

# Press Conference Q2-18

**Johan Torgeby**

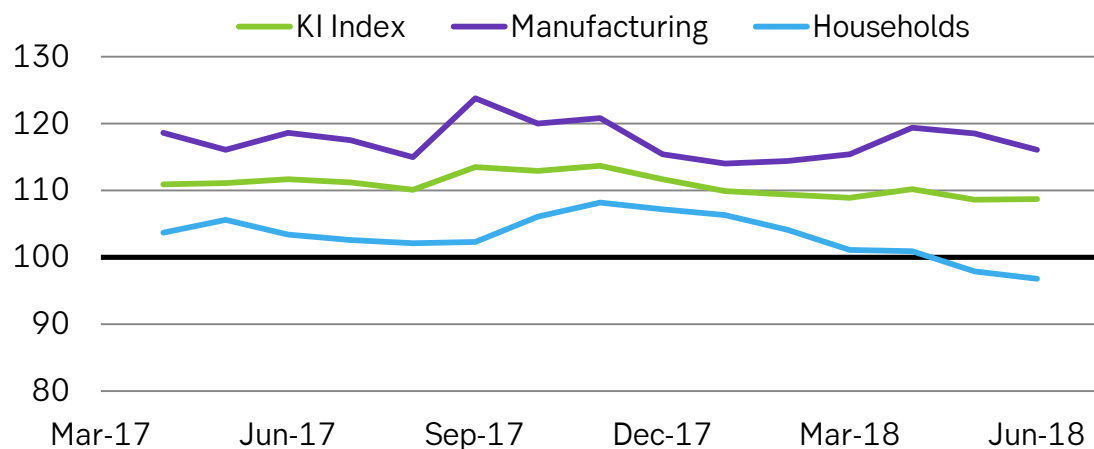
President & CEO

17 July, 2018

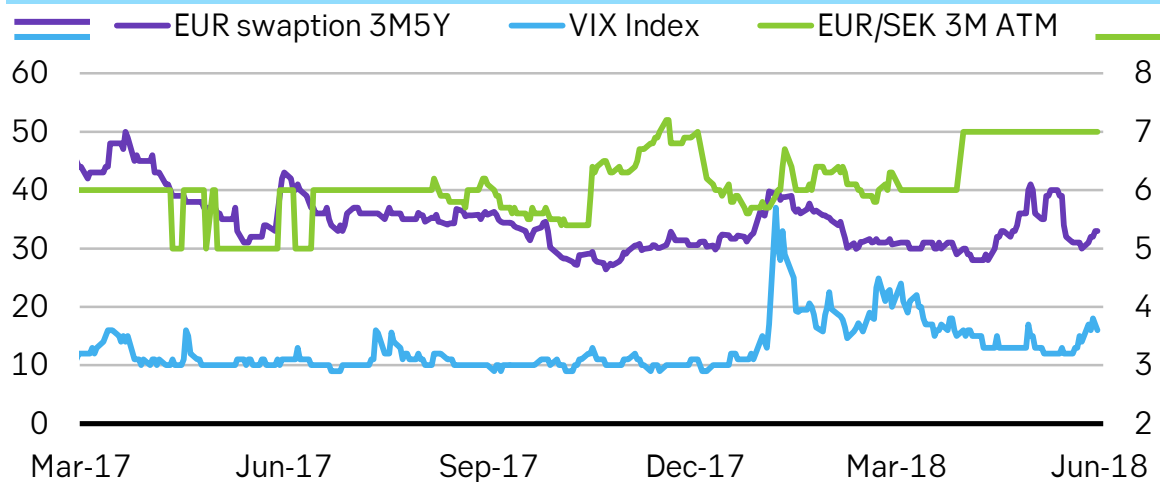


# Financial markets development

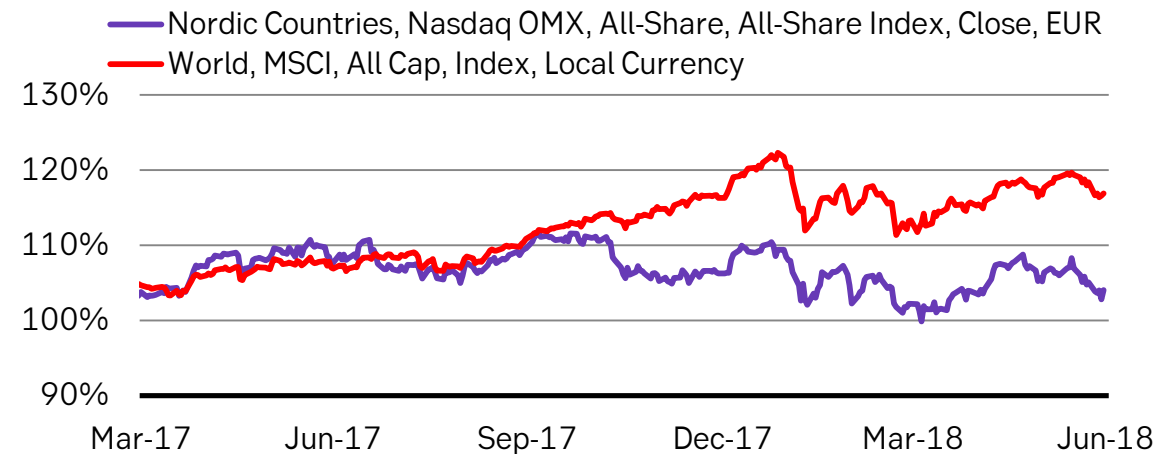
## Economic Tendency Survey (KI barometern)



