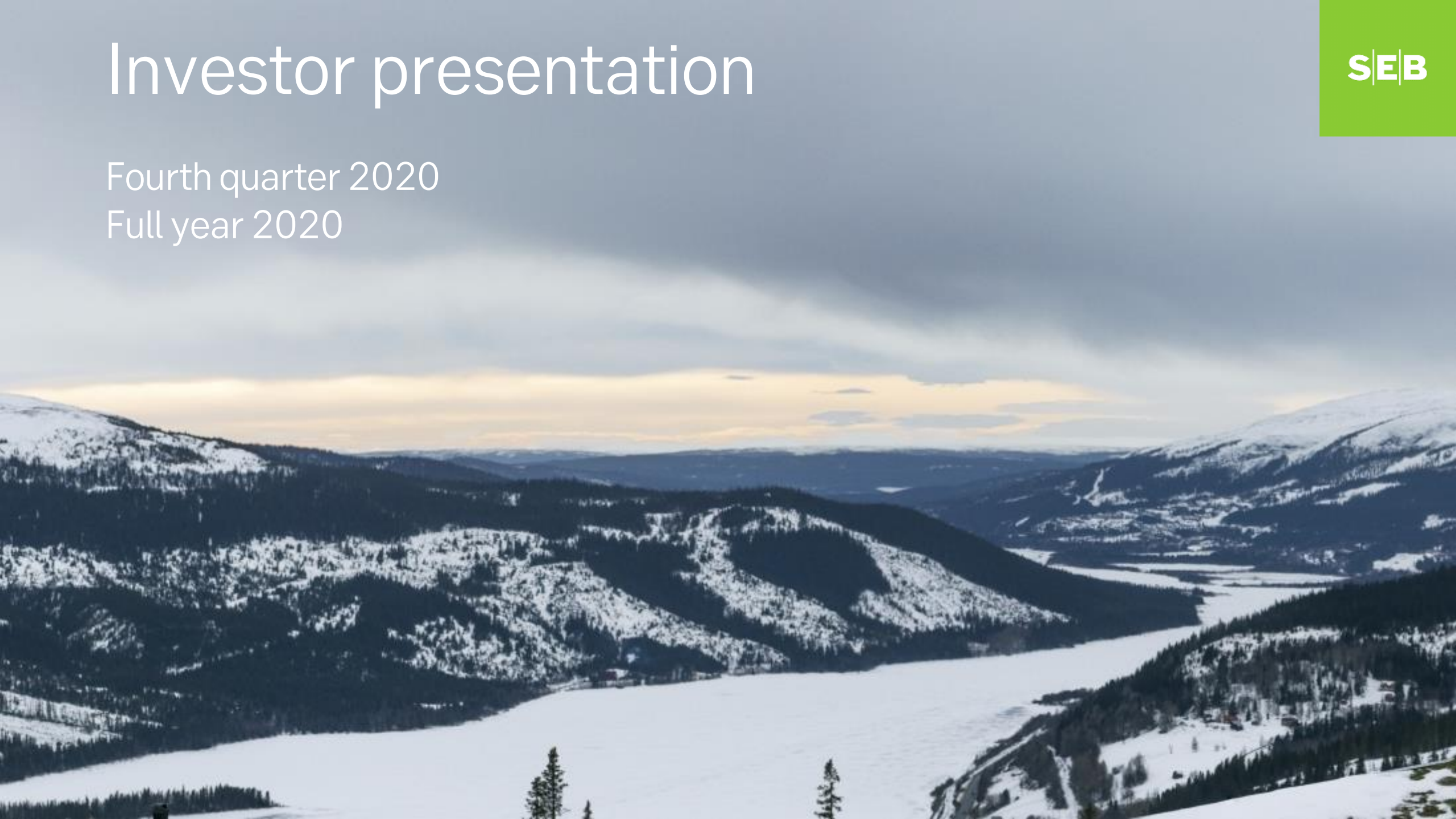


# Investor presentation

SEB

Fourth quarter 2020

Full year 2020



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## **SEB in brief & business plan**

Q4 & FY2020 financial results

Credit portfolio & asset quality

Capital

Liquidity & funding

Swedish economy

Appendix



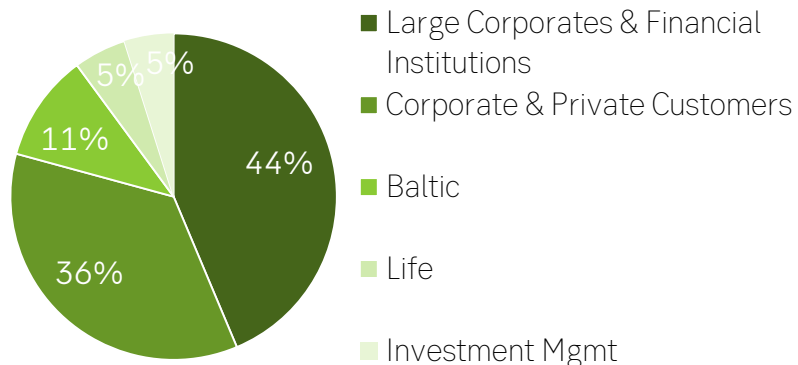
# SEB – a leading Nordic financial services group



- Unique customer base and leading market position
- Engaged and long-term focused ownership base
- Diversified business model delivering strong, profitable growth over time
- Financial strength
- Solid credit rating of AA-/Aa2/A+ (Fitch/Moody's/S&P)

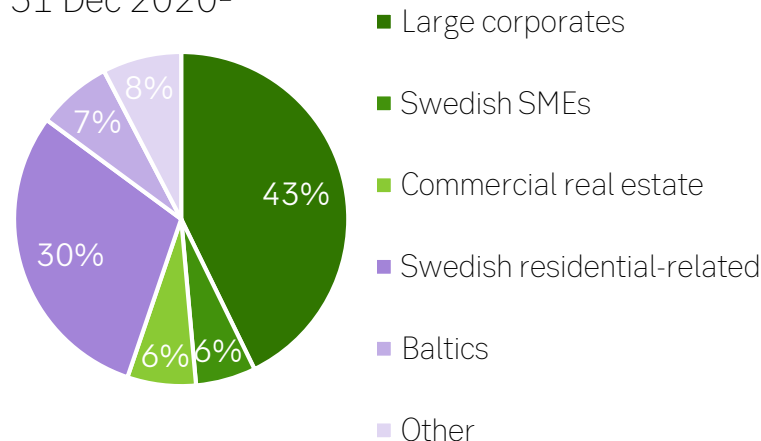
## Divisional breakdown

Operating profit pre-credit losses 2020<sup>1</sup>



## Credit portfolio breakdown

31 Dec 2020<sup>2</sup>



## Key financial ratios

2020 (2019)

10.3% (13.8)	0.46 (0.46)
Return on equity <sup>1</sup>	Cost / Income
21.0% (17.6)	26bps (10)
CET1 ratio	Net ECL level

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

<sup>2</sup> Swedish residential related includes household mortgages, residential real estate and housing co-ops

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

# More diversified income stream and corporate focused compared to peers

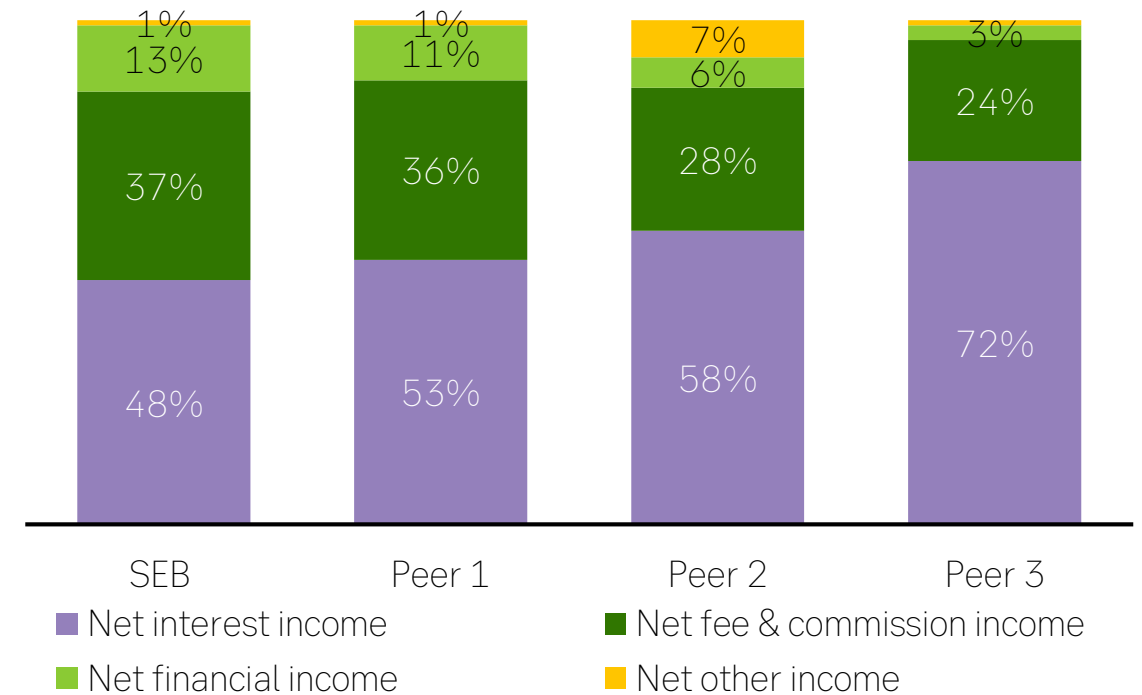
## Well balanced credit portfolio

Sector credit exposure composition, EAD<sup>1</sup>, 31 Dec 2019



## Diversified income stream

Operating income by revenue stream, 1H 2020

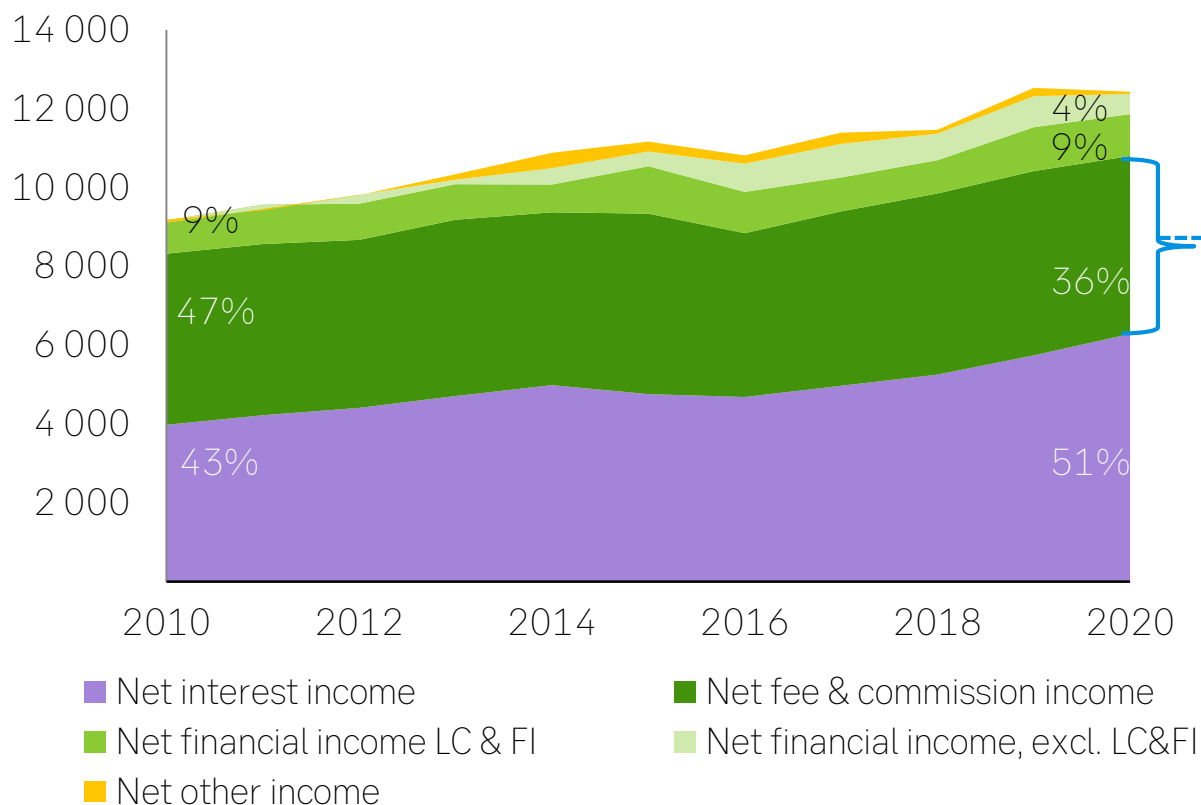


<sup>1</sup> EAD = Risk Exposure Amount/Risk Weight. Source: SEB + Swedish peers interim reports

# Business model generates a stable, diversified income stream

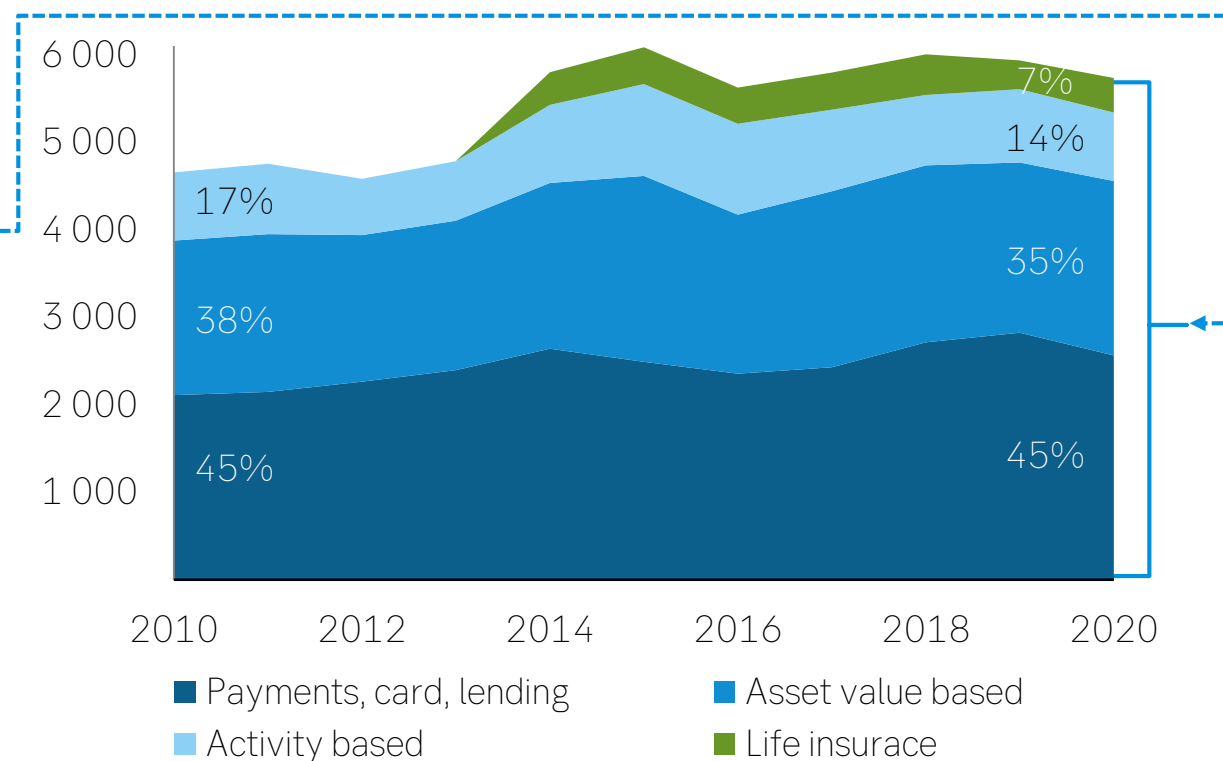
## Balanced mix of NII (net interest income) and non-NII

2010 - 2020 Average quarterly income, SEK m



## Stable fees & commissions generated through strong market franchise and recurring income

2010 - 2020 Average quarterly fees & commissions income, SEK m

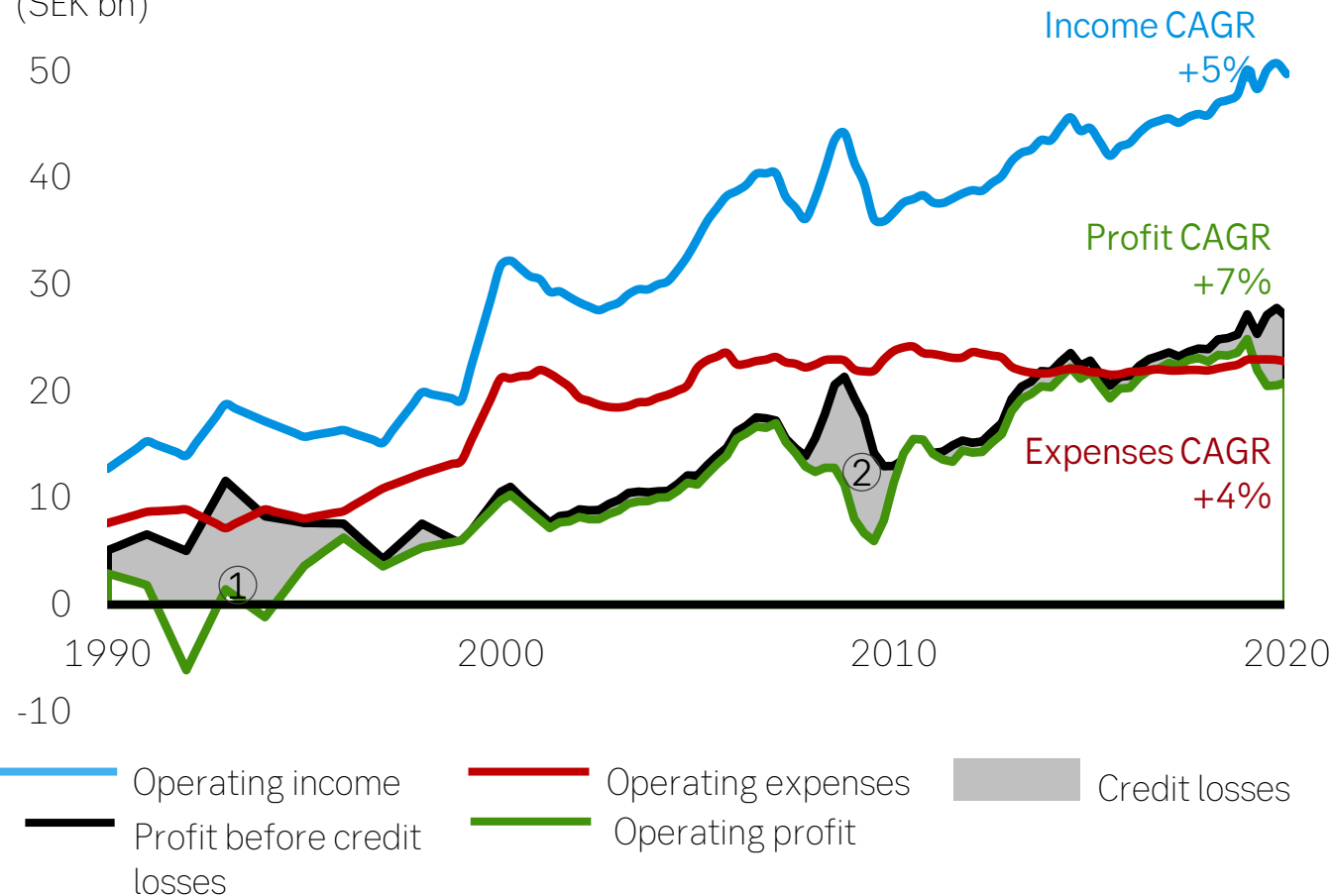


Note: LC&FI is the division Large Corporates and Financial Institutions. Traditional Life income booked under net financial income from Jan 2014

# Sustainable earnings and capital generation over time...

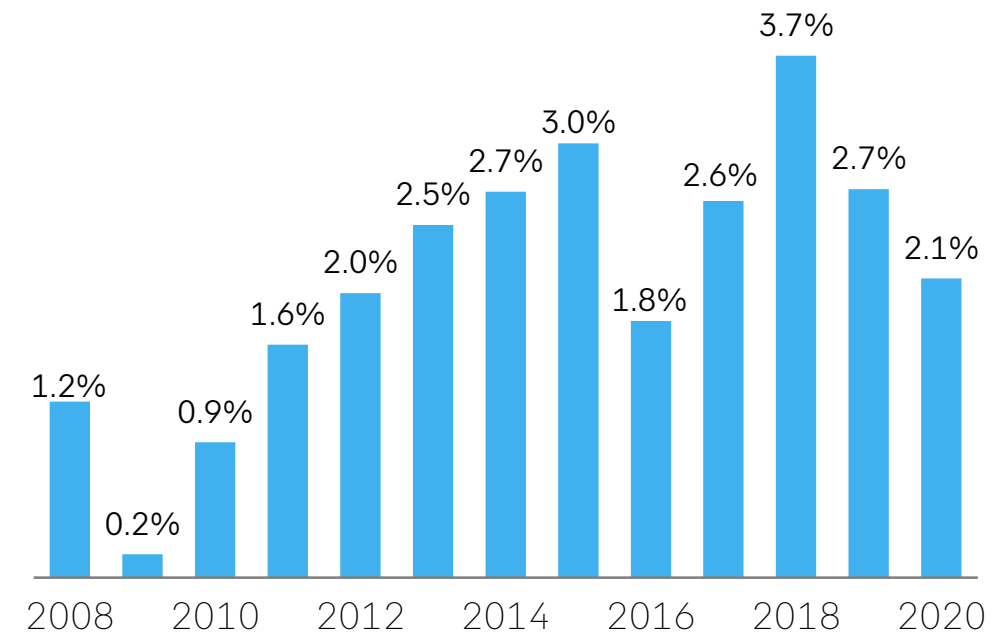
## Long-term profit development 1990-2020, rolling 12m

(SEK bn)



## Strong underlying capital generation

Return on risk exposure amount



1. Consequences of Swedish economic paradigm shift and the ensuing financial crisis. SEB was one of two of major banks that was not taken over or directly guaranteed by the State

2. Credit losses driven by the Baltics during the Financial Crisis – important to note the strong revenue generation and overall profitability during this period notwithstanding the Financial Crisis

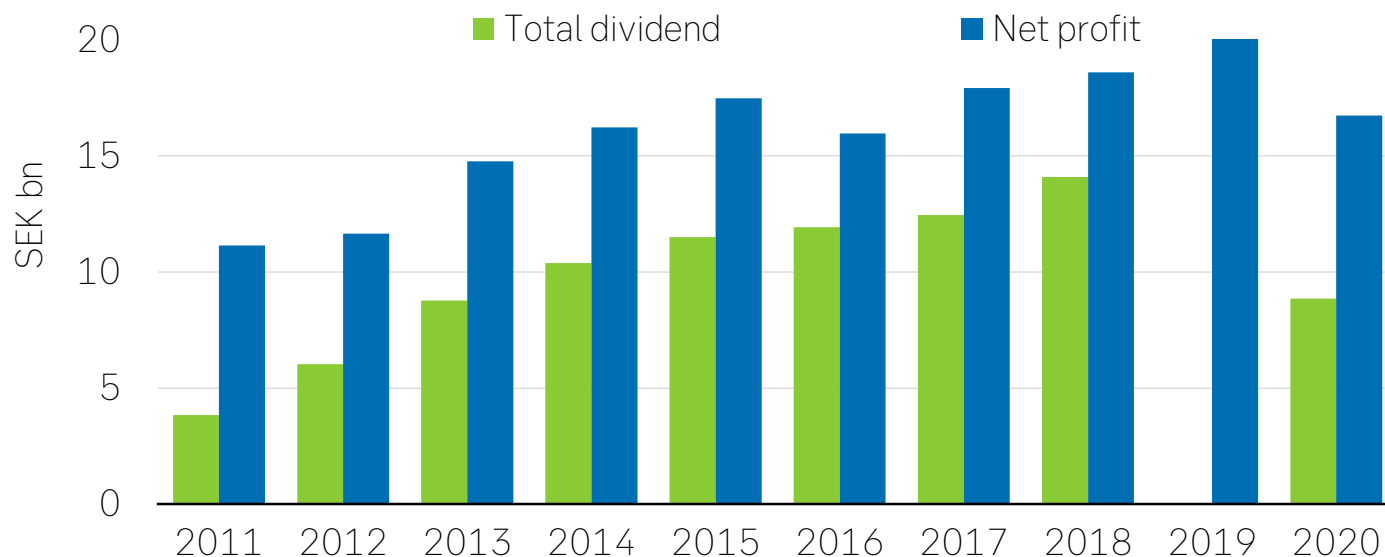
Adjusted for items affecting comparability in 2014-2020

# ...generating long-term shareholder value

## Dividends paid

Dividend policy until 2020: 40% or above of net profit (earnings per share)

New dividend policy: ~50% of net profit



DPS, SEK	1.75	2.75	4.00	4.75	5.25	5.50	5.75	6.00 + 0.50	0.00	4.10
Payout ratio	35%	52%	59%	54%	66%	75%	70%	70%	0%	53%

## SEB's main shareholders

31 December 2020	Share of capital, per cent
Investor AB	20.8
Alecta Pension Insurance	6.6
Trygg Foundation	5.2
Swedbank Robur Funds	3.9
AMF Insurance & Funds	3.7
BlackRock	2.6
SEB Funds	2.0
Vanguard	1.9
Handelsbanken Funds	1.5
Own shareholding	1.5
Total share of foreign shareholders	25.4

Source: Euroclear Sweden/Modular Finance

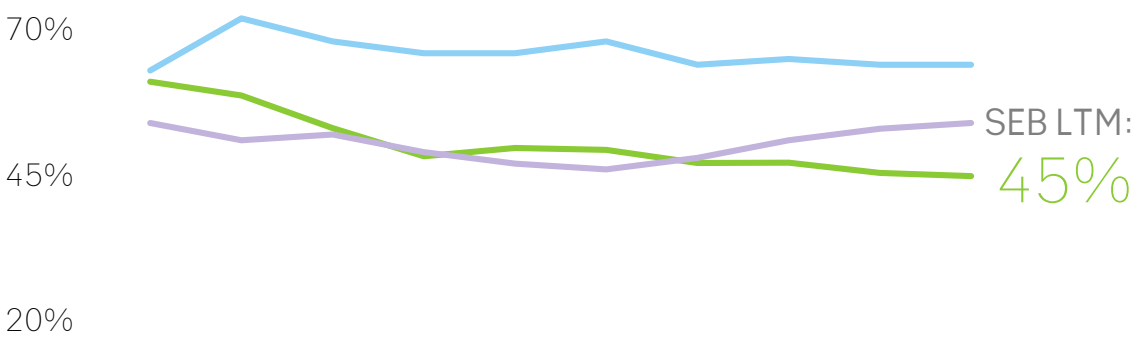
Note: 2019-2020 dividends in line with SFSA's dividend recommendation. 2018 payout ratio excluding items affecting comparability and extraordinary dividend per share (DPS). 2018 payout ratio was 76% if including extraordinary dividend. 2014-2020 excluding items affecting comparability.



