



**SEB January-June 2012  
Results presentation**

**Annika Falkengren  
President & CEO**

# Highlights Q2 2012

**1** Franchise and income growth

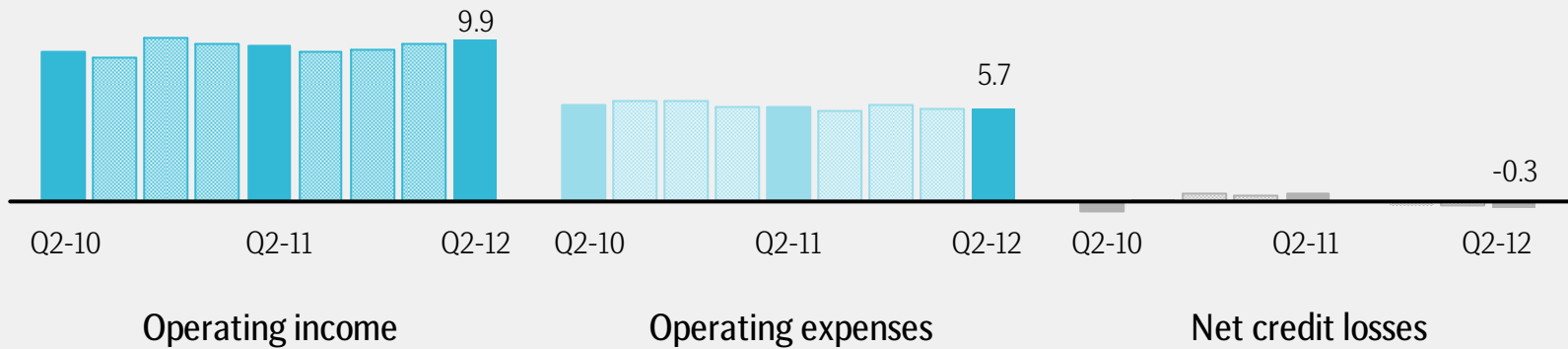
**2** Continued cost efficiency

**3** Balance sheet strengthened further

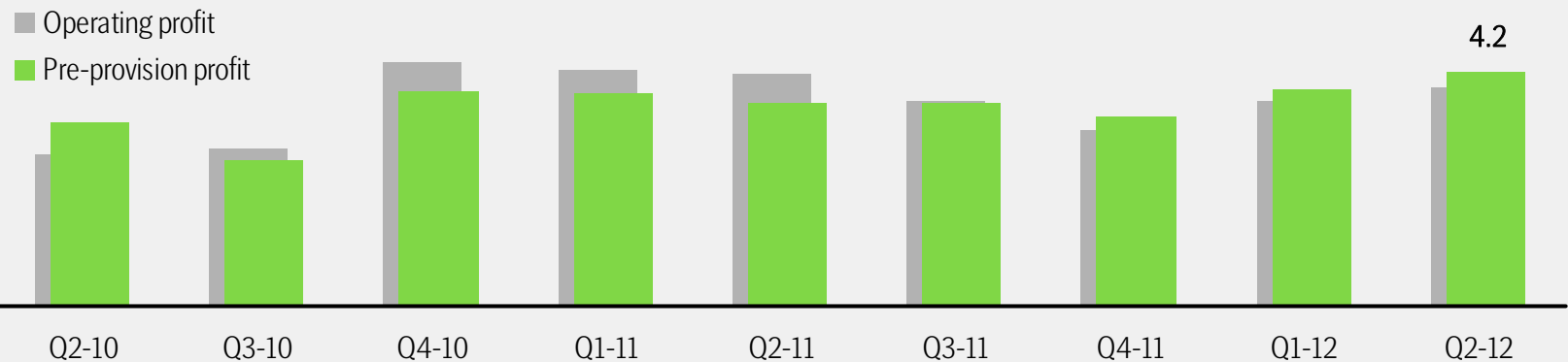


# Profit and loss trend

## Profit and loss development Q2 2010 – Q2 2012 (SEK bn)

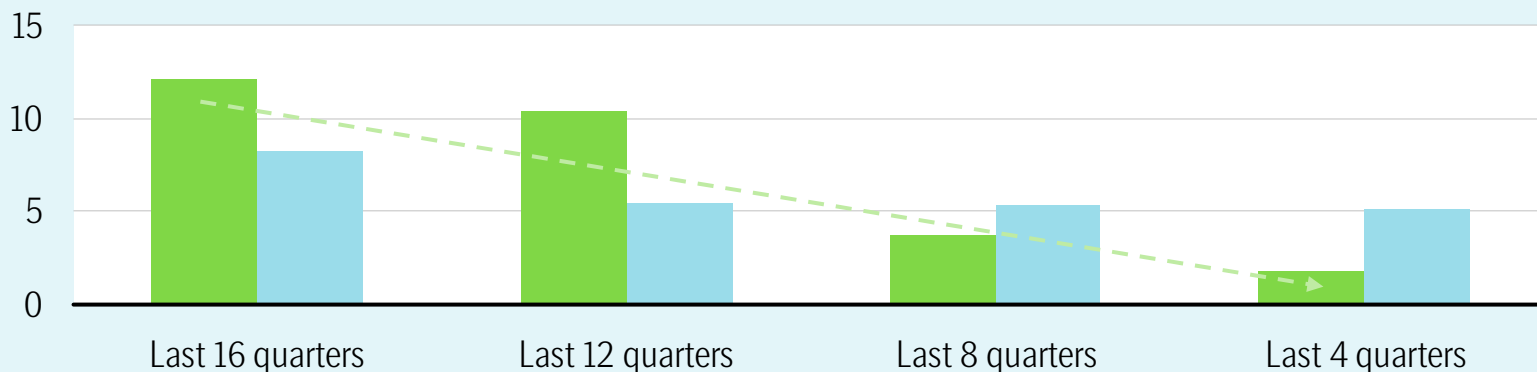


## Pre-provision profit and operating profit (SEK bn)



# SEB has actively reduced its earnings volatility

## Income volatility, Q2 2008 – Q1 2012 (per cent)



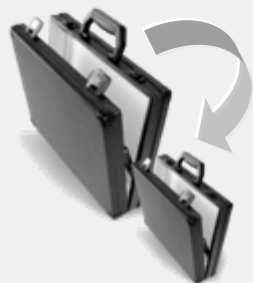
Source: Nordea Equity Research, June 2012