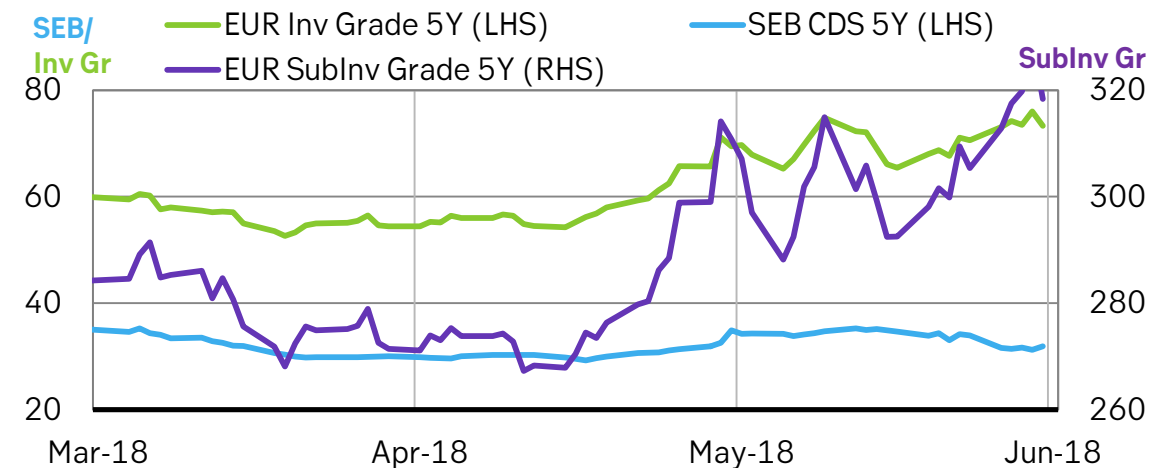
## Volatility (VIX index)



## Equity markets



## CDS spreads





# Highlights Jan-Jun 2018

- Pick-up in customer activity following a muted start of the year
- Broad based demand for SEB's services
- Strong capital position, robust asset quality and good cost control

# Financial summary year-to-date

<b>Profit &amp; Loss</b>	(SEK m)	<b>H1 2018</b>	<b>H1 2017</b>	<b>%</b>
<b>Total Operating income</b>		<b>22,690</b>	<b>22,570</b>	<b>1</b>
Total Operating expenses		-10,957	-10,909	0
<b>Profit before credit losses</b>		<b>11,733</b>	<b>11,661</b>	<b>1</b>
Net credit losses etc.		-309	-490	-37
<b>Operating profit before IAC</b>		<b>11,424</b>	<b>11,171</b>	<b>2</b>
IAC		4,506		
<b>Operating profit</b>		<b>15,930</b>	<b>11,171</b>	<b>43</b>

Credit loss level

Cost/income ratio

Common Equity Tier 1

Return on Equity\*

3bps

0.48

19.3 %

13.9%

\* Before IAC, RoE after IAC at 20.5 per cent

# Financial summary Q2

<b>Profit &amp; Loss</b>	(SEK m)	<b>Q2 2018</b>	<b>Q1 2018</b>	<b>%</b>	<b>Q2 2017</b>	<b>%</b>
<b>Total Operating income</b>		<b>11,903</b>	<b>10,787</b>	<i>10</i>	<b>11,386</b>	<i>5</i>
Total Operating expenses		-5,527	-5,430	<i>2</i>	-5,473	<i>1</i>
<b>Profit before credit losses</b>		<b>6,376</b>	<b>5,357</b>	<i>19</i>	<b>5,913</b>	<i>8</i>
Expected credit losses etc.		-208	-101	<i>106</i>	-251	<i>-17</i>
<b>Operating profit before IAC</b>		<b>6,167</b>	<b>5,256</b>	<i>17</i>	<b>5,661</b>	<i>9</i>
IAC		4,506				
<b>Operating profit</b>		<b>10,674</b>	<b>5,256</b>	<i>103</i>	<b>5,661</b>	<i>89</i>

