



# Annual Accounts 2011

Annika Falkengren  
President & CEO

# SEB founded in the service of enterprise





# Delivery of 2011 strategy

**1** Continued to build customer relationships

**2** Growth in core and home markets

**3** Strengthened balance sheet further



# Continued to build customer relationships

## Private customers



**+90,000**

new customers  
(Sweden, Baltics, PB)

**+SEK 46bn**

new lending  
(Sweden, Baltics, PB)

## Increased flows



**+160m transactions**

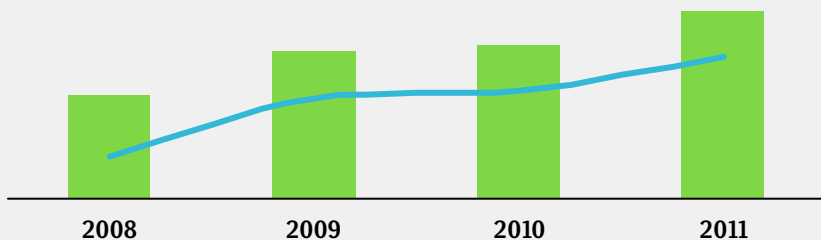
executed globally  
(incl. payments >1bn)

## Large corporate “Tier 1” clients



■ Number of Tier 1 clients

— Customer income



**The Banker 2011**

**Bank of the Year – Sweden**

**Bank of the Year – Estonia**

**Bank of the Year – Latvia**

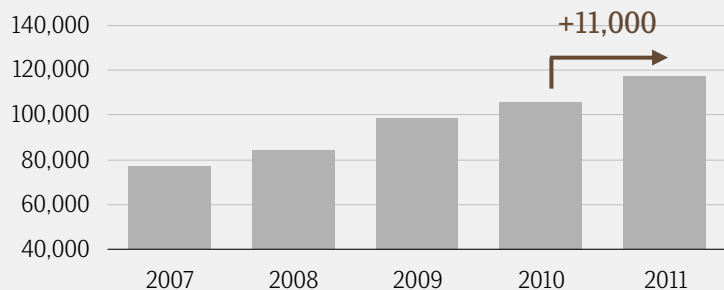


**#1 Corporate Bank 2011  
Sweden**

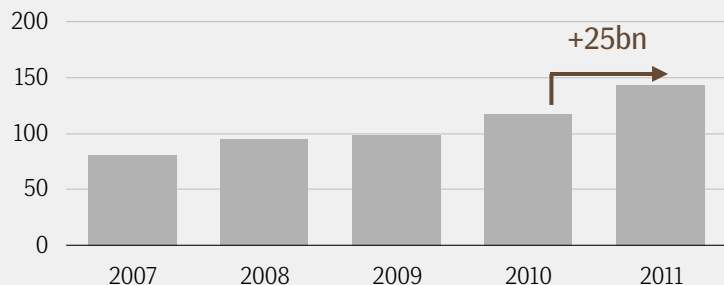
# Growth in core and home markets

## Swedish SME expansion

### SME clients (#)



### SME loans and commitments (SEK bn)

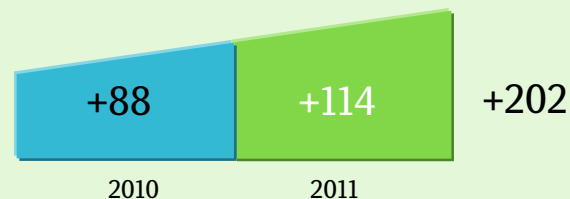


Market share **12.1%**

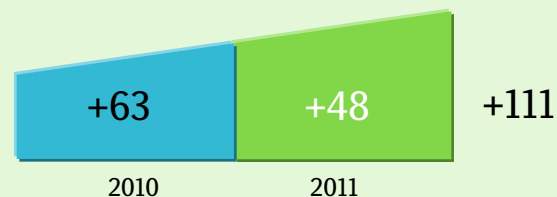


## Nordic & German large corporate expansion

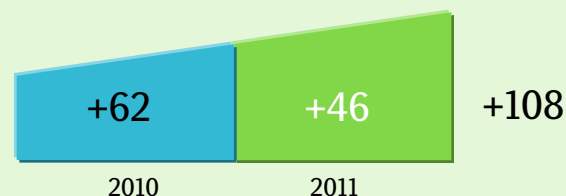
### Large cap clients (#)



### Client executives (#)



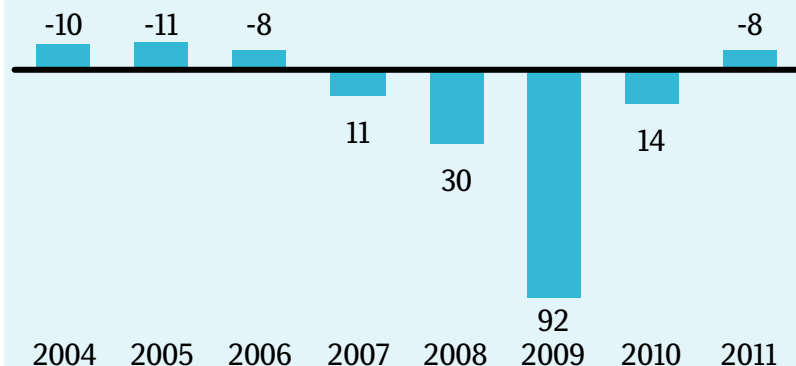
### Loans and commitments (SEK bn)