■ SEB ■ Peer average

## Strategic actions to reduce income volatility



**Divestment of non-core businesses**



**Reduced size of investment portfolios**



**Secured funding and liquidity reserves**



**Maintained high asset quality**



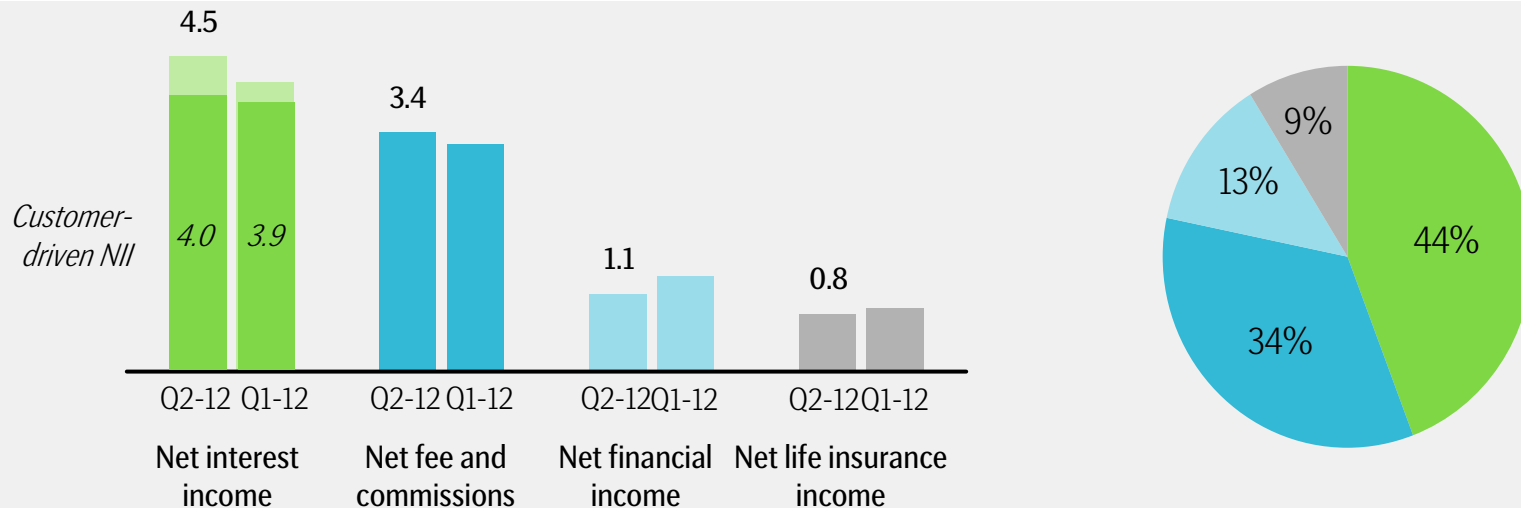
**Growth in areas of strength**

# Income statement

## Profit and loss (SEK bn)

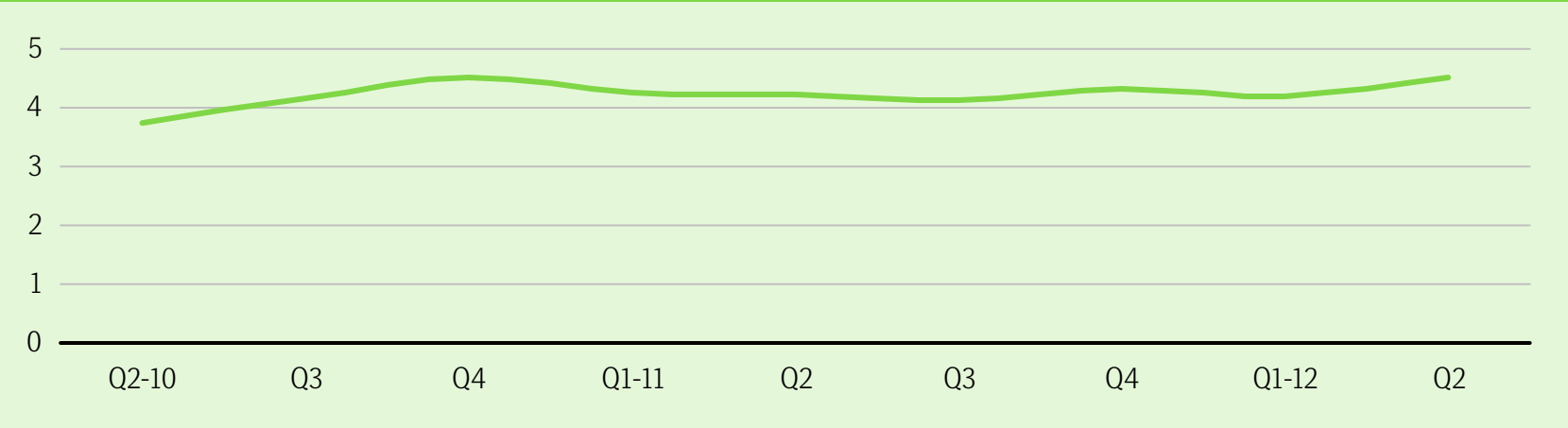
	Q2-12	Q1-12	%	H1-12	H1-11	%
<b>Total Operating income</b>	<b>9,916</b>	<b>9,589</b>	3	<b>19,505</b>	<b>19,145</b>	2
Total Operating expenses	-5,692	-5,676	0	-11,368	-11,660	-3
<b>Profit before credit losses</b>	<b>4,224</b>	<b>3,913</b>	8	<b>8,137</b>	<b>7,485</b>	9
Net credit losses etc.	-273	-204	34	-477	986	
<b>Operating profit</b>	<b>3,951</b>	<b>3,709</b>	7	<b>7,660</b>	<b>8,471</b>	-10

