

# Press Conference - Annual Accounts 2017

Johan Torgeby

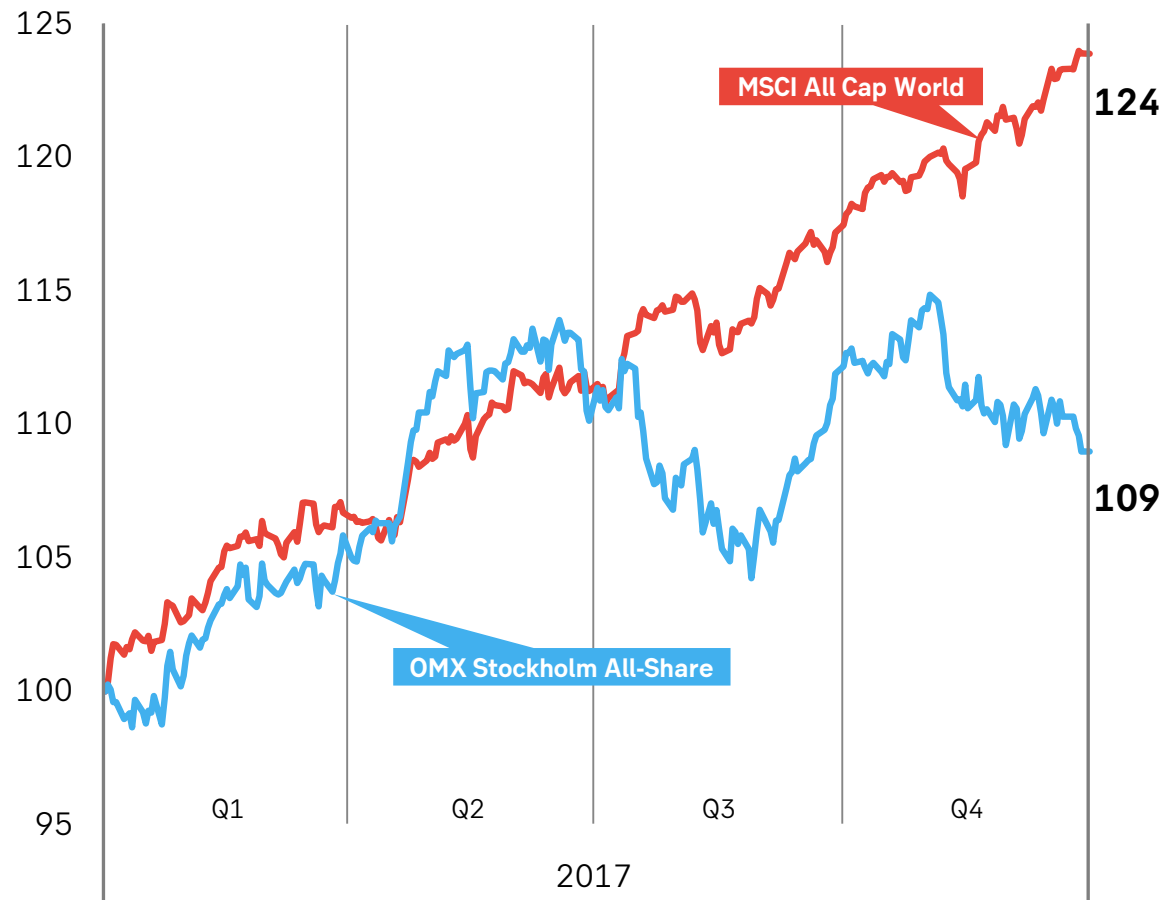
President & CEO

31 January, 2018

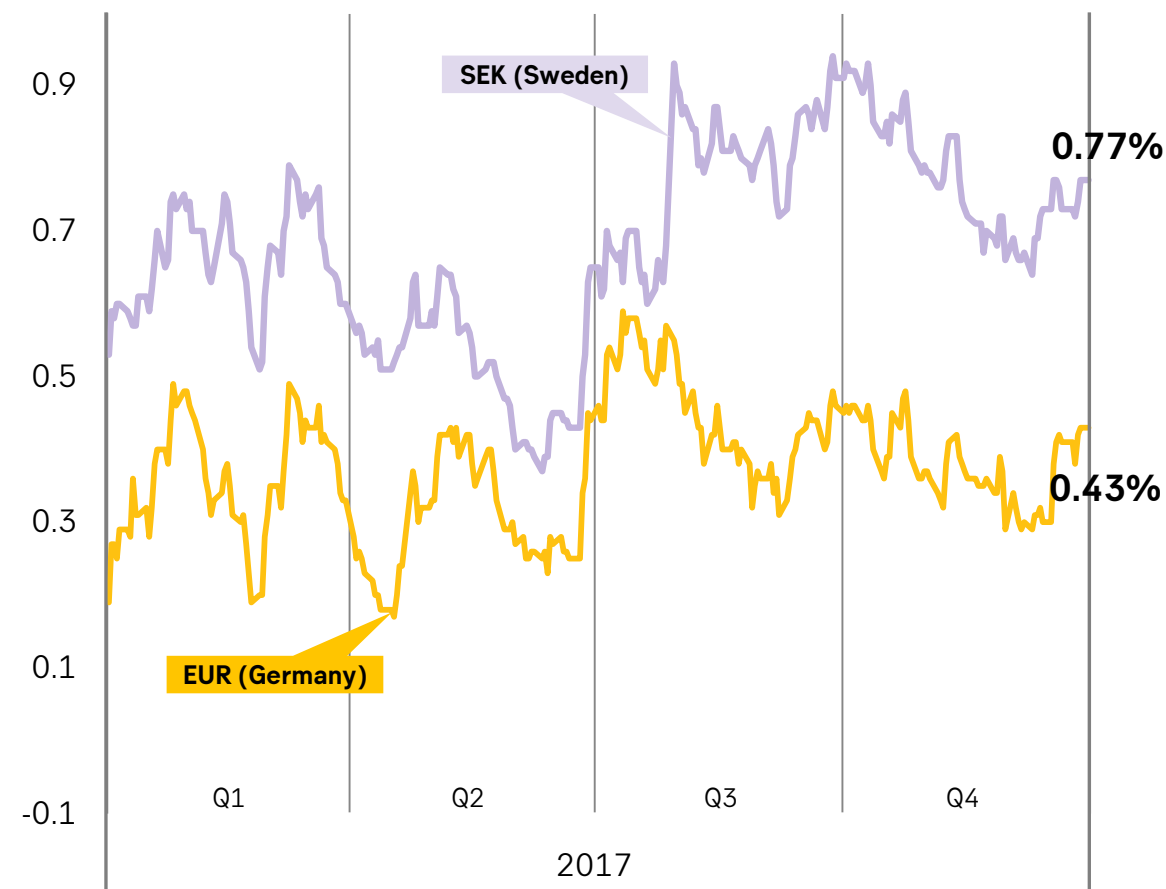


# Financial markets development

## Equity market



## Debt market (Annual yield of 10-year Gvt Bonds)



Equity market data series are indexed assuming that 2017-01-02 = 100.

# Growing franchise drives enhanced profitability

Profit & Loss (SEK m)	FY 2017	FY 2016	%
<b>Total Operating income</b>	<b>45,609</b>	<b>43,251</b>	5
Total Operating expenses	-21,936	-21,812	1
<b>Profit before credit losses</b>	<b>23,672</b>	<b>21,439</b>	10
Net credit losses etc.	-970	-1,143	-15
<b>Operating profit before IAC</b>	<b>22,702</b>	<b>20,296</b>	12
IAC	-1,896	-5,429	
<b>Operating profit</b>	<b>20,806</b>	<b>14,867</b>	40

Credit loss level	Cost/income ratio	CET 1 ratio	ROE*	DPS
5bps	0.48	19.4%	12.7%	SEK 5.75

\* Based on operating profit before items affecting comparability

# Increased activity in the fourth quarter

Profit & Loss, (SEK m)	Q4 2017	Q3 2017	%	Q4 2016	%
<b>Total Operating income</b>	<b>11,858</b>	<b>11,141</b>	6	<b>11,618</b>	2
Total Operating expenses	-5,605	-5,423	3	-5,709	-2
<b>Profit before credit losses</b>	<b>6,253</b>	<b>5,719</b>	9	<b>5,909</b>	6
Net credit losses etc.	-142	-338	-58	-351	-60
<b>Operating profit before IAC</b>	<b>6,112</b>	<b>5,380</b>	14	<b>5,558</b>	10
Items affecting comparability	-1,896				
<b>Operating profit</b>	<b>4,216</b>	<b>5,380</b>	-22	<b>5,558</b>	-24

