

# Investor presentation



Annual  
accounts

**Q4**  
**2009**

**Strong market position and  
diversified earnings base**

**#1 Nordic  
investment bank**  
**12,200 new  
SME clients**

**High asset quality in Nordics and  
Germany – improvement in the Baltics**

**0.24% credit losses  
outside Baltics**  
**Baltic past-due  
loans falling**

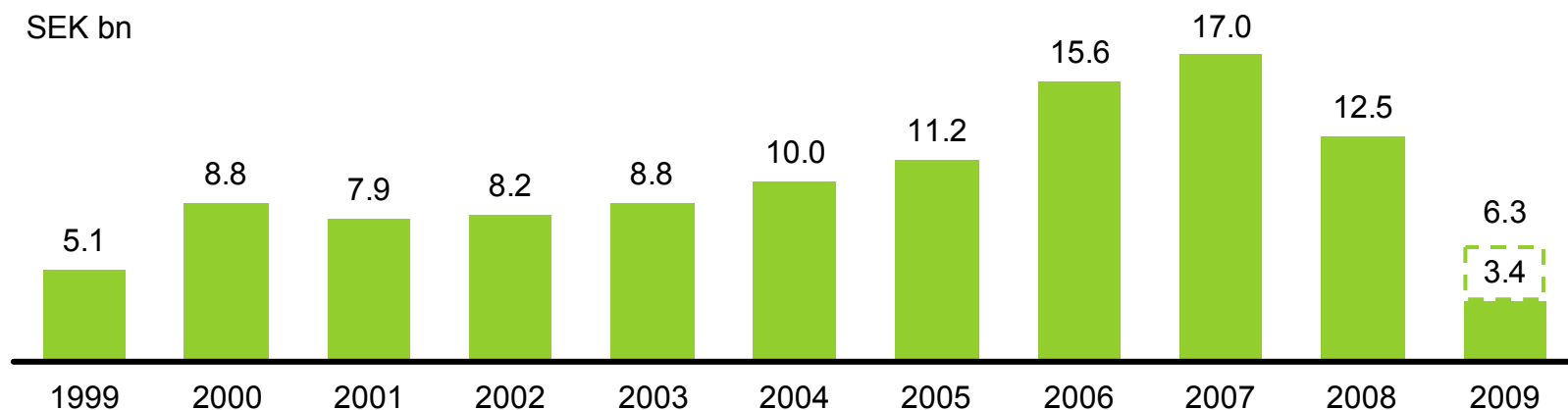
**Solid balance sheet**

**Tier 1 ratio 13.9%**  
**18m matched funding**

# Underlying business strong but clouded by credit provisions and goodwill

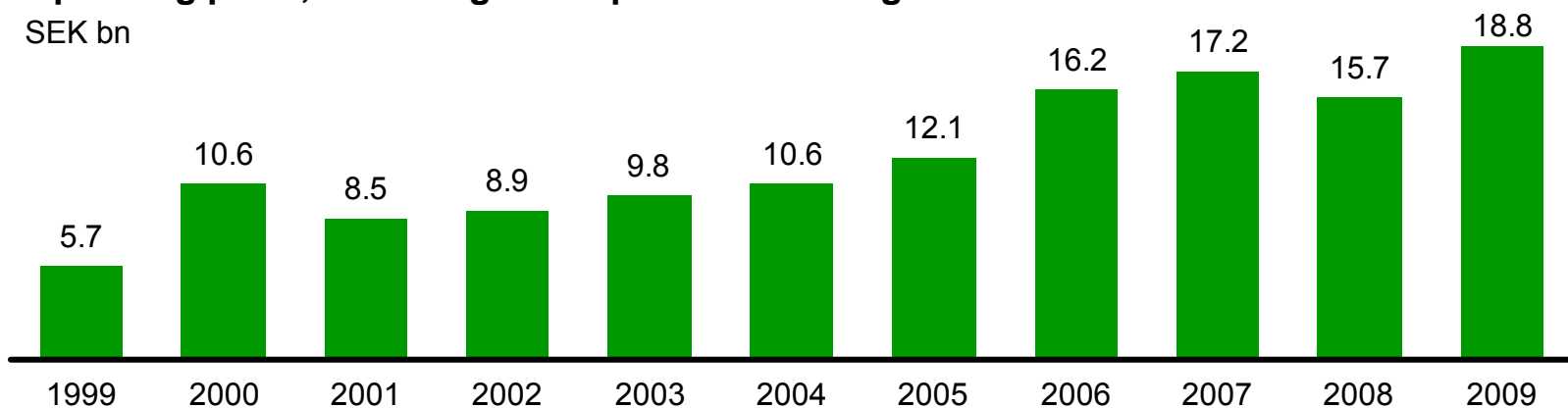
## Operating profit

SEK bn



## Operating profit, excluding credit provisions and goodwill

SEK bn



# Customers in focus

Private and SME customers

## Private



- ✓ 3.3m cards with 392m transactions (+8%)
- ✓ SEK 30bn increase in Swedish mortgages (+14%)
- ✓ 2m calls to phone bank (+19%)



**EUROMONEY**

*"Best private banking service overall" Sweden*

- ✓ 450 new private banking clients
- ✓ SEK 41bn higher PB AuM (+39%)

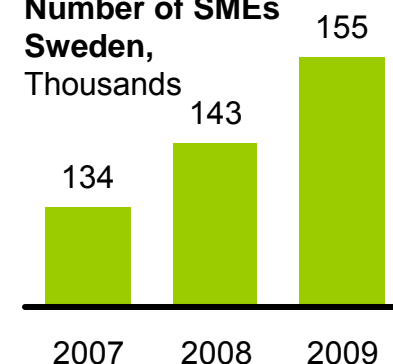
## SMEs



- ✓ 12,200 new SME customers (+7%)
- ✓ Financing volumes to SMEs up 6%



**Number of SMEs Sweden, Thousands**





# Customers in focus

Large corporates and institutional clients

## Corporates



- ✓ #1 market share (9.2%) in Nordic and Baltic exchanges
- ✓ Increased income from Top 50 Nordics by 20%
- ✓ ~120 new clients (+5%)

*Prospera*

*#1 Corporate Finance House in the Nordics*



*Financial Advisor of the Year for the Nordics*

**EUROMONEY**

*Best Cash Management in the Nordics & Baltics*

## Institutions



- ✓ Institutional assets under management up by SEK 87bn (+9%)
- ✓ Assets under custody up by almost SEK 1 trillion (+25%)

*Prospera*

*#1 Equity House in the Nordics*



*Best Sub Custodian Nordics & Baltics*

**MORNINGSTAR**

*Star Fund Manager: Thomas Wrang*

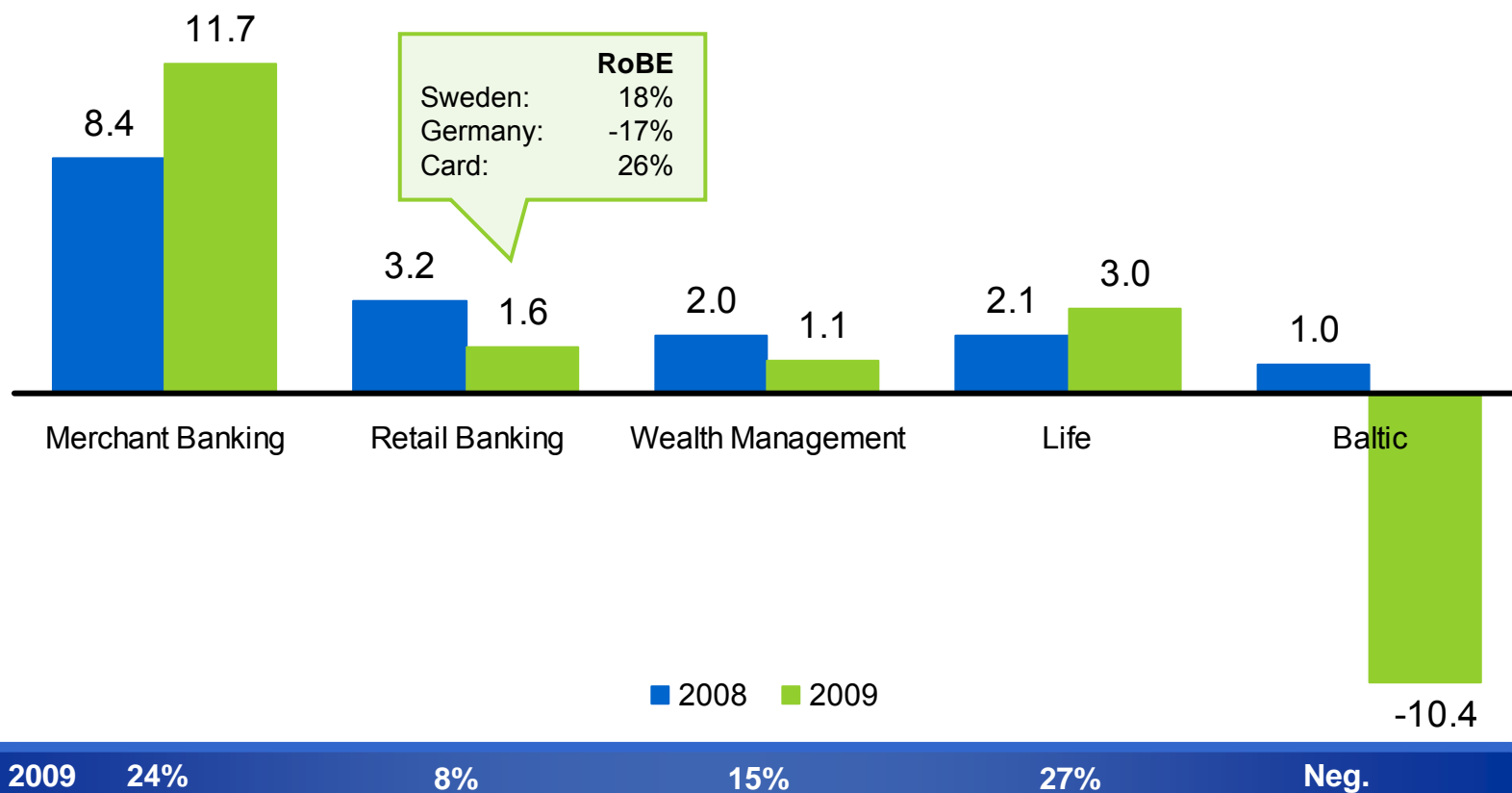


**fondmarknaden.se**

*Best bond fund SEB Corporate Bond*

# Strong divisional performance and diversified earnings base

Operating profit 2009 vs. 2008  
SEK m

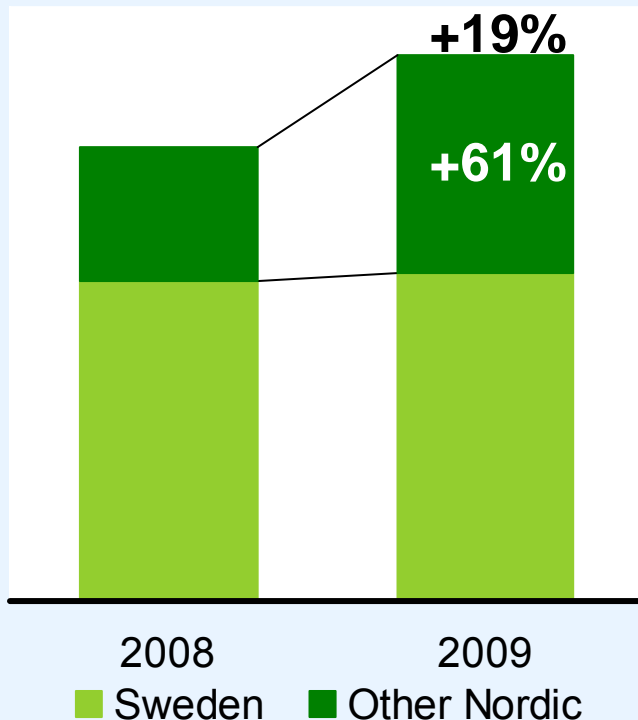


# Further strengthened Nordic market position **S|E|B**

## Large corporates

### Strong growth in core markets

Income Nordic “top 50”  
(public companies)