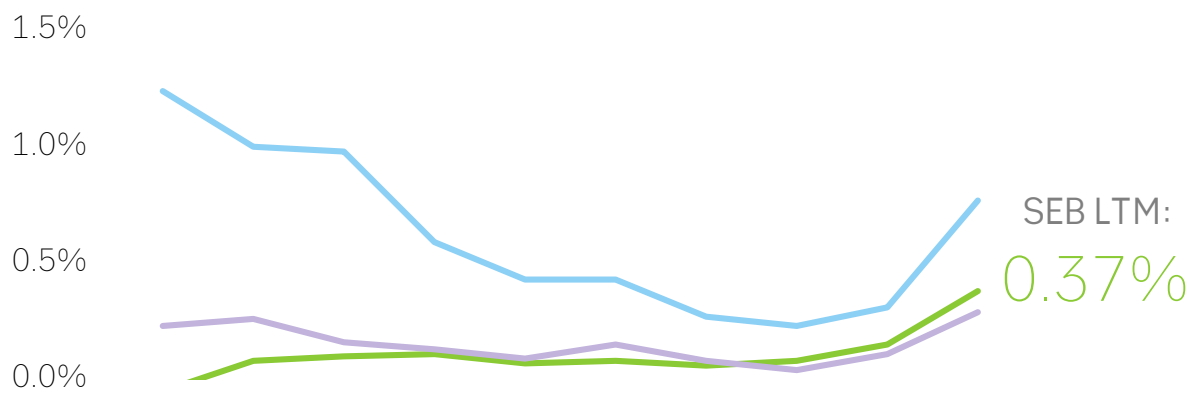
# Financial strength relative to peers



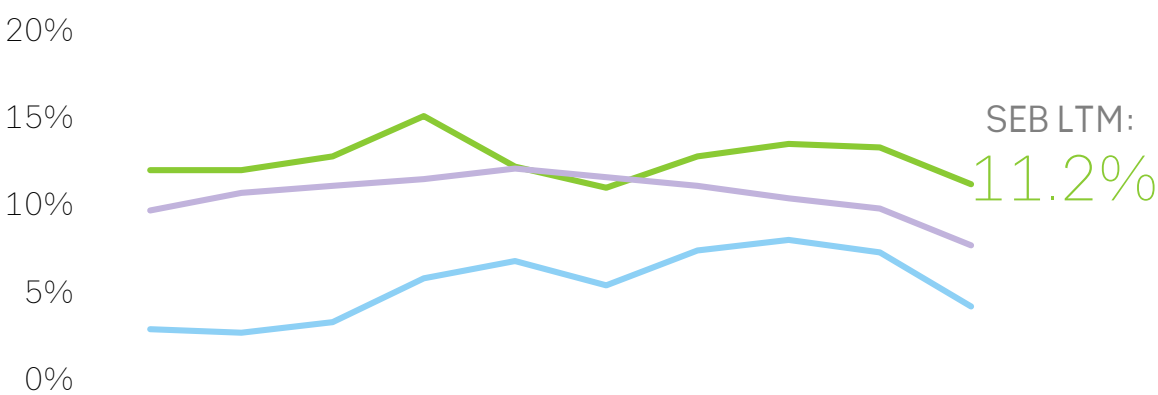
Cost/income ratio  
(2011-LTM 2020)



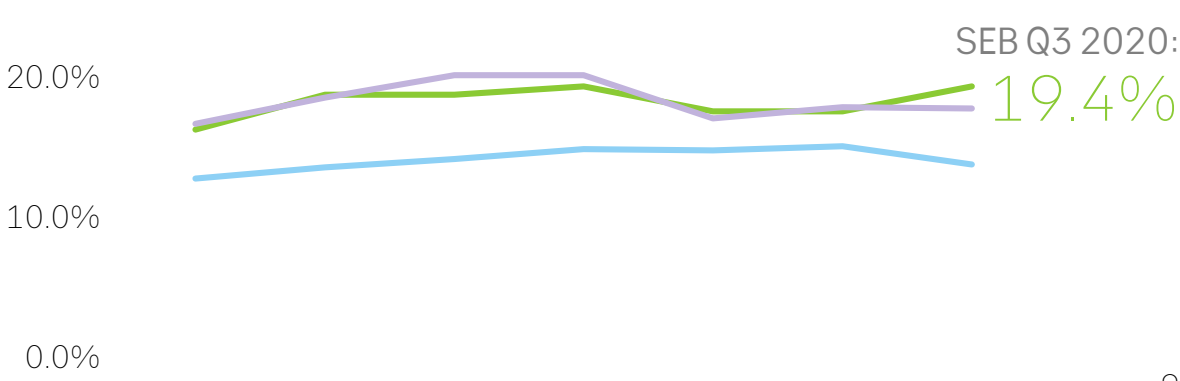
Cost of risk  
(2011-LTM 2020)



Return on equity excl IAC  
(2011-LTM 2020)



CET1 capital ratio  
(2014-LTM 2020)



# Business plan 2021

Focus areas for continued development



Savings and investments



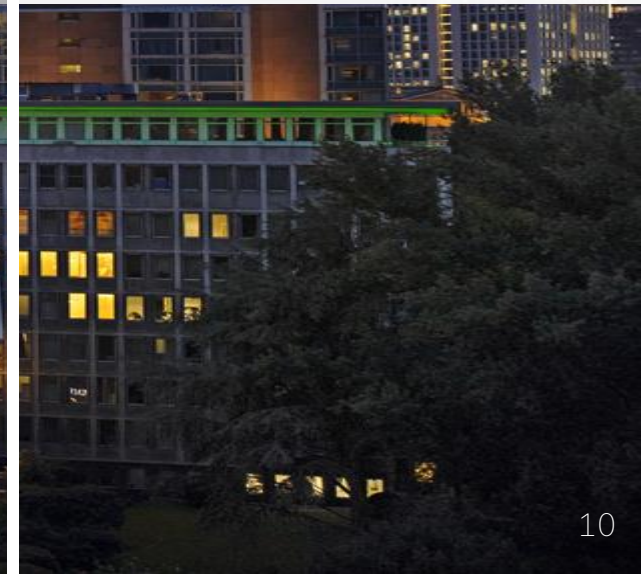
Sustainability



Digitalisation

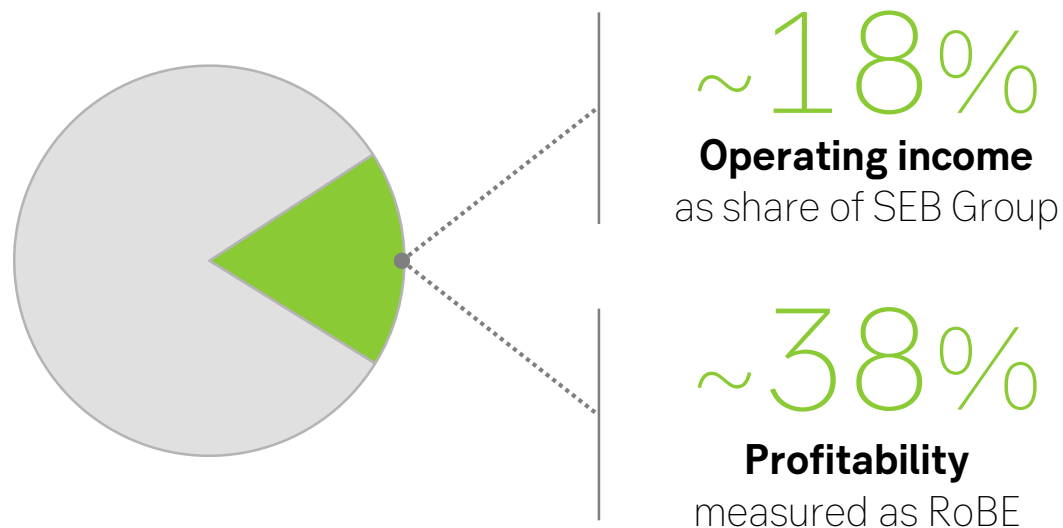


Regulatory compliance

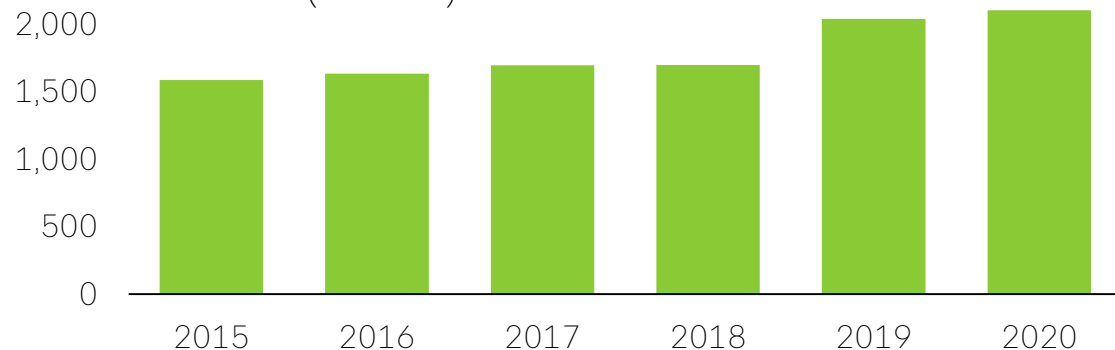


# Business plan 2021

## Savings and investments



**Assets under Management**  
(SEK bn)<sup>1</sup>



### Key areas to accelerate growth

#### Accelerate product innovation with focus on

- alternative investments
- sustainability

#### Improve fund performance through

- revised investment policies and processes
- more efficient life cycle management

#### Grow net sales by

- developing the digital channel
- leveraging bancassurance
- establishing new partnerships

<sup>1</sup> Adjusted for divestment of SEB Pension in Denmark in 2018.

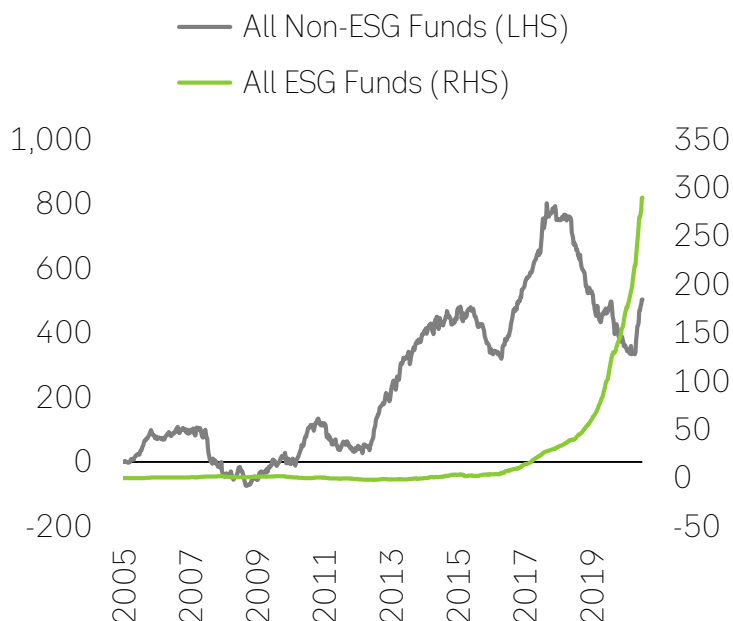
# Business plan 2021

## Sustainability

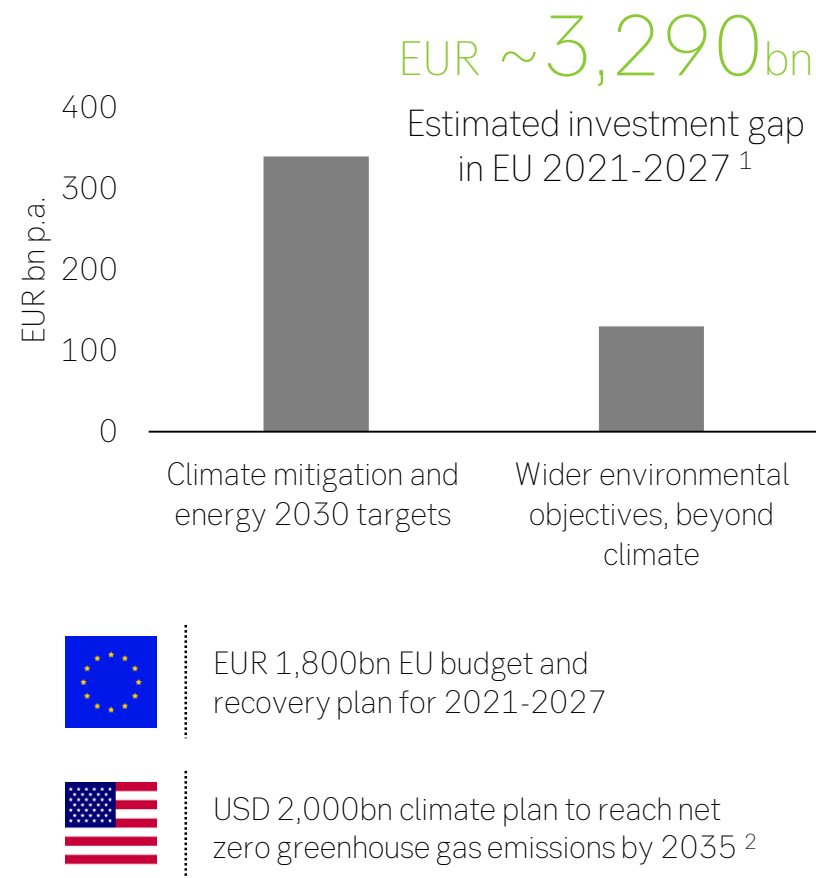
### The green transition ongoing



Global cumulative net sales (USD bn)



### Public and private investments needed



### SEB to take an active role

- Innovate sustainability-related products and services
- Review and classify SEB's credit portfolio based on greenhouse gas emissions
- Develop sustainability policy framework including thematic and sector policies
- Involve in private and public partnerships and collaborations

<sup>1</sup> Estimates based on 40% reduction of greenhouse gas emissions by 2030; Identifying Europe's recovery needs, EU Commission, 2020. <sup>2</sup> Greenhouse gas emissions from the power sector.

# Revised SEB Group financial targets

## CURRENT TARGETS

$\geq 40\%$

Dividend payout ratio of EPS

$\sim 150_{\text{bps}}$

CET1 ratio above requirement

Return on Equity  
competitive with peers  
(Long-term aspiration 15%)



## REVISED TARGETS

$\sim 50\%$

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%) <sup>2</sup>



**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. <sup>2</sup> Return on Equity target remains unchanged.



# Long-term aspirations for SEB divisions

	Return on Business Equity		Cost/Income	
	Aspiration <sup>1</sup>	<i>Actual 2020</i>	Aspiration <sup>1</sup>	<i>Actual 2020</i>
<b>Large Corporates &amp; Financial Institutions</b>	>13%	8.1%	<0.50	0.44
<b>Corporates &amp; Private Customers</b>	>17%	15.1%	<0.40	0.43
<b>Baltic</b>	>20%	16.8%	<0.35	0.40
<b>Life</b>	>30%	25.5%	<0.45	0.52
<b>Investment Management</b>	>40%	49.2%	<0.40	0.38
<b>SEB Group</b> (including Group functions)	~15%	10.3% <sup>2</sup>	<0.45	0.46

<sup>1</sup> To be viewed as long-term (5 year perspective), and will be updated based on other Nordic banks' performance. <sup>2</sup> Excluding items affecting comparability.

SEB in brief & business plan

**Q4 & FY2020 financial results**

Credit portfolio & asset quality

Capital

Liquidity & funding

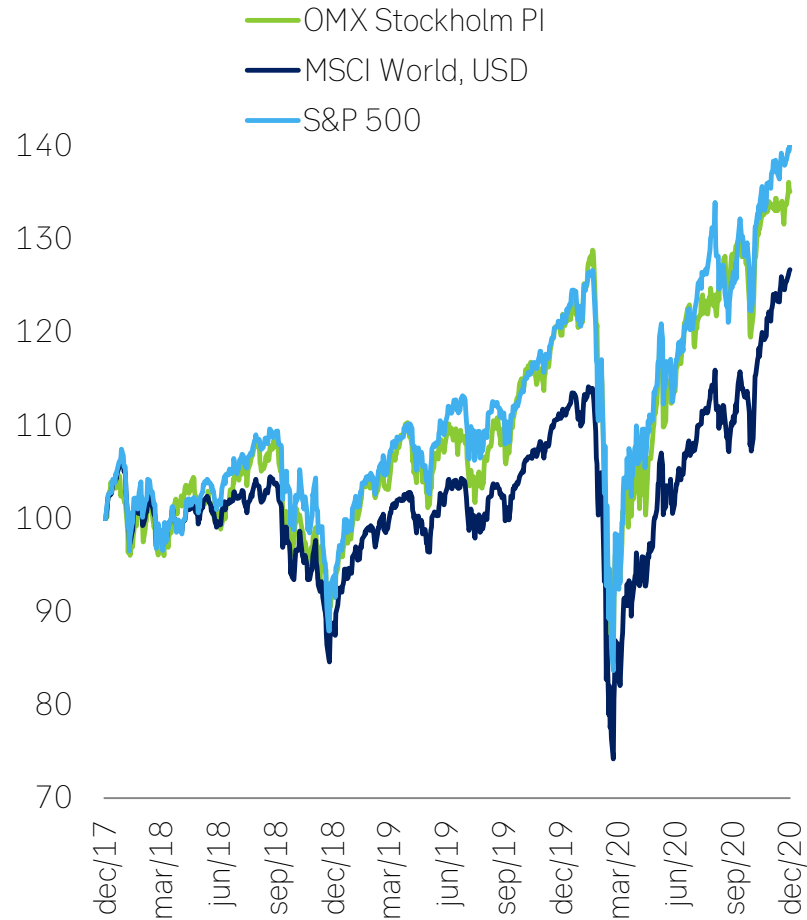
Swedish economy

Appendix

# Financial markets development

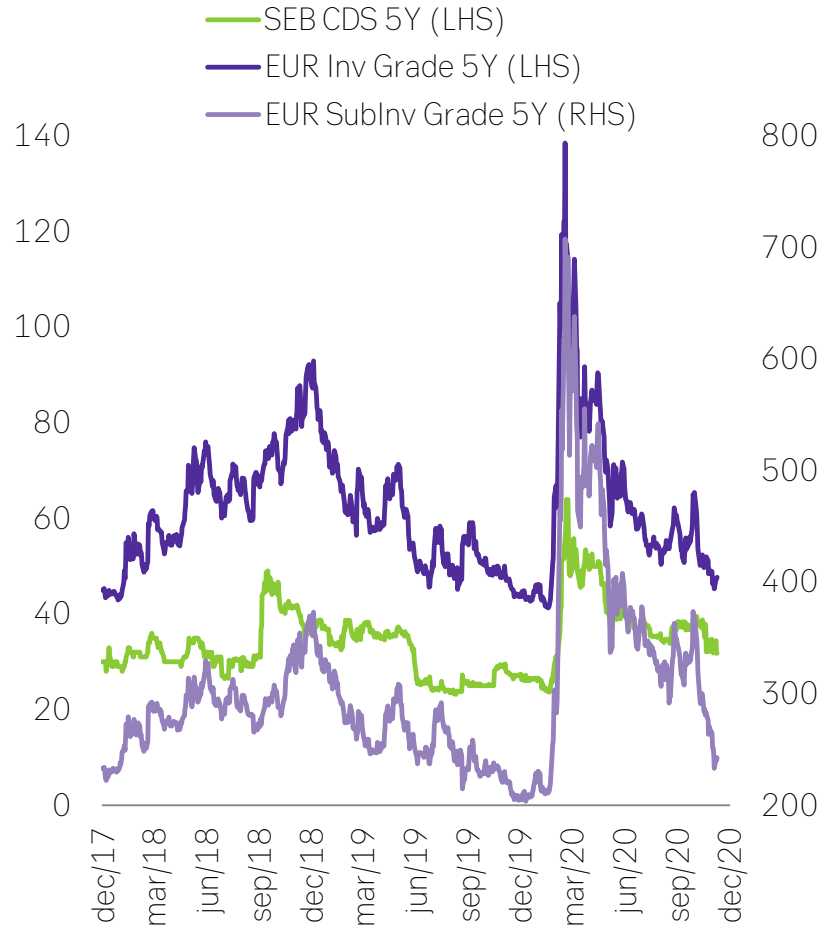
## Equity markets

Sweden, US and global



## Credit spreads

SEB vs. corporate sector



## Interest rates

Annual yield of 10-year gvt bonds



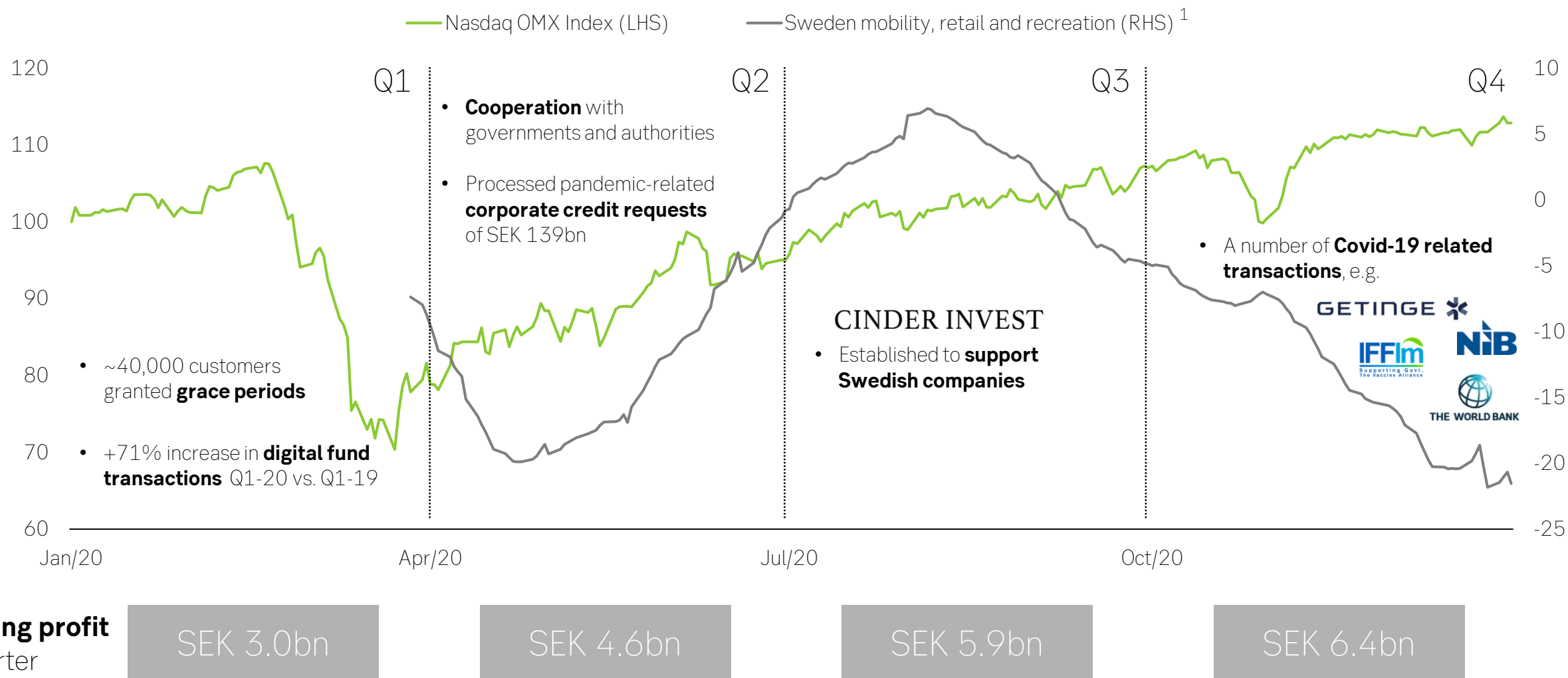
# Highlights in Q4 2020

- Return on equity increased to 12.2% on a CET1 ratio of 21%
- Net expected credit losses decreased to 14 basis points
- Revised Group financial targets to support customers through increased financial flexibility



# Development of 2020

## Our response to the pandemic



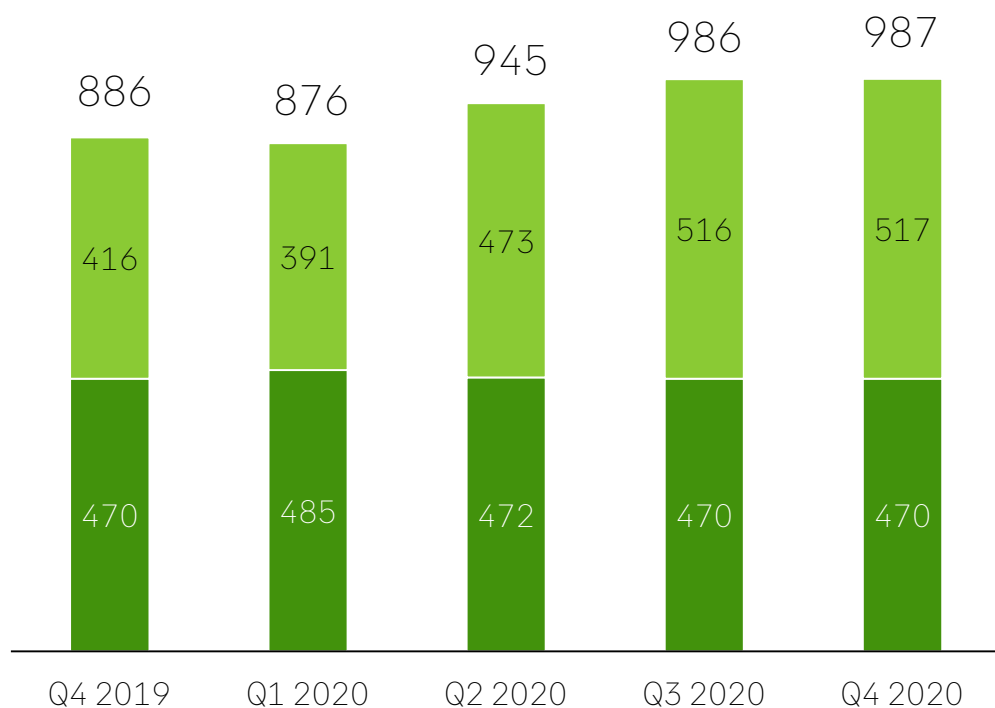


# Large Corporates and Financial Institutions

High activity among corporates and institutions despite muted loan demand

## Development of credit exposure in 2020

■ Off-balance credit exposure (SEK bn) ■ On-balance credit exposure (SEK bn)



Note: FX-adjusted corporate exposure excluding real estate and trading products.

## Activity highlights in 2020

- Debt Capital Markets continued to perform, and Corporate Finance turned trend in Q4; +75% increase in *Issue of Securities and Advisory Services* quarter-on-quarter.
- Volatility in Q2 contributed to Markets' income, driven by Fixed Income, Currencies and Commodities.
- Strong development in Corporate Loan Origination throughout the year.
- Credit exposure increased by 11% year-on-year in Q4, but low propensity to convert to actual borrowing.

# Financial summary 2020

SEK m	2020 January-December	2019 January-December	%
<b>Total operating income</b>	<b>49,717</b>	<b>50,134</b>	-1
Total operating expenses	-22,747	-22,945	-1
<b>Profit before credit losses</b>	<b>26,970</b>	<b>27,190</b>	-1
Net expected credit losses etc.	-6,124	-2,296	
<b>Operating profit before IAC</b>	<b>20,846</b>	<b>24,894</b>	-16
IAC	-1,000		
<b>Operating profit</b>	<b>19,846</b>	<b>24,894</b>	-20

**Net ECL level**

26bps

**C/I**

0.46

**CET 1**

21.0%

**RoE<sup>1</sup>**

10.3%

**DPS<sup>2</sup>**

4.10

<sup>1</sup> Excluding items affecting comparability. Reported Return on Equity 9.7%. <sup>2</sup> As proposed by SEB's Board of Directors to the Annual General Meeting.