Credit loss level

3bps

Cost/income ratio

0.47

CET 1 ratio

19.4 %

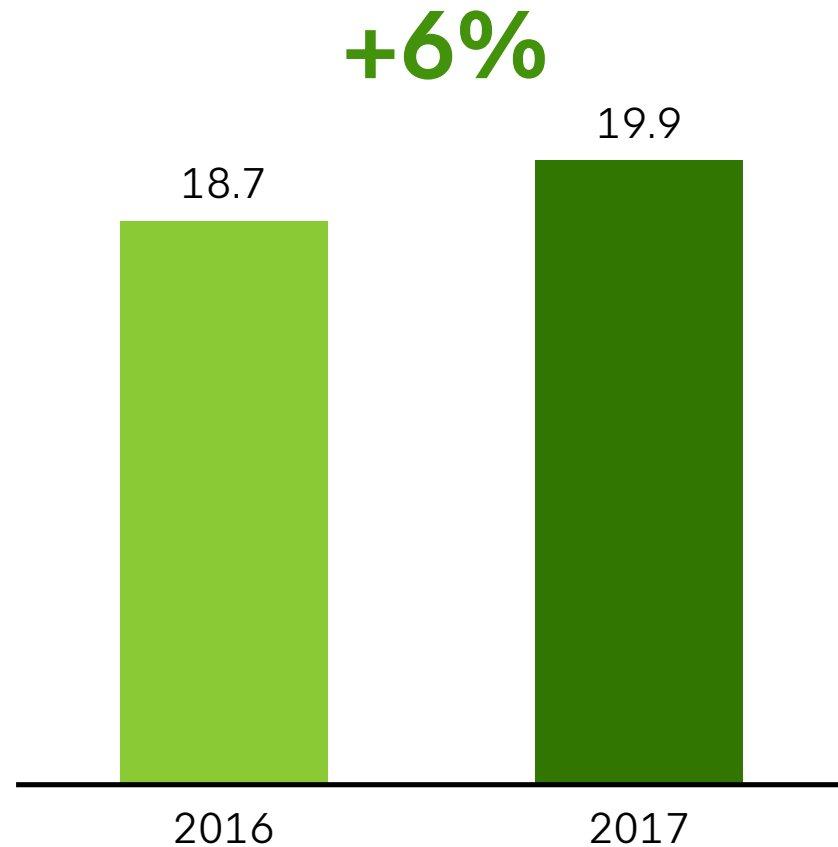
ROE\*

13.5%

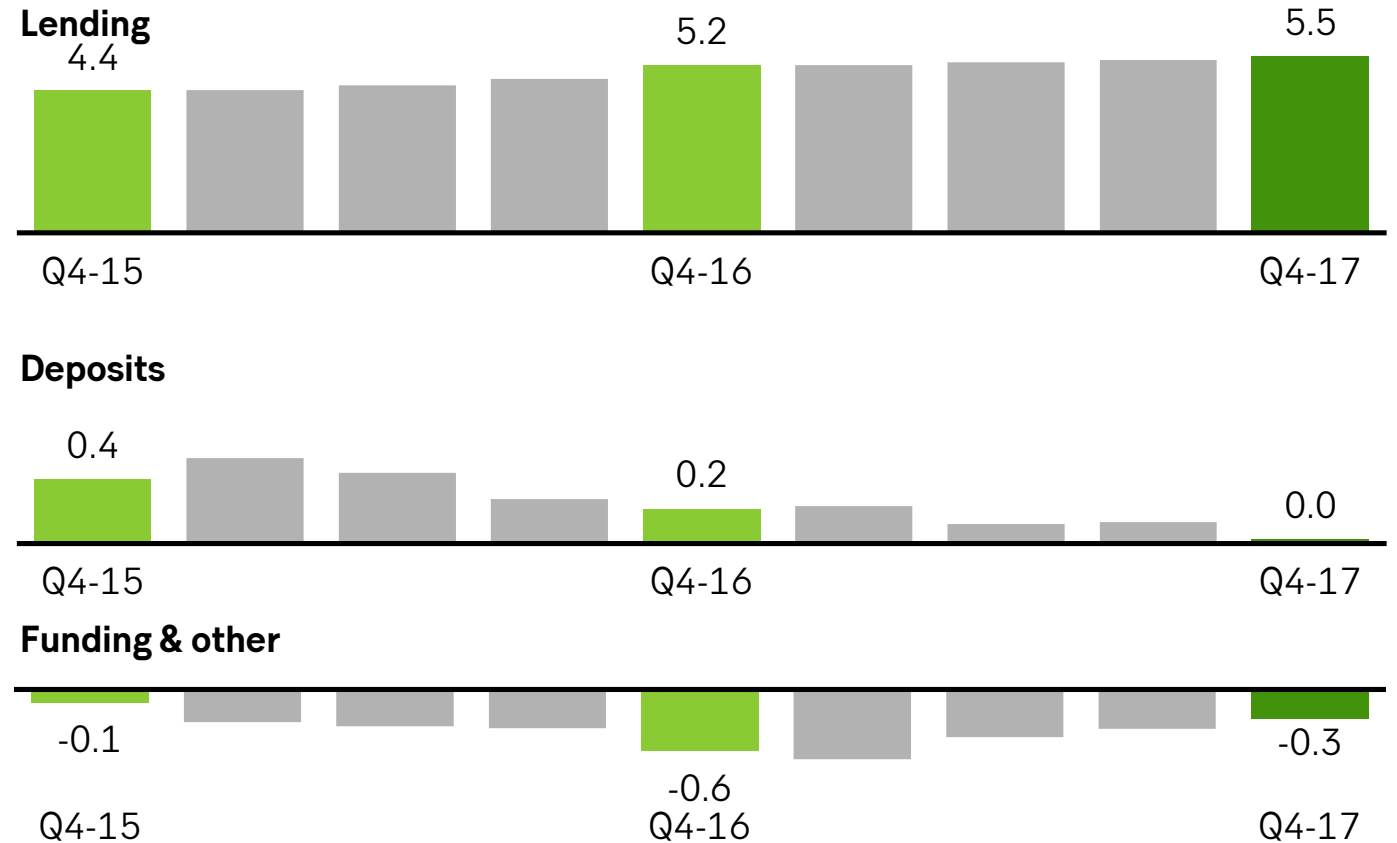
\* Based on operating profit before items affecting comparability

