

Financial Results 2019

Masih Yazdi, CFO

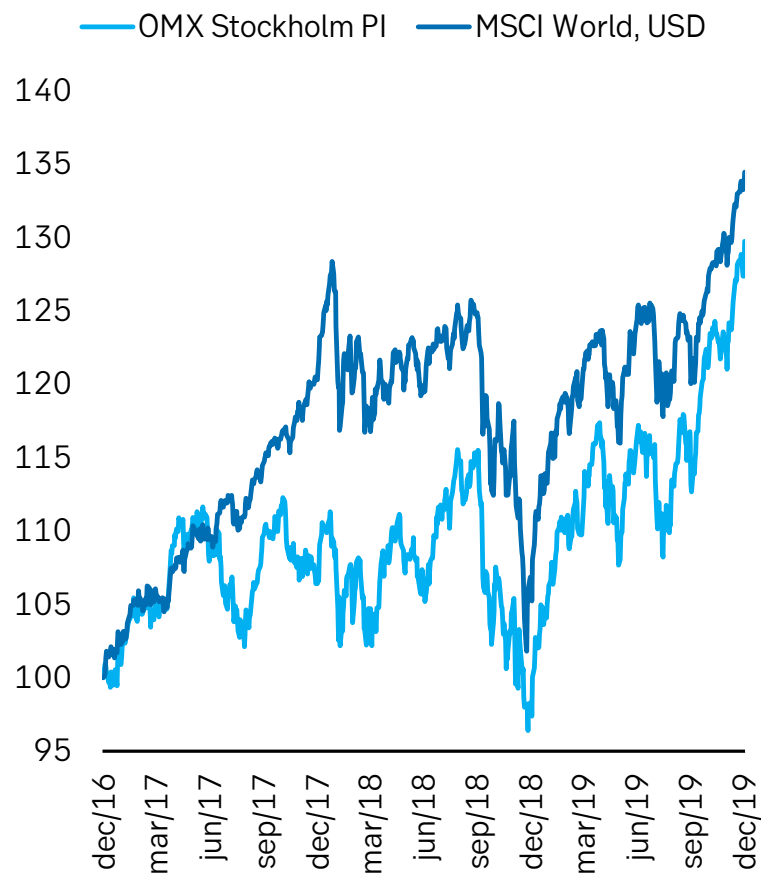
29 January 2019



Financial markets development

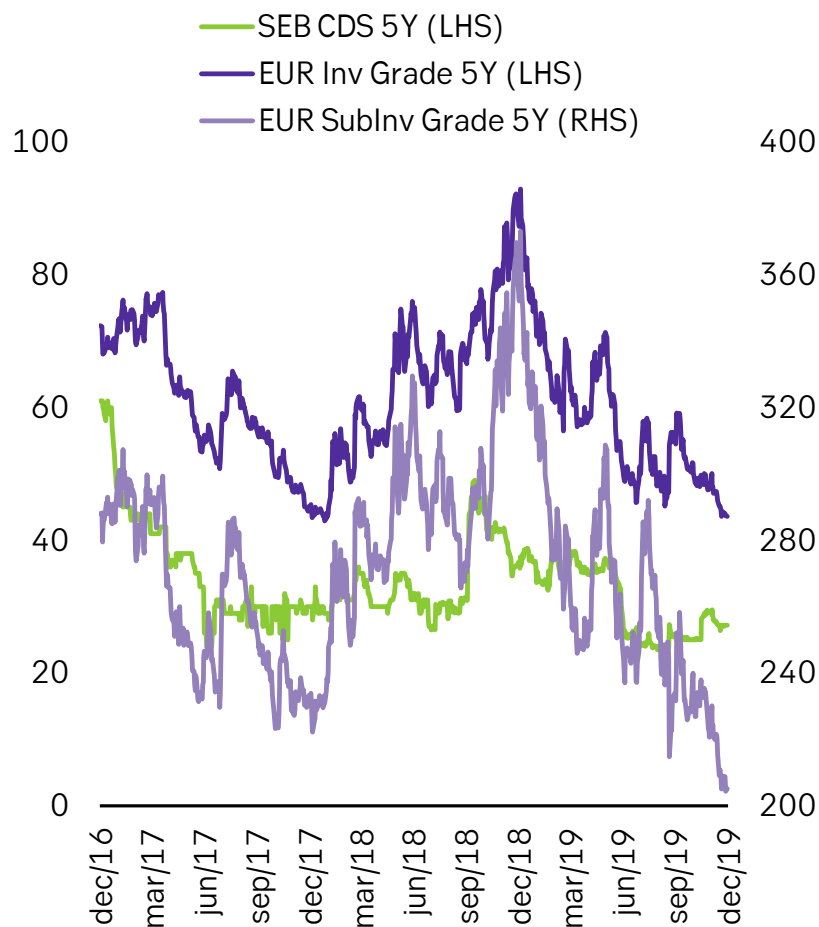
Equity markets

Sweden & Global



Credit spreads

SEB vs. corporate



Interest rates

Annual yield of 10-year gvt bonds



Highlights in Q4 2019

- Strong operating income growth, driven by high client activity and higher interest rates.
- Operating expenses were higher and net expected credit losses increased, explained by two specific corporate engagements.
- Strong capital position with a 250 basis points buffer above the regulatory requirement.



Financial summary 2019

SEK m	2019	2018	%
Total operating income	50,134	45,868	9
Total operating expenses	-22,945	-21,940	5
Profit before credit losses	27,190	23,928	14
Net expected credit losses etc.	-2,296	-1,148	
Operating profit before IAC	24,894	22,779	9
IAC		4,506	
Operating profit	24,894	27,285	-9

Net ECL level	C/I	CET 1	RoE ¹	DPS
10bps	0.46	17.6 %	13.8 %	6.25 SEK

¹ Before items affecting comparability (IAC); RoE after IAC at 13.7 per cent.