# Financial summary Q4 2020

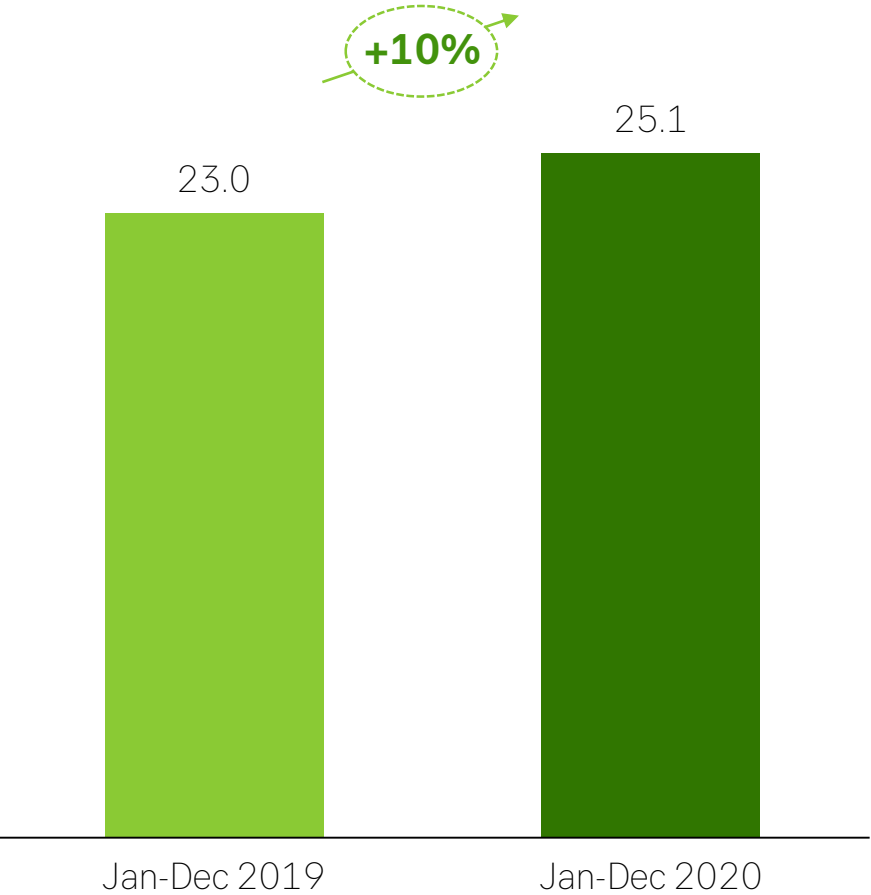
SEK m	Q4 2020	Q3 2020	%	Q4 2019	%
<b>Total operating income</b>	<b>13,066</b>	<b>12,563</b>	4	<b>14,089</b>	-7
Total operating expenses	-5,842	-5,547	5	-6,026	-3
<b>Profit before credit losses</b>	<b>7,224</b>	<b>7,016</b>	3	<b>8,063</b>	-10
Net expected credit losses etc.	-841	-1,099		-1,000	
<b>Operating profit before IAC</b>	<b>6,382</b>	<b>5,916</b>	8	<b>7,063</b>	-10
IAC					
<b>Operating profit</b>	<b>6,382</b>	<b>5,916</b>	8	<b>7,063</b>	-10
<b>Net ECL level</b>	<b>C/I</b>		<b>CET 1</b>		<b>RoE<sup>1</sup></b>
14bps	0.45		21.0%		12.1%

<sup>1</sup> Excluding items affecting comparability. Reported return on equity 12.2%.

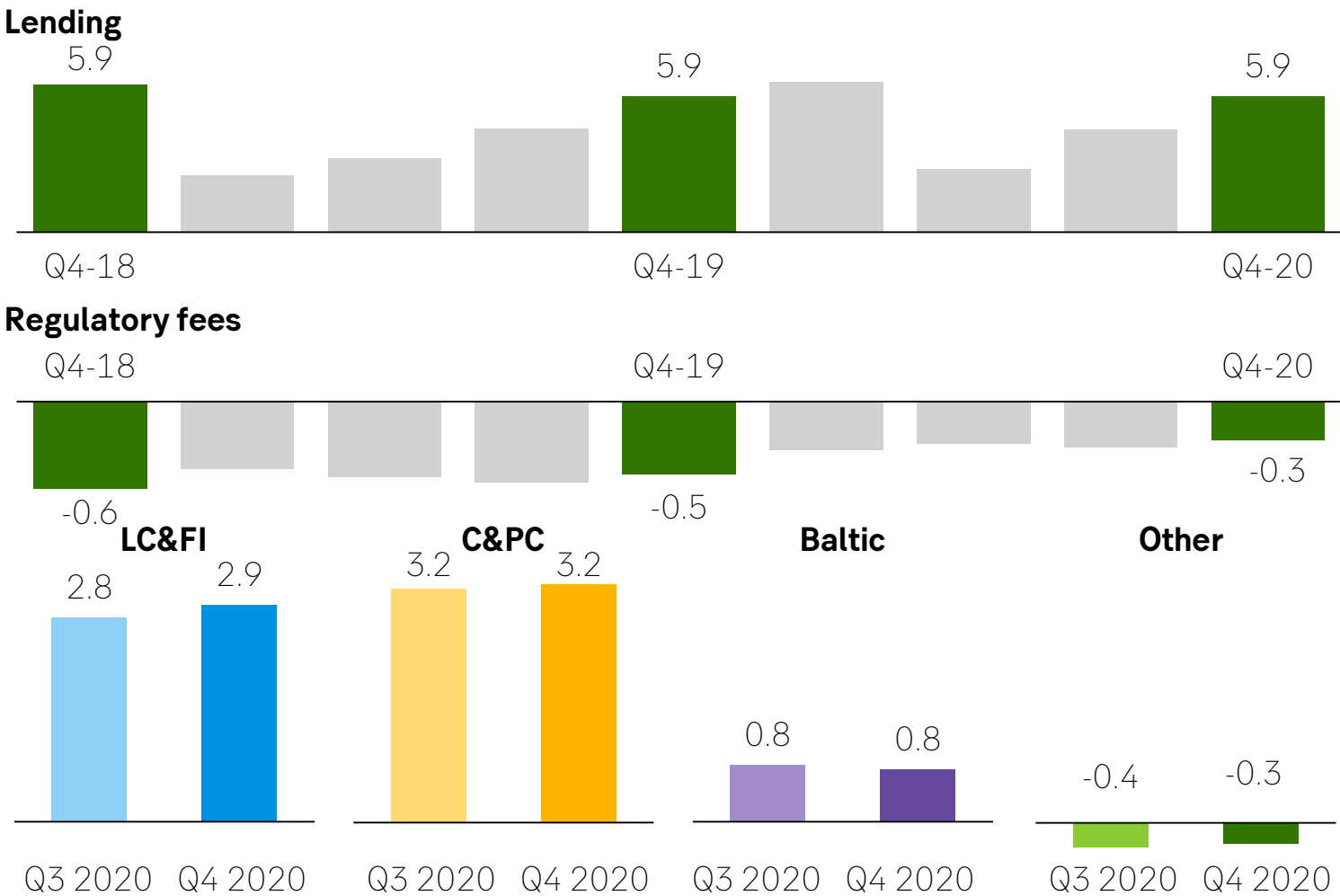
# Net interest income development



**Net interest income** (SEK bn)  
Jan-Dec 2020 vs. Jan-Dec 2019

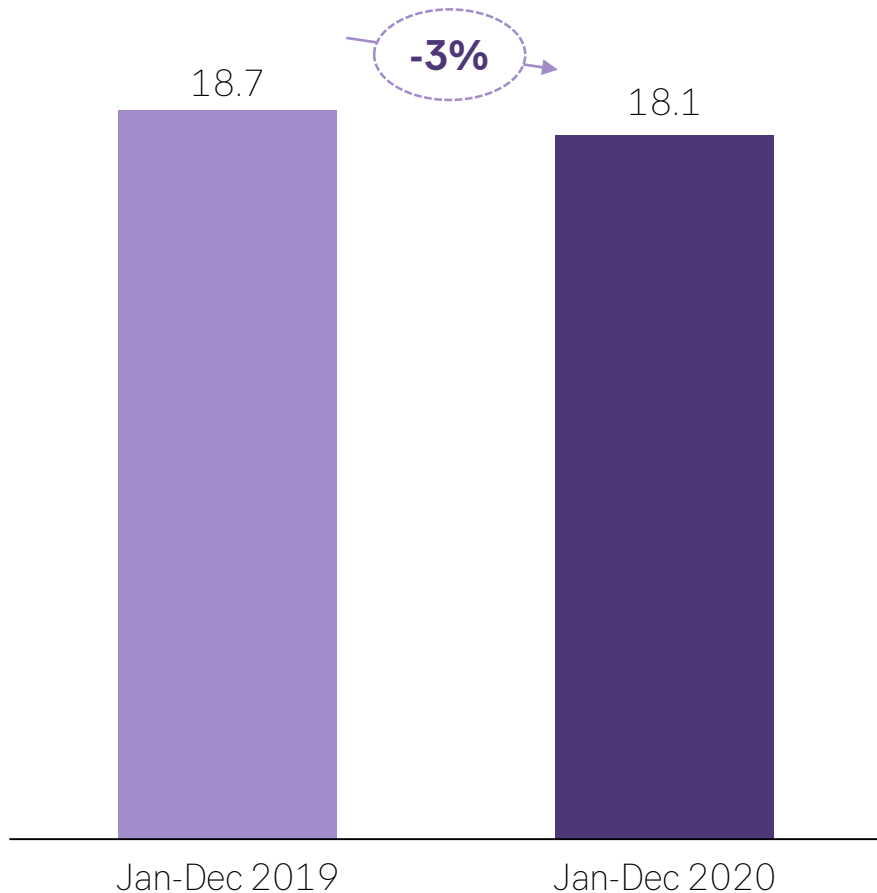


**Net interest income type** (SEK bn)  
Q4 2018 – Q4 2020



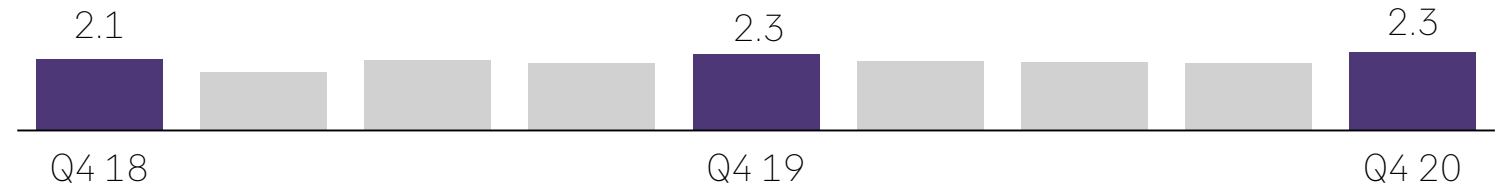
# Net fee & commission income development

**Net fee & commissions** (SEK bn)  
Jan-Dec 2020 vs. Jan-Dec 2019

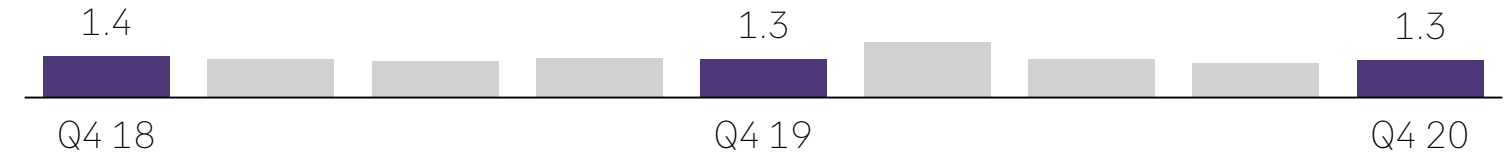


**Net fee & commissions by income type** (SEK bn)  
Q4 2018 – Q4 2020

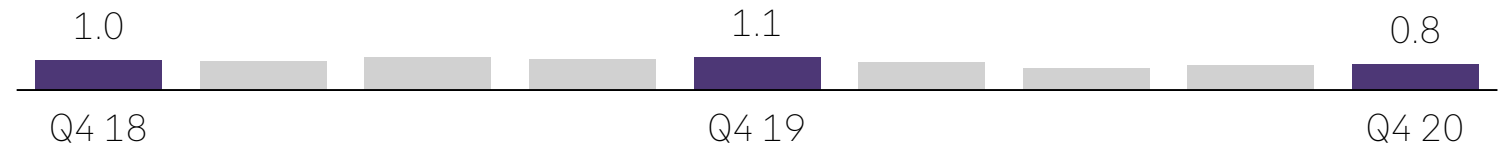
## Net securities commissions (custody, mutual funds, brokerage)



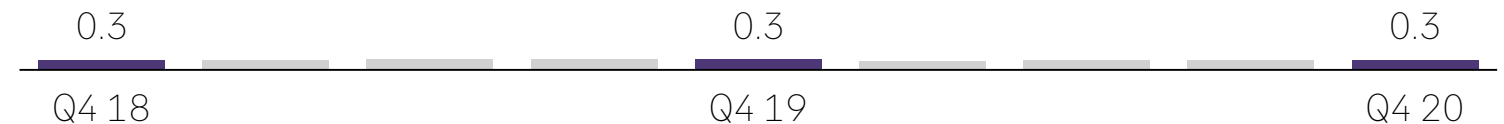
## Net advisory fees, lending fees & other commissions



## Net payment & card fees



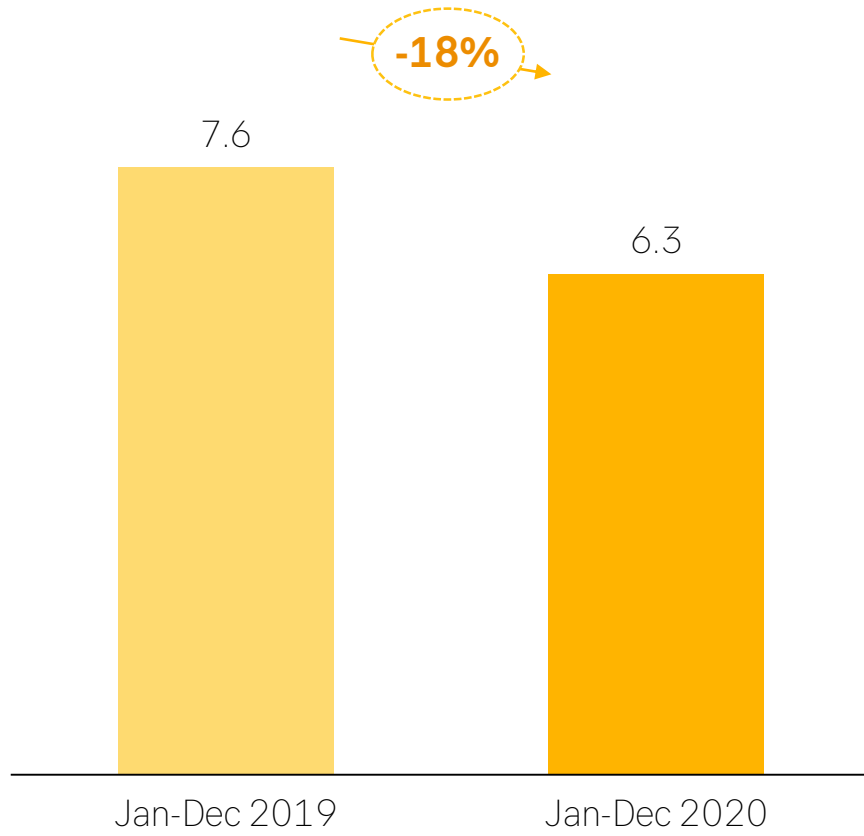
## Net life insurance commissions



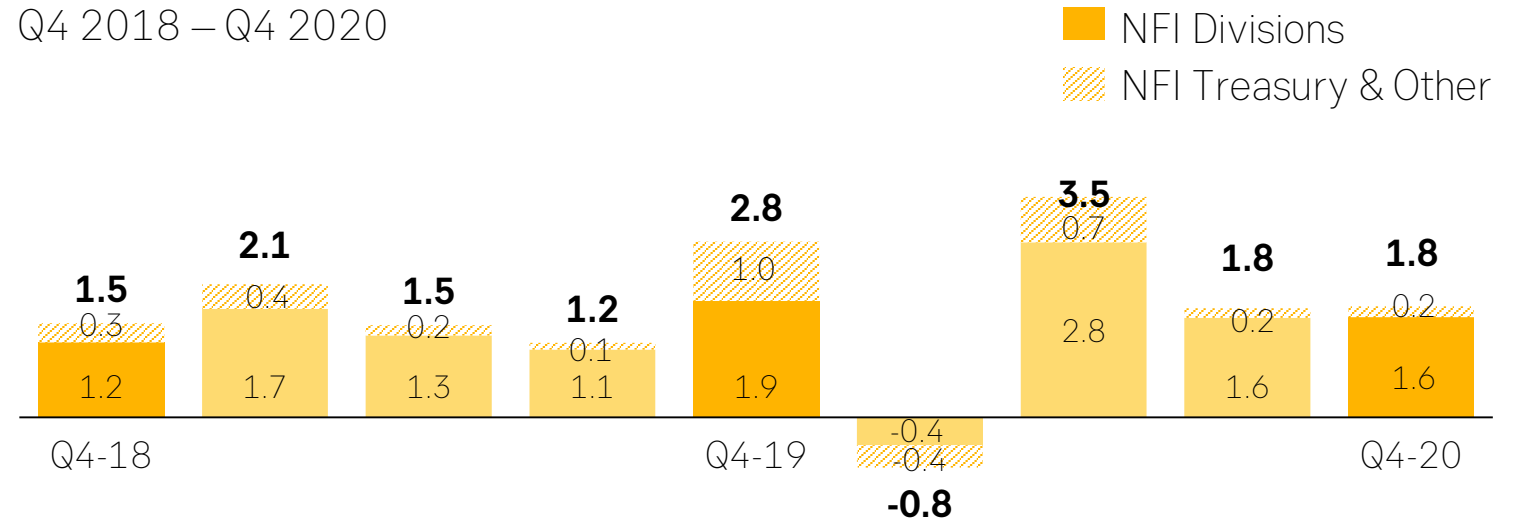


# Net financial income development

**Net financial income** (SEK bn)  
Jan-Dec 2020 vs. Jan-Dec 2019



**Net financial income development** (SEK bn)  
Q4 2018 – Q4 2020

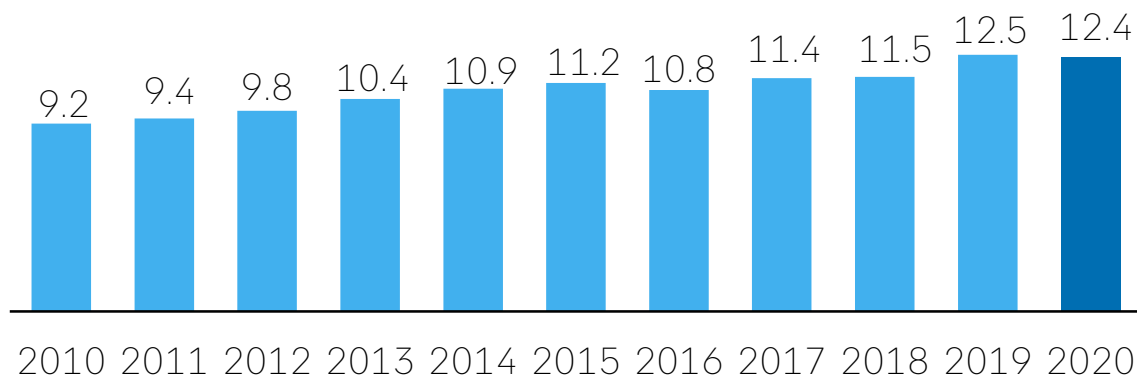


whereof **CVA/DVA** (SEK bn)

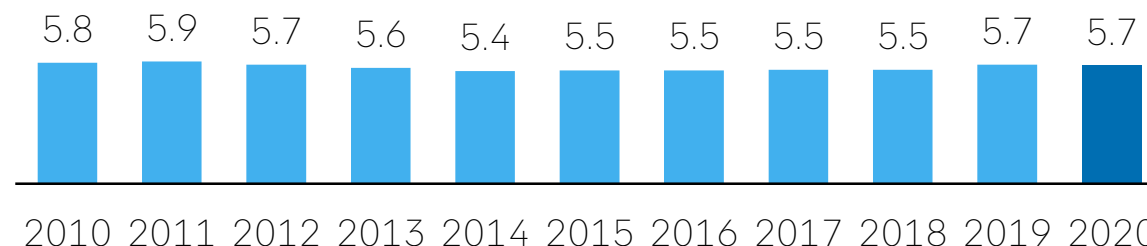


# Operating leverage

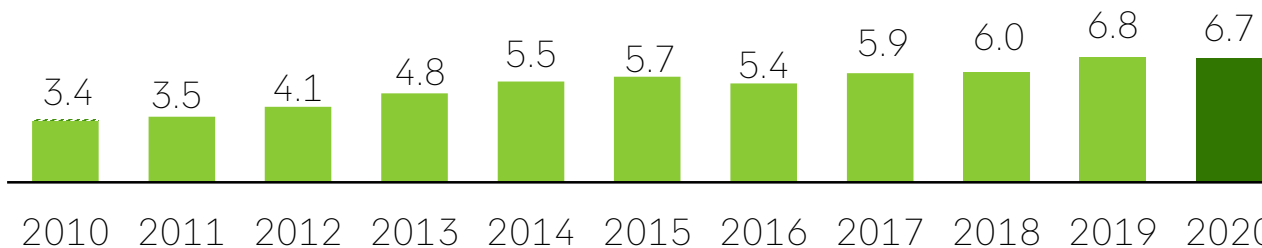
**Average quarterly income** (SEK bn)



**Average quarterly expenses** (SEK bn)



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



# Progress update on business plan 2019-2021

Total investments of SEK ~1bn in strategic initiatives so far

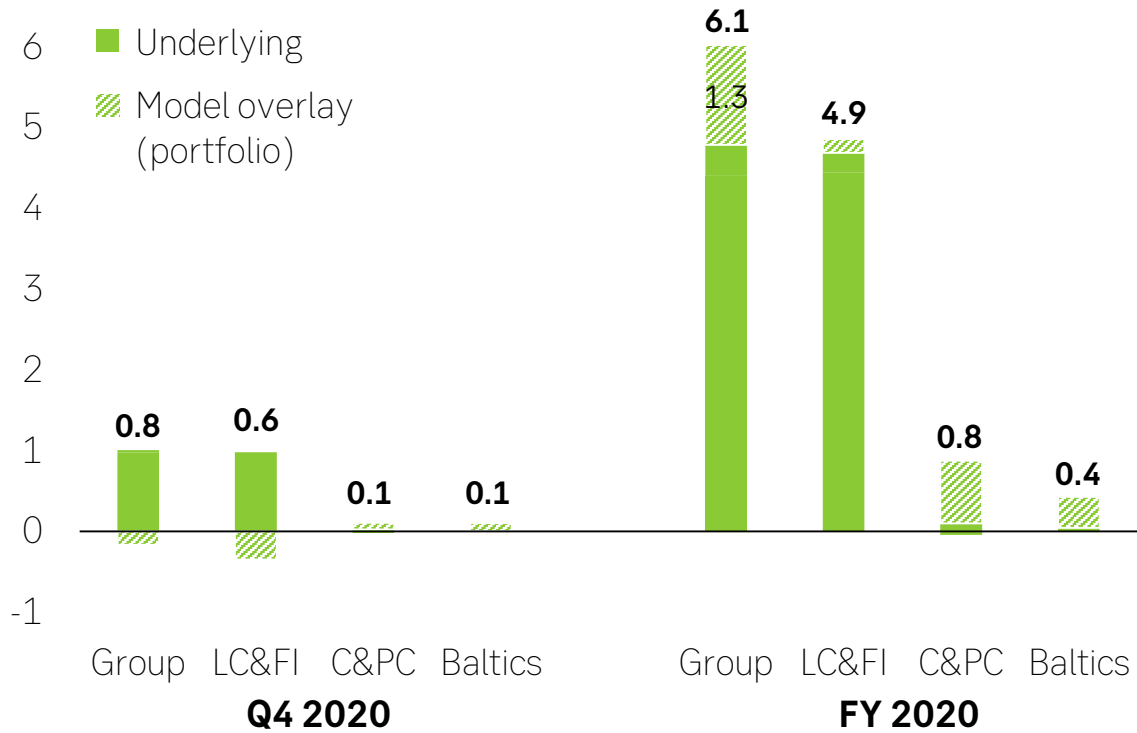
Strategic initiatives	A selection of achievements 2019-20	Investments 2019-20
Critical enablers	<ul style="list-style-type: none"><li>Strengthened efforts on sustainability (governance and products), ways of working (agile and SEB Campus) and regulatory compliance (governance)</li></ul>	SEK ~300m
Advisory	<ul style="list-style-type: none"><li>Enhanced advisory capabilities (energy and technology) towards large corporates, and improved offering and digital interface to PB customers</li></ul>	SEK ~200m
Assets entrusted to us	<ul style="list-style-type: none"><li>Growth in AuC combined with enhanced product offering, improved digital advisory tools and initiated review of investment processes in SEB IM</li></ul>	SEK ~100m
Ecosystem	<ul style="list-style-type: none"><li>Development of digital ecosystems for SMEs through strategic partnerships with fintechs and launch of new APIs</li></ul>	SEK ~250m
Digital explorer (SEBx)	<ul style="list-style-type: none"><li>Launch of first business concept to solopreneurs (UNQUO) and exploration of new technology through partnerships with fintechs</li></ul>	SEK ~200m



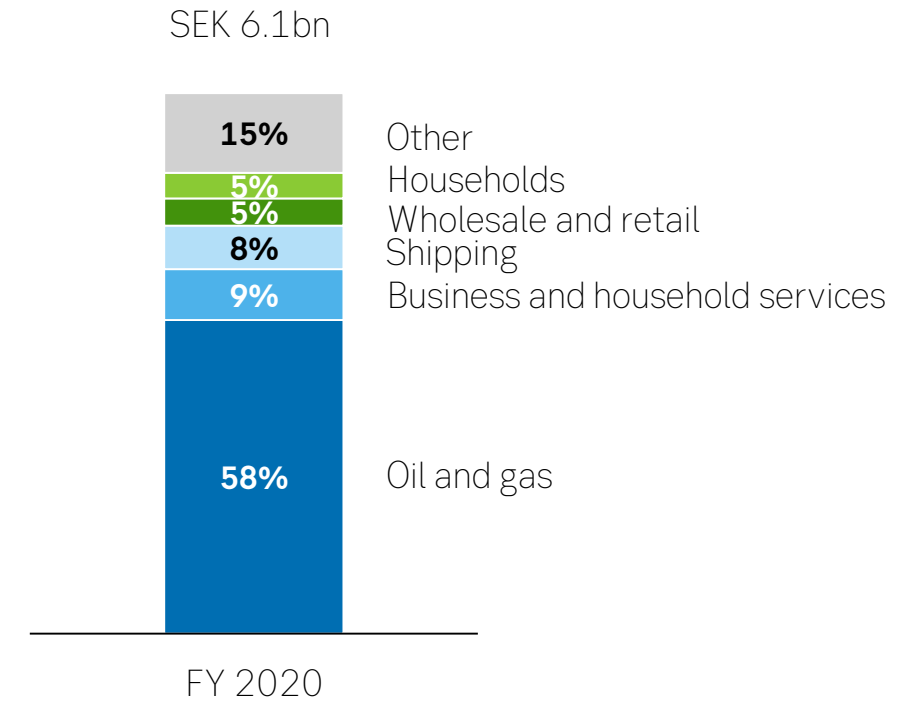
SEB in brief & business plan  
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**Credit portfolio & asset quality**  
Capital  
Liquidity & funding  
Swedish economy  
Appendix

# Provisioning for future expected credit losses

## Net ECL development (SEK bn)



## Net ECL by industry (share of total net ECL)



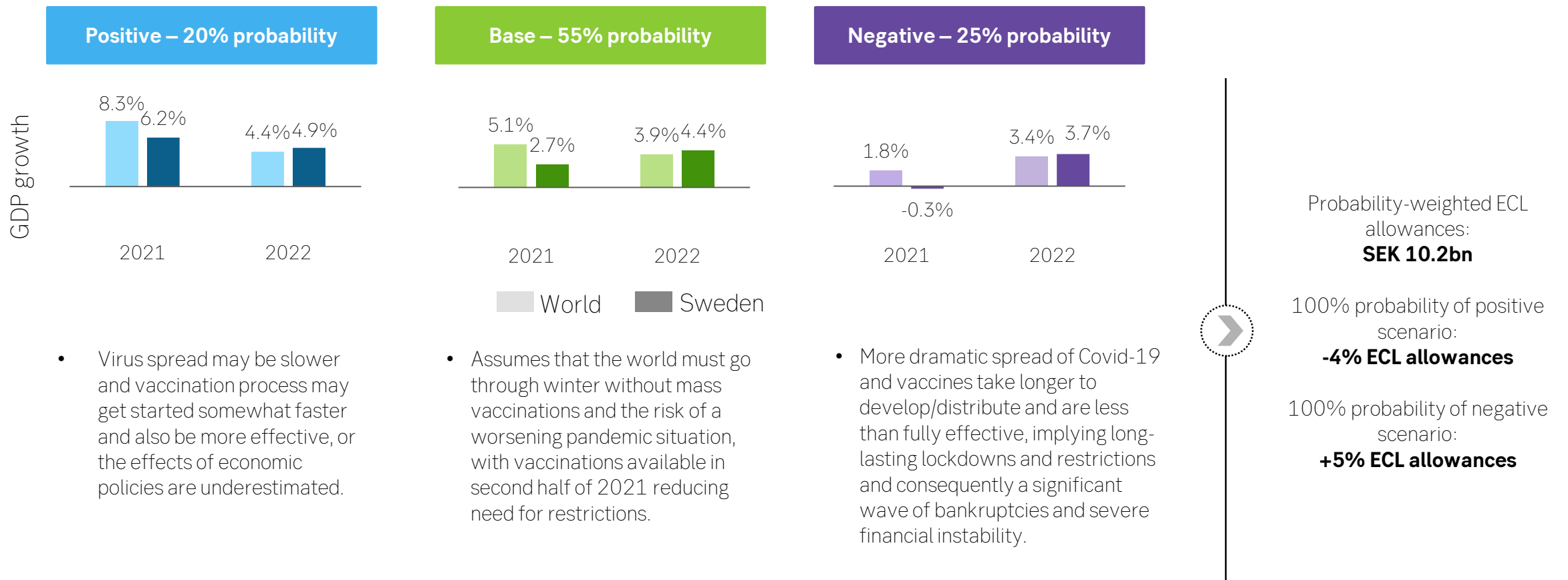
Based on the macroeconomic outlook stated in Nordic Outlook, we expect 2021 to be a transitional year towards a more normalised level of net expected credit losses in 2022.



