

# Business Plan Update

## SEB Group







December



2018





# Our strategic focus areas still relevant...



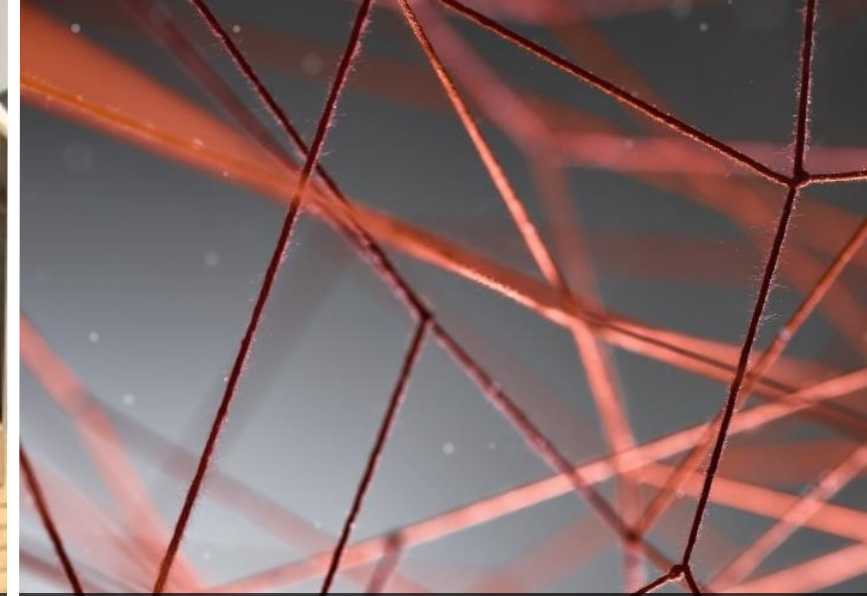
## **Operational excellence**

Efficiency & speed, including swift transaction execution, through technology & data.



## **Advisory leadership**

Value-enhancing advisory services based on human & digital interaction.



## **Extended presence**

Part of digital ecosystems & sharpened offering by integrating external products & data.



# ...as well as our strategic initiatives

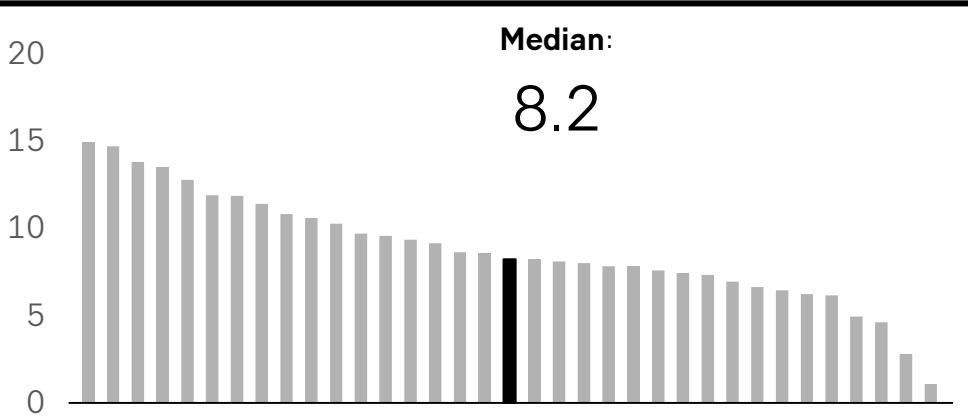
<b>Critical enablers</b>	<ul style="list-style-type: none"><li>■ Data, automation, agile, sustainability, people, compliance &amp; risk.</li></ul>
<b>Advisory</b>	<ul style="list-style-type: none"><li>■ Become the undisputed Nordic advisory bank within Corporate &amp; Investment Banking and Private Banking.</li></ul>
<b>Assets entrusted to us</b>	<ul style="list-style-type: none"><li>■ Savings &amp; investments (assets under management, assets under custody &amp; deposits).</li></ul>
<b>Ecosystem</b>	<ul style="list-style-type: none"><li>■ Open Banking &amp; customer ecosystems.</li></ul>
<b>Digital explorer (SEBx)</b>	<ul style="list-style-type: none"><li>■ Respond to emerging customer needs by exploring new technology.</li></ul>



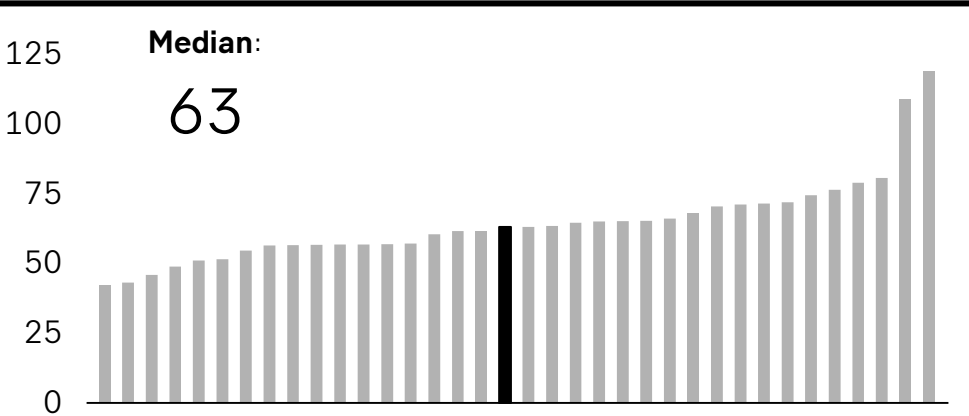
# Mixed performance in the banking industry



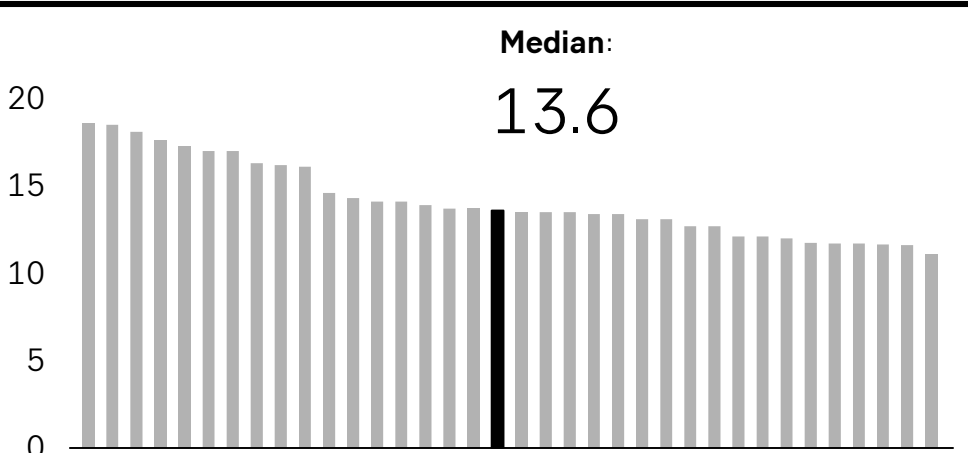
**Capital efficiency: Return on equity**  
2019 (% , ex IAC)



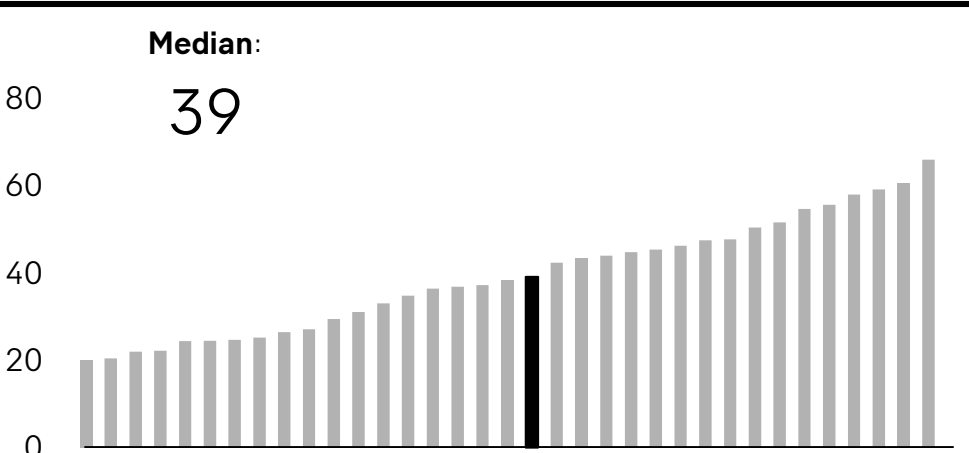
**Operational efficiency: Cost/income ratio**  
2019 (% , ex IAC)



**Balance sheet strength: CET1 capital ratio**  
2019 (% , ex IAC)



**Raw material price: CDS spread**  
February 2020 (bps)



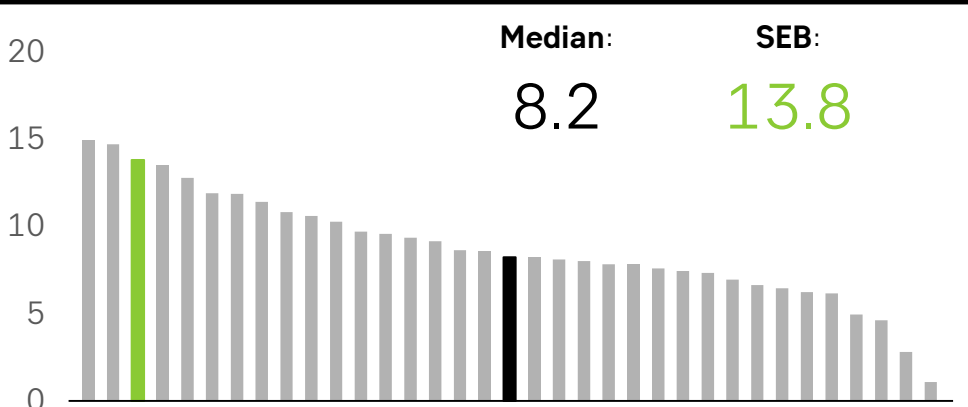
Source: Bloomberg.



