

SEB's 2030 Strategy & Business Plan 2022-2024

Strategy Update
27 January 2022



Agenda

- 01 Where are we coming from
- 02 Where are we going
- 03 What is our financial outlook
- 04 How will we reach our targets



More than 160 years of banking based on strong relationships



19th century

- **1856** Stockholms Enskilda Bank founded.
- **1864** Skandinaviska Banken founded in Gothenburg.

20th century

- **1916** The investment company, Investor AB, founded.
- **1972** Stockholms Enskilda Bank and Skandinaviska Banken merge.
- **1982** Investment banking arm Enskilda Securities founded.
- **1996** One of the first banks in the world to launch a complete internet bank for private customers.
- **1997** Fifth generation of the Wallenberg family at the helm of SEB.

21st century

- **2000** International expansion rendering roughly half of employees now outside of Sweden.
- **2008** Supporting customers throughout the financial crisis.
- **2008** Launch of the first Green bond.
- **2010** Establishing The Relationship Bank.
- **2016** Launching a customer-centric organisation aimed at world class service.
- **2021** Future-proofing SEB.



270,000 shareholders
but millions of individual
beneficiary owners,
with majority in Sweden.

Our largest shareholders

investor

478,000 shareholders contributing to science and education through the Wallenberg Foundations
21% ownership

alecta

Occupational pension plans for 2.6 million individuals and 35,000 corporates in Sweden
6% ownership

TRYGG
STIFTELSEN

Life insurance and occupational pension plans for 317,000 individuals in Sweden
5% ownership



Occupational pension plans for 4 million individuals and corporates in Sweden
4% ownership

Our core strengths lay the foundation for long-term value creation

Business acumen

Our dedicated and skilled employees enable us to continuously develop our customer offering with responsible advice and capital.

Operational stability

Our high standards of governance, ethics and risk management allow us to maintain our long-term perspective and resilience.



Long-term relationships

We strive to continuously strengthen our capabilities to maintain high customer satisfaction, supporting our customers around the world.

Financial strength

Our financial position of strength enables us to support our customers through good times and bad, while also building for the future.

People at the core of everything we do



Dynamic talent market

Attracting and retaining key talents through a strong purpose, work life balance and competitive remuneration

Continuous learning

Developing and up-skilling employees through use of SEB Campus

Employee satisfaction

Engagement
79
Benchmark: 73

My manager
83
Benchmark: 78

Transformative leadership

Developing leaders to drive change and promote an inclusive environment

Reshaping work

Creating a modern workplace by offering opportunities for remote and flexible work

Employer attractiveness

Business students ¹
#1
Among Nordic peers

Tech students
#1
Among Nordic peers

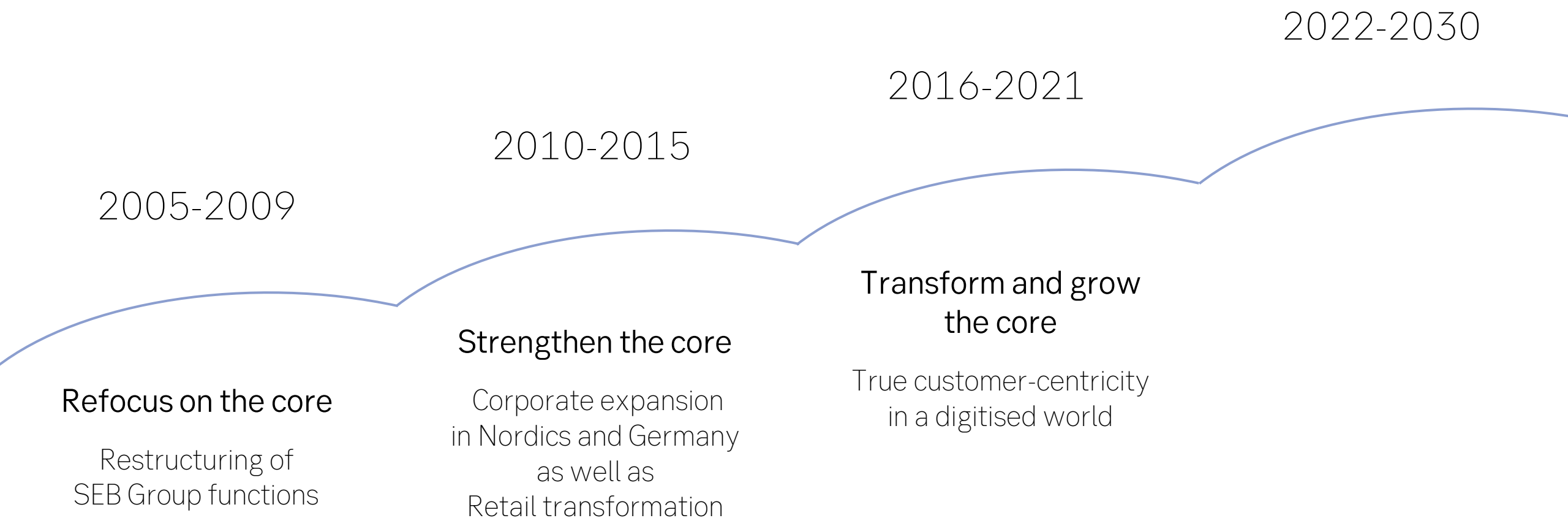
¹ Among students from Stockholm School of Economics.

Note: Employee satisfaction measured by Insight 2021 survey, with scores ranging from 1-100. Employer attractiveness measured by Universum 2021 survey.

Our business planning emphasises a long-term perspective



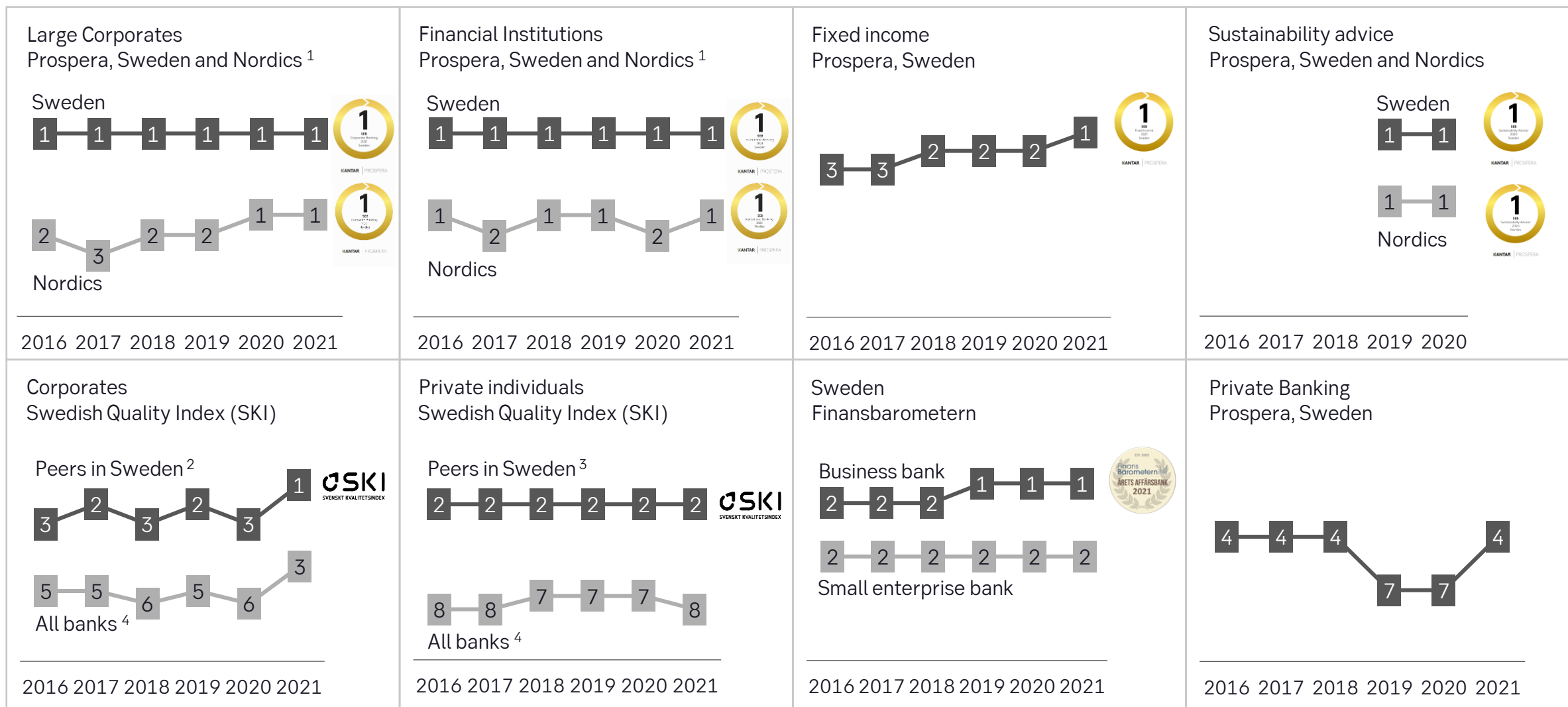
We have adapted our strategic focus throughout the years



Our efforts have resulted in high customer satisfaction...



