

Financial Results 2018

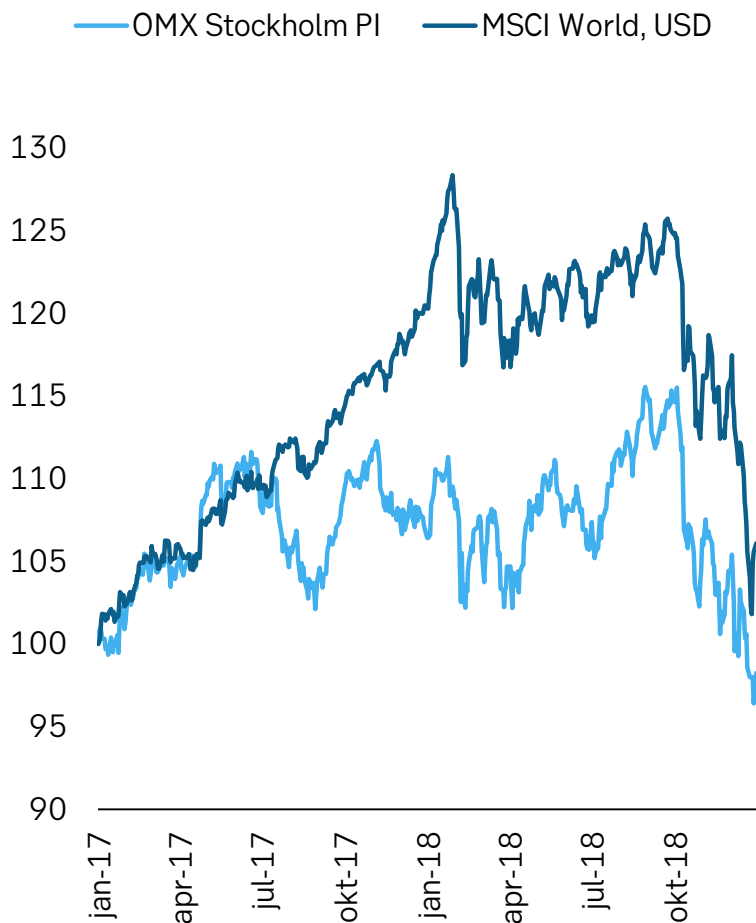
Johan Torgeby, President & CEO

Telephone conference 30 January 2019

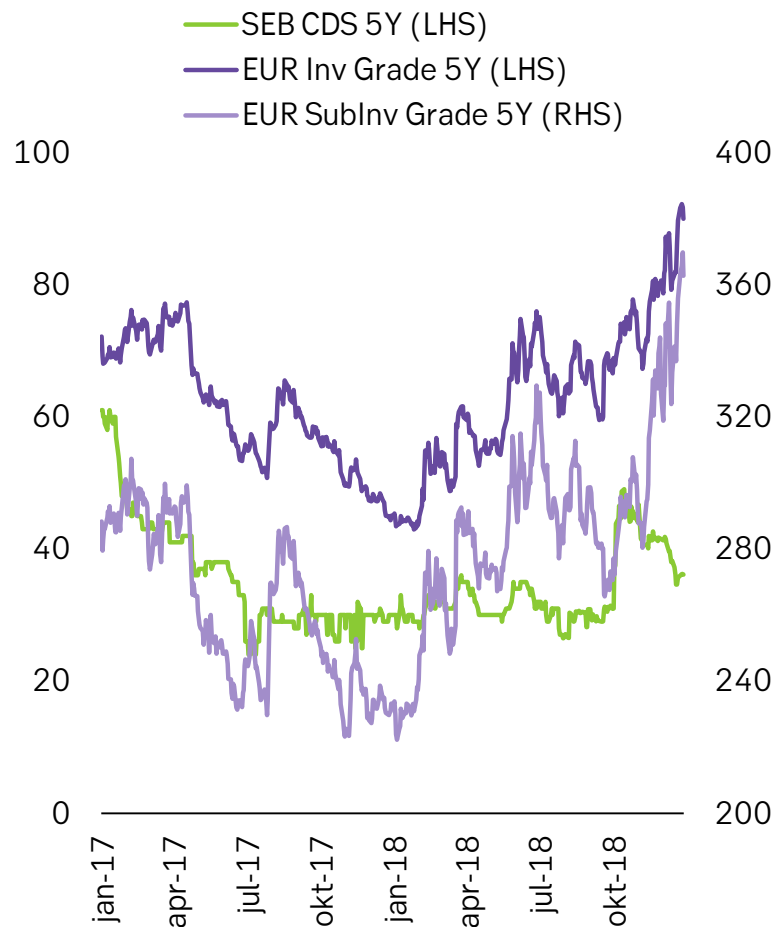


Financial markets development

Equity markets Sweden & Global



Credit spreads SEB vs. corporate



Interest rates Annual yield of 10-year gvt bonds



Note: equity market data series are indexed assuming 2016-12-30 = 100.

