustainability Activity Index to accelerate our efforts



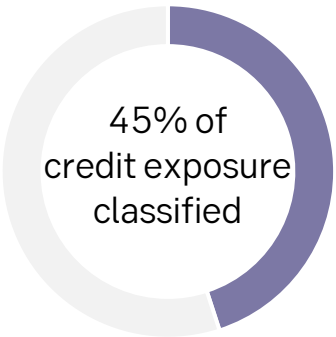
<sup>1</sup> Funds that have sustainable investments as its objective.

# The Future: Transition Ratio to ensure our customers' transformation over time

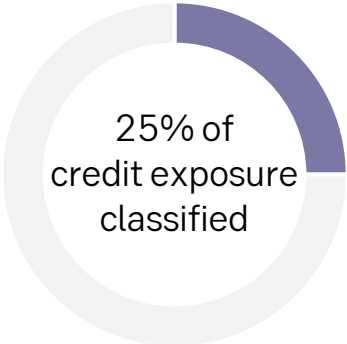
## Assessment based on SEB's Climate Classification Model

Transformed/ has no negative impact				
Ongoing transformation to improve				
Some measures to improve				
Little or no measures to improve				
	Material carbon footprint	Slight carbon footprint	Very limited carbon footprint	Non-material carbon footprint

Customers with  
material carbon footprint <sup>1</sup>



Customers with  
slight carbon footprint <sup>1</sup>



## Ambition to provide a reflection of customers' transition over time



- Sustainable
- Paris aligned transition
- Transition
- Gradual change
- Status quo

<sup>1</sup> Measured as share of credit exposure.

# Ambition to be a leading catalyst in the transition towards a sustainable society

## Financing the transition

We support our customers, share our knowledge and offer advisory services as well as sustainable financing and investment products.

## Being a corporate citizen

We fulfil our critical role in society, and always strive to take an active part in building for the future.



## Acting as a thought leader

We develop innovative products and services, and set standards for how banks can contribute to a more sustainable society.

## Transforming our business

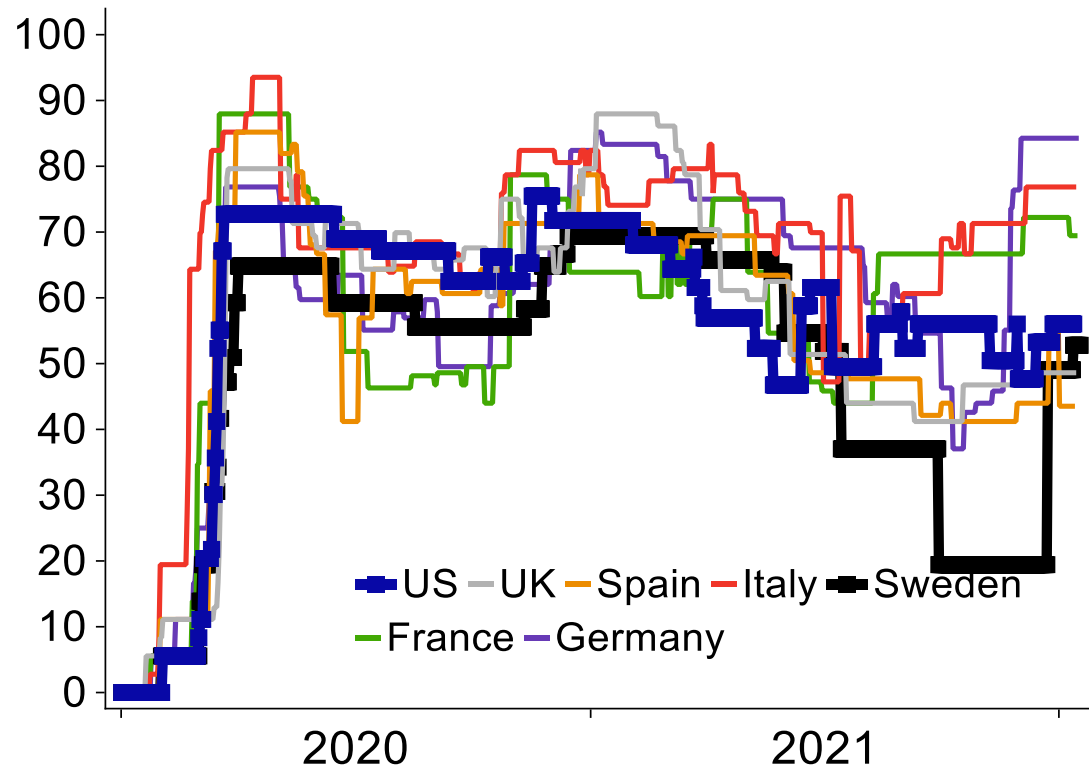
We sustainably develop our own business, communicate our policies and goals, and transparently and continuously report on our position and progress.

- 01 SEB in brief
- 02 Financial update
- 03 Credit portfolio and asset quality
- 04 Capital
- 05 Liquidity and funding
- 06 Approach to sustainability
- 07 Macro**
- 08 Appendix