Financial summary Q4 2019

The logo for SEB, consisting of the letters 'S', 'E', and 'B' in a white, sans-serif font, each enclosed within a green square.

SEK m	Q4 2019	Q3 2019	%	Q4 2018	%
Total operating income	14,089	11,942	18	11,744	20
Total operating expenses	-6,026	-5,589	8	-5,561	8
Profit before credit losses	8,063	6,353	27	6,183	30
Net expected credit losses etc.	-1,000	-489		-415	
Operating profit	7,063	5,864	20	5,768	22

Net ECL level

18bps

C/I

0.43

CET 1

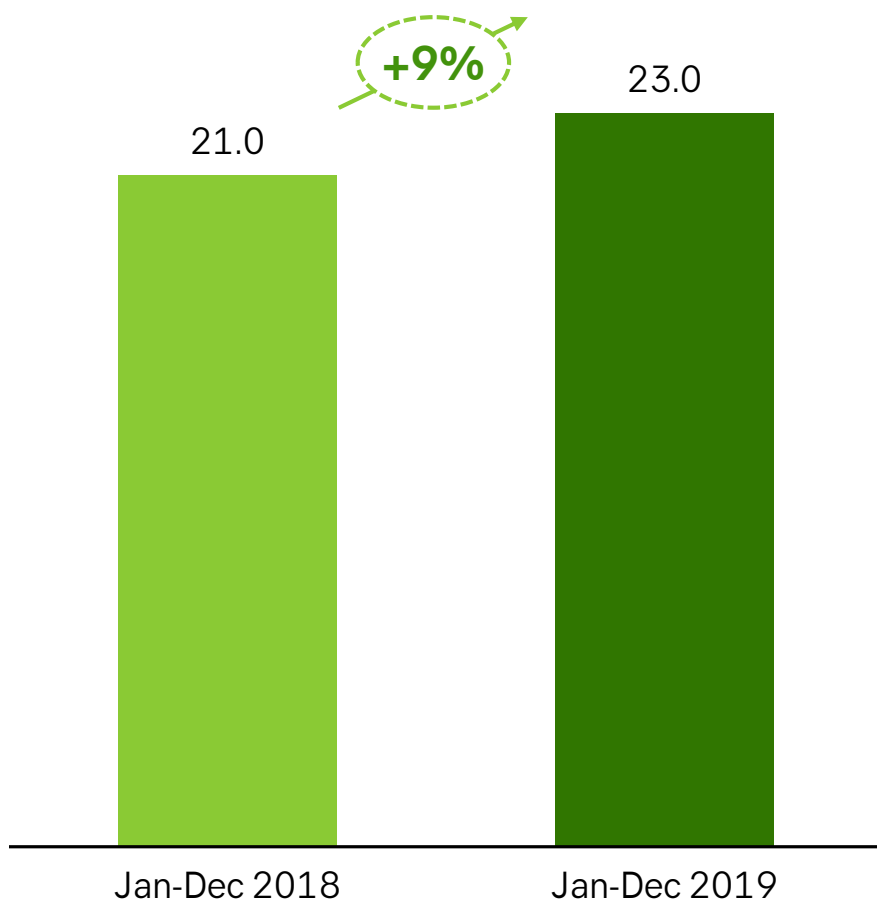
17.6 %

RoE

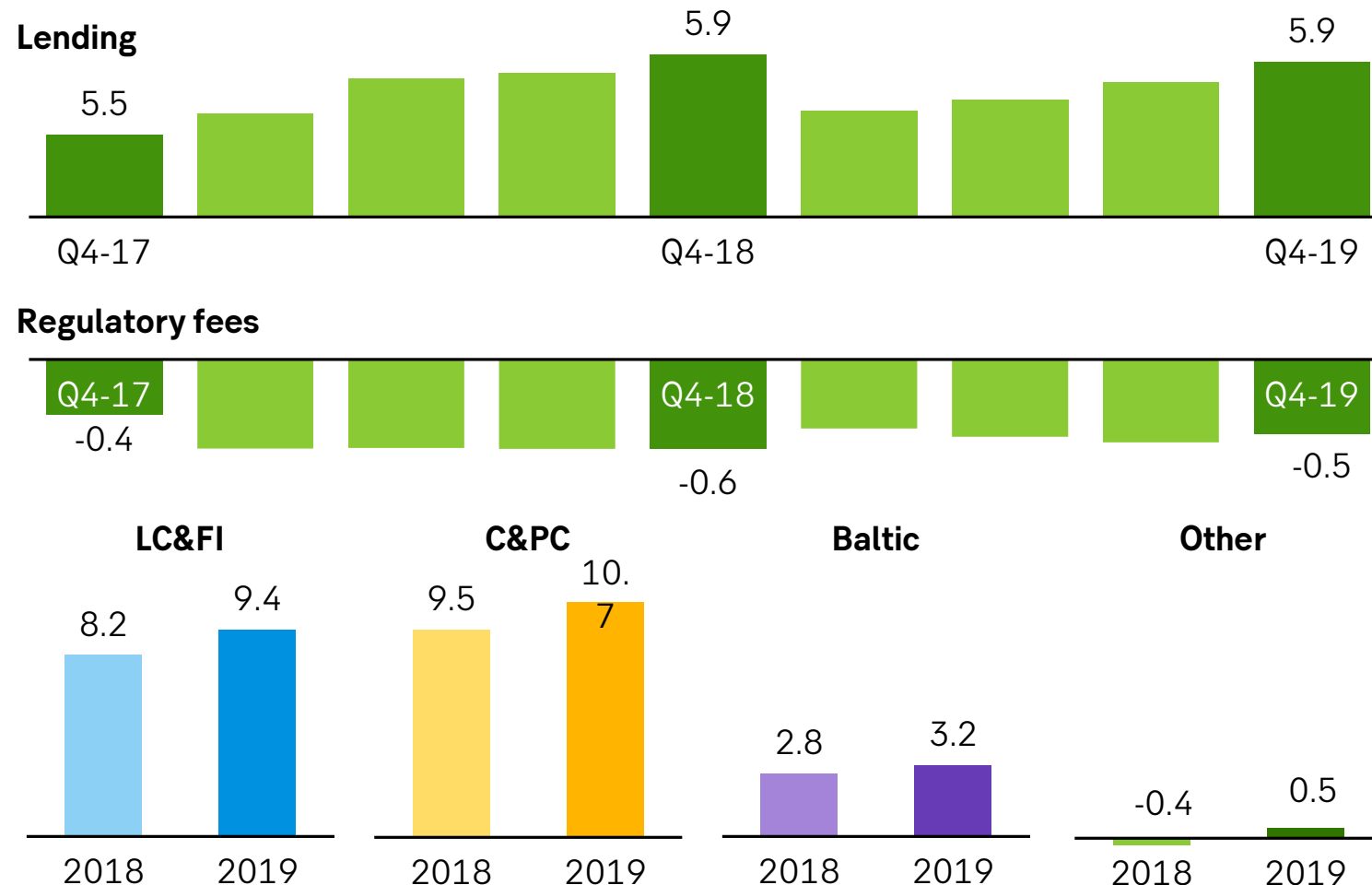
15.5 %

Net interest income development