Note: Loans and commitments at constant exchange rates

# Strengthened balance sheet further

## High asset quality, low credit loss level (bps)



## Credit rating upgrade

**STANDARD  
& POOR'S** **A+**

## Improving capital and liquidity position

Core Tier 1 ratio 13.7%

Liquidity reserve SEK 377bn

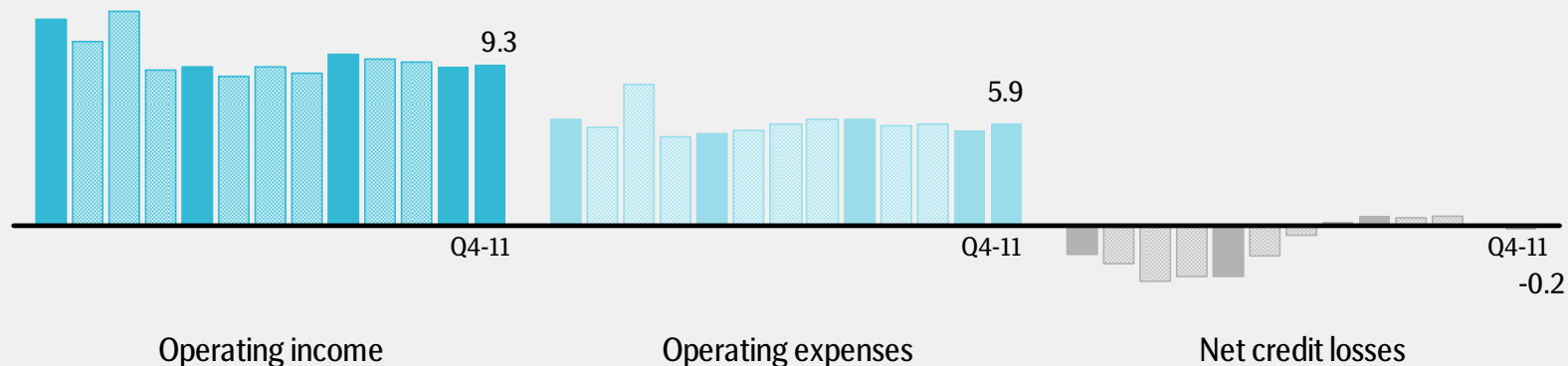
Loan to deposit ratio 129%

>2 years matched funding

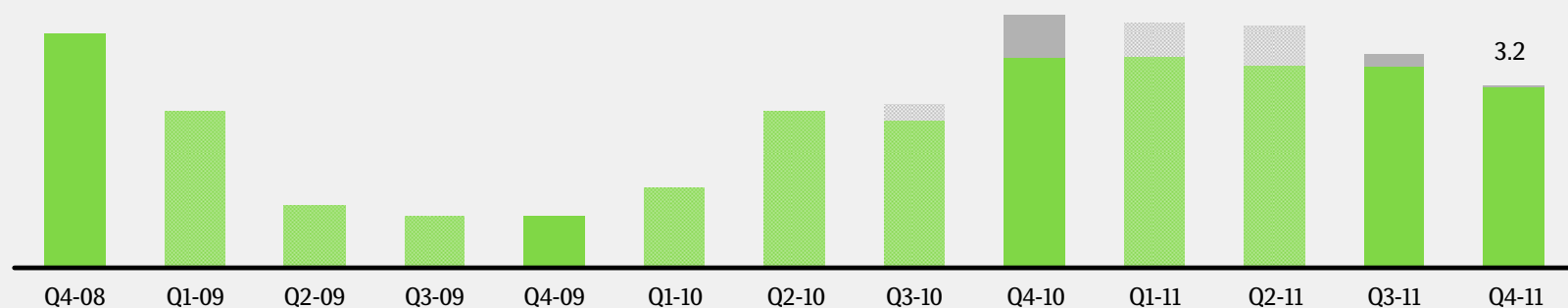
NPL coverage  
ratio 64%

# Profit and loss trend

## Profit and loss development Q4 2008 – Q4 2011 (SEK bn)



## Operating profit (SEK bn)



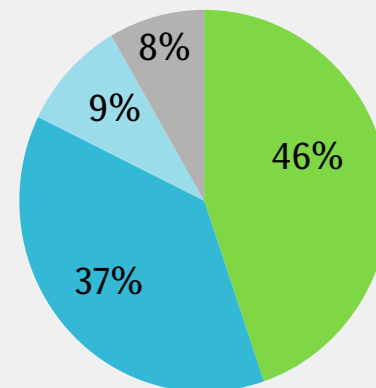
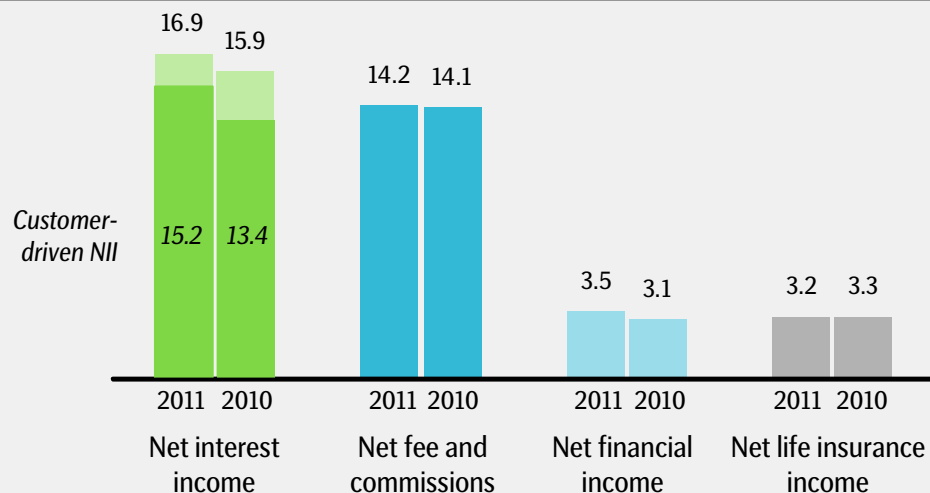
Grey shaded areas represent net credit reversals in the Baltic countries

# Income statement 2011

## Profit and loss (SEK bn)

	FY 2011	FY 2010	%	Q4-11	% Q3-11	% Q4-10
<b>Total Operating income</b>	<b>37,686</b>	<b>36,735</b>	3	<b>9,334</b>	1	-7
Total Operating expenses	-23,121	-23,751	-3	-5,928	7	-3
<b>Profit before credit losses</b>	<b>14,565</b>	<b>12,984</b>	12	<b>3,406</b>	-7	-12
Net credit losses etc.	780	-1,595		-241		
<b>Operating profit</b>	<b>15,345</b>	<b>11,389</b>	35	<b>3,165</b>	-15	-28