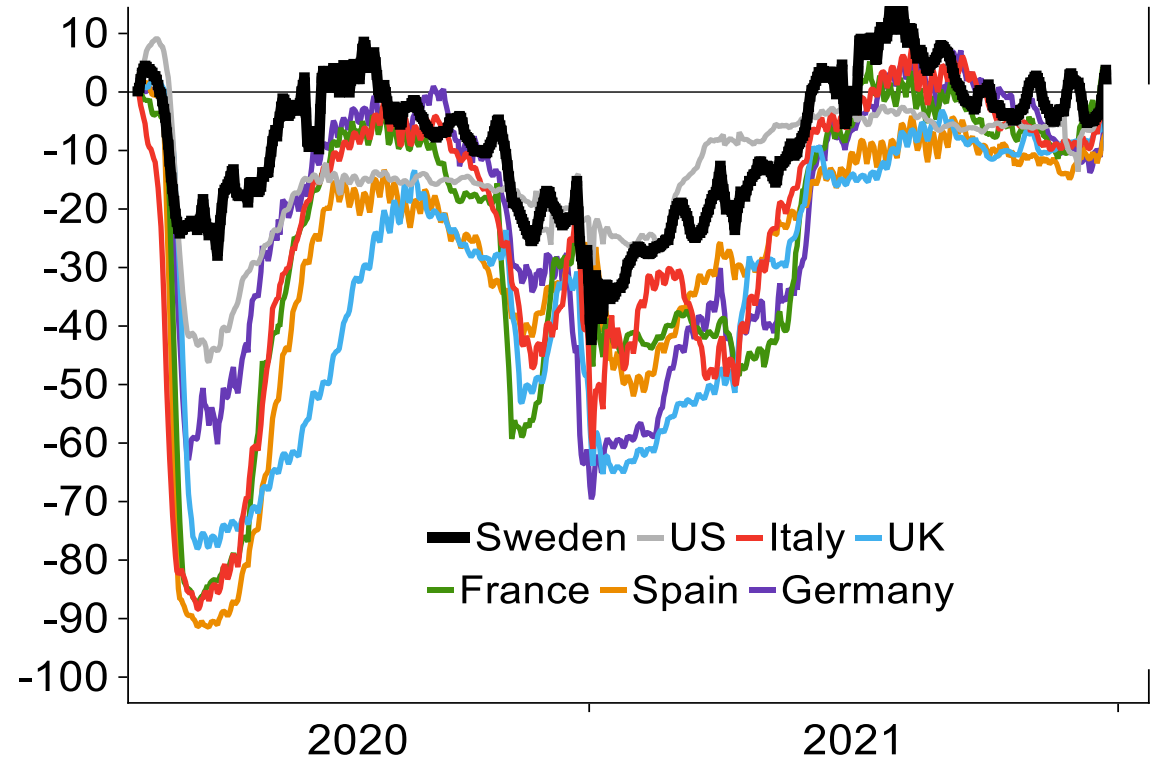


# Globally: clear adjustment to the prevailing situation

Degree of restrictions  
Government stringency index

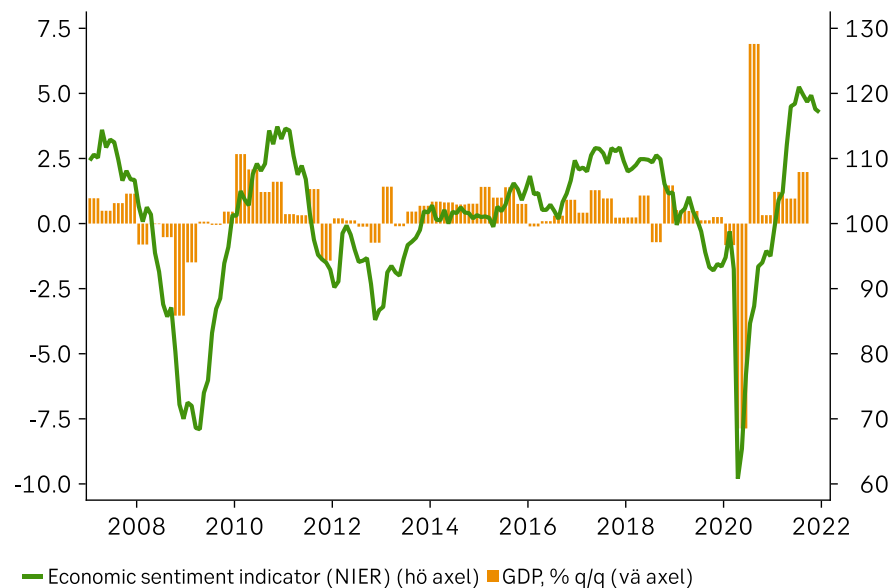


Mobility: retail / recreation  
Google, current level vs normal 2019, %



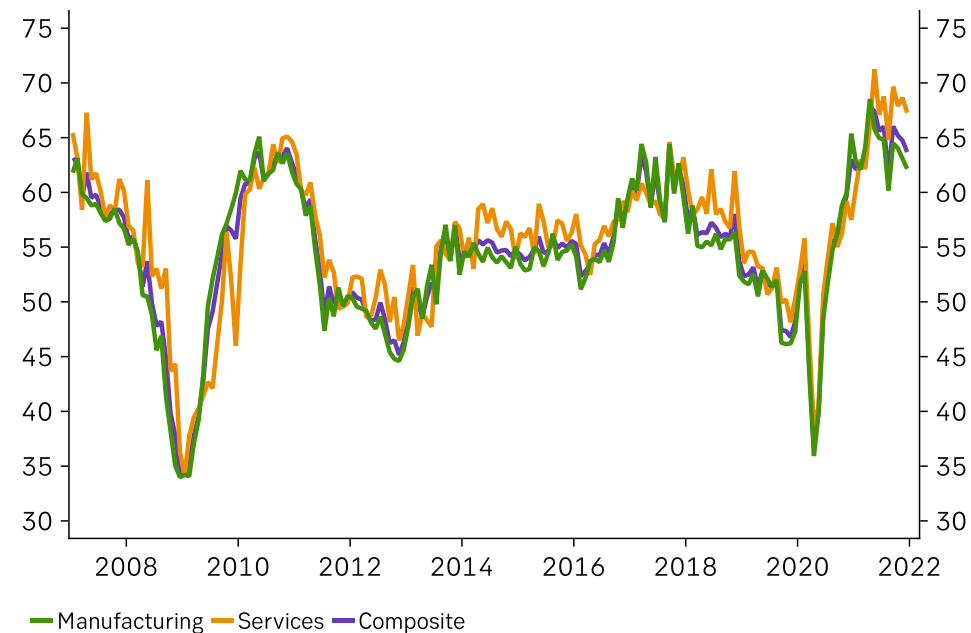
# Sweden: PMI and economic sentiment still at high levels

Sweden: Economic sentiment and GDP



- NIER survey declining slightly from all-time high driven by very strong manufacturing sentiment, but service sector has also increased towards cyclical highs
- Strong expectations main contributor while current conditions are at more moderate levels

