

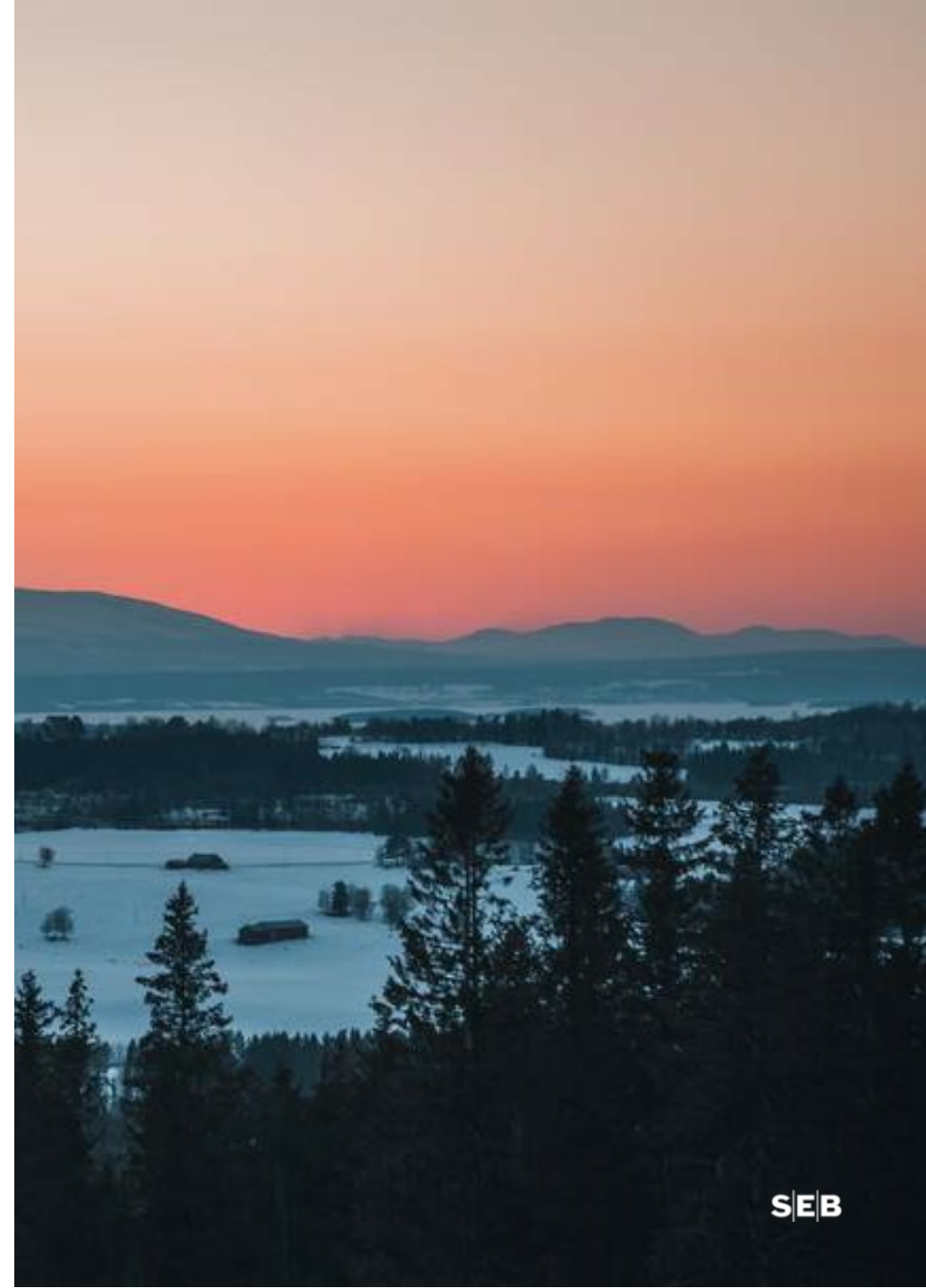
# Financial results Q3 2023

25 October 2023

Johan Torgeby, President & CEO  
Masih Yazdi, CFO

# Highlights in Q3 2023

- Return on equity amounted to 19.8 per cent on a Common Equity Tier 1 capital ratio of 18.9 per cent.
- Significantly improved availability and customer satisfaction among retail customers in Sweden.
- Credit quality remained robust, reflected in a small net reversal of provisions.
- The capital buffer was 430 basis points above the capital requirement, and a new quarterly share buyback programme of SEK 1.25bn was decided upon by the Board.



# A selection of recent events

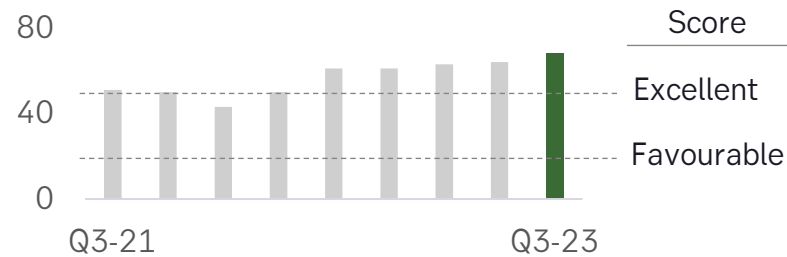
## Significantly improved **availability**...

Average queuing time to SEB's telephone bank

	Sep 2021	Sep 2023
Corporate	> 30 minutes	<3 minutes
Private	> 30 minutes	<3 minutes

## ... and **private customer satisfaction**

Measured by NPS <sup>1</sup>, quarterly average in Sweden



## Top rated **telephone bank**

According to Swedish Quality Index (SKI) survey

Did you receive help with your errand at your latest contact with the telephone bank?