# Net interest income – higher lending volumes and improved funding costs

Net interest income in SEK bn  
2017 vs. 2016



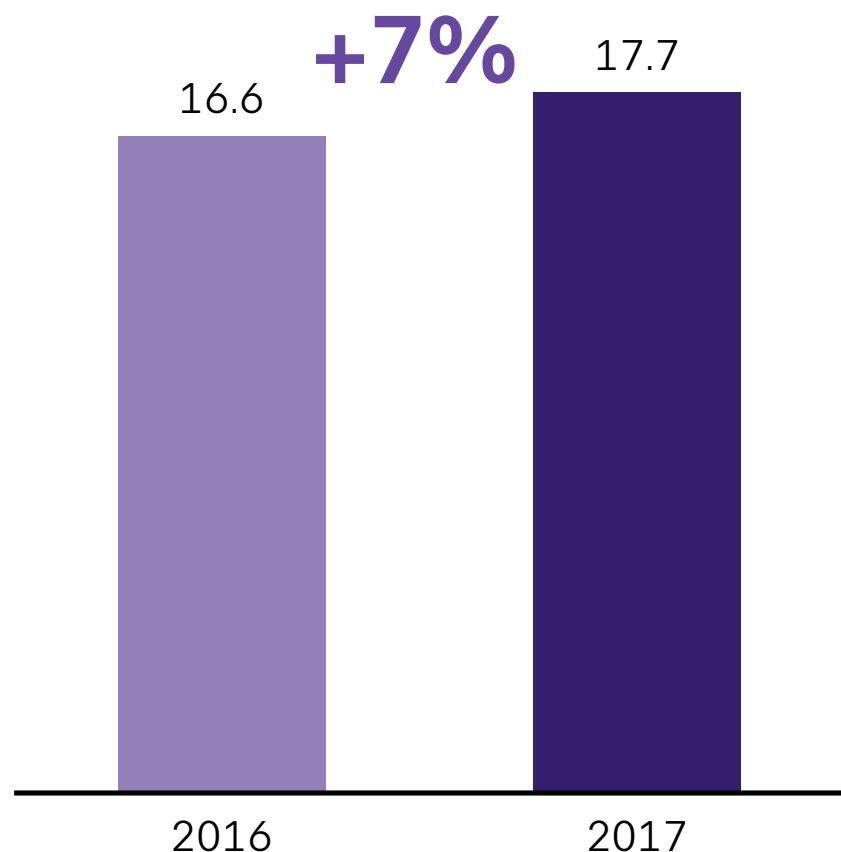
Net interest income type  
Q4 2015 – Q4 2017