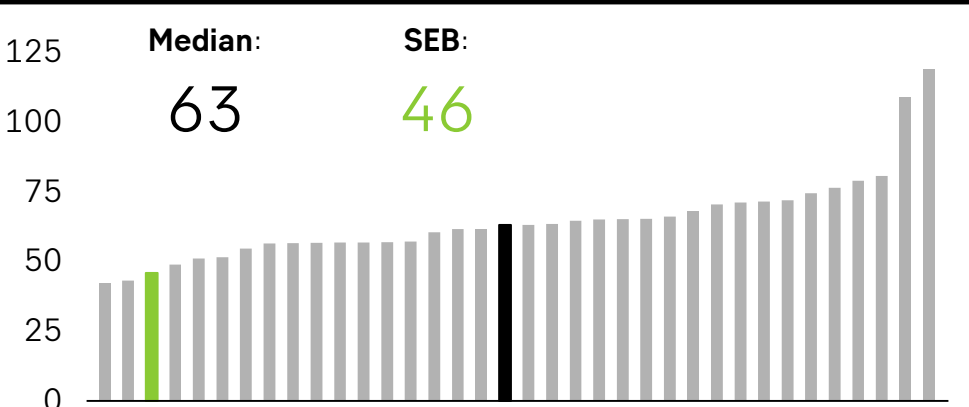
# Relatively strong performance by SEB



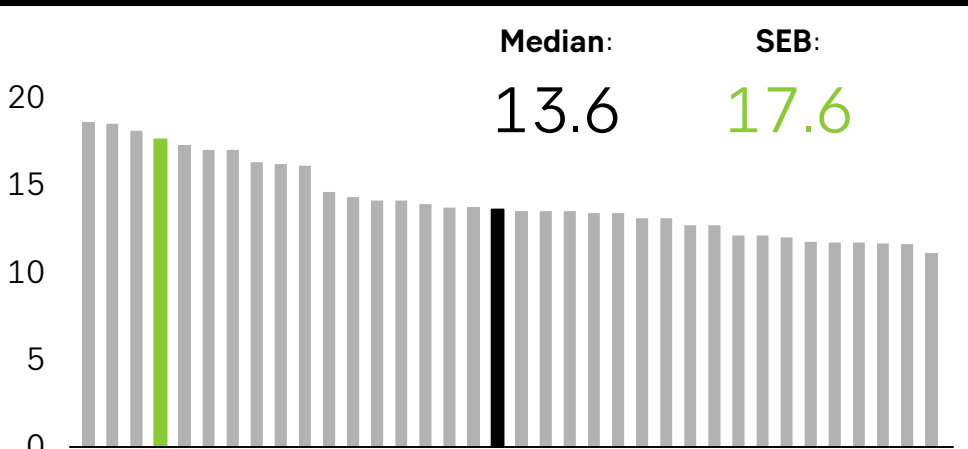
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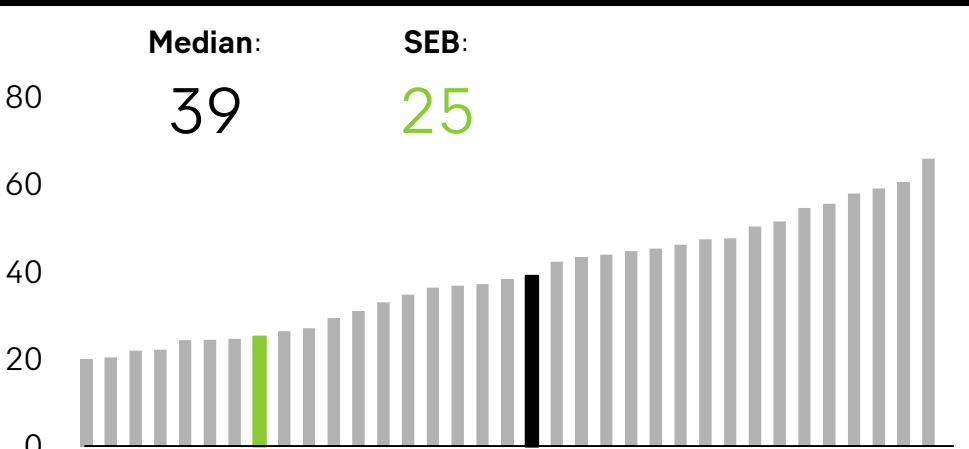
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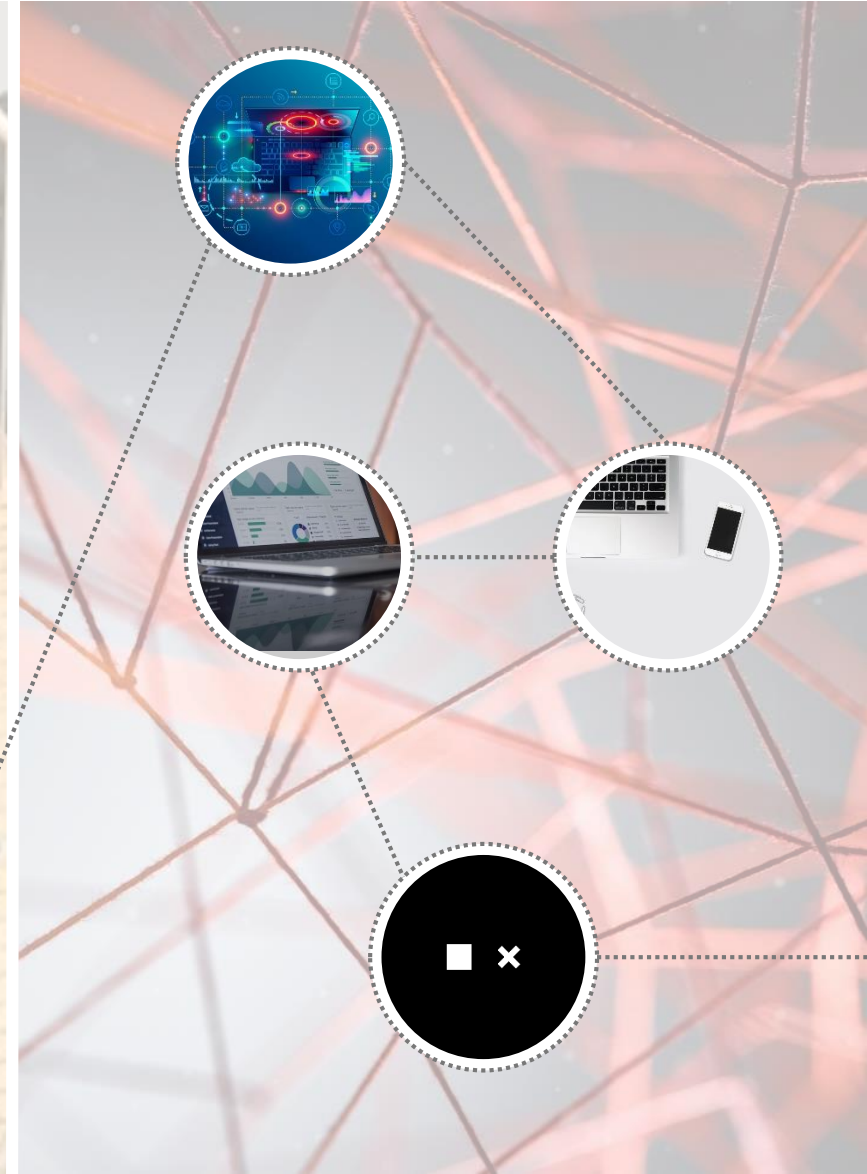
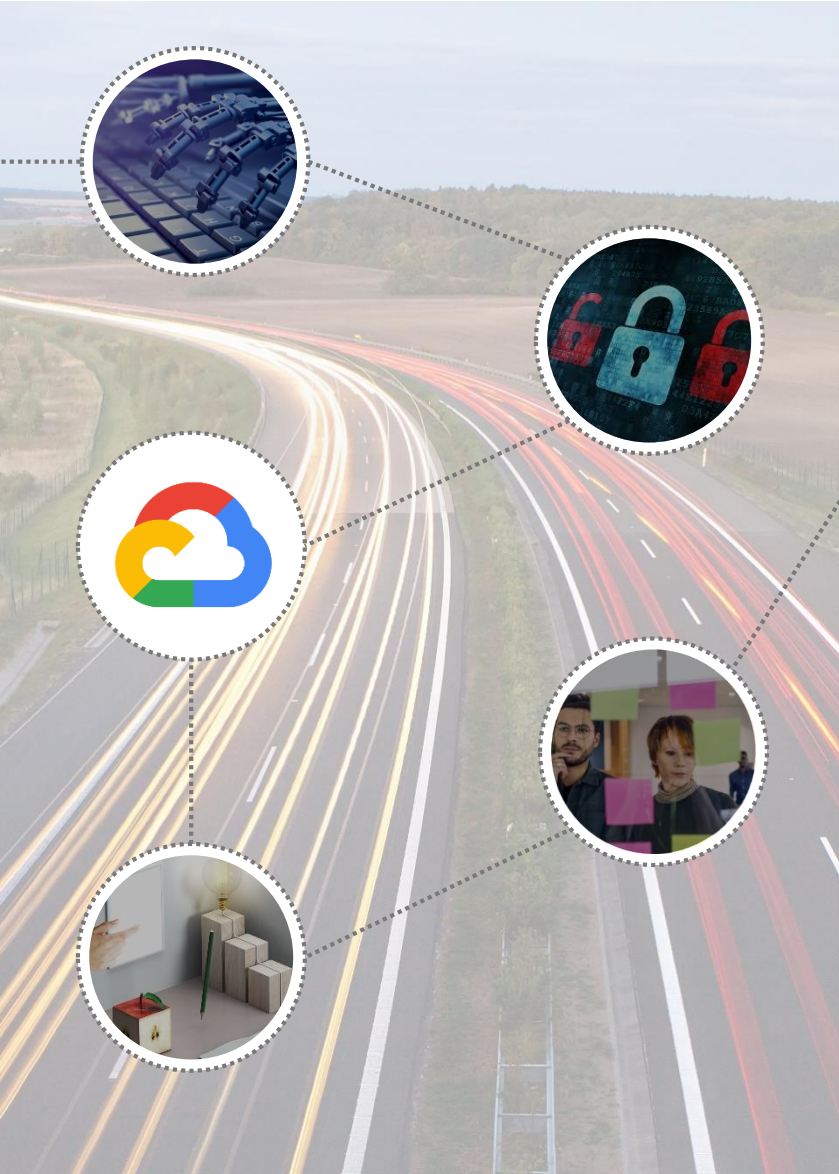
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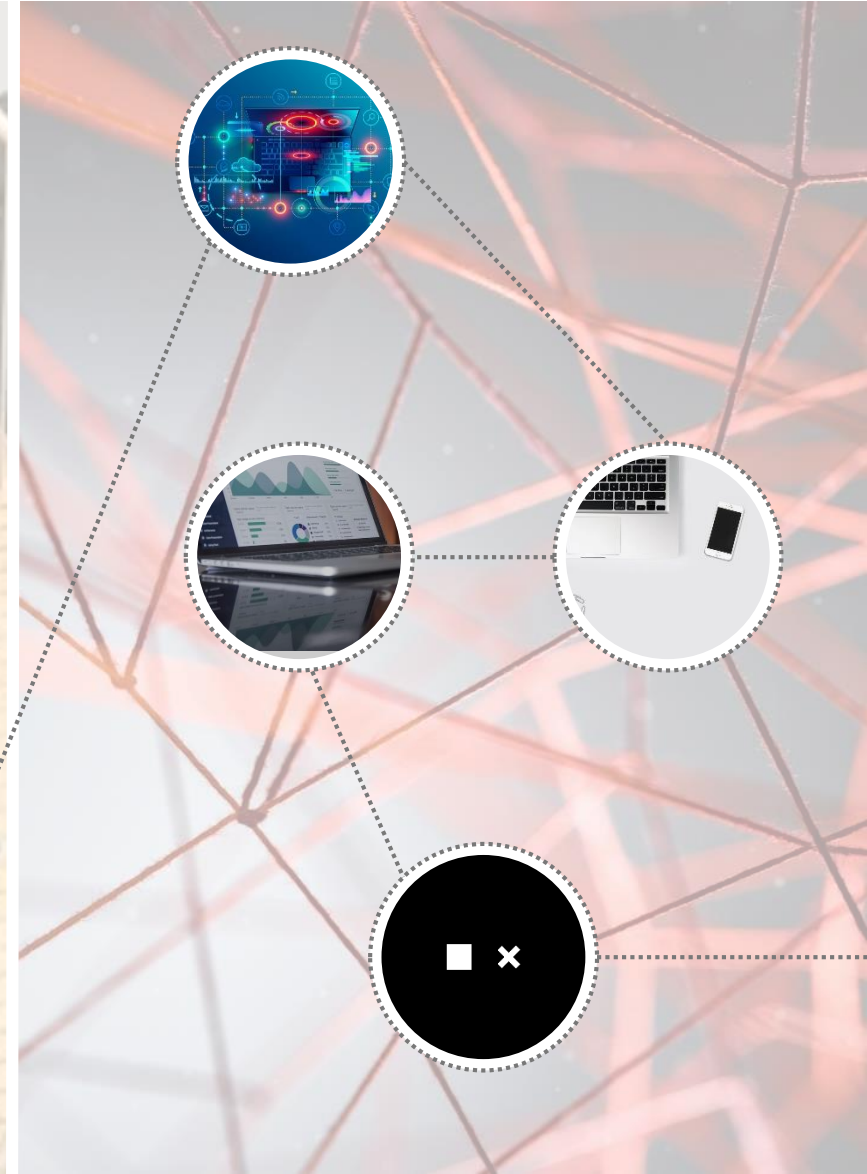
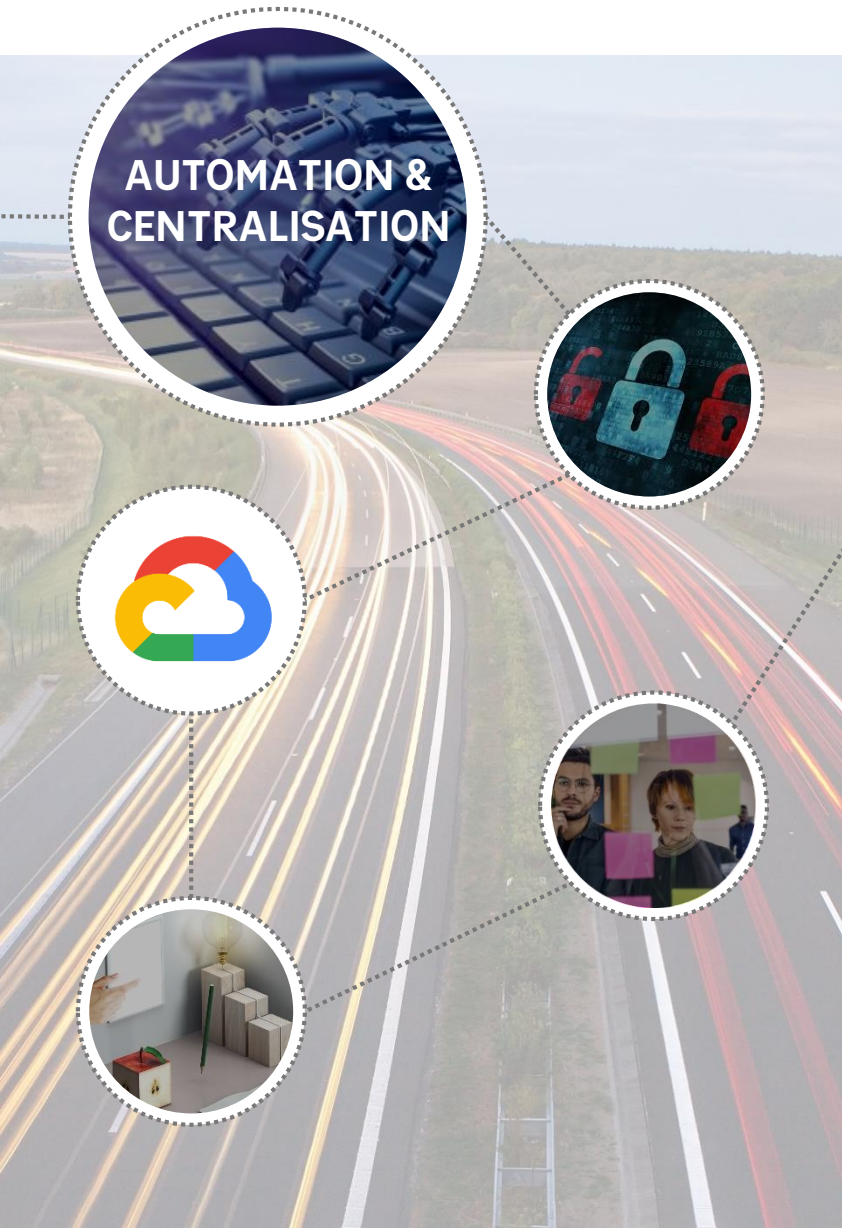