## Operating income by type, Q2 2012 vs. Q1 2012 (SEK bn)

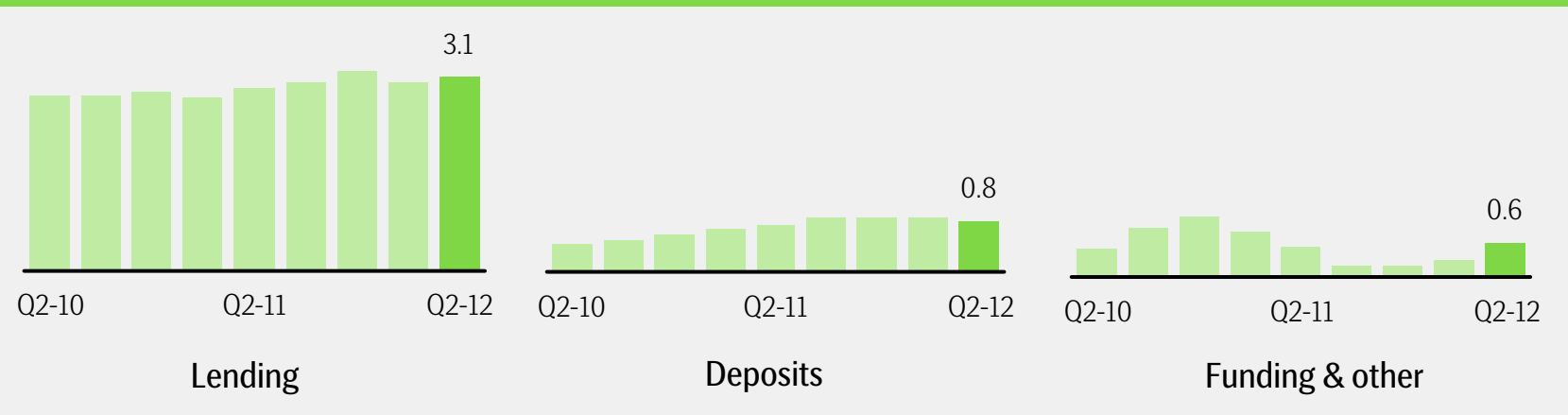


# Net interest income development

**Net interest income Q2 2010 – Q2 2012 (SEK bn)**

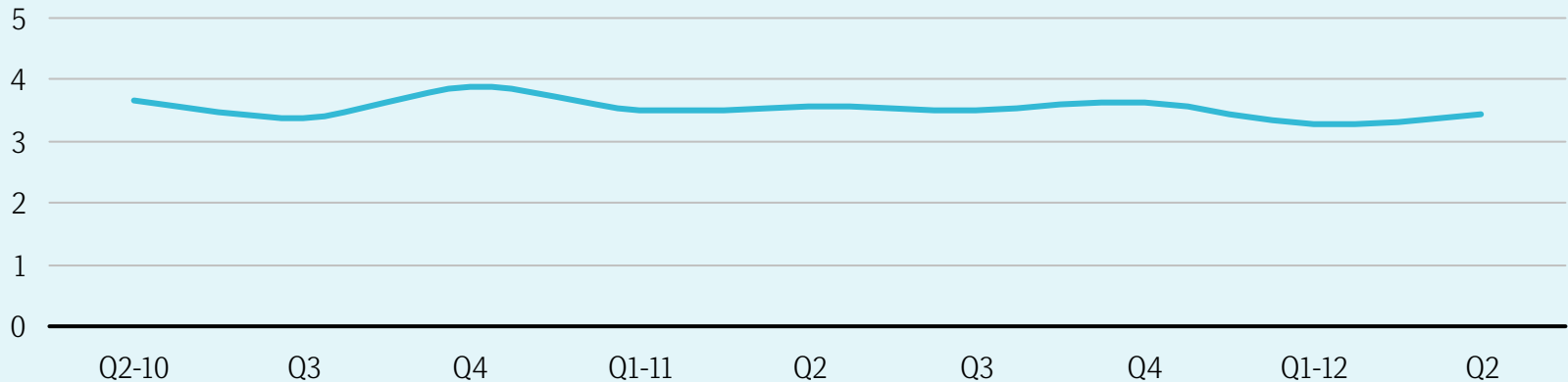


**Net interest income by income type Q2 2010 – Q2 2012 (SEK bn)**

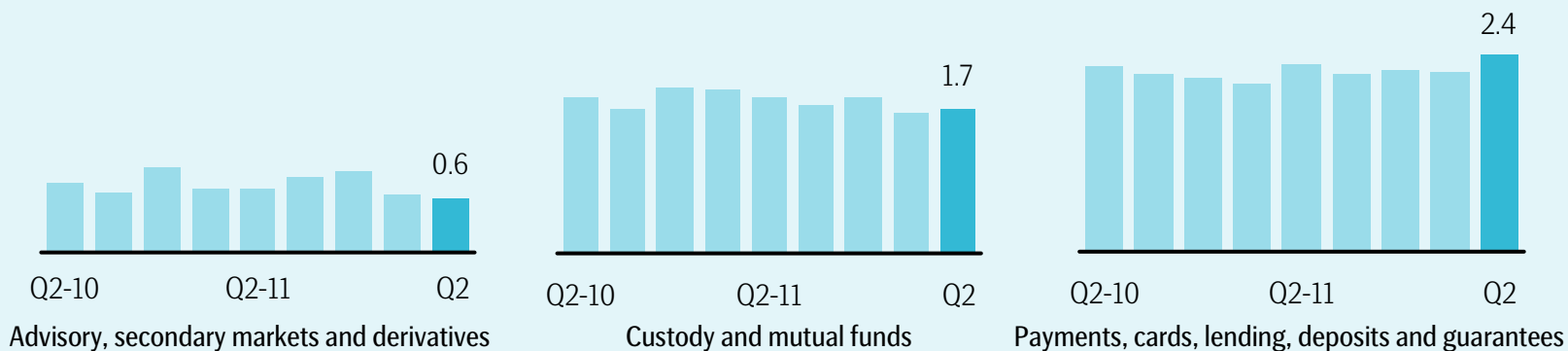


# Net fee and commission income development

Net fee and commissions Q2 2010 – Q2 2012 (SEK bn)

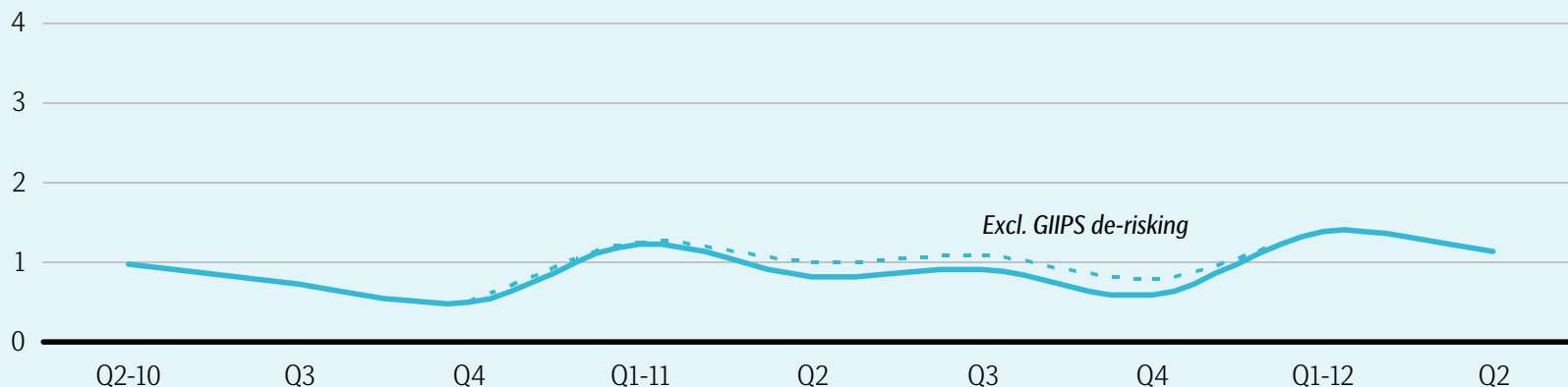