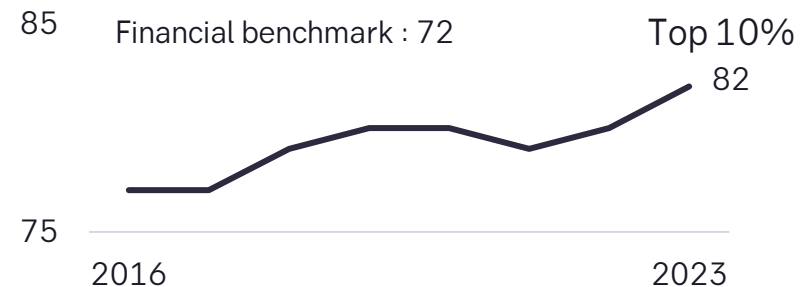
**#1** ranking

**84%** replied yes



## Record high **employee engagement**

Measured by annual internal employee survey



## Recent **customer survey rankings**

Ranking according to Prospera customer survey



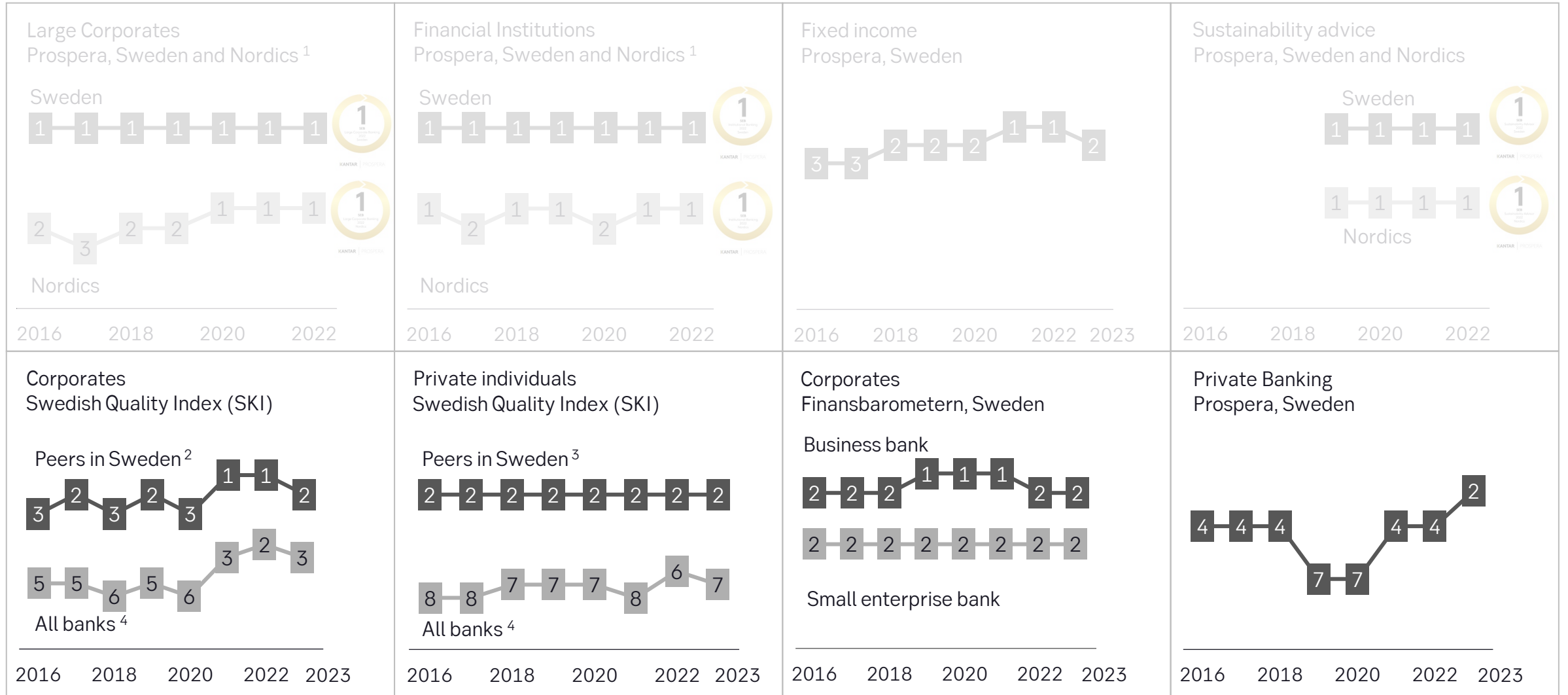
Nordic Equity



Nordic external asset management

<sup>1</sup> Transactional Net Promoter Score (NPS) for private advisory. The score "grading" is from Bain & Company, the creators of NPS.

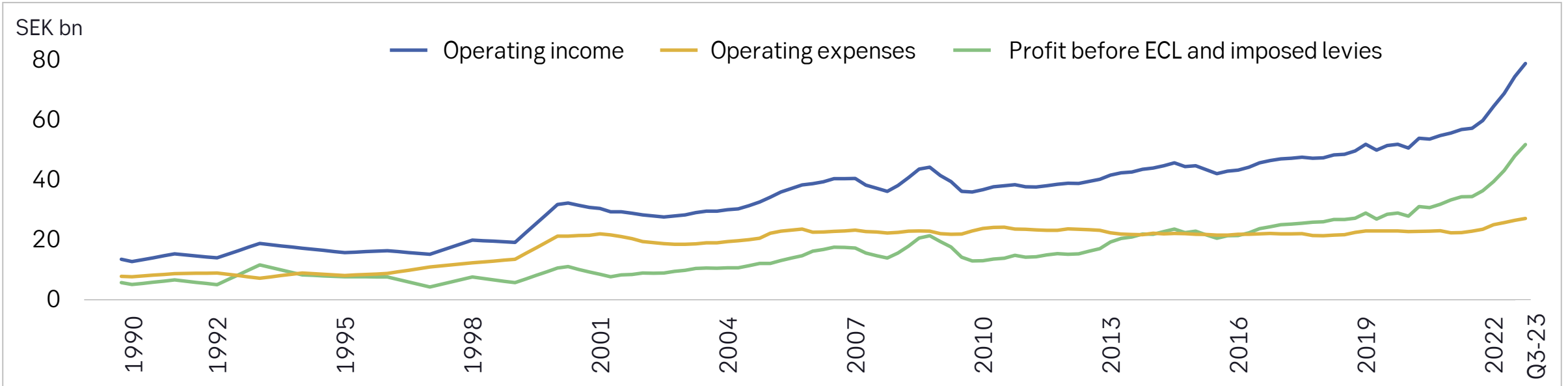
# We continue to receive positive feedback from our customers



<sup>1</sup> All Tiers. <sup>2</sup> Ranking including SEB, Handelsbanken, Swedbank, Nordea, Danske Bank. <sup>3</sup> Ranking including SEB, Handelsbanken, Swedbank, Nordea.

