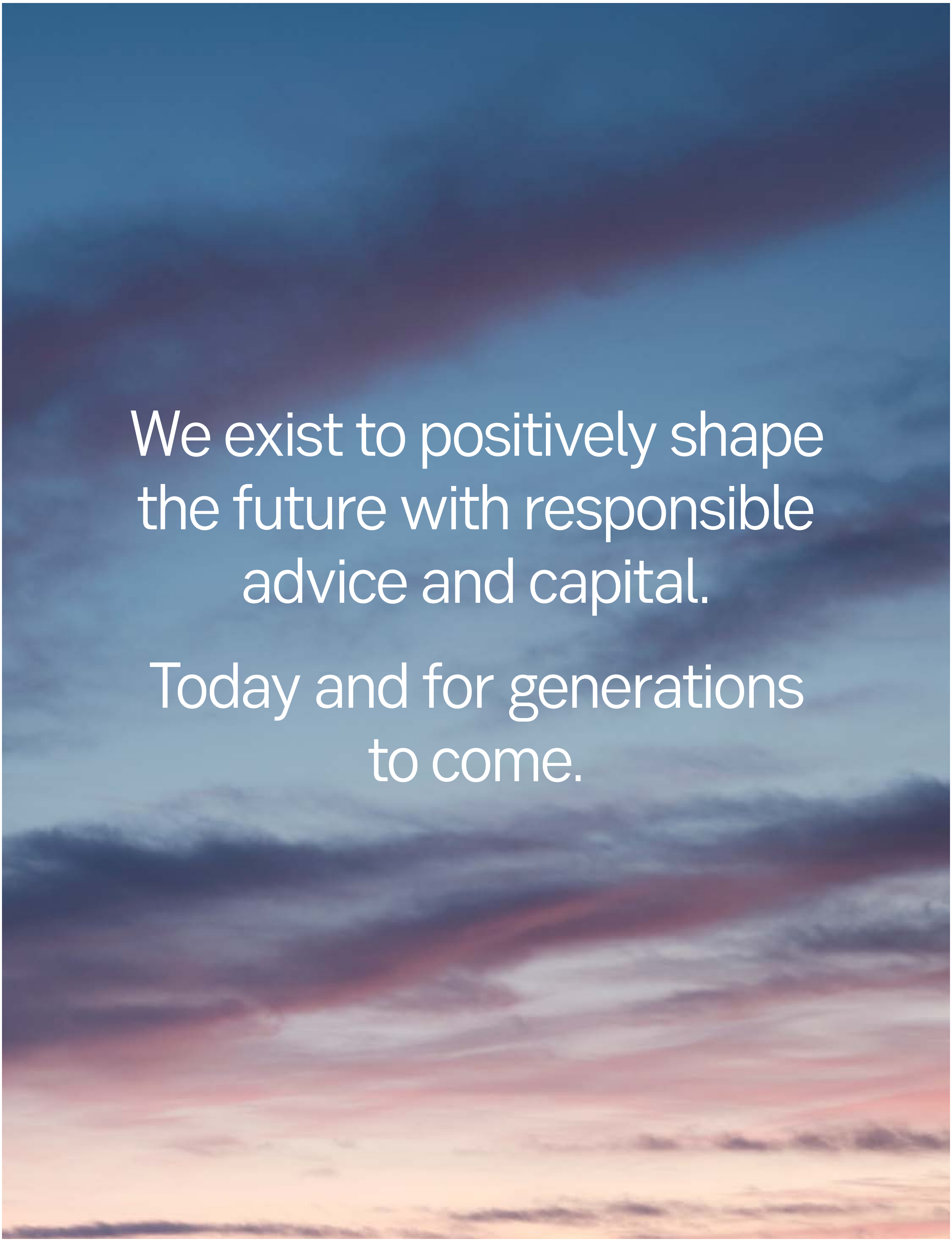
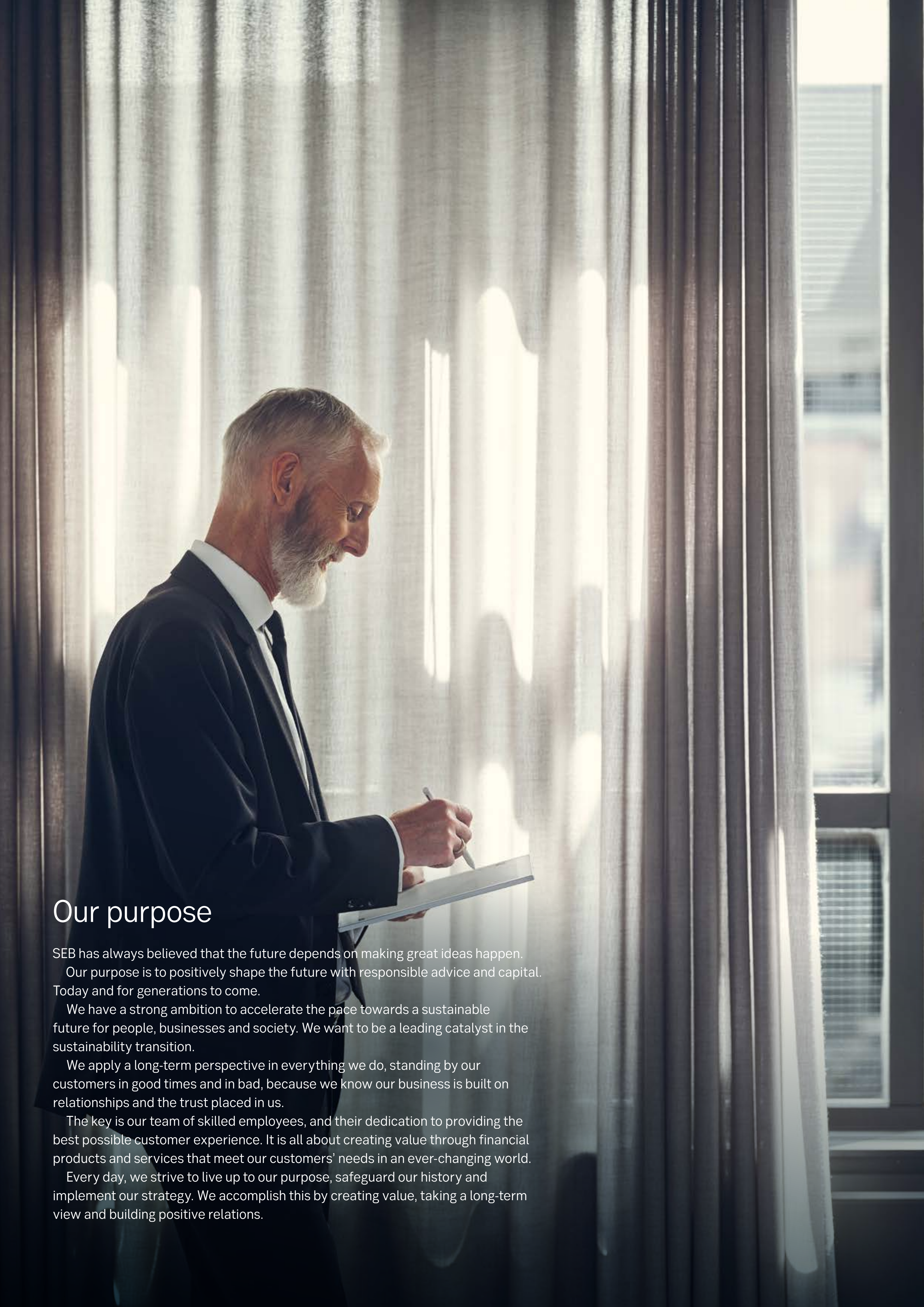


Annual and Sustainability Report 2022

SEB



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.

We apply a long-term perspective in everything we do, standing by our customers in good times and in bad, because we know our business is built on relationships and the trust placed in us.

The key is our team of skilled employees, and their dedication to providing the best possible customer experience. It is all about creating value through financial products and services that meet our customers' needs in an ever-changing world.

Every day, we strive to live up to our purpose, safeguard our history and implement our strategy. We accomplish this by creating value, taking a long-term view and building positive relations.

Contents

Pages 66–206 constitute SEB's formal annual report. SEB's sustainability work is described in the sustainability report on pages 32–65 and 212–234.

The official original version of the Annual and Sustainability Report is prepared in Swedish in the European single electronic format (Esef). Refer to sebgroup.com for SEB's annual reporting.

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 re-evaluating how we produce and distribute our products and services.

Efficiency improvement
To improve efficiency and accelerate SEB's transformation journey, we will increase our focus on areas including automation, digitalisation and technology development.

…and measure our progress in relation to our long-term financial targets…

Dividend payout
Around 50 per cent of earnings per share

Capital buffer
100 to 300 basis points above regulatory requirement

Return on equity
Competitive with peers

…and our contribution to the transition.

The Brown
Decrease fossil fuel credit exposure

The Green
Increase sustainability activities

The Future
Assess the credit portfolio's alignment with the Paris Agreement

Our customers and stakeholders

2,000
Large corporations

1,100
Financial institutions

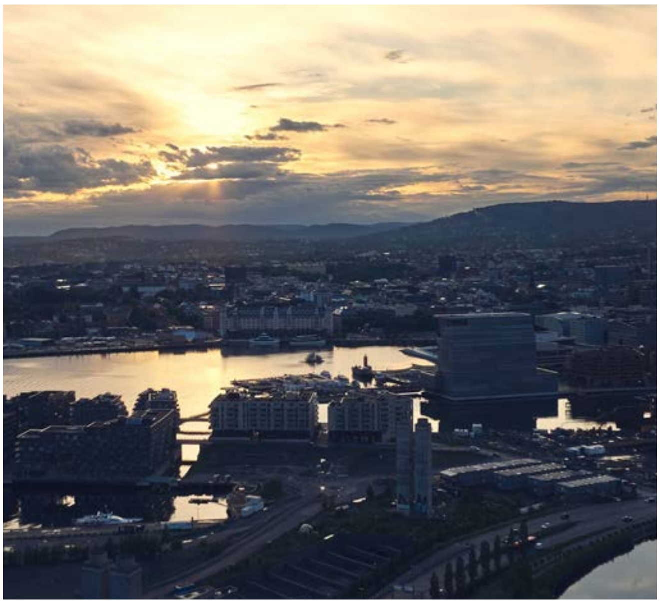
400,000
Small and medium-sized companies. Of these, some 292,000 are home bank customers.

4,000,000
Private individuals. Of these, some 1.5 million are home bank customers.

16,500
Employees

275,000
Shareholders

Society
We are a key part of society's infrastructure and an engaged corporate citizen.



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.

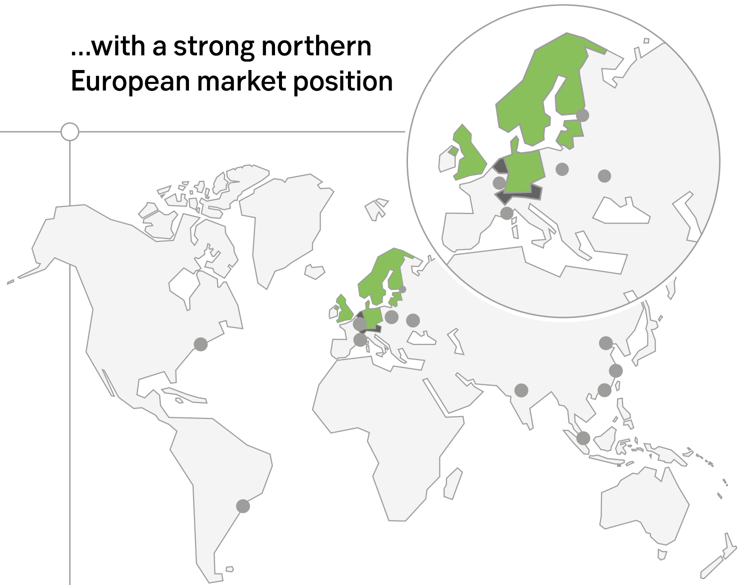
Private Wealth Management & Family Office
Leading private banking services with global reach for Nordic high-net-worth individuals.

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 and distribution of mandates, SEB-labelled and external funds for customers channelled via the Group's divisions.

...with a strong northern European market position



Home markets
– we serve 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, Switzerland and Austria.

International network
– we support our home market customers around the world
Beijing, Hong Kong, Kyiv, Luxembourg, New Delhi, New York, Nice, São Paulo, Shanghai, Singapore, St. Petersburg[1] and Warsaw.

1) See p. 68

Trends and events important to SEB in 2022

A new economic environment materialised
Russia's invasion of Ukraine resulted in immense human suffering but also changed the geopolitical and economic landscape. Energy prices and global inflationary pressure increased. Central banks accelerated monetary tightening, leading to lower risk appetite among investors and increased concerns for a recession. Similar to other central banks around the world, the Swedish central bank increased the policy rate incrementally to 2.5 per cent. The reintroduction of positive interest rates, which is more normal in a historical perspective, affected SEB as pricing of deposits and other asset classes started to find a new equilibrium.

Customer response to the new environment
Corporate customers remained cautious, seeking financial risk management services and increasingly replacing bond financing with traditional financing. Credit demand was driven by working capital needs and revolving facilities while appetite for new investments was muted. Private savings and consumption decreased and demand for mortgage loans slowed markedly on the back of falling housing prices in Sweden.

Continued high customer satisfaction
SEB retained its position as the leading bank among large corporates and financial institutions overall in the Nordics, according to different Prospera surveys. In the same surveys, SEB was ranked as number one for sustainability advice. Measured by the Swedish Quality Index (SKI), SEB was also ranked as number one among large banks in Sweden within the corporate sector and as number two in the private sector.

The sustainability journey continues
At SEB's yearly sustainability event, Transition in Numbers: Towards Net Zero, SEB reported the progress on the sustainability goals and also published net zero aligned interim targets for financed emissions for specific sectors.

Banking-as-a-Service commercialised
SEB gained its first Banking-as-a-Service customer after entering into a strategic partnership with Humla, a fintech startup within the Axel Johnson group focusing on innovation in the retail industry. SEB also created SEB Embedded, a new business unit created to commercialise the concept.

SEK 18bn repatriated to shareholders
On top of the ordinary dividend of SEK 12.9bn paid in March 2022, two share buyback programmes were executed during the year. Shares at a total of SEK 5bn were repurchased.

Key targets and figures

Long-term financial targets and outcome	2022	2021	2020	2019	2018
Dividend payout ratio of around 50 per cent of earnings per share[1,2], per cent	51	51	106	0	70
Common Equity Tier 1 capital ratio of 100–300 basis points over requirement[3], basis points	470	590	840	250	270
Return on equity competitive with peers[2,4], per cent	14.5	13.9	10.3	13.8	13.4

Key figures	2022	2021	2020	2019	2018
Cost/income ratio	0.39	0.42	0.45	0.44	0.46
Earnings per share, SEK	12.63	11.75	7.28	9.33	10.69
Dividend per share[1], SEK	6.75	6.00	8.20	0.00	6.50
Sustainability Activity Index – The Green[5]	159	100			
Carbon Exposure Index – The Brown[5]	83	88			

1) Board proposal for 2022.
2) Excluding items affecting comparability.
3) Regulatory requirement estimated by SEB: 14.2 per cent (13.8).
4) With a long-term target to reach a sustainable return on equity of 15 per cent.
5) See p. 35.

+16%
Operating income

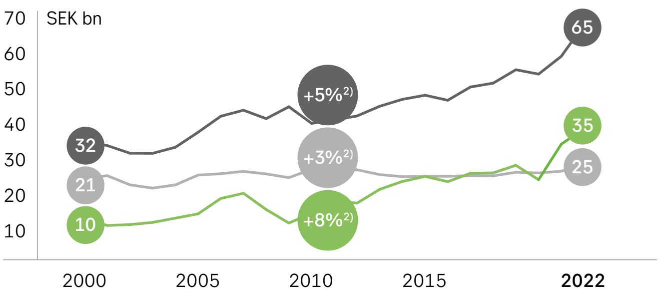
+14%
Operating profit[2]

14.5%
Return on equity[2]

6.75
Proposed dividend per share, SEK

Development and performance

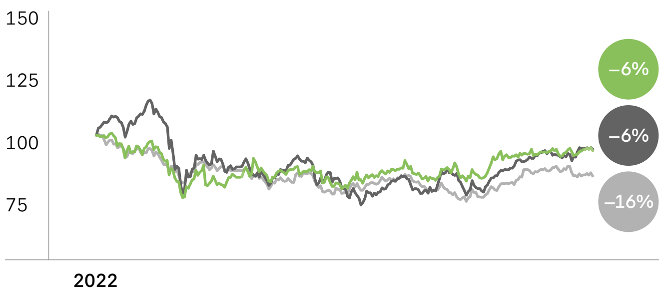
Our profit development[1]



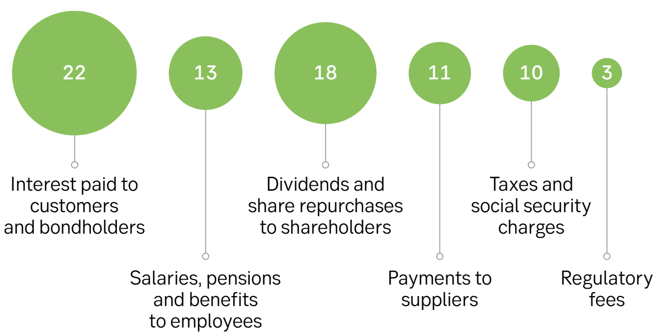
1) Excluding items affecting comparability 2) Compound Annual Growth Rate (CAGR)

Share price development 2022 SEB Class A share

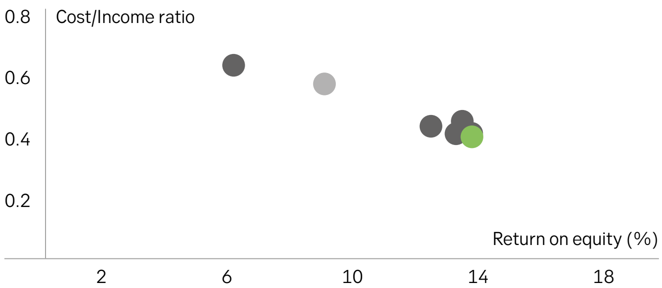
Index 1 January 2022 = 100



Value distributed in 2022, SEK bn



Efficient and profitable compared to peers 2022



A year of difficult challenges and strong efforts

A year when nothing turned out as expected, with the world, society and businesses facing unprecedented challenges. But also, a year when SEB's business model has shown its strength and employees have made outstanding efforts to support the bank's customers. These were some of the conclusions when Chair of the Board Marcus Wallenberg and President and CEO Johan Torgeby met to summarise 2022 and look ahead.

How do you view the past year and the current economic situation?

Johan: Nothing has turned out the way we thought when we sat here a year ago. The trigger was, of course, Russia's invasion of Ukraine on 24 February. In addition to the massive human suffering and the questions that the war raises about the progress of democracy in the world, it has led to negative macroeconomic consequences. Rising energy and commodity prices that have created a high and broad-based inflationary pressure, which leads to higher interest rates, which potentially leads to a recession.

Marcus: The war also exposed Europe's heavy dependence on energy from Russia. This has further exacerbated production and supply disruptions, and resulted in significant increases in energy prices in our part of the world. In addition, global monetary policy has in recent years provided historically large amounts of liquidity at low interest rates, which has contributed to the rapidly rising inflation.

> "We are proud and grateful to have such dedicated and competent employees, who have supported our customers during three challenging years." Marcus Wallenberg, Chair of the Board

How have customers and the bank been affected?

Johan: On the corporate side, the impact has been uneven, but the overall picture remains that businesses have shown impressive resilience. However, there is caution in terms of investments. Our lending is now primarily defensive and aimed at ensuring access to liquidity, rather than driving growth. Households have been hit the hardest. Many people are finding it difficult to make ends meet as rising inflation, electricity prices and interest rates reduce their purchasing power. This is also evident in our customer conversations. Some customers want to pause their amortisation payments, while others want to increase them instead of saving.

Overall, these developments have led to very high activity at SEB in 2022. The need for financial advice and access to capital at a reasonable price has become very clear.

What are your comments on this year's results and dividend?

Johan: We are pleased that we have been able to support our customers in a good and meaningful way. External customer satisfaction surveys show that we are a Nordic leader within several areas. We have experienced high growth in corporate lending. Although it is due to unfortunate reasons, we have managed to generate a strong financial result with growing revenues and an increased number of customers. Although 2022 in many ways has been more difficult than we initially expected – both in real economic terms and because of the ramifications of the war – it is positive that the bank has had a good year operationally.

Marcus: This allows us to deliver on our strategy for capital distribution. It means distributing around 50 per cent of the profit as a dividend to our shareholders and carrying out repurchases of shares, while at the same time continuing to maintain a strong balance sheet. We think this is a healthy approach that provides increased flexibility when considering the uncertainties ahead.

How has the difficult environment affected the bank's employees?

Marcus: We are proud and grateful to have such dedicated, loyal and competent employees who have been able to deliver support to our customers. The management and Board both recognise what an extreme challenge the last three years has posed, first with the pandemic and then the war in Ukraine.

Johan: Our employees have worked very hard. Individuals and businesses alike have been concerned, and we have tried to help them the best we can with sound financial advice and preparations for 2023. We are pleased to see good results and a high level of engagement in this year's employee survey. But the high demand for financial advice has also meant a heavy workload and many difficult conversations. That is why we need to continuously work to create better conditions for work-life balance, develop more efficient workplace tools and provide our employees with opportunities for further training.

Marcus: Competence development will be particularly important in the future. The challenges in supporting our customers will be of a completely different nature and will require different skills. We need to ensure that our own employees are given opportunities to continuously develop to keep up with technological progress and to deliver good customer service under new conditions.

"I think 2023 will be a hiatus year for many. We focus on supporting our customers through thick and thin."

Johan Torgeby, President and CEO

Why is digitalisation so important for SEB?

Johan: We have spent a lot of time, money, and resources on our digitalisation journey in recent years. We have made great progress in 2022, but still have much to do. We must continue building digital capabilities to create the availability of services that customers have a right to expect.

Marcus: I believe that artificial intelligence (AI) will be a crucial tool to achieve what Johan is talking about. The US and China are investing heavily in AI. European banks and companies need to get going as well. For productivity reasons, but also to meet customer expectations for personalised and digital products and services. AI and machine learning can also become an important weapon in the fight against financial crime, which has become a global societal problem. This requires broad cooperation throughout society, and we are pleased to see an increasingly positive climate for collaboration with authorities.

AI can also help streamline our work with regulatory compliance and reporting – an area of corporate governance which the Board has focused on a lot in recent years. At present, there is a certain regulatory overload, with a host of measures and requirements piled on top of each other. To meet such demands effectively, we need to make full use of the opportunities that come with digitalisation.

How have SEB's new sustainability goals affected the bank?

Johan: We have a strong sustainability commitment through the UN Global Compact, and the Net-Zero Banking Alliance. Our own goals and ambitions – what we call the brown and the green – have been really useful, as they have mobilised our forces within the bank. Thanks to these two measures, there are more and more customer dialogues through which we try to be a positive force, both in helping customers strengthen their transition work, and in financing it.

Marcus: We have made considerable progress. To manage this necessary transition, it is important to take a long-term perspective. From the Board's perspective, it is particularly important that the bank's sustainability efforts are supported by facts. Not everything will be done immediately, and our job is to be there to support our customers, even those who have a longer transition journey ahead of them. This is serious and long-term work, and the indication we are getting from our customers is that most of them are moving in the right direction.

How do you view the bank's strategy in light of the current uncertainty?

Johan: Our long-term strategy remains essentially unchanged. We are slightly adjusting which opportunities to prioritise, but we still plan for substantial efforts within automation, financial crime prevention and digitalisation. Our ambition is to continue to grow revenues by broadening our geographical presence and increasing the number of customers. On the other hand, the financial conditions have changed due to high inflation, currency effects and wage increases. We therefore need to focus more on efficiency measures.

Marcus: Strategically, we have a good business mix today. With the majority of our operation aimed at companies and financial institutions, and a focused business for private customers, we have a good balance. Our ambition is always to be well prepared for ups and downs.

Johan: The bank's diversified business model has truly been tested in 2022. The parts of the business that rely on rising asset values and high activity in initial public offerings, mergers, and acquisitions have had a tough time. But this has been more than offset by an increased need for lending, financial advice, and other services that help customers manage risk.

What are your expectations for 2023?

Marcus: We are likely heading for a moderate recession in parts of the world, but it is difficult to predict the full consequences. There are also positive factors that need to be taken into account. For example, substantial stimulus packages are expected in Europe, China and especially the US. We have a wave of investments in the transition from the fossil-based economy to the green one. And we are seeing high levels of investment in the US as companies onshore operations, creating new jobs.

But the uncertainty is significant. That is why we have strived to have a strong balance sheet with a strong capital position, and to have a high liquidity. An important lesson learned from previous difficult times is that these are key factors to be able to continue to support our customers.

Johan: I think 2023 will be a hiatus year for many customers. We want SEB to come out of the year stronger than we started, so that we can maintain our long-term focus on supporting our customers – households and businesses – through thick and thin. That is also how we will continue creating value for our shareholders and for society at large.

Stockholm, February 2023

Marcus Wallenberg, Chair
Johan Torgeby, President and CEO

Creating long-term value

Customer centricity, long-term perspective and financial strength form the foundation for meeting the expectations of customers, employees and the communities in which we operate. Ultimately, this benefits our shareholders.

SEB's proven business model

The trust that our stakeholders place in us...

As a bank, SEB has a critical role in society by providing the infrastructure for payments and transactions, and by acting as an intermediary for financing and savings solutions, risk management and financial advice. In that mission, it is crucial that we continuously earn the trust of our customers, shareholders, employees and society. To uphold that trust we are constantly vigilant of changing regulations and market conditions as well as new customer behaviours. In everything that we do, we act with a strong business acumen and in line with external expectations and our high internal ethical standards.

...and our financial and technological strengths...

SEB's high standards set the foundation for our financial strength, which gives us the resilience and flexibility required to serve our customers in both good times and bad. We future-proof our systems by implementing new technologies in order to secure and protect SEB's and our customers' information, and to continue our customer-driven innovation.

...enable us to create long-term value.

We provide people and businesses with financial advice, products and services. We are available for our customers at their convenience – via the mobile app, on the web, by phone and in our offices across the globe. We believe in a combination of digital services and in-person meetings, and our employees provide proactive and personalised advice to meet the unique needs of our customers. By supporting our customers and nurturing long-term relationships we create value for them, for our shareholders and for society.

SEK 59bn in average value created per year 2018–2022

Meeting stakeholders' expectations… …creates sustainable and… …financial value

Customers – 1.8 million

Our customers' needs are at the core of our business. Their high expectations on personal and digital service, quality advice and sustainable solutions drive our business development and offerings.

→ See p. 24.

By providing proactive advice and a wide range of digital and personal services, we support our customers' long-term aspirations and add value in all phases of people's lives and in all stages of development of companies and institutions.

14

Interest paid to customers and bondholders

SEK 14bn

Employees – 16,500

Our employees build and deepen customer relationships. Their commitment, skills and continuous learning are key in future-proofing our business.

→ See p. 26.

Our employees value the opportunities for continuous learning within the bank. Employees also participate in SEB's many partnerships to help communities develop and prosper.

12

Salaries, pensions and benefits paid to employees

SEK 12bn

Shareholders – 275,000

The capital provided by SEB's shareholders is a prerequisite for conducting our business. Our shareholders expect a competitive and sustainable return on their investments. Many of the major owners have a long-term perspective on their engagement in the bank.

→ See p. 28.

Dividends and growth in market value over time contribute to our shareholders' financial security and enable new investments. Share repurchases increase earnings per share, all else equal. By integrating environmental, social and governance aspects into our business operations, we increase competitiveness and reduce long-term risks.

13

Dividends and share repurchases for the benefit of shareholders

SEK 13bn

Society

Banks play a crucial role in society and are vital for creating economic growth and social value – and for the transition to a low-carbon society. We take great responsibility for how we act, to enable society to develop in a sustainable way.

→ See p. 30.

SEB intermediates financial solutions, provides payment services and manages risks, which together promote economic growth and prosperity. We pay taxes and fees according to local rules, and we take responsibility as a provider of financing and as an asset manager, and work proactively with environmental, social and governance issues.

10

Payments to suppliers

SEK 10bn

8

Taxes and social security charges

SEK 8bn

2

Regulatory fees

SEK 2bn

A clear direction in a changing world

Our 2030 Strategy sets the direction to develop SEB in key areas, with services and solutions that create value for all stakeholders in line with our purpose and ambitions. Our three-year business plan, which is updated annually, ensures we make the right prioritisations for the coming years. It enables us to meet our customers' needs while maintaining our financial strength in a rapidly changing world with new geopolitical and macroeconomic challenges.

The world is slowing down into a moderate recession

While 2021 was characterised by recovery in the global economy after the Covid-19 pandemic, this trend was reversed in 2022 with the war in Ukraine, high energy prices, rising interest rates and inflation. SEB's chief economist comments on the overall situation.

A challenging year has ended

In 2022, the global economy was forced to take on a number of serious and unusual challenges. Inflation rose to the highest levels in decades. Energy prices soared as a result of Russia's invasion of Ukraine and the energy war against Europe. The rapidly rising prices on fuel, electricity and food put households under pressure, households that were also hit by rapidly rising interest rates in the wake of the central banks' attempts to control rapidly rising inflation. These challenges had a strong negative impact on households' views of the economic prospects, and consumer confidence hit new lows in the US as well as in the eurozone and in Sweden. In addition to the difficulties of the global situation, China's problems also continued, both in the troubled real estate sector and with repeated Covid-19 lockdowns.

Surprising resilience

Despite these serious challenges, large parts of the world economy showed surprisingly strong resilience. Of course, there were slumps and exceptions, but the overall picture was that growth, the labour market and the profitability of businesses surprised in a positive way time and again. Even though households' confidence in the future was at rock bottom they continued to consume, and even though business confidence in future prospects steadily fell, many of them continued to deliver good profits. Overall, for example, GDP in the euro area grew by just over three per cent, which is significantly better than how things were looking for a while.

Jens Magnusson,
Chief Economist, SEB
↓

Many political events affected the economy

Most of the time politics has less importance for the economy than one might think, but in 2022 there were several political events, not counting the war in Ukraine, that had an important impact on economic conditions. One such political event was the "mini-budget" presented by the UK government. This expansionary budget, with its large unfunded tax cuts, had both political and economic consequences. The pound and the stock markets fell, market interest rates rose, and expectations of future rate increases from the Bank of England soared. After a short but turbulent period, and an intervention from the central bank, some calm was restored, but both the prime minister and the finance minister were forced out of office. The signal to other governments was clear: this is not the time to bring forward an expansionary fiscal policy that runs counter to the central banks' attempts to curb inflation. In addition to the British example, the American congressional elections, as a result of which the Democrats lost their majority in the House of Representatives, have had an impact on economic conditions. The Chinese communist party congress, where power was concentrated in the hands of President Xi, is also expected to have an impact.

The economy is slowing down, but the recession is likely to be moderate

Despite the resilience of the economy in 2022, the world is now heading towards a slowdown. Households are under even greater pressure from rising interest rates, high prices, rising unemployment and energy shortages, which all contribute to weak growth prospects for 2023. This applies not least to the interest rate sensitive Swedish economy, where household debt is high and house prices are falling. The sky-high inflation that has plagued the Baltic countries in particular, with inflation figures well above the European average, is likely to decline towards more normal levels in 2023, while interest rates will probably peak in the first part of 2023 and then level off. But there are many risks, for example connected with the war in Ukraine or with central banks underestimating countries' interest rate sensitivity and tightening the monetary policy too much in their efforts to slow inflation. In other words, 2023 will be at least as eventful a year to follow as the 2022 we recently left behind.

Major adjustment for customers and SEB

In 2022, we returned to a more normal interest rate situation, which is positive in itself for a bank. The problem is the journey back to normality after ten to fifteen years of low interest rates and rising asset values. It is a painful adjustment for many of our customers, says SEB's Chief Financial Officer, Masih Yazdi, in an interview about the change.

What is the impact on customers?

"The new macroeconomic situation, with high inflation and rising interest rates, will have a pervasive negative impact for most customers.

It is difficult to find customers who will not suffer a negative impact from this. They are more worried about the future and are having a tougher time financially. This applies to both households and businesses", says Masih Yazdi.

What impact is this situation having on SEB's business?

"The environment of low interest rates and huge amounts of liquidity that has prevailed for the last 15 years has benefitted certain parts of our business. When assets rise in value, areas such as mortgages, asset management and pension insurance benefit. On the other hand, the low interest rates have been disadvantageous for other parts of our business. This applies not least to deposits, where we have not been able to charge for the costs we have incurred as a result of negative interest rates. The environment that characterised the last decade also meant low volatility, which has had a negative impact on the part of our business that deals with helping customers protect themselves against various types of currency, commodity and interest rate risks. With so little fluctuation, there has been little need for such protection.

What we are experiencing at the moment is actually a return to a normalised interest rate situation, which in itself is beneficial for a bank. But the journey back to normality is not easy and the more difficult it becomes for our customers, the more difficult it becomes for us. We depend on our customers doing well, that they want to grow, have the confidence to invest and come to us to borrow capital or get help issuing bonds. Ultimately, it is also about avoiding credit losses. So, the situation is a double-edged sword. The return to a normalised interest rate situation is a positive in itself, but if the transition hurts customers too much, it will hurt us too."

Does the deteriorating global situation mean a change of strategy for SEB?

"The principle when we lay out our strategy is to work from structural factors and not take such major cyclical considerations into account. In analysing the new global situation, we have tried to identify what is cyclical, and therefore connected to regular ups and downs in the economy, and what is of a more structural nature, Masih Yazdi says.

"Our assessment is that a large part of the new global situation is due to cyclical factors. But there are certain structural changes that we have taken into account. One example is rising interest rates, which will probably mean that the savings ratio will decrease and that people's enthusiasm for saving in shares will therefore also decrease. Another area is sustainability, where we believe that the war in Ukraine is negative for the energy transition in the short term, yet on the contrary will be an accelerator for change in the medium term. Europe needs to become independent from Russian gas and invest more in fossil-free energy production. That will speed up the energy transition.

We have made some recalibrations given the changes we're seeing, but broadly speaking the strategy is holding firm. We will continue to invest in the bank and prepare ourselves for somewhat higher inflation. As this affects our cost base, we do need to be more cost efficient. Essentially, though, we will continue according to our long-term plan."

"By and large, the bank's strategy holds firm."

↑ Masih Yazdi, Chief Financial Officer, SEB

2030 Strategy and business plan 2022–2024

The strategy and the business plan focus on four main areas: acceleration of efforts, strategic change, strategic partnerships and efficiency improvement. Despite the changes in the macro environment during the year, our long-term ambitions remain. During 2022, work on a number of initiatives within the focus areas went ahead at full speed.

Acceleration of efforts

Based on our strong financial position, high customer satisfaction, improved competitive position and expertise in the Nordic markets and sustainability, we will accelerate our efforts and strengthen our advisory capabilities. By increasing our focus and resources, we will continue to build on our existing strengths.

Prioritised initiatives

- Expand corporate and investment banking.
- Leverage our custody and markets platforms to become a Nordic market leader.
- Grow our savings and investment business in the Nordic and Baltic countries.
- Capture opportunities within the sustainability supercycle.

Progress during 2022

During the year, we continued to expand our corporate banking business to the Netherlands, Switzerland and Austria in line with our plan. At the same time, we consistently increased our support for small and medium-sized enterprises (SMEs) in Sweden and the Baltic states.

SEB consolidated its market-leading position in the custody business, while some of our competitors in the Nordic countries withdrew from the market.

In 2022, the initiative to grow our savings and investment business encountered obstacles in the form of rising interest rates, falling share prices and increased risk aversion. In the Baltic states, we offer our private customers automated advice in the form of SEB Robo-Advisor, which was launched in 2021. Almost every third new customer, who started investing during 2022, were doing so using our Robo-Advisor. The demand for sustainability-related savings products has remained high and this is reflected in a net inflow to funds with sustainable investments as their objective (so-called Article 9 funds).

During the year, we continued to make the most of the opportunities relating to the sustainability supercycle. The activity level has been high, driven among other things by our customers' investments in Article 9 funds and by the issuance of sustainability-related loans and bonds. This was reflected in SEB's Sustainability Index. See p. 35.

We have developed a broad range of sustainable finance and investment products for our customers. These include, for example, a digital energy analysis tool that aid customers in lowering their energy costs and climate footprint, and a broader offering of impact investments.

SEB doubled the investment capital for SEB Greentech Venture Capital – the bank's unit for investments in green technology – from SEK 300m to SEK 600m. Since it was launched in 2020, it has made five investments. The most recent in 2022 was in Metry, a start-up offering real estate companies a platform for sustainability data.

Strategic change

We constantly adjust our business and our offering to stay relevant for our customers and create long-term value for our stakeholders. We will evaluate the need for strategic change in the way we conduct business within already established areas.

Prioritised initiatives

Transform our retail banking business to make it more digital, with a mobile-first approach in Sweden and the Baltic countries.

Establish the Private Wealth Management & Family Office division in all our home markets.

Scale up and implement SEBx capabilities.

Progress during 2022

To adapt to our customers' increasingly digital behaviour, in 2022 we continued to develop our service model that involves offering booked appointments instead of drop-in services at our branch offices. We have also increased the amount of personal communication on our digital channels, for example sending our private customers notifications of events such as low balances. During the year, Apple Pay was launched by SEB for customers in Sweden and the Baltic countries. Additional functionality in our private banking app, such as digital contracts and more savings inspiration, helped to improve the customer experience.

The work with establishing the Private Wealth Management & Family Office on our home markets continued and we have seen a large influx of new customers. We have increased our international presence in the private banking segment by entering into a partnership with Ringkjøbing Landbobank in Denmark and opening a representative office in Nice. We have also increased our offering to meet customers' requests for philanthropic products and services.

During the year, we have continued to benefit from the capabilities developed by our SEBx innovation studio. SEB was the first bank in the Nordic countries to launch a commercial offering based on the concept of Banking-as-a-Service this year. The first customer is the fintech company Humla, part of the Axel Johnson group, which will develop financial products and services on the cloud-based banking platform operated by SEBx. We have seen significant demand for similar services and, as a result, SEB decided to establish a new business unit, SEB Embedded, in early 2023.

Strategic partnerships

Competition will intensify because of the increasing pace of innovation, investments and consolidation in the market. We see partnerships and collaboration with relevant stakeholders as key enablers in ensuring that SEB's broad range of core products and services remains competitive.

Prioritised initiatives

Re-evaluate ways of producing and distributing our products and services.

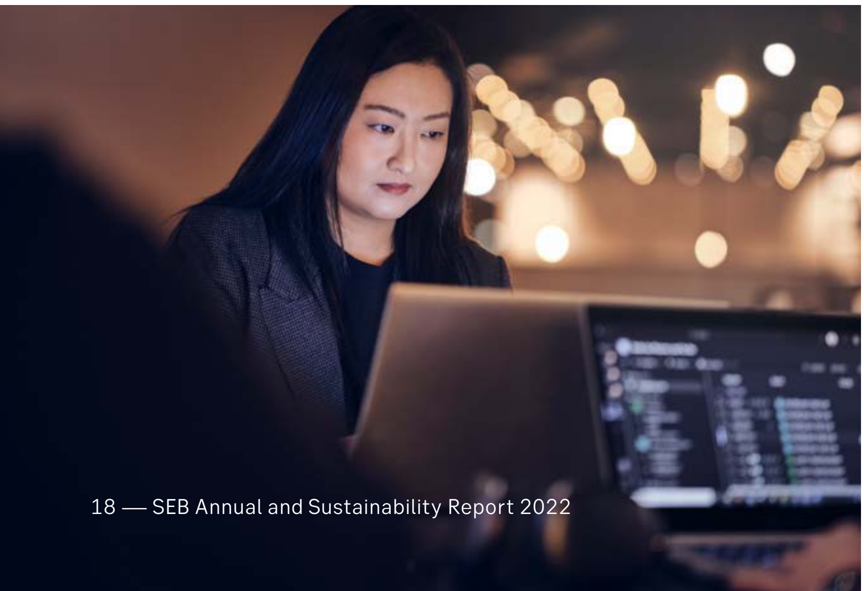
Strengthen innovation capabilities and business momentum through external partnerships.

Progress during 2022

During the year, we established a partnership with Ringkjøbing Landbobank in Denmark. This was in line with our aim of expanding our range of private banking services on the Danish market and increasing our reach in the family office segment.

We have entered into a strategic partnership with Insurely, a Swedish insurtech company that aims to digitalise the insurance industry. Our intention is to investigate the opportunities for increasing the level of digitalisation and efficiency of our insurance offering.

In addition to these collaborations, we are also participating in industry initiatives, for example concerning measures to prevent financial crime. During 2022, we enhanced the cooperation with the Swedish authorities to combat fraud by improving processes and increasing the amount of information shared by banks and public bodies.



Efficiency improvement

To improve efficiency and accelerate SEB's transformation journey, we will increase our focus on areas including automation, digitalisation and technology development.

Prioritised initiatives

Change our approach from automation to focusing on end-to-end processes.

Develop into a fully data-driven organisation.

Accelerate technology development.

Enhance regulatory efficiency.

Progress during 2022

Our work on improving our efficiency has become increasingly important against the background of the inflation-driven pressure on costs.

The first transactions have been made on SEB's new global payment platform, an important milestone toward a more modern and efficient payment infrastructure for SEB.

As part of our aim to become a fully data-driven organisation, we appointed a Chief Data and Analytics Officer to enable the bank to act proactively on data-driven insights about our customers. We also established our new data unit.

This year the work on accelerating technology development focused on the increase in cyber threats in the wake of Russia's invasion of Ukraine. We have played a proactive role in analysing the threats in collaboration with external partners. This has increased our ability to assess the attack patterns of cybercrime groups and take the necessary countermeasures.

During 2022, we strengthened our unit for combating financial crime by recruiting experienced staff in areas such as business intelligence, advanced analysis, artificial intelligence, data management and sanction and transaction monitoring.

Climate issues an important part of the strategy

The transition required to tackle the threat from climate change implies business opportunities as well as challenges. SEB's role is to support customers who share the bank's long-term view of how that transformation should take place. Hans Beyer, Chief Sustainability Officer, and Nathalie Egenaes, Head of Sustainability at Corporate & Private Customers and Life, elaborate on this view.

SEB's strategy is to be a leading catalyst in the transition towards a more sustainable society. The transformation required to achieve the Paris Agreement's goal of limiting global warming is in need of massive investments and fuel a long-term supercycle. With that in mind, the climate change means not only risks but also a major opportunity for the bank.

"The consensus that prevails in large parts of society about what direction we need gives us a positive outlook on developments. Yet if the transition fails, it is a threat to society at large and thus naturally also to us as a bank through the external risks that would arise in our credit portfolio," Hans Beyer explains.

What is SEB's role in the transition?

"We will contribute the best way we can, namely supporting those customers who, over time, share our long-term view of how to address climate change. We develop products and services that we believe are in line with the transition and we finance those companies that are involved in driving it," he says.

"Large companies have a key role to play, but SEB is also working to enable small and medium-sized enterprises and private individuals to contribute to the transition", Nathalie Egenaes emphasises.

"Smaller companies are not as mature but will increasingly be faced with the same risks and opportunities as large companies, as part of their value chain. We can help them be proactive by identifying risks and opportunities. We are also working on developing advisory and financing products adapted for smaller companies. Through our investment products, we help private individuals contribute to the transition at the same time, for example, as they save for their pension or other purposes," she says.

How do customers feel about the bank's strategy?

Institutional investors think the strategy is clear and sound. As for manufacturing companies, our sustainability classification of their activities is leading to exciting discussions that are educational for both parties. The companies look positively on our commitment, and we have gained many new relationships on the basis of the knowledge we have built up with regard to large companies.

Smaller companies and private customers are not as aware of the bank's strategy, according to Beyer and Egenaes.

↑
Hans Beyer, SEB's Chief Sustainability Officer and Nathalie Egenaes, Head of Sustainability within SEB's divisions C&PC and Life.

The strategy we have chosen meets a rather simplified description of banks and their societal responsibility, which is a communicative challenge. We will pay more attention to explaining the strategy to those customers who cannot reasonably have the same insights as large companies in the next few years.

SEB is committed to helping achieve the 1.5°C target. How is that going to work?

"We will gradually assess our entire credit portfolio from the 1.5-degree perspective. In doing so, we will continuously analyse the companies' transition plans in order to understand how they relate to the Paris Agreement. With that information, we will help to attain the target through a combination of our customers' transition and how we manage our credit portfolio," Beyer says.

Why doesn't SEB end all relationships with customers in the fossil fuel sector?

The fundamental answer is; we believe the right strategy is to influence, through engagement, companies with a real potential to reduce their emissions. We have ended a number of customer relationships because they did not share our vision, but we support those companies that do. Today's society is unable to divest itself of all forms of fossil fuel-based production. That means it is important to support those companies that, over time, can deliver in line with the Paris Agreement and the demand that exists in society.

Overall targets and outcome

The selected overall strategy and business plan metrics reflect the development over time related to SEB's stakeholders.

Customers

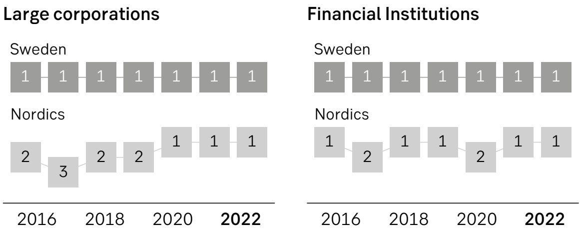
Customer experience and satisfaction

Prospera's overall performance measurement is an important indicator of large Nordic corporate and institutional customers' satisfaction. For Swedish small and medium-sized companies and private customers, satisfaction is measured by the Swedish Quality Index (SKI).

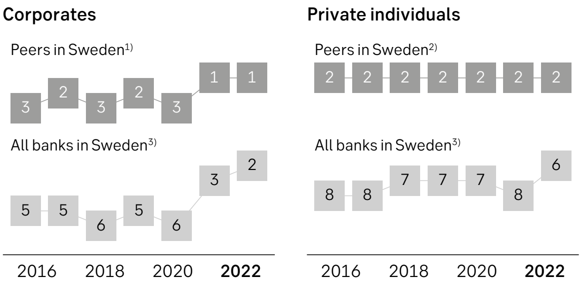
Target

Leading position in selected customer segments.

Prospera overall performance



Customer satisfaction according to Swedish Quality Index



1) SEB, Handelsbanken, Swedbank, Nordea, Danske Bank.
2) SEB, Handelsbanken, Swedbank, Nordea.
3) Banks with less than 300 respondents are summarised as one actor.

Employees

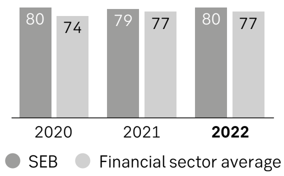
Motivation and engagement

SEB conducts an annual employee survey to measure employee engagement and the employees' views of SEB as a place to work. Around 90 per cent of the work force completed the survey in 2022.

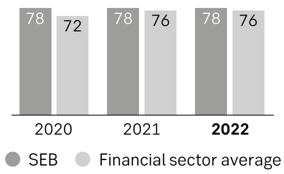
Target

SEB's target is to be the most attractive employer in the financial sector, particularly within banking. Progress is measured through an annual employee survey.

Employee engagement, index



Confidence in management, index



Comment

Employees see their work as meaningful and have a positive view on SEB's strategic direction, including the ambition to support the sustainability transition. The survey also shows strong confidence in the management team of SEB.

Shareholders

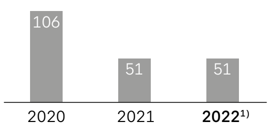
Financial targets

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.

Dividend payout ratio

Target

A yearly dividend that is around 50 per cent of the earnings per share excluding items affecting comparability, while distributing potential capital in excess of the targeted capital position mainly through share repurchases.



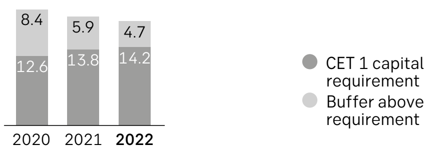
1) Proposed dividend of SEK 6.75.

See page 71 for share repurchase information.

Common Equity Tier 1 capital ratio

Target

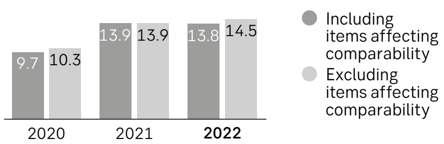
A Common Equity Tier 1 capital ratio of 100–300 basis points above the requirement from the Swedish Financial Supervisory Authority (FSA).



Return on equity (ROE)

Target

A return on equity that is competitive with peers. In the long term, SEB aspires to reach a sustainable return on equity of 15 per cent.



Comment

The 2022 average return on equity for Nordic peers was 11.9 per cent.

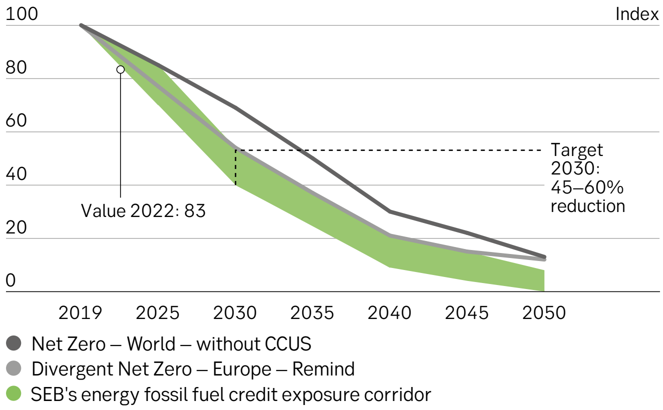
Society

Sustainability

SEB has established strategic ambitions and goals to measure and track the progress on the strategic sustainability work and contribution to society.

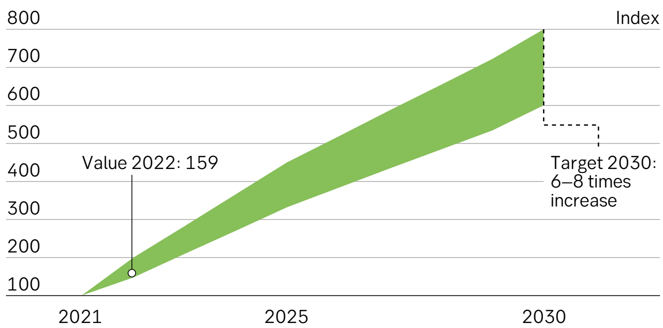
The Brown

Carbon Exposure Index, reduce the fossil fuel credit exposure in the energy portfolio.



The Green

Sustainability Activity Index, increase average volume-based sustainability activity.



→ See the Sustainability Report p. 32.

Building trust and positive relationships

Ever since we welcomed our first customer in 1856, we have taken a long-term perspective. Since we are a leading bank, we know that the trust placed in us is the foundation for our relationships and ultimately our business. We stand by our customers in both good times and bad, and we strive to create long-term shareholder value, to be an inclusive employer and contribute to a sustainable society.

Our four customer segments

All customers have individual needs, but smart digital solutions and personal relationships are key building blocks within our four main customer segments. Our customers are looking for a partner who is proactive, offers responsible advice and takes a long-term perspective.

Large corporates

We have enduring and uniquely strong relationships with our large corporate customers in Sweden and other Nordic countries. We support them in their business and their international expansion and stay with them as a partner through good times and bad. SEB serves some 2,000 large corporations across a broad spectrum of industries. Many of them are global market leaders and most have extensive international operations. In the Nordic region, our customers are among the largest in their respective industries while in Germany and the United Kingdom, large companies with an international profile are in focus.

Financial institutions

We have a strong position among financial institutions in the Nordic markets and also serve customers internationally with capital market access, custody services and advice on capital, sustainability and asset management matters. SEB serves approximately 1,100 financial institutions and acts as an intermediary between Nordic and global financial markets. We offer our services to pension funds, asset managers, hedge funds, insurance companies, state-owned investment funds as well as other banks and SSAs (sovereigns, supranationals and agencies).

Small and medium-sized companies

SEB has an established position as the bank for entrepreneurs and small business owners and currently serves some 400,000 small and medium-sized companies. Of these, some 188,000 are home bank customers in Sweden and 103,000 in the Baltic countries. The segment includes around 620 mid-corps – many with international operations – as well as customers in the real estate and public sectors in Sweden, such as government agencies, state-owned companies and municipalities.

Private individuals

SEB is one of the major banks in Sweden, Estonia, Latvia and Lithuania. We have a strong position, and the bank is one of the market leaders in private banking in the Nordic countries. SEB provides a comprehensive range of products and services to private customers through our three distribution channels (digital, remote, and physical) as well as private-banking services with global reach to Nordic high-net-worth individuals. We have approximately four million private customers in Sweden and the Baltic countries. Of these, around 500,000 are home bank customers in Sweden and approximately one million in the Baltic countries. We have around 32,000 private banking customers.

Meet our customers

Our customers contribute to the development of society, and we assist in realising their plans as well as in solving day-to-day challenges. Customer satisfaction and trust are core factors for SEB.

Mölnlycke

Mölnlycke is a world-leading medical solutions company and supplier of solutions and products such as wound management, surgical solutions, surgical gloves and antiseptics. The company, which is headquartered in Gothenburg, has 8,400 employees, manufacturing in eight countries and exports to all the world.

The group is organised in four business areas with an overall customer centric responsibility throughout the value chain. Digitalisation and sustainability are two strategic focus areas.

"We have worked with digitalisation for a long time in order to optimise our internal workflows. But digital technology is becoming increasingly important in our customer offerings. Our goal is to develop digital solutions that can improve and simplify health care, from the patients' as well as the caregivers' perspective", says Susanne Larsson, CFO at Mölnlycke.

SEB is one of Mölnlycke's core banks and the relationship goes back a long way.

"We use SEB on an ongoing basis in different parts of the world in areas such as cash management, foreign exchange, financing and bond issuance. SEB is also an important speaking partner and advisor to us. Not least in the sustainability area, where SEB provides important sparring on our sustainability transition and on how to position our sustainability ambitions on the financial markets", she says.

"I appreciate the relationship, the closeness and the availability at SEB. We are well received and get fast feedback and access to the bank's experts when we have the need."

"SEB is an important speaking partner and advisor, not least in the sustainability area."

Susanne Larsson, CFO, Mölnlycke

"SEB has been prepared to listen and find solutions for our needs."

Dainis Bērziņš, Chairman of the Management Board and Nora Kalna, Member of the UPB Management Board responsible for, among other things, the steel, concrete and machinery business lines.

UPB

UPB is a Latvian group comprising some 20 companies that produce glass, steel and concrete structures. More than 60 per cent of sales are exported, mainly to the Nordic countries. The group has approximately 2,000 employees, of whom 400 work mainly abroad.

"Our long-term ambition is to develop products that help lower the carbon footprint both in our own operations and for our end customers. Towards this end, one of our strategic objectives is to produce a larger share of structures in our own plants. These are then assembled at the building site," says Dainis Bērziņš, Chairman of the Management Board at UPB.

UPB's relationship with SEB began in 2016, when the company sought financing solutions from SEB for a number of projects around the world. Four years later, UPB decided to change over to SEB as its home bank.

"SEB has been prepared to listen and find solutions for our needs. We need a bank that works in the same markets as us, has sufficient scale and is open to working with project-based financing," Bērziņš continues.

Another factor is shared values, Nora Kalna, Member of the UPB Management Board, points out.

"We see that SEB has the same long-term direction as us. We want a bank that stands by our side in both good times and bad," she says.

Working at SEB

To work at SEB means to be part of positively shaping the future by creating long-term customer value and contributing to a sustainable society. Robert Celsing, Head of Group Human Resources, and Ulrika Areskog Lilja, Head of Brand, Marketing and Communication, discuss work life at SEB.

How would you describe SEB as an employer?

Robert: SEB's business is built on relationships and the trust placed in us, that is why our people are our most important asset. Our ambition is to attract, and retain, people who want to make a positive difference. I am proud to say that we have succeeded in that, as our employee engagement survey shows high engagement levels, above the financial benchmark. Our culture is warm and welcoming, and employees appreciate their own teams and managers. Moreover, they perceive there are good opportunities to develop career-wise. We are an employer who wants to be there for our employees, in good times and bad. We care for our employees' well-being and strive for a good work-life balance, by offering many great benefits, as well as the flexibility to work remotely up to two days a week.

Ulrika: SEB has a long heritage, a strong brand, and an ambitious purpose, which also makes us an attractive employer. In 2022, IT professionals ranked SEB as the most attractive employer among big banks in Sweden. Internal surveys show that our employees have a very positive outlook on SEB's future and appreciate the bank's ambitions to accelerate the sustainability transition. I believe that the possibility to contribute to a higher purpose at SEB is an important dimension for employees, today and in the future.

You mentioned SEB's purpose, how does that come to life in daily work?

Ulrika: When launching SEB's updated purpose and 2030 Strategy, we also started an engaging process with team dialogues to get input to SEB's new behaviours, which guide us towards our purpose. More than 10,000 colleagues took part in the activities to shape them, and the result were three core concrete and actionable behaviours: create value, act-long term, and build positive relationships. They apply to how we do business, act, and relate to each other and the world around us. By reinforcing positive behaviours, we can continue building on our great culture and thus positively shape the future together.

Speaking of culture, how do you work with inclusion and diversity at SEB?

Robert: A workforce with high diversity means more perspectives, which contributes to innovation, sound risk management and good decision-making. For this reason, inclusion and diversity are prioritised areas for SEB, and for me personally. Everyone is welcome at SEB, and we appreciate different backgrounds and experiences. I am pleased to see that our employee engagement survey shows strong scores with respect to the employees' perceived ability to be themselves at work and to equal opportunities. All forms of discrimination are unacceptable, and we offer trainings to prevent and act on harassment. Our leadership philosophy promotes inclusion in several ways, and we work continuously to promote diversity in recruitment processes, in succession planning, and admission to leadership trainings, among other things.

What about learning and career development opportunities at SEB?

Robert: The financial sector is changing, as is the job market and ways of working. It is therefore increasingly important that we incorporate continuous learning at work. Our digital university, SEB Campus, serves as a catalyst in this work and during the year we offered professional trainings and webinars on competencies we see critical for the future, such as in advanced advisory within sustainability.

In such a large, international organisation as SEB, there are many opportunities to grow and develop in your career and we promote internal mobility in different ways. During the year, we made improvements in making internal vacancies more transparent and we also simplified recruitment, organised internal career events and developed our performance management. At SEB, you drive your own career development, but we want to give our employees the best conditions and tools to succeed.

→ Read more about working at SEB on p. 44.

Meet our employees

"I am very proud of SEB's sustainability ambitions."

Anne Kristin Kästner
Sustainable Finance Specialist

At SEB, Anne Kristin Kästner, Sustainable Finance Specialist, can combine her knowledge of sustainability with her interest in finance. In 2019, Anne took part in SEB's Summer Internship Programme, and today she works in the Sustainable Banking team.

"As a student, I knew that I wanted to work with sustainability within business. Since I already was familiar with SEB's sustainability work, and the bank was regarded as a leader in the area, applying to SEB came naturally."

In her role as Sustainable Finance Specialist, Anne advises institutional investors. She also works with sustainable financing solutions for major Nordic companies. A project close to her heart is the development of SEB's taxonomy model, which is a portfolio model that measures sustainability according to the EU's sustainability classification.

The sustainable finance area is moving fast, and Anne says there are always new initiatives to keep an eye on and new things to learn.

"I am very proud of SEB's sustainability ambitions. Being part of this journey and helping the bank and our customers to become even more sustainable, that is the most exciting part of my job."

Anne enjoys the various development opportunities at SEB, and that she gets to work with people with different experiences and perspectives.

"Some people have worked in the banking sector for more than 30 years, and then there are people from completely different backgrounds. By discussing and sharing perspectives, we learn a lot from each other."

At SEB, Anne always feels involved and listened to.

"I feel that I can truly contribute and make an impact, which makes my job very motivating."

"In the end, it is all about building and nurturing relationships."

Christina Larsén
Analyst, real estate transactions

Christina Larsén works as an analyst within the medium-sized corporate customer segment and previously worked as an advisor and was the account manager for corporates at a Stockholm branch office. The opportunity to follow companies on their development journeys was the most rewarding aspect.

"As advisors, we play a key role in helping companies to grow by financing investments and supporting them to reach out to new markets and achieve more effective business models."

In her new role as an analyst, she still works closely with customers, however, now it is about larger real estate companies. Many of them are listed and have billions in turnover.

"Of course, the current economic environment means our customers face challenging times. It is a new reality, maybe even a bit more normal reality, now when money has a price again. Now it is even more important to help customers in making sound financial decisions. We need to be there, both in good times and bad and apply a long-term perspective. That is why having close relationships with customers is so essential. Sometimes that involves quite tough dialogues, but it is part of the job."

The opportunity to move to a new area within SEB has given Christina a broader understanding of customer value creation, and now she collaborates with different departments in the bank.

"It is more than selling bank products, we need to truly understand our customers' needs and be a responsible advisor along the way. We also try to incorporate sustainability in everything we do and discuss various green financing solutions."

Christina, who in parallel works as an internal teacher to train new business advisors in the bank, says that working at SEB is all about people.

"In the end, it is all about building and nurturing relationships with colleagues and customers. That is what I enjoy the most about my job."

Shareholder value in SEB

SEB has a long-term perspective and the financial strength required to create profitable growth and thus shareholder value.

SEB is a leading northern European financial services group, founded in 1856. Our ambition is to be a leading corporate and investment bank in northern Europe with an international reach. We also provide private individuals and small and medium-sized companies in Sweden and the Baltics with products and services in a digital format – with personalised service in important moments of life. Our home markets are the Nordic and Baltic countries, Germany and the United Kingdom. By partnering with our customers, we want to be a leading catalyst in the transition to a more sustainable world.

Profitable growth through diversified business and financial strength

SEB has a broad customer base, a comprehensive product and service offering and a geographical spread that contributes to a diversified business and risk profile. A high proportion of large companies with export and international operations among customers provides further geographical diversification beyond the nine home markets. This, combined with a long-term focus on the customer, a strong risk culture and diligent cost control, has led to stable profit growth over time. We are constantly striving towards deeper customer relationships, continuous efficiency improvements and ensuring our future competitiveness. Our strong balance sheet creates flexibility for the future and enables us to grow together with our customers and support them also in difficult times.

A strategy for future-proofing the bank

SEB's 2030 Strategy means that we, from a strong market standing and financial position, are accelerating the pace of our investments in a number of selected areas to develop and strengthen the customer offering and distribution. This ensures our future competitiveness in an industry that is undergoing major change. We aim to grow our advisory capabilities and build on our existing strengths in investments and savings. We are transforming already established areas, such as retail banking and private wealth management. We continue working through partnerships and stakeholder collaboration and focus on strategic enablers such as technology development and regulatory and process efficiency.

An important part of the future is about sustainability. We are convinced that a sustainable society is economically beneficial for all our stakeholders and for society at large and, as a bank, we are part of the solution. This is why we have committed to continuously adapt our business strategy to contribute to the United Nations Sustainable Development Goals and the Paris Agreement. We have established climate-related ambitions and goals intended to reduce our credit exposure to fossil fuels in the energy portfolio, increase our sustainability activities in terms of volumes and assess our credit portfolio's alignment with the Paris Agreement and set targets for 2030. In 2022, we also set Net-Zero Banking Alliance (NZBA) targets for financed emissions.

→ See p. 16 for 2030 strategy and business plan and p. 35 for climate-related goals.

Long-term owners

Many of SEB's major institutional investors have owned SEB shares for more than ten years. SEB's largest shareholder is Investor AB, where SEB is one of the core holdings. Investor AB is northern Europe's largest investment company, founded by the Wallenberg family in 1916.

SEB's committed and long-term focused shareholder base enables us to look beyond business cycles and have a more long-term perspective. We have an opportunity to contribute to the economy and the development of society through the dividends we pay to our shareholders. These include more than 250,000 private individuals, some of Sweden's largest pension funds and, indirectly, also foundations that support research and education.

→ For more information about our shareholders, see p. 91.

Long-term financial targets

With the purpose of increasing capital management flexibility, the Board of Directors has set long-term financial targets focused on capital repatriation to shareholders, while maintaining a strong financial buffer and profitability.

The outcome of the financial targets for 2022

	Target	Outcome 2022
Dividend	Around 50 per cent of profits excluding items affecting profitability. Share buybacks when the capital buffer exceeds the target.	SEB's Board of Directors proposed a dividend of SEK 6.75 per share for 2022, corresponding to approximately 51 per cent of profits excluding items affecting comparability. During the year, shares for approximately SEK 5bn were bought back under the share buyback programmes.
Capital buffer	100–300 basis points above the regulatory requirement.	470 basis points
Profitability	Generate a return on equity that is competitive with peers, with a long-term aspiration to reach a sustainable return on equity of 15 per cent.	14.5 per cent compared to 11.9 per cent for Nordic banks and 9.1 per cent for European banks

→ SEB's long-term financial targets are described on p. 73.

Total shareholder return

The shareholder value created can be measured as total shareholder return, which includes reinvested dividends and changes in market value over a certain time period. For 2022, the total shareholder return in SEB's Class A share was 1 per cent. SEB paid a dividend of SEK 6.00 per share during the year and SEB's share price decreased from SEK 125.85 to SEK 119.95. All else equal, share buybacks increase earnings per share.

Over the past ten years, the total shareholder return in SEB's Class A share was 260 per cent. This compares to a total return of 181 per cent for Nordic banks.

→ See p. 71 for information on dividends and share repurchases.

Total shareholder return

260%	62%	1%
2013–2022	2018–2022	2022

Meet an equity analyst

"In recent years, SEB has invested to drive future profitability as well – which is a good thing."

Andreas Håkansson
Senior Analyst, Danske Equity Research

Andreas Håkansson has been a banking analyst for over 20 years. This means that he closely monitors developments at a number of banks on a practically daily basis.

How long have you been following SEB, and how do you view the bank's development during that time?

"I have been following SEB since I first became an analyst. The bank has done better than the average of the banks and over time I have been more positive than negative about its share. SEB is probably the Nordic bank that I have been most positive about for the longest time.

Relatively speaking, SEB has developed well throughout, although the share price has of course gone up and down."

What are SEB's biggest opportunities and risks?

"SEB's greatest strength is the long-term perspective its owners allow the bank to have. I have never seen any signs that SEB is chasing quarterly results or trying to make short-term profits.

It is at least as important to also be in a position to invest for the future. There have been a few ups and downs over the years in that respect. SEB underwent extreme cost control for a period, and we thought that was probably excessive, as the bank was not allowing itself to invest in future income. However, in recent years SEB has been investing to drive future profitability as well, which is a good thing.

The biggest risk for a bank is always credit risk. In tough times, credit quality tends to deteriorate. It is then important that the bank has thought long-term and not taken on too much risk, so that the credit quality in its portfolio is maintained across the entire business cycle."

What do you think the price of an SEB Class A share will be on 31 December 2023?

"I have a target price of SEK 150 for SEB and it applies for the next 12 months, so I had better say that".

Our role in society

At SEB, we take great pride in being a key part of society's infrastructure. This is reflected in our purpose to positively change the future with responsible advice and capital, and it is why we are a deeply engaged corporate citizen.

Why banks matter

Without banks, modern society would not function. Our services and solutions make it possible for households and businesses to get financing, invest and manage payments and savings.

In an increasingly cash-less world, banks are essential to everything from everyday tasks like grocery shopping to the billions worth of transactions taking place around the world every day. This is made possible by technology developed by SEB and other banks, which also underpins common solutions such as electronic ID and mobile payments such as Swish.

Banks also make it possible for customers to manage financial risk. The value created by banks goes far beyond the role as an intermediary in the financial markets. A well-functioning banking system is a fundamental precondition for the economic development of society, and trust in the system is essential for financial stability.

Recent surveys show that the general public has a relatively high level of trust in banks. Complying with changing regulations is an important part of upholding that trust, but not enough. Banks need to maintain high ethical standards and live up to external expectations, whether it is through responsible advice or acting preventively against financial crime.

Why banks' capital matters

Banks that are well-managed and sufficiently capitalised can also provide safety in times of crisis. For example, SEB was able to extend extra credit to customers in need during the pandemic 2020–2021, and to renegotiate loans during times of financial distress.

Our financial targets are designed to create resilience and flexibility, generating long-term shareholder value and, by extension, also value for society. Profitability and growth enable us to meet the ever-changing needs of our customers. Our operations generate substantial income to the public sector through taxes, social security charges and regulatory fees. See p. 11.

Through dividends to our largest shareholders, many of which are pension funds, we also contribute to people's savings and pensions. Also indirectly, through the Wallenberg foundations, parts of our dividends help fund research and education.

A catalyst for change

Our possibly greatest contribution to economic growth and prosperity comes from the way we enable investments in the future, by connecting customers who have more capital than they need with customers that do not have enough.

In that role – connecting capital with ideas – we have an opportunity to be a catalyst for positive change. Since SEB was founded in 1856, we have helped pave the way for electrification, telecommunications, automation, and digitalisation, by supporting entrepreneurs and aspiring businesses.

Today, addressing climate change is the most urgent societal topic and at the top of SEB's sustainability agenda. We are supporting our customers in the sustainability transition and shifting the credit portfolio towards more sustainable activities, thereby reducing the amount of CO_2 emissions that we finance.

We also contribute by focusing our efforts as a corporate citizen on initiatives that promote sustainable entrepreneurship. Through venture capital and support to entrepreneurs and students, we enable a supply of capital for new ideas.

Sustainable entrepreneurship

To meet tomorrow's challenges, we as a society need innovation and faith in the future. SEB is driving a series of initiatives to promote sustainable entrepreneurship and bolster the supply of capital for new ideas and initiatives.

For the second year in a row SEB organised The Next Awards competition to celebrate entrepreneurs who develop new ideas, drive transformation and contribute to positive social development. The final was held in Stockholm's Concert Hall in front of a jury consisting of well-known business representatives, entrepreneurs, and non-profit organisations.

The SEB Greentech Venture Capital unit was established with the aim of investing risk capital in green technology, focusing on transformative ideas that promise substantial impact in reducing greenhouse gas emissions. In 2022, SEB doubled the unit's investment capital to SEK 600m, and SEB Greentech is now increasing its ambition to find investments across the Nordic region and Europe.

SEB's Innovation Forum is a platform that gives newly launched innovation companies with connections to Sweden's higher education sector the opportunity to meet potential investors in SEB's network. Since the Innovation Forum began in 2014, over 110 companies have had the opportunity to present themselves, while the investors invited have accounted for between 40 and 60 per cent of these companies' capital acquisition.

Support for young people – Mentor

Ever since 1997, SEB has been a partner of the non-profit organisation Mentor, which through collaborations with businesses offers schools various types of mentoring programmes to help young people grow, become strong and believe in themselves. The majority of activities are aimed at schools in socio-economically deprived areas. Every year, SEB employees reach thousands of young people through participation in Mentor's various programmes.

Volunteering in the shadow of war

The war in Ukraine has sparked a wave of indignation and a great willingness to help around the world. Within SEB employees have participated, with support from the bank, in a number of different volunteer initiatives. Back in spring, SEB employees in Poland helped to welcome and accommodate around 35 Ukrainian colleagues, plus relatives and a number of pets. On site in Warsaw, our Ukrainian colleagues were able to set up new workplaces in SEB's premises and thus contribute to keeping SEB's operations in Ukraine going.

SEB also donated SEK 1m to the Red Cross's relief efforts in Ukraine and at the same time set up a staff fundraiser where SEB would match all donations made up to SEK 1m. In addition, SEB donated EUR 150,000 from our three Baltic subsidiary banks and matched donations from employees in the Baltics up to the same amount. In total, this meant that SEB and the bank's employees donated SEK 5m.

CorPower Ocean, a Greentech investment

"An investment in clean energy from the ocean."

CorPower Ocean is developing technology to extract energy from the waves in the world's great oceans. SEB Greentech Venture Capital invested in the company in early 2021 and has been active on its board ever since.

Stig Lundbäck, a cardiologist and inventor, had spent a couple of years thinking about how his research on the heart as "Dynamic Adaptive Piston Pump" could be used to extract energy from ocean waves. When he met serial entrepreneur Patrik Möller about 10 years ago, Lundbäck's ideas about wave energy took off. Since then, the company has developed into a world leader in wave energy.

In order for wave energy to make a significant contribution to tackling climate change, the technology must be successful in two respects: it must be able to withstand sea storms and it must generate enough energy relative to the size, weight and cost of the equipment. Simply put, Stig Lundbäck's invention addresses storm survival.

The company discovered its energy efficiency technology in Norway. Over the past ten years, the company has refined the technology and carried out a large number of tests in collaboration with a number of major European energy companies. By the end of 2022, CorPower Ocean was able to put its first commercial plant into operation.

Work is now underway to get the technology approved by independent certification companies. The aim is to scale up production and roll out the technology widely from 2026.

If all goes well, wave energy could eventually contribute as much electricity globally as hydropower does today.

→ Read more at sebgroup.com

Sustainability report

CONTENTS

A positive force in the transition

At SEB, we want to be a positive force in the sustainability transition. We believe our greatest impact comes from partnering with our customers and supporting them on their journey. Through our ambitions and goals, we aim to accelerate the pace towards a sustainable future for people, businesses and society.

Sustainability at SEB

SEB wants to be leading in the sustainability transition. Through responsible advice, innovative products and services, we can act as a catalyst for change and thereby accelerate the pace towards a sustainable future for people, businesses and society.

SEB adapts its business strategy to align with and contribute to the Paris Agreement. We are a signatory of the UN initiative Principles for Responsible Banking, and we have committed to the Net-Zero Banking Alliance and the Net Zero Asset Managers initiative.

As a bank we play an important role in creating opportunities to channel the vast investments that are required for the climate transition to happen. Our customers are at the core of our way of conducting a sustainable business.

We engage with private, corporate and institutional customers in our home markets and international network. Together we identify risks and opportunities related to environmental, social and governance matters. By providing our customers with sustainable financing and investment advice and products we want to enable them to make choices that contribute to the transition.

Integrating the strategy

SEB's sustainability strategy is a central part of SEB's business plan for 2022–2024 and a cornerstone of SEB's 2030 Strategy. In 2022, we intensified the integration of the strategy across the organisation. Key parts are our ambitions and goals – The Brown, The Green and The Future – that were launched in 2021. They are integrated into SEB's decision-making processes, and we presented our progress in 2022. By focusing on these ambitions and goals, we aim to contribute to the transition by both reducing the negative impact and increasing the positive impact while providing a view of how our customers, over time, transition in line with the Paris Agreement. See p. 35 and 61.

Furthermore, in line with our commitment to the Net-Zero Banking Alliance, we presented net zero aligned 2030 targets for five sectors in our credit portfolio. These targets are an important part of our effort towards reaching a net zero credit portfolio by 2050. See p. 36 and 63.

During the year we continued to be in close dialogue with large corporate customers and financial institutions on sustainability matters. We provided expert advice and financing solutions such as sustainability frameworks, green and sustainability-linked loans and bonds. Our customers' trust in us as preferred sustainability advisor was confirmed in the 2022 Prospera surveys on Nordic Large Corporate Banking and Financial Institutions.

SEB's private customers in Sweden and the Baltic countries benefited from an extended offering, related both to financing, investments and pension services. SEB Investment Management expanded its offering with additional Article 9 funds, such as SEB Nordic Future Opportunity Fund. See p. 42.

Strengthening our own operations

SEB's sustainability governance and policy frameworks were further strengthened. Our two overarching thematic policies, Environment and Social & Human Rights, were updated with a broadened scope and a clear connection to SEB's sector policies.

We continued our efforts to reduce our own environmental impact to reach our goal to be near net zero by 2045. We focus on reducing our energy consumption and limit our business travels. However, air travels increased in 2022 compared to the previous year, an expected post-pandemic effect. See p. 47.

Sustainability factors such as SEB's sustainability ambitions and goals were included as KPIs in the variable remuneration for the executive management during 2022. See p. 50.

Support for employees

During the year, Tellus, an SEB developed hub for external environmental, social and governance (ESG) data, was made available for employees. The purpose of the hub is to provide accurate, traceable and reusable ESG data through which SEB's customers more easily can understand their sustainability footprint. Further efforts were also made to encourage employees to increase their sustainability competence. See p. 44.

Our role

SEB has high ambitions for how to contribute to the transition. This is how we believe we can act as a catalyst and be a changing force in the sustainability transition:

Financing the transition
We support our customers, share our knowledge and offer advisory services as well as sustainable financing and investment products.

Acting as a thought leader
We develop innovative products and services and set standards for how banks can contribute to a more sustainable society.

Being a corporate citizen
We fulfil our critical role in society and always strive to take an active part in building for the future.

Transforming our own business
We develop our own business, communicate our policies and goals, and transparently and continuously report on our position and progress.

Ambitions and goals

SEB has developed three proprietary metrics to steer our business in line with our sustainability strategy, and to measure our progress in the transition towards a low-carbon society.

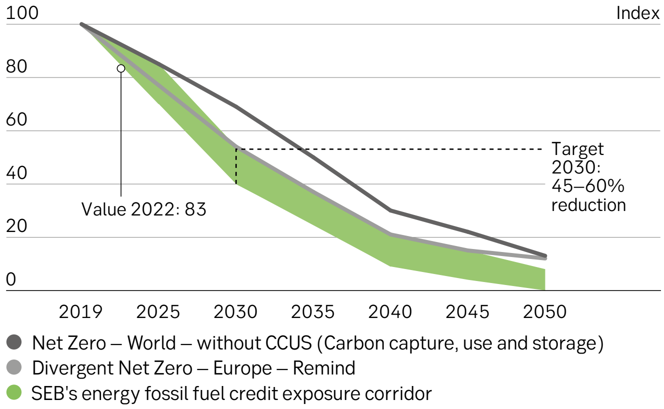
Carbon Exposure Index – The Brown

The Carbon Exposure Index is a volume-based metric capturing the fossil fuel credit exposure within SEB's energy portfolio. SEB's goal is to reduce the fossil credit exposure by 45–60 per cent by 2030 compared with a 2019 baseline.

At year-end 2022, the Carbon Exposure Index had decreased by 17 per cent compared to 2019, which is in line with the 2030 trajectory. The outcome reflects SEB's strategy to actively engage with customers striving to transition their operations and to support them in their transition plans.

Fossil credit exposure to the power generation and transmission sectors increased over the period, primarily driven by liquidity support to energy producers through the European energy crisis and transition related investment needs. The increase was offset by a sharp decline in the credit exposure to the oil & gas sector. See p. 61.

The Brown – reduce our fossil fuel credit exposure in the energy portfolio



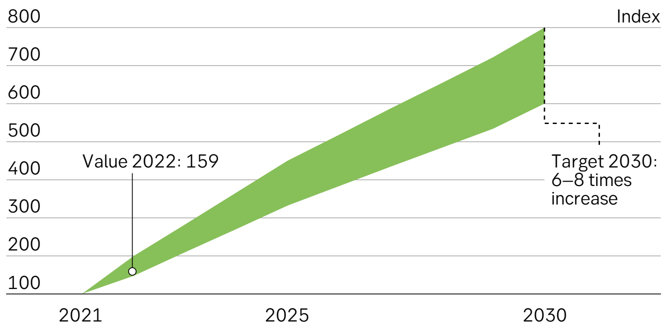
Sustainability Activity Index – The Green

The Sustainability Activity Index is a volume-based metric capturing our sustainability activities across four areas:

- Sustainability-related financing
- Sustainable finance advisory
- Greentech venture capital investments
- Sustainable savings (in line with the EU's Sustainable Finance Disclosure Regulation, SFDR), as share of SEB's total fund offering, own and external.

The ambition is to increase Sustainability Activity Index 6–8 times by 2030 compared with a 2021 baseline. At year-end 2022, the index had increased by 59 per cent. See p. 39, 40, 42.

The Green – increase average volume-based sustainability activity

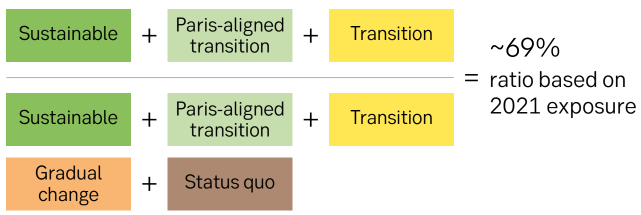


Transition Ratio – The Future

The Transition Ratio is built on SEB's internal Customer Sustainability Classification tool (CSC). Based on the exposure in our credit portfolio, the CSC tool assesses and classifies to what extent our customers' transition plans are aligned with the objectives of the Paris Agreement.

At year-end 2022, the Transition Ratio was 69 per cent. This was based on the credit exposure in 2021 and the assessments carried out in 2022. The ratio provides insight into our customers' progress and can be used for further analysis and action to support them on their transition journeys. See p. 61.

The Future – reflecting our customers' transition over time



Net zero aligned 2030 sector targets

In 2021, SEB was one of the founding signatories of the Net-Zero Banking Alliance (NZBA), a UN-convened and industry-led initiative. By joining the NZBA, we have committed to align our credit portfolio with 1.5°C scenarios pathways to net zero by 2050 or sooner, and to set 2030 reduction targets.

In 2022, we presented five prioritised sectors where we have set reduction targets against a 2020 baseline. These targets strengthen and complement SEB's ambitions and goals within the climate area and are important to reach a net zero credit portfolio by 2050. See p. 61–63.

Sector targets 2030

Oil & gas[1]
Financed emissions reduction target of 55 per cent compared to a 2020 baseline

Power generation
Emission intensity reduction target of 43 per cent compared to a 2020 baseline

Steel
Emission intensity reduction target of 30 per cent compared to a 2020 baseline

Car manufacturing
Emission intensity reduction target of 60 per cent compared to a 2020 baseline

Household mortgage
(Sweden) Emission intensity reduction target of 30 per cent compared to a 2020 baseline

1) Exploration, production and refining.

Goals and outcomes

SEB's ambitions and goals were introduced in 2021. They complement the goals that were established in 2017, for the areas Our People, Business Ethics and Conduct, and Environment, own impact. The years for achieving these goals are now synchronised to 2030.

Area	Description	Outcome 2022	Outcome 2021	Goal 2030
The Brown	Carbon Exposure Index, measuring the fossil fuel credit exposure in our energy portfolio (index=100, 2019)	Index 83	Index 88	Reduce by 45–60 per cent
The Green	Sustainability Activity Index, measuring our activities supporting the sustainable development (index=100, 2021)	Index 159	Baseline 100	Increase 6–8 times
The Future	Transition Ratio, measuring our corporate and real estate credit portfolio's anatomy from a climate perspective	69 per cent[1]	n/a	n/a
Our People	Gender by management type (male/female):			Increase balance in senior management towards long term ambition of 50/50±10 per cent
	Group Executive Committee (GEC)	71/29 per cent	67/33 per cent	
	Top Senior Management[2]	58/42 per cent	56/44 per cent	
Business ethics and conduct	Employees that have completed mandatory training[3], average	95 per cent	81 per cent	Increase towards 100 per cent
Environment, own impact	Absolute CO_2 emission reduction	Gross, tonnes: 11,098 Net, tonnes: 0 (through compensation)[4]	Gross, tonnes: 9,492[5] Net, tonnes: 0 (through compensation)[4]	Not to exceed 17,000 tonnes +/–5 per cent by 2025. New goal for 2030 to be set in 2023

1) Credit exposure as per year end 2021 has been classified based on information collected and assessed during 2022.
2) Top Senior Management: GEC+GEC direct reports.
3) SEB global mandatory trainings: Code of Conduct, AML and Combating Terrorist Financing, Fraud Prevention, Cyber Security, GDPR, Sexual Harassment and Sustainability Training on Climate Change. Includes consultants, excludes employees on leave of absence. See p. 217–218.
4) SEB's climate compensation is described on p. 47.
5) The reported value for 2021 has been restated, see p. 223–224.

Our material focus areas and impact

In line with SEB's Corporate Sustainability Policy we work with short-, medium- and long-term perspectives. SEB has both direct and indirect impact on stakeholders, and we are conscious that the planet and society, as well as our stakeholders, impact our business.

We want our banking services to contribute to the transition towards a sustainable society. The integration of environmental, social and governance (ESG) factors is fundamental and encompasses climate and environment, human rights, social relations and anti-corruption. We strive to integrate these factors into everything we do – into products, advice and processes.

Our material focus areas

Our material focus areas include sustainable financing, sustainable savings and investments, innovation, people and community and environment. Several fundamental areas are essential to our long-term performance, namely: financial strength and resilience, risk management, business ethics and conduct, strong governance and a robust sustainability policy framework. We strive to avoid causing, contributing to or being directly linked to negative environmental and social impact, and aim to create value for the planet, people and society through our ways of working.

PRB impact analysis of SEB's credit portfolio

By signing the UNEP FI Principles for Responsible Banking (PRB), we have committed to align our business strategy to international goals, such as the UN Sustainable Development Goals (SDGs). Key impact areas, positive and negative, are related to the exposure we have through our financing activities.

In line with our commitment to PRB, in 2021 SEB conducted an analysis of which SDGs are most impacted through our credit portfolio. The impact analysis was performed based on SEB's own advisory tool, the Impact Metric Tool (IMT). This tool measures ESG factors, impact on the SDGs, alignment with the EU Taxonomy and the exposure to climate risks. The SDG module, which has been developed in collaboration with the Royal Swedish Academy of Sciences, identifies and measures the impact of financing activities on the SDGs from a sector impact perspective.

Identified impact areas

The impact analysis is based on SEB's exposure to each sector in the credit portfolio. The exposure is combined with the impact each sector has, positive and negative, on the SDGs.

Based on this approach, and considering that the majority of SEB's activities is conducted within northern Europe, the analysis showed that the areas where SEB's sector exposure has a potential negative impact are climate change (SDG 13), biodiversity (SDGs 14 and 15) and fresh water (SDG 6).

The areas with the most significant potential positive impact are Decent work and economic growth (SDG 8) and Industry, innovation and infrastructure (SDG 9). Major challenges in these countries are connected to energy supply, housing and resource efficiency and waste. Circularity (Responsible consumption and production, SDG 12) is therefore also included in SEB's prioritisation.

Targets on impact areas

During 2022, SEB has actively developed the work in the identified impact areas and has, in line with the commitment to PRB, set targets that address some of the impact areas. The Sustainability Activity Index, the Green, is one of these targets. It includes sustainable finance advisory, financing and investments that will contribute to increasing positive impact and decreasing negative impact on several of the identified SDGs. The index is used as a strategic KPI to drive sustainability work in the organisation.

SEB continues to develop the business, products and services, and strives to contribute to positive development in additional areas where the bank has the most impact. These areas relate to, among others, energy efficiency, biodiversity, water and the transition to a circular economy.

→ For SEB's PRB Reporting and Self-Assessment Template, see sebgroup.com

Additional Group-linked SDGs

In addition to the SDGs identified through the PRB impact analysis, SEB works actively to contribute to Peace, justice and strong institutions (SDG 16), for example through our commitment to prevent corruption, money laundering, cybercrime and financing of terrorism. Moreover, we promote Gender equality (SDG5), for example through directed advisory services and investment activities.

→ See sebgroup.com

Sustainable financing

At SEB we are convinced that sustainable financing is among the most important drivers in the transition towards a sustainable society. By offering sustainable advisory and financing products and services, we support our customers on their journeys and help them achieve their goals.

SEB wants to drive the development of the sustainable finance market. Through our ambitions and goals (see p. 35) we aim to increase the sustainability-related financing and advisory for our customers, thereby creating positive environmental and social impact in society. This, in turn, contributes to re-directing capital flows and increasing transparency for owners and investors.

Responsible lending and financing

Responsible lending and financing are cornerstones of our business. We have group-wide processes and policies in place to define how the bank shall take sustainability risks into account in financing activities. These procedures aim to ensure that material environmental, social and governance (ESG) factors are identified and assessed, and that they are incorporated into analyses and decisions.

Based on the framework for considering sustainability in credit analyses of corporate customers we assess our customers' risks and opportunities from a short, medium and long-term perspective.

For corporate customers in sectors with high climate impact, SEB's approach is to both engage with and support our customers in their transition, where that is possible, but also that we may end client relationships if we do not share the same ambitions. Moreover, we take a restrictive approach to doing business in industries with a high risk for corruption, or negative impact on human rights and labour rights.

Support in difficult times

We always aim to support our customers with tailored advice and services to meet their specific needs, also in difficult times. In 2022, many customers were exposed to inflation, increased energy costs and higher interest rates. We therefore strengthened our efforts to stand by our customers.

As an example, a cross-functional SEB team was created to provide private and corporate customers with timely and up-to-date information on how to, for example, lower energy costs as well as information on changes of the policy rate from Sweden's central bank, interest rates and amortisation requirements. Advisers and experts shared advice and analyses with information being communicated in channels such as direct e-mails, the mobile app and on web pages.

Supporting through dialogues

In interactions with corporate and institutional customers, we consider material risks and opportunities in their specific sector as an integrated part of the dialogue. With both short, medium and long-term perspectives, advisers and clients discuss sustainability ambitions, and we assist in identifying appropriate financing solutions, based on customer needs.

Our Customer Sustainability Classification tool (CSC), together with product and advisory offering, supports SEB's sustainability strategy and forms the basis for SEB's Transition Ratio. For several years the tool has served as a hands-on tool for dialogues around our clients' decarbonisation journeys. It has allowed us to deepen the understanding of our customers' transition plans and has been instrumental in SEB's ambition to be at the forefront of sustainable advisory services.

Furthermore, our sustainability dialogues have contributed to cementing our position as a preferred advising partner to our large corporate customers and financial institutions in sustainability matters. This was apparent in the Prospera surveys 2022, where SEB for the third and second year respectively was ranked number one by both large corporate customers and financial institutions in the Nordic region.

Sustainable advice and offering

SEB has a holistic approach to sustainability advisory, where our products and services offering is an integrated part of the discussions. Our support consists of sustainability-related financing and sustainable finance advisory, and we have set goals to increase these volumes to 2030, as expressed in the Sustainability Activity Index, The Green. See p. 39. In 2022, sustainability-related financing increased by 75 per cent compared to 2021. As regards sustainable finance advisory, the volumes increased by 32 per cent compared to 2021.

SEB's offering includes products and advisory services within sustainability-themed products, such as green, social and sustainability bonds. These are activity-based and issued to finance projects with the goal of positive environmental or social change. The performance-based products, such as sustainability-linked bonds and loans, are based on whether an issuer or borrower achieves the sustainability goals that have been set within a specific time.

Leading Nordic advisor

In 2022, SEB had a leading position in the Nordic advisory market for sustainability bonds (green, social and sustainable). The share amounted to 22 (18) per cent of the Nordic banks' global transactions, corresponding to a total volume of EUR 7.2bn (5.7).

The bank was involved in several major deals and transactions across the sustainable finance market product sphere, advising clients in addressing environmental as well as social challenges.

SEB advised Mercedes-Benz as the company further aligned its financing strategy with the overall sustainability strategy. We acted as coordinator and sustainability advisor in the development of a KPI concept for financing, and helped Mercedes-Benz establish the second largest European sustainability-linked loan (SLL) financing, EUR 11bn, on the market.

SEB also advised Deutsche Post DHL Group on a sustainability-linked finance framework, thereby helping the company to create a direct connection between its sustainability and financing strategies.

Moreover, we acted as sustainability advisor when the City of Gothenburg became the first municipality in Europe to link sustainability goals to its revolving credit facility of SEK 8bn – three climate-related goals and one social goal. The social goal consists of efforts and indicators aimed at achieving the city's overall goal that by 2025 there should be no residential areas in Gothenburg classified by the police as "particularly vulnerable".

Advising on a biodiversity roadmap

In the area of biodiversity, SEB served as advisor to the Finnish pension company Ilmarinen on how to integrate biodiversity data into the company's investment processes. Ilmarinen is one of the first investors in the Nordic countries to publish a biodiversity roadmap.

Green choices for private customers

We also want to facilitate for our private customers to make sustainable choices and have procedures in place to secure that all the products that we offer follow responsible business practices. See p. 50.

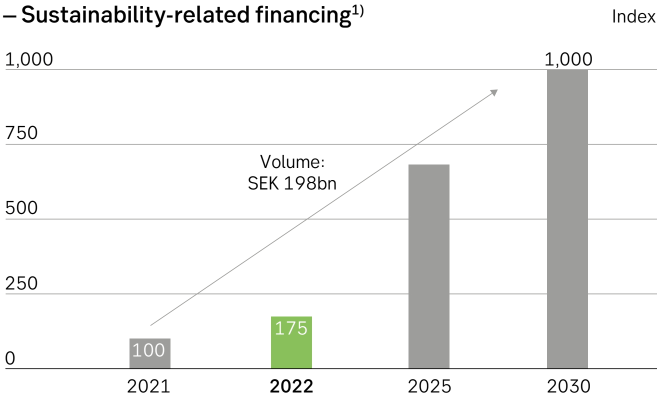
As an example, in 2022 SEB initiated a pilot project aimed at enabling customers to get a better understanding of their energy consumption related to housing. In the app, customers can identify potential energy savings and renovation measures, such as installation of solar panels or heat pumps, and through SEB receive favourable financing, such as a loan for solar panels. In addition, we offer green mortgages where we saw an increase of 52 per cent during 2022, to SEK 12bn (7.9).

Green loans financed by green bonds

To finance projects and assets that support an environmentally sustainable society SEB issues green bonds. During the year, SEB issued two green bonds of EUR 1bn each under SEB's Green Bond Framework which was updated in January 2022. The framework defines eligible assets that can be financed by green bonds issued by SEB. The updated framework, which is in line with the 2021 ICMA Green Bond Principles, has been made more inclusive to also support areas such as biodiversity and the transition to a circular economy. It is also broadly aligned with the technical screening criteria of the EU Taxonomy as of December 2021.

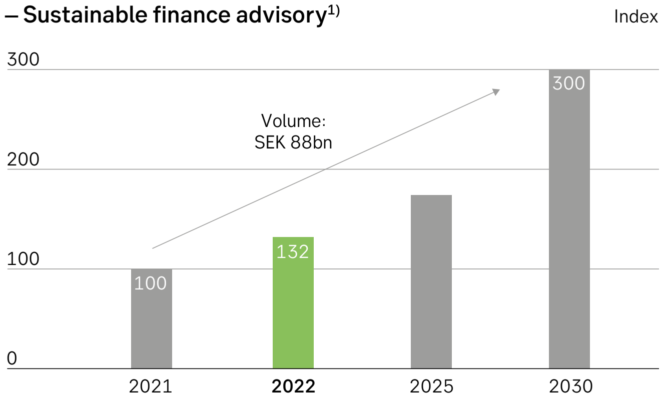
As per 31 December 2022, eligible green assets according to the 2022 framework amounted to SEK 46.6bn, a growth from SEK 29bn at the beginning of the year. Under the previous framework, the green assets amounted to 23.3bn as of 31 December 2021.

Sustainability Activity Index – Sustainability-related financing[1)]



1) Among others green loans, sustainability-linked loans, household mortgages, Sweden

Sustainability Activity Index – Sustainable finance advisory[1)]



1) Advisory on, among others, sustainability bonds and sustainability-linked bonds

Poseidon Principles

In 2022, SEB reported the climate alignment of its shipping loan portfolio for the year 2021 according to the Poseidon Principles. The Poseidon Principles is a global framework aiming to quantitatively assess and disclose financial institutions' shipping loan portfolios and their alignment with climate targets set by the International Maritime Organisation (IMO). IMO's ambition is to reduce total annual greenhouse gas (GHG) emissions from international shipping by at least 50 per cent by 2050 compared to a 2008 baseline.

SEB's overall climate alignment score for 2021 slightly deteriorated compared to the previous reporting year, from 2.5 per cent above trajectory in 2020 to 3.7 per cent above trajectory in 2021. The cruise segment impacted the score negatively in 2021, just as it did in 2020, as the global cruise fleet was out of service for a large part of the year due to Covid-19 restrictions.

Excluding passenger vessels, SEB's climate score improved to 4.3 per cent below trajectory in 2021 (3.8 per cent in 2020), which is well aligned with the adopted climate goals.

The Poseidon Principles allow signatories to report both on the total shipping portfolio and on the passenger-vessel excluded portfolio in 2021, due to the extraordinary circumstances of the cruise industry.

The data from the Poseidon Principles reporting provides valuable portfolio insights and enables SEB to have a more fact-based dialogue with the clients regarding emission reductions and the joint efforts toward the decarbonisation of the shipping industry.

Equator Principles

For project financing, SEB has since 2007 been adhering to the Equator Principles, a voluntary set of guidelines used by financial institutions to assess the social and environmental impact of large projects and assist customers in managing them.

In 2022, we conducted four project finance transactions under the Equator Principles – three in category B (projects with potential limited adverse environmental and social risks) and one in category C (projects with minimal or no social or environmental impacts).

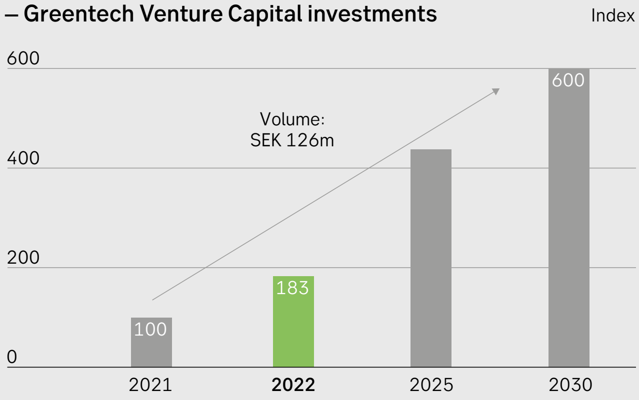
Supporting green innovation

SEB Greentech Venture Capital (VC), started in 2020, invests in green technology, focusing on transformative ideas that promise substantial impact in reducing greenhouse gas emissions or in preventing transgression of the planetary boundaries. In 2022, SEB Greentech VC, whose investments form part of the Sustainability Activity Index, increased its investments by 83 per cent. During the year, the unit had invested in six companies, among them EngineZyme, which works with sustainable production of molecules using immobilised enzymes, for example food oil, chemicals, mRNA etc, and CorPower Ocean which develops wave energy technology. SEB doubled the investment capital to SEB Greentech VC, from SEK 300m to SEK 600m, which allows raised ambitions to find investments across the Nordic region and Europe.

In Norway, SEB ScaleCenter supports start-up companies that develop sustainable solutions in the areas of energy, ocean and resource efficiency. The programme, which is free of charge, runs for 12 months. The participants gain access to premises adjacent to SEB's offices along with continuous advisory support from the bank's experts.

Among the companies in the ScaleCenter are Spoor, which develops AI-supported monitoring systems to protect birds and accelerate installation of offshore wind farms, Geniess which enables investment decisions on battery purchases, Ocean Oasis which uses wave power to desalinate water and Over Easy Solar which makes vertical and bifacial solar panels.

Sustainability Activity Index
– Greentech Venture Capital investments



Sustainable savings and investments

SEB is one of the largest institutional investors and asset managers in the Nordic region. We offer savings and investment products, for private, corporate and institutional customers, that aim to contribute to a sustainable society. SEB Investment Management AB and SEB Pension och Försäkring AB (Life & Pension) have comprehensive sustainability policies that are applied to all investments.

Our offering covers a broad variety of products and services, ranging from funds managed by SEB Investment Management (the fund company) and external funds, to equities and certificates, discretionary portfolio management, green savings accounts as well as pension services. We integrate environmental, social and governance (ESG) factors into the investment processes.

SEB aims to increase the share of funds that have sustainable investments as its objective. This includes SEB's entire fund offering, that is funds managed by SEB Investment Management as well as externally managed funds. The ambition forms part of SEB's Sustainability Activity Index. See p. 35 and graph on p. 42.

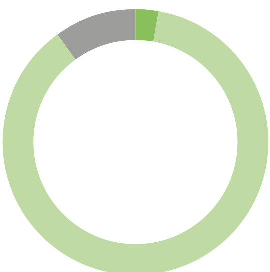
SEB Investment Management

The fund company aims to have a comprehensive and competitive offering which is evaluated continuously. The fund company strives to integrate sustainability aspects into all types of investments and asset classes. This is done by investing in companies that have integrated sustainability into their business models or have well-defined transition plans, by excluding industries and companies that do not meet the fund company's sustainability criteria, and by continuously engaging with the companies in which to invest. SEB Investment Management managed assets amounting to SEK 684bn (831) at year-end 2022.

Targets

SEB Investment Management has joined the Net Zero Asset Managers initiative and commits to achieving net zero greenhouse gas emissions by 2040 and aligning all investments with the Paris Agreement on an aggregated level. To achieve this, the fund company has set interim targets to reduce emissions from the fund offering by 50 per cent by 2025 and 75 per cent by 2030, against a 2019 baseline. In addition, the fund company will increase investments in companies that contribute to sustainable solutions or enable transition (see Sustainability Activity Index, p. 42), and will support companies on their transition journeys.

SEB Investment Management, assets under management Per cent



Have sustainable investments as their objective (Article 9)	3
Promote environmental and social characteristics (Article 8)	87
Other	10

Analysis through the sustainability model

SEB Investment Management invests in companies that actively manage ESG factors in their operations and aims to identify companies that work to solve the global sustainability challenges, for example by investing in line with the UN SDGs. A proprietary sustainability model (SIMS-S) assigns a sustainability rating to a potential investment. The rating is based on many parameters such as sustainability risks and opportunities, adverse impacts, SDG alignment and carbon footprints.

The SIMS-S model gives an overview of a company's sustainability profile and allows the fund company to focus on specific sector risks and opportunities, the sustainability aspects of different products and services, as well as impact in relation to long-term sustainable value creation. The model is a dynamic tool which is continuously developed to ensure adaptation to both scientific research and any changes in legislation.

The model was shortlisted in the Principles for Responsible Investments' PRI Awards 2022 in the category ESG incorporation initiative of the year.

Criteria for exclusion

SEB Investment Management's funds do not invest in companies which fail to respect international conventions and guidelines. The funds also generally exclude companies that produce fossil fuels, including unconventional extraction, and companies that generate electricity from fossil fuels. Exemptions can be made for companies that demonstrate clear transition plans, as many of these will be crucial to realising the sustainable transition.

→ Read more in SEB Investment Management Sustainability Policy on sebgroup.com

Active ownership

SEB Investment Management works actively to influence the companies in which it invests in their effort to achieve positive change. In Swedish and Nordic companies, where the fund company often is one of the largest shareholders, this commitment is implemented directly through dialogues with the executive management and the board of the companies.

Moreover, SEB Investment Management votes at shareholders' annual general meetings and serve in nomination committees. During 2022, the fund company voted at 680 annual and extraordinary general meetings and served in 40 nomination committees in listed Swedish companies.

During the year SEB Investment Management also launched a Proxy Voting Dashboard, where the results of proxy voting at annual general meetings outside of Sweden are shown.

SEB's customers contribute in defining focus areas and provide valuable input to engagement themes. Every year a survey is conducted where customers are asked what sustainability matters are the most relevant to them. The result of the survey serves as input for the seven prioritised engagement themes that the fund company works with. See p. 52.

The seven prioritised areas cover environment, social responsibility and governance matters:
1. Climate change
2. Biodiversity
3. Clean water
4. Healthy societies
5. Supply chain management
6. Executive remuneration
7. Board effectiveness

Climate change is highly prioritised by our customers, and this is an area where SEB Investment Management has a strong focus, for example by committing to the Net Zero Asset Managers initiative.

→ See Climate Report p. 64.

Collaboration initiatives and partner-led dialogues

SEB Investment Management is a signatory of, or has joined, more than 20 collaboration initiatives focusing on various themes, together with other investors. Among these are the UN PRI (signatory since 2008), the Institutional Investors Group on Climate Change (IIGCC), the CDP, Climate Action 100+ and the Investors Policy Dialogue on Deforestation (IPDD).

Biodiversity is one of the prioritised engagement themes and an area where the engagement efforts are expanding. For example, the FAIRR Initiative has led engagements on antimicrobial resistance targeting the animal protein industry, and on waste and pollution targeting livestock producers and agrochemical companies.

Thematic engagements led by ISS ESG have focused on 130 high-impact companies covering net zero, water, biodiversity and gender equality.

→ See SEB Investment Management Sustainability Report 2022 on sebgroup.com

→ See SEB Investment Management Active Ownership Report 2022 on sebgroup.com

Extended fund offering

SEB Investment Management has a broad offering of so-called Article 8 and 9 funds, classified according to the EU regulation SFDR (Sustainable Finance Disclosure Regulation). During 2022, the fund company further strengthened the offering of funds with sustainability as an objective, Article 9 funds.

For example, the SEB Nordic Future Opportunity Fund was introduced, a fund that invests primarily in Nordic companies that create solutions within four investment themes – energy transition (wind power, solar energy, hydrogen and energy storage), resource efficiency and circularity (material production, services for recycling and waste), sustainable transport (electric vehicles, infrastructure solutions), as well as healthy societies (digital healthcare services, digital education, clean air).

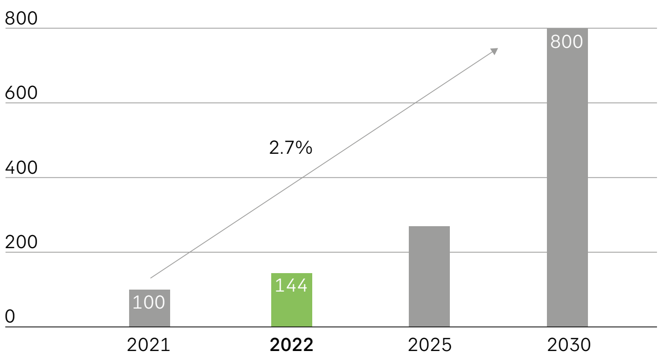
At year-end, 13 Article 9 funds, managed by SEB Investment Management were offered, representing 3 per cent of the total assets under management.

Microfinance funds

Starting in 2013, SEB Investment Management has been a pioneer in offering microfinance funds and is today one of Europe's largest fund managers of this type of impact funds. The fund company launched the tenth microfinance fund in 2022, and through the local microfinance institutions, the current funds reach more than 20 million entrepreneurs (20) in 56 developing countries (55) with more than SEK 9bn in total assets under management (7.1).