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

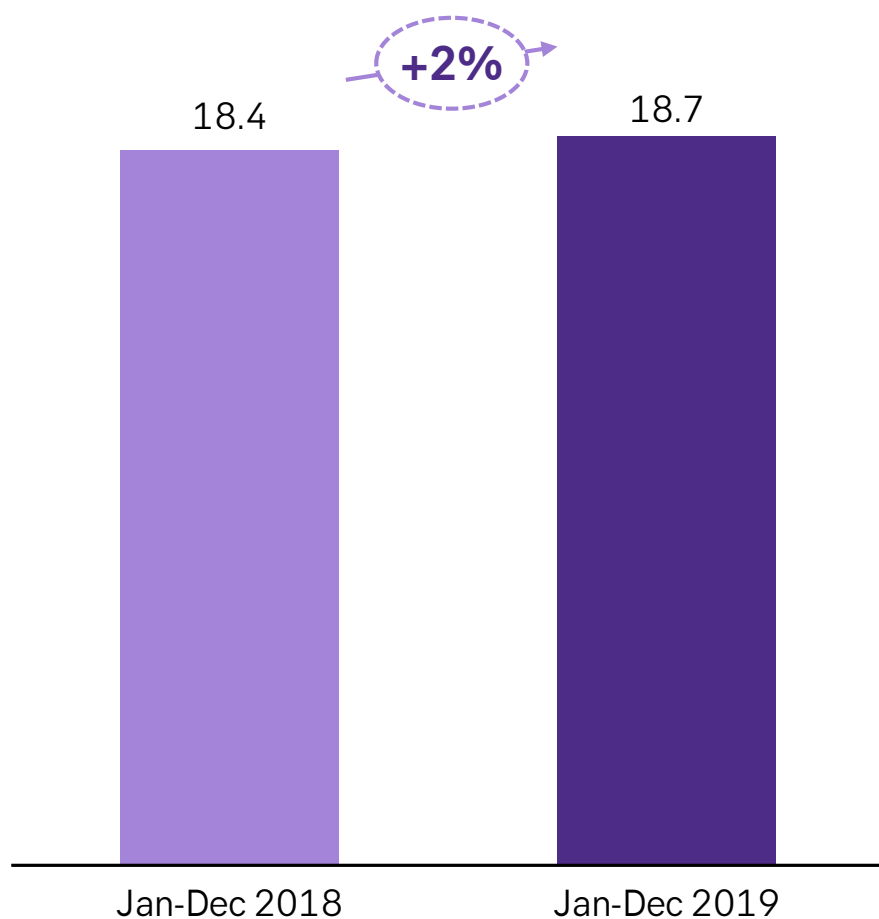


Net interest income type (SEK bn)
Q4 2017 – Q4 2019



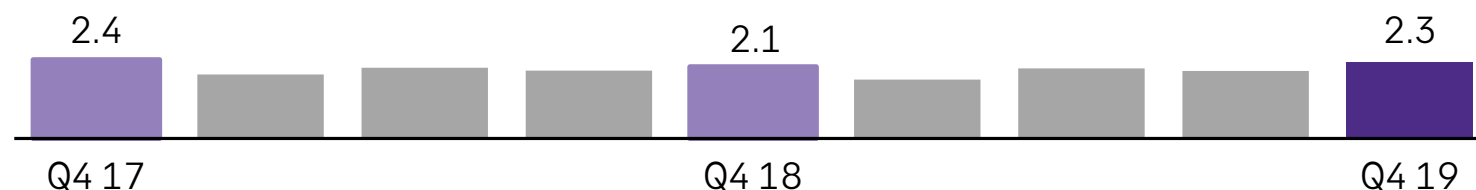
Net fee & commission income development

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

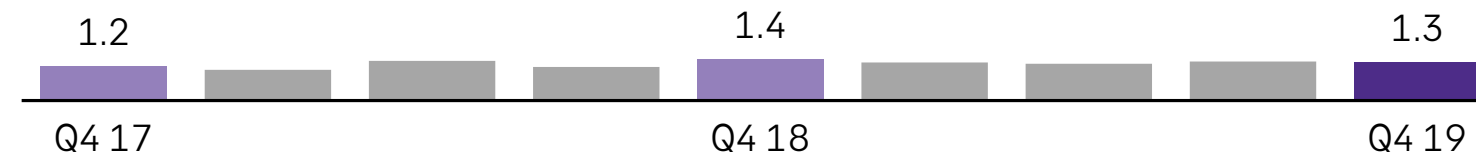


Net fee & commissions by income type (SEK bn)
Q4 2017 – Q4 2019

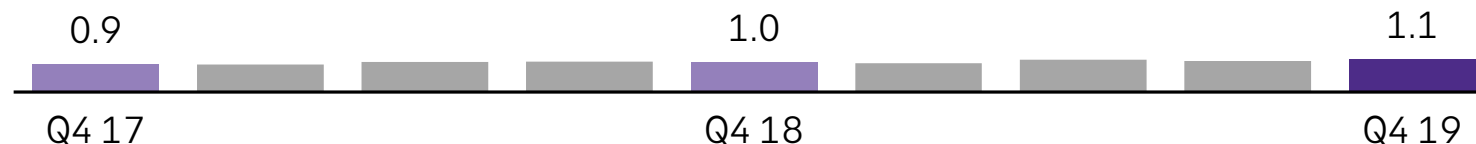
Net securities commissions (custody, mutual funds, brokerage)



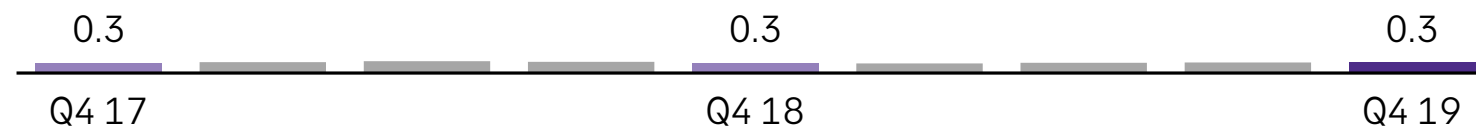
Net advisory fees, lending fees & other commissions