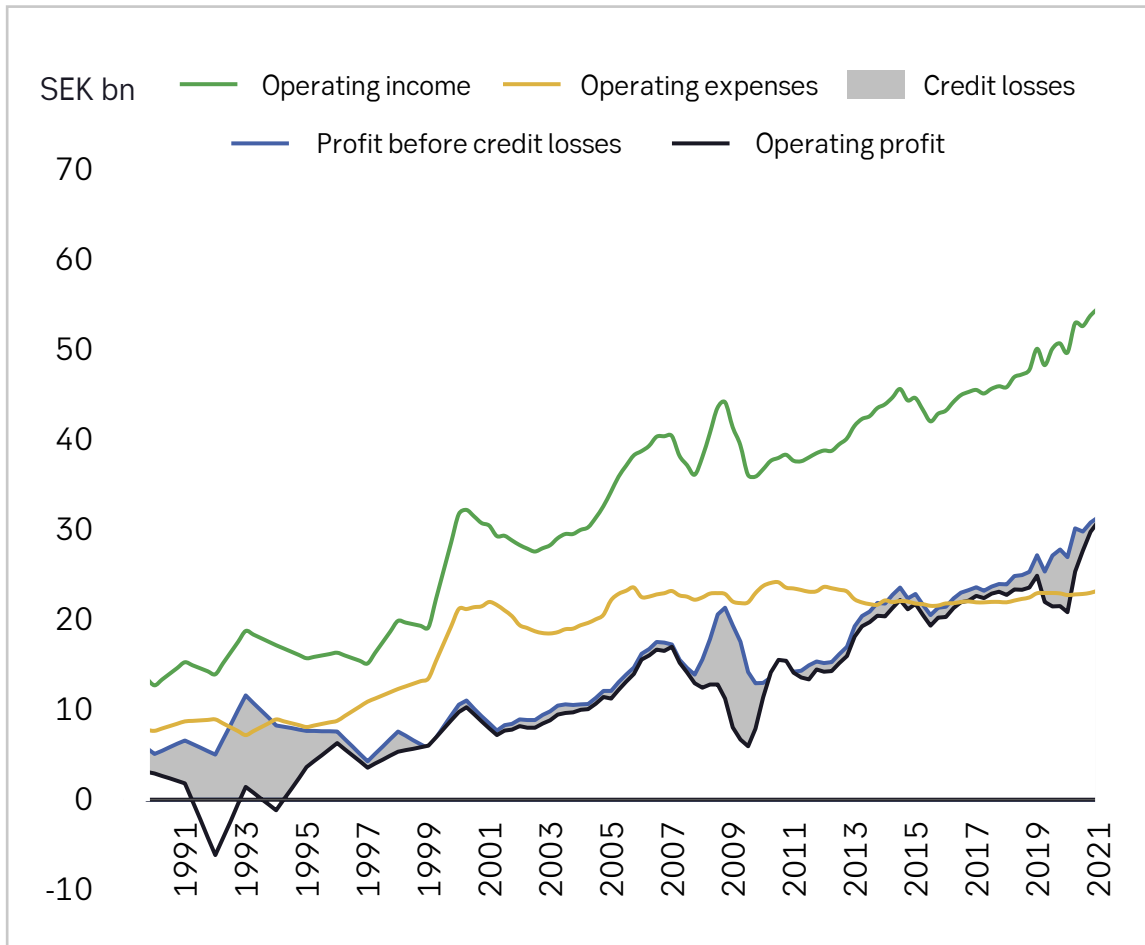
'Bank of the Year'
2021



¹ All Tiers. ² Ranking including SEB, Handelsbanken, Swedbank, Nordea, Danske Bank. ³ Ranking including SEB, Handelsbanken, Swedbank, Nordea.

⁴ Banks with less than 300 respondents are summarised as one actor ('Other').

... allowing for an attractive profit growth over time

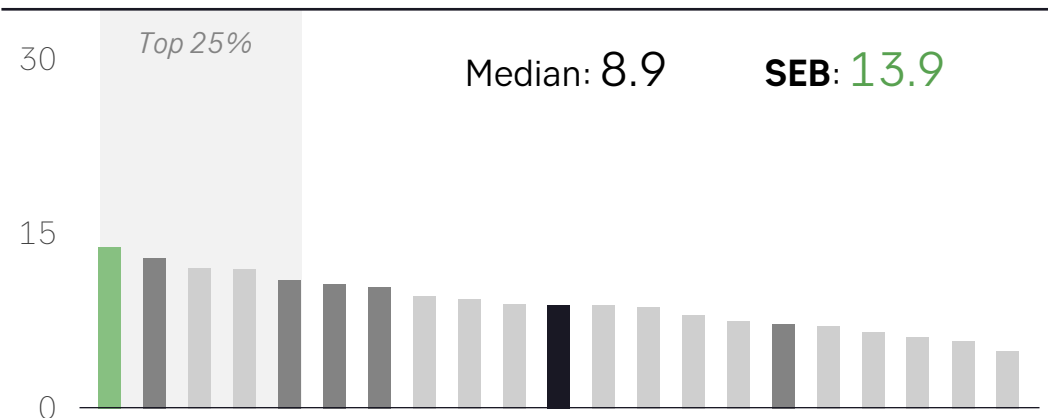


<u>CAGR</u>	1990-2021	2011-2021	2019-2021
Operating income	+5%	+4%	+6%
Operating costs	+4%	0%	+2%
Profit before credit losses	+6%	+8%	+9%

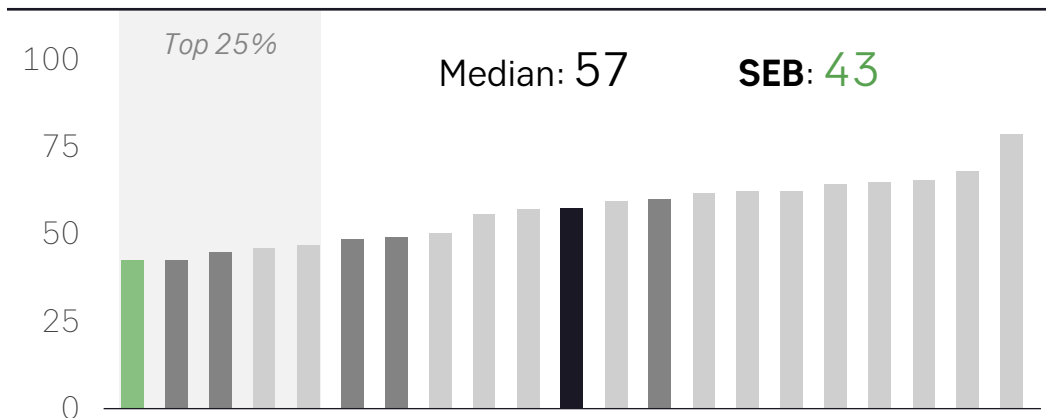
We enter our new business plan from a position of financial strength

- SEB (actual)
- Nordic peers
- European peers
- Median

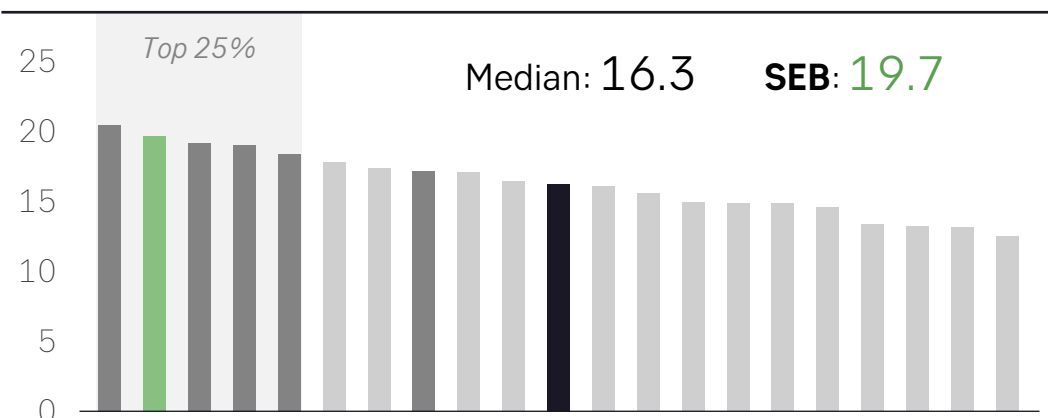
Return on equity
Forecast 2021 (%)



