



We exist to positively shape the future  
with responsible advice and capital.

Today and for generations to come.

Annual and Sustainability Report 2023

**S|E|B**

Navigate by clicking on sections in the top menu and then in the left-hand menu.  
You can get back to this index page by clicking the SEB logo on any page.

# Contents

<b>Introduction</b>	3
This is SEB	3
The year in summary	5
Chair and CEO conversation	6
SEB's role in society	9
<b>Our strategy</b>	11
Strategy and business plan	12
Sustainability ambition	14
CFO comment	16
Overall targets and outcome	17
<b>Our divisions</b>	19
<b>Voices about SEB</b>	28
<b>Investing in SEB</b>	32
<b>Report of the Directors</b>	34
Financial review of the group	35
Risk, liquidity and capital management	51
Corporate governance	59
<b>Financial statements and notes</b>	81
Financial statements	82
Notes to the financial statements	88
Five-year summary	180
Proposal for the distribution of profit	182
Signatures of the Board of Directors and the President	183
Auditor's report	184
<b>Sustainability Report</b>	189
General sustainability disclosures	190
Environmental disclosures	198
Social disclosures	208
Governance disclosures	212
EU Taxonomy reporting	214
Supplementary sustainability information	226
GRI Index	239
Auditor's report	249
<b>Other information</b>	250
Definitions	250

Pages 34–183 constitute SEB's formal annual report. SEB's sustainability work is described in the sustainability report on pages 189–248. The official 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.



[This is SEB](#)[The year in summary](#)[Chair and CEO conversation](#)[SEB's role in society](#)

# This is 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, honour our legacy and implement our strategy. We accomplish this by creating value, taking a long-term view and building positive relations.

Our 2030 Strategy aims to future-proof our business.



[This is SEB](#)
[The year in summary](#)
[Chair and CEO conversation](#)
[SEB's role in society](#)

## Our northern European market position



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

## 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.<sup>1)</sup>

**4,000,000**

Private individuals. Of these, some 1.3 million are home bank customers.<sup>1)</sup>

**17,500**

Employees

**280,000**

Shareholders

**Society**

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

## Our customers and divisions

Divisions' share of operating profit<sup>1)</sup>

38%

32%

5%

18%

4%

3%

- **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.

1) Home bank customers are active users of several products and services within SEB.

1) Excluding Group functions and eliminations.

[This is SEB](#)
[The year in summary](#)
[Chair and CEO conversation](#)
[SEB's role in society](#)

## The year in summary

Long-term financial targets and outcome	2023	2022	2021	2020	2019
Dividend payout ratio of around 50 per cent of earnings per share <sup>1,2)</sup> , per cent	47	51	51	106	0
CET 1 capital ratio of 100–300 basis points over requirement <sup>3)</sup> , basis points	440	470	590	840	250
Return on equity competitive with peers <sup>2,4)</sup> , per cent	17.9	14.5	13.9	10.3	13.8

Key figures	2023	2022	2021	2020	2019
Cost/income ratio	0.34	0.39	0.42	0.45	0.44
Earnings per share <sup>5)</sup> , SEK	18.20	12.58	11.75	7.28	9.33
Dividend per share <sup>1)</sup> , SEK	11.50	6.75	6.00	8.20	0.00
Carbon Exposure Index. Target 2030: 45–60% reduction <sup>6)</sup>	61	78	88		
Sustainability Activity Index. Target 2030: 6–8 times increase <sup>6)</sup>	223	158	100		

1) Board proposal for 2023. Ordinary dividend: SEK 8.50 and a special dividend of SEK 3.00 per share. The ordinary dividend corresponds to a payout ratio of 47 per cent.

2) Excluding items affecting comparability.

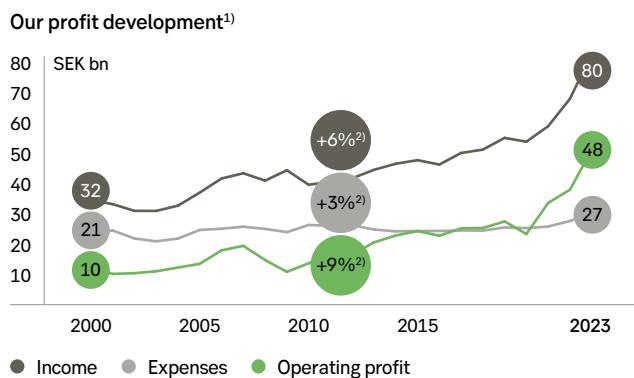
3) Regulatory requirement: 14.7 per cent (14.2).

4) With a long-term target to reach a sustainable return on equity of 15 per cent.

5) Comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance Contracts.

6) 2022 outcome revised for information quality reasons. See p. 191.

## Development and performance



+24% +37%

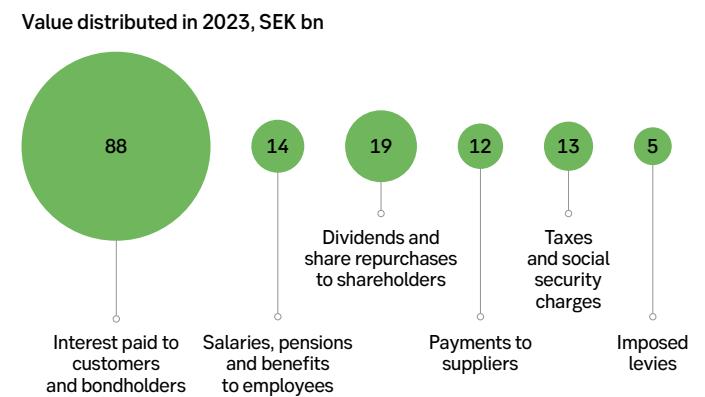
Operating income  
Excluding items affecting comparability

Operating profit  
Excluding items affecting comparability

17.9% 11.50

Return on equity  
Excluding items affecting comparability

Proposed dividend  
Total of ordinary and extraordinary dividend, SEK per share



[This is SEB](#)[The year in summary](#)[Chair and CEO conversation](#)[SEB's role in society](#)

## In a strong position to support customers and invest for the future

2023 was a unique year characterised by war and rapid interest rate rises, but the financial markets showed resilience. SEB is in a solid position to support businesses and households, while the bank continues to invest for the future. These were some of the conclusions reached by Chair of the Board Marcus Wallenberg and President and CEO Johan Torgeby when they met to summarise 2023 and set the direction going forward.

[This is SEB](#)
[The year in summary](#)
[Chair and CEO conversation](#)
[SEB's role in society](#)

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

*Marcus:* It was a year characterised by major developments in the surrounding world, both geopolitically and economically, and this affected the environment in which our customers operate. As a bank, we have to meet our customers' needs amid strong market competition, while also fulfilling the expectations of our shareholders, the authorities, politicians and other stakeholders. Employees and management have looked after the bank well given the difficult conditions. Then again, there are always things we need to improve.

**“As a bank, our most important role is to support our customers in their transition.”**

Johan Torgeby, President and CEO



*Johan:* Despite the challenges in the economy, including double-digit inflation in the first half of the year, rapid interest rate increases and the cost of living hurting households and businesses, the financial markets showed strength. The banking sector has been able to stabilise the economy during this weak period. SEB is in a solid position, with a strong capitalisation and robust asset quality, and we have been able to continue to support our customers.

## How has SEB worked to support customers?

*Johan:* It is important to be empathetic in our relationship with the customer. We also have to use our financial strength to assist corporates and households with advice and capital. In financially challenging times, the bank needs to help customers deal with circumstances that may sometimes be difficult. This requires a lot from our employees. So, it is particularly gratifying that employee engagement was at an all-time high in our annual survey – and that customer satisfaction increased during the year.

*Marcus:* This shows just how strongly committed our employees are. Everyone has done their bit. Our world is evolving rapidly now, which also requires our employees to adjust their approach and way of working, and that has worked very well.

## How would you like to comment this year's results?

*Marcus:* From a historical perspective, the result is outstanding. This is due to a great extent to the development in the interest rate market and in the economy, which has shown resilience despite major challenges in the surrounding world. I cannot emphasise enough how important it is to have financially strong and stable banks in Sweden. This enables us to support our customers and the economy as a whole, during both good and challenging times.

*Johan:* A country that wants to grow, create new jobs and develop businesses thrives on stable financial markets, in which the banking sector is the biggest player. There is a strong correlation between gross domestic product per capita and a prosperous banking system over time. The bank's results this year have been strong and the asset quality robust. Toward the end of the year, we started to see a normalisation of our operating environment.

As interest rates started to plateau, the positive effect on our results, experienced earlier in the year, continued to abate.

## Many believe that interest rates have peaked. How does that affect the bank going forward?

*Johan:* It is important to remember that SEB is supported by multiple revenue pillars, and these act in turns over time. If high uncertainty and volatility in the market has meant a period of fewer mergers and acquisitions, the bank's Markets business has probably been strong and vice versa. Cycles come and cycles go – the important thing is that we operate the bank with a long-term perspective. One of our strengths is also that we are well diversified as a company – we have a good balance between corporates and households, foundations, and financial institutions. Geographically, we have a presence in around 20 countries.

## What is the reasoning behind the dividend proposed by the Board of Directors for the 2024 Annual General Meeting?

*Marcus:* The dividend proposal is based on the bank's solid results and strong financial position. Through dividends, many people in society get to benefit from the bank's growth and profitability. SEB has a large mix of shareholders – including pension funds and households via fund savings and equity investments. The dividend also contributes to basic research and education via the bank's largest owner, Investor, and the Wallenberg Foundations. Since dividends are taxed, they can also finance welfare and infrastructure. Taken together, all of this generates a substantial income for the nation.

*Johan:* Looking at 2023, our capital position is very strong, and it is important that households, pensioners, small-scale savers, and foundations get to share in the capital, particularly in economically challenging times. If we distribute some of this capital responsibly, rather than leaving it on the balance sheet, it can be distributed to society and be put to use in the economy. To rewind a little, our long-term financial target is to reinvest 50 per cent of our profit in the business and return 50 per cent to the economy through our shareholders. We then calibrate around this – for example, if we need more capital to meet customer demand, the dividend may be lower.

[This is SEB](#)
[The year in summary](#)
[Chair and CEO conversation](#)
[SEB's role in society](#)

## **SEB's goal is to capture the great opportunities offered by sustainability. How is this going?**

*Johan:* Climate change is one of the greatest challenges of our time. As a bank, our most important role is to support our customers in their transition. We have defined two goals to measure our progress, and both have essentially developed positively. Our Carbon Exposure Index (The Brown) is about reducing the fossil fuel credit exposure within the bank's energy portfolio. By the end of 2023, it had decreased by 39 per cent compared with the 2019 baseline. Our Sustainability Activity Index (The Green), which is about increasing the volume of sustainability-related lending and advice, had increased by 123 per cent compared with the 2021 baseline.

*Marcus:* While we are seeing the effects of climate change now, even in practice, it is important to consider the extent of the change that will be required. The transition will require much greater and more extensive investments at a corporate level than most people realise. Therefore, it is vital that we are there to assist our customers, and that we are in a strong financial position. Regardless of where the political winds blow on this issue, it is crystal clear that the corporate world is continuing to invest in this direction.

## **Generative AI had a broad breakthrough in 2023. How does SEB work with AI?**

*Johan:* Artificial intelligence is developing incredibly quickly, and it is difficult to comprehend the scope of what this might mean. During the year, we have set up approximately 10 different initiatives to explore how we can use this revolutionary technology. This involves things like using AI to support our employees so that they can more quickly respond to customer queries. In parallel with this, we have strengthened our governance within the AI and data area.

*Marcus:* We still have a lot to do in this area. From a regulatory perspective, the banking sector will face increased demands in terms of transaction reporting and measures to prevent financial crime. We must develop our way of working with both AI and data in order to meet the expectations of authorities and the surrounding world. It also offers us an opportunity to provide better service and better

**"Financially strong and stable banks enable us to support our customers and the economy as a whole, during both good and challenging times."**

Marcus Wallenberg, Chair of the Board of Directors

define our offering to each customer. In addition, it is good for our shareholders because it helps us to become more efficient.

## **How does SEB work to combat financial crime?**

*Johan:* Organised crime is a societal problem. At SEB, we take our responsibility very seriously. We monitor several billion financial transactions every year, and always report suspicious transactions to the Financial Intelligence Unit. In recent years, we have made great improvements to our resources and capabilities in this area. We also cooperate with other banks, the Police and the authorities to increase our overall resilience. Having said that, we keep needing to do even more because criminals are constantly finding new ways to operate.

## **How do you view the bank's strategy in light of the new environment?**

*Marcus:* SEB's long-term strategy is fixed – the goals we set for 2030 still apply. We have accelerated work on our strategic focus areas, although they are at different stages of development. We must adapt to rapid developments in areas like sustainability, technology and risk management. This helps us ensure that we continue to deliver long-term value to customers, shareholders, and employees.

*Johan:* A good strategy passes the test in a changing world. The purpose of the 2030 Strategy is to future-proof the bank and enable us to meet the evolving needs of our customers. There is room to be tactical. In our three-year business plan, which extends through 2024, we make minor calibrations to account for the new



environment, including a different interest rate situation and increased geopolitical uncertainty.

## **What are your expectations for 2024?**

*Marcus:* We will continue to focus strongly on our customers. Thanks to our highly engaged employees, we can further improve our customers' experience of us as a bank.

*Johan:* It is very likely that the world will continue to be characterised by geopolitical uncertainty. This is also what is known as a super election year, where countries with over 4 billion citizens will hold elections, which will have an impact on the economy. As we go into 2024, it is also important to bear in mind that monetary policy and interest rates operate with a lag. We must prepare for the fact that many people, this year, may feel the real impact of the rise in interest rates. As a bank, we will need to be on hand to offer advice and support for both corporates and households.

[This is SEB](#)[The year in summary](#)[Chair and CEO conversation](#)[SEB's role in society](#)

# Our role in society

As a bank, SEB is a vital part of society's infrastructure and plays an important role in keeping the wheels of the economy turning. We offer responsible advice and capital, enabling businesses and households to realise their ambitions. This promotes innovation, savings and investment, which in turn stimulates economic growth. We are convinced that the future depends on turning great ideas into reality. Ever since SEB was founded in 1856 we have been driving development forward.

## Healthy banks provide financial stability

A well-functioning banking system is fundamental to the safety of the broader economy. To ensure stability in the financial system, the market and the public need to have confidence in it. This, in turn, requires sound financial institutions and well-functioning markets. To be resilient, the bank needs to be profitable and have good capitalisation. This means that we can be there for our customers in both good times and bad.

## Diversifying and mitigating risks

The banks also enable private individuals and companies to reduce, redistribute and diversify their risks, for example through fund saving in which the risks of individual securities are spread within the fund. Another example is that companies can hedge against currency risk.

## Secure and efficient payments

Modern society cannot function without banks and the financial system. Fast, easily accessible and secure payments are necessary for the wheels of the economy to keep turning. The infrastructure provided by SEB and other banks enables businesses and households to make

payments – covering everything from day-to-day purchases to the billions of financial transactions that take place around the world every day. This infrastructure is made possible thanks to technology developed by SEB and other banks. It is also the basis for common solutions such as BankID and the mobile solution Swish in Sweden.

## Channelling savings into investments

We also offer services and solutions that enable companies, entrepreneurs and households to save for the future, invest and borrow money. Private customers may need to borrow in order to buy a home, and want their pension savings to grow. Companies need financing for their projects and financial institutions, like pension funds, need to invest their capital. Efficiently channelling savings into investments is an important task for us as a bank. We connect customers who have more capital than they need, with customers who are in need of capital, thus helping to distribute financial resources. In other words, the banks finance their lending through money deposited by banking customers, but also through equity and by borrowing in the capital markets, for example by issuing bonds.



[This is SEB](#)
[The year in summary](#)
[Chair and CEO conversation](#)
[SEB's role in society](#)

## Facilitating innovation and development

By supporting our customers with responsible advice and capital, SEB helps turn ideas into reality. We enable companies to start their businesses and grow. This promotes innovation and investment, which in turn stimulates economic growth and socioeconomic development.

Since SEB's inception in 1856, we have driven development forward, together with our customers and for society at large. By supporting entrepreneurs and companies, we have facilitated the major shifts in society and helped pave the way for electrification, telecommunications, automation and digitalisation.

Climate change is the most urgent societal issue we face today, and is at the top of SEB's sustainability agenda. By bringing together capital and ideas, we can enable positive change.

Our most important role in the sustainability transition is to support our customers and shift our credit portfolio to more sustainable business



models while reducing our fossil fuel exposure, thus reducing the amount of carbon dioxide emissions we finance. We are convinced that we can create the most value by collaborating with our customers and acting for the long term.

## Contributing to society

Banks in Sweden return billions of Swedish kronor to the broader economy every year. In addition to meeting our customers' needs, which is at the core of everything we do, we pay interest to our customers and bondholders, which amounted to SEK 88bn in 2023. Meanwhile we distributed SEK 19bn in dividends and share buybacks to our shareholders – benefiting millions of Swedes through pension funds and fund saving, among other things. As a bank, SEB is also a major taxpayer and an important employer.

SEB is also part of something bigger – the Wallenberg ecosystem. Every year, a part of our dividend goes to basic research and education via our largest shareholder Investor AB and the Wallenberg Foundations, within areas like natural science, medicine and technology. The long-term perspective in this ecosystem has made it possible for the foundations to grant approximately SEK 2.8bn annually. We are proud that we can contribute to societal development this way.

## Committed corporate citizen

We engage in society through several initiatives, for instance the competition The Next Awards, which celebrates entrepreneurs who contribute to positive societal development. Through SEB Greentech Venture Capital, SEB invests in green technology. We also support young people as a partner of the non-profit organisation Mentor. SEB's employees have also participated in volunteer programmes linked to the war in Ukraine.

## Stakeholder value delivered (average 2019–2023)<sup>1)</sup>

### Customers – 1.6 million<sup>3)</sup>

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.

### Employees – 17,500<sup>3)</sup>

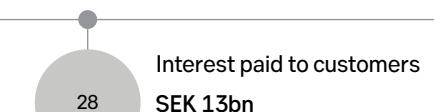
Our employees build and deepen customer relationships. Their commitment, skills and continuous learning are key in future-proofing our business.

### Shareholders – 280,000<sup>3)</sup>

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.

### Society

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



1) SEK 78bn in average value created per year 2019–2023.

2) Share repurchase programmes in place 2022–2023.

3) Number as per 31 December 2023.

Strategy and business plan  
Sustainability ambition  
CFO comment  
Overall targets and outcome



# Future-proofing SEB

Our 2030 Strategy aims to future-proof our business – to secure and develop our customer relationships, the technology platform on which we operate, and accelerate income growth. To achieve this, we have four strategic focus areas which define how we will direct our investments and steer our efforts.

Our strategy enables us to fulfil our customers' evolving needs. By combining high customer satisfaction, strong employee engagement and a solid financial position in a changing world, we aim to continue to deliver long-term value to our shareholders.

Strategy and business plan  
Sustainability ambition  
CFO comment  
Overall targets and outcome

# Our purpose is the foundation for our strategy and business plan

## Why – Our purpose

The foundation of our long-term strategy and business plan is our purpose: we exist to positively shape the future with responsible advice and capital. Today and for generations to come.

## What – 2030 Strategy

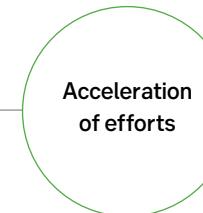
Our 2030 Strategy defines what we want to achieve to future-proof our business and accelerate income growth.

## How – Business plan

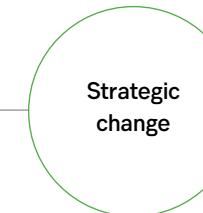
Our three-year business plan, which is updated annually, describes more in detail how we aim to fulfil the strategic ambitions.

## Focus areas

To remain an attractive choice for our customers, employees and shareholders, we must adapt to the rapid development in our operating environment, related to for example technology, sustainability, savings and risk management. This is reflected in our four focus areas.



We build on our existing strengths, such as high customer satisfaction and our expertise in the Markets and sustainability area, to strengthen our advisory capabilities and market position further within areas such as corporate and investment banking, savings and sustainability.



By strategic changes, such as digitalisation of retail banking and development of our wealth management and technology offering, we can fulfil our customers' evolving needs and remain an attractive choice.

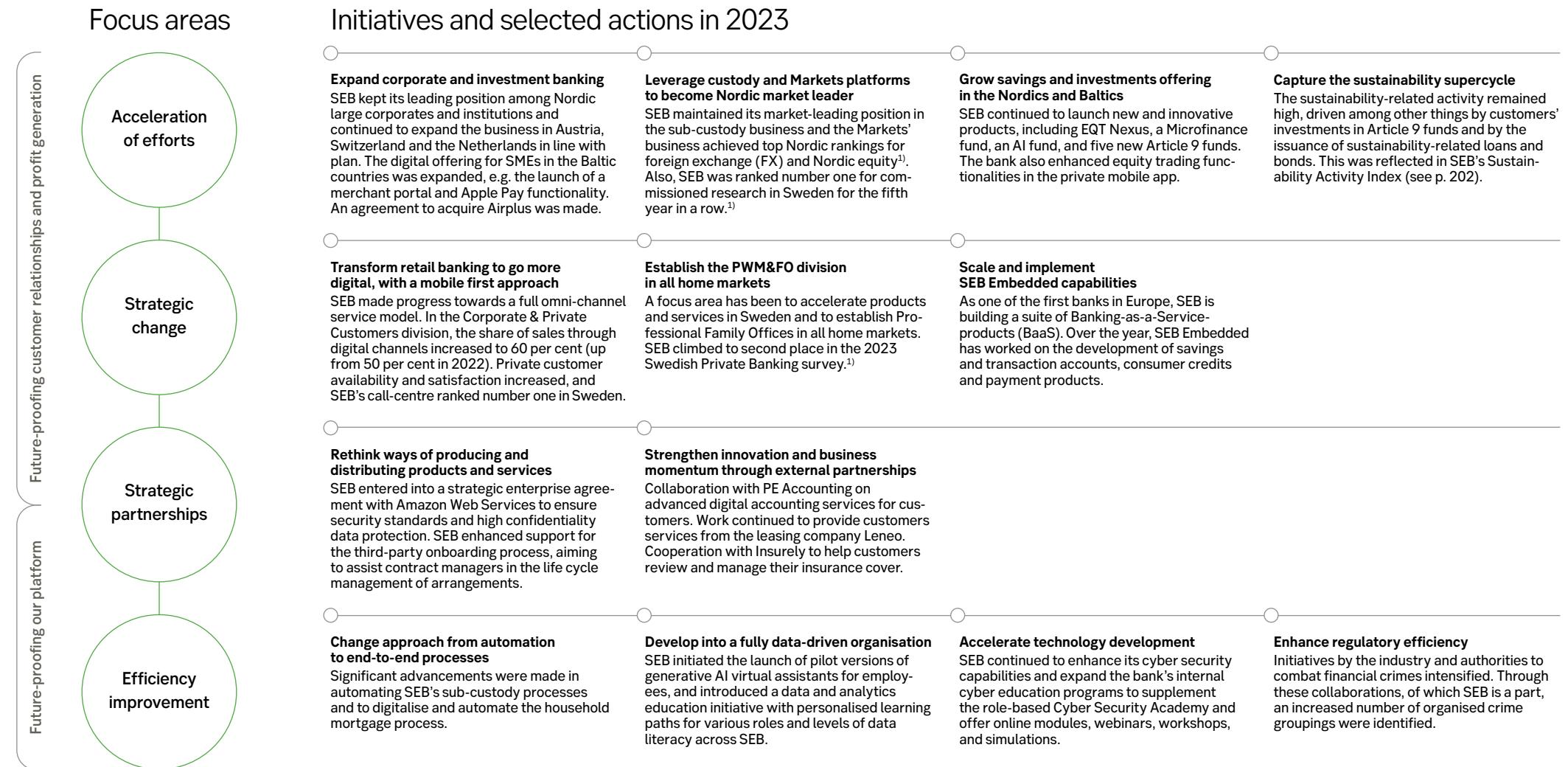


Through strategic partnerships, we can improve business momentum, obtain scale benefits, and spur innovation. Through new ways of producing and distributing products and services we can remain competitive.



We want to ensure quality and speed in customer deliveries and continuously enhance operational efficiency. It entails accelerating technology development, focusing on data and automation and enhancing regulatory efficiency.

# Strategy and business plan progress



<sup>1)</sup> Prospera's annual customer surveys.

Strategy and business plan  
Sustainability ambition  
CFO comment  
Overall targets and outcome

# A positive force in the transition

Through responsible advice and capital, and innovative products and services, we want to be a leading catalyst in the sustainability transition. We believe that we achieve the greatest impact by partnering with and actively supporting our customers on their transition journeys.

Sustainability has become a fundamental force for change in society. There is a growing customer demand for sustainable products and services, companies need to contribute to a more sustainable society to attract capital and talent, technological advances create new opportunities and companies also need to adjust to new legislation.

At SEB, we have an ambition to accelerate the pace towards a sustainable future for people, businesses and society. Our role as a bank creates opportunities to impact. With a balance sheet of about SEK 3,600bn, we can be an important catalyst for the development of societies and for our customers' transitions.

**“Our role is clear. We are committed to supporting customers who share our long-term view on addressing climate change.”**

Climate change is among the most paramount and urgent challenges of our time. The transition to a low-carbon future will require substantial investments from both public and private actors. This lays the foundation for a long-term green supercycle which means that climate change not only poses significant risks and challenges but also opportunities. As a bank, we play an important role in facilitating these investments.

## Partnering with our customers

We can make the greatest positive impact by partnering with our customers. We engage with our private, corporate and institutional customers to identify risks and opportunities related to their transition strategies, linked to environmental, social and governance (ESG) matters. We actively consider ESG factors in our products, advice and processes, striving to avoid negative impacts and create value for the planet, people, and society.

Our role is clear. We are committed to supporting customers who share our long-term view on addressing climate change. We develop products and services that enable this transition.



## The foundation of our sustainability strategy

### Providing transition advice, financing and investments

We partner with our customers on the path to a low carbon sustainable society. Through deep insights, responsible advice and capital we help them to reach their targets.

### Innovating and setting standards

We share our knowledge, develop innovative products and services, and engage in setting standards for how the financial industry can contribute to a more sustainable and inclusive society.

### Transforming our business

Based on solid governance, we continuously develop our policies and goals and enhance our employees' competence to ensure our credit and investment portfolios support the transition.

### Acting as a responsible corporate citizen

We engage in society and take an active part in positively shaping the future. In line with our long tradition, we drive and encourage initiatives for sustainable entrepreneurship and promote financial inclusion.

Strategy and business plan  
 Sustainability ambition  
 CFO comment  
 Overall targets and outcome



### Our sustainable business strategy

Sustainability is a cornerstone of our 2030 Strategy and sets out the framework for our role in the sustainability transition. Its purpose is to integrate sustainability considerations in all relevant business decisions and by that supporting our customers.

As a signatory to the UN Principles for Responsible Banking, we have committed to continuously align our business strategy in accordance with the UN Sustainable Development Goals and the Paris Agreement. We have also joined important initiatives such as the Net-Zero Banking Alliance, the Net Zero Asset Managers initiative, and the Poseidon Principles for shipping.

### Ambitions and goals

SEB has developed metrics to steer the 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
- Sustainability Activity Index – The Green

Through these, we aim to accelerate the transition by reducing our fossil fuel exposure and increasing our positive environmental impact.

+123% -39% -47%

Sustainability activity index

Carbon exposure index

Financed emissions –  
sectors with 2030 targets

“We aim to accelerate the transition by reducing our fossil fuel exposure and increasing our positive environmental impact.”

By joining the Net-Zero Banking Alliance we have committed to align our credit portfolio with 1.5°C pathways to net zero by 2050 or sooner, and to set 2030 reduction targets. Our reduction targets now cover financed emissions for six sectors – oil & gas, power generation, steel, car manufacturing, Swedish household mortgages and heavy vehicle manufacturing.

→ See p. 18 for targets and outcome

### Social responsibility

As an important part of society's infrastructure, we apply high ethics and act responsibly to build healthy and long-lasting relationships with customers and other stakeholders. We are committed to respecting human rights, complying with labour laws, promoting inclusion and diversity, and actively engaging in positive social development in the countries where we operate.

### Human rights

SEB has the ability to promote human rights, for example by financing social infrastructure and engaging in responsible lending. Human rights are considered in our main processes in accordance with SEB's Social and Human Rights Policy and international agreements.

### Labour law and social dialogue

At SEB we ensure strict adherence to labour laws and cultivate positive relations with trade unions.

### Inclusion and diversity

We want SEB to be a place where everyone feels valued and involved, and where differences in personalities, background and identity are respected and appreciated.

→ See the Sustainability Report p. 208.

# Strategy and business plan unchanged

SEB's strategy and business plan are maintained with minor calibrations for the new operating and economic environment. The return to more normalised interest rate levels is challenging for many customers, but positive in the long term for the broader economy and for the bank, according to CFO Masih Yazdi.

The change in macroeconomic environment, with high inflation and rising interest rates, primarily affects the companies and individuals who took on large debt during the low-interest years, Masih Yazdi believes.

"It is a challenging time for many, but this is also the aim as far as central banks are concerned. They want to curb demand, relieve the pressure in the economy and thus bring down inflation. It is tough, but the central banks believe the situation will be even worse for a longer period of time if inflation remains permanently at higher levels."

## Short and long-term effects

In the short term, the higher interest rate levels have been favourable for SEB, especially compared to the previously long – and for a bank unfavourable – period of zero or negative interest rates. The conditions for the bank's operations have now normalised.

"At the same time, this means that we need to support our customers more than usual. The tougher things are for customers, the more support and advice they need."

In the long term, however, Masih Yazdi believes that the return to a more normal interest rate level will be positive for the broader economy. And also for the bank, which by its very nature is only a derivative of the economy.

"The excesses that built up in the low interest rate environment will now have to exit the system so that we reach a new, more sustainable equilibrium. It is hard, but in the long term I think it will be good for everyone."

## Future-proofing the bank

In 2021, SEB set out the way forward in a 2030 Strategy and a three-year business plan for 2022–2024. The purpose of this strategy is to future-proof the bank.

"We constantly try to invest in and develop the bank in order for us to remain relevant to our customers at all times. We have identified certain areas of strength that we need to accelerate, and certain areas that we need to change more. In the new environment, we also see the need to invest in improving efficiencies, and in technical and regulatory development. But fundamentally, it is about remaining relevant to customers well beyond 2030."

## Calibrations in new global situation

The strategy was shaped in a different world. It is based on an assessment of structural factors and expected customer needs. Since then, the economic outlook has worsened, the interest rate situation is different and geopolitical uncertainty has increased. That said, no major updates to the

strategy are currently deemed necessary.

"It is likely that the changes that have taken place over the past two years will result in some, more structural, effects and we are constantly evaluating this. Until we know more about which effects are cyclical and which are structural, the strategy remains in place, with a few minor calibrations in the business plan."

Examples of such calibrations are the increased efforts within investment banking. This business did very well in the previous low interest rate environment, with high demand for IPOs, acquisitions and corporate deals.

"Things will be tough there for a while, so we are recalibrating, which means we are not expanding our workforce as much as we intended to when interest rates were low."

SEB will also invest more in the offering of savings in interest-related products, which are becoming more attractive with the higher interest rate levels.

"At a global level, major changes are underway in terms of the security situation, which means we need to invest more in cyber security. The geopolitical environment is also requiring companies to rearrange their supply chains, and probably move production closer to their customers. We need to offer financing and advice on how to deal with that transition."



**"At a global level, we see a transition in terms of security and geopolitics, but our strategy and business plan are unchanged."**

Masih Yazdi, Chief Financial Officer, SEB

# Overall targets and outcome

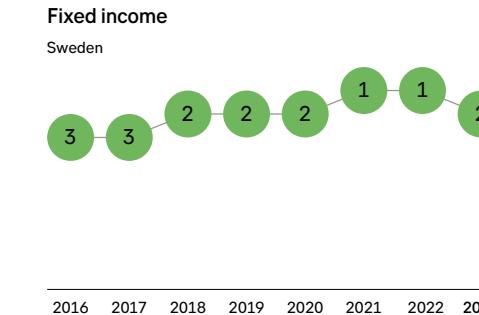
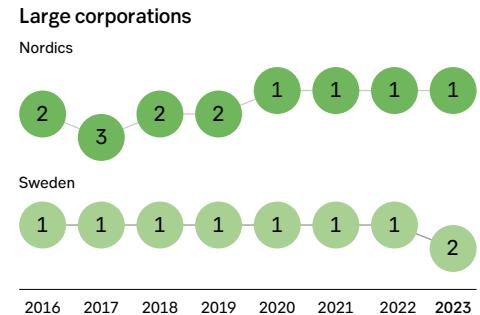
The selected overall strategy and business plan metrics reflect the development over time related to SEB's stakeholders.

## Customer experience and satisfaction

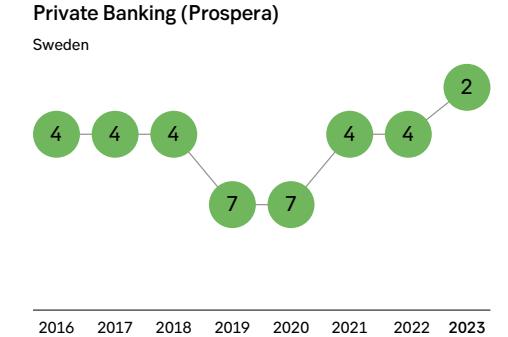
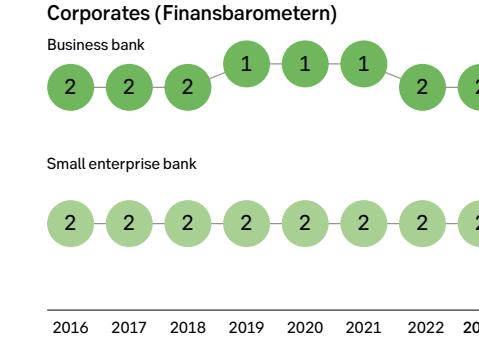
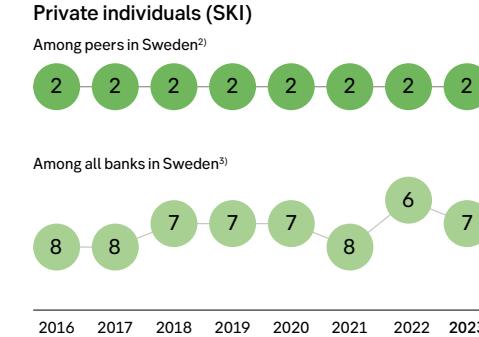
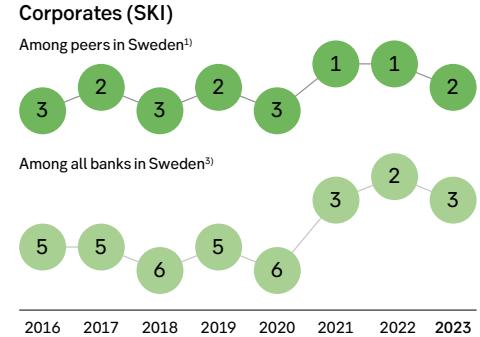
Prospera's overall performance measurement is an important indicator of large Nordic corporate, institutional and private banking customer satisfaction. For Swedish small and medium-sized companies and private customers, satisfaction is measured by the Swedish Quality Index (SKI) and Finansbarometern.

**Target**  
Leading position among peers in selected customer segments.

### Prospera overall performance



### Customer satisfaction



1) SEB, Handelsbanken, Swedbank, Nordea, Danske Bank.

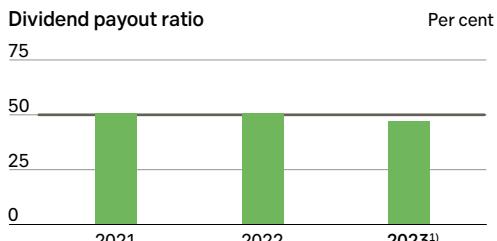
2) SEB, Handelsbanken, Swedbank, Nordea.

3) Banks with less than 300 respondents are summarised as one actor.

Strategy and business plan  
Sustainability ambition  
CFO comment  
Overall targets and outcome

## Financial targets

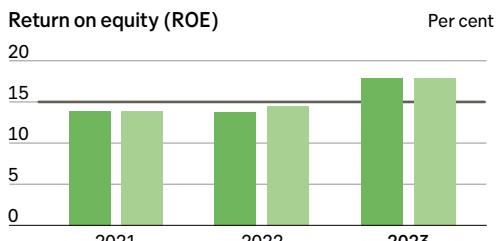
Through the resilience and flexibility that come from a strong capital base, good access to funding, high credit ratings and cost efficiency, SEB can create shareholder value in varying market conditions.



1) The ordinary dividend of SEK 8,50 per share corresponds to a dividend payout of 47 per cent. A special dividend of SEK 3,00 per share is also proposed for 2023. See p. 40 for share repurchase information.



● CET 1 capital requirement  
● Buffer above requirement



● Including items affecting comparability  
● Excluding items affecting comparability

## Comment

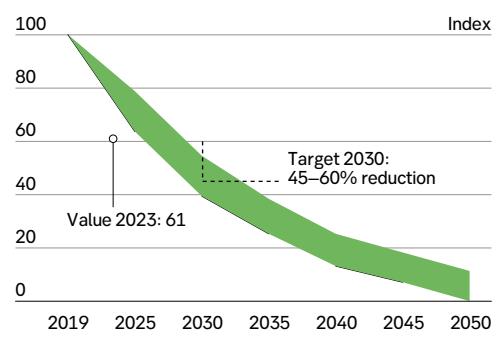
A yearly dividend that is around 50 per cent of the earnings per share, excluding items affecting comparability, while distributing potential capital in excess of the targeted capital position mainly through share repurchases.

## Sustainability

SEB has established strategic metrics to track the progress on the strategic sustainability work.

### The Brown

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



● SEB's energy fossil fuel credit exposure corridor

### Net-Zero Banking Alliance: sector targets for financed emissions

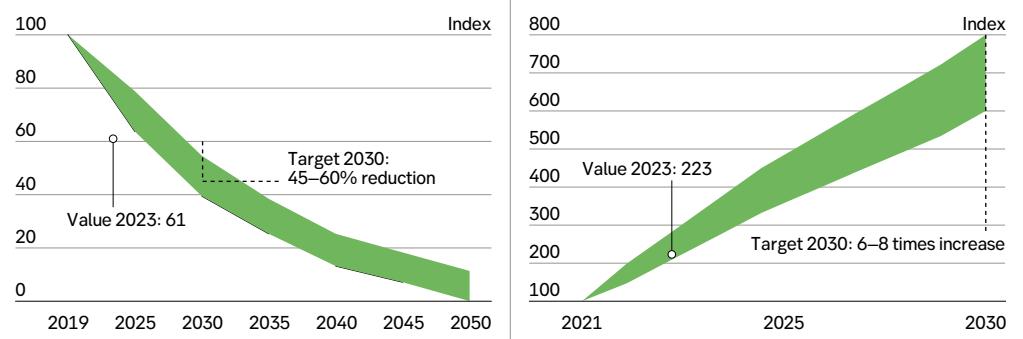
The sectors with 2030 targets account for 76 per cent of SEB's 2020 financed emissions. Per 2022, the financed emissions for the sectors with 2030 targets decreased by 47 per cent versus 2020.

SEB sector targets	Metric	Target	Outcome
		Δ 2020 <sup>1)</sup> –2030	Δ 2020–2022
Oil and gas: E&P <sup>2)</sup> and refining	mtCO <sub>2</sub> e <sup>3)</sup>	-70%	-61%
Power generation	g CO <sub>2</sub> e/kWh	-44%	-24%
Steel	t CO <sub>2</sub> e/t steel	-29%	+6%
Car manufacturing	g CO <sub>2</sub> e/km	-62%	-10%
Swedish household mortgages	kg CO <sub>2</sub> e/m <sup>2</sup>	-32%	-2%
Heavy vehicle manufacturing	% of ZEV <sup>4)</sup> in new sales	-35% <sup>1)</sup>	New

1) 2020 baseline has been restated to reflect updated emission data from customers and emission factors. Baseline for heavy vehicle manufacturing is per 2022. 2) Exploration and production. 3) Financed emission. 4) Zero Emission Vehicles.

### The Green

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



● SEB's energy fossil fuel credit exposure corridor

→ See the Sustainability Report p. 202 and 204.

Large Corporates & Financial Institutions

Corporate & Private Customers

Private Wealth Management & Family Office

Baltic

Life

Investment Management



# Building customer relationships

With a focus on positive relationships, SEB serves a wide range of customers through its different divisions. By understanding the customers' positions and needs, and offering the relevant products and industry expertise, we build customer relationships and trust over time.

Large Corporates & Financial Institutions  
 Corporate & Private Customers  
 Private Wealth Management & Family Office  
 Baltic  
 Life  
 Investment Management

# Large Corporates & Financial Institutions

38%

Share of group operating profit<sup>1)</sup>

0.35

Cost/income ratio

17.8%

Return on business equity

**"Transition-related financing had strong momentum throughout 2023."**

Jonas Ahlström

Head of Large Corporates & Financial Institutions division

## Business offering

The division serves 2,000 large corporate customers and 1,100 financial institutions and offers advisory-driven, full-service corporate banking, investment banking, as well as securities services.

## Our customers

### Large corporates

We have enduring and strong relationships with our large corporate customers. Our home markets comprise the Nordic region, Germany, and the United Kingdom and since recently we are expanding into Austria, Switzerland and the Netherlands. We also support home market clients globally via SEB's international network of offices. We support clients in their business and their international expansion. SEB serves large corporate customers across a broad spectrum of industries. Many are global market leaders and most have extensive international operations.

## Financial institutions

We have a strong position among financial institutions in the Nordic markets and also serve customers internationally with post-trade services and advice on capital, sustainability and asset management matters as well as capital market access. For institutional customers, SEB 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).

## The year in brief

In the cautious and at times volatile market environment, SEB benefited from its diversified business model, and was able to support customers in uncertain times. SEB's ranking in the Prospera customer satisfaction survey in 2023 was number 1 both for large corporate clients

and institutional clients in the Nordic region, and number 1 for sustainability advice in the Nordic region.

Credit demand was broadly muted throughout 2023 although ESG-related financing had strong momentum. Cash management activity was at healthy levels with stable volumes and interest rate hikes supporting net interest income. Demand for trade finance related services was solid, especially guarantees.

Investment banking activity was impacted by adverse market conditions as activities in mergers and acquisitions and equity capital markets were subdued. Bond activity was solid, especially during the second part of 2023. Demand for energy transition and infrastructure financing among large corporate customers held up well.

Rising interest rates and the at times uncertain market environment supported demand for risk management services. Activity related to foreign exchange remained at healthy levels but sudden



<sup>1)</sup> Excluding Group functions and eliminations.

**Large Corporates & Financial Institutions**

Corporate & Private Customers

Private Wealth Management & Family Office

Baltic

Life

Investment Management

shifts in risk appetite were seen. Fixed income activity in the secondary market was subdued while the primary market had periods of high activity levels. Equity activity was moderate with relatively low volatility with prime financing being in demand. Assets under custody increased as a consequence of increased asset values.

As part of our efforts to be a positive force in the sustainability transition, we partner with customers and provide advice, sustainable financing, and investment products. Examples included providing project finance for a solar farm in Sweden and a sustainability linked loan with a social focus supporting the Gottsunda community and

a sustainable bond framework for the German retailer and tour operator Rewe Group.

We continue to explore new ways of doing business. In 2023 the European Investment Bank issued its first digital green bond on a block-chain-based platform for digital bonds launched by SEB and Crédit Agricole.

We have a continuous strong focus on Know-Your-Customer (KYC) and regulatory capabilities focused on financial crime prevention. We continue our cost and capital efficiency efforts and calibrate our pricing and offering to ensure we deliver value to customers and shareholders.



## Business areas

### Corporate Banking

Large corporate clients in our home markets are offered a full suite of financial services, including lending, liquidity management, payments, trade finance, and leasing solutions. Outside the Nordic region the offering is targeted to large companies with an international profile.

### Institutional Banking

We address the needs of banks and institutions. The offering includes sub-custody, cash clearing, global custody, depository services and related post trade services.

### Structured Finance

We support corporates, financial institutions and financial sponsors with structured financing in commercial real estate, leverage finance, project and infrastructure and shipping finance.

### Investment Banking

SEB's full-service investment bank offering covers advisory, execution and financing across product and client segments. Our expertise spans M&A (mergers and acquisitions), equity, debt and loan capital markets.

### FICC Markets

FICC Markets consists of the units Fixed Income, Currencies and Commodities. FICC Markets provides execution, advisory, research and development of financial instruments within these asset classes.

# Corporate & Private Customers

32%

Share of group operating profit<sup>1)</sup>

0.31

Cost/income ratio

26.2%

Return on business equity

**"Efforts to improve our service model continue to bear fruit, with improved customer satisfaction."**

Jonas Söderberg  
Head of Corporate & Private Customer division

## Business offering

The division offers full banking and advisory services for private individuals and small and medium-sized corporate customers in Sweden, as well as card solutions in four Nordic countries. Services are provided through digital meeting points, around 80 physical meeting places and a contact center with 24/7 accessibility.

## Our customers

### Corporate customers

With an established position as the bank for entrepreneurs and small business owners, the division serves around 260,000 small and medium-sized companies, whereof some 188,000 are home bank customers and around 600 mid corps (larger and more complex medium-sized companies) in both the private and public sector. The division has a broad offering to corporate customers, ranging from everyday banking services to smaller companies, to complex banking and advisory services to medium-sized companies. With a leading position in corporate

payment solutions in the Nordic region, SEB Kort has issued around 3.6 million cards, providing financing and payment solutions to corporate and private customers.

### Private customers

The division serves approximately 1.3 million active private customers in Sweden, whereof around 295,000 are home bank customers. We provide a comprehensive range of products and services through three distribution channels (digital, remote, and physical), such as banking services for private individuals and private banking services for affluent individuals in Sweden.

### The year in brief

With sharp increases in interest rates, high inflation and a weakening economy, we focused on providing our customers with service and responsible advice. Customers' demand for advisory meetings remained high. Customer satisfaction improved during the year due to improved accessibility to our contact centre.

The economic uncertainty and higher interest rates resulted in low demand in most areas and elevated amortisations.

Low demand led to a competitive environment which resulted in household lending margins declining significantly, while deposit margins increased following the central bank rate hikes. On the corporate side, lending margins declined as well, but at a lower pace, while deposit margins increased. Customers also reduced their monthly savings. Despite this, inflow of savings increased during the year.

Following higher interest rates, higher cost of living and weaker economic growth, asset quality began to weaken during the second half of 2023 but was strong in general, which reflected in credit losses remaining low. Asset quality remained stable.

Digitalising our retail banking offering continued, with new services and functionalities added in both corporate and private digital channels. Customer experience improved with more self-service, better accessibility in contact



<sup>1)</sup> Excluding Group functions and eliminations.

Large Corporates & Financial Institutions

Corporate & Private Customers

Private Wealth Management & Family Office

Baltic

Life

Investment Management

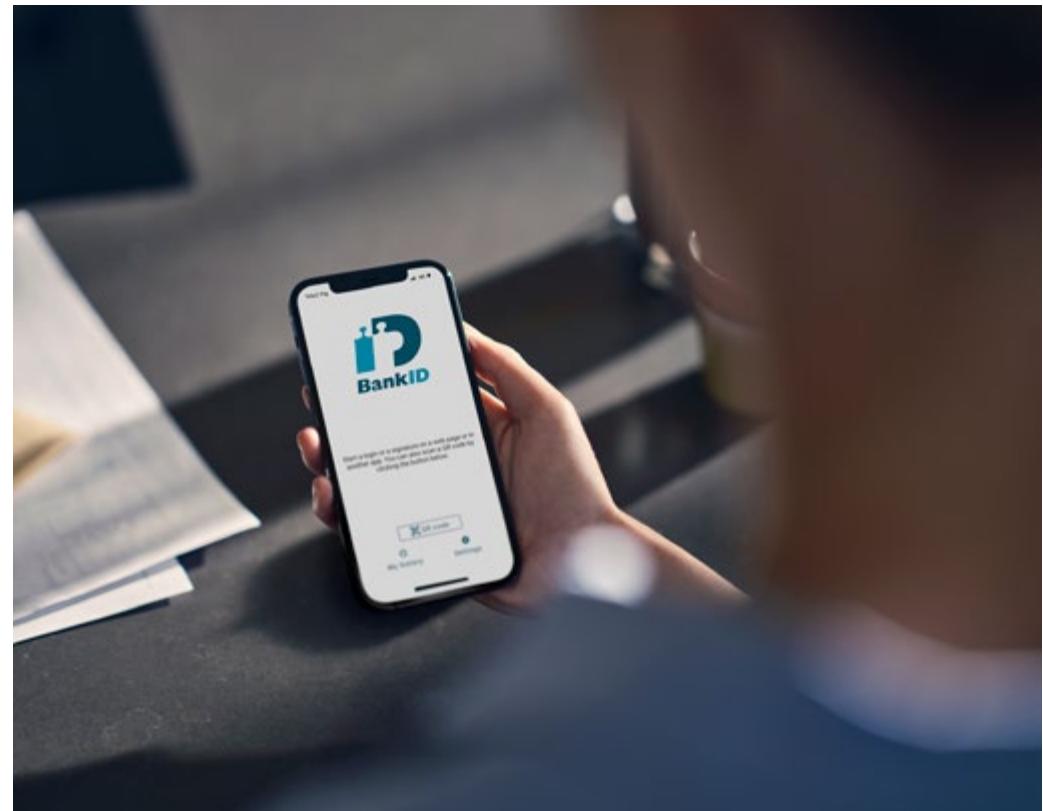
centers and advisory meetings. Examples include the possibility to renew the digital ID service Mobile BankID and trading of European equities in the private app. For corporates, new functionality includes the launch of digital endowment insurance for corporates with fully digital onboarding, as well as trading of mutual funds in the corporate app.

During the year SEB announced that SEB Kort will acquire AirPlus, a leading corporate payment services provider in Europe. SEB Kort's income will increase significantly and together SEB Kort and AirPlus will become a European leader in corporate payment solutions. This supports of SEB's ambitions to grow the corporate payments solutions business. See p. 37.

As a part of its bancassurance ambitions, and following the strategic partnership with the insurtech company Insurely in 2022, the

division launched new functionality that enables customers to see and consolidate their pension savings in the SEB mobile app. In addition, the division entered a new strategic partnership with insurance provider Hedvig, a leading Nordic insurtech company within non-life insurance for private individuals. Hedvig's customer-friendly digital insurance offering will enable SEB to offer its customers insurance services in a smooth and effortless way.

The ambition within sustainability remains unchanged and was evident in a continued growth in our green lending volumes as well as an increase in the share of customer savings in article 9 mutual funds. The division increased the number of sustainability related corporate advisory meetings while we continued to improve our offering by launching services such as sustainability data on equities in the mobile app and an energy improvement loan.



## Business areas

### Retail Sweden

Retail Sweden is responsible for distribution of products and services to both private individuals and small and medium-sized companies and is responsible for the branch office network, remote advisory and contact center.

### SEB Kort

SEB Kort, a wholly owned subsidiary of SEB Group, is a leading provider of corporate payment solutions in the Nordic region, including corporate cards, company accounts and co-branding. SEB Kort also provides payment and financing solutions and related services to both private individuals and corporate customers in the Nordic region.

### Mid Corp

Mid Corp offers complex banking and advisory services to the larger or more complex medium-sized companies through dedicated customer service teams. Mid Corp assists customers with more advanced needs, and provides access to the large corporates division when customers grow in size and needs becomes more complex.

Large Corporates & Financial Institutions  
 Corporate & Private Customers  
 Private Wealth Management & Family Office  
 Baltic  
 Life  
 Investment Management

# Private Wealth Management & Family Office

5%

Share of group operating profit<sup>1)</sup>

0.43

Cost/income ratio

44.5%

Return on business equity

## Business offering

The division offers its customers comprehensive banking and advisory services, access to capital markets, financing solutions and individually tailored advisory services across SEB's home markets and international markets. The personal contact and long-term relationships are central to our offering.

The offering also includes a broad range of non-financial services, such as legal counseling, insurance advisory, accounting services, succession planning and ownership advisory. In addition, SEB also maintains a unique network where clients are connected and presented to exclusive business opportunities.

## Our customers

Our clients include around 18,000 ultra high and high net worth private individuals and families, professional family offices and foundations in Sweden and internationally. SEB has from the establishment of the division in 2021 climbed from #7 in Prospera's Swedish Private Banking survey to #2 in 2023.

## The year in brief

SEB has seen an increase in new assets under management as well as lending volumes and in new clients during the year. We have launched several investment products, such as EQT Nexus, Arte Collectum and Pophouse, broadening and

improving the quality of our product offering. We continued to build on our leading position in the market for foundation clients by establishing a scalable and more efficient solution to handle the foundations' needs for accounting services in collaboration with PE Accounting. A new role, Philanthropy Advisor, has been added to establish and expand the competence in the area. SEB has also strengthened the offering in ownership advisory and succession planning through a partnership with Censor AB.

**"We aim to be the trusted partner in our clients' lives, today and for generations to come."**

William Paus

Head of Private Wealth Management & Family Office division



## Business areas

### Private Wealth Management

This business area is divided into behaviour-based client segments including real estate and land-owners, professionals and executives, entrepreneurs and ultra-high net worth private individuals and families. In all segments clients are offered banking, investment advisory, financing solutions and wealth planning.

### Professional Family Office

This business area provides institutionalised services to family-owned investment companies – the professional family office. SEB has continued its expansion of this business area and serves clients in the Nordics, Germany and internationally with access to the full range of SEB products and services.

### Philanthropy and Foundations

All clients in the division are offered philanthropic advisory and access to opportunities to fulfil their philanthropic ambitions. The client has access to a dedicated team of experts to help with administration, legal expertise, portfolio management – all in one place.

<sup>1)</sup> Excluding Group functions and eliminations.

Large Corporates & Financial Institutions  
 Corporate & Private Customers  
 Private Wealth Management & Family Office  
 Baltic  
 Life  
 Investment Management

# Baltic

18%

Share of group operating profit<sup>1)</sup>

0.21

Cost/income ratio

45.8%

Return on business equity

## Business offering

SEB is one of the major banks in Estonia, Latvia, and Lithuania. The division provides universal banking including advisory services to private individuals and all corporate customer segments, with significant market shares across key segments and products in all three countries. Customers are served through remote, physical and digital channels such as contact centres, branch offices and mobile applications. Electronic document signing and remote video advice are increasingly used.

## Our customers

We serve more than 1 million private home bank customers and 104,000 home bank customers

among companies across several industries. The main sectors in our credit portfolio are energy, retail, manufacturing, real estate, transport and agriculture.

## The year in brief

Economic activity was subdued due to rising interest rates and high inflation. The interest rates led to a sharp slowdown in the manufacturing industry due to reduced demand in the major export markets. Household consumption was also affected, but to a lesser extent. Overall, lending and deposit volumes were relatively unchanged.

A new service model was introduced, where contact centres and branch offices are integrated into a common customer service organisation.

The savings offering was enhanced with higher interest rates on all deposit products for private customer, SMEs and corporates. In addition, the payment solution offering for corporate customers was improved with new solutions for e-commerce and card purchases in stores.

SEB has also launched a new internet bank in the Baltics with several improvements to the customer interface, but above all a new technical platform that will enable faster and more flexible development of the digital offer.

Temporary solidarity contribution fees and higher corporate income taxes in Latvia and Lithuania were implemented as were higher corporate income tax (in force from 2025) and value added tax (in force from 2024) in Estonia.

## Business areas

The customer segments, products and service offering are similar, and the operations are streamlined across the subsidiaries.

### Estonia

SEB in Estonia generates around one third of the division's operating income and serves around one fourth of its customers. The customer base is well diversified with large corporate customers as well as many smaller companies in a wide range of sectors. Estonia is the division's second largest market.

### Latvia

Latvia is the division's third largest market. SEB in Latvia generates around one fifth of the division's operating income and serves around one fourth of its customer base. In the Latvian market, SEB stands out as the largest financing provider for corporate customers.

### Lithuania

SEB in Lithuania generates almost half of the division's operating income and serves almost half of the customer base. Lithuania is the division's largest market. It is also the largest economy in the Baltics; hence the largest corporate customers are served here.

<sup>1)</sup> Excluding Group functions and eliminations.

**"The Baltic countries were remarkably resilient, given the macroeconomic and geopolitical challenges in 2023."**

Niina Äikäs  
Head of Baltic Division



Large Corporates & Financial Institutions  
 Corporate & Private Customers  
 Private Wealth Management & Family Office  
 Baltic  
 Life  
 Investment Management

# Life

4%

Share of group operating profit<sup>1)</sup>

0.44

Cost/income ratio

35.1%

Return on business equity

## Business offering

The division's life insurance offering to individuals and companies includes a complete range of products for savings and financial security, such as occupational pension, private pension insurance, endowment insurance, portfolio bond (foreign endowment insurance) and risk insurance. The division strives to offer customers advice and solutions throughout their lives in order to provide them with the right insurance cover and attractive long-term savings. The business is conducted through digital meeting points, remote video advice, in-person meetings and customer centres. Insurance is distributed through SEB's bank branches, insurance brokers and so-called tied agents.

## Our customers

The division operates in the Nordic and Baltic markets, with offices in Sweden, Ireland, Luxembourg, Estonia, Latvia and Lithuania and has 916,000 customers, consisting of 821,000 private customers and 95,000 business customers with 402,000 policy holders.

## The year in brief

Assets under management grew by 11 per cent. SEB maintains its top-three position in the Swedish Life Insurance market.<sup>2)</sup>

During the year, we continued to digitalise our offering to customers and distributors. Modernising the IT architecture enables us to continue digitalisation and improve flexibility for

the customer. We have launched self-service for occupational pension solutions for small and medium-sized enterprises. Our external interfaces for occupational pension administration have proven to be a competitive advantage. We also launched a digital corporate offering for endowment insurance, along with competitive risk insurance for both companies and individuals. Life & Pension Baltic initiated a five-year IT modernisation program aimed at transforming outdated systems into modular solutions.

**"We continuously develop our digital services to meet our customers' changing needs."**

David Teare<sup>3)</sup>  
 Head of Life division



## Business areas

### Pension & Insurance

In Sweden, traditional life, mutual fund insurance, occupational pension, private pension insurance and health insurance are offered to companies and private individuals.

### Life & Pension Baltic

In Estonia, Latvia and Lithuania, traditional insurance, mutual fund insurance, occupational pension, private pension insurance and health insurance are offered to companies and private individuals.

### Life International

Nordic (primarily Swedish) private customers with specific investment needs are offered tailored solutions in portfolio bond insurance.

1) Excluding Group functions and eliminations.

2) Latest available market statistics from the Swedish insurance trade association, measured as new sales.

3) Linnéa Echorcheville is Head of Life division as from 10 January 2024.

Large Corporates & Financial Institutions  
 Corporate & Private Customers  
 Private Wealth Management & Family Office  
 Baltic  
 Life  
 Investment Management

# Investment Management

3%

Share of group operating profit<sup>1)</sup>

0.46

Cost/income ratio

52.0%

Return on business equity

## Business offering

The division provides asset management and related services. The division strives to be an ambitious and long-term relevant partner to customers in sustainable investments. Our goal is to influence the future through responsible allocation of customers' capital. This is done by creating value for customers, acting for the long term and building positive relationships.

## Our customers

The division has a broad customer base where SEB is the most important distribution channel for private individuals and companies. Institutional customers are assisted through the division's own distribution and the focus is on pension companies, fund companies, and

foundations as well as municipalities and regions. In addition, the division's funds are distributed via third-party platforms.

## The year in brief

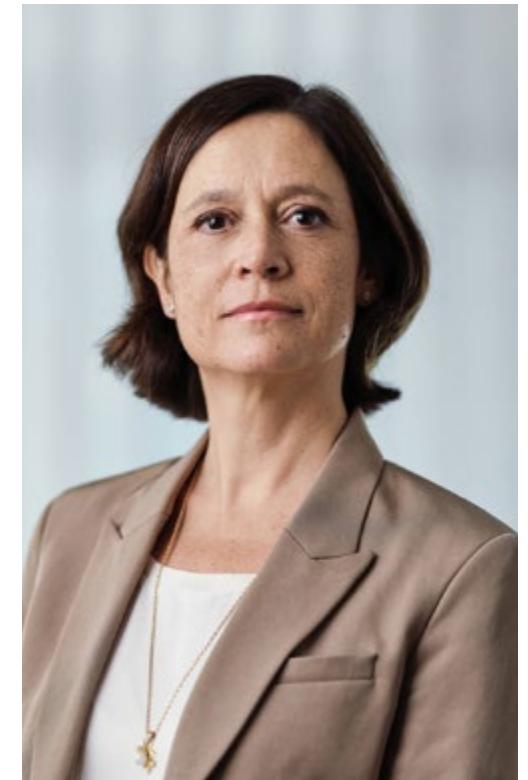
Despite volatile asset prices and a net outflow, assets under management were largely unchanged. To meet customer needs, the division continued to increase the range of alternative and thematic products. During the year, we launched the SEB Nordic Energy fund for institutional customers, which invests in small-scale renewable energy infrastructure. This allows capital to be directed to local projects that help to improve the energy situation and even accelerate the energy transition. As part of our thematic fund initiative, we launched an AI fund focusing

on companies that enable the use or development of artificial intelligence. We also launched our 11th microfinance fund, which enables institutional customers to channel capital to low- and middle-income earners in developing countries to start and grow businesses. To capture the window of opportunity in a landscape of higher interest rates, we have launched two new fixed income funds.

We continued to develop our sustainability work by, among other ways, updating and strengthening our sustainability policy on biodiversity. This has been done by clarifying our objectives but also our expectations regarding the impact on ecosystems and biodiversity in our investments.

**"We continue to expand the range of alternative and thematic products."**

Javier Ragnartz  
Head of Investment Management division



## Business areas

### Liquid Assets<sup>2)</sup>

The division offers asset management within the asset classes of equities and fixed income securities.

### Alternative Investments<sup>2)</sup>

The division offers asset management within the illiquid products in the asset classes of private equity, real estate, infrastructure and microfinance.

### Institutional Asset Management

Distribution of funds and mandates managed by SEB Investment Management but also by other financial institutions.

1) Excluding Group functions and eliminations.

2) In combination referred to as SEB Investment Management.

Customers – SKF  
Customers – Gälöstiftelsen  
SEB Embedded  
Group Treasury  
Financial Crime Prevention  
Human Resources



# Voices about SEB

SEB has many different stakeholders, including customers and employees. Here, a few of them describe their relationship with SEB and their work with the bank.

Customers – SKF  
 Customers – Gålöstiftelsen  
 SEB Embedded  
 Group Treasury  
 Financial Crime Prevention  
 Human Resources

SKF – customer at Large Corporates & Financial Institutions

## It is important to have a partner who shares our values

Elisabeth Mosséen is Group Treasurer at SKF Group, a global supplier of solutions for rotating applications. SKF Group has a presence in more than 130 countries, more than 40,000 employees and annual sales of approximately SEK 100bn. Sustainability is an integrated part of the Group's ambitious growth strategy.

"Driving sustainability issues is the responsibility of every employee at SKF. For me, as Group Treasurer, this means that every krona



that passes through SKF must be managed and sourced in a sustainable way. Thus, we need sustainable financial partners who share our values, like SEB."

According to Elisabeth Mosséen, the main characteristic of the relationship with SEB is the bank's customer focus.

"SEB looks out for what is best for us, not just what generates the largest revenue for the bank. This is a very important value and goes for all parts of the relationship. I get the same message from other departments that work with the bank."

Another thing that stands out is SEB's willingness to challenge us with new suggestions and solutions.

"Our entire business is built on innovation and we need counterparties who challenge us in this area. SEB is a strong force for innovation and has the courage to challenge us as customers. The bank often provides suggestions outside the box that work for us and not just because the bank wants to sell a product."

**"SEB is a strong force for innovation and has the courage to challenge us as customers."**

Elisabeth Mosséen  
 Group Treasurer, SKF

Gålöstiftelsen – customer at Private Wealth Management & Family Office

## A responsible partner for over 40 years

Jonas Rosdahl has been Secretary General of Gålöstiftelsen since 2022 and bears overall responsibility for the foundation's activities. Gålöstiftelsen is a responsible donor of scholarships and grants to children, young people and non-profit organisations in Greater Stockholm. It is one of the largest foundations within child and youth activities in Sweden, with roots dating back to 1830. Its vision is for a Stockholm in which all young people have the chance to achieve their dreams.

"We believe that education is key to creating opportunities and change in society," says Jonas Rosdahl, "and we aim to give young people a safe and stimulating environment in which they can develop their talents and interests. Gålöstiftelsen also promotes cooperation between different actors working to promote the well-being and future of young people."

He points to the "Järva i samverkan" (Järva in Cooperation) initiative as an example. Järva i samverkan started with the aim of strengthening dialogue, cooperation and networks between associations that work with children and young people, thus contributing to a safe and attractive Järva. The associations can apply for funds from the Gålöstiftelsen for various collaborative projects and activities. Jonas Rosdahl's hope is that this form of cooperation will eventually spread throughout Greater Stockholm in order to generate greater dissemination and engagement.

Gålöstiftelsen has been a customer of SEB



**"We care about giving young people a safe and stimulating environment."**

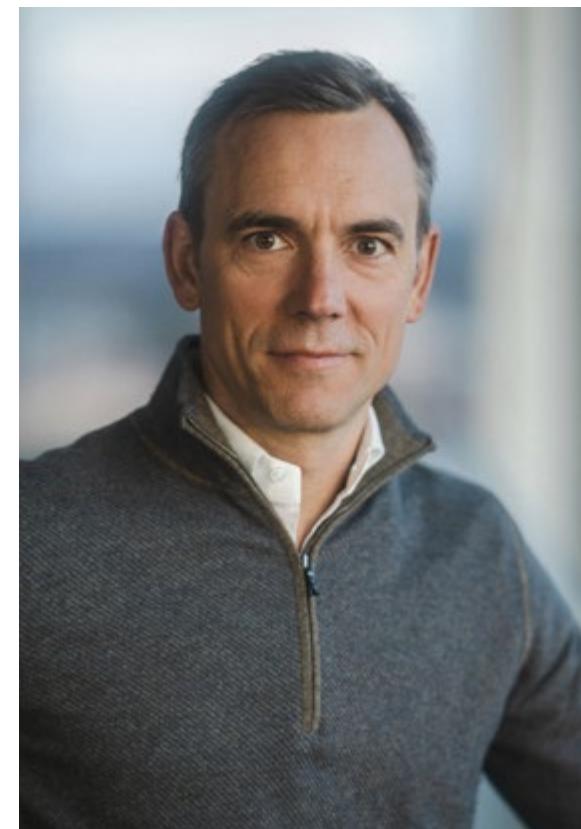
Jonas Rosdahl  
 Secretary General, Gålöstiftelsen

since the early 1980s and views SEB as a long-term and responsible partner.

"At Gålöstiftelsen, we believe that SEB stands for competence, commitment and service," says Jonas Rosdahl. "For many years, SEB has helped us to manage and invest the foundation's capital responsibly and sustainably, and provided advice, administration and reporting of our finances. This has allowed us to focus on our core business and make a positive difference for young people in society."

[Customers – SKF](#)
[Customers – Gålöstiftelsen](#)
[SEB Embedded](#)
[Group Treasury](#)
[Financial Crime Prevention](#)
[Human Resources](#)
[SEB Embedded](#)

## SEB Embedded scales up to meet demand



**"We give companies the opportunity to offer financial services without having to be a bank."**

Christoffer Malmer  
Head of SEB Embedded

Christoffer Malmer is Head of SEB Embedded, a business area established in 2023 with the task of commercialising the Banking-as-a-Service concept (BaaS). This is about giving SEB's large corporate customers the opportunity to offer financial services to their end customers without having to be a bank themselves.

"We make it possible for retailers, the media, travel companies, the transport industry, home electronics and more to build financial services into their customer relationships under their own brand without needing to build up a balance sheet, engage in regulatory compliance or be under the supervision of the Financial Supervisory Authority. This may involve accounts, cards, payments or financing solutions."

The first BaaS agreement was signed in 2022 with the Axel Johnson Group, which went live with its customer offering later that year, built on SEB Embedded's platform. This led to a series of new customer dialogues and new agreements for SEB Embedded.

"We are now scaling up to meet demand. We are currently building solutions for customers with the aim of putting them into operation in 2024."

SEB Embedded was born out of SEB's innovation studio SEBx. As BaaS is scaled up within SEB Embedded, the SEBx innovation studio has restarted from scratch with the continued mission of exploring disruptive innovation.

[Group Treasury](#)

## A bank with resilience in good times and bad

Kimberly Bauner, Head of Group Treasury, is new at SEB but has solid experience in the financial industry internationally. She sees Treasury as the heart of the bank and was attracted to SEB partly due to the bank's long-term perspective.

"Treasury is incredibly important for a bank because this is where we ensure that we always have capital when needed, regardless of currency and maturity, so that we can support our customers with capital and liquidity, comply with the bank's regulatory requirements, and live up to our responsibilities to our debt and equity investors."

If Treasury is not doing well, neither is the rest of the bank, she believes.

"There are new things happening all the time that you have to keep an eye on – whether political, economic, regulatory, in the capital market or in the product areas. It is important to include both external and internal perspectives in order to then be able to give informed advice to management", Kimberly Bauner believes.

Kimberly Bauner wants to continue to build on the safe, stable foundation her predecessor created for the Treasury department, but still needs to look ahead to future-proof the business and strengthen the dialogue with the bank's debt investors.

"Of course, I have to ensure that we have a modern Treasury operation even in ten years' time, but above all we want to help manage

the bank efficiently and sustainably. If there is a major banking crisis in the future, I want SEB to be the 'last bank standing'. We must be resilient so we can be there in both good times and bad."



**"For me, Treasury is the heart of the bank."**

Kimberly Bauner  
Head of Group Treasury, SEB

## Financial Crime Prevention

## Joining forces to fight financial crime



Johan Sekora is Head of Financial Crime Prevention at SEB. The group-wide unit was established two years ago to further scale up the work against financial crime.

"Financial crime continues to be one of the biggest challenges facing the financial industry, affecting millions of people around the world. The human cost of fraud, crime and terrorist financing is incalculable," he says. "At SEB, we work continuously to strengthen our abilities to detect, prevent and report suspicious activity in line with current regulations and the bank's ethical standards."

**"We protect SEB and our customers, but also society at large."**

Johan Sekora  
Head of Financial Crime Prevention, SEB

Financial crime has garnered a lot of media attention. The increasingly advanced crime, which is also digital, requires escalated countermeasures from the bank. In addition, the regulatory requirements are becoming increasingly strict.

Knowledge, awareness and a strong risk culture are deeply rooted throughout SEB's organisation, from the board of directors to individual employees. Some of the most important measures relating to this work include a solid know-your-customer process, effective transaction monitoring, training of employees, notification and cooperation with law enforcement authorities such as the Financial Intelligence Unit, the Swedish Economic Crime Authority and other authorities.

Advanced analysis with AI is used to detect fraud, and every year SEB reports thousands of suspicious transactions. Close cooperation with authorities and various actors is key, since money laundering and other financial crimes are a problem for society as a whole – no one can solve them alone.

"To make society as a whole more resilient, we need to continue to join forces and expand collaboration and information sharing between banks, the police, authorities and countries," says Johan Sekora.

## Human Resources

## There is an enormous expertise and drive within SEB

Robert Celsing is head of SEB Human Resources. In SEB, HR should be more than a support function and should act as a close partner to the business, since people are the very core of the bank's operations.

"As a bank, we lend, borrow and move money in some form or another, and each of these steps involves a risk assessment," says Robert Celsing.

"Of course, technology is an important tool, but it is our skilled and committed employees who make a difference and build trust through long-term relationships and responsible advice. There is enormous expertise and drive within



SEB, and we need to harness and develop that power."

In recent years, SEB has invested broadly in strengthening internal mobility and offering opportunities for career development. Continuous learning to future-proof employees' skills is an integral part of the work, with the digital university SEB Campus acting as a catalyst. There are ongoing training initiatives in areas such as sustainability, AI and leadership.

Inclusion and diversity is a priority area for the bank, and for Robert Celsing personally.

"I am convinced that a highly diverse workforce adds additional perspectives," he says. "This in turn contributes to new ideas and sound decision-making."

The bank takes a structured approach to reinforcing positive behaviours that will continue to build a warm and inclusive culture and contribute to a positive future. Robert Celsing is proud that SEB's annual employee survey shows high levels of commitment, several points above the average in the comparison group, and that SEB in Sweden is ranked as the first choice employer among the major banks in several occupational categories.

**"Important to future-proof our skills."**

Robert Celsing  
Head of Group Human Resources, SEB

## Investing in SEB



# Investing in SEB

SEB has a unique customer base and market position, committed owners with a long-term perspective, a solid financial buffer and the strength to grow and to create shareholder value.

# SEB's investment case

SEB is a leading northern European financial services group with international reach, founded in 1856. We operate in economically strong markets, including the Nordic and Baltic countries, Germany and the United Kingdom, and have a large proportion of international large corporate customers, providing geographical diversification beyond our home markets. We have a strong retail franchise in Sweden and the Baltics, where we provide private individuals and small and medium-sized companies with our services.

## Value creation through diversified business and financial strength

SEB's risk profile and broad customer base, comprehensive product and service offering, and geographical reach contribute to a diversified business, and stable earnings and capital generation. In a relative perspective, SEB has a significantly lower sector concentration in its lending portfolio compared to the average Nordic peer.<sup>1)</sup> These qualities, among others, are reflected in the strong credit ratings assigned to SEB by the major credit rating agencies. A strong credit rating has always been important for SEB.

Further, SEB's strong financial position provides ample safeguards going forward and enables us to continue to grow by providing our customers with responsible advice and capital, reinvesting our profits to further develop our business and by distributing capital to shareholders.

This is how we continue to create long-term value for our customers, shareholders, and the communities in which we operate, today and for generations to come.

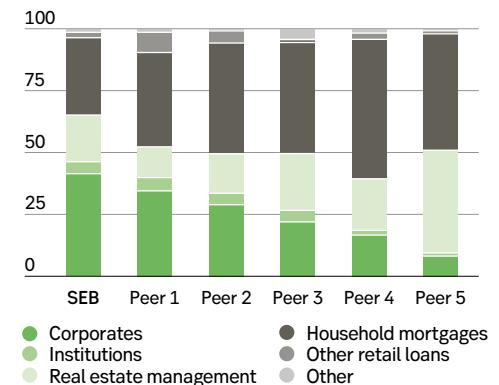
1) According to the Herfindahl-Hirschmann index.

2) Danske Bank, DNB, Handelsbanken, Nordea, Swedbank.

## Well balanced credit portfolio

Our credit portfolio is more diversified than our Nordic bank peers.<sup>2)</sup>

Loans by sector, per cent



## Strategy to future-proof the bank

SEB's 2030 Strategy aims to build on our solid market position and financial strength to future-proof the bank. By accelerating the pace of investments into selected key areas of our business, we will continue to meet our customers' evolving needs and secure our future competitiveness in a rapidly changing operating environment. This also includes transparent and measurable sustainability-related ambitions and goals, intended to reduce our credit exposure to fossil fuels in the energy portfolio, and increase our sustainability-related activities. In 2022, we also established Net-Zero Banking Alliance targets for financed emissions.

→ For 2030 Strategy and business plan, see p. 11–18.

## Long-term owners providing stability

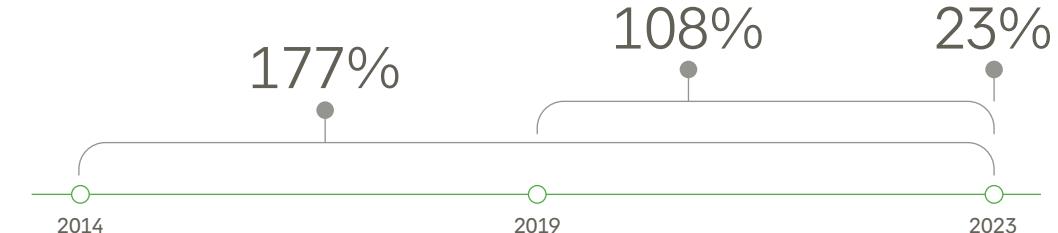
SEB has a long-term shareholder base that allows us to look beyond business cycles. SEB's largest shareholder is Investor AB, with SEB as one of its core holdings. Investor AB, founded by the Wallenberg family in 1916, is the largest investment company in northern Europe. Enabled by our owners, we have an opportunity to contribute to the development of society through the dividends we pay to our shareholders. These include more than 265,000 private individuals, some of Sweden's largest pension funds and, indirectly, foundations that support research and education.

→ Information about shareholders, see p. 60.

## Total shareholder return

Shareholder value is created by dividends, buybacks and change in market value over time. All else equal, share buybacks increase earnings per share. The shareholder value created can be measured as total shareholder return, defined as reinvested dividends and changes in market value over a time period. For 2023, the total shareholder return in SEB's Class A share was 23 per cent. SEB paid a dividend of SEK 6.75 per share and the share price increased from SEK 119.85 to SEK 138.80. For the past ten years, the total shareholder return of SEB's Class A share was 177 per cent. This compares to an average total return of 133 per cent for Nordic bank peers.

Total shareholder return



→ For information on dividends and share repurchases, see p. 40.

[Financial review of the group](#)[Result and profitability](#)[Financial structure](#)[Holistic management](#)[Profit and business volumes, explanation](#)[Divisions and group functions](#)[Geographic markets](#)[Market shares and customer contacts](#)[Uncertainties](#)[Risk, liquidity and capital management](#)[Corporate governance](#)[Board of Directors](#)[Group Executive Committee](#)[Remuneration report](#)

# Report of the Directors

In a year marked by uncertainty with inflation and high interest rates where customers took a cautious approach SEB reported a solid result and was able propose a dividend of SEK 11.50 per share and additional share buy-back programmes.

[Financial review of the group](#)

- [Result and profitability](#)
- [Financial structure](#)
- [Holistic management](#)
- [Profit and business volumes, explanation](#)
- [Divisions and group functions](#)
- [Geographic markets](#)
- [Market shares and customer contacts](#)
- [Uncertainties](#)

[Risk, liquidity and capital management](#)

- [Corporate governance](#)
- [Board of Directors](#)
- [Group Executive Committee](#)
- [Remuneration report](#)

# Financial review of the group

SEB's operating profit improved markedly. The bank's financial position is strong, return on equity reached 17.9 per cent and the capital buffer was 440 basis points. The Board of Directors proposes an ordinary dividend of SEK 8.50 and a special dividend of SEK 3.00 per share.

## Result and profitability

### Restated comparative figures

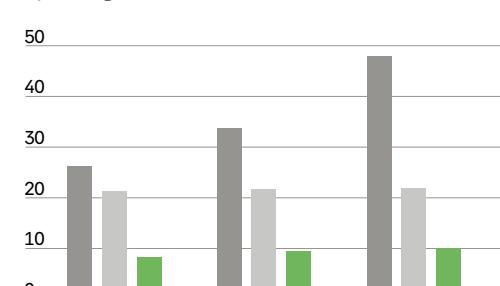
On 3 April 2023, SEB published a press release with restated comparative figures for 2022 relating to the transition to IFRS 17 Insurance contracts. The restated figures are fully reflected throughout this report. See note 49 for more information and a reconciliation to previously published financial information.

### Result

*Operating profit before items affecting comparability* increased by 37 per cent to SEK 47,963m (35,138).

*Operating profit* increased by 42 per cent to SEK 47,963m (33,739) and net profit amounted to SEK 38,116m (26,877).

### Operating income



- Net interest income
- Net financial income
- Net fee and commission income
- Net other income

### Operating income

*Operating income* increased by 24 per cent to SEK 80,193m (64,478).

*Net interest income* increased by 42 per cent and amounted to SEK 47,526m (33,443). The FX-effect on net interest income amounted to SEK 1,011m.

Net interest income from loans to the public decreased by SEK 3,025m. The main reason was a lower margin effect on household mortgage loans in Sweden. This was offset by loan volumes that had a positive effect.

Net interest income from deposits from the public rose by SEK 11,647m. Since the second quarter 2022, central banks have steadily increased key policy rates. The higher interest rate levels

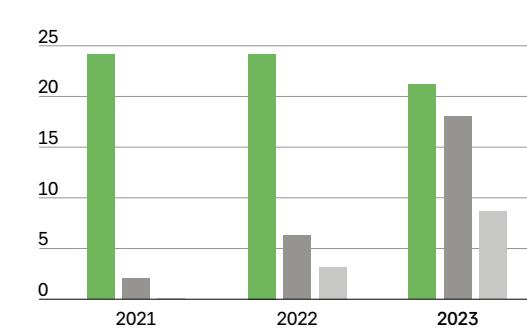
led to a positive margin effect, mainly on deposits from the public.

Net interest income from other activities, which includes loans and deposits from other customer categories such as credit institutions and central banks, increased by SEK 5,461m. Fees for the deposit guarantee managed by the Swedish National Debt Office, that are accounted for as net interest income, amounted to SEK 449m (421).

*Net fee and commission income* increased by 1 per cent to SEK 21,669m (21,534).

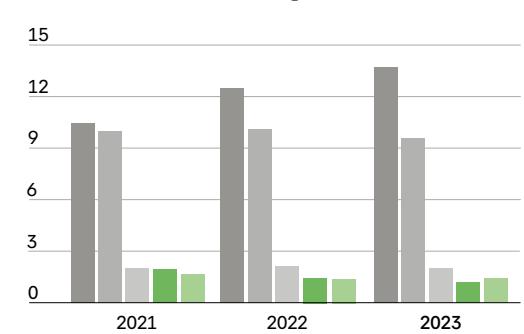
Net payment and card fees amounted to SEK 4,802m (4,565), an increase of 5 per cent. Card volumes in particular saw an uptick compared to 2022, partly due to the inflation effects.

### Net interest income



- Loans to the public
- Deposits from the public
- Other

### Fee and commission income, gross



- Payments, cards, structured lending, deposits, guarantees and other fees
- Custody & mutual funds
- New issues & advisory fees
- Life insurance income

[Financial review of the group](#)
[Result and profitability](#)
[Financial structure](#)
[Holistic management](#)
[Profit and business volumes, explanation](#)
[Divisions and group functions](#)
[Geographic markets](#)
[Market shares and customer contacts](#)
[Uncertainties](#)
[Risk, liquidity and capital management](#)
[Corporate governance](#)
[Board of Directors](#)
[Group Executive Committee](#)
[Remuneration report](#)

On average, equity markets were less advantageous than in 2022, and gross fee income from custody and mutual funds, excluding performance fees, decreased by SEK 217m to SEK 9,458m (9,675). Performance fees decreased to SEK 146m (442). Performance fees are volatile due the dependence both on fund performance, fund volumes and on the fee structure.

Market conditions in 2023, marked by uncertainty, high interest rates and inflation, were unfavourable for investment banking, and gross fee income from issuance of securities and advisory services decreased by 18 per cent to SEK 1,193m (1,458). Gross lending fees increased by 8 per cent to SEK 3,841m (3,546).

Gross income from secondary market and derivatives decreased by 6 per cent to SEK 2,015m (2,142). The net life insurance commissions, related to the unit-linked insurance business, increased to SEK 991m (970).

*Net financial income* increased by SEK 749m to SEK 9,991m (9,242).

Due to the notable change in market conditions in 2023, there were significant mark-to-market valuation effects within Treasury and mainly Markets portfolios.

The so-called fair value credit adjustment measures unrealised valuation changes from counterparty risk (CVA) and own credit risk standing in derivatives (DVA). This amounted to SEK –165m, which was a decline of SEK 622m compared with 2022.

The change in market value of certain strategic holdings amounted to SEK 867m, a positive valuation effect of SEK 974m on net financial income versus 2022.

Net financial income from the Life division increased to SEK 1,282m (738). Improved market returns and higher interest rates had a positive effect in the traditional and other portfolios.

*Net other income* amounted to SEK 1,008m (258). Unrealised valuation and hedge accounting effects are included in this line item. Among other things, SEB repurchased a covered bond at an upfront gain of SEK 512m during the year.

### Important events and trends in 2023

#### First quarter

- The quarter was characterised by renewed volatility in the financial markets. The development among certain regional banks in the US prompted a negative sentiment during March.
- Customer sentiment, activity levels and the bank's result were largely affected by external factors, such as higher interest rates and increased volatility in financial markets.
- Private customers continued to be cautious in taking on new loans, and the trend of shifting deposits into savings accounts increased. This behaviour continued throughout the year end levelled out in the fourth quarter.
- The market for green, social, sustainability and sustainability-linked bonds demonstrated greater resilience than the general market.

#### Second quarter

- Globally, inflation remained at elevated levels, prompting central banks to raise interest rates and to signal further hikes. The negative sentiment surrounding the Swedish economy remained, with concerns regarding the sensitivity to higher interest rates contributing to a weaker krona.
- Lending and deposit volumes grew, and pick-up in capital markets activities among corporate customers.
- Mortgage margins in Sweden were record-low.
- SEB Kort entered into an agreement with Lufthansa Group to acquire AirPlus with the aim to become a European leader in corporate payment solutions. See p. 37.
- SEB signed the Finance for Biodiversity Pledge, a financial actors pledge to measure, target and influence biodiversity in their portfolios.

#### Third quarter

- Central banks continued to stress the need for higher interest rates for a longer time, which subdued the financial markets and stock markets fell during the quarter.
- Credit demand was muted among both corporate and private customers.
- SEB launched several initiatives focused on adopting generative AI-powered virtual assistants.

#### Fourth quarter

- The positive effect on the bank's result from earlier in the year abated as interest rates started to plateau towards year-end.
- High levels of customer satisfaction among large corporates and financial institutions, which was reflected in the position as number one in Prospera's yearly Nordic customer surveys.
- SEB was ranked number one among the traditional banks for Business Senior Professionals and IT Senior and Junior Professionals in Employer Branding Specialist Universum's employer ranking among more than 6,000 professionals.
- SEB held its third annual sustainability event informing on the progress on the ambitions and goals on the 2030 Strategy and net zero commitment.

## Financial review of the group

- [Result and profitability](#)
- [Financial structure](#)
- [Holistic management](#)
- [Profit and business volumes, explanation](#)
- [Divisions and group functions](#)
- [Geographic markets](#)
- [Market shares and customer contacts](#)
- [Uncertainties](#)
- [Risk, liquidity and capital management](#)
- [Corporate governance](#)
- [Board of Directors](#)
- [Group Executive Committee](#)
- [Remuneration report](#)

## Operating expenses

*Total operating expenses increased by 10 per cent in 2023, and amounted to SEK 27,449m (25,044). The change amounted to SEK 2,405m, of which SEK 490m was a currency effect. Operating expenses were in line with the FX-adjusted cost target for the full year of 27.0–27.5bn. The cost/income ratio was 0.34 (0.39).*

Staff costs were up by 10 per cent year-on-year, reflecting salary adjustments and an increase in average number of employees from 16,283 to 17,288.

Other expenses increased by 13 per cent, partly due to the inflationary environment. Supervisory fees amounted to SEK 176m (174).

## Net expected credit losses

*Net expected credit losses amounted to SEK 962m (2,007), corresponding to a net expected credit loss level of 3 basis points (7).*

In 2022, portfolio model overlays were made to reflect risk from higher energy prices, supply chain issues and inflation as well as the potential changes in the Swedish real estate sector as many companies were adjusting to the new interest rate and capital markets environments. Parts of these provisions were reversed during the year due to updated macroeconomic scenarios.

While asset quality indicators started to gradually weaken during the year, overall asset quality of the credit portfolio remained robust.

## Imposed levies

*Imposed levies amounted to SEK 3,819m (2,288).*

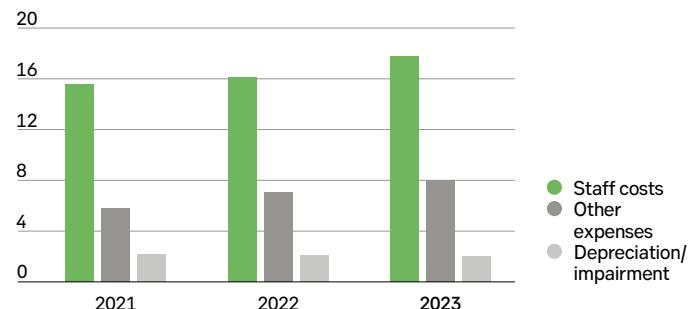
The risk tax that was implemented in 2022 and applies to Sweden's larger banks, amounted to SEK 1,576m (1,187). Authorities are also levying resolution fees to build a buffer to limit systemic risk in case of future bank crises. The resolution fees rose to SEK 1,296m (1,101).

In 2023, authorities in Lithuania established a temporary so-called solidarity contribution tax on Lithuanian and EU credit institutions. The tax amounted to SEK 947m.

On 6 December 2023, Latvia established a temporary (one year) mortgage levy for 2024. The contribution is calculated as 50 basis

## Operating expenses

SEK bn



points on a credit institutions mortgage volume in Latvia, per quarter (2 per cent annually). The estimated annual effect from this on SEB is expected to be approximately EUR 20–25m, from 2024.

## Items affecting comparability

There were no *items affecting comparability* in 2023. An impairment of SEK 1,399m was recognised 2022 relating to the group's assets of approximately SEK 7bn related to Russia.

→ See note 13.

## Income tax expense

*Income tax expense increased with the higher result to SEK 9,848m (6,862) with an effective tax rate of 20.5 per cent (20.3).*

→ See note 15.

## Return on equity

*Return on equity for 2023 increased to 17.9 per cent (13.8).*

Return on equity excluding items affecting comparability was 17.9 per cent (14.5).

## Other comprehensive income

*Other comprehensive income amounted to SEK –1,092m (2,208). The change in net value of the defined benefit pension plans affected other comprehensive income by SEK –659m (641).*

## Regulatory supervision of SEB

In 2023, the Swedish FSA initiated around 60 new supervisory matters as regards the SEB's parent bank (excluding international branches) and its Swedish subsidiaries. Another 70 new supervisory matters related to the international branches in SEB AB (whereof home markets handled around 45) and around 50 supervisory matters were handled by the European Central Bank and other local authorities as regards to the Baltic subsidiaries.

As in previous years, 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.

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.

## Acquisition of AirPlus

SEB's subsidiary SEB Kort Bank AB (SEB Kort), is a leading corporate payment solutions provider in the Nordics. SEB Kort has entered into an agreement with Lufthansa Group to acquire all shares in Lufthansa AirPlus Servicekarten GmbH (AirPlus), a leading provider within corporate payment services.

Together, SEB Kort and AirPlus will become a European leader in corporate payment solutions. For a cash purchase price of EUR 450m, the transaction will provide SEB Kort with additional scale, a strong footprint for further growth in Europe, and a modern IT platform. Furthermore, the transaction is expected to result in synergies and complements SEB Group's broader corporate banking ambitions in the DACH region (Germany, Austria and Switzerland) and Northern Europe.

**Financial review of the group**

- [Result and profitability](#)
- [Financial structure](#)
- [Holistic management](#)
- [Profit and business volumes, explanation](#)
- [Divisions and group functions](#)
- [Geographic markets](#)
- [Market shares and customer contacts](#)
- [Uncertainties](#)
- [Risk, liquidity and capital management](#)
- [Corporate governance](#)
- [Board of Directors](#)
- [Group Executive Committee](#)
- [Remuneration report](#)

# Financial structure

Total assets at 31 December 2023 amounted to SEK 3,608bn (3,533).

## Loans

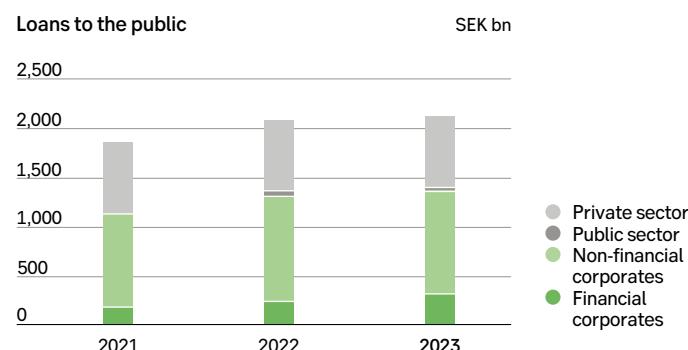
Total loans to the public increased by SEK 36bn during the year and amounted to SEK 2,101bn (2,065). Loan growth was limited primarily explained by FX effects and generally muted demand for borrowing following the current macro-economic environment.

Loans to the public are part of SEB's credit portfolio, which also includes loans to other counterparties as well as contingent liabilities and derivatives. The credit portfolio decreased by SEK 46bn to SEK 3,040bn (3,086).

→ See note 19, 30 and 40a.  
The credit portfolio is described in the Risk, Liquidity and Capital Management chapter. See p. 53.

Credit-impaired loans, (gross Stage 3) increased during the year by SEK 742m to SEK 7,588m (6,846). The gross credit-impaired loans (Stage 3) were 0.37 per cent of total loans (0.33).

→ See note 18 and 40a.



## 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 13bn to SEK 266bn (253). The short position (liability) in debt securities amounted to SEK 14bn (24). SEB's credit risk exposure in this portfolio, which consists of debt securities, certain credit derivatives and futures, amounted to SEK 243bn (241).

→ 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 93bn (67). The short position (liability) in equity instruments amounted to SEK 20bn (21).

→ See note 20 and 30.