Highlights Q4 2018

- **Solid result** with good activity, primarily driven by corporates
- SEB's **Markets business** benefitted from higher volatility & active customers
- Strong **capital** position, robust **asset quality** & good **cost control**

Financial summary Q4 2018

SEK m	Q4 2018	Q3 2018	%	Q4 2017	%
Total operating income	11,744	11,433	3	11,847	-1
Total operating expenses	-5,561	-5,421	3	-5,605	-1
Profit before credit losses	6,183	6,012	3	6,242	-1
Expected credit losses etc.	-415	-425	-2	-141	
Operating profit before IAC	5,768	5,587	3	6,101	-5
IAC				-1,896	
Operating profit	5,768	5,587	3	4,204	37

Net ECL level

8bps

C/I

0.47

CET 1

17.6 %

RoE¹

12.8%

¹ Before IAC; RoE after IAC at 12.4 per cent.

Financial summary 2018

SEK m	2018	2017	%
Total operating income	45,868	45,561	<i>1</i>
Total operating expenses	-21,940	-21,936	<i>0</i>
Profit before credit losses	23,928	23,625	<i>1</i>
Expected credit losses etc.	-1,148	-970	<i>18</i>
Operating profit before IAC	22,779	22,655	<i>1</i>
IAC	4,506	-1,896	
Operating profit	27,285	20,759	<i>31</i>