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

# Stable operating leverage growth over time

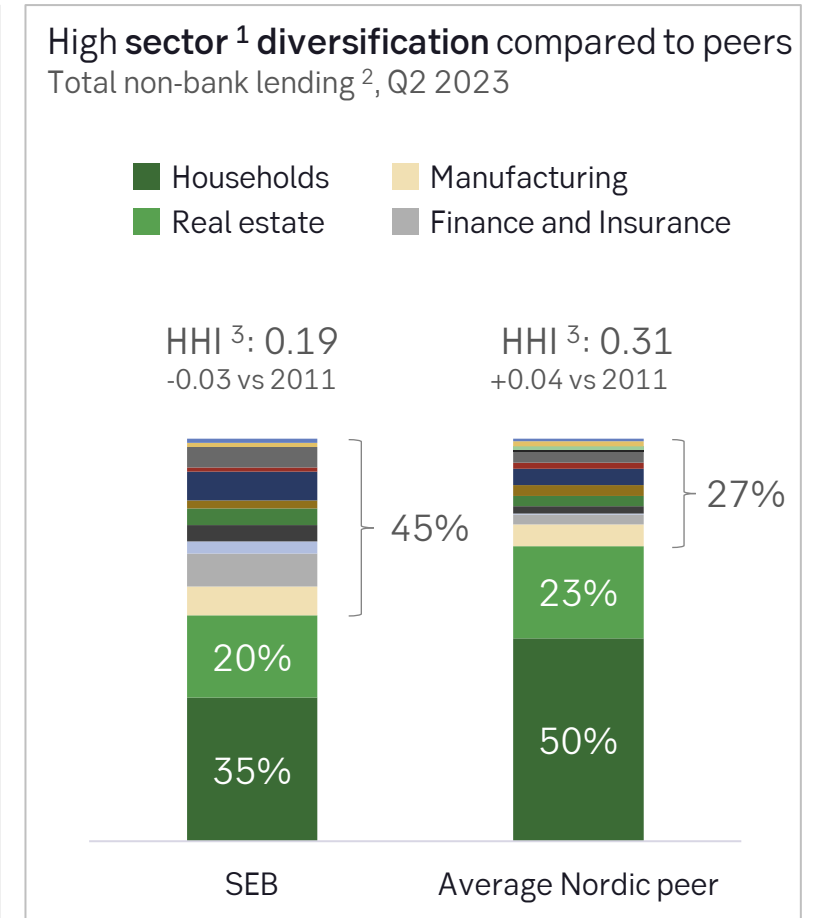
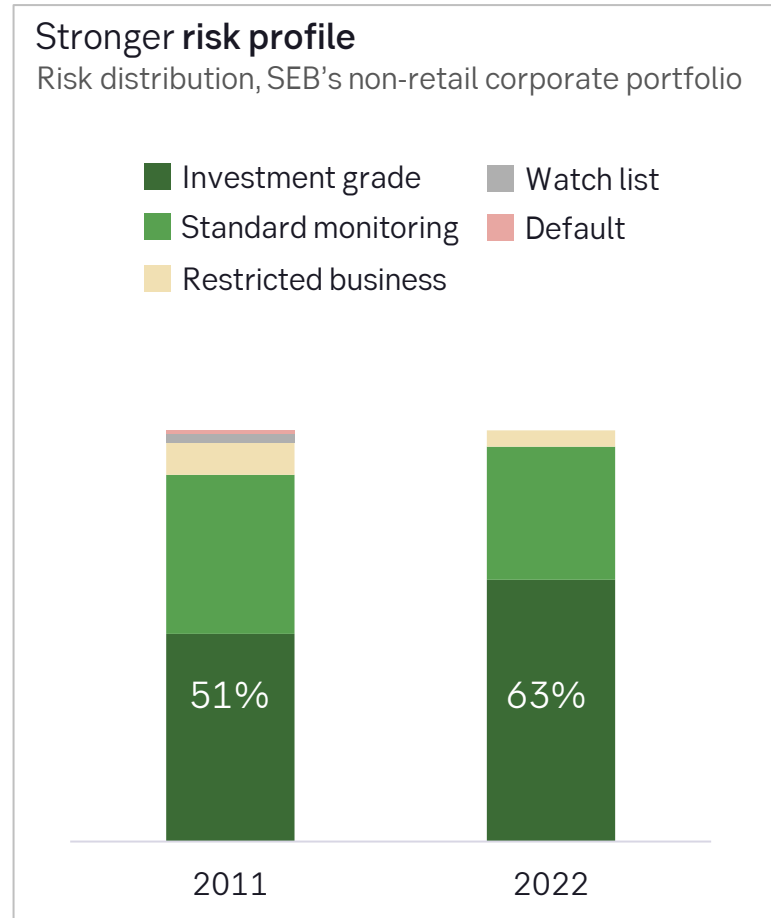
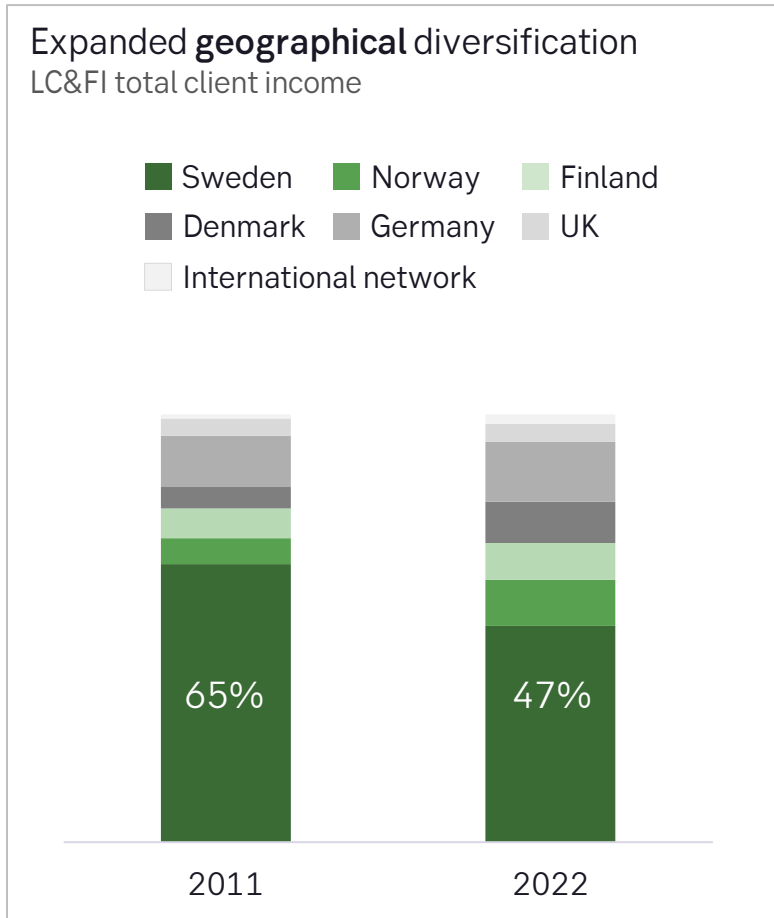


## Compound annual growth rate (CAGR)

	1990 – Q3 2023	2013 – Q3 2023	2017 – Q3 2023
Operating income	+6%	+7%	+9%
Operating expenses	+5%	+1%	+3%
Profit before ECL and imposed levies	+7%	+12%	+14%

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

# More diversified and more robust risk profile



<sup>1</sup> For all sectors starting from the bottom: Households; Real estate; Manufacturing, Finance & Insurance; Holding and investment companies; Transport and storage; Wholesale and retail trade; Agriculture, forestry and fishing; Service activities, business and industry; Construction, Electricity, gas and water supply; Hotels and restaurants; Mining and quarrying; Other; Public administration. <sup>2</sup> Lending excluding reversed repos and collateral margin. <sup>3</sup> Herfindahl-Hirschmann index: an indicator of credit concentration risk to industries/economic sectors (1.0 = full concentration).