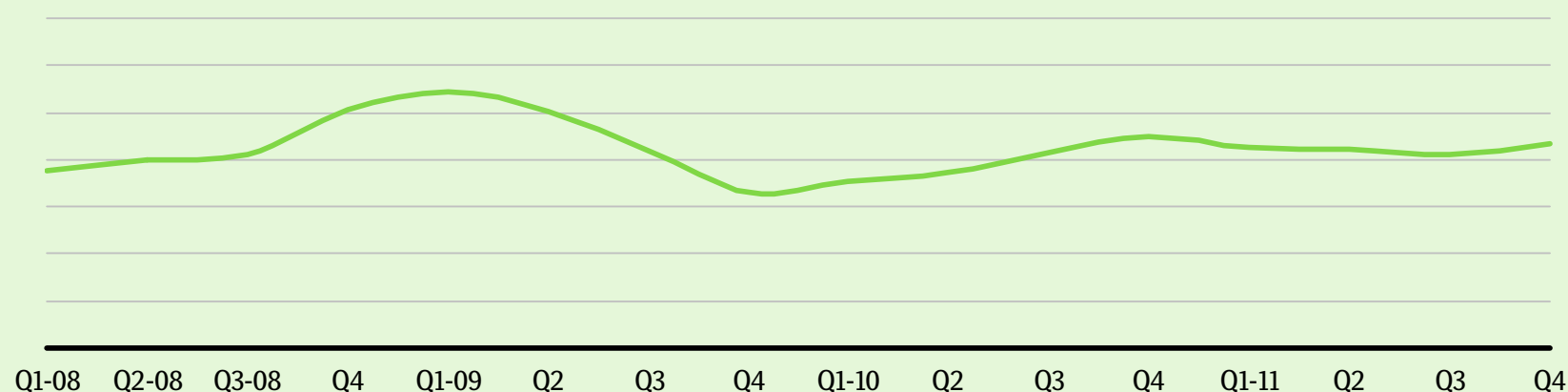
## Operating income by type, 2011 vs. 2010 (SEK bn)



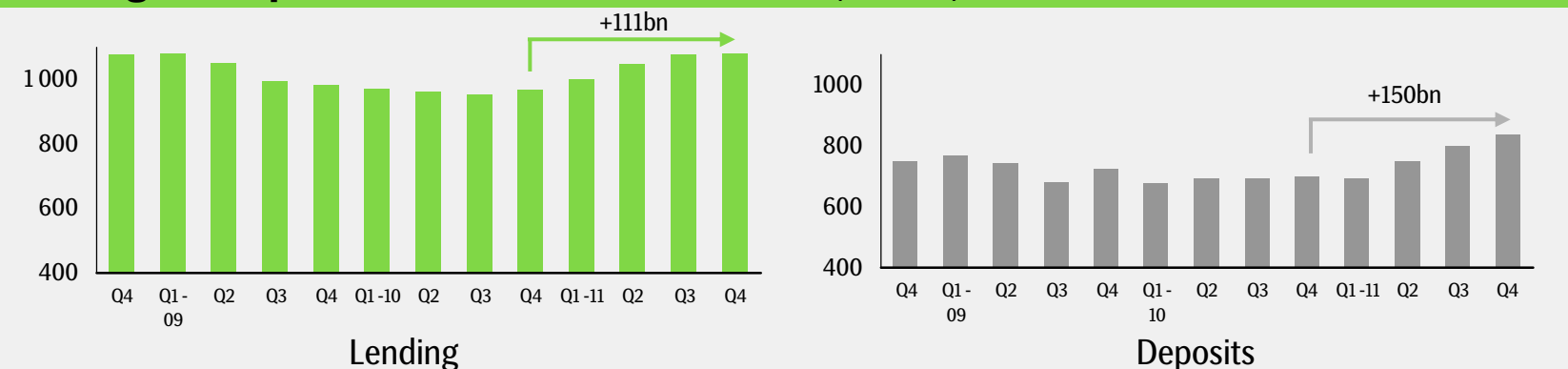


# Net interest income development

## NII Q4 2008 – Q4 2011 (SEK bn)



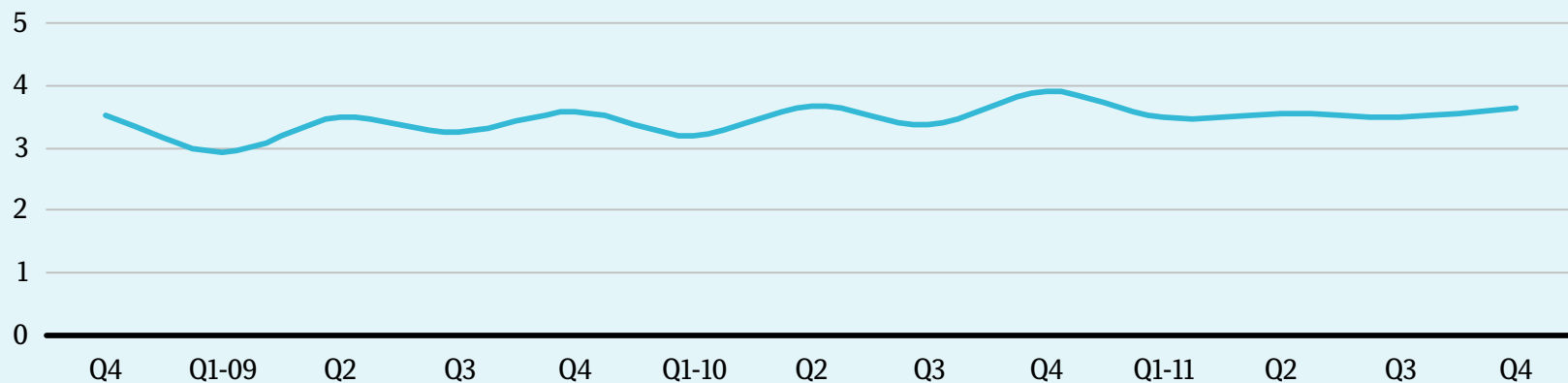
## Lending and deposit volumes Q4 2008 – Q4 2011 (SEK bn)