→ See SEB Investment Management Sustainability Report at sebgroup.com

Sustainability Activity Index – Share of sustainable savings[1)]



1) Share of SEB's fund offering, own and external, that have sustainable investments as its objective, in line with the EU's Sustainable Finance Disclosure Regulation, SFDR

SEB Pension och Försäkring

For the life insurance company SEB Pension och Försäkring (Life & Pension), sustainability is an important component and integrated in the investment analysis. The company evaluates the investment's impact on the environment, people and society at large. The approach is in line with SEB's overall sustainability ambitions and in close collaboration with the fund company SEB Investment Management. Sustainability aspects are incorporated into the unit-linked offering as well as into traditional life insurance products.

Unit-linked and traditional life insurance

In unit-linked insurance, most funds that are offered either promote sustainable characteristics or have sustainable investments as their objective (Article 8 and 9 funds). SEB's traditional insurance promotes environmental and social characteristics by having investment restrictions, integrating sustainability in the investment process, and by influencing the investment areas to strengthen their sustainability efforts.

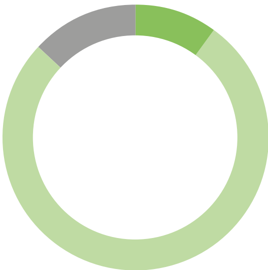
During the management phase, ongoing dialogue is conducted with the investment areas. At least once a year, a follow-up is made of the fund companies' work to promote environmental and social characteristics. Furthermore, the traditional insurance product has committed to a minimum share of 5 per cent of sustainable investments.

Developing advisory services

Life & Pension is developing services to present the sustainability impact of customers' investments. In the personal pension advisory services, gender equality is important and we have developed a tool where customers can see how part-time work affects the pension and how much needs to be saved to compensate for the loss.

In the robot service SEB Bot Advisor, customers can indicate sustainability preferences for their savings which are automatically considered in the advice received. In 2022, the service was developed allowing customers to choose additional sustainability criteria, such as sectors, for their savings. This work was based on the EU Insurance Distribution Directive, IDD.

Share of sustainability categorised funds in the fund offering, Life & Pension Swedish unit-linked, per cent



Have sustainable investments as their objective (Article 9)	10
Promote environmental and social characteristics (Article 8)	77
Other	13

Share of number of funds, 134 funds in total

Strengthened offering and ESG integration

For private customers, SEB offers a green savings account where the deposits are used to finance climate-smart housing, and thereby reducing Sweden's energy consumption. At year-end 2022, SEK 259m (37.7) were deposited in the green savings accounts.

For customers in the Private Wealth Management & Family Office-division (PWM&FO), the product offering was strengthened to include additional Article 9 funds as well as SEB EU Sustainability Certificate, a basket of shares with 19 European companies that are deemed to be leaders in tackling climate change. Parameters that have been considered are in alignment with SEB Investment Management's exclusion criteria, the Sustainable Development Goals, the EU Taxonomy and resource efficiency, based on information from SEB's Impact Metric Tool.

During the year, PWM&FO further strengthened the integration of ESG data and models into the investment process. Improved alignment between SEB sector policy views and regulations, such as the Sustainable Finance Disclosure Regulation (SFDR) in combination with the use of impact indicators, help asset managers more easily navigate the landscape in order to capture opportunities and manage sustainability-related risks.

People and community

We are committed to enable people and communities to prosper and grow. As an employer as well as through our products, services and financial knowledge, we have direct and indirect impact on employees, customers, suppliers and people in the community.

Inclusion and diversity

Inclusion and diversity are important areas for SEB, and we strive to be a role model in all countries where we operate. SEB has a policy for inclusion and diversity, and we work in a structured way to actively appoint women to senior positions, promote equal pay, recruit, develop and promote people with an international background and increase diversity in teams and management groups.

Through clear procedures, we ensure a wide selection of applicants when positions are appointed, we establish metrics and targets for senior management levels and follow progress. We strive to ensure diversity in SEB's talent pool as well as in succession planning.

SEB uses digital collaboration tools that meet the accessibility requirements for people with vision and hearing impairment. In 2022, we offered a training to strengthen inclusive collaboration. In Sweden, among other countries, we are a member of Diversity Charter, a non-profit association that works to promote diversity in the workplace.

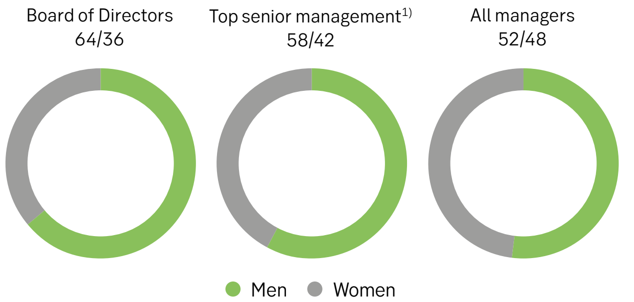
In 2022, SEB participated in the European Commission's diversity month with various activities aimed at drawing attention to the importance of diversity of thought in the workplace.

Diversity Charter Sweden

Training against sexual harassment

Since 2021, the training against sexual harassment is included as mandatory training for all employees and consultants working at SEB. The aim is to increase knowledge about what can be considered sexual harassment and to give employees tools to act if a colleague is exposed. By the end of 2022, 96 per cent of all employees had completed the training.

Gender distribution (men/women) Per cent



1) Includes the Group Executive Committee (GEC) and managers who report directly to GEC

We reject all forms of discrimination or harassment, and strive to ensure that all employees, regardless of ethnical or national origin, gender, transgender identity or expression, skin colour, faith, religion, citizenship, age, disability, civil status or sexual orientation, are treated with respect and that all are given equal opportunities. This is equally important in relation to customers and other stakeholders as well as in relation to our colleagues.

Leadership and recruitment

During 2022, we continued to work with our leadership philosophy in order to support leaders in driving change, promoting innovation and contributing to an inclusive culture where diversity of perspectives is valued. The framework for SEB's leadership philosophy, Transformative Leadership, is based on scientific research and has been developed together with SEB's strategic partners, such as IMD Business School. During the year, we started to integrate SEB's new behaviours – create value, act-long term and build positive relationships – into our leadership concept. See p. 26.

SEB uses a recruitment system that makes it possible to screen and match candidates for various roles in an objective way before the candidate is called in for an interview.

Build competence among employees

At the digital university SEB Campus, a wide range of courses is offered in collaboration with internal and external experts as well as international colleges and universities. Through continuous learning, we want to enable employees to develop and adapt their skills to future needs.

SEB invests in strengthening and broadening competence among employees in all parts of the business, in all geographies and in a broad range of areas. Starting in 2022, all employees are encouraged to complete a sustainability certification training which aims to lay the foundation for knowledge of sustainable finance with the main focus on sustainability risks and opportunities, as well as of the regulatory development. The training is mandatory for all employees in Sweden with a Swedsec license.

In collaboration with the Stockholm Resilience Centre, SEB offers training on climate change, which is mandatory for our employees globally. Since several years, we also offer trainings on sustainable finance, developed by SEB in collaboration with the United Nations. Through continuous learning, we strive to ensure that employees have the skills required to perform their jobs and develop.

Sustainability competence is also strengthened through the training frameworks that are being established within the divisions. The purpose is to provide an overview of categorized topics and highlight the particular skill sets that may exist for particular roles.

Moreover, to strengthen the integration of sustainability into dialogues with customers within Private Wealth Management & Family Office the division trains staff in sustainability in various formats including e-learnings and on-site trainings and has established ESG ambassadors and expert groups within the client and product organisations to continue to build expertise.

Health and working environment

SEB works long-term and preventively to ensure a safe and healthy workplace that promotes a good balance between work and private life. Since 2021, SEB applies a global policy that enables a majority of employees to choose to work from home for up to two days per week, in agreement with the manager and as long as the work can be carried out in a safe and sustainable manner. A survey conducted by an external research company in summer 2022 shows that employees appreciate SEB's central premises in Sweden. The work environment is perceived to contribute to a sense of belonging at work, and as a place where employees can proudly welcome visitors.

In 2022, sick leave at SEB in Sweden was just below 3 per cent (2.7). SEB offers several measures to promote both physical and psychological health among employees, including digital training and lectures about psychological health. Since several years, employees are offered the opportunity to speak anonymously with a licensed psychologist, free of charge.

SEB makes targeted contribution to support employees in the Baltics

SEB is committed to being a socially responsible employer. Due to the high inflation in the Baltic countries during the year, SEB made a targeted contribution to ease the situation for employees in the Baltics. This was done through a one-off payment to employees with a salary up to a certain level.

Labour law and trade unions

Cooperation with employee representatives, such as trade unions and works councils, is an integral part of day-to-day operations and something that is encouraged. We cooperate through the European Works Council (EWC) and with local employee representatives. In Sweden, SEB cooperates with the trade unions at workplace, departmental and group level.

Trade unions are represented on SEB's Board of Directors. We adhere to a number of industry-wide collective agreements, and we have entered into local collective agreements to regulate the conditions for employees in several of the countries where we operate. In situations where dismissals must be carried out for organisational reasons, SEB in Sweden works according to a process that is established in the collective agreements with the unions.

Human rights and child labour

SEB assesses the risk for human rights violations in accordance with the group's Human Rights Policy and international agreements. SEB is committed to the principles of protecting children and other vulnerable groups from any form of exploitation, including child labour and forced labour. Through our business activities we can have a potential impact on child labour and forced labour. We therefore strive to identify and mitigate our exposure to risks related to these areas.

→ See more in SEB's Social and Human Rights Policy (sebgroup.com) and on p. 51.

Engaging in the community

SEB strives to be a good corporate citizen and is in various ways supporting people in the community. In Sweden, we are a member of The Financial Coalition against Sexual Exploitation of Children in cooperation with ECPAT Sweden, a children's rights organisation working to combat the sexual exploitation of children. The work is coordinated by the Swedish Banking Association and is focused on reviewing indicators for payment flows regarding, among other things, live-streamed abuse material.

During the year, SEB supported Ukrainian refugees with banking services. In SEB in Estonia and Lithuania, special web pages were created in the Ukrainian language. Ukrainian citizens could already one week after the Russian invasion, open a bank account, free of charge.

Coaching in financial literacy

In the Baltic countries, the SEB School Ambassadors Program, is supporting high school students in financial literacy during an eight-month programme. SEB is coaching selected pupils and provides lectures and trainings on savings, investments and budget management, as well as on entrepreneurship. On that basis, these pupils then share their knowledge with other students. Over 9,000 pupils are expected to be reached by the programme which started in 2022.

The environment

SEB affects the environment, indirectly through business relationships with clients, and directly through own operations. Our responsibility covers the impact that we and our business partners have on living and non-living natural systems, including climate, biodiversity, land, air and water.

For many years, SEB has had a strong focus on environmental issues both regarding our own footprint and in relation to our business partners. Climate change and its effects have grown significantly in importance and we now integrate these aspects into our operations. See Climate Report, p. 54–65.

In 2022, SEB published the updated thematic Environmental Policy, stating the bank's positions, approach and management regarding climate, freshwater and biodiversity. The policy is adopted by the Board of Directors and reviewed annually.

→ See p. 51.

Environmental focus areas beyond climate

At SEB, we are committed to increasing our knowledge and developing the way we work in relation to not only climate, but also to fresh water and biodiversity. Beyond that, we are actively working with the urgent topic of resource efficiency and circularity by supporting our clients in shifting from linear to circular business models.

Through our close collaborations and engagements with customers, investors, civil society organisations and other networks, we continuously learn and share insights on relevant challenges and priorities. These efforts often lead to concrete sustainability themed business transactions, but also to actions and engagements.

One example is the high-level meeting on the topic of water which SEB organised in connection with the World Bank and International Monetary Fund annual meeting in Washington in 2022. At the meeting, it was discussed how the financial sector can engage to address the structural challenges that are required for solving the physical challenges that were highlighted by the presenting scientists.

In the field of circularity, SEB is engaging in direct conversations with our clients and partners in different segments. Furthermore, together with industry experts, SEB is analysing sectors and developing metrics and thresholds to support and advise our customers in relation to financing of the transition towards more circular business models.

Engaging in biodiversity

SEB is enhancing the engagement on biodiversity and welcomes the agreement that was achieved at the COP15 United Nations Biodiversity Conference in Montreal in 2022.

To strengthen the bank's knowledge and focus on biodiversity, we have joined several initiatives such as BIOPATH and Business@Biodiversity Sweden. BIOPATH is a newly established research programme, organised and led by Lund University, with the goal of aligning the financial system with the needs of biodiversity. In collaboration with other financial institutions, corporates and academia, SEB aims to take on an active role in developing innovative approaches of integrating biodiversity considerations into existing financial decision-making processes.

Business@Biodiversity Sweden is a growing network of large corporates and banks that want to be at the forefront in their biodiversity work as part of their sustainable business model. SEB is actively contributing to the knowledge exchange between members by, for example, participating in panel discussions and physical workshops.

SEB Investment Management has become a member of the Taskforce on Nature-related Financial Disclosures (TNFD) Forum, an international consultative group dedicated to increasing knowledge about financial risks coupled to environmental issues such as land and water use, biodiversity and other ecosystem services. In order to further intensify the collaboration and knowledge exchange with TNFD, SEB, the bank, is also participating in two TNFD-pilot working groups – on forestry and offshore wind parks – led by UNEP FI.

→ See SEB Investment Management Sustainability Report at sebgroup.com

TNFD Taskforce on Nature-related Financial Disclosures

BUSINESS@BIODIVERSITY SWEDEN

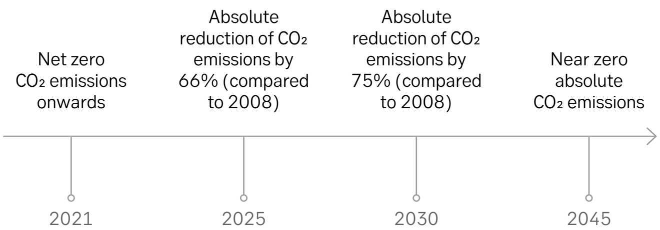
BIO PATH

Reducing SEB's own environmental impact

SEB has been working actively for a long time to reduce the own environmental impact. We set our first goal in 2009, to reduce CO_2 emissions by 45 per cent from 2008 to 2015, measuring emissions from energy consumption, paper, company cars and business travel. This goal was exceeded with a 54 per cent reduction.

In the following years, we extended the scope of reported emission data to include close to all geographical locations, covering 99 per cent of our employees. In 2018, we updated the emission factors in order to more accurately calculate our CO_2 emissions, and we also established a new reporting baseline.

In 2020, we raised the ambition further and set new goals, aiming to reduce absolute CO_2 emissions to close to zero in 2045. Starting from 2008, milestones include emission reductions of 66 per cent by 2025, 75 per cent by 2030 and close to 100 per cent by 2045.



For the past two years SEB has had a drastic decrease of emissions from business travels, a clear effect of the Covid pandemic. In 2022, travel emissions increased as expected, to 6,043 tonnes (1,050). SEB's total CO_2 emissions increased to 11,098 tonnes (9,492) which is below the bank's target of limiting emissions to 17,000 tonnes ±5 per cent by 2025.

SEB undertakes several measures to achieve the bank's reduction targets, such as improving energy efficiency of operations and buildings and increasing the use of renewable energy.

In 2023, SEB will revise the method for calculating CO_2 emissions, to include an increased scope 3 reporting, in line with our commitment to Net-Zero Banking Alliance (NZBA) and future regulatory development. This will affect our present target of limiting CO_2 emissions by 2025. See p. 62 for information about SEB's reporting on financed emissions in line with NZBA.

Climate compensation

SEB is climate neutral since 2021. This has been made possible by climate compensation in various ways for the emissions that we cannot reduce by ourselves. For example, in 2022, SEB climate compensated for 2021 year's emissions by acquiring emission rights through EU Emissions Trading System (EU ETS), purchasing Sustainable Aviation Fuel from SAS, and, through the carbon removal marketplace Puro.earth, CO_2 Removal Certificates (CORCs). See Sustainability notes, p. 223.

Supply chain management

SEB is convinced that having suppliers with high performance as regards environmental, social and ethical aspects, creates value for us as well as for our suppliers. We have established procedures to evaluate and select suppliers and contractors, based on financial, environmental, social and governance aspects.

SEB's suppliers can largely be divided into six main categories: professional services, IT equipment and services, facility management, human resources, banking services and marketing and communications. In total, SEB had about 8,300 suppliers in 2022 with a total spend of SEK 10 billion.

To identify sustainability risks among our suppliers, SEB performs, when applicable, an initial assessment of suppliers using a risk model tool that takes country, industry sector and business criticality into account. The tool, which was updated in 2022, allows for an aggregated view of the supplier base.

Suppliers that are identified in the initial assessment as having a potential elevated risk level, are subject to an enhanced screening. Risk factors include climate and environment, labour practices and human rights, fair business practices and sustainable procurement. These are to be considered in procurement decisions along with other risk factors and commercial aspects. Since 2014, close to 250 suppliers, covering around 44 per cent of SEB's total supplier costs, have been identified as having a potential elevated risk level, and therefore underwent the more extensive screening.

We also monitor suppliers' processes and performance based on relevant aspects in similar manners as in the initial assessment where appropriate. These standards are described in SEB's Code of Conduct for Suppliers.

During 2023, we will put further focus on suppliers helping us reducing our impact as we will introduce a tool for calculating our Scope 3 upstream supplier emissions.

Business ethics and conduct

Trust in the financial system and in SEB is crucial for SEB to do business that benefits customers, shareholders, economic development and society at large.

It has always been a priority for SEB to maintain the highest standards of business ethics and we strive to continuously improve processes and procedures. We are guided by regulatory requirements, global initiatives and international standards, and over the years we have developed our own documents that steer and support our work.

Code of Conduct

SEB's Code of Conduct describes SEB's way of working, the bank's purpose and behaviours, ethics and standards of business conduct and provides guidance on how employees are to comply with these procedures. The Code of Conduct covers all employees of the SEB Group – in all markets where we operate – and helps employees in their efforts to build long-term relationships with customers and other stakeholders. The training in SEB's Code of Conduct is mandatory for all 16,500 employees.

Customer data ethics

Handling of customer data is necessary for SEB in order to be able to provide financial services. At the same time, SEB can have large and vital impact on society, both present and in the future, when it comes to its handling of customer data. It is therefore of critical importance to safeguard customer data.

SEB's Customer Data Ethics Policy constitutes the framework for responsible and sustainable handling of customer data, and refers to data ethics, AI ethics and digital ethics. The policy aims to ensure confidence in the bank by safeguarding human rights, protecting customers and ensuring that customer data is handled in an ethical and responsible manner.

Handling customer complaints

We believe it is important that we take part of our customers' views on our services, and that it is easy for customers to make a complaint in any manner they may choose. When we receive customer complaints, we handle them promptly and professionally. We have processes in place for how customer complaints are handled, how our decisions are followed up and how the customer shall be informed. SEB has an instruction in place to secure the correct handling of customer complaints.

Management of critical concerns

SEB has procedures in place to manage critical concerns that potentially may arise during the year and, as a consequence, have an impact on SEB's stakeholder groups. SEB's Group Control functions report on a regular basis to the President and CEO, the relevant President and CEO Committee and to the relevant Board Committee and at least annually to the Board of Directors. Critical concerns may also be raised through SEB's whistleblowing procedures.

Anti-corruption

SEB works actively to prevent the risk of being used for corruption in line with applicable rules and regulations, as well as own internal rules and ethical standards. SEB does not engage in, or tolerate, unlawful or unethical business practices and does not tolerate involvement in or association with corruption under any circumstances. SEB's Anti-Corruption Policy defines the framework for anti-corruption measures in SEB and establishes principles for analysing the risk of corruption and measures to prevent corruption. Furthermore, the policy establishes principles for managing corruption risks associated with intermediaries and other third parties.

Position on lobbying and unethical influence

SEB has strict guidelines for unethical influence, whether within business or society. All actions and decisions are to be in compliance with laws, regulations and other external rules as well as with internal instructions and policies, such as SEB's Code of Conduct. We do not support political parties through donations or otherwise.

Whistleblowing

SEB has a whistleblowing process for reporting irregularities. Employees or other persons who suspect potentially unethical or unlawful behaviours should report their observations, primarily to the entity concerned within the SEB Group, or to the Head of Group Compliance or the Head of Group Internal Audit. Reports can be made completely anonymously in Swedish or English via the digital service WhistleB. A description of SEB's whistleblowing process is included in SEB's Code of Conduct.

Our approach to tax

Operating in more than 20 countries, SEB supports many customers in international trade and global cross-border businesses. The bank strives to maintain high standards for tax governance, monitoring risks and ensuring tax compliance. SEB sees tax and tax management as an important part of its contribution to the development of society and continuously works to adapt to changing expectations.

Products and services offered by SEB impact the tax situation for SEB and its customers and must always have business rationale. SEB must not use, encourage or facilitate – nor cooperate with external parties to facilitate – products or services that are in conflict with tax legislation or anti-tax avoidance law. SEB has policies and procedures in place, and works actively with risk assessment, frameworks and controls, to ensure compliance with applicable tax laws and regulations related to its business. The Tax Policy is adopted by the Board and is reviewed annually.

→ For policies in most of these areas see sebgroup.com

Sustainability governance

As a bank we have a responsibility for how we conduct our business, what we finance and in what we invest. With a clear governance structure and internal policies in line with our commitments we ensure that our efforts are implemented and adhered to throughout the group.

Governance structure

SEB has created a robust sustainability governance model, with clear roles and mandates on different levels, that covers our impact on the economy, environment and climate, and people, including impact on social well-being and human rights and other ethical considerations. This model determines how we set our strategy and work to implement it in practice, where Sustainable Banking is the operational unit that is responsible for coordinating as well as driving the overall corporate sustainability agenda.

SEB Investment Management AB and SEB Pension och Försäkring AB are wholly owned subsidiaries of SEB and have their own governance structure. See sebgroup.com.

The work of the Board

The Board of Directors is ultimately responsible for the management of the business and the organisation of SEB Group. In respect to corporate sustainability, this includes the ambition, the establishment of a strategy and goals that contribute to the transition towards a sustainable society, and an organisation to execute such strategy.

The Board fulfils these responsibilities through the approval of the group's business plan, including the sustainability strategy considerations. The Board also approves the Corporate Sustainability Policy for the SEB Group, the Sustainability Governance Instruction for the SEB Group, which outlines the sustainability governance structure, and the thematic policies (on Climate Change, Freshwater and Biodiversity, and Social and Human Rights). The Board also approves of the entering, or cancellation, of agreements or commitments of major importance for the SEB Group in the corporate sustainability area. SEB's sector policies are approved by the Board's Risk and Capital Committee (RCC). See p. 98.

The Board is regularly updated on corporate sustainability matters. Issues that are material to SEB's sustainability development are included on the Board's agenda, together with an annual review of policies and instructions. The Board approves the Annual and Sustainability Report.

Execution and implementation

The President and Chief Executive Officer (President) is responsible for the execution of the corporate sustainability strategy and implementation of the governance structure set by the Board.

The decision-making body Group Executive Sustainability Committee (GESC) is established and chaired by the President, with the purpose of executing the corporate sustainability strategy. The GESC approves the Modern Slavery Act Transparency Statement and other SEB Group instructions as well as matters that are not approved by the Board or the RCC. See p. 101.

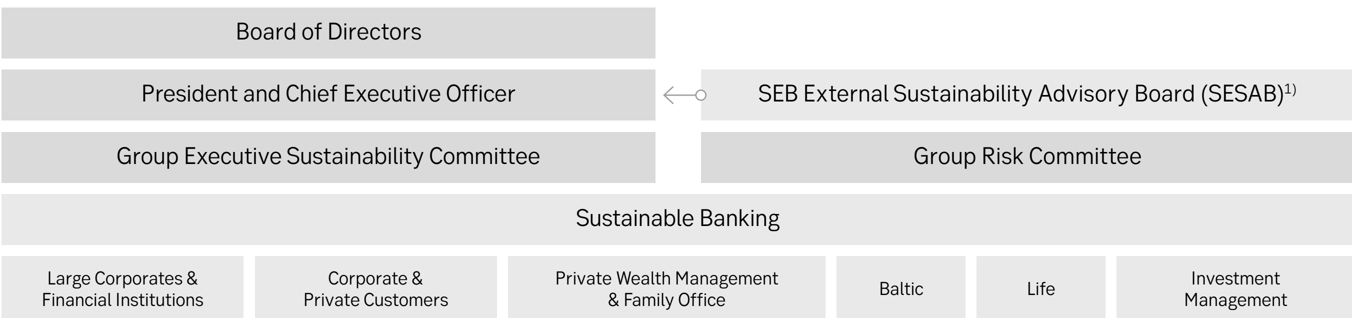
The Group Risk Committee (GRC), also chaired by the President, is a group-wide decision-making body that addresses all types of risks at the group level, including sustainability and reputational risks. See p. 101.

Sustainable Banking is a first-line, operational unit that is responsible for driving and coordinating the overall corporate sustainability agenda in close collaboration with the divisions, group staff functions and group support functions. The Chief Sustainability Officer (CSO) heads Sustainable Banking and is an additional member of GEC as well as member of GESC and GRC.

Procedures and controls

Each Head of Division, Head of Group Support function and Head of Group Staff function is responsible for ensuring that procedures and controls are in place to implement and adhere to the corporate sustainability objectives, strategy and policies set by the Board, the President and the GESC.

In each division there is a Sustainability Business Risk Committee (SBRC). These committees assess and decide upon new customers or transactions from a material sustainability risk perspective and based on SEB's strategy and policies, before bringing the onboarding or transaction for decision by the relevant decision-making body. When a proposed transaction or customer onboarding deviates from SEB's Corporate Sustainability Policy or sustainability risk appetite, the client executive (or equal) escalates the matter to a divisional SBRC.



1) Advising SEB, upon invitation by the President. See p. 101.

Assessment of new products

Administrated by Sustainable Banking, the Sustainable Product Committee (SPC) centralises assessments of new products.

The SPC decides on the right for SEB units to use any sustainability-reference in the marketing or distribution of products or services, such as reference to ESG (Environmental, Social, Governance) factors, SDG (the Sustainable Development Goals), the EU Taxonomy and Article 9 funds. The Environmental and Sustainable Product Steering Committee (ESPSC) is a subcommittee of the SPC and decides on the eligibility of assets for the SEB Group's sustainability-linked funding programmes. In addition, there are subcommittees for sustainability-linked loans and bonds respectively.

SEB External Sustainability Advisory Board (SESAB)

To address a good understanding of the direction and speed of the transformation towards a sustainable society, including future opportunities and challenges, the SEB External Sustainability Advisory Board (SESAB) was established. SESAB is composed of external experts by invitation of the President and its purpose is to provide the bank with strategic intelligence from individuals outside the banking industry in matters concerning sustainability, based on academic research and, when desired, complemented with industrial experience. The meetings of SESAB are hosted by the President and led by the CSO.

Sustainability factors in remuneration

SEB recognises the importance of aligning incentive structures with its sustainability ambitions. The bank has group-wide and specific goals for the various divisions and units, targeting environmental, social and governance areas, for example carbon emissions, diversity and regulatory compliance. Sustainability key performance indicators (KPIs) are integrated in remuneration for members of SEB's Group Executive Committee (GEC), for managers who report to the GEC and for other eligible positions.

The models for individual variable remuneration are based on financial and non-financial KPIs. Non-financial goals take into account factors such as customer satisfaction, compliance and sustainability performance related to, for example, the bank's own environmental impact and integration of sustainability risks into the business model. Since 2022, SEB's established sustainability ambitions and goals (see p. 35) are part of the criteria for potential allocation of the programmes, as applicable. Also in the largest variable remuneration programme, for all SEB employees, sustainability is now considered. See p. 106.

Sustainability policy framework

The policy framework guides us in our work and expresses our view on key issues and industry sectors that are considered critical from an environmental and social perspective.

SEB's sustainability policy framework covers the Corporate Sustainability Policy, two thematic policies and several sector policies. The Corporate Sustainability Policy together with the Corporate Sustainability Governance Instruction form an overall framework that sets the sustainability position, committees, roles, and responsibilities.

The purpose of the Corporate Sustainability Policy is to define the framework for sustainability in SEB and provide a governing platform for the sustainability work for all business decisions, including investments and credit decisions. The Corporate Sustainability Governance Instruction defines the framework and governance model for the corporate sustainability work in SEB.

Both apply to the SEB Group, with the exception of SEB Investment Management, and shall be implemented in all parts of the Group, taking local rules into account where relevant.

→ The policy framework is available on sebgroup.com

Sustainability policy framework

Corporate Sustainability Policy

Corporate Sustainability Governance Instruction

Thematic policies

Environmental Policy	Social and Human Rights Policy

Sector policies

Agriculture	Arms and Defence	Forestry	Fossil fuels	Gambling
Mining and metals	Renewable Energy	Shipping	Tobacco	Transportation

SEB's thematic policies

The two thematic policies, SEB's Environmental Policy and SEB's Social and Human Rights Policy, underwent major updates in 2022. They provide the basis for SEB's work to protect the environment and to respect human rights. These policies set the positions on specific themes, identify the negative impacts, and state expectations and restrictions on certain corporate behaviour. Both policies apply to the SEB Group, with the exception of SEB Investment Management, and cover SEB's activities and operations globally. Specific expectations, requirements and restrictions mentioned in these two policies are further defined and implemented through the respective sector policies.

Environmental Policy

The purpose of the Environmental Policy is to define SEB's position and approach towards climate, freshwater and biodiversity. This policy describes our management within these areas on the basis of an impact perspective and it represents – in combination with several voluntary international guidelines and conventions – the foundation for SEB's environmental work.

Furthermore, it expresses what we expect from the companies in sectors with potential significant impact and how we aim to assess and engage with the customers in order to support a transition. As an example, we expect companies with significant water impact in water stressed areas to develop transition plans to a more sustainable water usage. Within biodiversity, we expect companies in sectors with direct impact to develop a biodiversity baseline and target by 2025.

The policy is supplemented by SEB's sector policies, which regulate our view on specific key issues and industry sectors that are considered more critical from an environmental and social perspective.

Social and Human Rights Policy

The purpose of the Social and Human Rights Policy is to clarify SEB's social and human rights position and human rights management. The policy outlines the processes surrounding the bank's commitment to respect all human rights in financing, investments, supply chain processes, and in SEB's own operations.

This commitment includes, for example, carrying out social and human rights due diligence and engaging with stakeholders. We aim to influence our customers and portfolio companies to have appropriate labour and human rights due diligence systems in relation to their risks.

The process of due diligence includes identifying, assessing, and addressing actual and potential adverse human rights impacts, to avoid causing, contributing to, or being directly linked to adverse human rights impacts. One of SEB's measures to identify actual and potential adverse human rights impacts is screening for controversies. If controversies are found, they are assessed against SEB's positions in relation to good business and human rights practices.

SEB's sector policies

The purpose of the sector policies is to establish a common framework for dialogues with the clients and portfolio companies we work with, focusing on business opportunities and risk reduction. The sector policies set the expectations on corporate behaviour, the commitment to sector-based standards and the restrictions on specific activities.

The sector policies are also an important part of SEB's framework for due diligence as they provide guidelines on good industry practice that we expect companies to follow, as well as our restrictions on financing and investing in certain activities.

The Sustainability Policy Implementation Instruction

The purpose of this instruction is to define the framework and process to implement the thematic and sector policies and identify other sustainability related risks in a coherent and consistent manner in the banking business.

Other group-wide policies

SEB has several other group-wide policies that guide our employees in relation with customers as well as with colleagues.

→ See sebgroup.com

Commitments and collaboration

SEB recognises the importance of participating in and supporting international commitments. The Paris Agreement and the Sustainable Development Goals are predominant guiding principles for SEB. In addition, we support and have signed a broad range of international agreements and commitments that guide us in our work.

SEB supports:
- The Paris Agreement
- UN Sustainable Development Goals (SDGs)
- Universal Declaration of Human Rights
- UN Guiding Principles on Business and Human Rights
- The eight ILO Core Conventions on Labour Standards
- The Children's Rights and Business Principles
- OECD Guidelines for Multinational Enterprises.

SEB has joined or publicly endorsed:
- UN Global Compact, since 2004
- UNEP FI Principles for Responsible Banking (PRB), since 2019. See sebgroup.com for PRB Reporting and Self-Assessment Template
- Net-Zero Banking Alliance (NZBA), since 2021
- The Task Force on Climate Related Financial Disclosure (TCFD), since 2018
- The Net Zero Asset Managers initiative, since 2021
- The Principles for Responsible Investments (PRI), since 2008
- Equator Principles, since 2007
- Poseidon Principles, since 2020.

→ See full list on sebgroup.com

Engaging with stakeholders

We regularly interact with key stakeholders to ensure we prioritise the most important issues and we aim to respond to our stakeholders' needs and expectations in a responsible manner.

Stakeholder groups

SEB's main stakeholder groups are identified based on SEB's business operations and mirror the bank's role in and impact on society. These groups – customers, shareholders & analysts, employees as well as society-at-large – have different expectations of how we conduct our business. We interact with them in various forms, digitally via web pages and mobile apps, through telephone and in regular physical meetings, but also via targeted initiatives such as in conferences, client trips and surveys.

Customers

Large corporate customers appreciated SEB's proactive services through the turbulent times, not least in the energy sector. Agile processes were developed in order to meet an increased number of requests in a short time span. In the annual Prospera survey SEB retained its position as the leading corporate bank in the Nordics which included top ratings on sustainability advice. See p. 38.

Among private customers, the rising interest rate environment and higher mortgage rates lead to an increased demand for personal advice and services. During the year, we worked to strengthen the processes to meet the customers' needs which at year-end had led to considerably shortened waiting times and decreased number of negative comments.

We actively seek our private customers' view on sustainability matters, for example through our yearly survey among customers with fund and/or pension savings. The result showed that climate change and access to clean water and sanitation were the two most important among the UN's 17 Sustainable Development Goals, unchanged from last year. The survey is part of the fund company's active ownership work, described on p. 41.

Within the Private Wealth Management & Family Office-division, some 2,700 customers were asked about their views on sustainability. Three out of four highlighted energy, climate, environment, carbon, water and oceans as key areas. The purpose of the survey was to better integrate sustainability into the existing customer dialogues.

Investors, shareholders and analysts

Main focus was on geopolitics with particular attention on developments in the energy market, the surging inflation and subsequent tightening of monetary policies through rising interest rates, and how this will impact the macroeconomic development and the financial industry. Russia's invasion of Ukraine, the sanctions imposed on Russia and the energy supply shortage led to discussions on the direct and indirect effects on SEB.

Employees

SEB' employees show strong engagement and commitment to the bank's future, shown for example in the yearly employee survey. Customer focus and decision-making are among the areas where there is room for improvement. The policy for remote work was also engaging and resulted in both positive and negative comments. The results from the survey in 2021 on work-life balance showed a clear improvement. In 2022, SEB introduced Together Live, a digital live meeting where all employees are invited to ask questions directly to SEB's top management. Three meetings were held during the autumn and thousands of employees participated and asked questions in the chat.

Society – regulators, media and NGOs

In 2022, supervisory authorities had a continued high focus in the areas of financial crime prevention, such as anti-money laundering and combating financing of terrorism. Furthermore, they engaged in whether SEB's business model may get impacted by sustainability considerations in for example oil-related customer relations, climate stress-tests from the European Central Bank and the implementation of EU sustainability-related laws and regulation.

In the media, the war in Ukraine and its macroeconomic and geopolitical effects were the major topics. The interest rate hikes by central banks – and their effects on mortgage and deposit rates, households and companies, and the broader economy – was another key topic. Sustainability and digitalisation remained in focus.

We received important input from non-governmental organisations (NGOs) and consumer advocate groups in the areas of human rights and biodiversity in connection with the updates of our thematic policies (see p. 51). We also interacted with NGOs about SEB's role in the transition in relation to fossil fuels.

Identifying material topics

2022 year's materiality analysis is based on analysis previously completed by SEB. It has focused on updating the previous information and sees no major changes compared to earlier years. The analysis covers SEB's actual and potential impact on the economy, environment, and society. Following the SEB way-of-working, the material topics are closely connected to our business operations and linked to the areas we have identified in our stakeholder dialogues. The included areas are described on p. 37 and in previous chapters in this report. In 2023, SEB plans to do a fundamental review of its materiality analysis in accordance with the up-coming Corporate Sustainability Reporting Directive (CSRD).

EU regulatory development

The EU has an ambitious sustainability agenda, including the climate goals of a 55 per cent reduction of greenhouse gas emissions by 2030 and climate neutrality by 2050. SEB strives to contribute to reaching the goals and works with implementing the regulations and standards.

The EU Taxonomy, the Sustainable Finance Disclosure Regulation (SFDR) and the Corporate Sustainability Reporting Directive (CSRD) are among the regulatory initiatives that support sustainable growth. The EU Taxonomy is a system for sustainability classification of economic activities, creating common definitions of what is 'sustainable'. SEB is integrating the EU Taxonomy into the business strategy, processes and product development. We share expert knowledge to support our customers and have for several years been active in the EU Platform on Sustainable Finance, an advisory expert group to the EU Commission on the development and application of the EU Taxonomy.

The SFDR aims at improving transparency on sustainable investment products. Among others, asset managers are obliged to report on how their funds consider sustainability risks and aspects. Since the regulation came into force in 2021, SEB Investment Management's fund offerings are categorised based on whether the fund has sustainability as its objective (Article 9), promotes sustainable characteristics (Article 8), or consider sustainability risks but does not integrate sustainability into investment decisions (Article 6). An increased share of Article 9 funds in SEB's fund offering is part of SEB's Sustainability Activity Index, see p. 42.

The CSRD will imply an increased demand on reporting of sustainability performance. CSRD, and the supporting European Sustainability Reporting Standards (ESRS), will stepwise come to effect from the financial year 2024. SEB is following the development closely and is preparing for the enhanced reporting requirements.

Reporting on the EU Taxonomy regulation

The EU Taxonomy regulation requires credit institutions (banks) to report on taxonomy-related key performance indicators – to what extent the bank's assets and services relate to sustainable economic activities. The regulation is implemented stepwise.

For the financial year 2022, banks are required to report the share of Taxonomy-eligible and non-eligible assets to total assets. See table below. Taxonomy-eligible assets have the potential of being defined as Taxonomy-aligned assets in the future.

Banks are highly dependent on the taxonomy reporting published by its customers and counterparties in order to prepare the Taxonomy mandatory disclosures. Non-financial entities started to report in accordance with the Taxonomy regulation in 2022. Where underlying data from reporting entities are incomplete or unavailable, it will be reflected in the bank's reports. Non-EU entities and entities other than large public-interest entities are exempted from Taxonomy reporting requirements according to NFRD (EU's Non-Financial Reporting Directive).

For the financial year 2023, banks will be required to report the main Taxonomy-related key performance indicator, Green Asset Ratio, GAR. The GAR shows the share of Taxonomy-aligned assets, that is green assets. Such assets relate to activities which substantially contribute to at least one of the six environmental objectives, do not cause significant harm to the other environmental objectives, and meet specific minimum social safeguards.

Mandatory Taxonomy report 2022

SEB's Taxonomy report covers the SEB Group based on the scope of prudential consolidation. The 2022 mandatory report includes household mortgage loans that are identified as Taxonomy-eligible based on the underlying collaterals (real estate). Other assets, Taxonomy-eligible or non-eligible, have been classified based on Taxonomy reporting published by customers and counterparties, obtained from external data providers.

Reporting in accordance with the Taxonomy Complementary Delegated act on Nuclear and Gas will be performed for the financial year 2023, based on information reported by such entities.

→ See p. 213 for SEB's voluntary Taxonomy report and qualitative data disclosures.

Mandatory EU Taxonomy report

Assets[1)2)]	Assets SEKm 2022	Share of covered assets, %	Share of total assets, %
Exposures to Taxonomy-eligible economic activities[3)]	708,285	33	22
Exposures to Taxonomy non-eligible economic activities[3)]	133,698	6	4
Exposures to non-NFRD undertakings[4)]	1,266,067	58	40
Derivatives, hedge accounting	237	0	0
On demand inter-bank loans	4,556	0	0
Other assets	59,511	3	2
Exposures to central governments, central banks and supranationals	537,327		17
Trading portfolio (including derivatives excluding hedge accounting)	440,448		14
TOTAL ASSETS	**3,150,129**		**100**

1) The Taxonomy disclosures are based on the scope of prudential consolidation as defined in the Regulation (EU) No 575/2013, Title II, Chapter 2, Section 2; the SEB Group's insurance companies are included according to the equity method instead of full consolidation.
2) The assets are presented at gross carrying amount, before provisions for expected credit losses.
3) Reported only to the extent data is reported for the underlying economic activity.
4) Undertakings not obliged to report according to NFRD (non-NFRD) are undertakings other than large (>500 employees) listed or public-interest companies.

Strategy for climate-related risks

Climate change has become the greatest and most urgent challenge of our time. SEB is committed to playing an important role in channeling the vast investments required to make the transition to a net zero society happen. We align our strategy to the Paris Agreement and offer advisory services, and sustainable financing and investment solutions to support our customers in meeting their climate-related goals.

Page 54–65 of the Sustainability Report are dedicated to presenting our climate-related efforts during 2022 for SEB Group, SEB Investment Management AB, and SEB Pension och Försäkring AB, in accordance with the recommendations from Task Force on Climate-Related Financial Disclosures, TCFD.

Overarching strategy and climate goals

SEB's climate strategy is integrated in the bank's business plan and 2030 Strategy and is an integral part of our sustainability strategy, see p. 34. Managing climate change is both a business opportunity and a possibility to support our customers in the transition to a low carbon society. The strategy also covers how we mitigate our own carbon footprint and risks related to climate change.

We are committed to the Paris Agreement by the signing of the UNEP FI Principles for Responsible Banking, and to the Net-Zero Banking Alliance (NZBA) 2050 goals. This means that we have committed to align our credit portfolio with 1.5°C scenarios pathways to net zero by 2050 or sooner, and to set 2030 reduction targets.

In 2021, SEB developed three proprietary metrics to steer our business in line with our sustainability strategy, and to measure our progress in the transition towards a low-carbon society. These are explained on p. 61.

To complement these ambitions, we published our net zero aligned 2030 interim targets and goals (NZBA) for specific sectors of our credit portfolio in 2022. The targets focus on the areas where the bank can achieve the greatest positive impact and cover SEB's lending and commitments to the oil & gas, power generation, steel, car manufacturing, and Swedish household mortgage sectors.

→ Read about the ambitions and sector targets on p. 36.

Impact on our business

Our ambitions and NZBA sector targets are an integral part of SEB's goal to reach a net zero credit portfolio by 2050 or sooner. We have started to integrate our 2030 targets in our decision-making and governance.

The implementation of our strategy impacts our products and services, governance, and operations. We are incorporating environmental and climate considerations into strategic planning, business development, risk management, in credit assessments and customer selection processes.

Selected actions in 2022:

- Continued assessment of our credit customers, using our proprietary Customer Sustainability Classification (CSC) tool.
- Further development of our green and sustainable banking product sets.
- Climate scenario analysis and stress testing to assess and quantify the potential impacts on our business from climate change. (See p. 59–60 for details on scenario analysis conducted during 2022.)
- Credit portfolio reviews to identify potential concentration risks, problem credits, and business strategies in relation to future operating environments, related to climate risks.
- Inclusion of climate risks as part of the annual credit reviews for customers in elevated risk sectors and broadening the scope, for these assessments, both in terms of targeted industries and number of clients.
- Implemention of new processes and solutions to address increasing complexity and data requirements, including building technical solutions where required to support assessment, oversight, management, and reporting processes.
- Enhancement of the customer acceptance process with approval mandates for Group Credits related to sector policy compliance and "brown" customers according to assessment by the CSC tool.
- Continued integration of environmental, social and governance (ESG) related risks in the risk policy framework with clarified roles and responsibilities.

How we view climate-related risks

As we integrate climate risks into our overall business plan and 2030 Strategy, it is vital that we understand the impact of climate change as well as regulatory measures introduced to enforce the transition to a low-carbon economy.

Climate-related risks fall into one of two categories, physical or transition risks:

- Physical risks arise from the physical effects of global warming and climate change that may for instance impair collateral values.
- Transition risks stem from efforts by governments, institutions and businesses to accelerate the transition to a low-carbon economy. This may lead to regulatory intervention, new market incentives or shifts in demand and behaviour that could lead to financial impacts on our customers, and on SEB.

SEB faces both direct and indirect risks related to climate change. Direct risks may arise from regulatory requirements, disruption of our operations and impact on our products and services. However, the indirect climate risks, particularly those carried by our customers are deemed to be the most material. Both physical and transition risks can impact our customers' profitability, cash flow and asset values. The transition risks are more imminent because we have customers in industries where a transition is underway, while the physical risks are partly more long-term.

SEB's view on possible climate-related risk impacts over different time frames are shown in the table below.

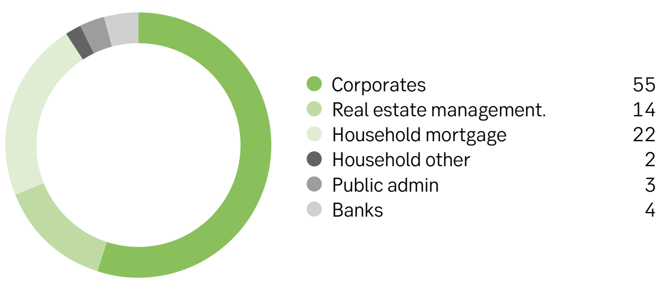
Risk driver	Potential impact	Horizon
Physical risk		
Acute weather events (mainly flood-related in northern Europe)	Lower collateral valuations in real estate portfolios in areas with increased flood risk. Increased default risk for companies with operating facilities in areas with elevated flood risk.	Short term, Medium term, Long term
Changes in chronic weather patterns	Lower collateral values in real estate portfolios. Increased default risk for companies with global supply chains.	Long term
Transition risk		
Policy and regulation	Surge in carbon price affecting the repayment capacity for companies in carbon-intensive sectors.	Short term, Medium term
Technology	Rapid breakthrough in low-carbon technologies leading to stranding of fossil-related assets and thereby impacting both collateral values and default risks for companies in relevant sectors (for example, energy, transportation, metals and mining, and manufacturing).	Medium term, Long term
Market	Change in consumer preferences to low-carbon alternatives affecting business models (for example, less air travel, less meat and dairy, energy-efficient housing, energy-efficient appliances).	Medium term, Long term
Reputation and litigation	Increasing litigation against companies with certain environmental issues, culminating in increased costs and reputational damage affecting access to capital and thereby default risk.	Short term, Medium term, Long term

Short term < 3years · Medium term 3–10 years · Long term > 10 years

Tracking our credit portfolio to identify impact, risks and opportunities

A key to tackling climate change is the transformation of large industrial companies in sectors with a material carbon footprint. As seen in the illustration, 55 per cent of our credit portfolio is comprised of corporates, and a vast majority of our indirect climate impact derives from this part of our credit portfolio. As a long-term, major financial partner to large Nordic companies, SEB is uniquely positioned to support customers in the transformation by offering advisory leadership, innovative and sustainable financing, and investment solutions. We also participate in the transformation of small and medium-sized corporate customers and strive to add value to customers in this segment as well by leveraging our experience from working with the transformation of large corporates.

Credit portfolio, SEK 3,086bn Per cent



32 per cent of SEB's credit exposure to corporate and real estate clients is towards sectors with material carbon footprint. The transition pathway in these sectors will play a key role in global decarbonization and SEB meeting our own long-term goals of the Paris Agreement. The NZBA interim targets mentioned above specifically target some of these material footprint sectors: oil & gas, power generation, steel, and car manufacturing. Moving forward and in line with our commitment to the NZBA we plan to set additional targets for other material footprint sectors.

Understanding our customers transition plans and emission reduction ambitions is key for us to deliver on our 2030 sector targets and in our work to align our strategy to the objectives of the Paris Agreement. We use our proprietary Customer Sustainability Classification tool (CSC) to illustrate our customers' transition plans and to compare them to the objectives of the Paris Agreement. The CSC tool uses information collected from our customers and sector transition pathways developed by third parties. This results in a classification according to five categories; Status quo, Gradual change, Transition, Paris-aligned transition and Sustainable. The tool supports in-depth customer dialogues on the investment needs, the opportunities and the risks related to the implementation of their plans.

SEB is continuously updating and refining the CSC tool as data availability and quality improves. Validation of the CSC tool is expected to be completed during 2023.

The classification according to one of the five categories forms the basis for the Transition Ratio – The future, one of SEB´s climate-related metrics.

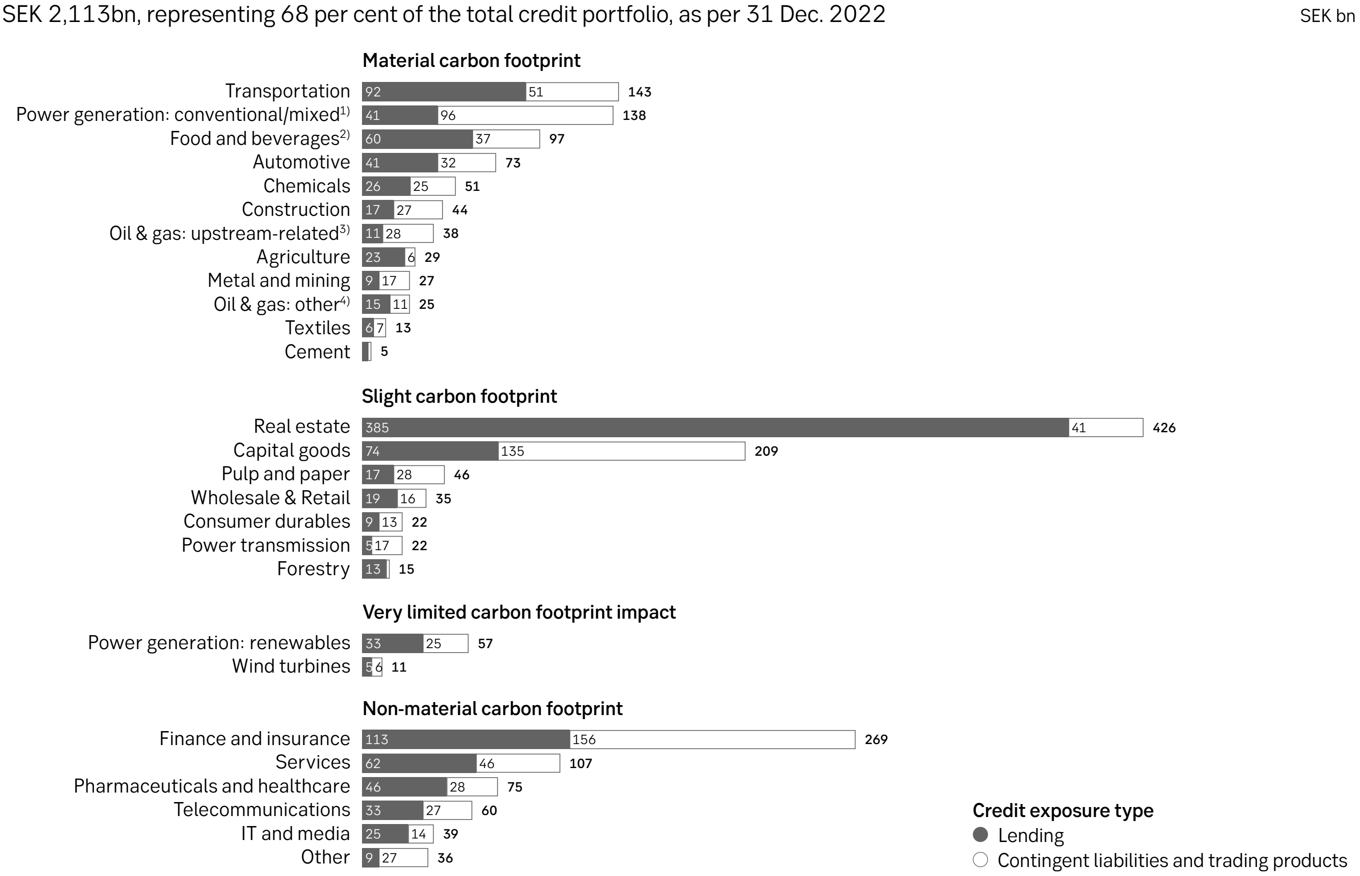
The five customer classification categories are defined as follows:

- *Sustainable:* Companies with already sustainable activities and/or very limited greenhouse gas (GHG) emissions.
- *Paris-aligned transition:* Companies in transition with plans aligned with the Paris Agreement target to limit global warming to 1.5°C (net zero GHG emissions by 2050).
- *Transition:* Companies in transition with plans aligned with a target to limit global warming to around 2°C (net zero GHG emissions by 2070).
- *Gradual change:* Companies in transition but with plans that are not aligned with the 2°C target.
- *Status quo:* Companies with no or limited transition plans.

→ Read more about the Transition Ratio on p. 61.

Breakdown of SEB's corporate and real estate credit portfolio reflecting the sector's carbon footprint

SEK 2,113bn, representing 68 per cent of the total credit portfolio, as per 31 Dec. 2022



1) Companies with a power generation mix that is non-renewable or a mix of non-renewable and renewable.
2) Production and wholesale & retail.
3) Exploration and production, oilfield services and offshore.
4) Transport, distribution & storage, refining, retail and other.

Climate-related risk governance and policy frameworks

SEB has a robust governance model for sustainability, where climate-related risks are fully integrated. The model provides roles and mandates on different levels and determines how we set our climate strategy and work to implement it in practice. SEB has policy frameworks to manage climate risks and to reach our climate ambitions and goals.

Climate risk governance

The Board of Directors is ultimately responsible for establishing a strategy for corporate sustainability and an organisation to execute this strategy. SEB's sustainability strategy and activities are an integral part of the business and are regularly included on the Board's agenda, together with an annual review of policies and instructions.

The President and Chief Executive Officer (President) is responsible for execution of the sustainability strategy and implementation of the governance structure set by the Board.

The Chief Risk Officer is responsible for making sure that the intent of the Board and the President is carried out as concerns policies for risk management and risk control. This includes identifying, measuring, assessing, monitoring, managing, mitigating, and reporting all risks, including ESG risks.

→ Read more about the sustainability governance on p. 49.

Climate-related risks in our policy frameworks

Climate-related risks are covered both by our sustainability policy framework (see p. 50), and by our risk policy framework:

- Our sustainability policy framework provides transparency on the expectations and requirements we set for our clients on specific key issues from an environmental perspective. It includes guidelines on best practice and on the international conventions and standards that the bank requires or encourages companies to follow.
- The risk management framework defines the risks and the overall aim and framework of the risk-taking in SEB, as well as the Board's principles for risk management and risk control. This includes sustainability-related risks.

Climate-related risks in our sustainability policy framework

SEB has adopted sector policies as sub-policies to the thematic Environmental Policy, which is part of the overall sustainability policy framework. These sector policies have been developed to ensure that lending and investment decisions contribute towards fulfilling SEB's overall sustainability ambitions.

The policies clarify SEB's expectations, requirements, and restrictions for providing financial services to, and making investments in, companies involved in certain activities. In general, SEB expects customers and portfolio companies in these sectors to develop transition plans in line with the Paris Agreement and have public or non-public policies reflecting those plans.

Sector policies that are particularly important regarding climate related risks are:

- Fossil fuels
- Mining and metals
- Transportation
- Forestry
- Agriculture, fishing, aquaculture and animal welfare.

It is stated in the bank's Customer Acceptance Policy that customers with a material negative climate impact and without a credible plan to manage the transition to a low-carbon economy shall be avoided. SEB's General Credit Policy states that all lending should be in line with the sustainability sector policies.

→ The sector policies are published on sebgroup.com

Financing of fossil fuels

SEB has long-standing relationships with our corporate customers, including those that have fossil fuel-related activities. This customer base is largely a reflection of the national energy and industry mixes in SEB's home markets (the Nordic countries, the Baltic countries, Germany, and the United Kingdom). The extraction and burning of these fuels must be gradually reduced and replaced as part of a transition to a low carbon society.

We recognise that there is a range of risks associated with high levels of fossil fuel financing, including reputational risk as negative perceptions of investors, clients, employees, and other stakeholders regarding our financing could adversely impact SEB.

Our Fossil Fuel Policy regulates fossil fuel-related financing. For example, SEB aims to exit current customers with more than 5 per cent of revenues from thermal coal mining and coal-fired power generation by 2025 and 2030, respectively. There is a time-limited exception for Germany, where the phase-out will be completed by 2038 in line with the German Coal Phase–out Act.

SEB will avoid providing dedicated finance to, or invest in, new projects or capacity expansions related to oil and gas in environmentally sensitive areas (such as the Arctic). The bank shall also avoid entering into new business relationships with companies extracting oil and gas in environmentally sensitive areas. By 2030, SEB will have phased out business relationships with oil and gas companies where more than 5 per cent of revenues are derived from unconventional oil and gas.

Climate-related risks in our risk management framework

Sustainability-related risks are included in the SEB Group Risk Policy.

SEB does not consider climate-related risk as a separate risk type, instead it is considered as a risk factor affecting several or in practice all risk types, such as credit, market, liquidity, and non-financial risks. Accordingly, the management of such risks is integrated into existing processes and governance structure for identifying, monitoring, measuring, and reporting risks.

Climate transition and physical risks are inherent across all risk types, which include both financial and non-financial risks. For example, the impacts of transition risk can lead to and amplify credit risk by reducing our customers' operating income or the value of their assets, as well as expose us to reputational and/or litigation risk due to increased regulatory scrutiny or negative public sentiment.

Similarly, physical risk can lead to increased credit risk by diminishing borrowers' repayment capacity or impacting the value of collateral. Physical risk could pose increased operational risk to our facilities and employees.

The table below provides examples of how climate-related risks could impact SEB across each risk type with key actions we have taken to assess and manage the risks during 2022.

	Transition risk	Physical risk	Progress highlights
Credit risk	Energy efficiency standards may trigger substantial adaptation costs and lower corporate profitability, which may lead to a higher probability of default as well as lower collateral values.	Default risk and collateral values may be impacted within sectors or geographies vulnerable to physical risk, for instance due to elevated flood risk.	• Transition risk assessment of counterparties in high carbon footprint industries expanded and enhanced. • Pilot project with physical risk assessment of counterparties in selected climate-risk exposed industries. • Climate scenario analyses included in the internal capital adequacy assessment.
Market risk	Transition risk drivers, for instance, a carbon tax, may cause repricing of securities and derivatives for products associated with high carbon content.	Severe physical events may lead to sudden repricing and higher volatility in some markets.	• Risk identification and materiality assessment of climate risk drivers' impact on market risk measures .
Liquidity risk	An abrupt repricing of securities, due to asset stranding, may reduce the value of banks' high quality liquid assets, thereby affecting liquidity buffers.	Liquidity risk may be affected if customers (for instance insurance companies and financial institutions) withdraw large amounts of money due to extreme weather-related events.	• Analysis of depositor concentration risk according to sectors with a material carbon footprint. • Sustainability classification of large depositors.
Non-financial risk	Changing consumer sentiment regarding climate issues may lead to reputation and liability risks for the bank. Reputational risk primarily relates to financing or investing in customers with a material climate impact.	The bank's operations may be disrupted due to physical damage to its property, branches and data centres as a result of extreme weather events.	• New assessment criteria added for sustainability reporting in the new product approval process. • Climate risk part added in Business Continuity Management Instruction. • Regarding third party ESG risks, a new risk practice has been added to the Instruction for Management and Control of Non-financial risks related to requirement on code of conduct for our suppliers in the procurement onboarding process

Climate-related risk management

To be effectively managed, risks must be well understood. At SEB, annual client assessments as well as portfolio and scenario analyses are key components to identify, understand, and manage climate risks.

Risk assessment of clients

To be effectively managed, climate risk must be proactively identified, assessed, and well understood. At SEB, an important part of this work is done in the customer onboarding and the annual review of credit customers, through two processes that support the identification and assessment of climate risks related to our customers: 1) annual screening of sustainability policy compliance and customer sustainability classification, and 2) climate-related risk assessment in the credit process.

Annual screening of sustainability policy compliance and customer sustainability classification

During 2022, we have worked to enhance the customer acceptance process with regards to compliance with the Sustainability Policy and Corporate Sustainability Governance Instruction. Early 2023, Group Credits received an expanded mandate for approvals of customer acceptance according to instructions and to provide the business areas with necessary mandates for customer acceptance.

Both when accepting new clients and during the annual review process of existing clients, the business areas are responsible for the compliance screening and to escalate the following cases to Group Credits for approval:

- A customer in breach of the restrictions or requirements defined in the Social & Human Rights policy or sector policies.
- A customer, or a customer within a group, defined as "brown", in the CSC tool.

As explained, several of our sector policies include restrictions and requirements that specifically target climate impact. A company defined as brown in the CSC tool is assessed as not in transition.

The enhanced process is expected to be implemented gradually in SEB during 2023.

Climate-related risk assessment in the credit process

Industry transformation and sustainability-related risks are integral parts of SEB's credit analysis work and credit approval process.

2022 highlights include the continued roll-out of specific climate transition risk analysis of customers in our credit portfolio in a wider range of sectors with a material carbon footprint and a refined analysis framework. The focus is on our customers' exposure to climate transition risks, their strategy to mitigate them, and the financial impact associated with implementing their climate strategy. During 2022, SEB completed transition risk analyses of around 135 customers with a combined credit exposure of approximately SEK 189bn.

As transition risks are only one side of the climate coin, SEB also launched a pilot of physical climate risk analysis in 2022, looking at customers that might be particularly vulnerable to flooding, droughts or other physical risks, mainly within agriculture, forestry and the textile sector. In the analyses of both transition and physical risks, the objective is ultimately to understand the possible consequence for the credit risk and the risk class that SEB has assigned to the customer.

In addition to customer analyses, awareness-raising training sessions for client executives and analysts were organised by internal ESG specialists on the topics closely connected with climate change, namely biodiversity loss and water risks, and how these can impact corporate development. The sessions included topics such as the following: which industries account for most of the pressure on biodiversity and water resources, which ones are the most dependent on natural ecosystem services to operate and how is the regulatory landscape changing?

Moving forward, the aim is to better integrate biodiversity and water risks in customer dialogue and credit analysis.

Risk assessment and monitoring on portfolio level

Portfolio analysis

While analysis of individual companies is a key component to identify and assess SEB's climate-related risks, SEB also performs portfolio reviews of sectors facing particularly large climate-related challenges such as oil and gas, automotive, and power generation. These reviews are presented to the Group Risk Committee and the Board's Risk and Capital Committee, where sector-specific business strategies and risk appetite levels are defined.

Scenario analyses

Assessing the resilience of SEB's credit portfolio to the consequences of climate-related risks is a complex task, due, in particular, to the wide variety of possible future developments and the long-term perspective required to carry out the analyses. To understand how climate-related risks could impact us and our clients, we evaluate scenarios looking at both current exposures to climate-related risk and forward-looking assessments of potential impacts, including those associated with a 1.5°C or 2°C rise in global temperatures.

SEB's approach to climate scenario analysis is to prioritise the efforts on business activities deemed most impacted by climate change, focusing on exposed sub-portfolios, and assessing credit risks.

In our 2020 and 2021 annual and sustainability reports, we highlighted our evaluation of transition and physical risks on certain samples of our portfolio. Transition risk impact on the oil and gas portfolios and energy producers was evaluated and the Swedish mortgage portfolio was analysed for potential physical risk impacts (flooding). During 2022, another part of our portfolio was evaluated, the Baltic real estate portfolio. The results from this scenario analysis are presented on the next page.

Baltic climate scenario analysis

A climate scenario analysis of physical risk in the Baltic real estate portfolio was conducted during 2022.

Physical risks vary greatly across geographical location and types of hazards. Flooding, together with rising sea levels, is often deemed the predominant source of physical risk in northern Europe, including the Baltics. Therefore, SEB expanded its physical risk pilot project to assess the impact of potential flooding and rising sea levels on the real estate portfolio in the Baltic countries. The purpose was to assess SEB's exposure at risk and the potential financial impact.

More frequent flooding could lead to falling property prices due to diminished demand values or direct damage to pledged collateral. It could also lead to increased insurance costs.

Methodology

For properties financed by SEB we distinguish between two different time horizons of flood risk: acute and chronic. Properties connected to acute flood risk have been identified in two ways:
1) matching their location to risk areas in flood maps from government agencies showing waterfront areas affected by a flood statistically estimated to occur once every 100 years
2) comparing the altitude of properties close to shore to the highest sea level measured nearby.

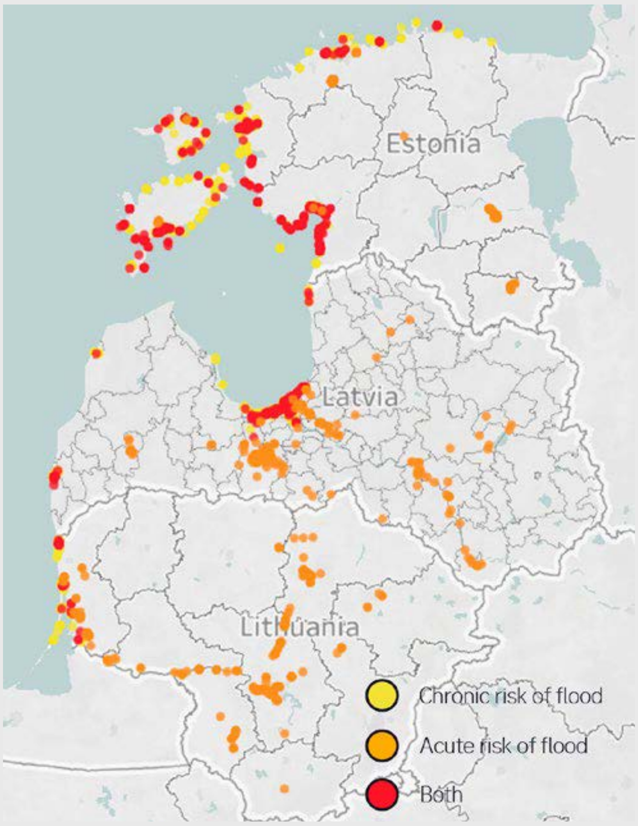
Properties connected to chronic flood risk are identified by the second approach as well, while assuming an additional chronic sea level rise due to global warming. Based on a cautious interpretation of the IPCC report scenarios, we calculated the result using a rise by 1 meter until the year 2100.

The pilot methodology has limitations, which are important to understand when interpreting the result. For example, the chronic flood simulations are based on altitude measures without consideration of terrain, natural obstacles, or mitigating actions now and in the future, which one should reasonably expect within the long-time horizon, especially as awareness of the risk increases.

Results and conclusions

The preliminary total gross credit exposure at risk of flood based on available flood risk maps and data, is estimated to be EUR 350m (3.4 per cent of the total Baltic real estate portfolio as of year-end 2021). This is mitigated by insurance and other mitigating actions planned or undertaken by municipalities, for instance, flood protection infrastructure.

	Gross exposure at risk of flood, EUR m			% of real estate exposure
	Acute	Chronic	Both	
Estonia	18	80	43	**3.5**
Latvia	18	61	53	**6.8**
Lithuania	25	25	28	**1.8**



Collateral at risk of being flooded in the Baltic countries.

The table shows that the relative exposure at risk of flood is greatest for Latvia. However, more than half of the exposure at risk of flood in Latvia is linked to properties in Riga, the capital, where the focus on mitigating actions is likely to be strong. The flood risk is higher in Estonia and Latvia as a greater part of SEB's portfolio is located near the coast, especially in the two capitals. We have carried out several analyses using scenarios from realistic to extremely severe, where any mitigating actions are being ignored. The resulting additional loss from the most extreme scenarios is less than 0.1 per cent of the total credit exposure in the Baltic countries and less than 0.01 per cent of the total credit exposure of SEB Group.

We are committed to further develop and elaborate our physical risk assessment methodology.

Climate risk data and reporting

In 2022, we deployed system support for climate assessment and classification using the CSC tool. The system has so far been integrated with front systems for the Corporate & Private Customers division. In addition to facilitating correct classification, the system will store the client data used, which will facilitate follow-up as well as portfolio analysis.

In addition, work to develop an ESG data platform has continued. The platform will serve as a central repository for internally and externally sourced ESG data and will interface with existing internal applications to enable efficient and consistent aggregation, analysis, monitoring and reporting of ESG-related risks and opportunities in accordance with reporting standards and KPIs.

Metrics and targets

SEB has developed a set of climate-related metrics and targets to transparently report on our progress and to steer our business in line with our sustainability strategy. The metrics are integrated in our decision-making processes and are regularly assessed through the governance channels presented earlier in this report.

SEB's climate-related ambitions and goals

Carbon Exposure Index – The Brown

The Carbon Exposure Index is a volume-based metric capturing our fossil fuel credit exposure within the energy portfolio. SEB's goal is to reduce the fossil credit exposure by 45–60 per cent by 2030 compared with a 2019 baseline. Reaching this goal means that we will be in line with, or outperform, the strictest 1.5°C scenario assumptions provided by the International Energy Agency and Network of Central Banks and Supervisors for Greening the Financial System (NGFS).

At year-end 2022, the Carbon Exposure Index had decreased by 17 per cent compared to a 2019 baseline, which is in line with the 2030 trajectory. The outcome reflects SEB's strategy to actively engage with customers striving to transition their operations and to support them in their transition plans. Fossil credit exposure to the power generation and transmission sectors increased over the period, primarily driven by liquidity support to energy producers through the European energy crisis and transition related investment needs. The increase was offset by a sharp decline in the credit exposure to the oil & gas, upstream related sector (exploration and production, oilfield services and offshore).

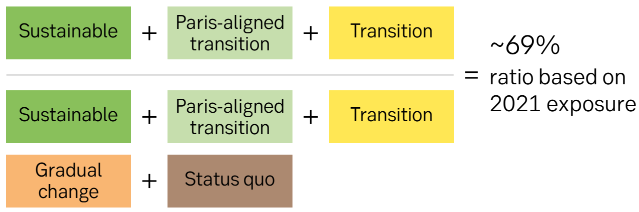
Sustainability Activity Index – The Green

The Sustainability Activity Index is a volume-based metric capturing our sustainability activity across four areas: sustainability-related financing, sustainable finance advisory, greentech venture capital investments and sustainable savings. The ambition is to increase activity 6–8 times by 2030 compared with a 2021 baseline.

At year-end 2022, the index had increased by 59 per cent. For more information about the four areas, see also p. 39, 40, 42.

Transition Ratio – The Future

The Transition Ratio is a credit exposure-related metric based on our CSC tool. The ratio is calculated by dividing the credit exposure classified within the categories Sustainable, Paris-aligned transition and Transition by the total credit exposure classified using the CSC tool.



The scope of our Transition Ratio is the credit exposure to customers active within sectors with material, slight and very limited carbon footprints within the corporate and real estate credit portfolio. Credit exposure to the shipping sector is not included as the climate alignment assessment on that specific portfolio is done in our Poseidon Principles reporting. Read about the Poseidon Principles on p. 40.

At year-end 2022, 70 per cent of the credit exposure in scope had been assessed using our CSC tool. Out of the credit exposure assessed, 71 per cent had been classified when emission reporting and transition plans were of sufficient quality.

Based on the credit exposure by year-end 2021 and the assessments carried out during 2022, our Transition Ratio was 69 per cent. The ratio provides insight into our customers progress and can be used for further analysis and action to support them on their transition journeys.

SEB is actively engaging with customers to advise and help them drive their climate ambitions, which over time should positively impact the proportion of exposure classified.

SEB's financed emissions

SEB is committed to reach net zero greenhouse gas (GHG) emissions by 2050 at the latest. Financed emissions account for the vast majority of SEB's total GHG emissions. SEB has developed a methodology to estimate the financed emissions from the credit portfolio. The methodology forms the basis for the calculation of SEB's financed emissions for 2020 and the development of the 2030 sector targets.

Financed emissions are the GHG emissions SEB finances through its credit exposure. Financed emissions are calculated by multiplying customers' or assets' emissions by a financing attribution factor. The attribution factor is defined as the ratio of credit exposure relative to the book value of the total assets of the customer or relative to the market value of the assets financed. Credit exposure is defined as lending for asset-based financing and lending and contingent liabilities for other financing.

The credit exposure in scope for the calculation of SEB's emissions profile amounted to SEK 1,780bn in 2020 accounting for 79 per cent of the total credit exposure. Credit exposure to corporate sectors with non-material carbon footprint (for example, finance and insurance, and services) and to public administration, banks and household – other is not included. Credit exposure to real estate management and household mortgage in the Baltic countries are excluded due to insufficient data quality.

Customers' and assets' emissions include Scope 1 and 2 for all sectors. Scope 3, use of sold products emissions, are included for the extractive and refining parts of the fossil fuel value chain (oil & gas exploration & production (E&P) and refining, and mining). To minimise multiple counting in the fossil fuel value chain, Scope 3 emissions for the other oil & gas sub-sectors have not been included. Scope 3 from use of sold products are also included for the car manufacturing sector.

When emission data for a customer or asset is lacking, financed emissions are estimated by multiplying the underlying credit exposure by a sector-specific financed emission intensity average. 15 per cent of the 2020 financed emissions was estimated using a sector financed intensity average.

Financed emissions from the corporate sector accounted for 99.5 per cent of SEB's financed emissions in 2020. Financed emissions related to customers' Scope 1 and 2 emissions contributed to 40 per cent of SEB's financed emissions with sectors with material carbon footprint such as shipping, power generation and cement, being the largest contributors. Financed emissions stemming from customers' Scope 3 emissions accounted for 60 per cent of SEB's financed emissions in 2020. The oil & gas E&P and refining sector was by far the largest contributor, accounting for 90 per cent of the Scope 3-related financed emissions.

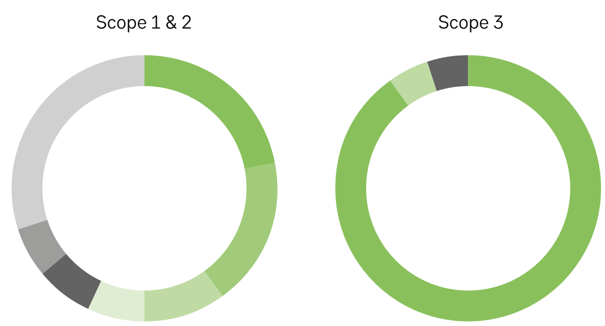
SEB's financed emissions for 2020

mtonnes CO_2e	Scope 1 & 2	Scope 3	Total	%
Corporates	**13.5**	**20.3**	**33.8**	**99.5**
Material carbon footprint	12.3	20.3	32.6	96.1
Slight carbon footprint	1.1	1)	1.1	3.1
Non-material footprint	0,1	1)	0.1	0.2
Very limited footprint	0,0	1)	0.0	0.1
Real estate management	**0.11**	1)	**0.1**	**0.3**
Housing cooperative associations	**0.01**	1)	**0.0**	**0.0**
Household mortage	**0.05**	1)	**0.1**	**0.2**
Public administration	1)	1)	1)	1)
Banks	1)	1)	1)	1)
Household – other	1)	1)	1)	1)
Total	**13.6**	**20.3**	**33.9**	**100.0**

1) Not applicable

Breakdown of financed emissions 2022

Per cent



Scope 1 & 2	
Shipping	22
Power generation mixed	18
Cement	10
Chemicals	7
Oil & gas E&P and refining	7
Steel	6
Other	30

Scope 3	
E&P and refining	90
Car manufacturing	5
Mining	5

SEB 2030 sector targets

In line with our sustainability strategy and our commitment to the Net-Zero Banking Alliance (NZBA), SEB has, during 2022, set 2030 targets for financed emissions for five sectors: oil & gas exploration & production (E&P) and refining, power generation, steel, car manufacturing and household mortgage – Sweden.

Our choice of sectors was guided by their contribution to the total financed emission profile of the bank, the quality and reliability of GHG emission data and the existence of credible and science-based sector decarbonisation pathways.

Financed emissions for the five sectors covered by our 2030 targets accounted for 70 per cent of SEB total financed emissions.

Our 2020 emission intensity baselines are lower than global and regional sector averages, reflecting our strong starting position and our customers' progress on their transition journeys. Our 2030 targets are in line with or ahead of relevant science-based decarbonisation pathways and metrics. The document SEB NZBA Methodology 2022 provides detailed information about the sector targets and the method and benchmarks used.

→ See sebgroup.com

SEB 2030 sector targets – baseline and targets

Sector	Emission boundaries[1]	Metric	2020 baseline	2030 target
Oil & Gas E&P[2] and refining	Scope 1 & 2 & 3[3]	million tonnes CO_2e[4]	18.4	8.3 (–55%)
Power generation	Scope 1 & 2	g CO_2e / kWh	123	70 (–43%)
Steel	Scope 1 & 2	tonne CO_2e / tonne steel	1.40	0.98 (–30%)
Car manufacturing	Scope 3[5]	g CO_2e / km / vehicle	153	61 (–60%)
Household mortgage – Sweden	Scope 1 & 2	kg CO_2e / m²	3.12	2.18 (–30%)

1) Scope 1: direct emissions from sources owned or controlled by the company. Scope 2: indirect emissions resulting from electricity, heat, or steam purchased by the company. Scope 3: indirect emissions from sources not owned or controlled by the company, for example related to the supply chain.
2) Exploration & Production
3) Scope 3: use of sold products
4) Financed emissions
5) Scope 3: use of sold products – Tank-to-Wheel

Climate report for SEB's investment business

SEB Investment Management and SEB Pension och Försäkring manage assets on customers' behalf in SEB-labelled mutual funds and life insurance contracts. Both subsidiaries aim to reduce climate-related risks and enable a transition to sustainable and low-carbon solutions.

SEB Investment Management AB

Governance

The Board of Directors of SEB Investment Management AB (the fund company) adopted SEB Investment Management's sustainability policy, which is the framework that governs our ambitions and integration of sustainability. The fund company's sustainability and governance team of seven specialists coordinates, communicates and supports the organisation. Sustainability resources and competence are not limited to this team and there are several working groups involving portfolio managers and product specialists. Portfolio managers integrate sustainability into their analysis and investment processes, while product managers focus on sustainability and coordinate across asset classes for all our products. Internal functions continuously monitor sustainability issues, in tandem with other independent control functions, such as compliance, risk oversight and internal audit. The fund company's Exclusion Committee takes decisions on exclusion and divestment based on the sustainability policy. This committee also decides on exceptions from the policy, such as transition cases.

Strategy

The fund company aims to align investments with the Paris Agreement and to reach net zero greenhouse gas emissions by 2040, whilst recognising that some large emitting sectors are vital enablers for the transition. The fund company continues to work closely with the companies through active engagement, in participation on nomination committees and exercising the right to vote. In addition, the fund company is reallocating capital flows towards climate-resilient and transitionary business models, and is exiting investments in activities that contribute negatively to climate change. The ambition is to discontinue investments from fossil-based business models that contribute negatively to climate change. The fund company undertakes a full review of the climate impacts of investments and actively monitors emerging issues and regulatory developments. Engagement and active ownership are part of a constructive process for creating long-term sustainable investment value.

Risk management

In accordance with the sustainability policy, the fund company has a strict approach to fossil fuels. All funds exclude companies that extract or process fossil fuels, including unconventional fossil fuels, such as oil sands and deep-sea drilling. Similar restrictions are applicable for power generation and distribution of fossil fuels. Exceptions can be made for companies that have clear targets and credible transition plans in line with the Paris Agreement. Direct engagement with companies is an important and strategic tool to understand how the company's operations affect the climate and how climate change affect the company. Through the engagement, the fund company can accelerate change and support companies to include climate-related strategies and practices in their business models. The engagements are done either directly with companies or through investor collaborations. The fund company is involved in dialogues with the world's largest greenhouse gas emitting companies through IIGCC Climate Action 100+ and other collaborations such as ISS ESG.

Metrics and targets

The fund company signed the Montreal Carbon Pledge 2014 and began to measure the carbon footprint for investments in listed equities. An increasing number of companies has started to report since then, and today more climate-related data is available. However, there are still limitations in what is included in the calculations and therefore they still provide little insight into potential future exposure. The fund company encourages companies to have verified science-based targets.

We continuously monitor our progress and have established the following interim targets with a baseline year of 2019:

- By 2025 achieve a 50 per cent reduction of greenhouse gas emissions financed.
- By 2030 achieve a 75 per cent reduction of greenhouse gas emissions financed.

Since 2021 SEB Investment Management is a member of the Net Zero Asset Managers initiative.

The fund company conducted an analysis based on 95 per cent of the listed equity and corporate bond funds investments. By using the Sustainable Development Scenario, developed by the International Energy Agency (IEA), it is possible to estimate a future trajectory of emissions reduction and temperature-score. The analysis, which was carried out at the end of 2022, gives an indicative forecast of a temperature increase of 1.9°C by 2050. While the result is still within the Paris Agreement, that is to keep the temperature increase below 2.0°C, it is further from our goal of 1.5°C increase. According to our analysis, the financed carbon dioxide emissions from the base year 2019 have decreased by approximately 50 per cent in absolute terms and the decrease can largely be attributed to the exclusion of companies that extract fossil fuels and power generation. As there is still a lack of available data and uncertainty about the quality of the data, the outcome and future forecast are also uncertain.

SEB Investment Management's target remains at 1.5°C rise in temperature and we are continuously working on more measures to meet this target.

→ For further information see SEB Investment Management Sustainability Report 2022.

SEB Pension och Försäkring AB

Governance

The subsidiary SEB Pension och Försäkring AB (Life & Pension) is included in SEB's governance structure.

Sustainability is an important part of the operations within Life & Pension and is coordinated with SEB's ambitions within the area. Life & Pension stands for good ethics, social responsibility, and the transition to a low-carbon and resource-efficient society.

Life & Pension is guided by the governing platform set out by the framework of policies in SEB, the Corporate Sustainability Policy, thematic policies, and sector policies which express the view on specific key issues and industry sectors that are considered critical. By the application of this framework, sustainability becomes an integrated part of all business areas.

Strategy

Life & Pension is transparent in its efforts to support long-term corporate sustainable development of its operations. The most significant climate-related risks and opportunities linked to the business can be found in the investment offer.

The consideration of sustainability risks and opportunities is an integrated part of the investment process and decisions. This is balanced by sustainability analysis in order to actively select funds and other assets that perform well in sustainability, exclusion of certain sectors and funds that underperform in sustainability and by active ownership through dialogue with fund companies. We do this with the conviction that a structured focus on sustainability will be more successful in the long term and create a better future for our customers.

Risk management

The risk is making investments in assets that are not sustainable in the long run, giving rise to financial loss and reputational damage. Climate risk is a tangible and current risk but as a life insurance company, Life & Pension is not directly affected by physical risk (neither acute nor chronic) which is more relevant to non-life insurers or those offering protection policies. Life & Pension may be exposed to transition risks which could lead to changing client behaviour and have an impact on valuations of traditional and unit-linked investments, which in turn would result in income reduction.

In line with Life & Pension's goals, and with increased risks, the aim is to increase the amount of sustainable funds in the unit-linked offering and to reach a higher level of sustainable investments in the traditional portfolio. Life & Pension will continuously develop the methods for assessing relevant risks and is committed to support customers in the transformation towards a low-carbon and resource efficient society.

Metrics

The overarching goal is to reduce the negative effects on the climate that arise in the business through investment activities. Exclusion of certain sectors and industries that have a negative impact on the environment will contribute to reducing the negative impact the investments have on a sustainable development. Active ownership through dialogue with fund companies aims to lead to more fund managers being signatories of Principles for Responsible Investments (PRI) which is a commitment to responsible investments that will lead to a more sustainable financial system. Life & Pension will, among other things, measure the proportion of funds that promotes environmental or social characteristics or has a sustainable investment as its objective in relation to all funds, with the aim to increase the number of sustainable funds. Another example is measuring the carbon footprint of equity investments in the traditional portfolio. Through increased access to reported data and with continued development of methods, Life & Pension will over time further improve alignment with the overall strategy.

About the Sustainability Report

The Sustainability Report covers the SEB Group, that is the parent company Skandinaviska Enskilda Banken AB (publ) and its subsidiaries. SEB reports in accordance with the Swedish Annual Accounts Act and the Global Reporting Initiative, GRI Standards. The report is aligned with the TCFD (Task Force on Climate-related Financial Disclosures). Areas covered include climate and environment, human rights, labour rights and social relations, and anti-corruption. The diversity policy applied for the Board is described in the Corporate Governance Report (see p. 92). SEB has published a sustainability report since 2007. This report covers the fiscal year 2022. The previous report was published in March 2022. No significant changes have been made in the scope and boundaries. SEB's auditor EY has expressed an opinion that a statutory sustainability report has been prepared according to the Swedish Annual Accounts Act, and has performed a limited review of the sustainability report according to GRI Standards. Contact: Chief Sustainability Officer, Hans Beyer, tel: +46 771 62 10 00, sebgroup.com.

Board of Directors

Stockholm, 21 February 2023

Skandinaviska Enskilda Banken AB (publ)
Corporate registration number 502032-9081

Report of the Directors

CONTENTS

Financial review of the group

SEB's operating profit improved during a year marked by increasing uncertainty due to Russia's invasion of Ukraine, volatile energy markets, increasing interest rates and rising inflation. Return on equity excluding items affecting comparability reached 14.5 per cent. The bank's financial position is strong, and the Board of Directors proposes a dividend of SEK 6.75 per share.

Result and profitability

Operating profit before items affecting comparability increased by 14 per cent to SEK 35,249m (30,864). *Operating profit* increased by 10 per cent to SEK 33,850m (30,864). *Net profit* amounted to SEK 26,989m (25,423).

Operating income

Total operating income increased by SEK 8,951m, or 16 per cent, to SEK 64,589m (55,638).

Net interest income amounted to SEK 33,443m, corresponding to an increase of 28 per cent compared with 2021 (26,097). The main reason was the effects from the central banks' policy rate hikes during the year. The Swedish central bank increased its policy rates from 0.25 to 2.50 per cent. This affected margins on both loans and deposits.

Customer-driven net interest income mainly reflects the net interest income derived from loans to and deposits from the public. Customer-driven net interest income increased by SEK 7,574m year-on-year. Increased deposit margins following the policy rate hikes was the main reason for the improvement, both in Sweden and the Baltic countries. Lending volumes, of which a part related to short-term bridge financing provided to corporate customers in the macroeconomic uncertainty during the winter, contributed positively to the net interest income, while lending margins were under pressure.

Net interest income from other activities which includes funding and other Treasury activities as well as trading declined by SEK 228m year-on-year.

Fees for the deposit guarantee managed by the Swedish national debt office that are accounted for as net interest income, increased by SEK 76m to SEK 421m (345).

Net fee and commission income increased by 2 per cent to SEK 21,573m compared with 2021 (21,142).

Net payment and card fees increased by 30 per cent to SEK 4,565m (3,512). Payment activity and in particular, card usage recovered from the subdued levels in 2021 which were caused by the Covid-19 pandemic.

The gross fee income from custody and mutual funds, excluding performance fees, increased by SEK 346m to SEK 9,675m compared with 2021. The change mainly reflected a positive effect from the custody business. Assets under custody increased when certain participants made a strategic decision to exit the market. Gross fee income from mutual funds was affected by lower business volumes and equity markets with lower values. Performance fees that are activated when mutual funds' performance exceed certain pre-defined levels, decreased to SEK 442m (675).

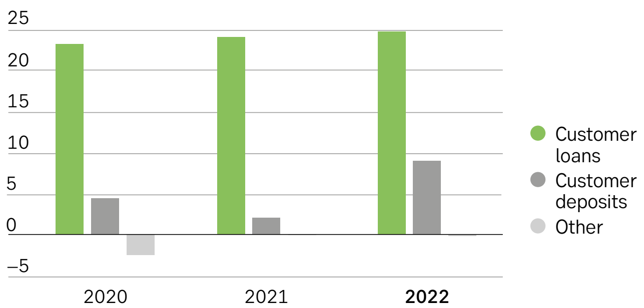
Capital market-related activity slowed markedly compared with 2021. With increasing interest rates, corporate customers increasingly preferred traditional bank financing over issuing own securities. Gross fee income from issuance of securities and advisory services decreased by SEK 496m to SEK 1,458m. Gross lending fees, on the other hand, mainly event-related, increased by SEK 346m to SEK 3,546m.

Higher activity in the financial markets during the year resulted in an increase of secondary market and derivatives income of 6 per cent from 2021 to SEK 2,142m.

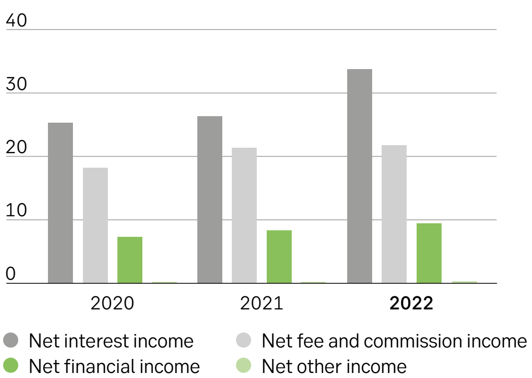
The net life insurance commissions related to the unit-linked insurance business amounted to SEK 1,009m (1,207).

Net financial income increased by SEK 1,079m to SEK 9,314m. The so-called fair value credit adjustment measures unrealised valuation changes of counterparty risk (CVA) and own credit risk standing in derivatives (DVA). This adjustment amounted to SEK 457m, an increase of SEK 156m compared with 2021.

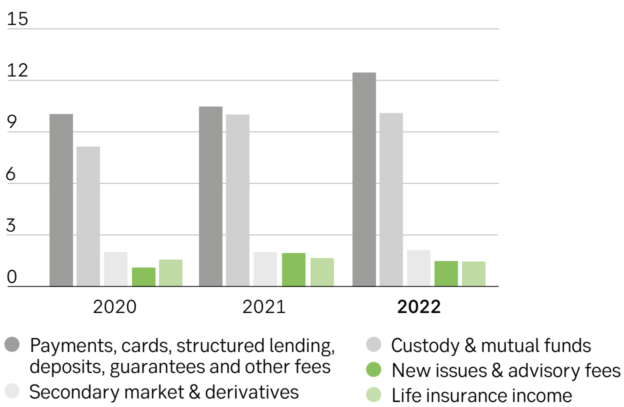
Net interest income SEK bn



Operating income SEK bn



Fee and commission income, gross SEK bn



The market value change of certain strategic holdings amounted to SEK –107m for the year, this mean a negative change of SEK 663m in net financial income year-on-year.

Mark-to-market valuation effects related to interest rate and currency swaps within liquidity management as well as the bond portfolio, all within the Treasury operations, were positive.

In 2021, a valuation gain from the sale of Tink of SEK 514m was reported and in 2022 a further gain was realised at SEK 262m at the time of the actual sale. Therefore, the related net financial income was SEK 252m lower in comparison with last year.

Net financial income from the Life division decreased by SEK 235m to SEK 810m. Valuations in the traditional life insurance portfolio were affected by both higher interest rates and the stock market decline during the year. In addition, recovery in the traditional portfolios contributed strongly in 2021.

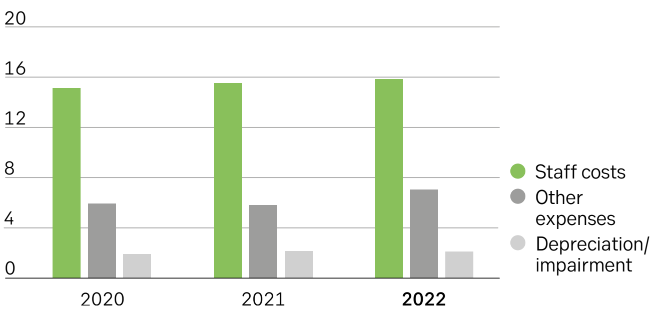
Net other income amounted to SEK 258m (164). Unrealised valuation and hedge accounting effects are included in this line item.

Operating expenses

Total operating expenses amounted to SEK 25,044m (23,245), representing an increase of 8 per cent. The number of staff increased to 16,283 (15,551) and staff costs increased by 4 per cent to SEK 15,980m. Other expenses increased by 21 per cent, mainly related to IT investments, consulting costs and increased travel. Supervisory fees amounted to SEK 174m (170).

The cost target for 2022 was SEK 24.5bn, assuming 2021 foreign exchange rates. With the average 2022 foreign exchange rates, the implied cost target for 2022 was SEK 25.0bn. The cost/income ratio was 0.39 (0.42).

Operating expenses SEK bn



Employees, average number

	2022	2021
Full time equivalents[1]	16,283	15,551
Employees[2]	16,957	16,347

1) Roughly equals contractual full-time positions, excluding long-term leave of absence.
2) Number of employees.

Net expected credit losses

Net expected credit losses increased to SEK 2,007m (510), corresponding to a net expected credit loss level of 7 basis points (2), due to downward revisions of the macroeconomic scenarios and increased provisions on a few specific counterparties. During the year, the portfolio model overlays (reserves) increased to SEK 2.2bn. Covid-19 and oil portfolio-related model overlays were released, and new portfolio model overlays were made to reflect risks from higher energy prices, supply chain issues and inflation as well as the potential challenges in the Swedish real estate sector as many companies are adjusting to the new interest rate and capital market environments.

→ See further comments on credit risk on p. 85 and notes 11 and 18.

Imposed levies

Imposed levies amounted to SEK 2,288m (1,019). The risk tax, that was implemented in 2022 and applies to Sweden's larger banks, amounted to SEK 1,187m. Authorities are also levying resolution fees to build a buffer to limit systemic risk in case of a future bank crisis. The resolution fees rose to SEK 1,101m (1,019).

Items affecting comparability

The *item affecting comparability* amounted to SEK 1,399m. In the wake of the Russian invasion of Ukraine, it is not viable for SEB to maintain operations in Russia and the bank is therefore in the process of scaling these down. Russia has limited transactions between subsidiaries in Russia and parent companies in so called unfriendly countries, and has restricted funds that may be transferred abroad. An impairment of SEK 1,399m of the group's assets of approximately SEK 7bn related to Russia, has been recognised.

→ See note 13.

Income tax expense

Income tax expense increased to SEK 6,861m (5,441) with an effective tax rate of 20.3 per cent (17.6). The effective tax rate has increased due to the impairment related to Russia and also due to a lower result from investments in shares held for business purposes which are exempt from income tax.

→ See p. 48 for SEB's approach to tax and note 15.

Return on equity

Return on equity decreased to 13.8 per cent (13.9). Return on equity before items affecting comparability amounted to 14.5 per cent (13.9).

Other comprehensive income

Other comprehensive income amounted to SEK 2,198m (14,783). The change in net value of the defined benefit pension plans affected other comprehensive income by SEK 641m (14,061).

The net effect from the valuation of balance sheet items that may subsequently be reclassified to the income statement, that is cash flow hedges and translation of foreign operations amounted to SEK 1,510m (708).

Financial structure

Total assets at 31 December 2022 amounted to SEK 3,533bn (3,304).

Loans

Total loans to the public increased by SEK 219bn during the year and amounted to SEK 2,065bn (1,846).

SEB's credit portfolio, which includes loans, contingent liabilities and derivatives, increased by SEK 258bn to SEK 3,086bn (2,828). The corporate credit portfolio increased by SEK 214bn to SEK 1,687bn, partly due to currency effects. The household credit portfolio (mortgage loans and other household credits) was unchanged at SEK 756bn. The commercial and residential real estate management portfolios in total increased by SEK 15bn to SEK 355bn.

Credit-impaired loans, gross (stage 3) decreased during the year by SEK 2,981m to SEK 6,846m (9,827). The gross credit-impaired loans (stage 3) were 0.33 per cent of total loans (0.53).

→ See note 18 and 40a.

Important events and trends in 2022

First quarter

- The quarter was dominated by Russia's invasion of Ukraine. The war and increasing volatile energy prices in the wake of the invasion led to significantly higher economic uncertainty, also for SEB's customers.
- SEB initiated scaling down the operations in Russia, as an adjustment to the plans and needs of customers.
- A second share buyback programme, of SEK 2.5bn over two quarters was announced.

Second quarter

- With increasing inflationary pressure centrals banks continued to tighten monetary policies and raising interest rates.
- SEB entered into strategic partnership with the insurance technology company Insurely and the fintech company Leneo and invested in Metry, a greentech company, to further explore the opportunities in digital development.
- SEB entered a strategic partnership with Ringkjøbing Landbobank in Denmark to strengthen the position of the Private Wealth Management & Family Office division.

Third quarter

- Customer sentiment and activity was impacted by higher inflation, rising interest rates and volatile financial markets.
- Customers in all segments were more cautious with lower credit demand and higher demand for financial advice.
- SEB announced net zero aligned 2030 sector targets for financed emissions in the credit portfolio.
- A representation office in Nice opened to build relations with private banking customers from the bank's home markets.
- A third share buyback programme of SEK 1.25bn over one quarter was announced.

Fourth quarter

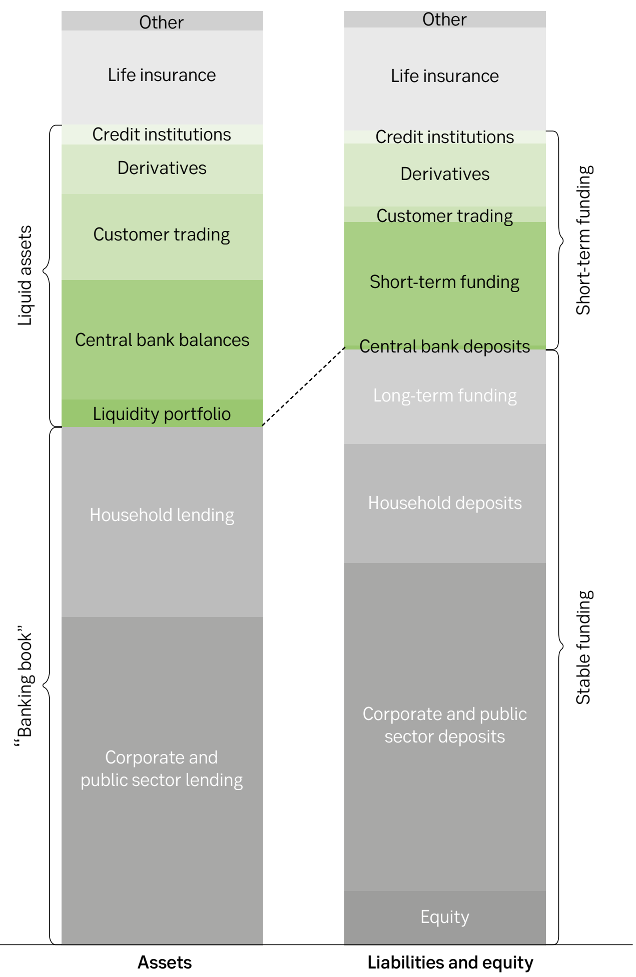
- SEB was top ranked in customer satisfaction by both Nordic corporates and financial institutions for the second year running.
- Results were driven by strong trading activity and higher interest rates.
- SEB held its second annual sustainability event.
- An impairment of SEK 1.4bn was made for SEB's assets in Russia.

Regulatory supervision of SEB

Regulatory supervision is a normal part of every-day banking operations. SEB's main supervisor is the Swedish FSA, but SEB is continuously subject to ongoing supervisory activities in all countries where the bank operates.

In 2022, the Swedish FSA initiated around 50 new supervisory matters as regards the parent bank (excluding international branches) and its Swedish subsidiaries. Another 40 new supervisory matters related to the international branches in SEB's home markets and around 50 supervisory matters were handled by the European Central Bank and other local authorities as regards to the Baltic subsidiaries. Not all supervisory matters are formally categorised as inspections (for example various surveys, questionnaires, requests for information, ad hoc reports), but nevertheless require significant resources to ensure timely responses with high quality.

Balance sheet structure 31 December 2022



Debt securities

Debt securities are held for the purpose of serving customer risk management and trading needs as well as internal liquidity management. SEB is a market maker in certain debt securities. These debt securities increased by SEK 47bn to SEK 253bn (206). The short position (liability) in debt securities amounted to SEK 24bn (20). SEB's credit risk exposure in this portfolio, which consists of debt securities, certain credit derivatives and futures, amounted to SEK 241bn (177).

→ See note 19, 30 and 40a.

Equity instruments

Equity instruments held for the purpose of customer risk management and trading needs as well as to facilitate the bank's role as a market maker amounted to SEK 67bn (121). The short position (liability) in equity instruments amounted to SEK 21bn (14).

→ See note 20 and 30.

Insurance assets and liabilities

Financial assets within the insurance operations amounted to SEK 389bn (462). Out of this, financial assets where policyholders carry the risk (mostly unit-linked insurance) amounted to SEK 358bn (424) and other assets (mostly traditional and risk insurance) amounted to an additional SEK 31bn (38).

Liabilities in the insurance operations amounted to SEK 389bn (459). Out of this, SEK 358bn (424) was related to financial commitments for investment contracts (mostly unit-linked insurance), while SEK 31bn (35) was related to insurance contracts (mostly traditional and risk insurance). The insurance liabilities are mainly covered by financial assets.

→ See note 28, 42 and 43.

Derivatives

The fair value of the derivative contracts is presented as assets and liabilities on the balance sheet. They amounted to SEK 188bn (126) and SEK 238bn (118) respectively. The mix and volumes of derivatives reflect the demand for derivatives by the bank's customers for their management of financial risks. The bank is a market maker for derivatives and also uses derivatives for the purpose of protecting its own cash flows and fair value of its financial assets and liabilities from for instance interest rate fluctuations.

→ See note 21.

Deposits and borrowings

Deposits and borrowings from the public, an important source of financing, amounted to SEK 1,702bn (1,597). Household deposits increased by SEK 11bn while deposits from non-financial corporations increased by SEK 20bn during the year. Throughout 2022, both non-financial and financial corporations and households chose bank accounts as safe investment alternatives.

Debt securities issued

In 2022, funding markets were impacted by rising interest rates and higher volatility. SEB's funding activity increased compared to previous years, mainly to meet regulatory requirements. The bank issued an equivalent of SEK 130bn (75) of long-term funding, including two green senior non-preferred bonds and SEK 5bn in Additional Tier 1 capital. At year-end, total long-term funding amounted to SEK 474bn.

Short-term funding in the form of commercial paper and certificates of deposit amounted to SEK 353bn at year-end (288). Subordinated debt amounted to SEK 29bn.

→ See p. 88 and note 40f for liquidity management information.

Assets under management and custody

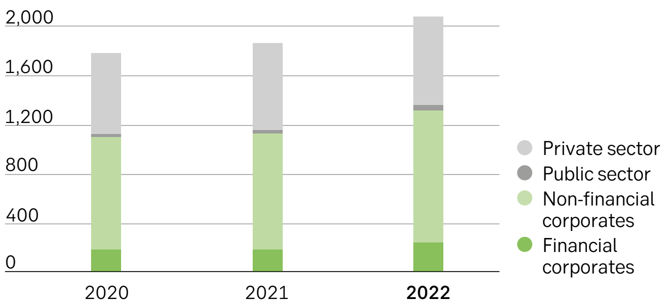
Total *assets under management* amounted to SEK 2,123bn (2,682). The market value moved with the equity markets and decreased by SEK 470bn. The net flow of assets under management was SEK -89bn. In connection with a new strategic partnership SEK 13bn were transferred to Ringkjøbing Landbobank. Certain institutional investors transferred their holdings for strategic reasons. SEB-labelled funds managed by the Investment Management division amounting to SEK 684bn are part of total assets under management.

Assets under custody amounted to SEK 18,208bn (21,847). The market value moved with the equity markets.

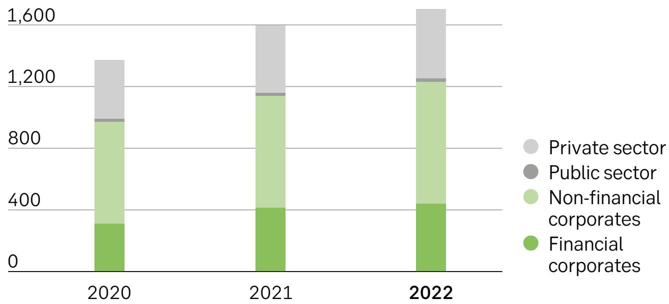
Assets under management SEK bn

	2022	2021	2020
Beginning of the year	**2,682**	**2,106**	**2,041**
Inflow	620	755	499
Outflow	–709	–705	–512
Change in value	–470	526	78
End of the year	**2,123**	**2,682**	**2,106**

Loans to the public SEK bn



Deposits from the public SEK bn



Total equity

Total equity at the opening of 2022 amounted to SEK 193bn. Total dividends paid out amounted to SEK 13bn. Net profit amounted to SEK 27bn and other comprehensive income increased equity by SEK 2bn. At year-end 2022, total equity was SEK 205bn.

SEB's share capital amounts to SEK 21,942m distributed on 2,179 million shares. In line with strategic planning, SEB repurchased shares for a total amount of SEK 5bn during 2022 and 15,449,868 Class A shares were cancelled.

Each Class A share entitles the holder to one vote and each Class C share to 1/10 of a vote.

Number of outstanding shares

31 December 2022

	Share Class A	Share Class C	Total no. of shares
Total number of issued shares, 31 dec 2021	**2,170,019,294**	**24,152,508**	**2,194,171,802**
Shares cancelled during the year	−15,449,868	0	**−15,449,868**
Total number of issued shares, 31 dec 2022	**2,154,569,426**	**24,152,508**	**2,178,721,934**
Repurchased own shares for equity-based programmes[1]	−27,299,819	0	**−27,299,819**
Repurchased own shares for capital purposes[2]	−37,983,650	0	**−37,983,650**
Total number of outstanding shares	**2,089,285,957**	**24,152,508**	**2,113,438,465**

1) Utilisation of authorisation from the Annual General Meeting 2022 to acquire own shares for long-term equity programmes.
2) Utilisation of authorisation from the Annual General Meeting 2022 to acquire own shares for capital purposes.

Since 2021 four share buyback programmes have been communicated in line with strategic planning.

Start date	End date	Amount (SEK bn)	Number of class A shares	Average share price
21 October 2021	21 March 2022	2.5	20,055,133	124.66
23 March 2022	24 October 2022	2.5	23,375,979	106.95
27 October 2022	30 December 2022	1.25	10,508,310	118.95
27 January 2023	3 April 2023	1.25	-	-

Dividend

An ordinary dividend of SEK 6.00 per share was distributed to the shareholders in 2022. The dividend corresponded to around 50 per cent of SEB's net profit for the financial year 2021.

The Board of Directors proposes to the Annual General Meeting a dividend of SEK 6.75 per Class A and Class C share, which corresponds to around 51 per cent of the 2022 net profit, excluding items affecting comparability. The proposed total dividend amounts to SEK 14.3bn calculated on the total number of issued shares as per 31 December 2022 excluding own shares held.

