

# Investor presentation

Third quarter 2022

26 October 2022

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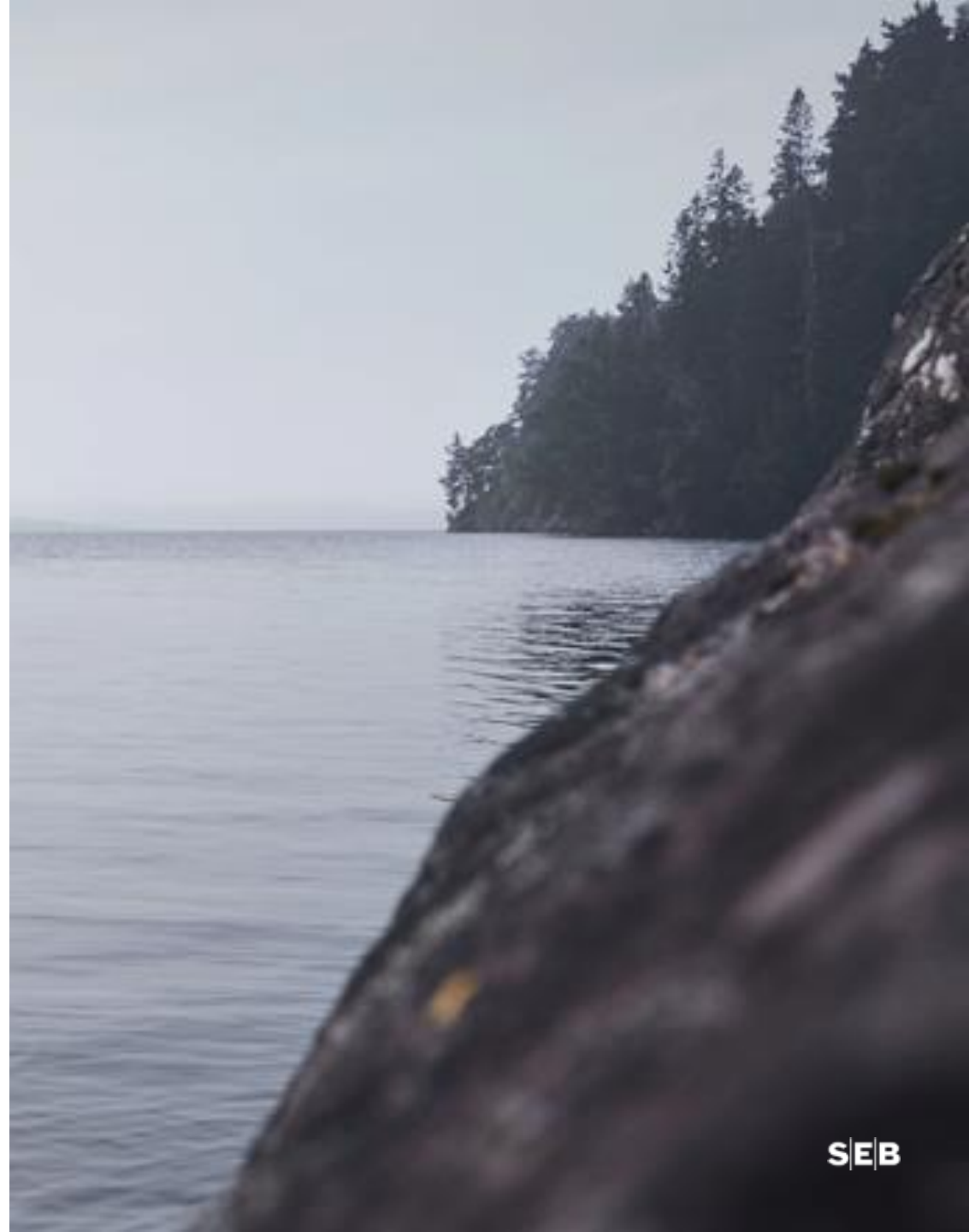
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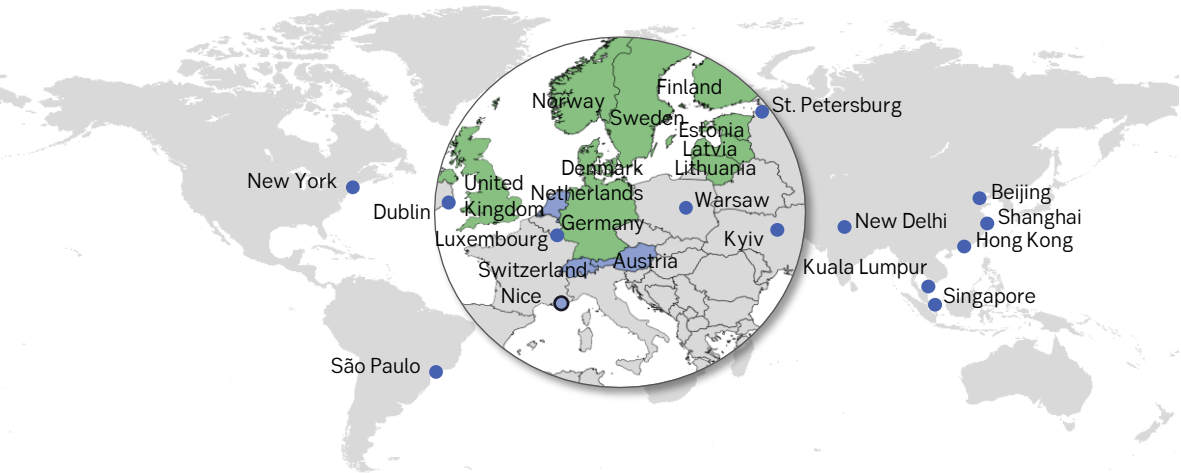
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- 01 **SEB in brief**
- 02 Financial update
- 03 Credit portfolio and asset quality
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- 05 Liquidity and funding
- 06 Strategy 2030 and sustainability
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# SEB – a leading northern European bank with international reach

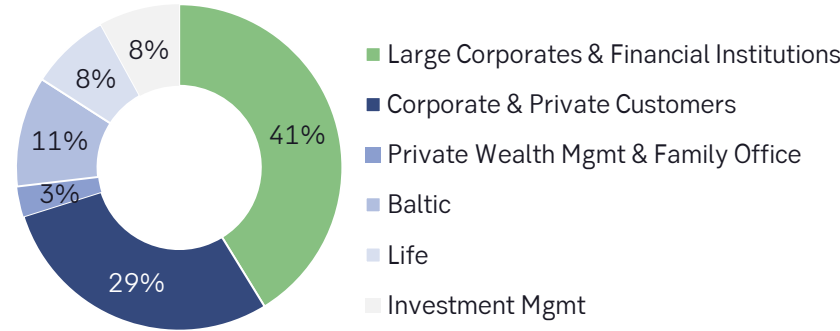


- Unique customer base and **leading market positions**
- Engaged and **long-term focused shareholder** base
- **Profitable growth** through **diversified business model**
- **Strong capital** and **liquidity** position
- **Solid credit rating** : AA- / Aa3 / A+ with stable outlook (Fitch/Moody's/S&P)

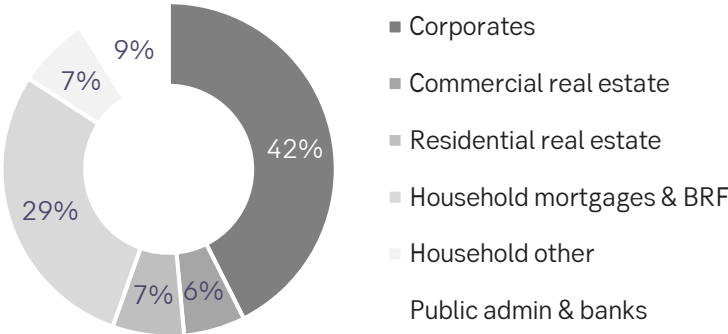
## Key financials YTD 2022 (FY 2021)

Net ECL level	C/I ratio
<b>7bps (2)</b>	<b>0.40 (0.42)</b>
CET1 ratio	Return on equity
<b>18.1% (19.7)</b>	<b>13.5% (13.9)</b>

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

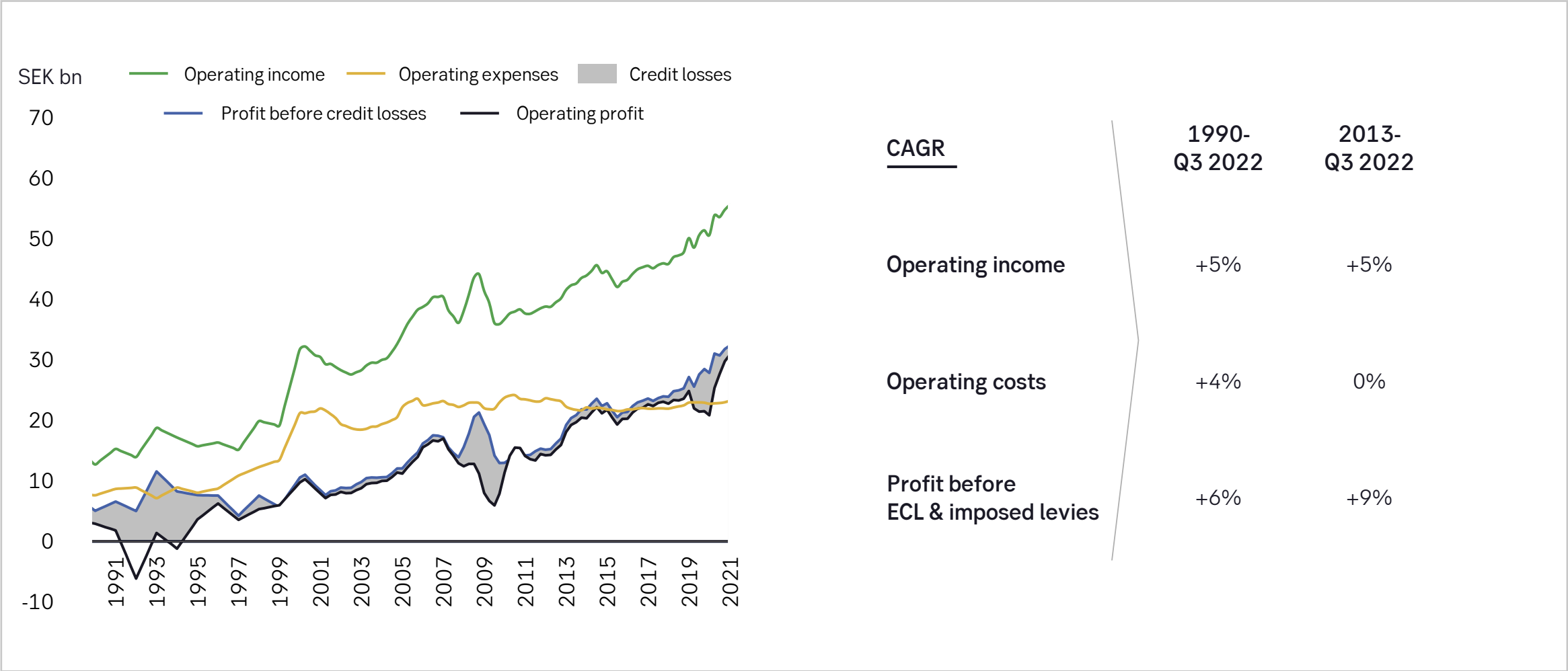


## Credit portfolio by segment 30 Sep 2022

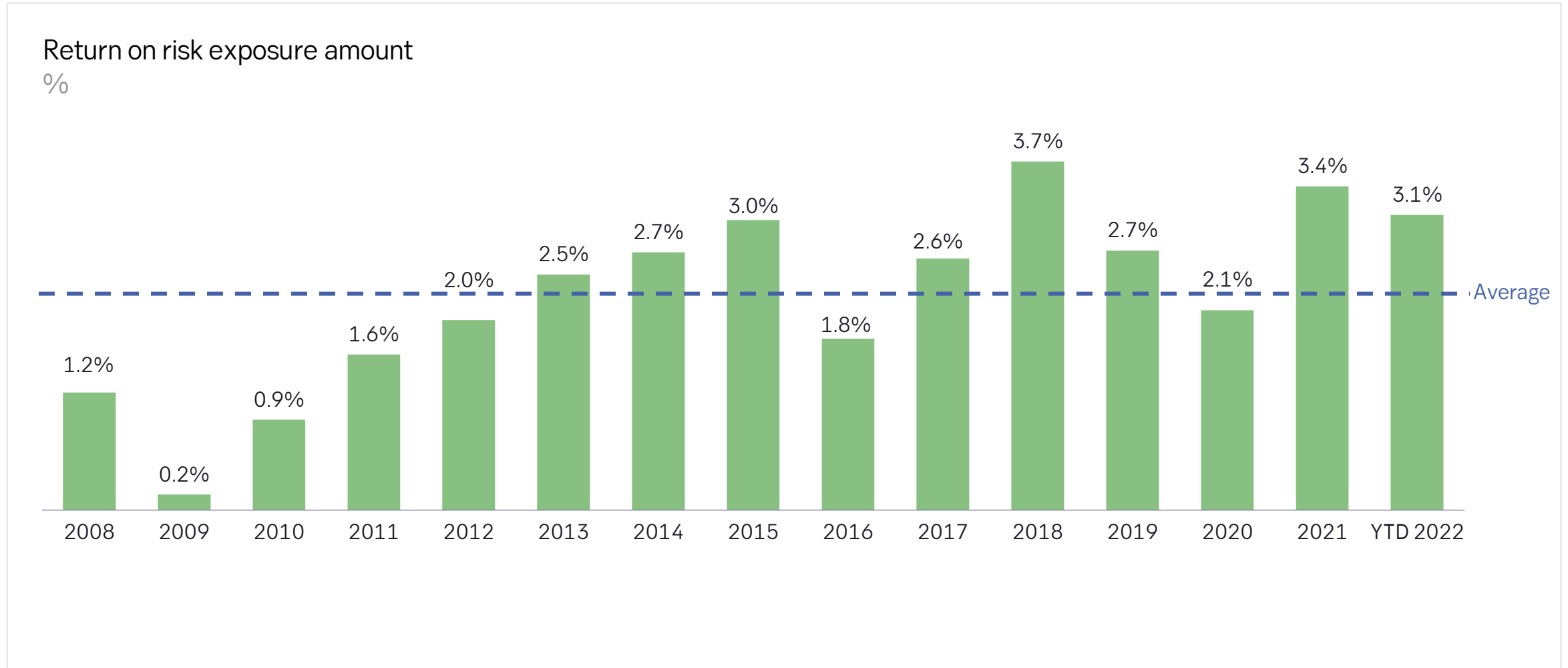


<sup>1</sup> Business divisions excluding Group functions and eliminations

# Strong profitable growth over time...

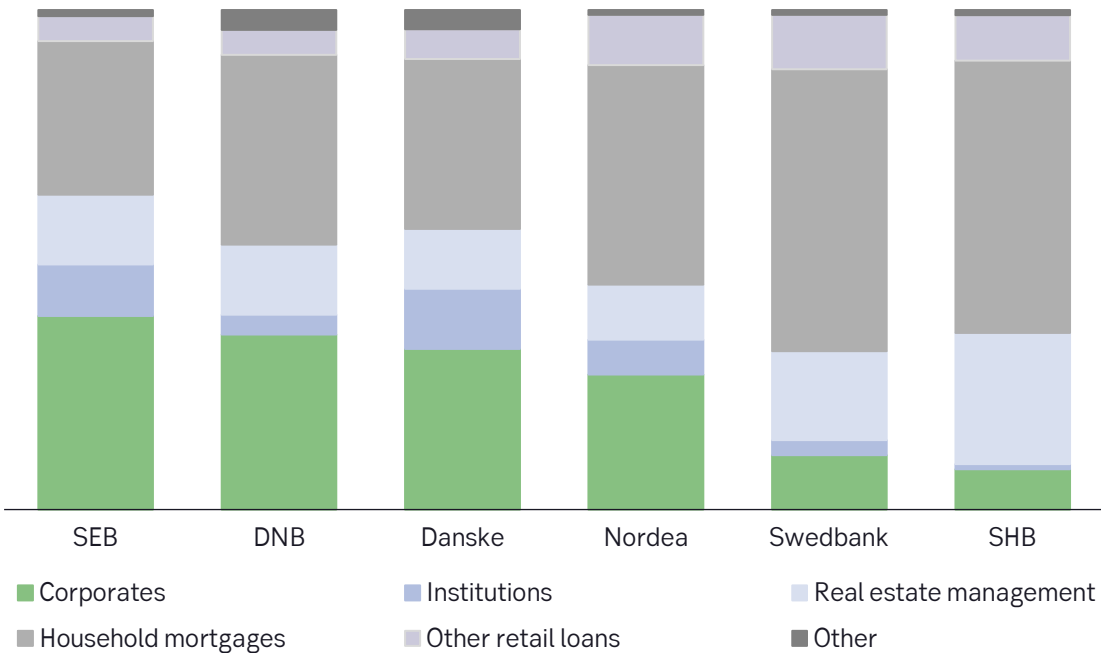


## ...and stable capital generation

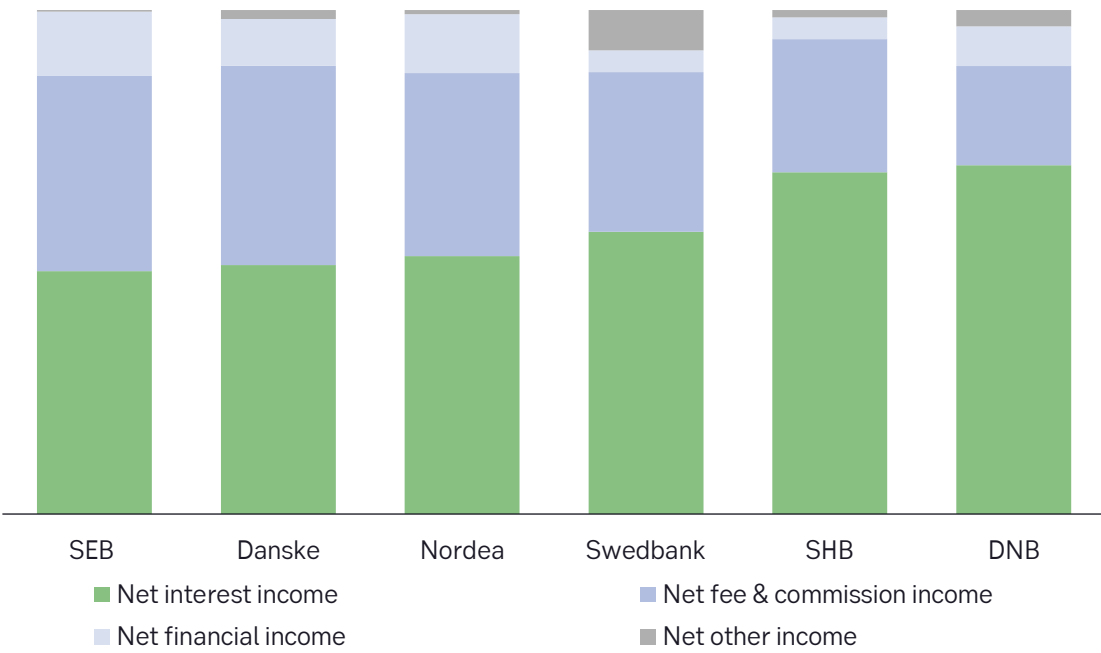


# More diversified than peers

Well balanced credit portfolio  
Credit exposure (EAD) by sector



Diversified income stream  
Operating income by type

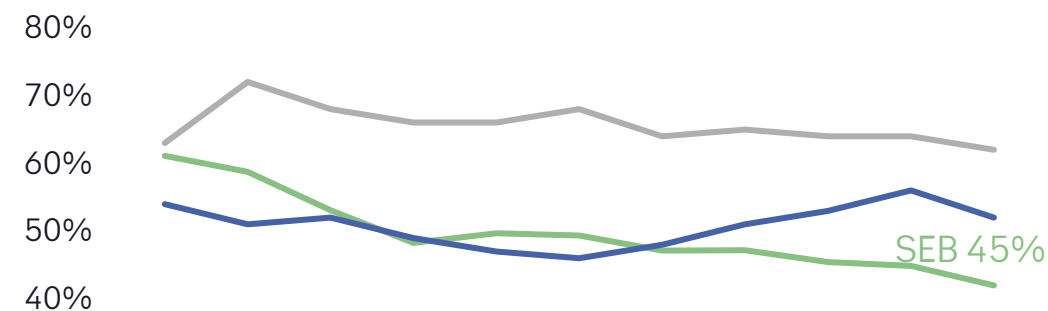


Source: Annual reports 2021

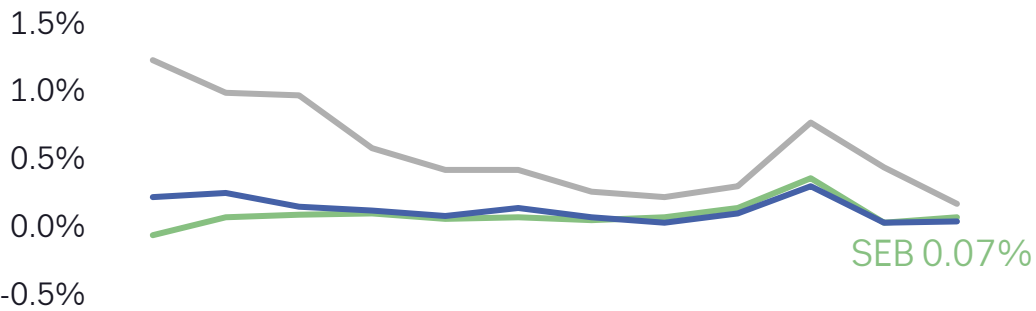
# Relative financial strength

- SEB
- Nordic peer average
- European peer average

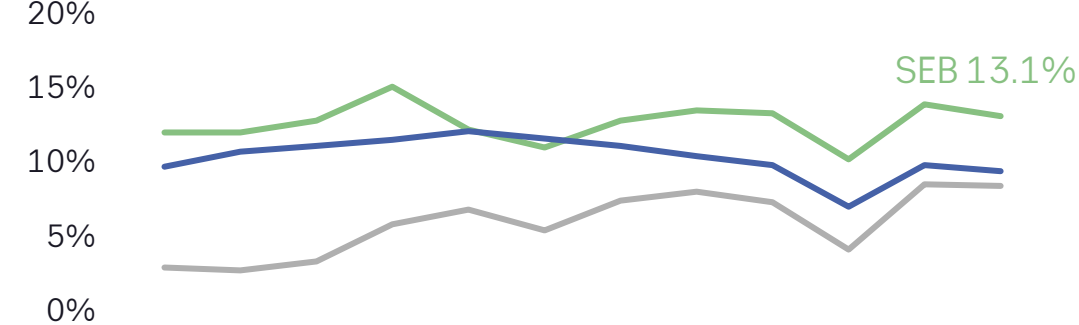
Cost / income ratio  
2011-Jun 2022, rolling LTM



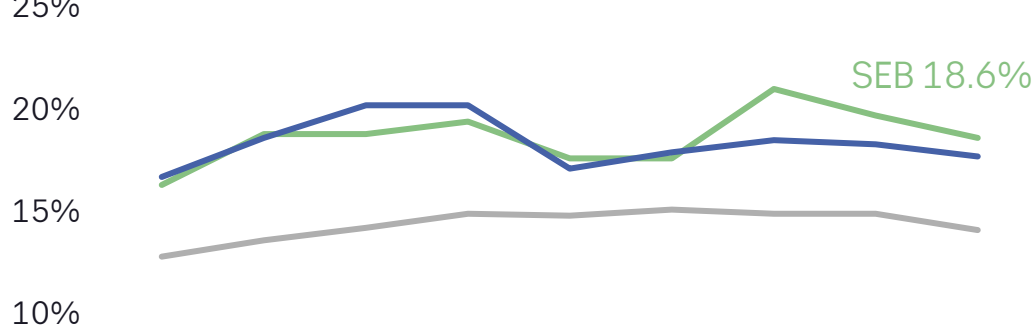
Cost of risk  
2011-Jun 2022, rolling LTM



Return on equity  
2011-Jun 2022, excluding IAC, rolling LTM



CET1 capital ratio  
2014-Jun 2022



Source: S&P Global



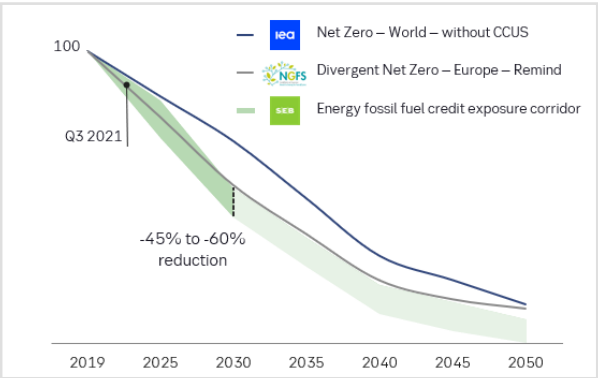
# Our ambition is to be a leading catalyst in the transition towards a sustainable society

## Climate ambitions and goals to ensure our progress

### The Brown Carbon Exposure Index

Measuring the fossil fuel credit exposure in our energy portfolio

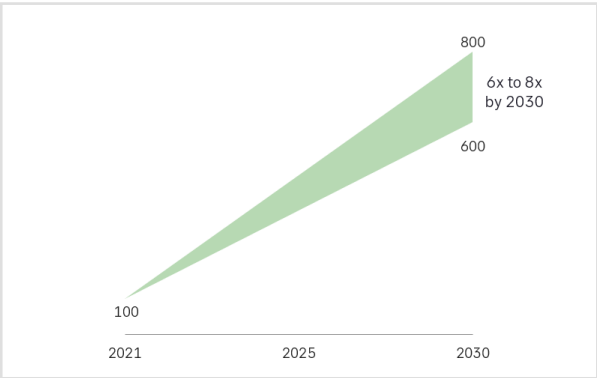
Goal: To reduce exposure by 45-60% by 2030, compared to a 2019 baseline



### The Green Sustainability Activity Index

Measuring our activities supporting the sustainable development

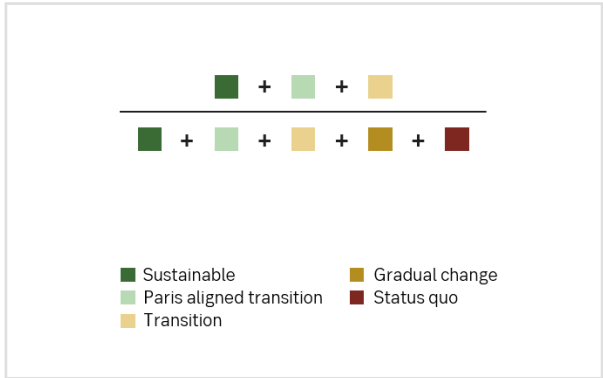
Ambition: To increase average activity 6x-8x by 2030, compared to a 2021 baseline



### The Future Transition Ratio

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>1</sup>



<sup>1</sup> Work ongoing to classify credit portfolio. Transition ratio to be communicated in 2022.

# Setting 2030 targets in alignment with Net-Zero Banking Alliance

*The 2030 sector targets are part of SEB's commitment to the Net Zero Banking Alliance, which SEB formed in 2021 together with 42 other banks in order to accelerate the transition of the global economy to net zero emissions by 2050 at the latest.*

*As part of the initiative, SEB has committed to align operational and attributable emissions from its credit portfolio with pathways to net-zero by 2050 or sooner, and to set interim targets for 2030.*

## SEB targets

Sector	Emissions scope <sup>1</sup>	Credit exposure <sup>4</sup>	Metric	2020 baseline	2030 target	Δ 2020-2030
Oil and gas: E&P <sup>2</sup> and refining	1, 2, 3	SEK 43.6bn	mtCO <sub>2</sub> e <sup>3</sup>	18.4	8.3	-55%
Power generation	1, 2	SEK 94.5bn	g CO <sub>2</sub> e / kWh	123	70	-43%
Steel	1, 2	SEK 10.9bn	tCO <sub>2</sub> e / t steel	1.40	0.98	-30%
Car manufacturing	3	SEK 17.5bn	g CO <sub>2</sub> e / km	153	61	-60%
Swedish household mortgages	1, 2	SEK 510.6bn	kg CO <sub>2</sub> e / m2	3.12	2.18	-30%
<i>Total credit exposure <sup>4</sup></i>		SEK 677.2bn				

<sup>1</sup> Scope 1 = direct emissions from own sources, scope 2 = indirect emissions from purchased energy, scope 3 = use of sold products. <sup>2</sup> Exploration and production. <sup>3</sup> Financed emissions.

