

# Annual and Sustainability Report

2021

# Our customers and stakeholders

We always put our customers' needs at the core of our business. Their high expectations for both digital and personal services, and for quality advice and sustainable solutions, drive SEB's business development and offerings. Our 15,500 employees work as a team to serve our customers and create value for our shareholders and for the societies where we operate.

2,000

Large corporations

1,100

Financial institutions

400,000

Small and medium-sized companies

Of these, some 288,000 are home bank customers.

4,000,000

Private individuals

Of these, some 1.5 million are home bank customers.

15,500

Employees

267,000

Shareholders

Society

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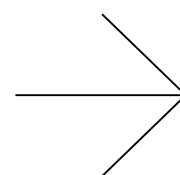
Pages 70–202 constitute SEB's formal annual report.

SEB's sustainability work is described in the sustainability report on pages 42–69 and 208–233.



# We connect ideas, people and capital to drive progress

Being a leading northern European corporate bank with international reach, we support our customers in making their ideas come true. We do this through long-term relationships, innovative solutions, tailored advice and digital services – and by partnering with our customers in accelerating change towards a more sustainable world.





“We see SEB as a pioneer in green financing, where the bank has been a valuable dialogue partner and service provider at an early stage. This is something that we have had much benefit from and that has enabled us to be at the forefront of the green transition.”

Kerstin Ahlfont, CFO, Vattenfall

### We focus on four main areas in our 2030 Strategy...

- **Acceleration of efforts**  
Strengthening our customer offering by continuing to build on existing strengths through extra focus and resources targeted at already established areas.
- **Strategic change**  
Evaluating the need for strategic change and transforming the way we do business in already established areas.
- **Strategic partnerships**  
Collaborating and partnering with external stakeholders and rethinking how we produce and distribute our products and services.
- **Efficiency improvement**  
Increasing our focus on strategic enablers, allowing us to improve efficiency and accelerate SEB's transformation journey.

### ...in which we aim to be a leading catalyst in the sustainability transition

Our sustainability strategy outlines our role in the transition towards a sustainable society. As a key part, we have defined new ambitions and goals:

- **The Brown**  
Reducing our fossil fuel credit exposure in the energy portfolio by 45–60 per cent by 2030 (baseline 2019).
- **The Green**  
Increasing our sustainability activities 6–8 times by 2030 (baseline 2021).
- **The Future**  
Assessing our credit portfolio's alignment with the Paris Agreement by 2022 and setting targets for 2030.



**Sustainability Advisor  
in the Nordics 2021**  
Prospera

# #1

Corporate and Institutional Bank  
in the Nordics 2021  
Prospera

# #1

Business Bank of the Year 2021  
– for the third year in a row  
Finansbarometern

# #1

Bank of the Year 2021  
Privata Affärer

## Our purpose

SEB has always believed that the future depends on making great ideas happen. Our purpose is to positively shape the future, with responsible advice and capital. Today and for generations to come.

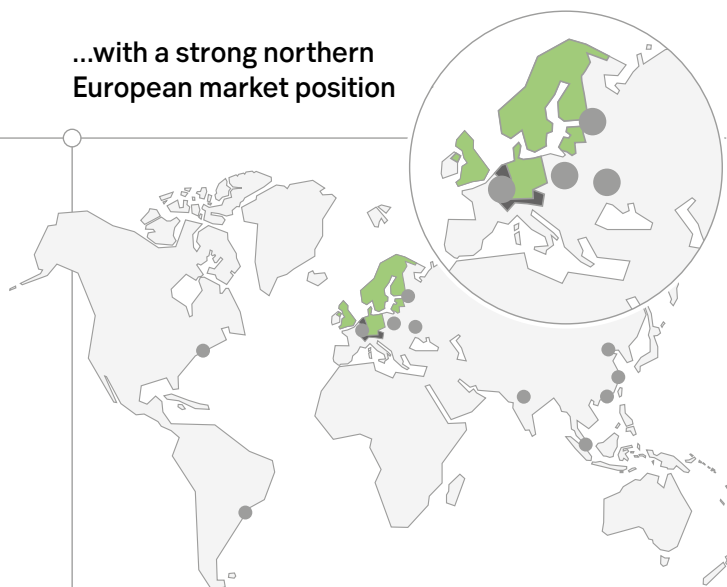
We have a strong ambition to accelerate the pace towards a sustainable future for people, businesses and society. We want to be a leading catalyst in the sustainability transition.