Net ECL level

6bps

C/I

0.48

CET 1

17.6 %

RoE¹

13.4%

DPS

6,00 SEK

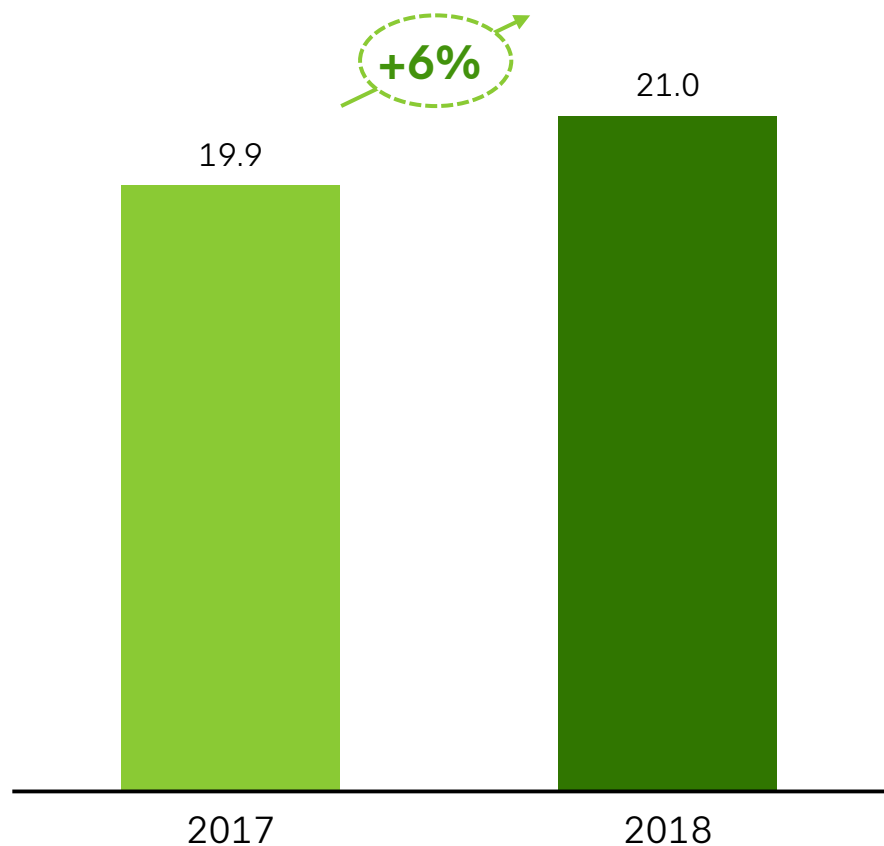
0,50 SEK



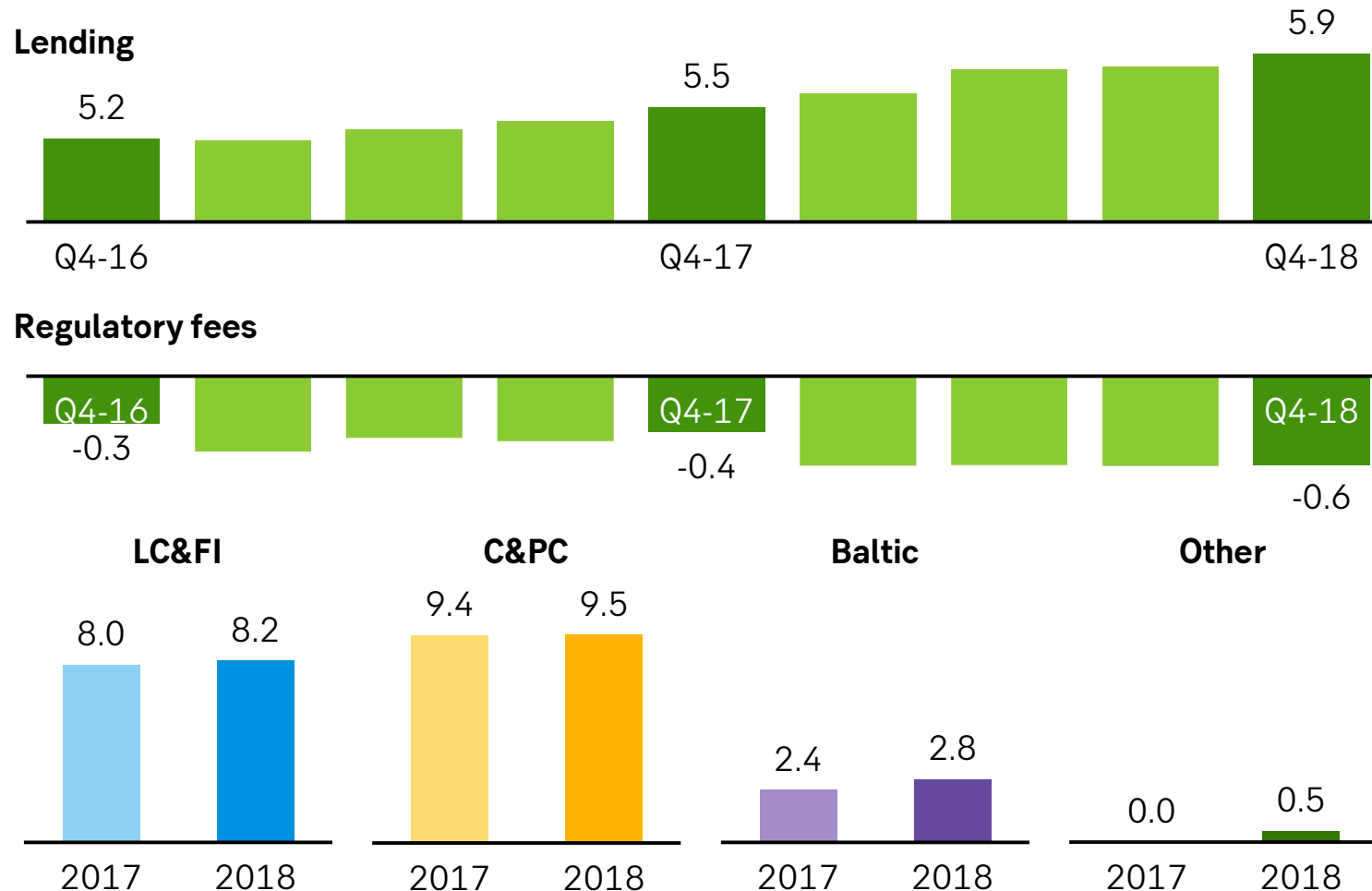
¹ Before IAC; RoE after IAC at 16.3 per cent.

