

Financial Results Q4 2022

26 January 2023

Johan Torgeby, President & CEO
Masih Yazdi, CFO

Highlights in Q4 2022

- Top ranked customer satisfaction for both Nordic corporates and financial institutions for the second year running
- Return on equity amounted to 14.7 per cent, driven by strong trading activity and higher interest rates. CET1 ratio amounted to 19.0 per cent and the capital buffer was 470 basis points above the regulatory capital requirement
- Our 2030 Strategy remains firm despite changes to our operating environment – cost target for 2023 of SEK 26.5-27bn, assuming 2022 FX-rates
- The Board of Directors has proposed to the AGM an ordinary dividend of SEK 6.75 per share and has decided on a new quarterly share buyback programme of SEK 1.25 bn



Financial summary 2022

SEK m	Jan-Dec 2022	Jan-Dec 2021	
Total operating income	64,589	55,638	+16%
Total operating expenses	-25,044	-23,245	+8%
Profit before ECL and imposed levies	39,544	32,393	+22%
Net expected credit losses	-2,007	-510	+294%
Imposed levies	-2,288	-1,019	+125%
Items affecting comparability	-1,399	0	
Operating profit	33,850	30,864	+10%
Net profit	26,989	25,423	+6%
Return on equity	13.8%	13.9%	-0.1ppt

Net ECL level
7 bps

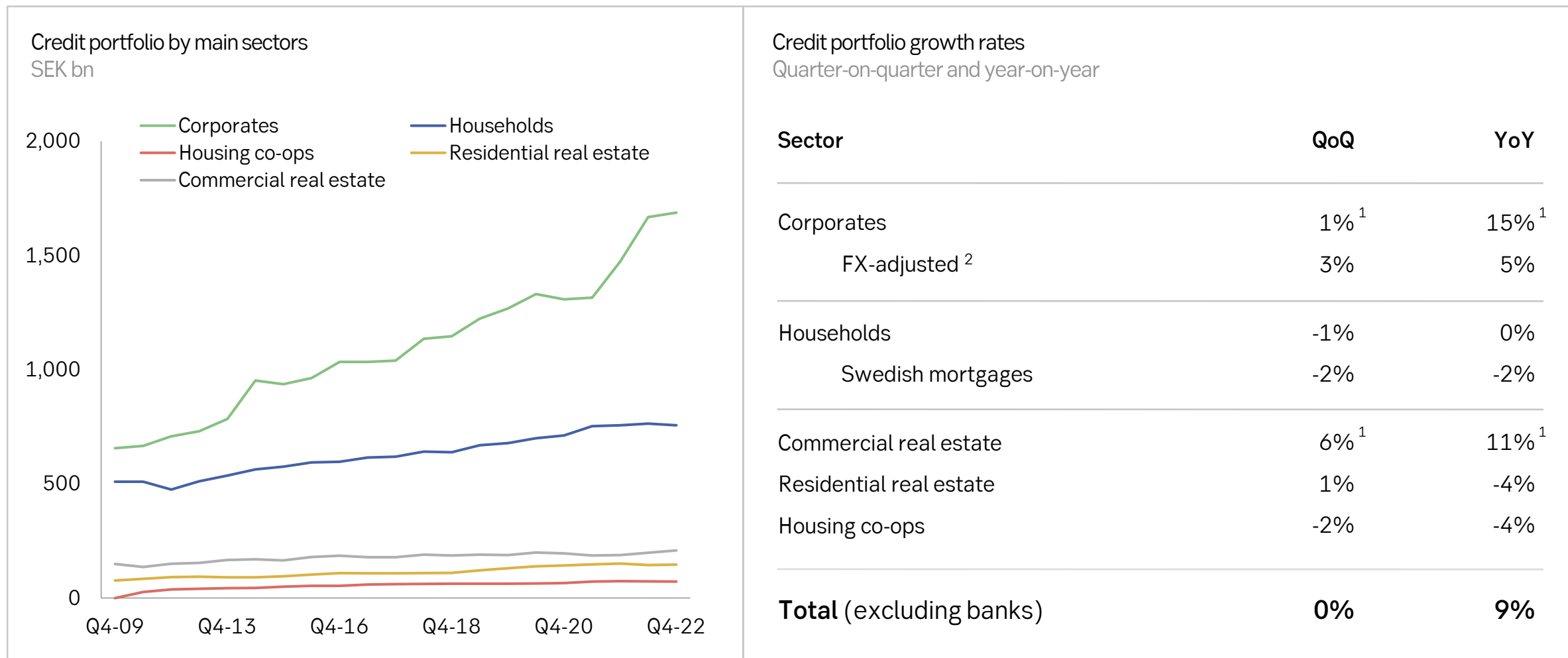
C/I
0.39

CET1
19.0%

Proposed DPS ¹
6.75

¹ Dividend per share as proposed by SEB's Board of Directors to the Annual General Meeting.

Development of credit portfolio



Note: data includes on- and off-balance sheet exposures.