### Awards in core areas



Best Cash  
management bank,  
Nordic region



Best arranger  
Nordic Loans



Best Cash  
Management, Best  
Investment Bank

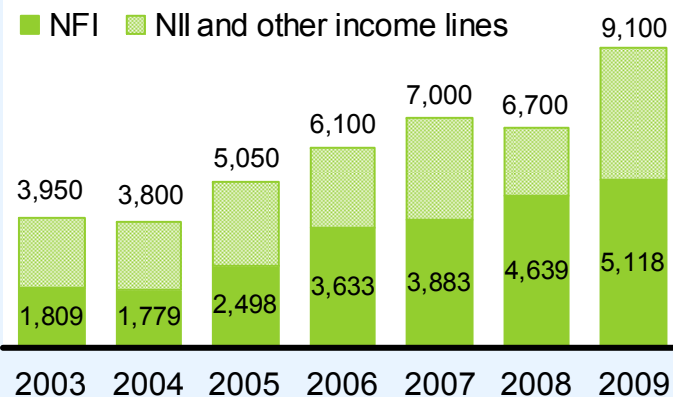


No 1 Corp Finance  
No 1 Equity house,  
Nordics

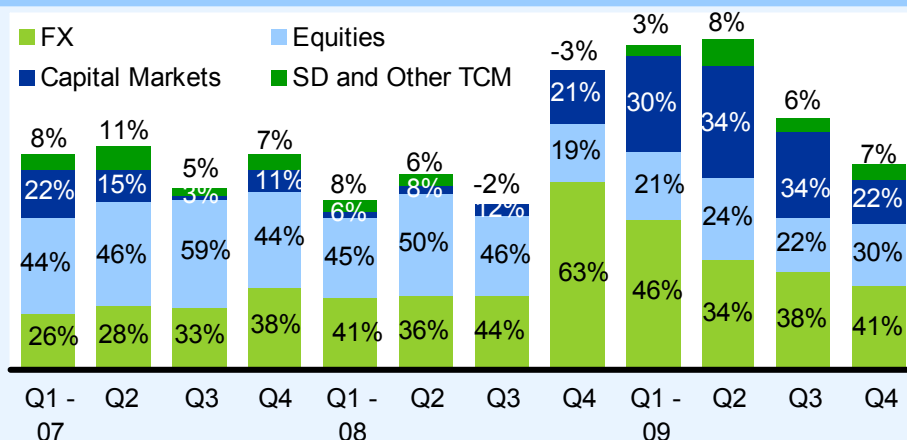
# Robust TCM income

## Low Risk Trading Orientation

### TCM, excluding CPM Portfolio, SEK m

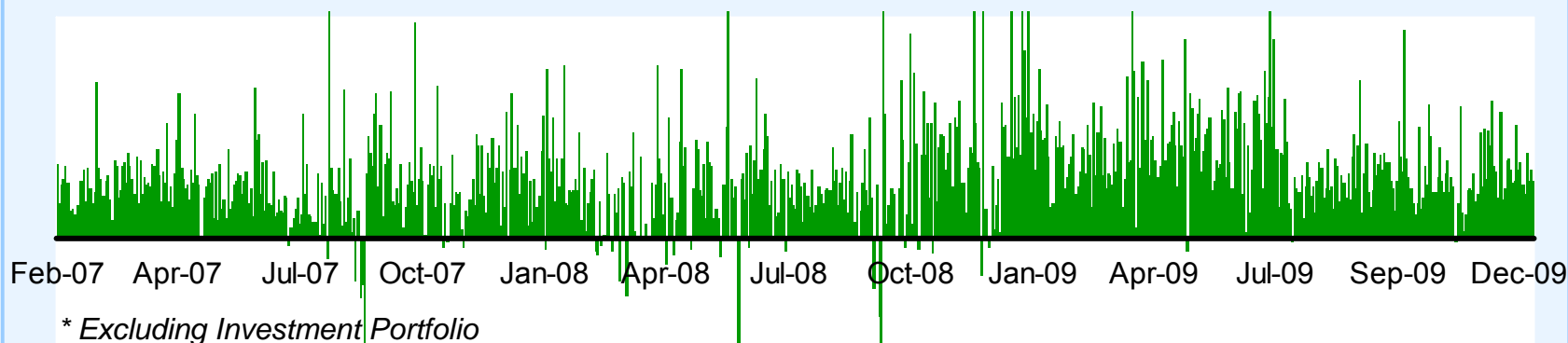


### TCM income split, excluding investment portfolio



### Low risk trading orientation

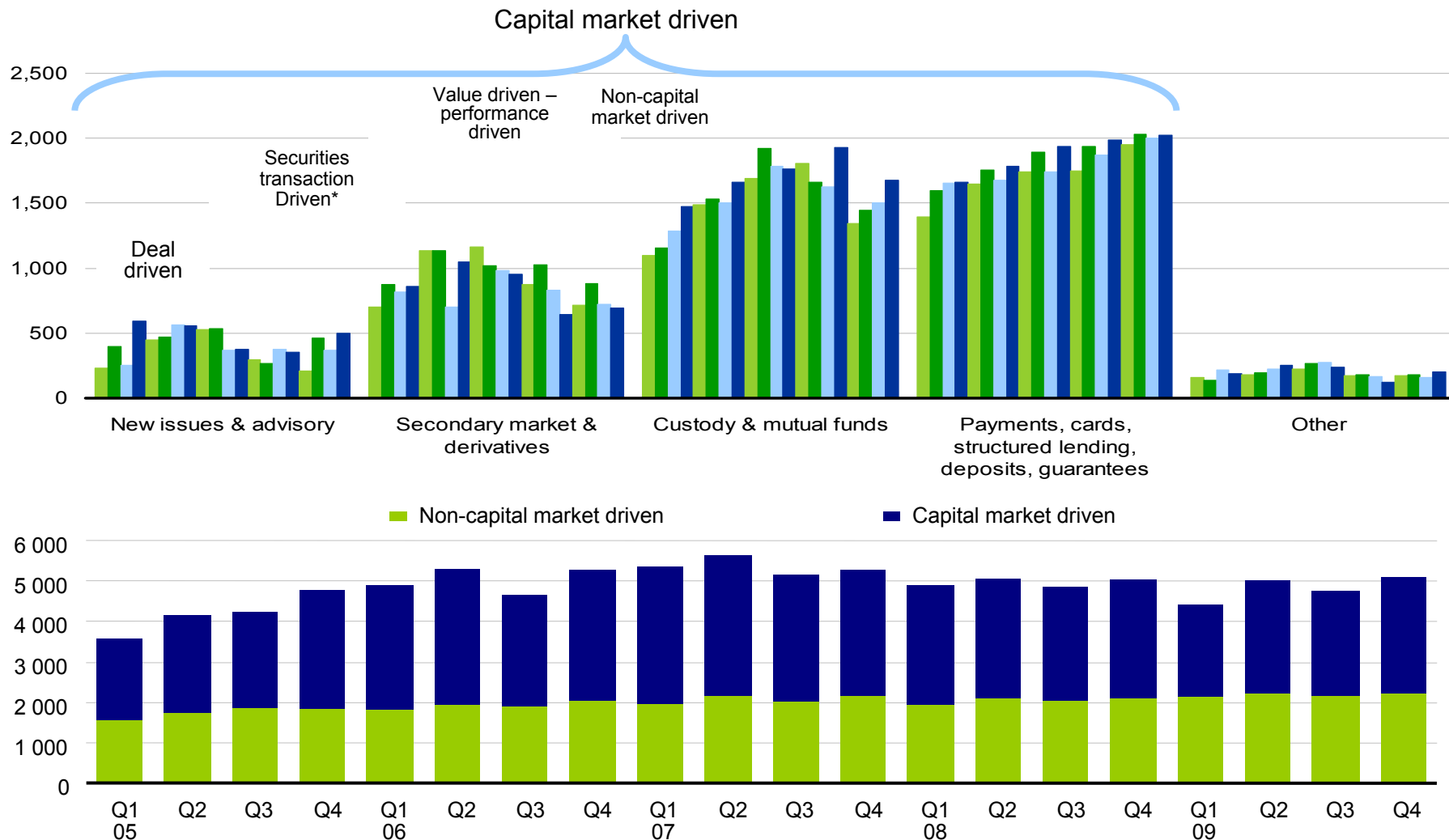
Daily trading income 2007 – 2009. 35 negative trading days out of 1,096. Average loss SEK 15m