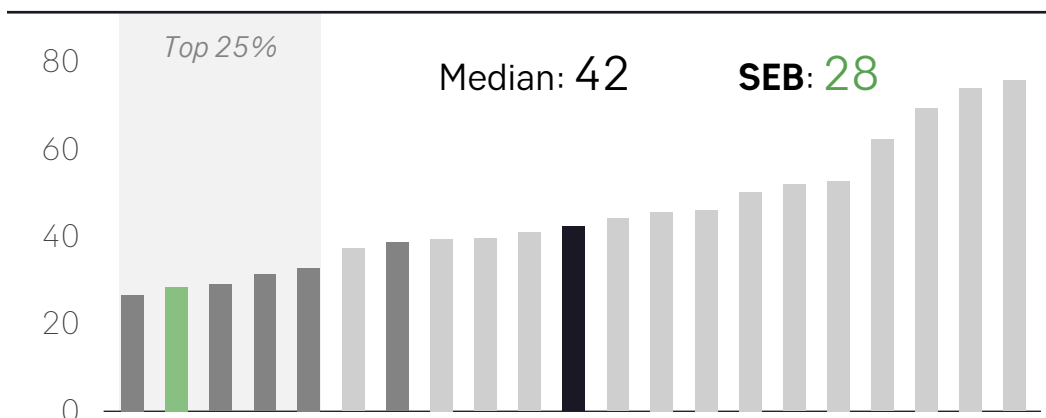
Cost/income ratio
Forecast 2021 (%)



CET1 capital ratio
Forecast 2021 (%)



CDS spread
January 2022 (bps)



Source: Reuters, Bloomberg. Banks included: ABN AMRO, Banco Santander, Barclays, BBVA, BNP Paribas, Caixa Bank, Danske Bank, DNB, Erste Bank, Handelsbanken, HSBC, ING, Intesa Sanpaolo, KBC, Lloyds, NatWest Group, Nordea, SEB, Société Générale, Swedbank, UniCredit.

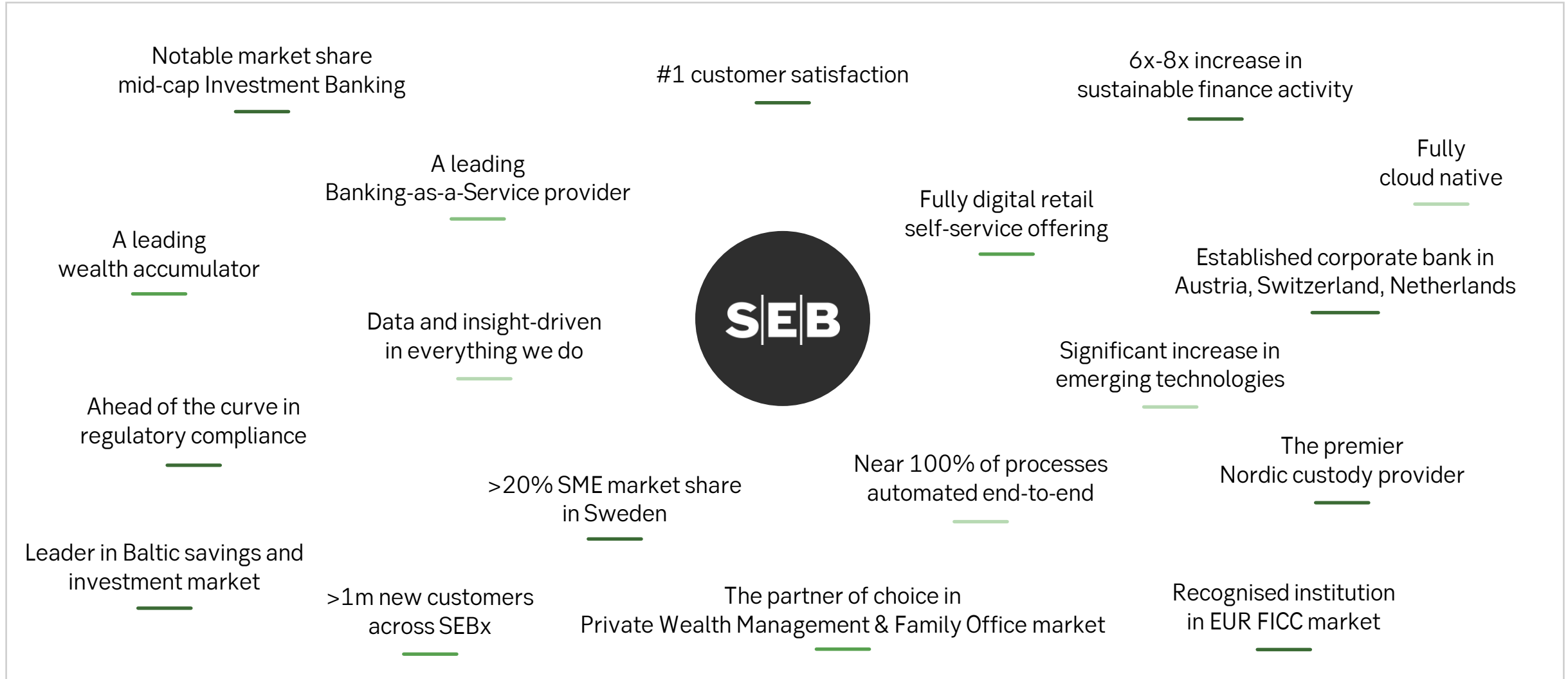
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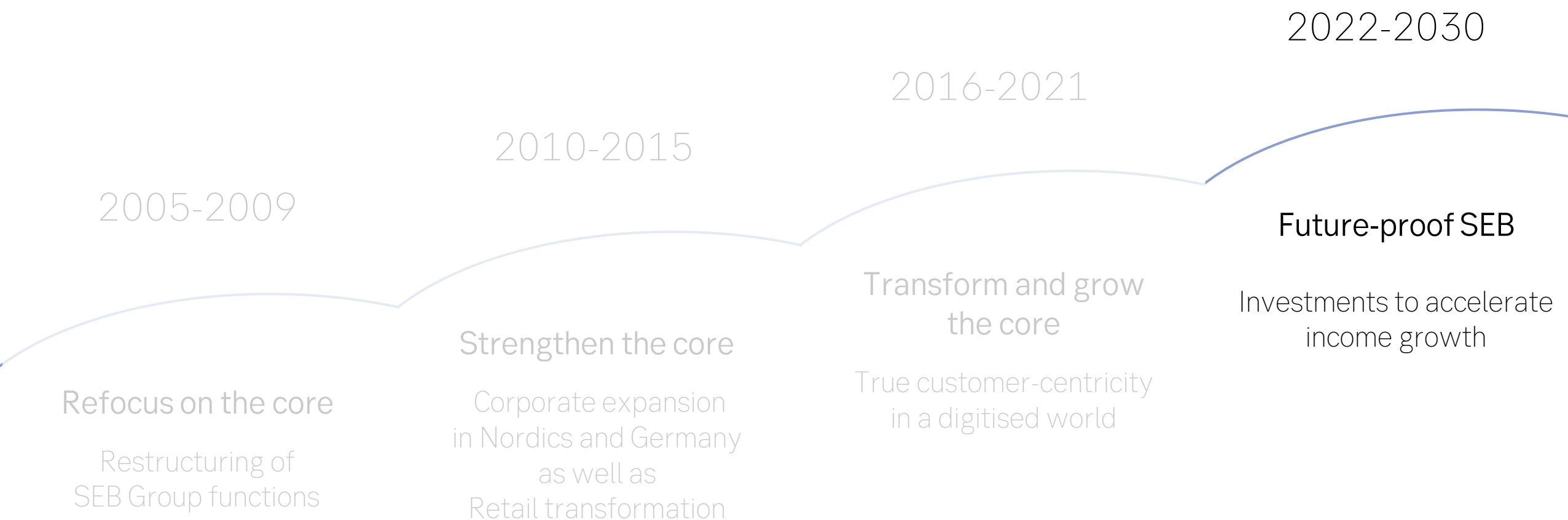


Desired target state – a sample of statements

What would you wish to say about SEB in 2030



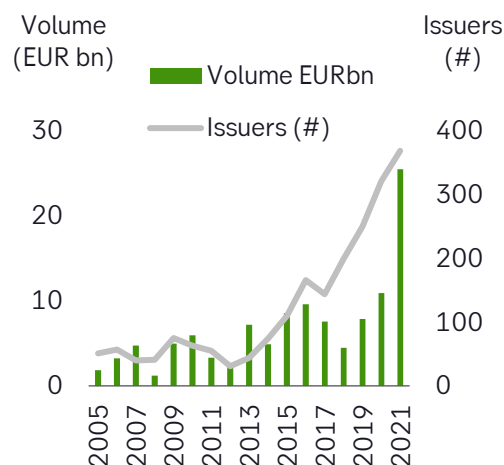
Our ability to embrace change is growing in importance



The banking industry continues to transform

Continued demand for corporate and investment banking services in the Nordics

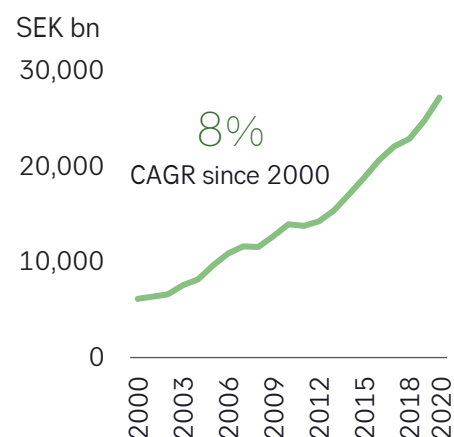
Volumes and number of active issuers, Swedish ECM



