

SIQ

March 14, 2008

A photograph of a street sign that reads "SEB Way". The sign is white with black lettering and is mounted on a silver metal pole. The background of the photograph is a bright blue sky with some light clouds. The sign is tilted slightly to the right. The overall image has a green and blue color scheme with wavy lines.

SEB Way
Isabelle Cassel

A North European financial group

SEB Group

- Local presence in ten countries + strategic locations globally
- Half of the result generated outside of Sweden
- About 20,000 employees
- 600 branch offices
- Global top rankings within several areas



A strong customer base

Share of total income

2,500 large companies and financial institutions

S|E|B

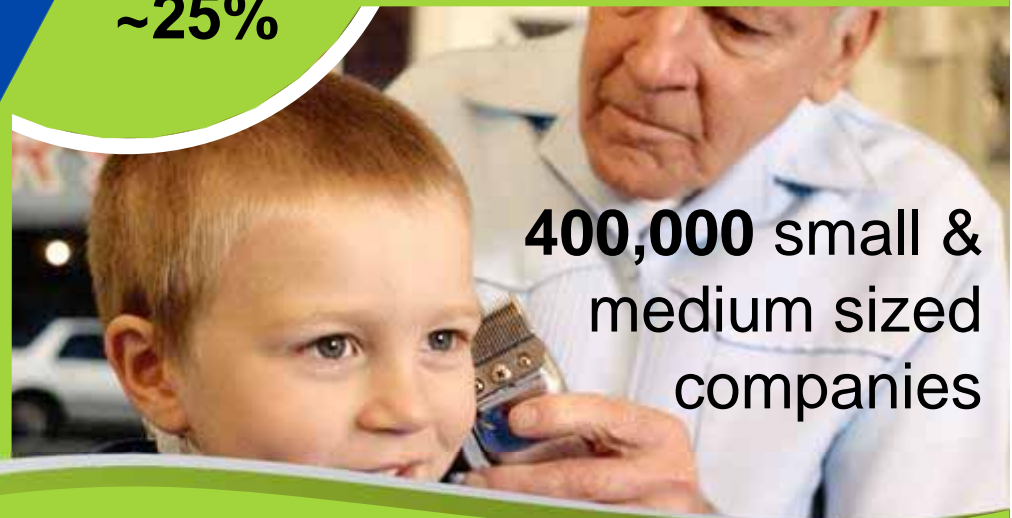
5 million private customers



~35%

~40%

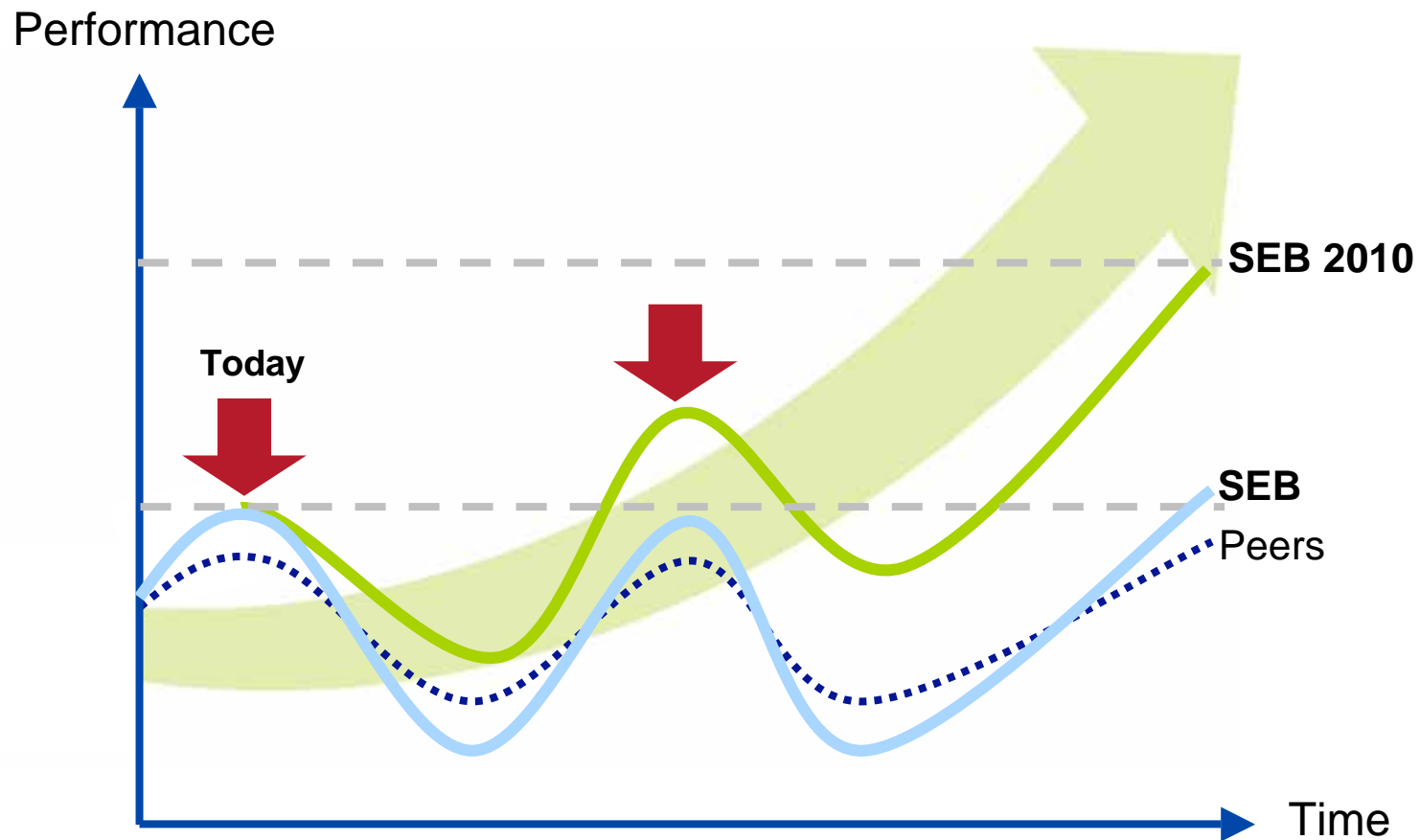
~25%



400,000 small & medium sized companies

Objective to increase competitiveness of SEB

S|E|B



SEB Way helps us reach our business goals

Client satisfaction

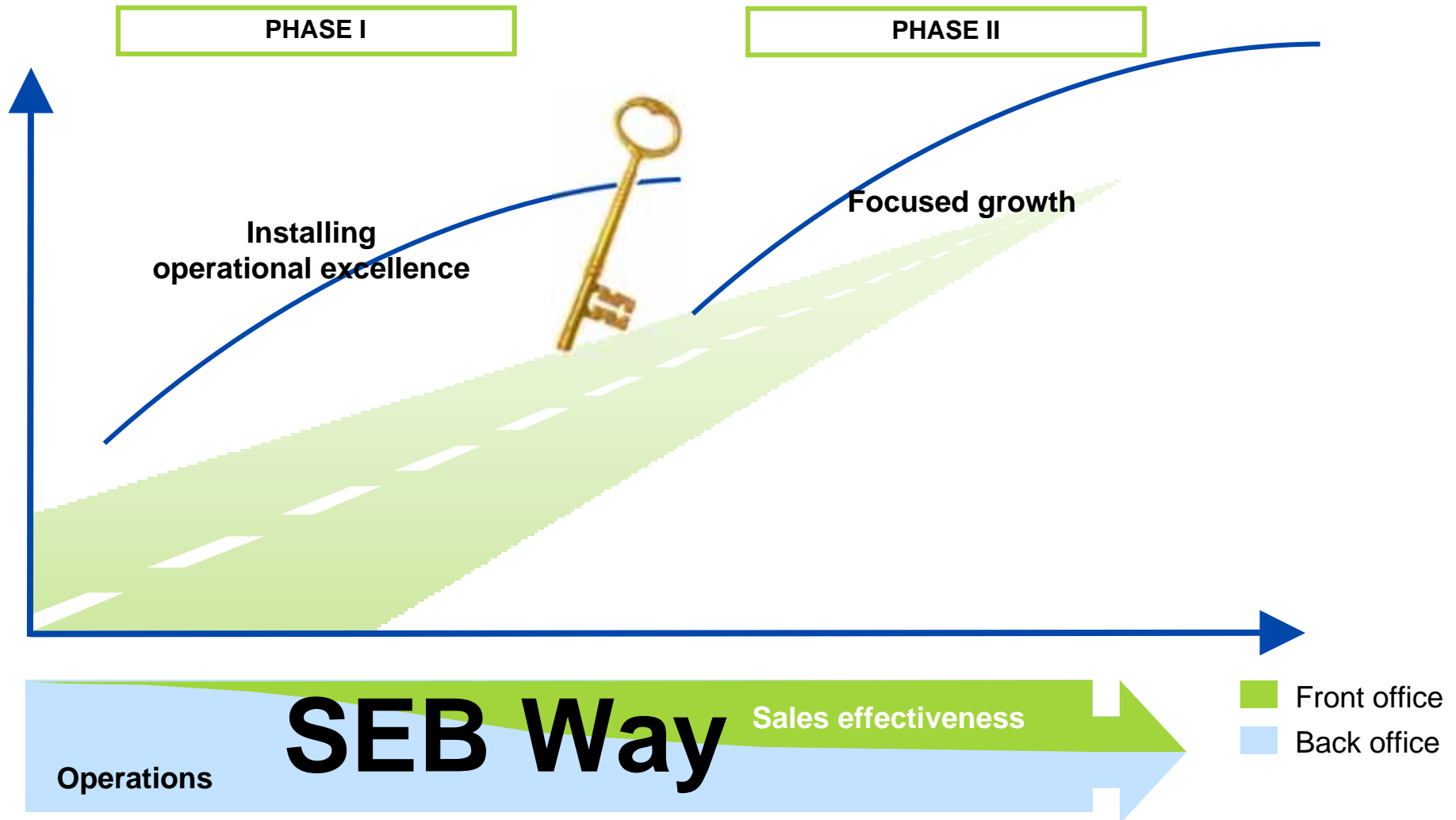
- #1 in our chosen markets

Financial performance leadership

- Leading in terms of RoE
- Sustainable profitable growth
- AA rating ambition

- ▶ Create a culture of continuous improvement
- ▶ Increase customer satisfaction
- ▶ Develop and motivate staff
- ▶ Realise One SEB

