

21 September 2021

SEB

Creating long-term shareholder value

Johan Torgeby, President & CEO

Agenda

01 **An industry in transformation**

- *Corporate and investment banking*
- *Savings and investments*
- *Technology*
- *Sustainability*
- *Non-financial risks*

02 Where we are

03 Where we are going



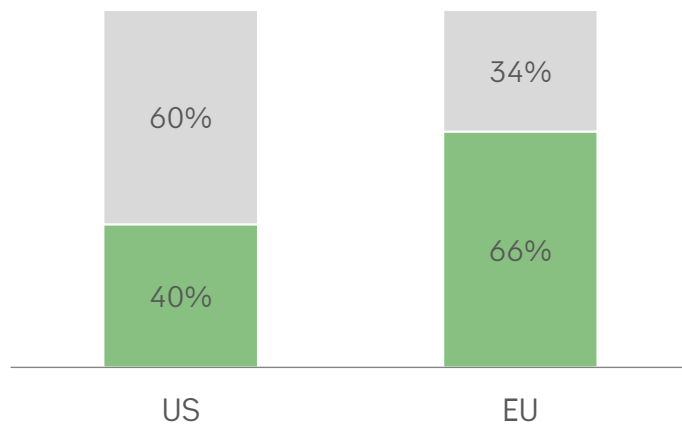
Demand for corporate and investment banking services in the Nordics

An industry in transformation

Bank financing still large share of corporate financing in EU

Debt financing structure, corporates (%)

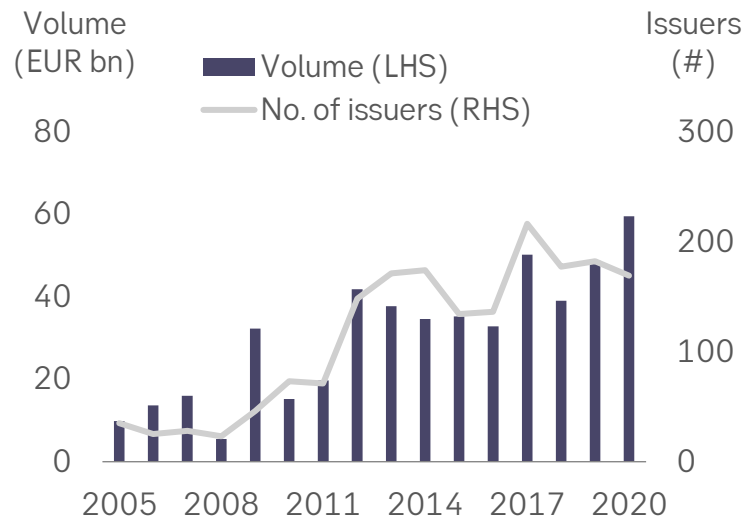
■ Bank debt ■ Debt capital markets



Source: Estimates based on Central Bank data and academic studies

Accelerating growth within Nordic debt capital markets...

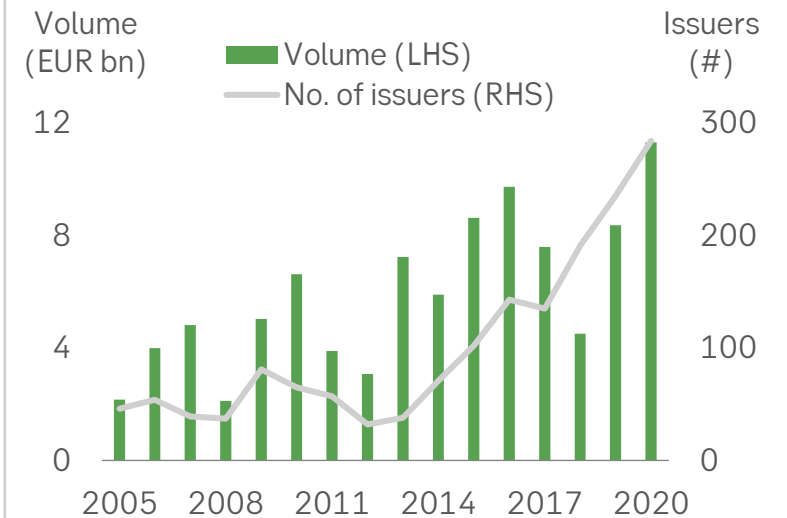
Volumes and number of issuers within the corporate space



Source: Dealogic, all Nordic countries

...as well as within Nordic equity capital markets

Volumes and number of active issuers, Swedish ECM



Source: Logiscope, Sweden

Cyclical and structural trends expected to drive demand for savings and investments

An industry in transformation

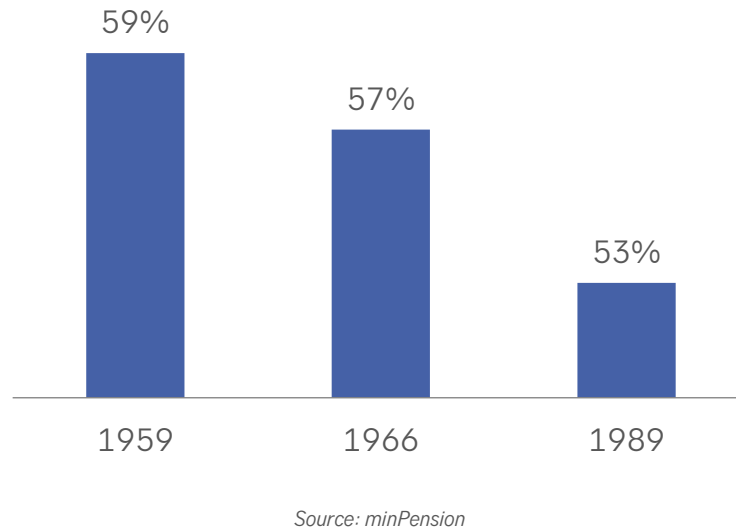
Long-term increase in Swedish savings ratio

Savings ratio (savings as share of disposable income), Sweden (%)