# A selection of 2019 business plan achievements





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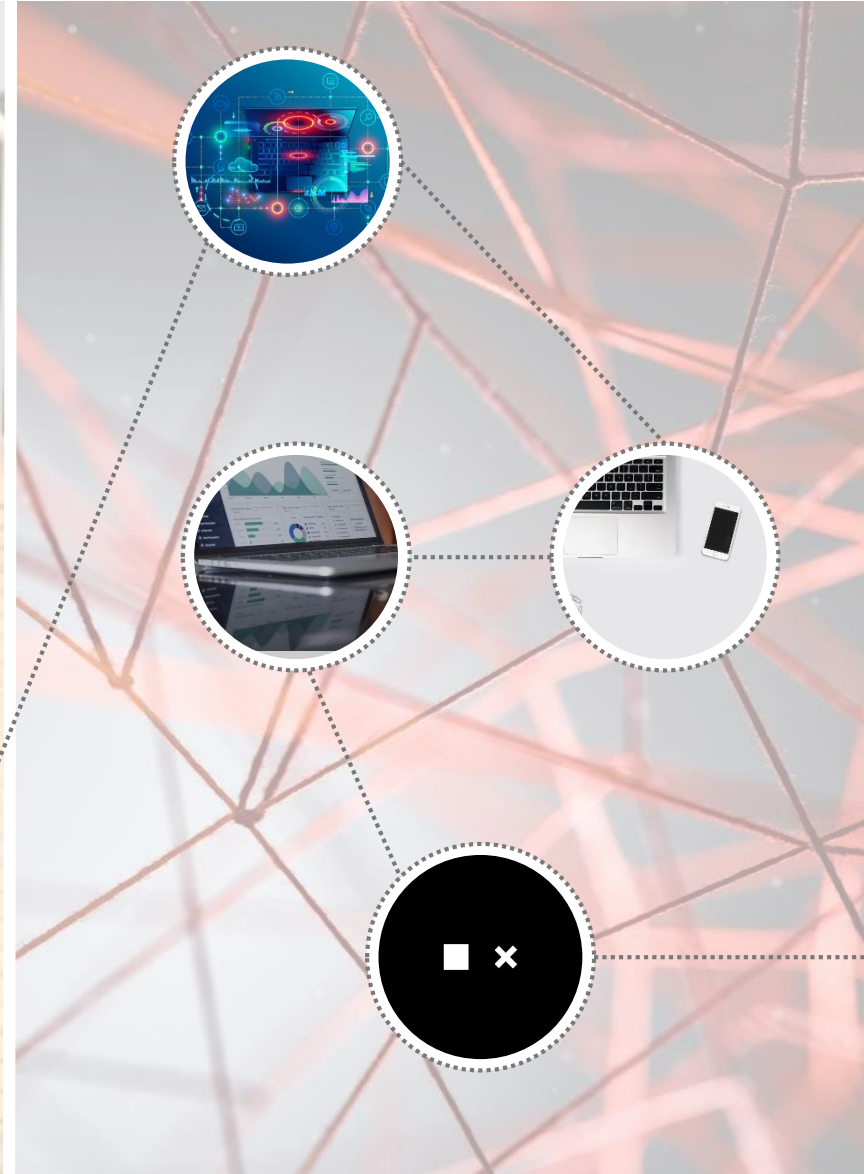
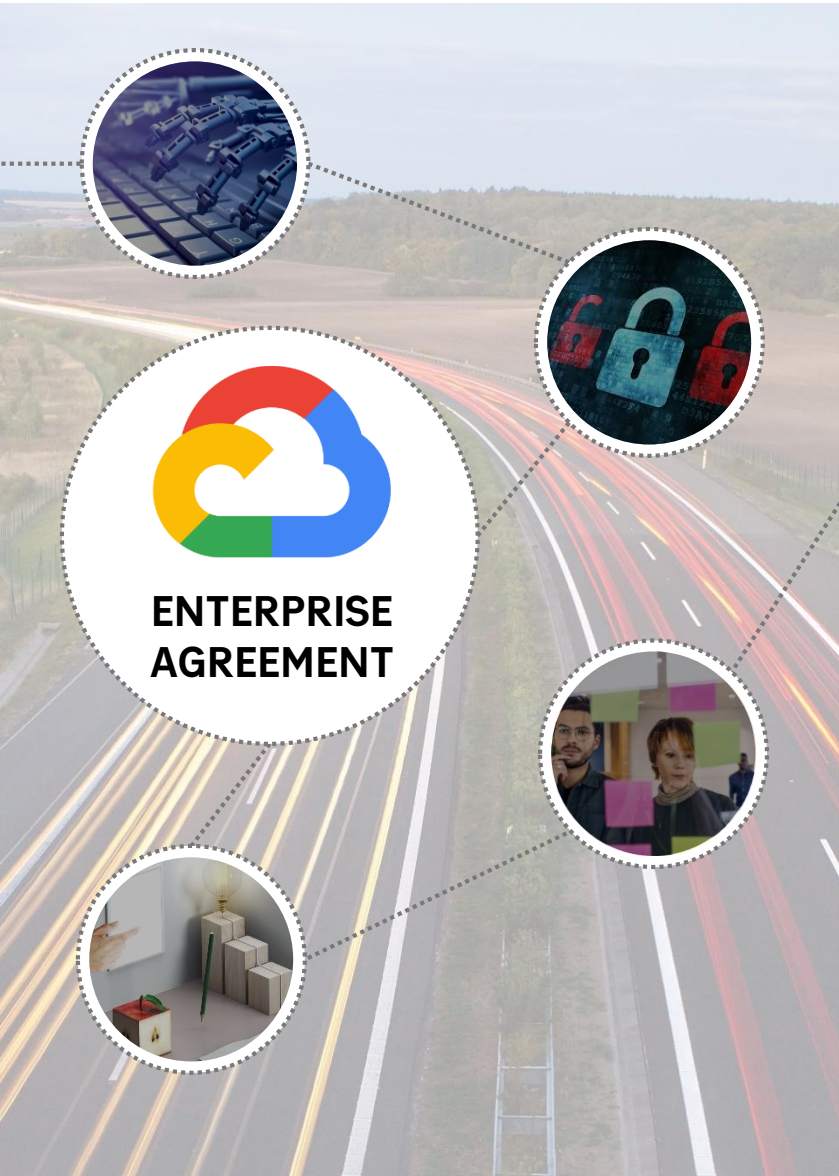


