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Home bank

SEB at a glance

SEB

#1

- Nordic Large Corporates & Institutions
- FX Nordic currencies
- Nordic payments
- Corporate card issuer in the Nordics

3,000

Corporate & Institutions

2/3

Corporate credit exposure

219

Branch offices

400,000

SMEs*

>20

Countries

97%

Digital interactions

1.4m

Private individuals*

15,000

Employees

24/7

Telephone services

Home bank

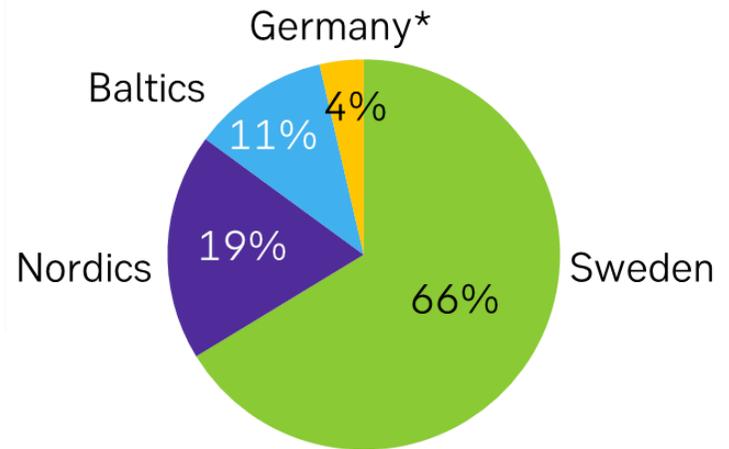
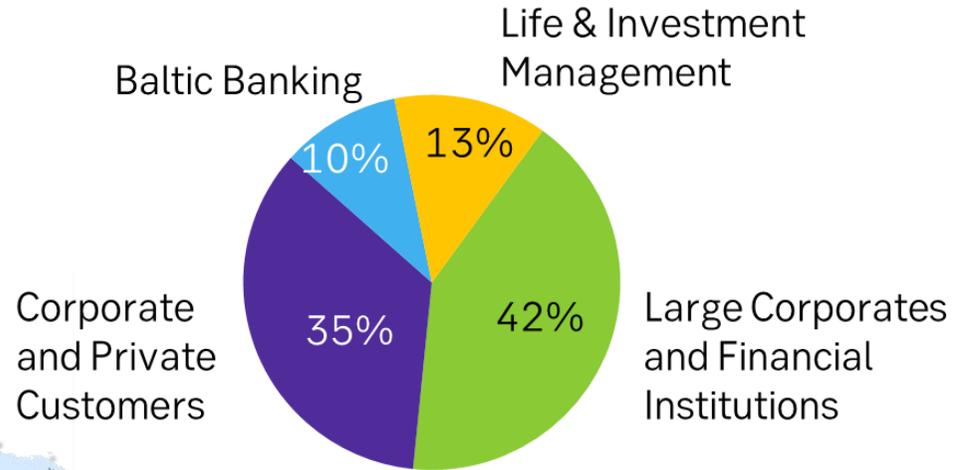
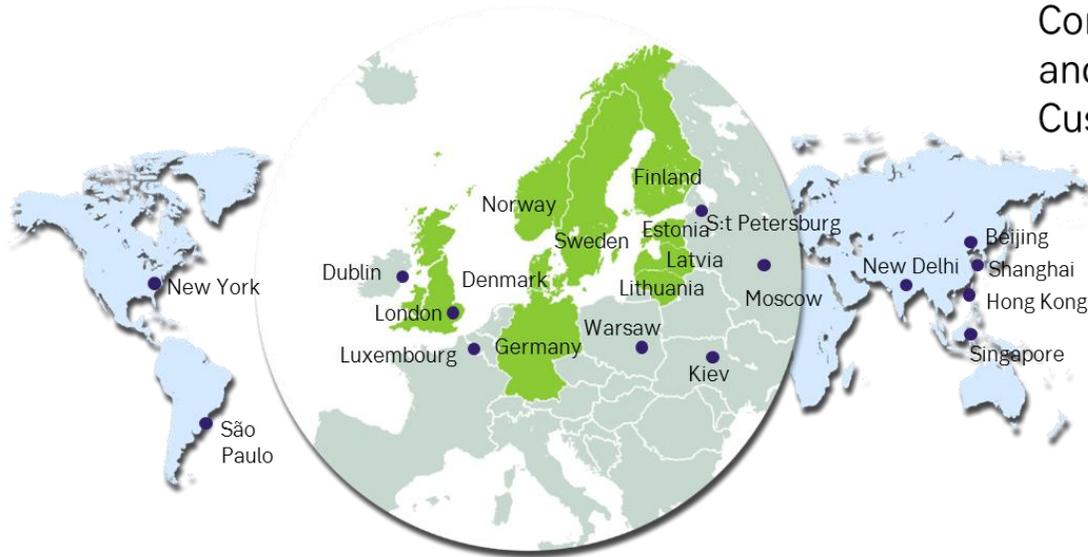
SEB