# Macroeconomic assumptions and sensitivity

## Three scenarios used in ECL modelling Q4 2020

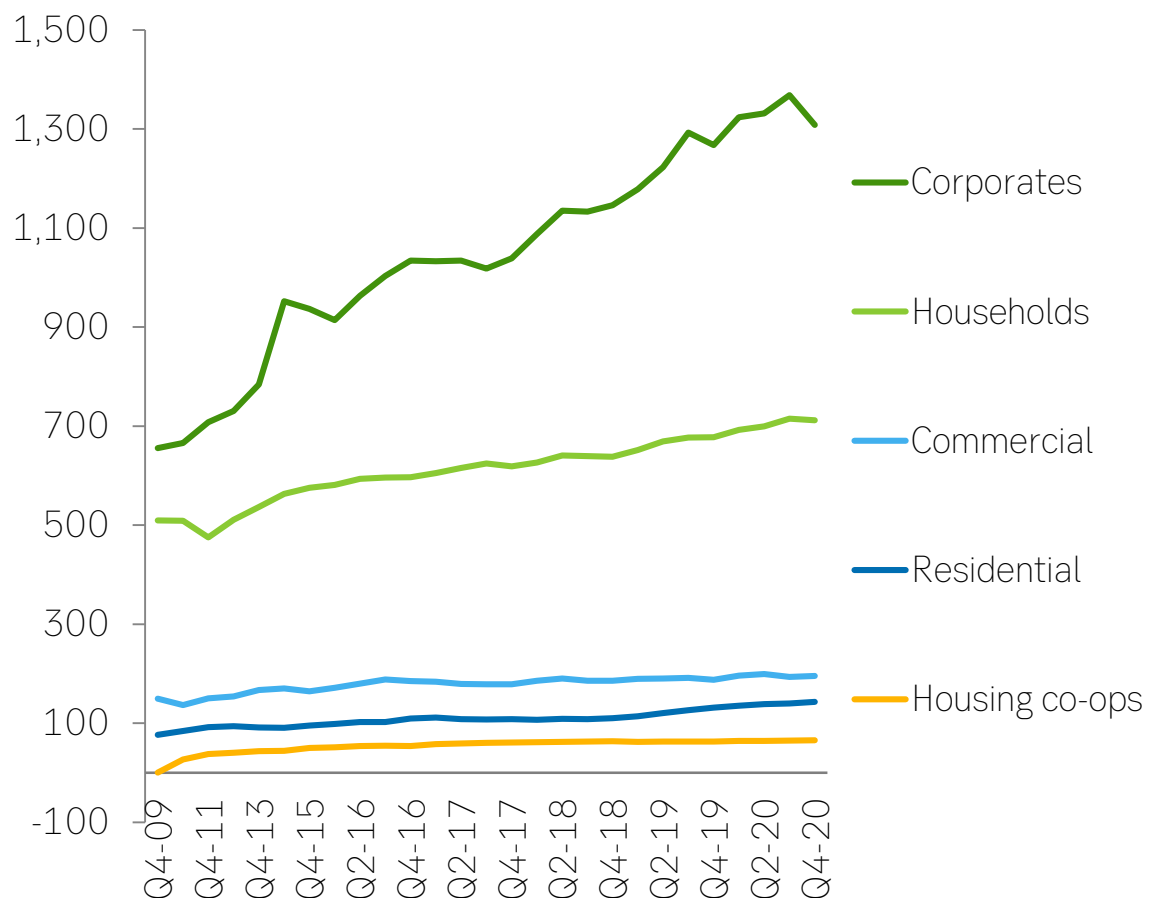
GDP growth assumptions as of December 2020



# Development of credit exposure

## Credit exposure by main sectors

SEK bn



## Credit exposure growth rates

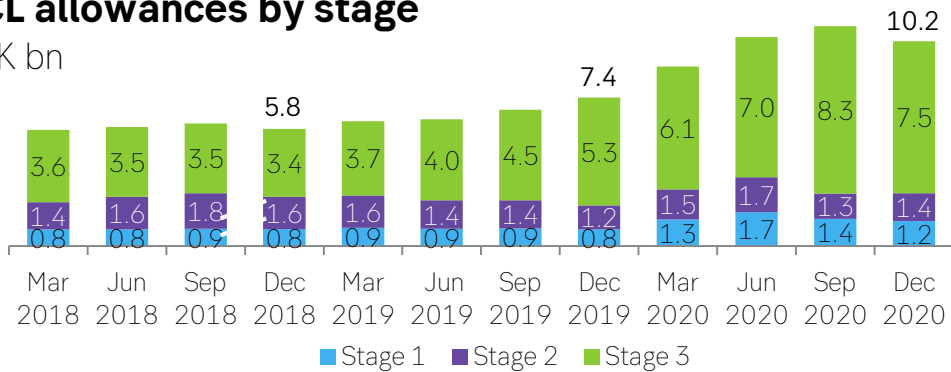
Quarter-on-quarter and year-on-year

Sector	QoQ	YoY
Corporates	-4%	3%
<i>FX-adjusted <sup>1</sup></i>	<i>0%</i>	<i>10%</i>
Households	0%	5%
<i>Swedish mortgages</i>	<i>0%</i>	<i>8%</i>
Commercial real estate	1%	4%
Residential real estate	2%	9%
Housing co-ops	2%	5%
<b>Total (excluding banks)</b>	<b>-2%</b>	<b>4%</b>

# High asset quality renders low credit losses over time

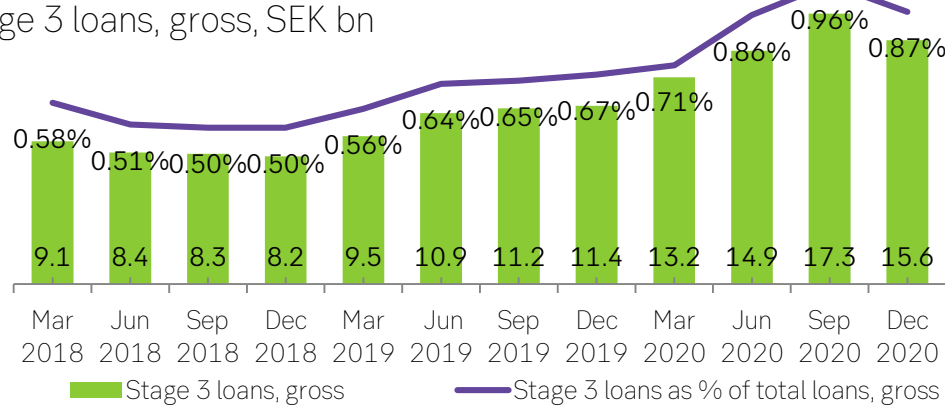
## ECL allowances by stage

SEK bn



## Credit-impaired loans

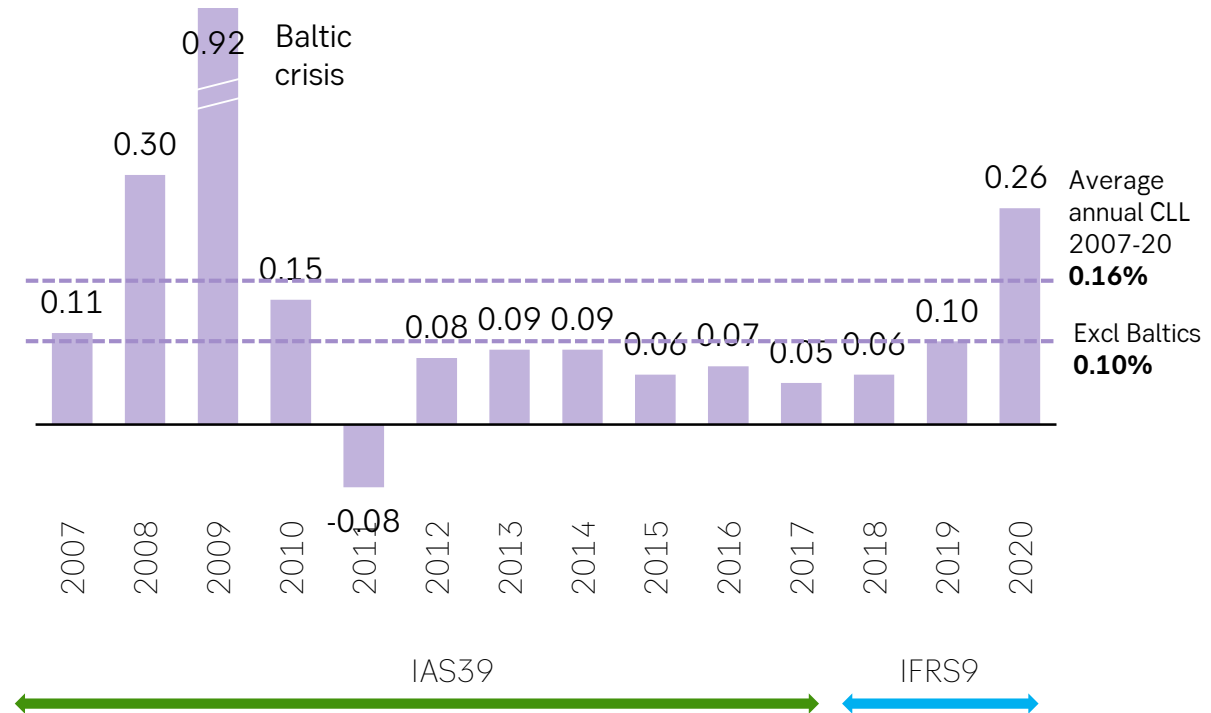
Stage 3 loans, gross, SEK bn



- Credit-impaired loans increase in 2020 mainly driven by challenges in the offshore segment in the oil portfolio

## Credit loss level since 2007

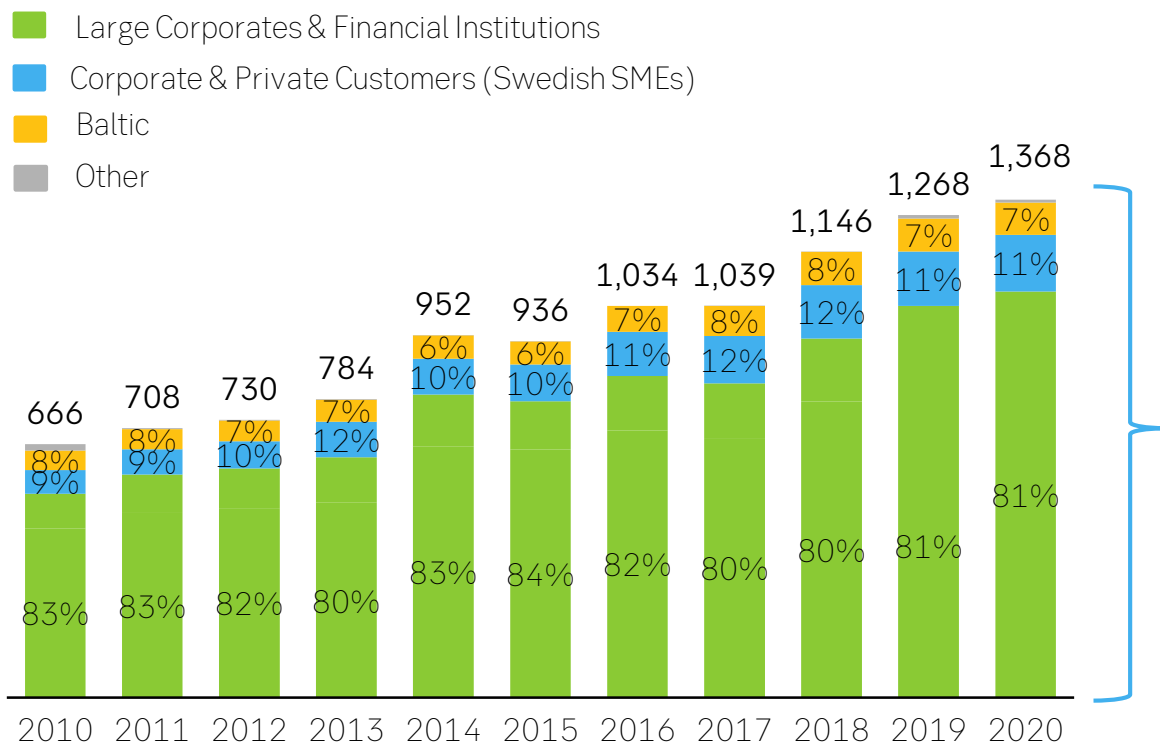
%



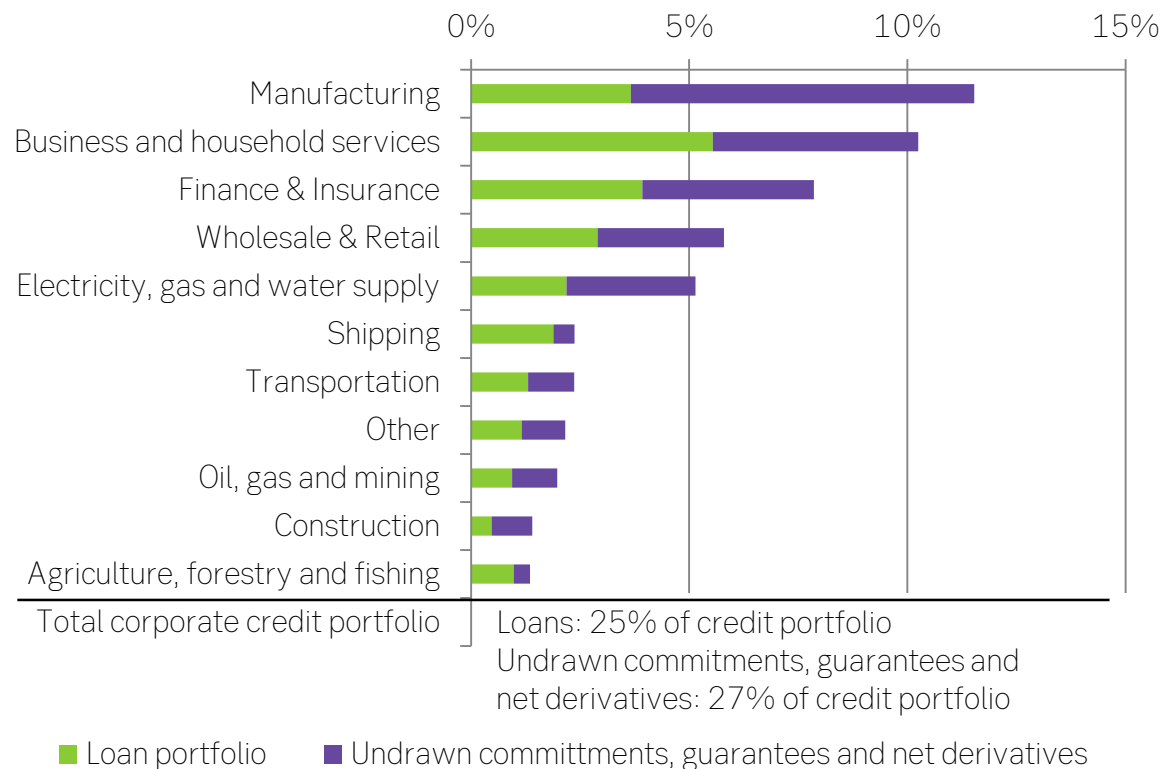
# Industry diversification and low on-balance sheet exposure render lower corporate credit risk

## Corporate credit portfolio by division

SEK bn



## Corporate credit portfolio by sector and by loans and other exposures % of credit portfolio excl. banks



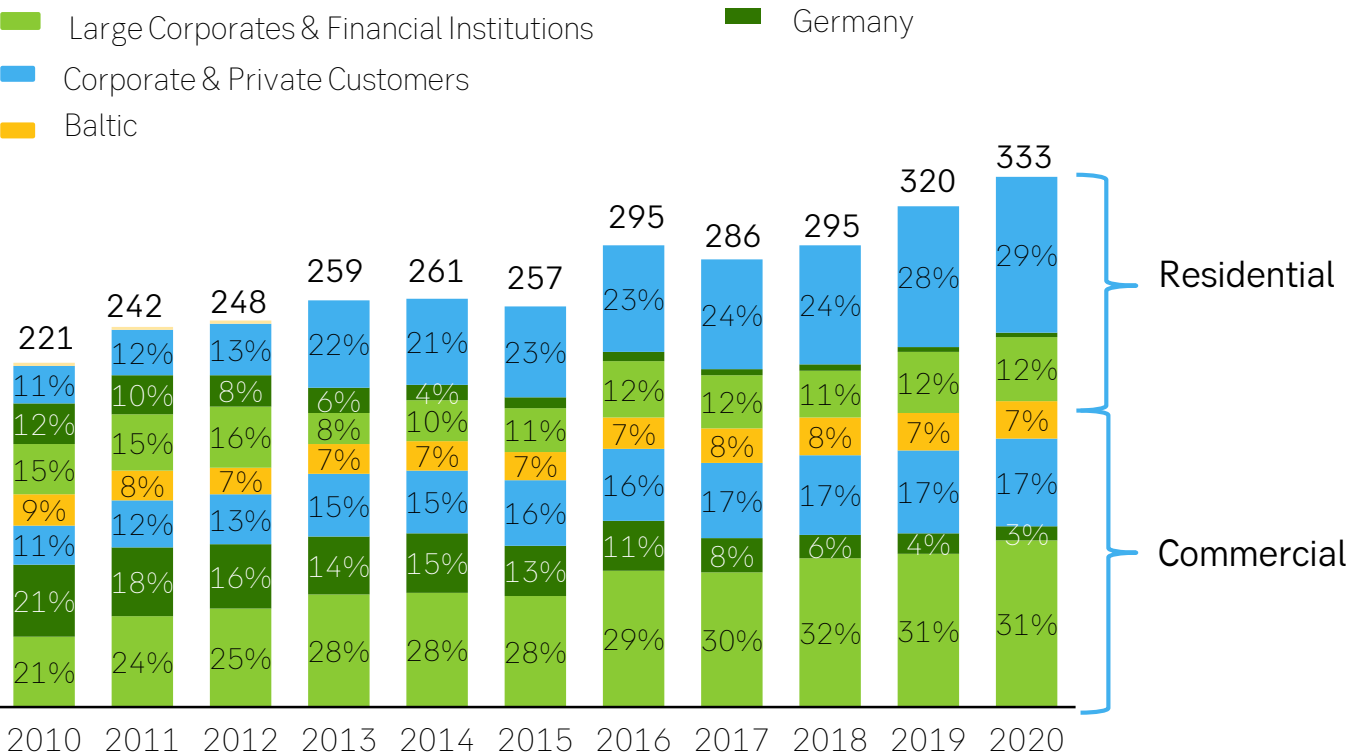
Note: Corporate credit portfolio does not include real estate management

# Real estate exposure focused on Nordic commercial real estate and Swedish residential sector

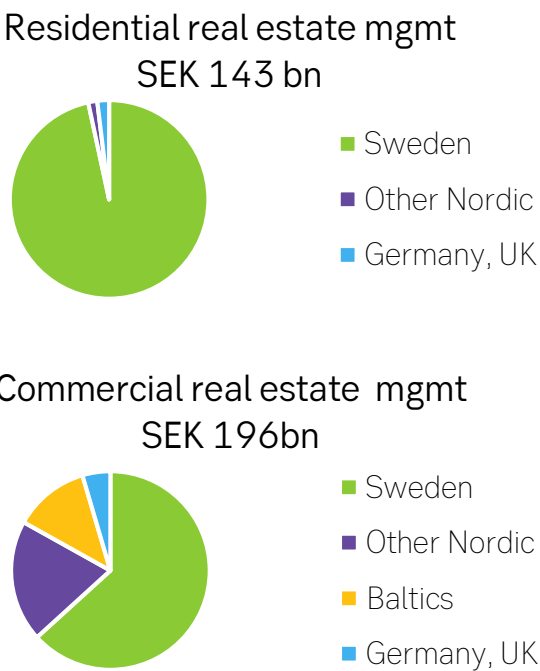


Real estate management credit portfolio by division

SEK bn

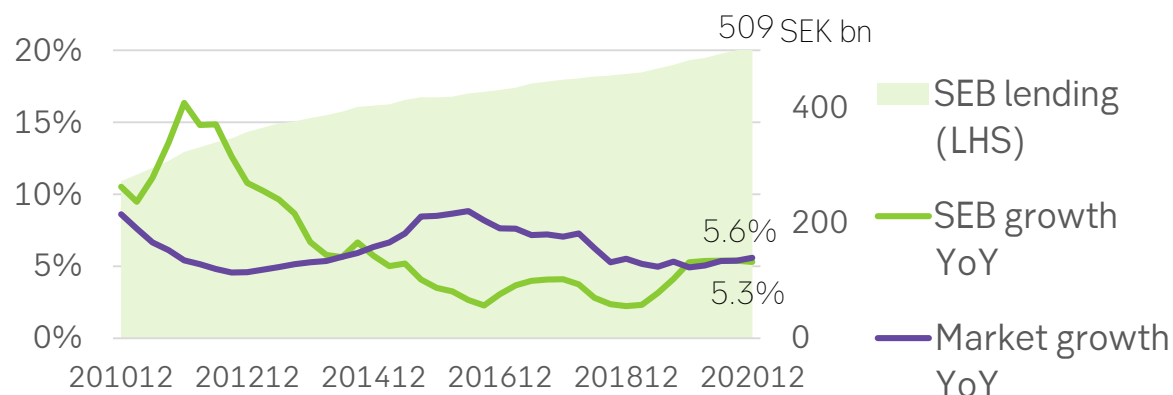


Real estate management credit portfolio by geography 31 Dec 2020



# Robust Swedish household mortgage portfolio

## SEB's household mortgage lending vs. total market

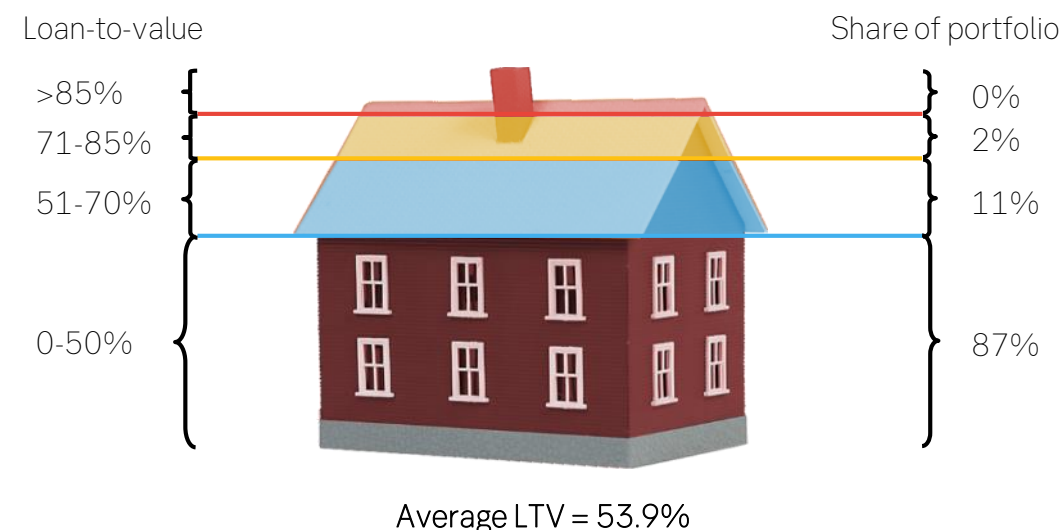


Source: SCB's market statistics as of Nov 2020

## Selective origination - SEB's mortgage lending based on affordability

- **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 3% on a housing co-op's debt which indirectly affects the private individual (“double leverage”)
- **Amortisation requirement:** LTV 70-85% loans amortise min. 2%/yr and between 50-70% at least 1%/year. As of 2018, loans with DTI>4.5x amortise an additional percentage point –regulatory requirement. Amortisation requirements temporarily removed due to COVID-19 (until June 2021)
- **Max loan amount:** In general 5x total gross household income irrespective of LTV and no more than one payment remark on any kind of debt

## Low LTVs by regional and global standards



SEB in brief & business plan  
Q4 & FY2020 financial results  
Credit portfolio & asset quality