Source: Logiscope, Sweden

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

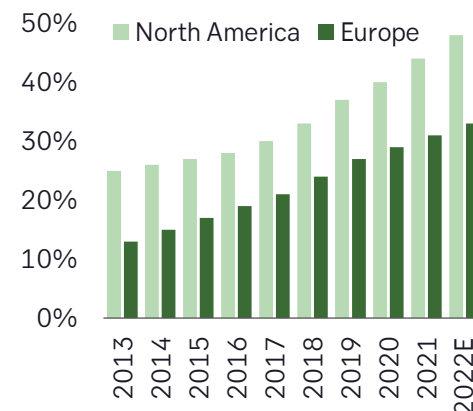
Total assets owned by households, financial and non-financial, Sweden



Source: SCB

New technologies enabling improved customer experience and infrastructure

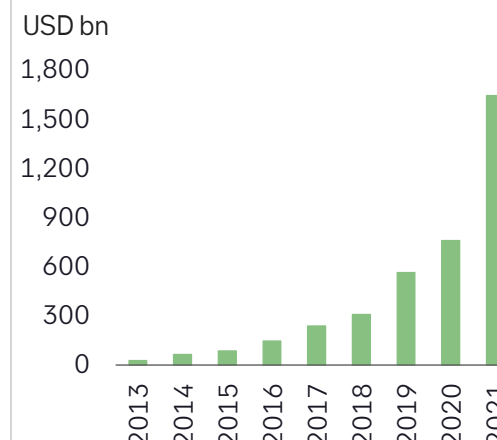
Share of banks' IT spending invested in emerging tech



Source: Celent Research

Sustainability in focus across business areas and customer segments

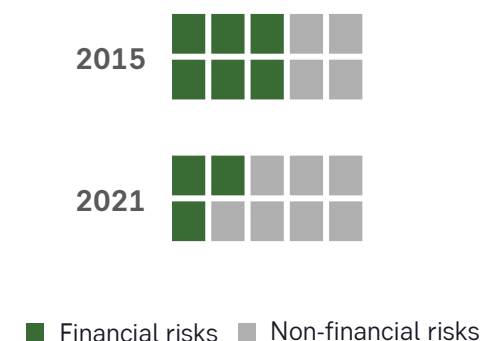
Yearly issuance volumes in sustainable debt market



Source: Bloomberg

Continued shift from financial to non-financial risks

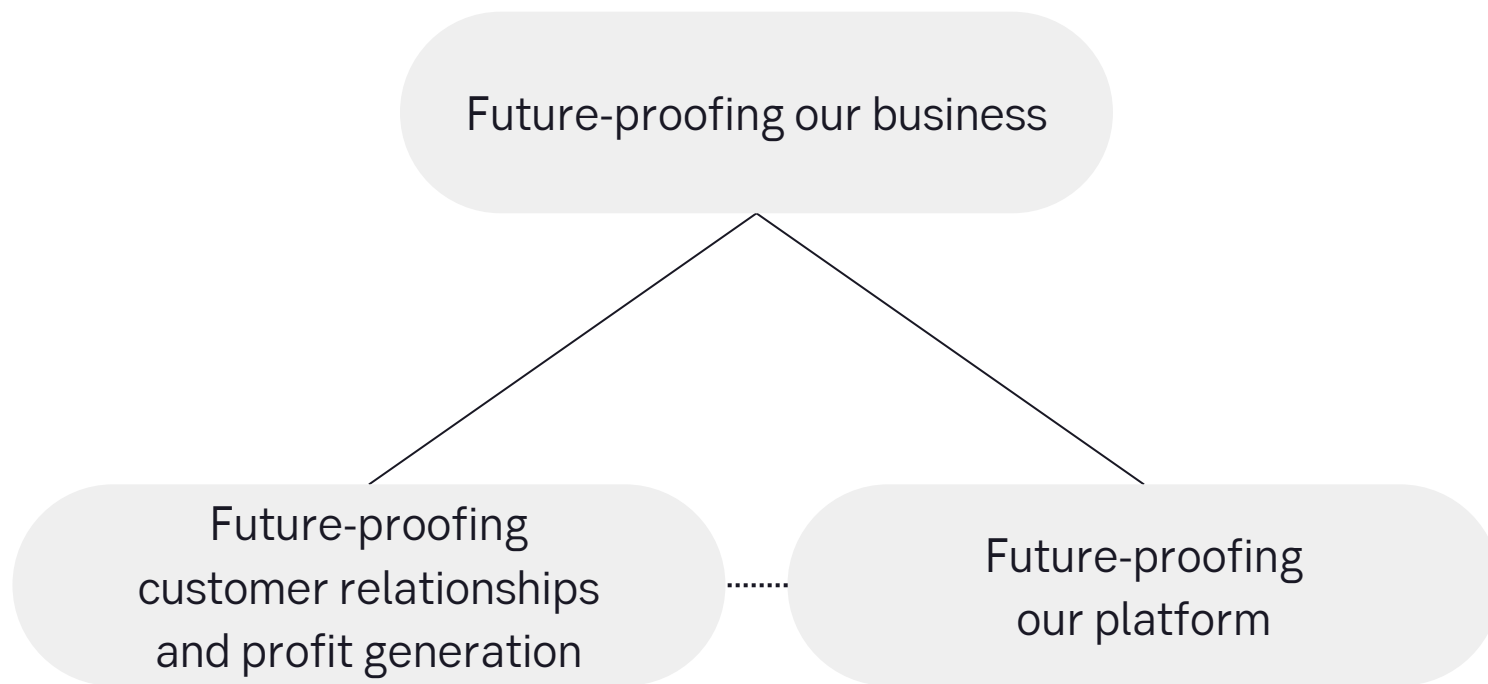
Top 10 CRO priorities



Source: EY & IIF

SEB's 2030 Strategy builds on trends expected to drive growth in the banking industry over the coming years

Overview of SEB's 2030 Strategy



Investments will be needed to future-proof our business

Future-proofing customer relationships and profit generation

Future-proofing our platform

Acceleration of efforts

1

- Expand Corporate and Investment Banking
- Leverage Custody and Markets platforms to become Nordic market leader
- Grow Savings and Investments in the Nordics and the Baltics
- Capture the sustainability supercycle

Strategic change

2

- Transform Retail Banking to go more digital, with a mobile first approach, in Sweden and the Baltics
- Establish Private Wealth Management & Family Office division in all home markets
- Scale and implement SEBx capabilities

Strategic partnerships

3

- Rethink ways of producing and distributing products and services
 - Strengthen innovation and business momentum through external partnerships
- Open banking
 - Fintech partnerships
 - Cloud partnership
 - Greentech VC
 - SEBx
 - P27
 - SAMLIT
 - KYC Utility

Efficiency improvement

4

- Change approach from automation to end-to-end processes
- Develop into a fully data-driven organisation
- Accelerate technology development
- Enhance regulatory efficiency

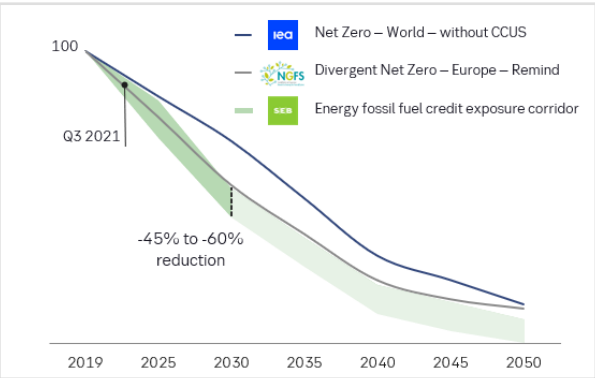
Our ambition is to be a leading catalyst in the transition towards a sustainable society

Climate ambitions and goals to ensure our progress

The Brown Carbon Exposure Index

Measuring the fossil fuel credit exposure in our energy portfolio

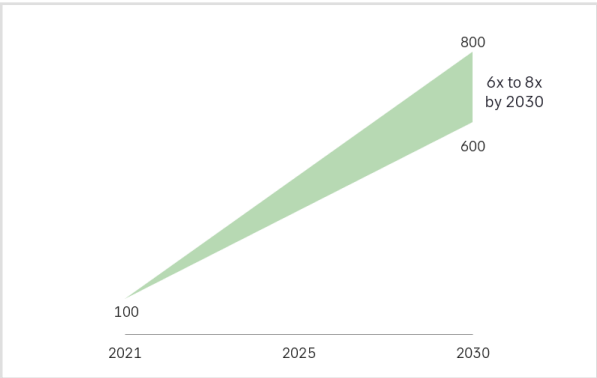
Goal: To reduce exposure by 45-60% by 2030, compared to a 2019 baseline



The Green Sustainability Activity Index

Measuring our activities supporting the sustainable development

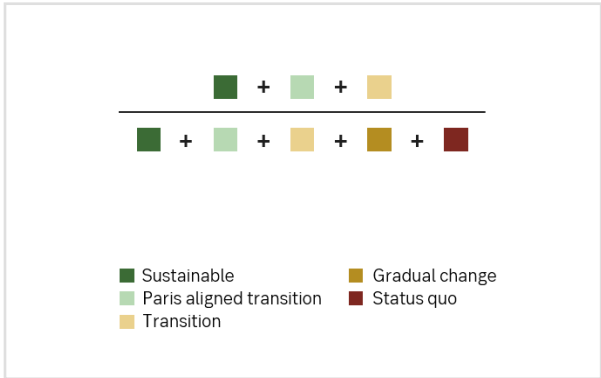
Ambition: To increase average activity 6x-8x by 2030, compared to a 2021 baseline



The Future Transition Ratio

Measuring our corporate and real estate credit portfolio's anatomy from a climate perspective

Ambition: To provide a reflection of how our customers, over time, transition in line with the Paris Agreement ¹



¹ Work ongoing to classify credit portfolio. Transition ratio to be communicated in 2022.

