



**SEB January–September 2015**  
**Press conference**

**Annika Falkengren**  
**President & CEO**

# Highlights Q3 2015

**1** Increased uncertainty  
spurred market volatility

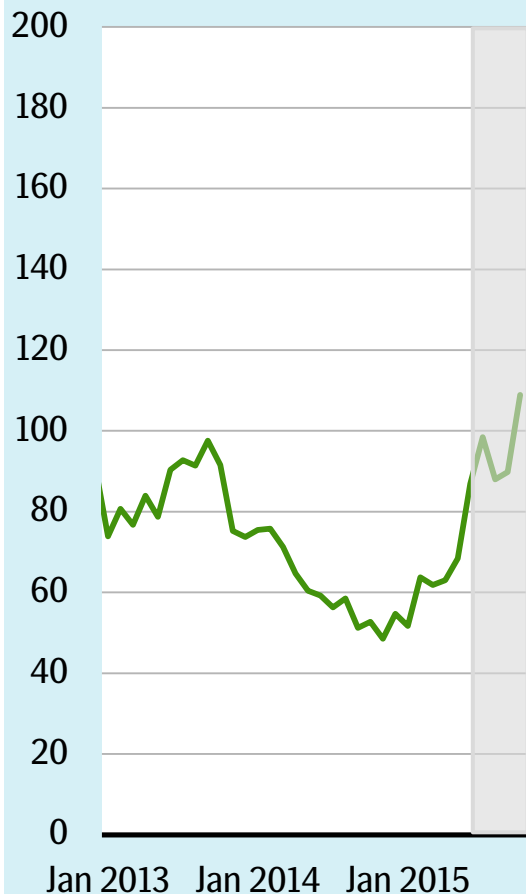
**2** Muted customer activity  
across most segments

**3** Continued strong asset  
quality and improved  
capital position

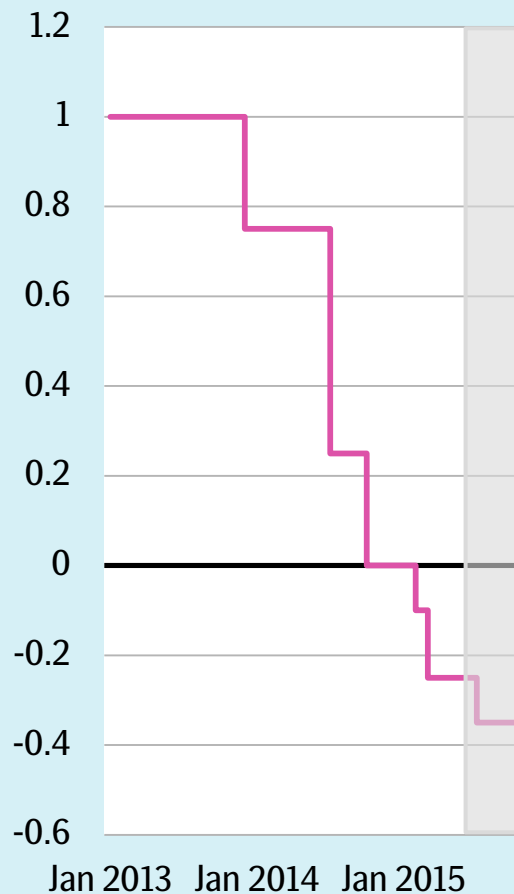


# Repricing of risk

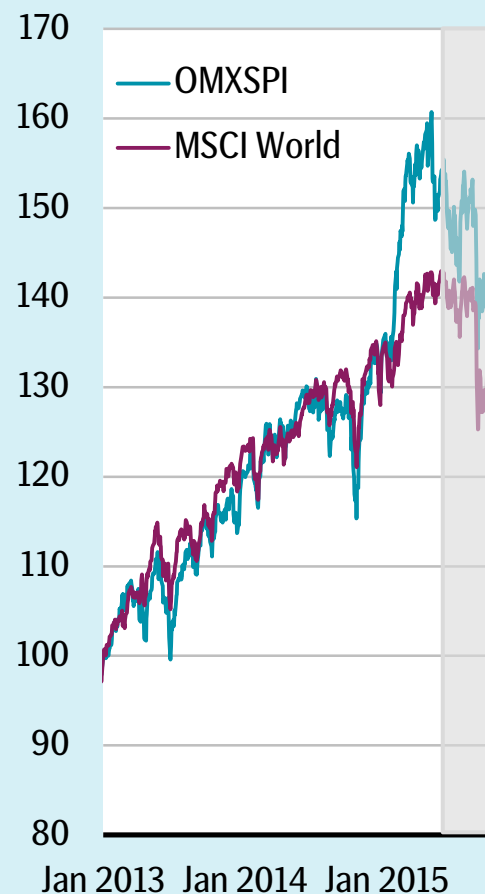
**Swedish credit spreads**  
5y covered bonds vs. 5y Sovereign