# Fee and commission income

Gross quarterly development Q1 2005 – Q4 2009 SEB Group, SEK m



\* Q2 2006 adjusted for gross commission on security lending, SEK 200m

# Net life income

## Changing mix

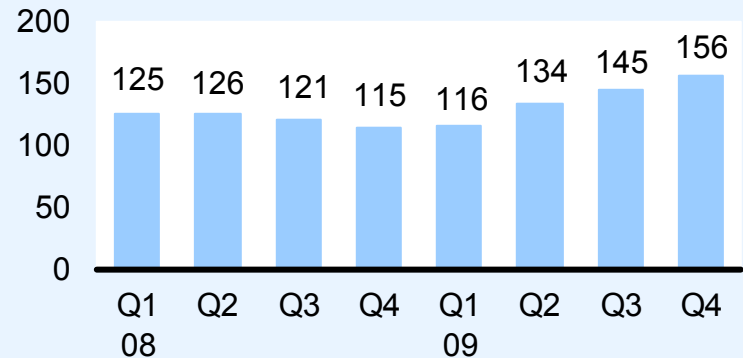
% equity allocation



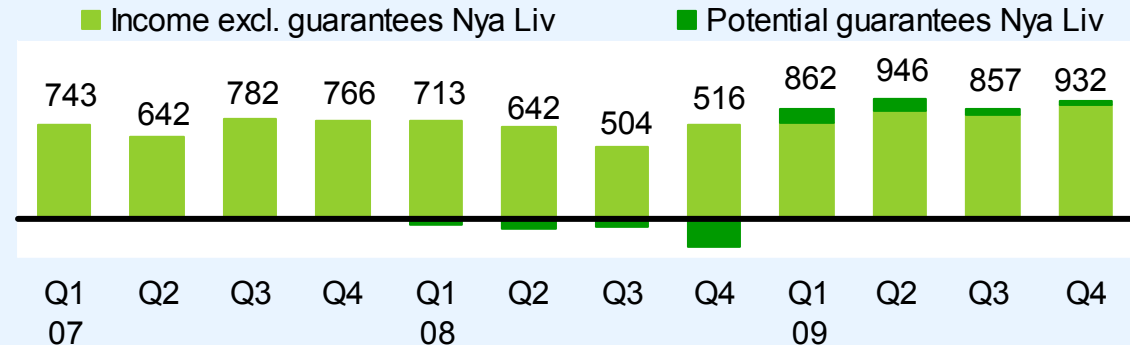
**27% → 36%**

## Growing volumes

AuM Unit Link, SEK bn



## Net Life Insurance Income, Q1 07–Q3 09, SEK m



# Strong operating income in 2009

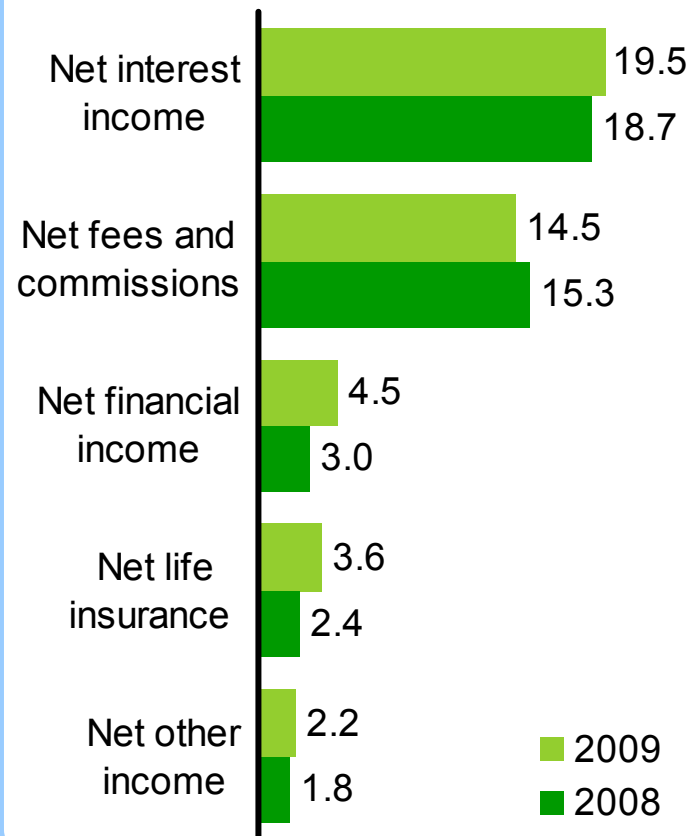
## P&L statement 2009

SEK m

	2009	2008	%
<b>Total operating income</b>	<b>44,213</b>	<b>41,104</b>	<b>+8</b>
Operating expenses	-25,428	-25,407	<b>+0</b>
<b>Profit before goodwill and credit provisions</b>	<b>18,785</b>	<b>15,697</b>	<b>+20</b>
Goodwill	-2,969	0	
<b>Profit before provisions for credit losses</b>	<b>15,816</b>	<b>15,697</b>	<b>+1</b>
Net credit losses etc	-12,444	-3,226	
<b>Operating profit</b>	<b>3,372</b>	<b>12,471</b>	<b>-73</b>

## Operating income by type

SEK bn



# Delivered on cost programme

## Cost management program 2007 – 2009

**Completed**  
*SEK 1,826m*

**Target**  
*SEK 1,500 – 2,000m*



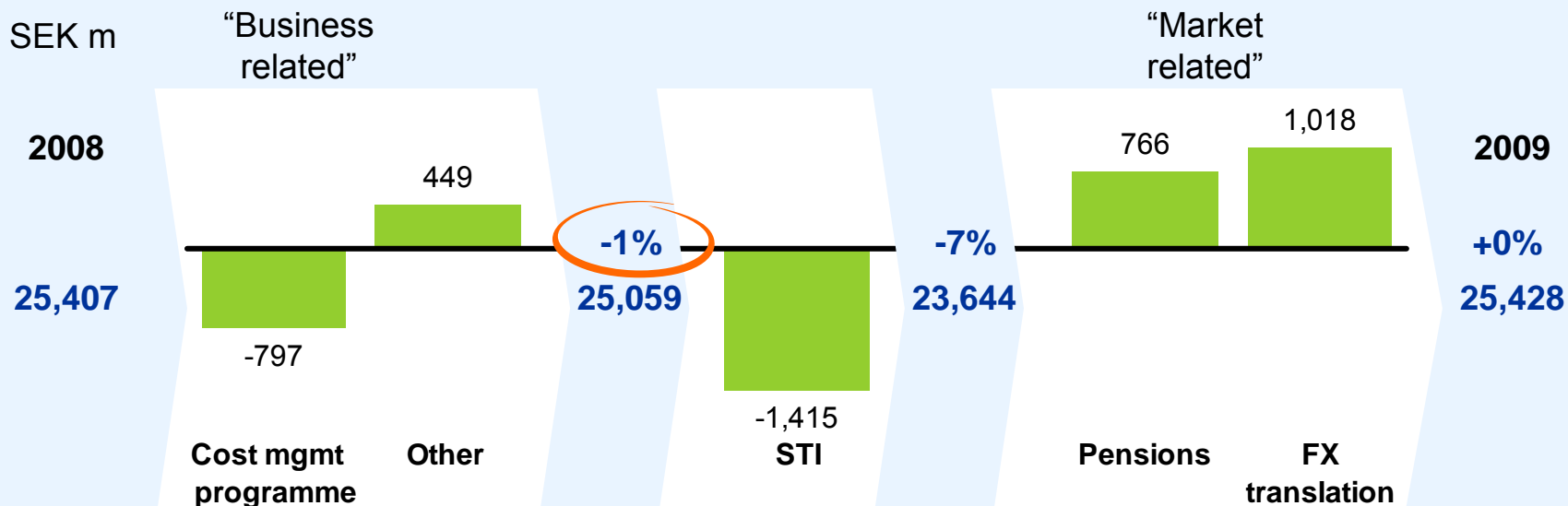
## FTE development

**Group**  
*-1,569 net*

**Sweden**  
*-509 net*



## Decreasing operating expenses on comparable basis – 2009 vs. 2008



# Profit & loss statement Q4 2009

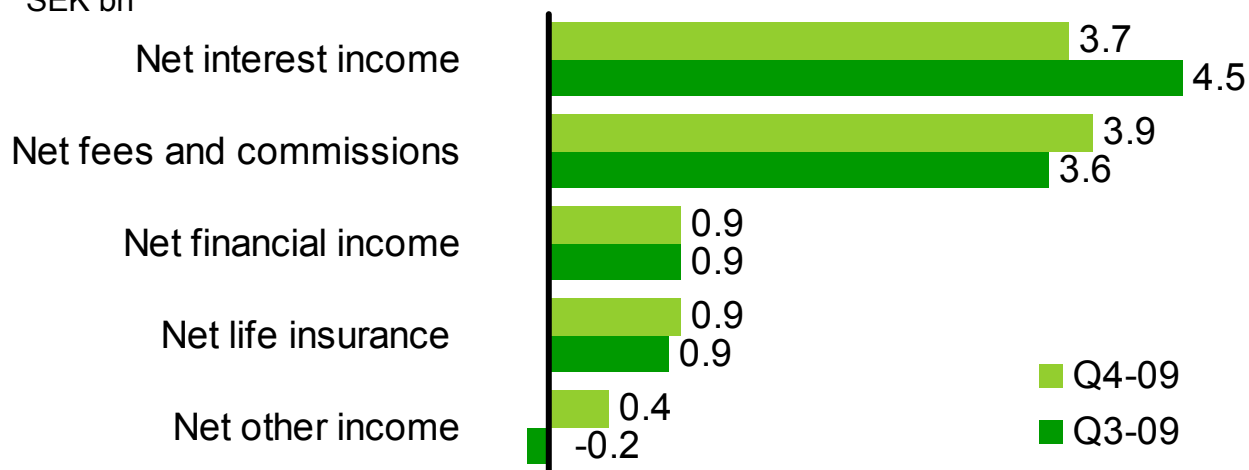
## P&L statement Q4 2009

SEK m

	Q4-09	Q3-09	%	Q4-08	%
<b>Total operating income</b>	<b>9,874</b>	<b>9,735</b>	<b>1</b>	<b>12,695</b>	<b>-22</b>
Total operating expenses	-6,126	-6,015	2	-6,965	-12
<b>Profit before credit losses</b>	<b>3,748</b>	<b>3,720</b>	<b>1</b>	<b>5,730</b>	<b>-35</b>
Net credit losses etc	-3,184	-3,332	-5	-1,702	86
<b>Operating profit</b>	<b>564</b>	<b>388</b>	<b>45</b>	<b>4,028</b>	<b>-86</b>