¹ Adjusted for industry code reclassifications, growth was 2% QoQ (15% YoY) for corporates and 0% QoQ (5% YoY) for commercial real estate.

² Corporate FX-adjusted excluding trading products.

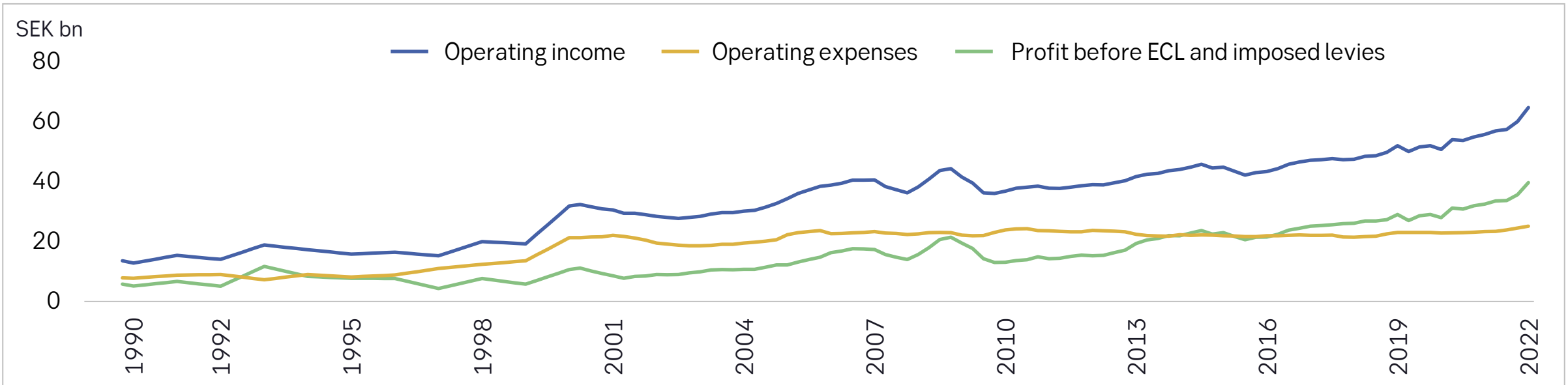
Financial Results Q4 2022

Masih Yazdi, CFO

Financial summary Q4 2022

SEK m	Q4 2022	Q3 2022		Q4 2021		
Total operating income	18,829	16,551	+14%	14,127	+33%	Net ECL level 8 bps C/I 0.36 CET1 19.0% RoE 14.7%
Net interest income	9,715	8,925	+9%	6,717	+45%	
Net fee and commission income	5,416	5,261	+3%	5,885	-8%	
Net financial income	3,502	2,324	+51%	1,517	+131%	
Total operating expenses	-6,757	-6,293	+7%	-6,097	+11%	
Profit before ECL and imposed levies	12,073	10,258	+18%	8,030	+50%	
Net expected credit losses	-506	-567	-11%	-299	+70%	
Imposed levies	-578	-572	+1%	-255	+127%	
Items affecting comparability	-1,399	0		0		
Operating profit	9,590	9,118	+5%	7,476	+28%	
Net profit	7,434	7,311	+2%	6,198	+20%	