Credit loss level

Cost/income ratio

Common Equity Tier 1

Return on Equity\*

4bps

0.46

19.3 %

16.5%

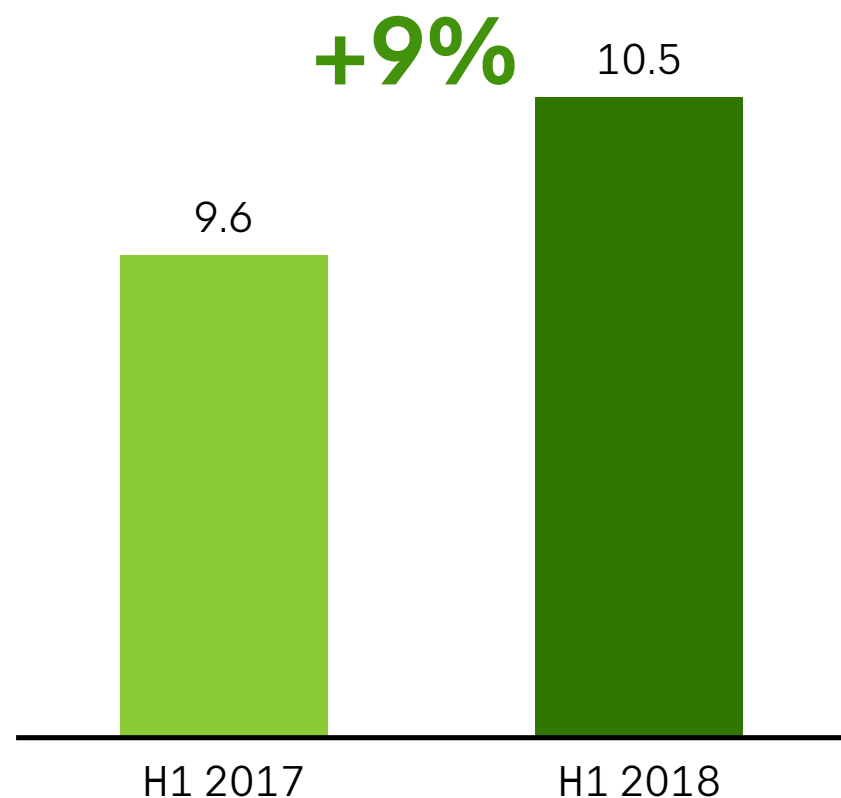
\* Before IAC, RoE after IAC at 29.9 per cent