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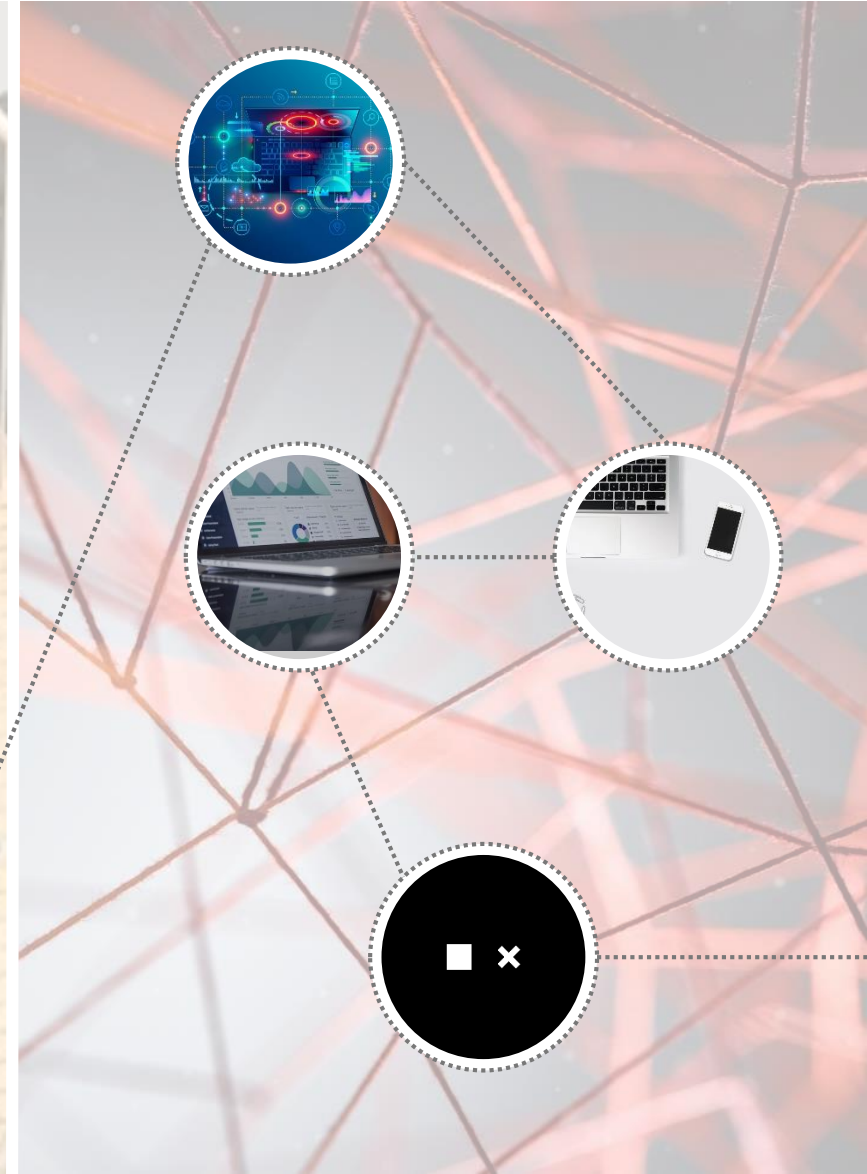
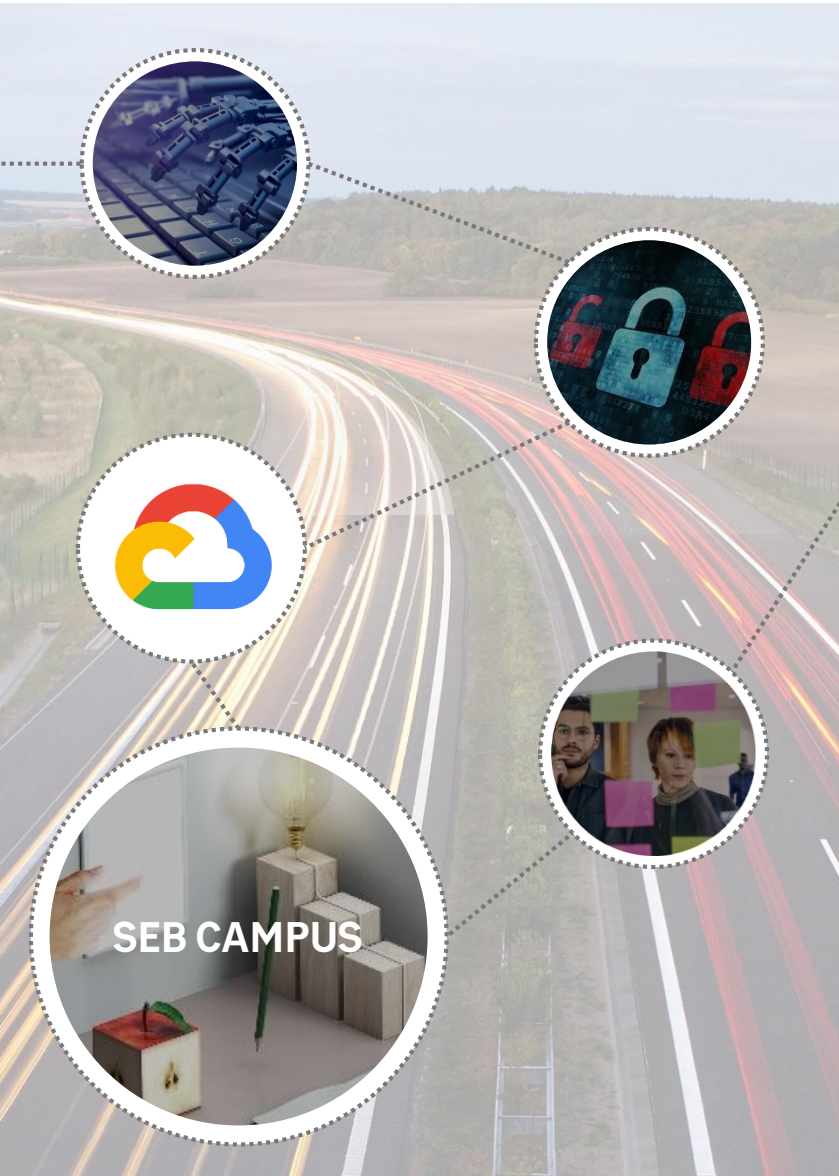


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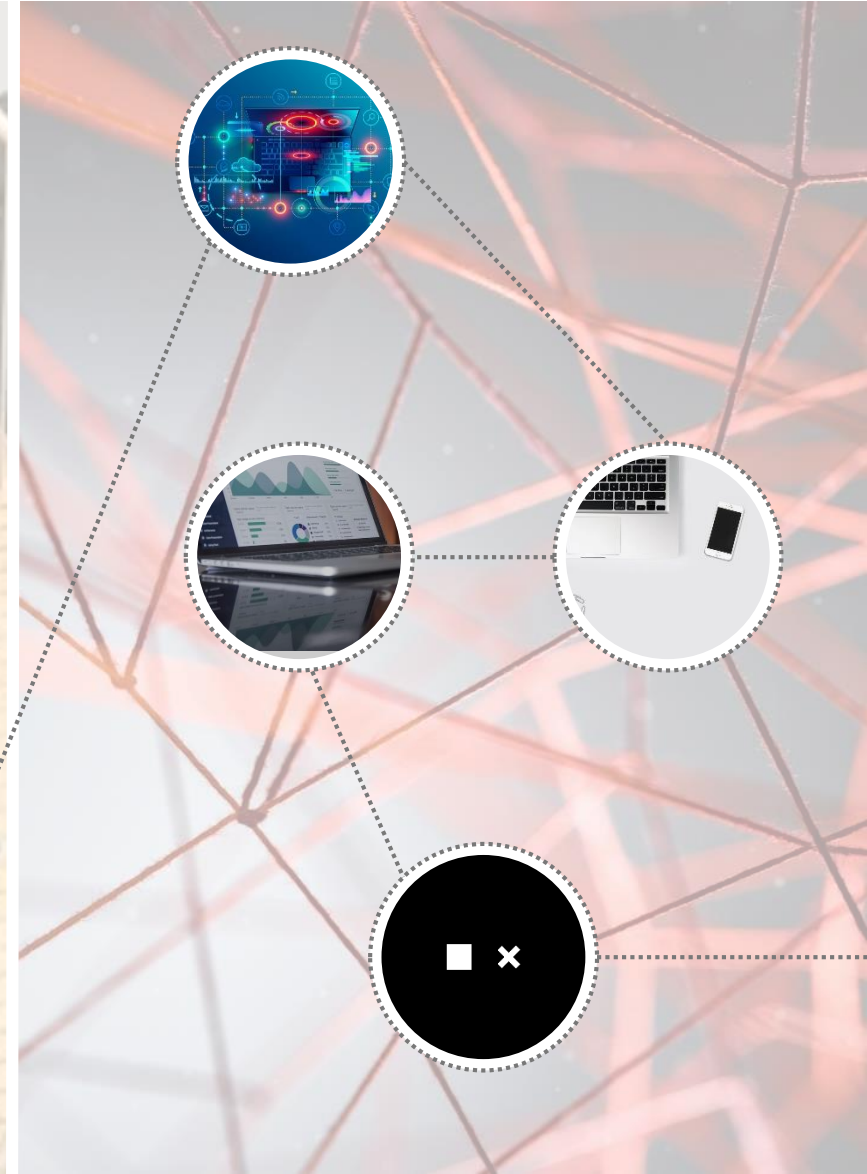
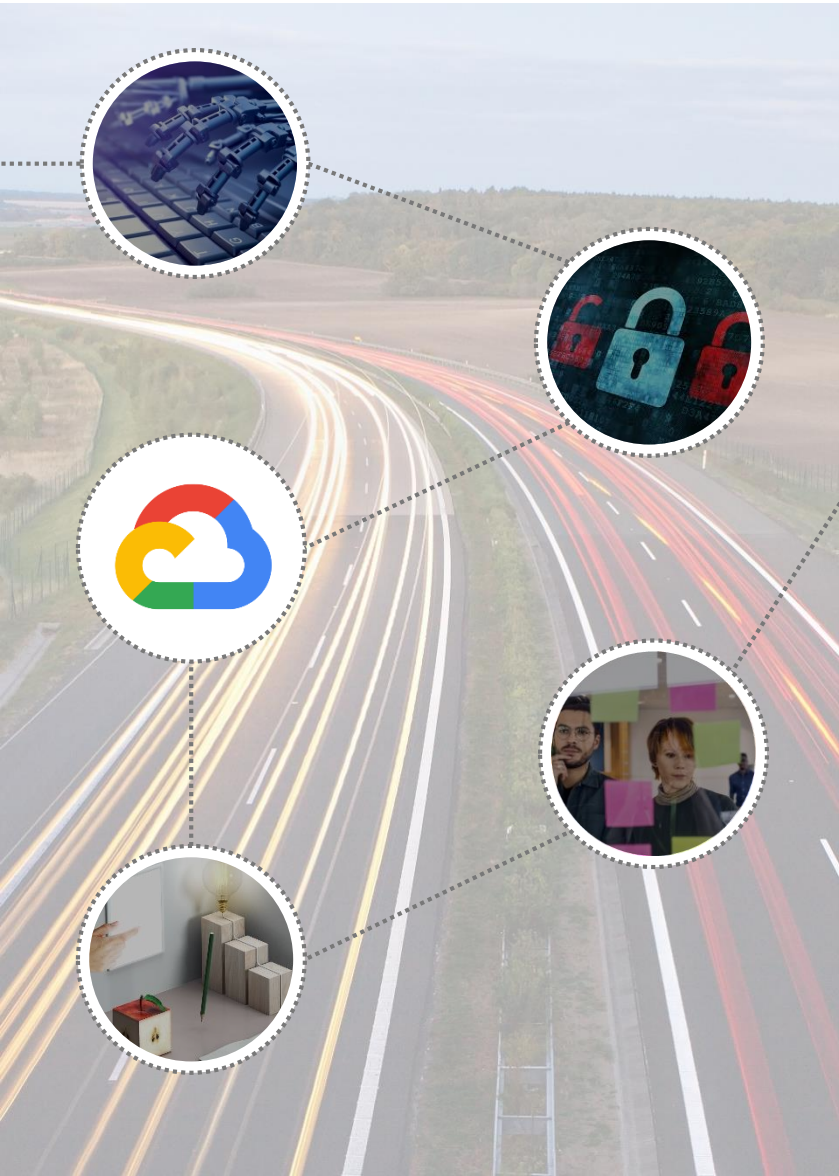