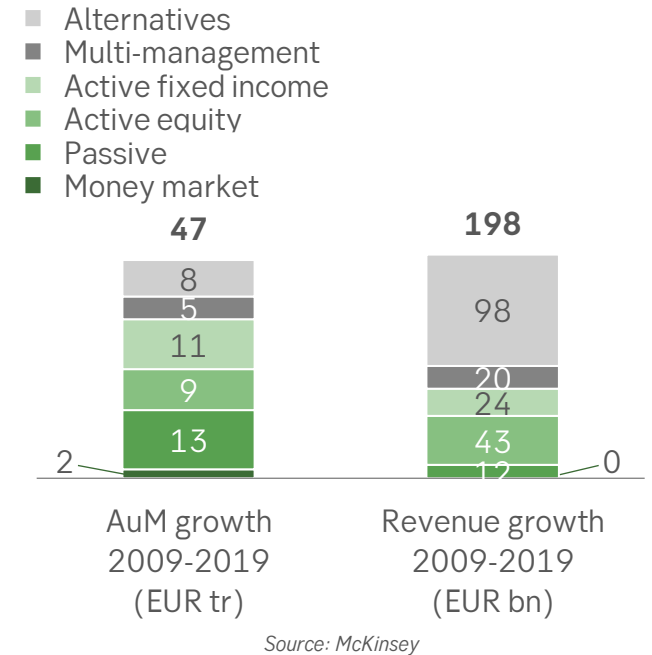
Lower contribution from Swedish pension system

Pension contribution as share of salary in Sweden, based on year of birth



Alternatives as an asset class the largest driver of revenue growth

Nominal growth in global assets under management and revenues, 2009-2019

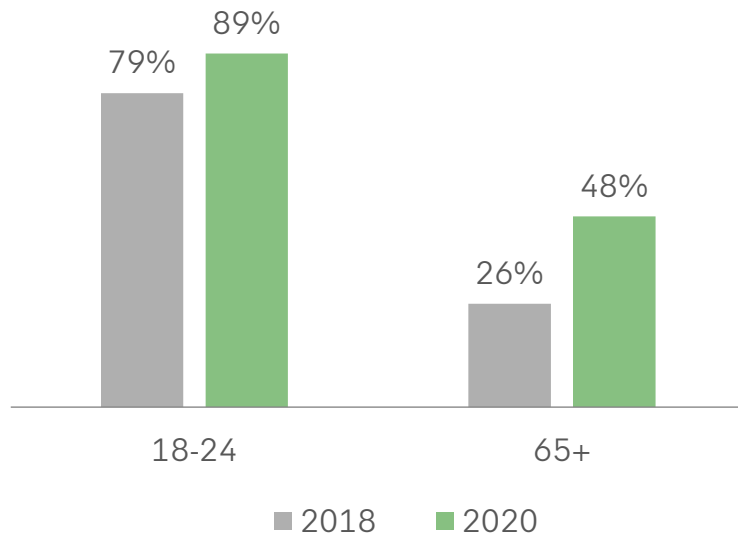


New technologies enable improved customer experience and infrastructure

An industry in transformation

Private individuals more digital across age groups

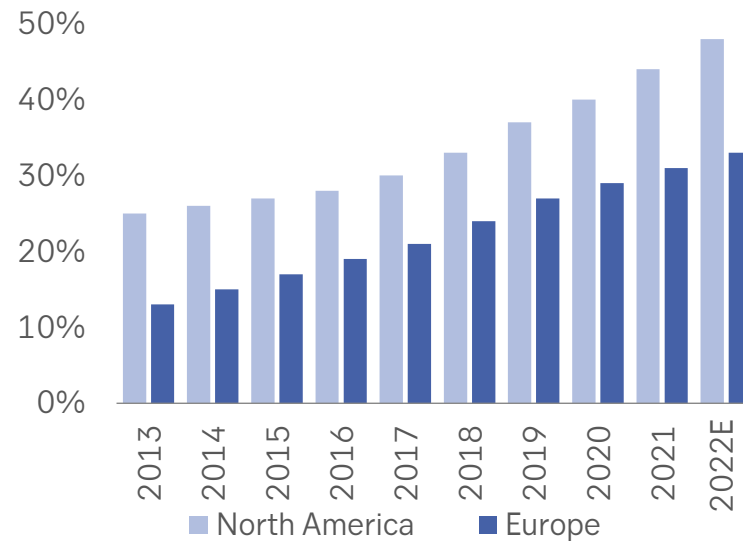
Mobile real-time payments, age groups using Swish mobile app in Sweden (%)



Source: the Swedish Riksbank

Increase in share of banks' IT spend on emerging tech

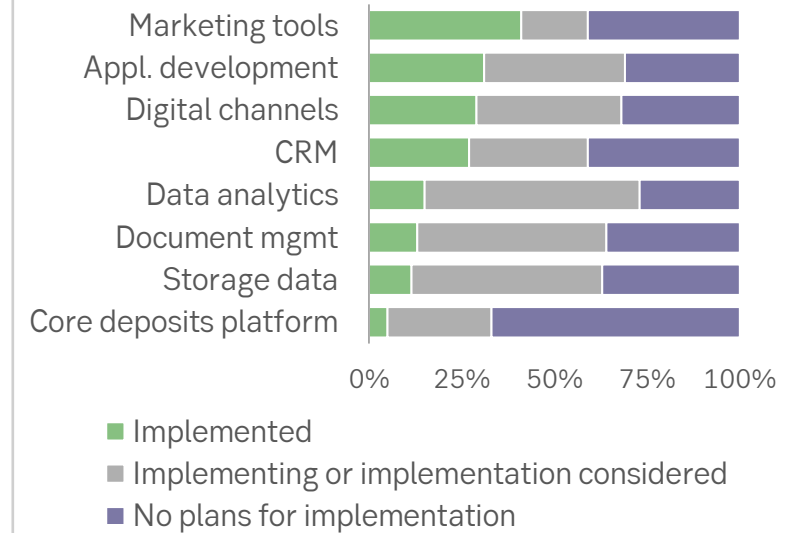
Share of banks' IT spend invested in emerging tech (e.g cloud, APIs, AI, big data, blockchain)



