

The SEB logo is displayed in white text on a green background. The letters 'S', 'E', and 'B' are separated by vertical bars.

Telephone Conference Q2 2019

Johan Torgeby, President & CEO
Masih Yazdi, Finance Director

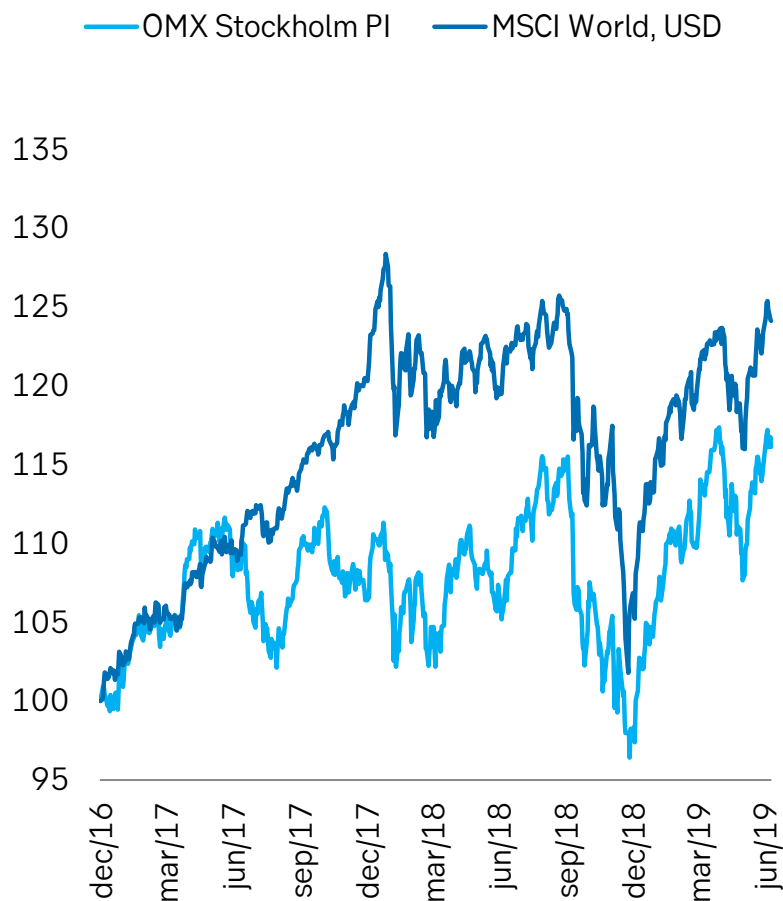
12 July 2019



Financial markets development

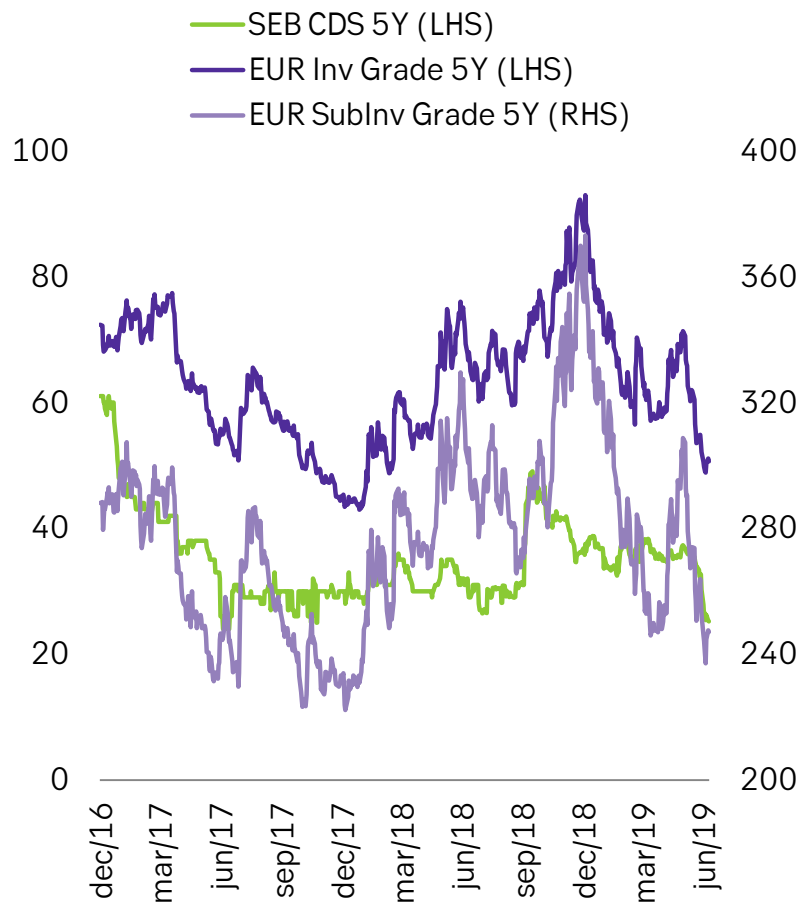
Equity markets

Sweden & Global



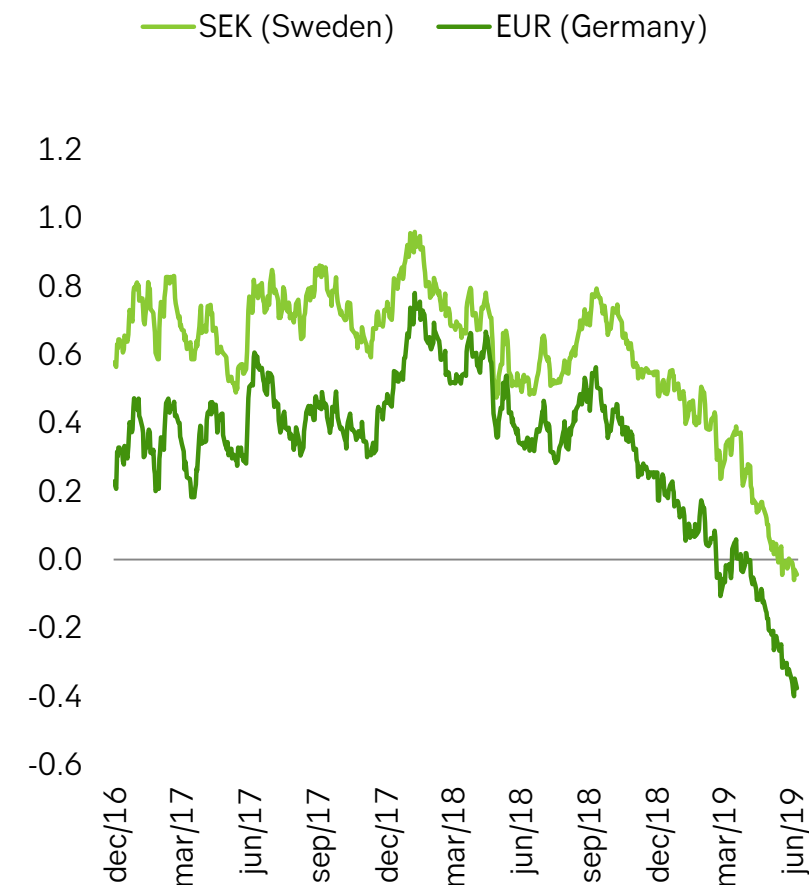
Credit spreads

SEB vs. corporate



Interest rates

Annual yield of 10-year gvt bonds



Note: equity market data series are indexed assuming 2016-12-30 = 100; data until July 9, 2019.

Highlights Q2 2019

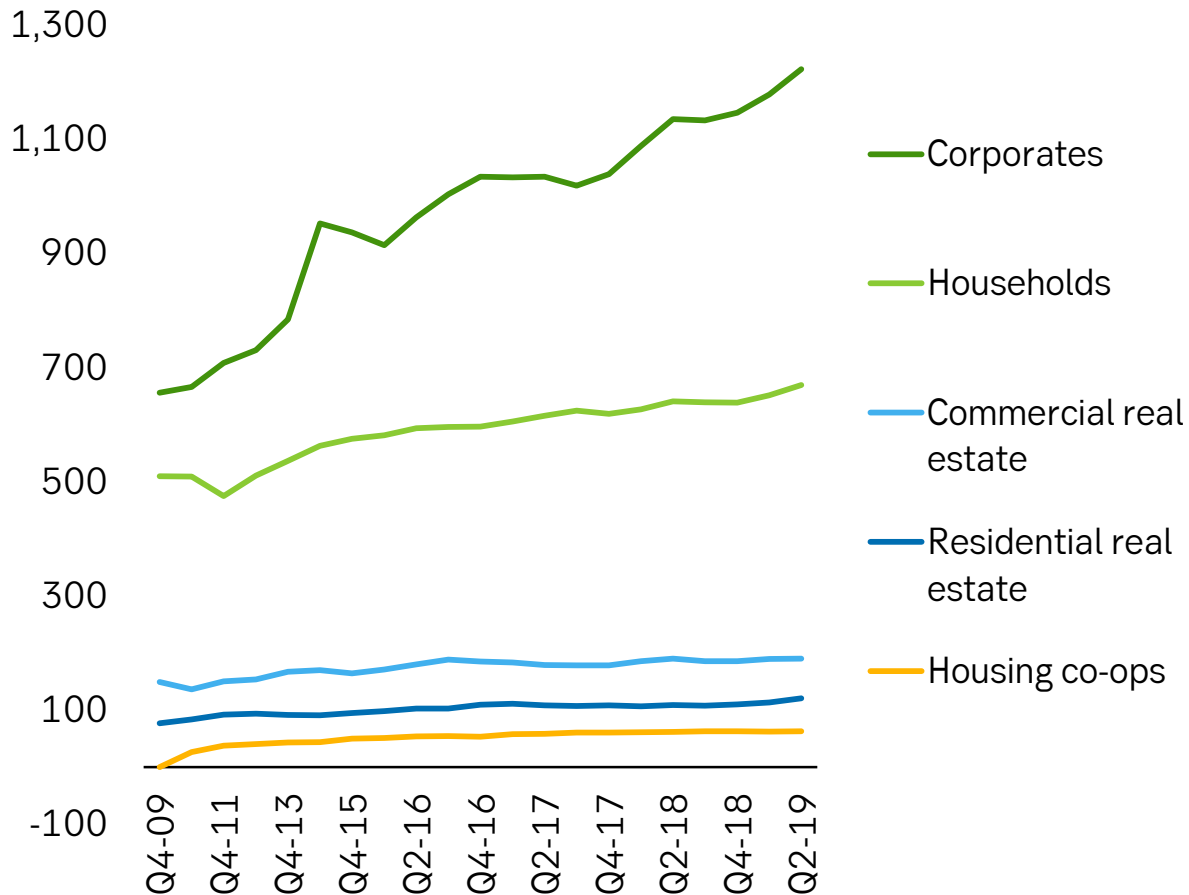
- **High client activity** generated broad-based demand for lending and capital market financing
- Increased net new volumes in Swedish **household mortgages**
- **Equity markets** and **higher payment and card activity** raised commission income
- **Lower contribution from SEB's Markets** business due to the flattened yield curves

SEB



Development of credit portfolio

Credit portfolio by main sectors (SEK bn)



Credit portfolio growth rates

Sector	QoQ	YoY
Corporates	4%	8%
<i>FX-adjusted</i>	3%	7%
Households	3%	4%
<i>Swedish mortgages</i>	3%	5%
Commercial real estate	0%	0%
Residential real estate	6%	11%
Housing co-ops	1%	2%

Note: data include on- & off-balance sheet exposures.