Net interest income development

Net interest income (SEK bn)
2018 vs. 2017

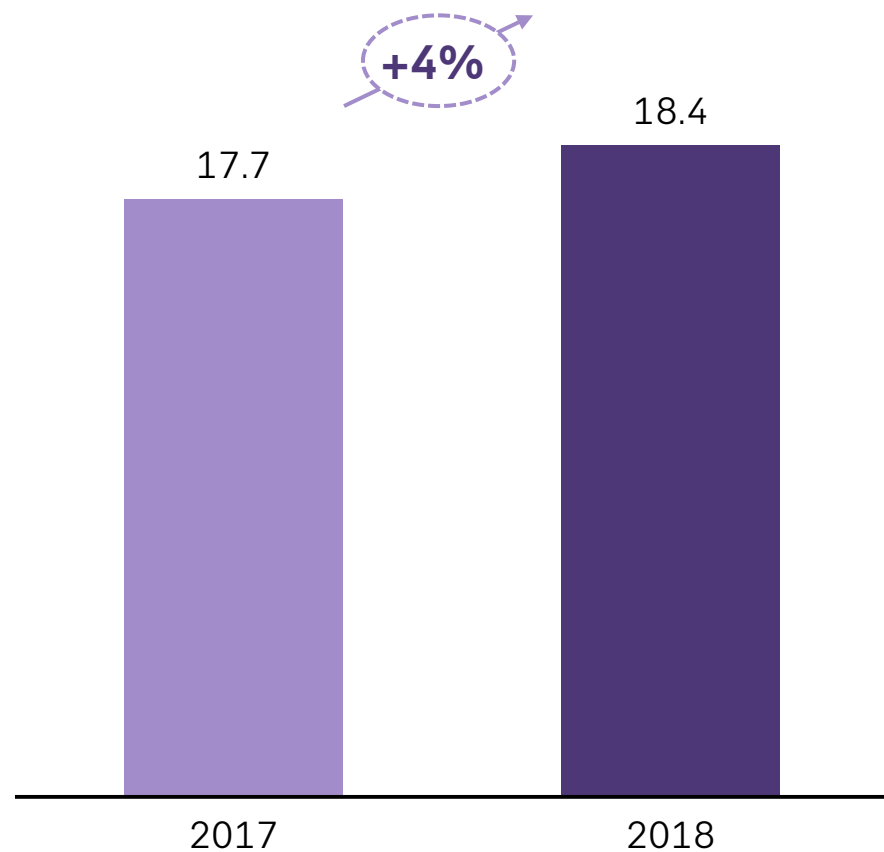


Net interest income type (SEK bn)
Q4 2016 – Q4 2018



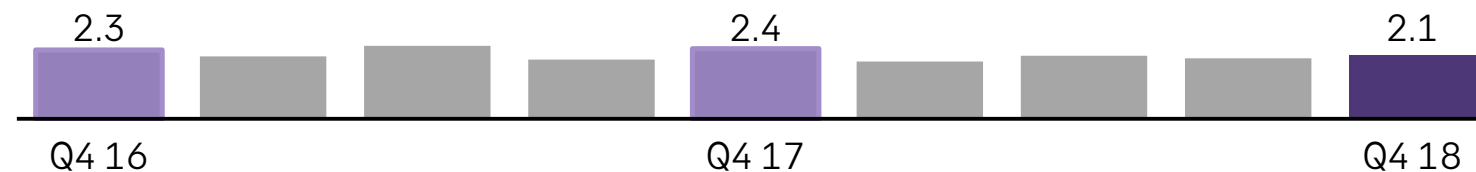
Net fee & commission income development

Net fee & commissions (SEK bn)
2018 vs. 2017

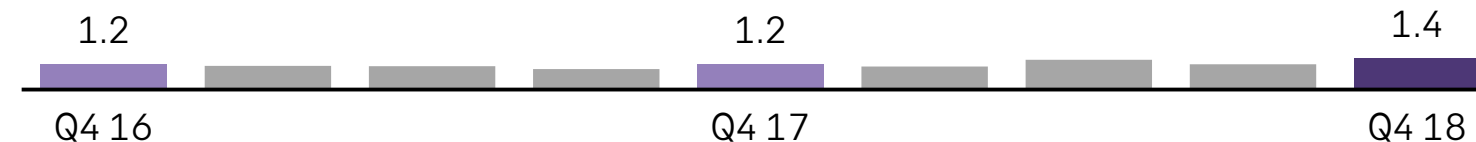


Net fee & commissions by income type (SEK bn)
Q4 2016 – Q4 2018

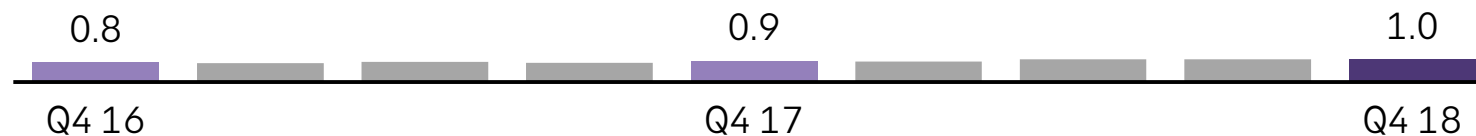
Net securities commissions



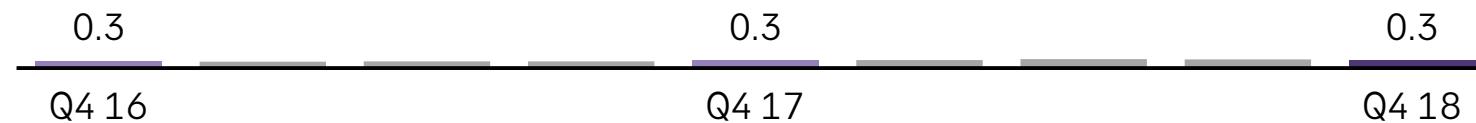
Net advisory fees, lending fees & other commissions