Source: Celent Research

Growth in use of cloud services

Cloud adoption rates in different bank applications



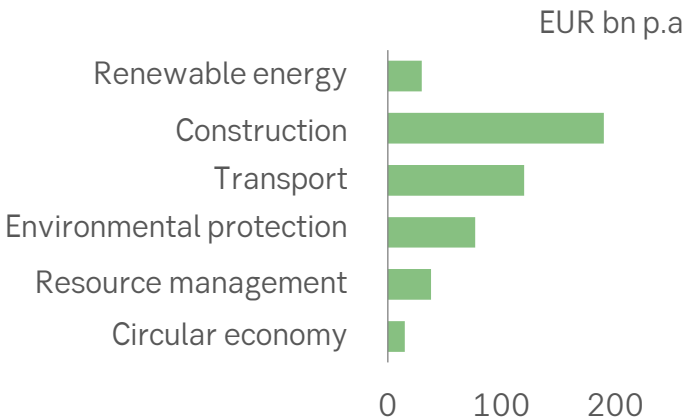
Source: Celent FI survey 2019

Sustainability in focus across business areas and customer segments

An industry in transformation

Significant public and private investment needs

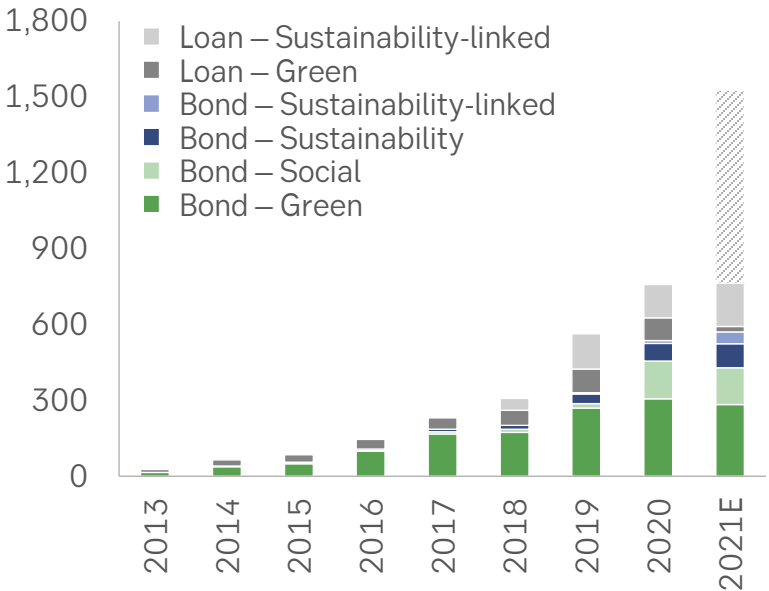
EUR ~3,290bn estimated investment gap in EU 2021-27¹



Source: EU Commission

Continued strong growth in sustainable debt market

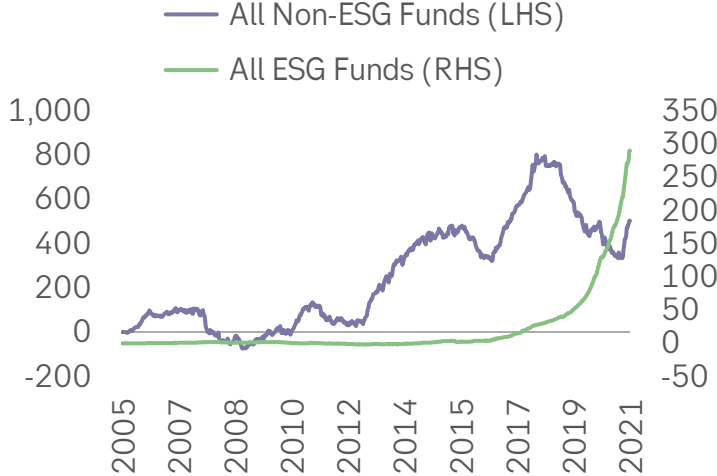
Yearly issuance volumes across sustainable debt product categories (USD bn)²



Source: Bloomberg

Accelerated net flows to sustainable funds

Global cumulative net sales (USD bn)



Source: Goldman Sachs

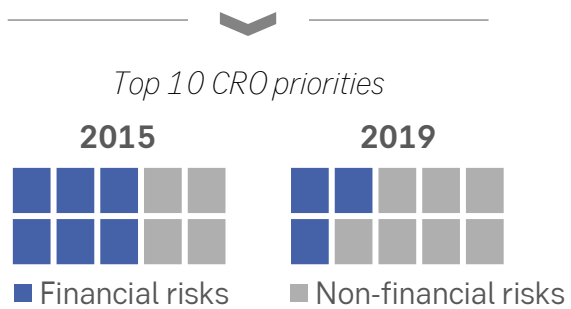
¹ Estimates based on 40% reduction of greenhouse gas emissions by 2030; Identifying Europe’s recovery needs, EU Commission, 2020.

² 2021 full year estimates calculated by SEB based on Bloomberg data.

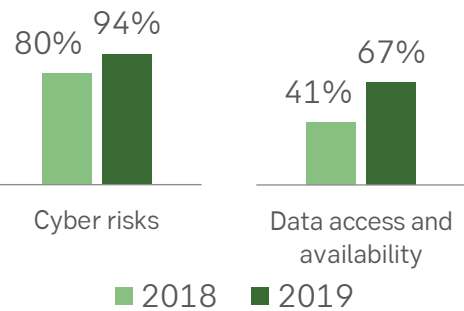
Continued shift from financial to non-financial risks

An industry in transformation

Shifting focus from financial to operational resilience



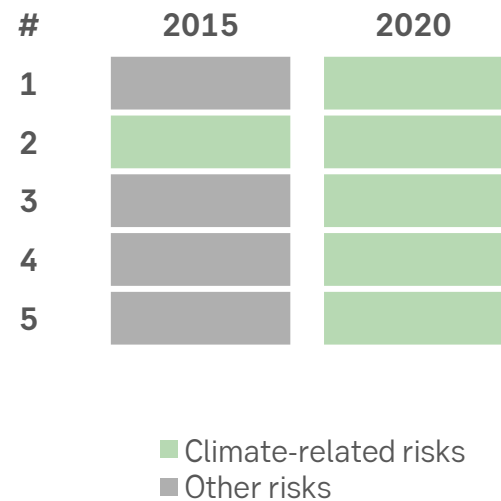
Top resiliency concerns for regulators and supervisors



Source: EY & IIF

Climate-related risk is growing in importance

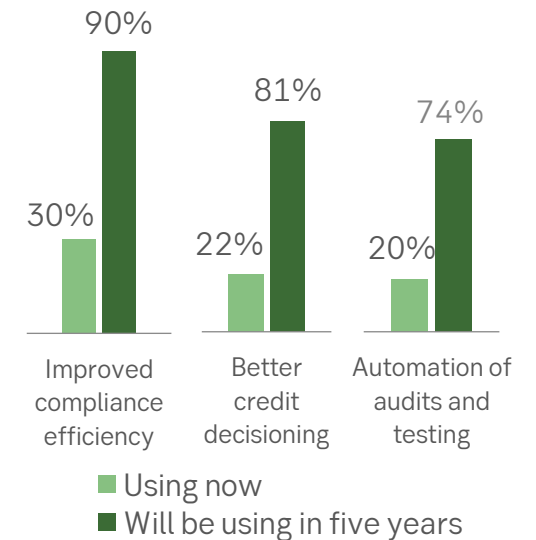
Climate-related risks among the top five global risks by likelihood.