<sup>4</sup> Total credit exposure includes on- and off-balance. Further information regarding SEB's Net-Zero Banking Alliance targets is available on [www.sebgroup.com](http://www.sebgroup.com)

# Our 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.

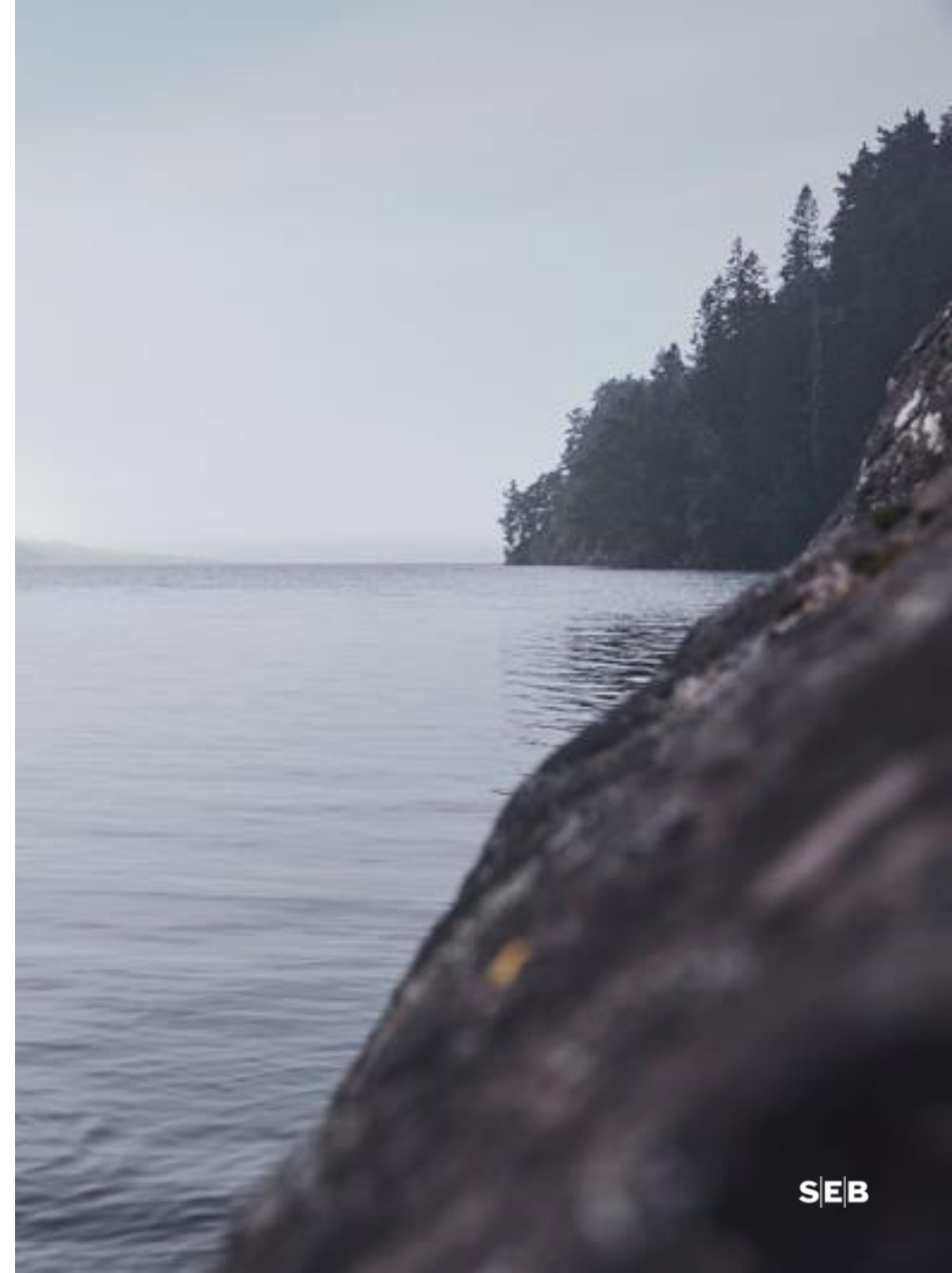
<sup>1</sup> Excluding items affecting comparability.

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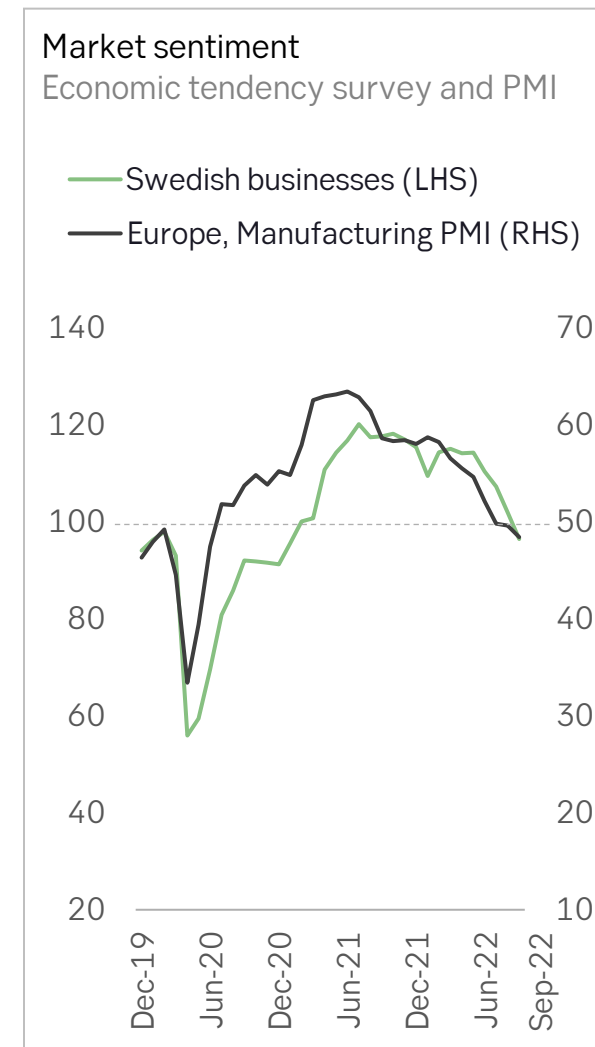
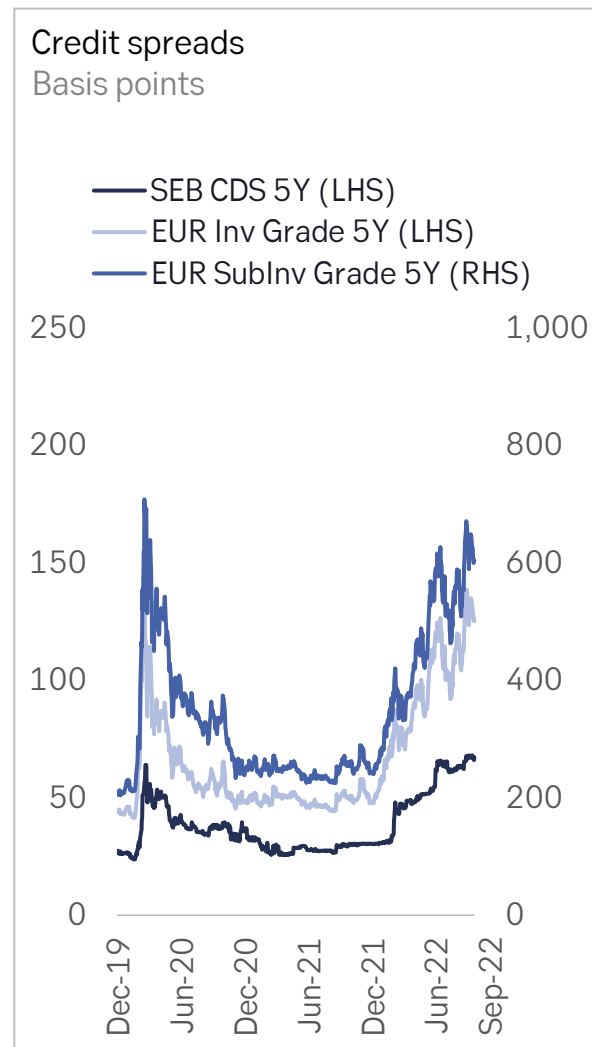
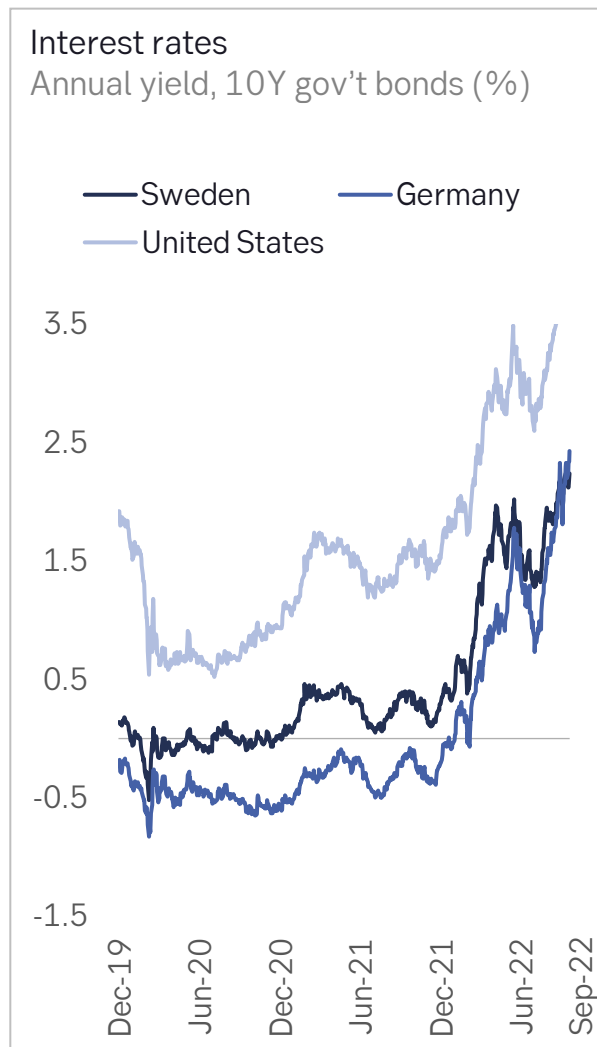
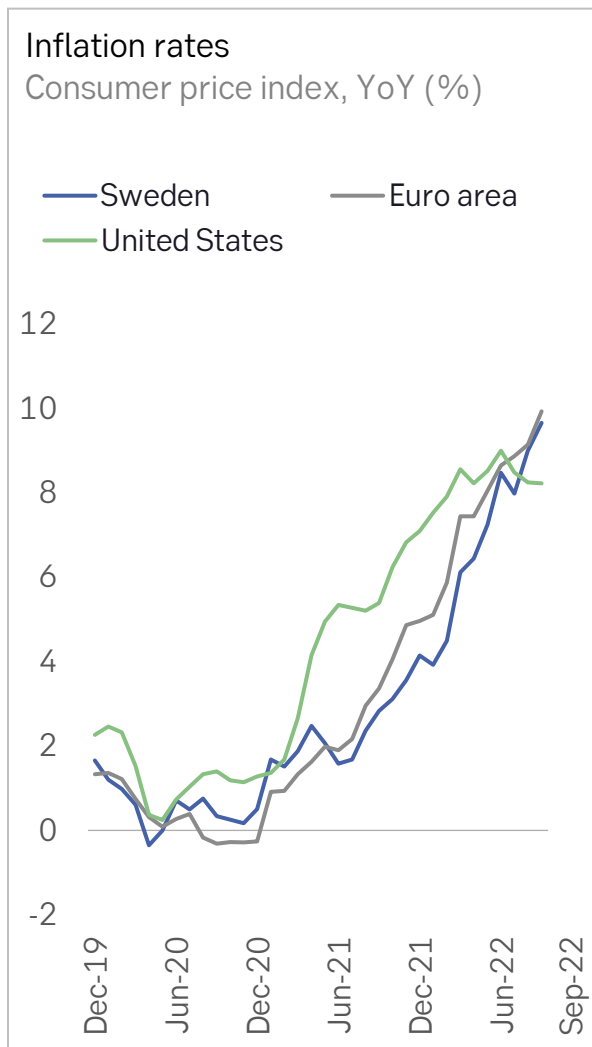


# Highlights in Q3 2022

- Continued operating leverage and robust asset quality led to 14.9 per cent return on equity, with a capital management buffer of 410 basis points
- Customer sentiment, activity and our results were impacted by higher inflation, rising interest rates and volatile financial markets
- A new quarterly SEK 1.25bn share buyback program launched



# Adapting to a new environment

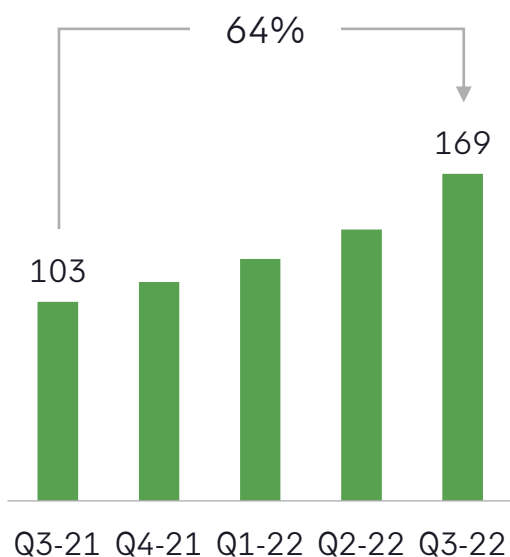


Note: data for interest rates and credit spreads per 20 October 2022.

# SEB's position in the sustainability transition

## Increase in sustainable financing...

Sustainable financing (SEK bn)  
(part of SEB's Green index)



## ... supporting our customers in their sustainability transitions



Mercedes-Benz

**Sustainability-linked loan**

EUR 11bn



**Green bond**

NOK 2bn

## 2030 targets aligned with Net-Zero Banking Alliance



SEB committed to align **operational and attributable emissions** from its credit portfolio with pathways to net-zero by 2050 or sooner, and to set interim targets for 2030

SEB has now set five sector targets

## Transition in numbers: SEB Sustainability Event 2022

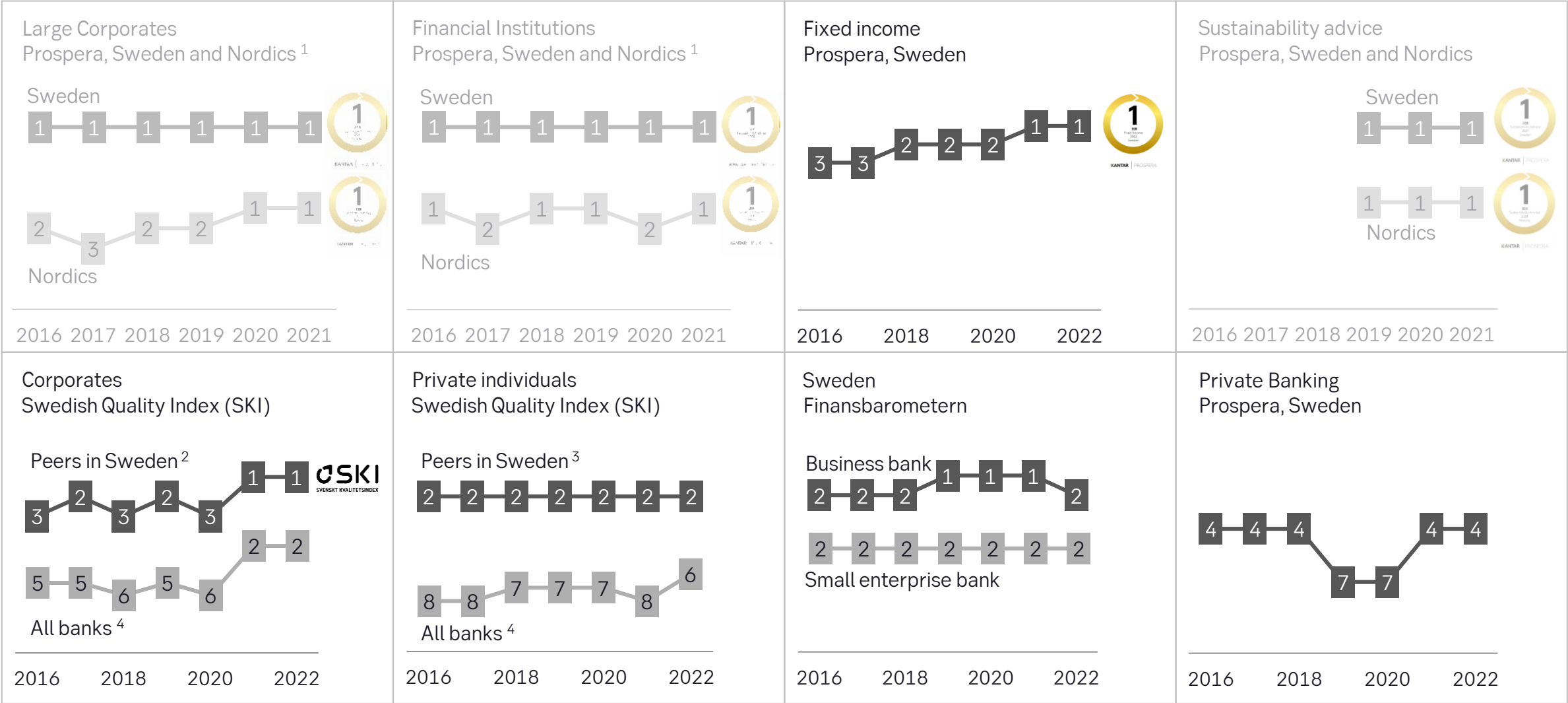
A year after the launch of **our sustainability strategy**



Save the date:  
**15 November 2022**

Note: more information regarding SEB's Net-Zero Banking Alliance targets available on [www.sebgroup.com](http://www.sebgroup.com).

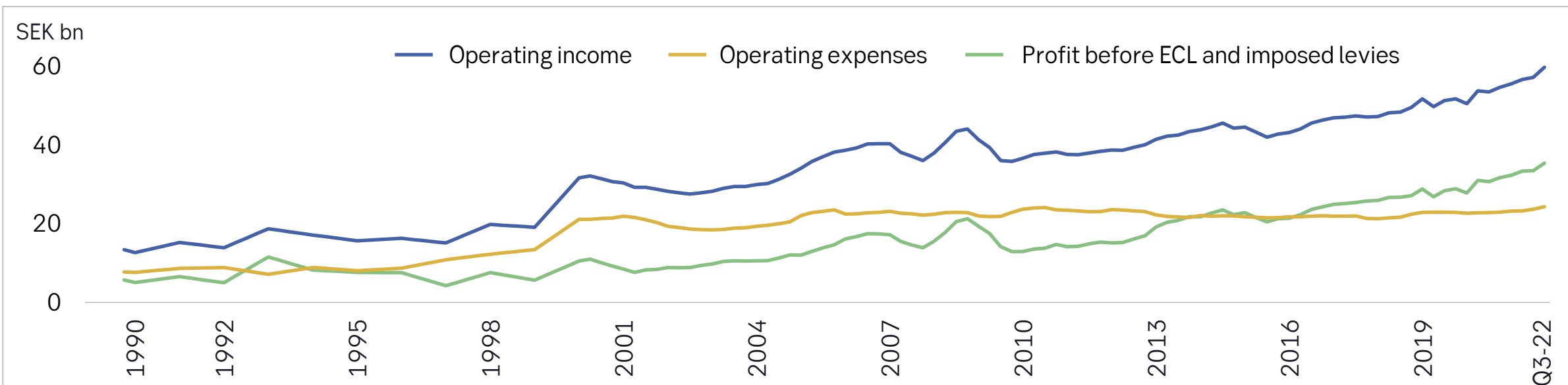
# Our efforts have resulted in positive feedback from our customers



<sup>1</sup> All Tiers. <sup>2</sup> Ranking including SEB, Handelsbanken, Swedbank, Nordea, Danske Bank. <sup>3</sup> Ranking including SEB, Handelsbanken, Swedbank, Nordea. <sup>4</sup> Banks with less than 300 respondents are summarised as one actor ('Other').



# Operating leverage over time



Compound annual growth rate (CAGR)

1990 – Q3-22

2013 – Q3-22

2017 – Q3-22

Operating income

+5%

+5%

+6%

Operating expenses

+4%

0%

+2%

Profit before ECL and imposed levies

+6%

+9%

+9%

Note: data based on rolling four quarters. Figures restated since 2016.

# Financial summary YTD 2022

SEK m	Jan-Sep 2022	Jan-Sep 2021	
<b>Total operating income</b>	<b>45,759</b>	<b>41,511</b>	<b>+10%</b>
Net interest income	23,728	19,380	+22%
Net fee and commission income	16,157	15,258	+6%
Net financial income	5,812	6,718	-13%
Total operating expenses	-18,288	-17,148	+7%
<b>Profit before ECL and imposed levies</b>	<b>27,472</b>	<b>24,363</b>	<b>+13%</b>
Net expected credit losses	-1,501	-211	
Imposed levies	-1,711	-764	+124%
<b>Operating profit</b>	<b>24,260</b>	<b>23,388</b>	<b>+4%</b>

Net ECL level  
7 bps

C/I  
0.40

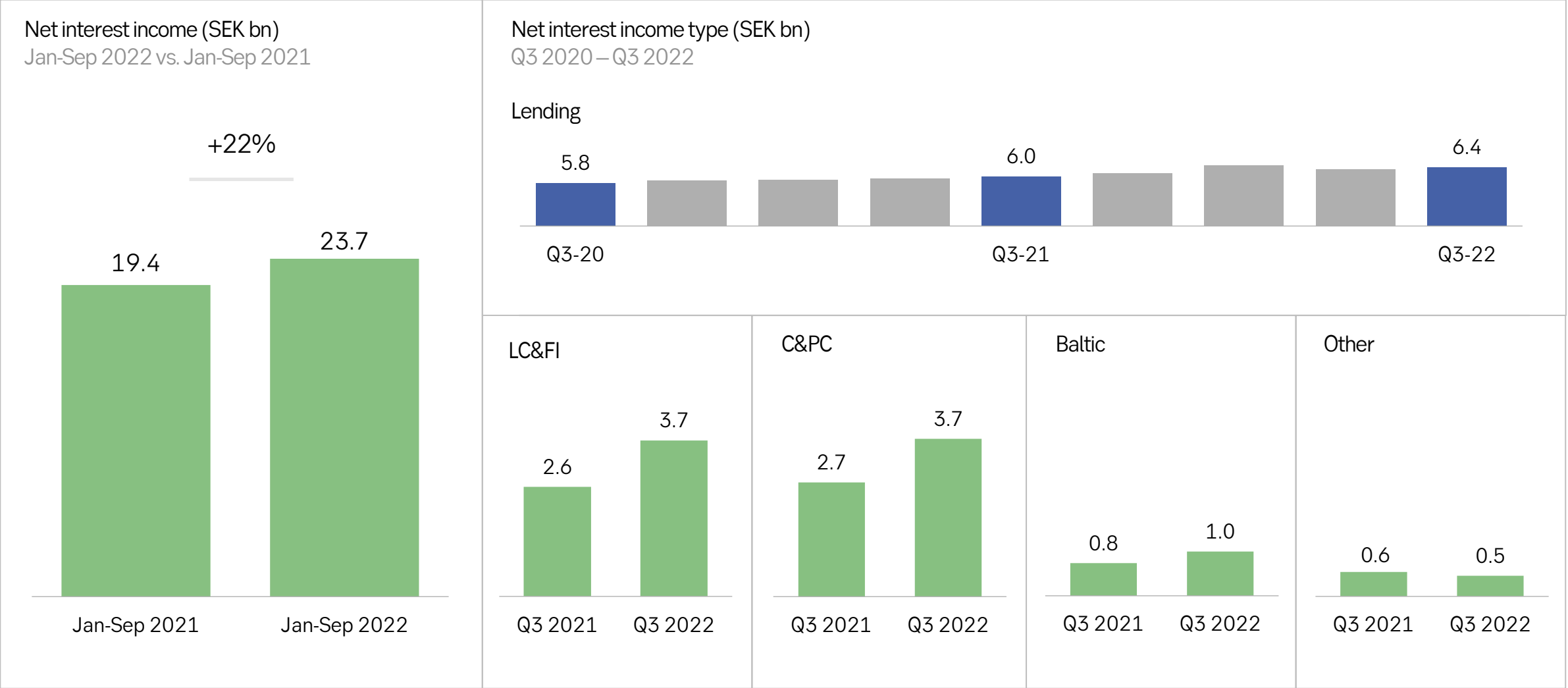
CET1  
18.1%

RoE  
13.5%

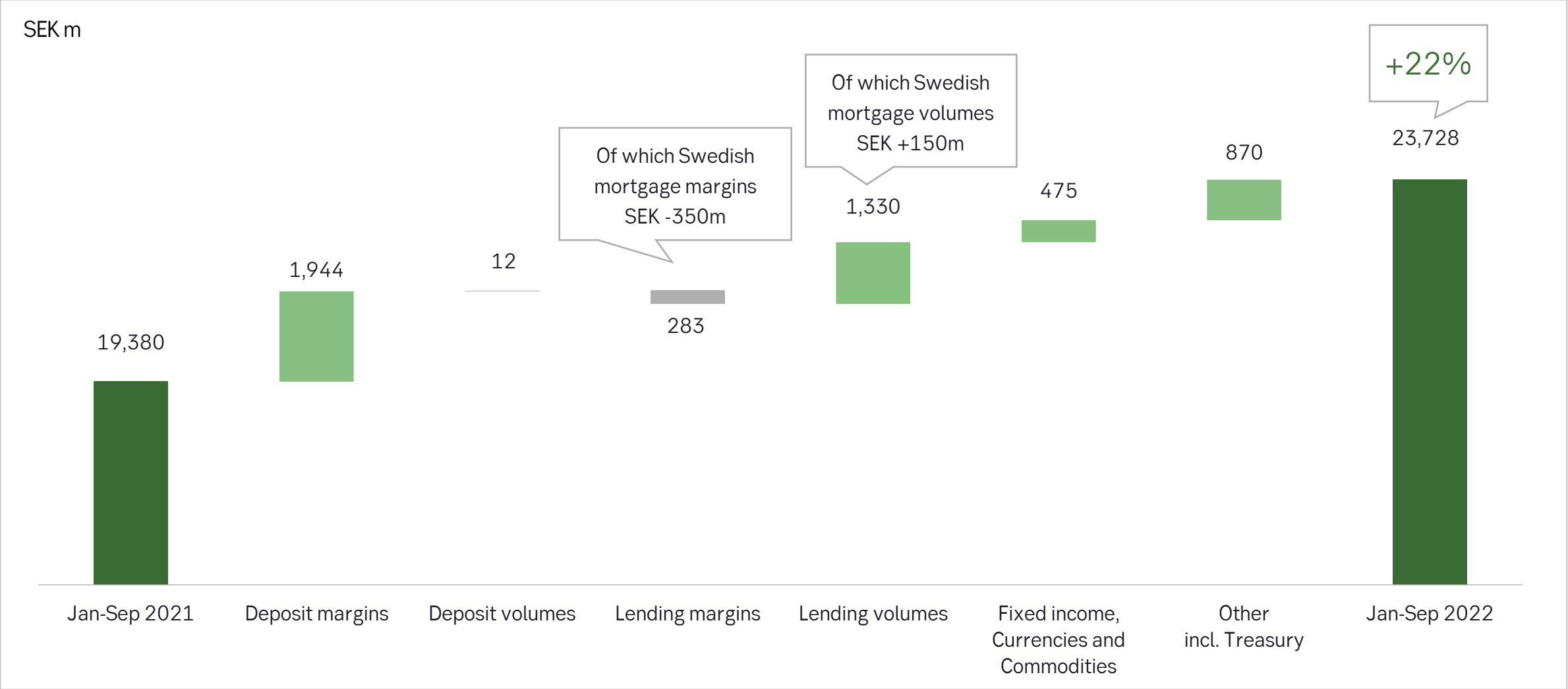
# Financial summary Q3 2022

SEK m	Q3 2022	Q2 2022		Q3 2021		
<b>Total operating income</b>	<b>16,551</b>	<b>14,441</b>	<b>+15%</b>	<b>13,971</b>	<b>+18%</b>	Net ECL level 8 bps
Net interest income	8,925	7,742	+15%	6,612	+35%	
Net fee and commission income	5,261	5,498	-4%	5,202	+1%	C/I 0.38
Net financial income	2,324	1,154	+101%	2,119	+10%	
Total operating expenses	-6,293	-6,201	+1%	-5,671	+11%	CET1 18.1%
<b>Profit before ECL and imposed levies</b>	<b>10,258</b>	<b>8,240</b>	<b>+24%</b>	<b>8,300</b>	<b>+24%</b>	
Net expected credit losses	-567	-399	+42%	-49		RoE 14.9%
Imposed levies	-572	-556	+3%	-255	+125%	
<b>Operating profit</b>	<b>9,118</b>	<b>7,285</b>	<b>+25%</b>	<b>7,997</b>	<b>+14%</b>	