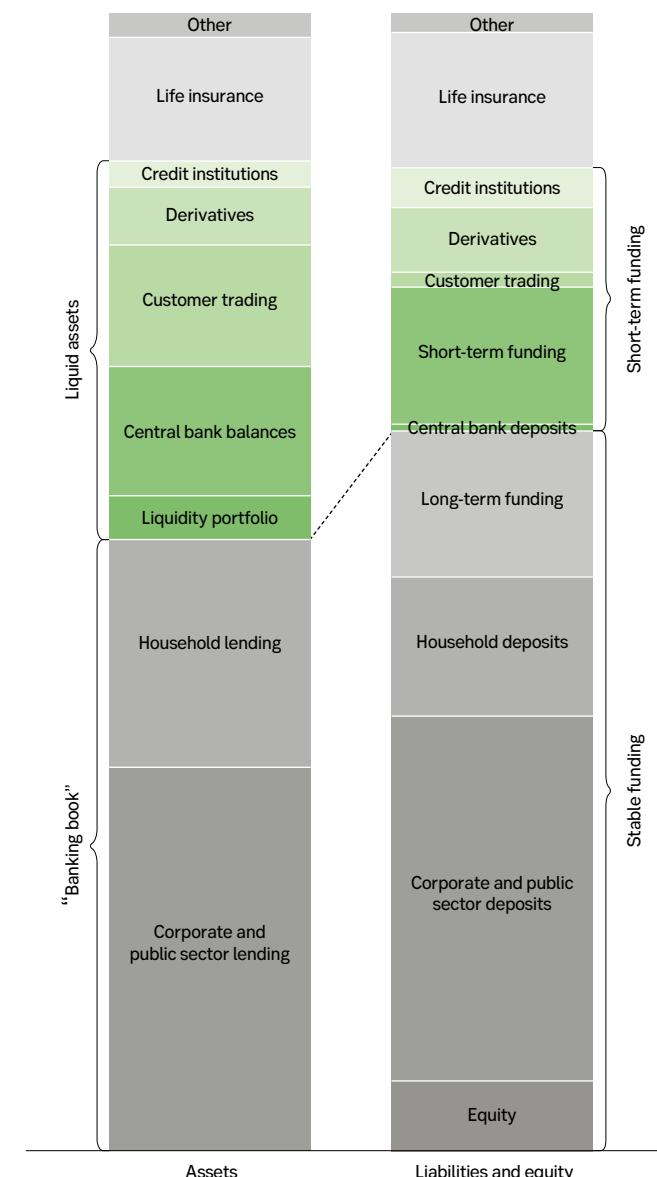
## Insurance assets and liabilities

Financial assets within the insurance operations amounted to SEK 428bn (389). Out of this, financial assets where policyholders carry the risk (mostly unit-linked insurance) amounted to SEK 394bn (358) and other assets (mostly traditional and risk insurance) amounted to an additional SEK 34bn (31).

Liabilities in the insurance operations amounted to SEK 429bn (389). Out of this, SEK 392bn (358) was related to financial commitments for investment contracts (mostly unit-linked insurance), while SEK 36bn (31) 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.

## Balance sheet structure



## Financial review of the group

- Result and profitability
- Financial structure
- Holistic management
- Profit and business volumes, explanation
- Divisions and group functions
- Geographic markets
- Market shares and customer contacts
- Uncertainties
- Risk, liquidity and capital management
- Corporate governance
- Board of Directors
- Group Executive Committee
- Remuneration report

## Derivatives

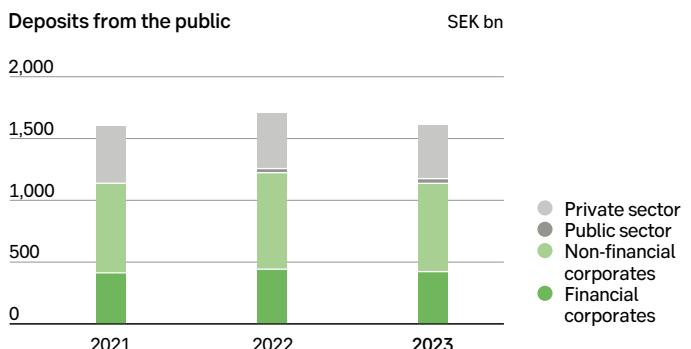
The fair value of the derivative contracts is presented as assets and liabilities on the balance sheet. They amounted to SEK 183bn (188) and SEK 204bn (238) respectively. The mix and volumes of derivatives reflect the demand for derivatives by the bank's customers for their management of financial risks. 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 1,612bn (1,702). The most stable sources, household deposits decreased by SEK 9bn and deposits from non-financial corporations increased by SEK 13bn. Throughout 2023, both non-financial and financial corporations and households chose term deposits with higher interest rates.

### Deposits from the public



## Debt securities issued

To mitigate effects from increased quantitative tightening and event risk, SEB proactively increased its wholesale funding activity. An equivalent of SEK 197bn (130) of long-term funding was issued during the year, of which SEK 111bn was in the form of covered bonds, SEK 59bn in senior unsecured debt, SEK 17bn senior non-preferred debt and SEK 10bn in subordinated debt. Furthermore, a Tier 2 note of EUR 850m was redeemed.

At year-end, total long-term funding amounted to SEK 536bn (474). Short-term funding in the form of commercial paper and certificates of deposit amounted to SEK 336bn (353).

→ See note 40f for liquidity management information.

## Assets under management and custody

*Total assets under management* amounted to SEK 2,361bn (2,123). The market value moved with the equity markets and increased by SEK 242bn. The net flow of assets under management was SEK –4bn.

*Assets under custody* amounted to SEK 20,167bn (18,208).

The market value moved with the equity markets.

## Total equity

Total equity at the opening of 2023 amounted to SEK 204bn. Total dividends paid out amounted to SEK 14bn. Net profit amounted to SEK 38bn and other comprehensive income decreased equity by SEK 1bn. The change from the equity-based programmes and in the holdings of own shares amounted to SEK –5bn. At year-end 2023, total equity was SEK 222bn.

SEB's share capital amounts to SEK 21,942m distributed on 2,1740 million shares. In line with strategic planning, SEB repurchased shares for a total amount of SEK 5bn during 2023 (5) and 38 738 439 Class A shares were cancelled (15,449,868).

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 2023
	Share Class A	Share Class C	Total no. of shares	
Total number of issued shares, 31 dec 2022	2,154,569,426	24,152,508	2,178,721,934	
Shares cancelled during the year	–38,738,439	0	–38,738,439	
Total number of issued shares, 31 dec 2023	2,115,830,987	24,152,508	2,139,983,495	
Repurchased own shares for equity-based programmes <sup>1)</sup>	–27,152,466	0	–27,152,466	
Repurchased own shares for capital purposes <sup>2)</sup>	–39,983,298	0	–39,983,298	
Total number of outstanding shares	2,048,695,223	24,152,508	2,072,847,731	
1) Utilization of authorization from the Annual General Meeting 2023 to acquire own shares for long-term equity programmes.				
2) Utilization of authorization from the Annual General Meeting 2023 to acquire own shares for capital purposes.				

## Financial review of the group

- [Result and profitability](#)
- [Financial structure](#)
- [Holistic management](#)
- [Profit and business volumes, explanation](#)
- [Divisions and group functions](#)
- [Geographic markets](#)
- [Market shares and customer contacts](#)
- [Uncertainties](#)
- [Risk, liquidity and capital management](#)
- [Corporate governance](#)
- [Board of Directors](#)
- [Group Executive Committee](#)
- [Remuneration report](#)

## Dividend

An ordinary dividend of SEK 6.75 per Class A and Class C share was distributed to the shareholders in 2023. The dividend corresponded to around 51 per cent of SEB's net profit for the financial year 2022.

For 2023, the Board of Directors proposes to the Annual General Meeting an ordinary dividend of SEK 8.50 and a special dividend of SEK 3.00 per Class A and Class C share, which corresponds to around 63 per cent of the 2023 net profit. The proposed total dividend amounts to SEK 23.8bn calculated on the total number of issued shares as per 31 December 2023, excluding own shares held. Including own share held, the total amount is SEK 24.6bn.

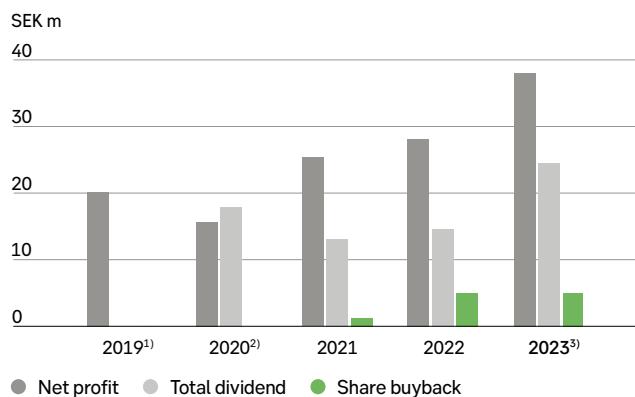
The proposed record date for the dividend is 21 March 2024 and if the Annual General Meeting resolves in accordance with the proposal, the share will be traded ex-dividend on 20 March 2024 and dividends are expected to be paid out on 26 March 2024.

## Share buyback programmes

In total, in 2022 and 2023, SEB has completed seven share buyback programmes and 94 million shares have been repurchased.

	Number of repurchased shares	Average purchase price (SEK per share)	Purchase amount (SEK m)
October 2021–March 2022	20,055,133	124.66	2,500
March 2022–October 2022	23,375,979	106.95	2,500
October 2022–December 2022	10,508,310	118.95	1,250
January 2023–April 2023	10,249,921	121.95	1,250
April 2023–July 2023	10,660,063	117.26	1,250
July 2023–October 2023	9,746,391	128.25	1,250
October 2023–December 2023	9,739,700	128.34	1,250
<b>Total</b>	<b>94,335,497</b>	<b>119.26</b>	<b>11,250</b>

## Net profit, total dividend and share buyback



● Net profit    ● Total dividend    ● Share buyback

- 1) The 2019 dividend proposal was reverted and the AGM decided that no dividend would be paid out.
- 2) An ordinary and further ordinary dividend SEK 4.10 and SEK 4.10, respectively, apply to 2019 and 2020.
- 3) An ordinary and a special dividend of SEK 8.50 and 3.00 per share, respectively, proposed by the Board to the AGM.

## Share value and stock exchange trading

The closing price at year-end of the SEB class A share was SEK 138.80 (119.95). Earnings per share amounted to SEK 18.20 (12.58).

The SEB share is listed on Nasdaq Stockholm.

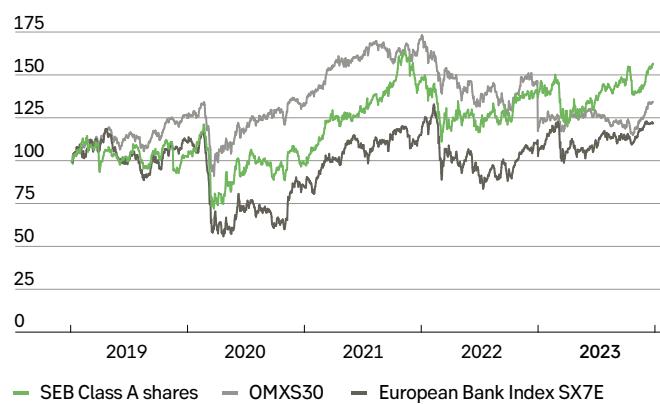
	Market capitalisation				
	2023	2022	2021	2020	2019
Year-end market capitalisation <sup>1)</sup>	297,030	261,440	276,266	185,485	193,345
Turnover <sup>2)</sup>	123,543	97,513	99,952	121,000	106,915

1) Based on Nasdaq Stockholm share price of 138.80 for Class A-shares and 138.80 for Class C-shares.

2) Shares traded at Nasdaq Stockholm.

## Share price development SEB Class A share

Index 1 January 2019=100



● SEB Class A shares    — OMXS30    — European Bank Index SX7E

**Financial review of the group**

- [Result and profitability](#)
- [Financial structure](#)
- [Holistic management](#)
- [Profit and business volumes, explanation](#)
- [Divisions and group functions](#)
- [Geographic markets](#)
- [Market shares and customer contacts](#)
- [Uncertainties](#)
- [Risk, liquidity and capital management](#)
- [Corporate governance](#)
- [Board of Directors](#)
- [Group Executive Committee](#)
- [Remuneration report](#)

**Data per share**

	2023	2022 <sup>5)</sup>	2021	2020	2019
Basic earnings, SEK	18.20	12.58	11.75	7.28	9.33
Diluted earnings, SEK	18.06	12.48	11.67	7.23	9.28
Shareholders' equity, SEK	106.99	96.59	89.61	79.53	71.99
Net worth, SEK	113.83	103.23	98.00	85.99	78.42
Net expected credit losses, SEK	0.46	0.94	0.24	2.83	1.06
Dividend per A and C share, SEK	11.50 <sup>1)</sup>	6.75	6.00	8.20 <sup>2)</sup>	0.00 <sup>3)</sup>
Year-end share price <sup>4)</sup>					
Class A share, SEK	138.80	119.95	125.85	84.50	88.08
Class C share, SEK	138.80	124.20	131.20	87.70	91.50
Highest price paid <sup>4)</sup>					
Class A share, SEK	139.40	129.75	141.85	104.90	99.38
Class C share, SEK	148.00	138.20	155.00	112.00	102.20
Lowest price paid <sup>4)</sup>					
Class A share, SEK	105.20	91.64	83.80	59.80	78.88
Class C share, SEK	118.20	97.00	87.00	69.50	81.70
Payout ratio (dividend as a percentage of earnings), %	63.2 <sup>1)</sup>	53.7	51.1	112.6 <sup>2)</sup>	— <sup>3)</sup>
Payout ratio, excluding items affecting comparability, %	63.2 <sup>1)</sup>	51.0	51.1	105.9 <sup>2)</sup>	— <sup>3)</sup>
Dividend yield, %	8.3 <sup>1)</sup>	5.6	4.8	9.72 <sup>2)</sup>	0.0 <sup>3)</sup>
P/E (share price at year end/earnings)	7.6	9.5	10.7	11.6	9.4
Number of outstanding shares					
average, million	2,094.4	2,136.7	2,164.1	2,163.1	2,161.7
at year-end, million	2,072.8	2,113.4	2,156.4	2,162.0	2,162.7

1) As proposed by the Board of Directors. Ordinary dividend of SEK 8.50 per share and a special dividend of SEK 3.00 per share.

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 in November 2021.

3) The 2019 dividend proposal was reverted and the AGM decided that no dividend be paid.

4) Source: Nasdaq Stockholm.

5) Comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance Contracts.

**Key figures**

	2023	2022 <sup>2)</sup>	2021	2020	2019
Return on equity, %	17.9	13.8	13.9	9.7	13.7
Return on equity excluding items affecting comparability, %	17.9	14.5 <sup>1)</sup>	13.9	10.3	13.8
Return on total assets, %	0.9	0.7	0.7	0.5	0.7
Return on risk exposure amount, %	4.3	3.2	3.4	2.1	2.7
Cost/income ratio	0.34	0.39	0.42	0.45	0.44
Basic earnings per share, SEK	18.20	12.58	11.75	7.28	9.33
Weighted average number of shares <sup>3)</sup> , million	2,094	2,137	2,164	2,163	2,162
Diluted earnings per share, SEK	18.06	12.48	11.67	7.23	9.28
Weighted average number of diluted shares <sup>4)</sup> , million	2,110	2,153	2,179	2,177	2,175
Net expected credit loss level, %	0.03	0.07	0.02	0.26	0.10
Stage 3 loans/Total loans, gross, %	0.37	0.33	0.53	0.87	0.67
Stage 3 loans/Total loans, net, %	0.20	0.14	0.22	0.44	0.36
Liquidity Coverage Ratio (LCR) <sup>5)</sup> , %	140	143	145	163	218
Net Stable Funding Ratio (NSFR) <sup>6)</sup> , %	112	109	111		
Risk exposure amount, SEK m	891,992	859,320	787,490	725,560	745,637
Risk exposure amount, expressed as own funds requirement, SEK m	71,359	68,746	62,999	58,045	59,651
Common Equity Tier 1 capital ratio, %	19.1	19.0	19.7	21.0	17.6
Tier 1 capital ratio, %	20.7	20.7	21.4	22.7	20.8
Total capital ratio, %	22.4	22.5	23.1	25.1	23.3
Leverage ratio, %	5.4	5.0	5.0	5.1	5.1
Number of full time equivalents <sup>7)</sup>	17,288	16,283	15,551	15,335	14,939
Assets under custody, SEK bn	20,167	18,208	21,847	12,022	10,428
Assets under management, SEK bn	2,361	2,123	2,682	2,106	2,041

1) Impairment of the group's assets related to Russia in Q4 2022.

2) Comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance Contracts.

3) At year-end 2022 the number of issued shares was 2,178,721,934 and SEB owned 65,283,469 Class A shares. During 2023 SEB has purchased 6,222,629 shares for the long-term equity programmes and 6,369,982 shares were sold/distributed. During 2023 SEB has purchased 40,738,087 shares for capital purposes and 38,738,439 shares held for capital purposes were cancelled. Thus, at 31 Dec 2023 the number of issued shares amounted to 2,139,983,495 and SEB held 67,135,764 own Class A-shares with a market value of SEK 9,318m.

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. 180–181.

→ For definitions, see p. 250.

## Financial review of the group

- [Result and profitability](#)
- [Financial structure](#)
- [Holistic management](#)
- [Profit and business volumes, explanation](#)
- [Divisions and group functions](#)
- [Geographic markets](#)
- [Market shares and customer contacts](#)
- [Uncertainties](#)
- [Risk, liquidity and capital management](#)
- [Corporate governance](#)
- [Board of Directors](#)
- [Group Executive Committee](#)
- [Remuneration report](#)

# 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 appetite.

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

In 2023, higher interest rates, the effects of the high inflation, and as in the last several years, climate-related challenges and other sustainability related matters 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. In 2024, the business will be developed by further investing in the savings area and in the technological infrastructure.

The cost target for 2024 is set at below or equal to SEK 29bn, assuming average 2023 foreign exchange rates. The new cost target will be updated after the closing of the AirPlus transaction.

## Updated financial aspirations for the divisions

The long-term divisional aspirations for profitability (RoBE) and cost efficiency (C/I ratio) are set mainly based on two factors. Firstly, each division will have the ambition to achieve best in class profitability and cost efficiency compared with similar businesses among relevant peers. Secondly, each division's aspirations are set so that they enable SEB to achieve its long-term aspiration of 15 per cent return on equity on group level.

In 2023 the divisional financial aspirations were reviewed as part of the annual business plan update and were updated for the new levies and taxes in the Baltic countries. The 2024 cost/income ratio aspiration for the Baltic division was adjusted accordingly, from <0.40 to <0.35.

Division	Return on business equity	Cost/income ratio
Large Corporates & Financial Institutions	>13%	<0.50
Corporate & Private Customers	>16%	<0.40
Private Wealth Management & Family Office	>25%	<0.50
Baltic	>20%	<0.35
Life	>30%	<0.45
Investment Management	>40%	<0.40

→ See p. 45–47 for the targets and outcome for each division.

[Financial review of the group](#)
[Result and profitability](#)
[Financial structure](#)
[Holistic management](#)
[Profit and business volumes, explanation](#)
[Divisions and group functions](#)
[Geographic markets](#)
[Market shares and customer contacts](#)
[Uncertainties](#)
[Risk, liquidity and capital management](#)
[Corporate governance](#)
[Board of Directors](#)
[Group Executive Committee](#)
[Remuneration report](#)

# Profit and business volumes, explanation

Customers' financial needs are the source of SEB's business volumes and result. Here, some 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, and the interest rate levels, are 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
	2023
<b>A</b> Net interest income	47,526
<b>B</b> Net fee and commission income	21,669
<b>C</b> Net financial income	9,991
<b>D</b> Net other income	1,008
<b>Total operating income</b>	<b>80,193</b>
<b>Total operating expenses</b>	<b>-27,449</b>
<b>Net expected credit losses</b>	<b>-962</b>
Imposed levies	-3,819
<b>Operating profit</b>	<b>47,963</b>
Income tax expense	-9,848
<b>NET PROFIT</b>	<b>38,116</b>

## Business volumes in the balance sheet

	SEK m
	2023

<b>1</b> Cash and cash balances with central banks	312,373
<b>2</b> Loans to central banks	97,691
<b>3</b> Loans to credit institutions	84,128
<b>4</b> Loans to the public	2,101,181
<b>5</b> Debt securities	266,252
<b>6</b> Equity instruments	92,707
<b>7</b> Financial assets for which the customers bear the investment risk	392,457
<b>8</b> Derivatives	183,080
Other assets	78,349
<b>TOTAL ASSETS</b>	<b>3,608,218</b>

## LIABILITIES AND EQUITY

	2023
--	------

<b>9</b> Deposits from central banks and credit institutions	147,323
<b>10</b> Deposits and borrowings from the public	1,611,651
<b>11</b> Financial liabilities for which the customers bear the investment risk	392,362
<b>12</b> Liabilities to policyholders	36,453
<b>13</b> Debt securities issued	867,838
<b>14</b> Short positions – of which equity instruments	33,700 19,558
– of which debt securities	14,142
<b>15</b> Derivatives	204,176
Other financial liabilities	100
Other liabilities	92,839
<b>16</b> – of which subordinated debt	29,687
Total equity	221,775
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3,608,218</b>

## Sample business volumes outside the balance sheet

	SEK bn
	2023

<b>17</b> Assets under management	Customers invest in for instance mutual funds
<b>17</b> Assets under custody	The bank safekeeps securities and administrates dividends and interest on customers' behalf
<b>17</b> Commitments	Preapproved customer credits
<b>17</b> Guarantees	The bank assists customers with credit risk management
<b>TRANSACTIONS</b>	
<b>17</b> Payments and cash management	Customers make payments and manage account balances
<b>17</b> Card transactions	Customers make and receive card payments
<b>17</b> Securities transactions	Customers use the bank as an intermediary in securities transactions, for instance equities trading
<b>17</b> Corporate transactions	Corporate customers seek advice and assistance for various corporate transactions, such as acquisitions, IPOs etc.

**A** **1** **9** **17**

2023 outcome. The corresponding circle on the next page connects the customer-driven business volume development with the income statement and the balance sheet.

## Financial review of the group

- Result and profitability
- Financial structure
- Holistic management
- Profit and business volumes, explanation**
- Divisions and group functions
- Geographic markets
- Market shares and customer contacts
- Uncertainties
- Risk, liquidity and capital management
- Corporate governance
  - Board of Directors
  - Group Executive Committee
  - Remuneration report

## The relation between operating income and customer-driven business volumes

Income statement	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				
Loans	Customer loans generate interest income over the life of the loan. Up-front fees on new loans are treated as interest income. <a href="#">1</a> <a href="#">2</a> <a href="#">3</a> <a href="#">4</a>	SEB participates in, or leads, syndications of loans leading to net fee and commission income or expenses. <a href="#">4</a>		
Debt instruments	SEB maintains an inventory of debt securities for customer trades and liquidity management. They accrue interest over life. <a href="#">5</a> <a href="#">14</a>		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. <a href="#">5</a> <a href="#">14</a>	Sales from the bank's inventory of debt securities held for liquidity management or investment affect this item. <a href="#">5</a>
Equity Instruments		Brokerage fees in equity trading are received or paid. <a href="#">17</a>	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. <a href="#">6</a> <a href="#">14</a>	Dividends from the bank's own equity holdings affect the item. <a href="#">6</a>
Derivatives	Interest rate derivatives that are used by SEB to reduce volatility in the result (so-called hedging) accrue interest over life. <a href="#">8</a> <a href="#">15</a>	In certain cases, SEB charges and pays fees when trading in derivatives. <a href="#">8</a> <a href="#">15</a>	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. <a href="#">8</a> <a href="#">15</a>	The market value of derivatives that SEB uses for own hedging. <a href="#">8</a> <a href="#">15</a>
Deposits and borrowings	SEB pays interest on customers' deposits. <a href="#">9</a> <a href="#">10</a>	Certain bank accounts generate fee income. <a href="#">9</a> <a href="#">10</a>		
Insurance and savings		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. <a href="#">7</a> <a href="#">11</a> <a href="#">17</a>	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. <a href="#">5</a> <a href="#">6</a> <a href="#">12</a>	
Issued securities and subordinated debt	SEB's operations are partly funded by long and short-term interest-bearing securities, all of which generate interest expense. <a href="#">13</a> <a href="#">16</a>		The market value including the credit risk in SEB's issued index-linked bonds affects this item. <a href="#">13</a>	Early redemption by SEB of its debt instruments affects this item. <a href="#">13</a> <a href="#">16</a>
Business volumes outside the balance sheet		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. <a href="#">17</a>		

[Financial review of the group](#)
[Result and profitability](#)
[Financial structure](#)
[Holistic management](#)
[Profit and business volumes, explanation](#)
[Divisions and group functions](#)
[Geographic markets](#)
[Market shares and customer contacts](#)
[Uncertainties](#)
[Risk, liquidity and capital management](#)
[Corporate governance](#)
[Board of Directors](#)
[Group Executive Committee](#)
[Remuneration report](#)

# Divisions and group functions

SEB is organised in divisions, group support, group staff and group control 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 responsibility for mutual funds and life insurance lies within the Life and Investment Management divisions.

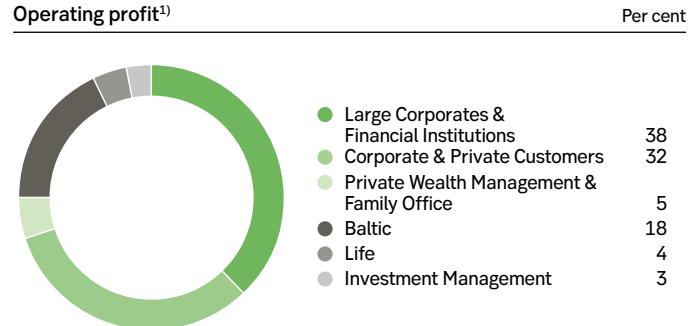
Group Support consists of centralised and cross-divisional functions, established primarily to leverage economies of scale in various transaction, processing and IT services as well as in sustainable banking.

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

The divisions are allocated a majority of the costs of the group functions, where 40 per cent of the work force is employed.

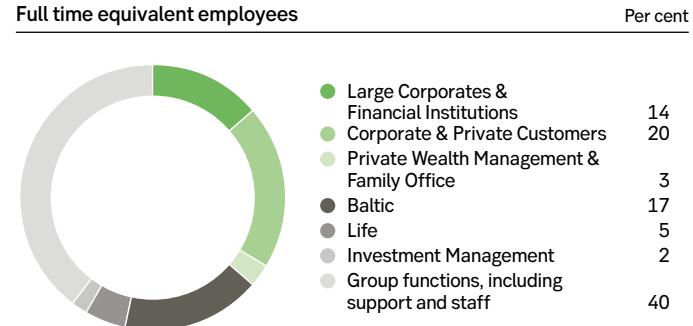
## Divisions' share of:

### Operating profit<sup>1)</sup>



1) Excluding Group functions and eliminations.

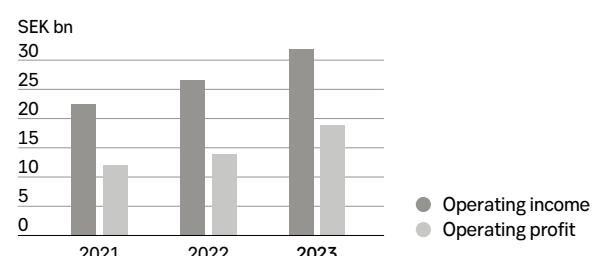
### Full time equivalent employees



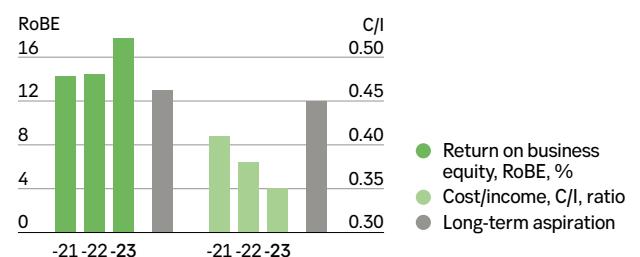
## Large Corporates & Financial Institutions (LC&FI)

The division offers commercial and investment banking services to large corporate and institutional clients in the Nordic region, Germany and the United Kingdom. Customers are also served through the international network.

### Operating income and profit



### Aspiration and outcome



### Comment on the 2023 result

Operating profit increased by 35 per cent to SEK 18,803m. Net interest income was 37 per cent higher, primarily due to the policy rates increases. Net fee and commission income decreased by 1 per cent in the slower capital markets. Net financial income increased primarily due to valuation changes. Operating expenses increased by 9 per cent and net expected credit losses decreased by 69 per cent. The net expected credit loss level was 2 basis points.

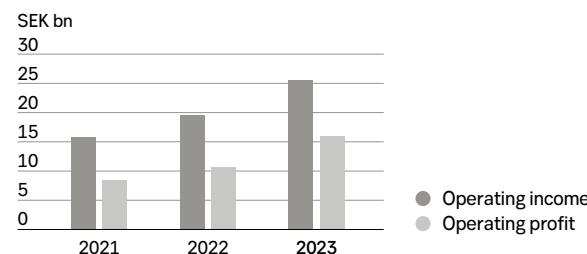
[Financial review of the group](#)

- [Result and profitability](#)
- [Financial structure](#)
- [Holistic management](#)
- [Profit and business volumes, explanation](#)
- [Divisions and group functions](#)
- [Geographic markets](#)
- [Market shares and customer contacts](#)
- [Uncertainties](#)
- [Risk, liquidity and capital management](#)
- [Corporate governance](#)
- [Board of Directors](#)
- [Group Executive Committee](#)
- [Remuneration report](#)

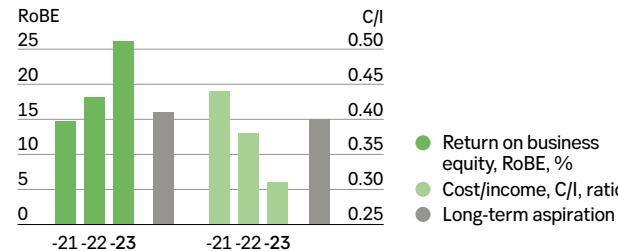
## Corporate & Private Customers (C&PC)

The division offers full banking and advisory services to private individuals and small and medium-sized corporate customers in Sweden, as well as card services in four Nordic countries. Swedish affluent individuals are also offered private banking services.

### Operating income and profit



### Aspiration and outcome



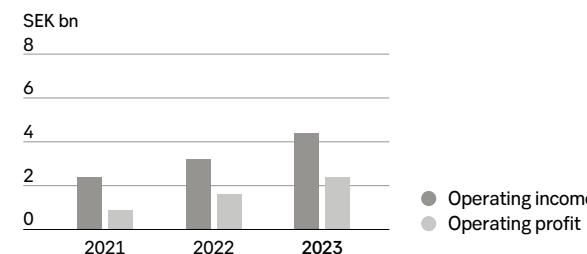
### Comment on the 2023 result

Operating profit increased by 50 per cent to SEK 15,937m. Net interest income was 41 per cent higher, primarily due to higher margins on deposits while mortgage margins declined. Business volumes were largely unchanged. Net fee and commission income grew by 6 per cent due to higher card turnover and increased payment fees. Operating expenses increased by 9 per cent while net expected credit losses decreased by 23 per cent. The net expected credit loss level was 6 basis points.

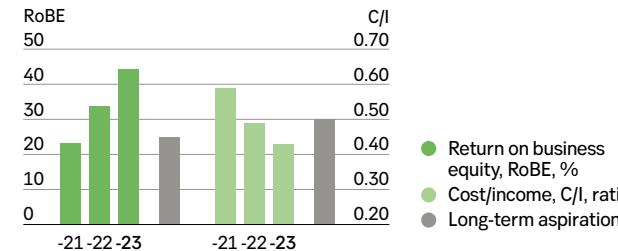
## Private Wealth Management & Family Office (PWM&FO)

The division offers comprehensive banking services, access to capital markets, financing solutions and individually tailored advisory services to entrepreneurs, high net worth individuals, foundations and family offices.

### Operating income and profit



### Aspiration and outcome



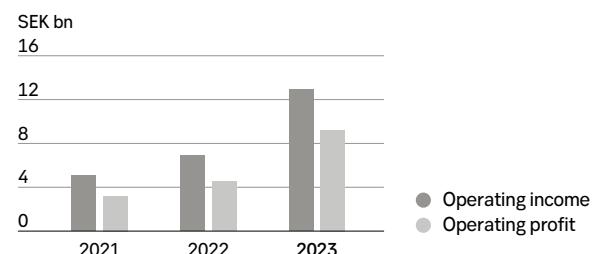
### Comment on the 2023 result

Operating profit increased by 53 per cent to SEK 2,375m. Net interest income was 69 per cent higher, primarily driven by deposits in the higher interest rate environment. Both loans and deposit volumes grew. Net fee and commission income decreased by 1 per cent due to lower average assets under management. Operating expenses increased by 20 per cent. There was a net reversal of credit provisions.

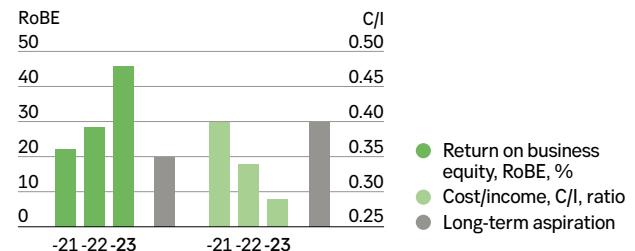
## Baltic

The division provides full banking and advisory services to private individuals and small and medium-sized corporate customers in Estonia, Latvia and Lithuania.

### Operating income and profit



### Aspiration and outcome



### Comment on the 2023 result

Operating profit increased by 103 per cent to SEK 9,171m including foreign currency translation effects. Net interest income was 139 per cent higher, primarily due to the placement of excess liquidity and improved deposit volumes and margins. Net fee and commission income grew by 8 per cent. Operating expenses increased by 18 per cent and credit losses were negligible.

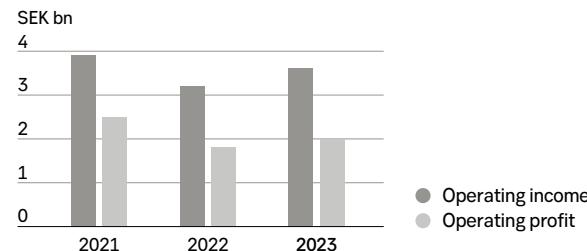
## Financial review of the group

- Result and profitability
- Financial structure
- Holistic management
- Profit and business volumes, explanation
- Divisions and group functions
- Geographic markets
- Market shares and customer contacts
- Uncertainties
- Risk, liquidity and capital management
- Corporate governance
- Board of Directors
- Group Executive Committee
- Remuneration report

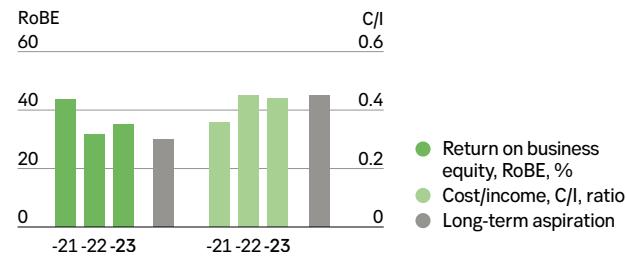
## Life

The division offers life insurance solutions to private as well as corporate and institutional clients mainly in the Nordic and Baltic countries.

### Operating income and profit



### Aspiration and outcome



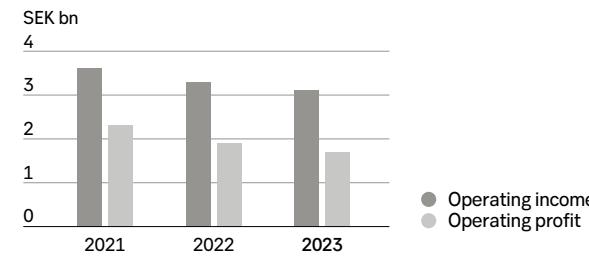
### Comment on the 2023 result

Operating profit increased by 13 per cent to SEK 2,020m. Net fee and commission income was unchanged. Net financial income increased by 74 per cent due to favourable interest rates which had a positive effect on traditional and other portfolios. Operating expenses increased by 12 per cent.

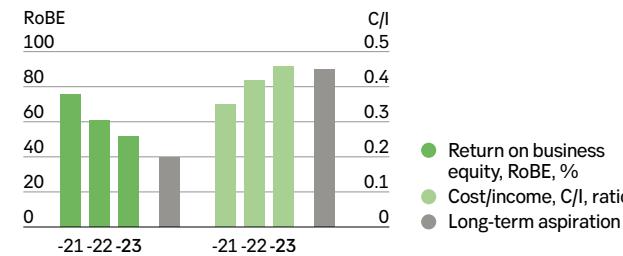
## Investment Management (IM)

The division consists of SEB Investment Management, which manages SEB funds and mandates distributed via SEB's customer channels, and Institutional Asset Management, which distributes funds and mandates managed by SEB Investment Management and other institutes.

### Operating income and profit



### Aspiration and outcome



### Comment on the 2023 result

Operating profit decreased by 13 per cent to SEK 1,669m. Net fee and commission income decreased due both to a decrease in base commissions and performance fees driven by lower average assets under management. Operating expenses increased by 3 per cent.

## Group Support , Group Staff and Group Control

The Group Support functions support the business operations through centralised and cross-divisional functions, established primarily to leverage economies of scale in various transactional, processing and IT services. The Group Support functions consist of five units:

- Group Technology
- Group & Business Services
- Sustainable Banking
- Group Regulatory Affairs
- 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 consist of five units:

- CFO
- Group Human Resources
- Group Brand, Marketing and Communication
- Group Legal
- Group Financial Crime Prevention.

The Group Control functions are global control functions independent from the business activities. The three Group Control functions are:

- CRO
- Group Compliance
- Group Internal Audit.

[Financial review of the group](#)
[Result and profitability](#)
[Financial structure](#)
[Holistic management](#)
[Profit and business volumes, explanation](#)
[Divisions and group functions](#)
[Geographic markets](#)
[Market shares and customer contacts](#)
[Uncertainties](#)
[Risk, liquidity and capital management](#)
[Corporate governance](#)
[Board of Directors](#)
[Group Executive Committee](#)
[Remuneration report](#)

# Geographic markets

External conditions such as customer response to inflationary expectations and the rapidly changed interest rate levels affected the operating profit also in the geographical dimension.



**Global with Sweden**  
Johan Torgeby  
*President and CEO*

**Universal banking**

Both corporate and private customers were cautious in the current uncertain economic environment while being increasingly engaged in sustainability matters. The cost base increased with continued investments according to SEB's strategy and imposed levies continued to increase.



**Estonia**  
Allan Parik  
*Country manager*

**Universal banking**

Strict monetary policy resulted in decreasing inflation and negative GDP growth. The labour market was resilient with only a marginal increase in unemployment. Asset quality remained strong and SEB increased the green loan portfolio and expanded sustainability related products and advisory.



**Latvia**  
Ieva Tetere  
*Country manager*

**Universal banking**

High inflation and rising interest rates increased the overall interest in savings and investment products. Businesses were cautious with new investments, but demand for financing was higher among smaller companies. Green transition loans continued to be in high demand.



**Lithuania**  
Sonata Gutauskaitė-Bubnelienė  
*Country manager*

**Universal banking**

Economic activity decelerated due to a decline in household consumption and export, while higher interest rates had a marginally negative impact on investment decisions. SEB continued to increase lending volumes and widened sustainable offering for clients. Customer satisfaction increased overall across all channels for all customers.



**Denmark**  
Kristian Skovmand  
*Country manager*

**Corporate banking**

Another strong financial year with high customer activity in the Danish fixed income market and continued high demand for corporate banking and sustainability related products.



**Norway**  
Johan Persson  
*Country manager*

**Corporate banking**

Client activity was high despite the macroeconomic challenges. SEB supported both corporate and institutional clients with advisory, risk management and access to capital and liquidity leading to high customer satisfaction. Clients were advised on a large number of sustainability-related transactions.



**Finland**  
Ruut Pihlava  
*Country manager*

**Corporate banking**

High interest rates combined with high customer activity especially in structured finance, debt capital markets and risk management services led to a strong result. SEB continued to support green transition in Finland and we saw a high demand for sustainability-related advisory and solutions.



**Germany**  
Jürgen Baudisch  
*Country manager*

**Corporate banking**

While inflation eased, economic conditions remained challenging with declining industrial production and elevated uncertainty. SEB proactively supported its clients and increased its market share in the DACH region (Germany, Austria, Switzerland) with numerous sustainability advisory mandates supporting debt capital market volumes and project financings.



**United Kingdom**  
Anders Engstrand  
*Country manager*

**Corporate banking**

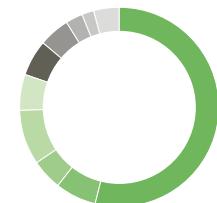
Clients were focused on capturing growth opportunities, liquidity optimisation and financing. SEB's advisory services were in demand, supporting clients to achieve these goals against a dynamic economic and geopolitical backdrop – especially evident in the area of energy transition.



**Other markets**  
The international network

SEB continued to support its home market clients as a reliable long-term partner with a clear international strategy, presence and local advisory capabilities.

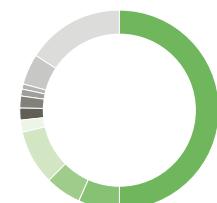
Share of SEB's operating profit



Per cent

Sweden	55
Estonia	7
Latvia	5
Lithuania	9
Denmark	6
Norway	6
Finland	5
Germany	3
United Kingdom	2
Other markets	4

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	16

[Financial review of the group](#)
[Result and profitability](#)
[Financial structure](#)
[Holistic management](#)
[Profit and business volumes, explanation](#)
[Divisions and group functions](#)
[Geographic markets](#)
[Market shares and customer contacts](#)
[Uncertainties](#)
[Risk, liquidity and capital management](#)
[Corporate governance](#)
[Board of Directors](#)
[Group Executive Committee](#)
[Remuneration report](#)

## Market shares and customer contacts

### SEB's market shares – Lending to general public

Per cent

	2023	2022	Total market, SEK bn 2023	Market growth
Sweden	14.1	14.2	7,856	0
Lending to households	12.2	12.3	4,898	0
Lending to companies	17.1	17.4	2,959	0
Estonia <sup>1)</sup>	22.8	24.0	327	10
Lending to households	24.1	24.6	152	8
Lending to companies	21.6	23.4	175	12
Latvia <sup>1)</sup>	21.9	21.7	171	1
Lending to households	19.4	19.6	67	3
Lending to companies	23.4	23.1	104	0
Lithuania <sup>1,4)</sup>	27.9	26.9	288	2
Lending to households	27.0	27.3	156	7
Lending to companies	29.0	26.6	132	-4

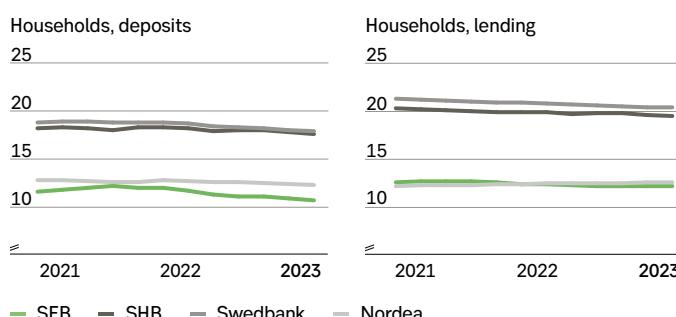
1) Excluding financial institutions & leasing. Estonia, Latvia and Lithuania per September 2023. Market growth in local currency, September YoY. 2) Excluding third-party funds.

3) Per September 2023. 4) Excluding the fintech digital bank Revolut Bank UAB.

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

### Market shares, Sweden

Per cent



### SEB's market shares – Deposits from general public

Per cent

	2023	2022	Total market, SEK bn 2023	Market growth
Sweden	15.6	16.4	4,229	-9
Deposits from households	10.7	11.3	2,604	1
Deposits from companies	23.7	24.1	1,625	-5
Estonia <sup>1)</sup>	20.8	21.4	338	3
Deposits from households	18.3	19.9	175	13
Deposits from companies	23.6	22.7	163	-5
Latvia <sup>1)</sup>	21.3	21.1	236	3
Deposits from households	20.8	21.3	128	0
Deposits from companies	21.9	21.0	108	8
Lithuania <sup>1,4)</sup>	29.5	29.8	425	7
Deposits from households	29.5	29.2	240	5
Deposits from companies	29.6	30.6	185	10

### SEB's market shares – Other

Per cent

	2023	2022	Total market, SEK bn 2023	Market growth
Equity trading				
Stockholm	4.1	3.3	9,319	-15
Helsinki	3.1	1.4	2,598	-19
Copenhagen	2.0	2.3	4,724	-4
SEK-denominated corporate bonds	21.5	16.6	145	6
Mutual funds, total volumes <sup>2)</sup>				
Sweden	9.3	9.5	6,929	14
Unit-linked insurance, premium income				
Sweden <sup>3)</sup>	12.0	13.3	85	6
Total life insurance, premium income				
Sweden <sup>3)</sup>	7.6	8.7	326	-8

### Customer contacts

	2023	2022	2021
Number of syndicated loans in the Nordic countries	86	85	99
Number of equity capital market transactions in the Nordic countries	35	26	52
Number of Nordic mergers and acquisitions	20	13	9
International Private Banking branch offices	14	14	12
Number of Swish payments via SEB's app (million)	191	102	87
Number of branch offices	135	137	156
Number of ATMs <sup>1)</sup>	1,735	1,829	2,280

1) of which approximately 1,000 jointly owned by major Nordic banks.

[Financial review of the group](#)
[Result and profitability](#)
[Financial structure](#)
[Holistic management](#)
[Profit and business volumes, explanation](#)
[Divisions and group functions](#)
[Geographic markets](#)
[Market shares and customer contacts](#)
[Uncertainties](#)
[Risk, liquidity and capital management](#)
[Corporate governance](#)
[Board of Directors](#)
[Group Executive Committee](#)
[Remuneration report](#)

## 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. 51–58 and in note 40 and 41, in the Capital Adequacy and Risk Management Report for 2023 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 reclams. 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. In September 2023, the Swedish Pensions Agency filed an application for a summons with the Stockholm District Court regarding the claim. In December 2023, SEB filed its statement of defence with the Stockholm District Court. SEB disputes 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. 189–248. The statutory sustainability report prepared in accordance with the Annual Accounts Act is presented on p. 189–225.

- [Financial review of the group](#)
- [Result and profitability](#)
- [Financial structure](#)
- [Holistic management](#)
- [Profit and business volumes, explanation](#)
- [Divisions and group functions](#)
- [Geographic markets](#)
- [Market shares and customer contacts](#)
- [Uncertainties](#)
- [Risk, liquidity and capital management](#)
- [Corporate governance](#)
- [Board of Directors](#)
- [Group Executive Committee](#)
- [Remuneration report](#)

# Risk, liquidity and capital management

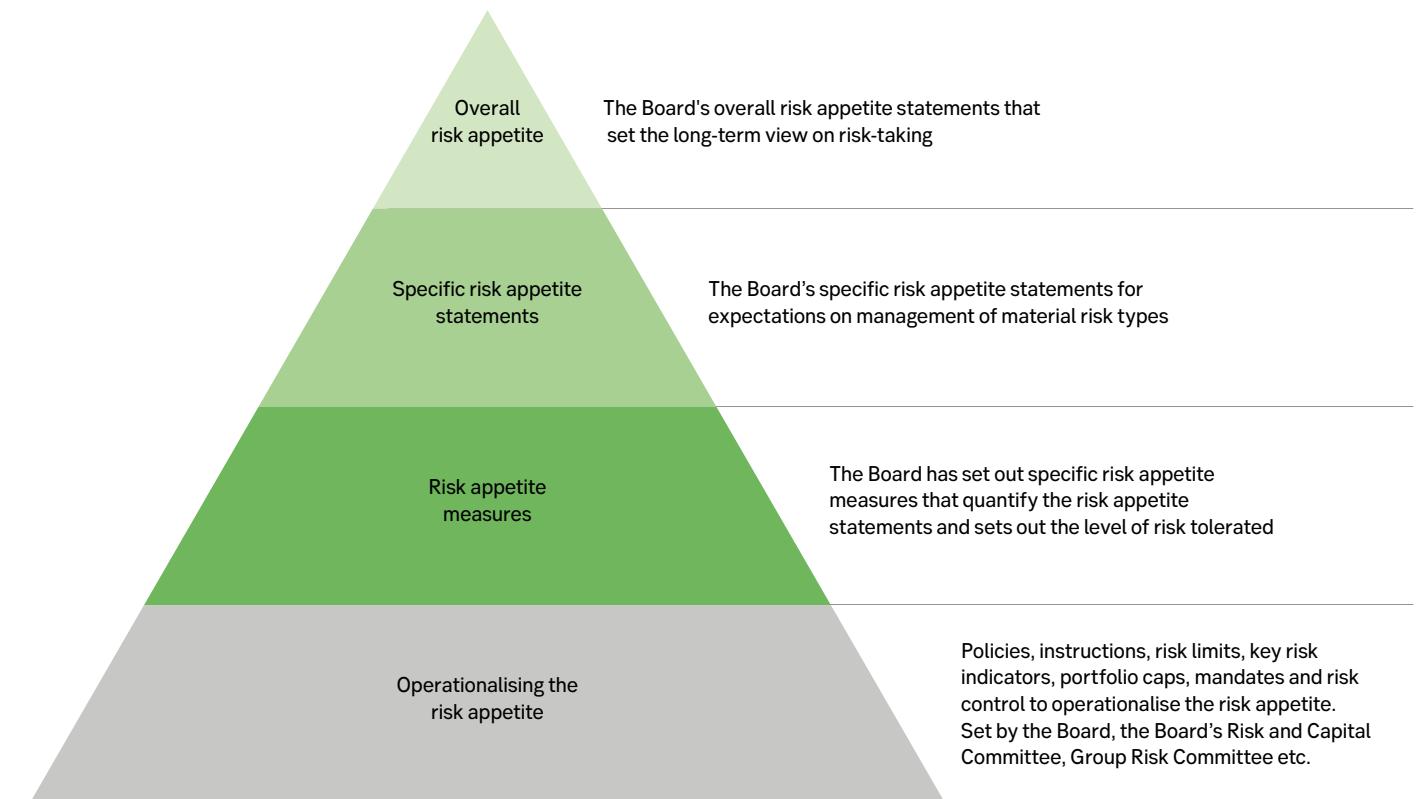
Managing risk is an integral part of banking, and risk awareness is deeply embedded in SEB's corporate culture. The bank has a comprehensive framework for risk, liquidity and capital management to ensure regulatory compliance and safeguard the bank's financial position. The framework is continuously developed to reflect current market trends, new regulations as well as to detect emerging risks.

## Stable risk profile in an increasingly challenging landscape

Despite a year with escalating geopolitical uncertainty and macro-economic challenges, SEB's overall risk profile remained stable. The capital and liquidity position remained strong and credit losses were low. Market volatility was lower in 2023, compared to the turbulent period of 2020–2022 which, in combination with more cautious risk taking, resulted in reduced market risk. The elevated inflation and subsequent rapid interest rate hikes led to a general slowdown in economic activity in our home markets, and damped demand for borrowing. On the back of this, SEB's credit growth was muted. Towards the end of the year, the high inflation and belief in a "higher for longer" interest rate scenario, that characterised most of the year, reversed, stirring expectations for earlier and faster rate cuts. This provided some relief to financial markets that started to price in a soft economic landing. The long-term consequences of the previous interest rate hikes on the economy and borrowers, however, remain uncertain. Despite the challenging economic environment, corporates and households have so far been resilient.

Asset quality in the credit portfolio remained robust with limited signs of deterioration, primarily noted in sectors more severely impacted by the higher interest rate environment as well as sectors dependent on consumer spending. SEB's corporate credit portfolio is well diversified, both in terms of industry and geography, and the majority of the exposure is to investment grade, or equivalent counterparties.

## The Board's risk appetite



## Financial review of the group

- Result and profitability
- Financial structure
- Holistic management
- Profit and business volumes, explanation
- Divisions and group functions
- Geographic markets
- Market shares and customer contacts
- Uncertainties
- Risk, liquidity and capital management
- Corporate governance
- Board of Directors
- Group Executive Committee
- Remuneration report

The elevated geopolitical tensions further intensified the importance of managing non-financial risks. The threat from hybrid warfare has increased, exemplified by cyber-attacks targeting governments and companies as well as examples of damage to critical infrastructure in the Baltic Sea. Operational resilience has therefore remained a key focus area, together with strengthening capabilities within cybersecurity and financial crime prevention.

Another increasing concern within the area of non-financial risk management is fraud. To ensure that the bank has efficient and relevant tools to combat fraud, a focus during 2023 was to improve processes for identification and collection of data to detect fraudulent behaviour.

Climate change remains the foremost challenge confronting humanity, emphasising the critical need for unwavering commitment to sustainable solutions in the pursuit of a resilient and responsible future. At SEB, sustainability and climate-related risk assessments are integral parts of the credit analysis and credit approval process, as well as the investment processes in asset management.

## Risk profile

Board's risk appetite statements in brief	Measurement	2023	2022
<b>Credit risk and asset quality</b> Maintain a high-quality credit portfolio through a robust risk culture where credit risk is well understood and managed, with a focus on debt servicing ability.	<ul style="list-style-type: none"> <li>• Total loans, contingent liabilities and derivatives (SEK bn)</li> <li>• Net expected credit loss level (basis points)</li> <li>• Share of loans that are classified as credit-impaired (%)</li> </ul>	3,040 3 0.37	3,086 7 0.33
<b>Liquidity and funding risk</b> 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.	<ul style="list-style-type: none"> <li>• High-quality liquid assets in relation to the estimated net liquidity outflows over the next 30 calendar days (Liquidity Coverage Ratio) (%)</li> <li>• Available stable funding in relation to the amount of required stable funding over a one-year horizon (Net Stable Funding Ratio) (%)</li> </ul>	140 112	143 109
<b>Market risk</b> 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.	<ul style="list-style-type: none"> <li>• Statistical measure of the largest trading loss that can be expected in a ten-day period (VaR) (SEK m)</li> </ul>	247	236
<b>Non-financial risk</b> Limit the bank's exposure to non-financial risk through an effective internal control framework and by ensuring a structured and consistent usage of risk mitigating tools and processes for all material non-financial risks.	<ul style="list-style-type: none"> <li>• Operational losses in relation to operating income (%)</li> </ul>	0.12	0.31
<b>Aggregated risk and capital adequacy</b> Maintain satisfactory capital strength to manage aggregated risks, guarantee SEB's long-term survival, operate safely above regulatory minimum levels, and support rating targets and the bank's position as financial counterparty.	<ul style="list-style-type: none"> <li>• Risk-weighted business volumes (risk exposure amount) (SEK bn)</li> <li>• Capital in relation to the risk exposure amount (CET 1) (%)</li> <li>• Capital in relation to total assets (leverage ratio) (%)</li> </ul>	892 19.1 5.4	859 19.0 5.0

These processes are continuously refined as quality and access to sustainability-related data from customers improve. Portfolio and scenario analysis are other key components to identify, understand and manage climate risks. Such analysis is performed on the sub-portfolios identified as most sensitive to climate risk, such as oil and gas, power generation and real estate.

Preserving SEB's strong risk culture, comprising the values, beliefs and behaviours that determine how decisions are made and risks are managed, is of utmost importance to the bank. A risk culture program aiming to maintain knowledge of SEB's risk culture among all employees across the bank was launched by the Chief Risk Officer in 2022. In 2023, the program was further rolled out through all staff webinars and workshops with management groups. Risk seminars for managers were held in several of SEB's home markets, aiming to increase competence in important risk topics and to further promote and strengthen a sound risk culture.

## SEB's risk appetite and risk management

SEB's risk appetite is the Board of Director's long-term view on the types and levels of risk the bank is willing to assume in order to achieve its overall business objectives. The risk appetite is articulated in overall risk appetite statements, and are further detailed in a set of specific risk appetite statements that set out the Board's expectations on management of material risk types such as credit and market risk. The level of risk tolerated by the Board is quantified in a number of risk appetite measures.

SEB's risk profile is regularly monitored and assessed in relation to the risk appetite by the Chief Risk Officer function, and is reported on a quarterly basis to the Group Risk Committee, the Board's Risk and Capital Committee and the Board.

The risk appetite is operationalised through policies, instructions, limit structures, key risk indicators, portfolio caps, mandates, and risk controls.

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 appetite and capital adequacy targets. The Chief Risk Officer has the overall responsibility for identifying, assessing, measuring, monitoring, managing, mitigating and reporting risks.

## Robust asset quality despite macroeconomic headwinds

SEB has a well-balanced and diversified credit portfolio amounting to SEK 3,040bn at year-end (3,086). The portfolio includes loans, contingent liabilities, and derivatives and is mainly comprised of Nordic and German large corporates and Swedish households. Credit portfolio growth was slightly negative during the year primarily explained by FX effects and generally muted demand for borrowing following the current macroeconomic environment. The overall asset quality remained robust, and the level of expected credit losses was low.

Monitoring of asset quality trends and early warning indicators such as late payments, negative risk class migration and bankruptcy statistics remained a key focus area during the year. Some

[Financial review of the group](#)

- [Result and profitability](#)
- [Financial structure](#)
- [Holistic management](#)
- [Profit and business volumes, explanation](#)
- [Divisions and group functions](#)
- [Geographic markets](#)
- [Market shares and customer contacts](#)
- [Uncertainties](#)
- [Risk, liquidity and capital management](#)
- [Corporate governance](#)
- [Board of Directors](#)
- [Group Executive Committee](#)
- [Remuneration report](#)

signs of deterioration were noted in line with the broader macro-economic development, primarily related to companies in sectors more vulnerable to the higher interest rate environment as well as sectors dependent on household consumption. Towards the end of the year, the signs of deterioration became more broad-based. SEB's large share of exposure to investment grade counterparties acts as a safeguard against considerable impact on credit losses and capital.

Household mortgage customers in Sweden and Baltics have been resilient, supported by strong labour markets. SEB will continue to carefully monitor asset quality trends in 2024 to detect early warning signs and allow for proactive dialogues with customers.

Net expected credit losses (ECL) amounted to SEK 962m (2,007), corresponding to a net ECL level of 3 basis points (7). Credit-impaired loans (gross loans in Stage 3) amounted to SEK 7.6bn at year-end (6.8), corresponding to 0.37 per cent of gross lending (0.33). The Stage 3 ECL coverage ratio decreased during the year from 57 per cent to 40 per cent. The decrease is mainly explained by one exposure in the large corporate segment, partly secured by a guarantee, resulting in a lower ECL coverage ratio.

Overall, SEB is well provided for with total ECL allowances of SEK 8.0bn (8.6), of which total portfolio overlays amounted to SEK 2.3bn (2.2).

### Robust corporate credit portfolio

The majority of SEB's credit portfolio consists of exposure to corporates. These are primarily large investment grade customers in the Nordics and Germany in a wide range of industries, of which the largest is manufacturing. In total, the corporate portfolio decreased to SEK 1,675bn (1,687) in 2023. The decrease was mainly driven by FX-effects and subdued investment activity as customers focused on consolidating activities and preparing for sustained macroeconomic headwinds. SEB's exposure to small and medium-sized enterprises (SMEs) outside the Baltic countries accounted for 12 per cent (11) of the corporate portfolio and is mainly in Sweden. In total, the SME portfolio grew to SEK 194bn (189) during the year.

### Stable Swedish household mortgage portfolio

Household debt in Sweden is high from both a historical and international perspective. In 2023, inflation, higher interest rates and a weak Swedish krona led to an increased cost of living and put many households under financial pressure. As a result, activity in the housing market remained subdued and prices were relatively flat following a decline of around 10 per cent from the peak in early 2022. SEB's Swedish household mortgage portfolio marginally declined during the year, explained by the lower credit demand and

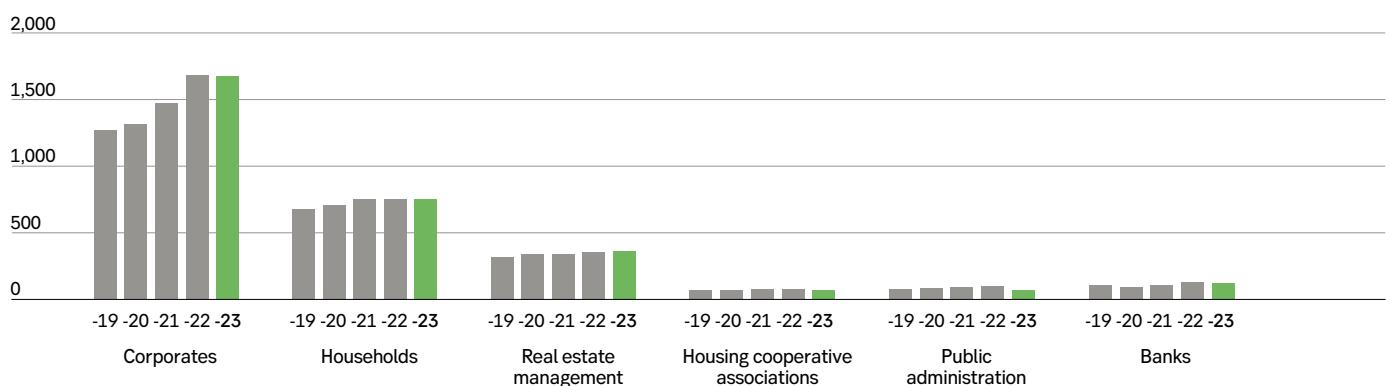
households amortising more than required. The portfolio amounted to SEK 580bn at year end (583).

Despite the challenging environment, household mortgage borrowers remained resilient supported by a strong labour market and savings buffers build up during the pandemic. The asset quality remained high and credit losses were low. A slight uptick in late payments and defaults (over 90 days past due payments) was observed, although from very low levels.

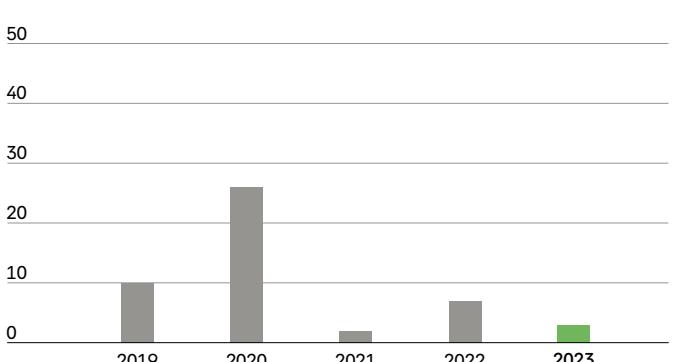
Credit decisions are based on the borrower's repayment capacity, including the ability to manage a stressed scenario with higher interest rates. If a mortgage is related to an apartment in a housing cooperative association, a common form of multi-family home ownership in Sweden, the stressed scenario takes into account the borrower's share of the association's debt. To better reflect the shift in the economic environment, underwriting standards were tightened during the year with an update of affordability assessment requirements (left-to-live-on) and an increase of the stressed interest rate.

The portfolio loan to value (LTV) ratio is sound with a portfolio weighted average LTV of 57 per cent (56). The increase is explained by the housing price development as collateral values are automatically indexed monthly. 97 per cent of the portfolio with an LTV above 70 per cent is amortising.

Credit portfolio, development by customer segment



Credit loss development



[Financial review of the group](#)

- [Result and profitability](#)
- [Financial structure](#)
- [Holistic management](#)
- [Profit and business volumes, explanation](#)
- [Divisions and group functions](#)
- [Geographic markets](#)
- [Market shares and customer contacts](#)
- [Uncertainties](#)
- [Risk, liquidity and capital management](#)
- [Corporate governance](#)
- [Board of Directors](#)
- [Group Executive Committee](#)
- [Remuneration report](#)

### Resilient real estate credit portfolio

SEB's exposure to the real estate sector includes commercial and residential real estate and Swedish housing cooperative associations. Since many years, SEB manages its exposure to the sector through divisional volume growth limits set on an annual basis as well as a group-wide risk appetite for the commercial real estate exposure that it should not exceed 10 per cent of the total non-bank credit portfolio. The conservative real estate credit policy focuses on measures related to debt service capacity. Credit approval standards have been further tightened in recent years, notably with an increased stringency for debt service metrics and LTV requirements, adapting to the increased risk level in the real estate market.

SEB's credit exposure to commercial real estate management companies consists mainly of large customers in the Nordic region with diversified property portfolios. At year-end, the portfolio amounted to SEK 216bn (209), with a weighted average LTV of 47 per cent (45). Growth in the segment was mainly driven by refinancing support to core customers with acceptable credit quality as capital markets conditions for bond refinancing remained challenging.

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 low vacancy risk and regulated rental market. At year end, the residential real estate portfolio amounted to SEK 148bn (146). Growth was modest and broad-based across a wide range of customers. Weighted average LTV for the portfolio was 45 per cent (46).

SEB also has SEK 66bn (72) in credit exposure to housing cooperative associations.

The real estate sector in Sweden has been under financial pressure since 2022 due to its high interest rate sensitivity, and challenges related to refinancing of bond maturities has been the key concern. Market values have fallen, and further downward adjustments to real estate valuations and asset quality cannot be ruled out. Although the expectations on interest rate cuts provided

some relief for the sector towards the end of the year, the market outlook remains uncertain.

Asset quality in SEB's real estate portfolio remained robust in 2023 with low levels of credit losses. The portfolio experienced some negative risk class migration due to the interest rate sensitivity, however, most customers are well equipped to handle current market conditions, supported by good operational performance, low vacancies and consumer price indexed rents. Many large customers are working on deleveraging activities such as asset sales, cancelled dividends, and rights issues to improve cash flows and financial flexibility in up-coming bond maturities. Due to the continued headwinds facing the sector, SEB increased provisions on a portfolio level during 2023 and will continue to carefully monitor the real estate portfolio and market development in 2024.

### Stable Baltic credit portfolio

SEB's Baltic credit portfolio consists mainly of corporate and household mortgage exposures. Lithuania and Estonia represent around 40 per cent each of the total Baltic exposure, while the exposure in Latvia amounts to approximately 20 per cent.

In 2023, companies and households were challenged by higher rates and continued elevated inflation in all three countries. Companies became increasingly careful with investments while households' affordability dropped considerably. This led to an overall muted credit demand. The credit portfolio increased to SEK 239bn (226), mainly driven by FX effects and corporate credit demand in Lithuania. The Baltic credit portfolio exposure corresponds to 8.2 per cent of the total non-bank credit portfolio, which is well within the Board's risk appetite for the portfolio. Asset quality remained robust and net expected credit losses were low. The higher interest rate level had some negative impact on risk class migration, primarily within commercial real estate. Household mortgage customers remained resilient, partly supported by strong labour markets and lower utility bills.

### Lower market volatility compared to 2020–2022

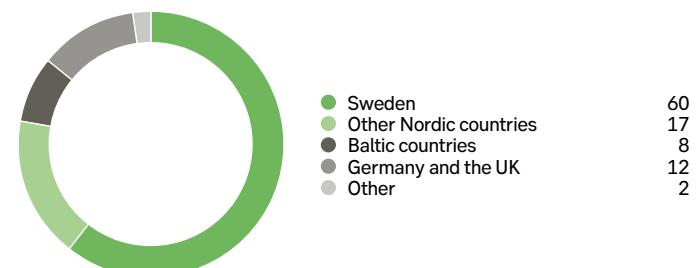
Market risk arises in SEB's customer-driven trading activity and within the Treasury function, which is responsible for the Group's

funding and liquidity management. The risk in trading is measured using several different measures. Value at Risk (VaR) is a commonly used measure and estimates the bank's expected maximum loss during a period of ten trading days, with a probability of 99 per cent. Market risk also arises due to interest rate mismatches between the bank's assets and liabilities on the balance sheet, also referred to as interest rate risk in the banking book (IRRBB), which can lead to losses or reductions in economic value and/or earnings.

In 2023, the market risk environment was affected by intensified geopolitical tensions as well as turmoil in the global banking industry in the beginning of the year when a couple of regional US banks collapsed. The central banks' battle against inflation drove interest rates higher during the first three quarters of the year and markets embraced a higher for longer interest rate scenario. Towards the end of the year, market sentiment shifted, reflecting the increasing probability of a soft landing, i.e. achieving lower inflation without a recession. This led to declining forward rates and buoyant equity and credit markets. The SEK, which had weakened significantly against USD and EUR during the year, also recovered somewhat. In the commodities market, natural gas prices decreased from the elevated levels seen in 2022. Overall market volatility was lower in 2023 compared to the turbulent period of 2020–2022. In combination with more cautious risk taking, this resulted in reduced market risk and the risk exposure amount related to market risk decreased

Credit portfolio, distribution by geography<sup>1)</sup>

Per cent



1) Distribution based on SEB's operations

## Financial review of the group

- Result and profitability
- Financial structure
- Holistic management
- Profit and business volumes, explanation
- Divisions and group functions
- Geographic markets
- Market shares and customer contacts
- Uncertainties
- Risk, liquidity and capital management
- Corporate governance
- Board of Directors
- Group Executive Committee
- Remuneration report

to SEK 25bn (47). The annual average VaR increased slightly to SEK 247m (236), however. The increase is explained by elevated values at the beginning of 2023 when VaR, which is calculated based on market risk factors over the past 12 months, was elevated due to the market turbulence in 2022. During the remainder of the year, average VaR declined. The bank's stress test for market risk and IRRBB remained well within risk appetites.

### Stable risks in the life insurance business

SEB's insurance business consists mainly of unit-linked products, where the market risk remains with the customer. In 2023, unit-linked products accounted for 69 per cent of total premium income (71). In addition to unit-linked products, SEB also offers risk insurance products in Sweden and the Baltics, and traditional life insurance in Sweden. Capitalisation levels under Solvency II requirements across all companies in the Life division remained strong and stable.

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 2023, this buffer increased slightly mainly due to higher interest rates.

The share of alternative investments in the traditional insurance investment portfolios decreased somewhat but remained at an elevated level of around 50 per cent. It is expected to continue to gradually decrease. Alternative investments generally increase the overall risk level in a portfolio, as valuation, market, liquidity, and non-financial risks are deemed higher relative to traditional investment asset classes. These risks are primarily mitigated by a high level of diversification within the asset class as well as a strong governance and valuation process.

### Continued high focus on non-financial risks

Complexity in the non-financial risk area (operational risk) continues to increase. SEB is committed to mitigate these risks in its daily business and processes by continuously developing and improving governance and risk controls. In 2023, net operational losses from incidents remained low at SEK 154m (237).

With the escalating geopolitical tensions, the threat from hybrid warfare has increased, exemplified by cyber-attacks targeting governments and companies as well as physical damage to critical infrastructure in the Baltic Sea. Operational resilience therefore remained a key focus area together with cyber security and financial crime prevention.

During the year, SEB established a Digital Operational Resilience Committee to strengthen risk management focused on digital operational resilience. The committee will follow-up the risk control framework for Information and Communication Technology (ICT) that is being developed for cyber risk and cyber security, network and information systems as well as risks related to the use of third-party service providers. The committee will also be central in processes connected to the implementation of the Digital Operational Resilience Act (DORA) that will enter into force in the beginning of 2025.

With increased outsourcing in the area of information and communication technology and the increased cyber risks, the work to strengthen the bank's third-party management and governance was accelerated.

Moreover, financial crime remains a key focus area. Processes and controls have been improved during the past years, not least with the establishment of the Financial Crime Prevention (FCP) unit in 2022. The unit has contributed to clarifying governance, strengthening first-line ownership, improving controls and developing systems and processes to detect and prevent financial crime. Complexity in the sanctions area has continued to grow as the US, EU and many other countries imposed more sanctions, primarily targeting Russia. To address this increased complexity, a separate unit focusing only on sanctions was established within FCP in the beginning of 2023.

External fraud is another rapidly evolving area of concern and in 2023, processes for identification and collection of data to detect fraudulent behaviour were improved.

As part of the ambition to continuously improve non-financial risk governance and controls, the risk appetite statement and measures were reviewed and updated during the year. The outcome is a new and strengthened structure for measuring and quantifying all types of non-financial risk, such as cyber risk, third party risk, and financial crime prevention.

→ For more information on risk, liquidity and capital management, see note 40 and 41.

Financial review of the group

Result and profitability

Financial structure

Holistic management

Profit and business volumes, explanation

Divisions and group functions

Geographic markets

Market shares and customer contacts

Uncertainties

Risk, liquidity and capital management

Corporate governance

Board of Directors

Group Executive Committee

Remuneration report

## Sustainability-related risks are integrated in SEB's risk management

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 does not consider sustainability-related risk as a separate risk type, but rather as a risk factor driving other fundamental risk types such as credit, market, liquidity, and non-financial risks. Accordingly, the management of sustainability-related risks is integrated into existing processes and governance structures for identifying, monitoring, measuring and reporting risks.

Actions to assess and manage climate-related risks have been prioritised by SEB due to their magnitude and urgency. Climate transition and physical risks cut across multiple risk types, encompassing both financial and non-financial risks. Transition risk can impact, and amplify, credit risk by reducing customers' financial position or impact refinancing possibilities, as well as expose SEB to reputational and/or litigation risk. Similarly, physical risk may increase credit risk by impacting collateral values, as well as posing operational risks to SEB's facilities and employees.

→ For more information on SEB's sustainability management see p. 189 and for specific information on climate-related risk management, see p. 198.

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 2023.

	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.	<ul style="list-style-type: none"> <li>Transition risk assessment of counterparties in high carbon footprint industries expanded and enhanced.</li> <li>Expansion of the climate scenario analysis included in the internal capital adequacy assessment.</li> <li>Sector-based credit portfolio assessment of financial risks in line with CSRD double materiality assessment ongoing.</li> </ul>
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.	<ul style="list-style-type: none"> <li>Risk identification and materiality assessment of climate risk drivers' impact on market risk measures.</li> <li>Environmental risks as possible drivers of market risk included in the market risk instruction.</li> </ul>
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.	<ul style="list-style-type: none"> <li>Sector-based analysis of depositor risk in line with CSRD double materiality assessment.</li> <li>Climate risks as possible drivers of liquidity risk included in the liquidity risk instruction.</li> </ul>
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.	<ul style="list-style-type: none"> <li>New assessment criteria added for sustainability reporting in the new product approval process.</li> </ul>

## Financial review of the group

- [Result and profitability](#)
- [Financial structure](#)
- [Holistic management](#)
- [Profit and business volumes, explanation](#)
- [Divisions and group functions](#)
- [Geographic markets](#)
- [Market shares and customer contacts](#)
- [Uncertainties](#)
- [Risk, liquidity and capital management](#)
- [Corporate governance](#)
- [Board of Directors](#)
- [Group Executive Committee](#)
- [Remuneration report](#)

## Liquidity management

### A well-balanced liquidity and funding strategy

SEB benefits from maintaining a diversified and stable funding base of deposits and wholesale funding as well as a strong liquidity position.

The 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 diversification of the deposit portfolio, and
- 3) ensuring that the bank has sufficient liquidity reserves to withstand a severely stressed scenario.

SEB's deposit balance remained relatively unchanged at year-end, although some downward pressure was observed in household deposit volumes in Sweden stemming from high competition and the higher cost environment. This was compensated for by an increase in deposits from non-financial corporates. In addition, deposit volumes have migrated from current accounts to term accounts

with higher interest rates, although at a slower pace towards the end of the year. The loan-to-deposit ratio increased slightly to 121 per cent per year end (116). The rapid interest rate increases caused volatility in capital markets which required a more nimble approach to the timing of wholesale funding through bond issuance.

To mitigate effects from increased quantitative tightening and event risk, SEB proactively increased its wholesale funding activity compared to previous years. An equivalent of SEK 197bn (130) of long-term funding was issued during the year, of which SEK 111bn was in the form of covered bonds, SEK 59bn in senior unsecured debt, SEK 17bn senior non-preferred debt and SEK 10bn in subordinated debt. Of this, two bonds were issued in the green format: a EUR 1bn senior unsecured bond and a EUR 500m green senior non-preferred bond. The subordinated issuance was in the form of Tier 2 capital notes in SEK and EUR. Furthermore, a Tier 2 note of EUR 850m was redeemed.

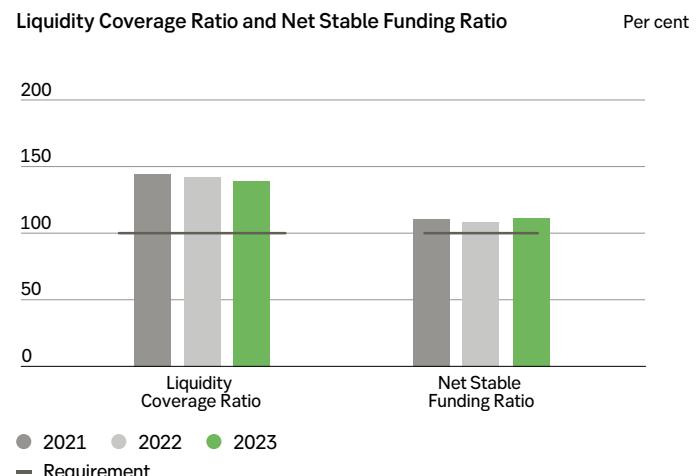
At year-end, total long-term funding amounted to SEK 536bn (474) and short-term funding in the form of commercial paper and certificates of deposit amounted to SEK 336bn (353).

SEB manages its assets and liabilities in line with the Net Stable Funding Ratio (NSFR) regulatory requirement. At year-end, SEB's NSFR was 112 per cent (109), compliant with both the minimum regulatory requirement and the Board's risk appetite for a sound structural liquidity risk position.

The Liquidity Coverage Ratio (LCR) measures to what extent SEB's liquid assets are sufficient to cover short-term cash outflows in a stressed scenario. At the end of 2023, SEB's LCR was 140 per cent (143), 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.

At the end of 2023, SEB's weighted High Quality Liquid Assets (HQLA) amounted to SEK 739bn (685). The size and composition of liquid assets are continuously assessed against estimated liquidity needs.

SEB has a strong credit rating of AA-/Aa3/A+ with stable outlook by Fitch, Moody's and S&P respectively and there were no changes during the year.



### 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 June 2023.

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. The rating was affirmed in July 2023.

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 June 2023.

		Moody's		S&P global		Fitch	
		Short <sup>1)</sup>	Long <sup>2)</sup>	Short <sup>1)</sup>	Long <sup>2)</sup>	Short <sup>1)</sup>	Long <sup>2)</sup>
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.

- [Financial review of the group](#)
- [Result and profitability](#)
- [Financial structure](#)
- [Holistic management](#)
- [Profit and business volumes, explanation](#)
- [Divisions and group functions](#)
- [Geographic markets](#)
- [Market shares and customer contacts](#)
- [Uncertainties](#)
- [Risk, liquidity and capital management](#)
- [Corporate governance](#)
- [Board of Directors](#)
- [Group Executive Committee](#)
- [Remuneration report](#)

## Capital management

SEB takes various types of risks in line with the business strategy and the Board's risk appetite. In order to protect against unexpected losses, sufficient capital strength must be maintained. SEB's capitalisation shall be risk-based, founded on an assessment of all risks incurred in the business, and forward-looking, aligned with the strategy and business plan. The Board of Directors sets SEB's capital targets, based on their view on capital need and credit rating ambitions, taking into consideration financial stability requirements by the regulators, debt investors and business counterparties. These requirements are balanced with the shareholders' required rate of return.

Regulatory capital requirements applied for Swedish banks are based on the EU Banking package transposed into Swedish law. SEB targets a buffer of 100–300 basis points relative the regulatory requirements and supervisory guidance for the Common Equity Tier 1 (CET 1) ratio.

### The capital position remains strong

SEB's CET 1 capital ratio at year-end was 19.1 per cent (19.0), implying a buffer of 440 basis points above the regulatory requirement including Pillar 2 Guidance (P2G). The risk exposure amount (REA) increased to SEK 892bn (859) primarily as a result of the transfer of the risk weight floors for Swedish commercial real

estate exposures from Pillar 2 to Pillar 1, and foreign exchange effects. SEB's applicable CET 1 capital requirement and P2G per the end of the year was 14.7 per cent (14.2). As part of the Swedish FSA's SREP (Supervisory Review and Evaluation Process) decision applicable from 30 September 2023, the requirement was increased by around 100 basis points through a temporary add-on for the ongoing review of IRB models, whereas the REA-based P2G was reduced by 50 basis points. The transfer of the commercial real estate risk-weight floor to Pillar 1 reduced the pillar 2 requirement by around 70 basis points.

Net profit in the amount of SEK 38bn contributed to an increase in CET 1 capital to SEK 170bn (163).

The leverage ratio is a non risk-based regulatory capital requirement. At year-end, the requirement, including P2G, was 3.5 per cent (3.45) of the leverage exposure. SEB's leverage ratio was 5.4 per cent (5.0) at the end of 2023.

### MREL

The minimum requirement for own funds and eligible liabilities (MREL), part of the resolution requirements, aims to ensure that the bank has sufficient resources to guarantee its resolvability in case of a significant deterioration of financial position and implies that eligible liabilities under certain circumstances shall be convertible to equity. In 2022, the Swedish resolution authority – the Swedish National Debt Office – decided on indicative levels for

MREL and subordination requirements to ensure a linear build-up until full effect as of 1 January 2024. At year-end 2023, the buffer to the MREL requirement was SEK 96bn and the buffer to the subordination requirement was SEK 54bn.

### Stress testing

To ensure capital adequacy under adverse economic developments, internal stress tests and sensitivity analyses are regularly conducted.

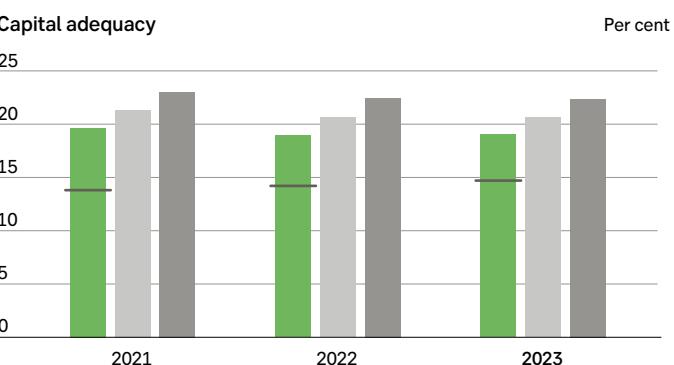
The EBA stress test is conducted bi-annually, and the 2023 exercise confirmed that Swedish banks and SEB are well capitalised compared to banks elsewhere in Europe, both from a risk-based and non-risk-based perspective.

### Finalisation of the Basel III framework

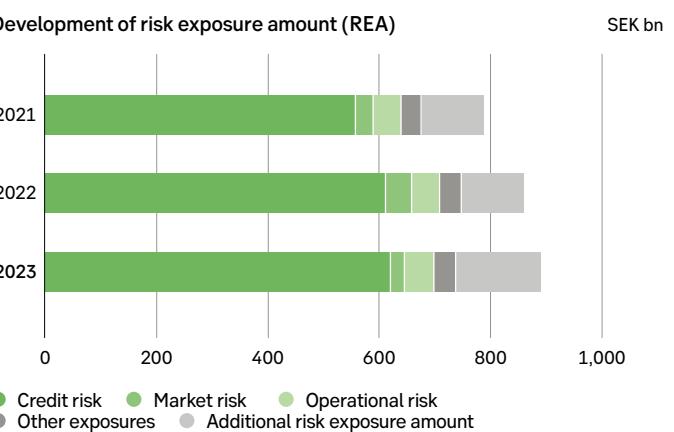
In 2017, the Basel Committee presented a framework for revisions to the Basel III framework (also referred to as Basel IV) with the objective to reduce excessive variability of REA among banks.

In 2023, political agreement was reached for the implementation of Basel IV into EU legislation. The new rules are to be implemented by 1 January 2025. The implementation will have a gradual phase-in of the so-called output floor, which will then reach its steady state calibration of 72.5 per cent by 1 January 2030. The internal models for operational risk and market risk will be replaced by standardised methods on 1 January 2025.

Common Equity Tier 1 (CET 1) capital – requirement and outcome	as percentage of total risk-weighted exposure amount	
	2023	2022
Pillar 1 minimum requirement	4.5	4.5
Pillar 2 requirements (P2R)	1.6	1.4
Combined buffer requirement	8.1	7.4
Pillar 2 guidance (P2G)	0.5	1.0
Total requirement and P2G	14.7	14.2
Common Equity Tier 1 (CET 1) capital ratio	19.1	19.0



● Common Equity Tier 1 capital ratio    ● Tier 1 capital ratio  
 ● Total capital ratio    — CET 1 requirement



Financial review of the group
Result and profitability
Financial structure
Holistic management
Profit and business volumes, explanation
Divisions and group functions
Geographic markets
Market shares and customer contacts
Uncertainties
Risk, liquidity and capital management
<b>Corporate governance</b>
Board of Directors
Group Executive Committee
Remuneration report

# Corporate governance

“Corporate Governance is a set of principles between SEB’s board, management, shareholders, and other stakeholders, which shall provide proper incentives to pursue the objectives that are in the interest of SEB and shall facilitate effective monitoring and risk control.”

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<sup>1)</sup>
- Code of Conduct<sup>1)</sup>
- Remuneration Policy
- Information Security Policy
- Corporate Sustainability Policy<sup>1)</sup>
- Inclusion & Diversity Policy<sup>1)</sup>
- Policies on Suitability, Diversity and Composition of the Board, the Group Executive Committee (Executives) and other key function holders.

<sup>1)</sup> 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. SEB strives to follow the Code where appropriate and has no deviations to report for 2023.

→ More information about SEB’s corporate governance is available on [sebgroup.com](#)

**Financial review of the group**

- [Result and profitability](#)
- [Financial structure](#)
- [Holistic management](#)
- [Profit and business volumes, explanation](#)
- [Divisions and group functions](#)
- [Geographic markets](#)
- [Market shares and customer contacts](#)
- [Uncertainties](#)
- [Risk, liquidity and capital management](#)
- Corporate governance**
- [Board of Directors](#)
- [Group Executive Committee](#)
- [Remuneration report](#)

**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 280,000 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.

At the 2023 AGM, the Board requested and was granted a mandate by the AGM to acquire and sell SEB shares, issue convertibles, and reduce the share capital with redemption of shares and issue of new shares.

The 2024 AGM will be held on 19 March at Stockholm Concert Hall, Hötorget, Stockholm.

→ The minutes from SEB's AGMs are available on [sebgroup.com](#)

**The largest shareholders**

31 December 2023

	No. of shares	Of which Class C shares	Share of capital, %	Share of votes, %	2023	2022
Investor AB	456,198,927	4,000,372	21.3	21.4	21.0	
AMF	114,998,105		5.4	5.4	4.2	
Alecta	107,540,886		5.0	5.1	5.8	
Swedbank Robur	85,304,366		4.0	4.0	4.5	
SEB own shareholding <sup>1)</sup>	67,299,656		3.1	3.2	3.1	
Vanguard	62,663,309	744,267	2.9	2.9	2.4	
BlackRock	55,416,961	17,462	2.6	2.6	2.6	
Handelsbanken Funds	50,475,293	52,236	2.4	2.4	1.6	
SEB Funds	44,154,308		2.1	2.1	2.2	
Harding Loevner	36,077,205		1.7	1.7	2.0	
Nordea Funds	25,522,575		1.2	1.2	1.0	
Fourth AP fund	20,653,360		1.0	1.0	0.9	
First AP fund	18,270,136		0.9	0.9	0.8	
Capital Group	18,203,782		0.9	0.9	0.4	
Bank of Norway	18,198,646	43,576	0.9	0.9	0.9	

1) See table Number of outstanding shares on p. 39.

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 280,000 shareholders are private individuals with small holdings. The ten largest shareholders account for 50 per cent of the capital and votes.

**Distribution of shares by size of holding**

31 December 2023

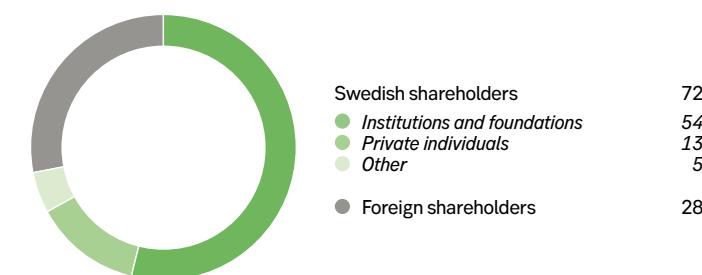
Size of holding	No. of shareholders	No. of shares	Per cent
1–500	187,348	30,858,245	1.4
501–1,000	38,802	29,509,684	1.4
1,001–5,000	43,545	95,916,697	4.5
5,001–10,000	5,904	42,263,150	2.0
10,001–20,000	2,393	33,723,170	1.6
20,001–50,000	1,113	34,374,508	1.6
50,001–100,000	304	21,456,619	1.1
100,001–500,000	266	57,834,020	2.7
500,001–1,000,000	50	36,552,575	1.7
1,000,001–	110	1,757,494,827	82.1
<b>Total</b>	<b>279,835</b>	<b>2,139,983,495</b>	<b>100.0</b>

Source: Euroclear and Holdings

**Shareholder structure**

Per cent

Percentage holdings of equity on 31 December 2023



Source: Euroclear and Holdings

Financial review of the group

Result and profitability

Financial structure

Holistic management

Profit and business volumes, explanation

Divisions and group functions

Geographic markets

Market shares and customer contacts

Uncertainties

Risk, liquidity and capital management

**Corporate governance**

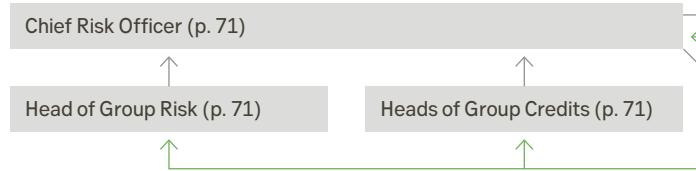
Board of Directors

Group Executive Committee

Remuneration report

## 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.



General Meeting of Shareholders (p. 60)

Board of Directors (p. 62)

President and Chief Executive Officer (p. 69)

↑↓

↑↓

↑↓

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

→

Financial review of the group

Result and profitability

Financial structure

Holistic management

Profit and business volumes, explanation

Divisions and group functions

Geographic markets

Market shares and customer contacts

Uncertainties

Risk, liquidity and capital management

Corporate governance

Board of Directors

Group Executive Committee

Remuneration report

## 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 specific 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
- regular follow-up and evaluation of 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 the 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 2023 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. In respect of gender balance, excluding the President, 40 per cent of the directors of the Board are women (based on ten elected members who are not employed by SEB). 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 Swedish Corporate Governance Code.

A director of the Board 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 director of the Board 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 and the Instruction on Conflict of Interests for the SEB Group.

The Board's work follows a yearly plan. In 2023 the Board held 10 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.

## Board composition as of December 31, 2023, excluding SEB-employed

### Gender diversity



● Women 40%  
● Men 60%

### Tenure



● < 5 years 50%  
● 5–10 years 10%  
● > 10 years 40%

[Financial review of the group](#)
[Result and profitability](#)
[Financial structure](#)
[Holistic management](#)
[Profit and business volumes, explanation](#)
[Divisions and group functions](#)
[Geographic markets](#)
[Market shares and customer contacts](#)
[Uncertainties](#)
[Risk, liquidity and capital management](#)
[Corporate governance](#)
[Board of Directors](#)
[Group Executive Committee](#)
[Remuneration report](#)

## Board of Directors



	<b>Marcus Wallenberg</b>	<b>Sven Nyman</b>	<b>Jacob Aarup-Andersen</b>	<b>Signhild Arnegård Hansen</b>	<b>Anne-Catherine Berner</b>	<b>John Flint</b>
<b>Position</b>	Chair	Vice Chair	Director	Director	Director	Director
<b>Committee</b>	Vice Chair RCC, ACC, RemCo	Member RCC	Chair RCC	Chair RemCo	Member RemCo	
<b>Year elected</b>	2002	2013	2022	2010	2019	2022
<b>Born</b>	1956	1959	1977	1960	1964	1968
<b>Education</b>	B.Sc. (Foreign Service)	B.Sc. (Business and Econ.)	M.Sc. (Economics)	B.Sc. (Human Resources) and journalism studies	B.Sc. (Econ.) and MBA (Leadership)	B.A. (Economics)
<b>Other assignments</b>	Chair of Saab, Vice Chair of Investor and EQT AB, and Director of Astra Zeneca Plc (UK). Several other directorships.	Director of Investor, Ferd Holding AS (Norway), the Nobel Foundation, Stockholm School of Economics Association and of Axel and Margaret Ax:son Johnson's Foundation.	Group CEO of Carlsberg A/S (Denmark). Member of the Permanent Committee on Business Policies of Danish Industry.	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 Adven Holding Oy (Finland). Several directorships in foundations.	CEO of UK Infrastructure Bank.
<b>Background</b>	Chair of Electrolux, International Chamber of Commerce (ICC) and LKAB. Director of EQT Holdings, Stora Enso and Temasek Holdings. Executive Vice President of Investor AB and CEO of Investor AB. Several assignments as Chair and Director of large public companies.	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.	Long experience from banking and finance business from a number of positions within the Danske Bank Group (e.g. Group CFO), Chair of Realkredit Denmark, MobilePay and Danica Pension. Several positions within investment banking and investment management (Goldman Sachs and Highbridge Capital). President and CEO of ISS A/S, Denmark.	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 Oyj. Several directorships.	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.
<b>Nationality</b>	Swedish	Swedish	Danish	Swedish and US	Swiss and Finnish	British
<b>Own and closely related persons' shareholdings</b>	752,000 A shares	10,440 A shares and 10,000 C shares	10,000 A shares	19,004 A shares	4,600 A shares	10,000 A shares
<b>Other holdings</b>						
<b>Independent in relation to the bank/major shareholders</b>	Yes/No	Yes/No	Yes/Yes	Yes/Yes	Yes/Yes	Yes/Yes

[Financial review of the group](#)
[Result and profitability](#)
[Financial structure](#)
[Holistic management](#)
[Profit and business volumes, explanation](#)
[Divisions and group functions](#)
[Geographic markets](#)
[Market shares and customer contacts](#)
[Uncertainties](#)
[Risk, liquidity and capital management](#)
[Corporate governance](#)
[Board of Directors](#)
[Group Executive Committee](#)
[Remuneration report](#)

## Board of Directors



	<b>Winnie Fok</b>	<b>Svein Tore Holsether</b>	<b>Lars Ottersgård</b>	<b>Helena Saxon</b>	<b>Johan Torgeby</b>
<b>Position</b>	Director	Director	Director	Director	Director (President and CEO)
<b>Committee</b>	Member ACC		Member RCC	Chair ACC	
<b>Year elected</b>	2013	2023	2019	2016	2017
<b>Born</b>	1956	1972	1964	1970	1974
<b>Education</b>	Bachelor of Commerce. Fellow of CPA Australia and Fellow of Institute of Chartered Accountants in England & Wales. Associate member of Hong Kong Institute of Certified Public Accountants.	B.Sc. (Finance and Management).	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.)
<b>Other assignments</b>	Director of Geely Holding Group. Senior advisor to WFAB.	President and CEO of Yara International ASA (Norway), member of the Alliance of CEO Climate Leaders at the World Economic Forum (WEF), Co-Chair Africa Food System Forum, Chair Næringslivets Hovedorganisasjon (Norway)	Deputy Director in EKO Respecta.	CFO of Investor. Director of Swedish Orphan Biovitrum and Stockholm School of Economics.	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.
<b>Background</b>	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.	Chair International Fertilizer Association (France), World Business Council for Sustainable Development, CEO and CFO at SAPA AB, CFO Elkem, Business development, Orkla.	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, 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.
<b>Nationality</b>	British	Norwegian	Swedish	Swedish	Swedish
<b>Own and closely related persons' shareholdings</b>	10,000 A shares	10,000 A shares	15,000 A shares	12,500 A shares	694,130 shares and share rights <sup>1)</sup>
<b>Other holdings</b>					SEB debt instruments (ISIN XS2076169668), nominal value USD 600,000.
<b>Independent in relation to the bank/major shareholders</b>	Yes/Yes	Yes/Yes	Yes/Yes	Yes/No	No/Yes

1) of which 5,826 A shares and 688,304 share rights.