Our employees strive to provide world-class service and offer our customers financial products and services that meet their ever-changing needs – both in our home markets in northern Europe and through our international network around the world.

## We serve our customers through our divisions...

- Large Corporates & Financial Institutions**  
Commercial and investment banking services for large corporate and institutional customers in the Nordic region, Germany and the United Kingdom as well as in our international network.
- Corporate & Private Customers**  
Full banking and advisory services for private individuals and small and medium-sized corporate customers in Sweden, as well as card services in four Nordic countries.
- Private Wealth Management & Family Office**  
Leading private banking services with global reach for Nordic high-net-worth individuals.
- Baltic**  
Full banking and advisory services for private individuals and small and medium-sized corporate customers in Estonia, Latvia and Lithuania.
- Life**  
Life insurance solutions for private as well as corporate and institutional customers mainly in the Nordic and Baltic countries.
- Investment Management**  
Management of SEB-labelled funds and mandates for customers channelled via other divisions.

## ...with a strong northern European market position



- Home markets**  
– we serve all customers with a wide range of products  
Sweden, Norway, Denmark, Finland, Estonia, Latvia, Lithuania, Germany and the United Kingdom.
- Geographical expansion**  
– we expand our business for large corporate customers  
The Netherlands, Austria and Switzerland.
- International network**  
– we support our home market customers around the world  
Beijing, Hong Kong, Kyiv, Luxembourg, New Delhi, New York, São Paulo, Shanghai, Singapore, St. Petersburg and Warsaw.

# The year in summary

## Important events and trends during the year

**The economic recovery** continued and financial markets were less volatile as Covid-19 vaccine rollouts progressed and central bank stimulus was maintained. This was despite continued uncertainties posed by new Covid-19 waves, inflation concerns and supply chain and energy shortages.

**SEB saw high activity** among large corporate customers, continued strong demand for mortgages in Sweden and strong growth of assets under management, while corporate card activity showed signs of recovery.

**SEB announced a geographical expansion** of the offering for large corporates in the Large Corporates & Financial Institutions division, to the Netherlands, Austria and Switzerland. The new division Private Wealth Management & Family Office was established to strengthen focus on entrepreneurs and professional family offices and grow SEB's savings and investments business.

## Key targets and figures

Board's financial targets	2021	2020
Dividend payout ratio of around 50 per cent of earnings per share <sup>1,3)</sup> , per cent	51	106
Common Equity Tier 1 capital ratio of 100–300 basis points over requirement <sup>2)</sup> , basis points	590	840
Return on equity competitive with peers <sup>3)</sup> , per cent	13.9	10.3
Key figures	2021	2020
Operating income, SEK m	54,614	49,717
Operating profit <sup>3)</sup> , SEK m	30,864	20,846
Return on equity, per cent	13.9	9.7
Cost/income ratio	0.43	0.46
Earnings per share, SEK	11.75	7.28
Dividend per share <sup>1)</sup> , SEK	6.00	8.20
Leverage ratio, per cent	5.0	5.1
Liquidity Coverage Ratio (LCR), per cent	145	163
Net Stable Funding ratio (NFSR), per cent	111	-

1) Board proposal for 2021. For 2020 an ordinary dividend of SEK 4.10 per share and a further ordinary dividend of SEK 4.10 per share.

2) Regulatory requirement estimated by SEB: 13.8% (12.6).

3) Outcome excluding items affecting comparability.