# Net interest income development

SEK bn

## Net interest income

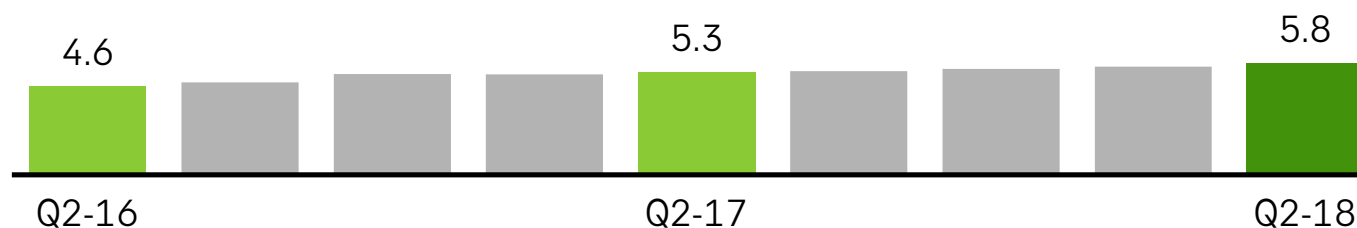
Jan-Jun 2018 vs. Jan-Jun 2017



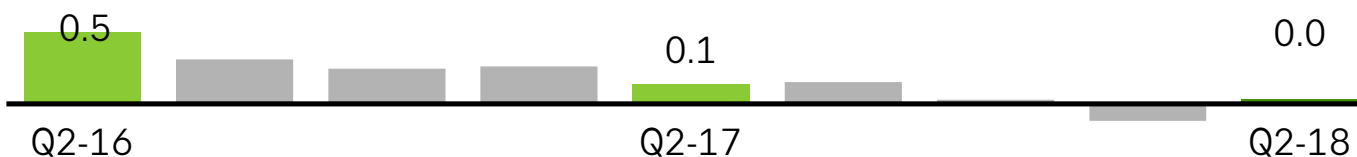
## Net interest income type

Q2 2016 – Q2 2018

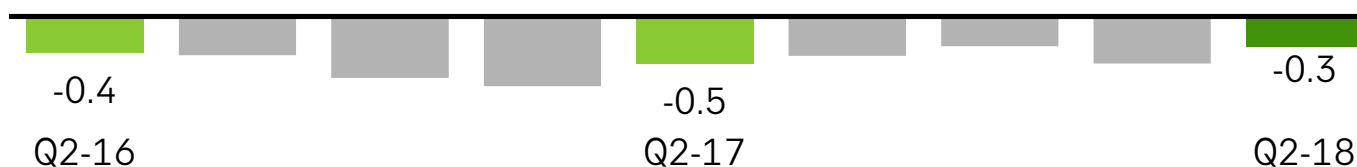
### Lending



### Deposits



### Funding & other

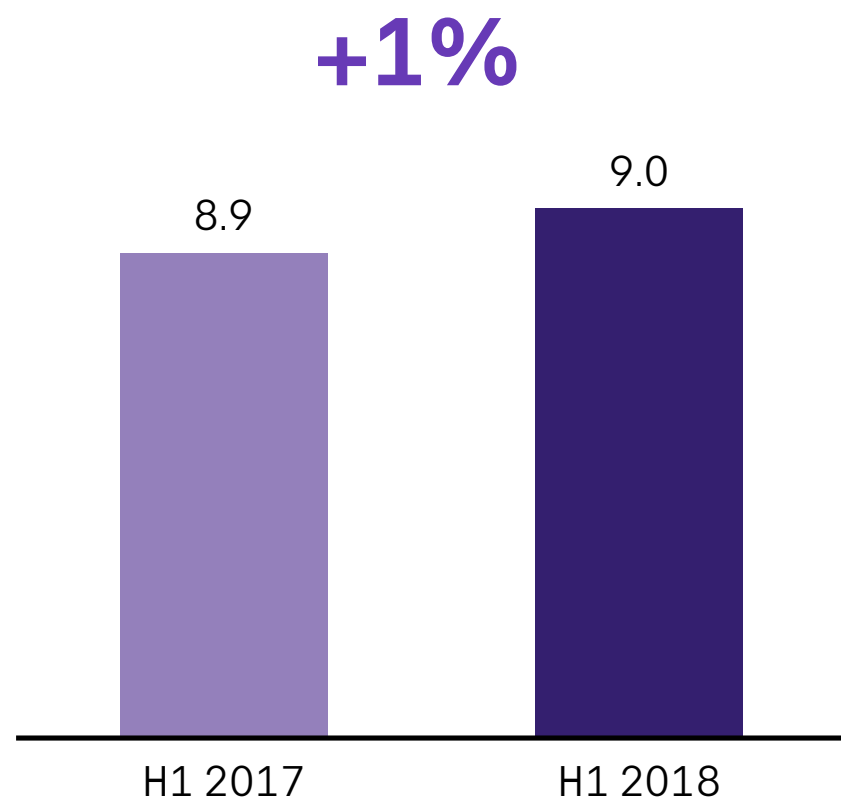


# Net fee and commission income

SEK bn

## Net fee and commissions

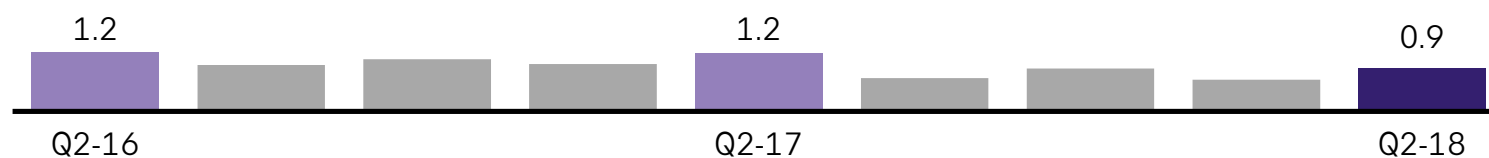
Jan-Jun 2018 vs. Jan-Jun 2017



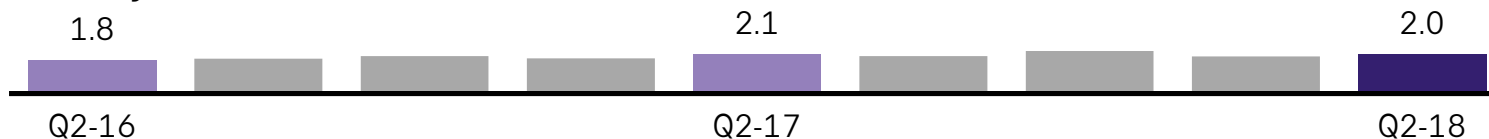
## Gross fee and commissions by income type

Q2 2016 – Q2 2018

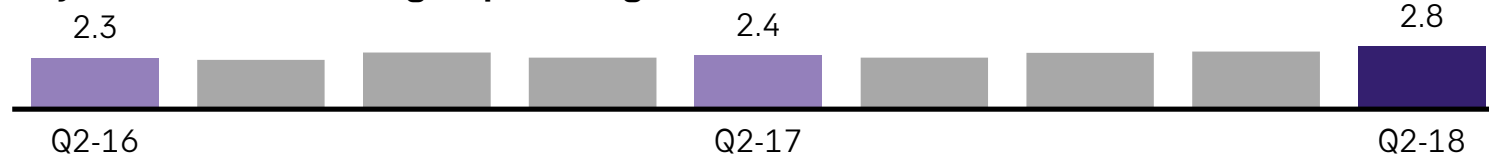
### Advisory, secondary markets and derivatives



