

# Financial results Q1 2024

24 April 2024

Johan Torgeby, President & CEO  
Masih Yazdi, CFO

# Highlights in Q1 2024

- The strengthening macroeconomic picture in Sweden was partly reflected in an improved market sentiment
- Asset quality remained robust with net expected credit losses of 1 basis point
- Return on equity amounted to 17.2 per cent on a CET1 capital ratio of 18.9 per cent. The capital buffer was 420 basis points above the regulatory requirement
- We continue the progress toward our capital target, to be within 100–300 basis points above the regulatory requirement towards the end of 2024

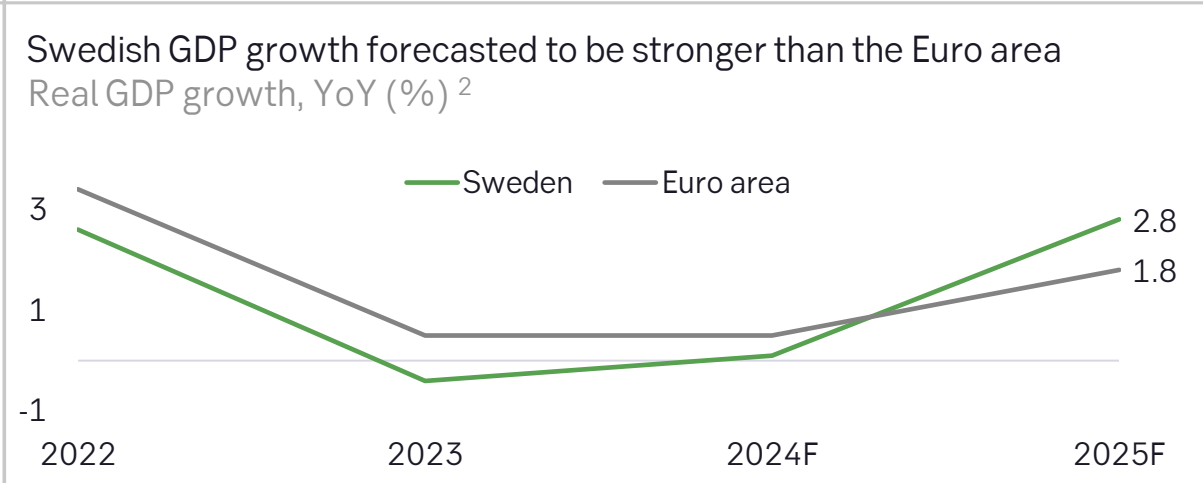
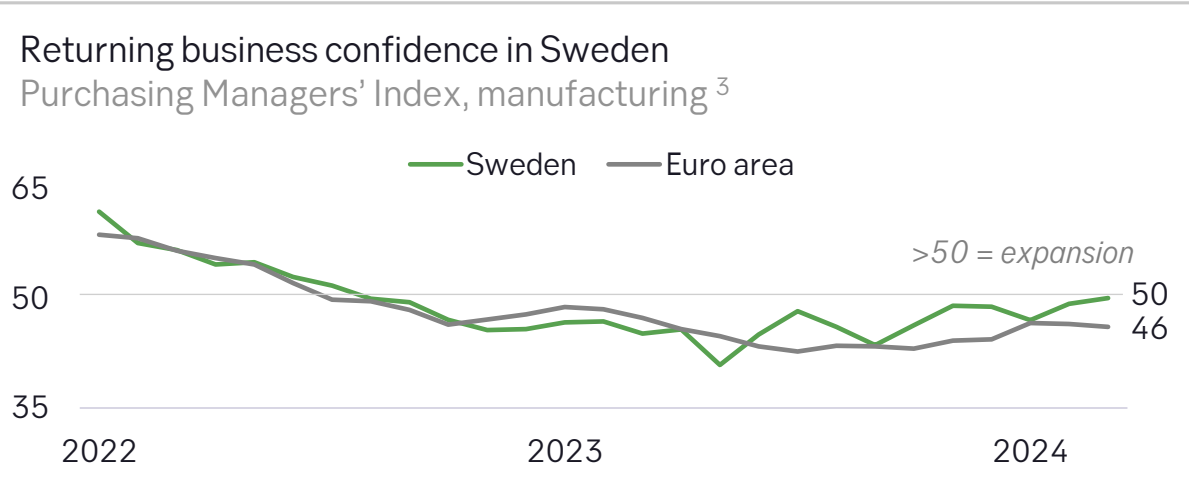
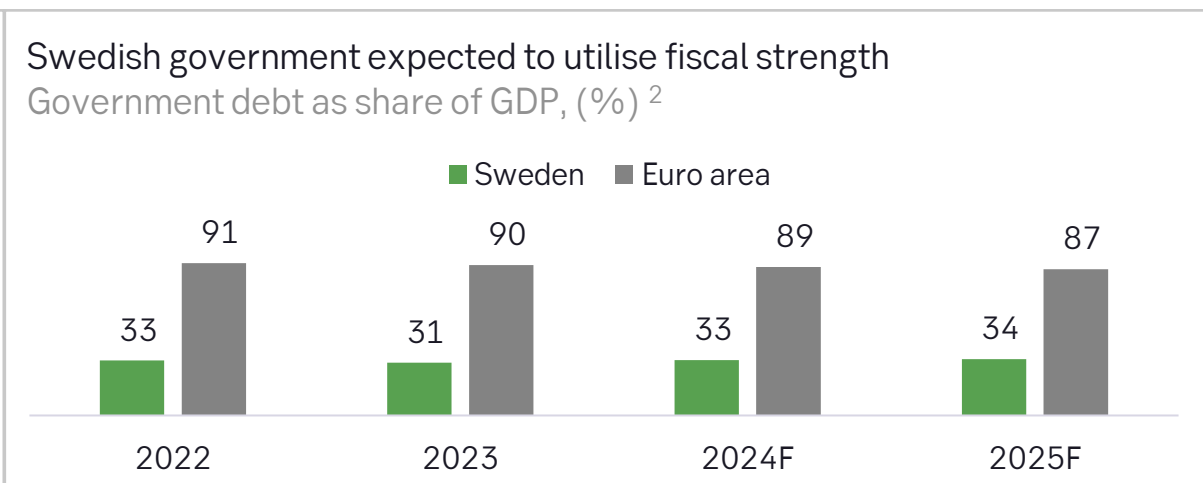
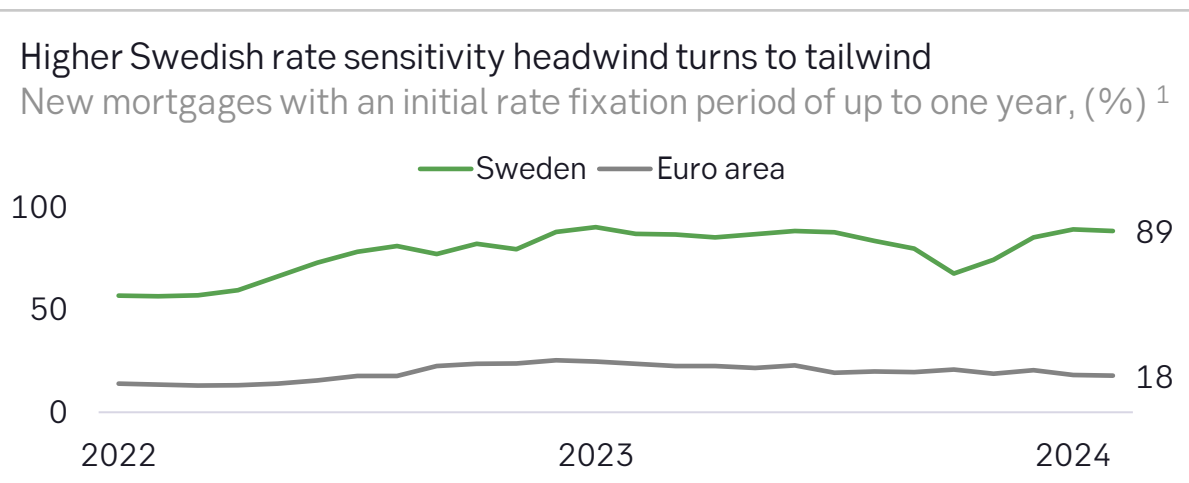
Return on equity  
17.2%

Cost income ratio  
0.35

CET1 ratio  
18.9%

Capital buffer  
420 bps

# Swedish economy expected to have relatively strong development



<sup>1</sup> Eurostat, data per February 2024. <sup>2</sup> Forecast 2024-2025, SEB Nordic Outlook January 2024. <sup>3</sup> Markit, Swedbank and Silf, data per March 2024.