The proposed record date for the dividend is 6 April 2023 and dividends will be paid out on 13 April 2023. The share will be traded ex-dividend on 5 April 2023.

Share value and stock exchange trading

The closing price at year-end of the SEB class A share was SEK 119.95 (125.85). Earnings per share amounted to SEK 12.63 (11.75). The SEB share is listed on Nasdaq Stockholm.

Market capitalisation

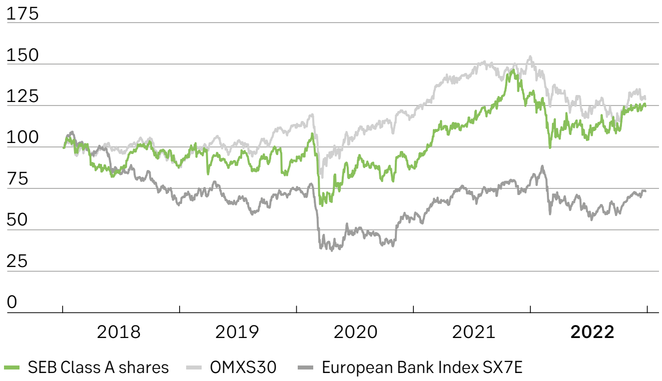
SEK m

	2022	2021	2020	2019	2018
Year-end market capitalisation[1]	261,440	276,266	185,485	193,345	188,925
Turnover[2]	97,513	99,952	121,000	106,915	128,241

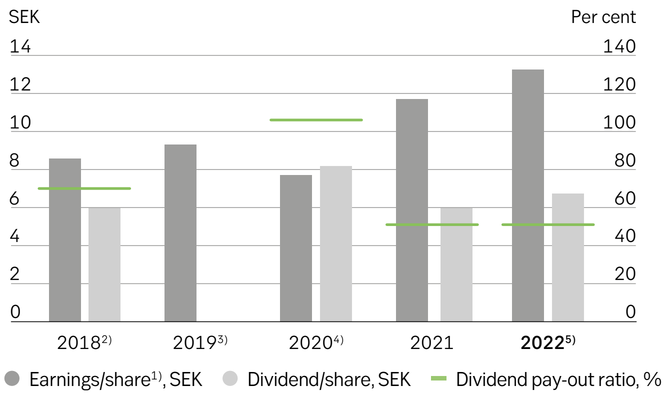
1) Based on Nasdaq Stockholm share price of 119.95 for Class A-shares and 124.20 for Class C-shares.
2) Shares traded at Nasdaq Stockholm.

Share price development SEB Class A share

Index 1 January 2018=100



Earnings and dividend per share



1) Excluding items affecting comparability.
2) Excluding extraordinary dividend in 2018.
3) The 2019 dividend proposal was reverted and the AGM decided that no dividend would be paid out.
4) Including ordinary dividend of 4.10 per share and a further ordinary dividend of 4.10 per share.
5) A dividend of SEK 6.75 per share is proposed for 2022.

Data per share

	2022	2021	2020	2019	2018
Basic earnings, SEK	12.63	11.75	7.28	9.33	10.69
Diluted earnings, SEK	12.53	11.67	7.23	9.28	10.63
Shareholders' equity, SEK	96.77	89.61	79.53	71.99	68.76
Net worth, SEK	103.41	98.00	85.99	78.42	74.74
Net expected credit losses, SEK	0.94	0.24	2.83	1.06	0.54
Dividend per A and C share, SEK	6.75[1]	6.00	8.20[2]	0.00[3]	6.50[4]
Year-end share price[5]					
Class A share, SEK	119.95	125.85	84.50	88.08	86.10
Class C share, SEK	124.20	131.20	87.70	91.50	86.40
Highest price paid[5]					
Class A share, SEK	129.75	141.85	104.90	99.38	102.70
Class C share, SEK	138.20	155.00	112.00	102.20	103.60
Lowest price paid[5]					
Class A share, SEK	91.64	83.80	59.80	78.88	79.16
Class C share, SEK	97.00	87.00	69.50	81.70	80.50
Payout ratio (dividend as a percentage of earnings), %	53.4	51.1	112.6[2]	-[3]	60.8[6]
Payout ratio, excluding items affecting comparability, %	50.8	51.1	105.9[2]	-[3]	69.8[6]
Dividend yield, %	5.6[1]	4.8	9.7[2]	-[3]	7.5[6]
P/E (share price at year end/earnings)	9.5	10.7	11.6	9.4	8.1
Number of outstanding shares					
average, million	2,136.7	2,164.1	2,163.1	2,161.7	2,164.4
at year-end, million	2,113.4	2,156.4	2,162.0	2,162.7	2,163.9

1) As proposed by the Board of Directors.
2) Ordinary dividend of SEK 4.10 per share decided by the Annual General Meeting and a further ordinary dividend of SEK 4.10 per share decided by the Extraordinary General Meeting.
3) The 2019 dividend proposal was reverted and the AGM decided that no dividend be paid.
4) Ordinary dividend of SEK 6.00 per share and extraordinary dividend of SEK 0.50 per share.
5) Source: Nasdaq Stockholm.
6) Excluding extraordinary dividend.

Key figures

	2022	2021	2020	2019	2018
Return on equity, %	13.8	13.9	9.7	13.7	16.3
Return on equity excluding items affecting comparability[1], %	14.5	13.9	10.3	13.8	13.4
Return on total assets, %	0.7	0.7	0.5	0.7	0.8
Return on risk exposure amount, %	3.2	3.4	2.1	2.7	3.7
Cost/income ratio[2]	0.39	0.42	0.45	0.44	0.46
Basic earnings per share, SEK	12.63	11.75	7.28	9.33	10.69
Weighted average number of shares[3], million	2,137	2,164	2,163	2,162	2,164
Diluted earnings per share, SEK	12.53	11.67	7.23	9.28	10.63
Weighted average number of diluted shares[4], million	2,153	2,179	2,177	2,175	2,177
Net expected credit loss level, %	0.07	0.02	0.26	0.10	0.06
Stage 3 loans/Total loans, gross, %	0.33	0.53	0.87	0.67	0.50
Stage 3 loans/Total loans, net, %	0.14	0.22	0.44	0.36	0.30
Liquidity Coverage Ratio (LCR)[5], %	143	145	163	218	147
Net Stable Funding Ratio (NSFR)[6], %	109	111			
Risk exposure amount, SEK m	859,320	787,490	725,560	745,637	716,498
Risk exposure amount, expressed as own funds requirement, SEK m	68,746	62,999	58,045	59,651	57,320
Common Equity Tier 1 capital ratio, %	19.0	19.7	21.0	17.6	17.6
Tier 1 capital ratio, %	20.7	21.4	22.7	20.8	19.7
Total capital ratio, %	22.5	23.1	25.1	23.3	22.2
Leverage ratio, %	5.0	5.0	5.1	5.1	5.1
Number of full time equivalents[7]	16,283	15,551	15,335	14,939	14,751
Assets under custody, SEK bn	18,208	21,847	12,022	10,428	7,734
Assets under management, SEK bn	2,123	2,682	2,106	2,041	1,699

1) Impairment of the group's assets related to Russia in Q4 2022.
2) Comparative figures have been restated.
3) At year-end 2021 the number of issued shares was 2,194,171,802 and SEB owned 37,774,605 Class A shares. During 2022 SEB purchased 6,061,021 shares for the long-term equity programmes and 6,364,511 shares were sold/distributed. During 2022 SEB purchased 43,262,222 shares for capital management purposes and 15,449,868 shares held for capital management purposes were cancelled. Thus, at 31 December 2022 the number of issued shares amounted to 2,178,721,934 and SEB held 65,283,469 own Class A-shares with a market value of SEK 7,831m.
4) Calculated dilution based on the estimated economic value of the long-term incentive programmes.
5) In accordance with the EU delegated act.
6) In accordance with CRR2.
7) Average for the year.

→ For a five-year summary of the Group's and the Parent bank's income statements and balance sheets, see p, 203-204.
→ For definitions, see p. 236.

Holistic management

Creating sustainable value is a continuous process in an environment that is under constant change. The Board of Directors sets the conditions by deciding on the bank's long-term strategic direction, financial targets, business plans and overall risk tolerance. Profitability targets are set within the framework of the risk tolerance level and the capital adequacy targets.

In order to maximise customer and shareholder value, the financial consequences of business decisions are evaluated and operations are managed proactively based on these aspects:
1. growth, mix and risk level of business volumes
2. capital and liquidity requirements driven by the business
3. profitability, and
4. regulatory requirements.

Pricing in relation to risk is thereby a natural part of the business and monitoring nominal and risk-based returns is an important part of management.

The Board's overarching risk tolerance statements convey the direction and level of risk, funding, liquidity buffers and capital targets. SEB's main risk is credit risk.

In 2022, the war in Ukraine, higher interest rates, the effects of the high inflation, and in the last several years, climate-related challenges were increasingly in focus. Such challenges are reflected throughout SEB's risk management. SEB strives to continuously identify and manage potential future risks, for instance by using stress tests and scenario analysis. The capital buffer and liquidity reserves are held to cover the risk in case of unforeseen events.

All activities are carried out responsibly and in accordance with regulations and expectations – all in order to maintain the trust of the stakeholders.

Long-term financial targets

With the purpose of increasing capital management flexibility, the Board of Directors' long-term financial targets are:

- to pay a yearly dividend that is around 50 per cent of the earnings per share, excluding items affecting comparability, and distribute potential capital in excess of the targeted capital position, mainly through share buybacks,
- to maintain a Common Equity Tier 1 capital ratio of 100–300 basis points above the requirement from the Swedish Financial Supervisory Authority, and
- to generate a return on equity that is competitive with peers.

Dividend target and share buybacks

A combination of annual dividends and share buybacks is intended to provide the benefit of increased financial flexibility.

Share buybacks will be used for distributing excess capital. It will be considered when SEB's capital buffer exceeds, and is projected to remain above, the targeted range based on a forward-looking assessment. Since share buybacks are conducted over time, SEB retains the flexibility to adjust the amounts, based on the current or projected financial position.

CET 1 ratio target

The targeted buffer of 100–300 basis points offers SEB more flexibility to manage its capital position and to grow its business.

Return on equity target

In the long term, SEB aspires to reach a sustainable return on equity of 15 per cent.

Business plan 2022–2024 and cost target

The aim is to create shareholder value by accelerating income growth, driving earnings per share growth, increasing our profitability and future-proofing the business. This will be achieved by capitalising on a position of strength and by further investing in the business, as outlined in the 2030 Strategy and the business plan for 2022–2024.

Despite changes in the operating environment during the year, the 2030 Strategy remains firm, but the sequencing in the three-year business plan has been recalibrated.

The cost target for 2023 is SEK 26.5–27bn, assuming 2022 foreign exchange rates. The interval reflects the high economic uncertainty regarding inflation.

Updated financial aspirations for the divisions

The financial aspirations were updated to reflect the effects of the move of Asset Management Sales from Large Corporates & Financial Institutions to Investment Management, reporting the resolution fee outside total income changed the group cost/income ratio and the introduction of the risk tax requires a lower cost/income ratio to deliver on the return on equity ambition.

Division	Return on business equity	Cost/ income ratio
Large Corporates & Financial Institutions	>13%	<0.45
Corporate & Private Customers	>16%	<0.40
Private Wealth Management & Family Office	>25%	<0.50
Baltic	>20%	<0.40
Life	>30%	<0.45
Investment Management	>40%	<0.45

Profit and business volumes, explanation

Customers' financial needs are the source of SEB's business volumes and result. Here, the general relationships between customer-driven business volumes reported on- and off-balance sheet, and the income statement as well as external factors are outlined.

The macroeconomic situation is of great importance for customer behaviour and, together with the bank's own actions, it is a major factor impacting the business and the result.

In times of positive economic development, both businesses and private individuals are more likely to invest and consume. This may lead to increased lending, more payments, a higher number of corporate transactions, among other things, all of which affect net interest and net commission income positively.

In an unfavourable part of the business cycle, customers may be more restrictive and growth in business and transaction volumes may level out while credit losses may increase. On the other hand, customers hedge their risks in uncertain and volatile times, which may increase net financial income.

Income statement, simplified SEK m

		2022
A	Net interest income	33,443
B	Net fee and commission income	21,573
C	Net financial income	9,314
D	Net other income	258
	Total operating income	**64,589**
	Total operating expenses	**–25,044**
2 3 4 5	Net expected credit losses	–2,007
	Items affecting comparability and levies	–3 687
	Operating profit	**33,850**
	Income tax expense	–6,861
	NET PROFIT	**26,989**

Business volumes in the balance sheet SEK m

	ASSETS	2022
1	Cash and cash balances with central banks	377,966
2	Loans to central banks	73,962
3	Loans to credit institutions	77,235
4	Loans to the public	2,065,271
5	Debt securities	252,611
6	Equity instruments	66,594
7	Financial assets for which the customers bear the investment risk	356,367
8	Derivatives	187,622
	Other assets	75,182
	TOTAL ASSETS	3,532,810

	LIABILITIES AND EQUITY	2022
9	Deposits from central banks and credit institutions	66,873
10	Deposits and borrowings from the public	1,701,687
11	Financial liabilities for which the customers bear the investment risk	357,975
12	Liabilities to policyholders	30,984
13	Debt securities issued	795,149
14	Short positions	44,635
	– of which equity instruments	*20,527*
	– of which debt securities	*24,109*
15	Derivatives	238,048
	Other financial liabilities	172
	Other liabilities	92,763
16	*– of which subordinated debt*	*28,767*
	Total equity	204,523
	TOTAL LIABILITIES AND EQUITY	3,532,810

Sample business volumes outside the balance sheet SEK bn

			2022
17	Assets under management	Customers invest in for instance mutual funds	2,123
17	Assets under custody	The bank safekeeps securities and administrates dividends and interest on customers' behalf	18,208
17	Commitments	Preapproved customer credits	882
17	Guarantees	The bank assists customers with credit risk management	180

17	Payments and cash management	Customers make payments and manage account balances
17	Card transactions	Customers make and receive card payments
17	Securities transactions	Customers use the bank as an intermediary in securities transactions, for instance equities trading
17	Corporate transactions	Corporate customers seek advice and assistance for various corporate transactions, such as acquisitions, IPOs etc.

The relation between operating income and customer-driven business volumes

A **Net interest income** Net interest income is the difference between income from lending and expenses associated with deposits and borrowings. Margins and business volumes have a major bearing. Interest margins differ in various markets, mainly due to varying maturities, risk and competition.	B **Net fee and commission income** Net fee and commission income increases with growing transaction volumes. Commissions may increase in advantageous financial markets and with increased business volumes, and vice versa.	C **Net financial income** Net financial income includes both the market value and realised gains and losses on transactions with securities, currencies and derivatives. The development in financial markets plays a major role.	D **Net other income** Items in net other income occur sporadically with no clear link to macroeconomic factors.	**Business volumes**
Customer loans generate interest income over the life of the loan. Up-front fees on new loans are treated as interest income. 1 2 3 4	SEB participates in, or leads, syndications of loans leading to net fee and commission income or expenses. 4			**Loans**
SEB maintains an inventory of debt securities for customer trades and liquidity management. They accrue interest over life. 5 14		SEB holds debt securities for customer trading and liquidity management. The customer trading activity as well as the market value of the inventory affect net financial income. 5 14	Sales from the bank's inventory of debt securities held for liquidity management or investment affect this item. 5	**Debt instruments**
	Brokerage fees in equity trading are received or paid. 17	SEB holds equity instruments for customer trading and is a counterpart in equity swaps. The customer trading, changes in the market value, dividends and realised gains/losses affect this item. 6 14	Dividends from the bank's own equity holdings affect the item. 6	**Equity Instruments**
Interest rate derivatives that are used by SEB to reduce volatility in the result (so-called hedging) accrue interest over life. 8 15	In certain cases, SEB charges and pays fees when trading in derivatives. 8 15	SEB is a counterparty for customers wishing to manage risk (for instance foreign exchange and interest rate risk) using derivative instruments. Both customer trades and the market value of the holdings affect financial income. 8 15	The market value of derivatives that SEB uses for own hedging. 8 15	**Derivatives**
SEB pays interest on customers' deposits. 9 10	Certain bank accounts generate fee income. 9 10			**Deposits and borrowings**
	SEB provides savings in unit-linked insurance, deposit insurance and similar products where the customer bears the risk. Invested volumes generate fee income. In addition, distribution generates fee expenses. 7 11 17	SEB provides savings in traditional pension with a certain guaranteed return, sickness and health insurance and related services. SEB invests mainly in equity instruments and debt securities to safeguard the outcome of insurance claims. 5 6 12		**Insurance and savings**
SEB's operations are partly funded by long and short-term interest-bearing securities, all of which generate interest expense. 13 16		The market value including the credit risk in SEB's issued index-linked bonds affects this item. 13	Early redemption by SEB of its debt instruments affects this item. 13 16	**Issued securities and subordinated debt**
	Various customer services are provided which generate both fee and commission income and expense. Most fees are fixed and transaction based but some are market value based. 17			**Business volumes outside the balance sheet**

Divisions and group functions

SEB is organised in divisions, group support and group staff functions as well as certain special units.

The Large Corporate & Financial Institutions, Corporate & Private Customers, Private Wealth Management & Family Office and Baltic divisions hold direct customer responsibility. Product resonsibility for mutual funds and life insurance lies within the Investment Management and Life divisions.

Group Support consists of centralised and cross-divisional functions, established primarily to leverage economies of scale in various transactions, processing and IT services as well as in sustainable banking.

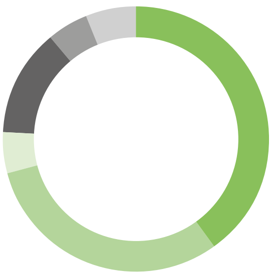
The Group Staff and Group Control functions have global responsibility and are set up to add value, support the business and to manage certain regulated areas.

The divisions are allocated a majority of the costs of the group functions, where 39 per cent of the work force is employed.

Divisions' share of:

Operating profit[1)]

Per cent



Large Corporates & Financial Institutions	40
Corporate & Private Customers	31
Private Wealth Management & Family Office	5
Baltic	13
Life	5
Investment Management	6

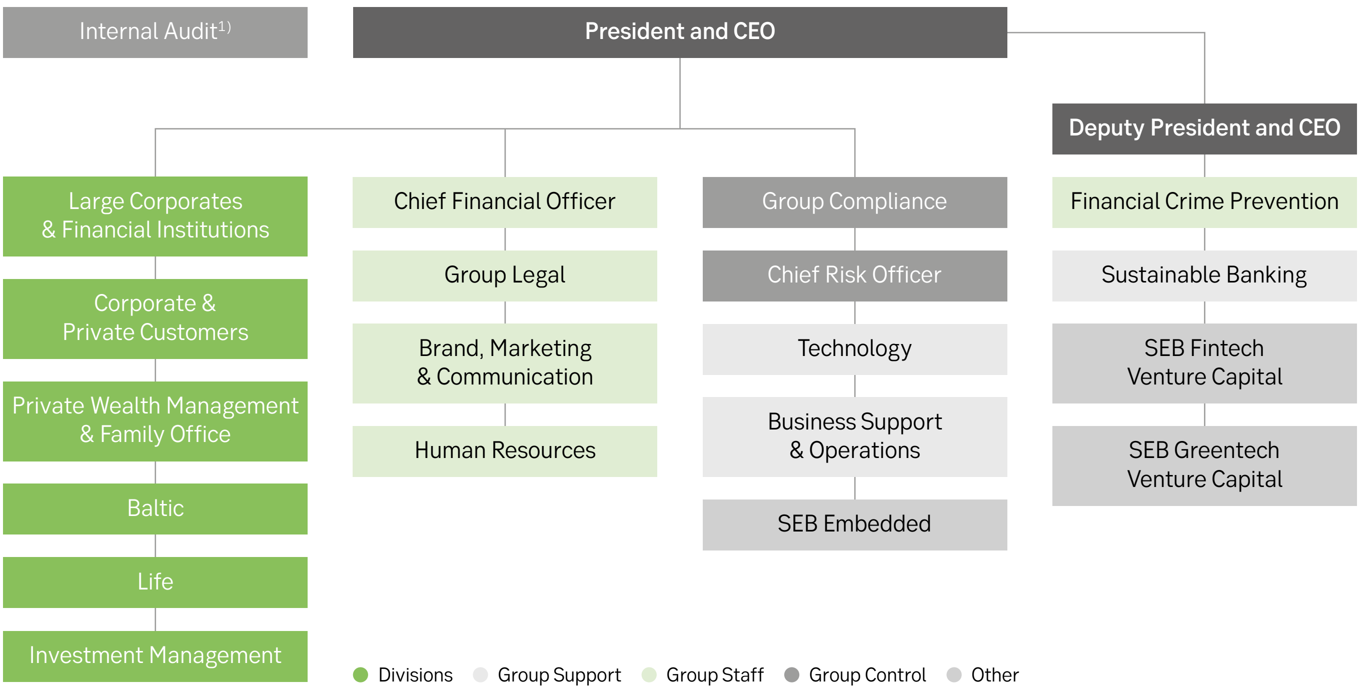
1) Excluding Group functions and eliminations.

Full time equivalent employees

Per cent

Large Corporates & Financial Institutions	13
Corporate & Private Customers	20
Private Wealth Management & Family Office	3
Baltic	18
Life	5
Investment Management	2
Group functions, including support and staff	39

SEB's organisation



1) Reports directly to the Board of Directors

Large Corporates & Financial Institutions

Business offering

The division serves 2,000 large corporate customers and 1,100 financial institutions and offers advisory-driven commercial and investment banking services in the Nordic region, Germany, United Kingdom and through international presence. The division has a full-service offering supporting enterprises with capital and offering investment opportunities for pension funds and other investors.

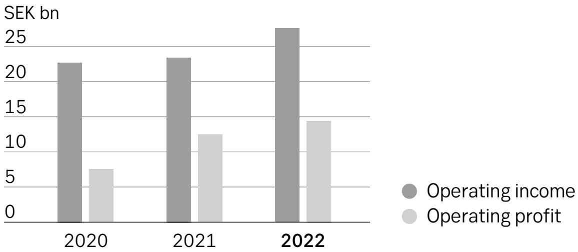
Customers are offered capital markets transaction services (equity and debt); financing as well as advice relating to investment banking activities (mergers and acquisitions, etc); products and services for cash management and trade finance; brokerage and trading services; post trade investor services such as custody, risk and valuation services and collateral management; macroeconomic analysis and securities research.

Divisional heads[1)]

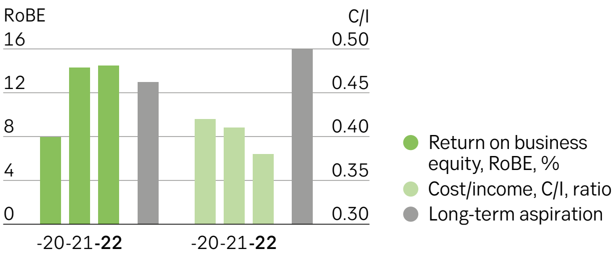
Joachim Alpen

Jonas Ahlström

Operating income and profit



Aspiration and outcome



Comments on the 2022 result

Operating profit increased by 16 per cent to SEK 13,948m. Net interest income was 34 per cent higher than in 2021, primarily due to the policy rates increases. Net fee and commission income grew by 3 per cent. In the slower capital markets customers were less active and turned to traditional financing. Net financial income increased primarily due to increased demand for currency and commodities services. Operating expenses increased by 9 per cent and net expected credit losses doubled, reflecting the worsening macroeconomic outlook on portfolio level. The net expected credit loss level was 9 basis points.

1) At 16 January 2023 Joachim Alpen left SEB and Jonas Ahlström assumed sole responsibility as division head.

Corporate & Private Customers

Business offering

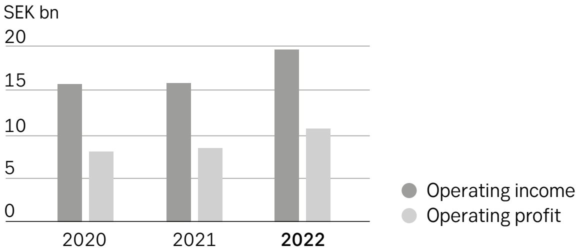
The division serves some 498,000 private and 188,000 corporate home bank customers in Sweden with universal banking services through digital meeting points, about 80 physical meeting places and a contact centre with 24/7 accessibility.

The division has a broad offering for both private and corporate customers, ranging from everyday banking services to private individuals and smaller companies, to Private Banking services with global reach for high-net-worth individuals in Sweden. In addition, complex banking and advisory services are provided to medium-sized companies. The division also issues cards in the Nordic countries under SEB's own brand as well as for Eurocard and several other partner brands.

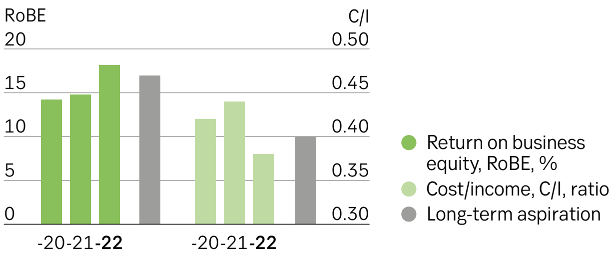
Divisional head

Jonas Söderberg

Operating income and profit



Aspiration and outcome



Comments on the 2022 result

Operating profit increased by 26 per cent to SEK 10,608m. Net interest income was 28 per cent higher than in 2021, primarily due to the policy rates increases. Net fee and commission income increased by 15 per cent due to the recovery of the card business and increased payment fees. Operating expenses increased by 6 per cent. Due to a deteriorating macro-economic outlook there was a partly model driven increase of SEK 719m in net expected credit losses with a net expected credit loss level of 8 basis points.

Private Wealth Management & Family Office

Business offering

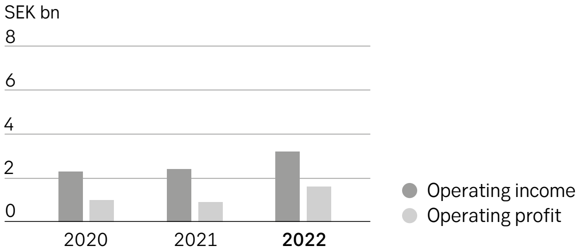
The division serves 17,400 high net worth individuals, entrepreneurs, foundations and professional family offices and their families and businesses in the Nordic region, Germany and United Kingdom, and has presence in France, Luxembourg and Singapore.

Customers are offered individually tailored financing and investment products and services, including analysis, primary market transactions and alternative investments. The offering also includes holistic family office services, comprehensive banking infrastructure, philanthropy advice, foundation services, and non-financial services such as accounting services, insurance solutions and legal advisory related to company and family law. The division also serves professional family offices with the full range of products.

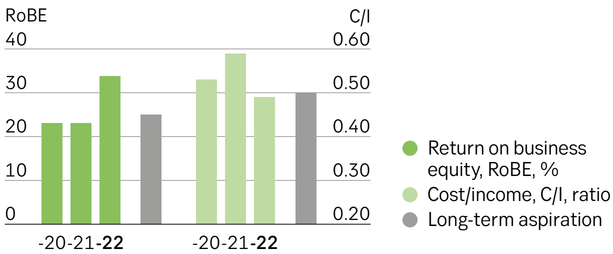
Divisional head

William Paus

Operating income and profit



Aspiration and outcome



Comments on the 2022 result

Operating profit increased by 65 per cent to SEK 1,553m. Net interest income increased by 88 per cent primarily due to the increased interest rates. Net fee and commission income increased by 5 per cent, mainly explained by strong customer inflow and demand for investment products and services throughout the year. Operating expenses increased by 13 per cent, primarily driven by the international expansion. Among other things a representative office was established in Nice, France.

Baltic

Business offering

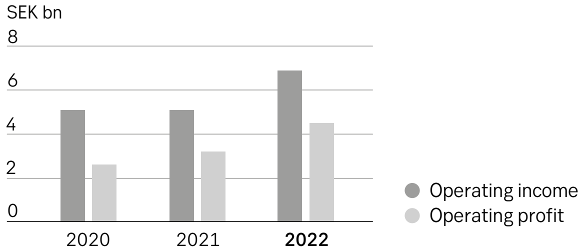
The division provides universal banking including advisory services to private individuals and all corporate customer segments in Estonia, Latvia and Lithuania, with significant market shares across key segments and products in all three countries.

The division has 56 branch offices in the three Baltic countries and serves more than 1 million private home bank customers and 103,000 home bank customers among small and medium-sized companies. Digital services, such as mobile applications, electronic document signing and remote video advice, are increasingly used by customers.

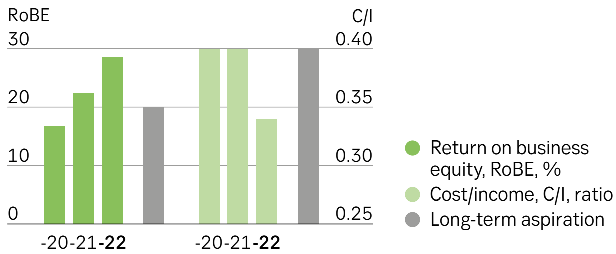
Divisional head

Niina Äikäs

Operating income and profit



Aspiration and outcome



Comments on the 2022 result

Operating profit increased by 33 per cent in local currency and amounted to SEK 4,520m. Net interest income increased by 35 per cent in local currency, primarily due to the policy rates increases. Net fee and commission income increased by 4 per cent in local currency, mainly due to higher activity in cards following the lifting of pandemic restrictions and inflationary effects on card volumes. With, among other things, a derecognition of an obsolete core IT platform project and a one-time payment to a majority of employees in light of the extreme inflation, operating expenses increased by 11 per cent in local currency. Net expected credit losses were positive as reversals and recoveries exceeded new provisions and write-offs.

Life

Business offering

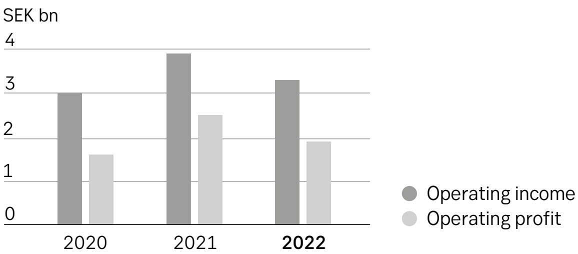
The division provides life insurance solutions to about 805,000 private and 97,000 corporate customers with 402,000 policyholders. Operations are carried out mainly in the Nordic and Baltic countries through digital and remote meeting points, physical meeting places and contact centres.

The offering includes unit-linked, portfolio bond and traditional insurance, as well as health and sickness insurance. The division aims to serve customers throughout life with long-term advice and solutions in order to provide companies and individuals with the right insurance coverage.

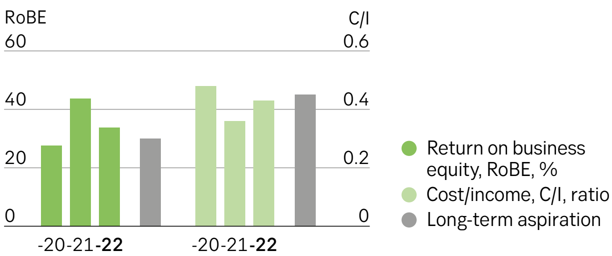
Divisional head

David Teare

Operating income and profit



Aspiration and outcome



Comments on the 2022 result

Operating profit decreased by 24 per cent to SEK 1,892m. Net fee and commission income decreased by 9 per cent mainly as a result of the volatility in the financial markets that marked the year. Net financial income, primarily from the traditional life insurance operations, decreased by 22 per cent, also due to disadvantageous market conditions. Operating expenses increased by 4 per cent.

Investment Management

Business offering

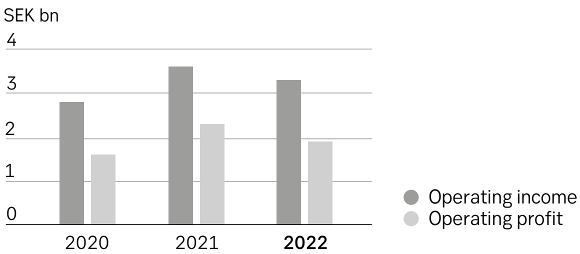
The division offers asset management services through a broad range of funds and tailored portfolio mandates to institutional investors, as well as retail and private banking customers. The operations are carried out in the Nordics, Germany and Luxembourg. Assets are managed across equities, fixed income, alternative investments and multi-strategy management. Products are distributed primarily through the division's institutional channel, SEB's other divisions as well as external channels.

The division is aiming to be the advisory leader with a goal to deepen the focus on the sustainable product offering, in order to meet customer needs and expectations.

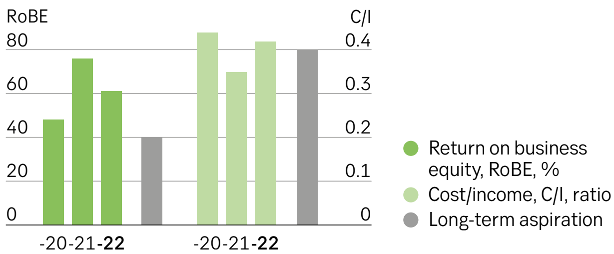
Divisional head

Javiera Ragnartz

Operating income and profit



Aspiration and outcome



Comments on the 2022 result

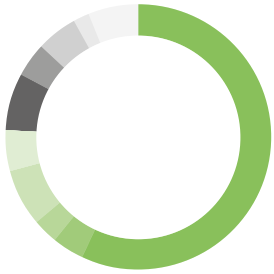
Operating profit decreased by 18 per cent to SEK 1,928m. With lower assets values and net fund outflow, net fee and commission income decreased 11 per cent. Operating expenses increased by 8 per cent.

Geographic markets

	Market	Comment
	**Global with Sweden** Johan Torgeby *President and CEO*	**Universal banking** Sweden is SEB's main market with a complete banking, pension and insurance offering to a wide range of customers. Customers in Sweden grew increasingly cautious during the year and demanded risk management services and financial advice to a high degree.
	**Estonia** Allan Parik *Country manager*	**Universal banking** Inflation rates were among the highest in the Eurozone. At the same time consumption was robust, wage growth high, and savings levels were maintained. SEB expanded its sustainability related offering with several new green products and advisory services.
	**Latvia** Ieva Tetere *Country manager*	**Universal banking** Economic activity rebounded strongly but slowed in the later part of the year due to high inflation and risks related to Russia's invasion of Ukraine. Loan demand was high but slowed down towards the end of the year. SEB continued to increase digital accessibility in terms of new products and solutions.
	**Lithuania** Sonata Gutauskaitė-Bubnelienė *Country manager*	**Universal banking** The economy showed resilience despite a sharp jump in inflation and challenges arising from Russia's invasion of Ukraine. SEB continued to support customers, and thereby the economy, by increasing both lending and advisory services.
	**Denmark** Mark Luscombe *Country manager*	**Corporate banking** Strong client activity related to the Danish fixed income market and high corporate demand due to general market conditions. Sustainability remained a major topic, and SEB was heavily involved in the climate transition dialogue with clients related to debt capital markets and other types of financing.
	**Norway** John Turesson *Country manager*	**Corporate banking** Customer activity was high in several segments even though the macroeconomic environment was challenging. SEB continued to proactively support customers, and this is reflected in the strong position within corporate and institutional banking and substantial growth in income compared to previous years.
	**Finland** Ruut Pihlava *Country manager*	**Corporate banking** Customer activity was high during the year, especially in risk management services and financing. Despite uncertain business sentiment, we saw continued high demand for green transition driven transactions. SEB has a prominent position in sustainability related customer advisory services.
	**Germany** Jürgen Baudisch *Country manager*	**Corporate banking** The economy was challenged and uncertainty unprecedented. Customer demand for SEB's expertise in foreign exchange and commodities risk management was high. Project financing activity increased, and corporate clients pursued de-carbonisation actions, giving SEB a number of sustainability advisory mandates.
	**United Kingdom** Anders Engstrand *Country manager*	**Corporate banking** Optimism surged when Covid-19 restrictions were lifted. But the effects of the Russia's invasion of Ukraine, domestic political turbulence and inflation resulted in negative economic sentiment. Major corporate clients though, focused on future growth, especially in the areas of energy transition and international expansion, which supported continued growth.
	Other markets The international network	SEB continued to serve customers through its presence in Luxembourg, France, Poland, Russia[1], Ukraine, Brazil, China, Hong Kong, India, Singapore and USA and worked to expand the business in the Netherlands, Austria and Switzerland.

1) See p. 68

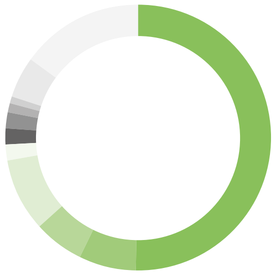
Share of SEB's operating profit[1)]



	Per cent
Sweden	57
Estonia	4
Latvia	3
Lithuania	7
Denmark	5
Norway	7
Finland	4
Germany	5
United Kingdom	2
Other markets	6

1) Excluding items affecting comparability

Full time equivalent employees



	Per cent
Sweden	51
Estonia	7
Latvia	6
Lithuania	9
Denmark	2
Norway	2
Finland	2
Germany	1
United Kingdom	1
Other markets	5
Global services in Latvia and Lithuania	15

Market shares and customer contacts

SEB's market shares

Per cent

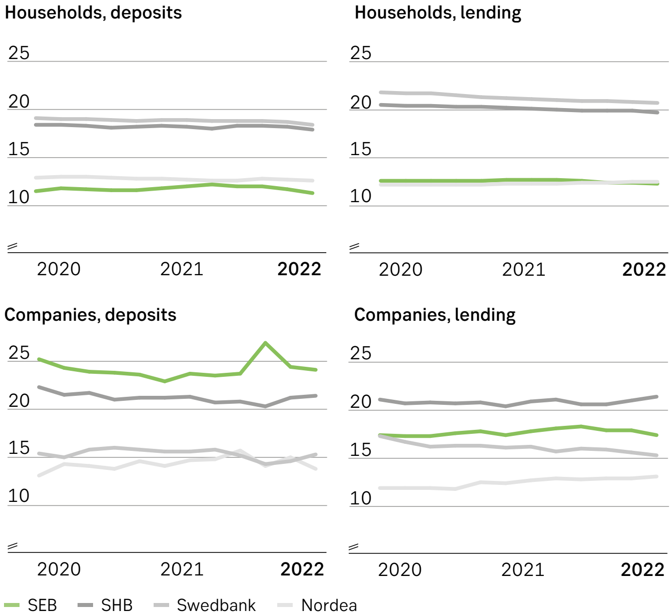
	2022	2021	Total market, SEK bn 2022	Market growth
Lending to general public				
Sweden	14.2	14.6	7,834	7
Lending to households	12.3	12.7	4,884	3
Lending to companies	17.4	18.1	2,950	14
Estonia[1]	24.3	25.0	280	15
Lending to households	24.9	25.7	133	17
Lending to companies	23.8	24.4	147	12
Latvia[1]	20.1	20.6	168	9
Lending to households	18.3	18.4	66	6
Lending to companies	21.3	22.2	102	10
Lithuania[1]	26.9	29.5	267	19
Lending to households	27.3	28.1	137	12
Lending to companies	26.4	31.1	129	28
Deposits from general public				
Sweden	15.1	16.9	4,651	12
Deposits from households	11.3	12.2	2,581	7
Deposit from companies	24.1	23.5	1,702	–2
Estonia[1]	21.7	20.4	308	5
Deposits from households	20.5	21.1	146	10
Deposit from companies	22.8	19.8	162	0
Latvia[1]	20.2	19.9	223	6
Deposits from households	20.3	20.3	124	4
Deposit from companies	20.1	19.5	100	8
Lithuania[1)4)]	28.9	28.6	375	5
Deposits from households	29.3	29.6	216	4
Deposit from companies	28.4	27.2	159	7
Equity trading				
Stockholm	3.3	4.3	10,960	–8
Helsinki	1.4	1.6	3,195	0
Copenhagen	2.3	2.4	4,918	–1
SEK-denominated corporate bonds				
	16.6	20.5	136	–29
Mutual funds, total volumes[2]				
Sweden	9.5	9.9	6,067	–13
Unit-linked insurance, premium income				
Sweden[3]	13.3	13.5	80	2
Total life insurance, premium income				
Sweden[3]	8.7	9.6	355	–6

1) Excluding financial institutions & leasing. Estonia, Latvia and Lithuania per September 2022. Market growth in local currency per September compared to September 2021.
2) Excluding third-party funds.
3) Per September 2022.
4) Excluding the fintech digital bank Revolut Bank UAB.

Sources: Statistics Sweden, Estonian Finantsinspektsioon, Finance Latvia Association, Association of Lithuanian Banks, Swedish Insurance Federation, Nasdaq etc.

Market shares, Sweden

Per cent



Customer contacts

	2022	2021	2020
Number of syndicated loans in Nordic countries	85	99	69
Number of equity capital market transactions in the Nordic countries	26	52	28
Number of Nordic mergers and acquisitions	13	9	10
International Private Banking branch offices	14	12	12
Number of Swish payments via SEB's app (million)	102	87	49
Number of branch offices	137	156	172
Number of ATMs[1]	1,829	2,280	2,293

1) of which 1,100 jointly owned by major Nordic banks.

Future uncertainties

SEB assumes credit, market, liquidity, non-financial as well as life insurance risks. The risk composition of the group, as well as the related risk, liquidity and capital management, are described on p. 83–89 and in note 40 and 41, in the Capital Adequacy and Risk Management Report for 2022 as well as the quarterly additional Pillar 3 disclosures. Further information is available in the Fact Book that is published quarterly.

Re-assessment of credited withholding tax in Germany

SEB and its subsidiaries are continuously subject to tax field audits where local tax authorities review previous years' tax returns. The German tax authority has in relation to SEB's wholly owned German subsidiary, DSK Deutsch-Skandinavische Verwaltungs AG ("DSK", formerly DSK Hyp AG) re-assessed DSK's crediting of withholding tax in its securities finance business for the years 2008–2014 and claimed the repayment by DSK of EUR 936m, plus interest. Further reclaims cannot be ruled out. DSK has over the years 2008–2015 claimed and credited approximately EUR 1,500m in withholding tax against its corporate income tax.

DSK has objected to the tax reclaims. DSK and SEB are of the opinion that the securities finance business of DSK under review by the German tax authorities was conducted in accordance with market practice, law and administrative guidance applicable at the time. SEB and DSK, as supported by its external legal advisor, are of the view that it is more likely than not that it will be ultimately confirmed in a fiscal court proceeding that the withholding tax has been claimed and credited correctly by DSK. Hence, to date and in accordance with current accounting rules, no provisions have been made on a group level.

The legal proceedings are estimated to take several years as it is expected that the matter will be appealed to the highest fiscal court. It cannot be ruled out that the final outcome of the legal proceedings may lead to negative financial effects for the SEB Group.

Investigation of alleged tax evasion of a severe nature

The public prosecutor in Cologne, Germany, is investigating whether former and current employees of DSK and SEB, as part of DSK's securities finance business, have been involved in alleged tax evasion of a severe nature. DSK and SEB are cooperating with the prosecutor in the investigation. As far as SEB and DSK are aware, no indictments have been filed against any of the aforementioned employees. It is unclear what impact the criminal investigation may have on the re-assessment by the German tax authorities of DSK's crediting of withholding tax referred to above. It cannot be ruled out that the criminal investigation or potential indictments may delay the re-assessment of the credited withholding tax and lead to negative financial effects for the SEB Group.

Supervisory matters

SEB is subject to various legal regimes, laws and requirements in all jurisdictions where the bank operates. Over the past years, the laws and regulations of the financial industry have expanded and further sharpened, and the regulators have increased their supervision. This is a development which is expected to continue to evolve. Competent authorities regularly conduct reviews of SEB's regulatory compliance, including areas such as financial stability, transaction reporting, anti-money laundering, investor protection and data privacy. SEB has policies and procedures in place with the purpose to comply with applicable laws and regulations and has continuous dialogues and cooperates with authorities. SEB has received requests from authorities in jurisdictions where it operates, including US authorities, to provide information concerning measures against money laundering, which SEB is responding to in dialogue with these authorities. It cannot be ruled out that current and future supervisory activities and requests from authorities could lead to criticism or sanctions.

Claim from the Swedish Pensions Agency

In May 2022, the Swedish Pensions Agency made a claim for damages against SEB in its capacity as depositary for the fund company Gustavia Davegårdh Fonder's investment funds. The claim amounts to just over SEK 470m excluding interest and relates to transactions carried out in 2012. The Swedish Pensions Agency is of the opinion that SEB has failed in its duties as depositary for the funds in relation to these transactions. SEB has disputed the claim as it is of the opinion that the bank has fulfilled its duties as depositary in regard to these transactions and that the bank has no liability for damages. Consequently, no provision related to the claim has been recognised in accordance with applicable accounting regulations.

SEB's Sustainability report

SEB's Sustainability work is described on p. 32–65 and 212–234. The statutory sustainability report prepared in accordance with the Annual Accounts Act is presented on p. 32–65.

Events after the balance sheet date

On 16 January 2023 it was announced that Jonas Ahlström, co-head of SEB's division Large Corporates & Financial Institutions (LC&FI) and a member of SEB's Group Executive Committee, will become sole head of LC&FI. Joachim Alpen, co-head of LC&FI and a member of SEB's Group Executive Committee, has decided to leave SEB to pursue new opportunities outside the bank. The changes were effective immediately.

Risk, liquidity and capital management

Managing risk is an integral part of banking, and risk awareness is deeply embedded in SEB's corporate culture. The bank has a comprehensive framework for risk, liquidity and capital management that is continuously developed to reflect current market trends and global developments as well as to detect emerging risks.

Overall stable risk profile in 2022

2022 was yet another extraordinary year. The pandemic had barely subsided when Russia's invasion of Ukraine provided a new shock to the global economy. The year was marked by energy crisis, prolonged supply chain disruptions, inflation, rising interest rates and a weak Swedish krona. The global economy showed unexpected resilience, although the confidence among corporates and households has weakened. Economic growth is expected to remain weak in 2023 before starting to recover in 2024.

SEB's overall risk profile remained stable in 2022, demonstrating the bank's resilience in turbulent times. Credit growth was moderate during the year, mainly driven by currency effects and corporate credit demand. Asset quality remained robust with credit losses at low levels. The liquidity and capital positions were strong. Market risk increased due to significant volatility in the financial markets but was managed within the bank's risk tolerance levels.

Russia's invasion of Ukraine has had implications for non-financial risks. Management of operational resilience, cyber security and sanctions screening has been key given the bank's Northern European presence, including operations in the Baltics as well as small subsidiaries in Ukraine and Russia. Already prior to the invasion, the bank's crisis management plans were activated and business continuity plans were tested and updated. A sanctions response team, including representatives from the business as well as the compliance and risk organisations, was established to support in sanctions-related matters as complexity in the area increased quickly. The elevated cyber threat environment was managed by enhanced threat intelligence and teaming up with strategic partners to strengthen the bank's defense. The bank has decided to scale down its operations in Russia.

At the end of 2022, there were no clear signs of deteriorating asset quality in the credit portfolio. During the year, focus has been on monitoring households' and corporates' ability to manage higher interest rates and energy costs. SEB has well established processes and long experience in managing traditional financial risks with clear governance for credit approval, credit portfolio limits as well as a limit structure for market and liquidity risks. The bank works proactively to identify customers that show early signs of deteriorating debt service capacity which enables intervention at an early stage with supportive or other measures to reduce the risk for losses.

It is SEB's fundamental belief that a strong risk culture is a bank's best defence. Risk culture comprises the values, beliefs and behaviours that determine how decisions are made and risks are managed. It allows an organisation to quickly adapt to change and is a critical element in operational resilience. In 2022, a new program was launched by the Chief Risk Officer to further strengthen the bank's risk culture. The program is directed to all employees and will be a focus area also in 2023.

SEB's risk tolerance and risk management framework

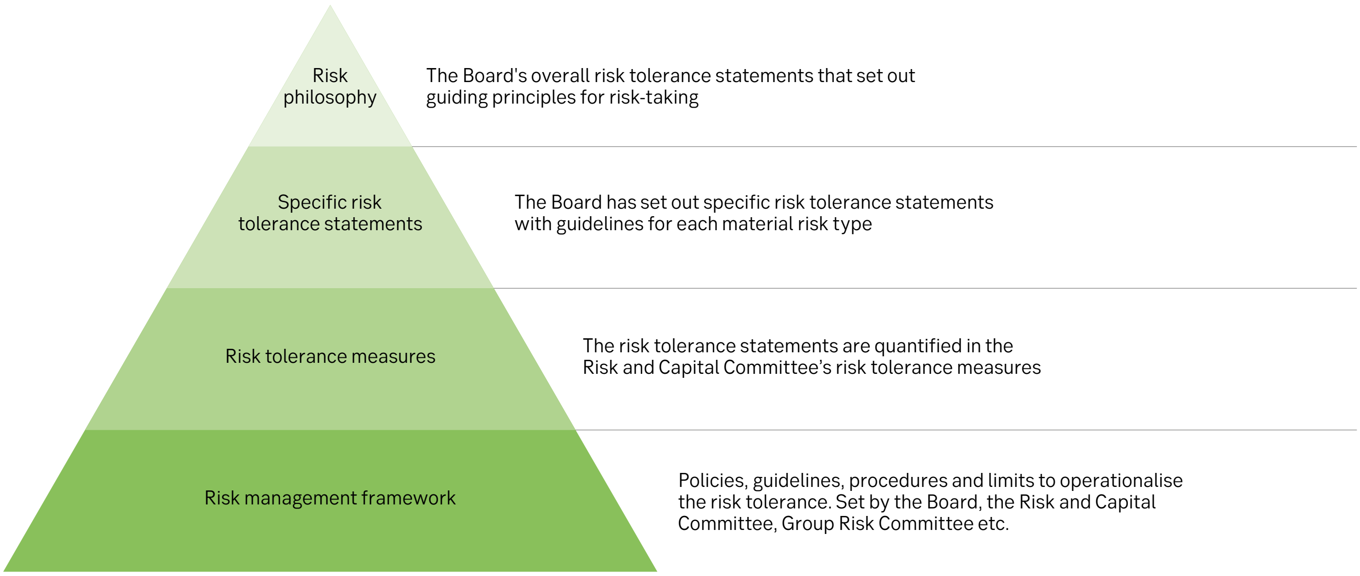
The Board's risk tolerance statements reflect the bank's risk philosophy. These statements articulate the Board's long-term view on types and levels of risk the bank is willing to accept in order to achieve its overall business objectives. The Board has also set out specific risk tolerance statements that express its expectations on management of material risk types, for instance credit risk and market risk.

To monitor that the bank operates within the Board's risk tolerance, the Board's Risk and Capital Committee has defined a number of risk tolerance measures for each material risk type that translate the statements into measurable boundaries. SEB's risk profile, in relation to these measures and statements, is regularly monitored by the Chief Risk Officer function and reported on a quarterly basis to the Group Executive Committee, the Group Risk Committee, the Board's Risk and Capital Committee and the Board.

The Board's risk tolerance is implemented through the bank's risk management framework which includes policies, instructions, limits, key risk indicators, controls, processes, and systems. The President has overall responsibility for the management of all risks within SEB and for ensuring that the risk profile is within the Board's risk tolerance and capital adequacy targets. The Chief Risk Officer has the overall responsibility for identifying, measuring, assessing, monitoring, managing, mitigating, and reporting risks.

→ For detailed information on risk, liquidity and capital management, see notes 40 and 41.

The Board's risk tolerance



Risk profile

Board's risk tolerance statements in brief	Measurement	2022	2021
Credit risk and asset quality Maintain a high-quality credit portfolio through a robust credit culture based on long-term relationships, knowledge about customers and focus on debt service ability.	• Total loans, contingent liabilities and derivatives (SEK bn) • Expected credit losses in relation to total exposure (%) • Share of loans that are classified as credit-impaired (%)	3,086 0.07 0.33	2,828 0.02 0.53
Liquidity and funding risk Maintain a sound structural liquidity position, a balanced wholesale funding dependence and sufficient liquid reserves to meet potential net cash outflows in a stressed scenario.	• High-quality liquid assets in relation to the estimated net liquidity outflows over the next 30 calendar days (Liquidity Coverage Ratio) (%) • Available stable funding in relation to the amount of required stable funding over a one-year horizon (Net Stable Funding Ratio) (%)	143 109	145 111
Market risk Limit the impact of adverse developments in economic value and earnings from market risk, including valuation uncertainty, from both a short- and long-term perspective.	• Statistical measure of the largest trading loss that can be expected in a ten-day period (VaR) (SEK m)	236	138
Non-financial risk Maintain low non-financial risk and loss level through an effective internal control framework and by ensuring a structured and consistent usage of risk mitigating tools and processes for all identified non-financial risks.	• Operational losses in relation to operating income (%)	0.31	0.37
Aggregated risk and capital adequacy Maintain satisfactory capital strength to sustain aggregated risks and guarantee SEB's long-term survival and its position as a financial counterparty, while operating safely above regulatory requirements, and meeting rating targets.	• Risk-weighted business volumes (risk exposure amount) (SEK bn) • Capital in relation to the risk exposure amount (CET 1) (%) • Capital in relation to total assets (leverage ratio) (%)	859 19.0 5.0	787 19.7 5.0

Robust asset quality with few signs of deterioration

SEB has a well-balanced credit portfolio (which includes loans, contingent liabilities, and derivatives) mainly comprised of Nordic and German large corporates and Swedish households. Overall asset quality remained robust in 2022, with a low level of expected credit losses and limited inflow of new problem loans.

The impact of the weakening macroeconomic environment on debt service ability remained limited. Asset quality trends and early warning indicators such as late payments, negative risk class migration and bankruptcy statistics were closely monitored. Particular areas of attention included interest rate sensitivity and refinancing risk of the Swedish real estate portfolio as well as households' ability to cope with higher cost of living. Overall, the early warning indicators showed limited signs of deterioration. That said, rising energy prices, inflation and interest rates are pressuring both households and corporate clients, and SEB will continue to carefully follow signs of deterioration in asset quality in 2023.

Net expected credit losses (ECL) amounted to SEK 2,007m (510), corresponding to a net ECL level of 7 basis points (2). Credit-impaired loans (gross loans in Stage 3) amounted to SEK 6.8bn at year-end (9.8), corresponding to 0.33 per cent of gross lending (0.53). The Stage 3 ECL coverage ratio decreased during the year from 58 per cent to 57 per cent.

Overall, SEB is well provided for with total ECL allowances of SEK 8.6bn (8.8), of which total portfolio overlays amounted to SEK 2.2bn (1.9).

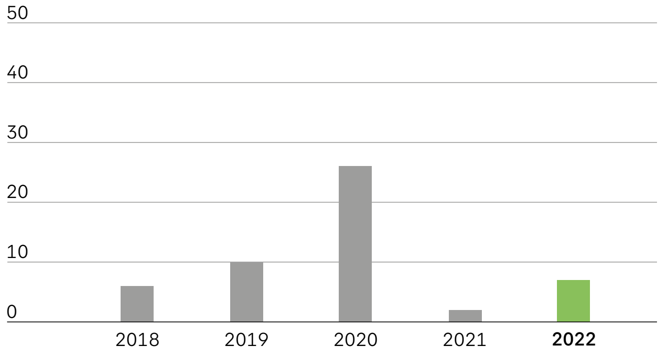
Credit portfolio development

Growth in the credit portfolio was primarily driven by FX effects and corporates. The real estate portfolio was largely unchanged while the household mortgage portfolio declined. The total credit portfolio amounted to SEK 3,086bn (2,828) by year-end.

Strong growth in the corporate segment

More than half of SEB's credit portfolio consists of exposure to corporates. SEB is unique among its peers in that its corporate portfolio consists primarily of large, investment grade corporate customers. These are mainly Nordic and German customers in a wide range of industries, of which the largest is manufacturing. In total, the corporate portfolio grew to SEK 1,687bn (1,473) in 2022. Growth was mainly driven by currency effects, large corporate demand for working capital financing and derivatives. Growth was broad-based across sectors. SEB's exposure to small and medium-sized enterprises (SMEs) accounted for 11 per cent (12) of the corporate portfolio and is mainly in Sweden. In total, the SME portfolio grew to SEK 189bn (176) during the year.

Credit loss development Basis points



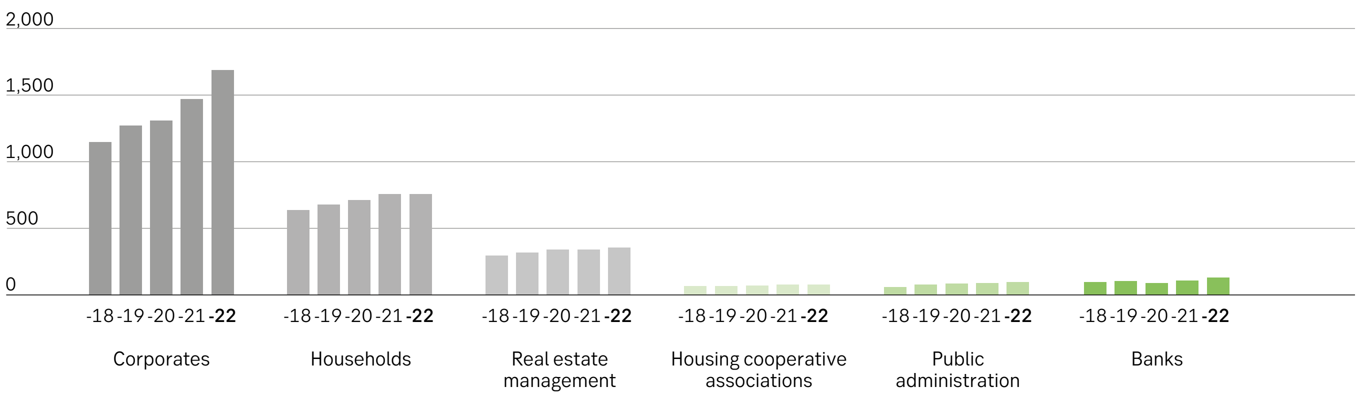
High quality Swedish household mortgage portfolio

The long-term upward trend in Swedish housing prices came to an abrupt end in 2022. Housing prices fell by around 15 per cent from the peak in March due to rapidly rising interest rates and higher energy prices combined with a more uncertain economic outlook. The existing structural housing deficit was not enough to mitigate the pressure on housing prices from the higher cost of living. SEB's Swedish household mortgage portfolio amounted to SEK 583bn at year-end (594).

The portfolio is of high quality with low credit losses. Lending decisions are based on the borrower's repayment capacity, including the ability to manage a stressed scenario with higher interest rates. Where applicable, the stressed scenario takes into account the borrower's share of the housing cooperative association's total debt.

The portfolio loan to value (LTV) ratio is sound with a weighted average max LTV of 56 per cent (50). The increase is explained by the housing price development as collateral values are automatically indexed monthly. The amortising share of the portfolio with LTV higher than 70 per cent is stable at 98 per cent.

Credit portfolio, development by customer segment SEK bn



Solid real estate portfolio

SEB's total real estate portfolio amounted to SEK 426bn at year-end (414) and includes commercial and residential real estate, and Swedish housing cooperative associations.

SEB's credit exposure to commercial real estate companies consists mainly of strong counterparties in the Nordic region with sound financing structures and diversified property portfolios. The portfolio amounted to SEK 209bn (188) at year-end, with a weighted average loan-to-value (LTV) at 45 per cent (45).

The bank's credit exposure to residential real estate management is mainly in Sweden and consists of high quality, private and publicly owned real estate companies as well as institutional investors. Demand for residential real estate in Sweden is typically stable and non-cyclical due to the structural housing deficit. In 2022, the residential real estate portfolio declined to SEK 146bn (152). Weighted average LTV for the portfolio was 46 per cent at year-end (46).

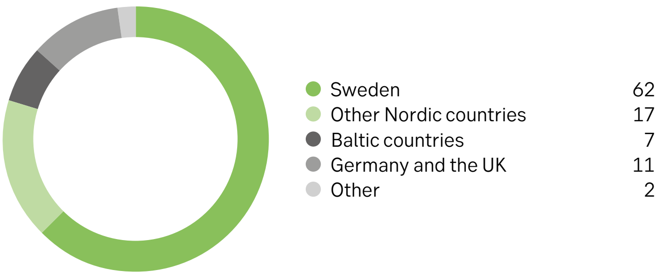
SEB also has SEK 72bn (74) in credit exposure to housing cooperative associations, a common form of multi-family home ownership in Sweden.

The higher interest rate environment and cost inflation has negatively impacted the market outlook for both commercial and residential real estate, putting pressure on property values and cash flows. The effect for the commercial segment will be partly offset by inflation-linked rental contracts, but a prolonged economic downturn could lead to increased vacancies and reduced income. The outlook varies between the different sub-segments, with for example retail-related properties and hotels expected to be impacted by reduced household consumption. The office segment may also be subject to higher vacancies following the continued trend with a more hybrid way of working and cost inflation. Moreover, certain residential and commercial real estate companies may face challenges related to refinancing of bond maturities in the coming years, unless capital market conditions improve.

Asset quality in the real estate portfolio remained robust in 2022 with limited credit losses. Driven by the challenges in the sector, a portfolio overlay of SEK 0.3bn was made as a precaution, despite most companies being able to navigate the new interest rate environment.

SEB manages its exposure to the real estate sector through a group-wide risk tolerance level for the commercial real estate portfolio, divisional volume growth limits and a strict real estate credit policy.

Credit portfolio, distribution by geography[1)] Per cent



1) Distribution based on SEB's operations

Stable Baltic credit portfolio

SEB's Baltic credit portfolio consists mainly of corporate and household exposures. Lithuania is SEB's largest market in terms of credit exposure in the Baltic countries, followed by Estonia and Latvia.

In 2022, the Baltic economies were challenged by exceptionally high inflation as well as elevated energy prices. Asset quality remained stable with low credit losses. Overall, the effects from geopolitical uncertainty and elevated inflation have been limited. The credit portfolio grew in all segments, particularly in household mortgages, and increased to SEK 226bn (194). This corresponds to 7.7 per cent of the total non-bank credit portfolio, which is well within the risk tolerance level.

Increased market risk in volatile financial markets

Market risk arises in SEB's customer-driven trading activity as well as within the treasury function, which is responsible for the Group's funding and liquidity management. The risk in trading is measured as Value at Risk (VaR), which estimates the bank's expected maximum loss during a period of ten trading days, with a probability of 99 per cent. Interest rate risk in the banking book (IRRBB) is the risk of loss or reduction in economic value or earnings, arising as a result of interest rate repricing mismatches between assets and liabilities.

The uncertainty caused by Russia's invasion of Ukraine and increased inflationary pressure, led to elevated financial market volatility throughout the year. Interest rates increased, credit spreads widened, commodity prices moved extensively, and the global equity markets fell sharply. The volatility was managed by reducing risk in certain portfolios while at the same time supporting customer needs.

As a result of the extreme market volatility, SEB's market risk increased and average VaR (which is based on changes in market risk factors over the past twelve months) increased to SEK 236m (138).

Stable risks in the insurance business

SEB's life insurance business consists mainly of unit-linked products, where the market risk remains with the customer. In 2022, unit-linked products accounted for 71 per cent of total premium income (77). In addition to unit-linked products, SEB also offers risk insurance in Sweden and the Baltics, and traditional life insurance in Sweden.

The traditional life insurance portfolios expose SEB to market risk due to the guaranteed elements of the products. However, the difference between the value of the assets and the guaranteed commitments serves as a buffer against earnings volatility. During 2022, this buffer decreased slightly due to weaker financial markets, only partially offset by new business volumes.

The share of alternative investments has proportionately increased during the year as valuations of traditional investment classes have decreased. The share of alternative investments in the traditional insurance investment portfolios is expected to continue to be material at around 50 per cent (40). Alternative investments generally increase the overall risk level, as valuation, market, liquidity, and non-financial risks are deemed higher relative to traditional investment asset classes. These risks are primarily mitigated by high level of diversification within the asset class as well as a strong governance and valuation process structure.

Operational resilience in a challenging environment

SEB strives to mitigate non-financial risks in its daily business and processes by continuously developing and improving governance and risk practices. In 2022, net operational losses from incidents remained low at SEK 237m (219).

The geopolitical tension increased focus on non-financial risks, in particular operational resilience, cyber security, and sanctions screening. Several actions to improve internal processes and system infrastructure were taken in response to the situation. The bank's crisis management plans were activated and business processes, geographical concentration risks and staff relocation abilities were evaluated based on different scenarios to secure the bank's operational resilience. Information security and cyber risk processes were reviewed and an extensive scenario analysis including disruptions to the bank's technical infrastructure was conducted.

Complexity in the sanctions screening area increased rapidly following Russia's invasion of Ukraine. The EU, US and many other countries responded by imposing sanctions on an unprecedented scale. To mitigate the risk of breaches, SEB established a sanctions response team, including senior representatives from the business as well as Group Compliance and the CRO function, to support in decision-making and facilitate swift escalation to relevant committees when needed.

The level of cyber threat has also been elevated during the year as cyberattacks have been part of the warfare. SEB has managed this risk by enhancing its threat intelligence and teaming up with strategic partners to strengthen the bank's defence. Neither SEB nor any of its critical outsourcing partners experienced any material cyberattacks in 2022.

During the year, SEB continued to develop its risk management framework for non-financial risks to more expressly address emerging risks, including cyber, third party, financial crime and data management risks. In 2023, the implementation of the group-wide cloud strategy will accelerate technology development in line with SEB's 2030 strategy.

Financial crime prevention

By being active in the financial markets with a diverse and global offering, SEB is exposed to the risk of being used for money laundering and terrorist financing ("financial crime"). Financial crime constitutes a serious threat against the financial system, and by extension also against the public sector and society at large. SEB works actively to prevent such risks in line with both applicable rules and regulations, as well as the bank's own instructions and guidelines. Knowledge, awareness, and a strong risk culture are firmly embedded in the entire organisation, from the Board of Directors to individual employees.

SEB continuously develops its ability to detect, deter, prevent, and report suspected financial crime. The work is led by the Financial Crime Prevention function to ensure holistic governance. During 2022, the work to further enhance procedures, processes, and system support as well as reinforcing controls, continued. In addition, a number of key specialists were recruited.

One of the most important preventive activities is the customer due diligence process. In this process, information is gathered to understand the business relationship and manage potential risks associated with the customer. All customers are reviewed in this process, which is repeated on a regular basis. The process is risk-based, and additional controls are performed on customers operating in areas where the bank identifies a higher risk, for example customers with connections to high-risk countries.

Another important activity is transaction monitoring, which is used to detect suspicious transactions and behaviours. Suspicious activities are reported to the relevant authorities. In such cases, SEB will also consider limiting – and under certain circumstances terminating – the business relationship. In 2022, SEB reported more than 5,400 Suspicious Activity Reports to the authorities in the countries where it operates.

SEB also performs sanctions screening to prevent payments to and from persons or entities subject to financial sanctions. The US and EU imposed extensive sanctions regimes as a reaction to Russia's invasion of Ukraine. In order to ensure compliance SEB has developed its screening capabilities.

External cooperation is an essential part of the work to prevent financial crime. The cooperation against money laundering between the Swedish Police and the large Swedish banks, SAMLIT, has continued during the year with the aim to increase information sharing between the public and private sectors.

Fraud is a key funding source for other criminal activities and SEB's work to detect and prevent all types of fraud, internal as well as external, is continuously developed and adapted to new criminal behaviours. In 2022, SEB and other large Swedish banks launched a new fraud prevention partnership which is aimed at reducing fraud in Swedish society.

Employees are continuously trained to strengthen their awareness of financial crime. SEB's Code of Conduct and core values, mandatory trainings and dialogues on ethical and value-related dilemmas strengthen employees' awareness of the importance of their conduct. Employees are urged to report unethical or illegal incidents, if needed through an independent, external whistleblowing procedure. See p. 48.

Sustainability risks in credit analysis and customer due diligence

As a bank, SEB plays an important role in society by providing credit and managing financial assets in ways that promote sustainable economic growth and prosperity. SEB considers sustainability risks in the credit granting process and the extent to which such risks can impact the customer's ultimate repayment capacity. SEB also considers how such risks can impact SEB's ambition to be a sustainable bank. Tools for identifying, measuring, assessing, monitoring, managing, mitigating and reporting sustainability risks are developed continuously.

→ For more information on SEB's sustainability management see p. 32 and for specific information on climate-related risk management, see p. 58.

Liquidity management

A well-balanced liquidity and funding strategy

Access to the liquidity and funding markets is vital in all circumstances. SEB's liquidity and funding strategy is managed from three perspectives:

1) optimising the liquidity structure of the balance sheet to ensure that less-liquid assets are matched with stable funding,
2) monitoring wholesale funding dependence, and
3) ensuring that the bank has sufficient liquidity reserves to withstand a severely stressed scenario.

SEB benefits from maintaining a diversified and strong funding base and liquidity position.

In 2022, funding markets were impacted by rising interest rates and higher volatility. SEB's funding activity increased compared to previous years, mainly to meet regulatory requirements. The bank issued an equivalent of SEK 130bn (75) of long-term funding, including two green senior non-preferred bonds and SEK 5bn in Additional Tier 1 capital. At year-end, total long-term funding amounted to SEK 474bn (474).

Short-term funding in the form of commercial paper and certificates of deposit amounted to SEK 353bn at year-end (288).

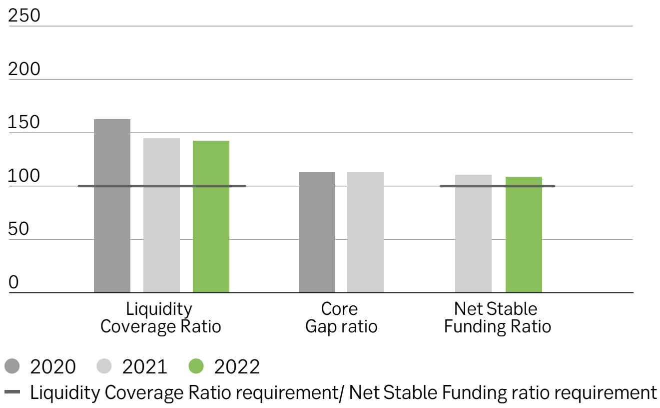
SEB manages its assets and liabilities in line with the Net Stable Funding Ratio (NSFR) regulatory requirement of at least 100 per cent. At year-end, SEB's NSFR was 109 per cent (111), above the minimum regulatory requirement as well as the Board's risk tolerance for a sound structural liquidity risk position.

At the end of 2022, SEB's liquid assets amounted to SEK 695bn (672). The size and composition of liquid assets are continuously assessed against estimated needs.

The Liquidity Coverage Ratio (LCR) measures to what extent SEB's liquid assets are sufficient to cover short-term cash outflows in a short-term stressed scenario. At the end of 2022, SEB's LCR was 143 per cent (145), in compliance with the minimum requirement of 100 per cent. SEB also met the minimum LCR requirement for individual currencies, including EUR, USD and other significant currencies.

A strong credit rating is important as it impacts the cost of wholesale funding. SEB is rated AA–/Aa3/A+ with stable outlook by Fitch, Moody's and S&P respectively and there were no changes during the year.

Liquidity Coverage Ratio, Core Gap Ratio and Net Stable Funding Ratio[1] Per cent



1) Core Gap Ratio presented until 2021 when Net stable funding ratio was required according to CRR2.

Rating

Fitch rates SEB's long-term senior unsecured debt at AA- with stable outlook. The rating is based on SEB's low risk appetite, stable and well-executed strategy, and robust asset quality and capitalisation. The rating was affirmed in July 2022.

Since October 2021, Moody's rates SEB's long-term senior unsecured debt at Aa3 with stable outlook reflecting the bank's strong asset quality and solid capitalisation, which is expected to demonstrate continued resilience despite a less favourable macroeconomic outlook.

S&P rates SEB's long-term senior unsecured debt at A+ with stable outlook. The rating is based on the stable and low-risk operating environment in Sweden, the bank's stable and well-diversified revenue base and leading position among large Nordic corporates, robust capitalisation and resilient earnings, despite expected increasing pressure on revenues and asset quality in the economic environment. The rating was affirmed in July 2022.

Moody's		S&P global		Fitch	
Short[1]	Long[2]	Short[1]	Long[2]	Short[1]	Long[2]
P–1	Aaa	A–1+	AAA	F1+	AAA
P–2	Aa1	A–1	AA+	F1	AA+
P–3	Aa2	A–2	AA	F2	AA
	Aa3	A–3	AA–	F3	AA–
	A1		A+		A+
Outlook stable		Outlook stable		Outlook stable	

1) Short-term debt and commercial paper.
2) Long-term senior unsecured debt.

Capital management

The capital position continues to be strong

Despite a strong risk culture and risk management, unexpected losses can occur in banking. SEB's capital management is designed to ensure that the bank has sufficient capital to absorb such unexpected losses. The Board of Directors sets SEB's capital target taking into consideration financial stability requirements by the regulators, debt investors and business counterparties, as well as the Board's view on capital need and credit rating ambitions. These requirements must be balanced with the shareholders' required rate of return.

Capital requirements applied for Swedish banks are based on the EU Banking package transposed into Swedish law. The Common Equity Tier 1 (CET 1) capital requirements consist of four main parts, as follows.

Common Equity Tier 1 (CET 1) capital – requirement and outcome

as percentage of total risk-weighted exposure amount

	2022	2021
Pillar 1 minimum requirement	4.5	4.5
Pillar 2 requirements (P2R)	1.4	1.2
Combined buffer requirement	7.4	6.6
Pillar 2 guidance (P2G)	1.0	1.5
Total requirement and P2G	14.2	13.8
Common Equity Tier 1 (CET 1) capital ratio	19.0	19.7

SEB's CET 1 capital ratio at year-end was 19.0 per cent (19.7), implying a buffer of 470 basis points above the regulatory requirement and Pillar 2 Guidance. The risk exposure amount increased to SEK 859bn (787) primarily as a result of growth in the corporate credit portfolio, market risk and foreign exchange effects. Net profit was strong in 2022, which contributed to an increase in CET 1 capital to SEK 163bn (155).

As part of the 2022 Supervisory Review and Evaluation Process (SREP), the Swedish FSA communicated a Pillar 2 Guidance (P2G) of 1.0 (1.5) per cent for the group. Furthermore, the leverage ratio P2G was set at 0.45 per cent (0.45) of the leverage exposure – on top of the minimum 3 per cent requirement for the leverage ratio. SEB's leverage ratio was 5.0 per cent (5.0) at the end of 2022.

The capital requirements from the Swedish FSA for Swedish banks are higher than common EU levels, and Swedish banks are well capitalised compared to banks elsewhere in Europe, both from a risk-based and non-risk-based perspective.

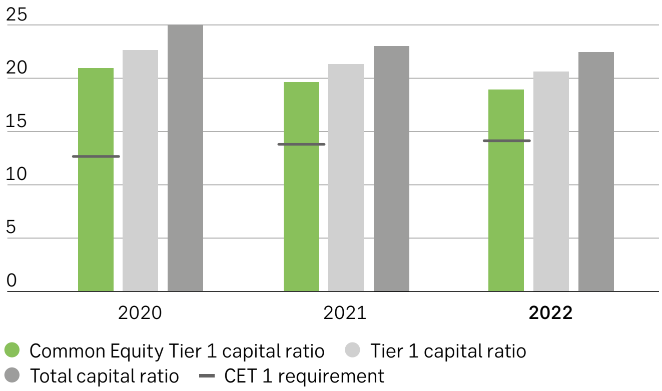
→ For information on the Board's capital-related financial targets, see p. 73.

Finalisation of the Basel III framework

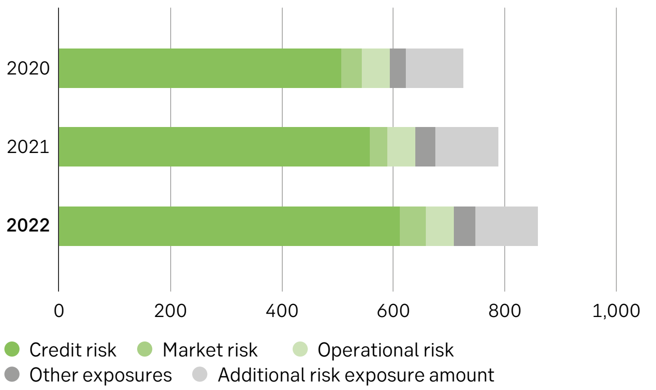
In 2017 the Basel Committee presented a framework for revisions to the Basel III framework (referred to as Basel IV) with the objective to reduce excessive variability of risk-weighted assets (RWA) among banks. For that purpose, the Committee proposed an output floor implying that RWA calculated by applying internal models cannot in aggregate fall below 72.5 per cent of the RWA calculated by the standardised approaches. Compared to the original Basel standard the proposal includes several improvements in relation to the output floor, making the rules more suitable for the European banking sector.

In 2021, the European Commission released a proposal for implementation of Basel IV into EU legislation. The new rules are proposed to be implemented by 1 January 2025 with a five-year gradual phase-in of the output floor of 72.5 per cent until 1 January 2030. The removal of internal model for operational risk, restrictions on the use of internal models for credit risk and changed methods for market risk are expected requirement changes.

Capital adequacy Per cent



Development of risk exposure amount (REA) SEK bn



Corporate governance

"Good corporate governance means ensuring that companies are run sustainably, responsibly and as efficiently as possible on behalf of their shareholders. Good corporate governance is an integral part of SEB's core business, and it aims to guide our employees in good business conduct ensuring a sound risk culture."

Marcus Wallenberg, Chair, Board of Directors

To maintain the important societal function as a bank, it is of utmost importance for SEB that customers, shareholders, employees and other stakeholders have great confidence and trust in the bank's operations. Professional employees who are guided by a high standard of business conduct are crucial, as is maintaining a sound risk culture. A robust corporate governance framework with clearly defined roles and responsibilities and internal control helps prevent conflicts of interest.

Rules and regulations

As a Swedish public limited liability financial institution with securities listed on Nasdaq Stockholm, SEB is subject to numerous rules and regulations. The external framework for corporate governance includes the following rules and regulations:
- Companies Act
- Annual Accounts Act
- Nasdaq Stockholm Issuer Rules
- Swedish Corporate Governance Code
- Banking and Financing Business Act
- Rules and guidelines issued by the Swedish Financial Supervisory Authority and other authorities.

SEB also adheres to an internal framework that includes, among other things, the Articles of Association, which are adopted by the general meeting of shareholders. Policies and instructions that define the division of duties within the Group are tools for the Board of Directors (the Board) and the President and Chief Executive Officer (the President) in their governing and controlling roles. Such policies and instructions include, among others:
- Rules of Procedure for the Board and the Instructions for the Board committees
- Instructions for the President and the Group Executive Committee (GEC)
- Group Credit Instruction and Risk Policy
- Instruction for Handling of Conflicts of Interest
- Policy on Anti-Money Laundering and Combating Financing of Terrorism[1)]
- Code of Conduct[1)]
- Remuneration Policy
- Information Security Policy
- Corporate Sustainability Policy[1)]
- Inclusion & Diversity Policy[1)]
- Policies on Suitability, Diversity and Composition of the Board, the Group Executive Committee and other key function holders.

1) See sebgroup.com

SEB's ethical and sustainability endeavours are an integral part of the business and are regularly included on the Board's agenda. SEB's Code of Conduct describes the bank's values, ethics and standards of business conduct and provides guidance on how employees are to abide by these values. Policies and instructions for sustainability and group-wide thematic and sector policies addressing environmental, social and governance issues are also of vital importance. This Corporate Governance Report has been prepared in accordance with the Annual Accounts Act and the Swedish Corporate Governance Code (the Code). SEB strives to follow the Code where appropriate and has no deviations to report for 2022.

→ More information about SEB's corporate governance is available on sebgroup.com

Shareholders and general meetings of shareholders

The shareholders exercise their influence at general meetings of shareholders by, among other things, electing directors of the Board and the external auditor.

SEB has approximately 275,000 shareholders. SEB's share capital consists of two classes of shares – A shares and C shares. Each Class A share carries one vote and each Class C share carries one-tenth of a vote.

The Annual General Meeting (AGM) of shareholders is held in Stockholm, in Swedish. All shareholders listed in the shareholder register who have duly notified their attendance have the right to participate at the AGM and to vote for the full number of their shares. Shareholders who cannot attend may appoint a representative. The 2022 AGM was held on 22 March at Stockholm Concert Hall, Hötorget, Stockholm. The shareholders were also able to exercise their voting rights by postal voting prior to the AGM in accordance with the regulations in SEB's Articles of Association.

The number of shareholders represented at the AGM was 1,018, representing 60 per cent of the votes, and the number of persons physically present at the AGM was 240. Central resolutions made at the AGM were:

- approval of an ordinary dividend of SEK 6.00 per share
- re-election of nine directors and election of two new directors
- re-election of Marcus Wallenberg as Chair of the Board
- re-election of Ernst & Young AB as external auditor
- approval of the Board's Remuneration Report 2021
- adoption of three long-term equity programmes
- issuance of a mandate to the Board concerning purchases and sales of own shares for SEB's securities business, for the long- term equity programmes and for capital management purposes
- authorisation for the Board to decide on the issuance of convertibles
- reduction of the share capital through redemption of shares, and bonus issue through increase of share capital.

→ The minutes from the AGM are available on sebgroup.com

The largest shareholders

31 December 2022

	No. of shares	Of which Class C shares	Share of capital, %	Share of votes, % 2022	Share of votes, % 2021
Investor AB	456,198,927	*4,000,372*	20.9	21.0	20.8
Alecta	126,040,886		5.8	5.8	5.7
Swedbank Robur Funds	97,460,231		4.5	4.5	4.1
Trygg Foundation	91,974,674		4.2	4.3	5.0
AMF	91,409,002		4.2	4.2	4.1
SEB own shareholding[1)]	65,789,373		3.0	3.1	1.7
BlackRock	55,285,658	*168*	2.5	2.6	2.6
Vanguard	51,601,406	*495,823*	2.4	2.4	2.0
SEB Funds	47,998,857		2.2	2.2	2.1
Harding Loevner	42,094,490		1.9	2.0	1.0
Handelsbanken Funds	34,697,890	*21,973*	1.6	1.6	1.6
Nordea Funds	21,220,387		1.0	1.0	1.1
Fourth AP funds	20,367,360		0.9	0.9	1.1
Bank of Norway	18,796,545	*39,076*	0.9	0.9	0.9
First AP funds	18,001,850		0.8	0.8	0.8

1) See table Number of outstanding shares on p. 71.

Source: Euroclear and Holdings.

Different voting power of class A shares (voting power 1) compared to C shares (voting power 0.1) gives minor differences in share of votes vs. share of capital.

The majority of the bank's approximately 275 000 sharesholders are private individuals with small holdings. The ten largest shareholders account for 52 per cent of the capital and votes.

Distribution of shares by size of holding

31 December 2022

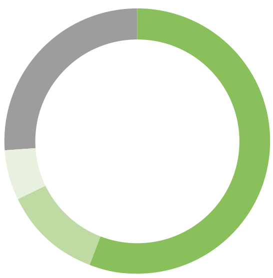
Size of holding	No. of shareholders	No. of shares	Per cent
1–500	182,589	30,716,065	1.4
501–1,000	38,600	29,434,900	1.4
1,001–5,000	43,445	95,605,032	4.4
5,001–10,000	5,832	41,684,029	1.9
10,001–20,000	2,403	33,711,860	1.6
20,001–50,000	1,077	33,243,597	1.5
50,001–100,000	295	20,674,158	1.0
100,001–500,000	261	58,235,797	2.7
500,001–1,000,000	45	32,541,073	1.5
1,000,001–	103	1,802,875,423	82.8
Total	**274,650**	**2,178,721,934**	**100.0**

Source: Euroclear and Holdings

Shareholder structure

Per cent

Percentage holdings of equity on 31 December 2022



Swedish shareholders	74
Institutions and foundations	*56*
Private individuals	*12*
Other	*6*
Foreign shareholders	26

Source: Euroclear and Holdings

Corporate governance structure

SEB's business operations are managed, controlled and followed up in accordance with policies and instructions established by the Board and the President.

Nomination Committee

The primary task of the Nomination Committee is to submit recommendations to the AGM for the Chair and directors of the Board as well as the external auditor.

The Nomination Committee nominates the Chair, the directors of the Board and the external auditor and makes recommendations regarding directors' fees and fees for committee work.

Pursuant to a decision by the AGM, the Nomination Committee is to be composed of the Chair of the Board along with representatives of the bank's four largest shareholders that are interested in appointing a member. One of the independent directors of the Board shall be appointed as an additional member of the Nomination Committee.

The composition of the Nomination Committee meets the requirements laid out in the Code. The Nomination Committee has access to relevant information about SEB's operations and financial and strategic position, provided by the Chair of the Board and the additional member.

The Board's composition shall adhere to applicable laws and regulations and to the Policy on Suitability, Diversity and Composition of the Board of Directors, adopted by the Board. An important principle is that the Board's size and composition shall be such as to serve the bank in the best possible way and to safeguard that the Board can exercise independent judgement, free from any external influence or conflicts of interest. Therefore, as the starting point for its work, the Nomination Committee is tasked with assessing the degree to which the Board meets the demands that will be placed on the Board in view of the bank's operations, organisation and future direction.

The Board's size and composition is discussed and reviewed in terms of suitable competence and experience in the financial sector and in the geographies where SEB operates. In addition, the directors should have sufficient time to perform their duties and understand the bank's business and its main risks.

Nomination Committee for the 2023 AGM

Member	Representing	Votes (%) 31 Aug. 2022
Petra Hedengran, *Chair*	Investor	21.0
Magnus Billing	Alecta	5.8
Lars Heikensten	Trygg Foundation	4.3
Johan Sidenmark	AMF	4.3
Marcus Wallenberg	SEB, Chair of the Board	
		35.4

Lars Ottersgård, additional member, appointed by the Board.
Swedbank Robur Funds, which was the bank's fourth largest shareholder, did not appoint a member of the Nomination Committee.

The Nomination Committee also reviews the evaluations of the Board's directors and Chair. See p. 97.

The Nomination Committee shall ensure diversity within the Board in terms of the directors' educational, professional and cultural background, age, gender, and national and ethnic origin. The Nomination Committee shall also ensure that the Board is equipped to oversee and manage SEB's risks and impact in relation to ESG-criterias (Environment, Social and Governance).

Furthermore, the Nomination Committee discusses succession matters with particular emphasis on continuity and long-term perspective in ensuring the Board's competence and composition. The Nomination Committee for the 2023 AGM was appointed in the autumn of 2022. No fee has been paid to the members of the Nomination Committee.

→ The Nomination Committee's proposals for decisions at the 2023 AGM including a motivated account as regards directors, are available on sebgroup.com

Board of Directors

The Board has overarching responsibility for the organisation, administration and operations of the SEB Group.

The Board has adopted Rules of Procedure that regulate the Board's role and ways of working as well as special instructions for the Board's committees. The Board has the following duties, among others:

- deciding on the objectives, strategy and framework of the business activities as well as the business plan
- regularly following up and evaluating operations in relation to the objectives and guidelines established by the Board
- ensuring that the business is organised in such a way that the accounting risks inherent in the business as well as financial conditions in other respects are controlled in a satisfactory manner
- adopting policies and instructions for the business operations
- deciding on major acquisitions and divestments as well as other major investments
- appointing or dismissing of the President, members of GEC, the Chief Risk Officer (CRO), and the Head of Group Internal Audit, as well as setting the remuneration for these individuals
- deciding on a framework for granting loans and other transactions with the directors of the Board and other persons in a managerial position in SEB and their related parties as well as deciding on such transactions.

The Chair of the Board organises and leads the work of the Board and ensures among other things that the directors on a regular basis receive information and education on regulatory changes concerning the bank's operations and on responsibilities of directors of a listed financial company. Educational and specialisation seminars are held each year. New directors are offered educational seminars with information on, and discussions about, SEB's various operations including control functions.

The directors are elected by the shareholders at the AGM for a one-year term. Since the 2022 AGM the Board shall consist of eleven AGM-elected directors, without deputies, and of two directors along with two deputies appointed by the trade unions, who serve as employee representatives. In order for a quorum to exist at a board meeting, more than half of the directors must be present. The President is the only AGM-elected director employed by the bank. The Nomination Committee has made a collective assessment of the directors' independence in relation to the bank and the bank's management as well as in relation to shareholders controlling 10 per cent or more of the shares or votes and has found that the composition of the Board meets the requirements of the Code.

A Board member may not take part in the handling of a matter in which the member, or a related party, has a material interest that may conflict with the interests of SEB. A Board member shall report existing and/or potential conflicts of interests to the Chair, such as for example closely related parties, other board assignments and financial holdings in other corporations. All actual and potential conflicts of interest at board level, individually and collectively, are adequately documented, communicated and managed by the Board. These requirements have been duly reflected in the Rules of Procedure for the Board of Directors and the Instruction on Conflict of Interests for the SEB Group.

The Board's work follows a yearly plan. In 2022 the Board held 16 meetings. The President attends all board meetings except when they address matters in which the President has an interest that may be in conflict with the interests of the bank, such as when the President's work is evaluated. Other members of GEC participate whenever required.

On the Board's agenda in 2022

First quarter

- Annual and Sustainability Report 2021
- Balance sheet, capital and dividend matters
- Macroeconomic update
- CEO and GEC succession planning
- Internal and external audit reports as well as Group Compliance report
- Evaluation of the effectiveness and appropriateness of SEB's organisation
- Remuneration of the President, the GEC and control functions
- Annual review of Instruction and Polices for the SEB Group, including adoption of new fossil fuel policy
- Update on SEBx and the Corporate & Private Customers division's digitalisation
- Ukraine and Russia update
- AGM notice and AGM proposals
- Statutory Board meeting

Second quarter

- Macroeconomic update
- Ukraine and Russia update
- Overview of SEB's home markets and international network
- Update on the Private Wealth Management & Family Office division in Denmark
- HR update
- IT market intelligence
- SEBx update
- Group Chief Data and Analytics Officer update
- Investment banking outlook
- SEB US Resolution plan
- SEB long-term strategy
- Internal Capital and Liquidity Adequacy Assessment (ICAAP and ILAAP)
- Visit from the Director General of the Swedish Financial Supervisory Authority
- Risk seminar

Third quarter

- Oslo deep dive: meeting with SEB's Norwegian management and customers
- Review of key performance indicators (KPI) framework

Fourth quarter

- Business plan roll-forward 2023–2026
- Board evaluation
- Employee survey
- HR Benchmark
- Recovery and resolution plan
- Macroeconomic update
- Annual report from foundations with administration linked to SEB

SEB's quarterly report, reports and a summary of SEB's risk position, asset quality, credit portfolio and liquidity position are on the Board's agenda each quarter.

Board of Directors




	Marcus Wallenberg	Sven Nyman	Jesper Ovesen	Jacob Aarup-Andersen
Position	Chair since 2005	Vice Chair since 2017	Vice Chair since 2014	Director
Committee	Vice Chair RCC, ACC, RemCo	Member RCC	Chair RCC, member ACC	
Year elected	2002	2013	2004	2022
Born	1956	1959	1957	1977
Education	B.Sc. (Foreign Service)	B.Sc. (Business and Econ.)	B.Sc. (Econ.) and MBA	M.Sc. (Economics)
Other assignments	Chair of Saab and FAM. Vice Chair of Investor, EQT and the Knut and Alice Wallenberg Foundation. Director of AstraZeneca Plc.	Director of Investor, Ferd Holding AS (Norway), Nobel Foundation's Investment Committee, Stockholm School of Economics Association and of Axel and Margaret Ax:son Johnson's Foundation.		Group CEO of ISS A/S, Denmark. Member of the Permanent Committee on Business Policies of Danish Industry.
Background	Chair of Electrolux, International Chamber of Commerce (ICC) and LKAB. Director of EQT Holdings, Stora Enso and Temasek Holdings. Executive Vice President of Investor and CEO of Investor. Several directorships.	Broad experience from the financial business field. Managerial positions within Investor. CEO and founder of RAM Rational Asset Management, Lancelot Asset Management and Arbitech. Several directorships.	Price Waterhouse. Vice President and later CEO of Baltica Bank A/S. Vice President and Head of Finance of Novo Nordisk A/S. CEO of Kirkbi Group. CFO of Danske Bank A/S, LEGO Holding A/S and TDC A/S. Several directorships.	Long experience from banking and finance business from a number of positions within the Danske Bank Group (Group CFO, Head of Banking Denmark, Head of Wealth Management) and Chair of Realkredit Denmark, MobilePay and Danica Pension. Several positions within Investment Banking and Investment Management (Goldman Sachs and Highbridge Capital).
Nationality	Swedish	Swedish	Danish	Danish
Own and closely related persons' shareholdings	752,000 A shares	10,440 A shares and 10,200 C shares	25,000 A shares	6,000 A shares
Other holdings				
Independent in relation to the bank/major shareholders	Yes/No	Yes/No	Yes/Yes	Yes/Yes
Attendance at board/ committee meetings[1)]	15 of 15 / 27 of 27	15 of 15 / 12 of 12	13 of 15 / 20 of 20	10 of 11
Fee, board meetings, SEK	3,500,000	1,100,000	1,100,000	850,000
Fee, committee meetings, SEK	940,000	450,000	1,015,000	

1) Includes only the meetings that the director could attend without conflict of interest.

Board of Directors




	Signhild Arnegård Hansen	Anne-Catherine Berner	Winnie Fok	John Flint
Position	Director	Director	Director	Director
Committee	Chair RemCo	Member RemCo	Member ACC	
Year elected	2010	2019	2013	2022
Born	1960	1964	1956	1968
Education	B.Sc. (Human Resources) and journalism studies	B.Sc. (Econ.) and MBA (Leadership)	Bachelor of Commerce. Fellow of CPA Australia and of Institute of Chartered Accountants in England & Wales. Associate member of Hong Kong Institute of Certified Public Accountants.	BA (Economics)
Other assignments	Chair of SnackCo of America Corp. Chair of the Swedish-American Chamber of Commerce (USA). Director of SOS Children's Villages Sweden and SACC New York. Director of the Royal Swedish Academy of Engineering Sciences (IVA).	Director of Avesco AG (Switzerland), Medicover AB and IIF Group (Infrastructure Investment Fund, previously Adven Group). Several directorships in foundations.	Director of Geely Holding Group. Senior Advisor to WFAB.	CEO of UK Infrastructure Bank.
Background	President of the family-owned company Svenska LantChips. Chair of the Confederation of Swedish Enterprise. Vice Chair of Business Europe. Director of Business Sweden, Entrepreneurship and Small Business Research Institute (ESBRI). Several directorships.	Member of Finnish Parliament and Minister of Transport and Communications in the Finnish government. Director of Ilmarinen and Soprano Oyi. Several directorships.	Broad experience from the financial business field. Industrial advisor and senior advisor to Investor and Husqvarna. CEO and Senior Partner of EQT Partners Asia Ltd and CEO of New Asia Partners Ltd. Director of Volvo Cars Corporation and G4S plc.	Group Chief Executive, HSBC Holdings PLC. Long experience from banking and finance business with a number of positions within HSBC, both in South-East Asia and in the UK. Member of the Independent Review Panel on Ring-Fencing Legislation and Proprietary Trading, UK.
Nationality	Swedish and American	Swiss and Finnish	British	British
Own and closely related persons' shareholdings	19,004 A shares	4,600 A shares	3,000 A shares	
Other holdings				
Independent in relation to the bank/major shareholders	Yes/Yes	Yes/Yes	Yes/Yes	Yes/Yes
Attendance at board/ committee meetings[1)]	15 of 15 / 7 of 7	14 of 15 / 7 of 7	15 of 15 / 8 of 8	10 of 11
Fee, board meetings, SEK	850,000	850,000	850,000	850,000
Fee, committee meetings, SEK	400,000	200,000	290,000	

1) Includes only the meetings that the director could attend without conflict of interest.

Board of Directors



	Lars Ottersgård	**Helena Saxon**	**Johan Torgeby**
Position	Director	Director	Director (President and CEO)
Committee	Member RCC	Chair ACC	
Year elected	2019	2016	2017
Born	1964	1970	1974
Education	Technical College Exam (Electro technics), Diploma in Management from The Open University Business School and numerous IBM internal training courses.	M.Sc. (Business and Econ.)	B.Sc. (Econ.)
Other assignments	Deputy Director in EKO Respecta.	CFO of Investor. Director of Swedish Orphan Biovitrum.	Director Nasdaq Inc., the Swedish Bankers Association, the Institute of International Finance, Mentor Sweden, IIEB (Institute International d'Études Bancaires), the Finnish-Swedish Chamber of Commerce, LUSEM Advisory Board at Lund University.
Background	Head of Market Technology, Nasdaq Inc. (USA). Chair and CEO of Nasdaq Technology AB. Various leading positions in Nasdaq. Head of Sales for Market Technology at OMX. Various management positions within IBM for the Nordics and EMEA (Europe, Middle East & Africa).	Financial analyst at Goldman Sachs and Investor, CFO at Syncron International and Hallvarsson & Halvarsson. Investment Manager at Investor.	Director Mölnlycke Holding, Robur Asset Management (Swedbank), and Morgan Stanley in London. Co-head of division Large Corporates & Financial Institutions.
Nationality	Swedish	Swedish	Swedish
Own and closely related persons' shareholdings	15,000 A shares	12,500 A shares	573,703 shares and share rights[2)]
Other holdings			SEB debt instruments (ISIN XS2076169668), nominal value USD 600,000.
Independent in relation to the bank/major shareholders	Yes/Yes	Yes/No	No/Yes
Attendance at board/ committee meetings[1)]	13 of 15 / 8 of 8	15 of 15 / 8 of 8	15 of 15
Fee, board meetings, SEK	850,000	850,000	
Fee, committee meetings, SEK	450,000	460,000	

1) Includes only the meetings that the director could attend without conflict of interest.
2) of which 5,826 A shares, 212,239 share rights and 355,638 conditional share rights.

Directors appointed by the trade unions

	Anna-Karin Glimström	**Charlotta Lindholm**	**Annika Dahlberg**	**Marika Ottander**
Position	Director	Director	Deputy director	Deputy director
Year elected	2016	2015	2016	2022
Born	1962	1959	1967	1961
Education	University studies in mathematics, statistics and law	LLB	University studies in working environment and labour law	Law degree
Union representative/ Position	Chair of Financial Sector Union of SEB Group.	Chair of the Association of University Graduates at SEB. Client Executive in PWM&FO division.	First Deputy Chair of Financial Sector Union of SEB Group.	Deputy Chair of the Association of University Graduates at SEB. Regulatory officer GDPR in C&PC division.
Nationality	Swedish	Swedish	Swedish	Swedish
Own and closely related persons' shareholdings	687 share rights, of which 266 share rights and 421 conditional share rights.	2,040 shares and share rights, of which 1,353 A shares, 266 share rights and 421 conditional share rights.	1,267 shares and share rights, of which 580 A shares, 266 share rights and 421 conditional share rights.	687 share rights, of which 266 share rights and 421 conditional share rights.
Other holdings				
Attendance at board meetings	12 of 15	14 of 15	14 of 14	10 of 10

Secretary of the Board of Directors and Group General Counsel

Hans Ragnhäll

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Evaluation of the Board of Directors, the President and the Group Executive Committee
The Board uses an annual self-assessment method which, among other things, includes a questionnaire followed by discussions within the Board. Through this process the activities and work methods of the Board, the Chair of the Board and the respective committees are evaluated. Among the issues examined are:

- the extent to which the individual directors take an active part in board and committee discussions
- whether directors contribute independent opinions
- whether the meeting atmosphere is conducive to open discussions.

The outcome of the evaluation is presented to and discussed by the Board and the Nomination Committee. The evaluation process and its outcome contribute to further improvement of the Board's work and help the Nomination Committee determine the appropriate size and composition of the Board. Marcus Wallenberg does not participate in the evaluation of the Chair's work, the evaluation in 2022 was conducted by Vice Chair Jesper Ovesen. The Board evaluates the work of the President and GEC on a regular basis without participation of the President or any other member of GEC.

Directors' fees

The AGM sets the total fees for the directors of the Board and decides how the fees are to be distributed among the directors and the Board's committees.

Directors' fees are paid on a running basis during the mandate period. Following a recommendation by the Nomination Committee, the Board has adopted a policy that recommends that directors use 25 per cent of their fee to purchase and hold SEB shares up to an amount corresponding to one year's fee. Neither the President nor the directors appointed by the trade unions receive any directors' fee.

Board committees

The Board's overarching responsibility cannot be delegated. However, the Board has established committees to handle certain defined issues and to prepare such issues for decision by the Board.

At present, there are three board committees: The Remuneration and Human Resources Committee (RemCo), the Audit and Compliance Committee (ACC), and the Risk and Capital Committee (RCC). These committees report to the Board on a regular basis. An important principle is that as many independent directors as possible shall actively participate in the committee work. Neither the President nor any other officer of the bank is a member of the committees. The Chair of the Board serves as vice chair of the three committees. The committees are not composed of the same group of directors that forms another committee, and the bank occasionally rotates chairs and directors of the committees, taking into account the specific experience, knowledge and skills that are individually or collectively required for the committees.

Risk and Capital Committee (RCC)

Jesper Ovesen
Chair of RCC

RCC supports the Board in its work on ensuring that SEB is organised and managed in such a way that risks inherent in the Group's business are monitored and managed in accordance with the Board's risk tolerance statement as well as with external and internal rules. RCC also monitors the Group's capital and liquidity situation on a continuous basis.

Main focus in 2022

- Follow-up of SEB's capital and liquidity position in the light of the energy crisis, the rising inflation and the Russian invasion of Ukraine, and of the business plan and economic forecast to ensure that the bank has an adequate capitalisation and liquidity position at every point in time.
- Review of the credit portfolio in the light of the energy crisis, the rising inflation and the Russian invasion of Ukraine, also focusing on business sectors in transition as well as sustainability policies.

RCC sets the principles and parameters for measuring and allocating risk and capital within the Group and oversees risk management systems and the risk tolerance and strategy for the short and long term. The committee prepares a recommendation for the appointment and dismissal of the Chief Risk Officer (CRO). It also decides on individual credit matters of major importance or of importance as to principles and assists RemCo in providing a risk- and capitalbased view of the remuneration system. RCC held 12 meetings in 2022.

The Group's Chief Financial Officer (CFO) has overall responsibility for informing and submitting proposals to RCC on matters related to capital and funding. The CRO has the same overall responsibility for risk and credit matters. The President, the Chief Financial Officer and the CRO regularly participate in the meetings.

→ The CRO function is described on p. 104. Information on risk, liquidity and capital management is provided on p. 83.

RCC members
Jesper Ovesen (Chair), Marcus Wallenberg (Vice Chair), Sven Nyman and Lars Ottersgård.

The three lines of defence in risk management

The business units within Divisions, the Group Support functions, and the Group Staff functions make up the first line of defence. The business units ensure that transactions are correctly priced and that the assumed risks are managed throughout the life of the transactions. Long-term customer relationships and a sound risk culture provide a solid foundation for risk-taking decisions. Initial risk assessments are made of both the customer and the proposed transaction. Larger transactions are reviewed by a credit committee. The business units are responsible for ensuring that the activities comply with applicable group-wide policies and instructions and are supported by a clear decision-making hierarchy.

The risk and compliance functions make up the second line of defence. These units are independent from the business operations. The risk function is responsible for identifying, measuring, monitoring and reporting risks. Risks are measured on both detailed and aggregated levels. Internal measurement models have been developed for most of the credit portfolio as well as for market and non-financial risk, including regulatory compliance, and the models have been approved by the Swedish FSA for calculating capital adequacy. Risks are controlled through limits at transactional, desk and portfolio levels. Asset quality and the risk profile are monitored continuously, such as through stress testing. The compliance function works proactively with quality assurance of SEB's compliance and focuses on matters such as customer protection, conduct in the financial market, prevention of money laundering and the financing of terrorism, and regulatory requirements and controls.

Internal Audit is the third line of defence. Risk management is regularly reviewed and evaluated by Internal Audit to ensure that it is adequate and effective. The internal auditors are in turn evaluated by the external auditor. Based on evaluations of the third line of defence, the processes in the first and second lines of defence are continuously strengthened. SEB's governance framework, sound risk culture and business acumen constitute the cornerstones of effective risk management.

Audit and Compliance Committee (ACC)

ACC supports the Board in its work with quality assurance of, and internal control over, the bank's financial reporting and reporting to the supervisory authorities. ACC also monitors the effectiveness of internal controls regarding compliance and audit matters.

Helena Saxon
Chair of ACC

Main focus in 2022

- Follow-up of ongoing AML investigations by supervisory authorities in the countries where SEB operates its business.
- Assessment of the quality of the audit services provided by the external auditor.
- Accounting treatment of Russian operations.

When required, ACC prepares, for decision by the Board, a recommendation for the appointment or dismissal of the Head of Group Internal Audit. The committee maintains regular contact with the bank's external and internal auditors and discusses the coordination of their activities. The committee also ensures that any remarks and observations from the auditors are addressed and evaluates the external auditor's work and independence. When required, a recommendation from the President on appointment or dismissal of the Head of Group Compliance is subject to the committee's approval. The Committee furthermore reviews a whistleblowing report from Group Compliance and Group Internal Audit annually. More information about the whistleblowing process is available in the Code of Conduct.

ACC held 8 meetings in 2022. It is primarily the CFO, the external auditor, the Head of Group Internal Audit and the Head of Group Compliance who submit reports for the committee's consideration. In addition, the President and the CRO regularly participate in the meetings.

ACC members
Helena Saxon (Chair), Marcus Wallenberg (Vice Chair), Jesper Ovesen and Winnie Fok.

Internal control over financial reporting

Internal Control over Financial Reporting (ICFR) is a well-established process designed to provide reasonable assurance regarding the reliability of financial reporting and reduce the risk for misstatements. ICFR is based on the framework established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and is applied by SEB in a yearly cycle. Throughout the year the following steps are performed:

Perform risk assessment and scoping
To identify and understand which risks are relevant and material for the reporting process, financial results and balance sheets are analysed at SEB Group and unit levels. The outcome is used to determine which units, processes and systems are to be covered by the ICFR process in the coming year.

Identify risks and controls
Based on the outcome of the risk assessment and scoping, Group Finance decides on processes to be analysed the coming year. The processes in scope are then reviewed in workshops where risks and controls are discussed.