# Net fee and commission income – higher customer activity

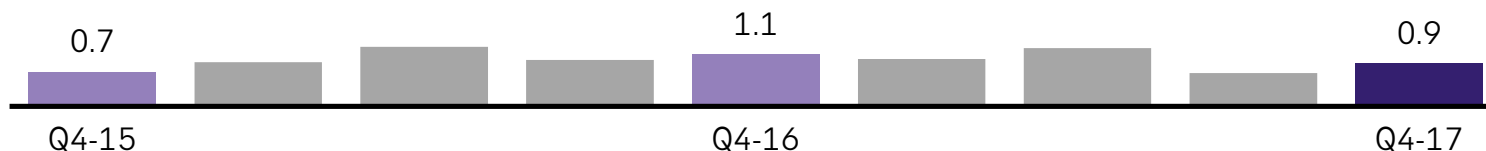


Net fee and commissions in SEK bn  
2017 vs. 2016

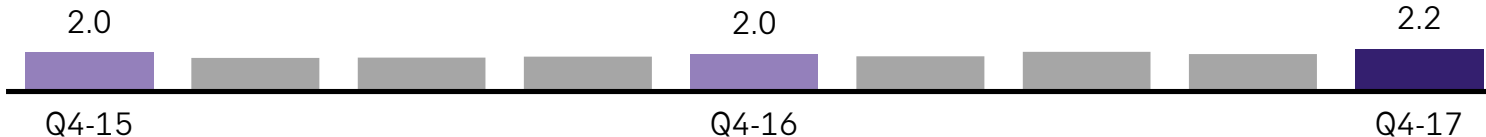


Gross fee and commissions by income type  
Q4 2015 – Q4 2017

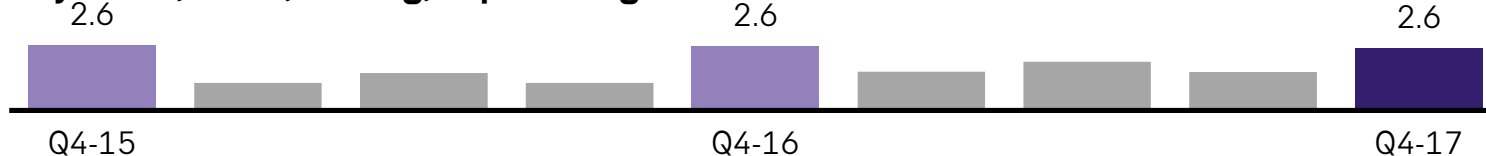
## Advisory, secondary markets and derivatives



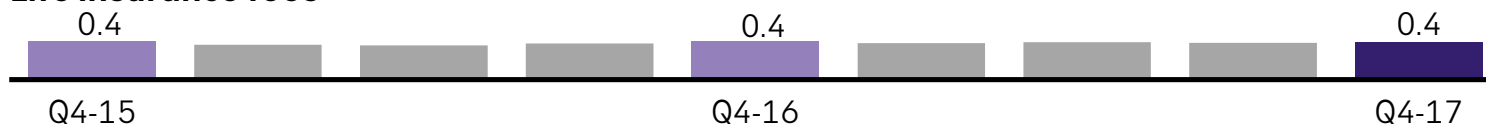
## Custody and mutual funds



## Payments, cards, lending, deposits & guarantees



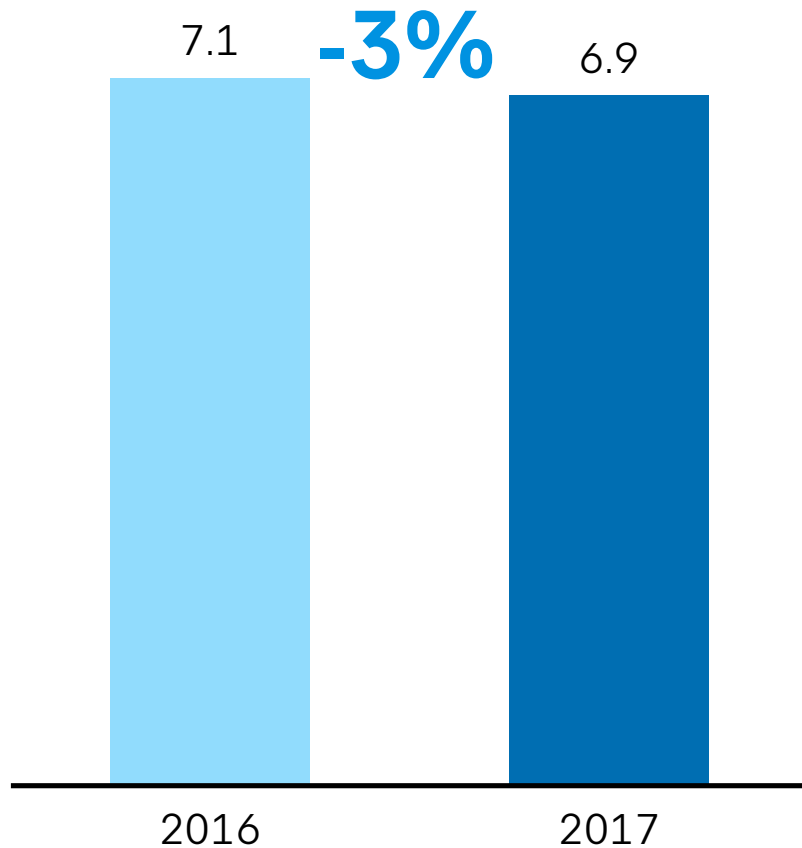
## Life insurance fees



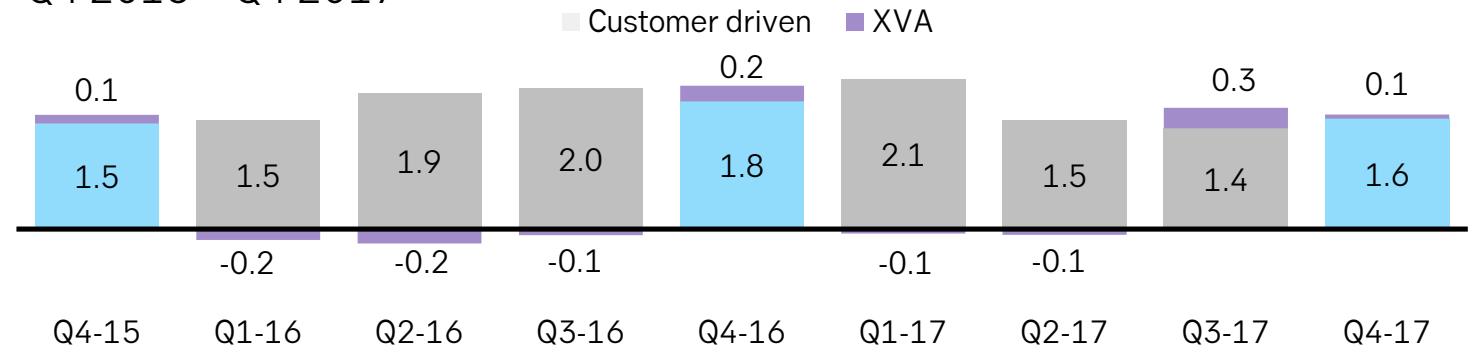
# Net financial income – stable in low volatility market