A roadmap in two steps



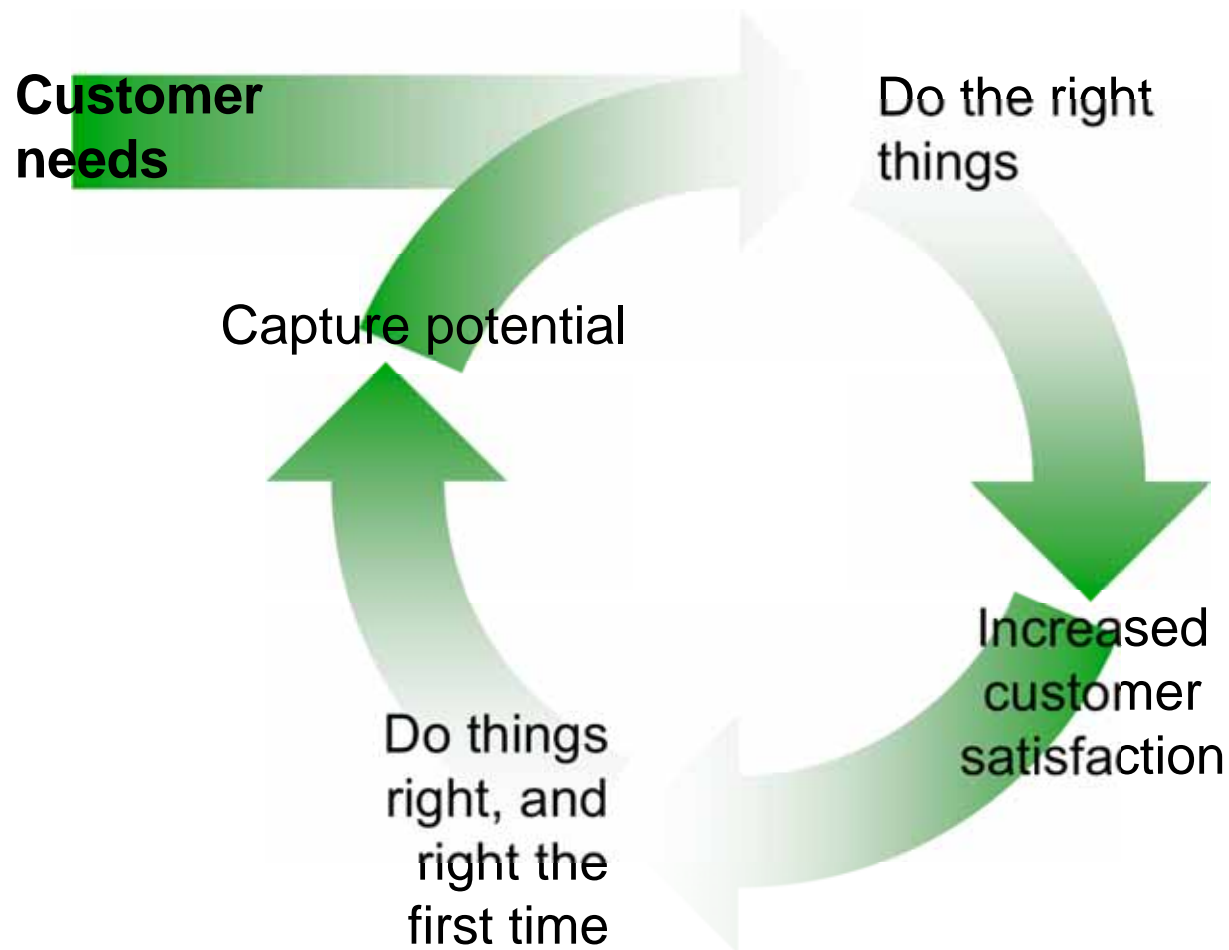
What is SEB Way?

**SEB Way is about
creating a culture of
continuous improvement
in order to achieve
operational excellence**

SEB



Operational excellence is about improving **S|E|B** the way we deliver value to our customers