# A selection of recent events

## Maintained high **customer satisfaction**

Prospera, customer surveys



KANTAR PROSPERA

Sustainability advisor  
Nordics

#2

KANTAR PROSPERA

Fixed Income  
Sweden

## Moody's outlook on SEB changed to **positive**

Issuer credit rating, senior unsecured debt, deposits

# MOODY'S

Aa3 positive outlook

## Continued **anti-fraud developments**

Examples of possible upcoming initiatives



Additional transaction limits



Optional prolonged payment  
initiations



Added duality validation

# Continued expansion leading to a diverse geographical footprint

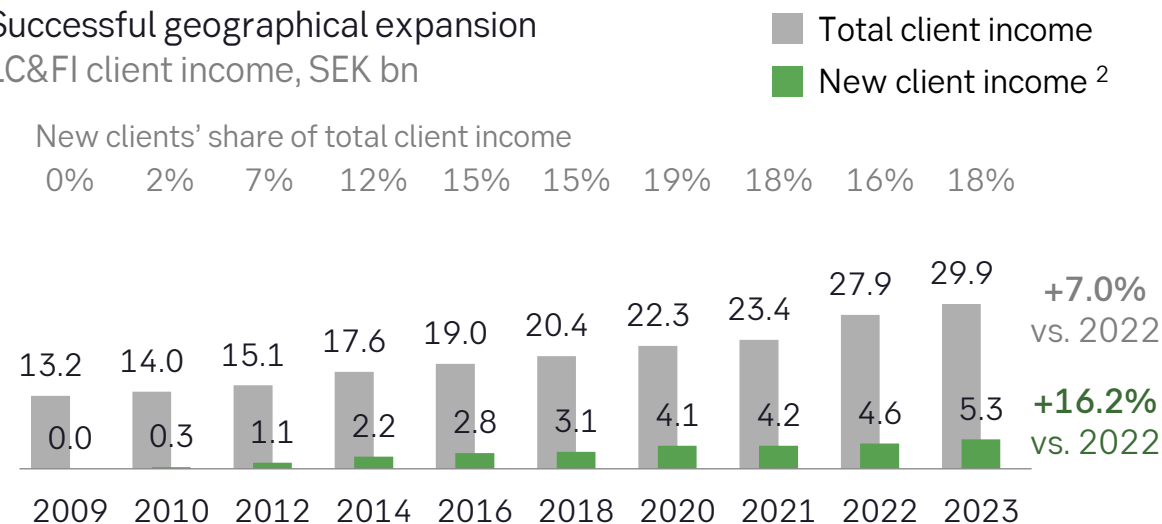
*“A leading northern European corporate bank with international reach”*



## Our operating model Serving our clients locally

- Home markets including Nordics, Baltics, Germany and UK
- International Network spanning from New York to Shanghai <sup>1</sup>
- Modestly expanding in Austria, Switzerland and the Netherlands
- International business, predominantly focused on listed investment grade large corporate clients

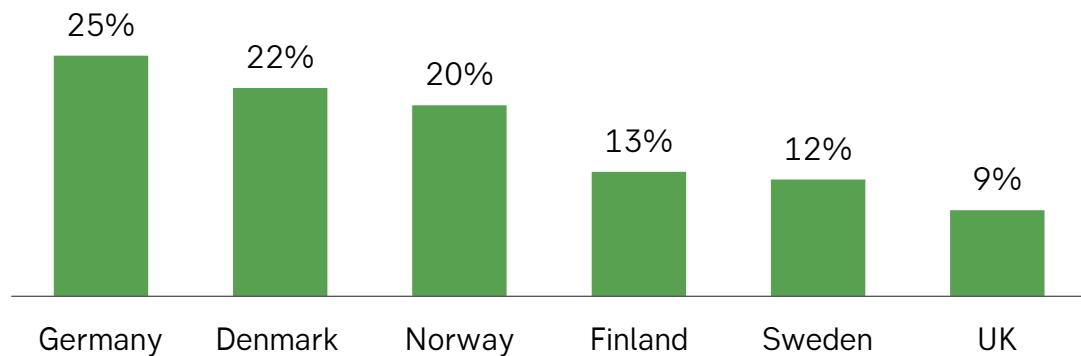
## Successful geographical expansion LC&FI client income, SEK bn



Note: Client income based on internal definition. We are in the process of winding down our business in Russia. <sup>1</sup> Including Poland, Ukraine, China, Hong Kong, Singapore, India, the United States and Brazil. <sup>2</sup> New clients since 2010, including Sweden, Norway, Denmark, Finland, Germany and United Kingdom.

# A profitable, cost-efficient and diversified business

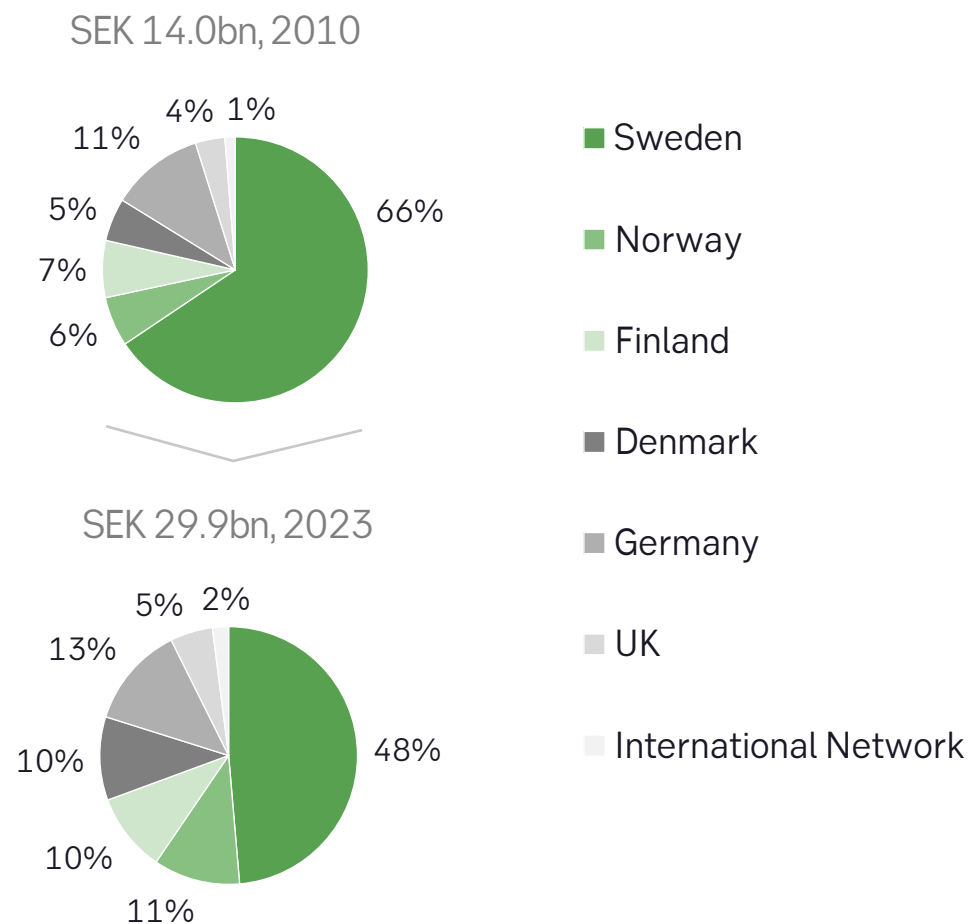
LC&FI new client income (from Nordic, German and UK expansion)  
SEK 5.3bn, 2023



Key ratios  
2023<sup>1</sup>

	Germany	Denmark	Norway	Finland	UK	Intl. Network	LC&FI division
<b>RoBE</b>	12%	22%	24%	26%	12%	22%	<b>17.8%</b>
<b>C/I</b>	0.26	0.27	0.33	0.27	0.37	0.47	<b>0.35</b>
<b>FTEs</b>	156	158	214	160	80	328	<b>2,354</b>
<b>Client income CAGR<sup>2</sup></b>	9%	18%	0%	13%	16%	11%	<b>9%</b>