Net payment & card fees

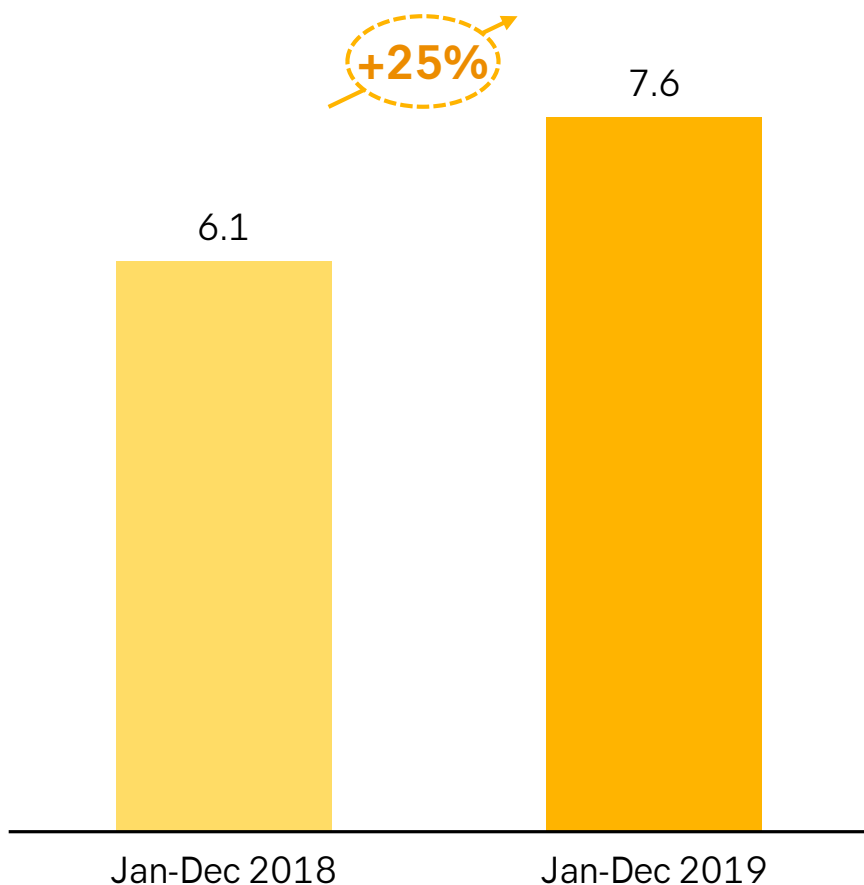


Net life insurance commissions

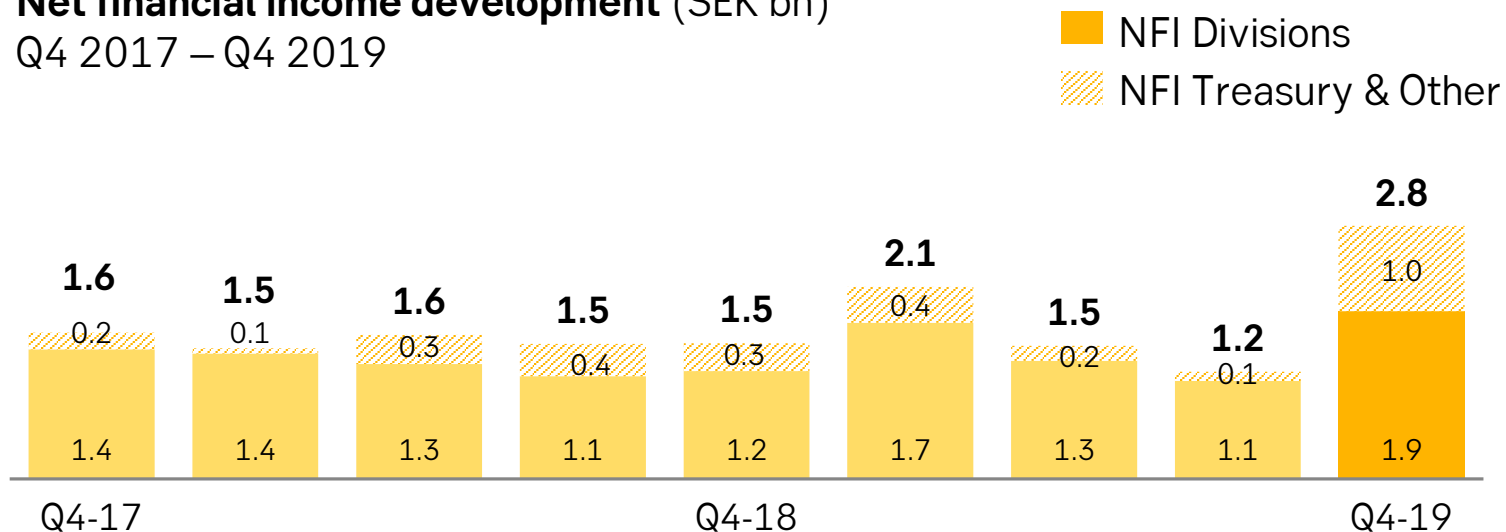


Net financial income development

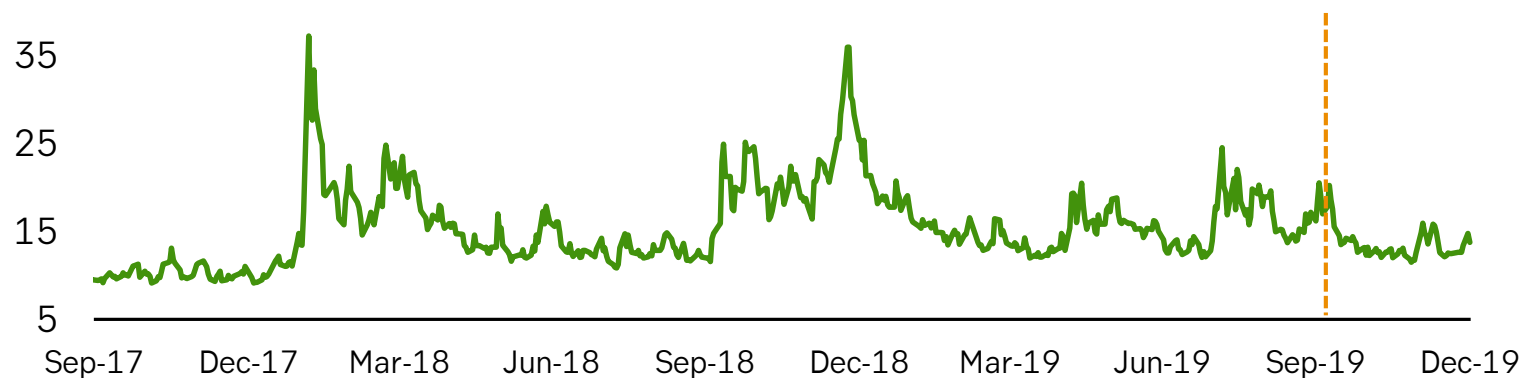