Masih Yazdi, CFO

# Financial summary YTD 2023

SEK m	Jan-Sep 2023	Jan-Sep 2022	
<b>Total operating income</b>	<b>60,057</b>	<b>45,680</b>	<b>+31%</b>
Net interest income	35,426	23,728	+49%
Net fee and commission income	16,127	16,124	0%
Net financial income	7,606	5,766	+32%
Other income	899	62	
Total operating expenses	-20,319	-18,288	+11%
<b>Profit before ECL and imposed levies</b>	<b>39,738</b>	<b>27,393</b>	<b>+45%</b>
Net expected credit losses	-298	-1,501	-80%
Imposed levies	-2,744	-1,711	+60%
<b>Operating profit</b>	<b>36,696</b>	<b>24,181</b>	<b>+52%</b>

Net ECL level  
1 bps

C/I  
0.34

CET1  
18.9 %

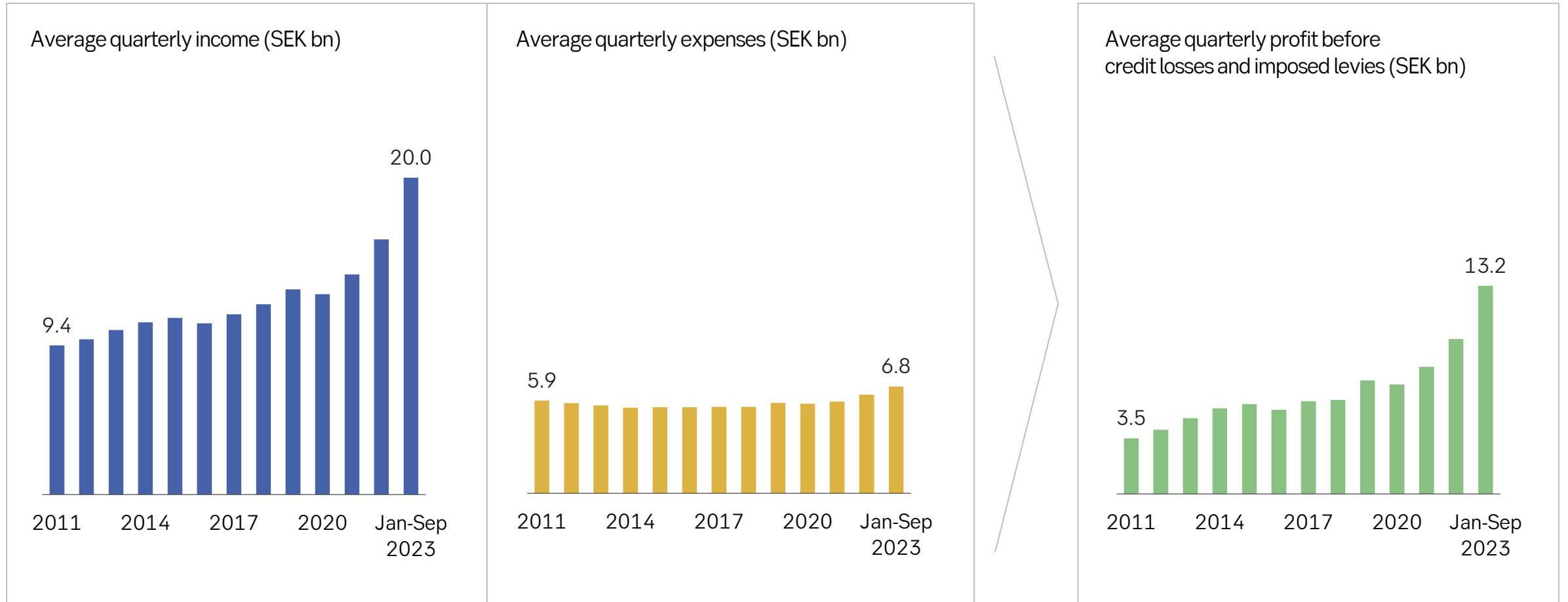
RoE  
18.9%



# Financial summary Q3 2023

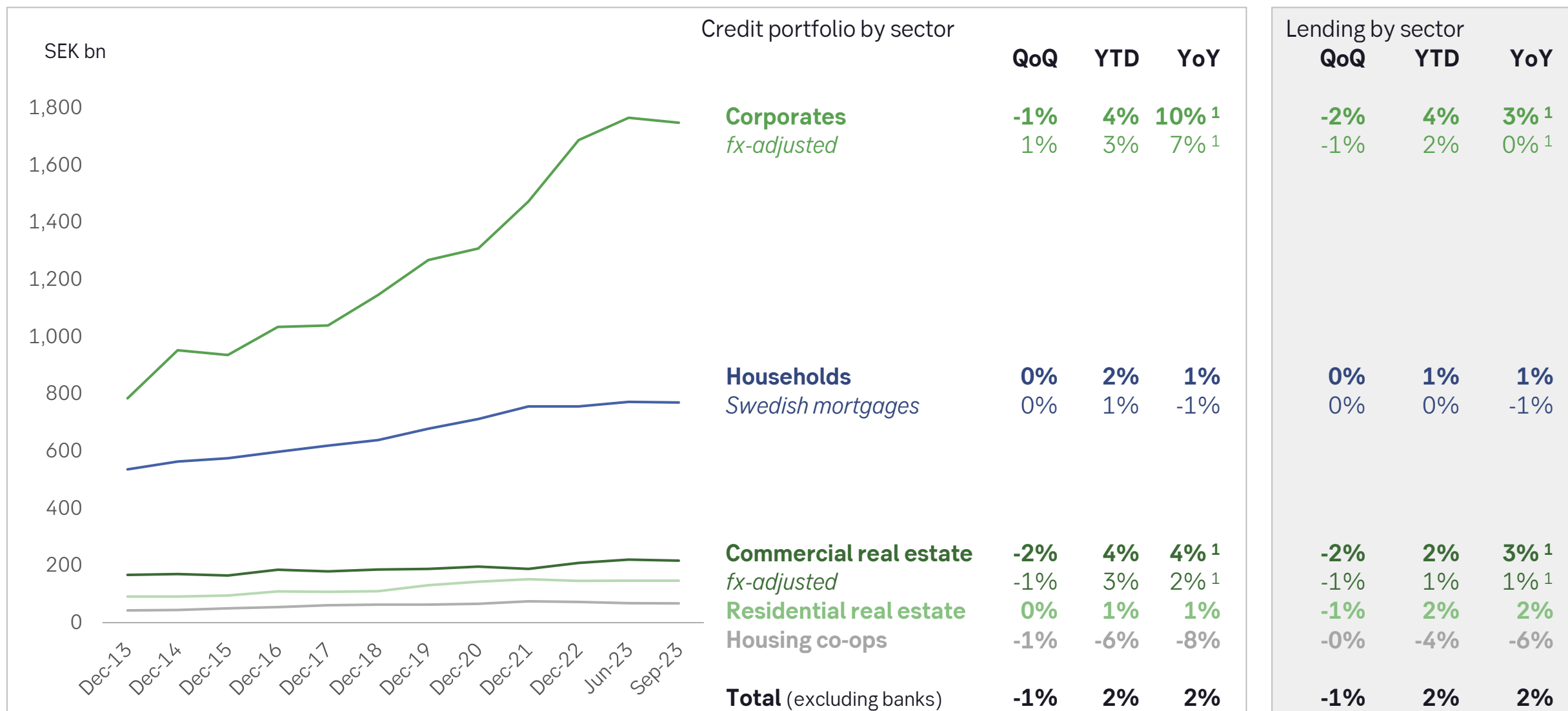
SEK m	Q3 2023	Q2 2023		Q3 2022		
<b>Total operating income</b>	<b>20,979</b>	<b>20,019</b>	<b>+5%</b>	<b>16,552</b>	<b>+27%</b>	<b>Net ECL level</b> 0 bps  <b>C/I</b> 0.33  <b>CET1</b> 18.9%  <b>RoE</b> 19.8%
Net interest income	12,248	11,881	+3%	8,925	+37%	
Net fee and commission income	5,320	5,637	-6%	5,257	+1%	
Net financial income	2,594	2,609	-1%	2,330	+11%	
Other income	817	-108		41		
Total operating expenses	-6,905	-6,948	-1%	-6,293	+10%	
<b>Profit before ECL and imposed levies</b>	<b>14,073</b>	<b>13,070</b>	<b>+8%</b>	<b>10,259</b>	<b>+37%</b>	
Net expected credit losses	17	-43		-567		
Imposed levies	-1,108	-934	+19%	-572	+94%	
<b>Operating profit</b>	<b>12,983</b>	<b>12,093</b>	<b>+7%</b>	<b>9,119</b>	<b>+42%</b>	

# Operating leverage



Note: data exclude items affecting comparability.