Net payment & card fees

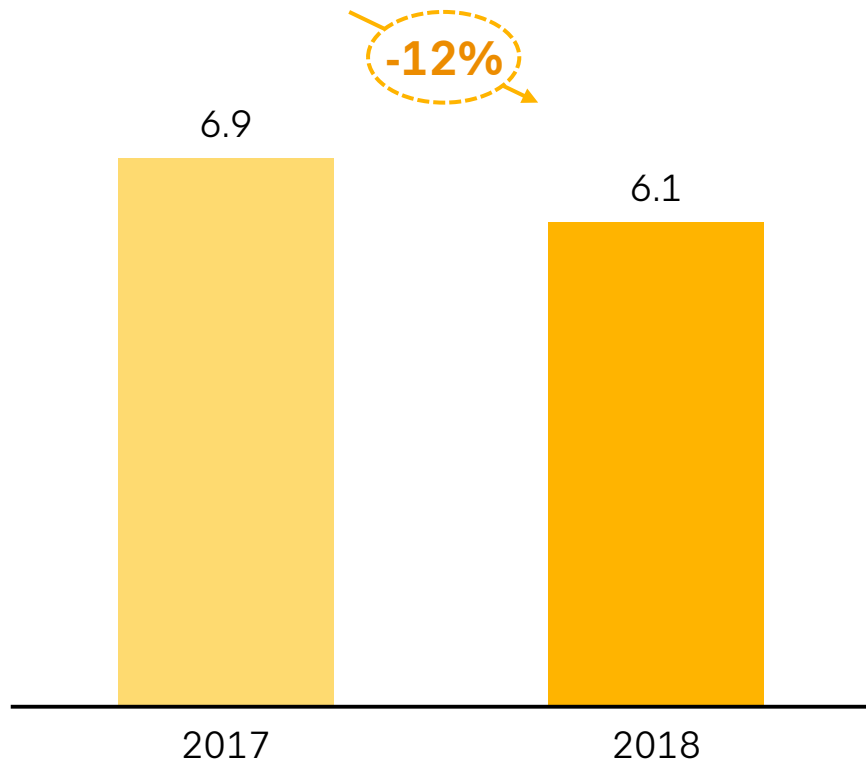


Net life insurance commissions

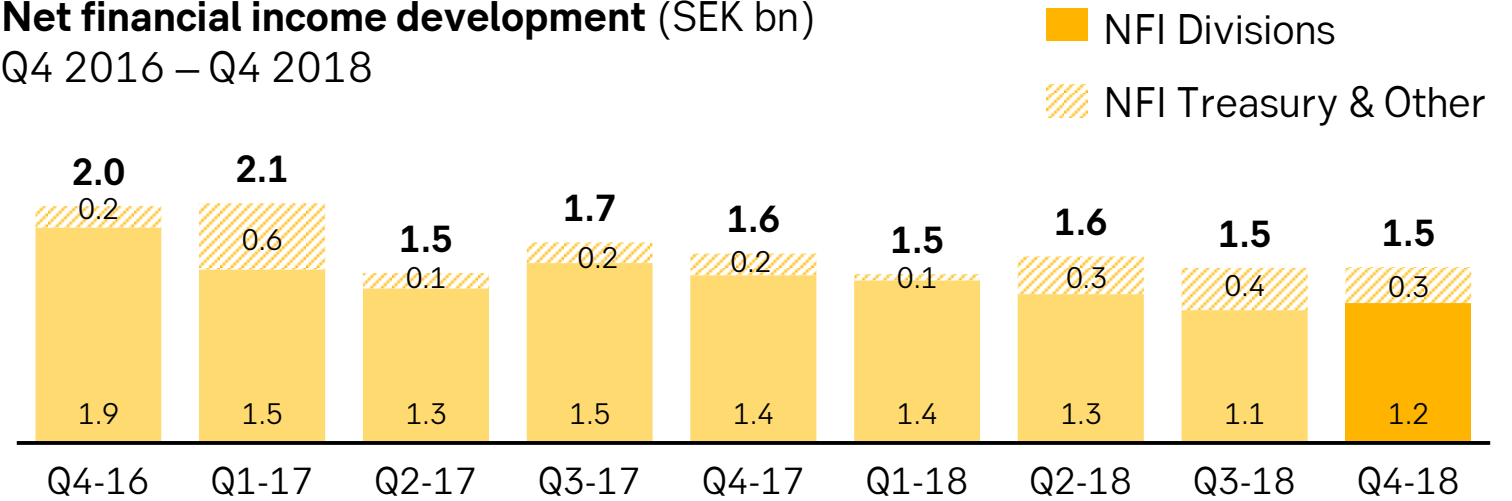


Net financial income development

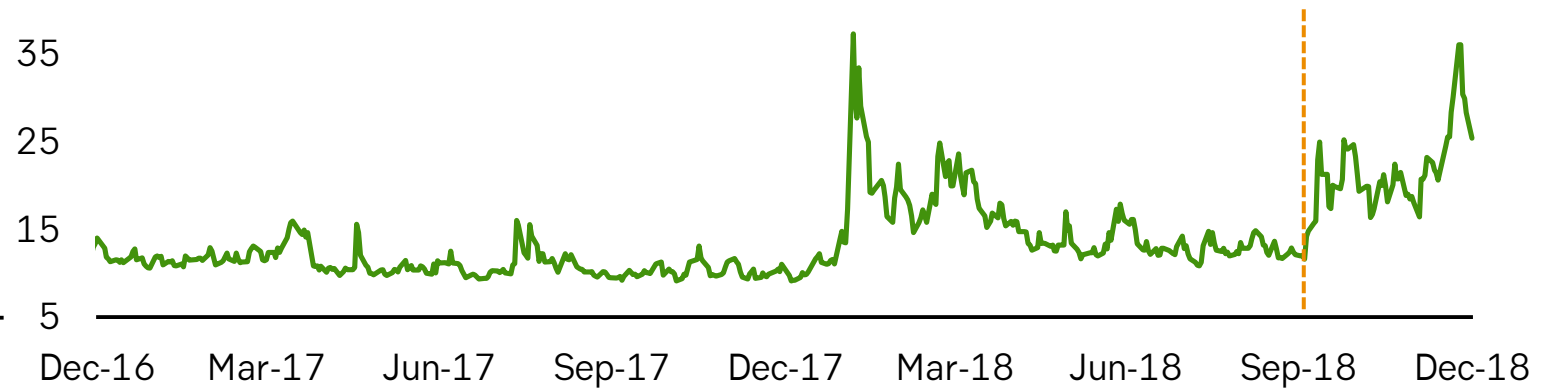
Net financial income (SEK bn)
2018 vs. 2017



Net financial income development (SEK bn)
Q4 2016 – Q4 2018

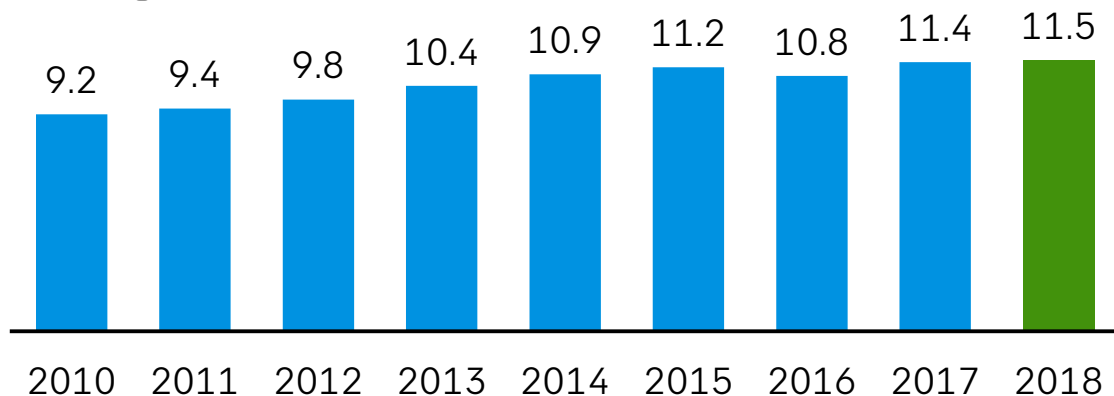


VIX index (VIX S&P 500 volatility)