Source: World Economic Forum

Machine learning/AI fundamental to future risk management

Current and expected use of ML and AI now and in five years among banks' risk teams



Source: EY & IIF

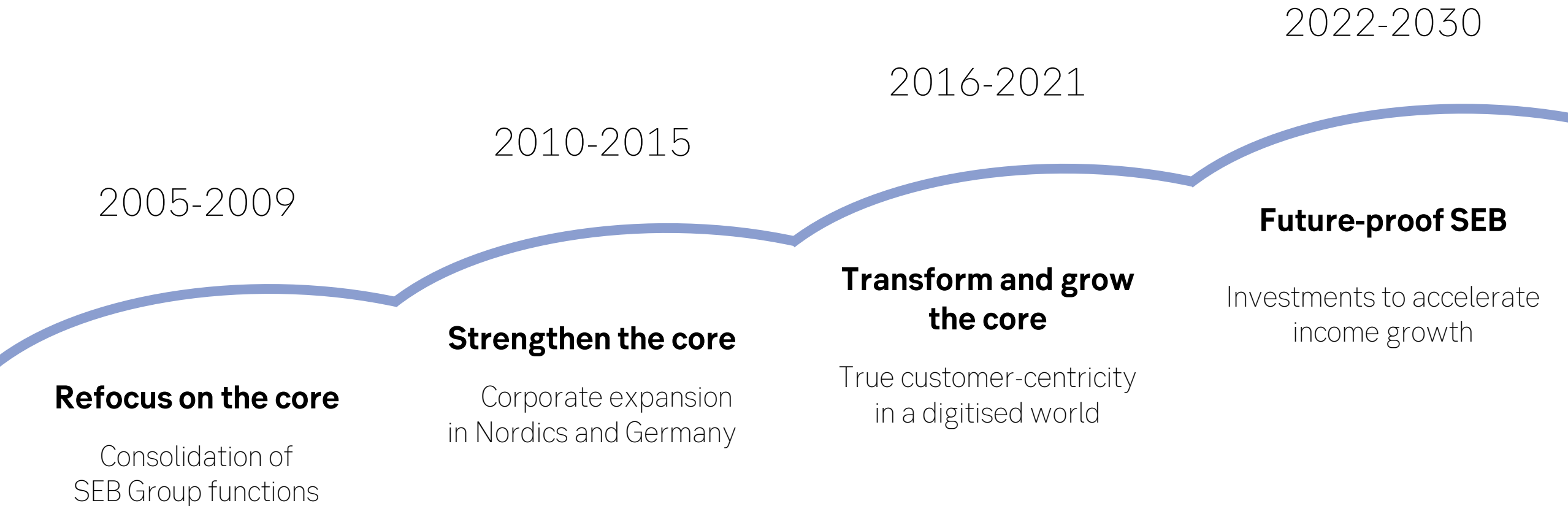
Agenda

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- 02 **Where we are**
- 03 Where we are going



SEB has adapted its strategic focus throughout the years...