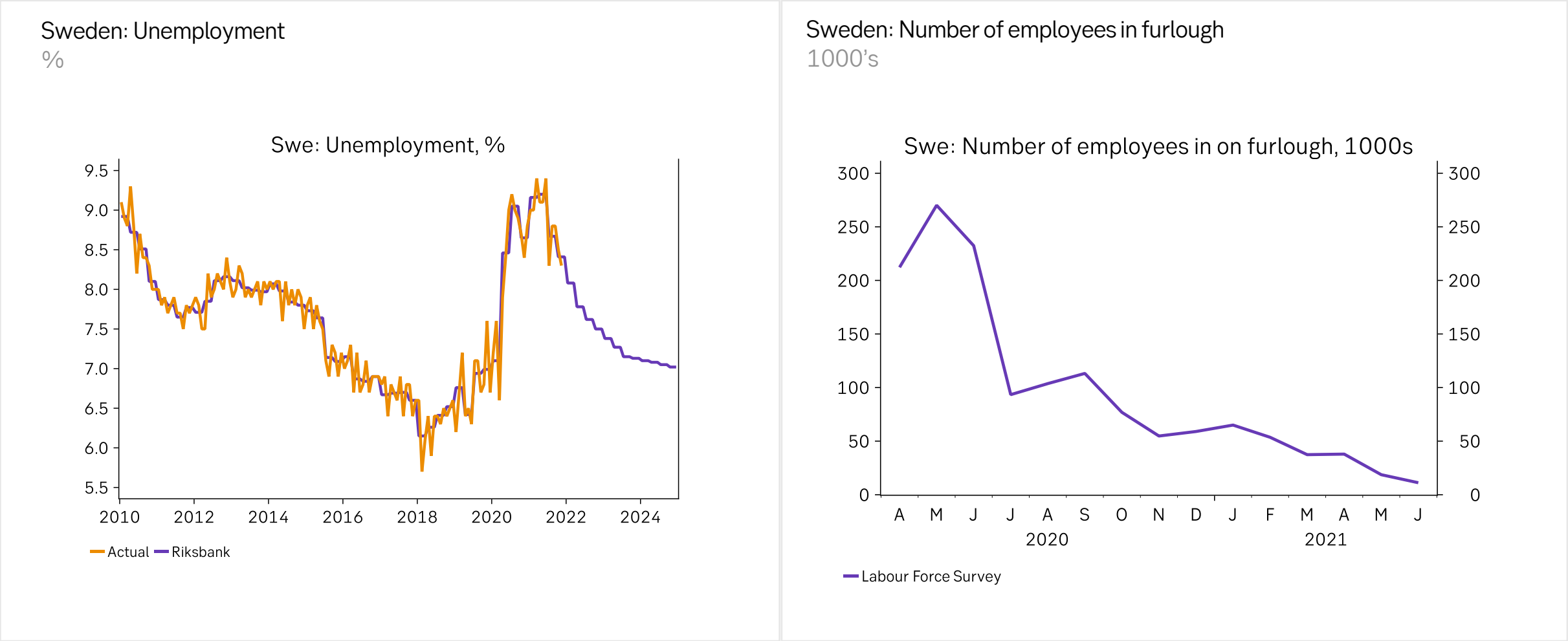
Sweden: PMI



- PMI has declined slightly from a peak in April 2021

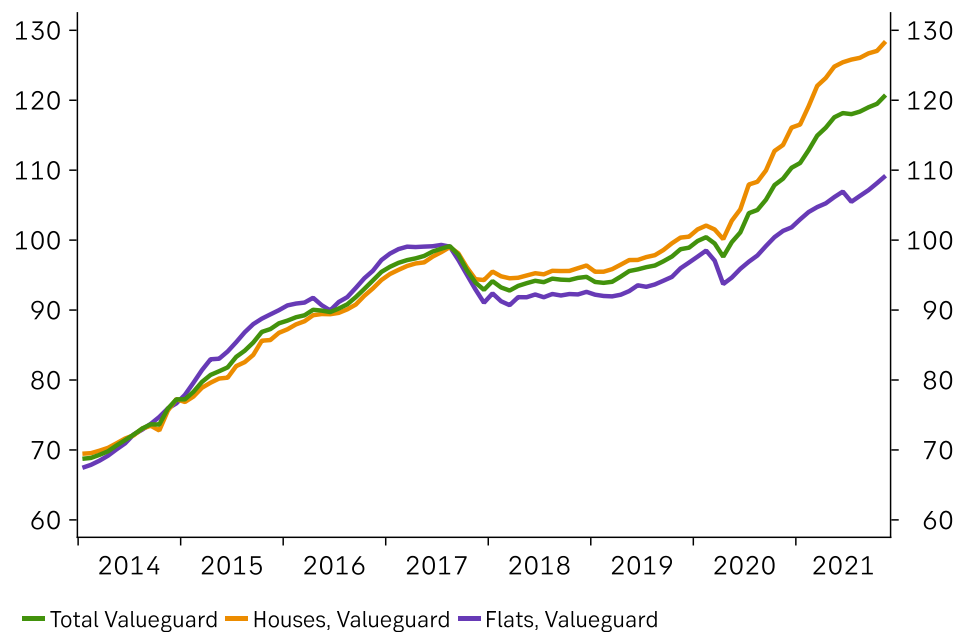


# Sweden: unemployment is declining, furlough scheme is being closed



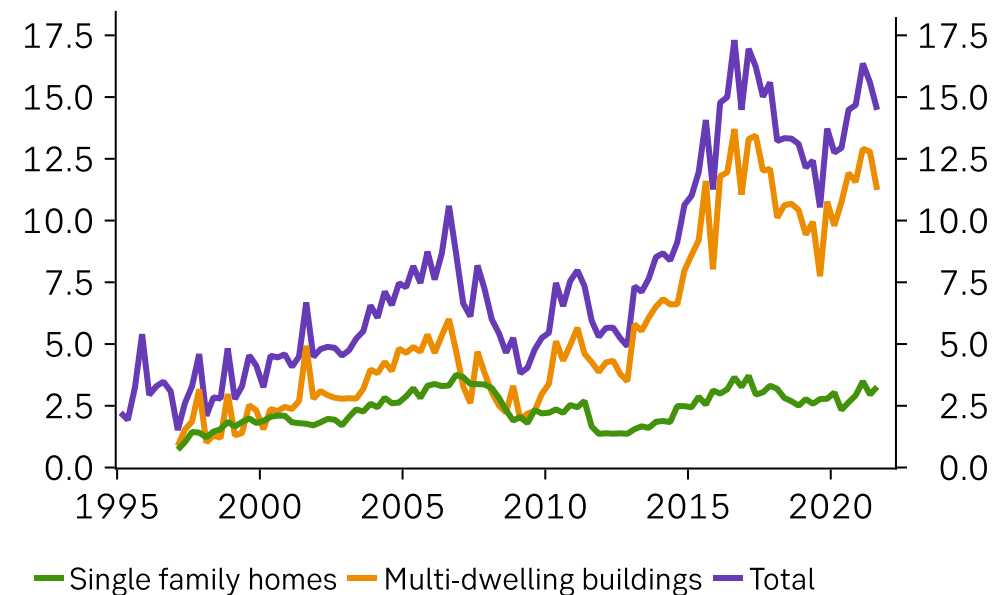
# Sweden: firm housing market

Sweden: Home prices  
Index Aug 2017 = 100



- Home prices at new highs, houses most important driver
- Indicators suggest continued firm momentum in the near term