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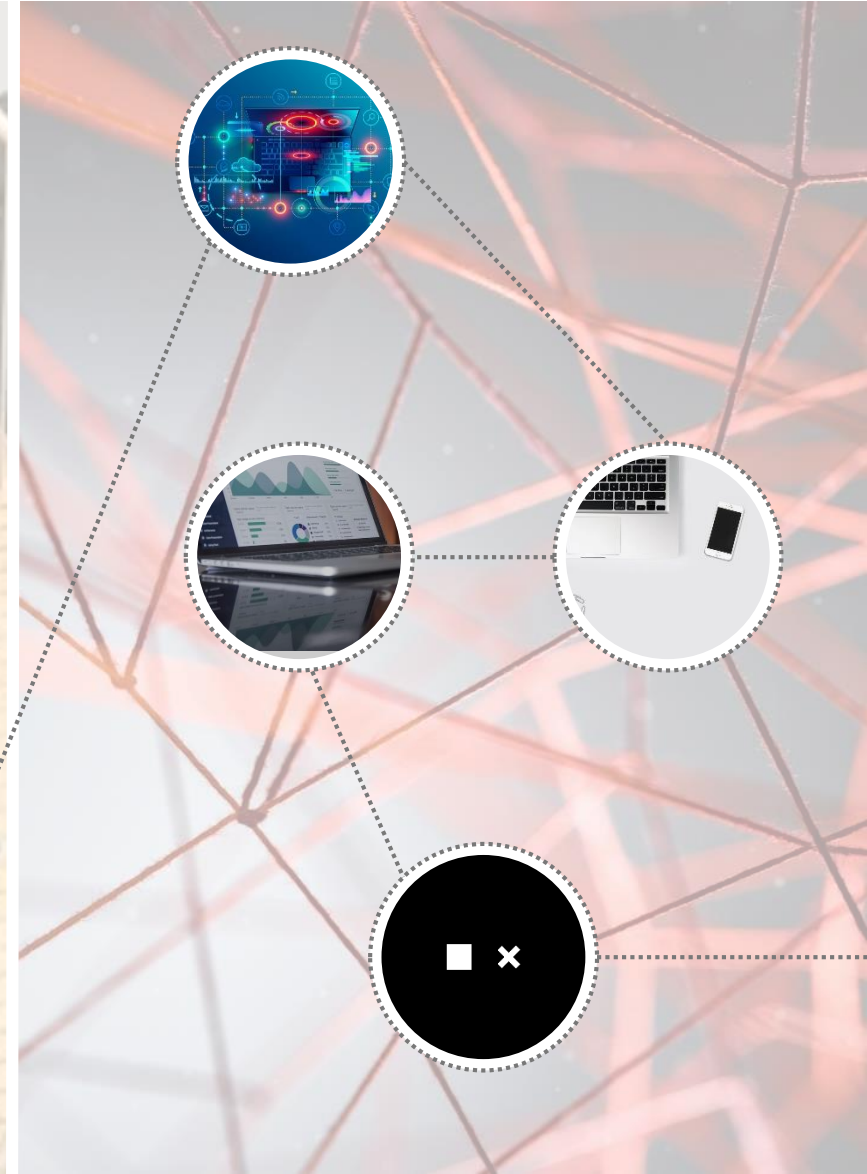
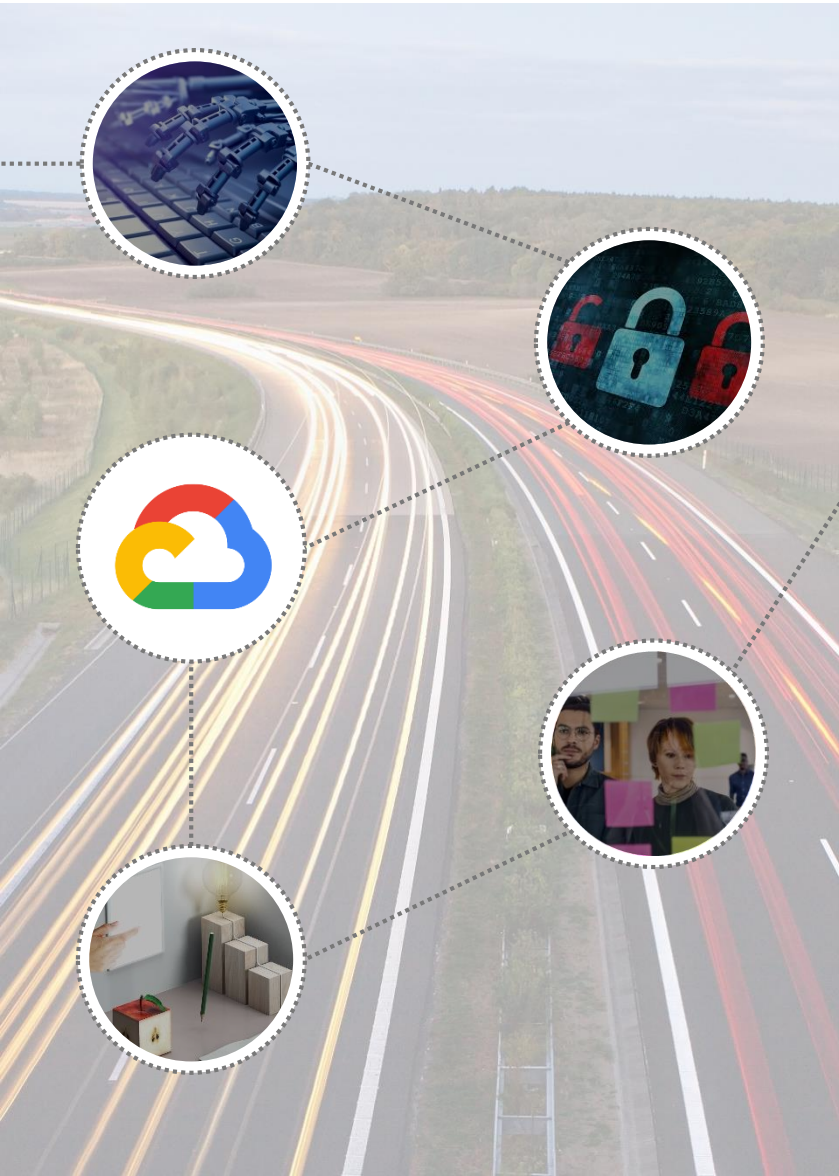