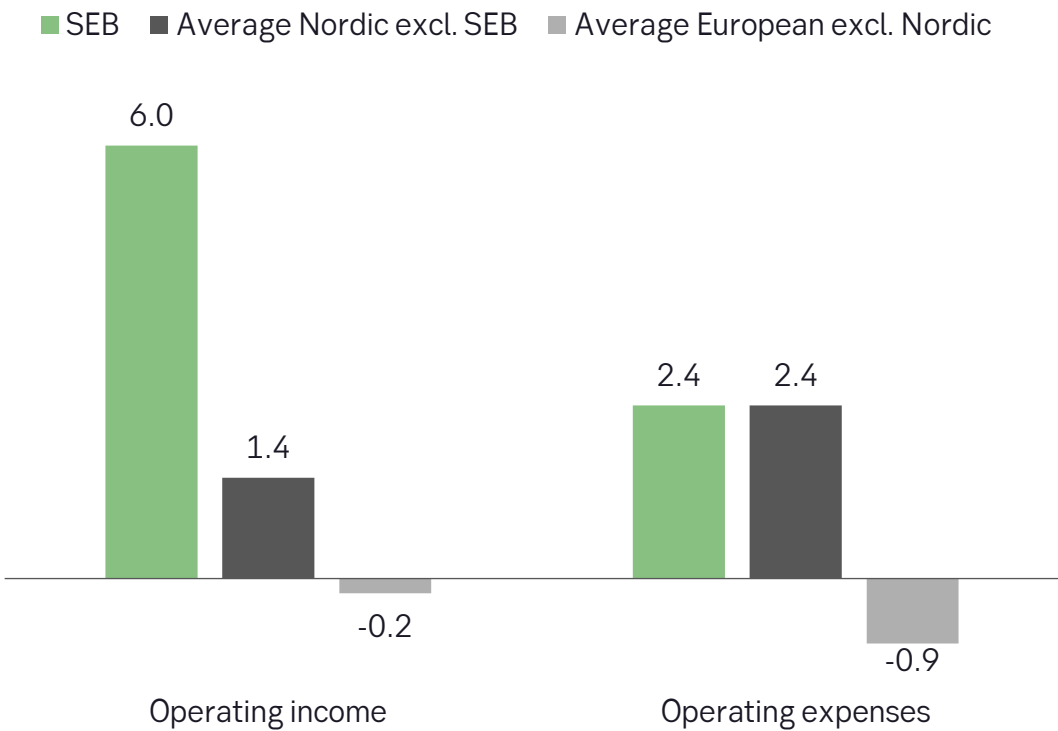
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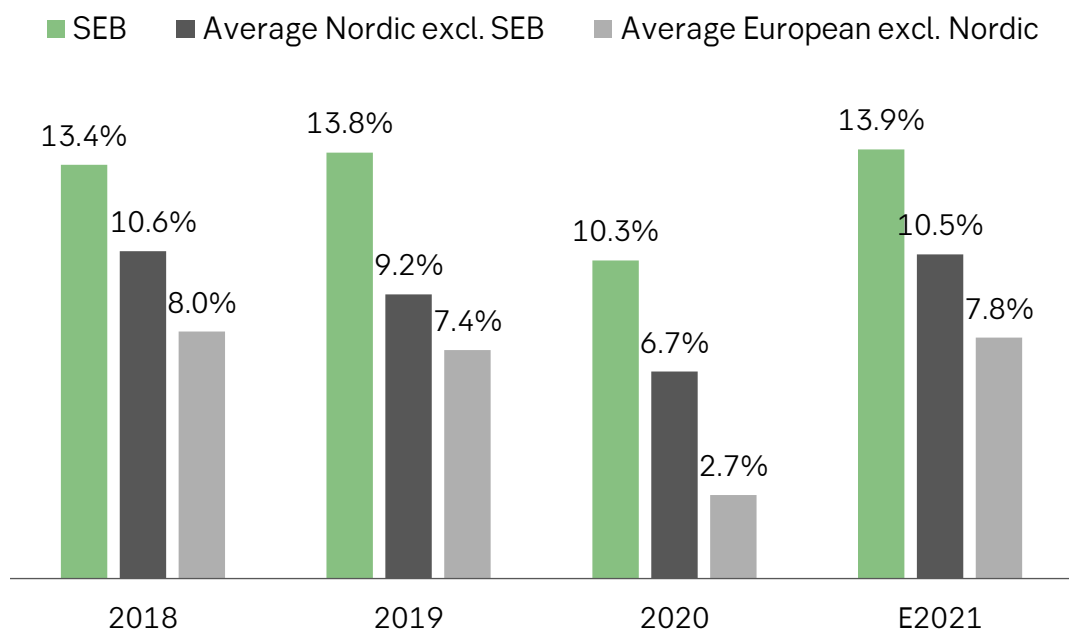


Outgrowing peers with high profitability

Operating income and expenses
2019 – 2021 forecast (SEB actual), CAGR (%)

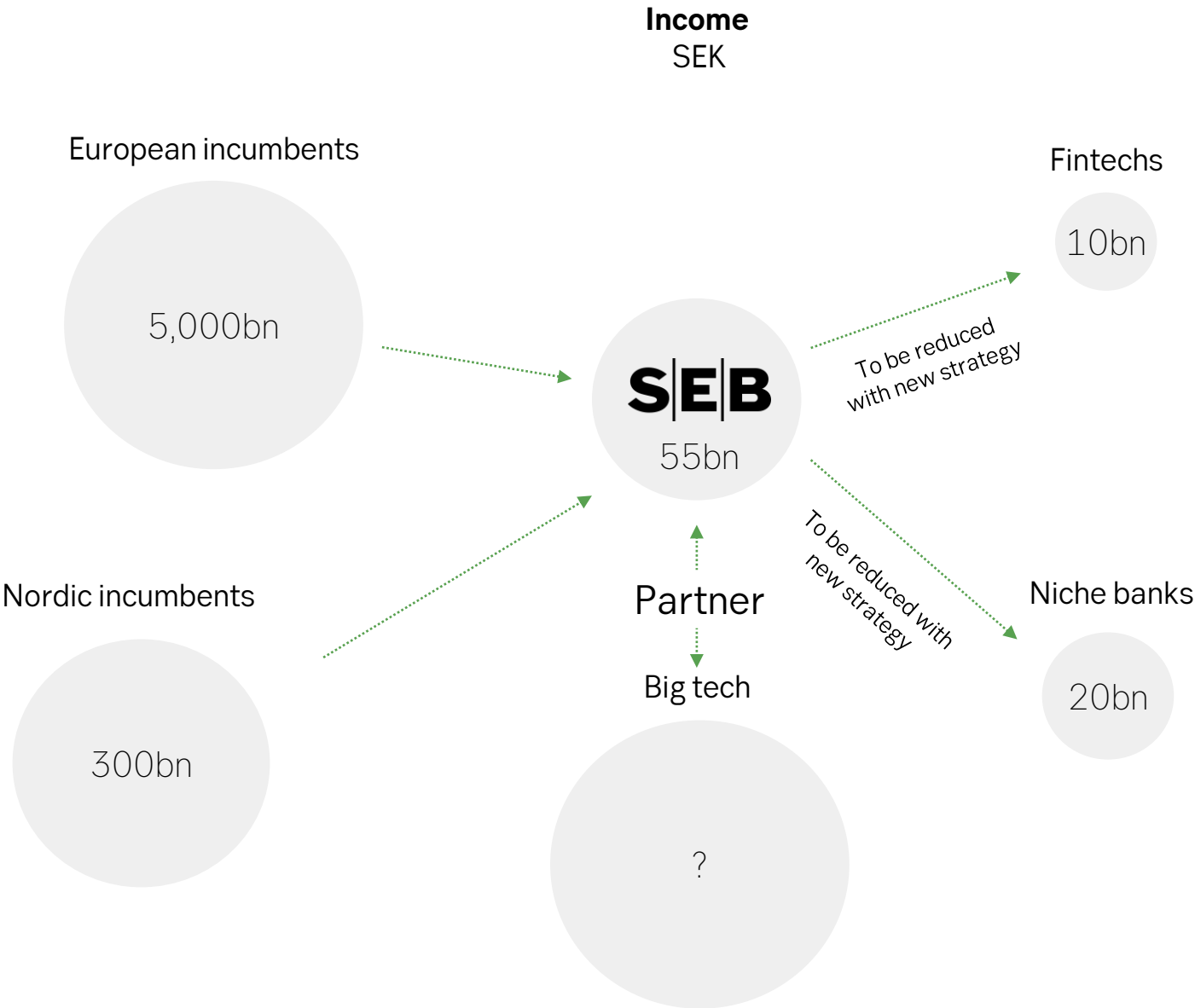


Return on equity
2018 – 2021 forecast (SEB actual)