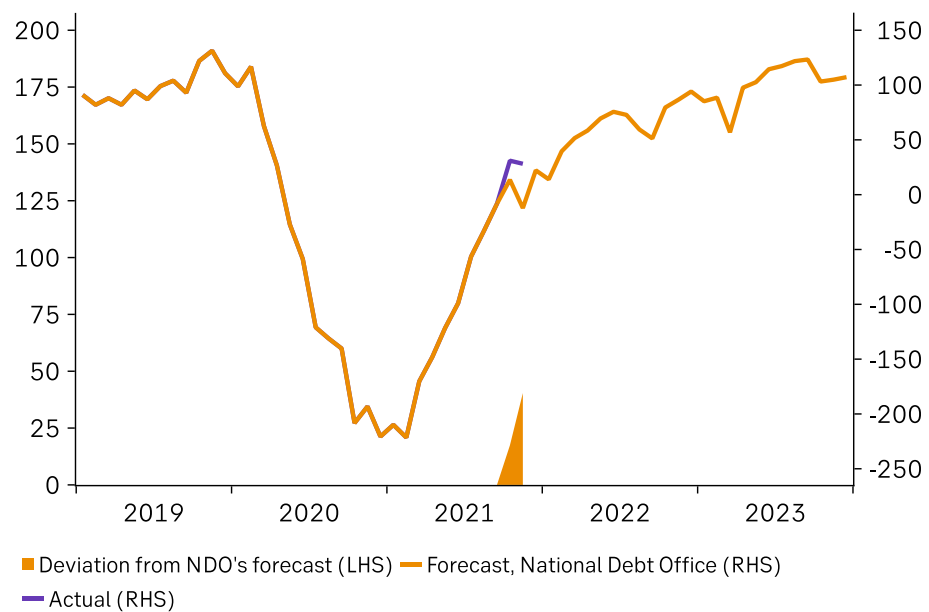
Sweden: Housing starts  
1000's



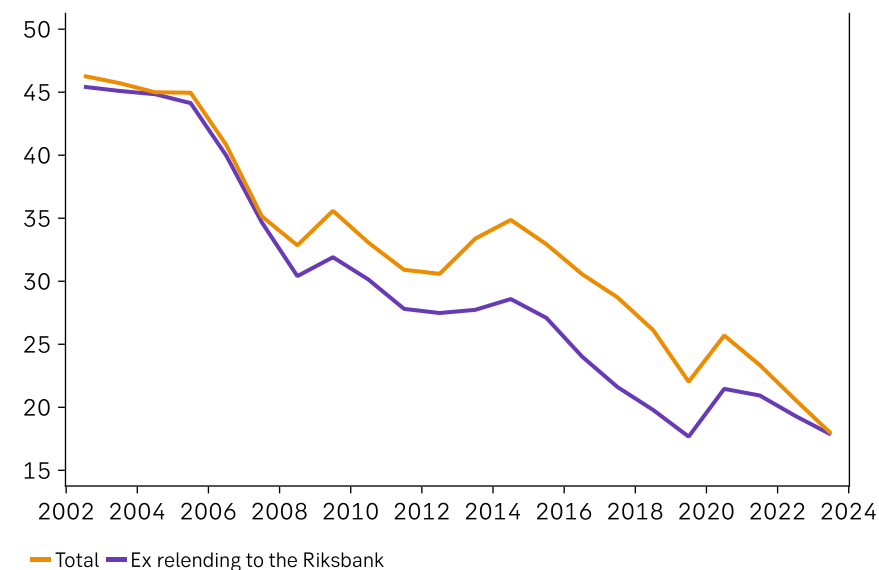
- Housing starts close to peak levels from 2017

# Sweden: budget deficit is declining despite more fiscal measures

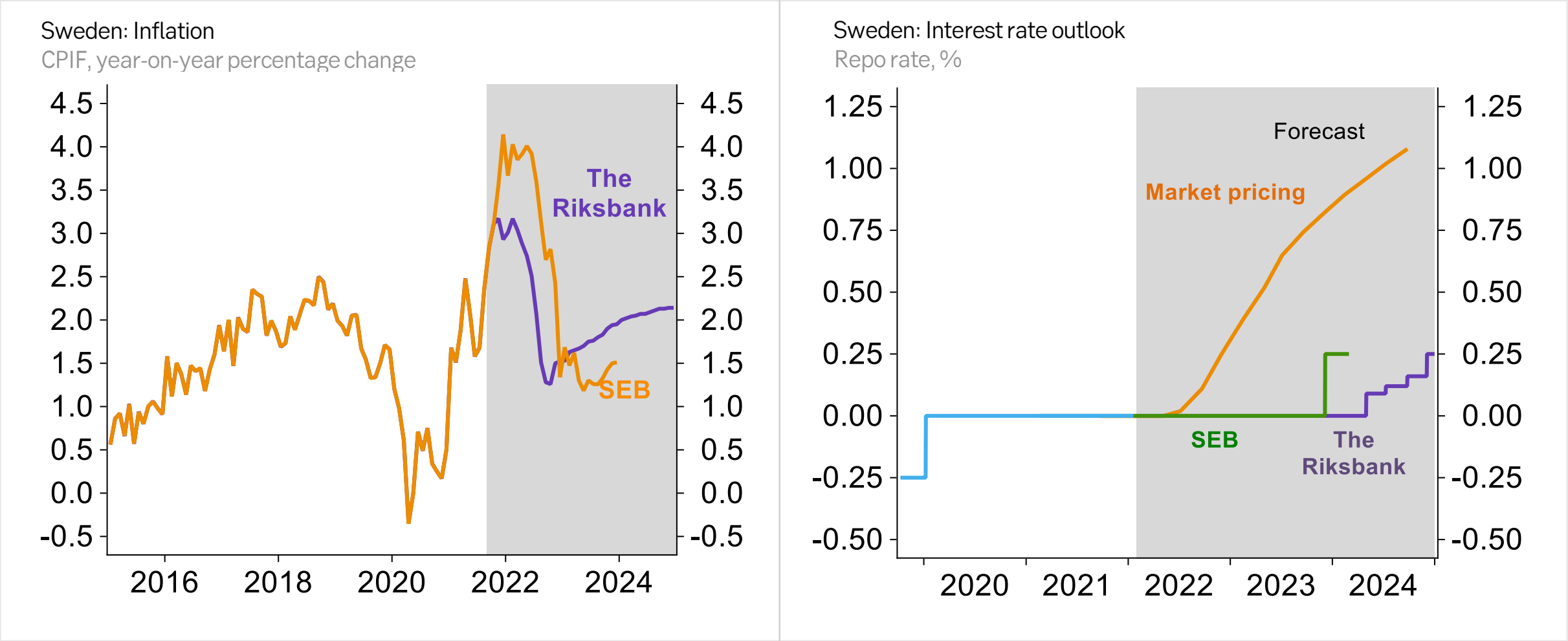
Sweden: Central government budget balance  
SEK bn