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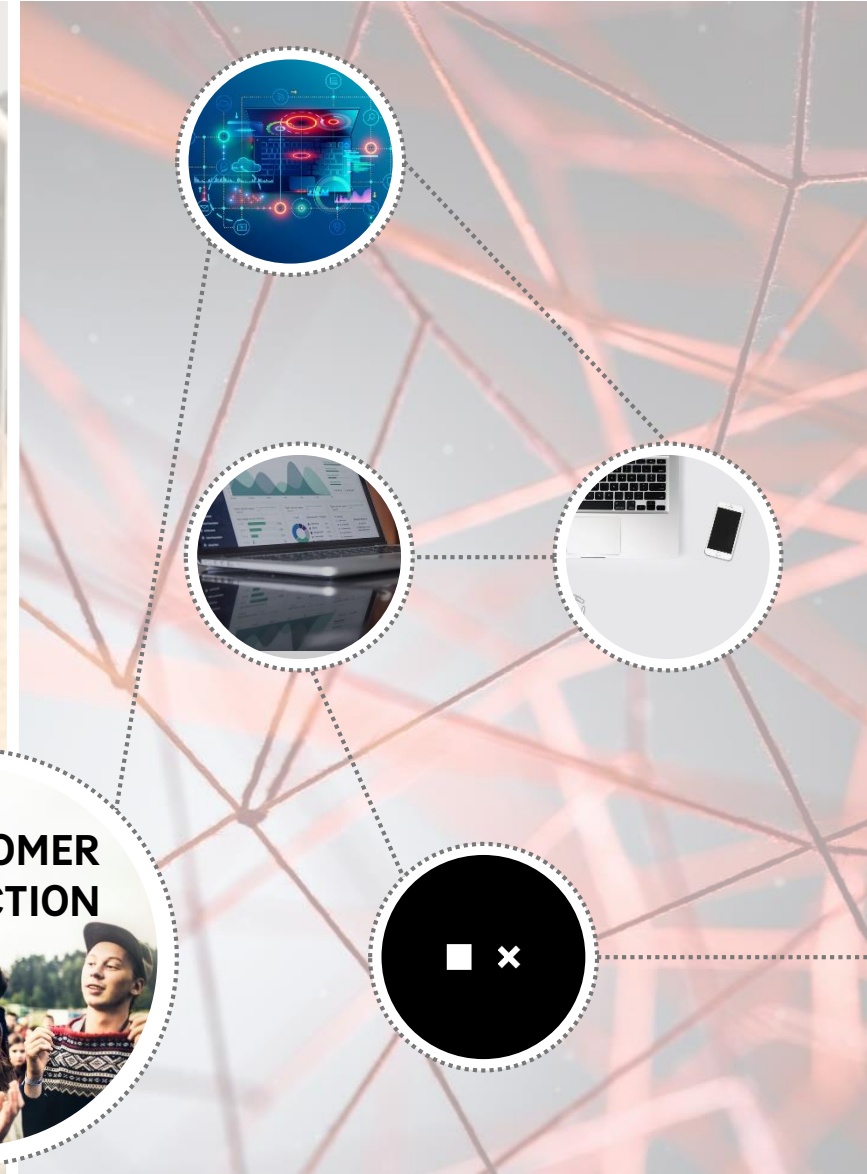
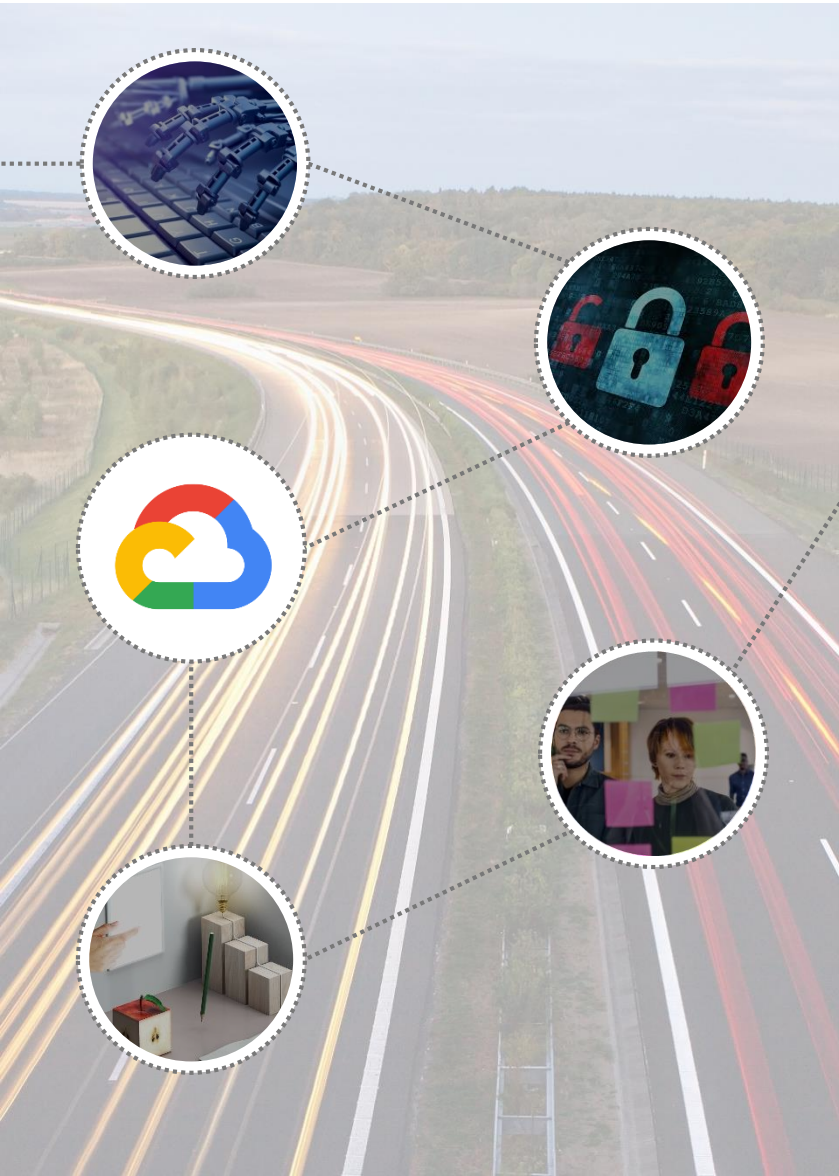


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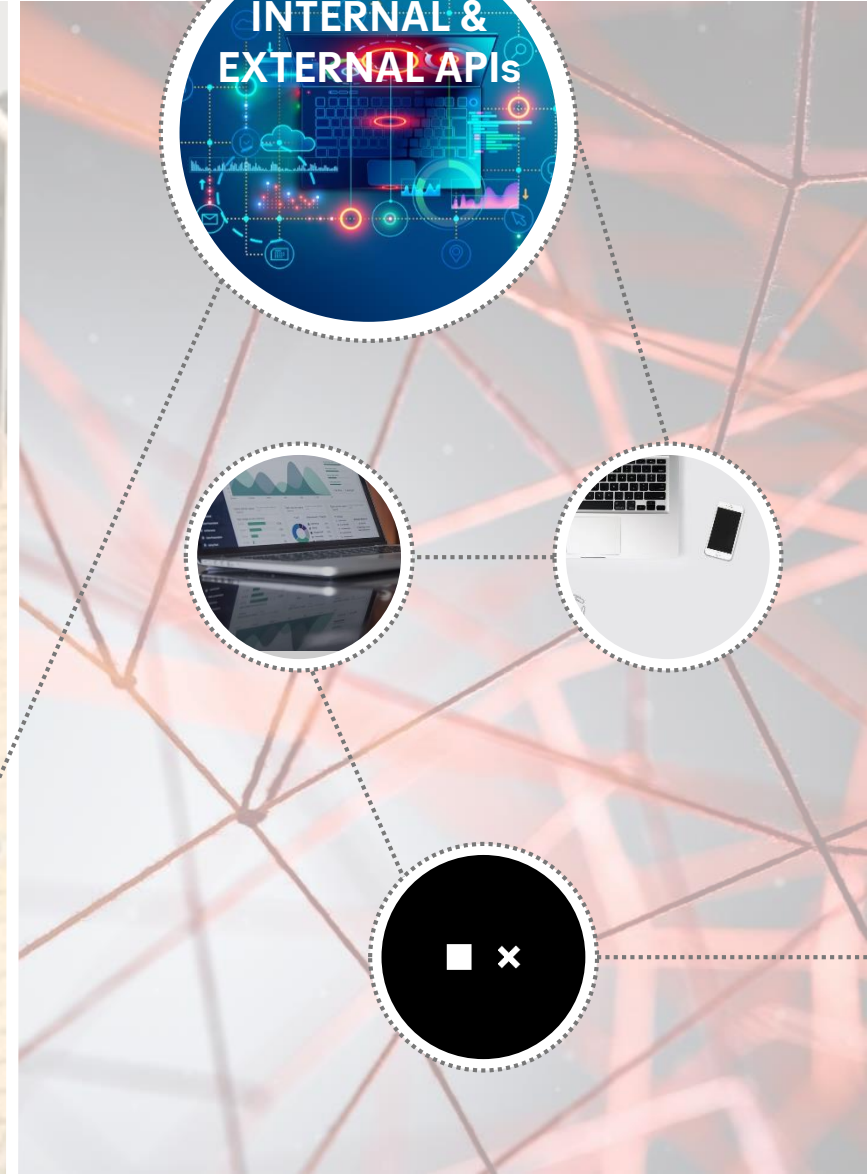
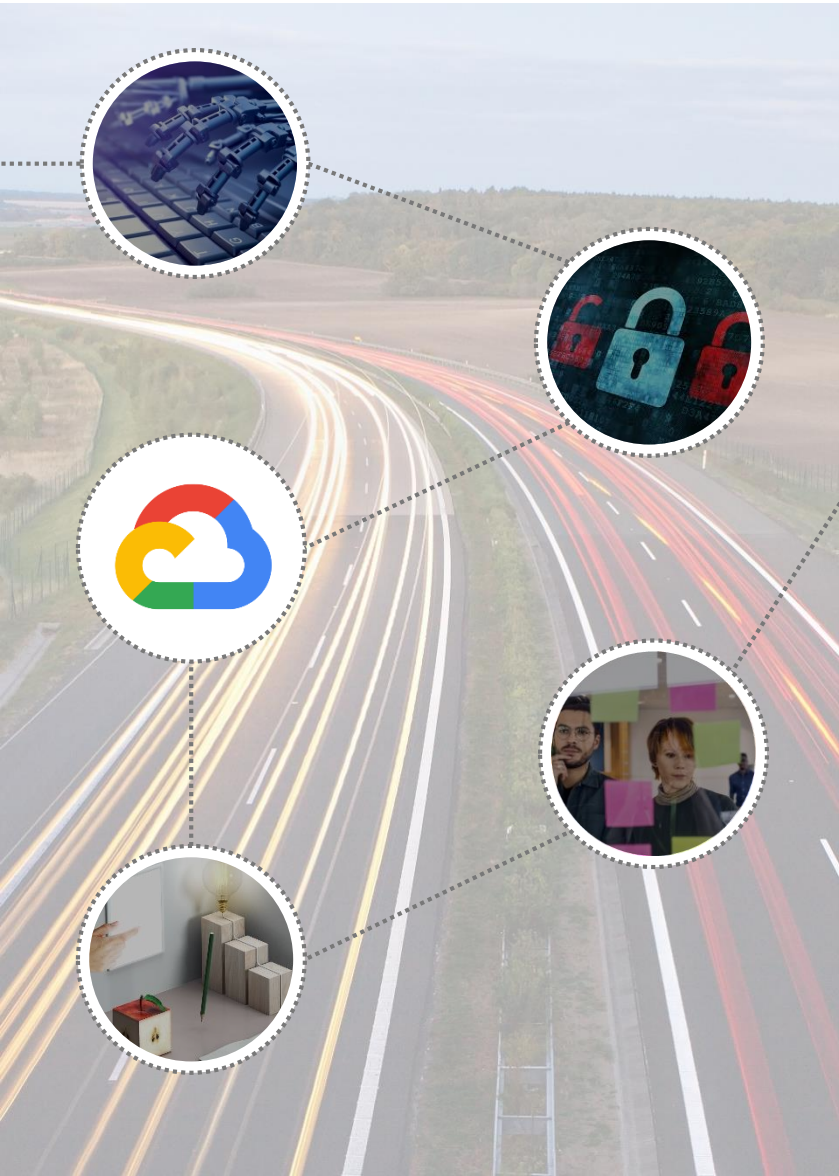