**Swedish policy rate**

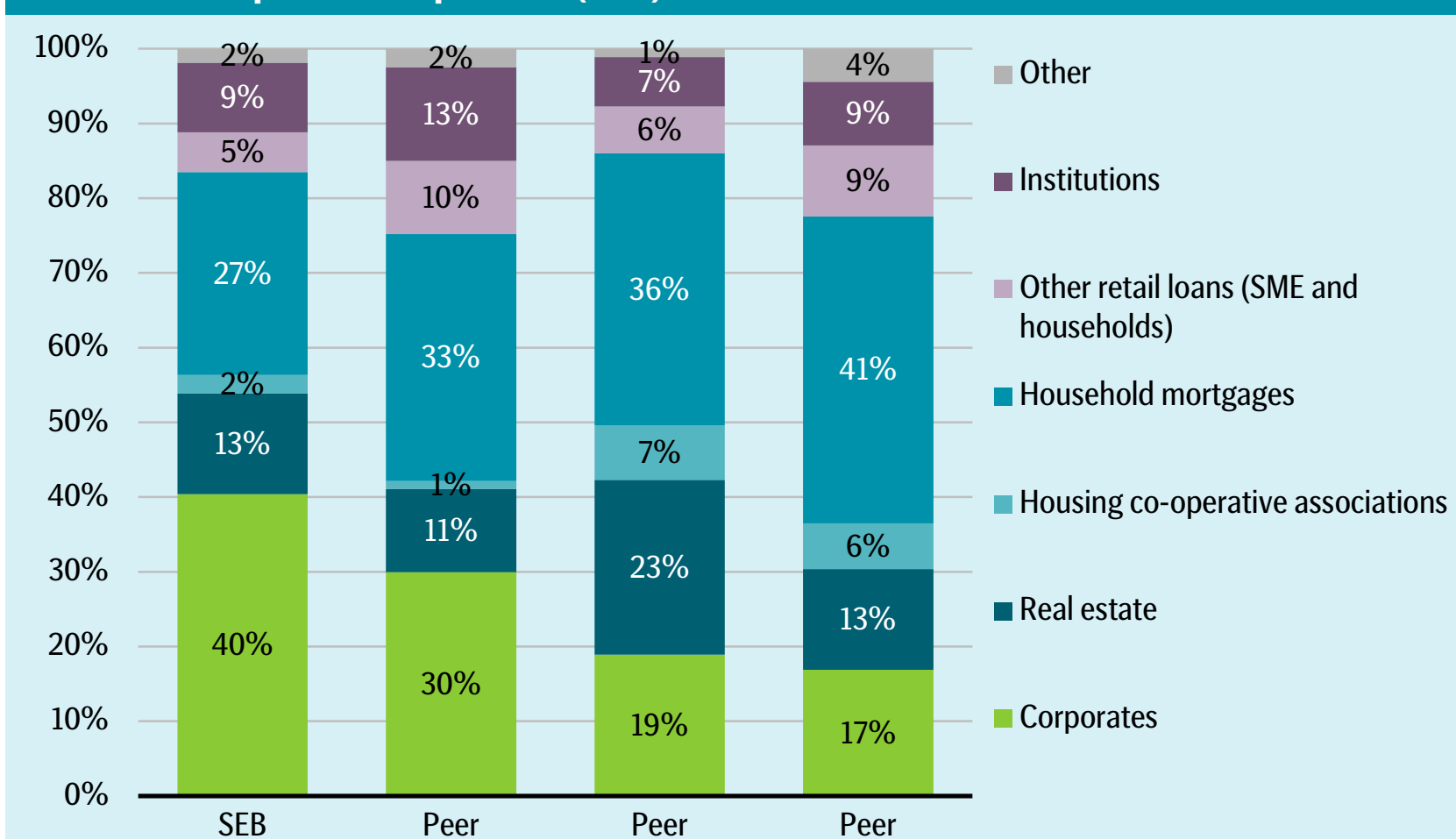


**Stock exchanges**  
MSCI World and OMXSPI,  
Indexed to 100 2013



# SEB is a corporate bank and has the lowest exposure to household mortgages and real estate

Sector credit exposure composition (EAD)<sup>1)</sup> FY 2014



1) EAD = Risk Exposure Amount / Risk Weight

Source: Companies' Pillar 3 reports 2014

# Financial summary

Profit & Loss, (SEK m)	Underlying			Reported		
	Jan-Sep '15	Jan-Sep '14	%	Jan-Sep '15	Jan-Sep '14	%
<b>Total Operating income</b>	<b>33,677</b>	<b>32,852</b>	3	<b>32,775</b>	<b>34,173</b>	-4
<i>whereof NII</i>	14,343	14,933	-4	14,261	14,933	-5
<i>whereof NFI</i>	3,769	2,578	46	2,949	2,578	14
Total Operating expenses	-16,616	-16,352	2	-16,616	-16,352	2
<b>Profit before credit losses</b>	<b>17,061</b>	<b>16,500</b>	3	<b>16,159</b>	<b>17,821</b>	-9
Net credit losses etc.	-799	-1,050	-24	-799	-1,050	-24