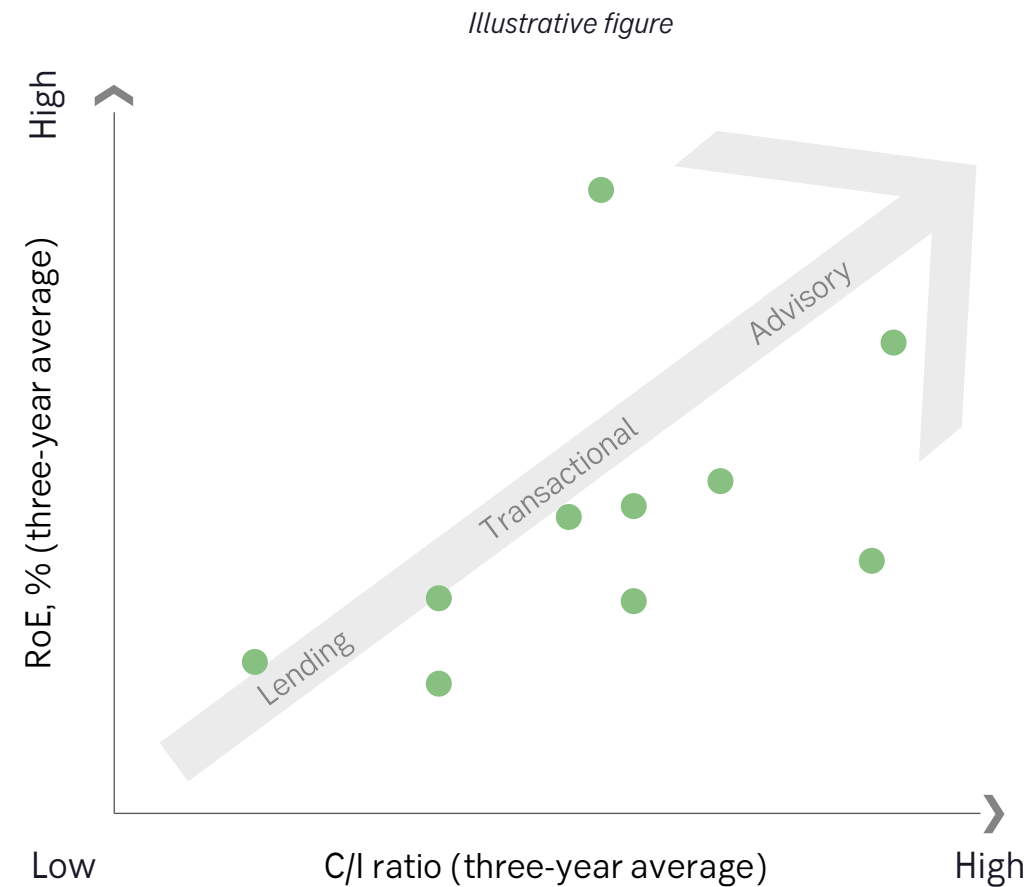
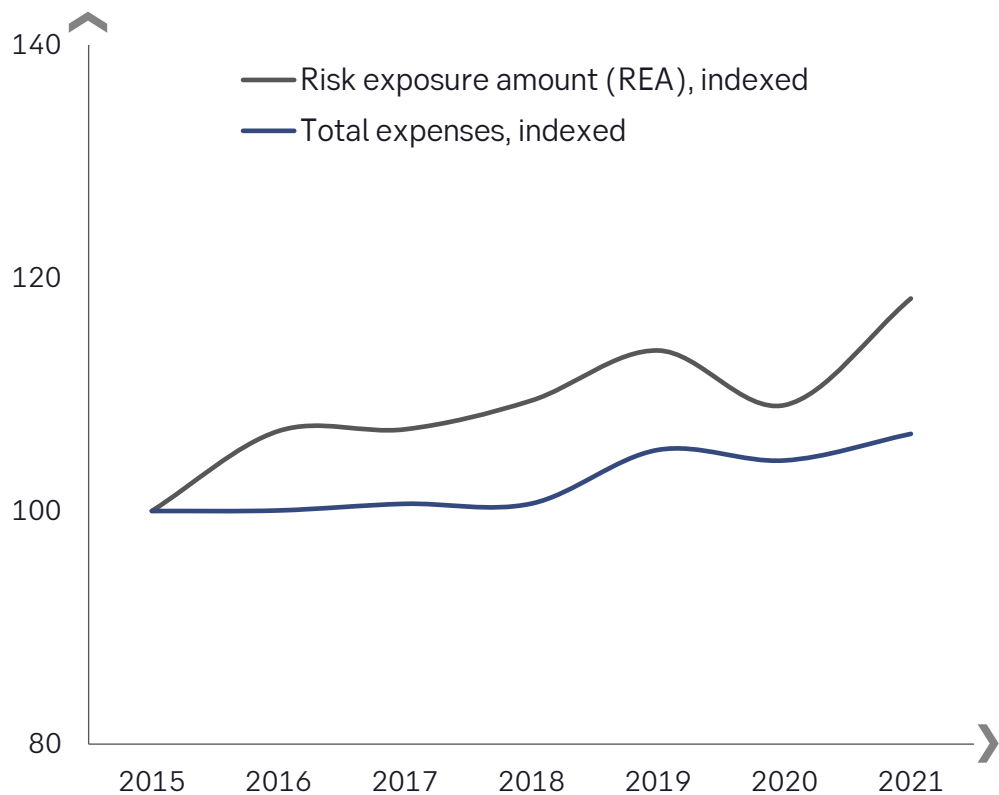


Note: SEB RoE excluding items affecting comparability (IAC).

Significant opportunities to capture



Shift in product mix from capital to operating expenses



Note: REA adjusted for Swedish households mortgage risk weight transfer move from Pillar2 to Pillar1.