## Operating income by type

SEK bn

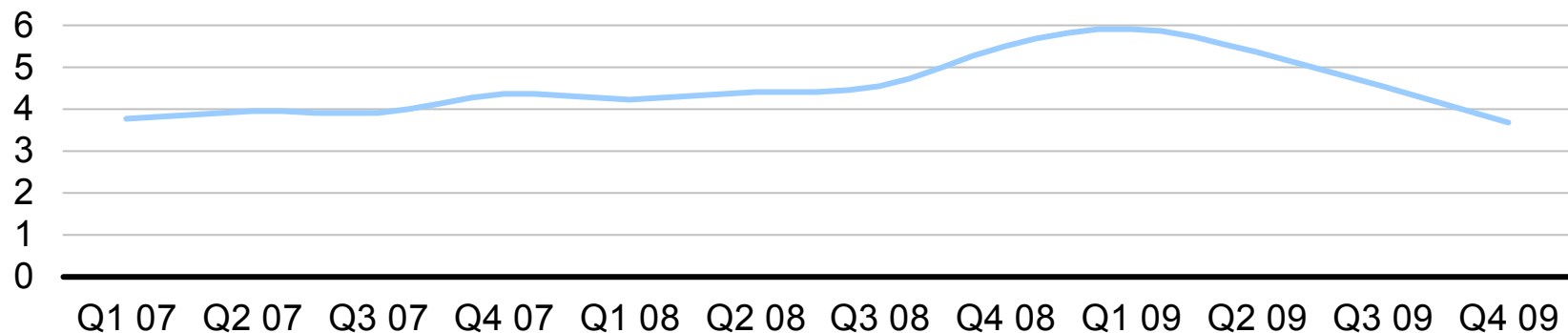




# NII pressure not customer-driven

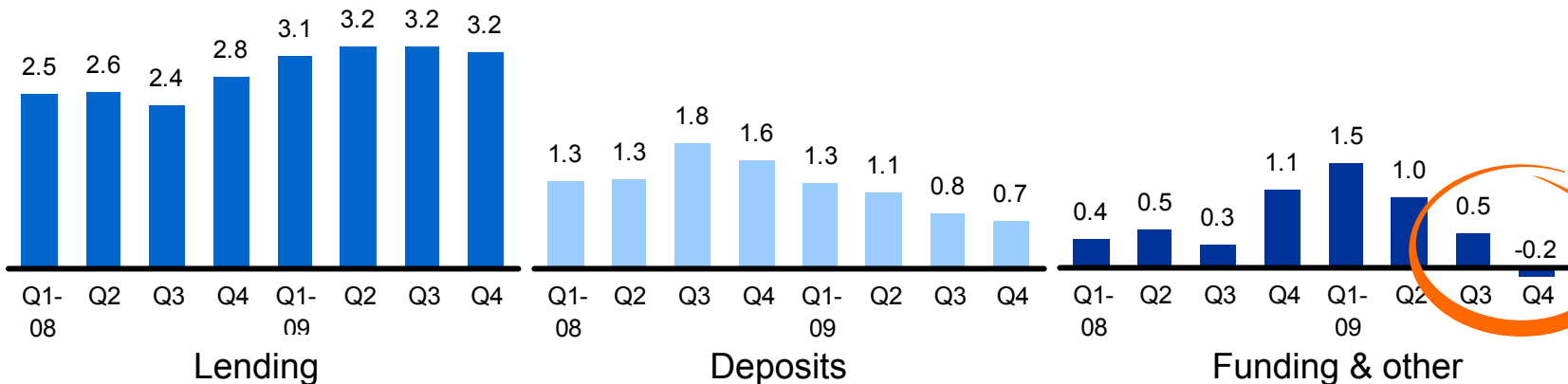
## NII development 2007 – 2009

SEK bn



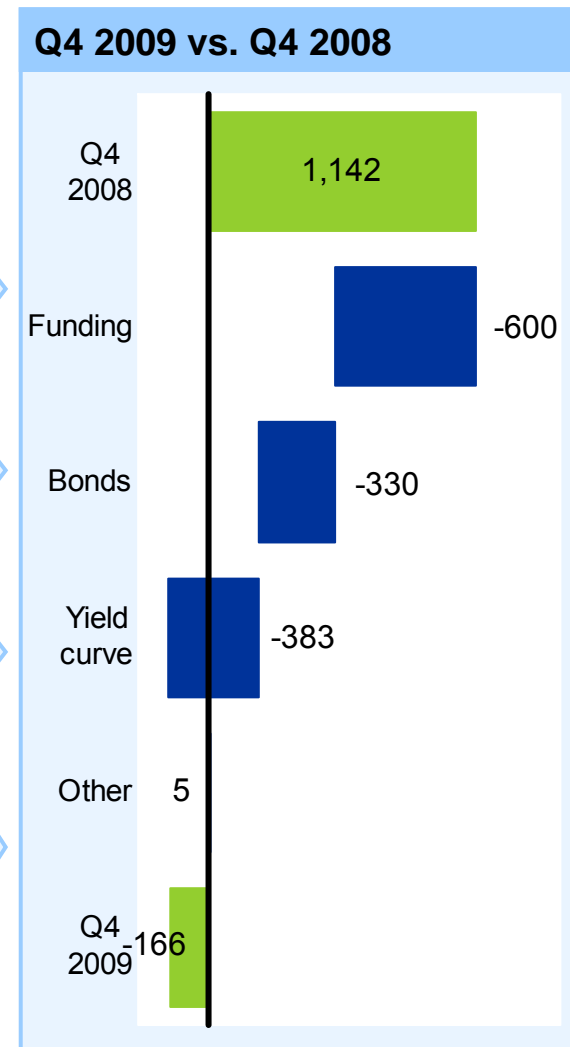
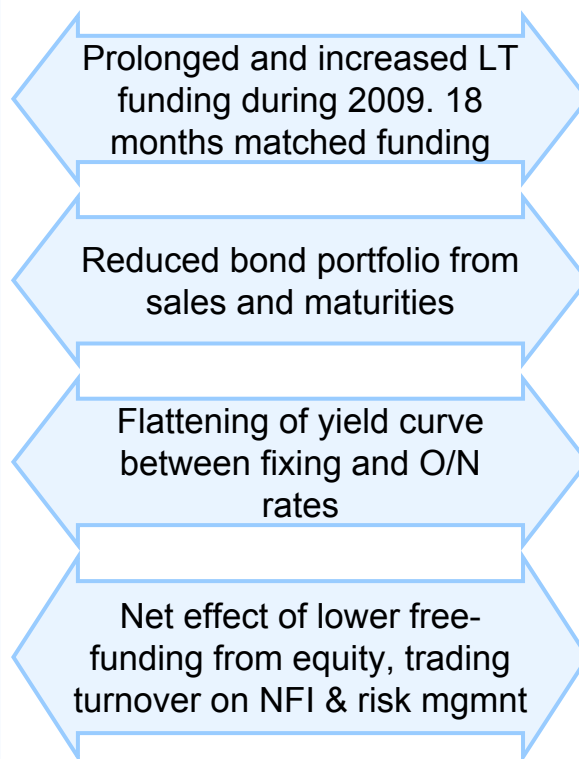
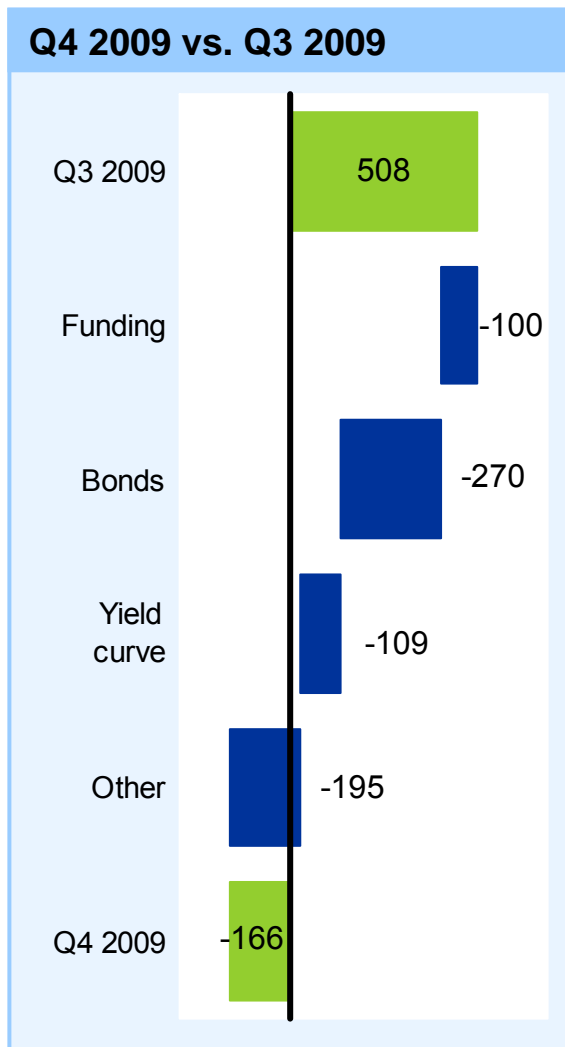
## NII development by income type 2008 – 2009