<b>Operating profit</b>	<b>16,262</b>	<b>15,450</b>	5	<b>15,360</b>	<b>16,771</b>	-8
Tax expense	-3,380	-3,058		-3,380	-3,240	
<b>Net profit</b>	<b>12,882</b>	<b>12,392</b>		<b>11,980</b>	<b>13,531</b>	

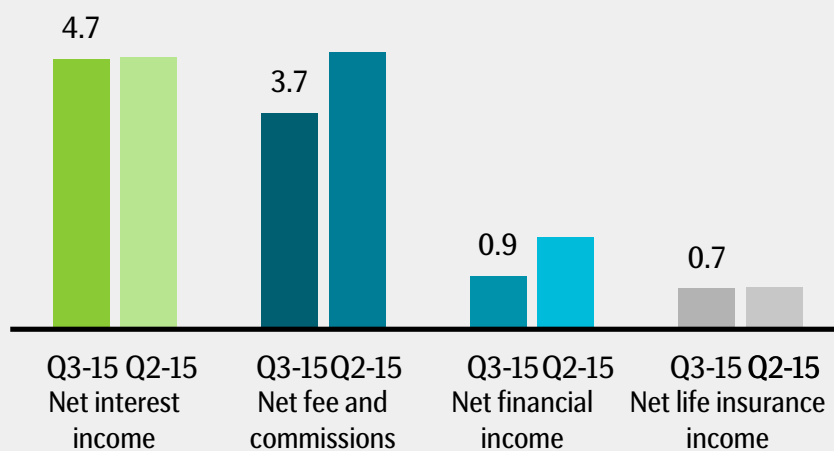
Key figures	Jan-Sep '15	Jan-Sep '14	Jan-Sep '15	Jan-Sep '14
Return on Equity, %	12.8	13.3	11.9	14.6
Cost /income ratio	0.49	0.50	0.51	0.48
Earnings per share, SEK	5.88	5.72	5.47	6.19
CET1 ratio B3, %			17.8	16.2
Leverage ratio B3, %			4.5	4.1
Credit loss level, %			0.06	0.10

# Financial summary – excluding one-offs

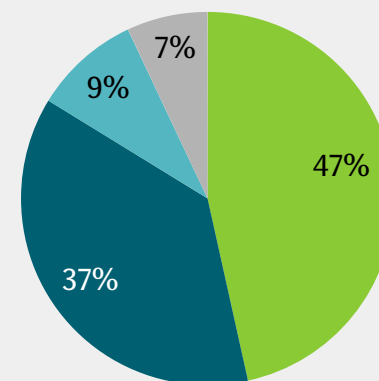
## Profit and loss (SEK m)

	Q3-15	Q2-15	%	Q3-14	%
<b>Total Operating income</b>	<b>10,079</b>	<b>11,986</b>	-16	<b>11,332</b>	-11
Total Operating expenses	-5,452	-5,606	-3	-5,495	-1
<b>Profit before credit losses</b>	<b>4,627</b>	<b>6,380</b>	-27	<b>5,837</b>	-21
Net credit losses etc.	-309	-226	35	-493	-37
<b>Operating profit</b>	<b>4,318</b>	<b>6,154</b>	-30	<b>5,344</b>	-19