+10%

Operating income

+48%

Operating profit

13.9%

Return on equity

6.00

Proposed dividend per share, SEK

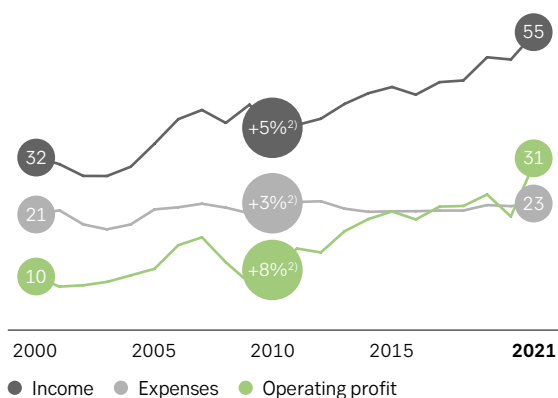


**In the Swedish Quality Index** survey (SKI), customer satisfaction among corporate and private customers increased and, for the first time, SEB earned the top ranking among the larger banks on the corporate side. Also, for the third consecutive year, SEB was awarded Business Bank of the Year in the Swedish customer survey Finansbarometern. SEB was also named Bank of the Year by Privata Affärer.

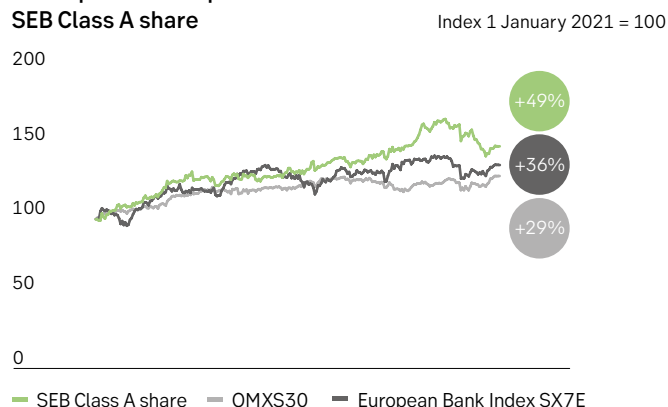
**SEB's updated sustainability** strategy was presented, including three new climate-related ambitions and goals – *The Brown, The Green, and The Future* – with the aim of accelerating the transition towards a sustainable society. We recently also presented our new 2030 Strategy and business plan for 2022–2024, aiming to future-proof our business.

**A dividend of SEK 6.00 per share** was proposed by the Board of Directors, corresponding to 51 per cent of net profit for 2021. The Swedish FSA removed its recommendation to restrict dividends and SEK 8.20 per share in total was distributed during 2021, corresponding to approximately 50 per cent of net profit for 2019 and 2020.

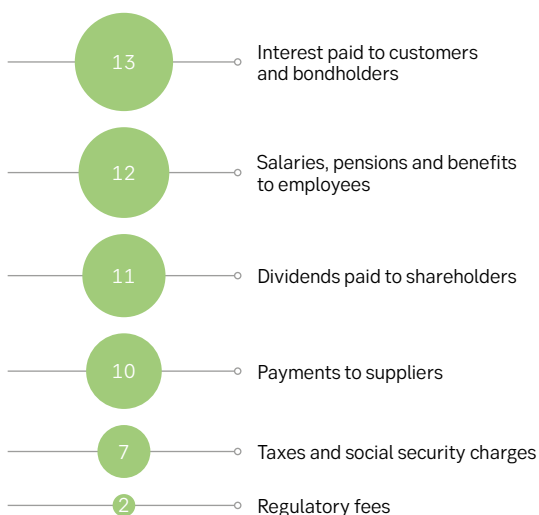
### Our profit development<sup>1)</sup>, SEK bn



### Share price development 2021 SEB Class A share



### SEK 55bn in average value created per year 2017–2021



### Efficient and profitable compared to peers 2021