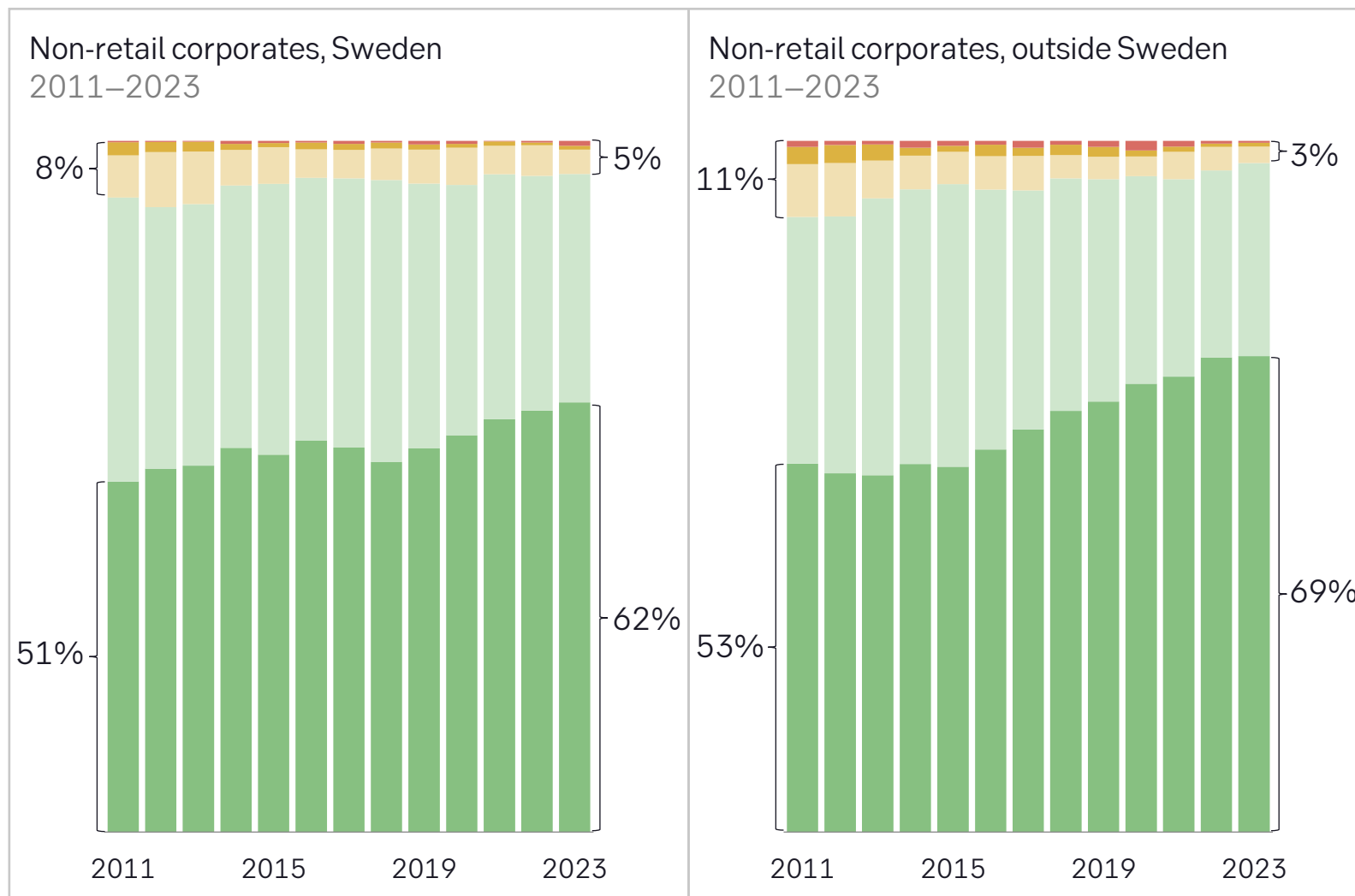
LC&FI total client income



Note: Client income based on internal definition. Based on local client relations. <sup>1</sup> Numbers representing LC&FI division, based on Management reporting.

<sup>2</sup> CAGR of client income 2023 vs. 2020.

# Increasing share of investment grade companies

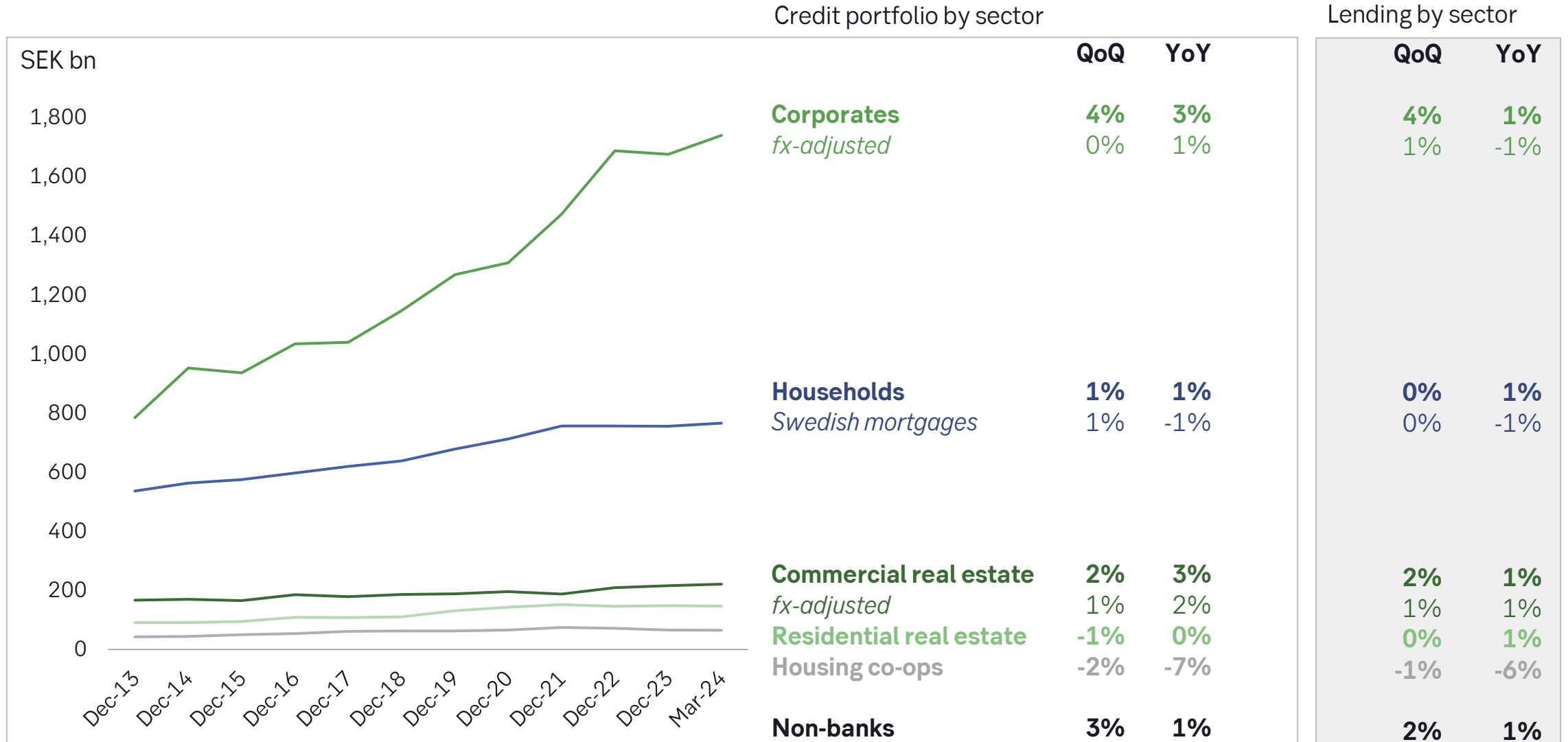


Category	Probability of Default (PD) range	External Rating equivalent <sup>1</sup>
Investment grade	0.0 - 0.4%	AAA - BBB
Standard monitoring	0.4 - 1.1%	BB
Restricted business	1.1 - 6%	B+
Watch list	> 6%	B/C
Default	100%	D

<sup>1</sup> Estimated link between internal PDs and external ratings based on comparison of historical default outcomes.



# Development of credit portfolio



Note: Credit portfolio includes loans, contingent liabilities and derivatives. FX-adjusted excludes trading products.