Financial summary YTD 2019

SEK m	2019 January-June	2018 January-June	%
Total operating income	24,103	22,690	6
Total operating expenses	-11,329	-10,957	3
Profit before credit losses	12,774	11,733	9
Expected credit losses etc.	-807	-309	
Operating profit before IAC	11,967	11,424	5
IAC		4,506	
Operating profit	11,967	15,930	-25

Net ECL level

7bps

C/I

0.47

CET 1

16.6 %

RoE

13.2%



Financial summary Q2 2019

SEK m	Q2 2019	Q1 2019	%	Q2 2018	%
Total operating income	12,197	11,907	2	11,903	2
Total operating expenses	-5,708	-5,622	2	-5,527	3
Profit before credit losses	6,489	6,285	3	6,376	2
Expected credit losses etc.	-386	-422		-209	
Operating profit before IAC	6,103	5,864	4	6,167	-1
IAC				4,506	
Operating profit	6,103	5,864	4	10,674	-43

Net ECL level

7bps

C/I

0.47

CET 1

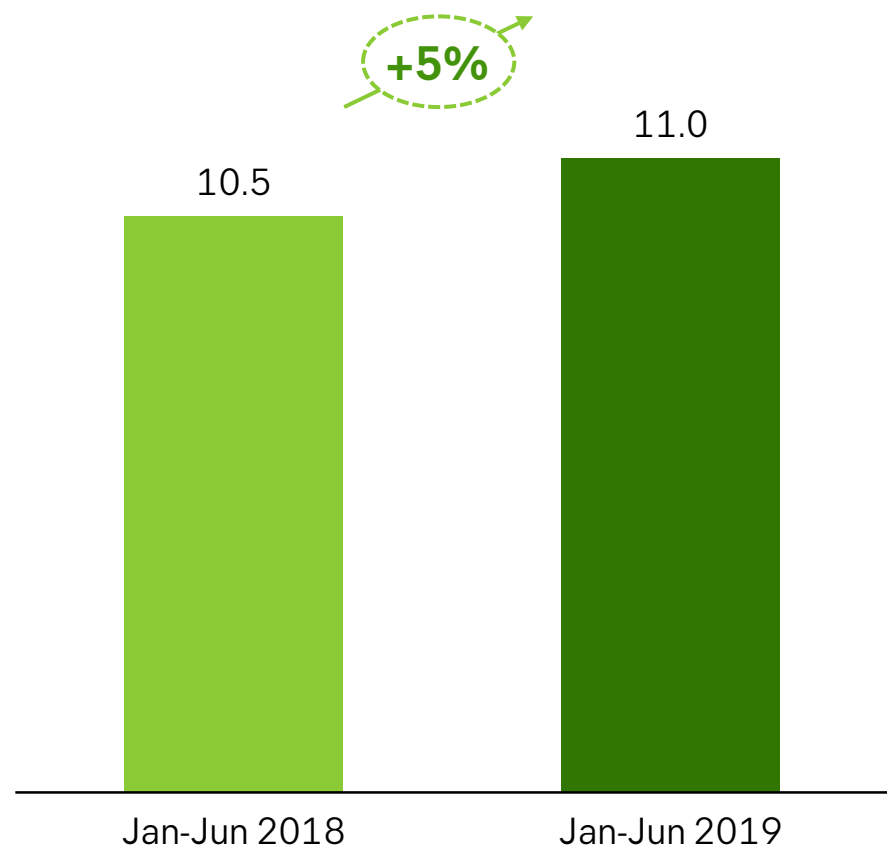
16.6 %

RoE

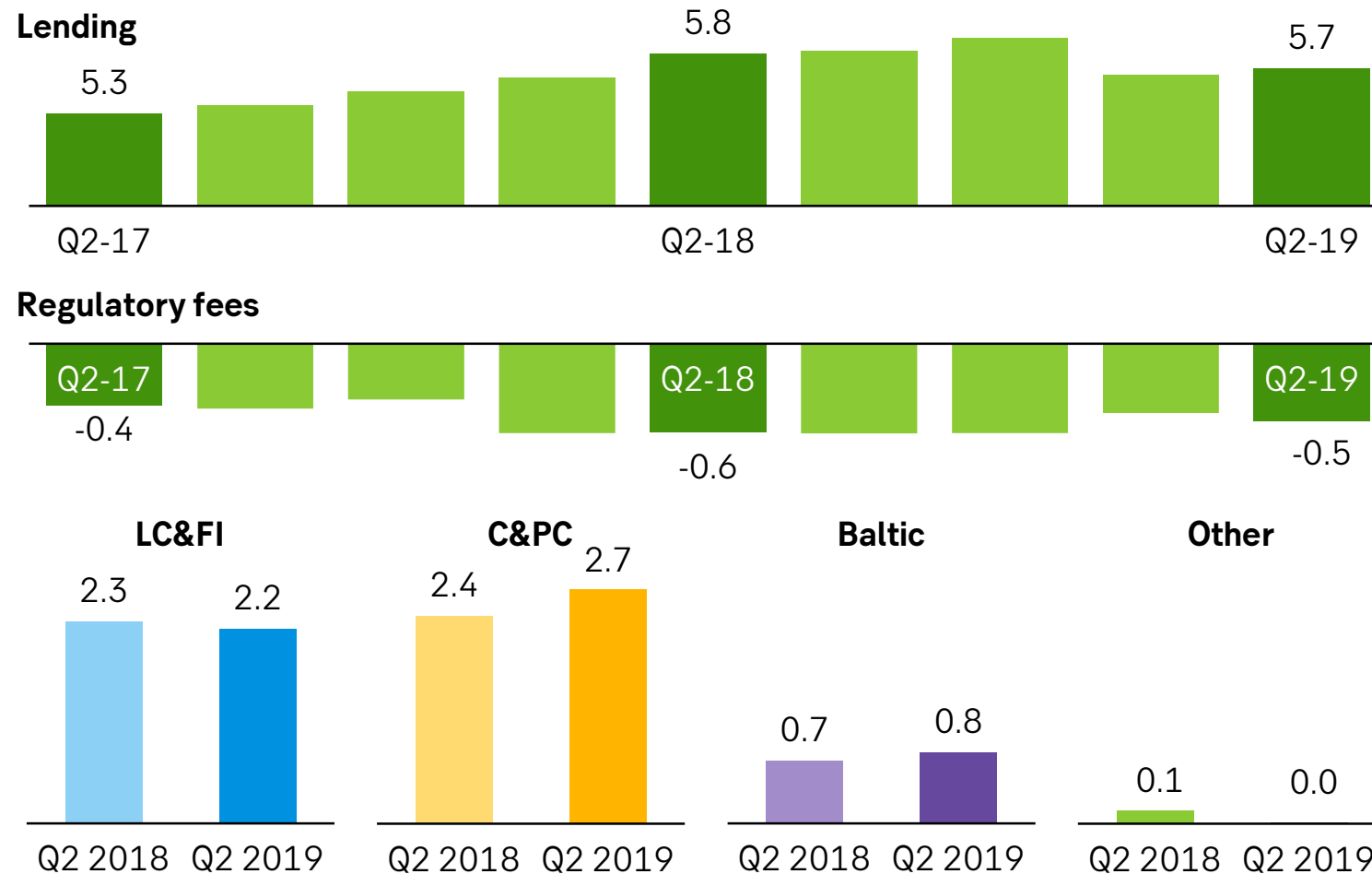
13.9%

Net interest income development

Net interest income (SEK bn)
Jan-Jun 2019 vs. Jan-Jun 2018

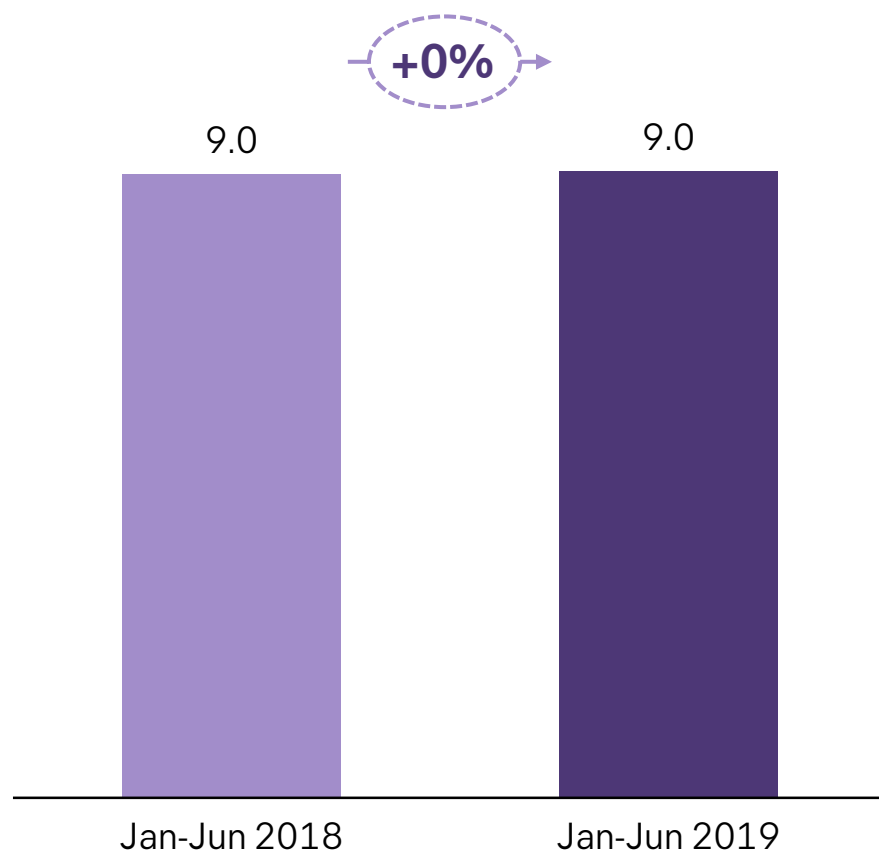


Net interest income type (SEK bn)
Q2 2017 – Q2 2019



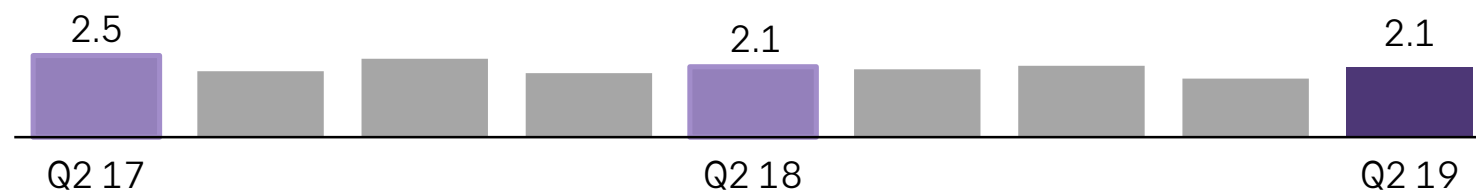
Net fee & commission income development

Net fee & commissions (SEK bn)
Jan-Jun 2019 vs. Jan-Jun 2018

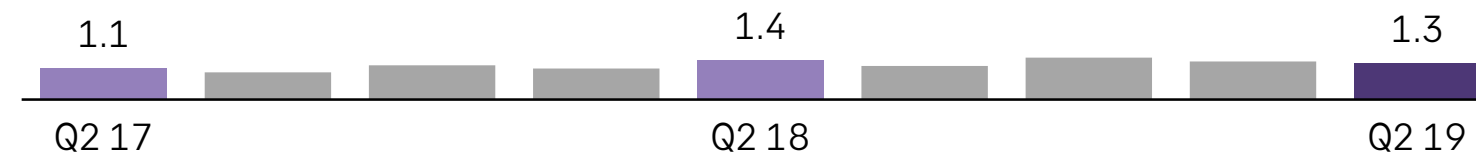


Net fee & commissions by income type (SEK bn)
Q2 2017 – Q2 2019

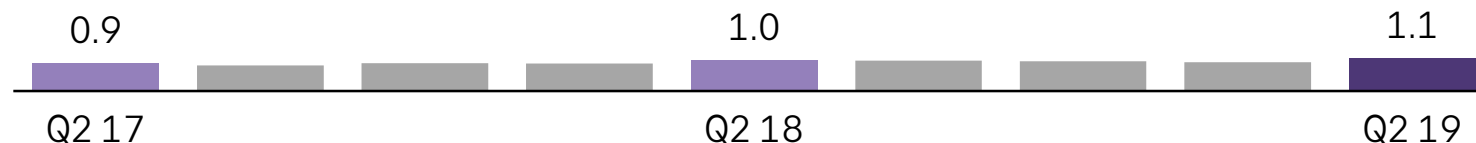
Net securities commissions (custody, mutual funds, brokerage)



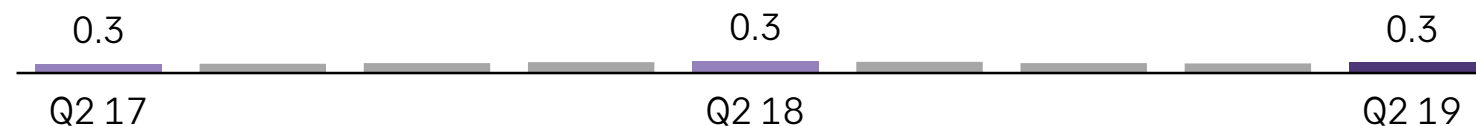
Net advisory fees, lending fees & other commissions