Evaluate controls
The controls are evaluated on a continuous basis throughout the year by the control owners through self-assessments. In this way the bank's weaknesses can be identified, compensating controls can be implemented and improvements can be made. The evaluation describes material financial reporting risks and comments on material deviations compared with previous quarters.

Report
The result of the monitoring activities is consolidated and analysed in order to assess the ICFR residual risk. Monitoring reports are submitted on a quarterly basis to the CFO in connection with the quarterly external financial reporting. The report contributes to transparency within SEB and enables prioritisation of improvement activities based on residual risk. Reporting is also done quarterly to Group Internal Audit and yearly to Group Internal Control and Compliance Committee (GICC) and the Audit and Compliance Committee (ACC).

Independent review
In addition to this process, Group Internal Audit and external audit performs independent reviews of the ICFR framework. Two other frameworks based on COSO are applied in the same yearly cycle as described above, Internal Control over Supervisory Reporting (ICSR) and Internal Control over Risk Reporting (ICRR).

Focus area 2022
In addition to the ongoing work during 2022, a new scoring tool has been implemented enabling a more detailed and efficient monitoring.

Remuneration and Human Resources Committee (RemCo)

RemCo prepares, for decision by the Board, appointments of the President and GEC members. The committee also develops, monitors and evaluates SEB's remuneration system, incentive models and their risk adjustments, and evaluates SEB's talent, learning and succession planning activities.

Signhild Arnegård Hansen
Chair of RemCo

Main focus in 2022

- Deep dive into SEB's people strategy
- Implement sustainability targets for the All Employee Program
- Follow-up of the development on future ways of working & remote policy
- Follow the development of SEB's new behaviours.

→ See the Remuneration chapter on p. 106.

RemCo monitors and evaluates application of the guidelines established by the AGM for salary and other remuneration for the President and the members of GEC. An independent auditor's review on adherence to SEB's Remuneration Policy and applicable regulations is presented to the committee annually.

RemCo reviews, in consultation with RCC, the bank's Remuneration Policy and ensures that the bank's remuneration structure takes into account the risks and the cost of capital and liquidity. This review is based on, among other things, the risk analysis performed jointly by Group Risk and Group Compliance.

In addition, the committee oversees the Group's pension obligations and, together with RCC, the measures taken to secure the Group's pension obligations, including development of the bank's pension foundations. RemCo held 7 meetings in 2022.

It is primarily the President, together with the Head of Group HR, that submits reports for the Committee's consideration.

RemCo members
Signhild Arnegård Hansen (Chair), Marcus Wallenberg (Vice Chair) and Anne-Catherine Berner.

The President

The President, who is also the Chief Executive Officer, is responsible for the day-to-day management of the activities of SEB in accordance with the Board's directives.

The President shall ensure that SEB is organised in such a way that there is an appropriate and transparent governance structure with a clear division of functions and responsibilities that ensures efficient and sound governance of SEB. The President has overarching responsibility for SEB's risk management in accordance with the Board's policies and instructions as well as its intentions as stated in the Board's risk tolerance statements.

The Board has adopted an instruction for the President's duties and role. The President reports to the Board and at each board meeting submits a report on, among other things, the performance of the business, based on the decisions made by the Board. The President appoints the heads of the divisions and the heads of the various staff and support functions that report directly to the President.

The President has appointed three members of the Group Executive Committee to have the following additional areas of responsibility: (i) Group Financial Crime Prevention Senior Manager, (ii) Group Outsourcing Senior Manager, and (iii) Group Data Privacy Senior Manager (together Senior Managers). The Senior Managers have the overall responsibility for the implementation of regulatory requirements in the SEB Group in their respective area of responsibility. The Senior Managers shall, on an ongoing basis, report to the President on the risks of the SEB Group not complying with internal and external rules in their respective area of responsibility, as well as the management and mitigation of such risks.

The President's committees

The President has five main committees at his disposal for the purpose of managing the operations.

The Group Executive Committee (GEC)

To best safeguard the interests of the Group as a whole, the President consults with GEC on matters of major importance or of importance as to principles. GEC addresses, among other things, matters of common concern to several divisions, strategic issues, IT, business plans and financial forecasts and reports. GEC held 23 meetings in 2022. GEC has 12 members

On GEC agenda in 2022

Strategy and business plan
- Macroeconomic development
- SEB's long-term strategy and follow-up of the business plan
- Discussion on capital requirements, asset quality and risk
- Strategic initiatives status update
- Development of sustainability
- Discussions on customer satisfaction, branding and image position as well as customer insight work
- Review process for handling customer complaints

Human Resources
- Employee survey 2022 and Inclusion and Diversity – discussion of survey results and actions
- Review of competence and leadership development
- HR deep-dive and future ways of working
- SEB new behaviours

Regulatory
- Financial crime prevention programme
- Money laundering and terrorist financing risk assessment
- Data Protection Officer report

Business areas
- Review of the bank's business operations and home markets
- Investor World update
- Retail Sweden transformation
- Corporate banking update
- Greentech Venture Capital update
- Savings, Technology and Business Support & Operations updates
- Google Cloud partnership
- Cyber security update

IT
- Chief Information Officer updates
- Review and discussions on IT, including investments, security, agile way of working and cloud services

Other
- Annual General Meeting preparations
- Annual review of policies and instructions, including SEB's Code of Conduct
- Quarterly reports
- Investment Banking outlook
- Media update
- Investor relations update
- Marketing update

apart from the President. The President has also appointed nine managers as additional members of GEC. They participate in GEC meetings from time to time to provide expertise and insight primarily in their respective areas of responsibility.

Asset and Liability Committee (ALCO)
ALCO, chaired by the President and with the Chief Financial Officer as vice chair, is a group-wide decision-making, monitoring and consultative body. ALCO, which held 11 meetings in 2022, handles the following matters, among others:
- financial stability, particularly in the new regulatory framework
- strategic capital and liquidity issues, including internal capital allocation and principles for internal pricing.

Group Risk Committee (GRC)
GRC, chaired by the President and with the Chief Risk Officer as vice chair, is a group-wide decision-making committee that addresses all types of risk at the group level, including sustainability and reputational risks, in order to evaluate portfolios, products and customers from a comprehensive risk perspective. GRC held 54 meetings in 2022. GRC is tasked with:
- making important credit decisions
- ensuring that all risks inherent in the Group's activities are identified, measured, monitored and reported in accordance with internal and external rules
- supporting the President in ensuring that decisions regarding the Group's long-term risk tolerance are adhered to in the business operations
- ensuring that the Board's guidelines for risk management and risk control are implemented and that the necessary rules and policies for risk-taking in the Group are maintained and enforced.

Group Executive Sustainability Committee (GESC)
GESC, chaired by the President and with the Chief Sustainability Officer as vice chair, is a group-wide decision-making committee that addresses matters related to corporate sustainability activities in SEB. GESC held 8 meetings in 2022. GESC decides on the following matters in the corporate sustainability area to secure the best interest of the Group:
- matters that are to be presented to the Board
- matters of major importance or of importance as to principles
- matters of common concern to several divisions, Group Support functions or Group Staff functions
- SEB's sustainability-related policies
- sustainability KPIs and targets for the divisions.

Group Internal Control and Compliance Committee (GICC)
GICC, chaired by the President and with the Deputy President as vice chair, is a consultative forum to the President that shall ensure that reports from control functions, primarily Group Compliance and Group Internal Audit, are reviewed and that reported issues are adequately addressed. GICC held 8 meetings in 2022.

SEB External Sustainability Advisory Board (SESAB)
SEB's need to understand the direction and speed of sustainability-related change, including future opportunities and challenges, is very high. To address this need, SEB has established an advisory board – the SEB External Sustainability Advisory Board (SESAB). The purpose of SESAB is to provide the bank with strategic intelligence in matters concerning sustainability from individuals outside the banking industry, based on academic research and, when desired, complemented with industrial experience. SESAB is composed of external experts by invitation of the President.

Divisions

SEB's business is organised in divisions with a number of business areas and business units.

The Board regulates the activities of the Group through an instruction for internal governance which establishes how the Group's divisions, including the international activities conducted through branches and subsidiaries, are to be governed and organised. The head or co-heads of a division have overall responsibility for the activities in the division.

Country managers are appointed for countries outside Sweden in which SEB conducts business operations. Country managers coordinate the Group's business locally and reports to a specially designated member of GEC.

→ See p. 76–80 for information on divisions and geographical markets.

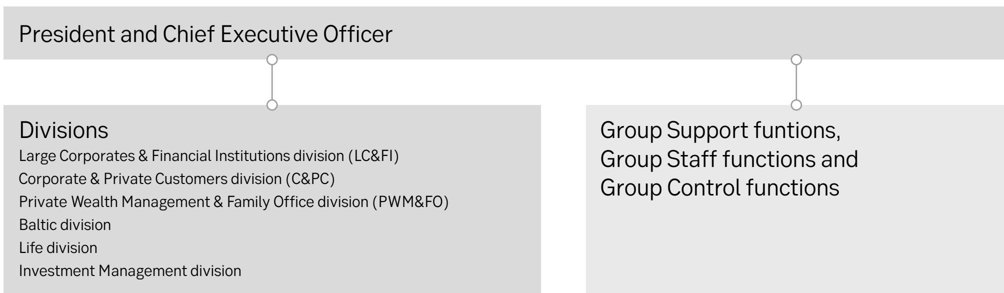
Group Support functions and Group Staff functions

The Group Support functions and Group Staff functions are cross-divisional functions established to leverage economies of scale and support to the business operations.

The Group Support functions support the SEB Group through centralised and cross-divisional functions, established primarily to leverage economies of scale in various transactional, processing and IT services. The Group Support functions are divided into five units: Group Technology, Business Support & Operations, Sustainable Banking, Group Regulatory Affairs Office and SEBx.

The Group Staff functions are set up to add value and support the business globally, and to manage certain regulated areas. The Group Staff functions are divided into five units: CFO function, Group Human Resources, Group Brand, Marketing and Communication, Group Legal and Group Financial Crime Prevention function.

SEB's organisation



Group Executive Committee (as from 1 January 2023)





	Johan Torgeby	**Mats Torstendahl**	**Jonas Ahlström[1)]**	**Jeanette Almberg**	**Joachim Alpen[1)]**
Position	President and CEO since 2017	Deputy President and CEO since 2021. Group FCP Senior Manager since 2021	Co-head of the Large Corporates & Financial Institutions division since 2021	Head of Business Support and Operations since 2022. Group Data Privacy Senior Manager since 2023	Executive Vice President. Co-head of Large Corporates & Financial Institutions division since 2014
GEC member since	2014	2009	2020	2016	2014
SEB employee since	2009	2009	2005	2008	2001
Born	1974	1961	1978	1965	1967
Education	B.Sc. (Econ.)	M.Sc. (Engineering Physics)	M. Sc. (Business and Econ.)	B.Sc. (Econ.)	MBA, M.A. (International relations)
Nationality	Swedish	Swedish	Swedish	Swedish	Swedish
Own and closely related persons' shareholdings	573,703 shares and share rights, of which 5,826 A shares, 212,239 share rights and 355,638 conditional share rights.	363,178 shares and share rights, of which 104,218 A shares, 62,969 share rights and 196,264 conditional share rights.	128,006 shares and share rights, of which 3,596 A shares, 33,027 share rights and 91,383 conditional share rights.	162,022 shares and share rights, of which 11,135 A shares, 34,968 share rights and 115,919 conditional share rights.	376,279 shares and share rights, of which 38,266 A shares, 109,181 share rights and 228,832 conditional share rights.
Other holdings	SEB debt instruments (ISIN XS2076169668), nominal value USD 600,000.				





	Robert Celsing	**Mats Holmström**	**Ulrika Areskog Lilja**	**William Paus**	**Jonas Söderberg**
Position	Head of Group Human Resources since 2022	Chief Risk Officer since 2021	Head of Group Brand, Marketing and Communication since 2021	Executive Vice President. Head of Private Wealth Management & Family Office division since 2021	Head of Corporate & Private Customers division since 2021
GEC member since	2022	2021	2021	2018	2021
SEB employee since	2007	1990	2021	1992	1999
Born	1967	1968	1975	1967	1976
Education	Executive MBA	Higher bank degree (SEB)	M.Sc. (Business Administration and Econ.)	M.Sc. (Econ.)	B.Sc. (Int. Business Administration)
Nationality	Swedish	Swedish	Swedish	Norwegian	Swedish
Own and closely related persons' shareholdings	133,215 shares and share rights, of which 1,584 A shares, 266 share rights and 131,365 conditional share rights.	112,337 shares and share rights, of which 23,915 A shares, 198 C shares, 8,546 share rights and 79,678 conditional share rights.	13,400 shares and share rights, of which 13,400 conditional share rights.	261,818 shares and share rights, of which 52,900 A shares and 208,918 conditional share rights.	114,702 shares and share rights, of which 31,442 A shares, 17,472 share rights and 65,788 conditional share rights.
Other holdings					

1) Jonas Ahlström is Head of Large Corporates & Financial Institutions since January 2023. Joachim Alpen left SEB.

GEC changes in 2022: Peter Kessiakoff was acting CFO between 8 December 2021 and 23 March 2022. Jeanette Almberg replaced Nina Korfu-Pedersen as Head of Business Support and Operations. Robert Celsing replaced Jeanette Almberg as Head of Group Human Resources. Nicolas Moch was Chief information Officer and member of GEC until 31 December 2022.

Group Executive Committee (as from 1 January 2023)

			
	Masih Yazdi	**Petra Ålund**	**Niina Äikäs**
Position	Chief Financial Officer since 2020	Head of Group Technology since 2019. Group Outsourcing Senior Manager since 2020	Head of Baltic division since 2021
GEC member since	2018	2020	2021
SEB employee since	2013	2017	2008
Born	1980	1967	1968
Education	B.Sc. (Econ.)	M.Sc. (Int. Econ.)	M.Sc. (Tech.)
Nationality	Swedish	Swedish	Finnish and American
Own and closely related persons' shareholdings	136,008 shares and share rights, of which 16,099 A shares, 9,464 share rights and 110,445 conditional share rights.	55,127 shares and share rights, of which 5,892 A shares, 2,158 share rights and 47,077 conditional share rights.	81,191 shares and share rights, of which 17,968 A shares, 267 share rights, 33,586 conditional share rights and 29,370 conditional phantom share rights.
Other holdings			

Additional members of the Group Executive Committee

The President appoints additional members of GEC. They participate in GEC meetings from time to time to provide expertise and insight primarily in their respective areas of responsibility.

Country managers

					
	Jürgen Baudisch	**Anders Engstrand**	**Mark Luscombe**	**Ruut Pihlava**	**John Turesson**
Position	Country Manager SEB Germany since 2022	Country Manager SEB United Kingdom since 2020	Country manager SEB Denmark since 2021	Country Manager SEB Finland since 2022	Country Manager SEB Norway since 2018
SEB employee since	1999	1995	2010	2008	2006
Nationality	German	Swedish	British and Danish	Finnish	Swedish

	Heads of divisions		**Key functions**	
				
	Javiera Ragnartz	**David Teare**	**Hans Beyer**	**Kristian Skovmand**
Position	Head of Investment Management division since 2019	Head of Life division since 2019	Chief Sustainability Officer since 2020	Head of Investment Banking since 2020
SEB employee since	2019	2006	2002	2017
Nationality	Swedish	Canadian and British	Swedish	Danish

Group Control functions

The Group Control functions are global control functions independent from the business activities. The three Group Control functions are i) the CRO function, ii) Group Compliance and iii) Group Internal Audit.

The CRO function

The CRO function is responsible for identifying, measuring, monitoring and reporting SEB's risks and is independent from the business.

Mats Holmström
Chief Risk Officer

The Chief Risk Officer (CRO) is appointed by the Board and reports to the President. The CRO keeps the Board, RCC, ACC, GEC, ALCO, GESC and GRC regularly informed about risk matters. The CRO has global functional responsibility, and the activities of the CRO are governed by an instruction adopted by the Board. The CRO function is organised in three units: Group Risk, Group Credits and CRO Office.

The main objective for Group Risk is to ensure that the risks in SEB's activities are identified, measured, monitored and reported in accordance with external and internal rules. The unit also manages models for risk measurement. Group Credits is responsible for the credit approval process, for certain individual credit decisions as well as for monitoring compliance with policies set by RCC and the Board. Its activities are regulated by the Group's Credit Instruction, adopted by the Board. The chairs of the respective divisional credit committees have the right to veto credit decisions. Material exceptions to the Group's Credit Policy must be escalated to a higher level in the decision-making hierarchy. The CRO Office aggregates and analyses data across risk types and the Group's credit portfolio and handles general matters surrounding risk governance and risk disclosure.

The Head of Group Risk and the Heads of Group Credits are appointed by the President, upon recommendation by the CRO, and report to the CRO.

→ For information about risk, liquidity and capital management, see p. 83.

Group Compliance

The Group Compliance function is responsible for informing, controlling and following up on compliance matters.

Gent Jansson
Head of Group Compliance

Group Compliance is independent from the business operations. The Group Compliance function advises the business and management to ensure that SEB's business is carried out in compliance with regulatory requirements and thereby instil trust in the bank from customers, shareholders and the financial markets. Special areas of responsibility are:

- customer protection
- conduct in the financial market
- prevention of money laundering and financing of terrorism
- regulatory requirements and controls.

The Head of Group Compliance, who is appointed by the President after approval by ACC, reports on a quarterly basis on compliance matters to the President, GICC and ACC, and annually to RCC and the Board. Based on an analysis of the Group's risks in this area, the President adopts, after approval by ACC, an annual compliance plan. The Instruction for Group Compliance is adopted by the Board.

Group Internal Audit

Group Internal Audit is a group-wide control function commissioned by the Board to independently evaluate the Group's operations. The Head of Group Internal Audit is appointed by the Board.

Björn Rosenkvist
Head of Group Internal Audit

The main task of Group Internal Audit is to evaluate and give assurance to the Board and the President that governance, risk management and internal controls are adequate and effective. The work is done with a risk-based approach in accordance with the Institute of Internal Auditors' methods.

Each year ACC adopts a plan for the work of Internal Audit. The Head of Internal Audit reports the findings of completed audits, actions taken and the status of previously reported findings to GICC and ACC on a quarterly basis and also provides reports annually to RCC and the Board.

Group Internal Audit's work is evaluated in a quality assessment, at least every five years, by an independent party. Group Internal Audit coordinates its work covering the bank's financial reporting with the bank's external auditor. The bank's external auditor relies to some extent on the work of Group Internal Audit in its assignment to review the Group's financial reporting. This requires that the external auditor evaluates Group Internal Audit's work. The conclusion of this evaluation is reported to ACC and Group Internal Audit.

External Audit

Auditor

Lead Audit Partner since 2019. Authorised Public Accountant, member of FAR since 1992 and FAR Certified Financial Institution Auditor in Sweden.

Hamish Mabon
Auditor, EY

Other major assignments
Skanska, Essity and ASSA ABLOY

Previous major assignments
Vattenfall, Hexagon, If P&C Insurance, SCA and Husqvarna

Information about the auditor
According to SEB's Articles of Association, the bank shall have at least one and not more than two auditors with at most an equal number of deputies. A registered auditing firm may also be appointed auditor. Ernst & Young AB was elected the bank's auditor in 2022 for the period up to and including the 2023 AGM.

→ See note 9 for auditors' fees.

Remuneration report 2022

SEB's competitive remuneration structure aims to attract and retain committed and competent employees who contribute to SEB's long-term success.

Remuneration in SEB

Employee remuneration shall encourage high performance, sound and responsible behaviour and risk-taking that is aligned with SEB's behaviours and the level of risk tolerance set by the Board. It shall promote the employees' long-term commitment to create sustainable value for customers and shareholders. Remuneration is based on experience, responsibility and performance. Performance is evaluated on the basis of financial and non-financial goals, with SEB's behaviours as a starting point.

Remuneration policy

Remuneration is an important component of SEB's total employee offering where the aim is to attract and retain ambitious employees who are eager to continuously develop and embrace new ways of working. SEB's remuneration principles, structure and governance are laid out in the Remuneration Policy. An integral part of the policy is the emphasis on the alignment between remuneration and the bank's strategy, goals, behaviours and long-term interests, as well as the connection to individual performance. The goal is to build value for both SEB and the shareholders while promoting the best interest of the customers, encourage high performance and a level of risk-taking that is aligned with the level of risk tolerance set by the Board, as well as sound and responsible behaviour based on SEB's behaviours.

SEB believes in the total remuneration philosophy where each employee's position, sustained performance and value creation shall be reflected in an appropriate total remuneration. Consequently, the remuneration offering and its components are structured in different ways for different employee categories to create the best balance, taking interest of both customers and shareholders into account. Remuneration shall be competitive in the markets and segments where SEB operates in order to reward high performing employees.

SEB's remuneration structure, processes and reviews shall always support equal opportunities and secure non-bias, fair and transparent remuneration decision-making.

An employee's individual remuneration shall reflect the complexity, responsibility and leadership qualities required of the role as well as the individual's own performance. SEB regularly evaluates employee performance and development based on transparent and individual financial and non-financial targets, derived from the business plan and with SEB's behaviours as the starting point.

The policy also sets the requirements for all remuneration decisions, both in general and at the individual level. All decisions are to be approved at least at a level corresponding to the remuneration-setting managers' manager (grandparent principle).

Remuneration structure

SEB's remuneration structure consists mainly of base salary, variable remuneration, pension and other benefits.

Base salary

The base salary is the foundation of an employee's remuneration. It shall be market aligned and reflect the requirements on the position and the employee's long-term performance. SEB conducts annual equal pay reviews to identify and close potential gaps in terms of gender-neutral pay. The outcome of the review is published internally.

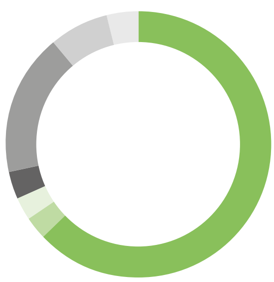
Variable remuneration

All variable remuneration is based on SEB's risk-adjusted performance and is adapted to applicable rules governing the maximum ratio of variable remuneration to an employee's base salary, the deferred portion of remuneration, shares and fund units, and the right to withhold and reduce remuneration that has not yet been paid. SEB complies with the Swedish Financial Supervisory Authority (FSA) regulations on remuneration in financial companies, the Swedish Corporate Governance Code and Swedish and international regulations and guidelines in relevant parts. According to the regulations, SEB shall identify categories of staff whose professional activities have a material impact on the SEB's risk profile (Identified staff).

→ See the Capital Adequacy and Risk Management Report for detailed information.

The models for individual variable remuneration are based on financial and non-financial key performance indicators at group, unit and individual level, including an evaluation of the employee's conduct. Non-financial goals take into account factors such as customer satisfaction, compliance and sustainability performance related to, for example, the bank's own environmental impact and integration of sustainability risks into the business model. SEB's established sustainability ambitions and goals are part of the criteria for potential allocation of the programmes, as applicable. At the individual level, key parameters include compliance with rules and policies for risk-taking in the Group, SEB's Code of Conduct and the requirements on internal controls in the respective business area. Performance is evaluated over several years.

Staff costs, 2022 SEK m



	SEK m
Base salary	10,049
Equity-based programmes	451
Individual cash-based variable remuneration	428
All Employee Programme	533
Social charges	2,763
Pensions	1,136
Other staff costs	619
Total	**15,980**

Collective profit-sharing

The largest variable remuneration programme is the SEB All Employee Programme 2022 (AEP), which covers essentially all employees. The programme's targets are linked to SEB's business plan and consist of the financial targets for return on equity and SEB's cost development, which are also communicated externally, and the non-financial targets for customer satisfaction and sustainability. The outcome for 2022 was determined to be 66.7 per cent (66.7) of the maximum amount, which in Sweden is SEK 75,000.

Individual variable remuneration

Senior managers, other key employees and employees in certain business units where it is standard market practice, are offered individual variable remuneration. The ambition is that part of the remuneration is deferred and paid out in SEB shares. Equity-based remuneration is a mean to attract and retain employees with key competence. It also provides an incentive for employees to be shareholders of SEB which promotes long-term commitment that is aligned with the shareholders' interests. In addition, financial industry regulations require that a portion of variable remuneration is paid out in the form of shares or fund units.

SEB has two individual equity-based programmes: (i) the SEB Share Deferral Programme 2022 for members of the Group Executive Committee, certain other senior managers and a number of other key employees, and (ii) the SEB Restricted Share Programme 2022, for employees in certain business units.

All Employee Programmes (AEP)

	2022[1)]	2021[2)]
Number of participants	16,400	15,570
Outcome in relation to maximum amount[3)], %	66.7	66.7
Shares allotted, thousands	2,659	2,445
Market value per 31 December, SEK m	319	308
Total outcome per participant[4)], SEK	50,000	50,000

Pay-out year: 1) 2026 2) 2025 3) SEK 75,000 in Sweden 4) in Sweden.

For regulatory reasons, the latter programme also exists in a form where the outcome is linked to the performance of mutual funds. Both programmes include scope for risk adjustment for current and future risks. The final outcome may subsequently be reduced or cancelled entirely in accordance with applicable rules, such as taking into account SEB's earnings and the capital and liquidity required for its operations. Approximately 12 per cent of employees are offered individual variable remuneration. Approximately 7 per cent of the employees – such as those in investment banking – receive variable remuneration with a cash component, but only in cases where it entails low or no residual risk for SEB. Variable remuneration above a certain level is always partly deferred and revocable.

In 2022, individual cash-based variable remuneration accounted for approximately 3 per cent (4) of SEB's total staff costs.

SEB Restricted Share Programmes and Share Deferral Programmes

	2022			2021		
	Restricted Share Programme	Share Deferral Programme	**Total**	Restricted Share Programme	Share Deferral Programme	**Total**
Number of participants	320	1,024	**1,344**	441	1,062	**1,503**
Shares allotted, thousands	1,005	4,067	**5,072**	926	3,063	**3,989**
Market value, 31 December, SEK m	121	488	**609**	117	385	**502**

Governance model for remuneration in SEB

Remuneration policy and remuneration structure

Group Risk and Group Compliance – jointly provide risk analysis for remuneration structure review.

Risk and Capital Committee (RCC) – reviews remuneration structure to take into account SEB's risks, long-term earnings capacity and cost of liquidity and capital.

Remuneration and Human Resources Committee (RemCo) – continuously monitors and evaluates the remuneration structure and levels of remuneration of SEB and recommends policy to the Board.

Board of Directors – annually reviews and adopts policy.

Equity-based programmes

RemCo – prepares equity-based programmes.

Board of Directors – proposes equity-based programmes to the AGM.

Annual General Meeting (AGM) – decides on the equity-based programmes.

→ For AGM information see sebgroup.com

Remuneration of the President, the Deputy President and members of the Group Executive Committee

The Annual General Meeting has established guidelines for salary and other remuneration for the President and CEO and members of the Group Executive Committee (Guidelines). Remuneration of the President, the Deputy President as well as the other members of the Group Executive Committee (Executives) shall be in line with the Guidelines. Additionally, the Annual General Meeting may – irrespective of the Guidelines – resolve on, among other things, equity-based remuneration. The total remuneration shall reflect the complexity, responsibility and leadership skills required as well as the performance of the individual Executive.

The Guidelines cover base salary, equity-based remuneration, pension and other benefits. No cash-based variable remuneration is paid to the Executives, nor are they eligible for the SEB All Employee Programme. The pension plans are defined-contribution based, except for a defined-benefit component provided under collective agreements. For termination of employment initiated by SEB, a maximum of 12 months' severance pay is payable, after the agreed notice period of maximum 12 months. SEB has the right to deduct income earned from other employment from any severance pay.

SEB complies with the Swedish FSA's regulations on remuneration in financial companies, the Swedish Corporate Governance Code and Swedish and international regulations and guidelines in relevant parts. The Executives' positions are among those identified as having a material impact on the risk profile of the SEB Group, in line with relevant regulations.

There has been no use of the right to reclaim variable remuneration in 2022 and there has been no expressed views at the Annual General Meetings in relation to previous Remuneration reports.

Long-term equity-based programmes

The President participates in the SEB Share Deferral Programmes 2018–2022 that was allotted in the current position and that have remaining vesting or other conditions before becoming fully exercisable. The Deputy President has no variable remuneration components in his current position.

The Share Deferral Programmes are performance based with pre-determined quantitative performance criteria. The participants are granted an initial number of conditional share rights. Each share right entitles to an SEB A-share subject to the fulfilment of certain vesting, restriction and holding requirements. The vesting of the share rights is normally conditional upon maintained employment during a three-year period. 50 per cent of the share right is subject to a risk adjustment three years after the initial allotment, and the remaining 50 per cent after five years. These restriction periods are followed by a mandatory one-year holding period. The programmes allow for risk adjustment for current as well as future risks and the final outcome may therefore be cancelled partly or entirely in accordance with regulations, among other things taking SEB's result and capital and liquidity required in the business into account. Further information on the long-term equity programmes such as outcome, participation ratio, and number of issued and outstanding instruments are found in note 8c.

Board's overall view on remuneration of the President, Deputy President and other Executives

The Board's view is that the remuneration of the President, Deputy President and other Executives strikes an appropriate balance between motivating the Executives and achieving a long-term, well-balanced and competitive remuneration. The total remuneration of the Executives during 2022 has complied with the Guidelines. There are no deviations from the procedure for the implementation of the Guidelines and no derogations from the application of the Guidelines in 2022 to report.

Board's view on Share Deferral Programmes

The Board's view is that the Share Deferral Programmes fulfil the function to attract and in the long run retain the most qualified and committed President and that it strengthens the long-term commitment in the interests of the shareholders.

About the Remuneration report

This Remuneration report (the Report) provides on p. 107-109 an outline of how SEB's guidelines for salary and other remuneration for the President and members of the Group Executive Committee (the Guidelines), adopted by the Annual General Meeting 2020, have been implemented in 2022. The Report also provides information on the remuneration of SEB's President and CEO (President) and Deputy President and CEO (Deputy President).

The Report has been prepared in accordance with Chapter 8, Sections 53 a and 53 b of the Swedish Companies Act (2005:551) and the remuneration rules issued by the Stock Market Self-Regulation Committee.

Information required by Chapter 5, Sections 40-44 of the Annual Accounts Act (1995:1554) is available in note 8c. Information on the work of the Remuneration and Human Resources Committee in 2022 is set out in the corporate governance report (see p. 100).

Remuneration of the Board of Directors (Board) is not covered by this Report. Board remuneration is resolved on annually by the Annual General Meeting and disclosed in note 8c. No other remuneration than board fees have been paid to the board members during 2022.

The Guidelines adopted by the Annual General Meeting 2020 can be found on SEB's website sebgroup.com. There have been no deviations from the procedure for the implementation of the Guidelines and no derogations from the application of the Guidelines in 2022.

The auditor's report stating that SEB has complied with the Guidelines is available on SEB's website sebgroup.com.

In addition to remuneration covered by the Guidelines, the Annual General Meeting 2022 resolved to implement long-term equity-based programmes which can be found on SEB's website sebgroup.com.

Total remuneration of the President and Deputy President

SEK thousands

		Fixed remuneration		Variable remuneration[1]					
Name and position	**Financial year**	**Base salary**	**Other benefits[2]**	**One-year variable**	**Multi-year variable**	**Extraordinary items**	**Pension expense[3]**	**Total remuneration**	**Proportion of fixed and variable remuneration**
Johan Torgeby, President	2021	12,500	181	N/A	2,512	N/A	4,000	19,193	87%
	2022	13,500	197	N/A	3,919	N/A	4,400	22,066	82%
Mats Torstendahl, Deputy President	2021	9,500	384	N/A	N/A	N/A	1,377	11,261	100%
	2022	10,456	320	N/A	N/A	N/A	0	10,776	100%

1) The President has no cash-based or one-year variable remuneration. Only variable remuneration allocated for the position as President is included. The programme that vested in 2022 was granted in 2019 at a grant value of SEK 2m. During 2022, the President also received additional dividend share rights with immediate vesting in the 2018 programme. The value of the vested programmes is based on the SEB A share price on 1 April 2022, that is SEK 103.20. The Deputy CEO has no variable remuneration components in his current position.

2) Other benefits consist of vacation allowance, car and travel related benefits, interest subsidy, insurances and meals. The President was reimbursed in 2022 for personal travel costs incurred due to urgent business matters. The cost reimbursement is not included in the amount.

3) The pension expense reflects the premium pension contributions allocated for 2022. Interest cost for benefit pension plans prior to the appointment as President is not included. The Deputy President has no pension accruals.

Remuneration of the President in shares[1]

					Information regarding the reported financial year					
The main conditions of share award plans					Opening balance	During the year		Closing balance		
Specification of plan	**Performance period**	**Award date**	**Vesting Date**	**End of retention period**	**Shares held at the beginning of the year**	**Shares awarded**	**Shares vested**	**Shares subject to a performance condition**	**Shares awarded and unvested at year end**	**Shares subject to a retention period**
SDP 2018	Q2–Q4 2017	2018	2021	2022	23,478	2,074	25,552			
	Q2–Q4 2017	2018	2023	2024	23,478				23,478	
SDP 2019	2018	2019	2022	2023	35,906		35,906			35,906
	2018	2019	2024	2025	35,906				35,906	
SDP 2020	2019	2020	2023	2024	37,626				37,626	
	2019	2020	2025	2026	37,626				37,626	
SDP 2021	2020	2021	2024	2025	31,569				31,569	
	2020	2021	2026	2027	31,569				31,569	
SDP 2022	2021	2022	2025	2026		48,579			48,579	
	2021	2022	2027	2028		48,578			48,578	
Total					**257,158**	**99,231**	**61,458**		**294,931**	**35,906**

1) Only shares allocated in the position as President are included in the table.

Governance model for the renumeration of the President, the Deputy President and other Executives

Guidelines

RemCo – evaluates the adherence to the Guidelines on a continuous basis throughout the year.

External auditor – issues a statement to the Board, prior to the AGM, assuring that SEB has adhered to the Guidelines that applied during the year.

Board of Directors – proposes Guidelines to the AGM.

Annual General Meeting (AGM) – adopts the Guidelines.

Remuneration

Group Human Resources ensures to RemCo that remuneration of the President, the Deputy President and other Executives, is competitive and market aligned.

RemCo – continuously monitors and evaluates the remuneration structure and levels of remuneration of the President, Deputy President and other Executives.

Board of Directors – decides on remuneration of the President, Deputy President and other Executives.

Application of performance criteria for the President's remuneration

The Board's view is that the President's total remuneration to a large extent should be based on fixed pay which is evaluated annually and set on a market competitive level, in light of the President's and the Bank's short- and long-term performance. At the same time, there is a strong desire to link the President's pay to the interest of the shareholders' and strive towards a sustainable and long-term alignment. Consequently, the President's total remuneration also contains pay in form of deferred shares on a moderate level relative to the total remuneration, as described in the above sections. These shares are restricted, link to certain vesting and risk adjustment conditions and follows the SEB A share's development without any leverage structures. Even though the pay structure is seen as mainly fixed, the actual annual deferred share allocation, but not the final outcome, is linked to certain performance criteria as outlined in SEB's three-year business plan. 50 per cent of the shares are deferred for a minimum of four years, the remaining part for a minimum of six years.

The performance measures for the President's remuneration have been selected to deliver SEB's strategy and to encourage behaviour which is in the long-term interest of SEB. In the selection of performance measures, the strategic objectives and both short- and long-term business priorities for 2022 have been taken into account. The financial performance evaluation includes factors such as SEB's profitability and cost management. The non-financial performance evaluation includes the development of for example customer satisfaction, the employee's engagement and the IT and digitalisation agenda. Further, they include measures to strengthen SEB's sustainability work and conduct.

The evaluation of the President is made in a multi-year perspective without a relative weighting of the different performance criteria, rather an aggregated and holistic evaluation of the performance relative the three-year business plan. This resonates well with the remuneration structure of the President, which is based on a pre-defined and communicated total target fixed pay, including the allocation of deferred and conditional shares to secure long-term alignment with the shareholders' interests. The actual annual allocation level of the shares is not expected to deviate from the communicated target level but allows for an adjustment (both up and down). It also allows for reclaim in extraordinary situations.

Focus areas	Measurements	Description	Evaluation
Financial	Operating income, cost and profit	Measured as long-term development, versus set targets in the business plan and versus peers	Development on track
	Return on equity	Outcome in table below	
Customer satisfaction	External ratings	Prospera ratings for large Nordic Corporate and Institutions and Swedish Quality Index for Corporates and Private individuals	No 1 and No 2 – on track
Environmental, social and governance	Sustainability	Sustainability advice, Prospera Sweden and Nordics	No 1 – on track
	Environment	The Brown (reduction of CO_2 emission) and the Green (activities that support sustainable development)	Trajectory on track
	People	Employee engagement index and gender balance	Above financial sector average and on track
	Risk, compliance and conduct	Mandatory trainings, average	Toward 100% – on track
In summary			**On track**

Comparative information on the change of remuneration and company performance

	2022			2021			2020
	Outcome	Change year on year	Change year on year, %	Outcome	Change year on year	Change year on year, %	Outcome
Johan Torgeby, total remuneration, SEK m	22.1	2.9[3]	15	19.2	2.3[3]	14	16.9
Mats Torstendahl, total remuneration, SEK m	10.8	–0.5[3]	–4	11.3			
Group operating profit, SEK m, excluding items affecting comparability	35,249	4,385[3]	14	30,864	10,018[3]	48	20,846
Average remuneration per full-time equivalent, SEKm[1)2)]	0.9	0.04[3]	5	0.86	0.02[3]	2	0.84
Group return on equity, %, excluding items affecting comparability	14.5	0.6[4]	4	13.9	3.6[4]	35	10.3

1) The President's remuneration is excluded but the other members of the Group Executive Committee are included.
2) The remuneration is calculated based on SEB's Swedish employees in 2022 and includes the estimated premium pension contribution according to the BTP-1 plan for an employee at the average fixed pay level, participation in SEB All Employee Programme, paid out short- and invested long-term individual performance based variable remuneration in 2022 and the estimated value of other benefits such as subsidised meals, vacation allowance and health promoting benefits.
3) SEK m
4) Percentage points

Financial statements and notes

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Income statement

SEB Group

SEKm	Note	2022	2021
Interest income[1)]		*56,150*	*31,383*
Interest expense[2)]		*–22,707*	*–5,286*
Net interest income	4	33,443	26,097
Fee and commission income		*27,637*	*26,129*
Fee and commission expense		*–6,064*	*–4,987*
Net fee and commission income	5	21,573	21,142
Net financial income	6	9,314	8,235
Net other income	7	258	164
Total operating income		**64,589**	**55,638**
Staff costs	8	–15,980	–15,372
Other expenses	9	–6,986	–5,763
Depreciation, amortisation and impairment of tangible and intangible assets	10	–2,078	–2,110
Total operating expenses		**–25,044**	**–23,245**
Profit before credit losses and imposed levies		**39,544**	**32,393**
Net expected credit losses	11	–2,007	–510
Imposed levies: Risk tax and resolution fees	12	–2,288	–1,019
Operating profit before items affecting comparability		**35,249**	**30,864**
Items affecting comparability	13	–1,399	
Operating profit		**33,850**	**30,864**
Income tax expense	15	–6,861	–5,441
NET PROFIT		**26,989**	**25,423**
Attributable to shareholders in Skandinaviska Enskilda Banken AB (publ)		26,989	25,423

Basic earnings per share, SEK	16	12.63	11.75
Diluted earnings per share, SEK	16	12.53	11.67

1) Of which interest income calculated using the effective interest method SEK 50,224m (27,752).
2) Of which interest expense calculated using the effective interest method SEK 26,864m (5,675).

Comparative figures for 2021 have been restated. See note 50 on restated comparative figures for further information.

Statement of comprehensive income

SEB Group

SEK m	2022	2021
NET PROFIT	26,989	25,423
Valuation gains (losses) during the year	102	36
Income tax on valuation gains (losses) during the year	–21	–7
Cash flow hedges	**81**	**29**
Translation of foreign operations	399	397
Taxes on translation effects	1,030	282
Translation of foreign operations	**1,429**	**680**
Items that may be reclassified subsequently to profit or loss	**1,510**	**708**
Own credit risk adjustment (OCA), net of tax[1]	**48**	**14**
Remeasurement of pension obligations, including special salary tax	5,663	3,745
Valuation gains (losses) on plan assets during the year	–4,871	13,964
Deferred tax on pensions	–151	–3,648
Defined benefit plans	**641**	**14,061**
Items that will not be reclassified to profit or loss	**689**	**14,075**
OTHER COMPREHENSIVE INCOME	2,198	14,783
TOTAL COMPREHENSIVE INCOME	29,187	40,206

1) Own credit risk adjustment from financial liabilities FVTPL.

Attributable to shareholders in Skandinaviska Enskilda Banken AB (publ)	29,187	40,206

The method used to hedge currency risks related to investments in foreign subsidiaries creates a tax expense (tax income) in the parent company. Fair value changes on the hedging instruments impact the taxable result contrary to the currency revaluation of the foreign operations. In the group this tax effect is reported in Other comprehensive income.

Balance sheet

SEB Group

SEKm	Note	31 Dec 2022	31 Dec 2021
Cash and cash balances at central banks	17	377,966	439,344
Loans to central banks	18	73,962	4,454
Loans to credit institutions	18	77,235	60,009
Loans to the public	18	2,065,271	1,846,362
Debt securities	19	252,611	205,950
Equity instruments	20	66,594	120,742
Financial assets for which the customers bear the investment risk		356,367	422,497
Derivatives	21	187,622	126,051
Investments in subsidiaries, associates and joint ventures	22	1,365	1,510
Intangible assets	23	7,280	7,466
Properties and equipment	24	1,190	1,212
Right-of-use assets	49	4,834	5,079
Current tax assets	15	16,312	15,359
Deferred tax assets	15	409	675
Retirement benefit assets	8b	24,188	23,804
Other assets	25	16,888	21,001
Prepaid expenses and accrued income	26	2,714	2,714
TOTAL ASSETS		**3,532,810**	**3,304,230**
Deposits from central banks and credit institutions	27	66,873	75,206
Deposits and borrowing from the public	27	1,701,687	1,597,449
Financial liabilities for which the customers bear the investment risk	28	357,975	424,226
Liabilities to policyholders	28	30,984	34,623
Debt securities issued	29	795,149	730,106
Short positions	30	44,635	34,569
Derivatives	21	238,048	118,173
Other financial liabilities		172	5,721
Fair value changes of hedged items in a portfolio hedge		7,456	702
Current tax liabilities	15	2,164	1,384
Deferred tax liabilities	15	10,364	10,354
Other liabilities	31	37,065	42,886
Accrued expenses and prepaid income	32	5,827	5,848
Provisions	33	1,056	761
Retirement benefit liabilities	8b	64	445
Subordinated liabilities	34	28,767	28,549
Total liabilities		**3,328,287**	**3,111,002**
Share capital		*21,942*	*21,942*
Other reserves		*21,194*	*18,996*
Retained earnings		*161,387*	*152,290*
Shareholders' equity		204,523	193,228
Total equity		**204,523**	**193,228**
TOTAL LIABILITIES AND EQUITY		**3,532,810**	**3,304,230**

Statement of changes in equity

SEB Group

SEKm		Other reserves					
2022	Share capital[3]	OCA[5]	Cash flow hedges	Translation of foreign operations	Defined benefit plans	Retained earnings	Total equity[4]
Opening balance	21,942	–223	–18	–561	19,798	152,290	**193,228**
Net profit						26,989	**26,989**
Other comprehensive income (net of tax)		48	81	1,429	641		**2,198**
Total comprehensive income		**48**	**81**	**1,429**	**641**	**26,989**	**29,187**
Dividend to shareholders[1]						–12,884	**–12,884**
Bonus issue	154					–154	
Cancellation of shares	–154					–1,722	**–1,876**
Equity-based programmes[2]						–167	**–167**
Change in holding of own shares[2]						–2,965	**–2,965**
CLOSING BALANCE	**21,942**	**–175**	**62**	**868**	**20,439**	**161,387**	**204,523**
2021							
Opening balance	21,942	–236	–47	–1,241	5,737	145,788	**171,943**
Net profit						25,423	**25,423**
Other comprehensive income (net of tax)		14	29	680	14,061		**14,783**
Total comprehensive income		**14**	**29**	**680**	**14,061**	**25,423**	**40,206**
Dividend to shareholders[1]						–17,740	**–17,740**
Equity-based programmes[2) 6)]						–167	**–167**
Change in holding of own shares[2) 6)]						–1,015	**–1,015**
CLOSING BALANCE	**21,942**	**–223**	**–18**	**–561**	**19,798**	**152,290**	**193,228**

1) Dividend paid in 2021 for 2020 comprised of an ordinary dividend of SEK 4.10 per share decided by the Annual General Meeting in March and a further ordinary dividend of SEK 4.10 per share decided by the Extraordinary General Meeting in November 2021. Dividend paid in 2022 for 2021 was SEK 6.00. Proposed dividend for 2022 is SEK 6.75 per share. Further information can be found on p. 71. Dividend to shareholders is reported excluding dividend on own shares.
2) During 2021 SEB has purchased 2,909,266 shares for the long-term equity programmes and 7,517,408 shares were sold/distributed. During 2021 SEB has purchased 10,171,296 shares for capital purposes. Thus, at 31 December 2021 SEB owned 37,774,605 Class A-shares. During 2022 SEB purchased 6,061,021 shares for the long-term equity programmes and 6,364,511 shares were sold/distributed. During 2022 SEB purchased 43,262,222 shares for capital purposes and 15,449,868 shares held for capital purposes were cancelled. Thus, at 31 December 2022 the number of issued shares amounted to 2,178,721,934 and SEB held 65,283,469 own Class A-shares with a market value of SEK 7,831m. Acquisition cost SEK –114m (361) for the purchase of own shares for long-term equity programmes is deducted from shareholders' equity, at the year-end the value of SEK –2,572m (–2,458) was deducted.
3) 2,154,569,426 Class A shares (2,170,019,294) with a nominal value of SEK 10.07 per share; 24,152,508 Class C shares (24,152,508) with a nominal value of SEK 10.07 per share.
4) Information about capital requirements can be found in note 41 Capital adequacy.
5) Fair value changes of financial liabilities at fair value through profit or loss attributable to changes in own credit risk.
6) Restated following adjustment of changes in holdings of own shares.

Cash flow statement

SEB Group

SEKm	2022	2021
Interest received	53,194	31,564
Interest paid	–21,384	–6,266
Commission received	27,637	26,129
Commission paid	–6,064	–4,987
Net received from financial transactions	41,625	–7,588
Other income	810	6
Paid expenses	–26,836	–23,694
Taxes paid	–7,034	–14,338
Cash flow from the income statement	61,947	825
Increase (–)/decrease (+) in trading portfolios	10,887	35,465
Increase (+)/decrease (–) in issued securities	64,558	–17,662
Increase (–)/decrease (+) in lending to credit institutions and central banks	–87,814	–11,136
Increase (–)/decrease (+) in lending to the public	–218,206	–80,296
Increase (+)/decrease (–) in liabilities to credit institutions	–8,410	–36,104
Increase (+)/decrease (–) in deposits and borrowings from the public	103,917	226,218
Increase (–)/decrease (+) in insurance portfolios	–122	287
Change in other assets	4,397	–18,293
Change in other liabilities	–1,321	32,349
Cash flow from operating activities	**–70,166**	**131,652**
Sales of shares and bonds	64	28
Sales of intangible and tangible fixed assets	12	7
Dividends received	0	1
Investments/divestments in shares and bonds	145	–238
Investments in intangible and tangible assets	–1,026	–644
Cash flow from investing activities	**–805**	**–846**
Issue of subordinated liabilities	5,201	5,571
Repayment of subordinated loans	–5,422	–10,057
Repurchase of shares for capital purposes	–4,722	–1,362
Dividend paid	–12,884	–17,740
Cash flow from financing activities	**–17,828**	**–23,588**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**–88,799**	**107,218**

Cash and cash equivalents at beginning of year	445,716	331,247
Change in exchange rates on cash and cash equivalents	26,055	7,251
Net changes in cash and cash equivalents	–88,799	107,218
CASH AND CASH EQUIVALENTS AT END OF PERIOD[1) 2)]	**382,972**	**445,716**

Comparative figures for 2021 have been restated. See note 50 on restated comparative figures for further information.

[1)] Cash and cash equivalents

Cash	2,585	2,157
Cash balances at central banks	375,381	437,187
On demand deposits with credit institutions	5,006	6,372
TOTAL	**382,972**	**445,716**

2) Of which SEK 9,225m (7,261) not available for use by the group due to local central bank regulations.

Cash outflow from leasing, where SEB is lessee, amounts to SEK 990m (963).

Reconciliation of liabilities from financing activities

Opening balance	28,549	32,287
Cash flows	–221	–4,487
Non-cash flow, currency exchange	2,404	1,432
Non-cash flow, fair value changes	–1,936	–549
Non-cash flow, interest accruals	–29	–135
TOTAL LIABILITIES FROM FINANCING ACTIVITIES	**28,767**	**28,549**

Income statement

Parent company

SEKm	Note	2022	2021
Interest income		*48,883*	*25,895*
Leasing income		*5,309*	*5,268*
Interest expense		*–23,994*	*–5,159*
Net interest income	4	30,197	26,004
Dividends received		10,447	2,596
Fee and commission income		*16,925*	*15,553*
Fee and commission expense		*–4,042*	*–3,210*
Net fee and commission income	5	12,883	12,343
Net financial income	6	5,895	6,125
Other income	7	2,481	1,330
Total operating income		**61,904**	**48,397**
Staff costs	8	*–12,209*	*–10,830*
Other expenses	9	*–6,171*	*–5,377*
Administrative expenses		–18,380	–16,207
Depreciation, amortisation and impairment of tangible and intangible assets	10	–5,635	–5,644
Total operating expenses		**–24,015**	**–21,851**
Profit before credit losses		**37,890**	**26,547**
Net expected credit losses	11	–2,119	–744
Impairment of financial assets	22	–6,631	–1,911
Operating profit		**29,139**	**23,892**
Appropriations	14	3,300	3,839
Income tax expense	15	–4,929	–5,332
Other taxes	15	–180	352
NET PROFIT		**27,329**	**22,751**

Comparative figures for 2021 have been restated. See note 50 on restated comparative figures for further information.

Statement of comprehensive income

Parent company

SEKm	2022	2021
NET PROFIT	**27,329**	**22,751**
Valuation gains (losses) during the year	102	36
Income tax on valuation gains (losses) during the year	–21	–7
Cash flow hedges	**81**	**29**
Translation of foreign operations	–112	98
Translation of foreign operations	**–112**	**98**
Items that may be reclassified subsequently to profit or loss	**–31**	**127**
OTHER COMPREHENSIVE INCOME	**–31**	**127**
TOTAL COMPREHENSIVE INCOME	**27,298**	**22,878**

The method used to hedge currency risks related to investments in foreign subsidiaries creates a tax expense (tax income) in the parent company. Fair value changes on the hedging instruments impact the taxable result contrary to the currency revaluation of the foreign operations. In the group this tax effect is reported in Other comprehensive income.

Balance sheet

Parent company

SEKm	Note	31 Dec 2022	31 Dec 2021
Cash and cash balances at central banks	17	354,970	371,466
Loans to central banks	18	16,676	4,127
Loans to credit institutions	18	101,928	70,207
Loans to the public	18	1,839,188	1,641,332
Debt securities	19	227,323	178,441
Equity instruments	20	44,645	96,149
Derivatives	21	179,144	121,326
Investments in subsidiaries, associates and joint ventures	22	61,717	51,231
Intangible assets	23	1,642	1,714
Properties and equipment	24	24,276	26,126
Current tax assets	15	1,637	1,915
Deferred tax assets	15	145	403
Other assets	25	16,384	20,580
Prepaid expenses and accrued income	26	3,012	2,818
TOTAL ASSETS		**2,872,686**	**2,587,834**
Deposits from central banks and credit institutions	27	106,019	85,276
Deposits and borrowing from the public	27	1,467,319	1,404,490
Debt securities issued	29	795,149	730,028
Short positions	30	44,635	34,569
Derivatives	21	229,933	113,497
Other financial liabilities		7,628	6,422
Current tax liabilities	15	1,311	801
Deferred tax liabilities	15	56	0
Other liabilities	31	25,047	25,610
Accrued expenses and prepaid income	32	4,000	3,941
Provisions	33	909	636
Subordinated liabilities	34	27,867	27,649
Total liabilities		**2,709,872**	**2,432,921**
Untaxed reserves	35	**15,680**	**17,137**
Share capital		*21,942*	*21,942*
Statutory reserve		*12,260*	*12,260*
Development cost reserve		*1,561*	*1,565*
Fair value reserve		*–384*	*–353*
Retained earnings		*84,426*	*79,612*
Net profit		*27,329*	*22,751*
Total equity		**147,133**	**137,776**
TOTAL LIABILITIES AND EQUITY		**2,872,686**	**2,587,834**

Statement of changes in equity

Parent company

SEKm	Restricted equity			Non-restricted equity[4]			
2022	Share capital[3]	Statutory reserve	Development cost reserve	Cash flow hedges[5]	Translation of foreign operations[5]	Retained earnings	Total Equity
Opening balance	21,942	12,260	1,565	–19	–335	102,363	**137,776**
Net profit						27,329	**27,329**
Other comprehensive income (net of tax)				81	–112		**–31**
Total comprehensive income				**81**	**–112**	**27,329**	**27,298**
Dividend to shareholders[1]						**–12,884**	**–12,884**
Bonus issue	**154**					**–154**	
Cancellation of shares	**–154**					**–1,721**	**–1,876**
Equity-based programmes[2]						–230	**–230**
Change in holding of own shares[2]						–2,965	**–2,965**
Other changes			–4			18	**14**
CLOSING BALANCE	**21,942**	**12,260**	**1,561**	**62**	**–447**	**111,755**	**147,133**

2021	Share capital[3]	Statutory reserve	Development cost reserve	Cash flow hedges[5]	Translation of foreign operations[5]	Retained earnings	Total Equity
Opening balance	21,942	12,260	1,474	–47	–432	98,671	**133,868**
Net profit						22,751	**22,751**
Other comprehensive income (net of tax)				29	98		**127**
Total comprehensive income				**29**	**98**	**22,751**	**22,878**
Dividend to shareholders[1]						**–17,740**	**–17,740**
Equity-based programmes[2, 6]						–229	**–229**
Change in holding of own shares[2, 6]						–1,015	**–1 015**
Other changes			91			–75	**16**
CLOSING BALANCE	**21,942**	**12,260**	**1,565**	**–19**	**–335**	**102,363**	**137,776**

1) Dividend paid in 2021 for 2020 comprised of an ordinary dividend of SEK 4.10 per share decided by the Annual General Meeting in March and a further ordinary dividend of SEK 4.10 per share decided by the Extraordinary General Meeting in November 2021. Dividend paid in 2022 for 2021 was SEK 6.00. Proposed dividend for 2022 is SEK 6.75 per share. Further information can be found on p. 71. Dividend to shareholders is reported excluding dividend on own shares.
2) During 2021 SEB has purchased 2,909,266 shares for the long-term equity programmes and 7,517,408 shares were sold/distributed. During 2021 SEB has purchased 10,171,296 shares for capital purposes. Thus, at 31 December 2021 SEB owned 37,774,605 Class A-shares. During 2022 SEB purchased 6,061,021 shares for the long-term equity programmes and 6,364,511 shares were sold/distributed. During 2022 SEB purchased 43,262,222 shares for capital purposes and 15,449,868 shares held for capital purposes were cancelled. Thus, at 31 December 2022 the number of issued shares amounted to 2,178,721,934 and SEB held 65,283,469 own Class A-shares with a market value of SEK 7,831m. Acquisition cost SEK –114m (361) for the purchase of own shares for long-term equity programmes is deducted from shareholders' equity, at the year-end the value of SEK –2,572m (–2,458) was deducted.
3) 2,154,569,426 Class A shares (2,170,019,294) with a nominal value of SEK 10.07 per share; 24,152,508 Class C shares (24,152,508) with a nominal value of SEK 10.07 per share.
4) The closing balance is equivalent to Distributable items according to Regulation (EU) No 575/2013 (CRR).
5) Fair value fund.
6) Restated following adjustment of changes in holdings of own shares.

Cash flow statement

Parent company

SEKm	2022	2021
Interest received	55,176	28,683
Interest paid	–25,191	–3,517
Commission received	16,803	15,397
Commission paid	–3,958	–3,121
Net received from financial transactions	46,446	–8,939
Other income	–6,875	–2,086
Paid expenses	–18,395	–16,089
Taxes paid	–4,724	–3,161
Cash flow from the profit and loss statement	59,283	7,167
Increase (–)/decrease (+) in trading portfolios	5,892	44,689
Increase (+)/decrease (–) in issued securities	65,587	–17,425
Increase (–)/decrease (+) in lending to credit institutions	–45,630	–5,620
Increase (–)/decrease (+) in lending to the public	–195,690	–74,918
Increase (+)/decrease (–) in liabilities to credit institutions	20,666	–62,558
Increase (+)/decrease (–) in deposits and borrowings from the public	62,489	205,629
Change in other assets	–22,812	–6,157
Change in other liabilities	29,757	5,408
Cash flow from operating activities	**–20,458**	**96,216**
Dividends received	10,319	2,403
Investments in shares and bonds	–10,467	–3,946
Investments in intangible and tangible assets	–493	–563
Cash flow from investment activities	**–641**	**–2,106**
Issue of subordinated liabilities	4,888	4,961
Repayment of subordinated liabilities	–6,060	–10,124
Repurchase of shares for capital purposes	–2,846	–1,362
Dividend paid	–12,884	–17,740
Cash flow from financing activities	**–16,902**	**–24,266**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**–38,001**	**69,845**
Cash and cash equivalents at beginning of year	376,957	300,673
Change in exchange rates on cash and cash equivalents	20,083	6,439
Net changes in cash and cash equivalents	–38,001	69,845
CASH AND CASH EQUIVALENTS AT END OF PERIOD [1) 2)]	**359,039**	**376,957**

Comparative figures for 2021 have been restated. See note 50 on restated comparative figures for further information.

1) Cash and cash equivalents

Cash	2	2
Cash balances at central banks	354,968	371,465
On demand deposits with credit institutions	4,069	5,491
TOTAL	**359,039**	**376,957**

2) Of which SEK 6,658m (5,083) not available for use by the parent company due to local central bank regulations.

Reconciliation of liabilities from financing activities

Opening balance	27,649	31,837
Cash flows	–1,173	–5,164
Non-cash flow, currency exchange	3,355	1,659
Non-cash flow, fair value changes	–1,936	–550
Non-cash flow, interest accruals	–29	–134
TOTAL LIABILITIES FROM FINANCING ACTIVITIES	**27,867**	**27,649**

Notes to the financial statements

SEKm, unless otherwise stated.

Corporate information

The SEB Group provides corporate, retail, investment and private banking services. The group also provides asset management and life insurance services.

Skandinaviska Enskilda Banken AB (publ) is the parent company of the group. The parent company is a Swedish limited liability company with its registered office in Stockholm, Sweden.

The parent company is included in the Large Cap segment of the NASDAQ Stockholm stock exchange.

The consolidated accounts for the financial year 2022 were approved for publication by the Board of Directors on 21 February 2023 and will be presented for adoption at the 2023 Annual General Meeting.

Mandatory information

Name of reporting entity	Skandinaviska Enskilda Banken AB (publ)
Domicile of entity	Stockholm
Legal form of entity	Public limited company
Country of incorporation	Sweden
Address of entity's registered office	Kungsträdgårdsgatan 8, SE-106 40 Stockholm, Sweden
Description of nature of entity's operations and principal activities	Bank and Insurance
Name of parent entity	Skandinaviska Enskilda Banken AB (publ)

Exchange rates used for converting main currencies in the group consolidation

	Income statement			Balance sheet		
	2022	2021	Change, %	2022	2021	Change, %
DKK	1.429	1.364	5	1.494	1.377	9
EUR	10.629	10.145	5	11.112	10.241	9
NOK	1.052	0.998	5	1.056	1.027	3
USD	10.116	8.582	18	10.401	9.036	15

1 Accounting policies

Significant accounting policies for the group

Statement of compliance

The group's consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations of these standards as adopted by the EU. The accounting also follows the Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) and the regulation and general guidelines issued by the Swedish Financial Supervisory Authority, Annual Reports in Credit Institutions and Securities Companies (FFFS 2008:25). In addition to this the Supplementary Accounting Rules for Groups RFR 1 and the additional UFR statements issued by the Swedish Financial Reporting Board have been applied.

Basis of preparation

The consolidated accounts are based on amortised cost, except for the fair value measurement of financial assets at fair value through other comprehensive income, financial assets and liabilities measured at fair value through profit or loss including derivatives and investment properties measured at fair value. The carrying amount of financial assets and liabilities subject to hedge accounting at fair value has been adjusted for changes in fair value attributable to the hedged risk. The financial statements are presented in million Swedish kronor (SEKm), unless indicated otherwise.

Consolidation

Subsidiaries

The consolidated accounts combine the financial statements of the parent company and its subsidiaries. Subsidiaries are companies, over which the group has control. The group controls an entity when it has power over an investee, is exposed to, or has rights to, variable returns from its involvement and has the ability to use its power to affect the amount of the returns. Control is deemed to exist when the parent company holds, directly or indirectly, more than 50 per cent of the voting rights, unless there is evidence that another investor has the practical ability to unilaterally direct the relevant activities of the entity. Companies in which the parent company or its subsidiaries hold more than 50 per cent of the votes but are unable to exercise control due to contractual or legal reasons, are not included in the consolidated accounts. The group also assesses if control exists when it holds less than 50 per cent of the voting rights. This may arise if the group has contractual arrangements with other vote holders. The size and dispersion of holdings of other vote holders may also indicate that the group has the practical ability to direct the relevant activities of the investee.

When voting rights are not relevant in deciding who has power over an entity, such as interests in some funds or special purpose entities (SPE), all facts and circumstances are considered in determining if the group controls the entity. In the assessment whether to consolidate SPEs and other entities, an analysis is made to identify which party has power over the activities which most affects the returns of the entity and if that party is significantly exposed or have significant rights to the returns from that entity.

The financial statements of the parent company and the consolidated subsidiaries refer to the same period and have been drawn up according to the accounting policies applicable to the group. A subsidiary is included in the consolidated accounts from the time of acquisition, being the date when the parent company gains control over the subsidiary. The subsidiary is included in the consolidated accounts until the date when control over the company ceases to exist.

Business combinations are accounted for using the acquisition method. The acquisition value is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed.

The identifiable assets acquired, the liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on acquisition date, irrespective of any non-controlling interest. The excess of the consideration transferred for the acquisition over the fair value of the group's share of the identifiable acquired net assets is recorded as goodwill. If the consideration transferred is less than the fair value of the net assets of the acquired subsidiary, the difference is recognised directly against profit or loss.

Goodwill is allocated between the cash-generating units or groups of units which are expected to generate cash flows. The cash-generating units to which goodwill is allocated correspond to the lowest level within the group in which goodwill is monitored for internal management purposes.

Intra-group transactions, balance sheet items and unrealised gains and losses on transactions between group companies are eliminated. The non-controlling interest of the profit or loss in subsidiaries is included in the reported net profit in the consolidated income statement, while the non-controlling share of net assets is included in equity in the consolidated balance sheet.

Associated companies and joint ventures

The consolidated accounts also include associated companies and joint ventures that are companies in which the group has significant influence or joint control, but not sole control. Significant influence means that the group can participate in the financial and operating policy decisions of the company, whilst not determining or controlling such financial and operating policies. A significant influence is generally deemed to exist if the group, directly or indirectly, holds between 20 and 50 per cent of the voting rights of an entity. A joint venture is an arrangement in which the group has joint control, whereby the group has rights to the net assets of the arrangement rather than rights to its assets and obligations for its liabilities.

According to the main principle, associated companies and joint ventures are consolidated in accordance with the equity method. This means that the holding is initially reported at its acquisition cost. Associated companies and joint ventures are subsequently carried at a value that corresponds to the group's share of the net assets. However, the group has chosen to designate investments in associates held by the group's venture capital organisation at fair value through profit or loss on the basis that these are managed and evaluated based on fair value.

Segment reporting

An operating segment is identified on the basis of internal reports about components of the group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The business divisions are identified as separate operating segments, considering size and regulatory environment. Group functions consists of business support, treasury, staff units and German run-off operations. In the context of defining the segments the President and Chief Executive Officer (CEO) is the group's chief operating decision maker.

Foreign currency translation

Foreign currency transactions are translated into the appropriate functional currency using the exchange rates prevailing at the dates of the transactions. On subsequent balance sheet dates monetary items in foreign currency are translated using the closing rate. Non-monetary items, which are measured in terms of historical cost in foreign currency, are translated using the exchange rate on the date of the transaction. Non-monetary items, which are measured at fair value in a foreign currency, are translated applying the exchange rate on the date on which the fair value is determined.

Gains and losses arising as a result of exchange rate differences on settlement or translation of monetary items are recognised in profit or loss. Translation differences on non-monetary items, classified as financial assets or financial liabilities at fair value through profit or loss, are included in the change in fair value of those items. Translation differences from non-monetary items, for example financial assets at fair value through other comprehensive income, are recognised in other comprehensive income. Exchange rate differences referring to monetary items comprising part of a net investment in a foreign operation are reported in other comprehensive income.

The income statements and balance sheets of group entities, with a functional currency other than the group's presentation currency, are translated to SEK in the consolidated accounts. Assets and liabilities in foreign group entities are translated at the closing rate and income and expenses in the income statement are translated at the average exchange rate for the year. The exchange rate differences are recognised as a separate component of other comprehensive income.

Goodwill arising in conjunction with acquisitions of foreign group entities, as well as adjustments to the fair value of assets and liabilities made in conjunction with acquisitions are included in the assets and liabilities of the foreign entity in question and are translated at the closing rate.

Financial assets and liabilities

Financial assets are recognised on the balance sheet when the group becomes a party to the contractual provisions of the instrument and are measured at fair value on initial recognition. Transaction costs are included in the fair value on initial recognition except for financial assets at fair value through profit or loss where transaction costs are expensed in profit or loss. Financial assets are derecognised when the rights to receive cash flows have expired, the group has transferred substantially all risks and rewards and upon substantial modification. Transfers of financial assets with retention of all or substantially all risks and rewards include for example repurchase transactions and securities lending transactions. Financial assets at fair value are recognised on the balance sheet on trade date, with exception of loans and reversed repos which are recognised on settlement date. Financial assets measured at amortised cost are recognised on settlement date.

Financial liabilities are measured at fair value on initial recognition. In the case of financial liabilities measured at fair value through profit or loss, transaction costs directly attributable to the acquisition or the issuance of the financial liability are recognised in profit or loss. For other financial liabilities direct transaction cost are recognised as a deduction from the fair value. Financial liabilities are derecognised when extinguished, that is, when the obligation is discharged, cancelled or expired.

Classification of financial assets and liabilities

The group classifies and subsequently measures its financial assets in the following categories: financial instruments at fair value through profit or loss; fair value through other comprehensive income and amortised cost. The classification will depend on if the financial asset is a debt instrument, an equity instrument or a derivative.

Debt instruments (Loans and debt securities)

The classification is based on a combination of assessing the business model for managing the financial assets and whether the contractual cash flow characteristics consist of solely payments of principal and interest ('SPPI'). The business model assessment is performed for homogenous portfolios identified based on how the business is managed in the divisions of the group. The assessment is based on reasonable scenarios taking into consideration how the portfolio is evaluated and reported to management; the risks affecting the performance of the portfolio and how these risks are managed; how managers are compensated; and the frequency, value and timing of sales including the reasons for the sales. In determining if the cash flows consist solely of principal and interest, the principal is defined as the fair value of the debt instrument at initial recognition, which can change over the life if there are repayments or capitalisation of interest. Interest cash flows are consistent with components with a basic lending arrangement including consideration for time value of money, credit risk, liquidity risk as well as administrative costs and profit margin. If there are contractual features introducing an exposure to other risks or volatility, it is not considered to consist of solely payments of principal and interest. Debt instruments are presented in the balance sheet items; Cash and cash balances at central banks, Loans to credit institutions, Loans to the public and Debt securities, and include instruments in the following measurement categories.

Fair value through profit or loss: Debt instruments are classified in this category if not meeting the criteria for amortised cost or fair value through other comprehensive income. This is the case if the business model is held for trading; where financial assets are considered held for trading if they are held with the intention to be sold in the short-term and for the purpose of generating profits. Debt instruments are mandatorily measured at fair value through profit or loss if the assets are managed and evaluated on a fair value basis or the assets are held with an intention to sell alternatively if the cash flows do not consist of solely payments of principal and interest. Debt instruments that would otherwise be classified as fair value through other comprehensive income or amortised cost are also included in this category if, upon initial recognition, designated at fair value through profit or loss (fair value option). The fair value option can be applied only in situations where such designation reduces measurement inconsistencies.

Fair value through other comprehensive income: Debt instruments are classified in this category if both of the following criteria are met (a) the business model objective is to both hold assets to collect contractual cash flows and to sell the assets (b) the contractual cash flow characteristics consist of solely payments of principal and interest. The assets are measured at fair value and gains and losses arising from changes in fair value are reported in other comprehensive income and accumulated in equity. The cumulative gain or loss is reclassified from equity to profit or loss upon derecognition of the debt instrument. Interest calculated by applying the effective interest method on interest-bearing financial assets and expected credit losses are recognised in profit or loss.

Amortised cost: Debt instruments are classified in this category if both of the following criteria are met (a) the business model objective is to hold assets to collect contractual cash flows and (b) the contractual cash flow characteristics consist of solely payments of principal and interest. The gross carrying amount of these assets is measured using the effective interest method and adjusted for expected credit losses.

Equity instruments

Equity instruments are classified as financial assets at fair value through profit or loss. An irrevocable election can be made on initial recognition to classify equity instruments (not held for trading) at fair value through other comprehensive income. This election has not been applied in the group.

Derivatives

Derivatives are classified as fair value through profit or loss (held for trading) unless designated as hedging instruments. If designated as hedging instruments, the principles for hedge accounting are applied.

Financial liabilities

Financial liabilities at fair value through profit or loss: Financial liabilities at fair value through profit or loss are either classified as held for trading or designated as fair value through profit or loss on initial recognition (fair value option). Changes in fair value are recognised in profit or loss within Net financial income, with the exception of changes in fair value due to changes in the group's own credit risk. Such changes are presented in other comprehensive income, with no subsequent reclassification to the income statement. The fair value option can be applied for classification of financial liabilities if meeting either of the following criteria: the contracts include one or more embedded derivatives, the instruments are managed and evaluated on a fair value basis or in situations where such designation reduces measurement inconsistencies. Liabilities to policyholders and some debt securities are included in this category. Financial liabilities held for trading are primarily short positions in interest-bearing securities, equity instruments and derivatives not designated as hedging instruments.

Other financial liabilities: The category other financial liabilities primarily include the group's short-term and long-term borrowings. After initial recognition other financial liabilities are measured at amortised cost, using the effective interest method. The balance sheet items Deposits from central banks and credit institutions, Deposits and borrowings from the public and Debt securities issued are included in this category.

Embedded derivatives
Some combined contracts contain both a derivative and a non-derivative component. In such cases, the derivative component is termed an embedded derivative. If the host contract is a financial asset in scope of IFRS 9 *Financial Instruments*, the contract is assessed for classification in its entirety and the embedded derivative is not separated. For other hybrid instruments (that is the host contract is not a financial asset in scope of IFRS 9) where the economic characteristics and risks of the embedded derivatives are not closely related to those of the host contract, the embedded derivative is bifurcated and reported at fair value with gains and losses being recognised in the income statement. This does not apply if the host contract is carried at fair value through profit or loss.

Certain combined instruments are classified as financial liabilities at fair value through profit or loss according to the fair value option. The designation implies that the entire combined instrument is measured at fair value through profit and loss.

Offsetting financial transactions
Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legal right to offset transactions and an intention to settle net or realise the asset and settle the liability simultaneously.

Repurchase agreements
Securities may be lent or sold subject to a commitment to repurchase them (a 'repo') at a fixed price and at a predetermined date. Such securities are retained on the balance sheet and in addition included separately as collateral pledged for own liabilities when cash consideration is received. Depending on the counterparty, payment received is recognised under Deposits by credit institutions or as Deposits and borrowing from the public.

Similarly, where the group borrows or purchases securities subject to a commitment to resell them (a 'reverse repo'), the securities are not included in the balance sheet. Payments made are recognised as Loans to credit institutions or as Loans to the public.

The difference between sale and repurchase price is accrued over the life of the agreements using the effective interest method.

Securities borrowing and lending
Securities borrowing and lending transactions are entered into on a collateralised basis. Fair values of securities received or delivered are monitored on a daily basis to require or provide additional collateral. Cash collateral delivered is derecognised from the balance sheet and a corresponding receivable is recognised. Cash collateral received is recognised in the balance sheet and a corresponding obligation to return it, is recognised. Securities lent remain on the balance sheet and are in addition reported as pledged assets. Borrowed securities are not recognised as assets. When borrowed securities are sold (short position), an amount corresponding to the fair value of the securities is booked as a liability. Securities received in a borrowing or lending transaction are disclosed as obligations.

Modification
The group may renegotiate loans and modify contractual terms. If the new terms are substantially different from the original terms, the group derecognises the original financial asset and recognises a new asset. The group also assesses whether the new financial asset is credit-impaired at initial recognition. If the terms are not substantially different, the modification does not result in derecognition, and the group recalculates the gross carrying amount based on the new cash flows using the original effective interest rate of the financial asset and recognises a modification gain or loss.

Fair value measurement
Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly market between market participants at the measurement date.

The fair value of financial instruments quoted in an active market is based on quoted market prices. If the asset or liability measured at fair value has a bid price and an ask price, the price within the bid-ask spread that is most representative of fair value in the circumstances is used.

The fair value of financial instruments that are not quoted in an active market is determined by applying various valuation techniques with maximum use of observable inputs. The valuation techniques used are for example discounted cash flows, option pricing models, valuations with reference to recent transactions in the same instrument and valuations with reference to other financial instruments that are substantially the same. When valuing financial liabilities at fair value the group's own credit standing is reflected.

Any differences between the transaction price and the fair value calculated using a valuation technique with unobservable inputs, the Day 1 profit, is amortised over the life of the transaction. Day 1 profit is then recognised in profit or loss either when realised through settlement or when inputs used to calculate fair value are based on observable prices or rates.

Fair value is generally measured for individual financial instruments. In addition, portfolio adjustments are made to cover market risks and the credit risk of each of the counterparties on groups of financial assets and liabilities on the basis of the net exposure to these risks. When assets and liabilities have offsetting market risks, mid-market prices are used for establishing fair value of the risk positions that offset each other. To reflect counterparty risk and own credit risk in OTC derivatives, adjustments are made based on the net exposure towards each counterpart.

Impairment of financial assets
Measurement
The impairment requirements are based on an expected credit loss (ECL) model. The guiding principle of the ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. All financial assets measured at amortised cost and fair value through other comprehensive income, as well as lease receivables, financial guarantees contracts, contract assets and certain loan commitments are in scope for expected credit loss.

ECLs on financial assets measured at amortised cost and lease receivables are presented as allowances, that is as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the gross carrying amount. ECLs on loan commitments and financial guarantee contracts are presented as provisions, that is as a liability, in the balance sheet. Adjustment to the loss allowance and provision due to changes in ECLs is recognised in the income statement as Net expected credit losses.

The assessment of credit risk, and the estimation of ECL, shall be unbiased and probability-weighted, and shall incorporate all available information which is relevant to the assessment, including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. SEB uses both models and expert credit judgement (ECJ) for calculating ECLs.

The ECL model has a three-stage approach based on changes in the credit risk. A 12-month ECL (Stage 1) applies to all items, unless there is a significant increase in credit risk since initial recognition. For items where there is a significant increase in credit risk (Stage 2) or in default (Stage 3), lifetime ECL applies.

Significant increase in credit risk
At the end of each reporting period the group performs an assessment of whether credit risk has increased significantly since initial recognition. The assessment of whether there has been a significant change in credit risk is based on quantitative and qualitative indicators. Both historic and forward-looking information is used in the assessment.

For arrangements with an initial origination date as of 1 January 2018 or later, the primary indicator is changes in lifetime probability of default (PD) by comparing the scenario-weighted annualised lifetime PD at the reporting date with the scenario-weighted annualised lifetime PD at initial recognition. For arrangements with an initial origination date prior to 1 January 2018 changes in SEB's internal risk classifications since initial origination are used as the primary indicator.

Regardless of the quantitative indicator, a significant increase in credit risk is triggered if the following back-stop indicators occur:
- payments are past due >30 days but < 90 days; or
- financial assets have been classified as watch-listed; or
- financial assets are forborne (where due to the customer's financial difficulties the contractual terms of the loans have been revised and concessions given).

Back-stop indicators normally overlap with the quantitative indicator of significant increase in credit risk.

In case there has been a significant increase in credit risk since initial recognition, an allowance for lifetime ECL shall be recognised and the financial instrument is transferred to Stage 2. The approach is symmetrical, meaning that in subsequent reporting periods, if the credit quality of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the financial assets move back to Stage 1.

Definition of default
Financial instruments in default are in Stage 3. SEB applies a definition of default for accounting purposes that is consistent with how it is defined in the capital requirements regulation, which includes financial assets past due more than 90 days. All financial assets in Stage 3 are considered to be credit-impaired.

Modelling
The ECL is calculated as a function of the probability of default (PD), the exposure at default (EAD) and the loss given default (LGD), as well as the timing of the loss. The group's IFRS 9 methodology for ECL measurement is based on existing internal rating-based risk models (IRB) to the extent allowed under IFRS 9. As the objectives of these frameworks differ, the manner in which the expected credit losses are calculated also differs and appropriate adjustments are made to the IRB parameters to meet IFRS 9 requirements. Adjustments include the conversion of through-the-cycle and downturn parameters used in IRB risk models to point-in-time parameters used under IFRS 9 that consider forward-looking information.

PD represents the likelihood that a loan will not be repaid and will go into default in either a 12-month or lifetime horizon. The expected PD for each individual instrument incorporates a consideration of past events, current market conditions and reasonable and supportable information about future economic conditions. SEB uses IFRS 9 specific PD models. The models are calibrated based on a combination of geography, assets class and product type. EAD represents an estimate of the outstanding amount of credit exposure at the time a default may occur. For off-balance sheet amounts, EAD includes an estimate of any further amounts to be drawn at the time of default. For IFRS 9, EAD models are adjusted for a 12-month or lifetime horizon. LGD is the amount that may not be recovered in the event of default. LGD takes into consideration the amount and quality of any collateral held as well as the probability of cure, whereby the borrower repays all his past due obligations on the defaulted loan and recommences contractual repayments. SEB uses existing LGD models adjusted to meet IFRS 9 requirements.

When measuring ECL, SEB uses the maximum contractual period during which SEB is exposed to risk. All contractual terms are considered when determining the expected life, including prepayment options and extension and rollover options. For revolving facilities, such as credit cards, and retail mortgage facilities the expected life is modelled based on historical behaviour. The residual behavioural expected life for such facilities is based on historically observed survival curve and it is affected by the time since origination of the arrangement.

Forward-looking information
The group uses internally developed macroeconomic forecasts as the basis for the forward-looking information incorporated in the ECL measurement. In order to ensure an unbiased estimation of credit losses under IFRS 9, at least three scenarios are used. One of the scenarios is the base case scenario, representing the most likely outcome, which is also applied in the financial planning and budgeting process, while other case scenarios represent more positive or negative outcomes.

The forward-looking scenarios are prepared by SEB's economic research department. The scenarios are approved by the Group Risk Committee. A scenario consists of a qualitative description of the macroeconomic development and a quantitative part, with forecasts of key macroeconomic variables for three subsequent years, as well as the likelihood of occurrence (scenario-weight). The scenarios are reviewed and updated on a quarterly basis. In case of significant changes in the macroeconomic environment and outlook, the scenarios will be updated more frequently. The scenario variables are benchmarked to various external sources of similar forward-looking scenarios, for example, from OECD, IMF, EU, national central banks, ECB, and governments/Ministries of Finance.

Expert Credit Judgement (ECJ)
The group uses both models and expert credit judgement (ECJ) to determine ECLs. The degree of judgement that is required to estimate ECL depends on the model outcome, materiality and the availability of detailed information. The model provides guidance and transparency as to how economic events could affect the impairment of financial assets. Model overlay may be applied to the modelled outcome to incorporate an estimated impact of factors not captured by the model. Such judgemental adjustment to the model-generated ECLs may be applied to significant exposures at a counterparty level. The overlays are decided by the relevant credit committee using the model ECLs as guidance. In addition, there may be a need for overlays at a portfolio level, which is decided by the Group Risk Committee.

Hedge accounting
Derivatives are used to hedge interest rate, exchange rate and equity exposures. Where derivatives are held for risk management purposes and when transactions meet the required criteria, the group applies fair value hedge accounting, cash flow hedge accounting or hedging of a net investment in a foreign operation as appropriate to the risks being hedged. The group documents and designates, at inception, the relationship between the hedged item and the hedging instrument as well as the risk objective and hedge strategy. The group also documents its assessment, both at inception and on an ongoing basis, whether the derivatives used are both prospectively, and retrospectively highly effective in offsetting the hedged risk. As part of the prospective test the group also assesses and documents that the likelihood of forecasted transactions to take place is highly probable.

→ More information regarding hedge accounting can be found in note 21 Derivatives and hedge accounting.

Hedge accounting is applied when derivatives are used to reduce risks such as interest rate risks and currency risks in financial instruments. Furthermore, hedge accounting can be applied to liabilities hedging currency risk in net investments in subsidiaries. The group applies different hedge accounting models depending on the purpose of the hedge:
- Hedges of fair value of recognised assets or liabilities (fair value hedge);
- Hedges of the fair value of the interest rate risk of a portfolio (portfolio hedge);
- Hedges of highly probable future cash flows attributable to recognised assets or liabilities (cash flow hedge);
- Hedges of a net investment in a foreign operation (net investment hedge).

The group discontinues hedge accounting when:
- The derivative has ceased to be highly effective as a hedging instrument;
- The derivative expires, is sold, terminated, or exercised;
- The hedged item matures, is sold or repaid; or
- The forecast transaction is no longer deemed highly probable.

Fair value hedge
Fair value hedges are used to protect the group against undesirable exposures to changes in the market prices of recognised assets or liabilities. Changes in fair value of derivatives that qualify and are designated as hedging instruments are recorded in the income statement, together with changes in the fair value of the hedged asset or liability that are attributable to the hedged risk as Net other income.

Where the group hedges the fair value of interest rate exposure in a portfolio including financial assets or financial liabilities, so called portfolio hedging of interest rate risk, the gains or losses attributable to the hedged item are reported as a separate item under assets or as a separate item under liabilities in the balance sheet.

When hedge relationships are discontinued, any adjustment to the carrying amount of the hedged item is amortised to profit or loss over the period to maturity of the hedged item.

Cash flow hedge
Cash flow hedging is applied for the hedging of exposure to variations in future interest payments on assets or liabilities with variable interest rates. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income. The ineffective portion of the gain or loss on the hedging instrument is recognised in profit or loss as Net other income.

Gains or losses on hedging instruments that have been accumulated in equity are recognised in profit or loss in the same period as interest income and interest expense from the hedged asset or liability.

When cash flow hedges are discontinued but future cash flows still are expected to occur, accumulated gains or losses from the hedging instrument will remain as a separate item in equity until the hedged future cash flows occur. Accumulated gains or losses are subsequently reported in profit or loss in Net interest income in the same period in which the previously hedged interest flows are recognised in profit or loss.

Net investment hedge
Hedge of a net investment is applied to protect the group from translation differences due to net investments in foreign subsidiaries. Foreign currency loans constitute the major portion of hedging instruments in these transactions. The translation differences arising on the hedging instruments are recognised in other comprehensive income and accumulated in equity as translation of foreign operations, to the extent the hedge is effective. Any ineffective part is recognised as Net financial income. When a foreign operation is partially disposed of or sold, exchange differences accumulated in equity are recognised in the income statement as part of the gain or loss on the sale.

Operating income

Interest income and interest expense
The effective interest method is applied to recognise interest income and interest expenses in profit or loss for financial assets and financial liabilities measured at amortised cost.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating interest income and interest expenses. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial instrument. The calculation of the effective interest rate includes transaction costs, fees and points to be received and paid that are an integral part of the effective interest rate.

Net fee and commission income
The recognition of revenue from contracts with customers is reported as fee and commission income. The group recognises revenue when it transfers control over a service to a customer.

Fees that are included in the calculation of the effective interest rate of a financial instrument measured at amortised cost, such as loan origination fees, are allocated over the expected tenor of the instrument applying the effective interest method and presented in Net interest income.

Fee and commission income is recognised to depict the transfer of promised services to the customers in an amount that reflects the consideration to which SEB expects to be entitled in exchange for the service. The major types of fees are described below.

Fee and commission income for asset custody and asset management to customers is recognised as revenue over the period in which the services are provided. Performance based fees are recognised when it is highly probable that a significant reversal of recognised revenue will not occur, which is when the performance criteria are fulfilled.

Fee and commission income from loan syndications in which SEB acts as arranger are recognised as income when the syndication is completed and the group has retained no part of the loan or retained a part of the loan at the same effective interest rate as other participants. Brokerage fees, commission and fees from negotiating a transaction for a third party, such as arrangement of acquisitions or purchase or sale of a business, are recognised on completion of the transaction.

Expenses that are directly related to the generation of fee and commission income are recognised as fee and commission expense.

Net financial income

Gains and losses arising from changes in fair value of financial assets and liabilities measured at fair value through profit or loss are reported under the item Net financial income. For financial liabilities designated at fair value through profit or loss the change in fair value relating to change in own credit risk is accounted for in other comprehensive income.

Dividend income

Dividends are recognised when the entity's right to receive payment is established.

Seized assets

Seized assets are assets taken over to protect a claim. SEB may refrain from a loan receivable and instead seize the asset that served as collateral for the loan. Seized assets may consist of financial assets, properties and other tangible assets. Seized asset are recognised on the same line item in the balance sheet as similar assets that have been acquired otherwise. At inception seized assets are measured at fair value. The fair value at initial recognition becomes the acquisition value. Subsequently seized assets are measured according to type of asset.

Tangible assets

Tangible assets, with the exception of investment properties held in insurance operations, are measured at cost and are depreciated according to plan on a straight-line basis over the estimated useful life of the asset. The maximum depreciation period for buildings is 50 years. The depreciation period for other tangible assets is between 3 and 8 years.

Tangible assets are tested for impairment whenever there is an indication of impairment.

Leasing

Lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the group's incremental borrowing rate. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The lease payments include fixed payments less any lease incentives receivable and variable lease payments that depend on an index or a rate.

The group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases for low-value assets. The group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Lessor

A finance lease is a lease that transfers, from the lessor to the lessee, substantially all risks and rewards incidental to the ownership of an asset. In the group, essentially all leasing contracts in which the group is the lessor are classified as finance leases. Finance leases are reported as lending, which implies that the leasing income is reported within Net interest income.

Investment properties

Investments in properties held in order to receive rental income and/or for capital appreciation are reported as investment properties. The recognition and measurement of such properties differs, depending upon the entity owning the property. Investment properties held in the insurance operations, used to match liabilities providing a yield directly associated with the fair values of specified assets, including the investment properties themselves, are accounted for using the fair value model. Holdings of investment properties in the banking operations are measured at cost less accumulated depreciation.

Intangible assets

Goodwill is measured, after initial recognition, at cost, less any accumulated impairment losses. In order to test goodwill from business combinations for impairment, it is allocated upon acquisition to the cash generating unit or units that are expected to benefit from the acquisition. Each group represents the lowest level at which goodwill is monitored for internal management purposes and it is never larger than an operating segment. Goodwill and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired. An impairment loss is recognised in profit or loss whenever the carrying amount, with respect to a cash-generating unit or a group of cash-generating units to which the goodwill is attributed, exceeds the recoverable amount. Impairment losses attributable to goodwill are not reversed, regardless of whether the cause of the impairment has ceased to exist.

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date. Subsequent to initial recognition, intangible assets acquired in a business combination are measured on the same basis as intangible assets acquired separately.

Other intangible assets are measured at cost, including directly attributable borrowing costs, less accumulated amortisation and any impairment losses. Development expenditures on an individual project are recognised as an intangible asset, provided that future economic benefits are probable, costs can be measured reliably and the product and process is technically and commercially feasible. Research costs are expensed as incurred. The guidance in IAS 38 *Intangible Assets* is applied to cloud computing arrangements if the group receives a resource it can control, assuming it is not accounting for the intangible asset as a lease. If the cloud computing arrangement does not provide the group with an intangible asset for the software (and does not contain a lease), then the right to access the underlying software in the cloud computing arrangement is generally a service contract where the fees paid is expensed as the service is received.

Intangible assets with finite useful lives, that is all intangible assets except goodwill, are amortised on a straight-line basis over their useful lives and tested for impairment annually and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised if the carrying amount exceeds the recoverable amount of the asset. Internally generated intangible assets, such as software development, are amortised over a period of between 3 and 8 years.

Provisions

Provisions are recognised for present obligations arising as consequences of past events where it is more likely than not that a transfer of economic benefit will be necessary to settle the obligation, and it can be reliably estimated. Provisions are determined by discounting the expected future cash flows at pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. A provision for restructuring is recognised when the group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

Provisions are made for undrawn loan commitments and similar facilities if it is probable that the facility will be drawn by a debtor in financial difficulties. ECLs on loan commitments and financial guarantee contracts are presented as provisions. Provisions and changes in provisions are recognised in the income statement as Net credit losses.

Provisions are evaluated at each balance sheet date and are adjusted as necessary.

Financial guarantees

Financial guarantees are contracts that require the group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are initially recognised at their fair value (which most often equals the premium received) and subsequently at the higher of the amount determined in accordance with the expected credit loss model under IFRS 9 *Financial Instruments* and the amount initially recognised less, where appropriate, the cumulative amount of income recognised. The contractual amounts according to financial guarantees are not recognised in the balance sheet but disclosed as obligations.

Employee benefits

Pensions

There are both defined contribution and defined benefit pension plans within the group, of which most have plan assets. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will get on retirement depending on factors such as age, years of service and compensation. A defined contribution plan is a pension plan where the group pays a contribution to separate entities and has no further obligation once the contribution is paid.

The pension commitments of the group with respect to defined benefit plans are covered by the pension funds of the group or through insurance solutions.

The defined benefit obligation is calculated quarterly by independent actuaries using the Projected Unit Credit Method.

→ The assumptions upon which the calculations are based are found in note 8b Pensions.

All changes in the net defined benefit liability (asset) are recognised as they occur, as follows: (i) service cost and net interest in the income statement; and (ii) remeasurements of both defined benefit obligations and plan assets in other comprehensive income.

Pension costs for defined contribution pension plans are recognised as an expense during the period the employees carry out the service to which the payment relates.

Share-based payments
The group operates a number of share-based incentive programmes, under which it awards SEB equity instruments to its employees. Equity-settled share-based incentive programmes entitle employees to receive SEB equity instruments. Cash-settled share-based incentive programmes entitle employees to receive cash based on the price or value of equity instruments of SEB. Fair value of these rights is determined by using appropriate valuation models, taking into account the terms and conditions of the award and the group's estimate of the number of rights that will eventually vest, which is reassessed at each reporting date. Social security charges are accounted for over the vesting period and the provision for social security charges is reassessed on each reporting date to ensure that the provision is based on the rights' fair value at the reporting date.

The cost of equity-settled share-based incentive programmes is measured by reference to the fair value of equity instruments on the date they are granted and recognised as an expense on a straight-line basis over the vesting period with a corresponding increase in equity. The vesting period is the period that the employees have to remain in service in SEB in order for their rights to vest. For cash-settled share-based incentive programmes, the services acquired and liability incurred are measured at the fair value of the liability and recognised as an expense over the vesting period, during which the employees render service. Until settlement, the fair value of the liability is remeasured, with changes in fair value recognised in the income statement.

Short-term cash-based remuneration
The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Taxes
The group's tax for the period consists of current and deferred tax. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be paid to or from tax authorities using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Current tax is calculated based on the taxable results for the period. Deferred tax arises due to temporary differences between the tax bases of assets and liabilities and their carrying amounts.

Current tax and deferred tax are generally recognised in profit or loss. However, tax that relates to items recognised in other comprehensive income is also reported directly in other comprehensive income. Examples of such items are gains or losses on hedging instruments in cash flow hedges.

Deferred tax assets are recognised in the balance sheet to the extent that it is probable that future taxable profits will be available against which they can be utilised. The group's deferred tax assets and tax liabilities have been calculated at the tax rate of 20.6 per cent in Sweden, and at each respective country's tax rate for foreign companies.

Insurance and investment contracts
Insurance contracts are contracts under which the group accepts significant insurance risk – defined as a transfer of an absolute risk of minimum 5 percent of the underlying value – from the policyholder by agreeing to compensate the policyholder or other beneficiaries on the occurrence of a defined insured event. Investment contracts are financial instruments that do not meet the definition of an insurance contract, as they do not transfer significant insurance risk from the policyholder to the group.

Insurance contracts
Insurance contracts are classified as short-term (non-life) or long-term (life). Short-term insurance comprises sickness, disability, healthcare, and rehabilitation insurance. Long-term insurance comprises mainly traditional life insurance. In the group accounts short-term and long-term insurance are presented aggregated as Insurance contracts.

Measurement of short-term insurance contracts (non-life)
The provision for unearned premiums is intended to cover the anticipated cost of claims and operating expenses arising during the remaining policy period of the insurance contracts in force. The provision for unearned premiums is usually strictly proportional over the period of the insurance contracts. If premiums are judged to be insufficient to cover the anticipated cost for claims and operating expenses, the provision for unearned premiums is strengthened with a provision for unexpired risks.

For anticipated future claims that have been incurred but not yet paid, provision for claims outstanding is recognised. The provision is intended to cover the anticipated future payment of all claims incurred, including claims incurred but not reported (IBNR provisions). This provision should also cover all costs for claims settlement. The provision for claims outstanding is not discounted, with the exception of provisions for sickness annuities, which are discounted using standard actuarial methods.

Measurement of long-term insurance contracts (life)
For long-term life insurance contracts, a liability for contractual benefits that are expected to be incurred in the future is recorded when the premiums are recognised. The liability equals the sum of the discounted value of expected benefit payments and future administration expenses, less any outstanding future contractual premium payments. Liabilities for long-term life insurance are discounted using standard actuarial methods.

Liability adequacy test
Swedish actuarial procedures involve performing liability adequacy tests on insurance liabilities. This is to ensure that the carrying amount of the liabilities is sufficient in the light of estimated future cash flows. The carrying amount of a liability is the value of the liability itself less any related intangible asset or asset for deferred acquisition costs. The current best estimates of future contractual cash flows, as well as claims handling and administration costs, are used in performing these liability adequacy tests. These cash flows are discounted and compared to the carrying amount of the liability. Any deficit is immediately recognised in profit or loss.

Revenue recognition
Premiums for insurance contracts are recognised as revenue when they are paid by the policyholders. For contracts where insurance risk premiums received during a period are intended to cover insurance claims arising in that period those premiums are recognised as revenue proportionally during the period of coverage.

Recognition of expenses
Costs for insurance contracts are recognised as an expense when incurred, with the exception of commissions that are capitalised as deferred acquisition costs. These costs are amortised as the related revenue is recognised. The asset is tested for impairment every period, ensuring that the economic future benefits expected to arise from the contracts exceed its face amount.

Reinsurance
Contracts with re-insurers, whereby compensation for losses is received by the group, are classified as ceded reinsurance. For ceded reinsurance, the benefits to which the group is entitled under the terms of the reinsurance contract are reported as the re-insurers' share of insurance provisions. Amounts recoverable from re-insurers are measured consistently with the amounts associated with the reinsurance contracts and in accordance with the terms of each reinsurance contract.

Investment contracts
The majority of the group's unit linked insurance is classified as investment contracts where no significant insurance risk is transferred from the policyholder to the group. A minor part of the group's unit linked insurance business is classified as insurance contracts.

Measurement
Investment contracts are financial commitments whose fair value is dependent on the fair value of the underlying financial assets. The underlying assets are mandatorily measured at fair value through profit or loss and the related liabilities are designated at fair value through profit or loss (fair value option). The choice to use the fair value option for the liabilities has been made for the purpose of eliminating the measurement inconsistency that would occur if different bases for measurement would have been used for assets and liabilities. The fair value of the unit linked financial liabilities is determined using the fair value of the financial assets linked to the financial liabilities attributed to the policyholder on the balance sheet date. However, if the liability is subject to a surrender option, the fair value of the financial liability is never less than the amount payable on surrender. Any differences between assets and liabilities are due to premiums paid that have not yet been invested in funds. Changes in the value of unit linked insurance do not affect SEB as they belong to the policyholders.

Revenue recognition
Amounts received from and paid to policyholders are reported in the balance sheet as deposits or withdrawals. Fees charged for managing investment contracts are recognised as revenue. The revenue for these management services is evenly distributed over the tenor of the contracts.

Recognition of expenses
Incremental costs of obtaining investment contracts with customers are deferred if they are expected to be recovered. Incremental costs are costs to obtain a contract with a customer that would not have been incurred if the contract had not been obtained. These costs are up-front acquisition costs in the form of sales commissions paid for obtaining investment contracts. They are expected to be recovered from the fee income earned from the investment contracts. The asset is tested for impairment during each period to ensure that the future economic benefits expected to arise from the contract exceed the carrying amount of the asset. All other costs, such as commissions to brokers paid during the tenor of the investment contracts or commission to own staff acting as sales agents or ongoing administration cost, are recognised in the period in which they arise.

Contracts with discretionary participation features (DPF)
Some traditional pension saving contracts include a discretionary participation feature. This feature entitles the policyholder to receive, as a supplement to guaranteed benefits, additional benefits or bonuses. All contracts that include a discretionary participation feature are reported as insurance contracts. The amounts referring to the guaranteed element and to the discretionary participation feature are reported as liabilities to policyholders.

Changed accounting policies

Changes in accounting policies implemented 2022
The group adopted amendments to IFRS 3 *Business Combinations* which replace a reference to the latest Framework for the Preparation and Presentation of Financial Statements without significantly changing its requirements. Amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent assets*, Onerous Contracts – Costs of Fulfilling a Contract specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. As part of its 2018–2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9 *Financial Instruments* – Fees in the '10 per cent' test for derecognition of financial liabilities. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. The amended standards have not had a significant impact on the group's consolidated financial statements.

Changes in IFRSs not yet applied
IFRS 17 *Insurance Contracts*

Classification
Insurance contracts are contracts under which the group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. This definition determines which contracts are within the scope of IFRS 17 *Insurance Contracts*, rather than other accounting standards. Contracts that have a legal form of an insurance contract but do not transfer significant insurance risk and expose the group to financial risk are classified as investment contracts and follow financial instruments accounting under IFRS 9 *Financial Instruments*. The majority of the group's unit-linked contracts fall under this category. *For more information about the group's transition see note 51.*

Insurance contracts
Contracts under which the group accepts significant insurance risk are classified as insurance contracts. Contracts held by the group under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts.

Furthermore, the group assesses its life insurance and reinsurance products to determine whether they contain components which must be accounted for under another IFRS rather than IFRS 17 (distinct non-insurance components). After separating any distinct components, the group applies IFRS 17 to all remaining components of the (host) insurance contract.

All references to insurance contracts in these consolidated financial statements apply to insurance contracts issued, reinsurance contracts held and investment contracts with discretionary participation features (DPF).

Aggregation and recognition of insurance contracts
Insurance contracts are aggregated into groups for measurement purposes. Groups of insurance contracts are determined by identifying portfolios of insurance contracts, each comprising contracts subject to similar risks and managed together. Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year, however the group uses the EU carve-out for annual cohorts for traditional insurance in Sweden as they fulfil the exception criteria. Furthermore, annual cohorts will not be applied for risk insurance in Sweden using the Premium Allocation Approach (PPA). Portfolios are further divided based on expected profitability at inception into three groups: onerous contracts, contracts with no significant risk of becoming onerous, and the remaining contracts. These groups represent the level of aggregation at which insurance contracts are initially recognised and measured.

Groups of insurance contracts issued are initially recognised from the earliest of the following:
- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the group is due, or when the first payment is received if there is no due date
- For a group of onerous contracts, as soon as facts and circumstances indicate that the group is onerous.

Measurement
The measurement is based on three measurement models: the General Measurement Model (GMM), the Variable Fee Approach (VFA) and the Premium Allocation Approach (PAA). The model application depends on the coverage period of the contract. The PAA can be applied if the coverage period (including covering arising from all premiums within the contract boundary) is one year or less while the VFA shall be applied for contracts with direct participation features, that is contracts that are substantially investment-related service contracts under which the group expects to pay the policyholder a substantial share of the investment return based on the underlying items. The three measurement models include consistent definitions of contractual cash flows, the risk adjustment for non-financial risk and discounting. The group applies all three measurement models regarding direct insurance and applies the GMM and the PAA for reinsurance, whereof VFA model is applied for more than 90 per cent of the insurance liability as per year-end 2021.

Measurement – Groups of contracts not measured under the Premium allocation approach (PAA)
The GMM and VFA models measures a group of insurance contracts as the total of:
- Fulfilment cash flows, which comprise estimates of future cash flows, discounted to present value to reflect the time value of money and financial risks, plus a risk adjustment for non-financial risk; and
- A contractual service margin representing the unearned profit the group will recognise as it provides coverage in the future.

When estimating future cash flows, the group includes all cash flows that are within the contract boundary including:
- Premiums and related cash flows
- Claims and benefits, including reported claims not yet paid, incurred claims not yet reported and expected future claims
- Payments to policyholders resulting from embedded surrender value options
- An allocation of insurance acquisition cash flows attributable to the portfolio to which the contract belongs
- Claims handling costs
- Policy administration and maintenance costs, including recurring commissions that are expected to be paid to intermediaries
- An allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts
- Transaction-based taxes.

Discount rate
The estimated future cash flows shall be adjusted to reflect the time value of money and the financial risks related to those cash flows, to the extent that the financial risks are not included in the estimates of cash flows.

Risk adjustment
The risk adjustment for non-financial risk for a group of insurance contracts is the compensation required for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk and is determined separately from the other estimates.

For contracts measured under the GMM or the VFA, the release of risk adjustment related to past and current services will be recognised in the insurance revenue (excluding any amounts allocated to the loss component) while changes in estimates related to future service will adjust the contractual service margin. For contracts measured under the PAA, the change in the risk adjustment will be recognised in the insurance service expense.

Contractual service margin
The contractual service margin (CSM) is a component of the asset or of the liability for the group of insurance contracts that represents the unearned profit the group will recognise as it provides services in the future. An amount of the CSM for a group of insurance contracts is recognised in profit or loss as insurance revenue in each period to reflect the insurance contract services provided under the group of insurance contracts in that period. A loss from onerous insurance contracts is recognised in profit or loss immediately with no CSM recognised on the balance sheet on initial recognition.

Subsequent measurement
The carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date. The liability for incurred claims includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

The fulfillment cash flows are updated by the group for current assumptions at the end of every reporting period, using the current estimates of the amount, timing and uncertainty of future cash flows and of discount rates.

The CSM at the end of the reporting period represents the profit in the group of insurance contracts that has not yet been recognised in profit or loss, because it relates to future service to be provided.

For a group of insurance contracts, the carrying amount of the CSM of the group at the end of the reporting period equals the carrying amount at the beginning of the reporting period adjusted, as follows:
- The effect of any new contracts added to the group
- For contracts measured under the GMM, interest accreted on the carrying amount of the CSM during the reporting period, measured at the discount rates at initial recognition.

- For contracts measured under the VFA, the change in the amount of the entity's share of the change in the fair value of the underlying items
- Changes in the fulfilment cash flow (FCF) relating to future service are recognised by adjusting the CSM. Changes in the FCF are recognised in the CSM to the extent the CSM is available. When an increase in the FCF exceeds the carrying amount of the CSM, the CSM is reduced to zero, the excess is recognised in insurance service expenses and a loss component is recognised within the liability for remaining coverage (LRC). When the CSM is zero, changes in the FCF adjust the loss component within the LRC with correspondence to insurance service expenses. The excess of any decrease in the FCF over the loss component reduces the loss component to zero and reinstates the CSM
- The effect of any currency exchange differences on the CSM
- The amount recognised as insurance revenue because of the transfer of insurance contract services in the period, determined by the allocation of the CSM remaining at the end of the reporting period (before any allocation) over the current and remaining coverage period.

Contracts measured under the PAA
The group uses the PAA to simplify the measurement of groups of contracts in Sweden where the coverage period of each contract in the group is one year or less. On initial recognition of each group of contracts, the carrying amount of the liability for remaining coverage is measured at the premiums received on initial recognition minus any insurance acquisition cash flows allocated to the group at that date and adjusted for any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group. Subsequently, the carrying amount of the liability for remaining coverage is increased by any premiums received and the amortisation of insurance acquisition cash flows recognised as expenses and decreased by the amount recognised as insurance revenue for services provided and any additional insurance acquisition cash flows allocated after initial recognition. Insurance revenue for the period is the amount of expected premium receipts allocated on the basis of the passage of time. Insurance acquisition costs are expensed as incurred. The group recognises the liability for incurred claims of a group of insurance contracts at the amount of the fulfilment cash flows relating to incurred claims. The future cash flows are discounted unless they are expected to be paid in one year or less from the date the claims are incurred.

Additional changes in IFRS not yet applied
The IASB has issued amendments to IAS 1 *Presentation of Financial Statements* to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Definition of Accounting Estimates – Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, effective for annual periods beginning on 1 January 2023. The Board issued amendments to IAS 8, in which it introduces a new definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Disclosure of Accounting Policies – Amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2: *Making Materiality Judgements* effective for annual periods beginning on 1 January 2023. The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 *Income Taxes* effective for annual periods beginning on 1 January 2023. The IASB issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. None of the amendments effective after 2023 have yet been endorsed by the EU.

Significant accounting policies of the parent company

Skandinaviska Enskilda Banken (SEB) AB is a public limited liability company with corporate number 502032-9081 and with registered office in Stockholm, Sweden.

The financial statements of the parent company are prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), the regulation and general guidelines issued by the Swedish Financial Supervisory Authority, Annual Reports in Credit Institutions and Securities Companies (FFFS 2008:25) and statements from the Swedish Financial Reporting Board, RFR 2 and the additional UFR statements.