## Operating income by type, Q3 2015 vs. Q2 2015 (SEK bn)



## Income distribution Q3 2015



# Net interest income development

SEK bn, excluding one-off

## Net interest income Jan-Sep 2015 vs. Jan-Sep 2014

**-4%**

14.9

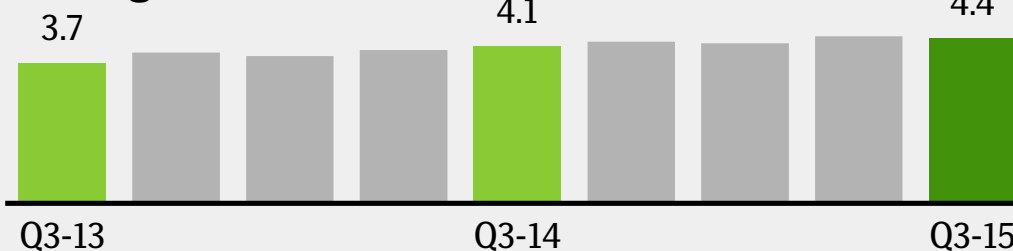
14.3

Jan-Sep '14

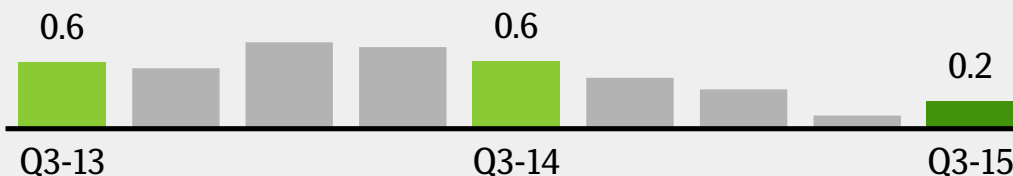
Jan-Sep'15

## Net interest income type Q3 2013 – Q3 2015

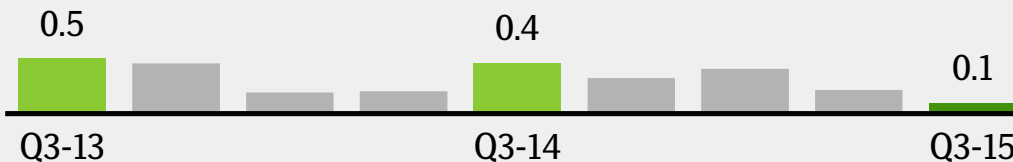
### Lending



### Deposits



### Funding & other



# Net fee and commission income development

SEK bn

Net fee and commissions  
Jan-Sep 2015 vs. Jan-Sep 2014

**+9%**

11.8

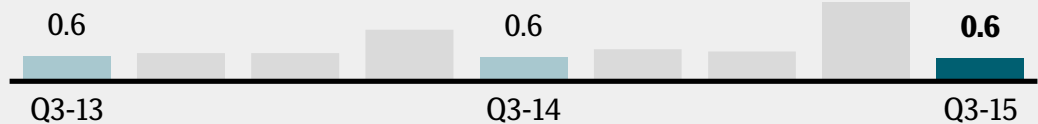
12.8

Jan-Sep '14

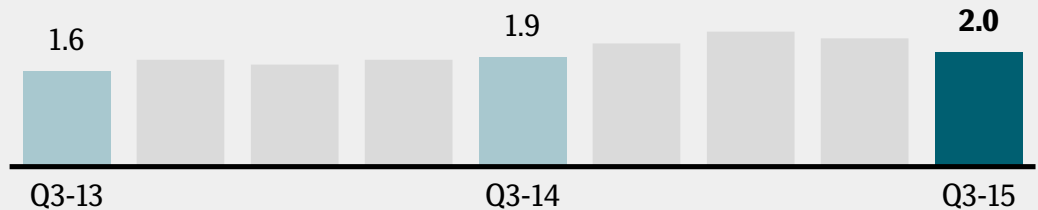
Jan-Sep '15

Gross fee and commissions by income type  
Q3 2013 – Q3 2015

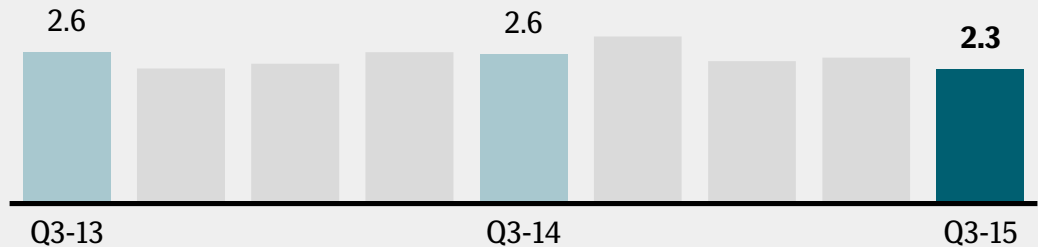
**Advisory, secondary markets and derivatives**