# Net interest income development

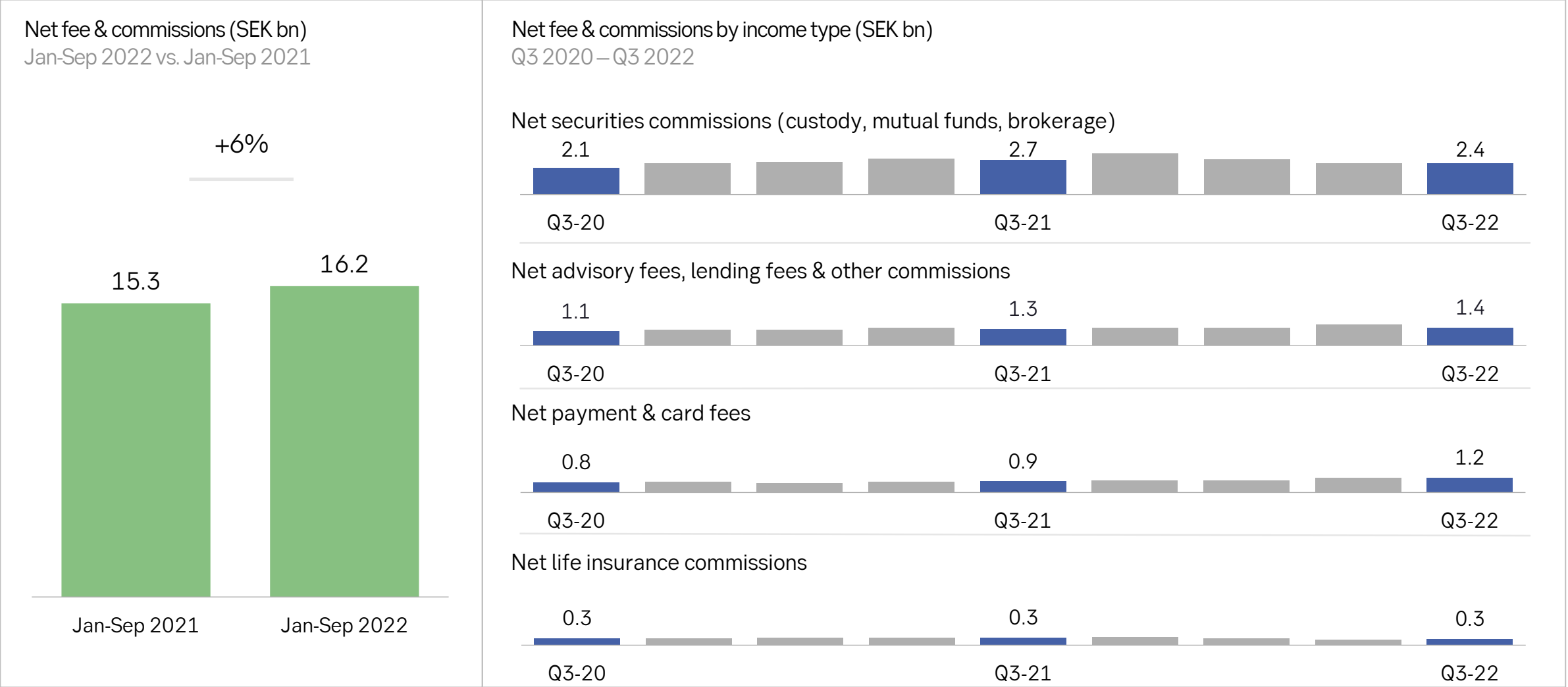


# Net interest income development

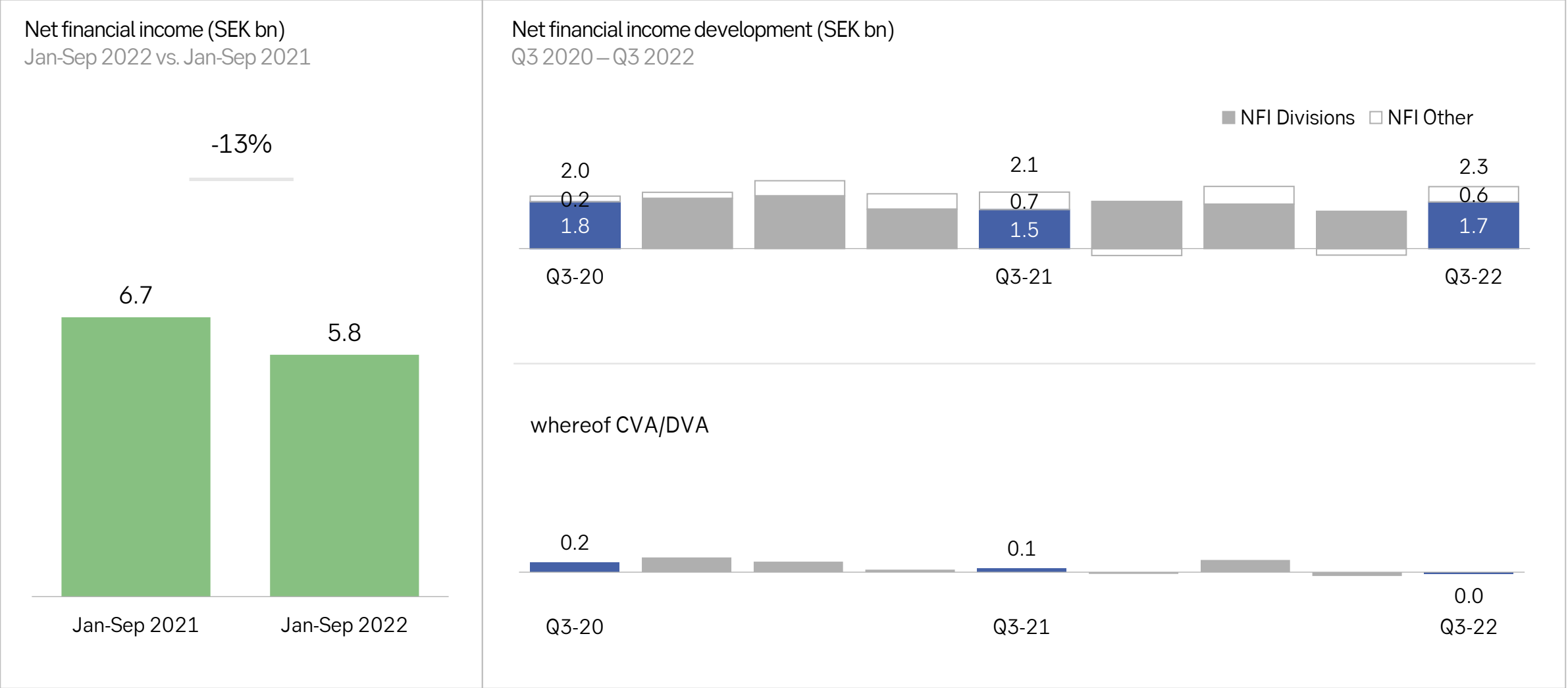


Note: including fx-effect of SEK +325m.

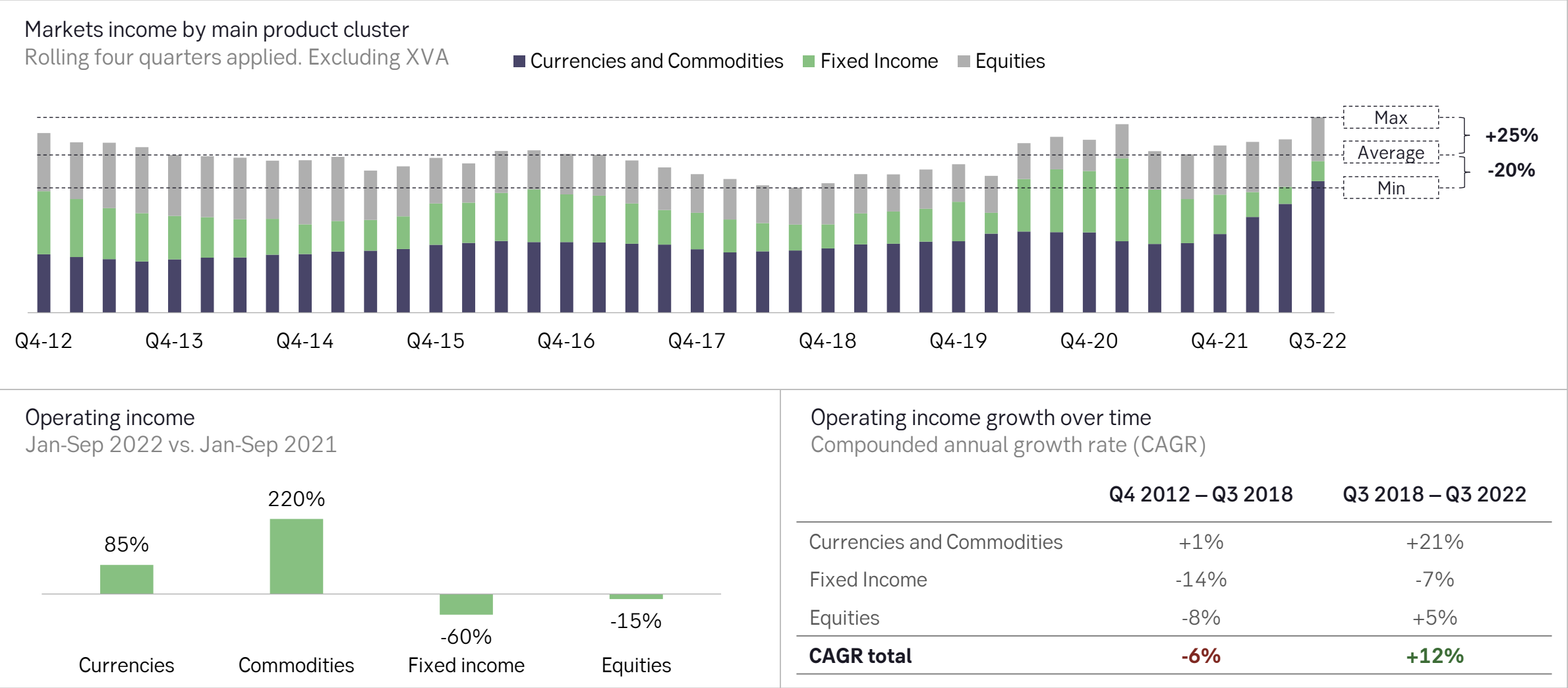
# Net fee & commission income development



# Net financial income development



# Fixed income, currencies and commodities from a long-term perspective





# Strong asset quality and balance sheet

2021

## Asset quality

Net expected credit loss level	2 bps
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## Funding & liquidity

Customer deposits (SEK)	1,597bn
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Liquidity coverage ratio	145%
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Net Stable Funding Ratio (NSFR)	111%
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## Capital

CET1 ratio (Basel 3)	19.7%
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CET1 buffer above requirement	590 bps
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Total capital ratio (Basel 3)	23.1%
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Leverage ratio (Basel 3)	5.0%
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September 2022

## Asset quality

Net expected credit loss level	7 bps
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## Funding & liquidity

Customer deposits (SEK)	2,127bn
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Liquidity coverage ratio	120%
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Net Stable Funding Ratio (NSFR)	109%
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## Capital

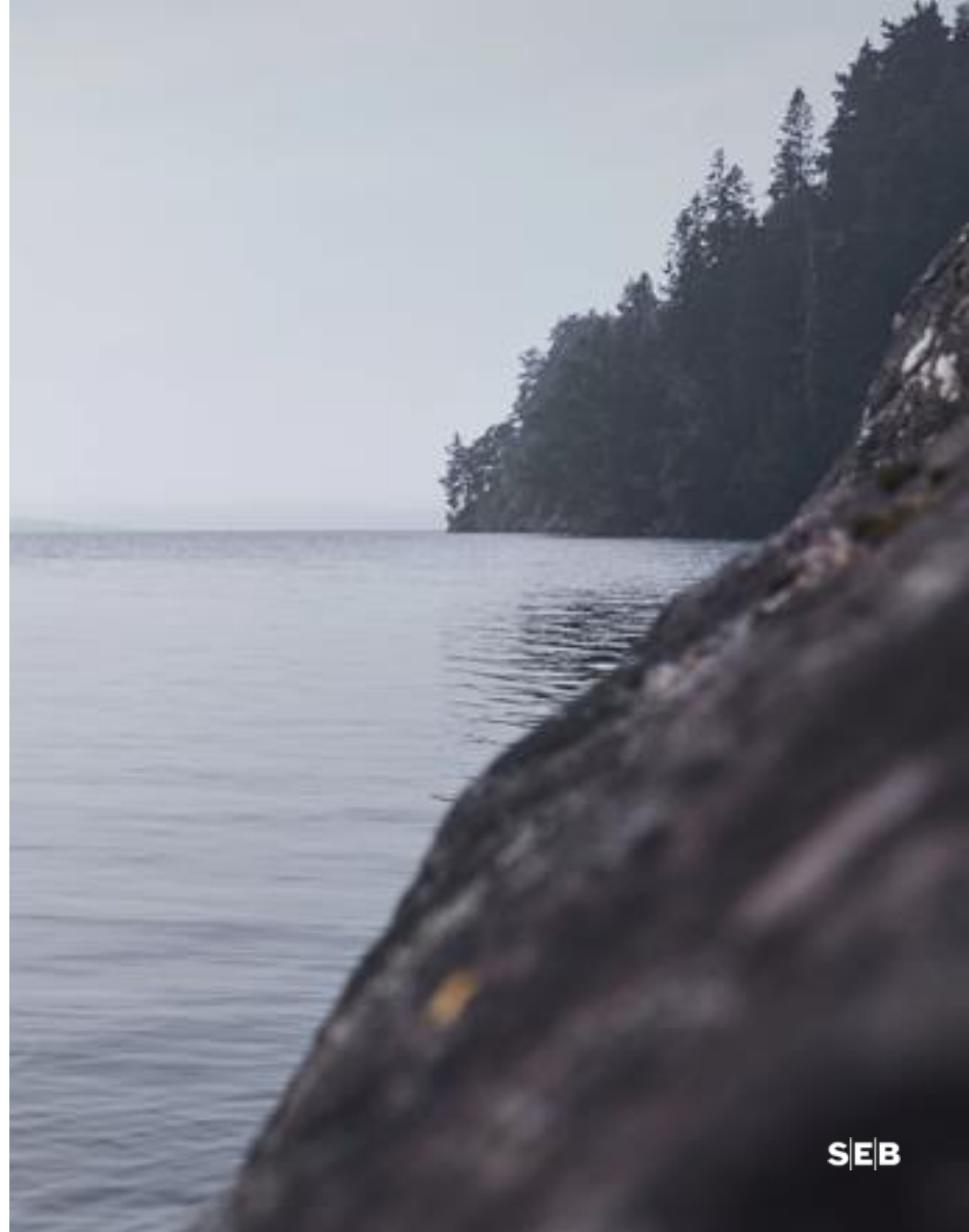
CET1 ratio (Basel 3)	18.1%
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CET1 buffer above requirement	410 bps
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Total capital ratio (Basel 3)	21.6%
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Leverage ratio (Basel 3)	4.3%
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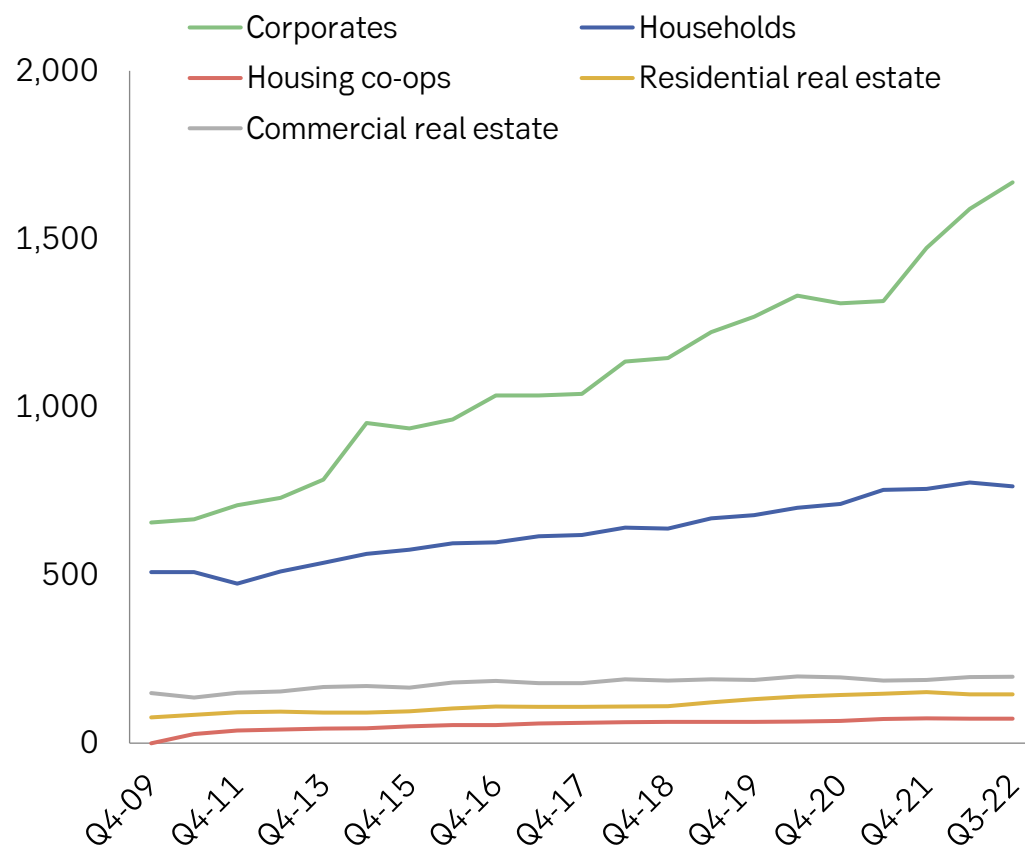
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# Development of credit portfolio

Credit portfolio by main sectors

SEK bn



Credit portfolio growth rates

Quarter-on-quarter and year-on-year

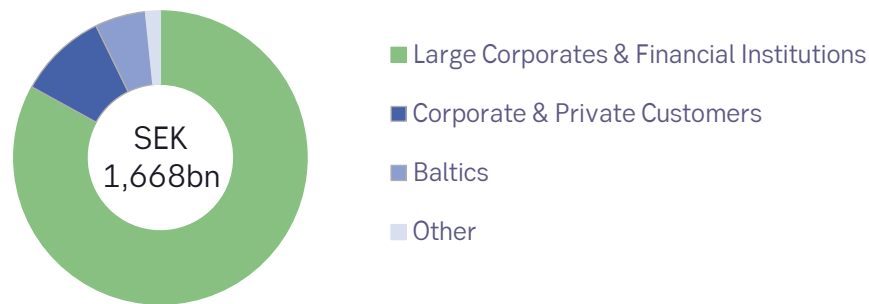
Sector	QoQ	YoY
Corporates	5%	25%
FX-adjusted <sup>1</sup>	3%	11%
Households	-2%	1%
Swedish mortgages	-2%	0%
Commercial real estate	0%	6%
Residential real estate	-1%	-4%
Housing co-ops	0%	0%
<b>Total (excluding banks)</b>	<b>3%</b>	<b>14%</b>

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

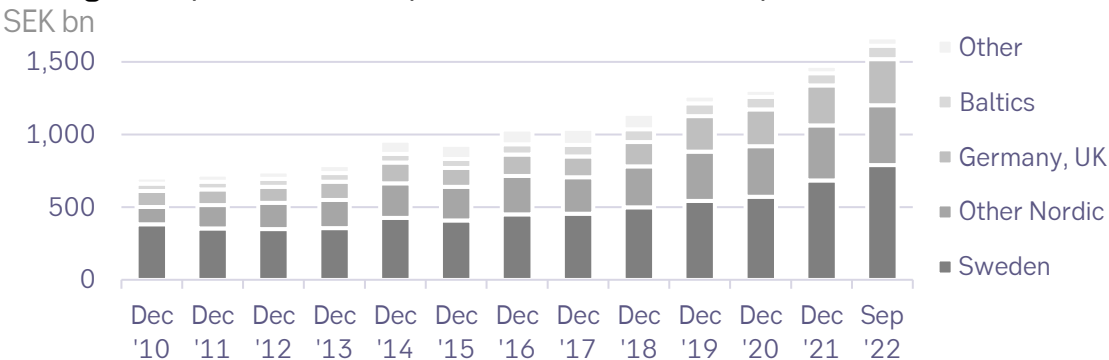
# SEB's corporate portfolio is focused on large corporates and well diversified

## Focus on large corporates

Corporate credit portfolio by division (excludes real estate)

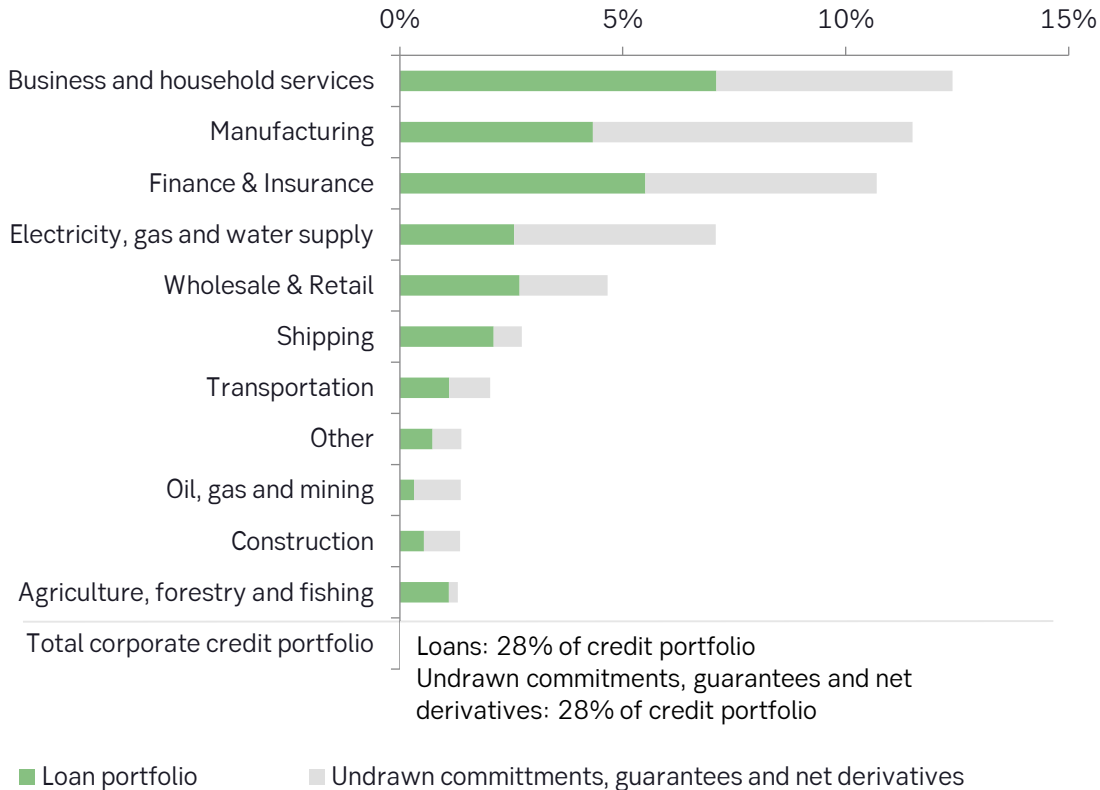


## Geographical diversification – further diversification from high share of large companies with export and international operations

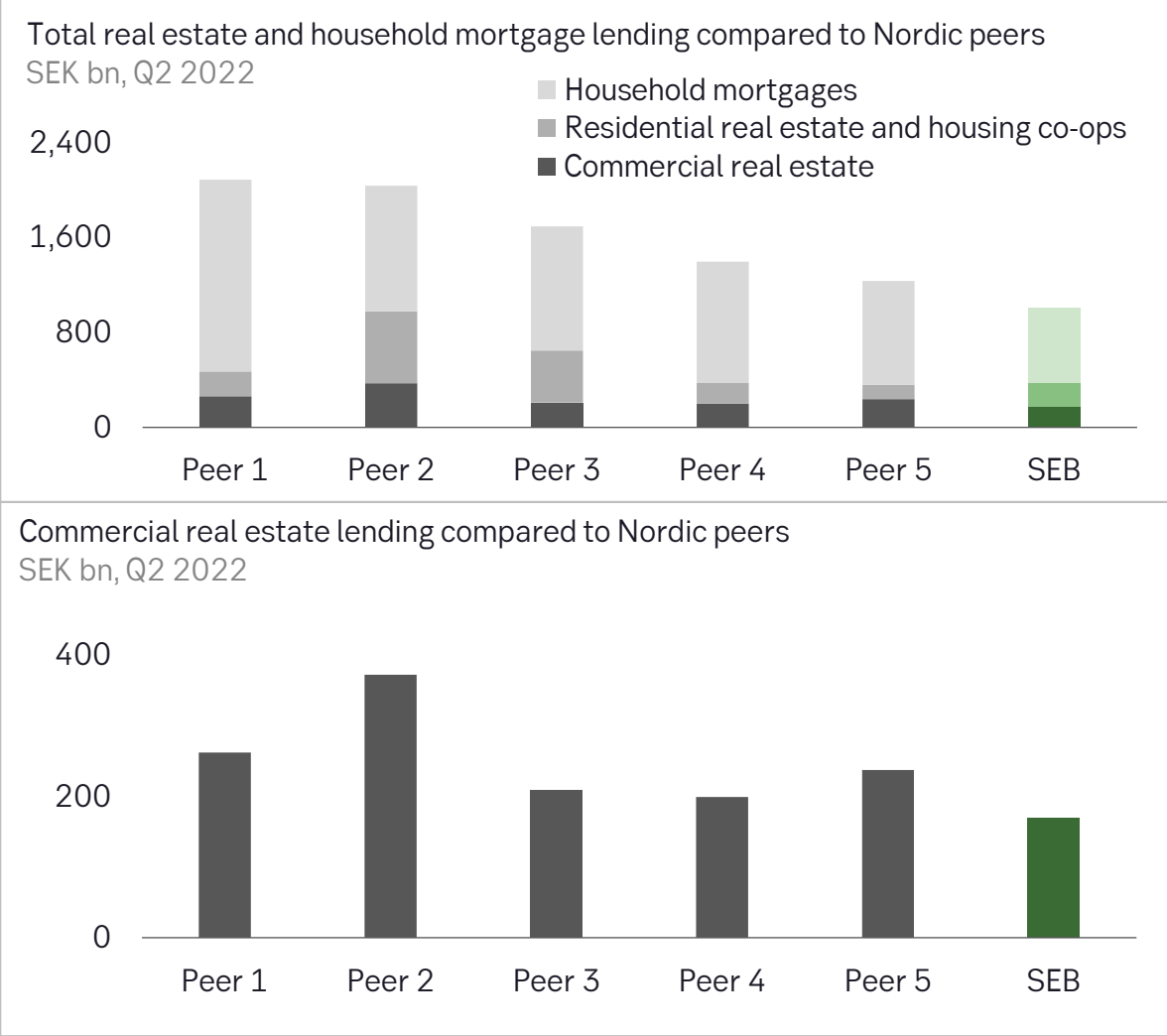


## Industry diversification and low on-balance sheet exposure

% of credit portfolio excluding banks, 30 September 2022



# SEB's real estate portfolio is resilient to higher interest rates



## Conservative underwriting standards

- Group-wide risk tolerance and divisional volume caps.
- Cash-flow based underwriting standards, interest rate stress tests, restrictions on Loan-to-Value and Debt Service Ability.
- Majority of large clients hedging interest rates (average 3-4 years).
- Professional clients operating in Sweden and Nordics with diversified property portfolios and funding sources.

## Average Loan-to-Value, Q3 2022

Commercial real estate	Residential real estate	Housing co-ops
45.0%	46.6%	27.9%

- Commercial and residential property values need to drop more than ~25% in order to reach regulatory risk weight floors, given current Probability of Default (PD) levels.

## 20 largest real estate clients resilient against higher interest rates

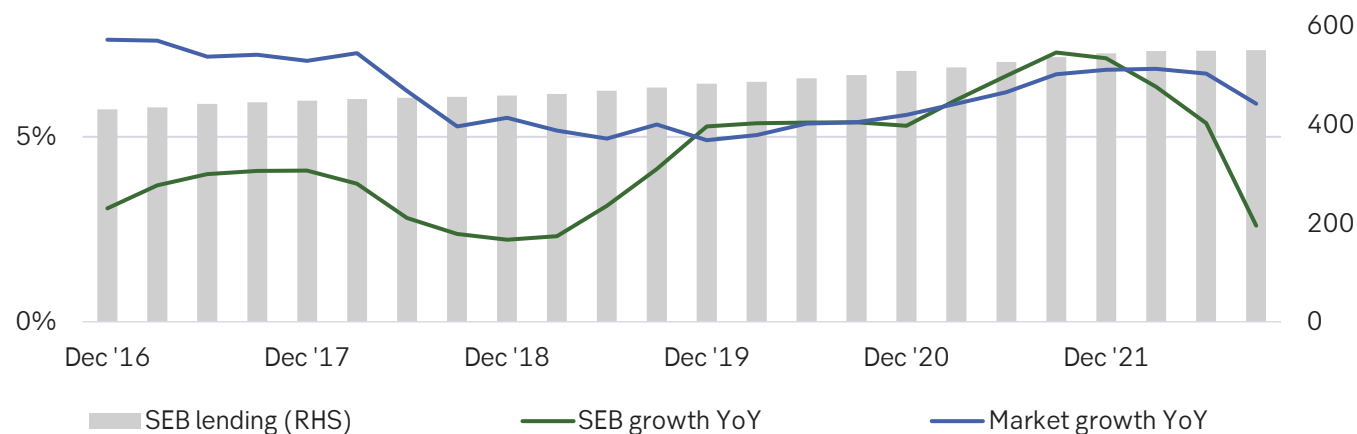
- Average Interest Coverage Ratio (ICR) at 4.5x by Q2 2022.
- Internal stress test assuming a 3M STIBOR at 4% by year-end 2023. <sup>1</sup>
  - Average ICR in stressed scenario: 2.0x.
  - All clients at or above 1x ICR in stressed scenario.