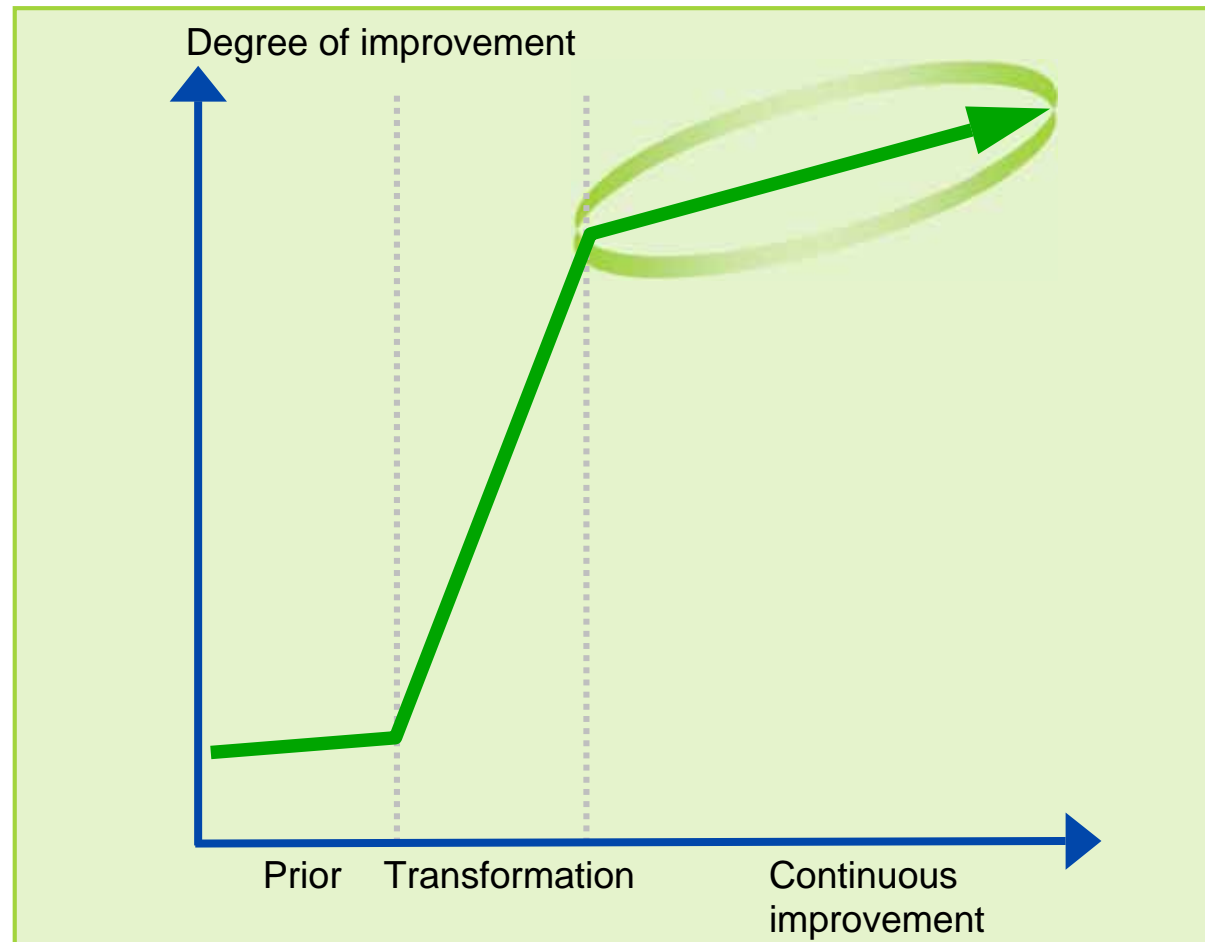


What differentiates SEB Way from other initiatives ?

	Characteristics for typical projects	Characteristics for SEB Way
Long term commitment	<ul style="list-style-type: none"> ● 1 or 2 year priority programme, with a one off target 	<ul style="list-style-type: none"> ● Commitment of the management team for a major change in performance level ● Long term commitment of top managers on SEB Way future state
Capitalisation of experience	<ul style="list-style-type: none"> ● Ad-hoc solutions to achieve the target 	<ul style="list-style-type: none"> ● Make standard work the base of day to day work and improvement
Managers' role	<ul style="list-style-type: none"> ● Approve the solution defined by project team 	<ul style="list-style-type: none"> ● Top management shapes the new way of working and role models ● Line managers drive continuous improvement
Performance management	<ul style="list-style-type: none"> ● Build a process to ensure implementation of action plan 	<ul style="list-style-type: none"> ● Set ambitious targets locally ● Detect deviations from standards and eliminate root causes immediately
Skill building	<ul style="list-style-type: none"> ● Few trainings 	<ul style="list-style-type: none"> ● Culture of coaching and feed back ● Continuous development of managers and navigators

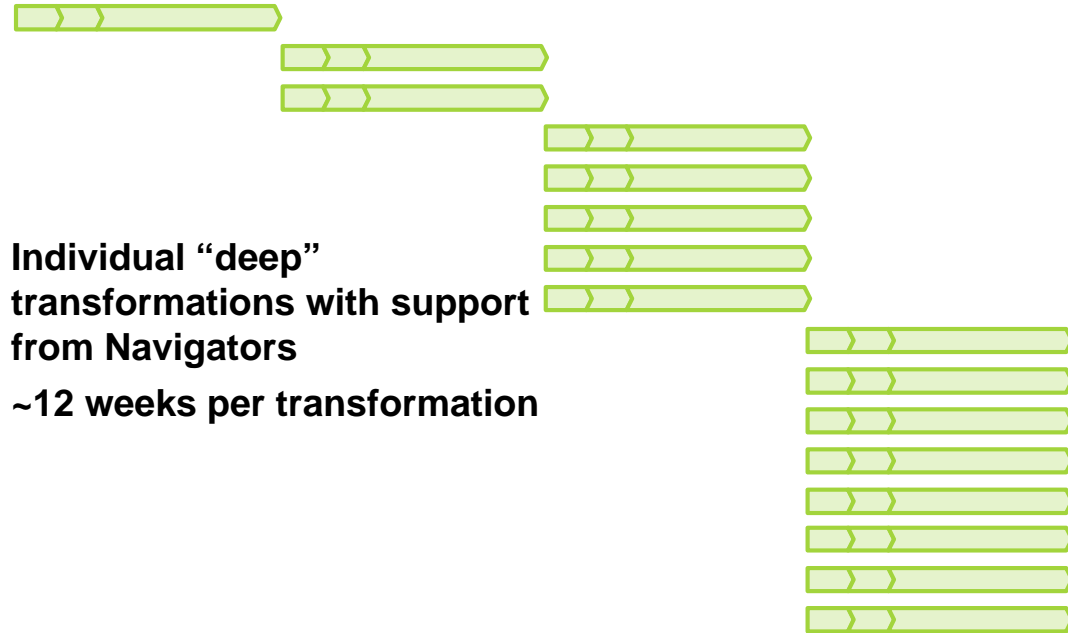
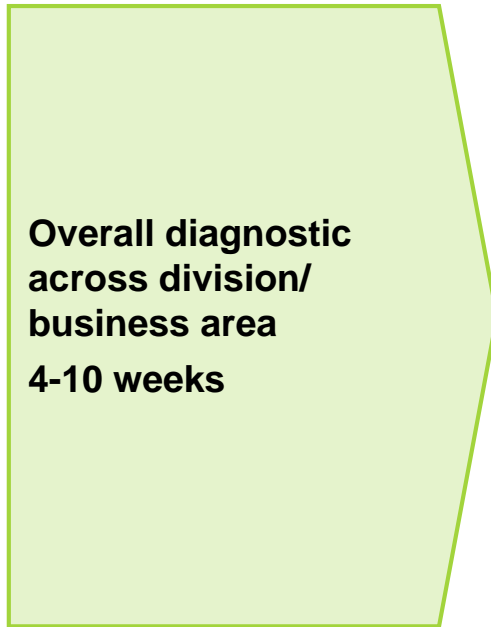
The purpose of SEB Way is to build a culture of continuous improvement