**Custody and mutual funds**



**Payments, cards, lending, deposits & guarantees**





# Net financial income development

SEK bn, excluding one-off

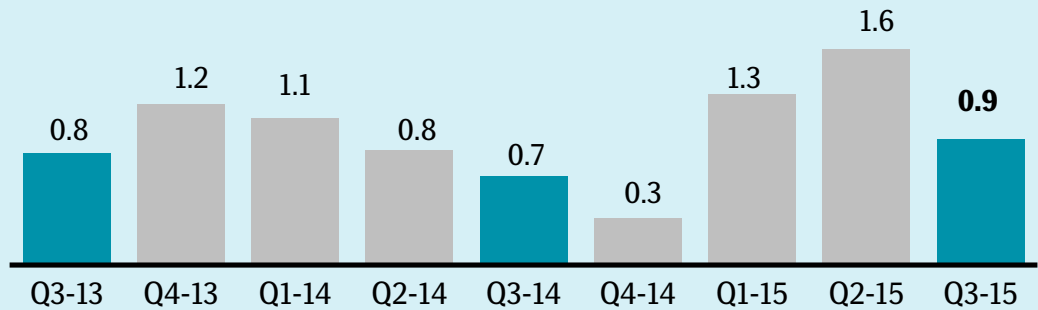
Net financial income  
Jan-Sep 2015 vs. Jan-Sep 2014

**+46%**

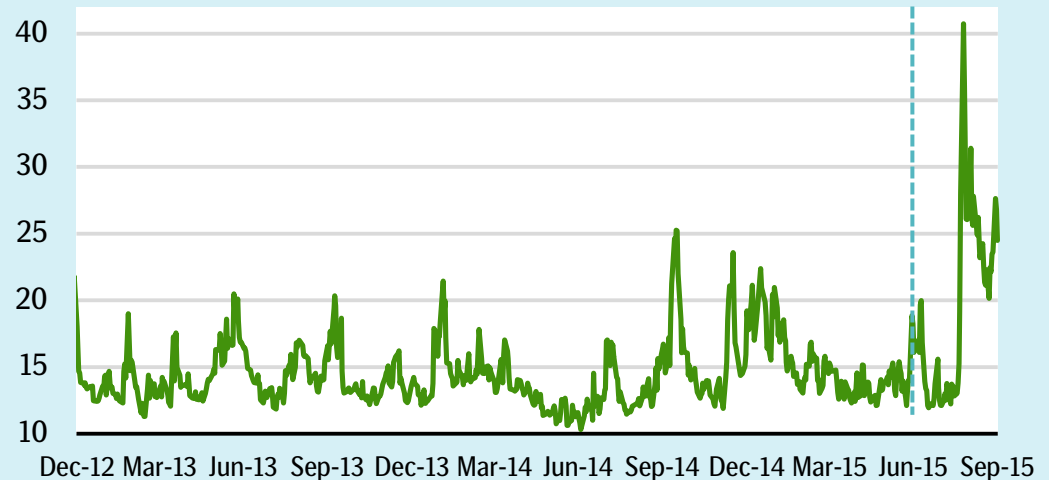


\* (VIX S&P 500 volatility)