[Financial review of the group](#)
[Result and profitability](#)
[Financial structure](#)
[Holistic management](#)
[Profit and business volumes, explanation](#)
[Divisions and group functions](#)
[Geographic markets](#)
[Market shares and customer contacts](#)
[Uncertainties](#)
[Risk, liquidity and capital management](#)
[Corporate governance](#)
[Board of Directors](#)
[Group Executive Committee](#)
[Remuneration report](#)

## Directors appointed by the trade unions



	<b>Anna-Karin Glimström</b>	<b>Charlotta Lindholm</b>	<b>Annika Dahlberg</b>	<b>Marika Ottander</b>
<b>Position</b>	Director	Director	Deputy director	Deputy director
<b>Year elected</b>	2016	2015	2016	2022
<b>Born</b>	1962	1959	1967	1961
<b>Education</b>	University studies in mathematics, statistics and law	LLB	University studies in working environment and labour law	Law degree
<b>Union representative</b>	Chair of Financial Sector Union of SEB Group.	Chair of the Association of University Graduates at SEB.	First Deputy Chair of Financial Sector Union of SEB Group.	Deputy Chair of the Association of University Graduates at SEB.
<b>Nationality</b>	Swedish	Swedish	Swedish	Swedish
<b>Own and closely related persons' shareholdings</b>	656 share rights, of which 229 share rights and 427 conditional share rights.	2,275 shares and share rights, of which 1,619 A shares, 229 share rights and 427 conditional share rights.	1,318 shares and share rights, of which 662 A shares, 229 share rights and 427 conditional share rights.	656 share rights, of which 229 share rights and 427 conditional share rights.
<b>Other holdings</b>				

## Secretary of the Board of Directors and Group General Counsel



Hans Ragnhäll

Contact the Board of Directors  
Skandinaviska Enskilda Banken AB  
Board Secretariat  
SE-106 40 Stockholm, Sweden  
sebboardsecretariat@seb.se

## Evaluation of the Board of Directors, the President and the Group Executive Committee (GEC)

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 Board 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 2023 was conducted by Vice Chair Sven Nyman. 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.

[Financial review of the group](#)

- [Result and profitability](#)
- [Financial structure](#)
- [Holistic management](#)
- [Profit and business volumes, explanation](#)
- [Divisions and group functions](#)
- [Geographic markets](#)
- [Market shares and customer contacts](#)
- [Uncertainties](#)

[Risk, liquidity and capital management](#)
[Corporate governance](#)

- [Board of Directors](#)
- [Group Executive Committee](#)
- [Remuneration report](#)

## 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 committees.*

Directors' fees are paid on a running basis during the mandate period. Following a recommendation by the Nomination Committee, the directors are expected to own shares in SEB with a market value corresponding to at least one year's director's fee, excluding tax and Board committee fees. The shareholding may be built up over a five-year period from appointment.

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.*

In order to increase the efficiency of its work and enable a more detailed analysis of certain issues, the Board has formed committees. 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). The committees' duties and decision-making authorities are regulated in annually adopted committee instructions. The issues considered at committee meetings are recorded in minutes and reported at the following Board meeting.

The members of the committees are appointed for one year at the statutory Board meeting. An important principle is that as many independent directors as possible actively shall participate in the committee work. No two committees are composed of the same group of directors, 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.

## Board attendance and remuneration

	Attendance		Fee	
	Board meetings <sup>1)</sup>	Committee meetings <sup>1)</sup>	Board meetings, SEK	Committee meetings, SEK
Marcus Wallenberg	10 of 10	27 of 27	3,600,000	965,000
Sven Nyman	10 of 10	13 of 14	1,135,000	465,000
Jacob Aarup-Andersen	10 of 10	9 of 9	880,000	750,000
Signhild Arnegård Hansen	9 of 10	6 of 6	880,000	410,000
Anne-Catherine Berner	9 of 10	6 of 6	880,000	205,000
John Flint	10 of 10		880,000	
Winnie Fok	10 of 10	7 of 7	880,000	295,000
Svein Tore Holsether	7 of 7		880,000	
Lars Ottersgård	10 of 10	14 of 14	880,000	465,000
Helena Saxon	9 of 10	7 of 7	880,000	470,000
Johan Torgeby	10 of 10			
Anna-Karin Glimström	10 of 10			
Charlotta Lindholm	10 of 10			
Annika Dahlberg	10 of 10			
Marika Ottander	10 of 10			

1) Includes only the meetings that the director could attend without conflict of interest.

## On the Board's agenda in 2023

### First quarter

- Annual and Sustainability Report 2022
- Balance sheet, capital and dividend matters
- Macroeconomic update
- Internal and external audit reports as well as Group Compliance report
- Evaluation of the effectiveness and appropriateness of SEB's organisation
- Annual review of Instruction and Polices for the SEB Group
- AGM notice and AGM proposals

### Second quarter

- Statutory Board meeting
- Macroeconomic update
- CEO and GEC succession
- Remuneration of President, GEC and Heads of Control functions
- Internal Capital and Liquidity Adequacy Assessment (ICAAP and ILAAP)
- Review of key performance indicators (KPI) framework
- Update on the Market Abuse Regulation
- Risk seminar

### Third quarter

- Copenhagen deep dive: meeting with SEB's Danish management and customers

### Fourth quarter

- Business plan roll-forward 2024–2027
- Board evaluation
- Employee survey
- Key performance indicators outcome Q3 2023
- Review of hybrid work
- Data and AI in SEB
- 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.

[Financial review of the group](#)
[Result and profitability](#)
[Financial structure](#)
[Holistic management](#)
[Profit and business volumes, explanation](#)
[Divisions and group functions](#)
[Geographic markets](#)
[Market shares and customer contacts](#)
[Uncertainties](#)
[Risk, liquidity and capital management](#)
[Corporate governance](#)
[Board of Directors](#)
[Group Executive Committee](#)
[Remuneration report](#)
**Risk and Capital Committee (RCC)**


Jacob Aarup-Andersen  
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 appetite, 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 2023**

- Follow-up on SEB's capital and liquidity position, and credit portfolio, in the light of the increasing interest rates, the inflation, and continued geopolitical tensions.
- Review of the business plan and economic forecast, 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 appetite and strategy in 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 14 meetings in 2023.

The Group's Chief Financial Officer (CFO) has overall responsibility for informing and submitting proposals to RCC on matters related to capital and liquidity. The CRO has the same overall responsibility for risk and credit matters. The President, the CFO and the CRO regularly participate in the meetings.

→ The CRO function is described on p. 71. Information on risk, liquidity and capital management is provided on p. 51.

**RCC members**

Jacob Aarup-Andersen (Chair), Marcus Wallenberg (Vice Chair), Sven Nyman and Lars Ottersgård.

**The three lines of defence in risk management**

The three lines of defense model is a risk management framework. The first line involves operational management, the second line consists of risk control and compliance functions, and the third line includes internal audit to provide independent assurance. This layered approach helps SEB to effectively identify, monitor, measure, and report risks. The Board has established a specific Risk and Capital Committee (RCC) to manage all risks inherent in the activities of the SEB Group.

**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 inherent risks are managed throughout the lifecycle 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, for example through stress testing. The

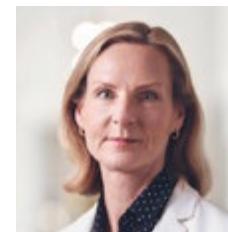
compliance function works proactively with quality assurance of SEB's compliance and focuses on matters such as customer protection, conduct in the financial market, prevention of money laundering and the financing of terrorism, and regulatory requirements and controls.

**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.

[Financial review of the group](#)
[Result and profitability](#)
[Financial structure](#)
[Holistic management](#)
[Profit and business volumes, explanation](#)
[Divisions and group functions](#)
[Geographic markets](#)
[Market shares and customer contacts](#)
[Uncertainties](#)
[Risk, liquidity and capital management](#)
[Corporate governance](#)
[Board of Directors](#)
[Group Executive Committee](#)
[Remuneration report](#)

## 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 2023

- Follow-up on ongoing AML investigations by supervisory authorities in the countries where SEB operates its business.
- Follow-up on ongoing activities and reports from Group Compliance, Group Internal Audit and the External Auditor.
- Assessment of the quality of the audit services provided by the external auditor.
- Appointment of Cecilia Wolrath Ekenbäck as new Head of Group Compliance as of 1 February 2023.

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 Group Compliance and the auditors are addressed, and evaluates the external auditor's work and independence. The Committee furthermore annually reviews a whistleblowing report from Group Compliance and Group Internal Audit. More information about the whistleblowing process is available in the Code of Conduct.

ACC held 7 meetings in 2023. 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) and Winnie Fok.

### Internal control over financial reporting

Internal Control over Financial Reporting (ICFR) refers to the processes that SEB has implemented to ensure the accuracy and reliability of its financial statements. It involves controls that address the prevention or detection of errors and fraud related to financial reporting. These controls typically include policies, procedures, and monitoring mechanisms to provide reasonable assurance regarding the preparation of reliable financial statements. ICFR is a crucial component of corporate governance and is reviewed annually by the Group Internal Control and Compliance Committee (GICC) and the Audit and Compliance Committee (ACC).

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 and controls in scope are then reviewed with control owners in workshops where risks and controls are discussed.

#### Evaluate controls

The controls are evaluated on a regular basis throughout the year by the control owners through self-assessments. 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 GICC and ACC.

#### Independent review

In addition to this process, Group Internal Audit performs independent review of controls covered by the ICFR framework and external audit test controls covered by ICFR as part of the financial audit. 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).

#### ICFR focus areas 2023

In addition to the ongoing work during 2023, the following main areas were in focus within the internal control framework:

- Review and update of the processes in scope of ICFR and ICSR due to implementation of new group consolidation system.
- Expanded scope of ICSR to include resolution reporting to the Swedish National Debt Office.

[Financial review of the group](#)

- [Result and profitability](#)
- [Financial structure](#)
- [Holistic management](#)
- [Profit and business volumes, explanation](#)
- [Divisions and group functions](#)
- [Geographic markets](#)
- [Market shares and customer contacts](#)
- [Uncertainties](#)
- [Risk, liquidity and capital management](#)

[Corporate governance](#)

- [Board of Directors](#)
- [Group Executive Committee](#)
- [Remuneration report](#)

**Remuneration and Human Resources Committee (RemCo)**


Signhild Arnegård Hansen  
Chair of RemCo

**Main focus in 2023**

- Review of the All Employee Programme structure
- Follow-up on the implication of the hybrid ways of working
- Securing SEB's talent management and senior manager succession
- Update on SEB's progress regarding competency development in key areas

→ See the Remuneration report on p. 76.

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 the adherence to the guidelines 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 6 meetings in 2023.

It is primarily the President, together with the Head of Group HR, who 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 appetite.

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 has appointed three members of the Group Executive Committee with 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. 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 17

**On GEC agenda in 2023**
*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
- Marketing and Communication plan 2023

*Human Resources*

- Employee survey and Inclusion and Diversity – discussion of survey results and actions
- Review of competence and leadership development
- HR deep-dive and future ways of working
- Sexual harassment survey
- All Employee Program outcome
- Transformative leadership and feedback workshop

*Business areas*

- Review of SEB's business operations and home markets
- Investor World update
- Deepdive into Corporate & Private Customers division
- Next generation custody services

*IT*

- Chief Information Officer updates
- Review and discussions on IT, including investments, security, agile way of working and cloud services
- Savings, Technology and Group & Business Services updates
- Google Cloud partnership
- Cyber security update
- Data and Analytics AI education

*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

[Financial review of the group](#)
[Result and profitability](#)
[Financial structure](#)
[Holistic management](#)
[Profit and business volumes, explanation](#)
[Divisions and group functions](#)
[Geographic markets](#)
[Market shares and customer contacts](#)
[Uncertainties](#)
[Risk, liquidity and capital management](#)
**Corporate governance**
[Board of Directors](#)
[Group Executive Committee](#)
[Remuneration report](#)

meetings in 2023. GEC has 11 members other than the President. The President has also appointed eight 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 CFO as vice chair, is a group-wide decision-making, monitoring and consultative body. ALCO, which held 10 meetings in 2023, handles the following matters, among others:

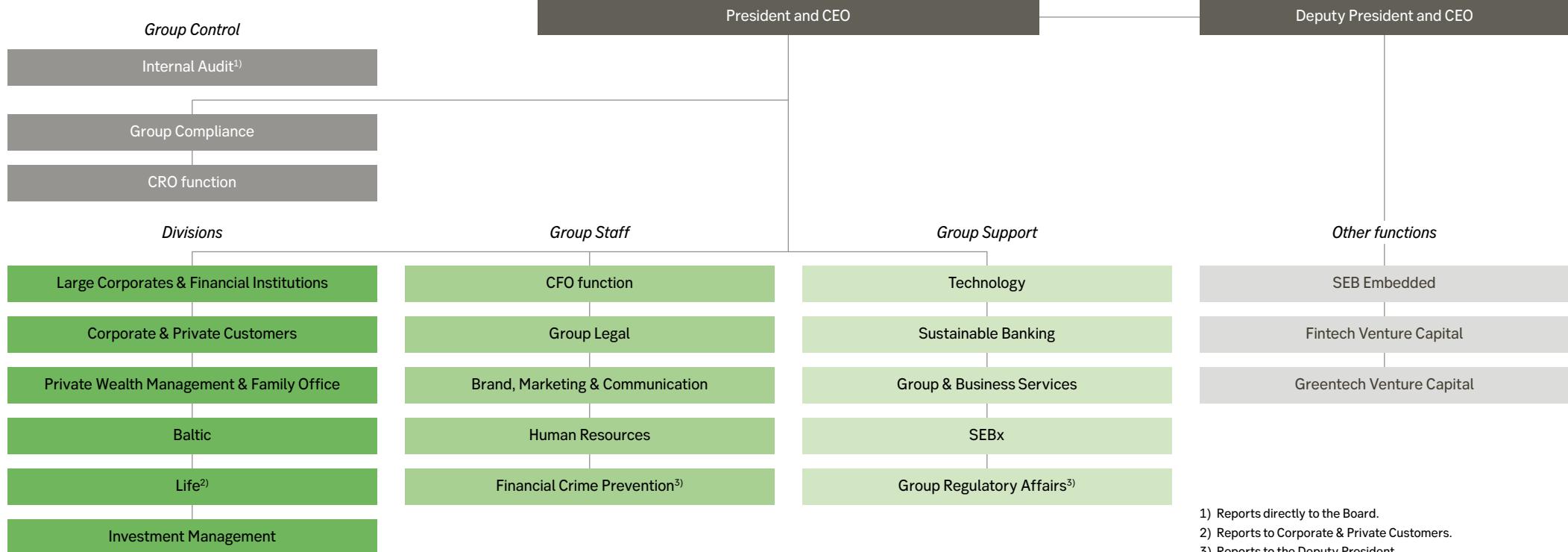
- financial stability, particularly in the new regulatory framework
- strategic capital and liquidity issues, including internal capital allocation and principles for internal pricing.

#### ***Group Risk Committee (GRC)***

GRC, chaired by the President and with the CRO 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 51 meetings in 2023. GRC is tasked with:

- making crucial 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 appetite 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.

#### **SEB's organisation**



1) Reports directly to the Board.

2) Reports to Corporate & Private Customers.

3) Reports to the Deputy President.

Financial review of the group
Result and profitability
Financial structure
Holistic management
Profit and business volumes, explanation
Divisions and group functions
Geographic markets
Market shares and customer contacts
Uncertainties
Risk, liquidity and capital management
Corporate governance
Board of Directors
Group Executive Committee
Remuneration report

### **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 7 meetings in 2023. 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 committee that shall address and follow-up on reports from the control functions Group Internal Audit, Group Compliance and, where relevant, the CRO function, as well as reporting and escalations from the Group FCP Committee and the Group Data Privacy Committee. GICC held 7 meetings in 2023.

### **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 of a division has 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.

→ See p. 45–48 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, Group & Business Services, Sustainable Banking, Group Regulatory Affairs 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.

### **Group Control functions**

The Group Control functions are group-wide control functions independent from the business operations. 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 operations.*

Mats Holmström  
Chief Risk Officer, CRO

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 group-wide functional responsibility, and the activities of the CRO are governed by an instruction adopted by the Board. The CRO function is organised in the following units: Group Risk, Group Credits and Group Risk Aggregation.

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. Group Risk Aggregation 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. 51.

[Financial review of the group](#)
[Result and profitability](#)
[Financial structure](#)
[Holistic management](#)
[Profit and business volumes, explanation](#)
[Divisions and group functions](#)
[Geographic markets](#)
[Market shares and customer contacts](#)
[Uncertainties](#)
[Risk, liquidity and capital management](#)
[Corporate governance](#)
[Board of Directors](#)
[Group Executive Committee](#)
[Remuneration report](#)

## Group Compliance



*The Group Compliance function is responsible for informing, controlling and follow-up on compliance matters.*

Cecilia Wolrath Ekenbäck  
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 instill 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.*

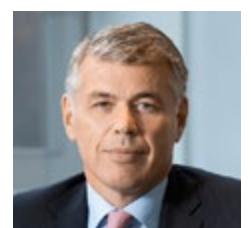
Björn Rosenkvist  
Head of Group Internal Audit

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 the external auditor to evaluate Group Internal Audit's work. The conclusion of this evaluation is reported to ACC and Group Internal Audit.

## External Audit



*Lead Audit Partner since 2019. Authorised Public Accountant, member of FAR since 1992 and FAR Certified Financial Institution Auditor in Sweden.*

Hamish Mabon

### *Other major assignments*

ASSA ABLOY and Northvolt

### *Previous major assignments*

Vattenfall, Hexagon, If P&C Insurance, SCA, Husqvarna, Skanska and Essity

### *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 2023 for the period up to and including the 2024 AGM.

→ See note 9 for auditors' fees.

[Financial review of the group](#)
[Result and profitability](#)
[Financial structure](#)
[Holistic management](#)
[Profit and business volumes, explanation](#)
[Divisions and group functions](#)
[Geographic markets](#)
[Market shares and customer contacts](#)
[Uncertainties](#)
[Risk, liquidity and capital management](#)
[Corporate governance](#)
[Board of Directors](#)
[Group Executive Committee](#)
[Remuneration report](#)

## Group Executive Committee (as from 1 January 2024)



	<b>Johan Torgeby</b>	<b>Mats Torstendahl</b>	<b>Jonas Ahlström</b>	<b>Jeanette Almberg</b>	<b>Robert Celsing</b>	<b>Mats Holmström</b>
Position	President and CEO since 2017	Deputy President and CEO since 2021. Group FCP Senior Manager since 2021	Head of Large Corporates & Financial Institutions division since 2021	Head of Group & Business Services since 2022. Group Data Privacy Senior Manager since 2023	Head of Group Human Resources since 2022	Chief Risk Officer since 2021
GEC member since	2014	2009	2020	2016	2022	2021
SEB employee since	2009	2009	2005	2008	2007	1990
Born	1974	1961	1978	1965	1967	1968
Education	B.Sc. (Econ.)	M.Sc. (Engineering Physics)	M. Sc. (Business and Econ.)	B.Sc. (Econ.)	Executive MBA	Higher bank degree (SEB)
Nationality	Swedish	Swedish	Swedish	Swedish	Swedish	Swedish
Own and closely related persons' shareholdings	694,130 shares and share rights, of which 5,826 A shares and 688,304 share rights.	373,710 shares and share rights, of which 104,218 A shares and 269,492 share rights.	186,614 shares and share rights, of which 3,862 A shares and 182,752 share rights.	140,563 shares and share rights, of which 11,135 A shares and 129,428 share rights.	136,082 shares and share rights, of which 1,850 A shares, 134,015 share rights and 217 conditional share rights.	113,497 shares and share rights, of which 23,315 A shares, 198 C shares and 89,984 share rights.
Other holdings	SEB debt instruments (ISIN XS2076169668), nominal value USD 600,000.					

[Financial review of the group](#)
[Result and profitability](#)
[Financial structure](#)
[Holistic management](#)
[Profit and business volumes, explanation](#)
[Divisions and group functions](#)
[Geographic markets](#)
[Market shares and customer contacts](#)
[Uncertainties](#)
[Risk, liquidity and capital management](#)
[Corporate governance](#)
[Board of Directors](#)
[Group Executive Committee](#)
[Remuneration report](#)

## Group Executive Committee (as from 1 January 2024)



	<b>Ulrika Areskog Lilja</b>	<b>William Paus</b>	<b>Jonas Söderberg</b>	<b>Masih Yazdi</b>	<b>Petra Ålund</b>	<b>Niina Äikäs</b>
Position	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	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	2021	2018	2021	2018	2020	2021
SEB employee since	2021	1992	1999	2013	2017	2008
Born	1975	1967	1976	1980	1967	1968
Education	M.Sc. (Business Administration and Econ.)	M.Sc. (Econ.)	B.Sc. (Int. Business Administration)	B.Sc. (Econ.)	M.Sc. (Int. Econ.)	M.Sc. (Tech.)
Nationality	Swedish	Norwegian	Swedish	Swedish	Swedish	Finnish
Own and closely related persons' shareholdings	47,144 shares and share rights, of which 16,400 A shares and 30,744 share rights.	226,471 shares and share rights, of which 41,000 A shares and 185,471 share rights.	145,901 shares and share rights, of which 31,708 A shares and 114,193 share rights.	184,606 shares and share rights, of which 26,099 A shares and 158,507 share rights.	73,005 shares and share rights, of which 6,158 A shares and 66,847 share rights.	87,058 shares and share rights, of which 17,968 A shares, 53,902 share rights and 15,188 conditional phantom share rights.
Other holdings						

Financial review of the group

Result and profitability

Financial structure

Holistic management

Profit and business volumes, explanation

Divisions and group functions

Geographic markets

Market shares and customer contacts

Uncertainties

Risk, liquidity and capital management

**Corporate governance**

Board of Directors

Group Executive Committee

Remuneration report

## Additional members of the Group Executive Committee

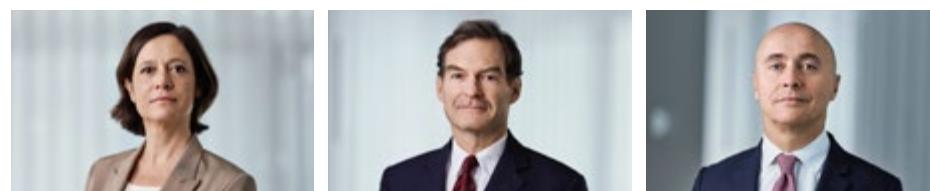
The President appoints additional members of GEC. They participate in GEC meetings from time to time to provide expertise and insight primarily in their respective areas of responsibility.

Country managers



	Jürgen Baudisch	Anders Engstrand	Johan Persson	Ruut Pihlava	Kristian Skovmand
Position	Country Manager SEB Germany since 2022	Country Manager SEB United Kingdom since 2020	Country Manager SEB Norway since 2023	Country Manager SEB Finland since 2022	Country Manager SEB Denmark since 2023
SEB employee since	1999	1995	2005	2008	2017
Nationality	German	Swedish	Swedish	Finnish	Danish

Heads of divisions



	Javiera Ragnartz	David Teare <sup>1)</sup>	Hans Beyer
Position	Head of Investment Management division since 2019	Head of Life division since 2019	Chief Sustainability Officer since 2020
SEB employee since	2019	2006	2002
Nationality	Swedish	Canadian and British	Swedish

<sup>1)</sup> Linnéa Echorcheville is Head of Life division as from 10 January 2024.

Financial review of the group
Result and profitability
Financial structure
Holistic management
Profit and business volumes, explanation
Divisions and group functions
Geographic markets
Market shares and customer contacts
Uncertainties
Risk, liquidity and capital management
<b>Corporate governance</b>
Board of Directors
Group Executive Committee
Remuneration report

# Remuneration report 2023

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

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. 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 appetite 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

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.

SEB believes that each employee's position, long-term performance and value creation shall be reflected in an appropriate total remuneration. The remuneration offering and its components are structured in different ways for different employee categories to create the best balance. Remuneration shall be competitive in the markets and segments where SEB operates.

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 SEB's risk profile (Identified staff). See the Capital Adequacy and Risk Management Report for detailed information.

## Collective profit-sharing

The largest variable remuneration programme is the SEB All Employee Programme 2023 (AEP), which covers essentially all employees. The programme is 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 2023 was determined to be 70.7 per cent (66.7) of the maximum amount, which in Sweden is SEK 75,000.

## 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.

## Financial review of the group

- Result and profitability
- Financial structure
- Holistic management
- Profit and business volumes, explanation
- Divisions and group functions
- Geographic markets
- Market shares and customer contacts
- Uncertainties
- Risk, liquidity and capital management
- Corporate governance**
- Board of Directors
- Group Executive Committee
- Remuneration report

## Individual variable remuneration

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 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, when 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.

Individual variable remuneration is offered to senior managers, other key employees and employees in certain business units where it is standard market practice. The ambition is that part of the individual remuneration shall be deferred and paid out in SEB shares.

Equity-based remuneration is a means to attract and retain employees with key competence and provides an incentive for employees to be shareholders of SEB, which promotes long-term commitment that is aligned with 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 2023 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 2023, for employees in certain business units. For regulatory reasons, the programmes also exist 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 (12) per cent of employees are offered individual variable remuneration. Approximately 7 (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 2023, individual cash-based variable remuneration accounted for approximately 3 per cent (3) of SEB's total staff costs.

## All Employee Programmes (AEP)

	2023 <sup>1)</sup>	2022 <sup>2)</sup>
Number of participants <sup>5)</sup>	17,500	16,400
Outcome in relation to maximum amount <sup>3)</sup> , %	70.7	66.7
Shares allotted, thousands	2,529	2,659
Market value per 31 December, SEK m	351	319
<b>Total outcome per participant<sup>4)</sup>, SEK</b>	<b>53,000</b>	<b>50,000</b>

Pay-out year: 1) 2027 2) 2026 3) SEK 75,000 in Sweden 4) in Sweden 5) Number of participants includes all employees in the programme independent of settlement choice

## Governance model for equity-based programmes in SEB

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.

## Staff costs, 2023

SEK m



Base salary	11,371
Equity-based programmes	454
Individual cash-based variable remuneration	491
All Employee Programme	662
Social charges	3,259
Pensions	627
Other staff costs	693
<b>Total</b>	<b>17,558</b>

## SEB Restricted Share Programmes and Share Deferral Programmes

	2023			2022		
	Restricted Share Programme	Share Deferral Programme	Total	Restricted Share Programme	Share Deferral Programme	Total
Number of participants	395	983	1,377	320	1,024	1,344
Shares allotted, thousands	1,397	3,375	4,772	1,005	4,067	5,072
Market value, 31 December, SEK m	194	468	662	121	488	609

[Financial review of the group](#)
[Result and profitability](#)
[Financial structure](#)
[Holistic management](#)
[Profit and business volumes, explanation](#)
[Divisions and group functions](#)
[Geographic markets](#)
[Market shares and customer contacts](#)
[Uncertainties](#)
[Risk, liquidity and capital management](#)
[Corporate governance](#)
[Board of Directors](#)
[Group Executive Committee](#)
[Remuneration report](#)

## 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 pay, equity-based remuneration, pension benefit 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 bargaining 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 any income earned from other employment from the 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.

There has been no use of the right to reclaim variable remuneration in 2023 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 2018–2023 that were 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. All other Executives, except the CRO, participate in the SEB Share Deferral Programmes allotted in their current positions.

The Share Deferral Programmes are performance based with pre-determined quantitative and qualitative performance criteria that defines the allocation level. The application of the performance criteria, as well as the evaluation, for Executives mirrors that of the President as set out below (see section "Performance criteria for the President's remuneration"), taking into account SEB's as well as the relevant Division's or Function's business plan.

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

### 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 2023 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 2023 to report.

### Board's overall 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.

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.

#### About the Remuneration report

This Remuneration report (the Report) provides on p. 78–80 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 2023. 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 2023 is set out in the corporate governance report (see p. 69).

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 2023.

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 2023.

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 2023 resolved to implement long-term equity-based programmes which can be found on SEB's website [sebgroup.com](#).

## Financial review of the group

- Result and profitability
- Financial structure
- Holistic management
- Profit and business volumes, explanation
- Divisions and group functions
- Geographic markets
- Market shares and customer contacts
- Uncertainties
- Risk, liquidity and capital management
- Corporate governance**
- Board of Directors
- Group Executive Committee
- Remuneration report

## Total remuneration of the President and Deputy President

Name and position	Financial year	Fixed remuneration		Variable remuneration <sup>1)</sup>			Total remuneration		Proportion of fixed and variable remuneration		
		Base salary	Other benefits <sup>2)</sup>	One-year variable	Multi-year variable		Pension expense <sup>3)</sup>	Including initial grant value	Including value at vesting	Including initial grant value	Including value at vesting
					Initial grant value	Value at vesting					
Johan Torgeby, President	2022	13,500	197	N/A	2,000	3,919	4,400	20,097	22,016	90%	82%
	2023	13,900	208	N/A	3,600	7,805	4,700	22,408	26,613	84%	71%
Mats Tostendahl, Deputy President	2022	10,456	320	N/A	N/A	N/A	0	10,776	10,776	100%	100%
	2023	10,700	354	N/A	N/A	N/A	0	11,054	11,054	100%	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 initial grant value (i.e. the allotted value decided by the Board of Directors based on previous year's performance) is the amount allocated into the programme that vested (i.e. the date when the programme has no remaining conditions anymore and the participants can convert the share rights and sell the shares) during the year. In 2023, the 2018 and 2020 programmes vested. Initial grant value at allocation in 2018 and 2020 was SEK 1.35m and SEK 2.25m respectively, totalling SEK 3.6m. The stated value at vesting is the theoretical value at the time of vesting, i.e. the number of share rights times the share price when the programme can be used, which is 1 April for each year and programme. Value at vesting also includes additional dividend share rights with immediate vesting 2023 in the 2018, 2019 and 2020 programmes. The value at vesting is based on the SEB A share price on 1 April 2023, SEK 113.45. 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.

3) The pension expense reflects the premium pension contributions allocated for 2023. 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<sup>1)</sup>

The main conditions of share award plans					Information regarding the reported financial year						
Specification of plan	Performance period	Award date	Vesting Date	End of retention period	Shares held at the beginning of the year	Opening balance		During the year		Closing balance	
						Shares awarded <sup>2)</sup>	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	25,552	1,604	1,604				
	Q2–Q4 2017	2018	2023	2024	23,478	1,474	24,952		24,952		
SDP 2019	2018	2019	2022	2023	35,906	2,254	2,254				
	2018	2019	2024	2025	35,906				35,906		
SDP 2020	2019	2020	2023	2024	37,626	2,362	39,988		39,988		
	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		
SDP 2023	2022	2023	2026	2027		49,740			49,740		
	2022	2023	2028	2029		49,740			49,740		
<b>Total</b>					<b>356,389</b>	<b>107,174</b>	<b>68,798</b>	<b>0</b>	<b>333,307</b>	<b>64,940</b>	

1) Only shares allocated in the position as President are included in the table. Allocation for the President for performance year 2022 was 15 per cent above target.

2) Shares awarded during the year consist of (i) dividend share rights for SDP 2018, 2019 and 2020 awarded as dividend compensation to align the share rights with equal rights of the SEB A-share, i.e. not new remuneration for work performed, and (ii) share rights awarded in SDP 2023 for previous year's performance.

## SEK thousands

## Governance model for the remuneration 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.

[Financial review of the group](#)

- [Result and profitability](#)
- [Financial structure](#)
- [Holistic management](#)
- [Profit and business volumes, explanation](#)
- [Divisions and group functions](#)
- [Geographic markets](#)
- [Market shares and customer contacts](#)
- [Uncertainties](#)
- [Risk, liquidity and capital management](#)
- [Corporate governance](#)
- [Board of Directors](#)
- [Group Executive Committee](#)
- [Remuneration report](#)

## 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 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, linked 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 behaviours which are 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 2023 have been taken into account. At present, these are clustered into four main focus areas, (i) Financial, which comprise SEB's operating income, cost, profits and return on equity, (ii) Customer satisfaction, measured based on external ratings, (iii) ESG targets including for example sustainability, people and conduct and (iv) Strategic initiatives within for example data, digitalisation and efficiency.

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.

## Criteria for the President's remuneration

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 and above
	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 ratings	Sustainability advice, Prospera Sweden and Nordics	No 1 – on track
	Environment related internal measurements	The Brown (reduction of CO <sub>2</sub> emission) and the Green (activities that support sustainable development)	Trajectory on track
	People survey	Employee engagement index and gender balance	Above financial sector average and on track
	Risk, compliance and conduct training	Mandatory trainings, average	Toward 100% – on track
Strategic initiatives	Data, digitalisation, efficiency	Future-proofing our platform via partnerships and internal development	On track
	Initiatives	Future-proofing customer relationships and profit generation via acceleration of efforts and change	On track
In summary			On track

## Comparative information on the change of remuneration and company performance

	2023		2022		2021	
	Outcome	Change year on year	Change year on year, %	Outcome	Change year on year	Change year on year, %
Johan Torgeby, total remuneration, SEK m <sup>1)</sup>	26.6	4.5 <sup>4)</sup>	20	22.1	2.9 <sup>4)</sup>	15
Mats Torstendahl, total remuneration, SEK m	11.1	0.3 <sup>4)</sup>	3	10.8	-0.5 <sup>4)</sup>	-4
Group operating profit, SEK m, excluding items affecting comparability	47,963	12,714 <sup>4)</sup>	36	35,249	4,385 <sup>4)</sup>	14
Average remuneration per full-time equivalent, SEK m <sup>2,3)</sup>	0.94	0.04 <sup>4)</sup>	4	0.9	0.04 <sup>4)</sup>	5
Group return on equity, %, excluding items affecting comparability	17.9	3.4 <sup>5)</sup>	23	14.5	0.6 <sup>5)</sup>	4
						13.9

1) The total remuneration when using initial grant value instead of value at vesting for Multi-year variable remuneration is SEK 22.4m for 2023, SEK 20.1m for 2022 and SEK 18.1m for 2021.

2) The President's remuneration is excluded but the other members of the Group Executive Committee are included.

3) The remuneration is calculated based on SEB's Swedish employees in 2023 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 vested long-term individual performance based variable remuneration in 2023 and the estimated value of other benefits such as subsidised meals, vacation allowance and health promoting benefits.

4) SEK m

5) Percentage points

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)

**Signatures of the Board of Directors  
and the President**

[Auditor's report](#)

# Financial statements and notes

Note	Page	Note	Page	Note	Page																																																		
<b>The SEB Group</b>		<b>Other notes</b>		<b>Page</b>																																																			
Income statement	82	10 Depreciation, amortisation and impairment of tangible and intangible assets	112	40 Risk disclosures	148																																																		
Statement of comprehensive income	82	11 Net expected credit losses	112	40a Credit risk	148																																																		
Balance sheet	83	12 Imposed levies	112	40b Market risk	154																																																		
Statement of changes in equity	83	13 Items affecting comparability	113	40c Operational risk	156																																																		
Cash flow statement	84	14 Appropriations	113	40d Business risk, strategic- and reputational risk	156																																																		
<b>Parent company</b>		15 Taxes	113	40e Insurance risk	157																																																		
Income statement	85	16 Earnings per share	114	40f Liquidity risk	157																																																		
Statement of comprehensive income	85	<b>Balance sheet</b>		<b>Page</b>																																																			
Balance sheet	86	17 Cash and cash balances at central banks	114	41 Capital adequacy	167																																																		
Statement of changes in equity	86	18 Loans	115	42 Life insurance operations	170																																																		
Cash flow statement	87	19 Debt securities	123	43 Interest in unconsolidated structured entities	171																																																		
<b>Notes to the financial statements</b>		20 Equity instruments	123	44 Related parties	172																																																		
Corporate information	88	21 Derivatives and hedge accounting	124	45 Financial assets and liabilities subject to offsetting or netting arrangements	173																																																		
1 Accounting policies	88	22 Investments in subsidiaries, associates and joint ventures	130	46 Pledged assets	175																																																		
2 Operating segments	97	23 Intangible assets	132	47 Obligations	177																																																		
3 Geographical information	100	24 Properties and equipment	133	48 Leases	178																																																		
<b>Income statement</b>		25 Other assets	134	49 Effects from the implementation of IFRS 17 Insurance Contracts	178																																																		
4 Net interest income	101	26 Prepaid expenses and accrued income	134	<b>Five-year summary</b>																																																			
5 Net fee and commission income	102	27 Deposits	134	6 Net financial income	103	28 Liabilities to policyholders	134	<b>The SEB Group</b>	180	7 Net other income	104	29 Debt securities issued	136	8 Staff costs	105	30 Short positions	136	<b>Parent company</b>	181	8a Remuneration	105	31 Other liabilities	136	8b Pensions	105	32 Accrued expenses and prepaid income	137	8c Remuneration to the Board and the Group Executive Committee	107	33 Provisions	137	8d Share-based payments	109	34 Subordinated liabilities	138	8e Number of employees	111	35 Untaxed reserves	138	9 Other expenses	112	36 Fair value measurement of assets and liabilities	139			37 Financial assets and liabilities by class	144			38 Assets and liabilities distributed by main currencies	147			39 Current and non-current assets and liabilities	148
6 Net financial income	103	28 Liabilities to policyholders	134	<b>The SEB Group</b>	180																																																		
7 Net other income	104	29 Debt securities issued	136	8 Staff costs	105	30 Short positions	136	<b>Parent company</b>	181	8a Remuneration	105	31 Other liabilities	136	8b Pensions	105	32 Accrued expenses and prepaid income	137	8c Remuneration to the Board and the Group Executive Committee	107	33 Provisions	137	8d Share-based payments	109	34 Subordinated liabilities	138	8e Number of employees	111	35 Untaxed reserves	138	9 Other expenses	112	36 Fair value measurement of assets and liabilities	139			37 Financial assets and liabilities by class	144			38 Assets and liabilities distributed by main currencies	147			39 Current and non-current assets and liabilities	148										
8 Staff costs	105	30 Short positions	136	<b>Parent company</b>	181																																																		
8a Remuneration	105	31 Other liabilities	136																																																				
8b Pensions	105	32 Accrued expenses and prepaid income	137																																																				
8c Remuneration to the Board and the Group Executive Committee	107	33 Provisions	137																																																				
8d Share-based payments	109	34 Subordinated liabilities	138																																																				
8e Number of employees	111	35 Untaxed reserves	138																																																				
9 Other expenses	112	36 Fair value measurement of assets and liabilities	139																																																				
		37 Financial assets and liabilities by class	144																																																				
		38 Assets and liabilities distributed by main currencies	147																																																				
		39 Current and non-current assets and liabilities	148																																																				

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)

# Income statement

## SEB Group

SEKm	Note	2023	2022
<i>Interest income<sup>1)</sup></i>		135,394	56,150
<i>Interest expense<sup>2)</sup></i>		-87,868	-22,707
Net interest income	4	47,526	33,443
<i>Fee and commission income</i>		27,962	27,601
<i>Fee and commission expense</i>		-6,293	-6,067
Net fee and commission income	5	21,669	21,534
Net financial income	6	9,991	9,242
Net other income	7	1,008	258
<b>Total operating income</b>		<b>80,193</b>	<b>64,478</b>
Staff costs	8	-17,558	-15,980
Other expenses	9	-7,892	-6,986
Depreciation, amortisation and impairment of tangible and intangible assets	10	-1,999	-2,078
<b>Total operating expenses</b>		<b>-27,449</b>	<b>-25,044</b>
<b>Profit before credit losses and imposed levies</b>		<b>52,744</b>	<b>39,434</b>
Net expected credit losses	11	-962	-2,007
Imposed levies	12	-3,819	-2,288
<b>Operating profit before items affecting comparability</b>		<b>47,963</b>	<b>35,138</b>
Items affecting comparability	13	-1,399	
<b>Operating profit</b>		<b>47,963</b>	<b>33,739</b>
Income tax expense	15	-9,848	-6,862
<b>NET PROFIT</b>		<b>38,116</b>	<b>26,877</b>
Attributable to shareholders in Skandinaviska Enskilda Banken AB (publ)		38,116	26,877
Basic earnings per share, SEK	16	18.20	12.58
Diluted earnings per share, SEK	16	18.06	12.48

1) Of which interest income calculated using the effective interest method SEK 120,021m (50,224).

2) Of which interest expense calculated using the effective interest method SEK 91,015m (26,864).

Comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance Contracts. See note 49 on restated comparative figures for further information.

# Statement of comprehensive income

## SEB Group

SEKm	2023	2022
<b>NET PROFIT</b>	<b>38,116</b>	<b>26,877</b>
Valuation gains (losses) during the year	-61	102
Income tax on valuation gains (losses) during the year	12	-21
<b>Cash flow hedges</b>	<b>-49</b>	<b>81</b>
Translation of foreign operations	-324	408
Taxes on translation effects	-61	1,030
<b>Translation of foreign operations</b>	<b>-385</b>	<b>1,438</b>
<b>Items that may be reclassified subsequently to profit or loss</b>	<b>-433</b>	<b>1,519</b>
Own credit risk adjustment (OCA), net of tax <sup>1)</sup>	0	48
Remeasurement of pension obligations	-3,196	5,663
Valuation gains (losses) on plan assets during the year	2,345	-4,871
Deferred tax on pensions	192	-151
<b>Defined benefit plans</b>	<b>-659</b>	<b>641</b>
<b>Items that will not be reclassified to profit or loss</b>	<b>-659</b>	<b>689</b>
<b>OTHER COMPREHENSIVE INCOME</b>	<b>-1,092</b>	<b>2,208</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>37,024</b>	<b>29,085</b>

1) Own credit risk adjustment from financial liabilities FVTPL.

Attributable to shareholders in Skandinaviska Enskilda Banken AB (publ) 37,024 29,085

Comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance Contracts. See note 49 on restated comparative figures for further information.

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.

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)

# Balance sheet

**SEB Group**

SEKm	Note	31 Dec 2023	31 Dec 2022	1 Jan 2022
Cash and cash balances at central banks	17	312,373	377,966	439,344
Loans to central banks	18	97,691	73,962	4,454
Loans to credit institutions	18	84,128	77,235	60,009
Loans to the public	18	2,101,181	2,065,271	1,846,362
Debt securities	19	266,252	252,496	205,791
Equity instruments	20	92,707	68,779	123,229
Financial assets for which the customers bear the investment risk		392,457	354,299	420,170
Derivatives	21	183,080	187,622	126,051
Investments in subsidiaries, associates and joint ventures	22	1,572	1,365	1,510
Intangible assets	23	6,925	7,185	7,374
Properties and equipment	24	1,278	1,190	1,212
Right-of-use assets	48	6,266	4,834	5,079
Current tax assets	15	15,336	16,312	15,359
Deferred tax assets	15	386	409	675
Retirement benefit assets	8b	23,765	24,188	23,804
Other assets	25	19,849	16,951	21,060
Prepaid expenses and accrued income	26	2,973	2,714	2,714
<b>TOTAL ASSETS</b>		<b>3,608,218</b>	<b>3,532,779</b>	<b>3,304,197</b>
Deposits from central banks and credit institutions	27	147,323	66,873	75,206
Deposits and borrowing from the public	27	1,611,651	1,701,687	1,597,449
Financial liabilities for which the customers bear the investment risk	28	392,362	355,796	421,820
Liabilities to policyholders	28	36,453	33,425	37,194
Debt securities issued	29	867,838	795,149	730,106
Short positions	30	33,700	44,635	34,569
Derivatives	21	204,176	238,048	118,173
Other financial liabilities		100	172	5,721
Fair value changes of hedged items in a portfolio hedge		2,631	7,456	702
Current tax liabilities	15	4,145	2,164	1,384
Deferred tax liabilities	15	10,001	10,367	10,355
Other liabilities	31	39,607	37,152	42,966
Accrued expenses and prepaid income	32	5,648	5,827	5,848
Provisions	33	1,056	1,056	761
Retirement benefit liabilities	8b	66	64	445
Subordinated liabilities	34	29,687	28,767	28,549
<b>Total liabilities</b>		<b>3,386,443</b>	<b>3,328,637</b>	<b>3,111,249</b>
Share capital		21,942	21,942	21,942
Other reserves		20,112	21,204	18,996
Retained earnings		179,721	160,995	152,011
Shareholders' equity		221,775	204,141	192,948
<b>Total equity</b>		<b>221,775</b>	<b>204,141</b>	<b>192,948</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>3,608,218</b>	<b>3,532,779</b>	<b>3,304,197</b>

Comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance Contracts. See note 49 on restated comparative figures for further information.

# Statement of changes in equity

**SEB Group**

SEKm	Other reserves						Total equity <sup>(4)</sup>
	Share capital <sup>(3)</sup>	OCA <sup>(5)</sup>	Cash flow hedges	Translation of foreign operations	Defined benefit plans	Retained earnings	
<b>2023</b>							
Opening balance	21,942	-175	62	877	20,439	160,995	<b>204,141</b>
Net profit			0	-49	-385	-659	<b>38,116</b>
Other comprehensive income (net of tax)							<b>-1,092</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>-49</b>	<b>-385</b>	<b>-659</b>	<b>38,116</b>	<b>37,024</b>	
Dividend to shareholders <sup>(1)</sup>							<b>-14,195</b>
Bonus issue		390					<b>-390</b>
Cancellation of shares		-390					<b>-4,106</b>
Equity-based programmes <sup>(2)</sup>							<b>-146</b>
Change in holding of own shares <sup>(2)</sup>							<b>-845</b>
<b>CLOSING BALANCE</b>	<b>21,942</b>	<b>-175</b>	<b>14</b>	<b>493</b>	<b>19,780</b>	<b>179,721</b>	<b>221,775</b>
<b>2022</b>							
Opening balance	21,942	-223	-18	-561	19,798	152,290	<b>193,228</b>
Effect of applying IFRS 17 <sup>(6)</sup>							<b>-280</b>
<b>Restated balance at 1 January 2022</b>	<b>21,942</b>	<b>-223</b>	<b>-18</b>	<b>-561</b>	<b>19,798</b>	<b>152,011</b>	<b>192,948</b>
Net profit			48	81	1,438	641	<b>26,877</b>
Other comprehensive income (net of tax)							<b>2,208</b>
<b>Total comprehensive income</b>	<b>48</b>	<b>81</b>	<b>1,438</b>	<b>641</b>	<b>26,877</b>	<b>29,085</b>	
Dividend to shareholders <sup>(1)</sup>							<b>-12,884</b>
Bonus issue		154					<b>-154</b>
Cancellation of shares		-154					<b>-1,722</b>
Equity-based programmes <sup>(2)</sup>							<b>-167</b>
Change in holding of own shares <sup>(2)</sup>							<b>-2,965</b>
<b>CLOSING BALANCE</b>	<b>21,942</b>	<b>-175</b>	<b>62</b>	<b>877</b>	<b>20,439</b>	<b>160,995</b>	<b>204,141</b>

1) Dividend paid in 2022 for 2021 was SEK 6.00. Dividend paid in 2023 for 2022 comprise of ordinary dividend of SEK 6.75 per share decided by the Annual General Meeting. Proposed ordinary dividend for 2023 is SEK 8.50 per share and a special dividend of SEK 3.00 per share. Further information can be found on p. 40. Dividend to shareholders is reported excluding dividend on own shares.

2) At year-end 2022 the number of issued shares was 2,178,721,934 and SEB owned 65,283,469 Class A shares. During 2023 SEB has purchased 6,222,629 shares for the long-term equity programmes and 6,369,982 shares were sold/distributed. During 2023 SEB has purchased 40,738,087 shares for capital purposes and 38,738,439 shares held for capital purposes were cancelled. Thus, at 31 Dec 2023 the number of issued shares amounted to 2,139,983,495 and SEB held 67,135,764 own Class A-shares with a market value of SEK 9,318m. Acquisition cost SEK 123m (114) for the purchase of own shares for long-term equity programmes is deducted from shareholders' equity, at the year-end the value of SEK 2,695m (2,572) was deducted.

3) 2,115,830,987 Class A shares (2,154,569,426) with a nominal value of SEK 10.25 per share; 24,152,508 Class C shares (24,152,508) with a nominal value of SEK 10.25 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) IFRS 17 Insurance Contracts is applied from 1 January 2023. Opening balance 2022 has been restated.

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)

# Cash flow statement

**SEB Group**

SEKm	2023	2022
Interest received	132,741	53,194
Interest paid	-84,377	-21,384
Commission received	27,962	27,637
Commission paid	-6,293	-6,064
Net from financial transactions	12,052	41,625
Other income	204	810
Paid expenses	-29,523	-26,836
Taxes paid	-6,891	-7,034
 Cash flow from the income statement	 45,876	 61,947
Increase (-)/decrease (+) in trading portfolios	-79,179	10,887
Increase (+)/decrease (-) in issued securities	71,854	64,558
Increase (-)/decrease (+) in lending to credit institutions and central banks	-27,229	-87,814
Increase (-)/decrease (+) in lending to the public	-31,202	-218,206
Increase (+)/decrease (-) in liabilities to credit institutions	80,131	-8,410
Increase (+)/decrease (-) in deposits and borrowings from the public	-91,562	103,917
Increase (-)/decrease (+) in insurance portfolios	-1,592	-122
Change in other assets	-1,892	4,397
Change in other liabilities	-3,592	-1,321
 <b>Cash flow from operating activities</b>	 <b>-38,387</b>	 <b>-70,166</b>
Sales of shares and bonds	606	64
Sales of intangible and tangible assets	33	12
Dividends received	0	0
Investments/divestments in shares and bonds	-207	145
Investments in intangible and tangible assets	-1,038	-1,026
 <b>Cash flow from investing activities</b>	 <b>-607</b>	 <b>-805</b>
Issue of subordinated liabilities	9,555	5,201
Repayment of subordinated loans	-9,446	-5,422
Repurchase of shares for capital purposes	-5,245	-4,722
Dividend paid	-14,195	-12,884
 <b>Cash flow from financing activities</b>	 <b>-19,331</b>	 <b>-17,828</b>
 <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	 <b>-58,326</b>	 <b>-88,799</b>

SEKm	2023	2022
Cash and cash equivalents at beginning of year	382,972	445,716
Change in exchange rates on cash and cash equivalents	-3,767	26,055
Net changes in cash and cash equivalents	-58,326	-88,799
 <b>CASH AND CASH EQUIVALENTS AT END OF PERIOD<sup>1)</sup></b>	 <b>320,879</b>	 <b>382,972</b>

<sup>1)</sup> Cash and cash equivalents

Cash	2,331	2,585
Cash balances at central banks	310,042	375,381
On demand deposits with credit institutions	8,506	5,006

**TOTAL**

2) Of which SEK 7,305m (9,225) not available for use by the group due to local central bank regulations.

Cash outflow from leasing, where SEB is lessee, amounts to SEK 1,066m (990).

**Reconciliation of liabilities from financing activities**

Opening balance	28,767	28,549
Cash flows	109	-221
Non-cash flow, currency exchange	-518	2,404
Non-cash flow, fair value changes	1,038	-1,936
Non-cash flow, interest accruals	292	-29
 <b>TOTAL LIABILITIES FROM FINANCING ACTIVITIES</b>	 <b>29,687</b>	 <b>28,767</b>

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)

# Income statement

## Parent company

SEKm	Note	2023	2022
<i>Interest income</i>		122,546	48,883
<i>Leasing income</i>		5,606	5,309
<i>Interest expense</i>		-91,189	-23,994
Net interest income	4	36,963	30,197
Dividends received		5,513	10,447
<i>Fee and commission income</i>		16,814	16,925
<i>Fee and commission expense</i>		-3,853	-4,042
Net fee and commission income	5	12,961	12,883
Net financial income	6	7,969	7,510
Other income	7	2,246	867
<b>Total operating income</b>		<b>65,652</b>	<b>61,904</b>
<i>Staff costs</i>	8	-13,961	-12,209
<i>Other expenses</i>	9	-7,137	-6,171
Administrative expenses		-21,098	-18,380
Depreciation, amortisation and impairment of tangible and intangible assets	10	-5,640	-5,635
<b>Total operating expenses</b>		<b>-26,737</b>	<b>-24,015</b>
<b>Profit before credit losses</b>		<b>38,915</b>	<b>37,890</b>
Net expected credit losses	11	-1,008	-2,119
Impairment of financial assets	22	-519	-6,631
<b>Operating profit</b>		<b>37,388</b>	<b>29,139</b>
Appropriations	14	2,886	3,300
Income tax expense	15	-7,706	-4,929
Other taxes	15	-20	-180
<b>NET PROFIT</b>		<b>32,548</b>	<b>27,329</b>

From 2023 the parent company presents realised gains and losses on investment shares as Net financial income and not Net other income. Comparative figures have been restated SEK 1,615m.

# Statement of comprehensive income

## Parent company

SEKm	2023	2022
<b>NET PROFIT</b>	<b>32,548</b>	<b>27,329</b>
Valuation gains (losses) during the year	-61	102
Income tax on valuation gains (losses) during the year	12	-21
<b>Cash flow hedges</b>	<b>-49</b>	<b>81</b>
Translation of foreign operations	-84	-112
<b>Translation of foreign operations</b>	<b>-84</b>	<b>-112</b>
<b>Items that may be reclassified subsequently to profit or loss</b>	<b>-132</b>	<b>-31</b>
<b>OTHER COMPREHENSIVE INCOME</b>	<b>-132</b>	<b>-31</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>32,416</b>	<b>27,298</b>

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.

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)

# Balance sheet

**Parent company**

SEKm	Note	31 Dec 2023	31 Dec 2022
Cash and cash balances at central banks	17	307,047	354,970
Loans to central banks	18	30,891	16,676
Loans to credit institutions	18	109,644	101,928
Loans to the public	18	1,870,983	1,839,188
Debt securities	19	242,173	227,323
Equity instruments	20	69,738	44,645
Derivatives	21	180,806	179,144
Investments in subsidiaries, associates and joint ventures	22	62,218	61,717
Intangible assets	23	1,564	1,642
Properties and equipment	24	22,344	24,276
Current tax assets	15	625	1,637
Deferred tax assets	15	131	145
Other assets	25	17,509	16,384
Prepaid expenses and accrued income	26	3,159	3,012
<b>TOTAL ASSETS</b>		<b>2,918,833</b>	<b>2,872,686</b>
Deposits from central banks and credit institutions	27	181,428	106,019
Deposits and borrowing from the public	27	1,396,028	1,467,319
Debt securities issued	29	867,838	795,149
Short positions	30	33,700	44,635
Derivatives	21	203,037	229,933
Other financial liabilities		100	172
Fair value changes of hedged items in a portfolio hedge		2,631	7,456
Current tax liabilities	15	2,183	1,311
Deferred tax liabilities	15	44	56
Other liabilities	31	24,131	25,047
Accrued expenses and prepaid income	32	3,954	4,000
Provisions	33	832	909
Subordinated liabilities	34	28,787	27,867
<b>Total liabilities</b>		<b>2,744,691</b>	<b>2,709,872</b>
<b>Untaxed reserves</b>	35	<b>14,040</b>	<b>15,680</b>
Share capital		21,942	21,942
Statutory reserve		12,260	12,260
Development cost reserve		1,530	1,561
Fair value reserve		-516	-384
Retained earnings		92,339	84,426
Net profit		32,548	27,329
<b>Total equity</b>		<b>160,102</b>	<b>147,133</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,918,833</b>	<b>2,872,686</b>

# Statement of changes in equity

**Parent company**

SEKm	Restricted equity			Non-restricted equity <sup>(4)</sup>			
	Share capital <sup>(3)</sup>	Statutory reserve	Development cost reserve	Cash flow hedges <sup>(5)</sup>	Translation of foreign operations <sup>(5)</sup>	Retained earnings	Total Equity
<b>2023</b>							
Opening balance	21,942	12,260	1,561	62	-447	111,755	<b>147,133</b>
Net profit					-49	-83	<b>32,548</b>
Other comprehensive income (net of tax)							<b>-132</b>
<b>Total comprehensive income</b>					<b>-49</b>	<b>-83</b>	<b>32,548</b>
Dividend to shareholders <sup>(1)</sup>							-14,195
Bonus issue	390						0
Cancellation of shares	-390						-4,105
Equity-based programmes <sup>(2)</sup>							96
Change in holding of own shares <sup>(2)</sup>							-845
Other changes					-31		23
<b>CLOSING BALANCE</b>	<b>21,942</b>	<b>12,260</b>	<b>1,530</b>	<b>13</b>	<b>-530</b>	<b>124,887</b>	<b>160,102</b>
<b>2022</b>							
Opening balance	21,942	12,260	1,565	-19	-335	102,363	<b>137,776</b>
Net profit							27,329
Other comprehensive income (net of tax)					81	-112	<b>27,329</b>
<b>Total comprehensive income</b>					<b>81</b>	<b>-112</b>	<b>27,329</b>
Dividend to shareholders <sup>(1)</sup>							-12,884
Bonus issue	154						-154
Cancellation of shares	-154						-1,721
Equity-based programmes <sup>(2)</sup>							-230
Change in holding of own shares <sup>(2)</sup>							-2,965
Other changes					-4		18
<b>CLOSING BALANCE</b>	<b>21,942</b>	<b>12,260</b>	<b>1,561</b>	<b>62</b>	<b>-447</b>	<b>111,755</b>	<b>147,133</b>

1) Dividend paid in 2022 for 2021 was SEK 6.00. Dividend paid in 2023 for 2022 comprise of ordinary dividend of SEK 6.75 per share decided by the Annual General Meeting. Proposed ordinary dividend for 2023 is SEK 8.50 per share and a special dividend of SEK 3.00 per share. Further information can be found on p. 40. Dividend to shareholders is reported excluding dividend on own shares.

2) At year-end 2022 the number of issued shares was 2,178,721,934 and SEB owned 65,283,469 Class A shares. During 2023 SEB has purchased 6,222,629 shares for the long-term equity programmes and 6,369,982 shares were sold/distributed. During 2023 SEB has purchased 40,738,087 shares for capital purposes and 38,738,439 shares held for capital purposes were cancelled. Thus, at 31 Dec 2023 the number of issued shares amounted to 2,139,983,495 and SEB held 67,135,764 own Class A-shares with a market value of SEK 9,318m. Acquisition cost SEK 123m (114) for the purchase of own shares for long-term equity programmes is deducted from shareholders' equity, at the year-end the value of SEK 2,695m (2,572) was deducted.

3) 2,115,830,987 Class A shares (2,154,569,426) with a nominal value of SEK 10.25 per share; 24,152,508 Class C shares (24,152,508) with a nominal value of SEK 10.25 per share.

4) The closing balance is equivalent to Distributable items according to Regulation (EU) No 575/2013 (CRR).

5) Fair value fund.

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)

# Cash flow statement

**Parent company**

SEKm	2023	2022
Interest received	125,995	52,175
Interest paid	-88,459	-23,376
Commission received	16,872	16,803
Commission paid	-3,852	-3,958
Net financial transactions	10,622	46,446
Other income	-489	-6,875
Paid expenses	-21,966	-18,395
Taxes paid	-6,177	-3,538
<b>Cash flow from the profit and loss statement</b>	<b>32,547</b>	<b>59,283</b>
Increase (-)/decrease (+) in trading portfolios	-81,110	5,892
Increase (+)/decrease (-) in issued securities	71,854	65,587
Increase (-)/decrease (+) in lending to credit institutions	-19,314	-45,630
Increase (-)/decrease (+) in lending to the public	-25,231	-195,690
Increase (+)/decrease (-) in liabilities to credit institutions	75,090	20,666
Increase (+)/decrease (-) in deposits and borrowings from the public	-72,248	62,489
Change in other assets	-5,439	-22,812
Change in other liabilities	-3,050	29,757
<b>Cash flow from operating activities</b>	<b>-26,902</b>	<b>-20,458</b>
Sales of shares and bonds	724	
Sales of intangible and tangible assets	16	
Dividends received	5,304	10,319
Investments in shares and bonds	-286	-10,467
Investments in intangible and tangible assets	-750	-493
<b>Cash flow from investment activities</b>	<b>5,008</b>	<b>-641</b>
Issue of subordinated liabilities	9,555	4,888
Repayment of subordinated liabilities	-9,446	-6,060
Repurchase of shares for capital purposes	-5,245	-2,846
Dividend paid	-14,195	-12,884
<b>Cash flow from financing activities</b>	<b>-19,331</b>	<b>-16,902</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>-41,225</b>	<b>-38,001</b>
Cash and cash equivalents at beginning of year	359,038	376,957
Change in exchange rates on cash and cash equivalents	-3,781	20,083
Net changes in cash and cash equivalents	-41,225	-38,001
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD<sup>1)</sup></b>	<b>314,032</b>	<b>359,039</b>

<sup>1)</sup> Cash and cash equivalents

SEKm	2023	2022
Cash	3	2
Cash balances at central banks	307,045	354,968
On demand deposits with credit institutions	6,984	4,069
<b>TOTAL</b>	<b>314,032</b>	<b>359,039</b>

2) Of which SEK 4,551m (6,658) not available for use by the parent company due to local central bank regulations.

**Reconciliation of liabilities from financing activities**

Opening balance	27,867	27,649
Cash flows	109	-1,173
Non-cash flow, currency exchange	-518	3,355
Non-cash flow, fair value changes	1,038	-1,936
Non-cash flow, interest accruals	292	-29
<b>TOTAL LIABILITIES FROM FINANCING ACTIVITIES</b>	<b>28,787</b>	<b>27,867</b>

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)

# Notes to the financial statements

SEK m, 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.

### 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		
	2023	2022	Change, %	2023	2022	Change, %
DKK	1.540	1.429	8	1.491	1.494	0
EUR	11.474	10.629	8	11.109	11.112	0
NOK	1.005	1.052	-4	0.991	1.056	-6
USD	10.612	10.116	5	10.032	10.401	-4

The parent company is included in the Large Cap segment of Nasdaq Stockholm.

The consolidated accounts for the financial year 2023 were approved for publication by the Board of Directors on 19 February 2024 and will be presented for adoption at the 2024 Annual General Meeting.

## 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 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.

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.

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.

## Financial statements

- [SEB Group](#)
- [Parent company](#)
- [Notes to the financial statements](#)
- [Five-year summary](#)
- [Proposal for the distribution of profit](#)
- [Signatures of the Board of Directors and the President](#)
- [Auditor's report](#)

### Note 1 continued Accounting policies

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 differ-

ences 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.

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.

#### 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.

[Financial statements](#)

- [SEB Group](#)
- [Parent company](#)
- [Notes to the financial statements](#)
- [Five-year summary](#)
- [Proposal for the distribution of profit](#)
- [Signatures of the Board of Directors and the President](#)
- [Auditor's report](#)

*Note 1 continued Accounting policies*
**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; or
- financial assets have been classified as watch-listed; or
- financial assets are forbear (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

## Financial statements

- [SEB Group](#)
- [Parent company](#)
- [Notes to the financial statements](#)
- [Five-year summary](#)
- [Proposal for the distribution of profit](#)
- [Signatures of the Board of Directors and the President](#)
- [Auditor's report](#)

### Note 1 continued Accounting policies

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 team. 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.

[Financial statements](#)

- [SEB Group](#)
- [Parent company](#)
- [Notes to the financial statements](#)
- [Five-year summary](#)
- [Proposal for the distribution of profit](#)
- [Signatures of the Board of Directors and the President](#)
- [Auditor's report](#)

*Note 1 continued Accounting policies*

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.

## Financial statements

- [SEB Group](#)
- [Parent company](#)
- [Notes to the financial statements](#)
- [Five-year summary](#)
- [Proposal for the distribution of profit](#)
- [Signatures of the Board of Directors and the President](#)
- [Auditor's report](#)

### Note 1 continued Accounting policies

#### 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 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 49 Effects from the implementation of IFRS 17 *Insurance Contracts*.

#### 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 fulfill the exception criteria. Furthermore, annual cohorts is not 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 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.

#### 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.

#### 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

## Financial statements

- [SEB Group](#)
- [Parent company](#)
- [Notes to the financial statements](#)
- [Five-year summary](#)
- [Proposal for the distribution of profit](#)
- [Signatures of the Board of Directors and the President](#)
- [Auditor's report](#)

### Note 1 continued Accounting policies

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 fulfilment 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.

#### 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.

#### 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.

#### Changed accounting policies

**Changes in accounting policies implemented 2023**  
The group adopted IFRS 17 *Insurance Contracts*, which replaces IFRS 4 *Insurance Contracts*, and it applies to all types of insurance contracts as well as to certain financial instruments with discretionary participation features. See above *Insurance contracts* for more information about accounting policies under IFRS 17.

→ For information about the transition, see note 49  
Effects from the implementation of IFRS 17 *Insurance Contracts*.

The group also applied the amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which 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. The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. In addition, amendments regarding Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 *Income Taxes* were adopted. The amendments 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. The group has adopted International Tax Reform-Pillar Two Model Rules (Amendments to IAS 12 *Income Taxes*). The amendments provide temporary mandatory exception from deferred tax accounting for the top-up tax, which require disclosures about the Pillar Two exposure.

→ For more information see note 15, Taxes.

The amendments have not had a significant effect on the group's consolidated financial statements.

#### Changes in IFRSs 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.

## 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 2022.

#### 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.

## Financial statements

- [SEB Group](#)
- [Parent company](#)
- [Notes to the financial statements](#)
- [Five-year summary](#)
- [Proposal for the distribution of profit](#)
- [Signatures of the Board of Directors and the President](#)
- [Auditor's report](#)

### Note 1 continued Accounting policies

**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 Livförsäkringsaktiebolaget 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 Livförsäkringsaktiebolaget 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 enti-

ties 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 assumptions used.

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 macroeconomic 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).

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)
*Note 1 continued Accounting policies*
**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.

→ For more information see note 28 Liabilities to policy-holders.

**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 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.

## Financial statements

SEB Group

Parent company

## Notes to the financial statements

Five-year summary

Proposal for the distribution of profit

Signatures of the Board of Directors  
and the President

## Auditor's report

## 2 Operating segments

Group business segments										
Income statement, 2023	Large Corporates & Financial Institutions	Corporate & Private Customers	Private Wealth Mgmt & Family Office	Baltic	Life	Investment Management	Group functions	Eliminations	Total	
<i>Interest income</i>	106,780	51,778	8,726	13,338	3	62	431,411	-476,702	135,394	
<i>Interest expense</i>	-87,446	-31,782	-5,929	-3,014	-168	65	-436,443	476,848	-87,868	
Net interest income	19,334	19,996	2,797	10,324	-165	126	-5,032	146	47,526	
<i>Fee and commission income</i>	10,269	6,633	2,043	2,841	3,594	7,388	387	-5,193	27,962	
<i>Fee and commission expense</i>	-2,944	-1,537	-587	-846	-1,082	-4,439	-51	5,192	-6,293	
Net fee and commission income	7,325	5,096	1,457	1,995	2,513	2,949	335	-1	21,669	
Net financial income	5,166	515	94	600	1,282	15	2,593	-275	9,991	
Net other income <sup>1)</sup>	-34	16	8	11	-5	3	1,016	-7	1,008	
<b>Total operating income</b>	<b>31,791</b>	<b>25,623</b>	<b>4,356</b>	<b>12,930</b>	<b>3,624</b>	<b>3,093</b>	<b>-1,088</b>	<b>-136</b>	<b>80,193</b>	
<i>of which internally generated</i>	-12,174	-5,903	3,751	1,288	1,302	-3,072	21,852	-7,044		
Staff costs	-4,746	-3,190	-884	-1,612	-806	-609	-5,717	5	-17,558	
Other expenses	-6,280	-4,796	-1,006	-1,078	-766	-803	6,705	132	-7,892	
Depreciation, amortisation and impairment of tangible and intangible assets	-25	-60	-4	-78	-33	-11	-1,788		-1,999	
<b>Total operating expenses</b>	<b>-11,050</b>	<b>-8,046</b>	<b>-1,894</b>	<b>-2,768</b>	<b>-1,604</b>	<b>-1,423</b>	<b>-800</b>	<b>136</b>	<b>-27,449</b>	
<b>Profit before credit losses and imposed levies</b>	<b>20,740</b>	<b>17,577</b>	<b>2,462</b>	<b>10,163</b>	<b>2,020</b>	<b>1,670</b>	<b>-1,888</b>		<b>52,744</b>	
Net expected credit losses	-382	-604	4	7	-1	0	15	-1	-962	
Imposed levies	-1,556	-1,036	-90	-999		0	-138	0	-3,819	
<b>Operating profit before items affecting comparability</b>	<b>18,803</b>	<b>15,937</b>	<b>2,375</b>	<b>9,171</b>	<b>2,020</b>	<b>1,669</b>	<b>-2,011</b>	<b>-1</b>	<b>47,963</b>	
Items affecting comparability										
<b>OPERATING PROFIT</b>	<b>18,803</b>	<b>15,937</b>	<b>2,375</b>	<b>9,171</b>	<b>2,020</b>	<b>1,669</b>	<b>-2,011</b>	<b>-1</b>	<b>47,963</b>	
Business equity, SEK bn	81.5	46.9	4.1	17.0	5.4	2.5				
Return on business equity, %	17.8	26.2	44.5	45.8	35.1	52.0				
Risk exposure amount, SEK bn	451	246	26	108		60			892	
Lending to the public <sup>2)</sup> , SEK bn	805	865	80	191					1,940	
Deposits from the public <sup>2)</sup> , SEK bn	744	441	142	248					1,575	

1) Profit and loss from associated companies accounted for under the equity method are recognised in Net other income at an amount of SEK 277m. The aggregated investments are SEK 939m.

2) Excluding repos.

[Financial statements](#)
*Note 2 continued Operating segments*

SEB Group

Parent company

Notes to the financial statements

Five-year summary

Proposal for the distribution of profit

Signatures of the Board of Directors

and the President

Auditor's report

Income statement, 2022	Large Corporates & Financial Institutions	Corporate & Private Customers	Private Wealth Mgmt & Family Office	Baltic	Life	Investment Management	Group functions	Eliminations	Total
<i>Interest income</i>	33,382	22,181	2,646	4,516	1	18	102,548	-109,141	56,150
<i>Interest expense</i>	-19,229	-7,950	-987	-197	-36	0	-103,455	109,147	-22,707
Net interest income	14,152	14,231	1,660	4,319	-36	18	-907	6	33,443
<i>Fee and commission income</i>	10,184	6,113	1,575	2,576	3,579	7,905	313	-4,642	27,601
<i>Fee and commission expense</i>	-2,781	-1,299	-101	-721	-1,068	-4,678	-42	4,624	-6,067
Net fee and commission income	7,402	4,814	1,474	1,854	2,510	3,227	271	-18	21,534
Net financial income	4,992	549	75	723	738	66	2,130	-32	9,242
Net other income <sup>1)</sup>	-20	16	2	13	6	3	243	-6	258
<b>Total operating income</b>	<b>26,526</b>	<b>19,610</b>	<b>3,211</b>	<b>6,910</b>	<b>3,219</b>	<b>3,314</b>	<b>1,738</b>	<b>-50</b>	<b>64,478</b>
<i>of which internally generated</i>	-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
<b>Total operating expenses</b>	<b>-10,109</b>	<b>-7,355</b>	<b>-1,573</b>	<b>-2,345</b>	<b>-1,436</b>	<b>-1,386</b>	<b>-890</b>	<b>50</b>	<b>-25,044</b>
<b>Profit before credit losses and imposed levies</b>	<b>16,417</b>	<b>12,255</b>	<b>1,638</b>	<b>4,565</b>	<b>1,782</b>	<b>1,929</b>	<b>848</b>		<b>39,434</b>
Net expected credit losses	-1,251	-785	-16	17	-1	0	27	1	-2,007
Imposed levies	-1,218	-862	-69	-62		-1	-76	0	-2,288
<b>Operating profit before items affecting comparability</b>	<b>13,948</b>	<b>10,608</b>	<b>1,553</b>	<b>4,520</b>	<b>1,781</b>	<b>1,928</b>	<b>799</b>	<b>1</b>	<b>35,138</b>
Items affecting comparability							-1,399		-1,399
<b>OPERATING PROFIT</b>	<b>13,948</b>	<b>10,608</b>	<b>1,553</b>	<b>4,520</b>	<b>1,781</b>	<b>1,928</b>	<b>-600</b>	<b>1</b>	<b>33,739</b>
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	31.7	61.2			
Risk exposure amount, SEK bn	451	224	18	99		67			859
Lending to the public <sup>2)</sup> , SEK bn	829	871	72	183					1,955
Deposits from the public <sup>2)</sup> , SEK bn	763	472	136	243		1			1,616

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. The aggregated investments are SEK 790m.

2) Excluding repos.

Comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance Contracts. See note 49 on restated comparative figures for further information.

[Financial statements](#)
*Note 2 continued Operating segments*
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)
**Balance sheet**

<b>2023</b>	Large Corporates & Financial Institutions	Corporate & Private Customers	Private Wealth Mgmt & Family Office	Baltic	Life	Investment Management	Group functions	Eliminations	Total
Assets	1,886,641	922,395	152,068	298,749	448,681	8,316	5,993,122	-6,101,754	3,608,218
Liabilities	1,783,314	853,622	144,814	273,307	441,823	4,127	5,987,195	-6,101,758	3,386,443
Investments	50	22	2	91	96	0	842		1,103

**2022**

Assets	1,856,414	925,525	141,655	284,578	414,995	8,389	5,969,649	-6,068,426	3,532,779
Liabilities	1,760,170	864,180	136,006	265,473	408,201	5,609	5,957,429	-6,068,431	3,328,637
Investments	49	27	8	87	191	703			1,066

Comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance Contracts. See note 49 on restated comparative figures for further information.

**Parent company business segments**

<b>2023</b>	Large Corporates & Financial Institutions	Corporate & Private Customers	Private Wealth Mgmt & Family Office	Baltic	Life	Investment Management	Group functions	Eliminations	Total
Gross income	120,561	55,448	10,872	51	3	2,524	419,554	-448,320	160,694
Assets	1,801,383	853,599	147,791	1,921	36	1,035	6,133,886	-6,020,818	2,918,833
Investments	48	22	2			0	815		887

**2022**

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

**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. The customers' demands decide the type of products that are offered. 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 Group & Business Services, Technology, Treasury, staff units, SEBx, SEB Embedded 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	
	2023	2022	2023	2022
Core banking	110,049	54,214	92,478	43,485
Capital market	29,566	18,216	27,766	18,771
Asset management	9,854	10,321	3,188	3,277
Life insurance and pension	2,394	3,191		
Other	22,492	7,310	37,263	24,406
<b>TOTAL</b>	<b>174,354</b>	<b>93,252</b>	<b>160,694</b>	<b>89,940</b>

For the group, comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance Contracts. See note 49 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.

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)

## 3 Geographical information

### Group by country

	2023					2022				
	Gross Income <sup>1)</sup>	Operating profit <sup>2)</sup>	Income tax expense <sup>3)</sup>	Assets	Investments	Gross Income <sup>1)</sup>	Operating profit <sup>2)</sup>	Income tax expense <sup>3)</sup>	Assets	Investments
Sweden	120,387	26,152	-4,514	3,199,536	780	61,561	20,071	-3,846	3,136,934	793
Norway	13,615	2,811	-884	264,772	13	7,868	2,574	-615	287,039	6
Denmark	10,457	2,677	-629	206,440	2	4,253	1,772	-387	207,796	4
Finland	11,325	2,418	-498	211,563	1	2,843	1,476	-304	180,274	3
Estonia	5,584	3,099	-552	92,146	43	2,562	1,493	-210	88,244	56
Latvia	3,768	2,137	-451	63,209	131	1,776	904	-13	60,635	32
Lithuania	8,248	4,358	-874	156,663	36	3,796	2,282	-457	149,484	34
Germany	7,605	1,592	-779	78,465	3	3,033	1,795	-504	75,446	2
United Kingdom	5,240	799	-218	99,816	3	2,371	689	-159	94,241	2
Luxembourg	2,964	619	-129	78,683	8	1,458	466	-97	85,250	2
United States	21,836	495	-80	154,154	22	8,807	428	-35	219,691	
Singapore	1,302	232	-44	20,600	0	899	246	-44	23,199	5
Poland	514	179	-57	10,203	4	297	139	-9	8,569	36
Ireland	569	182	-23	116,821	36	454	99	-21	108,038	77
Ukraine	271	96	-53	2,517	1	129	39	-11	1,552	1
China	365	-3	2	12,081	19	357	27	-15	12,418	7
Hong Kong	213	2	0	3,458		177	27	4	3,537	
Russia	329	131	-63	903	1	1,188	-806	-140	5,931	5
Group eliminations	-40,240	-12	0	-1,163,813		-10,577	18	0	-1,215,499	0
<b>TOTAL</b>	<b>174,354</b>	<b>47,963</b>	<b>-9,848</b>	<b>3,608,218</b>	<b>1,103</b>	<b>93,252</b>	<b>33,739</b>	<b>-6,862</b>	<b>3,532,779</b>	<b>1,066</b>

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. 237-238.

Comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance Contracts. See note 49 on restated comparative figures for further information.

### Parent company by country

	2023			2022		
	Gross Income <sup>1)</sup>	Assets	Investments	Gross Income <sup>1)</sup>	Assets	Investments
Sweden	111,971	2,350,683	709	66,096	2,355,284	680
Norway	7,383	105,443	13	5,299	103,272	6
Denmark	6,152	106,658	2	3,005	104,493	4
Finland	8,904	145,838	1	2,259	112,624	3
Other countries	26,284	210,211	162	13,280	197,013	65
<b>TOTAL</b>	<b>160,694</b>	<b>2,918,833</b>	<b>887</b>	<b>89,940</b>	<b>2,872,686</b>	<b>758</b>

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.

### 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.

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)

## 4 Net interest income

2023	Group			Parent company		
	Average balance	Interest	Interest rate	Average balance	Interest	Interest rate
Loans to credit institutions and central banks	744,783	32,214	4.33%	707,036	31,528	4.46%
Loans to the public	1,965,492	87,367	4.45%	1,748,848	75,595	4.32%
Debt securities	10,992	439	3.99%	12,200	531	4.36%
<b>Total interest earning assets AmC</b>	<b>2,721,267</b>	<b>120,021</b>	<b>4.41%</b>	<b>2,468,084</b>	<b>107,654</b>	<b>4.36%</b>
Debt securities	367,713	13,353	3.63%	355,826	12,945	3.64%
Loans	156,561	8,632	5.51%	157,411	8,663	5.50%
<b>Total interest earning assets at FVTPL</b>	<b>524,274</b>	<b>21,986</b>	<b>4.19%</b>	<b>513,237</b>	<b>21,609</b>	<b>4.21%</b>
<b>Total interest earning assets</b>	<b>3,245,541</b>	<b>142,006</b>	<b>4.38%</b>	<b>2,981,321</b>	<b>129,263</b>	<b>4.34%</b>
Derivatives and other assets	763,813	-6,612		351,231	-6,716	
<b>TOTAL ASSETS</b>	<b>4,009,354</b>	<b>135,394</b>		<b>3,332,552</b>	<b>122,547</b>	
Deposits from credit institutions	167,718	-6,376	-3.80%	208,115	-8,266	-3.97%
Deposits and borrowing from the public	1,871,960	-52,695	-2.81%	1,653,220	-51,547	-3.12%
Debt securities issued	929,281	-30,756	-3.31%	929,281	-30,756	-3.31%
Subordinated liabilities	30,583	-1,188	-3.89%	29,679	-1,188	-4.00%
<b>Total interest bearing liabilities AmC</b>	<b>2,999,542</b>	<b>-91,015</b>	<b>-3.03%</b>	<b>2,820,295</b>	<b>-91,757</b>	<b>-3.25%</b>
Deposits	32,552	-4,008	-12.31%	32,552	-4,008	-12.31%
Debt securities short position	22,103	-1,281	-5.79%	22,103	-1,281	-5.79%
Debt securities issued	6,145	-307	-5.00%	6,145	-307	-5.00%
<b>Total interest bearing liabilities at FVTPL</b>	<b>60,801</b>	<b>-5,596</b>	<b>-9.20%</b>	<b>60,801</b>	<b>-5,596</b>	<b>-9.20%</b>
<b>Total interest bearing liabilities</b>	<b>3,060,342</b>	<b>-96,611</b>	<b>-3.16%</b>	<b>2,881,096</b>	<b>-97,353</b>	<b>-3.38%</b>
Derivatives and other liabilities	736,842	8,743		267,692	6,164	
Equity	212,170			183,764		
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>4,009,354</b>	<b>-87,868</b>		<b>3,332,552</b>	<b>-91,189</b>	
<b>NET INTEREST INCOME</b>		<b>47,526</b>			<b>31,358</b>	
<b>NET YIELD ON INTEREST EARNING ASSETS</b>			<b>1.46%</b>			<b>1.05%</b>

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%
<b>Total interest earning assets AmC</b>	<b>2,711,932</b>	<b>50,224</b>	<b>1.85%</b>	<b>2,483,812</b>	<b>43,741</b>	<b>1.76%</b>
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%
<b>Total interest earning assets at FVTPL</b>	<b>448,513</b>	<b>5,527</b>	<b>1.23%</b>	<b>409,845</b>	<b>5,405</b>	<b>1.32%</b>
<b>Total interest earning assets</b>	<b>3,160,445</b>	<b>55,751</b>	<b>1.76%</b>	<b>2,893,656</b>	<b>49,146</b>	<b>1.70%</b>
Derivatives and other assets	790,421	399		408,717	-264	
<b>TOTAL ASSETS</b>	<b>3,950,866</b>	<b>56,150</b>		<b>3,302,373</b>	<b>48,882</b>	
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%
<b>Total interest bearing liabilities AmC</b>	<b>2,920,468</b>	<b>-26,864</b>	<b>-0.92%</b>	<b>2,750,258</b>	<b>-26,675</b>	<b>-0.97%</b>
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%
<b>Total interest bearing liabilities at FVTPL</b>	<b>67,154</b>	<b>-1,716</b>	<b>-2.56%</b>	<b>66,819</b>	<b>-1,708</b>	<b>-2.56%</b>
<b>Total interest bearing liabilities</b>	<b>2,987,622</b>	<b>-28,580</b>	<b>-0.96%</b>	<b>2,817,076</b>	<b>-28,382</b>	<b>-1.01%</b>
Derivatives and other liabilities	767,627	5,873		349,123	4,389	
Equity	195,617			136,174		
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3,950,866</b>	<b>-22,707</b>		<b>3,302,373</b>	<b>-23,994</b>	
<b>NET INTEREST INCOME</b>				<b>33,443</b>		<b>24,889</b>
<b>NET YIELD ON INTEREST EARNING ASSETS</b>			<b>1.06%</b>			<b>0.86%</b>

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors](#)
[and the President](#)
[Auditor's report](#)
*Note 4 continued Net interest income*
**Net interest income**

	Parent company	
	2023	2022
Interest income	122,547	48,882
Income from leases <sup>1)</sup>	5,606	5,309
Interest expense	-88,374	-21,763
Risk tax	-1,575	-1,186
Resolution fees	-1,240	-1,045
Depreciation of leased equipment <sup>1)</sup>	-4,780	-4,783
<b>TOTAL</b>	<b>32,183</b>	<b>25,414</b>

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.

## 5 Net fee and commission income

	Group		Parent company	
	2023	2022	2023	2022
Issue of securities	771	753	1,061	1,079
Secondary market	1,644	1,720	1,707	1,664
Custody and mutual funds	9,604	10,117	4,710	5,054
<b>Securities commissions</b>	<b>12,019</b>	<b>12,590</b>	<b>7,477</b>	<b>7,797</b>
Payments	2,719	2,538	2,365	2,190
Card fees	4,727	4,233	773	748
<b>Payment commissions</b>	<b>7,446</b>	<b>6,771</b>	<b>3,138</b>	<b>2,938</b>
Life insurance commissions	1,427	1,404		
Advisory	422	705	458	746
Lending	3,841	3,546	3,693	3,435
Deposits	315	321	2	2
Guarantees	840	708	748	650
Derivatives	371	422	80	227
Other	1,282	1,134	1,219	1,131
<b>Other commissions</b>	<b>7,070</b>	<b>6,836</b>	<b>6,198</b>	<b>6,190</b>
<b>Fee and commission income</b>	<b>27,962</b>	<b>27,601</b>	<b>16,814</b>	<b>16,925</b>
Securities commissions	-2,461	-2,675	-2,082	-2,486
Payment commissions	-2,644	-2,206	-1,053	-971
Life insurance commissions	-436	-434		
Other commissions	-752	-753	-718	-585
<b>Fee and commission expense</b>	<b>-6,293</b>	<b>-6,067</b>	<b>-3,853</b>	<b>-4,042</b>
Securities commissions, net	9,558	9,916	5,395	5,311
Payment commissions, net	4,802	4,565	2,085	1,967
Life insurance commissions, net	991	970		
Other commissions, net	6,319	6,083	5,480	5,605
<b>TOTAL</b>	<b>21,669</b>	<b>21,534</b>	<b>12,961</b>	<b>12,883</b>

For the group, comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance Contracts. See note 49 on restated comparative figures for further information.

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors](#)
[and the President](#)
[Auditor's report](#)
*Note 5 continued Net fee and commission income*
**Fee and commission income by segment**

<b>Group, 2023</b>	Large Corporates & Financial Institutions	Corporate & Private Customers	Private Wealth Mgmt & Family Office	Baltic	Life	Investment Management	Group functions <sup>1)</sup>	Eliminations	Total
Issue of securities and advisory	1,134	10	32	0	7	10			1,193
Secondary market and derivatives	1,699	53	233	33	0	8	-11	-1	2,015
Custody and mutual funds	1,603	1,034	1,487	221	234	7,299	0	-2,274	9,604
Payments, cards, lending, deposits, guarantees and other	5,833	5,536	291	2,587	267	74	388	-1,252	13,724
Life insurance commissions					3,093			-1,666	1,427
<b>TOTAL</b>	<b>10,269</b>	<b>6,633</b>	<b>2,043</b>	<b>2,841</b>	<b>3,594</b>	<b>7,388</b>	<b>387</b>	<b>-5,193</b>	<b>27,962</b>
<b>Group, 2022</b>									
Issue of securities and advisory	1,412	9	37	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					3,119	0	0	-1,715	1,404
<b>TOTAL</b>	<b>10,184</b>	<b>6,113</b>	<b>1,575</b>	<b>2,576</b>	<b>3,579</b>	<b>7,905</b>	<b>313</b>	<b>-4,642</b>	<b>27,601</b>

1) Group functions consists of Group & Business Services, Technology, Treasury, staff units, SEBx, SEB Embedded and German run-off operations.

Comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance Contracts. See note 49 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	
	2023	2022	2023	2022
Equity instruments and related derivatives	1,638	582	1,262	504
Debt instruments and related derivatives	962	1,418	1,377	-5,585
Currency and related derivatives	5,683	5,099	5,202	5,613
Other life insurance income, net	951	1,909	128	
Other	758	235		6,978
<b>TOTAL</b>	<b>9,991</b>	<b>9,242</b>	<b>7,969</b>	<b>7,510</b>

For the group, comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance Contracts. See note 49 on restated comparative figures for further information. From 2023 the parent company presents realised gains and losses on investment shares as Net financial income and not Net other income. Comparative figures have been restated SEK 1,615m.

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	
	2023	2022	2023	2022
Derivatives – counterparty risk	316	-322	318	-325
Derivatives – own credit standing	-481	779	-476	770
Issued securities – own credit adjustment			-1	-75
<b>TOTAL</b>	<b>-165</b>	<b>457</b>	<b>-159</b>	<b>370</b>

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)
*Note 6 continued Net financial income*

<b>Group, 2023</b>	FVHFT	FVMPL	FVDPL	Other	Total
Equity instruments and related derivatives	474	1,164			<b>1,638</b>
Debt instruments and related derivatives	570	1,344	-952		<b>962</b>
Currency and related derivatives	5,686			-3	<b>5,683</b>
Other life insurance income, net	-464		425	990	<b>951</b>
Other	1,475			-717	<b>758</b>
<b>TOTAL</b>	<b>7,741</b>	<b>2,507</b>	<b>-526</b>	<b>269</b>	<b>9,991</b>

<b>Group, 2022</b>	FVHFT	FVMPL	FVDPL	Other	Total
Equity instruments and related derivatives	587	-6			<b>582</b>
Debt instruments and related derivatives	4,286	-3,518	650		<b>1,418</b>
Currency and related derivatives	5,468			-370	<b>5,099</b>
Other life insurance income, net	-53		161	1,800	<b>1,909</b>
Other	1,722			-1,487	<b>235</b>
<b>TOTAL</b>	<b>12,012</b>	<b>-3,524</b>	<b>811</b>	<b>-57</b>	<b>9,242</b>

Comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance Contracts. See note 49 on restated comparative figures for further information.

<b>Parent company, 2023</b>	FVHFT	FVMPL	FVDPL	Other	Total
Equity instruments and related derivatives	475	787			<b>1,262</b>
Debt instruments and related derivatives	1,048	1,280	-951		<b>1,377</b>
Currency and related derivatives	5,202				<b>5,202</b>
Other	1,097	-253		-717	<b>128</b>
<b>TOTAL</b>	<b>7,823</b>	<b>1,814</b>	<b>-951</b>	<b>-717</b>	<b>7,969</b>

<b>Parent company, 2022</b>	FVHFT	FVMPL	FVDPL	Other	Total
Equity instruments and related derivatives	639	-135			<b>504</b>
Debt instruments and related derivatives	-3,502	-2,797	714		<b>-5,585</b>
Currency and related derivatives	5,613				<b>5,613</b>
Other	8,595	-130		-1,487	<b>6,978</b>
<b>TOTAL</b>	<b>11,345</b>	<b>-3,062</b>	<b>714</b>	<b>-1,487</b>	<b>7,510</b>

## 7 Net other income

	Group	Parent company
	2023	2022
Dividends <sup>1)</sup>	0	
Profit and loss from investments in associates and joint ventures	277	-24
Gains less losses from financial assets and liabilities amortised cost	606	31
Gains less losses non-financial assets	24	4
Gains less losses from divestment of shares	-65	33
Other operating income	166	215
<b>TOTAL</b>	<b>1,008</b>	<b>258</b>
		<b>2,246</b>
		<b>867</b>

1) Reported separately in the Income Statement for parent company.

From 2023 the parent company presents realised gains and losses on investment shares as Net financial income and not Net other income. Comparative figures have been restated SEK 1,615m.

### Dividends

Equity instruments	0	209	128
Dividends from subsidiaries		5,304	10,319
<b>TOTAL</b>	<b>0</b>	<b>5,513</b>	<b>10,447</b>

### Other operating income

Fair value adjustment in hedge accounting	159	-2	159	-2
Operating result from non-life insurance, run off	-16	83		
Other income	23	134	1,418	1,026
<b>TOTAL</b>	<b>166</b>	<b>215</b>	<b>1,577</b>	<b>1,024</b>

### Fair value adjustment in hedge accounting

Fair value changes of the hedged items attributable to the hedged risk	-17,252	27,741	-17,252	27,741
Fair value changes of the hedging derivatives	17,365	-27,682	17,365	-27,682
<b>Fair value hedges</b>	<b>113</b>	<b>59</b>	<b>113</b>	<b>59</b>
Fair value changes of the hedging derivatives	-2	3	-2	3
<b>Cash-flow hedges – ineffectiveness</b>	<b>-2</b>	<b>3</b>	<b>-2</b>	<b>3</b>
Fair value changes of the hedged items	4,825	-6,754	4,825	-6,754
Fair value changes of the hedging derivatives	-4,777	6,690	-4,778	6,690
<b>Fair value portfolio hedge of interest rate risk – ineffectiveness</b>	<b>47</b>	<b>-64</b>	<b>47</b>	<b>-64</b>
<b>TOTAL</b>	<b>159</b>	<b>-2</b>	<b>159</b>	<b>-2</b>

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)

## 8 Staff costs

	Group		Parent company	
	2023	2022	2023	2022
Base salary	-11,371	-10,049	-8,799	-7,809
Cash-based variable remuneration	-847	-730	-722	-705
Long-term equity-based remuneration	-761	-681	-610	-536
<b>Salaries and other compensations</b>	<b>-12,979</b>	<b>-11,461</b>	<b>-10,130</b>	<b>-9,050</b>
Social charges	-3,262	-2,763	-2,644	-2,243
Defined benefit retirement plans <sup>1)</sup>	611	-81		
Defined contribution retirement plans <sup>1)</sup>	-1,240	-1,055	-683	-460
Benefits and redundancies <sup>2)</sup>	-131	-104	-99	-71
Education and other staff related costs	-557	-516	-405	-385
<b>TOTAL</b>	<b>-17,558</b>	<b>-15,980</b>	<b>-13,961</b>	<b>-12,209</b>

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 69m (141) for early retirement have been charged to the pension funds of the bank.

2) Includes costs for redundancies of SEK 73m (42) for the group and SEK 48m (20) for the parent company.