Improve ways of driving continuous improvement



SEB Way frees up time for value adding services

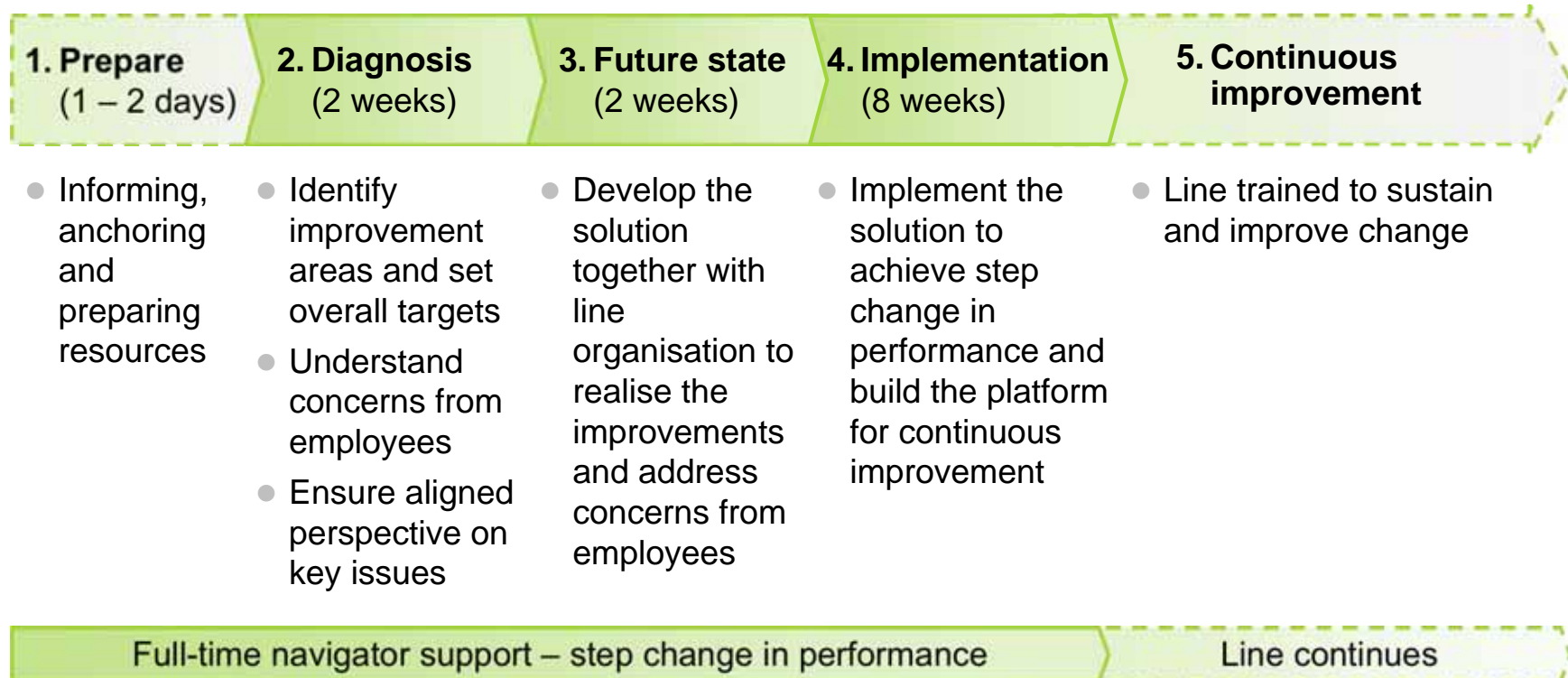
Process



End products

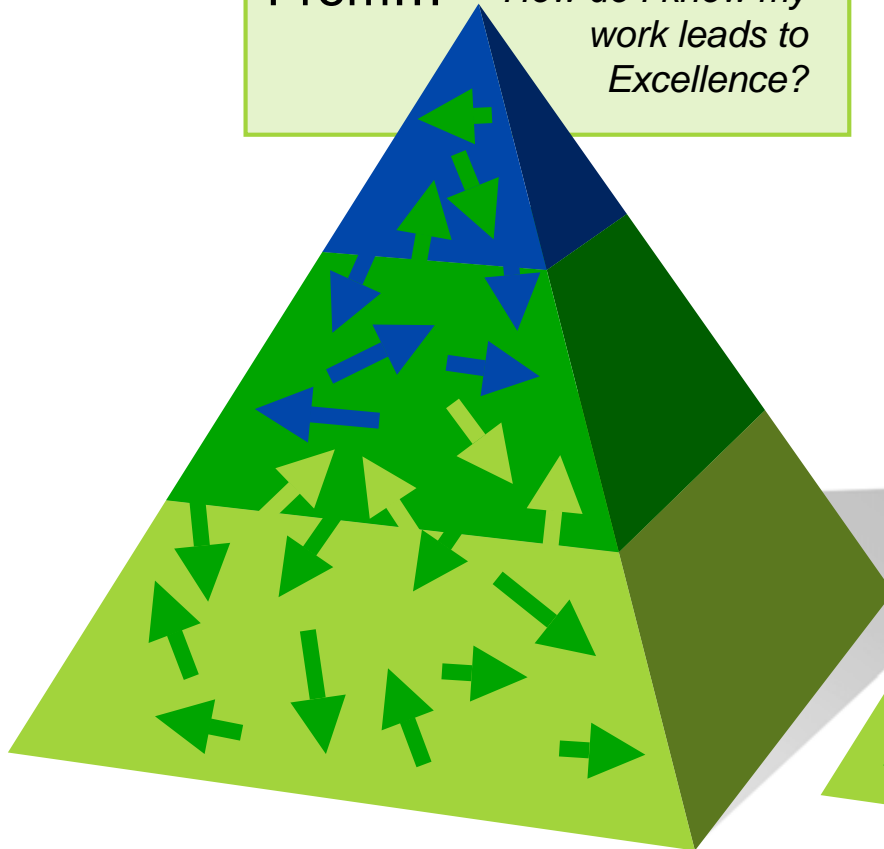
- Detailed roll-out plan
- Realistic resource plan