Gross fee and commissions by income type Q2 2010 – Q2 2012 (SEK bn)

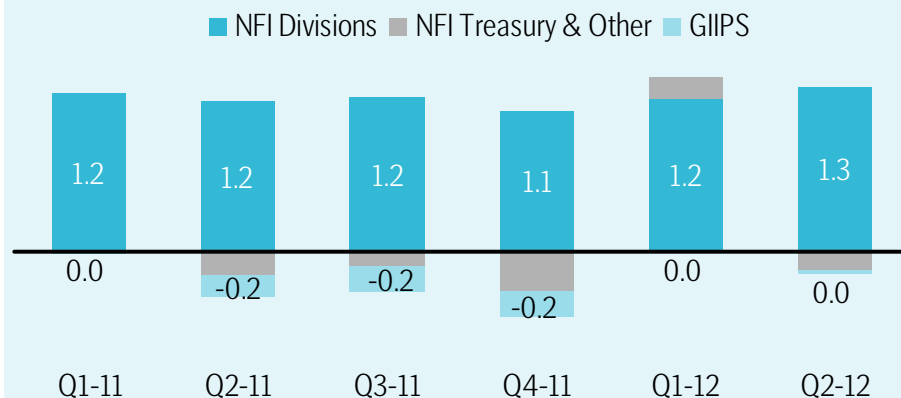


# Net financial income development

## Net financial income Q2 2010 – Q2 2012 (SEK bn)



## Net financial income development (SEK bn)



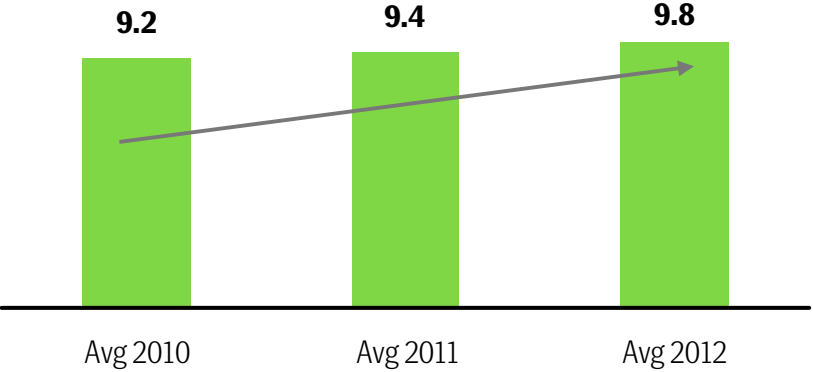
## Drivers of net financial income

- Stability from customer-driven flows in divisions
- Limited impact from volatility on MTM liquidity portfolio
- Highest quality sovereign and covered bonds with full central bank eligibility