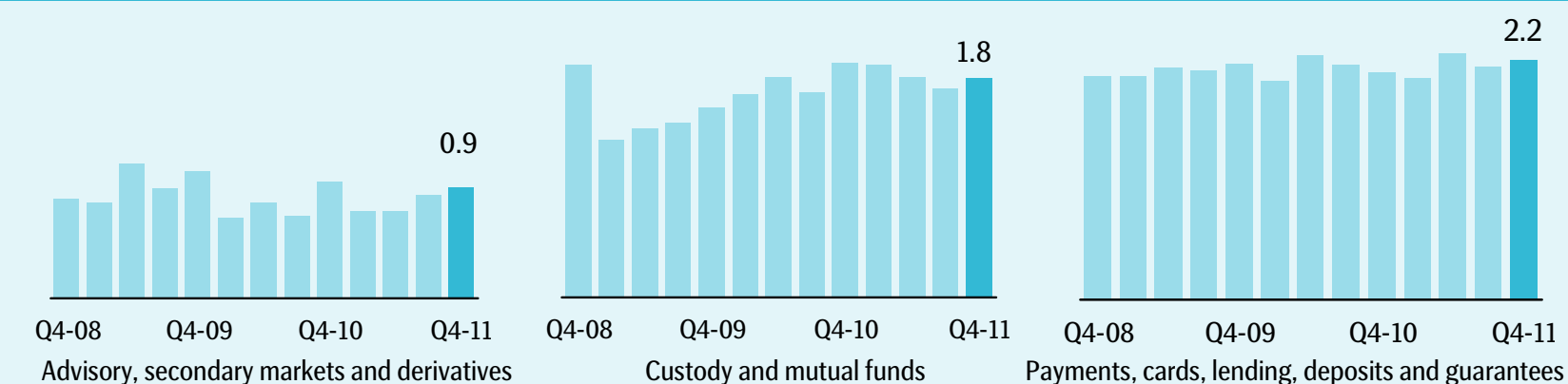
Note: Lending to the public excluding repos and debt instruments; Deposits from the public excluding repos

# Net fee and commission income development

Net fees and commissions Q4 2008 – Q4 2011 (SEK bn)

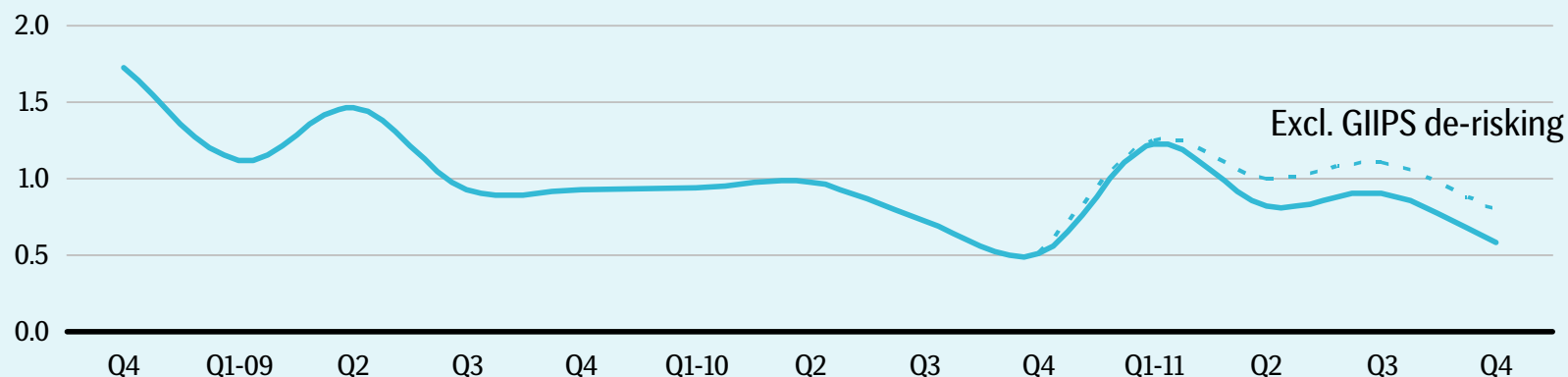


Gross fees and commissions by income type Q4 2008 – Q4 2011 (SEK bn)

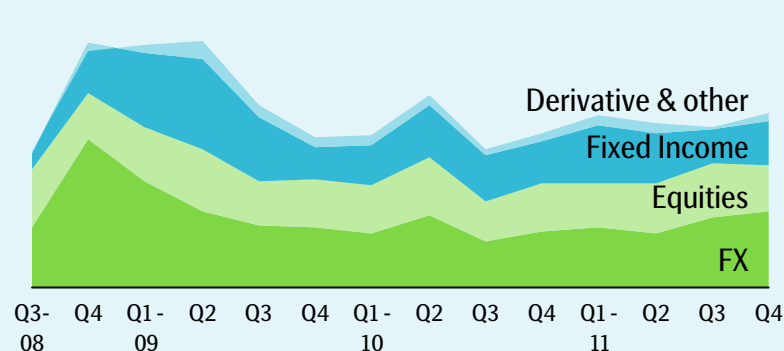


# Net financial income development

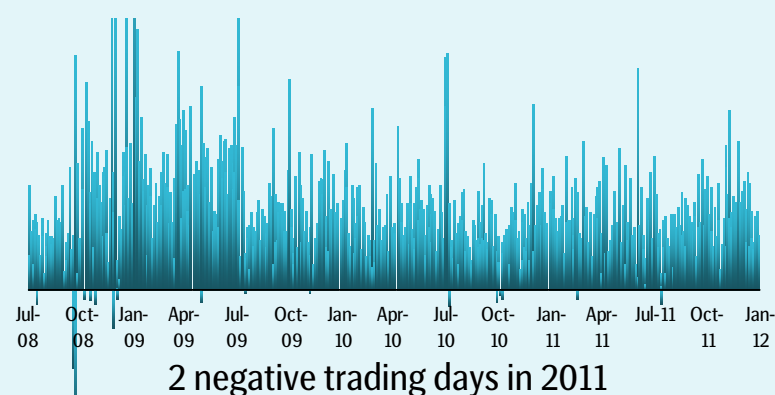
Net financial income Q4 2008 – Q4 2011 (SEK bn)