Shipping & Offshore Coverage

- Full product range bank
 - Financing
 - Commodity/FX/Interest hedging
 - Advisory/Equity Capital Markets
 - Debt Capital Markets
 - Cash Management
 - Equipment Leasing

Well diversified business

Share of operating income, full year 2018

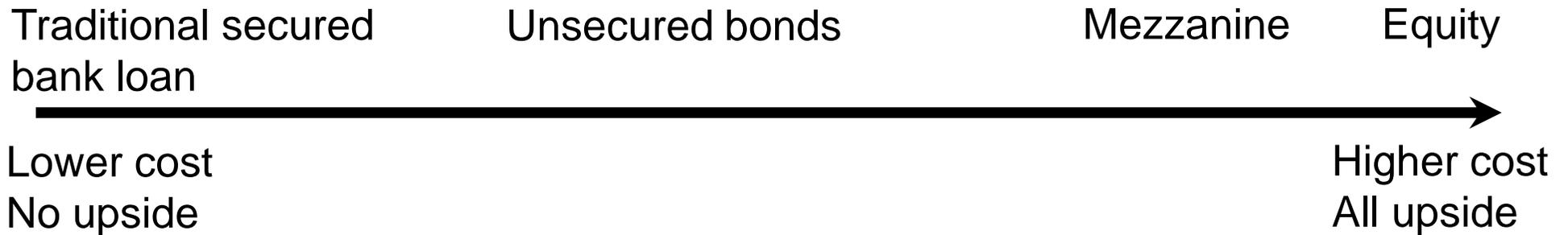


Geography excluding International Network and Eliminations, Business divisions excluding Other and eliminations.

* Excluding Treasury operations

Getting the Financing Right – How do Banks Think

- Who is providing what parts of the balance sheet?