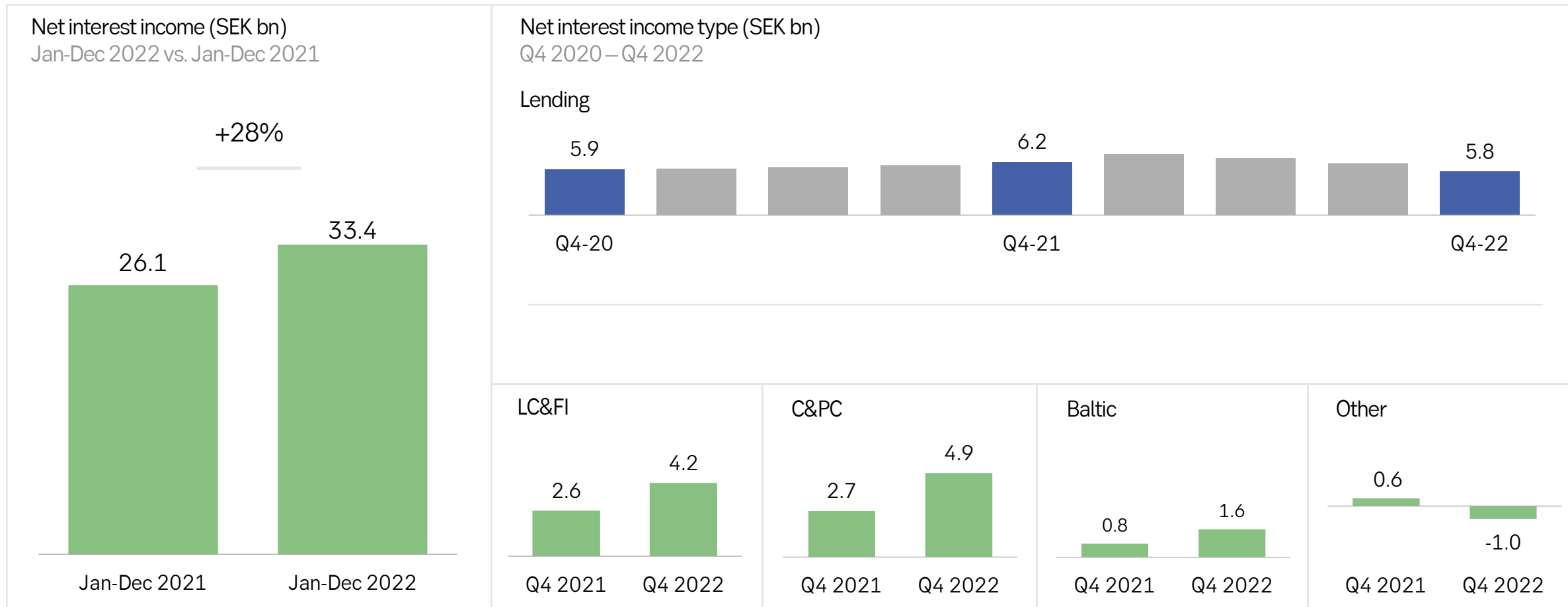
Operating leverage over time



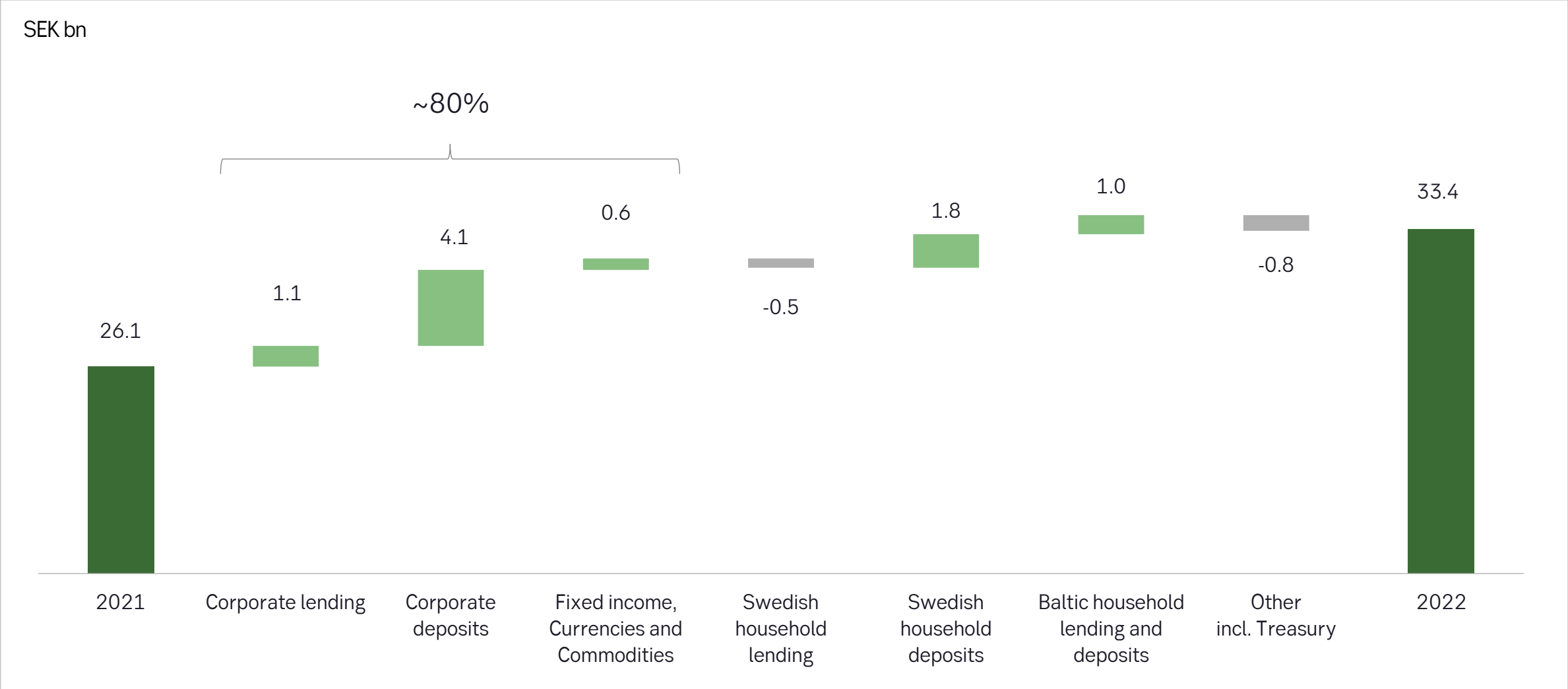
Compound annual growth rate (CAGR)			
	1990 – 2022	2013 – 2022	2017 – 2022
Operating income	+6%	+5%	+7%
Operating expenses	+4%	1%	+2%
Profit before ECL and imposed levies	+6%	+10%	+11%

Note: data based on rolling four quarters. Figures restated since 2016.