Sweden: Central government debt  
% of GDP



# Sweden: Riksbank expected to hike repo rate in 2023



- 01 SEB in brief
- 02 Financial update
- 03 Credit portfolio and asset quality
- 04 Capital
- 05 Liquidity and funding
- 06 Approach to sustainability
- 07 Macro
- 08 **Appendix**



# Summary key financials

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011 <sup>1)</sup>
Return on equity, % <sup>6)</sup>	13.9	10.3	13.8	13.4	12.9	11.3	12.9	13.1	13.1	11.5	12.3
Cost/income ratio, %	43	46	46	48	48	50	49	50	54	61	62
Net ECL level / Credit loss level, % <sup>3)</sup>	0.02	0.26	0.10	0.06	0.05	0.07	0.06	0.09	0.09	0.08	-0.08
Stage 3 loans/total loans, gross / NPL/lending, % <sup>4)</sup>	0.53	0.87	0.67	0.50	0.5	0.5	0.6	0.8	0.7	1.0	1.4
Liquidity Coverage Ratio (LCR), % <sup>5)</sup>	145	163	218	147	145	168	128	115	129	NA	NA
Net Stable Funding Ratio (NSFR), %	111										
CET1 ratio, % <sup>2)</sup>	19.7	21.0	17.6	17.6	19.4	18.8	18.8	16.3	15.0	NA	NA
Total capital ratio, % <sup>2)</sup>	23.3	25.1	23.3	22.2	24.2	24.8	23.8	22.2	18.1	NA	NA
Leverage ratio, % <sup>2)</sup>	5.0	5.1	5.1	5.1	5.2	5.1	4.9	4.8	4.2	NA	NA
Assets under custody, SEK bn	21,847	12,022	10,428	7,734	8,046	6,859	7,196	6,763	5,958	5,191	4,490
Assets under management, SEK bn	2,682	2,106	2,041	1,699	1,830	1,749	1,668	1,708	1,475	1,328	1,261

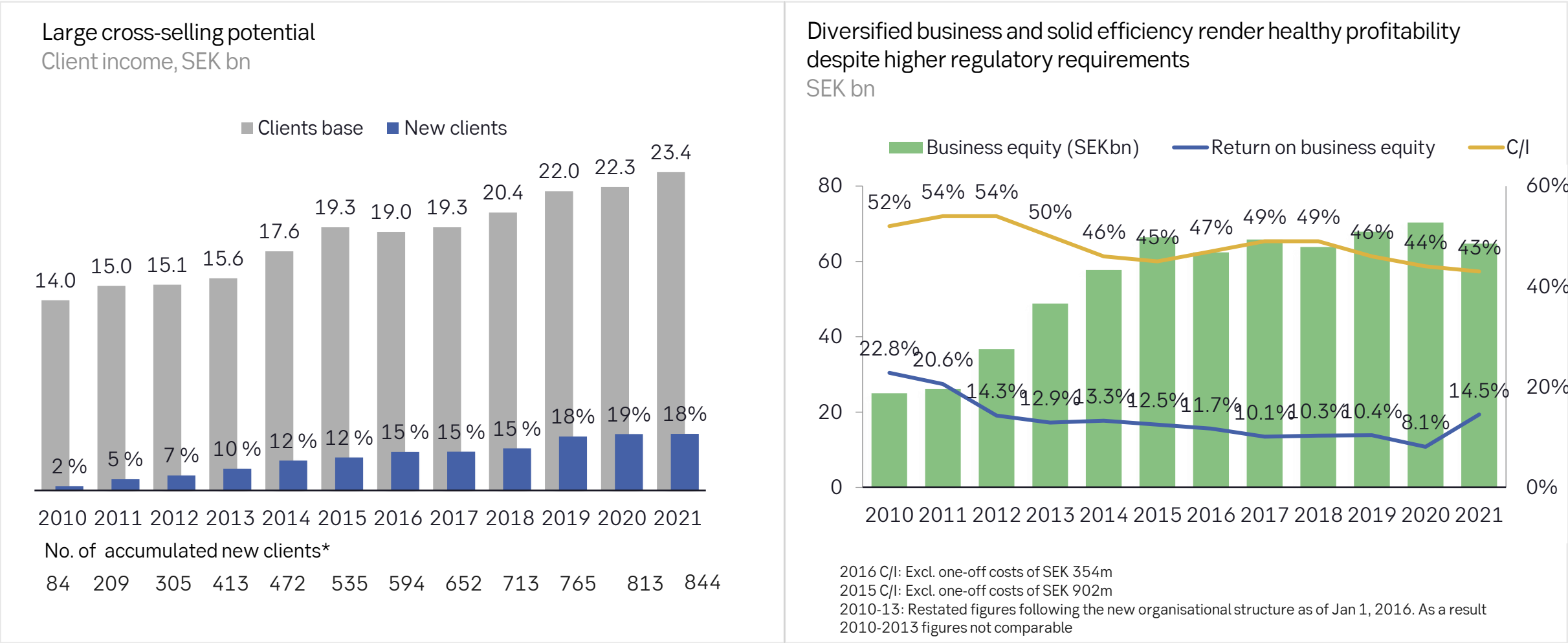
## Notes:

- 1) Restated for introduction of IAS 19 (pension accounting).
- 2) 2016 - 2014 is according to CRD IV/CRR and 2013 was estimated based on SEB's interpretation of future regulation.
- 3) Net aggregate of write-offs, write-backs and provisioning. Net ECL (expected credit loss) level (2018) is based on IFRS 9 expected loss model, net credit loss level (2011-2017) is based on IAS39 incurred loss model.
- 4) ECL coverage ratio for Stage 3 (credit-impaired) loans is based on IFRS 9 expected loss model, NPL coverage ratio and NPL/lending ratio (2011-2017) are based on IAS39 incurred loss model. NPLs = Non Performing Loans, including individually and portfolio assessed impaired loans (loans >60 days past due)..
- 5) LCR based on EU definition as from 2018 and on SFSA definition 2013-2017.
- 6) **Excl. Items affecting comparability incl. technical impairment (write-down) of goodwill**
  - a. 2014: Excluding capital gains of SEK 2,982m (sale of non-core business and shares)
  - b. 2015: Excluding a cost of SEK 902m relating to the Swiss Supreme Court's not unanimous ruling against SEB in the long running tax litigation relating to SEB's refund claim of withholding tax dating back to the years 2006 through 2008
  - c. 2016: Excluding the effects of the technical impairment of goodwill to the amount of SEK 5,334m and SEK 615m of one-off costs and derecognition of intangible IT assets no longer in use and the positive tax effect SEK 101m. Excluding a capital gain of SEK 520m from the sale of VISA Europe shares by the Baltic subsidiaries and the generated tax expense SEK 24m
  - d. 2017: Excluding a dividend from VISA of SEK 494m, costs related to the transformation to a German branch of SEK 521m, transfer of pension obligation to BVV of SEK 891m, impairment and derecognition of IT intangibles of SEK 978m.
  - e. 2018: Excluding the sale of SEB Pension SEK 3.6bn and settlement of UC AB's merger SEK 0.9bn
  - f. 2020: Excluding administrative fine from Swedish FSA of SEK 1.0bn

## To show the underlying operating momentum in this presentation:

- a. and b. The FY 2014 and FY 2015 results' presentations, profitability, capital generation and efficiency ratios exclude the effects of the above-mentioned items affecting comparability
- c. and d. The FY 2016 results, profitability and efficiency ratios exclude the effects of the above mentioned items affecting comparability.

# Large Corporates & Financial Institutions

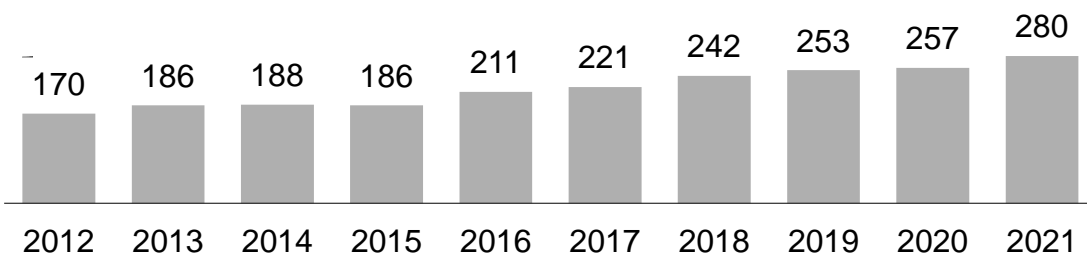


\*Including Swedish clients as of 2019.

# Corporate & Private Customers

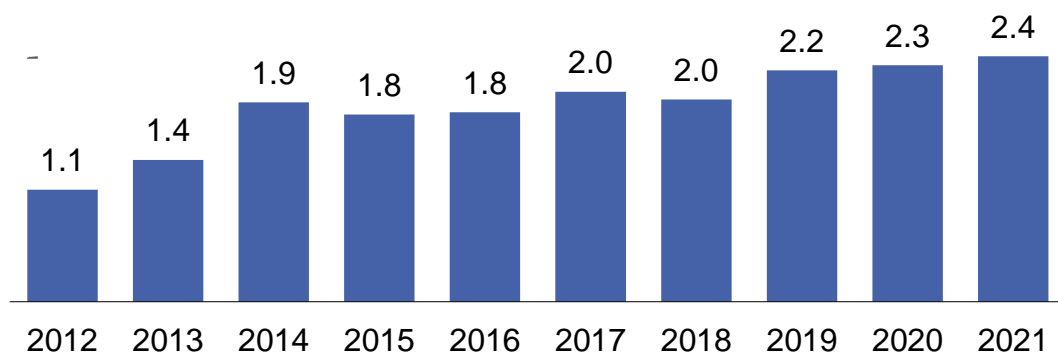
## Stable lending growth in corporate segment