In accordance with the Financial Supervisory Authority's regulation, the parent company applies statutory IFRS. This means that the International Financial Reporting Standards (IFRS) and interpretations of these standards as adopted by the EU have been applied to the extent that is possible within the framework of Swedish legislation and considering the close tie between financial reporting and taxation. The accounting principles of the parent company differ, in certain aspects, from the accounting principles applied by the group. The essential differences are described below.

Changed accounting policies
The changed group accounting policies and future accounting developments also apply to the parent company. In all other material aspects, the accounting policies, basis for preparation and presentation for the parent company are unchanged in comparison with the annual report for 2021.

Presentation format
The presentation format for the balance sheet and the profit and loss account according to the Annual Accounts Act for Credit Institutions and Securities Companies is not in conformity with IFRS. Credit institutions and securities companies applying IFRS as adopted by the EU in their consolidated financial statements have the option to deviate from the presentation format for the balance sheet as stipulated by law but may not deviate from the stipulated profit and-loss account.

Holdings in subsidiaries and associated companies
Shares and participating interests in subsidiaries and associated companies are measured at cost less any impairment. Dividends on shares in subsidiaries and associated companies are recognised as income in profit or loss. Merger of subsidiaries through absorption are accounted for at consolidated values. The merger effect is reported in equity.

Financial assets and liabilities
The group's accounting policies in regard to financial assets and liabilities also applies to the parent company, with the exception of financial liabilities designated as fair value through profit or loss where the change in fair value relating to change in own credit risk is accounted for in profit or loss.

Leasing
IFRS 16 *Leases* is not applied in the parent company. When the parent company is acting as a lessee, it recognises leasing fees as costs on a straight-line basis over the lease period (that is. like an operating lease). When the parent company acts as a lessor, it reports all leasing agreements as operational leases.

Pensions
The parent company does not apply the provisions of IAS 19 *Employee Benefits* concerning accounting for defined benefit plans. Instead, pension costs are calculated on an actuarial basis in the parent company in accordance with the provisions of the Act on Safeguarding Pension Obligations and the Swedish Financial Supervisory Authority's regulations. This is a requirement by the Swedish tax regulation. In Sweden, actuarial pension commitments are guaranteed by a pension foundation.

The recognised net cost of pensions is calculated as pensions paid and pension premiums less any compensation from the pension foundation. The net pension cost for the year is reported under Staff costs in the parent company's profit and loss account. Excess amounts as a result of the value of the plan assets exceeding the estimated pension obligations are not recognised as an asset in the parent company's balance sheet. Deficits are recognised as a liability.

Goodwill and other intangible assets
In accordance with IAS 38, goodwill is not amortised in the consolidated financial statements. In the parent company financial statements, goodwill is amortised as any other intangible asset on a straight-line basis.

Taxes
In the parent company, untaxed reserves are recognised as a separate item in the balance sheet. Untaxed reserves comprise accelerated depreciation under tax regulations, including the deferred tax component. In the consolidated financial statements, untaxed reserves are reported in retained earnings and deferred tax liability.

Appropriations
The net of group contributions received and paid is reported in the parent company as appropriations.

Critical judgements in applying the accounting policies

Applying the group's accounting policies requires in some cases the use of estimates and assumptions that have a material impact on the amounts reported in the financial statements. The estimates are based on expert judgements and assumptions that management believes are true and fair. The management continuously evaluates these judgements and estimates. The most significant assumptions and estimates are associated with the areas described below:

Consolidation of mutual life insurance companies and funds
Within the life insurance operations of the SEB Group, Gamla Livförsäkrings AB SEB Trygg Liv operates as a mutual life insurance company. The entity is not

consolidated, as the judgement of the group is that it does not have control of the entity. Control is seen to imply the power to govern the financial and operating policies of an entity in order to affect the amount of its returns from the entity. Life insurance entities operated as mutual life insurance companies cannot pay dividends which is why the group deems that it cannot obtain benefits. In Gamla Livförsäkrings AB SEB Trygg Liv there are specific policies specifying the composition of the board, which implies that the SEB Group is not able to govern the financial and operating policies of the entity.

In the assessment whether to consolidate funds, an assessment is made whether the group is considered to be an agent or a principal. The group is considered a principal, and hence controls the fund, when it is the fund manager, cannot be removed without cause, has significant right to returns from the fund by holding units and earning fee income and has the practical ability to influence its return by using its power. Funds managed by the group in which entities within the group owns more than 20 per cent are analysed further for consolidation.

The policyholders in SEB's unit-linked company choose to invest in a variety of funds. The insurance company providing unit-linked products invests in the funds chosen by the customers. By doing so SEB might, in some cases, hold more than 50 per cent of the funds, which it holds on behalf of the customers for whom it acts as investment manager. Due to the legislation regarding fund operations, SEB considers that it does not have the power to govern the financial and operating policies of such investment funds to obtain benefits. This applies irrespective of whether the funds held on behalf of customers are greater or less than 50 per cent of a fund. It is the policyholders who carry the investment risk, not SEB. Consequently, the policyholders are entitled to all of the returns generated by the funds. SEB only charges fees, on market conditions, for managing the funds. SEB has come to the conclusion that these funds which it manages should not be consolidated. However, the shares that the group holds in such funds on behalf of its customers are recognised in the balance sheet.

Fair value measurement of financial instruments

The objective of the fair value measurement is to arrive at the price at which an orderly transaction would take place between market participants at the measurement date under current market conditions. The best evidence of fair value is a quoted price for the instrument being measured in an actively traded market. Where the market for a financial instrument is not active, fair value is calculated using an established valuation technique. These valuation techniques involve a degree of estimation, the extent of which depends on the instrument's complexity and the availability of market-based data. When valuing financial liabilities at fair value own credit standing is reflected. Given the uncertainty and subjective nature of valuing financial instruments at fair value, it is possible that the outcomes in the next financial year could differ from the assumptionsused.

For some of the group's financial assets and liabilities, especially for certain derivatives, quoted prices are not available, and valuation models are used to estimate fair value. As part of the fair value measurement, valuation adjustments are made when valuing derivative financial instruments, to incorporate counterparty and own credit risk. The methodologies for estimating valuation adjustments are continuously revised as a result of changing market practices in response to regulatory and accounting policy changes, as well as general market developments.

The group has an established control environment for the determination of fair values of financial instruments that includes a review, independently from the business, of valuation models and prices. If the validation principles are not adhered to, the Head of Group Finance shall be informed. Exceptions with material and principal importance require approval from the Valuation Committee and the SEB ARC (Accounting Policy and Financial Reporting Committee).

→ For disclosure purposes, fair values are classified in a fair value hierarchy according to the level of observability of the inputs, see note 36.

Impairment of financial assets and goodwill

Financial assets

When calculating expected credit loss (ECL) there are a number of key concepts that require a high level of judgement. Estimating expected credit loss is, by its very nature, uncertain and the accuracy of these estimates depends on many factors, for example macro-economic forecasts and involves complex modelling and judgements.

At the end of each reporting period the group performs an assessment of whether credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instrument, using key risk indicators that are used in the group's existing risk management processes.

Another area requiring significant judgement is the incorporation of forward-looking information and macro-economic scenarios. IFRS 9 requires an unbiased and probability-weighted estimate of credit losses by evaluating a range of possible outcomes that incorporates forecasts of future economic conditions. SEB uses internally developed macro-economic forecasts as the basis for the forward-looking information in the ECL measurement. SEB uses both models and expert credit judgement (ECJ) in order to determine ECLs. The objective of applying ECJ is to incorporate the estimated impact of factors not captured in the modelled ECL. The degree of judgement that is required to estimate expected credit losses depends on the outcome from calculations, materiality and the availability of detailed information. The models, assessment and assumptions are regularly reviewed by the risk organisation of the group and approved by the Group Risk Committee.

→ Note 18 describes Loans and expected credit losses (ECL).

Goodwill

Judgement is involved in determining the cash-generating units. The annual impairment test of goodwill is based on the value in use with forecasted cash flows for five years. The cash flows beyond five years are determined based on sustainable growth.

The estimation of future cash flows and the calculation of the rate used to discount those cash flows involves a number of judgmental areas: the preparation of cash flow forecasts for periods that are beyond the normal requirements of management reporting and the assessment of the discount rate appropriate to the business.

→ Note 23 describes intangible assets in more detail.

Calculation of insurance liabilities

Calculation of the group's insurance liabilities is based on a number of estimates and assumptions, both financial and actuarial, such as interest rates, mortality, health, expenses, inflation and taxes. One of the important financial assumptions is the interest rate used for discounting future cash flows.

Assumption on interest rates is based on regulations from each local Financial Supervisory Authority (FSA). All other assumptions are based on internally acquired experience.

Assets recognised from the costs to obtain or fulfil a contract, deferred acquisition costs

SEB recognises as an asset, costs to obtain contracts that would not have incurred if the contract had not been obtained, mainly sales commissions to obtain insurance and investment contracts.

The amortisation period for the asset is based on assumptions about average lifetime of the contracts including assumptions about surrenders and lapses.

Fair value of investment property

Investment properties in the insurance operations are fair valued with the assistance of external expertise. The valuation method applied means that the related expected cash flows are discounted to present value. The assumptions concerning expected cash flows are based on assumptions on future rents, vacancy levels, operating and maintenance costs, yield requirement and market interest. Assumptions are in line with the assessments that the market can be expected to make under current market conditions. The yield requirement is based on local analysis of comparable property purchases.

Valuation of deferred tax assets

Deferred tax assets that are relying on future profitability can be recognised only to the extent they can be offset against future taxable income and the valuation of deferred tax assets is influenced by management's assessment of SEB's future profitability, future taxable profits and future reversals of existing taxable temporary differences. The expected outcome of uncertain tax positions is determined as the single most likely outcome.

Provisions and Contingent Liabilities

Judgement is applied in determining whether a present obligation exists, and in estimating the probability, timing and amount of any outflow of resources. In cases where the probability of an outflow of resources or a negative outcome is assessed as not probable (less likely than not), no provision is recognised, and a contingent liability is disclosed. Assessments of claims in civil lawsuits, tax and regulatory matters, typically require a higher degree of judgement than other types of cases due to the inherent uncertainty and complexity of the matters.

Actuarial calculations of defined benefit plans

The calculation of the group's expense and obligations for defined benefit plans is based on actuarial, demographic and financial assumptions that have a significant impact on the recognised amounts. One of the important financial assumptions is the interest rate used for discounting future cash flows. The estimation of the discount rate is subject to uncertainty whether corporate bond markets are deep enough, of high quality and also in connection to the extrapolation of yield curves to relevant maturities. The discount rate is based on high quality corporate bonds in a deep market, in Sweden covered bonds. The covered bonds in Sweden are at least AAA-rated and the maturity is in line with the estimated maturity of obligations for post-employment benefits. The discount rate for the defined benefit obligation is revised quarterly and other assumptions are revised each year or when a significant change has occurred.

→ Note 8 b describing staff costs contains a list of the most critical assumptions used when calculating the defined benefit obligation.

2 Operating segments

Group business segments

Income statement, 2022	Large Corporates & Financial Institutions	Corporate & Private Customers	Private Wealth Mgmt & Family Office	Baltic	Life	Investment Management	Group functions	Eliminations	Total
Interest income	*33,382*	*22,181*	*2,646*	*4,516*	*1*	*18*	*102,548*	*–109,141*	***56,150***
Interest expense	*–19,229*	*–7,950*	*–987*	*–197*	*–36*		*–103,455*	*109,147*	***–22,707***
Net interest income	14,152	14,231	1,660	4,319	–36	18	–907	6	**33,443**
Fee and commission income	*10,184*	*6,113*	*1,575*	*2,576*	*3,615*	*7,905*	*313*	*–4,642*	***27,637***
Fee and commission expense	*–2,781*	*–1,299*	*–101*	*–721*	*–1,065*	*–4,678*	*–42*	*4,624*	***–6,064***
Net fee and commission income	7,402	4,814	1,474	1,854	2,549	3,227	271	–18	**21,573**
Net financial income	4,992	549	75	723	810	66	2,130	–32	**9,314**
Net other income[1]	–20	16	2	13	6	3	243	–6	**258**
Total operating income	**26,526**	**19,610**	**3,211**	**6,910**	**3,330**	**3,314**	**1,738**	**–50**	**64,589**
of which internally generated	*–13,660*	*–1,211*	*1,371*	*2,682*	*–38*	*–3,342*	*15,520*	*–1,321*	
Staff costs	–4,512	–2,942	–742	–1,332	–719	–581	–5,153	1	**–15,980**
Other expenses	–5,568	–4,346	–828	–816	–696	–794	6,013	49	**–6,986**
Depreciation, amortisation and impairment of tangible and intangible assets	–29	–67	–3	–198	–21	–11	–1,750		**–2,078**
Total operating expenses	**–10,109**	**–7,355**	**–1,573**	**–2,345**	**–1,436**	**–1,386**	**–890**	**50**	**–25,044**
Profit before credit losses and imposed levies	**16,417**	**12,255**	**1,638**	**4,565**	**1,893**	**1,929**	**848**	**0**	**39,544**
Net expected credit losses	–1,251	–785	–16	17	–1	0	27	1	**–2,007**
Imposed levies: Risk tax and resolution fees	–1,218	–862	–69	–62		–1	–76		**–2,288**
Operating profit before items affecting comparability	**13,948**	**10,608**	**1,553**	**4,520**	**1,892**	**1,928**	**799**	**1**	**35,249**
Items affecting comparability							–1,399		**–1,399**
OPERATING PROFIT	**13,948**	**10,608**	**1,553**	**4,520**	**1,892**	**1,928**	**–600**	**1**	**33,850**
Business equity, SEK bn	74.1	44.9	3.5	13.4	5.2	2.5			
Return on business equity, %	14.5	18.2	33.9	28.6	33.7	61.2			
Risk exposure amount, SEK bn	451	224	18	99		67			**859**
Lending to the public[2], SEK bn	829	871	72	183					**1,955**
Deposits from the public[2], SEK bn	763	472	136	243		1			**1,616**

Income statement, 2021	Large Corporates & Financial Institutions	Corporate & Private Customers	Private Wealth Mgmt & Family Office	Baltic	Life	Investment Management	Group functions	Eliminations	Total
Interest income	*10,014*	*14,362*	*1,200*	*3,144*	*1*	*–4*	*5,677*	*–3,012*	***31,383***
Interest expense	*564*	*–3,247*	*–320*	*–101*	*–28*	*–15*	*–5,104*	*2,963*	***–5,286***
Net interest income	10,578	11,115	881	3,043	–27	–19	574	–48	**26,097**
Fee and commission income	*9,789*	*5,295*	*1,518*	*2,321*	*3,954*	*8,452*	*306*	*–5,507*	***26,129***
Fee and commission expense	*–2,600*	*–1,112*	*–117*	*–626*	*–1,166*	*–4,832*	*–2*	*5,470*	***–4,987***
Net fee and commission income	7,189	4,183	1,401	1,695	2,788	3,620	304	–37	**21,142**
Net financial income	4,743	465	64	345	1,044	28	1,569	–23	**8,235**
Net other income[1]	22	15	9	12	48	5	58	–5	**164**
Total operating income	**22,532**	**15,778**	**2,354**	**5,096**	**3,853**	**3,633**	**2,505**	**–114**	**55,638**
of which internally generated	*–11,950*	*–434*	*900*	*528*	*694*	*–3,859*	*13,690*	*431*	
Staff costs	–4,115	–2,944	–668	–882	–690	–544	–5,529	1	**–15,372**
Other expenses	–5,106	–3,733	–714	–1,105	–667	–729	6,178	113	**–5,763**
Depreciation, amortisation and impairment of tangible and intangible assets	–64	–270	–4	–30	–20	–11	–1,712		**–2,110**
Total operating expenses	**–9,286**	**–6,947**	**–1,386**	**–2,017**	**–1,377**	**–1,283**	**–1,063**	**114**	**–23,245**
Profit before credit losses and imposed levies	**13,247**	**8,830**	**968**	**3,079**	**2,476**	**2,350**	**1,442**	**0**	**32,393**
Net expected credit losses	–660	–66	–4	216	0	0	7	–3	**–510**
Imposed levies: Risk tax and resolution fees	–594	–321	–21	–62		–1	–20		**–1,019**
Operating profit before items affecting comparability	**11,993**	**8,444**	**944**	**3,233**	**2,476**	**2,349**	**1,429**	**–3**	**30,864**
Items affecting comparability									
OPERATING PROFIT	**11,993**	**8,444**	**944**	**3,233**	**2,476**	**2,349**	**1,429**	**–3**	**30,864**
Business equity, SEK bn	64.6	44.0	3.1	12.3	5.3	2.4			
Return on business equity, %	14.3	14.8	23.1	22.3	43.7	76.1			
Risk exposure amount, SEK bn	396	220	24	86		61			**787**
Lending to the public[2], SEK bn	673	865	67	157					**1,763**
Deposits from the public[2], SEK bn	732	481	124	200					**1,538**

1) Profit and loss from associated companies accounted for under the equity method are recognised in Net other income at an amount of SEK –24m (33). The aggregated investments are SEK 790m (669).
2) Excluding repos.

Comparative figures for 2021 have been restated. See note 50 on restated comparative figures for further information.

Note 2 continued Operating segments

Balance sheet

2022	Large Corporates & Financial Institutions	Corporate & Private Customers	Private Wealth Mgmt & Family Office	Baltic	Life	Investment Management	Group functions	Eliminations	Total
Assets	1,856,414	925,525	141,655	284,578	415,027	8,389	5,969,649	–6,068,426	**3,532,810**
Liabilities	1,760,170	864,180	136,006	265,473	407,851	5,609	5,957,429	–6,068,431	**3,328,287**
Investments	49	27	8	87	191		703		**1,066**
2021									
Assets	1,828,562	914,339	126,540	229,349	480,475	6,880	2,723,022	–3,004,935	**3,304,230**
Liabilities	1,747,543	857,684	122,244	212,690	473,063	4,168	–2,698,549	–3,004,939	**3,111,002**
Investments	20	44		93	142	3	710		**1,013**

Comparative figures for 2021 have been restated. See note 50 on restated comparative figures for further information.

Parent company business segments

2022	Large Corporates & Financial Institutions	Corporate & Private Customers	Private Wealth Mgmt & Family Office	Baltic	Life	Investment Management	Group functions	Eliminations	Total
Gross income	47,413	25,728	4,298	15	2	3,171	107,090	–97,776	**89,940**
Assets	1,771,194	861,391	138,297	623	55	2,154	6,101,647	–6,002,675	**2,872,686**
Investments	43	27	8				680		**758**
2021									
Gross income	26,924	16,990	3,402	35	2	4	8,065	1,345	**56,767**
Assets	1,753,705	826,746	146,266	28	100	11	2,820,420	–2,959,442	**2,587,834**
Investments	10	44					687		**742**

Comparative figures for 2021 have been restated. See note 50 on restated comparative figures for further information.

Business segment
The business segments are presented on a management reporting basis. The divisions operate either from a customer service perspective or hold specific product responsibility. Large Corporates & Financial Institutions offers commercial and investment banking services to large corporate and institutional clients. Corporate & Private Customers offers banking and advisory services to private customers and small and medium-sized corporates. Private Wealth Management & Family Office offers banking infrastructure, access to capital markets, financing solutions and individually advisory services to entrepreneurs, high net worth individuals, foundations and family offices. Division Baltic offers products mainly to retail customers (private customers and small and medium-sized corporates) and private banking services in the Baltic countries. Division Life offers life, sickness, healthcare and pension insurance. Investment Management performs asset management. Group functions consists of business support units, treasury and staff units and German run-off operations. Eliminations of internal transactions between the business segments are reported separately.

Gross income by product for external customers

	Group		Parent company	
	2022	2021	**2022**	2021
Core banking	54,214	37,431	43,485	28,656
Capital market	18,219	12,695	18,771	12,092
Asset management	10,321	10,176	3,277	2,352
Life insurance and pension	3,297	3,231		
Other	7,310	2,378	24,406	13,667
TOTAL	**93,360**	**65,911**	**89,940**	**56,767**

Comparative figures for 2021 have been restated. See note 50 on restated comparative figures for further information.

Core banking consists of loan, leasing, card and payment related products. Capital market consists of trading and issues on financial markets. Asset management consists of advisory, custody and fund management. Life insurance and pension consists of unit-linked and traditional life insurance products. Other consists of income from treasury operations and other activities.

3 Geographical information

Group by country

	2022					2021				
	Gross Income[1)]	Operating profit[2)]	Income tax expense[3)]	Assets	Investments	Gross Income[1)]	Operating profit[2)]	Income tax expense[3)]	Assets	Investments
Sweden	90,636	20,166	–3,845	3,137,030	793	45,166	19,289	–3,108	2,904,959	721
Norway	8,252	2,574	–615	287,039	6	3,783	1,699	–416	184,938	2
Denmark	4,682	1,772	–387	207,796	4	1,506	1,405	–300	168,234	1
Finland	3,080	1,476	–304	180,274	3	1,624	1,311	–254	209,980	8
Estonia	2,584	1,514	–210	88,174	56	2,128	1,250	–160	78,417	71
Latvia	1,765	893	–13	60,639	32	1,439	738	–19	46,717	29
Lithuania	3,802	2,287	–457	149,487	34	2,671	1,554	–310	114,945	101
Germany	3,033	1,795	–504	75,446	2	2,276	1,546	–392	82,738	0
United Kingdom	2,898	689	–159	94,241	2	2,089	939	–246	131,297	0
Luxembourg	1,458	466	–97	85,250	2	1,192	234	–49	53,677	0
United States[4)]	8,807	428	–35	219,691		962	262	–27	154,268	0
Singapore	899	246	–44	23,199	5	623	138	–25	23,522	1
Poland	297	139	–9	8,569	36	121	46	–7	8,521	0
Ireland	454	99	–21	108,038	77	594	243	–37	126,269	64
Ukraine	129	39	–11	1,552	1	57	10	–3	998	1
China	357	27	–15	12,418	7	432	101	–47	19,090	3
Hong Kong	177	27	4	3,537		118	6	–14	3,519	
Russia	1,188	–806	–140	5,931	5	374	93	–27	6,663	10
Group eliminations	–41,136	18	0	–1,215,499	0	–1,241	1	0	–1,014,523	0
TOTAL	**93,360**	**33,850**	**–6,861**	**3,532,810**	**1,066**	**65,911**	**30,864**	**–5,441**	**3,304,230**	**1,013**

1) Gross income in the group is defined as the sum of Interest income, Fee and commission income, Net financial income and Net other income according to IFRS. The basis for the income allocation is SEB's presence in each country, with the exception of when the local companies / branches serve as sales offices and receive commission payments and the transaction is booked in the central unit.
2) Before tax.
3) For more information about tax see note 15 and Sustainability notes p. 226–227.
4) Including Cayman Islands, where the parent company is represented by a branch office which is a United States tax resident entity, why tax expense related to Cayman income is reported in US.

Comparative figures for 2021 have been restated. See note 50 on restated comparative figures for further information.

Parent company by country

	2022			2021		
	Gross Income[1)]	Assets	Investments	Gross Income[1)]	Assets	Investments
Sweden	66,096	2,355,284	680	44,896	2,161,786	642
Norway	5,299	103,272	6	3,163	74,119	2
Denmark	3,005	104,493	4	1,874	96,238	1
Finland	2,259	112,624	3	970	88,790	7
Other countries	13,280	197,013	65	5,864	166,901	90
TOTAL	**89,940**	**2,872,686**	**758**	**56,767**	**2,587,834**	**742**

1) Gross income in the parent company is defined as the sum of Interest income, Leasing income, Dividends, Fee and commission income, Net Financial income and Other income. The basis for the income allocation is SEB's presence in each country, with the exception of when the local companies / branches serve as sales offices and receive commission payments and the transaction is booked in the central unit.

Comparative figures for 2021 have been restated. See note 50 on restated comparative figures for further information.

Transfer pricing
The internal transfer pricing objective in the SEB Group is to measure net interest income, to transfer interest rate risk and liquidity and to manage liquidity. The internal price is based on SEB's actual or implied market-based cost of funds for a specific interest and liquidity term. Transactions between Business segments are conducted at arm's length.

4 Net interest income

2022	Group			Parent company		
	Average balance	Interest	Interest rate	Average balance	Interest	Interest rate
Loans to credit institutions and central banks	818,753	9,376	1.15%	785,412	8,604	1.10%
Loans to the public	1,884,347	40,785	2.16%	1,688,256	35,028	2.07%
Debt securities	8,833	63	0.71%	10,143	108	1.07%
Total interest earning assets AmC	**2,711,932**	**50,224**	**1.85%**	**2,483,812**	**43,741**	**1.76%**
Debt securities	327,469	4,069	1.24%	287,665	3,936	1.37%
Loans	121,044	1,458	1.20%	122,180	1,469	1.20%
Total interest earning assets at FVTPL	**448,513**	**5,527**	**1.23%**	**409,845**	**5,405**	**1.32%**
Total interest earning assets	**3,160,445**	**55,751**	**1.76%**	**2,893,656**	**49,146**	**1.70%**
Derivatives and other assets	790,421	399		408,717	–264	
TOTAL ASSETS	**3,950,866**	**56,150**		**3,302,373**	**48,882**	
Deposits from credit institutions	168,810	–2,114	–1.25%	207,942	–2,366	–1.14%
Deposits and borrowing from the public	1,908,518	–12,779	–0.67%	1,700,078	–12,338	–0.73%
Debt securities issued	814,478	–11,019	–1.35%	814,478	–11,019	–1.35%
Subordinated liabilities	28,662	–952	–3.32%	27,760	–952	–3.43%
Total interest bearing liabilities AmC	**2,920,468**	**–26,864**	**–0.92%**	**2,750,258**	**–26,675**	**–0.97%**
Deposits	26,640	–488	–1.83%	26,378	–479	–1.82%
Debt securities short position	32,472	–776	–2.39%	32,472	–776	–2.39%
Debt securities issued	8,042	–452	–5.62%	7,969	–452	–5.68%
Total interest bearing liabilities at FVTPL	**67,154**	**–1,716**	**–2.56%**	**66,819**	**–1,708**	**–2.56%**
Total interest bearing liabilities	**2,987,622**	**–28,580**	**–0.96%**	**2,817,076**	**–28,382**	**–1.01%**
Derivatives and other liabilities	767,627	5,873		349,123	4,389	
Equity	195,617			136,174		
TOTAL LIABILITIES AND EQUITY	**3,950,866**	**–22,707**		**3,302,373**	**–23,994**	
NET INTEREST INCOME		**33,443**			**24,889**	
NET YIELD ON INTEREST EARNING ASSETS			**1.06%**			**0.86%**

2021	Group			Parent company		
	Average balance	Interest	Interest rate	Average balance	Interest	Interest rate
Loans to credit institutions and central banks	577,207	–489	–0.08%	560,946	–577	–0.10%
Loans to the public	1,690,939	28,178	1.67%	1,510,663	23,333	1.54%
Debt securities	10,178	63	0.62%	12,178	96	0.79%
Total interest earning assets AmC	**2,278,324**	**27,752**	**1.22%**	**2,083,788**	**22,852**	**1.10%**
Debt securities	378,782	932	0.25%	336,137	876	0.26%
Loans	124,081	–286	–0.23%	124,145	–286	–0.23%
Total interest earning assets at FVTPL	**502,863**	**645**	**0.13%**	**460,282**	**590**	**0.13%**
Total interest earning assets	**2,781,187**	**28,397**	**1.02%**	**2,544,069**	**23,442**	**0.92%**
Derivatives and other assets	683,987	2,986		308,348	2,454	
TOTAL ASSETS	**3,465,174**	**31,383**		**2,852,417**	**25,896**	
Deposits from credit institutions	156,670	–145	–0.09%	193,821	–60	–0.03%
Deposits and borrowing from the public	1,611,704	–229	–0.01%	1,432,190	53	0.00%
Debt securities issued	775,160	–4,368	–0.56%	775,157	–4,368	–0.56%
Subordinated liabilities	27,667	–932	–3.37%	26,904	–932	–3.46%
Total interest bearing liabilities AmC	**2,571,201**	**–5,675**	**–0.22%**	**2,428,072**	**–5,308**	**–0.22%**
Deposits	35,724	166	0.46%	33,058	268	0.81%
Debt securities short position	31,220	–18	–0.06%	31,220	–18	–0.06%
Debt securities issued	12,033	–597	–4.96%	11,956	–597	–4.99%
Total interest bearing liabilities at FVTPL	**78,977**	**–449**	**–0.57%**	**76,234**	**–346**	**–0.45%**
Total interest bearing liabilities	**2,650,178**	**–6,124**	**–0.23%**	**2,504,307**	**–5,654**	**–0.23%**
Derivatives and other liabilities	631,517	840		212,827	495	
Equity	183,479			135,283		
TOTAL LIABILITIES AND EQUITY	**3,465,174**	**–5,286**		**2,852,417**	**–5,159**	
NET INTEREST INCOME		**26,097**			**20,737**	
NET YIELD ON INTEREST EARNING ASSETS			**0.94%**			**0.82%**

Comparative figures for 2021 have been restated. See note 50 on restated comparative figures for further information.

Net interest income

	Parent company	
	2022	2021
Interest income	48,882	25,896
Income from leases[1]	5,309	5,268
Interest expense	–21,763	–4,207
Risk tax	–1,186	
Resolution fees	–1,045	–952
Depreciation of leased equipment[1]	–4,783	–4,783
TOTAL	**25,414**	**21,221**

1) In the group Net income from leases is classified as interest income. In the parent company depreciation of leased equipment is reported as Depreciation, amortisation and impairment of tangible and intangible assets.

Comparative figures for 2021 have been restated. See note 50 on restated comparative figures for further information.

5 Net fee and commission income

	Group 2022	Group 2021	Parent company 2022	Parent company 2021
Issue of securities	753	1,398	1,079	1,752
Secondary market	1,720	1,663	1,664	1,194
Custody and mutual funds	10,117	10,004	5,054	4,323
Securities commissions	12,590	13,064	7,797	7,268
Payments	2,538	2,215	2,190	1,804
Card fees	4,233	3,170	748	546
Payment commissions	6,771	5,384	2,938	2,350
Life insurance commissions	1,440	1,672		
Advisory	705	556	746	596
Lending	3,546	3,200	3,435	3,079
Deposits	321	300	2	18
Guarantees	708	633	650	600
Derivatives	422	352	227	427
Other	1,134	968	1,131	1,214
Other commissions	6,836	6,009	6,190	5,935
Fee and commission income	**27,637**	**26,129**	**16,925**	**15,553**
Securities commissions	–2,675	–1,985	–2,486	–1,648
Payment commissions	–2,206	–1,872	–971	–859
Life insurance commissions	–431	–465		
Other commissions	–753	–664	–585	–703
Fee and commission expense	**–6,064**	**–4,987**	**–4,042**	**–3,210**
Securities commissions, net	9,916	11,079	5,311	5,621
Payment commissions, net	4,565	3,512	1,967	1,491
Life insurance commissions, net	1,009	1,207		
Other commissions, net	6,083	5,344	5,605	5,232
TOTAL	**21,573**	**21,142**	**12,883**	**12,343**

Fee and commission income by segment

Group, 2022	Large Corporates & Financial Institutions	Corporate & Private Customers	Private Wealth Mgmt & Family Office	Baltic	Life	Investment Management	Group functions[1]	Eliminations	Total
Issue of securities and advisory	1,412	9	37	32	0	0	0		**1,458**
Secondary market and derivatives	1,800	22	283	32	0	13	–9	0	**2,142**
Custody and mutual funds	1,634	1,032	987	207	204	7,825	0	–1,772	**10,117**
Payments, cards, lending, deposits, guarantees and other	5,338	5,050	268	2,336	255	67	321	–1,155	**12,480**
Life insurance commissions					3,155			–1,715	**1,440**
TOTAL	**10,184**	**6,113**	**1,575**	**2,576**	**3,615**	**7,905**	**313**	**–4,642**	**27,637**
Group, 2021									
Issue of securities and advisory	1,907	8	39	0	0	0	0		**1,954**
Secondary market and derivatives	1,640	135	238	43	0	–16	–9	–17	**2,014**
Custody and mutual funds	1,437	1,121	987	216	238	8,402	1	–2,400	**10,004**
Payments, cards, lending, deposits, guarantees and other	4,805	4,031	254	2,062	210	66	314	–1,257	**10,485**
Life insurance commissions					3,505			–1,833	**1,672**
TOTAL	**9,789**	**5,295**	**1,518**	**2,321**	**3,954**	**8,452**	**306**	**–5,507**	**26,129**

1) Group functions consists of business support units, treasury and staff units and German run-off operations.

Comparative figures for 2021 have been restated. See note 50 on restated comparative figures for further information.

Fee and commission income is disaggregated in major types of service tied to primary geographical markets and operating segments.

Revenue from Issue of securities, Advisory, Secondary market, Derivatives, Payments, cards, lending and deposits are mainly recognised at a point in time. Revenue from Custody, Mutual funds and Life insurance commissions are mainly recognised over time.

6 Net financial income

	Group		Parent company	
	2022	2021	**2022**	2021
Equity instruments and related derivatives	582	2,387	–1,111	1,762
Debt instruments and related derivatives	1,418	558	–5,585	–2,270
Currency and related derivatives	5,099	3,488	5,613	3,608
Other life insurance income, net	1,981	1,622		
Other	235	180	6,978	3,025
TOTAL	**9,314**	**8,235**	**5,895**	**6,125**

Comparative figures for 2021 have been restated. See note 50 on restated comparative figures for further information.

Gains (losses) on financial assets and liabilities held for trading are presented on different rows based on the type of underlying financial instrument. Changes in the treasury result are due to changes in interest rates and credit spreads. The net effect from trading operations is fairly stable over time but shows volatility between rows.

	Group		Parent company	
	2022	2021	**2022**	2021
Derivatives – counterparty risk	–322	284	–325	281
Derivatives – own credit standing	779	16	770	16
Issued securities – own credit adjustment			–75	–30
TOTAL	**457**	**300**	**370**	**266**

Group, 2022	FVHFT	FVMPL	FVDPL	Other	Total
Equity instruments and related derivatives	587	–6			**582**
Debt instruments and related derivatives	4,286	–3,518	650		**1,418**
Currency and related derivatives	5,468			–370	**5,099**
Other life insurance income, net	–53		164	1,870	**1,981**
Other	1,722			–1,487	**235**
TOTAL	**12,012**	**–3,524**	**814**	**12**	**9,314**
Group, 2021					
Equity instruments and related derivatives	1,135	1,252			**2,387**
Debt instruments and related derivatives	2,389	–755	–1,077		**558**
Currency and related derivatives	3,725			–238	**3,488**
Other life insurance income, net	2		68	1,552	**1,622**
Other	180				**180**
TOTAL	**7,432**	**498**	**–1,009**	**1,315**	**8,235**

Comparative figures for 2021 have been restated. See note 50 on restated comparative figures for further information.

Parent company, 2022	FVHFT	FVMPL	FVDPL	Other	Total
Equity instruments and related derivatives	578	–1,689			**–1,111**
Debt instruments and related derivatives	–3,502	–2,797	714		**–5,585**
Currency and related derivatives	5,613				**5,613**
Other	8,595	–130		–1,487	**6,978**
TOTAL	**11,284**	**–4,616**	**714**	**–1,487**	**5,895**
Parent company, 2021					
Equity instruments and related derivatives	1,080	681			**1,762**
Debt instruments and related derivatives	–320	–776	–1,175		**–2,270**
Currency and related derivatives	3,608				**3,608**
Other	2,926	99			**3,025**
TOTAL	**7,295**	**4**	**–1,175**		**6,125**

Comparative figures for 2021 have been restated. See note 50 on restated comparative figures for further information.

7 Net other income

	Group		Parent company	
	2022	2021	2022	2021
Dividends[1]	0	1		
Profit and loss from investments in associates and joint ventures	–24	33	–146	45
Gains less losses from financial assets and liabilities amortised cost	31	12	19	–10
Gains less losses non-financial assets	4	6	19	15
Gains less losses from divestment of shares	33		1,565	289
Other operating income	215	112	1,024	991
TOTAL	**258**	**164**	**2,481**	**1,330**

1) Reported separately in the Income Statement for parent company.

Comparative figures for 2021 have been restated. See note 50 on restated comparative figures for further information.

Dividends

	Group 2022	Group 2021	Parent company 2022	Parent company 2021
Equity instruments	0	1	128	193
Dividends from subsidiaries			10,319	2,403
TOTAL	**0**	**1**	**10,447**	**2,596**

Other operating income

	Group 2022	Group 2021	Parent company 2022	Parent company 2021
Fair value adjustment in hedge accounting	–2	–24	–2	–24
Operating result from non-life insurance, run off	83	3		
Other income	134	134	1,026	1,015
TOTAL	**215**	**112**	**1,024**	**991**

Fair value adjustment in hedge accounting

	Group 2022	Group 2021	Parent company 2022	Parent company 2021
Fair value changes of the hedged items attributable to the hedged risk	27,741	6,841	27,741	6,841
Fair value changes of the hedging derivatives	–27,682	–6,863	–27,682	–6,863
Fair value hedges	**59**	**–22**	**59**	**–22**
Fair value changes of the hedging derivatives	3	–1	3	–1
Cash-flow hedges – ineffectiveness	**3**	**–1**	**3**	**–1**
Fair value changes of the hedged items	–6,754	–1,198	–6,754	–1,198
Fair value changes of the hedging derivatives	6,690	1,197	6,690	1,197
Fair value portfolio hedge of interest rate risk – ineffectiveness	**–64**	**–1**	**–64**	**–1**
TOTAL	**–2**	**–24**	**–2**	**–24**

8 Staff costs

	Group 2022	Group 2021	Parent company 2022	Parent company 2021
Base salary	−10,049	−9,124	−7,809	−7,013
Cash-based variable remuneration	−730	−736	−705	−577
Long-term equity-based remuneration	−681	−687	−536	−540
Salaries and other compensations	**−11,461**	**−10,546**	**−9,050**	**−8,131**
Social charges	−2,763	−2,848	−2,243	−2,286
Defined benefit retirement plans [1]	−81	−523		
Defined contribution retirement plans [1]	−1,055	−966	−460	−27
Benefits and redundancies [2]	−104	−88	−71	−77
Education and other staff related costs	−516	−401	−385	−309
TOTAL	**−15,980**	**−15,372**	**−12,209**	**−10,830**

1) Pension costs in the group are accounted for according to IAS 19 Employee benefits. Pension costs in the parent company are calculated in accordance with the Act on Safeguarding Pensions Obligations and the Swedish Financial Supervisory Authority's regulations. Non-recurring costs of SEK 141m (108) for early retirement have been charged to the pension funds of the bank.
2) Includes costs for redundancies of SEK 42m (26) for the group and SEK 20m (25) for the parent company.

8a Remuneration

Salaries and other compensations

SEB Group	Base salary 2022	Base salary 2021	Cash-based variable remuneration 2022	Cash-based variable remuneration 2021	Long-term equity-based remuneration 2022	Long-term equity-based remuneration 2021	Total 2022	Total 2021
Executives[1]	−88	−91			−26	−22	−113	−113
Others	−9,962	−9,033	−730	−736	−656	−665	−11,348	−10,433
TOTAL	**−10,049**	**−9,124**	**−730**	**−736**	**−681**	**−687**	**−11,461**	**−10,546**

Salaries and other compensations

Parent company	Base salary 2022	Base salary 2021	Cash-based variable remuneration 2022	Cash-based variable remuneration 2021	Long-term equity-based remuneration 2022	Long-term equity-based remuneration 2021	Total 2022	Total 2021
Executives[1]	−88	−91			−26	−22	−113	−113
Others	−7,721	−6,922	−705	−577	−510	−518	−8,937	−8,018
TOTAL	**−7,809**	**−7,013**	**−705**	**−577**	**−536**	**−540**	**−9,050**	**−8,131**

1) Comprises President and ordinary members of GEC.

Loans to Executives

	Group 2022	Group 2021	Parent company 2022	Parent company 2021
Managing Directors and Deputy Managing Directors [1]	114	160	56	72
Boards of Directors [2]	323	316	73	78
TOTAL	**437**	**476**	**129**	**150**

1) Comprises current President and Deputy President in the parent company and Managing Directors and Deputy Managing Directors in subsidiaries. Total number of executives was 31 (34) of which 9 (7) female.
2) Comprises current Board members and their substitutes in the parent company and subsidiaries. Total number of persons was 101 (104) of which 32 (37) female.

Pension commitments to Executives

	Group 2022	Group 2021	Parent company 2022	Parent company 2021
Pension disbursements made	140	104	118	84
Change in commitments	45	31	22	14
Commitments at year-end	1,054	1,273	606	748

The above commitments are covered by the Bank's pensions funds or through Bank-owned endowment assurance schemes. They include active and retired Presidents and vice Presidents in the parent company and Managing directors and Deputy Managing directors in subsidiaries, in total 91 persons (90).

8b Pensions

Retirement benefit obligations
The group has established pension schemes in the countries where business is performed. There are both defined benefit plans and defined contribution plans. The defined benefit plans entitles the employee to a portion of the final salary before retirement and are funded. The defined benefit plan in Sweden is closed to new employees and a defined contribution plan was established during 2013. In Germany a major part was transferred from SEB in 2018. The defined contribution plans follow the local regulations in each country. Multiemployer defined benefit plans exist for employees in some parts of the group. These plans are accounted for as defined contribution plans since sufficient information of SEB's share of the liability/asset and cost is not available.

Defined benefit plans
The major defined benefit plans exist in Sweden and Germany. Independent actuarial calculations according to the Projected Unit Credit Method (PUCM) are performed quarterly to decide the value of the defined benefit obligation. The benefits covered include retirement benefits, disability, death and survivor pensions according to the respective countries' collective agreements. The plan assets are kept separate in specific pension foundations. In case of a deficit in the pension obligation according to local rules SEB is obliged to meet this with contribution to the foundation or insure a deficit. The asset allocation is determined to meet the various risks in the pension obligations and is decided by the board/trustees in the pension foundations. The assets are booked at market value. The pension and interest costs are presented in Staff costs.

Defined contribution plans
Defined contribution plans exist both in Sweden and abroad. In Sweden a smaller part of the closed collective retirement agreement is defined contribution based. Over a certain salary level the employees could also choose to leave the defined benefit plan and replace it by a defined contribution plan. The current plan for new employees is fully contribution based. Most other countries have defined contribution plans except for the Baltic countries where the company to a limited extent contributes to the employees' retirement. The defined contribution plans are not recognised in the balance sheet but accounted for as an expense among Staff costs.

DEFINED BENEFIT PLANS IN SEB GROUP

	2022			2021		
Net amount recognised in the Balance sheet	Sweden[1]	Foreign[1]	Group[1]	Sweden[1]	Foreign[1]	Group[1]
Defined benefit obligation at the beginning of the year	27,526	944	**28,470**	31,228	928	**32,156**
Curtailment, acquisitions and reclassification		−145	**−145**			
Service costs	449	6	**455**	574	6	**580**
Interest costs	438	4	**441**	280	5	**285**
Benefits paid	−833	−4	**−838**	−801		**−801**
Settlement		−266	**−266**			
Change in exchange rates		5	**5**		−6	**−6**
Remeasurements of pension obligation	−5,603	−60	**−5,663**	−3,755	10	**−3,745**
Defined benefit obligation at the end of the year	**21,976**	**483**	**22,459**	**27,526**	**944**	**28,470**
Fair value of plan assets at the beginning of the year	51,331	499	**51,830**	38,515	514	**39,029**
Curtailment, acquisitions and reclassification						
Calculated interest on plan assets	815		**815**	343	0	**343**
Benefits paid/contributions	−1,181	−4	**−1,185**	−1,488	−15	**−1,503**
Change in exchange rates		−5	**−5**		−4	**−4**
Valuation gains (losses) on plan assets	−4,872	1	**−4,871**	13,960	4	**13,964**
Fair value of plan assets at the end of the year	**46,092**	**491**	**46,583**	**51,331**	**499**	**51,830**

Change in the net assets or net liabilities

Defined benefit obligation at the beginning of the year	23,804	−445	**23,359**	7,287	−414	**6,873**
Curtailment, acquisitions and reclassification		145	**145**			
Total expense in staff costs	−72	−10	**−81**	−511	−12	**−523**
Pension paid	833	4	**838**	801		**801**
Benefits paid/contributions	−1,181	−4	**−1,185**	−1,488	−15	**−1,503**
Settlement		266	**266**			
Change in exchange rates		−9	**−9**		2	**2**
Remeasurements	731	61	**792**	17,716	−7	**17,709**
NET AMOUNT RECOGNISED IN THE BALANCE SHEET	**24,115**	**8**	**24,123**	**23,804**	**−445**	**23,359**

1) The net defined benefit obligation is recognised in the balance sheet either as an asset or liability depending on the situation for each legal entity.

In 2022 a contribution of SEK 0m (5) was paid to the German pension foundation. Contribution to the foundations cannot be ruled out in 2023 due to uncertainty in interest rate levels.

Note 8 b continued Pensions

Principal actuarial assumptions used

	2022		2021	
	Sweden	Foreign	Sweden	Foreign
Discount rate	3.8%	3.9%	1.6%	1.3%
Inflation rate	2.0%	2.0%	1.5%	1.8%
Expected rate of salary increase	3.0%	2.0%	3.0%	2.0%
Expected rate of increase in the income basis amount	2.8%		2.8%	

The discount rate is based set on high-quality corporate bonds in a deep market, in Sweden covered bonds which are at least AAA-rated. An extrapolation of the maturity of the covered bonds is made based on swaps. This extrapolated maturity is in line with the estimated maturity of obligations for post-employment benefits. Life expectancy assumptions in Sweden are established by the Actuarial Research Board (FTN) and are based on DUS21 for white-collar workers. In Germany the Heubeck Sterbetafeln is used. Weighted average duration for the obligation is 16 years in Sweden and 15 years in Germany.

A decrease of the discount rate for Sweden of 0.5 per cent would imply an increase of the Swedish pension obligation by SEK 1,829m while the same change in the inflation assumption for Sweden would have the opposite effect and decrease the obligation by SEK 1,457m. An increase of the discount rate by same ratio would reduce the obligation with SEK 1,623m and an increased inflation rate of 0.5 per cent gives an increased obligation of SEK 1,617m. A decrease in assumption for expected salary increase in Sweden of 0.5 per cent would have a positive effect on the obligation by SEK 731m an increase would have a negative effect of SEK 735m.

The obligation in Germany would increase with SEK 23m if the discount rate was reduced by 0.5 per cent. An increase by the same percentage would decrease the obligation by SEK 21m. If the inflation assumption for Germany increases by 0.25 per cent the pension obligation would increase by SEK 3m, and corresponding decrease would be SEK 3m at a lower inflation assumption. A change in expected salary increases in Germany by 0.25 per cent would with a higher rate give an increase of the obligation with SEK 13m and with a lower rate reduce the obligation with SEK 14m.

Allocation of plan assets

	2022			2021		
	Sweden	Foreign	Group	Sweden	Foreign	Group
Cash and cash equivalents	838	491	**1,329**	1,266	499	**1,764**
Equity instruments with a quoted market price in an active market	27,093		**27,093**	35,615		**35,615**
Equity instruments not listed in an active market	9,555		**9,555**	8,554		**8,554**
Debt instruments not listed in an active market	5,051		**5,051**	2,859		**2,859**
Properties	3,554		**3,554**	3,037		**3,037**
TOTAL	**46,092**	**491**	**46,583**	**51,331**	**499**	**51,830**

The pension plan assets include SEB shares with a fair value of SEK 1,154m (1,903). Buildings in Sweden are occupied by SEB.

Amounts recognised in Income statement

	2022			2021		
	Sweden	Foreign	Group	Sweden	Foreign	Group
Service costs	–449	–6	**–455**	–574	–6	**–581**
Interest costs	–438	–4	**–441**	–280	–5	**–286**
Calculated interest on plan assets	815		**815**	343	0	**343**
INCLUDED IN STAFF COSTS	**–72**	**–10**	**–81**	**–511**	**–12**	**–523**

Amounts recognised in Other comprehensive income

	Sweden 2022	Foreign 2022	Group 2022	Sweden 2021	Foreign 2021	Group 2021
Remeasurements of pension obligation	5,603	60	**5,663**	3,755	–10	**3,745**
where of experience adjustments	*–2,196*	*12*	***–2,196***	*146*	*–8*	***138***
where of due to changes in financial assumptions	*7,647*	*48*	***7,707***	*3,609*	*–2*	***3,607***
where of due to changes in demographic assumptions	*153*		***153***			
Valuation gains (losses) on plan assets	–4,872	1	**–4,871**	13,960	4	**13,964**
Deferred tax pensions	–151		**–151**	–3,648	0	**–3,648**
INCLUDED IN OTHER COMPREHENSIVE INCOME	**580**	**61**	**641**	**14,068**	**–7**	**14,061**

DEFINED CONTRIBUTION PLANS IN SEB GROUP

	2022			2021		
Net amount recognised in Income statement	Sweden	Foreign	Group	Sweden	Foreign	Group
Expense in Staff costs including special salary tax	–789	–266	**–1,055**	–729	–237	**–966**

Note 8 b continued Pensions

DEFINED BENEFIT PLANS IN THE PARENT COMPANY

Net amount recognised in the Balance sheet	Parent company 2022	Parent company 2021
Defined benefit obligation at the beginning of the year	26,437	28,094
Imputed pensions premium	193	199
Interest costs and other changes	–1,856	–1,191
Early retirement	141	108
Pension disbursements	–802	–772
DEFINED BENEFIT OBLIGATION AT THE END OF THE YEAR	**24,113**	**26,437**
Fair value of plan assets at the beginning of the year	49,493	37,109
Return on assets	–3,870	13,872
Benefits paid	–1,181	–1,488
FAIR VALUE OF PLAN ASSETS AT THE END OF THE YEAR	**44,442**	**49,493**

The above defined benefit obligation is calculated according to tryggandelagen. The parent company consequently adopts the discount rate set by the Swedish FSA before year-end. The obligation is fully covered by assets in the pension foundation and is not included in the balance sheet.

The assets in the foundation are mainly equity related SEK 35,208m (42,479) and to a smaller extent interest earning SEK 5,679m (3,977). The assets include SEB shares at a market value of SEK 1,113m (1,835) and buildings occupied by the company valued at SEK 3,554m (3,037). The return on assets was –10 per cent (33) after pension compensation.

Amounts recognised in Income statement

	Parent company 2022	Parent company 2021
Pension disbursements	–802	–772
Compensation from pension foundations	1,181	1,488
TOTAL	**379**	**716**

Principal actuarial assumptions used

	2022	2021
Gross interest rate	1.0%	0.2%
Interest rate after tax	0.8%	0.2%

The actuarial calculations are based on salaries and pensions on the balance sheet date.

DEFINED CONTRIBUTION PLANS IN THE PARENT COMPANY

Net amount recognised in Income statement	Parent company 2022	Parent company 2021
Expense in Staff costs including special salary tax	–460	–27

Pension foundations

	Pension commitments 2022	Pension commitments 2021	Market value of asset 2022	Market value of asset 2021
SEB-Stiftelsen, Skandinaviska Enskilda Bankens Pensionsstiftelse	24,113	26,437	44,442	49,493
SEB Kort AB:s Pensionsstiftelse	1,011	1,100	1,650	1,838
TOTAL	**25,124**	**27,537**	**46,092**	**51,331**

8c Remuneration to the Board and the Group Executive Committee

Guidelines for remuneration

The guidelines for remuneration to the President and the other members of the Group Executive Committee (GEC) were prepared by the Board of Directors and its Remuneration and Human Resources Committee and approved by the Annual General Meeting 2020.

The remuneration structure for the President and the other members of the GEC is in accordance with the remuneration policy for the bank. No member of the GEC has been entitled to cash based variable remuneration since 2009. Thus, the remuneration is based upon three main components; base pay, equity-based remuneration and pensions and other benefits. Other benefits may consist of for example company car, health promoting support and domestic services.

→ For more information, see p. 105–109.

Identified staff

The President and the other members of the GEC are considered employees who have a material impact on SEB's risk profile according to the Swedish Financial Supervisory Authority regulations (FFFS 2011:1).

Remuneration to the Board[1], SEK

	2022				2021			
	Base pay	Directors' fee	Benefits[2]	Total	Base pay	Directors' fee	Benefits[2]	Total
Chairman of the Board, Marcus Wallenberg		4,440,000		**4,440,000**		4,095,000		**4,095,000**
Vice chairman of the Board, Sven Nyman		1,550,000		**1,550,000**		1,410,000		**1,410,000**
Vice chairman of the Board, Jesper Ovesen		2,115,000		**2,115,000**		1,930,000		**1,930,000**
Jacob Aarup-Andersen		850,000		**850,000**				
Signhild Arnegård Hansen		1,250,000		**1,250,000**		1,175,000		**1,175,000**
Anne-Catherine Berner		1,050,000		**1,050,000**		975,000		**975,000**
John Flint		850,000		**850,000**				
Winnie Fok		1,140,000		**1,140,000**		1,055,000		**1,055,000**
Lars Ottersgård[3]		1,300,000		**1,300,000**				**0**
Helena Saxon		1,310,000		**1,310,000**		1,220,000		**1,220,000**
President and CEO, Johan Torgeby	13,500,000		197,099	**13,697,099**	12,500,000		180,728	**12,680,728**
TOTAL	**13,500,000**	**15,855,000**	**197,099**	**29,552,099**	**12,500,000**	**11,860,000**	**180,728**	**24,540,728**

1) The number of Board members decided by the AGM in 2022 is eleven (nine) of which seven (five) are men and four (four) women.
2) Includes benefits such as company car and holiday pay.
3) Lars Ottersgård has declined his director's fee for 2021.

Remuneration to the Group Executive Committee, SEK[1]

	2022	2021
Base pay	74,112,233	78,300,985
Benefits[2]	1,957,492	2,110,538
TOTAL	**76,069,726**	**80,411,523**

1) GEC excluding the President and CEO. The members partly differ between the years but in average thirteen (fourteen) members are included. At the end of the year the number of members were thirteen (fourteen) of which nine (nine) were men and four (five) women. Additional members are not included.
2) Includes benefits such as company car.

Long-term equity-based programmes

Under the Share Deferral Programme members of the GEC may be granted an individual number of conditional share rights based on the fulfilment of pre-determined group, business unit and individual targets as outlined in SEB's business plan. The targets are set on an annual basis as a mix of the financial targets Return on Equity/Return on Business Equity and cost development and the non-financial targets customer satisfaction and sustainability among others. For GEC the initial allotment may not exceed 100 per cent of the base pay.

Ownership of 50 per cent of the share rights are transferred to the participant after a qualification period of three years, 50 per cent after a qualification period of five years. After each respective qualification period there is an additional holding period of one year after which the share rights can be exercised. Each share right carries the right to receive one Class A share in the bank. There is normally a requirement for vesting that the participant remains with SEB during the first three years, but some exemption apply. A further requirement for vesting for GEC members is that they hold shares in SEB equivalent to one year salary net of taxes, acquired no later than on a pro-rata basis during the initial three-year vesting period.

GEC is not participating in the SMP 2012–2015 nor the All Employee Programme (AEP) except for outstanding rights earned before being member of GEC.

Long-term equity-based programmes (expensed amounts for ongoing programmes), SEK

	2022	2021
President and CEO, Johan Torgeby	5,306,444	4,308,094
Other members of the Group Executive committee[1]	20,279,853	17,762,202
TOTAL	**25,586,297**	**22,070,296**

1) GEC excluding the President and CEO. The members partly differ between the years but in average thirteen (fourteen) members are included. At the end of the year the number of members were thirteen (fourteen). Additional members are not included.

Some of the GEC members have previously received rights in the All Employee Programme. The corresponding calculated costs and number of outstanding rights/shares are not included in the tables.

Note 8 c continued Remuneration to the Board and the Group Executive Committee

Number outstanding by 2022-12-31

	Number outstanding			
	President and CEO Johan Torgeby	**Other members of the GEC**	**Total**	**First day of exercise**
2012: Share matching rights	28,597		**28,597**	2015
2013: Share matching rights	44,147		**44,147**	2016
2014: Share matching rights	22,628		**22,628**	2017
2014: Conditional share rights/Share rights		5,612	**5,612**	2018;2020[1)]
2015: Conditional share rights/Share rights	14,966	34,009	**48,975**	2019;2021[1)]
2016: Conditional share rights/Share rights	51,067	102,654	**153,721**	2020;2022[1)]
2017: Conditional share rights/Share rights	38,732	136,563	**175,295**	2021;2023[1)]
2018: Conditional share rights/Share rights	60,381	240,703	**301,084**	2022;2024[1)]
2019: Conditional share rights	71,813	291,753	**363,566**	2023;2025[1)]
2020: Conditional share rights	75,251	306,574	**381,825**	2024;2026[1)]
2021: Conditional share rights	63,138	280,615	**343,753**	2025;2027[1)]
2022: Conditional share rights	97,157	301,520	**398,677**	2026;2028[1)]

1) The qualification period ends after three or five years respectively and are followed by a holding period of one year.

During the year the President and CEO has exercised rights to a value of SEK 0 (0). The corresponding value for the GEC excluding the President is SEK 6,376,767 (38,407,139).

Pension and severance pay

The pension agreement of the President is contribution-based and inviolable. The pension contribution is a fixed amount.

Termination of employment by the bank is subject to a maximum 12-month period of notice and entitles to a severance pay of 12 months' salary.

As regards pension benefits and severance pay the following is applicable to the members of the GEC excluding the President. The pension plans are inviolable and defined contribution-based except for a portion in the collective agreement for some GEC members employed in the bank before 1 May 2013.

Termination of employment by the bank is subject to a maximum 12-month period of notice and entitles to a severance pay of 12 months' salary.

Pension costs (service costs and interest costs and defined contribution premiums), SEK

	2022	**2021**
President and CEO, Johan Torgeby	4,603,121	4,104,268
Other members of the Group Executive committee[1)]	21,482,007	20,802,945
TOTAL	**26,085,128**	**24,907,213**

1) GEC excluding the President and CEO. The members partly differ between the years but in average thirteen (fourteen) members are included. At the end of the year the number of members were thirteen (fourteen).

For information about related parties see note 45.

8d Share-based payments

Long-term equity-based programmes

2022	Restricted share programme	All employee programme	Share deferral programme	Share matching programme[1]
Outstanding at the beginning of the year	2,972,218	10,139,153	18,162,376	87,628
Granted[2]	1,101,125	3,050,911	5,106,126	7,744
Forfeited	−44,056	−610,755	−973,274	
Exercised[3]	−1,404,457	−2,916,320	−3,540,336	
Expired	−18,098		−13,706	
OUTSTANDING AT THE END OF THE YEAR	**2,606,732**	**9,662,989**	**18,741,186**	**95,372**
of which exercisable	*0*		*2,767,570*	*94,207*

2021	Restricted share programme	All employee programme	Share deferral programme	Share matching programme[1]
Outstanding at the beginning of the year	3,054,979	10,231,276	20,049,853	295,516
Granted[2]	1,349,842	2,960,672	7,230,535	6,950
Forfeited	−347,758	−684,363	−4,093,315	
Exercised[3]	−1,080,878	−2,368,433	−5,006,697	−214,838
Expired	−3,967		−18,000	
OUTSTANDING AT THE END OF THE YEAR	**2,972,218**	**10,139,153**	**18,162,376**	**87,628**
of which exercisable	*40,203*		*2,266,457*	*87,628*

1) Numbers include investments done by participants, as well as allocated matching share rights.
2) Including compensation for dividend.
3) Weighted average share price for SMP and SDP at exercise SEK 110.53 (108.98).

Total Long-term equity-based programmes

	Original no of holders[4]	No of issued (maximum outcome)	No of outstanding 2022[5]	No of outstanding 2021[5]	A share per option/ share	Validity	First date of exercise
2012: Share matching programme[1]	432	7,024,168	28,597	26,275	4	2012–2019	2015[2]
2013: Share matching programme[1]	213	3,485,088	44,147	40,563	4	2013–2020	2016[2]
2014: Share matching programme[1]	96	1,300,288	22,628	20,790	4	2014–2021	2017[2]
2013: Share deferral programme – equity settled	263	1,361,861	429	47,037	1	2013–2022	2016/2018[3]
2014: Share deferral programme – equity settled	622	1,909,849	110,049	169,201	1	2014–2023	2017/2019[3]
2015: Share deferral programme – equity settled	816	2,603,843	115,840	451,545	1	2015–2024	2018/2020[3]
2016: Share deferral programme – equity settled	874	3,593,155	681,956	1,102,262	1	2016–2025	2019/2021[3]
2016: Share deferral programme – cash settled	500	2,017,622		204,992		2016–2022	2019/2021[3]
2017: Share deferral programme – equity settled[1]	1,373	4,439,824	1,360,297	1,629,690	1	2017–2026	2020/2022[3]
2017: Share deferral programme – cash settled	75	206,125	31,458	29,589		2017–2023	2020/2022[3]
2018: Share deferral programme – equity settled[1]	788	3,785,769	1,791,435	3,549,121	1	2018–2027	2021/2023[3]
2018: Share deferral programme – cash settled	14	97,770	28,184	100,310		2018–2024	2021/2023[3]
2019: Share deferral programme – equity settled[1]	861	4,023,585	3,677,659	3,702,061		2019–2028	2022/2023[3]
2019: Share deferral programme – cash settled	16	109,028	96,560	98,577		2019–2025	2022/2022[3]
2020: Share deferral programme – equity settled[1]	901	4,053,085	3,779,005	3,894,174		2020–2029	2023/2025[3]
2020: Share deferral programme – cash settled	21	129,326	121,271	121,271		2020–2026	2023/2025[3]
2021: Share deferral programme – equity settled[1]	1,040	2,974,455	2,873,922	2,974,455		2021–2027	2024/2026[3]
2021: Share deferral programme – cash settled	22	88,091	88,091	88,091		2021–2030	2024/2026[3]
2022: Share deferral programme – equity settled[1]	1,006	3,952,701	3,870,312			2022–2031	2025/2027[3]
2022: Share deferral programme – cash settled	18	114,718	114,718			2022–2028	2025/2027[3]
2018: Restricted Share programme – equity settled	411	1,378,367		326,550	1	2018–2022	2019/2022[3]
2018: Restricted Share programme – cash settled	28	71,555		15,680		2018–2022	2019/2022[3]
2019: Restricted Share programme – equity settled	413	1,420,596	342,028	692,729		2019–2023	2020/2022[3]
2019: Restricted Share programme – cash settled	29	73,375	16,603	31,898		2019–2023	2020/2022[3]
2020: Restricted Share programme – equity settled	408	1,274,946	604,188	931,825		2020–2024	2021/2023[3]
2020: Restricted Share programme – cash settled	29	74,902	31,227	47,782		2020–2024	2021/2023[3]
2021: Restricted Share programme – equity settled	416	878,843	598,379	878,843		2021–2025	2022/2023[3]
2021: Restricted Share programme – cash settled	25	46,911	25,454	46,911		2021–2025	2022/2023[3]
2022: Restricted Share programme – equity settled	310	980,531	964,693			2022–2026	2023/2024[3]
2022: Restricted Share programme – cash settled	9	24,160	24,160			2022–2026	2023/2024[3]
2018: All employee programme – equity settled	8,086	1,969,746		1,745,006	1	2018–2021	2022
2018: All employee programme – cash settled	6,863	1,186,810		991,375		2018–2021	2022
2019: All employee programme – equity settled	8,137	1,832,363	1,561,388	1,648,425	1	2019–2022	2023
2019: All employee programme – cash settled	7,159	1,246,304	1,001,084	1,041,404		2019–2022	2023
2020: All employee programme – equity settled	8,346	1,534,896	1,390,365	1,477,867	1	2020–2023	2024
2020: All employee programme – cash settled	7,192	852,616	753,821	790,336		2020–2023	2024
2021: All employee programme – equity settled	8,269	1,547,775	1,451,779	1,547,775		2021–2024	2025
2021: All employee programme – cash settled	7,302	896,965	845,338	896,965		2021–2024	2025
2022: All employee programme – equity settled	8,643	1,612,569	1,612,569		1	2022–2025	2026
2022: All employee programme – cash settled	7,761	1,046,645	1,046,645		1	2022–2025	2026
TOTAL		**67,221,226**	**31,106,279**	**31,361,375**			

1) The exercise period for GEC members is extended during the period that they are GEC members.
2) As soon as practically possible following the end of the performance period, the establishing of the outcome of number of Matching Shares and the allocation of the A shares and, if applicable, the Matching Shares.
3) As soon as possible following the end of the performance period, the outcome is established. For the equity-settled programmes the ownership of the performance shares is transferred upon registration, but the shares are withheld for one additional year. Cash-settled programmes are paid out in connection with the following payroll run.
4) In total approximately 2,000 individuals (2,000) participated in any of the programmes, All Employee Programme excluded.
5) Including additional deferral rights for dividend compensation.

Note 8d continued Share-based payments

Long-term equity-based programmes

The Annual General meeting 2022 decided on three Long-term equity-based programmes, one *Share Deferral Programme*, one *Restricted Share Programme* and one *All Employee Programme*.

The first *Share Deferral Programme* was introduced in 2012 for the Group Executive Committee and certain other executive managers and key employees with critical competences. The participants are granted an individual number of conditional share rights based on pre-determined group, division/business unit and individual target levels, both financial (Return on Equity/Return on Business Equity and cost development) and non-financial (customer satisfaction and parameters such as compliance, employee commitment, SEB's corporate sustainability and risk management), set on an annual basis.

For GEC members and other senior executives 50 per cent of the share rights ownership is transferred after a qualification period of three years and 50 per cent after a qualification period of five years. For Identified staff 50 per cent of the share rights has a qualification period of three years and 50 per cent has a qualification period of four years. For other participants the qualification period is three years. The requirement for vesting is normally that the participant remains with SEB during the first three years and for GEC members and their direct reports that the participant holds shares in SEB equal to a predetermined amount, acquired no later than on a pro-rata basis during the initial three-year period. After each respective qualification period there is an additional holding period of one year after which the share rights can be exercised, normally during a period of three years. Each share right carries the right to receive one Class A share in the bank. In countries mainly outside Europe the participants receive so called phantom shares that gives the right to receive cash adjusted for the share price development during the qualification period and thereafter the total shareholder return of the SEB A share at the end of the holding period.

In the programs starting from 2018 the holders are only compensated for dividends after the qualification period, in the previous programmes the holders are compensated for dividends to the shareholders during the full period. Thus, the number of share rights will be recalculated, after the Annual General Meeting each year, taking the dividend into account depending on programme. The share rights are not securities that can be sold, pledged or transferred to others. However, an estimated value per share right has been calculated for 2022 to SEK 78 (82) for a qualification period of three years, SEK 76 (–) for a qualification period of four years and SEK 75 (78) for a qualification period of five years (based upon an average closing price of one SEB Class A share at the time of grant).

In 2018 a *Restricted Share Programme* was introduced in order to ensure a competitive and attractive remuneration model within certain business units and to comply with new regulations implemented. The participants are selected employees on the level below senior executives. They are granted an individual number of conditional / share rights based on the fulfilment of pre-determined group, business unit and individual targets as outlined in SEB's business plan, set on an annual basis as a mix of financial and non-financial targets.

The ownership of the share rights is transferred to the participants during a three-or five-year period in either three or five annual instalments. The share rights are subject to restrictions in terms of for example certain regulatory and employment requirements during the period between initial allotment and the transfer of the ownership. After the transfer of ownership there is an additional holding period of one year before the share rights can be exercised. Each share right carries the right to receive one SEB Class A share. The share rights are not securities that can be sold, pledged or transferred to others. However, an estimated value per share right has been calculated for 2022 to SEK 104 (107) for the first instalment, to SEK 97 (–) for those with four additional instalments and to SEK 100 (99) for those with three instalments (based upon an average closing price of one SEB Class A share at the time of grant).

In 2013 an *All Employee Programme* was introduced for most employees, where 50 per cent of the outcome is paid in cash and 50 per cent is deferred for three years and paid in SEB A shares. Deferrals will normally only be obtained under the condition that the employee remains with SEB. In Sweden the deferred part is paid out in SEB A shares, adjusted for dividends. In all other countries the deferred part is paid out in cash adjusted for total shareholder return of the SEB A share. The initial outcome is capped at a maximum amount, which was adjusted in 2016, for each geography and is based on the fulfilment of pre-determined group targets outlined in SEB's business plan, both financial (Return on Equity and cost development) and non-financial (customer satisfaction and sustainability). The outcome in 2022 year's programme was 67 per cent (67) of the maximum amount. In Sweden the maximum amount is SEK 75,000.

Previously allotted programmes

Between 2009 and 2014 a Share Matching Programme for a number of selected senior executives and other key employees has been run. The programmes are based on performance, have a vesting period of three years and are settled with SEB Class A shares. All programmes require own investment. The investment amount is pre-determined and capped for each participant. After three years, if still employed, the participant receives one Class A share/share rights for each invested share/share right and a conditional number of performance-based matching shares for each invested share / share right. From 2012 the settlement is in the form of share rights with an exercise period of four years. The 2014 programme was closed in 2017 with 63 per cent matching.

→ Further details of the outstanding programmes are found in the table above.

8e Number of employees

Average number of employees 2022	Group			Parent company		
	Men	Women	Total	Men	Women	Total
Sweden	4,474	4,236	**8,710**	3,913	3,594	**7,507**
Norway	218	154	**372**	190	115	**305**
Denmark	205	115	**320**	164	75	**239**
Finland	152	126	**278**	132	106	**238**
Estonia	306	852	**1,158**			
Latvia	619	1,381	**2,000**	393	641	**1,034**
Lithuania	1,079	1,977	**3,056**	664	821	**1,485**
Germany	138	92	**230**	123	85	**208**
United Kingdom	60	41	**101**	60	41	**101**
Poland	79	98	**177**	79	98	**177**
Ukraine	17	35	**52**			
China	15	26	**41**	15	26	**41**
Ireland	48	49	**97**			
Luxembourg	78	68	**146**	73	61	**134**
Russia	20	57	**77**			
Singapore	27	64	**91**	27	64	**91**
United States	22	10	**32**	18	8	**26**
Hong Kong	7	12	**19**	7	12	**19**
TOTAL	**7,564**	**9,393**	**16,957**	**5,858**	**5,747**	**11,605**

2021	Men	Women	Total	Men	Women	Total
Sweden	4,268	4,172	**8,440**	3,719	3,428	**7,147**
Norway	219	150	**369**	186	115	**301**
Denmark	209	118	**327**	163	77	**240**
Finland	149	123	**272**	126	108	**234**
Estonia	299	839	**1,138**			
Latvia	542	1,290	**1,832**	330	549	**879**
Lithuania	1,017	1,918	**2,935**	592	763	**1,355**
Germany	142	99	**241**	121	87	**208**
United Kingdom	59	40	**99**	59	40	**99**
Poland	54	66	**120**	54	66	**120**
Ukraine	16	36	**52**			
China	14	26	**40**	14	26	**40**
Ireland	47	48	**95**			
Luxembourg	84	75	**159**	81	67	**148**
Russia	21	66	**87**			
Singapore	26	64	**90**	26	64	**90**
United States	21	11	**32**	18	8	**26**
Hong Kong	8	11	**19**	8	11	**19**
TOTAL	**7,194**	**9,153**	**16,347**	**5,497**	**5,409**	**10,906**

9 Other expenses

	Group		Parent company	
	2022	**2021**	**2022**	**2021**
Costs for premises[1)]	–731	–682	–1,422	–1,294
IT costs	–3,669	–3,374	–2,968	–2,483
Travel and entertainment	–268	–85	–233	–59
Consultants	–899	–688	–722	–535
Marketing	–327	–268	–212	–143
Information services	–836	–710	–748	–637
Other operating costs[2)]	–257	44	133	–226
TOTAL	**–6,986**	**–5,763**	**–6,171**	**–5,377**
1) Of which rental costs including leasing cost for premises			–1,046	–1,003

2) Net after deduction for capitalised costs, see also note 23.

Fees and expense allowances to appointed auditors and audit firms[1)]

	Group		Parent company	
	2022	**2021**	**2022**	**2021**
Audit assignment	–29	–26	–15	–15
Audit related services	–12	–8	–4	–3
Tax advisory	0	0		
Other services	–3	–3		–1
Ernst & Young	**–45**	**–38**	**–19**	**–19**

1) The parent company includes the foreign branches.

Audit assignment is defined as the audit of annual financial statements, the administration of the Board of Directors and the President, quarterly reviews, other tasks resting upon the auditor as well as consulting and other assistance, which have been initiated by the findings in performing audit work or implementation of such tasks. The audit related services include regulatory reporting and services in connection with issuing of certificates and opinions. Tax advisory includes general expatriate services and other tax services work. Other services include consultation on financial accounting, services related to mergers and acquisitions activities, operational effectiveness and assessments of internal control.

10 Depreciation, amortisation and impairment of tangible and intangible assets

	Group		Parent company	
	2022	**2021**	**2022**	**2021**
Depreciation of tangible assets	–347	–378	–279	–293
Depreciation of equipment leased to clients			–4,735	–4,783
Depreciation of right-of-use assets	–879	–844		0
Amortisation of intangible assets	–660	–681	–541	–550
Impairment of tangible assets	0	0		
Impairment of goodwill		–179		
Impairment of right-of-use assets	–1	–8		
Retirement and disposal of intangible assets	–190	–20	–80	–18
TOTAL	**–2,078**	**–2,110**	**–5,635**	**–5,644**

11 Net expected credit losses

	Group		Parent company	
	2022	**2021**	**2022**	**2021**
Impairment gains or losses – Stage 1	–1,384	–105	–1,216	– 138
Impairment gains or losses – Stage 2	74	–233	–26	– 146
Impairment gains or losses – Stage 3	–708	–185	–814	– 407
Impairment gains or losses	**–2,018**	**–523**	**–2,056**	**– 690**
Write-offs and recoveries				
Total write-offs	–3,086	–2,624	–2,966	–2,170
Reversals of allowances for write-offs	2,873	2,395	2,825	2,040
Write-offs not previously provided for	–213	–229	–141	– 130
Recovered from previous write-offs	224	242	77	76
Net write-offs	**11**	**13**	**–64**	**– 54**
NET EXPECTED CREDIT LOSSES	**–2,007**	**–510**	**–2,119**	**– 744**
Net ECL level, %	0.07	0.02	0.09	0.03

12 Imposed levies

	Group	
	2022	**2021**
Risk tax	–1,187	
Resolution fees	–1,101	–1,019
IMPOSED LEVIES: RISK TAX AND RESOLUTION FEES	**–2,288**	**–1,019**

13 Items affecting comparability

	Group	
	2022	**2021**
Net expected credit losses	–1,399	
Operating profit before items affecting comparability	**–1,399**	
Items affecting comparability	**–1,399**	
Income tax on items affecting comparability		
ITEMS AFFECTING COMPARABILITY AFTER TAX	**–1,399**	

The table shows the rows in which the Items affecting comparability would have been reported if not presented as an item affecting comparability.

Items affecting comparability 2022
Under the current conditions it is not viable for SEB to maintain operations in Russia, and SEB has therefore started scaling these down. This will be done in a responsible and orderly manner and in accordance with regulatory and legal obligations. The Russian Federation has limited different transactions between subsidiaries in Russia with parent companies in so called unfriendly countries and limited the amount that may be transferred abroad to a maximum of an aggregated sum of RUB 10m per calendar month. During the fourth quarter, SEK 1.4bn of the group's total assets of approximately SEK 7bn related to Russia, was impaired.

14 Appropriations

	Parent company	
	2022	**2021**
Group contribution	1,880	2,349
Accelerated tax depreciation	1,420	1,490
TOTAL	**3,300**	**3,839**

15 Taxes

	Group		Parent company	
Major components of tax expense	**2022**	**2021**	**2022**	**2021**
Current tax	–6,988	–6,255	–4,929	–5,332
Deferred tax	58	786	–253	225
Tax for current year	–6,930	–5,470	–5,182	–5,108
Current tax for previous years	69	29	73	127
INCOME TAX EXPENSE	**–6,861**	**–5,441**	**–5,109**	**–4,980**

In the parent company, other taxes amount to SEK –180m (352) and includes deferred tax of SEK –253m (225) and current tax for previous years of SEK 73m (127).

Relationship between tax expenses and accounting profit

Net profit	26,989	25,423	27,329	22,751
Income tax expense	6,861	5,441	5,109	4,981
Accounting profit before tax	**33,850**	**30,864**	**32,438**	**27,732**
Current tax at Swedish statutory rate of 20.6 per cent	–6,973	–6,357	–6,682	–5,713
Tax effect relating to other tax rates in other jurisdictions	365	–61		
Tax effect relating to not tax deductible expenses	–865	–319	–1,724	–604
Tax effect relating to non-taxable income	544	1,040	3,263	984
Tax effect relating to a previously recognised tax loss, tax credit or temporary difference	–134	–558	214	
Tax effect relating to a previously unrecognised tax loss, tax credit or temporary difference	75	0		
Current tax	**–6,988**	**–6,255**	**–4,929**	**–5,333**
Tax effect relating to origin and reversal of tax losses, tax credits and temporary differences	134	558	–214	
Tax effect relating to changes in tax rates or the imposition of new taxes		–7		
Tax effect relating to a previously unrecognised tax loss, tax credit or temporary difference	–77	234	–39	225
Deferred tax	**58**	**786**	**–253**	**225**
Current tax for previous years	**69**	**29**	**73**	**127**
INCOME TAX EXPENSE [1)]	**–6,861**	**–5,441**	**–5,109**	**–4,981**

1) Total income tax expense in the SEB Group was SEK 6,861m (5,441). The effective tax rate for the year was 20.3 per cent (17.6). Excluding items affecting comparability, the effective tax rate was 19.5 per cent (17.6).

Note 15 continued Taxes

Deferred tax income and expense recognised in income statement

	Group		Parent company	
	2022	2021	**2022**	2021
Accelerated tax depreciation	117	251		
Pension plan assets, net	123	246		
Tax losses carry forwards	10	–4		
Other temporary differences	–192	292	–253	225
TOTAL	**58**	**786**	**–253**	**225**

Current tax assets

Other	16,312	15,359	1,637	1,915
Recognised in income statement	**16,312**	**15,359**	**1,637**	**1,915**
TOTAL	**16,312**	**15,359**	**1,637**	**1,915**

Deferred tax assets

Tax losses carry forwards	17	7		
Pension plan assets, net	2			
Other temporary differences[1]	390	663	–145	398
Recognised in income statement	**409**	**670**	**–145**	**398**
Unrealised result in cash flow hedges		5		5
Recognised in Shareholders' equity		**5**		**5**
TOTAL	**409**	**675**	**–145**	**403**

1) Temporary differences are differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

Tax losses carried forward in the SEB Group for which the tax assets are not recognised in the balance sheet amount to SEK 15,374m (8,355) gross. These are not recognised due to the uncertainty in the possibility to use them. This includes losses where the amount can only be used for trade tax. The potential tax asset not recognised is SEK 4,365m (2,166).

All losses carried forward recognised and unrecognised are without time restrictions, however all losses carried forward but SEK 50m have conditions that there is no change of control.

Current tax liabilities

	Group		Parent company	
	2022	2021	**2022**	2021
Other	2,164	1,384	1,310	801
Recognised in profit and loss	**2,164**	**1,384**	**1,310**	**801**
TOTAL	**2,164**	**1,384**	**1,310**	**801**

Deferred tax liabilities

Accelerated tax depreciation	5,235	5,352		
Pension plan assets and obligations, net	–711	–588		
Other temporary differences[1]	181	98		
Recognised in profit and loss	**4,706**	**4,862**		
Pension plan assets and obligations, net	5,458	5,308		
Unrealised result in cash flow hedges	201	184		
Other			56	37
Recognised in Shareholders' equity	**5,659**	**5,492**	**56**	**37**
TOTAL	**10,364**	**10,354**	**56**	**37**

1) Temporary differences are differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Taxable temporary differences give rise to deferred tax assets and liabilities.

In Estonia, advance income tax payments on profits at a rate of 14 per cent are made quarterly. The income tax paid in advance can be netted against tax payable on dividend distributions, where the tax rate is between 20 and 14 per cent. No deferred tax liability is recognised related to possible future tax costs on dividends from Estonia. Since 2018 no income tax is paid in Latvia unless profit is distributed. No deferred tax liability is recognised related to possible future tax costs on dividends from Latvia. The tax rate applicable to dividends in Latvia is 20 per cent.

16 Earnings per share

	Group 2022	Group 2021
Net profit attributable to shareholders in Skandinaviska Enskilda Banken AB (publ), SEK m	26,989	25,423
Weighted average number of shares outstanding, millions	2,137	2,164
Basic earnings per share, SEK	12.63	11.75
Net profit attributable to shareholders in Skandinaviska Enskilda Banken AB (publ), SEK m	26,989	25,423
Weighted average number of diluted shares, millions	2,153	2,179
Diluted earnings per share, SEK	12.53	11.67

Dilution[1)]

	Group 2022	Group 2021
Weighted average number of shares outstanding, millions	2,137	2,164
Adjustment for diluted weighted average number of additional Class A shares, millions	16	15
Weighted average number of diluted shares, millions	2,153	2,179

1) Calculated dilution based on the estimated economic value of the long-term incentive programmes.

17 Cash and cash balances at central banks

	Group		Parent company	
	2022	2021	2022	2021
Cash	2,585	2,157	2	2
Cash balances at central banks	375,381	437,187	354,968	371,465
TOTAL	**377,966**	**439,344**	**354,970**	**371,466**

18 Loans

	Group		Parent company	
	2022	2021	2022	2021
Lending	71,459	3,973	14,172	3,646
Reverse repos	2,504	481	2,504	481
Loans to central banks	**73,962**	**4,454**	**16,676**	**4,127**
Lending	28,150	29,670	52,583	45,437
Collateral margins	46,715	24,433	46,976	23,882
Reverse repos	2,370	5,906	2,370	888
Loans to credit institutions	**77,235**	**60,009**	**101,928**	**70,207**
Lending	1,884,818	1,721,532	1,657,760	1,516,326
Collateral margins	74,494	43,555	75,001	43,731
Reverse repos	105,960	81,274	106,427	81,274
Loans to the public	**2,065,271**	**1,846,362**	**1,839,188**	**1,641,332**
TOTAL	**2,216,468**	**1,910,824**	**1,957,792**	**1,715,665**

Loans by measurement category

	Group				Parent company			
2022	FVHFT	FVMPL	AmC	Total	FVHFT	FVMPL	AmC	Total
Loans to central banks	2,504		71,459	**73,962**	2,504		14,172	**16,676**
Loans to credit institutions	2,370		74,865	**77,235**	2,370		99,558	**101,928**
Loans to the public	105,960	1,429	1,957,882	**2,065,271**	106,427	1,429	1,731,332	**1,839,188**
TOTAL	**110,833**	**1,429**	**2,104,206**	**2,216,468**	**111,301**	**1,429**	**1,845,062**	**1,957,792**
2021								
Loans to central banks	481		3,973	**4,454**	481		3,646	**4,127**
Loans to credit institutions	888		59,121	**60,009**	888		69,319	**70,207**
Loans to the public	81,274	2,459	1,762,628	**1,846,362**	81,274	2,459	1,557,598	**1,641,332**
TOTAL	**82,643**	**2,459**	**1,825,722**	**1,910,824**	**82,643**	**2,459**	**1,630,563**	**1,715,665**

Note 18 continued Loans

Exposure and expected credit loss (ECL) allowances by stage

The table shows gross carrying amounts for exposures on balance measured at amortised cost and nominal amounts for exposures off-balance divided by stage as a mean to put ECL allowances in context to total exposure. For trade receivables a simplified approach based on past-due information is used to calculate loss allowances.

Group, 2022

Stage 1 (12-month ECL)	Gross carrying amounts/ Nominal amounts	ECL allowances	Carrying amounts/ Net amounts	ECL coverage ratio, %
Debt securities	8,866	0	8,866	
Loans[1]	1,982,103	–2,202	1,979,902	
Financial assets	1,990,969	–2,202	1,988,767	
Financial guarantees and Loan commitments	863,137	–633	862,504	
Total	**2,854,107**	**–2,835**	**2,851,272**	**0.10**
Stage 2 (lifetime ECL)[2]				
Loans[1]	69,372	–1,503	67,869	
Financial assets	69,372	–1,503	67,869	
Financial guarantees and Loan commitments	15,136	–162	14,974	
Total	**84,508**	**–1,665**	**82,843**	**1.97**
Stage 3 (credit impaired/lifetime ECL)[3]				
Loans[1]	6,846	–3,911	2,934	
Financial assets	6,846	–3,911	2,934	
Financial guarantees and Loan commitments	422	–201	221	
Total	**7,268**	**–4,112**	**3,155**	**56.58**
Total Stage 1–3				
Debt securities	8,866	0	8,866	
Loans[1]	2,058,321	–7,616	2,050,705	
Financial assets	2,067,187	–7,616	2,059,571	
Financial guarantees and Loan commitments	878,696	–997	877,699	
TOTAL	**2,945,883**	**–8,613**	**2,937,270**	**0.29**

1) Including trade and client receivables presented as other assets.
2) Whereof gross carrying amounts SEK 1,589m and ECL allowances SEK 3m under Lifetime ECLs -simplified approach for trade receivables.
3) Whereof gross carrying amounts SEK 1,769m and ECL allowances SEK 1,481m for Purchased or Originated Credit Impaired loans.

Stage 3 loans / Total loans – gross, %	0.33
Stage 3 loans / Total loans – net, %	0.14

Group, 2021

Stage 1 (12-month ECL)	Gross carrying amounts/ Nominal amounts	ECL allowances	Carrying amounts/ Net amounts	ECL coverage ratio, %
Debt securities	8,544	–1	8,543	
Loans[1]	1,772,979	–984	1,771,995	
Financial assets	1,781,523	–985	1,780,538	
Financial guarantees and Loan commitments	830,403	–375	830,028	
Total	**2,611,926**	**–1,358**	**2,610,566**	**0.05**
Stage 2 (lifetime ECL)[2]				
Loans[1]	62,127	–1,456	60,671	
Financial assets	62,127	–1,456	60,671	
Financial guarantees and Loan commitments	15,873	–198	15,675	
Total	**78,000**	**–1,654**	**76,346**	**2.12**
Stage 3 (credit impaired/lifetime ECL)[3]				
Loans[1]	9,827	–5,707	4,119	
Financial assets	9,827	–5,707	4,119	
Financial guarantees and Loan commitments	170	–67	103	
Total	**9,997**	**–5,774**	**4,223**	**57.76**
Total Stage 1–3				
Debt securities	8,544	–1	8,543	
Loans[1]	1,844,932	–8,147	1,836,785	
Financial assets	1,853,477	–8,148	1,845,329	
Financial guarantees and Loan commitments	846,446	–640	845,806	
TOTAL	**2,699,923**	**–8,786**	**2,691,135**	**0.33**

1) Including trade and client receivables presented as other assets.
2) Whereof gross carrying amounts SEK 1,858m and ECL allowances SEK 1m under Lifetime ECLs -simplified approach for trade receivables.
3) Whereof gross carrying amounts SEK 1,818m and ECL allowances SEK 1,296m for Purchased or Originated Credit Impaired loans.

Stage 3 loans / Total loans – gross, %	0.53
Stage 3 loans / Total loans – net, %	0.22

Note 18 continued Loans

Parent company, 2022

Stage 1 (12-month ECL)	Gross carrying amounts/ Nominal amounts	ECL allowances	Carrying amounts/ Net amounts	ECL coverage ratio, %
Debt securities	10,070	0	10,070	
Loans[1)]	1,776,663	–1,792	1,774,872	
Financial assets	1,786,733	–1,792	1,784,942	
Financial guarantees and Loan commitments	798,287	–512	797,775	
Total	**2,585,020**	**–2,304**	**2,582,717**	**0.09**
Stage 2 (lifetime ECL)[2)]				
Loans[1)]	66,018	–1,168	64,850	
Financial assets	66,018	–1,168	64,850	
Financial guarantees and Loan commitments	12,152	–150	12,002	
Total	**78,170**	**–1,318**	**76,852**	**1.69**
Stage 3 (credit impaired/lifetime ECL)[3)]				
Loans[1)]	5,325	–3,236	2,090	
Financial assets	5,325	–3,236	2,090	
Financial guarantees and Loan commitments	408	–197	211	
Total	**5,733**	**–3,433**	**2,301**	**59.87**
Total Stage 1–3				
Debt securities	10,070	0	10,070	
Loans[1)]	1,848,007	–6,195	1,841,811	
Financial assets	1,858,077	–6,195	1,851,881	
Financial guarantees and Loan commitments	810,848	–859	809,988	
TOTAL	**2,668,924**	**–7,055**	**2,661,869**	**0.26**

1) Including trade and client receivables presented as other assets.
2) Whereof gross carrying amounts SEK 1,153m and ECL allowances SEK 3m under Lifetime ECLs -simplified approach for trade receivables.
3) Whereof gross carrying amounts SEK 1,769m and ECL allowances SEK1,481m for Purchased or originated credit impaired loans.

Stage 3 loans / Total loans, gross, %	0.29
Stage 3 loans / Total loans, net, %	0.11

Parent company, 2021

Stage 1 (12-month ECL)	Gross carrying amounts/ Nominal amounts	ECL allowances	Carrying amounts/ Net amounts	ECL coverage ratio, %
Debt securities	9,945	–1	9,944	
Loans[1)]	1,581,242	–720	1,580,522	
Financial assets	1,591,187	–721	1,590,466	
Financial guarantees and Loan commitments	780,396	–304	780,092	
Total	**2,371,583**	**–1,024**	**2,370,558**	**0.04**
Stage 2 (lifetime ECL)[2)]				
Loans[1)]	57,331	–1,068	56,263	
Financial assets	57,331	–1,068	56,263	
Financial guarantees and Loan commitments	12,824	–164	12,660	
Total	**70,156**	**–1,233**	**68,923**	**1.76**
Stage 3 (credit impaired/lifetime ECL)[3)]				
Loans[1)]	8,056	–4,931	3,125	
Financial assets	8,056	–4,931	3,125	
Financial guarantees and Loan commitments	153	–61	92	
Total	**8,209**	**–4,992**	**3,217**	**60.81**
Total Stage 1–3				
Debt securities	9,945	–1	9,944	
Loans[1)]	1,646,629	–6,719	1,639,911	
Financial assets	1,656,574	–6,719	1,649,855	
Financial guarantees and Loan commitments	793,373	–529	792,844	
TOTAL	**2,449,947**	**–7,249**	**2,442,698**	**0.30**

1) Including trade and client receivables presented as other assets.
2) Whereof gross carrying amounts SEK 1,289m and ECL allowances SEK 1m under Lifetime ECLs -simplified approach for trade receivables.
3) Whereof gross carrying amounts SEK 1,818m and ECL allowances SEK1,296m for Purchased or originated credit impaired loans.

Stage 3 loans / Total loans, gross, %	0.49
Stage 3 loans / Total loans, net, %	0.19

Note 18 continued Loans

Loans and expected credit loss (ECL) allowances by industry

The table shows gross carrying amounts for loans measured at amortised cost and ECL allowances as a mean to put ECL allowances in context to overall lending.

Group, 2022	Gross carrying amounts				ECL allowances				Net carrying amount
	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (credit impaired/ lifetime ECL)	Total	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (credit impaired/ lifetime ECL)	Total	Total
Banks	**136,927**	**1,228**	**24**	**138,178**	**–8**	**–3**	**–5**	**–15**	**138,163**
Finance and insurance	174,176	2,014	99	**176,290**	–310	–33	–8	**–351**	**175,939**
Wholesale and retail	82,032	2,401	188	**84,622**	–160	–86	–74	**–320**	**84,301**
Transportation	30,099	833	257	**31,189**	–50	–36	–37	**–122**	**31,067**
Shipping	52,884	3,877	1,191	**57,951**	–21	–23	–1,139	**–1,182**	**56,769**
Business and household services	177,323	9,609	1,326	**188,258**	–387	–350	–610	**–1,348**	**186,910**
Construction	13,720	721	389	**14,830**	–31	–20	–209	**–259**	**14,571**
Manufacturing	122,266	7,035	1,421	**130,723**	–182	–150	–992	**–1,323**	**129,400**
Agriculture, forestry and fishing	31,440	1,235	108	**32,783**	–28	–11	–30	**–69**	**32,714**
Mining, oil and gas extraction	6,020	1,367	12	**7,398**	–6	–125	–4	**–135**	**7,263**
Electricity, gas and water supply	80,639	1,067	32	**81,739**	–41	–49	–28	**–118**	**81,621**
Other	26,978	1,242	51	**28,270**	–45	–23	–14	**–81**	**28,189**
Corporates	**797,578**	**31,400**	**5,074**	**834,052**	**–1,261**	**–906**	**–3,143**	**–5,309**	**828,743**
Commercial real estate management	182,026	2,205	129	**184,361**	–360	–46	–36	**–442**	**183,919**
Residential real estate management	131,796	2,253	29	**134,078**	–116	–39	–3	**–158**	**133,920**
Real Estate Management	**313,822**	**4,458**	**159**	**318,439**	**–476**	**–85**	**–39**	**–600**	**317,838**
Housing co-operative associations	**62,250**	**5,702**	**2**	**67,955**	**–2**	**0**	**0**	**–3**	**67,952**
Public Administration	**19,122**	**282**	**5**	**19,408**	**–2**	**–1**	**–2**	**–6**	**19,403**
Household mortgages	611,346	22,647	671	**634,663**	–113	–195	–191	**–500**	**634,163**
Other	41,059	3,656	912	**45,626**	–340	–312	–531	**–1,184**	**44,443**
Households	**652,404**	**26,303**	**1,582**	**680,289**	**–453**	**–508**	**–723**	**–1,683**	**678,606**
TOTAL	**1,982,103**	**69,372**	**6,846**	**2,058,321**	**–2,202**	**–1,503**	**–3,911**	**–7,616**	**2,050,705**

Including trade and client receivables presented as other assets.

Group, 2021	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (credit impaired/ lifetime ECL)	Total	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (credit impaired/ lifetime ECL)	Total	Total
Banks	**89,669**	**2,044**	**5**	**91,718**	**–5**	**–2**	**–1**	**–8**	**91,709**
Finance and insurance	128,994	2,191	88	**131,273**	–61	–26	–6	**–93**	**131,180**
Wholesale and retail	78,198	1,762	192	**80,152**	–91	–43	–81	**–214**	**79,938**
Transportation	29,423	1,258	211	**30,892**	–30	–39	–50	**–119**	**30,773**
Shipping	43,719	4,460	1,507	**49,686**	–22	–42	–965	**–1,029**	**48,657**
Business and household services	153,028	7,258	1,556	**161,842**	–175	–189	–901	**–1,264**	**160,578**
Construction	11,286	815	307	**12,407**	–24	–101	–171	**–295**	**12,112**
Manufacturing	93,694	5,245	1,444	**100,384**	–82	–186	–961	**–1,229**	**99,155**
Agriculture, forestry and fishing	27,860	655	80	**28,595**	–22	–9	–27	**–58**	**28,538**
Mining, oil and gas extraction	10,475	1,834	2,182	**14,491**	–20	–344	–1,538	**–1,903**	**12,589**
Electricity, gas and water supply	52,965	409	189	**53,562**	–24	–30	–90	**–144**	**53,418**
Other	48,662	1,087	100	**49,850**	–36	–47	–37	**–120**	**49,730**
Corporates	**678,305**	**26,975**	**7,856**	**713,136**	**–587**	**–1,054**	**–4,827**	**–6,468**	**706,668**
Commercial real estate management	154,671	2,519	173	**157,364**	–70	–40	–65	**–175**	**157,189**
Residential real estate management	134,485	1,400	31	**135,915**	–45	–2	–2	**–49**	**135,866**
Real Estate Management	**289,156**	**3,919**	**204**	**293,279**	**–115**	**–42**	**–67**	**–224**	**293,055**
Housing co-operative associations	**61,885**	**6,536**	**2**	**68,423**	**0**	**0**	**–1**	**–2**	**68,421**
Public Administration	**14,102**	**239**	**1**	**14,342**	**–1**	**–4**	**–1**	**–5**	**14,337**
Household mortgages	599,193	18,767	796	**618,756**	–79	–140	–241	**–460**	**618,296**
Other	40,669	3,648	962	**45,279**	–196	–214	–569	**–979**	**44,300**
Households	**639,862**	**22,414**	**1,759**	**664,035**	**–275**	**–354**	**–810**	**–1,439**	**662,596**
TOTAL	**1,772,979**	**62,127**	**9,827**	**1,844,932**	**–984**	**–1,456**	**–5,707**	**–8,147**	**1,836,787**

Including trade and client receivables presented as other assets.

Note 18 continued Loans

Stage 3 loans (credit-impaired) and collaterals by sector

The table shows gross carrying amounts and ECL allowances for credit-impaired loans (Stage 3) and the collaterals received for these assets.

Group, 2022	Gross carrying amounts	ECL allowances	Carrying amounts	Collaterals received
Banks	24	–5	19	0
Corporates	5,074	–3,143	1,932	1,732
Real Estate Management	159	–39	120	147
Household co-operative associations	2	0	2	2
Public Administration	5	–2	3	0
Households	1,582	–723	859	637
TOTAL	**6,846**	**–3,911**	**2,935**	**2,519**
Group, 2021				
Banks	5	–1	4	0
Corporates	7,856	–4,827	3,028	4,216
Real Estate Management	204	–67	137	161
Household co-operative associations	2	–1	1	2
Public Administration	1	–1	1	1
Households	1,759	–810	949	696
TOTAL	**9,827**	**–5,707**	**4,119**	**5,076**

Exposure by risk classification category

The table shows gross carrying amounts for exposures on balance and nominal amounts for exposures off-balance by stage and risk classification category. The risk classification categories are further explained in Note 40.

Group, 2022	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (credit impaired/ lifetime ECL)[1)]	Total
Investment grade	2,073,720	13,109		**2,086,830**
Standard monitoring	772,813	54,207		**827,020**
Watch list	7,573	17,192		**24,765**
Default			7,268	**7,268**
TOTAL	**2,854,107**	**84,508**	**7,268**	**2,945,883**
Group, 2021				
Investment grade	2,018,878	20,570		**2,039,449**
Standard monitoring	585,675	39,970		**625,645**
Watch list	7,372	17,460		**24,832**
Default			9,997	**9,997**
TOTAL	**2,611,926**	**78,000**	**9,997**	**2,699,923**

1) Whereof gross carrying amounts SEK 1,769m (1,818) and ECL allowances SEK 1,481m (1,296) for Purchased or Originated Credit Impaired loans.

Movements in allowances for expected credit loss (ECL) allowances

Reconciliation of movements of allowance accounts for on-balance exposures (Loans and Debt securities measured at amortised cost) and off-balance exposures (Financial guarantees and Loan commitments).

2022	Group				Parent company			
Loans and Debt securities	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (credit impaired/ lifetime ECL)	Total	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (credit impaired/ lifetime ECL)	Total
Opening balance	984	1,456	5,707	**8,147**	721	1,068	4,931	**6,719**
New and derecognised financial assets, net	302	–270	–404	**–372**	307	–220	–365	**–277**
Changes due to change in credit risk	848	229	986	**2,063**	724	258	1,051	**2,033**
Changes due to modifications	2	11	0	**13**		11	0	**11**
Decreases in ECL allowances due to write-offs			–2,873	**–2,873**			–2,825	**–2,825**
Change in exchange rates	67	77	495	**638**	40	52	444	**535**
TOTAL	**2,202**	**1,503**	**3,911**	**7,616**	**1,792**	**1,168**	**3,236**	**6,195**
Financial guarantees and Loan commitments								
Opening balance	375	198	67	**640**	304	164	61	**529**
New and derecognised financial assets, net	0	–44	–63	**–108**	–2	–44	–60	**–106**
Changes due to change in credit risk	233	–1	189	**421**	186	21	188	**395**
Changes due to modifications		1		**1**		1		**1**
Change in exchange rates	25	9	9	**43**	24	8	8	**40**
TOTAL	**633**	**162**	**201**	**997**	**512**	**150**	**197**	**859**
Total Loans, Debt securities, Financial guarantees and Loan commitments								
Opening balance	1,358	1,654	5,774	**8,786**	1,024	1,233	4,992	**7,249**
New and derecognised financial assets, net	302	–315	–467	**–480**	306	–264	–425	**–383**
Changes due to change in credit risk	1,081	228	1,175	**2,485**	910	279	1,239	**2,427**
Changes due to modifications	2	12	0	**14**		11		**11**
Decreases in ECL allowances due to write-offs			–2,873	**–2,873**			–2,825	**–2,825**
Change in exchange rates	92	86	504	**681**	64	59	452	**576**
TOTAL	**2,835**	**1,665**	**4,112**	**8,613**	**2,304**	**1,318**	**3,433**	**7,055**

Note 18 continued Loans

2021	Group				Parent company			
Loans and Debt securities	**Stage 1 (12-month ECL)**	**Stage 2 (lifetime ECL)**	**Stage 3 (credit impaired/ lifetime ECL)**	**Total**	**Stage 1 (12-month ECL)**	**Stage 2 (lifetime ECL)**	**Stage 3 (credit impaired/ liftime ECL)**	**Total**
Opening balance	973	1,208	7,331	**9,512**	693	904	6,027	**7,624**
New and derecognised financial assets, net	355	–91	–351	**–87**	357	–25	–228	**103**
Changes due to change in credit risk	–361	299	759	**697**	–339	160	781	**603**
Changes due to modifications	2	6	0	**8**		5	0	**5**
Changes due to methodology change	–1	1	–56	**–55**	0	0	0	**0**
Decreases in ECL allowances due to write-offs			–2,395	**–2,395**			–2,040	**–2,040**
Change in exchange rates	15	32	419	**466**	10	24	391	**425**
TOTAL	**984**	**1,456**	**5,707**	**8,147**	**721**	**1,068**	**4,931**	**6,719**
Financial guarantees and Loan commitments								
Opening balance	260	176	218	**653**	179	154	192	**525**
New and derecognised financial assets, net	68	–43	–113	**–88**	76	–44	–98	**–66**
Changes due to change in credit risk	41	59	–54	**47**	44	49	–48	**45**
Changes due to modifications		1		**1**		1		**1**
Changes due to methodology change	0	0	–1	**0**	0			**0**
Change in exchange rates	6	6	16	**28**	4	5	16	**25**
TOTAL	**375**	**198**	**67**	**640**	**304**	**164**	**61**	**529**
Total Loans, Debt securities, Financial guarantees and Loan commitments								
Opening balance	1,232	1,384	7,549	**10,165**	873	1,058	6,219	**8,149**
New and derecognised financial assets, net	423	–134	–464	**–175**	433	–69	–327	**37**
Changes due to change in credit risk	–320	359	706	**744**	–294	209	733	**648**
Changes due to modifications	2	7	0	**9**		5	0	**5**
Changes due to methodology change	–1	2	–56	**–55**	–1	0	0	**–1**
Decreases in ECL allowances due to write-offs			–2,395	**–2,395**			–2,040	**–2,040**
Change in exchange rates	21	37	435	**494**	14	29	407	**450**
TOTAL	**1,358**	**1,654**	**5,774**	**8,786**	**1,024**	**1,233**	**4,992**	**7,249**

Development of exposures and ECL allowances
In 2022, Stage 1 gross exposures and ECL allowances increased reflecting an increase in corporate lending. ECL allowances in Stage 1 and 2 increased due to updates of the macroeconomic scenarios and a net increase of portfolio model overlays. There was some migration due to changes in credit risk from Stage 1 to Stage 2 and from Stage 2 to Stage 3. In Stage 3, exposures and ECL allowances were also impacted by write-offs against reserves and repayments. In all stages, there was an increasing effect from the weaker Swedish krona on both gross exposures and ECL allowances.

In the first quarter 2022 the parent company introduced "EBA guideline on the application of the definition of default under Article 178 of Regulation (EU) No 575/2013". The regulation was implemented in the Baltic subsidiaries in the fourth quarter 2021. The impact on net expected credit losses from the implementation and new rules on a probation period before curing from default was not significant as of 31 December 2022.

Forward-looking information: key macroeconomic variable assumptions for calculating ECL allowances
Macroeconomic forecasts made by SEB's economic research department are used as the basis for the forward-looking information incorporated in the ECL measurement. In order to ensure an unbiased estimation under IFRS 9, at least three scenarios are used with different probability weightings. The base case scenario represents the most likely outcome and is also applied in the financial planning and budgeting process, while the other scenarios represent more positive and negative outcomes respectively. The probability weightings assigned to each scenario are determined using a combination of statistical analysis and expert judgement. The scenarios and their probability weightings are reviewed every quarter, or more frequently when appropriate due to rapid or significant changes in the economic environment.

In 2022, the scenarios have been reviewed and updated to reflect the changing economic outlook and uncertainty posed by the development of inflation, energy prices and interest rates. No changes have been made to the method used for incorporating forward-looking information in the modelling.

In the base scenario as per the fourth quarter, the GDP forecasts for 2023 and 2024 were lowered as households are under mounting pressure from interest rates, inflation and energy prices. Western Europe is entering a recession, with negative GDP growth for the full year 2023 in both the euro area and the United Kingdom. Due to the relatively stronger post-pandemic recovery and the interest rate sensitivity of households given the high proportion of floating rate mortgage loans that will squeeze consumption, GDP is expected to fall further in Sweden, by –1.5 per cent 2023. Due to the GDP decline, the labour market is expected to weaken. Like the EU in general, the Baltic economies are now also moving into recession, although full-year GDP growth figures for 2023 are expected to remain slightly positive. Links to the Russian economy have declined sharply in recent years. This means that the biggest threat comes from high inflation rates, which have peaked at a bit above 20 per cent. Central banks have continued to raise their key interest rates rapidly, while signalling the need for further monetary tightening. Our forecast for peak rates has been raised by 125 basis points for the Fed and Bank of England key rates, reaching 4.75 and 4 per cent respectively, and by 50 basis points for the European Central Bank and Riksbank to a maximum of 2.75 per cent (refers to the ECB deposit rate) and we expect key rate cuts to begin late 2023 by the Fed and in 2024 by other central banks.