Net interest income development

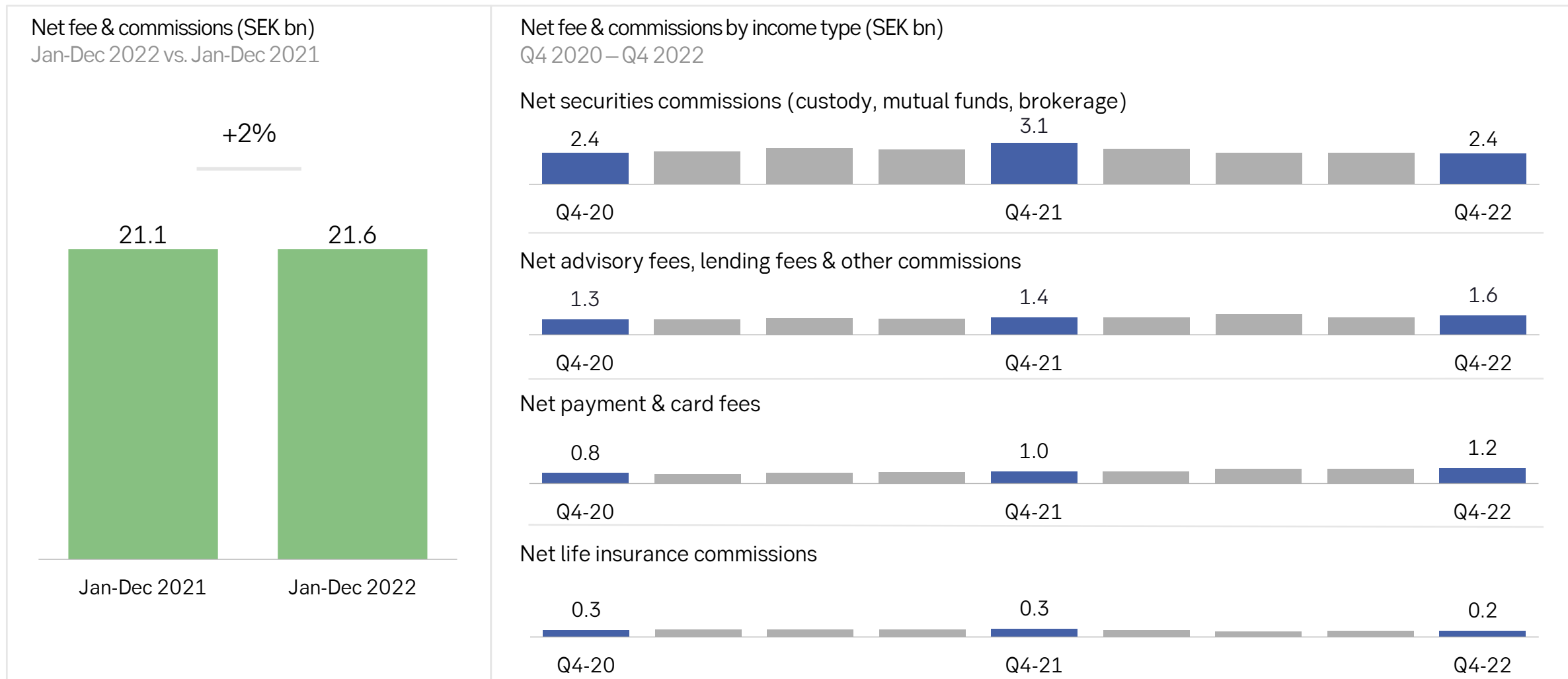


NII improvement driven by corporates and financial institutions

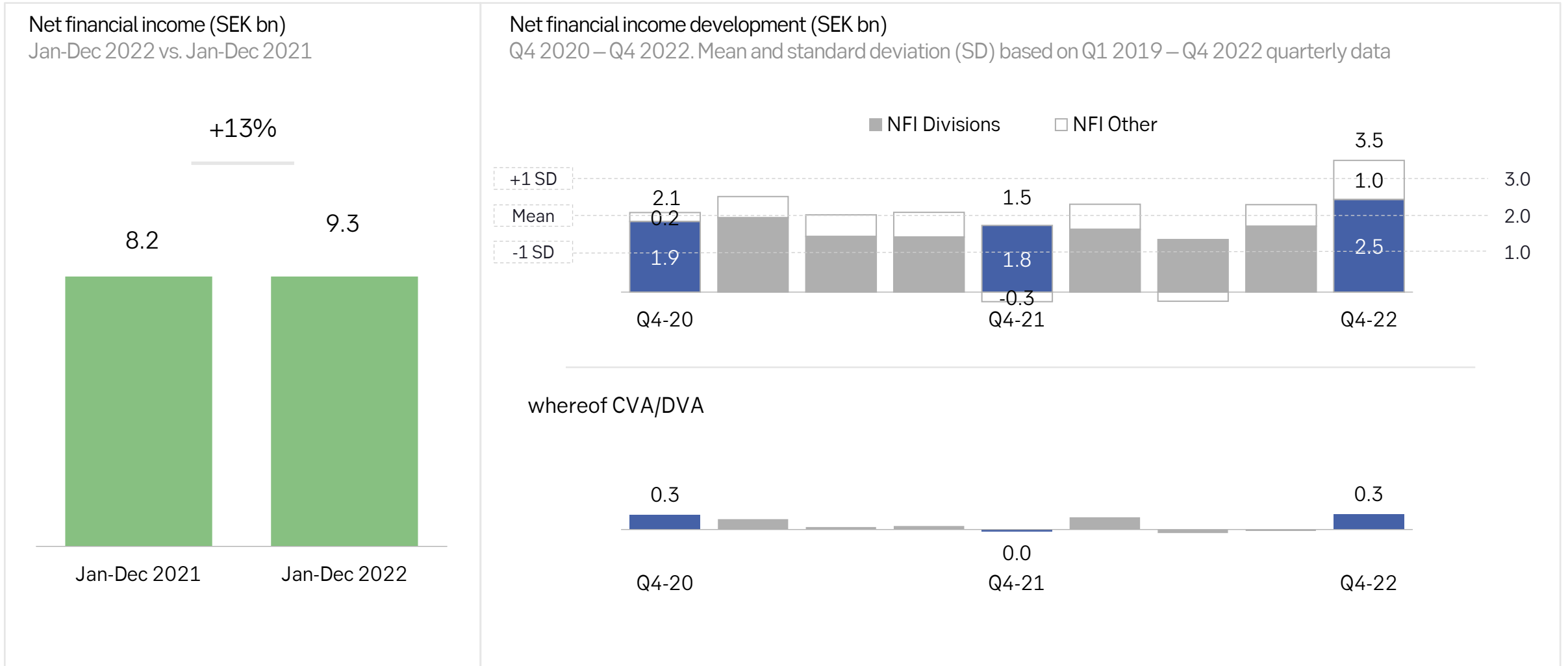


Note: including FX-effect of SEK +0.6bn.

