

World-class service

SEB's long-term vision, to deliver world-class service to our customers, reflects a future in which customer orientation, simplicity and accessibility increase in importance.

Long-term strategic priorities

Founded in the service of enterprise more than 160 years ago, SEB has through the years played an active part in societal development in the markets in which it operates. Building on this entrepreneurial heritage, it is the bank's ambition to be the undisputed leading Nordic corporate and institutional bank, as well as the top

universal bank in Sweden and the Baltic countries. It is also the bank's ambition to be a role model in sustainability within the financial industry. The long-term strategic priorities and the three-year business plan, outlined on the next page, define the way forward.

SEB's strategic priorities

Select indicators

1 Leading customer experience

Develop long-term relations in which customers have confidence in SEB and feel that the services and advice offered are insightful about their needs, are accessible on their terms and that SEB shares knowledge and acts proactively in their best interest.

Customers' willingness to recommend SEB
 ▶ See p. 12
Swedish Quality Index
 ▶ See p. 12

2 Resilience and flexibility

Maintain resilience and flexibility in order to adapt operations to the prevailing market conditions. Resilience is based upon capital and liquidity strength. Cost efficiency promotes profitability and provides room for new investments.

Board's financial targets
 ▶ See p. 12
Liquidity coverage ratio
 ▶ See p. 45

3 Growth in areas of strength

Focus on profitable organic growth in areas of strength: universal banking in Sweden and the Baltic countries and corporate banking in home markets outside Sweden.

Business plan
 ▶ See p. 10

A strategy for all stakeholders

The strategic priorities and the business plan, which includes the sustainability success factors, reflect the bank's material matters. These material matters are in line with the expectations of SEB's stakeholders. The operations are carried out based on a foundation of sound risk management, financial strength, business ethics and conduct, data protection and people management. Each year, the mate-

rial matters are assessed to ensure that the priorities remain relevant and to identify potential emerging issues. The evaluation is based on internal and external stakeholder perspectives from economic, environmental and social viewpoints. From the stakeholder dialogues, the bank draws conclusions on how to prioritise and integrate the material matters into the business plan.

▶ Read more about the materiality process and stakeholder engagement in the Sustainability Overview.

Current business plan

SEB's long-term strategic priorities form the basis for the three-year business plan for 2016–2018. The plan focuses on two main areas, growth and transformation, supplemented by three sustainability success factors. The validity of the three-year plan is ensured by rolling updates to align with changing business conditions.

Growth

▶▶ [Read more on p. 16–21](#)

Since 1 January 2016:

Assets under management (net inflow and value) increased by SEK

162 billion

Growth in corporate credits, SEK

93 billion

New large corporate customers

130

Accelerated growth in Sweden

Further strengthen the bank's position across all customer segments in Sweden. Provide a wider range of services and increasingly use customer data to proactively offer new services.

Nordic and German large corporations and institutions

Expand the corporate and institutional customer business in the Nordic countries and Germany with focus on the full-service offering and digital portals while selectively attracting targeted UK corporate customers.

Savings offering to private individuals and corporate customers

Create growth by offering private and corporate customers convenient and advisory-based solutions including bancassurance to cater for customers' need for long-term savings.

Sustainability success factors

▶▶ [Read more on p. 22–25](#)

Since 1 January 2016:

Increase in loans reclassified in accordance with SEB's green framework, SEK

13 billion

SEB's green bonds, underwritten globally, increased by SEK

10 billion

In order to reach the ambition to be a role model in sustainability within the financial industry, the bank focuses on three sustainability success factors. The prerequisite is engaged and knowledgeable employees who provide responsible and proactive advice, with a special focus on environmental impact and transparency.

▶▶ [Read more the Sustainability Overview](#)

Sustainable financing

Increase the share of positive impact financing. Strengthen sustainable advising and expand the sustainable offering.

Transformation

▶▶ [Read more on p. 16–21](#)

World-class service

Focus on customer journeys and use customer data in order to create a leading customer experience based on a personalised and convenient full-service offering where customers can choose where and in what manner they want to be served.

Digitalisation

Develop customised advisory tools and interfaces based on individual customer needs and behaviour in various channels. This includes transforming the first line of service to digital solutions and portals. Automate internal processes in order to improve efficiency.

Continuous learning

Continue to invest in attracting talents with the right values and providing continuous learning and development opportunities to existing employees. Ensure a gradual competence shift broadening the role for client executives and also developing capabilities in service design and data analytics.

Since 1 January 2016:

Increase in customer usage of mobile services

40%

Remote advisory meetings in the Baltic countries

1,500

Employees in leadership/talent management programmes

1,543

Since 1 January 2016:

Contribution to entrepreneurial and innovation partnerships, SEK

25 million

2017: Funds managed with sustainability criteria; share of SEB Funds' total assets under management

25%

Overall targets and outcome

The progress of the strategy and three-year business plan is monitored and measured at many levels. These selected metrics provide a progress overview.

Customers

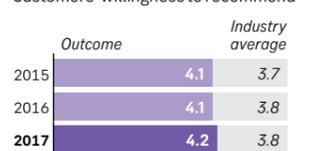


Customer experience and satisfaction

Various internal and external metrics are used to measure customer satisfaction. Customers' willingness to recommend SEB is one of the key measures of the bank's progress.