Loans to corporates and real estate management, SEK bn



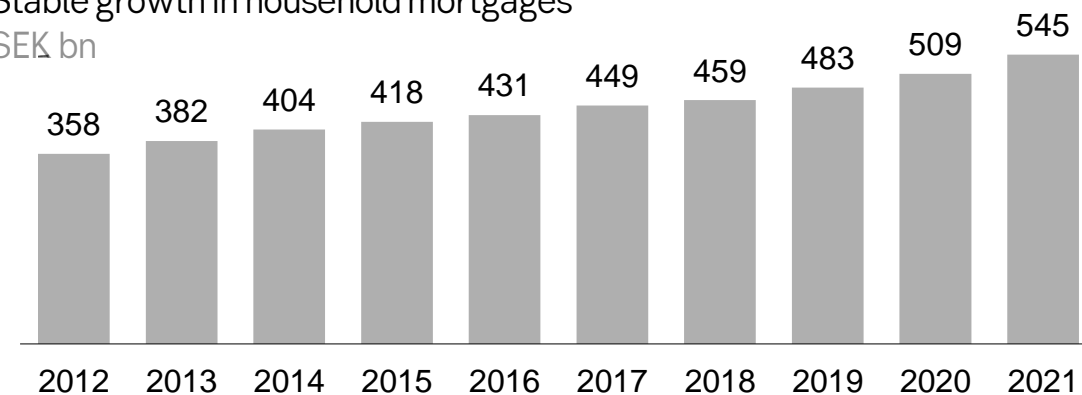
## Solid operating profit

Average quarterly operating profit, SEK bn



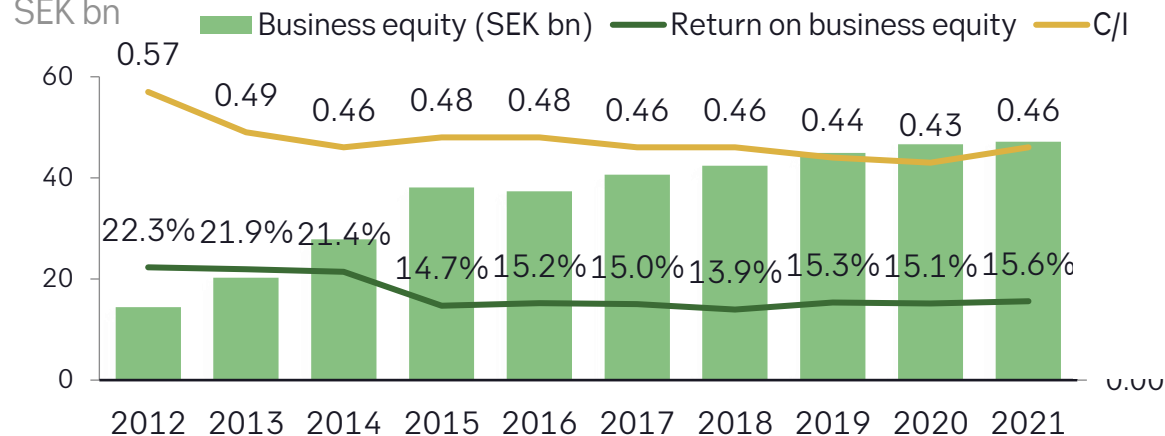
## Stable growth in household mortgages

SEK bn



## Steady improvement in efficiency and stable profitability

SEK bn

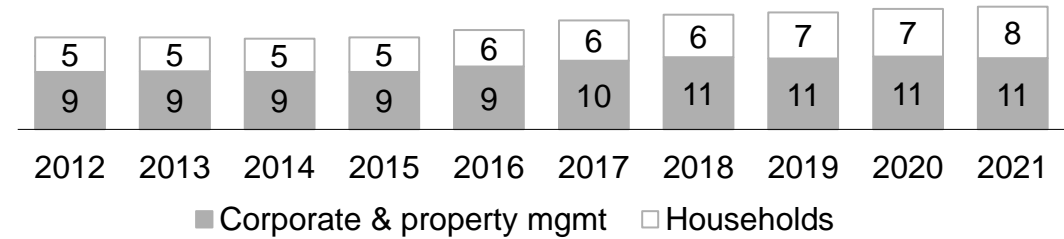


Operating profit: 2014-2015 restated following the new organisational structure as of 1 Jan 2016.  
As a result, 2012-2013 figures are not comparable.