Trading income by asset class

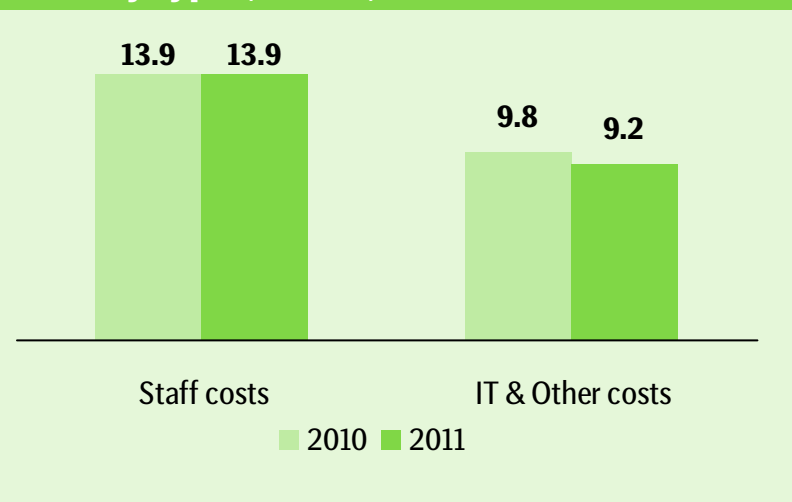


Daily trading income

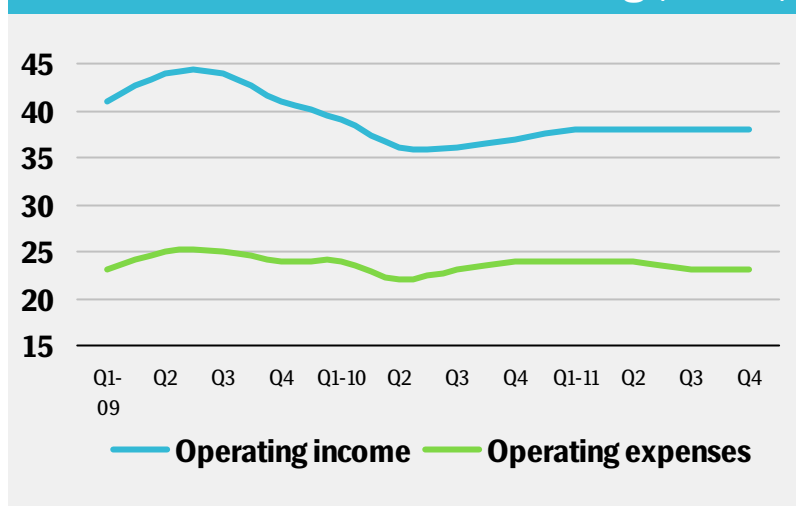


# Operating expense development

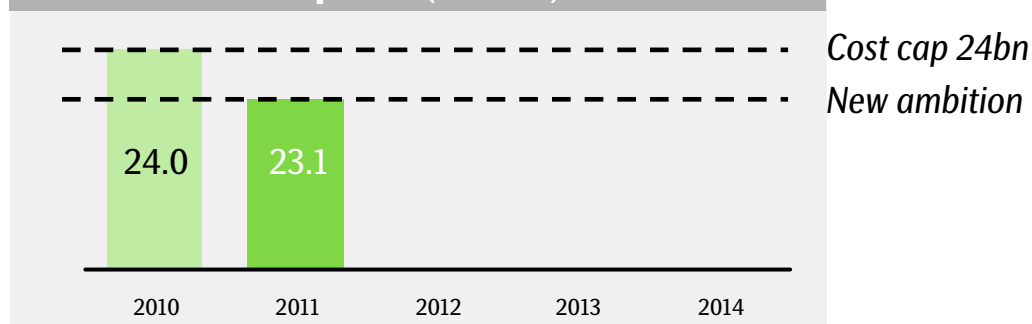
Cost by type (SEK bn)



Income and cost trends, 12m rolling (SEK bn)