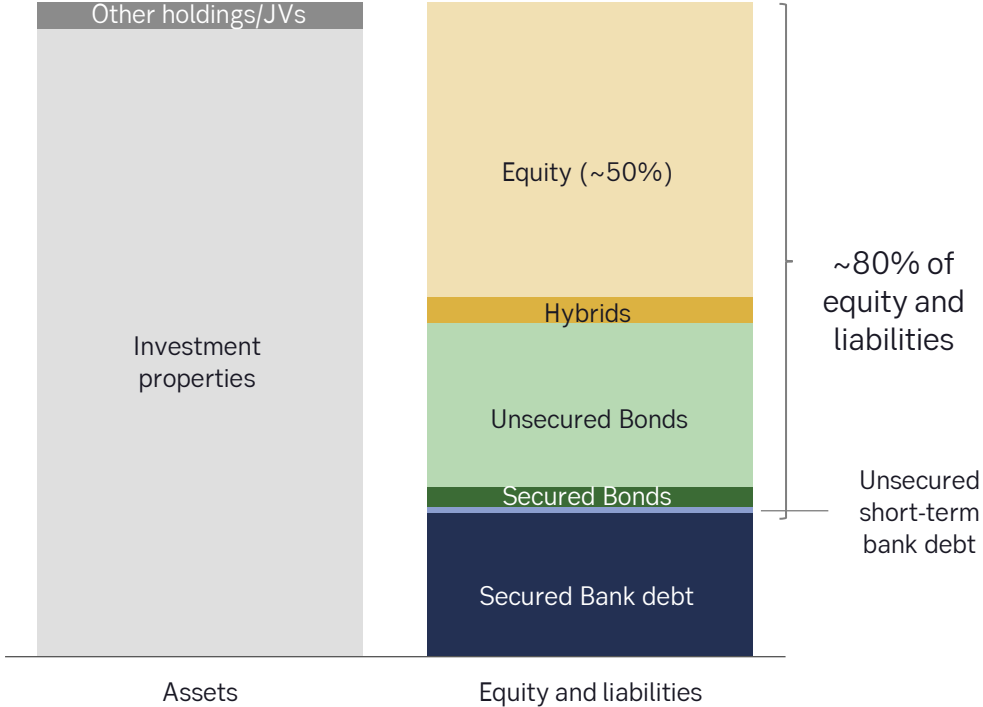
# Development of credit portfolio



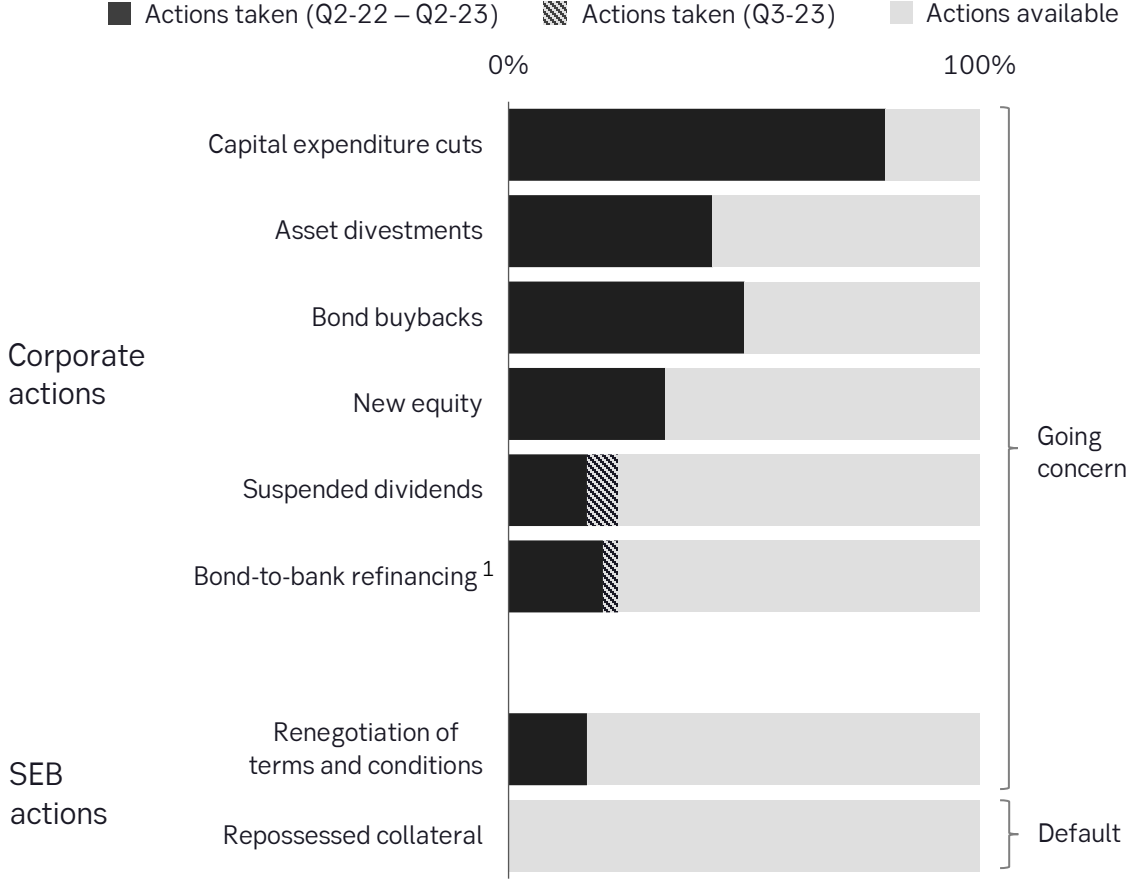
Note: credit portfolio includes loans, contingent liabilities and derivatives. FX-adjusted excludes trading products. <sup>1</sup>Corporates and commercial real estate YoY figures are adjusted for industry code reclassifications; excluding adjustments, credit portfolio growth was 9% (6% fx-adjusted) YoY for corporates and 10% (8% fx-adjusted) YoY for commercial real estate. Lending growth was -1% (1% fx-adjusted) YoY for corporates and 9% (7% fx-adjusted) YoY for commercial real estate.