Investing to grow capital efficient income

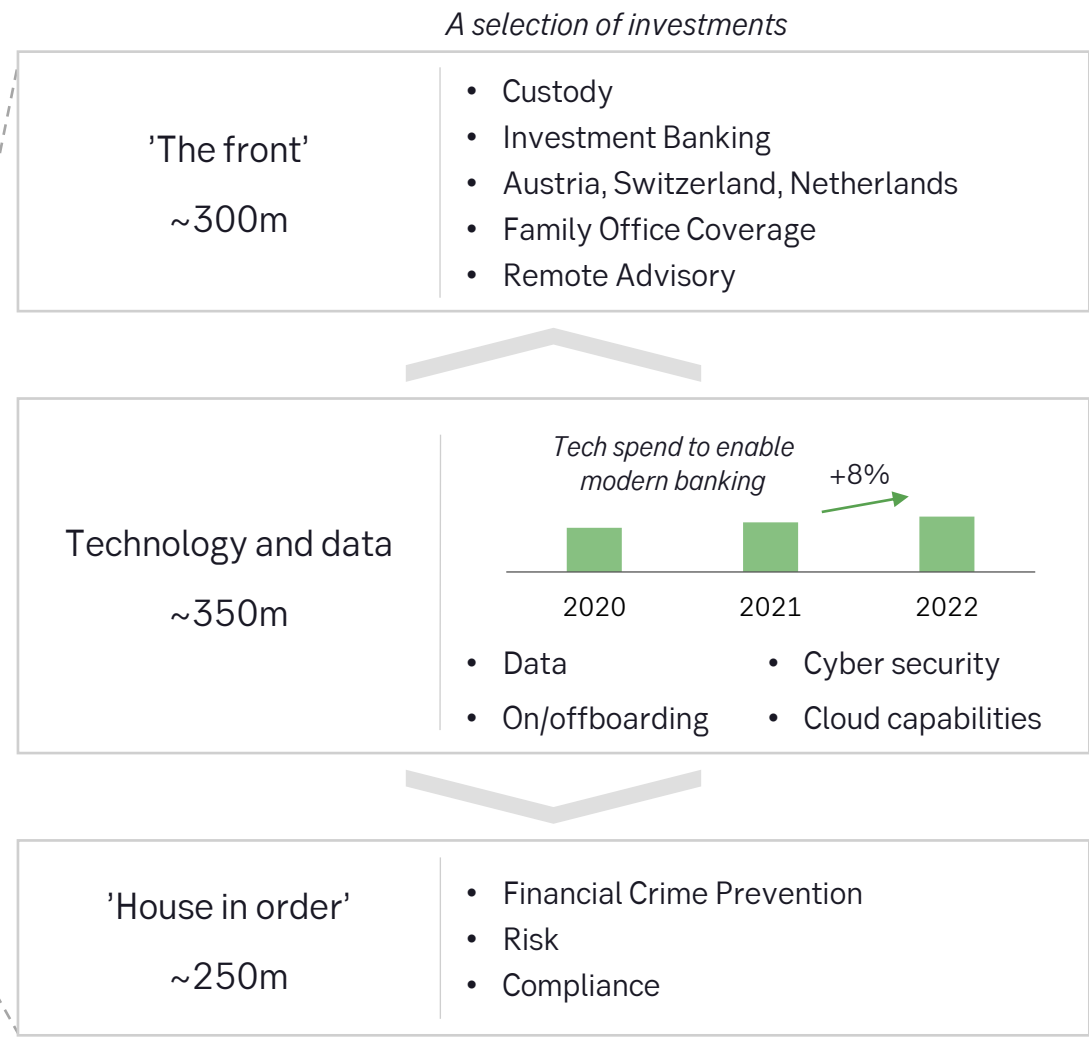
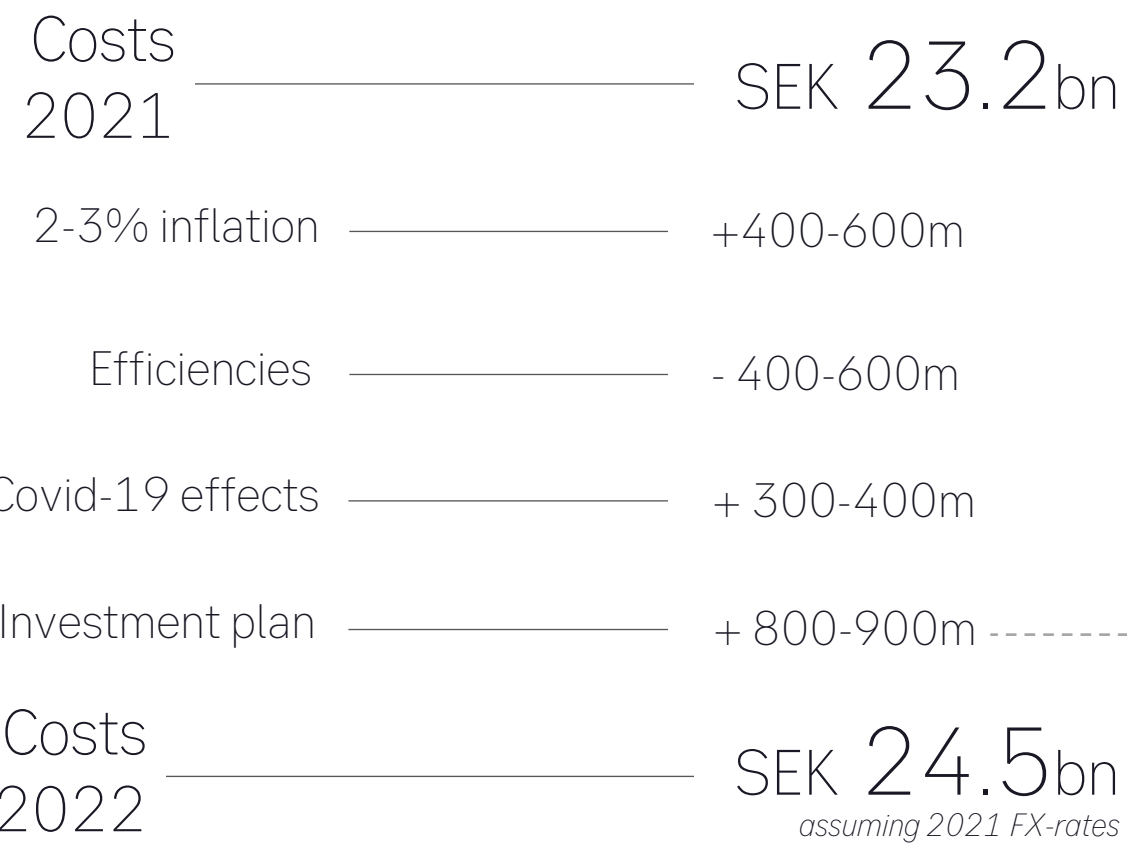
Building blocks to long-term value creation

Future-proofing SEB



Investing to accelerate income growth, increasing our profitability and future-proofing our business

Accelerated investments increasing costs in 2022



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Large Corporates & Financial Institutions

Corporate & Investment Banking expansion

- Client coverage Austria, Switzerland, Netherlands
- Further strengthen advisory within M&A, ECM and DCM
- Additional efforts within future payments solutions

Institutional Banking expansion

- Leverage strong momentum within custody
- Additional resources within Equities Sales and Research
- Strengthen presence in the EUR credits market

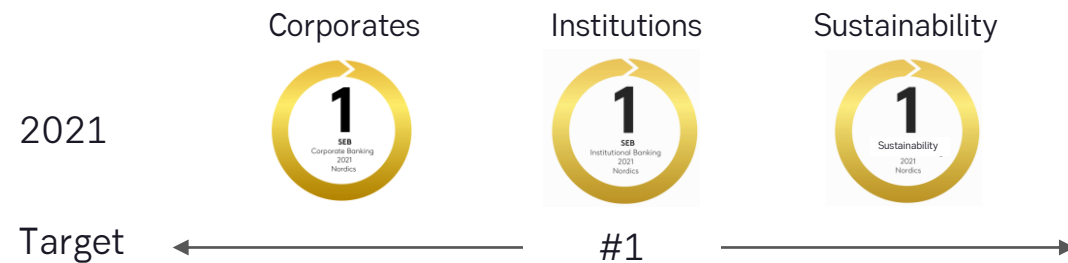
Green Transition financing and advisory

- Accelerate product innovation and development
- Continued strengthening of green advisory capacity
- Additional capacity into Project and Energy financing

Financials

	2020	2021	Aspirational target
C/I	0.44	0.43	<0.50
RoE	8.1%	14.5%	>13%

Customer satisfaction



Additional benefits

- Enhanced data capabilities
- Increased end-to-end processes
- Enhanced efficiency and tech capabilities in regulatory compliance
- Strengthened sustainability and advisory competence across SEB employees

We aim to be the most appreciated and profitable corporate bank in Northern Europe, and the undisputed leading Nordic institutional bank

Corporate & Private Customers

Transform Retail Banking to go more digital

- Accelerate development of digital and remote capabilities
- Enhance Bancassurance offering
- Advance savings and investments offering

Expand Corporate and Investment Banking

- Leverage Investment Banking expertise and products from LC&FI
- Capture sustainability supercycle
- Grow card franchise

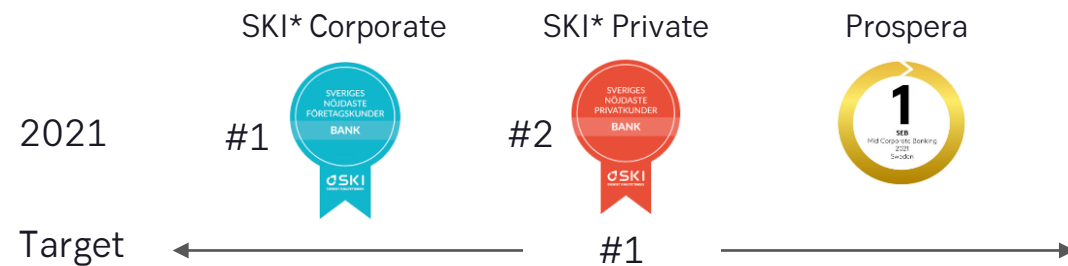
Enhance regulatory efficiency

- Improve on- and offboarding
- Expand advisory tools
- Leverage industry common initiatives

Financials

	2020	2021	Aspirational target	Adjusted Aspirational target (ex PWM&FO)
C/I	0.43	0.46	<0.40	<0.40
RoE	15.1 %	15.6 %	>17.0 %	>16.0 %

Customer satisfaction



Additional benefits

- Customer convenience
- Attracting talents
- Employee engagement

* Svenskt Kvalitetsindex (Swedish Quality Index) versus large bank peers.

We aim to be the #1 full-service bank in the Swedish market
"Digital first and with a human touch or face-to-face, in the moments that matter"

Private Wealth Management & Family Office

Expand client base and increase share of wallet

- Refine and accelerate Sweden
- Expand footprint in the Nordics
- Claim leading position within the international Nordic community

Broaden offering and improve quality in products and services

- Enhance investment offering
- Grow financing areas
- Expand non-financial services

Future-proof the operational platform

- Improve digital services
- Optimise processes
- Establish one common global infrastructure

Financials

Aspirational target

C/I	<0.50
RoE	>25%

Customer satisfaction

	2020	2021	Target
Prospera Private Banking Sweden	#7	#4	#1

Additional benefits

- Complementing LC&FI in the Nordic markets and improving SEB's overall position
- Improved sourcing and distribution for Investment Banking

We aim to be the leading wealth accumulator with the most powerful network community in Northern Europe

Technology

Enable modern banking...