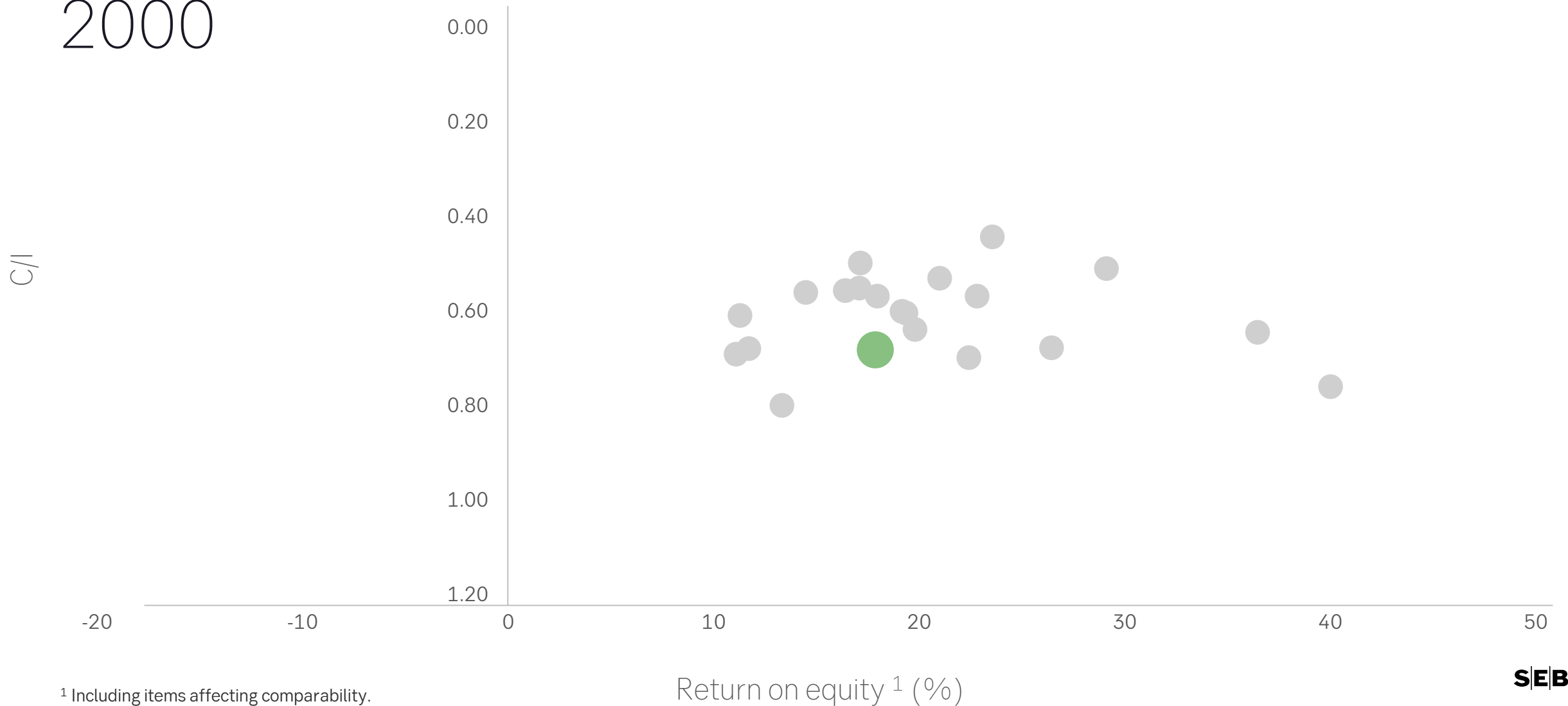
Where we are



...which has contributed to SEB's current position of financial strength

Where we are

2000

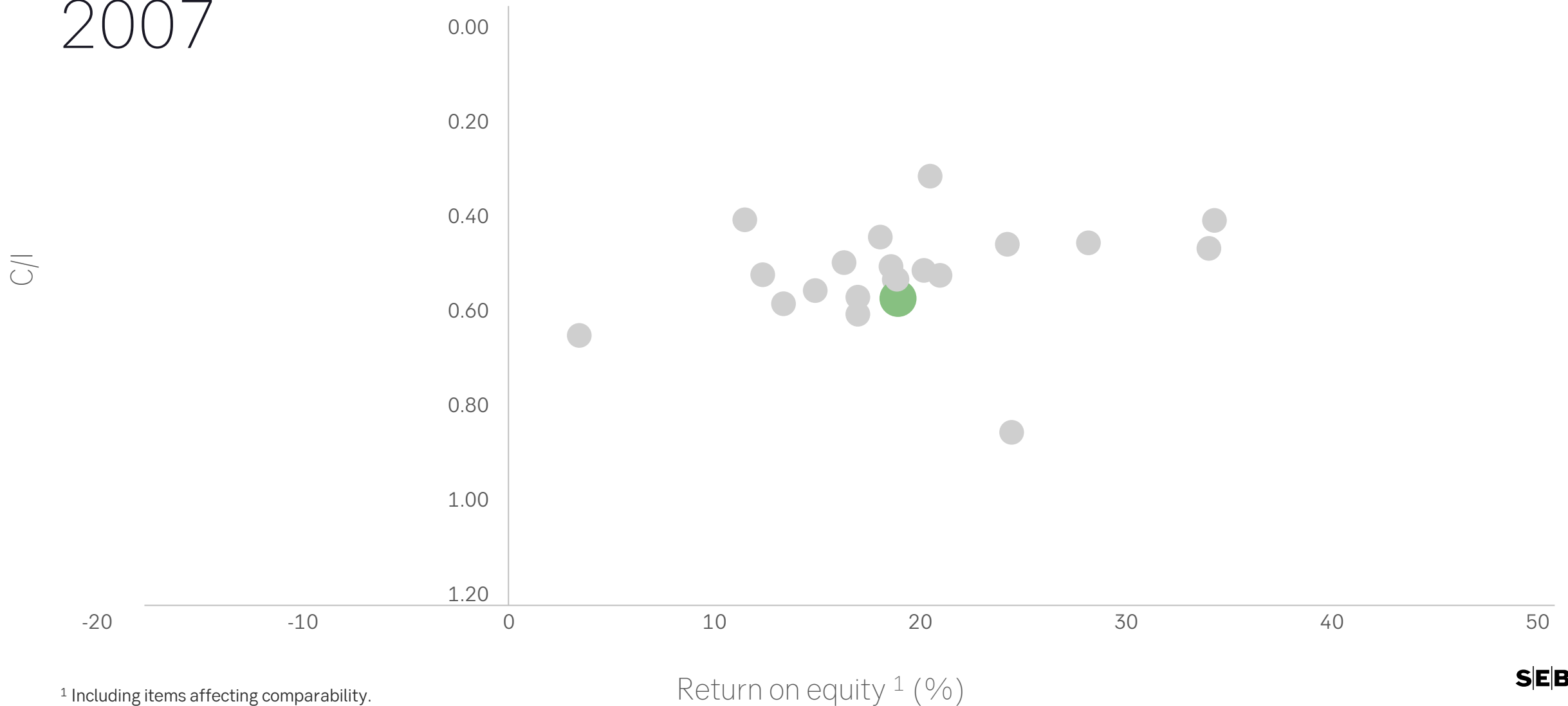


¹ Including items affecting comparability.

...which has contributed to SEB's current position of financial strength

Where we are

2007

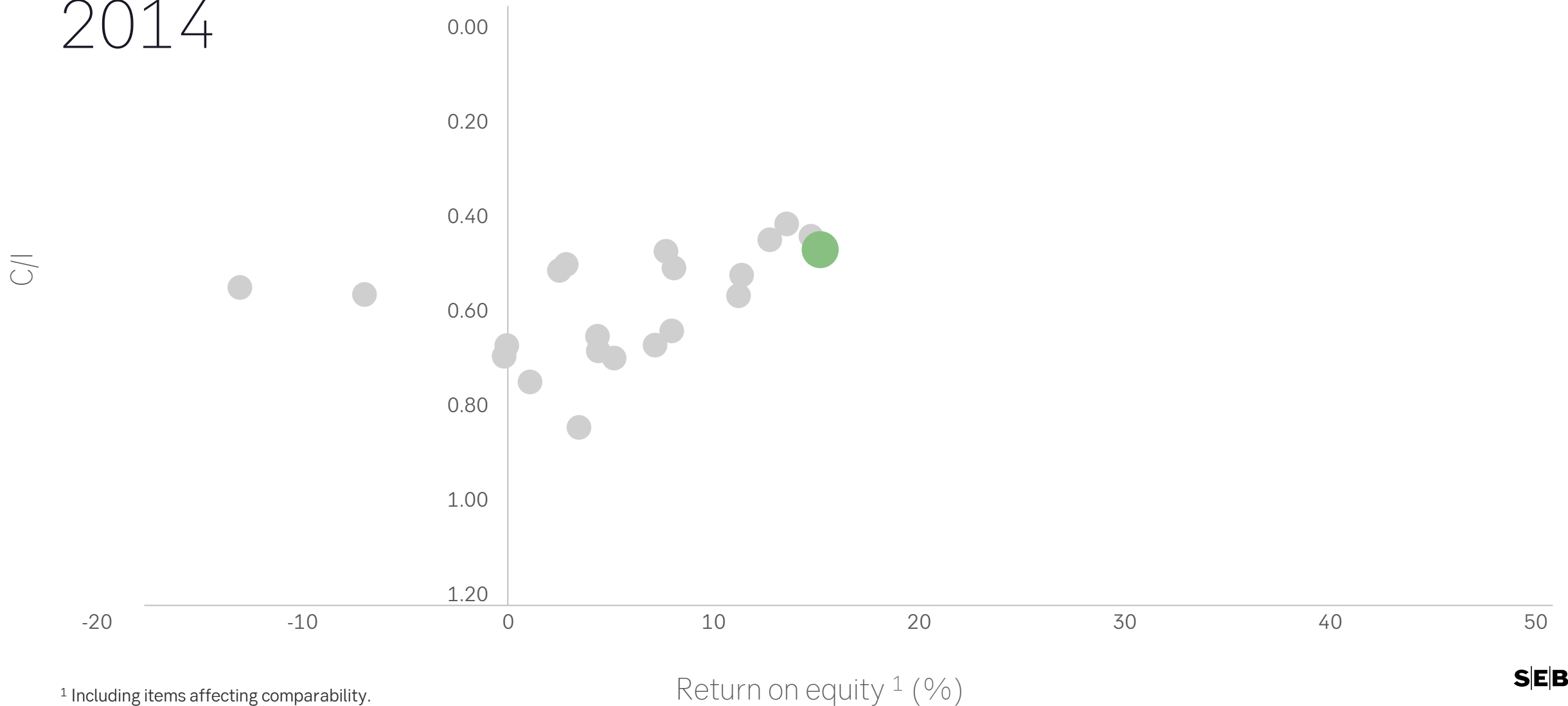


¹ Including items affecting comparability.