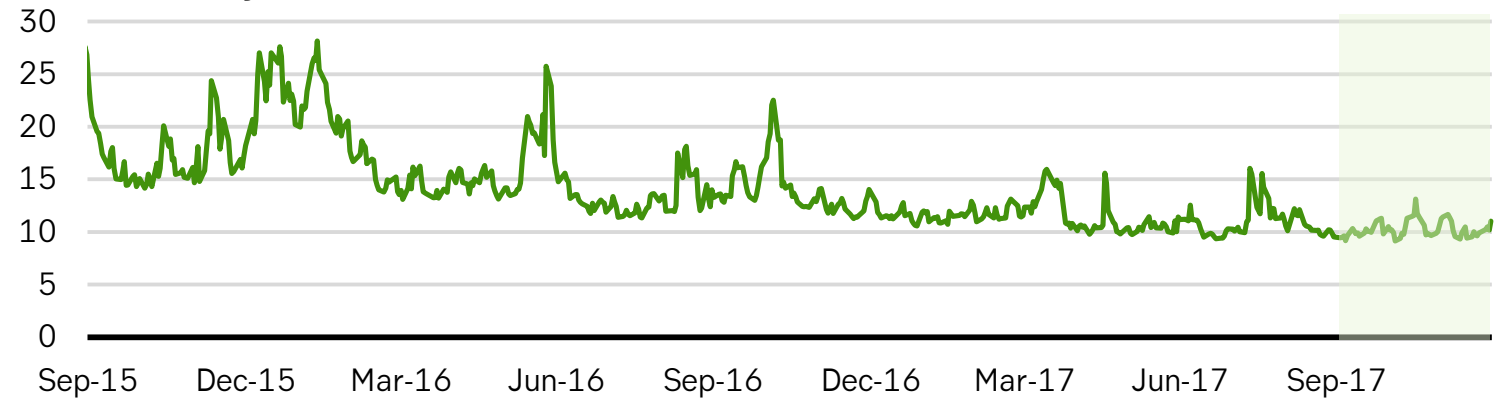
Net financial income in SEK bn  
2017 vs. 2016



Net financial income development  
Q4 2015 – Q4 2017



Low volatility

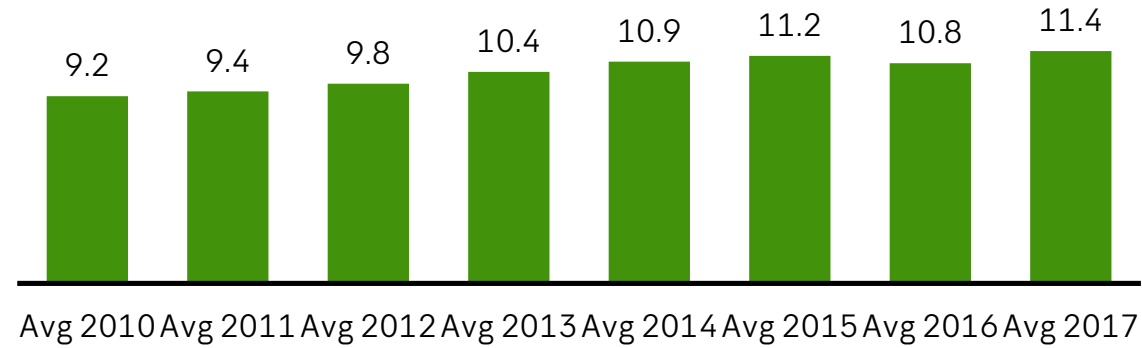


VIX S&P 500 volatility

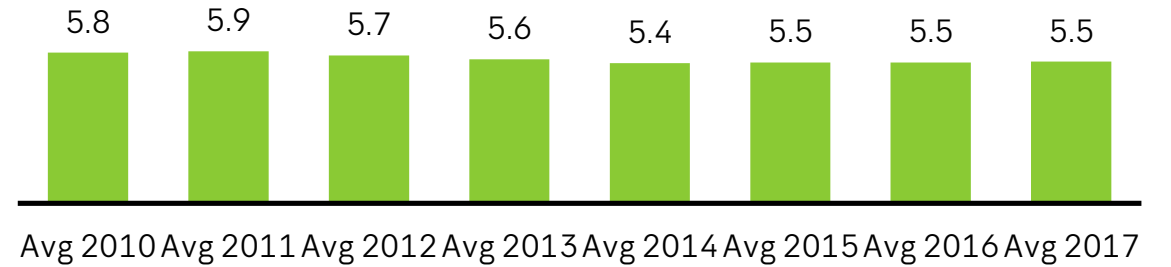


# Operating leverage

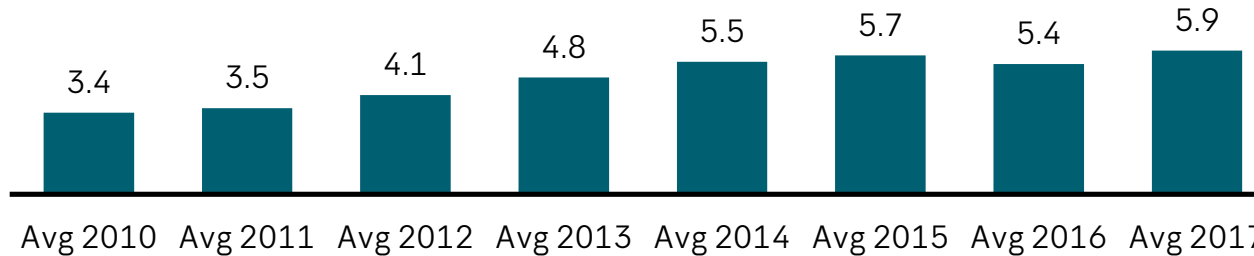
**Average quarterly income\*** (SEK bn)