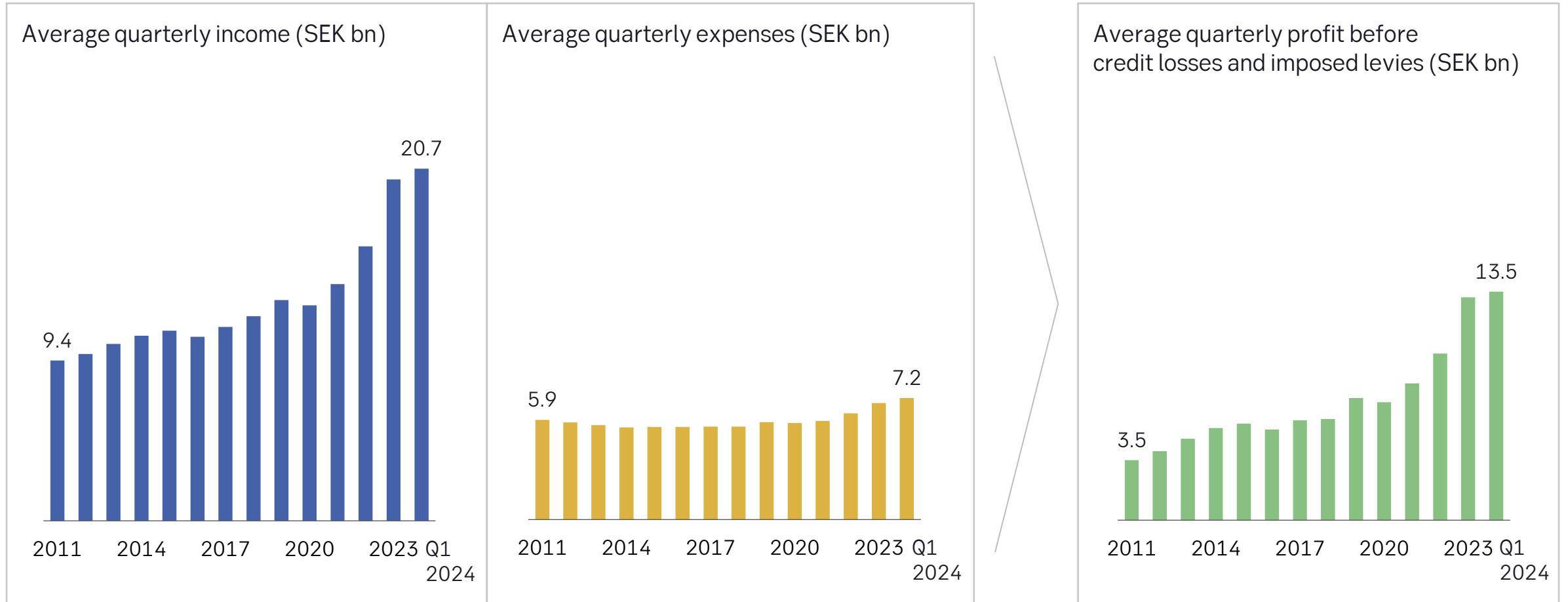


Masih Yazdi, CFO

# Financial summary Q1 2024

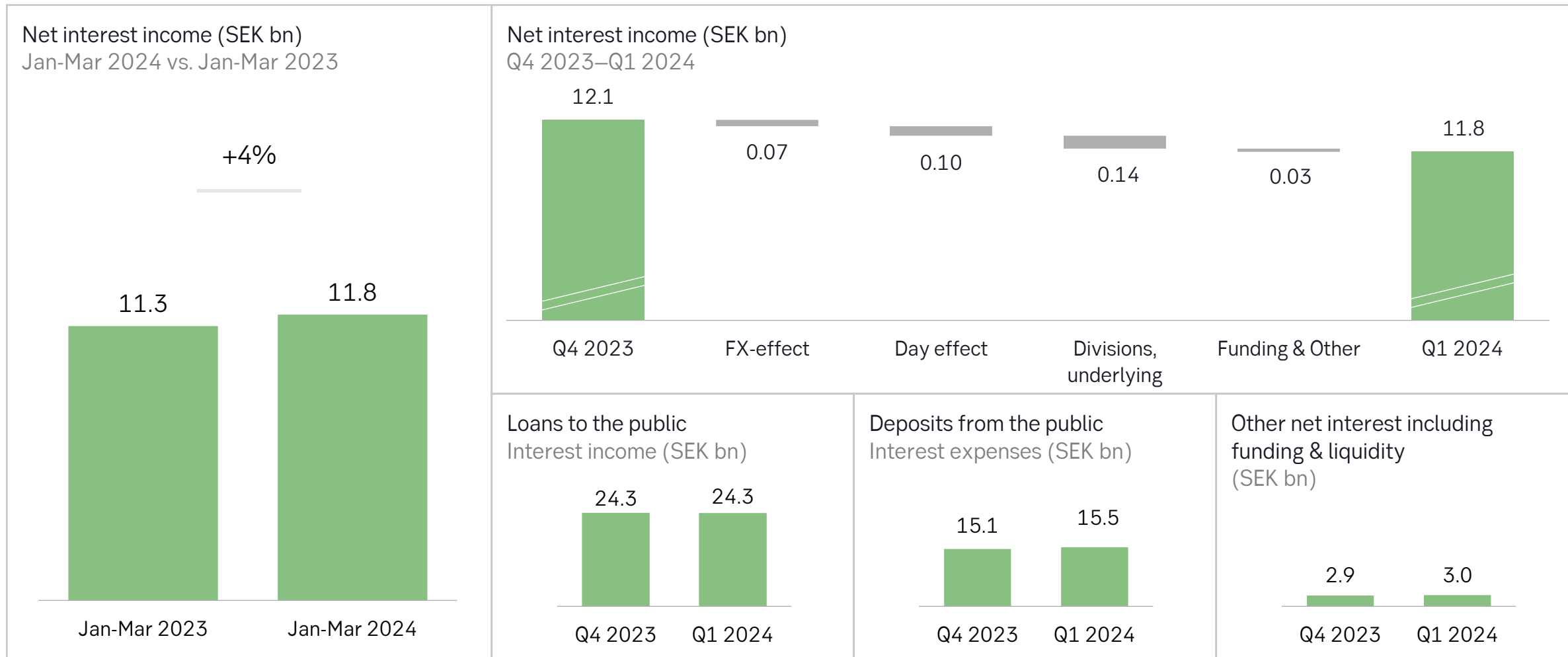
SEK m	Q1 2024	Q4 2023		Q1 2023		
<b>Total operating income</b>	<b>20,682</b>	<b>20,136</b>	<b>3%</b>	<b>19,060</b>	<b>+9%</b>	<b>Net ECL level</b> 1 bps  <b>C/I</b> 0.35  <b>CET1</b> 18.9%  <b>RoE</b> 17.2%
Net interest income	11,765	12,100	-3%	11,297	+4%	
Net fee and commission income	5,625	5,542	+2%	5,170	+9%	
Net financial income	3,249	2,386	+36%	2,403	+35%	
Total operating expenses	7,160	7,130	0%	6,465	+11%	
<b>Profit before ECL and imposed levies</b>	<b>13,522</b>	<b>13,006</b>	<b>+4%</b>	<b>12,594</b>	<b>+7%</b>	
Net expected credit losses	73	664	-89%	272	-73%	
Imposed levies	1,133	1,075	+5%	702	+61%	
<b>Operating profit</b>	<b>12,316</b>	<b>11,267</b>	<b>+9%</b>	<b>11,620</b>	<b>+6%</b>	
Income tax expense	2,813	2,894	-3%	2,227	+26%	
<b>Net profit</b>	<b>9,503</b>	<b>8,373</b>	<b>+13%</b>	<b>9,393</b>	<b>+1%</b>	