Note: Peer lending figures based on best estimate. Source: Fact books, interim reports, risk reports.

<sup>1</sup> Given average interest rate hedging of 3-4 years, this translates to about 200bps higher funding cost vs. Q2 2022. Includes commercial and residential real estate clients.

# SEB's household mortgages are of high asset quality and based on affordability

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



Low LTVs by global and regional standards

30 Sep 2022

Loan-to-value

Share of portfolio

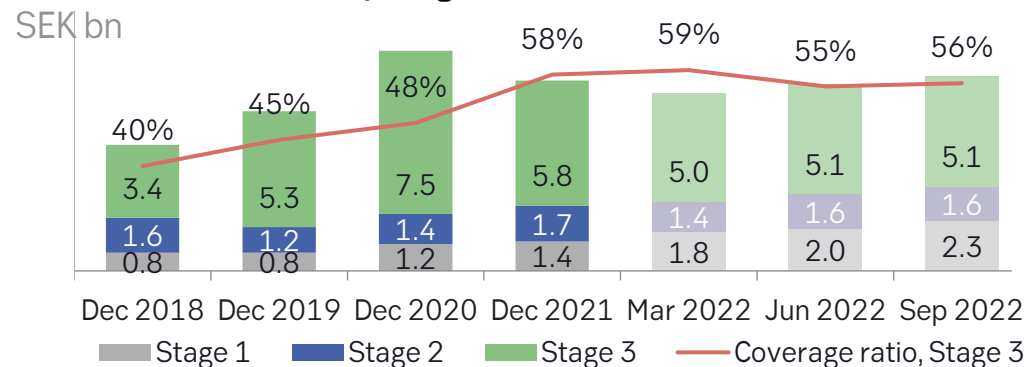


Weighted average LTV = 53.5%

- **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, in case of apartments, an additional stress of 4.25% 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

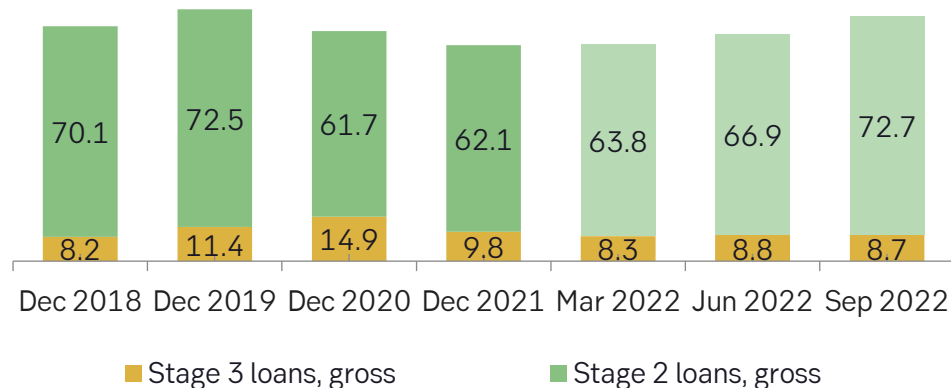
# Robust credit quality over time

Total ECL allowances by stage

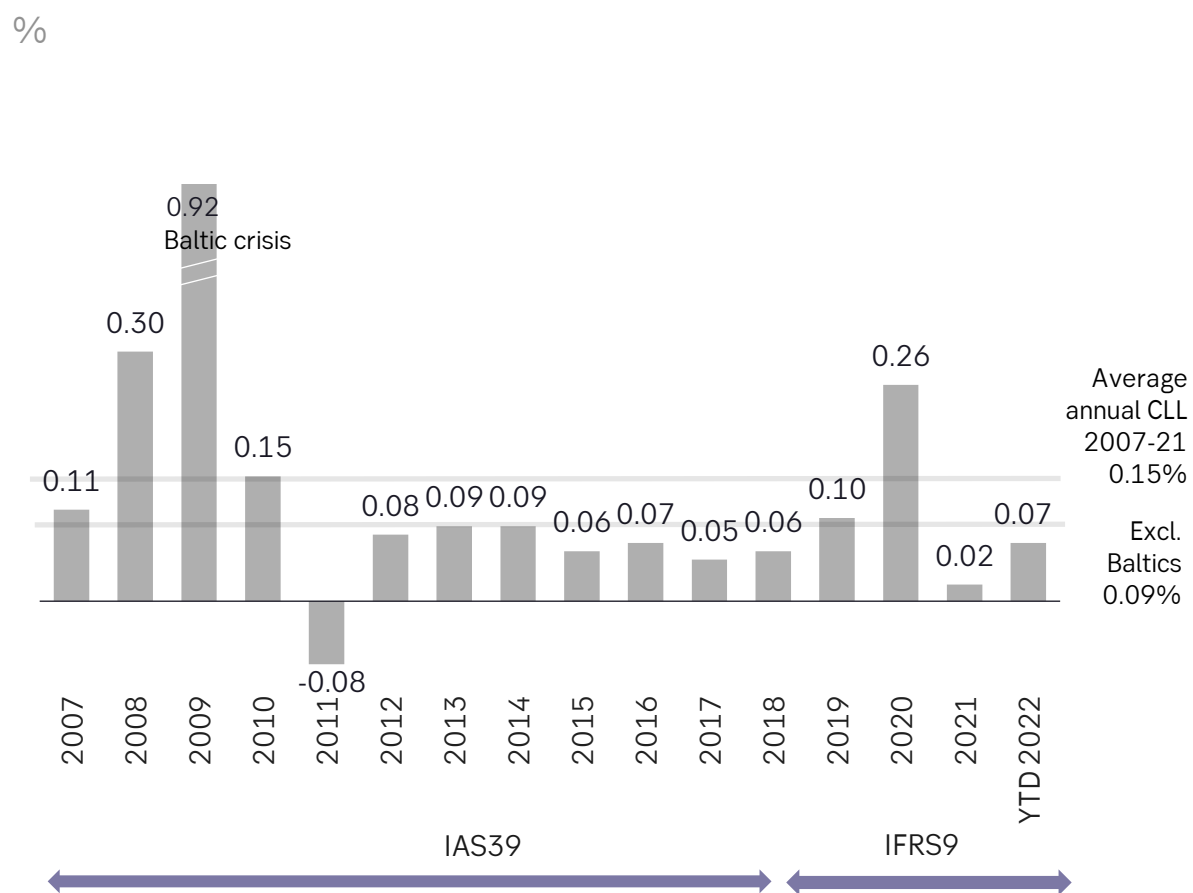


Stable asset quality

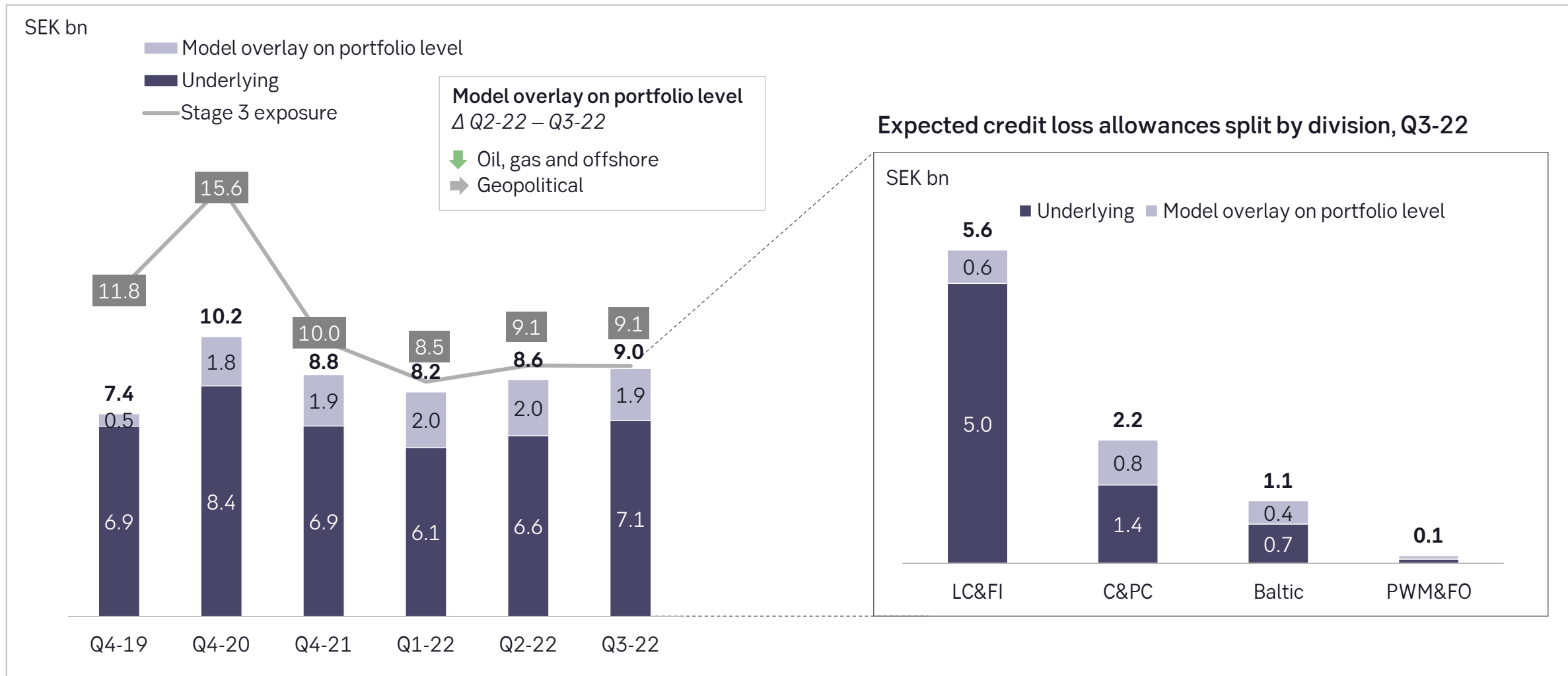
Stage 2 and 3 loans, gross, SEK bn



Credit loss level



# Expected credit loss allowances

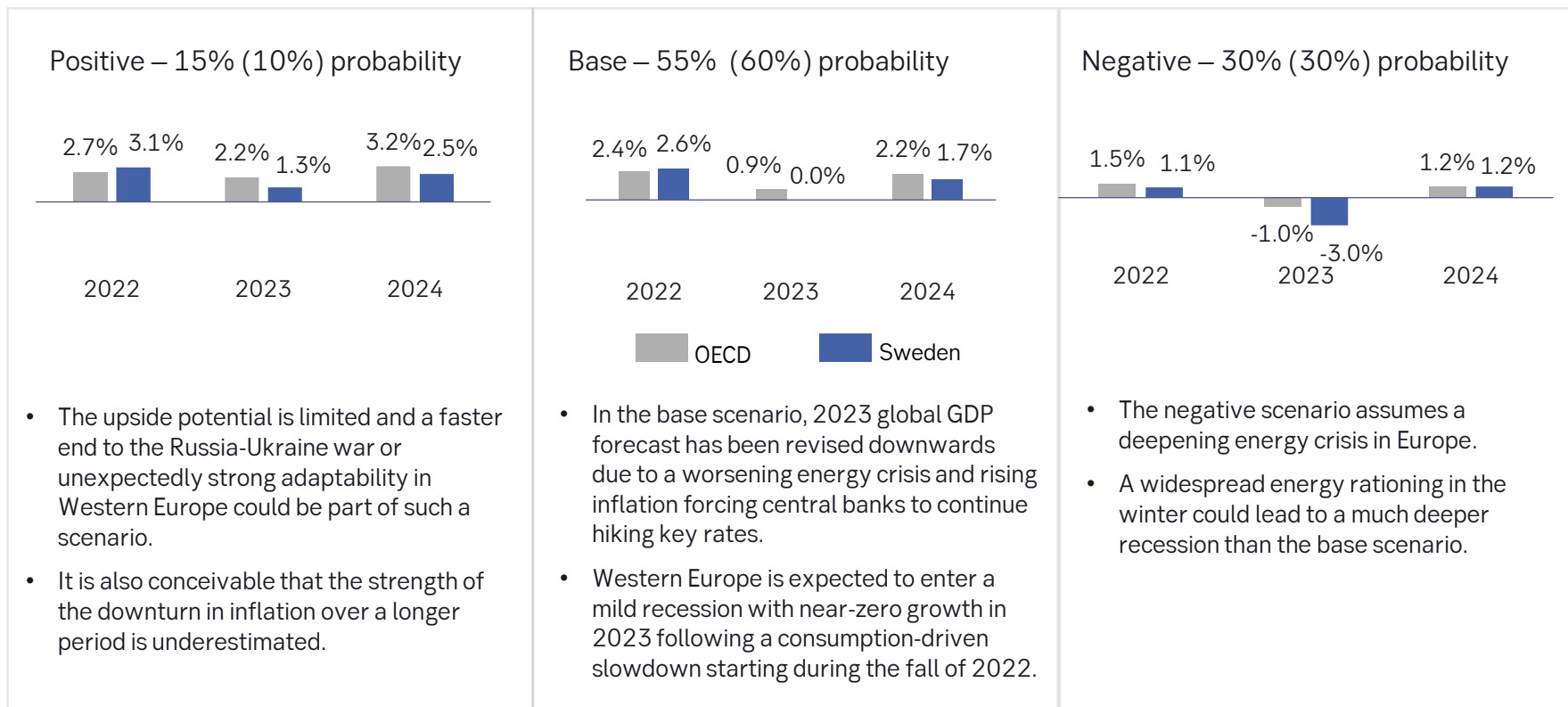




# Updated macro scenarios led to an increase of ECL allowances in Q3

## Three scenarios for ECL modelling

GDP growth assumptions Q3 2022 (Q2 2022)

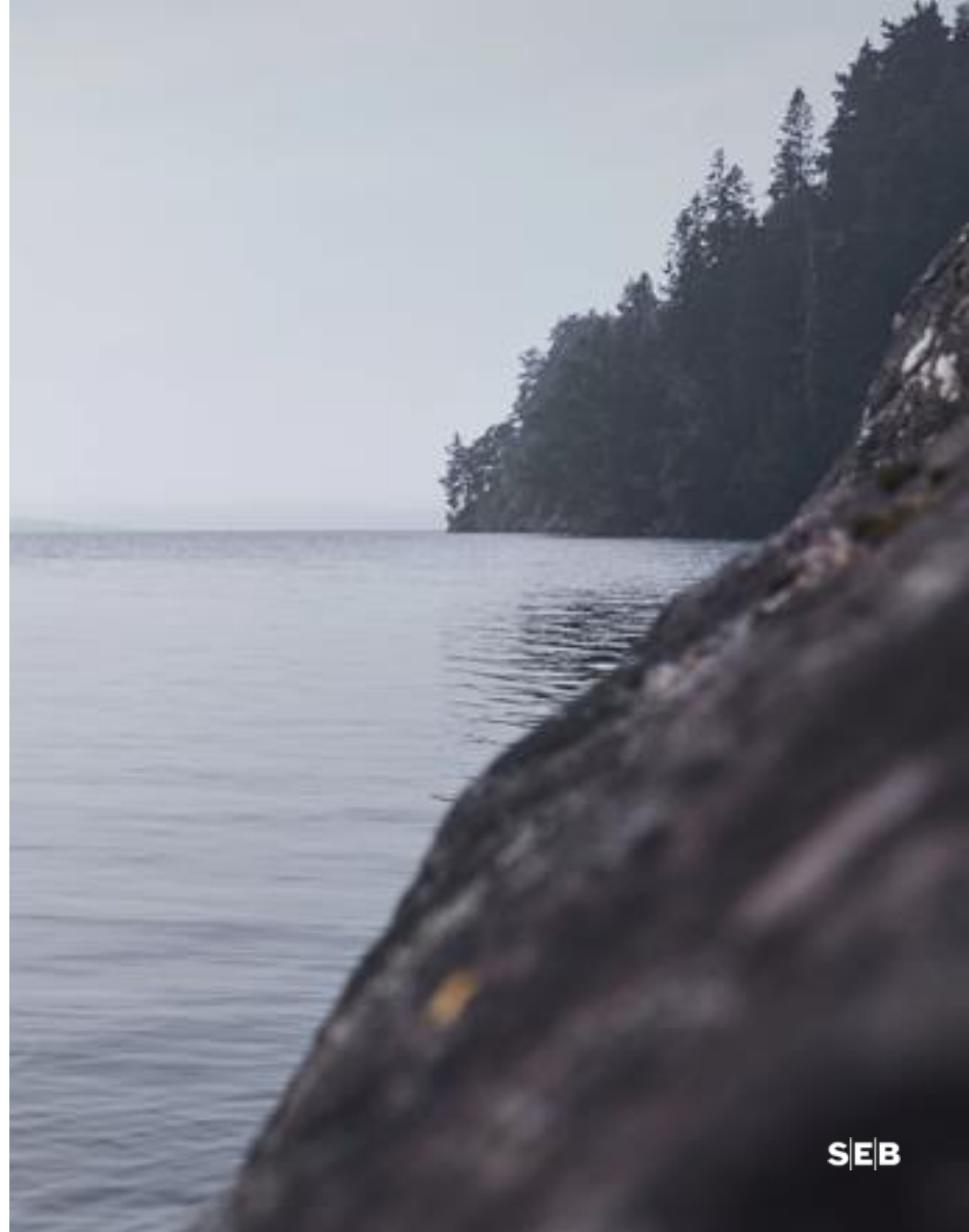


Probability-weighted ECL allowances:  
SEK 9.0bn

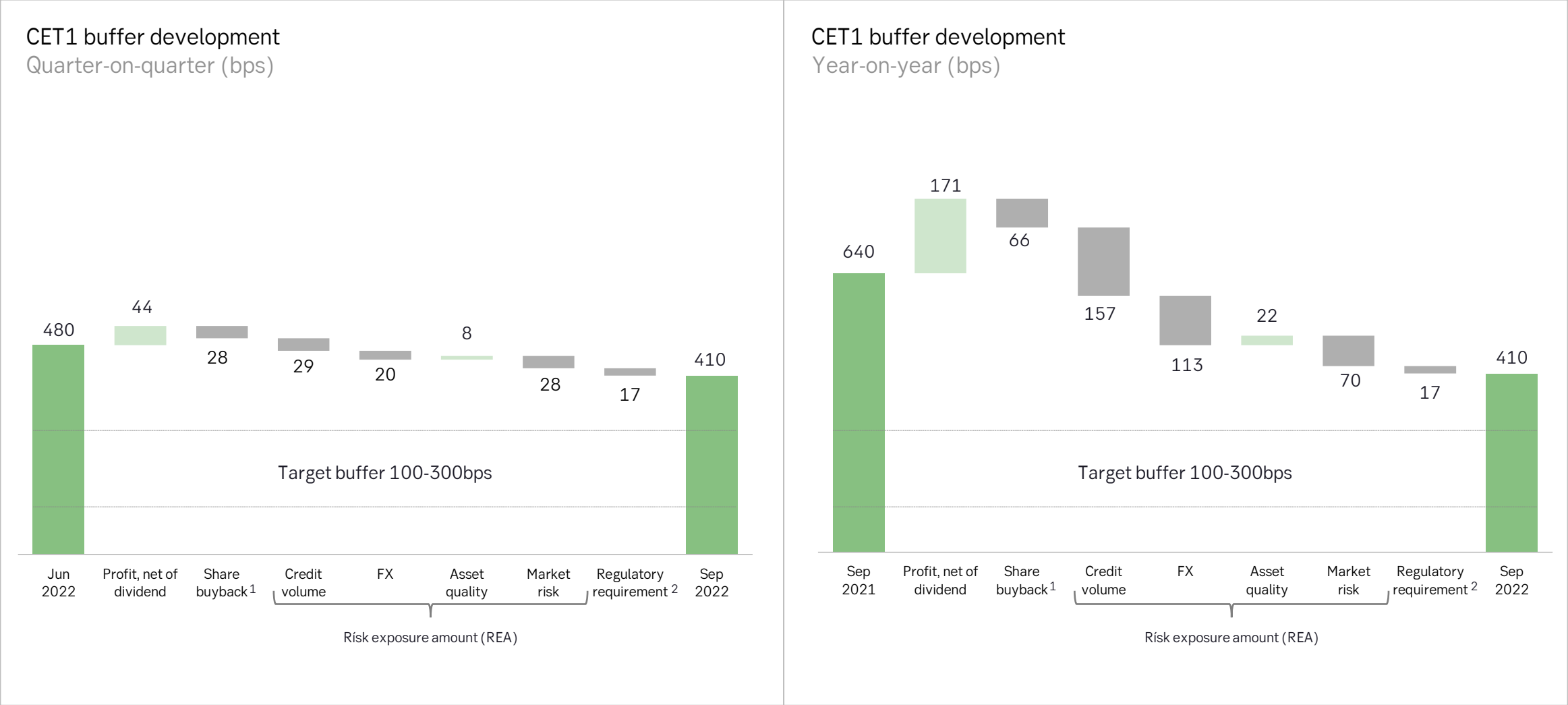
100% probability of positive scenario:  
-4% ECL allowances

100% probability of negative scenario:  
+6% ECL allowances

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# Capital development

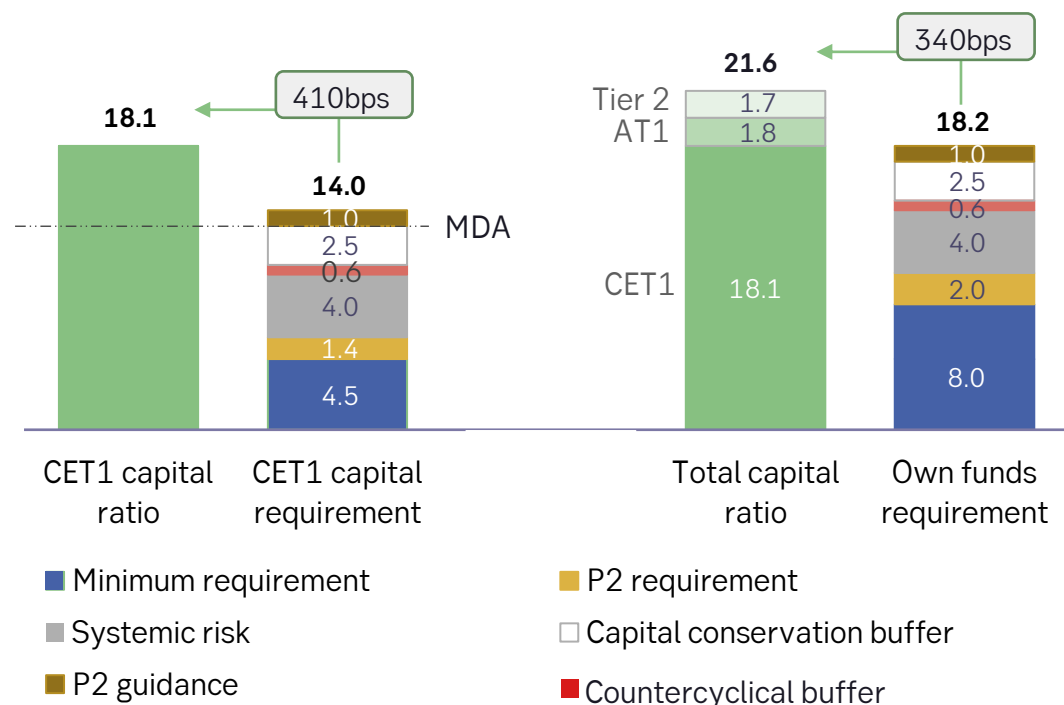


<sup>1</sup> SEB has received supervisory approval to repurchase shares for up to SEK 2.5bn until the 2023 AGM, and has deducted this amount in full from the CET1 capital.

<sup>2</sup> Per 29 September 2022, the countercyclical buffer requirement in Sweden increased from 0 to 1 per cent.

# Strong capital position vs. requirements

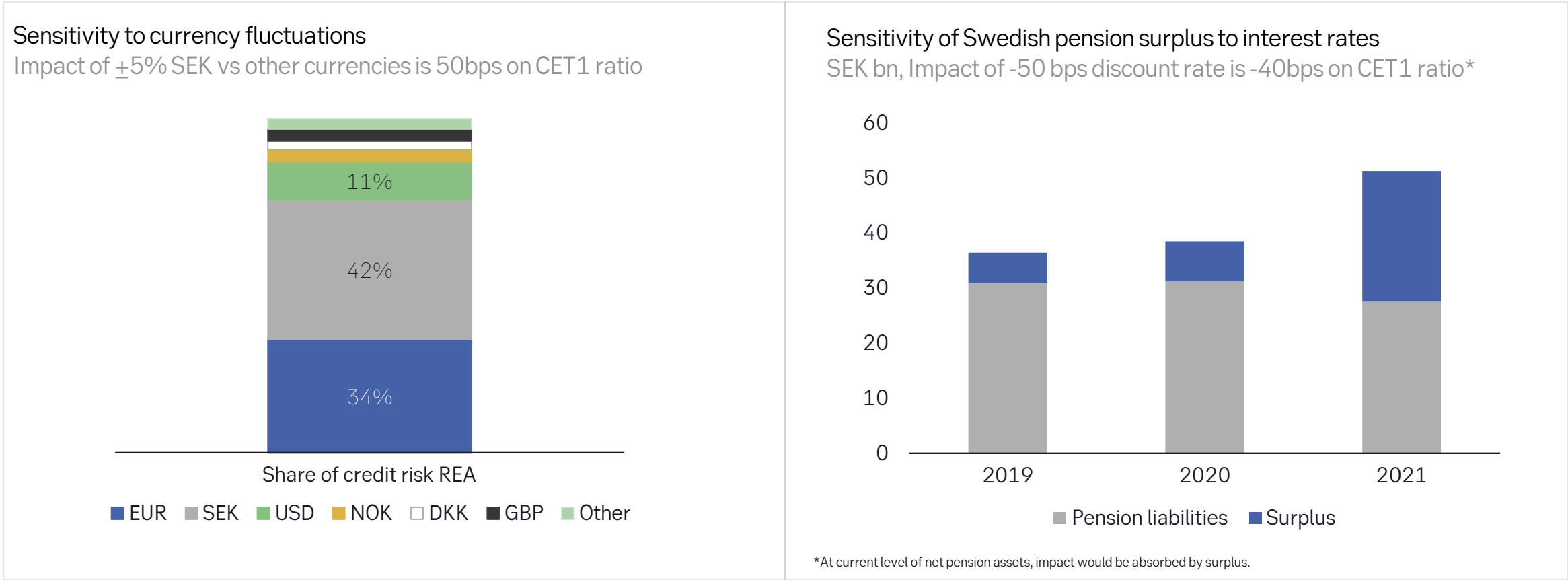
SEB's CET1 and total capital position vs requirements  
%, 30 Sep 2022



- CET1 capital buffer of 410bps above regulatory requirement and P2G, compared to target management buffer of 100-300bps
- CET1 capital requirement at 14.0% (13.8)
  - P2R increased to 2.0% (1.8) while P2G lowered to 1.0% (1.5)
  - Countercyclical buffer for Sweden raised to 1.0% in September 2022; to be raised to 2.0% in June 2023
- Leverage ratio at 4.3% (4.3). The requirement and P2G is 3.45%

The minimum requirement for total capital can be met by max 1.5% AT1 and 2.0% Tier 2 capital. The P2 requirement of 2.0% consists of 1.4% in CET1, 0.2% in AT1 (~10% of the P2R) and 0.5% in Tier 2 capital (~23% of the P2R). Other decided countercyclical buffers include: Norway from 1.5% to 2.0% in Q4 2022 and 2.5% in Q1 2023; Denmark from 0% to 1.0% in Q3 2022, to 2.0% in Q4 2022 and to 2.5% in Q1 2023; Lithuania from 0% to 1.0% in Q4 2023; Estonia from 0% to 1.0% as of Q4 2022; the UK from 0% to 1.0% in Q4 2022 and to 2.0% in Q4 2023.