...which has contributed to SEB's current position of financial strength

Where we are

2014

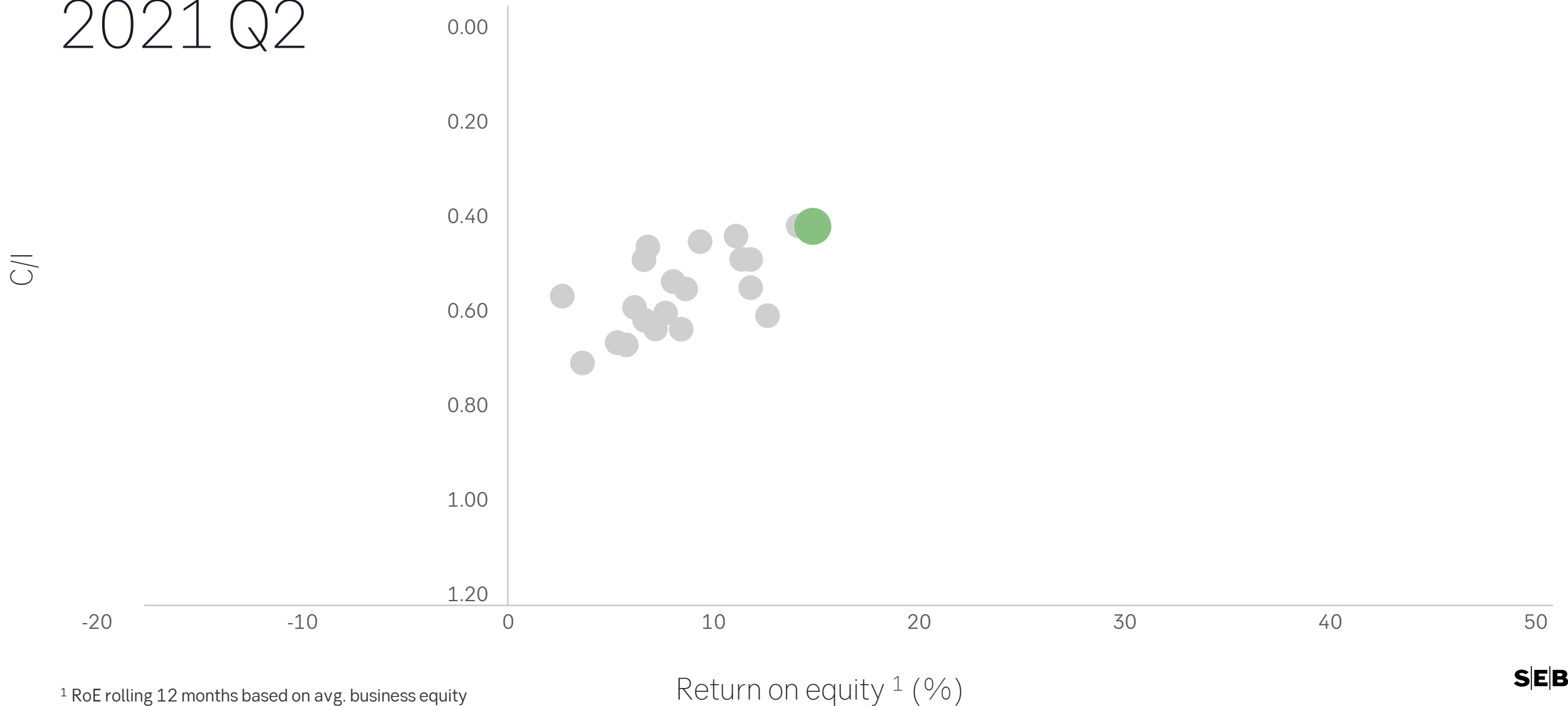


¹ Including items affecting comparability.

...which has contributed to SEB's current position of financial strength

Where we are

2021 Q2



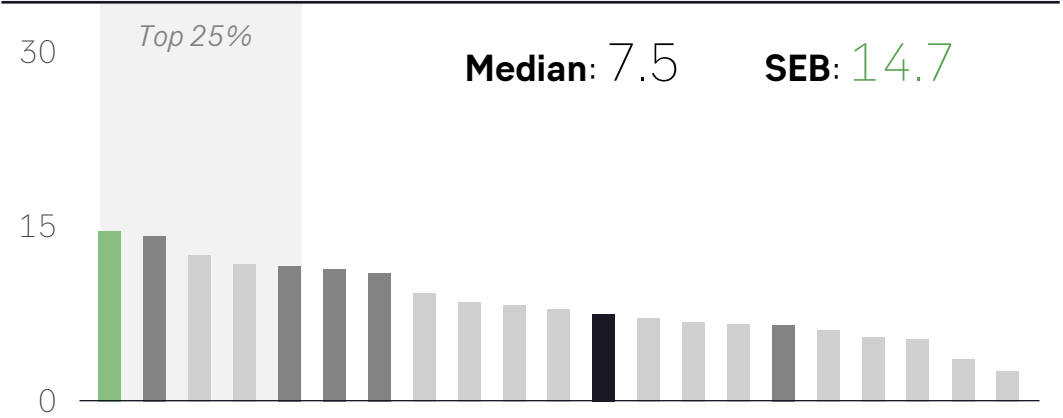
¹ RoE rolling 12 months based on avg. business equity (Nordic peers Q2 2021 isolated).