# Operating leverage

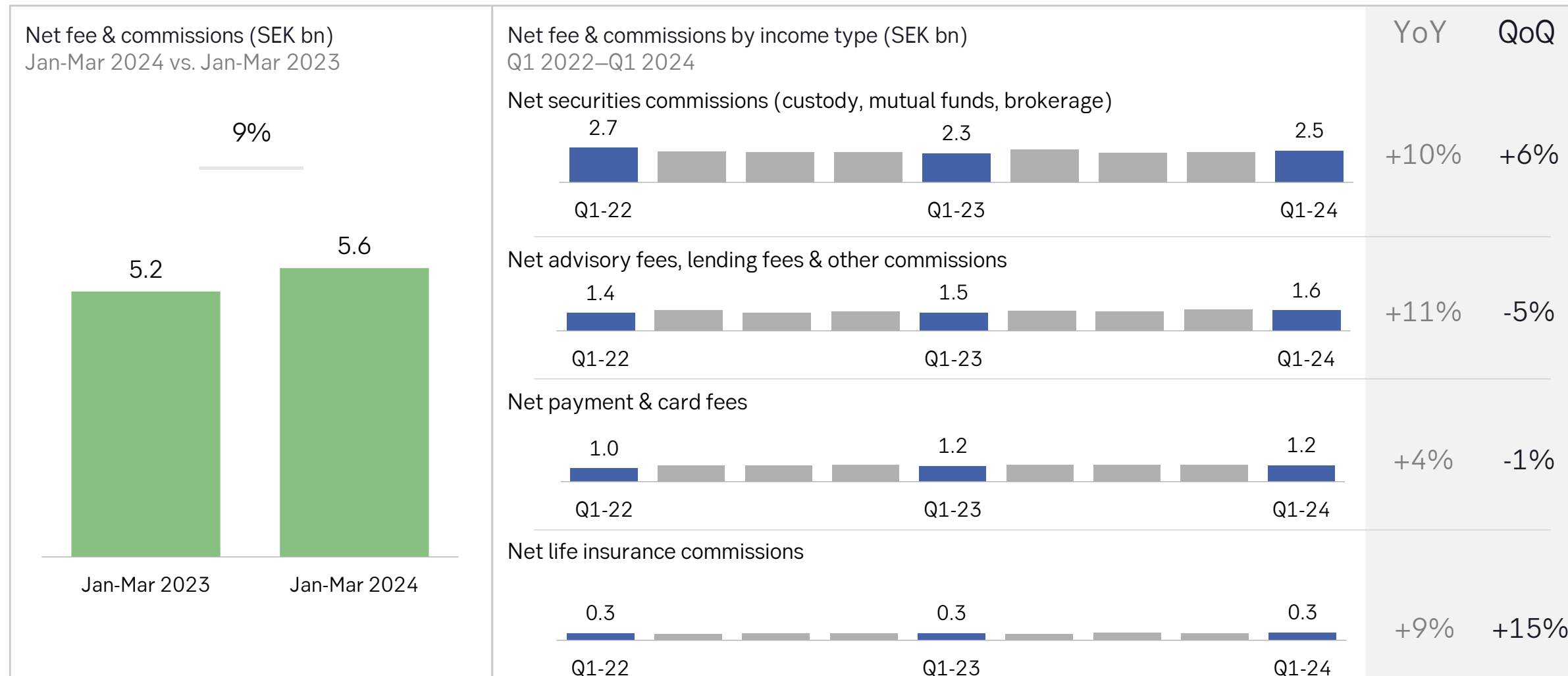


Note: Excluding items affecting comparability.

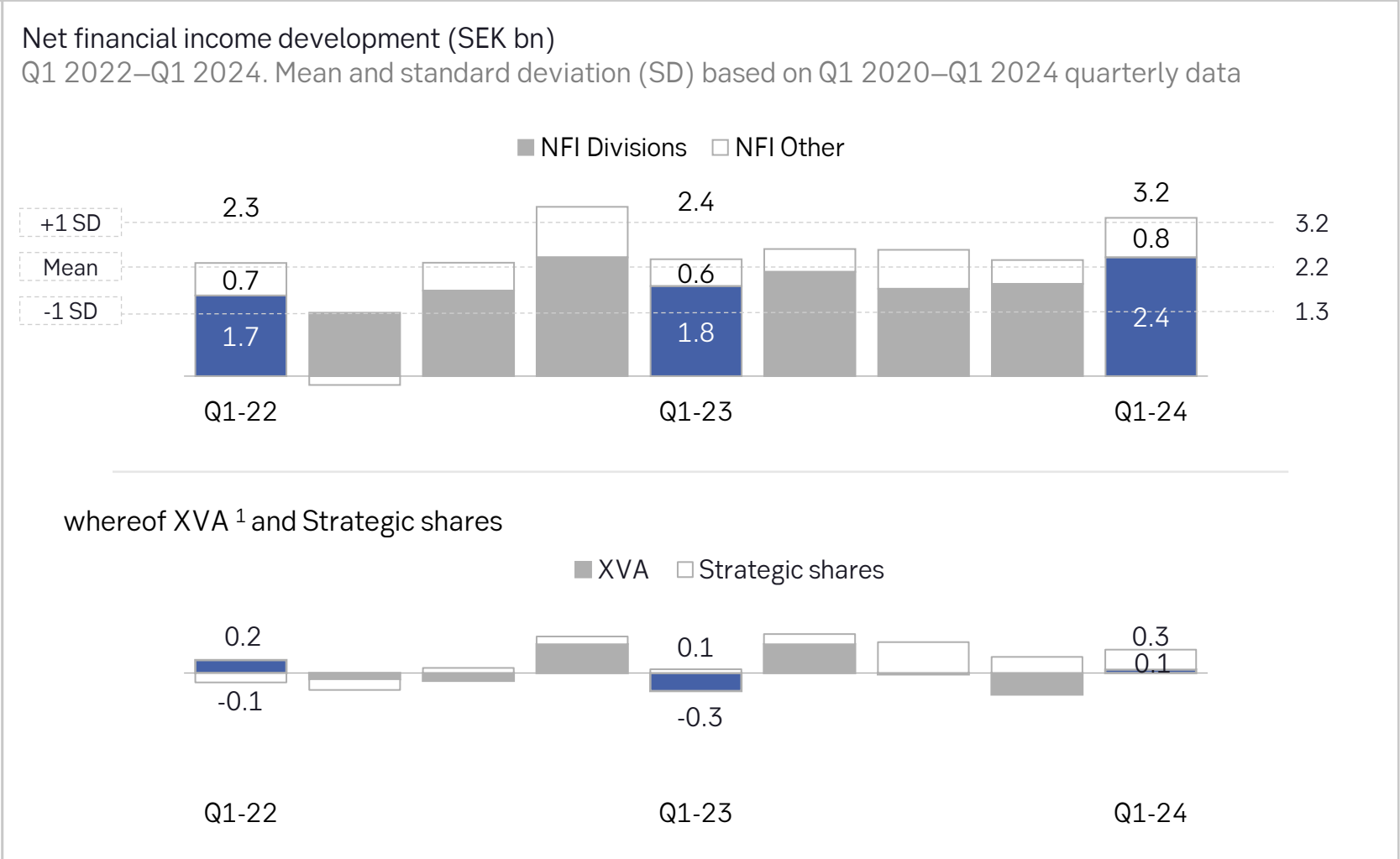
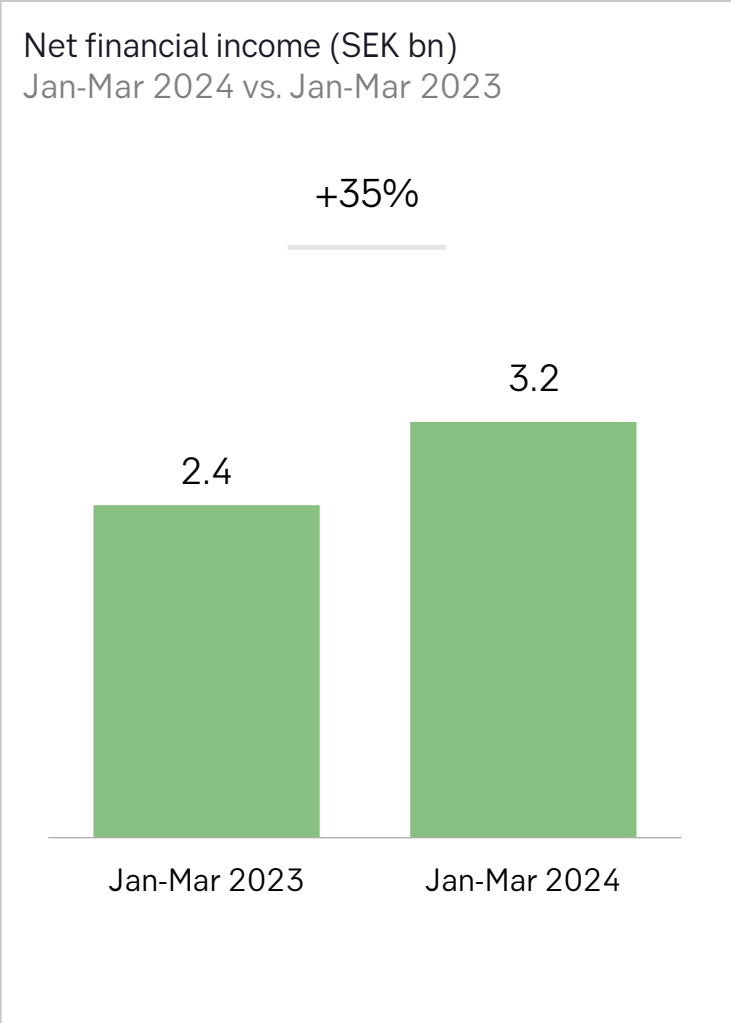
# Net interest income development