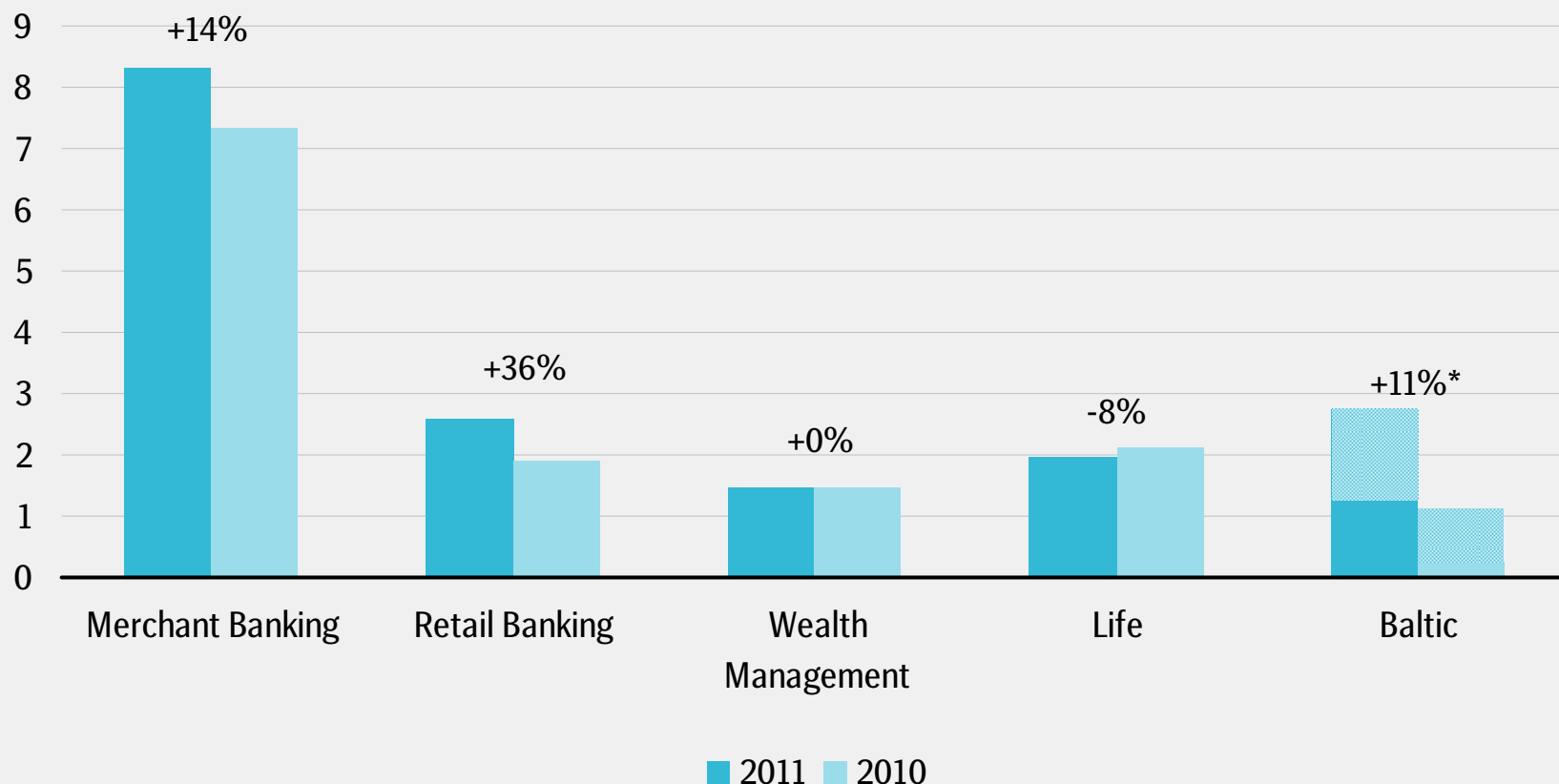


SEK 24bn cost cap met (SEK bn)



# Divisional performance

## Operating profit 2011 vs. 2010 (SEK bn)



Note: Shaded area of Baltic division shows net release of credit provisions in 2011 and net credit losses in 2010

\* Excluding credit provision releases



# Swedish mortgages

## SEB only bank to publish funding cost

### Boräntor - upplåningsräntor

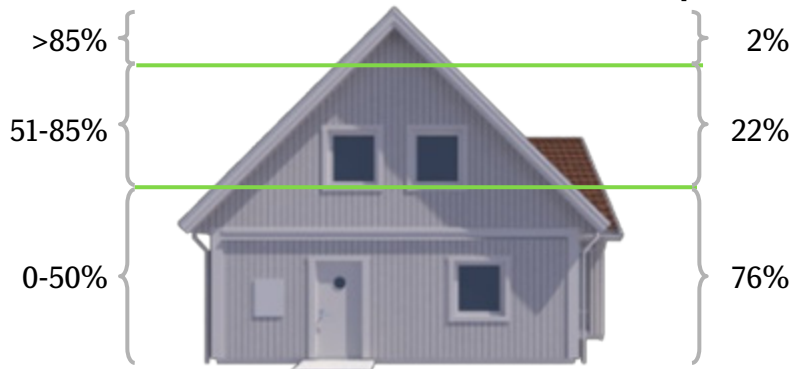
Den ränta du får på ditt lån sätts utifrån vår upplåningsränta plus en marginal som bestäms individuellt. Upplåningsräntan är den kostnad banken har för att låna pengar på marknaden och den gäller endast för bottenlån.

Bindningstid	Upplåningsränta %	Senast ändrad
3 mån*	3,00	2012-02-06
1 år	2,57	2012-02-06
2 år	2,39	2012-02-06
3 år	2,26	2012-02-06
5 år	2,94	2012-02-06
10 år	3,39	2012-02-06