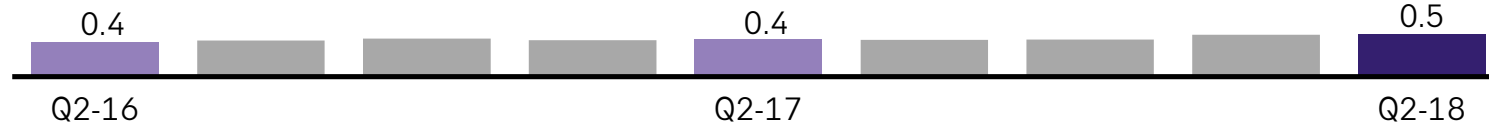
### Custody and mutual funds



### Payments, cards, lending, deposits & guarantees



### Life insurance fees



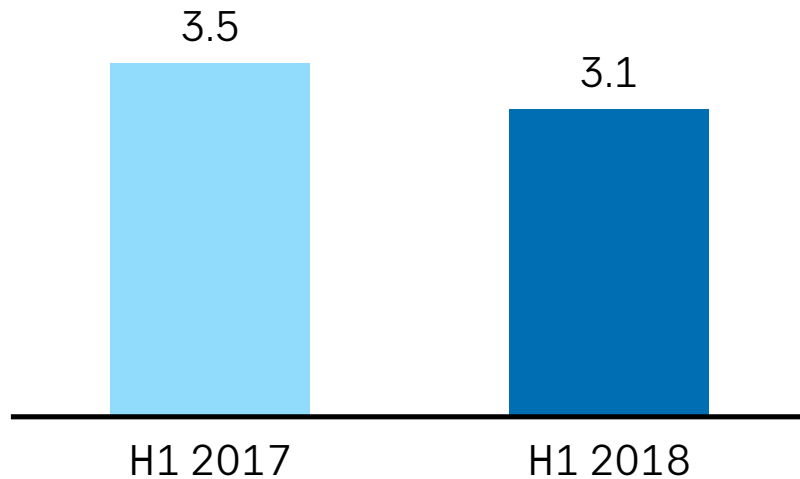
# Net financial income development

SEK bn

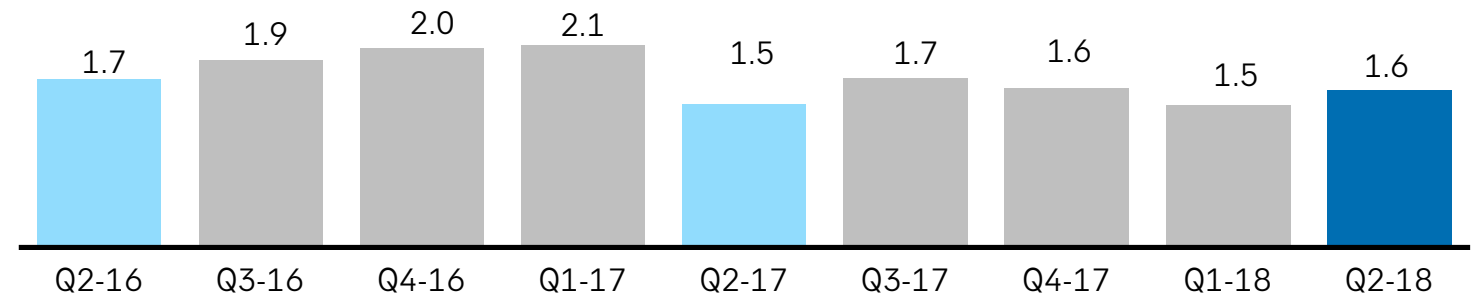
## Net financial income

Jan-Jun 2018 vs. Jan-Jun 2017

-13%



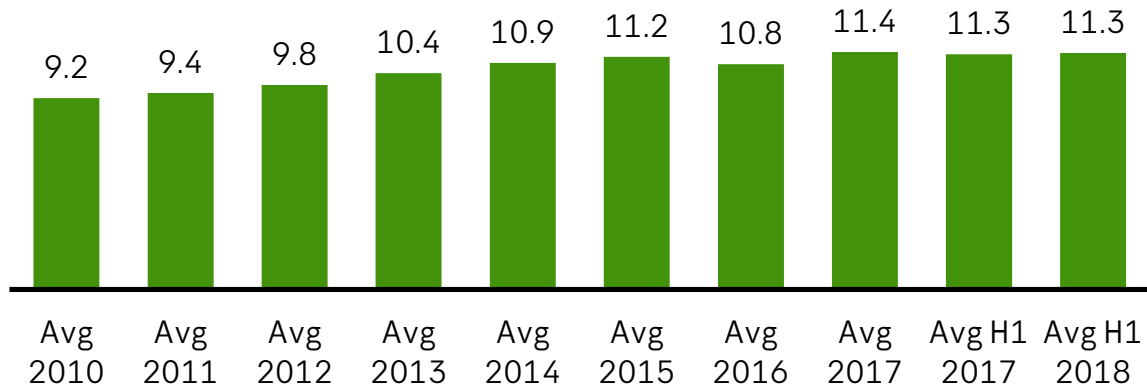
## Net financial income development Q2 2016 – Q2 2018