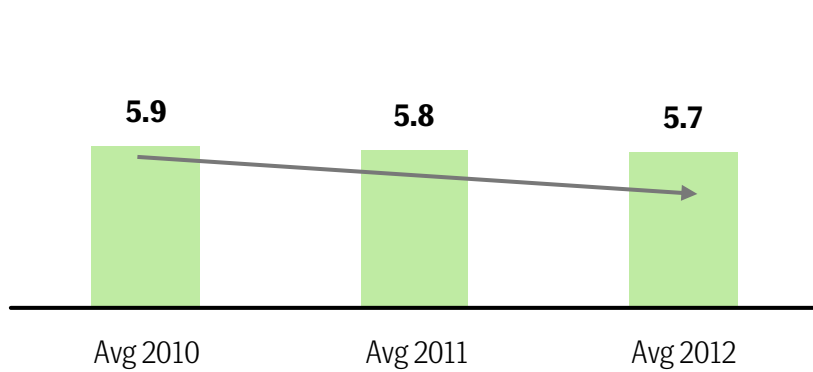


# Operating leverage through cost efficiency

Average quarterly income (SEK bn)

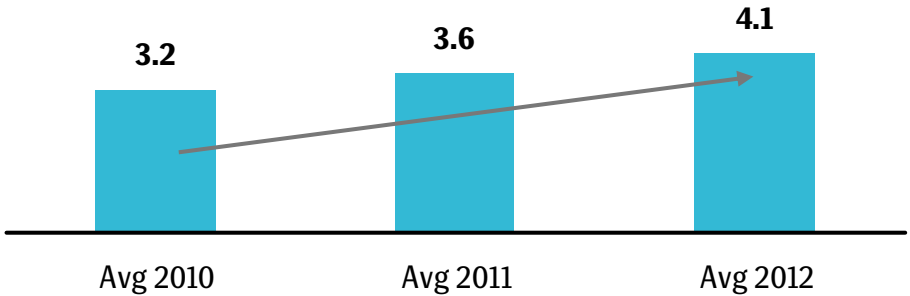


Average quarterly expenses (SEK bn)



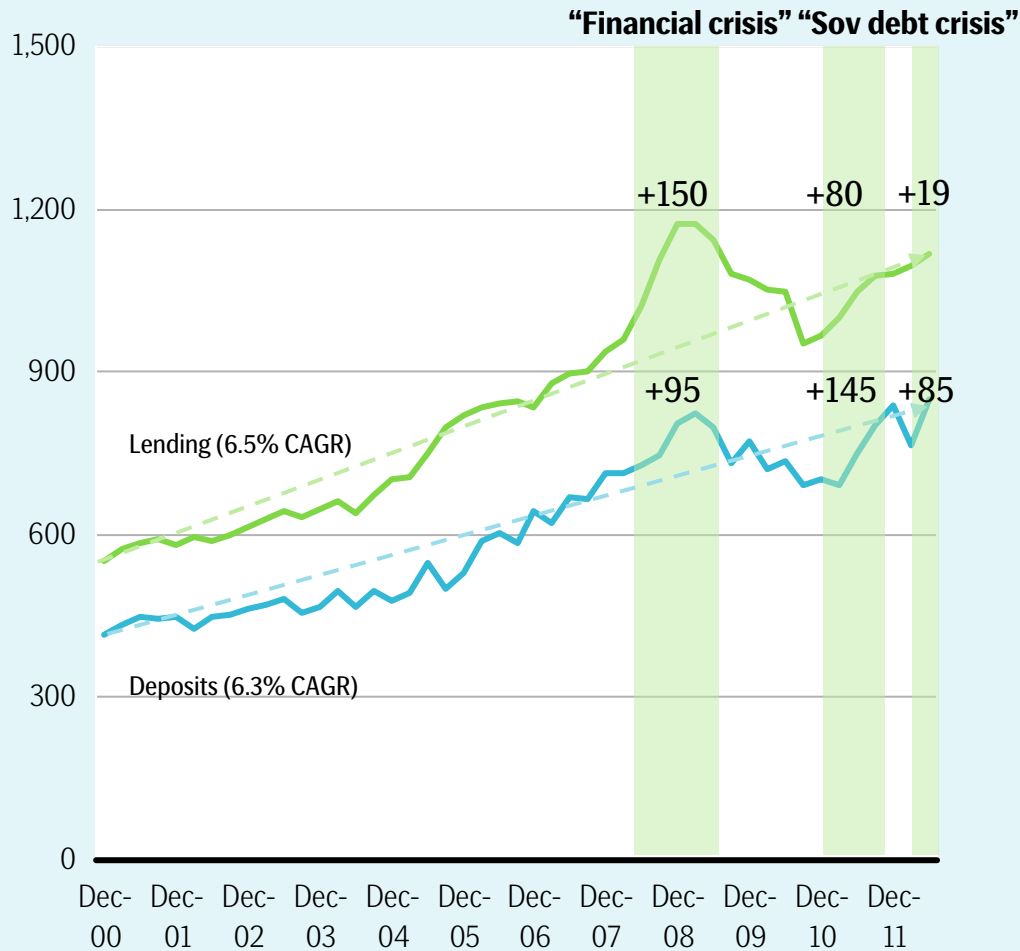
Operating leverage

Average quarterly profit before credit losses (SEK bn)