# Real estate clients working on deleveraging activities

Average capital structure for large real estate companies as per Q2 2023  
Based on SEB's average client (listed real estate companies)

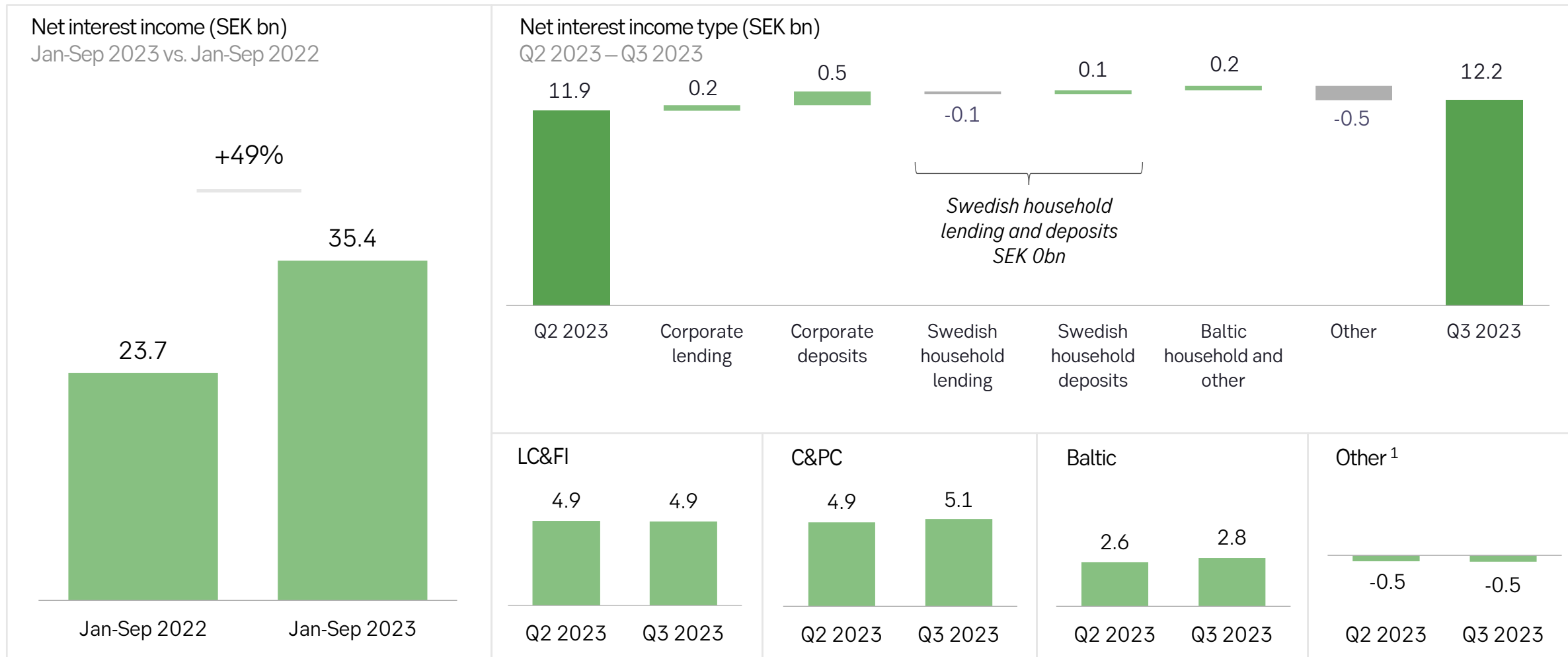


Large real estate clients "BBB-rated" or lower (~20% of total real estate exposure)  
Actions related to SEB's real estate clients since June 2022



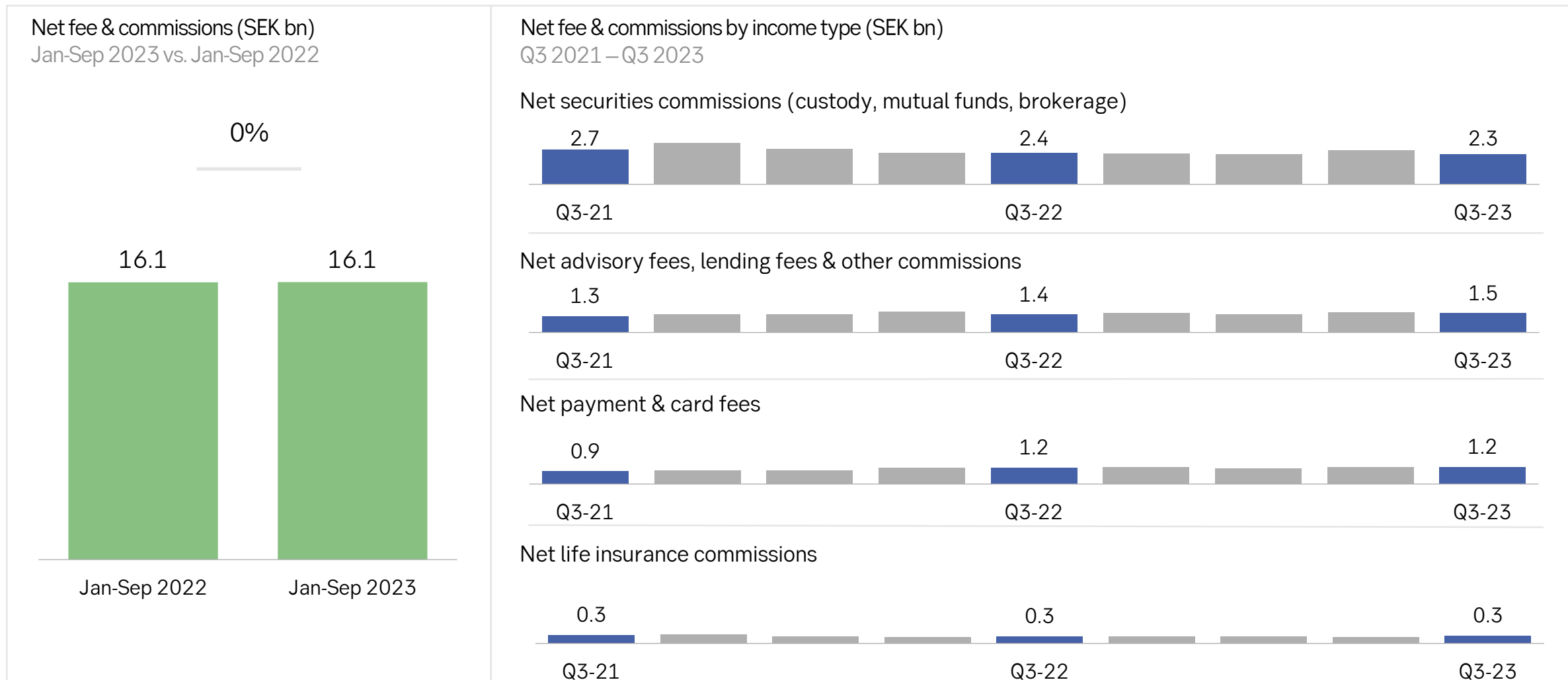
<sup>1</sup> Representing SEB's share of clients' bond-to-bank refinancing.