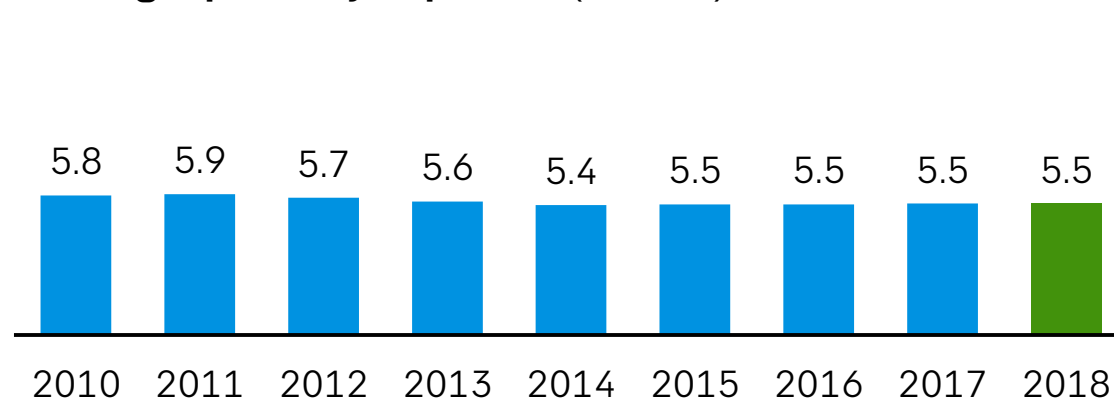


Operating leverage

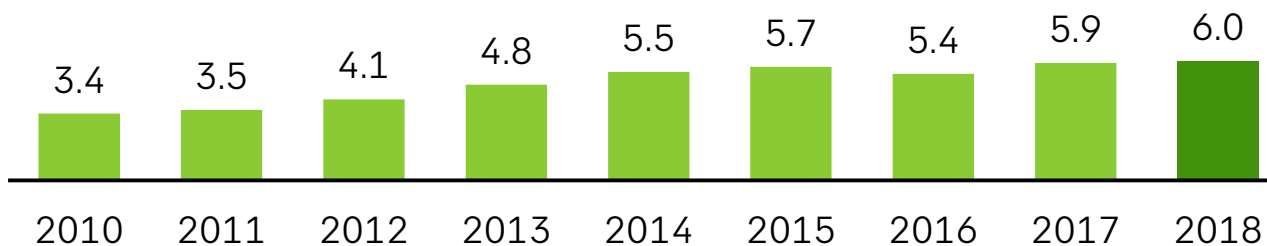
Average quarterly income (SEK bn)



Average quarterly expenses (SEK bn)



Average quarterly profit before credit losses (SEK bn)

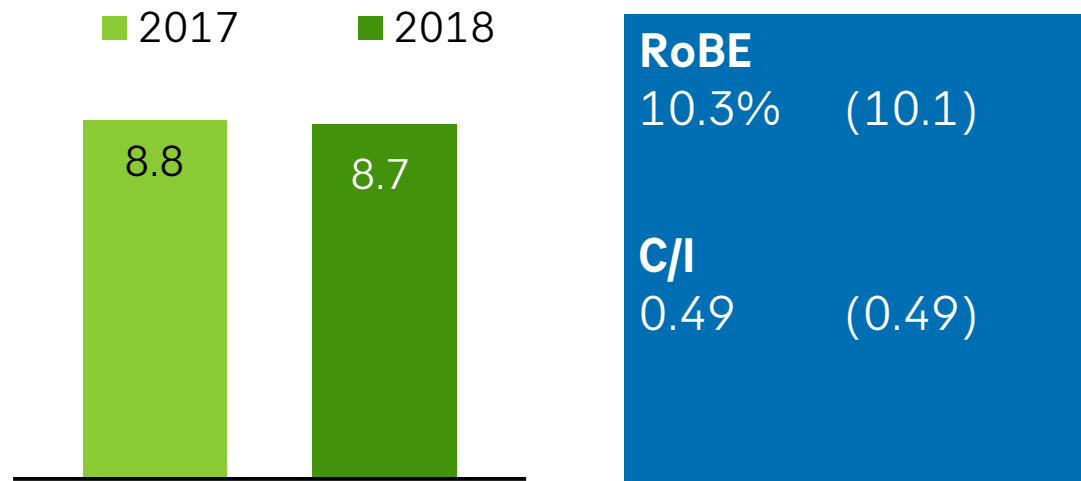


Note: data exclude items affecting comparability.