# Net fee & commission income development

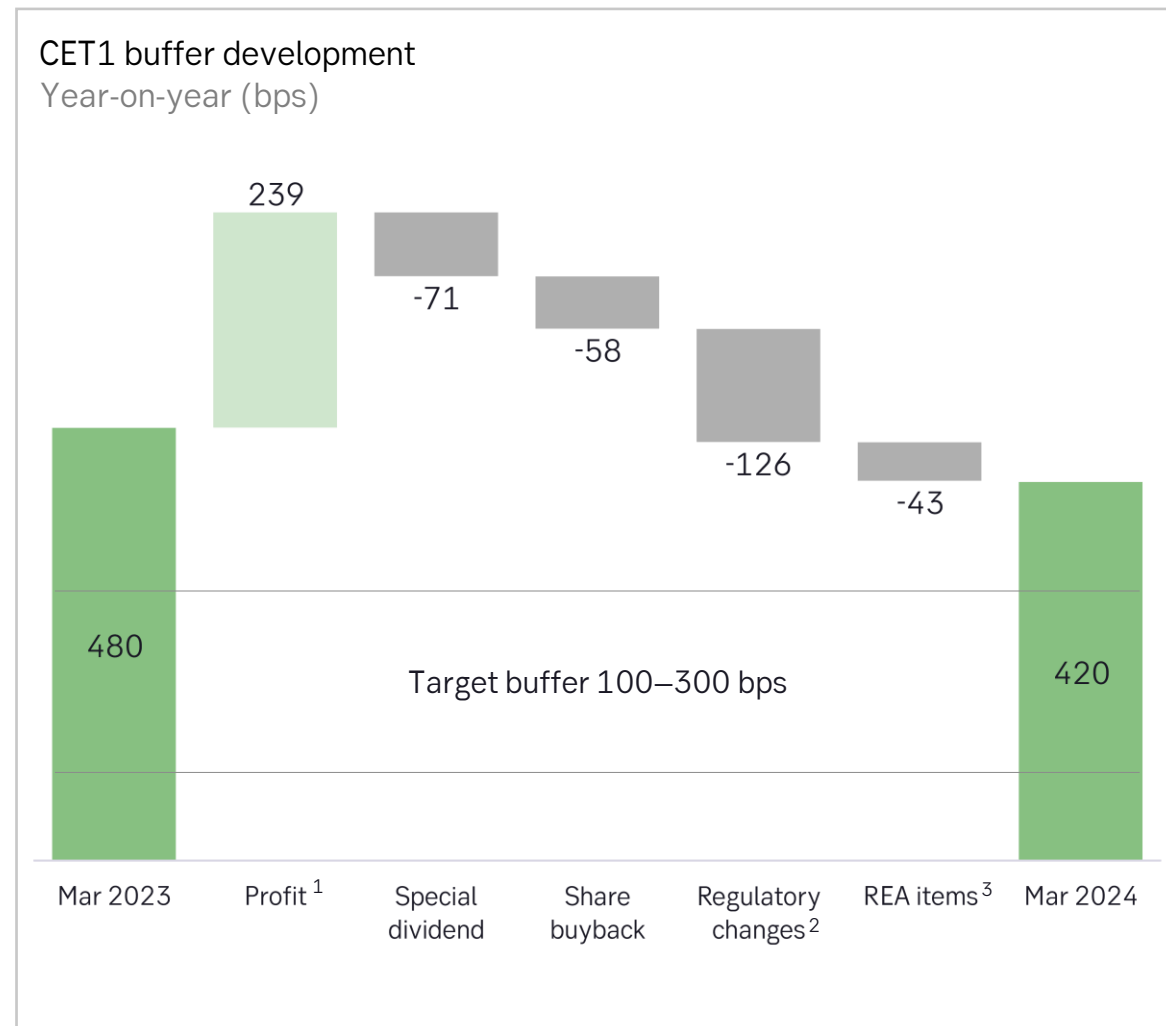
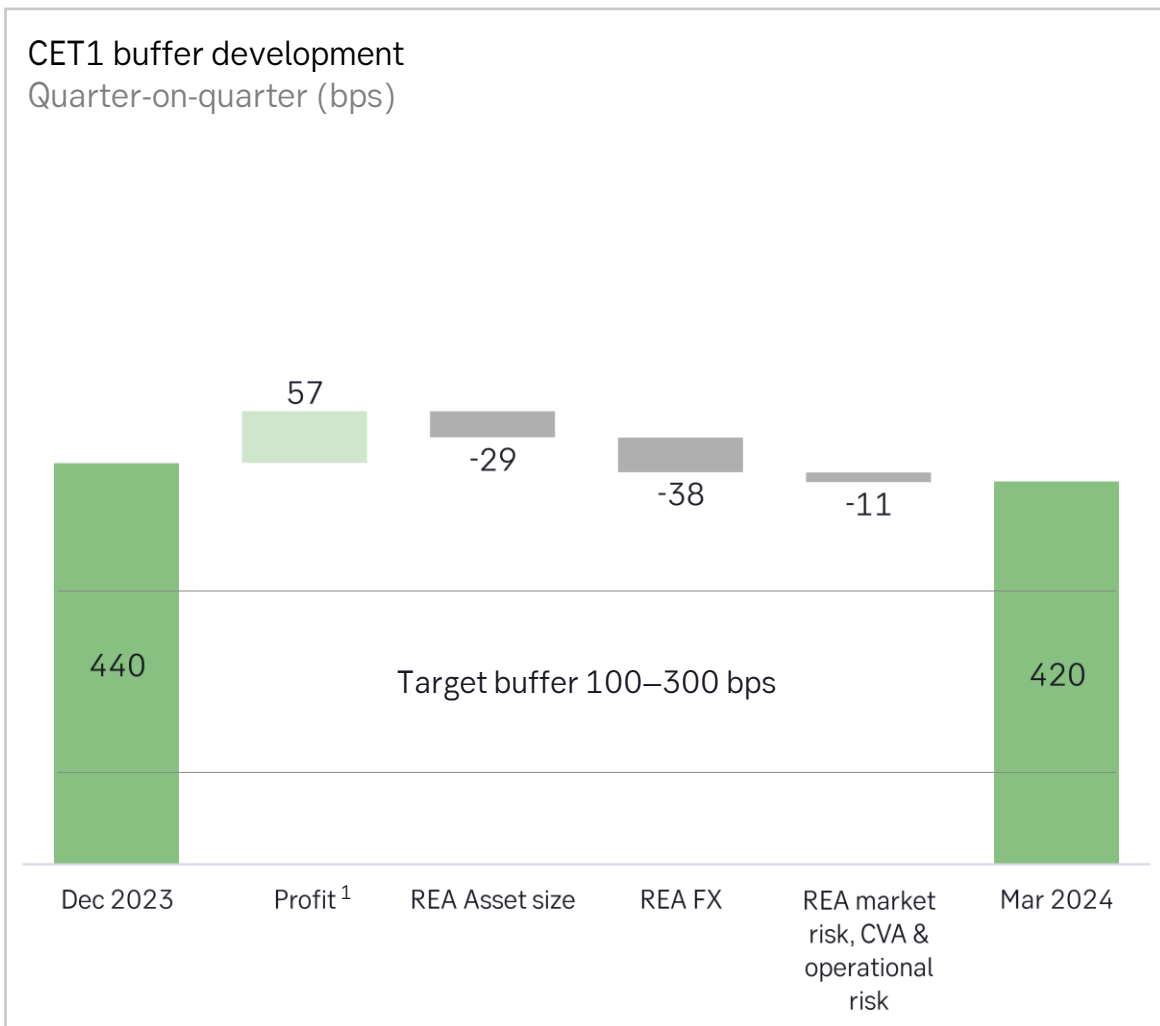


# Net financial income development



<sup>1</sup> Consists of CVA, DVA, FVA and ColVa.

# Capital buffer development



<sup>1</sup> Profit net of ordinary dividend. <sup>2</sup> “Regulatory changes” consists of 2023 SREP decision (IRB add-on, etc. -40bps), CCyB (-60bps) and the move of risk weight floors for exposures secured by real estate in Sweden from Pillar 2 to Pillar 1 (-30bps). <sup>3</sup> REA items consists of REA Asset size, Market risk, FX, Operational risk and CVA.