Net payment & card fees

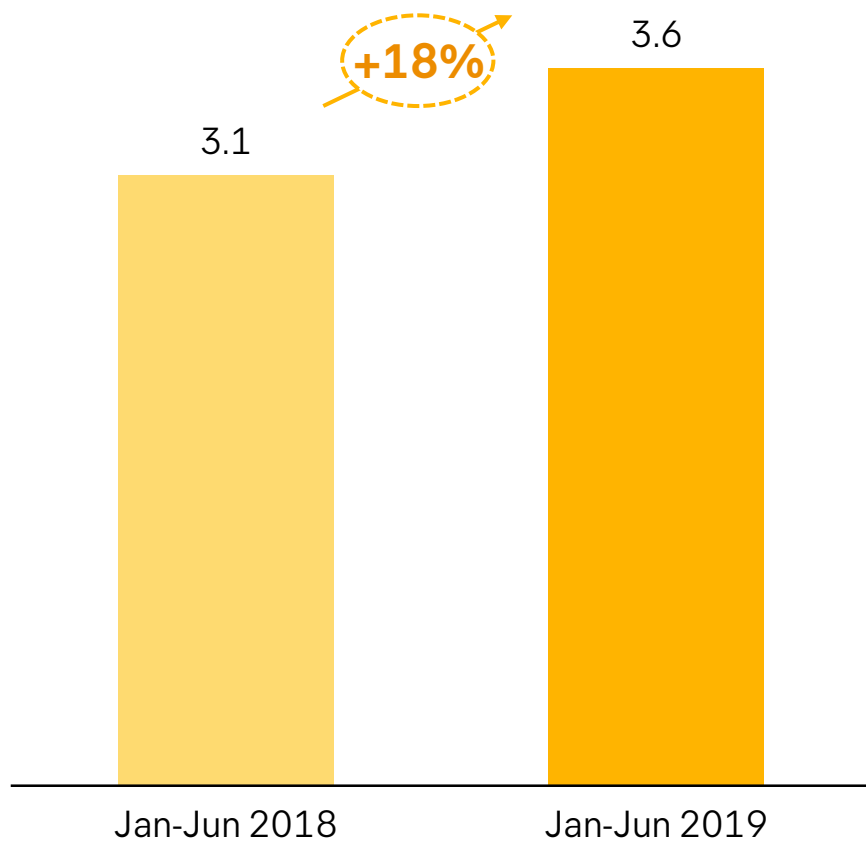


Net life insurance commissions

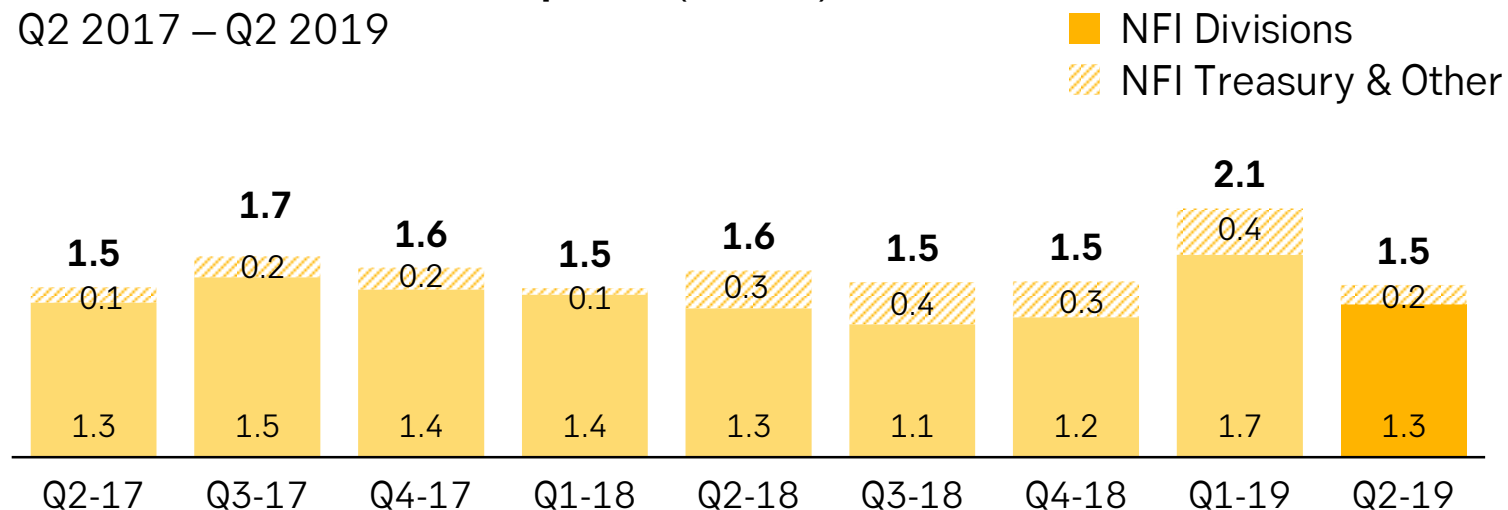


Net financial income development

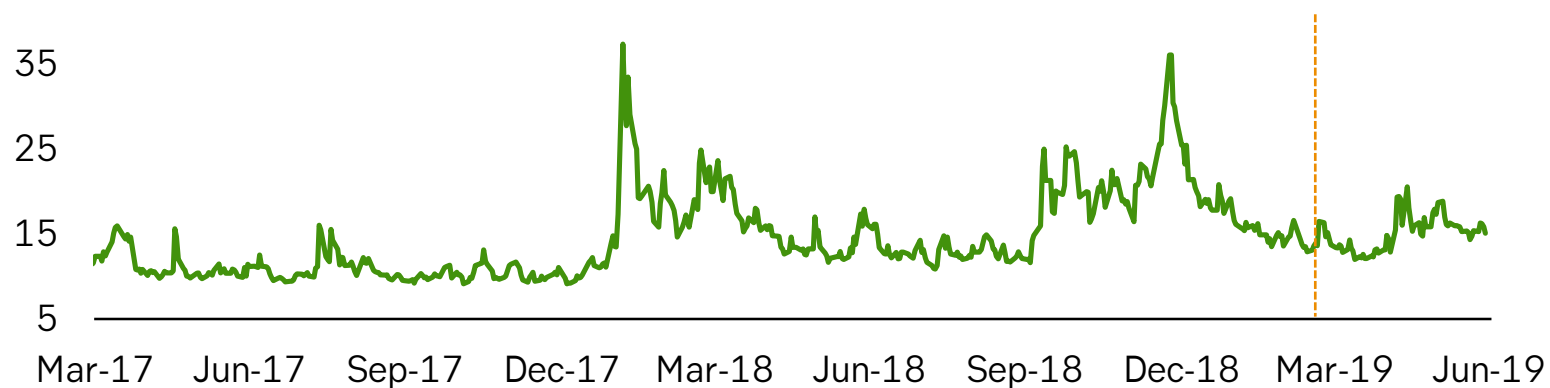