- Concrete operational and financial targets
- Go/no-go from CEO Office

Each individual transformation follows **S|E|B** a structured implementation methodology

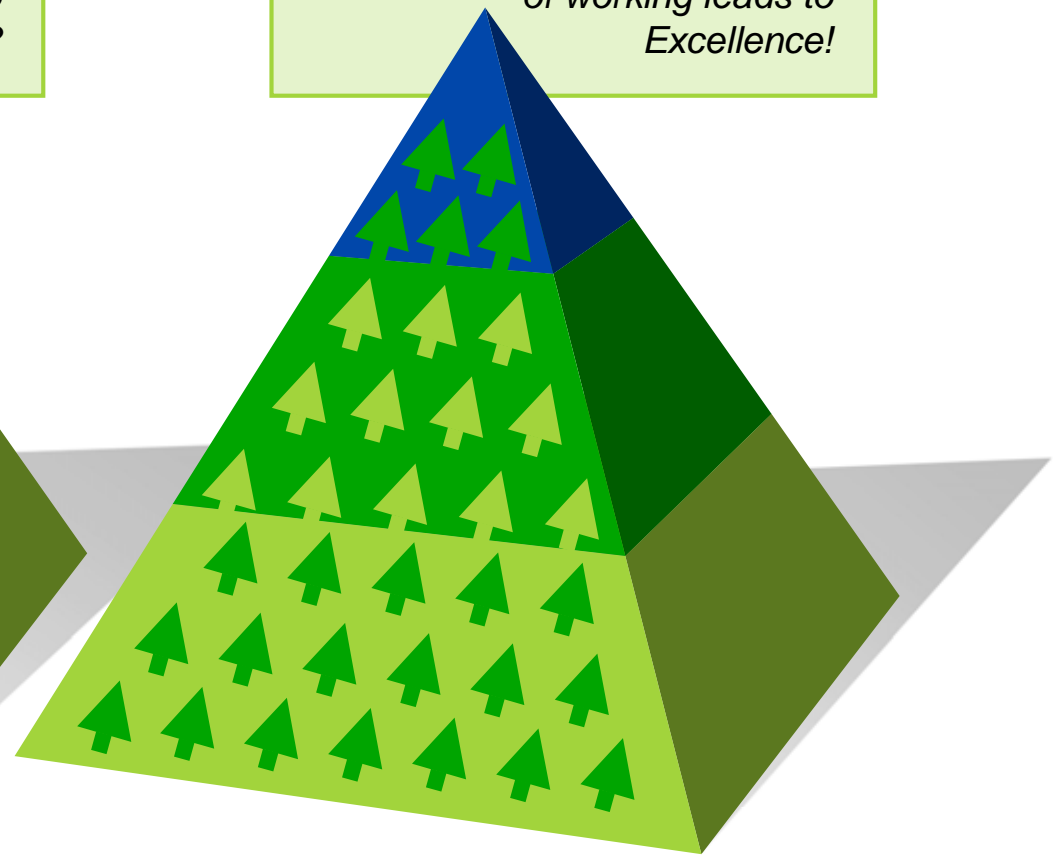


Why do we need Performance Management?