# Lending and deposit volumes

## Corporates and households Jun 2012 (SEK bn)



Excluding divested businesses

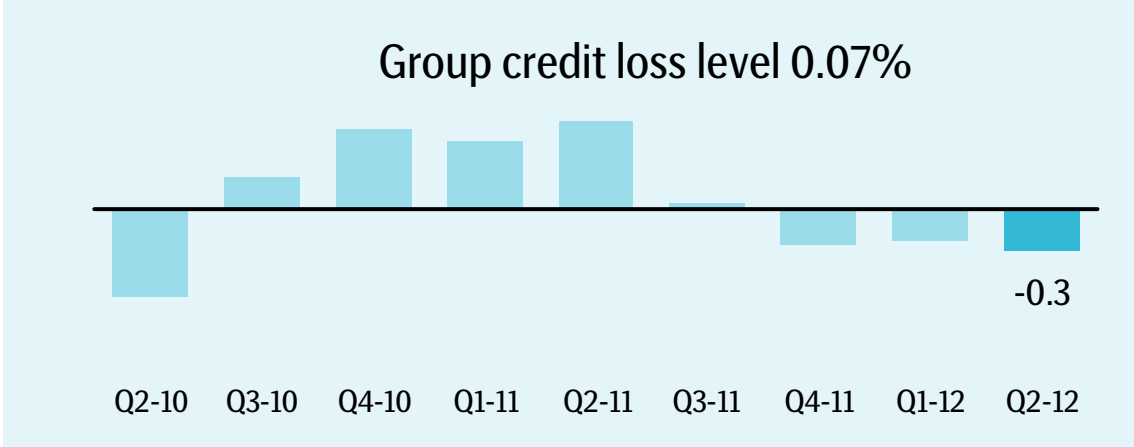
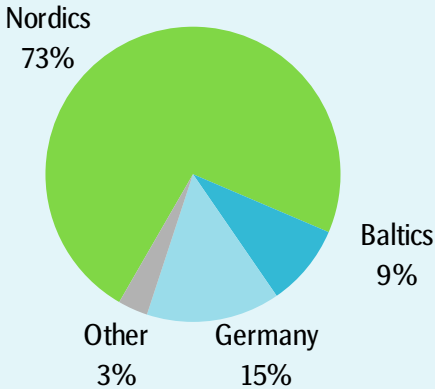
## Customer centric strategy

- Supporting core customers in times of need
- Deposit patterns show flight to quality in turbulent times

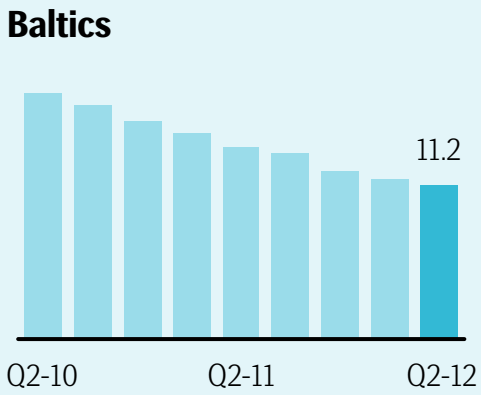
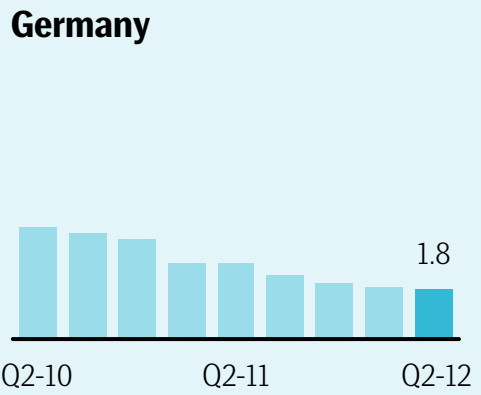
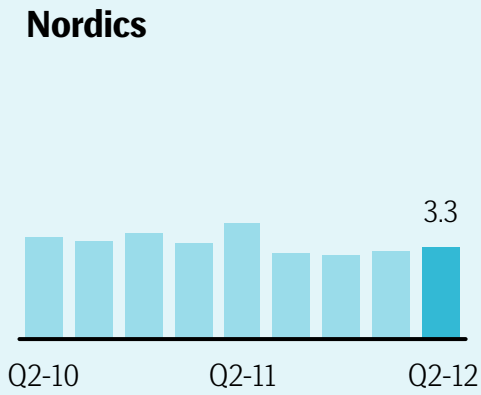