## Low LTVs in mortgage portfolio

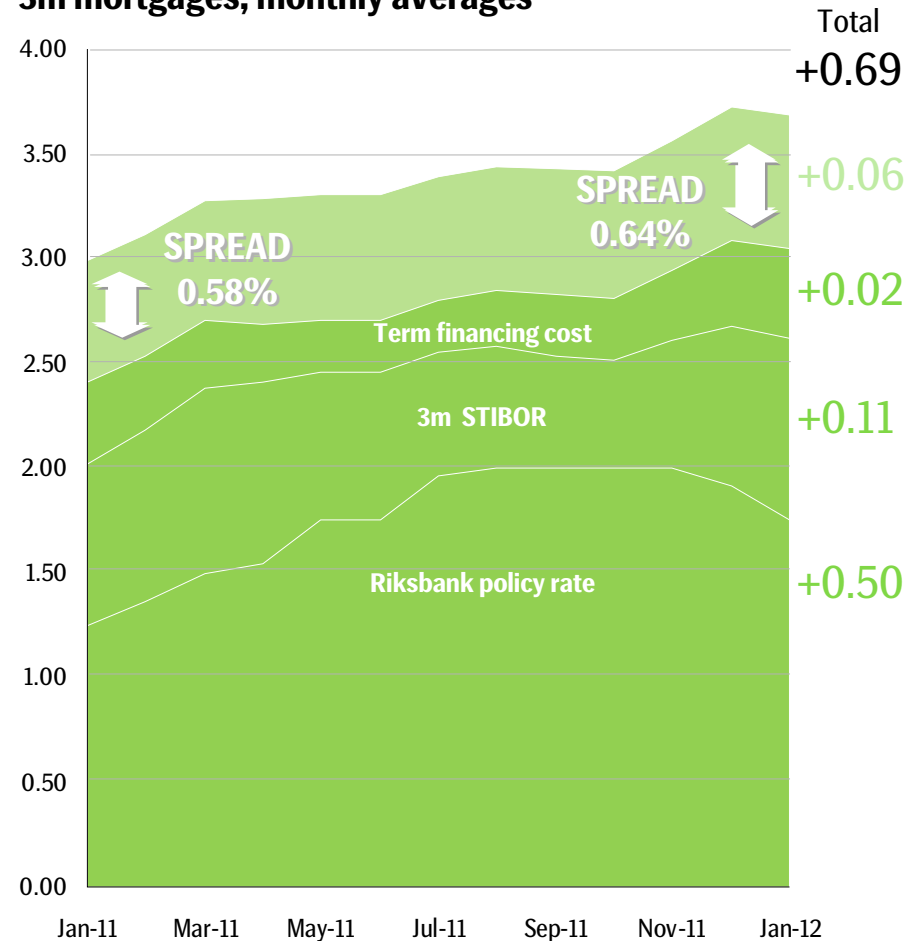
### Loan-to-value

### Share of portfolio



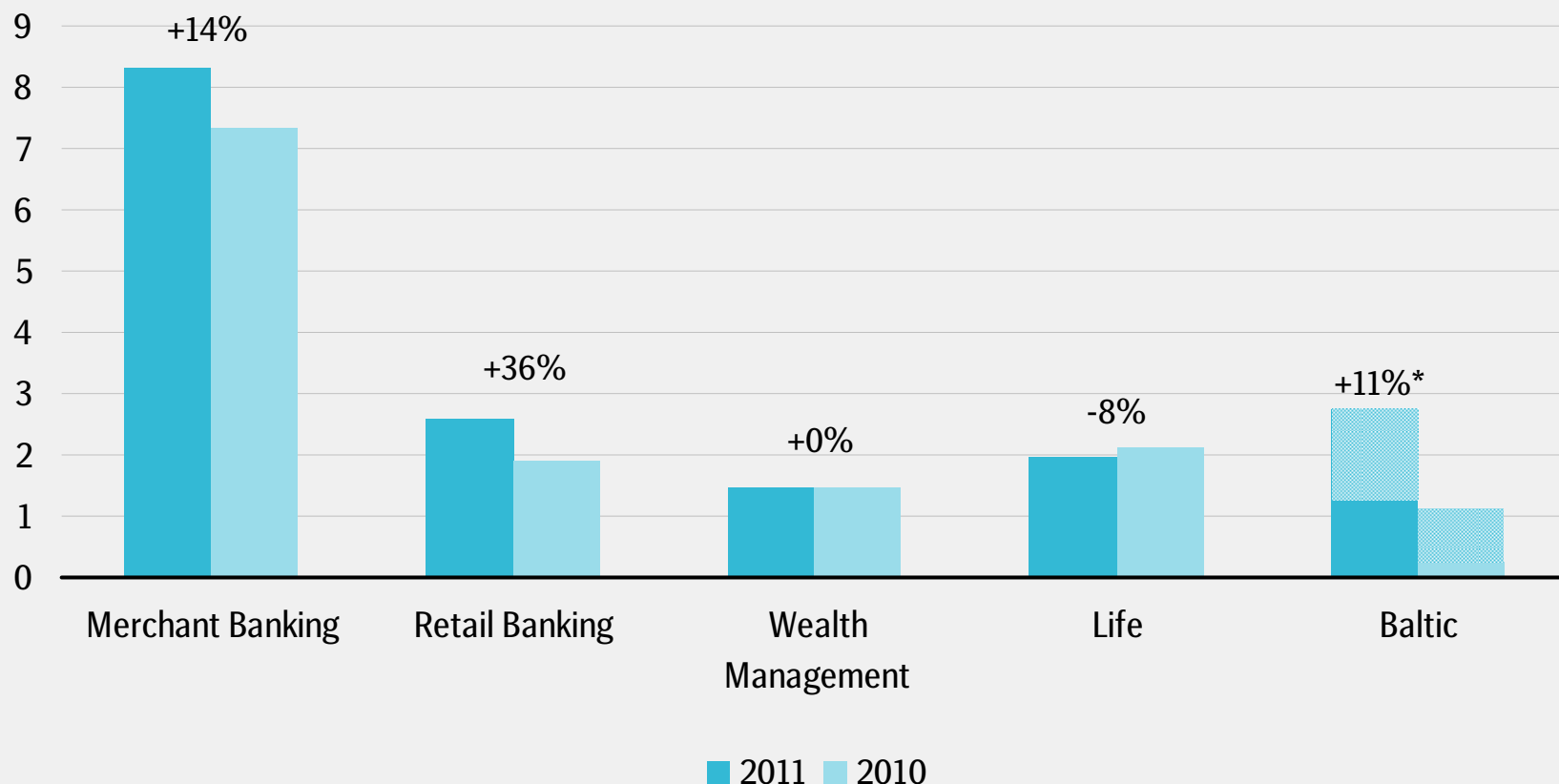
## Funding markets drive mortgage pricing (%)

### 3m mortgages, monthly averages



# Divisional performance

## Operating profit 2011 vs. 2010 (SEK bn)

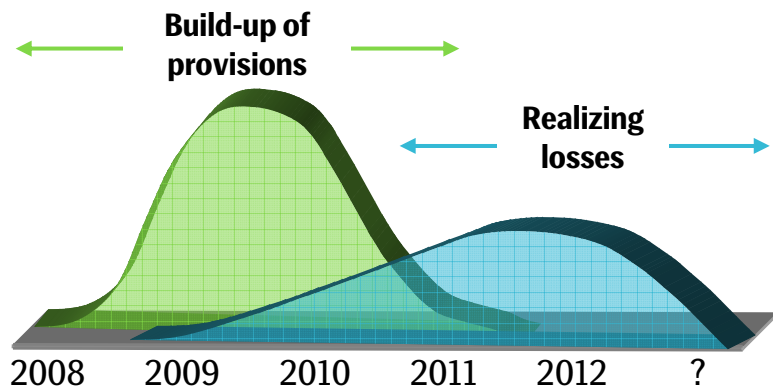


Note: Shaded area of Baltic division shows net release of credit provisions in 2011 and net credit losses in 2010

\* Excluding credit provision releases

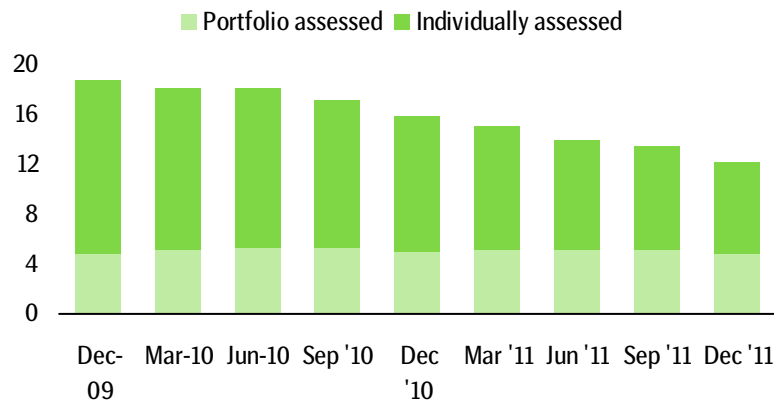
# Closing the books on the Baltic credit crisis