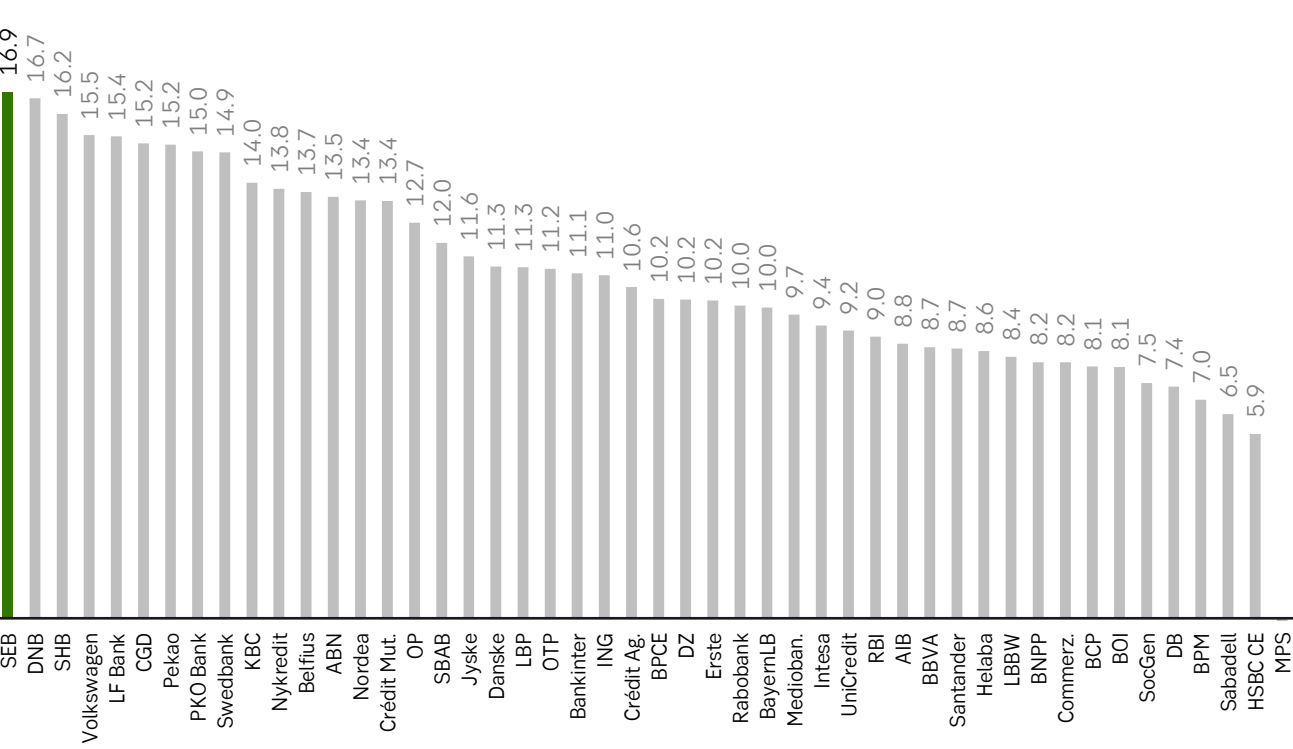
# Reasons for management capital buffer



...& general macroeconomic uncertainties

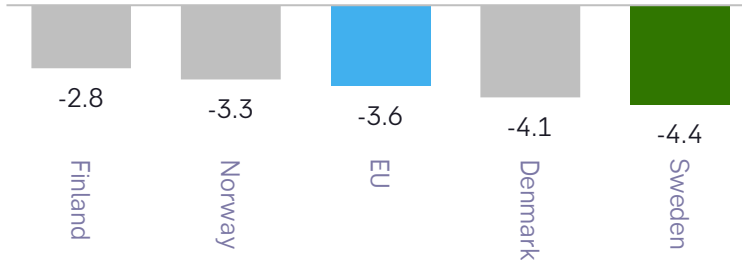
# EBA stress test 2021 confirms SEB's robust capital position

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

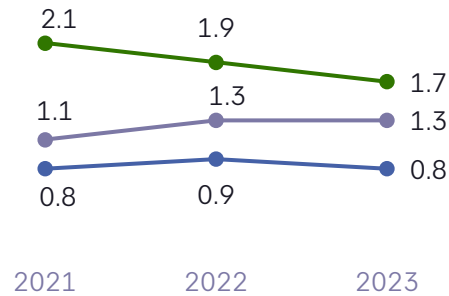


NWB and BNG excluded, as not directly comparable banking model.

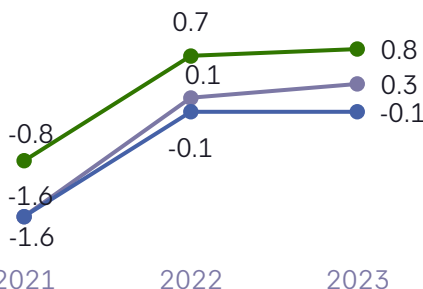
Adverse scenario assumptions -cumulative GDP change (%)



Baseline scenario CET1 generation (%)



Adverse scenario CET1 generation (%)



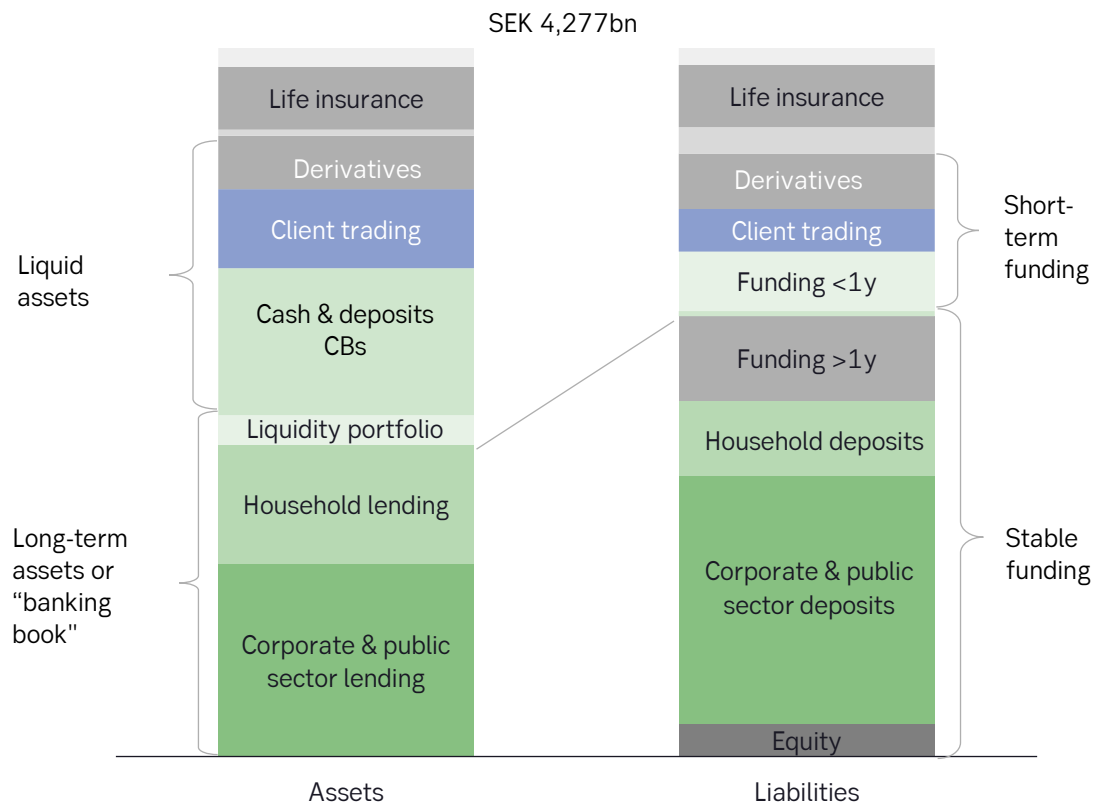
Regional peers include Danske Bank, DNB, Handelsbanken, Nordea, Nykredit, OP and Swedbank

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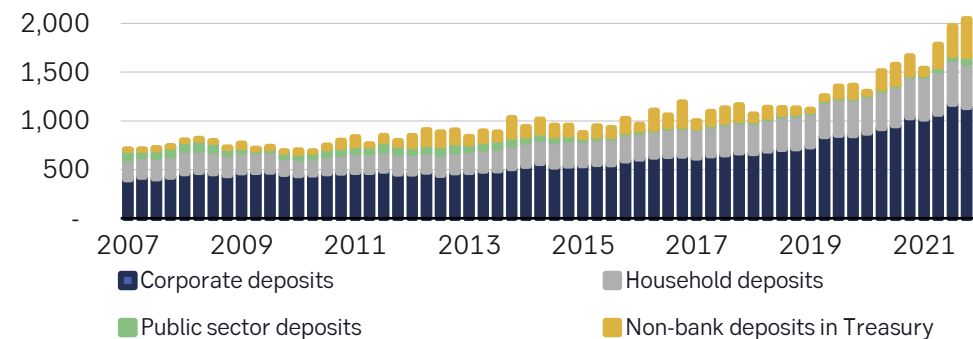


# Strong balance sheet structure with stable deposit base

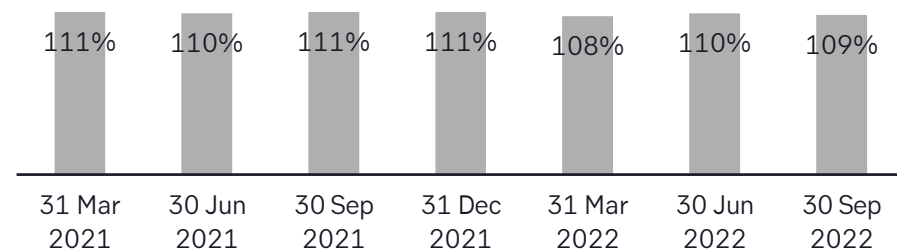
Strong balance sheet structure with deposits as primary source of funding  
30 Sep 2022



Long-term stable development of deposit  
SEK bn

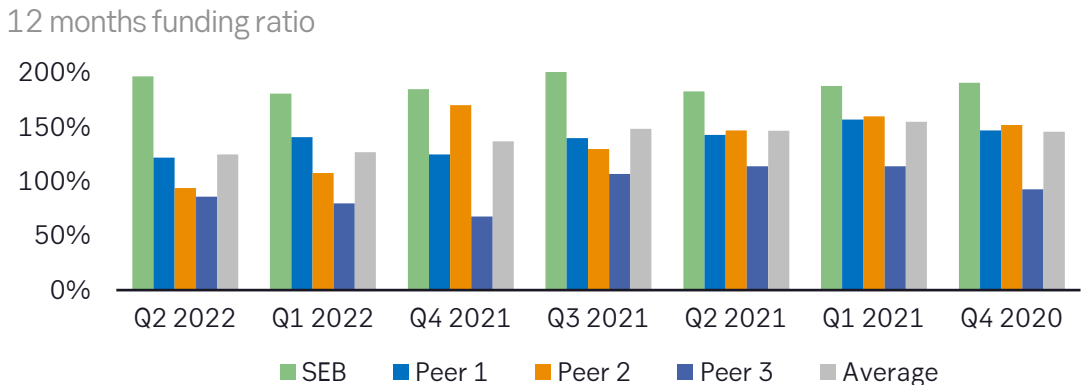
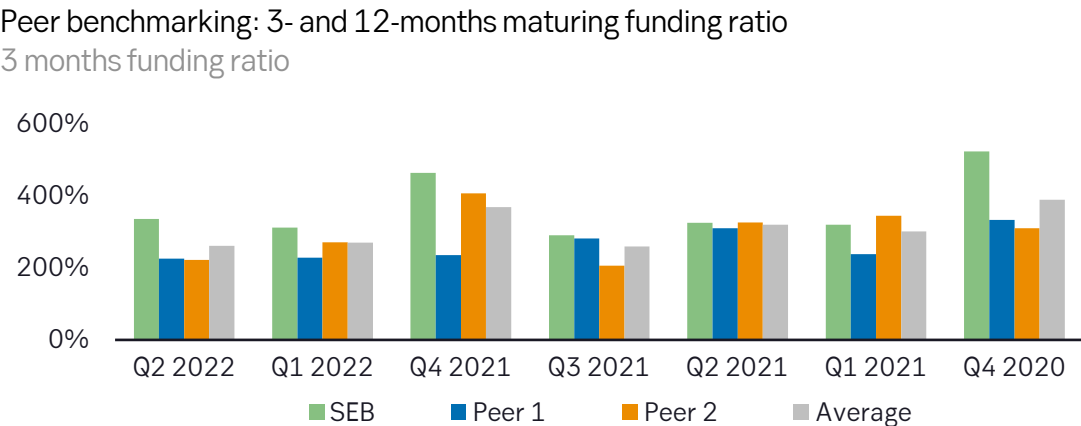
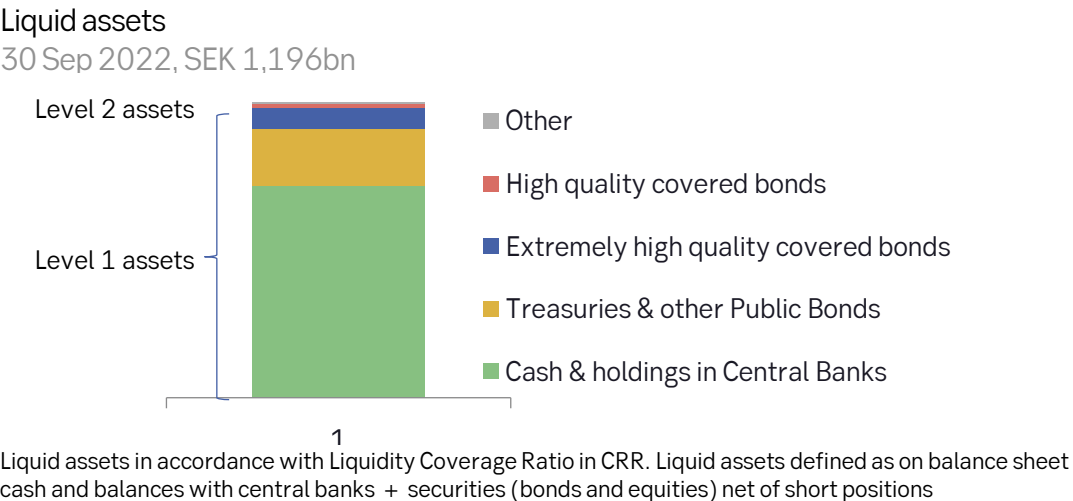
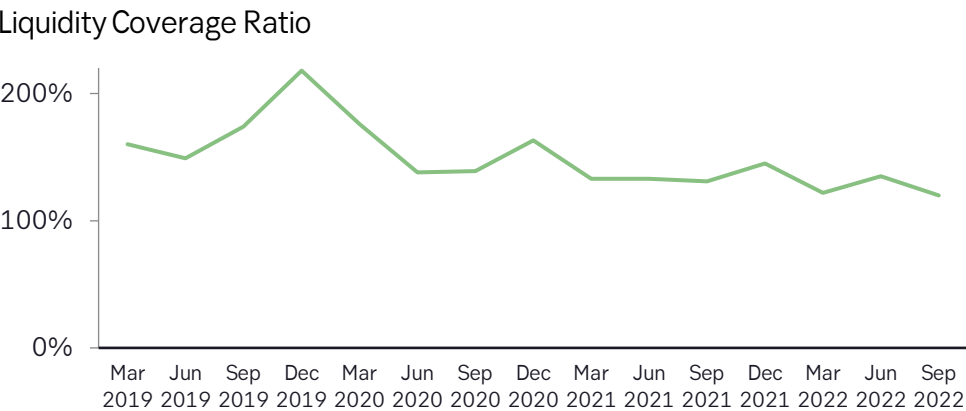


Stable structural funding position  
Net Stable Funding Ratio (NSFR)





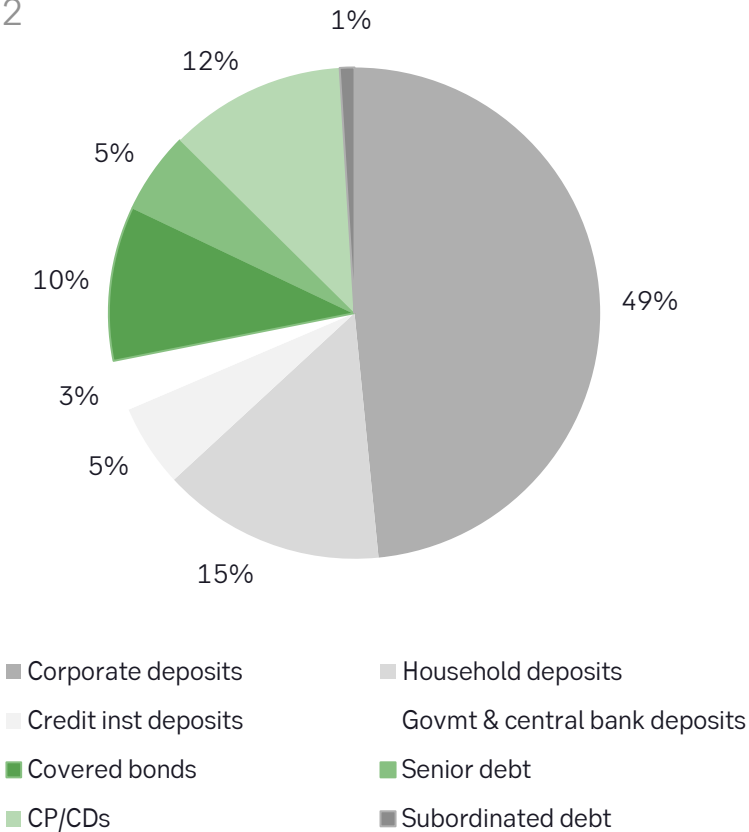
# Strong liquidity position



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

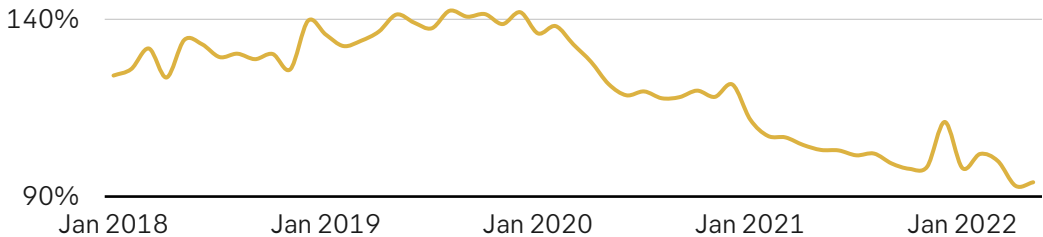
# Diversified funding structure with deposits as primary funding source

Funding sources  
30 Sep 2022



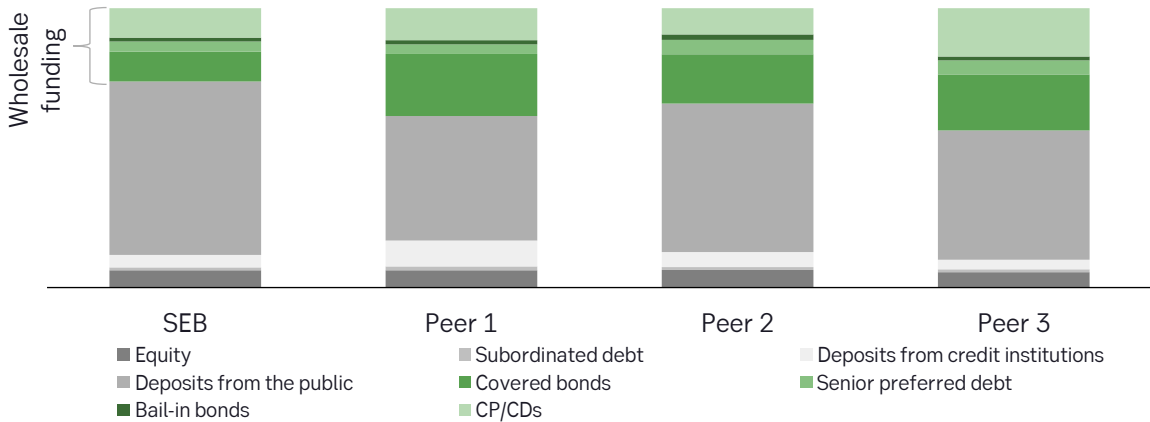
Loan to deposit ratio

Excl repos



Lowest dependence on wholesale funding compared to peers

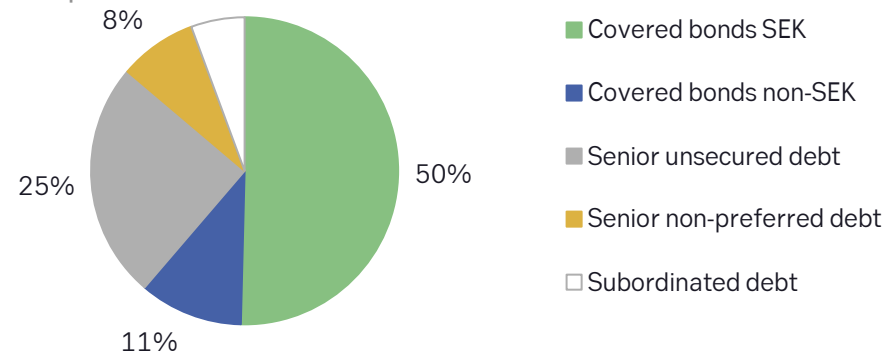
Benchmarking Swedish banks' total funding sources incl equity  
30 Jun 2022



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

## Long-term funding by product

SEK 514bn equivalent<sup>1</sup>

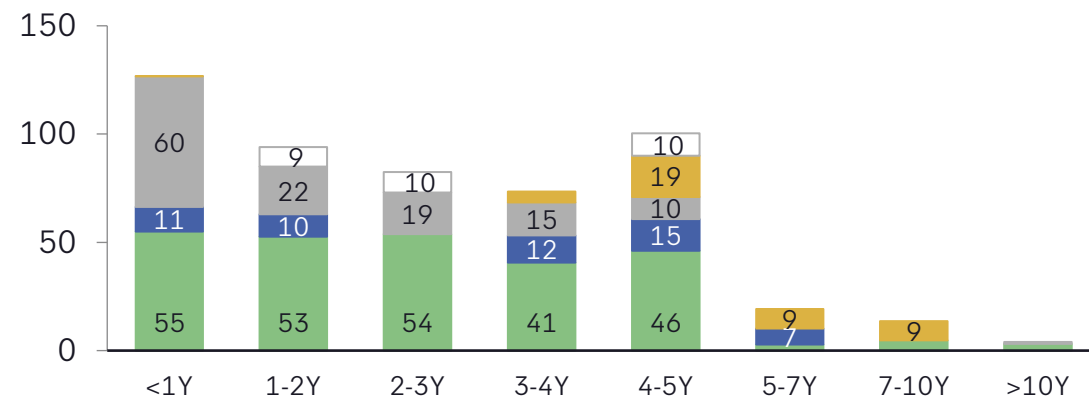


## SEB's credit rating

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

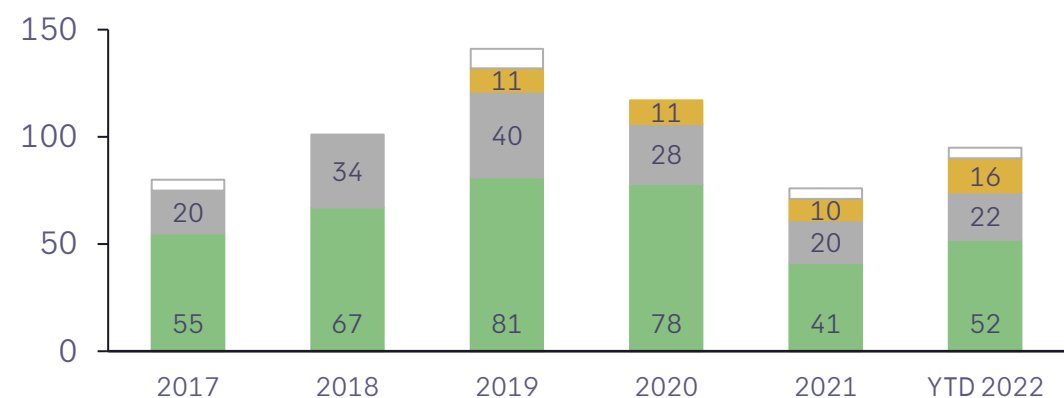
## Maturity profile

SEK bn



## Issuance history

SEK bn



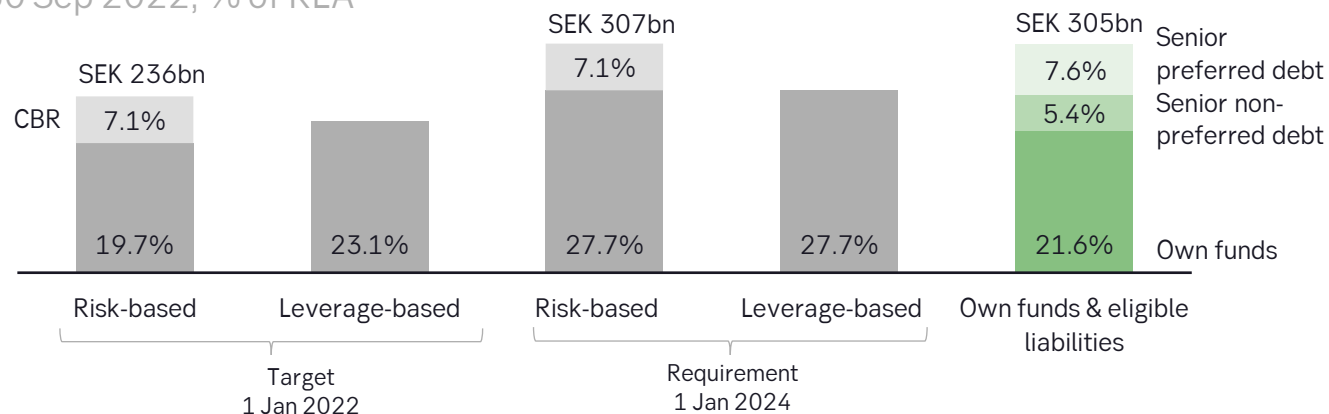
<sup>1</sup> Excluding public covered bonds.