Base case scenario assumptions	2023	2024	2025
Global GDP growth	**2.3%**	**3.6%**	**4.0%**
OECD GDP growth	**0.5%**	**1.9%**	**2.3%**
Sweden			
GDP growth	–1.5%	1.3%	2.3%
Household consumption expenditure growth	–2.3%	1.2%	2.5%
Interest rate (STIBOR)	2.85%	2.45%	2.15%
Residential real estate price growth	–5.0%	5.0%	3.0%
Baltic countries			
GDP growth	0.1% – 1.1%	3.0% – 3.5%	3.5%
Household consumption expenditure growth	0.0% – 1.0%	3.2% – 3.5%	3.0%
Inflation rate	8.5% – 9.9%	2.0% – 2.1%	3.0%
Nominal wage growth	7.5% – 8.5%	6.5% – 7.5%	6.0%
Unemployment rate	6.7% – 7.1%	6.0% – 6.8%	5.8% – 6.3%

The negative scenario assumes a deepening energy crisis in Europe. A widespread energy rationing in the winter could lead to a much deeper recession than the base scenario. Aggressive key rate hikes by central banks are now also starting to affect the risk picture. If central banks are underestimating economies' sensitivity to interest rates and the risks of financial stress symptoms, this could lead to a dramatic downturn. The upside potential is limited and a faster end to the Russia–Ukraine war or unexpectedly strong adaptability in Western Europe could be part of such a scenario. It is also conceivable possible that we are underestimating the strength of the downturn in inflation over a longer period is underestimated. A further description of the scenarios is available in SEB's Nordic Outlook from November 2022.

In the estimation of ECL allowances as of 31 December 2022, the probabilities of the three scenarios were 60 per cent (65 per cent as of year-end 2021) for the base scenario, 15 per cent (15) for the positive scenario and 25 per cent (20) for the negative scenario.

Note 18 continued Loans

The most significant assumptions affecting the ECL allowance of the non-retail and retail portfolios, respectively, are as follows:

Non-retail portfolios

(i) GDP	impact on companies' performance
(ii) Real estate price growth	impact on collateral valuations

Retail portfolios

(i) Household consumption expenditure growth	impact on borrowers' ability to meet their contractual obligations
(ii) Residential real estate price growth	impact on mortgage collateral values
(iii) Unemployment rate	impact on borrowers' ability to meet their contractual obligations
(iv) Interest rates	impact on borrowers' ability to meet their contractual obligations
(v) Inflation rate	impact on borrowers' ability to meet their contractual obligations
(vi) Nominal wage growth	impact on borrowers' ability to meet their contractual obligations

Sensitivity analysis of macroeconomic assumptions

In general, a worsening of the economic development or an increase in the probability of the negative scenario occurring is expected to increase the number of loans migrating from Stage 1 to Stage 2 and increase the estimated ECL allowances. On the other hand, an improvement in the economic development or an increase in the probability of the positive scenario occurring is expected to have the opposite, positive impact.

Should the positive and negative scenarios be assigned 100 per cent probability of occurring, the model calculated ECL allowances would decrease by 5 per cent and increase by 6 per cent, respectively compared to the weighted scenario.

		ECL allowances resulting from scenario	Difference from the probability weighted ECL allowances, %
Group	Negative scenario	9,135	6%
	Positive scenario	8,157	–5%
Large Corporates & Financial Institutions	Negative scenario	5,175	4%
	Positive scenario	4,808	–3%
Corporates & Private Customers	Negative scenario	2,635	11%
	Positive scenario	2,135	–10%
Private Wealth Management & Family Office	Negative scenario	158	9%
	Positive scenario	135	–8%
Baltic	Negative scenario	1,174	5%
	Positive scenario	1,072	–4%

Expert Credit Judgement

SEB uses models and expert credit judgement (ECJ) for calculating ECL allowances. The degree of judgement depends on model outcome, materiality and information available. ECJ may be applied to incorporate factors not captured by the models, either on counterparty or portfolio level. Model overlays on portfolio level using ECJ have been determined through top-down scenario analysis, including various scenarios of risk migration of complete portfolios. This has been combined with bottom-up individual customer analysis of larger corporate customers and analysis and stress tests of sectors specifically exposed to economic distress, including supply chain issues, higher energy prices and inflation risks. The model overlays are re-evaluated quarterly in connection with the assessment of ECL allowances.

During the year, Covid-19 – and oil portfolio-related model overlays made in 2020 and 2021 through ECJ were released. New portfolio model overlays were made to reflect risks from higher energy prices, supply chain issues and inflation as well as the challenges within the real estate sector in Sweden as many companies are adjusting to the new interest rate and capital market environments. As of 31 December 2022, model overlays on portfolio level made through ECJ amounted to SEK 2.2bn, of which SEK 0.9bn in the Large Corporates & Financial Institutions division, SEK 0.8bn in the Corporate & Private Customers division, SEK 0.5bn in the Baltic division and SEK 0.1bn in the Private Wealth Management & Family Office division.

Determination of significant increase in credit risk (SICR)

For arrangements with an initial origination date as of 1 January 2018 or later, the primary indicator is changes in lifetime probability of default (PD) by comparing the scenario weighted annualised lifetime PD at the reporting date with the scenario weighted annualised lifetime PD at initial recognition. For arrangements with an initial origination date prior to 1 January 2018 changes in SEB internal risk classification since initial origination are used as the primary indicator.

Quantitative measures for triggering significant increase in credit risk (SICR)

	For arrangements originated prior to 1 January 2018	For arrangements originated on or after 1 January 2018
Watch list	1)	1)
Investment grade	2–7 grades	Annualised lifetime PD increase by 200% and ≥ 50 basis points
Standard monitoring	1–2 grades	

1) Placement of a financial asset on watch list automatically classifies it as a significant increase in credit risk and places it in Stage 2.

Regardless of the quantitative indicator, a significant increase in credit risk is triggered if the following back-stop indicators occur:
– payments are past due >30 days but <90 days, or
– financial assets are forborne (where due to the customer's financial difficulties the contractual terms of the loans have been revised and concessions given).
Back stop indicators normally overlap with the quantitative indicator of significant increase in credit risk.

Sensitivity analysis of significant increase in credit risk (SICR) trigger assumptions

The sensitivity of ECL to changes in the quantitative triggering approach is analysed regularly, including tests of the following alternative triggers: (i)recognising as Stage 2 SICR all exposures that have a worsened risk grade of 1 notch or more; and (ii) reduction of Stage 2 SICR triggering thresholds to 30bp increase in annualised lifetime PD.

Total ECL as at 31 December 2022 would increase by 2.2 per cent when recognising all exposures which have been downgraded by one notch or more compared to the grade at origination as Stage 2.

The impact on total ECL as of 31 December 2022 from reduction of the Stage 2 SICR trigger threshold to 30bps is below 0.1 per cent. The sensitivities are minor due to the fact that backstop indicators capture a large portion of exposures in Stage 2 regardless of the changes in the quantitative trigger measures. In addition, the impact of severe adverse macroeconomic developments on the loan portfolio is tested as part of the regular ICAAP process, described in more detail in note 41 Capital adequacy.

Past due loans

	Group		Parent company	
	2022	2021	**2022**	2021
≤ 30 days	7,439	10,715	6,146	8,759
>30 ≤ 90 days	1,262	1,458	1,057	1,342
> 90 days	1,103	1,213	708	704
TOTAL	**9,803**	**13,386**	**7,910**	**10,805**

Forborne loans

	Group 2022	Group 2021	Parent company 2022	Parent company 2021
Total forborne loans	8,014	11,539	5,338	9,142
of which performing[1)]	3,938	3,988	1,890	2,322

1) According to EBA definition.

19 Debt securities

Group, 2022

Debt securities by issuers	Swedish government	Swedish municipalities	Swedish mortgage institutions	Other Swedish issuers	Foreign government	Other foreign issuers	Total
Eligible debt securities[1]							
Held for trading	21,852	151			6,022	4,944	**32,969**
Fair value through profit or loss mandatorily	2,949	2,098	2,316	34,380	19,634	4,494	**65,870**
Fair value through profit or loss designated	1,256		5,135		496	24	**6,911**
Total	**26,057**	**2,248**	**7,451**	**34,380**	**26,152**	**9,462**	**105,750**
Other debt securities							
Held for trading			29,644	16,433	5	31,127	**77,209**
Fair value through profit or loss mandatorily	100		11,531	10,349	1,042	36,379	**59,403**
Fair value through profit or loss designated	49		55	147		133	**383**
Amortised cost						8,862	**8,862**
Total	**149**		**41,230**	**26,929**	**1,048**	**76,501**	**145,857**
Accrued interest							**1,004**
TOTAL	**26,206**	**2,248**	**48,681**	**61,309**	**27,199**	**85,963**	**252,611**

Group, 2021

Debt securities by issuers	Swedish government	Swedish municipalities	Swedish mortgage institutions	Other Swedish issuers	Foreign government	Other foreign issuers	Total
Eligible debt securities[1]							
Held for trading	6,480	63			4,297	3,061	**13,901**
Fair value through profit or loss mandatorily	5,780	3,097	2,134	45,874	18,190	3,079	**78,154**
Fair value through profit or loss designated	1,333		5,831		646	108	**7,917**
Total	**13,592**	**3,161**	**7,965**	**45,874**	**23,133**	**6,247**	**99,972**
Other debt securities							
Held for trading			11,784	9,518		18,222	**39,524**
Fair value through profit or loss mandatorily	204		12,629	3,726	6,395	34,051	**57,005**
Fair value through profit or loss designated	50		1	60		145	**257**
Amortised cost						8,543	**8,543**
Total	**254**		**24,414**	**13,304**	**6,395**	**60,962**	**105,329**
Accrued interest							**649**
TOTAL	**13,846**	**3,161**	**32,380**	**59,178**	**29,528**	**67,209**	**205,950**

1) Eligible papers are considered as such only if they, according to national legislation, are accepted by the Central bank in the country in which SEB is located.

Parent company, 2022

Debt securities by issuers	Swedish government	Swedish municipalities	Swedish mortgage institutions	Other Swedish issuers	Foreign government	Other foreign issuers	Total
Eligible debt securities[1]							
Held for trading	21,852	151			6,015	4,944	**32,962**
Fair value through profit or loss mandatorily	1,793	2,098		34,380	7,492	4,488	**50,251**
Total	**23,645**	**2,248**		**34,380**	**13,506**	**9,433**	**83,213**
Other debt securities							
Held for trading			29,644	16,433		31,127	**77,204**
Fair value through profit or loss mandatorily			10,516	9,053		36,356	**55,925**
Amortised cost				1,204		8,862	**10,066**
Total			**40,160**	**26,690**		**76,345**	**143,195**
Accrued interest							**915**
TOTAL	**23,645**	**2,248**	**40,160**	**61,070**	**13,506**	**85,778**	**227,323**

Parent company, 2021

Debt securities by issuers	Swedish government	Swedish municipalities	Swedish mortgage institutions	Other Swedish issuers	Foreign government	Other foreign issuers	Total
Eligible debt securities[1]							
Held for trading	6,480	63			4,172	3,028	**13,743**
Fair value through profit or loss mandatorily	4,214	3,097		45,874	4,454	3,073	**60,712**
Total	**10,694**	**3,161**		**45,874**	**8,626**	**6,101**	**74,455**
Other debt securities							
Held for trading			11,784	9,518		18,222	**39,524**
Fair value through profit or loss mandatorily			11,695	2,581	5,637	34,022	**53,935**
Amortised cost				1,400		8,544	**9,943**
Total			**23,479**	**13,499**	**5,637**	**60,787**	**103,402**
Accrued interest							**583**
TOTAL	**10,694**	**3,161**	**23,479**	**59,373**	**14,262**	**66,889**	**178,441**

1) Eligible papers are considered as such only if they, according to national legislation, are accepted by the Central bank in the country in which SEB is located.

20 Equity instruments

	Group		Parent company	
	2022	2021	**2022**	2021
Fair value through profit or loss held for trading	39,657	89,284	39,657	89,284
Fair value through profit or loss mandatorily	26,937	31,458	4,988	6,865
TOTAL	**66,594**	**120,742**	**44,645**	**96,149**

21 Derivatives and hedge accounting

	Group		Parent company	
	2022	2021	**2022**	2021
Interest-related	105,539	57,983	96,979	53,157
Currency-related	48,646	36,180	48,727	36,281
Equity-related	3,150	4,283	3,150	4,283
Other	30,288	27,605	30,288	27,605
Positive replacement values	**187,622**	**126,051**	**179,144**	**121,326**
Interest-related	122,258	49,910	114,070	45,596
Currency-related	62,409	26,902	62,483	26,541
Equity-related	9,356	8,085	9,356	8,085
Other	44,025	33,276	44,025	33,276
Negative replacement values	**238,048**	**118,173**	**229,933**	**113,497**

	Positive replacement values		Negative replacement values	
Group, 2022	Nominal amount	Book value	Nominal amount	Book value
Options	136,471	2,266	171,916	2,331
Futures	1,980,108	385	1,582,309	203
Swaps	8,972,587	102,887	9,121,701	119,723
Interest-related	**11,089,166**	**105,539**	**10,875,926**	**122,258**
of which exchange traded	*137,823*	*86*	*156,395*	*80*
Options	74,495	922	75,413	1,333
Futures	524,253	14,651	554,440	14,310
Swaps	2,314,103	33,072	2,464,976	46,767
Currency-related	**2,912,851**	**48,646**	**3,094,830**	**62,409**
of which exchange traded		*2*		*36*
Options	25,316	1,427	20,135	3,797
Futures	9,683	302	9,063	350
Swaps	29,504	1,421	31,806	5,209
Equity-related	**64,503**	**3,150**	**61,004**	**9,356**
of which exchange traded	*27,080*	*992*	*20,225*	*3,355*
Options	3,344	2,022	3,568	5,237
Futures	4,805	24,016	12,604	37,873
Swaps	3,808	4,249	12,303	914
Other	**11,957**	**30,288**	**28,476**	**44,025**
of which exchange traded	*1*	*757*	*1*	*596*
TOTAL	**14,078,477**	**187,622**	**14,060,235**	**238,048**
of which exchange traded	*164,904*	*1,837*	*176,621*	*4,067*
Group, 2021				
Options	176,634	1,082	159,785	1,588
Futures	2,278,354	190	1,967,964	107
Swaps	7,609,998	56,712	7,784,997	48,216
Interest-related	**10,064,986**	**57,983**	**9,912,747**	**49,910**
of which exchange traded	*64,056*	*30*	*53,116*	*38*
Options	64,129	586	56,244	566
Futures	532,990	10,283	490,216	7,026
Swaps	1,933,495	25,311	1,842,751	19,309
Currency-related	**2,530,614**	**36,180**	**2,389,211**	**26,902**
of which exchange traded		*2*		*2*
Options	29,165	1,603	20,994	3,605
Futures	10,930	215	12,744	246
Swaps	43,320	2,465	55,685	4,234
Equity-related	**83,415**	**4,283**	**89,423**	**8,085**
of which exchange traded	*34,082*	*898*	*22,862*	*2,934*
Options	44,194	4,403	47,381	4,181
Futures	130,995	22,563	128,414	28,511
Swaps	18,832	639	25,545	584
Other	**194,022**	**27,605**	**201,340**	**33,276**
of which exchange traded	*70,813*	*3,006*	*35,745*	*3,674*
TOTAL	**12,873,037**	**126,051**	**12,592,721**	**118,173**
of which exchange traded	*168,951*	*3,936*	*111,722*	*6,647*

Note 21 continued Derivatives and hedge accounting

Parent company, 2022	Positive replacement values		Negative replacement values	
	Nominal amount	Book value	Nominal amount	Book value
Options	137,333	2,298	172,916	2,331
Futures	1,980,108	385	1,582,309	203
Swaps	8,915,472	94,296	9,033,702	111,536
Interest-related	**11,032,913**	**96,979**	**10,788,926**	**114,070**
of which exchange traded	*137,823*	*86*	*156,395*	*80*
Options	74,128	898	75,024	1,324
Futures	524,291	14,559	555,089	14,250
Swaps	2,326,519	33,270	2,471,782	46,908
Currency-related	**2,924,938**	**48,727**	**3,101,895**	**62,483**
of which exchange traded	*67*	*2*		*36*
Options	25,316	1,427	20,135	3,797
Futures	9,683	302	9,063	350
Swaps	29,504	1,421	31,806	5,209
Equity-related	**64,503**	**3,150**	**61,004**	**9,356**
of which exchange traded	*27,080*	*992*	*20,225*	*3,355*
Options	3,344	2,022	3,568	5,237
Futures	4,805	24,016	12,604	37,873
Swaps	3,808	4,249	12,303	914
Other	**11,957**	**30,288**	**28,476**	**44,025**
of which exchange traded	1	757	1	596
TOTAL	**14,034,311**	**179,144**	**13,980,300**	**229,933**
of which exchange traded	*27,148*	*1,751*	*20,226*	*3,988*
Parent company, 2021				
Options	186,371	1,108	162,785	1,636
Futures	2,278,354	190	1,967,005	107
Swaps	7,607,498	51,859	7,546,097	43,853
Interest-related	**10,072,223**	**53,157**	**9,675,887**	**45,596**
of which exchange traded	*64,056*	*30*	*53,116*	*38*
Options	64,089	540	56,195	529
Futures	533,086	10,272	490,193	6,690
Swaps	1,939,458	25,470	1,843,472	19,321
Currency-related	**2,536,633**	**36,281**	**2,389,861**	**26,541**
of which exchange traded		*2*		*2*
Options	29,165	1,603	20,994	3,605
Futures	10,930	215	12,744	246
Swaps	43,320	2,465	55,685	4,234
Equity-related	**83,415**	**4,283**	**89,423**	**8,085**
of which exchange traded	*34,082*	*898*	*22,862*	*2,934*
Options	44,210	4,403	47,381	4,181
Futures	130,995	22,563	128,414	28,511
Swaps	18,832	639	25,545	584
Other	**194,037**	**27,605**	**201,340**	**33,276**
of which exchange traded	70,813	3,006	35,745	3,674
TOTAL	**12,886,308**	**121,326**	**12,356,510**	**113,497**
of which exchange traded	*168,951*	*3,906*	*111,722*	*6,610*

Hedge accounting

Accounting policy
As the International Accounting Standards Board issued the new accounting standard IFRS 9 they provided entities with an accounting policy choice between applying the hedge accounting requirements in IFRS 9 or continuing to apply the existing hedge accounting requirements in IAS 39 for all hedge accounting. SEB has decided to continue to apply hedge accounting requirements in IAS 39.

IBOR Reform (Interest Rate Benchmark Reform)
The amendments to IFRS 9, IAS 39, and IFRS 7 Interest Rate Benchmark Reform (IBOR) – Phase 1 provide temporary relief from applying specific hedge accounting requirements to hedging relationships directly affected by the IBOR reform. The reliefs have the effect that the IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement.

SEB's hedged accounting risk exposure is affected by the interest rate benchmark reform in USD LIBOR. The group has analysed market expectations when determining the fair value of the hedging instrument and present value of estimated cash flows of the hedged item.

Note 21 continued Derivatives and hedge accounting

The table below indicates the nominal amount and interest rate risk of hedging items that will be affected by the IBOR reform. Risk figures are expressed as one basis point's parallel shift of the interest rate curve.

Fair value hedges of interest rate risk	Notional	Asset	Liability
USD LIBOR	USD 4.750bn		USD 0.9m

For more information about the group's project to lead the transition to alternative benchmark rates and the Interest Rate Benchmark Reform (IBOR) – Phase 2, see note 40g.

Risk management strategy
The Board of Directors defines how much market risk is acceptable by setting the overall market risk limits and general instructions. The market risk tolerance and limits are defined for the trading book, banking book and defined benefit plans. The Group Risk Committee delegates the market risk mandate to the divisions and the treasury function, which in turn further allocate the limits internally. The treasury function has overall responsibility for managing these risks, which are consolidated centrally.

Risk category and designated risk exposure
Interest rate risk is the designated risk exposure for fair value and cash flow hedge accounting. Interest rate risk in the banking book arises from changes in market interest rates as a result of mismatches in interest terms and interest rate periods on the balance sheet.

Fair value hedges and portfolio hedges
The group holds a portfolio of long-term fixed rate mortgages and long-term fixed rate issued debt securities of which is exposed to fluctuations in fair value due to movements in market interest rates. The interest rate risk component is determined as the change in fair value of the long-term fixed rate mortgages and issued debt securities arising solely from changes in discounting rates such as applicable IBOR rates. The group hedges a portion of its existing interest rate risk from these financial assets and financial liabilities against changes in fair value. For this purpose, the group are entering pay fixed/receive floating interest rate swaps for hedging of long-term fixed rate mortgages and receive fixed/pay floating interest swaps for hedging of long-term fixed rate issued debt securities thus resulting in fixed interest rates on the hedged item being swapped to floating interest rates. The hedges are executed item by item for long-term fixed rate issued debt securities and by aggregation of items grouped by maturity for long-term fixed rate mortgages.

Sources of hedge ineffectiveness
The effectiveness of the hedge strategy is assessed by the degree to which changes in fair value of the hedged item that are attributable to the changes in benchmark rate used for discounting are offset by changes in fair value of the hedging instrument. Possible sources of hedge ineffectiveness are as follows:

(i) the discounted cash flow from floating rate payments from the hedging instrument does not have an equivalent cash flow from the long-term fixed mortgages or issued debt securities thus give rise to hedge inefficiencies;
(ii) deviations in critical factors between the hedged item and the fixed rate leg in the hedging instrument ('proxy bond') will give rise to hedge inefficiencies;
(iii) different benchmark rates used for discounting of the hedged item and the hedging instrument. For example, the use of either secured or unsecured benchmark rate depending on the collaterialised characteristics of hedging instrument while unsecured benchmark rates are applied for the hedged item;
(iv) funding value adjustments which impact the fair value of hedging instruments for which central counterparty clearing is not applied. Equivalent fair value adjustment is not applicable for the hedged item;
(v) the effects of the forthcoming reform to USD LIBOR, because it might take effect at a different time and have a different impact on the hedged item and the hedging instrument. Further details of these reforms are set out in note 40g.

Cash flow hedges
The group holds a portfolio of lending and deposits with floating interest rates of which is exposed to fluctuations in cash flow due to movements in market interest rates. The interest rate risk component is determined as the variability in cash flows from floating rate lending and floating rate deposits arising solely from changes in applicable benchmark rates. The group hedges a portion of its existing exposure from these financial assets and financial liabilities against variability in cash flows. For this purpose the group are entering interest rate swaps where the net exposures of lending and deposits with floating rates are swapped to fixed interest. Group either pays or receives the fixed leg of the interest rate swap depending on whether volumes on floating rate lending outweighs floating rate deposits or vice versa. Interest flows from deposits and lending with floating interest rates are expected to be amortised to profit or loss during the period 2023 to 2037.

Sources of hedge ineffectiveness
The effectiveness of the hedge strategy is assessed by the degree to which changes in present value of the hedged expected future cash flows that are attributable to the changes in benchmark rate used for estimating future cash flows are offset by changes in fair value of the hedging instrument. Possible sources of hedge ineffectiveness are as follows:

(i) deviations in critical factors between the hedged item ('hypothetical derivative') and the floating rate leg in the hedging instrument will give rise to hedge inefficiencies;
(ii) funding value adjustments which impact the fair value of hedging instruments for which central counterparty clearing is not applied. Equivalent fair value adjustment is not applicable for the hedged item.

Net investment hedges
The group hedges the currency translation risk of net investments in foreign operations through currency borrowings. Borrowing in foreign currency at an amount of SEK 64,246m (51,496) were designated as hedges of net investments in foreign operations. Ineffectiveness in the hedges has been reported in Net financial income (note 6).

Note 21 continued Derivatives and hedge accounting

Hedging instruments

	Positive replacement values			Negative replacement values		
Group, 2022	Nominal amount	Book value	Change in value	Nominal amount	Book value	Change in value
Derivatives	113,045	86	–4,256	311,512	465	–23,425
Fair value hedges of interest rate risk	**113,045**	**86**	**–4,256**	**311,512**	**465**	**–23,425**
Derivatives	183,850	116	6,656	0	15	34
Portfolio fair value hedges of interest rate risk	**183,850**	**116**	**6,656**	**0**	**15**	**34**
Derivatives	4,739	35	–199	2,312	245	305
Portfolio cash flow hedges of interest rate risk	**4,739**	**35**	**–199**	**2,312**	**245**	**305**
TOTAL	**301,634**	**237**	**2,200**	**313,824**	**726**	**–23,087**
Group, 2021						
Derivatives	172,736	633	–1,834	227,068	124	–5,029
Fair value hedges of interest rate risk	**172,736**	**633**	**–1,834**	**227,068**	**124**	**–5,029**
Derivatives	248,600	108	190	0	0	1,007
Portfolio fair value hedges of interest rate risk	**248,600**	**108**	**190**	**0**	**0**	**1,007**
Derivatives	6,305	232	39	3,619	325	–4
Portfolio cash flow hedges of interest rate risk	**6,305**	**232**	**39**	**3,619**	**325**	**–4**
TOTAL	**427,642**	**973**	**–1,605**	**230,687**	**449**	**–4,026**

Fair value hedges of interest rate risk

Group, 2022	Book value hedged item	The accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount	The change in value of the hedged item used as the basis for recognising hedge ineffectiveness for the period	Hedge ineffectiveness recognised in profit or loss
Income Statement				
Net other Income				59
Balance sheet				
Debt securities issued	396,694	–20,839	27,741	
Fair value hedges of interest rate risk	**396,694**	**–20,839**	**27,741**	**59**
Income Statement				
Net other Income				–64
Balance sheet				
Loans to the public	336,950			
Fair value changes of hedged items in a portfolio hedge		–7,456	–6,754	
Portfolio fair value hedges of interest rate risk	**336,950**	**–7,456**	**–6,754**	**–64**
TOTAL	**733,643**	**–28,295**	**20,987**	**–5**
Group, 2021				
Income Statement				
Net other Income				–22
Balance sheet				
Debt securities issued	395,575	1,244	6,841	
Fair value hedges of interest rate risk	**395,575**	**1,244**	**6,841**	**–22**
Income Statement				
Net other Income				–1
Balance sheet				
Loans to the public	370,524			
Fair value changes of hedged items in a portfolio hedge		–702	–1,198	
Portfolio fair value hedges of interest rate risk	**370,524**	**–702**	**–1,198**	**–1**
TOTAL	**766,099**	**542**	**5,643**	**–23**

Note 21 continued Derivatives and hedge accounting

Portfolio cash flow hedges of interest rate risk

Group, 2022	The change in value of the hedged item used as the basis for recognising hedge ineffectiveness for the period	The balances in the cash flow reserve: Continuing hedges	The balances in the cash flow reserve: Discontinued hedges	Hedging gains/losses of the reporting period that were recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	The amount reclassified from cash flow reserve for which hedge accounting had previously been used
Income Statement						
Net other Income					3	13
Statement of comprehensive income						
Cash flow hedges				102		
Balance sheet						
Loans to the public and deposits and borrowing from the public	–102					
Equity						
Cash flow hedges		30	–93			
TOTAL	**–102**	**30**	**–93**	**102**	**3**	**13**
Group, 2021						
Income Statement						
Net other Income					–1	1
Statement of comprehensive income						
Cash flow hedges				36		
Balance sheet						
Loans to the public and deposits and borrowing from the public	–36					
Equity						
Cash flow hedges		129	–110			
TOTAL	**–36**	**129**	**–110**	**36**	**–1**	**1**

Hedging instruments

	Positive replacement values			Negative replacement values		
Parent company, 2022	Nominal amount	Book value	Change in value	Nominal amount	Book value	Change in value
Derivatives	113,045	86	–4,256	311,512	465	–23,425
Fair value hedges of interest rate risk	**113,045**	**86**	**–4,256**	**311,512**	**465**	**–23,425**
Derivatives	183,850	116	6,656	0	15	34
Portfolio fair value hedges of interest rate risk	**183,850**	**116**	**6,656**	**0**	**15**	**34**
Derivatives	4,739	35	–199	2,312	245	305
Portfolio cash flow hedges of interest rate risk	**4,739**	**35**	**–199**	**2,312**	**245**	**305**
TOTAL	**301,634**	**237**	**2,200**	**313,824**	**726**	**–23,087**
Parent company, 2021						
Derivatives	172,736	633	–1,834	227,068	124	–5,029
Fair value hedges of interest rate risk	**172,736**	**633**	**–1,834**	**227,068**	**124**	**–5,029**
Derivatives	248,600	108	190			1,007
Portfolio fair value hedges of interest rate risk	**248,600**	**108**	**190**	**0**	**0**	**1,007**
Derivatives	6,305	232	39	3,619	325	–4
Portfolio cash flow hedges of interest rate risk	**6,305**	**232**	**39**	**3,619**	**325**	**–4**
TOTAL	**427,642**	**973**	**–1,605**	**230,687**	**449**	**–4,026**

Note 21 continued Derivatives and hedge accounting

Fair value hedges of interest rate risk

Parent company, 2022	Book value	The accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount	The change in value of the hedged item used as the basis for recognising hedge ineffectiveness for the period	Hedge ineffectiveness recognised in profit or loss
Income Statement				
Net other Income				59
Balance sheet				
Debt securities issued	396,694	–20,839	27,741	
Fair value hedges of interest rate risk	**396,694**	**–20,839**	**27,741**	**59**
Income Statement				
Net other Income				–64
Balance sheet				
Loans to the public	336,950			
Fair value changes of hedged items in a portfolio hedge		–7,456	–6,754	
Portfolio fair value hedges of interest rate risk	**336,950**	**–7,456**	**–6,754**	**–64**
TOTAL	**733,643**	**–28,295**	**20,987**	**–5**

Parent company, 2021	Book value	The accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount	The change in value of the hedged item used as the basis for recognising hedge ineffectiveness for the period	Hedge ineffectiveness recognised in profit or loss
Income Statement				
Net other Income				–22
Balance sheet				
Debt securities issued	395,575	1,244	6,841	
Fair value hedges of interest rate risk	**395,575**	**1,244**	**6,841**	**–22**
Income Statement				
Net other Income				–1
Balance sheet				
Loans to the public	370,524			
Fair value changes of hedged items in a portfolio hedge		–702	–1,198	
Portfolio fair value hedges of interest rate risk	**370,524**	**–702**	**–1,198**	**–1**
TOTAL	**766,099**	**542**	**5,643**	**–23**

Portfolio cash flow hedges of interest rate risk

Parent company, 2022	The change in value of the hedged item used as the basis for recognising hedge ineffectiveness for the period	The balances in the cash flow reserve		Hedging gains/losses of the reporting period that were recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	The amount reclassified from cash flow reserve for which hedge accounting had previously been used
		Continuing hedges	Discontinued hedges			
Income Statement						
Net other Income					3	13
Statement of comprehensive income						
Cash flow hedges				102		
Balance sheet						
Loans to the public and deposits and borrowing from the public	–102					
Equity						
Cash flow hedges		30	–93			
TOTAL	**–102**	**30**	**–93**	**102**	**3**	**13**

Parent company, 2021	The change in value of the hedged item used as the basis for recognising hedge ineffectiveness for the period	The balances in the cash flow reserve		Hedging gains/losses of the reporting period that were recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	The amount reclassified from cash flow reserve for which hedge accounting had previously been used
		Continuing hedges	Discontinued hedges			
Income Statement						
Net other Income					–1	1
Statement of comprehensive income						
Cash flow hedges				36		
Balance sheet						
Loans to the public and deposits and borrowing from the public	–36					
Equity						
Cash flow hedges		129	–110			
TOTAL	**–36**	**129**	**–110**	**36**	**–1**	**1**

22 Investments in subsidiaries, associates and joint ventures

	Group		Parent company	
	2022	2021	**2022**	2021
Shares in Swedish subsidiaries			14,541	14,641
Shares in foreign subsidiaries[1)]	25	139	46,009	35,425
Investments in associates and joint ventures, strategic investments	790	669	616	463
Investments in associates, venture capital holdings	550	702	550	702
TOTAL	**1,365**	**1,510**	**61,717**	**51,231**
of which holdings in credit institutions			*44,661*	*34,153*

1) Some dormant subsidiaries in the group are consolidated using the equity method.

The parent company recognised impairment loss of SEK 829m for SEB Bank in Russia during 2022. In addition, the parent company recognised impairment loss of SEK 63m for SEB Corporate Bank in Ukraine and SEK 5,224m (1,911) for DSK Deutsch-Skandinavische Verwaltungs AG (former DSK Hyp AG). Skandinaviska Enskilda Ltd, which is being liquidated, was also written down by SEK 515m. In total, impairment of SEK 6,631m (1,911) was recognised for shares in subsidiaries.

		2022			2021		
Swedish subsidiaries	Country	Book value	Dividend	Ownership, %	Book value	Dividend	Ownership, %
Aktiv Placering AB, Stockholm	Sweden	38		100	38		100
Enskilda Kapitalförvaltning SEB AB, Stockholm	Sweden				0		100
Försäkringsaktiebolaget Skandinaviska Enskilda Captive, Stockholm	Sweden		146		100		100
IFA DBB AB, Stockholm	Sweden	330		100	330		100
Parkeringshuset Lasarettet HGB KB, Stockholm	Sweden	0		99	0		99
Repono Holding AB, Stockholm	Sweden	3,227		100	3,227		100
SEB Förvaltnings AB, Stockholm	Sweden	5		100	5		100
SEB Internal Supplier AB, Stockholm	Sweden	12		100	12		100
SEB Investment Management AB, Stockholm	Sweden	541		100	541		100
SEB Kort Bank AB, Stockholm	Sweden	3,760	346	100	3,760	277	100
SEB Life and Pension Holding AB, Stockholm	Sweden	6,424	1,000	100	6,424	600	100
SEB Strategic Investments AB, Stockholm	Sweden	204		100	204		100
Skandinaviska Kreditaktiebolaget, Stockholm	Sweden				0		100
TOTAL		**14,541**	**1,492**		**14,641**	**877**	
Foreign subsidiaries							
DSK Deutsch-Skandinavische Verwaltungs AG (former DSK Hyp AG), Frankfurt am Main	Germany	27,496	5,224	100	18,246		100
SEB Bank JSC, St Petersburg	Russia	0	137	100	829		100
SEB Banka, AS, Riga	Latvia	2,242	687	100	1,833	199	100
SEB bankas, AB, Vilnius	Lithuania	7,525	1,178	100	6,731	477	100
SEB Corporate Bank, PJSC, Kyiv	Ukraine	75		100	138		100
SEB do Brasil Representacões LTDA, Sao Paulo	Brazil	0	1	100	0	1	100
SEB Leasing Oy, Helsinki	Finland	5,090		100	4,540	61	100
SEB Njord AS, Oslo	Norway	0		100	0		100
SEB Pank, AS, Tallinn	Estonia	3,508	1,027	100	2,617	788	100
SEB Securities Inc, New York	USA	72		100	46		100
Skandinaviska Enskilda Ltd, London	Great Britain	0	572	100	446		100
TOTAL		**46,009**	**8,827**		**35,425**	**1,526**	

Information about the corporate registration numbers and numbers of shares of the subsidiaries is available upon request.

For more information on subsidiaries, directly owned or indirectly owned (via subsidiaries) by Skandinaviska Enskilda Banken AB (publ), during the financial year and/or at end of the financial year, see Sustainability notes p. 226–227.

Significant restrictions on the ability to use assets and settle liabilities of the group
Skandinaviska Enskilda Banken AB (Publ) can obtain distributions of capital, use assets and settle liabilities of members of the group within the limitation of some regulatory, statutory and contractual restrictions. These restrictions are:

Regulatory requirements
Regulated subsidiaries are subject to prudential regulatory capital requirements in the countries in which they are regulated. These subsidiaries are required to maintain a certain level of own funds in relation to their exposures, restricting their ability to distribute cash or other assets to the parent company. To meet these requirements, the subsidiaries hold capital instruments and other forms of subordinated liabilities.

Statutory requirements
Subsidiaries are required to have a certain level of solvency and are restricted to make distributions of capital and profits leading to a solvency below that level.

Contractual requirements
The group pledges some of its financial assets as collateral for financing and liquidity purposes. Encumbered assets can't be transferred within the group. Such assets are described further in the note 47 Pledged assets.

Note 22 continued Investments in subsidiaries, associates and joint ventures

Investments in associates and joint ventures – Strategic investments	Assets[1)]	Liabilities[1)]	Revenues[1)]	Profit or loss[1)]	Book value	Ownership, %
Bankomat AB, Stockholm	3,066	2,626	664	26	66	20
BGC Holding AB, Stockholm	1,297	198	1,206	300	104	33
Cinder Invest AB, Stockholm	443	5	0	–43	110	18
Finansiell ID-Teknik BID AB, Stockholm	145	47	299	27	7	18
Getswish AB, Stockholm	131	35	213	6	19	20
Invidem AB (former Nordic KYC Utility AB), Stockholm	58	30	0	–187	122	17
P27 Nordic Payments AB, Stockholm	206	55	11	–218	185	17
Tibern AB, Stockholm	0	0	0	0	3	14
USE Intressenter AB, Stockholm	1	0	0	0	0	28
Parent company holdings					**616**	
Holdings of subsidiaries					**41**	
Adjustment to investments recognised according to equity method					**132**	
GROUP HOLDINGS					**790**	

1) Retrieved from respective Annual report 2021.

Investments in associates – Venture capital holdings	2022 Book value	2022 Ownership, %	2021 Book value	2021 Ownership, %
Airsonett AB, Ängelholm	25	27	45	30
Apica AB, Stockholm	32	30	138	30
Avidicare Holding AB, Ängelholm	11	33	14	33
Cparta Cyber Defense AB, Stockholm	177	49	97	49
C-Green AB, Solna	0	3	20	0
CorPower Ocean AB, Stockholm	20	3	20	3
EnginZyme AB, Solna	0	7	10	3
InDex Pharmaceuticals Holding AB, Stockholm			23	2
Leasify AB, Stockholm	6	22	6	22
Now Interact Nordic AB, Stockholm	3	11	8	11
NuEvolution AB, Stockholm			0	20
OssDsign AB, Uppsala	46	11	57	12
Scandinova Systems AB, Uppsala	113	22	65	22
Scibase Holding AB, Stockholm			0	4
TSS Holding AB, Stockholm	117	42	198	42
Parent company holdings	**550**		**702**	
GROUP HOLDINGS	**550**		**702**	

Information about the corporate registration numbers and numbers of shares of the associates is available upon request.

Strategic investments in associates in the group are accounted for using the equity method.

Investments in associates held by the venture capital organisation of the group have, in accordance with IAS 28, been designated as at fair value through profit and loss.

Some entities, in which the bank have an ownership of less than 20 per cent, has been classified as investments in associates. The reason is that the bank is represented in the board of directors and participates in the policy making processes of those entities.

All financial assets within the group's venture capital business are managed and its performance is evaluated on a fair value basis in accordance with documented risk management and investment strategies.

Fair values for investments listed in an active market are based on quoted market prices. If the market for a financial instrument is not active, fair value is established by using valuation techniques based on discounted cash flow analysis, valuation with reference to financial instruments that is substantially the same, and valuation with reference to observable market transactions in the same financial instrument.

23 Intangible assets

2022	Group					Parent company			
	Goodwill[1]	Deferred acquisition costs	Internally developed IT-systems	Other intangible assets	Total	Goodwill[1]	Internally developed IT-systems	Other intangible assets	Total
Opening balance	4,582	6,174	6,538	2,600	**19,894**	1,377	5,843	775	**7,995**
Additions from acquisitions and capitalisations		106	662	11	**779**		546		**546**
Reclassifications			77	–77			77	–77	
Retirements and disposals			–386	–85	**–471**		–182	–13	**–195**
Change in exchange rates	48	196	31	110	**385**		1	7	**8**
Acquisition value	**4,630**	**6,477**	**6,923**	**2,559**	**20,588**	**1,377**	**6,285**	**691**	**8,354**
Opening balance		–5,427	–4,612	–2,389	**–12,428**	–1,377	–4,168	–735	**–6,280**
Current year's amortisations		–224	–608	–51	**–884**		–525	–17	**–541**
Reclassifications			–77	77			–77	77	
Retirements and disposals			196	85	**280**		103	13	**116**
Change in exchange rates		–166	–15	–95	**–276**		–1	–5	**–6**
Accumulated depreciations		**–5,818**	**–5,117**	**–2,373**	**–13,308**	**–1,377**	**–4,668**	**–666**	**–6,712**
TOTAL	**4,630**	**659**	**1,806**	**186**	**7,280**	**0**	**1,617**	**25**	**1,642**

1) Goodwill has an indefinite useful life. All other intangible assets have a definite useful life. Amortisation methods are described in note 1.

2021	Goodwill	Deferred acquisition costs	Internally developed IT-systems	Other intangible assets	Total	Goodwill	Internally developed IT-systems	Other intangible assets	Total
Opening balance	4,699	6,022	6,035	2,875	**19,631**	1,377	5,420	862	**7,659**
Additions from acquisitions and capitalisations		98	582	4	**684**		505	0	**505**
Reclassifications				–2	**–2**				
Retirements and disposals	–179		–89	–283	**–551**		–84	–90	**–174**
Change in exchange rates	62	54	10	6	**132**		3	2	**5**
Acquisition value	**4,582**	**6,174**	**6,538**	**2,600**	**19,894**	**1,377**	**5,843**	**775**	**7,995**
Opening balance		–5,157	–4,106	–2,559	**–11,823**	–1,377	–3,737	–769	**–5,883**
Current year's amortisations		–231	–581	–101	**–912**		–506	–43	**–550**
Reclassifications				1	**1**				
Retirements and disposals			80	272	**352**		77	79	**157**
Change in exchange rates		–40	–5	–1	**–46**		–2	–2	**–4**
Accumulated depreciations		**–5,427**	**–4,612**	**–2,389**	**–12,428**	**–1,377**	**–4,168**	**–735**	**–6,280**
TOTAL	**4,582**	**747**	**1,926**	**212**	**7,466**	**0**	**1,675**	**40**	**1,714**

Goodwill

The Cash Generating Units (CGU) structure is aligned with the business unit (BU) combined with geography to reflect the importance of steering and measuring the customer-oriented organisation.

CGUs	Acquisition year	Opening balance 2021	Change in exchange rates	Impairment	Closing balance 2021	Change in exchange rates	Closing balance 2022
Card, Norway & Denmark[1]	*2002/2004*	852	62	–179	735	48	783
Life Sweden	*1996/1997*	2,343			2,343		2,343
Investment Management Sweden	*1997/1998*	1,504			1,504		1,504
TOTAL		**4,699**			**4,582**		**4,630**

1) The CGUs are presented together since both acquisitions are related to the Eurocard business.

Impairment test 2022

Result of impairment test

The yearly impairment test for 2022 was performed in the fourth quarter. The impairment test did not result in any indication of impairment.

Estimates and assumptions used: future cash flows

The impairment test on goodwill is based on value in use and builds on the business plan for 2023–2025 and projected cash flows for 2026–2027. The long-term growth is based on expectation on inflation 2.0 per cent. The allocated capital is derived from the group's internal capital allocation model that has been aligned with the regulatory capital requirements including the management buffer. The cash flows in the business plan start with the assumptions from the most recently published Nordic Outlook. The main assumptions are; GDP change in Sweden from 2.9 per cent to 1.3 per cent over three years and other Nordic countries excluding Sweden from 2.2 per cent to 2.0 per cent; inflation in Sweden 8.2 per cent to 2.1 per cent and in Other Nordic countries from 7.0 per cent to 1.8 per cent. The Swedish repo rate is assumed to be 2.75 per cent at the end of 2024.

Estimates and assumptions used: Cost of Equity (CoE) – discount rate

The discount rate used is 10.4 per cent post-tax for SEB Group and is determined based on information from external sources and applied to all CGUs.

Sensitivities

An increase of one percentage point of the discount rate (CoE), a decrease of the average growth rates by one percentage point for earnings before amortisations during the projection period and a decrease of one percentage point of the long-term growth was applied in the sensitivity analysis. With these changes in key assumptions, the carrying amount for the CGU Card Norway would exceed the recoverable amount. Earnings before amortisations in the beginning of the projection period have decreased compared to previous estimates. The main explanatory factor was an increase in funding costs due to the sharp increase of NOK interest rate. The elevated interest rate is deemed to decrease again in the first half of the projection period. The recoverable amount for the CGU Card Norway exceeds the carrying amount by SEK 224m. The recoverable amount would be equal to the carrying amount should the discount rate (CoE) applied be 11.4 per cent or the annual growth rate applied be –9 per cent.

Note 23 continued Intangible assets

Impairment test 2021

Result of impairment test

The yearly impairment test for 2021 was performed in the fourth quarter. The impairment test did not result in any indication of impairment for the CGUs Card Denmark, Life Sweden and Investment Management Sweden. For the CGU Card Norway, the recoverable amount was SEK 1,396m which was less than the carrying amount SEK 1,575m. Hence an impairment loss of SEK 179m has been recognised in segment Corporate & Private Customers and allocated as a reduction of the carrying amount of the goodwill. After the reduction, the carrying amount of the goodwill for this CGU is SEK 489m. Earnings before amortisations has decreased compared to previous estimates. The main explanatory factor was the delayed recovery of corporate card fees in the wake of the Covid-19 pandemic. The earnings before amortisation is deemed to recover by the mid of the new projection period.

Estimates and assumptions used: future cash flows

The impairment test on goodwill is based on value in use and builds on the business plan for 2022–2024 and projected cash flows for 2025–2026. The long-term growth is based on expectation on inflation 1.5 per cent. The allocated capital is derived from the group's internal capital allocation model that has been aligned with the regulatory capital requirements including the management buffer. The cash flows in the business plan start with the assumptions from the most recent Nordic Outlook published. The main assumptions are; GDP change in Sweden from 4.6 per cent to 2.4 per cent over three years and other Nordic countries excluding Sweden from 3.8 per cent to 2.2 per cent; inflation in Sweden 2.3 per cent to 1.5 per cent and in Other Nordic countries from 1.8 per cent to 1.7 per cent. The Swedish repo rate is assumed to be 0.25 per cent at the end of 2023.

Estimates and assumptions used: Cost of Equity (CoE) – discount rate

The discount rate used is 9.5 per cent post-tax for SEB Group and is determined based on information from external sources and applied to all CGUs.

Sensitivities

An increase of one percentage of the discount rate (CoE), a decrease of the average growth rates by one percentage point for earnings before amortisations during the projection period and a decrease of one percentage point of the long-term growth was applied in the sensitivity analysis. The sensitivity analysis carried out did not result in any indication of impairment for the CGUs Card Denmark, Life Sweden and Investment Management Sweden.

24 Properties and equipment

	Group			Parent company			
2022	Equipment	Properties for own operations	Total	Equipment	Equipment leased to clients[1]	Properties for own operations	Total
Opening balance	3,189	26	**3,215**	2,525	39,662	2	**42,190**
Additions from acquisitions and capitalisations	284	2	**286**	212	5,723		**5,935**
Reclassifications	0	0	**0**				
Retirements and disposals	–193	–1	**–194**	–147	–7,810		**–7,957**
Change in exchange rates	130	4	**134**	71			**71**
Acquisition value	**3,411**	**31**	**3,442**	**2,661**	**37,575**	**2**	**40,238**
Opening balance	–1,993	–10	**–2,003**	–1,527	–14,537		**–16,064**
Current year's depreciations	–347	–1	**–347**	–279	–4,735		**–5,014**
Current year's impairments	0		**0**				
Reclassifications	0	0	**0**				
Retirements and disposals	189		**189**	145	4,552		**4,697**
Change in exchange rates	–88	–2	**–89**	–48	466		**418**
Accumulated depreciations	**–2,239**	**–12**	**–2,251**	**–1,708**	**–14,254**		**–15,963**
TOTAL	**1,172**	**19**	**1,190**	**953**	**23,321**	**2**	**24,276**
2021							
Opening balance	3,036	22	**3,059**	2,296	42,180	2	**44,479**
Additions from acquisitions and capitalisations	304	1	**305**	237	6,237	–1	**6,473**
Reclassifications	–12	0	**–12**				
Retirements and disposals	–186	0	**–187**	–58	–8,755		**–8,813**
Change in exchange rates	48	2	**50**	50		0	**50**
Acquisition value	**3,189**	**26**	**3,215**	**2,525**	**39,662**	**2**	**42,190**
Opening balance	–1,765	–9	**–1,773**	–1,250	–15,183	0	**–16,434**
Current year's depreciations	–377	0	**–378**	–293	–4,783		**–5,076**
Current year's impairments	0		**0**				
Reclassifications	0	0	**0**				
Retirements and disposals	179	0	**179**	53	5,105		**5,158**
Change in exchange rates	–30	–1	**–31**	–36	325	0	**288**
Accumulated depreciations	**–1,993**	**–10**	**–2,003**	**–1,527**	**–14,537**	**0**	**–16,064**
TOTAL	**1,196**	**16**	**1,212**	**999**	**25,125**	**2**	**26,126**

1) Equipment leased to clients are recognised as financial leases and presented as loans in the group. See note 49.

25 Other assets

	Group		Parent company	
	2022	2021	**2022**	2021
Trade receivables	1,178	1,838	1,153	1,289
Client receivables	9,858	12,105	9,706	11,432
Other assets	5,852	7,057	5,526	7,859
TOTAL	**16,888**	**21,001**	**16,384**	**20,580**

26 Prepaid expenses and accrued income

	Group		Parent company	
	2022	2021	**2022**	2021
Prepaid expenses	2,150	2,193	2,413	2,168
Accrued income	561	492	445	364
Other	3	29	153	286
TOTAL	**2,714**	**2,714**	**3,012**	**2,818**

27 Deposits

	Group		Parent company	
	2022	2021	**2022**	2021
Deposits	15,377	14,399	15,376	14,398
Repos	749		749	
Deposits from central banks	**16,126**	**14,399**	**16,125**	**14,398**
Deposits	45,706	57,545	85,455	68,759
Margins of safety	3,341	1,439	2,739	1,341
Repos	1,700	1,824	1,700	778
Deposits from credit institutions	**50,747**	**60,808**	**89,894**	**70,878**
General governments	19,046	20,276	6,141	10,996
Financial corporations	408,995	368,304	413,867	374,576
Non-financial corporations	692,825	672,616	592,901	597,941
Households	449,658	439,281	323,317	325,425
Margins of safety	119,050	87,854	118,979	87,839
Repos	12,114	7,713	12,114	7,713
Registered bonds[1]		1,406		
Deposits and borrowings from the public	**1,701,687**	**1,597,449**	**1,467,319**	**1,404,490**
TOTAL	**1,768,560**	**1,672,655**	**1,573,337**	**1,489,766**

1) Of which SEK 0m (1,406) at Fair Value Through Profit or Loss Designated (FVDPL) for the group. The group's contractual liability is SEK 0m (1,250). Difference between carrying amount and the amount the company is contractually obligated to pay to holders of registered bonds at maturity are, for the group SEK 0m (156). The accumulated impact from reflecting the group's own credit standing in the fair value measurement amounts to SEK 0m (–11), of which SEK –11m (–173) relates to 2022.

For registered bonds at Fair Value Through Profit or Loss Designated (FVDPL) change in fair value attributable to change in credit risk is determined, by first determining the changes due to market conditions which give rise to market risk, and then deducting those changes from the total change in fair value of the registered bonds. Market conditions which give rise to market risk include changes in the benchmark interest rate.

The company believes that this approach most faithfully represents the amount of change in fair value due to own credit risk, as the changes in factors contributing to the fair value of the registered bonds other than changes in the benchmark interest rate are not deemed to be significant.

28 Liabilities to policyholders

Financial liabilities for which the customers bear the investment risk, investment contracts[1]	Group	
	2022	2021
Opening balance	424,226	332,392
Change in investment contract provisions[2]	–75,998	89,016
Change in exchange rates	9,746	2,818
TOTAL	**357,975**	**424,226**

1) Insurance provisions where the policyholders are carrying the risk. The liabilities and the underlying assets are reported at fair value mandatory through profit or loss (FVMPL).
2) The net of premiums received during the year, return on investment funds less payments to the policyholders and deduction of fees and policyholders' tax.

	Group	
Liabilities to policyholders, insurance contracts	**2022**	2021
Opening balance	34,623	29,624
Change in other insurance contract provisions[1]	–3,782	4,959
Change in exchange rates	144	39
TOTAL	**30,984**	**34,623**

1) The net of premiums received during the year, allocated return on investment funds less payments to the policyholders and deduction of fees and policyholders' tax.

29 Debt securities issued

	Group		Parent company	
	2022	2021	**2022**	2021
Senior bonds[1)]	113,754	120,516	113,754	120,439
Senior non-preferred bonds	53,511	30,250	53,511	30,250
Covered bonds	274,710	291,478	274,710	291,478
Commercial Papers/Certificates of Deposits	353,175	287,861	353,175	287,861
TOTAL	**795,149**	**730,106**	**795,149**	**730,028**

1) Of which SEK 7,370m (10,453) at Fair Value Through Profit or Loss Designated (FVDPL) for the group and SEK 7,370m (10,376) at Fair Value Through Profit or Loss Designated (FVDPL) for the parent company. The group's contractual liability is SEK 7,623m (9,946) and for the parent company SEK 7,623m (9,870). Difference between carrying amount and the amount the company is contractually obligated to pay to holders of issued securities at maturity are, for the group SEK–253m (506) and for the parent company SEK –253m (506). The accumulated impact from reflecting the group's own credit standing in the fair value measurement amounts to SEK 5m (80), of which SEK –75m relates to 2022 (–30). The corresponding amount for the parent company is SEK 5m (80), of which SEK –75m relates to 2022 (–30).

For issued securities at Fair Value Through Profit or Loss Designated (FVDPL) change in fair value attributable to change in credit risk is determined, by first determining the changes due to market conditions which give rise to market risk, and then deducting those changes from the total change in fair value of the issued securities. Market conditions which give rise to market risk include changes in the benchmark interest rate. Fair value movements on the embedded derivatives are excluded from the assessment of market risk fair value changes.

The company believes that this approach most faithfully represents the amount of change in fair value due to own credit risk, as the changes in factors contributing to the fair value of the issued securities other than changes in the benchmark interest rate are not deemed to be significant.

30 Short positions

	Group		Parent company	
	2022	2021	**2022**	2021
Equity instruments	20,527	14,405	20,527	14,405
Debt securities	24,109	20,164	24,109	20,164
TOTAL	**44,635**	**34,569**	**44,635**	**34,569**

31 Other liabilities

	Group		Parent company	
	2022	2021	**2022**	2021
Trade payables	2,372	1,944	1,607	970
Client payables	10,420	6,701	8,699	5,119
Lease liabilities	5,277	5,527		
Other liabilities	18,996	28,714	14,741	19,521
TOTAL	**37,065**	**42,886**	**25,047**	**25,610**

32 Accrued expenses and prepaid income

	Group		Parent company	
	2022	2021	**2022**	2021
Accrued expenses	4,313	5,048	3,072	3,792
Prepaid income	1,432	774	846	129
Other	82	25	82	21
TOTAL	**5,827**	**5,848**	**4,000**	**3,941**

33 Provisions

	Group		Parent company	
	2022	2021	**2022**	2021
Other restructuring and redundancy reserves	27	53	24	48
Provisions for Financial guarantees and Loan commitments (note 18)	997	640	859	529
Other provisions	32	68	26	59
TOTAL	**1,056**	**761**	**909**	**636**

Other restructuring and redundancy reserves

Opening balance	53	124	48	59
Additions		10		10
Unused amounts reversed		−18		
Other movements	−26	−63	−24	−21
Change in exchange rates		1		
TOTAL	**27**	**53**	**24**	**48**

The main part of the reserve will cover redundancy costs to be used within three years.

Other provisions

Opening balance	68	213	59	56
Additions	1	5	1	
Amounts used	−4	−3	0	
Unused amounts reversed	−18	−147	−18	
Other movements	−17	−1	−17	4
Change in exchange rates	2	1		
TOTAL	**32**	**68**	**26**	**59**

Other provisions mainly consist of costs for re-organisation within the group to be used within four years and unsettled claims covering all operating segments.

34 Subordinated liabilities

	Group		Parent company	
	2022	2021	**2022**	2021
Debenture loans	15,902	14,726	15,002	13,826
Debenture loans, perpetual	14,561	13,555	14,561	13,555
Change in the value due to hedge accounting at fair value	−1,790	145	−1,790	145
Accrued interest	94	123	94	123
TOTAL	**28,767**	**28,549**	**27,867**	**27,649**

Debenture loans

	Currency	Original nom. amount	Book value	Rate of interest, %
2021/2031	EUR	500	5,556	0.750
2016/2028	EUR	850	9,446	1.380
Total parent company			**15,002**	
Debenture loans issued by other subsidiaries			900	
TOTAL			**15,902**	

Debenture loans, perpetual

	Currency	Original nom. amount	Book value	Rate of interest, %
2017	USD	500	5,201	6.880
2019	USD	900	9,361	5.130
TOTAL			**14,561**	

35 Untaxed reserves[1)]

	Parent company	
	2022	**2021**
Depreciation in excess of plan on office equipment/leased assets	15,680	17,100
TOTAL	**15,680**	**17,100**

1) In the balance sheet of the group untaxed reserves are reclassified partly as deferred tax liability and partly as restricted equity.

Parent company

	Excess depreciation	Total
Opening balance	18,590	**18,590**
Reversals	–1,490	**–1,490**
Closing balance 2021	**17,100**	**17,100**
Reversals	–1,457	**–1,457**
Closing balance 2022	**15,680**	**15,680**

36 Fair value measurement of assets and liabilities

2022	Group				Parent company			
Assets	Quoted prices in active markets (Level 1)	Valuation technique using observable inputs (Level 2)	Valuation technique using non-observable inputs (Level 3)	Total	Quoted prices in active markets (Level 1)	Valuation technique using observable inputs (Level 2)	Valuation technique using non-observable inputs (Level 3)	Total
Loans		110,833	1,429	**112,262**		111,300	1,429	**112,729**
Debt securities	119,030	123,620	1,095	**243,745**	97,315	119,938		**217,253**
Equity instruments	45,794	476	20,324	**66,594**	40,608	443	3,593	**44,644**
Financial assets for which the customers bear the investment risk	335,423	11,776	9,169	**356,367**				
Derivatives – Interest related	381	104,571	346	**105,298**	385	96,012	346	**96,743**
Derivatives – Equity related	718	2,432		**3,150**	718	2,432		**3,150**
Derivatives – Currency related		48,650		**48,650**	44	48,684		**48,728**
Derivatives – Credit related		432		**432**		432		**432**
Derivatives – Commodities related	170	29,686		**29,856**	170	29,686		**29,856**
Derivatives – Hedge accounting		237		**237**		237		**237**
Investment in associates[1)]	46		504	**550**	46		504	**550**
TOTAL	**501,563**	**432,713**	**32,866**	**967,142**	**139,286**	**409,164**	**5,872**	**554,322**
Liabilities								
Deposits		14,563		**14,563**		14,563		**14,563**
Financial liabilities for which the customers bear the investment risk	337,030	11,776	9,169	**357,975**				
Debt securities issued		7,370		**7,370**		7,370		**7,370**
Short positions debt securities	13,874	10,235		**24,109**	13,874	10,235		**24,109**
Short positions equity instruments	20,527			**20,527**	20,527			**20,527**
Derivatives – Interest related	177	120,965	390	**121,532**	176	112,785	383	**113,344**
Derivatives – Equity related	693	8,663		**9,356**	693	8,663		**9,356**
Derivatives – Currency related	44	62,366		**62,410**	44	62,438		**62,482**
Derivatives – Credit related		914		**914**		914		**914**
Derivatives – Commodities related	78	43,032		**43,110**	78	43,032		**43,110**
Derivatives – Hedge accounting		726		**726**		726		**726**
Other financial liabilities	127	45		**172**	127	45		**172**
TOTAL	**372,549**	**280,655**	**9,559**	**662,763**	**35,519**	**260,771**	**383**	**296,673**

1) Venture capital activities designated at fair value through profit and loss.

Note 36 continued Fair value measurement of assets and liabilities

2021	Group				Parent company			
Assets	Quoted prices in active markets (Level 1)	Valuation technique using observable inputs (Level 2)	Valuation technique using non-observable inputs (Level 3)	Total	Quoted prices in active markets (Level 1)	Valuation technique using observable inputs (Level 2)	Valuation technique using non-observable inputs (Level 3)	Total
Loans		85,032	70	**85,102**		85,032	70	**85,102**
Debt securities	95,783	101,575	49	**197,407**	69,627	98,821	49	**168,497**
Equity instruments	100,548	558	19,635	**120,742**	90,372	448	5,329	**96,149**
Financial assets for which the customers bear the investment risk	404,178	10,545	7,774	**422,497**				
Derivatives – Interest related	189	56,518	303	**57,010**	189	51,692	303	**52,184**
Derivatives – Equity related	896	3,385	2	**4,283**	896	3,385	2	**4,283**
Derivatives – Currency related	29	36,151		**36,180**	30	36,251		**36,281**
Derivatives – Credit related		639		**639**		639		**639**
Derivatives – Commodities related		26,966		**26,966**		26,966		**26,966**
Derivatives – Hedge accounting		973		**973**		973		**973**
Investment in associates[1)]	80		622	**702**	80		622	**702**
TOTAL	**601,704**	**322,341**	**28,456**	**952,501**	**161,194**	**304,207**	**6,375**	**471,775**
Liabilities								
Deposits		10,169		**10,169**		8,491		**8,491**
Financial liabilities for which the customers bear the investment risk	405,907	10,545	7,774	**424,226**				
Debt securities issued		10,453		**10,453**		10,376		**10,376**
Short positions debt securities	499	19,665		**20,164**	499	19,665		**20,164**
Short positions equity instruments	14,388	18		**14,405**	14,388	18		**14,405**
Derivatives – Interest related	106	49,027	329	**49,461**	105	44,713	329	**45,147**
Derivatives – Equity related	728	7,357		**8,085**	728	7,357		**8,085**
Derivatives – Currency related	38	26,864		**26,902**	39	26,501		**26,541**
Derivatives – Credit related		584		**584**		584		**584**
Derivatives – Commodities related		32,692		**32,692**		32,692		**32,692**
Derivatives – Hedge accounting		449		**449**		449		**449**
Other financial liabilities	4	5,717		**5,721**	4	5,717		**5,721**
TOTAL	**421,670**	**173,539**	**8,103**	**603,312**	**15,763**	**156,562**	**329**	**172,653**

1) Venture capital activities designated at fair value through profit and loss.

Fair value measurement

The objective of the fair value measurement is to arrive at the price at which an orderly transaction would take place between market participants at the measurement date under current market conditions.

The group has an established control environment for the determination of fair values of financial instruments that includes a review, independent from the business, of valuation models and prices. If the validation principles are not adhered to, the Head of Group Finance shall be informed. Exceptions of material and principal importance require approval from the GRMC (Group Risk Measurement Committee) and the ARC (Accounting Reporting Committee).

In order to arrive at the fair value of a financial instrument SEB uses different methods; quoted prices in active markets, valuation techniques incorporating observable data and valuation techniques based on internal models. For disclosure purposes, financial instruments carried at fair value are classified in a fair value hierarchy according to the level of market observability of the inputs. Group Risk classifies and continuously reviews the classification of financial instruments in the fair value hierarchy. The valuation process is the same for financial instruments in all levels.

An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis. The objective is to arrive at a price at which a transaction without modification or repackaging would occur in the principal market for the instrument to which SEB has immediate access.

Fair value is generally measured for individual financial instruments, in addition portfolio adjustments are made to cover the credit risk. To reflect counterparty risk and own credit risk in OTC derivatives, adjustments are made based on the net exposure towards each counterpart. These adjustments are calculated on a counterparty level based on estimates of exposure at default, probability of default and recovery rates. Probability of default and recovery rate information is generally sourced from the CDS markets. For counterparties where this information is not available or considered unreliable due to the nature of the exposure, alternative approaches are taken where the probability of default is based on generic credit indices for specific industry and/or rating. The impact from these adjustments is shown in note 6.

When valuing financial liabilities at fair value own credit standing is reflected. Fair values of financial assets and liabilities by class can be found in note 37.

In order to arrive at the fair value of investment properties a market participant's ability to generate economic benefit by using the asset in its highest and best use are taken into account. The highest and best use takes into account the use of the asset that is physically possible, legally permissible and financially feasible. The current use of the investment properties in SEB is in accordance with the highest and best use. The valuation of investment properties is described in the accounting policies in note 1. The valuation of the investment properties is performed semi-annually, they are presented and approved by the board in each real estate company. The valuation principles used in all entities are in accordance with regulations provided by the local Financial Supervisory Authorities (FSA) which is in accordance with international valuation principles and in accordance with IFRS.

The fair value of the unit linked financial liabilities is determined using the fair value of the financial assets linked to the financial liabilities attributed to the policyholder on the balance sheet date. However, if the liability is subject to a surrender option, the fair value of the financial liability is never less than the amount payable on surrender. Any differences between assets and liabilities are due to premiums paid that have not yet been invested in funds. Changes in the value of unit linked insurance does not affect SEB as they belong to the policyholders.

Note 36 continued Fair value measurement of assets and liabilities

Level 1: Quoted market prices
Valuations in Level 1 are determined by reference to unadjusted quoted market prices for identical instruments in active markets where the quoted prices are readily available, and the prices represent actual and regularly occurring market transactions on an arm's length basis.

Examples of Level 1 financial instruments are listed equity securities, debt securities, and exchange-traded derivatives. Instruments traded in an active market for which one or more market participants provide a binding price quotation on the balance sheet date are also examples of Level 1 financial instruments.

Level 2: Valuation techniques with observable inputs
In Level 2 valuation techniques, all significant inputs to the valuation models are observable either directly or indirectly. Level 2 valuation techniques include using discounted cash flows, option pricing models, recent transactions and the price of another instrument that is substantially the same.

Examples of observable inputs are foreign currency exchange rates, binding securities price quotations, market interest rates (STIBOR, etc.), volatilities implied from observable option prices for the same term and actual transactions with one or more external counterparts executed by SEB. An input can transfer from being observable to being unobservable during the holding period due to for example illiquidity of the instrument.

Examples of Level 2 financial instruments are most OTC derivatives such as options and interest rate swaps based on the swap rate or a foreign-denominated yield curve. Other examples are instruments for which SEB recently entered into transactions with third parties and instruments for which SEB interpolates between observable variables.

Level 3: Valuation techniques with significant unobservable inputs
Level 3 valuation techniques incorporate significant inputs that are unobservable. These techniques are generally based on extrapolating from observable inputs for similar instruments, analysing historical data or other analytical techniques.

Examples of Level 3 financial instruments are more complex OTC derivatives, long term options for which the volatility is extrapolated or derivatives that depend on an unobservable correlation. Other examples are instruments for which there is currently no active market or binding quotes, such as unlisted equity instruments and private equity holdings.

If the fair value of financial instruments includes more than one unobservable input, the unobservable inputs are aggregated in order to determine the classification of the entire instrument. The level in the fair value hierarchy within which a financial instrument is classified is determined on the basis of the lowest level of input that is significant to the fair value in its entirety.

Significant transfers and reclassifications between levels
Transfers between levels may occur when there are indications that market conditions have changed, for example a change in liquidity. The Valuation / Pricing committee of each relevant division decides on material shifts between levels. During the first quarter transfers occurred from Level 1 and Level 2 to Level 3 of SEK 0.2bn within Debt instruments of Ukrainian government bonds. Additionally, within Equity instruments, transfers occurred from Level 1 and Level 2 into Level 3 of SEK 0.9bn of Russian / Eastern Europe Funds. Following a review of Hedge Funds, within Equity instruments, a transfer out of Level 3 occurred of SEK 0.5bn. At the end of the third quarter approximately SEK 1.5bn in loans moved into Level 3 due to less observable inputs from market data. The largest open market risk within Level 3 financial instruments remains in the traditional life insurance investment portfolios within the insurance business.

Changes in level 3

Group, 2022

Assets	Opening balance	Reclassification	Gain/loss in Income statement[1, 2]	Purchases	Sales	Settlements	Transfers into Level 3	Transfers out of Level 3	Change in exchange rates	Closing balance
Loans	70		−66		−94	2	1,474		43	**1,429**
Debt securities	49		−12	1,058	−167		167	−49	49	**1,095**
Equity instruments	19,635	30	1,895	3,734	−4,578			−643	251	**20,324**
Financial assets for which the customers bear the investment risk	7,774		17	1,643	−1,499		1,054	−497	677	**9,169**
Derivatives – Interest related	303		288	29		−275			1	**346**
Derivatives – Equity related	2				−2					
Investment in associates[1]	622	−30	−168	80						**504**
TOTAL	**28,456**		**1,954**	**6,544**	**−6,340**	**−273**	**2,695**	**−1,189**	**1,021**	**32,866**

Liabilities	Opening balance	Reclassification	Gain/loss in Income statement[1, 2]	Purchases	Sales	Settlements	Transfers into Level 3	Transfers out of Level 3	Change in exchange rates	Closing balance
Financial liabilities for which the customers bear the investment risk	7,774		12	1,636	−1,499		1,064	−495	677	**9,169**
Derivatives – Interest related	329		15		29	16			1	**390**
TOTAL	**8,103**		**27**	**1,636**	**−1,470**	**16**	**1,064**	**−495**	**678**	**9,559**

Group, 2021

Assets	Opening balance	Gain/loss in Income statement[1, 2]	Purchases	Sales	Settlements	Transfers into Level 3	Transfers out of Level 3	Change in exchange rates	Closing balance
Loans		−23	92					1	**70**
Debt securities	0		10			39			**49**
Equity instruments	13,360	3,797	3,994	−2,096		498	−19	101	**19,635**
Financial assets for which the customers bear the investment risk	465	−60	4,215	−28		6,373	−3,267	76	**7,774**
Derivatives – Interest related	425	−56	45		−111				**303**
Derivatives – Equity related			2						**2**
Investment in associates[1]	526	67	120	−91					**622**
TOTAL	**14,776**	**3,725**	**8,478**	**−2,215**	**−111**	**6,910**	**−3,286**	**179**	**28,456**

Liabilities	Opening balance	Gain/loss in Income statement[1, 2]	Purchases	Sales	Settlements	Transfers into Level 3	Transfers out of Level 3	Change in exchange rates	Closing balance
Financial liabilities for which the customers bear the investment risk	453	−58	4,208	−25		6,384	−3,265	77	**7,774**
Derivatives – Interest related	406	−13		45	−110			1	**329**
TOTAL	**859**	**−71**	**4,208**	**20**	**−110**	**6,384**	**−3,265**	**78**	**8,103**

1) Fair value gains and losses recognised in the income statement are included in Net financial income and Net other income.
2) Gains/losses recognised in the income statement relating to instruments held as of 31 December are SEK −1,632m (3,723).

Note 36 continued Fair value measurement of assets and liabilities

Changes in level 3

Parent company, 2022 Assets	Opening balance	Reclassifi-cation	Gain/loss in Income statement[1) 2)]	Purchases	Sales	Settlements	Transfers into Level 3	Transfers out of Level 3	Change in exchange rates	Closing balance
Loans	70		−65		−93	2	1,473		42	**1,429**
Debt securities	49							−49		**0**
Equity instruments	5,329	30	−139	325	−1,559			−643	250	**3,593**
Derivatives – Interest related	303		288	29		−276			2	**346**
Derivatives – Equity related	2				−2					**0**
Investment in associates[1)]	622	−30	−168	80						**504**
TOTAL	**6,375**	**0**	**−84**	**434**	**−1,654**	**−274**	**1,473**	**−692**	**294**	**5,872**
Liabilities										
Derivatives – Interest related	329		7		29	16			2	**383**
TOTAL	**329**									

Parent company, 2021

Assets	Opening balance	Reclassifi-cation	Gain/loss in Income statement[1) 2)]	Purchases	Sales	Settlements	Transfers into Level 3	Transfers out of Level 3	Change in exchange rates	Closing balance
Loans			−23	92					1	**70**
Debt securities				10			39			**49**
Equity instruments	2,762		1,040	869	−84		643		99	**5,329**
Derivatives – Interest related	425		−56	45		−111				**303**
Derivatives – Equity related				2						**2**
Investment in associates[1)]	526		67	120	−91					**622**
TOTAL	**3,713**		**1,028**	**1,138**	**−175**	**−111**	**682**	**0**	**100**	**6,375**
Liabilities										
Derivatives – Interest related	406		−13		45	−109				**329**
TOTAL	**406**		**−13**		**45**	**−109**				**329**

1) Fair value gains and losses recognised in the income statement are included in Net financial income and Net other income.
2) Gains/losses recognised in the income statement relating to instruments held as of 31 December are SEK −388m (968).

Sensitivity of Level 3 financial instruments to unobservable inputs
The table below illustrates the potential Profit or Loss impact of the relative uncertainty in the fair value of assets and liabilities that for their valuation are dependent on unobservable inputs. The sensitivity to unobservable inputs is assessed by altering the assumptions to the valuation techniques, illustrated below by changes in index-linked swap spreads, implied volatilities, credit spreads or comparator multiples. It is unlikely that all unobservable inputs would be simultaneously at the extremes of their ranges of reasonably possible alternatives. There have been no significant changes during 2022. The largest open market risk within Level 3 financial instruments is found within the insurance business.

	2022				**2021**			
Group	Assets	Liabilities	Net	Sensitivity	Assets	Liabilities	Net	Sensitivity
Derivative instruments[1) 4)]	346	−382	−36	51	303	−325	−22	36
Debt instrument[3)]	1,429		1,429	214	119		119	6
Equity instruments[2) 5) 6)]	3,594		3,594	699	4,137		4,137	680
Investments in associates[2)]	504		504	101	1,814		1,814	363
Insurance holdings – Financial instruments[3) 4) 6) 7)]	16,571		16,571	2,270	14,176		14,176	1,847

1) Volatility valuation inputs for Bermudan swaptions are unobservable. Volatilities used for ordinary swaptions are adjusted further in order to reflect the additional uncertainty associated with the valuation of Bermudan style swaptions. The sensitivity is calculated from shift in implied volatilities and aggregated from each currency and maturity bucket.
2) Valuation is estimated in a range of reasonable outcomes. Sensitivity analysis is based on 20 per cent shift in market values.
3) Sensitivity for debt securities is generally quantified as shift in market values of 5 per cent except for credit opportunity 10 per cent and for distressed debt and structured credits 15 per cent.
4) Shift in implied volatility by 10 per cent.
5) Sensitivity analysis is based on a shift in market values of hedge funds 5 per cent, private equity of 20 per cent, structured credits 15 per cent.
6) Sensitivity from a shift of investment properties/real estate funds market values of 10 per cent and infrastructure/infrastructure funds market values of 20 per cent.
7) The sensitivity shows changes in the value of the insurance holdings which do not at all times affect the P/L of the group since any surplus in the traditional life portfolios are consumed first.

37 Financial assets and liabilities by class

Group, 2022	Book value						Fair value			
Assets	FVHFT	FVMPL	FVDPL	Hedge instru-ments	AmC	Total	Quoted prices in active markets (Level 1)	Valuation technique using observable inputs (Level 2)	Valuation technique using non-observa-ble inputs (Level 3)	Total
Loans[1)]	110,833	1,429			2,479,586	**2,591,848**	27,125	110,998	2,411,651	**2,549,773**
Debt securities	110,733	125,682	7,330		8,866	**252,611**	119,030	131,780	1,687	**252,497**
Equity instruments	39,657	26,937				**66,594**	45,794	476	20,324	**66,594**
Financial assets for which the customers bear the investment risk		356,367				**356,367**	335,423	11,776	9,169	**356,367**
Derivatives	187,386			237		**187,622**	1,269	186,007	346	**187,622**
Other					15,249	**15,249**	2,585		12,664	**15,249**
Financial assets	**448,609**	**510,416**	**7,330**	**237**	**2,503,701**	**3,470,292**	**531,226**	**441,037**	**2,455,840**	**3,428,103**
Other assets (non-financial)						**62,518**				
TOTAL	**448,609**	**510,416**	**7,330**	**237**	**2,503,701**	**3,532,810**				
Liabilities										
Deposits	14,563				1,753,998	**1,768,560**	190	20,840	1,746,760	**1,767,789**
Financial liabilities for which the customers bear the instru-ments investment risk			357,975			**357,975**	337,030	11,776	9,169	**357,975**
Debt securities issued			7,370		816,546	**823,916**	0	815,940	900	**816,840**
Short positions debt securities	24,109					**24,109**	13,874	10,235		**24,109**
Short positions equity instruments	20,527					**20,527**	20,527			**20,527**
Derivatives	237,322			726		**238,048**	991	236,666	390	**238,048**
Other	172		7,456		18,243	**25,870**	183	109	25,580	**25,872**
Financial liabilities	**296,692**		**372,801**	**726**	**2,588,786**	**3,259,005**	**372,795**	**1,095,566**	**1,782,799**	**3,251,160**
Liabilities to policyholders						**30,984**				
Other liabilities (non-financial)						**38,298**				
Total equity						**204,523**				
TOTAL	**296,692**		**372,801**	**726**	**2,588,786**	**3,532,810**				

1) Includes Cash balances at central banks SEK 375,381m.

Group, 2021	Book value						Fair value			
Assets	FVHFT	FVMPL	FVDPL	Hedge instru-ments	AmC	Total	Quoted prices in active markets (Level 1)	Valuation technique using observable inputs (Level 2)	Valuation technique using non-observa-ble inputs (Level 3)	Total
Loans[1)]	82,643	2,459			2,262,909	**2,348,011**	24,663	91,611	2,230,006	**2,346,280**
Debt securities	53,687	135,513	8,207		8,543	**205,950**	95,783	109,217	920	**205,919**
Equity instruments	89,284	31,458				**120,742**	100,548	558	19,635	**120,742**
Financial assets for which the customers bear the investment risk		422,497				**422,497**	404,178	10,545	7,774	**422,497**
Derivatives	125,078			973		**126,051**	1,115	124,632	305	**126,051**
Other					16,282	**16,282**	2,157		14,126	**16,282**
Financial assets	**350,692**	**591,927**	**8,207**	**973**	**2,287,735**	**3,239,534**	**628,443**	**336,563**	**2,272,766**	**3,237,772**
Other assets (non-financial)						**64,696**				
TOTAL	**350,692**	**591,927**	**8,207**	**973**	**2,287,735**	**3,304,230**				
Liabilities										
Deposits	8,491		1,678		1,662,486	**1,672,655**	310	16,554	1,656,239	**1,673,103**
Financial liabilities for which the customers bear the instru-ments investment risk			424,226			**424,226**	405,907	10,545	7,774	**424,226**
Debt securities issued			10,453		748,202	**758,655**		764,955	900	**765,856**
Short positions debt securities	20,164					**20,164**	499	19,665		**20,164**
Short positions equity instruments	14,405					**14,405**	14,388	18		**14,405**
Derivatives	117,724			449		**118,173**	872	116,973	329	**118,173**
Other	5,721		702		14,539	**20,961**	194	5,823	14,946	**20,962**
Financial liabilities	**166,505**		**437,059**	**449**	**2,425,227**	**3,029,240**	**422,170**	**934,532**	**1,680,188**	**3,036,890**
Liabilities to policyholders						**34,623**				
Other liabilities (non-financial)						**47,140**				
Total equity						**193,228**				
TOTAL	**166,505**		**437,059**	**449**	**2,425,227**	**3,304,230**				

1) Includes Cash balances at central banks SEK 437,187m.

Note 37 continued *Financial assets and liabilities by class*

Parent company, 2022	Book value					
Assets	FVHFT	FVMPL	FVDPL	Hedge instruments	AmC	Total
Loans[1)]	111,301	1,429			2,200,030	**2,312,760**
Debt securities	110,721	106,533			10,070	**227,323**
Equity instruments	39,657	4,988			60,550	**105,195**
Derivatives	178,908			237		**179,144**
Other					12,032	**12,032**
Financial assets	**440,586**	**112,950**		**237**	**2,282,682**	**2,836,454**
Other assets (non-financial)						**36,232**
TOTAL	**440,586**	**112,950**		**237**	**2,282,682**	**2,872,686**
Liabilities						
Deposits	14,563				1,558,775	**1,573,337**
Debt securities issued			7,370		815,646	**823,016**
Derivatives	229,207			726		**229,933**
Other	44,808				17,896	**62,703**
Financial liabilities	**288,577**		**7,370**	**726**	**2,392,316**	**2,688,990**
Other liabilities (non-financial)						**20,883**
Total equity and untaxed reserves						**162,813**
TOTAL	**288,577**		**7,370**	**726**	**2,392,316**	**2,872,686**

1) Includes Cash balances at central banks SEK 354,968m.

Parent company, 2021	Book value					
Assets	FVHFT	FVMPL	FVDPL	Hedge instruments	AmC	Total
Loans[1)]	82,643	2,459			2,002,028	**2,087,130**
Debt securities	53,527	114,970			9,944	**178,441**
Equity instruments	89,284	6,865			50,066	**146,215**
Derivatives	120,353			973		**121,326**
Other					13,904	**13,904**
Financial assets	**345,806**	**124,294**		**973**	**2,075,942**	**2,547,015**
Other assets (non-financial)						**40,818**
TOTAL	**345,806**	**124,294**		**973**	**2,075,942**	**2,587,834**
Liabilities						
Deposits	8,491				1,481,275	**1,489,766**
Debt securities issued			10,376		747,301	**757,677**
Derivatives	113,048			449		**113,497**
Other	40,290				7,142	**47,432**
Financial liabilities	**161,829**		**10,376**	**449**	**2,235,718**	**2,408,371**
Other liabilities (non-financial)						**24,549**
Total equity and untaxed reserves						**154,913**
TOTAL	**161,829**		**10,376**	**449**	**2,235,718**	**2,587,834**

1) Includes Cash balances at central banks SEK 371,465m.

SEB has classified its financial instruments by class taking into account the characteristics of the instruments:

Loans and deposits include financial assets and liabilities with fixed or determinable payments that are not quoted in an active market. Loans are further specified in note 18 and 40f.

Equity instruments includes shares, rights issues and similar contractual rights of other entities.

Debt instruments includes contractual rights to receive or obligations to deliver cash on a predetermined date. These are further specified in note 19 and 40f.

Derivatives includes options, futures, swaps and other derived products held for trading and hedging purposes. These are further specified in note 21.

Investment contracts include those assets and liabilities in the Life insurance operations where the policyholder is carrying the risk of the contractual agreement (is not qualified as an insurance contract under IFRS 4). The Life insurance operations are further specified in note 42.

Insurance contracts includes those assets and liabilities in the Life insurance operations where SEB is carrying the insurance risk of a contractual agreement (is qualified as an insurance contract under IFRS 4). The Life insurance operations are further specified in note 42.

Other includes other financial assets and liabilities recognised in accordance with IFRS 9, that is Trade and client receivables and payables.

38 Assets and liabilities distributed by main currencies

Group, 2022	SEK	EUR	USD	GBP	DKK	NOK	Other	Total
Cash and cash balances and loans to central banks	146,489	181,944	104,492	1,644	7,749	937	8,675	**451,928**
Loans to credit institutions	7,662	25,800	35,343	1,067	1,200	1,410	4,753	**77,235**
Loans to the public	1,142,816	513,840	170,723	48,540	78,803	95,614	14,934	**2,065,271**
Other financial assets	428,605	267,453	87,275	11,279	24,733	50,415	6,098	**875,859**
Other assets	16,347	42,776	1,075	278	1,220	239	584	**62,518**
TOTAL ASSETS	**1,741,919**	**1,031,814**	**398,908**	**62,808**	**113,704**	**148,614**	**35,044**	**3,532,810**
Deposits from central banks	45	880	13,225	1,229	748			**16,126**
Deposits from credit institutions	16,020	10,494	8,465	671	10,088	4,042	967	**50,747**
Deposits and borrowing from the public	769,603	497,260	265,393	59,299	31,589	51,026	27,517	**1,701,687**
Other financial liabilities	731,485	339,652	389,227	27,686	17,506	14,802	1,071	**1,521,429**
Other liabilities	20,212	9,371	2,089	481	3,725	1,579	840	**38,298**
Total equity	204,523							**204,523**
TOTAL LIABILITIES AND EQUITY	**1,741,889**	**857,657**	**678,398**	**89,366**	**63,656**	**71,449**	**30,395**	**3,532,810**
Group, 2021								
Cash and cash balances and loans to central banks	196,067	149,112	85,308	1,517	2,396	2,847	6,550	**443,798**
Loans to credit institutions	7,053	14,596	25,560	1,209	1,074	1,140	9,377	**60,009**
Loans to the public	1,093,327	395,385	148,026	43,181	83,785	64,038	18,620	**1,846,362**
Other financial assets	602,696	108,254	96,253	35,863	13,283	29,399	3,618	**889,366**
Other assets	19,994	40,275	2,386	305	1,103	295	339	**64,696**
TOTAL ASSETS	**1,919,137**	**707,623**	**357,533**	**82,074**	**101,642**	**97,719**	**38,502**	**3,304,230**
Deposits from central banks	16	2,750	6,529				5,103	**14,399**
Deposits from credit institutions	21,867	12,238	11,691	221	7,925	3,415	3,452	**60,808**
Deposits and borrowing from the public	791,024	408,979	223,630	54,551	24,780	69,416	25,069	**1,597,449**
Other financial liabilities	738,501	226,670	336,757	72,438	9,953	6,465	424	**1,391,208**
Other liabilities	14,794	12,628	4,980	4,348	2,795	6,550	1,045	**47,140**
Total equity	193,228							**193,228**
TOTAL LIABILITIES AND EQUITY	**1,759,430**	**663,265**	**583,587**	**131,558**	**45,451**	**85,846**	**35,093**	**3,304,230**

Parent company, 2022	SEK	EUR	USD	GBP	DKK	NOK	Other	Total
Cash and cash balances at central banks	143,970	95,133	104,384	1,427	7,744	898	1,415	**354,970**
Loans to credit institutions	15,001	52,041	35,058	971	4,019	4,728	6,786	**118,604**
Loans to the public	1,118,897	321,801	170,047	48,424	75,949	89,770	14,300	**1,839,188**
Other financial assets	227,714	117,350	87,708	11,223	24,156	50,441	5,102	**523,695**
Other assets	1,511	29,411	1,105	170	1,143	2,172	716	**36,229**
TOTAL ASSETS	**1,507,093**	**615,735**	**398,302**	**62,216**	**113,011**	**148,009**	**28,320**	**2,872,686**
Deposits from central banks	45	879	13,225	1,229	748	0	0	**16,125**
Deposits from credit institutions	18,447	46,426	8,762	717	10,151	4,139	1,250	**89,894**
Deposits and borrowing from the public	779,343	267,380	258,819	58,390	31,547	50,828	21,011	**1,467,319**
Other financial liabilities	370,029	296,378	389,077	27,426	17,220	14,714	808	**1,115,652**
Other liabilities	8,215	4,996	2,022	435	3,373	1,044	799	**20,883**
Shareholders' equity and untaxed reserves	162,813							**162,813**
TOTAL LIABILITIES AND EQUITY	**1,338,893**	**616,059**	**671,905**	**88,197**	**63,039**	**70,725**	**23,868**	**2,872,686**
Parent company, 2021								
Cash and cash balances at central banks	196,058	81,147	85,279	1,257	2,384	2,337	3,004	**371,466**
Loans to credit institutions	12,490	20,726	25,102	1,117	3,339	4,506	7,053	**74,334**
Loans to the public	1,068,408	225,807	147,521	43,108	81,060	58,385	17,042	**1,641,332**
Other financial assets	198,657	83,163	95,708	36,186	13,284	29,397	3,491	**459,885**
Other assets	6,432	27,693	2,368	248	1,002	2,626	447	**40,817**
TOTAL ASSETS	**1,482,045**	**438,536**	**355,977**	**81,917**	**101,070**	**97,251**	**31,038**	**2,587,834**
Deposits from central banks	16	2,750	6,529				5,103	**14,398**
Deposits from credit institutions	24,774	13,825	16,870	444	8,112	3,712	3,142	**70,878**
Deposits and borrowing from the public	800,121	217,452	218,374	54,750	24,710	69,246	19,836	**1,404,490**
Other financial liabilities	316,104	177,839	336,410	72,097	9,648	6,231	276	**918,606**
Other liabilities	6,905	3,117	4,891	173	2,316	6,138	1,010	**24,549**
Shareholders' equity and untaxed reserves	154,913							**154,913**
TOTAL LIABILITIES AND EQUITY	**1,302,833**	**414,983**	**583,075**	**127,464**	**44,786**	**85,327**	**29,367**	**2,587,834**

39 Current and non-current assets and liabilities

Group	2022			2021		
Assets	Current assets	Non-current assets	Total	Current assets	Non-current assets	Total
Cash and cash balances at central banks	377,966		**377,966**	439,344		**439,344**
Loans to central banks	73,962		**73,962**	4,454		**4,454**
Loans to credit institutions	73,035	4,200	**77,235**	55,031	4,977	**60,009**
Loans to the public	748,826	1,316,444	**2,065,271**	616,003	1,230,359	**1,846,362**
Debt securities	252,611		**252,611**	205,950		**205,950**
Equity instruments	66,594		**66,594**	120,742		**120,742**
Financial assets for which the customers bear the investment risk	356,367		**356,367**	422,497		**422,497**
Derivatives	187,622		**187,622**	126,051		**126,051**
Investments in subsidiaries, associates and joint ventures		1,365	**1,365**		1,510	**1,510**
Intangible assets	884	6,396	**7,280**	912	6,554	**7,466**
Properties and equipment	347	843	**1,190**	378	834	**1,212**
Right-of-use assets	879	3,956	**4,834**	844	4,235	**5,079**
Current tax assets	16,312		**16,312**	15,359		**15,359**
Deferred tax assets		409	**409**		675	**675**
Retirement benefit assets	24,188		**24,188**	23,804		**23,804**
Other assets	16,888		**16,888**	21,001		**21,001**
Prepaid expenses and accrued income	2,714		**2,714**	2,714		**2,714**
TOTAL	**2,199,198**	**1,333,613**	**3,532,810**	**2,055,085**	**1,249,145**	**3,304,230**

	2022			2021		
Liabilities	Current liabilities	Non-current liabilities	Total	Current liabilities	Non-current liabilities	Total
Deposits from central banks and credit institutions	64,618	2,255	**66,873**	73,119	2,087	**75,206**
Deposits and borrowing from the public	1,697,239	4,448	**1,701,687**	1,591,808	5,641	**1,597,449**
Financial liabilities for which the customers bear the investment risk	17,353	340,622	**357,975**	19,343	404,883	**424,226**
Liabilities to policyholders	2,696	28,288	**30,984**	2,598	32,025	**34,623**
Debt securities issued	457,280	337,869	**795,149**	399,882	330,224	**730,106**
Short positions	44,635		**44,635**	34,569		**34,569**
Derivatives	238,048		**238,048**	118,173		**118,173**
Other financial liabilities	172		**172**	5,721		**5,721**
Fair value changes of hedged items in a portfolio hedge	7,456		**7,456**	702		**702**
Current tax liabilities	2,164		**2,164**	1,384		**1,384**
Deferred tax liabilities		10,364	**10,364**		10,354	**10,354**
Other liabilities	32,771	4,294	**37,065**	38,297	4,589	**42,886**
Accrued expenses and prepaid income	5,827		**5,827**	5,848		**5,848**
Provisions		1,056	**1,056**		761	**761**
Retirement benefit liabilities		64	**64**		445	**445**
Subordinated liabilities	9,221	19,546	**28,767**	5,500	23,048	**28,549**
TOTAL	**2,579,480**	**748,807**	**3,328,287**	**2,296,944**	**814,059**	**3,111,002**

Assets and liabilities are classified as current assets and current liabilities when they are cash or cash equivalents, are hold for trading purposes, are expected to be sold, settled or consumed in normal business, and are expected to be realised within twelve months. All other assets and liabilities are classified as non-current.

40 Risk disclosures

SEB defines risk as the possibility of a negative deviation from an expected financial outcome. SEB's profitability is directly dependent upon its ability to identify, measure, assess, monitor, manage, mitigate, report and price the risks encountered, while maintaining an adequate capital and liquidity position to meet unforeseen events. The Board of Directors is responsible for setting the maximum acceptable levels of risks to be taken by the bank. The risk tolerance statements of the Board set out the long-term view of types and levels of risk acceptance to SEB.

SEB's main risk is credit risk. Other risks that the group is exposed to include market risk, non-financial risks, business risk, insurance and pension risk, and liquidity risk. In order to cover the risks, SEB holds a capital buffer and liquidity reserves in case of unforeseen events. SEB strives to continuously identify, measure, assess, monitor, manage, mitigate, report and price risks in its operations, both existing and emerging risks, in a designated risk management process. The aggregate risk profile of SEB is regularly monitored and reported to the Group Risk Committee (GRC) and the Board. In the annual capital adequacy process, the capital need of the group is evaluated based on the risk profile and future business strategy, taking into consideration the financial stability requirements of the regulators, debt investors, business counterparties and shareholders' required rate of return.

→ Further information about SEB's risk, liquidity and capital management is available on p. 83–89, notes 18 and 41 and in SEB's report under Pillar 3: Capital Adequacy and Risk Management Report (available on sebgroup.com). For more information about climate-related matters related to risk, see Sustainability report p. 32–65.

40a Credit risk

Definition

Credit risk is the risk of loss due to the failure of an obligor to fulfil its obligations towards SEB. The definition also comprises counterparty risk derived from trading activities, country risk, settlement risk, and credit concentration risk.

Credit risk is the main risk in SEB and arises in the credit portfolio, which is comprised of lending, contingent liabilities and counterparty risks arising from derivative, repo and collateral margin contracts to customers, including corporates, financial institutions, public sector entities, and private individuals. SEB's total credit exposure consists of the credit portfolio as well as debt instruments.

Risk management

Credit policies and approval process

The main principle in SEB's general credit policy is that all lending is based on credit analysis and is proportionate to the customer's cash flow and ability to repay. The customer must be known to the bank and the purpose of the loan shall be fully understood. The business units take full responsibility of the credit risk until repayment.

A credit approval is based on an evaluation of the customer's creditworthiness and the type of credit. Relevant factors include the customer's current and anticipated financial position and protection provided by covenants and collateral. A credit approval takes the proposed transaction into account as well as the customer's total business with the bank. The credit decision also includes a risk classification of the customer based on this analysis. The process differs depending on the type of customer (for example retail, corporate or institutional), risk level, as well as size and type of transaction. For larger corporate customers, independent and professional credit analysis is particularly important, and the decisions are mostly taken by a credit committee. For private individuals and small businesses, the credit approval is often based on credit scoring models. All credit decisions of significance require the approval of the chair of a credit committee who is independent from the business. Credit decision-making is based on a hierarchical structure, with the Group Risk Committee (GRC) being the highest credit granting body, subject to limited exceptions. Below the GRC, there are divisional credit committees and, in turn, local credit committees depending on the location of the customer, with small approval authorities for certain bank officers. The approval mandates for each level are set on a risk-adjusted basis using both quantitative and qualitative criteria.

SEB's credit policies reflect the group's approach to sustainability as described in the Corporate Sustainability Policy, the Environmental Policy, the Human Rights Policy, and the Credit Policy on Corporate Sustainability. ESG-related risks, sector policies and related position statements are considered in the credit granting process and in customer dialogues.

→ For further information regarding SEB's management of sustainability risks in its credit portfolio, in particular climate risks, please see the Sustainability Report on p. 32–65. The sector policies in place are specified on p. 51 and are available at sebgroup.com

Risk mitigation

In order to reduce the credit risk, a number of credit risk mitigation techniques are used. The method used depends on its suitability for the product and the customer in question, its legal enforceability, paired with SEB's experience and capacity to manage and control the particular technique. The most important credit risk mitigation techniques are collateral pledges, guarantees, and netting agreements. The most common types of pledges are real estate, floating charges, and financial securities. For large corporate customers, credit risk is often mitigated using covenants. In the trading operations, daily margin arrangements are frequently used to mitigate net open counterparty exposures at any point in time.

Limits and monitoring

To manage the credit risk for individual customers or customer groups, a limit is established that reflects the maximum exposure that SEB is willing to accept. Limits are also established for total exposure in countries in certain risk classes, certain customer segments and for settlement risks in the trading operations.

SEB continuously reviews the quality of its credit exposures. All limits and risk classes are reviewed at least annually by a credit approval body (a credit committee consisting of at least two bank officers as authorised by the group's Credit Instruction, adopted by the Board).

Weak or impaired exposures are subject to more frequent reviews. The objective is to identify credit exposures with an elevated risk of loss at an early stage and to work together with the customer towards a solution that enables the customer to meet its financial obligations and SEB to avoid or limit credit losses. In its core markets, SEB maintains local restructuring teams that are engaged in problem exposures. These are supported by a global restructuring function with overall responsibility for managing problem exposures.

Allowances are made for expected credit losses of financial instruments in scope for impairment measured at amortised costs according to the accounting standard IFRS 9 Financial Instruments. The guiding principle of the expected credit loss model is to reflect the general pattern of deterioration or improvement in the credit quality of the financial instruments.

Loans where the contractual terms have been amended in favour of the customer due to financial difficulties are referred to as forborne loans. Forbearance measures range from amortisation holidays (the most common measure) to refinancing with new terms and debt forgiveness. If changes in contractual terms are significant, the loan is also considered impaired.

A relevant credit approval body shall approve the forbearance measures as well as the classification of the loan as being forborne or not.

→ For a description of the methodology to estimate the expected credit loss allowance, refer to note 1 and note 18.

Credit portfolio analysis and stress tests

The risk organisation regularly reviews and assesses the asset quality of aggregate credit portfolio based on industry, geography, risk class, product type, size, and other parameters. Risk concentrations in geographic and industry sectors as well as in large single names are thoroughly analysed, both in respect of direct and indirect exposures and in the form of collateral, guarantees, and credit derivatives. As of year-end, the 20 largest corporate exposures (including real estate management) corresponded to 132 per cent of the tier 1 capital (132). Stress tests of the credit portfolio, including reverse stress tests, are performed regularly as a part of SEB's annual internal capital adequacy assessment process. Specific analyses and stress tests of certain sectors or sub-portfolios are performed as required. SEB regularly conducts climate scenario analyses to assess and quantify the potential impacts on credit risk stemming from climate change. In recent years, scenario analyses of the oil and gas portfolio, power generation portfolio, the Swedish household mortgages, and the Baltic real estate portfolios have been carried out. Based on the scenario analyses to date, including a 1.5°C scenario, the overall portfolio impact is expected to be limited.

→ See SEB's Climate report on p. 59 for additional details on scenario analysis and related risk assessment processes.

Risk measurement

Credit risk is measured for all exposures, both in the banking book and the trading book. An internal ratings-based (IRB) risk classification system approved by the regulator is used for the majority of the bank's portfolios and reflects the risk of default on payment obligations. As of 31 December 2022, 88 per cent of the credit risk-weighted exposure amount was covered by the IRB approach.

For significant corporate portfolios, the risk classification system contains specific rating tools and PD (probability of default) scales. Larger and mid-sized counterparties are measured on a risk class scale of 1–16, while small- and medium-sized enterprises (SMEs) are measured on a scale of 1–12. Defaulted counterparties are given the highest risk class, and the three risk classes prior to default are defined as "watch list". For each risk class scale, SEB makes individual one-year, through-the-cycle probability of default estimates, which are based on more than 20 years of internal and external data.

For private individuals and small businesses, SEB uses credit scoring systems to estimate PD for the customer. To achieve greater accuracy, SEB uses different credit scoring models for different regions and product segments, as both data accessibility and customer characteristics normally vary by country and product.

The exposure weighted PD of the total credit portfolio was 0.47 per cent at year-end (0.50).

→ The risk distribution of the non-retail and household portfolios is shown on p. 178.

Counterparty credit risk in derivative contracts

SEB enters into derivative contracts primarily to support customers in the management of their financial exposures. SEB also uses derivatives to protect cash flows and fair values of financial assets and liabilities in its own book from market fluctuations.

Counterparty credit risk in derivative contracts is the risk of a counterparty not living up to its contractual obligations where SEB has a claim on the counterparty. The claim on the counterparty corresponds to a net positive exposure in favour of SEB. Since the market value of a derivative fluctuates during the term to maturity, the uncertainty of future market conditions must be taken into account. The potential future exposure (PFE) is calculated by applying an add-on to current market value. The add-on is generated either through simulation (internal model method) or by applying a standard add-on which is set by a fixed value depending on product type and time to maturity which reflects potential market movements for the specific contract (standardised method).

SEB's simulation-based approach for calculating potential future exposure (internal model method) is approved by the Swedish FSA for external capital reporting of counterparty credit risk of repos, interest rate derivatives and FX derivatives in the parent company.

Counterparty credit risk in derivative contracts is reduced through the use of close-out netting agreements where all positive and negative market values under an agreement can be netted at the counterparty level and through collateral arrangements.

Counterparty credit risk in derivative contracts affects the profit and loss through credit/debit valuation adjustments (CVA/DVA) reflecting the credit risk associated with derivative positions. These adjustments depend on market risk factors such as interest rate, foreign exchange rates and credit spreads. There is also a regulatory capital requirement for credit valuation adjustments under Basel III.

Note 40 a continued Credit risk

Credit exposure by industry

Total credit exposure comprises the group's credit portfolio (lending, contingent liabilities and counterparty risks arising from derivative, repo and collateral margin contracts) and debt instruments. Counterparty risks are reported based on exposure-at-default calculations. Exposures are presented before allowances. Debt instruments comprise all interest-bearing instruments at nominal amounts. Debt instruments in the Life and Investment Management divisions are excluded.

	Lending		Contingent liabilities		Derivatives, repos and collateral margins		Total	
Group	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
Banks	**26,692**	**25,218**	**28,193**	**27,628**	**71,654**	**49,582**	**126,539**	**102,428**
Finance and insurance	152,796	122,150	104,852	76,612	57,374	39,951	**315,021**	**238,712**
Wholesale and retail	84,618	81,025	59,192	54,982	2,327	1,876	**146,137**	**137,882**
Transportation	31,163	32,923	25,737	41,084	2,544	1,858	**59,443**	**75,865**
Shipping	57,955	49,722	15,804	11,826	1,177	1,324	**74,936**	**62,872**
Business and household services	188,524	160,882	156,849	163,545	6,970	4,820	**352,343**	**329,247**
Construction	14,802	12,366	24,918	24,307	224	517	**39,944**	**37,190**
Manufacturing	129,863	104,413	197,166	177,434	19,357	9,936	**346,386**	**291,783**
Agriculture, forestry and fishing	33,813	29,275	5,101	9,511	60	282	**38,974**	**39,067**
Mining, oil and gas extraction	7,671	14,784	24,415	31,675	1,950	3,119	**34,036**	**49,578**
Electricity, gas and water supply	81,867	64,594	106,298	62,727	46,758	33,449	**234,923**	**160,771**
Other	21,924	24,222	22,533	25,029	81	501	**44,538**	**49,752**
Corporates	**804,996**	**696,355**	**742,864**	**678,732**	**138,822**	**97,633**	**1,686,682**	**1,472,720**
Commercial real estate management	183,183	156,405	25,087	28,844	580	2,524	**208,850**	**187,774**
Residential real estate management	134,079	135,792	11,361	12,972	176	2,794	**145,616**	**151,557**
Real Estate Management	**317,262**	**292,197**	**36,448**	**41,816**	**756**	**5,318**	**354,466**	**339,330**
Housing co-operative associations	**67,949**	**68,419**	**3,620**	**5,903**	**2**	**0**	**71,571**	**74,323**
Public Administration	**25,585**	**15,053**	**26,747**	**24,744**	**39,162**	**43,663**	**91,494**	**83,460**
Household mortgage	634,663	618,756	36,384	51,499			**671,047**	**670,255**
Other	42,930	43,350	41,662	42,419	32	24	**84,624**	**85,794**
Households	**677,593**	**662,106**	**78,046**	**93,918**	**32**	**24**	**755,672**	**756,049**
Credit portfolio	**1,920,078**	**1,759,347**	**915,918**	**872,742**	**250,428**	**196,220**	**3,086,423**	**2,828,309**
Debt instruments							240,657	176,703
TOTAL							**3,327,080**	**3,005,012**

Credit portfolio by industry and geography

The total credit portfolio comprises the group's lending, contingent liabilities and counterparty risks arising from derivatives, repos and collateral margin contracts. Counterparty risks are reported based on exposure-at-default calculations. Exposures are presented before allowances.