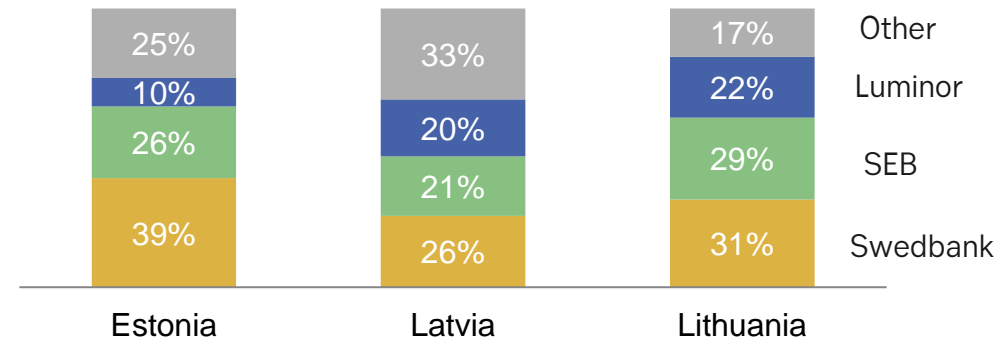


# Baltic

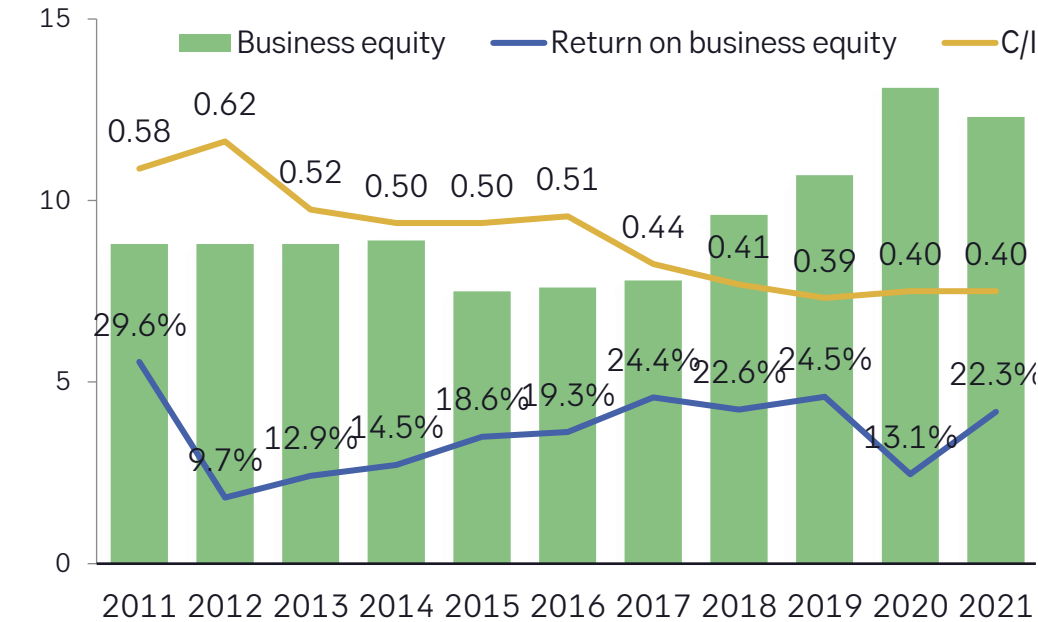
Credit portfolio growth  
EUR bn



Second largest bank in terms of lending market share in the Baltic region  
%



Strong development of profitability and efficiency  
SEK bn

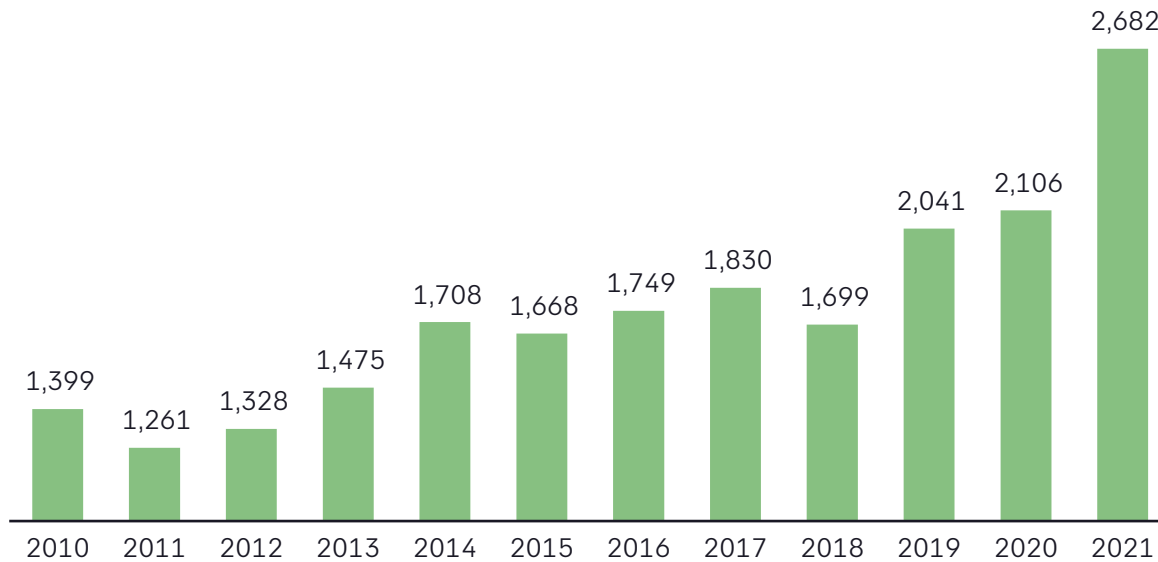


2020: Business equity increased due to updated credit risk models in Q1  
2011-2018: Excluding Real Estate Holding Companies  
2011: Write-back of provisions of SEK 1.5bn

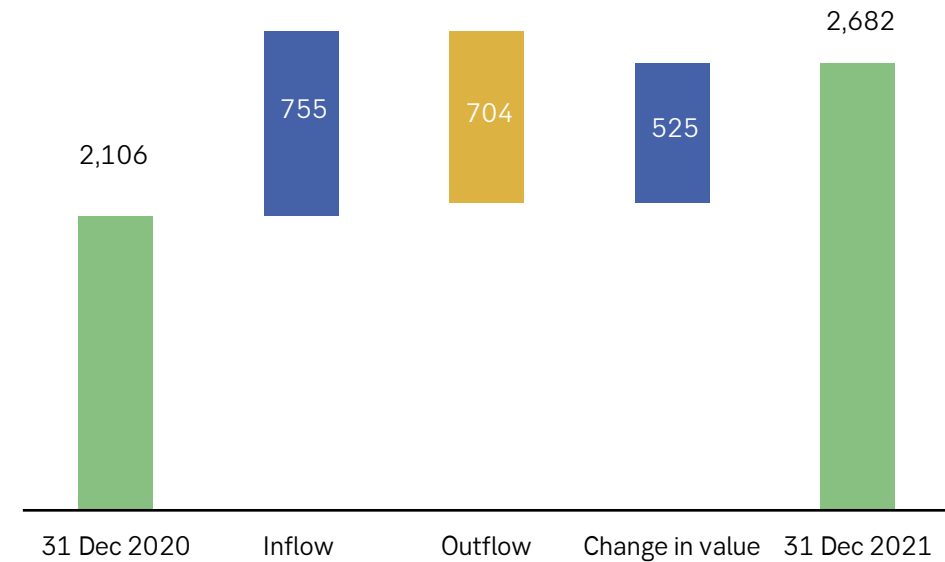
Source: Estonian Financial Supervision Authority, Association of Latvian Commercial Banks, Association of Lithuanian Banks, Q3 2021

# Assets under management

Assets under management<sup>1</sup>  
SEK bn



Development during 2021  
SEK bn



<sup>1</sup> Definition of assets under management changed from 2015. Divestment of SEB Pension DK in 2018 reduced AUM by approx. SEK 116m.

# IR contacts and calendar



**Pawel Wyszynski**

Head of IR

Employed in SEB since: 2020

Mobile: +46 70 462 21 11

E-mail: pawel.wyszynski@seb.se



**Philippa Allard**

Senior Debt IR

Employed in SEB since: 1998

Mobile: +46 70 618 83 35

E-mail: philippa.allard@seb.se



**Per Andersson**

Senior IR

Employed in SEB since: 1991

Mobile: +46 70 667 74 81

E-mail: per.andersson@seb.se

## Financial calendar

### 2022

1 Mar Annual & Sustainability Report 2021  
22 Mar Annual General Meeting  
23 Mar Shares trade ex-dividend  
24 Mar Proposed record date for dividend  
29 Mar Dividends paid out

1 Apr *Silent period starts*

**27 Apr Quarterly report Jan – March 2022**

1 July *Silent period starts*

**14 July Quarterly report Jan – June 2022**

1 Oct *Silent period starts*

**26 Oct Quarterly report Jan – Sep 2022**