...which has contributed to SEB's current position of financial strength

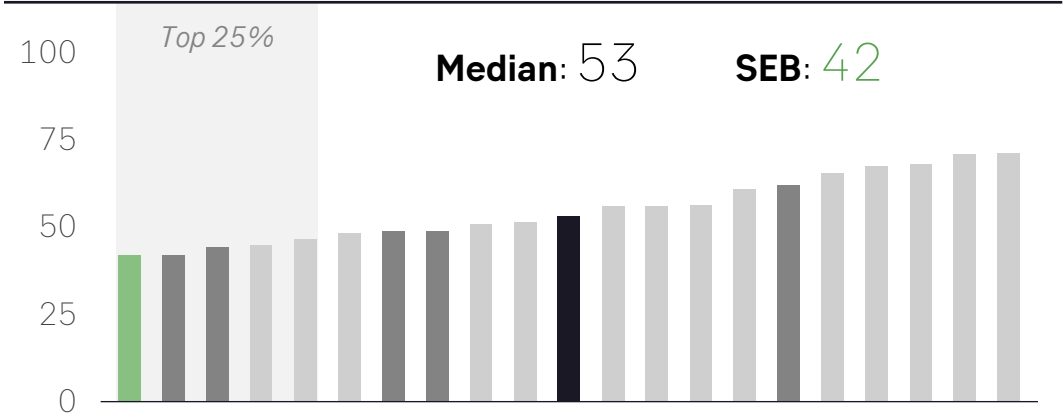
Where we are

- SEB
- Nordic peers
- European peers
- Median

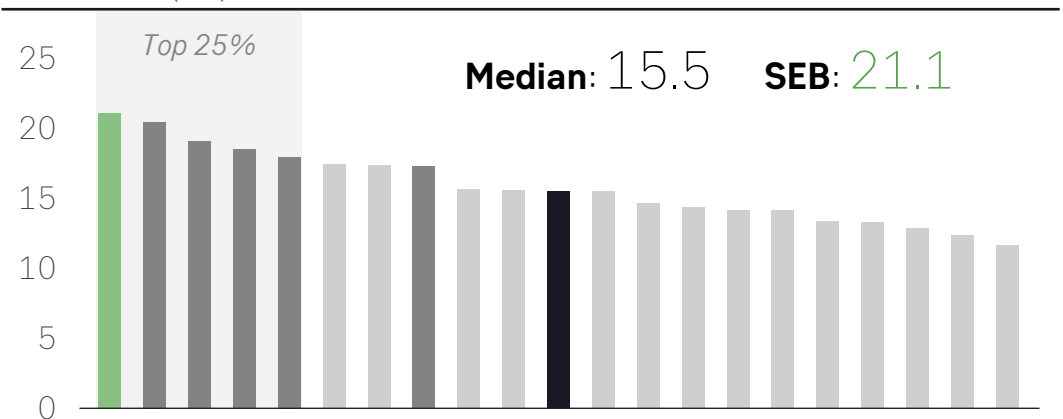
Return on equity
Q2 2021¹ (%)



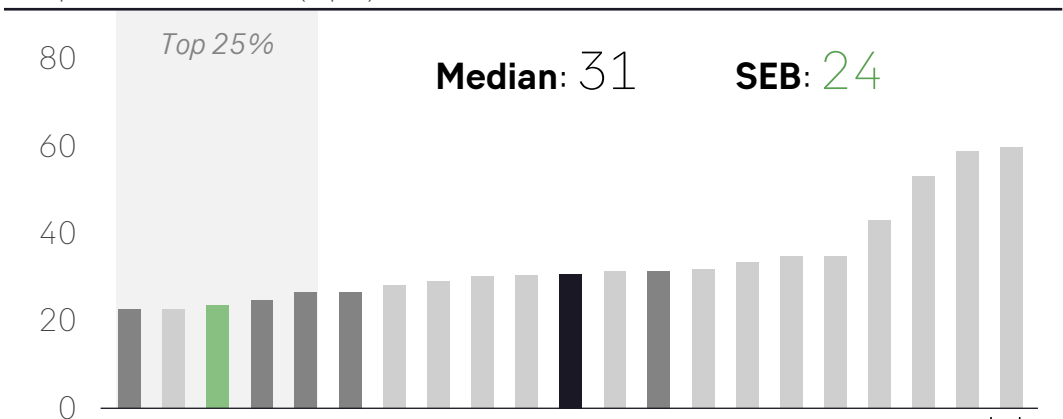
Cost/income ratio
Q2 2021 (%)



CET1 capital ratio
Q2 2021 (%)



CDS spread
September 2021 (bps)



Source: Bloomberg. Banks included: ABN AMRO, Banco Santander, Barclays, BBVA, BNP Paribas, Crédit Agricole, Danske Bank, DNB, Erste Bank, Handelsbanken, HSBC, ING, Intesa Sanpaolo, KBC, Lloyds, Nordea, Raiffeisen Bank, SEB, Société Générale, Swedbank, UniCredit; ¹ RoE rolling 12 months based on avg. business equity (Nordic peers Q2 2021 isolated).



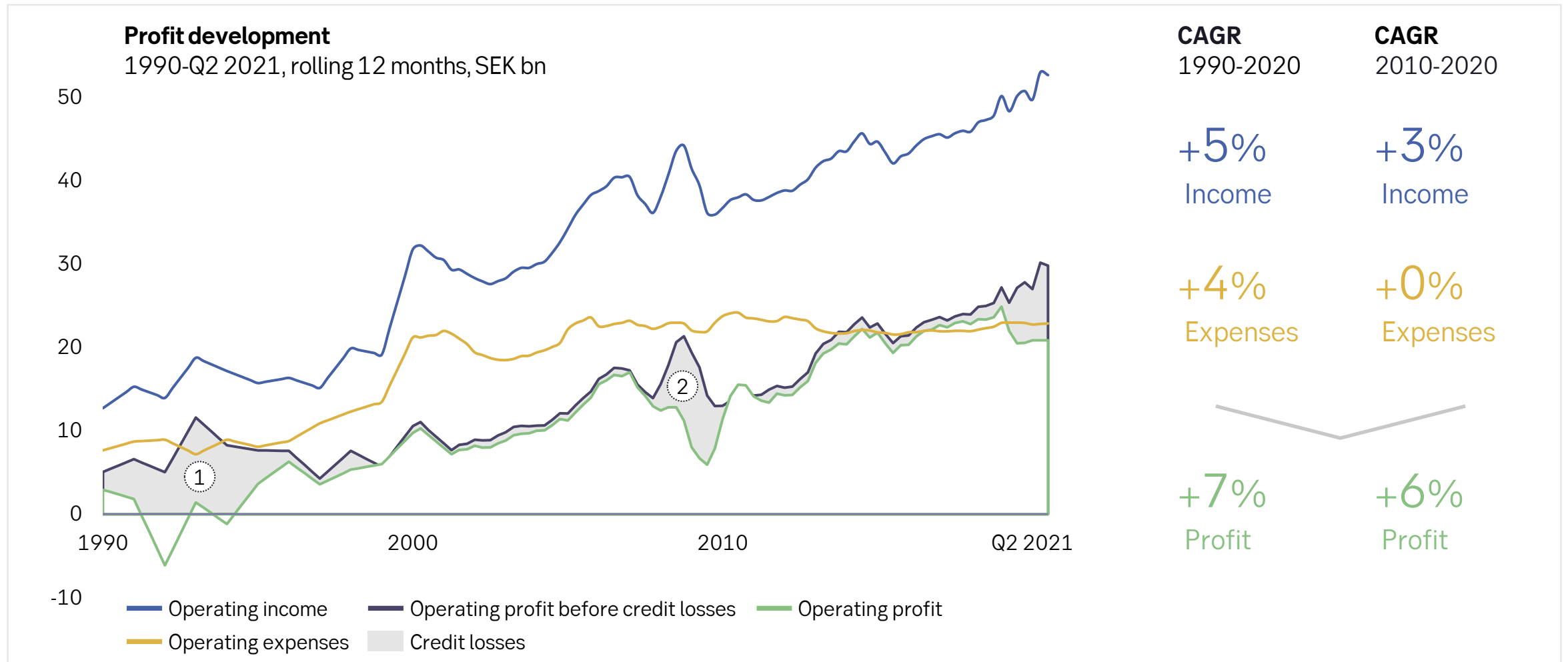
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Ambition for operating leverage continues to guide us in our strategic focus