# Continued high asset quality

## Distribution of loan portfolio and credit losses Q2 2010 – Q2 2012 (SEK bn)

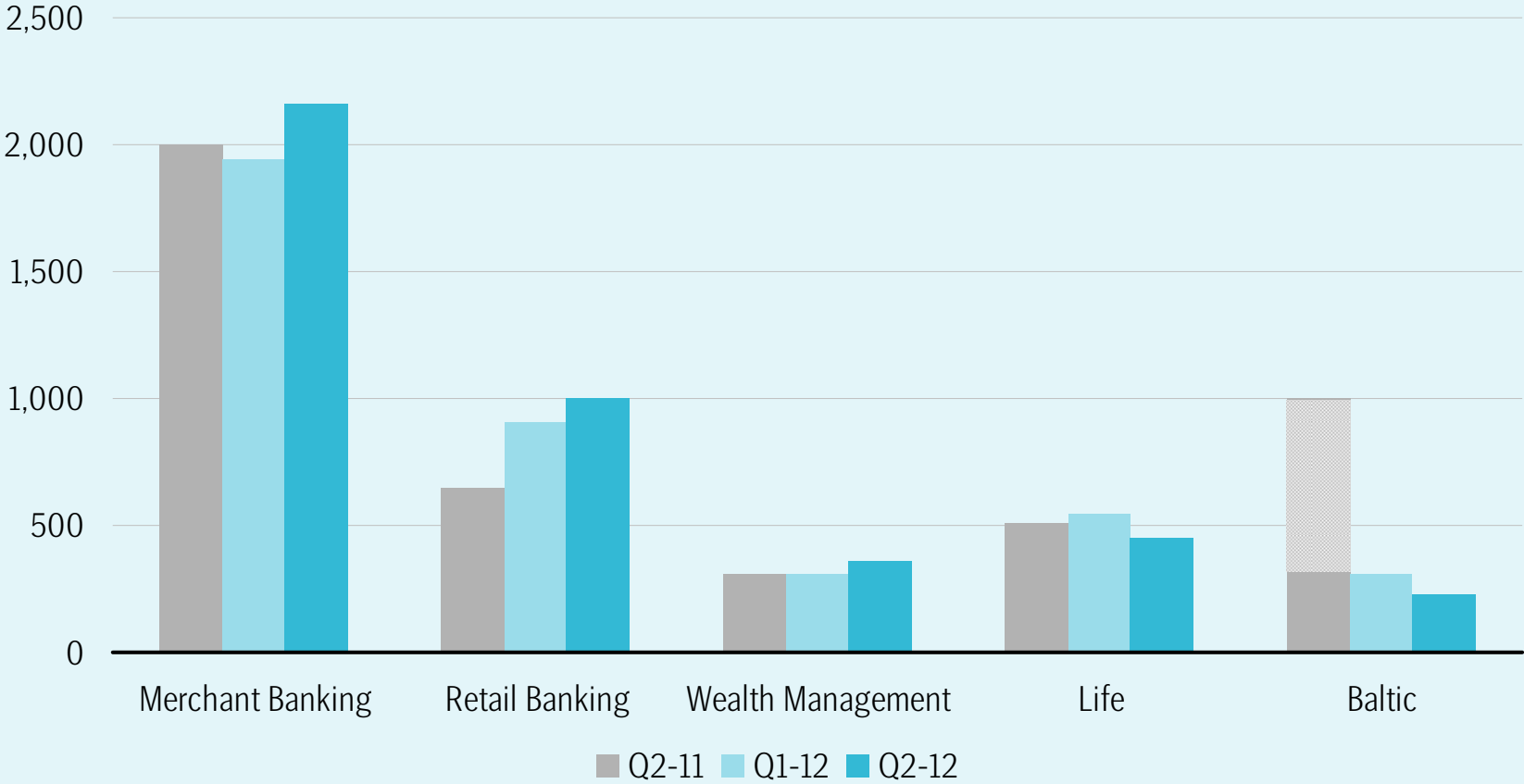


## NPLs by region Q2 2010 – Q2 2012 (SEK bn)



# Divisional performance

Operating profit Q2 2012 vs. previous quarters (SEK m)



Note: Shaded area of Baltic division shows net release of credit provisions

# Large corporate Nordic and German expansion

Platform now in place

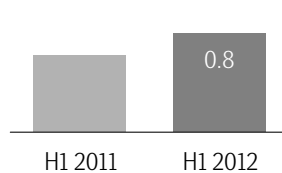
## Operating profit growth (SEK bn)



+20%



+29%



+22%



-1%



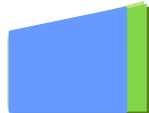
Note: Germany excludes centralised Treasury operations and wind-down portfolio of real estate assets

## Expansion KPIs



+52

new large cap clients in H1-12



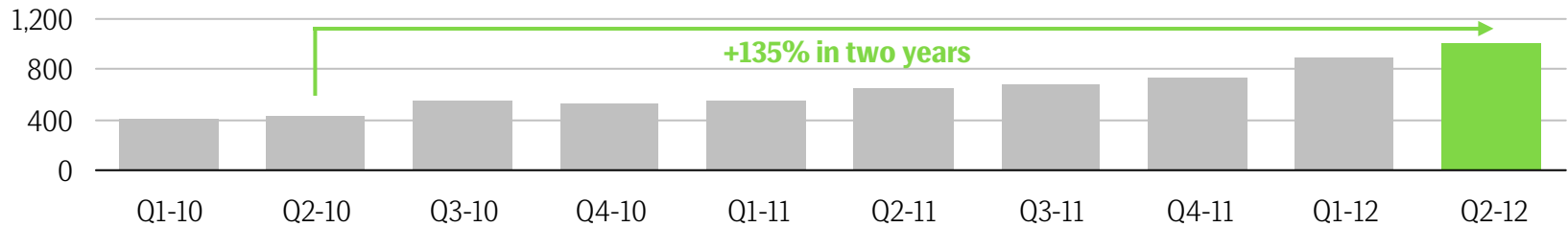
+SEK 18bn

new loans and commitments in H1-12



# Focus on Retail Banking

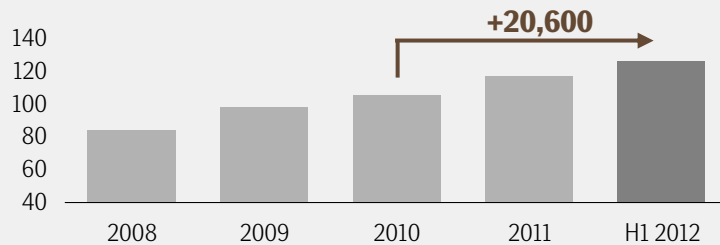
## Quarterly operating profit (SEK m)