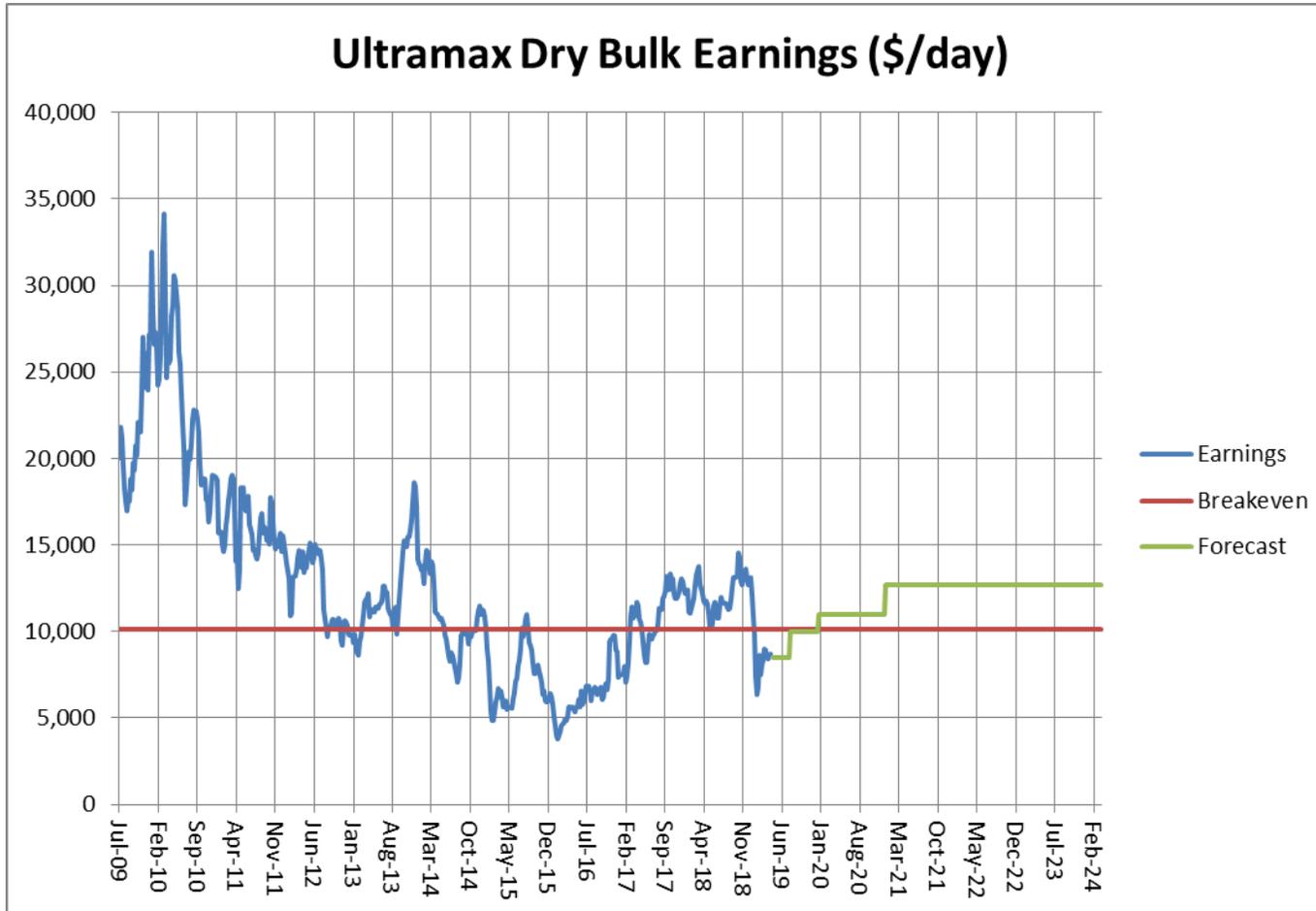


- Lenders have no upside – but downside
- Cost of loosing money

Getting the Financing Right – How do Banks Think

- Considered factors:
 - Who's the owner
 - Quality of fleet
 - Operations:
 - Spot vs. contracts
 - Charter-ins
 - Technical and commercial management
 - Financial analysis vs. segment characteristics
 - Other financings/bank facilities
 - The economic climate

Getting the Financing Right – How do Banks Think



Vessel	Dry bulk
Dwt	61,000
Age	5 years
Price	\$22.5m
Opex	5000 \$/day
G&A	1300 \$/day
Financing	
LTV	50%
Margin	2.70%
LIBOR	2.3%
Repayment profile	10 years
All-in break-even	10122 \$/day

Getting the Financing Right – How do Banks Think

- Loan structures:
 - Borrower / Guarantor
 - Security:
 - Shares
 - Mortgage
 - Accounts, insurances and charter contracts
 - Financial covenants
 - Other restrictions:
 - Minimum Value Covenant
 - Distribution restrictions
 - Change of Control

Getting the Financing Right – How do Banks Think

- Why do banks need all restrictions?
 - Change of risk
 - Information
 - Getting the borrower to the negotiation table
 - Options later on
- Back drops with tight structures
- Transparency and dialogue with your bank(s) is key
 - Do not deliver bad information when it's too late

Getting the Financing Right – How do Banks Think

Conclusion:

- See your bank as a partner
- High leverage and loose structures may not turn out well for neither party:
 - Additional equity
 - High liquidity an insurance against weak markets
- Keep the lenders informed

THANK YOU!!

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Large Corporates & Financial Institutions

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