# Strong asset quality and balance sheet

2023

## Asset quality

Net expected credit loss level 3 bps

---

## Funding & liquidity

Customer deposits (SEK) 1,612bn

Liquidity coverage ratio 140%

Net Stable Funding Ratio (NSFR) 112%

---

## Capital

CET1 ratio (Basel 3) 19.1%

CET1 buffer above requirement 440 bps

Total capital ratio (Basel 3) 22.4%

Leverage ratio (Basel 3) 5.4%

March 2024

## Asset quality

Net expected credit loss level 1 bps

---

## Funding & liquidity

Customer deposits (SEK) 1,899bn

Liquidity coverage ratio 126%

Net Stable Funding Ratio (NSFR) 110%

---

## Capital

CET1 ratio (Basel 3) 18.9%

CET1 buffer above requirement 420 bps

Total capital ratio (Basel 3) 22.8%

Leverage ratio (Basel 3) 4.8%

# 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.



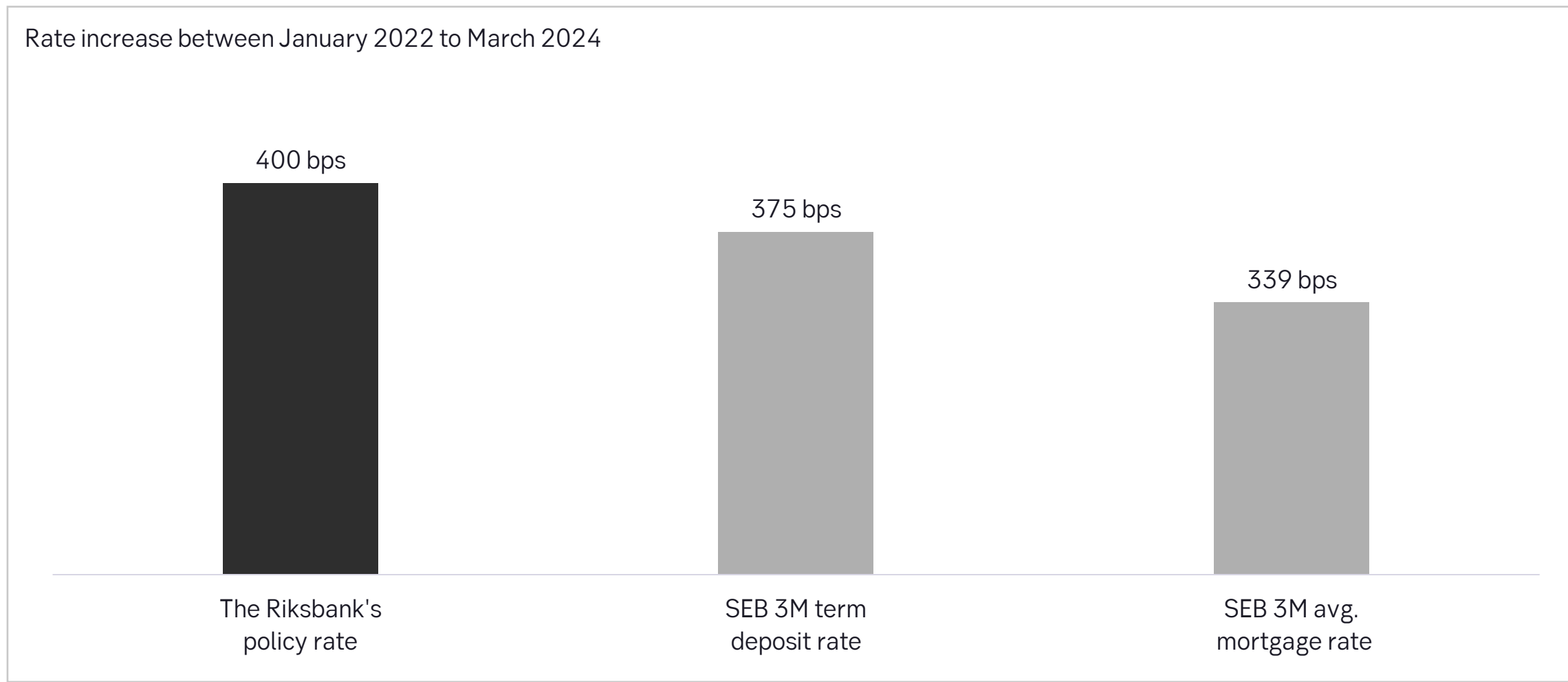
Thank you for your attention



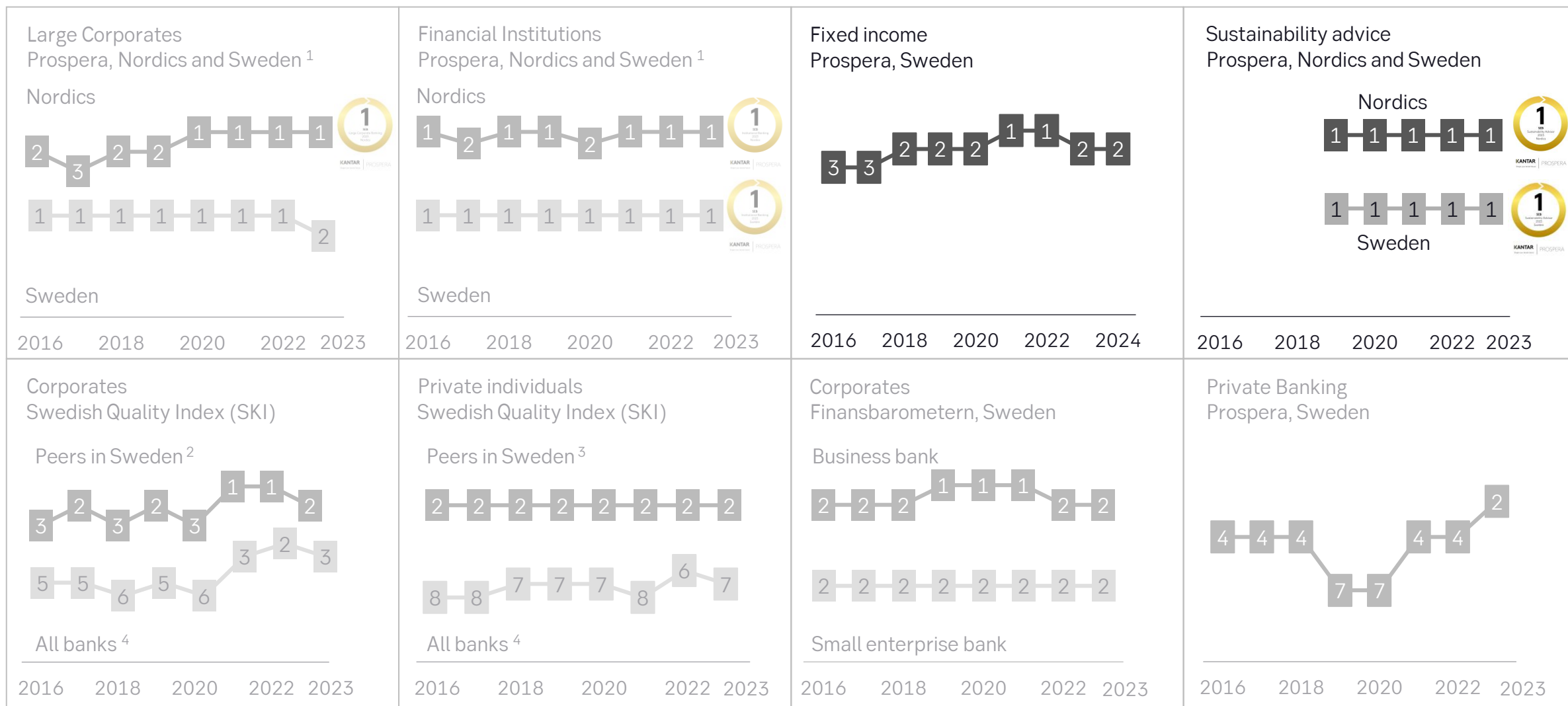
# Appendix

A scenic landscape photograph of a fjord or lake. The water is calm and reflects the sky and surrounding mountains. A thick layer of mist or fog fills the valley between the mountains. The mountains are dark and rugged, with some snow patches visible. The sky is a pale, hazy blue. In the foreground, there are dark green trees and bushes. The overall mood is serene and quiet.