Large Corporates & Financial Institutions

Operating profit & key figures

SEK bn

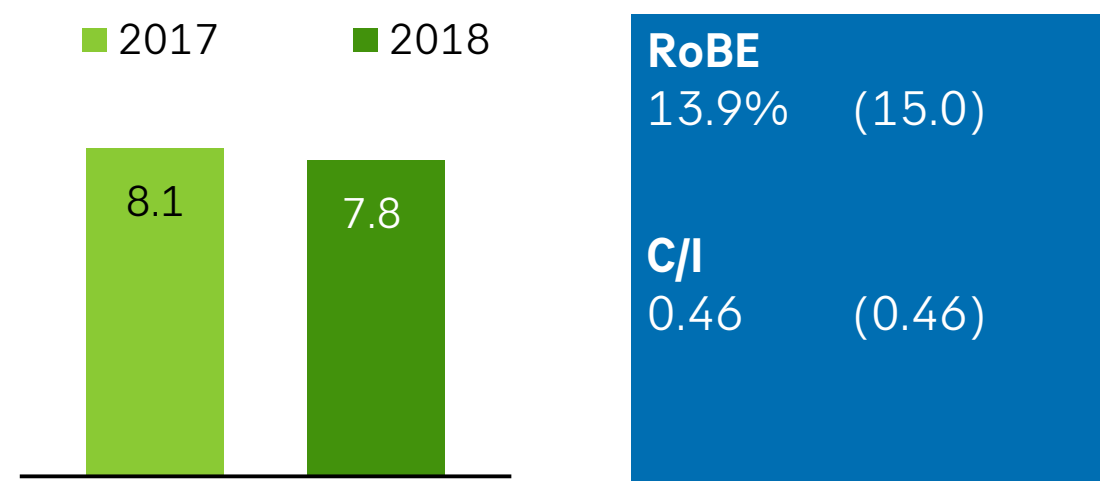


- Significant increase in investment banking activity
- Strong results in Markets business in Q4-18
- 9% FX-adjusted growth (YoY) in corporate credit portfolio

Corporate & Private Customers

Operating profit & key figures

SEK bn

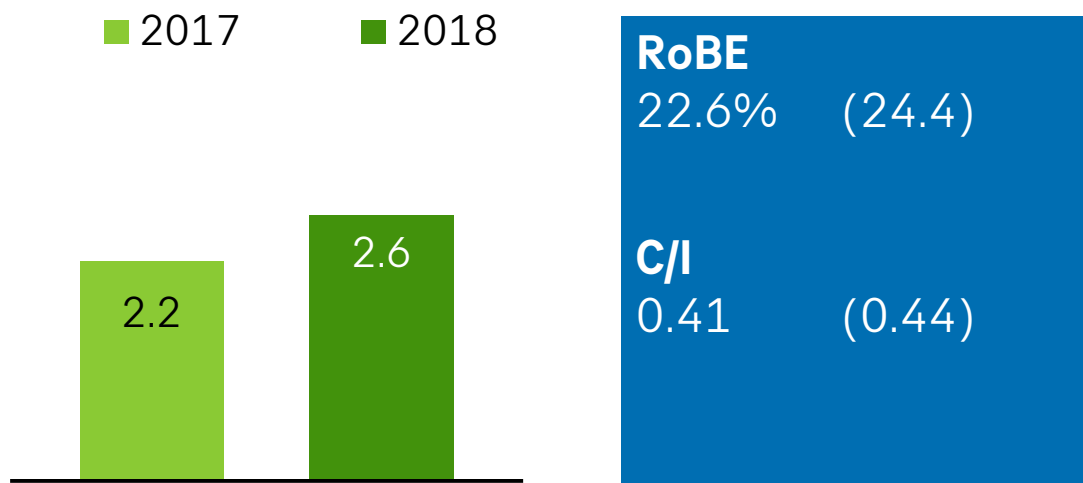


- Above market growth rate in SME lending
- Modest increase in household mortgage lending
- Strong net new inflow in AuM, driven by Private Banking

Baltic Banking

Operating profit & key figures

SEK bn

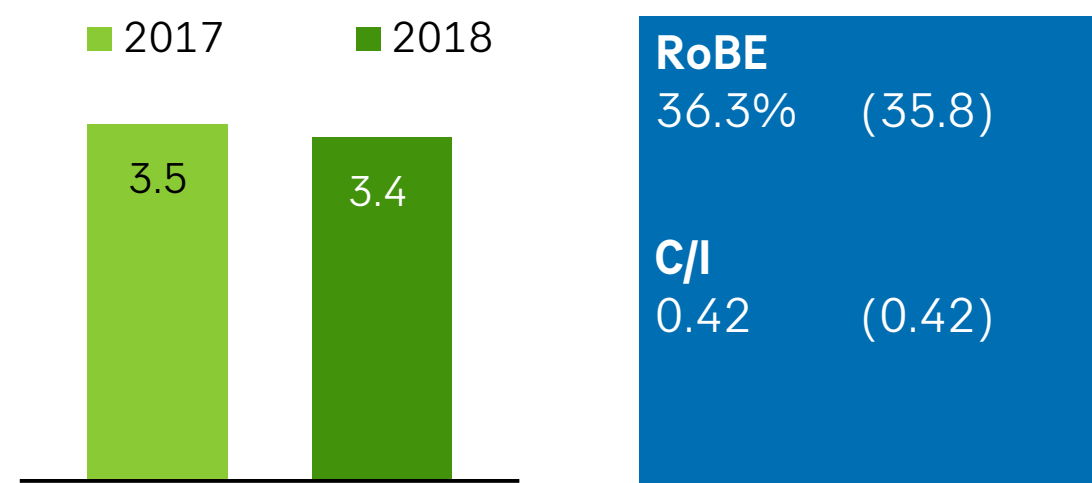


- Continued growth in corporate & household lending in all countries
- 9% growth (YoY) in total lending portfolio in local currency
- Deposit increase exceeding lending growth