<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

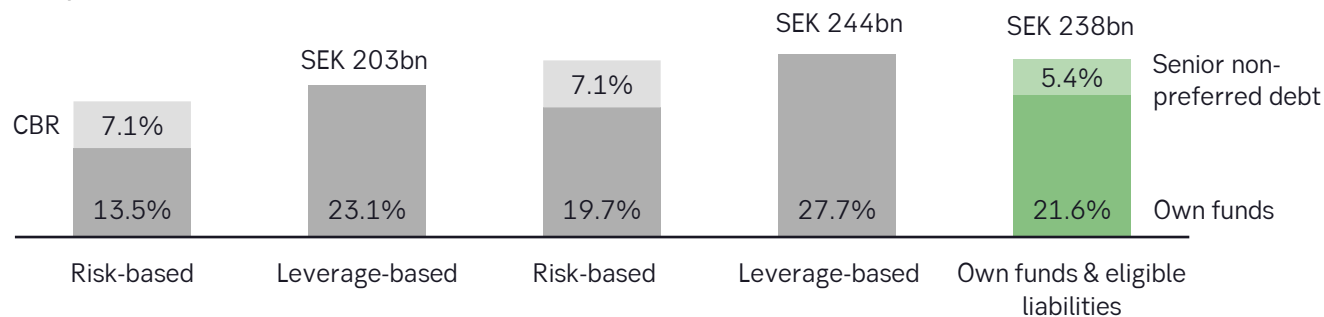
## MREL requirement vs current position

30 Sep 2022, % of REA



## Subordination requirement vs current position

30 Sep 2022, % of REA



- 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. To date, SEB has issued c SEK 48bn in senior non-preferred debt

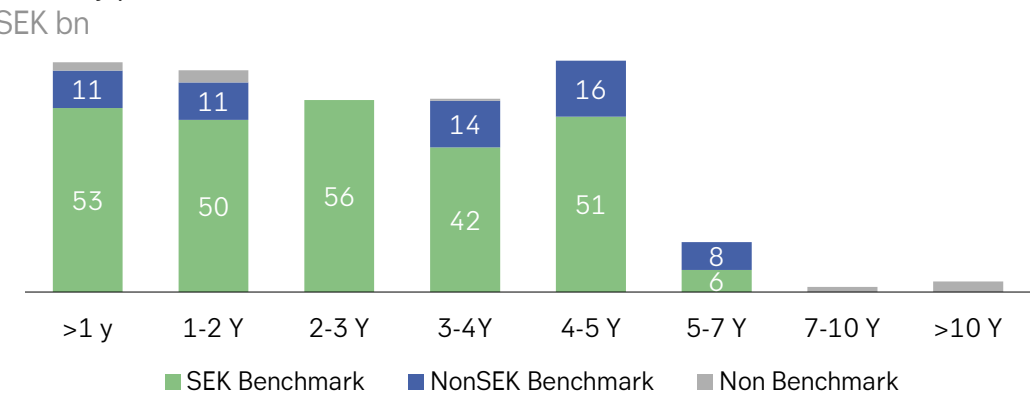
# SEB's covered bonds

Moody's rating      Aaa

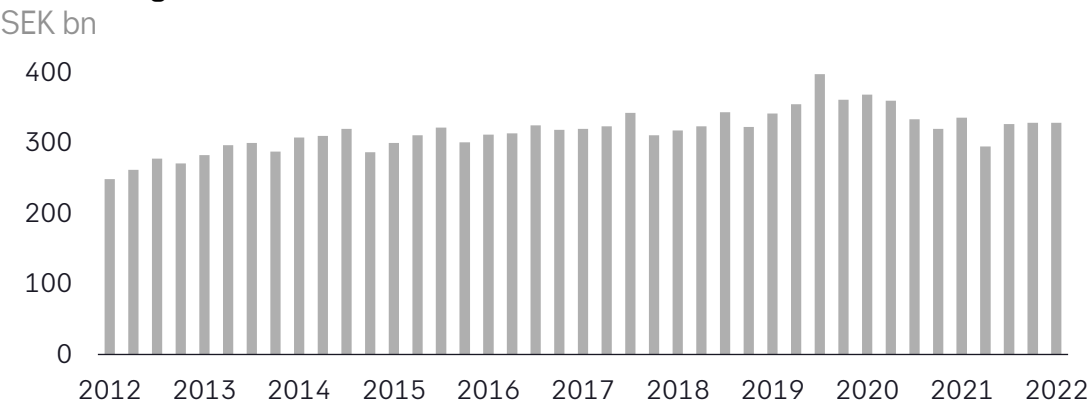
Total outstanding      SEK 329bn

Benchmark      Benchmark 97 %  
Non Benchmark 3%

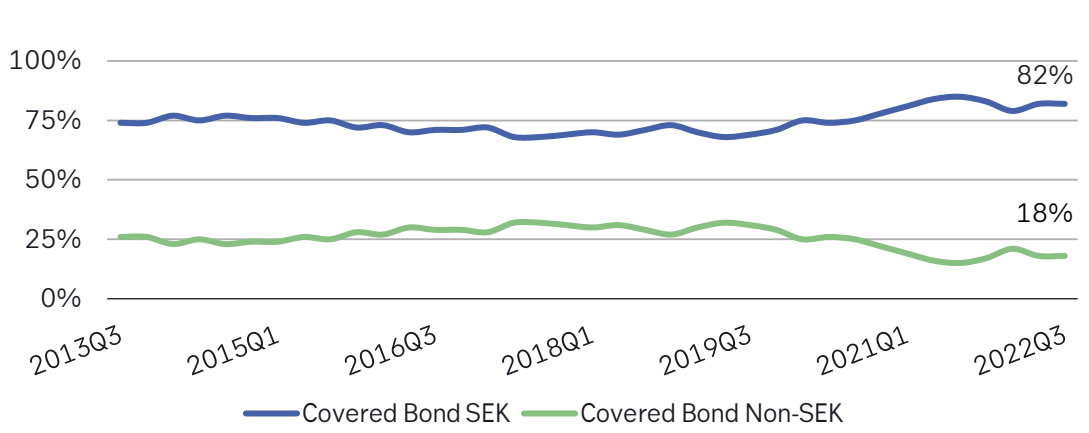
Maturity profile



Outstanding covered bonds



Outstanding covered bonds - % in SEK vs non-SEK



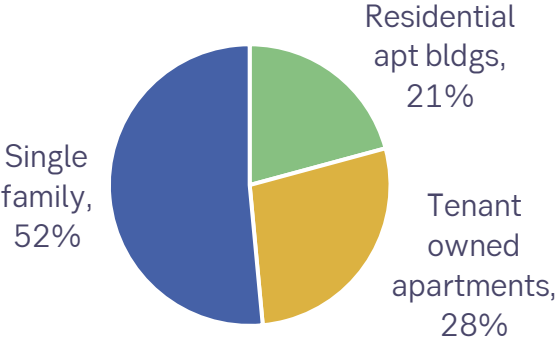
# Cover pool characteristics: only Swedish residential mortgages in SEB's cover pool

Cover pool	30 Sep 2022	31 Dec 2021	31 Dec 2020	31 Dec 2019
Total residential mortgage assets (SEK bn)	714	688	653	613
Weighted average LTV (property level)	48%	47%	52%	51%
Number of loans ('000)	762	766	759	737
Number of borrowers ('000)	431	437	432	428
Weighted average loan balance (SEK '000)	937	899	872	831
Substitute assets (SEK '000)	0	0	0	0
Loans past due 60 days (bps)	5	4	4	5
Net Expected Credit Losses (bps)	0	0	0	0
Overcollateralisation level	117%	133%	81%	73%

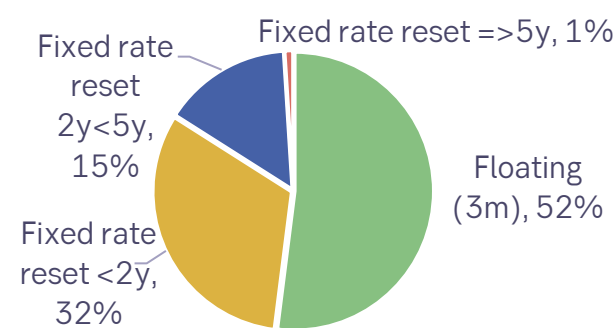
- Only Swedish residential mortgages, which historically have had very low credit losses
- More concentrated towards single family homes and tenant-owned apartments, which generally have somewhat higher LTVs
- On parent bank SEB AB's balance sheet contrary to major Swedish peers
  - All eligible Swedish 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

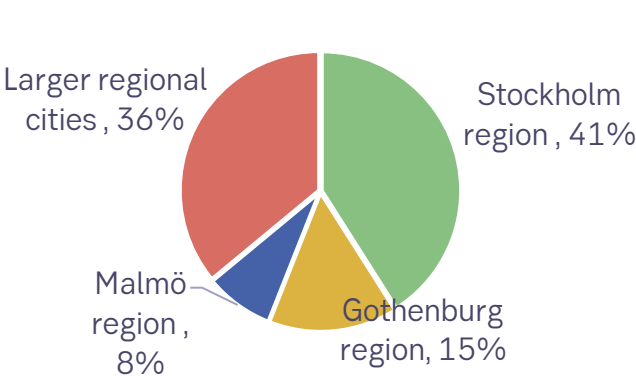
Type of loans



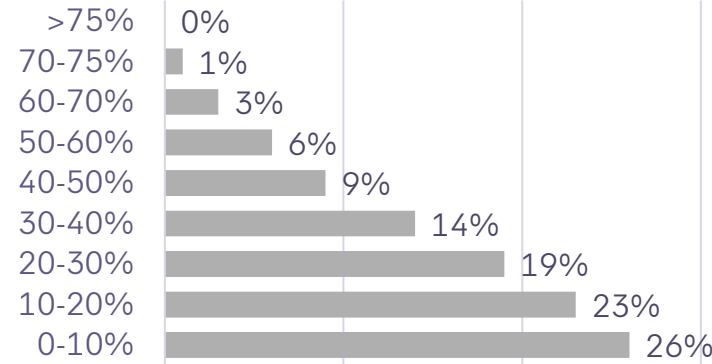
Interest rate type



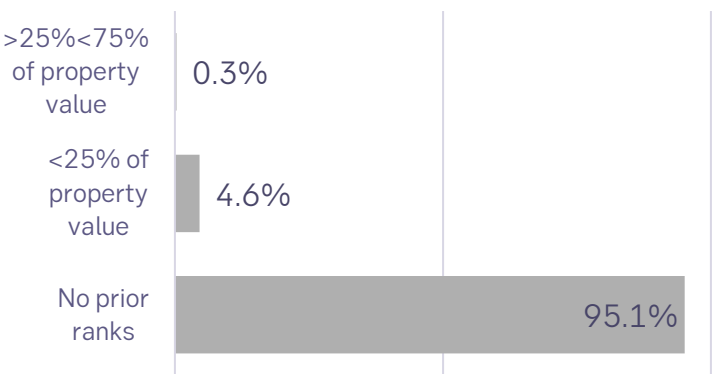
Geographical distribution



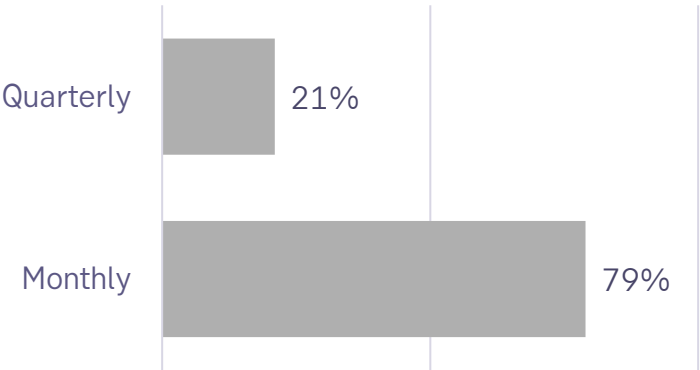
LTV distribution



Prior ranking loans



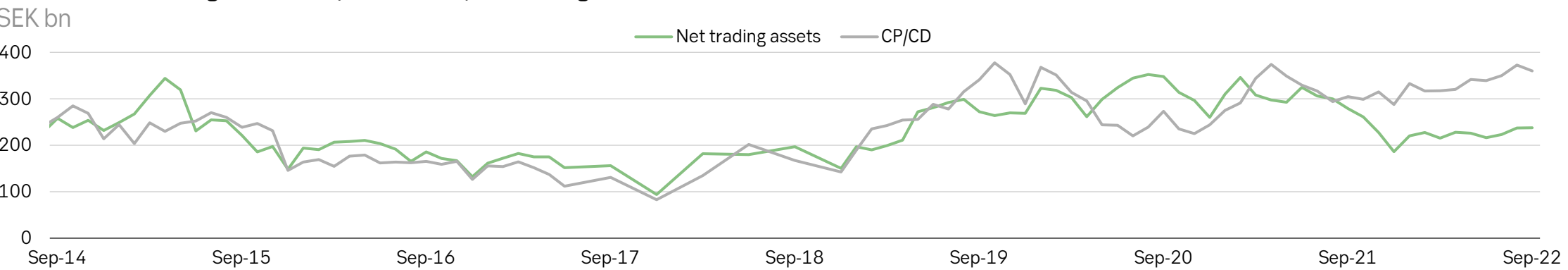
Interest payment frequency



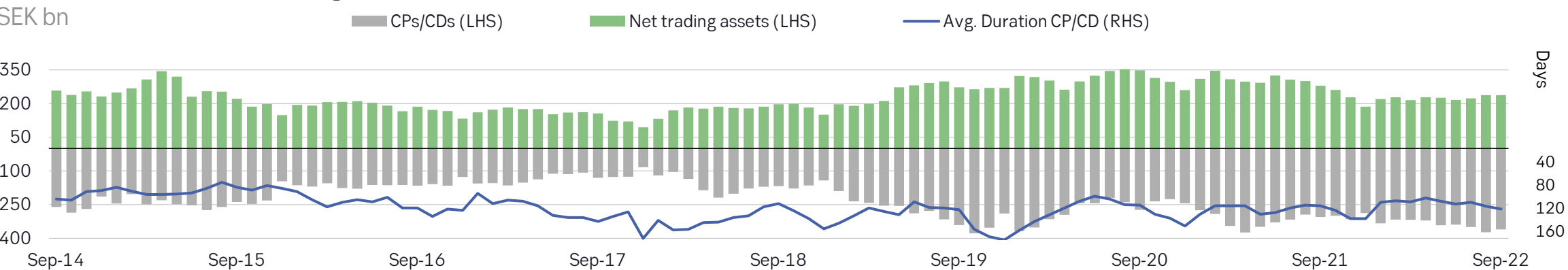
Note: Distribution in different LTV buckets based on exact order of priority for the individual mortgage deeds according to the Association of Swedish Covered Bond Issuers ([www.asbc.se](http://www.asbc.se))

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

Volumes: net trading assets adaptable to CP/CD funding access



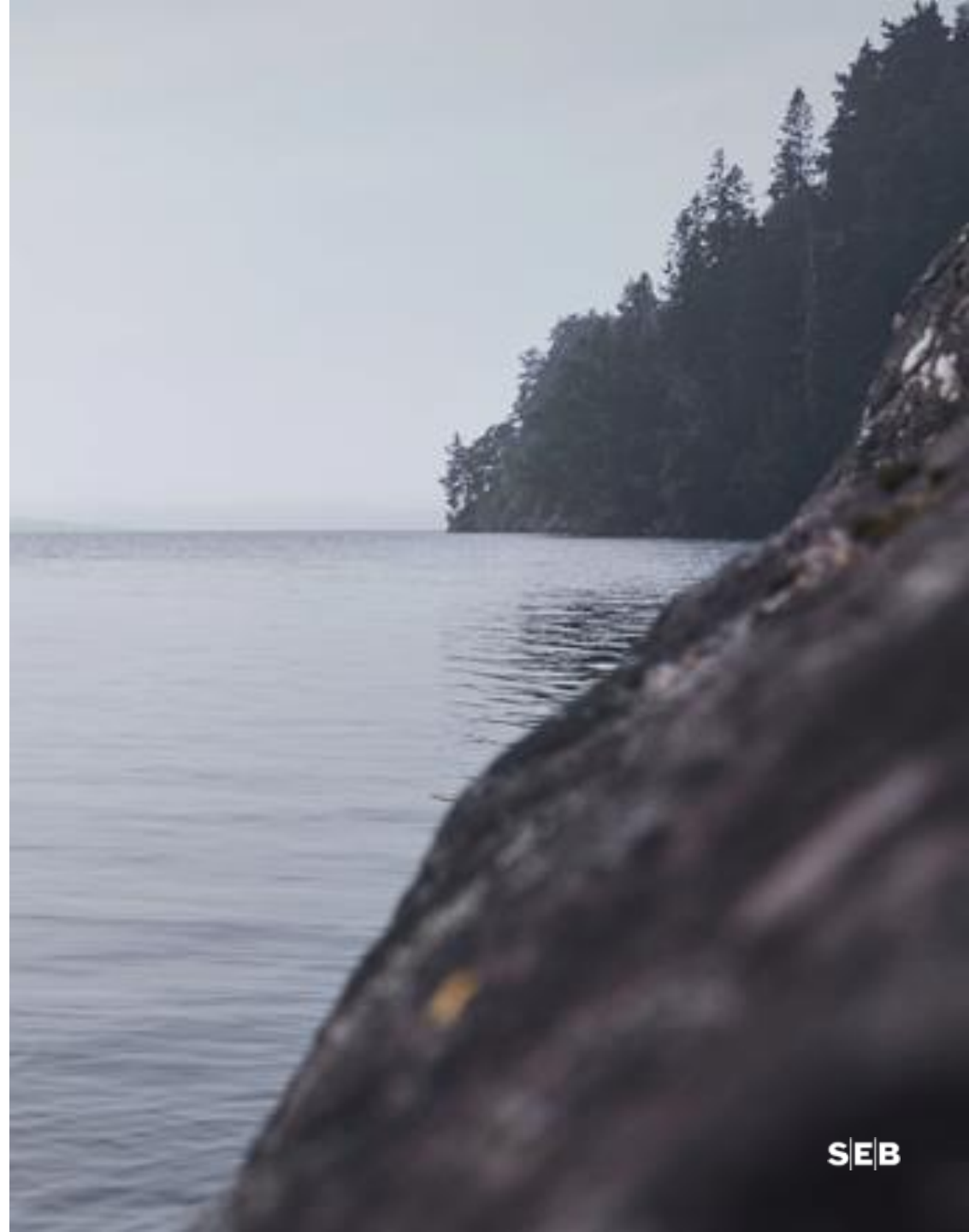
Duration: CP/CDs fund net trading assets with considerably shorter duration



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



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# 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.

# 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

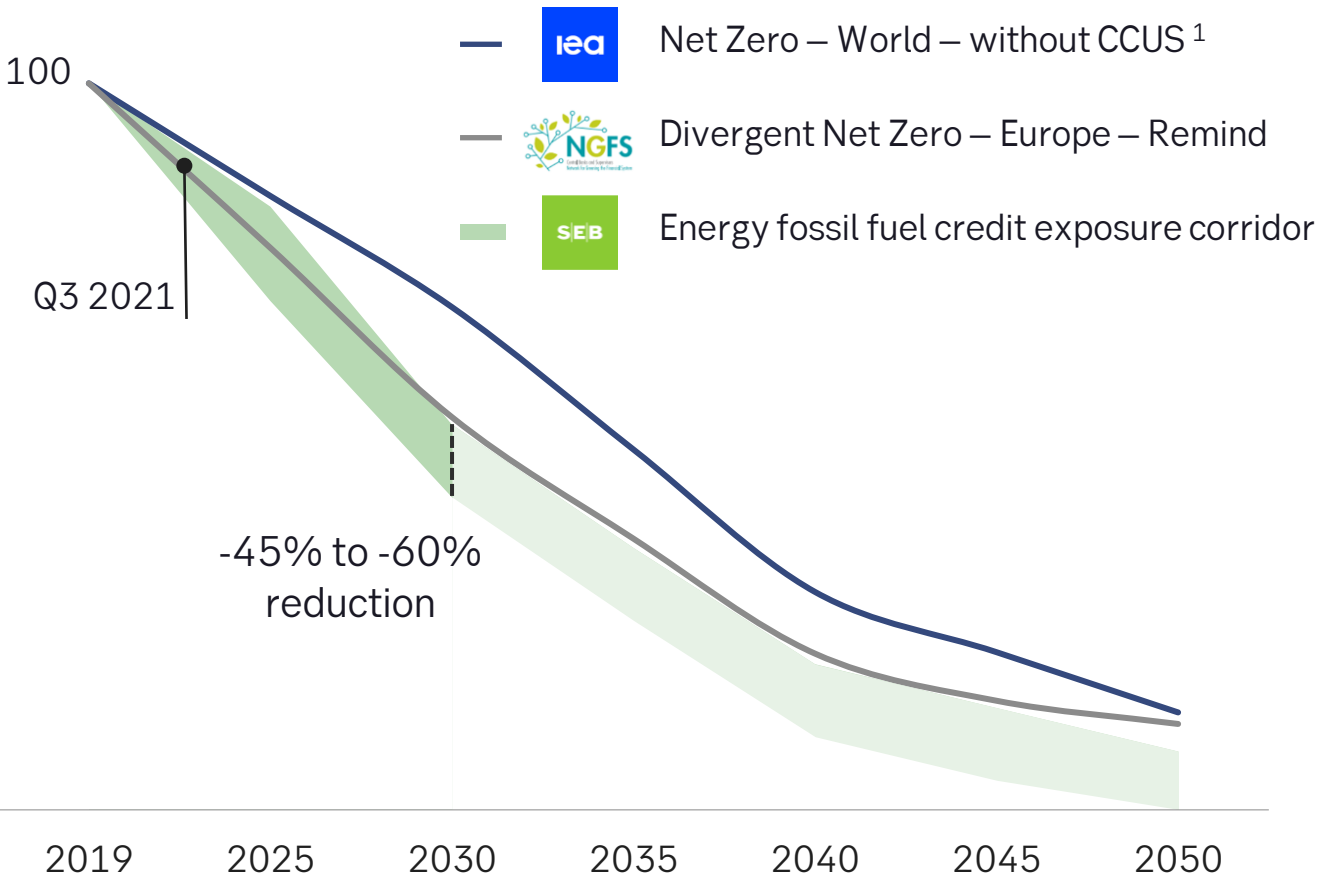
Ambition: To provide a reflection of how our customers, over time, transition in line with the Paris Agreement <sup>2</sup>

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

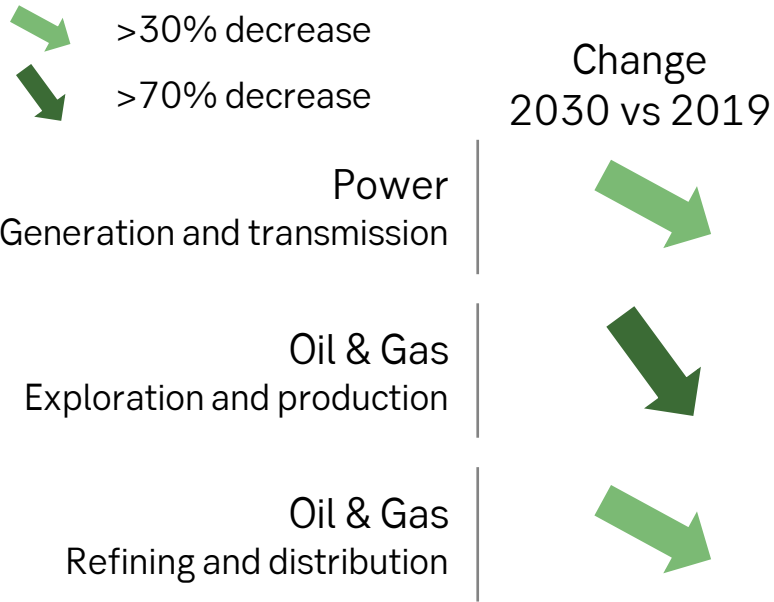
<sup>2</sup> Work ongoing to classify credit portfolio. Transition ratio to be communicated in 2022.

# 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

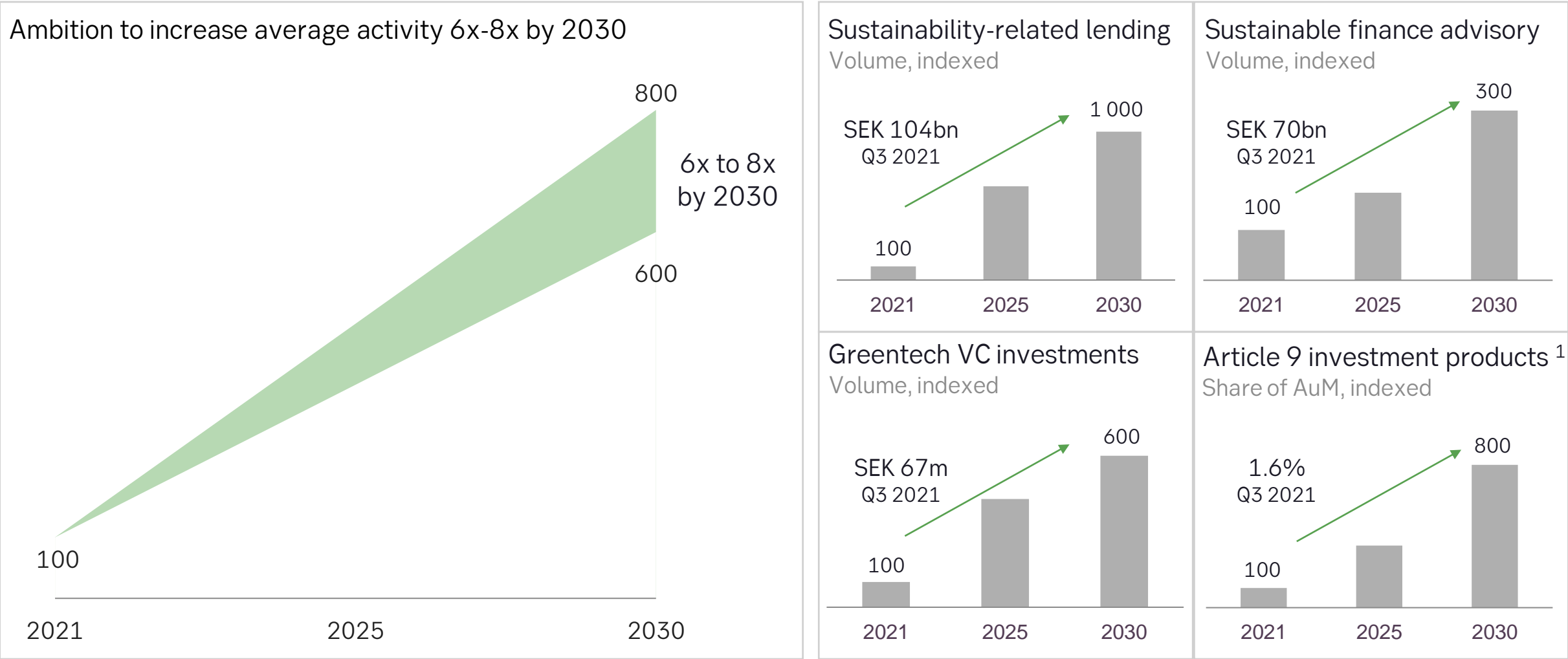


	2019	2030 vs 2019
Credit exposure	SEK 120bn	45-60% decrease
Share of credit portfolio	4.8%	

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



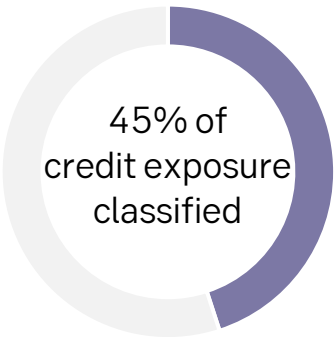
<sup>1</sup> Funds that have sustainable investments as its objective.

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

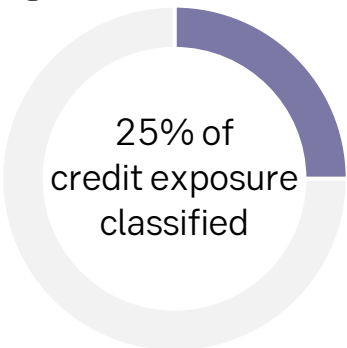
Assessment based on SEB's Climate Classification Model

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.