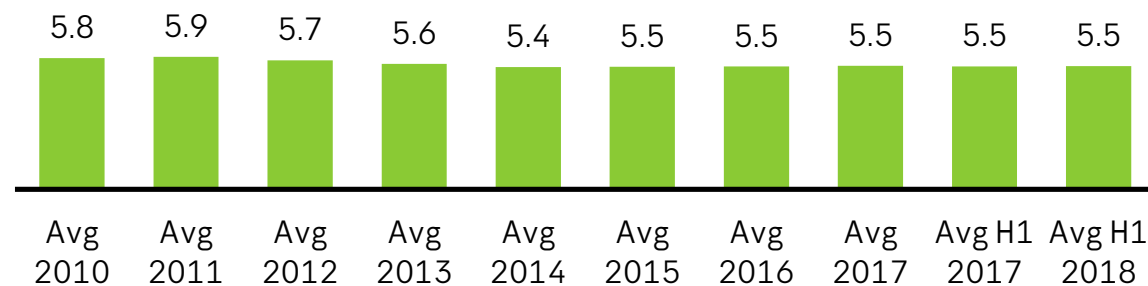


# Operating leverage, excl. IAC

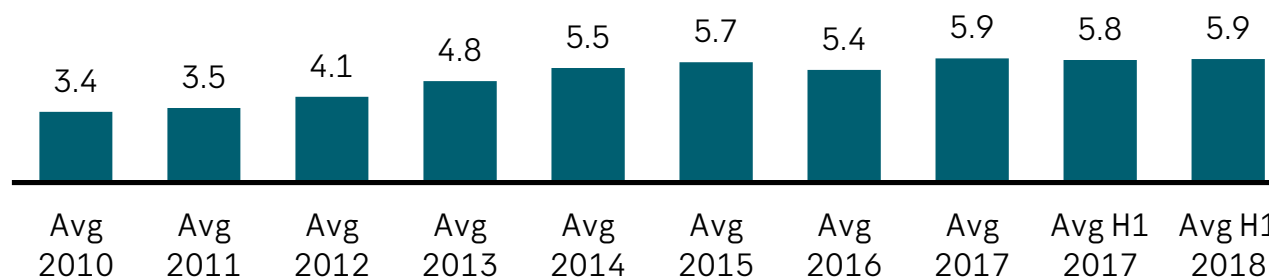
Average quarterly income (SEK bn)



Average quarterly expenses (SEK bn)



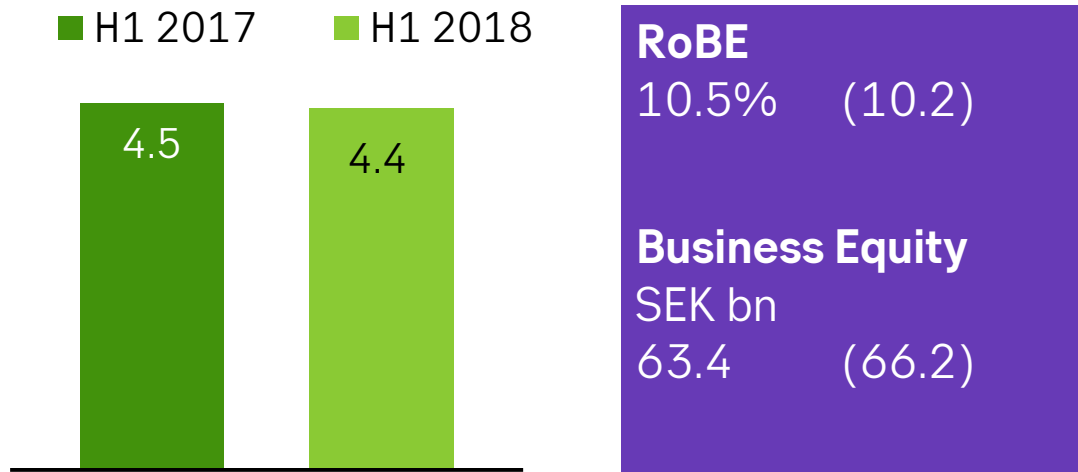
Average quarterly profit before credit losses (SEK bn)