Net financial income (SEK bn)
Jan-Dec 2019 vs. Jan-Dec 2018



Net financial income development (SEK bn)
Q4 2017 – Q4 2019

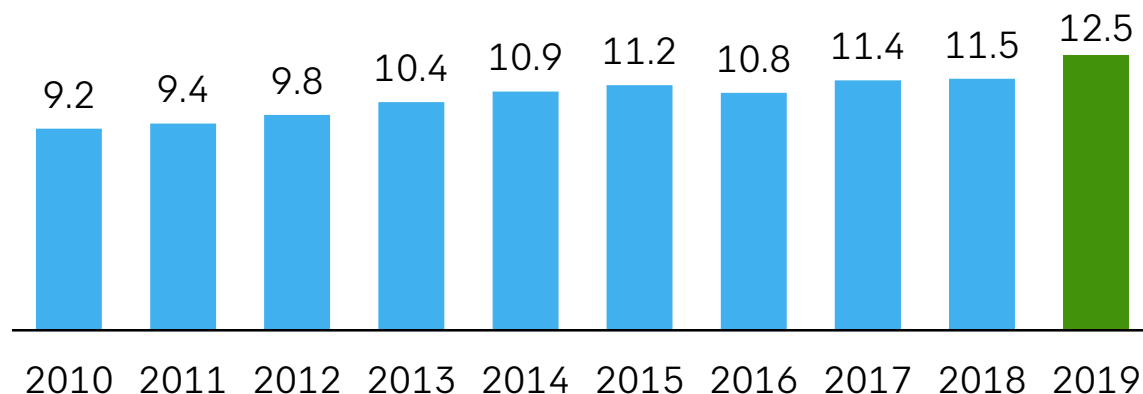


VIX index (VIX S&P 500 volatility)