Where we are going



¹ Consequences of Swedish economic paradigm shift and the ensuing financial crisis. SEB was one of two major banks that was not taken over or directly guaranteed by the State.

² Credit losses driven by the Baltics during the financial crisis – important to note the strong revenue generation and overall profitability during this period notwithstanding the financial crisis.

Note: 2014-2020 adjusted for items affecting comparability.

Long-term aspirations for SEB divisions

Where we are going

	Return on Business Equity			Cost/Income		
	Aspiration ¹	Actual 2020	Actual H1 2021	Aspiration ¹	Actual 2020	Actual H1 2021
Large Corporates & Financial Institutions	>13%	8.1%	15.0%	<0.50	0.44	0.42
Corporates & Private Customers	>17%	15.1%	16.5%	<0.40	0.43	0.44
Baltic	>20%	16.8%	21.5%	<0.35	0.40	0.40
Life	>30%	25.5%	38.1%	<0.45	0.52	0.42
Investment Management	>40%	49.2%	N/A	<0.40	0.38	0.31
SEB Group (including Group functions)	~15%	10.3% ²	14.2%	<0.45	0.46	0.42

¹ To be viewed as long-term (5-year perspective) and will be updated based on other Nordic banks' performance. ² Excluding items affecting comparability.

SEB Group financial targets

Where we are going

~50%

Dividend payout ratio of EPS ¹

100-300 bps

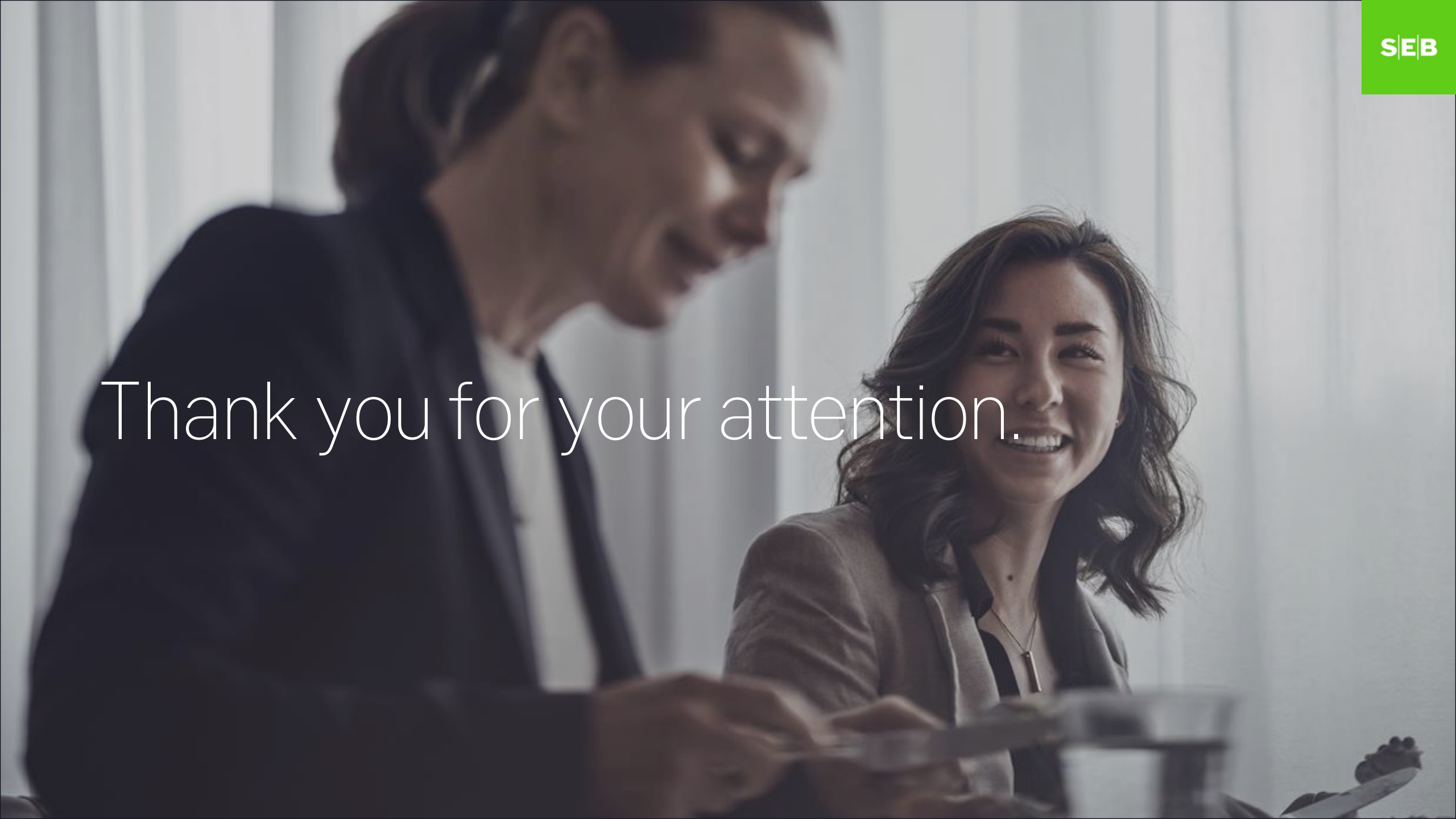
CET1 ratio above requirement

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.

¹ Excluding items affecting comparability.

The background of the slide is a photograph of two business professionals, a man and a woman, sitting at a table. The man is on the left, wearing a dark suit and tie, looking down at something on the table. The woman is on the right, wearing a light-colored blazer, smiling warmly at the camera. The setting appears to be a bright, modern office or meeting room with large windows in the background.

Thank you for your attention.