SEK bn



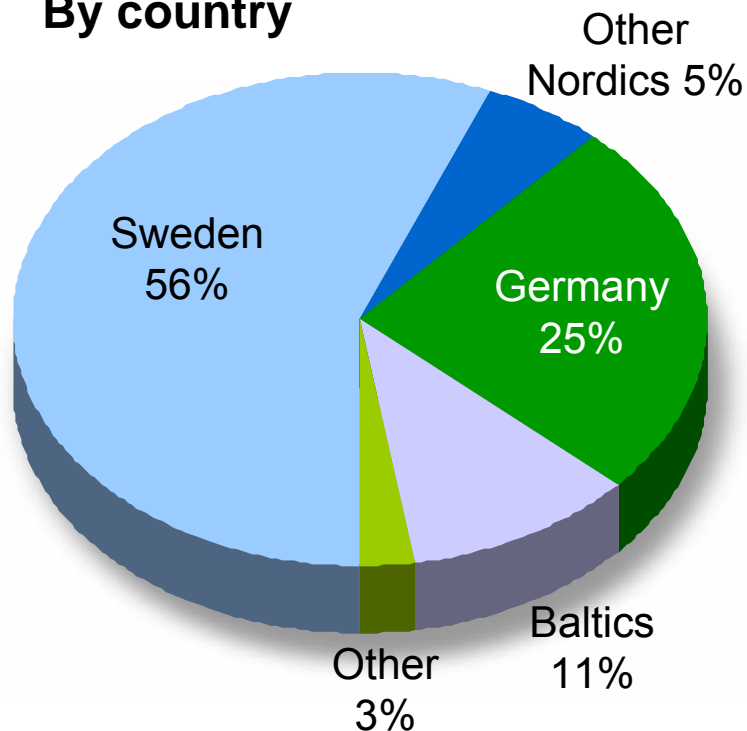
# NII: 'Funding & other' specification

SEB Group, SEK m

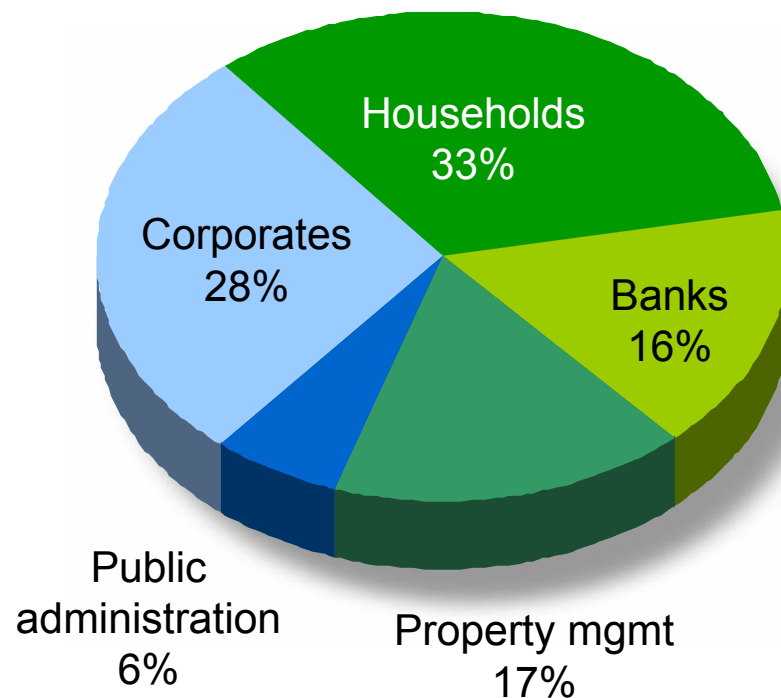


# High grade loan portfolio

## By country



## By industry



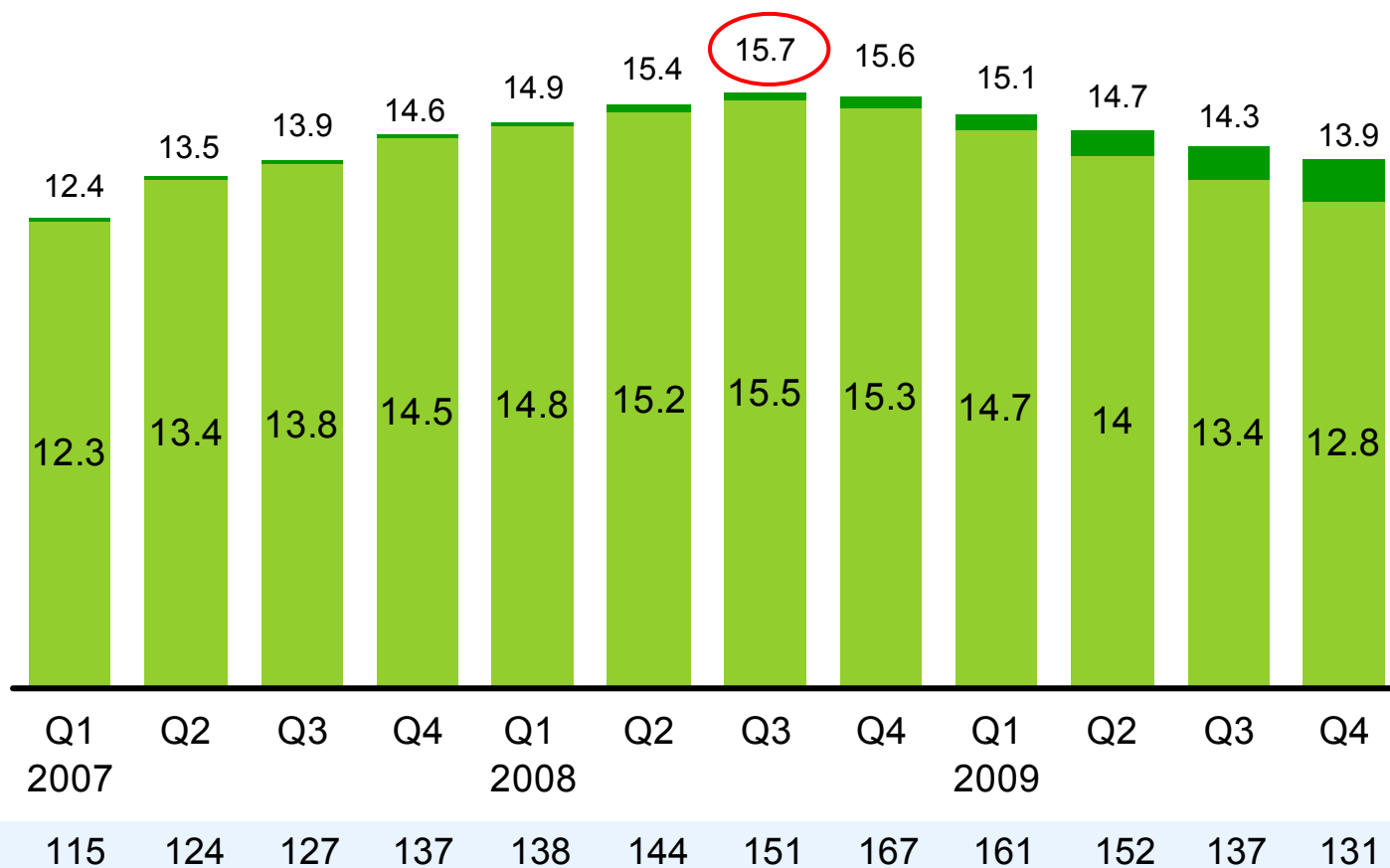
31 Dec 2008: **SEK 1,361bn**

31 Dec 2009: **SEK 1,308bn**

# Baltic lending to the public\*

EUR bn

■ Lending to the public ■ Credit loss reserves



Lending to the public, SEK bn

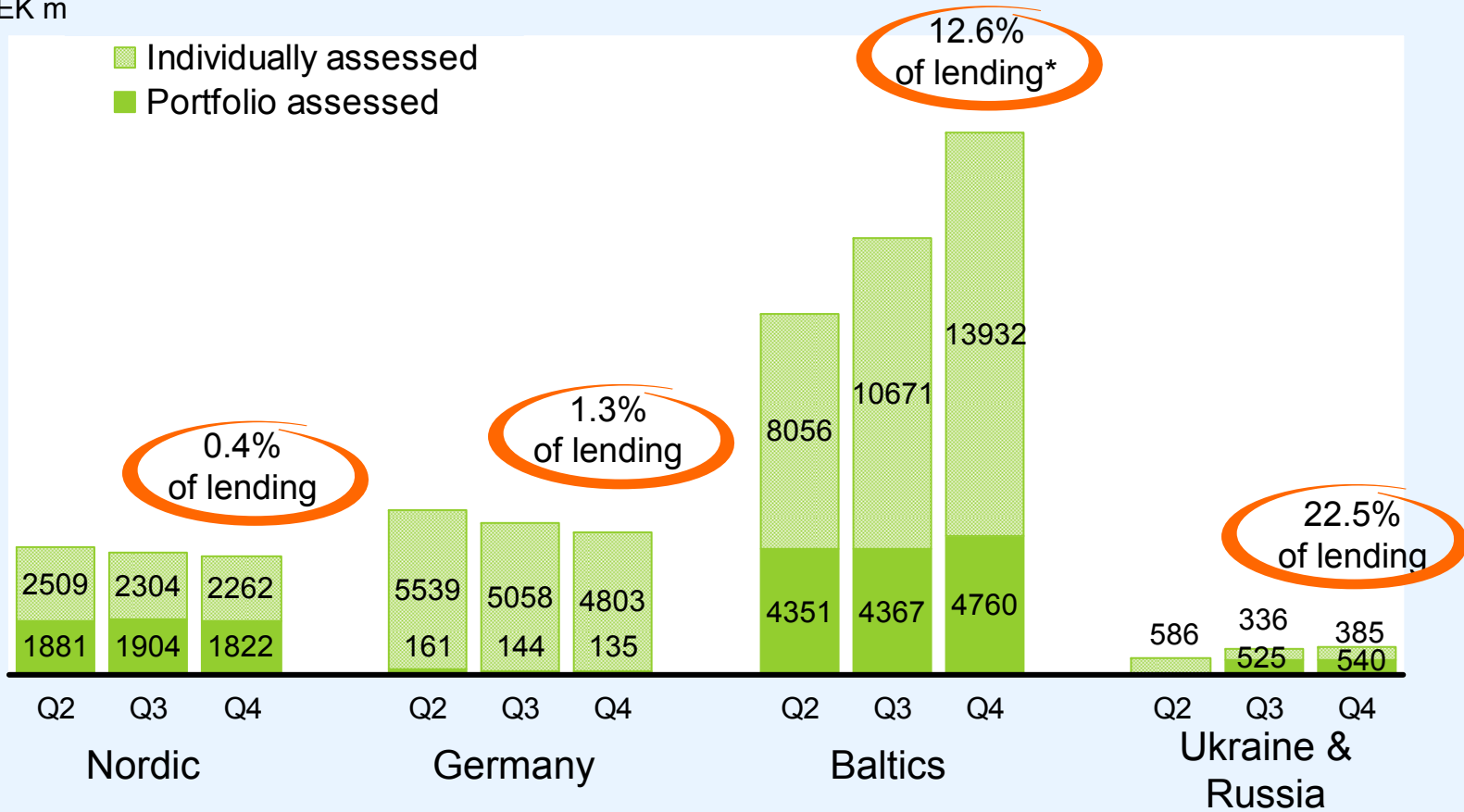
\* Excluding reclassified bonds

# Development of Non-Performing Loans **SEB**

## Non-Performing Loans

SEK m

- Individually assessed
- Portfolio assessed



\*Close to half of the increase in individually assessed loans Q4/Q3 stems from revaluation of real estate collaterals.  
Of the increase in portfolio assessed loans between Q4/Q3, SEK 312m is due to restructured household loans.