# Net interest income development

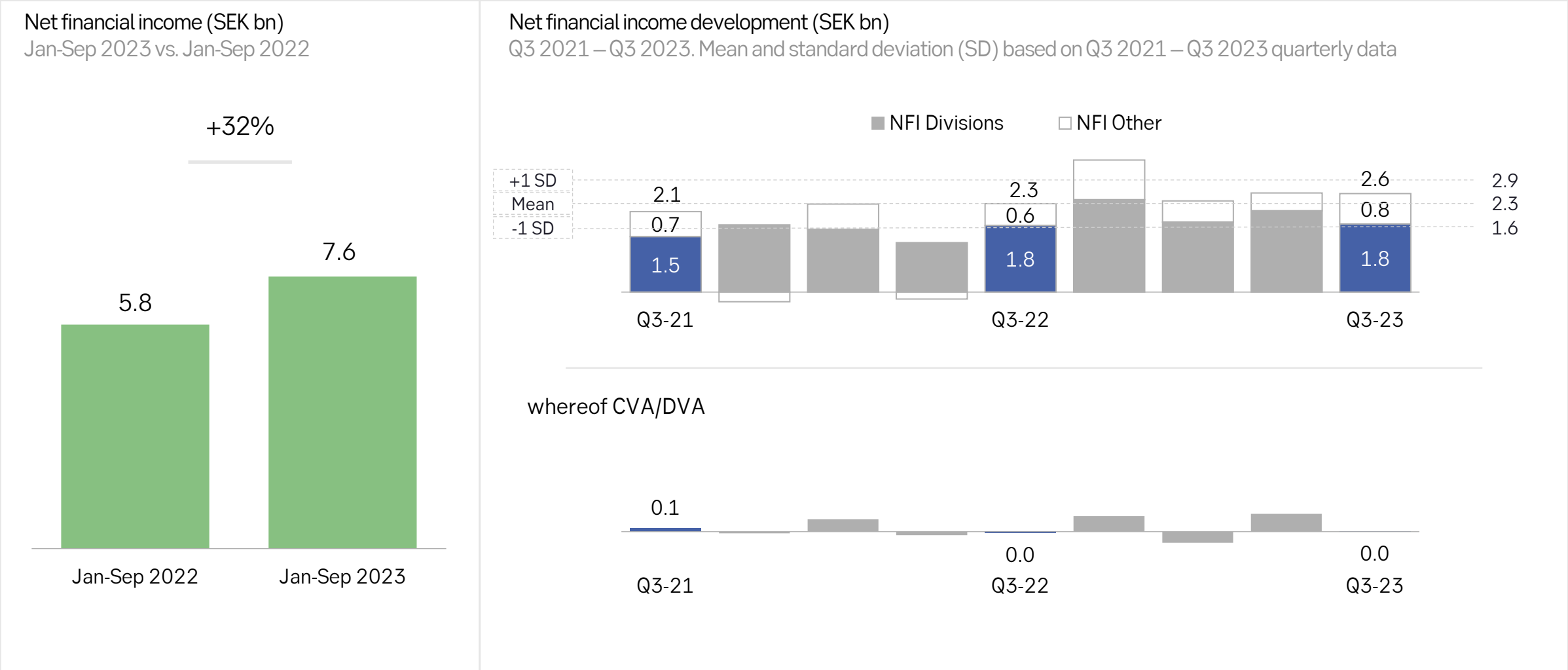


<sup>1</sup>"Other" includes divisions PWM&FO, Life, Investment Management, Group Functions and Eliminations.

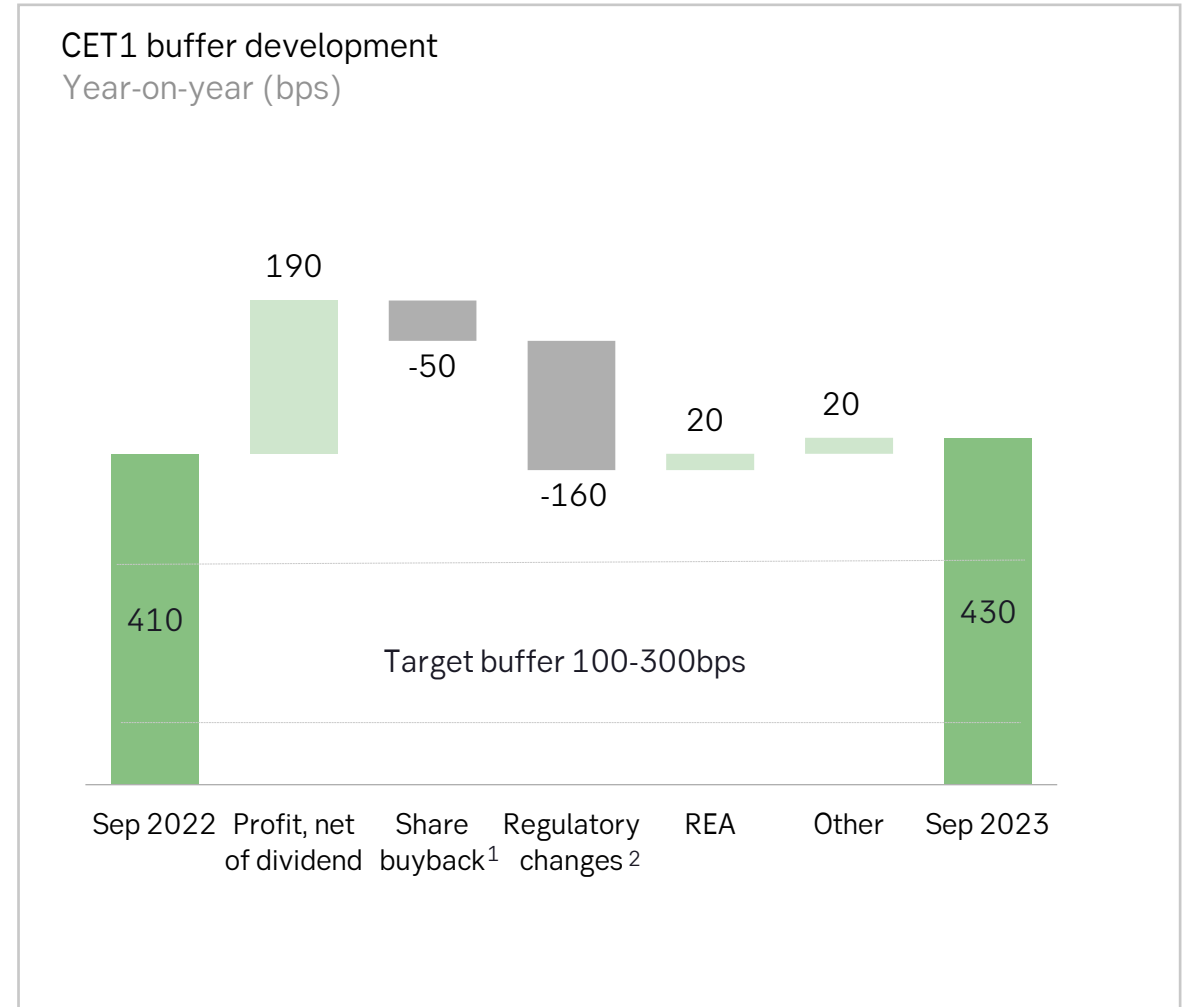
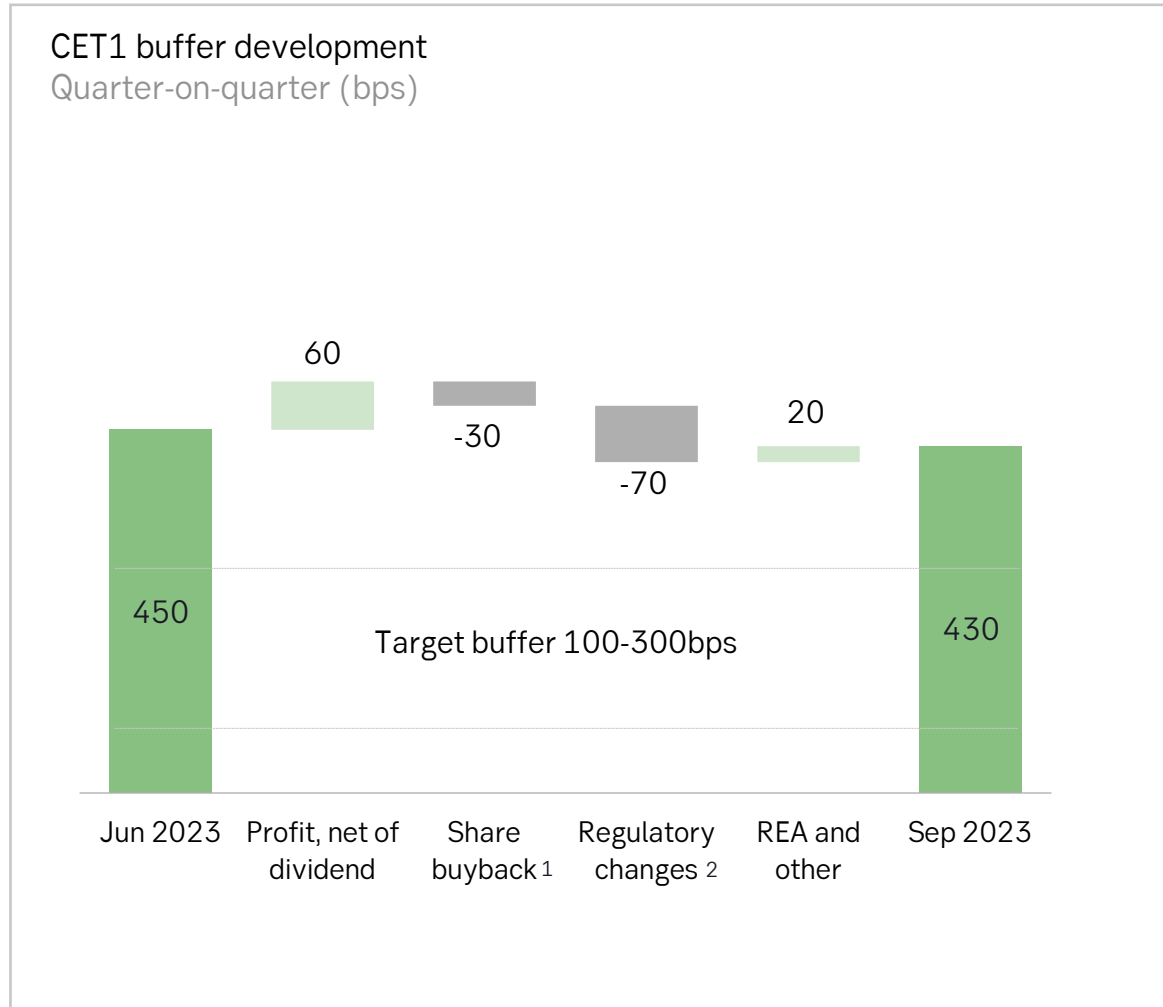
# Net fee & commission income development