**Average quarterly expenses\*** (SEK bn)



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



\* Excluding items affecting comparability



# Cost cap remains at SEK 22bn for 2018

Inflation

Growth agenda

Continuous competence shift

IT development & digitisation agenda

Regulation



Operating efficiencies

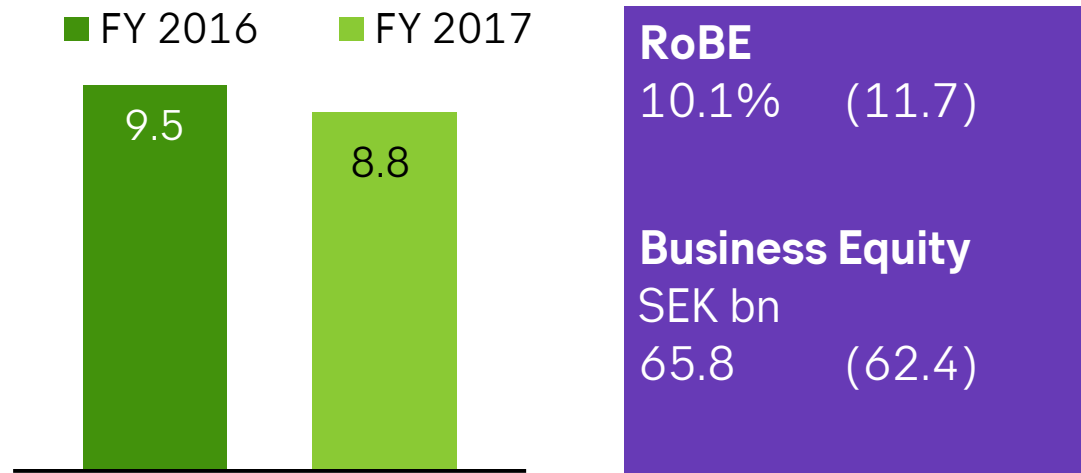
Gradual amortisation relief

Strategic initiatives

## Large Corporates & Financial Institutions

Operating profit & key figures\*

SEK bn



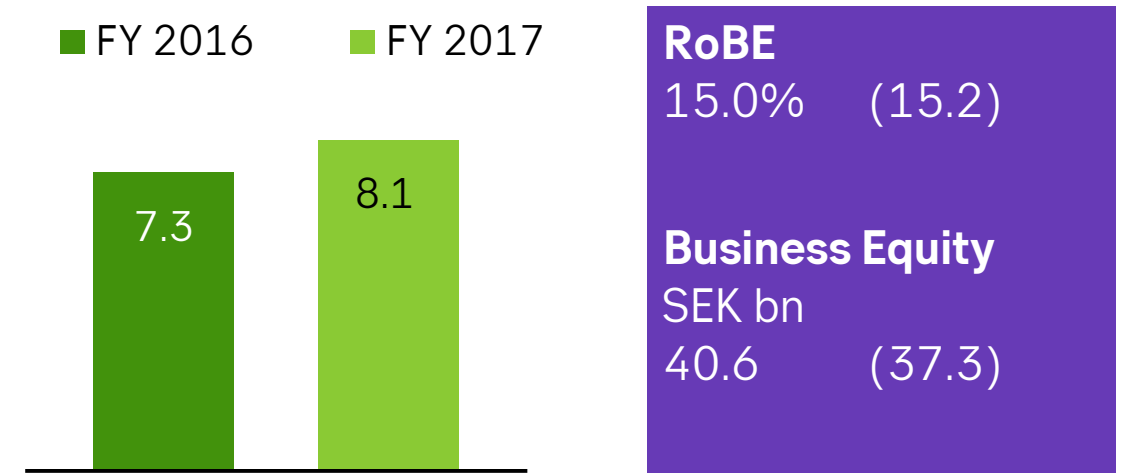
- Higher customer activity, especially in the primary markets for bonds, equity and M&A
- Low volatility decreased markets related income and activity

\* Excluding items affecting comparability in 2016

## Corporate & Private Customers

Operating profit & key figures

SEK bn

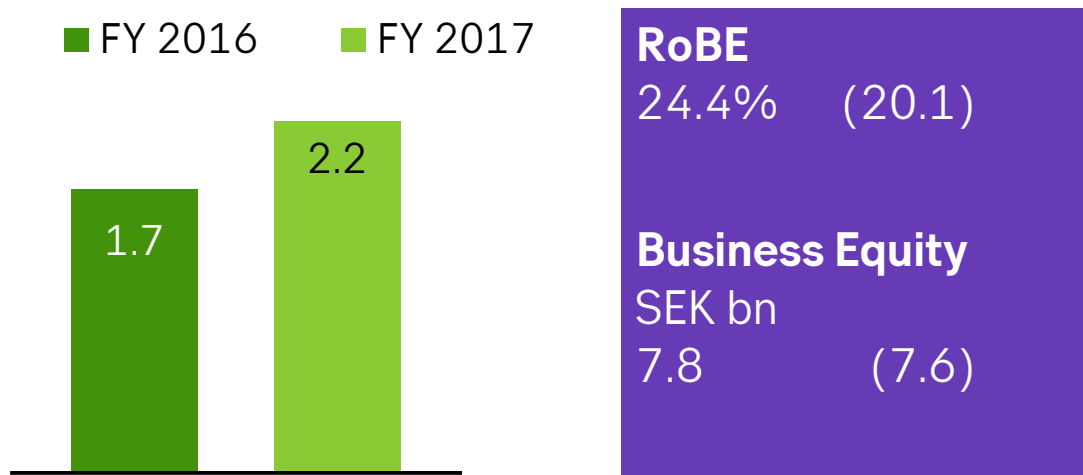


- Modest lending growth with a positive net inflow of corporate customers
- Inflow of private customers combined with pick up in household lending growth continued