## **Capital**

Liquidity & funding  
Swedish economy  
Appendix

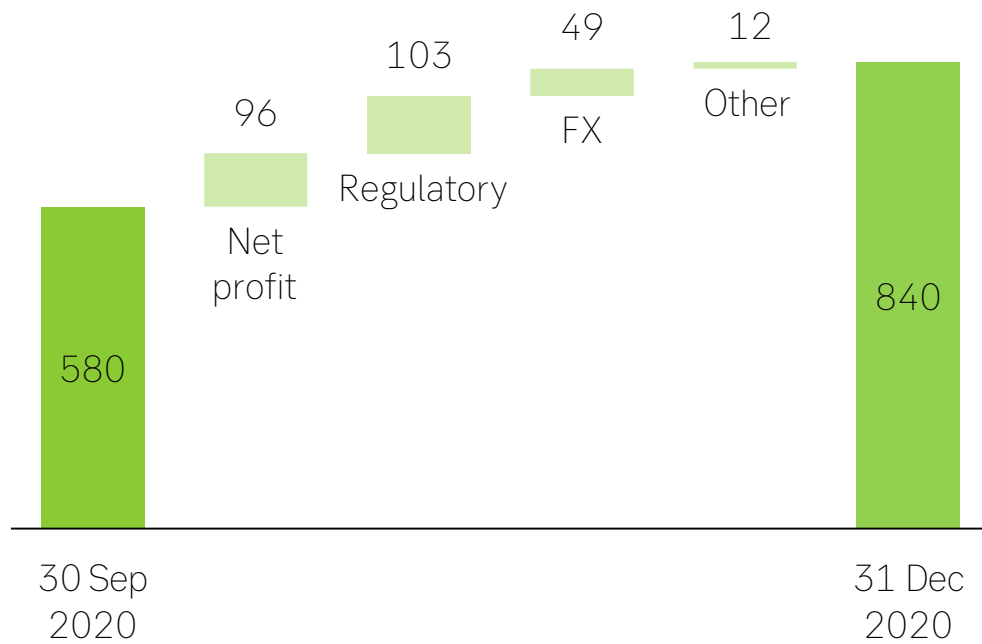


# Capital development

CET1 ratio of 21.0% in Q4

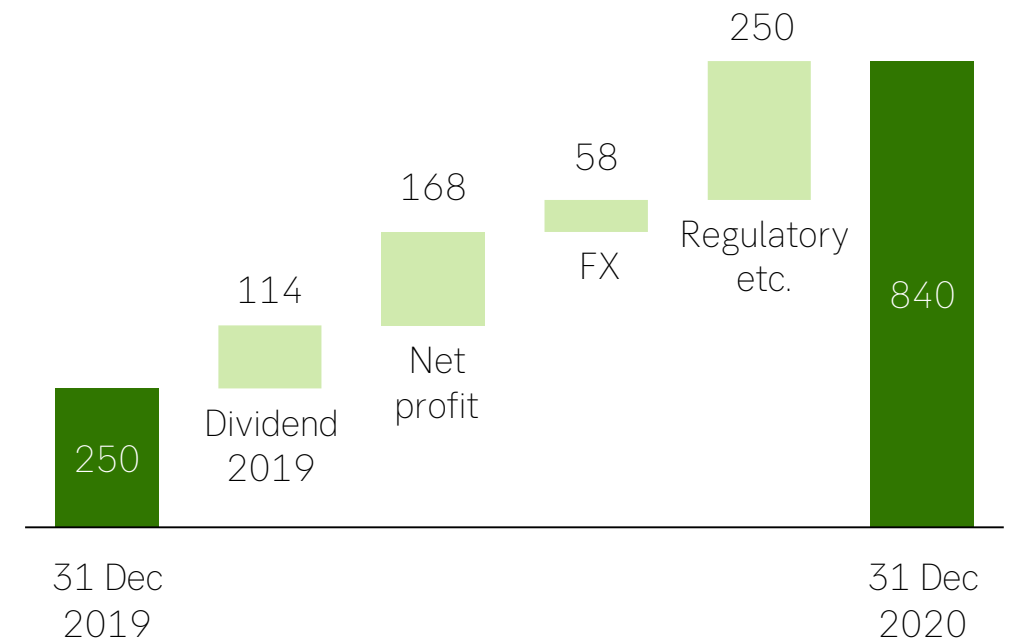
## CET1 buffer development

Quarter-on-quarter (bps)



## CET1 buffer development

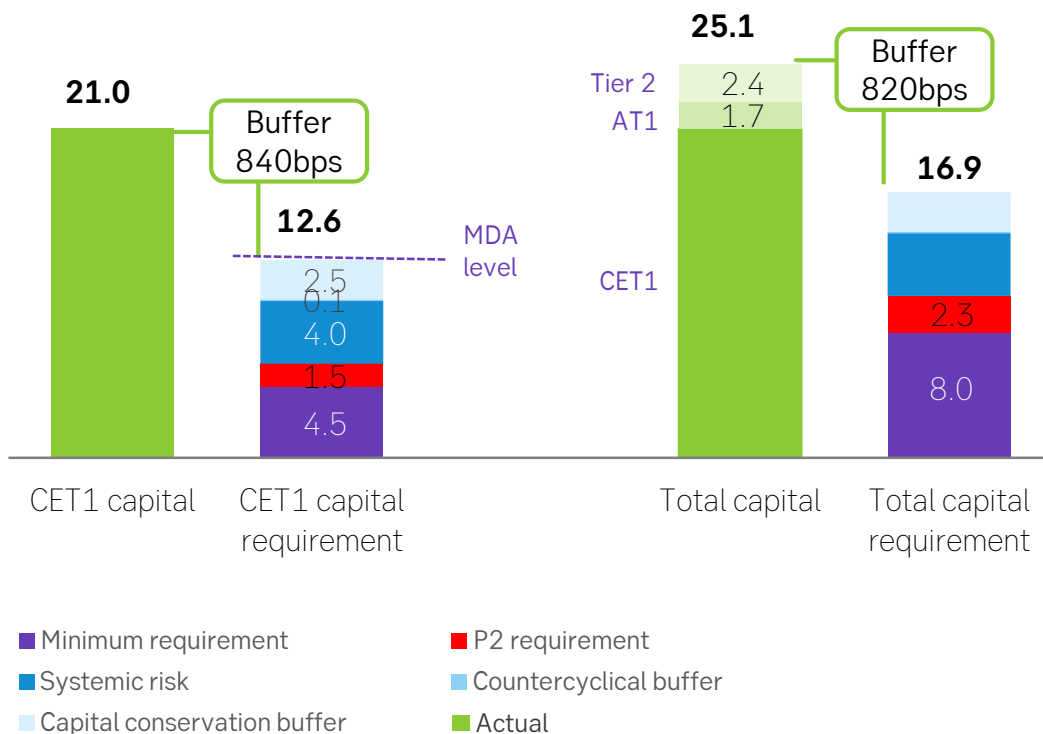
Year-on-year (bps)



# Solid capital position with significant buffer to requirements

## Capital position vs requirements

31 Dec 2020, %

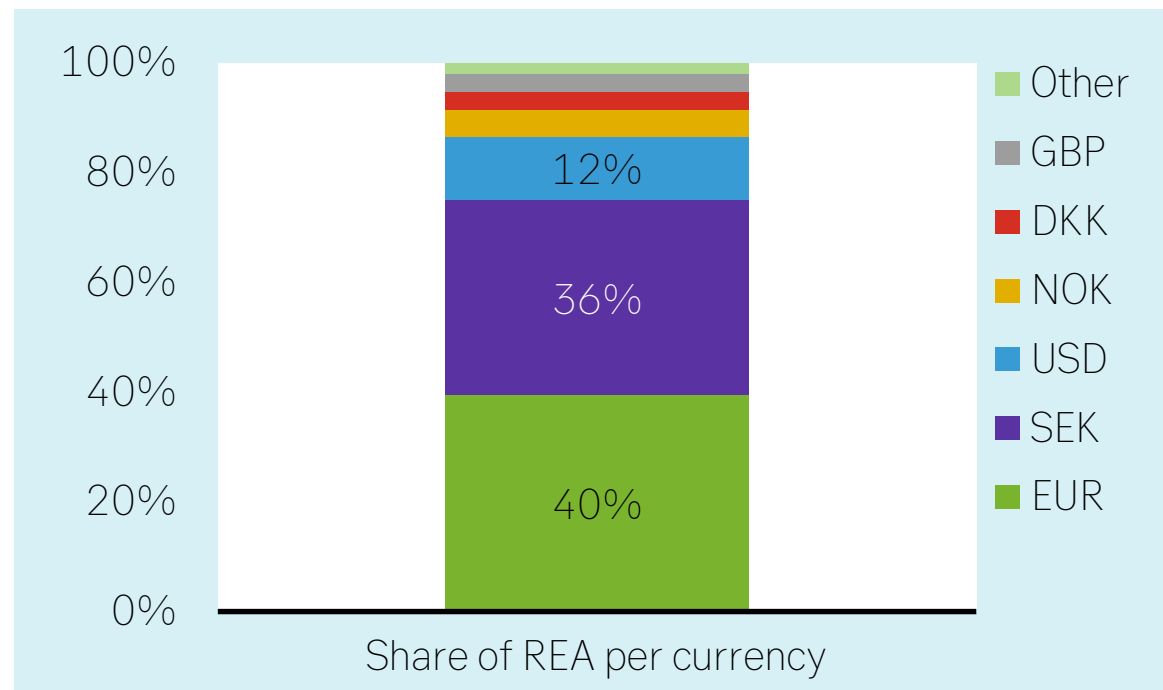


- CET1 ratio of 21.0% compared to requirement of 12.6%
  - implied buffer of 840 bps compared to new capital buffer target of 100-300 bps
- CET1 requirement reduced as of 31 December 2020:
  - removal of the pillar 2 requirement for systemic risk as part of the SFSA's implementation of the EU Banking package into Swedish law.
  - implementation of pillar 2 requirement for Swedish commercial real estate exposures
- Coming changes as part of 2021 SREP:
  - introduction of a Pillar 2 Guidance (P2G)
  - removal of the pillar 2 requirement for the corporate maturity floor
  - based on the SFSA's communication around P2G, SEB expects a net effect of c. +1%-point on required level of CET1 capital

The minimum requirement for total capital can be met by max 1.5% AT1 and 2.0% Tier 2 capital. The P2 requirement of 2.33% consists of 1.52% in CET1, 0.35% in AT1 (152% of the P2 requirement) and 0.46% in Tier 2 capital (20% of the P2 requirement)

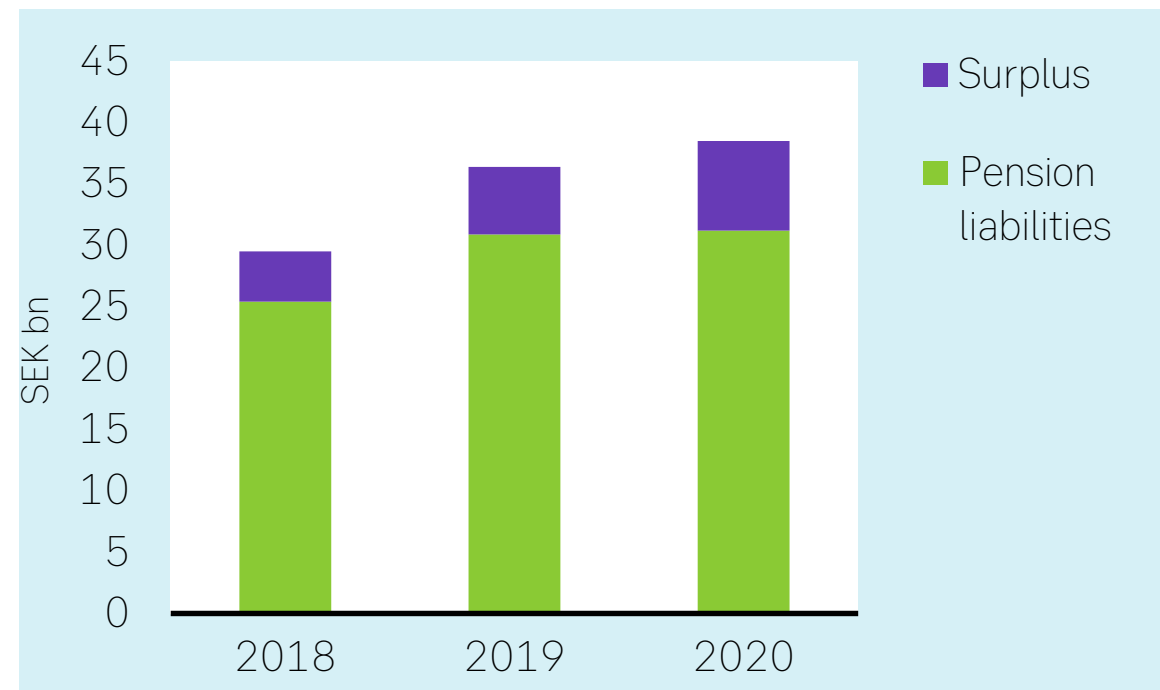
# Reasons for management capital buffer

## Sensitivity to currency fluctuations



±5% SEK  
impact 40bps CET1 ratio

## Sensitivity to surplus of Swedish pensions



-50 bps discount rate  
impact -50bps CET1 ratio

**...& general macroeconomic uncertainties**

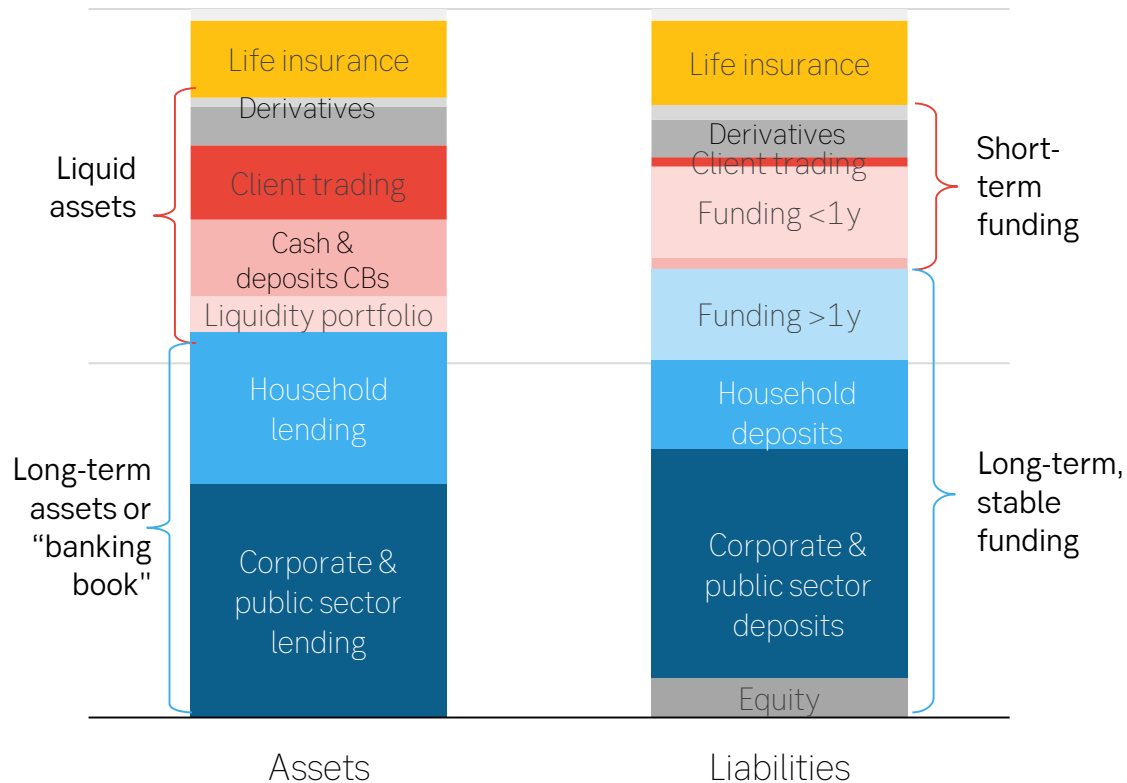


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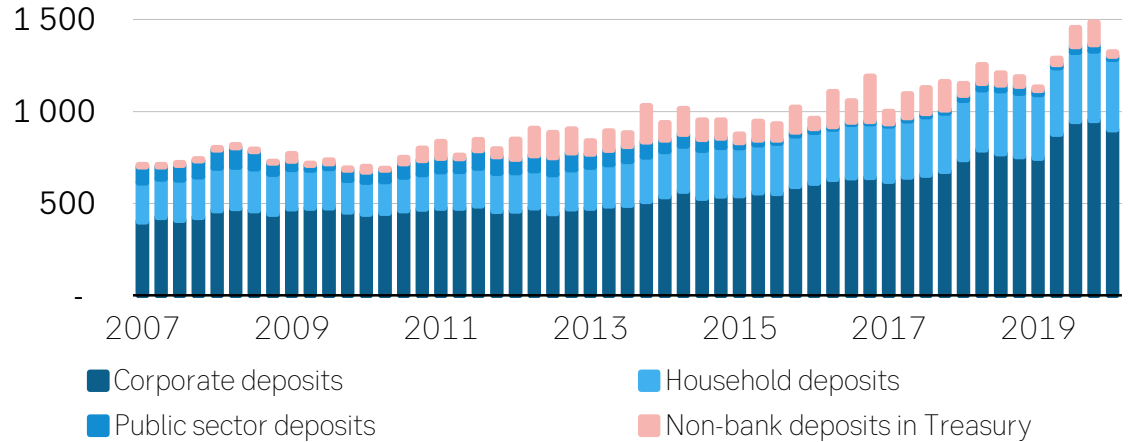
# Stable deposit base and structural funding position

**Strong balance sheet structure with deposits as primary source of funding** 31 Dec 2020

SEK 3,040bn

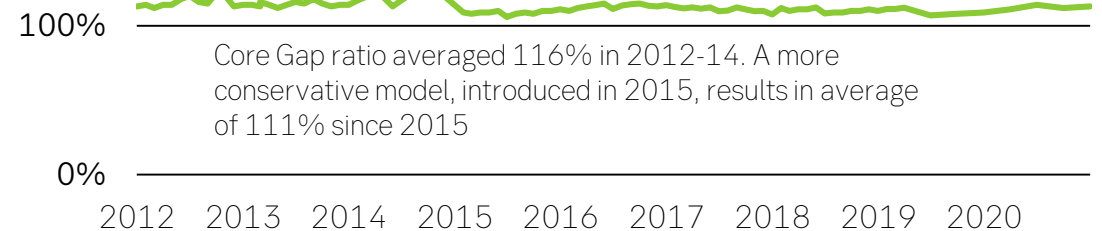


**Long-term stable development of deposits - strong increase in deposits 2020** SEK bn



**Stable structural funding position**

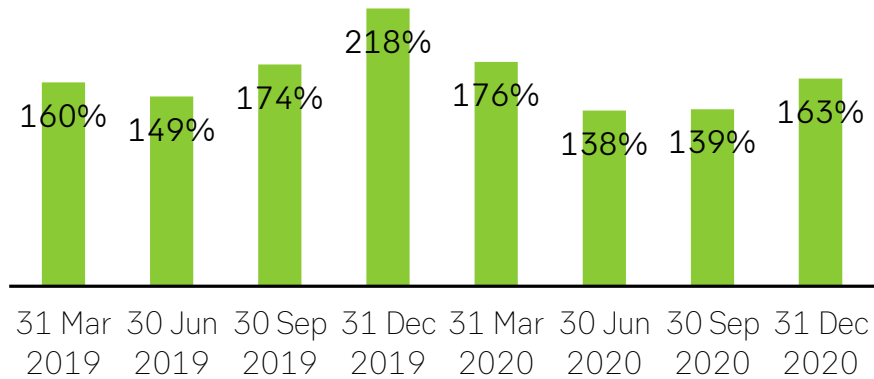
Core Gap Ratio – SEB's internal NSFR-like measure



Core Gap ratio = relation between total liabilities deemed to mature beyond one year and total assets deemed to mature beyond one year, based on internal behavioural modelling.

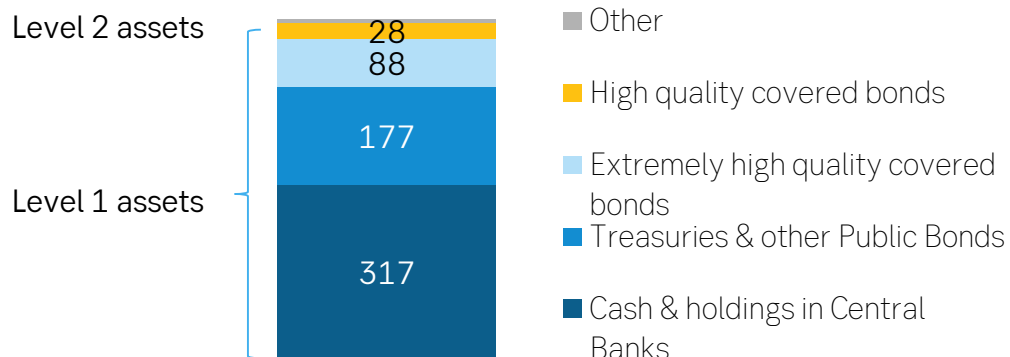
# Strong liquidity and maturing funding position

## Liquidity Coverage Ratio



## Liquid Assets

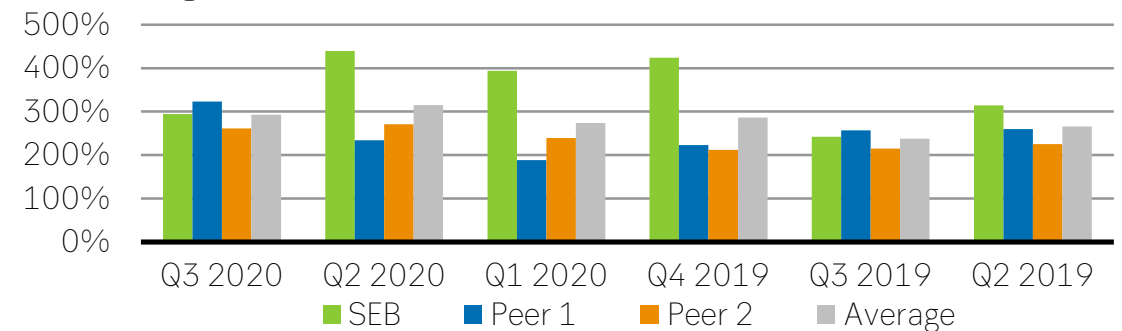
31 Dec 2020, SEK 617bn



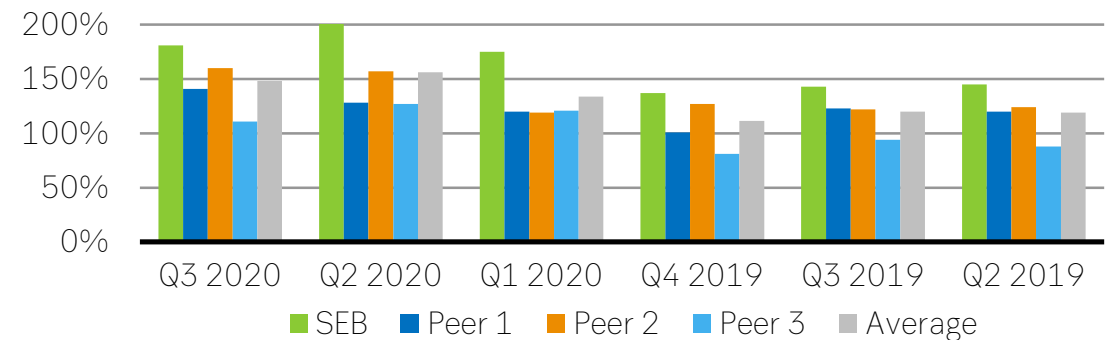
Note: Liquid Assets in accordance with Liquidity Coverage Ratio in CRR. Liquid assets defined as on balance sheet cash and balances with central banks + securities (bonds and equities) net of short positions

## Peer benchmarking: 3m and 12m Maturing Funding Ratio

### 3m funding ratio



### 12m funding ratio



Definition: Liquid Assets / (Maturing Wholesale Funding within 3/12m + Net interbank borrowing within 3/12m)

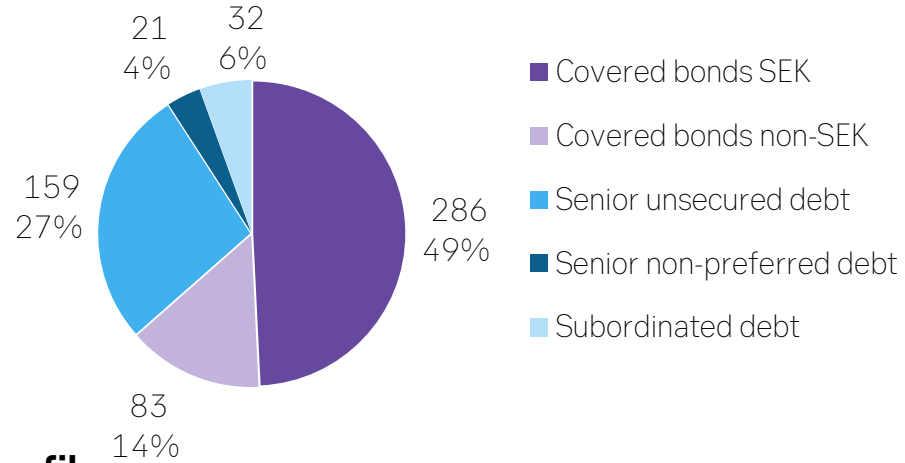
Source: Fact Books of SEB and three other major Swedish banks. One peer does not disclose 3m ratio



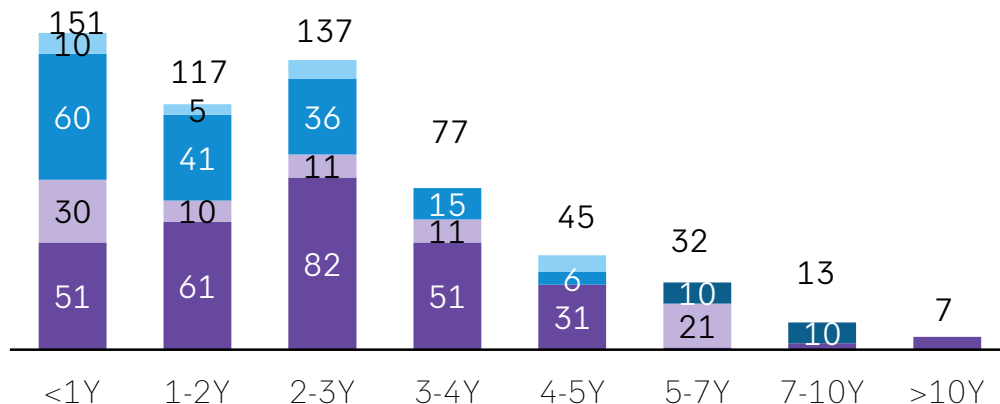
# Well-balanced long-term funding profile and solid credit rating

## Wholesale funding by product

SEK 580bn equivalent<sup>1</sup>



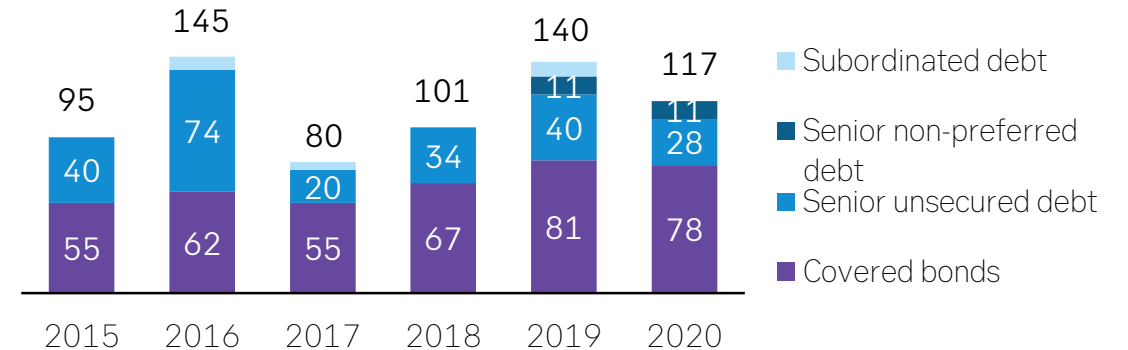
## Maturity profile



## SEB's credit rating

Rating Institute	Short term	"Stand-alone rating"	Long term	Uplift	Outlook
Fitch	F1+	aa-	AA-	0	Negative
Moody's	P-1	a3	Aa2	4	Stable
S&P	A-1	a	A+	1	Stable

## Issuance history



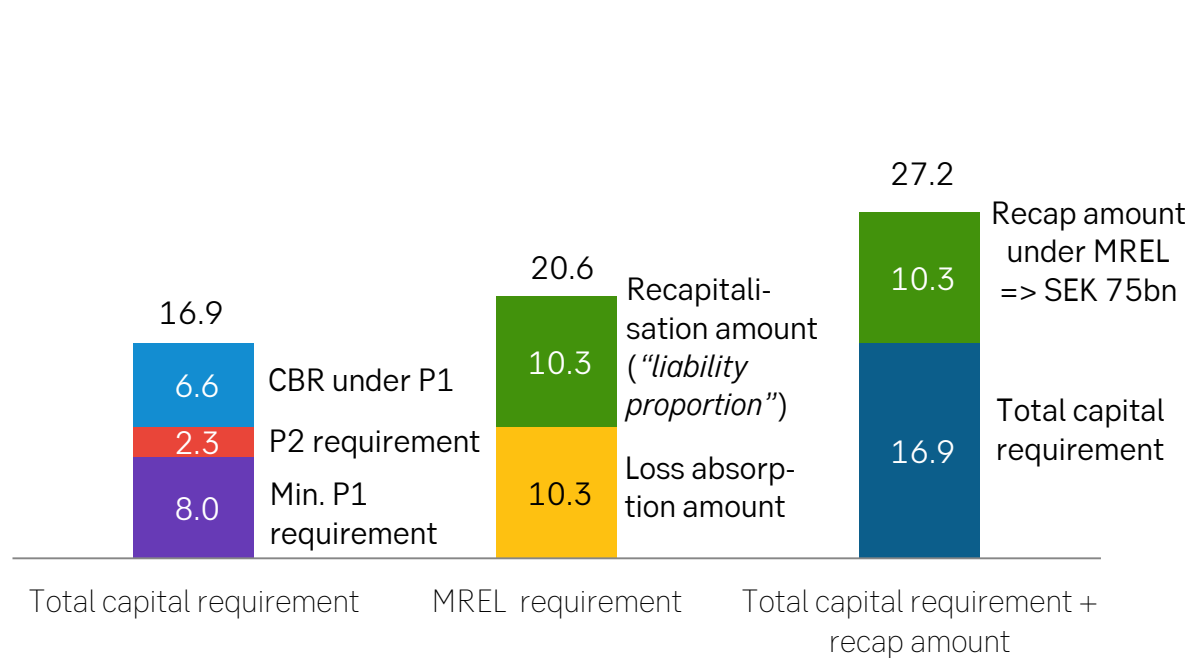
<sup>1</sup> Excluding participation in lending facilities from Riksbanken during Q1 2020. Excluding public covered bonds.