## 8a Remuneration

### Salaries and other compensations

SEB Group	Base salary		Cash-based variable remuneration		Long-term equity-based remuneration		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Executives <sup>1)</sup>	-83	-88			-23	-26	-106	-113
Others	-11,288	-9,962	-847	-730	-738	-656	-12,873	-11,348
<b>TOTAL</b>	<b>-11,371</b>	<b>-10,049</b>	<b>-847</b>	<b>-730</b>	<b>-761</b>	<b>-681</b>	<b>-12,979</b>	<b>-11,461</b>

### Salaries and other compensations

Parent company	Base salary		Cash-based variable remuneration		Long-term equity-based remuneration		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Executives <sup>1)</sup>	-83	-88			-23	-26	-106	-113
Others	-8,716	-7,721	-722	-705	-587	-510	-10,024	-8,937
<b>TOTAL</b>	<b>-8,799</b>	<b>-7,809</b>	<b>-722</b>	<b>-705</b>	<b>-610</b>	<b>-536</b>	<b>-10,130</b>	<b>-9,050</b>

1) Comprises President and ordinary members of GEC.

### Loans to Executives

	Group		Parent company	
	2023	2022	2023	2022
Managing Directors and Deputy Managing Directors <sup>1)</sup> Boards of Directors <sup>2)</sup>	89	114	38	56
	272	323	68	73
<b>TOTAL</b>	<b>361</b>	<b>437</b>	<b>106</b>	<b>129</b>

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 30 (31) of which 9 (9) female.

2) Comprises current Board members and their substitutes in the parent company and subsidiaries. Total number of persons was 114 (101) of which 39 (32) female.

### Pension commitments to Executives

	Group		Parent company	
	2023	2022	2023	2022
Pension disbursements made	90	140	67	118
Change in commitments	43	45	20	22
Commitments at year-end	1,068	1,054	585	606

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 86 persons (91).

## 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 entitle 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 respec-

tive 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 costs and interest on plan assets 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.

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)
*Note 8b continued Pensions*
**Defined benefit plans in SEB Group**

Net amount recognised in the Balance sheet	2023			2022		
	Sweden <sup>1)</sup>	Foreign <sup>1)</sup>	Group <sup>1)</sup>	Sweden <sup>1)</sup>	Foreign <sup>1)</sup>	Group <sup>1)</sup>
Defined benefit obligation at the beginning of the year	21,976	539	<b>22,515</b>	27,526	944	<b>28,470</b>
Curtailment, acquisitions and reclassification					-89	<b>-89</b>
Service costs	282	4	<b>286</b>	449	6	<b>455</b>
Interest costs	823	13	<b>837</b>	438	4	<b>441</b>
Benefits paid	-931	-5	<b>-936</b>	-833	-4	<b>-838</b>
Settlement	-101	-101			-266	<b>-266</b>
Change in exchange rates	0	0			5	<b>5</b>
Remeasurements of pension obligation	3,265	-69	<b>3,196</b>	-5,603	-60	<b>-5,663</b>
<b>Defined benefit obligation at the end of the year</b>	<b>25,416</b>	<b>381</b>	<b>25,798</b>	<b>21,976</b>	<b>539</b>	<b>22,515</b>
Fair value of plan assets at the beginning of the year	46,092	547	<b>46,639</b>	51,331	499	<b>51,830</b>
Curtailment, acquisitions and reclassification					56	<b>56</b>
Calculated interest on plan assets	1,734		<b>1,734</b>	815		<b>815</b>
Benefits paid/contributions	-1,214	-5	<b>-1,219</b>	-1,181	-4	<b>-1,185</b>
Change in exchange rates	-2	-2			-5	<b>-5</b>
Valuation gains (losses) on plan assets	2,334	11	<b>2,345</b>	-4,872	1	<b>-4,871</b>
<b>Fair value of plan assets at the end of the year</b>	<b>48,946</b>	<b>551</b>	<b>49,497</b>	<b>46,092</b>	<b>547</b>	<b>46,639</b>
<b>Change in the net assets or net liabilities</b>						
Defined benefit obligation at the beginning of the year	24,115	8	<b>24,123</b>	23,804	-445	<b>23,359</b>
Curtailment, acquisitions and reclassification					145	<b>145</b>
Total expense in staff costs	629	-17	<b>611</b>	-72	-10	<b>-81</b>
Pension paid	931	5	<b>936</b>	833	4	<b>838</b>
Benefits paid/contributions	-1,214	-5	<b>-1,219</b>	-1,181	-4	<b>-1,185</b>
Settlement	101	101			266	<b>266</b>
Change in exchange rates	-2	-2			-9	<b>-9</b>
Remeasurements	-931	80	<b>-851</b>	731	61	<b>792</b>
<b>NET AMOUNT RECOGNISED IN THE BALANCE SHEET</b>	<b>23,529</b>	<b>170</b>	<b>23,699</b>	<b>24,115</b>	<b>8</b>	<b>24,124</b>

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 2023 a contribution of SEK – m (0) was paid to the German pension foundation. Contribution to the foundations cannot be ruled out in 2024 due to uncertainty in interest rate levels.

**Principal actuarial assumptions used**

2023			2022	
	Sweden	Foreign	Sweden	Foreign
Discount rate	3.25%	4.02%	3.8%	3.9%
Inflation rate	2.0%	2.0%	2.0%	2.0%
Expected rate of salary increase	3.0%	2.5%	3.0%	2.0%
Expected rate of increase in the income basis amount	2.8%		2.8%	

The discount rate is based 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 DUS23 for white-collar workers. In Germany the Heubeck Sterbetafel 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 2,174m while the same change in the inflation assumption for Sweden would have the opposite effect and decrease the obligation by SEK 1,734m. An increase of the discount rate by same ratio would reduce the obligation with

SEK 1,922m and an increased inflation rate of 0.5 per cent gives an increased obligation of SEK 1,932m. 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 146m an increase would have a negative effect of SEK 163m.

The obligation in Germany would increase with SEK 15m if the discount rate was reduced by 0.5 per cent. An increase by the same percentage would decrease the obligation by SEK 14m. 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 14m and with a lower rate reduce the obligation with SEK 13m.

**Allocation of plan assets**

	2023			2022		
	Sweden	Foreign	Group	Sweden	Foreign	Group
Cash and cash equivalents	960	551	<b>1,511</b>	838	491	<b>1,329</b>
Equity instruments with a quoted market price in an active market	30,314		<b>30,314</b>	27,093		<b>27,093</b>
Equity instruments not listed in an active market	9,410		<b>9,410</b>	9,555		<b>9,555</b>
Debt instruments with a quoted market price in an active market	1,983		<b>1,983</b>	2,243		<b>2,243</b>
Debt instruments not listed in an active market	2,908		<b>2,908</b>	2,809		<b>2,809</b>
Properties	3,370		<b>3,370</b>	3,554		<b>3,554</b>
<b>TOTAL</b>	<b>48,946</b>	<b>551</b>	<b>49,497</b>	<b>46,092</b>	<b>491</b>	<b>46,583</b>

The pension plan assets include SEB shares with a fair value of SEK 2,072m (1,810). Buildings in Sweden are occupied by SEB.

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)

[Signatures of the Board of Directors  
and the President](#)

[Auditor's report](#)

*Note 8b continued Pensions*
**Amounts recognised in Income statement**

	2023			2022		
	Sweden	Foreign	Group	Sweden	Foreign	Group
Service costs	-282	-4	-286	-449	-6	-455
Interest costs	-823	-13	-837	-438	-4	-441
Calculated interest on plan assets	1,734		1,734	815		815
<b>INCLUDED IN STAFF COSTS</b>	<b>629</b>	<b>-17</b>	<b>611</b>	<b>-72</b>	<b>-10</b>	<b>-81</b>

**Amounts recognised in Other comprehensive income**

Remeasurements of pension obligation <i>where of experience adjustments</i>	-3,265	69	-3,196	5,603	60	5,663
<i>where of due to changes in financial assumptions</i>	-1,086	67	-1,019	-2,196	12	-2,184
<i>where of due to changes in demographic assumptions</i>	-2,104	2	-2,102	7,647	48	7,695
Valuation gains (losses) on plan assets	-75		-75	153		153
Deferred tax pensions	2,334	11	2,345	-4,872	1	-4,871
	192		192	-151		-151
<b>INCLUDED IN OTHER COMPREHENSIVE INCOME</b>	<b>-739</b>	<b>80</b>	<b>-659</b>	<b>580</b>	<b>61</b>	<b>641</b>

**DEFINED CONTRIBUTION PLANS IN SEB GROUP**

	2023			2022		
	Sweden	Foreign	Group	Sweden	Foreign	Group
Expense in Staff costs including special salary tax	-934	-306	-1,240	-789	-266	-1,055

**DEFINED BENEFIT PLANS IN THE PARENT COMPANY**

	2023			2022		
	Parent company					
Net amount recognised in the Balance sheet				2023	2022	
Defined benefit obligation at the beginning of the year				24,113	26,437	
Imputed pensions premium				163	193	
Interest costs and other changes				-1,698	-1,856	
Early retirement				69	141	
Pension disbursements				-892	-802	
<b>DEFINED BENEFIT OBLIGATION AT THE END OF THE YEAR</b>	<b>21,755</b>	<b>24,113</b>				

Fair value of plan assets at the beginning of the year	44,442	49,493
Return on assets	3,966	-3,870
Benefits paid	-1,214	-1,181

**FAIR VALUE OF PLAN ASSETS AT THE END OF THE YEAR**

The above defined benefit obligation is calculated according to tryggtandlagen. 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 38,182m (35,208) and to a smaller extent interest earning SEK 5,642m (5,679). The assets include SEB shares at a market value of SEK 1,998m (1,745) and buildings occupied by the company valued at SEK 3,370m (3,554). The return on assets was 6 per cent (-10) after pension compensation.

**Amounts recognised in Income statement**

	2023			2022		
	Parent company					
Pension disbursements					-892	-802
Compensation from pension foundations					1,214	1,181
<b>TOTAL</b>					<b>322</b>	<b>379</b>

**Principal actuarial assumptions used**

Gross interest rate	2.4%	1.0%
Interest rate after tax	2.0%	0.8%

The actuarial calculations are based on salaries and pensions on the balance sheet date.

**DEFINED CONTRIBUTION PLANS IN THE PARENT COMPANY**

	2023			2022		
	Parent company					
Net amount recognised in Income statement				2023	2022	
Expense in Staff costs including special salary tax				-683	-460	
<b>Pension foundations</b>						
	Pension commitments	Market value of asset		2023	2022	
SEB-Stiftelsen, Skandinaviska Enskilda Bankens Pensionsstiftelse	21,755	24,113		47,194	44,442	
SEB Kort AB:s Pensionsstiftelse	918	1,011		1,752	1,650	
<b>TOTAL</b>	<b>22,673</b>	<b>25,124</b>		<b>48,946</b>	<b>46,092</b>	

## 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 guidelines and 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 e.g. company car, health promoting support and domestic services.

→ For more information, see p. 76-80.

**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).

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors and the President](#)
[Auditor's report](#)
*Note 8c continued Remuneration to the Board and the Group Executive Committee*
**Remuneration to the Board<sup>1)</sup>, SEK**

	2023				2022			
	Base pay	Directors' fee	Benefits <sup>2)</sup>	Total	Base pay	Directors' fee	Benefits <sup>2)</sup>	Total
Chairman of the Board, Marcus Wallenberg	4,565,000			4,565,000	4,440,000			4,440,000
Vice chairman of the Board, Sven Nyman	1,600,000			1,600,000	1,550,000			1,550,000
Vice chairman of the Board, Jesper Ovesen					2,115,000			2,115,000
Jacob Aarup-Andersen	1,630,000			1,630,000	850,000			850,000
Signhild Arnegård Hansen	1,290,000			1,290,000	1,250,000			1,250,000
Anne-Catherine Berner	1,085,000			1,085,000	1,050,000			1,050,000
John Flint	880,000			880,000	850,000			850,000
Winnie Fok	1,175,000			1,175,000	1,140,000			1,140,000
Lars Ottersgård	1,345,000			1,345,000	1,300,000			1,300,000
Helena Saxon	1,350,000			1,350,000	1,310,000			1,310,000
Svein Tore Holsether	880,000			880,000				
President and CEO, Johan Torgeby	13,900,000			207,503	14,107,503	13,500,000	197,099	13,697,099
<b>TOTAL</b>	<b>13,900,000</b>	<b>15,800,000</b>	<b>207,503</b>	<b>29,907,503</b>	<b>13,500,000</b>	<b>15,855,000</b>	<b>197,099</b>	<b>29,552,099</b>

1) The number of Board members decided by the AGM in 2023 is eleven (eleven) of which seven (seven) are men and four (four) women.

2) Includes benefits such as company car and holiday pay.

**Remuneration to the Group Executive Committee, SEK<sup>1)</sup>**

	2023	2022
Base pay	68,726,336	74,112,233
Benefits <sup>2)</sup>	1,794,690	1,957,492
<b>TOTAL</b>	<b>70,521,026</b>	<b>76,069,726</b>

1) GEC excluding the President and CEO. The members partly differ between the years but in average eleven (thirteen) members are included.

At the end of the year the number of members were eleven (thirteen) of which seven (nine) were men and four (four) 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 except for outstanding rights earned before being member of GEC.

**Long-term equity-based programmes (expensed amounts for ongoing programmes), SEK**

	2023	2022
President and CEO, Johan Torgeby	6,228,667	5,306,444
Other members of the Group Executive committee <sup>1)2)</sup>	17,072,082	20,279,853
<b>TOTAL</b>	<b>23,300,749</b>	<b>25,586,297</b>

1) GEC excluding the President and CEO. The members partly differ between the years but in average eleven (thirteen) members are included. At the end of the year the number of members were eleven (thirteen). Additional members are not included.

2) 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.

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)

**Signatures of the Board of Directors  
and the President**

[Auditor's report](#)
*Note 8c continued Remuneration to the Board and the Group Executive Committee*
**Number outstanding by 2023-12-31**

	Number outstanding			First day of exercise
	President and CEO Johan Torgeby	Other members of the GEC	Total	
2012: Share matching rights	30,389		<b>30,389</b>	2015
2013: Share matching rights	46,913		<b>46,913</b>	2016
2014: Share matching rights	24,044		<b>24,044</b>	2017
2014: Share rights		5,960	<b>5,960</b>	2018;2020 <sup>1)</sup>
2015: Share rights	15,901	12,453	<b>28,354</b>	2019;2021 <sup>1)</sup>
2016: Share rights	54,270	41,240	<b>95,510</b>	2020;2022 <sup>1)</sup>
2017: Share rights	41,161	55,213	<b>96,374</b>	2021;2023 <sup>1)</sup>
2018: Conditional share rights/Share rights	64,171	187,440	<b>251,611</b>	2022;2024 <sup>1)</sup>
2019: Conditional share rights/Share rights	74,067	196,476	<b>270,543</b>	2023;2025 <sup>1)</sup>
2020: Conditional share rights	77,613	251,518	<b>329,131</b>	2024;2026 <sup>1)</sup>
2021: Conditional share rights	63,138	232,400	<b>295,538</b>	2025;2027 <sup>1)</sup>
2022: Conditional share rights	97,157	222,454	<b>319,611</b>	2026;2028 <sup>1)</sup>
2023: Conditional share rights	99,480	225,140	<b>324,620</b>	2027;2029 <sup>1)</sup>

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 12,632,508 (6,376,767).

**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 fol-

lowing 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**

	2023	2022
President and CEO, Johan Torgeby	4,927,859	4,603,121
Other members of the Group Executive committee <sup>1)</sup>	15,184,609	21,482,007
<b>TOTAL</b>	<b>20,112,468</b>	<b>26,085,128</b>

1) GEC excluding the President and CEO. The members partly differ between the years but in average eleven (thirteen) members are included.  
At the end of the year the number of members were eleven (thirteen).

For information about related parties see note 44.

## 8d Share-based payments

**Long-term equity-based programmes**

2023	Restricted Share Programme	All Employee Programme	Share Deferral Programme	Share Matching Programme <sup>1)</sup>
Outstanding at the beginning of the year	2,606,732	9,662,989	18,741,186	95,372
Granted <sup>2)</sup>	1,484,792	2,952,115	4,595,880	5,974
Forfeited	-24,784	-410,035	-1,000,582	
Exercised <sup>3)</sup>	-1,153,335	-2,688,294	-3,866,790	
Expired	-4,377	-36,664		
<b>OUTSTANDING AT THE END OF THE YEAR of which exercisable</b>	<b>2,909,028</b>	<b>9,516,775</b>	<b>18,433,030</b>	<b>101,346</b>
			2,810,303	101,346

**2022**

2022	Restricted Share Programme	All Employee Programme	Share Deferral Programme	Share Matching Programme <sup>1)</sup>
Outstanding at the beginning of the year	2,972,218	10,139,153	18,162,376	87,628
Granted <sup>2)</sup>	1,101,125	3,050,911	5,106,126	7,744
Forfeited	-44,056	-610,755	-973,274	
Exercised <sup>3)</sup>	-1,404,457	-2,916,320	-3,540,336	
Expired	-18,098	-13,706		
<b>OUTSTANDING AT THE END OF THE YEAR of which exercisable</b>	<b>2,606,732</b>	<b>9,662,989</b>	<b>18,741,186</b>	<b>95,372</b>
			2,767,570	94,207

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 SDP at exercise SEK 121,49 (110,53).

## Financial statements

SEB Group

Parent company

Notes to the financial statements

Five-year summary

Proposal for the distribution of profit

Signatures of the Board of Directors  
and the President

Auditor's report

Note 8d continued Share-based payments

## Total Long-term equity-based programmes

	Original no of holders <sup>4)</sup>	No of issued (maximum outcome)	No of outstanding 2023 <sup>5)</sup>	No of outstanding 2022 <sup>5)</sup>	A share per option/share	Validity	First date of exercise
2012: Share Matching Programme <sup>1)</sup>	432	7,024,168	30,389	28,597	4	2012–2019	2015 <sup>2)</sup>
2013: Share Matching Programme <sup>1)</sup>	213	3,485,088	46,913	44,147	4	2013–2020	2016 <sup>2)</sup>
2014: Share Matching Programme <sup>1)</sup>	96	1,300,288	24,044	22,628	4	2014–2021	2017 <sup>2)</sup>
2013: Share Deferral Programme – equity settled	263	1,361,861	454	429	1	2013–2022	2016/2018 <sup>3)</sup>
2014: Share Deferral Programme – equity settled	622	1,909,849	16,234	110,049	1	2014–2023	2017/2019 <sup>3)</sup>
2015: Share Deferral Programme – equity settled	816	2,603,843	65,820	115,840	1	2015–2024	2018/2020 <sup>3)</sup>
2016: Share Deferral Programme – equity settled	874	3,593,155	212,119	681,956	1	2016–2025	2019/2021 <sup>3)</sup>
2017: Share Deferral Programme – equity settled <sup>1)</sup>	1,373	4,439,824	764,859	1,360,297	1	2017–2026	2020/2022 <sup>3)</sup>
2017: Share Deferral Programme – cash settled	75	206,125	0	31,458	1	2017–2023	2020/2023 <sup>3)</sup>
2018: Share Deferral Programme – equity settled <sup>1)</sup>	788	3,785,769	1,383,009	1,791,435	1	2018–2027	2021/2023 <sup>3)</sup>
2018: Share Deferral Programme – cash settled	14	97,770	28,630	28,184	1	2018–2024	2021/2023 <sup>3)</sup>
2019: Share Deferral Programme – equity settled <sup>1)</sup>	861	4,023,585	1,842,949	3,677,659	1	2019–2028	2022/2023 <sup>3)</sup>
2019: Share Deferral Programme – cash settled	16	109,028	27,607	96,560	1	2019–2025	2022/2023 <sup>3)</sup>
2020: Share Deferral Programme – equity settled <sup>1)</sup>	901	4,053,085	3,963,426	3,779,005	1	2020–2029	2023/2025 <sup>3)</sup>
2020: Share Deferral Programme – cash settled	21	129,326	126,895	121,271	1	2020–2026	2023/2025 <sup>3)</sup>
2021: Share Deferral Programme – equity settled <sup>1)</sup>	1,040	2,974,455	2,771,909	2,873,922	1	2021–2027	2024/2026 <sup>3)</sup>
2021: Share Deferral Programme – cash settled	22	88,091	88,091	88,091	1	2021–2030	2024/2026 <sup>3)</sup>
2022: Share Deferral Programme – equity settled <sup>1)</sup>	1,006	3,952,701	3,717,003	3,870,312	1	2022–2031	2025/2027 <sup>3)</sup>
2022: Share Deferral Programme – cash settled	18	114,718	108,543	114,718	1	2022–2028	2025/2027 <sup>3)</sup>
2023: Share Deferral Programme – equity settled <sup>1)</sup>	974	3,305,474	3,246,329		1	2023–2032	2026/2028 <sup>3)</sup>
2023: Share Deferral Programme – cash settled	9	69,153	69,153		1	2023–2029	2026/2028 <sup>3)</sup>
2019: Restricted Share Programme – equity settled	413	1,420,596		342,028	1	2019–2023	2020/2023 <sup>3)</sup>
2019: Restricted Share Programme – cash settled	29	73,375		16,603	1	2019–2023	2020/2023 <sup>3)</sup>
2020: Restricted Share Programme – equity settled	408	1,274,946	309,896	604,188	1	2020–2024	2021/2023 <sup>3)</sup>
2020: Restricted Share Programme – cash settled	29	74,902	15,777	31,227	1	2020–2024	2021/2023 <sup>3)</sup>
2021: Restricted Share Programme – equity settled	416	878,843	398,990	598,379	1	2021–2025	2022/2023 <sup>3)</sup>
2021: Restricted Share Programme – cash settled	25	46,911	16,127	25,454	1	2021–2025	2022/2023 <sup>3)</sup>
2022: Restricted Share Programme – equity settled	310	980,531	767,721	964,693	1	2022–2026	2023/2024 <sup>3)</sup>
2022: Restricted Share Programme – cash settled	9	24,160	13,590	24,160	1	2022–2026	2023/2024 <sup>3)</sup>
2023: Restricted Share Programme – equity settled	372	1,329,142	1,318,859		1	2023–2027	2024/2025 <sup>3)</sup>
2023: Restricted Share Programme – cash settled	23	68,068	68,068		1	2023–2027	2024/2025 <sup>3)</sup>
2019: All Employee Programme – equity settled	8,137	1,832,363		1,561,388	1	2019–2022	2023
2019: All Employee Programme – cash settled	7,159	1,246,304		1,001,084	1	2019–2022	2023
2020: All Employee Programme – equity settled	8,346	1,534,896	1,368,691	1,390,365	1	2020–2023	2024
2020: All Employee Programme – cash settled	7,192	852,616	738,095	753,821	1	2020–2023	2024
2021: All Employee Programme – equity settled	8,269	1,547,775	1,423,624	1,451,779	1	2021–2024	2025
2021: All Employee Programme – cash settled	7,302	896,965	821,232	845,338	1	2021–2024	2025
2022: All Employee Programme – equity settled	8,643	1,612,569	1,590,305	1,612,569	1	2022–2025	2026
2022: All Employee Programme – cash settled	7,761	1,046,645	1,046,094	1,046,645	1	2022–2025	2026
2023: All Employee Programme – equity settled	6,521	1,787,404	1,787,404		1	2023–2026	2027
2023: All Employee Programme – cash settled	4,341	741,330	741,330		1	2023–2026	2027
<b>TOTAL</b>		<b>67,897,697</b>	<b>30,960,179</b>	<b>31,106,279</b>			

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 SEB Class 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.

## Long-term equity-based programmes

The Annual General meeting 2023 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 receives 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 Class A share at the end of the holding period.

In the programmes 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 2023 to SEK 81 (78) for a qual-

[Financial statements](#)

- [SEB Group](#)
- [Parent company](#)
- [Notes to the financial statements](#)
- [Five-year summary](#)
- [Proposal for the distribution of profit](#)
- [Signatures of the Board of Directors and the President](#)
- [Auditor's report](#)

*Note 8d continued Share-based payments*

ification period of three years, SEK 79 (76) for a qualification period of four years and SEK 76 (75) 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 are 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 e.g. 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 2023 to SEK 111 (104) for the first installment, to SEK 102 (97) for those with four additional instalments and to 104 (100) 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 Class 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 Class 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 Class 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). For the All Employee Programme 2023 two additional pay-out options were introduced where the employees could choose full pay-out in shares after three years with adjusted higher initial allocation, or immediate full pay-out in cash with adjusted lower allocation. The general outcome in 2023 year's programme was 71 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 SEB 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 2023	Group			Parent company		
	Men	Women	Total	Men	Women	Total
Sweden	4,740	4,468	<b>9,208</b>	4,193	3,851	<b>8,044</b>
Norway	225	158	<b>383</b>	195	120	<b>315</b>
Denmark	206	110	<b>316</b>	164	74	<b>238</b>
Finland	158	132	<b>290</b>	141	109	<b>250</b>
Estonia	314	869	<b>1,183</b>			
Latvia	692	1,455	<b>2,147</b>	441	703	<b>1,144</b>
Lithuania	1,180	2,022	<b>3,202</b>	750	869	<b>1,619</b>
Germany	137	90	<b>227</b>	132	84	<b>216</b>
United Kingdom	65	41	<b>106</b>	65	41	<b>106</b>
Poland	111	140	<b>251</b>	111	140	<b>251</b>
Ukraine	17	34	<b>51</b>			
China	16	26	<b>42</b>	16	26	<b>42</b>
Ireland	50	53	<b>103</b>			
Luxembourg	77	64	<b>141</b>	70	56	<b>126</b>
Russia	18	42	<b>60</b>			
Singapore	29	62	<b>91</b>	29	62	<b>91</b>
United States	23	10	<b>33</b>	18	9	<b>27</b>
Hong Kong	7	10	<b>17</b>	7	10	<b>17</b>
<b>TOTAL</b>	<b>8,065</b>	<b>9,786</b>	<b>17,851</b>	<b>6,332</b>	<b>6,154</b>	<b>12,486</b>

**2022**

Sweden	4,474	4,236	<b>8,710</b>	3,913	3,594	<b>7,507</b>
Norway	218	154	<b>372</b>	190	115	<b>305</b>
Denmark	205	115	<b>320</b>	164	75	<b>239</b>
Finland	152	126	<b>278</b>	132	106	<b>238</b>
Estonia	306	852	<b>1,158</b>			
Latvia	619	1,381	<b>2,000</b>	393	641	<b>1,034</b>
Lithuania	1,079	1,977	<b>3,056</b>	664	821	<b>1,485</b>
Germany	138	92	<b>230</b>	123	85	<b>208</b>
United Kingdom	60	41	<b>101</b>	60	41	<b>101</b>
Poland	79	98	<b>177</b>	79	98	<b>177</b>
Ukraine	17	35	<b>52</b>			
China	15	26	<b>41</b>	15	26	<b>41</b>
Ireland	48	49	<b>97</b>			
Luxembourg	78	68	<b>146</b>	73	61	<b>134</b>
Russia	20	57	<b>77</b>			
Singapore	27	64	<b>91</b>	27	64	<b>91</b>
United States	22	10	<b>32</b>	18	8	<b>26</b>
Hong Kong	7	12	<b>19</b>	7	12	<b>19</b>
<b>TOTAL</b>	<b>7,564</b>	<b>9,393</b>	<b>16,957</b>	<b>5,858</b>	<b>5,747</b>	<b>11,605</b>

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)

## 9 Other expenses

	Group		Parent company	
	2023	2022	2023	2022
Costs for premises <sup>1)</sup>	-797	-731	-1,505	-1,422
IT costs	-3,936	-3,669	-3,231	-2,968
Travel and entertainment	-325	-268	-275	-233
Consultants	-1,036	-899	-856	-722
Marketing	-378	-327	-246	-212
Information services	-900	-836	-807	-748
Other operating costs <sup>2)</sup>	-519	-257	-215	133
<b>TOTAL</b>	<b>-7,892</b>	<b>-6,986</b>	<b>-7,137</b>	<b>-6,171</b>

1) Of which rental costs including leasing cost for premises

2) Net after deduction for capitalised costs, see also note 23.

## Fees and expense allowances to appointed auditors and audit firms<sup>1)</sup>

	Group		Parent company	
	2023	2022	2023	2022
Audit assignment	-29	-29	-16	-15
Audit related services	-11	-12	-3	-4
Tax advisory		0		
Other services	-2	-3		
<b>Ernst &amp; Young</b>	<b>-42</b>	<b>-45</b>	<b>-19</b>	<b>-19</b>

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	
	2023	2022	2023	2022
Depreciation of tangible assets	-364	-347	-289	-279
Depreciation of equipment leased to clients			-4,780	-4,735
Depreciation of right-of-use assets	-962	-879		
Amortisation of intangible assets	-637	-660	-531	-541
Impairment of tangible assets		0		
Impairment of right-of-use assets		-1		
Retirement and disposal of intangible assets	-37	-190	-40	-80
<b>TOTAL</b>	<b>-1,999</b>	<b>-2,078</b>	<b>-5,640</b>	<b>-5,635</b>

## 11 Net expected credit losses

	Group		Parent company	
	2023	2022	2023	2022
Impairment gains or losses – Stage 1	927	-1,384	718	-1,216
Impairment gains or losses – Stage 2	-790	74	-547	-26
Impairment gains or losses – Stage 3	-1,088	-708	-1,057	-814
<b>Impairment gains or losses</b>	<b>-952</b>	<b>-2,018</b>	<b>-886</b>	<b>-2,056</b>
<b>Write-offs and recoveries</b>				
Total write-offs	-1,884	-3,086	-1,655	-2,966
Reversals of allowances for write-offs	1,580	2,873	1,404	2,825
Write-offs not previously provided for	-304	-213	-252	-141
Recovered from previous write-offs	294	224	130	77
<b>Net write-offs</b>	<b>-10</b>	<b>11</b>	<b>-122</b>	<b>-64</b>
<b>NET EXPECTED CREDIT LOSSES</b>	<b>-962</b>	<b>-2,007</b>	<b>-1,008</b>	<b>-2,119</b>
Net ECL level, %	0.03	0.07	0.04	0.09

## 12 Imposed levies

	Group	
	2023	2022
Resolution fees	-1,296	-1,101
Risk tax, Sweden	-1,576	-1,187
Temporary solidarity contribution, Lithuania	-947	
<b>TOTAL</b>	<b>-3,819</b>	<b>-2,288</b>

A new tax, a temporary solidarity contribution, was introduced in Lithuania as of 16 May 2023. The tax is payable by Lithuanian and EU credit institutions operating in Lithuania, calculated on the surplus of the interest received in 2023 and 2024 from Lithuanian residents.

On 6 December 2023, Latvia established a temporary (one year) mortgage levy for 2024. The contribution is calculated as 50 basis points on a credit institutions mortgage volume in Latvia, per quarter (2 per cent annually). The estimated annual effect from this on SEB is expected to be approximately EUR 20–25m, from 2024.

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)

## 13 Items affecting comparability

	Group	
	2023	2022
Net expected credit losses		-1,399
<b>Operating profit before items affecting comparability</b>	<b>-1,399</b>	
<b>Items affecting comparability</b>	<b>-1,399</b>	
Income tax on items affecting comparability		
<b>ITEMS AFFECTING COMPARABILITY AFTER TAX</b>	<b>-1,399</b>	

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 therefore started scaling these down in 2022. 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 2022, an impairment of SEK 1.4bn related to Russia was recognised.

## 14 Appropriations

	Parent company	
	2023	2022
Group contribution	1,246	1,880
Accelerated tax depreciation	1,640	1,420
<b>TOTAL</b>	<b>2,886</b>	<b>3,300</b>

## 15 Taxes

Major components of tax expense	Group		Parent company	
	2023	2022	2023	2022
Current tax	-9,942	-6,988	-7,706	-4,929
Deferred tax	138	57	-14	-253
Tax for current year	-9,804	-6,931	-7,720	-5,182
Current tax for previous years	-44	69	-6	73
<b>INCOME TAX EXPENSE</b>	<b>-9,848</b>	<b>-6,862</b>	<b>-7,726</b>	<b>-5,109</b>

For the group, comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance Contracts. See note 49 on restated comparative figures for further information.

In the parent company, other taxes amounts to SEK -20m (-180) and includes deferred tax of SEK -14m (-253) and current tax for previous years of SEK -6m (73).

## Relationship between tax expenses and accounting profit

	Group		Parent company	
	2023	2022	2022	2022
Net profit	38,116	26,877	32,548	27,329
Income tax expense	9,848	6,862	7,726	5,109
<b>Accounting profit before tax</b>	<b>47,963</b>	<b>33,739</b>	<b>40,274</b>	<b>32,438</b>
Current tax at Swedish statutory rate of 20.6 per cent	-9,880	-6,950	-8,296	-6,682
Tax effect relating to other tax rates in other jurisdictions	235	365		
Tax effect relating to not tax deductible expenses	-694	-889	-665	-1,724
Tax effect relating to non-taxable income	712	544	1,255	3,263
Tax effect relating to a previously recognised tax loss, tax credit or temporary difference	-354	-133		214
Tax effect relating to a previously unrecognised tax loss, tax credit or temporary difference	19	75		
<b>Current tax</b>	<b>-9,942</b>	<b>-6,988</b>	<b>-7,706</b>	<b>-4,929</b>
Tax effect relating to origin and reversal of tax losses, tax credits and temporary differences	334	133		-214
Tax effect relating to changes in tax rates or the imposition of new taxes	0			
Tax effect relating to a previously unrecognised tax loss, tax credit or temporary difference	-196	-77	-14	-39
<b>Deferred tax</b>	<b>138</b>	<b>57</b>	<b>-14</b>	<b>-253</b>
Current tax for previous years	-44	69	-6	73
<b>INCOME TAX EXPENSE<sup>1)</sup></b>	<b>-9,848</b>	<b>-6,862</b>	<b>-7,726</b>	<b>-5,109</b>

1) Total income tax expense in the SEB Group was SEK 9,848m (6,862). The effective tax rate for the year was 20.5 per cent (20.3). Excluding items affecting comparability, the effective tax rate was 20.5 per cent (19.5).

## Deferred tax income and expense recognised in income statement

Accelerated tax depreciation	301	117		
Pension plan assets, net	-48	123		
Tax losses carry forwards	-17	10		
Other temporary differences	-98	-193	-14	-253
<b>TOTAL</b>	<b>138</b>	<b>57</b>	<b>-14</b>	<b>-253</b>

## Current tax assets

Other	15,336	16,312	625	1,637
<b>Recognised in income statement</b>	<b>15,336</b>	<b>16,312</b>	<b>625</b>	<b>1,637</b>
<b>TOTAL</b>	<b>15,336</b>	<b>16,312</b>	<b>625</b>	<b>1,637</b>

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)
*Note 15 continued Taxes*
**Deferred tax assets**

	Group		Parent company	
	2023	2022	2023	2022
Tax losses carry forwards		17		
Pension plan assets, net	2	2		
Other temporary differences <sup>1)</sup>	384	390	-131	-145
<b>Recognised in income statement</b>	<b>386</b>	<b>409</b>	<b>-131</b>	<b>-145</b>
<b>TOTAL</b>	<b>386</b>	<b>409</b>	<b>-131</b>	<b>-145</b>

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 28,267m (15,374) gross, whereof SEK 28,185m is related to DSK Deutsch-Skandinavische Verwaltungs GmbH in Germany. 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 8,442m (4,365).

All losses carried forward recognised and unrecognised are without time restrictions, however all losses carried forward but SEK 82m (50) have conditions that there are no change of control.

**Current tax liabilities**

	Group		Parent company	
	2023	2022	2023	2022
Other	4,145	2,164	2,183	1,310
<b>Recognised in profit and loss</b>	<b>4,145</b>	<b>2,164</b>	<b>2,183</b>	<b>1,310</b>
<b>TOTAL</b>	<b>4,145</b>	<b>2,164</b>	<b>2,183</b>	<b>1,310</b>

**Deferred tax liabilities**

Accelerated tax depreciation	4,935	5,235		
Pension plan assets and obligations, net	-604	-711		
Other temporary differences <sup>1)</sup>	215	184		
<b>Recognised in profit and loss</b>	<b>4,546</b>	<b>4,708</b>		
Pension plan assets and obligations, net	5,284	5,458		
Unrealised result in cash flow hedges	171	201		
Other			44	56
<b>Recognised in Shareholders' equity</b>	<b>5,455</b>	<b>5,659</b>	<b>44</b>	<b>56</b>
<b>TOTAL</b>	<b>10,001</b>	<b>10,367</b>	<b>44</b>	<b>56</b>

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.

Advance income tax payments on profits in Estonia at a rate of 14 per cent (14) are made quarterly. The income tax paid in advance can be netted against tax payable on dividend distributions, where the tax rate is 20 per cent (20). No

deferred tax liability is recognised related to possible future tax costs on dividends from subsidiary in Estonia. Since 2018 no income tax is paid in Latvia unless profit is distributed. No deferred tax liability is recognised related to possi-

ble future tax costs on dividends from Latvia. The tax rate applicable to dividends in Latvia is 20 per cent (20).

**Pillar Two**

The SEB Group has applied the temporary exception issued by the IASB from the accounting requirements for deferred taxes in IAS 12.

Sweden, where the parent company of the group is incorporated, has enacted the Pillar Two income taxes legislation effective from 1 January 2024. Under the legislation, the parent company will be required to pay top-up tax on profits of its subsidiaries and foreign branches that are taxed at an

effective tax rate of less than 15 per cent. Sweden's implementation of the Pillar Two legislation includes Safe Harbour rules and according to SEB's assessment, the main jurisdiction in which exposure to this tax may exist is Ireland, where a group company likely will be subject to local top-up tax since the statutory tax rate in Ireland is below 15 per cent. As at 31 December 2023, approximately 0.4 per cent of the group's annual profits may be subject to the tax which are currently taxed at the average effective tax rate applicable to those profits of 12.5 per cent.

SEB is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

## 16 Earnings per share

	Group	
	2023	2022
Net profit attributable to shareholders in Skandinaviska Enskilda Banken AB (publ), SEK m	38,116	26,877
Weighted average number of shares outstanding, millions	2,094	2,137
Basic earnings per share, SEK	18.20	12.58
Net profit attributable to shareholders in Skandinaviska Enskilda Banken AB (publ), SEK m	38,116	26,877
Weighted average number of diluted shares, millions	2,110	2,153
Diluted earnings per share, SEK	18.06	12.48

**Dilution**

Weighted average number of shares outstanding, millions	2,094	2,137
Adjustment for diluted weighted average number of additional Class A shares, millions	16	16
Weighted average number of diluted shares, millions	2,110	2,153

Comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance Contracts. See note 49 on restated comparative figures for further information.

## 17 Cash and cash balances at central banks

	Group		Parent company	
	2023	2022	2023	2022
Cash	2,331	2,585	3	2
Cash balances at central banks	310,042	375,381	307,045	354,968

**TOTAL**

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)

## 18 Loans

	Group		Parent company	
	2023		2022	
	2023	2022	2023	2022
Lending	96,700	71,303	29,911	14,114
Collateral margins	793	156	782	58
Reverse repos	199	2,504	199	2,504
<b>Loans to central banks</b>	<b>97,691</b>	<b>73,962</b>	<b>30,891</b>	<b>16,676</b>
Lending	30,125	28,150	56,002	52,583
Collateral margins	52,940	46,715	52,580	46,976
Reverse repos	1,063	2,370	1,063	2,370
<b>Loans to credit institutions</b>	<b>84,128</b>	<b>77,235</b>	<b>109,644</b>	<b>101,928</b>
Lending	1,871,086	1,884,818	1,639,350	1,657,760
Collateral margins	66,840	74,494	67,569	75,001
Reverse repos	163,254	105,960	164,064	106,427
<b>Loans to the public</b>	<b>2,101,181</b>	<b>2,065,271</b>	<b>1,870,983</b>	<b>1,839,188</b>
<b>TOTAL</b>	<b>2,283,000</b>	<b>2,216,468</b>	<b>2,011,519</b>	<b>1,957,792</b>

### Loans by measurement category

2023	Group				Parent company			
	FVHFT	FVMPL	AmC	Total	FVHFT	FVMPL	AmC	Total
Loans to central banks	199		97,493	<b>97,691</b>	199		30,693	<b>30,891</b>
Loans to credit institutions	1,063		83,066	<b>84,128</b>	1,063		108,581	<b>109,644</b>
Loans to the public	163,254	2,052	1,935,874	<b>2,101,181</b>	164,064	2,052	1,704,867	<b>1,870,983</b>
<b>TOTAL</b>	<b>164,516</b>	<b>2,052</b>	<b>2,116,432</b>	<b>2,283,000</b>	<b>165,326</b>	<b>2,052</b>	<b>1,844,141</b>	<b>2,011,519</b>
<b>2022</b>								
Loans to central banks	2,504		71,459	<b>73,962</b>	2,504		14,172	<b>16,676</b>
Loans to credit institutions	2,370		74,865	<b>77,235</b>	2,370		99,558	<b>101,928</b>
Loans to the public	105,960	1,429	1,957,882	<b>2,065,271</b>	106,427	1,429	1,731,332	<b>1,839,188</b>
<b>TOTAL</b>	<b>110,833</b>	<b>1,429</b>	<b>2,104,206</b>	<b>2,216,468</b>	<b>111,301</b>	<b>1,429</b>	<b>1,845,062</b>	<b>1,957,792</b>

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)
*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, 2023**

	Gross carrying amounts/ Nominal amounts	ECL allowances	Carrying amounts/ Net amounts	ECL coverage ratio, %
<b>Stage 1 (12-month ECL)</b>				
Debt securities	12,207	-0	12,206	
Loans <sup>1)</sup>	1,959,910	-1,567	1,958,344	
Financial assets	1,972,117	-1,567	1,970,550	
Financial guarantees and Loan commitments	895,656	-347	895,309	
<b>Total</b>	<b>2,867,773</b>	<b>-1,914</b>	<b>2,865,859</b>	<b>0.07</b>
<b>Stage 2 (lifetime ECL)<sup>2)</sup></b>				
Loans <sup>1)</sup>	76,363	-2,035	74,327	
Financial assets	76,363	-2,035	74,327	
Financial guarantees and Loan commitments	15,052	-420	14,632	
<b>Total</b>	<b>91,414</b>	<b>-2,455</b>	<b>88,959</b>	<b>2.69</b>
<b>Stage 3 (credit impaired/lifetime ECL)<sup>3)</sup></b>				
Loans <sup>1)</sup>	7,588	-3,458	4,130	
Financial assets	7,588	-3,458	4,130	
Financial guarantees and Loan commitments	1,436	-172	1,264	
<b>Total</b>	<b>9,023</b>	<b>-3,629</b>	<b>5,394</b>	<b>40.22</b>
<b>Total Stage 1–3</b>				
Debt securities	12,207	-0	12,206	
Loans <sup>1)</sup>	2,043,860	-7,060	2,036,801	
Financial assets	2,056,067	-7,060	2,049,007	
Financial guarantees and Loan commitments	912,144	-939	911,205	
<b>TOTAL</b>	<b>2,968,211</b>	<b>-7,999</b>	<b>2,960,212</b>	<b>0.27</b>

1) Including trade and client receivables presented as other assets.

2) Whereof gross carrying amounts SEK 1,165m and ECL allowances SEK 3m under Lifetime ECLs -simplified approach for trade receivables.

3) Whereof gross carrying amounts SEK 916m and ECL allowances SEK 722m for Purchased or Originated Credit Impaired loans.

Stage 3 loans / Total loans – gross, %	0.37
Stage 3 loans / Total loans – net, %	0.20

**Group, 2022**

	Gross carrying amounts/ Nominal amounts	ECL allowances	Carrying amounts/ Net amounts	ECL coverage ratio, %
<b>Stage 1 (12-month ECL)</b>				
Debt securities	8,866	0	8,866	
Loans <sup>1)</sup>	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	
<b>Total</b>	<b>2,854,107</b>	<b>-2,835</b>	<b>2,851,272</b>	<b>0.10</b>
<b>Stage 2 (lifetime ECL)<sup>2)</sup></b>				
Loans <sup>1)</sup>	69,372	-1,503	67,869	
Financial assets	69,372	-1,503	67,869	
Financial guarantees and Loan commitments	15,136	-162	14,974	
<b>Total</b>	<b>84,508</b>	<b>-1,665</b>	<b>82,843</b>	<b>1.97</b>
<b>Stage 3 (credit impaired/lifetime ECL)<sup>3)</sup></b>				
Loans <sup>1)</sup>	6,846	-3,911	2,934	
Financial assets	6,846	-3,911	2,934	
Financial guarantees and Loan commitments	422	-201	221	
<b>Total</b>	<b>7,268</b>	<b>-4,112</b>	<b>3,155</b>	<b>56.58</b>
<b>Total Stage 1–3</b>				
Debt securities	8,866	0	8,866	
Loans <sup>1)</sup>	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	
<b>TOTAL</b>	<b>2,945,883</b>	<b>-8,613</b>	<b>2,937,270</b>	<b>0.29</b>

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

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)
*Note 18 continued Loans*
**Parent company, 2023**

Stage 1 (12-month ECL)	Gross carrying amounts/ Nominal amounts	ECL allowances	Carrying amounts/ Net amounts	ECL coverage ratio, %
Debt securities	12,207	0	12,206	
Loans <sup>1)</sup>	1,726,110	-1,307	1,724,803	
Financial assets	1,738,316	-1,307	1,737,009	
Financial guarantees and Loan commitments	810,789	-276	810,513	
<b>Total</b>	<b>2,549,105</b>	<b>-1,583</b>	<b>2,547,522</b>	<b>0.06</b>
<b>Stage 2 (lifetime ECL)<sup>2)</sup></b>				
Loans <sup>1)</sup>	63,508	-1,512	61,996	
Financial assets	63,508	-1,512	61,996	
Financial guarantees and Loan commitments	11,623	-342	11,281	
<b>Total</b>	<b>75,131</b>	<b>-1,854</b>	<b>73,277</b>	<b>2.47</b>
<b>Stage 3 (credit impaired/lifetime ECL)<sup>3)</sup></b>				
Loans <sup>1)</sup>	6,566	-2,926	3,640	
Financial assets	6,566	-2,926	3,640	
Financial guarantees and Loan commitments	1,412	-168	1,245	
<b>Total</b>	<b>7,978</b>	<b>-3,093</b>	<b>4,885</b>	<b>38.77</b>
<b>Total Stage 1–3</b>				
Debt securities	12,207	0	12,206	
Loans <sup>1)</sup>	1,796,184	-5,745	1,790,439	
Financial assets	1,808,390	-5,745	1,802,645	
Financial guarantees and Loan commitments	823,824	-786	823,038	
<b>TOTAL</b>	<b>2,632,214</b>	<b>-6,531</b>	<b>2,625,683</b>	<b>0.25</b>

1) Including trade and client receivables presented as other assets.

2) Whereof gross carrying amounts SEK 1,097m and ECL allowances SEK 4m under Lifetime ECLs -simplified approach for trade receivables.

3) Whereof gross carrying amounts SEK 916m and ECL allowances SEK 722m for Purchased or originated credit impaired loans.

Stage 3 loans / Total loans, gross, %	0.37
Stage 3 loans / Total loans, net, %	0.20

**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 <sup>1)</sup>	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	
<b>Total</b>	<b>2,585,020</b>	<b>-2,304</b>	<b>2,582,717</b>	<b>0.09</b>
<b>Stage 2 (lifetime ECL)<sup>2)</sup></b>				
Loans <sup>1)</sup>	66,018	-1,168	64,850	
Financial assets	66,018	-1,168	64,850	
Financial guarantees and Loan commitments	12,152	-150	12,002	
<b>Total</b>	<b>78,170</b>	<b>-1,318</b>	<b>76,852</b>	<b>1.69</b>
<b>Stage 3 (credit impaired/lifetime ECL)<sup>3)</sup></b>				
Loans <sup>1)</sup>	5,325	-3,236	2,090	
Financial assets	5,325	-3,236	2,090	
Financial guarantees and Loan commitments	408	-197	211	
<b>Total</b>	<b>5,733</b>	<b>-3,433</b>	<b>2,301</b>	<b>59.87</b>
<b>Total Stage 1–3</b>				
Debt securities	10,070	0	10,070	
Loans <sup>1)</sup>	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	
<b>TOTAL</b>	<b>2,668,924</b>	<b>-7,055</b>	<b>2,661,869</b>	<b>0.26</b>

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 SEK 1,481m for Purchased or originated credit impaired loans.

Stage 3 loans / Total loans, gross, %	0.29
Stage 3 loans / Total loans, net, %	0.11

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)
*Note 18 continued Loans*

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, 2023	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	Total
<b>Banks</b>	<b>95,050</b>	<b>1,254</b>	<b>12</b>	<b>96,315</b>	<b>-4</b>	<b>-2</b>	<b>-2</b>	<b>-7</b>	<b>96,308</b>	
Finance and insurance	194,690	1,574	221	196,485	-72	-25	-159	-255	196,229	
Wholesale and retail	78,620	3,606	582	82,808	-105	-122	-206	-433	82,375	
Transportation	28,779	1,372	126	30,277	-35	-26	-22	-83	30,194	
Shipping	49,289	1,454	108	50,851	-12	-9	-100	-121	50,730	
Business and household services	190,895	9,116	2,724	202,735	-272	-493	-883	-1,648	201,087	
Construction	16,544	1,004	87	17,635	-28	-33	-24	-85	17,550	
Manufacturing	106,060	5,509	1,299	112,868	-107	-193	-1,123	-1,422	111,446	
Agriculture, forestry and fishing	34,003	1,092	139	35,234	-19	-10	-29	-59	35,175	
Mining, oil and gas extraction	4,374	837	0	5,212	-6	-101	0	-108	5,104	
Electricity, gas and water supply	91,242	954	253	92,449	-39	-37	-122	-198	92,251	
Other	23,058	1,897	70	25,025	-38	-25	-10	-73	24,952	
<b>Corporates</b>	<b>817,553</b>	<b>28,415</b>	<b>5,609</b>	<b>851,578</b>	<b>-733</b>	<b>-1,074</b>	<b>-2,679</b>	<b>-4,486</b>	<b>847,092</b>	
Commercial real estate management	181,135	4,229	110	185,475	-372	-99	-21	-492	184,983	
Residential real estate management	130,487	7,446	226	138,158	-143	-276	-62	-481	137,677	
<b>Real Estate Management</b>	<b>311,622</b>	<b>11,675</b>	<b>336</b>	<b>323,633</b>	<b>-514</b>	<b>-376</b>	<b>-84</b>	<b>-974</b>	<b>322,659</b>	
<b>Housing co-operative associations</b>	<b>59,239</b>	<b>4,213</b>	<b>56</b>	<b>63,508</b>	<b>-2</b>	<b>0</b>	<b>-8</b>	<b>-10</b>	<b>63,498</b>	
<b>Public Administration</b>	<b>24,897</b>	<b>348</b>	<b>0</b>	<b>25,245</b>	<b>-2</b>	<b>-1</b>	<b>0</b>	<b>-3</b>	<b>25,242</b>	
Household mortgages	608,438	27,081	705	636,224	-62	-293	-223	-578	635,646	
Other	43,112	3,376	869	47,357	-250	-291	-461	-1,002	46,355	
<b>Households</b>	<b>651,550</b>	<b>30,457</b>	<b>1,574</b>	<b>683,580</b>	<b>-311</b>	<b>-583</b>	<b>-685</b>	<b>-1,579</b>	<b>682,001</b>	
<b>TOTAL</b>	<b>1,959,910</b>	<b>76,363</b>	<b>7,588</b>	<b>2,043,860</b>	<b>-1,567</b>	<b>-2,035</b>	<b>-3,458</b>	<b>-7,060</b>	<b>2,036,801</b>	

Including trade and client receivables presented as other assets.

## Financial statements

Note 18 continued Loans

SEB Group

Parent company

## Notes to the financial statements

## Five-year summary

## Proposal for the distribution of profit

Signatures of the Board of Directors  
and the President

## Auditor's report

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			
<b>Banks</b>	<b>136,927</b>	<b>1,228</b>	<b>24</b>	<b>138,178</b>	<b>-8</b>	<b>-3</b>	<b>-5</b>	<b>-15</b>	<b>138,163</b>		
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		
<b>Corporates</b>	<b>797,578</b>	<b>31,400</b>	<b>5,074</b>	<b>834,052</b>	<b>-1,261</b>	<b>-906</b>	<b>-3,143</b>	<b>-5,309</b>	<b>828,743</b>		
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		
<b>Real Estate Management</b>	<b>313,822</b>	<b>4,458</b>	<b>159</b>	<b>318,439</b>	<b>-476</b>	<b>-85</b>	<b>-39</b>	<b>-600</b>	<b>317,838</b>		
<b>Housing co-operative associations</b>	<b>62,250</b>	<b>5,702</b>	<b>2</b>	<b>67,955</b>	<b>-2</b>	<b>0</b>	<b>0</b>	<b>-3</b>	<b>67,952</b>		
<b>Public Administration</b>	<b>19,122</b>	<b>282</b>	<b>5</b>	<b>19,408</b>	<b>-2</b>	<b>-1</b>	<b>-2</b>	<b>-6</b>	<b>19,403</b>		
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		
<b>Households</b>	<b>652,404</b>	<b>26,303</b>	<b>1,582</b>	<b>680,289</b>	<b>-453</b>	<b>-508</b>	<b>-723</b>	<b>-1,683</b>	<b>678,606</b>		
<b>TOTAL</b>	<b>1,982,103</b>	<b>69,372</b>	<b>6,846</b>	<b>2,058,321</b>	<b>-2,202</b>	<b>-1,503</b>	<b>-3,911</b>	<b>-7,616</b>	<b>2,050,705</b>		

Including trade and client receivables presented as other assets.

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)
*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.

<b>Group, 2023</b>	Gross carrying amounts	ECL allowances	Carrying amounts	Collaterals received
Banks	12	-2	10	0
Corporates	5,609	-2,679	2,930	2,510
Real Estate Management	336	-84	253	400
Household co-operative associations	56	-8	48	0
Public Administration	0	0	0	0
Households	1,574	-685	889	648
<b>TOTAL</b>	<b>7,588</b>	<b>-3,458</b>	<b>4,130</b>	<b>3,558</b>
<b>Group, 2022</b>				
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
<b>TOTAL</b>	<b>6,846</b>	<b>-3,911</b>	<b>2,935</b>	<b>2,519</b>

**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.

<b>Group, 2023</b>	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (credit impaired/ lifetime ECL) <sup>1)</sup>	Total
Investment grade	2,116,546	11,186	2,127,733	
Standard monitoring	744,572	54,067	798,640	
Watch list	6,654	26,161	32,815	
Default			9,023	9,023
<b>TOTAL</b>	<b>2,867,773</b>	<b>91,414</b>	<b>9,023</b>	<b>2,968,211</b>
<b>Group, 2022</b>				
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
<b>TOTAL</b>	<b>2,854,107</b>	<b>84,508</b>	<b>7,268</b>	<b>2,945,883</b>

1) Whereof gross carrying amounts SEK 916m (1,769) and ECL allowances SEK 722m (1,481) 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).

<b>2023</b>	<b>Group</b>				<b>Parent company</b>				
	<b>Loans and Debt securities</b>	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (credit impaired/ lifetime ECL)	Total	<b>Stage 1 (12-month ECL)</b>	Stage 2 (lifetime ECL)	Stage 3 (credit impaired/ lifetime ECL)	Total
Opening balance		2,202	1,503	3,911	<b>7,616</b>	1,792	1,168	3,236	<b>6,196</b>
New and derecognised financial assets, net		207	-258	-224	<b>-275</b>	215	-267	-209	<b>-261</b>
Changes due to change in credit risk		-808	751	1,274	<b>1,217</b>	-695	589	1,284	<b>1,178</b>
Changes due to modifications		2	28	0	<b>29</b>	0	25	0	<b>25</b>
Changes due to methodology change		-39	19	67	<b>48</b>	0	1	10	<b>11</b>
Decreases in ECL allowances due to write-offs				-1,580	<b>-1,580</b>	0	0	-1,404	<b>-1,404</b>
Change in exchange rates		3	-8	-1,580	<b>9</b>	-1	0	8	<b>8</b>
<b>TOTAL</b>		<b>1,567</b>	<b>2,035</b>	<b>3,458</b>	<b>7,060</b>	<b>1,311</b>	<b>1,516</b>	<b>2,926</b>	<b>5,752</b>

**Financial guarantees and Loan commitments**

Opening balance	633	162	201	<b>997</b>	512	150	197	<b>859</b>
New and derecognised financial assets, net	15	-122	-56	<b>-164</b>	9	-112	-52	<b>-156</b>
Changes due to change in credit risk	-300	360	28	<b>89</b>	-246	309	24	<b>87</b>
Changes due to modifications	3	3	3	<b>3</b>	0	3	0	<b>3</b>
Changes due to methodology change	-3	9	-1	<b>5</b>	-1	1	-1	<b>0</b>
Change in exchange rates	3	8	-1	<b>10</b>	3	-8	-1	<b>-6</b>
<b>TOTAL</b>	<b>347</b>	<b>420</b>	<b>172</b>	<b>939</b>	<b>277</b>	<b>342</b>	<b>168</b>	<b>787</b>

**Total Loans, Debt securities, Financial guarantees and Loan commitments**

Opening balance	2,835	1,665	4,112	<b>8,613</b>	2,304	1,318	3,433	<b>7,055</b>
New and derecognised financial assets, net	222	-380	-281	<b>-438</b>	224	-380	-261	<b>-417</b>
Changes due to change in credit risk	-1,108	1,111	1,302	<b>1,305</b>	-942	897	1,308	<b>1,264</b>
Changes due to modifications	2	31	0	<b>32</b>	0	28	0	<b>28</b>
Changes due to methodology change	-43	28	67	<b>52</b>	-1	1	10	<b>10</b>
Decreases in ECL allowances due to write-offs			-1,580	<b>-1,580</b>	0	0	-1,404	<b>-1,404</b>
Change in exchange rates	6	0	8	<b>14</b>	2	-8	7	<b>2</b>
<b>TOTAL</b>	<b>1,914</b>	<b>2,455</b>	<b>3,629</b>	<b>7,999</b>	<b>1,588</b>	<b>1,858</b>	<b>3,093</b>	<b>6,539</b>

[Financial statements](#)

- [SEB Group](#)
- [Parent company](#)
- [Notes to the financial statements](#)
- [Five-year summary](#)
- [Proposal for the distribution of profit](#)
- [Signatures of the Board of Directors and the President](#)
- [Auditor's report](#)

*Note 18 continued Loans*

2022	Group				Parent company			
	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
Loans and Debt securities								
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								
Change in exchange rates	67	77	-2,873	-2,873	40	52	-2,825	-2,825
			495	638			444	535
<b>TOTAL</b>	<b>2,202</b>	<b>1,503</b>	<b>3,911</b>	<b>7,616</b>	<b>1,792</b>	<b>1,168</b>	<b>3,236</b>	<b>6,195</b>
<b>Financial guarantees and Loan commitments</b>								
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	1	1
Change in exchange rates	25	9	9	43	24	8	8	40
<b>TOTAL</b>	<b>633</b>	<b>162</b>	<b>201</b>	<b>997</b>	<b>512</b>	<b>150</b>	<b>197</b>	<b>859</b>
<b>Total Loans, Debt securities, Financial guarantees and Loan commitments</b>								
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								
Change in exchange rates	92	86	-2,873	-2,873	64	59	-2,825	-2,825
			504	681			452	576
<b>TOTAL</b>	<b>2,835</b>	<b>1,665</b>	<b>4,112</b>	<b>8,613</b>	<b>2,304</b>	<b>1,318</b>	<b>3,433</b>	<b>7,055</b>

**Development of exposures and ECL allowances**

In 2023, ECL allowances in Stage 1 decreased due to updates of the macroeconomic scenarios and changes in credit risk. Negative credit risk migration resulted in some volume inflows to Stage 2 and Stage 3 from Stage 1 and Stage 2. The total amount of portfolio model overlays was relatively unchanged. In addition to the inflow, Stage 3 exposures and ECL allowances were also impacted by write-offs against reserves. For the full year, changes in foreign currency rates had minor effects, although development of foreign currencies had significant impact on exposures and ECL allowances within the year.

**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 deter-

mined 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 2023, the scenarios were reviewed and updated quarterly to reflect the changing economic outlook and uncertainty posed by the development of inflation and interest rates. No changes have been made to the method used for incorporating forward-looking information in the modelling.

The base scenario as per the fourth quarter 2023, main-

tains the assumption that a deep economic slump can be avoided although there is a clear slowdown in OECD countries. High interest rates and inflation continues to weigh on consumption and housing construction. Household and business confidence is low, but labour markets have remained strong in many countries and energy prices have fallen. Central banks are expected to refrain from new rate hikes and instead increase their preparedness for monetary easing in 2024, despite underlying inflation remaining above target.

Base case scenario assumptions	2024	2025	2026
Global GDP growth	2.8%	3.2%	3.4%
OECD GDP growth	1.2%	2.0%	2.3%
Sweden			
GDP growth	-0.4%	2.5%	2.7%
Household consumption expenditure growth	1.4%	2.7%	2.8%
Interest rate (STIBOR)	3.50%	2.55%	2.55%
Residential real estate price growth	-7.0%	2.0%	2.5%
Baltic countries			
GDP growth	0.4% – 2.2%	2.7% – 3.5%	2.5% – 3.0%
Household consumption expenditure growth	0.7% – 2.8%	2.2% – 3.5%	3.0%
Inflation rate	2.4% – 4.5%	2.0% – 2.6%	2.3% – 2.5%
Nominal wage growth	6.5% – 8.5%	6.0% – 7.0%	5.0% – 6.0%
Unemployment rate	6.6% – 7.5%	6.4% – 6.8%	5.7% – 6.5%

The negative scenario reflects the downside risk from the monetary policy, especially considering the lengthy time lag before rate hikes have an impact on the economy, and a continued increase in geopolitical risks. The potential for more favourable economic performance in the positive scenario lies mainly in inflation falling faster than according to the current consensus and our main forecast. A further description of the scenarios is available in the Nordic Outlook update published in November 2023.

In the estimation of ECL allowances as of 31 December 2023, the probabilities of the three scenarios were 65 per cent (60 per cent as of year-end 2022) for the base scenario, 15 per cent (15) for the positive scenario and 20 per cent (25) for the negative scenario.

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

[Financial statements](#)

- [SEB Group](#)
- [Parent company](#)
- [Notes to the financial statements](#)
- [Five-year summary](#)
- [Proposal for the distribution of profit](#)
- [Signatures of the Board of Directors and the President](#)
- [Auditor's report](#)

*Note 18 continued Loans*
**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 4 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	8,463	6%
	Positive scenario	7,679	-4%
Large Corporates & Financial Institutions	Negative scenario	4,518	4%
	Positive scenario	4,229	-3%
Corporates & Private Customers	Negative scenario	2,670	9%
	Positive scenario	2,308	-6%
Private Wealth Management & Family Office	Negative scenario	158	11%
	Positive scenario	131	-8%
Baltic	Negative scenario	1,112	6%
	Positive scenario	1,009	-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, portfolio model overlays for real estate and consumer loans were increased while portfolio model overlays for geopolitical risks were reduced, resulting in more or less unchanged portfolio model overlays as of 31 December 2023, compared to 31 December 2022.

The total portfolio model overlays amounted to SEK 2.3bn,

reflecting the risks in general 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 interest rate and capital market environments. SEK 0.8bn of the total model overlays relates to the Large Corporates & Financial Institutions division, SEK 1.0bn to the Corporate & Private Customers division, SEK 0.5bn to the Baltic division and SEK 0.1bn to 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, 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 credit risk (SICR) trigger**

The sensitivity of ECL to changes in the quantitative triggering approach is analysed regularly, including tests of the following alternative triggers:

- recognising as Stage 2 SICR all exposures that have a worsened risk grade of 1 notch or more;

– reduction of Stage 2 SICR triggering thresholds to 30bp increase in annualised lifetime PD.

Total ECL as of 31 December 2023 would increase by 2.9 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 at 31 December 2023 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	
	2023	2022	2023	2022
≤ 30 days	8,429	7,439	6,585	6,146
>30 ≤ 90 days	2,577	1,262	2,369	1,057
> 90 days	1,307	1,103	954	708
<b>TOTAL</b>	<b>12,314</b>	<b>9,803</b>	<b>9,909</b>	<b>7,910</b>

**Forborne loans**

Total forborne loans of which performing <sup>1)</sup>	12,260	8,014	8,220	5,338
	8,573	3,938	4,972	1,890

1) According to EBA definition.

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)

## 19 Debt securities

**Group, 2023**

	Swedish government	Swedish municipalities	Swedish mortgage institutions	Other Swedish issuers	Foreign government	Other foreign issuers	Total
<b>Debt securities by issuers</b>							
Eligible debt securities <sup>1)</sup>							
Held for trading	14,746	277	2,419	74,992	5,775	2,158	<b>22,957</b>
Fair value through profit or loss mandatorily	1,459	997	5,751		14,735	5,861	<b>100,462</b>
Fair value through profit or loss designated	1,310				437	26	<b>7,524</b>
<b>Total</b>	<b>17,516</b>	<b>1,274</b>	<b>8,170</b>	<b>74,992</b>	<b>20,947</b>	<b>8,045</b>	<b>130,943</b>
Other debt securities							
Held for trading			33,591	6,819			
Fair value through profit or loss mandatorily			16,517	10,652	1,644	22,521	<b>62,932</b>
Fair value through profit or loss designated			93	222		29,504	<b>58,317</b>
Amortised cost	55					130	<b>501</b>
<b>Total</b>	<b>55</b>		<b>50,202</b>	<b>17,694</b>	<b>1,644</b>	<b>64,354</b>	<b>133,948</b>
Accrued interest							
<b>TOTAL</b>	<b>17,571</b>	<b>1,274</b>	<b>58,371</b>	<b>92,685</b>	<b>22,591</b>	<b>72,399</b>	<b>266,252</b>
<b>Group, 2022</b>							
Eligible debt securities <sup>1)</sup>							
Held for trading	21,852	151			6,022	4,944	<b>32,969</b>
Fair value through profit or loss mandatorily	2,949	2,098	2,316	34,380	19,634	4,494	<b>65,870</b>
Fair value through profit or loss designated	1,256		5,135		406	24	<b>6,821</b>
<b>Total</b>	<b>26,057</b>	<b>2,248</b>	<b>7,451</b>	<b>34,380</b>	<b>26,062</b>	<b>9,462</b>	<b>105,660</b>
Other debt securities							
Held for trading			29,644	16,433	5	31,127	<b>77,209</b>
Fair value through profit or loss mandatorily	100		11,531	10,349	1,042	36,379	<b>59,403</b>
Fair value through profit or loss designated	49		55	147		109	<b>359</b>
Amortised cost						8,862	<b>8,862</b>
<b>Total</b>	<b>149</b>		<b>41,230</b>	<b>26,929</b>	<b>1,048</b>	<b>76,477</b>	<b>145,833</b>
Accrued interest							
<b>TOTAL</b>	<b>26,206</b>	<b>2,248</b>	<b>48,681</b>	<b>61,309</b>	<b>27,109</b>	<b>85,939</b>	<b>252,496</b>

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.

Comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance Contracts. See note 49 on restated comparative figures for further information.

**Parent company, 2023**

	Swedish government	Swedish municipalities	Swedish mortgage institutions	Other Swedish issuers	Foreign government	Other foreign issuers	Total
<b>Debt securities by issuers</b>							
Eligible debt securities <sup>1)</sup>							
Held for trading	14,746	277					<b>5,588</b>
Fair value through profit or loss mandatorily	47	997					<b>2,158</b>
							<b>22,769</b>
<b>Total</b>	<b>14,793</b>	<b>1,274</b>					<b>11,405</b>
Other debt securities							
Held for trading							<b>33,591</b>
Fair value through profit or loss mandatorily							<b>15,406</b>
Amortised cost							<b>0</b>
<b>Total</b>							<b>64,219</b>
Accrued interest							<b>1,196</b>
<b>TOTAL</b>	<b>14,793</b>	<b>1,274</b>					<b>242,173</b>

**Parent company, 2022**

	Swedish government	Swedish municipalities	Swedish mortgage institutions	Other Swedish issuers	Foreign government	Other foreign issuers	Total
<b>Eligible debt securities<sup>1)</sup></b>							
Held for trading	21,852	151					<b>6,015</b>
Fair value through profit or loss mandatorily	1,793	2,098					<b>4,944</b>
							<b>32,962</b>
<b>Total</b>	<b>23,645</b>	<b>2,248</b>					<b>9,433</b>
Other debt securities							
Held for trading							<b>29,644</b>
Fair value through profit or loss mandatorily							<b>10,516</b>
Amortised cost							<b>1,204</b>
<b>Total</b>							<b>40,160</b>
Accrued interest							<b>915</b>
<b>TOTAL</b>	<b>23,645</b>	<b>2,248</b>					<b>85,778</b>

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	
	2023	2022	2023	2022
Fair value through profit or loss held for trading				
Fair value through profit or loss mandatorily	64,295	39,657	64,295	39,657
	28,412	29,121	5,443	4,988
<b>TOTAL</b>	<b>92,707</b>	<b>68,779</b>	<b>69,738</b>	<b>44,645</b>

For the group, comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance Contracts. See note 49 on restated comparative figures for further information.

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)

## 21 Derivatives and hedge accounting

Derivatives	Group		Parent company	
	2023		2022	
	2023	2022	2023	2022
Interest-related	99,957	105,539	98,327	96,979
Currency-related	58,735	48,646	58,076	48,727
Equity-related	2,732	3,150	2,710	3,150
Other	21,655	30,288	21,693	30,288
<b>Positive replacement values</b>	<b>183,080</b>	<b>187,622</b>	<b>180,806</b>	<b>179,144</b>
Interest-related	99,912	122,258	98,131	114,070
Currency-related	76,323	62,409	76,752	62,483
Equity-related	7,411	9,356	7,411	9,356
Other	20,530	44,025	20,743	44,025
<b>Negative replacement values</b>	<b>204,176</b>	<b>238,048</b>	<b>203,037</b>	<b>229,933</b>

Group, 2023	Positive replacement values		Negative replacement values	
	Nominal amount	Book value	Nominal amount	Book value
Options	153,087	2,120	175,539	1,745
Futures	944,776	154	1,079,153	131
Swaps	8,963,561	97,684	9,050,417	98,035
<b>Interest-related of which exchange traded</b>	<b>10,061,425</b>	<b>99,957</b>	<b>10,305,109</b>	<b>99,912</b>
	<i>143,502</i>	<i>66</i>	<i>110,551</i>	<i>18</i>
Options	145,360	2,160	144,969	2,357
Futures	391,330	10,282	572,699	14,410
Swaps	2,196,994	46,293	2,380,591	59,557
<b>Currency-related of which exchange traded</b>	<b>2,733,684</b>	<b>58,735</b>	<b>3,098,259</b>	<b>76,323</b>
	<i>49</i>	<i>1</i>	<i>54</i>	
Options	9,671	1,267	8,482	2,502
Futures	9,762	132	2,815	90
Swaps	31,689	1,334	47,711	4,819
<b>Equity-related of which exchange traded</b>	<b>51,122</b>	<b>2,732</b>	<b>59,009</b>	<b>7,411</b>
	<i>15,090</i>	<i>753</i>	<i>7,058</i>	<i>1,874</i>
Options	51,091	5,767	53,774	5,244
Futures	90,965	15,393	93,654	15,067
Swaps	3,510	495	5,775	219
<b>Other of which exchange traded</b>	<b>145,566</b>	<b>21,655</b>	<b>153,203</b>	<b>20,530</b>
	<i>19,312</i>	<i>635</i>	<i>22,148</i>	<i>1,087</i>
<b>TOTAL</b>	<b>12,991,798</b>	<b>183,080</b>	<b>13,615,580</b>	<b>204,176</b>
<i>of which exchange traded</i>	<i>177,953</i>	<i>1,454</i>	<i>139,758</i>	<i>3,032</i>

Group, 2022	Positive replacement values		Negative replacement values	
	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
<b>Interest-related of which exchange traded</b>	<b>11,089,166</b>	<b>105,539</b>	<b>10,875,926</b>	<b>122,258</b>
	<i>137,823</i>	<i>86</i>	<i>156,395</i>	<i>80</i>
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
<b>Currency-related of which exchange traded</b>	<b>2,912,851</b>	<b>48,646</b>	<b>3,094,830</b>	<b>62,409</b>
	<i>2</i>	<i>36</i>		
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
<b>Equity-related of which exchange traded</b>	<b>64,503</b>	<b>3,150</b>	<b>61,004</b>	<b>9,356</b>
	<i>27,080</i>	<i>992</i>	<i>20,225</i>	<i>3,355</i>
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
<b>Other of which exchange traded</b>	<b>11,957</b>	<b>30,288</b>	<b>28,476</b>	<b>44,025</b>
	<i>1</i>	<i>757</i>	<i>1</i>	<i>596</i>
<b>TOTAL</b>	<b>14,078,477</b>	<b>187,622</b>	<b>14,060,235</b>	<b>238,048</b>
<i>of which exchange traded</i>	<i>164,904</i>	<i>1,837</i>	<i>176,621</i>	<i>4,067</i>

## Financial statements

### *Note 21 continued Derivatives and hedge accounting*

Parent company, 2023	Positive replacement values		Negative replacement values	
	Nominal amount	Book value	Nominal amount	Book value
Options	153,576	2,152	179,838	1,820
Futures	944,900	154	1,079,153	131
Swaps	8,945,187	96,021	9,037,345	96,179
<b>Interest-related</b> <i>of which exchange traded</i>	<b>10,043,663</b>	<b>98,327</b>	<b>10,296,337</b>	<b>98,131</b>
	143,502	66	110,551	18
Options	145,190	2,130	144,924	2,338
Futures	390,074	9,491	573,221	14,496
Swaps	2,205,237	46,455	2,386,328	59,917
<b>Currency-related</b> <i>of which exchange traded</i>	<b>2,740,502</b>	<b>58,076</b>	<b>3,104,473</b>	<b>76,752</b>
	49	1	53	54
Options	9,671	1,245	8,482	2,502
Futures	9,762	132	2,815	90
Swaps	31,689	1,334	47,711	4,819
<b>Equity-related</b> <i>of which exchange traded</i>	<b>51,122</b>	<b>2,710</b>	<b>59,009</b>	<b>7,411</b>
	15,090	753	7,058	1,874
Options	51,091	5,767	53,774	5,244
Futures	90,965	15,393	93,654	15,067
Swaps	6,294	533	6,599	432
<b>Other</b> <i>of which exchange traded</i>	<b>148,350</b>	<b>21,693</b>	<b>154,028</b>	<b>20,743</b>
	19,312	635	22,148	1,087
<b>TOTAL</b>	<b>12,983,637</b>	<b>180,806</b>	<b>13,613,847</b>	<b>203,037</b>
<i>of which exchange traded</i>	177,953	1,454	139,811	3,032

	Positive replacement values		Negative replacement values	
	Nominal amount	Book value	Nominal amount	Book value
<b>Parent company, 2022</b>				
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
<b>Interest-related</b> <i>of which exchange traded</i>	<b>11,032,913</b>	<b>96,979</b>	<b>10,788,926</b>	<b>114,070</b>
	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
<b>Currency-related</b> <i>of which exchange traded</i>	<b>2,924,938</b>	<b>48,727</b>	<b>3,101,895</b>	<b>62,483</b>
	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
<b>Equity-related</b> <i>of which exchange traded</i>	<b>64,503</b>	<b>3,150</b>	<b>61,004</b>	<b>9,356</b>
	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
<b>Other</b> <i>of which exchange traded</i>	<b>11,957</b>	<b>30,288</b>	<b>28,476</b>	<b>44,025</b>
	1	757	1	596
<b>TOTAL</b>	<b>14,034,311</b>	<b>179,144</b>	<b>13,980,300</b>	<b>229,933</b>
<i>of which exchange traded</i>	27,148	1,751	20,226	3,988

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)
*Note 21 continued Derivatives and hedge accounting*

### 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.

**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 reference 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 collateralised 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;*

**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 2024 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 70,013m (60,246) were designated as hedges of net investments in foreign operations. Ineffectiveness in the hedges has been reported in Net financial income (note 6).

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)
*Note 21 continued Derivatives and hedge accounting*
**Hedging instruments**

	Positive replacement values			Negative replacement values		
	Nominal amount	Book value	Change in value	Nominal amount	Book value	Change in value
<b>Group, 2023</b>						
Derivatives	56,680	118	3,919	441,560	558	13,446
<b>Fair value hedges of interest rate risk</b>	<b>56,680</b>	<b>118</b>	<b>3,919</b>	<b>441,560</b>	<b>558</b>	<b>13,446</b>
Derivatives	107,050	17	-3,246	16,500	3	-1,531
<b>Portfolio fair value hedges of interest rate risk</b>	<b>107,050</b>	<b>17</b>	<b>-3,246</b>	<b>16,500</b>	<b>3</b>	<b>-1,531</b>
Derivatives	2,784	38	-56	824	213	-7
<b>Portfolio cash flow hedges of interest rate risk</b>	<b>2,784</b>	<b>38</b>	<b>-56</b>	<b>824</b>	<b>213</b>	<b>-7</b>
<b>TOTAL</b>	<b>166,514</b>	<b>173</b>	<b>617</b>	<b>458,885</b>	<b>774</b>	<b>11,908</b>
<b>Group, 2022</b>						
Derivatives	113,045	86	-4,256	311,512	465	-23,425
<b>Fair value hedges of interest rate risk</b>	<b>113,045</b>	<b>86</b>	<b>-4,256</b>	<b>311,512</b>	<b>465</b>	<b>-23,425</b>
Derivatives	183,850	116	6,656	0	15	34
<b>Portfolio fair value hedges of interest rate risk</b>	<b>183,850</b>	<b>116</b>	<b>6,656</b>	<b>0</b>	<b>15</b>	<b>34</b>
Derivatives	4,739	35	-199	2,312	245	305
<b>Portfolio cash flow hedges of interest rate risk</b>	<b>4,739</b>	<b>35</b>	<b>-199</b>	<b>2,312</b>	<b>245</b>	<b>305</b>
<b>TOTAL</b>	<b>301,634</b>	<b>237</b>	<b>2,200</b>	<b>313,824</b>	<b>726</b>	<b>-23,087</b>

**Fair value hedges of interest rate risk**

	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	Balance sheet	Net other Income		
<b>Group, 2023</b>						
<b>Income Statement</b>						113
Net other Income						
<b>Balance sheet</b>						
Debt securities issued	486,968			-10,689		-17,252
<b>Fair value hedges of interest rate risk</b>	<b>486,968</b>			<b>-10,689</b>		<b>-17,252</b>
<b>Income Statement</b>						47
Net other Income						
<b>Balance sheet</b>						
Loans to the public						
Fair value changes of hedged items in a portfolio hedge				-2,631		4,825
<b>Portfolio fair value hedges of interest rate risk</b>	<b>123,961</b>			<b>-2,631</b>		<b>4,825</b>
<b>TOTAL</b>	<b>610,928</b>			<b>-13,320</b>		<b>-12,427</b>
<b>Group, 2022</b>						
<b>Income Statement</b>						59
Net other Income						
<b>Balance sheet</b>						
Debt securities issued	396,694			-20,839		27,741
<b>Fair value hedges of interest rate risk</b>	<b>396,694</b>			<b>-20,839</b>		<b>27,741</b>
<b>Income Statement</b>						59
Net other Income						
<b>Balance sheet</b>						
Loans to the public						
Fair value changes of hedged items in a portfolio hedge				-7,456		-6,754
<b>Portfolio fair value hedges of interest rate risk</b>	<b>336,950</b>			<b>-7,456</b>		<b>-6,754</b>
<b>TOTAL</b>	<b>733,643</b>			<b>-28,295</b>		<b>20,987</b>

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)

**Signatures of the Board of Directors  
and the President**

**Auditor's report**

*Note 21 continued Derivatives and hedge accounting*
**Portfolio cash flow hedges of interest rate risk**

			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					
<b>Group, 2023</b>										
Income Statement										
Net other Income										
Statement of comprehensive income										
Cash flow hedges										
Balance sheet										
Loans to the public and deposits and borrowing from the public										
Equity										
Cash flow hedges										
<b>TOTAL</b>				<b>61</b>	<b>-61</b>	<b>75</b>	<b>-61</b>	<b>-2</b>		
<b>Group, 2022</b>										
Income Statement										
Net other Income										
Statement of comprehensive income										
Cash flow hedges										
Balance sheet										
Loans to the public and deposits and borrowing from the public										
Equity										
Cash flow hedges										
<b>TOTAL</b>				<b>-102</b>	<b>30</b>	<b>-93</b>	<b>102</b>	<b>3</b>		
<b>Hedging instruments</b>										
<b>Parent company, 2023</b>	<b>Positive replacement values</b>			<b>Negative replacement values</b>			<b>Positive replacement values</b>	<b>Negative replacement values</b>		
	Nominal amount	Book value	Change in value	Nominal amount	Book value	Change in value				
Derivatives	56,680	118	3,919	441,560	558	13,446	<b>Parent company, 2022</b>	<b>Positive replacement values</b>		
<b>Fair value hedges of interest rate risk</b>	<b>56,680</b>	<b>118</b>	<b>3,919</b>	<b>441,560</b>	<b>558</b>	<b>13,446</b>				
Derivatives	107,050	17	-3,246	16,500	3	-1,531	<b>Derivatives</b>	<b>Nominal amount</b>		
<b>Portfolio fair value hedges of interest rate risk</b>	<b>107,050</b>	<b>17</b>	<b>-3,246</b>	<b>16,500</b>	<b>3</b>	<b>-1,531</b>				
Derivatives	2,784	38	-56	824	213	-7	<b>Derivatives</b>	<b>Book value</b>		
<b>Portfolio cash flow hedges of interest rate risk</b>	<b>2,784</b>	<b>38</b>	<b>-56</b>	<b>824</b>	<b>213</b>	<b>-7</b>				
<b>TOTAL</b>	<b>166,514</b>	<b>173</b>	<b>617</b>	<b>458,885</b>	<b>774</b>	<b>11,908</b>	<b>Derivatives</b>	<b>Change in value</b>		
<b>Parent company, 2022</b>										
Derivatives	113,045	86	-4,256	311,512	465	-23,425				
<b>Fair value hedges of interest rate risk</b>	<b>113,045</b>	<b>86</b>	<b>-4,256</b>	<b>311,512</b>	<b>465</b>	<b>-23,425</b>	<b>Derivatives</b>	<b>Nominal amount</b>		
Derivatives	183,850	116	6,656	0	15	34				
<b>Portfolio fair value hedges of interest rate risk</b>	<b>183,850</b>	<b>116</b>	<b>6,656</b>	<b>0</b>	<b>15</b>	<b>34</b>	<b>Derivatives</b>	<b>Book value</b>		
Derivatives	4,739	35	-199	2,312	245	305				
<b>Portfolio cash flow hedges of interest rate risk</b>	<b>4,739</b>	<b>35</b>	<b>-199</b>	<b>2,312</b>	<b>245</b>	<b>305</b>	<b>Derivatives</b>	<b>Change in value</b>		
<b>TOTAL</b>	<b>301,634</b>	<b>237</b>	<b>2,200</b>	<b>313,824</b>	<b>726</b>	<b>-23,087</b>				

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)
*Note 21 continued Derivatives and hedge accounting*
**Fair value hedges of interest rate risk**

		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
<b>Parent company, 2023</b>					
Income Statement					
Net other Income					113
Balance sheet					
Debt securities issued		486,968	-10,689	-17,252	
<b>Fair value hedges of interest rate risk</b>		<b>486,968</b>	<b>-10,689</b>	<b>-17,252</b>	<b>113</b>
Income Statement					
Net other Income					47
Balance sheet					
Loans to the public		123,961	-2,631	4,825	
Fair value changes of hedged items in a portfolio hedge					
<b>Portfolio fair value hedges of interest rate risk</b>		<b>123,961</b>	<b>-2,631</b>	<b>4,825</b>	<b>47</b>
<b>TOTAL</b>		<b>610,928</b>	<b>-13,320</b>	<b>-12,427</b>	<b>161</b>
<b>Parent company, 2022</b>					
Income Statement					
Net other Income					59
Balance sheet					
Debt securities issued		396,694	-20,839	27,741	
<b>Fair value hedges of interest rate risk</b>		<b>396,694</b>	<b>-20,839</b>	<b>27,741</b>	<b>59</b>
Income Statement					
Net other Income					-64
Balance sheet					
Loans to the public		336,950	-7,456	-6,754	
Fair value changes of hedged items in a portfolio hedge					
<b>Portfolio fair value hedges of interest rate risk</b>		<b>336,950</b>	<b>-7,456</b>	<b>-6,754</b>	<b>-64</b>
<b>TOTAL</b>		<b>733,643</b>	<b>-28,295</b>	<b>20,987</b>	<b>-5</b>

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)
*Note 21 continued Derivatives and hedge accounting*
**Portfolio cash flow hedges of interest rate risk**

Parent company, 2023		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						-2	20
Statement of comprehensive income							
Cash flow hedges						-61	
Balance sheet							
Loans to the public and deposits and borrowing from the public			61				
Equity					61	-75	
Cash flow hedges						-61	
<b>TOTAL</b>			<b>61</b>	<b>61</b>	<b>-75</b>	<b>-61</b>	<b>-2</b>
							20

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					30	-93	
Cash flow hedges						-93	
<b>TOTAL</b>			<b>-102</b>	<b>30</b>	<b>-93</b>	<b>102</b>	<b>3</b>
							13

## 22 Investments in subsidiaries, associates and joint ventures

	Group		Parent company		The parent company did a write down of the dormant subsidiary Aktiv Placering AB by SEK 15m during 2023. In addition, following P27's announcement that it had decided to withdraw its clearing license application from the Swedish Financial Supervisory Authority, the parent company recognised an impairment loss of SEK 179m. The parent company also recognised an impairment loss of SEK 125m for Invidem	as it announced that it will be wound down due to reduced economies of scale. Also, in 2023, the book value of SEB Strategic Investments AB was written down by SEK 200m after parent company received a dividend of the same amount. In total, impairment of SEK 519m (6,631) was recognised for shares in subsidiaries, associates and joint ventures.
	2023	2022	2023	2022		
Shares in Swedish subsidiaries			15,476	14,541		
Shares in foreign subsidiaries <sup>1)</sup>	25	25	45,741	46,009		
Investments in associates and joint ventures, strategic investments	939	790	393	616		
Investments in associates, venture capital holdings	608	550	608	550		
<b>TOTAL</b>	<b>1,572</b>	<b>1,365</b>	<b>62,218</b>	<b>61,717</b>		
<i>of which holdings in credit institutions</i>			44,347	44,606		

1) Some dormant subsidiaries in the group are consolidated using the equity method.

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)
*Note 22 continued Investments in subsidiaries, associates and joint ventures*

<b>Swedish subsidiaries</b>	Country	2023			2022		
		Book value	Dividend	Ownership, %	Book value	Dividend	Ownership, %
Aktiv Placering AB, Stockholm	Sweden	23		100	38		100
Försäkringsaktiebolaget Skandinaviska Enskilda Captive, Stockholm	Sweden				146		
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 Asset Management AB, Stockholm	Sweden	500		100			
SEB Asset Management Holding AB, Stockholm	Sweden	650		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	400	100	541		100
SEB Kort Bank AB, Stockholm	Sweden	3,760	520	100	3,760	346	100
SEB Life and Pension Holding AB, Stockholm	Sweden	6,424	1,100	100	6,424	1,000	100
SEB Strategic Investments AB, Stockholm	Sweden	4	200	100	204		100
<b>TOTAL</b>		<b>15,476</b>	<b>2,220</b>		<b>14,541</b>	<b>1,492</b>	
<b>Foreign subsidiaries</b>							
DSK Deutsch-Skandinavische Verwaltungs GmbH (former DSK Hyp AG), Frankfurt am Main	Germany	27,543	5	100	27,496	5,224	100
SEB Bank JSC, St Petersburg	Russia	0		100	0	137	100
SEB Banka, AS, Riga	Latvia	2,164	532	100	2,242	687	100
SEB bankas, AB, Vilnius	Lithuania	7,389	964	100	7,525	1,178	100
SEB Corporate Bank, PJSC, Kyiv	Ukraine	75		100	75		100
SEB do Brasil Representações LTDA, São Paulo	Brazil	0	1	100	0	1	100
SEB Leasing Oy, Helsinki	Finland	5,088		100	5,090		100
SEB Njord AS, Oslo	Norway	0		100	0		100
SEB Pank, AS, Tallinn	Estonia	3,416	1,582	100	3,508	1,027	100
SEB Securities Inc, New York	USA	65		100	72		100
Skandinaviska Enskilda Ltd, London	Great Britain				0	572	100
<b>TOTAL</b>		<b>45,741</b>	<b>3,084</b>		<b>46,009</b>	<b>8,827</b>	

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. 237-238.

**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 46 Pledged assets.

<b>Investments in associates and joint ventures – Strategic investments</b>	Assets <sup>1)</sup>	Liabilities <sup>1)</sup>	Revenues <sup>1)</sup>	Profit or loss <sup>1)</sup>	Book value	Ownership, %
Bankomat AB, Stockholm	3,634	3,160	818	21	66	20
BGC Holding AB, Stockholm	327	0	0	0	104	33
Cinder Invest AB, Stockholm	503	1	0	-17	137	18
Finansiell ID-Teknik BID AB, Stockholm	126	47	314	-18	7	18
Getwise AB, Stockholm	150	39	249	11	19	20
Invidem AB, Stockholm	147	25	29	-181	0	17
P27 Nordic Payments AB, Stockholm	659	48	17	-257	54	17
Tibern AB, Stockholm	22	4	4	-4	5	14
USE Intressenter AB, Stockholm	1	0	0	0	0	28

**Parent company holdings** **393**

**Holdings of subsidiaries** **45**

**Adjustment to investments recognised according to equity method** **501**

**GROUP HOLDINGS** **939**

1) Retrieved from respective Annual report 2022.

<b>Investments in associates – Venture capital holdings</b>	2023		2022	
	Book value	Ownership, %	Book value	Ownership, %
Airsonett AB, Ängelholm		25	27	25
Apica AB, Stockholm			32	30
Avidcare Holding AB, Ängelholm	21	35	11	33
Cparta Cyber Defense AB, Stockholm	277	49	177	49
C-Green AB, Solna		0	0	3
Corpower Ocean AB, Stockholm		20	0	3
Enginzyme AB, Solna		0	0	7
Leasify AB, Stockholm	7	22	6	22
Leneo A/S, Copenhagen	26	33		
Now Interact Nordic AB, Stockholm	3	11	3	11
OssDesign AB, Uppsala		46	11	
Scandinova Systems AB, Uppsala	102	22	113	22
TBox Sweden AB, Stockholm	30	40		
TSS Holding AB, Stockholm	117	42	117	42

**Parent company holdings** **608**

**GROUP HOLDINGS** **608**

Information about the corporate registration numbers and numbers of shares of the associates is available upon request.

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)

*Note 22 continued Investments in subsidiaries, associates and joint ventures*

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

2023	Group				Parent company				
	Goodwill <sup>1)</sup>	Deferred acquisition costs	Internally developed IT-systems	Other intangible assets	Total	Goodwill <sup>1)</sup>	Internally developed IT-systems	Other intangible assets	Total
Opening balance	4,630	6,022	6,923	2,559	20,133	1,377	6,285	691	8,354
Additions from acquisitions and capitalisations		35	579	15	629		489	489	
Retirements and disposals			-124	-339	-464		-44	-44	
Change in exchange rates	-52	1	1	0	-50		0	0	0
<b>Acquisition value</b>	<b>4,578</b>	<b>6,058</b>	<b>7,378</b>	<b>2,234</b>	<b>20,249</b>	<b>1,377</b>	<b>6,730</b>	<b>691</b>	<b>8,798</b>
Opening balance		-5,458	-5,117	-2,373	-12,948		-4,668	-666	-6,712
Current year's amortisations		-165	-598	-39	-801		-520	-11	-531
Retirements and disposals			88	339	427		7	7	0
Change in exchange rates		2	-3	-1	-2		0	0	0
<b>Accumulated depreciations</b>	<b>-5,621</b>	<b>-5,630</b>	<b>-2,074</b>	<b>-13,324</b>		<b>-1,377</b>	<b>-5,181</b>	<b>-677</b>	<b>-7,234</b>
<b>TOTAL</b>	<b>4,578</b>	<b>438</b>	<b>1,748</b>	<b>161</b>	<b>6,925</b>	<b>0</b>	<b>1,549</b>	<b>15</b>	<b>1,564</b>

1) Goodwill has an indefinite useful life. All other intangible assets have a definite useful life. Amortisation methods are described in note 1.

### 2022

Opening balance	4,582	5,719	6,538	2,600	19,440	1,377	5,843	775	7,995
Additions from acquisitions and capitalisations		106	662	11	779		546	77	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	1	8
<b>Acquisition value</b>	<b>4,630</b>	<b>6,022</b>	<b>6,923</b>	<b>2,559</b>	<b>20,133</b>	<b>1,377</b>	<b>6,285</b>	<b>691</b>	<b>8,354</b>
Opening balance		-5,068	-4,612	-2,389	-12,068		-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
<b>Accumulated depreciations</b>	<b>-5,458</b>	<b>-5,117</b>	<b>-2,373</b>	<b>-12,948</b>		<b>-1,377</b>	<b>-4,668</b>	<b>-666</b>	<b>-6,712</b>
<b>TOTAL</b>	<b>4,630</b>	<b>564</b>	<b>1,806</b>	<b>186</b>	<b>7,185</b>	<b>0</b>	<b>1,617</b>	<b>25</b>	<b>1,642</b>

For the group, comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance Contracts. See note 49 on restated comparative figures for further information.

#### 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 2022	Change in exchange rates	Impairment	Closing balance 2022	Change in exchange rates	Closing balance 2023
Card, Norway & Denmark <sup>1)</sup>	2002/2004	735	48		783	-52	731
Life Sweden	1996/1997	2,343			2,343		2,343
Investment Management Sweden	1997/1998	1,504			1,504		1,504
<b>TOTAL</b>		<b>4,582</b>	<b>48</b>		<b>4,630</b>	<b>-52</b>	<b>4,578</b>

1) The CGUs are presented together since both acquisitions are related to the Eurocard business.