# Strategy 2030: Investments to future-proof our business

## Future-proofing customer relationships and profit generation

## Future-proofing our platform

### Acceleration of efforts

1

- Expand Corporate and Investment Banking
- Leverage Custody and Markets platforms to become Nordic market leader
- Grow Savings and Investments in the Nordics and the Baltics
- Capture the sustainability supercycle

### Strategic change

2

- Transform Retail Banking to go more digital, with a mobile first approach, in Sweden and the Baltics
- Establish Private Wealth Management & Family Office division in all home markets
- Scale and implement SEBx capabilities

### Strategic partnerships

3

- Rethink ways of producing and distributing products and services
  - Strengthen innovation and business momentum through external partnerships
- Open banking
  - Fintech partnerships
  - Cloud partnership
  - Greentech VC
  - SEBx
  - P27
  - SAMLIT
  - KYC Utility

### Efficiency improvement

4

- Change approach from automation to end-to-end processes
- Develop into a fully data-driven organisation
- Accelerate technology development
- Enhance regulatory efficiency

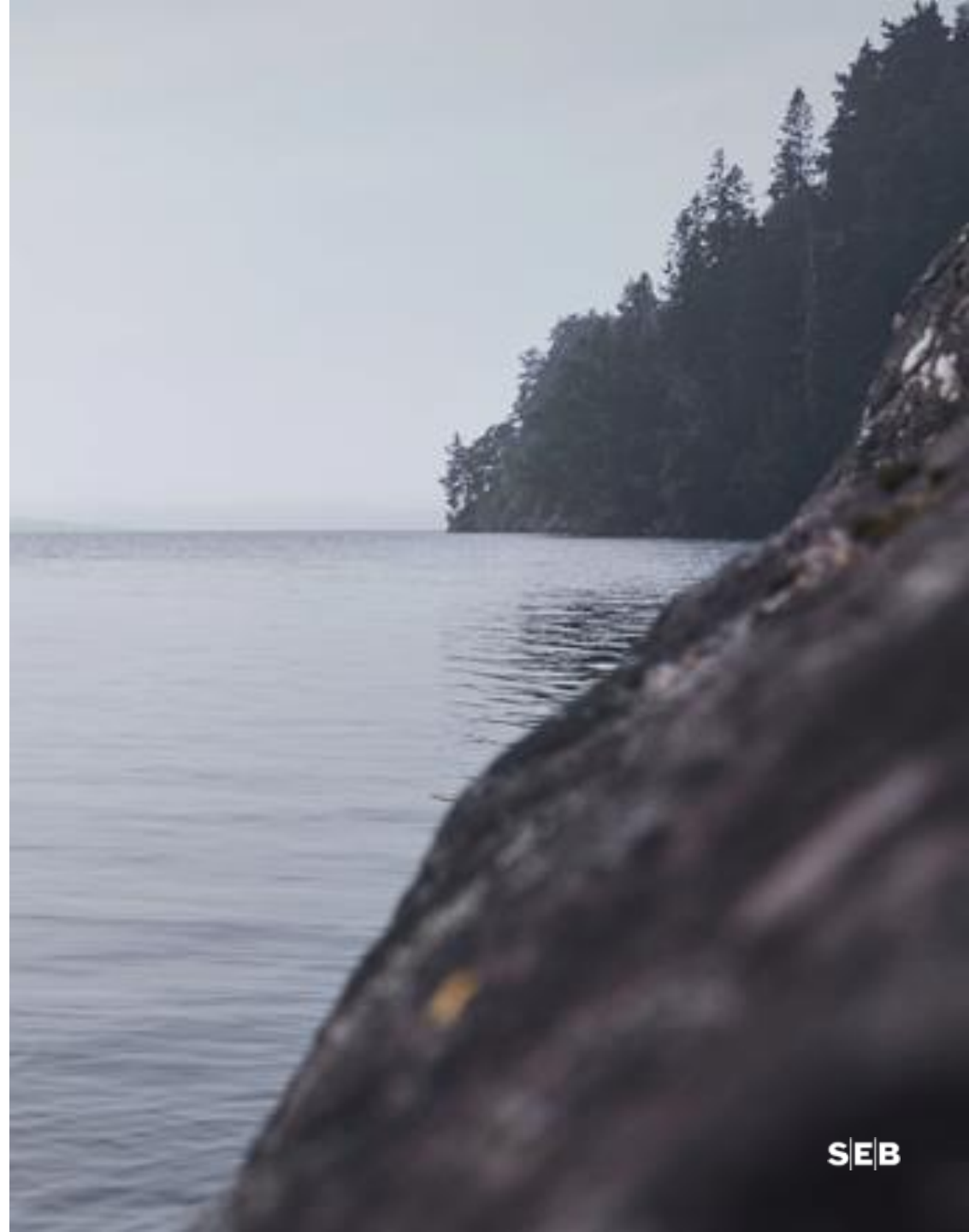
# Financial aspirations for divisions evaluated annually

	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%	14.3%	<0.50	0.41
Corporate & Private Customers	>16%	14.8%	<0.40	0.44
Private Wealth Management & Family Office	>25%	23.1%	<0.50	0.59
Baltic	>20%	22.3%	<0.40	0.40
Life	>30%	43.7%	<0.45	0.36
Investment Management	>40%	76.1%	<0.40	0.35
<b>SEB Group</b>	<b>~15%</b>	<b>13.9%</b>	<b>~0.45</b>	<b>0.42</b>

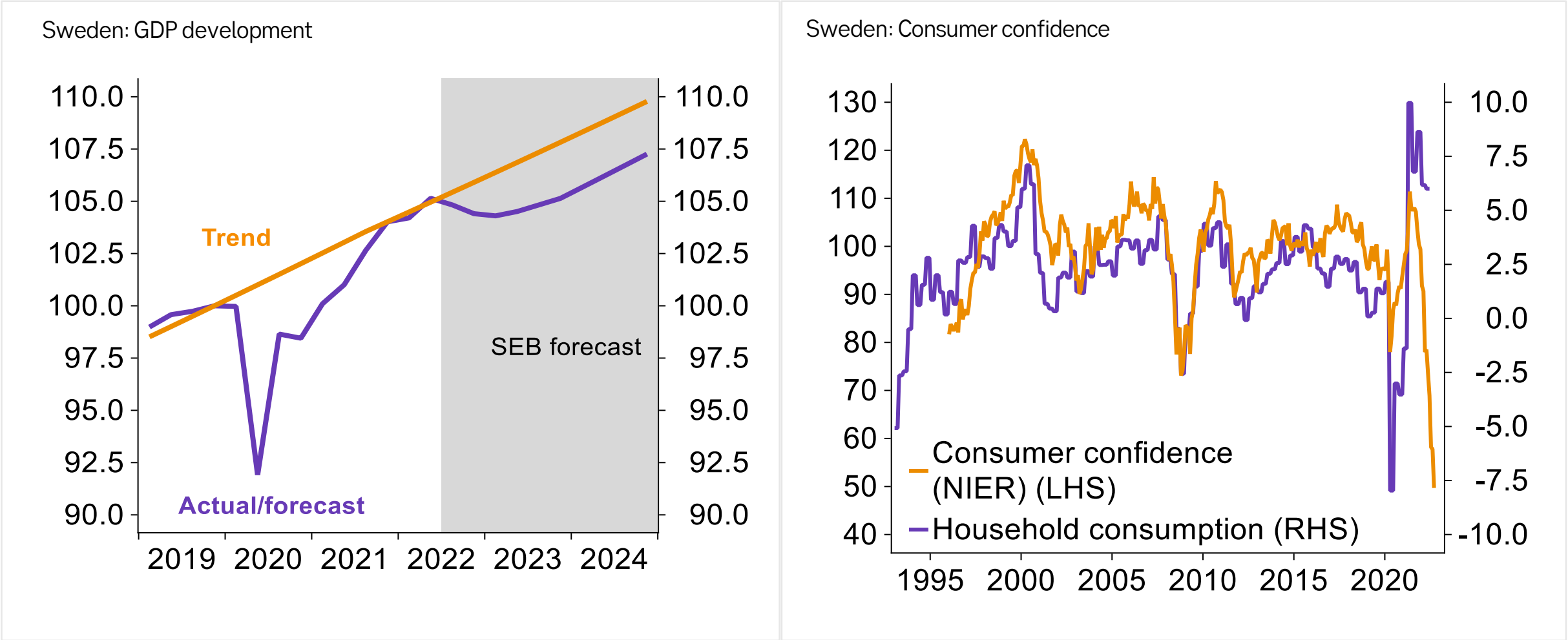
<sup>1</sup> To be viewed as long-term (5 year perspective) and will be updated based on other Nordic banks' performance.



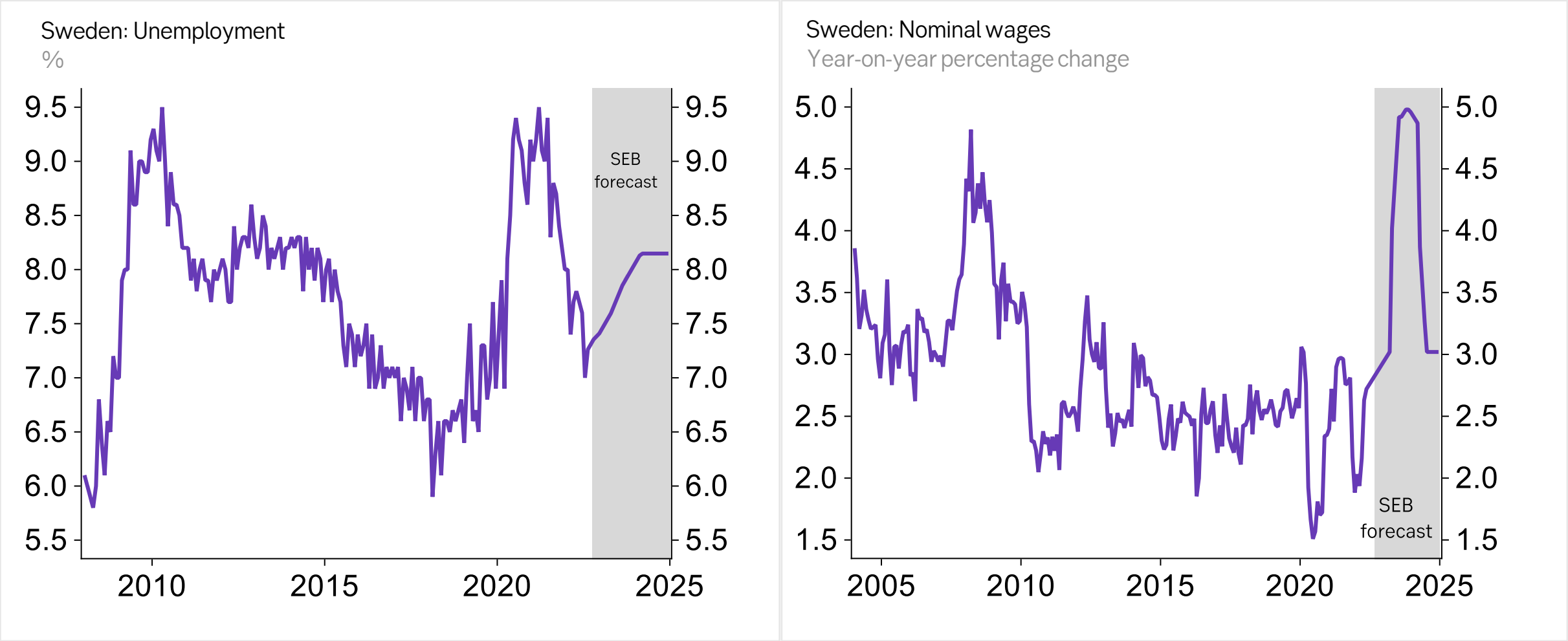
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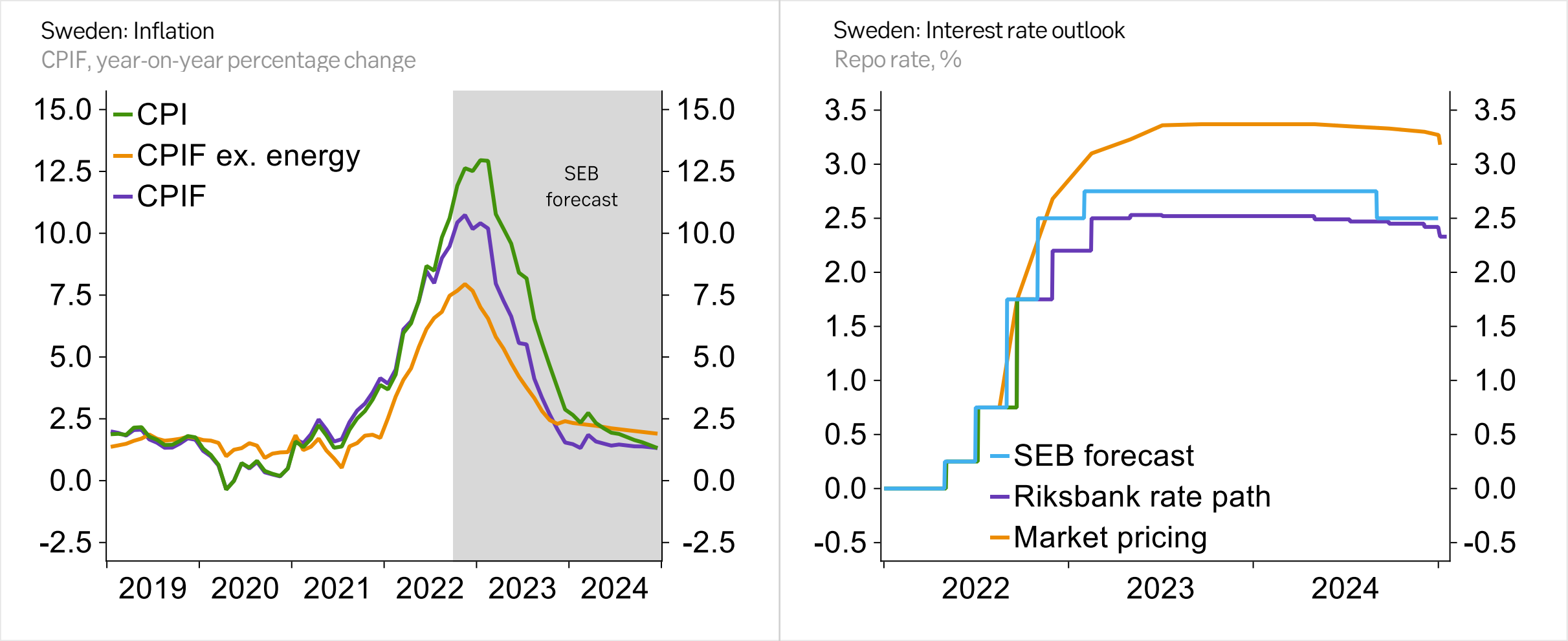
# Sweden: Inflation, interest rates and home prices are squeezing growth



# Sweden: Unusual wage round with bigger pay hikes expected

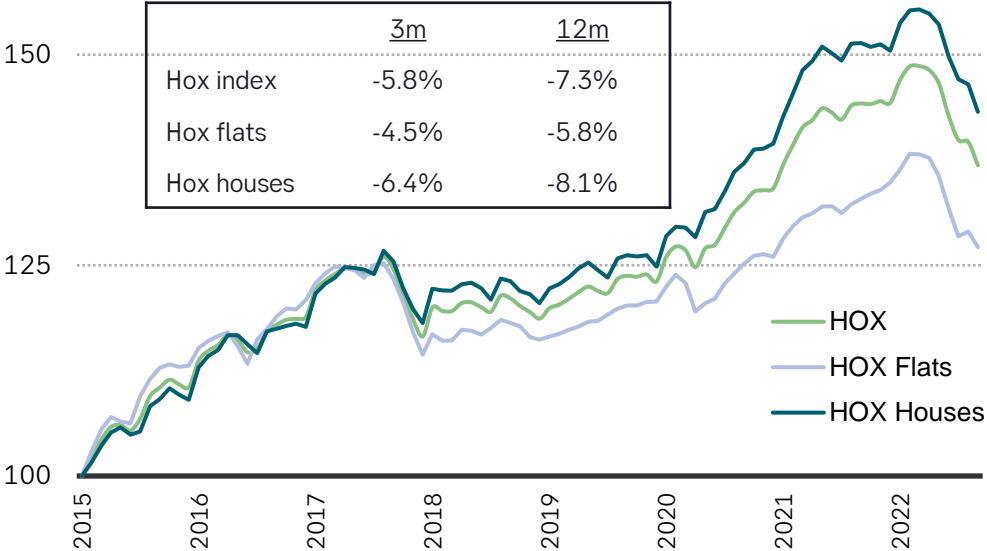


# Sweden: Riksbank hiked by 50bps in June and 100bps in September with further hikes expected in next six months



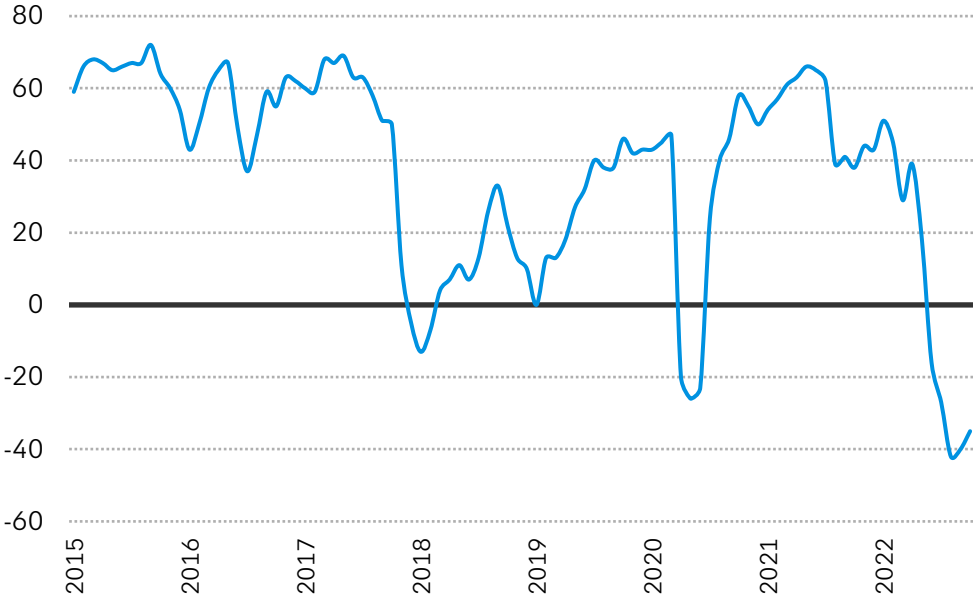
# Sweden: housing prices and sentiment affected by higher interest rates and uncertainty

Sweden: Home prices  
Valueguard HOX Index Jan 2015 = 100



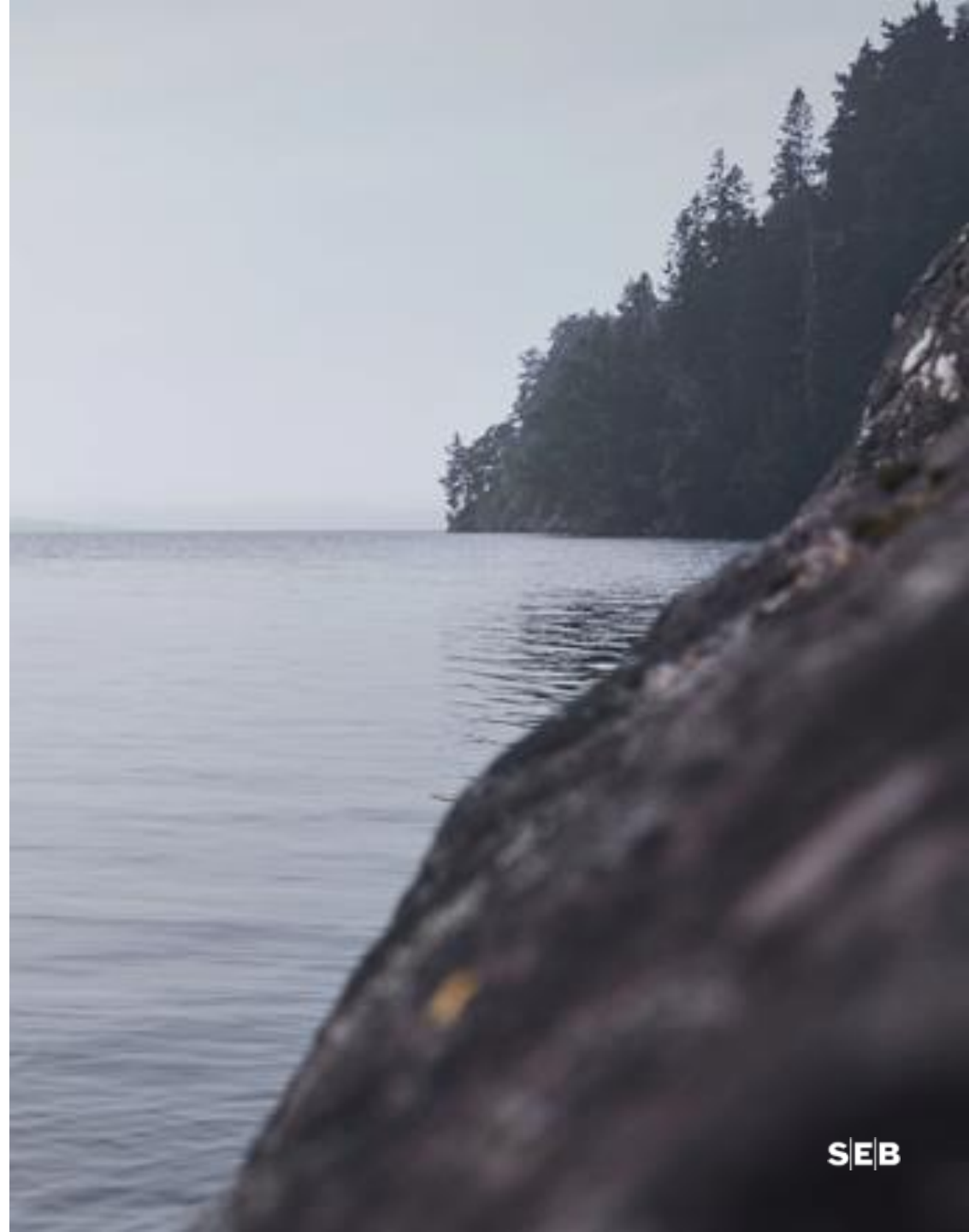
- Home prices turning down following interest rate hikes

Sweden: SEB's Housing Price Indicator  
Housing price sentiment survey



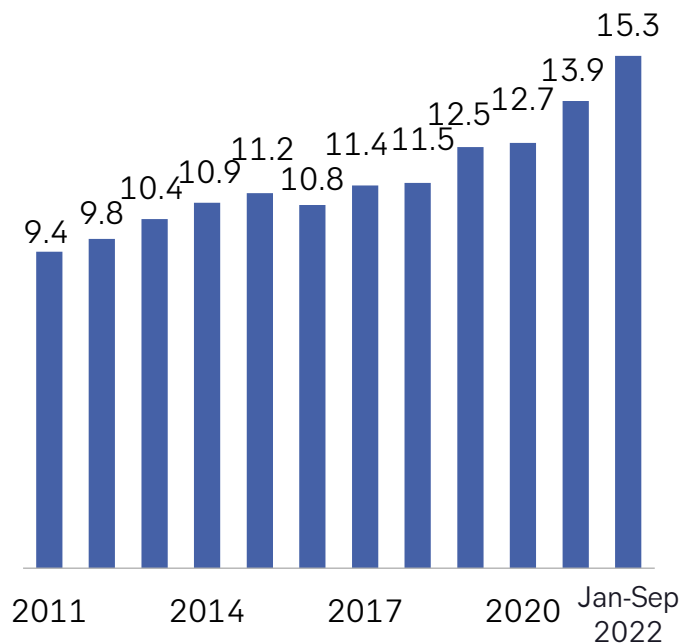
- SEB's Housing Price Indicator fell significantly in July 2022, but stabilised in the September and October suveys
- A negative number implies more respondents expecting house prices to fall while a positive number implies more respondents expecting house prices to rise

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- 03 Credit portfolio and asset quality
- 04 Capital
- 05 Liquidity and funding
- 06 Strategy 2030 and sustainability
- 07 Macro
- 08 Appendix**

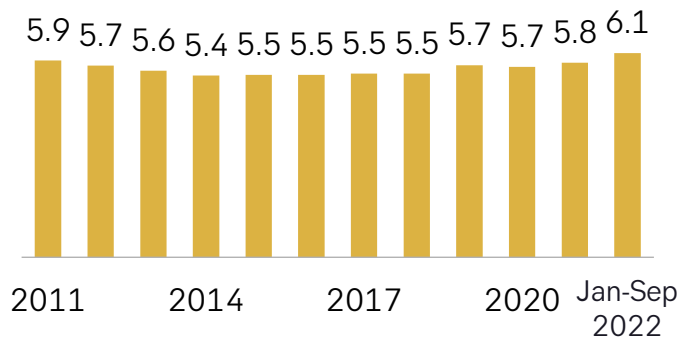


# Operating leverage

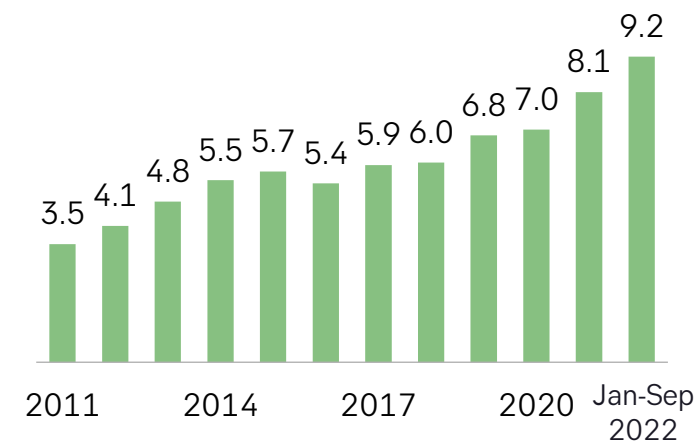
Average quarterly income (SEK bn)



Average quarterly expenses (SEK bn)



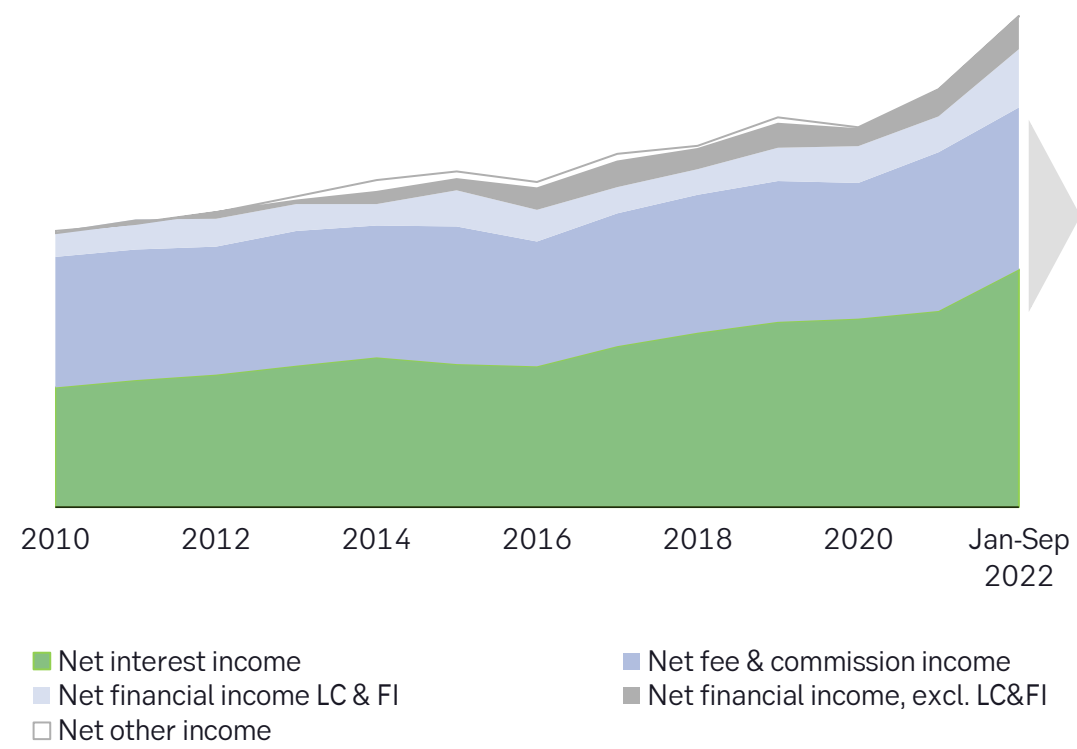
Average quarterly profit before ECL and imposed levies (SEK bn)



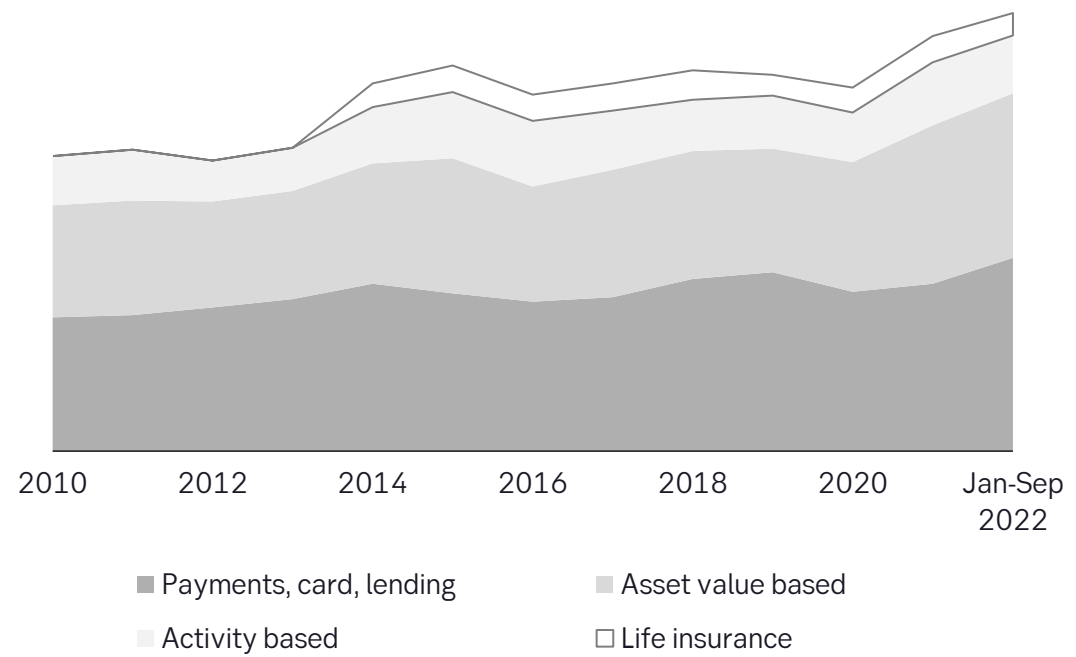
Note: data exclude items affecting comparability.