# Asset quality – outside Baltic countries **SEB**

SEB exposure to "topical" industries

**3%**  
**Shipping  
& Offshore**

Limited exposure to Bulk and Container sub-segments

**3%**  
**SMEs  
Sweden**

Impact milder than expected

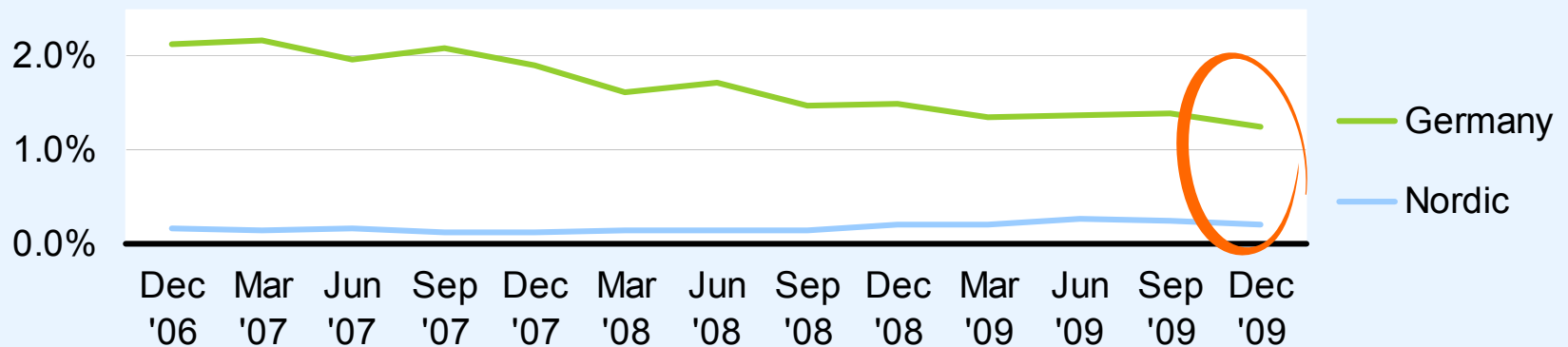
**2%**  
**Acquisition  
Finance**

Well diversified with 95% senior debt

**8%**  
**Commercial  
Real Estate**

Mainly related to large real estate companies

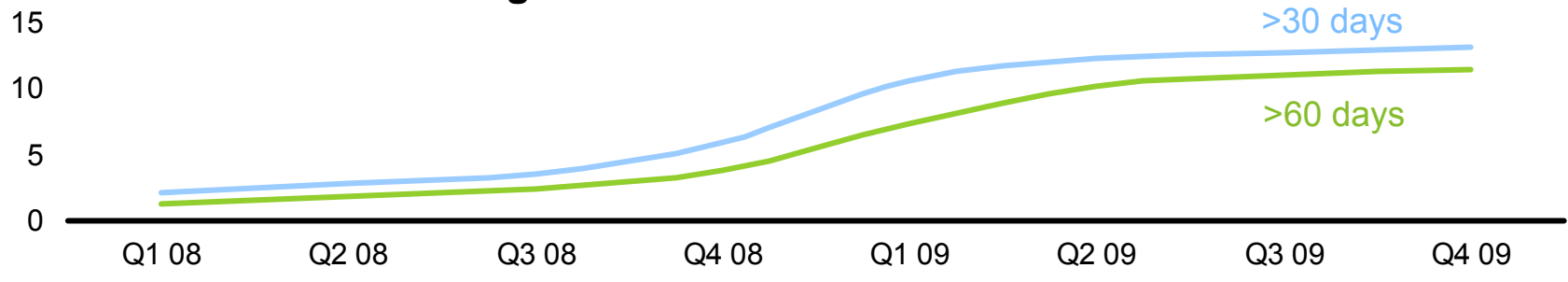
## Level of Impaired Loans



# Asset quality – Baltic countries

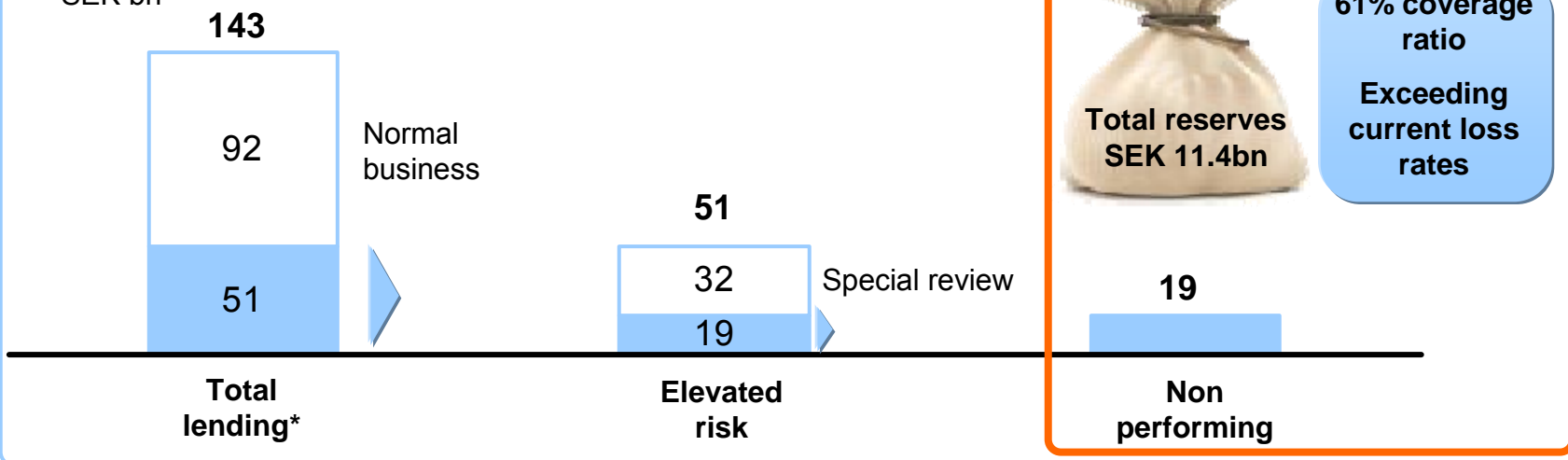
Past-dues slowing

Past dues as % of lending



## Portfolio risk assessment

SEK bn



\* Including banks and reserves

# Decreasing Baltic provisions in 2010



Slowdown of  
inflow of new  
past-dues



In-depth  
review of  
every credit  
and reviewed  
all collateral



Macroeconomic  
stabilisation

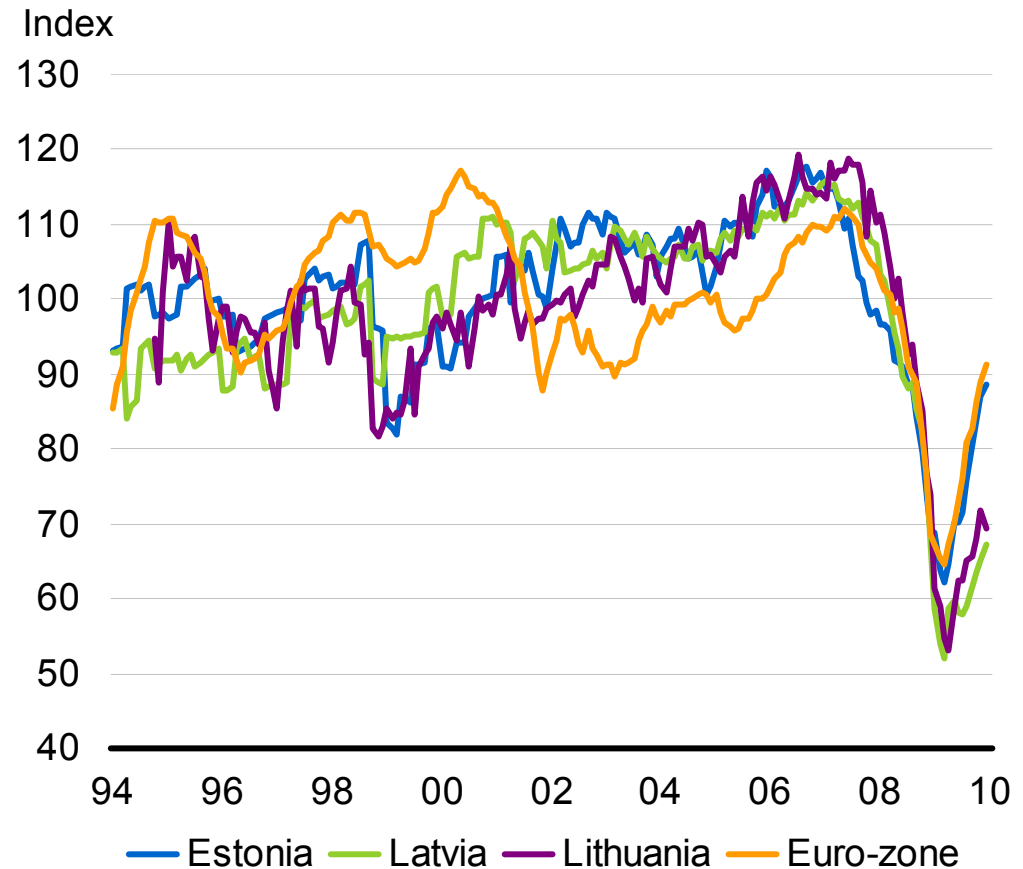
## Outlook 2010

NPL formation considerably lower than 2009  
Provisions for credit losses expected to fall 2010

# Baltics – Rays of light

- The economies have hit bottom; export-led recovery
- Broad, gradual recovery starts in H1 2010; Estonia and Lithuania better positioned than Latvia
- Continued budget tightening including wage cuts
- Continued bail-out loans to Latvia
- Pegs will survive
- Estonia is expected to adopt euro 2011 as planned

Economic sentiment



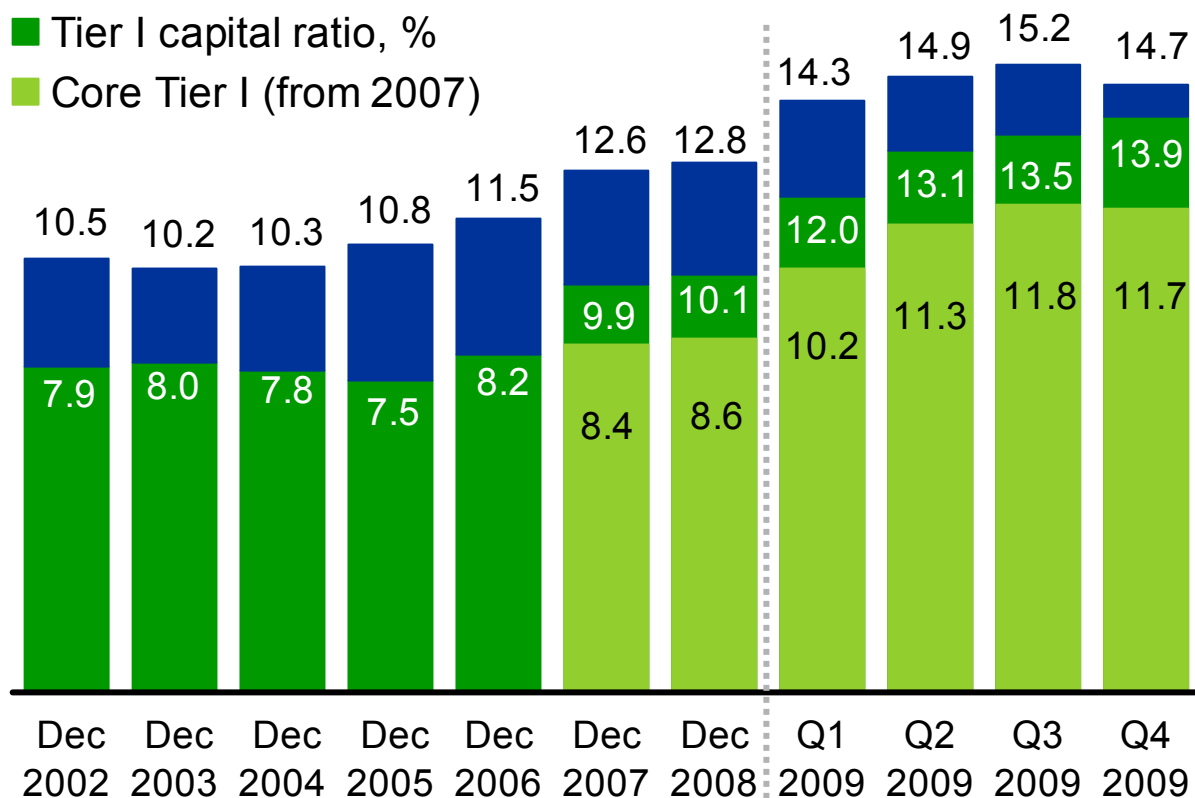
Source: DG ECFIN

# Capital adequacy

SEB Group

- Total capital ratio, %
- Tier I capital ratio, %
- Core Tier I (from 2007)