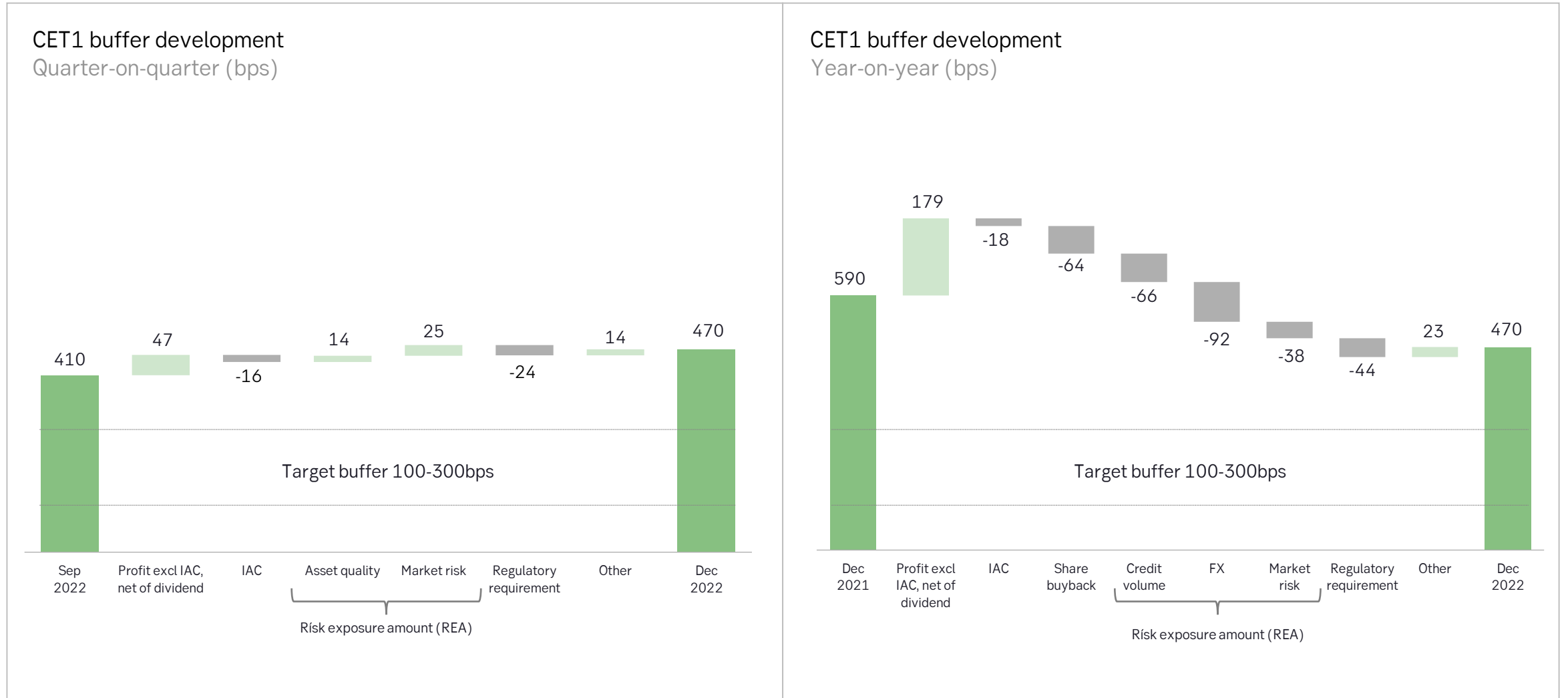
Net fee & commission income development



Net financial income development

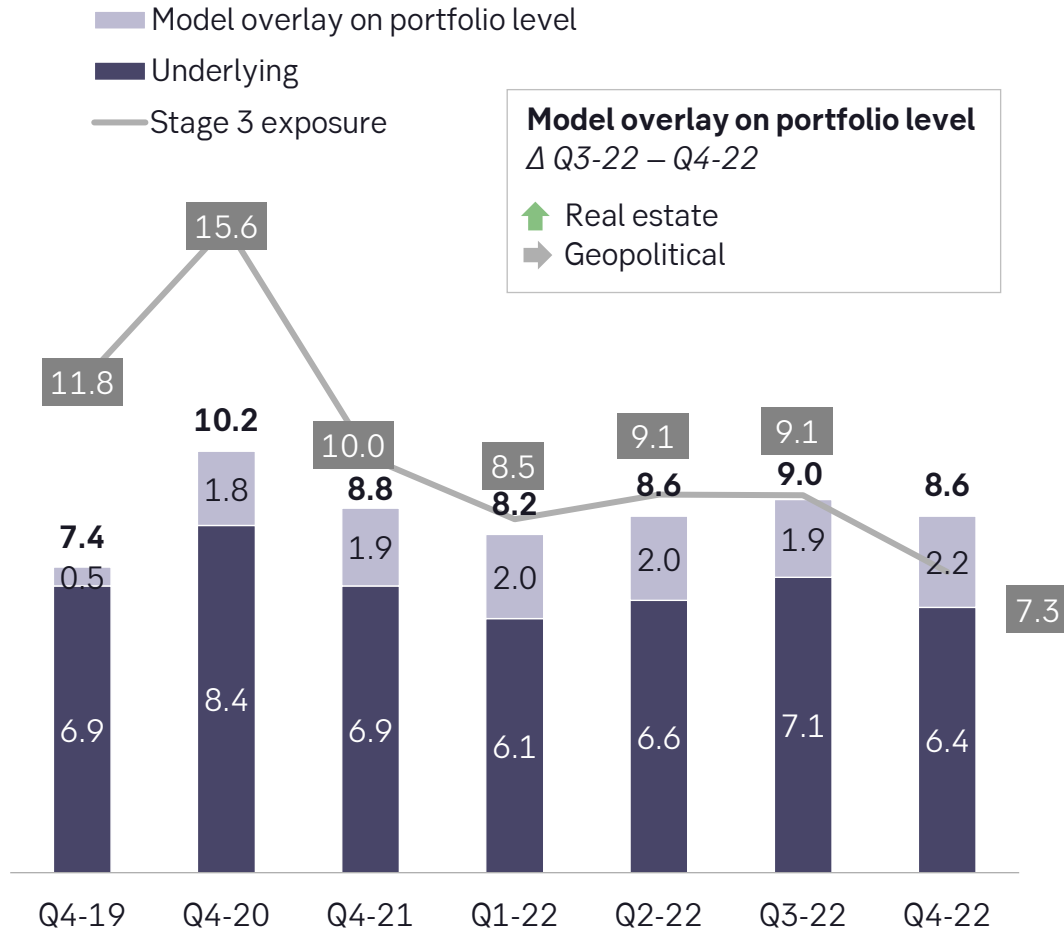


Capital development



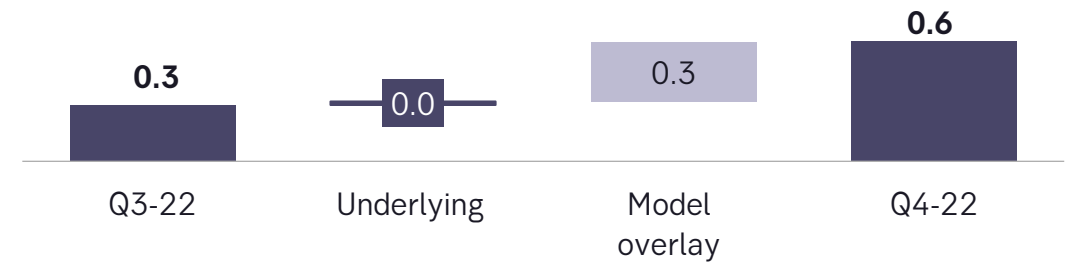
Expected credit loss allowances

SEK bn



Increased real estate portfolio overlay

ECL allowances for real estate loans (SEK bn)