From... *How do I know my work leads to Excellence?*



...To *I know how my way of working leads to Excellence!*



Performance management in SEB



Vision / objective

- Strategy
- Targets & KPI:s

Navigation

- Performance Reviews
 - Business
 - Individual
- Problem Solving & corrective actions

Tools

- Reporting structure
 - Format
 - Frequency
- Appraisals
- Data collection tools

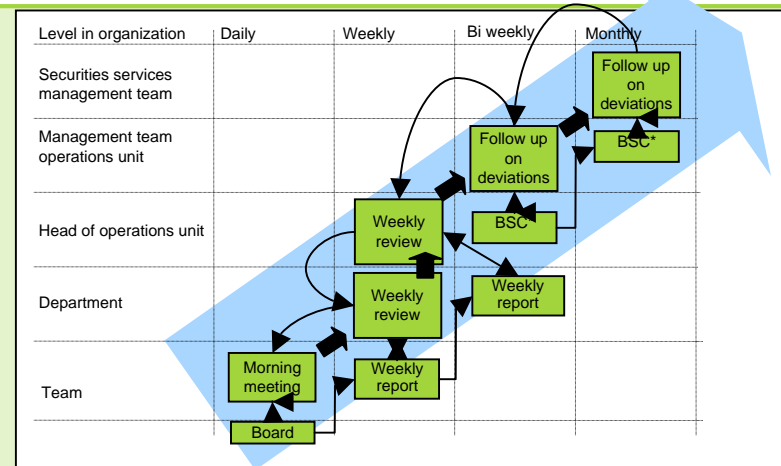
The transformation combined with operational performance management drives long term change in performance culture



Morning meetings and weekly performance reviews with department managers

Key performance Indicators and performance reviews on all levels

Example: Performance mgmt.



Work instructions

Shop floor audit/checklist Skill matrix (based on work instructions)

Example: Tools

work instructions for handling "not sent list"	Department: VPP-VPC	Page: 1 (1)
Process steps	Main activity	Tips
1. Do not remove sent list from the printer	1. Select lines with current settlement date	1. Default setting of printer is printer number 123
2. Check that VPC status is "NS" in FANSY	2. In IMS, write VP.FA.FL.AN, tab to id field and enter the note number from the list. Press F11. Check that "VPC status" field is "NS"	2. NS = not sent
3. Try to revive transaction	3. Enter in field "Ä uppl" Y and then press enter	3. Y = yes
4. If revival attempt gives "holdings missing" go into SENIOR and check holding in depository	4. Press F9, write VP.RÖRURV, tab to id field and write depository number (from the list), press F11	4. Open twin dialog by pressing F9. You can omit 0100 in the beginning of the depository number
5. If holding is there with right settlement date, force the transaction	5. Check field "selection day" for relevant paper in list. * If holding is there with "selection day" equal to today's date, force the transaction by pressing F9 and then F5 * If holding is not there, press F6 and continue to next step.	5. Current security is obtained from the list, field "FANSY VP-ID"
6. Finalize transaction	6. Either the VP was not available or it was cancelled for some other reason. Contact customer and discuss appropriate action	6. VP = name of security Relevant image is VP.RÖRURV You can see cancellation by minus sign in "modify field" after name of security



SEB Way will improve leadership in the bank

From Reactive Leadership

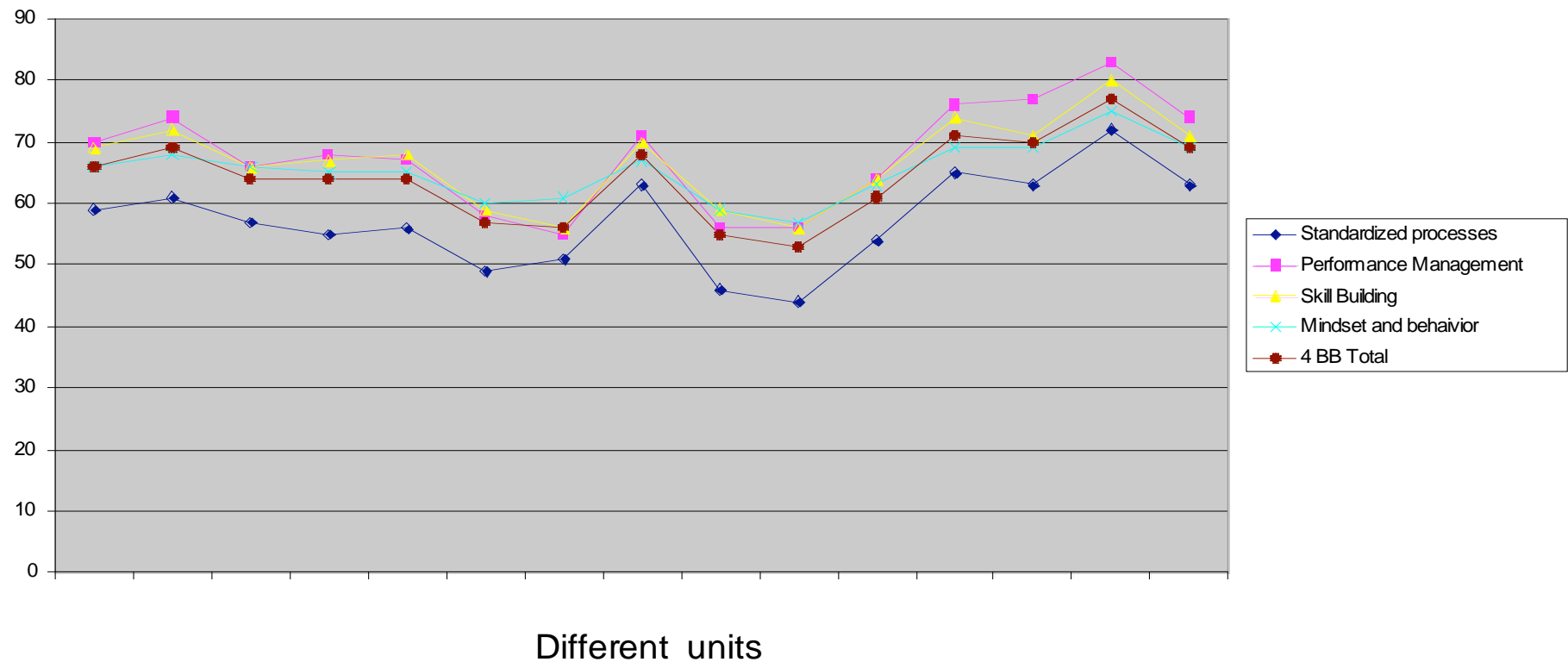
- Solve problems when they are reported
- Work mainly with financial targets in business plan
- Historical decisions are not challenged