Group, 2022	Sweden	Other Nordic countries	Baltic countries	Germany, UK	Other	Total
Banks	**93,355**	**16,199**	**1,068**	**6,813**	**9,104**	**126,539**
Finance and insurance	234,923	23,436	1,144	49,460	6,058	**315,021**
Wholesale and retail	60,611	31,989	29,349	16,618	7,570	**146,137**
Transportation	19,817	22,603	8,174	8,204	645	**59,443**
Shipping	13,038	35,420	630	17,926	7,922	**74,936**
Business and household services	164,248	62,882	10,169	106,369	8,676	**352,343**
Construction	20,204	5,659	4,914	6,339	2,829	**39,944**
Manufacturing	129,108	112,841	16,617	71,407	16,413	**346,386**
Agriculture, forestry and fishing	21,802	6,526	9,903	147	595	**38,974**
Mining, oil and gas extraction	5,932	25,348	366	999	1,392	**34,036**
Electricity, gas and water supply	67,452	101,594	17,015	48,605	258	**234,923**
Other	37,434	3,402	704	841	2,157	**44,538**
Corporates	**774,569**	**431,700**	**98,985**	**326,915**	**54,514**	**1,686,682**
Commercial real estate management	127,336	47,039	27,780	6,589	106	**208,850**
Residential real estate management	140,413	3,140		1,977	86	**145,616**
Real Estate Management	**267,749**	**50,180**	**27,780**	**8,565**	**192**	**354,466**
Housing co-operative associations	**71,307**	**264**				**71,571**
Public Administration	**71,041**	**6,631**	**6,883**	**3,716**	**3,223**	**91,494**
Household mortgage	583,264	770	80,737		6,276	**671,047**
Other	46,444	25,756	10,274		2,146	**84,624**
Households	**629,708**	**26,526**	**91,011**		**8,422**	**755,672**
TOTAL	**1,907,729**	**531,500**	**225,727**	**346,013**	**75,455**	**3,086,423**

Note 40 a continued Credit risk

Group, 2021	Sweden	Other Nordic countries	Baltic countries	Germany, UK	Other	Total
Banks	**75,747**	**12,511**	**878**	**3,652**	**9,641**	**102,428**
Finance and insurance	168,377	21,131	800	40,302	8,102	**238,712**
Wholesale and retail	48,839	38,271	24,287	19,729	6,756	**137,882**
Transportation	20,228	36,984	10,268	7,923	462	**75,865**
Shipping	11,306	25,242	887	17,284	8,154	**62,872**
Business and household services	185,546	52,988	7,934	76,149	6,630	**329,247**
Construction	20,183	4,177	4,160	5,494	3,176	**37,190**
Manufacturing	115,383	89,088	14,963	57,135	15,214	**291,783**
Agriculture, forestry and fishing	24,593	6,248	7,882	92	252	**39,067**
Mining, oil and gas extraction	7,459	40,681	337	822	280	**49,578**
Electricity, gas and water supply	51,218	63,420	12,984	32,895	253	**160,771**
Other	30,635	1,383	721	16,515	499	**49,752**
Corporates	**683,767**	**379,613**	**85,223**	**274,341**	**49,777**	**1,472,720**
Commercial real estate management	120,954	39,012	23,950	3,814	43	**187,774**
Residential real estate management	147,466	1,698		2,310	83	**151,557**
Real Estate Management	**268,419**	**40,710**	**23,950**	**6,124**	**127**	**339,330**
Housing co-operative associations	**74,170**	**152**				**74,323**
Public Administration	**68,506**	**4,581**	**5,400**	**2,017**	**2,955**	**83,460**
Household mortgage	594,206	786	69,682		5,580	**670,255**
Other	48,121	25,270	9,150		3,252	**85,794**
Households	**642,328**	**26,057**	**78,832**		**8,832**	**756,049**
TOTAL	**1,812,937**	**463,623**	**194,283**	**286,134**	**71,332**	**2,828,309**

Credit portfolio by PD range

Group, 2022			Total, excluding households						Households	
Category	Probability of Default (PD) range	S&P/Moody's[1]	Banks	Corporates	Real estate management	Housing Co-ops	Public Admin.	Total	Households[2] PD range	
Investment grade	0 < 0.01%	AAA/Aaa	19.1%	0.4%	0.2%	0.0%	75.1%	**4.5%**		
	0.01 < 0.03%	AA/Aa	44.7%	12.5%	3.6%	0.1%	22.8%	**12.7%**	0 < 0.2%	**65.7%**
	0.03 < 0.12%	A/A	23.0%	22.3%	3.9%	10.1%	0.4%	**17.8%**	0.2 < 0.4%	**19.9%**
	0.12 < 0.46%	BBB/Baa	8.1%	40.1%	36.0%	66.4%	1.5%	**37.0%**	0.4 < 0.6%	**0.2%**
Standard monitoring	0.46 < 1.74%	BB/Ba	1.5%	19.8%	51.9%	23.3%	0.1%	**23.7%**	0.6 < 1%	**6.9%**
	1.74 < 7%	B/B	1.2%	4.0%	4.2%	0.0%	0.1%	**3.5%**	1 < 5%	**5.4%**
Watch list	7 < 9%	B/B	1.2%	0.2%	0.1%	0.0%	0.0%	**0.2%**	5 < 10%	**0.7%**
	9 < 22%	CCC/Caa	1.2%	0.2%	0.0%	0.0%	0.0%	**0.2%**	10 < 30%	**0.2%**
	22 < 100%	C/C	0.1%	0.2%	0.0%	0.0%	0.0%	**0.1%**	30 < 50%	**0.3%**
Default	100%	D	0.0%	0.4%	0.0%	0.0%	0.0%	**0.3%**	50 < 100%	**0.7%**
TOTAL			**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**TOTAL**	**100%**

Group, 2021

Category	Probability of Default (PD) range	S&P/Moody's[1]	Banks	Corporates	Real estate management	Housing Co-ops	Public Admin.	Total	Households[2] PD range	
Investment grade	0 < 0.01%	AAA/Aaa	6.8%	0.7%	0.1%	0.0%	78.5%	**4.2%**		
	0.01 < 0.03%	AA/Aa	55.2%	10.4%	4.8%	0.1%	14.5%	**11.1%**	0 < 0.2%	**65.7%**
	0.03 < 0.12%	A/A	25.8%	31.6%	7.3%	9.7%	5.4%	**24.8%**	0.2 < 0.4%	**20.4%**
	0.12 < 0.46%	BBB/Baa	7.1%	37.3%	55.7%	84.5%	1.0%	**39.7%**	0.4 < 0.6%	**0.3%**
Standard monitoring	0.46 < 1.74%	BB/Ba	1.5%	14.8%	30.3%	5.6%	0.6%	**16.1%**	0.6 < 1%	**7.1%**
	1.74 < 7%	B/B	1.0%	3.8%	1.6%	0.1%	0.1%	**2.9%**	1 < 5%	**4.8%**
Watch list	7 < 9%	B/B	2.0%	0.2%	0.1%	0.0%	0.0%	**0.3%**	5 < 10%	**0.6%**
	9 < 22%	CCC/Caa	0.7%	0.5%	0.1%	0.0%	0.0%	**0.4%**	10 < 30%	**0.2%**
	22 < 100%	C/C	0.0%	0.0%	0.0%	0.0%	0.0%	**0.0%**	30 < 50%	**0.2%**
Default	100%	D	0.0%	0.7%	0.1%	0.0%	0.0%	**0.5%**	50 < 100%	**0.7%**
TOTAL			**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**TOTAL**	**100%**

1) Estimated link between internal PDs and external ratings based on comparison of historical default outcomes.
2) Household exposure based on the internal ratings based (IRB) method reported as exposure in the event of a default (EAD – exposure at default).

Note 40 a continued Credit risk

Credit portfolio protected by guarantees, credit derivatives and collaterals[1]

	Group				Parent company			
2022	Credit portfolio	Protection via guarantees and credit derivatives	Protection via pledged collaterals	Of which, financial collaterals	Credit portfolio	Protection via guarantees and credit derivatives	Protection via pledged collaterals	Of which, financial collaterals
Banks	**126,539**	**1,998**	**14,165**	**7,006**	**124,211**	**1,998**	**14,162**	**7,004**
Corporates, Real estate management and Housing co-operative associations	2,112,718	30,056	534,806	42,231	1,880,374	29,321	469,300	41,252
Public Administration	91,494		1,702	176	82,029		448	
Households	755,672	57	602,217	13,917	616,941		521,557	13,717
TOTAL	**3,086,423**	**32,111**	**1,152,889**	**63,331**	**2,703,555**	**31,319**	**1,005,467**	**61,973**
2021								
Banks	**102,428**	**1,934**	**11,242**	**5,256**	**100,587**	**1,934**	**11,240**	**5,255**
Corporates, Real estate management and Housing co-operative associations	1,886,373	25,252	476,725	35,451	1,739,226	24,559	426,295	34,839
Public Administration	83,460		1,437	0	75,363		505	
Households	756,049	23	605,884	11,568	629,915		537,098	11,401
TOTAL	**2,828,309**	**27,209**	**1,095,288**	**52,275**	**2,545,091**	**26,493**	**975,138**	**51,495**

1) Only risk mitigation arrangements eligible in capital adequacy reporting are represented in the tables above.

Debt instruments

At year-end 2022, SEB's credit exposure in the bond portfolio amounted to SEK 241bn (177). The exposure comprises interest-bearing instruments at nominal amounts including certain credit derivatives and futures.

Distribution by geography

	Central & local governments		Corporates		Covered bonds		Asset-backed securities		Financials		Total	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
Sweden	30.5%	38.4%	0.2%	0.3%	20.9%	10.8%			0.0%	0.0%	**51.5%**	**49.6%**
Germany	1.5%	8.1%	0.0%	0.0%	0.3%	0.2%			4.3%	0.2%	**6.1%**	**8.4%**
Luxembourg	3.9%	4.3%							0.1%	0.1%	**4.0%**	**4.4%**
Denmark	4.3%	3.2%	0.2%	0.2%	3.8%	2.9%			1.0%	0.5%	**9.3%**	**6.8%**
Norway	1.4%	1.2%	0.0%	0.1%	5.8%	6.6%			0.2%	0.1%	**7.4%**	**7.9%**
Finland	2.4%	3.4%	0.0%				3.6%	4.8%			**6.1%**	**8.3%**
US	3.5%	2.6%	0.0%	0.0%	0.0%	2.9%			0.0%	0.2%	**3.6%**	**5.7%**
Baltics	5.3%	2.4%									**5.3%**	**2.4%**
Europe. other	2.6%	1.9%	0.0%						0.7%		**3.3%**	**1.9%**
Rest of world	3.3%	3.9%		0.0%					0.1%	0.7%	**3.4%**	**4.5%**
TOTAL	**58.7%**	**69.5%**	**0.5%**	**0.6%**	**30.7%**	**23.3%**	**3.6%**	**4.8%**	**6.5%**	**1.8%**	**100.0%**	**100.0%**

Distribution by rating

	Central & local governments		Corporates		Covered bonds		Asset-backed securities		Financials		Total	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
AAA	43.1%	55.3%	0.0%	0.0%	29.9%	22.8%	3.0%	4.1%	2.6%	0.3%	**78.7%**	**82.5%**
AA	5.3%	7.6%	0.0%	0.0%	0.3%				2.5%	0.6%	**8.1%**	**8.2%**
A	5.3%	2.4%	0.0%	0.0%	0.0%		0.6%	0.8%	0.3%	0.1%	**6.2%**	**3.3%**
BBB			0.1%	0.2%					0.1%	0.2%	**0.2%**	**0.3%**
BB/B			0.0%	0.0%							**0.0%**	**0.0%**
CCC/CC												
No issue rating[1]	5.0%	4.1%	0.3%	0.4%	0.5%	0.4%			1.1%	0.6%	**6.8%**	**5.6%**
TOTAL	**58.7%**	**69.5%**	**0.5%**	**0.6%**	**30.7%**	**23.3%**	**3.6%**	**4.8%**	**6.5%**	**1.8%**	**100.0%**	**100.0%**

1) Mainly German local governments (Bundesländer).

40b Market risk

Definition
Market risk is the risk of losses in balance sheet positions and obligations, arising from adverse movements in market prices. Market risk can arise from changes in interest rates, foreign exchange rates, credit spreads, CVA, commodity and equity prices, implied volatilities, inflation and market liquidity. A clear distinction is made between market risks related to trading activities, that is trading book risks, and structural market and net interest income risks, that is banking book risks. Whereas positions in the trading book are held with a trading intent and under a daily mark-to-market regime, positions in the banking book do not have a trading intent and are typically held at amortised cost.

Risk management
Market risk in the trading book arises from SEB's customer-driven trading activities. The trading activities are carried out by the Large Corporates & Financial Institutions division in its capacity as market maker in foreign exchange, equity and debt capital markets.

Market risk also arises in the form of interest rate risk in the banking book as a result of interest rate repricing mismatches between assets and liabilities. The treasury function has the overall responsibility for managing these risks, which are consolidated centrally. The treasury function also manages a liquidity portfolio which is part of SEB's liquidity reserve. Market risk in the liquidity portfolio arises from credit spread risk and interest rate risk in pledgeable and highly liquid bonds. For capital adequacy purposes, the assets in this portfolio are, as of 1 January 2018, categorised as assets in the banking book. However, from a risk management perspective, they are monitored together with trading-related market risk.

Market risk also arises in the group's traditional life insurance operations and the defined benefit plans for employees due to mismatches between the market value of assets and liabilities. Market risk in the pension obligations and the life insurance business are not included in the market risk figures below.

→ Refer to note 40 e for information on market risk in the life insurance business.

The Board of Directors defines the level of accepted market risk by setting the overall market risk limits. Limits are established for the trading book, banking book and the defined benefit plans. The Group Risk Committee (GRC) delegates the market risk mandate to the divisions and the treasury function, which in turn further allocate the limits internally. The trading book risks are managed at the different trading locations within a comprehensive set of limits including VaR, stop-loss, different sensitivities and stress tests.

The risk organisation measures the market risk taken by the various units within the group on a daily basis. Moreover, the risk organisation independently verifies the valuation of positions held at fair value and calculates the capital buffer for prudent valuation. The risk control function is present in the trading rooms and monitors limit compliance and market prices at closing as well as valuation standards and the introduction of new products. Market risks are reported to the GRC and the Board's Risk and Capital Committee (RCC) at least on a monthly basis.

SEB is exposed to the following market risk types:

Risk type	Defined as the risk of loss or reduced income due to	Source
Interest rate risk	Changes in interest rates	Inherent in all banking business
Credit spread risk	A change in the creditworthiness of an issuer of, for instance, a bond or a credit derivative	Primarily present in the bank's bond holdings
Foreign exchange risk	Variations in the exchange rates	Foreign exchange trading and the bank's operations in various markets
Equity price risk	Variations in equity prices	Market making and customer activity in equities and equity derivatives
Commodity price risk	Variations in commodity prices	Customer-driven activities in commodities
Volatility risk	Changes in implied volatility	Market making and customer activity of options across all asset classes
Inflation risk	Change in inflation	Bond holdings, value of assets on balance sheet
Market liquidity risk	Bid-ask spread widenings	Sale of assets or closing of positions
Credit value adjustment[1]	Variations in the counterparty credit risk based on the expected future exposure	OTC derivative contracts

1) Credit value adjustment is fundamentally credit risk, but the exposure is calculated using market risk drivers (interest rate, currency, etc.).

Risk measurement
When assessing the market risk exposure, SEB uses measures that capture losses under both normal and stressed market conditions. Market risks under normal market circumstances are measured using Value at Risk (VaR) and Expected Shortfall (ES) as well as specific measures that are relevant for the various risk types. These measures are complemented by stress tests and scenario analyses, in which potential losses under extreme market conditions are estimated. Since no method can cover all risks at all times, several approaches are used where the results are assessed based on judgment and experience.

Value at Risk and Stressed Value at Risk
VaR expresses the maximum potential loss that could arise during a certain time period with a given degree of probability. SEB uses a historical simulation VaR model with a ten-day time horizon and 99 per cent confidence interval to measure, limit and report VaR. The model aggregates market risk exposure for all risk types and covers a wide range of risk factors in all asset classes. SEB also uses a stressed VaR measure, where VaR is calculated for the current portfolio using market data from a historic, turbulent time period covering the Lehman Brothers' default. The VaR model is validated using so-called back-testing analysis.

A limitation of SEB's VaR model is that it uses historical data to estimate potential market changes. As such, it may not predict all outcomes, especially in a rapidly changing market. In addition, VaR does not take into account any actions to reduce risk as the model assumes that the portfolio is unchanged.

SEB's VaR and stressed VaR models have been approved by the Swedish FSA for calculation of regulatory capital requirements for all the general market risks in the bank's trading book in the parent bank.

Value at Risk

	2022				
Trading Book (99%, ten days)	**Min**	**Max**	**31 Dec 2022**	**Average 2022**	**Average 2021**
Commodities risk	28	162	60	67	57
Credit spread risk	22	93	70	72	55
Equity price risk	6	63	17	18	23
Foreign exchange rate risk	15	141	52	63	27
Interest rate risk	66	339	186	198	104
Volatilities risk	8	92	28	37	14
Diversification	−63	−508	−201	−218	−142
TOTAL	**83**	**383**	**212**	**236**	**137**
Banking Book (99%, ten days)					
Credit spread risk	17	182	151	121	47
Equity price risk	28	54	31	35	45
Foreign exchange rate risk	0	8	6	1	8
Interest rate risk	113	820	699	546	117
Diversification	−45	−192	−187	−153	−54
TOTAL	**113**	**871**	**700**	**550**	**163**

Note 40 b continued Market risk

Expected Shortfall
Expected Shortfall (ES) is the expected loss given a pre-defined time horizon, conditional that the loss is greater than the VaR for a specific confidence level. Thus, while VaR only shows the loss at a specific confidence level, ES takes the whole loss distribution into account and calculates the expected loss of all of the worst outcomes. SEB currently uses ES to calculate economic capital for market risk in the trading book.

Scenario analyses and stress tests
Scenario analyses and stress tests are a key part of the risk management framework, complementing the VaR measure. In particular, they test portfolios using scenarios other than those available in the VaR simulation window and cover longer time horizons. SEB stresses its portfolios by applying extreme movements in market factors that have been observed in the past (historical scenarios) as well as extreme movements that could potentially happen in the future (hypothetical or forward-looking scenarios). Reverse stress tests are also applied on the total trading portfolio as well as for individual divisions and business units, to identify scenarios that would lead to a given significant loss, for instance, the breach of a stop-loss limit. This type of analysis provides management with a view on the potential impact that large market movements in individual risk factors, as well as broader market scenarios, could have on a portfolio. The risk tolerance framework includes limits on different stress test scenarios.

Specific risk measures
VaR and stress tests are complemented by specific risk measures including Delta 1 per cent for interest risk, and Single and Aggregated FX for currency risk.

In addition, all units that manage risk for financial instruments valued at market are limited by a stop-loss limit. The stop-loss limit indicates the maximum loss a unit can incur before mitigating actions are taken.

CVA/DVA sensitivities

The credit and debit valuation adjustments (CVA/DVA) are sensitive to market movements, in particular to movements in interest rates, credit spreads and foreign exchange rates.

In order to monitor this sensitivity, SEB stresses these asset classes on a regular basis and calculates the impact on the valuation adjustments. This is done by comparing the original CVA/DVA numbers with the stressed CVA/DVA numbers where the current rates and credit spreads have been moved up 100 basis points and where SEK has appreciated 5 per cent to all other currencies compared with the current level.

2022	CVA	DVA	Total
Interest rates + 100bp	81	207	**287**
Credit spreads + 100bp	−1,217	1,569	**352**
SEK + 5%	53	−37	**16**
2021			
Interest rates + 100bp	146	81	**228**
Credit spreads + 100bp	−964	752	**−212**
SEK + 5%	17	−9	**8**

Interest rate risk

Interest rate risk refers to the risk that the value of the group's assets, liabilities and interest-related derivatives will be negatively affected by changes in interest rates or other relevant risk factors.

The majority of the group's interest rate risks is structural and arise within the banking operations when there is a mismatch between the interest fixing periods of assets and liabilities, including derivatives.

The table below shows the sensitivity to a +100 basis point change in the interest rates on the banking and trading book by currency and in different buckets of maturity. This is calculated as the value change for a shift of 1 basis point and then scaled up to reflect a 100 basis point move.

Interest rate sensitivity in trading book per time buckets

2022	< 3 months	3–12 months	1–2 years	2–5 years	5–10 years	>10 years	Total
EUR	−12	−91	137	1 214	−730	−306	**212**
SEK	−43	−616	310	−198	522	−164	**−189**
USD	−45	−16	−57	−48	−19	−36	**−221**
Other	−56	343	−254	−801	429	231	**−109**
TOTAL	**−156**	**−380**	**136**	**166**	**202**	**−275**	**−307**
2021							
EUR	61	−162	−81	192	564	−437	**137**
SEK	−16	431	−781	−140	−36	−87	**−630**
USD	−50	−36	86	−58	−21	18	**−62**
Other	−47	409	−181	−425	−587	627	**−205**
TOTAL	**−52**	**641**	**−957**	**−431**	**−80**	**120**	**−759**

Interest rate sensitivity in banking book per time buckets[1)]

2022	< 3 months	3–12 months	1–2 years	2–5 years	5–10 years	>10 years	Total
EUR	21	−262	−113	−164	−61	3	**−575**
SEK	−262	−335	−238	−472	−317	−35	**−1,661**
USD	−56	−22	24	23	−2	125	**91**
Other	−4	−79	−9	−29	−4	0	**−124**
TOTAL	**−300**	**−698**	**−336**	**−642**	**−385**	**92**	**−2,269**
2021							
EUR	−20	−321	−72	−215	−25	−4	**−658**
SEK	−302	−357	−199	−553	−152	−19	**−1,583**
USD	−34	339	1	−11	4	143	**442**
Other	−8	−127	−5	−44	−3	1	**−186**
TOTAL	**−364**	**−466**	**−275**	**−823**	**−178**	**120**	**−1,985**

1) By currency SEK m/100 basis points.

40c Non-financial risk

Definition
Operational risk, in SEB referred to as Non-financial risk, is the risk of loss resulting from inadequate or failed internal processes, people and systems (for example breakdown of IT systems, mistakes, fraud, other deficiencies in internal control) or from external events (natural disasters, external crime, etc.). The definition includes conduct risk, compliance risk, legal and financial reporting risks, risks related to information-, cyber- and physical security, and venture execution risks. The definition excludes strategic and reputational risk.

Risk management
Non-financial risks are inherent in all of the group's operations. The responsibility to manage non-financial risks rests with all managers throughout the group. Through an effective internal control environment and by ensuring structured and consistent usage of risk mitigating tools and processes, SEB aims to maintain a sound risk culture with low non-financial risks and low loss levels.

All employees are required to escalate and register risk-related events or incidents so that risks can be properly identified, assessed, managed, mitigated, monitored and reported. SEB uses a group-wide IT application to record and report risk events, loss levels and other non-financial risk data for analysis and benchmarking against peers.

SEB regularly conducts training and education in key areas, including mandatory training for all staff in information security, fraud prevention, anti-money laundering, know-your-customer procedures (KYC), GDPR and SEB's Code of Conduct. In addition, SEB has a formal external whistle-blower procedure that encourages employees to report improprieties and unethical or illegal conduct.

All new or changed products, processes and/or systems as well as reorganisations are evaluated in a group-common New Product Approval process (NPA) with the aim to identify potential non-financial risks, and to ensure that proactive measures are taken to protect SEB from entering into unintended risk-taking.

All business units with significant risks embedded in their operations regularly complete Risk and Control Self-Assessments (RCSA) according to a group-wide methodology. Such assessments are designed to identify and manage significant non-financial risks embedded in SEB's various business and support processes, from an end-to-end perspective. As RCSAs are self-assessments, they are conducted by the business itself, and applied throughout the organisation.

Global connectivity and increased usage of cloud services, third party vendors and outsourcing are trends in the banking industry that at the same time increase the risk of cybercrime. SEB proactively works with threat scenarios, threat intelligence and risk management to minimise this risk. Activities to identify, protect against, detect, respond to, and recover from cybercrime are continuously being developed and adjusted to protect SEB's intellectual property, customer data and other sensitive information from unauthorized access. Security updates, system upgrades and security tests are performed on a regular basis. In addition, SEB has adopted a cyber risk and cybersecurity policy.

Using an "always verify" approach and "least privilege" access principles along with technical safeguards provide additional protection to manage and monitor every device, user, applications and network. Equally important as "always verify" and "least privilege" is to foster a sound risk culture and to raise security awareness, not only among employees, but also among SEB's customers. This is done through trainings, information, and regular communication.

Concerning model risk, SEB has a framework to capture risks embedded in models and processes across the bank.

In order to ensure that the bank can continue to provide its services to society throughout periods of major disruption, SEB has a structured process for identifying critical activities, and for maintaining updated, annually tested and communicated business continuity plans (BCPs) throughout the group.

The risk organisation – second line of defence – is responsible for ensuring that SEB's non-financial risks are identified, assessed, managed, mitigated, monitored, and reported. In addition, Group Risk is responsible for ensuring that such risks are addressed in accordance with external and internal regulations. Significant incidents and the group's overall non-financial risk exposure, both at group and at divisional or site level, are analysed and reported regularly to the Group Executive Committee (GEC), the Group Risk Committee (GRC) and the Board's Risk and Capital Committee (RCC), as well as to local/divisional management. In 2022, net losses from non-financial incidents amounted to SEK 237m (219).

Risk measurement
SEB uses the Advanced Measurement Approach (AMA) to calculate the regulatory capital requirement for operational risk.

40d Business risk

Definition
Business risk is the risk of lower earnings due to reduced volumes, price pressure or competition. Business risk includes venture decision risk that is risks related to large undertakings such as acquisitions, large IT projects, transformations, outsourcing, etc. Strategic risk is close in nature to business risk however with the focus on large-scale or structural risk factors. Reputational risk is the risk arising from negative perception of SEB, or the industry in general.

Risk management
Business, strategic- and reputational risks are inherent in doing business. The regulatory framework for banking and financial institutions is extensive and in constant development, hence significantly impacting the industry. At the same time, the digitalisation of the banking industry is accelerating, and new types of competitors are emerging. In addition to this, corporate sustainability is becoming an even more important part of a company's reputation. SEB carries out different activities to mitigate, measure, and control these risks, for example through regularly performed strategic business reviews, conduction of proactive cost management, execution of an agile step-by-step IT development approach, establishment of an ambitious corporate sustainability agenda and continuous active dialogues regarding regulatory matters.

40e Insurance risk

Definition
Insurance risk in SEB consists of all risks related to the group's insurance operations. SEB's main life insurance operations consist of unit-linked insurance and traditional life insurance. The key risks include market risk and underwriting risk.

Market risk in the insurance business is the risk of losses on traditional life insurance policies with guaranteed benefits due to changes in fair value of assets and liabilities. Such changes in fair value can be caused by changes in for example interest rates, credit spreads, equity prices, exchange rates and implied volatilities.

Underwriting risk pertains to the risk of loss or of negative changes in the value of insurance liabilities (technical provisions) due to inadequate pricing and/or provisioning assumptions. It includes factors such as average mortality, longevity, disability/morbidity (including risks that result from fluctuation in the timing and amount of claim settlements), catastrophe risk (for example extreme or irregular events), expense risk and lapse risk (that is policyholder behaviour risk).

Risk management and measurement
In unit-linked insurance, the market risk is borne by the policyholder, however, there is an indirect exposure to market risk through the policyholders' investments since a significant part of the future income stream of the life insurance business is based on assets under management. The profitability for existing and new business is closely monitored.

Market risk in the traditional life insurance products with guaranteed returns is mitigated through standard market risk hedging schemes and monitored through asset/liability management (ALM) risk measures and stress tests. This is supplemented by market risk tools such as VaR and scenario analysis. In the traditional products, the difference between asset values and the guaranteed obligations constitutes a buffer which mitigates earnings volatility.

Underwriting risks are controlled through the use of actuarial analysis and stress tests of the existing insurance portfolio. Mortality and disability/morbidity risks are reinsured for large individual claims or for several claims attributable to the same event. Underwriting risk parameters are validated annually. Policyholders within certain traditional life insurance products are free to transfer their policies from SEB. The utilisation of this option has been very low historically. Nevertheless, to safeguard against unplanned cash outflows, sufficient liquid investments are maintained. Regular cash flow analysis is conducted to mitigate this risk.

The risk organisation is responsible for measuring and controlling the risks inherent in SEB's life insurance operations. Measurement and monitoring of

Note 40 e continued Insurance risk

ALM risk measures, VaR, scenario analysis and stress tests are performed on a regular basis for each insurance company. In addition, the risk organisation has the role of an independent risk management function in the respective insurance companies from a Solvency II perspective. Key risks are reported regularly to SEB's Group Risk Committee as well as the Board's Risk and Capital Committee and to the boards and committees of each insurance company.

Solvency II, effective as of 1 January 2016, is a harmonised regulatory framework with respect to governance, internal control and capital requirements across insurance companies in the EU. Solvency II capitalisation calculations are performed at least monthly, and the required reporting is submitted to the financial supervisors on a quarterly basis. Calculations show that SEB's life companies are adequately capitalised and resilient to different stressed scenarios.

40f Liquidity risk

Definition

Liquidity risk is the risk that the group is unable to refinance its existing assets or is unable to meet the demand for additional liquidity. Liquidity risk also entails the risk that the group is forced to borrow at unfavourable rates or is forced to sell assets at a loss in order to meet its payment commitments.

Liquidity management and risk measurement

The Board of Directors has established a comprehensive framework for managing the bank's liquidity requirements both in the short- and long-term. The aim of SEB's liquidity risk management is to ensure that the group has a controlled liquidity risk situation, with adequate volumes of liquid assets in all relevant currencies to timely meet its liquidity requirements in all foreseeable circumstances, without incurring substantial cost increase.

The liquidity risk is managed through the limits set by the Board and further allocated by the Group Risk Committee (GRC). Liquidity limits are set for the group, branches and specific legal entities, as well as for exposures in certain currencies. The treasury function has the overall responsibility for liquidity management and funding, supported by local treasury centres in the group's major markets. The risk function regularly measures and reports limit utilization based on different market conditions and liquidity stress tests to the GRC and the Board's Risk and Capital Committee (RCC). While liquidity management is an ongoing process, an internal evaluation of the liquidity need is performed annually to identify potential gaps relative to SEB's long-term liquidity targets and to ensure that liquidity management is sufficient.

Liquidity management and the structuring of the balance sheet from a liquidity point of view are built on three basic perspectives:

(i) the structural liquidity perspective, in which stable funding is put in relation to illiquid assets;
(ii) the bank's tolerance for short-term stress in the form of a shutdown of the wholesale and interbank funding markets (wholesale funding dependence); and,
(iii) the bank's tolerance to a severe stress scenario where, in addition to a shutdown of the funding market, the bank experiences a severe outflow of deposits.

Structural liquidity risk

In order to maintain a sound structural liquidity position, the structure of the liability side should be based on the composition of assets. The more long-term lending and other illiquid assets, the more stable funding is required. This risk is measured by the regulatory defined Net Stable Funding Ratio (NSFR). In this ratio, the amount of available stable funding is put in relation to the amount of required stable funding. In SEB, the same risk is measured as the Core Gap ratio, that is a ratio between stable funding (over 1 year maturity) and illiquid assets (over 1 year maturity). The difference between NSFR and the internal Core Gap ratio is that the Core Gap ratio is calculated on a more detailed level based on internal statistics, resulting in different weightings of available and required stable funding.

Wholesale funding dependence

One way of measuring how resilient the bank is to deteriorating market conditions is to assess the time that SEB's liquid assets would last if the wholesale and interbank funding markets were unavailable. This measure, the maturing funding ratio, captures the bank's liquid assets in relation to wholesale funding and net interbank borrowings that come to maturity over the coming months, or as the number of months it would take to deplete the liquid assets in a scenario where all maturing funding must be repaid from liquid assets. Wholesale funding dependence is also measured as the loan to deposit ratio, excluding repos.

Stressed survival horizon

Severe stress can be modelled by combining assumptions of a wholesale funding market shutdown with assumptions of deposit outflows and drawdowns on commitments, etc. The outcome is captured by the regulatory defined Liquidity Coverage Ratio (LCR) where, in a stressed scenario, modelled net outflows during a 30-day period are related to the amount of total liquid assets. As of 1 January 2018, the EU's definition of LCR is used. SEB also measures the time it would take for the liquid assets to be depleted in a severely stressed scenario, expressed as the stressed survival horizon (SSH). The same scenario is also used for monitoring the outcome in the currency dimension in order to discover potential mismatches and dependencies towards the FX-swap market. In addition, SEB monitors various rating agencies' survival metrics.

Internal liquidity adequacy assessment process

Liquidity risk is not primarily mitigated by capital. However, there are strong links between a bank's capital and liquidity position. Hence, an internal liquidity adequacy assessment process (ILAAP) complements the Internal Capital Adequacy Assessment Process (ICAAP). The ILAAP is designed to identify potential gaps against SEB's long-term desired level of liquidity adequacy, taking into account that effective liquidity management is an ongoing improvement process.

Note 40 f continued Liquidity risk

Liquid assets[1)]

	2022					2021				
	SEK	EUR	USD	Other	Total	SEK	EUR	USD	Other	Total
Cash and balances with central banks	143,983	174,553	103,244	12,332	**434,113**	196,066	143,190	84,041	11,676	**434,973**
Securities issued or guaranteed by sovereigns, central banks, MDBs and international organisations	50,221	20,614	35,888	13,423	**120,147**	62,221	18,712	33,472	22,940	**137,345**
Securities issued by municipalities and PSEs	2,231		6,392	22,751	**31,374**	3,206	679	4,894	10,694	**19,473**
Extremely high quality covered bonds	40,398	344	547	44,838	**86,126**	25,375	46	277	35,174	**60,872**
Level 1 assets	**236,833**	**195,512**	**146,072**	**93,344**	**671,760**	**286,868**	**162,627**	**122,685**	**80,483**	**652,663**
Securities issued or guaranteed by sovereigns, central banks, municipalities and PSEs			1,539	488	**2,027**		20	752	437	**1,209**
High quality covered bonds	7,097	32	1,318	5,584	**14,031**	2,106	595	140	8,179	**11,021**
Corporate debt securities (lowest rating AA–)								84		**85**
Level 2A assets	*7,097*	*32*	*2,857*	*6,072*	***16,058***	*2,106*	*616*	*976*	*8,617*	***12,315***
Asset-backed securities		6,815			**6,815**		6,341			**6,341**
High quality covered bonds				195	**195**				21	**21**
Corporate debt securities (rated A+ to BBB–)		111	10		**121**		194	49		**243**
Level 2B assets		*6,926*	*10*	*195*	***7,131***		*6,535*	*49*	*21*	***6,605***
Level 2 assets	**7,097**	**6,958**	**2,867**	**6,267**	**23,189**	**2,106**	**7,151**	**1,025**	**8,637**	**18,919**
TOTAL LIQUID ASSETS	**243,930**	**202,470**	**148,939**	**99,611**	**694,950**	**288,974**	**169,777**	**123,710**	**89,121**	**671,582**

1) All definitions are in accordance with the Liquidity Coverage Ratio in the CRR.

Liquidity risk management measures

	2022	2021
Net Stable Funding ratio (NSFR)	109%	111%
Loan to deposit ratio	116%	111%
Liquidity Coverage Ratio	143%	145%

Note 40 f continued Liquidity risk

Contractual maturities

The following tables present cash flows by remaining contractual maturities at the balance sheet date and apply the earliest date on which the group can be required to pay regardless of probability assumptions. The cash flows are not discounted. Derivatives are reported at fair value. Obligations such as loan commitments are reported as when the obligation matures.

Group, 2022

Balance sheet (contractual maturity dates)	Payable on demand	< 3 months[1]	3–12 months	1–5 years	>5 years	Not distributed	Subtotal	Discount effect	Total
Cash and cash balances at central banks	377,966						377,966		377,966
Loans to central banks	65,259	8,728	0				73,987	−25	73,962
Loans to credit institutions	8,167	59,263	5,611	3,924	643		77,609	−374	77,235
of which repos		*2,377*					*2,377*	*−7*	*2,370*
General governments	6,415	18,088	3,079	11,046	5,480		44,109	−1,434	42,675
Households	7,093	13,761	33,802	52,229	708,137		815,023	−96,468	718,555
Corporates	66,979	358,788	249,281	574,210	103,845		1,353,103	−49,061	1,304,042
Loans to the public	80,488	390,636	286,162	637,485	817,463		2,212,234	−146,963	2,065,271
of which repos		*106,533*					*106,533*	*−573*	*105,960*
Debt securities		53,833	56,738	128,419	19,688		258,678	−6,067	252,611
of which eligible debt securities		*42,653*	*26,612*	*25,845*	*12,799*		*107,909*	*−2,159*	*105,750*
of which other debt securities		*10,516*	*29,787*	*102,573*	*6,889*		*149,765*	*−3,908*	*145,857*
Equity instruments						66,594	66,594		66,594
Derivatives						187,622	187,622		187,622
Financial assets for which the customers bear the investment risk						356,367	356,367		356,367
Financial assets at fair value		53,833	56,738	128,419	19,688	610,584	869,262	−6,067	863,195
Other assets		12,041	614	68	65	62,437	75,226	−44	75,182
of which other financial assets		*12,034*	*595*	*6*	*65*	*8*	*12,708*	*−44*	*12,664*
Total assets	531,879	524,502	349,126	769,896	837,859	673,021	3,686,283	−153,473	3,532,810
of which accrued interest loans						*4,624*	*4,624*		*4,624*
of which accrued interest debt securities						*1,004*	*1,004*		*1,004*
Deposits from central banks and credit institutions	30,459	29,266	5,031	792	1,617		67,165	−292	66,873
of which repos		*2,457*					*2,457*	*−8*	*2,449*
General governments	14,561	4,458	1,528	111	1,378		22,035	−79	21,956
Households	399,938	33,855	14,365	1,669	6		449,834	−156	449,678
Corporates	1,054,544	164,378	10,220	1,188	74		1,230,403	−349	1,230,054
Deposits and borrowings from the public	1,469,043	202,691	26,113	2,967	1,458		1,702,271	−584	1,701,687
of which deposits	*1,310,604*	*171,764*	*22,950*	*2,770*	*1,404*		*1,509,492*	*−511*	*1,508,981*
of which borrowing		*12,446*	*6*	*46*			*12,498*	*−22*	*12,476*
of which repos		*12,134*					*12,134*	*−20*	*12,114*
Financial liabilities for which the customers bear the investment risk						357,975	357,975		357,975
Liabilities to policyholders		701	1,995	8,221	20,034	33	30,984		30,984
Certificates		140,316	215,501	1			355,818	−2,643	353,175
Covered bonds		11,563	53,462	209,143	8,715		282,883	−8,173	274,710
Other bonds		12,622	27,354	112,143	20,944		173,063	−5,799	167,264
Debt securities issued		164,501	296,317	321,288	29,659		811,764	−16,615	795,149
Debt securities		37	286	10,418	16,295		27,036	−2,927	24,109
Equity instruments						20,527	20,527		20,527
Derivatives						238,048	238,048		238,048
Other liabilities		12	161			7,456	7,629	−1	7,628
Financial liabilities at fair value		49	447	10,418	16,295	266,030	293,239	−2,928	290,311
Other liabilities		10,814	2,566	3,258	2,638	37,373	56,650	−109	56,541
of which other financial liabilities		*10,175*	*1,772*	*548*	*529*	*225*	*13,249*	*−109*	*13,140*
of which lease liabilities		*292*	*654*	*2,236*	*1,807*		*4,988*	*289*	*5,277*
Subordinated liabilities			9,451	20,195	1,109		30,755	−1,988	28,767
Equity						204,523	204,523		204,523
Total Liabilities and Equity	1,499,502	408,022	341,920	367,139	72,810	865,934	3,555,326	−22,516	3,532,810
of which accrued interest deposits and borrowing						*992*	*992*		*992*
of which accrued interest issued securities						*1,988*	*1,988*		*1,988*

Off balance sheet items

	Payable on demand	< 3 months[1]	3–12 months	1–5 years	>5 years	Not distributed	Subtotal	Discount effect	Total
Loan commitments	35	382,575	98,453	385,101	15,901		882,065		882,065
Acceptances and other financial facilities		26,363	47,725	47,914	58,356		180,358		180,358
Total liabilities, equity and off balance sheet items	1,499,537	816,960	488,098	800,154	147,067	865,934	4,617,749	−22,516	4,595,233

1) Includes items available overnight.

Note 40 f continued *Liquidity risk*

Group, 2021

Balance sheet (contractual maturity dates)	Payable on demand	<3 months[1]	3–12 months	1–5 years	>5 years	Not distributed	Subtotal	Discount effect	Total
Cash and cash balances at central banks	**439,344**						**439,344**		**439,344**
Loans to central banks	**3,390**	**807**	**256**	**0**			**4,454**		**4,454**
Loans to credit institutions	**10,362**	**38,732**	**5,925**	**4,811**	**156**		**59,986**	**23**	**60,009**
of which repos		*5,905*					*5,905*	*1*	***5,906***
General governments	53	9,048	4,219	7,597	4,588		25,506	−873	**24,633**
Households	8,251	13,301	30,499	56,104	667,814		775,969	−72,439	**703,530**
Corporates	65,275	280,879	210,066	505,562	89,780		1,151,562	−33,363	**1,118,199**
Loans to the public	**73,579**	**303,229**	**244,784**	**569,263**	**762,182**		**1,953,037**	**−106,675**	**1,846,362**
of which repos		*81,613*					*81,613*	*−339*	***81,274***
Debt securities		59,387	32,937	94,844	21,827		208,995	−3,045	**205,950**
of which eligible debt securities		*56,463*	*6,217*	*31,578*	*6,744*		*101,002*	*−1,030*	***99,972***
of which other debt securities		*2,552*	*26,451*	*63,258*	*15,083*		*107,344*	*−2,015*	***105,329***
Equity instruments						120,742	120,742		**120,742**
Derivatives						126,051	126,051		**126,051**
Financial assets for which the customers bear the investment risk						422,497	422,497		**422,497**
Financial assets at fair value		**59,387**	**32,937**	**94,844**	**21,827**	**669,290**	**878,286**	**−3,045**	**875,241**
Other assets		**11,838**	**1,238**	**73**	**508**	**65,160**	**78,816**	**6**	**78,822**
of which other financial assets		*11,790*	*1,225*	*7*	*500*	*1*	*13,522*	*6*	***13,528***
Total assets	**526,675**	**413,994**	**285,140**	**668,991**	**784,673**	**734,450**	**3,413,921**	**−109,691**	**3,304,230**
of which accrued interest loans						*1,735*	*1,735*		***1,735***
of which accrued interest debt securities						*649*	*649*		***649***
Deposits from central banks and credit institutions	**47,243**	**21,014**	**4,871**	**698**	**1,399**		**75,225**	**−19**	**75,206**
of which repos		*1,824*					*1,824*		***1,824***
General governments	14,949	2,954	923	119	1,333		20,278	−1	**20,277**
Households	413,262	19,884	5,412	643	80		439,283	−2	**439,281**
Corporates	1,010,436	117,908	6,601	2,801	151		1,137,897	−6	**1,137,891**
Deposits and borrowings from the public	**1,438,647**	**140,746**	**12,937**	**3,563**	**1,564**		**1,597,457**	**−9**	**1,597,448**
of which deposits	*1,308,477*	*118,851*	*10,433*	*2,582*	*1,398*		*1,441,741*	*−7*	***1,441,734***
of which borrowing		*8,007*	*4*	*58*	*10*		*8,079*		***8,079***
of which repos		*7,713*					*7,713*		***7,713***
Financial liabilities for which the customers bear the investment risk						424,226	424,226		**424,226**
Liabilities to policyholders		690	1,908	8,143	23,852	30	34,623		**34,623**
Certificates		113,122	175,639	0			288,761	−900	**287,861**
Covered bonds		1,158	68,890	207,396	17,887		295,331	−3,853	**291,478**
Other bonds		17,868	24,525	78,657	32,158		153,208	−2,441	**150,767**
Debt securities issued		**132,148**	**269,054**	**286,053**	**50,045**		**737,300**	**−7,194**	**730,106**
Debt securities		21	409	10,022	11,601		22,053	−1,889	**20,164**
Equity instruments						14,405	14,405		**14,405**
Derivatives						118,173	118,173		**118,173**
Other liabilities		172	5,144	405		702	6,423	−1	**6,422**
Financial liabilities at fair value		**193**	**5,553**	**10,427**	**11,601**	**133,280**	**161,055**	**−1,890**	**159,165**
Other liabilities		**6,664**	**2,439**	**2,726**	**3,318**	**46,541**	**61,689**	**−10**	**61,679**
of which other financial liabilities		*6,102*	*1,558*	*291*	*1,025*	*56*	*9,032*	*−10*	***9,022***
of which lease liabilities		*331*	*664*	*2,237*	*1,991*		*5,223*	*304*	***5,527***
Subordinated liabilities			**5,639**	**24,014**	**1,112**		**30,765**	**−2,216**	**28,549**
Equity						**193,228**	**193,228**		**193,228**
Total Liabilities and Equity	**1,485,890**	**301,455**	**302,401**	**335,625**	**92,891**	**797,306**	**3,315,568**	**−11,338**	**3,304,230**
of which accrued interest deposits and borrowing						*476*	*476*		***476***
of which accrued interest issued securities						*1,075*	*1,075*		***1,075***
Off balance sheet items									
Loan commitments	799	287,857	130,408	348,422	46,450		813,936		**813,936**
Acceptances and other financial facilities		127,401	11,099	7,693	14,101		160,294		**160,294**
Total liabilities, equity and off balance sheet items	**1,486,689**	**716,713**	**443,908**	**691,740**	**153,442**	**797,306**	**4,289,798**	**−11,338**	**4,278,460**

1) Includes items available overnight.

Note 40 f continued Liquidity risk

Parent company, 2022

Balance sheet (contractual maturity dates)	Payable on demand	<3 months[1]	3–12 months	1–5 years	>5 years	Not distributed	Subtotal	Discount effect	Total
Cash and cash balances at central banks	**354,970**						**354,970**		**354,970**
Loans to credit institutions	**36,646**	**61,977**	**14,905**	**5,259**	**268**		**119,054**	**−450**	**118,604**
of which repos		*4,887*					*4,887*	*−13*	***4,874***
General governments	6,401	17,273	1,941	5,877	780		32,271	−508	**31,763**
Households	6,730	8,629	26,013	25,356	632,257		698,985	−81,877	**617,108**
Corporates	60,585	344,744	233,814	511,843	80,099		1,231,086	−40,769	**1,190,317**
Loans to the public	**73,716**	**370,646**	**261,768**	**543,076**	**713,136**		**1,962,342**	**−123,154**	**1,839,188**
of which repos		*106,979*					*106,979*	*−552*	***106,427***
Debt securities		52,463	51,215	112,904	16,629		233,211	−5,888	**227,323**
of which eligible debt securities		*42,544*	*21,454*	*12,163*	*8,565*		*84,727*	*−1,514*	***83,213***
of which other debt securities		*9,918*	*29,761*	*100,741*	*8,065*		*148,484*	*−4,374*	***144,110***
Equity instruments						106,361	106,361		**106,361**
Derivatives						179,144	179,144		**179,144**
Financial assets at fair value		**52,463**	**51,215**	**112,904**	**16,629**	**285,505**	**518,717**	**−5,888**	**512,829**
Other assets		**12,181**	**5,591**	**11,394**	**5,051**	**12,911**	**47,129**	**−34**	**47,095**
of which other financial assets		*10,220*	*594*	*0*	*18*		*10,832*	*−34*	*10,798*
Total assets	**465,331**	**497,267**	**333,479**	**672,633**	**735,085**	**298,416**	**3,002,212**	**−129,526**	**2,872,686**
of which accrued interest loans						*4,104*	*4,104*		
of which accrued interest debt securities						*915*	*915*		
Deposits by credit institutions	**33,694**	**28,514**	**4,937**	**36,373**	**1,207**		**104,726**	**1,293**	**106,019**
of which repos		*2,456*					*2,456*	*−7*	***2,449***
General governments	2,499	4,218	1,004	66	1,390		9,177	−126	**9,051**
Households	290,468	20,680	11,105	1,272			323,525	−188	**323,337**
Corporates	970,394	155,022	9,178	878			1,135,473	−542	**1,134,931**
Deposits and borrowings from the public	**1,263,361**	**179,920**	**21,287**	**2,216**	**1,390**		**1,468,175**	**−856**	**1,467,319**
of which deposits	*1,263,361*	*167,287*	*21,221*	*2,194*	*1,352*		*1,455,416*	*−522*	***1,454,894***
of which borrowing		*12,448*					*12,448*	*−23*	***12,425***
of which repos		*12,136*					*12,136*	*−22*	***12,114***
Certificates		140,316	215,500	1			355,818	−2,643	**353,175**
Covered bonds		11,564	53,462	209,143	8,715		282,883	−8,173	**274,710**
Other bonds		12,622	27,354	112,143	20,944		173,063	−5,799	**167,264**
Issued securities		**164,501**	**296,317**	**321,287**	**29,659**		**811,764**	**−16,615**	**795,149**
Debt securities		37	283	10,163	15,283		25,766	−1,657	**24,109**
Equity instruments						20,527	20,527		**20,527**
Derivatives						229,933	229,933		**229,933**
Other liabilities						7,628	7,628		**7,628**
Financial liabilities at fair value		**37**	**283**	**10,163**	**15,283**	**258,087**	**283,853**	**−1,657**	**282,196**
Other liabilities		**8,974**	**1,612**	**657**	**103**	**20,023**	**31,369**	**−46**	**31,323**
of which other financial liabilities		*8,714*	*1,494*	*276*	*1*		*10,486*	*−46*	***10,440***
Subordinated liabilities			**9,459**	**20,245**			**29,704**	**−1,837**	**27,867**
Untaxed reserves						**15,680**	**15,680**		**15,680**
Equity						**147,133**	**147,133**		**147,133**
Total Liabilities and Equity		**381,946**	**333,894**	**390,942**	**47,642**	**425,244**	**2,892,404**	**−19,718**	**2,872,686**
of which accrued interest deposits and borrowing						*977*	*977*		***977***
of which accrued interest issued securities						*1,988*	*1,988*		***1,988***

Off balance sheet items

	Payable on demand	<3 months[1]	3–12 months	1–5 years	>5 years	Not distributed	Subtotal	Discount effect	Total
Loan commitments		73,464	80,894	364,918	9,105		528,381		**528,381**
Acceptances and other financial facilities		21,173	44,746	46,517	60,880		173,316		**173,316**
Operating lease commitments		231	535	1,964	2,086		4,816	−320	**4,496**
Total liabilities, equity and off balance sheet items		**476,813**	**460,068**	**804,342**	**119,713**	**425,244**	**3,598,916**	**−20,038**	**3,578,878**

1) Includes items available overnight.

Note 40 f continued Liquidity risk

Parent company, 2021

Balance sheet (contractual maturity dates)	Payable on demand	< 3 months[1]	3–12 months	1–5 years	>5 years	Not distributed	Subtotal	Discount effect	Total
Cash and cash balances at central banks	**371,466**						**371,466**		**371,466**
Loans to credit institutions	**31,138**	**33,218**	**5,269**	**4,683**	**0**		**74,309**	**25**	**74,334**
of which repos		*1,368*					*1,368*		***1,368***
General governments	33	8,452	3,198	2,771	41		14,496	−177	**14,319**
Households	7,876	8,303	23,058	31,191	604,773		675,201	−60,464	**614,737**
Corporates	62,405	268,455	191,304	448,856	67,787		1,038,806	−26,531	**1,012,275**
Loans to the public	**70,314**	**285,210**	**217,560**	**482,818**	**672,602**		**1,728,504**	**−87,172**	**1,641,332**
of which repos		*81,588*					*81,588*	*−314*	***81,274***
Debt securities		55,821	29,173	74,865	21,432		181,291	−2,850	**178,441**
of which eligible debt securities		*53,668*	*3,509*	*12,948*	*6,444*		*76,570*	*−714*	***75,856***
of which other debt securities		*2,153*	*25,664*	*61,917*	*14,988*		*104,721*	*−2,136*	***102,585***
Equity instruments						147,380	147,380		**147,380**
Derivatives						121,326	121,326		**121,326**
Financial assets at fair value		**55,821**	**29,173**	**74,865**	**21,432**	**268,705**	**449,996**	**−2,850**	**447,146**
Other assets		**13,585**	**6,002**	**13,112**	**5,159**	**15,693**	**53,552**	**4**	**53,556**
of which other financial assets		*11,507*	*1,224*	*0*	*3*		*12,735*	*4*	*12,739*
Total assets	**472,918**	**387,834**	**258,004**	**575,479**	**699,193**	**284,398**	**2,677,827**	**−89,993**	**2,587,834**
of which accrued interest loans						*1,412*	*1,412*		
of which accrued interest debt securities						*583*	*583*		
Deposits by credit institutions	**57,613**	**19,864**	**4,751**	**1,822**	**1,219**		**85,269**	**7**	**85,276**
of which repos		*778*					*778*		***778***
General governments	3,986	4,723	922	62	1,307		11,000	−3	**10,997**
Households	314,740	7,757	2,420	445	66		325,427	−2	**325,425**
Corporates	947,014	112,945	6,170	1,951	0		1,068,080	−12	**1,068,068**
Deposits and borrowings from the public	**1,265,740**	**125,425**	**9,512**	**2,457**	**1,373**		**1,404,507**	**−17**	**1,404,490**
of which deposits	*1,265,740*	*117,407*	*9,510*	*2,455*	*1,370*		*1,396,482*	*1*	***1,396,483***
of which borrowing		*8,007*					*8,007*		***8,007***
of which repos		*7,713*					*7,713*		***7,713***
Certificates		113,121	175,639	0			288,761	−900	**287,861**
Covered bonds		1,158	68,890	207,396	17,888		295,331	−3,853	**291,478**
Other bonds		17,868	24,449	78,656	32,157		153,131	−2,441	**150,690**
Issued securities		**132,148**	**268,977**	**286,052**	**50,045**		**737,222**	**−7,194**	**730,028**
Debt securities		19	404	9,688	10,592		20,703	−539	**20,164**
Equity instruments						14,405	14,405		**14,405**
Derivatives						113,497	113,497		**113,497**
Other liabilities						6,422	6,422		**6,422**
Financial liabilities at fair value		**19**	**404**	**9,688**	**10,592**	**134,324**	**155,027**	**−539**	**154,488**
Other liabilities		**5,283**	**1,450**	**148**	**90**	**24,020**	**30,991**	**−2**	**30,989**
of which other financial liabilities		*5,138*	*1,302*	*2*	*0*		*6,442*	*−2*	***6,440***
Subordinated liabilities			**5,645**	**24,087**			**29,733**	**−2,084**	**27,649**
Untaxed reserves						**17,137**	**17,137**		**17,137**
Equity						**137,776**	**137,776**		**137,776**
Total Liabilities and Equity		**282,739**	**290,740**	**324,255**	**63,319**	**296,121**	**2,597,663**	**−9,829**	**2,587,834**
of which accrued interest deposits and borrowing						*446*	*446*		***446***
of which accrued interest issued securities						*1,035*	*1,035*		***1,035***

Off balance sheet items

Loan commitments		74,322	112,098	332,998	8,728		528,146		**528,146**
Acceptances and other financial facilities		24,053	42,426	38,580	54,386		159,445		**159,445**
Operating lease commitments		239	540	1,934	2,199		4,913	−214	**4,699**
Total liabilities, equity and off balance sheet items		**381,354**	**445,804**	**697,767**	**128,631**	**296,121**	**3,290,166**	**−10,043**	**3,280,123**

1) Includes items available overnight.

Average remaining maturity (years)	Group 2022	Group 2021	Parent company 2022	Parent company 2021
Loans to credit institutions	0.37	0.41	0.29	0.29
Loans to the public	4.42	4.69	4.34	4.65
Deposits from credit institutions	0.36	0.29	1.25	0.27
Deposits from the public	0.04	0.03	0.04	0.03
Borrowing from the public	0.14	0.16	0.13	0.13
Certificates	0.43	0.43	0.43	0.43
Covered bonds	2.62	2.84	2.62	2.84
Other bonds	3.20	3.71	3.20	3.71

40g IBOR reform (Interest Rate Benchmark Reform)

Overview

Interbank Offered Rates (IBORs) are widely used benchmarks interest rates. They are referenced in financial products such as derivatives, bonds, loans, structured products, and mortgages and form the basis on which interests payments under those products are calculated. Following the financial crisis, and a slowdown in the interbank market together with a decline in the IBORs relevancy and credibility, global regulators called for reform of IBORs. The exact timing of the transition will vary by currency and product.

All LIBORs, except for certain USD LIBOR settings, ceased to exist by the end of 2021 and was replaced by alternative reference rates. USD LIBOR 1m, 3m and 6m will cease to exist after 30 June 2023. Nordic IBORs such as STIBOR, CIBOR and NIBOR as well as EURIBOR are expected to continue to exist.

SEB Group's IBOR transition

The group-wide IBOR transition programme was governed by a steering committee and a working group across, SEB's divisions that coordinated the implementation of needed changes to systems, processes, risk- and valuation models, as well as managed related tax and accounting implications.

SEB has adhered to the ISDA IBOR 2020 and 2021 Fallbacks Protocol. Furthermore, the group has engaged with customers to amend collateral rates in Credit Support Annexes.

Exposure overview

The table below summarises the USD LIBOR exposures in scope for benchmark rate migration as per 31 December 2022.

Product/currency	USD LIBOR
Derivatives	1,767,425
Non-derivative assets (lending, mortgages, stocks etc.)	71,874
Non-derivative liabilities	4,257
NOTIONAL EXPOSURE AMOUNT PER CURRENCY	

The group aims to have agreed the transition of remaining legacy USD exposures prior to the cessation of USD LIBOR, June 2023.

Interest Rate Benchmark Reform (IBOR) – Phase 2

The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 in relation to Interest Rate Benchmark Reform (IBOR) – Phase 2 address issues that might affect financial reporting as a result of the IBOR reform, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate.

→ For more information about Interest Rate Benchmark Reform (IBOR) – Phase 1, see note 21.

41 Capital adequacy

Capital management

SEB takes various types of risks in line with the bank's strategy and business plan. In order to manage these risks and to guarantee SEB's long-term survival, the bank must maintain satisfactory capital strength. At the same time, SEB must balance the trade-off between financial reward and overall risk tolerance. In particular, SEB's capital management balances the following dimensions:

1. regulatory: the capital requirements established by the EU regulation and directives through Swedish law on capital adequacy, and by the bank's supervisory authorities,
2. access to debt investors: the capitalisation level required to support a certain rating level in order to reach a debt investor base necessary for conducting SEB's business activities,
3. access to financial products: the capital level required by corporate clients and other counterparties to facilitate the bank's activity in the capital markets, including derivatives and foreign exchange, and
4. optimal return on equity: the balance between the shareholders' expected return on capital and risks taken.

To meet the expectations of the shareholders, supervisors and market participants, SEB's capitalisation is based on an assessment of all risks incurred in SEB's business, and forward-looking, aligned with long- and short-term business plans and with expected macroeconomic developments. Furthermore, the capitalisation is stress-tested to identify the potential effect of adverse changes to SEB's financial situation.

Internal capital adequacy assessment process

The internal capital adequacy assessment process (ICAAP) encompasses SEB's internal views on material risks and their development as well as risk measurement models, risk governance and risk mitigants. It is linked to overall business planning and establishes a strategy for maintaining appropriate capital levels. Together with continuous monitoring and reporting of the capital adequacy to the Board, this ensures that the relationship between shareholders' equity, economic capital, regulatory and rating-based requirements are managed so that the bank's survival is not jeopardised. Thus, the ICAAP is integrated with SEB's business planning, internal governance framework and internal control systems.

SEB's capital plan covers the strategic planning horizon and projects economic and legal capital requirements, as well as available capital resources and relevant ratios. It is forward-looking, taking into account current and planned business volumes as well as strategic initiatives. The capital plan is stress tested to potential down-turns in the macroeconomic environment, to strategic risk factors identified in the business planning, and to other relevant scenarios. The capital plan is established annually and updated as needs arise during the year.

Economic capital constitutes an important part of capital adequacy assessment. It is an internal measurement of risk, similar to the rules for capital adequacy in that many of the underlying risk components are the same. The economic capital calculation is based on a confidence level of 99.97 per cent, which is equivalent to the capital requirement for a very high rating. The economic capital, or internally assessed capital requirement for SEB including insurance risk, amounted to SEK 102bn (102).

SEB employs an internal capital allocation framework for measuring return on risk, named business equity. It is similar to regulatory capital models including Pillar 2 requirements and is calibrated with SEB's capital targets.

The regulatory supervisors annually assess SEB and its ICAAP in accordance with the parameters of the Supervisory Review and Evaluation Process (SREP). The assessment covers SEB's capital adequacy, risk measurement models and risk governance, among other things, and in the 2022 SREP it was concluded that SEB is sufficiently capitalised and adequately measures and manages risks.

Regulatory capital requirements

On 29 December 2020, new capital requirements started to apply for Swedish banks, as the EU Banking package was transposed into Swedish law. The CET 1 capital requirement consists of four main parts:

i) a Pillar 1 minimum requirements of 4.5 per cent,
ii) a Pillar 2 requirements (P2R),
iii) a combined buffer requirement, and
iv) a Pillar 2 guidance (P2G).

As of year-end 2022, SEB's applicable CET 1 capital requirement was approximately 14.2 per cent (13.8), whereof the Pillar 2 requirement was 1.4 (1.2) per cent and 7.4 per cent (6.6) was combined buffer requirement. As part of the 2022 Supervisory Review and Evaluation Process (SREP) the Swedish FSA communicated a Pillar 2 Guidance (P2G) of 1.0 per cent for the group, compared with 1.5 per cent in the corresponding decision in 2021.

SEB Consolidated situation – Prudential requirements (explicit or implicit) Dec 2022

	CET 1	AT1	Tier 2	Total
Pillar 1	4.5%	1.5%	2.0%	8.0%
Pillar 2				
Corporate exposures – Commercial real estate RW-floor	0.7%	0.0%	0.2%	**0.9%**
Credit concentration risk	0.3%	0.1%	0.1%	**0.5%**
Interest rate risk in the banking book	0.4%	0.1%	0.2%	**0.6%**
Total Pillar 2 requirement	**1.4%**	**0.2%**	**0.5%**	**2.0%**
Total SREP capital requirement (TSCR)	**5.9%**	**1.7%**	**2.5%**	**10.0%**
Institution specific buffer requirement				
Capital conservation buffer	2.5%			**2.5%**
Systemic risk buffer	3.1%			**3.1%**
Other Systemically Important Institution buffer (O-SII)	1.0%			**1.0%**
Countercyclical capital buffer	0.8%			**0.8%**
Combined buffer requirement (CBR)	7.4%			7.4%
Overall capital requirement (TSCR+CBR)	13.2%	1.7%	2.5%	17.4%
Pillar 2 Guidance (P2G)	1.0%			1.0%
Overall capital requirement and P2G	14.2%	1.7%	2.5%	18.4%

Note 41 continued Capital adequacy

Capital adequacy analysis

	Consolidated situation		Parent company	
	2022	2021	**2022**	2021
Available own funds and total risk exposure amount				
Common Equity Tier 1 (CET 1) capital	162,956	154,821	136,851	131,207
Tier 1 capital	177,517	168,375	151,413	144,761
Total capital	193,025	181,737	166,708	157,935
Total risk exposure amount (TREA)	859,320	787,490	778,243	712,916
Capital ratios and minimum capital requirement (as a percentage of TREA)				
Common Equity Tier 1 ratio (%)	19.0%	19.7%	17.6%	18.4%
Tier 1 ratio (%)	20.7%	21.4%	19.5%	20.3%
Total capital ratio (%)	22.5%	23.1%	21.4%	22.2%
Pillar 1 minimum capital requirement (%, P1)	8.0%	8.0%	8.0%	8.0%
Pillar 1 minimum capital requirement (amounts)	68,746	62,999	62,259	57,033
Additional own funds requirements (P2R) to address risks other than the risk of excessive leverage (as a percentage of TREA)				
Additional own funds requirements (%, P2R)	2.0%	1.8%	1.7%	1.8%
of which: to be made up of CET 1 capital (percentage points)	*1.4%*	*1.2%*	*1.2%*	*1.2%*
of which: to be made up of Tier 1 capital (percentage points)	*1.6%*	*1.4%*	*1.3%*	*1.4%*
Total SREP own funds requirements (%, P1+P2R)	10.0%	9.8%	9.7%	9.8%
Total SREP own funds requirements (amounts)	86,142	77,426	75,777	69,901
Additional CET 1 buffer requirements and CET 1 Pillar 2 Guidance (as a percentage of TREA)				
Capital conservation buffer (%)	2.5%	2.5%	2.5%	2.5%
Institution specific countercyclical capital buffer (%)	0.8%	0.1%	0.8%	0.1%
Systemic risk buffer (%)	3.1%	3.0%		
Other Systemically Important Institution buffer (%)	1.0%	1.0%		
Combined buffer requirement (%, CBR)	7.4%	6.6%	3.3%	2.6%
Combined buffer requirement (amounts)	63,391	51,724	25,727	18,339
Overall capital requirements (%, P1+P2R+CBR)	17.4%	16.4%	13.0%	12.4%
Overall capital requirements (amounts)	149,533	129,150	101,504	88,204
CET 1 available after meeting the total SREP own funds requirements (%, P1+P2R)	12.4%	13.2%	11.7%	12.3%
Pillar 2 Guidance (%, P2G)	1.0%	1.5%		
Pillar 2 Guidance (amounts)	8,593	11,812		
Overall capital requirements and P2G (%)	18.4%	17.9%	13.0%	12.4%
Overall capital requirements and P2G (amounts)	158,127	140,962	101,504	88,204
Leverage ratio, requirements and CET 1 Pillar 2 Guidance (as a percentage of total exposure measure)				
Tier 1 capital (amounts)	177,517	168,375	151,413	144,761
Leverage ratio total exposure measure (amounts)	3,539,598	3,352,452	3,263,128	3,065,713
Leverage ratio (%)	5.0%	5.0%	4.6%	4.7%
Total SREP leverage ratio requirements (%)	3.0%	3.0%	3.0%	3.0%
Overall leverage ratio requirements (%)	3.0%	3.0%	3.0%	3.0%
Overall leverage ratio requirements (amounts)	106,188	100,574	97,894	91,971
Pillar 2 Guidance (%, P2G)	0.5%	0.5%		
Pillar 2 Guidance (amounts)	15,928	15,086		
Overall leverage ratio requirements and P2G (%)	3.5%	3.5%	3.0%	3.0%
Overall leverage ratio requirements and P2G (amounts)	122,116	115,660	97,894	91,971

Own funds

	Consolidated situation		Parent company	
	2022	2021	**2022**	2021
Total equity according to balance sheet[1)]	**204,523**	**193,228**	**159,583**	**151,353**
Accrued dividend	−14,266	−12,938	−14,266	−12,938
Reversal of holdings of own CET 1 instruments	4,248	1,397	4,249	1,397
Common Equity Tier 1 capital before regulatory adjustments	**194,506**	**181,687**	**149,566**	**139,812**
Additional value adjustments	−1,331	−1,133	−1,289	−1,113
Goodwill	−4,308	−4,261	−3,358	−3,358
Intangible assets	−1,236	−1,327	−1,132	−1,196
Deferred tax assets that rely on future profitability	−17	−7		
Fair value reserves related to gains or losses on cash flow hedges	−62	18	−62	18
Insufficient coverage for non-performing exposures	−24		−23	
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	−1,060	−194	−1,050	−205
Defined-benefit pension fund assets	−17,712	−17,211		
Direct and indirect holdings of own CET 1 instruments	−5,799	−2,752	−5,799	−2,752
Total regulatory adjustments to Common Equity Tier 1	**−31,550**	**−26,866**	**−12,715**	**−8,606**
Common Equity Tier 1 capital	**162,956**	**154,821**	**136,851**	**131,207**
Additional Tier 1 instruments[2)]	14,561	13,555	14,561	13,555
Tier 1 capital	**177,517**	**168,375**	**151,413**	**144,761**
Tier 2 instruments	15,002	13,826	15,002	13,826
Net provisioning amount for IRB-reported exposures	1,706	736	1,494	548
Holdings of Tier 2 instruments in financial sector entities	−1,200	−1,200	−1,200	−1,200
Tier 2 capital	**15,508**	**13,362**	**15,295**	**13,174**
TOTAL	**193,025**	**181,737**	**166,708**	**157,935**

1) For the parent company, Total equity includes Untaxed reserves net of tax.
2) In the second quarter SEB issued an additional Tier 1 instrument of USD 0.5bn, which is included in the Bank's own funds as of Q2 2022.

Note 41 continued Capital adequacy

Risk exposure amount

	Consolidated situation				Parent company			
	2022		2021		2022		2021	
Credit risk IRB approach	Risk exposure amount	Own funds requirement[1)]	Risk exposure amount	Own funds requirement[1)]	Risk exposure amount	Own funds requirement[1)]	Risk exposure amount	Own funds requirement[1)]
Exposures to central governments or central banks	18,304	1,464	18,374	1,470	9,987	799	10,362	829
Exposures to institutions	66,245	5,300	52,833	4,227	65,707	5,257	52,349	4,188
Exposures to corporates	407,153	32,572	371,928	29,754	334,983	26,799	308,939	24,715
Retail exposures	67,811	5,425	66,879	5,350	44,316	3,545	44,205	3,536
of which secured by immovable property	*44,643*	*3,571*	*43,718*	*3,497*	*35,015*	*2,801*	*34,274*	*2,742*
of which retail SME	*6,044*	*484*	*5,621*	*450*	*2,046*	*164*	*2,187*	*175*
of which other retail exposures	*17,124*	*1,370*	*17,540*	*1,403*	*7,256*	*580*	*7,744*	*619*
Securitisation positions	2,036	163	1,976	158	2,036	163	1,976	158
Total IRB approach	**561,550**	**44,924**	**511,989**	**40,959**	**457,029**	**36,562**	**417,831**	**33,426**
Credit risk standardised approach								
Exposures to central governments or central banks	6,640	531	949	76				
Exposures to institutions	962	77	937	75	14,168	1,133	11,628	930
Exposures to corporates	6,933	555	6,635	531	5,048	404	3,319	266
Retail exposures	14,521	1,162	15,278	1,222	8,285	663	9,001	720
Exposures secured by mortgages on immovable property	2,486	199	2,016	161	2,484	199	2,012	161
Exposures in default	122	10	45	4	98	8	24	2
Exposures associated with particularly high risk	515	41	845	68	515	41	845	68
Exposures in the form of collective investment undertakings (CIU)	1,628	130	1,905	152	1,628	130	1,540	123
Equity exposures	5,540	443	6,770	542	51,432	4,115	43,688	3,495
Other items	9,851	788	9,964	797	3,022	242	2,863	229
Total standardised approach	**49,197**	**3,936**	**45,344**	**3,628**	**86,680**	**6,934**	**74,920**	**5,994**
Market risk								
Trading book exposures where internal models are applied	39,876	3,190	26,756	2,140	39,876	3,190	26,756	2,140
Trading book exposures applying standardised approaches	7,251	580	5,021	402	7,226	578	4,975	398
Foreign exchange rate risk							4,153	332
Total market risk	**47,128**	**3,770**	**31,778**	**2,542**	**47,103**	**3,768**	**35,883**	**2,871**
Other own funds requirements								
Operational risk advanced measurement approach	50,452	4,036	49,897	3,992	38,923	3,114	39,185	3,135
Settlement risk	0	0	13	1	0	0	13	1
Credit value adjustment	12,309	985	9,493	759	12,304	984	9,485	759
Investment in insurance business	23,851	1,908	22,527	1,802	23,851	1,908	22,527	1,802
Other exposures	2,991	239	3,898	312	519	42	528	42
Additional risk exposure amount[2)]	111,841	8,947	112,551	9,004	111,833	8,947	112,544	9,004
Total other own funds requirements	**201,444**	**16,116**	**198,379**	**15,870**	**187,432**	**14,995**	**184,282**	**14,743**
TOTAL	**859,320**	**68,746**	**787,490**	**62,999**	**778,243**	**62,259**	**712,916**	**57,033**

1) Own funds requirement 8 per cent of risk exposure amount according to Regulation (EU) No 575/2013 (CRR).
2) Additional risk exposure amount according to Article 458, Regulation (EU) No 575/2013 (CRR), for risk-weight floors in the Swedish mortgage portfolio and as from Q3 2021 for risk-weight floors in the Norwegian mortgage portfolio as well as for Norwegian corporate exposures collateralized by immovable property.

Average risk-weight

	Consolidated situation		Parent company	
	2022	2021	2022	2021
Exposures to central governments or central banks	2.8%	2.9%	1.9%	1.9%
Exposures to institutions	24.9%	23.5%	24.9%	23.5%
Exposures to corporates	27.3%	27.6%	24.5%	25.0%
Retail exposures	9.3%	9.2%	7.4%	7.3%
of which secured by immovable property	*6.8%*	*6.7%*	*6.1%*	*5.9%*
of which retail SME	*51.0%*	*50.3%*	*33.5%*	*33.8%*
of which other retail exposures	*28.0%*	*28.5%*	*40.8%*	*38.5%*
Securitisation positions	16.9%	16.9%	16.9%	16.9%

The consolidated SEB Group must also comply with capital requirements concerning combined banking and insurance groups, that is financial conglomerates. The combined capital requirement for the SEB financial conglomerate was SEK 219.6bn (202.1) while the Own funds amounted to SEK 263bn (250.2). In these total figures, SEB Life and Pension Holding AB has contributed with Solvency II figures from September 30, 2022.

42 Life insurance operations

Income statement	Group 2022	2021
Premium income, net	4,554	5,025
Income investment contracts		
– Own fees including risk gain/loss	1,200	1,383
– Commissions from fund companies	1,955	2,122
	3,155	3,505
Net investment income	−5,304	2,889
Other operating income	400	417
Total income, gross	**2,805**	**11,836**
Claims paid, net	−2,399	−2,094
Change in insurance contract provisions	3,752	−4,956
Total income, net	**4,158**	**4,786**
Of which fees net from other entities within the SEB Group	*1,613*	*1,712*
Direct acquisition costs investment and insurance contracts	−766	−830
Change in deferred acquisition costs	−183	−201
	−949	−1,032
Commissions received and profit share from ceded reinsurance	121	99
Other expenses	−1,436	−1,377
Total expenses	**−2,265**	**−2,310**
Net expected credit losses	−1	0
OPERATING PROFIT	**1,892**	**2,476**

Comparative figures for 2021 have been restated. See note 50 on restated comparative figures for further information.

Change in surplus values in division Life

	2022	2021
Present value of new sales[1]	932	1,280
Return on existing policies	1,536	1,179
Realised surplus value in existing policies	−2,970	−2,501
Actual outcome compared to assumptions[2]	−323	1,288
Change in surplus values from ongoing business, gross	**−826**	**1,246**
Capitalisation of acquisition costs	−106	−98
Amortisation of capitalised acquisition costs	289	299
Change in deferred front end fees	−28	−19
Change in surplus values from ongoing business, net[3]	**−671**	**1,428**
Financial effects due to short-term market fluctuations[4]	−3,948	3,170
Change in assumptions[5]	−613	677
TOTAL CHANGE IN SURPLUS VALUES[6]	**−5,232**	**5,276**

Calculations of surplus value in the life insurance operations are based on assumptions of the future development of existing insurance contracts and a risk-adjusted discount rate. The most important assumptions (Swedish unit-linked – which represent 83 per cent (86) of the total surplus value).

	2022	2021
Discount rate	6.5%	6.5%
Growth in fund units, gross before fees and taxes	4.65%	4.65%
Transfer rate	3.80%	3.73%
Lapse rate of regular premiums unit-linked	7.8%	7.8%
Surrender of endowment insurance contracts: contracts signed within 1 year / 1–4 years / 5 years / 6 years / thereafter	1%/7%/7%/7%/6%	1% / 6% / 9% / 8% / 6%
Inflation CPI / Inflation expenses	2% / 3%	2% / 3%
Mortality	The group's experience	The group's experience

1) Sales defined as new contracts and extra premiums in existing contracts.
2) The calculated deviation between the actual outcome from existing contracts and the assumed outcome based on previous assumptions. In 2021 there was a large positive effect related to a new distribution model.
3) Acquisition costs are capitalised and amortised according to plan. Certain front end fees are also recorded on the balance sheet and recognised as revenue in the income statement during several years. The reported change in surplus values is adjusted by the net effect of changes in deferred acquisition costs and front end fees during the period.
4) Assumed investment return (growth in fund values) is 4.65 per cent (4.65) gross before fees and taxes. Actual returns results in positive or negative financial effects.
5) Negative effect in 2022 mainly related to assumed higher transfers out. Positive effect in 2021 from change in annuity term, deferral of vesting, lower surrender rate and expenses. Negative effect from assumed higher transfers out.
6) The calculated surplus value is not included in the SEB Group's consolidated accounts. The surplus value is net of capitalised acquisition costs and deferred front end fees.

Summarised financial information for Gamla Livförsäkringsaktiebolaget SEB Trygg Liv[1]

Income statement, condensed	2022	2021
Life insurance technical result	7,961	33,778
Other costs and appropriations	14	−15
Taxes	−290	−170
NET RESULT	**7,685**	**33,594**

Balance sheet, condensed		
TOTAL ASSETS	**182,351**	**195,183**
Total liabilities	63,704	77,055
Consolidation fund / equity	118,549	118,016
Untaxed reserves	98	112
TOTAL LIABILITIES AND EQUITY	**182,351**	**195,183**

1) SEB owns all shares of Gamla Livförsäkringsaktiebolaget SEB Trygg Liv except for a golden share owned by Trygg-Stiftelsen. Gamla Livförsäkringsaktiebolaget SEB Trygg Liv is not consolidated as subsidiary of the group, since the ownership of SEB in Gamla Livförsäkringsaktiebolaget SEB Trygg Liv does not result in control. Current year figures are unaudited.

43 Assets in unit-linked operations

Within the unit-linked business SEB holds, for its customers' account, a share of more than 50 per cent in 13 (16) funds, where SEB is the investment manager. The total value of those funds amounted to SEK 131,556m (153,299) of which SEB, for its customers' account, holds SEK 94,439m (110,290).

44 Interest in unconsolidated structured entities

	Group			Parent company		
Assets, 2022	Special purpose entities	Asset management[1]	Total	Special purpose entities	Asset management[1]	Total
Loans to the public	11,710		**11,710**	11,710		**11,710**
Financial assets	4	326,095	**326,099**	4	47	**51**
of which derivatives	*4*		***4***	*4*		***4***
TOTAL	**11,714**	**326,095**	**337,810**	**11,714**	**47**	**11,761**
Liabilities						
Deposits and borrowings from the public	484		**484**	484		**484**
Financial liabilities	101		**101**	101		**101**
of which derivatives	*101*		***101***	*101*		***101***
TOTAL	**586**		**586**	**586**		**586**
Obligations	**1,209**		**1,209**	**1,209**		**1,209**
The group's maximum exposure to loss	**12,923**	**22,206**	**35,129**	**12,923**	**47**	**12,970**

1) Investments in SEB- and non-SEB managed funds

	Group			Parent company		
Assets, 2021	Special purpose entities	Asset management[1]	Total	Special purpose entities	Asset management[1]	Total
Loans to the public	10,355		**10,355**	10,355		**10,355**
Financial assets	1	380,621	**380,622**	1	44	**45**
of which derivatives	*1*		***1***	*1*		***1***
TOTAL	**10,356**	**380,621**	**390,977**	**10,356**	**44**	**10,400**
Liabilities						
Deposits and borrowings from the public	461	0	**461**	461		**461**
Financial liabilities	13		**13**	13		**13**
of which derivatives	*13*		***13***	*13*		***13***
TOTAL	**474**	**0**	**474**	**474**		**474**
Obligations	**1,145**		**1,145**	**1,145**		**1,145**
The group's maximum exposure to loss	**11,501**	**23,026**	**34,527**	**11,501**	**44**	**11,545**

1) Investments in SEB- and non-SEB managed funds

Interests in unconsolidated structured entities refers to cases when the group has interests in structured entities which it does not control. A structured entity is an entity that is designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

The group enters into transactions with structured entities in the normal course of business for various reasons. Depending on the type of structured entity the purpose is to support customer transactions, to engage in specific investment opportunities and to facilitate the start-up of certain entities.

The group has interests in the following types of structured entities:

Interests in funds

The group establishes and manages funds to provide customers with investment opportunities, SEB is considered to be the sponsor of those funds. Total assets under management represent the size of a fund. Total assets under management of funds managed by SEB are SEK 684bn (831). The total assets of non-SEB managed funds are not publicly available and not considered meaningful for understanding related risks and have therefore not been presented. In some cases, the group facilitates the start-up of funds by holding units and it may hold units in funds managed by the group or by a third party for investment purposes within the life business. The funds managed by the Group generate income in the form of management fees and performance fees based on the assets under management. The income from asset management is presented in note 5. The maximum exposure to loss is limited to the carrying amount of units held by the group. This amount does not reflect the probable loss.

Interests in other structured entities

The group has had a role in establishing structured entities to support customer transactions. The purpose of these entities is to provide alternative funding and liquidity improvement to the sellers and investment opportunities to investors by purchasing assets and obtain funding for the purchases with the assets as collateral. The group provides senior revolving credit facilities and administrative services to the entities and earn fee and interest income on market-based conditions.

The group holds the most senior investments in debt instruments issued by banks, through securitisation vehicles (SPV) whose purpose is to provide alternative funding to the issuers and investment opportunities to investors. The SPVs purchase pools of asset from the originating bank's balance sheet, for example credit card loans, residential mortgage loans, loans to small and medium sized enterprises and fund these purchases by issuing debt securities with the assets as collateral. The securities have multiple tranches of subordination.

The maximum exposure to loss regarding investments in other structured entities is limited to the carrying amount of the investments and may occur only after losses by creditors with junior exposures. The maximum exposure to loss does not reflect the probability of loss and hedging or collateral arrangements are not considered. The total assets for these entities are not considered meaningful information for the purpose of understanding the related risks and therefore have not been presented.

45 Related parties

Group, 2022	Group					
	Associated companies		Key management		Other related parties	
	Assets/ Liabilities	Interest	Assets/ Liabilities	Interest	Assets/ Liabilities	Interest
Loans to the public	559	15	240	6	55	2
Notional amount of derivatives					1,791	
Other assets	30					
Deposits and borrowings from the public	725	0	46		1,019	8
Other liabilities	0					
Group, 2021						
Loans to the public	1,557	15	218	3	62	1
Notional amount of derivatives					1,373	
Deposits and borrowings from the public	473	9	45		1,313	1

Parent company, 2022	Parent company			
	Associated companies		Group companies	
	Assets/ Liabilities	Interest	Assets/ Liabilities	Interest
Loans to credit institutions			32,047	79
Loans to the public	559	15	14,849	65
Interest-bearing securities			1,204	31
Positive replacement values of derivatives			433	
Other assets	30		1,241	0
TOTAL	**589**	**21**	**49,774**	**175**
Deposits from credit institutions			41,215	−322
Deposits and borrowings from the public	705	0	14,060	−96
Negative replacement values of derivatives			2,002	
Other liabilities	0		90	−2
TOTAL	**705**	**0**	**57,367**	**−420**
Parent company, 2021				
Loans to credit institutions			21,495	64
Loans to the public	1,557	15	12,963	6
Interest-bearing securities			1,401	25
Positive replacement values of derivatives			380	
Other assets	0		1,184	0
TOTAL	**1,557**	**15**	**37,423**	**96**
Deposits from credit institutions			12,630	59
Deposits and borrowings from the public	462	9	13,777	13
Negative replacement values of derivatives			456	
Other liabilities	0		66	−4
TOTAL	**462**	**9**	**26,929**	**68**

Key management above refers to the Board of Directors and the Group Executive Committee. Entities with significant influence or significantly influenced by key management in the group, and post-employment benefit plans are presented as other related parties. Investor AB and the pension foundation SEB-stiftelsen are within this category as well as close family members to key management. In addition the group has insurance administration and asset management agreements with Gamla Livförsäkringsaktiebolaget SEB Trygg Liv based on conditions on the market. SEB has received SEK 164m (115) under the insurance administration agreement and SEK 327m (402) under the asset management agreement. For more information on Gamla Livförsäkringsaktiebolaget SEB Trygg Liv, see note 42.

The parent company is a related party to its subsidiaries and associates. See note 22, Investments in subsidiaries, associates and joint ventures, for disclosures of investments.

46 Financial assets and liabilities subject to offsetting or netting arrangements

Group, 2022	Financial assets and liabilities subject to offsetting or netting arrangements			Related arrangements			Other instruments in balance sheet not subject to netting arrangements	Total in balance sheet
	Gross amounts	Offset	Net amounts in balance sheet	Master netting arrangements	Collaterals received/ pledged	Net amounts		
Derivatives	226,517	−38,854	**187,664**	−140,516	−49,285	**−2,137**	−41	**187,622**
Reversed repo receivables	206,328	−95,728	**110,600**	−14,460	−71,222	**24,918**		**110,600**
Securities borrowing	58,050		**58,050**		−56,662	**1,388**	100	**58,150**
Client receivables	346	−346	**0**				9,858	**9,858**
ASSETS	**491,241**	**−134,927**	**356,314**	**−154,976**	**−177,170**	**24,169**	**9,916**	**366,230**
Derivatives	276,547	−38,854	**237,693**	−140,516	−57,173	**40,004**	355	**238,048**
Repo payables	110,187	−95,728	**14,460**	−14,460		**0**		**14,460**
Securities lending	47,492		**47,492**		−46,889	**602**	109	**47,601**
Client payables	346	−346	**0**			**0**	10,420	**10,420**
LIABILITIES	**434,572**	**−134,927**	**299,645**	**−154,976**	**−104,062**	**40,607**	**10,884**	**310,528**
Group, 2021								
Derivatives	149,013	−22,956	**126,057**	−81,580	−43,553	**923**	−6	**126,051**
Reversed repo receivables	190,909	−108,261	**82,649**	−8,491	−74,158		5,018	**87,667**
Securities borrowing	26,059		**26,059**		−25,639	**419**	180	**26,239**
Client receivables							12,105	**12,105**
ASSETS	**365,981**	**−131,216**	**234,764**	**−90,071**	**−143,351**	**1,342**	**17,298**	**252,062**
Derivatives	141,118	−22,956	**118,163**	−81,580	−34,653	**1,930**	10	**118,173**
Repo payables	117,024	−108,261	**8,763**	−8,491		**273**	773	**9,537**
Securities lending	33,254		**33,254**		−33,033	**221**	35	**33,289**
Client payables							6,701	**6,701**
LIABILITIES	**291,397**	**−131,216**	**160,180**	**−90,071**	**−67,686**	**2,423**	**7,520**	**167,700**

Parent company, 2022	Financial assets and liabilities subject to offsetting or netting arrangements			Related arrangements			Other instruments in balance sheet not subject to netting arrangements	Total in balance sheet
	Gross amounts	Offset	Net amounts in balance sheet	Master netting arrangements	Collaterals received/ pledged	Net amounts		
Derivatives	217,080	−37,935	**179,144**	−136,502	−48,948	**−6,305**		**179,144**
Reversed repo receivables	207,029	−95,728	**111,301**	−14,460	−71,222	**25,619**		**111,301**
Securities borrowing	56,662		**56,662**		−56,662			**56,662**
Client receivables	346	−346	**0**				9,706	**9,706**
ASSETS	**481,117**	**−134,009**	**347,107**	**−150,962**	**−176,832**	**19,314**	**9,706**	**356,813**
Derivatives	267,868	−37,935	**229,933**	−136,502	−59,175	**34,256**		**229,933**
Repo payables	110,290	−95,728	**14,563**	−14,563				**14,563**
Securities lending	46,889		**46,889**		−46,889			**46,889**
Client payables	346	−346	**0**				8,699	**8,699**
LIABILITIES	**425,394**	**−134,009**	**291,385**	**−151,065**	**−106,064**	**34,256**	**8,699**	**300,084**
Parent company, 2021								
Derivatives	143,777	−22,451	**121,326**	−77,709	−43,617			**121,326**
Reversed repo receivables	190,903	−108,261	**82,643**	−8,491	−74,158			**82,643**
Securities borrowing	25,639		**25,639**		−25,639			**25,639**
Client receivables	0		**0**				11,432	**11,432**
ASSETS	**360,319**	**−130,712**	**229,608**	**−86,199**	**−143,414**		**11,432**	**241,040**
Derivatives	135,948	−22,451	**113,497**	−77,709	−35,108	**680**		**113,497**
Repo payables	116,751	−108,261	**8,491**	−8,491				**8,491**
Securities lending	33,033		**33,033**		−33,033			**33,033**
Client payables							5,119	**5,119**
LIABILITIES	**285,733**	**−130,712**	**155,021**	**−86,199**	**−68,142**	**680**	**5,119**	**160,140**

The table shows financial assets and liabilities that are presented net in the balance sheet or with potential rights to off-set associated with enforceable master netting arrangements or similar arrangements, together with related collateral.

Financial assets and liabilities are presented net in the balance sheet when SEB has legally enforceable rights to set-off, in the ordinary cause of business and in the case of bankruptcy, and intends to settle on a net basis or to realize the assets and settle the liabilities simultaneously. Repos with central counterparty clearing houses that SEB has agreements with, and client receivables and client payables are examples of instruments that are presented net in the balance sheet.

Financial assets and liabilities subject to enforceable master netting arrangements or similar arrangements that are not presented net in the balance sheet are arrangements that are usually enforceable in the case of bankruptcy or default but not in the ordinary course of business or arrangements where SEB does not have the intention to settle the instruments simultaneously.

Assets and liabilities that are not subject to offsetting or netting arrangements, that is those that are only subject to collateral agreements, are presented as Other instruments in balance sheet not subject to netting arrangements.

47 Pledged assets

	Group 2022	Group 2021	Parent company 2022	Parent company 2021
Pledged assets and comparable securities for own liabilities	586,059	541,308	585,547	539,115
Pledged assets for own liabilities to insurance policyholders	388,959	458,849		
Other pledged assets and comparable collaterals	62,565	66,226	62,565	65,329
TOTAL	**1,037,584**	**1,066,382**	**648,113**	**604,443**

Pledged assets and comparable securities for own liabilities[1]

	Group 2022	Group 2021	Parent company 2022	Parent company 2021
Repos	40,110	32,543	40,110	32,270
Assets collateralised for issued mortgage covered bonds	290,341	293,858	290,341	292,874
Other collateral	255,608	214,906	255,096	213,970
TOTAL	**586,059**	**541,308**	**585,547**	**539,115**

1) Transfers that do not qualify for derecognition.

Pledged assets for own liabilities to insurance policyholders

	Group 2022	Group 2021
Assets pledged for insurance contracts	30,984	34,623
Assets pledged for investment contracts[1]	357,975	424,226
TOTAL	**388,959**	**458,849**

1) Shares in funds.

Other pledged assets and comparable collaterals

	Group 2022	Group 2021	Parent company 2022	Parent company 2021
Bonds[1]	19,180	33,424	19,180	33,424
Securities lending		897		
Other	43,386	31,904	43,386	31,904
TOTAL	**62,565**	**66,226**	**62,565**	**65,329**

1) Pledged but unencumbered bonds.

Transferred financial assets entirely recognised[1]

	Transferred assets				Associated liabilities				Associated collateral received[2]
Group, 2022	Securities lending	Repurchase agreements	Other[3]	Total	Securities lending	Repurchase agreements	Other[3]	Total	Securities lending
Equity instruments	12,154		10	**12,164**	3,388			**3,388**	8,906
Debt securities	31,276	6,721	725	**38,722**	10,480	6,721		**17,201**	21,527
Financial assets held for trading	**43,430**	**6,721**	**735**	**50,886**	**13,868**	**6,721**		**20,589**	**30,433**
Group, 2021									
Equity instruments	44,309		1,339	**45,648**	7,970			**7,970**	29,535
Debt securities	22,548	4,737	55	**27,340**	3,242	4,737		**7,979**	15,888
Financial assets held for trading	**66,857**	**4,737**	**1,394**	**72,989**	**11,212**	**4,737**		**15,950**	**45,423**

	Transferred assets				Associated liabilities				Associated collateral received[2]
Parent company, 2022	Securities lending	Repurchase agreements	Other[3]	Total	Securities lending	Repurchase agreements	Other[3]	Total	Securities lending
Equity instruments	12,154			**12,154**	3,388			**3,388**	8,906
Debt securities	31,276	6,721	725	**38,722**	10,480	6,721		**17,201**	21,527
Financial assets held for trading	**43,430**	**6,721**	**725**	**50,876**	**13,868**	**6,721**		**20,589**	**30,433**
Parent company, 2021									
Equity instruments	44,194			**44,194**	7,907			**7,907**	29,477
Debt securities	22,548	4,737	55	**27,340**	3,228	4,737		**7,966**	15,895
Financial assets held for trading	**66,742**	**4,737**	**55**	**71,534**	**11,135**	**4,737**		**15,873**	**45,372**

1) Carrying amount and fair value are the same.
2) Other than cash collateral.
3) Assets provided as collateral for derivatives trading, clearing etc.

Pledged assets
Assets are transferred for repurchase agreements and securities lending agreements. The counterpart has the right to sell or repledge the assets. Other transferred assets refer to assets provided as collateral for derivatives trading, clearing etc., where the title to the instrument has been transferred to the counterparty. The assets continue to be recognised on SEB's balance sheet since SEB is still exposed to changes in the fair value of the assets. The carrying value and fair value of the assets transferred as collateral for liabilities or contingent liabilities are shown in the table above.

SEB issues covered bonds secured by mortgage loans pledged as security according to the local legislation. The pledged securities are mainly residential mortgages in single family homes, tenant owned homes or other residential apartment buildings. The loan-to-value ratio does not exceed 75 per cent. In the event of SEB's insolvency, the holders of the covered bonds have priority to the assets registered as collateral.

Obtained collateral
SEB obtains collateral under reverse repurchase agreements and securities borrowing agreements. Under the terms of standard financial market agreements SEB has the right to sell or repledge the collateral, subject to returning equivalent securities on settlement of the transactions.

More information about the accounting of repurchase agreements and securities lending can be found in the accounting principles.

48 Obligations

	Group		Parent company	
	2022	2021	**2022**	2021
Contingent liabilities	180,358	160,294	173,316	159,445
Commitments	882,065	813,936	815,987	754,551
TOTAL	**1,062,423**	**974,231**	**989,303**	**913,996**

Contingent liabilities

Own acceptances	**957**	**2,190**	**893**	**2,079**
Financial guarantees given[1]	11,209	10,281	14,411	17,998
of which group internal			*3,219*	*7,750*
Other guarantees given	168,192	147,824	158,012	139,367
of which group internal			*1,215*	*994*
Guarantees given	**179,401**	**158,105**	**172,424**	**157,366**
TOTAL	**180,358**	**160,294**	**173,316**	**159,445**

1) SEB does not regularly securitise its assets and has no outstanding own issues.

Other contingent liabilities
The parent company has a contingent liability to provide capital to DSK Deutsch-Skandinavische Verwaltungs AG ("DSK", formerly DSK Hyp AG) for annual net losses unless the losses could be covered by other reserves.

The parent company has issued an irrevocable standby letter of credit in favour of MasterCard in the amount of USD 215m related to card business in the subsidiaries.

Legal proceedings
Within the ordinary course of business SEB is engaged in various legal proceedings, both in Sweden and in other jurisdictions. SEB does not expect these current legal proceedings to have a significant adverse effect on the financial position of the group.

Re-assessment of credited withholding tax in Germany
SEB and its subsidiaries are continuously subject to tax field audits where local tax authorities review previous years' tax returns. The German tax authority have in relation to SEB's wholly owned German subsidiary, DSK Deutsch-Skandinavische Verwaltungs AG ("DSK", formerly DSK Hyp AG) re-assessed DSK's crediting of withholding tax in its securities finance business for the years 2008–2014 and claimed the repayment by DSK of EUR 936m, plus interest. Further reclaims cannot be ruled out. DSK has over the years 2008–2015 claimed and credited approximately EUR 1,500m in withholding tax against its corporate income tax.

DSK has objected to the tax reclaims. DSK and SEB are of the opinion that the securities finance business of DSK under review by the German tax authorities was conducted in accordance with market practice, law and administrative guidance applicable at the time. SEB and DSK, as supported by its external legal advisor, are of the view that it is more likely than not that it will be ultimately confirmed in a fiscal court proceeding that the withholding tax has been claimed and credited correctly by DSK. Hence, to date and in accordance with current accounting rules, no provisions have been made on a group level.

The legal proceedings are estimated to take several years as it is expected that the matter will be appealed to the highest fiscal court. It cannot be ruled out that the final outcome of the legal proceedings may lead to negative financial effects for the SEB Group.

Investigation of alleged tax evasion of a severe nature
The public prosecutor in Cologne, Germany, is investigating whether former and current employees of DSK and SEB, as part of DSK's securities finance business, have been involved in alleged tax evasion of a severe nature. DSK and SEB are cooperating with the prosecutor in the investigation. As far as SEB and DSK are aware, no indictments have been filed against any of the aforementioned employees. It is unclear what impact the criminal investigation may have on the re-assessment by the German tax authorities of DSK's crediting of withholding tax referred to above. It cannot be ruled out that the criminal investigation or potential indictments may delay the re-assessment of the credited withholding tax and lead to negative financial effects for the SEB Group.

Claim from the Swedish Pension Agency
In May 2022, the Swedish Pensions Agency made a claim for damages against SEB in its capacity as depositary for the fund company Gustavia Davegårdh Fonder's investment funds. The claim amounts to just over SEK 470m excluding interest and relates to transactions carried out in 2012. The Swedish Pensions Agency is of the opinion that SEB has failed in its duties as depositary for the funds in relation to these transactions. SEB has disputed the claim as it is of the opinion that the bank has fulfilled its duties as depositary in regard to these transactions and that the bank has no liability for damages. Consequently, no provision related to the claim has been recognised in accordance with applicable accounting regulations.

Commitments

	Group		Parent company	
	2022	2021	**2022**	2021
Granted undrawn credit facilities	549,471	544,344	528,381	528,146
of which group internal			*0*	*0*
Unutilised part of overdraft facilities	149,710	143,745	112,609	107,943
of which group internal			*12,082*	*13,526*
Repledged collaterals	147,886	101,737	148,068	101,737
of which group internal			*182*	*0*
Other commitments given	34,999	24,111	26,929	16,725
TOTAL	**882,065**	**813,936**	**815,987**	**754,551**

Discretionary managed assets
Discretionary managed assets in the parent company amounted to SEK 515bn (509).

49 Leases

Lessee	Group 2022	Group 2021
Income statement		
Interest expense on lease liabilities (Net interest income)	78	78
Expenses relating to short-term leases (Other expenses)	14	12
Expenses relating to leases of low-value assets (Other expenses)	100	97
Depreciation expense of right-of-use assets (Depreciation, amortisation)[1]	879	844
TOTAL	**1,071**	**1,032**
Balance sheet		
Right-of-use assets – additions	142	328
Right-of-use assets – closing balance[2]	4,834	5,079
Lease liabilities (Other liabilities)	5,277	5,527

1) Of which Property leases SEK 861m (818) and Other (mainly IT equipment) SEK 18m (26).
2) Of which Property leases SEK 4,822m (5,049) and Other (mainly IT equipment) SEK 13m (30).

Lessor

Finance lease	Group 2022	Group 2021
Undiscounted lease payments expected after reporting date and within		
year 1	11,435	10,415
year 2	11,119	9,586
year 3	9,180	9,564
year 4	7,292	5,442
year 5	6,191	5,262
year 6 and later	26,585	25,229
Total undiscounted lease payments receivable	**71,800**	**65,499**
Unearned finance income	–5,935	–2,898
NET INVESTMENT LEASES	**65,865**	**62,601**
Finance income (interest income) on the net investment	1,291	1,028

Lessor portfolio mainly includes transport vehicles, machinery and facilities. Residual value risk is not significant, because of the existence of a secondary market.

50 Restated comparative figures

On 28 March 2022, SEB published restated comparative figures for the years 2020–2021 to reflect organisational changes, including the formation of SEB's new division Private Wealth Management & Family Office. The restatement does not affect SEB's net profit or equity for these years.
The main reorganisations reflected in the restated comparative figures are:
- Private Wealth Management & Family Office, previously included in the division Corporate & Private Customers, is now reported as a separate division and reporting segment.
- The Life division's sales unit is transferred to division Corporate & Private Customers, thereby simplifying the structure and strengthening the distribution power.
- Institutional Asset Management is moved from division Large Corporates & Financial Institutions to division Investment Management in order to accelerate growth pace.

Presentation changes as of 1 January 2022 include:
- A new reporting line, Imposed levies, is added to the income statement and presented after Net expected credit losses. Within Imposed levies, the new Swedish risk tax on banks is presented as well as resolution fees, which were previously presented in Net interest income.
- The line Gains less losses from tangible and intangible assets is removed.
- Amortisation of premium or discount for bonds in the trading book and liquidity portfolio, which was previously presented within Net financial income, is now presented in Net interest income.

In conjunction with the introduction of the Swedish risk tax, the group has changed the presentation of the Income statement by adding a new reporting line Imposed levies: risk tax and resolution fees. Resolution fees, previously presented in Net interest income, are also presented in Imposed levies going forward. The reporting line Profit before credit losses has been changed to Profit before credit losses and imposed levies. The purpose of the changes is to clarify the reporting and facilitate the comparison of operating profit between periods. SEB invests in interest-bearing securities both for customer purposes and for liquidity management purposes. These securities are classified as held for trading or mandatorily at fair value through profit or loss and changes in fair value of these securities are recognised in Net financial income, and the interest in Net interest income. Going forward, the amortisation of premium or discount from acquisition of these securities is presented in Net interest income instead of in Net financial income. In addition, the reporting line Gains less losses from tangible and intangible assets is removed. The changes in presentation have not had any impact on the profit or loss, or equity. SEB has, to reflect the current reporting and decision-making process, changed the presentation of reportable segments.

Note 50 continued *Restated comparative figures*

Income statement – SEB Group

SEKm	Previously reported 2021	Resolution fees	NII adjustment	Other	Restated 2021
Interest income	*33,225*		*–1,842*		*31,383*
Interest expense	*–6,904*	*1,019*	*600*		*–5,286*
Net interest income	26,321	1,019	–1,243		26,097
Fee and commission income	*26,129*				*26,129*
Fee and commission expense	*–4,987*				*–4,987*
Net fee and commission income	21,142				21,142
Net financial income	6,992		1,243		8,235
Dividends	*1*				*1*
Profit and loss from investments in associates and joint ventures	*33*				*33*
Gains less losses from investment securities	*13*			*5*	*18*
Other operating income	*112*				*112*
Net other income	159			5	164
Total operating income	**54,614**	**1,019**	**0**	**5**	**55,638**
Staff costs	–15,372				–15,372
Other expenses	–5,763				–5,763
Depreciation, amortisation and impairment of tangible and intangible assets	–2,110				–2,110
Total operating expenses	**–23,245**				**–23,245**
Profit before credit losses and imposed levies	**31,368**	**1,019**	**0**	**5**	**32,393**
Gains less losses from tangible and intangible assets	5			–5	
Net expected credit losses	–510				–510
Imposed levies: Risk tax and resolution fees		–1,019			–1,019
Operating profit	**30,864**	**0**	**0**	**0**	**30,864**
Income tax expense	–5,441				–5,441
NET PROFIT	**25,423**	**0**	**0**	**0**	**25,423**
Attributable to shareholders in Skandinaviska Enskilda Banken AB (publ)	25,423				25,423

Income statement – Parent company

SEKm	Previously reported 2021	NII adjustment	Restated 2021
Interest income	*27,737*	*–1,842*	*25,895*
Leasing income	*5,268*		*5,268*
Interest expense	*–5,758*	*600*	*–5,159*
Net interest income	27,247	–1,243	26,004
Dividends received	2,596		2,596
Fee and commission income	*15,553*		*15,553*
Fee and commission expense	*–3,210*		*–3,210*
Net fee and commission income	12,343		12,343
Net financial income	4,882	1,243	6,125
Net other income	1,330		1,330
Total operating income	**48,397**	**0**	**48,397**
Staff costs	–10,830		–10,830
Other expenses	–5,377		–5,377
Administrative expenses	–16,207		–16,207
Depreciation, amortisation and impairment of tangible and intangible assets	–5,644		–5,644
Total operating expenses	**–21,851**	**0**	**–21,851**
Profit before credit losses and imposed levies	**26,547**	**0**	**26,547**
Net expected credit losses	–744		–744
Impairment of financial assets	–1,911		–1,911
Operating profit	**23,892**	**0**	**23,892**
Appropriations	3,839		3,839
Income tax expense	–5,332		–5,332
Other taxes	352		352
NET PROFIT	**22,751**	**0**	**22,751**

51 Effects from the implementation of IFRS 17 Insurance Contracts

Transition

IFRS 17 *Insurance Contracts* replaces IFRS 4 *Insurance Contracts* for annual periods beginning on or after 1 January 2023. As the standard requires comparative information for the annual reporting period immediately preceding the date of initial application, the transition date of IFRS 17 is 1 January 2022. IFRS 17 applies to all types of insurance contracts as well as to certain financial instruments with discretionary participation features. The adoption of IFRS 17 will not have a significant impact on the classification of the group's insurance contracts. However, IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the group. On adoption, IFRS 17 will impact the measurement and presentation of insurance contracts and participating investment contracts. Investment contracts with no significant insurance component or discretionary participating features, equity release and investment management business are out of scope and therefore not impacted by the new standard.

The standard approach of IFRS 17 is the general measurement model (GMM) which is supplemented by a specific adaptation for contracts with direct participation features (the variable fee approach (VFA) and by a simplified approach (the premium allocation approach (PAA) for short-duration contracts. The VFA is applied for more than 90 per cent of the insurance liability as per year-end 2021. Under IFRS 17, the liabilities comprise the estimated future cash flows discounted at rates that reflect the time value of money and the financial risks, risk adjustment for non-financial risk and the contractual service margin (CSM). The CSM represents the profits not yet earned for each group of contracts and is calculated at contract inception and is released to the profit and loss for each period based on the quantity of benefits provided under a contract and its expected coverage period. The CSM cannot be negative, meaning that losses will have to be recognised immediately in the profit and loss. *Please see note 1 for more information about accounting policies.*

On transition to IFRS 17, the Full Retrospective Approach (FRA) should be used unless it is impracticable. This approach assumes that IFRS 17 had always been applied and require a full history to the date of transition for data and assumptions. The group will apply the FRA for contracts using the PAA but does not otherwise have enough detailed information to apply the FRA except for contract issued from 2016 and onwards in the Baltic entity. If the FRA is impracticable, the group can choose to either use the Modified Retrospective Approach (MRA) or the Fair Value Approach (FVA). The MRA allows for simplifications to the FRA but still require information on the actual historic cash flows from initial recognition. The modified retrospective approach has been applied for the unit-linked contracts issued in Lithuania between 2010 and 2015 in the Baltic entity. For the remaining contracts, SEB will apply the FVA and this method is used for approximately 92 per cent of the insurance contracts (based on liabilities as per year-end 2021).

Applying the FVA, the group will determine the contractual service margin to be the difference between the fair value of a group of insurance contracts, measured in accordance with IFRS 13 Fair Value Measurement, and its Fulfilment Cash Flows (FCF) at the transition date. The approach that the group has chosen to obtain the fair value of liabilities according to IFRS 13 is to start from the technical provisions according to Solvency II regulation and using a cost-of-capital rate that is set to a somewhat higher level compared to Solvency II to better reflect the adjustment for profit margin that a buyer would require.

The group will restate comparative information for 2022 in the reports for 2023. The effects of adopting IFRS 17 in the consolidated financial statements as of 1 January 2022 will be presented in the statement of changes in equity. The effect is recognised as a reduction of retained earnings of SEK 0.3bn. The changes will not have a material effect on capital adequacy and large exposures.

The presentation of results of insurance contracts will, as in the current income statement presentation, be split and recognised on the relevant lines. Insurance service result, including Insurance revenue, Insurance service expense and Net expenses from reinsurance contracts held, will be presented in the notes.

There is no significant impact on the balance sheet, although the new standard also introduces new estimates and judgements that affect the measurement of insurance liabilities. Measurement of the liability for incurred claims (previously claims outstanding and incurred-but-not-reported claims) is determined on a discounted probability-weighted expected value basis and includes an explicit risk adjustment for non-financial risk. The new standard will not be applied in the parent company.