[Financial statements](#)

- [SEB Group](#)
- [Parent company](#)
- [Notes to the financial statements](#)
- [Five-year summary](#)
- [Proposal for the distribution of profit](#)
- [Signatures of the Board of Directors and the President](#)
- [Auditor's report](#)

*Note 23 continued Intangible assets*
**Impairment test 2023**
*Result of impairment test*

The yearly impairment test for 2023 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 2024–2026 and projected cash flows for 2027–2028. 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 recent Nordic Outlook published. The main assumptions are; GDP change in Sweden from -1.0 per cent to 2.5 per cent over three years and other Nordic countries excluding Sweden from 0.9 per cent to 2.1 per cent; inflation in Sweden 6.1 per cent to 1.9 per cent and in Other Nordic countries from 4.8 per cent to 2.1 per cent. The Swedish repo rate is assumed to be 2.5 per cent at the end of 2025.

*Estimates and assumptions used:*
*Cost of Equity (CoE) – discount rate*

The discount rate used is 10.1 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.

**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.

## 24 Properties and equipment

	Group			Parent company			
	2023	Equipment	Properties for own operations	Total	Equipment	Properties for own operations	Total
Opening balance	3,411	31	3,442	2,661	37,575	2	40,238
Additions from acquisitions and capitalisations	474		474	398	7,035		7,433
Reclassifications	-1	0	-1	0	0		0
Retirements and disposals	-200	-2	-202	-77	-10,053	-2	-10,132
Change in exchange rates	-13	-6	-19	-13			-13
<b>Acquisition value</b>	<b>3,670</b>	<b>22</b>	<b>3,693</b>	<b>2,969</b>	<b>34,558</b>		<b>37,526</b>
Opening balance	-2,239	-12	-2,251	-1,708	-14,254		-15,963
Current year's depreciations	-364	-1	-364	-289	-4,780		-5,069
Reclassifications	0	0	0	0	0		0
Retirements and disposals	180	0	180	61	5,899		5,960
Change in exchange rates	18	3	20	10	-120		-110
<b>Accumulated depreciations</b>	<b>-2,405</b>	<b>-10</b>	<b>-2,415</b>	<b>-1,926</b>	<b>-13,255</b>		<b>-15,182</b>
<b>TOTAL</b>	<b>1,265</b>	<b>13</b>	<b>1,278</b>	<b>1,042</b>	<b>21,302</b>		<b>22,344</b>
<b>2022</b>							
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	0			
Retirements and disposals	-193	-1	-194	-147	-7,810		-7,957
Change in exchange rates	130	4	134	71	71		71
<b>Acquisition value</b>	<b>3,411</b>	<b>31</b>	<b>3,442</b>	<b>2,661</b>	<b>37,575</b>		<b>40,238</b>
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	0	0			
Reclassifications	0	0	0	0			
Retirements and disposals	189		189	145	4,552		4,697
Change in exchange rates	-88	-2	-89	-48	466		418
<b>Accumulated depreciations</b>	<b>-2,239</b>	<b>-12</b>	<b>-2,251</b>	<b>-1,708</b>	<b>-14,254</b>		<b>-15,963</b>
<b>TOTAL</b>	<b>1,172</b>	<b>19</b>	<b>1,190</b>	<b>953</b>	<b>23,321</b>	<b>2</b>	<b>24,276</b>

1) Equipment leased to clients are recognised as financial leases and presented as loans in the group. See note 48.

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)

## 25 Other assets

	Group		Parent company	
	2023	2022	2023	2022
Trade receivables	1,168	1,178	1,097	1,153
Client receivables	11,701	9,858	11,118	9,706
Other assets	6,980	5,915	5,294	5,526
<b>TOTAL</b>	<b>19,849</b>	<b>16,951</b>	<b>17,509</b>	<b>16,384</b>

For the group, comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance Contracts. See note 49 on restated comparative figures for further information.

## 26 Prepaid expenses and accrued income

	Group		Parent company	
	2023	2022	2023	2022
Prepaid expenses	2,486	2,150	2,438	2,413
Accrued income	485	561	383	445
Other	2	3	337	153
<b>TOTAL</b>	<b>2,973</b>	<b>2,714</b>	<b>3,159</b>	<b>3,012</b>

## 28 Liabilities to policyholders

Financial liabilities for which the customers bear the investment risk, investment contracts <sup>1)</sup>	Group	
	2023	2022
Opening balance	357,975	424,226
Reclassification to insurance contracts	149	-2,473
Change in investment contract provisions <sup>2)</sup>	34,495	-73,250
Change in exchange rates	-257	9,472
<b>TOTAL</b>	<b>392,362</b>	<b>357,975</b>

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.

Comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance Contracts. See note 49 on restated comparative figures for further information.

## 27 Deposits

	Group		Parent company	
	2023	2022	2023	2022
Deposits	21,018	15,377	21,003	15,376
Margins of safety	343		343	
Repos	2	749	2	749
<b>Deposits from central banks</b>	<b>21,363</b>	<b>16,126</b>	<b>21,348</b>	<b>16,125</b>
Deposits	48,625	45,706	83,870	85,455
Margins of safety	77,051	3,341	75,925	2,739
Repos	285	1,700	285	1,700
<b>Deposits from credit institutions</b>	<b>125,961</b>	<b>50,747</b>	<b>160,080</b>	<b>89,894</b>
General governments	24,649	19,046	8,453	6,141
Financial corporations	395,688	408,995	400,968	413,867
Non-financial corporations	704,137	692,825	629,903	592,901
Households	441,065	449,658	310,675	323,317
Margins of safety	33,011	119,050	32,928	118,979
Repos	13,101	12,114	13,101	12,114
<b>Deposits and borrowings from the public</b>	<b>1,611,651</b>	<b>1,701,687</b>	<b>1,396,028</b>	<b>1,467,319</b>
<b>TOTAL</b>	<b>1,758,975</b>	<b>1,768,560</b>	<b>1,577,456</b>	<b>1,573,337</b>

## Financial statements

Note 28 continued Liabilities to policyholders

	Group	2023				2022			
	Liability for insurance contracts, by Measurement component, excl. PAA (Premium Allocation Approach)	Present Value Of Future Cash Flows	Risk Adjustment	Contractual Service Margin <sup>1)</sup>	Total Liability	Present Value Of Future Cash Flows	Risk Adjustment	Contractual Service Margin <sup>1)</sup>	Total Liability
SEB Group	Opening Balance	29,839	569	1,354	31,762	31,620	552	980	33,152
Parent company	Reclassification from investment contracts	-118	-7	-24	-149	1,877	106	280	2,263
Notes to the financial statements	Changes related to Insurance Services	82	70	-77	76	-21	-56	60	-17
Five-year summary	Finance (Income) Expense From Insurance Contracts Issued	2,609	2	-14	2,598	-5,396	-46	0	-5,442
Proposal for the distribution of profit	Cash Flows	553			553	1,549			1,549
Signatures of the Board of Directors and the President	Change in exchange rates	39	2	7	48	210	12	35	257
Auditor's report	<b>TOTAL</b>	<b>33,005</b>	<b>636</b>	<b>1,247</b>	<b>34,888</b>	<b>29,839</b>	<b>569</b>	<b>1,354</b>	<b>31,762</b>

Liability for insurance contracts, by Remaining Coverage and Incurred Claims, incl. PAA (Premium Allocation Approach)	2023					2022				
	Liability For Remaining Coverage		Liability For Incurred Claims			Liability For Remaining Coverage		Liability For Incurred Claims		
	Excluding Loss Component	Loss Component	Present Value of Future Cash Flows	Risk Adjustment	Total Liability	Excluding Loss Component	Loss Component	Present Value of Future Cash Flows	Risk Adjustment	Total Liability
Opening Balance	31,637	203	1,327	102	33,268	33,223	29	1,393	106	34,751
Reclassification from investment contracts	-144	-3	-2		-149	2,213	34	16		2,263
Insurance Revenue	-1,483				-1,483	-1,361				-1,361
Insurance Service Expense	76	209	967	1	1,254	98	136	920	-4	1,150
Investment Component	-2,208		2,208			-2,140		2,140		
Finance (Income) Expenses from Insurance Contracts Issued	2,787	0	37		2,825	-5,441	0	-86		-5,528
Cash flows	3,931		-3,248		682	4,793		-3,058		1,735
Change in exchange rates	-70	35	83		48	251	4	2		257
<b>TOTAL</b>	<b>34,525</b>	<b>445</b>	<b>1,372</b>	<b>103</b>	<b>36,445</b>	<b>31,637</b>	<b>203</b>	<b>1,327</b>	<b>102</b>	<b>33,268</b>

1) The following table sets out when the group expects to recognise the remaining contractual service margin (CSM) in profit and loss after the reporting date:

1 year and less	102
1 to 5 years	314
5 to 10 years	251
10 to 15 years	196
More than 15 years	384

## Significant judgements made when applying IFRS 17

- The group primarily uses deterministic projections to estimate the present value of future cash flows and for some business it uses stochastic modelling techniques.
- The following assumptions are used when estimating future cash flows: mortality rates, longevity, accident rates, recovery rates, expenses, lapse and surrender rates. Assumptions are primarily based on own data and in some cases on public/standard industry tables. All assumptions used in the calculation of the insurance liability have been reviewed and, where appropriate, amended.

The changes made are not considered to have had a material impact on the valuation of the insurance liability.  
 Liabilities are calculated by discounting expected future cash flows at risk free rates, which follows a bottom-up approach by deriving the liquid risk-free curve based on the financial instrument – credit adjusted swap rates – observable in the market (deep, liquid and transparent) up to the last liquid point (LLP) beyond which the market is considered illiquid. LLP is set to 10 year for SEK and to 20 year for EUR. Smith-Wilson extrapolation techniques

are utilised to extrapolate the yield curves beyond the LLP. The extrapolation is performed to an ultimate forward rate (UFR) and convergence point. The UFR (3.45 % as of 31 Dec 2023) is derived based on macro-economic assumptions of a target inflations rate and a long-term real growth on the market. Convergence point is a point in time

(20 year for SEK and 60 years for EUR) at which the forward rates derived by the extrapolation method needs to align themselves with the UFR. No illiquidity premium is applied.

– Discount rates applied for discounting of future cash flows at different durations are as set out below:

	31 Dec 2023				31 Dec 2022			
	1 year	5 years	10 years	20 years	1 year	5 years	10 years	20 years
SEK	3.03%	2.26%	2.25%	2.76%	3.47%	3.16%	3.01%	3.10%
EUR	3.36%	2.32%	2.39%	2.41%	3.18%	3.13%	3.09%	2.81%

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)
*Note 28 continued Liabilities to policyholders*

– The risk adjustment for non-financial risks corresponds to 80 per cent confidence level.

– The CSM of a group of insurance contracts is recognised in profit or loss to reflect services provided in each year based on the number of coverage units provided in the year, which is determined by considering for each contract the quantity of the benefits provided and its expected coverage period. The group applies different quantities of benefits dependent on group of insurance contracts. E.g.,

the quantity of benefits could be the sum of risk covers, the expected asset under management, the expected annuity amount etc. The group uses discounting in determining coverage units.

**Nature and extent of risks that arise contracts within the scope of IFRS 17**

See note 40e for description and risk management of underwriting, market risks and concentration risks.

**Sensitivity analysis**

The following sensitivity analysis shows the impact (before risk mitigation by reinsurance contracts held) on CSM, profit before tax and equity for possible movements in key assumptions. Sensitivity in assumptions has been chosen based on being reasonably possible at the end of the reporting period.

	Changes in assumptions	Impact on CSM	Impact on profit	Impact on equity
<b>Underwriting risks</b>				
Mortality	+10%	-1	35	35
Longevity	+10%	-20	-51	-51
Recovery sickness claims	-10%	N/A	-37	-37
Expenses	+10%	-137	-64	-64
Lapse and surrender rates	+10%	-59	0	0
<b>Market risks</b>				
Parallel shift in market rates, downwards	-50 bps	-7	3	3
Parallel shift in market rates, upwards	+50 bps	12	-1	-1
Decrease in prices for equities	-10%	-14	-95	-95

## 29 Debt securities issued

	Group		Parent company	
	2023	2022	2023	2022
Senior bonds <sup>1)</sup>	133,500	113,754	133,500	113,754
Senior non-preferred bonds	73,265	53,511	73,265	53,511
Covered bonds	324,176	274,710	324,176	274,710
Commercial Papers/Certificates of Deposits	336,898	353,175	336,898	353,175
<b>TOTAL</b>	<b>867,838</b>	<b>795,149</b>	<b>867,838</b>	<b>795,149</b>

1) Of which SEK 5,207m (7,370) at Fair Value Through Profit or Loss Designated (FVDPL) for the group and SEK 5,207m (7,370) at Fair Value Through Profit or Loss Designated (FVDPL) for the parent company. The group's contractual liability is SEK 4,802m (7,623) and for the parent company SEK 4,802m (7,623). 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 405m (-253) and for the parent company SEK 405m (-253). The accumulated impact from reflecting the group's own credit standing in the fair value measurement amounts to SEK 4m (5), of which SEK -1m relates to 2023 (-75). The corresponding amount for the parent company is SEK 4m (5), of which SEK -1m relates to 2023 (-75).

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.

SEB 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	
	2023	2022	2023	2022
Equity instruments	19,558	20,527	19,558	20,527
Debt securities	14,142	24,109	14,142	24,109
<b>TOTAL</b>	<b>33,700</b>	<b>44,635</b>	<b>33,700</b>	<b>44,635</b>

## 31 Other liabilities

	Group		Parent company	
	2023	2022	2023	2022
Trade payables	2,270	2,372	1,548	1,607
Client payables	9,556	10,420	6,888	8,699
Lease liabilities	6,699	5,277	21,082	19,082
Other liabilities	21,082	19,082	15,695	14,741
<b>TOTAL</b>	<b>39,607</b>	<b>37,152</b>	<b>24,131</b>	<b>25,047</b>

For the group, comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance Contracts. See note 49 on restated comparative figures for further information.

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors](#)
[and the President](#)
[Auditor's report](#)

## 32 Accrued expenses and prepaid income

	Group		Parent company	
	2023	2022	2023	2022
Accrued expenses	4,119	4,313	2,978	3,072
Prepaid income	1,439	1,432	885	846
Other	91	82	91	82
<b>TOTAL</b>	<b>5,648</b>	<b>5,827</b>	<b>3,954</b>	<b>4,000</b>

For the group, comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance Contracts. See note 49 on restated comparative figures for further information.

## 33 Provisions

	Group		Parent company	
	2023	2022	2023	2022
Other restructuring and redundancy reserves	38	27	38	24
Provisions for Financial guarantees and				
Loan commitments (note 18)	940	997	787	859
Other provisions	78	32	7	26
<b>TOTAL</b>	<b>1,056</b>	<b>1,056</b>	<b>832</b>	<b>909</b>

### Other restructuring and redundancy reserves

Opening balance	27	53	24	48
Other movements	11	-26	14	-24
<b>TOTAL</b>	<b>38</b>	<b>27</b>	<b>38</b>	<b>24</b>

The main part of the reserve will cover redundancy costs to be used within three years.

### Other provisions

Opening balance	32	68	26	59
Additions	3	1	1	1
Amounts used	-17	-4	-15	0
Unused amounts reversed	-7	-18	-5	-18
Other movements	70	-17	0	-17
Change in exchange rates	-3	2		
<b>TOTAL</b>	<b>78</b>	<b>32</b>	<b>7</b>	<b>26</b>

Other provisions consist of costs for re-organisation within the group to be used within three years and unsettled claims covering all operating segments.

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors](#)
[and the President](#)
[Auditor's report](#)

## 34 Subordinated liabilities

	Group		Parent company	
	2023	2022	2023	2022
Debenture loans	16,009	15,902	15,109	15,002
Debenture loans, perpetual	14,045	14,561	14,045	14,561
Change in the value due to hedge accounting at fair value	-752	-1,790	-752	-1,790
Accrued interest	385	94	385	94
<b>TOTAL</b>	<b>29,687</b>	<b>28,767</b>	<b>28,787</b>	<b>27,867</b>

### Debenture loans

	Currency	Original nom. amount	Book value	Rate of interest, %
2021/2031	EUR	500	5,555	0.750
2023/2033	EUR	500	5,555	5.000
2016/2028	SEK	1,250	1,250	5.630
2016/2028	SEK	2,750	2,750	6.280
<b>Total Parent company</b>			<b>15,109</b>	
Debenture loans issued by other subsidiaries			900	
<b>TOTAL</b>			<b>16,009</b>	

### Debenture loans, perpetual

	Currency	Original nom. amount	Book value	Rate of interest, %
2017	USD	500	5,016	6.880
2019	USD	900	9,029	5.130
<b>TOTAL</b>			<b>14,045</b>	

## 35 Untaxed reserves

	Parent company	
	2023	2022
Depreciation in excess of plan on office equipment/leased assets	14,040	15,680
<b>TOTAL</b>	<b>14,040</b>	<b>15,680</b>

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	17,100	17,100
Reversals	-1,457	-1,457
<b>Closing balance 2022</b>	<b>15,680</b>	<b>15,680</b>
Reversals	-1,640	-1,640
<b>Closing balance 2023</b>	<b>14,040</b>	<b>14,040</b>

## Financial statements

SEB Group

Parent company

## Notes to the financial statements

## Five-year summary

## Proposal for the distribution of profit

Signatures of the Board of Directors  
and the President

## Auditor's report

## 36 Fair value measurement of assets and liabilities

Assets	Group				Parent company			
	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	164,516	2,052	<b>166,568</b>		165,326	2,052	<b>167,378</b>	
Debt securities	145,010	109,036	<b>254,046</b>		134,555	94,211	<b>228,766</b>	
Equity instruments	72,094	187	<b>20,425</b>	<b>92,707</b>	65,277	149	<b>4,312</b>	<b>69,738</b>
Financial assets for which the customers bear the investment risk	370,326	13,606	8,525	<b>392,457</b>				
Derivatives – Interest related	84	99,030	606	<b>99,721</b>				
Derivatives – Equity related	412	2,320	<b>2,732</b>		390	2,320	<b>2,710</b>	
Derivatives – Currency related	33	58,766	<b>58,799</b>		50	58,026	<b>58,076</b>	
Derivatives – Credit related		495	<b>495</b>			495	<b>495</b>	
Derivatives – Commodities related	29	21,132	<b>21,160</b>		28	21,132	<b>21,160</b>	
Derivatives – Hedge accounting		173	<b>173</b>			173	<b>173</b>	
Investment in associates <sup>1)</sup>		608	<b>608</b>			608	<b>608</b>	
<b>TOTAL</b>	<b>587,988</b>	<b>469,261</b>	<b>32,217</b>	<b>1,089,465</b>				
<b>Liabilities</b>								
Deposits	13,387			<b>13,387</b>				
Financial liabilities for which the customers bear the investment risk	370,231	13,606	8,525	<b>392,362</b>				
Debt securities issued		5,207	<b>5,207</b>			5,207	<b>5,207</b>	
Short positions debt securities	10,783	3,359	<b>14,142</b>		10,783	3,359	<b>14,142</b>	
Short positions equity instruments	19,558		<b>19,558</b>		19,558		<b>19,558</b>	
Derivatives – Interest related	129	98,587	421	<b>99,138</b>				
Derivatives – Equity related	435	6,976	<b>7,411</b>		435	6,976	<b>7,411</b>	
Derivatives – Currency related	52	76,271	<b>76,323</b>		53	76,699	<b>76,752</b>	
Derivatives – Credit related		219	<b>219</b>			219	<b>219</b>	
Derivatives – Commodities related		20,311	<b>20,311</b>			20,311	<b>20,311</b>	
Derivatives – Hedge accounting		774	<b>774</b>			774	<b>774</b>	
Other financial liabilities	81	19	<b>100</b>		81	19	<b>100</b>	
<b>TOTAL</b>	<b>401,270</b>	<b>238,716</b>	<b>8,946</b>	<b>648,932</b>				

1) Venture capital activities designated at fair value through profit and loss.

[Financial statements](#)
*Note 36 continued Fair value measurement of assets and liabilities*

- [SEB Group](#)
- [Parent company](#)
- [Notes to the financial statements](#)
- [Five-year summary](#)
- [Proposal for the distribution of profit](#)
- [Signatures of the Board of Directors and the President](#)
- [Auditor's report](#)

	2022	Group				Parent company			
		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
Assets									
Loans		110,833	1,429	112,262		111,300	1,429	112,729	
Debt securities	118,915	123,620	1,095	243,630	97,315	119,938	3,593	217,253	44,644
Equity instruments	47,979	476	20,324	68,779	40,608	443	3,150	96,743	3,150
Financial assets for which the customers bear the investment risk	333,354	11,776	9,169	354,299					
Derivatives – Interest related	381	104,571	346	105,298	385	96,012	346	96,743	432
Derivatives – Equity related	718	2,432		3,150	718	2,432		3,150	48,728
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	237
Derivatives – Hedge accounting		237		237		237		237	550
Investment in associates <sup>1)</sup>	46		504	550	46		504		550
<b>TOTAL</b>	<b>501,563</b>	<b>432,713</b>	<b>32,866</b>	<b>967,142</b>	<b>139,286</b>	<b>409,164</b>	<b>5,872</b>	<b>554,322</b>	
Liabilities									
Deposits		14,563		14,563		14,563		14,563	
Financial liabilities for which the customers bear the investment risk	334,851	11,776	9,169	355,796					
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	
<b>TOTAL</b>	<b>370,370</b>	<b>280,655</b>	<b>9,559</b>	<b>660,584</b>	<b>35,519</b>	<b>260,771</b>	<b>383</b>	<b>296,673</b>	

1) Venture capital activities designated at fair value through profit and loss.

For the group, comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance Contracts. See note 49 on restated comparative figures for further information.

**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 mar-

kets, 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 are 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.

[Financial statements](#)

- [SEB Group](#)
- [Parent company](#)
- [Notes to the financial statements](#)
- [Five-year summary](#)
- [Proposal for the distribution of profit](#)
- [Signatures of the Board of Directors and the President](#)
- [Auditor's report](#)

*Note 36 continued Fair value measurement of 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 does not affect SEB as they belong to the policyholders.

**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, e.g. a change in liquidity. The Valuation / Pricing committee of each relevant division decides on material shifts between levels. At the end of the first quarter, SEK 0.4bn in Financial assets and liabilities for which the customer bear the investment risk was transferred out of Level 3 due to separation of Russian holdings from Eastern Europe funds, and in addition SEK 0.2bn was transferred out of Level 3 due to changes in market conditions. At the end of the third quarter, SEK 0.3bn in Financial assets and liabilities for which the customer bear the investment risk was transferred out of Level 3 due to improved classification of bonds, and in addition, Derivative assets SEK 0.8bn and Derivative liabilities SEK 0.7bn, was transferred into Level 3 due to enhanced classification methodology for Swaptions. At the end of the fourth quarter, SEK 0.8bn in Financial assets and liabilities for which the customer bear the investment risk was transferred out of Level 3 due to improved classification of structured notes. 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, 2023 Assets	Opening balance	Reclassification	Gain/loss in Income statement <sup>1)</sup> <sup>2)</sup>	Purchases	Sales	Settlements	Transfers into Level 3	Transfers out of Level 3	Change in exchange rates	Closing balance
Loans	1,429		-290	930	-54	1			35	2,052
Debt securities	1,095		14	135	-1,144	10		-145	36	0
Equity instruments	20,324	8	743	2,144	-2,780			-17	3	20,425
Financial assets for which the customers bear the investment risk	9,169		218	1,289	-584		145	-1,718	6	8,525
Derivatives – Interest related	346		-417		-199	99	1,056	-280		606
Investment in associates <sup>1)</sup>	504	-8	-81	193						608
<b>TOTAL</b>	<b>32,866</b>		<b>187</b>	<b>4,692</b>	<b>-4,760</b>	<b>111</b>	<b>1,201</b>	<b>-2,161</b>	<b>80</b>	<b>32,216</b>
<b>Liabilities</b>										
Financial liabilities for which the customers bear the investment risk	9,169		218	1,289	-584		145	-1,718	6	8,525
Derivatives – Interest related	390		-89	-269		-34	795	-373	0	421
<b>TOTAL</b>	<b>9,559</b>		<b>129</b>	<b>1,020</b>	<b>-584</b>	<b>-34</b>	<b>940</b>	<b>-2,092</b>	<b>6</b>	<b>8,946</b>

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)
*Note 36 continued Fair value measurement of assets and liabilities*
**Group, 2022**

<b>Assets</b>	Opening balance	Reclassification	Gain/loss in Income statement <sup>1) 2)</sup>	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	
Equity instruments	19,635	30	1,895	3,734	-4,578			-643	251	
Financial assets for which the customers bear the investment risk	7,774		17	1,643	-1,499		1,054	-497	677	
Derivatives – Interest related	303		288	29		-275			1	
Derivatives – Equity related	2				-2				346	
Investment in associates <sup>1)</sup>	622	-30	-168	80					504	
<b>TOTAL</b>	<b>28,456</b>		<b>1,954</b>	<b>6,544</b>	<b>-6,340</b>	<b>-273</b>	<b>2,695</b>	<b>-1,189</b>	<b>1,021</b>	<b>32,866</b>

**Liabilities**

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
<b>TOTAL</b>	<b>8,103</b>		<b>27</b>	<b>1,636</b>	<b>-1,470</b>	<b>16</b>	<b>1,064</b>	<b>-495</b>	<b>678</b>	<b>9,559</b>

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 -273m (-1,632).

**Changes in level 3**

<b>Parent company, 2023</b>	Opening balance	Reclassification	Gain/loss in Income statement <sup>1) 2)</sup>	Purchases	Sales	Settlements	Transfers into Level 3	Transfers out of Level 3	Change in exchange rates	Closing balance
Loans	1,429		-290	930	-54	2			35	2,052
Debt securities	0									0
Equity instruments	3,593	8	569	430	-274			-17	3	4,312
Derivatives – Interest related	346		-225		-1	99	250	-75		394
Derivatives – Equity related	0									0
Investment in associates <sup>1)</sup>	504	-8	-81	193						608
<b>TOTAL</b>	<b>5,872</b>	<b>0</b>	<b>-27</b>	<b>1,553</b>	<b>-329</b>	<b>101</b>	<b>250</b>	<b>-92</b>	<b>38</b>	<b>7,366</b>
<b>Liabilities</b>										
Derivatives – Interest related	383	0	74	-1	0	-34	71	-73	0	421
<b>TOTAL</b>	<b>383</b>	<b>0</b>	<b>74</b>	<b>-1</b>	<b>0</b>	<b>-34</b>	<b>71</b>	<b>-73</b>	<b>0</b>	<b>421</b>

**Parent company, 2022**

<b>Assets</b>	Opening balance	Reclassification	Gain/loss in Income statement <sup>1) 2)</sup>	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	
Derivatives – Interest related	303		288	29			-276		2	
Derivatives – Equity related	2				-2				0	
Investment in associates <sup>1)</sup>	622	-30	-168	80					504	
<b>TOTAL</b>	<b>6,375</b>	<b>0</b>	<b>-84</b>	<b>434</b>	<b>-1,654</b>	<b>-274</b>	<b>1,473</b>	<b>-692</b>	<b>294</b>	<b>5,872</b>
<b>Liabilities</b>										
Derivatives – Interest related	329		7		29	16			2	383
<b>TOTAL</b>	<b>329</b>		<b>7</b>		<b>29</b>	<b>16</b>			<b>2</b>	<b>383</b>

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 -50m (-388).

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors](#)
[and the President](#)
[Auditor's report](#)
*Note 36 continued Fair value measurement of assets and liabilities*
**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 2023. The largest open market risk within Level 3 financial instruments is found within the insurance business.

Group	2023				2022			
	Assets	Liabilities	Net	Sensitivity	Assets	Liabilities	Net	Sensitivity
Derivative instruments <sup>1)4)</sup>	394	-421	-27	29	346	-382	-36	51
Debt instrument <sup>3)</sup>	2,052		2,052	308	1,429		1,429	214
Equity instruments <sup>2)5)6)</sup>	4,312		4,312	862	3,594		3,594	719
Investments in associates <sup>2)</sup>	608		608	122	504		504	101
Insurance holdings								
- Financial instruments <sup>3)4)6)7)</sup>	16,312		16,312	2,266	16,571		16,571	2,270

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.

## Financial statements

SEB Group

Parent company

## Notes to the financial statements

Five-year summary

Proposal for the distribution of profit

Signatures of the Board of Directors  
and the President

Auditor's report

## 37 Financial assets and liabilities by class

Group, 2023	Book value						Fair value			
	FVHFT	FVMPL	FVDPL	Hedge instruments	AmC	Total	Quoted prices in active markets (Level 1)	Valuation technique using observable inputs (Level 2)	Valuation technique using non-observable inputs (Level 3)	Total
<b>Assets</b>										
Loans <sup>1)</sup>	164,516	2,052			2,426,474	<b>2,593,042</b>	29,631	164,539	2,406,613	<b>2,600,783</b>
Debt securities	86,600	159,368	8,078		12,206	<b>266,252</b>	145,010	118,566	2,674	<b>266,250</b>
Equity instruments	64,295	28,412				<b>92,707</b>	72,094	187	20,425	<b>92,707</b>
Financial assets for which the customers bear the investment risk		392,457				<b>392,457</b>	370,326	13,606	8,525	<b>392,457</b>
Derivatives	182,907			173		<b>183,080</b>	558	181,916	606	<b>183,080</b>
Other					18,104	<b>18,104</b>	2,331		15,773	<b>18,104</b>
<b>Financial assets</b>	<b>498,318</b>	<b>582,289</b>	<b>8,078</b>	<b>173</b>	<b>2,456,784</b>	<b>3,545,641</b>	<b>619,950</b>	<b>478,814</b>	<b>2,454,616</b>	<b>3,553,380</b>
Other assets (non-financial)						<b>62,576</b>				
<b>TOTAL</b>	<b>498,318</b>	<b>582,289</b>	<b>8,078</b>	<b>173</b>	<b>2,456,784</b>	<b>3,608,218</b>				
<b>Liabilities</b>										
Deposits	13,387	0			1,745,587	<b>1,758,975</b>	172	15,555	1,741,789	<b>1,757,516</b>
Financial liabilities for which the customers bear the instruments investment risk		392,362				<b>392,362</b>	370,231	13,606	8,525	<b>392,362</b>
Debt securities issued	0	5,207			892,318	<b>897,525</b>		886,141	900	<b>887,041</b>
Short positions debt securities	14,142					<b>14,142</b>	10,783	3,359		<b>14,142</b>
Short positions equity instruments	19,558					<b>19,558</b>	19,558			<b>19,558</b>
Derivatives	203,402		774		19,009	<b>204,176</b>	617	203,139	421	<b>204,176</b>
Other	100	2,631				<b>21,740</b>	274	40	21,435	<b>21,749</b>
<b>Financial liabilities</b>	<b>250,590</b>	<b>400,199</b>	<b>774</b>	<b>2,656,915</b>	<b>3,308,478</b>		<b>401,635</b>	<b>1,121,839</b>	<b>1,773,070</b>	<b>3,296,544</b>
Liabilities to policyholders						<b>36,453</b>				
Other liabilities (non-financial)						<b>41,513</b>				
<b>Total equity</b>						<b>221,775</b>				
<b>TOTAL</b>	<b>250,590</b>	<b>400,199</b>	<b>774</b>	<b>2,656,915</b>	<b>3,608,218</b>					

1) Includes Cash balances at central banks SEK 310,042m.

[Financial statements](#)
*Note 37 continued Financial assets and liabilities by class*

	<b>Group, 2022</b>	<b>Book value</b>						<b>Fair value</b>		
		<b>FVHFT</b>	<b>FVMPL</b>	<b>FVDPL</b>	<b>Hedge instruments</b>	<b>AmC</b>	<b>Total</b>	<b>Quoted prices in active markets (Level 1)</b>	<b>Valuation technique using observable inputs (Level 2)</b>	<b>Valuation technique using non-observable inputs (Level 3)</b>
<b>SEB Group</b>										
Parent company										
<b>Notes to the financial statements</b>										
Five-year summary		110,833	1,429			2,479,586	<b>2,591,848</b>	27,125	110,998	2,411,651
Proposal for the distribution of profit		110,733	125,682	7,215		8,866	<b>252,496</b>	118,915	131,780	1,687
Signatures of the Board of Directors and the President		39,657	29,121				<b>68,779</b>	47,979	476	20,324
Auditor's report										<b>68,779</b>
<b>Financial assets</b>		<b>448,609</b>	<b>510,531</b>	<b>7,215</b>	<b>237</b>	<b>2,503,701</b>	<b>3,470,292</b>	<b>531,226</b>	<b>441,037</b>	<b>2,455,840</b>
Other assets (non-financial)							<b>62,486</b>			
<b>TOTAL</b>		<b>448,609</b>	<b>510,531</b>	<b>7,215</b>	<b>237</b>	<b>2,503,701</b>	<b>3,532,779</b>			
<b>Liabilities</b>										
Deposits		14,563				1,753,998	<b>1,768,560</b>	190	20,840	1,746,760
Financial liabilities for which the customers bear the instruments investment risk						355,796	<b>355,796</b>	334,851	11,776	9,169
Debt securities issued						7,370		816,546	0	815,940
Short positions debt securities		24,109					<b>823,916</b>			900
Short positions equity instruments		20,527					<b>24,109</b>			816,840
Derivatives		237,322					<b>20,527</b>			24,109
Other		172				7,456	<b>238,048</b>	991		20,527
<b>Financial liabilities</b>		<b>296,692</b>		<b>370,622</b>	<b>726</b>	<b>2,588,786</b>	<b>3,256,825</b>	<b>370,616</b>	<b>1,095,566</b>	<b>1,782,799</b>
Liabilities to policyholders							<b>33,425</b>			
Other liabilities (non-financial)							<b>38,387</b>			
Total equity							<b>204,141</b>			
<b>TOTAL</b>		<b>296,692</b>		<b>370,622</b>	<b>726</b>	<b>2,588,786</b>	<b>3,532,779</b>			

1) Includes Cash balances at central banks SEK 375,381m.

Comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance Contracts. See note 49 on restated comparative figures for further information.

[Financial statements](#)
[SEB Group](#)  
[Parent company](#)  
[Notes to the financial statements](#)
[Five-year summary](#)  
[Proposal for the distribution of profit](#)  
[Signatures of the Board of Directors and the President](#)  
[Auditor's report](#)
*Note 37 continued Financial assets and liabilities by class*

<b>Parent company, 2023</b>		<b>Book value</b>					
<b>Assets</b>		<b>FVHFT</b>	<b>FVMPL</b>	<b>FVDPL</b>	<b>Hedge instruments</b>	<b>AmC/Other</b>	<b>Total</b>
Loans <sup>1)</sup>	165,326	2,052			2,151,186	<b>2,318,564</b>	
Debt securities	86,411	142,355			13,407	<b>242,173</b>	
Equity instruments	64,295	5,443			61,217	<b>130,955</b>	
Derivatives	180,633			173		<b>180,806</b>	
Other					13,692	<b>13,692</b>	
<b>Financial assets</b>	<b>496,665</b>	<b>149,851</b>		<b>173</b>	<b>2,239,502</b>	<b>2,886,190</b>	
Other assets (non-financial)						<b>32,643</b>	
<b>TOTAL</b>	<b>496,665</b>	<b>149,851</b>		<b>173</b>	<b>2,239,502</b>	<b>2,918,833</b>	
<b>Liabilities</b>							
Deposits	13,387				1,564,069	<b>1,577,456</b>	
Debt securities issued		5,207			891,418	<b>896,625</b>	
Derivatives	202,263			774		<b>203,037</b>	
Other	33,800				11,310	<b>45,109</b>	
<b>Financial liabilities</b>	<b>249,450</b>		<b>5,207</b>	<b>774</b>	<b>2,466,797</b>	<b>2,722,227</b>	
Other liabilities (non-financial)						<b>22,464</b>	
Total equity and untaxed reserves						<b>174,142</b>	
<b>TOTAL</b>	<b>249,450</b>		<b>5,207</b>	<b>774</b>	<b>2,466,797</b>	<b>2,918,833</b>	

1) Includes Cash balances at central banks SEK 354,968m.

<b>Parent company, 2022</b>		<b>Book value</b>					
<b>Assets</b>		<b>FVHFT</b>	<b>FVMPL</b>	<b>FVDPL</b>	<b>Hedge instruments</b>	<b>AmC/Other</b>	<b>Total</b>
Loans <sup>1)</sup>	111,301	1,429				2,200,030	<b>2,312,760</b>
Debt securities	110,721	106,533				10,070	<b>227,323</b>
Equity instruments	39,657	4,988				60,550	<b>105,195</b>
Derivatives	178,908					237	<b>179,144</b>
Other						12,032	<b>12,032</b>
<b>Financial assets</b>	<b>440,586</b>	<b>112,950</b>				<b>237</b>	<b>2,282,682</b>
Other assets (non-financial)							<b>36,232</b>
<b>TOTAL</b>	<b>440,586</b>	<b>112,950</b>				<b>237</b>	<b>2,282,682</b>
<b>Liabilities</b>							
Deposits	14,563					1,558,775	<b>1,573,337</b>
Debt securities issued		7,370				815,646	<b>823,016</b>
Derivatives	229,207					726	<b>229,933</b>
Other	44,808					17,896	<b>62,703</b>
<b>Financial liabilities</b>	<b>288,577</b>		<b>7,370</b>		<b>726</b>	<b>2,392,316</b>	<b>2,688,990</b>
Other liabilities (non-financial)							<b>20,883</b>
Total equity and untaxed reserves							<b>162,813</b>
<b>TOTAL</b>	<b>288,577</b>		<b>7,370</b>		<b>726</b>	<b>2,392,316</b>	<b>2,872,686</b>

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 17). 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 17). The Life insurance operations are further specified in note 42.

Other includes other financial assets and liabilities recognised in accordance with IFRS 9, i.e. trade and client receivables and payables.

## Financial statements

SEB Group

Parent company

Notes to the financial statements

Five-year summary

Proposal for the distribution of profit

Signatures of the Board of Directors

and the President

Auditor's report

## 38 Assets and liabilities distributed by main currencies

Group, 2023	SEK	EUR	USD	GBP	DKK	NOK	Other	Total
Cash and cash balances and loans to central banks	63,993	231,374	98,040	4,940	8,208	64	3,445	410,064
Loans to credit institutions	8,729	30,708	30,643	929	949	1,236	10,935	84,128
Loans to the public	1,147,033	533,223	148,809	46,800	87,412	121,537	16,366	2,101,181
Other financial assets	656,303	115,133	74,824	26,267	25,245	43,830	8,667	950,268
Other assets	10,208	48,654	1,278	236	1,481	431	288	62,576
<b>TOTAL ASSETS</b>	<b>1,886,266</b>	<b>959,092</b>	<b>353,594</b>	<b>79,173</b>	<b>123,295</b>	<b>167,097</b>	<b>39,701</b>	<b>3,608,218</b>

Deposits from central banks	73	438	18,614	2,058		180	21,363	
Deposits from credit institutions	23,994	51,528	16,723	11,471	9,434	11,295	1,516	125,961
Deposits and borrowing from the public	751,129	472,840	208,578	58,675	46,501	48,229	25,699	1,611,651
Other financial liabilities	777,222	373,635	335,804	44,870	16,841	35,035	2,549	1,585,956
Other liabilities	19,274	11,904	1,818	321	3,450	2,475	2,272	41,513
Total equity	221,775							221,775
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,793,465</b>	<b>910,345</b>	<b>581,536</b>	<b>117,395</b>	<b>76,226</b>	<b>97,034</b>	<b>32,216</b>	<b>3,608,218</b>

## Group, 2022

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	16,331	42,760	1,075	278	1,220	239	584	62,486
<b>TOTAL ASSETS</b>	<b>1,741,903</b>	<b>1,031,798</b>	<b>398,908</b>	<b>62,808</b>	<b>113,704</b>	<b>148,614</b>	<b>35,044</b>	<b>3,532,779</b>

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	731,778	339,621	389,227	27,686	17,506	14,802	1,071	1,521,690
Other liabilities	20,214	9,458	2,089	481	3,725	1,579	840	38,387
Total equity	204,141							204,141
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,741,802</b>	<b>857,712</b>	<b>678,398</b>	<b>89,366</b>	<b>63,656</b>	<b>71,449</b>	<b>30,395</b>	<b>3,532,779</b>

Comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance Contracts. See note 49 on restated comparative figures for further information.

Parent company, 2023	SEK	EUR	USD	GBP	DKK	NOK	Other	Total
Cash and cash balances at central banks	63,789	131,377	97,580	4,703	8,204	44	1,350	307,047
Loans to credit institutions	15,005	73,458	30,771	980	3,856	4,752	11,713	140,536
Loans to the public	1,124,348	334,513	148,381	46,675	84,545	116,277	16,244	1,870,983
Other financial assets	282,094	109,040	74,849	26,266	24,603	43,688	7,086	567,627
Other assets	1,023	25,134	1,097	1,711	1,401	1,630	644	32,640
<b>TOTAL ASSETS</b>	<b>1,486,259</b>	<b>673,522</b>	<b>352,679</b>	<b>80,335</b>	<b>122,610</b>	<b>166,390</b>	<b>37,038</b>	<b>2,918,833</b>
Deposits from central banks	73	423	18,614	2,058		180	21,348	
Deposits from credit institutions	25,852	82,885	17,053	11,538	9,473	11,419	1,862	160,080
Deposits and borrowing from the public	764,568	252,373	203,020	58,044	46,417	48,007	23,599	1,396,028
Other financial liabilities	383,916	327,258	335,139	44,600	16,564	34,881	2,413	1,144,771
Other liabilities	6,869	6,324	1,746	280	3,119	1,919	2,206	22,464
Shareholders' equity and untaxed reserves		174,142						
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,355,419</b>	<b>669,263</b>	<b>575,572</b>	<b>116,519</b>	<b>75,573</b>	<b>96,226</b>	<b>30,261</b>	<b>2,918,833</b>
<b>Parent company, 2022</b>								
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
<b>TOTAL ASSETS</b>	<b>1,507,093</b>	<b>615,735</b>	<b>398,302</b>	<b>62,216</b>	<b>113,011</b>	<b>148,009</b>	<b>28,320</b>	<b>2,872,686</b>
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							
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,338,893</b>	<b>616,059</b>	<b>671,905</b>	<b>88,197</b>	<b>63,039</b>	<b>70,725</b>	<b>23,868</b>	<b>2,872,686</b>

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)

## 39 Current and non-current assets and liabilities

Group	2023			2022		
	Current assets	Non-current assets	Total	Current assets	Non-current assets	Total
Assets						
Cash and cash balances at central banks	312,373		312,373	377,966		377,966
Loans to central banks	97,691		97,691	73,962		73,962
Loans to credit institutions	79,486	4,643	84,128	73,035	4,200	77,235
Loans to the public	801,736	1,299,444	2,101,181	748,826	1,316,444	2,065,271
Debt securities	266,252		266,252	252,496		252,496
Equity instruments	92,707		92,707	68,779		68,779
Financial assets for which the customers bear the investment risk	392,457		392,457	354,299		354,299
Derivatives	183,080		183,080	187,622		187,622
Investments in subsidiaries, associates and joint ventures		1,572	1,572		1,365	1,365
Intangible assets	801	6,123	6,925	844	6,341	7,185
Properties and equipment	364	913	1,278	347	843	1,190
Right-of-use assets	962	5,304	6,266	879	3,956	4,834
Current tax assets	15,336		15,336	16,312		16,312
Deferred tax assets		386	386		409	409
Retirement benefit assets	23,765		23,765	24,188		24,188
Other assets	19,849		19,849	16,951		16,951
Prepaid expenses and accrued income	2,973		2,973	2,714		2,714
<b>TOTAL</b>	<b>2,289,832</b>	<b>1,318,385</b>	<b>3,608,218</b>	<b>2,199,221</b>	<b>1,333,557</b>	<b>3,532,779</b>
Liabilities	2023			2022		
	Current liabilities	Non-current liabilities	Total	Current liabilities	Non-current liabilities	Total
Deposits from central banks and credit institutions	144,774	2,549	147,323	64,618	2,255	66,873
Deposits and borrowing from the public	1,607,001	4,650	1,611,651	1,697,239	4,448	1,701,687
Financial liabilities for which the customers bear the investment risk	19,915	372,447	392,362	17,353	338,443	355,796
Liabilities to policyholders	3,209	33,244	36,453	2,696	30,729	33,425
Debt securities issued	435,875	431,963	867,838	457,280	337,869	795,149
Short positions	33,700		33,700	44,635		44,635
Derivatives	204,176		204,176	238,048		238,048
Other financial liabilities	100		100	172		172
Fair value changes of hedged items in a portfolio hedge	2,631		2,631	7,456		7,456
Current tax liabilities	4,145		4,145	2,164		2,164
Deferred tax liabilities		10,001	10,001		10,367	10,367
Other liabilities	34,034	5,573	39,607	32,858	4,294	37,152
Accrued expenses and prepaid income	5,648		5,648	5,827		5,827
Provisions		1,056	1,056		1,056	1,056
Retirement benefit liabilities		66	66		64	64
Subordinated liabilities	0	29,687	29,687	9,221	19,546	28,767
<b>TOTAL</b>	<b>2,495,209</b>	<b>891,234</b>	<b>3,386,443</b>	<b>2,579,567</b>	<b>749,071</b>	<b>3,328,637</b>

Comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance Contracts. See note 49 on restated comparative figures for further information.

Assets and liabilities are classified as current assets and current liabilities when they are cash or cash equivalents, are held 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. Risk-taking and risk management are integral parts of all SEB's business activities and shall therefore be inter-linked with the business strategy. SEB's profitability and viability are directly dependent upon its ability to identify, assess, measure, monitor, manage, mitigate, report and price all material risks encountered, while maintaining an adequate capital and liquidity position to meet unforeseen events. The Board of Directors is responsible for the framework and principles for risk management and for setting the maximum acceptable levels of risks to be taken by the bank. SEB's risk appetite is the Board of Director's long-term view on the types and levels of risk the bank is willing to assume in order to achieve its overall business objectives.

SEB's main risk is credit risk. Other risks that the group is exposed to include market risk, operational risk, liquidity risk, business risk, pension risk, insurance risk, strategic risk, and reputational 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, assess, measure, monitor, manage, mitigate, report and price all material risks encountered, while maintaining an adequate capital and liquidity position to meet unforeseen events. The Board of Directors is responsible for the framework and principles for risk management and for setting the maximum acceptable levels of risks to be taken by the bank. SEB's risk appetite is the Board of Director's long-term view on the types and levels of risk the bank is willing to assume in order to achieve its overall business objectives.

Further information about SEB's risk, liquidity and capital management is available on p. 51-58, note 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. 189-248.

## 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 credit risk concept also comprises counterparty credit 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 credit 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 business and financial risk factors (current and anticipated) 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 separately and independently assigned 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 and institutional customers, independent and professional credit analysis is particularly important, and the credit decisions sup-

## Financial statements

- [SEB Group](#)
- [Parent company](#)
- [Notes to the financial statements](#)
- [Five-year summary](#)
- [Proposal for the distribution of profit](#)
- [Signatures of the Board of Directors and the President](#)
- [Auditor's report](#)

### Note 40 a continued Credit risk

ported by the business areas are independently verified 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 also reflect the group's approach to sustainability as described in the Corporate Sustainability Policy, supplemental policies, sector policies and related position statements and 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. 189-248. The sector policies in place are specified on p. 196 and are available at [sebgroup.com](http://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 restrictive 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 forbearance loans. Forbearance measures range from amortisation holidays (the most common measure) to refinancing with new terms and debt forgiveness.

A relevant credit approval body shall approve the forbearance measures as well as the classification of the loan as being forbearance 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 the 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 134 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 e.g. 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 Sustainability report on p. 189-248 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 supervisor is used for the majority of the bank's portfolios and reflects the risk of default on payment obligations. As of 31 December 2023, 89 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 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 availability and customer characteristics normally vary by country and product.

The exposure weighted PD of the total credit portfolio, under the IRB approach, was 0.57 per cent at year-end (0.47).

→ The risk distribution of the non-retail and household portfolios is shown on p. 150.

#### 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.

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors](#)
[and the President](#)
[Auditor's report](#)
*Note 40 a continued Credit risk*
**Credit exposure by industry**

Total credit exposure comprises the group's credit portfolio (lending, contingent liabilities and counterparty credit risks arising from derivative, repo and collateral margin con- tracts) and debt instruments. Counterparty risks are reported based on exposure-at-default calculations. Exposures are presented before allowances. Debt instru-

ments comprise all interest-bearing instruments at nominal amounts. Debt instruments in the Life and Investment Management divisions are excluded.

<b>Group</b>	<b>Lending</b>		<b>Contingent liabilities</b>		<b>Derivatives, repos and collateral margins</b>		<b>Total</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Banks</b>	<b>27,516</b>	<b>26,692</b>	<b>26,218</b>	<b>28,193</b>	<b>60,427</b>	<b>71,654</b>	<b>114,161</b>	<b>126,539</b>
Finance and insurance	144,777	152,796	122,308	104,852	52,045	57,374	319,130	315,021
Wholesale and retail	82,493	84,618	65,561	59,192	2,048	2,327	150,101	146,137
Transportation	30,237	31,163	27,795	25,737	3,041	2,544	61,073	59,443
Shipping	50,858	57,955	19,261	15,804	858	1,177	70,977	74,936
Business and household services	204,678	188,524	165,902	156,849	7,523	6,970	378,103	352,343
Construction	17,594	14,802	27,864	24,918	184	224	45,642	39,944
Manufacturing	112,881	129,863	204,874	197,166	18,253	19,357	336,008	346,386
Agriculture, forestry and fishing	36,325	33,813	6,884	5,101	42	60	43,251	38,974
Mining, oil and gas extraction	5,253	7,671	17,123	24,415	668	1,950	23,044	34,036
Electricity, gas and water supply	91,843	81,867	103,874	106,298	20,074	46,758	215,791	234,923
Other	16,857	21,924	14,711	22,533	49	81	31,617	44,538
<b>Corporates</b>	<b>793,796</b>	<b>804,996</b>	<b>776,156</b>	<b>742,864</b>	<b>104,784</b>	<b>138,822</b>	<b>1,674,736</b>	<b>1,686,682</b>
Commercial real estate management	184,710	183,183	29,418	25,087	1,576	580	215,704	208,850
Residential real estate management	137,944	134,079	9,814	11,361	651	176	148,409	145,616
<b>Real Estate Management</b>	<b>322,654</b>	<b>317,262</b>	<b>39,232</b>	<b>36,448</b>	<b>2,227</b>	<b>756</b>	<b>364,114</b>	<b>354,466</b>
<b>Housing co-operative associations</b>	<b>63,502</b>	<b>67,949</b>	<b>2,763</b>	<b>3,620</b>	<b>4</b>	<b>2</b>	<b>66,269</b>	<b>71,571</b>
<b>Public Administration</b>	<b>20,572</b>	<b>25,585</b>	<b>23,345</b>	<b>26,747</b>	<b>20,863</b>	<b>39,162</b>	<b>64,781</b>	<b>91,494</b>
Household mortgage	636,224	634,663	34,125	36,384			670,349	671,047
Other	44,067	42,930	41,341	41,662	51	32	85,458	84,624
<b>Households</b>	<b>680,291</b>	<b>677,593</b>	<b>75,465</b>	<b>78,046</b>	<b>51</b>	<b>32</b>	<b>755,807</b>	<b>755,672</b>
<b>Credit portfolio</b>	<b>1,908,332</b>	<b>1,920,078</b>	<b>943,179</b>	<b>915,918</b>	<b>188,356</b>	<b>250,428</b>	<b>3,039,868</b>	<b>3,086,423</b>
Debt instruments							242,950	240,657
<b>TOTAL</b>							<b>3,282,817</b>	<b>3,327,080</b>

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)
*Note 40 a continued Credit risk*
**Credit portfolio by industry and geography**

The total credit portfolio comprises the group's lending, contingent liabilities and counterparty credit risks arising from derivatives, repos and collateral margin contracts.

Counterparty risks are reported based on exposure-at-default calculations. Exposures are presented before allowances.

<b>Group, 2023</b>	<b>Sweden</b>	<b>Other Nordic countries</b>	<b>Baltic countries</b>	<b>Germany, UK</b>	<b>Other</b>	<b>Total</b>
<b>Banks</b>	<b>83,346</b>	<b>9,667</b>	<b>1,253</b>	<b>8,788</b>	<b>11,108</b>	<b>114,161</b>
Finance and insurance	223,485	30,002	1,127	61,058	3,457	319,130
Wholesale and retail	59,128	34,703	29,082	19,578	7,610	150,101
Transportation	21,950	21,975	9,675	7,013	461	61,073
Shipping	16,154	36,193	752	11,358	6,520	70,977
Business and household services	172,297	67,669	12,536	114,611	10,990	378,103
Construction	22,384	8,397	5,681	6,340	2,839	45,642
Manufacturing	118,541	112,845	15,999	76,383	12,239	336,008
Agriculture, forestry and fishing	22,149	9,674	10,587	186	656	43,251
Mining, oil and gas extraction	4,184	17,223	299	616	723	23,044
Electricity, gas and water supply	56,296	88,886	19,347	50,852	410	215,791
Other	25,962	839	770	383	3,663	31,617
<b>Corporates</b>	<b>742,531</b>	<b>428,406</b>	<b>105,854</b>	<b>348,376</b>	<b>49,569</b>	<b>1,674,736</b>
Commercial real estate management	129,408	49,603	29,501	6,635	557	215,704
Residential real estate management	142,585	3,124		2,535	165	148,409
<b>Real Estate Management</b>	<b>271,993</b>	<b>52,728</b>	<b>29,501</b>	<b>9,170</b>	<b>722</b>	<b>364,114</b>
<b>Housing co-operative associations</b>	<b>66,004</b>	<b>265</b>				<b>66,269</b>
<b>Public Administration</b>	<b>44,968</b>	<b>5,765</b>	<b>7,746</b>	<b>4,410</b>	<b>1,891</b>	<b>64,781</b>
Household mortgage	580,372	570	83,216		6,190	670,349
Other	47,316	24,572	10,969		2,601	85,458
<b>Households</b>	<b>627,689</b>	<b>25,142</b>	<b>94,185</b>		<b>8,791</b>	<b>755,807</b>
<b>TOTAL</b>	<b>1,836,530</b>	<b>521,973</b>	<b>238,539</b>	<b>370,745</b>	<b>72,081</b>	<b>3,039,868</b>

<b>Group, 2022</b>	<b>Sweden</b>	<b>Other Nordic countries</b>	<b>Baltic countries</b>	<b>Germany, UK</b>	<b>Other</b>	<b>Total</b>
<b>Banks</b>	<b>93,355</b>	<b>16,199</b>	<b>1,068</b>	<b>6,813</b>	<b>9,104</b>	<b>126,539</b>
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
<b>Corporates</b>	<b>774,569</b>	<b>431,700</b>	<b>98,985</b>	<b>326,915</b>	<b>54,514</b>	<b>1,686,682</b>
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
<b>Real Estate Management</b>	<b>267,749</b>	<b>50,180</b>	<b>27,780</b>	<b>8,565</b>	<b>192</b>	<b>354,466</b>
<b>Housing co-operative associations</b>	<b>71,307</b>	<b>264</b>				<b>71,571</b>
<b>Public Administration</b>	<b>71,041</b>	<b>6,631</b>	<b>6,883</b>	<b>3,716</b>	<b>3,223</b>	<b>91,494</b>
Household mortgage	583,264	770	80,737		6,276	671,047
Other	46,444	25,756	10,274		2,146	84,624
<b>Households</b>	<b>629,708</b>	<b>26,526</b>	<b>91,011</b>		<b>8,422</b>	<b>755,672</b>
<b>TOTAL</b>	<b>1,907,729</b>	<b>531,500</b>	<b>225,727</b>	<b>346,013</b>	<b>75,455</b>	<b>3,086,423</b>

[Financial statements](#)
*Note 40 a continued Credit risk*
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)
**Credit portfolio by PD range**

Group, 2023			Total, excluding households							Households	
Category	Probability of Default (PD) range	S&P/Moody's <sup>1)</sup>	Banks	Corporates	Real estate management	Housing Co-ops	Public Admin.	Total	Households <sup>2)</sup> PD range		
Investment grade	0 < 0.01%	AAA/Aaa	15.8%	0.6%	0.4%	0.0%	65.7%	3.2%	0<0.2	67.5%	
	0.01 < 0.03%	AA/Aa	45.3%	11.8%	3.5%	0.1%	30.8%	12.1%			
	0.03 < 0.12%	A/A	27.0%	21.9%	3.5%	10.4%	0.5%	17.8%			
	0.12 < 0.46%	BBB/Baa	6.9%	40.5%	36.0%	67.4%	2.7%	37.8%			
Standard monitoring	0.46 < 1.74%	BB/Ba	1.6%	20.7%	48.8%	21.3%	0.3%	24.3%	0.6<1	5.3%	
	1.74 < 7%	B/B	1.7%	3.6%	6.8%	0.4%	0.0%	3.8%			
Watch list	7 < 9%	B/B	1.7%	0.4%	0.8%	0.4%	0.1%	0.5%	5<10	0.7%	
	9 < 22%	CCC/Caa	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
	22 < 100%	C/C	0.0%	0.2%	0.2%	0.0%	0.0%	0.2%			
Default	100%	D	0.0%	0.5%	0.1%	0.1%	0.0%	0.4%	50<100	1.2%	
<b>TOTAL</b>			<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>TOTAL</b>	<b>100%</b>	

**Group, 2022**

			Banks	Corporates	Real estate management	Housing Co-ops	Public Admin.	Total	Households <sup>2)</sup> PD range	
Investment grade	0 < 0.01%	AAA/Aaa	19.1%	0.4%	0.2%	0.0%	75.1%	4.5%	0<0.2	65.7%
	0.01 < 0.03%	AA/Aa	44.7%	12.5%	3.6%	0.1%	22.8%	12.7%		
	0.03 < 0.12%	A/A	23.0%	22.3%	3.9%	10.1%	0.4%	17.8%		
	0.12 < 0.46%	BBB/Baa	8.1%	40.1%	36.0%	66.4%	1.5%	37.0%		
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%		
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%		
	22 < 100%	C/C	0.1%	0.2%	0.0%	0.0%	0.0%	0.1%		
Default	100%	D	0.0%	0.4%	0.0%	0.0%	0.0%	0.3%	50 < 100%	0.7%
<b>TOTAL</b>			<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>TOTAL</b>	<b>100%</b>

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).

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)
*Note 40 a continued Credit risk*
**Credit portfolio protected by guarantees, credit derivatives and collaterals<sup>1)</sup>**

	2023	Group				Parent company			
		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
	<b>Banks</b>	<b>114,161</b>	<b>2,142</b>	<b>19,498</b>	<b>12,612</b>	<b>111,446</b>	<b>2,142</b>	<b>19,496</b>	<b>12,611</b>
	Corporates, Real estate management and Housing co-operative associations	2,105,119	28,090	537,293	52,464	1,895,445	27,389	471,209	50,995
	Public Administration	64,781		1,759	170	54,469		585	
	Households	755,807	94	613,173	13,792	614,033		521,842	13,594
	<b>TOTAL</b>	<b>3,039,868</b>	<b>30,325</b>	<b>1,171,722</b>	<b>79,038</b>	<b>2,675,393</b>	<b>29,530</b>	<b>1,013,133</b>	<b>77,199</b>
	<b>2022</b>								
	<b>Banks</b>	<b>126,539</b>	<b>1,998</b>	<b>14,165</b>	<b>7,006</b>	<b>124,211</b>	<b>1,998</b>	<b>14,162</b>	<b>7,004</b>
	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
	<b>TOTAL</b>	<b>3,086,423</b>	<b>32,111</b>	<b>1,152,889</b>	<b>63,331</b>	<b>2,703,555</b>	<b>31,319</b>	<b>1,005,467</b>	<b>61,973</b>

1) Only risk mitigation arrangements eligible in capital adequacy reporting are represented in the tables above.

**Debt instruments**

At year-end 2023, SEB's credit exposure in the bond portfolio amounted to SEK 243bn (241). 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	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Sweden	41.0%	30.5%	0.3%	0.2%	18.7%	20.9%			0.4%	0.0%	60.4%	51.5%
Germany	0.7%	1.5%	0.0%	0.0%	0.2%	0.3%			4.1%	4.3%	5.0%	6.1%
Luxembourg	1.1%	3.9%	0.0%		4.4%				0.3%	0.1%	5.8%	4.0%
Denmark	2.9%	4.3%	0.2%	0.2%	2.0%	3.8%			0.4%	1.0%	5.5%	9.3%
Norway	2.4%	1.4%	0.0%	0.0%	0.3%	5.8%			0.2%	0.2%	2.6%	7.4%
Finland	3.8%	2.4%	0.0%								3.8%	6.1%
US	2.1%	3.5%	0.0%		0.0%		0.0%		0.0%	0.0%	2.1%	3.6%
Baltics	2.3%	5.3%									7.3%	5.3%
Europe, other	2.7%	2.6%	0.0%	0.0%	0.1%				1.0%	0.7%	3.7%	3.3%
Rest of world	3.8%	3.3%			0.0%				0.1%	0.1%	3.8%	3.4%
<b>TOTAL</b>	<b>62.6%</b>	<b>58.7%</b>	<b>0.5%</b>	<b>0.5%</b>	<b>25.7%</b>	<b>30.7%</b>	<b>5.0%</b>	<b>3.6%</b>	<b>6.2%</b>	<b>6.5%</b>	<b>100.0%</b>	<b>100.0%</b>

**Distribution by rating**

AAA	51.1%	43.1%	0.0%	0.0%	25.6%	29.9%	3.5%	3.0%	3.3%	2.6%	83.4%	78.7%
AA	3.8%	5.3%	0.0%	0.0%	0.1%	0.3%			2.1%	2.5%	6.0%	8.1%
A	3.8%	5.3%	0.1%	0.0%	0.0%	0.0%	0.8%	0.6%	0.2%	0.3%	4.9%	6.2%
BBB			0.1%	0.1%					0.1%	0.1%	0.2%	0.2%
BB/B			0.0%	0.0%					0.1%	0.1%	0.0%	0.0%
CCC/CC											0.0%	0.0%
No issue rating <sup>1)</sup>	3.9%	5.0%	0.3%	0.3%	0.0%	0.5%	0.8%		0.5%	1.1%	5.5%	6.8%
<b>TOTAL</b>	<b>62.6%</b>	<b>58.7%</b>	<b>0.5%</b>	<b>0.5%</b>	<b>25.7%</b>	<b>30.7%</b>	<b>5.0%</b>	<b>3.6%</b>	<b>6.2%</b>	<b>6.5%</b>	<b>100.0%</b>	<b>100.0%</b>

1) Mainly German local governments (Bundesländer).

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)

## 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, i.e. trading book risks, and structural market and net interest income risks, i.e. 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, except positions in the banking book held for liquidity purposes.

**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 categorised as assets in the banking book. However, from a risk management perspective, they are monitored together with trading related market risk, and they are also under a daily mark-to-market regime for valuation.

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 <sup>1)</sup>	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 mar-

ket risk exposure for all risk types and covers a wide range of risk factors across all asset classes where the bank is active. SEB also uses a stressed VaR measure, where VaR is calculated for the current portfolio using market data from a historic, turbulent time period. The time period currently corresponds to the Lehman Brothers' default, and the choice of period is evaluated regularly. The VaR model is validated using so-called back-testing analysis, and regular review by independent model validation.

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.

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors and the President](#)
[Auditor's report](#)
*Note 40 b continued Market risk*
**Value at Risk**

Trading Book (99%, ten days)	2023		31 Dec 2023	Average 2023	Average 2022
	Min	Max			
Commodities risk	19	73	21	38	67
Credit spread risk	48	109	59	78	72
Equity price risk	5	150	11	20	18
Foreign exchange rate risk	23	89	35	50	63
Interest rate risk	95	424	124	216	198
Volatilities risk	11	46	19	22	37
Inflation risk <sup>1)</sup>	2	13	13	11	
Diversification	-85	-464	-153	-188	-218
<b>TOTAL</b>	<b>116</b>	<b>441</b>	<b>131</b>	<b>247</b>	<b>236</b>
<b>Banking Book (99%, ten days)</b>					
Credit spread risk	89	173	89	138	121
Equity price risk	18	49	18	35	35
Foreign exchange rate risk	0	25	6	3	1
Interest rate risk	380	996	559	677	546
Diversification	-58	-337	-30	-160	-153
<b>TOTAL</b>	<b>428</b>	<b>905</b>	<b>642</b>	<b>693</b>	<b>550</b>

1) Included in Interest rate risk in 2022.

**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 appetite 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

2023	CVA	DVA	Total
Interest rates + 100bp	116	164	281
Credit spreads + 100bp	-1,021	956	-65
SEK + 5%	18	-14	4

**2022**

2022	CVA	DVA	Total
Interest rates + 100bp	81	207	287
Credit spreads + 100bp	-1,217	1,569	352
SEK + 5%	53	-37	16

**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.

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.

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**

2023	Interest rate sensitivity in trading book per time buckets						Total
	< 3 months	3–12 months	1–2 years	2–5 years	5–10 years	>10 years	
EUR	31	-166	-62	1 004	-568	228	468
SEK	-36	-215	-823	662	-21	89	-344
USD	-21	-36	63	-72	48	-73	-90
Other	-20	289	55	-686	269	-165	-258
<b>TOTAL</b>	<b>-46</b>	<b>-127</b>	<b>-768</b>	<b>908</b>	<b>-271</b>	<b>80</b>	<b>-224</b>

**2022**

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
<b>TOTAL</b>	<b>-156</b>	<b>-380</b>	<b>136</b>	<b>166</b>	<b>202</b>	<b>-275</b>	<b>-307</b>

[Financial statements](#)

[SEB Group](#)  
[Parent company](#)

[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)

[Signatures of the Board of Directors](#)  
 and the President

[Auditor's report](#)

*Note 40 b continued Market risk*

**Interest rate sensitivity in banking book per time buckets<sup>1)</sup>**

2023							<b>Total</b>
	< 3 months	3–12 months	1–2 years	2–5 years	5–10 years	>10 years	
EUR	-138	-6	-200	-233	-35	-2	<b>-615</b>
SEK	55	-662	23	-814	-160	-1	<b>-1,559</b>
USD	-73	137	-86	84	56	48	<b>166</b>
Other	7	-97	61	-82	-9	-1	<b>-121</b>
<b>TOTAL</b>	<b>-149</b>	<b>-629</b>	<b>-201</b>	<b>-1,045</b>	<b>-149</b>	<b>44</b>	<b>-2,128</b>

2022							<b>Total</b>
	< 3 months	3–12 months	1–2 years	2–5 years	5–10 years	>10 years	
EUR	21	-262	-113	-164	-61	3	<b>-575</b>
SEK	-262	-335	-238	-472	-317	-35	<b>-1,661</b>
USD	-56	-22	24	23	-2	125	<b>91</b>
Other	-4	-79	-9	-29	-4	0	<b>-124</b>
<b>TOTAL</b>	<b>-300</b>	<b>-698</b>	<b>-336</b>	<b>-642</b>	<b>-385</b>	<b>92</b>	<b>-2,269</b>

1) By currency SEK m/100 basis points.

## 40c Operational 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, systems or from external events. 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, limiting non-financial risks and loss levels.

All employees are required to register incidents to ensure 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 cyber and 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 groupwide 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 2023, SEB established a Digital Operating Resilience Committee with the purpose to ensure the safeguarding of SEB's digital operational resilience. The work of the committee includes the establishment and follow up of a risk control framework for risk of losses related to Information Communication and Technology ("ICT"), such as cyber risk and cyber security, network and information systems as well as losses related to the use of third-party service providers. 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.

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 2023, net losses from non-financial incidents amounted to SEK 154m (237).

**Risk measurement**

SEB uses the Advanced Measurement Approach (AMA) to calculate the regulatory capital requirement for operational risk.

## 40d Business risk, strategic- and reputational risk

**Definitions**

Business risk is the risk of lower earnings than expected, due to reduced volumes or price pressure combined with inability to offset the revenue decline with a reduction in costs.

Strategic risk is the risk of negative impact due to adverse business decisions, improper implementation of decisions, or lack of responsiveness to changes in the business environment. Reputational risk is the risk arising from negative perception on the part of customers, counterparties, shareholders, investors, debt-holders, market analysts, other relevant parties or regulators that can adversely affect SEB's ability to maintain existing, or establish new, business relationships or funding.

**Risk management**

Business, strategic- and reputational risks are inherent in doing business. SEB carries out different activities to mitigate, measure, and control these risks, for example through regularly performed strategic business reviews, proactive cost management, and active dialogues with external stakeholders.

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)

## 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.

Regarding concentration risks, the group has only limited exposure to concentration of risk in terms of underwriting risk. Underwriting risks are only related to physical persons and reinsurance is used at each subsidiary to limit exposure to mortality risk and health/disability risk. The reinsurance arrangements may differ between the subsidiaries but usually include protection through retention limits for individual risks. For material risk concentrations relating to market risk, maximum exposures to specific geographic markets, instrument types and individual counterparties are regulated and limited within the framework of the investment guidelines of each subsidiary. The group's traditional insurance portfolios are highly diversified. The greatest concentrations, apart from shares in well-diversified funds, are bonds with high creditworthiness.

The risk organisation is responsible for measuring and controlling the risks inherent in SEB's life insurance operations. Measurement and monitoring of 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, over a specific time horizon, 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 maintains a well-controlled liquidity risk profile, with sufficient volumes of liquid assets in all relevant currencies, enabling it to meet its liquidity needs in all foreseeable circumstances, without incurring significant cost increases.

Liquidity risk is managed through limits set by the Board and further allocated by the Group Risk Committee (GRC). These limits are established for the group, its branches, specific legal entities, and exposure to various currencies. The treasury function holds the overall responsibility for liquidity management and funding, with support from local treasury centres in the group's major markets. The risk function regularly assesses and reports on limit utilization under different market conditions and liquidity stress tests to both 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 conducted annually to identify potential gaps in relation to SEB's long-term liquidity targets, and to ensure that liquidity management is adequate.

Liquidity management and the structuring of the balance sheet from a liquidity point of view are built on three fundamental perspectives:

- (i) the structural liquidity perspective, which assesses the relationship between stable funding and less liquid assets;
- (ii) the bank's tolerance for short-term stress, such as disruptions in wholesale and interbank funding markets (wholesale funding dependence);
- (iii) the bank's tolerance to a severe stress scenario, wherein, in addition to a funding market shutdown, the bank experiences a substantial outflow of deposits.

**Structural liquidity risk**

To maintain a sound structural liquidity position, it is essential that the liability side's structure aligns with the composition of assets. The greater the presence of long-term lending and other illiquid assets, the more stable funding is required. This risk is quantified using the regulatory-defined Net Stable Funding Ratio (NSFR), which compares the amount of available stable funding in relation to the amount of required stable funding.

In SEB, the same risk is assessed through the Core Gap ratio, which also measures the relationship between stable funding and illiquid assets. The key distinction between the NSFR and the internal Core Gap ratio lies in the Core Gap ratio's more detailed calculation based on internal statistics, resulting in different weightings for both available and required stable funding.

**Wholesale funding dependence**

One approach to gauge the bank's resilience to deteriorating market conditions is to evaluate how long SEB's liquid assets would last if the wholesale and interbank funding markets were inaccessible. This metric, referred to as "the maturing funding ratio", assesses the bank's liquid assets in relation to wholesale funding and net interbank borrowings maturing in the upcoming months. It essentially estimates the number of months it would take to deplete the liquid assets under a scenario where all maturing funding obligations must be met using liquid assets. Additionally, the bank's reliance on wholesale funding is also quantified by the loan to deposit ratio.

**Stressed survival horizon**

Severe stress can be simulated by combining assumptions of a wholesale funding market shutdown with considerations of deposit outflows, and drawdowns on commitments, and similar factors. The resulting impact is captured by the stressed scenario, measures the modelled net outflows over a 30-day period relative to total liquid assets. As of 1 January 2018, the EU's definition of LCR is adopted.

SEB also measures the time it takes for the liquid assets to be depleted in a severely stressed scenario, referred to as the "Stressed Survival Horizon (SSH)". This same scenario is also used for monitoring the outcome in the currency dimension to identify potential discrepancies and dependencies in relation to the FX-swap market. Additionally, SEB monitors various Survival metrics from rating agencies.

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors](#)
[and the President](#)
[Auditor's report](#)
*Note 40 f continued Liquidity risk*
***Internal liquidity adequacy assessment process***

Liquidity risk is not primarily mitigated by capital. Nevertheless, there are strong links between a bank's capital and liquidity position. Therefore, an internal liquidity adequacy assessment process (ILAAP) supplements the Internal

Capital Adequacy Assessment Process (ICAAP). The ILAAP is designed to pinpoint potential shortfalls concerning SEB's long-term target for liquidity adequacy. This process recognizes that effective liquidity management is an ongoing improvement process.

**Liquid assets<sup>1)</sup>**

	2023					2022				
	SEK	EUR	USD	Other	Total	SEK	EUR	USD	Other	Total
Cash and balances with central banks	63,792	225,823	96,410	14,123	400,147	143,983	174,553	103,244	12,332	434,113
Securities issued or guaranteed by sovereigns, central banks, MDBs and international organisations	94,015	21,223	28,002	12,078	155,319	50,221	20,614	35,888	13,423	120,147
Securities issued by municipalities and PSEs	1,173		6,105	22,933	30,211	2,231		6,392	22,751	31,374
Extremely high quality covered bonds	75,988	1,861	542	63,873	142,264	40,398	344	547	44,838	86,126
<b>Level 1 assets</b>	<b>234,968</b>	<b>248,908</b>	<b>131,059</b>	<b>113,007</b>	<b>727,941</b>	<b>236,833</b>	<b>195,512</b>	<b>146,072</b>	<b>93,344</b>	<b>671,760</b>
Securities issued or guaranteed by sovereigns, central banks, municipalities and PSEs		29	2,143	608	2,779			1,539	488	2,027
High quality covered bonds	4,952	161	2,292	6,445	13,849	7,097	32	1,318	5,584	14,031
Corporate debt securities (lowest rating AA–)	631				631					
<b>Level 2A assets</b>	<b>5,583</b>	<b>189</b>	<b>4,434</b>	<b>7,052</b>	<b>17,259</b>	<b>7,097</b>	<b>32</b>	<b>2,857</b>	<b>6,072</b>	<b>16,058</b>
Asset-backed securities		7,897			7,897		6,815			6,815
High quality covered bonds				634	634					195
Corporate debt securities (rated A+ to BBB–)		174			174		111	10		121
<b>Level 2B assets</b>		<b>8,071</b>		<b>634</b>	<b>8,706</b>		<b>6,926</b>	<b>10</b>	<b>195</b>	<b>7,131</b>
<b>Level 2 assets</b>	<b>5,583</b>	<b>8,261</b>	<b>4,434</b>	<b>7,687</b>	<b>25,965</b>	<b>7,097</b>	<b>6,958</b>	<b>2,867</b>	<b>6,267</b>	<b>23,189</b>
<b>TOTAL LIQUID ASSETS</b>	<b>240,551</b>	<b>257,168</b>	<b>135,493</b>	<b>120,693</b>	<b>753,906</b>	<b>243,930</b>	<b>202,470</b>	<b>148,939</b>	<b>99,611</b>	<b>694,950</b>

1) All definitions are in accordance with the Liquidity Coverage Ratio in the CRR.

**Liquidity risk management measures**

	2023	2022
Net Stable Funding ratio (NSFR)	112%	109%
Loan to deposit ratio	121%	116%
Liquidity Coverage Ratio	140%	143%

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors](#)
[and the President](#)
[Auditor's report](#)
*Note 40 f continued Liquidity risk*
**Contractual maturities**

The tables below display cash flows categorized by remaining contractual maturities as of the balance sheet date, considering the earliest date at which the group can be obligated to pay, without regard to probability assumptions. These cash

flows are not discounted, and derivatives are reported at fair value. Obligations such as loan commitments, are reported as when the obligation matures.

**Group, 2023**

<b>Balance sheet (contractual maturity dates)</b>	<b>Payable on demand</b>	<b>&lt; 3 months<sup>1)</sup></b>	<b>3–12 months</b>	<b>1–5 years</b>	<b>&gt;5 years</b>	<b>Not distributed</b>	<b>Subtotal</b>	<b>Discount effect</b>	<b>Total</b>
<b>Cash and cash balances at central banks</b>	<b>312,373</b>						<b>312,373</b>		<b>312,373</b>
Loans to central banks	94,900	2,821	0	0			97,721	-30	97,691
Loans to credit institutions	11,575	61,804	6,988	4,363	920		85,650	-1,522	84,128
of which repos		1,075					1,075	-12	1,063
General governments	500	7,137	3,972	10,810	6,596		29,016	-2,857	26,159
Households	6,662	16,644	35,931	47,278	814,693		921,208	-199,580	721,628
Corporates	66,333	417,638	263,123	590,297	115,693		1,453,083	-99,689	1,353,394
<b>Loans to the public</b>	<b>73,495</b>	<b>441,418</b>	<b>303,025</b>	<b>648,386</b>	<b>936,982</b>		<b>2,403,307</b>	<b>-302,126</b>	<b>2,101,181</b>
of which repos		165,070					165,070	-1,816	163,254
Debt securities		86,687	24,718	147,730	26,179		285,314	-19,062	266,252
of which eligible debt securities		80,537	3,096	40,808	13,449		137,890	-6,947	130,943
of which other debt securities		5,484	20,935	106,916	12,728		146,063	-12,115	133,948
Equity instruments							92,707	92,707	92,707
Derivatives							183,080	183,080	183,080
Financial assets for which the customers bear the investment risk							392,457	392,457	392,457
<b>Financial assets at fair value</b>	<b>86,687</b>	<b>24,718</b>	<b>147,730</b>	<b>26,179</b>	<b>668,244</b>		<b>953,558</b>	<b>-19,062</b>	<b>934,496</b>
Other assets	14,454	1,598	42	2,114	60,347		78,556	-207	78,349
of which other financial assets	14,382	1,569	2	17	10		15,980	-207	15,773
<b>Total assets</b>	<b>492,343</b>	<b>607,184</b>	<b>336,330</b>	<b>800,521</b>	<b>966,195</b>		<b>728,591</b>	<b>3,931,165</b>	<b>-322,947</b>
of which accrued interest loans							6,863	6,863	6,863
of which accrued interest debt securities							1,361	1,361	1,361

## Financial statements

Note 40f continued Liquidity risk

**Group, 2023**

<b>Balance sheet</b> (contractual maturity dates)	Payable on demand	< 3 months <sup>1)</sup>	3–12 months	1–5 years	>5 years	Not distributed	Subtotal	Discount effect	Total
<b>Deposits from central banks and credit institutions</b> <i>of which repos</i>	<b>25,743</b>	<b>106,250</b>	<b>14,175</b>	<b>785</b>	<b>2,319</b>		<b>149,272</b>	<b>-1,949</b>	<b>147,323</b>
General governments	17,025	5,059	3,732	274	1,310		27,400	-345	27,055
Households	320,845	84,612	35,910	2,016	4		443,387	-1,466	441,921
Corporates	1,017,149	102,538	23,014	1,141	120		1,143,961	-1,286	1,142,675
<b>Deposits and borrowings from the public</b> <i>of which deposits</i>	<b>1,355,019</b>	<b>192,208</b>	<b>62,657</b>	<b>3,431</b>	<b>1,434</b>		<b>1,614,748</b>	<b>-3,097</b>	<b>1,611,651</b>
<i>of which borrowing</i>		<i>1,220,516</i>	<i>153,464</i>	<i>41,546</i>	<i>2,730</i>	<i>1,434</i>	<i>1,419,690</i>	<i>-2,346</i>	<i>1,417,344</i>
<i>of which repos</i>		<i>13,473</i>	<i>3</i>		<i>30</i>		<i>13,506</i>	<i>-96</i>	<i>13,410</i>
Financial liabilities for which the customers bear the investment risk							13,193	-92	13,101
Liabilities to policyholders	822	2,388	9,634	23,532		392,362	392,362		392,362
Certificates	76,037	267,993				77	36,453		36,453
Covered bonds	86	68,153	265,053	15,762			344,030	-7,132	336,898
Other bonds	2,021	31,146	177,390	12,980			349,054	-24,878	324,176
							223,537	-16,772	206,765
<b>Debt securities issued</b>		<b>78,144</b>	<b>367,292</b>	<b>442,443</b>	<b>28,742</b>		<b>916,620</b>	<b>-48,782</b>	<b>867,838</b>
Debt securities			201	8,025	9,751		17,977	-3,835	14,142
Equity instruments							19,558		19,558
Derivatives							204,176		204,176
Other liabilities		19	83				2,631		2,731
							2,733	-2	
<b>Financial liabilities at fair value</b>		<b>19</b>	<b>284</b>	<b>8,025</b>	<b>9,751</b>		<b>226,365</b>	<b>244,444</b>	<b>-3,837</b>
Other liabilities		9,902	2,964	3,820	3,497		40,691	60,875	-353
<i>of which other financial liabilities</i>		9,218	2,137	595	738		39	12,726	-353
<i>of which lease liabilities</i>		322	650	2,898	2,208		140	6,218	481
Subordinated liabilities				31,587	1,145			32,732	-3,045
Equity							221,775	221,775	221,775
<b>Total Liabilities and Equity</b>	<b>1,380,762</b>	<b>387,345</b>	<b>449,760</b>	<b>499,724</b>	<b>70,419</b>		<b>881,270</b>	<b>3,669,281</b>	<b>-61,063</b>
<i>of which accrued interest deposits and borrowing</i>							3,254	3,254	3,254
<i>of which accrued interest issued securities</i>							3,342	3,342	3,342

**Off-balance sheet items**

Loan commitments	332,084	107,435	404,802	59,959		904,280		904,280
Acceptances and other financial facilities	33,229	47,697	62,955	57,129		201,010		201,010
<b>Total liabilities, equity and off-balance sheet items</b>	<b>1,380,762</b>	<b>752,658</b>	<b>604,892</b>	<b>967,481</b>	<b>187,507</b>	<b>881,270</b>	<b>4,774,571</b>	<b>-61,063</b>

1) Includes items available overnight.

**Financial statements***Note 40 f continued Liquidity risk***Group, 2022**

<b>Balance sheet (contractual maturity dates)</b>	<b>Payable on demand</b>	<b>&lt; 3 months<sup>1)</sup></b>	<b>3–12 months</b>	<b>1–5 years</b>	<b>&gt;5 years</b>	<b>Not distributed</b>	<b>Subtotal</b>	<b>Discount effect</b>	<b>Total</b>
<b>Cash and cash balances at central banks</b>	<b>377,966</b>						<b>377,966</b>		<b>377,966</b>
<b>Loans to central banks</b>	<b>65,259</b>	<b>8,728</b>	<b>0</b>				<b>73,987</b>	<b>-25</b>	<b>73,962</b>
<b>Loans to credit institutions</b>	<b>8,167</b>	<b>59,263</b>	<b>5,611</b>	<b>3,924</b>	<b>643</b>		<b>77,609</b>	<b>-374</b>	<b>77,235</b>
<i>of which repos</i>		<i>2,377</i>					<i>2,377</i>	<i>-7</i>	<i>2,370</i>
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
<b>Loans to the public</b>	<b>80,488</b>	<b>390,636</b>	<b>286,162</b>	<b>637,485</b>	<b>817,463</b>		<b>2,212,234</b>	<b>-146,963</b>	<b>2,065,271</b>
<i>of which repos</i>		<i>106,533</i>					<i>106,533</i>	<i>-573</i>	<i>105,960</i>
Debt securities		53,833	56,738	128,304	19,688		258,563	-6,067	252,496
<i>of which eligible debt securities</i>		<i>42,653</i>	<i>26,612</i>	<i>25,845</i>	<i>12,799</i>		<i>107,909</i>	<i>-2,159</i>	<i>105,750</i>
<i>of which other debt securities</i>		<i>10,516</i>	<i>29,787</i>	<i>102,573</i>	<i>6,889</i>		<i>149,765</i>	<i>-3,908</i>	<i>145,857</i>
Equity instruments							68,779	68,779	68,779
Derivatives							187,622	187,622	187,622
Financial assets for which the customers bear the investment risk							354,299	354,299	354,299
<b>Financial assets at fair value</b>		<b>53,833</b>	<b>56,738</b>	<b>128,304</b>	<b>19,688</b>	<b>610,699</b>	<b>869,262</b>	<b>-6,067</b>	<b>863,195</b>
Other assets		12,041	614	68	65	62,405	75,194	-44	75,150
<i>of which other financial assets</i>		<i>12,034</i>	<i>595</i>	<i>6</i>	<i>65</i>	<i>8</i>	<i>12,708</i>	<i>-44</i>	<i>12,664</i>
<b>Total assets</b>	<b>531,879</b>	<b>524,502</b>	<b>349,126</b>	<b>769,780</b>	<b>837,859</b>	<b>673,104</b>	<b>3,686,252</b>	<b>-153,473</b>	<b>3,532,779</b>
<i>of which accrued interest loans</i>						<i>4,624</i>	<i>4,624</i>		<i>4,624</i>
<i>of which accrued interest debt securities</i>						<i>1,004</i>	<i>1,004</i>		<i>1,004</i>

## Financial statements

SEB Group

Parent company

Notes to the financial statements

Five-year summary

Proposal for the distribution of profit

Signatures of the Board of Directors  
and the President

Auditor's report

Note 40 f continued Liquidity risk

## Group, 2022

<b>Balance sheet</b> (contractual maturity dates)	Payable on demand	< 3 months <sup>1)</sup>	3–12 months	1–5 years	>5 years	Not distributed	Subtotal	Discount effect	Total
<b>Deposits from central banks and credit institutions</b> <i>of which repos</i>	<b>30,459</b>	<b>29,266</b>	<b>5,031</b>	<b>792</b>	<b>1,617</b>		<b>67,165</b>	<b>-292</b>	<b>66,873</b>
General governments	14,561	4,458	1,528	111	1,378		2,457	-8	2,449
Households	399,938	33,855	14,365	1,669	6		22,035	-79	21,956
Corporates	1,054,544	164,378	10,220	1,188	74		449,834	-156	449,678
							1,230,403	-349	1,230,054
<b>Deposits and borrowings from the public</b> <i>of which deposits</i> <i>of which borrowing</i> <i>of which repos</i>	<b>1,469,043</b>	<b>202,691</b>	<b>26,113</b>	<b>2,967</b>	<b>1,458</b>		<b>1,702,271</b>	<b>-584</b>	<b>1,701,687</b>
	1,310,604	171,764	22,950	2,770	1,404		1,509,492	-511	1,508,981
		12,446	6	46			12,498	-22	12,476
		12,134					12,134	-20	12,114
Financial liabilities for which the customers bear the investment risk									
Liabilities to policyholders	701	1,995	8,221	20,034		355,796	355,796		355,796
Certificates	140,316	215,501	1			2,474	33,425		33,425
Covered bonds	11,563	53,462	209,143	8,715			355,818	-2,643	353,175
Other bonds	12,622	27,354	112,143	20,944			282,883	-8,173	274,710
							173,063	-5,799	167,264
<b>Debt securities issued</b>	<b>164,501</b>	<b>296,317</b>	<b>321,288</b>	<b>29,659</b>			<b>811,764</b>	<b>-16,615</b>	<b>795,149</b>
Debt securities	37	286	10,418	16,295			27,036	-2,927	24,109
Equity instruments							20,527		20,527
Derivatives							238,048		238,048
Other liabilities	12	161					7,284	7,457	-1
<b>Financial liabilities at fair value</b>	<b>49</b>	<b>447</b>	<b>10,418</b>	<b>16,295</b>			<b>265,858</b>	<b>293,067</b>	<b>-2,928</b>
Other liabilities	10,814	2,566	3,258	2,638			37,634	56,911	56,802
<i>of which other financial liabilities</i>	10,175	1,772	548	529			225	13,249	-109
<i>of which lease liabilities</i>		292	654	2,236				4,988	13,140
Subordinated liabilities			9,451	20,195	1,109			30,755	28,767
Equity							204,141	204,141	204,141
<b>Total Liabilities and Equity</b> <i>of which accrued interest deposits and borrowing</i> <i>of which accrued interest issued securities</i>	<b>1,499,502</b>	<b>408,022</b>	<b>341,920</b>	<b>367,139</b>	<b>72,810</b>		<b>865,902</b>	<b>3,555,295</b>	<b>-22,516</b>
							992	992	992
							1,988	1,988	1,988

## Off-balance sheet items

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
<b>Total liabilities, equity and off-balance sheet items</b>	<b>1,499,537</b>	<b>816,960</b>	<b>488,098</b>	<b>800,154</b>	<b>147,067</b>		<b>865,934</b>	<b>4,617,749</b>	<b>-22,516</b>

1) Includes items available overnight.

Comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance Contracts. See note 49 on restated comparative figures for further information.

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors](#)
[and the President](#)
[Auditor's report](#)
*Note 40f continued Liquidity risk*
**Parent company, 2023**

<b>Balance sheet (contractual maturity dates)</b>	<b>Payable on demand</b>	<b>&lt;3 months<sup>1)</sup></b>	<b>3–12 months</b>	<b>1–5 years</b>	<b>&gt;5 years</b>	<b>Not distributed</b>	<b>Subtotal</b>	<b>Discount effect</b>	<b>Total</b>
<b>Cash and cash balances at central banks</b>	<b>307,047</b>						<b>307,047</b>		<b>307,047</b>
<b>Loans to credit institutions</b>	<b>56,558</b>	<b>62,070</b>	<b>7,279</b>	<b>16,782</b>	<b>591</b>		<b>143,280</b>	<b>-2,744</b>	<b>140,536</b>
<i>of which repos</i>		<i>1,276</i>					<i>1,276</i>	<i>-14</i>	<i>1,262</i>
General governments	412	6,205	2,576	4,851	1,088		15,132	-873	14,259
Households	6,284	11,422	28,094	19,705	720,189		785,694	-170,223	615,471
Corporates	58,826	407,596	249,475	520,984	87,782		1,324,664	-83,411	1,241,253
<b>Loans to the public</b>	<b>65,523</b>	<b>425,223</b>	<b>280,145</b>	<b>545,541</b>	<b>809,059</b>		<b>2,125,490</b>	<b>-254,507</b>	<b>1,870,983</b>
<i>of which repos</i>		<i>165,837</i>					<i>165,837</i>	<i>-1,773</i>	<i>164,064</i>
Debt securities	85,165	23,873	129,799	23,172			262,010	-19,837	242,173
<i>of which eligible debt securities</i>			<i>80,616</i>	<i>2,486</i>	<i>24,088</i>	<i>10,180</i>	<i>117,370</i>	<i>-5,692</i>	<i>111,678</i>
<i>of which other debt securities</i>			<i>4,550</i>	<i>21,387</i>	<i>105,711</i>	<i>12,992</i>	<i>144,640</i>	<i>-14,145</i>	<i>130,495</i>
Equity instruments			<i>3,309</i>				128,647	131,956	131,956
Derivatives							180,806	180,806	180,806
<b>Financial assets at fair value</b>									
<b>Other assets</b>		<b>12,952</b>	<b>5,232</b>	<b>11,512</b>	<b>4,469</b>	<b>11,341</b>	<b>45,506</b>	<b>-174</b>	<b>45,332</b>
<i>of which other financial assets</i>		<i>11,184</i>	<i>1,570</i>	<i>2</i>	<i>19</i>		<i>12,774</i>	<i>-174</i>	<i>12,600</i>
<b>Total assets</b>	<b>429,128</b>	<b>588,719</b>	<b>316,527</b>	<b>703,634</b>	<b>837,291</b>	<b>320,795</b>	<b>3,196,095</b>	<b>-277,262</b>	<b>2,918,833</b>
<i>of which accrued interest loans</i>							<i>6,123</i>	<i>6,123</i>	
<i>of which accrued interest debt securities</i>							<i>1,194</i>	<i>1,194</i>	

**Financial statements**

SEB Group

Parent company

Notes to the financial statements

Five-year summary

Proposal for the distribution of profit

Signatures of the Board of Directors

and the President

Auditor's report

*Note 40 f continued Liquidity risk***Parent company, 2023**

<b>Balance sheet</b> (contractual maturity dates)	Payable on demand	< 3 months <sup>1)</sup>	3–12 months	1–5 years	>5 years	Not distributed	Subtotal	Discount effect	Total
<b>Deposits by credit institutions</b> <i>of which repos</i>	<b>29,796</b>	<b>105,291</b>	<b>14,306</b>	<b>34,983</b>	<b>2,125</b>		<b>186,500</b>	<b>-5,072</b>	<b>181,428</b>
General governments		289					289	-3	286
Households	3,115	3,607	2,962	250	1,365		11,300	-441	10,859
Corporates	233,993	61,487	15,985	1,246			312,712	-1,182	311,530
	968,887	91,924	13,457	731			1,074,999	-1,360	1,073,639
<b>Deposits and borrowings from the public</b> <i>of which deposits</i>	<b>1,205,995</b>	<b>157,018</b>	<b>32,405</b>	<b>2,228</b>	<b>1,365</b>		<b>1,399,011</b>	<b>-2,983</b>	<b>1,396,028</b>
<i>of which borrowing</i>		1,205,995	143,203	32,203	2,184	1,301	1,384,886	-2,237	1,382,649
<i>of which repos</i>		13,483					13,483	-104	13,379
Certificates		13,203					13,203	-102	13,101
Covered bonds	76,037		267,992				344,029	-7,131	336,898
Other bonds	86	68,153	265,051	15,762			349,052	-24,876	324,176
	2,020	31,147	177,388	12,979			223,534	-16,770	206,764
<b>Issued securities</b>		<b>78,144</b>	<b>367,291</b>	<b>442,438</b>	<b>28,741</b>		<b>916,615</b>	<b>-48,777</b>	<b>867,838</b>
Debt securities		0	198	7,590	8,547		16,335	-2,193	14,142
Equity instruments							19,558	19,558	19,558
Derivatives							203,037	203,037	203,037
Other liabilities							2,731	2,731	2,731
<b>Financial liabilities at fair value</b>		<b>0</b>	<b>198</b>	<b>7,590</b>	<b>8,547</b>	<b>225,326</b>	<b>241,660</b>	<b>-2,193</b>	<b>239,467</b>
Other liabilities		6,788	2,014	570	249	21,677	31,298	-155	31,143
<i>of which other financial liabilities</i>		6,572	1,865	396	0		8,834	-155	8,679
Subordinated liabilities				31,668			31,668	-2,881	28,787
Untaxed reserves							14,040	14,040	14,040
Equity							160,102	160,102	160,102
<b>Total Liabilities and Equity</b>		<b>347,240</b>	<b>416,213</b>	<b>519,477</b>	<b>41,027</b>	<b>407,104</b>	<b>2,980,894</b>	<b>-62,061</b>	<b>2,918,833</b>
<i>of which accrued interest deposits and borrowing</i>							2,888	2,888	2,888
<i>of which accrued interest issued securities</i>							3,342	3,342	3,342

**Off-balance sheet items**

Loan commitments	63,151	85,031	384,892	7,094			540,168		540,168
Acceptances and other financial facilities	25,710	43,793	59,411	56,157			185,071		185,071
Operating lease commitments	282	570	2,863	3,050			6,764	-822	5,942
<b>Total liabilities, equity and off-balance sheet items</b>	<b>436,384</b>	<b>545,607</b>	<b>966,642</b>	<b>107,328</b>	<b>407,104</b>	<b>3,712,897</b>	<b>-62,883</b>	<b>3,650,014</b>	

1) Includes items available overnight.