- Bottom-up screening of real estate portfolio to identify potential vulnerable clients
- Assumptions used to quantify the overlay:
 - 10% default rate, and;
 - 20% drop in property values for potential vulnerable clients

Strong asset quality and balance sheet

2021

Asset quality

Net expected credit loss level 2 bps

Funding & liquidity

Customer deposits (SEK) 1,597bn

Liquidity coverage ratio 145%

Net Stable Funding Ratio (NSFR) 111%

Capital

CET1 ratio (Basel 3) 19.7%

CET1 buffer above requirement 590 bps

Total capital ratio (Basel 3) 23.1%

Leverage ratio (Basel 3) 5.0%

2022

Asset quality

Net expected credit loss level 7 bps

Funding & liquidity

Customer deposits (SEK) 1,702bn

Liquidity coverage ratio 143%

Net Stable Funding Ratio (NSFR) 109%

Capital

CET1 ratio (Basel 3) 19.0%

CET1 buffer above requirement 470 bps

Total capital ratio (Basel 3) 22.5%

Leverage ratio (Basel 3) 5.0%

Business plan update

Johan Torgeby, President & CEO

A selection of what we have delivered during 2022

Future-proofing customer relationships and profit generation

Future-proofing our platform

Acceleration of efforts

1

- Expansion of corporate banking business to Netherlands, Austria and Switzerland
- Investment Management broadening its savings offering by adding new funds
- Sustainability Activity Index +59%
- Carbon Exposure Index -17%

Strategic change

2

- Additional functionality launched in SEB mobile app
- Continued expansion of PWM&FO division – establishment in Nice and advisory offering for philanthropic purposes
- Commercialising Banking-as-a-Service through SEB Embedded

Strategic partnerships

3

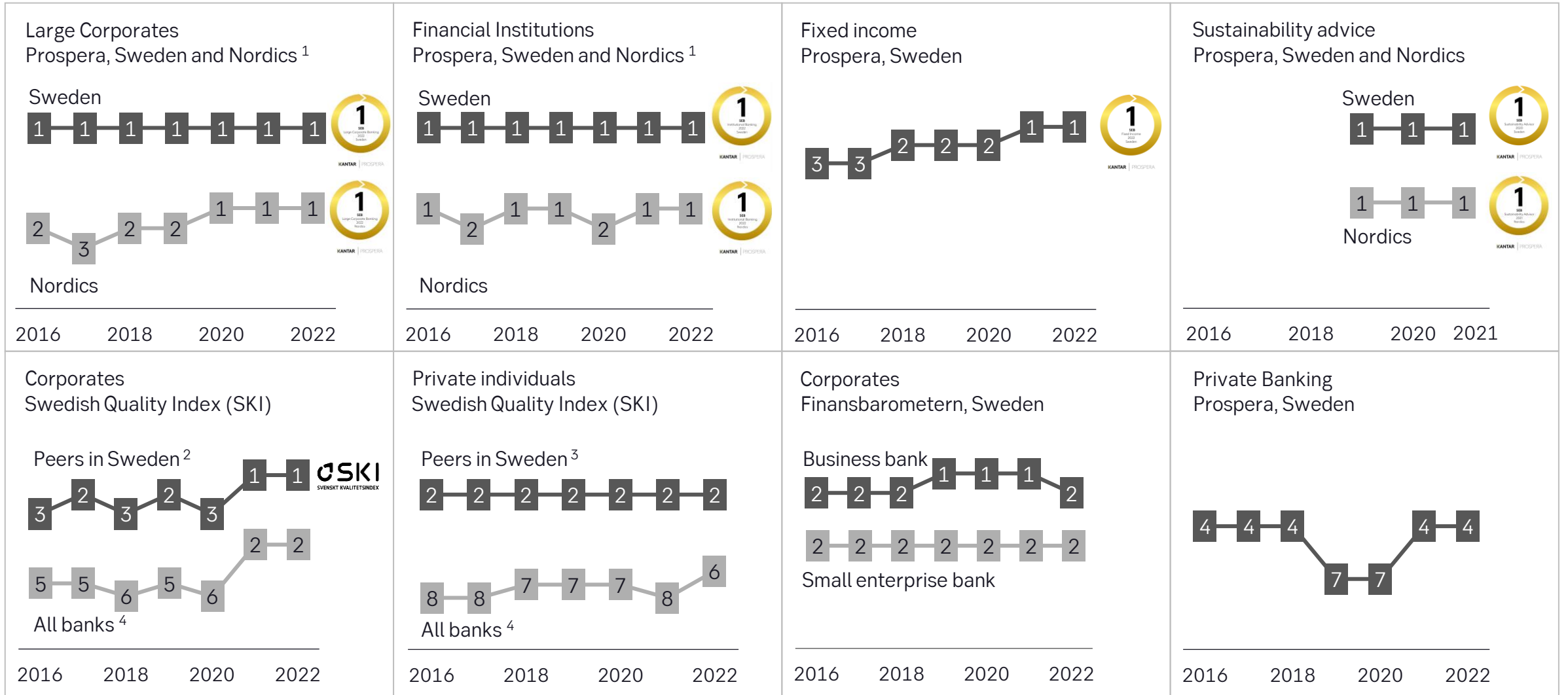
- Partnership established with Ringkjøbing Landbobank to support Private Wealth Management customers
- SEB Greentech VC and SEB Venture Capital invested in six new companies
- Cooperation with Swedish Police to support effort to combat financial crime