## SME expansion – Sweden



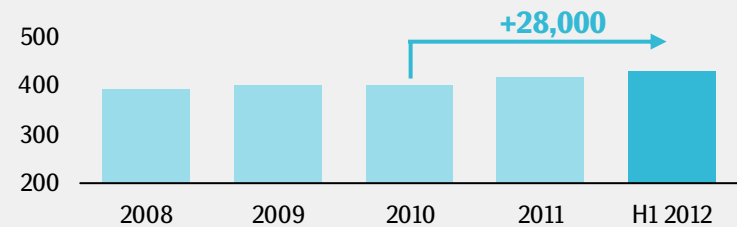
### Active SME clients (thousands)



## Household growth – Sweden



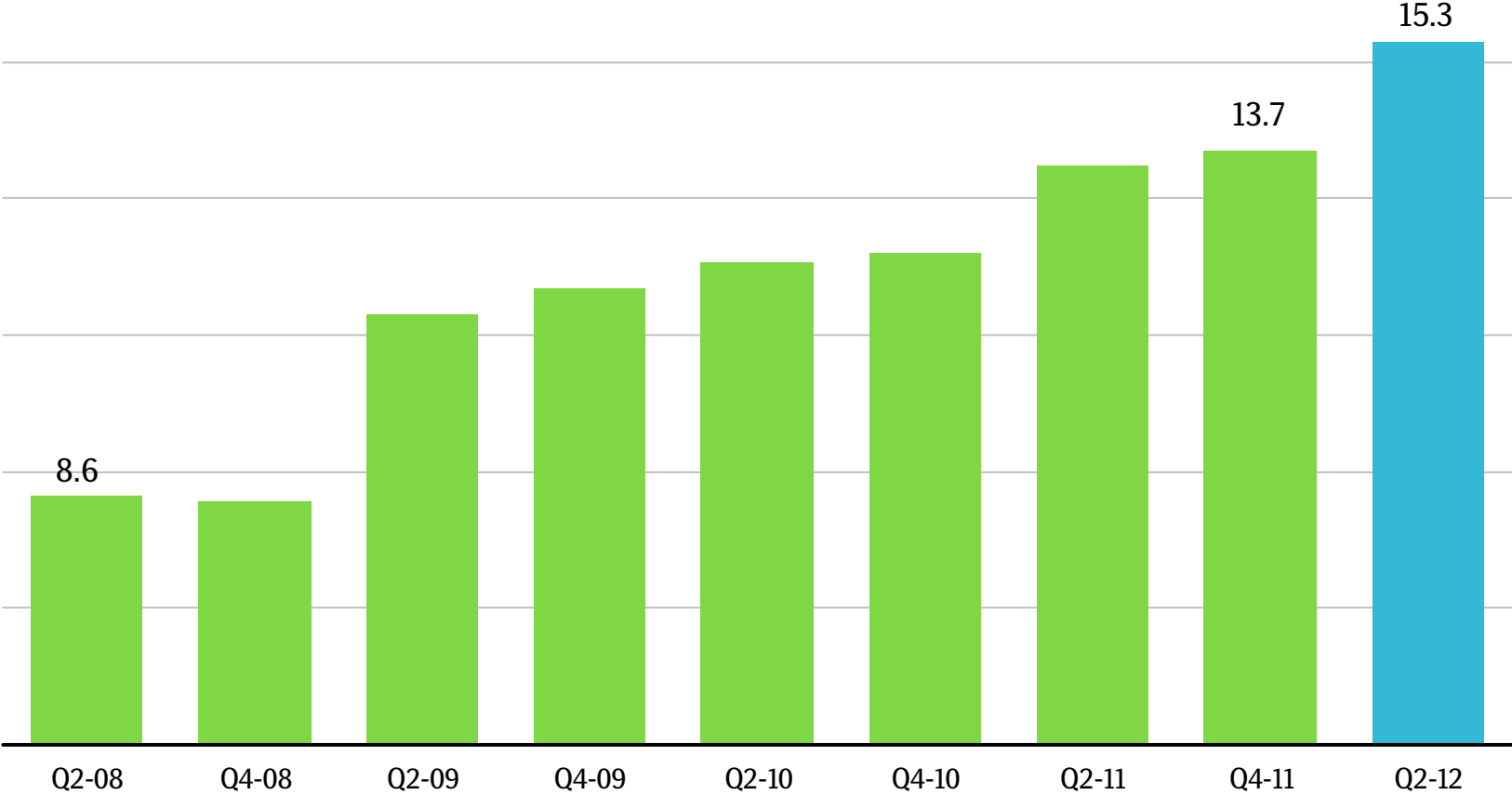
### Homebank customers (thousands)



Note: Redefinition by SCB/UC on active client led to +4,500 clients in 2012

# Higher Core Tier 1 ratio through generated capital and efficient risk management

Basel II Core Tier 1 ratio (per cent)



# Balance sheet strengthened further

## Credit rating confirmed



## Strong capital and liquidity position

Core Tier 1 ratio 15.3%

Liquidity reserve SEK 537bn

Loan to deposit ratio 131%

SEK 61bn of 70bn re-financed

NPL coverage  
ratio 64%



# Outlook

1 Slow pace of recovery to continue

2 Flight to quality to benefit strong banks

3 Need for continued resilience and flexibility





**The leading  
relationship bank  
in our part of the  
world**