# 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

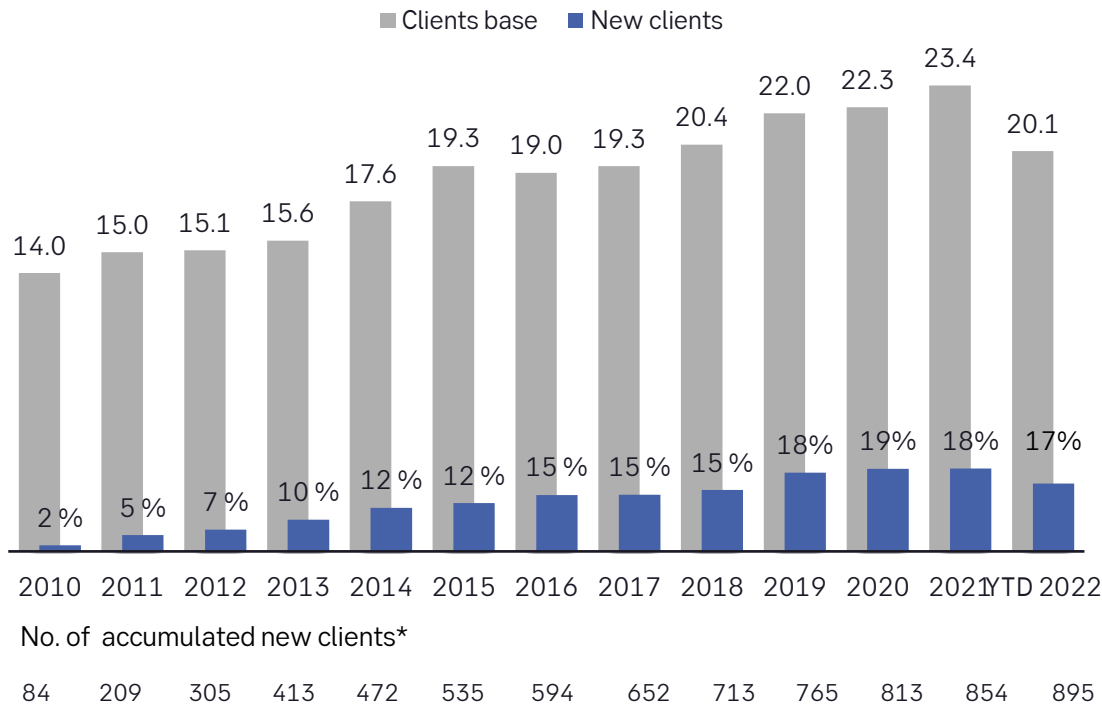


Note: Traditional life income booked as net financial income as of January 2014.

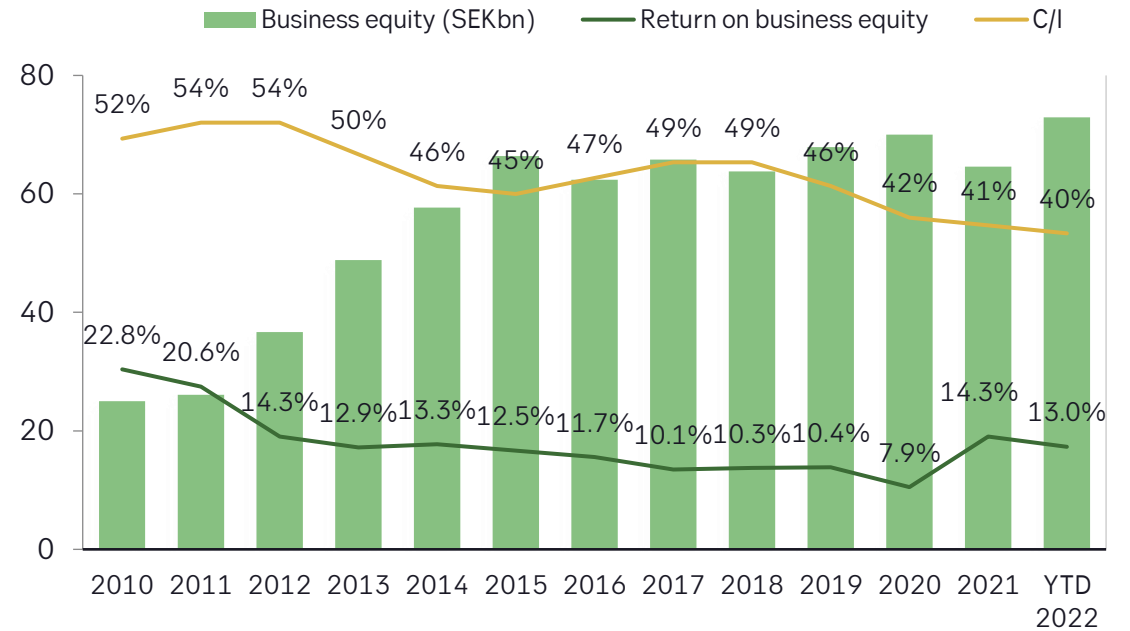


# Large Corporates & Financial Institutions

Large cross-selling potential  
Client income, SEK bn



Diversified business and solid efficiency render healthy profitability despite higher regulatory requirements



2020-21: Restatement of organisational and income statement changes

2016 C/I: Excl. one-off costs of SEK 354m

2015 C/I: Excl. one-off costs of SEK 902m

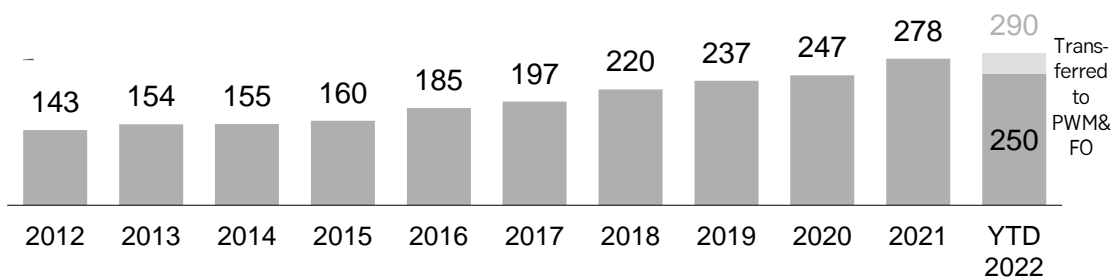
2010-13: Restated figures following the new organisational structure as of Jan 1, 2016. As a result 2010-2013 figures not comparable

\*Including Swedish clients as of 2019.

# Corporate & Private Customers

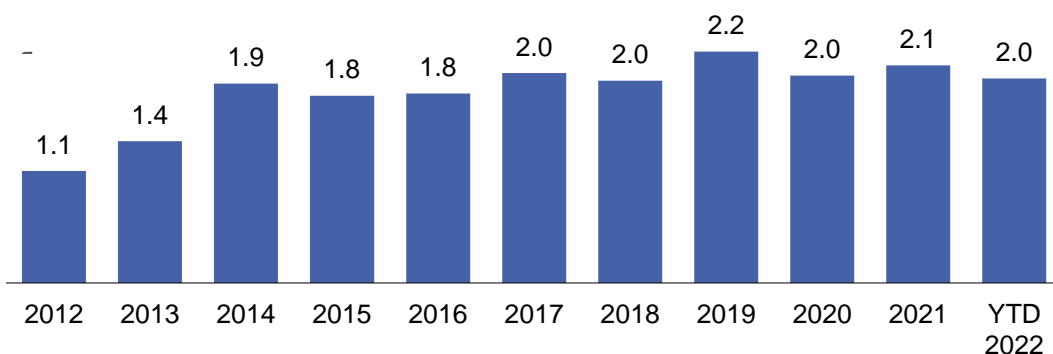
## Stable lending growth in corporate segment

Loans to corporates and real estate management, SEK bn



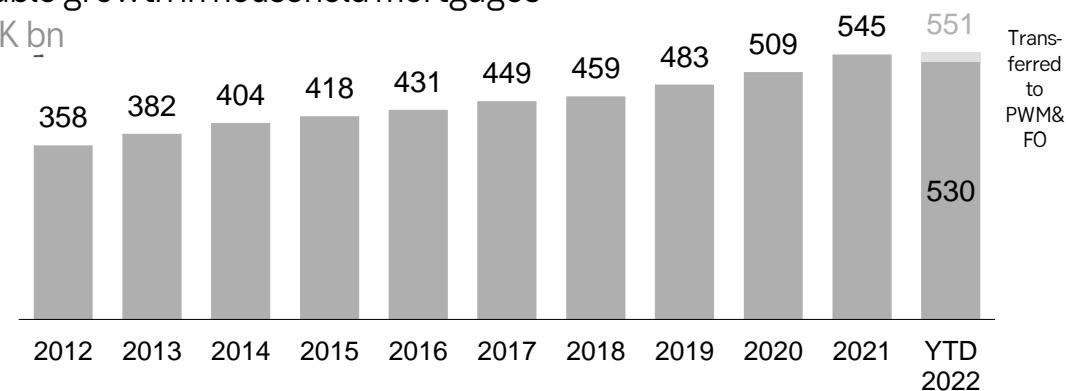
## Solid operating profit

Average quarterly operating profit, SEK bn

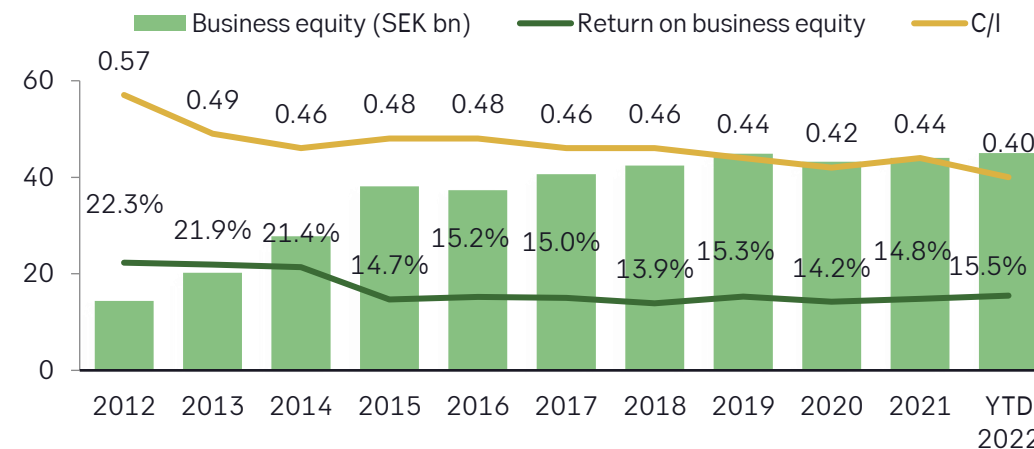


## Stable growth in household mortgages

SEK bn



## Steady improvement in efficiency and stable profitability



2020-2021: Operating profit and ratios restated for changes in organisation and income statement.

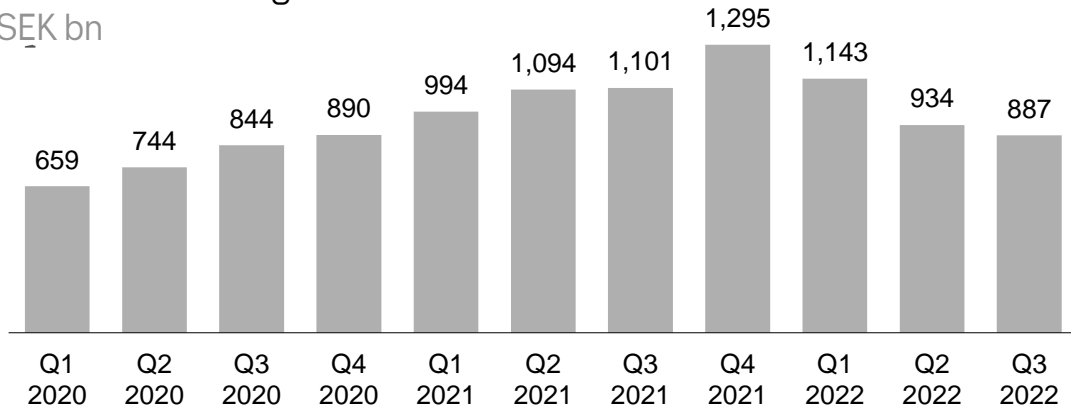
Lending volumes not restated for organisational change.

2014-2015 restated following the new organisational structure as of 1 Jan 2016. As a result, 2012-

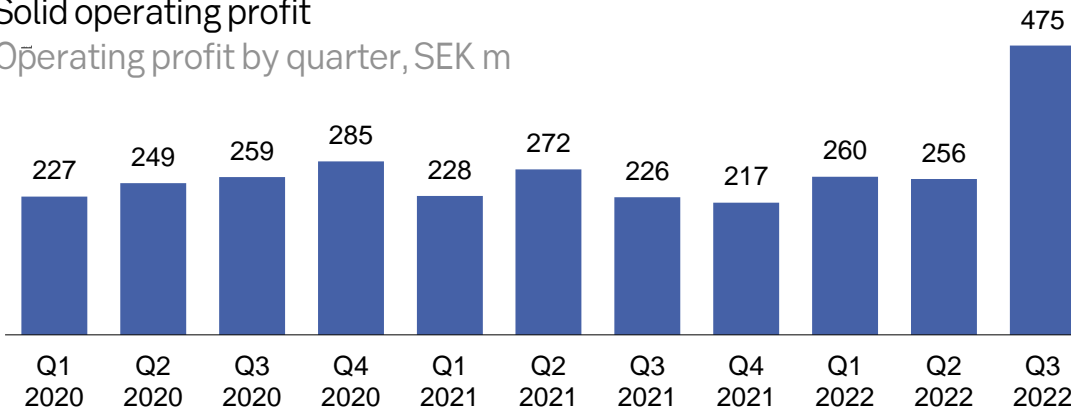
2013 figures are not comparable.

# Private Wealth Management & Family Office

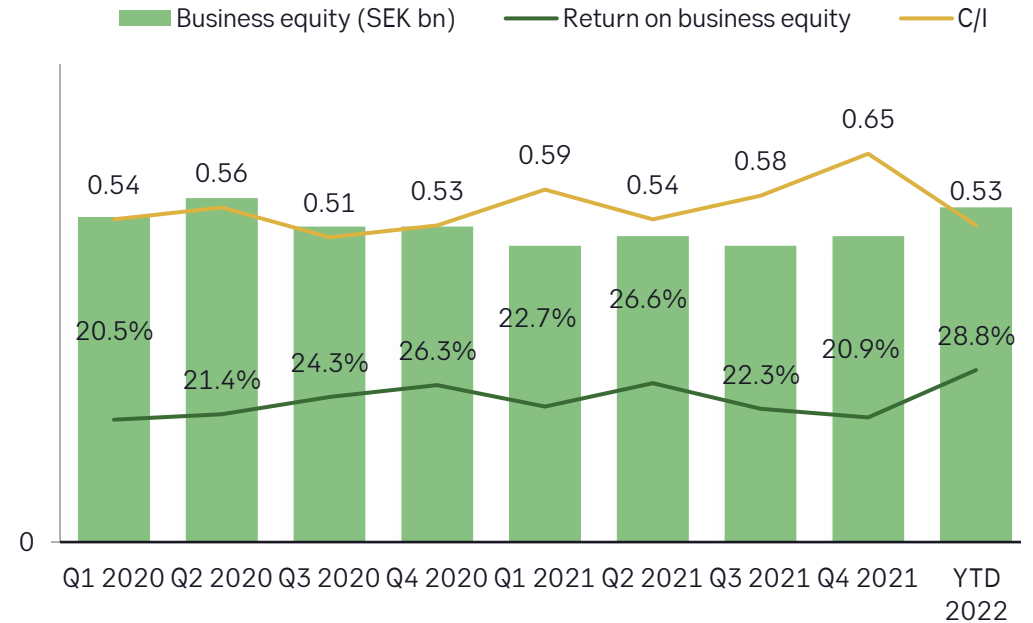
Asset under management  
SEK bn



Solid operating profit  
Operating profit by quarter, SEK m



Stable performance  
SEK bn



Operating profit and ratios: 2020-2021 restated for changes in organisation and income statement  
2014-2015 restated following the new organisational structure as of 1 Jan 2016. As a result, 2012-2013 figures are not comparable.

# Baltic

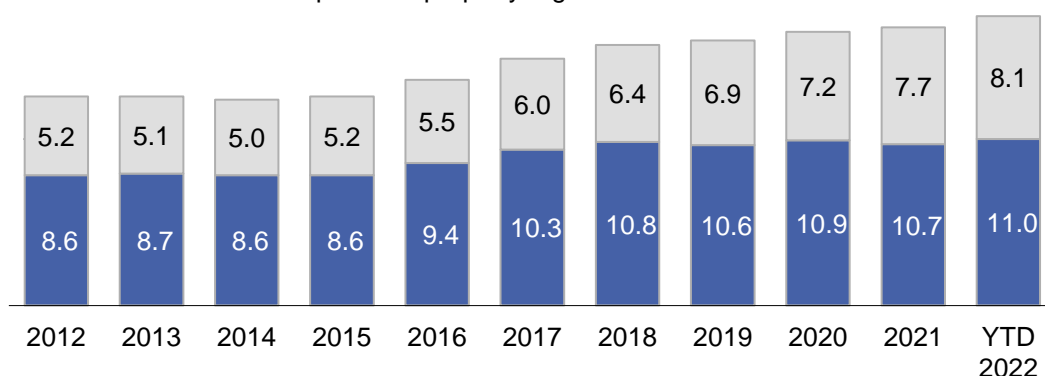
## SEB in the Baltics

	Estonia	Latvia	Lithuania
# FTEs (including division and service centers in SEB AB)	1,103	2,011	2,893
# offices	15	22	22
# customers	486,000	464,000	877,000
Operating profit as % of total group	4%	2%	5%
Credit exposure as % of total credit portfolio	2.6%	1.3%	2.9%

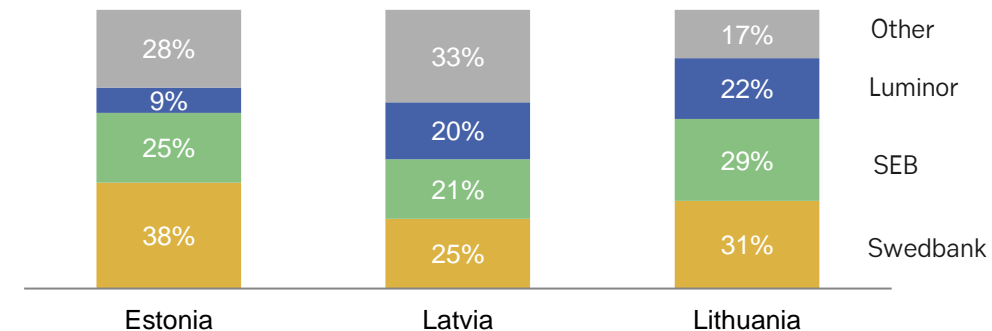
## Credit portfolio growth

EUR bn

■ Corporate & property mgmt ■ Households



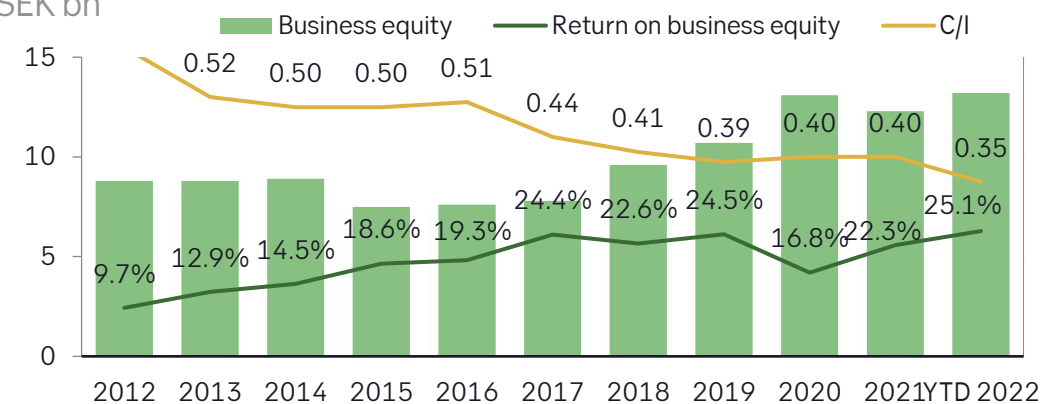
## Second largest bank in terms of lending market share in the Baltic region



Source: Estonian Financial Supervision Authority, Association of Latvian Commercial Banks, Association of Lithuanian Banks, Q1 2022

## Strong development of profitability and efficiency

SEK bn



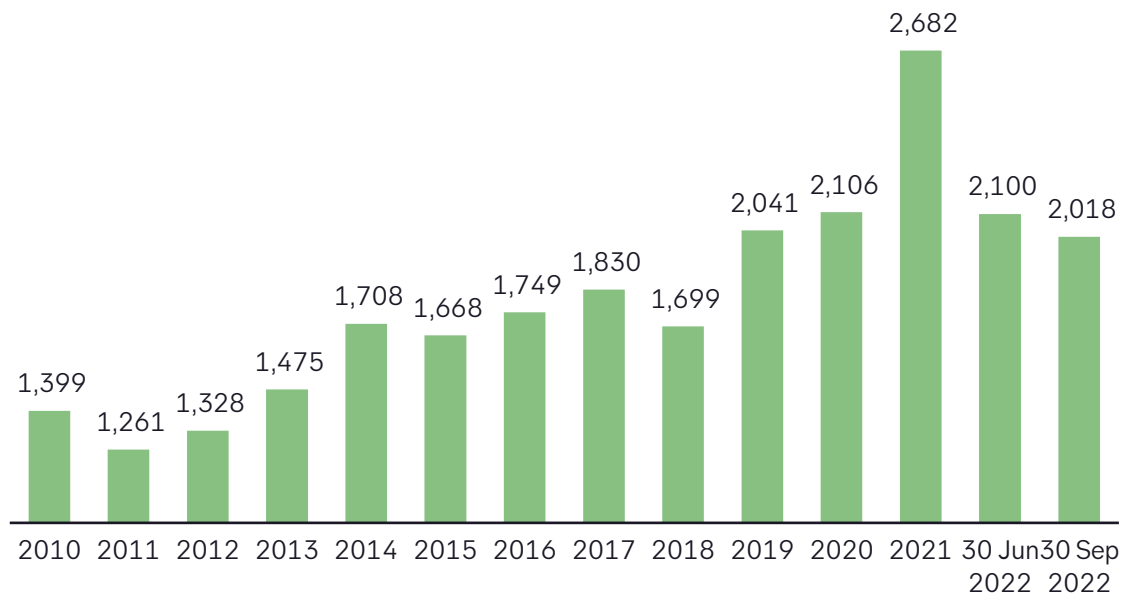
2020: Business equity increased due to updated credit risk models in Q1

2011-2018: Excluding Real Estate Holding Companies

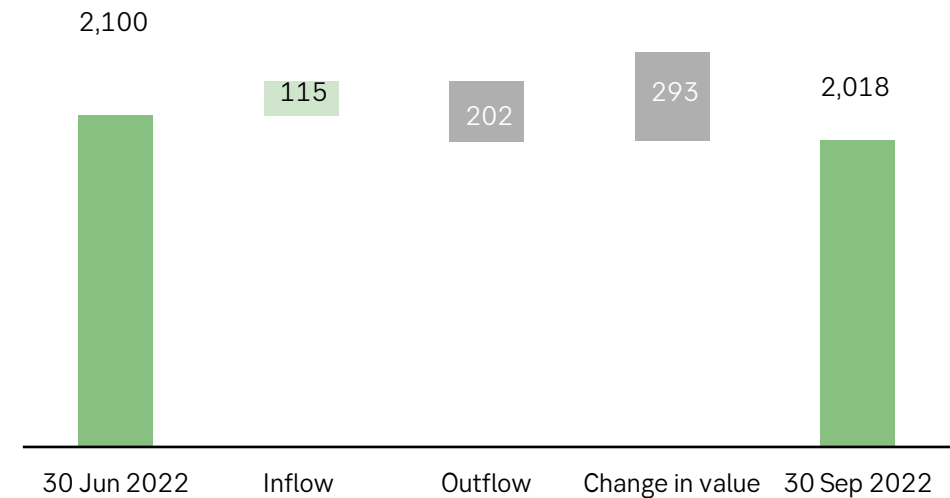
2011: Write-back of provisions of SEK 1.5bn

# Assets under management

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



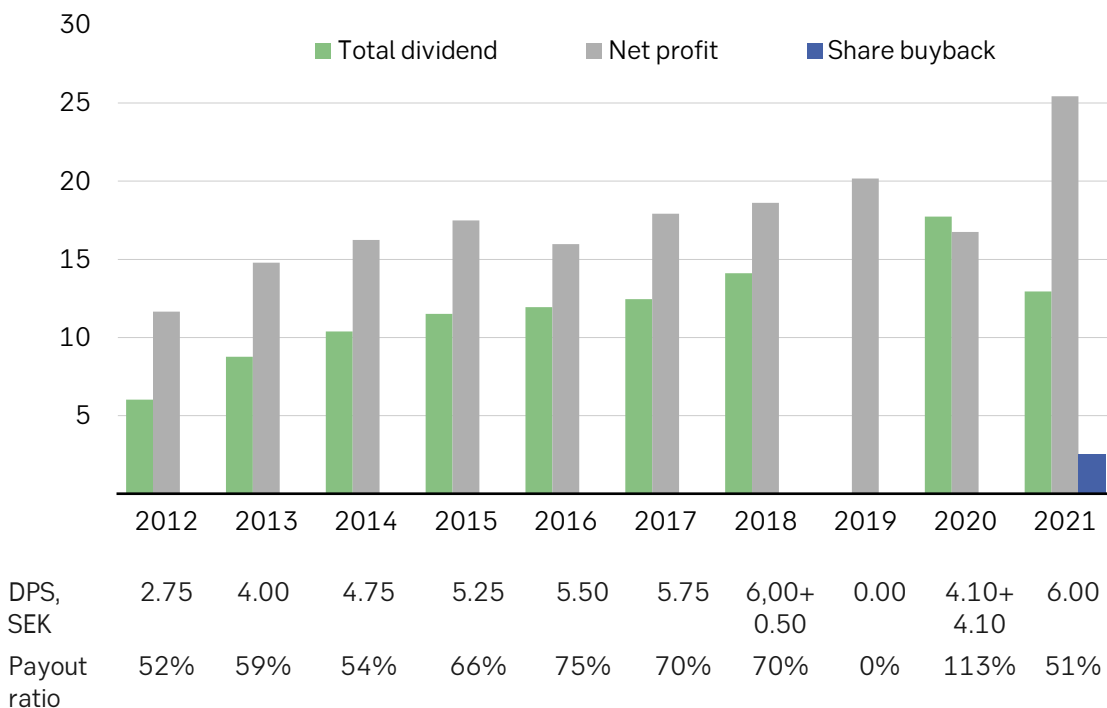
Development during Q2 2022  
SEK bn



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

# Shareholders and dividends

Dividends paid - new dividend policy as of 2021: ~50% of net profit  
SEK bn



- A first 2.5bn share buyback program ran between Oct 2021-Mar 2022. A second SEK 2.5bn share buyback program ran between Mar-Oct 2022. A third SEK 1.5bn program is running between Oct-Dec 2022

## SEB's largest shareholders

30 Sep 2022	Share of capital, per cent
Investor AB	20.9
Alecta Pension Insurance	5.8
Swedbank Robur Funds	4.6
AMF Insurance & Funds	4.3
Trygg Foundation	4.2
BlackRock	2.7
Own shareholding	2.4
Vanguard	2.3
SEB Funds	2.3
Harding Loevner	1.9
Total share of foreign shareholders	26.5

Source: Euroclear Sweden/Modular Finance.

Note: Net profit and payout ratio 2014-2021 excluding items affecting comparability. Payout ratio 2018 excluding extra ordinary DPS, including the latter payout 76%. The ordinary and further ordinary dividend paid in 2021 of SEK 4:10 and SEK 4:10 respectively apply to years 2019-2020 when dividend restrictions were in place leading to a pro forma payout ratio for these years of around 50 per cent. DPS and the payout ratio for 2021 exclude share buybacks.

# Summary key financials

	YTD 2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011 <sup>1)</sup>
Return on equity, % <sup>2)</sup>	13.5	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, % <sup>3)</sup>	40	42	45	46	48	48	50	49	50	54	61	62
Net ECL level / Credit loss level, % <sup>4)</sup>	0.07	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>5)</sup>	0.41	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>6)</sup>	120	145	163	218	147	145	168	128	115	129	NA	NA
Net Stable Funding Ratio (NSFR), %	109	111										
CET1 ratio, % <sup>7)</sup>	18.1	19.7	21.0	17.6	17.6	19.4	18.8	18.8	16.3	15.0	NA	NA
Total capital ratio, % <sup>7)</sup>	21.6	23.3	25.1	23.3	22.2	24.2	24.8	23.8	22.2	18.1	NA	NA
Leverage ratio, % <sup>7)</sup>	4.3	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	18,091	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	2,018	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) 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.

3) Restated resolution fee 2020 and 2021

4) 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..

5) 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).

6) LCR based on EU definition as from 2018 and on SFSA definition 2013-2017.

7) 2016 - 2014 is according to CRD IV/CRR and 2013 was estimated based on SEB's interpretation of future regulation.

# IR contacts and calendar



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## Financial calendar

### 2023

<i>1 Jan</i>	<i>Silent period starts</i>
<b>26 Jan</b>	<b>Annual accounts 2022</b>
<b>1 March</b>	<b>Annual and Sustainability report 2022</b>
<i>1 April</i>	<i>Silent period starts</i>
<b>4 April</b>	<b>Annual General Meeting</b>
<b>26 April</b>	<b>Quarterly report Jan – Mar 2023</b>
<i>1 July</i>	<i>Silent period starts</i>
<b>18 July</b>	<b>Quarterly report Jan – June 2023</b>
<i>1 Oct</i>	<i>Silent period starts</i>
<b>25 Oct</b>	<b>Quarterly report Jan – Oct 2023</b>



Thank you for your attention.

Positively shaping the future, with responsible advice and capital.  
Today and for generations to come.