<sup>2</sup> Tier 2 and Additional Tier 1 issues assumed to be called at first call date.

# MREL requirement

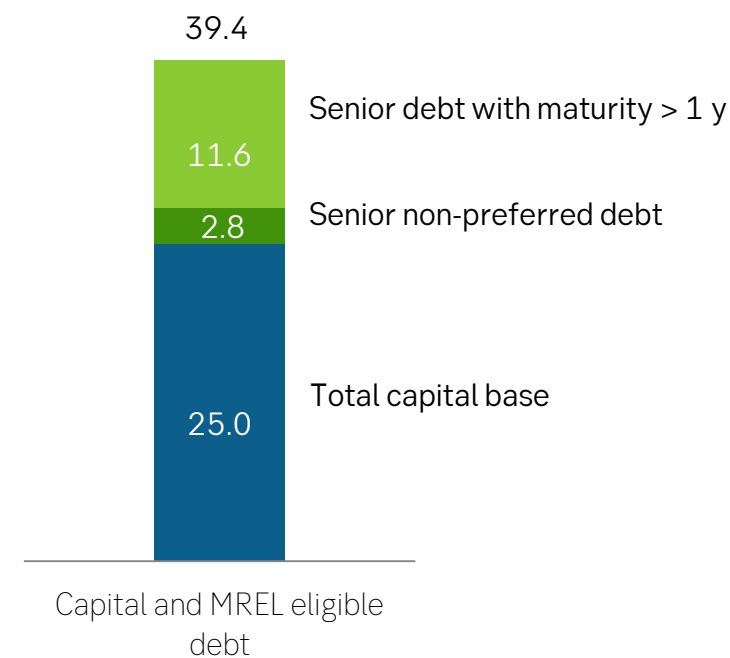
## SEB's Total capital and MREL requirements

31 Dec 2020, % of REA



## SEB's capital base and outstanding senior debt with maturity > 1 year

31 Dec 2020, % of REA



- The recapitalisation amount (min. P1+P2) is SEK 75bn based on the applicable total capital requirement at 31 December 2020
- The SNDO has prolonged the transition period of the MREL requirement until 1 January 2024
- SEB has issued SEK 22bn equivalent of senior non-preferred debt to date

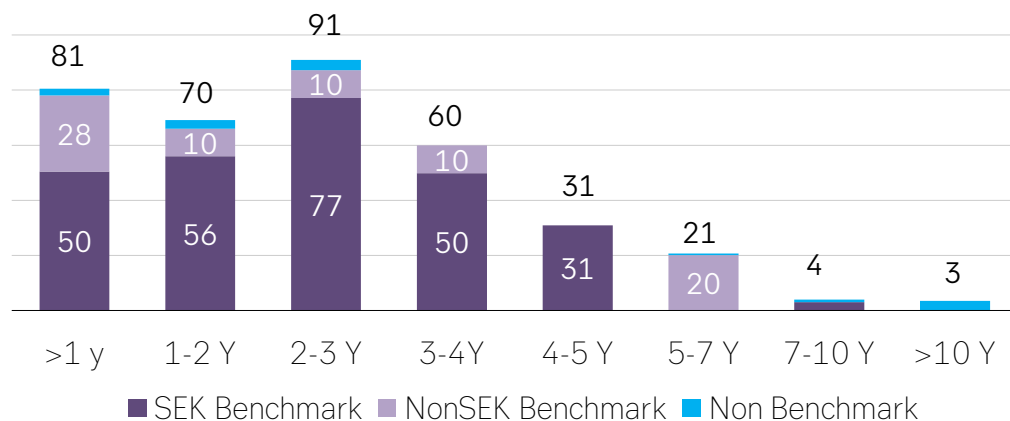
# Profile of outstanding covered bonds

31 Dec 2020

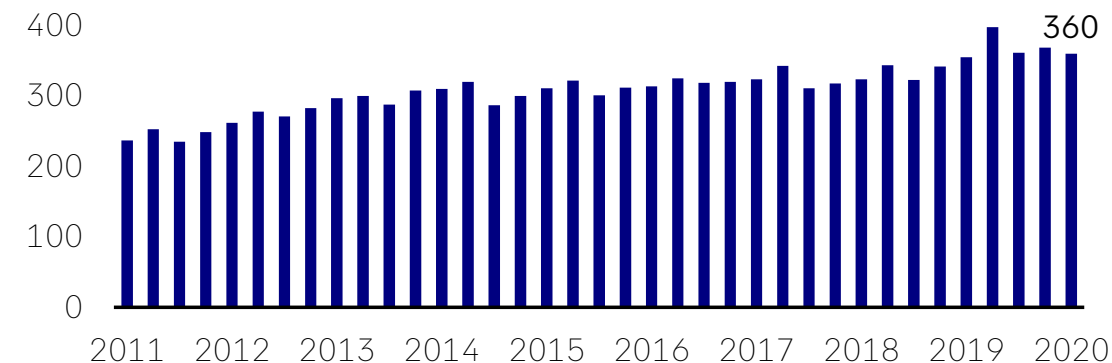
Total outstanding covered bonds (SEK bn)	360
Rating by Moody's	Aaa
Share of benchmark issues	96%

## Maturity profile

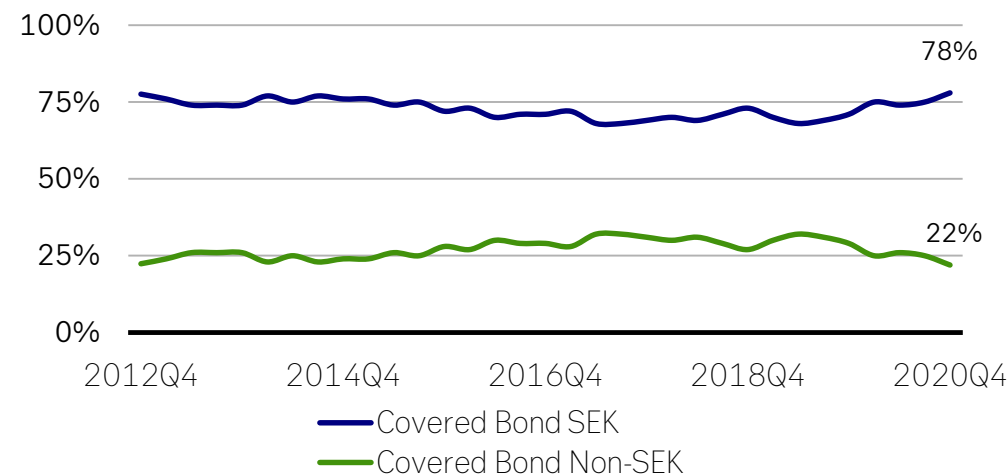
Nominal amount, SEK bn equivalent



## Outstanding covered bonds (SEK bn)



## Currency mix



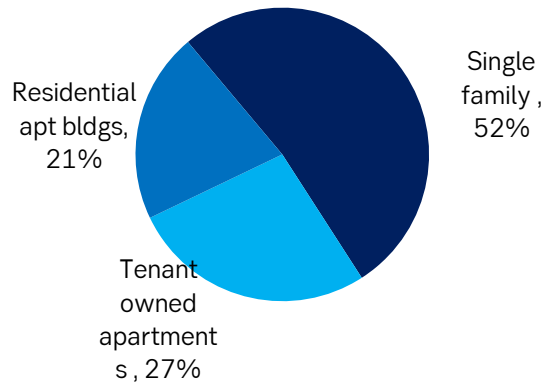
# Only Swedish residential mortgages in SEB's cover pool

Cover pool	31 Dec 2020	31 Dec 2019	31 Dec 2018	31 Dec 2017
Total residential mortgage assets (SEK bn)	653	613	501	525
Weighted average LTV (property level)	52%	51%	53%	51%
Number of loans ('000)	759	737	713	717
Number of borrowers ('000)	432	428	418	423
Weighted average loan balance (SEK '000)	872	831	702	732
Substitute assets (SEK '000)	0	0	0	0
Loans past due 60 days (bps)	4	5	1	5
Net Expected Credit Losses (bps)	0	0	0	0
Overcollateralisation level	81%	73%	55%	62%

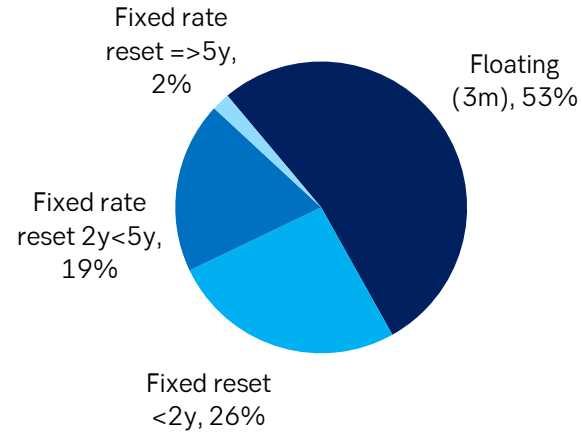
- Only Swedish residential mortgages, which historically have had very low credit losses
- More concentrated towards single family homes and tenant-owned apartments, which generally have somewhat higher LTVs
- On parent bank SEB AB's balance sheet contrary to major Swedish peers
  - All eligible Swedish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

# SEB's mortgages mainly in three largest and fastest growing city areas

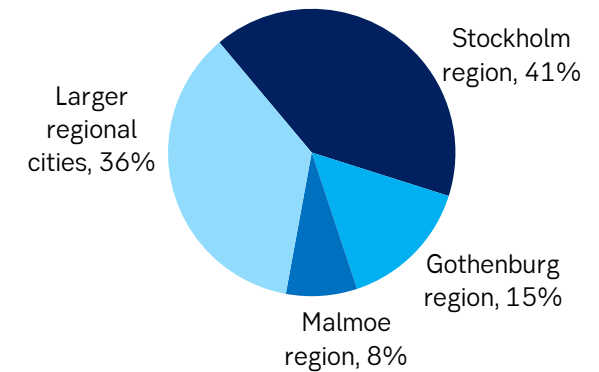
Type of loans



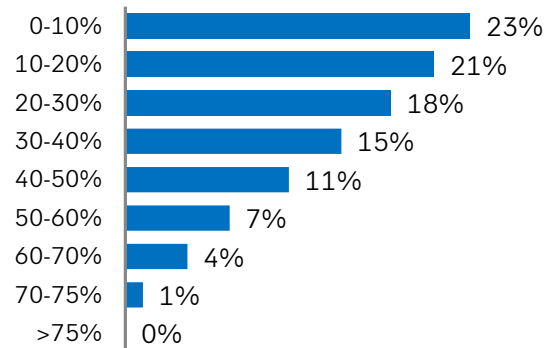
Interest rate type



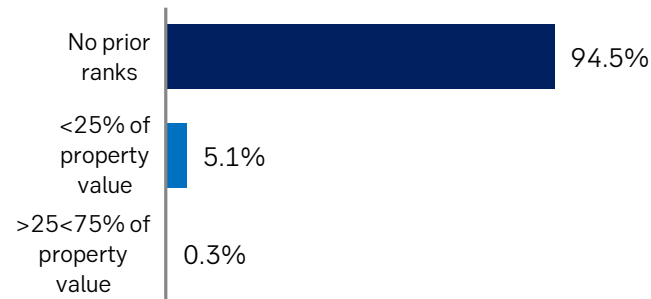
Geographical distribution



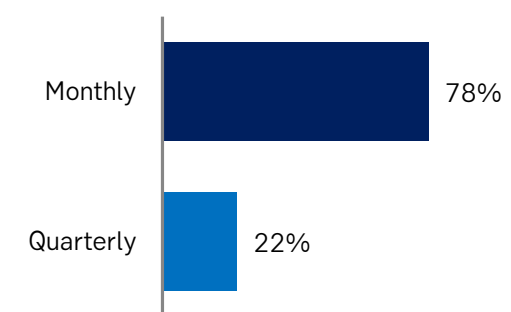
LTV distribution by volume in % of cover pool



Prior ranking loans

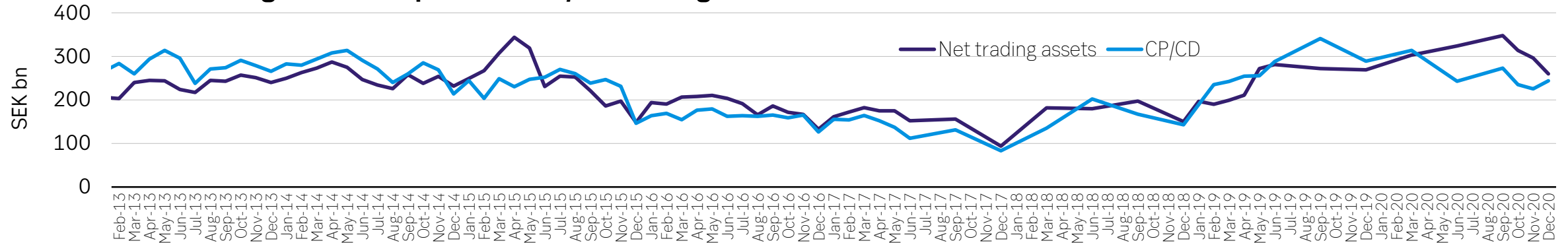


Interest payment frequency

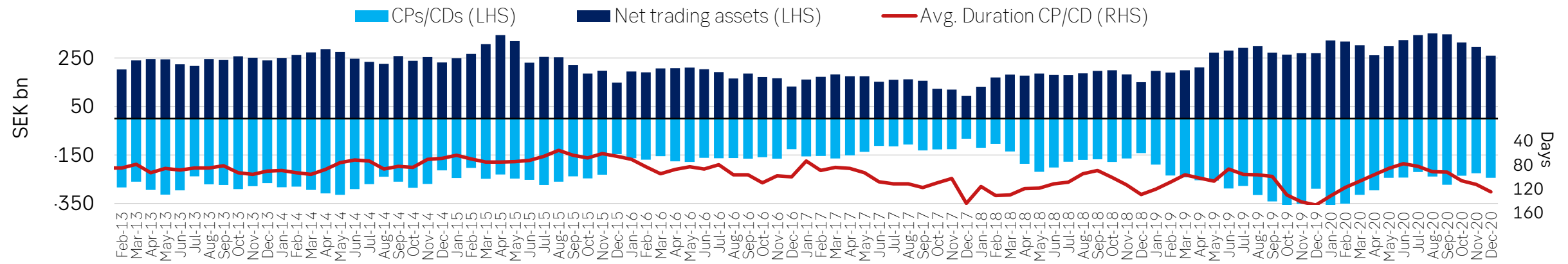


# Short-term CP/CD funding to support client facilitation business

## Volumes: Net trading assets adaptable to CP/CD funding access



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



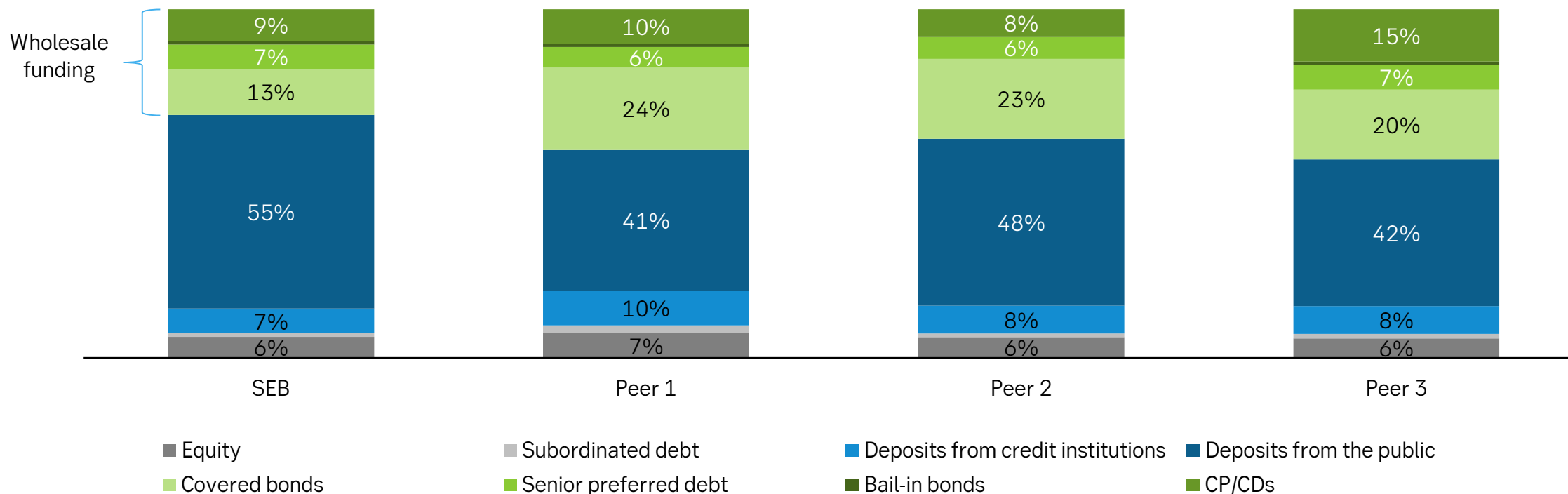
Note: Net Trading Assets = Net of repoable bonds, equities and repos for client facilitation purposes



# Strong funding structure with low wholesale funding dependence compared to peers

## Benchmarking Swedish banks' total funding sources incl. equity

Balances as of 30 June 2020

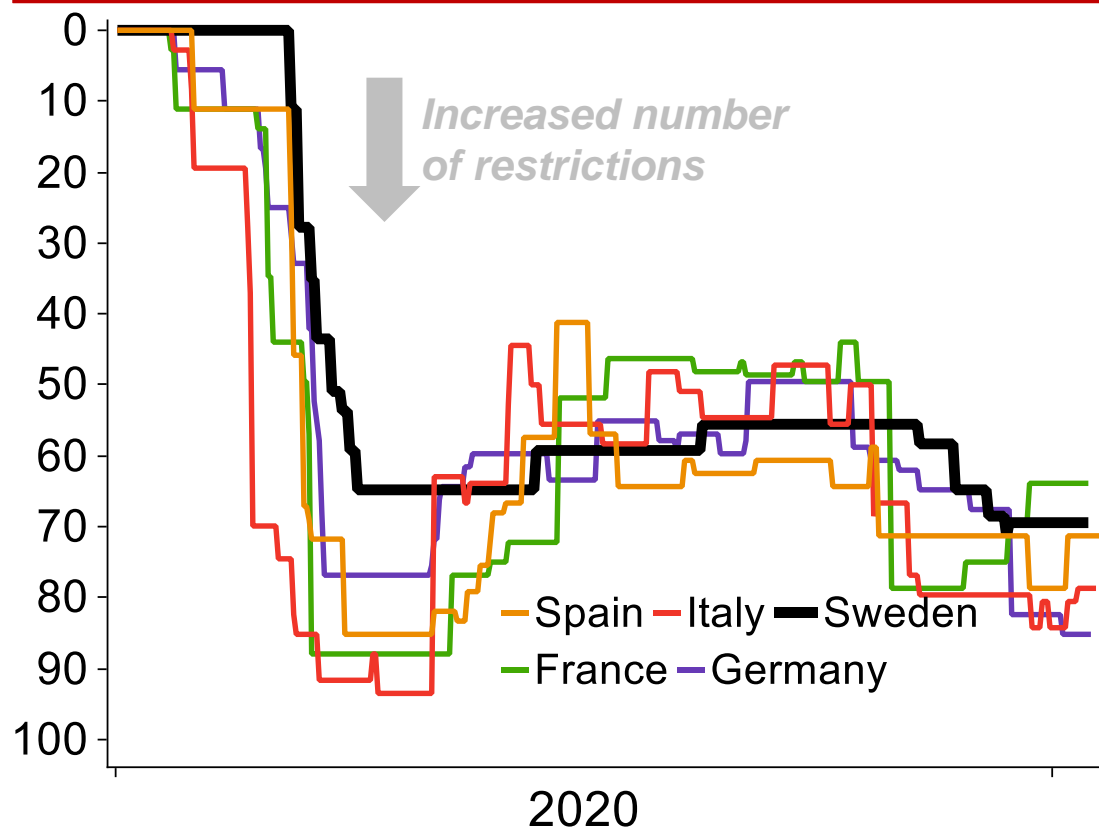


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# Globally: Unavoidable downturn in growth

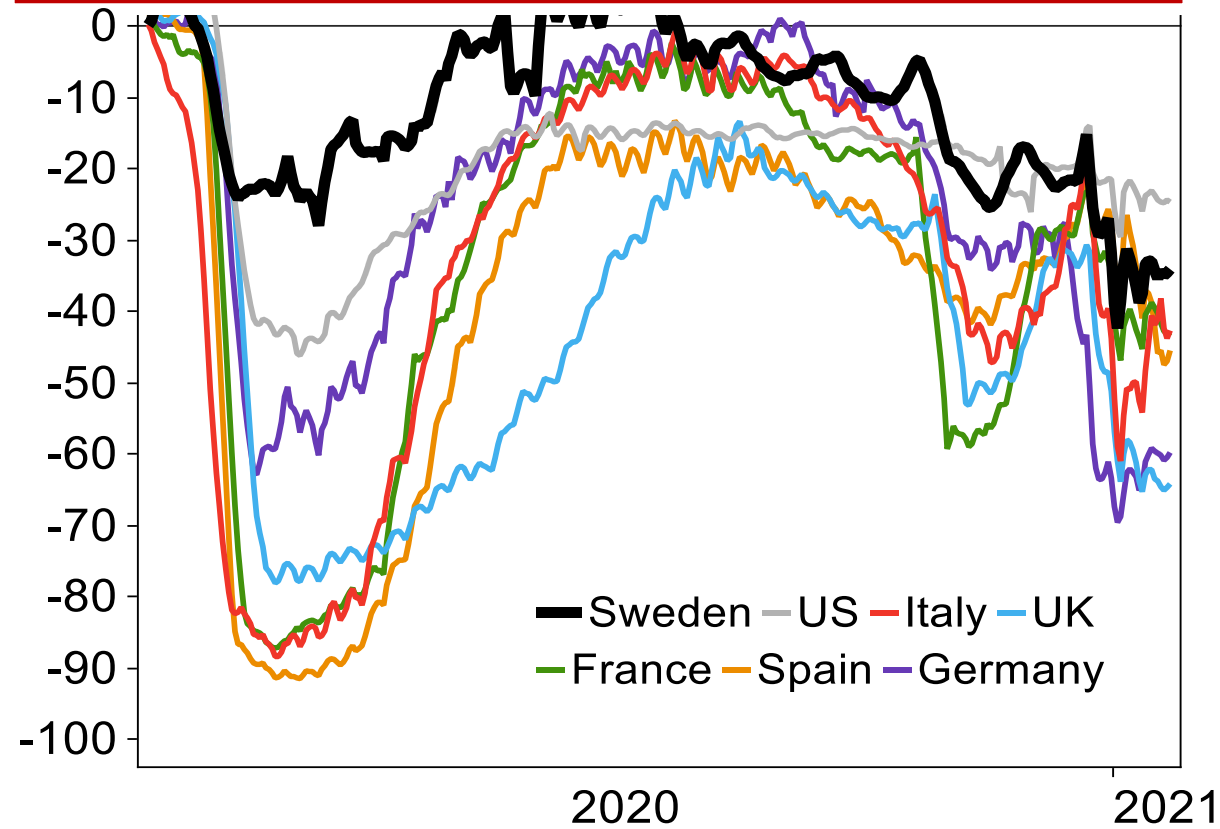
## Degree of restrictions

Government Stringency Index. Level



## Mobility: Retail/recreation

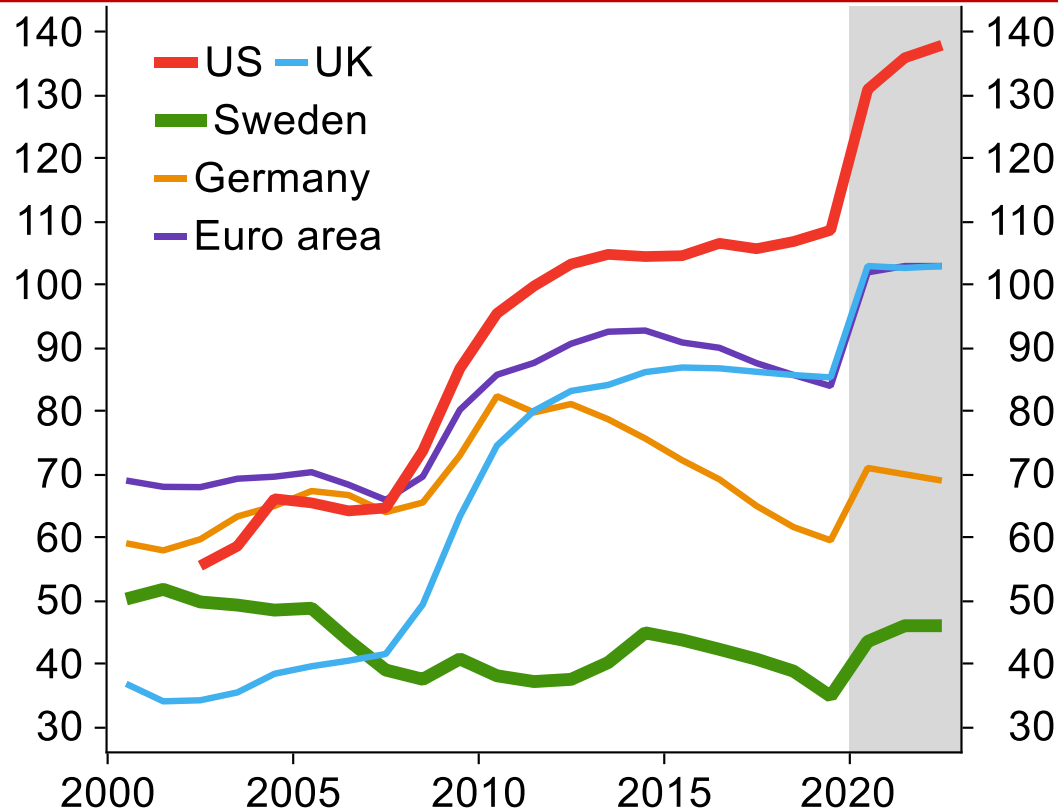
Google. Current level vs "normal", 2019. Per cent