## Baltic Banking

Operating profit & key figures\*

SEK bn



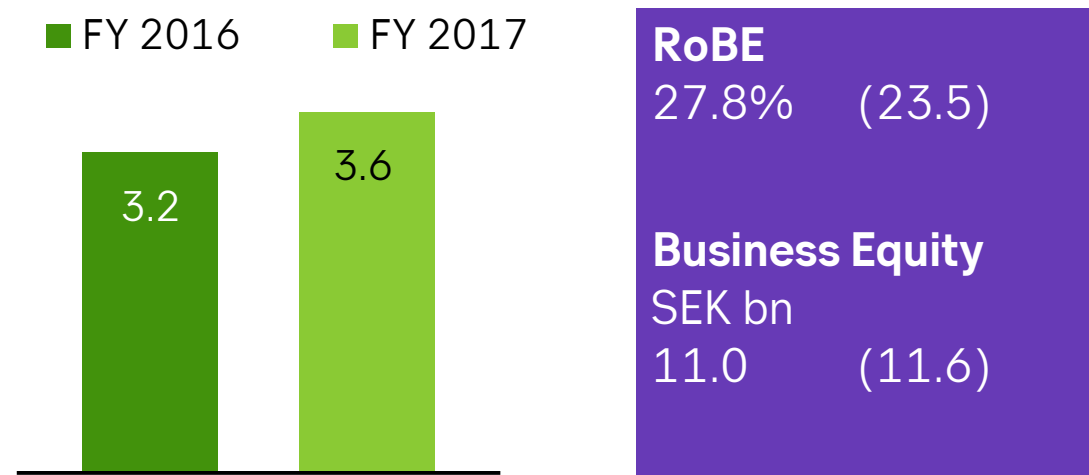
- Continued improvement in business sentiment in all segments and loan growth in all countries
- Digital solutions enhancing customer experience increasingly utilised

\* Excluding items affecting comparability in 2016

## Life & Investment Management

Operating profit & key figures

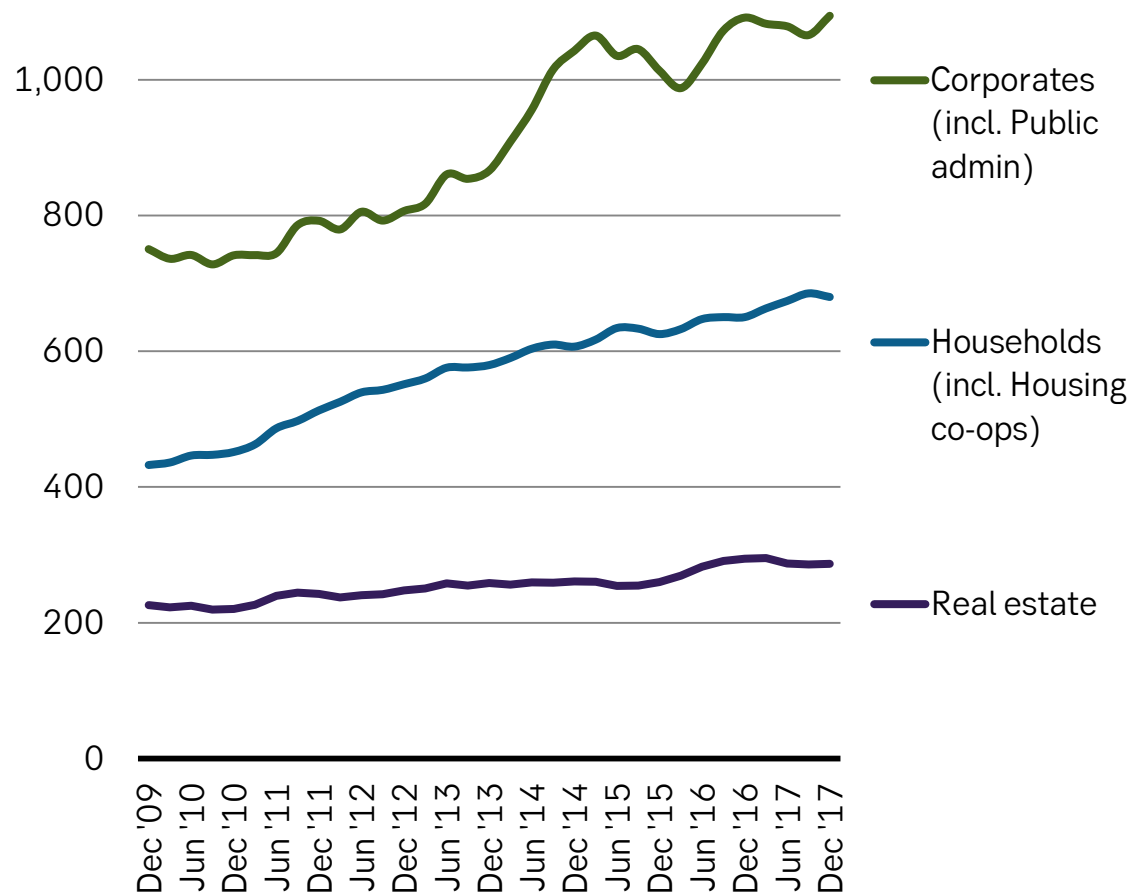
SEK bn



- Total AuM increased by 81bn to SEK 1,830bn
- Divestment of SEB Pension in Denmark announced 14 December, 2017

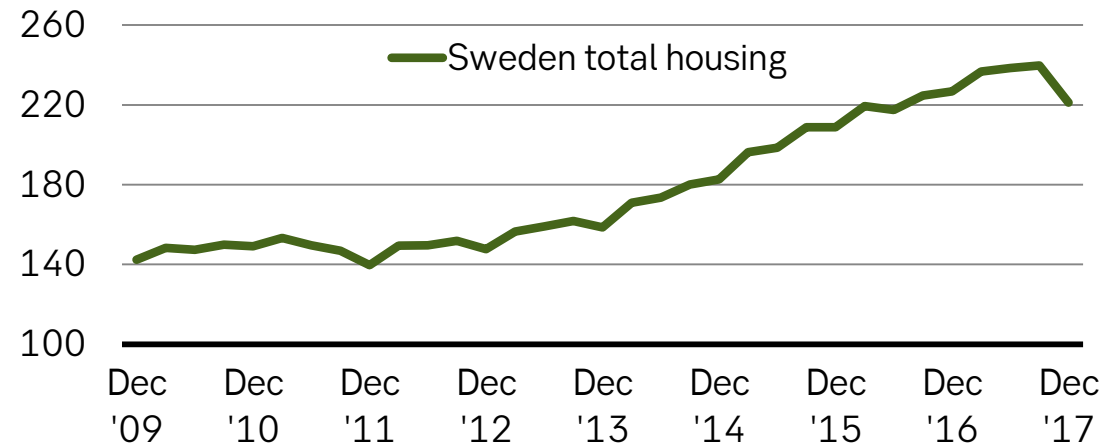
# Balanced growth across sectors

## Credit portfolio by sector (SEK bn)



Growth rates in per cent	QoQ	YoY	Dec '15 - Dec '17
Corporates (incl. Public admin)	3%	0%	8%
Households (incl. Housing co-ops)	-1%	5%	9%
Real estate	0%	-3%	10%