Net financial income (SEK bn)
Jan-Jun 2019 vs. Jan-Jun 2018



Net financial income development (SEK bn)
Q2 2017 – Q2 2019

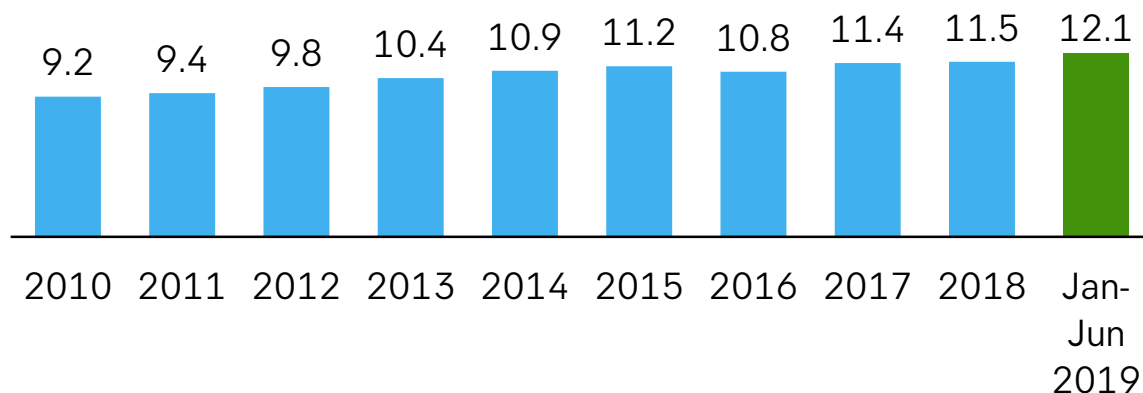


VIX index (VIX S&P 500 volatility)