# Globally: Gradual headwinds, fiscal policy

## Government debt

Per cent of GDP



## Level of fiscal stimulus dose

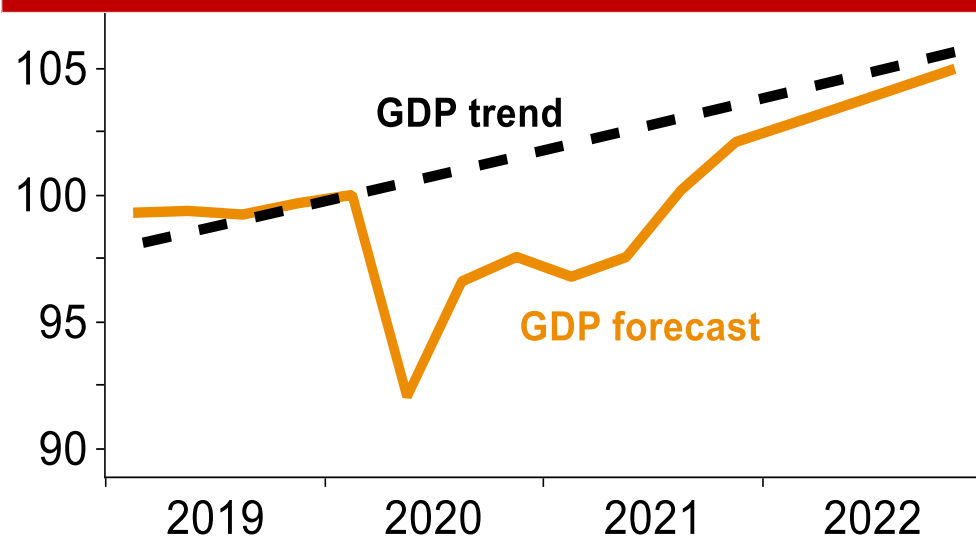
Change, structural budget balance. SEB & OECD

% of GDP	2020	2021	2022	Total
OECD	+5.0	-0.5	-2.0	+2.5
US	+6.0	±0.0	-2.5	+3.5
Euro area	+3.0	+0.5	-1.5	+2.0
Germany	+4.5	-1.0	-1.0	+2.5
UK	+7.0	-2.0	-2.0	+3.0
Japan	+5.0	-3.0	-1.5	+0.5
Sweden	+2.0	+0.5	-1.0	+1.5

# Sweden: Smoother economic cycle

## GDP rising – below trend in 2022

GDP level, index Q1 2020 = 100



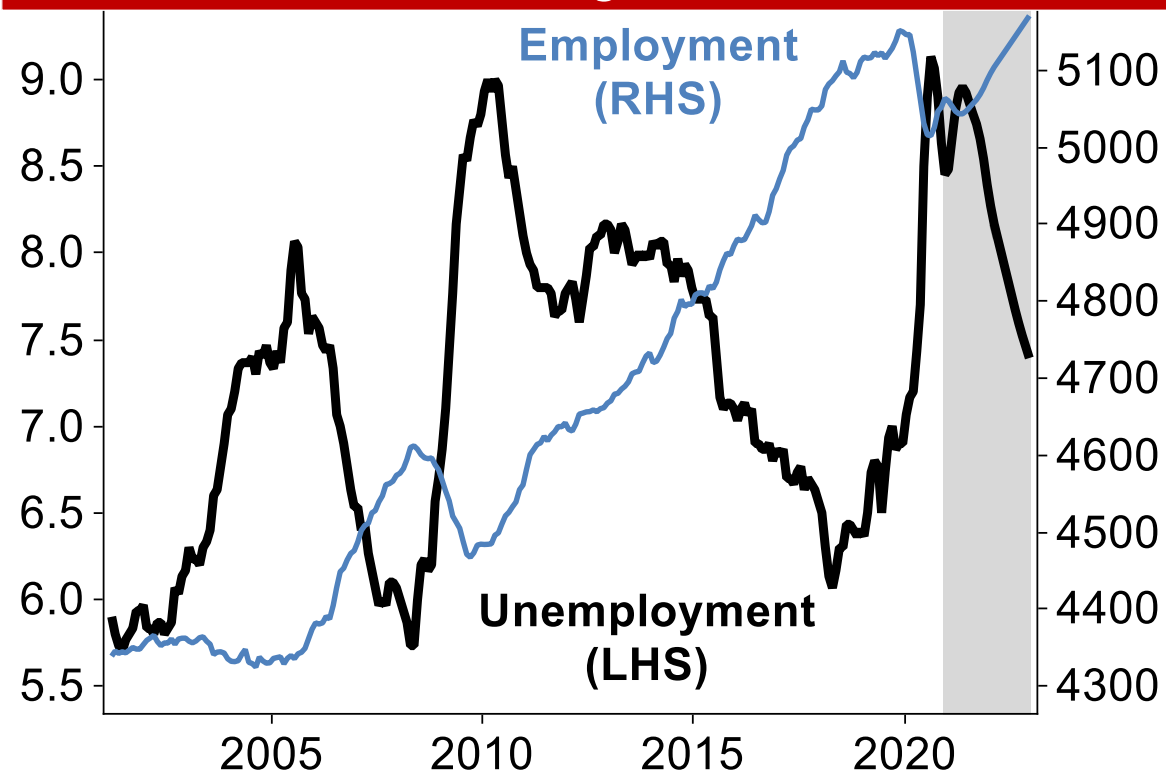
GDP	2019	2020	2021	2022
%	1.3	-2.6	2.8	4.8

- **Unemployment just over 7% in 2022**
- **Fiscal stimulus dose: SEK 175 billion in 2021 (= expansionary)**
- **Riksbank is creating more money**  
Asset and FX purchases SEK 40 bn/mo
- **Repo rate will remain at 0%**
- **Home prices: +3-5% per year**

# Sweden: Labour market holding up

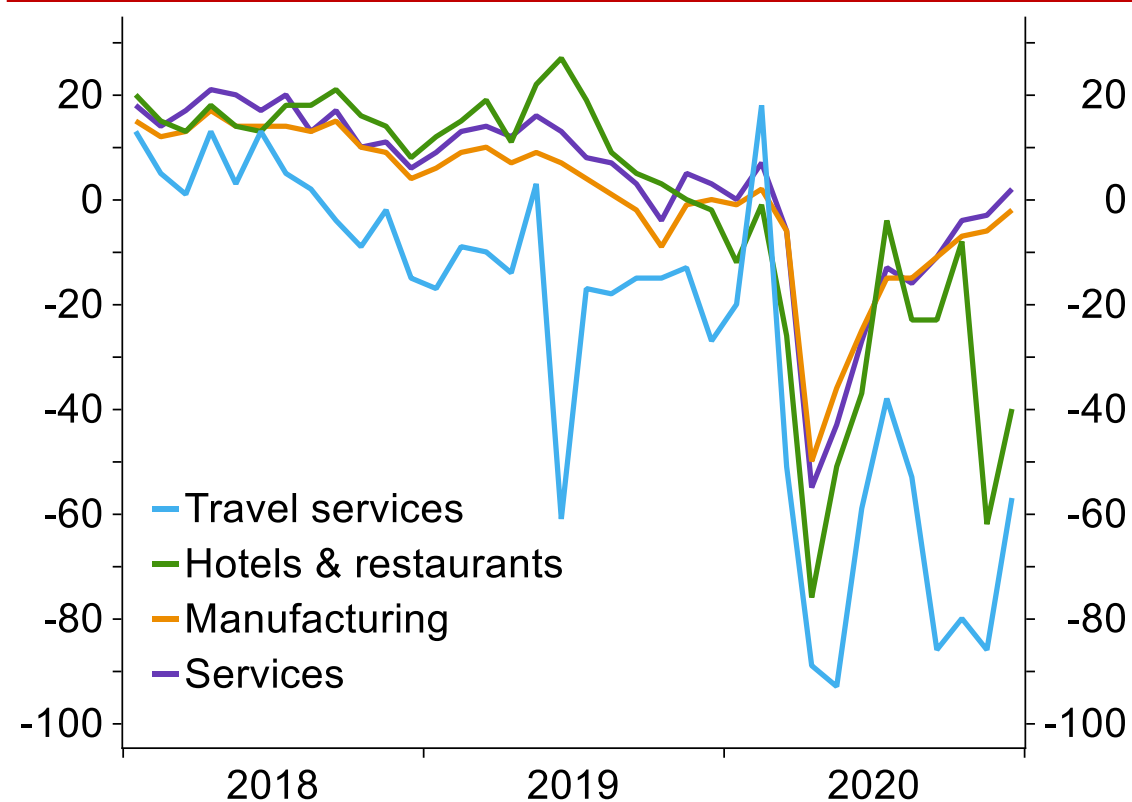
## Unemployment & employment

Three-month averages. Thousands, %



## Hiring plans

Net figures, thousands

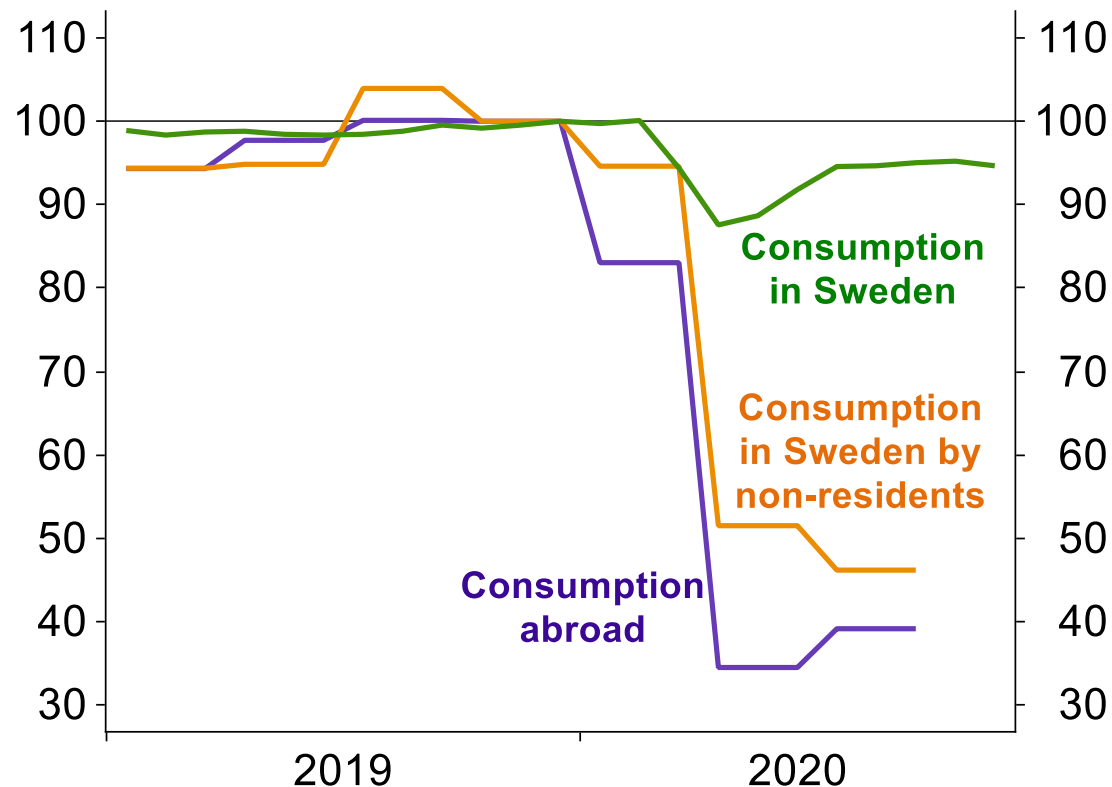




# Sweden: Gradual reversal of consumption decline

## Household consumption

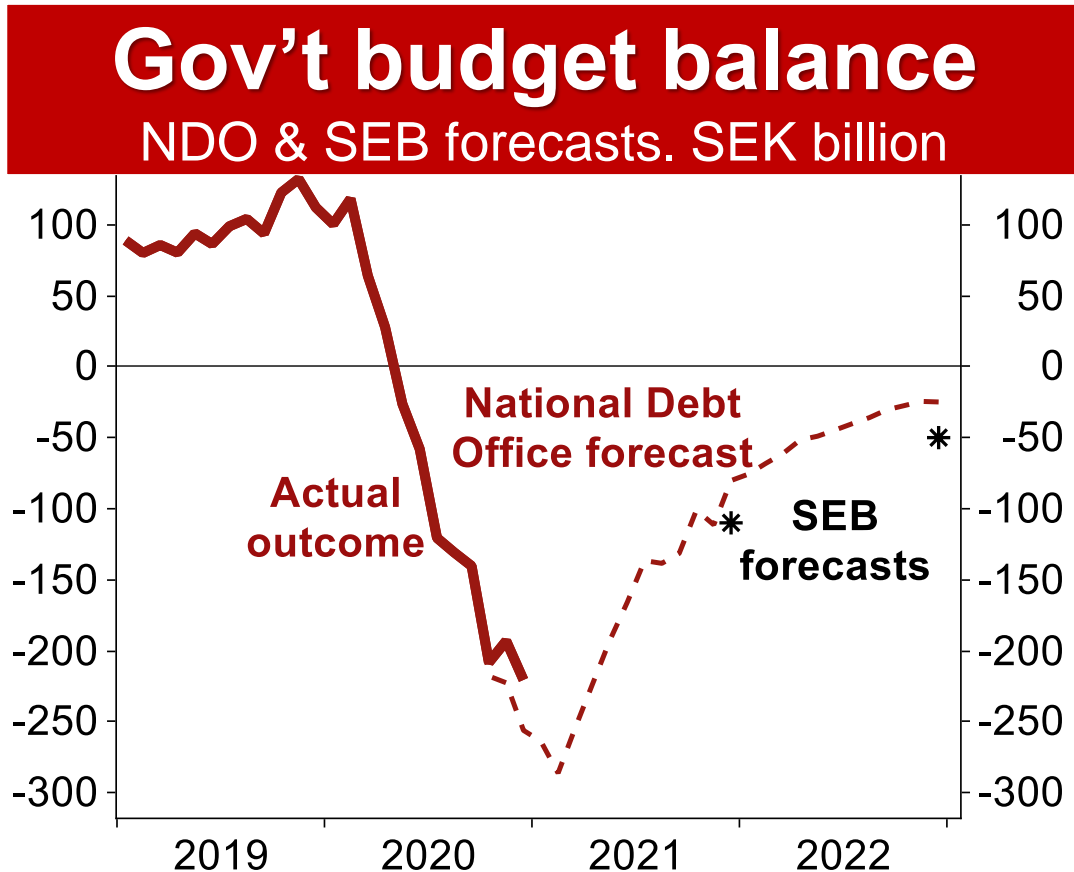
Index Dec 2019 = 100



- Half of decline reversed – services lagging behind
- Tourism abroad – substitution effects?
- Good incomes, savings ratio

Forecast, %	2019	2020	2021	2022
Incomes	3.1	-1.2	4.7	2.8
Consumption	1.3	-4.5	2.5	4.0
Savings ratio	15.9	17.5	18.9	18.0

# Sweden: Expansionary fiscal policy after all



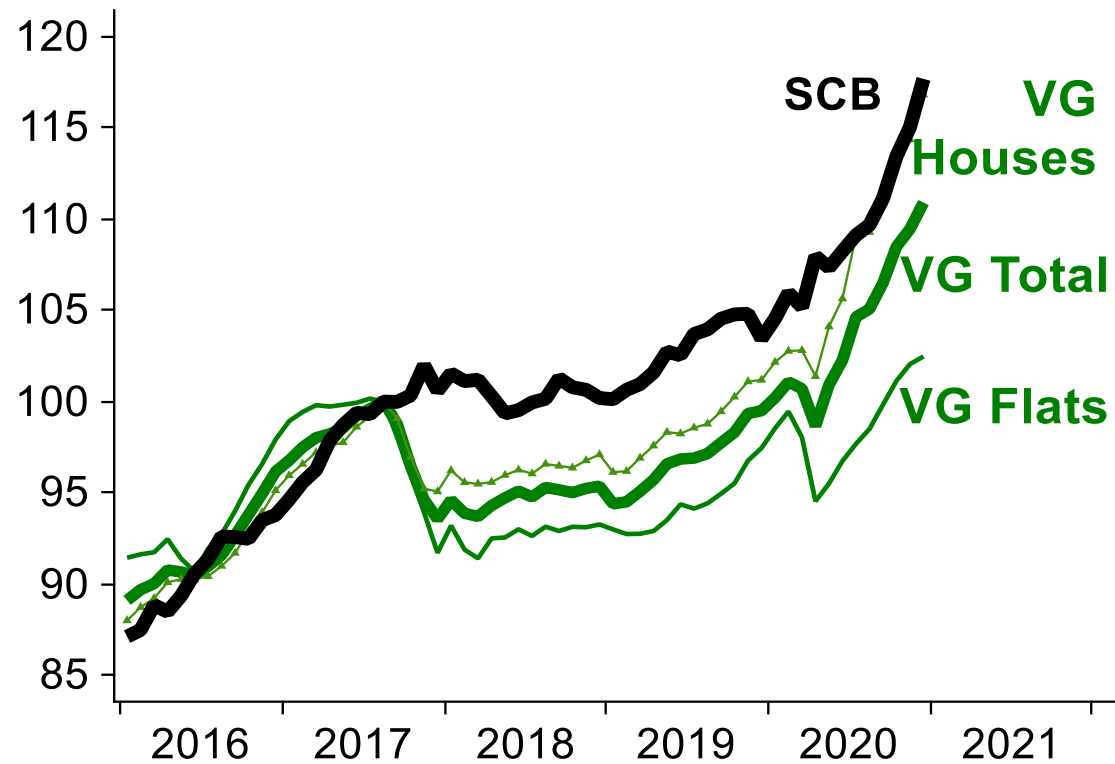
- Outcomes better than feared
- Stimulus + reforms in 2021 will have a mildly expansionary impact
- Riksbank will lower debt

SEB forecast Per cent of GDP	2019	2020	2021	2022
Net lending	0.6	-3.3	-3.2	-1.9
General gov't debt	35.0	38.7	38.5	36.5

# Sweden: Resilient housing market

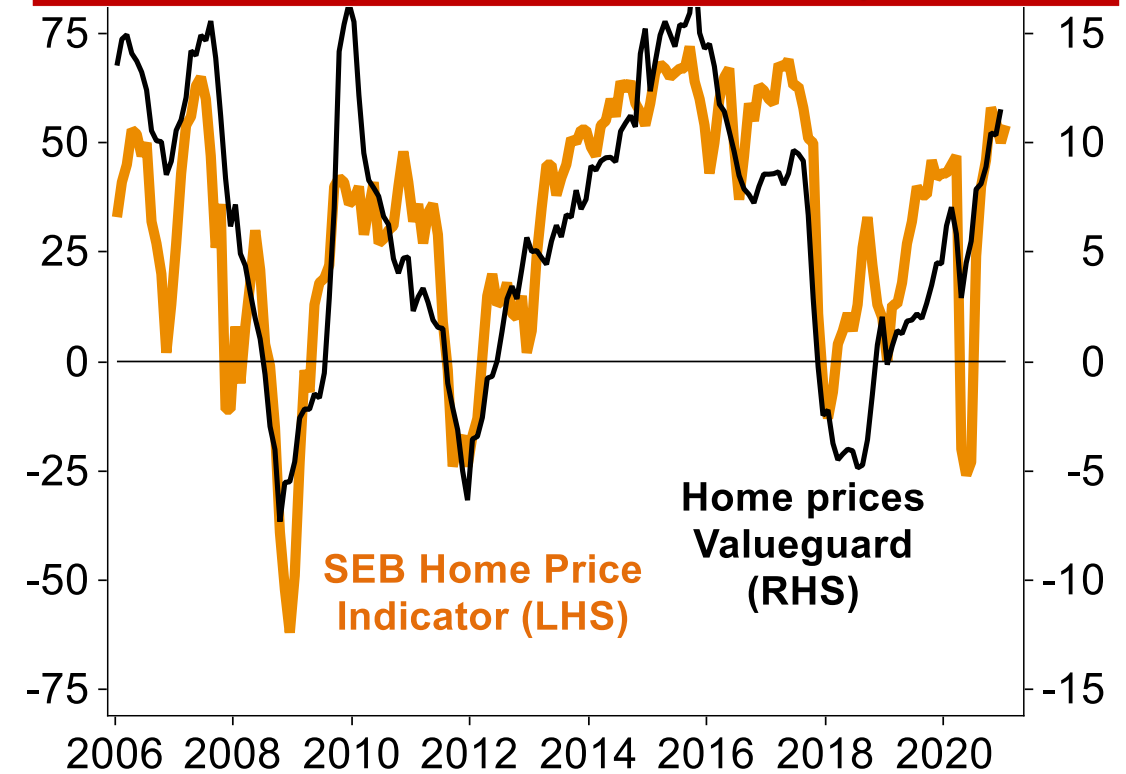
## Home prices: SCB/Valueguard

Index August 2017=100



## SEB Housing Price Indicator

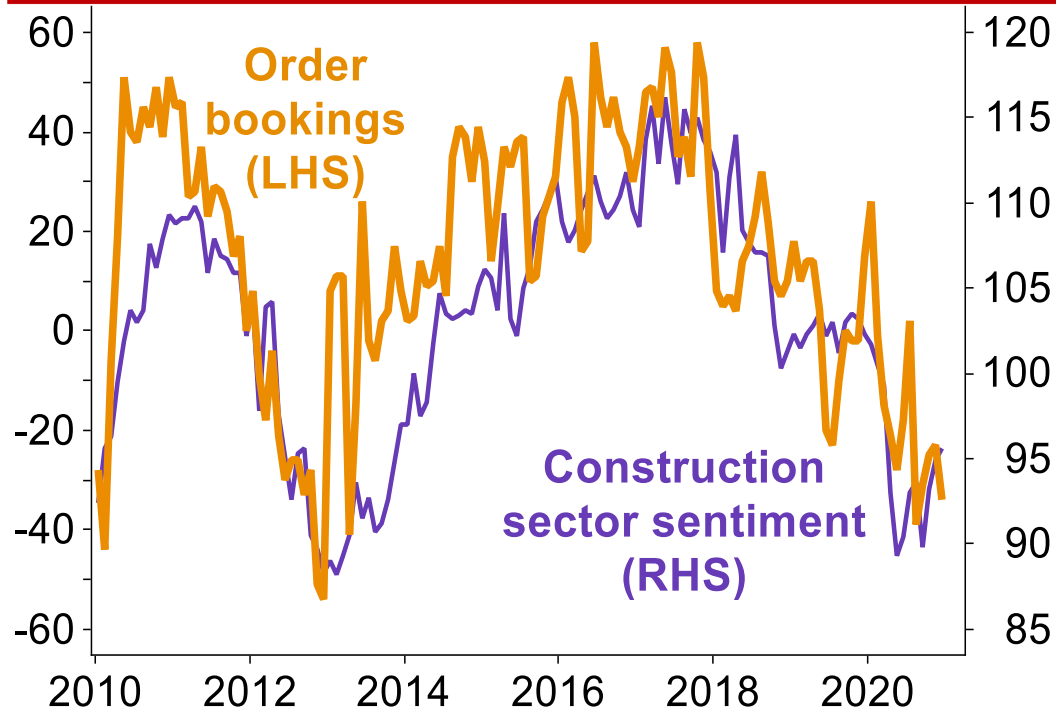
Price expectations and home prices



# Sweden: Sustained construction volume

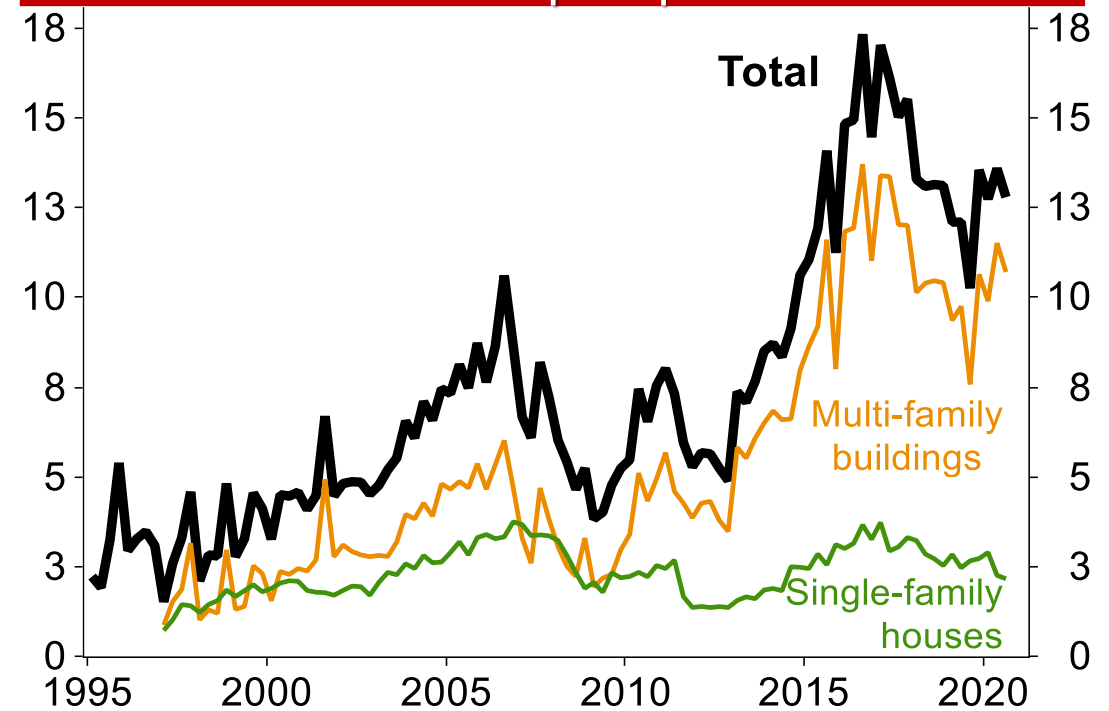
## Sentiment, order bookings

Index Aug 2017=100

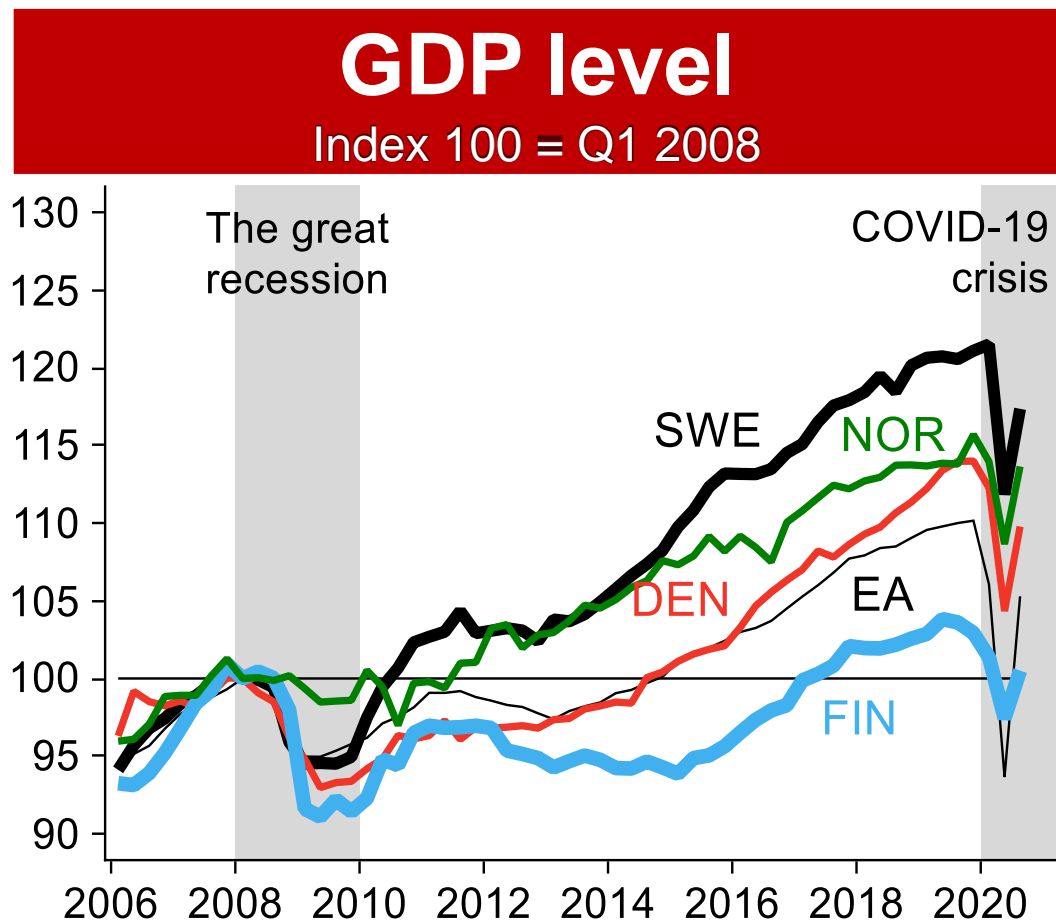



## Housing starts

Thousand per quarter



# Nordics: Exaggerated differences between countries



GDP growth, %		2019	2020	2021	2022
	Denmark	2.9	-4.0	3.0	4.5
	Finland	1.1	-3.3	2.8	2.5
	Norway	0.9	-1.3	3.4	2.8
	Sweden	1.3	-2.6	2.8	4.8
Euro area		1.3	-6.6	3.1	4.9