Basel II  
(without transition rules)



## Capital strengthening actions 2009

- New Rights Issue and withheld dividend
- Buy-backs UT2
- Buy-backs innovative HT1
- New issue of non-innovative HT1

**No government capital injection**

SEK bn

	Dec 2002	Dec 2003	Dec 2004	Dec 2005	Dec 2006	Dec 2007	Dec 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009
Capital base	52.7	54.7	58.7	76.2	85.8	93.0	104.7	118.4	117.3	113.8	109.6
Risk-w. Assets	503	535	570	704	741	737	818	830	790	747	730

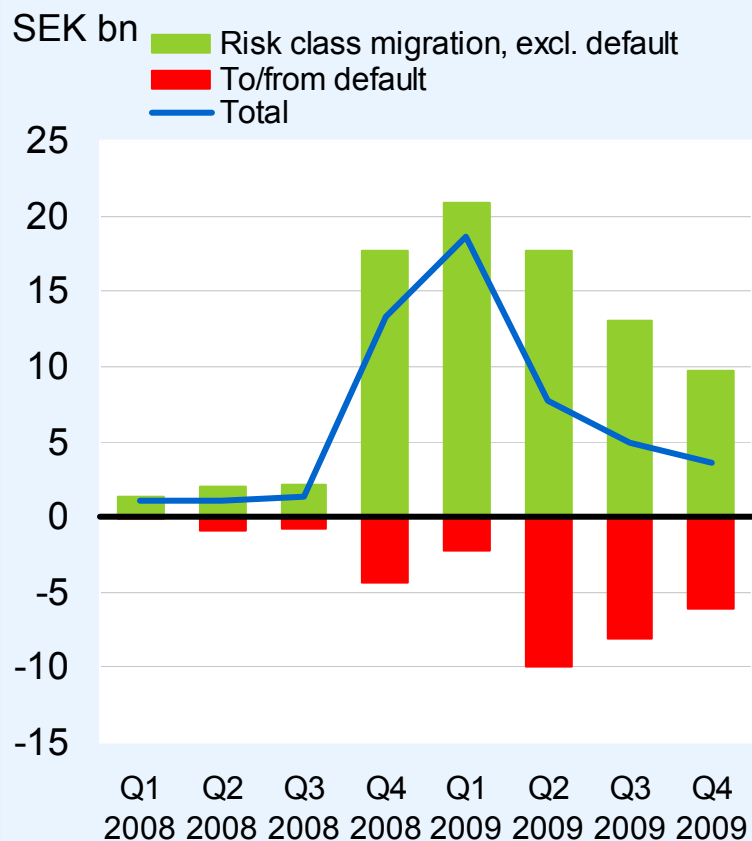


# Capital adequacy and RWA

SEB Group – Basel II without transitional rules

## SEB risk class migration, by quarter

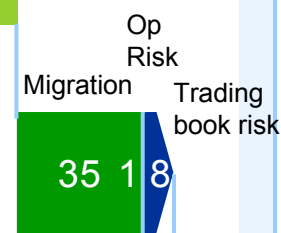
Corporate and inter-bank portfolios



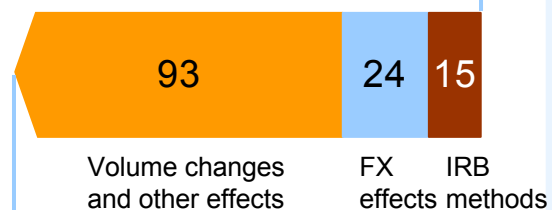
## Risk-weighted assets

SEK bn

Dec 2008

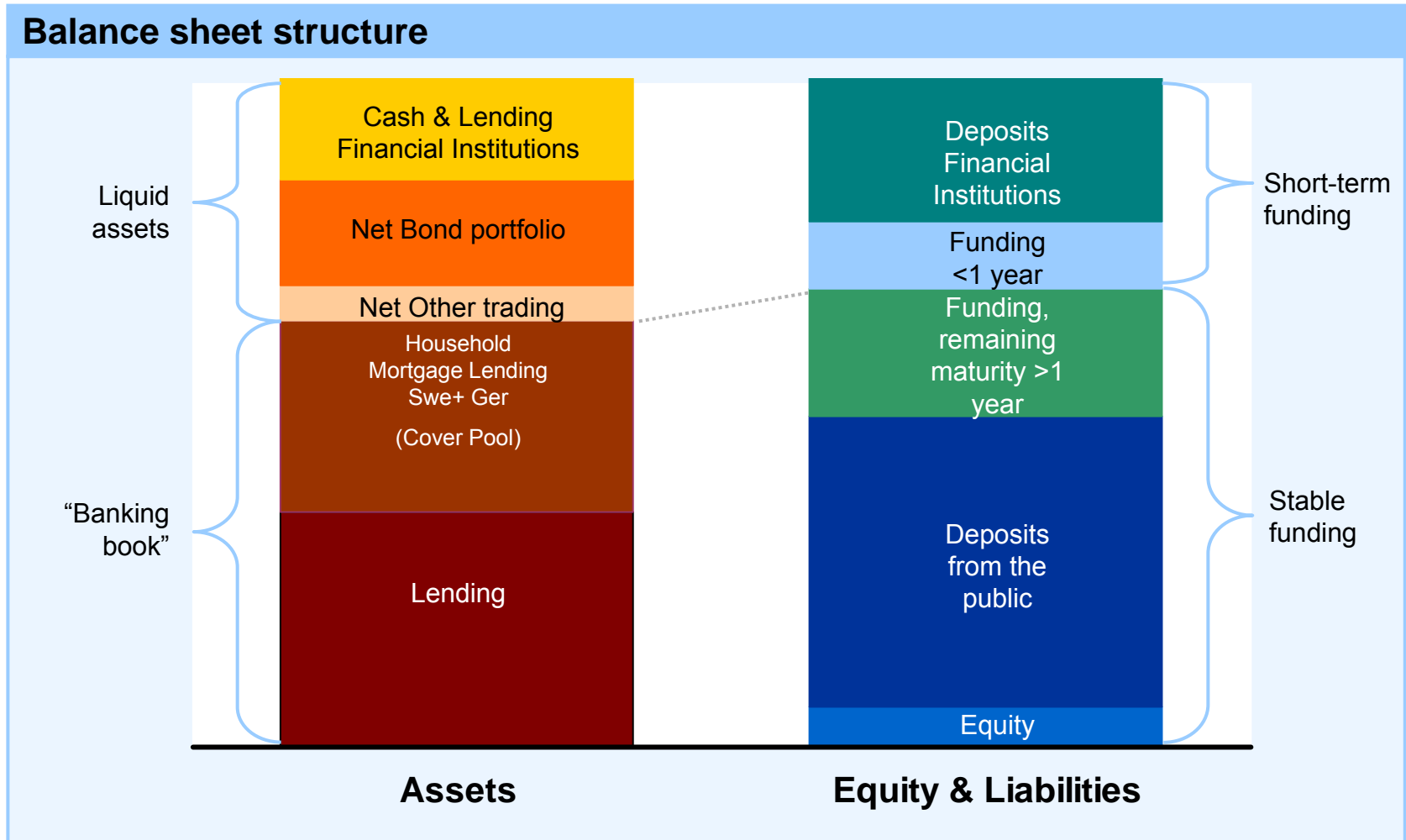


Dec 2009



# A strong balance sheet structure

Dec 2009

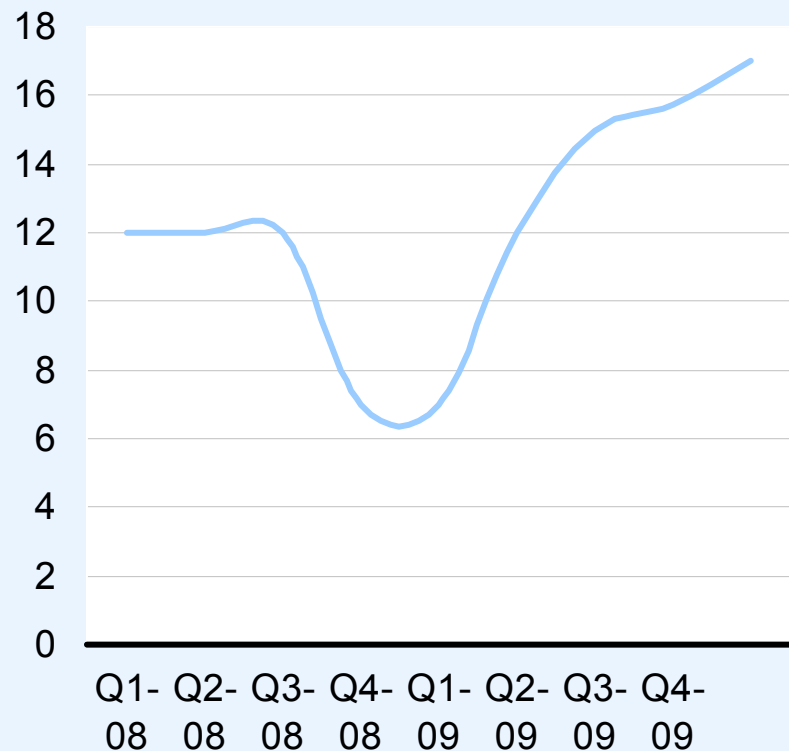


# Net liquidity position across maturities **SEB**

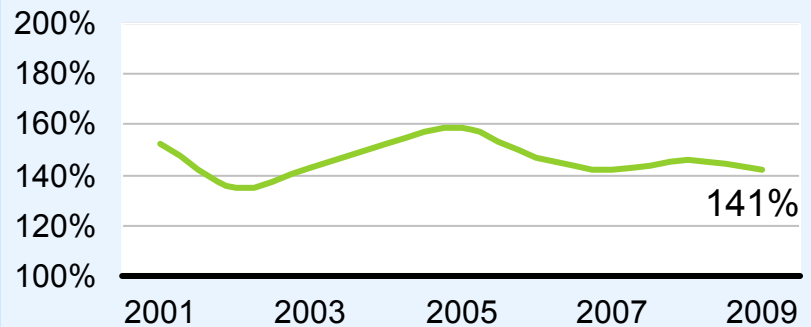
SEK bn

## SEB's matched funding horizon

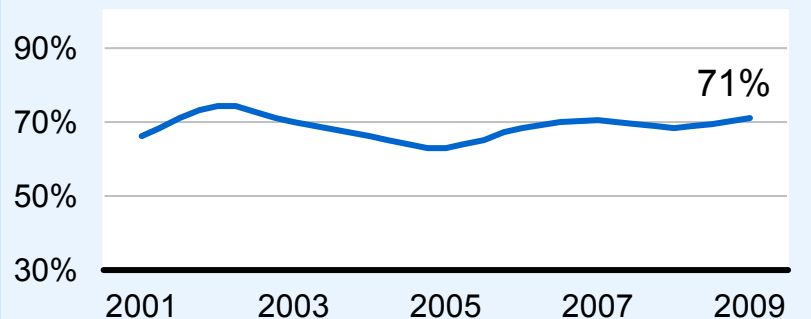
Months



## Loans to deposits ratio\*



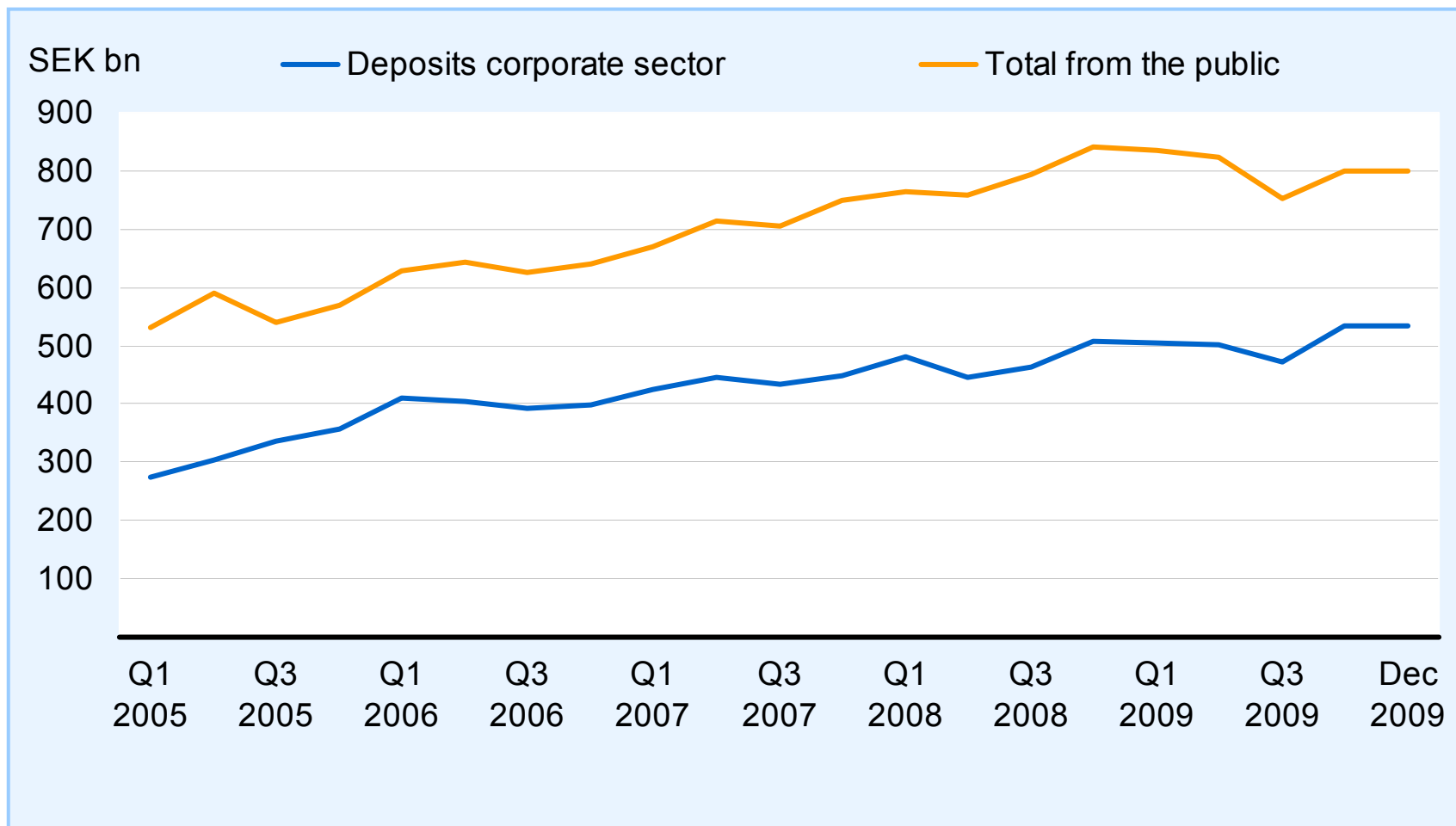
## Deposits to loans ratio\*



\*excl re-classified bonds

# Deposit Development

Q1 2005 to Q4 2009



# Well prepared for new regulations

Proposed changes to Basel framework

## Bank capital redefined

- In line with SEB's capital actions
- SEB remains very well capitalised

## Supplementary Leverage Ratios

- Well placed due to high capital levels and relative size of off-balance sheet exposures