Net financial income development  
Q3 2013 – Q3 2015



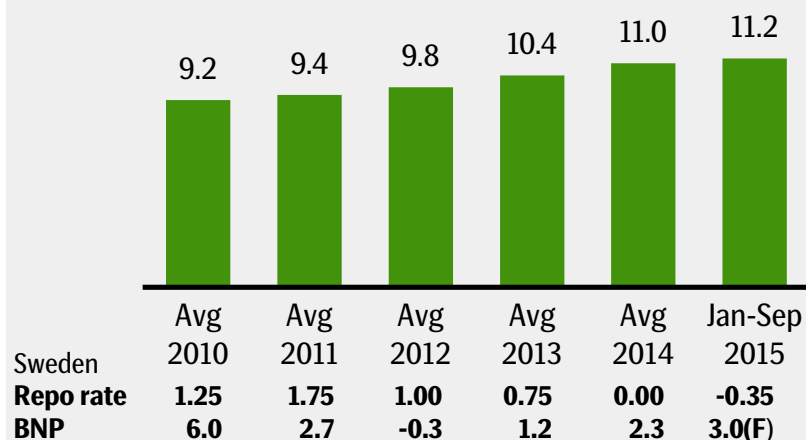
Increased volatility in the quarter\*



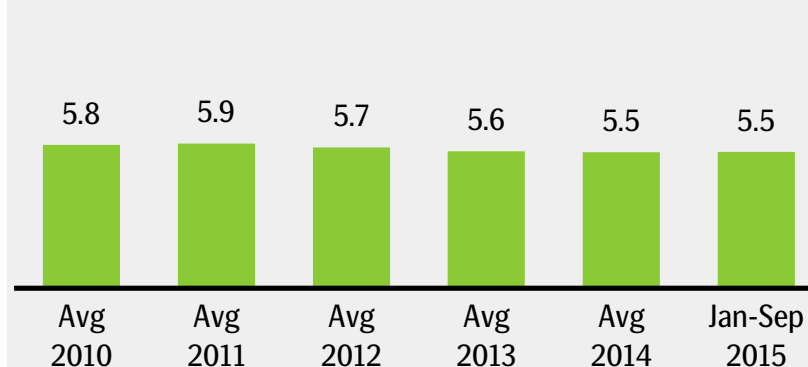
# Operating leverage

excluding one-offs

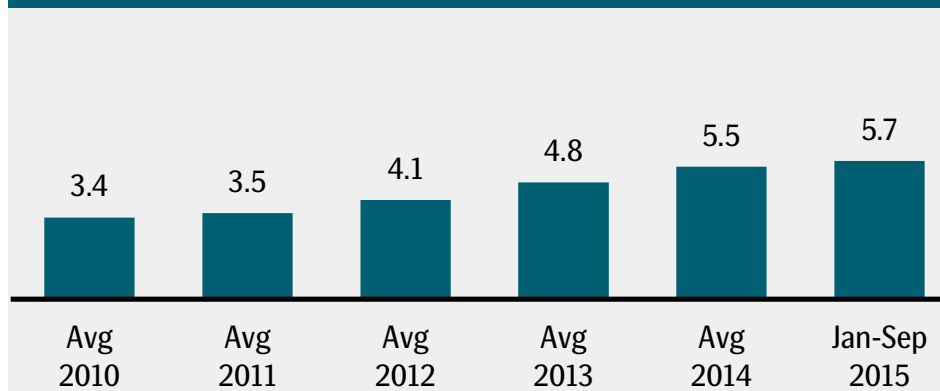
## Average quarterly income (SEK bn)