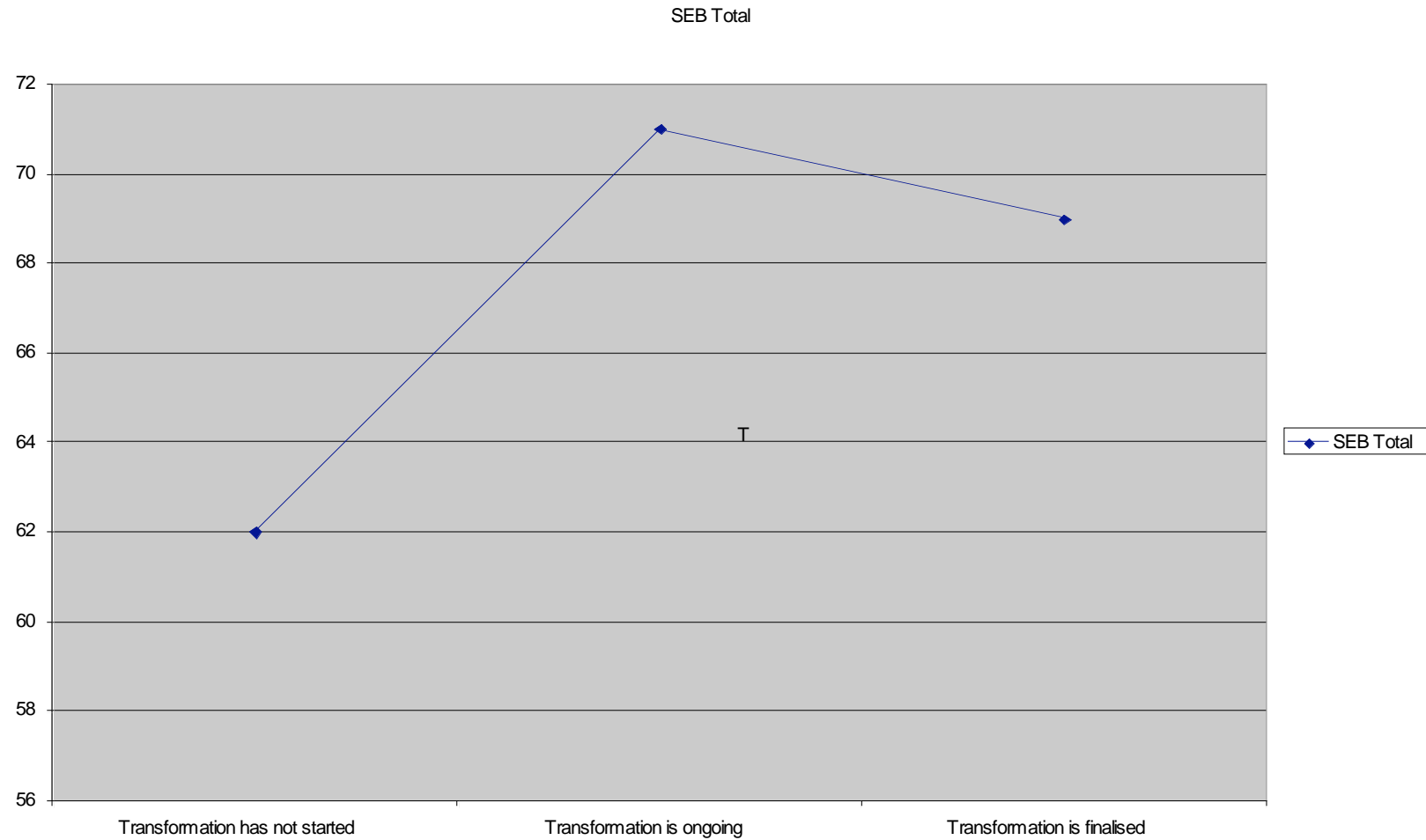
To Proactive Leadership

- Lead change every day – continuously improve
 - Solve problem together with employees
 - Act as role model
 - Active coaching, spend time on the shop floor
- Manage performance
 - Structured follow-up in daily morning meetings
 - Daily problem solving
 - Operational KPI:s linked to financial targets in business plan
- Communicate clearly and concretely
 - Base decisions on facts
 - Explain reasoning transparently

Voice shows strong correlation between areas addressed by SEB Way



Sustainability is still a challenge!



Source: Voice results 2007

Desired Future state

Every employee knows:

- What are the needs of my customer?
- What are my targets?
- How do I perform?
- Is this the best way to do my job?
- What skills should I develop and how to proceed?
- What difference did I make today?
- Have I given and received feedback today?