## Liquidity & funding

- Calibration during consultation period will be key
- SEB has more stable funding than illiquid assets

## Cyclical & systemic effects

- Proven pro-active anti-cyclical policies and actions

## Additional risk exposures

- Further details on proposed changes required for detailed assessment



# SEB in a position of strength

## Fortress balance sheet

Tier I ratio 13.9%

>18 mths matched-funding

Leverage ratio 18x (FDIC)

Reserve ratio 69%

Liquidity reserves >10%

Higher pre-provision profit

Stable asset quality

**S|E|B**

- Systemic support
- Stronger exit from 2009 than entry
- Supported customers throughout crisis



### International banks

- Individual support
- Still in “intensive care”
- Withdrew support from regional markets and customers

**Recommended  
dividend:  
SEK 1  
per share**

# SEB strategy going forward

## Nordics

- Expand MB's local presence
- Grow market share among corporates

## Germany

- MB expansion

## Sweden

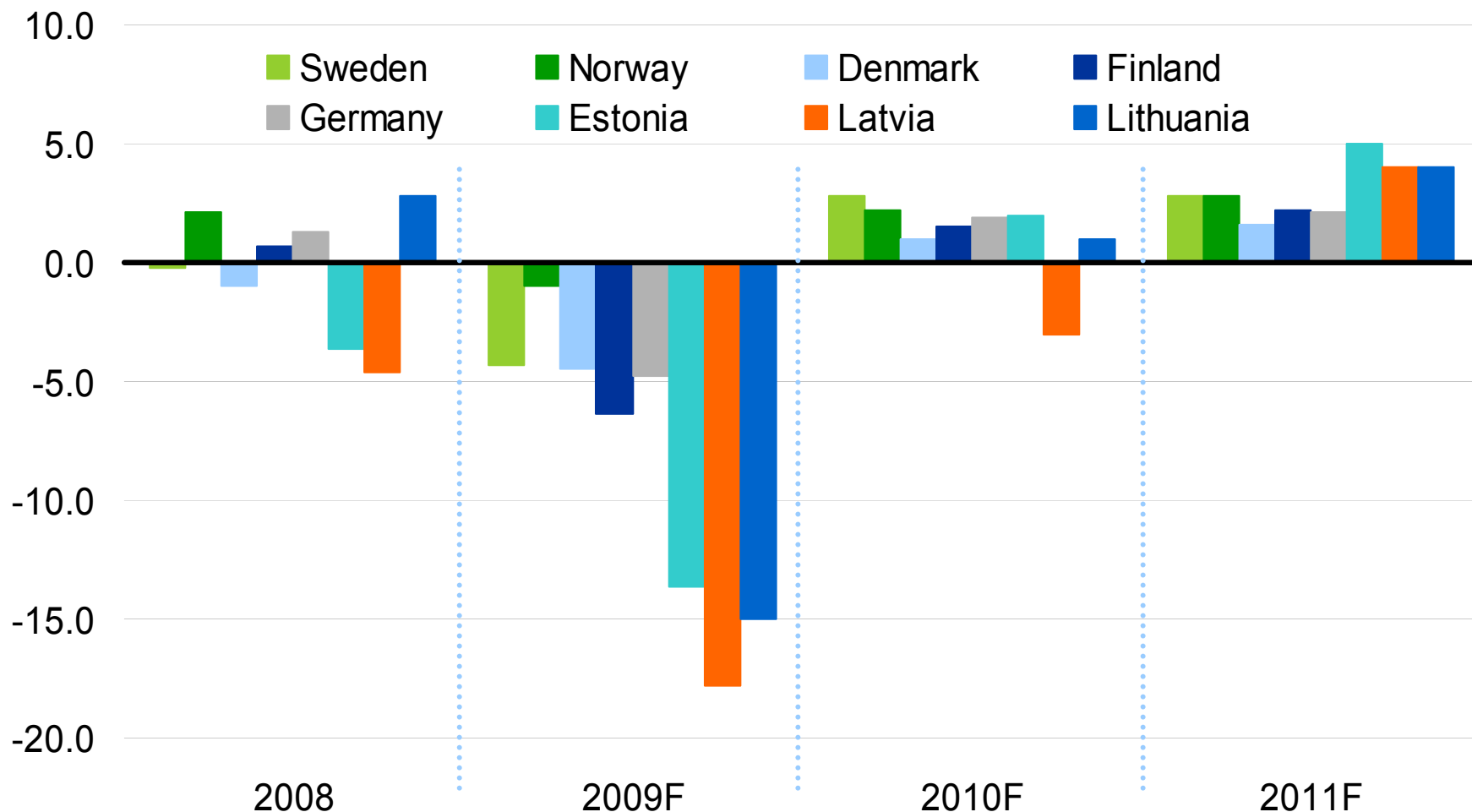
- Preserve MB's leading market position
- Increase retail accessibility
- Attract more assets under management



# Macro improvements in 2010 and 2011

## Forecasts

GDP change (%)



Sources: National statistical agencies, SEB Economic Research

# Outlook 2010

**Strong position  
and diversified earnings  
base**



***Positioned for market  
recovery but 2010 will be a  
challenging year***

**Underlying cost base  
under control**



***Investing in areas of proven  
expertise***

**High asset quality in  
Nordics and Germany –  
improvement in the Baltics**



***Recovery phase already  
started – provisions to fall***



# S|E|B

*Financially yours*