## Credit cycle shifting as expected

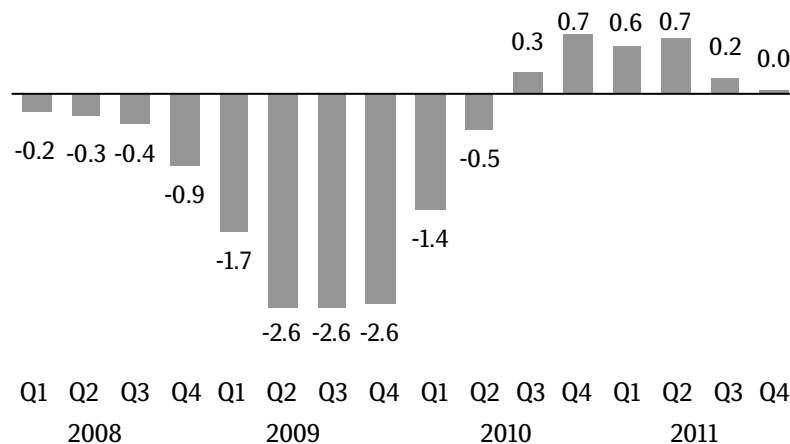


- ✓ Realizing losses against provisions
- ✓ Releasing provisions where possible
- ✓ Credit loss level now normalising

## NPLs continue to fall (SEK bn)

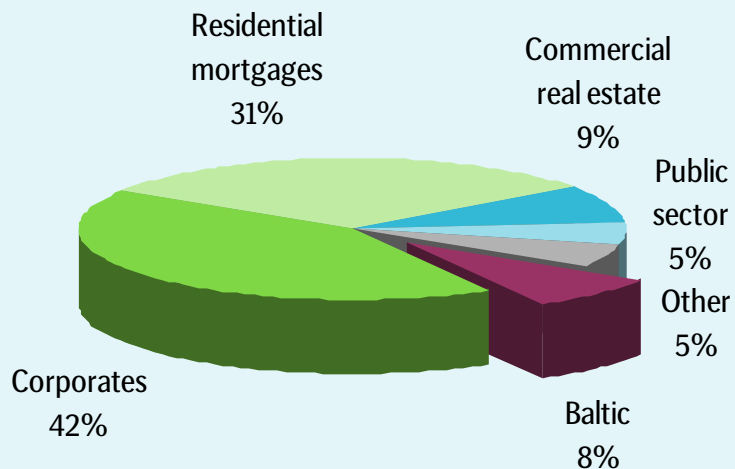


## Credit losses normalising (SEK bn)

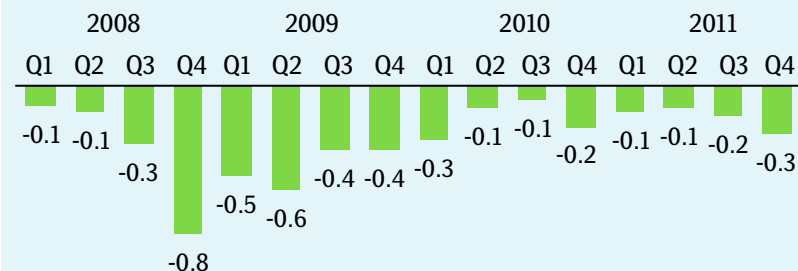


# Asset quality improving

## Non-bank credit portfolio composition (%)



## Credit losses outside Baltic region (SEK bn)

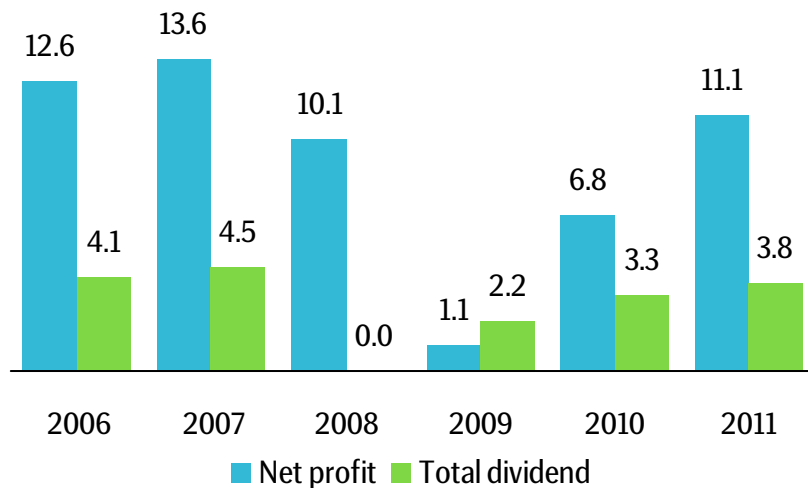


## 6 bps credit loss level outside Baltics

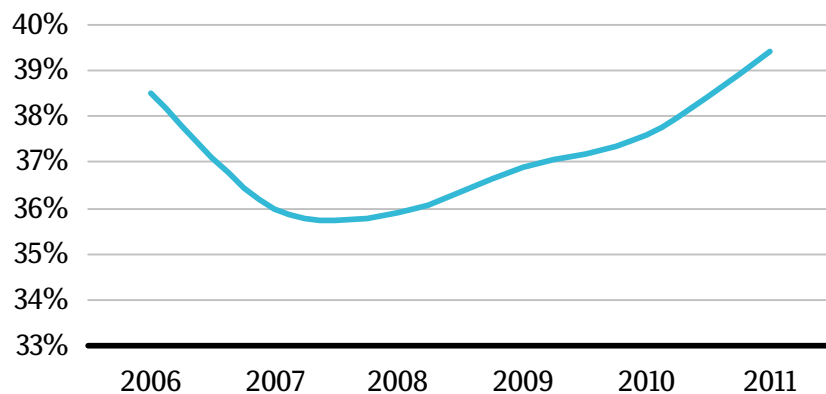
(average over 10 year period)

# Proposed dividend SEK 1.75

## Net profit and total dividend (SEK bn)



## Dividend payout ratio, 5 year rolling avg (%)



SEK 1.75







**Right platform**



**Robust region**



**High asset quality**



**Active customers**

**S|E|B**

# Outlook 2012

**Continued uncertain  
macro and regulatory  
environment in 2012**

**SEB's growth plans  
and relationship  
focus remains**

**Maintain balance sheet  
strength and improve  
efficiency further**







The leading  
relationship bank  
in our part  
of the world



Cover photograph by Sven Golz