Efficiency improvement

4

- Further automation within the sub-custody process
- Financial Intelligence Unit set up within the Financial Crime Prevention organisation
- Improved data governance and coordination through new group-wide data and analytics function

Our efforts have resulted in positive feedback from our customers



¹ All Tiers. ² Ranking including SEB, Handelsbanken, Swedbank, Nordea, Danske Bank. ³ Ranking including SEB, Handelsbanken, Swedbank, Nordea.

⁴ Banks with less than 300 respondents are summarised as one actor ('Other').

Our key trends are still relevant despite a volatile operating environment

Corporate and Investment Banking

Swedish ECM volumes

2007-2021
+13% CAGR



2022 development

Significantly dampened activity due to falling asset prices

Savings and investments

Swedish savings ratio
(savings as share of disposable income)

2021
16%



2022 development

Increased cost of living resulting in lower savings propensity

New technologies

Retail banks' top 6 technology priorities for 2022
(North America)

Public cloud services
Data management
Customer experience
Digital identity
Open banking
Core platform investment



2022 development

Maintained focus on new technologies, with increasing focus on cyber security

Sustainability

Yearly issuance volumes in sustainable debt market

2013-2021
+67% CAGR



2022 development

Sustainable debt market decreasing relatively less than overall debt market

Non-financial risks

Top 10 CRO priorities

2015-2021
4/10 → 7/10
related to non-financial risks



2022 development

Continued shift to non-financial risks

2030 Strategy remains firm though we adjust the sequencing of our business plan

Future-proofing customer relationships and profit generation

Future-proofing our platform

Acceleration of efforts

1

- Expand Corporate and Investment Banking
- Leverage Custody and Markets platforms to become Nordic market leader
- Grow Savings and Investments in the Nordics and the Baltics
- Capture the sustainability supercycle

Strategic change

2

- Transform Retail Banking to go more digital, with a mobile first approach, in Sweden and the Baltics
- Establish Private Wealth Management & Family Office division in all home markets
- Scale and implement SEBx capabilities

Strategic partnerships

3

- Rethink ways of producing and distributing products and services
 - Strengthen innovation and business momentum through external partnerships
-
- | | |
|------------------------|---------------|
| • Open banking | • SEBx |
| • Fintech partnerships | • P27 |
| • Cloud partnership | • SAMLIT |
| • Greentech VC | • KYC Utility |

Efficiency improvement

4

- Change approach from automation to end-to-end processes
- Develop into a fully data-driven organisation
- Accelerate technology development
- Enhance regulatory efficiency

Business plan update

Masih Yazdi, CFO

In 2023, we will continue to invest to future-proof our business

Costs 2022 ————— SEK 25.0bn

4-10% inflation ————— +1,300 – 1,600m

of which
salary inflation + 800 – 900m

Premises, info services and energy prices + 500 – 700m

Efficiencies ————— - 500 – 600m

Investment plan ————— + 800 – 900m

Costs 2023 ————— SEK 26.5-27.0bn
assuming 2022 FX-rates

A selection of investments

The front
~300m

- Remote advisory
- PWM&FO expansion
- Austria, Switzerland, Netherlands
- Sustainability

Future-proofing
the core
~150m

- Cyber security
- On/offboarding
- Cloud capabilities

House in order
~350m

- Financial Crime Prevention
- Risk
- Compliance

Updated financial aspirations for divisions, evaluated annually

	Return on Business Equity		Cost/Income	
	Aspiration ¹	Actual 2022	Aspiration ¹	Actual 2022
Large Corporates & Financial Institutions	>13%	14.5%	<0.45 (<0.50)	0.38
Corporate & Private Customers	>16%	18.2%	<0.40	0.38
Private Wealth Management & Family Office	>25%	33.9%	<0.50	0.49
Baltic	>20%	28.6%	<0.40	0.34
Life	>30%	33.7%	<0.45	0.43
Investment Management	>40%	61.2%	<0.45 (<0.40)	0.42
SEB Group	~15%	14.5%	0.40-0.45 (~0.45)	0.39

Note: Previous financial aspirations in parenthesis. ¹ To be viewed as long-term (5-year perspective) and will be updated based on other Nordic banks' performance.

Adjustments to divisional aspirations
primarily driven by organisational changes

SEB Group financial targets

~50%

Dividend payout ratio of EPS ¹

100-300_{bps}

CET1 ratio above requirement

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



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.

¹ Excluding items affecting comparability.



Thank you for your attention