## Large Corporates & Financial Institutions

Operating profit & key figures

SEK bn

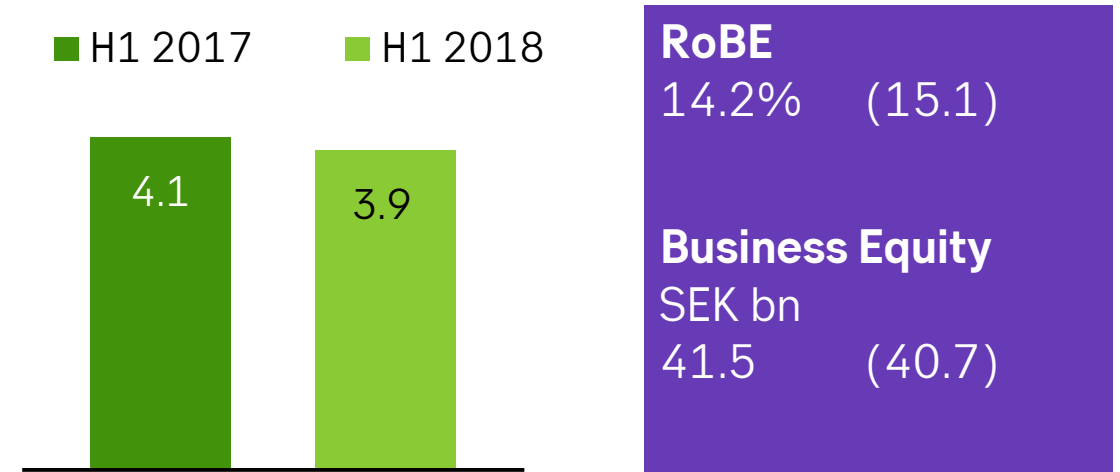


- Corporate activity picked up overall
- Volume growth and stable margins
- Operating profit +40 % QoQ

## Corporate & Private Customers

Operating profit & key figures

SEK bn

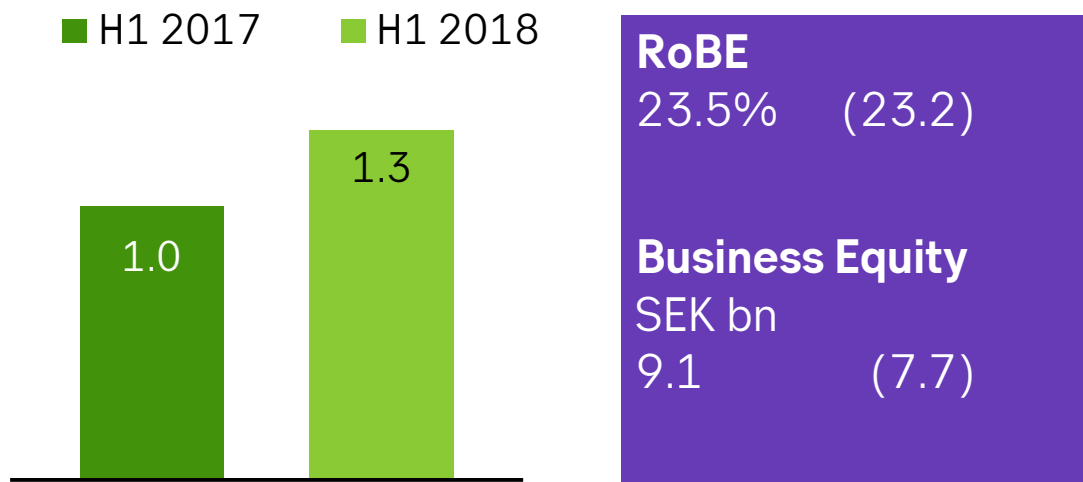


- Cont. corporate and household lending growth
- 4 800 new SME customers since year-end
- First Swedish bank to launch green mortgages

## Baltic Banking

Operating profit & key figures

SEK bn

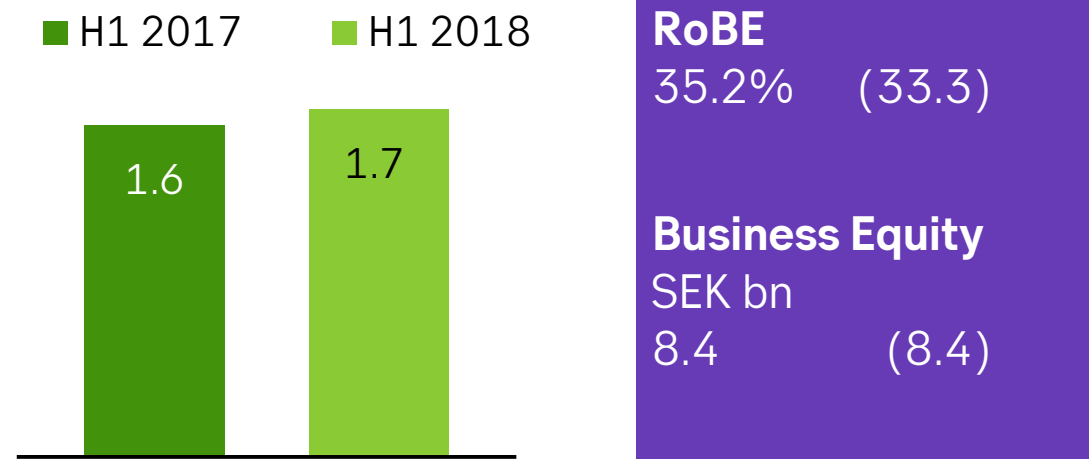


- Continued improvement in business sentiment in all segments and loan growth in all countries
- Increased customer activity and digital banking solution usage