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors](#)
[and the President](#)
[Auditor's report](#)
*Note 40 f continued Liquidity risk*
**Parent company, 2022**

<b>Balance sheet (contractual maturity dates)</b>	<b>Payable on demand</b>	<b>&lt;3 months<sup>1)</sup></b>	<b>3–12 months</b>	<b>1–5 years</b>	<b>&gt;5 years</b>	<b>Not distributed</b>	<b>Subtotal</b>	<b>Discount effect</b>	<b>Total</b>
<b>Cash and cash balances at central banks</b>	<b>354,970</b>						<b>354,970</b>		<b>354,970</b>
<b>Loans to credit institutions</b>	<b>36,646</b>	<b>61,977</b>	<b>14,905</b>	<b>5,259</b>	<b>268</b>		<b>119,054</b>	<b>-450</b>	<b>118,604</b>
<i>of which repos</i>		<i>4,887</i>					<i>4,887</i>	<i>-13</i>	<i>4,874</i>
General governments	6,401	17,273	1,941	5,877	780		32,271	-508	<b>31,763</b>
Households	6,730	8,629	26,013	25,356	632,257		698,985	-81,877	<b>617,108</b>
Corporates	60,585	344,744	233,814	511,843	80,099		1,231,086	-40,769	<b>1,190,317</b>
<b>Loans to the public</b>	<b>73,716</b>	<b>370,646</b>	<b>261,768</b>	<b>543,076</b>	<b>713,136</b>		<b>1,962,342</b>	<b>-123,154</b>	<b>1,839,188</b>
<i>of which repos</i>		<i>106,979</i>					<i>106,979</i>	<i>-552</i>	<i>106,427</i>
Debt securities	52,463	51,215	112,904	16,629			233,211	-5,888	<b>227,323</b>
<i>of which eligible debt securities</i>			<i>21,454</i>	<i>12,163</i>			<i>84,727</i>	<i>-1,514</i>	<i>83,213</i>
<i>of which other debt securities</i>		<i>42,544</i>					<i>148,484</i>	<i>-4,374</i>	<i>144,110</i>
Equity instruments		9,918	29,761	100,741			106,361		<b>106,361</b>
Derivatives							179,144		<b>179,144</b>
<b>Financial assets at fair value</b>		<b>52,463</b>	<b>51,215</b>	<b>112,904</b>	<b>16,629</b>	<b>285,505</b>	<b>518,717</b>	<b>-5,888</b>	<b>512,829</b>
<b>Other assets</b>		<b>12,181</b>	<b>5,591</b>	<b>11,394</b>	<b>5,051</b>	<b>12,911</b>	<b>47,129</b>	<b>-34</b>	<b>47,095</b>
<i>of which other financial assets</i>		<i>10,220</i>	<i>594</i>	<i>0</i>	<i>18</i>		<i>10,832</i>	<i>-34</i>	<i>10,798</i>
<b>Total assets</b>	<b>465,331</b>	<b>497,267</b>	<b>333,479</b>	<b>672,633</b>	<b>735,085</b>	<b>298,416</b>	<b>3,002,212</b>	<b>-129,526</b>	<b>2,872,686</b>
<i>of which accrued interest loans</i>						<i>4,104</i>	<i>4,104</i>		
<i>of which accrued interest debt securities</i>						<i>915</i>	<i>915</i>		

## Financial statements

SEB Group

Parent company

Notes to the financial statements

Five-year summary

Proposal for the distribution of profit

Signatures of the Board of Directors

and the President

Auditor's report

Note 40f continued Liquidity risk

## Parent company, 2022

Balance sheet (contractual maturity dates)	Payable on demand	< 3 months <sup>1)</sup>	3–12 months	1–5 years	>5 years	Not distributed	Subtotal	Discount effect	Total	
<b>Deposits by credit institutions</b> of which repos	<b>33,694</b>	<b>28,514</b>	<b>4,937</b>	<b>36,373</b>	<b>1,207</b>		<b>104,726</b>	<b>1,293</b>	<b>106,019</b>	
General governments	2,499	2,456					2,456	-7	2,449	
Households	290,468	4,218	1,004	66	1,390		9,177	-126	9,051	
Corporates	970,394	20,680	11,105	1,272			323,525	-188	323,337	
		155,022	9,178	878			1,135,473	-542	1,134,931	
<b>Deposits and borrowings from the public</b> of which deposits	<b>1,263,361</b>	<b>179,920</b>	<b>21,287</b>	<b>2,216</b>	<b>1,390</b>		<b>1,468,175</b>	<b>-856</b>	<b>1,467,319</b>	
of which borrowing	1,263,361	167,287	21,221	2,194	1,352		1,455,416	-522	1,454,894	
of which repos		12,448					12,448	-23	12,425	
Certificates		12,136					12,136	-22	12,114	
Covered bonds		140,316	215,500	1			355,818	-2,643	353,175	
Other bonds		11,564	53,462	209,143	8,715		282,883	-8,173	274,710	
		12,622	27,354	112,143	20,944		173,063	-5,799	167,264	
<b>Issued securities</b>		<b>164,501</b>	<b>296,317</b>	<b>321,287</b>	<b>29,659</b>		<b>811,764</b>	<b>-16,615</b>	<b>795,149</b>	
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	
<b>Financial liabilities at fair value</b>		<b>37</b>	<b>283</b>	<b>10,163</b>	<b>15,283</b>		<b>258,087</b>	<b>283,853</b>	<b>-1,657</b>	
Other liabilities		8,974	1,612	657	103		20,023	31,369	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	
<b>Total Liabilities and Equity</b>		<b>381,946</b>	<b>333,894</b>	<b>390,942</b>	<b>47,642</b>		<b>425,244</b>	<b>2,892,404</b>	<b>-19,718</b>	
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

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
<b>Total liabilities, equity and off-balance sheet items</b>	<b>476,813</b>	<b>460,068</b>	<b>804,342</b>	<b>119,713</b>	<b>3,598,916</b>	<b>-20,038</b>

1) Includes items available overnight.

Average remaining maturity (years)	Group		Parent company	
	2023	2022	2023	2022
Loans to credit institutions	0.37	0.37	0.44	0.29
Loans to the public	4.35	4.42	4.23	4.34
Deposits from credit institutions	0.29	0.36	0.74	1.25
Deposits from the public	0.05	0.04	0.04	0.04
Borrowing from the public	0.13	0.14	0.13	0.13
Certificates	0.51	0.43	0.51	0.43
Covered bonds	2.79	2.62	2.79	2.62
Other bonds	2.98	3.20	2.98	3.20

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)

## 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. As of December 31 2023, the internal capital requirement for the Group, calculated as economic capital, was SEK 147 billion (compared to SEK 102 billion as of December 31, 2022). In 2023, methodologies for aggregation and market risk were reviewed which led to significant impact on the development of the capital requirement.

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 2023 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 requirement of 4.5 per cent,
- ii) a Pillar 2 requirement (P2R),
- iii) a combined buffer requirement, and
- iv) a Pillar 2 guidance (P2G).

As of year-end 2023 SEB's applicable CET1 capital requirement was 14.7 per cent (14.2), whereof the Pillar 2 requirement was 1.6 (1.4) per cent and 8.1 per cent (7.4) was the combined buffer requirement. As part of the 2023 Supervisory Review and Evaluation Process (SREP) the Swedish FSA communicated a Pillar 2 Guidance (P2G) of 0.5 per cent for the group, compared with 1.0 per cent in the corresponding decision in 2022.

**SEB Consolidated situation – Prudential requirements (explicit or implicit) Dec 2023**

	CET 1	AT1	Tier 2	Total
<b>Pillar 1</b>	4.5%	1.5%	2.0%	8.0%
<b>Pillar 2<sup>1)</sup></b>				
Credit concentration risk	0.2%	0.1%	0.1%	0.4%
Interest rate risk in the banking book	0.3%	0.1%	0.2%	0.6%
IRB-models ongoing review	1.0%	0.0%	0.2%	1.2%
<b>Total Pillar 2 requirement</b>	<b>1.6%</b>	<b>0.2%</b>	<b>0.5%</b>	<b>2.3%</b>
<b>Total SREP capital requirement (TSCR)</b>	<b>6.1%</b>	<b>1.7%</b>	<b>2.5%</b>	<b>10.3%</b>
<b>Institution specific buffer requirement</b>				
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	1.6%			1.6%
<b>Combined buffer requirement (CBR)</b>	<b>8.1%</b>			8.1%
<b>Overall capital requirement (TSCR+CBR)</b>	<b>14.2%</b>	<b>1.7%</b>	<b>2.5%</b>	<b>18.4%</b>
<b>Pillar 2 Guidance (P2G)</b>	<b>0.5%</b>			0.5%
<b>Overall capital requirement and P2G</b>	<b>14.7%</b>	<b>1.7%</b>	<b>2.5%</b>	<b>18.9%</b>

1) According to 2023 SREP decision.

## Financial statements

SEB Group

Parent company

Notes to the financial statements

Five-year summary

Proposal for the distribution of profit

Signatures of the Board of Directors

and the President

Auditor's report

## Note 41 continued Capital adequacy

## Capital adequacy analysis

	Consolidated situation		Parent company	
	2023	2022	2023	2022
<b>Available own funds and total risk exposure amount</b>				
Common Equity Tier 1 (CET 1) capital	170,364	162,956	137,213	136,851
Tier 1 capital	184,409	177,517	151,257	151,413
Total capital	199,688	193,025	166,656	166,708
Total risk exposure amount (TREA)	891,992	859,320	802,153	778,243
<b>Capital ratios and minimum capital requirement (as a percentage of TREA)</b>				
Common Equity Tier 1 ratio (%)	19.1%	19.0%	17.1%	17.6%
Tier 1 ratio (%)	20.7%	20.7%	18.9%	19.5%
Total capital ratio (%)	22.4%	22.5%	20.8%	21.4%
Pillar 1 minimum capital requirement (%, P1)	8.0%	8.0%	8.0%	8.0%
Pillar 1 minimum capital requirement (amounts)	71,359	68,746	64,172	62,259
<b>Additional own funds requirements (P2R) to address risks other than the risk of excessive leverage (as a percentage of TREA)</b>				
Additional own funds requirements (%, P2R)	2.3%	2.0%	1.6%	1.7%
<i>of which: to be made up of CET 1 capital (percentage points)</i>	1.6%	1.4%	1.1%	1.2%
<i>of which: to be made up of Tier 1 capital (percentage points)</i>	1.8%	1.6%	1.2%	1.3%
Total SREP own funds requirements (%, P1+P2R)	10.3%	10.0%	9.6%	9.7%
Total SREP own funds requirements (amounts)	91,590	86,142	76,718	75,777
<b>Additional CET 1 buffer requirements and CET 1 Pillar 2 Guidance (as a percentage of TREA)</b>				
Capital conservation buffer (%)	2.5%	2.5%	2.5%	2.5%
Institution specific countercyclical capital buffer (%)	1.6%	0.8%	1.6%	0.8%
Systemic risk buffer (%)	3.1%	3.1%		
Other Systemically Important Institution buffer (%)	1.0%	1.0%		
Combined buffer requirement (%, CBR)	8.1%	7.4%	4.1%	3.3%
Combined buffer requirement (amounts)	72,539	63,391	32,847	25,727
Overall capital requirements (%, P1+P2R+CBR)	18.4%	17.4%	13.7%	13.0%
Overall capital requirements (amounts)	164,128	149,533	109,565	101,504
CET 1 available after meeting the total SREP own funds requirements (%, P1+P2R)	12.1%	12.4%	11.2%	11.7%
Pillar 2 Guidance (%, P2G)	0.5%	1.0%		
Pillar 2 Guidance (amounts)	4,460	8,593		
Overall capital requirements and P2G (%)	18.9%	18.4%	13.7%	13.0%
Overall capital requirements and P2G (amounts)	168,588	158,127	109,565	101,504
<b>Leverage ratio, requirements and CET 1 Pillar 2 Guidance (as a percentage of total exposure measure)</b>				
Tier 1 capital (amounts)	184,409	177,517	151,257	151,413
Leverage ratio total exposure measure (amounts)	3,401,754	3,559,598	3,118,996	3,263,128
Leverage ratio (%)	5.4%	5.0%	4.8%	4.6%
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)	102,053	106,188	93,570	97,894
Pillar 2 Guidance (%, P2G)	0.5%	0.5%		
Pillar 2 Guidance (amounts)	17,009	15,928		
Overall leverage ratio requirements and P2G (%)	3.5%	3.5%	3.0%	3.0%
Overall leverage ratio requirements and P2G (amounts)	119,061	122,116	93,570	97,894

## Own funds

	Consolidated situation		Parent company	
	2023	2022	2023	2022
<b>Total equity according to balance sheet<sup>1)</sup></b>	221,775	204,523	171,250	159,583
Accrued dividend	-23,838	-14,266	-23,838	-14,266
Deconsolidation of insurance companies and other foreseeable charges	5,360	4,248	5,179	4,249
<b>Common Equity Tier 1 capital before regulatory adjustments</b>	203,297	194,506	152,591	149,566
Additional value adjustments	-1,381	-1,331	-1,285	-1,289
Goodwill	-4,256	-4,308	-3,358	-3,358
Intangible assets	-1,142	-1,236	-1,058	-1,132
Deferred tax assets that rely on future profitability		-17		
Fair value reserves related to gains or losses on cash flow hedges		-14	-62	-14
Insufficient coverage for non-performing exposures		-100	-24	-97
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing		-579	-1,060	-575
Defined-benefit pension fund assets		-16,468	-17,712	
Direct and indirect holdings of own CET 1 instruments		-8,992	-5,799	-8,992
<b>Total regulatory adjustments to Common Equity Tier 1</b>	-32,933	-31,550	-15,378	-12,715
<b>Common Equity Tier 1 capital</b>	170,364	162,956	137,213	136,851
Additional Tier 1 instruments	14,045	14,561	14,045	14,561
<b>Tier 1 capital</b>	184,409	177,517	151,941	151,413
Tier 2 instruments	15,109	15,002	15,109	15,002
Net provisioning amount for IRB-reported exposures	1,370	1,706	1,489	1,494
Holdings of Tier 2 instruments in financial sector entities	-1,200	-1,200	-1,200	-1,200
<b>Tier 2 capital</b>	15,279	15,508	15,399	15,295
<b>TOTAL</b>	199,688	193,025	166,656	166,708

1) For the parent company, Total equity includes Untaxed reserves net of tax.

## Financial statements

Note 41 continued Capital adequacy

## SEB Group

## Parent company

## Notes to the financial statements

## Five-year summary

## Proposal for the distribution of profit

Signatures of the Board of Directors  
and the President

## Auditor's report

## Risk exposure amount

Credit risk IRB approach	Consolidated situation				Parent company			
	2023		2022		2023		2022	
	Risk exposure amount	Own funds requirement <sup>(1)</sup>	Risk exposure amount	Own funds requirement <sup>(1)</sup>	Risk exposure amount	Own funds requirement <sup>(1)</sup>	Risk exposure amount	Own funds requirement <sup>(1)</sup>
Exposures to central governments or central banks	17,131	1,370	18,304	1,464	8,509	681	9,987	799
Exposures to institutions	56,837	4,547	66,245	5,300	56,455	4,516	65,707	5,257
Exposures to corporates	425,657	34,053	407,153	32,572	347,684	27,815	334,983	26,799
Retail exposures	75,418	6,033	67,811	5,425	46,799	3,744	44,316	3,545
<i>of which secured by immovable property</i>	51,407	4,113	44,643	3,571	36,928	2,954	35,015	2,801
<i>of which retail SME</i>	6,540	523	6,044	484	2,680	214	2,046	164
<i>of which other retail exposures</i>	17,471	1,398	17,124	1,370	7,191	575	7,256	580
Securitisation positions	2,597	208	2,036	163	2,597	208	2,036	163
<b>Total IRB approach</b>	<b>577,640</b>	<b>46,211</b>	<b>561,550</b>	<b>44,924</b>	<b>462,044</b>	<b>36,964</b>	<b>457,029</b>	<b>36,562</b>
<b>Credit risk standardised approach</b>								
Exposures to central governments or central banks	3,210	257	6,640	531	711	57		
Exposures to administrative bodies and non-commercial undertakings	711	57			11,880	950	14,168	1,133
Exposures to institutions	740	59	962	77	3,224	258	5,048	404
Exposures to corporates	4,801	384	6,933	555	8,719	697	8,285	663
Retail exposures	12,249	980	14,521	1,162				
Exposures secured by mortgages on immovable property	1,873	150	2,486	199	1,872	150	2,484	199
Exposures in default	137	11	122	10	121	10	98	8
Exposures associated with particularly high risk	397	32	515	41	397	32	515	41
Exposures in the form of collective investment undertakings (CIU)	458	37	1,628	130	458	37	1,628	130
Equity exposures	6,040	483	5,540	443	52,951	4,236	51,432	4,115
Other items	11,695	936	9,851	788	2,929	234	3,022	242
<b>Total standardised approach</b>	<b>42,312</b>	<b>3,385</b>	<b>49,197</b>	<b>3,936</b>	<b>83,263</b>	<b>6,661</b>	<b>86,680</b>	<b>6,934</b>
<b>Market risk</b>								
Trading book exposures where internal models are applied	19,375	1,550	39,876	3,190	19,375	1,550	39,876	3,190
Trading book exposures applying standardised approaches	5,614	449	7,251	580	5,540	443	7,226	578
<b>Total market risk</b>	<b>24,989</b>	<b>1,999</b>	<b>47,128</b>	<b>3,770</b>	<b>24,915</b>	<b>1,993</b>	<b>47,103</b>	<b>3,768</b>
<b>Other own funds requirements</b>								
Operational risk advanced measurement approach	53,381	4,271	50,452	4,036	41,628	3,330	38,923	3,114
Settlement risk	0	0	0	0	0	0	0	0
Credit value adjustment	10,407	833	12,309	985	10,403	832	12,304	984
Investment in insurance business	25,155	2,012	23,851	1,908	25,155	2,012	23,851	1,908
Other exposures	3,875	310	2,991	239	516	41	519	42
Additional risk exposure amount <sup>(2)</sup>	154,233	12,339	111,841	8,947	154,229	12,338	111,833	8,947
<b>Total other own funds requirements</b>	<b>247,051</b>	<b>19,764</b>	<b>201,444</b>	<b>16,116</b>	<b>231,931</b>	<b>18,554</b>	<b>187,432</b>	<b>14,995</b>
<b>TOTAL</b>	<b>891,992</b>	<b>71,359</b>	<b>859,320</b>	<b>68,746</b>	<b>802,153</b>	<b>64,172</b>	<b>778,243</b>	<b>62,259</b>

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 collateralised by immovable property. As from Q3 2023 the capital requirements for risk weight floors on exposures secured by commercial real estate in Sweden was moved from Pillar 2 to Pillar 1.

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors](#)
[and the President](#)
[Auditor's report](#)
*Note 41 continued Capital adequacy*
**Average risk-weight**

	Consolidated situation		Parent company		
	2023	2022	2023	2022	
Exposures to central governments or central banks	2.8%	2.8%	1.6%	1.9%	
Exposures to institutions	20.8%	24.9%	20.8%	24.9%	
Exposures to corporates	28.4%	27.3%	25.5%	24.5%	
Retail exposures	10.3%	9.3%	7.9%	7.4%	
<i>of which secured by immovable property</i>	7.9%	6.8%	6.5%	6.1%	
<i>of which retail SME</i>	56.9%	51.0%	41.8%	33.5%	
<i>of which other retail exposures</i>	26.2%	28.0%	41.1%	40.8%	
Securitisation positions	16.7%	16.9%	16.7%	16.9%	

The consolidated SEB Group must also comply with capital requirements concerning combined banking and insurance groups, i.e. financial conglomerates. The combined capital requirement for the SEB financial conglomerate was

SEK 237.2bn (222.9) while the own funds amounted to SEK 276.5bn (265.7). In these total figures, SEB Life and Pension Holding AB has contributed with Solvency II figures from September 30, 2023.

## 42 Life insurance operations

	Group	
Income statement	Presented in Group accounts	
Own fee income	Fee and commission income	1,506 1,164
Commissions from fund company	Fee and commission income	1,587 1,955
Other expenses	Fee and commission expense & Other expense <i>of which Fee and commission expense</i>	-1,859 -1,646
	<i>of which Other expense</i>	-814 -787
		-1,045 -859
<b>Investment contract result</b>		<b>1,234 1,473</b>
Insurance revenue	Net financial income life	1,483 1,587
Insurance service expense	Net financial income life, Other expense & Fee and commission expense <i>of which Net financial income life</i>	-1,254 -1,423
	<i>of which Fee and commission expense</i>	-767 -889
	<i>of which Other expense</i>	-136 -165
		-352 -369
Net expenses from reinsurance contracts	Net financial income life	9 -19
<b>Insurance service result</b>		<b>238 145</b>
Investment return	Net financial income life <i>of which Insurance contract</i>	3,235 -5,572
	<i>of which Other Investments</i>	2,825 -5,520
410 -53		
Net finance expense from insurance/reinsurance contracts	Net financial income life	-2,842 5,504
<b>Net financial result</b>		<b>392 -68</b>
Other operating income/expense	Other expense & Commission Income Other <i>of which Commission Income Other</i>	224 215
	<i>of which Other expense</i>	431 414
		-207 -199
<b>OPERATING PROFIT</b>		<b>2,089 1,764</b>

### Summarised financial information for Gamla Livförsäkringsaktiebolaget SEB Trygg Liv<sup>1)</sup>

Income statement, condensed	2023	2022
Life insurance technical result	477 7,961	
Other costs and appropriations	4 14	
Taxes	-485 -290	
<b>NET RESULT</b>	<b>-3 7,685</b>	
Balance sheet, condensed		
<b>TOTAL ASSETS</b>	<b>176,454 182,351</b>	
Total liabilities	65,524 63,704	
Consolidation fund / equity	110,836 118,549	
Untaxed reserves	94 98	
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>176,454 182,351</b>	

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.

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)

## 43 Interest in unconsolidated structured entities

	Group			Parent company		
	Special purpose entities	Asset management <sup>(1)</sup>	Total	Special purpose entities	Asset management <sup>(1)</sup>	Total
<b>Assets, 2023</b>						
Loans to the public	8,321		8,321	8,321		8,321
Financial assets <i>of which derivatives</i>	18	358,366	358,384	18	30	48
<b>TOTAL</b>	<b>8,339</b>	<b>358,366</b>	<b>366,705</b>	<b>8,339</b>	<b>30</b>	<b>8,369</b>
<b>Liabilities</b>						
Deposits and borrowings from the public	489		489	489		489
Financial liabilities <i>of which derivatives</i>	92		92	92		92
<b>TOTAL</b>	<b>581</b>		<b>581</b>	<b>581</b>		<b>581</b>
<b>Obligations</b>	<b>517</b>		<b>517</b>	<b>517</b>		<b>517</b>
<b>The group's maximum exposure to loss</b>	<b>8,856</b>	<b>23,004</b>	<b>31,860</b>	<b>8,856</b>	<b>30</b>	<b>8,886</b>

1) Investments in SEB funds and externally managed funds.

	Group			Parent company		
	Special purpose entities	Asset management <sup>(1)</sup>	Total	Special purpose entities	Asset management <sup>(1)</sup>	Total
<b>Assets, 2022</b>						
Loans to the public	11,710		11,710	11,710		11,710
Financial assets <i>of which derivatives</i>	4	326,095	326,099	4	47	51
<b>TOTAL</b>	<b>11,714</b>	<b>326,095</b>	<b>337,810</b>	<b>11,714</b>	<b>47</b>	<b>11,761</b>
<b>Liabilities</b>						
Deposits and borrowings from the public	484		484	484		484
Financial liabilities <i>of which derivatives</i>	101		101	101		101
<b>TOTAL</b>	<b>586</b>		<b>586</b>	<b>586</b>		<b>586</b>
<b>Obligations</b>	<b>1,209</b>		<b>1,209</b>	<b>1,209</b>		<b>1,209</b>
<b>The group's maximum exposure to loss</b>	<b>12,923</b>	<b>22,206</b>	<b>35,129</b>	<b>12,923</b>	<b>47</b>	<b>12,970</b>

1) Investments in SEB funds and externally 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 of funds managed by SEB are SEK 758bn (684). 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 lim-

ited 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 banks balance sheet, e.g. 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.

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)

## 44 Related parties

Group, 2023	Group					
	Associated companies		Key management		Other related parties	
	Assets/ Liabilities	Interest	Assets/ Liabilities	Interest	Assets/ Liabilities	Interest
Loans to the public	713	31	247	9	55	3
Notional amount of derivatives					1,968	
Other assets	16					
Deposits and borrowings from the public	1,212	17	63	1	1,133	52
Other liabilities	2					

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					

Parent company, 2023	Parent company			
	Associated companies		Group companies	
	Assets/ Liabilities	Interest	Assets/ Liabilities	Interest
Loans to credit institutions			32,864	1,269
Loans to the public	713	31	18,270	546
Interest-bearing securities			1,201	66
Positive replacement values of derivatives			451	
Other assets	16		1,123	11
<b>TOTAL</b>	<b>729</b>	<b>31</b>	<b>53,909</b>	<b>1,892</b>
Deposits from credit institutions			35,790	1,907
Deposits and borrowings from the public	1,197	17	34,300	1,025
Negative replacement values of derivatives			1,319	0
Other liabilities	2		90	0
<b>TOTAL</b>	<b>1,199</b>	<b>17</b>	<b>71,499</b>	<b>2,932</b>

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
<b>TOTAL</b>	<b>589</b>	<b>15</b>	<b>49,774</b>	<b>175</b>
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
<b>TOTAL</b>	<b>705</b>	<b>0</b>	<b>57,367</b>	<b>-420</b>

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 165m (164) under the insurance administration agreement and SEK 312m (327) 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.

[Financial statements](#)[SEB Group](#)[Parent company](#)[Notes to the financial statements](#)[Five-year summary](#)[Proposal for the distribution of profit](#)[Signatures of the Board of Directors  
and the President](#)[Auditor's report](#)

## 45 Financial assets and liabilities subject to offsetting or netting arrangements

Group, 2023	Financial assets and liabilities subject to offsetting or netting arrangements							Other instruments in balance sheet not subject to netting arrangements	Total in balance sheet		
	Related arrangements						Net amounts				
	Gross amounts	Offset	Net amounts in balance sheet	Master netting arrangements	Collaterals received/ pledged						
Derivatives	208,783	-25,665	183,118	-121,886	-59,363	1,869	-38	183,080			
Reversed repo receivables	264,554	-100,528	164,026	-13,222	-150,804	0	0	164,026			
Securities borrowing	51,189		51,189		-50,440	749	13	51,202			
Client receivables	1,163	-1,163	0			0		11,701			
<b>ASSETS</b>	<b>525,689</b>	<b>-127,357</b>	<b>398,333</b>	<b>-135,107</b>	<b>-260,607</b>	<b>2,618</b>	<b>11,676</b>	<b>410,009</b>			
Derivatives	229,636	-25,665	203,971	-121,886	-71,157	10,928	206	204,176			
Repo payables	113,750	-100,528	13,222	-13,222		0		13,222			
Securities lending	33,622		33,622		-32,496	1,126	98	33,721			
Client payables	1,165	-1,163	2			2		9,553			
<b>LIABILITIES</b>	<b>378,174</b>	<b>-127,357</b>	<b>250,817</b>	<b>-135,107</b>	<b>-103,653</b>	<b>12,056</b>	<b>9,858</b>	<b>260,675</b>			
<b>Group, 2022</b>											
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			
<b>ASSETS</b>	<b>491,241</b>	<b>-134,927</b>	<b>356,314</b>	<b>-154,976</b>	<b>-177,170</b>	<b>24,169</b>	<b>9,916</b>	<b>366,230</b>			
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			
<b>LIABILITIES</b>	<b>434,572</b>	<b>-134,927</b>	<b>299,645</b>	<b>-154,976</b>	<b>-104,062</b>	<b>40,607</b>	<b>10,884</b>	<b>310,528</b>			

[Financial statements](#)
*Note 45 continued Financial assets and liabilities subject to offsetting or netting arrangements*
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)

	Parent company, 2023	Financial assets and liabilities subject to offsetting or netting arrangements						Other instruments in balance sheet not subject to netting arrangements	Total in balance sheet		
		Related arrangements									
		Gross amounts	Offset	Net amounts in balance sheet	Master netting arrangements	Collaterals received/ pledged	Net amounts				
Derivatives	206,473	-25,667	180,806	-120,994	-59,812				180,806		
Reversed repo receivables	265,854	-100,528	165,326	-13,222	-152,104				165,326		
Securities borrowing	50,440		50,440		-50,440				50,440		
Client receivables	1,163	-1,163	0					11,118	11,118		
<b>ASSETS</b>	<b>523,930</b>	<b>-127,358</b>	<b>396,572</b>	<b>-134,216</b>	<b>-262,356</b>			<b>11,118</b>	<b>407,690</b>		
Derivatives	228,703	-25,667	203,037	-120,994	-72,477	9,566			203,037		
Repo payables	113,916	-100,528	13,387	-13,222	-166				13,387		
Securities lending	32,496		32,496		-32,496				32,496		
Client payables	1,163	-1,163	0					6,888	6,888		
<b>LIABILITIES</b>	<b>376,278</b>	<b>-127,358</b>	<b>248,920</b>	<b>-134,216</b>	<b>-105,138</b>	<b>9,566</b>	<b>6,888</b>		<b>255,808</b>		
<b>Parent company, 2022</b>											
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		
<b>ASSETS</b>	<b>481,117</b>	<b>-134,009</b>	<b>347,107</b>	<b>-150,962</b>	<b>-176,832</b>	<b>19,314</b>	<b>9,706</b>		<b>356,813</b>		
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		
<b>LIABILITIES</b>	<b>425,394</b>	<b>-134,009</b>	<b>291,385</b>	<b>-151,065</b>	<b>-106,064</b>	<b>34,256</b>	<b>8,699</b>		<b>300,084</b>		

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 course 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.

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors](#)
[and the President](#)
[Auditor's report](#)

## 46 Pledged assets

	Group		Parent company	
	2023	2022	2023	2022
Pledged assets and comparable securities for own liabilities	664,391	586,059	663,643	585,547
Pledged assets for own liabilities to insurance policyholders	428,673	388,959		
Other pledged assets and comparable collaterals	68,546	62,565	68,546	62,565
<b>TOTAL</b>	<b>1,161,610</b>	<b>1,037,584</b>	<b>732,188</b>	<b>648,113</b>

### Pledged assets and comparable securities for own liabilities<sup>1)</sup>

Repos	47,268	40,110	47,268	40,110
Assets collateralised for issued mortgage covered bonds	328,308	290,341	328,308	290,341
Other collateral	288,815	255,608	288,067	255,096
<b>TOTAL</b>	<b>664,391</b>	<b>586,059</b>	<b>663,643</b>	<b>585,547</b>

1) Transfers that do not qualify for derecognition.

### Pledged assets for own liabilities to insurance policyholders

Assets pledged for insurance contracts	36,312	30,984		
Assets pledged for investment contracts <sup>1)</sup>	392,362	357,975		
<b>TOTAL</b>	<b>428,673</b>	<b>388,959</b>		

1) Shares in funds.

### Other pledged assets and comparable collaterals

Bonds <sup>1)</sup>	23,830	19,180	23,830	19,180
Other	44,715	43,386	44,715	43,386
<b>TOTAL</b>	<b>68,546</b>	<b>62,565</b>	<b>68,546</b>	<b>62,565</b>

1) Pledged but unencumbered bonds.

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)
*Note 46 continued Pledged assets*
**Transferred financial assets entirely recognised<sup>1)</sup>**

<b>Group, 2023</b>	Transferred assets				Associated liabilities			Associated collateral received <sup>2)</sup> Securities lending
	Securities lending	Repurchase agreements	Other <sup>3)</sup>	Total	Securities lending	Repurchase agreements	Total	
Equity instruments	30,739	236	<b>30,975</b>		7,801	<b>7,801</b>		22,535
Debt securities	19,487	1,615	316	<b>21,418</b>	2,934	1,615	<b>4,549</b>	15,747
<b>Financial assets held for trading</b>	<b>50,226</b>	<b>1,615</b>	<b>552</b>	<b>52,393</b>	<b>10,734</b>	<b>1,615</b>	<b>12,350</b>	<b>38,282</b>

**Group, 2022**

Equity instruments	12,154	10	<b>12,164</b>		3,388	<b>3,388</b>		8,906
Debt securities	31,276	6,721	725	<b>38,722</b>	10,480	6,721	<b>17,201</b>	21,527
<b>Financial assets held for trading</b>	<b>43,430</b>	<b>6,721</b>	<b>735</b>	<b>50,886</b>	<b>13,868</b>	<b>6,721</b>	<b>20,589</b>	<b>30,433</b>

<b>Parent company, 2023</b>	Transferred assets				Associated liabilities			Associated collateral received <sup>2)</sup> Securities lending
	Securities lending	Repurchase agreements	Other <sup>3)</sup>	Total	Securities lending	Repurchase agreements	Total	
Equity instruments	30,739			<b>30,739</b>	7,801	<b>7,801</b>		22,535
Debt securities	19,487	1,615	316	<b>21,418</b>	2,934	1,615	<b>4,549</b>	15,747
<b>Financial assets held for trading</b>	<b>50,226</b>	<b>1,615</b>	<b>316</b>	<b>52,157</b>	<b>10,734</b>	<b>1,615</b>	<b>12,350</b>	<b>38,282</b>

<b>Parent company, 2022</b>	Transferred assets				Associated liabilities			
	Securities lending	Repurchase agreements	Other <sup>3)</sup>	Total	Securities lending	Repurchase agreements	Total	Securities lending
Equity instruments	12,154			<b>12,154</b>	3,388	<b>3,388</b>		8,906
Debt securities	31,276	6,721	725	<b>38,722</b>	10,480	6,721	<b>17,201</b>	21,527
<b>Financial assets held for trading</b>	<b>43,430</b>	<b>6,721</b>	<b>725</b>	<b>50,876</b>	<b>13,868</b>	<b>6,721</b>	<b>20,589</b>	<b>30,433</b>

1) Carrying amount and fair value are the same.

2) Other than cash collateral.

**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.

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)

## 47 Obligations

	Group		Parent company	
	2023	2022	2023	2022
Contingent liabilities				
Commitments	201,010	180,358	190,120	173,316
TOTAL	904,280	882,065	836,788	815,987
Contingent liabilities				
Own acceptances	4,065	957	3,888	893
Financial guarantees given <sup>1)</sup> <i>of which group internal</i>	11,833	11,209	13,701	14,411
Other guarantees given <i>of which group internal</i>	185,112	168,192	172,532	158,012
Guarantees given	196,945	179,401	186,233	172,424
TOTAL	201,010	180,358	190,120	173,316

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 GmbH ("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 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.

### 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.

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. In September 2023, the Swedish Pensions Agency filed an application for a summons with the Stockholm District Court regarding the claim. In December 2023, SEB filed its statement of defence with the Stockholm District Court. SEB disputes 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 principles.

### 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

### Commitments

	Group		Parent company	
	2023	2022	2023	2022
Granted undrawn credit facilities <i>of which group internal</i>	565,502	549,471	540,778	528,381
Unutilised part of overdraft facilities <i>of which group internal</i>	149,467	149,710	112,631	112,609
Repledged collaterals <i>of which group internal</i>	162,472	147,886	163,097	148,068
Other commitments given	26,839	34,999	625	182
<b>TOTAL</b>	<b>904,280</b>	<b>882,065</b>	<b>836,788</b>	<b>815,987</b>

### Discretionary managed assets

Discretionary managed assets in the parent company amounted to SEK 515bn (515).

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)

## 48 Leases

Lessee	Group	
	2023	2022
<b>Income statement</b>		
Interest expense on lease liabilities (Net interest income)	106	78
Expenses relating to short-term leases (Other expenses)	19	14
Expenses relating to leases of low-value assets (Other expenses)	118	100
Depreciation expense of right-of-use assets (Depreciation, amortisation) <sup>1)</sup>	962	879
<b>TOTAL</b>	<b>1,204</b>	<b>1,071</b>
<b>Balance sheet</b>		
Right-of-use assets – additions	755	142
Right-of-use assets – closing balance <sup>2)</sup>	6,266	4,834
Lease liabilities (Other liabilities)	6,699	5,277

1) Of which Property leases SEK 948m (861) and Other (mainly IT equipment) SEK 14m (18).

2) Of which Property leases SEK 6,266m (4,822) and Other (mainly IT equipment) SEK 0m (13).

## Lessor

Finance lease	Group	
	2023	2022
Undiscounted lease payments expected after reporting date and within year 1	11,595	11,435
year 2	10,810	11,119
year 3	11,470	9,180
year 4	8,455	7,292
year 5	7,407	6,191
year 6 and later	29,894	26,585
<b>Total undiscounted lease payments receivable</b>	<b>79,632</b>	<b>71,800</b>
Unearned finance income	-11,374	-5,935
<b>NET INVESTMENT LEASES</b>	<b>68,257</b>	<b>65,865</b>
Finance income (interest income) on the net investment	2,901	1,291

Lessor portfolio mainly includes transport vehicles, machinery and facilities. Residual value risk is not significant, because of the existence of a secondary market.

## 49 Effects from the implementation of IFRS 17 Insurance Contracts

### Transition

IFRS 17 *Insurance Contracts* replaced 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 was 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 has not had 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 impacted 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.

→ See note 1 for more information about accounting policies.

On transition to IFRS 17, the group applied the Full Retrospective Approach (FRA) for contracts using the Premium Allocation Approach (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. The Modified retrospective approach (MRA) has been applied for the unit-linked contracts issued in Lithuania between 2010 and 2015 in the Baltic entity. For the remaining contracts, SEB applied the Fair Value Approach (FVA) and this method is used for approximately 92 per cent of the insurance contracts.

Applying the FVA, the group determined 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 chose to obtain the fair value of liabilities according to IFRS 13 was to start from the technical provisions according to Solvency II regulation, and to use 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 restated comparative information for 2022 in the reports for 2023. The effects of adopting IFRS 17 in the consolidated financial statements as at 1 January 2022 is presented in the statement of changes in equity. The effect is recognised as a reduction of retained earnings of SEK 0.3bn. The changes has not had a material effect on capital adequacy and large exposures.

The presentation of results of insurance contracts is, as in the previous income statement presentation, split and recognised on the relevant lines. Insurance service result, including Insurance revenue, Insurance service expense and Net expenses from reinsurance contracts held, is presented in the notes.

There was 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 is not applied in the parent company.

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)
*Note 49 continued Effects from the implementation of IFRS 17 Insurance Contracts*

SEK m	Previously reported 2022	IFRS 17 transition	Restated 2022
Net interest income	33,443	33,443	
Net fee and commission income	21,573	-39	21,534
Net financial income	9,314	-72	9,242
Net other income	258		258
<b>Total operating income</b>	<b>64,589</b>	<b>-111</b>	<b>64,478</b>
Staff costs	-15,980		-15,980
Other expenses	-6,986		-6,986
Depreciation, amortisation and impairment of tangible and intangible assets	-2,078		-2,078
<b>Total operating expenses</b>	<b>-25,044</b>		<b>-25,044</b>
<b>Profit before credit losses and imposed levies</b>	<b>39,544</b>	<b>-111</b>	<b>39,434</b>
Net expected credit losses	-2,007		-2,007
Imposed levies	-2,288		-2,288
<b>Operating profit before items affecting comparability</b>	<b>35,249</b>	<b>-111</b>	<b>35,138</b>
Items affecting comparability	-1,399		-1,399
<b>Operating profit</b>	<b>33,850</b>	<b>-111</b>	<b>33,739</b>
Income tax expense	-6,861	-1	-6,862
<b>NET PROFIT</b>	<b>26,989</b>	<b>-112</b>	<b>26,877</b>
Attributable to shareholders of Skandinaviska Enskilda Banken AB	26,989	-112	26,877
Basic earnings per share, SEK	12.63		12.58
Diluted earnings per share, SEK	12.53		12.48

SEK m	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
<b>TOTAL ASSETS</b>	<b>3,304,230</b>	<b>-33</b>	<b>3,304,197</b>
SEK m	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
<b>Total liabilities</b>	<b>3,111,002</b>	<b>247</b>	<b>3,111,249</b>
<b>Total equity</b>	<b>193,228</b>	<b>-280</b>	<b>192,948</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3,304,230</b>	<b>-33</b>	<b>3,304,197</b>

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)

# The SEB Group—Five-year summary

## Income Statement

SEKm	2023	2022	2021	2020	2019
Net interest income	47,526	33,443	26,097	25,073	24,675
Net fee and commission income	21,669	21,534	21,142	18,063	18,709
Net financial income	9,991	9,242	8,235	7,262	7,617
Net other income	1,008	258	164	229	857
<b>Total operating income</b>	<b>80,193</b>	<b>64,478</b>	<b>55,638</b>	<b>50,628</b>	<b>51,857</b>
Staff costs	-17,558	-15,980	-15,372	-14,976	-14,660
Other expenses	-7,892	-6,986	-5,763	-5,864	-6,623
Depreciation, amortisation and impairment of tangible and intangible assets	-1,999	-2,078	-2,110	-1,906	-1,662
<b>Total operating expenses</b>	<b>-27,449</b>	<b>-25,044</b>	<b>-23,245</b>	<b>-22,747</b>	<b>-22,945</b>
Net expected credit losses	-962	-2,007	-510	-6,118	-2,294
Imposed levies	-3,819	-2,288	-1,019	-918	-1,725
<b>Operating profit before items affecting comparability</b>	<b>47,963</b>	<b>35,138</b>	<b>30,864</b>	<b>20,846</b>	<b>24,894</b>
Items affecting comparability <sup>1)</sup>		-1,399		-1,000	
<b>Operating profit</b>	<b>47,963</b>	<b>33,739</b>	<b>30,864</b>	<b>19,846</b>	<b>24,894</b>
Income tax expense	-9,848	-6,862	-5,441	-4,100	-4,717
<b>NET PROFIT</b>	<b>38,116</b>	<b>26,877</b>	<b>25,423</b>	<b>15,746</b>	<b>20,177</b>
Attributable to shareholders	38,116	26,877	25,423	15,746	20,177

1) 2022 is impairment of the group's assets related to Russia. 2020 is administrative fine.

Comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance Contracts. See note 49 on restated comparative figures for further information. Comparative figures for 2021 and 2019 have been restated.

## Balance sheet

SEKm	2023	2022	2021	2020	2019
Cash and cash balances and loans to central banks	410,064	451,928	443,798	327,409	151,186
Loans to credit institutions	84,128	77,235	60,009	50,791	46,995
Loans to the public	2,101,181	2,065,271	1,846,362	1,770,161	1,837,605
Other financial assets	950,268	875,859	889,366	855,351	787,341
Other assets	62,576	62,486	64,696	36,720	33,521
<b>TOTAL ASSETS</b>	<b>3,608,218</b>	<b>3,532,779</b>	<b>3,304,230</b>	<b>3,040,432</b>	<b>2,856,648</b>
Deposits from central banks and credit institutions	147,323	66,873	75,206	111,309	88,041
Deposits and borrowing from the public	1,611,651	1,701,687	1,597,449	1,371,227	1,161,485
Other financial liabilities	1,585,956	1,521,690	1,391,207	1,355,604	1,414,917
Other liabilities	41,513	38,387	47,140	30,349	36,505
Total equity	221,775	204,141	193,228	171,943	155,700
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3,608,218</b>	<b>3,532,779</b>	<b>3,304,230</b>	<b>3,040,432</b>	<b>2,856,648</b>

Comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance Contracts. See note 49 on restated comparative figures for further information.

## Key figures

	2023	2022	2021	2020	2019
Return on equity <sup>1)</sup> , %	17.9	13.8	13.9	9.7	13.7
Return on equity excluding items affecting comparability <sup>1)</sup> , %	17.9	14.5	13.9	10.3	13.8
Basic earnings per share <sup>1)</sup> , SEK	18.20	12.58	11.75	7.28	9.33
Cost/Income ratio <sup>1)</sup>	0.34	0.39	0.42	0.45	0.44
Net ECL level, %	0.03	0.07	0.02	0.26	0.10
Common Equity Tier 1 capital ratio, %	19.1	19.0	19.7	21.0	17.6
Tier 1 capital ratio, %	20.7	20.7	21.4	22.7	20.8
Total capital ratio, %	22.4	22.5	23.1	25.1	23.3

1) Comparative figures for 2022 have been restated for the transition to IFRS 17 Insurance Contracts. See note 49 on restated comparative figures for further information. Comparative figures for 2021 and 2019 have been restated.

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)

# Parent company—Five-year summary

## Income Statement

SEKm	2023	2022	2021	2020	2019
Net interest income	36,963	30,197	26,004	25,707	23,402
Net fee and commission income	12,961	12,883	12,343	10,698	10,461
Net financial income	7,969	7,510	6,125	5,297	5,838
Other income	7,759	11,314	3,926	3,532	6,930
<b>Total operating income</b>	<b>65,652</b>	<b>61,904</b>	<b>48,397</b>	<b>45,234</b>	<b>46,631</b>
Administrative expenses	-21,098	-18,380	-16,207	-17,372	-16,345
Depreciation, amortisation and impairment of tangible and intangible assets	-5,640	-5,635	-5,644	-5,683	-5,749
<b>Total operating costs</b>	<b>-26,737</b>	<b>-24,015</b>	<b>-21,851</b>	<b>-23,055</b>	<b>-22,094</b>
<b>Profit before credit losses</b>	<b>38,915</b>	<b>37,890</b>	<b>26,547</b>	<b>22,179</b>	<b>24,537</b>
Net expected credit losses	-1,008	-2,119	-744	-5,550	-2,044
Net credit losses					
Impairment of financial assets	-519	-6,631	-1,911	-220	-741
<b>Operating profit</b>	<b>37,388</b>	<b>29,139</b>	<b>23,892</b>	<b>16,409</b>	<b>21,752</b>
Appropriations including pension compensation	2,886	3,300	3,839	2,390	2,694
Taxes	-7,726	-5,109	-4,980	-4,185	-4,140
<b>NET PROFIT</b>	<b>32,548</b>	<b>27,329</b>	<b>22,751</b>	<b>14,614</b>	<b>20,305</b>

From 2023 the parent company presents realised gains and losses on investment shares as Net financial income and not Net other income. Comparative figures have been restated SEK 1,615m.

## Balance sheet

SEKm	2023	2022	2021	2020	2019
Cash and cash balances at central banks	307,047	354,970	371,466	294,391	110,104
Loans to central banks and credit institutions	140,536	118,604	74,334	71,027	92,450
Loans to the public	1,870,983	1,839,188	1,641,332	1,569,310	1,601,243
Other financial assets	567,627	523,695	459,885	521,530	472,945
Other assets	32,640	36,229	40,817	40,852	41,930
<b>TOTAL ASSETS</b>	<b>2,918,833</b>	<b>2,872,686</b>	<b>2,587,834</b>	<b>2,497,110</b>	<b>2,318,672</b>
Deposits from central banks and credit institutions	181,428	106,019	85,276	147,831	126,891
Deposits and borrowing from the public	1,396,028	1,467,319	1,404,490	1,198,833	973,834
Other financial liabilities	1,144,771	1,115,652	918,606	981,523	1,059,727
Other liabilities	22,464	20,883	24,549	16,427	19,810
Total equity and untaxed reserves	174,142	162,813	154,913	152,496	138,410
<b>TOTAL LIABILITIES, UNTAXED RESERVES AND EQUITY</b>	<b>2,918,833</b>	<b>2,872,686</b>	<b>2,587,834</b>	<b>2,497,110</b>	<b>2,318,672</b>

## Key figures

	2023	2022	2021	2020	2019
Return on equity, %	19.8	18.0	15.0	10.4	15.9
Cost/income ratio	0.41	0.39	0.45	0.51	0.47
Net ECL level, %	0.04	0.09	0.03	0.26	0.10
Common Equity Tier 1 capital ratio, %	17.1	17.6	18.4	20.3	16.9
Tier 1 capital ratio, %	18.9	19.5	20.3	22.2	20.6
Total capital ratio, %	20.8	21.4	22.2	24.8	23.2

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors](#)
[and the President](#)
[Auditor's report](#)

# 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:

The Board proposes that, following approval of the balance sheet of Skandinaviska Enskilda Banken AB for the financial year 2023, the Annual General Meeting should distribute the earnings as follows:

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.

	SEK	SEK
Dividend to shareholders:		
– SEK 11.50 per Class A share	24,332,056,351	
– SEK 11.50 per Class C share	277,753,842	
Total dividend	24,609,810,193	
To be carried forward to:		
– retained earnings	99,760,583,566	
Total	<b>124,370,393,758</b>	

1) The parent company's equity would have been SEK 14,411m 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.

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors](#)
[and the President](#)
[Auditor's report](#)

# 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 19 February 2024

Marcus Wallenberg  
*Chair*

Sven Nyman  
*Vice chair*

Jacob Aarup-Andersen  
*Director*

Signhild Arnegård Hansen  
*Director*

Anne-Catherine Berner  
*Director*

John Flint  
*Director*

Winnie Fok  
*Director*

Svein Tore Holsether  
*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 23 February 2024  
Ernst & Young AB

Hamish Mabon  
*Authorized Public Accountant*

[Financial statements](#)[SEB Group](#)[Parent company](#)[Notes to the financial statements](#)[Five-year summary](#)[Proposal for the distribution of profit](#)[Signatures of the Board of Directors  
and the President](#)[Auditor's report](#)

# 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 2023 with exception of the Corporate Governance statement entailed on pages 59–80. The annual accounts and consolidated accounts of the company are included on pages 34–183 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 2023 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 2023 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 59 - 80. 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.

[Financial statements](#)

- [SEB Group](#)
- [Parent company](#)
- [Notes to the financial statements](#)
- [Five-year summary](#)
- [Proposal for the distribution of profit](#)
- [Signatures of the Board of Directors and the President](#)
- [Auditor's report](#)

***Provision for Expected Credit Losses ("ECL")***

<i>Description</i>	<i>How our audit addressed this key audit matter</i>	<i>Valuation of financial instruments at fair value</i>
<p>As of 31 December 2023, loans amount to 2 283 000 mSEK for the Group, which represents 63% of the Group's total assets. The total credit risk exposure, including off-balance commitments, amounts 2 968 211 mSEK for the Group. The provision for expected credit losses amounts to 7 999 mSEK for the Group.</p> <p>In order to provide for expected credit losses, SEB uses both models and credit expert judgement to consider factors not captured by the models.</p> <p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>In our audit we have used our internal model specialists when performing our audit procedures.</p> <p>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.</p>	<p>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).</p> <p>The Group has financial assets and financial liabilities in level 2 of 469 261 mSEK and 238 716 mSEK and financial assets and liabilities in level 3 of 32 217 mSEK and 8 946 mSEK 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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>We have also tested the mathematical accuracy of the valuations through sample tests and performed our own independent valuations.</p> <p>In our audit we have engaged our internal valuation specialists when performing our audit procedures.</p> <p>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.</p>

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)
***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 47.

***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 1–33 and 189–248. 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. 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 2023 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

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors and the President](#)
[Auditor's 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. 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 account 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 (publ) for the financial year 2023.

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 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 (publ) 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 the 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 responsibility***

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

[Financial statements](#)
[SEB Group](#)
[Parent company](#)
[Notes to the financial statements](#)
[Five-year summary](#)
[Proposal for the distribution of profit](#)
[Signatures of the Board of Directors  
and the President](#)
[Auditor's report](#)

expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with professional ethical requirements, professional standards and applicable 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 accounts 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 validation that the Esef report has been prepared in a valid XHMTL format 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 consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

***The auditor's examination of the corporate governance statement***

The Board of Directors is responsible for that the corporate governance statement on pages 59 - 80 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.

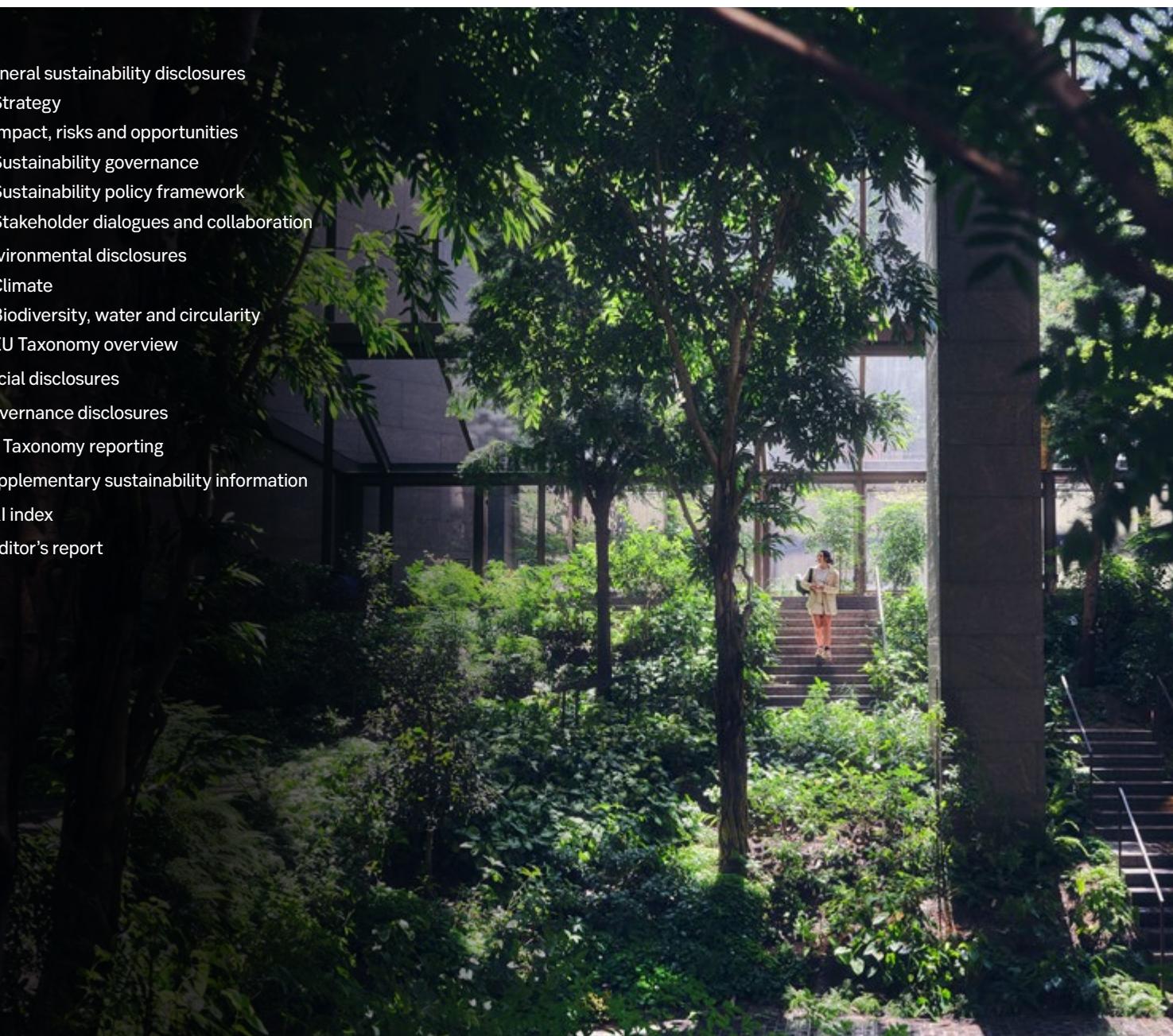
A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts 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 4 April 2023 and has been the company's auditor since the 26 March 2019.

Stockholm, 23 February 2024  
Ernst & Young AB

Hamish Mabon  
*Authorized Public Accountant*

[General sustainability disclosures](#)[Strategy](#)[Impact, risks and opportunities](#)[Sustainability governance](#)[Sustainability policy framework](#)[Stakeholder dialogues and collaboration](#)[Environmental disclosures](#)[Climate](#)[Biodiversity, water and circularity](#)[EU Taxonomy overview](#)[Social disclosures](#)[Governance disclosures](#)[EU Taxonomy reporting](#)[Supplementary sustainability information](#)[GRI index](#)[Auditor's report](#)

# Sustainability Report

By providing transition advice, financing and investments we help our customers on the path towards a low carbon sustainable economy. Through our ambitions and goals, we aim to accelerate the pace towards a sustainable future for people, businesses and society.

[General sustainability disclosures](#)
[Strategy](#)
[Impact, risks and opportunities](#)
[Sustainability governance](#)
[Sustainability policy framework](#)
[Stakeholder dialogues and collaboration](#)
[Environmental disclosures](#)
[Climate](#)
[Biodiversity, water and circularity](#)
[EU Taxonomy overview](#)
[Social disclosures](#)
[Governance disclosures](#)
[EU Taxonomy reporting](#)
[Supplementary sustainability information](#)
[GRI index](#)
[Auditor's report](#)

# General sustainability disclosures

SEB has a strong ambition to accelerate the pace towards a sustainable future for people, businesses and society. We firmly believe that our most significant impact will be achieved by partnering with our customers and actively supporting them on their sustainability journey.

It is our conviction that sustainable finance is among the most important drivers in the transition towards a sustainable society, and we acknowledge our vital role in facilitating the substantial investments that are required.

As a large Nordic corporate bank with a global outreach we are well-equipped to contribute to the transition in which we see that large corporations play a crucial role. We are equally committed to empowering small and medium-sized enterprises and private individuals to contribute to the transition journey. By offering responsible advice and innovative financing, investment and savings products and services we take a proactive role in enabling our customers to reach their goals.

## Strategy

Combatting climate change is core to SEB's strategy. We recognise that this endeavour presents both challenges and opportunities. Our strategic vision is to become a leading catalyst of the transition towards a more sustainable society, aligned with the goals of the Paris Agreement to limit global warming.

This transformation requires substantial investments and offers a long-term super-cycle, positioning climate change as not just a risk and responsibility but also an opportunity. In the EU alone the needed investments to reach the EU Green Deal and RePowerEU is EUR 620bn per year until 2030 (EU Strategic Foresight Report, July 2023). We are committed to supporting those customers who, over time, share our long-term view of how to address climate change.

In our asset management business we aim to accelerate the

reduction of the global economy's greenhouse gas emissions, while maintaining our commitment to deliver satisfactory, risk-adjusted returns in the long term.

As a signatory of the UN initiative Principles for Responsible Banking, we have committed to continuously adapt our business strategy with the Paris Agreement and the UN Sustainable Development Goals. International initiatives, such as the Net-Zero Banking Alliance (NZBA), the Net Zero Asset Managers initiative and the Poseidon Principles, are important parts of how we steer our business.

Our sustainability strategy is part of SEB's business plan for 2022–2024 and a cornerstone of SEB's 2030 Strategy. We focus on:

### *Providing transition advice, financing and investments*

We partner with our customers on the path to a low carbon sustainable society. Through deep insights, responsible advice and capital we help them to reach their targets.

### *Innovating and setting standards*

We share our knowledge, develop innovative products and services, and engage in setting standards for how the financial industry can contribute to a more sustainable and inclusive society.

### *Transforming our business*

Based on solid governance, we continuously develop our policies and goals and enhance our employees' competence to ensure that our credit and investment portfolios support the transition.

### *Acting as a responsible corporate citizen*

We engage in society and take an active part in positively shaping the future. In line with our long tradition, we drive and encourage initiatives for sustainable entrepreneurship and promote financial inclusion.

## Ambitions and goals

SEB strives to reach a net zero credit portfolio by 2050 at the latest. In order to steer our business towards that goal, and to measure our progress along the way, we have developed two proprietary metrics – the Carbon Exposure Index (The Brown) and the Sustainability Activity Index (The Green) – and set interim 2030 sector targets in line with our commitment to the NZBA.

These metrics are developed according to widely accepted science-based decarbonisation scenarios, aligned with the temperature goals of the Paris Agreement.<sup>1)</sup> See p. 202.

### The Carbon Exposure Index – The Brown

Our goal is to reduce the fossil fuel credit exposure in SEB's energy portfolio by 45–60 per cent by 2030 compared with a 2019 baseline. At year-end 2023, SEB's fossil fuel credit exposure had decreased by 39 (22) per cent since the end of 2019, which is in line with the 2030 trajectory. As a share of the total credit portfolio, it accounted for 2.6 per cent, down from 4.8 per cent in 2019.

1) In line with NZBA Guidelines for Climate Target Setting for Banks.

## General sustainability disclosures

- [Strategy](#)
- [Impact, risks and opportunities](#)
- [Sustainability governance](#)
- [Sustainability policy framework](#)
- [Stakeholder dialogues and collaboration](#)

## Environmental disclosures

- [Climate](#)
- [Biodiversity, water and circularity](#)

## EU Taxonomy overview

## Social disclosures

## Governance disclosures

## EU Taxonomy reporting

## Supplementary sustainability information

## GRI index

## Auditor's report

## Sustainability Activity Index – The Green

The Sustainability Activity Index captures our sustainability activities across four areas – sustainability-related financing, sustainable finance advisory, greentech venture capital investments and sustainable savings and investments (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 2023, the index had increased by 123 per cent (58). As a share of the total credit portfolio, sustainability-related financing accounted for 8.5 per cent, up from 4 per cent at the end of 2021. The outcome of each part of the Sustainability Activity Index is described on p. 193–194.

## Net zero aligned 2030 targets

### *Financed emissions, sector targets*

We have set net zero aligned 2030 interim targets for six sectors in our credit portfolio in line with our sustainability strategy and commitment to the NZBA. The targets set in 2022 cover SEB's lending commitments to the oil & gas, power generation, steel, car manufacturing, and Swedish household mortgage sectors. In 2023 we presented an additional sector target, for heavy vehicle manufacturing. See p. 204.

## Overview of SEB's sustainability-related ambitions and goals

Area	Description	Outcome 2023	Outcome 2022	Goal 2030
The Brown	Carbon Exposure Index – fossil fuel credit exposure in our energy portfolio (index=100, 2019)	Index 61	Index 78 <sup>1)</sup>	Reduce by 45–60%
The Green	Sustainability Activity Index – activities supporting the sustainable development (index=100, 2021)	Index 223	Index 158 <sup>2)</sup>	Increase 6–8 times
Financed emissions <sup>3)</sup>	<i>NZBA interim sector targets:</i>			
	Oil & gas (mt CO <sub>2</sub> e)	n/a	-61%	-70%
	Power generation (g CO <sub>2</sub> e/kWh)	n/a	-24%	-44%
	Steel (t CO <sub>2</sub> e/t steel)	n/a	+6%	-29%
	Car manufacturing (g CO <sub>2</sub> e/km)	n/a	-10%	-62%
	Household mortgages, Sweden (kg CO <sub>2</sub> e/m <sup>2</sup> )	n/a	-2%	-32%
	Heavy vehicle manufacturing (% of ZEV <sup>4)</sup> in new sales)	n/a	New	35%
Emissions from own operations <sup>5)</sup>	Absolute CO <sub>2</sub> e emissions (tonnes)	13,251	11,610 <sup>6)</sup>	Not to exceed 17,000 tonnes, ±5% by 2025 <sup>7)</sup>
Own workforce	<i>Gender by management type (men/women):</i>			
	Group Executive Committee <sup>8)</sup>	67/33%	71/29%	Increase balance in senior management towards long term ambition of 50/50 ± 10%
	Top Senior Management <sup>9)</sup>	55/45%	58/42%	
Business ethics and conduct	Employees that have completed mandatory training, average <sup>10)</sup>	97%	95%	Increase towards 100%

1) Amendments were made to the definition and corrections in the calculations of the fossil credit exposure, for comparison 2022 were updated accordingly.

2) Index 2022 adjusted due to data quality improvements within the fund area.

3) Baseline 2020 has been restated to reflect updated emission data from customers and emission facts. Baseline for heavy vehicle manufacturing is per 2022. See p. 204.  
As calculation is depending on customer reported data, outcome is delayed one year.

4) Zero Emission Vehicles.

5) SEB's climate compensation is described on p. 203.

6) The reported values for 2022 have been updated to reflect new information known past the reporting period.

7) SEB will align the future goal with the upcoming CSRD requirements to be reported for 2024.

8) Information on GEC members on p. 73–74.

9) Top Senior Management: GEC+GEC direct reports (number of individuals in the calculation: 137).

10) 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. 229–230.

## General sustainability disclosures

- Strategy
- Impact, risks and opportunities
- Sustainability governance
- Sustainability policy framework
- Stakeholder dialogues and collaboration

## Environmental disclosures

- Climate
- Biodiversity, water and circularity
- EU Taxonomy overview

## Social disclosures

- Governance disclosures
- EU Taxonomy reporting

## Supplementary sustainability information

- GRI index
- Auditor's report

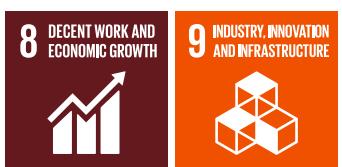
## Impact, risks and opportunities

### Impact areas

Material focus areas for the SEB Group includes climate and environment, sustainable financing, sustainable savings and investments, people and community, innovation and business conduct, based on previous years' analyses. Several 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.



In line with our commitment to UNEP FI Principles for Responsible Banking (PRB), SEB previously conducted an analysis of which Sustainable Development Goals (SDGs) are most impacted through our credit portfolio. The areas where SEB's sector exposure was identified as having a potential negative impact were climate change (SDG 13), biodiversity (SDGs 14 and 15) and fresh water (SDG 6).



The areas with the most significant potential positive impact were decent work and economic growth (SDG 8) and industry, innovation and infrastructure (SDG 9).

→ For SEB's PRB Reporting and Self-Assessment Template, see [sebgroup.com](http://sebgroup.com)

### Double materiality assessment

To prepare for the requirements in Corporate Sustainability Reporting Directive (CSRD) and the related European Sustainability Reporting Standards (ESRS), the work with a double materiality assessment (DMA) was initiated to align with the upcoming regulatory requirements. The DMA will be completed and reported during 2024. See p. 197.

### Risk management

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 and investment activities. These procedures aim to ensure that material environmental, social and governance factors are identified and assessed, and that they are incorporated into analyses and decisions.

Risks related to environmental, social and governance factors are included in SEB's risk management framework. These risks are not considered as separate risk types, but as risk factors affecting 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 structures for identifying, monitoring, measuring, and reporting risks.

At SEB, an important part of this work is conducted through processes that support the identification and assessment of sustainability risks related to our customers:

- sustainability-related risk assessment in the credit process
- annual screening of sustainability policy compliance and customer sustainability classification (implementation ongoing).

### Risk assessment in the credit process

Industry transformation and sustainability-related risks are integral parts of SEB's credit analysis work, risk classification and credit granting process. In addition, specific climate transition risk analysis requirements exist for customers in material carbon footprint sectors. See p. 201.

### Enhanced customer acceptance process

During 2023, we have initiated work to implement an enhanced customer acceptance process with regards to compliance with the Sustainability Policy and Corporate Sustainability Governance Instruction. Group Credits has received an expanded mandate for approvals of customer acceptance according to instructions and to provide the business areas with necessary mandates. The business areas are responsible for annual compliance screening of their clients 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 Status Quo ("brown"), in the Customer Sustainability Classification tool.

→ The Customer Sustainability Classification tool is described on p. 199.

### Risk management in asset management

In asset management, sustainability risks are managed and analysed through a strategy involving exclusions, integration and active ownership. Sustainability risks include both the risks that a company poses on the environment, people and societies, and also the risks that a changing climate or business climate pose on the company. Hence, these risks are related to the changing environment as well as to social issues, such as human and labour rights, and good governance practices.

The most important risks of adverse impact that a company can have on people, societies and the environment are considered in the exclusions procedures. In addition, the excluded sectors and companies can have a high risk of stranded assets or low standards with regard to human or labour rights.

A majority of asset managers are using SEB Investment Management's Sustainability Score (SIMS-S), a proprietary sustainability score including both risks and opportunities with respect to the environment, social sustainability as well as aspects of governance, when making investment decisions.

## General sustainability disclosures

- Strategy
- Impact, risks and opportunities
- Sustainability governance
- Sustainability policy framework
- Stakeholder dialogues and collaboration

## Environmental disclosures

- Climate
- Biodiversity, water and circularity

## EU Taxonomy overview

## Social disclosures

## Governance disclosures

## EU Taxonomy reporting

## Supplementary sustainability information

## GRI index

## Auditor's report

## Integration in our business

We work to continuously integrate environmental, social and governance (ESG) aspects across the organisation. This is important in numerous types of processes – in the assessment of customers and suppliers as well as in lending and investments. It is central in risk management and credit approval processes as well as – from an opportunity perspective – in the development of products and services.

Since long, ESG is a natural part of the discussions with our corporate and institutional customers where we integrate material risks and opportunities with respect to their specific sector with both short, medium and long-term perspectives. Together we engage around their sustainability ambitions, challenges and potential transition plans and assist in identifying appropriate financing solutions, based on the customer's needs.

SEB has maintained a strong position as an advisor in sustainability. For the fourth consecutive year, we were top-ranked in Prospera Sustainability Advisor survey 2023, for actively supporting large companies and financial institutions in their sustainability strategy.

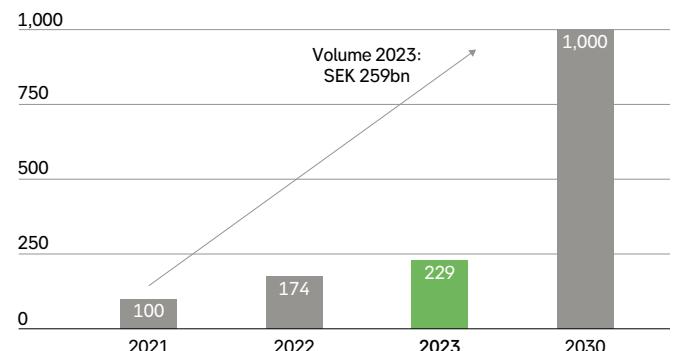
As part of our integration efforts in 2023, we continued to strengthen supporting tools for employees. Among the examples are a sector policy screening tool and a sector policy training along with a reinforced instruction on the implementation of sustainability assessment and sustainability ambitions. These tools support the business divisions to implement SEB sustainability policies and ambitions in a coherent manner across the group. Moreover, two new courses about SEB and sustainability were introduced in early 2024. See p. 209.

## Savings and investments

SEB integrates ESG aspects into the asset management and life insurance business. SEB Investment Management strives to integrate sustainability aspects into all types of investments and asset classes. The strategy is based on three main methods – exclusion, integration and active ownership.

Exclusion is used to limit exposure to sectors and companies that have significant negative impact on people or the planet.

## Sustainability-related financing<sup>1)</sup>



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

Integration is focused on the identification of sustainable and innovative business models, resource efficient operations as well as policies and processes to reduce negative impact. Active ownership consists of dialogues with the companies invested in, voting at annual general meetings and via nomination committees. The interaction and balance between integrated sustainability analysis, exclusion and active ownership are vital for managing impact and risk and to generate sustainable long-term value.

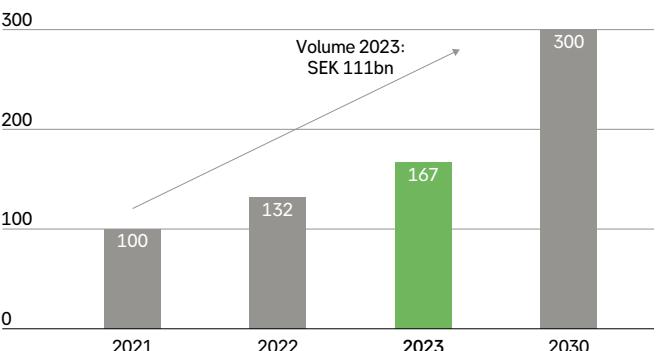
Also SEB's life and insurance business integrates ESG aspects in risk management and governance. We evaluate the investment's potential long-term impact on the environment, people, and society and consider the potential long-term impact on our business. Sustainability aspects are incorporated into the unit-linked offering as well as into traditional life insurance products.

A policy describing how SEB integrates sustainability risks and opportunities in investment decisions in line with the SFDR was prepared during 2023 for adoption in early 2024.

## Opportunities generating positive impact – Sustainability Activity Index

We aim to positively impact the environment and society and have processes in place to identify opportunities in these areas. Through the Sustainability Activity Index we aim to grow our sustainability activities across four areas:

## Sustainable finance advisory<sup>1)</sup>



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

- sustainability-related financing
- sustainable finance advisory
- greentech venture capital investments and
- sustainable savings and investments.

By the end of 2023, we had increased our sustainability activities by 123 per cent compared to the baseline in 2021. SEB regards the index as an important tool for driving the sustainability work forward in the organisation, to spur innovation and positively impact our customers' sustainability journeys.

## Sustainability-related financing and advisory

Sustainability-related financing increased by 129 per cent and sustainable finance advisory, by 67 per cent compared to 2021. SEB's offering includes products and advisory services within sustainability-themed products, such as green loans and bonds, social, sustainability and transition bonds. These are activity-based and issued to finance activities or projects with the goal of positive environmental, social or transitional change.

The performance-based products, such as sustainability-linked bonds and loans, are based on whether a borrower or issuer will achieve the specific targets that have been set within a specific time.

## General sustainability disclosures

- Strategy
- Impact, risks and opportunities
- Sustainability governance
- Sustainability policy framework
- Stakeholder dialogues and collaboration

## Environmental disclosures

- Climate
- Biodiversity, water and circularity

## EU Taxonomy overview

## Social disclosures

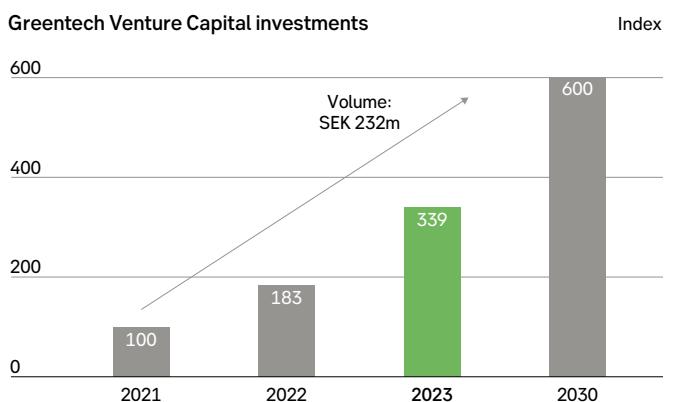
## Governance disclosures

## EU Taxonomy reporting

## Supplementary sustainability information

## GRI index

## Auditor's report



### SEB Greentech VC

SEB Greentech Venture Capital (VC) 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. By year-end 2023, SEB Greentech VC had increased its investments by 239 per cent, to SEK 232m, compared to the baseline in 2021.

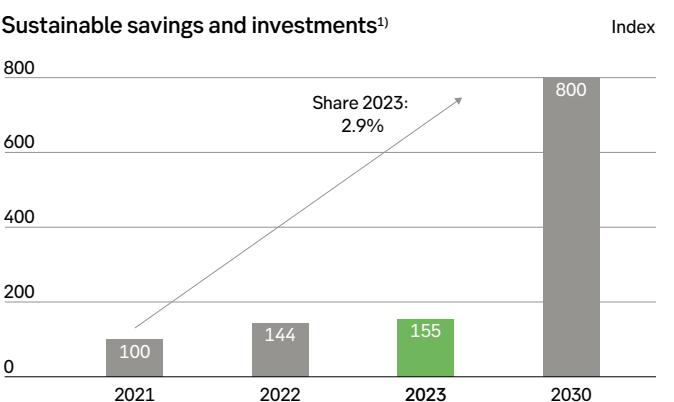
### Sustainable savings and investments

SEB offers sustainable saving products, classified according to the EU regulation on sustainability disclosures, SFDR.

These products can contribute to or have as its purpose to, among other things, reduce greenhouse gas emissions, improving social justice, or enhancing biodiversity. Growth in saving products with sustainability investments as its objective constitutes one part of Sustainability Activity Index. The increase by year-end 2023 was 55 per cent, compared to the baseline in 2021.

### Product development and innovation

Product development and innovation are the basis for increasing the Sustainability Activity Index and thus our positive impact on the green transition. In 2023 we developed several new financing



1) Share of SEB's sustainable savings products, own and external, that have sustainable investments as its objective, in line with EU's SFDR.

solutions. For corporate customers we now offer sustainability-linked guarantees, green corporate guarantees and certificates for biogenic CO<sub>2</sub> removal (the latter not included in The Green).

SEB's private customers in Sweden and the Baltic countries can benefit from an extended offering related both to financing, investments and pension services. For example, in Sweden we launched home energy improvement loans, life insurance customers were offered an increased range of funds with sustainability as their goal, also called Article 9-funds. Private customers in Estonia and Latvia are offered green renovation loans. Moreover, private banking-customers in Sweden are offered a water certificate focusing on water technology, and infrastructure development along with a circularity certificate.

### Sustainability governance

SEB's sustainability governance model includes clear roles and mandates that cover our impacts on the economy, environment and climate, and people, including impacts 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.

## The work of the Board

The Board of Directors (the Board) is ultimately responsible for the management of the affairs and the organisation of SEB Group. In respect of sustainability this includes 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 2030 Strategy and the business plan, including the sustainability strategy considerations. The Board also approves the Corporate Sustainability Policy and the Sustainability Governance Instruction for the SEB Group. Moreover, the Board approves the entering, or cancellation, of agreements or commitments of major importance for the SEB Group in the sustainability area. SEB's sector policies are approved by the Board's Risk and Capital Committee (RCC).

→ See corporate governance chapter, p. 59.

The Board is on a regular basis updated on sustainability matters. The Board conducts a yearly review of policies and instructions. The Board and the executive management are responsible for the preparation of the sustainability report and are during the process involved in reviews of its content.

## Execution and implementation

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

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

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. 70.

## General sustainability disclosures

- [Strategy](#)
- [Impact, risks and opportunities](#)
- [Sustainability governance](#)
- [Sustainability policy framework](#)
- [Stakeholder dialogues and collaboration](#)

## Environmental disclosures

- [Climate](#)
- [Biodiversity, water and circularity](#)
- [EU Taxonomy overview](#)
- [Social disclosures](#)
- [Governance disclosures](#)
- [EU Taxonomy reporting](#)
- [Supplementary sustainability information](#)
- [GRI index](#)
- [Auditor's report](#)

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

### Assessment of new products

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 factors, the UN Sustainable Development Goals, the EU Taxonomy and Article 9 funds. The Environmental and Sustainable Product Steering Committee (ESPSC) is a sub-committee of the SPC and decides on the eligibility of assets for the SEB Group's sustainability-linked funding programmes.

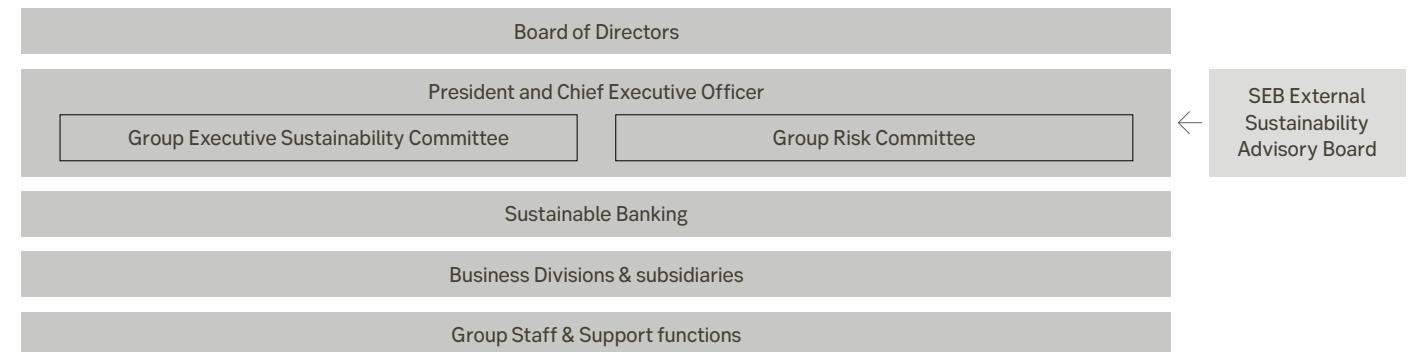
### Procedures and controls

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 sustainability objectives, strategy and policies set by the Board, the President and the GEC. Sustainability Business Risk Committees (SBRC) 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.

### External expert knowledge on sustainable development

SESAB (SEB External Sustainability Advisory Board) is composed of external experts by invitation of the President with the purpose of providing the bank with strategic intelligence from individuals

## Sustainability governance



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 Chief Sustainability Officer.

### SEB's investment business

SEB Investment Management AB (SEB IM) is a wholly owned subsidiary of SEB, and as such has its own governance structure. SEB IM adheres to SEB policies and guidelines in applicable parts. In addition, the SEB IM Board of Directors has adopted SEB IM's Sustainability Policy, which is the framework that governs the ambitions and integration of sustainability in investments. However, SEB AB's Sustainable Product Committee pre-approves all sustainability-labelled products from SEB, and as such, approves funds labelled Article 9. SEB IM's Exclusion Committee makes decisions on exclusion and divestments based on SEB IM's sustainability policy. The committee also decides on exceptions from the policy, such as transition companies. SEB IM's Sustainable Investment Committee makes assessments and decisions as to whether listed shares and corporate bonds can be classified as sustainable investments in line with SFDR. SEB Investment Management Sustainability Oversight Committee monitors sustainability risks.

## Sustainability policy framework

SEB's sustainability policy framework covers the Corporate Sustainability Policy, two thematic policies and several sector policies. All policies are reviewed annually.

### 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 KPIs are integrated in remuneration for members of SEB's Group Executive Committee (GEC), for managers who report to GEC, as well as for other eligible positions.

The models for individual variable remuneration are based on financial and non-financial key performance indicators. 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 remuneration programmes, as applicable. Also in the largest variable remuneration programme, for all SEB employees, sustainability is considered. See p. 76 (Remuneration report).

## General sustainability disclosures

- Strategy
- Impact, risks and opportunities
- Sustainability governance
- Sustainability policy framework
- Stakeholder dialogues and collaboration
- Environmental disclosures
  - Climate
  - Biodiversity, water and circularity
  - EU Taxonomy overview
- Social disclosures
- Governance disclosures
- EU Taxonomy reporting
- Supplementary sustainability information
- GRI index
- Auditor's report

The Corporate Sustainability Policy defines the framework for sustainability in SEB and provides 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. In addition, SEB's Sustainability Policy Implementation Instruction, updated in 2023, defines the framework and process to implement the thematic and sector policies in SEB. These 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 documents guide us in our work and express our view on specific key issues and industry sectors that are considered critical from an environmental and social perspective.

### Thematic policies

The two thematic policies, SEB's Environmental Policy and SEB's Social and Human Rights Policy provide the basis for our work to protect the environment and to respect human rights. They set the positions on specific themes, identify the negative impacts, and state expectations and restrictions on certain corporate behaviour. They apply to the SEB Group with the exception of SEB Investment Management, and cover SEB's activities and operations globally.

### Sector policies

The purpose of the sector policies is to establish SEB's position on relevant sustainability topics in sectors with a potential material sustainability impact. The sector policies set the expectations on corporate behaviour, the commitment to sector-based standards and the restrictions on specific activities.

In 2023, SEB had eleven sector policies in place, with the Policy on Real Estate and Construction as the most recently added. The sector policies that are particularly important in relation to environment and climate are described on p. 200–201.

All sector policies are reviewed annually by the Board's Risk and Capital Committee (RCC).

### Other group-wide policies

SEB has several other group-wide policies that guide our employees in relation to customers as well as with colleagues, the most important being the Code of Conduct.

→ See all sustainability-related policies on [sebgroup.com](#)

### Commitments

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
- 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](#)

### Sustainability policy framework



Corporate Sustainability Policy



Corporate Sustainability Governance Instruction

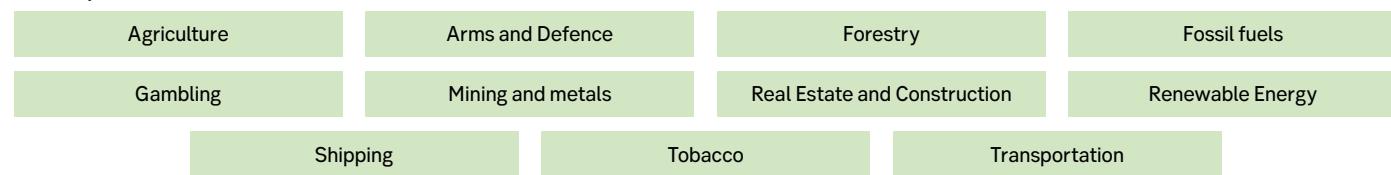
### Thematic policies



Environmental Policy

Social and Human Rights Policy

### Sector policies



Agriculture

Arms and Defence

Forestry

Fossil fuels

Gambling

Mining and metals

Real Estate and Construction

Renewable Energy

Shipping

Tobacco

Transportation

## General sustainability disclosures

- Strategy
- Impact, risks and opportunities
- Sustainability governance
- Sustainability policy framework
- Stakeholder dialogues and collaboration
- Environmental disclosures
  - Climate
  - Biodiversity, water and circularity
  - EU Taxonomy overview
- Social disclosures
- Governance disclosures
- EU Taxonomy reporting
- Supplementary sustainability information
- GRI index
- Auditor's report

## Stakeholder dialogues and collaboration

We are committed to long-term relationships with our key stakeholders – customers, investors & shareholders, employees and society-at-large. We interact with them on a regular basis to ensure that we prioritise the most important issues and we aim to respond to their needs and expectations in a responsible manner.

Our ways of engagement include digital channels such as web pages, mobile apps and telephone as well as in regular physical meetings, but also via targeted initiatives such as events and conferences, client trips and surveys.

### Customers

Large companies appreciate personal contacts, that the bank has knowledge about their industry and strategic goals, and an understanding of their needs. Similarly they highly value that the bank actively supports them with sustainability advice. In the annual Prospera survey 2023, SEB retained its position as the leading corporate bank in the Nordics on sustainability advice. Private customers were satisfied about the staff's competence and treatment, negative comments mostly concerned deposit and lending rates and difficulties connected to booking appointments in branch offices. However, these comments have decreased over time since the customers are increasingly aware of the new pre-booking routines.

### Investors

Investors, shareholders and analysts focused on liquidity concerns triggered by events within certain regional US banks, culminating in the acquisition of a Swiss bank by a domestic counterpart. Other topics included how increased interest rates affected the real estate sector, as well as the bank's strategies to reduce possible credit risks linked to this.

### Employees

SEB employees showed strong engagement and commitment to the bank's future, shown for example in the yearly employee survey. Employees also expressed satisfaction with SEB's hybrid working policy. The score for customer focus and decision-making rose in 2023, although there is still room for improvement.

## Society-at-large

In 2023, supervisory authorities had a continued high focus in the areas of financial crime prevention, such as anti-money laundering and combating financing of terrorism. Other areas for dialogue were how SEB's business model and risk profile might get impacted by ESG aspects, oil & gas related exposures, net zero targets, greenwashing and geopolitical concerns.

We interact regularly with academia in Sweden and abroad, with non-governmental organisations and consumer advocate groups within areas such as climate, biodiversity, water and human rights. They provide us with valuable input in the development of our products and policies.

In media, large focus was on the central banks' interest rate increases and the impact on households, companies and the economy in general. Mortgage and savings interest rates and banks' profitability were also in focus. Other important topics were connected to the war in Ukraine and the conflict in the Middle East, as well as to organised crime in Sweden.

## Collaborating and setting standards

At SEB, we share our expert knowledge and contribute to setting standards in different contexts. We 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 and other sustainable finance regulations. The platform brings together world leading sustainability experts from business sectors, finance, NGOs, academia and international institutions. The advice that is developed via the platform is based on scientific evidence, expertise and deep practical experience. An SEB expert co-leads one of the three subgroups together with the European Investment Bank. The task is to develop a monitoring framework for capital flows to sustainable investments.

Since long, SEB is engaging in the International Capital Market Association (ICMA). We are active in setting the standards and principles on sustainable finance instruments such as green bonds, social bonds, sustainability-linked bonds etc. In 2023, ICMA elected a new executive committee of the principles. SEB is represented as an underwriter as well as an investor.

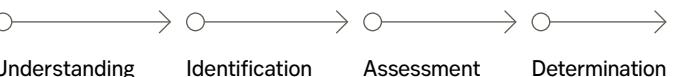
In addition, SEB continuously participates in the work of membership associations such as the Swedish Bankers' Association, Swedish Investment Fund association and the European Banking Federation.

## Materiality assessment

The materiality assessment for 2023 is based on assessments performed by SEB during recent years, following the Global Reporting Initiative Standard. The analysis covers SEB's actual and potential impact on the economy, environment, and society, and focus has been on updating the information from previous years. The material topics are closely connected to our business operations and linked to the areas we have identified in our stakeholder dialogues. No major changes were identified compared to earlier years. See p. 192.

## Double materiality assessment

In 2023 SEB started to conduct a double materiality assessment (DMA), according to the upcoming requirements in Corporate Sustainability Reporting Directive (CSRD) and the related European Sustainability Reporting Standards (ESRS).



The DMA aims to identify topics where SEB either has a material impact on people, society or the environment through its business, or where these topics may have a material impact on SEB's financial risks and opportunities.

The process was developed during 2023. It involved several parts of the SEB Group, covering, among others, divisions, own operations and geographies. A governance structure was established and SEB's Board of Directors was informed about the process, which will be recurring annually. The DMA process will be completed and reported for in 2024.

General sustainability disclosures

Strategy

Impact, risks and opportunities

Sustainability governance

Sustainability policy framework

Stakeholder dialogues and collaboration

Environmental disclosures

Climate

Biodiversity, water and circularity

EU Taxonomy overview

Social disclosures

Governance disclosures

EU Taxonomy reporting

Supplementary sustainability information

GRI index

Auditor's report

# Environmental disclosures

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

We address environmental aspects in financing and investments and expect our customers and portfolio companies to manage natural resources responsibly. Through our risk management processes, we address potential impacts from climate change and nature-related areas.

We continuously develop our products and services and strive to include important environmental areas also beyond climate, such as biodiversity, water and circularity. As these areas are inter-dependent, we believe it is of utmost importance to address them proactively, from a risk as well as from an opportunity perspective.

## Climate

### Strategy

Global climate change is one of today's most serious challenges. At SEB we have an important role to play in supporting our customers in the transition towards a low carbon economy, defined as being net zero by 2050, in line with the Paris Agreement.

We have signed the UNEP FI Principles for Responsible Banking, the Net-Zero Banking Alliance (NZBA) and the Net Zero Asset Managers (NZAM) initiative. This means that we have committed to align our credit, savings and investment portfolios with 1.5°C pathways to net zero by 2050 or sooner, and to set 2030 reduction targets.

SEB's climate strategy is integrated in the bank's business plan and 2030 Strategy. Managing climate change is a possibility to support our customers in the transition to a low carbon society and thus a business opportunity for SEB. The core of SEB's strategy

is to stand by our customers, and to share our knowledge and commitment to help them achieve their goals.

### Measuring progress

In order to steer our business towards the goal of a net zero credit portfolio by 2050, and to measure our progress along the way, we have developed two proprietary metrics – the Carbon Exposure Index (The Brown) and the Sustainability Activity Index (The Green) – and set interim 2030 sector targets in line with our commitment to the NZBA. In our investment business the goal is to reach net zero greenhouse gas emissions by 2040 for the total assets under management in funds. We are also working actively to reduce carbon emissions from our own operations. The ambition is to reduce absolute emissions to close to zero in 2045. See p. 203.

### Opportunities and risk management

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

### Identifying opportunities

As the challenges of climate change are increasing, we enhance our efforts to identify related risks and opportunities. Through close partnerships and continuous dialogues with our customers and partners, especially companies, investors and governments, we strive to systematically address areas where we can act as a

facilitator and advisor. We turn to academic institutions to confirm or elaborate on our findings.

Our conviction is that all areas of sustainability have potential for sustainable financing solutions. However, some sustainability challenges have a stronger potential in the short and mid-term due to more developed impact assessment systems already in place combined with immediate investment needs. Within the area of greenhouse gas emissions and carbon emissions we see that sustainable financing solutions can be offered to companies and investors – through which they have an opportunity to contribute to combating climate change on a global scale.

In 2023, SEB was mandated to enter the market and invite companies to buy carbon removal certificates from four planned Nordic projects for the capture and storage of biogenic carbon dioxide. The projects are developed in collaboration with several biomethane producers in Sweden, Norway, and Denmark. They aim to capture and permanently store carbon dioxide that arises in biogas production from, among other things, fish, food, and agricultural waste. Moreover, during the year SEB organised a seminar on the carbon removal market, on how to accelerate the creation of a market for high-quality carbon capture and on what measures will be required to effectively remove carbon dioxide from the atmosphere.

SEB continued to focus on product innovation. In 2023, the Sustainable Product Committee approved several new sustainable finance solutions, among them green and sustainability-linked guarantees for corporates, green renovation loans in Estonia and Latvia, and energy improvement loans for households in Sweden.