Digital and Mobile interaction and services

- Accelerated digital functionality (Mobile First and Digital self-service)
- Smart advice, sales and support at the customer convenience (e.g. Remote advisory, Robo Advisory)
- Integration of external services in our channels



Flexible Offerings and Products

- Quickly adapt to market and customer needs
- Reusable common solutions (e.g. customer and product lifecycle tools)
- Cloud-native Banking-as-a-Service (SEBx)
- Broadening product and ecosystem offering (e.g. ERP integrations, Open Banking)
- Process digitalisation and automation

...by future-proofing SEB



Modern Core

Proactively work with modernisation through architectural transformation, application consolidation, Cloud and APIs to enable scalability

Advance into a **data-driven company** through a business use-case approach

Increase speed and quality in our Software delivery through modern tools, practices and agile way of working

Improved ability to attract, recruit, develop and retain **critical competencies to enhance technological expertise and innovation**

Scaling in **cooperation with Tech partners**, fintechs and Software-as-a-Service

Proactively **strengthen cyber resilience** to protect SEB's and our customers' information

Efficient

Scalable

Sustainable

Secure

We aim to leverage on technology and partners to enable modern banking

A selection of investments to future-proof the bank...

**Time horizon for
expected benefit**

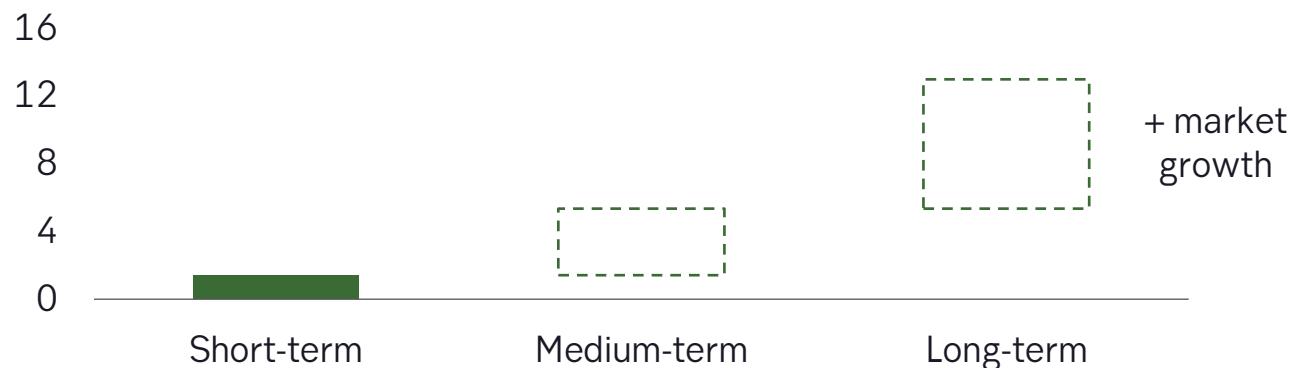
- Short-term
- Medium-term
- Long-term

LC&FI <ul style="list-style-type: none"> ● Custody ● Investment Banking Advisory ● Green transition ● Austria, Switzerland, Netherlands 	C&PC <ul style="list-style-type: none"> ● SEB Kort ● Advisory physically and remote ● SMEs and ERP ● Savings and CRM ● Bancassurance 	PWM&FO <ul style="list-style-type: none"> ● Nordic expansion ● Sweden – refine and accelerate ● International reach 	Baltic <ul style="list-style-type: none"> ● Sustainability financing ● Digital sales automation platform ● Robo-advisor in savings app
Investment Management <ul style="list-style-type: none"> ● Sustainability offering ● Alternatives 	Life <ul style="list-style-type: none"> ● Retirement offering ● Swedish portfolio bond ● Third-party distribution 	SEBx <ul style="list-style-type: none"> ● UNQUO ● Banking-as-a-Service 	House in order <ul style="list-style-type: none"> Data management Customer and product onboarding Financial Crime Prevention Cyber security Sustainable Banking

... supporting long-term income growth and operational resilience

Future-proofing customer relationships

Income generation
SEK bn



Ensuring financial resilience as we progress towards our aspirational target

- Securing long-term growth
- Improved capital efficiency

Future-proofing our platform

Examples of other investments

Initiative

- Data management
- Customer onboarding
- Financial Crime Prevention
- Cyber security
- Sustainable Banking

Example of benefits

Customer satisfaction, efficiency, regulatory compliance

Customer satisfaction, efficiency, regulatory compliance

Regulatory compliance and efficiency

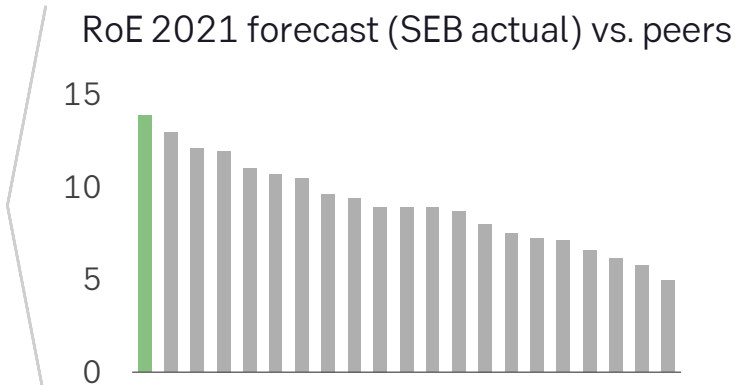
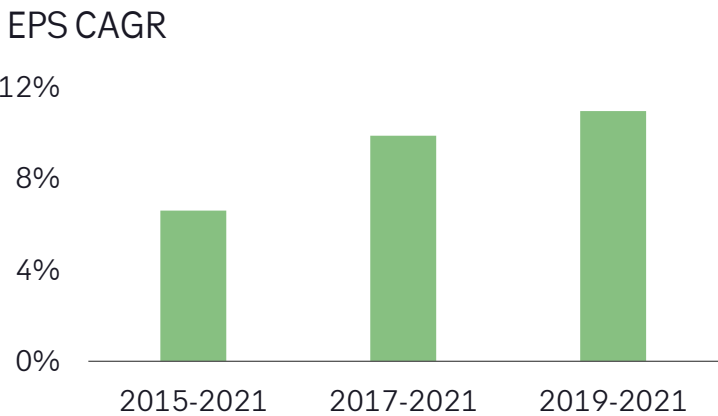
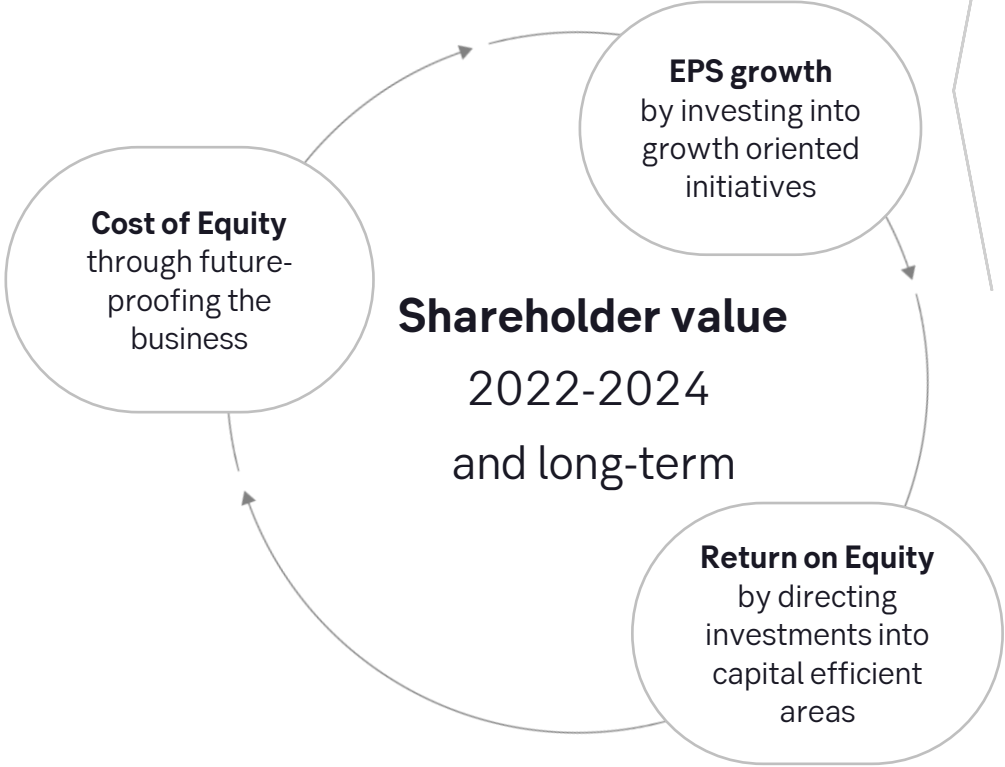
Reduced operational risks

Customer satisfaction, reduced risks

Ensuring operational resilience as we progress towards our aspirational target

- Increased efficiency
- Increased customer satisfaction
- Reduced risks

Focus on creating shareholder value



SEB Group financial targets

~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.

Thank you for your attention.