## Life & Investment Management

Operating profit & key figures

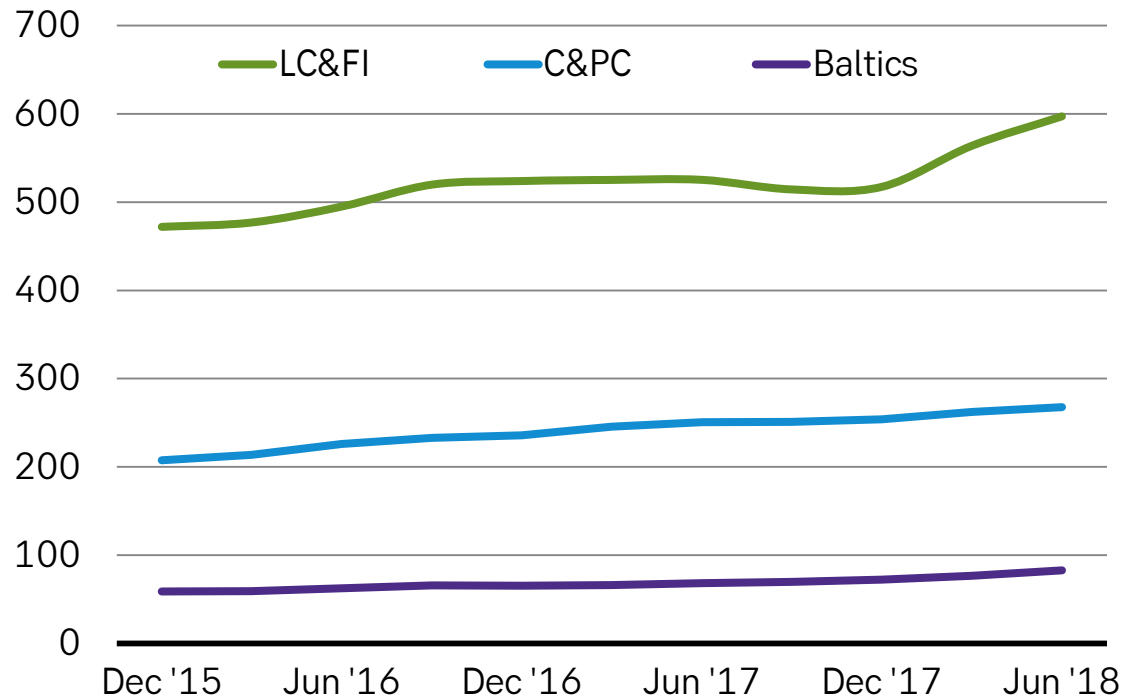
SEK bn



- Sale of SEB Pension in Denmark finalised
- Enhanced integration of sustainability into fund offering
- Net new inflow in AuM of SEK 34bn

# Increased corporate activity

## Corporate lending (SEK bn)



Growth rates	QoQ	YoY
<b>LC&amp;FI</b>	6%	14%
- FX-adjusted	3%	8%
<b>C&amp;PC</b>	2%	7%
<b>Baltics</b>	8%	21%
- FX-adjusted	7%	12%

## League Tables (2018 YTD)



### M&A Nordics

1. INTERNATIONAL PEER
2. **SEB**
3. NORDIC PEER
4. INTERNATIONAL PEER
5. INTERNATIONAL PEER



### M&A Sweden

1. **SEB**
2. INTERNATIONAL PEER
3. INTERNATIONAL PEER
4. INTERNATIONAL PEER
5. INTERNATIONAL PEER

# Strong asset quality and balance sheet

(SEK bn)		2009	2017	Jun 2018
Asset quality	Net Expected credit loss level*	0.92%	0.05%	0.03%
Funding and liquidity	Customer deposits**	750bn	1 026bn	1 172bn
	Liquidity coverage ratio*	N.A.	145%	136%
Capital	CET 1 ratio (Basel 3)	11.7%	19.4%	19.3%
	CET1 buffer above requirement	N.A.	220bps	260bps
	Total capital ratio (Basel 3)	14.7% <small>Basel 2.5</small>	24.2%	24.7%
	Leverage ratio (Basel 3)	N.A. <small>Basel 2.5</small>	5.2%	4.7%

\* According to valid regulations for respective period \*\* Including margins of safety and registered bonds

# Business plan focus on growth & transformation



**Full focus on Swedish businesses**



**Continue to grow in the Nordics and Germany**



**Savings & pension growth**



**World-class service**



**Digitalisation**



**Continuous learning & Competence**





# Some core beliefs about the future

Customers expect services to be **smarter, faster, safer** and at their terms



Anything that can be **automated** will be automated

Long term relationships are built on **trust** and **valuable** data driven **advice**



**People** is at the core of everything we do, and the determinant for success



**Sustainability** will be key for customers, employees and other stakeholders







Reinvigorate  
**Growth**



Accelerate  
**Transformation**



The journey towards...

...**world-class service**  
to our customers  
continues