# Net financial income development



# Capital buffer development



<sup>1</sup>SEB has, in September 2023, received a new supervisory approval to repurchase shares for up to SEK 2.5bn until the 5 April 2024, and has deducted this amount in full from the CET1 capital.<sup>2</sup>QoQ: Regulatory changes consist of SREP decision 2023 (IRB add-on, etc. -40bps) and the move of risk weight floors for exposures secured by real estate in Sweden from Pillar 2 to Pillar 1 (30bps). YoY: Regulatory changes also consist of changes to countercyclical buffers in several geographies (-90bps).



# Strong asset quality and balance sheet

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%

YTD September 2023

## Asset quality

Net expected credit loss level (YTD) 1 bps

## Funding & liquidity

Customer deposits (SEK) 1,923bn

Liquidity coverage ratio 123%

Net Stable Funding Ratio (NSFR) 114%

## Capital

CET1 ratio (Basel 3) 18.9%

CET1 buffer above requirement 430 bps

Total capital ratio (Basel 3) 21.9%

Leverage ratio (Basel 3) 4.6%

# SEB Group financial targets

~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%)



**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.

# SEB sustainability event

*SEB's sustainability strategy & role in the transition: Continue to share the progress on our sustainability ambitions and goals to deliver on our net zero commitment*

Save the date:

**15 November 2023**

09:00-12:30 CET

Stream live at:

[Sebgroup.com/NetZeroTransition](https://Sebgroup.com/NetZeroTransition)



Thank you for your attention

# SEB has raised savings rates more than mortgage rates on most durations

Avg. household mortgage rate			3M	1Y	2Y	3Y	5Y
Jan-22	-	-	1.39%	1.24%	1.30%	1.41%	1.60%
Sep-23	-	-	4.81%	4.96%	4.58%	4.46%	4.12%
<b>Change</b>	-	-	<b>+3.42%</b>	<b>+3.72%</b>	<b>+3.28%</b>	<b>+3.05%</b>	<b>+2.52%</b>

## Savings accounts

Savings rates	Transaction account <sup>1</sup>	Enkla sparkontot	3M	1Y	2Y	3Y	5Y
3 Jan-22	0.00%	0.00%	0.05%	0.00%	0.00%	0.31%	0.85%
13 Oct-23	0.25%	2.00%	3.80%	3.91%	3.64%	3.52%	3.50%
<b>Change</b>	<b>+0.25%</b>	<b>+2.00%</b>	<b>+3.75%</b>	<b>+3.91%</b>	<b>+3.64%</b>	<b>+3.21%</b>	<b>+2.65%</b>

Increase in savings rates vs mortgage rates	n/a	n/a	+33bps	+19bps	+36bps	+16bps	+13bps
---	-----	-----	--------	--------	--------	--------	--------

Note: Swedish household mortgage and savings rates. <sup>1</sup> Up to SEK 100,000.

# Swedish banks transferred among the largest share of policy rates to customers

## Deposit betas for European countries, January 2022 to July 2023

	Deposit rate January 2022 (%)	Deposit rate July 2023 (%)	Increase in deposit rate (ppt)	Increase in policy rate (ppt)	Deposit beta
Sweden	0.14	2.03	1.89	3.75	<b>50%</b>
France	0.45	1.56	1.11	4.00	28%
Netherlands	0.00	1.10	1.10	4.00	28%
Finland	-0.01	0.91	0.92	4.00	23%
Germany	0.04	0.79	0.75	4.00	19%
Euro area	0.17	0.92	0.75	4.00	19%
Belgium	0.04	0.62	0.58	4.00	15%

Source: Copenhagen Economics ([Competition in the Swedish banking sector \(swedishbankers.se\)](https://www.copenhageneconomics.com/competition-in-the-swedish-banking-sector))