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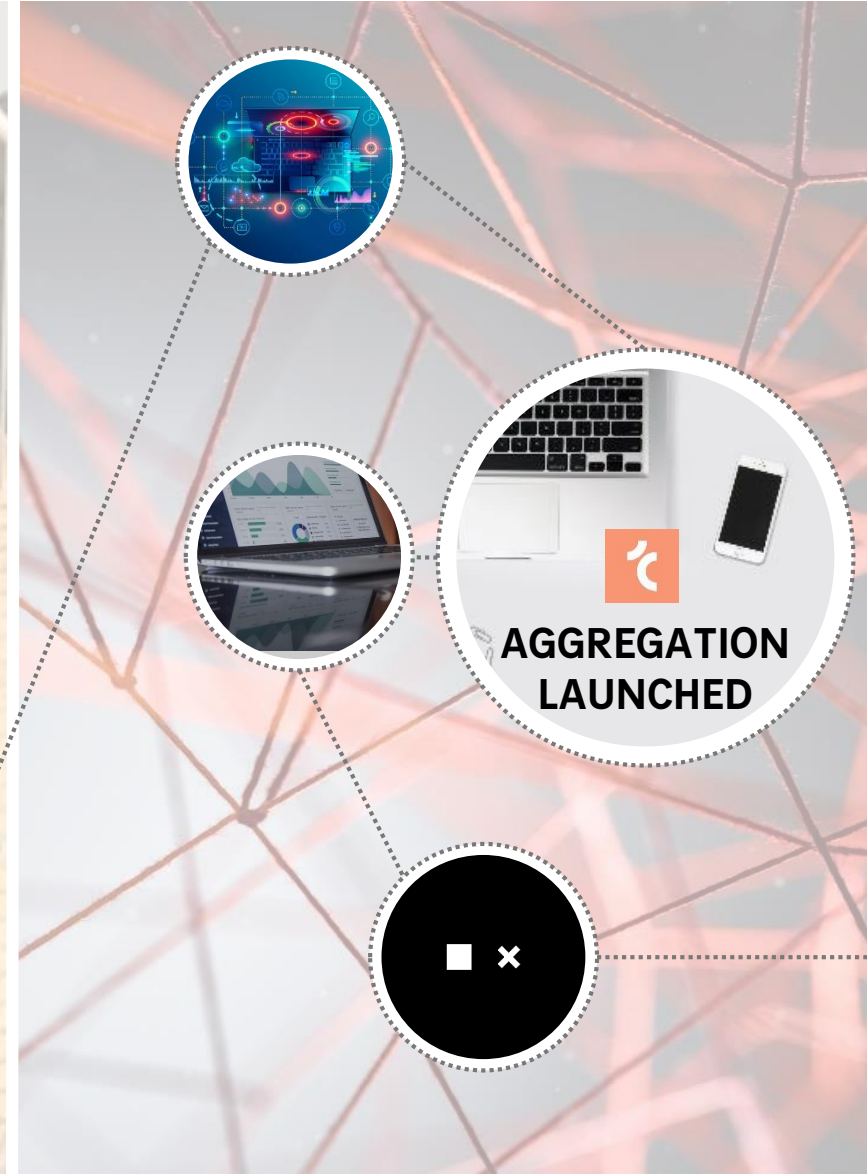
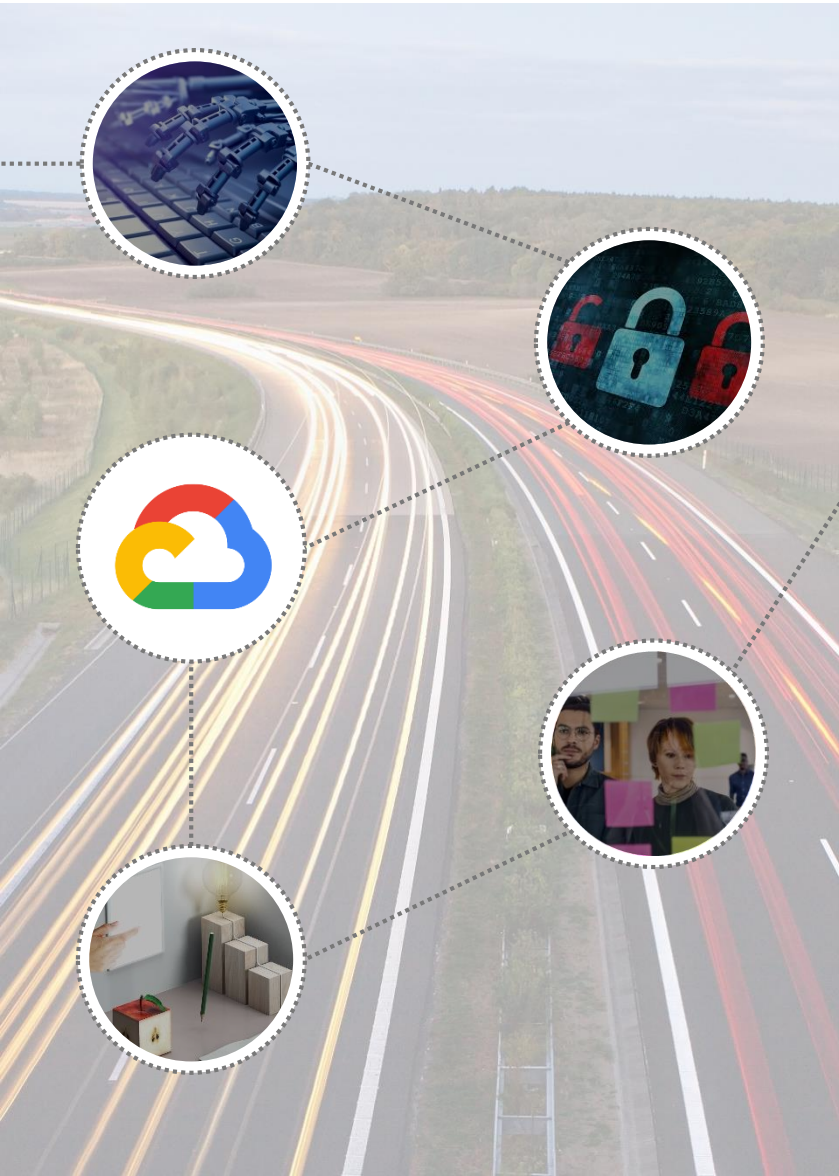


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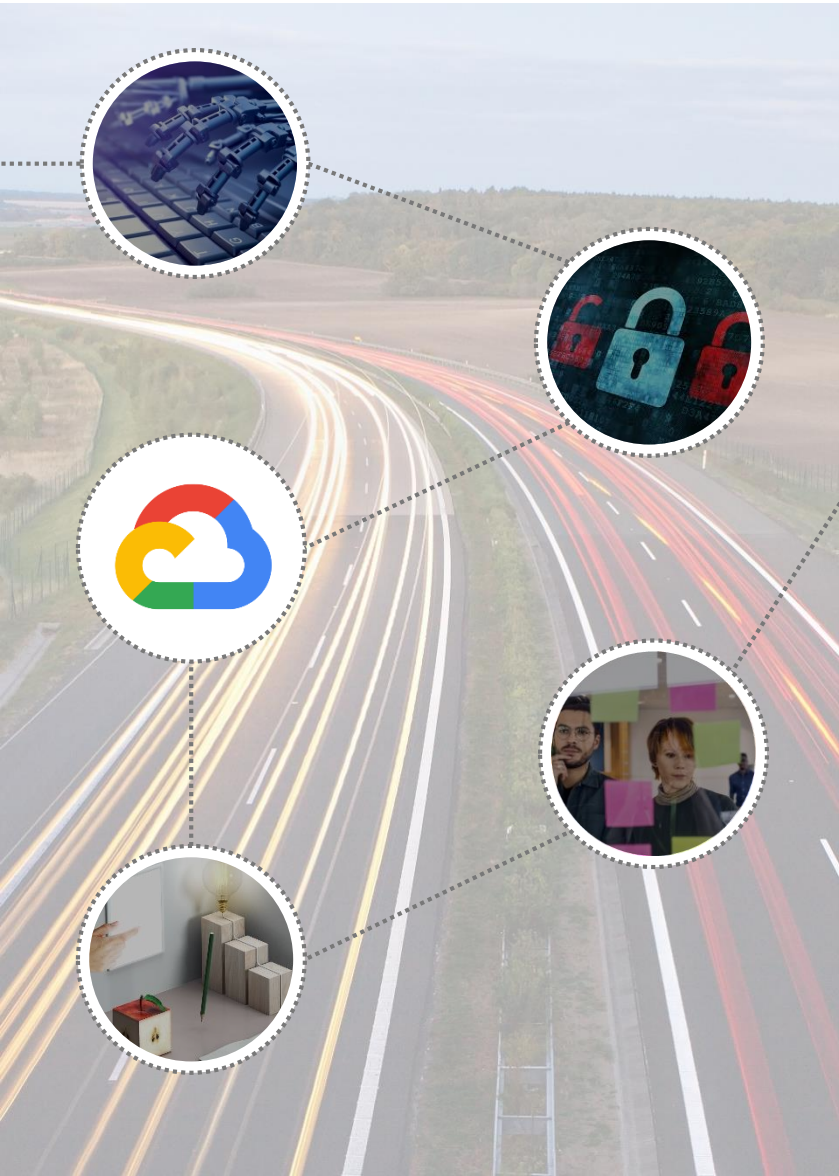