## General sustainability disclosures

- Strategy
- Impact, risks and opportunities
- Sustainability governance
- Sustainability policy framework
- Stakeholder dialogues and collaboration

## Environmental disclosures

- Climate
- Biodiversity, water and circularity
- EU Taxonomy overview
- Social disclosures
- Governance disclosures
- EU Taxonomy reporting
- Supplementary sustainability information
- GRI index
- Auditor's report

For private banking customers SEB launched certificates with focus on water and circularity. See also p. 206.

### Providing transition financing solutions

SEB believes that the transformation of large industrial companies in sectors with a material carbon footprint is among the most important keys to tackling climate change. As a long-term, major financial partner to large Nordic companies, SEB is uniquely positioned to support customers in the transformation by offering advice, innovative and sustainable financing, and investment solutions. The transition pathway in these sectors will play a key role in global decarbonisation.

In 2023, SEB provided financing solutions and expert advice on for example sustainable finance frameworks, green and sustainability-linked loans and bonds. Among the examples are Mercedes-Benz that published its first green finance framework following the separation of Daimler Truck. SEB also helped the Finnish forest industry company UPM to set up a green finance framework, reflecting the company's strategy, which is based on the use of renewable wood biomass, and integrating the most recent market practices and standards.

2023 marked the tenth anniversary of the world's first green corporate bond issued by the Swedish real estate company Vasakronan. At the anniversary, the company launched a strengthened green framework. SEB has been engaged as an advisor to Vasakronan since 2013.

### Understand our customers' transition plans

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 tool, 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; sustainable,

Risk driver	Potential impact	Horizon
<b>Physical risk</b>		
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.	● ● ●
Changes in chronic weather patterns	Lower collateral values in real estate portfolios. Increased default risk for companies with global supply chains.	●
<b>Transition risk</b>		
Policy and legal	Surge in carbon price affecting the repayment capacity for companies in carbon-intensive sectors.	● ●
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).	● ●
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).	● ●
Reputation	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 < 3 years ● Medium term 3–10 years ● Long term > 10 years

Paris-aligned, transition, gradual change and status quo. The tool supports in-depth customer dialogues on the investment needs, the opportunities and the risks related to the implementation of their plans.

### 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, asset values and refinancing possibilities. 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 is shown in the table above.

## General sustainability disclosures

- Strategy
- Impact, risks and opportunities
- Sustainability governance
- Sustainability policy framework
- Stakeholder dialogues and collaboration

## Environmental disclosures

- Climate
- Biodiversity, water and circularity
- EU Taxonomy overview

## Social disclosures

- Governance disclosures
- EU Taxonomy reporting
- Supplementary sustainability information
- GRI index
- Auditor's report

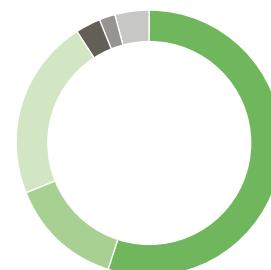
## Sector exposure in the credit portfolio

In 2023, 55 per cent of our credit portfolio was comprised of corporates, and a vast majority of our indirect climate impact derives from this part of our credit portfolio, as can be seen in the table Financed emissions on p. 204. Real estate management, by its size (14 per cent of our credit portfolio), also contributes to our indirect climate impact.

SEB's NZBA sector targets specifically aim to reduce SEB's indirect climate impact, as well as the climate transition risks in our credit portfolio. See p. 204.

### Credit portfolio, SEK 3,040 bn

Per cent



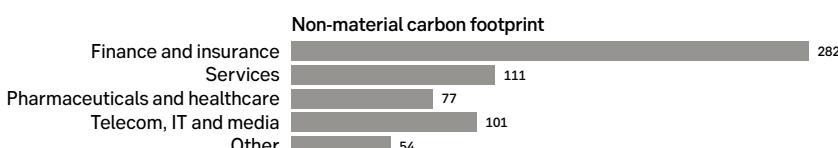
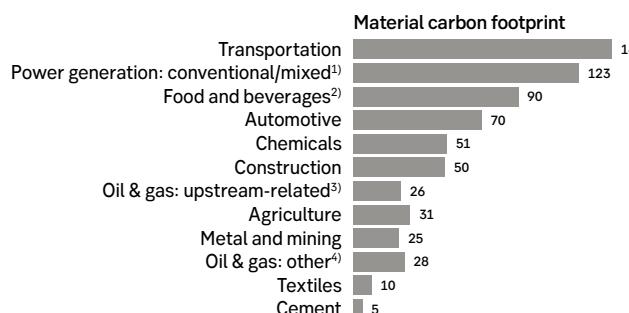
## Climate-related risk governance

Climate-related risks are integrated into SEB's governance model for sustainability, described on p. 194–195. The model provides roles and mandates on different levels and determines how we set our climate strategy and work to implement it in practice.

Furthermore, SEB has policy frameworks to manage climate risks and to reach our climate ambitions and goals. Climate-related risks are covered both by our sustainability policy framework and by our risk policy framework. See p. 51 and 195.

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

## Corporate and real estate credit exposure per industry, SEK bn (industries sorted according to their carbon footprint)



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.

The policy also 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 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.

## Sector policies

SEB has adopted sector policies as sub-policies to the thematic Environmental Policy. 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 business relationships with companies involved in certain activities.

General sustainability disclosures
Strategy
Impact, risks and opportunities
Sustainability governance
Sustainability policy framework
Stakeholder dialogues and collaboration
Environmental disclosures
Climate
Biodiversity, water and circularity
EU Taxonomy overview
Social disclosures
Governance disclosures
EU Taxonomy reporting
Supplementary sustainability information
GRI index
Auditor's report

Sector policies that are particularly important regarding climate are:
<ul style="list-style-type: none"> <li>• Fossil fuels</li> <li>• Mining and metals</li> <li>• Transportation</li> <li>• Forestry, pulp &amp; paper and timber</li> <li>• Agriculture, fishing, aquaculture and animal welfare</li> <li>• Renewable energy generation and electricity transmission &amp; distribution</li> <li>• Shipping</li> <li>• Real estate and construction (published in 2023)</li> </ul>
These sectors are important due to the energy consumption, material use and waste and can hence, play a major role in the transition towards a low carbon and circular economy.
<b>Policy for financing of fossil fuels</b>
SEB has long-standing relationships with the 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. According to our fossil fuel policy SEB does not allow financing of new coal mining or coal fired power plants and has phase out targets for them. In our customer relationships we do not allow any financing of drilling for new oil sources, offshore services, or new financing of unconventional oil. Neither do we allow new financing of fossil fuel extraction in sensitive natural areas or new financing for peat mining and we have targets for phasing out peat mining and burning.
<b>Climate-related risk management</b>
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. An important part of this work is done in the annual

review of credit customers, through the climate-related risk assessment in the credit process.

#### 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 granting process.

In addition, specific climate transition risk analysis requirements exist for customers in material carbon footprint sectors.

The focus is on our customers' exposure to climate transition risks, their strategies to mitigate them, and the financial impact associated with implementing their climate strategies. During 2023, SEB completed transition risk analyses of around 130 customers with a combined credit exposure of approximately SEK 110bn. More than 350 climate transition risk analyses have been carried out since the requirement was put in place in 2021. The number of analyses conducted is followed up on a quarterly basis.

#### Portfolio analysis

SEB 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 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.

So far, we have carried out transition risk scenarios for oil and gas, power generation, steel, car manufacturing and household mortgages. Physical climate risk scenarios (flooding and sea level rise)

have been carried out for the Swedish household mortgage portfolio and the Baltic real estate portfolio (including household mortgages). As seen in the table below, based on the scenario analyses to date, the overall portfolio impact is expected to be limited.

The work to expand to a larger number of portfolios and risks is ongoing. In addition, we carry out analyses based on existing scenario models on a regular basis.

#### Scenario analyses 2023

NZBA target in place	Credit exposure (SEKbn) in scope YE2022 <sup>1)</sup>	Potential loss in severe adverse scenario <sup>2)</sup>
<b>Transition risk</b>		
Oil and gas	yes	38 medium
Power generation	yes	195 low
Steel	yes	6.5 negligible
Car manufacturing	yes	4.5 negligible
Household mortgages, Sweden <sup>3)</sup>	yes	549 negligible
Household mortgages, Baltics		78 negligible
<b>Physical risk</b>		
Household mortgages, Sweden <sup>3)</sup>	yes	549 negligible
Real estate incl. household mortgages, Baltics		116 negligible

1) Without derivatives.

2) Potential loss as percentage of credit exposure in a severe adverse scenario incl. sharp CO<sub>2</sub> price increases and oil price drops: Medium = 1–5%. Low = 0.1–1%, Negligible = < 0.1%.

3) Only lending.

#### Climate focus in investments

SEB Investment Management is a signatory of Net Zero Asset Management initiative (NZAM) and is committed to reach net zero greenhouse gas emissions (measured in tCO<sub>2</sub>e) by 2040 for the total assets under management in funds. Interim targets, with a baseline of 2019, are a 50 per cent reduction of invested greenhouse gas emissions by 2025 and a 75 per cent reduction by 2030.

→ See SEB Investment Management Sustainability Report

## General sustainability disclosures

- Strategy
- Impact, risks and opportunities
- Sustainability governance
- Sustainability policy framework
- Stakeholder dialogues and collaboration

## Environmental disclosures

- Climate
- Biodiversity, water and circularity
- EU Taxonomy overview

## Social disclosures

### Governance disclosures

### EU Taxonomy reporting

### Supplementary sustainability information

### GRI index

### Auditor's report

SEB Investment Management takes a strict approach to fossil fuels. All funds exclude companies that extract or process fossil fuels, including extraction of unconventional fossil fuels, such as oil sands and deep-sea drilling. Similar restrictions apply to power generation and distribution of fossil fuels. Exceptions can be made for companies in transition, which have clear targets in line with the Paris Agreement and demonstrate the will and clear investment plans for achieving the target.

SEB Investment Management works to accelerate and support companies in establishing climate strategies in their business models through active ownership, either by engaging directly with the company or in partnership with other investors. We engage with some of the world's largest corporate greenhouse gas emitters via IIGCC, Climate Action 100+ and other initiatives, including ISS ESG.

### Impact, risk and opportunity management

In addition to the exclusion and transition strategy focused on fossil fuels SEB Investment Management integrates in the investment process contributions to UN Sustainable Development Goal 13 (Climate Action), Science Based Targets (SBTs), physical risks and to reduce GHG emissions for scopes 1, 2 and 3. Related data points are also included in the SEB Investment Management Sustainability Score (SIMS-S). The model and related datapoints are also taken into consideration when managing opportunities and developing thematic products, such as the article 9 funds, that have sustainable investments as their objective.

SEB Investment Management seeks to redirect capital flows to climate solutions, and climate resilient and transitional business models. In line with this commitment, SEB Investment Management offers multiple article 9 products focused on climate solutions:

- SEB Global Climate Opportunity Fund
- SEB Climate High Yield Fund
- SEB Green Bond Fund
- SEB Nordic Energy Fund
- SEB Nordic Future Opportunity Fund

→ See SEB Investment Management Sustainability Report

### Sustainability metrics, ambitions and goals

We have developed metrics, ambitions, and goals to steer our business in line with our sustainability strategy and our external commitments. They are an integral part of our aim to be a leading catalyst in the sustainability transition and to reach a net zero credit portfolio by 2050 or sooner. The metrics are integrated in our decision-making processes and are regularly assessed through the governance channels presented earlier in this report.

*The Carbon Exposure Index (The Brown)* is a volume-based metric capturing our fossil credit exposure in our energy portfolio. Our goal is to reduce the fossil credit exposure to the power generation and oil and gas sectors (upstream-related and refining & distribution), by 45–60 per cent by 2030 compared with a 2019 baseline.

At year-end 2023, SEB's fossil credit exposure had decreased by 39 per cent (22) since the end of 2019, which is in line with the 2030 trajectory. As a share of the total credit portfolio, it accounted for 2.6 per cent, down from 4.8 per cent in 2019.

Fossil credit exposure to the power generation sector decreased somewhat in 2023 (−1 per cent vs 2022) driven by lower commodity prices resulting in reduced liquidity needs for our customers and a larger share of financing dedicated to transition and renewable

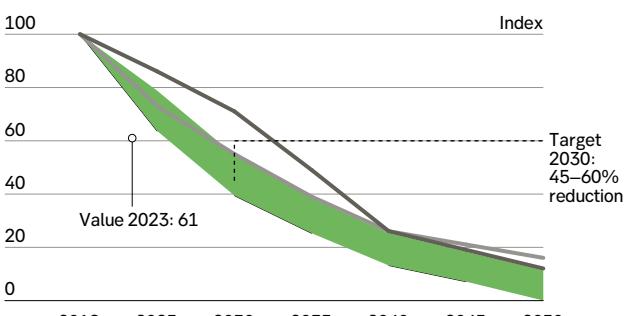
activities. Fossil credit exposure to the oil & gas sector continued to decrease during 2023 (−31 per cent vs 2022), a 56 per cent reduction compared to 2019.

The Carbon Exposure Index methodology has been modified during 2023. The reporting currency was changed from SEK to EUR to better capture the currency mix of the credit exposure. In addition, the power transmission sector was excluded from the scope to reflect the limited ability of grid owners to directly influence the fossil content in national electricity mixes. All historic numbers have been restated for the changes in the methodology. The restate contributed to a decrease of 5 per cent for year-end 2022. The Carbon Exposure index corridor was adjusted during 2023. The upper limit of the corridor in 2025 was lowered to the average of the IEA and NGFS benchmark scenarios and the benchmark scenarios have been updated with the latest 1.5° aligned assumptions.

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

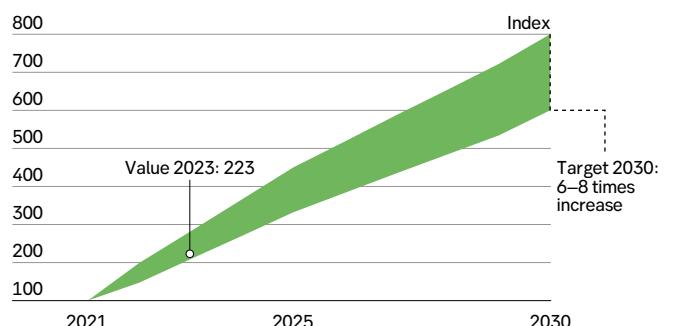
- Sustainability-related financing
- Sustainable finance advisory
- Greentech Venture Capital investments
- Sustainable savings and investments

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



- Net Zero – World – without CCUS (Carbon capture, use and storage)
- Divergent Net Zero – Europe – Remind
- SEB's energy fossil fuel credit exposure corridor

### The Green – increase average volume-based sustainability activity



## General sustainability disclosures

- Strategy
- Impact, risks and opportunities
- Sustainability governance
- Sustainability policy framework
- Stakeholder dialogues and collaboration

## Environmental disclosures

- Climate
- Biodiversity, water and circularity
- EU Taxonomy overview

## Social disclosures

## Governance disclosures

## EU Taxonomy reporting

## Supplementary sustainability information

## GRI index

## Auditor's report

The ambition is to increase Sustainability Activity Index 6–8 times by 2030 compared to a 2021 baseline. At year-end 2023, the index had increased by 123 per cent (58) compared to the baseline 2021. The outcome of each part of the Sustainability Activity Index is described on p. 193–194.

## SEB's carbon footprint

### Overview

As a large Nordic corporate bank with a global outreach, our customers – 2,000 large corporations – operate across a broad spectrum of industries. Many of them are global market leaders, and most have extensive international operations. Also, in our asset management, the companies we invest in have a large international presence. Consequently, SEB's most significant climate impact is indirect, and is related to our credit and investment portfolios.

SEB here aims to provide an overview of our carbon footprint, related to our direct and indirect greenhouse gas emissions, including emissions from own operations and financing activities (we aim to disclose calculations of invested emissions in future climate reporting). Different calculation methodologies are used depending on the activity, and we recognise the fact that they are not fully comparable. The methodologies are described on p. 203–205.

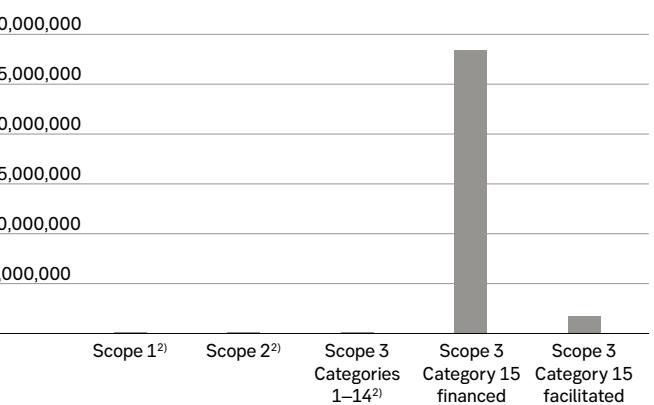
SEB Group's GHG emissions are split by scope 1, scope 2 and scope 3 according to the Greenhouse Gas Protocol Corporate Standard.

- Scope 1: SEB's direct emissions, such as boilers owned by SEB and leakage of refrigerants.
- Scope 2: generation of electricity, heating and cooling purchased for own consumption.
- Scope 3, categories 1 to 14: Own operations and supply-chain
- Scope 3, category 15: investments
  - Financed emissions: emissions related to lending commitments to our customers
  - Facilitated emissions: emissions related to our capital markets advisory business.

### Scope 1, 2, 3 categories 1–14: Own operations and supply-chain

SEB is working actively to reduce the climate impact from own operations. In 2020, we set goals aiming to reduce absolute CO<sub>2</sub>

### SEB Group CO<sub>2</sub> emissions (tonnes CO<sub>2</sub>e)<sup>1)</sup>



1) For more information about coverage and methodology read more on p. 235 in sustainability notes.

2) Calculations based on data from 2023.

3) Calculations based on data from 2022.

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.

During 2023, SEB has included additional areas for calculating its GHG emissions and the scope 3 category 1–14 reporting. SEB's total GHG emissions from own operations increased to 13,251 tonnes (11,610) which is below the bank's target of limiting emissions to 17,000 tonnes +5 per cent by 2025. Travel emissions increased to 8,170 tonnes (6,043) tonnes. See p.235.

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. Moreover, we have ongoing discussions with our main suppliers about how they can help us reduce our emissions, for example changing their electricity mix. We also strive to improve our asset disposition, i.e. data center hardware and to reuse end-user equipment on the secondary market to as high extent as possible.

### Climate compensation

Since 2021, we aim to achieve climate neutrality by offsetting the emissions that we cannot reduce on our own. SEB's main strategy

for offsetting its 2022 emissions was to buy CO<sub>2</sub> removal certificates (CORCs) from Puro.earth, a carbon removal marketplace. These certificates support biochar projects that store carbon for at least 100+ years. SEB also bought Sustainable Aviation Fuel from SAS and emission rights from the EU Emissions Trading System (EU ETS).

### Scope 3 category 15: Financed emissions

Financed emissions are the GHG emissions SEB finances through its credit exposure. These emissions are calculated by multiplying customers' or assets' emissions by a financing attribution factor. Customers' and assets' GHG emissions include Scope 1 and 2 for all sectors. Scope 3, use of sold products emissions, are included for the oil & gas sector – E&P (exploration & production) and refining – car manufacturing, heavy vehicle manufacturing and the mining sector. Scope 3, fuel- and energy-related emissions, are included for the shipping sector.

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 the 2022 financed emissions amounted to SEK 2,015bn (SEK 1,780bn in 2020) accounting for 74 per cent of the total credit exposure (78 per cent in 2020).

When emission data for a customer or asset is lacking, financed emissions are estimated by multiplying the credit exposure by a sector-specific intensity average. 15 per cent of the 2022 financed emissions was estimated using a sector financed intensity average. The 2020 financed emissions have been revised to reflect updated customer emissions and emission factors and to include Scope 3, use of sold products emissions for the heavy vehicle sector and Scope 3, fuel- and energy-related emissions, for the shipping sector.

Financed emissions amounted to 28.4 million tonnes CO<sub>2</sub>e in 2022, corresponding to a decrease of 39 per cent compared with the revised 2020 financed emissions. 67 per cent of the reduction is attributable to the oil & gas sector (E&P and refining). Changes in financed emissions between 2020 and 2022 primarily resulted from changes in our credit exposure and in the size of our corporate customers' balance sheets.

## General sustainability disclosures

- Strategy
- Impact, risks and opportunities
- Sustainability governance
- Sustainability policy framework
- Stakeholder dialogues and collaboration

## Environmental disclosures

- Climate
- Biodiversity, water and circularity

## EU Taxonomy overview

## Social disclosures

## Governance disclosures

## EU Taxonomy reporting

## Supplementary sustainability information

## GRI index

## Auditor's report

## 2030 sector targets

In 2022, SEB set net zero aligned 2030 sector targets covering its lending commitments to the oil & gas E&P and refining, power generation, steel, car manufacturing, and Swedish household mortgage sectors. In 2023, SEB set a 2030 target for the heavy vehicle manufacturing sector. The target is to increase the share of zero emission vehicles in new sales from 0.5 per cent in 2022 to 35 per cent by 2030, in line with the assumptions of the International Energy Agency's updated *Net Zero Roadmap – A Global Pathway to Keep the 1.5°C Goal in Reach*.

The six sectors covered by the 2030 targets account for 76 per cent of the revised 2020 financed emissions and 66 per cent of the 2022 financed emissions. During 2024, SEB plans to set a 2030 target for the shipping sector.

As shown in the below table, the 2030 sector targets have overall positively developed as per year end 2022. The decrease in absolute financed emissions for the oil and gas sector (E&P and refining) is driven by lower credit exposure to the sector. During 2023, the 2030 target for the sector was revised to a 70 per cent reduction in absolute financed emissions by 2030, compared with 56 per cent previously.

## 2030 sector targets and outcome

SEB sector targets	Specific financed emission target		Outcome	
	Metric	Δ 2020 <sup>1)</sup> –2030	2022	Δ 2020–2022
Oil and gas: E&P <sup>2)</sup> and refining	mtCO <sub>2</sub> e <sup>3)</sup>	–56% → –70%	7.3	–61%
Power generation	g CO <sub>2</sub> e/kWh	–44%	95	–24%
Steel	t CO <sub>2</sub> e/t steel	–29%	1.47	+6%
Car manufacturing	g CO <sub>2</sub> e/km	–62%	143	–10%
Swedish household mortgages	kg CO <sub>2</sub> e/m <sup>2</sup>	–32%	3.12	–2%
Heavy vehicle manufacturing	% of ZEV <sup>4)</sup> in new sales	35% <sup>1)</sup>	0.5%	New

1) 2020 baseline has been restated to reflect updated emission data from customers and emission facts. Baseline for heavy vehicle manufacturing is per 2022. 2) Exploration and production. 3) Financed emission. 4) Zero Emission Vehicles.

## SEB's financed emissions for 2020 and 2022

mtonnes CO <sub>2</sub> e	2020 <sup>1)</sup>				2022				Financed emissions 2022 vs 2020 %		
	Scope 1&2	Scope 3 <sup>2)</sup>	Total	%	Credit expos- ure <sup>3)</sup> SEKbn	Scope 1&2	Scope 3 <sup>2)</sup>	Total	%	Credit expos- ure <sup>3,4)</sup> SEKbn	
Corporates	13.5	32.5	46.0	99.6%	1,228	11.9	16.3	28.2	99.5%	1,548	–39%
Sectors with 2030 targets	4.4	30.7	35.1	76%	187	3.3	15.3	18.6	66%	223	–47%
E&P and refining	0.9	18.7	19.6	42%	44	0.4	7.3	7.7	27%	31	–61%
Power generation	2.6	n/a	2.6	6%	94	2.2	n/a	2.2	8%	152	–16%
Steel	0.9	n/a	0.9	2%	11	0.7	n/a	0.7	3%	12	–17%
Car manufacturing	0.0	1.1	1.1	2%	18	0.0	0.5	0.5	2%	12	–51%
Heavy vehicle manufacturing	0.0	10.9	10.9	24%	20	0.0	7.5	7.5	26%	16	–31%
Other sectors	9.1	1.8	10.9	24%	752	8.6	1.0	9.6	34%	881	–12%
Shipping	3.0	0.8	3.9	8%	70	3.4	1.0	4.3	15%	74	12%
Cement	1.3	n/a	1.3	3%	5	1.1	n/a	1.1	4%	6	–21%
Mining	0.2	1.0	1.1	2%	11	0.1	0.0	0.1	0%	9	–95%
Aluminium	0.1	n/a	0.1	0%	2	0.2	n/a	0.2	1%	3	33%
Other	4.4	n/a	4.4	10%	664	4.0	n/a	4.0	14%	789	–11%
Other sectors not in scope	n/a	n/a	n/a	n/a	288	n/a	n/a	n/a	n/a	444	n/a
Finance and insurance	n/a	n/a	n/a	n/a	103	n/a	n/a	n/a	n/a	216	n/a
Services	n/a	n/a	n/a	n/a	85	n/a	n/a	n/a	n/a	105	n/a
IT and media	n/a	n/a	n/a	n/a	34	n/a	n/a	n/a	n/a	39	n/a
Other	n/a	n/a	n/a	n/a	66	n/a	n/a	n/a	n/a	85	n/a
Real estate management	0.1	n/a	0.1	0.2%	291	0.1	n/a	0.1	0.2%	317	–14%
Housing cooperative associations	0.0	n/a	0.0	0.0%	62	0.0	n/a	0.0	0.0%	68	–3%
Household mortgage	0.1	n/a	0.1	0.1%	576	0.1	n/a	0.1	0.2%	635	3%
Sweden	0.1	n/a	0.1	0.1%	511	0.1	n/a	0.1	0.2%	553	3%
Baltics	n/a	n/a	n/a	n/a	66	n/a	n/a	n/a	n/a	82	n/a
Public administration	n/a	n/a	n/a	n/a	40	n/a	n/a	n/a	n/a	52	n/a
Banks	n/a	n/a	n/a	n/a	47	n/a	n/a	n/a	n/a	55	n/a
Household – other	n/a	n/a	n/a	n/a	42	n/a	n/a	n/a	n/a	43	n/a
Total	13.7	32.5	46.2	100%	2,285	12.1	16.3	28.4	100%	2,718	–39
% total	30%	70%	100%			43%	57%	100%			

1) Revised 2020 financed emissions. 2) use of sold products for E&P and refining, car, heavy vehicle manufacturing, mining, fuel and energy related for shipping.

3) Lending commitments for Corporates, Public administration, Banks, lending only for Real Estate management, Housing cooperative associations, Household mortgage and Household – other.

4) Credit exposure in scope for the calculation of the 2022 financed emissions is SEK 2,015bn. Includes Corporates (sectors with 2030 targets) and other sectors, Real estate management (excluding Baltics SEK 26bn), Housing cooperative associations and Household mortgages, Sweden.

**General sustainability disclosures**

- [Strategy](#)
- [Impact, risks and opportunities](#)
- [Sustainability governance](#)
- [Sustainability policy framework](#)
- [Stakeholder dialogues and collaboration](#)

**Environmental disclosures**

- [Climate](#)
- [Biodiversity, water and circularity](#)
- [EU Taxonomy overview](#)
- [Social disclosures](#)
- [Governance disclosures](#)
- [EU Taxonomy reporting](#)
- [Supplementary sustainability information](#)
- [GRI index](#)
- [Auditor's report](#)

The emission intensity of the power generation sector reached 95 g CO<sub>2</sub>e / kWh in 2022, a 24 per cent reduction compared to 2020. The positive development reflects the higher proportion of lending commitments to renewable power generation, larger customers' balance sheets and to a lesser extent lower customers' emission intensities.

The 2022 outcome for the car manufacturing sector is driven by the accelerating electrification of our customers' portfolios and a credit exposure mix effect.

The development of the steel sector is the result of stable customer emissions and a credit exposure mix effect. The ongoing large investments in low-carbon steel production technologies at our customers should support lower emission intensity in the midterm.

Lower average energy consumption and emission factors are explaining the 2 per cent reduction in the emission intensity of the Swedish household mortgage sector between 2020 and 2022.

**Facilitated emissions**

Facilitated emissions are the GHG emissions assigned to SEB when acting as facilitator (bookrunner or manager) on the debt capital market, in the issuance of bonds. SEB's methodology to calculate facilitated emissions is inspired by the Facilitated Emissions Standard published by the Partnership for Carbon Accounting Financials in December 2023, implying that SEB uses a 33 per cent weighting factor for the calculation of its facilitated emissions.

No specific treatment is applied for green bonds issuances when calculating facilitated emissions. In 2022, green bonds issuances accounted for 29 per cent of the total volumes for Corporates and Real Estate management customers (16 per cent in 2020).

Facilitated emissions for Corporates and Real Estate management customers amounted to 1.7 million tonnes CO<sub>2</sub>e in 2022, corresponding to a decrease of 21 per cent compared to 2020.

**Poseidon Principles**

In 2023, SEB reported the climate alignment of its shipping loan portfolio for the year 2022 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).

In 2023, the IMO increased its ambition by updating its GHG emission reduction strategy into net zero target by 2050 compared to a 2008 baseline, with checkpoints for 2030 and 2040. Subsequently, the Poseidon Principles signatories agreed to update their initial trajectory to align with the increased ambition of the IMO by creating two revised trajectories, "Minimum" and "Striving".

SEB's overall climate alignment score under the initial trajectory for 2022 improved compared to the previous reporting years, from 3.7 per cent above trajectory in 2021 to 1.5 per cent under trajectory in 2022, representing SEB's best reported score so far. The improved score stems from a normalisation of the cruise segment's activities after two years of adverse impact from Covid-19 restrictions.

This year, Poseidon Principles signatories were also asked to report against both revised trajectories for 2022. SEB's overall climate alignment score for 2022 under the "minimum" trajectory was 25.9 per cent above trajectory, and 30.6 per cent above trajectory for the "striving" trajectory. These results are broadly in line with our expectations as a result of IMO's increased ambition.

SEB acknowledges the need to collectively accelerate the decarbonization efforts of the shipping industry in light of the revised GHG Reduction Strategy. The data from the Poseidon Principles reporting provides valuable portfolio insights and enables SEB to have a more fact-based dialogue with our clients. We remain committed to engaging with our clients in the pursuit of reaching decarbonisation targets.

→ For SEB's full Poseidon Principles reporting, see [sebgroup.com](http://sebgroup.com).

**TCFD Index**

SEB reports according the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), since 2018. Since then, we have continuously raised the ambition level for our reporting. From 2024, we will align our climate-related reporting with the upcoming European Sustainability Reporting Standards (ESRS).

SEB's climate related disclosure based on TCFD recommendations		Reference
Governance	Climate change governance Sustainability governance Environmental policy Climate change position statement	See p. 200 See p. 194 See p. 200 See p. 198
Strategy	Climate change strategy Sustainability in the business plan Sustainability and climate-related products and initiatives	See p. 198 See p. 198 See p. 198–199
Risk management	Sustainability and climate-related risks Managing climate-related risk	See p. 199 See p. 201
Metrics and targets	Climate-related metrics and targets	See p. 202–205

## General sustainability disclosures

- [Strategy](#)
- [Impact, risks and opportunities](#)
- [Sustainability governance](#)
- [Sustainability policy framework](#)
- [Stakeholder dialogues and collaboration](#)

## Environmental disclosures

- [Climate](#)
- [Biodiversity, water and circularity](#)
- [EU Taxonomy overview](#)

## Social disclosures

### Governance disclosures

### EU Taxonomy reporting

### Supplementary sustainability information

### GRI index

### Auditor's report

## Biodiversity, water and circularity

At SEB we are committed to address challenges related to environmental areas beyond climate, such as biodiversity, water and circularity since they are closely interconnected. In the Environmental Policy on Climate Change, Freshwater and Biodiversity along with related sector policies we describe our position and approach, and the way we work with our corporate customers. We continuously assess risks and work in a structured way to identify challenges related to biodiversity, water and circularity in order to develop financial solutions for addressing these areas.

### Biodiversity

Biodiversity loss is regarded as one of the most critical global environmental threats alongside climate change, and we support companies to manage natural resources responsibly. A first integration of biodiversity has been implemented into our Environmental policy and our sector policies, and further development is ongoing.

In the recent years, considerations around nature and biodiversity have been incorporated into various financial instruments and investment strategies. SEB supports its corporate and institutional clients in integrating nature and biodiversity considerations into financing structures. One example is Stora Enso's sustainability-linked financing framework, published in 2023, where biodiversity was included in the form of a KPI, and where SEB was sole structuring advisor. We also support institutional clients by providing insights on the development of the market in relation to nature and biodiversity. Moreover, we can help investors assess their portfolios for biodiversity-related risks and advise corporate clients on how to best integrate targets on biodiversity into loan and bond structures.

SEB welcomes the introductions of the non-mandatory nature-related frameworks Taskforce on Nature-related Financial Disclosures (TNFD) and Science-based Targets for Nature, (SBTN). In 2023 SEB was part of a TNFD pilot project related to the framework for financial institutions. SEB tested the draft TNFD methodology on its offshore wind and forestry portfolios on the TNFD applicability and fit for purpose. The SBTN, launched in 2023, will enable companies to assess their environmental impacts

and set targets beginning with freshwater and land. SEB is closely following the development of the frameworks.

Furthermore, SEB tested the ENCORE methodology, which is a sector-based biodiversity approach, on its credit portfolio to assess potential impacts and usefulness to assess biodiversity impacts and dependencies at an aggregated level.

We engage in industry and academic collaboration to build tools and knowledge. Among the examples are Mistra Biopath, a collaboration between financial industry, corporates and academia to test and develop tools and financial metrics for integrating biodiversity into financial decision making. Similarly, we share knowledge and good practice on managing biodiversity in business and finance through the industry collaboration Business@Biodiversity. The network consists of large Swedish corporates across sectors with material impact on biodiversity e.g. forestry, mining, utilities and finance.

### Water

SEB can play an important role in providing advice and capital to support preservation of and access to clean freshwater. We aim to identify, understand and mitigate impact and exposure to water stress by supporting and exploring suitable types of financing alternatives to enable both our public and private customers to invest in appropriate water management. Furthermore, we see an opportunity to create positive impact through investments in for example water infrastructure and protection of valuable marine ecosystems. In 2023, in conjunction with the UN Water Conference, SEB launched a certificate with exposure to companies that benefit from increased investments in water infrastructure and water technology aimed at our private banking customers. SEB has also been chosen to serve as financial adviser in connection with a bond issuance that will finance a water and peace project in Africa.

### Biodiversity and water in asset management

SEB Investment Management's Sustainability Policy describes the approach to climate, biodiversity and water. To reduce risks and monitor impact SEB Investment Management follows up and integrates available datapoints into investment decisions, such as

commitments to reduce biodiversity impacts, adoption of environmental management systems, water usage and efficiency, and recycling.

In 2023, new exclusion criteria for biodiversity were added. Companies that operate and have negative impact on threatened species or bio-sensitive areas are excluded, including companies that have verified breaches of biodiversity related norms. SEB Investment Management is a part of Taskforce on Nature-related Financial Disclosures (TNFD) Forum, a consultative group partaking in the development of the framework. SEB Investment Management also signed the Finance for Biodiversity Pledge.

Furthermore, SEB Investment Management commits to exclude companies with verified failures to comply with norms and standards related to water, waste and nature. SEB Investment Management wants to contribute to more sustainable water usage, aims to increase water-use efficiency across investments and to stress the importance of water risk management and transparency in company dialogues. SEB Investment Management has engaged with companies on water through CDP since 2018.

### Circularity

The circular economy is gaining increased traction as companies seek to extend the life cycle of their products and thereby reduce the environmental impact. The shift from linear to circular business models will imply large investment needs. SEB has developed a framework for customer dialogue, based on an analysis of the conditions for circular business models within five sectors – the automotive sector, battery manufacturers, plastic packaging manufacturers, the construction & real estate sector, and waste management.

SEB is also exploring Asset-as-a-Service, where end-users are provided with a service rather than a product. We believe this area will be significant when companies increasingly strive to identify better possibilities to manage the lifecycle of products, reduce waste, and increase efficiency. For private banking customers SEB launched a certificate with exposure to companies that are well advanced in applying circular business models.

[General sustainability disclosures](#)

- [Strategy](#)
- [Impact, risks and opportunities](#)
- [Sustainability governance](#)
- [Sustainability policy framework](#)
- [Stakeholder dialogues and collaboration](#)

[Environmental disclosures](#)

- [Climate](#)
- [Biodiversity, water and circularity](#)
- [EU Taxonomy overview](#)

[Social disclosures](#)
[Governance disclosures](#)
[EU Taxonomy reporting](#)
[Supplementary sustainability information](#)
[GRI index](#)
[Auditor's report](#)

## EU Taxonomy overview

The EU Taxonomy regulation is a classification system defining which economic activities are environmentally sustainable. 2023 is the first year for credit institutions to report on their EU Taxonomy alignment to the environmental objectives. SEB's main taxonomy KPI, Green Asset Ratio (GAR), of 2.0 per cent turnover-based and 2.4 per cent capex-based, is a first indicative outcome. Turnover-based KPIs related to AuM and financial guarantees were 1.2 per cent and 0.6 per cent respectively.

GAR is defined as taxonomy-aligned assets as a percentage of the credit institution's regulatory-defined assets, based on the prudential scope of consolidation. The taxonomy-aligned assets under management (AuM) is defined as taxonomy-aligned AuM as a share of regulatory-defined AuM. Taxonomy-aligned financial guarantees are put in proportion to all financial guarantees. Furthermore, the KPI for the insurance company SEB Pension och Försäkring AB's assets under management is disclosed, see p. 221. The KPIs are calculated and disclosed based on turnover and capex-based taxonomy-disclosures available for counterparties and investments.

Analysis of the reported figures is limited given the lack of comparative figures. The current scope of the taxonomy, together with the fact that the number of companies in scope for EU Taxonomy reporting requirements is limited, means that GAR covers a relatively small portion of the credit portfolio. Furthermore, the companies reporting are largely in the beginning of their transition journey. The GAR value will diverge depend on the bank's business model, customer base, its customers economic activities and geographical location. For example, household mortgage loans currently make up the largest part of the banks' sustainable assets, while the GAR value of purpose-based loans (use of proceeds loans) will be limited due to difficulties in assessing, verifying and documenting the taxonomy-alignment. SEB has a comparatively low proportion of mortgage loans in its credit portfolio.

## EU Taxonomy supporting the transition

### Customer transition

SEB wants 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 participation in the EU Platform on Sustainable Finance, we have advised customers on the EU Taxonomy for the last two years. Advice includes issues related to the potential role of the EU Taxonomy in financing and investments and how this could impact financing structures and access to financing going forward.

### Strategic use of EU Taxonomy in SEB

We have adapted our business strategy to align with and contribute to the Paris Agreement, we are signatory to the UN Principles for Responsible Banking, and we are committed to the Net-Zero Banking Alliance (NZBA). GAR is an additional measure to understand SEB's progress towards the targets defined in the strategy and business plan.

Since the taxonomy reporting is still at an early stage, it does not impact the overall strategy of the bank. However, it provides relevant information and is useful to analyse the performance of clients and sectors, not least in credit granting.

Since SEB's Green Bond Framework draws heavily on the EU Taxonomy, new green product development is closely linked to the taxonomy. Thus, the SEB pool of green loans is closely aligned with the taxonomy's substantial contribution part of the technical screening criteria. SEB has created internal incentive structures aimed at increasing green financing activities – another indirect effect of the EU Taxonomy. The EU Taxonomy capex (transition investments) plans are important input when evaluating transition risk of credit clients.

## EU Taxonomy reporting development

The EU Taxonomy regulation is still under development in terms of scope as well as more economic activities to be covered.

From 2024 financial companies will be able to report on exposures to financial counterparties aligned activities, based on their 2023 taxonomy reporting. Reporting on eligibility to the additional four environmental objectives (water and marine resources, circular economy, pollution, biodiversity and ecosystem), will be possible, based on non-financial entities' extended 2023 taxonomy reporting. From 2025, bank's trading book and fees and commissions income will be covered by the reporting requirements. Furthermore, in 2024 the European Commission will review the scope of application of EU Taxonomy regarding financial companies' inclusion of exposures to central banks, central governments and non-NFDRD entities. Under NFDRD, listed large companies, banks, and insurance companies with more than 500 employees are required to disclose non-financial information including EU Taxonomy information. In 2024 CSRD will come into force, and stepwise increase the scope by incorporating a significantly higher number of companies.

→ For more information and reporting in accordance with the taxonomy framework, see p. 214–225.

SEB Group – banking business <sup>1)</sup>	Turnover-based <sup>2)</sup> , %	Capex-based <sup>3)</sup> , %
Green Asset Ratio (GAR)	2.0	2.4
Financial guarantees	0.6	1.3
Assets under management	1.2	3.6

1) The Taxonomy disclosures are based on the scope of prudential consolidation as defined in the Regulation (EU) 575/2013, Title II, Chapter 2, Section2. The SEB Group's insurance companies are included according to the equity method instead of full consolidation.

2) Ratio based on the turnover-based reporting disclosed by non-financial companies.

3) Ratio based on the capex-based reporting disclosed by non-financial companies.

[General sustainability disclosures](#)
[Strategy](#)
[Impact, risks and opportunities](#)
[Sustainability governance](#)
[Sustainability policy framework](#)
[Stakeholder dialogues and collaboration](#)
[Environmental disclosures](#)
[Climate](#)
[Biodiversity, water and circularity](#)
[EU Taxonomy overview](#)
[Social disclosures](#)
[Governance disclosures](#)
[EU Taxonomy reporting](#)
[Supplementary sustainability information](#)
[GRI index](#)
[Auditor's report](#)

# Social disclosures

We are guided by a vision of fostering a socially responsible and inclusive environment. We are committed to upholding human rights, complying with labour laws, promoting diversity and inclusion, and actively engaging in societal well-being.

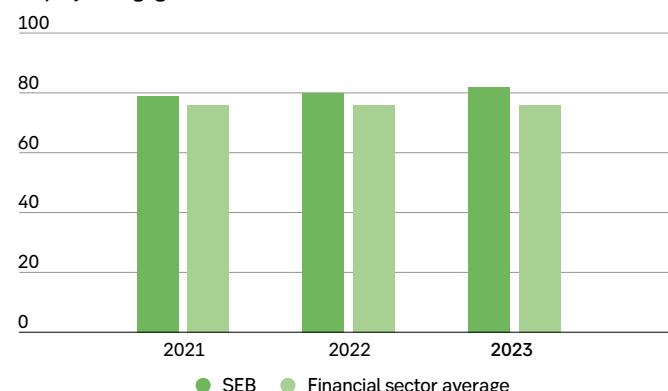
## Own workforce

Our employees are at the core of our ability to create long-term value for our customers, shareholders and society-at-large and be a successful company. We work actively with the entire organisation, leaders and teams in order to meet our stakeholders' expectations in a changing environment. Continuous learning, inclusion and diversity and a healthy work environment are among the areas we focus on.

### Employee engagement

SEB's annual employee survey measures employee engagement and the employees' views of SEB as a place to work. Around 91 per cent of the work force completed the survey in 2023. The survey shows high levels of commitment among employees, several points above the average in the comparison group.

Employee engagement, index



Employees increasingly see career and development opportunities within SEB, and appreciate the policy for hybrid work. Furthermore, employees value the leadership at SEB and see a bright future for the bank.

SEB in Sweden is ranked as the first choice as an employer among the major banks in several occupational categories. This indicates a positive and safe work culture which is deemed important if employees and managers are to perform at their best.

### Inclusion and diversity

SEB has policies and procedures in place to create conditions to be a great place to work and for employees to develop and thrive. In the Policy for Inclusion and Diversity we highlight how we work to create an inclusive culture where our employees feel respected and valued.

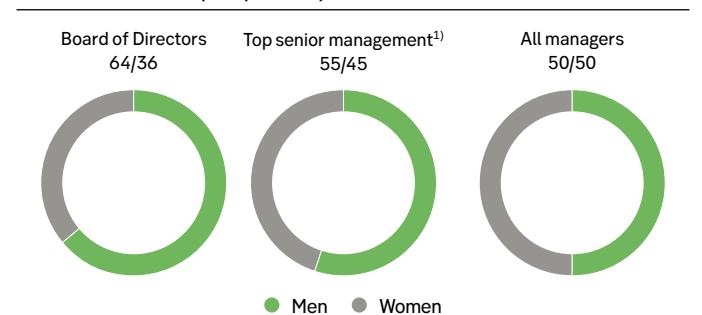
Confidence in management, index



We reject all forms of discrimination or harassment, and strive to ensure that all employees, regardless of ethnic 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 employees are given equal opportunities. This is important in relation to customers and other stakeholders and in relation to our colleagues.

Since 2021, SEB have a mandatory training against sexual harassment for everyone who works for SEB. The aim is to increase awareness about what can be considered sexual harassment and to give employees tools to act. The training, surveys and workshop tools have increased the understanding and dialogue among employees and managers. Feedback shows that almost all are positive, no difference depending on gender. By the end of 2023, 98 per cent of all employees had completed the training.

Gender distribution (men/women)



<sup>1)</sup> Includes the Group Executive Committee (GEC) and managers who report directly to GEC.

## General sustainability disclosures

- [Strategy](#)
- [Impact, risks and opportunities](#)
- [Sustainability governance](#)
- [Sustainability policy framework](#)
- [Stakeholder dialogues and collaboration](#)

## Environmental disclosures

- [Climate](#)
- [Biodiversity, water and circularity](#)
- [EU Taxonomy overview](#)

## Social disclosures

- [Governance disclosures](#)
- [EU Taxonomy reporting](#)
- [Supplementary sustainability information](#)
- [GRI index](#)
- [Auditor's report](#)

We always strive to ensure that our teams and management are balanced in terms of gender, age, competences, as well as national and ethnic origin. Furthermore, we work actively to appoint women to senior positions.

Through clear procedures, we ensure a wide selection of applicants when positions are filled, we establish metrics and targets for senior management levels and follow ongoing developments. We work to ensure diversity in SEB's talent pool and in succession planning for people who will be relevant for various management roles in the future. During the year, the proportion of women in the talent pool increased from 46 per cent to 48 per cent compared to 2022.

### Continuous learning among employees

SEB invests in strengthening and broadening competence among employees to future-proof SEB and implement the 2030 Strategy. We work with continuous learning in all parts of the business, in all geographies and in a broad range of topics. We strive to ensure that employees have the skills required to perform their jobs and develop. Through this, we aim to avoid reorganisations with redundancies as a result.

Employees are responsible for competence development and are offered extensive learning opportunities. The digital university SEB Campus offers a wide range of learning content together with internal and external experts as well as with international business schools and universities.

SEB has a training on climate change in place, mandatory for all employees globally. It is developed in collaboration with the Stockholm Resilience Centre. In 2023, two new sustainability courses were developed, to be launched in early 2024. The first course describes the concept of the biosphere and its strong links to economic activities while the second course explains SEB's role in the transition, the bank's sustainability strategy and the services and products offered to customers.

In 2023, training on SEB's sustainability-related sector policies were launched. These courses serve as a tool mainly for employees working with corporate customers, but also include people in

risk and control functions, such as credit committees. The aim is to give them guidance on what restrictions, expectations and requirements that apply for the respective sectors.

Moreover, employees are encouraged to complete a sustainability certification training, updated in 2023, that aims to lay the foundation for knowledge of sustainable finance with the main focus on sustainability risks and opportunities as well as the development of the regulatory area. The training is mandatory for all employees in Sweden with a Swedsec license.

For several years, we have also been offering training on sustainable finance developed by SEB in collaboration with the United Nations.

### Health and working environment

SEB's Work Environment Policy outlines how the work environment framework in SEB shall be structured in order to ensure the wellbeing of the employees including the prevention of any risks for the employees to become ill or injured as a result of the work environment. The purpose is also to meet the legal obligations in the Swedish Work Environment Act and the provisions issued by the Swedish Work Environment Authority.

We have a long-term perspective and work preventively to ensure a workplace that promotes a good balance between work and private life. We offer services and benefits to promote a healthy and balanced lifestyle and also enable flexibility by introducing new technology and changes in ways of working. Since 2021, we have a global policy in place that enables a majority of employees to choose to work from home up to two days a week, as long as the work can be carried out in a safe and sustainable manner.

SEB offers a possibility for employees to do voluntary work during working hours. Moreover, we offer several measures to promote both physical and psychological health among employees, including digital training and lectures about psychological health. Since several years, employees can speak anonymously with a licensed psychologist, free of charge. In 2023, sick leave at SEB in Sweden was just under three per cent.

### Remuneration and equal pay

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. The remuneration structure, processes and reviews shall always support equal opportunities and secure non-bias, fair and transparent remuneration decision-making. SEB's remuneration principles, structure and governance are laid out in the Remuneration Policy.

SEB sees an ongoing positive development within the societal issue of gender pay gap. In SEB, equal pay is used as an overall guiding principle in all salary decisions. We also apply a grandfather principle to all salary decisions in the Group to ensure fair and equal treatment. In addition, the gender pay gap is measured, analysed and reviewed on a yearly basis according to applicable legislation per country.

### Labour law and trade unions

We ensure strict adherence to labour laws and cultivate positive relations with labour unions. 100 per cent of our workforce in Sweden is covered by collective bargaining agreements, reflecting our commitment to fair working conditions.

SEB follows laws and regulations in the countries where we operate and, where applicable, has collective bargaining agreements. 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 the workplace, departmental and group level.

Trade unions are represented on SEB's board. 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.

## General sustainability disclosures

- [Strategy](#)
- [Impact, risks and opportunities](#)
- [Sustainability governance](#)
- [Sustainability policy framework](#)
- [Stakeholder dialogues and collaboration](#)

## Environmental disclosures

- [Climate](#)
- [Biodiversity, water and circularity](#)
- [EU Taxonomy overview](#)

## Social disclosures

- [Governance disclosures](#)
- [EU Taxonomy reporting](#)

## Supplementary sustainability information

- [GRI index](#)
- [Auditor's report](#)

## Human rights

As a bank, SEB has the ability to promote human rights, for example by financing social infrastructure and engaging in responsible lending. SEB recognises the social and human rights challenges that the world faces and the negative effects that companies can have.

Human rights considerations, including due diligence, are described in the Social and Human Rights policy as well as in the bank's sector policies, which also clarifies areas exempted from policy application. Human rights are considered in main processes of the bank such as lending, investments and procurement, taking a risk-based approach. In sectors with potential negative human rights risks, SEB expects large corporate customers to have appropriate labour and human rights due diligence systems in relation to the risks.

→ See SEB's Social and Human Rights Policy at [sebgroup.com](http://sebgroup.com)

## Integration of human rights aspects in savings and investments

SEB integrates social sustainability into a proprietary investment model. The model includes information about companies that do not live up to conventions, laws and norms related to the UN Sustainable Development Goals, such as SDG 5: Gender Equality and SDG 8: Decent Work and Economic Growth. Aspects such as equal gender representation, the gender pay gap, parental leave, anti-sexual harassment policies, and social impacts of products and services are also integrated.

To reduce risks SEB monitors policies, processes and commitments to improve human and labour rights and also monitors positive and negative outcomes, such as gender diversity and rate of workplace related accidents, respectively.

## Affected communities

As a bank, we provide an important part of the necessary infrastructure for society to function. Through our products and services, we aim to promote economic growth, social value and prosperity. In 2023, the initiative *Sustainable construction industry* (Hållbar byggbransch) was launched in Sweden, a collaboration between five Nordic banks and the real estate and construction industries. The purpose is to contribute to healthy competition and to counteract the abuses in the form of illegal labour and tax fraud that occur in the industry.

Special conditions have been developed, among them that the banks in their credit process shall secure that the customer has the necessary control and follow-up systems for a construction site. The conditions will be controlled by reports from external underlying control and follow-up systems. The initiative will be implemented during 2024 for new financing, applicable to Sustainable construction industry.

## Redirecting IT equipment to families

SEB in Estonia replaces about a third of its laptops with newer ones each year. In 2023 SEB in Estonia signed a service agreement with GreenDice. The agreement means that SEB sends used, well-functioning IT equipment through GreenDice to Estonian families in need of, for example, a computer.

In this way, SEB has created a positive impact and supported the digital development of more than 400 new users in 2023. The entire lifecycle of devices in the GreenDice technology circle is fully traceable even outside of SEB. At the end of their lifecycle, the devices are recycled.

The initiative allows an increasing number of people to develop their digital skills, and as a result, many services are now more easily accessible to more Estonians.

## Consumers and end-users

As a bank, we impact the communities where we operate and people's daily lives can be affected by the services and products that we provide. We are continuously working to improve our products and services, to make them more user-friendly and accessible, also for customers with disabilities. We aim to ensure good availability for our existing products and services while preparing for the EU directive on accessibility that will come into force in 2025. The requirements mean, among others, that disabled people must have access on equal terms to for example digital solutions.

## Improved availability

In times of economic uncertainty, people's need for advice is often increasing. In 2023 SEB has therefore made considerable efforts to improve our service via telephone, the Telephone Bank. During the year, we have carried out solid work to eliminate queues, further train employees and organise ourselves so that the customer does not need to be transferred but receives relevant help directly. The Telephone Bank is open 24 hours a day 365 days per year. The ambition is to answer all calls within 3 minutes and to solve the customer's problem during the call. Our customers have appreciated these measures, shown in the survey from the Swedish Quality Index (SKI), where the Telephone Bank received the best rating among the major banks in Sweden.

## Handling customer complaints

We believe it is important that we take part of our customers' views on our services, and to make it 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. The customers have the right to have their case reviewed if they are not satisfied with the decision. SEB has an instruction in place to secure the correct handling of customer complaints.

## General sustainability disclosures

- [Strategy](#)
- [Impact, risks and opportunities](#)
- [Sustainability governance](#)
- [Sustainability policy framework](#)
- [Stakeholder dialogues and collaboration](#)

## Environmental disclosures

- [Climate](#)
- [Biodiversity, water and circularity](#)
- [EU Taxonomy overview](#)

## Social disclosures

- [Governance disclosures](#)
- [EU Taxonomy reporting](#)
- [Supplementary sustainability information](#)
- [GRI index](#)
- [Auditor's report](#)

## Customer data ethics

Customers entrust us with their information and handling of customer data is necessary for SEB in order to be able to provide financial services. SEB can have large and vital impact on society, both presently 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.

## Financial inclusion and knowledge-sharing

### Financial inclusion

For the third year in a row the SEB School Ambassadors Program is supporting high school students in the Baltic countries in financial literacy. During a six-month period the program focuses on enhancing the students' knowledge in financial literacy, entrepreneurship, investments and cyber security. SEB is coaching selected pupils and provides lectures and courses in topics such as budgeting, investing, and entrepreneurship, which are crucial for their future financial wellbeing. In 2023 approximately 12,000 students were estimated to have been reached by the programme.

### Knowledge-sharing

With the ambition to share knowledge about how to reduce the carbon footprint of an individual's lifestyle, SEB Baltic offers a mobile application, "My Footprint". The app can automatically calculate the personal carbon footprint of a user based on user-input to questions about their lifestyle, food and shopping habits. The answers allow the app to provide personalised micro-assignments called "deeds" which are small and doable ways to instigate behavioural change towards a more sustainable way of living for an individual. At year-end 2023, approximately 25,000 people in the Baltic countries were registered as users of the app.

## Mentorship

SEB has been a partner of the non-profit organisation Mentor since 1997. The collaboration focuses on providing support and motivation to young people, spreading knowledge and inspiration through various types of mentoring and projects linked to for example entrepreneurship. Together, we aim to create better conditions for the next generations, to enable young people to follow their dreams and reach their full potential. Through commitment from our employees, SEB, together with Mentor Sweden, reached more than 26,800 young people aged 13–19 during 2023.

## Support for entrepreneurs

With Entrepreneur Camp, SEB wants to highlight young entrepreneurs who make the world more sustainable. SEB organises an Entrepreneur Camp to encourage young people to start their own business. Entrepreneur Camp is a competition where young people compete for the best sustainable idea. During the camp week, the participants get concrete guidance, inspiration and learn hands-on what is needed to make an idea a reality. The initiative is part of a broader entrepreneurial programme with the aim to strengthen the business climate in Sweden and encourage sustainable entrepreneurship.

SEB's entrepreneurial prize The Next Awards aims to support people who can create lasting change and contribute to a better world. In 2023, the company Mitt Liv (My Life), was crowned a winner. Mitt Liv works for an inclusive labour market that values diversity and so that all people should be given a fair chance based on their competence and nothing else. The Next Awards is awarded annually and consist of three different categories that promote sustainable entrepreneurship in different ways – New ideas, Transformation and Community.

→ See [seb.se](#)

# 26,800

Young people aged 13–19, reached by SEB and Mentor Sweden during 2023.

[General sustainability disclosures](#)
[Strategy](#)
[Impact, risks and opportunities](#)
[Sustainability governance](#)
[Sustainability policy framework](#)
[Stakeholder dialogues and collaboration](#)
[Environmental disclosures](#)
[Climate](#)
[Biodiversity, water and circularity](#)
[EU Taxonomy overview](#)
[Social disclosures](#)
[Governance disclosures](#)
[EU Taxonomy reporting](#)
[Supplementary sustainability information](#)
[GRI index](#)
[Auditor's report](#)

# Governance disclosures

Trust in SEB is a prerequisite for us to be able to conduct our business and uphold our critical function in society for the benefit of customers, shareholders, economic development and society at large.

## Business conduct

It has always been a priority for SEB to maintain the highest standards of business ethics and to continuously improve processes and procedures. We are guided by regulatory requirements, global initiatives and international standards. In addition, we continuously develop internal documents such as policies and instructions that steer and support our work.

### Corporate culture and Code of Conduct

SEB's strong corporate culture plays an important role in the bank's ability to build long-term relationships with customers and other stakeholders, and to meet and exceed their expectations. The annual employee survey, conducted in 2023, showed a record high result for employee engagement. See p. 208.

The importance of a strong corporate culture is expressed in SEB's Code of Conduct, where SEB's purpose and behaviours are described. These were elaborated in 2022 with the participation of more than 10,000 employees. The Code of Conduct defines our way of working and provides guidance on how to comply with standards of business conduct. This is also SEB's policy on ethical matters and covers all employees of the SEB Group. The training on Code of Conduct is mandatory for everyone who works for SEB.

### Whistleblowing

We strive to uphold a transparent business climate and high business ethics. We value the safety and respect of everyone affected by our business. In suspected cases of irregularities, SEB has an established whistleblowing process for reporting. If an employee or other person would discover possible unethical or unlawful behaviour, there are different ways of reporting the matter. This

includes for example to the Head of Group Compliance or the Head of Group Internal Audit, or completely anonymously through the external digital service WhistleB.

A description of SEB's whistleblowing process is included in the Code of Conduct. Information is available also on the bank's intranet and on the external web page, Whistleblowing at sebgroup.com, with a direct link to the external digital service WhistleB.

### Anti-corruption

SEB works actively to prevent the risk of being used for corruption in line with applicable rules and regulations as well as its 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.

In investments we closely monitor breaches in procedures and standards of anti-corruption and antibribery of investee companies, and whether the actions taken to address the issues are sufficient or not.

### Financial crime prevention

By being active in the financial markets with a diverse and global offering, SEB is, as all major actors on the financial markets, exposed to the risk of being used for money laundering, terrorist financing, sanctions avoidance, fraud, and market abuse ("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 and employees are regularly trained to strengthen their awareness. SEB actively contributes to reduce financial crime within society in collaboration with crime fighting authorities and partnerships with other financial institutions. The Swedish Anti Money Laundering Task Force (SAM-LIT) is one of the partnerships where SEB is a key member.

SEB continuously develops abilities to detect, deter, prevent, and report suspected financial crime on a group level. The work is led by the Financial Crime Prevention (FCP) function. The FCP function develops new and more advanced capabilities leveraging the latest technology and artificial intelligence. It also drives cross-organisational programs to deliver more effective and efficient FCP processes throughout SEB's organisation and training programmes to ensure all SEB staff has the right knowledge and awareness to detect financial crime risks.

The FCP function manages several key processes which together forms an effective financial crime prevention capability to identify potential suspicious activities which are in turn reported to the Swedish Financial Police. These processes include, business wide risk assessment, know-your-customer (KYC), transaction monitoring, sanction & screening, fraud prevention, market surveillance, financial intelligence, and FCP investigations. All processes are risk-based and are supported by process controls and quality assurance.

## General sustainability disclosures

- Strategy
- Impact, risks and opportunities
- Sustainability governance
- Sustainability policy framework
- Stakeholder dialogues and collaboration

## Environmental disclosures

- Climate
- Biodiversity, water and circularity
- EU Taxonomy overview

## Social disclosures

- Governance disclosures
- EU Taxonomy reporting

## Supplementary sustainability information

- GRI index
- Auditor's report

During 2023, SEB increased the amount of Suspicious Activity Reports (SAR) to the Swedish Financial Police which reflects an overall increasing SAR trend amongst financial institutions in Sweden.

The establishment of an FCP Financial Intelligence Unit (FIU) in 2023 was an important step in creating a pro-active capability to detect organised criminal activity and to strengthen partnerships with crime fighting authorities and partnerships with other banks and private sector participants.

During 2023 FCP continued to strengthen its fraud prevention and sanction screening teams and capabilities to protect the bank's customers, the bank, and society against increasing risks within the fraud and sanction avoidance areas. In 2022, the Swedish Police, SEB and other large Swedish banks launched a fraud prevention partnership which is aimed at reducing fraud within Swedish society.

In 2023 SEB proactively worked with the Swedish Bankers' Association and other banks to improve laws and regulations to strengthen society's response to increases in financial crime.

### Management of critical concerns

SEB has procedures in place to manage critical concerns that potentially may arise 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.

### Our approach to tax

SEB sees tax and tax management as an important part of its contribution to society. By monitoring the development within the tax area thoroughly, SEB continuously works to adapt to changing expectations.

Customer knowledge is fundamental for SEB. Operating in more than 20 countries, SEB supports many customers in international trade and global cross-border businesses. Recognising that tax

rules and regulations are changing and not fully harmonised across these many different jurisdictions, SEB aims to show good corporate practice in the area of tax.

We pay taxes in accordance with applicable laws and regulations in all countries where SEB operates. We strive to have high standards for tax governance. In order to monitor risks and ensure tax compliance we have implemented several controls within SEB's ICFR (Internal Control over Financial Reporting) framework, which is overseen by the Audit and Compliance Committee of the Board. SEB also has a New Product Approval Process (NPAP) where the tax department is represented in order to ensure that the products are tax compliant.

SEB operates in accordance with applicable tax laws and regulations. We must not use, encourage or facilitate products or services in conflict with tax legislation and 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 in order to ensure compliance.

### 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. Our position is described on our external web page.

→ See [sebgroup.com](http://sebgroup.com)

In 2023, SEB established a Public Affairs function through which we aim to strengthen the knowledge of our role in the society and the conditions under which we operate. The ambition is also to describe our role and efforts in relation to broad societal issues such as the green transition, entrepreneurship and competitiveness. We do this by communicating focused and structured with public decision-makers and societal stakeholders, to understand political processes better and offer our advice when requested.

### 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 2023, SEB had about 8,900 suppliers in total, with a total spend of SEK 12bn.

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 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 41 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.

[General sustainability disclosures](#)
[Strategy](#)
[Impact, risks and opportunities](#)
[Sustainability governance](#)
[Sustainability policy framework](#)
[Stakeholder dialogues and collaboration](#)
[Environmental disclosures](#)
[Climate](#)
[Biodiversity, water and circularity](#)
[EU Taxonomy overview](#)
[Social disclosures](#)
[Governance disclosures](#)
[EU Taxonomy reporting](#)
[Supplementary sustainability information](#)
[GRI index](#)
[Auditor's report](#)

# EU Taxonomy reporting

## What is the EU Taxonomy

The EU Taxonomy is a classification system for environmentally sustainable economic activities. An economic activity to be defined as environmentally sustainable under the taxonomy, must meet the criteria specified in the taxonomy regulation and its delegated acts. The activity need to significantly contribute to at least one of six environmental objectives, meet the technical screening criteria (TSC), do no significant harm (DNSH) to any other environmental objective, and comply with minimum social safeguards. Economic activities that meet those criteria are considered taxonomy-aligned. Taxonomy non-eligible activities are those activities which are not covered by the technical screening criteria and thereby cannot be evaluated under the taxonomy.

## Entities and assets in scope

The EU Taxonomy requires credit institutions to report taxonomy key performance indicators (KPIs), i.e., to what extent the credit institutions assets and services relate to sustainable economic activities. SEB's taxonomy report covers SEB Group consolidated situation as defined in the Regulation (EU) No 575/2013, Title II, Chapter 2, Section 2. The SEB consolidated situation differs from the financial consolidation according to IFRS with respect to the insurance companies. A separate taxonomy report is presented for SEB Pension och Försäkring AB, see p. 221.

## GAR reporting

Green asset ratio, GAR, is calculated based on identified taxonomy-aligned assets (numerator), divided by total assets covered by the KPI (denominator). Assets excluded

from both numerator and denominator (not covered by the KPI) are exposures towards central banks, central governments, supranationals and the bank's trading portfolio. The European Commission (EC) draft notice of 21 December 2023 states that exposures to regional and local public authorities and entities controlled by states, where the use of proceeds is unknown, should also be excluded from the numerator and denominator of the KPIs of financial companies. Assets excluded only from the GAR numerator are exposures to non-NFRD corporates, derivatives, interbank loans, cash and cash-related assets, and other assets. NFRD-corporates are corporates which fall under the non-financial reporting requirements, including taxonomy reporting requirements. Non-EU corporates and other non-NFRD corporates are exempted from said reporting requirements. To identify NFRD-corporates SEB has used data provided by external data suppliers, supplemented with data manually collected from corporates' annual reports. When identifying NFRD-corporates, corporates which by themselves fulfil the criteria and corporates which indirectly fall under the reporting requirements by being part of a group which fulfil the criteria, are included. Taxonomy data reported for a group is applied on exposures towards corporates within that group. If taxonomy data is reported on sub-group level, the taxonomy data reported by the closest parent company is used. GAR assets are presented at gross carrying amount. Only the two climate objectives, climate change mitigation (CCM) and climate change adaptation (CCA) have been included in the 2023 taxonomy report, based on the underlying taxonomy data disclosed by NFRD-corporates and available for this reporting. The use of proceeds exposures

(household mortgage loans) have been assessed to significantly contribute to the CCM objective. The additional four environmental objectives will be included in the 2024 taxonomy report.

## Taxonomy data sourcing

To be able to fulfil taxonomy reporting requirements, financial companies are dependent on the taxonomy reporting provided by both financial and non-financial companies. Where underlying data from reporting entities are incomplete or unavailable, it will be reflected in the financial companies' reports. Financial companies are not able to report eligibility distributed on climate objective CCM and CCA for 2023, since the corresponding distribution was not included in the 2022 reporting for non-financial companies. SEB sources taxonomy data from external data suppliers, supplemented with data manually collected from corporates' annual reports to increase coverage and quality. Quality improvements, both in the data reported and in data collection, is expected over time related to improved taxonomy regulation interpretation, aligned usage of taxonomy tables and ESEF reporting covering also disclosed taxonomy data. Loans where the use of proceeds is known, financing taxonomy-aligned activities, should be assessed as to whether the taxonomy-alignment requirement has been complied with based on adequate documentary evidence provided by the counterparty. In 2023 use of proceeds loans, other than residential mortgage loans, have not been assessed by SEB, instead they have been regarded as general-purpose loans. Turnover- and CapEx-based KPIs have been calculated applying the turnover- and CapEx-based KPIs

reported by each counterparty, applied on the related general lending exposures.

SEB's Swedish household mortgage loans have been assessed as taxonomy-aligned based on compliance with TSC in Section 7.7 of Annex I to Climate Delegated Act; Buildings built before 2021 with Energy Performance Certificate (EPC) class A or the within the top 15 per cent of the national building stock expressed as operational Primary Energy Demand (PED), and buildings built 2021 or later with a PED at least 10 per cent lower than the threshold set for nearly zero energy building requirements in national measures BBR29. The top 15 per cent buildings have been identified based on PED thresholds established in a study commissioned by the Swedish Property Federation. The DNSH criteria are deemed met by considering the physical risk of flooding for each individual property, in which case the property so identified has been deemed not taxonomy-aligned.

## Taxonomy regulation interpretation and implementation

Draft Commission notice 21 December 2023 both clarify and increase the disclosure requirements. The GAR flow disclosure should consider newly incurred exposures during the year, as opposed to net change during the year. Parent entities of financial conglomerates is also expected to disclose the consolidated KPIs of their respective business segments, and a consolidated group-level KPI being a turnover-weighted average of their segment-related KPIs. SEB will report in line with current reporting requirements in 2024 taxonomy report.

## Summary of KPIs

		Total environmentally sustainable assets, turnover-based	KPI, turnover-based	KPI, CapEx based	% coverage (over total assets) <sup>1)</sup>	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V) <sup>2)</sup>	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V) <sup>3)</sup>
Main KPI	Green asset ratio (GAR) stock	43,885	2.0%	2.4%	67.6%	70.7%	32.4%
Additional KPIs	GAR (flow) <sup>4)</sup>						
	Trading book <sup>4)</sup>						
	Financial guarantees	67	0.6%	1.3%			
	Assets under management	23,511	1.2%	3.6%			
	Fees and commissions income <sup>4)</sup>						

1) Share (%) of assets covered by the KPI, over total assets.

2) Article 7(2) = derivative exposures, 7(3) = exposures to non-NFRD undertakings, Annex V Section 1.1.2. = exposures to sovereigns, held for trading, on-demand interbank loans, cash/cash-related, other assets, over total assets.

3) Article 7(1) = Sovereigns (central banks, central governments, supranationals), Annex V Section 1.2.4. = exposures held for trading (trading portfolio).

4) GAR (flow) will be reported 2024. The KPIs related to Trading book and Fees and commissions income are due for reporting from year 2025.

## Turnover-based

### General sustainability disclosures

Strategy

Impact, risks and opportunities

Sustainability governance

Sustainability policy framework

Stakeholder dialogues and collaboration

### Environmental disclosures

Climate

Biodiversity, water and circularity

EU Taxonomy overview

### Social disclosures

### Governance disclosures

### EU Taxonomy reporting

### Supplementary sustainability information

### GRI index

### Auditor's report

### Assets for the calculation of GAR

SEKm	Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)								
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)		Of which environmentally sustainable (Taxonomy-aligned)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)		Of which environmentally sustainable (Taxonomy-aligned)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)		Of which environmentally sustainable (Taxonomy-aligned)						
		Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling				
<b>GAR – Covered assets in both numerator and denominator</b>																				
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	937,342	43,556	28,846	785	7,593									6	749,917	43,885	28,846	785	7,599	
Financial undertakings, NFRD	27,408	1,178		0	1,176											13,324	1,178		0	1,176
Credit institutions	1,769	51			51											115	51		51	
Loans and advances	1,769	51			51											115	51		51	
Debt securities, including UoP																				
Equity instruments																				
Other financial corporations	25,639	1,127		0	1,125											13,208	1,127		0	1,125
of which investment firms	2,511	2														180	2		2	
Loans and advances	2,511	2														180	2		2	
Debt securities, including UoP																				
Equity instruments																				
of which management companies																				
Loans and advances																				
Debt securities, including UoP																				
Equity instruments																				
of which insurance undertakings																				
Loans and advances																				
Debt securities, including UoP																				
Equity instruments																				
Non-financial undertakings, NFRD	184,686	13,542		785	6,417									320	6	58,629	13,862		785	6,423
Loans and advances	184,686	13,542		785	6,417									320	6	58,629	13,862		785	6,423
Debt securities, including UoP																				
Equity instruments																				
Households	725,248	28,846	28,846													677,964	28,846	28,846		
of which loans collateralised by residential immovable property	651,313	28,846	28,846													651,313	28,846	28,846		
of which building renovation loans																				
of which motor vehicle loans																				
Local governments financing																				
Housing financing																				
Other local government financing																				
Collateral obtained by taking possession: residential and commercial immovable properties																				
<b>Assets excluded from the numerator for GAR calculation (covered in the denominator)</b>	<b>1,223,329</b>																			
Financial and Non-financial undertakings, non-NFRD	1,155,298																			
SMEs and NFCs (other than SMEs), non-NFRD	899,146																			
Loans and advances	824,088																			
of which loans collateralised by commercial immovable property	163,462																			
of which building renovation loans																				
Debt securities	57,993																			
Equity instruments	17,065																			
Non-EU country counterparties, non-NFRD	256,152																			
Loans and advances	245,832																			
Debt securities	6,852																			
Equity instruments	3,468																			
Derivatives	173																			
On demand interbank loans	8,062																			
Cash and cash-related assets	2,331																			
Other categories of assets (e.g. Goodwill, commodities etc.)	57,465																			
<b>Total GAR assets<sup>1)</sup></b>	<b>2,160,670</b>	<b>43,556</b>	<b>28,846</b>	<b>785</b>	<b>7,593</b>									320	6	749,917	43,885	28,846	785	7,599
<b>Assets not covered for GAR calculation</b>	<b>1,034,160</b>																			
Central governments and Supranational issuers <sup>2)</sup>	47,762																			
Central banks exposure	489,963																			
Trading book	496,435																			
<b>Total assets</b>	<b>3,194,831</b>	<b>43,556</b>	<b>28,846</b>	<b>785</b>	<b>7,593</b>									320	6	749,917	43,885	28,846	785	7,599
<b>Off-balance sheet exposures – Undertakings subject to NFRD disclosure obligations</b>																				
Financial guarantees	11,833		67		2	50								0		0	272	67		
Assets under management	2,044,125		23,503		1,316	12,042								8		8	191,923	23,511		1,316
Of which debt securities																				12,050
Of which equity instruments																				

1) Total GAR assets, or covered assets, are the assets included in GAR calculation.

2) Also include exposures, where use of proceeds are not known, to local and regional authorities and companies whose owners or shareholders are those referred to in Article 7(1) of the Disclosure Delegated Act 2021/20178 (i.e., central banks, central governments, supranationals).

**Green asset ratio (GAR) sector information, turnover-based**

General sustainability disclosures	NACE Code	Breakdown by sector <sup>1)</sup>	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)	
			Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD
			Gross carrying amount SEKm <sup>3)</sup>	Of which environmentally sustainable (CCM)	Gross carrying amount SEKm	Of which environmentally sustainable (CCM)	Gross carrying amount SEKm <sup>3)</sup>	Of which environmentally sustainable (CCA)	Gross carrying amount SEKm	Of which environmentally sustainable (CCA)	Gross carrying amount SEKm	Of which environmentally sustainable (CCM + CCA)
Strategy											985	
Impact, risks and opportunities	10.13	Production of meat and poultry meat products									559	
Sustainability governance	10.82	Manufacture of cocoa, chocolate and sugar confectionery									944	
Sustainability policy framework	10.83	Processing of tea and coffee									1,234	
Stakeholder dialogues and collaboration	10.89	Manufacture of other food products n.e.c.									587	
Environmental disclosures	11.01	Distilling, rectifying and blending of spirits									1,630	
Climate	11.05	Manufacture of beer									3,251	166
Biodiversity, water and circularity	17.12	Manufacture of paper and paperboard	3,018	166							1,118	0
EU Taxonomy overview	17.21	Manufacture of corrugated paper and paperboard and of containers of paper and paperboard	9	0			1				681	5
Social disclosures	17.29	Manufacture of other articles of paper and paperboard	76	5							1,147	2
Governance disclosures	20.13	Manufacture of other inorganic basic chemicals	1,147	2							1,359	402
EU Taxonomy reporting	20.14	Manufacture of other organic basic chemicals	1,340	402							627	
Supplementary sustainability information	22.29	Manufacture of other plastic products									536	100
GRI index	23.20	Manufacture of refractory products	536	100							1,525	477
Auditor's report	24.10	Manufacture of basic iron and steel and of ferro-alloys	1,524	477							2,038	
	26.30	Manufacture of communication equipment									705	677
	27.11	Manufacture of electric motors, generators and transformers	705	677							4,989	3,018
	28.11	Manufacture of engines and turbines, except aircraft, vehicle and cycle engines	3,163	3,018			14				2,029	223
	28.22	Manufacture of lifting and handling equipment	2,017	223							2,247	517
	28.24	Manufacture of power-driven hand tools	2,247	517							1,723	
	28.25	Manufacture of non-domestic cooling and ventilation equipment									2,484	15
	28.92	Manufacture of machinery for mining, quarrying and construction	2,194	15							616	25
	28.95	Manufacture of machinery for paper and paperboard production	616	25							3,541	39
	29.10	Manufacture of motor vehicles	3,482	39			2,966				502	
	29.32	Manufacture of other parts and accessories for motor vehicles									956	551
	30.20	Manufacture of railway locomotives and rolling stock	934	551							777	1
	30.30	Manufacture of air and spacecraft and related machinery	242	1							1,002	2
	30.92	Manufacture of bicycles and invalid carriages	1,002	2							564	
	32.12	Manufacture of jewellery and related articles									1,453	
	32.50	Manufacture of medical and dental instruments and supplies	1,022				1,022				1,116	0
	33.20	Installation of industrial machinery and equipment	1,113	0			1,113				1,949	140
	35.11	Production of electricity	928	131			56				527	108
	41.10	Development of building projects	527	108							3,698	145
	41.20	Construction of residential and non-residential buildings	1,728	145							757	28
	42.11	Construction of roads and motorways	757	28							1,051	
	45.20	Maintenance and repair of motor vehicles									856	
	46.21	Wholesale of grain, unmanufactured tobacco, seeds and animal feeds									535	
	46.42	Wholesale of clothing and footwear									3,567	0
	46.46	Wholesale of pharmaceutical goods	37	0							1,489	
	46.51	Wholesale of computers, computer peripheral equipment and software									674	
	46.72	Wholesale of metals and metal ores									5,888	
	47.11	Retail sale in non-specialised stores with food, beverages or tobacco predominating									761	2
	47.91	Retail sale via mail order houses or via Internet	751	2							664	159
	50.10	Sea and coastal passenger water transport	664	159							2,416	3
	50.20	Sea and coastal freight water transport	324	3							558	
	51.10	Passenger air transport	447	-			447				2,956	1
	52.29	Other transportation support activities	18	1							4,015	
	58.21	Publishing of computer games									765	
	59.11	Motion picture, video and television programme production activities									6,693	2
	61.10	Wired telecommunications activities	3,668	2			3,034				735	
	61.90	Other telecommunications activities	25								2,527	57
	64.20	Activities of holding companies	731	57							9,214	140
	64.91	Financial leasing	9,214	140			7,016				7,042	58
	64.99	Other financial service activities, except insurance and pension funding n.e.c.	5,632	58							1,241	74
	66.19	Other activities auxiliary to financial services, except insurance and pension funding	1,241	74							665	71
	68.10	Buying and selling of own real estate	665	71							40,201	5,242
	68.20	Rental and operating of own or leased real estate	31,281	5,175			3,372	67			1,648	271
	68.32	Management of real estate on a fee or contract basis	215	56			1,433	215			14,709	569
	70.10	Activities of head offices	3,039	569			6				4,459	16
	70.22	Business and other management consultancy activities	1,990	16			1,739				4,065	77
	71.12	Engineering activities and related technical consultancy	3,297	50			2,292	26			1,081	2
	72.11	Research and experimental development on biotechnology	1,081	2							1,199	1
	74.90	Other professional, scientific and technical activities n.e.c.	1,128	0			6	1			639	
	81.30	Landscape service activities									699	
	87.30	Residential care activities for the elderly and disabled									11,817	475
	Other		4,508	474			466	2				

1) Exposures towards non-financial corporates in the sectors covered by the taxonomy, using the relevant NACE codes on the basis of the principal activity of the counterparty.

2) The counterparty NACE sector allocation shall be based on the nature of the immediate counterparty. The classification of the exposures incurred jointly by more than one obligor shall be done on the basis of the characteristics of the obligor most relevant for the institution to grant the exposure.

3) Exposure gross carrying amount for which counterparties have reported alignment KPIs.

**Green asset ratio (GAR KPI) stock, turnover-based**

General sustainability disclosures	% (compared to total covered assets in the denominator)	Climate Change Mitigation (CCM)			Climate Change Adaptation (CCA)			TOTAL (CCM + CCA)						Proportion of total assets covered		
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding environmental sectors (Taxonomy-aligned)					
		Proportion of total covered assets funding environmentally sustainable sectors (Taxonomy-aligned)			Proportion of total covered assets funding environmental sectors (Taxonomy-aligned)			Proportion of total covered assets funding environmental sectors (Taxonomy-aligned)			Proportion of total covered assets funding environmental sectors (Taxonomy-aligned)					
		Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling			
GAR – Covered assets in both numerator and denominator																
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation		2.0%	1.3%	0.0%	0.4%		0.0%		0.0%	34.7%	2.0%	1.3%	0.0%	0.4%	23.5%	
Financial undertakings, NFRD		0.1%			0.1%					0.6%	0.1%				0.4%	
Credit institutions		0.0%			0.0%					0.0%	0.0%				0.0%	
Loans and advances		0.0%			0.0%					0.0%	0.0%				0.0%	
Debt securities, including UoP																
Equity instruments																
Other financial corporations		0.1%			0.1%					0.6%	0.1%				0.4%	
of which investment firms		0.0%								0.0%	0.0%				0.0%	
Loans and advances		0.0%								0.0%	0.0%				0.0%	
Debt securities, including UoP																
Equity instruments																
of which management companies																
Loans and advances																
Debt securities, including UoP																
Equity instruments																
of which insurance undertakings																
Loans and advances																
Debt securities, including UoP																
Equity instruments																
Non-financial undertakings, NFRD		0.6%			0.3%			0.0%		0.0%	2.7%	0.6%		0.0%	0.3%	1.8%
Loans and advances		0.6%			0.3%			0.0%		0.0%	2.7%	0.6%		0.0%	0.3%	1.8%
Debt securities, including UoP																
Equity instruments																
Households		1.3%	1.3%							31.4%	1.3%	1.3%			21.2%	
of which loans collateralised by residential immovable property		1.3%	1.3%							30.1%	1.3%	1.3%			20.4%	
of which building renovation loans																
of which motor vehicle loans																
Local governments financing																
Housing financing																
Other local government financing																
Collateral obtained by taking possession: residential and commercial immovable properties																
Total GAR assets		2.0%	1.3%	0.0%	0.4%		0.0%		0.0%	34.7%	2.0%	1.3%	0.0%	0.4%	23.5%	

**KPI off-balance sheet exposures, turnover-based**

% (compared to total eligible off-balance sheet assets)	Climate Change Mitigation (CCM)			Climate Change Adaptation (CCA)			TOTAL (CCM + CCA)						Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)							
	Proportion of total covered assets funding environmentally sustainable sectors (Taxonomy-aligned)			Proportion of total covered assets funding environmental sectors (Taxonomy-aligned)			Proportion of total covered assets funding environmental sectors (Taxonomy-aligned)							
	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling		
Financial guarantees (FinGuar KPI)	0.6%	0.0%	0.4%	0.0%			0.0%		0.0%	2.3%	0.6%		0.0%	0.4%
Assets under management (AuM KPI)	1.1%	0.1%	0.6%	0.0%			0.0%		0.0%	9.4%	1.2%		0.1%	0.6%

## CapEx-based

### General sustainability disclosures

Strategy

Impact, risks and opportunities

Sustainability governance

Sustainability policy framework

Stakeholder dialogues and collaboration

### Environmental disclosures

Climate

Biodiversity, water and circularity

EU Taxonomy overview

### Social disclosures

### Governance disclosures

### EU Taxonomy reporting

### Supplementary sustainability information

### GRI index

### Auditor's report

### Assets for the calculation of GAR

SEKm	Total gross carrying amount	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)					
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)		Of which towards taxonomy relevant sectors (Taxonomy-eligible)		Of which towards taxonomy relevant sectors (Taxonomy-eligible)		Of which towards taxonomy relevant sectors (Taxonomy-eligible)		Of which towards taxonomy relevant sectors (Taxonomy-eligible)		Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
		Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling		
<b>GAR – Covered assets in both numerator and denominator</b>															
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	937,342	52,467	28,846	2,613	11,101			297		1	778,498	52,765	28,846		
Financial undertakings, NFRD	27,408	4,055		102	3,813			0			14,283	4,055	2,613	11,101	
Credit institutions	1,769	176			175						513	176		175	
Loans and advances	1,769	176			175						513	176		175	
Debt securities, including UoP															
Equity instruments															
Other financial corporations	25,639	3,879		102	3,638			0			13,770	3,879	102	3,638	
of which investment firms	2,511	189		52	2						451	189	52	2	
Loans and advances	2,511	189		52	2						451	189	52	2	
Debt securities, including UoP															
Equity instruments															
of which management companies															
Loans and advances															
Debt securities, including UoP															
Equity instruments															
of which insurance undertakings															
Loans and advances															
Debt securities, including UoP															
Equity instruments															
Non-financial undertakings, NFRD	184,686	19,566		2,511	7,288			297		1	86,251	19,863	2,511	7,288	
Loans and advances	184,686	19,566		2,511	7,288			297		1	86,251	19,863	2,511	7,288	
Debt securities, including UoP															
Equity instruments															
Households	725,248	28,846	28,846								677,964	28,846	28,846		
of which loans collateralised by residential immovable property	651,313	28,846	28,846								651,313	28,846	28,846		
of which building renovation loans															
of which motor vehicle loans															
Local governments financing															
Housing financing															
Other local government financing															
Collateral obtained by taking possession: residential and commercial immovable properties															
<b>Assets excluded from the numerator for GAR calculation (covered in the denominator)</b>															
Financial and Non-financial undertakings, non-NFRD	1,223,329														
SMEs and NCFCs (other than SMEs), non-NFRD	1,155,298														
Loans and advances	899,146														
of which loans collateralised by commercial immovable property	824,088														
of which building renovation loans	163,462														
0															
Debt securities	57,993														
Equity instruments	17,065														
Non-EU country counterparties, non-NFRD	256,152														
Loans and advances	245,832														
Debt securities	6,852														
Equity instruments	3,468														
Derivatives	173														
On demand interbank loans	8,062														
Cash and cash-related assets	2,331														
Other categories of assets (e.g. Goodwill, commodities etc.)	57,465														
Total GAR assets <sup>1)</sup>	2,160,670	52,467	28,846	2,613	11,101			297		1	778,498	52,765	28,846	2,613	11,101
Assets not covered for GAR calculation	1,034,160														
Central governments and Supranational issuers <sup>2)</sup>	47,762														
Central banks exposure	489,963														
Trading book	496,435														
Total assets	3,194,831	52,467	28,846	2,613	11,101			297		1	778,498	52,765	28,846	2,613	11,101
<b>Off-balance sheet exposures – Undertakings subject to NFRD disclosure obligations</b>															
Financial guarantees	11,833	150	18	59				0			663	150	18	59	
Assets under management	2,044,125	73,542	14,647	10,716				285		4	225,462	73,827	14,647	10,720	
Of which debt securities															
Of which equity instruments															

1) Total GAR assets, or covered assets, are the assets included in GAR calculation.

2) Also include exposures, where use of proceeds are not known, to local and regional authorities and companies whose owners or shareholders are those referred to in Article 7(1) of the Disclosure Delegated Act 2021/2178 (i.e., central banks, central governments, supranationals).

**Green asset ratio (GAR) sector information, CapEx-based**

General sustainability disclosures	NACE Code	Breakdown by sector <sup>1)</sup>	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)	
			Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD
			Gross carrying amount	Of which environmentally sustainable (CCM)	Gross carrying amount	Of which environmentally sustainable (CCM)	Gross carrying amount	Of which environmentally sustainable (CCA)	Gross carrying amount	Of which environmentally sustainable (CCA)	Gross carrying amount	Of which environmentally sustainable (CCM + CCA)
Strategy			0	0	0	0	0	0	0	0	985	0
Impact, risks and opportunities	10.13	Production of meat and poultry meat products	0	0	0	0	0	0	0	0	559	0
Sustainability governance	10.82	Manufacture of cocoa, chocolate and sugar confectionery	0	0	0	0	0	0	0	0	944	0
Sustainability policy framework	10.83	Processing of tea and coffee	0	0	0	0	0	0	0	0	1,234	4
Stakeholder dialogues and collaboration	10.89	Manufacture of other food products n.e.c.	180	4	180	0	10	0	0	0	587	0
Environmental disclosures	11.01	Distilling, rectifying and blending of spirits	587	0	584	0	10	0	0	0	1,630	0
Climate	11.05	Manufacture of beer	10	0	10	0	0	0	0	0	3,251	220
Biodiversity, water and circularity	17.12	Manufacture of paper and paperboard	3,054	220	537	0	7	0	0	0	1,118	0
EU Taxonomy overview	17.21	Manufacture of corrugated paper and paperboard and of containers of paper and paperboard	13	0	2	0	0	0	0	0	681	20
Social disclosures	17.29	Manufacture of other articles of paper and paperboard	76	20	0	0	0	0	0	0	1,147	0
Governance disclosures	20.13	Manufacture of other inorganic basic chemicals	476	0	0	0	0	0	0	0	1,359	1,005
EU Taxonomy reporting	20.14	Manufacture of other organic basic chemicals	1,340	1,005	0	0	0	0	0	0	627	9
Supplementary sustainability information	22.29	Manufacture of other plastic products	454	9	0	0	0	0	0	0	536	25
GRI index	23.20	Manufacture of refractory products	536	25	0	0	0	0	0	0	1,525	261
Auditor's report	24.10	Manufacture of basic iron and steel and of ferro-alloys	1,525	261	1,467	0	0	0	0	0	2,038	0
	26.30	Manufacture of communication equipment	651	0	651	0	0	0	0	0	705	642
	27.11	Manufacture of electric motors, generators and transformers	705	642	0	0	0	0	0	0	4,989	2,863
	28.11	Manufacture of engines and turbines, except aircraft, vehicle and cycle engines	4,989	2,863	1,839	0	12	0	0	0	2,029	76
	28.22	Manufacture of lifting and handling equipment	2,029	76	0	0	0	0	0	0	2,247	405
	28.24	Manufacture of power-driven hand tools	2,247	405	0	0	0	0	0	0	1,723	0
	28.25	Manufacture of non-domestic cooling and ventilation equipment	17	0	17	0	0	0	0	0	2,484	1
	28.92	Manufacture of machinery for mining, quarrying and construction	2,203	1	2,194	0	0	0	0	0	616	12
	28.95	Manufacture of machinery for paper and paperboard production	616	12	32	0	0	0	0	0	3,541	627
	29.10	Manufacture of motor vehicles	3,541	627	3,309	0	0	0	0	0	502	0
	29.32	Manufacture of other parts and accessories for motor vehicles	0	0	0	0	0	0	0	0	956	0
	30.20	Manufacture of railway locomotives and rolling stock	956	0	0	0	0	0	0	0	777	0
	30.30	Manufacture of air and spacecraft and related machinery	777	0	535	0	0	0	0	0	1,002	211
	30.92	Manufacture of bicycles and invalid carriages	1,002	211	0	0	0	0	0	0	564	0
	32.12	Manufacture of jewellery and related articles	0	0	0	0	0	0	0	0	1,453	0
	32.50	Manufacture of medical and dental instruments and supplies	308	0	308	0	0	0	0	0	1,116	0
	33.20	Installation of industrial machinery and equipment	0	0	0	0	0	0	0	0	1,949	806
	35.11	Production of electricity	917	765	819	41	0	0	0	0	527	240
	41.10	Development of building projects	527	240	0	0	0	0	0	0	3,698	1,367
	41.20	Construction of residential and non-residential buildings	3,613	1,367	1,695	0	0	0	0	0	757	24
	42.11	Construction of roads and motorways	213	24	210	0	0	0	0	0	1,051	0
	45.20	Maintenance and repair of motor vehicles	0	0	0	0	0	0	0	0	856	0
	46.21	Wholesale of grain, unmanufactured tobacco, seeds and animal feeds	0	0	0	0	0	0	0	0	535	0
	46.42	Wholesale of clothing and footwear	502	0	502	0	0	0	0	0	3,567	43
	46.46	Wholesale of pharmaceutical goods	3,567	43	0	0	0	0	0	0	1,489	0
	46.51	Wholesale of computers, computer peripheral equipment and software	504	0	504	0	0	0	0	0	674	0
	46.72	Wholesale of metals and metal ores	0	0	0	0	0	0	0	0	5,888	356
	47.11	Retail sale in non-specialised stores with food, beverages or tobacco predominating	3,236	356	1,237	0	8	0	0	0	761	0
	47.91	Retail sale via mail order houses or via Internet	9	0	0	0	0	0	0	0	664	617
	50.10	Sea and coastal passenger water transport	664	617	0	0	0	0	0	0	2,416	0
	50.20	Sea and coastal freight water transport	0	0	0	0	0	0	0	0	558	0
	51.10	Passenger air transport	0	0	0	0	0	0	0	0	2,956	78
	52.29	Other transportation support activities	1,555	78	791	0	0	0	0	0	4,015	0
	58.21	Publishing of computer games	0	0	0	0	0	0	0	0	765	0
	59.11	Motion picture, video and television programme production activities	0	0	0	0	0	0	0	0	6,693	1
	61.10	Wired telecommunications activities	5,566	1	4,931	0	0	0	0	0	735	0
	61.90	Other telecommunications activities	0	0	0	0	0	0	0	0	2,527	46
	64.20	Activities of holding companies	1,278	46	154	0	0	0	0	0	9,214	1,546
	64.91	Financial leasing	7,909	1,546	7,708	0	0	0	0	0	7,042	349
	64.99	Other financial service activities, except insurance and pension funding n.e.c.	5,002	349	238	0	0	0	0	0	1,241	335
	66.19	Other activities auxiliary to financial services, except insurance and pension funding	1,241	335	0	0	0	0	0	0	665	55
	68.10	Buying and selling of own real estate	149	55	0	0	0	0	0	0	40,201	5,366
	68.20	Rental and operating of own or leased real estate	27,664	5,335	4,713	31	1,433	100	0	0	1,648	229
	68.32	Management of real estate on a fee or contract basis	215	129	0	0	0	0	0	0	14,709	646
	70.10	Activities of head offices	4,082	646	1,936	0	0	0	0	0	4,459	14
	70.22	Business and other management consultancy activities	1,093	14	842	0	0	0	0	0	4,065	212
	71.12	Engineering activities and related technical consultancy	1,433	212	429	0	0	0	0	0	1,081	228
	72.11	Research and experimental development on biotechnology	1,081	228	0	0	0	0	0	0	1,199	34
	74.90	Other professional, scientific and technical activities n.e.c.	1,128	34	6	0	0	0	0	0	639	0
	81.30	Landscape service activities	0	0	0	0	0	0	0	0	699	0
	87.30	Residential care activities for the elderly and disabled	0	0	0	0	0	0	0	0	11,817	891
	87.30	Other	5,712	767	3,215	124	0	0	0	0	0	0

1) Exposures towards non-financial corporates in the sectors covered by the Taxonomy, using the relevant NACE codes on the basis of the principal activity of the counterparty.