## Average quarterly expenses (SEK bn)



## Average quarterly profit before credit losses (SEK bn)

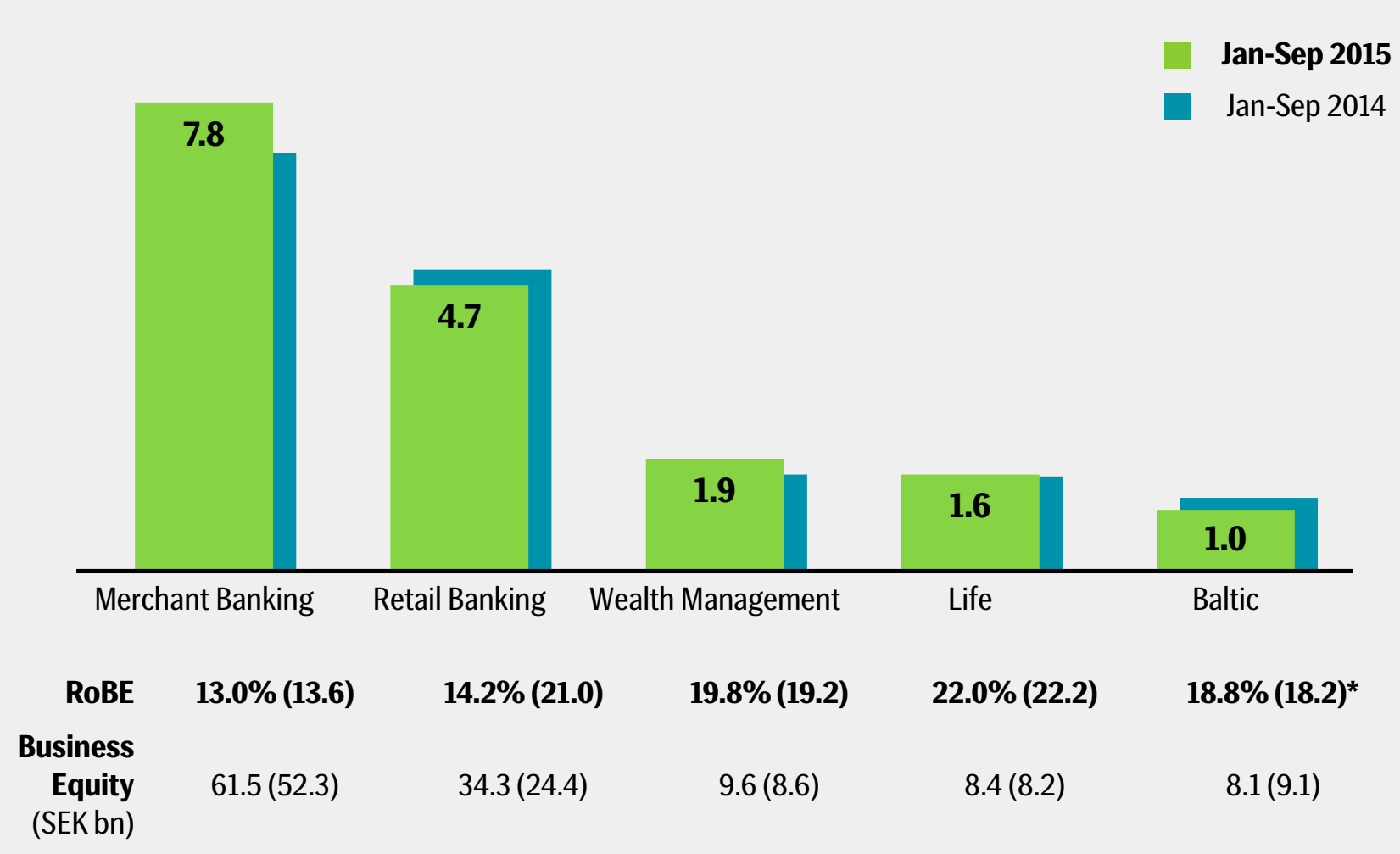


Notes: Excluding one-offs (restructuring in 2010, bond buy-back and IT impairment in 2012, sale of MasterCard shares and Euroline in 2014, Swiss withholding tax in 2015). Estimated IAS 19 costs in 2010

# Divisional performance

Excluding one-offs

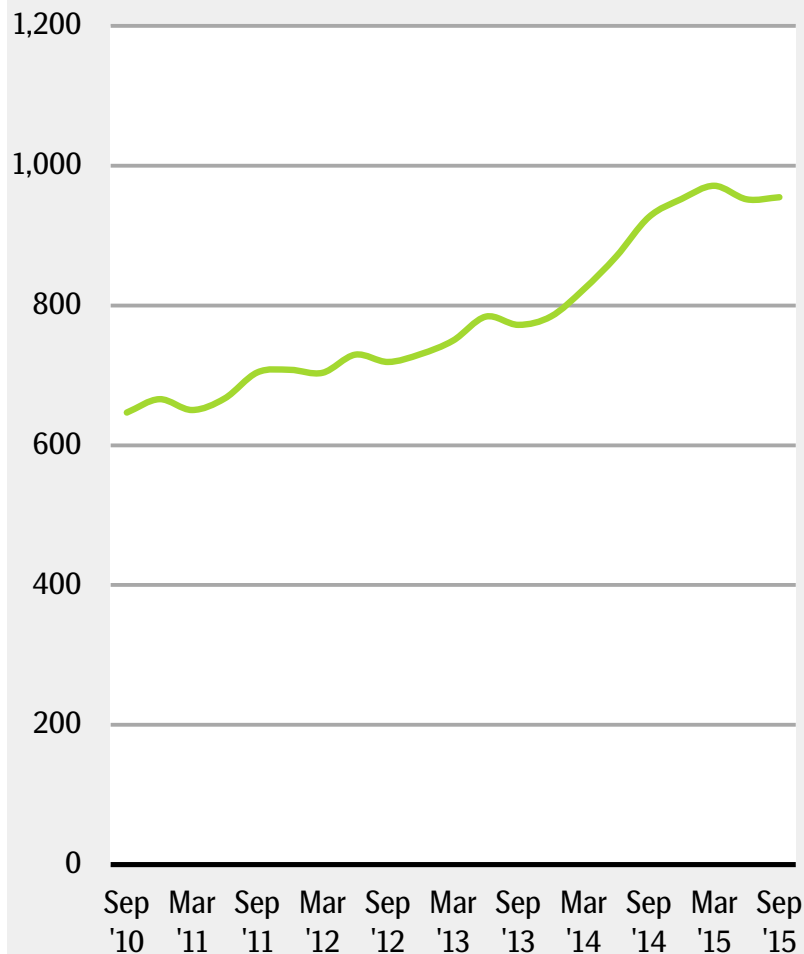
Operating profit Jan-Sep 2015 vs. Jan-Sep 2014 (SEK bn)