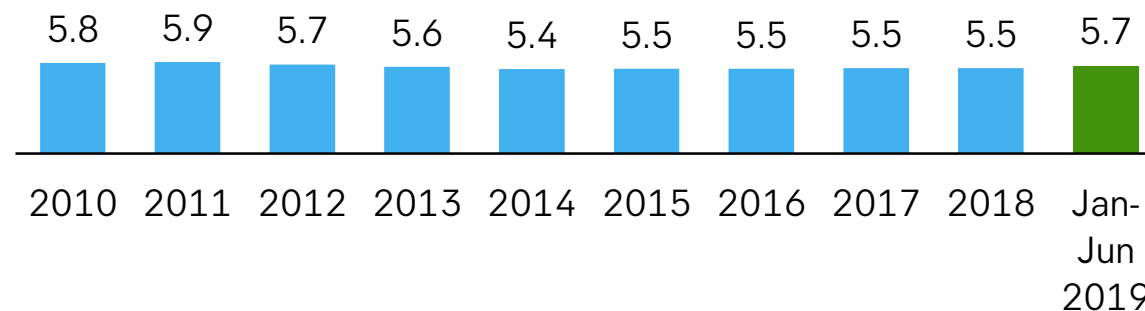


Operating leverage

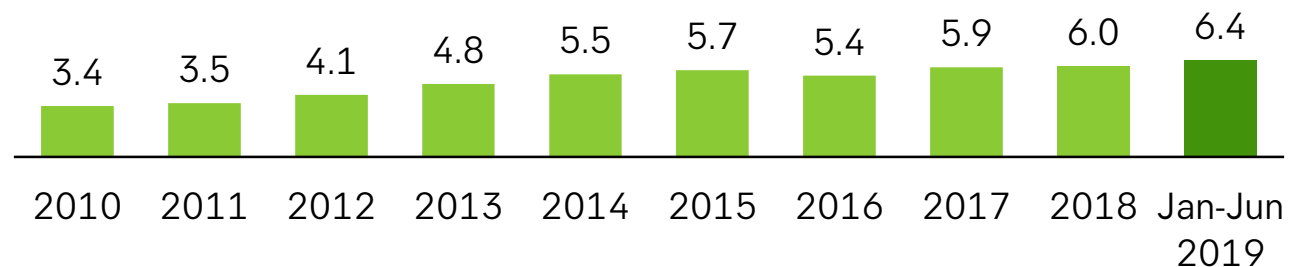
Average quarterly income (SEK bn)



Average quarterly expenses (SEK bn)

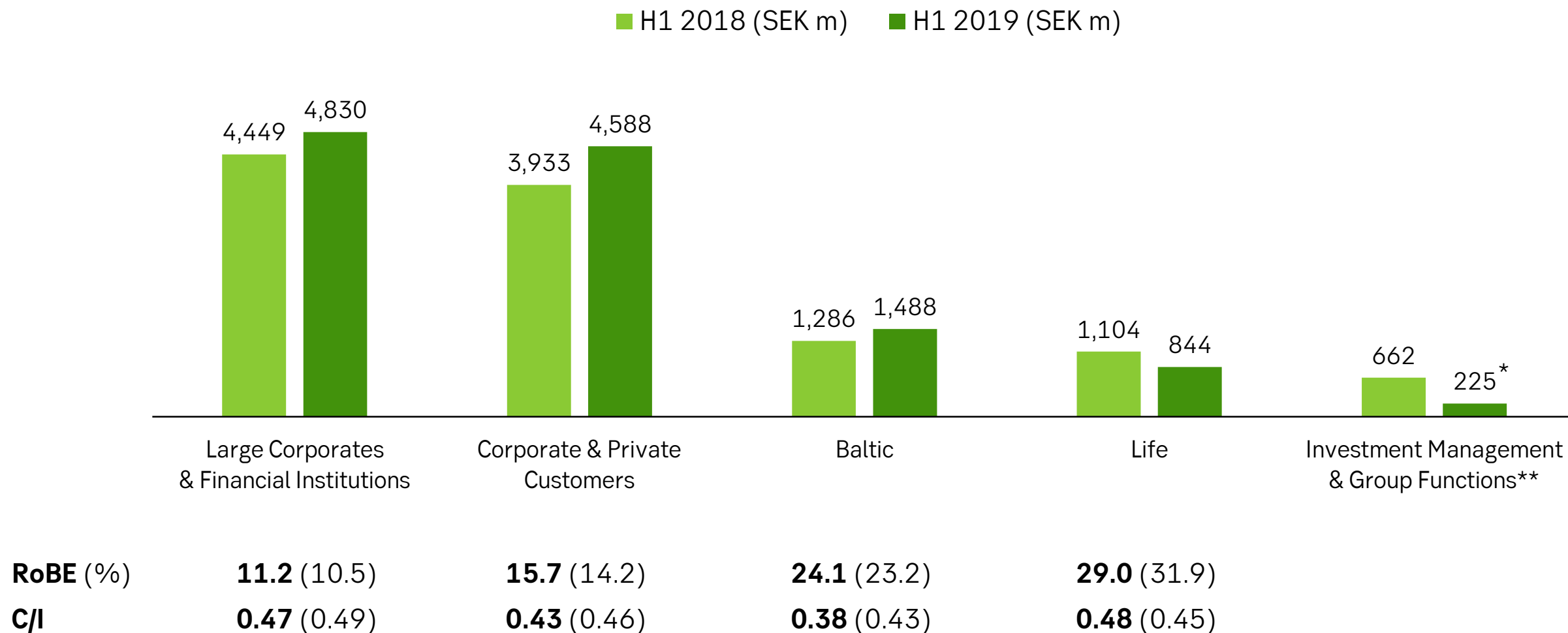


Average quarterly profit before credit losses (SEK bn)



Note: data exclude items affecting comparability.