Degree of lockdowns

Digital infrastructure

Structure of economy: services,  
manufacturing, construction



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# Strong customer franchise

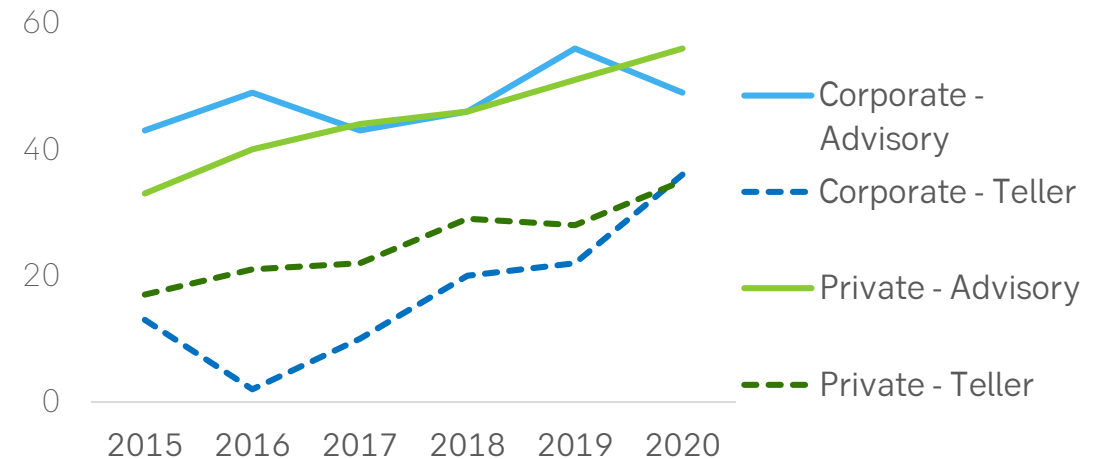
## Large Corporates & Financial Institutions

Customer satisfaction (Prospera, ranking)

		2016	2017	2018	2019	2020
Large Corporates	Sweden	1	1	1	1	<b>1</b>
	Nordics	2	3	2	2	<b>1</b>
Financial Institutions	Sweden	1	1	1	1	<b>1</b>
	Nordics	1	2	1	1	<b>2</b>

## Corporate & Private Customers

Customer satisfaction (Net Promoter Score)

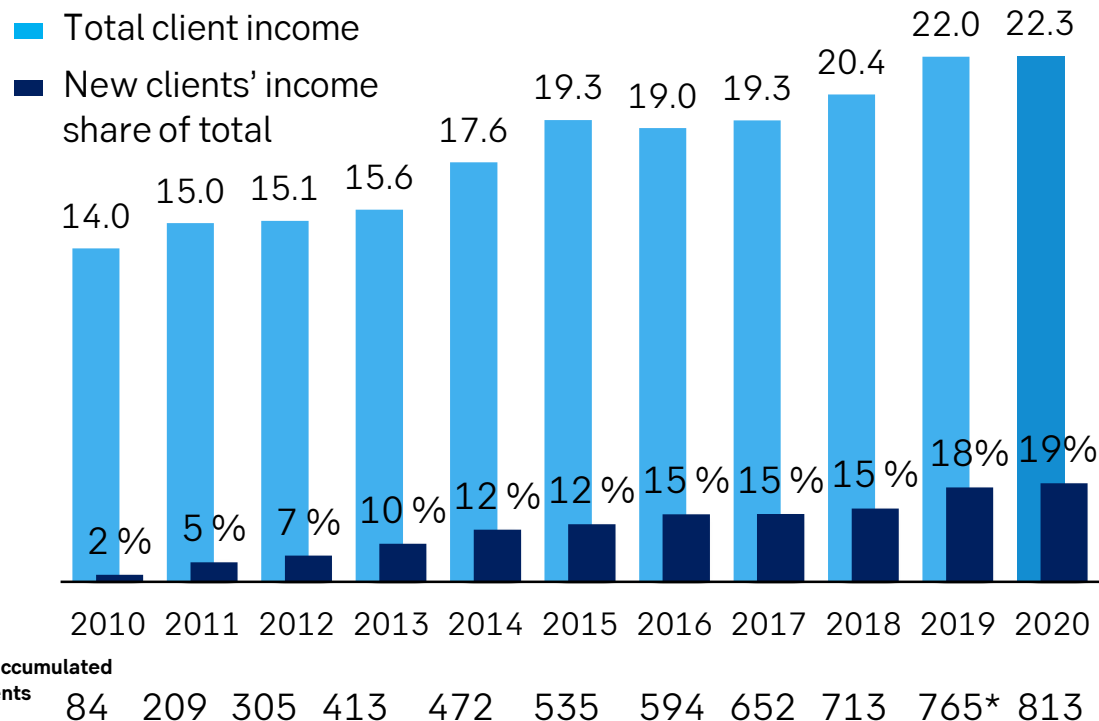




# Large Corporate & Financial Institutions division

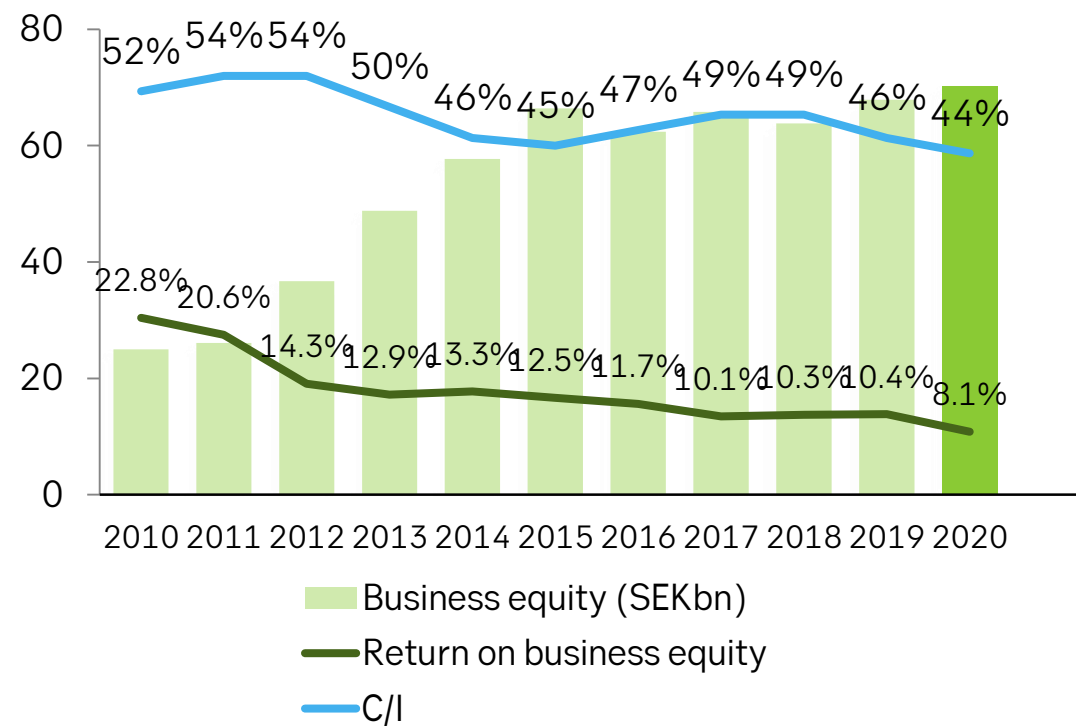
## Large cross-selling potential

Total client income, SEK bn



\*Including Swedish clients as of 2019.

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



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

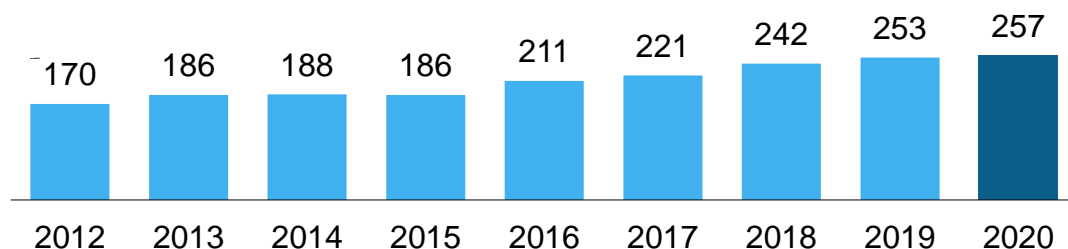
2015 C/I: Excl. one-off costs of SEK 902m

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

# Corporate & Private Customers division

## Stable lending growth in corporate segment

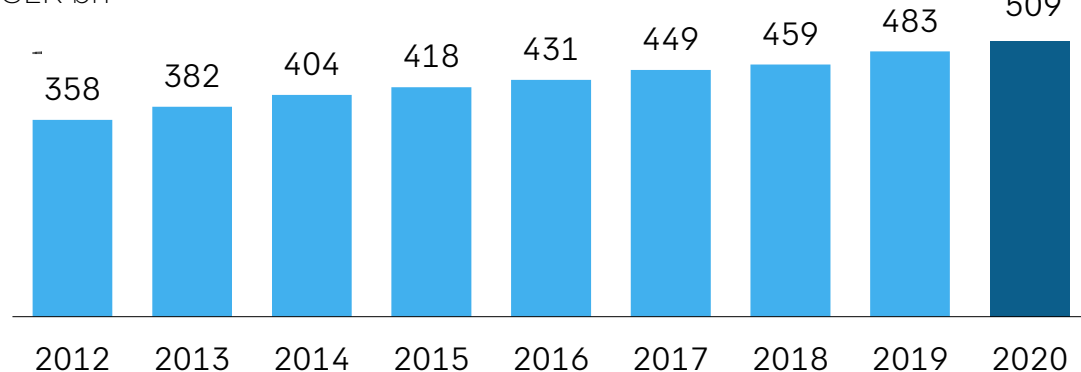
Loans to corporates and real estate management, SEK bn



2015: Adjusted for transfer of sole traders SEK 16bn

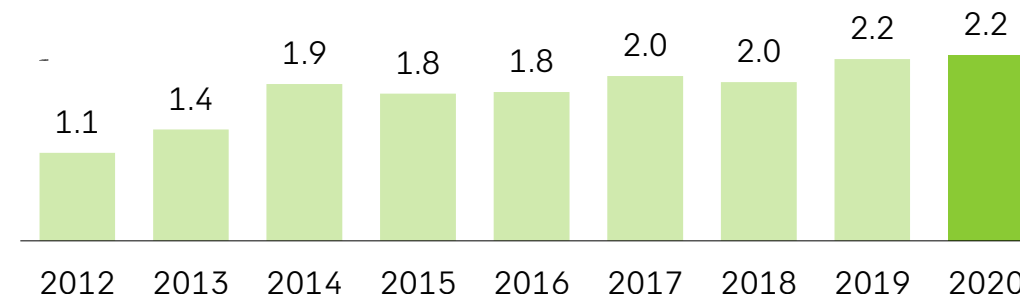
## Stable growth in household mortgages

SEK bn



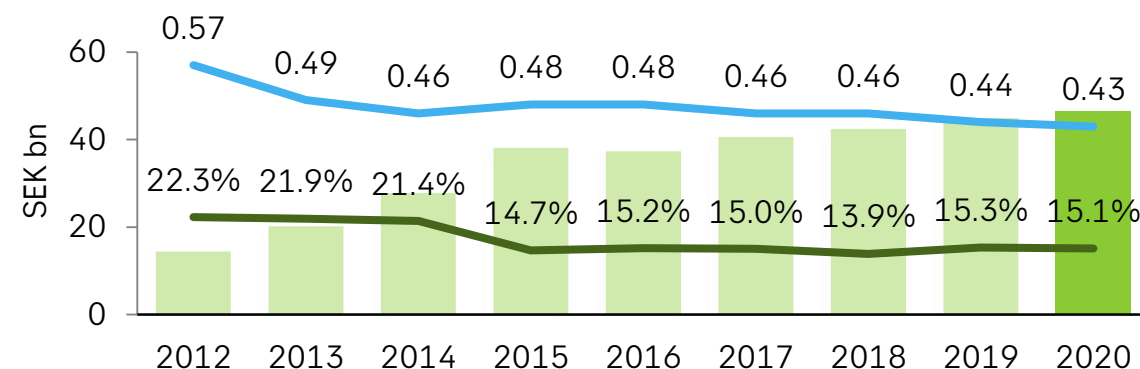
## Solid operating profit

Average quarterly operating profit, SEK bn



2014-2015 restated following the new organisational structure as of 1 Jan 2016.  
As a result, 2012-2013 figures are not comparable.

## Steady improvement in efficiency and stable profitability

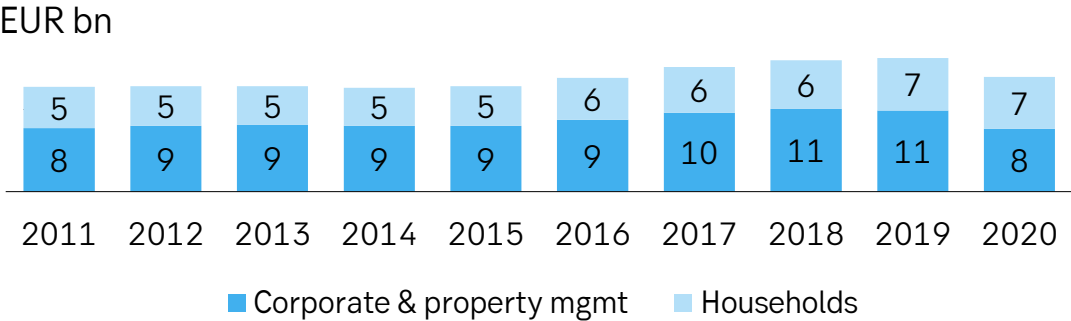


Business equity (SEK bn) Return on business equity C/I

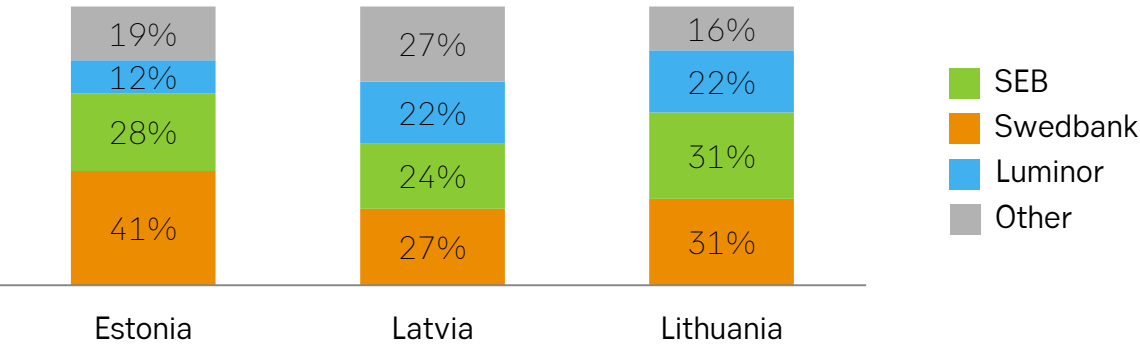
# Baltic division



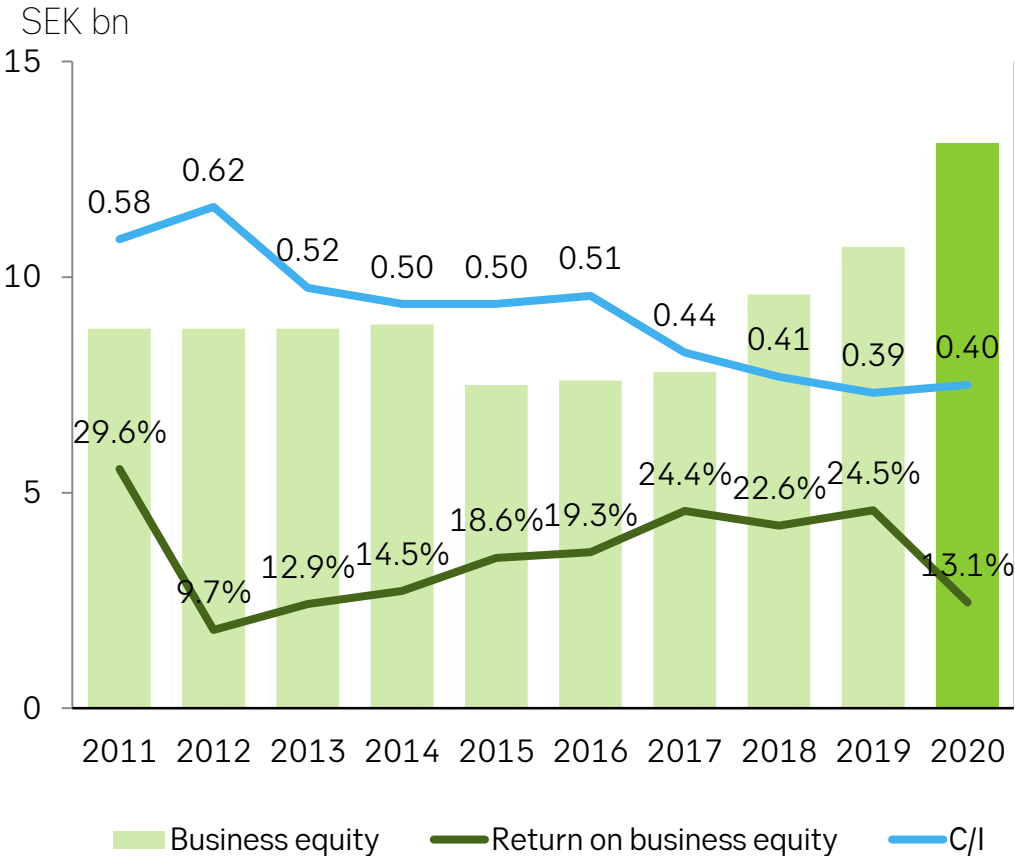
## Credit portfolio growth impacted by economic slowdown due to Covid-19 restrctions



## Leading position in terms of lending market share



## Strong development of profitability and efficiency



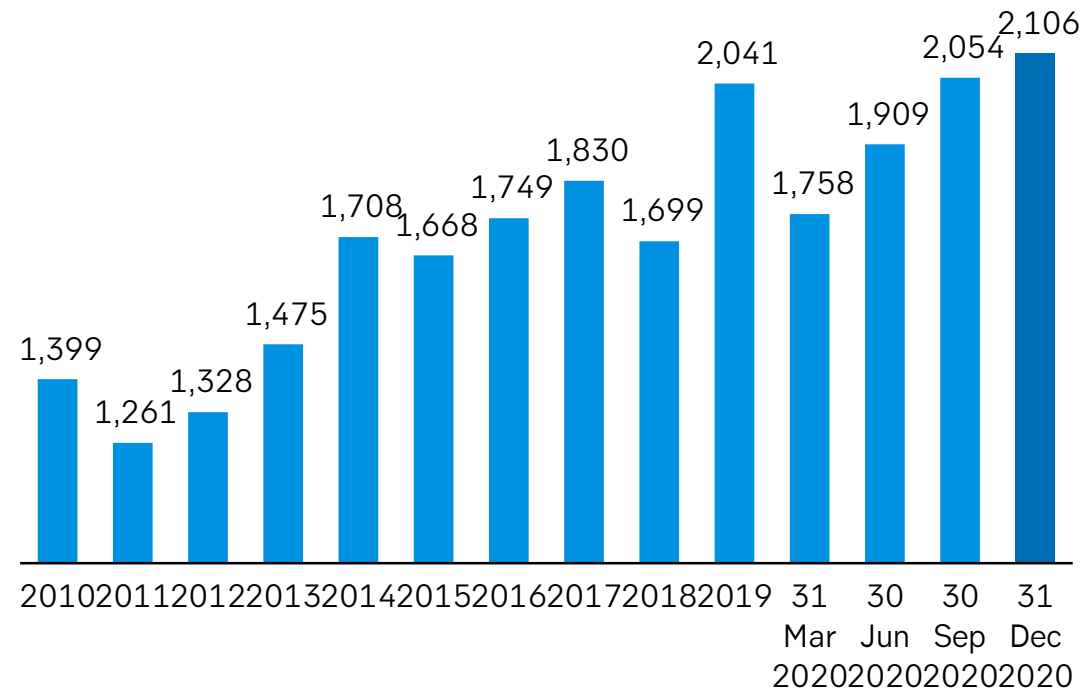
Source: Estonian Financial Supervision Authority , Association of Latvian Commercial Banks, Association of Lithuanian Banks, 30 June 2020

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 supported by market development

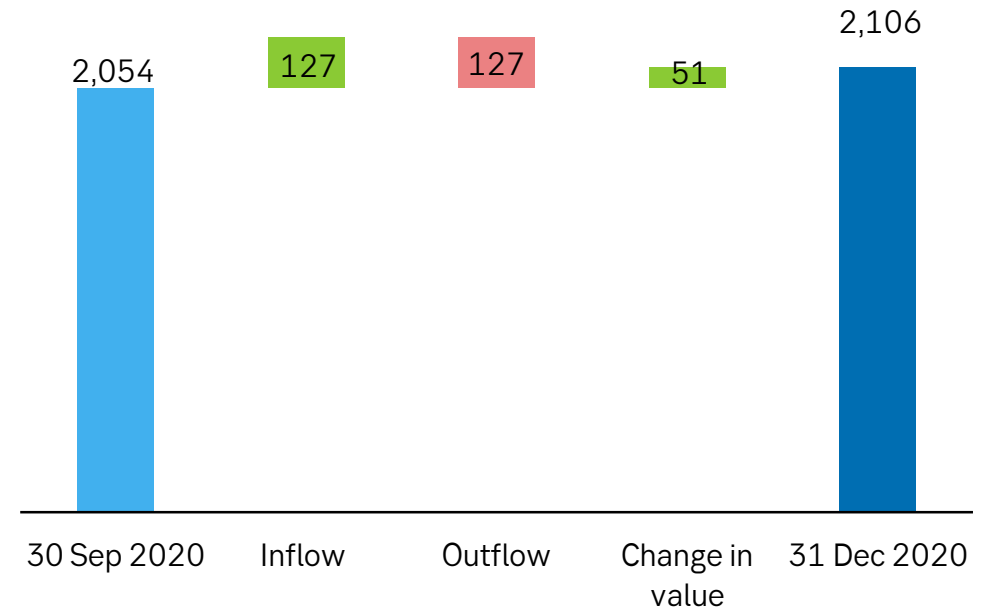
## Assets under management<sup>1</sup>

SEK bn



## Development in Q4 2020

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.

# Summary key financials

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011 <sup>1)</sup>
Return on equity, % <sup>6)</sup>	10.3	13.8	13.4	12.9	11.3	12.9	13.1	13.1	11.5	12.3
Cost/income ratio, %	46	46	48	48	50	49	50	54	61	62
Net ECL level / Credit loss level, % <sup>3)</sup>	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>4)</sup>	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>5)</sup>	163	218	147	145	168	128	115	129	NA	NA
CET1 ratio, % <sup>2)</sup>	21.0	17.6	17.6	19.4	18.8	18.8	16.3	15.0	NA	NA
Total capital ratio, % <sup>2)</sup>	25.1	23.3	22.2	24.2	24.8	23.8	22.2	18.1	NA	NA
Leverage ratio, % <sup>2)</sup>	5.1	5.1	5.1	5.2	5.1	4.9	4.8	4.2	NA	NA
Assets under custody, SEK bn	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	2,106	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) 2016 - 2014 is according to CRD IV/CRR and 2013 was estimated based on SEB's interpretation of future regulation.

3) 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..

4) 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)..

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

6) **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.

# IR contacts and calendar



**Pawel Wyszynski**

Head of Investor  
Relations

Mobile: +46 70 462 21 11  
E-mail:  
pawel.wyszynski@seb.se



**Philippa Allard**

Senior Debt Investor  
Relations Officer

Phone: +46 8 763 85 44  
Mobile: +46 70 618 83 35  
E-mail:  
philippa.allard@seb.se



**Per Andersson**

Senior Investor Relations  
Officer

Phone: +46 8 763 81 71  
Mobile: +46 70 667 74 81  
E-mail:  
per.andersson@seb.se

## Financial calendar

### 2021

<i>1 January</i>	<i>Silent period starts</i>
<b>27 January</b>	Annual Accounts 2020
2 March	Annual Report 2020 published
<b>30 March</b>	Annual General Meeting
31 March	SEB share traded ex-dividend
<i>1 April</i>	<i>Silent period starts</i>
8 April	Dividend disbursal
<b>28 April</b>	Quarterly report Jan – Mar 2021
<i>1 July</i>	<i>Silent period starts</i>
<b>15 July</b>	Quarterly report Jan – Jun 2021
<i>1 October</i>	<i>Silent period starts</i>
<b>20 October</b>	Quarterly report Jan – Sep 2021



The journey towards...

SEB

...world-class service  
to our customers continues