SEKm	Closing balance 31 December 2021	IFRS 17 transition	Opening balance 1 January 2022
Cash and cash balances at central banks	439,344		439,344
Loans to central banks	4,454		4,454
Loans to credit institutions	60,009		60,009
Loans to the public	1,846,362		1,846,362
Debt securities	205,950	−160	205,791
Equity instruments	120,742	2,487	123,229
Financial assets for which the customers bear the investment risk	422,497	−2,327	420,170
Derivatives	126,051		126,051
Other assets	78,822	−33	78,788
TOTAL ASSETS	**3,304,230**	**−33**	**3,304,197**

SEKm	Closing balance 31 December 2021	IFRS 17 transition	Opening balance 1 January 2022
Deposits from central banks and credit institutions	75,206		75,206
Deposits and borrowings from the public	1,597,449		1,597,449
Financial liabilities for which the customers bear the investment risk	424,226	−2,406	421,820
Liabilities to policyholders	34,623	2,571	37,194
Debt securities issued	730,106		730,106
Short positions	34,569		34,569
Derivatives	118,173		118,173
Other financial liabilities	5,721		5,721
Other liabilities	90,929	81	91,010
Total liabilities	**3,111,002**	**247**	**3,111,249**
Total equity	**193,228**	**−280**	**192,948**
TOTAL LIABILITIES AND EQUITY	**3,304,230**	**−33**	**3,304,197**

52 Events after the balance sheet date

On 16 January 2023 it was announced that Jonas Ahlström, currently co-head of SEB's division Large Corporates & Financial Institutions (LC&FI) and a member of SEB's Group Executive Committee, will become sole head of LC&FI. Joachim Alpen, co-head of LC&FI and a member of SEB's Group Executive Committee, has decided to leave SEB to pursue new opportunities outside the bank. The changes were effective immediately.

The SEB Group

Income Statement

SEKm	2022	2021	2020	2019	2018
Net interest income	33,443	26,097	25,073	24,675	23,212
Net fee and commission income	21,573	21,142	18,063	18,709	18,364
Net financial income	9,314	8,235	7,262	7,617	6,079
Net other income	258	164	229	857	420
Total operating income	**64,589**	**55,638**	**50,628**	**51,857**	**48,076**
Staff costs	−15,980	−15,372	−14,976	−14,660	−14,004
Other expenses	−6,986	−5,763	−5,864	−6,623	−7,201
Depreciation, amortisation and impairment of tangible and intangible assets	−2,078	−2,110	−1,906	−1,662	−735
Total operating expenses	**−25,044**	**−23,245**	**−22,747**	**−22,945**	**−21,940**
Net expected credit losses	−2,007	−510	−6,118	−2,294	−1,166
Imposed levies: Risk tax and resolution fees	−2,288	−1,019	−918	−1,725	−2,190
Operating profit before items affecting comparability	**35,249**	**30,864**	**20,846**	**24,894**	**22,779**
Items affecting comparability[1]	−1,399		−1,000		4,506
Operating profit	**33,850**	**30,864**	**19,846**	**24,894**	**27,285**
Income tax expense	−6,861	−5,441	−4,100	−4,717	−4,152
NET PROFIT	**26,989**	**25,423**	**15,746**	**20,177**	**23,134**
Attributable to shareholders	26,989	25,423	15,746	20,177	23,134

1) 2022 is impairment of the group's assets related to Russia. 2020 is administrative fine.

Comparative figures for 2021 and 2020 have been restated. See note 50 on restated comparative figures for 2021 for further information. 2018–2019 have been restated for changes in the presentation of the Income statement.

Balance sheet

SEKm	2022	2021	2020	2019	2018
Cash and cash balances and loans to central banks	451,928	443,798	327,409	151,186	242,408
Loans to credit institutions	77,235	60,009	50,791	46,995	44,287
Loans to the public	2,065,271	1,846,362	1,770,161	1,837,605	1,644,825
Other financial assets	875,859	889,366	855,351	787,341	606,584
Other assets	62,518	64,696	36,720	33,521	29,412
TOTAL ASSETS	**3,532,810**	**3,304,230**	**3,040,432**	**2,856,648**	**2,567,516**
Deposits from central banks and credit institutions	66,873	75,206	111,309	88,041	135,719
Deposits and borrowing from the public	1,701,687	1,597,449	1,371,227	1,161,485	1,111,390
Other financial liabilities	1,521,429	1,391,207	1,355,604	1,414,917	1,120,487
Other liabilities	38,298	47,140	30,349	36,505	51,131
Total equity	204,523	193,228	171,943	155,700	148,789
TOTAL LIABILITIES AND EQUITY	**3,532,810**	**3,304,230**	**3,040,432**	**2,856,648**	**2,567,516**

Key figures

	2022	2021	2020	2019	2018
Return on equity, %	13.8	13.9	9.7	13.7	16.3
Return on equity excluding items affecting comparability, %	14.5	13.9	10.3	13.8	13.4
Basic earnings per share, SEK	12.63	11.75	7.28	9.33	10.69
Cost/Income ratio[1]	0.39	0.42	0.45	0.44	0.46
Net ECL level, %	0.07	0.02	0.26	0.10	0.06
Common Equity Tier 1 capital ratio[2], %	19.0	19.7	21.0	17.6	17.6
Tier 1 capital ratio[2], %	20.7	21.4	22.7	20.8	19.7
Total capital ratio[2], %	22.5	23.1	25.1	23.3	22.2

1) Comparative figures for 2021 and 2020 have been restated. See note 50 on restated comparative figures for 2021 for further information. 2018–2019 have been restated for changes in the presentation of the Income statement.
2) Basel III.

Parent company

Income Statement

SEKm	2022	2021	2020	2019	2018
Net interest income	30,197	26,004	25,707	23,402	21,860
Net fee and commission income	12,883	12,343	10,698	10,461	10,064
Net financial income	5,895	6,125	5,297	5,838	4,574
Other income	12,929	3,926	3,532	6,930	10,900
Total operating income	**61,904**	**48,397**	**45,234**	**46,631**	**47,398**
Administrative expenses	−18,380	−16,207	−17,372	−16,345	−15,263
Depreciation, amortisation and impairment of tangible and intangible assets	−5,635	−5,644	−5,683	−5,749	−5,512
Total operating costs	**−24,015**	**−21,851**	**−23,055**	**−22,094**	**−20,775**
Profit before credit losses	**37,890**	**26,547**	**22,179**	**24,537**	**26,623**
Net expected credit losses	−2,119	−744	−5,550	−2,044	−1,020
Net credit losses					
Impairment of financial assets	−6,631	−1,911	−220	−741	−2,928
Operating profit	**29,139**	**23,892**	**16,409**	**21,752**	**22,675**
Appropriations including pension compensation	3,300	3,839	2,390	2,694	2,716
Taxes	−5,109	−4,980	−4,185	−4,140	−3,671
NET PROFIT	**27,329**	**22,751**	**14,614**	**20,305**	**21,720**

Comparative figures for 2021 have been restated. See note 50 on restated comparative figures for 2021 for further information.

Balance sheet

SEKm	2022	2021	2020	2019	2018
Cash and cash balances at central banks	354,970	371,466	294,391	110,104	164,081
Loans to central banks and credit institutions	118,604	74,334	71,027	92,450	120,333
Loans to the public	1,839,188	1,641,332	1,569,310	1,601,243	1,410,687
Other financial assets	523,695	459,885	521,530	472,945	334,801
Other assets	36,229	40,817	40,852	41,930	48,373
TOTAL ASSETS	**2,872,686**	**2,587,834**	**2,497,110**	**2,318,672**	**2,078,275**
Deposits from central banks and credit institutions	106,019	85,276	147,831	126,891	160,022
Deposits and borrowing from the public	1,467,319	1,404,490	1,198,833	973,834	927,224
Other financial liabilities	1,115,652	918,606	981,523	1,059,727	846,685
Other liabilities	20,883	24,549	16,427	19,810	10,794
Total equity and untaxed reserves	162,813	154,913	152,496	138,410	133,550
TOTAL LIABILITIES, UNTAXED RESERVES AND EQUITY	**2,872,686**	**2,587,834**	**2,497,110**	**2,318,672**	**2,078,275**

Key figures

	2022	2021	2020	2019	2018
Return on equity, %	18.0	15.0	10.4	15.9	18.1
Cost/Income ratio	0.39	0.45	0.51	0.47	0.44
Net ECL level, %	0.09	0.03	0.26	0.10	0.07
Common Equity Tier 1 capital ratio[1], %	17.6	18.4	20.3	16.9	16.9
Tier 1 capital ratio[1], %	19.5	20.3	22.2	20.6	19.3
Total capital ratio[1], %	21.4	22.2	24.8	23.2	22.2

1) Basel III.

Proposal for the distribution of profit

Standing at the disposal of the Annual General Meeting in accordance with the balance sheet of Skandinaviska Enskilda Banken AB:

	SEK
Fair value fund	–384,227,137
Retained earnings	84,426,008,114
Net profit for the year	27,329,442,189
Total[1)]	**111,371,223,165**

The Board proposes that, following approval of the balance sheet of Skandinaviska Enskilda Banken AB for the financial year 2022, the Annual General Meeting should distribute the earnings as follows:

	SEK
Dividend to shareholders:	
– SEK 6.75 per Class A share	14,543,343,626
– SEK 6.75 per Class C share	163,029,429
To be carried forward to:	
– retained earnings	96,664,850,111
Total	**111,371,223,165**

It is the assessment of the Board of Directors that the proposed dividend is justifiable considering the demands which are imposed by the nature, scope, and risks associated with the business and the size of the parent company's and the group's equity and need for consolidation, liquidity and financial position in general.

1) The parent company's equity would have been SEK 41,999m higher if assets and liabilities had not been measured at fair value in accordance with Chapter 4, Section 14 of the Swedish Annual Accounts Act.

Signatures of the Board of Directors and the President

The Board of Directors and the President declare that the consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU and give a relevant and faithful representation of the group's financial position and results of operations.

The financial statements of the parent company have been prepared in accordance with generally accepted accounting principles in Sweden and give a true and fair view of the parent company's financial position and results of operations.

The Report of the Directors for the group and the parent company provides a fair review of the development of the group's and the parent company's operations, financial position and results of operations and describes material risks and uncertainties facing the parent company and companies included in the group.

Stockholm 21 February 2023

Marcus Wallenberg
Chair

Sven Nyman
Vice chair

Jesper Ovesen
Vice chair

Jacob Aarup-Andersen
Director

Signhild Arnegård Hansen
Director

Anne-Catherine Berner
Director

Winnie Fok
Director

John Flint
Director

Lars Ottersgård
Director

Helena Saxon
Director

Anna-Karin Glimström
Director
Appointed by the employees

Charlotta Lindholm
Director
Appointed by the employees

Johan Torgeby
President and Chief Executive Officer
Director

Our audit report was issued on 28 February 2023
Ernst & Young AB

Hamish Mabon
Authorized Public Accountant

Auditor's report

This is a translation from the Swedish original.

To the general meeting of the shareholders of Skandinaviska Enskilda Banken AB (publ), corporate identity number 502032-9081

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Skandinaviska Enskilda Banken AB (publ) for the year 2022 with exception of the Corporate Governance statement entailed on pages 90–109. The annual accounts and consolidated accounts of the company are included on pages 66–206 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and present fairly, in all material respects, the financial position of the parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies. The consolidated accounts have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act for Credit Institutions and Securities Companies. Our opinions do not cover the corporate governance statement on pages 90–109. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts. We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Provision for Expected Credit Losses ("ECL")

Description

As of 31 December 2022, loans amount to SEK 2 216 468m for the group, which represents 63 per cent of the group's total assets. The total credit risk exposure, including off-balance commitments, amounts SEK 2 945 883m for the group. The provision for expected credit losses amounts to SEK 8 613m for the group.

In order to provide for expected credit losses, SEB uses both models and credit expert judgement to consider factors not captured by the models.

Expected credit losses shall be measured in a way that reflects an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes and is based on past events, current conditions and forecasts of future economic conditions.

The provision for expected credit losses requires SEB to make assessments of the key model assumptions. In this regard, assessments are made of the criteria to identify a significant increase in credit risk while also considering current and forward-looking information and the impact of development in specific industries on the ECL. Due to the use of judgement in applying the expected credit loss measurement criteria, the materiality of the credit risk exposure, the complexity of the calculation, and the effect on the ECL, provisioning for expected credit losses has been considered a key audit matter.

How our audit addressed this key audit matter

We have tested the design and operating effectiveness of key controls in the credit process, including credit approval, credit review, rating classification as well as identifying and determining loans in default. We have also tested controls relating to input data to models and the general IT-controls including the handling of authorizations within the relevant systems.

We have assessed the models including the assumptions and input parameters as well as assessed how the models calculate. Our assessment of input parameters includes probability of default, loss given default, exposure at default and staging criteria parameters determining a significant increase in credit risk at engagement level in accordance with IFRS 9. For engagements subject to individual assessment by SEB, we have assessed collateral valuation in the audit procedures, including in the assessment of model overlays and SEB's expert credit judgment.

We have on a sample basis assessed SEB's initial and current engagement risk rating. We have tested that data used from supporting systems used in the models, are complete and accurate. We have also assessed the model validations which have been performed and reviewed the reasonableness of the macroeconomic data used in the models. We have also assessed the reasonableness of the credit expert judgement made by SEB.

In our audit we have used our internal model specialists when performing our audit procedures.

We have assessed the disclosures in the annual accounts related to ECL. Such information is found in the annual accounts in notes 1, 11 and 18.

Valuation of financial instruments at fair value

Description

SEB holds financial instruments where unadjusted quoted market prices are not readily available. For such instruments fair value is determined either using valuation techniques based on observable market parameters (categorized as level 2 under IFRS fair value hierarchy) or using valuation techniques with significant unobservable inputs (categorized as level 3 under IFRS fair value hierarchy).

The group has financial assets and financial liabilities in level 2 of SEK 432 713m and SEK 280 655m and financial assets and liabilities in level 3 of SEK 32 866m and SEK 9 559m respectively. The main part of the financial instruments in level 2 are comprised of loans, debt securities and derivative contracts. Financial instruments in level 3 primarily consist of unlisted equity securities and Financial assets for which the customers bear the investment risk.

Due to the complexity in the calculation of fair value, the materiality of the financial instruments, as well as the need for SEB to make judgements with respect to valuation parameters, the valuation of financial instruments with no readily available unadjusted quoted market prices, has been considered a key audit matter. Financial assets for which the customers bear the investment risk has not been considered a key audit matter since the corresponding liability is recorded in the balance sheet.

How our audit addressed this key audit matter

We have tested the key controls in the valuation process, including SEB's assessment and approval of assumptions and methods used in model-based calculations, control of data input as well as the handling of changes in internal valuation models. We have also tested the general IT-controls including the handling of authorizations with respect to relevant IT-systems for the valuation process.

We have assessed SEB method for valuing financial instruments with no readily available quoted market prices, including the classification in the valuation hierarchy in accordance with IFRS 13.

Furthermore, we have assessed the assumptions made by SEB when valuating financial instruments with no readily available quoted market prices. We have compared the valuation models to valuing guidelines and industry practice. We have compared input parameters to appropriate reference sources when available and examined any significant deviations.

We have also tested the mathematical accuracy of the valuations through sample tests and performed our own independent valuations.

In our audit we have engaged our internal valuation specialists when performing our audit procedures.

We have assessed the disclosures in the annual accounts related to Valuation of financial instruments at fair value. Disclosures on the financial instruments at fair value are found in the annual accounts in notes 1 and 36.

Uncertain tax positions

Description

SEB is subject to taxation in many jurisdictions and in many cases the final tax treatment is not determined until resolved with the relevant tax authority. Consequently, SEB makes judgements about the probability and amount of tax liabilities which are subject to assessments by tax authorities and potentially associated with legal processes. Given the complexity of the assessments, the expected time to resolutions that may be years into the future, and the wide range of possible outcomes, uncertain tax positions has been considered a key audit matter.

How our audit addressed this key audit matter

We have assessed whether SEB's method for assessing uncertain tax positions is in accordance with IFRS, including SEB's assessment of the probability in key cases. We have substantively tested the process for uncertain taxes and related tax assessments and tax liability estimates. In performing these procedures, we have used our specialists to examine potential implications of ongoing tax audits and similar processes. We have obtained correspondence with tax authorities and opinions SEB has received from its external legal advisers.

We have also independently assessed matters in dispute and the accounting treatment.

We have assessed of the disclosures in the annual accounts related to uncertain tax positions. Disclosures on the uncertain tax positions are found in the annual accounts in note 1 and 48.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–65 and 212–234. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibilities for the audit of the annual accounts and the consolidated accounts is located at Revisorsinspektionen's (the Swedish Inspectorate of Auditors) website at: http://www.revisorsinspektionen.se/rn/showdocument/documents/rev_dok/revisors_ansvar.pdf. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Report on the audit of the administration and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Skandinaviska Enskilda Banken AB (publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated (loss be dealt with) in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Banking and Financing Business Act, the Annual Accounts Act for Credit Institutions and Securities Companies or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibilities for the audit of the administration is located at Revisorsinspektionen's (the Swedish Inspectorate of Auditors) website at: http://www.revisorsinspektionen.se/rn/showdocument/documents/rev_dok/revisors_ansvar.pdf. This description forms part of our auditor's report.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the ESEF report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Skandinaviska Enskilda Banken AB for the financial year 2022.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the ESEF report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for the opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 *Examination of the ESEF report*. Our responsibility under this recommendation is described in more detail in the *Auditors' responsibility* section. We are independent of Skandinaviska Enskilda Banken AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the ESEF report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the ESEF report without material misstatements, whether due to fraud or error.

Auditor's responsibilities

Our responsibility is to obtain reasonable assurance whether the ESEF report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the ESEF report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The audit firm applies ISQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements* and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the ESEF report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the ESEF report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation of the ESEF report, i.e. if the file containing the ESEF report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the ESEF report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the ESEF report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 90–109 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s auditing standard RevU 16 *The auditor´s examination of the corporate governance statement*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies.

Ernst & Young AB was appointed auditor of Skandinaviska Enskilda Banken AB by the general meeting of the shareholders on the 22 March 2022 and has been the company's auditor since the 26 March 2019.

Stockholm 28 February 2023
Ernst & Young AB

Hamish Mabon
Authorized Public Accountant

Supplementary sustainability information

Contents

EU Taxonomy voluntary report

Assets[1, 2]	Gross carrying amount, SEKm 2022-12-31	Gross carrying amount share of total assets, %	Of which Taxonomy-eligible, SEKm	Of which Taxonomy-eligible, %	Taxonomy-eligible share of covered assets, %	Taxonomy-eligible share of total assets, %
Financial corporations (NFRD)[3]	54,864	2	20,583	38	1	1
Credit institutions	*53,094*	*2*	*20,185*	*38*	*1*	*1*
Other financial corporations	*1,771*	*0*	*398*	*22*	*0*	*0*
Non-Financial corporations (NFRD)[3]	152,456	5	58,639	38	3	2
Households	634,663	22	634,663	93	29	20
of which loans collateralized by residential immovable properties	*634,663*	*20*	*634,663*	*100*	*29*	*20*
TOTAL GAR ASSETS	**841,983**	**27**	**713,885**	**85**	**33**	**23**
Non-NFRD undertakings, EU[4]	974,282	31				
Non-NFRD undertakings, non-EU[4]	291,785	9				
Derivatives, hedge accounting	237	0				
On demand inter-bank loans	4,556	0				
Cash and cash-related assets	2,585	0				
Other assets	56,925	2				
TOTAL ASSETS IN THE DENOMINATOR	1,330,370	42				
TOTAL COVERED ASSETS	**2,172,353**	**69**				
Central governments, central banks and supranationals	537,327	17				
Trading portfolio (incl Derivatives excl. hedge accounting)	440,448	14				
TOTAL ASSETS	**3,150,129**	**100**				

1) Both mandatory and voluntary Taxonomy disclosures are based on the scope of prudential consolidation as defined in the Regulation (EU) No 575/2013, Title II, Chapter 2, Section 2.
2) The assets are presented at gross carrying amount.
3) NFRD undertakings = companies whithin EU which are large (>500 employees) listed or public interest entities (PIE), required to publish Taxonomy-related information in their Sustainability reports according to the EU's Non-Financial Reporting Directive (NFRD).
4) Non-NFRD undertakings = undertakings outside EU or undertakings other than large (>500 employees) listed or public interest entities (PIE), which are not obliged to report according to NFRD. The row includes financial -, non-financial corporates and other company - and organisational forms, and households (other than mortgage loans).

The EU taxonomy is a classification system for identifying sustainable economic activities, establishing a list of environmentally sustainable economic activities defining when a company is operating sustainably or environmentally friendly. The classification system enables investors to identify and compare investment opportunities from a sustainability perspective, and thereby redirecting capital towards sustainable economic activities and projects.

A *Taxonomy-eligible* activity is an activity *covered* by the Taxonomy, which means that it is defined in the Taxonomy *technical screening criteria* and thereby have the potential of significantly contributing to an environmental objective and not causing significant harm.

For an economic activity to be *Taxonomy-aligned*, that is being environmentally sustainable according to the Taxonomy, it needs to *substantially contribute* to at least one of the six environmental objectives, and at the same time not cause significant harm to any of the other environmental objectives, and also fulfil specific minimal social safeguards.

For credit institutions (banks) the EU Taxonomy regulation requires reporting of to what extent the bank's assets and services relate to sustainable economic activities. The main key performance indicator for a bank, is the green asset ratio (GAR), which shows the proportion of the credit institutions' assets invested in/financing Taxonomy-aligned economic activities as a share of total covered assets. The green asset ratio is supplemented by other KPIs providing information on the taxonomy-alignment of services other than lending and investing.

In the 2022 *mandatory* Taxonomy report the presentation of taxonomy-eligible and taxonomy non-eligible assets is based only on taxonomy data reported by customers and counterparties. Reported turnover-based taxonomy-eligibility have been used for calculating taxonomy-eligibility for SEB exposure per counterparty. See SEB's mandatory Taxonomy report on p. 53.

In the *voluntary* Taxonomy report the presentation of taxonomy-eligible and taxonomy-non-eligible assets is based on both *reported* taxonomy data from customers and counterparties and, where not available, *estimated* data based on NACE codes and the Taxonomy Compass, in relevant cases supplemented by SEB customer activity knowledge. Companies that are subject to the EU's Non-Financial Reporting Directive (NFRD) have to report in accordance with the Taxonomy. Information on NFRD-/non-NFRD-categorisation as well as the taxonomy-data reported by customers and counterparties, have been obtained by external data providers, where available. When not available from external data provider, NFRD/non-NFRD categorisation has been based on internal data.

Household mortgage loans are classified as taxonomy-eligible, due to the underlying real estate collateral, regardless of geographical location (EU/non-EU). Car loans, granted from the date of application of the Taxonomy disclosure requirements (1 January 2022) have not yet been considered for classification by SEB.

Information on EU/non-EU and counterparty category (for example Financial corporations, Non-financial corporations, Households, Local/Central governments, Central banks etc) is based on customer category data maintained in internal business systems.

Reporting in accordance with the Taxonomy Complementary Delegated act on Nuclear and Gas will be performed for the financial year 2023, based on information reported by such entities.

Sustainability notes

Financial strength and resilience

Direct economic value generated and distributed by SEB[1]	2022	2021	2020
Gross income (SEKm)	93,359	66,505	67,022
Interest expense (SEKm)	22,707	6,904	12,435
Fee and commission expense (SEKm)	6,064	4,987	4,870
Staff costs (SEKm)	15,980	15,372	14,976
Employee salary and other compensation	*11,461*	*10,546*	*10,231*
Employee pension costs, benefits, education and other staff related costs	*1,756*	*1,978*	*2,233*
Employee social charges	*2,763*	*2,848*	*2,512*
Other expenses (SEKm)	6,986	5,763	5,864
Regulatory fees including resolution and deposit guarantee fees (SEKm)	2,709	1,364	1,248
Income tax expense (SEKm)	6,861	5,441	4,100
Net profit (SEKm)	26,989	25,423	15,746
Dividends, to shareholders (SEKm)[2]	14,706	13,165	17,740
This year's profit that is reinvested into the bank (SEKm)	12,283	12,258	–1,994
Financial assistance received from government (SEKm)	-	-	-
Economic contribution to community investments (SEKm)	48.2	42.4	42.9

1) Direct economic value generated and distributed is presented in accordance with the outline in SEB's annual report.
2) The proposed dividend for a financial year is paid out to shareholders the following year (dependent on AGM resolution). Dividend is not distributed for shares in own holding as per record date. Final dividend payment is taken into account in the table the following year (restating previous year dividend/reinvested amount).

Sustainable financing and advisory services

Sustainable financing	2022	2021	2020
Sustainable financing (SEKbn)[1]	54.7	31.9	24.7
of which, in line with Green Bond Framework (SEKbn)[2]	*46.6*	*23.3*	*20.8*
Green mortgages (SEKbn)	12.0	7.9	4.0
Sustainability linked loans, incl contingent liabilities (SEKbn)	131.0	73.1	27.3

Sustainable bonds – advisory services	2022	2021	2020
Aggregated			
Sustainable bonds issued globally since inception (EURbn)	2,471.8	1,817.8	1,090.3
Sustainable bonds underwritten by SEB since inception, share (%)	1.9	2.1	3.0
Current year			
Sustainable bonds issued globally (EUR bn)[3]	654.0	727.6	431.5
Sustainable bonds underwritten by SEB (EURbn)	7.2	5.7	5.7
Sustainable bonds underwritten by SEB, global share (%)	1.1	0.8	1.3
Sustainable bonds underwritten by SEB, Nordic share (%)[4]	22.0	17.6	23.5

Equator Principles	2022	2021	2020
Project finance transactions			
of which, Category A transactions approved (number)	0	0	0
of which, Category B transactions approved (number)	3	4	3
of which, Category C transactions approved (number)	1	4	1
Project related corporate loans			
of which, Category A transactions approved (number)	0	0	1
of which, Category B transactions approved (number)	0	0	0
of which, Category C transactions approved (number)	0	0	0

1) Sustainable financing includes special purpose sustainable loans and leasings. 2021 year end figure has been restated.
2) Sustainable financing in line with SEB's Green Bond Framework 2022 (2016).
3) Sustainable bonds, excluding self-led, include green, social and sustainable bonds. The source is Bloomberg, Sustainable Bond League table.
4) SEB' share of global transactions, all currencies, by Nordic banks.

Sustainable investments

Assets under management	2022	2021	2020
Assets under management, AuM, SEB total (SEK bn)	2,123	2,682	2,106
Assets under management, AuM, managed by SEB's fund company (SEK bn)	684	831	672

Principles for Responsible Investments (PRI)	2022	2021	2020
SEB's fund company's AuM, evaluated according to PRI, share of SEB total AuM (%)	32	31	32
SEB Fund company AuM evaluated according to PRI, share of SEB Fund company total AuM(%)	100	100	100
SEB's external fund managers that have signed the PRI, share (%)	100	100	100

Carbon emission (CO_2) measurements	2022	2021	2020
SEB's fund company's equity funds where carbon emissions are measured and have an official benchmark (%)	87	93	95

Sustainability approach[1]	2022	2021	2020
SEB's Fund company's AuM assessed with sustainability criteria (SEK bn)	-	-	304
SEB's Fund company's AuM, Articles 8 and 9 under SFDR (SEK bn)[2]	616	678	-
SEB's Fund company's AuM assessed with sustainability criteria, as share of SEB's fund company's total AuM (%)	-	-	45
SEB's Fund company's AuM, Articles 8 and 9 under SFDR, as share of SEB's fund company's total AuM (%)[2]	90.2	81.6	-
SEB's AuM assessed with sustainability criteria, as share of SEB's total AuM (%)	-	-	14
SEB's AuM, Articles 8 and 9, as share of SEB's total AuM (%)[2]	29.0	27.2	-

Human rights assessment	2022	2021	2020
SEB Fund company AuM assessed with human rights criteria, as share of SEB Fund company total AuM (%)	100	100	100
SEB funds assessed with human rights criteria, as share of SEB's total AuM (%)	32	31	32

Influence and engagement[3]	2022	2021	2020
Total engagement dialogues with portfolio companies (number)	2,694	3,200	2,089
Share of engagement dialogues with Nordic portfolio companies (%)	5	9	3
Share of of engagement dialogues in collaboration with external parties (%)	98	91	97
Companies excluded from the investment portfolio in accordance with SEB's ethical investment guidelines (number)	3,791	3,780	1,540
Participation in nomination committees (number)	40	35	33

Engagement themes[3,4]	2022	2021	2020
Human rights (number)	619	20	20
Governance (Number of issues)	1,053	-	-
Environment (Number of issues / Number of companies engaged in)	682	167	160
Strategy & Risk (Number of issues)	340	-	-
Palm oil (Number of issues)	-	-	25

SEB impact and thematic funds

Total value	2022	2021	2020
SEB impact and thematic funds, total (SEKbn)	20.9	12.9	12.2

Microfinance funds, incl. SEB Impact Opportunity Fund[5)]	2022	2021	2020
Assets under Management (SEKbn)	9.0	7.0	8.1
Assets under Management (USDm)	865	781	965
Number of microfinance funds	7	7	7
Number of countries	56	55	60
Number of customers reached via microfinance institutions (MFI's)	20,419,650	19,897,967	22,269,236

Other impact and thematic funds	2022	2021	2020
Green Bond Fund (SEKbn)	1.9	2.5	2.0
SEB Climate Opportunity Fund (SEKbn)	2.7	-	-
SEB Equal Opportunity Fund (SEKbn)	0.8	-	-
SEB Active Owners Impact Fund (SEKbn)	0.7	-	-
SEB Nordic Future Opportunity Fund (SEKbn)	2.7	-	-
SEB Climate Focus High Yield Fund (SEKbn)	0.2	-	-
Lyxor SEB Impact Fund (SEKbn)	2.9	3.4	2.1

1) Read more about SEB sustainable investments on sebgroup.com
2) AuM defined as Article 8 or 9 under SFDR, Sustainable Finance Disclosure Regulation (from 10 March 2021).
3) Information relates to SEB Fund Company (SEB IM AB).
4) From 2022 the number of proactive engagements refers to engagement dialogues performed by in-house staff and partners (EOS-Federated Hermes & ISS) and refers to the total number of issues raised with the companies. Several issues are often raised with one company. Previous years refers to the number of companies engaged in. Collaborative engagements, for example Climate Action 100+ and CDP, etc, is no longer included since no SEB staff are included in those dialogues.
5) All data concerning the microfinance funds includes also SEB Impact Opportunity Fund. The Impact Opportunity Fund invests mainly in microfinance institutions but has a broader mandate, for example. solar energy and education. Similar to the microfinance funds this fund invests in emerging and frontier markets.

Business ethics and conduct

Compliance, conduct and raised concerns

Compliance with laws and regulation	2022	2021	2020
Total number of significant instances of non-compliance with laws and regulations[1)]	0	-	-
Share of instances for which fines were incurred (%)	*0*	-	-
Share of instances for which non-monetary sanctions were incurred (%)	*0*	-	-
Total number of instances of non-compliance that were paid during the reporting period	0	-	-
The monetary value of fines for instances of non-compliance that were paid during the reporting period	*0*	-	-

Critical concerns	2022	2021	2020
Number of critical concerns[2)]	17	13	-

Whistleblowing	2022	2021	2020
Number of whistleblowing cases[3)]	32	31	31

Crime prevention

Reported suspicious activities	2022	2021	2020
Number of suspicious orders and transactions reported to Finansinspektionen (Market Abuse)	8	13	9
Share of Market Abuse reports consisting of manual tips from employees or external sources (%)	*13*	*0*	*3*
Share of Market Abuse reports pertaining to insider dealing (%)	*63*	*38*	*8*
Number of suspicious AML activity reports reported to Finanspolisen in Sweden[4)]	3,155	2,225	1,810
Share of AML reports consisting of manual tips from employees or external sources (%)	*76*	*65*	*68*

Customer privacy	2022	2021	2020
Substantiated complaints concerning breaches of customer privacy and losses of customer data[5)]	13	30	56

Competence and awareness

Employees who have completed mandatory training (sorted by employee category)[6)]	2022	2021	2020
All employees			
Anti-money laundering and combating financing of terrorism – AML/CFT (%)	*93.5*	*95.1*	*93.2*
Fraud prevention (%)	*95.6*	*97.3*	*86.9*
Cyber security (%)	*93.6*	*94.5*	*88.0*
Code of Conduct (%)	*95.4*	*97.0*	*87.0*
General Data Protection Regulation/GDPR (%)	*93.8*	*94.2*	*70.5*
Sustainability training on climate change (%)	*95.8*	*95.5*	*59.6*
Sexual harassment – bystander intervention strategies (%)	*95.6*	*93.0*	-
Group Executive Committee			
Anti-money laundering and combating financing of terrorism – AML/CFT (%)	*94.7*	*90.5*	*78.6*
Fraud prevention (%)	*84.2*	*85.7*	*50.0*
Cyber security (%)	*89.5*	*76.2*	*64.3*
Code of Conduct (%)	*89.5*	*85.7*	*50.0*
General Data Protection Regulation/GDPR (%)	*89.5*	*85.7*	*35.7*
Sustainability training on climate change (%)	*89.5*	*76.2*	*35.7*
Sexual harassment – bystander intervention strategies (%)	*89.5*	*71.4*	-
All managers			
Anti-money laundering and combating financing of terrorism – AML/CFT (%)	*95.7*	*94.6*	*98.4*
Fraud prevention (%)	*98,0*	*98.0*	*90.6*
Cyber security (%)	*96.1*	*95.2*	*93.3*
Code of Conduct (%)	*97.7*	*97.5*	*90.0*
General Data Protection Regulation/GDPR (%)	*96.1*	*94.3*	*74.5*
Sustainability training on climate change (%)	*98.1*	*95.9*	*63.8*
Sexual harassment – bystander intervention strategies (%)	*97.8*	*93.8*	-

Employees who have completed mandatory training (sorted by region)[6]	2022	2021	2020
Sweden			
Anti-money laundering and combating financing of terrorism – AML/CFT (%)	*92.7*	*93.0*	*91.5*
Fraud prevention (%)	*95.2*	*96.0*	*84.7*
Cyber security (%)	*92.9*	*92.2*	*85.7*
Code of Conduct (%)	*94.9*	*95.5*	*84.8*
General Data Protection Regulation/GDPR (%)	*93.1*	*92.4*	*67.2*
Sustainability training on climate change (%)	*95.1*	*93.3*	*57.1*
Sexual harassment – bystander intervention strategies (%)	*95.0*	*89.9*	-
Other Nordic countries			
Anti-money laundering and combating financing of terrorism – AML/CFT (%)	*93.4*	*95.4*	*95.0*
Fraud prevention (%)	*94.3*	*97.9*	*86.9*
Cyber security (%)	*92.5*	*95.7*	*89.8*
Code of Conduct (%)	*93.9*	*98.1*	*88.1*
General Data Protection Regulation/GDPR (%)	*93.1*	*94.5*	*74.3*
Sustainability training on climate change (%)	*94.8*	*97.2*	*63.6*
Sexual harassment – bystander intervention strategies (%)	*94.4*	*95.7*	-
Baltic countries			
Anti-money laundering and combating financing of terrorism – AML/CFT (%)	*96.5*	*97.9*	*97.0*
Fraud prevention (%)	*97.6*	*99.1*	*91.6*
Cyber security (%)	*96.5*	*97.6*	*92.2*
Code of Conduct (%)	*97.6*	*99.0*	*91.3*
General Data Protection Regulation/GDPR (%)	*96.6*	*96.9*	*75.1*
Sustainability training on climate change (%)	*98.1*	*98.5*	*62.8*
Sexual harassment – bystander intervention strategies (%)	*97.8*	*97.0*	-
Rest of the world			
Anti-money laundering and combating financing of terrorism – AML/CFT (%)	*84.9*	*96.3*	*88.2*
Fraud prevention (%)	*89.3*	*97.5*	*82.3*
Cyber security (%)	*85.2*	*95.9*	*85.5*
Code of Conduct (%)	*89.5*	*97.3*	*83.3*
General Data Protection Regulation/GDPR (%)	*85.3*	*95.0*	*71.7*
Sustainability training on climate change (%)	*90.0*	*95.7*	*62.1*
Sexual harassment – bystander intervention strategies (%)	*90.1*	*94.4*	-

1) Significant instances of non-compliance with laws and regulations: When determining what constitutes significant instances of non-compliance with external rules and regulations, two alternative factors has been taken into consideration.
The first refers to the nature of the intervention by the supervisory authority where non-compliance with external rules and regulations that leads to a revocation of license, warning, or remark in accordance with procedures stated in Swedish Acts, against an authorized company or branch within SEB Group, constitute significant instances of non-compliance. For interventions in foreign jurisdictions the Swedish procedures shall serve as guidance for the determination.
The second concerns instances of non-compliance with rules and regulations that result in a fine against a SEB Group Company in excess of 20 MSEK (or its counter-value) or a fine below the threshold of 20 MSEK that is of principle nature, could negatively affect the SEB Group brand, or that otherwise is of material importance.
2) Critical Concerns are reported to the highest governance bodies (to the President and CEO, to the relevant President and CEO Committee, to the relevant Board Committee and to the Board of Directors), and are defined as events, incidents or severe identified weaknesses that requires management's immediate attention. A critical concern might lead to significant financial loss, significant customer or reputational impact and/or require notification to the FSA. The GRI requirements to disclose number of critical concerns, that occurred during the year, came into effect in 2022.
3) The external whistleblowing function has been in use since January 2018. The reported complaints cover different areas, such as breach of the Code of Conduct, fraud, harassment and money laundering.
4) The number of filed SARs continues to increase. Manual alerts still form basis for the major part of reports in Sweden, partially related to the increased inflow of tips from Fraud Prevention. Data is for Sweden only.
5) No substantiated complaints from regulatory bodies or customers regarding breaches of customer privacy or losses of customer data. The total numbers of identified breaches in the whole group reported to the Supervising Authorities.
6) The trainings are mandatory to perform either every year or every three years for all of SEB employees, including consultants. Employees that were on leave of absence during the whole year have been excluded. Anti-corruption is included in the Code of Conduct training. Expiration of Anti-money laundering and combating financing of terrorism - AML/CFT training was changed from 3 years to 1 year in 2022.

Our people

Employee information

Number of employees[1)]	2022	2021	2020
Total (number)	17,714	16,749	16,520
Men (%)	*45.2*	*44.5*	*44.3*
Women (%)	*54.8*	*55.5*	*55.7*

Employees by age group[2)]	2022	2021	2020
Total employees			
<30 years (%)	*19.3*	*15.8*	*13.9*
30–50 years (%)	*56.6*	*58.1*	*58.3*
>50 years (%)	*24.1*	*26.1*	*27.8*
All managers			
<30 years (%)	*2.1*	*2.1*	*1.9*
30–50 years (%)	*69.6*	*68.8*	*68.1*
>50 years (%)	*28.3*	*29.1*	*30.0*

Gender by management type (men/women)	2022	2021	2020
Board of Directors (%)[3)]	64/36	56/44	56/44
Board of Directors, incl employee-appointed members (%)[4)]	47/53	46/54	46/54
Group Executive Committee (%)[5)]	71/29	67/33	64/36
Top Senior Management (%)[6)]	58/42	56/44	56/44
All managers (%)[2)]	52/48	52/48	52/48

Employees by region and employment contract/type	2022	2021	2020
Total Employees			
Permanent (%)[2)]	*96*	*97*	*96*
Temporary (%)[2)]	*4*	*3*	*4*
Full-time (%)[1)]	*96*	*95*	*95*
Part-time (%)[1)]	*4*	*5*	*5*
Sweden			
Permanent (%)[2)]	*96.3*	*96.1*	*95.6*
Temporary (%)[2)]	*3.7*	*3.9*	*4.4*
Full-time (%)[1)]	*94*	*93*	*92*
Part-time (%)[1)]	*6*	*7*	*8*
Nordic countries, excl Sweden			
Permanent (%)[2)]	*97.8*	*98.2*	*98.0*
Temporary (%)[2)]	*2.2*	*1.8*	*2.0*
Full-time (%)[1)]	*94*	*93*	*93*
Part-time (%)[1)]	*6*	*7*	*7*
Estonia			
Permanent (%)[2)]	*97.9*	*98.5*	*98.6*
Temporary (%)[2)]	*2.1*	*1.5*	*1.4*
Full-time (%)[1)]	*94*	*94*	*94*
Part-time (%)[1)]	*6*	*6*	*6*
Latvia			
Permanent (%)[2)]	*93.8*	*94.6*	*95.6*
Temporary (%)[2)]	*6.2*	*5.4*	*4.4*
Full-time (%)[1)]	*98*	*98*	*98*
Part-time (%)[1)]	*2*	*2*	*2*
Lithuania			
Permanent (%)[2)]	*98.2*	*99.1*	*99.2*
Temporary (%)[2)]	*1.8*	*0.9*	*0.8*
Full-time (%)[1)]	*98*	*98*	*99*
Part-time (%)[1)]	*2*	*2*	*1*
Other world			
Permanent (%)[2)]	*93.7*	*93.6*	*92.7*
Temporary (%)[2)]	*6.3*	*6.4*	*7.3*
Full-time (%)[1)]	*92*	*91*	*90*
Part-time (%)[1)]	*8*	*9*	*10*

Employees by gender (men/women)and employment contract/type	2022	2021	2020
Total Employees			
Permanent (%)[2)]	*45/55*	*44/56*	*44/56*
Temporary (%)[2)]	*48/52*	*49/51*	*50/50*
Full-time (%)[1)]	*46/54*	*45/55*	*45/55*
Part-time (%)[1)]	*24/76*	*25/75*	*24/76*
Sweden			
Permanent (%)[2)]	*52/48*	*51/49*	*51/49*
Temporary (%)[2)]	*50/50*	*51/49*	*51/49*
Full-time (%)[1)]	*53/47*	*53/47*	*52/48*
Part-time (%)[1)]	*33/67*	*33/67*	*32/68*
Nordic countries, excl Sweden			
Permanent (%)[2)]	*60/40*	*59/41*	*60/40*
Temporary (%)[2)]	*36/64*	*33/67*	*35/65*
Full-time (%)[1)]	*61/39*	*61/39*	*62/38*
Part-time (%)[1)]	*25/75*	*34/66*	*31/69*
Estonia			
Permanent (%)[2)]	*26/74*	*27/73*	*26/74*
Temporary (%)[2)]	*48/52*	*65/35*	*50/50*
Full-time (%)[1)]	*27/73*	*27/73*	*27/73*
Part-time (%)[1)]	*22/78*	*23/77*	*14/86*
Latvia			
Permanent (%)[2)]	*32/68*	*30/70*	*29/71*
Temporary (%)[2)]	*41/59*	*41/59*	*37/63*
Full-time (%)[1)]	*33/67*	*31/69*	*30/70*
Part-time (%)[1)]	*18/82*	*21/79*	*16/84*
Lithuania			
Permanent (%)[2)]	*36/64*	*34/66*	*35/65*
Temporary (%)[2)]	*45/55*	*25/75*	*41/59*
Full-time (%)[1)]	*36/64*	*34/66*	*35/65*
Part-time (%)[1)]	*29/71*	*18/82*	*19/81*
Other world			
Permanent (%)[2)]	*51/49*	*51/49*	*51/49*
Temporary (%)[2)]	*65/35*	*62/38*	*64/36*
Full-time (%)[1)]	*54/46*	*55/45*	*56/44*
Part-time (%)[1)]	*20/80*	*20/80*	*18/82*

Parental leave (Sweden)[2)]	2022	2021	2020
Total (days)	80,600	82,400	79,900
Men (%)	*37*	*33*	*31*
Women (%)	*63*	*67*	*69*

New employee hires[2)]	2022	2021	2020
Total (number)	3,292	2,338	1,921
Men (%)	*49*	*49*	*49.0*
Women (%)	*51*	*51*	*51.0*
By age group (% of total number of employees)			
<30 years (%)	*51*	*50*	*52*
30–39 years (%)	*31*	*33*	*31*
40–49 years (%)	*12*	*12*	*11*
50> years (%)	*6*	*4*	*6*
By region			
Sweden (%)	*52*	*41*	*49*
Estonia (%)	*4*	*5*	*5*
Latvia (%)	*15*	*17*	*16*
Lithuania (%)	*21*	*26*	*22*
Nordic countries, excl. Sweden (%)	*3*	*3*	*2*
Other world (%)	*5*	*8*	*5*

Supplementary sustainability information

Employee turnover[2]	2022	2021	2020
Total (%)	12.6	11.0	8.6
Men (%)	13.4	11.9	8.3
Women (%)	12.0	10.3	9.0
Voluntary turnover (%)[7]	10.8	9.9	7.1
By age group (% of total number of employees)			
<30 years (%)	*20*	*19*	*14*
30–39 years (%)	*14*	*13*	*9*
40–49 years (%)	*10*	*8*	*6*
50> years (%)	*10*	*7*	*9*
By country-region			
Sweden (%)	*11.0*	*8.6*	*6.0*
Estonia (%)	*8.2*	*8.7*	*8.1*
Latvia (%)	*14.3*	*12.2*	*11.4*
Lithuania (%)	*16.3*	*17.6*	*13.0*
Nordic countries, excl. Sweden (%)	*12.6*	*9.7*	*9.1*
Other world (%)	*16.7*	*14.0*	*0.1*

Information on non-employees[8]	2022	2021	2020
Total (number)	504	-	-
IT consultants	*236*	-	-
Business consultants	*69*	-	-
Other	*199*	-	-

Labour management

	2022	2021	2020
Percentage of total employees covered by collective bargaining agreements (%)[9]	75	75	59

Health and workplace

Absence	2022	2021	2020
Absentee rate, share of ordinary working hours Sweden (%)[10]	3.36	3.2	3.8
Sick-leave rate, share of ordinary working hours Sweden (%)	2.99	2.7	3.3
Men (%)	*1.88*	*1.7*	*2.1*
Women (%)	*4.18*	*3.8*	*4.5*

Health and work environment	2022	2021	2020
Share of documented annual work environment reviews (%)[11]	78	81	71
Share of employees covered by Health & Safety management system or similar (%)	100	100	100
Share of employees represented in formal Health and safety committees (%)[12]	100	100	100

Learning and engagement

Learning and development	2022	2021	2020
Average hours of training[13]			
Per employee (Hours)	*29*	*23*	*15*
Men/Women (Hours)	*25/32*	*20/24*	*13/16*
All Managers (Hours)	*31*	*23*	*14*
Money invested in Learning and Development per employee (SEK)[13]	21,793	16,670	11,825
Employees participating in leadership/talent development programmes (Number)[13,14]	1,669	1,493	1,444
By application Men/Women (Number)	*703/966*	*533/842*	*571/781*
By nomination Men/Women (Number)	*44/45*	*61/56*	*43/49*

Global Talent Review	2022	2021	2020
Total (Number)[13,15]	2,009	1,942	1,639
Men (%)	*54*	*57*	*56*
Women (%)	*46*	*43*	*44*

Engagement[16]	2022	2021	2020
Employee survey, Glint			
Employee participation rate in employee survey (%)	*91*	*90*	*91*
How happy are you working at SEB (%)	*80*	*79*	*80*
I would recommend SEB as a great place to work (%)	*79*	*79*	*80*
SEB's commitment to sustainability is genuine (%)	*79*	*78*	*79*
I have good opportunities to learn and grow at SEB (%)	*79*	*78*	*78*
Regardless of background everyone at SEB has equal opportunity to succeed (%)	*76*	*75*	*75*
People at SEB live the company values (%)	*75*	*75*	*74*

Compensation and benefits

	2022	2021	2020
Annual compensation ratio[17]	25	22	20
Percentage increase ratio[18]	3	7	-

1) Employees defined as number of people employed including both permanent and temporary employees. Historical data has been updated accordingly for 2020 and 2021. Not to be compared with employees in note 8e.
2) Employees defined as number of people employed excluding temporary employees. Historical data has been updated accordingly for 2020 and 2021.
3) Deputy directors and directors appointed by the employees are not included. See p. 94-97 for full overview of the Board.
4) Including deputy directors and directors appointed by the employees. See p. 94-97 for full overview of the Board.
5) Group Executive Committee as per 2022-12-31. Additional members are not included.
6) Top Senior Management are GEC and GEC-1.
7) Total number of employees leaving SEB in relation to the average number of employees during the year (excluding employees leaving due to sold operations, retirements and redundancies).
8) Non-employees defined as consultants mainly hired through a contractor, with access to SEB premises, calculated as a head count with an active contract during the reporting period with start date as from the first day of the reporting period. First reporting of this data in 2022, therefor no data for previous years.
9) Increase in 2021 as Lithuania signed collective agreement.
10) Absentee rate includes employee sick leave and employees taking care of sick children.
11) Only Sweden. In addition, all legal entities within EU must conduct continuous risk assessments.
12) 100 per cent within the European Union. SEB follow local laws and regulations in all countries where we are present.
13) Consultants and other temporary workforce employed on contractual basis have not been included.
14) Programmes with application: Lead with Impact, SEB Trainees, Tech, Leading Everyday Innovation, Coaching for Leaders, Business Translator, IMD, Leading Digital Acceleration, Change Management for Leaders, Develop your team – Making it last, Storytelling, Virtual facilitation, AI for Business Leaders, Leadership Foundation, Starting a new team – Get to know each other, Starting a new team – Start working together. Programmes with nomination: Wallenberg Institute, Internal Business Seminar, Art of Transformation, Advanced Specialist Programme.
15) A global talent review is performed annually within SEB.
16) GLINT engagement employee survey is performed on a yearly basis.
17) Total annual remuneration for SEB's highest paid individual compared to the average annual remuneration per FTE excl. the highest paid individual. See p. 109 in the remuneration report. Preparation for the ESRS requirements is on-going.
18) The increase in total annual remuneration of SEB's highest paid individual compared to the increase of the average annual remuneration per FTE, excl. the highest paid individual. Se p. 109 in the remuneration report. Preparation for the ESRS requirements is on-going.

Community engagement and sponsorship

Economic contributions to community engagement and sponsorship	2022	2021	2020
Total (SEK m)	48.2	42.4	42.9
By focus area[1]			
Entrepreneurship (SEK m)	*16.1*	*13.5*	*12.7*
Inclusion & Diversity (SEK m)	*8.9*	*7.3*	*5.8*
Equality, incl. Financial literacy (SEK m)	*8.5*	*10.3*	*10.4*
Environment, incl. Climate change (SEK m)	*5.6*	*3.5*	*1.4*
Sports and culture (SEK m)	*7.0*	*7.1*	*10.3*
Other community investments SEK m)	*2.1*	*0.6*	*2.3*
Number of people coached in entrepreneurship (number)[2]	55,677	44,666	31,274
Number of people trained in Inclusion & Diversity, and/or Equality (number)[2]	16,611	20,944	5,114
Number of people engaged in environmental activity (number)[2]	39,620	21,345	7,132
By country			
Sweden (SEK m)	*33.5*	*32.1*	*33.3*
Estonia (SEK m)	*3.0*	*2.9*	*3.2*
Latvia (SEK m)	*3.2*	*2.4*	*1.7*
Lithuania (SEK m)	*4.5*	*3.2*	*3.2*
Denmark (SEK m)	*0.0*	*0.0*	*0.0*
Norway (SEK m)	*2.6*	*0.6*	*0.4*
Finland (SEK m)	*0.6*	*0.9*	*0.7*
Other sites (SEK m)	*0.7*	*0.3*	*0.4*
By type of engagement			
Employee volunteering (hours)[2,3]	*30,767*	*19,932*	*22,289*

1) In 2020 a new strategy and new focus areas were initiated and implemented.
2) In 2020 and 2021, due to the Corona pandemic, some planned activities were cancelled, while the digital activities and meetings made it possible to reach a higher number of participants. In 2022, a return to normal activity level and the possibility of both physical and digital meetings, has meant increased number of participants and employee volunteer hours.
3) Employee volunteer hours consist of total employee hours reported on each engagement.

Innovation and entrepreneurship

Startups	2022	2021	2020
Number of greentech investments[1)]	6	4	0
Number of venture debt investments[2)]	4	4	1
Number of fintech investments[3)]	15	13	12
Number of ScaleCenter participants[4)]	10	4	3
Number of startups[5)]	15,002	18,778	17,399

Greenhouse concept[6)]	2022	2021	2020
Number of clients participating in Scaleup summit (event)[7)]	-	1 875	718
Number of clients participating in SEB Talks (replace Scaleup club)[8)]	1 502	900	5 000
Innovation forum[9)]	677		
Partner event/Activation[10)]	170		
Business programs[11)]	-	32	23

1) Innovative technologies and/or companies primarily dedicated to; 1) reducing GHG (greenhouse gas) emissions, and/or 2) enabling a sustainable economy within the Planetary Boundaries (as defined by Stockholm Resilience Center).
2) SEB Venture Debt is debt investments in start-up / scale-up companies in SEB home markets.
3) The purpose of the investment mandate is to make investments in companies within the financial technology sector and other related sectors to the financial industry.
4) SEB ScaleCenter is a pro-bono incubator for sustainable growth companies in key Norwegian industries such as energy and oceans.
5) Startup is defined as a company that has no previous organizational number or activity registered, but is classified as a payment customer.
6) The Greenhouse concept is a solution for growing companies. SEB provide services and carefully selected partners to help develop the business.
7) Scaleup summit is on hold 2022 due to an overall review of the greenhouse concept.
8) SEB Talks replace Scaleup club from 2022.
9) See definition in "Sustainable entrepreneurship" on p. 31.
10) Event organised for corporate clients going through different stages of business growth.
11) Business programs are under review 2022, consist of Scaleup lab, Scaleup Academy and Sustainability business program.

Environment

General indicators	2022	2021	2020
Net internal sq.m area of offices covered	357,898	347,352	335,564

Energy	2022	2021	2020
Total energy consumption in buildings (MWh)[1)]	64,469	71,771	64,705
Electricity total (MWh)	*43,494*	*42,904*	*43,481*
Heating/cooling (MWh)[1)]	*20,975*	*28,868*	*21,225*
Change in total electricity consumption compared to previous year (MWh)	590	– 577	−4,128
Data centres, share of electricity consumption (%)	33	34	37
Change in total electricity consumption compared to previous year (%)	1	– 1	−9
Renewable electricity of total electricity consumption (%)	95	91	91
Total energy consumption (MWh/ m²)	0.18	0.21	0.19
Total energy consumption (MWh/employee)[2)]	3.8	4.4	4.0

Emissions[3)]	2022	2021	2020
Total carbon emissions (tonnes CO2e)[1,4,5,6)]	11,098	9,492	10,026
Scope 1 (tonnes CO2e)[6)]	*340*	*6*	*6*
Scope 2 (tonnes CO2e)[1,6)]	*1,220*	*3,467*	*2,674*
Scope 3 (tonnes CO2e)[1,6)]	*9,539*	*6,020*	*7,346*
of which, carbon emissions from energy consumption in buildings (tonnes)[5)]	*1,599*	*2,836*	*2,525*
of which, carbon emissions from business travel (tonnes)	*6,043*	*1,050*	*2,471*
of which, carbon emissions from paper consumption (tonnes)	*790*	*882*	*1,160*
of which, carbon emissions from company cars (tonnes)	*786*	*907*	*978*
of which, carbon emissions from waste (tonnes)[6)]	*321*	*344*	*212*
Total carbon emissions (tonnes/employee)[2)]	0.65	0.58	0.63

Effluents and waste	2022	2021	2020
Paper			
Total paper consumption (tonnes)	539	602	792
Environmentally labelled paper consumption (%)	*79*	*80*	*61*
Waste			
Waste generation (tonnes)	1,105	806	1,160
Waste reused or recycled (%)	*63*	*57*	*64*
Waste generation after reuse or recycling (tonnes/employee)	0.024	0.021	0.026
Water			
Total water consumption in buildings (m^3)	93,553	89,307	127,202
Total water consumption (m^3/employee)	5.52	5.46	7.95

Business travel & company car fleet	2022	2021	2020
Total business travel (million km)	25.8	6.6	14.8
Total business travel (km/employee)	1,520	405	923
Total air travel (million km)	22.9	5.7	13.2
Train travel Sweden (million km)	2.9	1.0	1.6
Environmentally certified company cars, share of company car fleet (%)[8)]		-	62
Environmentally certified company cars, share of company car fleet (%)[9)]	60	43	-

1) The reported values for 2021 have been updated to reflect new information known past the reporting period
2) Reference to note 8e "Number of employees".
3) SEB reports according to Greenhouse Gas Protocol. SEB has chosen to report according to GHG Protocol's financial control approach. Whether SEB own, have financial leased or operational leased facilities and vehicles impact whether emissions are disclosed in Scope 1, Scope 2 or Scope 3.
The emissions that are covered are energy consumption in facilities, business travel (air travel, train travel, car travel), paper consumption and waste. Well established emission factors are used for the emission calculations, with sources as IEA, IVL, AIB, Swedish EPA and Swedish Energy Agency. SEB has chosen to report according to GHG Protocol's market-based approach. If location-based approach would be used the emissions in scope 2 would be 6,396 tonnes CO_2e instead of 1,220 tonnes CO_2e.
4) SEB has acquired emission rights to offset the 2021 emissions, the offset has not reduced the above calculated emissions. Below are the offsets for 2021:
EU ETS - 7,345 tonnes CO_2e
SAF- 195 tonnes CO_2e
Puro - 500 tonnes CO_2e
Guarantees of Origin - 1,608 tonnes CO_2e
The total offset amounts to 9,648 tonnes CO2e, covering the calculated emissions of 9,492 tonnes CO2e during 2021.
5) Total carbon emissions include SEB's own emissions, which is different from the GHG protocol's definition of direct emissions that only consist of scope 1 and scope 2. The financed emissions (GHG protocol category 15 Investments) are reported on p. 62 in the sustainability report.
6) The reported values for 2020 and 2021 have been updated as i) Estonia applied financial lease instead of operational lease method, and ii) SEB updated emission factors for natural gas consumption in the Baltic countries. The energy emission factors for 2022 have been reviewed and updated where applicable.
7) CO_2 emissions from waste added for year 2020.
8) Old definition, defined as cars that emit less than 130 g CO_2e/km.
9) New definition, defined as cars that emit less than 50 g CO_2e/km.

Emission factors

Category	Source of emission	Source of data
Energy from properties	Natural gas	"Greenhouse gas reporting: conversion factors 2021" DEFRA
Energy from properties	Electricity Sweden	"Residualmix" Energimarknadsinspektionen
Energy from properties	Electricity Europe	"European Residual Mixes" AIB
Energy from properties	Electricity other countries	"CO_2 emmissions from fuel combustion 2017" IEA, Hong Kong, Kina och Singapore: "Carbon Footprint- Country specific electricity grid greenhouse gas emission factors" Carbon Footprint
Energy from properties	Electricity with source guarantee	"Electricity from Vattenfall's wind farms" EPD International AB "Electricity from Vattenfall's Nordic Hydropower" EPD International AB "Miljövärdering av fjärrvärme" Energiföretagen
Energy from properties	District heating Sweden	"Miljövärdering av fjärrvärme" Energiföretagen
Energy from properties	District heating Lithuania	Association of Central heating providers (2022 April)
Energy from properties	District heating Latvia	Ministry of Environmental Protection and Development (2021)
Energy from properties	District heating Estonia	Study made by TalTech university based on data from 2020
Energy from properties	District heating other countries	"International review of district heating and cooling" Werner (2017)
Business travel	Train & flight	"Beräkna miljöpåverkan" NTM
Business travel	Car	"Drivmedel 2020" Energimyndigheten "Värmevärden och emissionsfaktorer" Naturvårdsverket "European Residual Mixes" AIB
Purchase	Paper	"Klimatpåverkan och energianvändning från livsmedelsförpackningar" Livsmedelsverket
Waste	Recycle, reuse, combustion	"Greenhouse gas reporting: conversion factors 2021" (DEFRA)

Procurement

Suppliers	2022	2021	2020
Number of suppliers	8,888	8,313	8,915
Total spent on procurement (SEK bn)	11,3	10.1	10.4
Total number of suppliers screened and rated by EcoVadis (since 2014)	247	232	226
Number of suppliers screened and rated by EcoVadis, current year	15	6	2

Rating of suppliers screened by EcoVadis[1)]	2022	2021	2020
Outstanding rating 85–100p (%)	1	0	0
Advanced rating 65–85p (%)	20	19	15
Confirmed rating 45–64p (%)	57	57	60
Partial rating 25–44p (%)	23	24	25
No rating 0–24p (%)	0	0	0

1) To identify the sustainability risks among our suppliers, SEB performs, when applicable, an initial assessment of suppliers using a risk model that takes country, industry sector and business criticality into account. The suppliers that are identified in the initial risk assessment as having an increased risk level will also go through EcoVadis' screening. These suppliers cover around 43 per cent of total supplier costs. The EcoVadis assessment focuses on four themes: Environment, Labor Practices & Human Rights, Fair Business Practices and Sustainable Procurement. The issues assessed and their relative weight vary based on the company's activities, size, and geographic location.

Country-by-country reporting – companies by country

Companies[1] within SEB Group, by country[2]

Sweden
- *Aktiv Placering AB*
- *Enskilda Kapitalförvaltning SEB AB*
- *Försäkrings AB Suecia*
- *Försäkringsaktiebolaget Skandinaviska Enskilda Captive*
- *IFA DBB AB*
- *Onyx Leasing AB*
- *Parkeringshuset Lasarettet HGB KB*
- *Repono Consulting AB*
- *Repono Holding AB*
- *SEB Förvaltnings AB*
- *SEB Internal Supplier AB*
- *SEB Investment Management AB*
- *SEB Kort Bank AB*
- *SEB Life and Pension Holding AB*
- *SEB Pension och Försäkring AB*
- *SEB Portföljförvaltnings AB*
- *SEB Strategic Investments AB*
- *Skandinaviska Enskilda Banken AB (publ)*
- *Skandinaviska Kreditaktiebolaget*
- *Suecia Insurance Management AB*

Norway
- *Skandinaviska Enskilda Banken AB (publ), branch in Norway (P.E.)*
- *SEB Kort Bank AB, branch in Norway (P.E.)*
- *SEB Njord AS*

Denmark
- *Skandinaviska Enskilda Banken AB (publ), branch in Denmark (P.E.)*
- *SEB Kort Bank AB, branch in Denmark (P.E.)*
- *SEB Investment Management AB, branch in Denmark (P.E.)*

Finland
- *Skandinaviska Enskilda Banken AB (publ), branch in Finland (P.E.)*
- *SEB Investment Management AB, branch in Finland (P.E.)*
- *SEB Kort Bank AB, branch in Finland (P.E.)*
- *SEB Leasing Oy*
- *SEB Life International Assurance Company Designated Activity Company, branch in Finland (P.E.)*

Estonia
- *AS SEB Pank*
- *AS SEB Liising*
- *AS SEB Varahaldus*
- *AS Rentacar*
- *SEB Life and Pension Baltic SE, branch in Estonia (P.E.)*

Latvia
- *Skandinaviska Enskilda Banken AB (publ), branch in Latvia (P.E.)*
- *SEB atklātais pensiju fonds, AS*
- *SEB banka, AS*
- *SEB Life and Pension Baltic SE*
- *SEB līzings, SIA*
- *IP AS SEB Investment Management*

Lithuania
- *AB SEB Bankas*
- *Skandinaviska Enskilda Banken AB (publ), branch in Lithuania (P.E.)*
- *SEB Life and Pension Baltic SE, branch in Lithuania (P.E.)*
- *UAB SEB investiciju valdymas*

Germany
- *Skandinaviska Enskilda Banken AB (publ), branch in Germany (P.E.)*
- *DSK Deutsch - Skandinavische Verwaltungs AG*
- *FVH Frankfurter Vermögens-Holding GmbH*
- *SEB Immowert Beteiligungs GmbH*
- *SEB Leasing GmbH*
- *SEB Stiftung GmbH*

United Kingdom
- *Skandinaviska Enskilda Banken AB (publ), branch in the United Kingdom (P.E.)*
- *SEB UK Pension Trustees Limited*
- *Skandinaviska Enskilda Limited*
- *Suecia Re & Marine Insurance Co Limited*
- *Enskilda Securities Limited*
- *Scandinavian Bank Limited*

USA
- *Skandinaviska Enskilda Banken AB (publ), branch in the United States of America (P.E.)*
- *SEB Securities Inc.*
- *Suecia Holding Corporation*
- *Suecia Insurance Company*

Ireland
- *Eskimo (ABC) Holdings Limited*
- *SEB Life International Assurance Company Designated Activity Company*

Luxembourg
- *Skandinaviska Enskilda Banken AB (publ), branch in Luxembourg (P.E.)*
- *SEB Life International Assurance Company Designated Activity Company, branch in Luxembourg (P.E.)*
- *SEB Investment Management AB, branch in Luxembourg (P.E.)*
- *SEB Private Equity Opportunity Management S.A.*

China
- *Skandinaviska Enskilda Banken AB (publ), branch in China (P.E.)*

Singapore
- *Skandinaviska Enskilda Banken AB (publ), branch in Singapore (P.E.)*

Russia
- *SEB Bank JSC*

Poland
- *Skandinaviska Enskilda Banken AB (publ), branch in Poland (P.E.)*
- *SEB Commercial Finance sp. z o.o.*

Hong Kong
- *Skandinaviska Enskilda Banken AB (publ), branch in Hong Kong (P.E.)*

Ukraine
- *JSC SEB Corporate Bank*

Brazil
- *SEB do Brasil Representações*

Canada
- *Suecia Reinsurance Company*

1) Country refers to the tax jurisdiction where the entities are resident for tax purposes.
2) Company refers to company, branch office or any other entity type being a tax subject in a tax jurisdiction.

Country-by-country reporting – company income tax by country

Company income tax, by country

Country[1)]	Number of employees	Tangible assets[2)]	Gross income, third-party[3)]	Gross income, group[4)]	Operating profit[5)]	Calculated company income tax[6)]	Tax effect relating to not tax deductible expenses / non-taxable income, net	Tax effect relating to a previously recognised / unrecognised tax loss / tax credit, net	Current year company income tax[7)]	Company income tax, paid [8)]
Sweden	8,710	597	97,395	–6,759	20,166	–4,483	621	–88	–3,950	–3,556
Norway	372	38	4,087	4,148	2,574	–635	0		–635	–410
Denmark	320	7	3,611	1,069	1,772	–376	–26		–402	–412
Finland	278	31	1,644	1,409	1,476	–282	–22	32	–272	–273
Estonia	1,158	116	2,003	580	1,514	–179	–34		–212	–150
Latvia	2,000	70	1,123	642	893	–6	0	–14	–20	11
Lithuania	3,056	189	2,386	1,415	2,287	–468	32	11	–424	–310
Germany	230	2	1,124	1,896	1,795	–528	–8		–536	–366
United Kingdom	101	44	1,005	1,893	689	–166	–6		–172	–153
United States[9]	32	1	6,582	2,224	428	–145	114		–31	–41
Ireland	97	16	430	25	99	–21	0		–21	–23
Luxembourg	146	4	693	765	466	–106	9		–97	–101
China	41	7	334	23	27	–18	9		–9	–15
Singapore	91	5	60	839	246	–43	0		–43	–32
Russia	77	23	1,105	83	–806	–140			–140	–176
Poland	177	38	128	170	139	–27	17		–9	–9
Hong Kong	19	1	63	114	27	–5	0		–5	9
Ukraine	52	0	138	–9	39	–10	0	0	–11	–7
Brazil										
Canada										
Group eliminations			–30 550	–10 528	18					
TOTAL	**16,957**	**1,190**	**93,360**	**0**	**33,850**	**–7,637**	**708**	**–59**	**–6,988**	**–6,016**

The primary activities in the group entities, regardless of country, are finance and insurance activities.
The above information covers the reporting period 2022. The information presented is based on GRI 207-4 reporting requirements.

1) Country refers to the tax jurisdiction, where the SEB Group entities are resident for tax purposes.
2) Tangible assets other than cash and cash equivalents (that is properties and equipment).
3) Gross income, third party, refers to transactions with group external parties. Gross income is defined as the sum of interest income, fee and commission income, net financial income and net other income according to IFRS. The basis for the income allocation is SEB's presence in each country, with the exception of when the local companies / branches serve as sales offices and receive commission payments and the transaction is booked in the central unit.
4) Gross income, group, refers to transactions with group units in other tax jurisdictions.
5) Operating profit before tax.
6) Calculated corporate income tax at statutory rate in respective tax jurisdiction.
7) Corporate income tax refers to corporate current income tax, excluding deferred tax, reported during reporting period. For more information about taxes see note 15.
8) Income tax paid refers to corporate current income tax, excluding deferred tax, paid during the year.

SEB's approach to taxes

Operating in more than 20 countries, SEB acknowledges the changing landscape around tax from both regulators and society and puts strong efforts into ensuring compliance with applicable tax laws and regulations in all countries where SEB operates. SEB strives to maintain high standards for tax governance, monitoring risks and ensuring tax compliance.

SEB's approach to tax is described in the SEB Group Code of Conduct and SEB Group Tax Policy (see sebgroup.com), SEB's United Kingdom Tax Strategy, Transfer Pricing Policy and additional policies and instruction established for significant areas such as VAT, FATCA and CRS.

SEB Group Tax Policy is adopted by the Board of Directors and reviewed annually. The CFO is responsible for financial control, including the control environment and governance in the SEB Group, which includes tax activities. A Tax and Accounting Committee, including the CFO and the Head of Group Tax, analyses important tax issues for SEB raised by the Board of Directors, the CFO, Group Tax, business areas or external parties, on a quarterly basis.

In line with SEB's efforts to have high tax standards, SEB has implemented several controls within SEB's ICFR (Internal Control over Financial Reporting) framework, which is overseen by the Audit and Compliance Committee of the SEB Board. This means that controls over the data which underlies financial and tax reporting, and controls over reporting processes, are regularly reviewed. Identified weaknesses are prioritised and fed back into a process of continuous improvement.

SEB's risk management processes include a New Product Approval Process focussed on identifying and managing risks related to new or amended products. The tax department is represented in this process. The range of issues considered includes taxation matters in order to ensure tax compliance. The level of acceptable tax risk in SEB is low. Significant potential tax risks are reported to the Tax and Accounting Committee.

Products and services offered by SEB impact the tax situation for SEB and its customers and must always have business rationale. SEB operates in accordance with applicable tax laws and regulations. SEB must not use, encourage or facilitate products or services in conflict with tax legislation or anti-tax avoidance law. SEB must not co-operate with external parties to facilitate products or services in conflict with tax legislation or anti-tax avoidance law. SEB works actively with risk assessments, frameworks and controls to ensure compliance.

Wherever SEB operates, SEB seeks to establish and maintain good relationships with local tax authorities and other governmental bodies. SEB undertakes all dealings with them in a professional, transparent, and timely manner, both when it comes to SEB's own tax matters and in reporting obligations regarding customers.

If tax regulations differ between countries/localities, SEB transparently seeks a globally acceptable solution in dialogue with the governments and tax authorities of each country. SEB also encourages the development of an international framework for taxation to avoid double taxation.

SEB is committed to meet the heightened expectations on transparency in respect of its tax management, and continuously works to improve the scope of its communication around tax. Guidance from national tax authorities and international organisations like the OECD is important.

SEB is also committed to fulfil its reporting obligations to tax authorities, relating to both corporate and customer information. This covers local reporting and adherence to third party requests as well as international exchange of information according to multilateral Convention on Mutual Administrative Assistance in Tax Matters, CRS (Common Reporting Standard), FATCA (Foreign Accounts Tax Compliance Act) and DAC6 (Directive on Administrative Cooperation).

If an employee discovers possible unethical or unlawful behaviour, this can be reported anonymously through SEB's digital whistleblowing service WhistleB. Alternatively, Group Compliance or Internal Audit can be contacted directly.

SEB is a member of the Swedish Bankers' Association, which represents banks and financial institutions established in Sweden. One part of this association's work is to ensure good quality in proposed tax legislation, but also to advocate in public for reasonable tax treatment of banks and financial institutions.

Global Reporting Initiative

Management of material topics GRI 2022

The materiality analysis is based on analysis previous completed by SEB. It has focused on updating the previous information and sees no major changes compared to earlier years. The analysis covers SEB's actual and potential impact on the economy, environment, and society.

Financial strength and resilience

		Reference
Impact[1)]	As a bank, SEB plays a critical role in society by providing the infrastructure for payments and transactions, and by acting as an intermediary for financing and savings solutions, risk management and financial advice. In that mission, it is crucial that we continuously earn the trust from our customers, shareholders, employees and from society. We strive to avoid causing, contributing or being directly linked to negative impacts on people and environment from our activities, products and services.	p. 2, 10–11, 19, 34, 37, 214
Actions taken to manage the material topic	To maintain the important societal function as a bank, it is of utmost importance for SEB that customer, shareholders, employees and other stakeholders have great confidence and trust in the bank's operations. We follow rules and regulations and handle our risk's keeping the long-term perspective.	p. 5, 11, 83–89, 90, 214
Policies or commitments	As a Swedish public limited liability financial institution, SEB is subject to numerous rules and regulations. SEB also adheres to internal frameworks, policies and instructions that are tools for the Board of Directors, the President and Chief Executive Officer in their governing and controlling roles.	p. 48–51, 90
Tracking the effectiveness of the actions taken[2)]	All SEB's activities are managed through management, controls and follow-up according to our corporate governance structure. Our financial targets are designed to create resilience and flexibility, generating long-term shareholder value and value for society. The Annual General Meeting gives the shareholders the possibility to evaluate the Board of Directors.	p. 5, 20–21, 29, 36, 91–93
Stakeholder involvement	We regularly interact with our key stakeholders in various forms, digitally via web pages and mobile apps, through telephone and in regular physical meetings. We also perform multiple targeted initiatives such as bilateral and multilateral meetings, conferences, client trips and surveys. The annual employee survey is an important channel for receiving input from our employees.	p. 52, 90–91, 222

Sustainable financing

		Reference
Impact[1)]	SEB has a critical role by acting as an intermediary for financing solutions and financial advice, develop new products and improve our offering to support our customers' transition. We are convinced that sustainable financing is among the most important drivers in the transition towards a sustainable economy. In both the customer onboarding and credit granting processes, SEB considers sustainability risks and the extent to which such risks can impact SEB's ambition to be a sustainable bank as well as the customer's ultimate repayment capacity.	p. 16–19, 30, 38–40, 54, 214
Actions taken to manage the material topic	Responsible lending and financing are cornerstones of our business. We have group-wide processes and policies in place to define how the bank shall take sustainability risks and other risks into account in financing activities. These procedures aim to ensure that material environmental, social and governance (ESG) factors are identified and assessed, and that they are incorporated into analyses and decisions. Tools for identifying, defining, monitoring, measuring and controlling sustainability risks are developed continuously.	p. 38, 49–51, 57
Policies or commitments	SEB's Sustainability policy framework guides us in our work and expresses our view on key issues and industry sectors that are considered critical from an environmental and social perspective.	p. 50–51, 57, 87
Tracking the effectiveness of the actions taken[2)]	SEB wants to drive the development of the sustainable finance market. Through our ambitions and goals, we aim to increase the sustainability-related financing and advisory for our customers, thereby creating positive environmental and social impact in society.	p. 5, 21, 35–36, 39, 214
Stakeholder involvement	We are in constant dialogue with our customers and are adapting our business and our offering to stay relevant and to create long-term value for our stakeholders. We advise our clients in their transition creating a positive impact on society.	p. 19–20, 24–25, 38–40, 52

Sustainable savings and investments

		Reference
Impact[1)]	SEB is one of the largest institutional investors and asset managers in the Nordic region. We offer savings and investment products and services that aim to contribute to a sustainable society for private individuals as well as corporate and institutional customers. The fund company aims to align investments with the Paris Agreement and to reach net zero greenhouse gas emissions by 2040, whilst recognising that some large emitting sectors are vital enablers for the transition.	p. 30–31, 41–42, 64
Actions taken to manage the material topic	The fund company strives to integrate sustainability aspects into all types of investments and asset classes. This is done by investing in companies that have integrated sustainability into their business models or have well-defined transition plans, by excluding industries and companies that do not meet the fund company's sustainability criteria, and by continuously engaging with the companies in which to invest. SEB doubled the investment capital into SEB Greentech Venture Capital during the year.	p. 16, 31, 41–43, 64–65
Policies or commitments	The Corporate Sustainability Policy defines the framework for sustainability in SEB and provides a governing platform for our sustainability work for all business decisions, including investment and credit decisions.	p. 50–51, 57, 64
Tracking the effectiveness of the actions taken[2)]	SEB Investment Management has joined the Net Zero Asset Managers initiative, and commits to achieving net zero greenhouse gas emissions by 2040 and aligning all investments with the Paris Agreement on an aggregated level. The Sustainability Activity Index follows the development of article 9 funds and the capital invested by SEB Greentech Venture Capital.	p. 5, 16, 21, 35–36, 41–43, 64, 215–216
Stakeholder involvement	As an asset manager, we have high ambitions to contribute to sustainable development by investing in companies and other assets that can contribute to the transition to a more sustainable economy, meeting the expectations and requirements from customers and regulators. We regularly seek input from our customers. We do this, for example, through the annual survey among customers with fund and/or pension savings, on what sustainability areas related to the UN SDGs they want us to prioritise.	p. 19–20, 24–25, 41–42, 52

Risk management

		Reference
Impact[1)]	Managing risk is an integral part of banking but at the same time SEB's products and services are enablers for private individuals and corporates to grow. Digitalisation and sustainability as well as increasing regulation are leading to new, primarily non-financial, risks which are increasing in importance.	p. 17–19, 38
Actions taken to manage the material topic	Risk awareness is deeply embedded in SEB's corporate culture. The bank has a comprehensive framework for risk, liquidity and capital management that is continuously being developed to reflect the current environment. SEB's reputation is also dependent on the type of customers SEB is associated with. SEB's Customer Acceptance Policy consists of nine principles that represent what the bank considers to be critical requirements when accepting new and existing customers. Environmental and social risks are measured and integrated into the strategic decisions.	p. 48, 57–59, 64–65, 83–89
Policies or commitments	SEB is continuously developing its risk management framework for both financial and non-financial risk. By continuously developing and improving governance and risk practices, SEB strives to mitigate non-financial risks – both traditional and emerging risks – in its daily business and processes. SEB strives to follow laws and regulations such as "Lagen om bank och finansieringsrörelse (2004:297)" and "Lagen om värdepappersmarknaden (2007:528)"	p. 50–51, 57–60, 90
Tracking the effectiveness of the actions taken[2)]	SEB's Board of Directors decides on the risk tolerance and is managed according to our corporate governance structure. SEB has developed a set of climate-related metrics and targets to transparently report on our progress and to steer our business in line with our sustainability strategy.	p. 35–36, 59–63
Stakeholder involvement	As the need of understanding the risk's connected to climate change is increasing, SEB is dedicated to present our climate-related efforts in accordance with the recommendations from TCFD. Through analysis of our credit portfolio we can offer advisory services, and sustainable financing and investment solutions to support our customers in meeting their climate-related goals. SEB is continuously in dialogue with supervisory authorities on current regulations.	p. 52, 54–60

Crime prevention

		Reference
Impact[1)]	By being active in the financial markets with a diverse and global offering, SEB is exposed to the risk of being used for corruption, money laundering and terrorist financing ("financial crime"). SEB works actively to prevent all potential negative impacts that might affect customers and society.	p. 48, 87
Actions taken to manage the material topic	SEB works continuously to develop its capabilities in the financial crime prevention area by developing procedures, processes and system support as well as by reinforcing internal controls. Employees are continuously trained to strengthen awareness around financial crime. The Financial Crime Prevention function (FCP) that was set up during 2021 facilitates the group's holistic governance, steering and control of measures to prevent financial crime.	p. 18, 48, 87
Policies or commitments	As a public financial institution highly exposed to financial crime, SEB is subject to numerous rules and regulations. We continuously develop our internal frameworks, policies and instructions to mitigate risks connected to financial crime.	p. 48, 83, 90
Tracking the effectiveness of the actions taken[2)]	SEB has well established processes to report suspicious activities and raise concerns. All employees build competence and awareness through mandatory trainings.	p. 18, 48, 84, 217–218
Stakeholder involvement	SEB works actively to prevent the risk of being used for financial crime related activities. We create awareness and educate employees, identify risks among our suppliers, and continuously improve our customer dialogues and onboarding processes. Moreover, we cooperate with external parties on common bank-related topics and are in dialogue with relevant authorities. Since 2019, we are part of SAMLIT (Swedish Anti-Money Laundering Intelligence Task Force) a collaboration forum between the largest banks in Sweden, The Swedish Bankers' Association and the Swedish police's intelligence unit at the National Operations Department (NOA).	p. 18, 45, 47–48, 52, 57, 217–218

Our people

		Reference
Impact[1)]	SEB's business is built on relationships and the trust placed in us, that is why our people are our most important asset. Our ambition is to attract, and retain, people who want to make a positive difference. We are committed to enable people and communities to prosper and grow. As an employer as well as through our products, services and financial knowledge we have direct and indirect impact on employees, customers, suppliers and people in the community. The financial sector is changing, it is therefore increasingly important that we incorporate continuous learning at work and ensure a safe and healthy workplace that promotes a good balance between work and private life.	p. 11, 26, 31, 44–45
Actions taken to manage the material topic	As an employer SEB wants to ensure a safe and healthy workplace where our employees can develop and grow. Inclusion and diversity are priority areas for SEB and we strive to be a role model in all countries where we operate. SEB conducts an annual employee survey to measure employee engagement and the employees' views of SEB as a place to work. Cooperation with employee representatives, such as trade unions and works councils, is an integral part of day-to-day operations and something that is encouraged. SEB offers several measures to promote both physical and psychological health among employees. We encourage our employees to be active in society and through partnership with Mentor, SEB employees reach thousands of young people every year.	p. 26, 34, 44–45
Policies or commitments	Working actively with inclusion and diversity and respecting human rights and labour rights is part of SEB's responsible business practice. SEB has a Social & Human Rights Policy as well as an Inclusion and Diversity Policy in place, both adopted by the Board of Directors.	p. 50–51, 92
Tracking the effectiveness of the actions taken[2)]	SEB's target is to be the most attractive employer in the financial sector, particularly within banking. Progress is measured through the annual employee survey.	p. 20, 36, 219–222
Stakeholder involvement	SEB' employees show strong engagement and commitment to the bank's future, shown primarily in the annual employee survey. SEB strives to be a good corporate citizen and is in various ways supporting people in the community and follows the regulations where we operate.	p. 26–27, 31, 45, 52

Innovation and entrepreneurship

		Reference
Impact[1)]	SEB is accelerating the pace of our investments and collaborations in a number of selected areas to develop and strengthen the customer offering and distribution in order to ensure our future competitiveness in an industry that is undergoing major change. To adapt to our customers' increasingly digital behaviour, in 2022 we continued to develop our service model. The demand for digital solutions and sustainability related products as well as increasing regulation are leading to new, primarily non-financial, risks which are increasing in importance.	p. 16–18, 31, 40
Actions taken to manage the material topic	SEB is driving a series of initiatives to promote sustainable entrepreneurship and bolster the supply of capital for new ideas and initiatives. SEB doubled the investment capital for SEB Greentech Venture Capital – the bank's unit for investments in green technology. During the year, we have continued to benefit from the capabilities developed by our SEBx innovation studio. SEB was the first bank in the Nordic countries to launch a commercial offering based on the concept of Banking-as-a-Service this year. We have seen significant demand for similar services and, as a result, SEB has decided to establish a new business unit, SEB Embedded, in early 2023.	p. 4, 16–18, 31, 40
Policies or commitments	As part of the SEB strategy, capital is allocated to be invested by SEB Greentech Venture Capital. SEB's Innovation forum is a platform where companies can present their innovations for further development. In Norway, SEB ScaleCenter supports start-up companies that develop sustainable solutions.	p. 17, 31, 40
Tracking the effectiveness of the actions taken[2)]	SEB Greentech Venture Capital invests in green technology, focusing on transformative ideas that promise substantial impact in reducing greenhouse gas emissions or in preventing transgression of the planetary boundaries. The investments form part of the Sustainability Activity Index.	p. 21, 35–36, 40, 223
Stakeholder involvement	To meet tomorrow's challenges, we as a society need innovation and faith in the future. We see partnerships and collaboration with relevant stakeholders as key enablers in ensuring that SEB's broad range of core products and services remains competitive.	p. 18, 31, 52

Environment

		Reference
Impact[1)]	Climate change and its effects have grown significantly in importance and we integrate these aspects in everything we do as we impact the environment directly through our own operations and indirectly through business relationship with clients and suppliers. Our responsibility covers the impact that we and our business partners have on living and non-living natural systems, including climate, biodiversity, land, air and water. We aim to be as efficient as possible and minimise our impact on the environment and society.	p. 19, 30–31, 34, 46–47
Actions taken to manage the material topic	Addressing climate change is the most urgent societal topic and at the top of SEB's sustainability agenda. SEB has been working actively for a long time to reduce the direct environmental impact. Since 2009 we measure emissions from energy consumption, paper, company cars and business travel, as from last year also waste. SEB undertakes several measures to achieve the bank's reduction targets, such as improving energy efficiency of operations and buildings , increasing the use of renewable energy and electrify our car fleet. We are supporting our customers in the sustainability transition with advice and products transforming the lending portfolio towards more sustainable activities, thereby reducing the amount of CO_2 emissions that we finance. By collaboration with suppliers, we aim to minimise our carbon footprint in the supply chain.	p. 19, 30–31, 46–47, 54–56, 59–60
Policies or commitments	In 2022, SEB published the updated thematic Environmental Policy, stating the bank's positions, approach and management in regards to climate, freshwater and biodiversity. By joining the Net-Zero Banking Alliance, NZBA, we have committed to align our credit portfolio with 1.5C scenarios pathways to net zero by 2050 or sooner.	p. 36, 46, 51, 57
Tracking the effectiveness of the actions taken[2)]	In 2022, we intensified the integration of the Sustainability 2030 strategy across the organisation. SEB's strategy is aligned with the Paris Agreement and we have set targets aiming to reduce absolute CO2 emissions to close to zero in 2045. Key parts are our ambitions and goals that were launched in 2021. By focusing on these measurable ambitions and goals, we aim to contribute to the transition by both reducing the negative impact and increasing the positive impact.	p. 21, 35–36, 55, 61–65, 223–224
Stakeholder involvement	We are constantly trying to decrease our direct emissions and work actively together in all relevant business areas to reduce our impact by evaluating travels, company cars, use of energy and generation of waste. Through our close collaborations and engagements with customers, investors, suppliers, civil society organisations and other networks, we continuously learn and share insights on relevant challenges and priorities.	p. 19, 46–47, 52

Procurement

		Reference
Impact[1)]	SEB is convinced that having suppliers with high performance in regards to environmental, social and ethical aspects, creates value for us, society at large as well as for our suppliers. We have established procedures to evaluate and select suppliers and contractors to avoid causing, contributing or being directly linked to negative impacts on people and environment.	p. 47
Actions taken to manage the material topic	To identify sustainability risks among our suppliers, SEB performs, when applicable, an initial assessment of suppliers using a risk model tool that takes country, industry sector and business criticality into account. The tool, which was updated in 2022, allows for an aggregated view of the supplier base.	p. 47
Policies or commitments	We monitor suppliers' processes and performance based on relevant aspects in similar manners as in the initial assessment where appropriate. These standards are described in SEB's Code of Conduct for Suppliers. SEB's Anti-Corruption Policy establishes principles for managing corruption risks associated with intermediaries and other third parties.	p. 47–48, 90
Tracking the effectiveness of the actions taken[2)]	Suppliers are subject to annual follow-up process and rated. If the supplier was identified in the initial assessment as having a potential elevated risk level, they are subject to an enhanced screening.	p. 47, 225
Stakeholder involvement	Through dialogue and collaboration with suppliers we aim to minimise any negative impact on people and environment.	p. 52, 225

1) Including actual and potential impacts and whether its due to its activities or a result of its business relationships
2) Including goals, targets, and indicators used to evaluate progress

GRI Index

SEB Group's Sustainability Report 2022 has been prepared in accordance with the Global Reporting Initiative (GRI) Standards and based on the latest version of the standards (October 2021). In the Index below the GRI-information on the identified material topics for the sustainability reporting 2022 are reported. As per reporting period no GRI sector standard is available for financial institutions nor investment companies. References in the table below are page numbers in SEB's Annual and Sustainability Report 2022 if not otherwise stated.

GRI standard/ other source	Disclosure	Reference location	Comments	Omission		
				Requirement(s) omitted	Reason	Explanation
General disclosures						
GRI 2: General Disclosures 2021	**2-1** Organizational details	Back cover, 91–93, 226	Skandinaviska Enskilda Banken AB (publ)			
	2-2 Entities included in the organization's sustainability reporting	226				
	2-3 Reporting period, frequency and contact point	Back cover, 65				
	2-4 Restatements of information		Will be presented in connection to the actual restated information.			
	2-5 External assurance	65, 235				
	2-6 Activities, value chain and other business relationships	16–19, 24–25, 28, 30, 47, 52				
	2-7 Employees	219–222				
	2-8 Workers who are not employees	221				
	2-9 Governance structure and composition	90–104				
	2-10 Nomination and selection of the highest governance body	92				
	2-11 Chair of the highest governance body	93				
	2-12 Role of the highest governance body in overseeing the management of impacts	93				
	2-13 Delegation of responsibility for managing impacts	34, 49–50, 54, 57, 59, 64–65				
	2-14 Role of the highest governance body in sustainability reporting	49				
	2-15 Conflicts of interest	93				
	2-16 Communication of critical concerns	48, 213				
	2-17 Collective knowledge of the highest governance body	49, 101, 217	SEB have the SEB External Sustainability Advisory Board to directly support the CEO			
	2-18 Evaluation of the performance of the highest governance body	91–92, 97				
	2-19 Remuneration policies	50–51, 105				
	2-20 Process to determine remuneration	98, 100, 105–109				
	2-21 Annual total compensation ratio	222	Preparation for the ESRS implementation is on-going			
	2-22 Statement on sustainable development strategy	16, 19, 34–36, 61				
	2-23 Policy commitments	50–51, 90				
	2-24 Embedding policy commitments	50–51, 54, 90, 217–218				
	2-25 Processes to remediate negative impacts	34, 37, 51, 57, 64–65				
	2-26 Mechanisms for seeking advice and raising concerns	48				
	2-27 Compliance with laws and regulations	217				

GRI standard/ other source	Disclosure	Reference location	Comments	Omission: Requirement(s) omitted	Omission: Reason	Omission: Explanation
	2-28 Membership associations			2-28	Information unavailable/ incomplete	SEB continuously participate in the work of mainly three membership associations, The Swedish Investment Fund Association, Swedish bankers Association and the European Banking Federation. The plan is to disclose this within the sustainability report next year.
	2-29 Approach to stakeholder engagement	52				
	2-30 Collective bargaining agreements	45, 221				

GRI standard/ other source	Disclosure	Reference location	Comments	Omission: Requirement(s) omitted	Omission: Reason	Omission: Explanation
Material topics						
GRI 3: Material Topics 2021	**3-1** Process to determine material topics	37, 52				
	3-2 List of material topics	37, 228–230	SEB's own disclosure 3 (Measurement of customer experience and satisfaction) from 2021, is now integrated in sustainable financing and sustainable investments and advisory.			
Economic performance						
GRI 3: Material Topics 2021	**3-3** Management of material topics	5, 16–19, 20–21, 214, 228				
GRI 201: Economic Performance 2016	**201-1** Direct economic value generated and distributed	5, 11, 214				
	201-2 Financial implications and other risks and opportunities due to climate change	19, 30, 38–43, 59–63				
Anti-corruption						
GRI 3: Material Topics 2021	**3-3** Management of material topics	48, 229				
GRI 205: Anti-corruption 2016	**205-2** Communication and training about anti-corruption policies and procedures	217–218				
Tax						
GRI 3: Material Topics 2021	**3-3** Management of material topics	48, 125, 227				
GRI 207: Tax 2019	**207-1** Approach to tax	48, 227				
	207-2 Tax governance, control, and risk management	48, 227				
	207-3 Stakeholder engagement and management of concerns related to tax	48, 227				
	207-4 Country-by-country reporting	226–227				
Energy						
GRI 3: Material Topics 2021	**3-3** Management of material topics	46–47, 230				
GRI 302: Energy 2016	**302-1** Energy consumption within the organization	223				
Emissions						
GRI 3: Material Topics 2021	**3-3** Management of material topics	46–47, 230				
GRI 305: Emissions 2016	**305-1** Direct (Scope 1) GHG emissions	223				
	305-2 Energy indirect (Scope 2) GHG emissions	223				
	305-3 Other indirect (Scope 3) GHG emissions	62, 223				
	305-4 GHG emissions intensity	223				
	305-5 Reduction of GHG emissions	223				

GRI standard/ other source	Disclosure	Reference location	Comments	Omission: Requirement(s) omitted	Omission: Reason	Omission: Explanation
Waste						
GRI 3: Material Topics 2021	**3-3** Management of material topics	46–47, 230				
GRI 306: Waste 2020	**306-2** Management of significant waste-related impacts	224		b-c	Information unavailable/incomplete	Data consolidation to be initiated during the year.
Employment						
GRI 3: Material Topics 2021	**3-3** Management of material topics	26, 44–45				
GRI 401: Employment 2016	**401-1** New employee hires and employee turnover	220				
	401-3 Parental leave	220		c-d-e	Information unavailable/incomplete	Data consolidation to be initiated during the year.
Labor/management relations						
GRI 3: Material Topics 2021	**3-3** Management of material topics	45				
GRI 402: Labor/ Management Relations 2016	**402-1** Minimum notice periods regarding operational changes	221				
Occupational health and safety						
GRI 3: Material Topics 2021	**3-3** Management of material topics	45				
GRI 403: Occupational Health and Safety 2018	**403-4** Worker participation, consultation, and communication on occupational health and safety	221				
Training and education						
GRI 3: Material Topics 2021	**3-3** Management of material topics	44				
GRI 404: Training and Education 2016	**404-1** Average hours of training per year per employee	221				
Diversity and equal opportunity						
GRI 3: Material Topics 2021	**3-3** Management of material topics	44				
GRI 405: Diversity and Equal Opportunity 2016	**405-1** Diversity of governance bodies and employees	219–220				
Supplier social assessment						
GRI 3: Material Topics 2021	**3-3** Management of material topics	47				
GRI 414: Supplier Social Assessment 2016	**414-1** New suppliers that were screened using social criteria	225				
Public policy						
GRI 3: Material Topics 2021	**3-3** Management of material topics	90				
GRI 415: Public Policy 2016	**415-1** Political contributions	48, 90	p. 7 in Code of Conduct			
Customer privacy						
GRI 3: Material Topics 2021	**3-3** Management of material topics	48				
GRI 418: Customer Privacy 2016	**418-1** Substantiated complaints concerning breaches of customer privacy and losses of customer data	217				

GRI standard/ other source	Disclosure	Reference location	Comments	Omission: Requirement(s) omitted	Omission: Reason	Omission: Explanation
SEB's own disclosures						
(Sustainable) Financing						
GRI 3: Material Topics 2021	**3-3** Management of material topics	35–36, 38–40, 49				
GF-FS8	Product portfolio: Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose (excluding asset management)	214				
(Sustainable) Investment						
GRI 3: Material Topics 2021	**3-3** Management of material topics	35, 41–43, 49, 53, 64–65				
GF-FS10	Active ownership: Number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues	214				
GF-FS11	Active ownership: Percentage of assets subject to positive and negative environmental or social screening	214				
SEB's own disclosure 1	Percentage of SEB funds company's investment product offering that have sustainability as its objective, or promotes sustainable characteristics	214				
Innovation and entrepreneurship						
GRI 3: Material Topics 2021	**3-3** Management of material topics	31, 40				
SEB's own disclosure 2	Contribution to entepreneurial and innovation partnerships	223				

Principles for Responsible Banking

SEB has published its third report as a signatory of Principles for Responsible Banking, in a separate document. In the report we provide our self-assessment in relation to the principles, and references to for example our Annual and Sustainability Report 2022.

See sebgroup.com

Auditor's Limited Assurance Report on Skandinaviska Enskilda Banken AB's Sustainability Report and statement regarding the Statutory Sustainability Report

This is the translation of the auditor's report in Swedish.
To Skandinaviska Enskilda Banken AB (publ), Corp Id 502032-9081

Introduction

We have been engaged by the Board of Directors of Skandinaviska Enskilda Banken AB to undertake a limited assurance engagement of Skandinaviska Enskilda Banken AB's Sustainability Report for the year 2022. Skandinaviska Enskilda Banken AB has defined the scope of the Sustainability Report to the pages 32–65 and 212–234 in this document and the Statutory Sustainability Report to the pages 32–65.

Responsibilities of the Board of Directors and the Executive Management

The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report including the Statutory Sustainability Report in accordance with applicable criteria and the Annual Accounts Act respectively. The criteria are defined on page 65 in the Sustainability Report, and are part of the Sustainability Reporting Guidelines published by GRI (The Global Reporting Initiative), that are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to express an opinion regarding the Statutory Sustainability Report. Our review is limited to the information in this document and to the historical information and does therefore not include future oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (revised) Assurance engagements other than audits or reviews of financial information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. Our examination regarding the Statutory Sustainability Report has been conducted in accordance with FAR's accounting standard RevR 12 The auditor's opinion regarding the statutory sustainability report. A limited assurance engagement and an examination according to RevR 12 is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Skandinaviska Enskilda Banken AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance procedures performed and the examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a limited assurance engagement and an examination according to RevR 12 does not provide the same level of assurance as a conclusion based on an audit.

Our procedures are based on the criteria defined by the Board of Directors and Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusions below.

Conclusions

Based on the limited review performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

A Statutory Sustainability Report has been prepared.

Stockholm, 28 February, 2023
Ernst & Young AB

Hamish Mabon	Charlotte Söderlund
Authorized Public Accountant	*Authorized Public Accountant*

Definitions

INCLUDING ALTERNATIVE PERFORMANCE MEASURES[1)]

Items affecting comparability
To facilitate the comparison of operating profit between current and previous periods, items with significant impact that management considers affect the comparability or are relevant for the understanding of the financial result, are identified and presented separately, for example impairment of goodwill, restructuring, gains and losses from divestments and other income or costs that are not recurring.

Operating profit
Total profit before tax.

Net profit
Total profit after tax.

Return on equity
Net profit attributable to shareholders in relation to average[2)] shareholders' equity.

Return on equity excluding items affecting comparability
Net profit attributable to shareholders, excluding items affecting comparability and their related tax effect, in relation to average[2)] shareholders' equity.

Return on business equity
Operating profit by division, reduced by a standard tax rate, in relation to the divisions' average[2)] business equity (allocated capital).

Return on total assets
Net profit attributable to shareholders, in relation to average[2)] total assets.

Return on risk exposure amount
Net profit attributable to shareholders in relation to average[2)] risk exposure amount.

Cost/income, C/I, ratio
Total operating expenses in relation to total operating income.

Basic earnings per share
Net profit attributable to shareholders in relation to the weighted average[3)] number of shares outstanding before dilution.

Diluted earnings per share
Net profit attributable to shareholders in relation to the weighted average[3)] diluted number of shares. The calculated dilution is based on the estimated economic value of the long-term equity-based programmes.

Net worth per share
The total of shareholders' equity, the equity portion of any surplus values in the holdings of debt securities and the surplus value in life insurance operations in relation to the number of shares outstanding.

Equity per share
Shareholders' equity in relation to the number of shares outstanding.

Expected credit losses, ECL
Probability-weighted credit losses with the respective risk of a default.

ECL allowances
The allowance for expected credit losses on financial assets, contract assets, loan commitments and financial guarantee contracts.

Net ECL level
Net expected credit losses in relation to the opening balance of the year of debt securities, loans to the public and loans to credit institutions measured at amortised cost, financial guarantees and loan commitments, net of ECL allowances.

ECL coverage ratio
ECL allowances in relation to underlying gross carrying amounts for loans and debt securities as well as nominal amounts of financial guarantees and loan commitments.

Stage 3 loans / Total loans, gross
Gross carrying amount for stage 3 loans (credit-impaired loans) in relation to gross carrying amount for total loans measured at amortised cost (including trade and client receivables presented as other assets).

Stage 3 loans / Total loans, net
Carrying amount for stage 3 loans (credit-impaired loans) in relation to carrying amounts for total loans measured at amortised cost (including trade and client receivables presented as other assets)

The excel file Alternative Performance Measures, available on sebgroup.com, provides information on how the measures are calculated.

ACCORDING TO THE EU CAPITAL REQUIREMENTS REGULATION NO 575/2013 (CRR):

Risk exposure amount
Total assets and off-balance sheet items, risk-weighted in accordance with capital adequacy regulations for credit risk and market risk. The operational risks are measured and added as risk exposure amount. Risk exposure amounts are only defined for the consolidated situation, excluding insurance entities and exposures deducted from own funds.

Common Equity Tier 1 capital (CET)
Shareholders' equity excluding dividend, deferred tax assets, intangible assets and certain other regulatory adjustments defined in EU Regulation no 575/2013 (CRR).

Tier 1 capital
Common Equity Tier 1 capital plus qualifying forms of subordinated loans liabilities, so-called additional tier 1 instruments.

Tier 2 capital
Mainly subordinated loans liabilities not qualifying as Tier 1 capital contribution.

Own funds
The sum of Tier 1 and Tier 2 capital.

Common Equity Tier 1 capital ratio
Common Equity Tier 1 capital as a percentage of risk exposure amount.

Tier 1 capital ratio
Tier 1 capital as a percentage of risk exposure amount.

Total capital ratio
Total own funds as a percentage of risk exposure amount.

Liquidity Coverage Ratio (LCR)
High-quality liquid assets in relation to the estimated net liquidity outflow over the next 30 calendar days.

ACCORDING TO THE EU CAPITAL REQUIREMENTS REGULATION NO 876/2019 (CRR2) AND ACCORDING TO THE EU DIRECTIVE NO 879/2019 (BRRD II):

Leverage ratio
Tier 1 capital as a percentage of the exposure value of assets, derivatives and off-balance sheet items.

Net stable funding ratio (NSFR)
Available stable funding in relation to the amount of required stable funding.

Minimum requirement of eligible liabilities (MREL)
Minimum requirement for own funds and eligible liabilities, as set by the Swedish National Debt Office.

Abbreviations

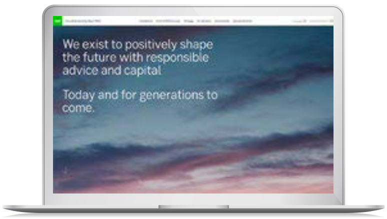
IFRS 9 abbreviations

FVTPL	Fair Value Through Profit or Loss
FVHFT	Fair Value Through Profit or Loss Held for Trading
FVMPL	Fair Value Through Profit or Loss Mandatorily
FVDPL	Fair Value Through Profit or Loss Designated
AmC	Amortised Cost

1) Alternative Performance Measures, APMs, are financial measures of historical or future financial performance, financial position, or cash flows, other than those defined in the applicable financial reporting framework (IFRS) or in the EU Capital Requirements Regulation and Directive CRR/CRD IV. APMs are used by SEB when relevant to assess and describe SEB's financial situation and provide additional relevant information and tools to enable analysis of SEB's performance. APMs on basic earnings per share, diluted earnings per share, net worth per share, equity per share, return on equity, return on tangible equity, return on total assets and return on risk exposure amount provide relevant information on the performance in relation to different investment measurements. The cost/income ratio provides information on SEB's cost efficiency. APMs related to lending provide information on provisions in relation to credit risk. All these measures may not be comparable to similarly titled measures used by other companies.
2) Average year-to-date, calculated on month-end figures.
3) Average, calculated on a daily basis.

Financial information and publications

Annual and Sustainability Report
Information on SEB's business, financial performance and position, as well as the sustainability work.



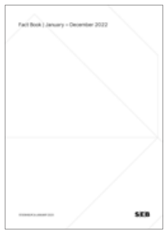
Digital Annual and Sustainability Report
A digital introduction to the Annual and Sustainability Report

SEB corporate website
Financial information, publications and other information regarding SEB are available at
→ sebgroup.com

Annual and Sustainability Report – ESEF
The Annual and Sustainability report, machine readable in accordance with ESEF requirements.

Capital Adequacy & Risk Management Report (Pillar 3)
Disclosure on capital adequacy and risk management in accordance with regulatory requirements.

Principles for Responsible Banking
Disclosure of SEB's self-assessment in relation to the principles



Interim Reports and Fact Books
Quarterly reports on SEB's financial position and results. Detailed information in Fact Books.

Order printed copies of the Annual and Sustainability Report on → sebgroup.com/ir
Subscribe to digital versions (pdf) of financial information through press releases on → sebgroup.com/press

Calendar

Annual and Sustainability Report 2022	1 March 2023
Annual General Meeting	4 April 2023
Quarterly report January–March 2023	26 April 2023
Quarterly report April–June 2023	18 July 2023
Quarterly report July–September 2023	25 October 2023

Dividend

The Board proposes a dividend of SEK 6.75 per share for 2022. 6 April 2023 is proposed as record date for the dividend payments. If the Annual General Meeting resolves in accordance with the proposal, the share will be traded ex-dividend on 5 April 2023 and dividend payments are expected to be distributed by Euroclear Sweden AB on 13 April 2023.

Annual General Meeting

The Annual General Meeting will be held on 4 April 2023 at 1 pm (CET) at Stockholm Concert Hall, Hötorget, Stockholm, Sweden. A notice convening the Annual General Meeting, including an agenda, is available on sebgroup.com.

Shareholders who wish to *attend the meeting room in person or through a representative* shall:
- *both* be listed as a shareholder in the share register produced by Euroclear Sweden AB on 27 March 2023,
- *and* no later than 29 March 2023 register for the meeting.

Registration must be made on **telephone** no. 0771 23 18 18 (+46 771 23 18 18 outside Sweden) weekdays between 09.00–16.30 or via the **internet** on SEB's website sebgroup.com, or in **writing** at the address Skandinaviska Enskilda Banken AB (publ), c/o Euroclear Sweden, Box 191, 101 23 Stockholm. When registering, the shareholder must state his name, personal or registration number, telephone number and any assistants.

Shareholders who wish to participate in the meeting *by postal vote* shall:
- *both* be listed as a shareholder in the share register produced by Euroclear Sweden AB on 27 March 2023,
- *and* no later than 29 March 2023 register by casting their postal vote. Completed and signed postal voting form can be sent by post to Skandinaviska Enskilda Banken AB (publ), c/o Euroclear Sweden, Box 191, 101 23 Stockholm or by e-mail to GeneralMeetingService@euroclear.com. The completed form must be received by SEB, c/o Euroclear, no later than 29 March 2023.

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