## Swedish House Price development (Jan '05 index=100)



NOTE: Blue line (Households incl. Housing co-ops) is excluding German retail

# Speed and quality of IT deliverables

Traditionally



*Waterfall-based*



2018-2020



*Value delivery-based*

# The transformation journey continues

## Private offering strengthened by Robo-advisor

Internetbanken Inloggad: Anna Johansson | English | Logga ut

SEB Start Betala & överföra Konton & kort Lån Fonder & värdepapper Pension & försäkringar Börs & finans Mitt SEB

### Så här mår din ekonomi

Ditt buffertsparande på konto	16 522 kr
Bör ses över	<a href="#">Mer om buffertsparande på konto och hur vi har räknat</a>
Din skuldsättning	1 581 850 kr
Bra	<a href="#">Mer om skuldsättning och hur vi har räknat</a>

- Inkomst  
32 500 kr
- Boende  
I bostadsrätt som jag äger
- Barn  
1 (2005)
- Tillgångar  
SEB 673 613 kr  
Övriga 0 kr
- Skulder  
SEB 1 981 850 kr  
Övriga 0 kr

[Uppdatera uppgifterna](#)

Senast uppdaterad 2018-01-26.

### Våra råd till dig - i prioritetsordning

1. Öka ditt buffertsparande på konto [Se rådet](#)
2. Öka ditt långsiktiga sparande [Stäng](#)

Som komplement till en kontobuffert är det en god idé att även spara på andra sätt som gör att dina pengar kan växa över tid. Ett månadssparande är ett bra sätt att stärka din ekonomiska trygghet och ge möjlighet att uppnå dina mål och drömmar.

[Få ett sparråd](#)
3. Minska din belåning [Se rådet](#)

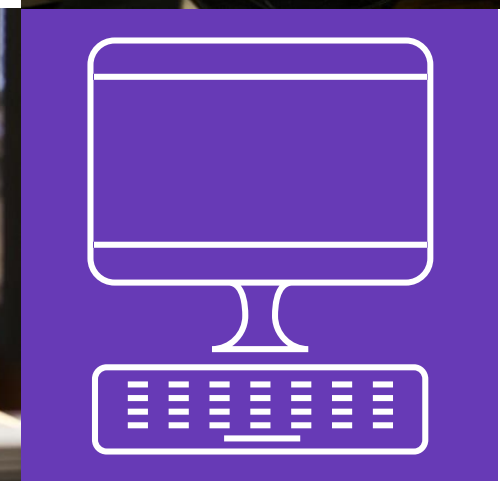
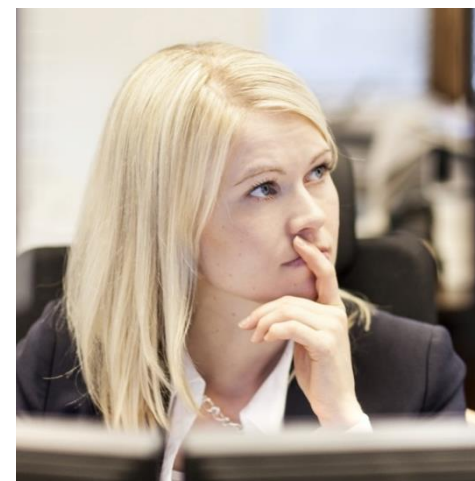
### Dina sparade råd

Sparmål: Semester Skapat 2018-01-26 [Se rådet](#)

Rådgivningsrapporter för dina aktuella och arkiverade råd hittar du under [Mina dokument och avtal](#).



SEB

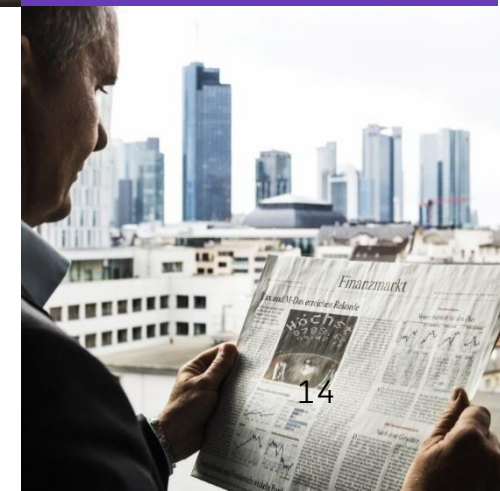


**Convenient** to complete in just a few minutes

Easy to understand **diagnosis** of personal finances

**Tailored advise** on both assets and liabilities

MEMBER OF  
**Dow Jones Sustainability Indices**  
In Collaboration with RobecoSAM



# Strong asset quality and balance sheet

(SEK bn)		2009	2016	2017
Asset quality	Non-performing loans	28.6bn	7.6bn	8.3bn
	NPL coverage ratio	65%	63%	55%
	Net credit loss level	0.92%	0.07%	0.05%
Funding and liquidity	Customer deposits	750bn	962bn	1 005bn
	Liquidity coverage ratio	N.A.	168%	145%
Capital	CET 1 ratio (Basel 3)	11.7%	18.8%	19.4%
	Total capital ratio (Basel 3)	14.7% <small>Basel 2.5</small>	24.8%	24.2%
	Leverage ratio (Basel 3)	N.A. <small>Basel 2.5</small>	5.1%	5.2%



# Highlights 2017

- Interest rates and market volatility remain low
- Signs of pick up in corporate activity towards end of the year
- Strong capital position and robust asset quality



The journey to . . .

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

SEB