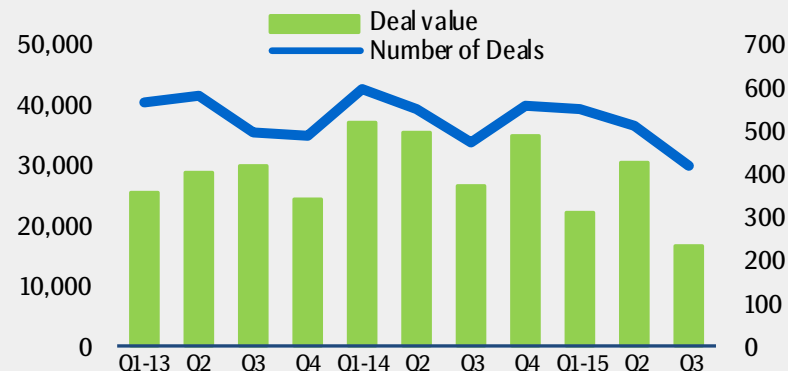
\*Excl. Baltic real estate companies

# Credit demand and event-driven activities low, but growth in net sales of mutual funds and life insurance

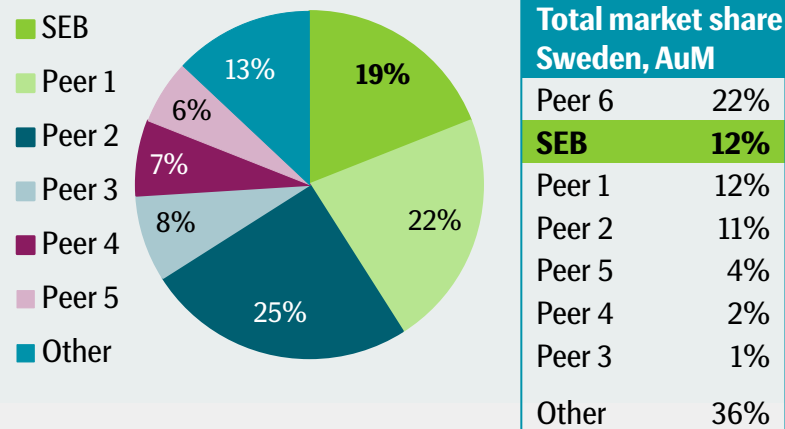
## Corporate credit portfolio (SEK bn)



## Low event-driven activities in the Nordics\*



## ...and net sales of SEK 48bn YTD in Sweden (Mutual funds net inflows Swedish market\*\*)



Sources:

\*Dealogic and Thomson Reuters

\*\*Svensk Fondstatistik

# Strong asset quality and balance sheet

	(SEK bn)	2009	2014	Jan-Sep 2015
Asset quality	Non-performing loans	28.6bn	10.6bn	8.5bn
	NPL coverage ratio	65%	59%	63%
	Net credit loss level	0.92%	0.09%	0.06%
Funding and liquidity	Customer deposits	750bn	943bn	975bn
	Liquidity resources	>10%	~25%	~25%
	Liquidity coverage ratio	N.A.	115%	116%
Capital	CET 1 ratio (Basel 3)	11.7% <small>Basel 2.5</small>	16.3%	17.8%
	Total capital ratio (Basel 3)	14.7% <small>Basel 2.5</small>	22.0%	22.7%
	Leverage ratio (Basel 3)	N.A.	4.8%	4.5%

# Going forward

A woman with blonde hair, wearing a beige knitted cardigan over a dark top, is seated in a modern grey armchair. She is smiling and looking towards two men seated opposite her. The man on the left is seen in profile, wearing a dark suit. The man on the right is also in profile, wearing a light-colored shirt. They are in a meeting room with vertical wooden slats in the background. A small round table in front of them holds three glasses of water, two of which have the SEB logo.

**Focus on customer relationships**

**Continued disciplined execution**

**Resilience and long-term perspective  
in challenging economic climate**