2) The counterparty NACE sector allocation shall be based on the nature of the immediate counterparty. The classification of the exposures incurred jointly by more than one obligor shall be done on the basis of the characteristics of the obligor most relevant for the institution to grant the exposure.

3) Exposure gross carrying amount for which counterparties have reported alignment KPIs.

**Green asset ratio (GAR KPI) stock, CapEx-based**

General sustainability disclosures	% (compared to total covered assets in the denominator)	Climate Change Mitigation (CCM)			Climate Change Adaptation (CCA)			TOTAL (CCM + CCA)						Proportion of total assets covered		
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)								
		Proportion of total covered assets funding environmentally sustainable sectors (Taxonomy-aligned)			Proportion of total covered assets funding environmentally sustainable sectors (Taxonomy-aligned)			Proportion of total covered assets funding environmentally sustainable sectors (Taxonomy-aligned)								
		Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling			
GAR – Covered assets in both numerator and denominator																
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation		2.4%	1.3%	0.1%	0.5%			0.0%		0.0%	36.0%	2.4%	1.3%	0.1%	0.5%	24.4%
Financial undertakings, NFRD		0.2%		0.0%	0.2%						0.7%	0.2%		0.0%	0.2%	0.4%
Credit institutions		0.0%		0.0%							0.0%	0.0%		0.0%	0.0%	
Loans and advances		0.0%		0.0%							0.0%	0.0%		0.0%	0.0%	
Debt securities, including UoP																
Equity instruments																
Other financial corporations		0.2%		0.0%	0.2%						0.6%	0.2%		0.0%	0.2%	0.4%
of which investment firms		0.0%		0.0%	0.0%						0.0%	0.0%		0.0%	0.0%	
Loans and advances		0.0%		0.0%	0.0%						0.0%	0.0%		0.0%	0.0%	
Debt securities, including UoP																
Equity instruments																
of which management companies																
Loans and advances																
Debt securities, including UoP																
Equity instruments																
of which insurance undertakings																
Loans and advances																
Debt securities, including UoP																
Equity instruments																
Non-financial undertakings, NFRD		0.9%		0.1%	0.3%			0.0%		0.0%	4.0%	1.1%		0.1%	0.3%	2.7%
Loans and advances		0.9%		0.1%	0.3%			0.0%		0.0%	4.0%	1.1%		0.1%	0.3%	2.7%
Debt securities, including UoP																
Equity instruments																
Households		1.3%	1.3%								31.4%	1.3%	1.3%			21.2%
of which loans collateralised by residential immovable property		1.3%	1.3%								30.1%	1.3%	1.3%			20.4%
of which building renovation loans																
of which motor vehicle loans																
Local governments financing																
Housing financing																
Other local government financing																
Collateral obtained by taking possession: residential and commercial immovable properties																
Total GAR assets		2.4%	1.3%	0.1%	0.5%			0.0%		0.0%	36.0%	2.4%	1.3%	0.1%	0.5%	24.4%

**KPI off-balance sheet exposures, CapEx-based**

% (compared to total eligible off-balance sheet assets)	Climate Change Mitigation (CCM)			Climate Change Adaptation (CCA)			TOTAL (CCM + CCA)						Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)		
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)								
	Proportion of total covered assets funding environmentally sustainable sectors (Taxonomy-aligned)			Proportion of total covered assets funding environmentally sustainable sectors (Taxonomy-aligned)			Proportion of total covered assets funding environmentally sustainable sectors (Taxonomy-aligned)								
	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling			
Financial guarantees (FinGuar KPI)		1.3%		0.2%	0.5%		0.0%	0.0%		0.0%	5.6%	1.3%		0.2%	0.5%
Assets under management (AuM KPI)		3.6%		0.7%	0.5%		0.0%	0.0%		0.0%	11.0%	3.6%		0.7%	0.5%

**SEB Pension och Försäkring AB**

The proportion of the insurance undertaking's investments that are directed at funding, or are associated with taxonomy-aligned economic activities.

1	The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below:	The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights for investments in undertakings per below:
	Turnover-based, % CapEx-based, %	0.7 1.4
2	The percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in sovereign entities: Coverage ratio, %	Coverage, SEKm 97.7
		297,052
<b>Additional, complementary disclosures: breakdown of denominator of the KPI</b>		
3	The percentage of derivatives relative to total assets covered by the KPI: Share, %	The value in monetary amounts of derivatives: Amount, SEKm 0.6
4	The proportion of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings, % For financial undertakings, %	Value of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings, SEKm 182,978 For financial undertakings, SEKm 28,110
5	The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings, % For financial undertakings, %	Value of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings, SEKm 99,181 For financial undertakings, SEKm 17,598
6	The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings, % For financial undertakings, %	Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings, SEKm 51,037 For financial undertakings, SEKm 34,928
7	The proportion of exposures to other counterparties over total assets covered by the KPI: Share, %	Value of exposures to other counterparties: Amount, SEKm -
8	The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policyholders over total assets covered by the KPI: Share, %	Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders: Amount, SEKm 10.2 30,390
9	The value of all the investments that are funding economic activities that are not Taxonomy-eligible relative to the value of total assets covered by the KPI: Turnover-based, % CapEx-based, %	Value of all the investments that are funding economic activities that are not Taxonomy-eligible: Turnover-based, SEKm 12.8 38,082 CapEx-based, SEKm 13.2 39,320
10	The value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned relative to the value of total assets covered by the KPI: Turnover-based, % CapEx-based, %	Value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned: Turnover-based, SEKm 4.0 11,935 CapEx-based, SEKm 3.8 11,330
<b>Additional, complementary disclosures: breakdown of numerator of the KPI</b>		
11	The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: Turnover-based, % CapEx-based, % For financial undertakings: Turnover-based, % CapEx-based, %	Value of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: Turnover-based, SEKm 0.9 2,517 CapEx-based, SEKm 1.4 4,077 For financial undertakings: Turnover-based, SEKm 0.0 83 CapEx-based, SEKm 0.3 960
12	The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned over total assets covered by the KPI: Turnover-based, % CapEx-based, %	Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned: Turnover-based, SEKm 0.0 44 CapEx-based, SEKm 0.0 133
13	The proportion of Taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI: Turnover-based, % CapEx-based, %	Value of Taxonomy-aligned exposures to other counterparties and assets over total assets: Turnover-based, SEKm - CapEx-based, SEKm -
<b>Breakdown of the numerator of the KPI per environmental objective</b>		
14	Climate change mitigation Turnover-based, % CapEx-based, %	of which Transitional activities, turnover-based, % Enabling activities, turnover-based, % Transitional activities, CapEx-based, % Enabling activities, CapEx-based, %
15	Climate change adaptation Turnover-based, % CapEx-based, %	of which Enabling activities, turnover-based, % Enabling activities, CapEx-based, %

**Entities and assets in scope**

The EU taxonomy requires insurance companies to present taxonomy key performance indicators (KPIs), related to the weighted average of the insurance company's investments that are directed at funding, or are associated with taxonomy-aligned economic activities in relation to total investments. Investments mean all direct and indirect investments, including investments in collective investment undertakings, being assets under management of the insurance company.

This taxonomy report regards SEB Pension och Försäkring AB, being an NFRD entity, however exempted from the obligation to disclose a non-financial statement as a subsidiary included in the consolidated non-financial report of SEB AB.

**GIR reporting**

Green investment ratio, GIR, is calculated based on identified taxonomy-aligned assets (numerator), divided by total assets covered by the KPI (denominator). Assets excluded from both numerator and denominator (not covered by the KPI) are exposures towards central banks, central governments, supranationals. Draft Commission notice 21 December 2023 clarifies that exposures to regional and local public authorities and entities controlled by states, where the use of proceeds is unknown, should be excluded from the numerator and denominator of the KPIs of financial entities. Assets excluded only from the GIR numerator are exposures to non-NFRD entities, derivatives, interbank loans, cash and cash-related assets, and other assets. NFRD-corporates are corporates which fall under the non-financial reporting requirements, including taxonomy reporting requirements. Non-EU entities and other non-NFRD entities are exempted from taxonomy reporting requirements according to NFRD (EU's Non-Financial Reporting Directive). To identify NFRD-corporates SEB has used data provided by external data suppliers. When identifying NFRD-entities, entities which by themselves fulfil the criteria and entities which indirectly fall under the reporting requirements by being part of a group which fulfil the criteria, are included. Taxonomy data reported for a group is applied on exposures towards entities within that group. If taxonomy data is reported on sub-group level, the taxonomy data reported by the closest parent company is used. Only the two climate objectives have been included in 2023 taxonomy report, due to the underlying taxonomy data currently available. The additional four environmental objectives will be included in 2024 taxonomy report.

**Taxonomy data sourcing**

To be able to fulfil taxonomy reporting requirements, financial corporates are dependent on the taxonomy reporting disclosed by both financial- and non-financial corporates. Where underlying data from reporting entities are incomplete or unavailable, it will be reflected in the financial entities reports.

SEB source taxonomy data from external data suppliers. Quality improvements, both regarding reported and collected data, is expected over time related to improved taxonomy regulation interpretation, aligned usage of taxonomy tables and ESEF reporting covering also disclosed taxonomy data. Turnover- and CapEx-based KPIs have been calculated applying the turnover- and CapEx-based KPIs reported by each company. For fund holdings fund look-through have been performed, identifying NFRD-investments and holding-weights on which related taxonomy-data have been applied, whereby weighted KPI's (turnover-based and CapEx-based) have been calculated for each fund holding.

## General sustainability disclosures

### Strategy

### Impact, risks and opportunities

### Sustainability governance

### Sustainability policy framework

### Stakeholder dialogues and collaboration

## Environmental disclosures

### Climate

### Biodiversity, water and circularity

### EU Taxonomy overview

## Social disclosures

### Governance disclosures

### EU Taxonomy reporting

### Supplementary sustainability information

### GRI index

### Auditor's report

## Nuclear and fossil gas reporting related to SEB Group's assets under management (excluding insurance business)

This is the first year that SEB Group reports on its exposures to economic activities in certain energy sectors, according to the European Commission's Delegated Regulations 2021/2139 and 2022/1214. The latter act outlines technical screening criteria and conditions under which nuclear energy and fossil gas activities are qualified as sustainable under the EU Taxonomy. With the initiation of disclosures related to these activities by non-financial entities in 2022, the pool of disclosed data is still in its nascent stage and characterized by both qualitative and quantitative gaps. The current limited availability of data hinders financial entities from providing complete and accurate representation of exposures to these activities. With the evolution of the sustainability-related

regulatory reporting landscape in the EU and ongoing efforts to improve data collection mechanisms, we anticipate growing maturity and improvement in the quality of data and consequently more accurate and complete analysis of exposures to these activities over time.

SEB identified four areas in scope of reporting for nuclear energy and fossil gas activities referred to in Sections 4.26-4.31 of Annexes I and II to Delegated Regulation 2021/2139: credits, assets under management, insurance and financial guarantees. The key performance indicators associated with the nuclear energy and fossil gas activities in question are presented for SEB Group's assets under management (excluding insurance) and insurance represented by SEB Pension och Försäkring AB's (PFAB) assets under management.

*See p. 223.*

## Nuclear and fossil gas related activities, turnover- and CapEx-based

### Row Nuclear energy related activities

1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle (4.26 of Annexes I and II to Delegated Regulation 2021/2139).	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies (4.27 of Annexes I and II to Delegated Regulation 2021/2139).	YES
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades (4.28 of Annexes I and II to Delegated Regulation 2021/2139).	YES
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels (4.29 of Annexes I and II to Delegated Regulation 2021/2139).	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels (4.30 of Annexes I and II to Delegated Regulation 2021/2139).	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels (4.31 of Annexes I and II to Delegated Regulation 2021/2139).	YES

## Taxonomy-aligned economic activities (denominator), turnover-based

### Row Economic activities

	CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA) <sup>1)</sup>	
Row	SEKm	%	SEKm	%	SEKm	%
1						
2						
3	116.90	0.01	116.90	0.01		
4	0.06	0.00	0.06	0.00		
5	0.76	0.00	0.76	0.00		
6						
7	23,393.29	1.14	23,385.19	1.14		
8	Total applicable KPI	2,044,124.53	100.00	2,044,124.53	100.00	

1) According to the Climate Delegated Act, for the environmental objective of climate change adaptation (unless for enabling activities), only expenditures related to making an activity climate-resilient should count, not the revenue associated with that activity. These activities are not categorised as enabling and, therefore, are not relevant for this set of KPIs.

## Taxonomy-aligned economic activities (numerator), turnover-based

### Row Economic activities

Row	Economic activities	CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		SEKm	%	SEKm	%	SEKm	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	116.90	0.50	116.90	0.50		
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.06	0.00	0.06	0.00		
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.76	0.00	0.76	0.00		
6	Amount and proportion of taxonomy-aligned economic activity not referred to in rows 1 to 6 above in the numerator of the applicable KPI	23,393.29	99.50	23,385.19	99.46		
7	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	23,511.01	100.00	23,502.91	99.97		

## Taxonomy-eligible but not taxonomy-aligned economic activities, turnover-based

### Row Economic activities

Row	Economic activities	CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		SEKm	%	SEKm	%	SEKm	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4.60	0.00	4.60	0.00		
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3.49	0.00	3.49	0.00		
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	331.60	0.02	331.60	0.02		
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	248.55	0.01	248.33	0.01		
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2.23	0.00	2.23	0.00		
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	167,821.08	8.21	N/A <sup>2)</sup>	N/A		
8	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	168,411.55	8.24	N/A <sup>2)</sup>	N/A		

## Taxonomy non-eligible economic activities, turnover-based

### Row Economic activities

Row	Economic activities			SEKm	%
				SEKm	%
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI				
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI			1.09	0.00
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI			28.33	0.00
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI			0.10	0.00
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI				
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI				
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI			711,237.88	34.79
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI			711,267.40	34.80

2) The reporting template for non-financial companies (as of the year 2022) did not facilitate the reporting of taxonomy-eligible data distributed on CCM and CCA respectively, supporting only reporting on total taxonomy eligibility. As a result, reporting the breakdown per CCM and CCA for this set of KPIs has not been attainable.

Taxonomy-aligned economic activities (denominator), CapEx-based								Taxonomy-eligible but not taxonomy-aligned economic activities, CapEx-based							
Row	Economic activities	CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		Economic activities	CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		
		SEKm	%	SEKm	%	SEKm	%		SEKm	%	SEKm	%	SEKm	%	
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI														
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	13.59	0.00	13.59	0.00										
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	105.27	0.01	105.27	0.01										
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.13	0.00	0.13	0.00										
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.12	0.00	0.12	0.00										
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI														
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	73,707.63	3.61	73,422.98	3.59	284.65	0.01								
8	Total applicable KPI	2,044,124.53	100.00	2,044,124.53	100.00	2,044,124.53	100.00								
Taxonomy-aligned economic activities (numerator), CapEx-based								Taxonomy non-eligible economic activities, CapEx-based							
Row	Economic activities	CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		Economic activities	CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		
		SEKm	%	SEKm	%	SEKm	%		SEKm	%	SEKm	%	SEKm	%	
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI														
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	13.59	0.02	13.59	0.02										
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	105.27	0.14	105.27	0.14										
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.13	0.00	0.13	0.00										
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.12	0.00	0.12	0.00										
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI														
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	73,707.63	99.84	73,422.98	99.45	284.65	0.39								
8	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	73,826.74	100.00	73,542.09	99.61	284.65	0.39								

Continued from p. 222.

While SEB Group has corporate clients operating in nuclear energy and fossil gas-related sectors through credits and financial guarantees, no significant or meaningful exposures have been identified to the activities referred to in Sections 4.26–4.31 of Annexes I and II to Delegated Regulation 2021/2139 via customers subject to non-financial reporting requirements as of the cut-off date for the preparation of this report. These findings might be attributed to the current limitations in the availability and

quality of nuclear energy and fossil gas-related data. Overall, these nuclear energy and gas activities account for 0.5 per cent of total turnover-based and 0.16 per cent of total CapEx-based aligned activities for SEB Group's assets under management.

The KPIs associated with assets invested in the nuclear energy and fossil gas activities are presented in relation to the denominator (total covered assets) and the numerator (total covered assets associated with the taxonomy-aligned activities).

The turnover-related KPIs associated with the environmental objective of climate change adaptation (CCA) are not applicable for the nuclear energy and fossil gas activities as the latter are not categorised as enabling activities, according to the Climate Delegated Act. While expenditures, including CapEx, related to making an activity

climate-resilient are relevant for reporting, the currently available data indicates no exposure of our businesses to the nuclear energy and fossil gas activities associated with the CCA objective.

The breakdown of the total KPIs associated with the taxonomy-eligible but not aligned activities per CCA and CCM objectives has not been attainable since reporting template for non-financial companies (as of the year 2022) did not facilitate the reporting of taxonomy-eligible data distributed on CCM and CCA respectively.

## General sustainability disclosures

## Strategy

## Impact, risks and opportunities

## Sustainability governance

## Sustainability policy framework

## Stakeholder dialogues and collaboration

## Environmental disclosures

## Climate

## Biodiversity, water and circularity

## EU Taxonomy overview

## Social disclosures

## Governance disclosures

## EU Taxonomy reporting

## Supplementary sustainability information

## GRI index

## Auditor's report

**Nuclear and fossil gas reporting related to SEB Pension och Försäkring AB's assets under management**

This is the first year that SEB Pension och Försäkring AB reports on its exposures to economic activities in certain energy sectors, according to the European Commission Delegated Regulations 2021/2139 and 2022/1214. The latter act outlines technical screening criteria and conditions under which nuclear energy and fossil gas activities are qualified as sustainable under the EU Taxonomy. With the initiation of disclosures related to these activities by non-financial entities in 2022, the pool of disclosed data is still in its nascent stage and characterized by both

qualitative and quantitative gaps. The current limited availability of data hinders financial entities from providing complete and accurate representation of exposures to these activities. With the evolution of the sustainability-related regulatory reporting landscape in the EU and ongoing efforts to improve data collection mechanisms, we anticipate growing maturity and improvement in the quality of data and consequently more accurate and complete analysis of exposures to these activities over time.

Overall, these nuclear energy and gas activities account for 0.65 per cent of total turnover-based and 0.29 per cent of total CapEx-based aligned activities for PFAB's assets under management.

**Nuclear and fossil gas related activities, turnover- and CapEx-based****Row** **Nuclear energy related activities**

1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle (4.26 of Annexes I and II to Delegated Regulation 2021/2139).	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies (4.27 of Annexes I and II to Delegated Regulation 2021/2139).	YES
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades (4.28 of Annexes I and II to Delegated Regulation 2021/2139).	YES
<b>Fossil gas related activities</b>		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels (4.29 of Annexes I and II to Delegated Regulation 2021/2139).	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels (4.30 of Annexes I and II to Delegated Regulation 2021/2139).	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels (4.31 of Annexes I and II to Delegated Regulation 2021/2139).	YES

**Taxonomy-aligned economic activities (denominator), turnover-based****Row** **Economic activities**

	Economic activities	CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA) <sup>1)</sup>	
		SEKm	%	SEKm	%	SEKm	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	12.70	0.00	12.70	0.00		
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.47	0.00	0.47	0.00		
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	2,017.90	0.68	2,015.54	0.68		
8	Total applicable KPI	297,051.92	100.00	297,051.92	100.00		

1) According to the Climate Delegated Act, for the environmental objective of climate change adaptation (unless for enabling activities), only expenditures related to making an activity climate-resilient should count, not the revenue associated with that activity. These activities are not categorised as enabling and, therefore, are not relevant for this set of KPIs.

**Taxonomy-aligned economic activities (numerator), turnover-based**

Row	Economic activities	CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		SEKm	%	SEKm	%	SEKm	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	12.70	0.63	12.70	0.63		
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.47	0.02	0.47	0.02		
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	2,017.90	99.35	2,015.54	99.24		
8	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	2,031.07	100.00	2,028.71	99.88		

**Taxonomy-eligible but not taxonomy-aligned economic activities, turnover-based**

Row	Economic activities	CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		SEKm	%	SEKm	%	SEKm	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.02	0.00	0.02	0.00		
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1.46	0.00	1.46	0.00		
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	42.44	0.01	42.44	0.01		
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7.48	0.00	7.45	0.00		
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	11,883.73	4.00	N/A <sup>2)</sup>	N/A		
8	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	11,935.17	4.02	N/A <sup>2)</sup>	N/A		

**Taxonomy non-eligible economic activities, turnover-based**

Row	Economic activities						
		SEKm	%	SEKm	%	SEKm	%
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.15	0.00				
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3.68	0.00				
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.12	0.00				
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	38,077.56	12.82				
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	38,081.51	12.82				

2) The reporting template for non-financial companies (as of the year 2022) did not facilitate the reporting of taxonomy-eligible data distributed on CCM and CCA respectively, supporting only reporting on total taxonomy eligibility. As a result, reporting the breakdown per CCM and CCA for this set of KPIs has not been attainable.

**General sustainability disclosures**
**Strategy**
**Impact, risks and opportunities**
**Sustainability governance**
**Sustainability policy framework**
**Stakeholder dialogues and collaboration**
**Environmental disclosures**
**Climate**
**Biodiversity, water and circularity**
**EU Taxonomy overview**
**Social disclosures**
**Governance disclosures**
**EU Taxonomy reporting**
**Supplementary sustainability information**
**GRI index**
**Auditor's report**

Taxonomy-aligned economic activities (denominator), CapEx-based		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	SEKm	%	SEKm	%	SEKm	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1.40	0.00	1.40	0.00		
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	10.86	0.00	10.86	0.00		
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00	0.00	0.00		
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00	0.00	0.00		
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	4,253.92	1.43	4,214.25	1.42	39.68	0.01
8	Total applicable KPI	297,051.92	100.00	297,051.92	100.00	297,051.92	100.00

Taxonomy-eligible but not taxonomy-aligned economic activities, CapEx-based		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	SEKm	%	SEKm	%	SEKm	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1.36	0.00	1.36	0.00		
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	16.66	0.01	16.66	0.01		
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	9.17	0.00	9.17	0.00		
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.00	0.00	0.00	0.00		
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	11,302.65	3.80	N/A <sup>1)</sup>	N/A	N/A <sup>1)</sup>	N/A
8	Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	11,329.84	3.81	N/A <sup>1)</sup>	N/A	N/A <sup>1)</sup>	N/A

Taxonomy-aligned economic activities (numerator), CapEx-based		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	SEKm	%	SEKm	%	SEKm	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	1.40	0.03	1.40	0.03		
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	10.86	0.25	10.86	0.25		
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.00	0.00	0.00		
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.00	0.00	0.00		
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	4,253.92	99.71	4,214.25	98.78	39.68	0.93
8	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	4,266.18	100.00	4,226.50	99.07	39.68	0.93

Taxonomy non-eligible economic activities, CapEx-based		SEKm	%
Row	Economic activities	SEKm	%
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	10.40	0.00
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3.15	0.00
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.10	0.00
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4.06	0.00
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	39,301.79	13.23
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	39,319.50	13.24

1) The reporting template for non-financial companies (as of the year 2022) did not facilitate the reporting of taxonomy-eligible data distributed on CCM and CCA respectively, supporting only reporting on total taxonomy eligibility. As a result, reporting the breakdown per CCM and CCA for this set of KPIs has not been attainable.

The KPIs associated with assets invested in nuclear energy and fossil gas activities are presented in relation to the denominator (total covered assets) and the numerator (total covered assets associated with the taxonomy-aligned activities).

The turnover-related KPIs associated with the environmental objective of climate change adaptation (CCA) are not applicable for nuclear energy and fossil gas activities as the latter are not categorised as enabling activities, according to the Climate Delegated Act. While expenditures,

including CapEx, related to making an activity climate-resilient are relevant for reporting, the currently available data indicates no exposure of our businesses to nuclear energy and fossil gas activities associated with the CCA objective.

The breakdown of the total KPIs associated with the taxonomy-eligible but not aligned activities per CCA and CCM objectives has not been attainable since reporting template for non-financial companies (as of the year 2022) did not facilitate the reporting of taxonomy-eligible data distributed on CCM and CCA respectively.

**About the Sustainability Report**

The sustainability report, pages 189–225, covers the SEB group, i.e. the parent company Skandinaviska Enskilda Banken AB (publ) and its subsidiaries. SEB reports in accordance with the Annual Accounts Act and the Global Reporting Initiative, GRI Standards. The reporting is adapted to TCFD (Task Force on Climate-related Financial Disclosures).

**Board of Directors**

Stockholm, 19 February 2024

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

General sustainability disclosures
Strategy
Impact, risks and opportunities
Sustainability governance
Sustainability policy framework
Stakeholder dialogues and collaboration
Environmental disclosures
Climate
Biodiversity, water and circularity
EU Taxonomy overview
Social disclosures
Governance disclosures
EU Taxonomy reporting
Supplementary sustainability information
GRI index
Auditor's report

# Supplementary sustainability information

## Contents

	Page		Page
<b>Sustainability notes</b>		<b>Global Reporting Initiative</b>	
Financial strength and resilience	227	Management of material topics GRI 2023	239
Sustainable financing and advisory services	227	Financial strength and resilience	239
Sustainable investments	228	Sustainable financing	239
Business ethics and conduct	229	Sustainable savings and investments	240
Own workforce	231	Risk management	240
Community engagement and sponsorship	234	Crime prevention	241
Innovation and entrepreneurship	234	Own work force	241
Environment	235	Innovation and entrepreneurship	242
Procurement	236	Environment	242
Country-by-country reporting – companies by country	237	Procurement	243
Country-by-country reporting – company income tax by country	238	GRI Index	244
SEB's approach to tax	238	GRI 2: General disclosures	244
		GRI 3: Material Topics	245
		<b>Principles for Responsible Banking</b>	
		SEB and the Principles for Responsible Banking	248

[General sustainability disclosures](#)
[Strategy](#)
[Impact, risks and opportunities](#)
[Sustainability governance](#)
[Sustainability policy framework](#)
[Stakeholder dialogues and collaboration](#)
[Environmental disclosures](#)
[Climate](#)
[Biodiversity, water and circularity](#)
[EU Taxonomy overview](#)
[Social disclosures](#)
[Governance disclosures](#)
[EU Taxonomy reporting](#)
[Supplementary sustainability information](#)
[GRI index](#)
[Auditor's report](#)

# Sustainability notes

## Financial strength and resilience

Direct economic value generated and distributed by SEB <sup>1,2)</sup>	2023	2022	2021
Gross income (SEKm)	174,355	93,251	66,505
Interest expense (SEKm)	87,868	22,707	6,904
Fee and commission expense (SEKm)	6,293	6,067	4,987
Staff costs (SEKm)	17,558	15,980	15,372
<i>Employee salary and other compensation</i>	12,979	11,461	10,546
<i>Employee pension costs, benefits, education and other staff related costs</i>	1,317	1,756	1,978
<i>Employee social charges</i>	3,262	2,763	2,848
Other expenses (SEKm)	7,892	6,986	5,763
Regulatory fees (SEKm) <sup>3)</sup>	4,268	2,709	1,364
Income tax expense (SEKm)	9,848	6,862	5,441
Net profit (SEKm)	38,116	26,877	25,423
Dividends, to shareholders (SEKm) <sup>4)</sup>	24,610	14,195	13,165
This year's profit that is reinvested into the bank (SEKm) <sup>4)</sup>	13,506	12,682	12,258
Financial assistance received from government (SEKm)			
Economic contribution to community investments (SEKm)	60.2	48.2	42.4

- 1) Direct economic value generated and distributed is presented in accordance with the outline in SEB's annual report.  
 2) Historical data has been restated due to the effects from the implementation of IFRS 17 Insurance Contracts, see p. 178 in the Annual report for more information.  
 3) Regulatory fees includes resolution fees, deposit guarantee fees, risk tax ( Sweden) and temporary solidarity contribution fee ( Lithuania).  
 4 ) 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	2023	2022	2021
Sustainable financing (SEKbn) <sup>1)</sup>	74.2	54.7	31.9
<i>of which, in line with Green Bond Framework (SEKbn)<sup>2)</sup></i>	61.5	46.6	23.3
Green mortgages (SEKbn)	17.3	12.0	7.9
Sustainability related guarantees	2.2		
Sustainability linked loans, incl contingent liabilities (SEKbn)	165.1	129.9 <sup>3)</sup>	73.1

Sustainable bonds – advisory services	2023	2022	2021
Aggregated			
<i>Sustainable bonds issued globally since inception (EURbn)</i>	3,154.8	2,471.8	1,817.8
<i>Sustainable bonds underwritten by SEB since inception, share (%)</i>	1.8	1.9	2.1
Current year			
<i>Sustainable bonds issued globally (EUR bn)<sup>4)</sup></i>	656.6	654.0	727.6
<i>Sustainable bonds underwritten by SEB (EURbn)</i>	9.1	7.2	5.7
<i>Sustainable bonds underwritten by SEB, global share (%)</i>	1.4	1.1	0.8
<i>Sustainable bonds underwritten by SEB, Nordic share (%)<sup>5)</sup></i>	22.5	22.0	17.6

Equator Principles	2023	2022	2021
Project finance transactions			
<i>of which, Category A transactions approved (number)</i>	1	0	0
<i>of which, Category B transactions approved (number)</i>	1	3	4
<i>of which, Category C transactions approved (number)</i>	2	1	4
Project related corporate loans			
<i>of which, Category A transactions approved (number)</i>	0	0	0
<i>of which, Category B transactions approved (number)</i>	0	0	0
<i>of which, Category C transactions approved (number)</i>	0	0	0

1) Sustainable financing includes special purpose sustainable loans and leasings.

2) Sustainable financing in line with SEB's Green Bond Framework 2022 (2016).

3) Sustainability linked loans 2022 has been adjusted.

4) Sustainable bonds, excluding self-led, include green, social and sustainable bonds. The source is Bloomberg, Sustainable Bond League table.

5) SEB's share of global transactions, all currencies, by Nordic banks.

## General sustainability disclosures

### Strategy

### Impact, risks and opportunities

### Sustainability governance

### Sustainability policy framework

### Stakeholder dialogues and collaboration

### Environmental disclosures

#### Climate

#### Biodiversity, water and circularity

#### EU Taxonomy overview

### Social disclosures

### Governance disclosures

### EU Taxonomy reporting

### Supplementary sustainability information

### GRI index

### Auditor's report

## Sustainable investments

Assets under management, AuM	2023	2022	2021
Assets under management, AuM, SEB total (SEKbn)	2,361	2,123	2,682
Assets under management, AuM, managed by SEB's fund company (SEKbn)	758	684	831

Principles for Responsible Investments (PRI)	2023	2022	2021
SEB's fund company's AuM, evaluated according to PRI, share of SEB total AuM (%)	32	32	31
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 <sub>2</sub> ) measurements	2023	2022	2021
SEB's fund company's equity funds where carbon emissions are measured and have an official benchmark (%)	89	87	93

Sustainability approach <sup>1)</sup>	2023	2022	2021
SEB's Fund company's AuM, Articles 8 and 9 under SFDR (SEKbn) <sup>2)</sup>	729	616	678
SEB's Fund company's AuM, Articles 8 and 9 under SFDR, as share of SEB's fund company's total AuM (%) <sup>2)</sup>	96.1	90.2	81.6
SEB's AuM, Articles 8 and 9, as share of SEB's total AuM (%) <sup>2)</sup>	31	29.0	27.2

Human rights assessment	2023	2022	2021
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	32	31

Influence and engagement <sup>3)</sup>	2023	2022	2021
Total engagement dialogues with portfolio companies (number)	2,837	2,694	3,200
Share of engagement dialogues with Nordic portfolio companies (%)	10	5	9
Share of engagement dialogues in collaboration with external parties (%)	91	98	91
Companies excluded from the investment portfolio in accordance with SEB's ethical investment guidelines (number)	3,855	3,791	3,780
Participation in nomination committees (number)	30	40	35

Engagement themes <sup>3,4)</sup>	2023	2022	2021
Human rights (number)	765	619	20
Governance (Number of issues)	848	1,053	
Environment (Number of issues / Number of companies engaged in)	897	682	167
Strategy & Risk (Number of issues)	327	340	

## SEB impact and thematic funds

Total value	2023	2022	2021
SEB impact and thematic funds, total (SEKbn)	21.2	20.9	12.9

Microfinance funds, incl. SEB Impact Opportunity Fund <sup>5)</sup>	2023	2022	2021
Assets under Management (SEKbn)	8.9	9.0	7.0
Assets under Management (USDm)	887	865	781
Number of microfinance funds	7	7	7
Number of countries	57	56	55
Number of customers reached via microfinance institutions (MFI's)	25,906,802	20,419,650	19,897,967

Other impact and thematic funds	2023	2022	2021
Green Bond Fund (SEKbn)	2.8	1.9	2.5
SEB Climate Opportunity Fund (SEKbn)	3.0	2.7	
SEB Equal Opportunity Fund (SEKbn)	0.9	0.8	
SEB Active Owners Impact Fund (SEKbn)	0.6	0.7	
SEB Nordic Future Opportunity Fund (SEKbn)	2.5	2.7	
SEB Climate Focus High Yield Fund (SEKbn)	0.6	0.2	
SEB Impact Fund (SEKbn)	1.7	2.9	3.4
SEB Nordic Energy (SEKbn)	0.3		

1) Read more about SEB sustainable investments on [sebgroup.com](#)

2) AuM defined as Article 8 or 9 under SFDR, Sustainable Finance Disclosure Regulation.

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 and refers to the total number of issues raised with the companies. Several issues are often raised with one company. 2021 figures refers to the number of companies engaged in.

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.

[General sustainability disclosures](#)
[Strategy](#)
[Impact, risks and opportunities](#)
[Sustainability governance](#)
[Sustainability policy framework](#)
[Stakeholder dialogues and collaboration](#)
[Environmental disclosures](#)
[Climate](#)
[Biodiversity, water and circularity](#)
[EU Taxonomy overview](#)
[Social disclosures](#)
[Governance disclosures](#)
[EU Taxonomy reporting](#)
[Supplementary sustainability information](#)
[GRI index](#)
[Auditor's report](#)

## Business ethics and conduct

### Compliance, conduct and raised concerns

	2023	2022	2021
<b>Compliance with laws and regulation</b>			
Total number of significant instances of non-compliance with laws and regulations <sup>1)</sup>	0	0	
Share of instances for which fines were incurred (%)	0	0	
Share of instances for which non-monetary sanctions were incurred (%)	0	0	
Total number of instances of non-compliance that were paid during the reporting period	0	0	
The monetary value of fines for instances of non-compliance that were paid during the reporting period	0	0	
<b>Critical concerns</b>	2023	2022	2021
Number of critical concerns <sup>2)</sup>	17	17	13
<b>Whistleblowing</b>	2023	2022	2021
Number of whistleblowing cases <sup>3)</sup>	77	32	31
<b>Crime prevention</b>			
<b>Reported suspicious activities</b>	2023	2022	2021
Number of suspicious orders and transactions reported to Finansinspektionen (Market Abuse)	27	8	13
Share of Market Abuse reports consisting of manual tips from employees or external sources (%)	22	13	0
Share of Market Abuse reports pertaining to insider dealing (%)	26	63	38
Number of suspicious AML activity reports reported to Finanspolisen <sup>4)</sup>	6,825	5,400	3,971
Share of AML reports consisting of manual tips from employees or external sources (%)	65	76	65
<b>Customer privacy</b>	2023	2022	2021
Substantiated complaints concerning breaches of customer privacy and losses of customer data <sup>5)</sup>	9	13	30

### Competence and awareness

Employees who have completed mandatory training (sorted by employee category) <sup>6)</sup>	2023	2022	2021
All employees			
Anti-money laundering and combating financing of terrorism – AML/CFT (%)	95.6	93.5	95.1
Fraud prevention (%)	97.4	95.6	97.3
Cyber security (%)	95.8	93.6	94.5
Code of Conduct (%)	97.4	95.4	97.0
General Data Protection Regulation(GDPR) (%)	95.6	93.8	94.2
Sustainability training on climate change (%)	96.0	95.8	95.5
Sexual harassment – bystander intervention strategies (%)	97.9	95.6	93.0
Group Executive Committee			
Anti-money laundering and combating financing of terrorism – AML/CFT (%)	91.7	94.7	90.5
Fraud prevention (%)	100	84.2	85.7
Cyber security (%)	100	89.5	76.2
Code of Conduct (%)	100	89.5	85.7
General Data Protection Regulation(GDPR) (%)	100	89.5	85.7
Sustainability training on climate change (%)	91.7	89.5	76.2
Sexual harassment – bystander intervention strategies (%)	100	89.5	71.4
All managers			
Anti-money laundering and combating financing of terrorism – AML/CFT (%)	96.4	95.7	94.6
Fraud prevention (%)	98.1	98.0	98.0
Cyber security (%)	96.8	96.1	95.2
Code of Conduct (%)	98.0	97.7	97.5
General Data Protection Regulation(GDPR) (%)	96.0	96.1	94.3
Sustainability training on climate change (%)	96.1	98.1	95.9
Sexual harassment – bystander intervention strategies (%)	98.9	97.8	93.8

## General sustainability disclosures

- [Strategy](#)
- [Impact, risks and opportunities](#)
- [Sustainability governance](#)
- [Sustainability policy framework](#)
- [Stakeholder dialogues and collaboration](#)
- [Environmental disclosures](#)
- [Climate](#)
- [Biodiversity, water and circularity](#)
- [EU Taxonomy overview](#)
- [Social disclosures](#)
- [Governance disclosures](#)
- [EU Taxonomy reporting](#)
- [Supplementary sustainability information](#)
- [GRI index](#)
- [Auditor's report](#)

## Business ethics and conduct continued

Employees who have completed mandatory training (sorted by region) <sup>6)</sup>	2023	2022	2021
<b>Sweden</b>			
<i>Anti-money laundering and combating financing of terrorism – AML/CFT (%)</i>	94.9	92.7	93.0
<i>Fraud prevention (%)</i>	97.2	95.2	96.0
<i>Cyber security (%)</i>	95.2	92.9	92.2
<i>Code of Conduct (%)</i>	97.2	94.9	95.5
<i>General Data Protection Regulation(GDPR) (%)</i>	95.0	93.1	92.4
<i>Sustainability training on climate change (%)</i>	95.5	95.1	93.3
<i>Sexual harassment – bystander intervention strategies (%)</i>	97.7	95.0	89.9
<b>Other Nordic countries</b>			
<i>Anti-money laundering and combating financing of terrorism – AML/CFT (%)</i>	95.5	93.4	95.4
<i>Fraud prevention (%)</i>	96.1	94.3	97.9
<i>Cyber security (%)</i>	95.5	92.5	95.7
<i>Code of Conduct (%)</i>	96.1	93.9	98.1
<i>General Data Protection Regulation(GDPR) (%)</i>	95.1	93.1	94.5
<i>Sustainability training on climate change (%)</i>	94.9	94.8	97.2
<i>Sexual harassment – bystander intervention strategies (%)</i>	96.9	94.4	95.7
<b>Baltic countries</b>			
<i>Anti-money laundering and combating financing of terrorism – AML/CFT (%)</i>	96.7	96.5	97.9
<i>Fraud prevention (%)</i>	98.1	97.6	99.1
<i>Cyber security (%)</i>	96.8	96.5	97.6
<i>Code of Conduct (%)</i>	98.2	97.6	99.0
<i>General Data Protection Regulation(GDPR) (%)</i>	96.9	96.6	96.9
<i>Sustainability training on climate change (%)</i>	97.2	98.1	98.5
<i>Sexual harassment – bystander intervention strategies (%)</i>	98.7	97.8	97.0
<b>Rest of the world</b>			
<i>Anti-money laundering and combating financing of terrorism – AML/CFT (%)</i>	94.7	84.9	96.3
<i>Fraud prevention (%)</i>	95.6	89.3	97.5
<i>Cyber security (%)</i>	94.9	85.2	95.9
<i>Code of Conduct (%)</i>	95.2	89.5	97.3
<i>General Data Protection Regulation(GDPR) (%)</i>	94.6	85.3	95.0
<i>Sustainability training on climate change (%)</i>	94.1	90.0	95.7
<i>Sexual harassment – bystander intervention strategies (%)</i>	95.7	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 SEKm (or its counter-value) or a fine below the threshold of 20 SEKm 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 weaknesses identified 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, 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. Historical data has been adjusted as we now include data for SEB group and not only for Sweden.
- 5) We have two substantiated complaints from regulatory bodies or customers regarding breaches of customer privacy or losses of customer data, both in Lithuania. 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. Anti-money laundering and combating financing of terrorism - AML/CFT training to be performed every year.

[General sustainability disclosures](#)
[Strategy](#)
[Impact, risks and opportunities](#)
[Sustainability governance](#)
[Sustainability policy framework](#)
[Stakeholder dialogues and collaboration](#)
[Environmental disclosures](#)
[Climate](#)
[Biodiversity, water and circularity](#)
[EU Taxonomy overview](#)
[Social disclosures](#)
[Governance disclosures](#)
[EU Taxonomy reporting](#)
[Supplementary sustainability information](#)
[GRI index](#)
[Auditor's report](#)

## Own workforce

### Employee information

Number of employees <sup>1)</sup>	2023	2022	2021
Total (number)	18,731	17,714	16,749
Men (%)	45.6	45.2	44.5
Women (%)	54.4	54.8	55.5

Employees by age group <sup>2)</sup>	2023	2022	2021
Total employees			
<30 years (%)	19.1	19.3	15.8
30–50 years (%)	56.8	56.6	58.1
>50 years (%)	24.1	24.1	26.1
All managers			
<30 years (%)	1.5	2.1	2.1
30–50 years (%)	62.8	69.6	68.8
>50 years (%)	35.7	28.3	29.1

Gender by management type (men/women)	2023	2022	2021
Board of Directors (%) <sup>3)</sup>	64/36	64/36	56/44
Board of Directors, incl employee-appointed members (%) <sup>4)</sup>	47/53	47/53	46/54
Group Executive Committee (%) <sup>5)</sup>	67/33	71/29	67/33
Top Senior Management (%) <sup>6)</sup>	55/45	58/42	56/44
All managers (%) <sup>2)</sup>	50/50	52/48	52/48

Employees by region and employment contract/type	2023	2022	2021
Total Employees			
Permanent (%) <sup>1)</sup>	97	96	97
Temporary (%) <sup>1)</sup>	3	4	3
Full-time (%) <sup>2)</sup>	96	96	95
Part-time (%) <sup>2)</sup>	4	4	5
Sweden			
Permanent (%) <sup>1)</sup>	96.5	96.3	96.1
Temporary (%) <sup>1)</sup>	3.5	3.7	3.9
Full-time (%) <sup>2)</sup>	96	94	93
Part-time (%) <sup>2)</sup>	4	6	7
Other Nordic countries			
Permanent (%) <sup>1)</sup>	96.8	97.8	98.2
Temporary (%) <sup>1)</sup>	3.2	2.2	1.8
Full-time (%) <sup>2)</sup>	95	94	93
Part-time (%) <sup>2)</sup>	5	6	7
Estonia			
Permanent (%) <sup>1)</sup>	97.8	97.9	98.5
Temporary (%) <sup>1)</sup>	2.2	2.1	1.5
Full-time (%) <sup>2)</sup>	94	94	94
Part-time (%) <sup>2)</sup>	6	6	6
Latvia			
Permanent (%) <sup>1)</sup>	93.7	93.8	94.6
Temporary (%) <sup>1)</sup>	6.3	6.2	5.4
Full-time (%) <sup>2)</sup>	98	98	98
Part-time (%) <sup>2)</sup>	2	2	2
Lithuania			
Permanent (%) <sup>1)</sup>	98.4	98.2	99.1
Temporary (%) <sup>1)</sup>	1.6	1.8	0.9
Full-time (%) <sup>2)</sup>	99	98	98
Part-time (%) <sup>2)</sup>	1	2	2
Other world			
Permanent (%) <sup>1)</sup>	95.8	93.7	93.6
Temporary (%) <sup>1)</sup>	4.2	6.3	6.4
Full-time (%) <sup>2)</sup>	94	92	91
Part-time (%) <sup>2)</sup>	6	8	9

## General sustainability disclosures

## Own workforce continued

Strategy	Employees by region, employment contract/type and gender (men/women)	2023	2022	2021	New employee hires <sup>2)</sup>	2023	2022	2021	
Impact, risks and opportunities	Total Employees Permanent (%) <sup>1)</sup> Temporary (%) <sup>1)</sup> Full-time (%) <sup>2)</sup> Part-time (%) <sup>2)</sup>	46/54 47/53 46/54 24/76	45/55 48/52 46/54 24/76	44/56 49/51 45/55 25/75	Total (number) Men (%) Women (%)	2,842 48 52	3,292 49 51	2,338 49 51	
Sustainability governance	Sweden Permanent (%) <sup>1)</sup> Temporary (%) <sup>1)</sup> Full-time (%) <sup>2)</sup> Part-time (%) <sup>2)</sup>	51/49 48/52 53/47 22/78	52/48 50/50 53/47 33/67	51/49 51/49 53/47 33/67	By age group (% of total number of employees) <30 years (%) 30–39 years (%) 40–49 years (%) 50+ years (%)	43 35 15 7	51 31 12 6	50 33 12 4	
Sustainability policy framework	Environmental disclosures	Other Nordic countries Permanent (%) <sup>1)</sup> Temporary (%) <sup>1)</sup> Full-time (%) <sup>2)</sup> Part-time (%) <sup>2)</sup>	60/40 47/53 61/39 34/66	60/40 36/64 61/39 25/75	59/41 33/67 61/39 34/66	By region Sweden (%) Estonia (%) Latvia (%) Lithuania (%) Other Nordic countries (%) Other world (%)	47 4 15 18 4 12	52 4 15 21 3 5	41 5 17 26 3 8
Stakeholder dialogues and collaboration	Climate	Estonia Permanent (%) <sup>1)</sup> Temporary (%) <sup>1)</sup> Full-time (%) <sup>2)</sup> Part-time (%) <sup>2)</sup>	27/73 58/42 27/73 22/78	26/74 48/52 27/73 22/78	27/73 65/35 27/73 23/77	Employee turnover <sup>2)</sup>	2023	2022	2021
Environmental disclosures	Biodiversity, water and circularity	Latvia Permanent (%) <sup>1)</sup> Temporary (%) <sup>1)</sup> Full-time (%) <sup>2)</sup> Part-time (%) <sup>2)</sup>	33/67 43/57 33/67 30/70	32/68 41/59 33/67 18/82	30/70 41/59 31/69 21/79	Total (%) Men (%) Women (%) Voluntary turnover (%) <sup>7)</sup>	9.9 10.1 9.6 8.3	12.6 13.4 12.0 10.8	11.0 11.9 10.3 9.9
Climate	EU Taxonomy overview	Lithuania Permanent (%) <sup>1)</sup> Temporary (%) <sup>1)</sup> Full-time (%) <sup>2)</sup> Part-time (%) <sup>2)</sup>	37/63 28/72 38/62 25/75	36/64 45/55 36/64 29/71	34/66 25/75 34/66 18/82	By age group (% of total number of employees) <30 years (%) 30–39 years (%) 40–49 years (%) 50+ years (%)	15 9 7 9	20 14 10 10	19 13 8 7
Biodiversity, water and circularity	EU Taxonomy reporting	Other world Permanent (%) <sup>1)</sup> Temporary (%) <sup>1)</sup> Full-time (%) <sup>2)</sup> Part-time (%) <sup>2)</sup>	51/49 67/33 53/47 25/75	51/49 65/35 54/46 20/80	51/49 62/38 55/45 20/80	By country-region Sweden (%) Estonia (%) Latvia (%) Lithuania (%) Other Nordic countries (%) Other world (%)	7.5 7.7 13.1 12.6 7.9 14.7	11.0 8.2 14.3 16.3 12.6 16.7	8.6 8.7 12.2 17.6 9.7 14.0
EU Taxonomy reporting	Supplementary sustainability information	Parental leave (Sweden) <sup>2)</sup>	2023	2022	2021	Information on non-employees <sup>8)</sup>	2023	2022	2021
Supplementary sustainability information	GRI index	Total (days) Men (%) Women (%)	76,808 33 67	80,600 37 63	82,400 33 67	Total (number) IT consultants Business consultants Other	778 507 119 152	504 236 69 199	
GRI index	Auditor's report								

## General sustainability disclosures

## Strategy

## Impact, risks and opportunities

## Sustainability governance

## Sustainability policy framework

## Stakeholder dialogues and collaboration

## Environmental disclosures

## Climate

## Biodiversity, water and circularity

## EU Taxonomy overview

## Social disclosures

## Governance disclosures

## EU Taxonomy reporting

## Supplementary sustainability information

## GRI index

## Auditor's report

## Own workforce continued

## Labour management

	2023	2022	2021
Percentage of total employees covered by collective bargaining agreements (%) <sup>9)</sup>	75	75	75

## Health and workplace

Absence	2023	2022	2021
Absentee rate, share of ordinary working hours Sweden (%) <sup>10)</sup>	3.00	3.36	3.2
Sick-leave rate, share of ordinary working hours Sweden (%)	2.74	2.99	2.7
Men (%)	1.72	1.88	1.7
Women (%)	3.84	4.18	3.8

Health and work environment	2023	2022	2021
Share of documented annual work environment reviews (%) <sup>11)</sup>	95	78	81
Share of employees represented in central work environment committees (%)	100	100	100
Share of employees represented in local work environment committees (%) <sup>12)</sup>	100	100	100

## Learning and engagement

Learning and development	2023	2022	2021
Average hours of training <sup>13)</sup>			
Per employee (Hours)	31	29	23
Men/Women (Hours)	27/35	25/32	20/24
All managers (Hours)	32	31	23
Money invested in learning and development per employee (SEK) <sup>13)</sup>	23,980	21,793	16,670
Employees participating in leadership/talent development programmes (Number) <sup>13,14)</sup>	1,765	1,669	1,493
By application Men/Women (number)	655/996	703/966	533/842
By nomination Men/Women (number)	61/53	44/45	61/56

Global Talent Review	2023	2022	2021
Total (Number) <sup>13,15)</sup>	2,525	2,009	1,942
Men (%)	52	54	57
Women (%)	48	46	43

Engagement <sup>16)</sup>	2023	2022	2021
Employee survey, Glint			
Employee participation rate in employee survey	91	91	90
How happy are you working at SEB	81	80	79
I would recommend SEB as a great place to work	82	79	79
SEB's commitment to sustainability is genuine	79	79	78
I have good opportunities to learn and grow at SEB	81	79	78
Regardless of background everyone at SEB has equal opportunity to succeed	78	76	75
People at SEB live the SEB Behaviours <sup>17)</sup>	76	75	75

## Compensation and benefits

	2023	2022	2021
Annual compensation ratio <sup>18)</sup>	28	25	22
Percentage increase ratio <sup>19)</sup>	5	3	7

1) Employees defined as number of people employed including both permanent and temporary employees. Not to be compared with employees in note 8e.

2) Employees defined as number of people employed excluding temporary employees.

3) Deputy directors and directors appointed by the employees are not included. See p. 63-65 for full overview of the Board.

4) Including deputy directors and directors appointed by the employees. See p. 63-65 for full overview of the Board.

5) Group Executive Committee as per 2023-12-31. 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.

9) Calculation based on FTE's.

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, Starting a new team – Get to know each other, Starting a new team – Start working together, Transformative Leadership. 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) New survey question 2023. Number for previous year(s) refers to the questions "People at SEB live the company values"

18) Total annual remuneration for SEB's highest paid individual compared to the average annual remuneration per FTE in Sweden excl. the highest paid individual. See p. 80 in the remuneration report.

19) The increase in total annual remuneration of SEB's highest paid individual compared to the increase of the average annual remuneration per FTE in Sweden, excl. the highest paid individual. See p. 80 in the remuneration report.

## General sustainability disclosures

## Strategy

## Impact, risks and opportunities

## Sustainability governance

## Sustainability policy framework

## Stakeholder dialogues and collaboration

## Environmental disclosures

## Climate

## Biodiversity, water and circularity

## EU Taxonomy overview

## Social disclosures

## Governance disclosures

## EU Taxonomy reporting

## Supplementary sustainability information

## GRI index

## Auditor's report

## Community engagement and sponsorship

Economic contributions to community engagement and sponsorship	2023	2022	2021
Total (SEKm)	60.2	48.2	42.4
By focus area <sup>1)</sup>			
Entrepreneurship (SEKm)	23.1	16.1	13.5
Inclusion & Diversity (SEKm)	11.0	8.9	7.3
Equality, incl. Financial literacy (SEKm)	9.7	8.5	10.3
Environment, incl. Climate change (SEKm)	5.8	5.6	3.5
Sports and culture (SEKm)	9.6	7.0	7.1
Other community investments (SEKm)	1.1	2.1	0.6
Number of people coached in entrepreneurship (Number) <sup>1,2)</sup>	69,974	55,677	44,666
Number of people trained in Inclusion & Diversity, and/or Equality (Number)	16,219	16,611	20,944
Number of people engaged in environmental activity (number) <sup>1,2)</sup>	25,398	39,620	21,345
By country			
Sweden (SEKm)	42.3	33.5	32.1
Estonia (SEKm)	4.5	3.0	2.9
Latvia (SEKm)	4.2	3.2	2.4
Lithuania (SEKm)	4.8	4.5	3.2
United Kingdom (SEKm)	0.3	0.3	0.2
Norway (SEKm)	2.9	2.6	0.6
Finland (SEKm)	0.9	0.6	0.9
Other sites (SEKm)	0.3	0.4	0.1
By type of engagement			
Employee volunteering (hours) <sup>2,3)</sup>	32,099	30,767	19,932

1) Variations over time relate to investments in new engagements and sponsorships, while others have been finalised.

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, 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 <sup>1)</sup>	2023	2022	2021
Number of greentech investments <sup>2)</sup>	8	6	4
Number of venture debt investments <sup>3)</sup>	8	4	4
Number of fintech investments <sup>4)</sup>	17	15	13
Number of ScaleCenter participants <sup>5)</sup>	12	10	4

Greenhouse concept <sup>6)</sup>	2023	2022	2021
SEB Talks - Entrepreneur, number of participants <sup>7)</sup>	0	1 502	900
Innovation forum, number of participants <sup>8)</sup>	247	677	
Partner events/Activation, number of participants <sup>9)</sup>	947	170	
Business programs, number of participants <sup>10)</sup>	20		32

1) Startup is defined as a company that has no previous organizational number or activity registered.

2) Innovative technologies and/or companies primarily dedicated to: a) reducing GHG (greenhouse gas) emissions, and/or b) enabling a sustainable economy within the Planetary Boundaries (as defined by Stockholm Resilience Centre).

3) Venture debt is debt investments in startup / scale-up companies in SEB's home markets.

4) The fintech investment mandate aims to invest in companies operating within the financial technology sector and other sectors closely linked to the financial industry.

5) SEB ScaleCenter is a pro bono incubator for sustainable growth companies in key Norwegian industries such as energy and oceans.

6) The Greenhouse concept offers a wide range of solutions designed to support enterprises in all stages of their development journey. It provides entities with financial and strategic guidance, along with access to expert assistance across various business aspects and exclusive partner offers.

7) SEB Talks - Entrepreneur, broadcasting events covering a wide range of topics from entrepreneurship to sustainability, were paused in 2023 and are expected to resume in 2024.

8) Innovation forum serves as a platform connecting newly launched innovation companies and potential investors within the extensive network of the bank. It is designed to provide an opportunity for the emerging businesses to engage with potential investors, fostering collaboration and supporting the growth of innovative ventures.

9) Partner events/Activation are networking events designed to bring together representatives from the banking sector and the business community, providing entrepreneurs with access to the know-how and expertise of the bank's trusted partners.

10) Business programs offer strategic tools tailored to support scale-up companies in achieving their growth objectives.

## General sustainability disclosures

### Strategy

[Impact, risks and opportunities](#)

[Sustainability governance](#)

[Sustainability policy framework](#)

[Stakeholder dialogues and collaboration](#)

### Environmental disclosures

[Climate](#)

[Biodiversity, water and circularity](#)

[EU Taxonomy overview](#)

### Social disclosures

[Governance disclosures](#)

[EU Taxonomy reporting](#)

[Supplementary sustainability information](#)

[GRI index](#)

[Auditor's report](#)

## Environment

General indicators	2023	2022	2021
Net internal area of offices covered (sq.m) <sup>1)</sup>	329,598	357,898	347,352

Energy	2023	2022	2021
Total energy consumption in buildings (MWh)	64,665	64,469	71,771
Electricity total (MWh)	42,697	43,494	42,904
Heating/cooling (MWh)	21,966	20,975	28,868
Change in total electricity consumption compared to previous year (MWh)	-797	590	-577
Data centres, share of electricity consumption (%)	35	33	34
Change in total electricity consumption compared to previous year (%)	-2	1	-1
Renewable electricity of total electricity consumption (%)	95	95	91
Total energy consumption (MWh/m <sup>2</sup> )	0.2	0.18	0.21
Total energy consumption (MWh/employee) <sup>2)</sup>	3.6	3.8	4.4

Emissions <sup>3)</sup>	2023	2022	2021
Total carbon emissions (tonnes CO <sub>2</sub> e) <sup>4,5)</sup>	13,251	11,610	9,608
Scope 1 (tonnes CO <sub>2</sub> e) <sup>6)</sup>	796	862	121
Scope 2 (tonnes CO <sub>2</sub> e) <sup>7)</sup>	777	1,072	3,467
Scope 3 excluding category 15 (tonnes CO <sub>2</sub> e) <sup>7)</sup>	11,678	9,676	6,020
Category 1: Purchased goods and services (tonnes CO <sub>2</sub> e)	678	790	882
Category 3: Fuel and energy-related activities (tonnes CO <sub>2</sub> e) <sup>7)</sup>	620	696	837
Category 5: Waste generated in operations (tonnes CO <sub>2</sub> e) <sup>8)</sup>	20	321	344
Category 6: Business travel air and rail (tonnes CO <sub>2</sub> e)	8,170	6,043	1,050
Category 8: Energy consumption in buildings (tonnes CO <sub>2</sub> e) <sup>7)</sup>	734	864	909
Total carbon emissions (tonnes CO <sub>2</sub> e employee <sup>2)</sup>	1,456	962	1,999
Scope 3 Category 15 (tonnes CO <sub>2</sub> e)	0.73	0.67	0.58
Whereof carbon emissions from financed emissions <sup>9)</sup>	N/A	28,400,000	
Whereof carbon emissions from facilitated emissions <sup>9)</sup>	N/A	1,700,000	

Effluents and waste	2023	2022	2021
Paper			
Total paper consumption (tonnes)	452	539	602
Environmentally labelled paper consumption (%)	342	79	80
Waste			
Waste generation (tonnes)	1,348	1,105	806
Waste reused or recycled (%)	60	63	57
Waste generation after reuse or recycling (tonnes/employee) <sup>2)</sup>	0.030	0.024	0.021
Water			
Total water consumption in buildings (m <sup>3</sup> )	103,119	93,553	89,307
Total water consumption (m <sup>3</sup> /employee) <sup>2)</sup>	5.78	5.52	5.46

Business travel and company car fleet	2023	2022	2021
Total business travel (million km)	33.8	25.8	6.6
Total business travel (km/employee) <sup>2)</sup>	1,893	1,520	405
Total air travel (million km)	30.7	22.9	5.7
Train travel Sweden (million km)	3.1	2.9	1.0
Environmentally certified company cars, share of company car fleet (%) <sup>7,10)</sup>	84	68	43

1) SEB's offices with few employees and having a non-material impact on the environment are excluded from the reporting in this table.

2) Reference to note 8e "Number of employees". The emission intensity is calculated on the sum of scope 1, scope 2 and scope 3 but excluding category 15.

3) SEB reports according to Greenhouse Gas Protocol, "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 leakage of refrigerants. During 2023, SEB also measured emissions for bus travel and water consumption. For the calculations well established emission factors are used with sources as IEA, IHL, 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 5375 tonnes CO<sub>2</sub>e instead of 777 tonnes CO<sub>2</sub>e.

4) 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. 204 in the sustainability report.

5) SEB has acquired emission rights to offset the 2022 emissions, the offset has not reduced the above calculated emissions. Below are the offsets for 2022:

Puro: 8000 tonnes CO<sub>2</sub>e

EU ETS – 2,394 tonnes CO<sub>2</sub>e

SAF-839 tonnes CO<sub>2</sub>e

The total offset amounts to 11,233 tonnes CO<sub>2</sub>e, covering, in the 2022 Annual report, reported emissions of 11,098 tonnes CO<sub>2</sub>e during 2022.

6) Historical values updated with CO<sub>2</sub> emissions from leakage of refrigerants.

7) The reported values for 2022 have been updated to reflect new information known past the reporting period.

8) The drop in CO<sub>2</sub>e emissions is explained by significant lower emission factors for disposal of waste during 2023 compared to 2022.

9) As calculation is depending on customer reported data, outcome is delayed one year.

10) Defined as cars that emit less than 50 g CO<sub>2</sub>e/km.

## General sustainability disclosures

### Strategy

#### Impact, risks and opportunities

#### Sustainability governance

#### Sustainability policy framework

#### Stakeholder dialogues and collaboration

#### Environmental disclosures

##### Climate

##### Biodiversity, water and circularity

##### EU Taxonomy overview

#### Social disclosures

#### Governance disclosures

#### EU Taxonomy reporting

#### Supplementary sustainability information

#### GRI index

#### Auditor's report

## *Environment continued*

Emission factors		
Category	Source of emission	Source of data
Energy from properties	Natural gas	"Överenskommelse i Värmemarknadskommitén 2021" Energiföretagen 2021
Energy from properties	Coal	"Överenskommelse i Värmemarknadskommitén 2021" Energiföretagen 2021
Energy from properties	Electricity Sweden	Scope 2: Energimarknadsinspektionen "Ursprungsmärkning av el" 2022. Scope 3: Energimarknadsinspektionen 2022 tillsammans med Vattenfall, Energiföretagen, Värmemarknadskommitén för energislag.
Energy from properties	Electricity Europe	Ukraine, Russia: IEA CO2 emissions from fuel combustion 2017 Luxembourg, Norway, Lithuania, Poland, Denmark, Latvia: AIB European Residual Mixes 2021 & 2018
Energy from properties	Electricity other countries	USA: IEA, 2019 Hong Kong, 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 "Miljövärdering av fjärrvärme" Energiföretagen, Värmemarknadskommitén 2022
Energy from properties	District heating and cooling Sweden	Association of Central heating providers 2022 April "European Residual Mixes", AIB
Energy from properties	District heating Lithuania	Study made by TalTech University, 2022
Energy from properties	District heating Latvia	"International review of district heating and cooling" Werner 2017
Business travel	District heating Estonia	"Beräkna miljöpåverkan" NTM "Emissionsfaktorer vägtrafik för 2020, 2030 och 2040", Trafikverket "Drivmedel 2020", Energimyndigheten 2021 "Drivmedel 2022", Energimyndigheten 2023
Business travel	District heating other countries	"Värmevärden och emissionsfaktorer", Naturvårdsverket "Conversion factors 2023", DEFRA "European Residual Mixes", AIB
Business travel	Train & flight	Genomsnitt stadsbuss och ledbuss, NTM 2019
Business travel	Cars	"Elbussar i Sverige 2017", Svensk kollektivtrafik
Purchase	Bus	"UK Government GHG Conversion Factors for Company Reporting 2021, DEFRA
Purchase	Water	IPCC – AR6 2022
Refrigerants	Refrigerants	Naturvårdsverket Köldmedieförteckning 2022
Waste	Recycle, reuse, combustion, landfill	DEFRA "UK Government Conversion Factors for greenhouse gas (GHG) reporting" Avfall Sverige 2019
Electricity	Household mortgage – Sweden	European Environmental Agency
District heating	Household mortgage – Sweden	Energiföretagen
Oil	Household mortgage – Sweden	Naturvårdsverket
Geothermal heating	Household mortgage – Sweden	IPCC / GHG protocol
Gas	Household mortgage – Sweden	Naturvårdsverket
Biofuel	Household mortgage – Sweden	IPCC / GHG protocol

## Methodology and coverage description for the SEB Group CO<sub>2</sub> emissions graph on p. 203

### Scope 1,2 and 3 category 1–14:

Calculations based on data from 2023.

**Methodology:** GHG protocol Corporate standard – Financial control approach.

**Coverage:** SEB Group emissions, only activity-based data reported for scope 3 category 1–14.

### Scope 3 category 15: Financed emissions

Calculations based on credit exposures as of 2022.

**Methodology:** Financed emissions are calculated by multiplying customer or property's emissions (Customer emissions) by a financing attribution factor (Attribution factor).

**Coverage:** 74 % of the total credit exposure (lending commitments in the credit portfolio).

### Scope 3 category 15: Facilitated emissions

Calculations based on credit exposures as of 2022.

**Methodology:** SEB's methodology is inspired by the Facilitated Emissions standard published by the Partnership for Carbon Accounting Financials in December 2023.

**Coverage:** 88% of Debt Capital Markets (DCM) issuances where SEB acts as bookrunner or manager.

## Procurement

Suppliers	2023	2022	2021
Number of suppliers	8,912	8,888	8,313
Total spent on procurement (SEKbn)	12.3	11.3	10.1
Total number of suppliers screened and rated by EcoVadis (since 2014)	250	247	232
Number of suppliers screened and rated by EcoVadis, current year	3	15	6

### Rating of suppliers screened by EcoVadis<sup>1)</sup>

	2023	2022	2021
Outstanding rating 85–100p (%)	1	1	0
Advanced rating 65–84p (%)	22	20	19
Confirmed rating 45–64p (%)	56	57	57
Partial rating 25–44p (%)	21	23	24
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 41 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.

[General sustainability disclosures](#)
[Strategy](#)
[Impact, risks and opportunities](#)
[Sustainability governance](#)
[Sustainability policy framework](#)
[Stakeholder dialogues and collaboration](#)
[Environmental disclosures](#)
[Climate](#)
[Biodiversity, water and circularity](#)
[EU Taxonomy overview](#)
[Social disclosures](#)
[Governance disclosures](#)
[EU Taxonomy reporting](#)
[Supplementary sustainability information](#)
[GRI index](#)
[Auditor's report](#)

## Country-by-country reporting – companies by country

### **Companies<sup>1)</sup> within SEB Group, by country<sup>2)</sup>**

<p><b>Sweden</b></p> <p><i>Aktiv Placerings AB Försäkrings AB Suecia IFA DBB AB IFA DBB Fastigheter AB Parkeringshuset Lasarettet HGB KB Repono Consulting AB Repono Holding AB SEB Asset Management AB SEB Asset Management 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 Strategic Investments AB Skandinaviska Enskilda Banken AB (publ) Suecia Insurance Management AB</i></p> <p><b>Norway</b></p> <p><i>Skandinaviska Enskilda Banken AB (publ), branch in Norway (P.E.) SEB Kort Bank AB, branch in Norway (P.E.) SEB Njord AS</i></p> <p><b>Denmark</b></p> <p><i>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.)</i></p> <p><b>Finland</b></p> <p><i>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.)</i></p> <p><b>Estonia</b></p> <p><i>AS SEB Pank AS SEB Liising AS SEB Varahaldus AS Rentacar SEB Life and Pension Baltic SE, branch in Estonia (P.E.)</i></p> <p><b>Latvia</b></p> <p><i>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</i></p>	<p><b>Lithuania</b></p> <p><i>Skandinaviska Enskilda Banken AB (publ), branch in Lithuania (P.E.) AB SEB Bankas SEB Life and Pension Baltic SE, branch in Lithuania (P.E.) UAB SEB investiciju valdymas</i></p> <p><b>Germany</b></p> <p><i>Skandinaviska Enskilda Banken AB (publ), branch in Germany (P.E.) DSK Deutsch - Skandinavische Verwaltungs GmbH SEB Immowert Beteiligungs GmbH SEB Stiftung GmbH</i></p> <p><b>United Kingdom</b></p> <p><i>Skandinaviska Enskilda Banken AB (publ), branch in the United Kingdom (P.E.) Skandinaviska Enskilda Limited Suecia Re &amp; Marine Insurance Co Limited</i></p> <p><b>USA</b></p> <p><i>Skandinaviska Enskilda Banken AB (publ), branch in the United States of America (P.E.) SEB Securities Inc. Suecia Holding Corporation Suecia Insurance Company</i></p> <p><b>Ireland</b></p> <p><i>SEB Life International Assurance Company Designated Activity Company</i></p> <p><b>Luxembourg</b></p> <p><i>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.</i></p> <p><b>China</b></p> <p><i>Skandinaviska Enskilda Banken AB (publ), branch in China (P.E.)</i></p> <p><b>Singapore</b></p> <p><i>Skandinaviska Enskilda Banken AB (publ), branch in Singapore (P.E.)</i></p> <p><b>Russia</b></p> <p><i>SEB Bank JSC</i></p> <p><b>Poland</b></p> <p><i>Skandinaviska Enskilda Banken AB (publ), branch in Poland (P.E.) SEB Commercial Finance sp. z o.o.</i></p> <p><b>Hong Kong</b></p> <p><i>Skandinaviska Enskilda Banken AB (publ), branch in Hong Kong (P.E.)</i></p> <p><b>Ukraine</b></p> <p><i>JSC SEB Corporate Bank</i></p> <p><b>Brazil</b></p> <p><i>SEB do Brasil Representações</i></p> <p><b>Canada</b></p> <p><i>Suecia Reinsurance Company</i></p>
---	---

1) Company refers to company, branch office or any other entity type being a tax subject in a tax jurisdiction.

2) Country refers to the tax jurisdiction where the entities are resident for tax purposes.

## General sustainability disclosures

### Strategy

### Impact, risks and opportunities

### Sustainability governance

### Sustainability policy framework

### Stakeholder dialogues and collaboration

### Environmental disclosures

#### Climate

#### Biodiversity, water and circularity

#### EU Taxonomy overview

### Social disclosures

#### Governance disclosures

#### EU Taxonomy reporting

#### Supplementary sustainability information

#### GRI index

#### Auditor's report

## Country-by-country reporting – company income tax by country

### Company income tax, by country

Country <sup>1)</sup>	Number of employees	Tangible assets <sup>2)</sup>	Gross income, third party <sup>3)</sup>	Gross income, group <sup>4)</sup>	Operating profit <sup>5)</sup>	Calculated company income tax <sup>6)</sup>	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, paid <sup>8)</sup>	Company income tax, paid <sup>8)</sup>
Sweden	9,208	633	114,206	6,181	26,152	-4,346	831	-295	-3,810	-4,775
Norway	383	39	6,094	7,520	2,811	-694	-194	-	-888	-427
Denmark	316	6	5,166	5,290	2,677	-644	-13	-3	-660	-683
Finland	290	21	8,651	2,673	2,418	-518	21	84	-413	-374
Estonia	1,183	108	5,438	146	3,099	-405	-131	11	-548	-382
Latvia	2,147	154	3,408	360	2,137	-364	-1	-15	-380	-5
Lithuania	3,202	159	6,749	1,499	4,358	-890	30	-73	-932	-536
Germany	227	3	4,776	2,829	1,592	-924	144	-	-779	-634
United Kingdom	106	39	904	4,336	799	-222	7	-	-215	-223
United States <sup>9)</sup>	33	19	15,638	6,198	495	-161	99	-	-62	-46
Ireland	103	13	485	84	182	-24	1	-	-23	-23
Luxembourg	141	8	1049	1,916	619	-151	17	-	-134	-199
China	42	8	355	10	-3	-30	21	-	-9	-1
Singapore	91	3	868	434	232	-42	-2	-	-44	-46
Russia	60	16	325	4	131	-47	-	-1	-48	-59
Poland	251	37	141	373	179	-34	-1	-	-35	-35
Hong Kong	17	10	114	100	2	-2	-	-	-2	-8
Ukraine	51	258	13	96	-	-53	-	-	-53	-18
Brazil										
Canada										
Group eliminations			-272	-39,967	-11					
<b>TOTAL</b>	<b>17,851</b>	<b>1,278</b>	<b>174,354</b>	<b>0</b>	<b>47,964</b>	<b>-9,553</b>	<b>831</b>	<b>-314</b>	<b>-9,036</b>	<b>-8,473</b>

The primary activities in the group entities, regardless of country, are finance and insurance activities.

The above information covers the reporting period 2023. 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 is 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 feed back into a process of continuous improvement.

SEB's risk management processes include a New Product Approval Process focused 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 facil-

itate 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 the 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.

General sustainability disclosures
Strategy
Impact, risks and opportunities
Sustainability governance
Sustainability policy framework
Stakeholder dialogues and collaboration
Environmental disclosures
Climate
Biodiversity, water and circularity
EU Taxonomy overview
Social disclosures
Governance disclosures
EU Taxonomy reporting
Supplementary sustainability information
GRI index
Auditor's report

# Global Reporting Initiative

## Management of material topics GRI 2023

The materiality assessment is based on analysis previously completed by SEB following the Global Reporting Initiative Standard. Focus has been on updating the previous information and no new areas of materiality has been included compared to earlier years. The analysis covers SEB's actual and potential impact on the economy, environment, and society. The work is ongoing to prepare for the requirements in the Corporate Sustainability Reporting Directive (CSRD) that will be reported in 2024 and replace GRI. During 2023 the work with a double materiality assessment (DMA) was initiated to align with the upcoming requirements.

### Financial strength and resilience

		Reference
Impact <sup>1)</sup>	As a bank, SEB has a vital 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 responsible financial advice. In that mission, it is crucial that we continuously earn the trust from and build relationships with our customers, shareholders, employees and 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. 3, 9–10, 12–13, 59, 227
Actions taken to manage the material topic	To maintain the important societal function as a bank, it is of outmost importance for SEB that customers, shareholders, employees and other stakeholders have great confidence and trust in the bank's operations. We follow rules and regulations and handle our risks keeping the long-term perspective.	p. 3, 9–10, 12–13, 51–59, 227
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. 59–65, 194–196
Tracking the effectiveness of the actions taken <sup>2)</sup>	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, 17–18, 60–64
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. 59–61, 197, 233

### Sustainable financing

		Reference
Impact <sup>1)</sup>	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 society. 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. 9–10, 12, 14, 56, 190, 227
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. 9–10, 56, 190–193, 212
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. 14–15, 194–196
Tracking the effectiveness of the actions taken <sup>2)</sup>	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, 14–15, 18, 190–193, 227
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. 9–10, 14–15, 190, 197

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.

## General sustainability disclosures

- Strategy
- Impact, risks and opportunities
- Sustainability governance
- Sustainability policy framework
- Stakeholder dialogues and collaboration
  
- Environmental disclosures
- Climate
- Biodiversity, water and circularity
- EU Taxonomy overview
  
- Social disclosures
  
- Governance disclosures
  
- EU Taxonomy reporting
  
- Supplementary sustainability information
  
- GRI index
  
- Auditor's report

## Sustainable savings and investments

		Reference
Impact <sup>1)</sup>	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. SEB Investment Management AB 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. 9–10, 14–15, 190, 198, 201–202
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 Investment Management AB takes a strict approach to fossil fuels and all funds exclude companies that extract or process fuels.	p. 190–194, 201–202
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. SEB Investment Management AB does not apply to this one but have a policy of their own.	p. 195–196
Tracking the effectiveness of the actions taken <sup>2)</sup>	SEB Investment Management AB 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 in line with EU's Sustainable Finance Disclosure Regulation SFDR and the capital invested by SEB Greentech Venture Capital.	p. 14–15, 190–194, 201–202, 228
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. 14, 190, 197, 201–202

## Risk management

		Reference
Impact <sup>1)</sup>	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 such as fraud and threat from hybrid warfare.	p. 12–13, 51, 56
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 principles and instructions when the bank accepting new and existing customers. During 2023 it has been enhanced with regards to compliance with the Sustainability Policy and Corporate Sustainability Governance instruction. Environmental, social and governance risk factors are measured and integrated into the strategic decisions.	p. 51–56, 192–193
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. 51–52, 59, 192–193
Tracking the effectiveness of the actions taken <sup>2)</sup>	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. 51–52, 201–202
Stakeholder involvement	As the need of understanding the risks 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. 197–202, 205

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.

## General sustainability disclosures

- [Strategy](#)
- [Impact, risks and opportunities](#)
- [Sustainability governance](#)
- [Sustainability policy framework](#)
- [Stakeholder dialogues and collaboration](#)
- [Environmental disclosures](#)
- [Climate](#)
- [Biodiversity, water and circularity](#)
- [EU Taxonomy overview](#)
- [Social disclosures](#)
- [Governance disclosures](#)
- [EU Taxonomy reporting](#)
- [Supplementary sustainability information](#)
- [GRI index](#)
- [Auditor's report](#)

## Crime prevention

		Reference
Impact <sup>1)</sup>	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 effect customers and society.	p. 13, 31, 55, 212
Actions taken to manage the material topic	SEB works continuously to strengthen and develop more advanced 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 and increase knowledge around financial crime. The customer onboarding process is also key to prevent fraud, and a review of this process will be conducted in 2024 to further strengthen fraud controls. 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. 13, 31, 55, 212
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. 55, 59, 197, 212, 213
Tracking the effectiveness of the actions taken <sup>2)</sup>	SEB has well established processes and advanced capabilities to report suspicious activities and raise concerns. All employees build competence and awareness through mandatory training and a strong risk culture is embedded in the organisation.	p. 55, 212–213, 229–230
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 on-boarding 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. 13, 31, 59, 212–213, 229–230

## Own workforce

		Reference
Impact <sup>1)</sup>	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. 3, 10, 15, 208–211
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. 3, 10, 15, 208–211
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. 15, 59, 196, 208–211
Tracking the effectiveness of the actions taken <sup>2)</sup>	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. 31, 208–211, 231–233
Stakeholder involvement	SEB's 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. 208–211

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.

## General sustainability disclosures

- [Strategy](#)
- [Impact, risks and opportunities](#)
- [Sustainability governance](#)
- [Sustainability policy framework](#)
- [Stakeholder dialogues and collaboration](#)
- [Environmental disclosures](#)
- [Climate](#)
- [Biodiversity, water and circularity](#)
- [EU Taxonomy overview](#)
- [Social disclosures](#)
- [Governance disclosures](#)
- [EU Taxonomy reporting](#)
- [Supplementary sustainability information](#)
- [GRI index](#)
- [Auditor's report](#)

## Innovation and entrepreneurship

		Reference
<b>Impact<sup>1)</sup></b>	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 2023 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. 9–10, 12–15, 190, 193–194
<b>Actions taken to manage the material topic</b>	During the year, we have continued to benefit from the capabilities developed by our SEBx innovation studio. Last year SEB was the first bank in the Nordic countries to launch a commercial offering based on the concept of Banking-as-a-Service. The demand for such services continues and this year SEB established the new business unit, SEB Embedded, to take the concept further, developing and delivering digital banking products and services using the Banking-as-a-Service. SEB organises an Entrepreneur Camp to encourage young people to start their own business and SEB's entrepreneurial prize The Next Awards aims to support people who can create lasting change and contribute to a better world.	p. 10, 13, 20, 211
<b>Policies or commitments</b>	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. 10, 12–13
<b>Tracking the effectiveness of the actions taken<sup>2)</sup></b>	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. 193–194, 202, 234
<b>Stakeholder involvement</b>	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. 11, 12–14, 197, 211

## Environment

		Reference
<b>Impact<sup>1)</sup></b>	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. 10, 14, 198–206
<b>Actions taken to manage the material topic</b>	Combating 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 2008 we measure emissions from energy consumption, paper, company cars and business travel and 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 <sub>2</sub> emissions that we finance. By collaboration with suppliers we aim to minimise our carbon footprint in the supply chain.	p. 10, 12–15, 198–206
<b>Policies or commitments</b>	SEB has an updated 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. We also support and have signed a broad range of international agreements and commitments that guides us in our work.	p. 190–192, 196, 198, 200–205
<b>Tracking the effectiveness of the actions taken<sup>2)</sup></b>	In 2023, we intensified the integration of the Sustainability Strategy across the organisation. SEB's strategy is aligned with the Paris Agreement and we have set sector targets striving to reach net zero credit portfolio by 2050 at the latest. As from this year we include a target for heavy manufacturing. 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. 5, 15, 18, 190–191, 202–205, 235–236
<b>Stakeholder involvement</b>	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. 9–10, 14, 190, 197

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.

**General sustainability disclosures**

- [Strategy](#)
- [Impact, risks and opportunities](#)
- [Sustainability governance](#)
- [Sustainability policy framework](#)
- [Stakeholder dialogues and collaboration](#)
- Environmental disclosures**
  - [Climate](#)
  - [Biodiversity, water and circularity](#)
  - [EU Taxonomy overview](#)
- Social disclosures**
- Governance disclosures**
- [EU Taxonomy reporting](#)
- [Supplementary sustainability information](#)
- [GRI index](#)
- [Auditor's report](#)

<b>Procurement</b>		<b>Reference</b>
<b>Impact<sup>1)</sup></b>	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. 213
<b>Actions taken to manage the material topic</b>	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 allows for an aggregated view of the supplier base.	p.213
<b>Policies or commitments</b>	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. 212–213
<b>Tracking the effectiveness of the actions taken<sup>2)</sup></b>	Suppliers are subject to annual follow-up processes 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. 213, 236
<b>Stakeholder involvement</b>	Through ongoing dialogue and collaboration with suppliers we aim to minimise any negative impact on people and environment.	p. 203, 236

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.

## General sustainability disclosures

### Strategy

Impact, risks and opportunities

Sustainability governance

Sustainability policy framework

Stakeholder dialogues and collaboration

## Environmental disclosures

Climate

Biodiversity, water and circularity

EU Taxonomy overview

## Social disclosures

### Governance disclosures

EU Taxonomy reporting

Supplementary sustainability information

### GRI index

### Auditor's report

## GRI Index

SEB Group's Sustainability Report 2023 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 2023 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 2023 if not otherwise stated. SEB has published a sustainability report since 2007. The previous report was published in March 2023. No significant changes have been made regarding boundaries. Contact: Chief Sustainability Officer, Hans Beyer, tel: +46 771 62 10 00, sebgroup.com.

GRI standard/other source	Disclosure	Reference location	Comments	Omission		
				Requirement(s) omitted	Reason	Explanation
<b>General disclosures</b>						
GRI 2: General Disclosures 2021	2-1 Organisational details	Back cover, 60–62, 237	Skandinaviska Enskilda Banken AB (publ)			
	2-2 Entities included in the organisation's sustainability reporting	237				
	2-3 Reporting period, frequency and contact point	Back cover, 225				
	2-4 Restatements of information		Will be presented in connection to the actual restated information.			
	2-5 External assurance	225, 249				
	2-6 Activities, value chain and other business relationships	4, 9–16, 19–27, 197, 213				
	2-7 Employees	231–233				
	2-8 Workers who are not employees	232				
	2-9 Governance structure and composition	59–75				
	2-10 Nomination and selection of the highest governance body	61				
	2-11 Chair of the highest governance body	62				
	2-12 Role of the highest governance body in overseeing the management of impacts	62				
	2-13 Delegation of responsibility for managing impacts	56, 190, 192–195, 198–199				
	2-14 Role of the highest governance body in sustainability reporting	194–195				
	2-15 Conflicts of interest	62				
	2-16 Communication of critical concerns	212–213, 229				
	2-17 Collective knowledge of the highest governance body	70, 194–195, 229	SEB have the SEB External Sustainability Advisory Board to directly support the CEO			
	2-18 Evaluation of the performance of the highest governance body	60–61, 65				

## General sustainability disclosures

Strategy

Impact, risks and opportunities

Sustainability governance

Sustainability policy framework

Stakeholder dialogues and collaboration

## Environmental disclosures

Climate

Biodiversity, water and circularity

EU Taxonomy overview

## Social disclosures

## Governance disclosures

## EU Taxonomy reporting

## Supplementary sustainability information

## GRI index

## Auditor's report

GRI standard/other source	Disclosure	Reference location	Comments	Omission		
				Requirement(s) omitted	Reason	Explanation
	2-19 Remuneration policies	76, 195				
	2-20 Process to determine remuneration	66, 69, 76–80				
	2-21 Annual total compensation ratio	233	Preparation for the ESRS implementation is on-going			
	2-22 Statement on sustainable development strategy	14–15, 190–191, 202				
	2-23 Policy commitments	59, 196				
	2-24 Embedding policy commitments	59, 196, 229				
	2-25 Processes to remediate negative impacts	14–15, 190, 192, 196				
	2-26 Mechanisms for seeking advice and raising concerns	212				
	2-27 Compliance with laws and regulations	229				
	2-28 Membership associations	197				
	2-29 Approach to stakeholder engagement	197				
	2-30 Collective bargaining agreements	209, 233				

Material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	192, 197	
	3-2 List of material topics	192, 239–243	
Economic performance			
GRI 3: Material Topics 2021	3-3 Management of material topics	5, 12–15, 227, 239	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	5, 10, 227	
	201-2 Financial implications and other risks and opportunities due to climate change	9–10, 190–195, 198–205	
Anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics	212, 241	
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	229–230	

## General sustainability disclosures

Strategy

Impact, risks and opportunities

Sustainability governance

Sustainability policy framework

Stakeholder dialogues and collaboration

## Environmental disclosures

Climate

Biodiversity, water and circularity

EU Taxonomy overview

## Social disclosures

## Governance disclosures

## EU Taxonomy reporting

## Supplementary sustainability information

## GRI index

## Auditor's report

GRI standard/other source	Disclosure	Reference location	Comments	Omission		
				Requirement(s) omitted	Reason	Explanation
<b>Tax</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	95, 213, 238				
GRI 207: Tax 2019	207-1 Approach to tax	213, 238				
	207-2 Tax governance, control, and risk management	213, 238				
	207-3 Stakeholder engagement and management of concerns related to tax	213, 238				
	207-4 Country-by-country reporting	237–238				
<b>Energy</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	198–205, 242				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	235–236				
<b>Emissions</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	198–205, 242				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	235				
	305-2 Energy indirect (Scope 2) GHG emissions	235				
	305-3 Other indirect (Scope 3) GHG emissions	19, 205, 235				
	305-4 GHG emissions intensity	235				
	305-5 Reduction of GHG emissions	235				
<b>Waste</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	198–205, 242				
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	235		b-c	Information unavailable/incomplete	Data consolidation to be initiated during the year.
<b>Employment</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	3, 208–211				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	232				
	401-3 Parental leave	232		c-d-e	Information unavailable/incomplete	Data consolidation to be initiated during the year.

## General sustainability disclosures

Strategy

Impact, risks and opportunities

Sustainability governance

Sustainability policy framework

Stakeholder dialogues and collaboration

## Environmental disclosures

Climate

Biodiversity, water and circularity

EU Taxonomy overview

## Social disclosures

## Governance disclosures

## EU Taxonomy reporting

## Supplementary sustainability information

## GRI index

## Auditor's report

GRI standard/other source	Disclosure	Reference location	Comments	Omission	
				Requirement(s) omitted	Reason
<b>Labor/management relations</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	15, 209			
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	233			
<b>Occupational health and safety</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	208–209			
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	233			
<b>Training and education</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	208–209			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	233			
<b>Diversity and equal opportunity</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	208–209			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	231–232			
<b>Supplier social assessment</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	213			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	236			
<b>Public policy</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	59			
GRI 415: Public Policy 2016	415-1 Political contributions	59, 212	p. 7 in Code of Conduct		
<b>Customer privacy</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	211			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	229			

[General sustainability disclosures](#)
[Strategy](#)
[Impact, risks and opportunities](#)
[Sustainability governance](#)
[Sustainability policy framework](#)
[Stakeholder dialogues and collaboration](#)
[Environmental disclosures](#)
[Climate](#)
[Biodiversity, water and circularity](#)
[EU Taxonomy overview](#)
[Social disclosures](#)
[Governance disclosures](#)
[EU Taxonomy reporting](#)
[Supplementary sustainability information](#)
[GRI index](#)
[Auditor's report](#)

GRI standard/other source	Disclosure	Reference location	Comments	Omission				
				Requirement(s) omitted	Reason	Explanation		
<b>SEB's own disclosures</b>								
<b>(Sustainable) Financing</b>								
GRI 3: Material Topics 2021	3-3 Management of material topics	190–191, 193–194, 196						
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)	227						
<b>(Sustainable) Investment</b>								
GRI 3: Material Topics 2021	3-3 Management of material topics	190, 193–196						
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	228						
GF-FS11	Active ownership: Percentage of assets subject to positive and negative environmental or social screening	228						
SEB's own disclosure 1	Percentage of SEB funds company's investment product offering that have sustainability as its objective, or promotes sustainable characteristics	228						
<b>Innovation and entrepreneurship</b>								
GRI 3: Material Topics 2021	3-3 Management of material topics	10, 14, 211						
SEB's own disclosure 2	Contribution to entrepreneurial and innovation partnerships	234						

## Principles for Responsible Banking

SEB has published its fourth 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 2023.

See [sebgroup.com/investor-relations/reports-and-presentations](http://sebgroup.com/investor-relations/reports-and-presentations)

[General sustainability disclosures](#)
[Strategy](#)
[Impact, risks and opportunities](#)
[Sustainability governance](#)
[Sustainability policy framework](#)
[Stakeholder dialogues and collaboration](#)
[Environmental disclosures](#)
[Climate](#)
[Biodiversity, water and circularity](#)
[EU Taxonomy overview](#)
[Social disclosures](#)
[Governance disclosures](#)
[EU Taxonomy reporting](#)
[Supplementary sustainability information](#)
[GRI index](#)
[Auditor's report](#)

# 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 2023. Skandinaviska Enskilda Banken AB has defined the scope of the Sustainability Report to the pages 189–248 in this document and the Statutory Sustainability Report to the pages 189–225.

## 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 244 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 International Standard on

Quality Management 1, which requires that we design, implement and operate a system of quality management including policies or 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, 23 February 2024  
 Ernst & Young AB

Hamish Mabon  
*Authorized Public Accountant*

Marianne Förander  
*Expert Member of FAR*

## Other information

[Definitions and abbreviations](#)

[Financial information and publications](#)

[Calendar](#)

[Dividend](#)

[Annual General Meeting](#)

# Definitions

## INCLUDING ALTERNATIVE PERFORMANCE MEASURES<sup>1)</sup>

### 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<sup>2)</sup> 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<sup>2)</sup> shareholders' equity.

### Return on business equity

Operating profit by division, reduced by a standard tax rate, in relation to the divisions' average<sup>2)</sup> business equity (allocated capital).

### Return on total assets

Net profit attributable to shareholders, in relation to average<sup>2)</sup> total assets.

### Return on risk exposure amount

Net profit attributable to shareholders in relation to average<sup>2)</sup> 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<sup>3)</sup> number of shares outstanding before dilution.

### Diluted earnings per share

Net profit attributable to shareholders in relation to the weighted average<sup>3)</sup> 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):

### 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.

## ACCORDING TO THE EU DIRECTIVE NO 879/2019 (BRRD II):

### 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.

[Other information](#)
[Definitions and abbreviations](#)
[Financial information and publications](#)
[Calendar](#)
[Dividend](#)
[Annual General Meeting](#)

## Financial information and publications


**Annual and Sustainability Report**

Information on SEB's business, financial performance and position, as well as the sustainability work.


**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.

**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.

**SEB corporate website**

Financial information, publications and other information regarding SEB are available at → [sebgroup.com](#)

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 2023](#)

27 February 2024

[Annual General Meeting](#)

19 March 2024

[Quarterly report January–March 2024](#)

24 April 2024

[Quarterly report April–June 2024](#)

16 July 2024

[Quarterly report July–September 2024](#)

24 October 2024

## Dividend

The Board proposes an ordinary dividend of SEK 8.50 per share and a special dividend of SEK 3.00 per share for 2023. 21 March 2024 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 20 March 2024 and dividend payments are expected to be distributed by Euroclear Sweden AB on 26 March 2024.

## Annual General Meeting

The Annual General Meeting will be held on 19 March 2024 at 1 pm (CET) at Stockholm Concert Hall, Hötorgsgatan, 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 11 March 2024,
- *and* no later than 13 March 2024 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, SE-101 23 Stockholm or by e-mail to:

[GeneralMeetingService@euroclear.com](mailto:GeneralMeetingService@euroclear.com). The completed form must be received by SEB, c/o Euroclear, no later than 13 March 2024.

Euroclear Sweden, Box 191, SE-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 11 March 2024,
- *and* no later than 13 March 2024 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, SE-101 23 Stockholm or by e-mail to:

[GeneralMeetingService@euroclear.com](mailto:GeneralMeetingService@euroclear.com). The completed form must be received by SEB, c/o Euroclear, no later than 13 March 2024.

Customers and people named in this report have consented to and approved their participation.

Production: SEB and Narva • Printing: Elanders Sverige AB, 2024  
Photo: Superstudio, Joel Sherwood, Robert Elmengård and others.

## Head office

Postal address: SEB, SE-106 40 Stockholm, Sweden  
Visiting address: Kungsträdgårdsgatan 8, Stockholm, Sweden  
Telephone: +46 771 62 10 00  
Web: sebgroup.com

## Contacts

**Masih Yazdi**  
*Chief Financial Officer*  
Telephone: +46 771 62 10 00  
E-mail: masih.yazdi@seb.se

**Ulrika Areskog Lilja**  
*Head of Group Brand, Marketing and Communication*  
Telephone: +46 771 62 10 00  
E-mail: ulrika.areskoglilja@seb.se

**Pawel Wyszynski**  
*Head of Investor Relations*  
Telephone: +46 70 462 21 11  
E-mail: pawel.wyszynski@seb.se

**Niklas Magnusson**  
*Head of Media Relations & External Communication*  
Telephone: +46 70 763 82 43  
E-mail: niklas.x.magnusson@seb.se

**Malin Schenkenberg**  
*Financial Information Officer*  
Telephone: +46 70 763 95 31  
E-mail: malin.schenkenberg@seb.se