Operating profit by customer segment (excl. IAC)



* Operating profit for Investment Management corresponded to SEK 645m in H1 2019 (606).

** Group Functions consist of Business Support, Group Staff, Group Treasury and the German run-off operations.

Strong asset quality & balance sheet

		2018	Q2 2019
Asset quality	Net expected credit loss level	0.06%	0.07%
Funding & liquidity	Customer deposits (SEK)	1,111bn	1,223bn
	Liquidity coverage ratio	147%	149%
Capital	CET 1 ratio (Basel 3)	17.6%	16.6%
	CET1 buffer above requirement	270bps	190bps
	Total capital ratio (Basel 3)	22.2%	21.1%
	Leverage ratio (Basel 3)	5.1%	4.6%



Closer collaboration to safeguard trust



Recent launch of joint venture,
Nordic KYC Utility, to develop platform
for handling Know Your Customer data

New **collaborative initiatives** to fight
financial crime run by members of the
Swedish Bankers' Association

A selection of sustainable financial solutions



Green residential construction loans

Expansion of offering, with green funding



Green car leasing

Favourable lending terms if biogas or electric car



Vaccine bond

New vaccines at affordable price to low-income countries



Sustainability-linked revolving credit facility

Customer margin dependent on sustainability KPIs

SEK **41**bn

SEB Hållbarhetsfond Världen

Enhanced sustainability focus in SEB's largest fund



SEB FRN Fond Hållbar

Fund net inflows of SEK 3bn since launch in April



Lyxor SEB Impact Fund

Investing in areas related to selected SDGs

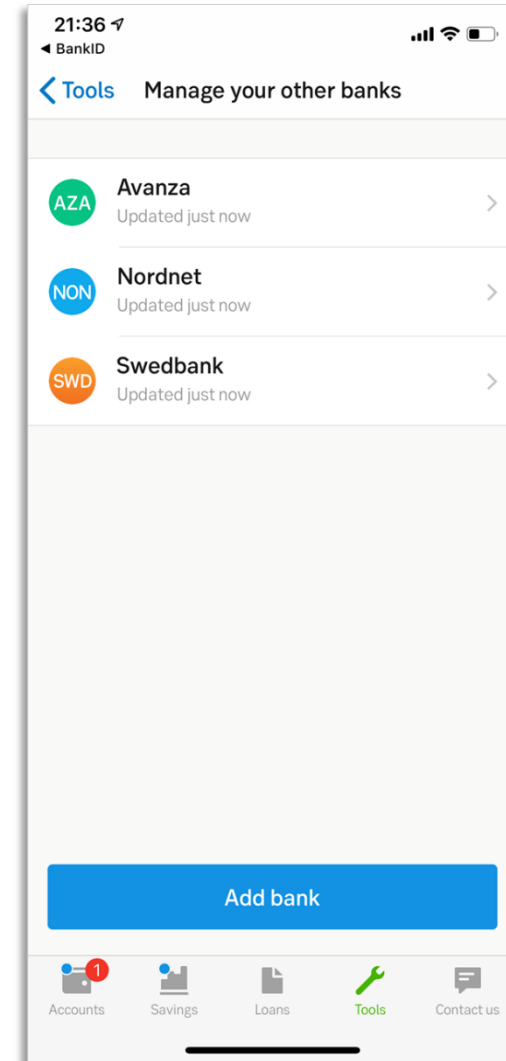
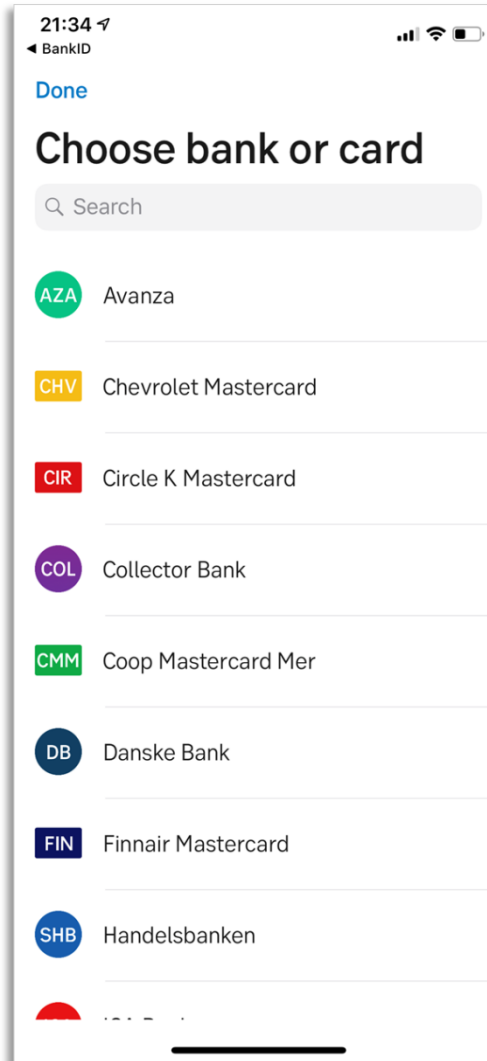


Sustainability tool for external funds

Fund screening and advisory to institutional clients

Account aggregation available in the mobile app

Get an
overview
of all your
personal
finances in
one app



The journey towards...

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

SEB