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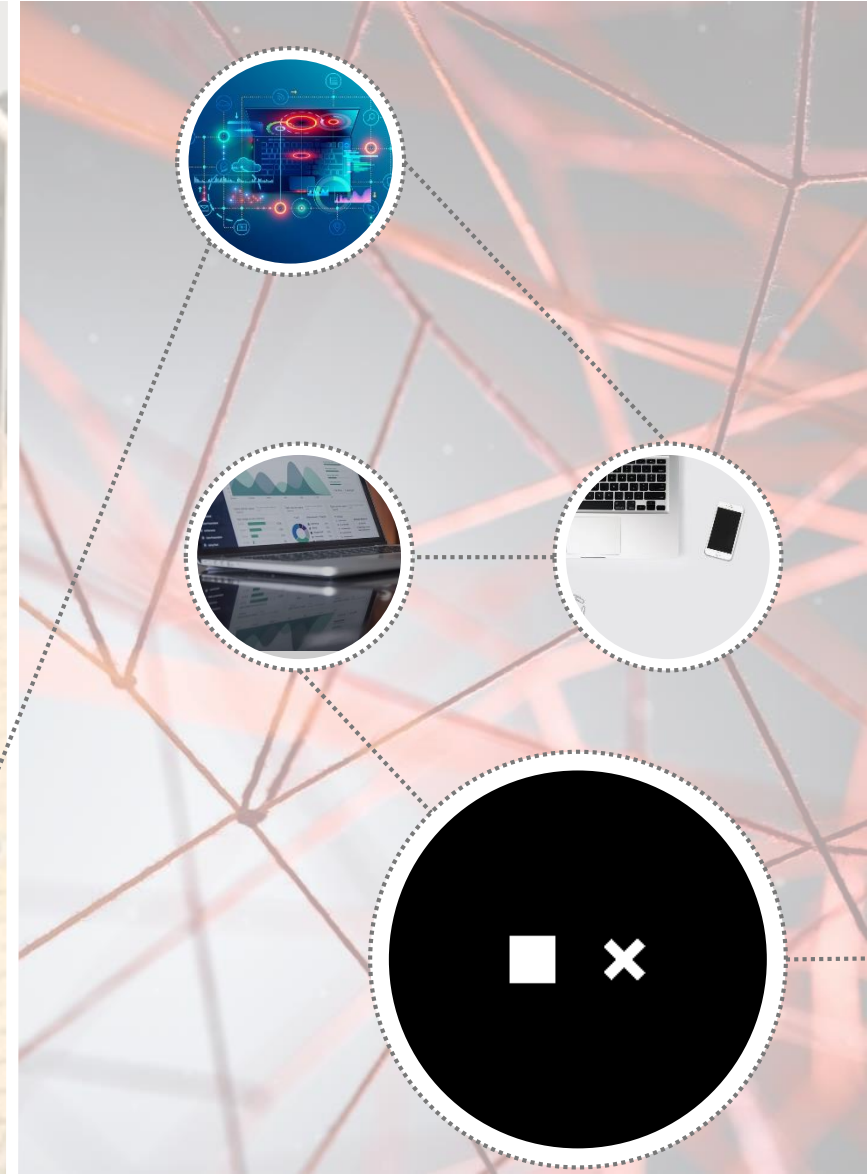
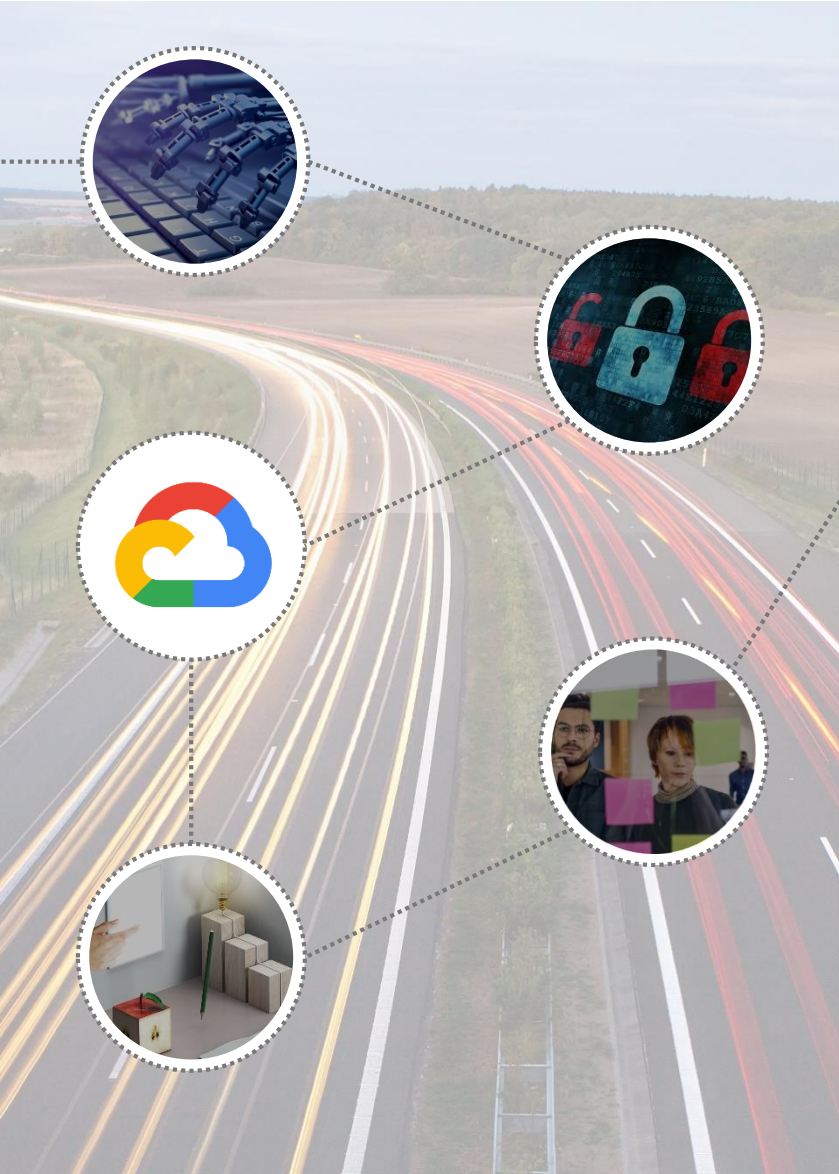


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FOCUS 2020-2022

# Operational excellence

## **Automation**

Extend use of robotics & process re-design, & secure ability to manage large-scale real-time transactions.

## **Data to lake & cloud**

Improve data quality, make it easily accessible & use for advanced analytics, AI/ML & reporting.

## **Agile way of working**

Align financial steering & scale up implementation of tribes & teams within domains.

## **Financial crime prevention**

Continue digitalisation of processes & use of new technologies to enhance KYC/AML capabilities.





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# Advisory leadership

## Digitalisation

Improve mobile functionality  
& grow number of products  
available for sale in digital channels.

## Savings

Continue implementation of  
bancassurance, enhance distribution  
& improve fund performance.

## Advisory capacity

Continue dedicated efforts targeting  
the energy sector & digital  
ecosystem banking.

## Sustainability

Enhance competence, develop  
sustainable financial services,  
& classify SEB's lending portfolio.



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# Extended presence

## **API technology**

Continue development of APIs to support process efficiencies & product innovation.

## **Strategic partnerships**

Enhance SEB offering by integrating external products & increase third-party distribution.

## **ERP integration**

Continue integration of SEB's digital interface with relevant ERP system providers.

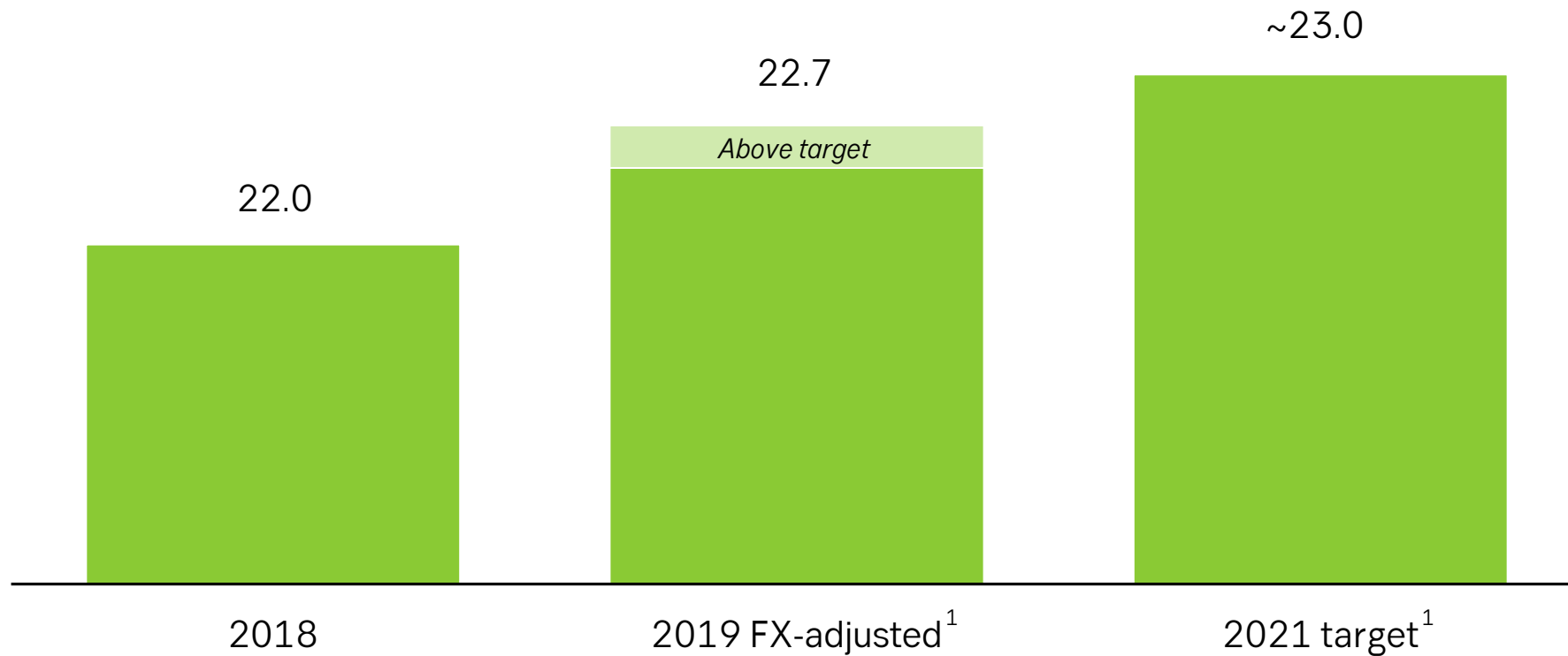
## **SEBx**

Launch MVP to market & continue to explore new technologies for the benefit of SEB Group.



# Continued focus on cost efficiency

## Development of operating expenses (SEK bn)



<sup>1</sup> Based on 2018 average foreign exchange rates.



# Focus areas for key performance indicators



Financials




Customer satisfaction



Employee engagement



IT & digitalisation



Sustainability



Strategic initiatives



# SEB's financial targets

1

Return on equity

2

CET 1 capital ratio

3

Dividend payout ratio

<b>Target</b>	Competitive with peers	Around 150bps above requirement	40% or more of earnings per share
<b>2019 Result</b>	13.8% ex IAC	250bps	67% ex IAC
<b>Aspiration</b>	15% in the long term	To support customers in good times and bad	Long-term dividend growth per share





**People at the core of everything we do.**  
The foundation for all our achievements is  
**you.**