Nordic large corporations

Customers' willingness to recommend¹⁾



Nordic financial institutions

Customers' willingness to recommend¹⁾



Target

Leading position in selected customer segments where an important measure is whether customers are willing to recommend SEB.

Other customer surveys

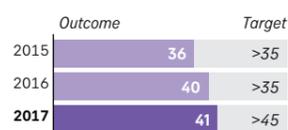
According to *Prospera's overall performance* evaluation SEB maintained its no. 1 place in the ranking from Nordic tier 1 corporations, but the ranking from all Nordic large corporations decreased from 2nd in 2016 to 3rd place in 2017.

The ranking of SEB by Nordic financial institutions moved to no. 2, from no. 1. Swedish institutions, however, ranked SEB as no. 1 in all ten possible categories.

In the *Swedish Quality Index* measurement of customer satisfaction, SEB ranked second among the larger banks, both among private and corporate customers. Compared with last year, however, SEB's score from both segments decreased. This was an industry-wide trend.

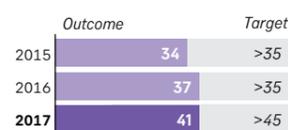
Small companies in Sweden

SEB internal NPS²⁾



Private individuals in Sweden

SEB internal NPS²⁾



1) According to Prospera
2) Net Promoter Score method

Shareholders



Common equity

Tier 1 capital ratio, Per cent

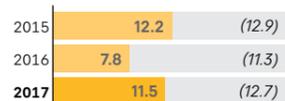


Target

SEB shall maintain a Common Equity Tier 1 (CET1) capital ratio that is around 150 basis points higher than the regulatory requirement. Per 31 dec 2017 SEB's buffer was 2.2 per cent.

SEB's estimate of the current CET1 requirement from the Swedish Financial Supervisory Authority was 17.2 per cent at year-end 2017.

Return on equity, Per cent



Outcome excluding items affecting comparability are shown within parenthesis.

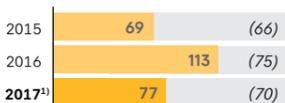
Target

SEB shall generate a competitive return on equity. This means that the bank in the long term aspires to achieve a 15 per cent return on equity.

Financial targets

Through the resilience and flexibility that come from a strong capital base, good access to funding, high credit ratings and cost efficiency, SEB can create shareholder value in varying market conditions. The Board of Directors sets three financial targets that contribute to financial strength.

Dividend payout ratio, Per cent



Outcome excluding items affecting comparability are shown within parenthesis.

1) Based on the proposed dividend for 2017

Employees



Motivation and engagement

The annual employee survey, Insight, measures employee engagement, efficiency and trust. It also measures employees' willingness to recommend SEB as a place to work.

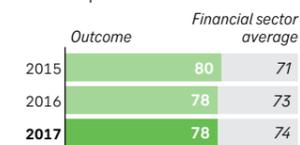
Employee engagement, Index

Engagement



Employees, Index

Willingness to recommend SEB as a place to work



Performance excellence, Index

Efficiency and trust



Target

SEB's target is to be the most attractive employer in the financial sector. Progress is measured through the employee survey Insight.

Comment

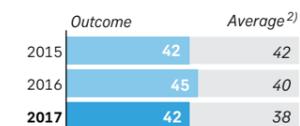
SEB continues to outperform the financial sector on employee engagement, performance excellence as well as willingness to recommend the working place.

Society



Reputation¹⁾, Index

Sweden



1) Corporate reputation among the general public, according to TNS Reputation Index (weighted in the Baltic countries).

Baltic countries



2) SEB, SHB, Swedbank, Nordea, Danske Bank.

Target

Reduce the gap to the no. 1 in the industry and in the long term have the strongest reputation among industry peers.

Comment

The long-term trend in Sweden is stable. SEB was ranked as no. 2, which was above market average. In Estonia, SEB was ranked as shared no. 1. In Latvia and Lithuania there has been a negative trend and SEB ranked as no. 3.

Reputation

SEB monitors the results of the TNS Reputation Index, which measures the bank's reputation among consumers and business owners.

Sustainability

SEB wants to be a role model in sustainability within the financial industry. One indicator is whether the bank meets the criteria for inclusion in sustainability indexes. SEB also has the ambition to lower its CO₂ impact.

Inclusion in sustainability index

SEB meets the criteria

STOXX	✓
Ethibel	✓
FTSE4Good	✓
ECPI	✓
Dow Jones	✓

Target

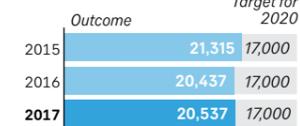
To be included in at least five selected sustainability indexes.

Comment

SEB has been included in STOXX, Ethibel, FTSE4Good and ECPI for several years. 2017 was the second year that SEB was included in the Dow Jones sustainability index.

CO₂ emissions

Tonnes



Target

Reduce CO₂ emissions by 20 per cent between 2016 and 2020, reaching 17,000 tonnes CO₂.

Comment

The CO₂ emissions were almost flat compared with the previous year. Increased business travel counteracted reductions related to company cars and paper use.