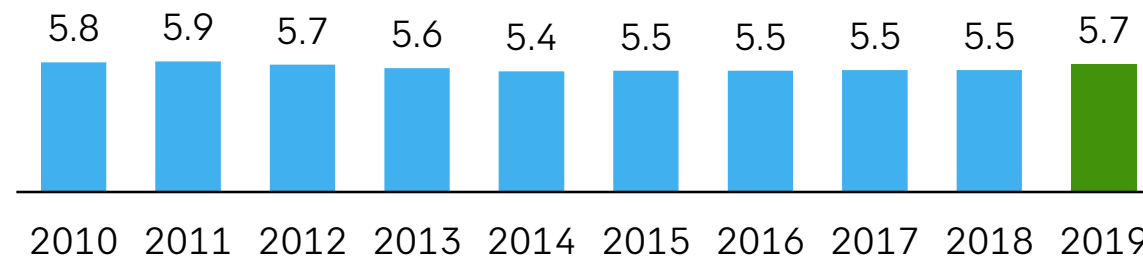


Operating leverage

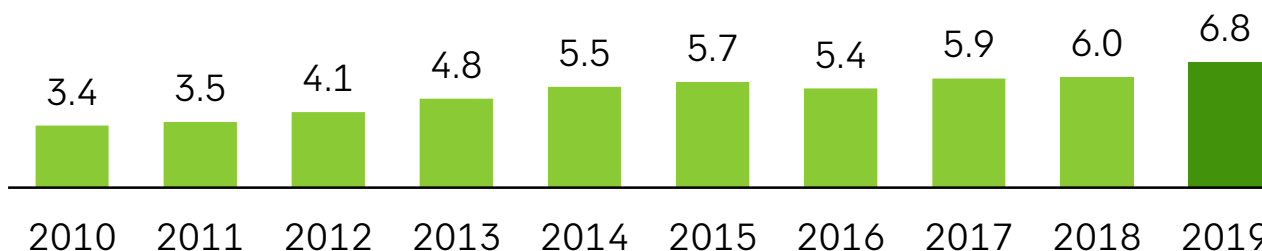
Average quarterly income (SEK bn)



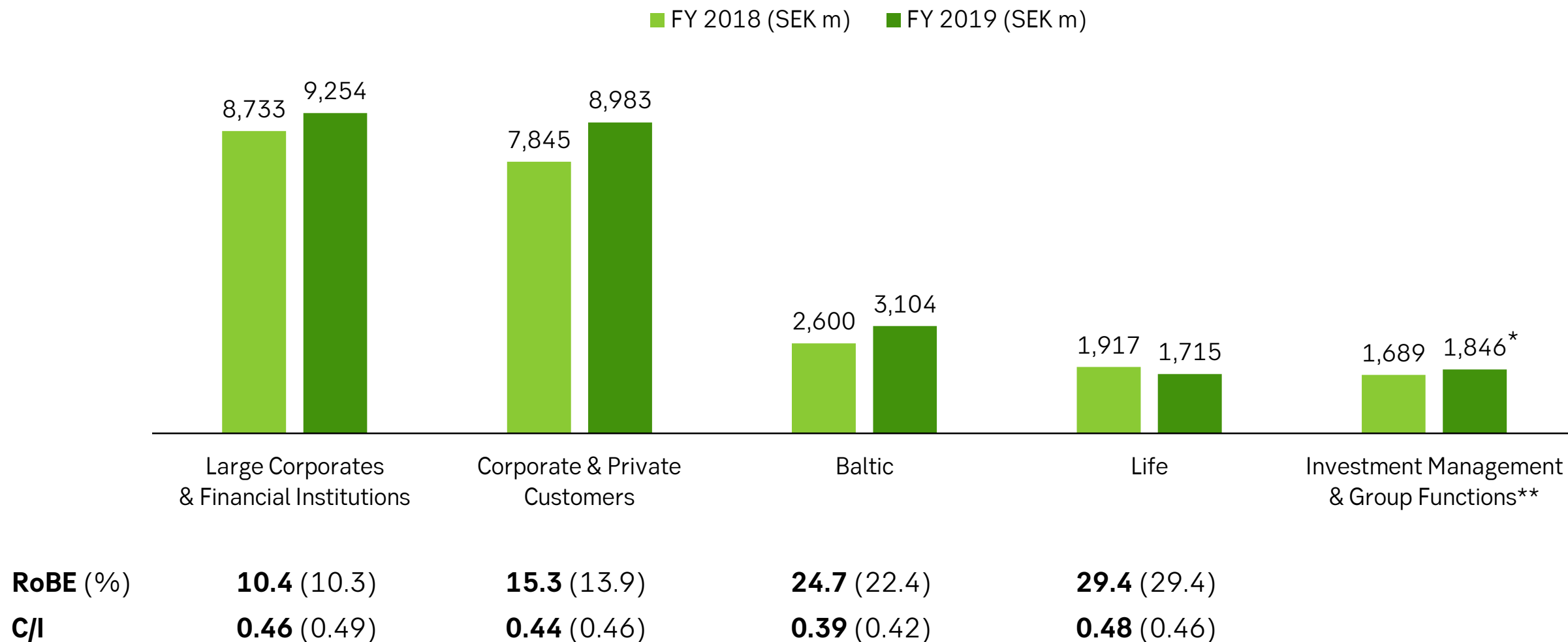
Average quarterly expenses (SEK bn)



Average quarterly profit before credit losses (SEK bn)