Life & Investment Management

Operating profit & key figures

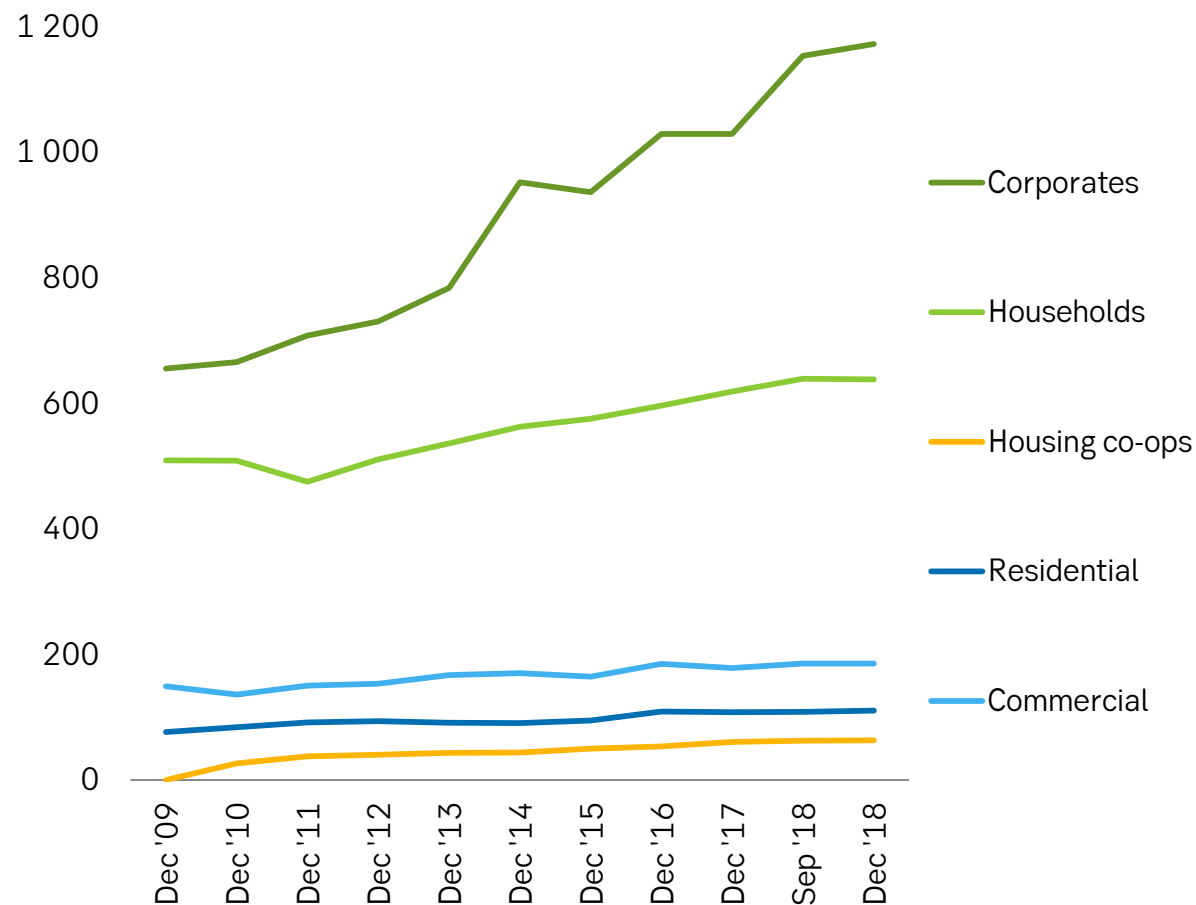
SEK bn



- AuM decrease driven by divestment of SEB Pension in Denmark (SEK -116bn) & weak equity markets
- Net new inflows of SEK 45bn compensated
- Stable market share of life & pension

Development of credit portfolio

Credit portfolio by main sectors (SEK bn)



Credit portfolio growth rates

Sector	QoQ	YoY
Corporates	2%	14%
<i>FX-adjusted</i>	3%	9%
Households	0%	3%
<i>Swedish mortgages</i>	0%	2%
Housing co-ops	1%	4%
Residential real estate	2%	2%
Commercial real estate	0%	4%

Note: data include on- & off-balance sheet exposures.

Asset quality & balance sheet

SEK bn		2017	2018
Asset quality	Net expected credit loss level ¹	0.05%	0.06%
Funding & liquidity	Customer deposits (SEK)	1,026bn	1,108bn
	Liquidity coverage ratio ¹	145%	147%
Capital	CET 1 ratio (Basel 3)	19.4%	17.6% ²
	CET1 buffer above requirement	220bps	270bps
	Total capital ratio (Basel 3)	24.2%	22.2%
	Leverage ratio (Basel 3)	5.2%	5.1%

¹ According to valid regulations for respective period; ² 20.1% pre transfer of risk weight floor on mortgages to Pillar 1.

The journey towards...

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

SEB