# Deposit rates have increased more than mortgage rates since 2022



# We continue to receive positive feedback from our customers



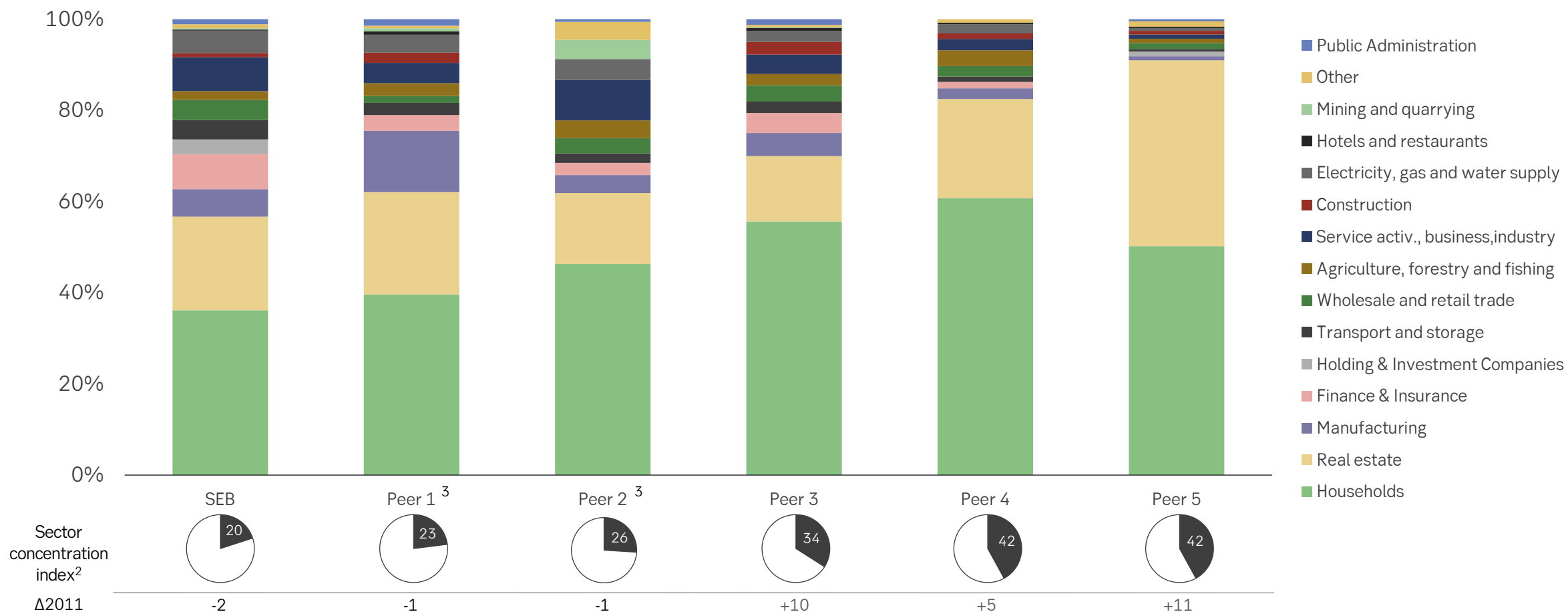
<sup>1</sup> All Tiers. <sup>2</sup> Ranking including SEB, Handelsbanken, Swedbank, Nordea, Danske Bank. <sup>3</sup> Ranking including SEB, Handelsbanken, Swedbank, Nordea.

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

# Lending portfolio more sector-diverse than competitors'

## Lending portfolio by industry <sup>1</sup>

Q4 2023, total lending excl. banks, reversed repos and collateral margin

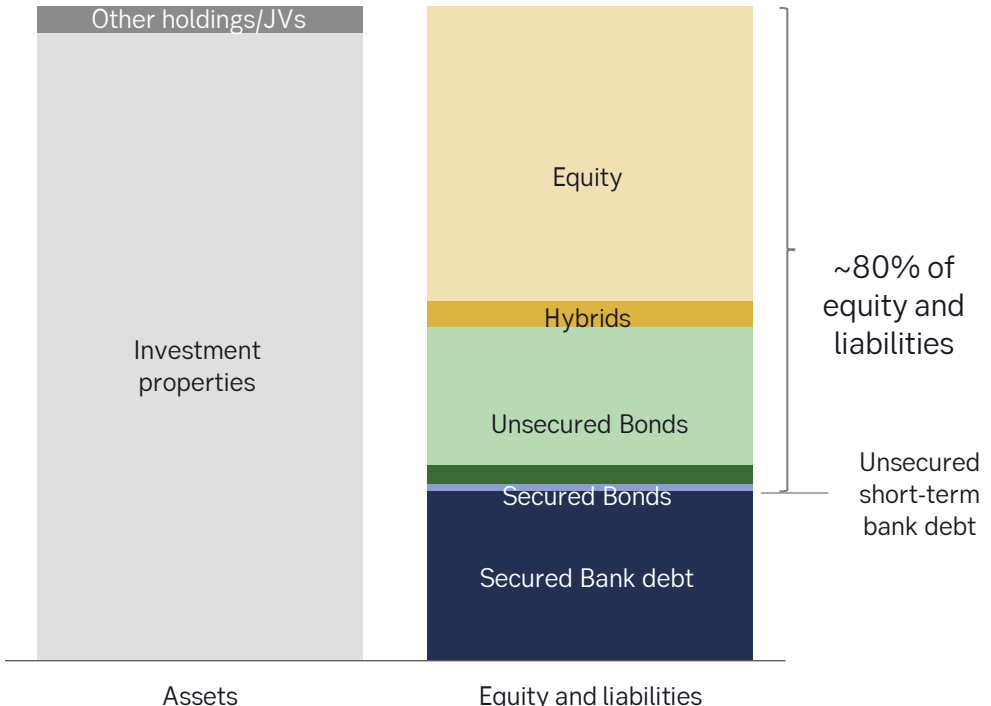


<sup>1</sup> Based on information from external reporting, best-estimate industry categorisation. <sup>2</sup> Measured as Herfindahl-Hirschmann index (100 = full concentration). Used as an indicator of credit concentration risk to industries/economic sectors by Swedish FSA. <sup>3</sup> Loans and financial commitments.

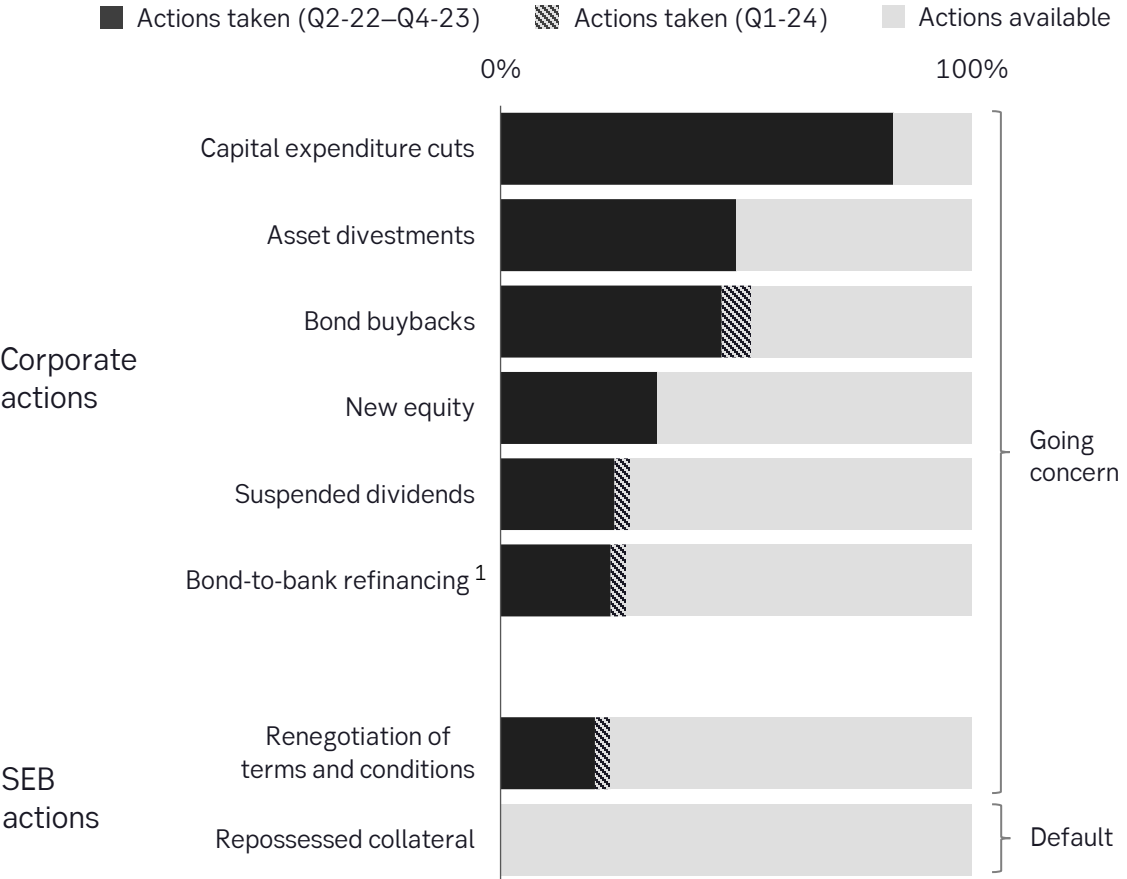


# Real estate clients working on deleveraging activities

Average capital structure for large real estate companies as per Q4 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.