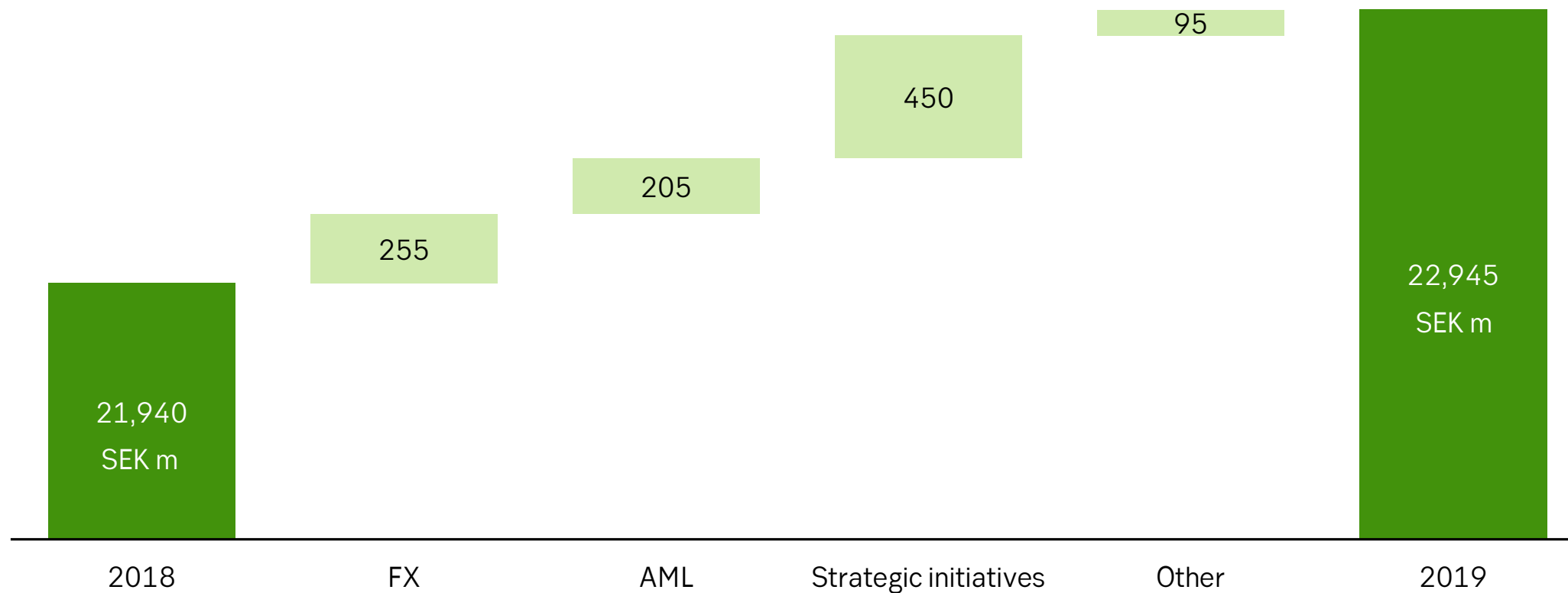
Operating profit by customer segment (excl. IAC)



* Operating profit for SEB Investment Management corresponded to SEK 1 321m Jan-Dec 2019 (1 465).

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

Development of operating expenses

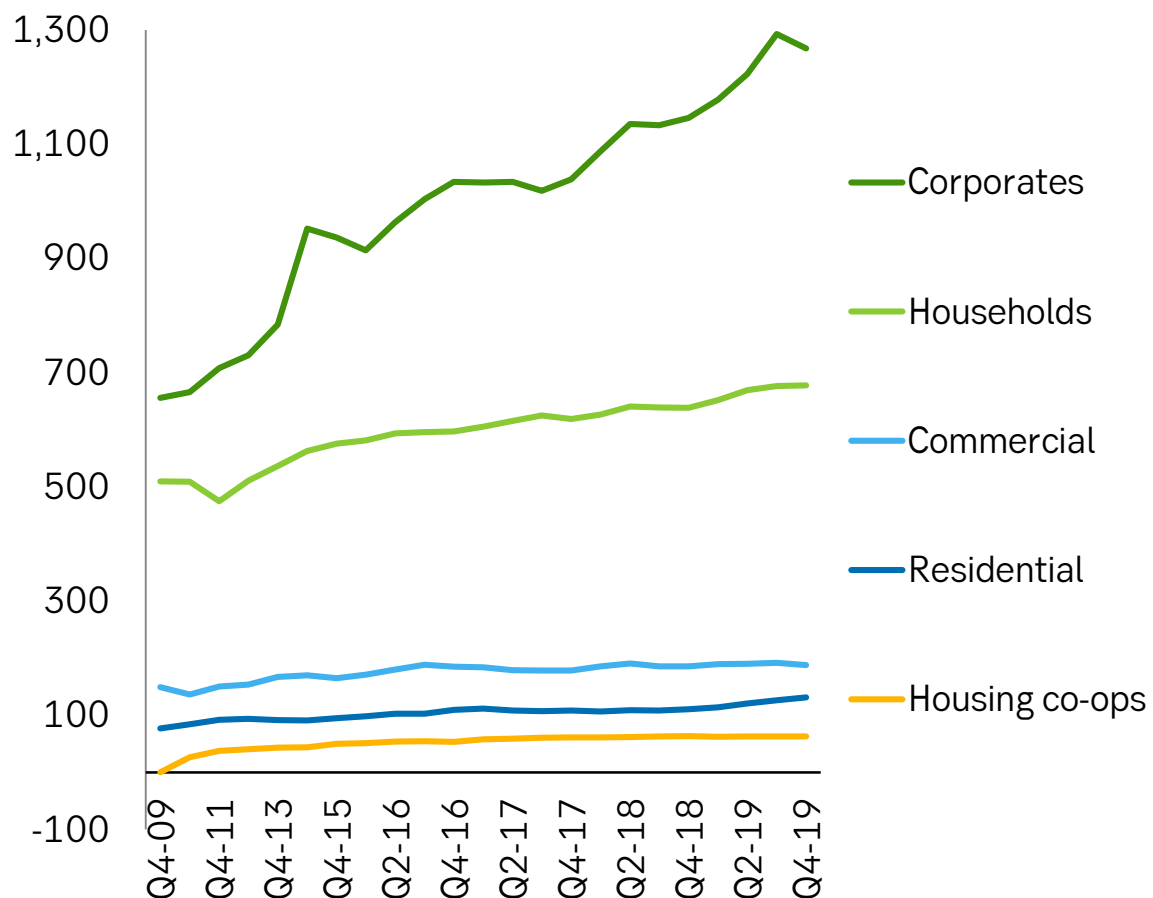


Strong asset quality & balance sheet

		2018	2019
Asset quality	Net expected credit loss level	0.06%	0.10%
Funding & liquidity	Customer deposits (SEK)	1,111bn	1,161bn
	Liquidity coverage ratio	147%	218%
Capital	CET 1 ratio (Basel 3)	17.6%	17.6%
	CET1 buffer above requirement	270bps	250bps
	Total capital ratio (Basel 3)	22.2%	23.3%
	Leverage ratio (Basel 3)	5.1%	5.1%

Development of credit portfolio

Credit portfolio by main sectors (SEK bn)



Credit portfolio growth rates by main sectors (%)

Sector	QoQ	YoY
Corporates	-2%	14%
<i>FX-adjusted</i>	1%	8%
Households	0%	6%
<i>Swedish mortgages</i>	0%	7%
Commercial real estate	-2%	1%
Residential real estate	4%	19%
Housing co-ops	0%	-1%

Regulatory update



Swedish FSA publicly announced its initiation of a **sanction evaluation process**, expected to be communicated by SFSA in April 2020.

18 December 2019



Mutual agreement with Latvian FSA to **conclude a supervisory review** by settling an administrative fee.

20 December 2019



More collaboration needed to combat financial crime. Proposal on law changes sent to the Swedish government.

29 October 2019



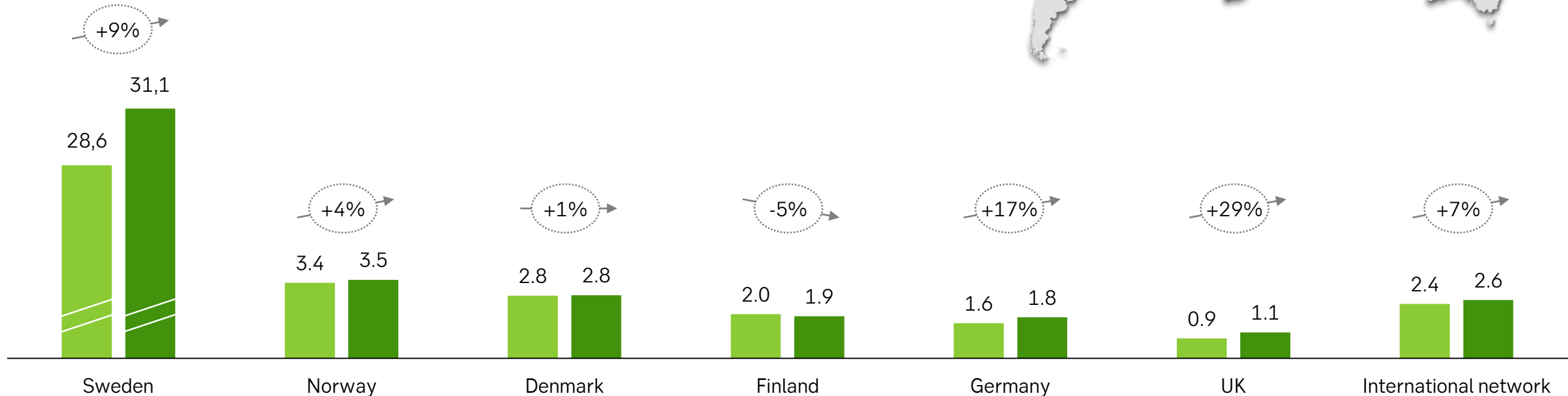
Svenska **Bankföreningen**
Swedish Bankers' Association

Broad-based growth across geographies

Local presence globally to support
our customers' international activities



■ Operating income 2018 (SEK bn)
■ Operating income 2019 (SEK bn)



Progress in line with business plan 2019-2021

STRATEGIC INITIATIVES

SELECTION OF DELIVERIES 2019

INVESTMENTS 2019

Critical enablers

- Automation, agile and centres of excellence
- Launch of SEB Campus, digital learning platform
- Sustainable solutions and classification of portfolios
- Enhanced capabilities to combat financial crime

SEK 121m

Advisory

- Establishment of dedicated energy client team
- Launch of SEB Singular
- Development of PB offering including digital tools

SEK 85m

Assets entrusted to us

- Custody business benefitting from infrastructure
- Strengthened institutional distribution outside Sweden
- Net flows of AuM challenging among private individuals

SEK 43m

Ecosystem

- Integration with a growing number of ERP systems
- Development of API-driven architecture
- Strategic partnerships established

SEK 122m

Digital explorer (SEBx)

- Agreement with cloud provider
- Launch of closed beta
- Knowledge exchange with SEB Group

SEK 79m

TOTAL INVESTMENTS
STRATEGIC INITIATIVES

450
SEK m

The journey towards...

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

SEB

